

UMHLATHUZE MUNICIPALITY



2010/2011 INTEGRATED DEVELOPMENT PLAN

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SECTION A: SITUATIONAL ANALYSIS

1. Introduction and Objectives of the Integrated Development Plans

The 2010/2011 Integrated Development Plan (IDP) Review is the last review before the beginning of a new term of office for local councilors. Our fifth review will look at whether our intended objectives and Vision have been fulfilled and to look at how we can assist our community in the short term. Service delivery is our mandate

The recession has had dire and serious implications for the municipal area. The municipality has had to re-look and be circumspect when it comes to its finances. Projects and programmes have had to be re-evaluated and those that are deemed pressing or are of basic services are continued with. This has continued to follow a strategic plan of action, Service Delivery Implementation Plan (SDBIP) ensuring everyone understands his or her roles and functions.

Due to requirements stipulated in terms of legislation the uMhlathuze Municipality IDP Reviews are formulated according to the revised guidelines of the KwaZulu-Natal Departments' Co-operative Governance and the Department of Agriculture and Environmental Affairs (DAEA) Environmental Sustainability Toolkit for the integration of environmental sustainability issues.

The 2010/2011 IDP Review assessment identified the following policies and plans as outstanding of which will form part of the focus of the 2010/2011 uMhlathuze IDP Review. The following depicts these items, which are included in this financial year's review:

- The inclusion of the uMhlathuze municipal performance measurement outcomes and a reflection on the achievement of the 3 to 5 year targets;
- to address any issues raised in the Auditor-General's Report and to include corrective measures and strategies;
- to include the anti-corruption policy/strategy for the municipality;
- to include a Local Economic Development (LED) Implementation Plan's strategies and projects in terms of budgets, timeframes and responsibilities not as an annexure but within the main IDP document;
- to align the LED strategies with the Provincial Growth and Development Strategy (PGDS) and the Provincial Spatial Economic Development Strategy (PDEDS) and attention be given to the spatial location and implication of the identified LED strategies and projects;
- to consolidate the housing sector plan into a Housing Chapter of the IDP to better integrate housing programmes and projects into the IDP;
- to reflect a brief summary of the findings and feedback from the public participation process in the main document;
- to pursue the implementation of policies and strategies relating to vulnerable groups, i.e. youth, women, physically challenged and the aged;
- to monitor the progress of implementation of both the National and Provincial Planning Commissions and to incorporate any new policies and policy directions; and
- to include the ten priority areas identified in the Medium Term Strategic Framework (MTSF) (2009-2014) to provide a clear indication of Government's intent to give effect to its strategic objective and electoral mandate over the next five years.

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.

uMhlathuze has supported the UN initiative since its inception but due to financial challenges progress with the identified programmes have been slow. The municipality needs to look at forward-looking macro-economic policies to support broad-based stable growth, e.g. by sustaining public investment strategies for the achievement of the MDG's. This will ensure that the backlogs we are currently experiencing are minimised at a more frequent pace to reach the proposed goals.

The table below highlights the alignment between the MDG's and uMhlathuze's programs

MDG's	UMHLATHUZE DEVELOPMENT PROGRAMMES
1. Eradicate Poverty & Hunger	▪ Poverty Alleviation
2. Achieve universal primary education	▪ Training & Capacity Building
3. Promote gender equality & empower women	▪ Marginalised Groups
4. Reduce Child Mortality	▪ Municipal Health
5. Improve maternal health	▪ Municipal Health
6. Combat HIV/AIDS, malaria & other diseases	▪ HIV/AIDS
7. Ensure environmental sustainability	▪ Environmental Management ▪ Housing ▪ Slums Clearance ▪ Water & Sanitation Services, Electricity, Roads & Storm Water, Solid Waste Management
8. Develop a global partnership for development	▪ LED, Local Tourism Development, Agricultural Development, Business & Industrial Development

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

We have a responsibility to align our programmes in a way that enhances the overall efforts of government to address the country's complex challenges. 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 KPA's 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)/ Promoting Growth for all South Africans** 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

2.1.1 Ten Priority Areas identified in the Medium Term Strategic Framework (MTSF) (2009-2014)

Integrated Development Plans of municipalities and the Provincial Growth and Development Strategies of provinces have to take into account the priorities identified in the MTSF. This is aimed at bringing us closer to the ideal of integrated and aligned planning across the three spheres of government. The MTSF is reviewed on an annual basis in July in the light of changes in the domestic and international environment.

The strategic priorities of government for the mandate period (2009 to 2014) in order to give effect to the strategic objectives are as follows:

1. **Ensuring more inclusive economic growth, decent work and sustainable livelihoods:** The main objective with regard to this priority is to respond appropriately, promptly and effectively so that growth in decent employment and improvements in income security are reinforced, and investment sustained to build up national economic capability and improve industrial competitiveness.
2. **Economic and social infrastructure:** In the period ahead government will continue with the infrastructure investment programme aimed at expanding and improving social and economic infrastructure to increase access, quality and reliability of public services and to support economic activities while also considering environmental sustainability and pursuing maximum employment impact. The aim is to ensure sustained investment growth over the medium-term

so as to achieve the target of a fixed investment ratio above 25% of gross domestic product (GDP) by 2014. This will look at projects that are spatially-referenced, planned for and implemented in an integrated manner.

3. **Rural development, food security and land reform:** Between 10 and 15 million South Africans live in areas that are characterised by extreme poverty and underdevelopment. Recognising the diversity of our rural areas, the overall objective is to develop and implement a comprehensive strategy of rural development that will be aimed at improving the quality of life of rural households, enhancing the country's food security through a broader base of agricultural production, and exploiting the varied economic potential that each region of the country enjoys.
4. **Access to quality education:** Education has enjoyed the largest share of the national budget throughout the past 15 years. This significant investment in building human capital and capabilities has gradually improved the country's human resource and skills base. However, progress has not been optimal and the achievements have not taken place at the required scale. Our objective is thus to focus our skills and education system towards the delivery of quality outcomes. The focus will be on, amongst others, learner outcomes, early childhood development (ECD), improving schools management and M&E systems and supporting and developing a high quality teaching profession.
5. **Improved healthcare:** In the current MTSF period government aims to transform the public health system so as to reduce inequalities in the health system, improve quality of care and public facilities, boost human resources and step up the fight against HIV and AIDS, TB and other communicable diseases as well as lifestyle and other causes of ill-health and mortality. Government aims at phasing in of a National Health Insurance system over the

next five years and increasing institutional capacities to deliver health-system functions and initiate major structural reforms to improve the management of health services at all levels of healthcare delivery, including particularly hospitals.

6. **Fighting crime and corruption:** Government is determined to curb levels of crime and corruption. Contact crimes, crimes against women and children and organised crime remain a key focus, and so is the combating of corruption.
7. **Cohesive and sustainable communities:** Social cohesion is important if we are to achieve developmental success. However, inequalities of condition and opportunity and weaknesses with regard to a sense of being part of a common enterprise, is placing severe stress and strain on social cohesion. In this MTSF period, we aim to meet our target of halving poverty and unemployment by 2014 and, in conjunction with other priorities, to strengthen human capabilities, promote shared values and social solidarity and strive to reduce overall inequality.
8. **Creation of a better Africa and a better world:** Over the medium term, the main goal with respect to this priority is to ensure that our foreign relations contribute to the creation of an environment conducive to economic growth and development domestically, within Africa and in other developing countries. Implementing New Partnership for Africa's Development (Nepad), promoting Southern African Development of Community (SADC) regional integration, strengthening South-South relations and pursuing a developmental and investment-orientated approach to engagements with the North, are key aspects related to this priority.

9. **Sustainable resource management and use:** Like the rest of the world, we are vulnerable to the impacts of climate change, biodiversity loss and diminishing water resources. Interventions will include, amongst others, diversification of the energy mix in pursuit of renewable energy alternatives and the promotion of energy efficiency, enforcing a zero tolerance approach to illegal and unsustainable exploitation of resources, supporting local and sustainable food production, and promoting sustainable water use and preserving the quality of drinking water.

10. **A developmental state including improvement of public services:** In the previous mandate period, government committed itself to improving the capacity of the state for growth and development. Whilst progress has been made, there has been a continuation to face significant challenges in transforming the system of governance. Challenges include capacity gaps in local government; poor quality of some of our public services; declining trust and confidence in public institutions such as the judiciary, legislatures and the executive branch of government; and weak planning capacity across the three spheres of government. The Long-term goal remains the building of an effective and accountable state as well as fostering active citizenship.

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 (IDP's) 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

ASGISA INITIATIVE/PROMOTING GROWTH FOR ALL STRATEGY	UMHLATHUZE PROGRAMMES
<ul style="list-style-type: none"> ASGISA identified a need to increase tourism GDP and focussed on eliminating the 2nd economy 	Local Economic Development
<ul style="list-style-type: none"> LED is the critical contributor towards halving unemployment by 2014. Infrastructure investment in order to address backlogs 	<ul style="list-style-type: none"> LED Potable Water, Sanitation, Waste water Services, Rural Roads,
<ul style="list-style-type: none"> Introduction of more labour absorbing economic activities while the role of the EPWP in eliminating the 2nd economy is highlighted 	<ul style="list-style-type: none"> LED Business & Industrial Development EPWP
<ul style="list-style-type: none"> Planning & management of land use (in terms of zoning) not to prevent the timeous development of land environment. Procedures should not be expedited for developments to obtain approvals faster 	<ul style="list-style-type: none"> Integrated Development Planning
<ul style="list-style-type: none"> Need to work closely with women and youth in order to halve poverty. Typical interventions required by these groups include having access to finance, basic services, involvement in the EPWP and migration out of the 2nd economy 	<ul style="list-style-type: none"> Marginalised groups
<ul style="list-style-type: none"> The national skills shortage considered as the largest impediment to sustained economic growth 	<ul style="list-style-type: none"> Education, Capacity Building & Training
<ul style="list-style-type: none"> ASGISA identified the need to monitor budget expenditure in departments (over & under spending) 	<ul style="list-style-type: none"> Financial Planning & Management Control

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 2010/2011 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 channelled 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).

Consultants were appointed by Council to compile a Land Use Management System (LUMS) in order to comply with the requirements of the new Planning and Development Act, which will come into effect soon. A draft of the LUMS was prepared, consisting of a combination of the basic framework and contents of the Richards Bay and Empangeni Town Planning Schemes in course of preparation, in the context of the requirements of the Planning and Development Act 2008, also taking new trends and requirements in terms of recent town planning principles into consideration.

A part of the formalization of the LUMS process is to introduce land use control to all sectors of the community and to sensitize role players in respect of the aim and purpose of land use control. Such presentations, based on the abovementioned draft document, were done at the end of 2009 when the consultants presented the basic principles behind land use management to the public, during public meetings which were conducted for the purpose of involving the community in the Integrated Development Planning process.

The next step will be to finalize the contents of the Land Use Management System and to formally advertise it for representations or objections from the public and should there be any representations or objections, such need to be considered by the Council. After final approval of the LUMS, it has to be made available to the Provincial Department of Local Government and Traditional Affairs, where after, if approved by said department, it can be adopted. The new Land Use Management System will then replace the present town planning schemes as the new land use control mechanism.

3. Methodology

The Municipality has taken "full" ownership of the IDP Process. uMhlathuze Municipality does its IDP in-house. 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
Preparation Phase	<p>Preparation of Process Plan</p> <p><i>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.</i></p>
Review Analysis	<p><i>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 on estimations.</i></p>
Review Strategies	<p><i>Review of relevance of the vision, objectives, strategies, and especially the identified projects.</i></p> <p><i>Detailed review of implementation of previous IDP and identification of challenges and areas for intervention. Definition of critical success factors.</i></p>
Review Projects	<p><i>Performance indicators, project outputs, targets, location, revised project time schedule, revised budget estimates</i></p>
Review integration	<p><i>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</i></p>
Approval	<p><i>Approved IDP Review for the municipality by Council and the MEC</i></p>

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).

Municipal Departments 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 uMhlathuze Municipality through the ward councillors, ward committees and Chief Control Officer IDP 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

uMhlathuze has started embarking on developing vulnerable groups, which has been an initiative from national government. During the 2010/2011 public participation process, uMhlathuze had proposed that they will hold a forum meeting with the physically challenged but because of financial constraints will look into it as time progresses. . 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 still intends to engage the Youth, children, physically challenged, aged in the financial year 09/10.

3.3 Good Governance

3.3.1 Communication Strategy

uMhlathuze Municipality's communication strategy entails that:

- Ward Committee members and Councillors are part of the preparation of ward meetings.
- IDP Community Sessions are held in venues closest to the community.
- Release of Print media press when required to local and provincial newspapers are in English and isiZulu.
- 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 Turn Around Strategy

The Government has come to the realization that though municipalities have played a valuable role in our new democracy, key elements of the local government system are showing signs of distress in 2009. The Department of Cooperative Governance and Traditional Affairs (COGTA) conducted an assessment of municipalities around the country. This assessment resulted in the drafting of the State of Local Government Report. This report provides an analysis of the performance and state of local government and begins to point to key matters that must be attended to in the Turn Around Strategy for Local Government.

The report addresses issues of Governance, Service Delivery and Infrastructure, Financial Management as well as Labour Matters. Urgency, prioritisation, speed and timing will be important in addressing these critical issues. The central question that this report poses is, ***"What is the state of local government in 2009 and what must be done to restore the confidence of our people in this sphere of government by 2011 and beyond?"***

There are five strategic objectives identified to guide the Local Government Turnaround Strategy interventions and support framework. These are to:

1. Ensure that municipalities meet the **basic service needs** of communities;

2. Build clean, effective, efficient, **responsive and accountable** local government;
3. Improve performance and **professionalism** in municipalities;
4. Improve **national and provincial policy, oversight and support**; and
5. Strengthen **partnerships** between local government, communities and civil society.

These objectives have been identified as the key drivers in order to **rebuild and improve the basic requirements for a functional, responsive, effective, efficient, and accountable developmental local government.**

All spheres of government are expected to devise intervention strategies to assist with the proper support and functioning of local government. Municipalities in particular will reflect on their own performance and identify their own tailor made turnaround strategies focused on achieving the following:

- i) Stable Councils with visionary and accountable leadership;
- ii) Undertake appropriate set of powers and functions and identify and establish relevant agency arrangements with national and provincial government within current policy framework;
- iii) Professional administration that supports the political vision contained in the electoral mandate;
- iv) Properly constituted corporate services, technical services and financial management functions, including recruitment and skills retention policies ensuring 'right people in the right job';

- v) Provision of basic services and ensuring every cent spent is well considered and accounted for - 'value for money';
- vi) Through the municipal Spatial Development Frameworks, each municipality is aware of and is able to guide the land use activity on every square meter and kilometer in its area of jurisdiction;
- vii) Optimised revenue collection and improved billing, customer care, indigent and credit control policies - 'balance the books';
- viii) Work towards sustaining clean audit outcomes by 2014. Those that can achieve the target earlier must do so and;
- ix) Improved public participation and communication including effective complaint management and feedback systems.

