



# **uMHLATHUZE MUNICIPALITY**

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## **2009/2010 IDP REVIEW**

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## SECTION A: EXECUTIVE SUMMARY

UMhlathuze Local Municipality presents its second IDP review for the edition period 2007-2011 to give object to the Vision, *"The City of uMhlathuze metropolitan area, as a port city, will offer improved quality of life for all its citizens through sustainable development"*, adopted for the City. The Council transformation process has brought a major change in the Municipality structure. This will see the need to align the strategic intent with the organisation's internal structures causing direct relationship between the city's emerging cluster-based, output-driven organogram and the Integrated Development Plan (IDP).

The Municipal Systems Act, 32 of 2000 (MSA) requires a municipality to annually review and adopt its IDP according to its performance measures and changing circumstances and amend its IDP in accordance with the prescribed process, in a westerly direction.

The **Annual Budget** and the IDP are inextricably linked to one another, something 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 (MFMA).

### SITUATIONAL ANALYSIS

#### Key features of our area

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, some 180kms north-east of Durban. The N2 highway traverses uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni

and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

UMhlathuze functions as a district node and dominant commercial centre in the uThungulu District. It consists of a variety of clustered and ad hoc settlements that are linked with a well-developed network of roads and rail infrastructure. The key feature of uMhlathuze Municipality is the N2 Development Corridor (eThekweni-Ilembe-uMhlathuze Corridor). The close proximity of the Dube Trade Port is also an added advantage to the area in terms of investment attraction.

The total area within uMhlathuze is 796 square kilometers making it only 9.7% of the uThungulu District. UMhlathuze municipality contains 32% of the district's population and has the majority of economic activity (88%) vested in Richards Bay, Empangeni and Felixton. The area is bordered by: KwaMbonambi Local Municipality to the north-east; uMlalazi Local Municipality to the south-west; Ntambanana to the north-west; and the Indian Ocean to the east.

The study area includes four Tribal Authority Areas, which cover approximately 27,953 hectares (or 35%) of the uMhlathuze Municipal area. These are:

- o Dube
- o Kwakhoza
- o Mkhwanazi North and South; and
- o Zungu-Madlebe

### Our People

A (2006) study shows that the city of uMhlathuze had an estimated **70 031 households** and a total population of about 333 860 in 2006. This makes the average household size **4.8 persons per household**. More than 40% of the residents in the municipal area reside in the non-urban (rural and tribal authority) areas outside Empangeni

and Richards Bay, which is indicative of a densely populated rural area. More people reside in Richards Bay than Empangeni. 77% of the total dwellings are formal type, with 15% being traditional type, and 8% informal type.

UMhlathuze has a racially and culturally diverse community. The Black African community makes up the largest sector 87% of the community followed by the White community (8%). The Indian and Coloured community makes up 3% and 1% respectively.

The population gender split shows that 51.6% of the population is female and 48.4% of the population is male. The age breakdown clearly indicates that there is a young population in uMhlathuze Municipality. The majority of the population is falling within the category of 0-34 years. There is approximately 73.7% of the population that are under the age group of 0-34 years.

HIV/AIDS poses an enormous developmental challenge for KwaZulu-Natal. KwaZulu-Natal has both the largest number of people living with HIV/AIDS of the nine provinces and the highest HIV/AIDS prevalence rate.

Statistics SA, 2001 shows that the percentage of the population that was older than 20 with higher education was 10.8%. The above could be attributed to immigration of skilled workers into the area. The percentage of people with a level of education less than Grade 12 was very high at 63.9%.

Education is a national and provincial competency but uMhlathuze municipality has a responsibility to ensure that suitable infrastructure services are provided to the schools and clinics as it is realised that they lie at the heart of economic development. The municipality has liaised with the department ensuring that all community grievances with regards to their educational well-being is taken into consideration.

The global economic crisis is slowing taking its toll with some of the economic sectors feeling the effects. Apart from being the dominant economic sector in the uThungulu District and being centered in the City of uMhlathuze, only 24% of people employed work in the manufacturing sector.

The main economic attractions of the area are the Richards Bay Industrial Development Zones (IDZ), comparative advantages that uMhlathuze offers for industrial expansion, local economic development focus areas and tourism.

The Provincial Spatial Economic Development Strategy has a number of very important statements relevant to the City of uMhlathuze. Richards Bay per se is given an anchor industrial potential classification. Potential in the uMhlathuze area includes beach related, cultural and eco-tourism. A number of corridors traverse the municipal area, i.e. the eThekweni - uMhlathuze multi-sectoral corridor as well as the uMhlathuze - Ulundi Vryheid Agricultural Activity Corridor.

The majority of economic activity (88,6%) in the uThungulu District Municipality is vested in Richards Bay, Empangeni and Felixton. Between 1986 and 1995 the average annual economic growth rate for the uThungulu Region was 3,8% as opposed to the provincial average of 1,45% and the national average of 1,19%.

The large-scale industrial strengths of the uMhlathuze urban core comprise a varied industrial base of coal terminals and aluminum smelters, coupled with an impressive number of industries including mining companies and paper mills, forestry, production of materials handling equipment, as well as fertilizer and special chemicals production. The City of uMhlathuze is rich in mineral resources, including ilmenite, rutile, zircon and pig iron. The mining of these minerals meets all of South Africa's demand for titanium dioxide and zircon and almost all of the country's pig iron requirements. Richards Bay Minerals produces 1,8 million tonnes of



products a year of which 95% is exported, yielding a world market share of about 25%.

Eight Industrial Development Zones (IDZs) have been identified in South Africa, of which one is located in Richards Bay. The rationale of IDZs is to encourage international competitiveness in the manufacturing sector. Ways of achieving this relate to the provision of appropriate infrastructure as well as tax and duty-free incentives. Such IDZ zones have to be linked to an international port or airport. It is important that, apart from the manufacturing focus of an IDZ, downstream value-adding opportunities should also be explored. In many instances such beneficiation activities are labour intensive and of comparatively high economic value.

#### **Competitive Advantage of the area**

- Located approximately 180 km north east of Durban and 465 km's south of Maputo in Mozambique on the eastern coastline, the City of uMhlathuze is the closest harbour to South Africa's industrial and commercial hinterland.
- Apart from such domestic markets, easy access is provided to international markets in Europe, the Americas and the East.
- There is easy availability of raw materials and extensive natural resources that include precious heavy minerals, timber and sugar all these factors make it a natural location for export-orientated industries.
- The economic heartbeat of northern KwaZulu-Natal, Richards Bay is a well laid-out town with a bustling central business district with very modern facilities, while Empangeni boasts strong agricultural and commercial sectors.
- Richards Bay is a relatively young port, having opened in 1976, but is presently one of South Africa's leading port in terms of cargo. This represents approximately 55% of South Africa's sea borne cargo in trade in tonnage terms, and is well served by a modern rail network linking it to South

Africa's major industrial and commercial centres in Gauteng and in Durban, KwaZulu- Natal.

- Richards Bay and Empangeni are situated close to a modern dual N2 toll route linking the city to Durban and Gauteng.

UMhlathuze generally has a good climate and is well endowed with natural resources whose comparative advantages are:

- a good climate that opens up avenues for productive agricultural and tourism development;
- agriculture with irrigation infrastructure in place and
- a scenic environment and the coastal terrain thus creating more opportunities for tourism development

The rapid development in the City of uMhlathuze has had and is anticipated to have major impacts on the environment and importantly the water resources of the area.

The area falls within an idyllic subtropical, maritime climate, which prevails throughout the year at the coast, seldom lower than 12 degrees or 14 degrees in winter and reaching 32 degrees to 35 degrees in summer months. Summers are hot and humid, and experience majority of annual rainfall, while winters are warm and dry with occasional frost in the interior. Average daily temperature is 28 degrees in summer and 22 degrees in winter. Prevailing winds are north easterly and south westerly. The long term average annual rainfall for the Richards Bay area is about 1 200mm decreasing to about 1 000mm inland towards Empangeni with most of the rainfall occurring between January and May

The municipality falls within a summer rainfall area with high rainfall in most areas. Some valleys in the upper lying areas of the Mhlathuze River have low rainfall and are unsuitable for dryland cropping.

Here are some of the comments provided in respect of capacity, proposed additions etc. with regards to water infrastructure:

- The southern portions of the Municipality, including Port Durnford, Esikhaweni, as well as Vulindlela are supplied by the Forest Reservoirs near Esikhaweni. A third reservoir is proposed bringing the combined capacity to 60MI. The reservoirs are supplied from the Cubu WTW that has a capacity of 27 MI/day. Plans are underway to increase the capacity of the Cubu WTW with an additional 9MI/day. Supply to the Forest Reservoirs can be augmented during periods of drought from a weir in the uMhlathuze River.
- At present, there are sewerage treatment plants at south of Esikhaleni and Vulindlela (Zululand University). The latter has limited capacity. The treatment plant at Felixton also has limited capacity. The Esikhaleni plant has a capacity of 12MI and the current inflow is about 9MI.
- Ngwelezane is supplied from a WTW in the Mhlathuze river and 3 reservoirs are located on the edge of town. The WTW provides 8 MI and Ngwelezane town only uses about 4 MI per day. The Madlebe area to the north of Ngwelezane uses on average 2 MI per day. There is thus a spare capacity of about 2 MI per day from this source.
- Ngwelezane has sewerage treatment plant with spare capacity. At present the daily inflow is about 2,5MI while the capacity is 2,8MI.
- Nseleni town is supplied by Mandlazini Reservoirs (2X47,5 MI). The source of the Mandlazini Reservoirs is the Mzingazi Lake.
- The Mzingazi area has good reticulation and a line also feeds the Mbonambi TA and passes through the area. The source is the WTW at Lake Mzingazi. The capacity of the latter is being improved from 45MI/day to 65MI/day.
- A new 10MI reservoir proposed for Nseleni. The sewage treatment plant has a capacity of 3MI/day and the current inflow is 0,9MI/day.

### **Powers and functions of a local municipality**

A Local Municipality's powers and functions are derived from the following legislation:

#### **The Constitution of the Republic of South Africa (ACT 108 OF 1996)**

#### **The Municipal Structures Act (Act 117 of 1998)**

Firstly, that the Minister responsible for Local Government may authorise a Local Municipality to perform the following functions of a District Municipality, in the area of the Local Municipality. Umhlathuze performs those duties and they are as follows:

- Potable water supply systems;
- Bulk supply of electricity;
- Domestic waste-water systems;
- Sewage disposal systems;
- Municipal Health Services

The powers and functions of the uMhlathuze Local Municipality (ULM) are listed inter alia in sections 152, 156 and 229 of the Constitution of South Africa, 108 of 1996, which reads as follows:

#### **Section 152: Objectives of local government**

The objectives of local government are –

- (a) to provide democratic and accountable government for local communities;
- (b) to ensure the provision of services to communities in a sustainable manner;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment, and
- e) to encourage the involvement of communities and community organizations in the matters of local government.**

### **uMhlathuze Local Municipality Structure**

The uMhlathuze Local Municipality consists of a political component of 60 councillors elected in terms of applicable legislation of South Africa and an administrative component made up by different departments, which together operates as one unit.

The Mayor, is the political head of the municipality while the Municipal Manager, is the accounting officer and head of administration in the Municipality. The components, which make up the administration of the Municipality, are headed by Heads of Departments directly accountable to the Municipal Manager. They are responsible for the organisation for change with the objective of reaching a common understanding of performance management within the organization. Facilitating the development of the Performance Management System; and supporting the organisation in the implementation of the PMS

UMhlathuze institutional arrangements

Council has recently approved a new structure comprising of 5 departments and each headed by a senior manager. This was a result of amalgamating departments.

uMhlathuze Council Structures

Consists of 60 Councillors of which 30 are ward councillors, and other 30 are proportional representative councillors.

UMhlathuze Council's Portfolio Committees set policies and guidance towards the implementation of all Council's delivery. The following are the uMhlathuze Council Portfolio Committees:

- Finance, LED & IDP
- Community Safety Forum
- Corporate Services
- Management Services
- Civil Engineering
- Community Services & Health
- Parks, Sports & Recreation
- Facilitation & Housing

- Electrical Engineering
- Planning & Environmental Affairs
- Public Participation

#### **1.12.2 Powers & Functions of uMhlathuze Municipality**

- Air & Noise Pollution
- Building, Trading Regulations, Liquor & Public, Nuisance Control
- Fire Fighting Services
- Pounds
- Public Places
- Refuse Removal, Refuse Dumps & Solid Waste
- Street Trading
- Street Lighting
- Traffic and Parks
- Electricity Reticulation
- Cleansing & Trade Areas
- Beaches and Amusement Facilities
- Billboards & Display of Advertisements in Public Places
- Cemeteries, Funeral Parlors & Crematoria
- Licensing, Facilities for Accommodation, Care & Burial of Animals
- Fencing and Fences
- Local Amenities
- Local Tourism
- Municipal Airports
- Municipal Planning
- Municipal Public Transport
- Storm Water Management
- Local Sport Facilities
- Markets Stalls / Trade Areas
- Municipal Abattoirs
- Municipal Parks and Recreation

#### **NEEDS IDENTIFIED DURING THE 2009/2010 ROADSSHOWS** **Needs in rural areas**

- COMMUNITY INFRASTRUCTURE
- ACCESSIBILITY TO SERVICES AND FACILITIES, AS WELL AS OPPORTUNITIES e.g. Thusong Centres
- ECONOMIC DEVELOPMENT/ JOBS
- CRIME PREVENTION
- AGRICULTURE
- COMMUNITY FACILITIES
- ELECTRICITY (ESKOM)
- HEALTH AND EDUCATION
- HOUSING & SLUMS CLEARANCE
- PEDESTRIAN BRIDGES
- SPORTS & RECREATION FACILITIES

#### **Needs in urban areas**

- MAINTENANCE OF INFRASTRUCTURE
- ECONOMIC DEVELOPMENT AND TRAINING
- HOUSING & SLUMS CLEARANCE
- ROAD UPGRADES AND MAINTENANCE
- SAFETY AND SECURITY
- PUBLIC TRANSPORT FACILITIES
- EMPLOYMENT CREATION
- SOCIAL WELFARE
- COMMUNITY FACILITIES
- ACCESSING LAND FOR DEVELOPMENT
- CRIME PREVENTION

## **SECTION B: SITUATIONAL ANALYSIS**

### **INTRODUCTION**

#### **B1. Introduction and Objective of the Integrated Development Plans**

The 2007/2012 IDP, which highlighted development for the five year-term, was a comprehensive analysis of the City of uMhlathuze. Our second Review, 2009/2010 will carry on with what we had intended to implement as a way of ensuring that all citizens in our jurisdiction are satisfied with service delivery. This Review is intended to monitor progress of developments taking place for the five-year period. Our progress/actions have thus far enabled us to build good relations with our citizens, stakeholders, affected and interested parties. This having being due to delivery in accordance with the agreed Vision and the link made between planning and the municipal budget (i.e. allocation of internal or external funding to the identified projects). The implementation of our projects has followed a strategic plan of action, Service Delivery Implementation Plan (SDBIP) ensuring everyone understands their roles and functions.

Due to requirements stipulated in terms of legislation the uMhlathuze Municipality IDP Review is formulated according to the revised guidelines of the KwaZulu-Natal Provincial Government's Department of Local Government and Traditional Affairs (DLGTA) and the Department of Agriculture and Environmental Affairs (DAEA) Environmental Sustainability Toolkit for the integration of environmental sustainability issues.

The 2008/2009 IDP Review assessment identified the following policies and plans as outstanding of which will form part of the focus of the 2009/2010 uMhlathuze IDP Review. The following depicts these items, which are included in this financial year's review:

- LED Implementation Plan;
- Indigent Policy and implementation thereof;
- Mainstreaming target groups (e.g. consultation with vulnerable groups)
- Capital Investment Framework
- Integration of the SEA into the IDP Review document;

Integrated Development Planning is a process through which municipalities prepare a strategic development plan, which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The uMhlathuze IDP is the principal strategic planning instrument, which guides and informs all planning, budgeting, management and decision-making processes in the municipality. It supersedes all other plans that are in place in the uMhlathuze municipality.

## 2. International Perspective: The Millennium Development Goals

uMhlathuze's integrated planning process is based and influenced by policies and planning processes at international, national, provincial and district levels. It is the intention of uMhlathuze Municipality to contribute to growth and development within uThungulu District, KwaZulu Natal and to South Africa at large.

**Secondly**, through its Mission and Vision uMhlathuze Municipality, intends to contribute at ensuring that the objectives of the **UN Millennium Development Goals** (MDG's) are realized. uMhlathuze Municipality will therefore contribute by addressing issues that fall within its powers and functions. The aim is to reduce poverty while improving health, education and the environment. Each goal is to be achieved by 2015.

Objectives of UN Millennium Goals:

- Eradicating extreme poverty and hunger
- Achieving universal primary education
- Promoting gender equality and empowering women
- Reducing child mortality
- Improving material health
- Combating HIV/AIDS, malaria and other diseases
- Ensuring environment sustainability
- Developing a global partnership for development

Within the MDG's framework the national government announced specific development goals and targets for the next decade. These are:

- By 2008 all households will have access to clean water;
- By 2010 all households will have decent sanitation facilities; and
- By 2012 every household will have access to electricity.

### 2.1 National and Provincial Perspective Key performance areas of the five year local government strategic agenda

The following is the National and Implementation Plan of Action for the 5 year Local Government Strategic Agenda. These guide uMhlathuze Municipality for organizational design.

The national key performance areas are the following:

#### (i) Basic Service Delivery

This key performance includes aspects such as basic water, sanitation, electricity, refuse and roads. Includes social infrastructure, e.g. housing, health, education, welfare and cemeteries. It also relates to the following:

- Sound and updated statistical based service delivery plan
- MDG's/Targets for municipal services (e.g. water, sanitation, electricity, refuse removal, transportation)
- Indigent Register
- Capacity to implement Integrated Capital Infrastructure Investment Plan



## (ii) Local Economic Development

Economic Development and Poverty Alleviation Strategies and awareness programmes. In addition to social infrastructure, social programmes also form part of this KPA, e.g. HIV/AIDS, ABET etc., comprise economic generation objectives and projects. It also relates to the following:

- Competitive and comparative advantages
- ASGISA and second economy investment
- Skills development
- LED institutional capacity
- Social partners

## (iii) Governance and Public Participation

Measures how the local government sphere aligns and integrates with the Provincial and National spheres of government on cross cutting issues. Programmes to demonstrate how the community participates and is empowered in government programmes; particularly the establishment and functionality of ward committees and community development workers. It also deals with the involvement of Traditional Councils in municipal affairs. The following are also included:

- Functional ward committees and other committees
- Linkages with other governance structures
- Sector engagements
- Community informed IDP
- Annual Performance Report submitted

## (iv) Municipal Transformation and Organisational Development

How the institution is (administratively and politically) capacitated to exercise its duties (human resource development and management). How is the organization

structured to meet the needs of the IDP? Is the organization accountable to the public via the necessary performance management systems? The internal policies and processes to adhere to aspects like gender equity, disability and general management of the municipality. It also relates to the following:

- Performing of powers and functions
- Organogram and vacancy rates (Section 57 level only)
- Capacity assessment to implement IDP
- Various policies
- Organisational PMS

## (v) Municipal Financial Viability and Management

Comprise the policies and processes relating to revenue generation, debt and credit management as well as assets, liability control and auditing. Aspects such as submission of the financial statements to the Auditor General (AG) as well as the findings of the AG on the municipal affairs. As part of this KPA, the municipality should comply with the budgetary provisions and aspects as outlined in the MFMA. It also relates to the following:

- Service Delivery Budget Implementation Plan
- Revenue management and billing system
- Expenditure Reports
- Debt Recovery Plan
- Budget and IDP link

Provincially a sixth Key Performance Area has been added, as all of the above KPAs have a spatial implication:

## (vi) Spatial Planning and Spatial Development Frameworks

This KPA relates to the following:

- Analysis shared by National, Provincial and DM/LM policies

- Alignment with NDSP and PGDS profile
- Spatial analysis translated into SDF
- SDF includes LUMS guidelines
- Credible statistics

In order for coordinated planning and sustainable development across jurisdictional boundaries, uMhlathuze Municipality has participated in consultative forums with our **neighbouring municipalities**. These meetings were intended to ensure that we avoid duplication and allow for the alignment of cross border proposed and existing developments. This initiative was driven by uThungulu District where, provincial representatives were invited. The inclusion of the cross-border analysis with researched information on aspects that impact on the Province's and more specifically, uMhlathuze's developmental forward plans is as follows:

- 2010 FIFA World Cup – preferred Training Camp Venue
- Enhancing key areas of International Relations
- Accelerate the fight against HIV and AIDS, other communicable diseases
- Patriotism and social cohesion
- Fighting crime
- Implementation of Anti-Poverty Strategy and linking Second to First Economy interventions
- Provincial Infrastructure and Investment Strategy
- Dube Trade Port as well as the Provincial Spatial Economic Development Strategy (PSEDS)
- The Provincial Growth and Development Strategy (PGDS)
- The National Spatial Development Perspective (NSDP)
- The Provincial Spatial Economic Development Strategy (PSEDS)

UMhlathuze Municipality will endeavour to adapt and localise the goals of **Accelerated and Shared Growth Initiative for South Africa (ASGISA)** and therefore uMhlathuze's development strategies,

programmes and projects, will be guided by the following ASGISA initiatives:

- Reduction of poverty within uMhlathuze Municipal Area of jurisdiction;
- Contributing to 6% economic growth
- Creating employment opportunities by creating enabling environment for investors to come to uMhlathuze and thus contributing to ASGISA's goal of halving unemployment 2014
- Bridging the gap between the first and second economy by creating investment opportunities especially around uMhlathuze's economic centres, viz, Richards Bay and Empangeni
- Investing in the infrastructure
- Working more closely with women and youth in order to fast track them out of the second economy. This will be done ensuring that uMhlathuze's Supply Chain Management Policy is favourable to women, youth and the people who differently abled.
- Implementing the principles of Expanded Public Works Programme (EPWP) in all projects in uMhlathuze

## 2.2. The National Spatial Development Perspective (NSDP)

The vision and principles of the NSDP serve as a guide for meeting national government's objectives of economic growth, employment creation, sustainable service delivery, poverty alleviation and the eradication of historic inequities including spatial distortions. The NSDP principles should play an important role in the respective development plans of local and provincial government, namely: Integrated Development Plans (IDPs) and Provincial Growth and Development Strategies (PGDS's). Our country should become a nation in which investment in infrastructure and development programmes support government's growth and development objectives by:

- Focusing economic growth and employment creation in areas where this is most effective and sustainable;
- Supporting restructuring where feasible to ensure greater competitiveness;
- Fostering development on the basis of local potential; and
- Ensuring that development institutions are able to provide basic needs throughout the country.

The NSDP provides a concrete mechanism in terms of which integrated development planning in the local sphere, provincial planning and national spatial guidance can be formally linked in support of national priorities and objectives. The co-ordinated achievement of national objectives guided by the vision and principles of the NSDP as set out previously, however is dependent on:

The principles of the NSDP find concrete expression in the IDP, including the Spatial Development Framework (SDF) and IDP programmes. The fourth principle of the NSDP, which relates to uMhlathuze Municipality, is that settlement and economic development opportunities should be channelled into activity corridors and nodes to stimulate economic growth in the Province.

### 2.3. Provincial Growth and Development Strategy (PGDS)

The PGDS addresses fundamental issues of development focusing on social, economic and the political environment. This strategy aligns national policies with provincial policies, spells out strategies at sectoral level and serves as guideline for departmental initiatives. The PGDS provides a framework of public and private sector investment indicating broad development opportunities and priorities. It does not provide a spatial perspective on where development should take place around the Province.

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) has as its purpose for the provision of strategic direction for

development and planning in the Province. The following six provincial priorities that address a number of developmental challenges related to economic and social needs of the province provide the focus of the PGDS.

1. Strengthening governance and service delivery
2. Integrating investments in community infrastructure
3. Sustainable economic development and job creation
4. Developing human capability
5. Developing a comprehensive response to HIV/Aids
6. Fighting poverty and protecting vulnerable groups in society

The following are the goals and programmes that uMhlathuze has aligned itself to:

**Table 1: PGDS Goals and Programmes**

PGDS	
GOALS	PROGRAMMES
<b>Build a People Focused and Effective, Efficient Government</b>	Programme 1: Good Governance
	Programme 2: Transformation
<b>Build the Economy</b>	Programme 3: Competitive Investment
	Programme 4: Local Economic Development
<b>Reduce Poverty and Create Sustainable Communities</b>	Programme 5: Sustainable Communities
	Programme 6: Basic Income Opportunities
<b>Cross Cutting Issues</b>	HIV and Aids
	BEE

	Environmental Management
	Human Rights and AA
	Integration
	Capacity Building
	Science and Technology

The Provincial Spatial Economic Development Strategy (PSEDs) focuses fixed infrastructure in areas of economic development potential and prioritises areas of greatest need based on poverty densities. The following are intended aims:

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

UMhlathuze Municipality plays a role in being an opportunity as a potential for industrial development in the Province anchored by the node eThekweni. The Howick- eThekweni-uMhlathuze corridor forms the primary zone of industrial development in the Province. When taking into consideration the information as provided by the PSEDs, which identifies uMhlathuze Municipality as one of the municipalities with the highest number of people living in poverty, infrastructure development should be one of the City's highest priorities in order to create employment.

uMhlathuze's 2009/2010 Review is aligned with the PGDS, PSEDs and the NSDP as it tackles the following challenges that are faced by the local community:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Budget allocations have been emphasized on fixed investment such as basic services (such as water, electricity as well as health and educational facilities). These have been focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Efforts to address past and current social inequalities have been focused on people not places. In localities where there are both high levels of poverty and development potential, capital investment beyond basic services has been imposed to exploit the potential of those localities. In localities with low development potential, spending has gone beyond basic services but to look at providing social transfers, human resource development and labour market intelligence. This is intended to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- The Spatial Development Framework (SDF) is encouraging the area of uMhlathuze to overcome the spatial distortions of apartheid. Future settlement and economic development opportunities have been proposed to be channeled into activity corridors and nodes that are adjacent to or link the main growth centres.

Annually, uMhlathuze reviews its IDP. Apart from dealing with critical issues pertaining to project identification, budgeting and housing, the IDP also contains an SDF (Spatial Development Framework) and other important issues as detailed in the remainder of this section.

uMhlathuze is responsible for planning, coordination and alignment. The municipality is responsible for the provision of bulk infrastructure to housing projects specifically is very important. Land-Use planning aims to co-ordinate and manage all the land uses and their relationship to each other in order to protect natural resources and to create safe and liveable environments. In respect of land-use planning, the Municipality is responsible for the provision for the preparation of detailed Land Use Management Systems (LUMS).

The quality of life survey of the Local Municipality provides the mechanism to monitor progress on key development projects and programmes as identified in the IDP.

### 3. Methodology

The Municipality has taken ‘full’ ownership of the IDP Process. In this review process as well as the last, uMhlathuze Municipality undertook IDP in-house process.

The preparation of the IDP has been undertaken in a phased manner, the focus of each phase being indicated below:

**Table 2: Overview of process & Output**

PHASE	OUTPUTS
<b>Preparation Phase</b>	<b>Preparation of Process Plan</b> The Process Plan is in essence the IDP Review Process set in writing, and requires adoption by Council. It includes a programme specifying the timeframes for different planning steps, and appropriate mechanisms, processes and procedures for consultation with various role players.
<b>Review Analysis</b>	Assessment of changes in existing level of development. Changes in priority issues and information on courses of priority issues. Changes in information on available

	resources. Updated information based of estimations.
<b>Review Strategies</b>	Review of relevance of the vision, objectives, strategies, and especially the identified projects. Detailed review of implementation of previous IDP and identification of challenges and areas on intervention. Definition of critical success factors.
<b>Review Projects</b>	Performance indicators, project outputs, targets, location, revised project time schedule, revised budget estimates
<b>Review integration</b>	Update of the Budget, Spatial Development Framework, Integrated sectoral programmes (LED, HIV, Cemeteries and Crematoria, Public Transport Plan etc.) and alignment with sector plans and budgets, Institutional plan
<b>Approval</b>	Approved IDP Review for the municipality by Council, Rep Forum and the MEC

### 3.1 Participatory Mechanisms

Integrated Development Planning (IDP) is the key tool for local government to cope with its new role and function in terms of the SA Constitution, Act 108 of 1996. In contrast, to the role planning has played in the past, integrated development planning is now a function of municipal management, as part of an integrated system of planning and delivery. The Integrated Development Plan process is meant to arrive at decisions on issues such as municipal budgets, land management, social and economic development and institutional transformation in a consultative, systematic and strategic manner.

The integrated development planning process has to provide a forum for identifying, discussing and resolving the issues specifically



aimed at upliftment and improvement of conditions in the under-developed parts of the municipality area. In order to ensure certain minimum quality standards of the IDP, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000).

Departmental Heads participated throughout the process by contributing relevant aspects of their sections.

Most Provincial line function departments co-operated fully in the review process through their participation in the IDP Representative Forum and during alignment meetings.

### 3.2 Roles and Responsibilities

#### IDP Representative Forum

In order to coincide with the guidelines of the Municipal Systems Act, 2000, notification is given to the existing stakeholders list and/or an advertisement is placed to call all organised groupings/stakeholders to register onto a database for the IDP.

Broader participation is as important as is smaller, purpose-made vehicle for more intensive public participation. This has implications for constituting an IDP Representative Forum comprising of the following members:

- Nominated Councillors
- Nominated members of the Executive;
- Traditional leaders
- Ward Committee chairpersons as well as one member of the committee;

- Heads of Departments/nominated officials from departments;
- Nominated community Representatives
- Other interested/ affected parties
- Other interested and affected parties
- Representatives from organised stakeholder groups;
  - Implementation Agents/Parastatals/Service providers
  - Organised Business
  - Tourism
  - SMME's
  - Agriculture
  - NGO's

The IDP Representative Forum represents the interests of the community. It provides a vehicle for discussion and communication between all stakeholders. This Forum will be intensively involved in the identification of needs, formulation of objectives and strategies, identification of projects and formulation of the Spatial Development Framework. The Forum is also responsible for monitoring the implantation of the IDP.

#### IDP Steering Committee

All departments are involved in the processes of the IDP. This ensures that cooperation and coordination within the uMhlathuze Municipality is adhered to. The IDP addresses the full spectrum of local government services and institutional matters. This grouping enables involvement of all Departments in the formulation and implementation of the IDP. This Committee also ensures the integration of all developmental aspects in strategies and projects forthcoming from the IDP. It also enables the alignment of the municipality's budget to the IDP.

Technical and financial input into the analysis; needs assessment, determination of priority issues and proposed projects. Terms of reference for specific planning and project activities, forthcoming from the IDP, consideration of comments and recommendations from the IDP Representative Forum, provincial departments, district council, service providers and consultants is provided. This Committee takes responsibility for implementing the IDP as well as monitoring and evaluating the outcomes of the IDP process to ensure that the implementation targets are reached.

### **Broad Public**

The significance of public participation is emphasised in the Municipal Systems Act, 2000 as the foundation for the IDP Process. It is the responsibility of the uMhlatuze Municipality through the ward councillors, ward committees and IDP Manager to ensure that communities are invited to the public sessions. These sessions focus on creating an understanding of the IDP Process. The public should also participate in the formulation of the vision; the overall needs assessment, objectives and strategies, Spatial Development Framework and Implementation Plan.

The community is clustered accordingly so that all areas are reached.

### **Special Groups**

uMhlatuze has started embarking on developing vulnerable groups, which has been an initiative from national government. During the 2009/2010 public participation process, uMhlatuze held a Forum meeting with women. As the years progress all the special groups will be involved within the IDP process. These kinds of meetings focus more on development than just supporting events. Alignment still needs to be developed with the

Department of Welfare & Population Development. The Municipality intends to engage the Youth, children, physically challenged, aged in the financial year 09/10.

## **3.3 Good Governance**

### **3.3.1 Communication Strategy**

UMhlatuze Municipality's communication strategy entails that:

- Ward Committee members and Councillors are part of the preparation of ward meetings.
- Representative Forums are held in venues closest to the community.
- Release of Print media press when required to local and provincial newspapers are in English and Zulu.
- SMS's, flyers and loud hailing are also used as a strategy to sensitise the community to attend the IDP meetings.
- Monthly internal and external newsletters are used to publish IDP/Budget news.
- Council provides transport for community members to respective venues.

### **3.3.2 Structure of the IDP review document**

The document is structured as follows:

**Section A** provides the executive summary

**Section B** provides the introduction to the Planning Process of the IDP and the Situation Analysis. This section gives a broad overview of local issues and identification of key issues that were addressed throughout the IDP.

**Section C** provides the Future Development Vision, **Strategies** structured into KPAs

**Section D** provides an overview of **Spatial Development Framework**

**Section E** provides details on the respective **sector involvement**

**Section F** outlines the **Implementation Plan** with committed Human & Financial Resources

**Section G** highlights a list of **Projects** that will be of priority, capital projects that will be funded during financial year 2009/2010

**Section H** will be an annexure of the Financial Plan and **SDBIP**

**Section I** provides key Performance indicators for each objective of the IDP.

## 4. LOCAL/REGIONAL CONTEXT

### 4.1 Situational Analysis

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, some 180kms north-east of Durban. The N2 highway traverses uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth (see Plan 1).

The uMhlathuze Municipality, which is the third largest economy in KwaZulu-Natal, comprises urban settlements, rural settlements, rural areas, farms and nature reserves. It includes a deep-water harbour, the Richards Bay harbour, connected inland via a railway line. The area has a deep – water port, which is connected by national roads and railway line to the economic heartland of South Africa. Empangeni and Richards Bay are the largest towns forming part of the municipal area and are surrounded by large tracts of tribal authority areas, sugar cane fields, timber plantations, wetlands and fresh water lakes.

UMhlathuze functions as a district node and dominant commercial centre in the uThungulu District. It consists of a variety of clustered

and ad hoc settlements that are linked with a well-developed network of roads and rail infrastructure. The key feature of uMhlathuze Municipality is the N2 Development Corridor (eThekweni-Ilembe-uMhlathuze Corridor). The close proximity of the Dube Trade Port is also an added advantage to the area in terms of investment attraction.

