



# UMVOTI MUNICIPALITY

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**FINAL UMVOTI 2013/14 IDP REVIEW**

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## **TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>1 PLANNING AND DEVELOPMENT PRINCIPLES</b>	<b>8</b>
1.1 PLANNING AND DEVELOPMENT PRINCIPLES	8
1.2 GOVERNMENT POLICIES AND IMPERATIVES	8
1.3 DRAFT ACTION PLAN FOR MUNICIPAL TURNAROUND STRATEGY PRIORITY – 2013/2014	23
<b>2 SITUATIONAL ANALYSIS</b>	<b>29</b>
2.1 SPATIAL ANALYSIS	29
2.1.1 REGIONAL CONTEXT	29
2.1.2 ADMINISTRATIVE ENTITIES	31
2.1.3 STRUCTURING ELEMENTS	33
2.1.4 EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)	34
2.1.5 BROAD LAND USES	35
2.1.6 URBAN COMPONENT	36
2.1.7 LAND OWNERSHIP	37
2.1.8 LAND CLAIMS	37
2.1.9 LAND CAPABILITY	37
2.1.10 PRIVATE SECTOR DEVELOPMENTS	38
2.1.11 ENVIRONMENTAL ANALYSIS	38
2.1.12 SPATIAL & ENVIRONMENTAL: TRENDS AND ANALYSIS	55
2.1.13 SPATIAL & ENVIRONMENTAL: SWOT ANALYSIS	56
2.1.14 DISASTER MANAGEMENT	58
2.1.15 DISASTER MANAGEMENT: SWOT ANALYSIS	61
2.2 DEMOGRAPHIC CHARACTERISTICS	62
2.2.1 DEMOGRAPHIC INDICATORS	62
2.2.3 UMVOTI POPULATION BY AGE	63
2.3 SOCIO-ECONOMIC PROFILE	65
2.3.1 EDUCATIONAL PROFILE	66
2.3.2 EMPLOYMENT STATUS	66
2.3.3 INDIVIDUAL MONTHLY INCOME	67
2.4 ACCESS TO BASIC SERVICES	68
2.4.1 ELECTRICITY / ENERGY	68
2.4.2 ACCESS TO WATER	70
2.4.3 SOLID WASTE / REFUSE REMOVAL	70
2.4.4 SANITATION	71

2.4.5	KEY FINDINGS (INCLUDING TRENDS)	72
<b>2.5</b>	<b>MUNICIPAL TRANSFORMATION &amp; ORGANISATIONAL DEVELOPMENT ANALYSIS</b>	<b>72</b>
2.5.1	MUNICIPAL TRANSFORMATION	72
2.5.2	ORGANISATIONAL DEVELOPMENT	73
2.5.3	MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS	76
<b>2.6</b>	<b>SERVICE DELIVERY &amp; INFRASTRUCTURE ANALYSIS</b>	<b>77</b>
2.6.1	WATER & SANITATION	77
2.6.2	SOLID WASTE MANAGEMENT	79
2.6.3	TRANSPORTATION INFRASTRUCTURE	80
2.6.4	ENERGY	82
2.6.5	ACCESS TO COMMUNITY FACILITIES	88
2.6.6	HUMAN SETTLEMENTS	90
2.6.7	TELECOMMUNICATIONS	95
2.6.8	SERVICE DELIVERY & INFRASTRUCTURE: SWOT ANALYSIS	96
<b>2.7</b>	<b>LOCAL ECONOMIC &amp; SOCIAL DEVELOPMENT ANALYSIS</b>	<b>96</b>
2.7.1	LOCAL ECONOMIC DEVELOPMENT ANALYSIS	96
2.7.2	SOCIAL DEVELOPMENT ANALYSIS	109
<b>2.8</b>	<b>MUNICIPAL FINANCIAL VIABILITY &amp; MANAGEMENT ANALYSIS</b>	<b>117</b>
2.8.1	FINANCIAL VIABILITY & MANAGEMENT ANALYSIS	117
2.8.2	FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS	124
<b>2.9</b>	<b>GOOD GOVERNANCE &amp; PUBLIC PARTICIPATION ANALYSIS</b>	<b>124</b>
2.9.1	GOOD GOVERNANCE ANALYSIS	124
2.9.2	PUBLIC PARTICIPATION ANALYSIS	129
2.9.3	GOOD GOVERNANCE & PUBLIC PARTICIPATION: SWOT ANALYSIS	130
<b>2.10</b>	<b>COMBINED SWOT ANALYSIS</b>	<b>131</b>
<b>2.11</b>	<b>KEY CHALLENGES</b>	<b>133</b>
<b>3</b>	<b>DEVELOPMENT VISION, GOALS, OBJECTIVES AND STRATEGIES</b>	<b>135</b>
<b>4</b>	<b>STRATEGIC MAPPING AND IMPLEMENTATION PLAN</b>	<b>144</b>
<b>4.1</b>	<b>STRATEGIC MAPPING</b>	<b>144</b>
4.1.1	DESIRED SPATIAL OUTCOMES	144
4.1.2	DESIRED SPATIAL FORM AND LAND USE	144
4.1.3	SPATIAL RECONSTRUCTION OF THE MUNICIPALITY	145
4.1.4	STRATEGIC GUIDANCE IN RESPECT OF THE LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY	145
4.1.5	SPATIAL ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES	148

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4.1.6	INDICATE WHERE PUBLIC AND PRIVATE LAND DEVELOPMENT AND INFRASTRUCTURE INVESTMENT SHOULD TAKE PLACE _____	150
4.1.7	AREAS WHERE STRATEGIC INTERVENTION IS REQUIRED _____	151
•	AREAS OF SPECIAL NEED _____	151
4.1.8	AREAS WHERE PRIORITY SPENDING IS REQUIRED _____	152
<b>4.2</b>	<b>IMPLEMENTATION PLAN _____</b>	<b>169</b>
<b>5</b>	<b>FINANCIAL PLAN _____</b>	<b>173</b>
<b>1.</b>	<b>UMVOTI LOCAL MUNICIPALITY KZ _____</b>	<b>184</b>
<b>6</b>	<b>ANNUAL OPERATIONAL PLAN (DRAFT SDBIP) _____</b>	<b>189</b>
<b>7</b>	<b>ORGANISATIONAL &amp; INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM _____</b>	<b>198</b>
7.1	BACKGROUND TO MUNICIPAL PERFORMANCE REPORTING _____	198
7.2	SCORECARD _____	199
<b>8</b>	<b>ANNEXURES _____</b>	<b>221</b>