To achieve the above, the City of uMhlatuze confirmed with the COGTA to conduct a workshop that will result in the development of the Municipal Turn scheduled from 12 to 14 May 2010. It is at this workshop that the City developed and finalised its Turn Around Strategy. During the workshop the City of uMhlatuze re-prioritised the focus areas and developed its own 10 priority areas which are as follows:

- Effective Cash flow management and Budgeting;
- Access to Reliable and Sustainable Basic Services;
- Infrastructure Asset Management;
- Filling of critical essential and funded positions;
- Promote and enhance public participation;
- Overhaul of HR Policy Framework;
- Conduct a Comprehensive Skills Audit;

- Enhance City's contribution to Job creation and sustainable livelihoods through local economic development and investment attraction;
- Strengthen relations and partnerships with key stakeholders; and
- Effect an Operation Clean Audit strategy

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

A Top Management team is to be established as a Rapid Response Team to be the main driver behind the City's Turn Around Strategy.

uMhlathuze Municipality is the N2 Development Corridor (eThekweni-Hlembe-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 kilometres 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 HIV 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.

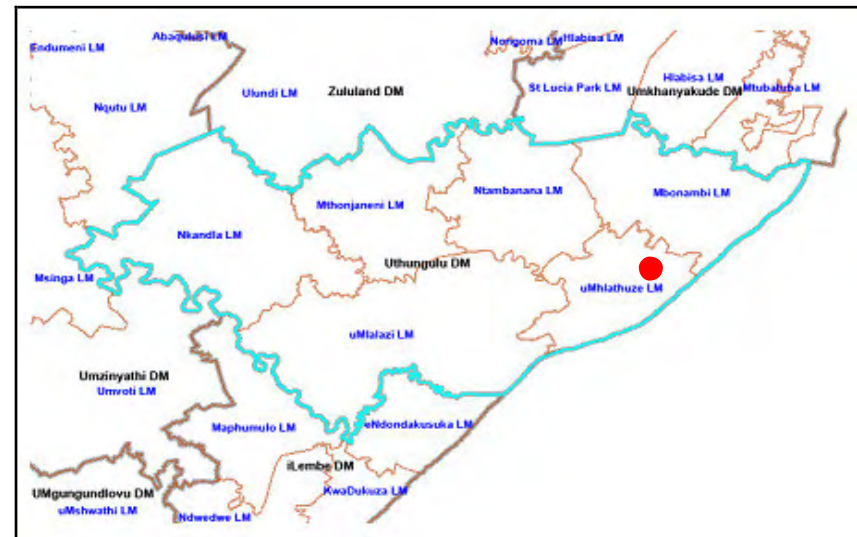
Figure 1: Regional Context



The areas that make up the uMhlathuze Municipality are listed below:

Richards Bay
Empangeni
Vulindlela
Esikhaleni
Enseleni
Felixton
Ngw elezane

Figure 2: Neighbouring Municipalities



The study area is bordered by Umfolozi (former 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.

Traditional Authority Areas, which cover approximately 27,953 hectares (or 35%) of the uMhlathuze Municipal area. These are:

Dube
KwaKhoza
Mkhwanazi North and South; and
Zungu-Madlebe

There is a strong link between the urban and its surrounding rural areas, based on service provision as well as commercial and retail activities. This needs to be enhanced and strengthened as it could make a positive contribution to the local economy.

The uMhlathuze Local Municipality has a wide diversity of land uses, the table below highlights these:

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
TOTAL	23 205 60	100.00

Source: 2007 *Stat us 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
uThungulu	885872	100.0	46.3	53.7	50.9	44.7	4.4

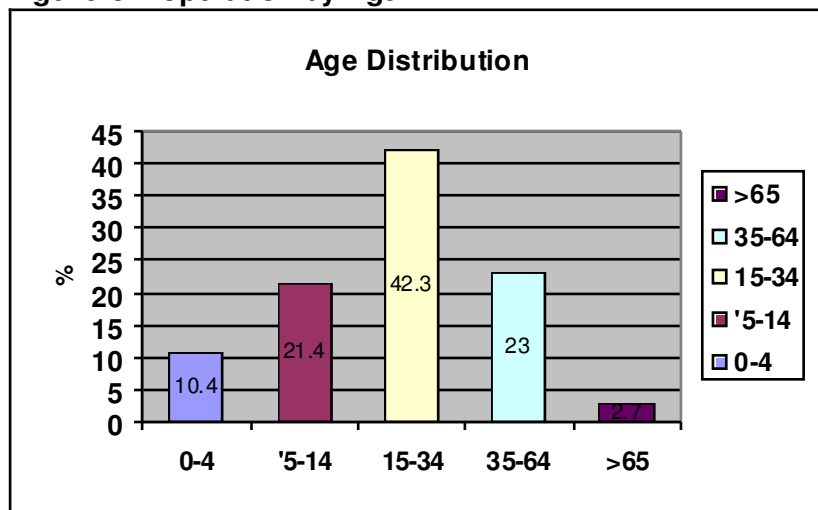
Source 2001 *Stats, SA*

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.

Figure 3: 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

Source: StatsSA, 2007

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: StatsSA

During 2007, Stats SA undertook a Community Survey. 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	-	-
TOTAL	100,0	100,0

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 difficult 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

HIV /AIDS	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
TOTAL Patients who visited the VCT (Voluntary Counselling and Testing) Clinic	9 852	4 268	43

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 represents the basic age and gender of HIV/AIDS infection rates.

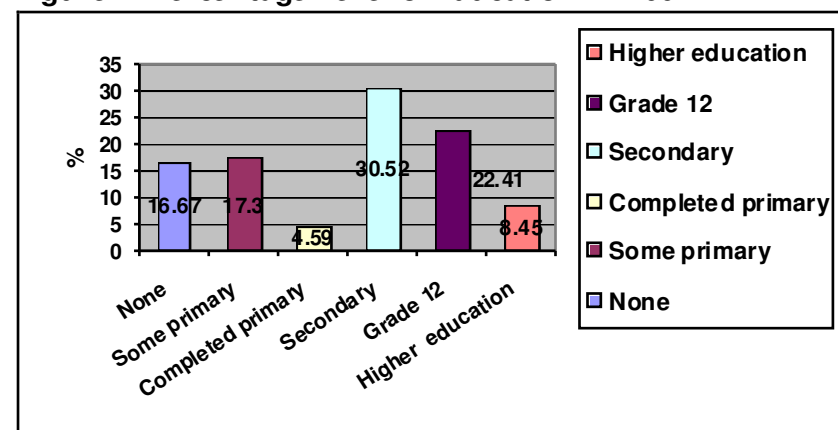
Table 9: Basic Age and Gender data of uMhlathuze Municipality in 2004

	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
uThungulu District	1.5	57.5	46.9	53.1	14.8

Source: Quantec Research 2006

4.4 Education Levels

Figure 4: 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, Umfolozi FET, University of Zululand and Owen Sithole Agriculture College. A satellite branch of the Durban University of Technology is also operational. A Zululand University campus in Richards Bay CBD opened in February 2010 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	MEERENSEE SEC
5		Empangeni	NZWAKELE PS
6		Empangeni	SINAYE P New
7		Empangeni	EMPANGENI RAIL PS
8		Empangeni	DUKANENI PS
10		Empangeni	ZENZO PS
11	Land Assembly	Empangeni	Mzingazi HS

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
uMhlathuze	5.9
UThungulu	6.2

Source: UThungulu Quality of Life Survey (2007)

It is for the above reasons that an appropriate economic development strategy for the municipality is 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 the suburb of 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
TOTAL	100%

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 BHP 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, government departments 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.

The development of the Richards Bay Industrial Development Zone (IDZ), which is an important 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 to 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 impacts 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 BHP 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 uMhlatuze. Richards Bay per se is given an anchor industrial potential classification. Potential in the uMhlatuze 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 - uMhlatuze multi-sectoral corridor as well as the uMhlatuze - Ulundi Vryheid Agricultural Activity Corridor.

Table 13: Sectoral contribution to the GGP during 2005

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

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 uMhlatuze 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 SMM Es

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`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 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 BHP 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.

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 broad aim of the Environmental Services Management Plan (ESMP) is to provide the Umhlathuze Municipality with a clear understanding of activities that need to be undertaken to protect and enhance the supply of environmental services in the Umhlathuze Municipal Area.

Each of the listed catchments has been analyzed to ensure appropriate management of the environment asset system so that ecosystem function is maintained. Subsequently, four tiers of analysis have been identified:

- **Level 1** is the **Nature Reserves**. Included in the Nature Reserve Zone are areas of high biodiversity environmental significance that require a high level of legal protection.
- **Level 2** is the **Conservation Zone** and represents areas of Included in the conservation zone are areas of biodiversity

/ environmental significance, which are not viable for proclamation as Nature Reserves, but that require some form of legal protection. In this zone are included unique areas, natural habitats such as wetlands, natural forests and areas within the 1:100m floodline.

- **Level 3** is the **Open Space Linkage Zone** and includes natural buffers for level 1 and 2 areas as well as those areas linking level 1 and 2 areas.
- **Level 4** represents the **Development Zone** and includes those areas not included in levels 1, 2 and 3 that could be developed or transformed. Care should still be taken that development does not negatively impact on level 1, 2 and 3 areas.

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 constraints
- 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 Municipal 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
Total	100,0	100,0

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
Total	100,0	100,0

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 follows:

- 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 60ML. The reservoirs are supplied from the Cubu WTW that has a capacity of 27 ML/day. Plans are underway to increase the capacity of the Cubu WTW with an additional 9ML/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 12ML and the current inflow is about 9ML.
- Ngwelezane is supplied from a WTW in the Mhlathuze river and 3 reservoirs are located on the edge of town. The WTW provides 8 ML and Ngwelezane town only uses about 4 ML per day. The Madlebe area to the north of Ngwelezane uses on average 2 ML per day. There is thus a spare capacity of about 2 ML per day from this source.
- Ngwelezane has sewerage treatment plant with spare capacity. At present the daily inflow is about 2,5ML while the capacity is 2,8ML.
- Nseleni town is supplied by Mandlazini Reservoirs (2X47,5 ML). 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 45ML/day to 65ML/day.

- A new 10ML reservoir proposed for Nseleni. The sewage treatment plant has a capacity of 3ML/day and the current inflow is 0,9ML/day

Backlog in the Provision of Water

The City of uMhlathuze has formulated a level of service policy and this is defined in the Free Basic Water (FBW) policy. The policy identifies and deals with the following levels of water services:

- Supply of water through communal water services i.e. Standpipe.
- Supply of uncontrolled volume of water to a household where a water meter is installed.

The following table represents water backlogs as at 31 March 2010.

Importantly, it should be noted that:

- 2 664 households have no access to potable water.
- About R800 million is needed to eradicate the backlog of providing potable water.

Table 17: Water backlogs from 2006 TO 2010

Service Level	Households	2006/2007	2008/2009	BACKLOGS ENDING 31/03/2010	BACKLOGS % 2009/2010	ACCESS % 2009/2010
	BACKLOG STUDY (SIVEST)	HOUSEHOLDS WITH ACCESS TO WATER			HOUSEHOLDS	HOUSEHOLDS
House connections	31 533	34 643	34 766	35 508		
Yard Connections	17 532	23 690	26 048	33 545		
Communal Supply < 200 m	8 305	6 804	5 784	2 552		
Communal Supply > 200 m	16 899	9 132	7 671	2 664		
TOTAL	74 269	74 269	74 269			
						96.41%
Access to Water		61 789	66 598	71 605	3.59%	
Backlogs		9 132	7 671	2 664		
Achievements			1 461	5 007		

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 exist within the uMhlathuze area.

Table 18: 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
Total	100,0	100,0

Source: Stats SA, Community Survey, 2007

Backlog in the Provision of Sanitation

The following table represents sanitation backlogs as at 30 March 2010

Importantly, it should be noted that:

- 33 908 households have no access to basic sanitation.
- R280 million needed to eradicate backlog on provision of sanitation

Table 19: Sanitation backlogs as at 30 March 2010

Service Level	Households	2006/2007	2008/2009	BACKLOGS ENDING 31/03/2010	BACKLOGS % 2009/2010	ACCESS % 2009/2010
	BACKLOG STUDY (SIVEST)	HOUSEHOLDS WITH ACCESS TO SANITATION			HOUSEHOLDS	HOUSEHOLDS
Waterborne Sewerage	32 091	32 162	32 285	32605		
VIPs	0	3 057	5 458	7758		
No formal Service	42 178	39 050	36 526	33906		
TOTAL	74 269	74 269	74 269			
Access to Sanitation		35 129	37 743	40 363		54.35%
Backlogs		34 140	36 526	33 906	45.65%	
Achievements			2 386	2620		

The provision of funding based on Division of Revenue Act (DORA) requires counter funding from the municipality in the amount of R139M in the next couple of years. The required amount is beyond the means of the municipality and therefore the likelihood of these important projects becoming a reality is remote. Below we provide you with the figures for the funding. It is suggested that the policy regarding counter funding should be reconsidered as it would be better if the services could be provided with the available funding and a lesser counter funding by municipalities than not at all.

Table 20 : Funding required to eradicate water and sanitation backlogs:

SANITATION				
FINANCIAL YEAR	VIPS TO BE CONSTRUCTED	PROJECT VALUE	MIG	COUNCIL
2010/11	8800	R93 million	R65 million	R28 million
2011/12	9000	R95 million	R67 million	R28 million
2012/13	9000	R95 million	R67 million	R28 million
2013/14	9500	R100 million	R75 million	R25 million

WATER				
FINANCIAL YEAR	HOUSEHOLDS TO BENEFIT	PROJECT VALUE	MIG	COUNCIL
2009/10	1 780	R48 million	R32 million	R15 million
2010/11	1 653	R52 million	R37 million	R15 million

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 uMhlatuze 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
- The Municipality has strategically placed more than 70 skips throughout the rural community for the placement of domestic waste.

Table 21: 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
Total	100,0	100,0

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.

In rural communities 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 former R293 towns and rural areas have highlighted the need for a satisfactory public transport system.

UMhlathuze has also made R30 million contributions towards the current upgrading of the Provincial John Ross Highway

6.6.1 Rural Roads

Council resolved to give attention to all rural roads as per set priorities. A plan is in place whereby timeframes are given per ward and specific roads are given attention.

The following table provides information about required budget, km constructed and backlogs relating to rural road construction:

Table 22 : Backlog relating to Rural Roads

Projected work to be done on rural roads			
	Budget	Constructed	Backlog
New gravel roads requested as per Priority list			500
Roads gravelled in 2008 / 2009	R 16,500,000.00	39	461
Roads to be gravelled in 2009 / 2010	R 5,950,000.00	13.6	447.4
Roads to be gravelled in 2010 / 2011	R 17,500,000.00	40	407.4
Roads to be gravelled in 2011 / 2012	R 17,500,000.00	40	367.4

The backlog of the Councillor's Priority lists of 500 km has thus been reduced to 447,4 kms and all new gravelling was stopped at 31 Dec. 2009 due to councils financial position. Thus, of the total 500km's to be gravelled, there is still a backlog of 447.4kms.

To eradicate this total backlog of 447.4kms over the next five years will require an amount of R196 million excluding inflation.

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 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.

Table 23: Amounts projected Free Basic Services using the Universal Approach

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

Source: Budget Report 2010/2011

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 litres 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 24: Amounts projected Free Basic Services using the Target Approach

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

Source: Budget Report 2010/2011

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.