The total area within uMhlathuze is 796 square kilometers making it only 9.7% of the uThungulu District. UMhlathuze municipality contains 32% of the district's population and has the majority of economic activity (88%) vested in Richards Bay, Empangeni and Felixton. It will be important to factor into planning the impacts associated with this pandemic. The epidemic for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services such as their ability to pay for these services and increased demand for health care facilities and social services.

### Plan 1: Regional Context



June 2009

June 2009

## June 2009

**Table 3: Land Uses in uMhlathuze Municipal Area**

LAND USE	HECTARES	% TOTAL
Airport	126.83	0.54
Biosphere	233.87	1.00
Business	587.47	2.49
Education	156.24	0.67
Existing & future residential	6 156 24	26.53
Industrial	1 951 87	8.41
Mining	519 31	2.24
MOSS	5 075 34	21.871
Port	1 527 88	6.58
Quarry	58 10	0.25
Sanctuary	1 262 14	5.44
Recreational areas	1 371 50	5.91
Transportation	1 970 45	8.49
Water Body	2 217 13	9.55
<b>TOTAL</b>	<b>23 205 60</b>	<b>100.00</b>

Source: 2007 Status Quo Report

## 4.2 Population

The City of uMhlathuze has shown the highest population increase, which is getting denser in the last few years (District & Territorial Review, 2008). A (2007/2008) study shows that the City of uMhlathuze had an estimated 75 000 households and a total population of about 332 156 in 2007. This makes the average household size 4.4 persons per household. More than 40% of the residents in the municipal area reside in the non-urban (rural and tribal authority) areas outside Empangeni and Richards Bay, which is indicative of a densely populated rural area. More people reside

in Richards Bay than Empangeni. It is suggested that the above figures be kept in mind when considering expansion areas and potential for the City of uMhlathuze.

**Table 4: Demographic Data**

	Pop	% Pop	Male	Female	0-19	20-64	65+
KZ282: uMhlathuze	289175	32.6	48.4	51.6	44.5	52.7	2.8
<b>uThungulu</b>	<b>885872</b>	<b>100.0</b>	<b>46.3</b>	<b>53.7</b>	<b>50.9</b>	<b>44.7</b>	<b>4.4</b>

Source 2001 Stats, SA

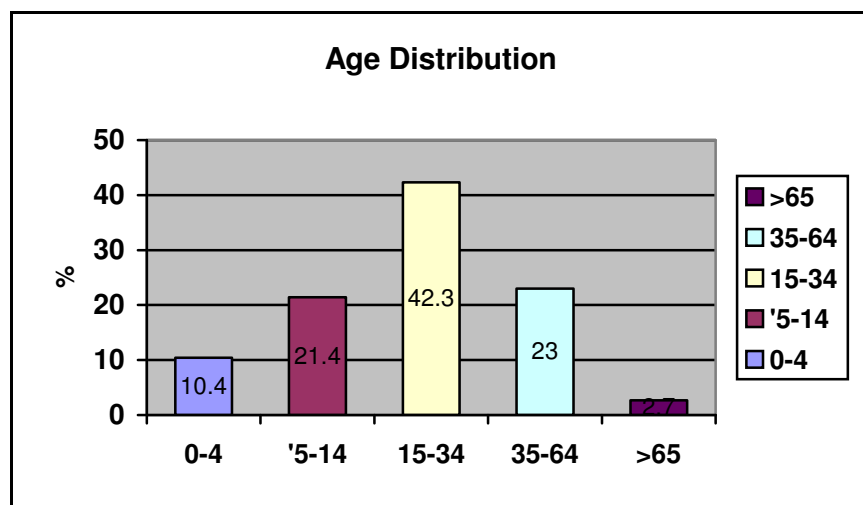
UMhlathuze has a racially and culturally diverse community. The Black African community makes up the largest sector 87% of the community followed by the White community (8%). The Indian and Coloured community makes up 3% and 1% respectively.

Table 3 above shows that the area has a female population of (51.6%) that is higher than the male population (48.4%). The uMhlathuze Municipality has the largest portion out of the other five local municipalities with 32% of the population residing in this local municipality.

The age breakdown clearly indicates that there is a large proportion of the population that is young in the City of uMhlathuze. However the majority of the population is falling within the category of 15-34 years. This information is significant as it indicates the percentage population that fall within the economically active age group.

### Graph 1: Population by Age





Source: StatsSA, 2007

The Quality of Life (QOL) Survey that was completed during 2007 showed the following statistic in respect of pensioner headed households.

**Table 5: Pensioner Headed Households**

Municipality	% Pensioner Headed Households		
	2004	2005	2007
uMhlathuze	23.37	16.22	18.77
uThungulu	35.60	31.45	32.43

The Quality of Life (QOL) Survey that was completed during 2005, showed a reduction in the percentage of pensioner headed

households in uMhlathuze from 23.37% to 16.22% with a slight increase during 2007. The incidence of pensioner headed households is high and some reasons for this could be, parents working elsewhere, deceased parents, the traditional culture of extended families as well as the effects of migrant labour.

**Table 6: 2001 and 2007 Population Figures**

	Census 2001	Census 2007	Change	% Change
KZ282: uMhlathuze	289 190	332 156	42 966	14.86
uThungulu	885 965	894 260	8 295	0.94

Source: Stats SA

During 2007, a Community Survey was undertaken by STATSSA. The table above is a summary of the outcomes of the said Community Survey.

77% of the total dwellings are formal type, with 15.% being traditional type, and 8% informal type. See table below:

**Table 7: Percentage distribution of households by type of main dwelling**

TYPE OF MAIN DWELLING	Census 2001	Community Survey 2007
House or brick structure on a separate stand or yard	56,3	66,4
Traditional dwelling/hut/structure made of traditional materials	14,9	15,2
Flat in block of flats	11,6	9,1

Town/cluster/semi-detached house (simplex: duplex: triplex)	3,8	1,9
House/flat/room in backyard	2,7	1,3
Informal dwelling/shack:		
In backyard	1,8	1,4
Not in backyard but on shared property	6,4	2,4
Room/flatlet not in back yard but on a shared property	1,9	2,2
Caravan or tent	-	-
Private ship/boat	-	-
Worker's hostel (bed/room)	-	0,1
Other	-	-
<b>TOTAL</b>	<b>100,0</b>	<b>100,0</b>

### StatsSA, 2007: Community Survey

There is a shortage of lower income housing and migrant worker accommodation in the Empangeni and Richards Bay areas. Provision for these must be made in order to avoid an increase in the already existing problem of unplanned, un-serviced informal settlements, which are associated with a number of social and biophysical impacts.

## 4.3 HIV/AIDS

It is problematic to estimate what the population due to the HIV/AIDS pandemic. The City of uMhlathuze is one of the major provincial nodes and attracts people to employment opportunities. The update of land is also dependent on the rather uncertain impact of the HIV/Aids pandemic on the municipal population growth rate.

It is a known fact that there is a lack of clear and reliable data regarding HIV at a local municipal level. However, it is nonetheless clear that it is a very serious issue and should be incorporated into whatever strategies or developments are undertaken in the study area. Typical impacts of AIDS include decreased productivity of workers, increased absenteeism and additional costs of training of new workers. It also represents a greater demand and pressure on health facilities and as the statistics gathered from antenatal clinics indicate a very real problem of AIDS orphans and child (minor) headed households. These factors must be taken cognizance of when devising local economic development strategies.

The concerns about the impact of HIV on uMhlathuze need to be reiterated as KwaZulu-Natal has the highest HIV prevalence rate of all the provinces.

Table 8, below reflects Antenatal HIV Infection Rates in uMhlathuze

**Table 8: HIV/AIDS Statistics for the period July 2007 to June 2008**

<i>HIV /AIDS</i>	Population Nos.	No. of people infected	% of people infected
Women tested for HIV/AIDS	5 219		
Women found to be positively infected	2 570	2 570	26
Men tested for HIV/AIDS	3 162		
Men found to be positively infected	1 192	1 192	12
Pregnant women tested for HIV/AIDS	1 471		
Pregnant women found to be positively infected	506	506	5
<b>TOTAL Patients who visited the VCT (Voluntary</b>	<b>9 852</b>	<b>4 268</b>	<b>43</b>

<b>Counselling and Testing) Clinic</b>			
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Source: Clinic Services, 2008

The table above shows the high prevalence of the pandemic in uMhlathuze. There are several projects and events that the municipality has initiated to create awareness; the most significant has been the launch of the uMhlathuze's Aids Council (CouAC). This Council drives the City's multi-sectoral fight against HIV/AIDS with the aim of eradicating the disease in the City by 2020.

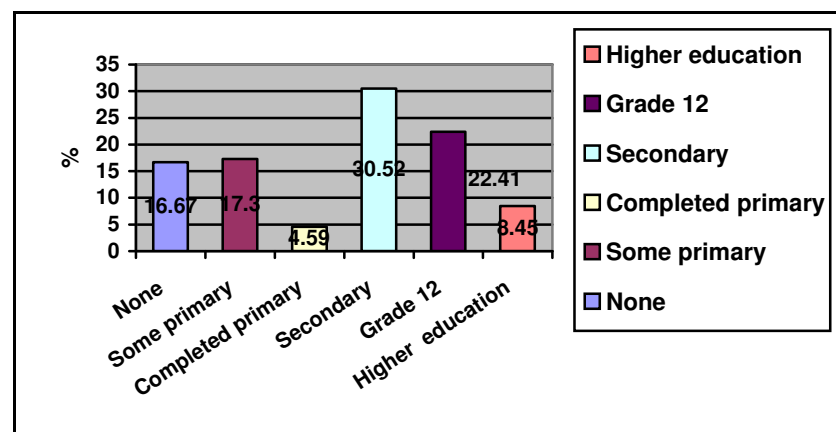
**Table 9: Basic Age and Gender data of uMhlathuze Municipality in 2004**

	Ave. annual Pop. Growth 1995 - 2004	% of Population (2004)			
		Aged 15 – 64 yrs	Male	Female	HIV+
uMhlathuze	4.2	64.1	49.0	51.0	16.3
<b>uThungulu District</b>	<b>1.5</b>	<b>57.5</b>	<b>46.9</b>	<b>53.1</b>	<b>14.8</b>

Source: Quantec Research 2006

#### 4.4 Education Levels

**Graph 2: Percentage Level of Education in 2001**



Source: Source: Stats SA, 2001

The above table shows that the percentage of the population that was older than 20 with higher education was 8.45%. The above could be attributed to immigration of skilled workers into the area. The percentage of people with a level of education less than Grade 12 was very high at 52.4%. The substantial number of people who have had no schooling could benefit from literacy and skills activities that need to be enhanced and strengthened. This could make a positive contribution to the economy. There is low labour force participation, 30% earn R1 500 or less per month, which could be attributed to the rural nature of the district. Education levels have shown a decrease while demand for skills has increased,

There are a number of primary and high schools within the area. There are also tertiary educational institutions within the sub-region, Richards Bay Technikon, University of Zululand and Tisand Technical College in Esikhaleni. A satellite branch of the Durban University of Technology is also operational. A Zululand University satellite campus to the south of the Richards Bay is being developed to accommodate the growing number of people in uMhlathuze.

Education is a national and provincial competency but uMhlathuze municipality has a responsibility to ensure that suitable infrastructure services are provided to the schools as it is realised that they lie at the heart of economic development. The municipality has liaised with the relevant department ensuring that all community grievances with regards to their educational well being is taken into consideration.

The Department of Education during the annual alignment meetings highlighted proposals for the building of ten schools in the uMhlathuze area in the next ten years.

**Table 10: Proposed Schools to be built in uMhlathuze**

NO.	STAGE	REGION	NAME
1	Design stage	Empangeni	BIRDSWOOD SEC
2	Design stage	Empangeni	EMPANGENI RAIL SEC
3		Empangeni	ESIKHALENI H
4		Empangeni	MEER-EN-SEE SEC
5		Empangeni	NZWAKELE PS
6		Empangeni	SINAYE P New
7		Empangeni	EMPANGENI RAIL PS
8		Empangeni	DUKANENI PS
10		Empangeni	ZENZO PS

#### 4.5 uMhlathuze's Socio-Economy

The **unemployment level in the area is 36.28%** whilst that of the **province lies at 47.4%**. Manufacturing the dominant economic sector in the uThungulu District and is centered in the City of uMhlathuze, only 24% of people employed work within this sector as described in the figure hereunder:

Even though the economic performance of the local area is good, it must be noted that unemployment remains high as alluded to previously in this report. The results of the 2007 Quality of Life Survey provides the following information pertaining the number of dependants per person employed.

**Table 11: Employment Levels**

Local Municipality	Dependants per Person Employed
<b>uMhlathuze</b>	5.9
<b>UThungulu</b>	<b>6.2</b>

Source: UThungulu Quality of Life Survey (2007)

It is for the above reasons that an appropriate economic development strategy for the municipality should be concentrated on Small, Medium and Micro Enterprise (SMME) development as a means of promoting emerging entrepreneurs who will initiate labour intensive job growth. Furthermore, the strategy aims to provide support to the informal sector as it is recognized that it currently provides many households with an income and it is anticipated to play an increasingly more important role in the future.

#### 4.6 Household Income

Individual monthly income is, on average highest in Richards Bay than in Empangeni, eNseleni or Esikhaleni. Overall, annual

household income is the highest in Meerensee, although some 8% of households in this area earn no annual income. The comparison of annual household income between typical urban areas reveals that whereas 47% of households in Meerensee and 23% of households in Empangeni earn more than R153 601 per annum, only 2% of households in eNseleni do not earn any income.

**Table 12: Employment Sectors**

ECONOMIC SECTOR	(2001) % TOTAL
Manufacturing	24
Community Services/ Social/ Personal	16
Trade	13
Financial/ Real Estate/ Business	10
Agriculture/ Forestry/ Fishing	9
Construction	8
Transport/ Communication	7
Households	6
Mining/Quarrying	5
Other	2
<b>TOTAL</b>	<b>100%</b>

**Source: Stats SA, 2001**

Metals and related products is the biggest industry in the uMhlathuze manufacturing sector, contributing more than 20% of manufacturing output in 2001. The sector focuses on exports. The sector has few forward and backward linkages with the rest of the district's economy. It is also interesting to note that the dominant economic sector is not the most labour intensive. This sector is vital to contribute to economic development and generation of wealth. However, other labour intensive sectors should also be boosted to redress poverty and provide basic economic needs of the larger community and to have a balance in the economic activity of the area. It is important that the area produces more

refined (value-added) products that will place more value on exports and create more job opportunities.

The local economy forms an integral part of the international and national economies. The presence of a huge number of exporting and importing industries, notably Billiton's aluminium smelters, Richards Bay Minerals, Mondi Kraft, Foskor, Bell Equipment, Exxaro KZN Sands, Richards Bay Coal Terminal, agricultural activity (sugar cane and timber) and the port of Richards Bay, means that the welfare of the region is influenced by international and national market movements. 95% of economic activity is vested in Richards Bay, Empangeni and Felixton

Formal employment levels are not an indicator of income generation. Although unemployment is high, a significant proportion of the population in uMhlathuze is involved in informal activities. Surplus produce from subsistence farming is rapidly becoming an important source of income in the region.

UMhlathuze Municipality started an initiative in terms of the Local Economic Development (LED), which is a joint venture between Council and the public. This initiative seeks to harness and utilize resources to stimulate the economy and create new job opportunities. The central theme of economic development is to extend economic opportunities, particularly jobs, to the broader community. LED involves the following benefits:

- Creating jobs and new employment opportunities;
- Increasing income levels and enabling people to pay for their services;
- Broadening the tax and revenue base of a local authority;
- Concentrating on human resource potential and opportunities for development;



- Building new institutions for sustainable economic development; and
- Promoting linkages between developed and undeveloped areas.

The following socio-economic characteristics, issues and challenges impact on the future development of the uMhlathuze Municipality and need to be taken forward in the IDP Process:

- Dependencies are very high due to the prevalence of the HIV/AIDS pandemic;
- Difficulties involved in accessing job opportunities in neighbouring metropolitan, district and local areas;
- Lack of entrepreneurial development opportunities; and
- Involvement of a large percentage of the population in subsistence farming activities.
- Some people lack any substantial economic activity and the rural and traditional areas are the most severely affected by poverty and unemployment.
- Reduction of employment opportunities in specifically the manufacturing and agricultural sectors – even at a national level.

## 4.7 Our Economy

Africa's biggest economy, South Africa has started dipping into its first recession after shrinking by 1.8% in the last quarter of 2008. National Treasury has forecast growth of 1.2% for 2009. Exports collapsed mainly due to sharp falls for vehicles and precious metals. Manufacturing is also contracting. uMhlathuze municipal area will eventually experience job losses, particularly in the mining and manufacturing industries and this will also lead to downstream effects.

Richards Bay's Spatial Development Initiative is one of ten within South Africa. The SDI is a short-term investment strategy that aims to unlock inherent economic potential in spatial locations in

Southern Africa. It uses public resources to leverage private sector investment. These initiatives aim to create job opportunities or Black Economic Empowerment (BEE) by encouraging growth. Linked to the SDI is the development of the Richards Bay Industrial Development Zone (IDZ), which is the main economic attraction of the area. This is a comparative advantage that uMhlathuze offers for industrial expansion, local economic development focus areas as well as tourism. The benefits of industries located in the IDZ will include:

- A stream-lined regulatory regime;
- Investment facilitation services, which will offer investors a "one stop shop" for regulatory matters;
- Expedited customs procedure;
- Duty free imports of raw materials (customs free area); and
- Provision of infrastructure links

Part one of the Richards Bay IDZ area covers approximately 372 ha located adjacent to the Port of Richards Bay and borders with Mondi Pulp Mill, the Alton Industrial Area, the Billiton Hillside and Bayside Smelters, the Gypsum Dump and Medway Road.

The Provincial Spatial Economic Development Strategy has a number of very important statements relevant to the City of uMhlathuze. Richards Bay per se is given an anchor industrial potential classification. Potential in the uMhlathuze area includes beach related, cultural and eco-tourism. Prominent eco-tourism attractions are Enseleni Nature Reserve and Ongoye Forest Nature Reserve. A number of corridors traverse the municipal area, i.e. the eThekweni - uMhlathuze multi-sectoral corridor as well as the uMhlathuze - Ulundi Vryheid Agricultural Activity Corridor.

**Table 13: Sectoral contribution to the GGP during 2005**

Economic Activity	% Contribution
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Manufacturing	55
Community Services	10
Transport	9
Trade	9
Finance	7
Construction	3
Agriculture	3
Mining	3
Electricity	1
<b>TOTAL</b>	<b>100%</b>

**Source: Impact: Economic Strengths of Zululand (2005/2006)**

The majority of economic activity (88,6%) in the uThungulu District Municipality is vested in Richards Bay, Empangeni and Felixton. Between 1986 and 1995 the average annual economic growth rate for the uThungulu Region was 3,8% as opposed to the provincial average of 1,45% and the national average of 1,19%.

The large-scale industrial strengths of the uMhlathuze urban core comprise a varied industrial base of coal terminals and aluminum smelters, coupled with an impressive number of industries including mining companies and paper mills, forestry, production of materials handling equipment, as well as fertilizer and special chemicals production. The City of uMhlathuze is rich in mineral resources, including ilmenite, rutile, zircon and pig iron. The mining of these minerals meets all of South Africa's demand for titanium dioxide and zircon and almost all of the country's pig iron requirements. Richards Bay Minerals produces 1,8 million tonnes of products a year of which 95% is exported, yielding a world market share of about 25%.

#### 4.7.1 Municipal LED Strategies

LED strategy is multi-sectoral and integrated as both the formal and informal economies in the municipality are well developed. Key area of focus is the manufacturing sector, and the development of the 'missing middle' or small suppliers of services and goods to large firms as well as in technical skills and capacity building. Interestingly, despite the highly developed multiple sector economy, emphasis remains on the enhancement of infrastructure in order to better develop an enabling environment for LED growth Economic Key Issues.

The following priority development issues were identified for this section.

##### ❖ **Local Economic Development**

LED contributes to alleviating poverty & job creation

Access to financial support & services

Support to SMMEs

Economy has to be integrated

Infrastructure development to support LED

Institutional development and management

Enhance Communication

Some areas less economically viable than others and focus in rural outlying areas should be on agriculture and the informal sector

##### ❖ **Local Tourism Development**

Harness tourism opportunities

Potential threats for tourism

Tourism operations

##### ❖ **Agricultural Development**

Agricultural Development in rural areas

Support Agricultural Development

Alignment with Department of Agriculture

##### ❖ **Business & Industrial Development**

Attract Investment

Business Development

Industrial Development

Spin-offs anticipated with the Dube Trade Port development

Richards Bay attractive to investors but value needs to be added to raw materials prior to exporting goods

#### 4.7.2 Competitive Advantage

- Located approximately 180 km north east of Durban and 465 km south of Maputo in Mozambique on the eastern coastline, the City of uMhlathuze is the closest harbour to South Africa's industrial and commercial hinterland.
- Apart from such domestic markets, easy access is provided to international markets in Europe, the Americas and the East by the airport.
- There is easy availability of raw materials and extensive natural resources that include precious heavy minerals, timber and sugar.
- The economic heartbeat of northern KwaZulu-Natal, Richards Bay is a well laid-out town with a bustling central business district with very modern facilities, while Empangeni boasts strong agricultural and commercial sectors.
- Richards Bay is a relatively young port, having opened in 1976, but is presently South Africa's leading port in terms of cargo volumes – handling in excess of 85 million tons per annum. This represents approximately 55% of South Africa's sea borne cargo in trade in tonnage terms, and is well served by a modern rail network linking it to South Africa's major industrial and commercial centres in Gauteng and in Durban, KwaZulu- Natal.
- Only 40% of the port has developed therefore market opportunities are already in place.
- Richards Bay and Empangeni are situated close to a modern dual N2 toll route linking the city to Durban and Gauteng.
- Richards Bay Airport links the area with the country's airport network.
- Spin-off effects of major international industries in the area and a broad-based tourism and high agricultural potential.
- Well developed economic centers and good general infrastructure therefore huge soccer potential
- The availability of raw materials for further beneficiation such as aluminium, titanium, zirconium, iron, steel, sugar, timber and fertiliser has resulted in recent initiatives to develop small and medium-sized businesses using primary products and raw materials to generate jobs and wealth. A prime example is the Downstream Aluminium project which aims to encourage the development of small business able to manufacture aluminium products using primary material produced by Billiton's Hillside and Bayside smelters situated in Richards Bay. The project is strongly supported by Billiton and the Zululand Chamber of Business Foundation, which encourages corporate social investment programmes on behalf of big corporations.
- There are numerous other examples such as hydroponics, timber, cut flowers etc.
- The City has excellent tourism and recreational facilities with numerous associated opportunities. In close proximity there are world famous game reserves, safari lodges, tropical coastlines, indigenous coastal forests, historical and cultural sites and Southern Africa's great lakes including Lake St Lucia, which has been proclaimed a world heritage site.

## 5. The Natural Environment

The current state of the environment information has been gathered from the uMhlathuze's Strategic Environmental Assessment Report.

UMhlathuze generally has a good climate and is well endowed with natural resources whose comparative advantages are:

- a good climate that opens up avenues for productive agricultural and tourism development;
- agriculture with irrigation infrastructure in place and
- a scenic environment and the coastal terrain thus creating more opportunities for tourism development

The rapid development in the City of uMhlathuze has had and is anticipated to have major impacts on the environment and importantly the water resources of the area.

The area falls within an idyllic subtropical, maritime climate, which prevails throughout the year at the coast, seldom lower than 12 degrees or 14 degrees in winter and reaching 32 degrees to 35 degrees in summer months. Summers are hot and humid, and experience majority of annual rainfall, while winters are warm and dry with occasional frost in the interior. Average daily temperature is 28 degrees in summer and 22 degrees in winter. Prevailing winds are north easterly and south westerly. The long term average annual rainfall for the Richards Bay area is about 1 200mm decreasing to about 1 000mm inland towards Empangeni with most of the rainfall occurring between January and May.

The municipality falls within a summer rainfall area with high rainfall in most areas. Some valleys in the upper lying areas of the Mhlathuze River have low rainfall and are unsuitable for dryland cropping.

### 5.1. Catchment Areas

The Umhlathuze Strategic Catchment Assessment and Environmental Services Management Plan (ESMP) identified 8 main catchments in the uMhlathuze municipality:

- Nseleni River
- Lake Mzingazi
- Harbour
- City
- Estuary
- Lake Cubu
- Umlalazi Tributaries
- Mhlathuze River

The aim of the ESMP is to provide the municipality with a clear understanding of activities that need to be undertaken to protect and enhance the supply of environmental services in the area.

Each of the listed catchments has been analyzed in terms of an environmental service asset design concept. Subsequently, three tiers of analysis have been identified:

- **Level 1** is the **Conservation Zone** and represents areas of high biodiversity/environmental significance that need or warrant legal protection. In this zone are included unique areas, natural habitats such as wetlands, natural forests and areas within the 1:100m floodline.
- **Level 2** is the **Open Space Linkage Zone** and includes natural buffers for level 1 areas as well as those areas linking level 1 areas.
- **Level 3** represents the **Development Zone** and includes those areas not included in levels 1 and 2. Care should still be taken that development does not negatively impact on level 1 and 2 areas. In other words, development or transformation
- **Level 4** is the **Nature Reserves**

## 5.2 Geotechnical Assessment

A detailed geotechnical assessment has also been undertaken for the City of uMhlathuze. In short, this assessment has assisted in classifying land within the municipal area as follow:

- Costly geotechnical constrains
- Unsuitable geotechnical conditions

Soil stability together with local relief places a risk of some form on sustainable development in most parts of the area. Towards the interior most the area is however, regarded as suitable for development provide caution is exercised and appropriate engineering solutions are implemented to ensure slope stability.

## 6. Infrastructural Context

The availability of bulk infrastructure, as well as the additional capacity within the infrastructure system is another crucial factor when considering any form of development. The urban centers of Richards Bay and Empangeni are well serviced with major roads, electricity, telecommunications, water, sanitation, waste disposal, housing, medical and emergency services. However, this is not the case for the former peri-urban areas, where infrastructure and services are often lacking or inadequate.

Here are some of the comments provided in respect of capacity, proposed additions etc. with regards to electricity infrastructure:

### 6.1 Electricity

- Eskom is the primary supplier of electricity in the study area. Bulk electricity is supplied to the municipality, which is responsible for reticulation to consumers in all areas.

- The national energy crises has far reaching implications on the supply and maintenance of infrastructure services to the municipal area, notably the cost for stand by generators at pump stations as well as the running cost of such generators. Apart from such operational expenses, the environmental cost of increased combustion into the atmosphere as a result of generator operations also needs to be considered.

**Table 14: Percentage distribution of households by type of energy/fuel used for lighting**

	Census 2001	Community Survey 2007
Electricity	86,0	91,8
Gas	0,2	0,3
Paraffin	0,6	1,4
Candles	12,8	6,1
Solar	0,2	0,1
Other	0,3	0,4
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

Source: Stats SA, Community Survey, 2007

**Table 15: Status of electrification in uThungulu District**

Number	Municipality Name	Total no of Household	No of Households Electrified	No of Households not Electrified	Total no of Schools	No of Schools Electrified	No of Schools not Electrified
DC28	uThungulu						
KZ281	Mbonambi	19,134	9,609	9,525	94	23	71
KZ282	uMhlathuze	67,124	57,965	9,159	155	150	5
KZ283	Ntambanana	12,434	3,804	8,630	77	33	44
KZ284	Umlalazi	38,445	15,624	22,821	255	48	207
KZ286	Nkandla	24,209	2,874	21,335	50	23	27

Source: Eskom (Presentation, October 2008)

- The customer base of uMhlathuze Electricity increased by 4,66% to a combined total of 31 312 customers in 2008. The Prepayment Customer base has increased by 29%, being mainly due to the taking over of uMhlathuze Village, previously supplied by Eskom and the further development of the area for 800 low cost housing units as well as 250 bank subsidised housing units.
- Under Free Basic Electricity campaign, which is a national drive to assist the poorest of the poor with free electricity, 1000 customers have converted to FBE tariff based on those consuming less than 800 kWh per annum. Free basic electricity was supplied to 2000 Eskom customers. Thus in total over 3000 customers are receiving 50kWh for free every month.

## 6.2 Water

uMhlathuze is a Water Services Authority (WSA) and its functions include, among others, water loss management, water services development, water pollution (prevention and control) as well as policies and by-laws.

According to the 2001 census, there has been an increase in the number of households with water inside their yards and well as access to communal stands. Dependency on boreholes and springs has been reduced between the 1996 and 2001 census assessments. The following table comparing the 1996 and 2001 census results is provided:

**Table 16: Percentage distribution of households by type of water source**

	Census 2001	Community Survey 2007
Piped water		
-inside the dwelling	32,6	48,7
-inside the yard	35,4	38,2
-from access point outside the yard	20,5	8,7
Borehole	0,8	0,6
Spring	1,4	0,3
Dam/pool	0,8	-
River/stream	4,8	0,6
Water vendor	0,2	1,5
Rainwater tank	0,4	0,9
Other	2,9	0,5
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

Source: Stats SA, Community Survey, 2007



The above indicates expenditure in water and related infrastructure. Such expenditure is guided by the Water Services Development Plan (WSDP). The focus of the WSDP is as follow:

Reflection of current levels of services experienced by communities.

Revised need for water services by all communities in the district.  
Prioritized projects for development of water services, coupled with budgets and time frames. Strategies regarding technical, social and financial principles of water sources.

The WSDP also deals with issues pertaining to the provision of sanitation services. The eradication of water backlogs has been addressed since the 2001/2002 financial years. The backlogs for water and sanitation (as the main expenditure items on the municipal budget) relate to the following RDP standards:

The minimum RDP level of water supply is 25 litres per capita per day within a walking distance of 200m. The minimum RDP level of sanitation supply is 1 VIP per household, detached from the household, inclusive of superstructure.

- The southern portions of the Municipality, including Port Durnford, Esikhaleni, as well as Vulindlela are supplied by the Forest Reservoirs near Esikhaleni. A third reservoir is proposed bringing the combined capacity to 60MI. The reservoirs are supplied from the Cubu WTW that has a capacity of 27 MI/day. Plans are underway to increase the capacity of the Cubu WTW with an additional 9MI/day. Supply to the Forest Reservoirs can be augmented during periods of drought from a weir in the uMhlathuze River.

- At present, there are sewerage treatment plants at south of Esikhaleni and Vulindlela (Zululand University). The latter has

limited capacity. The treatment plant at Felixton also has limited capacity. The Esikhaleni plant has a capacity of 12MI and the current inflow is about 9MI.

- Ngwelezane is supplied from a WTW in the Mhlathuze river and 3 reservoirs are located on the edge of town. The WTW provides 8 MI and Ngwelezane town only uses about 4 MI per day. The Madlebe area to the north of Ngwelezane uses on average 2 MI per day. There is thus a spare capacity of about 2 MI per day from this source.
- Ngwelezane has sewerage treatment plant with spare capacity. At present the daily inflow is about 2,5MI while the capacity is 2,8MI.
- Nseleni town is supplied by Mandlazini Reservoirs (2X47,5 MI). The source of the Mandlazini Reservoirs is the Mzingazi Lake.
- The Mzingazi area has good reticulation and a line also feeds the Mbonambi TA and passes through the area. The source is the WTW at Lake Mzingazi. The capacity of the latter is being improved from 45MI/day to 65MI/day.
- A new 10MI reservoir proposed for Nseleni. The sewage treatment plant has a capacity of 3MI/day and the current inflow is 0,9MI/day

## 6.3 Sanitation

There are 623 km of sewer pipes, two macerator stations, four treatment works (Vulindlela, eNseleni, Empangeni and eSikhaleni) treating approximately 50ml per day. Sixty pump stations, including 136 pumps within the uMhlathuze area.

**Table 17: Percentage distribution of households by type of toilet facilities**

	Census 2001	Community Survey 2007
Flush toilet (connected to sewerage system)	42,5	43
Flush toilet with septic tank	2,6	2,5
Dry toilet facility	-	20,8
Chemical toilet	8,1	1,9
Pit latrine with ventilation	12,0	8,9
Pit latrine without ventilation	24,6	17,8
Bucket latrine	1,0	0,3
None	9,2	4,9
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

Source: Stats SA, Community Survey, 2007

## 6.4 Solid Waste

- There are 13 waste disposal sites in within the municipal area; all have the potential to pollute the ground and surface water.
- The existing Empangeni landfill site can only accommodate general waste. There is inadequate disposal capacity for the industrial waste (both low and high hazard) disposal needs in the broader uMhlathuze Municipal area.
- The current management of hazardous waste in the area with regards to stockpiling, transporting waste long distances to other areas and even provinces, is not sustainable
- Current management has strategically placed more than 70 skips throughout the rural community for the placement of domestic waste.

**Table 18: Percentage distribution of households by type of refuse disposal**

	Census 2001	Community Survey 2007
Removed by local authority/private company		
-at least once a week	42,7	42,9
-less often	1,4	1,4
Communal refuse dump	0,4	5,5
Own refuse dump	50,8	44,9
No rubbish disposals	4,6	5,3
Other	-	0,1
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

Source: Stats SA, Community Survey, 2007

## 6.5 Cemeteries

Burials are conducted at the Empangeni Regional, Richards Bay and eNseleni Cemeteries. There has been an additional site included for the growing number of deaths and to accommodate people living in eSikhaleni.

## 6.6 Roads

It is essential that uMhlathuze be given opportunity to provide input into the Department of Transport planning for the District.

Sixteen bridges have been built using gum poles and timber decking to facilitate better and safer pedestrian access to schools, shops and between communities in the rural areas.

Another task has been the upgrade of rural roads. Plants such as graders, trucks, (tractor-loader backhoes) TLB have been

purchased for this purpose. Many other projects which were budgeted for during the previous financial year are in progress and some have been completed.

Many community members especially in the R293 towns and rural areas have highlighted the need for a satisfactory public transport system.