## List of Tables

<b>Table</b>	<b>Details</b>	<b>Page No</b>
1	Key economic sectors	3
2	IDP Process Plan	4
3	Consultation Plan	5
4	Key challenges	6
5	National and Provincial legislation and policies	8
6	Local Spatial Initiatives	22
7	Municipal Turnaround Strategy	25
8	Population by ward	36
9	Values of Lake Merthley	48
10	Climate Data for Greytown	52
11	Spatial and Environmental Analysis- SWOT	61
12	Disaster Management Projects/Programmes by municipality	65
13	Disaster Management Projects/Programmes by stakeholder	65
14	Disaster SWOT	66
15	Racial Gender composition for permanent and contract employees	78
16	Powers and Functions	78
17	Current status of Section 56	80
18	Municipal Transformation SWOT	81
19	Water and Sanitation Funding	84
20	Comparison between waste removal fees and increases	87
21	Formal and Informal Transport Facilities	87
22	Total electricity projection cost required for the financial year	88
23	Complete electricity project design	88
24	Electricity Projects at planning stage	90
25	Funding required for 2012-2015 Electricity projects	90
26	Phase 1 Housing projects	97
27	Phase 2 Future Housing Projects	97
28	Phase 3 Housing projects	98
29	Housing Projects in progress in urban areas	99
30	Housing Projects in progress in rural areas	99
31	Housing Projects submitted for prefeasibility studies	100
32	Service Delivery SWOT	101
33	Main Economic Contributors	103
34	Scores per deprivation category	107
35	LED SWOT	113
36	Broad Based Community Needs	114
37	Social Development: SWOT	121
38	Households Bills	124
39	Operating transfers and grant receipts	126
40	Financial Viability SWOT	129
41	Housing Consumer Education	131
42	Status of municipal policies	133

43	Municipal By-laws	134
44	Good Governance and Public Participation SWOT	136
45	Combined SWOT	136
46	Goals, Objectives and strategies	140
47	KZN SDF Alignment Aspects	153
48	Umzinyathi SDF Alignment Aspects	154
49	Umsinga SDF Alignment Aspects	154
50	Nkandla SDF Alignment Aspects	154
51	Maphumulo SDF Alignment Aspects	155
52	Umshwathi SDF Alignment Aspects	155
53	Mpofana SDF Alignment Aspects	155
54	Umvoti LM SDF aspects to be addressed as per MEC comments	155
55	Capital Investment Plan	158
56	Corridor Development Grant - COGTA	161
57	2013/14 New gravel roads and causeway - DOT	162
58	2013/2014 Reseal and Rehabilitation - DOT	163
59	DEDT Projects for 2013/2014 Financial Year	163
60	Department of Water Affairs 2013/2014 Projects	163
61	DSD Projects for 2013/2014 financial year	163
62	Organizations registered as NPOs but not funded	164
63	Unregistered crèches	167
64	Implementation Plan	173
65	Budgeted financial position	178
66	Summary of revenue by municipality source	180
67	Percentage of growth in revenue by main source	180
68	Operating transfers and grant receipts	181
69	Operating expenditure by standard classification item	182
70	2013/2014 Medium term capital budget per vote	183
71	Budgeted capital expenditure by vote	184
72	Cash backed reserves/accumulated surplus reconciliation	185
73	Surplus/Deficit calculations for trading services	186
74	Budgeted Financial performance (revenue and expenditure)	187
75	Adequacy of audit responses	188
76	2013/2014 Service Delivery and Budget Plan	194
77	Organizational scorecard	203
78	Performance Management System reports requirements	232
79	Sector Plans status	233

### List of Figures

Figure	Details	Page No
1	Umvoti locality Map	
2	Location of Umvoti in Provincial Context	35
3	Umvoti locality map	36
4	Population density and accessibility	38
5	Mvoti Base Map	42

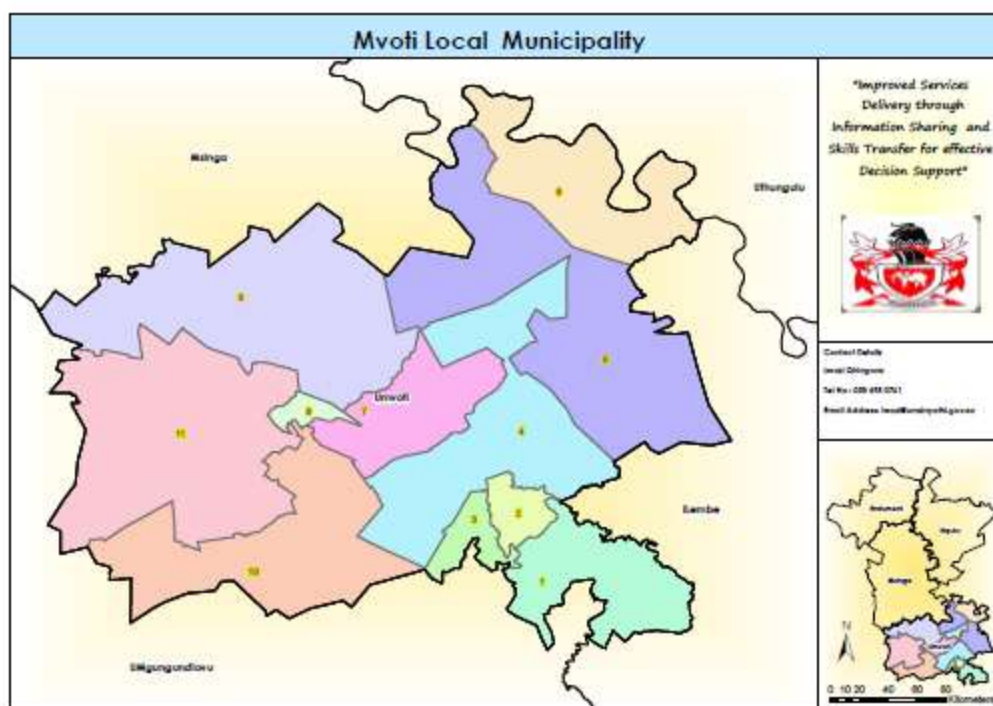
6	Land Cover Map	43
7	Hilton Daisy in Lake Merthley	44
8	Regional location of Lake	48
9	Umvoti C-Plan Map	48
10	Population Distribution	67
11	Population Distribution by age	68
12	Population by gender	69
13	Population by group	70
14	No. of households	70
15	Education	71
16	Unemployment rate	71
17	Unemployment status	71
18	Individual Monthly Income	73
19	Energy for lighting	73
20	Energy for cooking	73
21	Energy for heating	73
22	Access to water	75
23	Waste Removal	76
24	Access to sanitation	76
25	Senior management Structure	80
26	Umvoti Electricity Grid Plan	90
27	Umvoti Electricity Grid Plan – ward 3	91
28	Umvoti Electricity Grid Plan – ward 8	92
29	Umvoti Electricity Grid Plan – ward 5	92
30	Umvoti Electricity Grid Plan – ward 10 & 11	93
31	Umvoti Electricity Grid Plan – ward 6,7,8,9	93
32	Spatial Distribution	94
33	Police Stations within Umvoti	95
34	Population below minimum level of living	105
35	GVA per Mesozone	106
36	Municipal Multiple Deprivation	108
37	Agricultural Potential	110
38	Schools within Umvoti	117
39	Climate in Umvoti	118
40	HIV/AIDS per DM	119
41	Desired Spatial Outcomes	150
42	Desired spatial form and land use	151
43	Capital Investment Map	159