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 during 2009. The following section represents the needs in the order of priority:

- 7 Needs in rural areas
- 8 Community Infrastructure
- 9 Accessibility to Services and Facilities, as well as Opportunities
E.G. Thusong Centres
- 10 Economic Development/ Jobs

- 11 Crime Prevention
- 12 Agriculture
- 13 Community Facilities
- 14 Electricity (Eskom) (Nkosazana, an area within ward 25 is in dire need of electrical supply as no household has electricity connections)
- 15 Health And Education
- 16 Housing & Slums Clearance
- 17 Pedestrian Bridges
- 18 Sports & Recreation Facilities
- 19 Needs In Urban Areas
- 20 Maintenance Of Infrastructure
- 21 Economic Development And Training
- 22 Housing & Slums Clearance
- 23 Road Upgrades And Maintenance
- 24 Safety And Security
- 25 Public Transport Facilities
- 26 Employment Creation
- 27 Social Welfare
- 28 Community Facilities
- 29 Accessing Land For Development
- 30 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: -

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.

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:

Corporate Services (Administration, Human Resource, Information Technology);

City Development (Real Estate, Land Use Management, Human Settlement, Communications, Economic Development, Development Administration, Spatial, Environment and Strategic Planning);

Infrastructure & Technical Services (Civil Engineering, Electro Mechanical Engineering, Fleet);

Community Services (Traffic, Licensing, Waste Management, Primary Health Care, Public Safety, Disaster Management, Parks, Sports & Recreation; Beaches, Cemeteries, Museums, Libraries);

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 (KPA's) 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 Senior Managers 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 debate 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
- Corporate Services
- Management Services

- Civil Engineering
- Community Services & Health
- Parks, Sports & Recreation
- Community Facilitation & Human Settlement
- Electrical Engineering
- Planning & Environmental Affairs

8.4 Powers & Functions of uMhlathuze Municipality

The City of uMhlathuze has been assigned the following powers and functions:

- 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 Parlours & 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

UMhlathuze'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 uMhlathuze Employment Equity Plan are as follows:

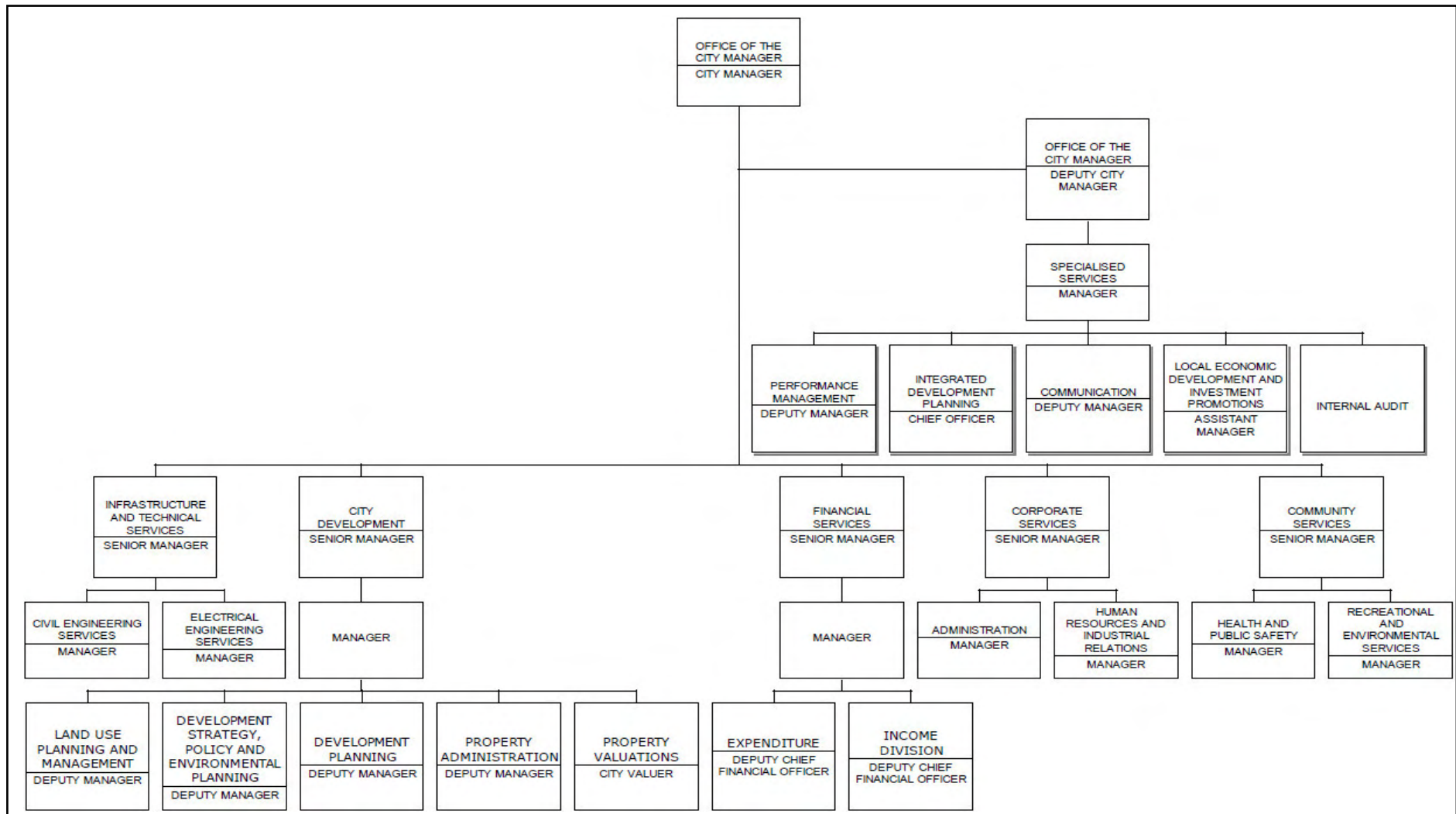
- Skills Development
- Set Numerical Targets per Employment Category
- Work Environment and Facilities
- Promotions
- Update all H.R. Policies and Procedures
- Diversity Management and Discrimination Awareness Programmes

8.5.4 Institutional organisation

The current structure of the uMhlathuze Municipality is reflected in the diagram that follows. The number of positions filled in the municipality as of end of March 2010 is 1973 positions and 267 positions vacant excluding temporary workers. These employees perform under the following five Departments:

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

Figure 5 : uMhlathuze Administrative Structure



SECTION B: DEVELOPMENT STRATEGIES

1. uMhlathuze 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 uMhlathuze Municipality:

"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*

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, Felixton and Meerensee.
- 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 uMhlatuze.
- ❖ Promote physical, social and economic integration within the City of uMhlatuze.
- ❖ 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 uMhlatuze 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 2010/2011 Review

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 uMhlatuze.

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 uMhlatuze 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 Ngw elezane, 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 2001. 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.

- ❖ 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, Ethekeini – 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 dominant 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.

3.1 Good Governance

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"> • Improve liaison, communication and consultation with all stakeholders and role-players in order to facilitate effective and efficient provision of infrastructure, services and facilities • Create a Safe and Secure Environment

3.1.1 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.

3.1.2 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.

3.2 Infrastructure and Services Provision

Development Strategy 2: Sustainable 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"> • Provision and Upgrading of Basic Infrastructure to address Backlogs • Well-timed provision of new infrastructure to attract development • Maintenance of Infrastructure to maintain and enhance Service Levels • Improve Public Transport • Promote a variety of Housing Typologies and Densities to provide for all Demand Categories • Formalize Emerging Urban Settlements • Maintenance and improvement of development standards

3.2.1 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.

3.2.2 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.

3.2.3 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.

3.2.4 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.

3.2.5 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.

3.2.6 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.

3.3 Social and Economic Development

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"> • Establish a Hierarchy of Nodes throughout the City of uMhlathuze • 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 • Enhance the Tourism Potential of the City of uMhlathuze • Support existing Local Economic Development initiatives and encourage new initiatives • Promote Local Economic Development Initiatives • Promote Primary Industrial Development • Support • 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

3.3.1 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.

3.3.2 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 uMhlathuze 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.

3.3.3 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.

3.3.4 Promote the status of the City of uMhlathuze as an aspiring Metropolitan Area

The status of the City of uMhlathuze as an aspiring Metropolitan 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 the status. This requires intervention on all levels, from National to Provincial government and district level, to

arrive at an amicable agreements regarding powers and functions for the aspiring metropolitan municipality.

3.3.5 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 large industries and corporations presented in the City of uMhlatuze. 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 uMhlatuze 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 uMhlatuze 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 uMhlatuze through these deep rural areas should be promoted.

3.3.6 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 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 uMhlatuze 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.

3.3.7 "Soft infrastructure" for competitive advantage

uMhlatuze 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 fulfil 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.

3.3.8 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 employment opportunities and residential areas in closer proximity, to limit travelling 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.

3.4 Institutional Development and Transformation

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"> • Maintain and improve the Institutional Capacity of the uMhlathuze Municipality • Prepare IDP and facilitate annual review • Ensure continuous Organisational Analysis and Improvement in efficiency and effectiveness • Ensure efficient and effective Secretarial and

	Administrative Services to the Organization <ul style="list-style-type: none"> • Ensure efficient and effective Human Resource Management • Promote appropriate Information Management System/s for the Municipality
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3.4.1 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 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 fulfil its functions of service delivery, operation and maintenance.

3.4.2 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.

3.5 Sound Financial Management

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"> • Ensure that Financial Planning, Budgeting & Expenditure aligns with the IDP • Increase the Municipal Revenue Base • Maintain high levels of Debt Control • Implement Revenue Enhancement measures

3.5.1 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.

3.5.2 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.

Figure 6: Alignment between the uMhlathuze IDP Development Strategies, Programmes and Institutional Arrangements

	National Key Performance Area	IDP Strategy	IDP No	Programmes	IDP No	Sub Programmes	Projects
1	Good Governance & Public Participation	Good Governance	1.1	Community Facilitation			
			1.2	Corporate Services			
					1.2.1	Secretarial Services	
					1.2.2	Legal Support Services	
					1.2.3	Property Administration	
			1.3	Public Safety and Security Services			
					1.3.1	Fire & Rescue Services	
					1.3.2	Traffic	
					1.3.3	Crime Reduction / Prevention	
			1.4	Office of the Municipal Manager			
2	Basic Service Delivery & Infrastructure Development	Sustainable Infrastructure and Service Provision	2.1	Water and Sanitation			
					2.1.1	Rural Development	
					2.1.2	Urban Core Development	
					2.1.3	Residential Development	
					2.1.4	Other	
			2.2	Electricity			
					2.2.1	Rural Development	
					2.2.2	Urban Core Development	
					2.2.3	Residential Development	
					2.2.4	Energy Sector Plan	
			2.3	Roads & Stormwater			
					2.3.1	Rural Development	
					2.3.2	Urban Core Development	
					2.3.3	Residential Development	
					2.3.4	Other	
			2.4	Solid Waste			
			2.5	Cemeteries & Crematoria			
			2.6	Vehicles & Plant			
			2.7	Communication Systems			
			2.8	Rail Network			
			2.9	Environmental Management			
					2.9.1	ISO 14001	
					2.9.2	MOSS	
					2.9.3	Air Quality	
					2.9.4	EIA's	
			2.10	Housing			
					2.10.1	Esikhawini - Vullindlela Corridor	
					2.10.2	Aquadene Super block	
					2.10.3	uMhlathuze Village	
					2.10.4	Hillview, Meerensee 5	
					2.10.5	Private development as per approved Spatial Framework	
			2.11	Public Facilities			
					2.11.1	Parks	
					2.11.2	Sport & Recreation	
					2.11.3	Community Halls	
					2.11.4	Libraries	
					2.11.5	Commuter Facilities	
					2.11.6	Museums	
			2.12	Health			
					2.12.1	Primary Health	
					2.12.2	Occupational Health	
					2.12.3	Environmental Health	

	National Key Performance Area	IDP Strategy	IDP No	Programmes	IDP No	Sub Programmes	Projects
3	Local Economic Development	Social and Economic Development	3.1	Local Economic Development			
					3.1.1	Community Capacity Building & Training	
					3.1.2	Business Support	
					3.1.3	Development & Support of markets	
					3.1.4	Economic Facilitation	
			3.2	Municipal Planning			
					3.2.1	LUMS	
					3.2.2	Spatial Development Framework	
					3.2.3	Building Control	
			3.3	Marketing & Tourism Development			
4	Municipal Institutional Development & Transformation	Institutional Development	4.1	Organisational Business Analysis & Efficiency			
			4.2	Integrated Development Planning		4.1.1	Performance Management
					4.2.1	Strategic Planning, Business Planning, City Development Strategies	
			4.3	Information Management			
			4.4	Human Resource Services			
					4.4.1	Recruitment Strategy	
					4.4.2	HR Management Strategy	
			4.5	Municipal Offices/Depots/Land			
			4.6	Education, Capacity Building and Training			
5	Municipal Financial Viability & Management	Sound Financial Management	5.1	Financial Planning			
			5.2	Asset Management			
			5.3	Debt Control			
			5.4	Revenue Enhancement			

SECTION C: 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

- o Indicate where the intensity of land development could be increased or should be reduced.
- o Ensure the ecological sustainability of the study area.
- o Conservation of high potential agricultural land.
- o Prepare a plan for refuse removal in areas not already covered by such a service.

- o Identify areas at which certain types of land uses could be encouraged or should be discouraged.
- o Indicate where infrastructure investment is needed to provide minimum levels of services.
- o Proposed expansion of the Richards Bay Port
- o Air quality

1.3 Air Quality Study

During 2005 uMhlathuze Municipality conducted 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 µm (PM10)
 - nitrogen dioxide (NO₂)
 - carbon monoxide (CO)
 - ozone (O₃)
 - 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:

- o Areas of development pressures
- o Development trends
- o Areas of sensitivity
- o Areas of investment
- o Areas of conflicting uses
- o 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.

- o Areas with limited environmental conservation and environmental linkages zones.
- o Areas with minimal geotechnical constraints.
- o Slopes less than 25%.
- o Good linkage between Esikhaweni and Vulindlela, especially in lieu of proposed Port Expansions.
- o Potential linkage with existing urban developments, as well as processing and value adding activities at Felixton town as well.
- o Very accessible.
- o Potential to accommodate overflow from Esikhaweni, especially in lieu of potential upgrading/formalizing of informal rural nodes around Esikhaleni.

- 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 eSikhaleni, especially in lieu of potential upgrading/formalizing of informal rural nodes around eSikhaleni.
- 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 Birdwood, 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 Birdwood, Mandlazini and Veld-en-Vlei.
- Area beneath ridge area where expansion is constraint.

- Area can be serviced with water and sanitation services.