UMhlathuze has also made contributions towards the current upgrading of the John Ross Highway

## 6.7 Free Basic Services (Indigent Policy)

Municipality must provide basic services to its indigent in a sustainable manner. Council provides Indigent Services Support to the needy communities. The key elements within Council's indigent policy are summarized as follows:

### Universal Approach:

- Rates will be determined as a factor of the improved

Services	2009/2010	2010/2011	2011/2012
Water	R14 676 444	R10 500 000	R11 025 000
<i>Households</i>	<i>72 338</i>	<i>79 572</i>	<i>85 000</i>
Refuse	R3 487 938	R3 766 973	R3 955 600
<i>Households</i>	<i>12 415</i>	<i>13 657</i>	<i>13 900</i>
Waterborne sewerage	R4 067 702	R4 271 000	R4 500 000
<i>Households</i>	<i>4681</i>	<i>4900</i>	<i>5000</i>
Sewerage (VIPs)	R0.00	R0.00	R0.00
<i>Households</i>	<i>16 100</i>	<i>19 276</i>	<i>24 000</i>

market value of a property. In terms of the Property rates Act, The first R 15 000 of the valuation of residential property is exempt from rates.

- An additional amount of R 85 000 is also exempt from rates, which mean that the first R 100 000 of all residential properties are exempt from paying rates.
- Other indigent customers not supported through this approach are accommodated within the targeted approach.

### Targeted approach:

- Outstanding accounts in respect of debtors, which are found to be indigent, are written off. These debtors are then only entitled to Council's free basic services (6 kl of water and 50 kWh of electricity).
- Free electricity (50 kWh) allocations in accordance with the Free Basic Electricity Policy.
- The same base value detailed in the universal approach listed above, will be used to determine rebates in respect of Refuse and Sewerage charges. On this basis, residential property valued at R100 000 or less will be exempted from refuse and sewer charges.
- Properties valued between R 100 001 and R 150 000 will receive a rebate of 25% in respect of the sewer and refuse charges.
- Properties valued at R 150 001 and higher will pay the normal tariff.
- Free water of 200 liters per day (6 kilolitres pm) is given to all households.

The following is the amounts projected for Free Basic Services using both the Free Basic Services and the Universal Approach respectively

### Table 19: Amounts projected Free Basic Services using the Universal Approach

Source: Budget Report 2009/2010

**Table 20: Amounts projected Free Basic Services using the Target Approach****Source: Budget Report 2009/2010**

Council uses the Target Approach mainly in the urban areas to households/ account holders that cannot afford to pay for municipal services, except 6 kilolitres of water that is universal. The Universal approach is mainly used in the rural areas, except electricity.

The following infrastructural characteristics, issues and challenges impact on the future development of uMhlathuze Municipality and need to be taken forward in the IDP Process:

- The provision of basic infrastructure is hampered by the topographic constraints, low densities and low affordability levels, particularly in rural and traditional areas.
- Service infrastructure in Empangeni needs upgrading and maintenance.
- Rural areas are severely affected by a lack of basic services and continued service delivery backlogs.
- Bulk water supply is a major constraint that affects the entire area.
- 4,4% of the population still does not have access to clean water and obtain water from rivers and streams. This poses a health risk with further implications regarding the provision of social services.
- The urban areas have proper water borne sanitation systems, but rural areas rely on pit latrines or no system at all. This places tremendous strain on the environment and poses a health risk.
- The bulk of the urban households have access to household electricity. Very few rural settlements have this luxury. Electricity provision at schools and health facilities are especially critical.
- Refuse removal is limited to the urban area. Dumping of refuse has become a major problem, particularly in denser rural settlements. This poses serious environmental problems and risks.

Efforts are needed to increase people's awareness of the advantages of good waste management practices.

Vote	Services	2009/2010	2010/2011	2011/2012
055/077/0	Electricity	R878 000	R894 000	R938 000
<i>Households</i>		<i>3250</i>	<i>3300</i>	<i>3400</i>
060/077/0	Water	R380 000	R400 700	R420 000
<i>Households</i>		<i>520</i>	<i>530</i>	<i>540</i>
033/077/0	Refuse	R122 000	R128 100	R135 000
<i>Households</i>		<i>190</i>	<i>200</i>	<i>220</i>
034/077/0	Sewerage	R190 000	R200 400	R211 000
<i>Households</i>		<i>201</i>	<i>210</i>	<i>220</i>
040/077/0	Rates	R317 500	R334 000	R350 700
<i>Households</i>		<i>201</i>	<i>210</i>	<i>220</i>

The co-ordination of service delivery and investment in the uMhlathuze is vital to ensure sustainable service delivery. This can only be attained by achieving the sensitive balance between strengthening (maintaining) the rural economy, as well as housing delivery. Also, all of the above have to take due cognizance of the environment.

## 7 Broad Based Community Needs

The needs that can be used to help inform and drive our municipal priorities and strategy responses were drawn from the workshops with communities and key stakeholders. The following section represents the needs in the order of priority:

### Needs in rural areas

- COMMUNITY INFRASTRUCTURE
- ACCESSIBILITY TO SERVICES AND FACILITIES, AS WELL AS OPPORTUNITIES e.g. Thusong Centres
- ECONOMIC DEVELOPMENT/ JOBS

- CRIME PREVENTION
- AGRICULTURE
- COMMUNITY FACILITIES
- ELECTRICITY (ESKOM)
- HEALTH AND EDUCATION
- HOUSING & SLUMS CLEARANCE
- PEDESTRIAN BRIDGES
- SPORTS & RECREATION FACILITIES

Nkosazana, an area within Ward 25 is in dire need of electrical supply as no household has electricity connections.

#### **Needs in urban areas**

- MAINTENANCE OF INFRASTRUCTURE
- ECONOMIC DEVELOPMENT AND TRAINING
- HOUSING & SLUMS CLEARANCE
- ROAD UPGRADES AND MAINTENANCE
- SAFETY AND SECURITY
- PUBLIC TRANSPORT FACILITIES
- EMPLOYMENT CREATION
- SOCIAL WELFARE
- COMMUNITY FACILITIES
- ACCESSING LAND FOR DEVELOPMENT
- CRIME PREVENTION

A spatial analysis of needs shows that many of the communities that are worse off are located in the historically under-invested township areas (R293) and rural areas. Communities in the rural periphery have the lowest access to services and lowest socio-economic status.

## **7.1 The Needs of the Vulnerable Groups**

### **CHILDREN**

33% of the population is under the age of 15. Children were identified as a group that needed particular attention. Issues of particular concern included children abuse, children headed households and AIDS orphans. Access to education for the betterment of children's lives that would mean sponsoring for tuition fees was also a highlight access to social support was also of importance to be taken care of.

### **THE YOUTH**

Available statistics within the City of uMhlathuze highlights that the youth comprises 40,7% of the population. This makes the youth a majority of the segment of the population. 18% of the population over 20 years old has no formal education, which would make it difficult for these people to find employment in the tertiary and secondary sectors of the economy. Only 11% of over 20 year olds has tertiary education and only 25% have completed secondary school indicating that education levels in the area are quite low.

#### **UMhlathuze has developed a Youth Policy. Its aims are:**

- To instil awareness and sense of belonging to young people within the boundaries of uMhlathuze;
- To promote full participation in all the activities of the municipality;
- To provide an enabling environment that decrease youth vulnerability;

- To ensure an effective, proper coordinated and holistic approach to youth matters; and
- To provide a framework for networks and partnerships with National \ Provincial Government Departments and civil society.

Issues that were raised during public participation sessions were the need for skills development, access to recreational facilities and sports programmes. Empowerment/ HIV/AIDS Awareness programmes, funding for education/ capacity building and their SMMEs.

## **WOMEN**

For the first time uMhlathuze Municipality held a special IDP Forum meeting for women. Women who make up 51.6% of the population highlighted the need for equal opportunities and access to personal safety. Education on women's rights, skills training programmes, protection against abuse and access to social support were issues that were also raised. Other needs included access to health services (hospice/ home base care workers), child support grants, job opportunities, and targeted support for women's groups. Training sessions on cooperatives was a proposal to the Municipality in order to achieve our LED strategies.

## **SENIOR CITIZENS**

Community members over 65 make up 2.9% of the population. These members often support their extended households with their pension funding. Old age homes and access to health facilities was one of their priority needs. Transportation to their places of destination (pension pay points) plays an important part for their survival and the rural areas do not have formalized public transport system. Security and safety, the protection against abuse and access to social support were also of importance to be taken care

## **DIFFERENTLY – ABLED PERSONS**

Issues that were raised during interaction with the community were:

- The need for user-friendly public transport and public buildings,
- Specialized educational facilities and disabled sports programmes; and
- Assistance in accessing state grants

## **8. POWERS AND FUNCTIONS OF A LOCAL MUNICIPALITY**

A Local Municipality's powers and functions are derived from the following legislation:

### **The Constitution of the Republic of South Africa (ACT 108 OF 1996)**

Chapter 7 of the Constitution lists the Powers and Functions of Municipalities. The Constitution also says that the National Government and Provincial Governments may assign other functions to a Municipality by agreement.

### **The Municipal Structures Act (Act 117 of 1998)**

The Municipal Structures Act lists which of the Municipal functions set out in the Constitution should be performed by Local Municipalities. In setting out the functions of a Local Municipality, the Act goes on to say: -

Firstly, that the Minister responsible for Local Government may authorise a Local Municipality to perform the following functions of



a District Municipality, in the area of the Local Municipality. Umhlathuze performs those duties and they are as follows:

- o Potable water supply systems;
- o Bulk supply of electricity;
- o Domestic waste-water systems;
- o Sewage disposal systems;
- o Municipal Health Services.

The powers and functions of the uMhlathuze Local Municipality (ULM) are listed inter alia in sections 152, 156 and 229 of the Constitution of South Africa, 108 of 1996, which reads as follows:

Section 152: Objectives of local government

The objectives of local government are –

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

## 8.1 uMhlathuze Municipal Organisational Structure

The uMhlathuze Local Municipality consists of a political component of 60 councillors elected in terms of applicable legislation of South Africa and an administrative component made up by different departments, which together operates as one unit.

The Mayor, is the political head of the ULM while the Municipal Manager, is the accounting officer and head of administration in the Municipality. The components, which make up the

administration of the Municipality, are headed by Senior Managers directly accountable to the Municipal Manager. The Municipal Manager together with the Senior Managers are responsible for the organisational transformation to achieve a common understanding of performance management within the organization. Further they are responsible for facilitating the development of the Performance Management System (PMS); and supporting the organisation in the implementation of the PMS.

## 8.2 Institutional Arrangement

uMhlathuze Municipality is comprised of five units that are aligned to the Key Performance Areas in terms of Service Delivery:

- 1. Corporate Services** (Administration, Corporate Communications, Museums, Libraries, Human Resource, IT);
- 2. City Development** (Development Planning, Policy & Strategy, IDP, Environment, Estates)
- 3. Community Facilitation & Marketing** (Human Settlement, Youth, Gender, Culture, LED)
- 4. Infrastructure & Technical Services** (Civil Engineering, Electrical Engineering)
- 5. Community Services** (Traffic & Safety, Traffic Law, Enforcement, Vehicle/Driver Testing and Licensing, Waste Management, Primary Health Care, Public Safety, Disaster Management, Parks, Verges & Amenities Maintenance & Sports & Recreation; Beaches, Beach Maintenance, Cemeteries)
- 6. Financial Services** (Revenue, Expenditure, Procurement, Financial Management)

It is also important to note that the work of the municipality changes over time as does the way departments' function and the way in which services are delivered. The key processes that will be followed includes:

- Functional Analysis and

- Development of administrative structures based on the functional grouping detailed above, an administrative structure is proposed below.

The main features of the structure include:

- The proposed structure supports the IDP (KPAs) in terms of ensuring objectives, priorities and projects set out in the IDP can be implemented;
- The structure supports the powers and functions as set out in the Structures Act;
- The structure ensures that uMhlathuze is client/community driven;
- The structure ensures that the organisation is totally integrated in terms of functions performed. This integration is assured through the reporting lines to the Directors and the Portfolio Committees that act as policy makers;
- Decision making is enhanced through a high degree of control being disseminated to Senior Managers; and
- Human resource development is encouraged through succession planning.

### 8.3 UMhlathuze Council Structure

UMhlathuze Municipality consists 60 councillors of whom 30 are ward councillors, and 30 are proportional representative councillors. In terms of the IDP, the core functions of uMhlathuze Council are to give effect to Section 25 of the Municipal Systems Act, which states that:

*"Each Municipal Council must adopt a single inclusive and strategic plan for the development of the municipality which: ...aligns the resources and capacity of the municipality with the implementation of the plan".*

Section 36 of the Municipal Systems Act also commits the Council to, "give effect to its Integrated Development Plan and conduct its affairs in a manner which is consistent with its Integrated Development Plan".

UMhlathuze Council's Portfolio Committees set policies and guidance towards the implementation of all uMhlathuze Council delivery. These portfolio committees are structured as per the national guidelines. Each Portfolio Committee meets twice per month. These portfolio committees deliberate issues and then make recommendations to EXCO and the full Council, for the latter to take decisions. The following are the uMhlathuze Council Portfolio Committees:

- Finance, LED & IDP
- Community Safety Forum
- Corporate Services
- Management Services
- Civil Engineering
- Community Services & Health
- Parks, Sports & Recreation
- Facilitation & Housing
- Electrical Engineering
- Planning & Environmental Affairs

### 8.4 Powers & Functions of uMhlathuze Municipality

- Air & Noise Pollution
- Building, Trading Regulations, Liquor & Public, Nuisance Control
- Fire Fighting Services
- Pounds
- Public Places
- Refuse Removal, Refuse Dumps & Solid Waste
- Street Trading
- Street Lighting

- Traffic and Parks
- Electricity Reticulation
- Cleansing & Trade Areas
- Beaches and Amusement Facilities
- Billboards & Display of Advertisements in Public Places
- Cemeteries, Funeral Parlors & Crematoria
- Licensing, Facilities for Accommodation, Care & Burial of Animals
- Fencing and Fences
- Local Amenities
- Local Tourism
- Municipal Airports
- Municipal Planning
- Municipal Public Transport
- Storm Water Management
- Local Sport Facilities
- Markets Stalls / Trade Areas
- Municipal Abattoirs
- Municipal Parks and Recreation

## **8.5 Human Resource Policies**

### **8.5.1 Code of conduct**

Councilors and staff members are required to sign a Code of Conduct and Declaration of Financial Interest form on an annual basis, which must be certified by a Commissioner of Oaths. These records are kept for internal and external audit purposes.

### **8.5.2 HR Development plan (Workplace skills plan)**

A Workplace Skills Plan is in place and it focuses, inter alia on the following:

- Employment profile
- Employee qualification profile

- Strategic objectives
- Annual training and skills priorities
- Education and training interventions required achieve training and skills development priorities
- Number of beneficiaries to be trained
- Learnerships, skills programmes and apprenticeships
- Quality assurance - Providers to be used for planned training and development activities

### **8.5.3 Employment equity plan**

UMhlatuize's Equity plan shows the objectives for every year. It reflects the plan of the city to ensure that employees from previously disadvantaged groups are exposed to opportunities previously not accessible to them and ensure equity in the Municipality. Where this occurs numerical goals, timetables, strategies, duration and procedures to reach this are shown.

The Focal Areas of the uMhlatuize Employment Equity Plan are as follows:

- Skills Development
- Set Numerical Targets per Employment Category
- Work Environment and Facilities
- Promotions
- Update all H.R. Policies and Procedures
- Diversity Management and Discrimination Awareness Programmes

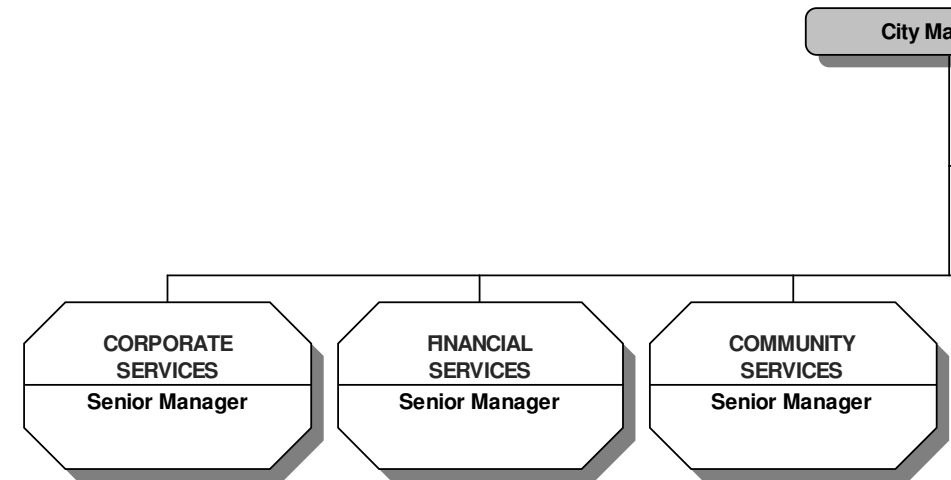
### **8.5.4 Institutional organisation**

The current structure of the uMhlatuize Municipality is reflected in the diagram that follows. This structure put in place is considered to be appropriate for the developmental local government mandate assigned to the District Municipality in terms of the Municipal Structures Act, 1998. With this in mind the Municipality's organisational structure provides for five Directorates that are

managed by the Municipal Manager. The number of positions filled in the municipality as of end of March 2009 is 1740 positions and 246 positions vacant excluding temporary workers. These employees perform under the following five Directorates:

- Corporate Services
- Financial Services
- Community Services
- Infrastructure and Technical Services
- City Development

**Diagram 1: Institutional Structure**



## SECTION C: DEVELOPMENT STRATEGIES

### 1. UMhlatuize Development Strategies

#### 1.1 Introduction

In terms of Section 5 of the Municipal Systems Act, 32 of 2000 municipal councils in South Africa are legally required to adopt an Integrated Development Plan (IDP). An IDP may be described as a single, inclusive and strategic plan for the development of the municipality.

The Integrated Development Plan consists of the following core components:

- ❖ The municipality's vision for the long term development;
- ❖ An assessment of the existing level of development in the municipality (situational analysis) with identification of communities who do not have access to basic services;
- ❖ The council's development priorities;
- ❖ The council's development strategies, which must be aligned with national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- ❖ A spatial development framework and basic guidelines for a land use management system;
- ❖ A financial plan with a budget projection for three years;
- ❖ Key performance indicators and performance targets.

#### 1.2 Vision and Fundamentals

The following vision was adopted for the uMhlatuize Municipality:

*"The City of uMhlatuize metropolitan area, as a port city, will offer improved quality of life for all its citizens through sustainable development. It will be a renowned centre for:*

- ❖ *Service Delivery*
- ❖ *Trade;*
- ❖ *Commerce;*
- ❖ *Industry;*

- ❖ *Tourism and nature-lovers;*
- ❖ *Coastal recreation; and*
- ❖ *Environmental Management*

The uMhlathuze Municipality has set the following mission for itself:

*"To develop uMhlathuze as the industrial, commercial and administrative centre within the natural beauty of the region, providing a range of efficient municipal services thereby ensuring economic development, dynamic investment growth and the improvement of the quality of life for all."*

The vision continues to provide direction in the planning process and ensures that the process is focused. In terms of the vision, there are certain fundamentals or non-negotiables that, together with the underlying principles, provide guidelines for decision-making. These guidelines form the basis for any decision-making by the uMhlathuze Municipality, stakeholders, role players and potential investors.

- ❖ Recognize Empangeni and Richards Bay as the urban core of the City of uMhlathuze with the following settlement hierarchy:
  - Regional Service Centre – Empangeni and Richards Bay;
  - Sub-regional Service Centres – Ngwelezane, Esikhaleni, Vulindlela, Nseleni, and
  - Rural Service Centres: Madlebe Traditional Area, Dube Traditional Area, Khoza Traditional Area, Mkhwanazi North and South Traditional Areas.
- ❖ Protect and promote public and private investment.
- ❖ Preserve and protect natural resources and sensitive environmental areas.
- ❖ Support the socio-economic growth and development of Empangeni and Richards Bay to the benefit of the entire City of uMhlathuze.
- ❖ Promote physical, social and economic integration within the City of uMhlathuze.
- ❖ Consistency in policies, strategies, land use management and by-laws.

The development strategies, its respective goals, programmes, sub-programmes and projects and interventions forthcoming from the IDP support the vision and fundamentals. The spatial development framework provides a spatial reflection of the vision, giving effect to the principles and fundamentals by guiding spatial development in the area.

### 1.3 Key Priorities

The following key challenges faced by uMhlathuze IDP processes remain:

- ❖ Community upliftment and empowerment of rural areas.
- ❖ Economic development and attraction of investment that is focused in specific nodes to benefit the entire area.
- ❖ Maintenance of development standards in urban areas.
- ❖ Demand for affordable housing.

## 2. The 2009/2010 REVIEW

The 2008/2009 IDP was approved by Council in August 2008 and subsequent to Council's acceptance the only essential directive given by the MEC for Local Government and Traditional Affairs for the 2009/2010 review is the inclusion of outstanding Sector Plans, Comprehensive Infrastructure Plan and consultation with vulnerable groups of our community. As a result all this information has been gathered and used to fill in gaps that were missing in order to plan accordingly for service delivery.

### 2.1 The Planning Perspective

The planning perspective was obtained from the following:

- ❖ The Situational Analysis – a technical analysis of the area, which addressed service standards, the socio-economic status of the population and current development trends and tendencies. This resulted in the identification of service needs and backlogs



from a technical point of view while looking at strengths, weaknesses, opportunities and threats.

- ❖ Public Participation – this provided insight into problems and needs as experienced by the community.

By comparing the outcomes of the Situational Analysis and the Public Participation Process, it was possible to derive the Key Priorities for the City of uMhlathuze.

## 2.2 Situational Analysis (SWOT)

The following key issues were identified per sector in terms of a SWOT Analysis (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats):

### Institutional Sector

- ❖ Strong financial situation of the uMhlathuze Municipality.
- ❖ Strong human resource and skills base of the Municipality.
- ❖ Opportunity to extend and improve service delivery in the urban and rural areas.
- ❖ Strong overall institutional capacity in the municipality, although with the need for augmenting financial and human resources, equipment, information technology and productivity.
- ❖ Opportunity to promote the status of the City of uMhlathuze as a metropolitan area.
- ❖ The working relationship with the traditional leaders has improved with a few challenges still to overcome.

### Socio-Economic Sector

- ❖ Weakness in terms of high levels of poverty, particularly in rural areas, in spite of the high employment levels and high Gross Geographic Product produced in the area.

- ❖ Threat posed by the severe impact of HIV/AIDS on the population and specifically economically active component of the population.
- ❖ Weakness in terms of low levels of socio-economic development in the rural areas, particularly in terms of literacy, education, primary health, early childhood development as well as adult basic education and training.
- ❖ Opportunity in terms of a large pool of undeveloped potential workforce.

### Engineering Infrastructure

- ❖ Threat of diseases and environmental problems posed by water and sanitation backlogs in the rural areas.
- ❖ Strength in terms of current high levels of engineering infrastructure in urban areas and high levels of access to basic services in urban areas.
- ❖ Weak basic service infrastructure in rural areas and informal settlements around urban areas with poor access to services.
- ❖ Threat posed to the capacity of infrastructure services by increasing residential densities in informal settlements around existing urban areas.

### Social Development

- ❖ Weakness posed by social service backlogs, particularly in rural areas.
- ❖ Opportunity for social development, by provision of additional facilities accessible to rural communities.
- ❖ Weak communication and cooperation systems between provincial departments and district/local municipalities, due to the fact that provincial service districts and regions do not correspond with local municipality boundaries.
- ❖ Weakness in the safety net due to the lack of shelters/places of safety for people in distress and permanent accommodation for orphans.

- ❖ Opportunity of providing Thusong Centres in the densely populated rural areas, to provide people with crucial social services required on a frequent basis.
- ❖ Weakness due to the lack of sport and recreational facilities in the marginalized townships and rural areas to meet basic requirements.
- ❖ Opportunity to stimulate economic development through incentives such as the Industrial Development Zone, tourism projects and local economic development.

## Environmental Management

### ❖ The Atmosphere

- Opportunity to locate future industry with low or no air pollution potential as a “buffer” between heavy industry and sensitive areas to protect sensitive areas.
- Opportunity to accommodate all industry types in Empangeni.
- Threat posed by fluoride emissions - unlikely that Richards Bay will cope with additional fluoride emissions.

### ❖ Land

- Weakness - soil stability may limit sustainable development in parts of the area. The interior is more suitable for development.
- Opportunity as varied topography increases aesthetic appeal and provides opportunities for well-planned open space system. Rivers and streams aid open space planning.

### ❖ Water Resources

- The use of inland lakes is becoming increasingly multi-purpose and can become threatened.
- Threats as surface water resources are limited.
- Threat - the impact of catastrophic events e.g. droughts and floods affect the sustainable supply of water.
- Weakness - borehole yields and borehole water quality place a limitation on groundwater resource usability.

- Opportunity - legal issues will have a major impact on the way industrial pollution is controlled and managed in the area.

### ❖ Biodiversity

- Transformation of the terrestrial environment by development poses a threat.
- Alien plant invasion is a serious problem and poses a threat to the natural environment.
- Weakness - riparian vegetation has been impacted by cultivation right up to the stream banks.
- Opportunity of maintaining wetlands for conservation and biodiversity.
- Opportunity to encourage the use of indigenous vegetation for landscaping.

### ❖ Waste Management

- Potential threat of waste disposal sites to pollute ground and surface water.
- Opportunity for a full life cycle analysis, instituting recycling, re-use and reduction measures.
- Weakness – listing or registration of companies who generate classified general waste (also specifying the type of such waste)
- Weakness – route plans submission by waste transport companies who transport classified hazardous waste (indicating point of collection and treatment point). This needs to be monitored by the municipality
- Threat posed by marine pipelines.

## Physical Development

- Threat posed by the increasing population densities around Ngwelezane, Esikhaleni and Nseleni.
- Weaknesses and threats due to poor living standards in rural areas, particularly in areas with high population concentrations.

- The poor nodal hierarchy in the City of uMhlathuze is a weakness.
- The opportunity exists to extend the MOSS to the entire City of uMhlathuze area to protect natural resources.
- Opportunity for land reform.
- Threats posed by land claims and long time frame involved in settling these issues.
- Opportunities inherent to specific development initiatives, particularly the Industrial Development Zone and tourism projects.

## 2.3 SUMMARY OF COMMUNITY-SPECIFIC ISSUES

A series of public participation sessions have taken place during the preparation of the IDP since the first report was submitted during 2002. These sessions have taken place in the form of Public Information Meetings as well as Representative Forum Meetings. Throughout the process it was emphasized that the IDP process should not raise unrealistic expectations and that it be realistic and focused. It was further noted that not all the aspects raised as needs are the Municipality's responsibility in terms of direct delivery. Many of the social aspects, particularly health, education and welfare are provincial mandates and the Municipality could only play a facilitating role in the delivery of such services.

From the Situational Analysis and public participation sessions, it was affirmed that the communities residing in the rural areas have a lower income and are more severely affected by aspects such as poverty and deprivation, than the urban communities. Community upliftment and empowerment programmes should therefore be focused on the rural areas. Economic development, attraction of investment and maintenance of development standards in the urban areas remains essential to ensure the overall growth and development of the City of uMhlathuze.

Given the above, the following key challenges remain challenges to be addressed by the IDP.

June 2009

- ❖ Community upliftment and empowerment of rural areas.
- ❖ Economic development and attraction of investment that is focused in specific nodes to benefit the entire area.
- ❖ Maintenance of development standards in urban areas.
- ❖ Demand for affordable Housing.
- ❖ Optimising on the opportunities presented by uMhlathuze's location on the corridor, Ethekewini – Ilembe- uMhlathuze
- ❖ Optimising on the opportunities presented by the N2 corridor from Durban to Maputo
- ❖ The backlog in the provision of basic services such as water, sanitation, electricity
- ❖ The potential opportunities of the proposed development of the King Shaka International Airport.
- ❖ The HIV/AIDS pandemic and its impact on regional demographics.
- ❖ Climate change mitigation measures.

## 2.4 STRATEGIC DEVELOPMENT RATIONALE

The Strategic Development Rationale provides the overall approach to the Development of the City of uMhlathuze. This Rationale forms the premise for the Spatial Development Framework. The rationale has both physical and institutional components, i.e. it focuses on the structuring of the urban form to overcome developmental problems and address key priorities and needs as well as the institutional requirements in terms of resources (human and financial) to attain the aforesaid.

More specifically the physical components of the structure are:

- ❖ Nodes;
- ❖ The movement network; and
- ❖ Open spaces.

The above physical components cannot be developed without specific institutional components, i.e.:

- ❖ Financing; and
- ❖ Institutional Development & Transformation

The linkages between the physical and institutional components are described hereunder.

City form is expressive of some of the fundamental city functions: circulation, major land uses and key focal points. City form is therefore a determining factor in the efficient working of these functions and the city as a whole. The key aspect to the Strategic Development Rationale is therefore the promotion of a compact urban area managed through a strong urban structure to optimize city efficiency. A compact urban form cannot be attained without financial inputs while the effective use of such financial inputs cannot be done without a Council that is empowered to make efficient use of scarce resources.

The major routes in the City of uMhlathuze are the N2, which provides a provincial linkage in KwaZulu-Natal and the R34, the direct linkage between Richards Bay, Empangeni and Gauteng. Strategically the intersection of these linkages should be a key focus point in the area, but physical factors provide a constraint to the development of this intersection as a nodal focus point. It would not be feasible to link Empangeni and Richards Bay physically along the R34, due to the distance between the towns, the escarpment which forms a physical barrier northwest of Richards Bay and land uses which form a buffer, such as the regional landfill site. Furthermore the current growth point in Empangeni is on the northwestern boundary along the R34, while there is significant capacity for infill development in the Richards Bay central business district.

Empangeni and Richards Bay have different functions at sub-regional level – their organizations differ. In the past Richards Bay was dominated by the port and industrial functions, while Empangeni was the administrative and commercial hub, where higher order goods and services could be found. Although these functions have become hybrid, the towns have sufficient growth impetus for sustained growth.

It should be borne in mind that the above places different resource requirements, human and financial, on both the areas.

The physical segregation and distortion of the area is evident, with Ngwelezane, Esikhaleni, Vulindlela and Nseleni forming separate physical entities within the urban area. These areas are reliant on Empangeni and Richards Bay for employment, goods and services. Although Empangeni and Ngwelezane are growing physically closer together, it is not currently possible to integrate Vulindlela, Esikhaleni and Nseleni physically with any of the other urban areas. Empangeni and Richards Bay have a strong peripheral dependency, with large tribal areas which have a high population density, situated outside the formal urban areas. In terms of population density, concentration and service demands, a number of “rural development nodes” were assessed as part of a recently completed Rural Planning Initiative. The municipality has invested a lot of time and planning for the development and upliftment of areas that are physically separated from the economic centres. The next step is implementation of the proposals. Not only does this require significant investment, but the investment will also have to be managed to ensure its sustainability.

The Strategic Development Rationale for the City of uMhlathuze is therefore to develop the area with a **hierarchy of nodes**. These nodes will form the focal points for development and service provision, to ensure access to social and economic opportunities for the entire area. The concentration of activities in and around nodes will stimulate a higher order of activities and development, particularly in former dormant residential areas. Access to social and economic opportunities at such nodal areas will have to be managed and supported to ensure its efficiency. In addition, the nodal system supported by linkages between nodes will provide impetus for an **effective movement network and passenger transport system** at sub-regional level. This nodal system will ensure functional integration of the area and create connectivity, which stimulates economic and social interaction. The principle of concentrating activities in nodes recognizes that access enables empowerment.

*The Nodes should become the focal points* for social and economic interaction and activities, to enable access to all these services and opportunities. The nodes will also form the specific intervention areas in terms of the IDP, where projects and actions will be initiated. To attain this, financing has to be secured. Social and economic activities in these nodes should enjoy first priority in terms of the provision of new infrastructure and upgrading of existing infrastructure. Intervention in the emerging urban settlements will be done through formalization and upgrading of these areas and the creation of nodes.

Nodes will also be established in the rural areas to provide access to social and economic opportunities. Several of the densely populated rural areas can be classified as emerging urban settlements, where the future urban form should be shaped from an early stage to ensure efficiency and enable formalization and upgrading. As noted previously, none of the above can be attained without institutional support and management as well as financial inputs.

The protection of sensitive areas is an essential intervention as part of the Strategic Development Rationale. The SEA makes specific proposals in this regard and the extension of the **Metropolitan Open Space System** to the entire City of uMhlathuze area is required. This implies that sensitive areas will be set aside and protected in a proactive manner to create a system of open spaces, rather than incorporating leftover pieces of land after development. Development will also be undertaken within the confines of resource availability.

The Strategic Development Rationale puts forward an **incremental development approach**, where the upgrading of existing services and provision of new services is focused in specific areas according to settlement and nodal classification. The formalization of emerging urban settlements and identification of nodes in rural areas has provided the directives to shape the future urban and rural form and have determined the priority areas for infrastructure service provision. This would ensure that areas with high population concentrations situated outside the primary nodes in the area, particularly in rural areas, are first in line to benefit from upgrading and new service provision.

The following development strategies support the above strategic development rationale and discussed in more detail in the following section:

- ❖ Good Governance
- ❖ Sustainable Infrastructure and Service Provision;
- ❖ Social and Economic Development;
- ❖ Institutional Development; and
- ❖ Sound Financial Management.

### 3. DEVELOPMENT STRATEGIES/ KEY PERFORMANCE AREAS

UMhlathuze Municipality will continue to maintain existing services and infrastructure within the municipal area. Further, projects that have already been identified and initiated by Council are to be continued. The following strategies have been proposed to guide the future development in the area.