## SECTION 1: EXECUTIVE SUMMARY

### 1.1 WHO WE ARE

Umvoti Municipality is one of the local municipalities falling under Umzinyathi District Municipality. It is situated approximately 75km from Pietermaritzburg and 55km from Stanger, and includes the urban centres of Greytown and Kranskop. It is about 2509km<sup>2</sup> in extent and its population is estimated at 103 092 (Statsa 2011) people who are spread unevenly among the eleven wards. The municipality is located on the southern part of Umzinyathi District and borders onto uMgungundlovu District to the south, Mshwathi Local Municipality, and largely falls within the Pietermaritzburg functional economic region. The parts of the municipality that borders onto iLembe District enjoy the influence of Stanger-KwaDukuza economic region. The municipality is also well integrated into the Provincial transportation network. Route 33 serves as a major link between Greytown and Dundee while R74 connects the urban centres of Greytown, Kranskop and Stanger.

**Figure 1: Mvoti Locality Map**



Umvoti municipality comprises of eleven (11) wards of which only four has an urban component (wards 5, 7, 9, 10). The whole of ward ten (10), Greytown is urban in nature and is the main town and the primary centre of the Umvoti municipality. Ward seven (7) is partial urban (township) and the other component is rural (Nseleni area). Ward nine (9) is also partial urban (portion of a township) and the other component of the ward is farm land. Ward five (5) comprises of the town of Kranskop and traditional authority area of Amakhabela. There are 7 traditional authorities in Umvoti, namely:

- Amakhabela 1 and 2
- Mthembu-Sithole
- Cele Nhlangwini

- 
- Bomvu
  - Ntanzi
  - Zondi
  - Machunwini

## **1.2 DEMOGRAPHIC PROFILE**

Umvoti is the one of 61 Municipalities in the Province of KwaZulu-Natal and forms part of the UMzinyathi District. It has a population of 103 092 (20.1%), according to the Census 2011 data, compared to 92 294 in 2001. This translates into a growth rate of 1.11% per annum for the period between 2001 and 2011.

The gender profile of the area indicates that over a ten year period, the female population still outnumber the male population, representing 56% of the population. The male population increased with approximately 4 854 people between 2001 and 2011, while the female population increased with approximately 5 942 people. In other words, the growth rate of the female population is higher than for the male population.

The age profile of the area shows a large youthful population with approximately 75% of population under the age of 34. The population between the age of 0 - 4 increased with approximately 17.5 % between 2001 to 2011, suggesting that the birth rate is higher than the overall municipal population growth rate. The large youthful population also indicates the need for educational facilities and the creation of employment opportunities, as well as youth development programmes.

### **1.2.1 SOCIO-ECONOMIC PROFILE**

The majority of the population that appears to have some form of education increased, over the past ten years (2001 – 2011), while those with no schooling decreased. In 2001, 37.3% of the population had primary education, 23.5% (6.2% was Grade 12) of the population attended secondary school, and only 2.8% had some form of higher education. This changed over the past ten years. According to Census 2011, 35% of the population have secondary education (12.8% is Grade 12), 32.4% have attended primary school, and only 2.6% have some form of higher education.

This large population of Grade 12 candidates indicates the need for higher (tertiary) education facilities within the area. Education has a very important impact on people's quality of life and the economy of a municipality, since it determines to a certain extent the type of employment of the economically active population.

The employment statistics indicate that the unemployment rate in Umvoti has decreased significantly from 40.7% to 30.4% between 2001 and 2011. However, although the youth

unemployment rate has also experienced a decrease from 48% in 2001 to 38% in 2011, this percentage is still higher than the unemployment rate and a cause for concern.

The employment statistics indicate that only 15.9% of the entire population were employed within Umvoti Municipality in 2001 and is currently at 16.2% (2011). This area needs more economic development interventions as the amount of economically inactive population has increased and indicates that the dependency rate is increasing.

In terms of Individual monthly Income, 35.1% of the entire population have no income and 34.4% earns less than R800 per month. Thus, the majority (84.7%) of the entire population earns less than R1600 per month, which still falls within the lower income categories. An interesting phenomenon is that the amount of people with no income has decreased between 2001 and 2011, which suggest access to some form of income.

### 1.2.2 ECONOMIC MATTERS

Table 1: The key economic sectors in terms of 2011 Quantec data within Umvoti Municipality included:

Sector	Share % of GVA
General Government Services	17.3
Wholesale and Retail trade, Catering and Accommodation	16.0
Manufacturing	15.8
Finance, Insurance, Real Estate and Business Services	14.1
Agriculture, Forestry and Fishing	12.6
Community, social and personal services	8.5
Transport, storage and communication	8.4
Construction	3.1
Mining and quarrying	2.6
Electricity, gas and water	2.2

Source: Calculations based on Quantec data, 2011

### 1.3 HOW WAS THE PLAN DEVELOPED

The review process has been guided by a Process plan which was adopted by Council and advertised for public information. The process was aligned with the timeframes for the budget and Performance System. The amendments to reflect the exact timeframes of the milestones in the process plan were advertised. Furthermore the dates for public participation have been changed and the process attached reflects the new dates.