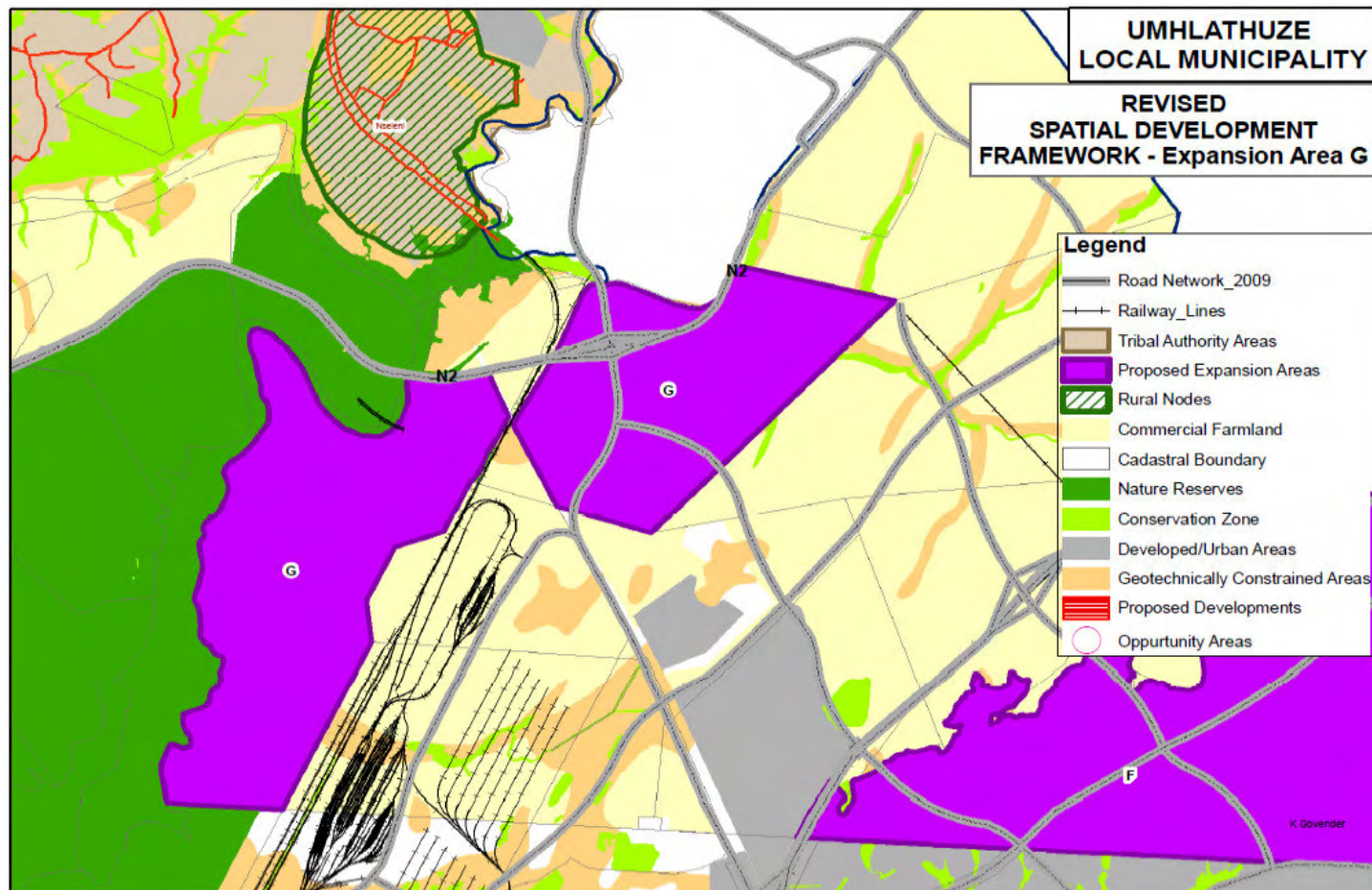
The expansion areas discussed on the previous pages have a combined developable area in the region of 4893Ha (land restrained by mineral/prospecting rights has not been included). A vast area is identified by this SDF for future development. It should be noted that the total area will not be earmarked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

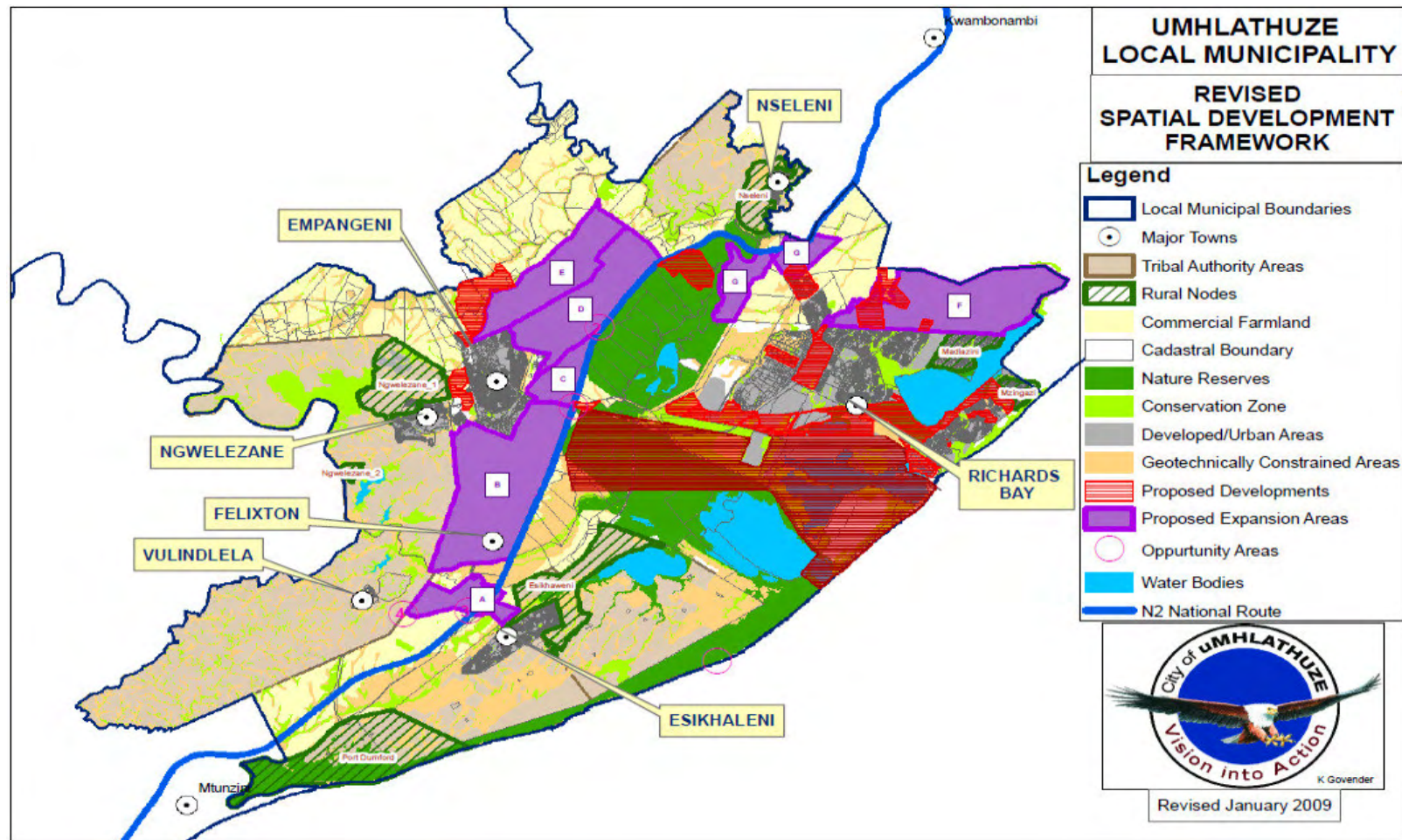
Through strategic meetings with different stakeholders, affected and interested parties uMhlathuze Municipality resolved to include extension area G to the SDF. This inclusion of Area G means that the area between Aquadene and the N2 (refer to diagram below) is an extension of the development corridor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

Figure 7 : Proposed Area G



Source: SDF 2009

Figure 8 : Spatial Development Framework, 2009



Source: SDF, 2009

SECTION D: 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 Plan
- 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 fulfilment 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 an 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:

- Richards Bay: Richards Bay urban and industrial.
- eNseleni urban and Bhejane: Khoza (including Upper eNseleni & Kwambonambi)
- Empangeni: Empangeni urban, industrial
- Ngwelezana: Ngwelezana urban & Madlebe
- ESikhaleni: ESikhaleni and Vulindlela urban Dube and Mhkwazi (Felixton & Mtunzini (when completed)

The provision of safe, sustainable and affordable water services is 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.

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.

Table 25: 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	26 110	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
Mandlazi Village	4 455	753	0	0	0
Zidedele Village	483	173	0	0	0
Empangeni farms	3 304	1 183	0	0	0
Total	186 126	45 771	19 278	10,4	4 439

Source: Water Services Development Plan: 2008

1.3 Water Distribution/Retail Infrastructure

The following table reflects the present status with respect to service provision for distribution/retail infrastructure:

Table 26: 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
Madibhe 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
Felixton	Tongaati Hulett	Tongaati 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 27: 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
Felixton	Tongaati Hulett	Tongaati Hulett	Felixton 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, Brackenham, Aquadene, Arboretum, Veldenvlei, Wildenweide, Birdswood 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 traditional

authority 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 deal 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. 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
- Ticom 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 Traditional Authority 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 Traditional Authority 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.

- 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.

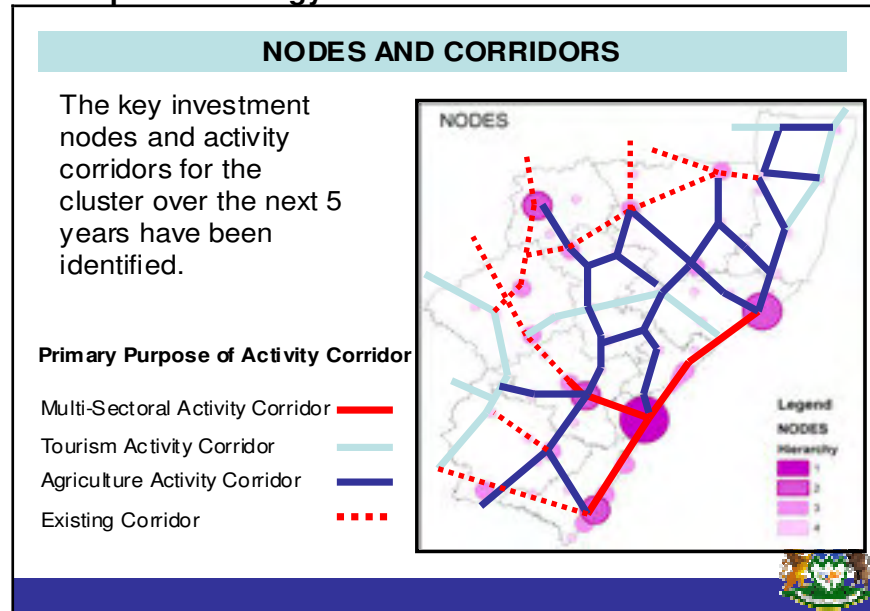
3. LOCAL ECONOMIC DEVELOPMENT

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:

Figure 9 : 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. In terms of LED these are the relevant approaches:

- 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 the following development corporations

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

It should be noted that the Industrial Development Corporation (IDC), which has been the key catalyst to local economic development, is shifting its focus to Africa

Mozambique and Maputo harbour 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 BHP Billiton 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) Creation of employment opportunities from tourism
- 7) Develop and Implement a Tourism Marketing Strategy
- 8) Tourism Training
- 9) Creation of jobs through agriculture
- 10) Partnership for Agriculture
- 11) Strengthen local stake in commerce
- 12) Buy Local Campaign
- 13) 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 eSikhaleni and eNseleni 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 7 277 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.

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

uM hlathuze 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 uM hlathuze 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 Inwe as soon as possible
- Packaging on the third and fourth rural projects, Madlebe and Mkhwanazi commenced in 2007.

Table 28: Priority list for the delivery of housing projects within the Municipality

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

Table 29: Projected Amounts for uMhlathuze Housing Developments

UMHLATHUZE PROJECT CASH FLOW								
		Mill	2006/7	2007/8	2008/9	2009/10	2011/12	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>								
eSikhaleni / Dube	1500	63		2.4	20.2	20.2	20.2	63
eNseleni / 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
PLS								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
eSikhaleni	324	12.6		3.2	3.2	3.2	3.2	12.6
eNseleni	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, restorer 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.

uThungulu in collaboration uMhlathuze and other stakeholders have assisted in making sure that we do not lose the opportunity to participate in the 2010 FIFA World Cup. A 2010 FIFA specs stadium has been constructed and has attracted Nigeria to the area as their base camp.

There is already a Strategic Readiness Master Plan in place for the event to run smoothly. The plan focuses on the following:

- Infrastructure Development
- Legacy Projects
- Economic Development
- Health, Safety and Disaster Management
- Marketing, Communication and Tourism

The above plan when implemented will have ripple effects on the whole City.

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.

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 Brackenham, 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.

5.5 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.

5.6 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.

5.7 Programmes identified to conscientize the community

- Educating and training of football administrators, coaches, match assessors, commissioners and referees
- Structural transformation of football structures within uM hlathuze 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 uM hlathuze'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 ere not provided for either in the current or ensuing financial year. It is of utmost importance that a budgetary provision is made in the 2010/2011 budget to implement these programmes from the 1 July 2008. Further provisions will have to be made until June 2014.

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 31: Medium Term Programmes for Sports & Recreation

DEVELOPMENT STRATEGY:	SUSTAINABLE INFRASTRUCTURE & SERVICE PROVISION		
PROGRAMMES:	ENVIRONMENTAL MANAGEMENT		
PROJECT:	INVADER PLANT CONTROL		
ACTIVITY	2009/2010	2010/2011	2011/2012
Eradication of invader plants	Empangeni/Richards Bay	eNseleni eSikheleni	Rural
PROGRAMMES:	CEMETERIES & CREMATORIA		
PROJECT:	UPGRADE OF EXISTING FACILITIES		
ACTIVITY	2009/2010	2010/2011	2011/2012
Roads, parking, fencing and infrastructure	Richards Bay	eNseleni	-
PROJECT:	DEVELOPMENT OF NEW FACILITIES		
ACTIVITY	2009/2010	2010/2011	2011/2012
Roads, fencing, infrastructure and parking	eSikheleni development	Wards 5,6,25 planning	Ward 10, 27 planning
DEVELOPMENT STRATEGY:	SOCIAL AND ECONOMIC DEVELOPMENT		

PROGRAMMES:	SPORT FACILITIES		
PROJECT:	UPGRADE & EXTENSION OF EXISTING FACILITIES		
ACTIVITY	2009/2010	2010/2011	2011/2012
Ablutions and seating	-	Emadlebe (25)	BheBane (5)
Floodlights	-	eSikheleni College	-
Synthetic Athletic track	-	-	-
Athletic and operational equipment	Central sports complex	-	-
Astro turf hockey field	-	-	Central sports complex
Multi-sport centres	-	Wards 1, 8	Ward 10
PROJECT:	DEVELOPMENT NEW FACILITIES		
ACTIVITY	2009/2010	2010/2011	2011/2012
Swimming pools	-	Ward 8 – KwaDlangezwa	KwaDlangezwa
Sport fields cum combi courts – R293 & rural areas	-	Wards 4, 8, 9, 15, 19, 30	Wards 10, 12, 18, 22, 27, Emadlebe (25), Odondola (25), Bingoma (24)

PROJECT:	SCHOOLS/ COMMUNITY		
ACTIVITY	2009/2010	2010/2011	2011/2012
Dual utilisation of facilities	-	Amatshana (10), Empangeni Primary	Mtonto (25) Ebungoma
PROGRAMMES:	RECREATION FACILITIES		
PROJECT:	UPGRADE EXISTING FACILITIES		
ACTIVITY	2009/2010	2010/2011	2011/2012
Beaches	-	Alkantstr and Newark Beach	-
View point	-	Harbour control	-
PROJECT:	PLAYGROUND EQUIPMENT		
ACTIVITY	2009/2010	2010/2011	2011/2012
-	-	Wards 1, 28	Wards 17, 20, 9
PROJECT:	DEVELOPMENT OF PUBLIC OPEN SPACES		
ACTIVITY	2009/2010	2010/2011	2011/2012
-	-	eSikheleni Wards 16, 20, 21; Vulindlela Ward 30	eNseleni Ward 8; Mandlazini Wards 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.