#### Development Strategy 1: Good Governance

<u>Aim:</u>	To ensure democratic, responsible, sustainable and equitable municipal governance. To ensure social upliftment of its communities, in order to achieve a safe, secure and healthy environment.
<u>Goals:</u>	<ul style="list-style-type: none"> <li>• Improve liaison, communication and consultation with all stakeholders and role-players in order to facilitate effective and efficient provision of infrastructure, services and facilities</li> <li>• Create a Safe and Secure Environment</li> </ul>

Improve liaison, communication and consultation with all stakeholders and role-players in order to facilitate effective and efficient provision of infrastructure, services and facilities:

In order for development and planned initiatives to proceed in an efficient and effective manner, it is essential that appropriate liaison, communication and consultation do take place with all relevant stakeholders and role players.

It is recommended that a Strategy be prepared to also facilitate such liaison, communication and consultation with the Amakhosi in the Ingonyama Trust areas. This would assist in facilitating rural development initiatives.

#### Create a Safe and Secure Environment:

Crime is a problem throughout South Africa, but proactive measures and small steps go a long way towards eradicating crime and improving the overall environment. By putting proactive measures in place to prevent crime and address the current crime in the City of uMhlathuze, the area would become increasingly attractive for tourists and investors, while protecting the interests of citizens. With the proposed extension of the harbour and implementation of the Industrial Development Zone, trade is expected to increase considerably and specific measures are required to prevent the City of uMhlathuze from becoming a haven for drug trafficking, illegal imports and other vices often associated with harbours and port areas. A Metropolitan Police Force could place an important role in this regard.

Prevention and eradication of crime is however also a civic responsibility. In this regard neighbourhood watches, community policing forums and farmer associations can augment the limited capacity of the police force. These institutions should work in close cooperation with the police force, therefore the municipality could act as facilitator to bring the police and community closer together and promote cooperation. Measures such as police reservists and commandos in the farming areas should be considered and could be promoted through the establishment of ward committees.

Existing open spaces and parks will continue also be managed and maintained by the municipality. Policies should be developed to guide

decision-making on the co-use and alienation of parks and open spaces for private purposes.

### **Development Strategy 2: Infrastructure & Services Provision**

<u>Aim:</u>	To maintain existing and provide new infrastructure and services, in a sustainable manner.
<u>Goals:</u>	<ul style="list-style-type: none"> <li>• Provision and Upgrading of Basic Infrastructure to address Backlogs</li> <li>• Well-timed provision of new infrastructure to attract development</li> <li>• Maintenance of Infrastructure to maintain and enhance Service Levels</li> <li>• Improve Public Transport</li> <li>• Promote a variety of Housing Typologies and Densities to provide for all Demand Categories</li> <li>• Formalize Emerging Urban Settlements</li> <li>• Maintenance and improvement of development standards</li> </ul>

#### Provision and Upgrading of Basic Infrastructure to address Backlogs:

The emerging urban settlements should be the focal points for the provision of water, sanitation, electricity, roads, transport, social services and telecommunication infrastructure. Once the formalization of emerging settlements has been completed, the upgrading of these areas can be done in terms of addressing service backlogs. Specific service standards will apply to these areas to differentiate them from the formal urban areas, such as Vulindlela, Esikhaleni, Ngwelezane and Nseleni. Social and community services will however be serviced to the same level as similar facilities in urban areas, as far as possible. The upgrading of social and community facilities in these emerging urban settlements should enjoy priority, to ensure that the semi-urban and rural areas are reached and alleviate the pressure on services in urban areas.

#### Well-timed provision of new infrastructure to attract development:



Investors need the reassurance that they would have a return on investment. The role of the municipality is not only to provide investment incentives and the infrastructure needed by investors, but also to maintain service standards. The repair and maintenance of existing infrastructure is essential to sustain a secure investment environment. Upgrading and provision of new infrastructure shows that the municipality has the confidence in the local environment to make a significant capital investment, which also acts as a reassurance and incentive to investors. This needs to happen in a well-planned timed manner.

#### Maintenance of Infrastructure to maintain and enhance Service Levels:

The City of uMhlathuze and particularly the regional nodes have high quality infrastructure that attracts private investment and development while serving the entire sub-region. The maintenance of existing infrastructure is a specific goal required to protect existing public and private investment. Dedicated projects and actions will be put forward to ensure that the existing engineering and social infrastructure are repaired and maintained to acceptable standards.

#### Improve Public Transport:

Strong urban form, based on a hierarchy of nodes connected by a movement network, requires public transport to ensure city efficiency. Public transport is specifically of value to the youth, women, the elderly and disabled who do not have their own transport. The public transport patterns in the City of uMhlathuze are currently only focused on the regional nodes and should be redirected to provide linkages between regional, sub-regional and district nodes. Population densities in and around nodes should also be raised to adequate levels to sustain the public transport. The road network should also be conducive to the effective functioning of public transport.

#### Formalise Emerging Urban Settlements:

The Tribal Authority Areas around Esikhaleni, Vulindlela, Nseleni and Ngwelezane have reached high population densities and may be

classified as emerging urban settlements in terms of their density, concentration, housing types and diversity of activities. Although functionally reliant on the facilities in the urban area, these areas are not physically integrated with the urban system.

The provision of social and infrastructure services to these areas is a priority. As such, the municipality has embarked on a planning process in these rural nodes, i.e. the uMhlathuze Rural Planning Initiative (PRI). The rationale being that, prior to the actual provision of services, the extent of intervention required to formalize such areas has to be assessed.

As such, the RPI process identified, and delineated rural nodes. By applying GIS technologies, and information made available by Stats SA, socio-economic characteristics were determined for such rural nodes. The outcomes were supplemented by grass roots workshops and fieldtrips culminating in a report that provides a clear picture of the conditions within each of the rural nodes. In addition, concept settlement plans were also prepared for each of the rural nodes. These concept plans will provide guidance for the actual review of the municipal spatial development framework and the preparation of its LUMS.

The RPI has provided the basis for establishing a footprint or ordered settlement pattern for these areas, with surveyed erven, a hierarchy of roads and land use allocation for non-residential purposes. This will ensure that these areas are functionally and physically part of the urban system. Land will also be set aside for non-residential uses, particularly for nodes.

#### Promote a variety of Housing Typologies and Densities to provide for all Demand Categories:

The provision of affordable housing remains one of the most pressing problems in South Africa and the City of uMhlathuze. The current rate of economic development and job creation cannot be expected to alleviate the problems of low-income levels and poverty; therefore specific housing programmes are required to provide subsidized

housing. The actual need for subsidized housing however has to be quantified, given the uncertainty in terms of the actual population figure. Programmes for providing access to land and basic services with security of tenure, and further programmes for the provision of top structures, should be devised. The quantification of needs and a five (5) year housing programme are essential to provide for current and projected needs and ongoing urbanization, but measures should be instituted to prevent ongoing influx, based on expectations of housing provision.

While people in the rural areas have access to land, improvement of shelter remains a priority. The introduction of the People's Housing Process to the rural areas should be undertaken. This process empowers people to construct their own housing through access to building materials and skills development programmes, while ensuring that the housing complies with National Building Regulations and minimum standards.

The Spatial Development Framework guides the development of new housing in the free market sector, in terms of identifying areas where high-density housing and new housing initiatives, such as security estates, could be accommodated. This is done to stimulate and support private sector initiatives. Market-driven housing should, however, promote the urban form and structure and work towards physical integration in the City of uMhlathuze.

### Development Strategy 3: Social and Economic Development

<u>Aim:</u>	To improve physical and functional integration within the City of uMhlathuze, whilst protecting the City's natural resources and assets through effective Environmental Management, in order to improve access to opportunities. To create opportunities through economic growth and development within the City of uMhlathuze and to promote economic upliftment of its communities
<u>Goals:</u>	<ul style="list-style-type: none"> <li>Establish a Hierarchy of Nodes throughout the City of uMhlathuze</li> </ul>

- Improve Access to Social Facilities and Infrastructure for Rural Communities and disadvantaged Groups, particularly Women, Children and the Elderly
- Promote a Diversity of Land Uses, Activities and Opportunities
- Implement the outcomes of the Strategic Environment Assessment
- Promote the Status of the City of uMhlathuze to become a Metropolitan Area
- Extend the Metropolitan Open Space System
- Enhance the Tourism Potential of the City of uMhlathuze
- Promote Local Economic Development Initiatives
- Promote Primary Industrial Development
- Support existing local economic development initiatives and encourage new initiatives
- Create an entry level into the market system for emerging businesses, the informal sector and SMMEs
- Promote a diversity of economic activities throughout the City

#### Establish a Hierarchy of Nodes throughout the City of uMhlathuze:

The City of uMhlathuze will be developed according to a hierarchy of nodes. Regional, sub regional and district nodes will be developed in specific areas, as indicated on the Spatial Development Framework. The concentration of activities in nodes improves city efficiency, for the following reasons:

- ❖ It optimizes the opportunity for exchange while minimizing transaction costs;
- ❖ It optimizes access to urban opportunities;
- ❖ It supports and promotes mixed land use development at a fine grain;
- ❖ It reduces travel distances and costs; and
- ❖ It promotes competitiveness between land uses and economic activities, thereby spiraling economic development.

Improve Access to Social Facilities and Infrastructure for Rural Communities and disadvantaged Groups, particularly Women, Children and the Elderly:

Most of the social facilities in the City of uMhlatuze are located in the regional nodes, hence people from the former marginalized areas and rural areas have to travel long distances to reach these facilities. Many of these facilities, particularly clinics, libraries and pension payout points are services used more frequently by women, children and the elderly and therefore have to be accessible to these vulnerable and disadvantaged groups. Apart from being accessible, these facilities and services should be provided in a safe environment and should be user-friendly.

The strategy for providing social facilities and services in a way that meets these requirements, is through the provision of Rural Service Centres, which combine a number of social services and facilities. These Rural Service Centres is a concept which provides for a one stop shop for social facilities and infrastructure, while the combination of uses promotes a safe and secure environment with a diversity of activities concentrated at a specific point.

Rural Service Centres are proposed for the following areas:

- ❖ Madlebe Tribal Area;
- ❖ Dube Tribal Area;
- ❖ Mkhwanazi North Tribal Area;
- ❖ Mkhwanazi South Tribal Area; and
- ❖ Khoza Tribal Area.

These Rural Service Centres should be located within the proposed district nodes and will form the heart of the district nodes. The concentration of social facilities will also spur on the development of economic activities, therefore the planning of the Rural Service Centres should provide for the development of economic activities from the outset, to promote economic development.

This proposal puts forward a concept that will allow for national, provincial and local governments to join their efforts in providing services at grass roots level. These centres will allow for the provision of a combination of essential services by the relevant tiers of government, according to their roles and responsibilities, at a central location accessible to the community. These services will be mutually supportive and will ensure coordination of services, rather than duplication or deprivation.

The development of these Rural Service Centres would furthermore act as an economic injection, by means of initiating investment into previously marginalised areas, and lowering the perceived risk to private sector development. It would allow for a hierarchy in the provision of services to ensure that existing cores are strengthened and services become more accessible to remote sections of the population. The appropriate design of these Centres would also achieve the realization of the principle of stimulating diverse and complex urban areas, as opposed to existing dormant townships and rural villages.

There are a number of institutions involved in service delivery, which should play a primary role in the establishment of these Centres, particularly:

- ❖ National Departments;
- ❖ Provincial Departments;
- ❖ Local Authorities (regional or local council); and
- ❖ Non-Government Organizations (NGOs) and Community Based Organizations (CBOs).

The Rural Service Centres will therefore comprise, *inter alia*, the following functions:

- ❖ Pension Pay-Out Point;
- ❖ Emergency Services Call Centre;
- ❖ Police Office;
- ❖ Post Office;
- ❖ Health Care Clinic;
- ❖ Library;

- ❖ Local Authority Offices (payment of accounts, account and service queries, reporting of problems);
- ❖ Licensing office (licensing of vehicles);
- ❖ Developmental Welfare Service Office. This should include office space, a workshop area for meetings as well as projects and programmes, e.g. arts and crafts projects for the disabled or the poor. This workshop area can be shared by e.g. the Local Economic Development Offices.
- ❖ A place of safety for abused and abandoned women, children in need of welfare services and street children as well as temporary social relief. The place of safety should be seen as a transit facility, where persons in distress can be housed overnight, before being referred to an institution that can help them in the longer term. This place of safety can also serve to temporarily assist people who have lost their homes due to fire or flooding and should include facilities for a soup kitchen;
- ❖ Office space for the NGOs, CBOs and other community structures. Various groups which are able to provide assistance but do not have access to the necessary infrastructure, would benefit from this clustering of facilities;
- ❖ Youth development offices. Seen in the light of the establishment of Youth Councils and Youth Development Groups, the allocation of a small amount of office space would benefit this cause and allow these groups access to infrastructure;
- ❖ Local Economic Development Office. This office can share workshop space with the Developmental Welfare Offices to undertake community skills training projects. This office should also provide support, advice and information to small and emerging businesses as well as services such as photocopying, faxing, e-mail etc;
- ❖ Home Affairs Office, including birth and death registration, application for identity documents and passports;
- ❖ Community hall (operated by local authority);
- ❖ Sport and recreational facilities (operated by the local authority);
- ❖ Emergency Services (fire station, ambulance station) and emergency call centre;

- ❖ Information Centre providing a variety of information, such as tourist information, unemployment registration, business directory (operated by the local authority).

During the formulation of Development Framework Plans (DFPs) for the emerging urban settlements, specific locations for these Rural Service Centres should be identified. Through combining social and economic activities, the Rural Service Centres could serve as entry level for SMMEs, by creating a market through interaction and connectivity, thereby spurring economic development through the market mechanism of demand and supply.

These Centres would assist in poverty alleviation, through providing hands-on assistance to community projects and initiatives. The Centres would also provide support and referrals to NGOs, CBOs, institutions and other organizations involved in poverty alleviation and community upliftment. The Local Economic Development Office should serve as a business advice centre, where emerging businesses and SMMEs can obtain advice and support on aspects such as writing of business plans, compiling tenders, business management and administration as well as basic administrative services, at a minimal cost.

#### Promote a Diversity of Land Uses, Activities and Opportunities:

Creating a diversity of land uses at a fine grain would optimize access to opportunities at local level and create new social and economic opportunities in previously marginalized areas. The demarcation of specific areas for nodal development with a diversity of land uses, including open space and high-density residential uses, would create the opportunity for social and economic interaction. The designation of nodes and attraction of development to Ngwelezane, Esikhaleni, Vulindlela and Nseleni will transform these from dormitory townships completely dependent on Empangeni and Richards Bay for economic activities, to vibrant areas with the function of sub-regional nodes.

The proposed Rural Service Centres in the rural areas would also introduce economic and social uses into the rural areas, although of appropriate nature and function to complement the rural character.

Land use diversification in the rural areas should furthermore attract and promote tourism, while taking cognizance of the sensitive natural environment. Commercial farms and high crop yielding areas should however be protected from land use intensification, particularly subdivision, to protect the agricultural industry and valuable agricultural land.

The introduction of land reform programmes should promote diversity in agricultural activities and enable subsistence farmers to enter the commercial farming sector by focusing on export related produce with high demand. Opportunities have opened to export produce to duty-free to European Union and American markets, which should be exploited considering the Industrial Development Zone, Richards Bay Port and international airport. This would require cooperation between existing commercial farmers and aspiring farmers to achieve skills transfer and training in management and business matters. The extension of the water and electricity network to rural areas for basic service provision should support the expansion and diversification of agriculture and the processing of agricultural products, prior to the transport of produce to markets. The Rural Service Centres should also focus on the needs of the agricultural industry and could include co-operative centres and workshop areas, developed by the private sector.

The Spatial Development Framework sets aside land for proposed nodes and specific land uses to provide direction for physical growth and development. The management and stimulation of this growth is essential not only to protect certain uses, but to promote others as well. Specific projects and actions would be required as part of this goal, such as a land use management system and law enforcement.

The land use management system should support the Strategic Development Rationale and the Spatial Development Framework, through protecting the nodal structure, movement system and open space system.

Proactive measures should be taken to ensure that sensitive environmental areas are protected and that open spaces are taken

up into the urban structure of the City of uMhlathuze. **Metropolitan Open Space Systems (MOSS)** have been identified for Empangeni and Richards Bay, but these should be extended to the rest of the area and incorporated in the Spatial Development Framework and the land use management system.

#### Promote the Status of the City of uMhlathuze as an Aspiring Metropolitan Area:

The status of the City of uMhlathuze as an aspiring metropolitan area should be promoted to the benefit of the municipality and the citizens. Retaining powers and functions, particularly service provision, is essential to maintain the income levels of the municipality and promote this status. This requires intervention on all levels, from national government to provincial government and district municipality level, to arrive at an amicable agreement regarding powers and functions for the aspiring metropolitan municipality.

#### Enhance the Tourism Potential of the City of uMhlathuze:

The status of the City of uMhlathuze as a renowned destination for local and international tourists should be enhanced and promoted. This is the responsibility of all stakeholders in the city. The municipality plays a distinct but limited role in tourism promotion, but can implement other strategies to attract tourists and tourism enterprises. In this regard, a dedicated tourism strategy is proposed. The maintenance of existing engineering infrastructure and social services is also essential to promote the city as tourist attraction. Creating a safe and secure environment, through pro-active security measures and cooperation with civic initiatives, would also enhance the attractiveness of the area.

Specific facets of tourism, such as eco-tourism and Avi-tourism (bird-tourism) are becoming increasingly popular and the City of uMhlathuze should explore its potential in this regard through promoting itself in these niche markets. The City of uMhlathuze is believed to be located on what can become a globally important Avi-tourism destination, in particular water birds. This holds tremendous potential for attracting

birding enthusiasts from all over the world and generating increased tourist spending. One of the advantages of this specific aspect of tourism is that birding is low impact, requires minimal development and also takes people to rural areas, with a positive effect on local communities. The tourism industry has tremendous potential for creating employment opportunities, particularly in rural areas and among communities with low education levels.

Eco-tourism enables communities to directly benefit from tourism, by directly involving them in tourism projects. The rich Zulu culture and tribal authority system hold potential for ecotourism development. While the importance of attracting international tourists should not be ignored, amenities such as conference centres and facilities for corporate breakaways should also be kept in mind, considering the

#### Promote Local Economic Development Initiatives:

The initiatives that need to be taken into consideration to further strengthen the LED. These are:

- ❖ Developing local Sustainable Infrastructure and Service Provision to create jobs and opportunities.
- ❖ Helping local business to grow.
- ❖ Creating new local businesses.
- ❖ Attracting new business, investment and resources.
- ❖ Plugging the leaks in the local economy.
- ❖ Helping local people to find jobs and discover hidden job opportunities.
- ❖ Marketing the community and making it more attractive.
- ❖ Education, Capacity Building and Training.

The implementation of dedicated poverty alleviation projects should enjoy priority as part of local economic development. Food projects and agricultural projects should be included as part of

large industries and corporations presented in the City of uMhlathuze. The colonial nature of large commercial farms offers the ideal opportunity for overnight facilities or weekend hideaways among the rolling hills and sugarcane characteristic of KwaZulu Natal.

The route from the City of uMhlathuze to Gauteng and Mpumalanga via Ulundi and Vryheid winds through the Kingdom of the Zulus (Ulundi) and the historic battlefields of the Anglo Boer War, with a plethora of under-rated tourism attractions. Cooperation between the City of uMhlathuze and these local authorities in promoting tourism attractions would be to the benefit of all the parties involved. The development of a tourism corridor from the City of uMhlathuze through these deep rural areas should be promoted.

land reform and community upliftment projects, to assist the indigent in creating a livelihood.

The Zululand Chamber of Business Foundation (ZCBF) is an organisation focused on promoting business development and creating job opportunities, particularly amongst SMMEs and in formerly marginalised communities. The ZCBF has succeeded in attracting investment and economic injections into the area, *inter alia* in the form of hydroponics farms, where rural communities are trained and skilled into hydroponics farming methods.

The ZCBF, corporates and uMhlathuze Municipality will play a pivotal role in promoting local economic development, through the identification of specific projects and lobbying support and funding for these projects, from other levels of government and international funding agencies. The key to success for LED projects and job creation is the proactive and almost aggressive approach to marketing and attraction of investment.

#### **Soft infrastructure" for competitive advantage**



uMhlathuze will build its competitive advantage by creating a business friendly environment in which enterprises of all sizes can prosper and grow. In this respect the priorities are:

- ❖ to formally establish a local economic development partnership representing the interests of all local stakeholders and with the capacity and credibility to lead the economic development of uMhlathuze,
- ❖ to gradually integrate the activities of LED role-players by information sharing, joint priority setting and planning, common training programmes and where appropriate shared staff or facilities
- ❖ to establish an industrial development zone (IDZ).
- ❖ to remove the constraints to growth and investment caused by a shortage of education and skills by identifying specific local needs and implementing a development programme to remedy the situation in partnership with DEC, DOL, NGOs and SETAs,
- ❖ to streamline procedures and remove unnecessary regulatory obstacles to local and external investment by small and medium enterprises in particular.
- ❖ to establishing BDC satellites in Esikhaleni, Ngwelezane and Nseleni,
- ❖ facilitate access to local and venture capital for business start up and expansion by researching good practice and encouraging or initiating the establishment of appropriate local institutions to develop a best practice programme for combating crime which currently inhibits growth and investment and thus contributes to the conditions that breed more crime.

Empangeni and Richards Bay currently collectively fulfill the function of regional nodes or service centres. These areas each have a distinct character and function and therefore can proceed to collectively carry out this function. Empangeni

traditionally used to be the administrative service centre, while Richards Bay was characterized by the harbour and heavy industries. Empangeni is already diversifying and now also incorporates heavy industry. The commercial, professional and administrative functions have shown considerable expansion recently in Richards Bay, which should be encouraged.

Commercial and business activities are however mostly confined to Empangeni and Richards Bay. The introduction of designated nodes, with supportive infrastructure in Ngwelezane, Esikhaleni, Nseleni and Vulindlela will assist in attracting business and commercial uses to the area, although of lower order than the uses in the regional nodes. Commercial and business activities in these areas would be focused on consumables and services required on a daily basis and would alleviate the complete dependency of these areas on the regional nodes.

The Rural Service Centres in the Madlebe, Khoza, Dube and Mkhwanazi tribal areas would introduce economic activities and services in support of the primary and secondary economic sectors into rural areas. These Centres would also act as tourist attraction points and information centres on the tourism opportunities offered by the rural areas and Zulu culture.



Promote Primary Industrial Development:

Industrial development is a very prominent component of the physical and economic development of the City of uMhlathuze. The city offers exceptional potential for further primary industrial development in Empangeni and Richards Bay, particularly in light of the expansion possibilities of the Port of Richards Bay as well as the railway line providing a link to Gauteng and Mpumalanga.

Primary industrial development should be promoted through the implementation of the Spatial Development Initiative (SDI) and Industrial Development Zone (IDZ). These initiatives would see considerable injection into the Regional Service Centres of Empangeni and Richards Bay. The intention of these initiatives is to attract investment, which would have economic spin-offs and create employment opportunities. Although the uMhlathuze Municipality is not directly responsible for these initiatives, it should play a coordinating and facilitative role in ensuring that these initiatives are implemented. The Municipality should also act on the best interests of the stakeholders of the City of uMhlathuze and ensure that the interests of all stakeholders are protected.

Industrial development should also be promoted in specific Sub-regional Nodes, namely Ngwelezane, Esikhaleni, Vulindlela and Nseleni to create an economic base in these areas and bring

Maintain and improve the Institutional Capacity of the uMhlathuze Municipality:

The municipality is currently in a healthy financial state, due to sound financial management and strong credit control policies applied by the former entities. The municipality also has

employment opportunities and residential areas in closer proximity, to limit traveling distances and high household expenditure on transport. The implementation Integrated Environmental Management principles and particularly an environmental management plan and policy would assist industry on a pro-active basis to take environmental aspects into consideration in the planning and development of new industries.

**Development Strategy 4: Institutional Development & Transformation**

<u>Aim:</u>	To ensure institutional transformation as well as efficient and effective service delivery
<u>Goals:</u>	<ul style="list-style-type: none"> <li>• Maintain and improve the Institutional Capacity of the uMhlathuze Municipality</li> <li>• Prepare IDP and facilitate annual review</li> <li>• Ensure continuous Organisational Analysis and Improvement in efficiency and effectiveness</li> <li>• Ensure efficient and effective Secretarial and Administrative Services to the Organization</li> <li>• Ensure efficient and effective Human Resource Management</li> <li>• Promote appropriate Information Management System/s for the Municipality</li> </ul>

considerable institutional capacity, in terms of human resources, physical assets and up to date technology and equipment. To retain this condition and ensure that the municipality has the ability to let the city grow and prosper, it is essential to augment its financial and institutional capacity. There are a number of interventions in support of this, most importantly the protection of public and private investment and protection of the rates base.

Land use management, law enforcement and the proposed nodal hierarchy are important mechanisms in the protection of the existing rates base. The rates base should also be extended through the incorporation of properties from all former entities into the valuation roll. Strict credit control measures should also be kept in place and bad debt recovery measures instituted. Proactive measures for income recovery include the provision of additional pay points throughout the municipal area, particularly in the Rural Service Centres. Pay points should also serve as information and problem report centres for the municipality.

Additional sources of funding should be investigated, particularly grant funding and development aid available from national and provincial government and aid organizations. Projects utilizing this funding should be promptly executed, as this is a prerequisite for obtaining further funding. The possible collection of District Municipality levies should be explored, to augment the capacity to increase income levels.

Adequate human resource capacity is essential to maintain the municipality's financial status and service delivery. With the expanding jurisdictional area of the City of uMhlathuze and the status of an aspiring metropolitan area, the augmentation of human resource capacity becomes even more important.

There should be parity in the benefits for employees from different former entities and scope for growth and development within the structure, to ensure that the current strong human resource base can be maintained. The organizational structure and human resources should be aligned with the outcomes of the IDP, to ensure that the human resources are in place to implement the projects and actions put forward by the IDP.

The human resource base should further be augmented through training and skills development programmes and opportunities such as bursaries and study schemes. This will to create investment in the human resource base and ensure that valuable personnel on all levels have future opportunities in the municipality.

Continuous maintenance and repair is essential to protect assets and in the long term is less costly than replacement. This requires up to date technology and equipment to enable the municipality to fulfill its functions of service delivery, operation and maintenance.

#### Ensure continuous Organisational Analysis and Improvement in efficiency and effectiveness:

The uMhlathuze Municipality has to be accountable to its stakeholders in terms of service delivery, decisions and performance. The Integrated Development Plan is the main tool for coordinating service delivery and directing service delivery towards the improvement of quality of life and the needs expressed by the community. Once adopted, the IDP becomes a statutory document binding the municipality in terms of expenditure, actions and decisions.

Performance management measures are however required to ensure that the municipality effectively implements the IDP. These should measure the overall performance of the organisation and also for individuals in the organisation, specifically the Municipal Manager and Heads of Departments. The latter will be measured in terms of Key Performance Areas identified from the IDP.

The overall performance of the organisation will be rated in terms of the successful implementation of the Integrated Development Plan, service delivery and maintenance of service standards.

### **Development Strategy 5: Sound Financial Management**

<u>Aim:</u>	To ensure a healthy municipal revenue base that is aligned with the IDP, in order to ensure efficient, effective and sustainable service delivery and meeting the needs of the City's inhabitants
<u>Goals:</u>	<ul style="list-style-type: none"> <li>• Ensure that Financial Planning, Budgeting &amp; Expenditure aligns with the IDP</li> <li>• Increase the Municipal Revenue Base</li> <li>• Maintain high levels of Debt Control</li> <li>• Implement Revenue Enhancement measures</li> </ul>

Ensure that Financial Planning, Budgeting & Expenditure aligns with the IDP:

This is a legal requirement in terms of the Municipal Systems Act (No. 32 of 2002). In addition, the new Municipal Finance Management Act also reinforces this requirement. This ensures the efficient utilization of scarce resources to address priority issues as identified through the IDP and its processes.

Increase the Municipal Revenue Base:

It is essential to protect the revenue base and investment through land use management, law enforcement, maintenance, repair and upgrading of services. Pro-active measures should also be taken to increase the revenue base to ensure that services can be delivered to the larger jurisdictional area and to improve services. This includes the attraction of investment, business and industrial expansion, promotion of a nodal hierarchy with higher property values, agency agreements for debt collection and closer cooperation with

stakeholders. The possible collection of District Municipality levies should be explored, to augment the capacity to increase income levels. An indigent policy should also be formulated to provide assistance to people who do not have the ability to pay for services. The indigent applications should then be reviewed on a regular basis.

### 3.1 DEVELOPMENT PROGRAMMES

**Diagram 2: ALIGNMENT BETWEEN THE UMHLATHUZE IDP DEVELOPMENT STRATEGIES, PROGRAMMES AND INSTITUTIONAL ARRANGEMENTS**

<b>Development Strategy 1: Good Governance</b>	<b>Development Strategy 2: Sustainable Infrastructure &amp; Service Provision</b>	<b>Development Strategy 3: Social and Economic Development</b>	<b>Development Strategy 4: Institutional Development</b>	<b>Development Strategy 5: Sound Financial Management</b>
<p><u>Programmes:</u></p> <ul style="list-style-type: none"> <li>❖ Community Facilitation</li> <li>❖ Corporate Services</li> <li>❖ Safety/Security</li> <li>❖ Municipal Manager</li> <li>❖ Councillors</li> </ul>	<p><u>Programmes:</u></p> <ul style="list-style-type: none"> <li>❖ Water &amp; Sanitation Services</li> <li>❖ Electricity</li> <li>❖ Roads &amp; Stormwater</li> <li>❖ Solid Waste</li> <li>❖ Environment Management</li> <li>❖ Vehicle &amp; Plant</li> <li>❖ Communication Systems</li> <li>❖ Rail Network</li> </ul>	<p><u>Programmes:</u></p> <ul style="list-style-type: none"> <li>❖ LED</li> <li>❖ Municipal Planning</li> <li>❖ Marketing and Tourism</li> <li>❖ Sports &amp; Recreation</li> </ul>	<p><u>Programmes:</u></p> <ul style="list-style-type: none"> <li>❖ Organizational Business Analysis &amp; Efficiency</li> <li>❖ Information Management</li> <li>❖ Human Resource Services</li> <li>❖ IDP</li> <li>❖ Municipal Offices</li> </ul>	<p><u>Programmes:</u></p> <ul style="list-style-type: none"> <li>❖ Financial Planning, Management &amp; Control</li> <li>❖ Asset Management</li> <li>❖ Debt Control</li> <li>❖ Revenue Enhancement</li> </ul>

**Note:** In addition to the above Programmes, there are also Sub-Programmes (in some cases), which are indicated in the Figure overleaf



## SECTION D: HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK

### 1. INTRODUCTION

All municipalities, both district and local, are required by the national legislation (MSA), to prepare and adopt Integrated Development Plans for their municipalities. In preparing an IDP one of the core component of the IDP as stated in the MSA, is the Spatial Development Framework. This framework will seek to guide the overall spatial distribution of current and desirable land uses within the municipality, in order to give effect to the vision, goals and objectives of the municipal IDP.

The aims and purposes of the SDF can be described as the promotion sustainable functional and integrated settlements patterns in order to:

- Discourage low density urban sprawl
- Generate social and economic opportunities
- Optimise the use of resources effectively and efficiently
- Enhance regional identity and unique character of place
- Ensure conformance with the neighbouring local municipalities, districts and provincial spatial development frameworks.
- The identification of desired patterns of land use
- The identification of spatial growth directions
- The conservation of the natural and built environment, and
- The correction of past imbalances as well as the integration of formerly disadvantaged areas.

*(Source: Municipal Systems Act, No. 32 of 2000 – Regulations)*

Policy documents and legislation, which provide spatial strategic guidelines, include:

- The Development Facilitation Act
- Spatial Planning & Land Use Management
- The Housing Act
- The Housing White Paper
- Green Paper on Development and Planning
- National Environmental Management Act
- National Spatial Development Plan, and
- Provincial Growth & Development Plan

Maximize resource efficiency by: (1) protecting sensitive environments, (2) protecting productive agricultural land and (3) enhancing the regional identity and character.

- Prevent illegal occupation of land by ensuring that provision is made for the formalization of informal residential areas.
- Residential and employment areas should be integrated to avoid long commuting distances.
- Provision to be made for a range of residential and commercial types thereby providing the opportunity for the local economy to diversify and develop.
- Rectify distorted spatial patterns.
- Discourage urban sprawl.
- The disturbance of ecosystems and loss of biological diversity should be avoided or where they cannot be altogether avoided

## 1.1 Linkage between the environment, spatial development and land use management

1) Resources are limited and every effort should be made to ensure that development is sustainable from an economic, institutional and environmental perspective. In the context of this study, environmental constraints and opportunities inform the preparation of the Spatial Development Plan.

2) The National Land Use Bill (April 2002) requires that SDFs need to be prepared to guide spatial planning and land use management, the latter being achieved by the preparation of Land Use Schemes.

3) The MSA also places a legal obligation on municipalities to prepare SDFs that set out the basic guidelines for land use management in the municipality. According to the White Paper on Spatial Planning and Land Use Management (July 2001), SDFs should also provide a clear approach for the development of an area to allow decision-makers to deal with development pressures, i.e. applications.

## 1.2 Environmental Management & Conservation

- Indicate where the intensity of land development could be increased or should be reduced.
- Ensure the ecological sustainability of the study area.
- Conservation of high potential agricultural land.
- Prepare a plan for refuse removal in areas not already covered by such a service.
- Identify areas at which certain types of land uses could be encouraged or should be discouraged.
- Indicate where infrastructure investment is needed to provide minimum levels of services.
- Proposed expansion of the Richards Bay Port
- Air quality

## 1.3 Air Quality Study

During 2005, work has been ongoing on an air quality investigation in the City of uMhlathuze. The main objective of the investigation being to inform the future spatial development for the City of uMhlathuze to ensure all environmental aspects are considered for current and future planning. The detailed project objectives are outlined hereunder:

1. Determination of ambient air quality limits to be adopted as targets within the City of uMhlathuze.

- particulate matter with an aerodynamic diameter of  $<10\ \mu\text{m}$  (PM10)
- nitrogen dioxide (NO<sub>2</sub>)
- carbon monoxide (CO)
- ozone (O<sub>3</sub>)
- lead (Pb)
- benzene
- dustfall

2. Determination of areas where local quality limits are exceeded or are in danger of being exceeded.

3. Determination of buffer zones for existing industrial areas.

4. Identification of future industrial development nodes.

## 1.4 Development Scenarios

The forces and factors described in the previous section allude to a number of components that have to be borne in mind when doing spatial development planning. These include:

- Areas of development pressures
- Development trends
- Areas of sensitivity

- Areas of investment
- Areas of conflicting uses
- Areas of opportunity

A number of development proposals are at advanced stages of planning. Some have even been through a tender process.