**Table 2: 2013/14 IDB/Budget Process Plan Summary**

No	Milestone/Activities	Date
1.	Chief Financial Officer reviews the under mentioned by :  1.1 Chief Financial Officer reviews national and provincial allocations to municipality for incorporation in the draft budget  1.2 Chief financial Officer integrates draft budget with IDP and in consultation with Mayor revises budget  1.3 Chief Financial Officer finalizes draft budget incorporating a three year financial plan	13 <sup>th</sup> March 2013
2.	Second IDP RF Meeting	15 <sup>th</sup> March 2013
3.	Mayor, Accounting Officer and Chief financial Officer workshop new Council with regard to the proposed new budget	19 <sup>th</sup> March 2013 @ 10.00
4.	Ordinary Full Council, tabling of Draft Annual budget and IDP and financial related policies and by-laws for the 2013/2014 financial year	28 <sup>th</sup> March 2013 @ 10.00
5.	Consultation Process, tabled budget (community \ wards and stakeholders) below	1 <sup>st</sup> to 13 <sup>th</sup> April 2013
	Advertise IDP & Budget 2013/2014	3 <sup>rd</sup> April 2013
6.	Budget and workshop for Councillors	26 <sup>th</sup> April 2013 @ 10.00
7.	Distribution of budget documentation to councillors	17 <sup>th</sup> May 2013
8.	Special EXCO budget and IDP	23 <sup>rd</sup> May 2013 @ 09.00
9.	Special Council consider approval of annual budget	30 <sup>th</sup> May 2013 @ 10.00
10.	Special Council Approval Budget, tariffs, Performance IDP & service delivery agreements and departmental SDBIP's	26 <sup>th</sup> June 2013

The consultation plan in terms of 5 above is as follows:

**Table 3: Consultation Plan**

DATE	VENUE	TIME	WARD
13 APRIL 2013	Vikindlala Community Hall	09h00	1
13 APRIL 2013	Amakhabeleni Tribal Court	11h00	1
13 APRIL 2013	Njengabantu Hall	14h00	1
14 April 2013	Gwinyamathe Hall	09h00	2
14 April 2013	Entembisweni	11h00	3
14 April 2013	Eshane Community Hall	14h00	4
15 April 2013	Kranskop Community Hall	14h00	5
15 April 2013	Gcotoyi Community Hall	10h00	6
16 April 2013	Enhlalakahle New Hall	17h00	7 & 10
16 April 2013	Nseleni Community Hall	09h00	7
16 April 2013	Engome Community Hall	14h00	8
17 April 2013	Town Hall	09h00	9
17 April 2013	Country Club	17h00	10
17 April 2013	Upper Mvoti School Hall	14h00	
18 April 2013	Zibambeleni Community Hall	10h00	11

It is noted that some of the meetings that took place were not part of the Process Plan but they improved Public Participation. The IDP has been a standing item on the Management Committee Meetings. Actual Meetings that took place in relation to the Process Plan are as follows:

Meetings	Actual Date
Management Committee Meeting (MANCO)	02 October 2012
Management Committee Meeting (MANCO)	12 November 2012
Management Committee Meeting (MANCO)	8 February 2013
1 <sup>st</sup> IDP Representative Forum	13 October 2012
2 <sup>nd</sup> IDP Representative Forum	15 March 2013
Community Based Planning Pilot Workshop	21-25 February 2013
Strategic Planning Workshop	25-27 March 2013

#### 1.4 LONG TERM VISION

During the 2013/14 Strategic workshop, the Council formulated a new vision which reads:

“By 2030, Umvoti shall be an internationally recognised municipality which embraces rural development, economic growth, sustainability, social cohesion and a people centred society.”

#### 1.5 KEY CHALLENGES

The main key issues are derived from the SWOT analysis of the municipality and other existing sector plans:

Table 4: Key Challenges

KPA	KEY CHALLENGE
Basic Service Delivery	<ul style="list-style-type: none"> <li>• Dilapidated Infrastructure</li> <li>• Electricity Network constraints</li> <li>• Financial Constraints to address the backlogs</li> </ul>
Local Economic Development	<ul style="list-style-type: none"> <li>• No established LED Unit</li> <li>• Financial constraints to support LED projects</li> <li>• High rate of unemployment</li> <li>• Low skills level</li> </ul>
Good Governance and Public Participation	<ul style="list-style-type: none"> <li>• Non-functionality of Portfolio Committees</li> <li>• Effectiveness of IGR structures</li> <li>• Non-alignment of municipal and government departments programmes</li> </ul>
Municipal Institutional Development and Transformation	<ul style="list-style-type: none"> <li>• Communication Strategy not in place</li> <li>• Skills development plan and policy not fully implemented</li> <li>• Integrated Information System not in place</li> <li>• HR policies not fully implemented</li> </ul>
Municipal Financial Viability and Management	<ul style="list-style-type: none"> <li>• Overspending of operational budget</li> <li>• Under spending of capital budget</li> <li>• Critical Vacancies not filled</li> <li>• Non-compliance with SCM procedures</li> </ul>
Spatial and Environmental Analysis	<ul style="list-style-type: none"> <li>• Dispersed, low density settlements</li> <li>• Weak road and communication linkages</li> <li>• Poor management of natural environment</li> <li>• High cost of infrastructure and financial constraints</li> </ul>

## 1.6 UMVOTI PERFORMANCE MANAGEMENT SYSTEM

Umvoti Municipality has prepared and completed its Organisational Performance Management System (OPMS) as per the requirements of Chapter 6 of the Municipal Systems Act, No. 32 of 2000.

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The OPMS is in the process of being reviewed. The Individual Performance Management Systems for the Section 56 Managers have been finalised.

### **1.7 MEASURING AND MONITORING PROGRESS**

The Service Delivery Budget Implementation Plan will be reviewed in order to be used as a monitoring tool for the municipality.