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.

List of available Sector Plans.

	SECTOR PLANS	
J.1	Capital Infrastructure Investment Plan	Yes
J.2	Land Use Management System	Yes
J.3	Coastal Zone Management Plan	Yes
J.4	Waste Management Plan	Yes
J.5	Water Services Development Plan (WSDA)	Yes
J.6	Public Transport Amenities Plan	Draft
J.7	Housing Plan	Yes
J.8	Local Economic Development Plan (Implementation Plan)	Yes
J.9	Infrastructure Investment Plan (EPWP Compliant)	Yes
J.10	Energy Sector Plan	Draft
J.11	Organisational PMS	Yes

J.12	HIV Policy	Yes
J.13	Youth Policy	Yes
J.14	Workplace Skills Plan	Yes
J.15	Employment Equity Plan	Yes
J.16	Indigent Policy	Yes
J.17	Fraud Prevention & Anti-Corruption Policy	Yes
J.18	Sports & Recreation Sector & Implementation Plan	Yes

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 8 December 2009 with such service providers.

The following departments attended the sessions:

- Department of Education
- Department of Land Affairs
- Department of Agriculture, Environmental Affairs and Rural Development
- Department of Social Development
- Department of Health

The Department of Housing was not able to attend the above meeting and information was obtained from them on another occasion.

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 32: Funding transfers from sector departments to uMhlathuze

	Audited 2007/08	Estimates 2008/09	Medium-term estimates		
			2009/10	2010/11	2011/12
RSC Levy, Casino taxes and 2010 Soccer Stadia	0	0	0	0	0
Environmental Health	0	206	222	238	251
Provincial Management Assistance Programme	0	0	0	0	0
Infrastructure Provision for Soccer Stadia	0	0	0	0	0
Spatial Development	0	0	0	0	0
Development Administration	0	0	0	0	0
Municipal Development Information Services	0	0	0	0	0
Centre Management Support	0	0	0	0	0
Local Economic Development Catalyst	0	0	0	0	0
Synergistic Partnerships	0	0	350	400	0
Corridor Development	0	0	1m	0	0
Strategic Support	0	0	0	0	0
Disaster Management	0	0	0	0	0
Discontinuation of Old Grants	0	0	0	0	0

7.2 Department of Agriculture, Environment and Rural Development

The **environmental components** of the Department of Agriculture, Environment and Rural Development provided the meeting with a very useful explanation of their various sections/divisions. Important aspects that were discussed are as follows:

- Environmental Planning and Information Management
- Environmental Impact Assessments
- Compliance Monitoring and Enforcements
- Pollution and Waste Management

The following information was obtained from the **agricultural component** of the Department of Agriculture, Environment and Rural Development:

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

Municipality	Project Name	Project Type	Project Budget
uM hlathuze	Vukuzithathe	Infrastructure	500 000.00
uM hlathuze	Iniwe Widows Vegetable production	Infrastructure	800 000.00
uM hlathuze	Zamokuhle vegetable garden	Infrastructure	100 000.00
uM hlathuze	Sivukile Vegetable production	Infrastructure	500 000.00
uM hlathuze	Amantungwa Tunnels	Infrastructure	500 000.000
uM hlathuze	Kangaroo Poultry	Infrastructure	300 000.00
uM hlathuze	Gwabeni goat production	Infrastructure	300 000.00
uM hlathuze	Ukukhanya Poultry	uM hlathuze	300 000.00

March 2011

7.3 ESKOM

ESKOM 3-Year Plan

DM_CODE Local Munic	LM_CODE	Project Name	Year	Ward No	Total Conns
DC28 uM hlathuze Municipality	KZ282	Enhlazeni Nseleleni Stage	08_09	26	202
		Nkosazana	09_10	25	101
		Empembeni	09_10	6	98
		Egxini	09_10	7	289

7.4 Department of Housing

The following details on current housing projects were provided:

	TYPE OF HOUSING DEVELOPMENT	UNITS
Umhlathuze Village Housing	Urban	1191
Aquadene Housing Project	Informal Upgrade	1000
Dube Housing and Slums Clearance	Rural	1000

7.5 Department of Education

An extensive project list was provided by the Department of Education for their 2009/2011 MTEF. Information was provided on the state of schools in the district in respect of the following:

- Electricity
- Mobiles
- Fencing
- Toilets
- Water and Sanitation
- New Schools
- Curriculum upgrades
- Upgrades and additions

The above details were distributed to all the local municipalities as well as those service providers who attended alignment sessions.

Education Facilities to be constructed for the uMhlatuze Municipal area.

DEVELOPMENT PHASE	NEW SCHOOLS
On Site	Birdswood Secondary
On Site	Empangeni Rail Secondary
Planning Stage	Ehawini High
Planning Stage	Meerensee Sec
Planning Stage	Nzwakele PS
Planning Stage	Mhlatuze Village Sec
To be relocated	Dukaneni PS

7.6 Department of Social Development

Details available and obtained from the Department of Social Development (at municipal ward level) include:

- Local Municipality
- Ward name/number and councillor details
- Responsible Official and contact number
- Volunteer details
- Current Service Infrastructure
- Planned Services
- Beneficiary details

The above details were distributed to all the local municipalities as well as those service providers who attended alignment sessions.

SECTION E: 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 2010/11 to 2012/13, 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 2010/11 to 2012/13.

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

Table 33: Multi Year Budget Summary**KZN282 uMhlatuze - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard										
Governance and administration		182,976	239,265	184,901	323,087	225,952	225,952	264,561	304,602	356,225
Executive and council		1,046	1,411	60	354	354	354	754	845	805
Budget and treasury office		138,881	205,662	161,930	243,728	218,194	218,194	257,101	299,033	350,390
Corporate services		43,048	32,192	22,911	79,006	7,404	7,404	6,706	4,724	5,030
Community and public safety		34,677	79,188	34,799	22,896	17,390	17,390	19,335	20,378	21,447
Community and social services		3,315	5,164	4,569	4,078	3,802	3,802	3,483	3,648	3,837
Sport and recreation		6,258	3,057	10,573	3,131	3,342	3,342	3,454	3,664	3,885
Public safety		8,564	6,523	4,911	8,605	3,167	3,167	5,299	5,620	5,960
Housing		11,178	60,380	7,911	1,140	1,136	1,136	1,160	1,230	1,304
Health		5,361	4,063	6,836	5,942	5,942	5,942	5,938	6,216	6,461
Economic and environmental services		6,756	8,529	7,644	7,575	7,788	7,788	8,324	8,828	9,361
Planning and development		1,447	1,792	1,095	1,087	1,121	1,121	1,458	1,546	1,639
Road transport		5,309	6,736	6,549	6,488	6,666	6,666	6,867	7,282	7,722
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		645,962	593,311	784,772	933,697	931,950	931,950	1,265,100	1,518,060	1,829,387
Electricity		332,677	333,964	469,985	630,488	626,233	626,233	888,231	1,099,266	1,372,490
Water		175,385	166,099	200,081	186,152	190,677	190,677	245,477	273,135	300,679
Waste water management		104,646	57,279	73,311	70,798	68,803	68,803	78,622	87,142	93,542
Waste management		33,255	35,968	41,394	46,259	46,238	46,238	52,770	58,518	62,676
Other	4	831	292	490	469	501	501	437	464	492
Total Revenue - Standard	2	871,202	920,585	1,012,606	1,287,723	1,183,580	1,183,580	1,557,757	1,852,332	2,216,912
Expenditure - Standard	-									
Governance and administration		33,265	55,471	(6,491)	70,918	51,634	51,634	60,565	64,742	70,087
Executive and council		1,020	4,857	6,729	8,091	7,264	7,264	10,139	11,721	12,982
Budget and treasury office		6,584	16,609	(47,262)	22,141	15,036	15,036	16,768	18,181	19,911
Corporate services		25,661	34,005	34,042	40,687	29,335	29,335	33,658	34,840	37,193
Community and public safety		121,962	154,308	181,335	190,064	172,138	172,138	175,737	187,016	193,771
Community and social services		15,461	28,457	25,218	26,712	27,194	27,194	20,690	21,919	17,997

KZN282 uMhlatuze - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
Sport and recreation		49,670	57,670	66,660	71,089	63,263	63,263	65,357	69,412	73,900
Public safety		45,094	49,318	62,555	67,976	62,178	62,178	67,708	72,189	76,872
Housing		953	5,951	8,269	4,937	3,450	3,450	3,810	3,985	4,165
Health		10,784	12,912	18,633	19,349	16,054	16,054	18,171	19,511	20,836
Economic and environmental services		94,530	100,864	128,795	111,761	107,062	107,062	125,719	136,797	132,238
Planning and development		12,253	14,919	16,363	18,194	13,695	13,695	16,957	18,223	19,452
Road transport		78,487	80,065	105,318	85,385	86,556	86,556	100,989	110,381	104,092
Environmental protection		3,790	5,881	7,114	8,182	6,811	6,811	7,774	8,193	8,695
Trading services		481,145	529,502	779,527	914,930	968,910	968,910	1,195,700	1,421,755	1,728,019
Electricity		270,747	283,992	484,302	616,577	659,156	659,156	839,763	1,058,258	1,346,080
Water		119,485	140,293	165,138	164,470	177,529	177,529	230,272	231,167	239,281
Waste water management		49,693	60,716	75,124	78,118	76,933	76,933	67,135	70,230	76,716
Waste management		41,220	44,502	54,963	55,766	55,292	55,292	58,530	62,101	65,943
Other	4	134	135	132	50	23	23	38	41	860
Total Expenditure - Standard	3	731,035	840,281	1,083,299	1,287,723	1,299,768	1,299,768	1,557,757	1,810,350	2,124,975
Surplus/(Deficit) for the year		140,167	80,304	(70,693)	(0)	(116,188)	(116,188)	0	41,982	91,936

KZN282 uMhlatuze - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Funded by:											
National Government		122,475	28,069	45,666	50,500	50,500	50,500		57,588	69,261	84,215
Provincial Government		1,117	4,820	9,012	6,500	6,000	6,000		9,000	28,000	35,000
District Municipality		1,198	(1,009)	6,281	—	—	—		—	—	—
Other transfers and grants		—	—	—	—	—	—		—	—	—
Transfers recognised - capital	4	124,789	31,880	60,959	57,000	56,500	56,500	—	66,588	97,261	119,215
Public contributions & donations	5	28,397	7,271	13,540	27,100	7,100	7,100		32,950	47,550	51,200
Borrowing	6	152,484	151,849	170,433	188,349	188,000	188,000		100,000	73,099	224,441
Internally generated funds		41,981	50,688	168,062	317,647	34,710	34,710				
Total Capital Funding	7	347,651	241,689	412,993	590,096	286,309	286,309	—	199,538	217,910	394,856

Capital Projects

KZN282 uMhlatuze - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand												
Good Governance	Community Facilitation	A		8	12	51	74	–	–	–	–	–
	Corporate Services			25	326	276	–	231	231	–	–	–
	Public Safety and Security Services			365	715	2,628	8,562	1,053	1,053	–	1,934	–
	Office of the Municipal Manager			–	–	146	–	27	27	–	–	–
	Councillors			2	133	478	550	523	523	–	–	–
Infrastructure and Service Provision	Water and Sanitation Services	B		165,750	79,704	132,052	174,524	145,024	145,024	145,721	144,436	189,359
	Electricity			67,350	49,206	90,233	116,998	52,247	52,247	33,196	24,670	133,760
	Roads and Stormwater			59,665	48,893	65,340	153,756	46,879	46,879	15,846	14,079	47,613
	Solid Waste			3,129	3,646	748	1,200	–	–	1,200	1,200	–
	Cemeteries and Crematoria			394	3,559	4,767	9,000	6,004	6,004	850	–	–
	Vehicle and Plant			20,301	14,656	33,838	11,460	1,629	1,629	–	–	10,000
	Communication Systems			377	415	63	–	–	–	–	–	–
	Rail Network			–	–	–	–	–	–	–	–	–
	Environmental mngement			–	3,565	(49)	–	–	–	–	–	–
	Housing			–	–	–	–	–	–	–	–	–
	Public Facilities			12,756	17,366	45,260	9,101	5,521	5,521	30,500	31,090	2,100
	Health			263	209	176	100	100	100	20	–	–
Social and Economic Development	Local Economic Development	C		–	30	1,401	2,000	2,000	2,000	1,167	–	–
	Municipal Planning			–	510	264	4,694	4,013	4,013	3,658	–	–
	Marketing and Tourism development			–	–	1,385	6,025	9	9	–	–	6,025
Institutional Development	Organisational Business Analysis and Efficiency	D		–	–	–	–	–	–	–	–	–
	Integrated Development Planning			79	24	39	–	–	–	–	–	–
	Information Management			6,559	8,943	17,822	4,256	4,065	4,065	1,500	–	2,978
	Human Resources Services			33	48	3	69	–	–	–	–	49
	Municipal Offices/Depots			9,959	9,677	14,854	84,550	16,830	16,830	1,169	500	–

KZN282 uMhlatuze - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ret	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand												
Sound Financial Management	Education, Capacity Building and Training	E	1	-	-	-	-	-	-	-	-	-
	Financial Planning, Management and Control			637	51	1,219	3,176	154	154	-	-	2,973
	Asset Management			-	-	-	-	-	-	-	-	-
	Debt Control			-	-	-	-	-	-	-	-	-
	Revenue Enhancement			-	-	-	-	-	-	-	-	-
				347,651	241,689	412,993	590,096	286,309	286,309	234,827	217,910	394,856