A number of considerations informed the selection of the following pollutants for the establishment of local guidelines:

When considering the proposed expansion areas the following should be borne in mind:

1. A **phased approach** will be adopted in the development of both infill and expansion areas. It is likely that the availability, coupled with demand, will direct the phasing of the various expansion areas.
2. The proposed **uses** identified are not prescriptive in that they are options rather than specific zonings. Specific uses will have to be driven by market forces must be **compatible** with the area characteristics as defined (and needs at the time of development).
3. The detailed planning of any development will have to comply with the requirements, standards and norms of the **Red Book (Guidelines for Engineering Services and Amenities & Human Settlement Planning and Design)** in respect of social and community facilities. Neighbourhood commercial facilities will also be required.
4. It has been assumed that the Municipality can **access** (or facilitate the development thereof) of the **land** under discussion whether from its public or private owners.
5. The proposed developments as well as the expansion areas comply with the principles, goals and strategies outlined in section 2 of this report. Some development proposals/expansion may be considered by some as **ribbon development** while it is actually **infill development**. Development does take place at **spatial intervals (in a ribbon manner)** after which infill development takes place.

## Potential Expansion Area A

This is the State forestry area identified to provide a good linkage between eSikhaleni and Vulindlela, especially in lieu of future Port expansions. It provides a potential linkage with existing urban developments, as well as processing the value adding activities at Felixton town as well.

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Good linkage between Esikhaweni and Vulindlela, especially in lieu of proposed Port Expansions.
- Potential linkage with existing urban developments, as well as processing and value adding activities at Felixton town as well.
- Very accessible.
- Potential to accommodate overflow from Esikhaweni, especially in lieu of potential upgrading/formalizing of informal rural nodes around Esikhaweni.
- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Good linkage between Esikhaweni and Vulindlela, especially in lieu of proposed Port Expansions.
- Potential linkage with existing urban developments, as well as processing and value adding activities at Felixton town as well.
- Very accessible.
- Potential to accommodate overflow from Esikhaweni, especially in lieu of potential upgrading/formalizing of informal rural nodes around Esikhaweni.
- Area can be easily serviced with water and sanitation infrastructure. Forest Reservoirs located in the area and gravity feeding to sewage treatment plants.

## Potential Area B

Area **B** is a privately owned area, which is the logical extension of Empangeni Rail in a southerly direction. It has the potential to integrate the existing town of Empangeni and Felixton.

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Area is natural extension of Empangeni in a southerly direction. Has potential for infill development between existing towns of Felixton and Empangeni.
- Portions on the east on the area have very high visibility along the N2 and John Ross Highway but very limited accessibility.
- Access to the western portions of the site is good with the Old Main Road passing through the area in a North South direction.
- Area can be easily serviced with water infrastructure. The provision of sanitation could be problematic and would require upgrade of treatment plant at Vulindlela or the development of a new facility in the area.

## Potential Area C

Area **C** is a privately owned area, which is a logical extension of Empangeni in a northerly direction.

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Area is natural extension of Empangeni in a northerly direction. Has potential for infill development from Empangeni toward Richards Bay along access route (John Ross Highway).
- Portions on the east on the area have very high visibility along the N2 and John Ross Highway but very limited accessibility.

- Access to the western portions of the site is good with the Old Main Road passing the area towards its intersection with the N2.
- Area can be serviced with water infrastructure via the existing main between the source at Nsezi and Empangeni.
- The provision of sanitation is likely to be less problematic than Area A.

## Potential Area D

Areas D and E are natural extension corridors of Empangeni in a northeasterly direction.

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Area is natural extension of Empangeni in a north easterly direction.
- Portions on the north and eastern border of the area very good visibility but access constraints given its location.
- Good access off the Old Main Road.

## Potential Area E

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Area is natural extension of Empangeni in a north easterly direction.
- Access to the site is available for first phases. Future development of the area will require provision of additional access.

## Potential Area F

This is the forestry area, which is a logical extension of Richards Bay in a northeasterly direction, to relieve development pressures on the residential areas of Birdswood, Veldenvlei and Wildenweide.

- Areas with limited environmental conservation and environmental linkages zones.
- Areas with minimal geotechnical constraints.
- Slopes less than 25%.
- Area is natural extension of Richards Bay in a north-easterly direction.
- Are development pressures for expansion from Birdswood, Mandlazini and Veld-en-Vlei.
- Area beneath ridge area where expansion is constraint.
- Area can be serviced with water and sanitation services.

The expansion areas discussed on the previous pages have a combined developable area in the region of 4893Ha (land restrained by mineral/prospecting rights has not been included). A vast area is identified by this SDF for future development. It should be noted that the total area will not be earmarked for residential development.

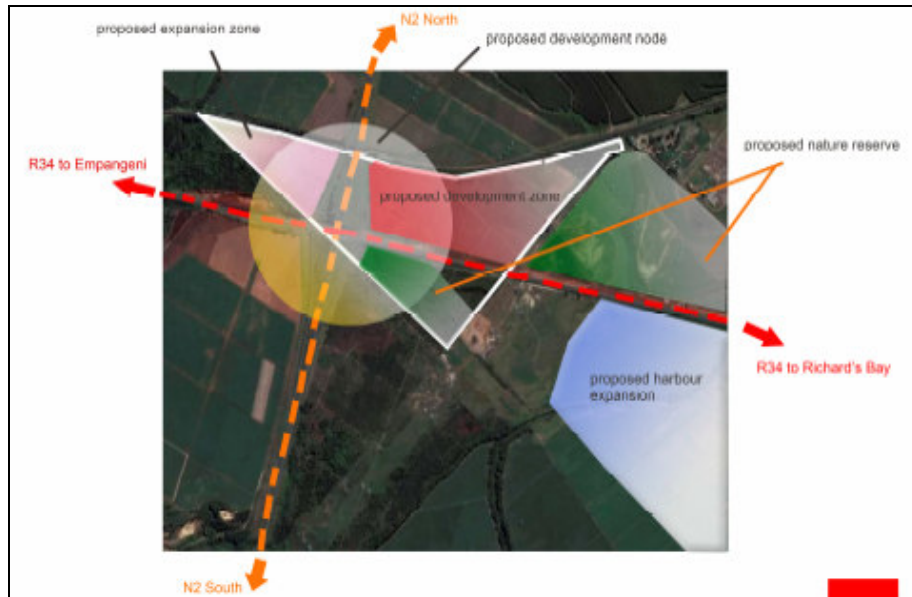
In lieu of the above, the City of uMhlathuze has to take a strategic position about their future role and status in Northern KwaZulu-Natal as well as provincially and nationally. Issues such as inevitable population increase, the need for more (than the already existing) regional facilities, proposed Port expansion coupled with economic growth and

development will have to inform the strategic direction that the City of uMhlathuze pursues. This Spatial Framework Plan has been prepared considering a number of opportunities and constraints culminating in a challenging series of decisions that will be required by the City of uMhlathuze to respond to definite (existing and proposed) needs as well as opportunities. The Spatial Framework Plan relates to the IDP and the IDP (budget and projects) should respond to the Spatial Framework Plan.

### Potential Area G

Through strategic meetings with different stakeholders, affected and interested parties uMhlathuze Municipality will be looking at including extension area G to the SDF. This inclusion of Area G will mean that the area between Aquadene and the N2 (refer to diagram below) is an extension of the development corridor that exists. It will cater for the extension of the CBD in the north direction, to accommodate commercial, office park and light industrial development.

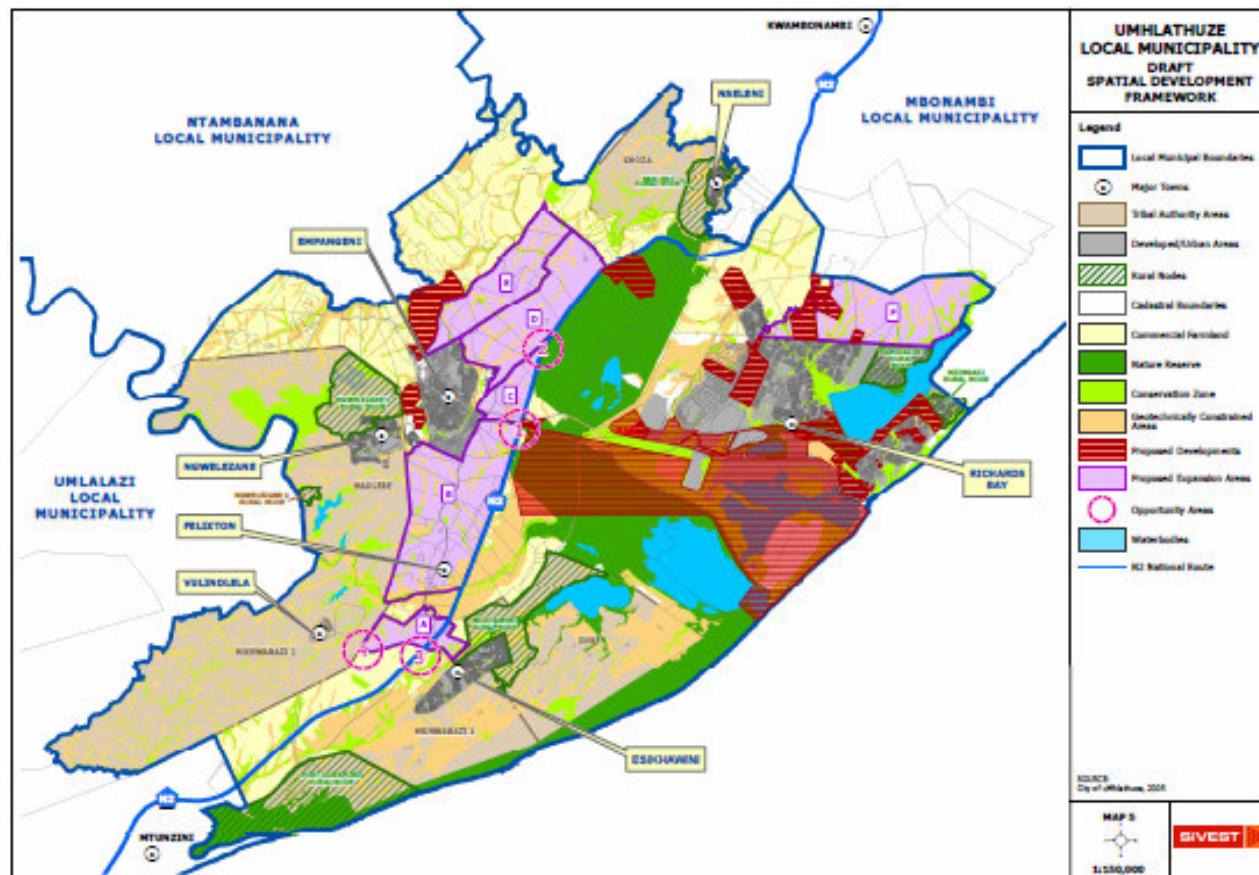
**Diagram 3: Proposed Area G**



Source: Presentation by Mettallon Properties/ Lauresco Developments



### Plan 3: Spatial Development Framework, 2007



Source: SDF, 2007

## SECTION E: SECTOR INVOLVEMENT

Each of the strategies has a number of programmes and projects aimed at facilitating its implementation. Apart from specific projects, a number of sector plans have been initiated, are underway, have been completed and have to be reviewed annually.

- WATER SERVICES DEVELOPMENT PLAN
- INTEGRATED WASTE MANAGEMENT PLAN
- LOCAL ECONOMIC DEVELOPMENT STRATEGY
- UMHLATHUZE MUNICIPAL HOUSING PLAN
- SPORTS & RECREATION
- DISASTER MANAGEMENT PLAN
- SPATIAL DEVELOPMENT PLAN
- COMPREHENSIVE INFRASTRUCTURE FRAMEWORK PLAN (CIFP)

### 1. WATER SERVICES PLAN

#### 1.1. Introduction

The purpose of an integrated water service plan is to ensure that there is fulfillment of sectoral planning requirements and compliance with sectoral principles, strategies and programmes in the provision of water. Section 2 (a) of the Water Services Act describes one of the main objects of the Act as being the provision of “the right of access to basic water supply and the right to basic sanitation necessary to secure sufficient water and an environment not harmful to human health or wellbeing”. The right of access to basic water supply and basic sanitation is further expounded in section 3 of the Act.

It is important to bear in mind that the national standard for per capita consumption is 25 litres per day (lcd), for basic water needs.

With the establishment of Transitional Local Councils, Richards Bay and Empangeni assumed responsibility for the provision of water services in the former KwaZulu Townships. At that stage it excluded tribal areas. Unlike many other TLC's, Richards Bay and Empangeni embarked on a extensive capital development program related to water services. The water distribution infrastructure in all townships, were also upgraded. This involved replacement of pipelines and valves, the replacement of household connections and installation of meters to all consumers. The uMhlathuze Municipal area is supplied with potable water from Lake Mzingazi, Lake Cubhu, Nseleni river (Nsezi lake) and Mhlathuze river. The Municipal area is divided into a number of supply zones and the existing infrastructure is described per supply zone.

The supply zones are:

*Zone Description: Supply nodes*

Richards Bay: Richards Bay urban and industrial.

Nseleni urban and Bhejane: Khoza (including Upper Nseleni & Kwambonambi)

Empangeni: Empangeni urban, industrial

Ngwelezana: Ngwelezana urban & Madlebe

Esikhaleni: Esikhaleni and Vulindlela urban Dube and Mhkwanzazi (Felixton & Mtunzini (when completed))

The provision of safe, sustainable and affordable water services are an important component to achieving the strategic objectives of uMhlathuze .

## 1.2 Sectoral Setting

### WATER:

Because of the diverse nature and profile of communities in the uMhlathuze Municipal area of jurisdiction, the existing levels of water service range from house connections to untreated water drawn from rivers. A number of subsistence level villages in the area do not have the minimum level of service and as such this category has been subdivided into two categories to cover the full range of levels-of-service found in the area. The Department of Water Affairs (RDP guidelines) outline the minimum level of service for water supply as 25 litres per capita per day available within 200 meters at a flow rate of 10 litres per minute and available 98% of the time.

Only approximately 10.4% of the rural population is subject to below RDP level of service. The water services backlog is 6.7% of the total municipal population. The backlog is most severe in the rural areas of Madlebe and Mkhwanazi South. Considerable progress was made since 2004 if the backlog above is compared to those reflected in the original WSDP.

**Table 21: Population below RDP level of service**

Area	Population Estimate	Household Estimate	Population below RDP		Households below RDP
			No.	%	No.
Dube	54 069	13 205	0	0	0
Mkhwanazi North	25 110	6 263	3 207	12,8	800
Mkhwanazi South	30 589	6 735	6 358	20,8	1400
Madlebe	36 043	8 219	9 380	26,0	2139
Khoza / Bhejane	28 724	8 622	333	1,2	100
Mzingazi Village	3 348	618	0	0	0
Mandlazini Village	4 455	753	0	0	0
Zidedele Village	483	173	0	0	0
Empangeni farms	3 304	1 183	0	0	0
<b>Total</b>	<b>186 126</b>	<b>45 771</b>	<b>19 278</b>	<b>10,4</b>	<b>4 439</b>

Source: Water Services Development Plan: 2008

### SANITATION:

The urban areas in the municipality are predominantly serviced with waterborne sewage systems, except for isolated cases. Information on the status in rural areas are limited. Some pit latrine structures seem to be at a minimum RDP level but the magnitude of those that comply has not been determined at this stage.

Approximately 36032 households in the municipality are currently below RDP level of sanitation service, which represents 48,5 of the total households. Although numerous boreholes are being referred to in this section, very few are utilized and/or are operational. Boreholes are continuously being phased-out when new infrastructure is installed from existing bulk supplies.

## 1.3 Water Distribution/Retail Infrastructure

**Table 13**, reflects the present status with respect to service provision for distribution/retail infrastructure

**Table 22: Status of service provision**

Distribution system Retail Area	Ownership of Asset	Water Service Provider	Remarks
Richards Bay Urban & Industrial	uMhlathuze Municipality	uMhlathuze Municipality	Full service provision
Empangeni Urban & Industrial	uMhlathuze Municipality	uMhlathuze Municipality	Full service provision
Esikhwini, Nseleni, Vulindlela and Ngwelezana Urban	uMhlathuze Municipality	uMhlathuze Municipality	Full service provision
Dube Tribal & Mkhwanazi South	uMhlathuze Municipality	uMhlathuze Municipality	(Sec 78 in progress) Municipal involvement focused on reinstatement
Mkhwanazi North	uMhlathuze Municipality	uMhlathuze Municipality	(Sec 78 in progress) Municipal involvement focused on reinstatement
Madibe Tribal	uMhlathuze Municipality	uMhlathuze Municipality	(Sec 78 in progress) Municipal involvement focused on reinstatement
Khoza Tribal	uMhlathuze Municipality	uMhlathuze Municipality	(Sec 78 in progress) Municipal involvement focused on reinstatement
Felixon	Tongaat Hulett	Tongaat Hulett	Function taken over by municipal recently.

Source: Water Services Development Plan: 2008

### Bulk Sanitation Infrastructure

The current status with respect to service provision associated with bulk sanitation infrastructure is reflected in the table below.

**Table 23: Present status – bulk sanitation infrastructure**

Bulk Supply System	Ownership of Asset	Sanitation Service Provider	Consumer base
Richards Bay (1)	uMhlathuze Water	uMhlathuze Water	Richards Bay Urban & Industrial
Empangeni	uMhlathuze Municipality	WSSA (Pty) Ltd	Empangeni Urban & Industrial
Ngwelezana	uMhlathuze Municipality	WSSA (Pty) Ltd	Ngwelezana Urban
Esikhwini (2)	uMhlathuze Municipality	WSSA (Pty) Ltd	Esikhwini Urban
Nseleni	uMhlathuze Municipality	WSSA (Pty) Ltd	Nseleni Urban
Vulindlela (3)	uMhlathuze Municipality	WSSA (Pty) Ltd	Vulindlela Urban & Unizul
Felixon	Tongaat Hulett	Tongaat Hulett	Felixon Urban & Tongaat Industrial

Source: Water Services Development Plan: 2000

## 1.4 Proposed Water Service Provision

The bulk water and sanitation service provision were rationalised during 2003. Outstanding matters to be addressed include:

- **Future of Mhlathuze Water with respect to their role as WSP (Water and Sanitation).**
- **Water service provision in rural areas.**
- Water service provision in the rural areas is currently the subject of a comprehensive Section 78 Assessment. Service provision in the rural areas has improved considerably since the previous WSDP review.

Mhlathuze Water currently owns and operates substantial infrastructure in the municipal area. The current status is therefore that ownership of water & sanitation infrastructure is with two parties and three parties are essentially involved in water & sanitation service provision. The degree to which economy of scale and low cost is achieved is questionable. This is over and above possible misalignment of planning functions, duplication and diverging strategies being applied. The current disparity in tariffs being applied by the respective parties is a case in point. Cooperative governance was generally applied to date, but it is not necessarily the preferred option. It is therefore recommended that the issue of ownership and service provision be reviewed as a matter of importance.

## 2 INTEGRATED WASTE MANAGEMENT PLAN

### 2.1 Introduction

The Constitution states that the people of South Africa have the right to an environment that is not detrimental to human health, and imposes a duty on the state to promulgate legislation and to implement policies to ensure that this right is upheld. All organs of state or administration in the national, provincial or local levels of government have similar

obligations. The principles of co-governance are also set out in the Constitution and the roles and responsibilities of the three levels of government are defined. According to the Constitution, responsibility for waste management functions is to be devolved to the lowest possible level of government. Local government therefore is assigned the responsibility for refuse removal, landfill sites and solid waste disposal. Provincial government has the exclusive responsibility to ensure that local government carries out these functions effectively.

uMhlathuze Municipality has set goals that of what they want to achieve for their waste management. The Overall goal of uMhlathuze Municipality in terms of waste is:

“Our vision is a sustainable society that will take responsibility for waste materials to achieve resource efficiency as well as protection of the public and the environment.” The Ultimate Goal of the uMhlathuze Municipality is: “Zero Waste to Landfill”.

This goal sets out the target of 50% reduction of waste by the year 2012 and 0% waste to landfill by 2020. The mission of the uMhlathuze Municipality is thus, to implement the necessary action program to help achieve the Ultimate Goal of zero waste to landfill.

The Department of Community Services and Health is responsible for waste management, clinic services, public health and pollution control, emergency services and traffic services. The waste management section is divided into waste management coastal, waste management inland, administration and environmental health inland.

The waste service delivery of the uMhlathuze Municipality is co-ordinated from two centres, one inland (Empangeni) and one coastal centre (Richards Bay). A regular waste removal service is provided to all the urban areas in the Municipality, namely, Richards Bay (Including the residential areas of Meerensee, Mzingazi Village, Brackenheim, Aquadene, Arboretum, Veldenvlei, Wildenweide, Birdwood and Mandlazini), Empangeni, Felixton, Ngwelezane, Esikhaleni, Nseleni

and Vulindlela.

The tribal areas of the uMhlathuze Municipality do not receive a regular waste removal service and they need to be incorporated in the waste disposal service area. There are 30 517 waste collection points for households and 1000 for businesses. The uMhlathuze Municipality collected 8 384 loads of waste in 2003. 58% of the population has access to waste removal services; approximately 2 500 tons of waste is collected on a weekly basis.

## 2.2 New developments

New residential and commercial developments are planned for the uMhlathuze Municipality where refuse collection service will have to be rendered in future. These new developments are few due to the unavailability of proclaimed land. This is especially the case in Richards Bay. The new developments that have or will still take place have already been incorporated into the refuse collection service. There is a problem concerning new informal settlements that are developing all over the Municipality. These informal settlements develop on tribal land especially next to existing urban areas. This is the case in Esikhaleni, Nseleni and Ngwelezane.

## 2.3 Waste minimisation strategies

There are currently no formal waste minimisation activities taking place in the uMhlathuze Municipality. There are no composting or recycling plants currently in operation in the Municipality. There are, however, planned strategies that deals with waste minimisation. These strategies still have to be implemented. The tariff structure of the uMhlathuze Municipality does promote waste minimisation because it is structured so that the public pays per volume of refuse that is removed by the uMhlathuze Municipality. Thus, the more refuse a person produces the more it will cost them to have it removed.

There are a number of recycling companies that operate in the uMhlathuze Municipality. The type of waste that is generally reclaimed is paper, plastic, steel, cans and glass. The uMhlathuze Municipality



participates in the Polokwane Declaration, having various policies in place. These waste minimisation policies still have to be implemented. A MRF (Material Recycling Facility) was constructed forming part of one of these waste minimisation policies. This MRF is no longer working since it was destroyed in a fire. A composting, permaculture and recycling project has been earmarked for the uMhlathuze Municipality. It is to be funded by the National Lottery Distribution Trust Fund.

A recycling/drop-off depot for the separation of recyclable waste, a nursery and a composting enterprise is planned as part of the project at the old Alton Landfill. This project will create a sustainable solution to the disposal of garden refuse, recyclable domestic waste and the maintenance of the old Alton Landfill as well as create new job opportunities and a saving in landfill airspace. There is also a lot of informal recycling taking place in the uMhlathuze Municipality.

## 2.4 Landfills

The uMhlathuze Municipality utilises the uMhlathuze Regional Landfill situated in Empangeni, which is owned by the UThungulu District Municipality and operated by a private contractor. This landfill is permitted and is classified as a G:M:B+ site. The current operation of this landfill is not up to standard. A five-year cell was developed at the landfill approximately a year and a half ago and this cell has almost reached its capacity. The waste at the landfill is not properly compacted and is not covered on a regular basis with cover material.

## 2.5 Industrial and mining waste

There are numerous industries and mining operations that operate in the uMhlathuze Municipality. Most of these industries are situated in Richards Bay. The main industries and mining operations are listed below:

- Bayside Aluminium Smelter: Annual output of 180 000 tons of primary aluminium
- Hillside Aluminium Smelter: Annual output of 534 205 tons of primary aluminium
- Richards Bay Minerals (RBM): Mining activities

- Portnet
- Richards Bay Coal Terminal (RBCT): Annual output of 68 310 000 tons of coal
- Bell
- Mondi
- Foskor: Annual output of 3 000 000 tons of phosphoric acid based products
- Ticor Hillendale (Mine and smelter): Annual output of 250 000 tons of titanium slag
- Silva Cell
- Shincel
- CTC
- Felixton Sugar Mill: Annual output of 2 175 081 tons of crushed sugar cane

Based on the findings from the research the following conclusions can be drawn:

- 1.) The Municipality is in need of a comprehensive waste management strategy.
- 2.) The Municipality does not have a shortage of equipment and personnel to render the current waste disposal service. With the incorporation of the Tribal Areas for service delivery new equipment must be acquired and personnel employed to operate this equipment.
- 3.) The landfill in the Municipal Area needs to be managed properly to comply with Legislation. The Regional Landfill is, however, not under the control of the uMhlathuze Municipality but the uMhlathuze Municipality should dispose at a facility, which is operated according to, laid down standards.
- 4.) More extensive waste minimisation and recycling strategies are required. A programme must be put into place.
- 5.) The tribal areas in the uMhlathuze Municipality need to be incorporated into the waste disposal service.
- 6.) The establishment of a community awareness program and a communication channel with all waste generators in the area would be of benefit to all.



### 3. LOCAL ECONOMIC DEVELOPMENT

#### 3.1 Introduction

The purpose of an integrated LED programme is to ensure a consistent and conducive set of measures to promote viable local economic activities and employment generation.

Four key sectors have been identified as drivers of economic growth in the province, namely:

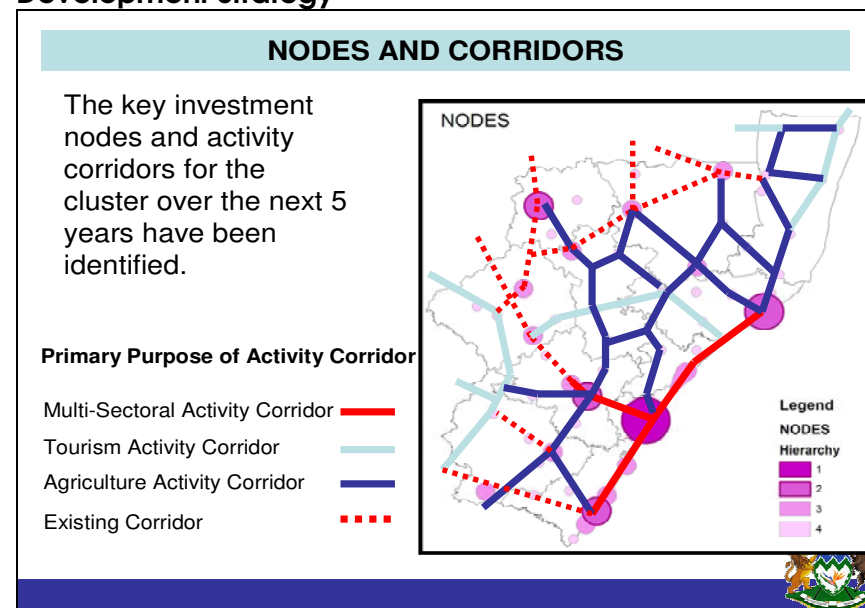
- The Agricultural sector (including agri-processing and land reform)
- The Industrial sector (Including Manufacturing)
- The Tourism sector
- The Service sector (including government services)

The logistics and transport sector (including rail) underpin growth in all four sectors. Sustainable and affordable water and energy provision is crucial to economic growth & development.

Two other elements are also key when considering the future spatial development of the City of uMhlathuze. These are the PSEDs (Provincial Spatial Economic Development Strategy) of KZN as well as the potential future Metropolitan status of the City of uMhlathuze.

The importance of the City of uMhlathuze in relation to the rest of the Province of KwaZulu-Natal can be seen from some of the outcomes of the PSEDs that were presented at the uThungulu Growth and Development Summit during November 2006.

**Diagram 5: Provincial Activity Corridors: Spatial Economic Development Strategy**



Source: DPLG, 2005

The following characteristics of the economy of uMhlathuze are noted in the LED Strategy:

- The dominance of large capital-intensive companies producing commodities essentially for export. There are little linkages and they all benefit from the port and the relatively low cost of industrial land and services, especially electricity.
- The real potential for employment lies in the extent to which smaller firms cluster around larger industries to add value to what they produce or to supply them with goods and services. It is a serious weakness of the uMhlathuze economy that so little clustering has occurred to date.

- The aluminium and ilmenite smelters rely on low cost electricity and account for the fact that uMhlathuze consumes 8% of the power generated in South Africa.
- There is also scope to build on local tourism assets in a variety of ways. The tourism sector is fairly labour intensive and has lower barriers to entry than most other sectors. However, industrial pollution has a potentially negative impact on tourism development at certain localities in the municipal area.
- Unemployment and poverty is a key issue. According to the 2001 Census records that more than 46 000 people or 40% of the workforce is unemployed. Nearly 34 000 households exist on a monthly income of R800 or less.
- Low levels of education and skill were cited by industry as an obstacle to investment. It also affects the rate at which successful small businesses can be created. Less than two thirds of the population over 20 years of age has progressed beyond primary school while 18% have no schooling at all.
- There are sharp contrasts in the spatial distribution of infrastructure and services, although most of the poorer communities are better off than those in the surrounding district in this respect.
- The port has excellent bulk handling facilities but lacks container-handling capacity as a result of which investment opportunities have been lost.
- A number of initiatives have been stalled by unresolved land claims.

### 3.2 Key strategic economic focus areas

uMhlathuze Municipality's approach to economic development policy is two fold namely the Spatial Development Framework (SDF) adopted by Council in August 2007, and Local Economic Development Strategy, which is a subject of this review. In terms of LED they are as follows:

- Accommodate future Port Expansion.

- Permitting and encouraging diverse land uses at appropriate locations to develop the economy.
- Ensure alignment with the district and governmental organizations in the interest of promoting tourism development without damaging the environment or ecology.
- Opportunities for small emerging business at accessible locations by identifying nodes/investment points in both the urban and rural environment.
- Boosting those economic sectors/activities that have the potential to grow and create employment and income.
- Promote tourism development without damaging the economy or ecology of the area.
- Accommodate public and private land development.
- Optimize use of existing resources by; inter alia, discouraging long-line services.
- New developments should, as far as possible, be serviced by existing infrastructure networks.
- Address the problem of uncontrolled development in Tribal Authority Areas.
- Provision of basic infrastructure/services and housing to communities.
- Indicate where infrastructure investment is needed to provide minimum levels of services.

### 3.3 Foreign And Local Investment Key Driver of Economic Growth

Foreign direct investment in South Africa has been stagnant to a large degree. Most of the investment in uMhlathuze is from international companies with South African roots. Internationally, in parts of Europe and Australia, local government has shifted their attentions to investment facilitation, by outsourcing basic services to utility companies. National government is increasingly placing the burden on local government to increase their role in local economic development. Domestically, there is substantial competition for Foreign Direct Investment, using development corporations

- Coega Development Corporation in Port Elizabeth
- Blue IQ in Gauteng
- Durban Investment Corporation
- Johannesburg Development Corporation

The IDC, which has been the key catalyst to local economic development, is shifting its focus to Africa

Mozambique And Maputo In Particular Are A Major Threat To The City Of uMhlathuze For Investment. There it should be noted that Africa will compete for investment with South Africa on an increasing basis.

- ❑ Eradicating Poverty In uMhlathuze
- ❑ It is estimated that R175 billion of investment would need to be attracted to eradicate poverty in uMhlathuze Municipal area. This is equivalent to doubling the local economic infrastructure and players equivalent to 14 Hillside smelters and 800 new SMME's

The key assumptions underlying this estimate were;

- 28,876 unemployed people
- 12,402 persons living in poverty
- 41,278 persons requiring employment

It costs R20 million to create a job in big business and R20,000 for small business, and zero for informal business

In addressing the situation alluded to above uMhlathuze needs:

- 1) Aggressive investment destination marketing and facilitation to attract these sums of money
- 2) Manufacturing clustering for growth
- 3) Soft infrastructure for competitive advantage
- 4) Implement a System Of Learnerships, Skills Programmes, and Internship
- 5) Establishment Of UniZulu City Campus
- 6) Proposed call centre in Richards Bay
- 7) Creation of employment opportunities from tourism

- 8) Develop and Implement a Tourism Marketing Strategy
- 9) Tourism Training
- 10) Creation of jobs through agriculture
- 11) Partnership for Agriculture
- 12) Strengthen local stake in commerce
- 13) Buy Local Campaign
- 14) Graded and Regulated Informal Markets

## 4. HOUSING PLAN

### 4.1 Introduction

The uMhlathuze Municipal area is characterised by a shortage of suitably well-located land for housing development. However the municipality has identified a number of potential land parcels that have potential for housing development.

The removal of slums and informal settlements is a priority of the Department of Housing, and the census of 2001 identified 5 812 informal dwellings, with **53,22%** located in Khoza and 19,48% in Dube, these areas are therefore the areas of greatest need in relation to slums clearance projects. The Slums backlog has therefore been estimated at **5812**.

There is a total of 10034 traditional dwellings, within the Municipal boundary, with Dube (27%), Zungu/Madlebe (21%) and Khoza (14%) identified as the areas of greatest need in terms of rural housing. However only 66% of these dwellings are to be added to the Housing need backlog calculation since these are homesteads below the minimum basic level of services provision (**Rural Housing backlog estimation = 6622**).

A total of 6 119 "living quarters" were identified (however only 30% of this figure has been added to the social housing backlog figure, as many units are student accommodations) (**Total estimated Social Housing backlog = 1836**), indicating an urgent need to prioritise the upgrade of hostels, two areas namely Esikaweni and Nseleni have

been selected due to the need identified and pilots initiated in these areas. The total estimated housing demand for the Umhlathuze Municipality can be calculated at **14 270**.