## SECTION 2: PLANNING AND DEVELOPMENT PRINCIPLES

## 2.1 GOVERNMENT POLICIES AND IMPERATIVES

## 2.1.1 NATIONAL AND PROVINCIAL LEGISLATION AND POLICIES

Table 5: National and Provincial Legislations and Policies

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
NATIONAL POLICIES		
Accelerated Shared Growth Initiative for South Africa (Asgi-SA)	The government has introduced the Asgi-SA initiative in order to halve poverty and unemployment by 2014. These objectives require improvements to the environment and the creation of opportunities for more labour absorbing economic activities. The following sectors have been identified for accelerated growth viz. Business Processing Outsourcing, Tourism, Chemicals, Bio-fuels, Metals and Metallurgy, Wood, pulp and paper, Agriculture, Creative Industries and Clothing and Textiles.	Asgi-SA requires the Umvoti Municipality to adopt a growth and market friendly local economic development strategy and forge synergistic relationships with the private sector and other stakeholders. The SDF should identify economic development areas.
The National Development Plan 2030 (NDP)	<p>The National Development Plan 2030 seeks to respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency. In addressing these patterns the plan will take account of the unique needs and potentials of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region.</p> <p>The plan acknowledges the diverse patterns of South African rural areas and as a starting point it gives recognition of the extreme differentiation within rural South Africa. Typologies have been developed that differentiate, for example, between the small market towns, agri-villages, informal settlements, farm villages and scattered homesteads in commercial farming areas, and the peri-urban informal settlements, villages, and scattered homesteads in former homelands. This is a useful approach that points to the need for differentiated planning</p>	

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	responses in relation to varying settlement types	
National Spatial Development Plan (NSDP)	<p>The vision and principles of the plan provides a guide to meet the governments aims of economic growth, poverty alleviation, employment creation, improved service delivery and eradicating historical inequalities such as spatial distortions. The development potential of localities are defined in terms of six categories of development potential viz.: Innovation and experimentation, Production of high value goods, Production of labour intensive, mass produced goods, Public services and administration, Retail and services and Tourism</p>	<p>The Umvoti Municipality should thus focus on sectors and areas that promise to yield catalytic effects. It can promote either the clustering of economic activities in areas with high potential for economic development or, where feasible, economic benefits which are not dependant on clustering should be spread to those parts of the municipality where relatively low economic potential exists.</p>
Comprehensive Rural Development Programme	<p>The CRDP is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. A CRDP must improve the standards of living and welfare but also rectify past injustices through rights-based interventions and address skewed patterns of distribution and ownership of wealth and assets. The strategic objective of the CRDP is therefore to facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society.</p> <p>The strategic objective of the CRDP is to achieve social cohesion and development among rural areas. Comprehensive Rural Development is one of the key priorities of government, aimed at creating sustainable rural communities throughout the country. The programme will seek to achieve social cohesion and development in rural communities and is based on three key pillars namely:</p> <ul style="list-style-type: none"> <li>• coordinated and integrated broad-based agrarian transformation an improved land reform programme</li> <li>• strategic investments in economic and social infrastructure in rural</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty alleviation through job creation should be promoted</li> <li>• Promotion of local economic development (LED)</li> <li>• Integration of principles of environmental sustainability through requiring this in transport provision and provision of waste management systems.</li> <li>• There is a need to ensure that there is economic and social infrastructure development in Umvoti. This would be done through a proactive strategy of upgrading infrastructure, some of which would also serve as a tool of social transformation, by providing roads, electricity, water and telecommunications to support sustainable economic development.</li> <li>• As part of the rural development strategy, government needs to support initiatives that promote other forms of economic potential of rural areas including tourism, light manufacturing and cultural work. Various cultural activities such as traditional music, arts and crafts, traditional sports can be useful income generating activities in our rural areas and</li> </ul>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	areas.	should be harnessed
Integrated Sustainable Rural Development Strategy	The aim of the strategy was to capitalize on the potential synergies of the various government departments so as to ensure more rapid development in rural areas. This will thus transform the rural areas into an “economically viable and socially stable and harmonious sector that makes a significant contribution to the nations GDP”. The strategy encompasses the elements of rural development, sustainability and integration.	The SDF should ensure that the elements of rural development, sustainability and integration are taken into account and should also promote investment in the rural parts of the municipality e.g. Ahrens and Muden.
Urban Development Framework	The Urban Development Framework committed the government to the goals of the habitat agenda which is essentially adequate shelter for all and the development of sustainable human settlements. It set a number of goals, identified priority interventions, and introduced programmes in support of the national urban development vision and addressing the urban land question.	The SDF should therefore aim to integrate the Umvoti town by improving housing and infrastructure, creating habitable and safe communities and promote economic development.
White Paper on Land Policy and related policies	The central thrust of the policy is the land reform programme, which aims to contribute to economic development, both by giving households the opportunity to engage in productive land use and by increasing employment opportunities through encouraging greater investment. The programme is made up of three elements viz. land restitution, land redistribution and land tenure.	There are land reform projects within the municipality. Initiatives to ensure the sustainability of the land should be encouraged.
The Comprehensive Plan 2004 (Breaking New Ground)	<p>The Comprehensive Plan is a national housing policy approved by Cabinet in 2004 to provide an update to the Housing White Paper of 1994. The Comprehensive Plan was informed by the United Nations Millennium Development Goals.</p> <p>The policy promotes the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing.</p>	<p>The aspects of the policy which needs to be taken into consideration in the Umvoti SDF relate to:</p> <ul style="list-style-type: none"> <li>• The eradication of informal settlements through in situ upgrading in desired locations coupled with the relocation of household where development is not possible or desirable</li> <li>• Accessing well located land</li> </ul>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
		<p>for housing projects</p> <ul style="list-style-type: none"> <li>• Provision of land for social (medium density) housing.</li> <li>• Provision of housing in rural Areas</li> </ul> <p>What is critical to Umvoti Local Municipality is that the Comprehensive Plan is not a blue print of what needs to be done, but a menu of possibilities. The Comprehensive Plan welcomes the Umvoti Local Municipality's interpretation and local knowledge.</p> <p>In addition, the Comprehensive Plan introduces an expanded role for Umvoti Local Municipality, in shifting away from a supply-driven framework towards a more demand-driven approach. This approach will enable the Umvoti Local Municipality to assume overall responsibility for national housing programmes in its areas of jurisdiction, through a greater devolution of responsibility and resources to them. This is based on the assumption that Umvoti Local Municipality will proactively take up its responsibilities.</p>
<p>The National Housing Act No. 107 of 1997</p>	<p>The National Housing Act, No 107 of 1997 enables the government's primary objective to undertake housing development, being "the establishment and maintenance of habitable, stable and sustainable public and private residential environments to ensure viable households and communities in areas allowing convenient access to economic opportunities, and to health, education and social amenities in which all citizens and permanent residents of the Republic will, on a progressive basis, have access to; permanent residential</p>	<p>Umvoti SDF should ensure appropriate and efficient housing delivery plan.</p>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	structures with secure tenure, ensuring internal and external privacy, and providing adequate protection against the elements, potable water, adequate sanitary facilities and domestic energy supply". The existing national housing programmes have been based on this objective and the principles embodied in therein.	
National Housing Code	The National Housing Code intends to set out undoubtedly, in one comprehensive document, the National Housing Policy in South Africa. The National Housing Policy comprises of an overall vision for housing in South Africa and the way in which this vision should be implemented.	The National Housing Code contains National Housing Policy and administrative guidelines, in order to facilitate the effective implementation of the National Housing Policy in Umvoti Local Municipality. The Code does not replace the key legislations and laws but it is a statement of present policy, providing and overview and confirmation of the existing policy that already exists.
Social Housing Policy	<p>The primary objectives of the Social Housing Programme include;</p> <ul style="list-style-type: none"> <li>- Contributing to the national priority of restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities and imbalances to achieve Government's vision of an economically empowered, non-racial, and integrated society living in sustainable human settlements.</li> <li>- Improving and contributing to the overall functioning of the housing sector and in particular the rental sub-component, as far as social housing is able to contribute to widening the range of housing options available to the poor</li> </ul>	<ul style="list-style-type: none"> <li>• The SDF needs to identify appropriately located land for social housing developments close to employment opportunities.</li> <li>• The SDF must be consultative to ensure that its proposals address the real needs of communities.</li> <li>• Identify slum areas that need to be upgraded and eradicated.</li> <li>• The SDF needs to ensure that the spatial, economical, and social integration is achieved.</li> <li>• The SDF needs to identify and promote areas of high density to reduce costs of providing services.</li> </ul>
Spatial Planning Land Use Management Bill 2012 (SPLUMB)	The Minister of Rural development and Land Reform, as the Minister responsible for land, proposes to introduce new legislation to parliament that provides a uniform, effective and efficient framework for spatial planning and land use management in both urban and rural contexts. This legislation will clear up the extraordinary legislative mess inherited from	The SDF needs to be aligned with SPLUMB's overall objectives and principles and will thus be in compliance.