KZN282 uMhlatuze - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Ref	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Good Governance	Community Facilitation		7,104	10,448	8,268	12,346	11,053	11,053	12,540	14,330	16,532
	Corporate Services		14,752	5,418	4,419	5,787	2,778	2,778	1,799	562	596
	Public Safety and Security Services		12,284	11,398	11,160	14,571	9,616	9,616	9,938	10,534	11,171
	Office of the Municipal Manager		—	—	—	—	—	—	—	—	—
	Councillors		1,047	1,411	61	354	353	353	754	845	805
Infrastructure and Service Provision	Water and Sanitation Services		298,225	234,422	281,194	291,825	260,225	260,225	324,415	360,613	394,575
	Electricity		341,540	339,411	473,875	647,915	626,602	626,602	880,794	1,099,426	1,372,660
	Roads and Stormwater		10,155	6,944	3,952	17,518	445	445	237	254	272
	Solid Waste		33,255	35,968	41,394	46,259	46,238	46,238	52,769	58,519	62,677
	Cemeteries and Crematoria		959	1,064	1,032	1,195	1,194	1,194	252	253	269
	Vehicle and Plant		201	1,969	129	309	310	310	341	375	411
	Communication Systems		380	393	304	275	247	247	255	271	287
	Rail Network		460	565	672	720	720	720	737	781	827
	Environmental management		80	100	61	60	62	62	78	83	88
	Housing		1,806	59,680	7,140	1,407	1,375	1,375	1,406	1,491	1,581
	Public Facilities		7,031	5,394	12,218	4,010	4,123	4,123	4,816	5,073	5,346
	Health		5,360	4,064	6,836	5,943	5,943	5,943	4,619	4,896	5,142
Social and Economic Development	Local Economic Development		294	320	290	274	253	253	275	292	309
	Municipal Planning		1,166	1,444	882	876	903	903	1,133	1,201	1,274
	Marketing and Tourism development		160	166	172	160	143	143	148	157	166
Institutional Development	Organisational Business Analysis and Efficiency		—	—	—	—	—	—	—	—	—
	Integrated Development Planning		121	149	91	91	93	93	117	124	132
	Information Management		444	814	582	144	144	144	160	174	191
	Human Resources Services		—	—	—	—	—	—	—	—	—
	Municipal Offices/Depots		1,586	1,763	1,890	2,006	1,827	1,827	1,868	1,984	2,107
Sound Financial Management	Education, Capacity Building and Training		538	967	1,434	1,447	1,033	1,033	1,036	1,099	1,164
	Financial Planning, Management and Control		125,310	186,030	146,454	220,048	196,992	196,992	223,669	255,765	295,259
	Asset Management		6,944	10,283	8,096	12,183	10,908	10,908	12,391	14,175	16,363
	Debt Control		—	—	—	—	—	—	—	—	—
	Revenue Enhancement		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)			871,202	920,585	1,012,606	1,287,723	1,183,580	1,183,580	1,536,547	1,833,277	2,190,204

KZN282 uMhlatuze - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Re	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand											
Good Governance	Community Facilitation		1,922	2,790	222	4,029	2,862	2,862	3,691	3,956	4,239
	Corporate Services		4,173	4,896	7,183	7,206	5,055	5,055	6,093	6,789	8,278
	Public Safety and Security Services		41,156	44,975	52,336	56,887	53,403	53,403	59,173	63,693	67,723
	Office of the Municipal Manager		304	(290)	530	1,009	2,322	2,322	2,698	3,115	3,480
	Councillors		715	5,147	6,198	7,081	4,942	4,942	7,435	8,602	9,497
Infrastructure and Service Provision	Water and Sanitation Services		173,286	208,453	249,382	253,131	263,807	263,807	308,820	313,239	328,475
	Electricity		278,268	293,415	499,869	633,933	673,983	673,983	863,969	1,074,686	1,363,424
	Roads and Stormwater		73,047	74,122	98,987	78,580	80,616	80,616	97,445	106,523	99,998
	Solid Waste		41,220	44,502	54,964	55,766	55,292	55,292	59,684	63,323	67,240
	Cemeteries and Crematoria		3,521	5,292	6,429	7,770	7,114	7,114	6,405	6,732	7,129
	Vehicle and Plant		4,997	6,457	129	310	310	310	340	374	412
	Communication Systems		2,890	3,503	4,324	4,878	3,525	3,525	4,796	5,122	5,453
	Rail Network		580	565	673	720	720	720	737	781	828
	Environmental management		724	866	961	1,053	801	801	1,061	1,138	1,213
	Housing		3,414	9,217	12,575	9,807	6,967	6,967	8,597	9,097	9,608
	Public Facilities		61,945	72,101	84,136	90,484	80,168	80,168	87,586	93,414	99,261
	Health		12,065	14,445	20,525	21,502	17,553	17,553	20,305	21,802	23,285
Social and Economic Development	Local Economic Development		2,848	3,478	4,406	4,949	3,614	3,614	4,891	5,227	5,568
	Municipal Planning		10,492	12,550	13,939	15,273	11,607	11,607	15,390	16,495	17,593
	Marketing and Tourism development		1,593	1,959	2,584	2,922	2,110	2,110	2,872	3,067	3,266
Institutional Development	Organisational Business Analysis and Efficiency		1,114	1,196	1,289	1,431	1,431	1,431	1,552	1,676	1,810
	Integrated Development Planning		1,085	1,298	1,442	1,580	1,201	1,201	1,592	1,706	1,820
	Information Management		522	816	(707)	(1,287)	(1,287)	(1,287)	(1,394)	(1,502)	(1,618)
	Human Resources Services		1,281	803	702	2,242	761	761	1,309	1,403	1,496
	Municipal Offices/Depots		131	9,266	1,890	172	3,759	3,759	(3,068)	(3,497)	(9,082)
	Education, Capacity Building and Training		1,198	1,822	2,513	2,547	2,210	2,210	2,412	2,577	2,739
Sound Financial Management	Financial Planning, Management and Control		6,212	15,803	(41,820)	22,642	14,169	14,169	15,436	16,722	18,303
	Asset Management		332	833	(2,362)	1,106	751	751	823	886	971
	Debt Control		-	-	-	-	-	-	-	-	-
	Revenue Enhancement		-	-	-	-	-	-	-	-	-
		1	731,035	840,280	1,083,299	1,287,723	1,299,766	1,299,766	1,580,650	1,827,146	2,142,409

SECTION F: PROJECTS

1. 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 2010/2011 capital budget. Funding for priority projects comprises capital and grant funding. The 2010/2011-priority/major capital projects are as follows:

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.

<u>Water Supply Services</u>	
Rural Areas (MIG Funding & Council Counter funding)	R30 m
Industrial Water Mains Upgrading (Completion of 2009/2010 Project)	R 1,5 m
All areas – General Water Network Improvements	R 10,8 m
Water Meters in rural areas	R 1,5 m
Remote water loss control	R 0,6 m
Reservoirs – Structural Repairs	R 1,4 m
Reservoirs – Telemetry	R 0,75 m
Separation of Nseleni Reservoir	R 1 m
Relocation of Main pipeline in Alton	R 3,8 m
Various consumer connections – Water & Sanitation	R 2,95 m

<u>Streets and Storm water</u>	
eSikhaleni Mall Road Safety	R 1,9 m
Empangeni "A" Rank Access Roads	R 3,15 m
Richards Bay Taxi City – Additional Bus Parking	R 3,5 m

<u>Sanitation Supply Services</u>	
Rural Sanitation (MIG Funding & Council Counter funding)	R 41 m
Replacement of Sewer Pipes	R 3 m
Upgrading and refurbishment of Macerator and Sewerage Pumpstations	R 2,8 m
Pumpstations – Telemetry	R 0,75 m
Mandlazini Village Sanitation	R 0,4 m
Renewal of eSikhaleni Rising Main	R 18,75 m

<u>Electricity Supply Services</u>	
132 kV Supply to Cygnus Substation (Completion of 2009/2010 Project)	R 2,5 m
uMhlathuze Village Reticulation Upgrade	R 1,4 m
Reticulation to Unserved sites – eSikhaleni J & H areas	R 1,9 m
Phoenix Supply to Alton North Phase 1	R 5 m
Alton North	R 1,5 m
Upgrade to Aquila, Aquarius & Altair Substations	R 4 m
Electricity System reinforcements	R 0,5m
Mini-sub improvements	R 2,35 m

<u>Other Services</u>	
Construction of new Central Library (Public Funded)	R 30 m
Richards Bay Extension & development of Cemetery	R 1,35 m
eSikhaleni Hostels upgrade (Government Grant)	R 9 m
Transfer station eSikhaleni	R 1,2 m
Street lighting – Rural Areas	R 2,5 m
Street lighting – All Areas	R 0,87 m
Mandlazini Agri-Village Town Planning	R 0,75 m
Planning – Various areas	R 2,6 m
New & Replacement IT Related Equipment	R 1,5 m

1.1. Capital Budget Distribution

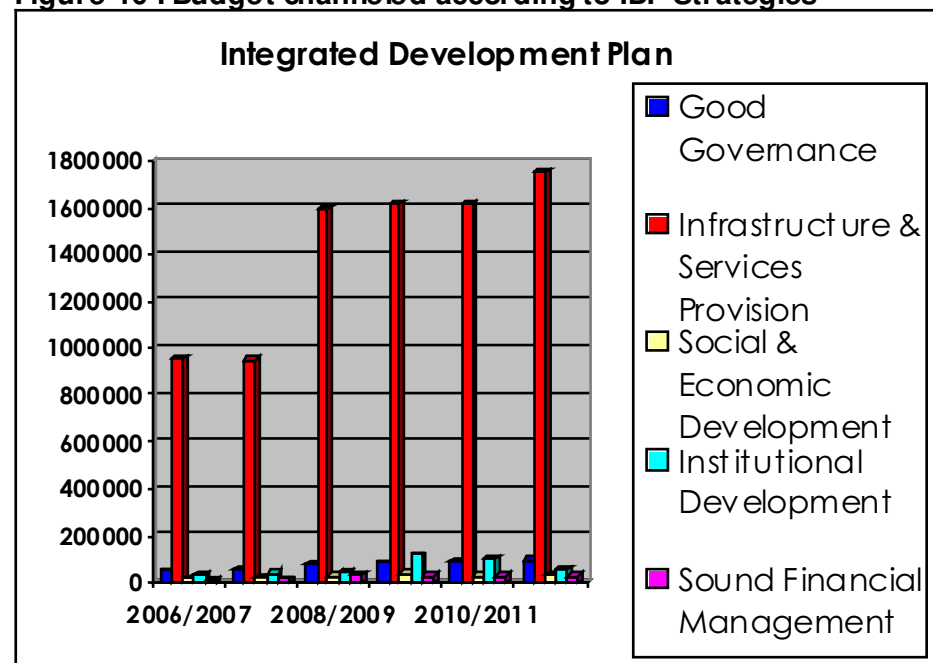
As a direct result of Council's vision to promote economic development within the City of uMhlathuze in order to alleviate poverty and stimulate job creation, the 2010/2011 Multi-year Capital Budget currently indicates that 24% of the total capital budget (R110,6 million) will be spent on this initiative. Infrastructural development within the emerging urban areas (previously R293 towns and rural areas) will constitute 59% (R277,3 million) of the 2010/2011 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.

The 2010/2011 review of Council's Integrated Development Plan

The following graph shows the amounts channeled according to the IDPs strategies since 2009/2010:

Figure 10 : Budget channeled according to IDP Strategies



Source: 2010/2011 Final Budget Report

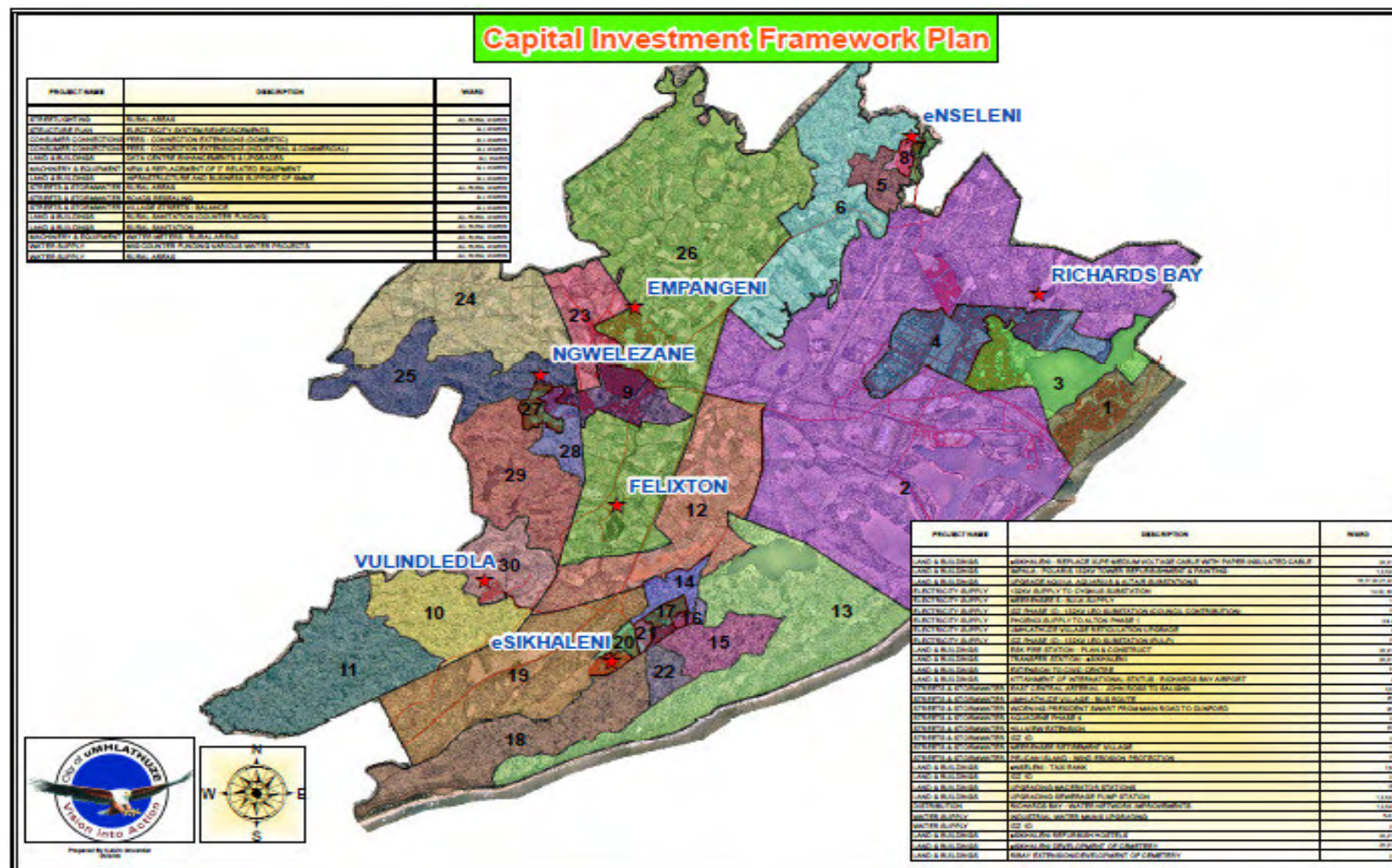
The Capital Investment Framework (CIF) aims at improving the management of existing infrastructure and addressing the many developmental challenges within the City. The Framework indicates where Council should steer the budget for capital projects within a short to medium timeframe and translates a catalogue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

Figure 11: Capital Investment Framework Plan



SECTION G: 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.

2 The SDBIP

Section 69(3)(a) of the Municipal Finance Management Act, 2003 (MFMA) requires the Accounting Officer to submit a Draft Service Delivery and Budget Implementation Plan (SDBIP) to the after the approval of the budget and drafts of the performance agreement as required in terms of section 57 (1) (b) of the Municipal Systems Act. The Mayor subsequently approves the SDBIP after the approval of the budget in accordance with Section 53(1)(c)(ii) of the MFMA.

Section 1 (1) of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

"a detailed plan approved by the mayor of a municipality in terms of Section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each month of-
 - (i) revenue to be collected, by source;
 - (ii) operational and capital expenditure, by vote; and
- (b) service delivery targets and performance indicators for each quarter".