The 2001 census shows that the City of uMhlathuze, which encompasses an area of 796 sq. km (compared to Durban 2 297 sq. km) had a population of 289 186, which was housed in a total of 67 106 dwellings.

Of the total of 67 106 dwellings, by far the largest number of dwelling, 37 799 dwellings were houses or brick structures on a separate stand or yard, whilst 10 034 dwellings were traditional dwellings/huts/structures made of traditional materials, and 7 727 were flats in blocks of flats.

There were 4 321 informal dwellings/shacks not in back yards, but in informal /squatter settlements, whilst 2 568 dwellings were in town house/cluster house complexes, and 1 873 were houses/flats/rooms in a back yards. A further 1 263 dwellings were rooms/flatlets not in backyards but on shared properties and 1 225 informal dwellings/shacks in back yards. Caravans and tents accounted for 266 dwellings and boats 30.

In uMhlathuze housing needs vary greatly across a wide spectrum of housing developments, from the formal up-market suburbs of Richards Bay, to the informal housing/shack development and traditional homes found largely in the tribal authority areas. It is however in these rural/tribal authority areas that the greatest needs exist, and after the finalisation of existing housing projects, the removal of slums and informal settlements and rural housing development are the next two priorities in terms of the Provincial and National Departments of Housing. The question of land tenure is therefore a major challenge in uMhlathuze.

Much of the land within the City of uMhlathuze not readily developable due to limitations such as private land ownership, lack of suitable infrastructure, environmentally sensitive wetlands,

geotechnical and environmental considerations, however there is an urgent need to give careful consideration to the process of urban densification and the identification of well located land for development.

With work opportunities in the CBDs of both Richards Bay and Empangeni likely to increase significantly in coming years, as employment in industries, other than manufacturing, such as financial, insurance, real estate and business services and wholesale and retail trade grow, there will be an increasing need for housing within or close to the CBDs.

Although great strides have been made in recent years, in the provision and planning of essential services in the tribal authority areas, there are often no or inadequate sanitation facilities, long distances to water supplies, limited electrification and no municipal refuse disposal systems in these areas.

## 4.2 Summary of housing needs

The removal of slums and informal settlements is a priority of the Department of Housing, and the census of 2001 identified **5 812 informal dwellings/shacks including caravans/tents** being used as dwellings, with **53,22%** located in **Khoza** and **19,48%** in **Dube**.

A total of **10 034 traditional dwellings/huts/structures made of traditional materials** within the Municipal boundary, and taking into consideration that the rural housing policy and subsidies cater for the development of "formal" structures in the tribal authority areas, a programme of development should be implemented. However only 66% of this figure will be added to the housing backlog calculation based on those dwellings that are currently below the minimum acceptable basic service level (**6622**).

A total of 1836 "living quarters" specifically related to a social housing needs were identified, the presence of living quarters in general is

indicative of a need for social housing. Therefore the upgrading of the hostels and the conversion of some to flats for sale or rent should be prioritized. Therefore the total estimated housing demand for the Umhlathuze Municipality could be calculated at 14270.

#### **4.3 Land identification**

One of the primary issues facing the uMhlathuze Municipality is the identification of suitably located land for development. The Municipality has recognized this need through focusing much of its capacity to the investigation of land that is suitable for housing development. The identification of land is a priority of the "uMhlathuze five year development plan" completed in October 2005 by Metplan (Richards Bay) Inc.

This plan lays out a development approach to the securing of land for low medium and high-income housing. Based on this plan and discussion with the municipal housing officials the following areas for development have been suggested.

The Department of Land Affairs is currently looking to identify land, in the municipal area, to be included in the land reform program. The department has been liaising with the Municipality to assist in the process of identifying such land for development, however no suitable land has been identified as yet.

#### **4.4 Human settlement & housing strategy**

UMhlathuze Municipality Human Settlement & Housing Delivery Strategy is mainly driven by the need and the location of the project itself. Depending on the purpose, need and location, our delivery strategy will take place in the following form:

- 1) Slum Clearance and Squatter Control Programme;
- 2) Rapid Land Release;
- 3) Green Field;
- 4) Hostel Redevelopment Programme and Family Units;
- 5) In situ Upgrade;
- 6) Extended Benefit Scheme;
- 7) Rental Housing programme;
- 8) Social Housing and;
- 9) Integrated Rural Housing

#### **4.5 Summary of Housing priorities**

The following table provides a priority list for the delivery of housing projects in the uMhlathuze Municipality. It is however important to note that this list is drawn from current available information on the projects in question and that depending on new information which may come to light, this list may be amended on a yearly basis (with sufficient justification to the DoH).

The table below highlights the following:

- The number of sites indicated is a rough estimate that will have to be updated during the feasibility and packaging phase of the projects.
- Not all of the projects will be completed within the 5 year horizon
- Packaging and evaluation should commence on Corridor and Iniwe as soon as possible

- Packaging on the third and fourth rural projects, Madlebe and Mkhwanazi commenced in 2007.



Table 24: Priority list for the delivery of housing projects within the Municipality

<b>DRAFT HOUSING PRIORITY LIST</b>	<b>Sites</b>	<b>Est. Value (R/Mill)</b>
<b>Slums clearance – Rural Housing Projects</b>	<b>3700</b>	
<b>1. Esikhaleni/ Dube Wards 12,13,14,15,16,20 &amp; 22</b>	<b>1500</b>	<b>63</b>
<b>2. Nseleni / Khoza Wards 5,6, 7 &amp; 8</b>	<b>1200</b>	<b>50.4</b>
<b>Rural housing</b>	<b>2000</b>	
<b>3. Madlebe Ward 24,25,27, 28 &amp; 29</b>	<b>1000</b>	<b>42</b>
<b>4. Mkhwanazi Ward 10, 11, 18 &amp; 30</b>	<b>1000</b>	<b>42</b>
<b>PLS &amp; Greenfield housing projects</b>	<b>5700</b>	
<b>1. Umhlathuze Village P2-5 Ward 9</b>	<b>2000</b>	<b>84</b>
<b>2. Aquadene Ward 2</b>	<b>1000</b>	<b>42</b>
<b>Hostel Upgrades</b>	<b>441</b>	
<b>Esikhaleni Ward 20 &amp; 21</b>	<b>324</b>	<b>12.6</b>
<b>Nseleni Ward 8</b>	<b>117</b>	<b>4.6</b>
<b>HIV Aids</b>	<b>30</b>	
<b>HIV project (location to be determined)</b>	<b>30</b>	<b>1.3</b>
<b>Total</b>	<b>11841</b>	<b>455.3 mill</b>

**Table 25: Projected Amounts for uMhlathuze Housing Developments**

UMHLATHUZE PROJECT CASH FLOW								
		Mill	2006/7	2007/8	2008/9	2009/10	20011/12	Total
	Sites	Value	1 July- 31 June	1 July- 31 June	1 July- 31 June	1 July- 31 June	1 July- 31 June	
Current Projects								
Umhlathuze Village	1191	28.8	14.4	14.4				28.8
IDT Project	50	1.3	0.65	0.65				1.3
Planned Projects								
<i>Rural/Slums</i>								
Esikhaweni / Dube	1500	63		2.4	20.2	20.2	20.2	63
Nseleni / Khoza	1200	50.4			1.92	16.16	16.16	34.2
Madlebe	1000	42				1.6	13.47	15.1
Mkhwanazi	1000	42					1.6	1.6
<i>PLS</i>								0
Umhlathuze Village P2-5	2000	84			16.8	16.8	16.8	50.4
Aquadene	1000	42		8.4	8.4	8.4	8.4	33.6
Corridor	1500	63		0.2				0.2
Iniwe	1200	50.4		0.2	10.08	10.08	10.08	30.4
<i>Hostel Upgrades</i>								0
Esikhaweni	324	12.6		3.2	3.2	3.2	3.2	12.6
Nseleni	117	4.6		1.1	1.1	1.1	1.1	4.6
HIV/Aids	30	1.3				0.3	0.3	0.63
TOTALS	12112	485.4	15.1	30.5	61.7	77.9	91.3	276.5

## 5. SPORTS & RECREATION PLAN

### 5.1 Introduction

Sport is considered to be central to the achievement of every single one of the aspirations, policies and principles that underpin the objectives of the Government of National Unity. Notwithstanding the controversial past from which sport emerged, it is considered a united force, ready to discharge its responsibility as a unifier, creator of employment opportunities, booster of national image, promoter of national health, consolidator of international ties, restorator of the culture of learning and teaching and considered a right for every single individual South African, irrespective of race, ideology, creed or colour.

South Africa has been given an opportunity to host the 2010 Soccer World Cup, which will promote many rippling effects in terms of economic and social development. The country needs to utilize this opportunity such that not only we strategically plan for 2010 but beyond. UMhlathuze Municipality has been identified by the KwaZulu Natal Provincial Government as one among five Districts that will benefit as a base for hosting visiting countries to train. UMhlathuze will get an opportunity to upgrade one sports facility. Veldenvlei Sports Field will be upgraded under the supervision of uThungulu and then handed over to uMhlathuze Municipality upon completion to use for 2010 programmes and beyond.

In terms of sports and recreation the Soccer World Cup will provide for the opportunity to develop football and other sporting codes so that South Africa can create contribute to the finding and sustenance of high standard techniques in the sporting world. UMhlathuze has been proactive in the forward planning for build up programmes that will increase the awareness and sensitize the uMhlathuze community about the 2010 World Cup.

### 5.2 Background to uMhlathuze's sport development and recreation facilities

The development of sport and recreation facilities within the City of uMhlathuze has been characterized by fragmented development opportunities associated with historical uniqueness over the past decades. Constraints associated with the development, provision and maintenance of suitable sport and recreation facilities were *inter alia* the following:

- ❖ Facility provision was not always aligned with the needs of the community and often based on what "would be required" perceptions rather than what "is required" being based on well-defined research and needs analysis methods.
- ❖ Discrepancies in quality and standard of developments existed as a result of facilities being developed on outfall portions of land, considered inadequate for other development usages, restricted further and/or future extensions and contributed to increased maintenance costs.
- ❖ Greater emphasis was placed primarily on the needs and requirements of major sports codes e.g. soccer, whilst minor or marginalised sports codes e.g. cricket, netball, volleyball, and indoor facilities e.g. for the disabled, badminton, pool, snooker, darts, chess, ballroom dancing, karate, judo, maraba-raba etc., were neglected or not even provided in the process.
- ❖ Lack of united and strategic planning operations from the sporting fraternity often associated with unorganized and unwanted intrigues between and within various sports codes, influenced good relations and cooperation between parties and even resulted in under utilized facilities.
- ❖ Low priority of sport and recreation facility provision and development as a result of competitiveness with funding for more essential services such as water, roads, sewerage etc.
- ❖ Inadequate infrastructure and support services available to maintain facilities due to spreading (decentralization) thereof over the City e.g. vast distances to travel between facilities resulting in time and productivity losses, increased transport costs etc.

- ❖ Increased safety and security risks are becoming more problematic for users especially after hours and even during instances when individuals are using the facilities.
- ❖ Over utilization of facilities due to a lack of sufficient facilities especially where the demand exceeds the provisions and/or availability thereof.
- ❖ Lack of functionality and associated support infrastructure e.g. floodlights etc., restricted the utilization opportunities.
- ❖ Continuous and fluctuating changes in the needs, requirements and demands that exist within the communities.
- ❖ Differences in levels of playing skills and standard of competitiveness complicate maintenance of facilities and also resulted in perceptions of differentiations in standards of facility provisions e.g. urban versus rural facilities.

### 5.3 Guiding principles for sports development

Recognizing the pervasive influence of sport and recreation on all aspects and spheres of society, the following set of guiding principles were derived:

- ❖ Create a balance between urban and rural facility provision and development in support of each other and within the different nodal categorizations as reflected in the Spatial Development Plan.
- ❖ Integrate social, economic, institutional and environmental aspects within limited resources.
- ❖ Apply uniformity categorically as reflected in the Sport policy in the provision, development and maintenance of sport and recreation facilities in all areas within the City's area of jurisdiction.
- ❖ Provide assistance within available financial resources for the upgrading, extension and/or maintenance of existing and/or newly established facilities.
- ❖ Promote the development and "upliftment" of Sport and Recreation activities at "grassroots level" through education, training, participation and development programs and activities.

- ❖ Providing in a participative way, affordable and accessible sport and recreation facilities, associated amenities and services, presenting education, training and development programs.

### 5.4 Goals

- Co-ordinate, administer and manage the planning, provision and development,
- Maintenance of sport and recreation facilities and amenities within the City of uMhlathuze in an organised, effective and cost-efficient manner with the co-operation of all role-players whilst utilising available resources efficiently and effectively.
- Preparation for 2010 World Cup Build Up Programmes with effect from 01 July 2008 till 30 June 2014

### 5.5 Development Concepts

The Strategic Development Rationale for the City of uMhlathuze is based on the development of the area with a **hierarchy of nodes**, which will form not only the focal points for development and service provision. It will also ensure access to social and economic opportunities for the entire area forming specific intervention areas in terms of the IDP, where projects and actions will be initiated.

Social and economic activities within identified nodes should enjoy first priority in terms of the provision and upgrading of existing infrastructure whilst intervention in emerging urban settlements will be done through formalization and upgrading of these areas and the creation of nodes.

Nodes will thus be established also in the rural areas to provide access to social and economic opportunities. Although several of the densely populated rural areas can be classified already as emerging urban settlements, this future urban form should be shaped from the initial stage with institutional support, management and financial inputs to ensure efficient and formalized structured developments, determining the priority areas for sport and recreational infrastructure services provision.

With the incremental development approach the provision and development of sport and recreational facilities will ensure that areas with high population concentrations in rural areas, would be first in line to benefit in service provision. Facility provision and development would then be conducted according to and as reflected in the Spatial Development Framework Plan, namely:

- **Regional facilities** established within the regional nodes of Richards Bay and Empangeni respectively.
- **District facilities** within the sub-regional nodes of eSikhaleni, eNseleni, Ngwelezane, Vulindlela, Port Dunford, Madlebe and Kwa-Khoza etc.
- **Suburb facilities** within suburbs such as Brackenheim, Aquadene, Veld-en-vlei, Arboretum, Meerensee, Mandlazini, Mzingazi, etc.
- **Local facilities** established within the rural or tribal areas with low densities. As development intensifies, local facilities will eventually move to the next hierarchy level and become suburb facilities.

## 5.6 Operational objectives

The Department endeavors to attain the following operational objectives within the available financial/budgetary capacity of Council:

- To develop and manage sport and recreation activities and facilities within its multi-faceted context at local level and ensure that such are in consent with and complement the national and provincial sport and recreation policies whilst adhering to the needs of the community
- Ensure continued presentation of capacity building, empowerment courses and workshops for the capacitation and development of human resource potential of former disadvantaged coaches, technical officials and administrators.
- To proactively encourage and mobilise residents within the area to participate in sporting, recreational, social and cultural events and upliftment-programmes. This initiative will look especially at encouraging the youth, senior citizens, woman and the disabled, in order to develop active lifestyles thereby contributing positively to the development of a healthy and vibrant community.

- To network and foster partnerships with various agencies /stakeholders involved with the provision, administration and management of sport and recreation e.g. National, Provincial and local sports Federations, different government spheres, the Sports Commission, NGO's, CBO's, schools and other tertiary sport structures.

## 5.7 PRINCIPLES GUIDING PROVISION, DEVELOPMENT AND MANAGEMENT

Council should apply the following principles in the provision, development and management of sport and recreation facilities within the area of jurisdiction:

- Council accepts its responsibility in terms of Section 156 of the Constitution and Section 84 of the Local Government: Municipal Structures Act, 1998 to provide sport and recreational needs of the community it serves.
- Sport and recreation facilities and associated amenities must be available and accessible to all.
- Actions are directed towards the creation and development of a dynamic and diverse sport culture in the immediate and greater region.
- Address and treat the promotion and development of sport and recreation especially in the rural and previously disadvantaged suburbs as a priority.
- Establish, maintain, and upgrade affordable and accessible sport and recreation facilities throughout the area of jurisdiction with a particular biased preference to the resource-poor, impoverished and formerly disadvantaged communities.
- Promote mass participation in sport and recreation in order to involve communities at grassroots level in development and "upliftment" opportunities and programmes.
- Place extra emphasis on and actively promote the involvement and provision in the needs of the physical handicapped and often-

marginalized groups e.g. the aged, woman and children and other minor/marginalized sports codes.

- Contribute financially towards the expenditures of selected sportsmen or sportswomen or teams of a specific sports code representing the region, province or on national level, in terms of Council's Grants-in-Aids Policy.
- Create sustainable opportunities for communities to participate in activities offering quality sporting experiences and the advancement and development of sound human relationships that promotes transformation, cultural tolerance and fosters nation building.
- Contribute to the economic well being of the city by supporting, actively promoting and hosting major sport events.
- Embark on and continue with an active "Volunteer Involvement Program" e.g. the recruitment, training and development and recognition of volunteers - to supplement ongoing endeavours in sport and recreation programming presentations and actions.
- Actively encourage, promote and liaise with other institutions on the dual utilization of facilities.
- Assist in the identification, selection and acceleration of the development of potentially talented athletes, coaches and administrators.

## 5.8 Programmes identified to conscientize the community

- Educating and training of football administrators, coaches, match assessors, commissioners and referees
- Structural transformation of football structures within uMhlathuze and information management system for Sports & Recreation structures;
- Preparation and presentation of teams inclusive of women and the disabled
- Formation of a local squad at all SAFA levels that will play against invitation Premier Soccer league teams;
- Establishment of a Soccer Academy to establish uMhlathuze's pride

- Provision of medical & scientific support through the establishment of satellite Academy of Sports Services;
- Volunteer development programmes;
- Provision of comprehensive life skill programmes such as psychological training, nutrition etc.
- Refurbishment & maintenance of existing facilities;
- Establishment of public viewing areas;
- Identification & development of local artists (inclusion of cultural programmes);
- Identify financial support structures and;
- Empowerment of previously marginalized communities.

It is important to highlight financial implications of the programmes mentioned above. Due to time constraints with the preparation to start the 2010 World Cup initiative uMhlathuze Municipality's planning has been stalled. The programmes identified were not provided for either in the current or ensuing financial year. It is of utmost importance that a budgetary provision is made in the 2009/2010 budget to implement these programmes from the 1 July 2008. Further provisions will have to be made until June 2014.

**Table 26: Financial Implications for 2010 Preparations**

ACTIVITY	DESCRIPTION	TOTAL (R)
1. Capacity Building	Clubs, Coaches, Administrators	300 000
2. Fan Parks	Soccer fields, picnic, temporary seating, collapsible fence	5 752 000
3. Sports Development	Junior leagues, Disability sports and women participation	450 000
4. Squads formation	Senior males, ladies Open and boys U13, 15 & 17	100 000
5. Cultural Inclusion	Development of Arts	350 000
6. Awareness		500 000
<b>TOTAL</b>		<b>7 452 000</b>



Further provisions can be estimated as follows:

YEAR	2009/2010	2010/2011	2011/2012
AMOUNT	11 485 600.00	5 104 000.00	3 920 000.00

The amount stipulated in Table 26 excludes funding for activities such as Safety and Security, Risk Management, Disaster Management, Tourism etc.

**Table 27: Medium Term Programmes for Sports & Recreation**

DEVELOPMENT STRATEGY	PROGRAMMES	PROJECT	ACTIVITY	2009/2010	2010/2011	2011/2012
Sustainable infrastructure and service provision	Environmental management	Invader plant control	Eradication of invader plants	Empangeni R/Bay	Enseleni R/sikhaleni	Rural
	Cemeteries and crematoria	Upgrade of existing facilities	Roads, parking, fencing and infrastructure	r/bay	Enseleni	-
		Development of new facilities	Roads, fencing, infrastructure and parking	Esikhaleni development	Wards: 5; 6; 25 planning	Ward 10; 27 planning
Social & economic development	Sport facilities	Upgrade & extension of existing facilities	Ablutions and seating	-	Emadlebe (25)	Bhebane (5)
			Floodlights	-	Esikhaleni college	-
			Synthetic athletic track	-	-	-

			Athletic and operational equipment	Central complex	-	-
			astro turf hockey field	-	-	Central sports complex
			Multi-sport centres	-	Ward: 1,8	Ward: 10
	Development of new facilities	Swimming pools	-	Ward: 8; kwa-Dlangezwa	kwa-dlangezwa	

			Sports fields cum combi courts – r293 and rural areas	-	Wards: 4; 8; 9; 15; 19; 30	Wards: 10; 12; 18; 22; 27; Emadlebe (25) Odondola (25) Bingoma (24)
	Schools/ community	Dual utilisation of facilities	-	amatshana (10) empangeni primary	mfondo (25) ebungoma	
	Recreation facilities	Upgrade existing facilities	Beaches	-	alkantstrand newark beach	-
		View point	-	-	Harbour control	-
		Playground equipment	-	-	Wards: 1; 28	Wards: 17; 20; 9
		Development of public open spaces	-	-	Esikhaleni - ward: 16; 20; 21 Vulindlela - ward: 30	Enseleni - ward: 8 Mandlazini - ward: 2/4

## 6 DISASTER MANAGEMENT PLAN

### 6.1 Introduction

#### **Concept and principles of Disaster Management Plan:**

The concept and principles of a disaster management plan are to promote an integrated and coordinated multidisciplinary approach to disaster management with special emphasis on prevention and mitigation and response beyond the normal capacity of the Municipality. Disaster Management is a means to extend a services line function, and to support such service to facilitate rapid response and rehabilitation to an incident.

#### **Disaster Management Mission**

*"To provide a safe and secure environment to all citizens of and visitors to the uMhlathuze Municipality by rendering a professional disaster management service through effective planning, preparedness, and coordination"*

### 6.2 Role and responsibilities in terms of District, Provincial and National disaster management

- i) The uMhlathuze municipality will deal with local disasters in terms of existing legislation and contingency arrangements if a local state of disaster has not been declared in terms of any legislation.
- ii) The uMhlathuze municipality will endeavour to prevent or mitigate the risk of disaster potential in the uMhlathuze Municipal Area, and where disasters do occur, subject to the restriction of available resources:
  - Assist and protect the public;
  - Provide relief to the public;
  - Protect property;
  - Prevent and combat disruption of services; and/or
  - Deal with the destructive and other effects of a disaster.
- iii) The role of the uMhlathuze Municipality will revert to a supportive role once an event has been declared a disaster in terms of any Act of Parliament.

### 3. Roles and responsibilities regarding emergency response and post-disaster recovery and rehabilitation:

- i) The Municipal Manager is responsible for the preparation, maintenance and implementation of the Disaster Management Plan.
- ii) In the execution of his duties, the Municipal Manager will be supported by the Director Municipal Services who will act as responsible officer during the absence of the Municipal Manager.
- iii) All Directors will be responsible for the performance of their core functions but all work done and actions taken will be subject to prior approval of the Municipal Manager.

The following disasters/incidents have been identified for which an action plan has been formulated:

- Flooding, cyclones, earthquakes
- Train, bus and major road collision
- Aircraft incident
- Fire incidents
- Toxic gasses and hazardous chemicals
- Terrorism, sabotage, bomb threats and explosions
- Strikes and civil unrest
- Influx
- Total electrical failure
- Radioactive material accidents
- Xenophobic attacks
- Total electrical failure

No specific communities have been identified as being at risk of the above. However, communities, which may have settled within the flood lines, are more at risk to flooding, while informal settlements, by the nature of their living environments and material of their dwellings, are at a higher risk to fire incidents.

## 7. Government Sector Involvement with uMhlathuze

This section addresses outlines key issues to be addressed by government sector departments, the expected outcomes to their planned programmes.

The uThungulu District Municipality invites all local municipalities of the district to engage with service providers (government departments) by way of one-on-one alignment sessions. The following provides details of the sessions that took place during October and November 2008 with such service providers.

30 October 2008

- Department of Education
- GCIS
- Eskom
- ZFPS

6 November 2008

- Telkom
- Department of Housing

It is important to note that not all service providers were able, at the time of the Alignment sessions to provide details on their MTEFs. As such, the data provided hereunder is as per the data presented/provided by the relevant service provider at a later stage.

It should be noted that some departments do not implement project per se but have more of a monitoring role and as such no project budgets are reflected here.

## 7.1 Department of Local Government and Traditional Affairs

Detailed budget information was obtained from the DLGTA and the information considered to be relevant to the uMhlathuze Municipality is provided hereunder:

**Table 28: Funding transfers from sector departments**

<b>RSC Levy, Casino taxes and 2010 Soccer Stadia</b>					
	<b>Audited 2007/08</b>	<b>Estimates 2008/09</b>	<b>Medium-term estimates</b>		
			<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	515	0	0	0

<b>Environmental Health</b>					
	<b>Audited 2007/08</b>	<b>Estimates 2008/09</b>	<b>Medium-term estimates</b>		
			<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Mbonambi	0	0	0	0	0
uMhlathuze	0	206	222	238	251
Ntambanana	0	73	78	83	88
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	0	0	0	0

Provincial Management Assistance Programme					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	100	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	400	0	0	0
uMlalazi	0	100	0	0	0
Mthonjaneni	0	300	400	0	0
Nkandla	200	0	0	0	0
uThungulu	0	0	0	0	0

Infrastructure Provision for Soccer Stadia					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	8000	10000	34000	0

Spatial Development					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	200	0	0	0	0
uThungulu	0	250	0	0	0

Development Administration					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	250	0	0	0

Municipal Development Information Services					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	1000	250	250	300	250

Centre Management Support					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	500	0	0	0	0
uThungulu	0	0	500	600	700

<b>Local Economic Development Catalyst</b>					
	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	2150	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	180	0	0	0	0
Nkandla	100	0	0	0	2000
uThungulu	0	0	0	1000	1000

<b>Synergistic Partnerships</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	350	400	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	0	0	0	0

<b>Corridor Development</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	3000	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	700	0	0	0	0
uMlalazi	2000	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	1000	0	0	0	0
uThungulu	0	8250	0	0	0

<b>Strategic Support</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	50	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	0	600	250	416	610

<b>Disaster Management</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	2300	500	0	0	0

<b>Discontinuation of Old Grants</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	0	0	0	0
Ntambanana	0	0	0	0	0
uMlalazi	0	0	0	0	0
Mthonjaneni	0	0	0	0	0
Nkandla	0	0	0	0	0
uThungulu	1146	300	0	0	0

<b>Property Rates</b>					
R000	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
Mbonambi	0	0	0	0	0
uMhlathuze	0	3299	3695	3917	4152
Ntambanana	0	0	0	0	0
uMlalazi	0	102	114	121	128
Mthonjaneni	0	121	136	144	153
Nkandla	0	45	50	53	56
uThungulu	0	0	0	0	0



## 7.2 Department of Agriculture

Information was provided by the Department of Agriculture for the following project types:

- Crop Massification
- Food Security
- Livestock
- Land Reform

CROP MASSIFICATION			
Municipality	Project Name	Project Type	Project Budget
uMlalazi	Biyela	Maize & Beans	3 961 482
Nkandla	Thalaleni	Maize & Beans	3 961 482
Nkandla	Zulu	Maize & Beans	1 200 000
Nkandla	Mpungose	Maize & Beans	1 200 000
Nkandla	Zondi	Maize & Beans	3 961 482
Mthonjaneni	Vukayibambe	Maize & Beans	1 600 000
Mthonjaneni	Khuthazingondo	Maize & Beans	800 000
Mthonjaneni	Ensengeni	Maize & Beans	1 000 000
Mhlathuze	Nxosazana	Sugar Cane Establishment	2 000 000
Mhlathuze	Ingingozi	Sugar Cane Establishment	1 000 000
Mhlathuze	Iniwe Widows	Maize & Beans	396 148
Mhlathuze	Ilima	Sugar Cane Establishment	1 500 000
Mhlathuze	Ezimtoti	Sugar Cane Establishment	1 296 000
FOOD SECURITY			
Municipality	Project Name	Project Type	Project Budget
uMlalazi	Vukubone	Dam	550 000
uMlalazi	Vukuzame	Tunnels	300 000

uMlalazi	Ingeza	Vegetable production	500 000
uMlalazi	Amambatha CC	Tunnels	300 000
uMlalazi	Mgampondo	Nursery	300 000
Nkandla	Sgwamanda	Poultry	400 000
Nkandla	Chibini	Vegetable production	300 000
Nkandla	Ndabuhlezi	Tunnels	300 000
Nkandla	Mbizwe	Tunnels	300 000
Nkandla	Vukuzitihathe	Vegetable production	300 000
Mthonjaneni	Igula	Poultry	250 000
Mthonjaneni	Bhadaza	Poultry	250 000
Mhlathuze	Vukuzitihathe	Vegetable production	250 000
Mhlathuze	Sondlisizwe	Vegetable production	400 000
Mhlathuze	Masithandane	Vegetable production	250 000
Mhlathuze	Kangaroo	Poultry	400 000
Mhlathuze	Amantungwa	Tunnels	400 000
Mlalazi	Gilmani	Poultry	400 000
LIVESTOCK			
Municipality	Project Name	Project Type	Project Budget
Nkandla	Nxamalala	Goat Production	1 400 000
Nkandla	KwaNtuli	Goat Production	1 400 000
Nkandla	Magwaza	Livestock dam	500 000
Mhlathuze	Somngamona	Goat production	1 400 000
Mhlathuze	Mendu	Livestock dam	500 000
LAND REFORM			
Mlalazi	Bhekeshowe	Cane and citrus	2000 000
Mlalazi	MEKH Trading	Cane and citrus	773 000
Mlalazi	Magalela	Cane and citrus	425 000
Mlalazi	Thulwana	Cane and citrus	5 900 000
Mthonjaneni	Victory Ticket	Cane	935 000
MHLATHUZE	LANDELA	CANE	850 000
Mthonjaneni	Khandimpilo	Cane	925 000

### 7.3 Zululand (inland) Fire and Protection Services

The Zululand Fire and Protection Services have an annual budget for the period 2006 to 2008 of R4.7 million. This is broken up in electronic fire detection equipment to the value of R2.6 million, fire fighting aircraft costs at R1.2 million and basic expenses of R932 000. The Zululand Inland Fire and Protection Services have an annual budget for 2008 of R1.46 million. This is broken up in aircraft of R1.25 million and basic expenses of R207 000. The transport operating cost for fire fighting services is R13,50 per km while the cost of a fire fighting team is R1900 per day. The Zululand Fire and Protection Services as well as the Zululand Inland Fire and Protection Services cover an area of 821 580 hectare and had the following membership contributions since 2006:

- R629 289 in 2006
- R659 676 in 2007
- R710 157 in 2008

### 7.4 Department of Transport

The following information pertaining was provided:  
**Transport Projects**

Programme	Project	Allocated Budget (R '000)	DC	KZ	Expenditure as at 31 October 2008 (R '000)	
					Planned	Actual
<b>African Renaissance Roads Upgrade Programme (ARRUP)</b>	P240	30,000	DC28	KZ284	23,825	28,952
	P230	35,000	DC28	KZ284	21,900	14,353
	P15-2	17,000	DC28	KZ286	11,385	6,904
	P50-2 (IC)	2,500	DC28	KZ286	2,500	11,263
	P50-2 (SC)	20,000	DC28	KZ286	11,169	16,784
	P50-3	0	DC28	KZ286	0	7
	<b>Sub Total ARRUP</b>	<b>104,500</b>			<b>70,779</b>	<b>78,264</b>
<b>Roads of National Importance (RNI)</b>	P496	112,500	DC28	KZ282	101,800	131,920
	<b>Sub Total RNI</b>	<b>112,500</b>			<b>101,800</b>	<b>131,920</b>
<b>Roads for Rural Development (RRD)</b>	P568	8,302	DC28	KZ283	19,205	17,142
	P218/ P710		DC28	KZ284	30,151	3,444
	D877/ D130	804	DC28	KZ283	13,647	638
	D135		DC28			
	P534		DC28			
	P47		DC28			
	<b>Sub Total RRD</b>	<b>9,106</b>			<b>63,003</b>	<b>21,223</b>
<b>Pedestrian Bridges</b>	Nsuze	5,000	DC28	KZ286		515
	Matigulu		DC28	KZ284	1,869	1,610
	Nselanyama		DC28	KZ283	2,146	1,702
	<b>Sub Total Ped Bridges</b>	<b>5,000</b>			<b>4,015</b>	<b>3,827</b>
<b>Total</b>		<b>231,106</b>			<b>239,597</b>	<b>235,234</b>