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	<p>apartheid in this area of governance. The most dramatic effect of the Bill is that it will rationalise the existing plethora of planning laws into one national system that will be applicable in each province, in order to achieve the national objective of wise land use.</p> <p>The main elements of the new system proposed in the Bill are as follows:</p> <p>Principles. The basis of the system will be principles and norms aimed at achieving efficiency, equality, sustainability, fairness and good governance in spatial planning and land use management.</p> <p>Land use regulators. The Bill proposes a category of authorities able to take the different types of decision falling into the realm of spatial planning and land use management: land use regulators.</p> <p>IDP-based local spatial planning. This element is of most use to this study. The Bill spells out the minimum elements that must be included in a spatial development framework. It also proposes that the spatial development framework operate as an indicative plan, whereas the detailed administration of land development and land use changes is dealt with by a land use management scheme, which will actually record the land use and development permissions accruing to a piece of land. The inclusion of the spatial development framework, with a direct legal link to the land use management scheme, is an essential step towards integrated and coordinated planning for sustainable and equitable growth and development.</p> <p>A uniform set of procedures for land development approvals. Where a proposed development is not permissible in terms of the prevailing land use management scheme, then permission is required from the appropriate land use regulator.</p> <p>National spatial planning frameworks. In order</p>	

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	<p>to achieve more integrated and coordinated spending of public funds it is proposed that the Minister, in consultation, with cabinet, is able to prescribe national spatial planning frameworks around particular programmes or regions.</p>	
National Vision 2014	<p>The shift in approach was reinforced in 2010 through the Outcomes Based Delivery Mechanism introduced by Government which (until 2014), amongst others, commits to provide “sustainable human settlements and improved quality of household life”. Important elements include:</p> <ul style="list-style-type: none"> <li>▪ The commitment to upgrade 400 000 households in well-located informal settlements through the provision of basic services, security of tenure and other amenities;</li> <li>▪ The unlocking of well-located land, especially state-owned land for the development of integrated human settlements, and</li> <li>▪ Accrediting municipalities with the housing delivery function to effect improved integrated settlement development; and linking job opportunities and work creation with housing development processes.</li> </ul>	The SDF should address elements as per Vision 2014
Millennium Development Goals	<p>Concept of a developmental state is rooted in the Millennium Development Goals (MDGs) adopted by the United Nations. Indeed both the national and provincial government’s development strategies and interventions should be viewed in the context of these international development goals which apply to all countries across the globe. The MDGs are:</p> <ul style="list-style-type: none"> <li>• Eradication of extreme poverty and hunger;</li> <li>• Achievement of universal primary education;</li> <li>• Promotion of gender equality and</li> </ul>	These goals should be reflected in the SDF.