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 ensures 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 therefore determines (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.

The uMhlathuze's SDBIP is segmented into five components. These are:

Component 1: Monthly projections of revenue to be collected for each source;

Component 2: Monthly projections of expenditure (operating and capital) and revenue for each vote;

Component 3: Quarterly projections of service delivery targets and performance indicators for each vote;

Component 4: Ward information for expenditure and service delivery; and;

Component 5: Detailed capital works plan broken down by ward over three years.

Components of the SDBIP are primary indicators of the Municipality's performance on the annual budget. The SDBIP serves as a critical role to focus both the administration and Council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

3. Budget Overview

The 2010/2011 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 2010/2011 to 2012/2013, reconciled to the IDP, are as follows:

- 2010/2011 - R 1 792.5 m
- 2011/2012 - R 2 028.2m
- 2012/2013 - R 2 519.8 m

3.1 Capital Budget

The Capital element of the 2010/2011 Budget amounting to R 234 827 400 will be financed from the following source:

Table 34: Capital Budget

	TABLED 2010/2011 BUDGET	ROLLED OVER / ADDITIONAL 2009/2010 BUDGET	APPROVED 2010/2011 BUDGET
SOURCES OF FINANCE			
	R	R	R
External Loans	100 000 000	19 592 000	119 592 000
Capital Replacement Reserve	0	1 265 600	1 265 600
Reserves	0	4 688 300	4 688 300
Public Contribution	32 950 000	0	32 950 000
Other Government Grants and Subsidies	9 000 000	9 743 600	18 743 600
Municipal Infrastructure Grant	57 587 900	0	57 587 900
TOTAL FINANCING	199 537 900	35 289 500	234 827 400

Source: 2010/2011 Budget Report

Effectively from the tabled budget to date an additional R35,2 million worth of 2009/2010 capital projects has been rolled over. The following are the rolled over/additional capital projects from the 2009/2010 Multi-year capital budget identified by various departments which have been incorporated into the Final approved 2010/2011 budget:

Table 35: Rolled over projects

PROJECT DESCRIPTION	TABLED 2010/2011 BUDGET	ROLLED OVER / ADDITIONAL 2009/2010 BUDGET	APPROVED 2010/2011 BUDGET
	R	R	R
Senior Manager: Community Services and Health – Recreation and Environmental Services			
Additional project			
R/bay Extension/Development of Cemetery	1 350 000	(500 000)	850 000
Machinery and Equipment -Various	0	100 000	100 000
Replacement Ride-on mowers	0	350 000	350 000
Replacement Slasher lawnmowers	0	50 000	50 000
Senior Manager: Community Services and Health – Community Services, Health and Public Safety			
Rolled-over project			
Upgrade of waste management depot and offices	0	26 600	26 600
Civic centre clinic - awning	0	20 000	20 000

PROJECT DESCRIPTION	TABLED 2010/2011 BUDGET	ROLLED OVER / ADDITIONAL 2009/2010 BUDGET	APPROVED 2010/2011 BUDGET
	R	R	R
Senior Manager: Infrastructure and Technical Services – Civil Engineering			
Additional project			
Streets and Stormwater – Rural roads (mig vat funding)	0	1 500 000	1 500 000
uMhlathuze low cost housing – Bulk Sewer	0	2 500 000	2 500 000
eSikhaleni water treatment plant high lift pumps	0	688 300	688 300
Senior Manager: Infrastructure and Technical Services – Civil Engineering			
Rolled-over project			
Streets and Stormwater – Western Service centre general improvement	0	20 000	20 000
Streets and Stormwater – East central arterial – John Ross to Saligna	0	5 500 000	5 500 000
Industrial water mains upgrading	1 214 900	1 200 000	2 414 900
Repl pumps/manifolds Esik water treatment plant	0	3 743 600	3 743 600
Upgrade of eSikhaleni depot	0	32 000	32 000
Extension to Civic Centre	0	1 000 000	1 000 000
Civic Centre alterations	0	100 000	100 000
Western service centre – Upgrading of Buildings	0	10 000	10 000

Senior Manager: Infrastructure and Technical Services – Electrical Engineering			
Rolled-over project			
Street lighting – Richards Bay Taxi city	0	20 000	20 000
Impala – Polaris 132kv Tower refurbishment	0	178 300	178 300
eSikhaleni – replace XLPE medium voltage cable	0	61 900	61 900
Umlhathuze Village electrification	1 400 000	156 000	1 556 000
Electricity supply - IDT area Ngwelezane	0	1 531 600	1 531 600
Electricity supply – Phoenix supply to Alton Phase 1	5 000 000	8 000 000	13 000 000
Electricity system Reinforcements	500 000	241 600	741 600
Acquisition of land for unserviced even J2 area eSikhaleni	0	700 000	700 000
PROJECT DESCRIPTION	TABLED 2010/2011 BUDGET	ROLLED OVER / ADDITIONAL 2009/2010 BUDGET	APPROVED 2010/2011 BUDGET
	R	R	R
Senior Manager: City Development			
Rolled-over project			
Planning – Central Industrial Area	800 000	8 200	808 200
Planning – CBD Extension South of Guldengracht	500 000	300 000	800 000
Infrastructure and Business support of SMME	0	1 167 000	1 167 000
Senior Manager: City Development – Communication and Public Participation			
Rolled-over project			
Umlhathuze Social housing	0	1 284 400	1 284 400
eSikhaleni Refurbish hostels	9 000 000	6 000 000	15 000 000

Source: 2010/2011 Draft

March 2011

3.2 Operating Budget

The 2010/2011 operational budget amounting to **R 1 557 757 000** comprises of the following elements:

Table 38: Operating Budget 2010/2011

EXPENDITURE PER CATEGORY	TABLED ORIGINAL BUDGET 2010/2011	% OF BUDGET	APPROVED ORIGINAL BUDGET 2010/2011	% OF BUDGET
	R'000		R'000	
Employee related costs	357 411	23%	358 971	23%
Remuneration of Councillors	15 340	1%	15 340	1%
Debt Impairment	587	0%	587	0%
Bulk Purchases	683 602	44%	685 500	44%
Contracted Services	89 686	6%	90 171	6%
Other Expenditure	279 893	18%	276 815	18%
Transfers and grants	8 861	1%	8 433	1%
Repairs and maintenance	199 002	13%	195 313	13%
Interest Paid	101 988	6%	101 988	7%
Depreciation and Offsetting of depreciation	68 217	4%	68 217	4%
Contributions to/from Reserves	76 905	5%	76 155	5%
Less: Recharged	(326 458)	(21%)	(319 733)	(21%)
TOTAL	1 557 034	100%	1 557 757	100%

Source Budget document 2010/2011

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

- A significant amount of restraint was placed on operating expenditure, which does not have an immediate effect on service delivery.
 - A significant amount of capital deferral to the outer years, until such time that the Municipality can leverage capital funds without negatively affecting the Municipality's credit rating, i.e. Council's debt exposure needs to be contained.
 - Turning around the historical rates and service charges pricing risk. Although the Municipality's extremely tight hand finances has had the advantage of ensuring efficiencies in many areas of the Municipality, this stance has never allowed the administration to build up adequate reserves to carry the Municipality during a cash flow squeeze as currently experienced during this recession. Turning this around within one budget period would not be fair on the community, hence will be right sized over the next five years. There are essentially four elements to this pricing risk which need to be addressed in a phased basis:
 - implementing an equitable and fair balance in service charges (not applicable to rates), which on one hand must finance the respective service costs on an economic basis whilst simultaneously structured such that they accommodate the poor consumers on a subsidised basis. (A challenge not faced by the private sector in their pricing);
 - right sizing service charges and rates charges specifically to be more self-reliant and not dependent on cross subsidisation from the equitable share revenue, cross subsidisation from other municipal service charge revenues and the infamous land sale revenue;
 - with the water tariffs specifically, a municipality with the third largest budget in KZN, should not be in a position where it carries the risk of still being dependent on a minority of consumers due to their large volume usage ("Small Town Scenario"). Over the next five years the concept of fixed and variable tariff components need to be put in place for the very large users. (The burden needs to be shared by all the "Geese that are laying the golden eggs" not just a minority of these consumers and ratepayers); and
 - right sizing all sundry municipal tariffs that do not need to be cross-subsidised by rates revenue so as to ensure that they are cost reflective. This implies that very cheap tariffs that only provide a service to specific group or groups of the community must be made more economic.
- Community upliftment and empowerment of rural areas.
 - Economic development and attraction of investment.
 - Maintenance of development standards in all areas.
 - Opportunities for affordable housing.
 - Protection of the poor.
 - Balancing social and economic progress whilst protecting the integrity of the ecological environment.

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

Table 39: Sources of funding for the Operating Budget

REVENUE PER CATEGORY	TABLED ORIGINAL BUDGET 2010/2011	% OF BUDGET	APPROVED ORIGINAL BUDGET 2010/2011	% OF BUDGET
	R'000		R'000	
Rates	170 500	10%	170 500	10%
Service Charges	1 109 640	72%	1 109 807	72%
Operating Grants and Subsidies	155 627	10%	156 947	10%
Rental of facilities and equipment	9 466	1%	9 466	1%
Interest Received	3 486	0%	3 486	0%
Fines	4 155	0%	4 155	0%
Licences and permits	1 938	0%	1 930	0%
Agency services	3 860	1%	3 860	1%
Other Revenue	97 362	6%	96 608	6%
Gains on disposal of PPE	1 000	0%	1 000	0%
TOTAL	1 557 034	100%	1 557 757	100%

Source: 2010/2011 Draft Budget Report

March 2011

3.3 Revenue Billing System

Credit Control & Debt Collection Policy

Council has in place a revised Policy, adopted in 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 policy and the actions taken in terms of the policy are producing positive results despite the current harsh economic climate.

Table 40: Budget Policies

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

Name of Policy	Purpose / Basic areas covered by Policy
Tariff	Details of all tariffs and charges for new financial year
Credit control and debt collection	Principles and guidelines to be followed with respect to arrear consumer debt control
Incentive	To improve the principal of paying for services received.
Indigent	Guidelines and procedures for the subsidization of rates and basic services to indigent households

Borrowing Policy	Sets out the borrowing principles that the municipality will follow when considering any form of borrowing.
Investment and Banking	Guideline of procedures to be followed when investing or lending money.
Supply chain management	Dictates procedures for the procurement of goods and services
Asset Management Policy	Assist management and employees in implementing and maintaining consistent, effective and efficient fixed asset management principles
Fraud Prevention Policy (Draft)	The policy spells out the mechanism for fraud prevention and anti-corruption, but instead is an endorsement of a myriad of business processes, internal controls, procedures, rules, regulations and codes which are designed to provide a platform for sound ethics and the prevention of fraud and corruption. Needed to inculcate a culture of sound ethics within the organisation.
Virement (transfer of funds) Policy (Draft)	Provides clear guidance to managers of when they may shift funds between items, projects, programmes and votes.

3.4 Budget Systems

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

SECTION H: 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.



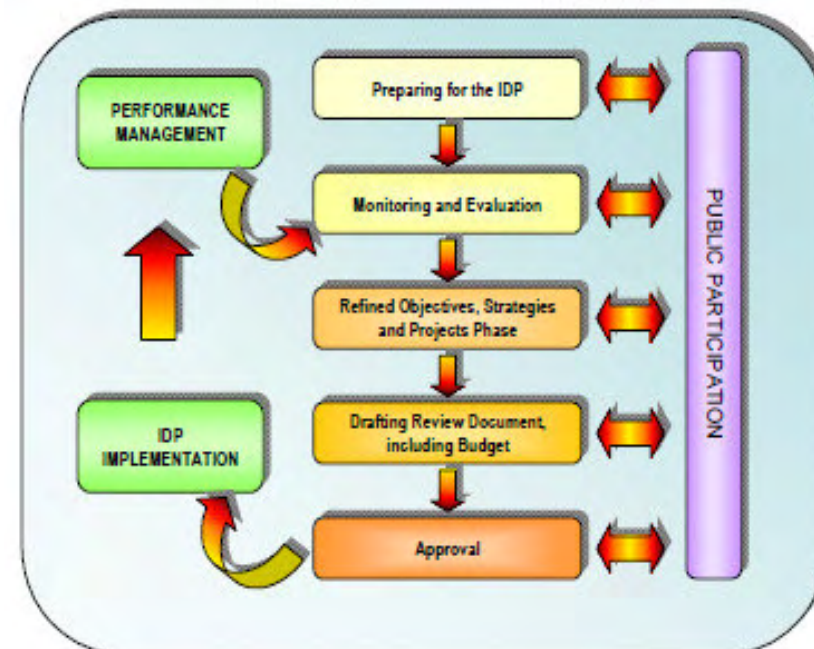
The performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended to align with the best practice guidelines suggested by the Department of Provincial and Local Government and Traditional Affairs of KwaZulu-Natal and the supporting documentation is available for inspection. The annual performance measurement on the 2009/2010 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:

1. *Good Governance*
2. *Sustainable Infrastructure Development & Service Delivery*
3. *Local Economic Development (LED)*
4. *Municipal Transformation and Organisational Development*
5. *Sound Financial Management*

Business Consulting has previously been outsourced by municipality, as part of it's IT services outsource agreement, to render consulting services which include the facilitation and management of the municipal performance system. Council has decided to create an internal Performance Management unit within the office of the City Manager as from 1 October 2010. Two positions were filled with the aim to re-align and amend the performance management framework and -policy in line with latest development and requirements within the Local Government environment.

Figure 12 : PMS Process



2. Key Performance Areas

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

1. Good Governance
2. Sustainable Infrastructure & Service Provision
3. Social and Economic Development
4. Institutional Development, and
5. Sound Financial Management

3. Basic Principles of uMhlathuze Municipality's Performance Management System (PMS)

1. It is Council's responsibility to adopt a Performance Management System (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.

The components of the uMhlathuze PMS are:

- o **Plan:** The Municipal Manager and Executive Committee share the responsibility for developing the project related and individual performance standards. All performance standards consist of outcomes in terms of cost, quality, quantity, time, etc.
- o **Monitor:** The Municipal Manager and Council observe the performance of the Senior Managers and provide feedback throughout the year, not just at the end of the performance cycle. Senior managers can provide feedback on how well the Municipal Manager and the Council carry out their performance management responsibilities.
- o **Develop:** The Municipal Manager has an open discussion with the Senior Managers to identify their training and other needs for improving his or her job performance.
- o **Performance summary:** A narrative description of the Senior Manager's performance, prepared by the Municipal Manager with input from the Senior Managers, is given to each Senior

Manager in a face to face meeting. A performance summary should include an assessment of the Senior Managers effectiveness in meeting his or her goals and objectives, any recognition received and areas of suggested improvement

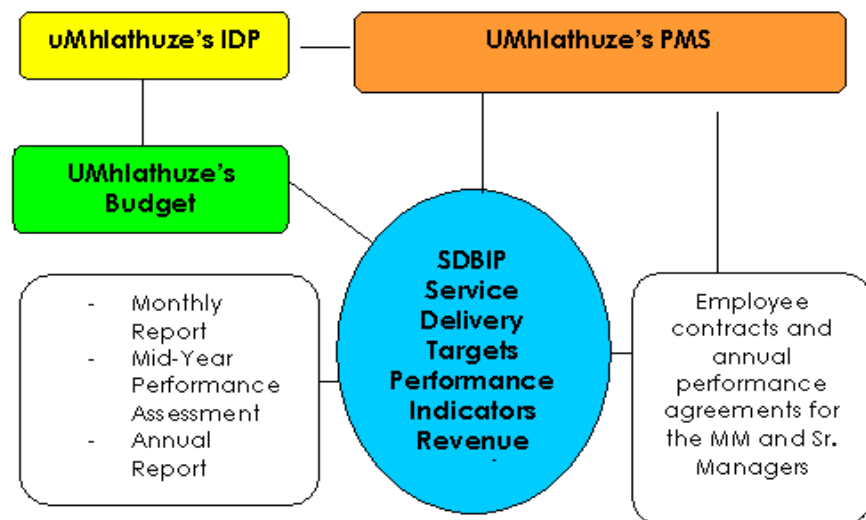
- o **Recognition:** The municipal manager and Council are encouraged to reward Senior Managers throughout the year for doing their jobs well. Recognition may occur in a number of ways, i.e. verbal praise and cash awards in terms of the Municipal Performance Regulations.