## 7.5 ESKOM

### ESKOM 3-Year Plan

DM_CODE	Local Munic	LM_CODE	Project Name	Year	Substation Dependency	Network Dependency	Ward No	Total Conns
DC28	Mthonjaneni Munic	KZ285	Mfanefile	08_09			3	390
DC28	uMlalazi Munic	KZ284	Ncemaneni	08_09			8	225
DC28	uMhlathuze Munic	KZ282	Ehlanzeni Nsele Stage	08_09			26	202
DC28	uMlalazi Munic	KZ284	Dodkodweni #1	08_09			1	1650
DC28	Mbonambi Munic	KZ281	Mngqagayi Sabhuza Nxeb	09_10				1517
DC28	uMhlathuze Munic	KZ282	Empembeni	09_10			6	98
DC28	Mthonjaneni Munic	KZ285	Magwaza 01	09_10			2	218
DC28	uMlalazi Munic	KZ284	Ensingweni	09_10	Gingindlovu NB09 Refurb	Empangeni Mandini 88kV Tee Line	17	814
DC28	uMlalazi Munic	KZ284	Mbileni	09_10	Eshowe NB15 Alternative Feed		1	408
DC28	uMlalazi Munic	KZ284	Izinsundu	09_10	Eshowe NB15 Alternative Feed		1	574
DC28	uMlalazi Munic	KZ284	Catherine Booth-Kwakho	09_10			15	979
DC28	Mbonambi Munic	KZ281	Kwambonambi NB146 - SL	09_10			2	507
DC28	Mbonambi Munic	KZ281	Kwambonambi NB56 - Em	09_10			7	614
DC28	uMhlathuze Munic	KZ282	Nkosazana	09_10			25	101
DC28	uMlalazi Munic	KZ284	Eshowe NB15 - Esiphezi	09_10			9	455
DC28	Mbonambi Munic	KZ281	Kwambonambi NB03 - Hla	09_10			1, 2, 3, 5	1010
DC28	uMlalazi Munic	KZ284	Eshowe NB15 - Gcotshen	09_10			5	622
DC28	Ntambanana Munic	KZ283	Mhlathuze NB07 - Obuka	09_10			1, 2, 3	791
DC28	Mbonambi Munic	KZ281	Kwambonambi NB2 - Safa	09_10			4, 10, 11	1222
DC28	Nkandla Munic	KZ286	Ebuqwini	09_10	Benedict 88/22kV S/S	Mtonjaneni Umfolozi 88kV Tee Li	2	1058
DC28	Nkandla Munic	KZ286	Mfongosi	09_10	Benedict 88/22kV S/S	Mtonjaneni Umfolozi 88kV Tee Li	9	1339
DC28	Nkandla Munic	KZ286	Ekhombe	09_10	Benedict 88/22kV S/S	Mtonjaneni Umfolozi 88kV Tee Li	10	1363
DC28	uMlalazi Munic	KZ284	Stilo NB1 - Dibhasi/Ma	10_11			13	255
DC28	Nkandla Munic	KZ286	Nsuze	10_11	Benedict 88/22kV S/S	Mtonjaneni Umfolozi 88kV Tee Li	3	1237
DC28	Nkandla Munic	KZ286	Mbizwe	10_11	Benedict 88/22kV S/S	Mtonjaneni Umfolozi 88kV Tee Li	5	2216
DC28	uMlalazi Munic	KZ284	Slambo	10_11			3	758
<b>Total</b>								<b>20623</b>

## 7.6 DEPARTMENT OF LAND AFFAIRS

The following projects are underway for the Department of Land Affairs. Note that an update is still awaited from the Department:

### Balance of Grants Implementation

- Ekhuthuleni – R3 million
- Retchterswell – R1 million
- Mevamhlope – R200 000

### Projects Planned for 2008/2009 financial year

#### Mthonjaneni Cluster

- Dubazane Phase 1 – 1600 Ha
- Simunye Agri Tourism Phase 2 – 2100 Ha
- Bucanana Farm – 1000 Ha
- Mthonjaneni Phase 3 – 770 Ha
- Katazo – 500 Ha

#### Nkwaleni Cluster

- Bonavista – 900 Ha
- Perseverance – 432 Ha
- Thorny Creek – 468 Ha

#### Stateland non-capital expenditure

- Devondale
- Nkandla
- Eshowe Housing
- Zoetveld
- Vooruitsig Farm – 214 Ha
- Duiven Farm Portion 41 of Nkwalini Settlement No. 12785 – 103 Ha
- Roslea Farm of Nkwalini Settlement – 39 Ha
- Remainder of Hilltop Farm No. 11745 – 285 Ha
- Portion of Ezulwini Farm No. 11065 – 345 Ha
- Mevamhlophe – 194 Ha
- Nkomboshe – 128 Ha
- Pogela – 335 Ha
- Shoragh Farm – 428 Ha

- Wallenton – 243 Ha
- Barbi Farm of Shorocks Hill – 84 Ha
- Sub 1 of Farm Wallenton – 118 Ha
- Rem of Farm Nowlands – 244 Ha
- Rem of Gebersruh, Expectations, Townland of Eshowe No. 8739 – 259 Ha
- Coctane Farm – 495 Ha
- Ellingham – 249 Ha
- **Sub 2 of Lot 272 Empangeni – 28 Ha**
- Rem of Sub 1 of Blackwood – 221 Ha
- Cottonlands No. 16161 – 128 Ha
- **UVS – Remainder of Erf 14945 – 270 Ha**

## 7.7 Department of Health

The following capital projects were reported from the Department of Health:

CAPITAL PROJECTS UNDER CONSTRUCTION IN 2008 - 2009 FINANCIAL YEAR					
No.	PROJECT	DC	PROJECT DESCRIPTION	START DATE	VALUE
1	Chwezi Clinic	286	Additions	10.07.2006	R 2 275 299
2	Samungu Clinic	284	Additions	25.10.2006	R 1 755 792
3	Isiboniso Clinic	282	New Clinic	10.01.2007	R 3 122 051
4	Mkhontokayise Clinic	282	New Clinic	20.12.2007	R 3 198 879
5	Dinuntuli Clinic	286	New Clinic	15.10.2007	R 7 654 000
6	KwaMbiza Clinic	283	New Clinic	23.01.2008	R 5 463 655
PLANNED CAPITAL PROJECTS NOT YET UNDER CONSTRUCTION					
No.	PROJECT	DC	PROJECT DESCRIPTION	EXPECTED START DATE	ESTIMATED VALUE
1	Mphaphala Clinic	284	New Clinic	2012	R 6 281 000
2	Ndundulu Clinic	285	Replacement Clinic	2009	R 8 981 088
3	Dlabe Clinic	286	New Clinic	2012	R 10 000 000
4	Tulwane Clinic	286	New Clinic	2012	R 10 000 000
5	Eshowe Clinic	284	New Clinic	2010	R 10 000 000
6	Nogajuka Clinic	285	New Clinic	2010	R 5 000 000

Information on upgrade and renovations was not yet available at the time of preparing this report.

## 7.8 Department of Education

An extensive project list was provided by the Department of Education for their 2008 – 2010 MTEF. The following table is a summary of the totals only:

Curriculum Upgrades	R22 400 000
New Schools	R58 960 000
Upgrades and Additions	R91 836 000

## 7.9 DEPARTMENT OF HOUSING

The following details on current housing projects were provided:

Local Municipality	Housing Projects	Types	No. of Sites
<b>uMhlathuze</b>	<b>uMhlathuze Village IDT Project</b>	<b>Urban</b>	1191
		<b>Urban</b>	250
<b>Mbonambi</b>	Slovas	Slum Clearance	507
	Mhlana	Rural	1000
<b>Ntambanana</b>	Obizo	Rural	1000
	Obuka	Rural	1000
	Sompoho	Rural	1000
<b>Mthonjaneni</b>	Melmoth (Victoria St)	Urban	10
<b>uMlalazi</b>	Sunnydale	Slum	440
	Gingindlovu(Ext 5&6)	Slum	300
<b>Nkandla</b>	Nkandla Ph 1	Urban	200
	Nkandla Ph 2	Urban	410

Information on the following details on planned housing projects was provided and is shown at below:

Local Municipality	Projects	Types	No. of sites
<b>uMhlathuze</b>	<b>Dube</b>	slum	1500
	<b>Khoza</b>	slum	1200
<b>Mbonambi</b>	<b>Cwaka</b>	rural	1000
	<b>Dondotha</b>	rural	1000
	<b>Hlanzeni</b>	rural	1000
<b>Ntambanana</b>	<b>Njomelwane</b>	rural	1000
	<b>Buchanana</b>	rural	1000
	<b>Bhiliya</b>	rural	1000
<b>Mthonjaneni</b>	<b>KwaYanguye</b>	rural	500 in phase 1
	<b>Melmoth</b>	urban	500 in phase 1
<b>uMlalazi</b>	<b>Sunnydale (north)</b>	slum	200
	<b>Mpushini Park</b>	slum	800
<b>Nkandla</b>	<b>Godide</b>	rural	500
	<b>Qhudeni</b>	rural	500



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## **SECTION F: IMPLEMENTATION PLAN**

At overleaf, the three-year Implementation Plan with committed human & financial resources (IDP Framework) detailing the projects and funding, in line with the multi-year budget for the financial years 2009/10 to 2011/12, is attached.

The 3-year Implementation Plan shows a summary of the total revenue and expenditure, as well as a detailed indication of the projects (operational or capital), the funding sources as well as the total funded project budgets for the years 2009/10 to 2011/12.

A summary of the Multi Term Expenditure Framework illustrated in the following:

Table 29: Multi Year Budget Summary

City of uMhlathuze Table A2 Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)									
Standard Classification Description	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
<b>Revenue - Standard</b>									
Executive & Council	1,178	1,046	1,411	354	4	4	354	404	5
Budget & Treasury Office	161,419	172,493	241,716	187,095	214,697	214,697	243,728	288,425	329,004
Corporate Services	36,409	43,879	32,470	133,076	84,687	84,687	79,474	28,072	8,718
Planning & Development	1,968	1,447	1,792	1,816	1,011	1,011	1,087	1,174	1,268
Health	6,656	5,361	4,075	7,840	7,839	7,839	5,947	1,573	1,587
Community & Social Services	3,417	3,315	5,164	3,819	3,782	3,782	4,078	4,389	4,718
Housing	3,661	11,178	60,380	7,097	1,060	1,060	1,140	1,231	1,329
Public Safety	4,930	8,564	6,510	9,420	6,793	6,793	8,600	9,362	10,191
Sport and Recreation	2,869	6,258	3,057	2,128	2,827	2,827	3,131	3,381	3,651
Environmental Protection	–	–	–	–	–	–	–	–	–
Waste Management	29,057	33,255	59,203	86,946	86,813	86,813	70,798	81,604	88,207
Waste Water Management	50,549	106,791	35,968	39,171	40,817	40,817	46,259	53,355	57,886
Road Transport	4,122	5,309	6,736	5,767	6,039	6,039	6,488	7,033	7,625
Water	115,733	178,538	168,827	186,935	184,752	184,752	186,152	220,155	242,545
Electricity	315,268	346,602	346,563	393,451	637,386	637,386	630,487	749,123	890,939
<b>Total Revenue - Standard</b>	<b>737,236</b>	<b>924,036</b>	<b>973,872</b>	<b>1,064,915</b>	<b>1,278,507</b>	<b>1,278,507</b>	<b>1,287,723</b>	<b>1,449,281</b>	<b>1,647,673</b>

<b>City of uMhlathuze Table A2 Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)</b>									
<b>Standard Classification Description</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>Current Year 2008/09</b>			<b>2009/10 Medium Term Revenue &amp; Expenditure Framework</b>		
<b>R thousand</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Budget Year 2009/10</b>	<b>Budget Year +1 2010/11</b>	<b>Budget Year +2 2011/12</b>
<b><u>Expenditure - Standard</u></b>									
Executive & Council	6,382	860	4,732	7,574	6,381	6,381	8,091	8,972	10,933
Budget & Treasury Office	18,680	6,392	16,430	31,214	30,843	30,843	22,141	24,448	27,397
Corporate Services	18,547	19,086	27,872	51,121	39,237	39,237	40,737	43,937	66,823
Planning & Development	13,361	12,965	15,515	18,790	18,131	18,131	18,960	20,334	21,910
Health	11,879	11,980	14,351	18,562	19,095	19,095	21,501	23,122	24,884
Community & Social Services	16,540	13,926	18,551	22,976	19,436	19,436	26,712	28,355	30,161
Housing	9,093	4,201	3,531	12,102	9,618	9,618	4,937	5,247	5,574
Public Safety	47,020	46,714	50,926	66,684	66,554	66,554	67,976	72,778	77,924
Sport and Recreation	49,222	48,942	56,649	65,812	68,900	68,900	71,715	76,249	81,166
Environmental Protection	—	—	—	—	—	—	—	—	—
Waste Management	42,984	41,142	60,450	90,276	95,723	95,723	80,438	85,211	91,293
Waste Water Management	48,142	50,333	44,427	48,966	51,809	51,809	55,766	59,515	64,059
Road Transport	47,054	44,573	85,765	96,532	108,447	108,447	85,385	97,509	99,731
Water	109,675	116,577	134,589	168,873	173,883	173,883	166,789	174,599	185,060
Electricity	279,632	295,071	308,634	365,433	570,450	570,450	616,575	729,005	860,758
<b>Total Expenditure - Standard</b>	<b>718,211</b>	<b>712,762</b>	<b>842,422</b>	<b>1,064,915</b>	<b>1,278,507</b>	<b>1,278,507</b>	<b>1,287,723</b>	<b>1,449,281</b>	<b>1,647,673</b>
<b>Surplus/(Deficit) for the year</b>	<b>19,025</b>	<b>211,274</b>	<b>131,450</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

City of uMhlathuze Table A5 Capital Expenditure by vote, standard classification and funding									
Vote Description	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
<b>Capital Expenditure - Standard</b>									
Executive & Council	81	2	3,699	125	225	225	550	230	–
Budget & Treasury Office	10	19	46	179	268	268	176	159	100
Corporate Services	14,782	27,952	25,029	48,884	57,155	57,155	29,578	20,061	23,857
Planning & Development	(2)	79	24	40	39	39	–	28	3
Health	74	101	155	61	55	55	–	303	25
Community & Social Services	8,226	13,766	15,239	48,065	39,345	39,345	102,025	83,054	38,308
Housing	1,467	279	214	9,500	3,600	3,600	6,600	–	–
Public Safety	940	1,566	7,209	16,074	14,338	14,338	11,010	11,242	10,180
Sport and Recreation	7,569	9,473	15,447	19,782	38,301	38,301	2,726	11,266	13,938
Environmental Protection	–	–	–	–	–	–	–	–	–
Waste Management	987	3,129	3,646	9,176	2,192	2,192	1,200	2,590	2,880
Waste Water Management	14,795	58,236	18,629	58,488	65,717	65,717	49,423	68,975	75,376
Road Transport	47,819	59,710	49,095	131,019	107,980	107,980	153,895	32,284	33,872
Water	48,693	107,232	60,681	88,819	89,169	89,169	118,362	56,124	92,884
Electricity	15,962	66,107	42,576	129,256	87,743	87,743	114,550	118,872	30,119
<b>Total Capital Expenditure - Standard</b>	<b>161,403</b>	<b>347,651</b>	<b>241,689</b>	<b>559,468</b>	<b>506,127</b>	<b>506,127</b>	<b>590,096</b>	<b>405,188</b>	<b>321,542</b>

City of uMhlathuze Table A5 Capital Expenditure by vote, standard classification and funding									
Vote Description	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
<b>Funded by:</b>									
National Government	22,741	48,078	32,889	46,743	50,222	50,222	51,000	59,446	51,036
Provincial Government	1,975	348	–	6,000	3,000	3,000	6,000	–	–
District Municipality	833	1,198	(1,009)	–	–	–	–	–	–
Other Grants & Subsidies						–			
<b>Total Capital transfers recognised</b>	<b>25,549</b>	<b>49,624</b>	<b>31,880</b>	<b>52,743</b>	<b>53,222</b>	<b>53,222</b>	<b>57,000</b>	<b>59,446</b>	<b>51,036</b>
<b>Public contributions &amp; donations</b>	<b>–</b>	<b>28,397</b>	<b>7,271</b>	<b>30,862</b>	<b>14,260</b>	<b>14,260</b>	<b>27,100</b>	<b>41,750</b>	<b>7,900</b>
<b>Borrowing</b>	<b>48,898</b>	<b>151,315</b>	<b>151,849</b>	<b>200,807</b>	<b>200,807</b>	<b>200,807</b>	<b>188,349</b>	<b>110,837</b>	<b>101,838</b>
<b>Internally generated funds</b>	<b>86,956</b>	<b>118,315</b>	<b>50,688</b>	<b>275,056</b>	<b>237,837</b>	<b>237,837</b>	<b>317,647</b>	<b>193,155</b>	<b>160,768</b>
<b>Total Capital Funding</b>	<b>161,403</b>	<b>347,651</b>	<b>241,688</b>	<b>559,468</b>	<b>506,126</b>	<b>506,126</b>	<b>590,096</b>	<b>405,188</b>	<b>321,542</b>

## CAPITAL PROJECTS

City of uMhlathuze Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective	Goal	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
<b>R thousand</b>										
Good Governance	Community Facilitation	8,211	8,803	12,251	9,489	10,894	10,894	12,346	14,594	16,637
Good Governance	Corporate Services	11,757	14,744	5,418	6,534	6,188	6,188	5,787	3,941	3,391
Good Governance	Public Safety and Security Services	7,872	12,284	11,398	14,613	12,407	12,407	14,571	15,835	17,206
Good Governance	Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Good Governance	Councillors	1,178	1,046	1,411	354	4	4	354	404	4
Infrastructure and Service Provision	Water and Sanitation Services	177,245	303,534	239,075	324,279	309,373	309,373	291,825	311,702	331,126
Infrastructure and Service Provision	Electricity	320,682	355,472	352,007	418,639	656,277	656,277	647,915	754,084	891,110
Infrastructure and Service Provision	Roads and Stormwater	6,321	10,161	6,944	25,277	18,979	18,979	17,518	5,056	276
Infrastructure and Service Provision	Solid Waste	29,057	33,255	35,968	39,171	40,817	40,817	46,259	53,354	57,887
Infrastructure and Service Provision	Cemeteries and Crematoria	668	959	1,064	1,169	1,111	1,111	1,195	1,276	1,358
Infrastructure and Service Provision	Vehicle and Plant	36	201	1,969	304	303	303	309	333	361
Infrastructure and Service Provision	Communication Systems	234	380	393	232	274	274	275	297	320
Infrastructure and Service Provision	Railway Network	806	460	565	654	654	654	720	778	839
Infrastructure and Service Provision	Environmental Management	109	80	100	101	56	56	60	65	70
Infrastructure and Service Provision	Housing	3,355	1,431	59,680	7,320	1,326	1,326	1,407	1,519	1,640
Infrastructure and Service Provision	Public Facilities	4,024	7,030	5,392	2,954	3,627	3,627	4,010	4,326	4,672
Infrastructure and Service Provision	Health	6,656	5,360	4,064	7,835	7,834	7,834	5,943	1,567	1,581
Social and Economic Development	Local Economic Development	296	294	320	280	269	269	274	296	319
Social and Economic Development	Municipal Planning	1,585	1,166	1,444	1,463	814	814	876	946	1,021
Social and Economic Development	Marketing and Tourism Development	140	160	166	134	159	159	160	173	187
Institutional Development	Organisation Business Analysis Efficiency	-	-	-	-	-	-	-	-	-
Institutional Development	Integrated Development Planning	164	121	149	151	84	84	91	98	106
Institutional Development	Information Management	522	444	814	4	4	4	144	155	167
Institutional Development	Human Resources Services	-	-	-	-	-	-	-	-	-
Institutional Development	Municipal Offices and Depots	1,597	1,586	1,764	1,824	1,870	1,870	2,006	2,167	2,340
Institutional Development	Education, Capacity Building and Training	1,057	538	968	1,710	579	579	1,447	1,565	1,694
Sound Financial Management	Financial Planning, Management and Control	145,593	155,884	218,460	191,070	193,869	193,869	220,048	260,332	296,913
Sound Financial Management	Asset Management	8,071	8,643	12,086	9,354	10,735	10,735	12,183	14,418	16,448
<b>Total Revenue</b>		<b>737,236</b>	<b>924,036</b>	<b>973,870</b>	<b>1,064,915</b>	<b>1,278,507</b>	<b>1,278,507</b>	<b>1,287,723</b>	<b>1,449,281</b>	<b>1,647,673</b>



City of uMhlathuze Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)										
Strategic Objective	Goal	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Good Governance	Community Facilitation	2,409	1,910	2,779	4,183	4,186	4,186	4,029	4,347	4,746
Good Governance	Corporate Services	4,914	3,895	4,679	6,219	7,570	7,570	7,206	8,076	9,815
Good Governance	Public Safety and Security Services	40,106	41,110	44,901	56,307	51,641	51,641	56,887	61,158	66,184
Good Governance	Office of the Municipal Manager	281	303	-290	570	627	627	1,009	1,168	1,320
Good Governance	Councillors	5,146	557	5,022	7,004	5,755	5,755	7,081	7,804	9,613
Infrastructure and Service Provision	Water and Sanitation Services	155,252	164,450	194,028	257,464	277,225	277,225	245,496	258,906	284,562
Infrastructure and Service Provision	Electricity	279,736	294,267	309,738	367,894	585,283	585,283	619,753	733,959	869,917
Infrastructure and Service Provision	Roads and Stormwater	42,396	39,124	79,821	90,120	101,900	101,900	78,580	90,175	96,426
Infrastructure and Service Provision	Solid Waste	43,024	41,143	44,427	48,966	51,809	51,809	55,766	59,514	64,059
Infrastructure and Service Provision	Cemeteries and Crematoria	2,852	3,465	5,235	7,341	5,867	5,867	7,770	8,169	8,392
Infrastructure and Service Provision	Vehicle and Plant	37	201	1,969	304	2,911	2,911	310	334	361
Infrastructure and Service Provision	Communication Systems	2,460	2,765	3,379	4,379	4,425	4,425	4,878	5,217	5,636
Infrastructure and Service Provision	Rail Network	806	410	483	654	594	594	720	778	839
Infrastructure and Service Provision	Environmental Management	747	720	862	1,044	1,007	1,007	1,053	1,130	1,217
Infrastructure and Service Provision	Housing	11,180	6,453	6,741	16,473	14,025	14,025	9,807	10,455	11,201
Infrastructure and Service Provision	Public Facilities	60,582	60,641	70,396	81,321	84,437	84,437	90,484	96,253	102,736
Infrastructure and Service Provision	Health	11,916	11,979	14,351	18,561	19,095	19,095	21,501	23,122	24,885
Social and Economic Development	Local Economic Development	2,714	2,841	3,472	4,540	4,532	4,532	4,949	5,296	5,719
Social and Economic Development	Municipal Planning	10,835	10,444	12,498	15,136	14,606	14,606	15,273	16,380	17,650
Social and Economic Development	Marketing and Tourism Development	1,475	1,591	1,957	2,622	2,644	2,644	2,922	3,125	3,376
Institutional Development	Organisational Business Analysis and Efficiency	166	166	166	270	283	283	270	289	309
Institutional Development	Integrated Development Plan	1,121	1,080	1,293	1,566	1,511	1,511	1,580	1,695	1,826
Institutional Development	Information Management	12,409	12,331	12,701	17,994	4,801	4,801	18,134	16,760	18,067
Institutional Development	Human Resources Services	4,151	4,396	3,915	5,334	1,907	1,907	5,796	6,090	6,471
Institutional Development	Municipal Offices and Depots	2,366	(1,237)	(430)	126	(3,136)	(3,136)	172	183	199
Institutional Development	Education, Capacity Building and Training	1,852	1,180	1,802	2,772	2,845	2,845	2,547	2,747	2,979
Sound Financial Management	Financial Planning, Management and Control	17,200	6,066	15,703	44,187	28,614	28,614	22,642	24,928	27,794
Sound Financial Management	Asset Management	934	322	824	1,564	1,543	1,543	1,108	1,224	1,374
<b>Total Operating Expenditure</b>		<b>719,067</b>	<b>712,573</b>	<b>842,422</b>	<b>1,064,915</b>	<b>1,278,507</b>	<b>1,278,507</b>	<b>1,287,723</b>	<b>1,449,282</b>	<b>1,647,673</b>

City of uMhlathuze Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	2005/06	2006/07	2007/08	Current Year 2008/09			2009/10 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
Good Governance	Community Facilitation	–	8	12	62	62	62	74	–	–
Good Governance	Corporate Services	76	24	326	378	340	340	–	–	
Good Governance	Public Safety and Security	724	365	720	12,199	10,965	10,965	8,562	5,726	5,150
Good Governance	Office of the Municipal Manager	–	–	–	–	–	–	–	–	–
Good Governance	Councillors	81	2	133	84	84	84	550	230	–
Infrastructure and Service Provision	Water and Sanitation Services	63,488	165,750	79,704	156,820	158,539	158,539	174,524	125,205	168,331
Infrastructure and Service Provision	Electricity	16,224	67,350	49,206	135,536	92,937	92,937	116,998	124,553	35,300
Infrastructure and Service Provision	Roads and Stormwater	47,783	59,665	48,893	130,912	107,915	107,915	153,756	32,094	33,650
Infrastructure and Service Provision	Solid Waste	987	3,129	3,646	9,176	2,192	2,192	1,200	2,590	2,880
Infrastructure and Service Provision	Cemeteries and Crematoria	83	461	3,626	14,500	6,000	6,000	9,000	7,500	1,000
Infrastructure and Service Provision	Vehicle and Plant	10,126	20,301	14,656	29,424	37,020	37,020	11,460	11,500	13,225
Infrastructure and Service Provision	Communication Systems	663	377	415	92	92	92	–	100	–
Infrastructure and Service Provision	Rail Network	–	–	–	–	–	–	–	–	–
Infrastructure and Service Provision	Environmental Management	–	–	3,565	–	–	–	–	–	–
Infrastructure and Service Provision	Housing	1,468	–	–	–	–	–	–	–	–
Infrastructure and Service Provision	Public Facilities	11,565	12,679	17,125	24,749	44,531	44,531	9,101	20,625	26,366
Infrastructure and Service Provision	Health	74	263	209	218	212	212	100	503	1,225
Social and Economic Development	Local Economic Development	823	9	205	4,200	2,200	2,200	2,000	2,500	2,800
Social and Economic Development	Municipal Planning	–	–	510	5,017	3,717	3,717	4,694	–	–
Social and Economic Development	Marketing and Tourism	–	–	–	100	–	–	6,025	100	970
Institutional Development	Organisational Business	–	–	–	–	–	–	–	–	–
Institutional Development	Integrated Development Plan	(2)	79	24	39	39	39	–	28	3
Institutional Development	Information Management	3,608	6,559	8,943	11,629	13,633	13,633	4,256	8,209	9,610
Institutional Development	Human Resources Services	12	20	7	1	6	6	37	–	–
Institutional Development	Municipal Offices and Depots	3,329	9,944	7,538	7,981	9,099	9,099	5,100	3,495	880
Institutional Development	Education,Capacity Building	46	13	2,174	14,004	14,003	14,003	79,482	60,045	20,052
Sound Financial Management	Financial Planning,	10	19	46	179	268	268	176	159	10
Sound Financial Management	Asset Management	235	633	6	2,168	2,272	2,272	3,000	26	–
Total Capital Expenditure		161,403	347,650	241,689	559,468	506,126	506,126	590,095	405,188	321,452

## SECTION G: PROJECTS

### G1. Capital Projects

The projects identified for the uMhlathuze Municipality have emerged from the priority needs identified by the communities, the status quo of the area, the agreed vision, strategies and objectives for the future development.

The strategic programmes are derived from the following:

- o Legislation (notably the Municipal Structures, Municipal Systems and Demarcation Acts) and policy that outlines the functions of local government, with specific reference to that of the District Council;
- o The needs and key issues identified in the district through previous planning reports and research, through the public participation (Representative Forums) processes and the meetings and discussions with the Portfolio Committees and the Management Committees; and
- o The key issues and developmental outcomes of the municipality.

The uMhlathuze Municipality ` priority projects have been derived from legislative requirements and include IDP requirements, as well as, projects that have resulted from needs and issues identified during the Integrated Planning Process. The projects as approved by Council have been considered and, were prioritised in alignment with the 2009/2010 capital budget. Funding for priority projects comprises capital and grant funding. The 2009/2010 priority capital projects are as follows:

#### Streets and Storm water

- |  |                  |
|--|------------------|
| ❑ East Central arterial – John Ross to Saligna       | - R 21.9 million |
| ❑ Rural Areas  | - R 12.0 million |
| ❑ Hillview Extension                                 | - R 3.0 million  |
| ❑ Widening President Swart from Main Road to Dunford | - R 2.7 million  |

The following is a summary list of projects of the municipality, and the projects already identified by the municipality for implementation over the next 5 years.

- |  |                  |
|--|------------------|
| ❑ IDZ 1D                                   | - R 4.9 million  |
| ❑ uMhlathuze Social Housing – Bus Route    | - R 1.9 million  |
| ❑ Aquadene Phase 4                         | - R 10.0 million |
| ❑ Village Streets                          | - R 3.1 million  |
| ❑ Roads Resealing                          | - R 15.0 million |
| ❑ Meerensee Retirement Village             | - R 3.0 million  |
| ❑ Pelican Island : Wind Erosion Protection | - R1.0           |
| ❑ Mzingazi Dam Wall – Safety Requirements  | - R 0.1 million  |

#### Water Supply Services

- |  |                  |
|--|------------------|
| ❑ Rural Areas                                | - R 31.7 million |
| ❑ MIG Counter Funding Various Water projects | - R 15.0 million |
| ❑ Industrial Water Mains Upgrading           | - R 46.0 million |
| ❑ Richards Bay – Water Network Improvements  | - R 4.0 million  |
| ❑ IDZ 1D                                     | - R 7.0 million  |
| ❑ Water Meters – Rural areas                 | - R 1.5 million  |

#### Electricity Supply Services

- |  |                  |
|--|------------------|
| ❑ Refurbishment of Scorpio – Hercules Line                       | - R 0.6 million  |
| ❑ Upgrade Aquilla ,Aquarius & Altair Substations                 | - R 3.7 million  |
| ❑ 132KV Supply to Cygnus Substation                              | - R 28.0 million |
| ❑ 8 Industrial Erven – Ticor Property                            | - R 0.8 million  |
| ❑ Lot 8552 - Birdswood   | - R 0.9 million  |
| ❑ Meerensee 5 Bulk Supply  | - R 5.6 million  |
| ❑ IDZ Phase 1D – 132 KV Leo Substation<br>(Council Contribution) | - R 20.0million  |
| ❑ Phoenix Supply To Alton Phase 1                                | - R11.0 million  |
| ❑ Electricity System Reinforcements                              | - R 1.5 million  |

- ❑ eSikhaleni – Replace Xple Medium Voltage Cable - R 2.0 million
- ❑ Fees – Connection Extensions (Domestic & Industrial) - R 5.5 million
- ❑ uMhlathuze Village Reticulation Upgrade - R 2.0 million
- ❑ IDZ Phase 1D – 132IKV Leo Substation (Pulp) - R 20.0 million
- ❑ Madida Phase III Electrification - R 0.5 million

#### Sewerage Supply Services

- ❑ Rural Sanitation - R18.7 million
- ❑ Mandlazini Village Sanitation - R 0.5 million
- ❑ Rural Sanitation (Counter Funding) - R 8.0 million
- ❑ IDZ 1D - R16.0 million
- ❑ Upgrading Macerator Stations - R 1.5 million
- ❑ Upgrading Sewerage Pump Station - R 1.0 million
- ❑ Refurbishment Pumpstation - Electrical - R 0.8 million

#### Other Services

- ❑ eSikhaleni Development of Cemetery - R 6.0 million
- ❑ R/bay Extension and Development of Cemetery - R 2.0 million
- ❑ eSikhaleni Fire Station Plan and Construct - R 5.0 million
- ❑ eSikhaleni Refurbish Hostels - R 6.0 million
- ❑ Civic Centre Alterations - R 0.5 million
- ❑ Infrastructure and Business Support of SMME - R 2.0 million
- ❑ Extension to Civic Centre - R80.0 million
- ❑ eNseleni – Taxi Rank - R 2.0 million
- ❑ Transfer Station eSikhaleni - R 1.2 million
- ❑ Street Lighting Rural Areas - R 1.0 million
- ❑ Marina Development - R 0.5 million
- ❑ Second Floor – Stores - R 2.2 million
- ❑ Replacement plant and vehicles - R10.0 million
- ❑ Ngwelezane Greenfields - R 0.4 million
- ❑ Rural Community Centres/Hall - Plans - R 0.4 million

### G1.1. Capital Budget Distribution

As a direct result of Council's vision to promote economic development within the City of uMhlathuze in order to alleviate poverty and stimulate job creation, the 2009/2010 Multi-year Capital Budget

currently indicates that 24% of the total capital budget (R110,6 million) will be spent on this initiative. Infrastructural development within the emerging urban areas (previously R293 towns and rural areas) will constitute 59% (R277,3 million) of the 2009/2010 Multi-year Capital Budget.

The remaining 17% (R81,3 million) will be spent in the regional nodes which comprises the urban areas of Richards Bay and Empangeni. Increased capital investment is mainly provided for within the sub-regional and district nodes. Through these initiatives, Council intentions are to resolve and clear service backlogs.

**Table 30: Budget allocation per developmental node**

NODES	ALLOCATION
1. Development Nodes	R 110,6 m (24%)
2. Regional Nodes ((Richards Bay/Empangeni Areas)	R 81,3 m (17%)
3. Sub-Regional and District Nodes (R293 and rural Areas)	R 277,3m (59%)

- R 1,8 million

The 2009/2010 review of Council's Integrated Development Plan indicates that a material portion is channelled to Infrastructure and Services Provision. The goal is to provide and upgrade basic infrastructure to address backlogs, the maintenance of infrastructure to enhance service delivery levels and economic and residential development to stimulate growth and promote job creation.

Increased emphasis during the 2009/2010 financial year and onwards has been placed on Good Governance. Council's involvement in programmes such as Public Safety and Security Services is to increase substantially.

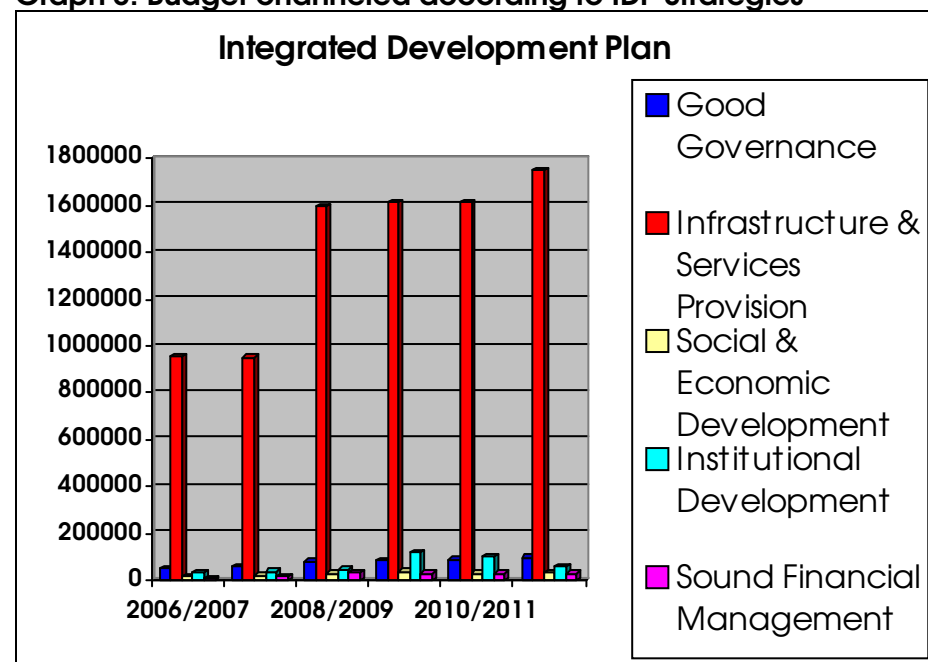
Resource towards Social & Economic Development shows a moderate increase. Council will still ensure that institutional capacity is improved

on a continuous basis and that effective and efficient service delivery is promoted and exercised.