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	<p>empowerment of women;</p> <ul style="list-style-type: none"> <li>• Reduction in child mortality;</li> <li>• Improvement of maternal health;</li> <li>• Combating HIV/AIDS, malaria and other diseases;</li> <li>• Ensuring environmental sustainability; and</li> <li>• Developing a global partnership for development.</li> </ul>	
<p>10 New National Priorities</p>	<ol style="list-style-type: none"> <li>1. Creation of decent work and economic growth</li> <li>2. Social and economic infrastructure</li> <li>3. Rural development linked to land reform</li> <li>4. Skills and human resource base</li> <li>5. Improving the nation's health profile</li> <li>6. Fight against crime and corruption</li> <li>7. Cohesive and sustainable communities</li> <li>8. International co-operation</li> <li>9. Sustainable resource management</li> <li>10. Democratic developmental state</li> </ol>	<p>The SDF aligns itself with the new national priorities as it underlying principles are based on:</p> <ul style="list-style-type: none"> <li>• Sustainable development Planning strategies,</li> <li>• access routes as investment lines,</li> <li>• a service centre strategy, integration, m</li> <li>• eeting land use needs and</li> <li>• identification of areas of economic development potentials,</li> <li>• restructuring of the Local Municipality</li> </ul>
<p><b>PROVINCIAL POLICIES</b></p>		
<p>Provincial Spatial Economic Development Strategy (PSEDS)</p>	<p>The strategy aims at transforming the structure of the provincial economy and is based on four pillars viz. increasing investment in the province, skills and capacity building, broadening participation in the economy and increasing competitiveness. The PSEDS aims to channel economic development opportunities into activity corridors and nodes. It identifies agriculture, industry, tourism and service sectors as the main drivers of the Provincial economy and opportunities for addressing unemployment and poverty. In terms of Umvoti the following needs to be taken into consideration:</p>	<p>Umvoti is located in a generally agricultural region. It is located along a secondary and agriculture corridor which serves areas of high poverty levels with good economic development potential. In addition, the town has been identified as a quaternary node i.e. a centre which should provide services to the localized economy is located in close proximity to Pietermaritzburg and hence forms part of the Greater Pietermaritzburg Economic region.</p>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
<p>The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS)</p>	<p>The PGDS has a critical role to play in giving effect to government's concept of a developmental state through growing the economy, reducing unemployment, eradicating poverty, and ensuring greater social inclusion and cohesion. The PGDS is a vehicle to address the legacies of the apartheid space economy and to promote sustainable development.</p> <p>The PGDS gives both provincial government and municipalities a mandate to restructure the process of development and service delivery within the province. This is to be achieved through co-operation between the spheres of government and the relevant government sectors. The key challenge government faces in to align and harmonise these structures and the fiscal, financial and human resources and its disposal to that I can achieve the overarching goals of eradicating poverty, creating employment and laying the foundations for accelerated growth. To summarise, the PGDS provides an instrument with which the provincial government of KwaZulu-Natal can achieve its developmental goals.</p>	<p>The SDF needs to align with the following provincial priorities:</p> <ul style="list-style-type: none"> <li>• Strengthening governance and service delivery;</li> <li>• Sustainable economic development and job creation;</li> <li>• Integrating investment in community infrastructure; and</li> <li>• Fighting poverty and protecting vulnerable groups in society</li> </ul>
<p>Integrated Rural Development Policy</p>	<p>The policy identifies three target areas for rural development viz. creation of an inclusive and sustainable rural economy, integrated provision of services and participation in the development process. It encourages all authorities, organizations and communities to work together so as to improve the life of rural communities.</p>	<p>The SDF should therefore provide opportunities in terms of agricultural development, tourism development, poverty alleviation projects, etc.</p>
<p>Tourism Development Strategy</p>	<p>The tourism strategy for KwaZulu Natal has focused on facilitating the development of a strategic tourism product that broadens ownership in synergy with the overall theme</p>	<p>The Umvoti area contains areas which can be promoted as tourist destinations and should make provision for a variety of tourism</p>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	and branding of the province. The strategy also aims to develop a framework for the promotion of KwaZulu-Natal as a leading tourist destination, nationally and globally and to provide strategic support services to develop a sustainable and competitive tourism industry.	products.
7 New Provincial Priorities	<ol style="list-style-type: none"> <li>1. Create image of new administration</li> <li>2. Caring and humane government</li> <li>3. Good Governance</li> <li>4. Inclusive Government</li> <li>5. Present a practical, measurable program of action for government with time frames</li> <li>6. Use agriculture as main platform for integration</li> <li>7. Household food security</li> </ol>	<p>This document is still a white paper and has no legislative status. Once adopted, the SDF has been aligned with its overall objectives and principles and will thus be in compliance.</p> <p>The SDF is in compliance with COGTA as it seeks to achieve cross border alignment.</p> <p>The SDF identify suitable land usage and agricultural land is highly prioritised</p>
Operation Clean Audit 2014	<ul style="list-style-type: none"> <li>• The goal is that by 2011, no municipality or provincial government department will have a disclaimer or an adverse audit opinion, and</li> <li>• By 2014 none should have those or a qualified audit.</li> </ul>	Address all matters contained in 2012/2013 Auditor General report and ensure effective oversight function to eliminate unfavourable audit opinions

### 2.1.2 NATIONAL AND PROVINCIAL LEGISLATION

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
<b>NATIONAL LEGISLATION</b>		
Municipal Systems Act, 2000	<p>The regulations promulgated in terms of the Act stipulates the requirements of spatial development frameworks and as such should:</p> <p>provide a visual representation of the desired spatial form of the municipality, which representation must indicate where public and private land development and infrastructure investment should take place must</p>	Compile SDF in line with regulations.

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	indicate desired or undesired utilization of space in a particular area; may delineate the urban edge; must identify areas where strategic intervention is required; and must indicate areas where priority spending is required.	
Development Facilitation Act	The Act sets out a number of principles which apply to all land development. These principles could also be applied to the formulation of spatial development frameworks. These include integration, environmental sustainability, urban and rural land development, combination of land uses, etc.	<p>The SDF will be in line with the principles of the DFA which include the:</p> <ul style="list-style-type: none"> <li>• Promotion of the integration of the social, economic, institutional, and physical aspects of land development;</li> <li>• Promotion of integrated land development in rural and urban areas in support of each other;</li> <li>• Promotion of residential and employment opportunities in close proximity to or integrated with each other;</li> <li>• Optimisation of the use of existing resources including such resources relating to agriculture, land, minerals, bulk infrastructure, roads, transportation and social facilities;</li> <li>• Promotion of a diverse combination of land uses, also at the level of individual erven or subdivisions of land;</li> <li>• Discouraging of the phenomenon of “urban sprawl” in urban areas and contribute to the development of more compact towns and cities;</li> <li>• Contribution to the correction of the historically distorted spatial patterns of settlement in the Republic and to the optimum use of existing infrastructure in excess of current needs; and</li> <li>• Encouragement of environmentally sustainable land development practices and processes.</li> </ul>
National Environment Management Act 107 of 1998	This act established a framework for Environmental Management in South Africa. It provides for Environment Impact Assessment Regulation (and other tools	Areas of environmental sensitivity should be afforded adequate protection so that these assets can be sustained for future