The key outputs identified for the uMhlathuze PMS are:

- o Assessed reality in terms of existing systems and models;
- o Gaps identified between the IDP and PMS requirements;
- o Development of a PMS Framework; and
- o Communication with internal stakeholders, internal and external workshops with various stakeholders
- o Development of the municipality and departmental scorecards.

The uMhlathuze Organisational Performance Scorecard (OPMS) and Service Delivery Budget Implementation Plan (SDBIP)

SDBIP marries the PMS (as required under the Municipal Systems Act) with the budget and the IDP. Thus the strategic direction is matched with financial resources and delivery of services as specified in the PMS. The requirement for an SDBIP is stated in the MFMA, Section 69.3a and is the responsibility of the Accounting Officer i.e. Municipal Manager.



The SDBIP allows the budget to be implemented fully as it identifies: The strategic imperatives through links with the IDP, the financial imperative through links with the budget and the performance imperative through links the PMS.

The National Treasury Circular describes in detail the approach to SDBIP's. Basically there is a high level SDBIP for the purposes of high level monitoring by stakeholders, backed by full detail all the way to the individual employee. Starting from the top (the MM), all staff operate under KPI's within the identified KPA's. The SDBIP becomes the implementation tool for the budget and the basis for non-financial monitoring.

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:

Figure 13: Performance Management Framework Programme

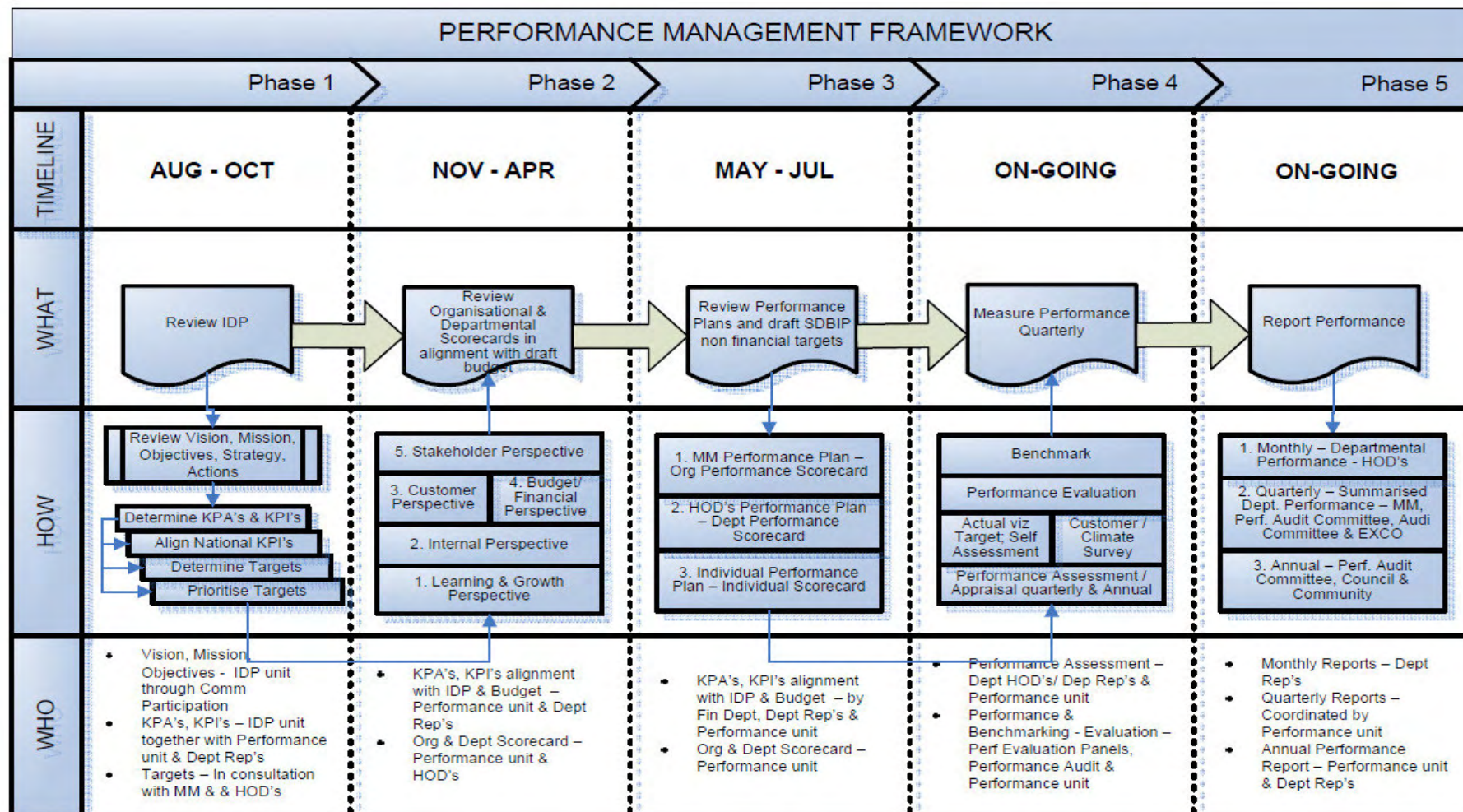


Table 41: uMhlathuze's Organisational Performance Scorecard

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2010/2011										
IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Indicator (Unit of Measure)	Baseline 2008/2009		2009/2010 Annual		2010/2011 Annual	
					Target	Actual	Target	Actual	Target	Actual
1.1	Good Governance, Community Participation and Ward Committee Systems	Public Participation	Public meetings	Number of meetings	18	18	13	13	22	
1.2		Policy Development	Compliance with all legal prescripts	Percentage of compliance	100%	100%	100%	100%	100%	
2.1	Basic Service Delivery and Infrastructure Development	Access to Water	Households with access to basic water	Number of Households	68832	70836	73542	71660	72260	
			% Households with access to basic water	% Households with access to basic water	95.4%	96.5%	96.5%	96.5%	97.30%	
2.1			New Water Connections	Number of new connections	5381	6176	3259	1756	600	
2.1		Access to Sanitation	Households with access to basic sanitation	Number of Households	38475	38763	42806	44129	45113	
2.1			% Households with access to basic sanitation	% Households with access to basic sanitation	51.8%	52.2%	57.6%	59.4%	59.93%	
2.1			New sanitation connections	Number of new connections	5475	6158	10506	5366	TBA	
2.2		Access to Electricity	Households with access to electricity	Number of Households	32000	32876	34388	34110	31000	
2.2			New Electrical Connections	Number of new connections	1109	1985	1512	1234	TBA	
2.4		Access to Solid Waste	Households with access to waste disposal services	Number of Households	51914	54400	56265	56770	58673	
2.4			% Households with access to waste disposal services	% Households	69.90%	73.5%	75%	76.44%	79%	
2.4			New households with access to weekly waste disposal services	Number of new households	2 734	1 634	1 600	2 100	1686	
2.1		Free Basic Services	Households with access to free basic water	Number of Households	68832	70836	73242	71660	72260	
2.1			Households with access to free basic sanitation	Number of Households	5475	6158	10006	11524	12508	
2.4			Households with access to free electricity	Number of Households	700	709	300	324	TBA	
2.3		Access to roads	Kilometres of tarred roads established	Number of km	6.4	6.4	6.4	6.4	1.2	
2.3			Kilometres of gravel roads established	Number of km	36	36	36	28.2	16	
2.3			Kilometres of roads maintained	Number of km	800	800	800	794	800	
2.115		Community and Public Facilities	New facilities provided	Number of facilities	4	1	4	3	0	
2.115			Upgraded facilities provided	Number of facilities	13	9	6	4	0	
2.1		Human Settlements	Number of Hostel units refurbished	Number of units	36	36	108	108	45	

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2010/2011										
IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Indicator (Unit of Measure)	Baseline 2008/2009		2009/2010		2010/2011	
					Target	Actual	Annual		Annual	
							Target	Actual	Target	Actual
3.1.1	Local Economic Development	Development of Prioritised Groups	Capacity Building Initiatives undertaken	Number of Initiatives	4	5	3	15	12	
3.1.3		Promotion of Local Economy	Jobs created through the municipality's LED initiatives	Number of jobs	200	282	300	400	265	
3.1			Jobs created through the municipality's Capital Projects	Number of jobs	750	99	500	547	750	
4.6	Municipal Transformation and Institutional Development	Human Resources Management	Number of black staff employed in management	Number of black staff	69	46	72	49	78	
4.6			Women employed by the municipality	Number of women	854	563	854	608	870	
4.6			Youth employed by the municipality	Number of youth	0	112	0	141	TBA	
4.6			Disabled staff employed by the municipality	Number of staff	0	1	0	1	TBA	
4.6			Budget Spent on Workplace Skills Plan	Percentage Spent on budgeted amount	85.0%	85.0%	85.0%	94.64%	85.0%	
4.6			% Operating Budget spent on implementing Workplace Skills Plan	Skills levy / Salaries budget x 100 = percentage (Target 1.00% p.a.)	1.0%	0.73%	1.0%	0.84%	1.00%	
4.1.1		Batho Pele Principles	Community Surveys conducted	Number of surveys	1	1	0	0	0	
4.1.1		Performance Management Systems	SS7 Performance Agreements	Number of agreements	10	10	7	7	6	
4.5		Municipal Turn Around Strategy	Implementation of the National Municipal Turnaround Strategy	% Implemented	0	0	New	Adopted	100%	
5.4	Financial Viability and Financial Management	Revenue Enhancement	Cash collected from customers	R value of revenue collected	910,054,200	800,908,993	964,000,000	952,119,367	TBA	
5.4			Amount invoiced/billed to customers	R value of invoices raised	780,131,594	811,520,884	985,888,926	964,699,613	1,240,000,000	
5.1		Financial management	Debt service payments	R value	24,389,610	24,389,610	62,527,371	62,527,371		
5.1			Total revenue received from grants and subsidies	R value	153,421,600	168,234,222	183,438,700	236,022,744	232,855,000	
5.1			Total of grants and subsidies spent	Total grants and subsidies spent / Total grants and subsidies received x 100 = Percentage spent	100%	100%	100%	100%	100%	

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2010/2011										
IDP Ref	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Indicator (Unit of Measure)	Baseline 2008/2009		2009/2010		2010/2011	
					Target	Actual	Annual		Annual	
							Target	Actual	Target	Actual
5.3	Financial Viability and Financial Management	Debt Control	Debt coverage ratio	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year)	(1269305700 - 155504800) / 186996900 = 5.96	(1076357961 - 102059927) / 144786701 = 6.73	(1054914000 - 174154000) / 159737000 = 5.51	(1222132556 - 122102991) / 153946501 = 7.1	(1557757000 - 156947000) / 170205000 = 8.23	
5.3			Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	84000000 / 832052454 = 0.10	70386682 / 800448949 = 0.09	90000000 / 900000000 = 0.10	86641274 / 943186501 = 0.09	120088721 / 1271066100 = 0.09	
5.3			Cost coverage ratio	(Available cash at particular time + Investments) / Monthly fixed operating expenditure	94406000 / 917841000 = 0.11	106038312 / 1064971000 = 0.10	76205000 / 982126000 = 0.078	41190772 / 243826000 = 0.20	(-81897000) / 116996000 = (-0.70)	
5.1		Budgeting and reporting	Total operating budget	R value	1,278,507,400	1,012,605,510	1,183,579,600	1,307,384,287	155,757,100	
5.1			Total Salaries and Wages budget (including benefits)	R value	316,745,200	286,893,254	330,254,400	322,178,326	360,814,200	
5.1			Compliance with MFMA requirements	Percentage compliance	100%	90% (Asset management outstanding)	100%	100%	100%	
5.1		Expenditure control	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent	90.00%	81.60%	90.00%	115.56%	90.00%	
5.1			Total Operating expenditure	R value	1,278,507,400	1,083,298,607	1,299,766,400	1,422,542,758	1,526,102,800	

KEY FOR THE MEASURABLE OBJECTIVES:

Priority

Vuna

Additional /Departmental

J. LIST OF AVAILABLE SECTOR PLANS & APPENDICES

I	ANNEXURES:	
	ANNEXURES	Applicable to:
		All LMs
I.1	Detailed Spatial Dev. Framework	Yes
I.2	SDF Expansion Areas (A-G)	Yes
I.3	Detailed Disaster Management Plan	Yes
J	APPENDICES (Dependant on relevance to the Municipality's situation)	
J.1	Capital Infrastructure Investment Plan	Yes
J.2	Land Use Management System	Yes
J.3	Coastal Zone Management Plan	Yes
J.4	Waste Management Plan	Yes
J.5	Water Services Development Plan (WSDA)	Yes
J.6	Public Transport Amenities Plan	Draft
J.7	Housing Plan	Yes
J.8	Energy Strategy Plan	Yes
J.9	Local Economic Development Plan (Implementation Plan)	Yes

J10	Infrastructure Investment Plan (EPWP Compliant)	Yes
J 11	Climate Change Strategy	Draft
J.12	Organisational PMS	Yes
J.13	HIV Policy	Yes
J.14	Youth Policy	Yes
J.15	Workplace Skills Plan	Yes
J.16	Employment Equity Plan	Yes
J.17	Indigent Policy	Yes
J.18	Fraud Prevention & Anti-Corruption Policy	Yes
J.19	Sports & Recreation Sector & Implementation Plan	Yes
J.20	Budget Implementation Plan	Yes
J.21	Draft Budget Report 2010/2011	Yes
J.22	SDBIP	Yes
J.23	PMS 2008/2009	Yes
J.24	2010/2011 IDP Process Plan	Yes
J.25	IDP Public Participation Report (10/11)	Yes

K. 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 have 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 uMhlatuze area of jurisdiction in as far as service-delivery is concerned. UMhlatuze's Vision is driving the service delivery agenda for uMhlatuze Municipality, which is:

- ❖ 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 a community needs assessment. These projects are based on the five Strategies for uMhlatuze 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:

- **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 uMhlatuze Situational Analysis data.

This 2010/2011 uMhlatuze 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 uMhlatuze 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 the 2010/2011 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.