Sound Financial Management remains a core programme within the Integrated Development Plan. It focuses on Council's ability to remain financially sustainable.

The following graph shows the amounts channeled according to the IDPs strategies since 2006/2009:

**Graph 3: Budget channeled according to IDP Strategies**



Source: 2009/2010 Final Budget Report

The Capital Investment Framework (CIF) aims at improving the management of existing infrastructure and addressing the many developmental challenges within the City. The Framework indicates where Council should steer the budget for capital projects within a

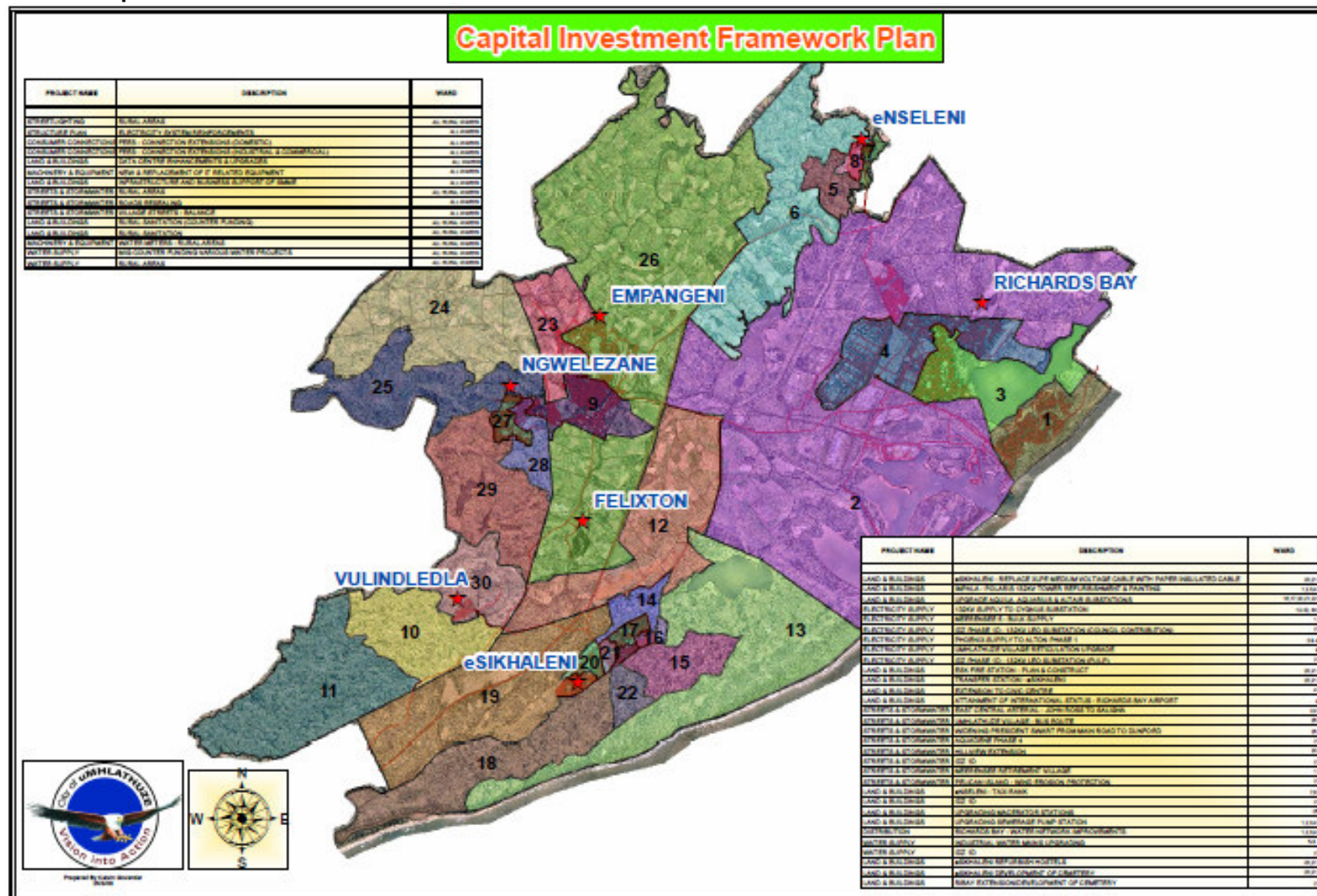
short to medium timeframe and translates a catalogue of "wish list" projects into a catalogue of strategies and projects collated from the sector departments.

UMhlathuze's Capital Investment Framework Plan identifies all capital projects worth above a million and allocated spatially intended to:

- Improve service delivery through infrastructure and services that are planned, delivered, upgraded or managed in ways that support the City's vision and priorities;
- Direct future public and private investment;
- Strategically align capital budgets; and
- Identify types of infrastructure and services available within the City.



# Plan 3: Capital Investment Framework Plan





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

### **1. INTRODUCTION**

The challenges facing the compilation of the budget can be summarized as follows:

The challenge, which we have met to prepare an inflation-linked budget, which is difficult to achieve, as Council's mandates are not inflation linked. The cost of maintaining the MIG funded infrastructure will be felt in the coming financial years. The expenditure incurred in meeting service backlogs has not been met by a corresponding increase in revenue from the areas serviced and is therefore funded through a greater degree of cross-subsidisation.

The operating budget is funded with the profit on the sale of property, position of which is no longer sustainable in the short and medium to long term. The challenge is therefore for future budgets to retain tariff increases to be inflation related, once these once off income streams deplete, is to ensure that the anticipated growth in local economy takes place i.e. substituting that income from services and rates income.

UMhlathuze Municipality is faced with the awesome task of eradicating its massive backlogs in service provision. This would require massive resources to address. It is now paramount to concentrate on the financial planning part of this IDP to determine how and when these backlogs can be addressed on a sustainable basis and within the context of available resources.

The uMhlathuze municipality budget is Municipal Finance Management Act (MFMA) compliant with principles of the MFMA fully introduced and entrenched in the Municipality's financial affairs.

### **1.2 THE SDBIP**

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council.

It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality.

The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor.

### 1.3 BUDGET OVERVIEW

The 2009/10 multi-year Draft Budget for the uMhlathuze Municipality has been extremely difficult to compile given that needs have increased in yet the equivalent expectation of the income base increasing to fund those needs has not materialized.

The City's budget is driven by the following imperatives:

- Protection of the poor;
- Managing all revenue streams, especially debtors;
- Supporting meaningful local economic development (LED) initiatives;
- Increased spending on repairs and maintenance and;
- Expediting spending on capital projects that are funded by conditional grants.

Council's consolidated multi-year Operating and Capital Budgets for 2009/2010 to 2011/2012, reconciled to the IDP, are as follows:

- 2009/2010 - R 1 877.8 m
- 2010/2011 - R 1 854.5 m
- 2011/2012 - R 1 969.2 m

#### 1.3.1 Capital Budget

The Capital element of the 2009/2010 Budget amounting to R590 095 700 million will be financed from the following source:

**Table 31: Capital Budget**

	<b>DRAFT 2009/2010</b>	<b>FINAL DRAFT 2009/2010</b>	<b>FINAL DRAFT 2010/2011</b>	<b>FINAL DRAFT 2011/2012</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>INCOME BUDGET</b>	1 287 723 100	1 287 723 100	1 449 280 700	1 647 673 000
<b>EXPENDITURE BUDGET</b>	1 287 723 100	1 287 723 100	1 449 280 700	1 647 673 000
<b>CAPITAL BUDGET</b>	499 238 900	590 095 700	405 188 000	321 541 800

The Capital element of the 2009/2010 Budget will be financed from the following sources:

**Table 32: Source of Finance for Capital Projects**

<b>SOURCES OF FINANCE</b>	<b>AMOUNT</b>
External Loans	R 188 349 400
Capital Replacement Reserve	R 222 850 400
Public Contribution	R 27 100 000
Other Government Grants and Subsidies	R 6 500 000
Municipal Infrastructure Grant (MIG)	R 50 499 500
Industrial and Commercial Development	R 94 796 400
<b>TOTAL FINANCING</b>	<b>R 590 095 700</b>

Source; 2009/2010 Budget Report

**Table 33: Capital Budget per Vote**

<b>Vote</b>	<b>2008/2009 ADJUSTMENT BUDGET R'000</b>	<b>2009/2010 DRAFT BUDGET R'000</b>
Executive & Council	225	0
Budget & Treasury Office	268	0
Corporate Services	57 155	23 350
Planning & Development	39	0
Health	55	0
Community & Social Services	39 345	92 900
Housing	3 600	6 000
Public Safety	14 338	6 000
Sport & Recreation	38 301	100
Waste Management	2 192	1 200
Waste Water Management	65 717	46 929
Road Transport	107 980	79 393
Water	89 169	107 318
Electricity	87 743	106 050
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>506 126</b>	<b>469 239</b>

Source: 2009/2010 Draft Budget Report

Capital expenditure funded from Grants, Subsidies and Public Contributions may not be commenced with, unless confirmation from the funding source has been received.

A breakdown of these allocations is as follows:

• MIG	R 50 499 500
• Department of Mineral and Energy – Madida Phase III Electrification	R 500 000
• eSikhaleni Refurbish Hostels	R 6 000 000
• Public	R 20 000 000
• Public Connections	R 7 100 000

### 7.3.2 Operating Budget

The 2009/2010 operational budget amounting to **R 1 287 723 100** comprises of the following eight elements:

**Table 34 :Operating Budget 2009/2010**

EXPENDITURE PER CATEGORY	2 <sup>ND</sup> ADJUSTMENT BUDGET 2008/2009 R '000	% OF BUDGET	DRAFT BUDGET 2009/2010 R '000	% OF BUDGET
Salaries & Allowances	312 399	25%	347 879	27%
General Exp - Bulk Purchases	444 242	34%	471 825	37%
General Expenses – Other	388 882	31%	417 723	32%
Repairs & Maintenance	211 277	16%	191 721	15%
Interest & Depreciation	194 829	15%	263 077	20%
Off-setting Depreciation	(86 586)	(6%)	(118 055)	(9%)
Contributions to/from Reserves	114 227	9%	61 352	5%
Less: Recharged	(300 763)	(24%)	(347 798)	(27%)
<b>TOTAL</b>	<b>1 278 507</b>		<b>1 287 723</b>	

**Source: Draft Budget document 2009/2010**

**The following is the operating expenditure:**

- Salary proposed increase of 10%;
- General Expenses;

- R 6,9m on Indigent Bad Debt Provision;
- R 1,5m on Crime Prevention;
- R 1,6m on Sports Development;
- 10% increase for Councillors Allowances;
- Repairs & Maintenance;
- R 11,2m on Rural Roads maintenance;
- R 13,1m on Rural Water maintenance; and
- R 22,0m on Water & Sanitation maintenance – all areas

The Challenges facing the compilation of the operating budget can be summarized as follows:

- The challenge, which we have met to prepare an inflation-linked budget, which is difficult to achieve, as Council's mandates are not inflation linked.
- The cost of maintaining the MIG funded infrastructure will be felt in the coming financial years.
- The expenditure incurred in meeting service backlogs has not been met by a corresponding increase in revenue from the areas serviced and is therefore funded through a greater degree of cross-subsidisation.
- The operating budget is funded with the profit on the sale of property, position of which is no longer sustainable in the short and medium to long term. The challenge is therefore for future budgets to retain tariff increases to be inflation related, once these once off income streams deplete, is to ensure that the anticipated growth in local economy takes place.

The sources of funding for the above is made up of:

**Table 35: Sources of funding for the Operating Budget**

INCOME PER CATEGORY	ORIGINAL DRAFT BUDGET 2009/2010 (R)	FINAL DRAFT BUDGET 2009/2010 (R)
Rates	158 839 000	158 839 000
Service Charges	810 434 000	810 434 000
Operating Grants and Subsidies	123 653 200	123 653 200
Interest Received	16 443 600	16 443 600
Other	106 353 300	106 353 300
Proceeds from sale of PPE	72 000 000	72 000 000
<b>TOTAL</b>	<b>1 287 723 100</b>	<b>1 287 723 100</b>

**Source: 2009/2010 Draft Budget Report**

### 7.3.3 Revenue Billing System

#### Credit Control & Debt Collection Policy

Council has in place a Policy, adopted on 3 July 2007, according to the requirements laid out, by the Municipal Systems Act: (Act No 32 of 2000), to provide credit control and debt collection procedures and mechanisms.

The ProMis Financial System is a fully integrated financial arrangement for income and expenditure monitoring.

### 7.3.4 Budget Policies and Systems

The following budget related policies are available from the office of the Chief Financial Officer.

**Table 36: Budget Policies**

<b>Name of Policy</b>	<b>Purpose / Basic areas covered by Policy</b>
<b>Tariff</b>	Details of all tariffs and charges for new financial year
<b>Credit control and debt collection</b>	Principles and guidelines to be followed with respect to arrear consumer debt control
<b>Incentive</b>	To improve the principal of paying for services received.
<b>Indigent</b>	Guidelines and procedures for the subsidization of rates and basic services to indigent households
<b>Borrowing Policy</b>	Sets out the borrowing principles that the municipality will follow when considering any form of borrowing.
<b>Investment and Banking</b>	Guideline of procedures to be followed when investing or lending money.
<b>Supply chain management</b>	Dictates procedures for the procurement of goods and services
<b>Asset Management Policy</b>	Assist management and employees in implementing and maintaining consistent, effective and efficient fixed asset management principles

## SECTION I: ORGANISATIONAL PERFORMANCE MANAGEMENT

### 1. Introduction

Performance management is a systematic process by which a municipal organisation involves elected representatives, residents and communities and its employees in improving organisational effectiveness in the accomplishment of legislative mandates and strategic imperatives. It is a system that is intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. It is a system through which the municipality sets targets, monitors, assesses and reviews the organisational and individual's employees performance, based on municipality's priorities, objectives and measures derived from the municipal integrated development plan. Performance Management System enables the municipality to conduct a proper planning, measuring, monitoring, reviewing and reporting on its performance.

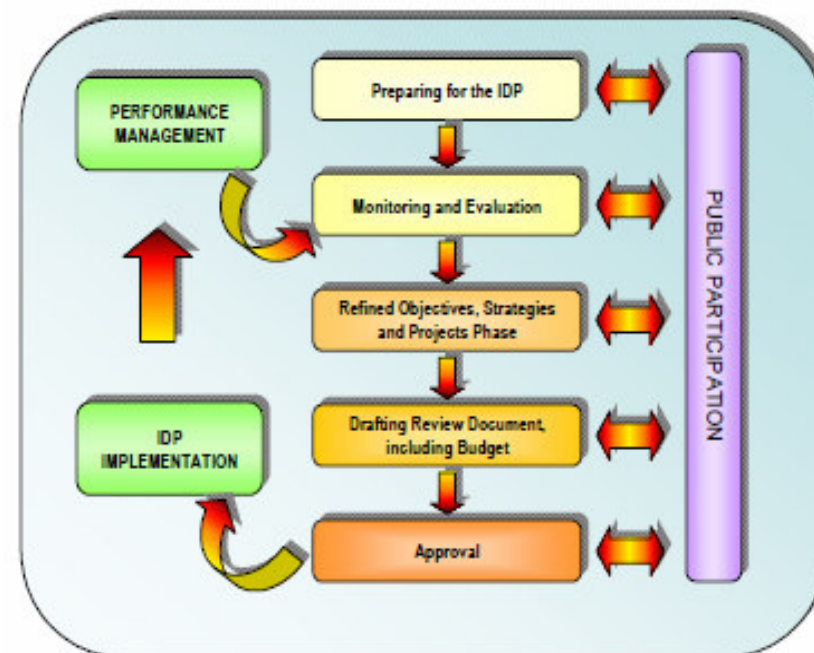
The performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended to align with the best practice guidelines suggested by the Department of Provincial and Local Government and Traditional Affairs of KwazuluNatal and the supporting documentation is available for inspection. The annual performance measurement on the 2007/2008 financial year is completed (Refer to PMS Report). These performance tables were presented to the Auditor General for auditing together with the Annual Financial Statements.

The following Key Performance Areas (KPA) as outlines in the Local Government Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives of the City Manager's Performance Plan:

- i. *Municipal Transformation and Organisational Development*
- ii. *Infrastructure Development & Service Delivery* Page 22 of 76
- iii. *Local Economic Development (LED)*
- iv. *Municipal Financial Viability and Management*
- v. *Good Governance and Public Participation*

AST Business Consulting has been appointed by municipality, as part of it's outsource agreement, to render consulting services which include the facilitation and management of the municipal performance system.

**Diagram 6: PMS Process**



## 1.2 Key Performance Areas

Based on the issues identified, the key performance areas for the municipality have been defined as:

- Good Governance
- Infrastructure & Service Provision
- Social and Economic Development
- Institutional Development, and
- Sound Financial Management



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### **1.3 Basic Principles of uMhlathuze Municipality's PMS**

1. It is Council's responsibility to adopt the PMS.
2. The Executive Committee or Executive Mayor is responsible for the development of the system. However, the Executive Committee or Executive Mayor may assign responsibilities to the Municipal Manager in this regard, but remains accountable for the development of the PMS.
3. The process of developing the system must be inclusive, participatory and transparent.
4. The PMS must be simple, realistic, fair and objective, developmental and non-punitive.
5. The IDP process and the PMS process should appear to be seamlessly integrated.

### **1.4 Performance Management Framework**

The municipality has adopted the following Performance Management Plan. The following pages illustrate the Key Performance Areas and Indicators of uMhlathuze Municipality:

Table 37: uMhlatuze's Performance Management Plan

NATIONAL KEY PERFORMANCE AREA	UMHLATHUZE KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR (KPI)	SUB-KEY PERFORMANCE INDICATOR	ANNUAL TARGET
<b>GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION</b>	<b>GOOD GOVERNANCE</b>	Review of the IDP and participation of all stakeholder groups	Ensure that the review of the IDP be conducted and that all stakeholder groups are consulted by 31 March 2010	Review completed by 31 March '10
		Submit annual IDP for approval prior to finalisation of the budget	Submit the IDP to Council for approval before the final budget.	Report submitted by 31 March '10
		Regular communication with communities on the achievement of targets set out in the IDP is carried out	Monthly corporate newsletter	12 newsletters
		Ensure support towards the Ward Committee Programme	Distribution of Council Resolutions bi-monthly	6
		Evidence of friendly and customer satisfaction service	Complete customer satisfaction survey and submit feedback report to Council via the Performance Audit Committee by the target date.	Report by 30 June '10
		Implementation of a customer service complaints/call centre	Established 24/7 customer call/complaint centre	Quarterly progress reports
		Ensure the provision of efficient and effective service delivery to the community.	Ensure improvement on basic service delivery i.e. number of households served with water, sanitation, solid waste removal and electricity, as reflected in the SDBIP	Quarterly progress reports

		Develop and maintain good and healthy relations with National and Provincial Government, organised and individual local government, parastatals, the private sector, organs of civil society and the public thereby promoting the interests of the Council	Attend at least 3 forums by the target date and provide feedback to the performance evaluation panel	
<b>SUSTAINABLE INFRASTRUCTURE &amp; SERVICE PROVISION</b>	<b>INFRASTRUCTURE &amp; SERVICE PROVISION</b>	Report on the progress of the preparation and review of the Spatial Development Framework, Strategic Environmental Assessment and Environmental Management Plan	Quarterly progress reports be prepared and submitted to Council	Quarterly progress report
<b>LOCAL ECONOMIC DEVELOPMENT</b>	<b>SOCIAL &amp; ECONOMIC DEVELOPMENT</b>	Community economic Development (Address some constraints to growth and investments caused by shortage of education and skill by identifying the needs and implement a development programme	Report on the community elementary skills need. Implementation of programme on soft skills to train more than 200 community members	Report quarterly on programme to train more than 200 community members on soft skills.
		Ensure the implementation of the Tourism Policy	Implementation no later than 30 November 2009	
<b>Municipal Transformation &amp; Organisational Development</b>	<b>Institutional Development &amp; Transformation</b>	Ensure that the targets set for all five National KPA's for the financial year are met and reported on quarterly	Reported quarterly progress on the targets set for all five National KPA's and include in the annual performance report	4 x Quarterly progress reports.
		Continue to Develop and implement a comparative computerized performance management system	Functional Computerized PMS system	Implemented and system users trained. Quarterly progress reports.
		Revised Performance Contracts and Plans for departmental heads, aligned with targets set in the IDP	Ensure that Performance Plans for 2009/2010 are in place and signed in terms of the performance regulations by 31 July 2009	31 July '09

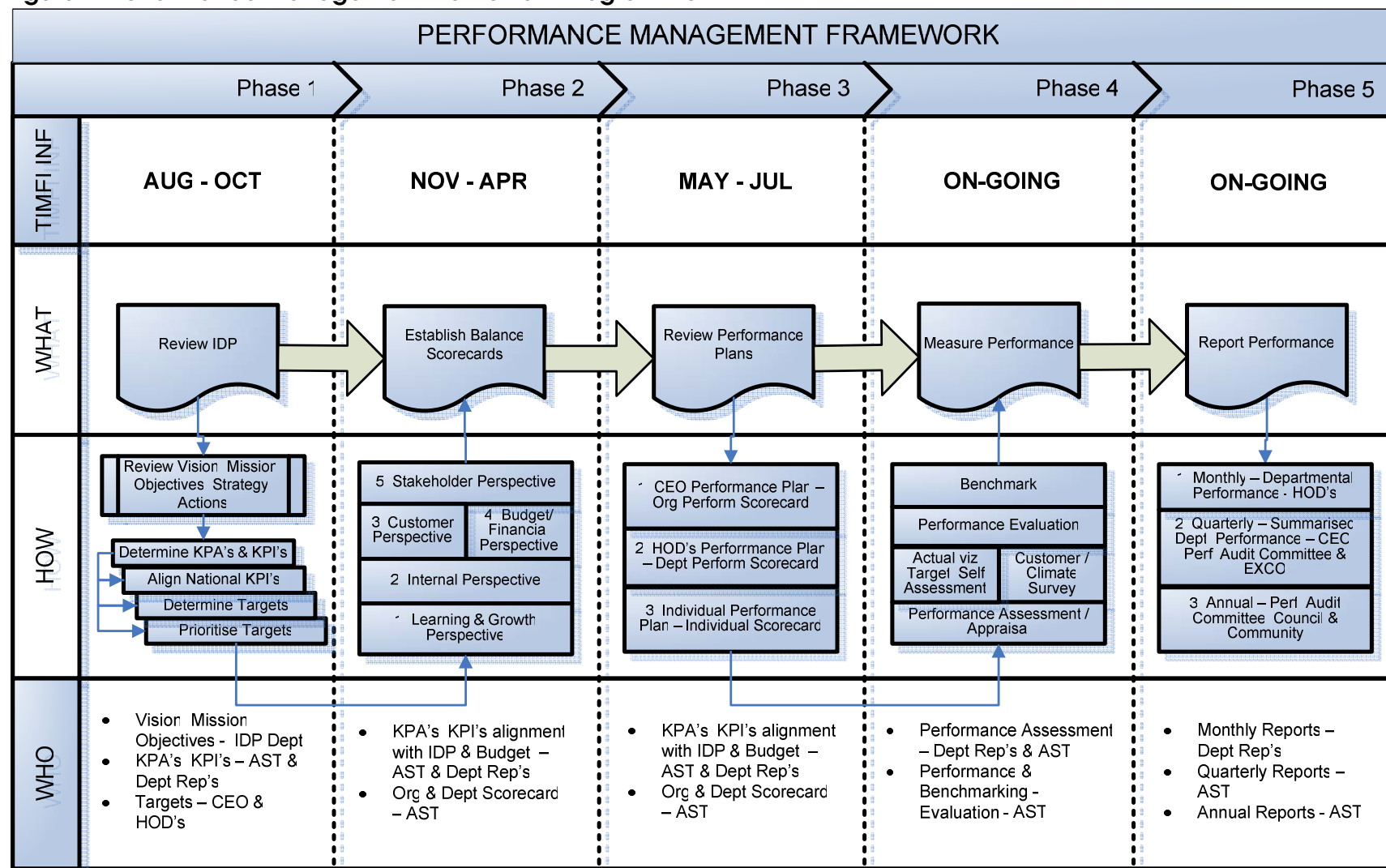
		Conduct Management meetings	Ensure that minutes of at least 18 Management meetings be approved	18 set of Minutes
		Report on the previous financial year (2008/2009) Performance assessment results for section 57 manager	Report on completed 2008/2009 year assessment results and feedback sessions per each section 57 manager to the Performance Audit Committee	1 report on Performance Assessment results
		Ensure quarterly Performance feedback sessions by the Performance Panel with each section 57 manager	Report on 2008/2009 midyear assessment results and feedback sessions per each section 57 manager to the Performance Audit Committee	1 report on Performance Assessment results
		Prepare and submit Annual report for 2008/2009 completed financial year	Ensure the submission of an Annual Report and Annual Performance report for 2008/2009 financial year on achievements and new targets set by 31 January 2010 for approval by Council	Report submitted by 31 Jan '10
		Ensure progress according to the Skills Development Plan	Ensure progress according to the Skills Development Plan and report quarterly progress to the Management Services portfolio committee	Quarterly reports
		Review of Equity strategy and targets	Ensure the review of Employment Equity strategy annually by 30 June to determine whether targets approved by Council are reached	Quarterly reports
		Ensure implementation and improvement on employment equity plan.	Ensure 85% of appointments made into vacant positions by personnel from the employment equity target groups and provide quarterly progress to the performance audit committee	Quarterly reports

<b>SOUND FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT</b>	<b>SOUND FINANCIAL MANAGEMENT</b>	Approval of a budget document for 2009/2010 financial year in accordance with the Municipal Finance Management Act, 2003	Ensure approval of 2010/2011 Budget by 31 May 2010	Approval by 31 May '10
		Three-year Capital and Operational budget approved by Council	Ensure that a draft three-year Capital and Operational budget is prepared and submit to Council	Draft Approval by 31 March '10
		Submit Service Delivery and Budget Implementation Plan (SDBIP) for 2010/2011 to Council	Prepare and submit SDBIP for 2010/2011 within specified timeframe as per MFMA from approval of budget	SDBIP approved 30 Jun '10
		Submit quarterly reports on 2009/2010 Service Delivery and Budget Implementation Plan (SDBIP) to Council	Prepare and submit quarterly progress within 30 days from end of each quarter on the 2009/2010 SDBIP	Quarterly reports
		Ensure sufficient progress in the processing of a valuation roll in accordance with the new Property Rates Act	Ensure updating and processing of supplementary valuation roll by 30 June 2010 in accordance with the Property Rates Act and ensure submission of quarterly reports to the Corporate Services portfolio committee	Updated valuation roll
		Maintain a monthly turn over rate between 14% and 20%.	Ensure turnover rate of all outstanding monthly recurring rates and service charges compared to the norm of 14% to 20% (monthly).	Monthly reports
		Capital programme from own funding spent from year to year to be 90%	Ensure that 90% of Capital budget from own funding spent from year to year is achieved	Quarterly reports

		Provide internal and external audit reports to Council	Ensure preparation and submission of quarterly Internal audit reports to Council by 30 June 2009	Quarterly reports
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Figure 7: Performance Management Framework Programme





**J.1 LIST OF AVAILABLE DOCUMENTS**

J	<b><u>ANNEXURES:</u></b>	
	<b>ANNEXURES</b>	<b>Applicable to:</b>
		<b>All LMs</b>
<b>J.1</b>	Detailed Spatial Dev. Framework	Yes
<b>J.2</b>	SDF Expansion Areas (A-F)	Yes
<b>J.3</b>	Detailed Disaster Management Plan	Yes
<b>K</b>	<b><u>APPENDICIES</u></b> <i>(Dependant on relevance to the Municipality's situation)</i>	
<b>K.1</b>	Capital Infrastructure Investment Plan	Yes
<b>K.2</b>	Land Use Management System	Yes
<b>K.3</b>	Coastal Zone Management Plan	Yes
<b>K.4</b>	Waste Management Plan	Yes
<b>K.5</b>	Water Services Development Plan (WSDA)	Yes
<b>K.6</b>	Integrated Transport Plan	No
<b>K.7</b>	Housing Plan	Yes
<b>K.8</b>	Energy Master Plan (Electricity Master Plan)	No
<b>K.9</b>	Local Economic Development Plan	Yes
<b>K.10</b>	Infrastructure Investment Plan ( EPWP Compliant)	Yes
<b>K.11</b>	Area Based Plans (Land Reform)	No

<b>K.12</b>	Organisational PMS	Yes
<b>K.13</b>	HIV Policy	Yes
<b>K.14</b>	Youth Policy	Yes
<b>K.15</b>	Workplace Skills Plan	Yes
<b>K.16</b>	Employment Equity Plan	Yes
<b>K.17</b>	Indigent Policy	Yes
<b>K.18</b>	LED Implementation Plan	Yes
<b>K.19</b>	Sports & Recreation Sector & Implementation Plan	Yes
<b>K.20</b>	Budget Implementation Plan	Yes
<b>K.21</b>	Draft Budget Report 2009/2010	Yes
<b>K.22</b>	SDBIP	Yes
<b>K.23</b>	PMS 2007/2008	Yes
<b>K.24</b>	2009/2010 IDP Process Plan	Yes
<b>K.25</b>	IDP Public Participation Report (09/10)	Yes

## J. 1.2 CONCLUSION

One of the most central responsibilities of the Local Municipality that emerged from the formulation of the IDP is that of coordination and integration of plans and development actions. Many of the government sector departments' functions such as housing are being implemented by the local municipality. Respective national and provincial departments seek to implement their policies by making funding available to the local municipality. As noted before, the municipality has compiled sector plans for their core functions. In such instances, service providers have been members of the respective sector plan Steering Committees thereby ensuring their specific inputs into the plan formulation and implementation programme. In addition, there has been engagements between the Local Municipalities, which was facilitated by the district, and individual service providers on a one-to-one basis. This allows for the participants to give effective attention to technical considerations required to form integrated plans.

There have been many achievements in the uMhlathuze area of jurisdiction in as far as service-delivery is concerned. UMhlathuze's Vision is driving the service delivery agenda for uMhlathuze Municipality, which is

*"The City of uMhlathuze metropolitan area, as a port city, will offer improved quality of life for all its citizens through sustainable development. It will be a renowned centre for:*

- ❖ *Service Delivery*
- ❖ *Trade;*
- ❖ *Commerce;*
- ❖ *Industry;*
- ❖ *Tourism and nature-lovers;*
- ❖ *Coastal recreation; and*
- ❖ *Environmental Management*

There are a number of projects that have been identified through community needs assessment. These projects are based on the five Strategies for uMhlathuze Municipality, which are:

- Strategy 1: Good Governance
- Strategy 2: Infrastructure & Service Provision
- Strategy 3: Social & Economic Development
- Strategy 4: Institutional Development
- Strategy 5: Sound Financial Management

There are however still many challenges that the municipality is still faced with. The IDP for 2007/8 to 2011/12 term addresses these challenges.

The two critical areas that the current IDP is not addressing adequately or not at all are the:

- **Land Use Management System**, which is a combination of all tools and mechanisms, utilised by the municipality to control and administer the manner in which land is utilised and developed. Land-use planning aims to co-ordinate all the land uses and their relationship to each other in order to create safe and liveable environments.
- **E-Plan**, which will assist in addressing the purpose of balancing energy demand with supply resources in concern with safety, health and environmental considerations.
- **Area Based Plans (ABP), which will be coordinated by the Department of Land Affairs.**
- Updating the uMhlathuze Situational Analysis data; and

This 2009/2010 uMhlathuze IDP Review builds on from the 2008/2009 IDP. It reiterates the development rationale with supporting objectives and strategies to guide the development of the uMhlathuze Municipality area. These are ultimately aimed at achieving the development wish for the uMhlathuze area and all its inhabitants, i.e.:

- Creating economic growth and jobs;
- Eradicating backlogs in service delivery;
- Providing for housing and socio-economic development (including the impact of HIV/AIDS);
- Positioning the uMhlathuze area as a prime tourist destination.
- Making the area of uMhlathuze a safe and vibrant meeting place of rural, traditional and urban life-styles.
- Integrating the second and first economies to benefit from investment.
- Achieving a sustainable settlement pattern where people could meet all their needs to provide for a better quality of life and maintain sustainable livelihoods.
- Creating functional and institutional harmony with upstream and downstream spheres of government.

A greater portion of this IDP Review is dedicated to the financial implications and challenges facing the Municipality. The demands far outweigh the resources and it is critical that the Municipality:

- Prioritise projects and programmes for implementation in addressing the needs.
- Do proper financial planning which is also based on sound financial and business principles.
- Source appropriate external funds to supplement their own resources.
- Improve and sustain the Municipal income generation.
- Stimulate and grow the economic base of uMhlathuze area.
- Enter into partnerships to facilitate effective implementation.
- Community upliftment and empowerment of rural areas.
- Economic development and attraction of investment.
- Improvement and maintenance of development standards in all areas.
- Opportunities for affordable housing.

This IDP Review also provides feedback on many of the issues that were highlighted as shortcomings in the previous review. These include progress made in respect of the uMhlathuze Land Use Management Framework, Strategic Environmental Assessment and various Sector Plans that support the IDP.

The necessary actions and projects to achieve the objectives and implement strategies are deliberated with financial implications and requirements set out in detail.