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	for Integrated Environmental Management) and directives for remediation of environmental damage and control of emergency incident.	generations.
Subdivision of Agricultural Land Act 70 of 1970	The purpose of the Act is “to control the subdivision and, in connection therewith, the use of agricultural land”. It provides for application procedures and regulations relating to the process for permission to sub-divide agricultural land.	The Umvoti Municipality contains large areas of high and good agricultural potential. It is important that that these important agricultural lands be protected and utilized efficiently.
Conservation of Agricultural Resources Act 43 of 1983	To provide for the conservation of natural agricultural resources by maintaining the production potential of land, combating and preventing erosion and weakening or destruction of water resources, protecting vegetation and combating weeds and invader plant species	As per above there is a need to protect the high potential agricultural land in the municipality.
<b>PROVINCIAL LEGISLATION</b>		
KwaZulu Natal Town Planning Ordinance 27 of 1949	The purpose of this legislation is to control and manage physical development in the former Natal areas of KwaZulu Natal. It provides for the compilation of schemes and controls developments.	The SDF should give a broad indication of areas where developments of a certain nature should be encouraged. This has been since repealed by the PDA (see below)
KwaZulu Land Affairs Act	The Act regulates the disposal of government land and also regulates the development, use and subdivision of such land.	This has been repealed by PDA and SDF should be aligned to the P SPLUMB
KwaZulu Ingonyama Trust Act	The Act provides for the establishment of the Ingonyama Trust which is responsible for administering land which falls under traditional authorities.	There are Traditional Authority areas within the municipality and hence the dynamics of these areas need to be taken into account.
KwaZulu Natal Nature Conservation	The act provides for Nature Conservation inside and outside protected areas within KwaZulu.	Areas of ecological importance should be provided with the necessary level of protection.
Planning and Development Act 06 of 2008	<p>In terms of the Provincial Gazette Notice No. 54 of 22 April 2010, the KwaZulu-Natal Planning and Development Act, Act No. 6 of 2008 came substantially into operation on 1 May 2010.</p> <p>In terms of the preamble to the Act, the Act in its implementation as law is intended to:</p> <p>(a) promote a uniform planning and</p>	The adoption and review of a scheme or schemes for a municipal area of jurisdiction form a key component of a Land Use Management System. In terms of Section 26 of the Local Government Municipal Systems Act the Spatial Development Framework must include the provision of basic guidelines for a Land Use Management System.

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	<p>development system that treats all citizens of the Province equitably;</p> <p>(b) provide a fair and equitable standard of planning and development to everyone in the Province while accommodating diversity such as urban and rural needs;</p> <p>(c) incorporate and build on good practices and approaches to planning and development which have evolved outside of the formal planning and development system;</p> <p>(d) promote a planning and development system that redresses the historic injustices perpetuated by a fragmented planning and development system;</p> <p>(e) favour lawful development;</p> <p>(f) be clear, including the relationship between different laws;</p> <p>(g) be practical;</p> <p>(h) promote certainty;</p> <p>(i) require timeous action by decision makers;</p> <p>(j) guide decision makers;</p> <p>(k) require decision makers to obtain expert advice before making a decision; and</p> <p>(l) be enforceable.</p>	<p>Accordingly, such guidelines will need to cover the preparation and review of schemes in terms of the Planning and Development Act, and measures to ensure that the municipality can effectively process applications for development in terms of this Act.</p>

### 2.1.3 LOCAL SPATIAL DEVELOPMENT INITIATIVES

**Table 6: Local Spatial Initiatives**

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
<p>District and Umvoti LED Strategies</p>	<p>At a Provincial level the District plays an important role in terms of the economy. This is evident in it being the fastest growing economy as measured by the increase in economic activity in the Province as well as in terms of remuneration generated, turnover, job creation, etc.</p> <p>The LED Strategy stated that the focus for Umvoti must be on agriculture and agro processes, nature based tourism (conservation and adventure and agri tourism) and Box Four Farming, with some specialized R &amp; D centres and major training and mentoring initiatives within these important sectors. Special manufacturing and service opportunities, where advantage can be easily built, have also been identified. Finally, there is real potential in Umvoti for the development of mid to lower middle residential property development as well</p>	<p>The Umvoti Municipality therefore needs to ensure that it also benefits from the positive growth experienced in the District through the exploitation of potential opportunities for development and in the same vein ensuring the regeneration of it.</p>

INSTRUMENT	BRIEF SUMMARY	IMPLICATIONS FOR UMVOTI
	as industrial property parks.	
UDM Spatial Development Framework	The SDF aims to guide spatial development links and the over-all development perspective of the local municipality. In terms of the District SDF the Umvoti Town has been identified as a tertiary node i.e. defined as having lower potential for economic growth and a relatively high dependence on agriculture, providing services mainly to the local economy. However, a primary corridor, which links Greytown/Pietermaritzburg/Umvoti/Ixopo/Eastern Cape, has been identified.	Development should be encouraged at appropriate locations along the identified corridor.
Umvoti Spatial Development Framework 2009	<p>The SDF compiled identifies the following nodes:</p> <ul style="list-style-type: none"> <li>• Primary – Greytown</li> <li>• Secondary – Kranskop</li> <li>• Tertiary – Gcotoyi, Seven Oaks, Eshane, Makhabeleni and Muden</li> </ul> <p>The corridors were identified as Activity Routes, Spines, Connectors, Access Roads and Tourist route.</p> <p>In terms of Land Designations were identified as follows :</p> <ul style="list-style-type: none"> <li>• Areas of special need</li> <li>• Areas of special potential - muden and seven oaks</li> <li>• Areas with underutilized but high agricultural potential</li> <li>• Areas with Land Reform potential</li> <li>• Areas that have particular value in terms of <u>Tourism</u>.</li> </ul>	New 5 year SDF will incorporate subsequent developments within the municipality.
UDM Area Based Plan	Area based plans are aimed at the integration and alignment of land reform with the strategic priorities/plans of a municipality. This is done so as to ensure sustainability of land reform projects, sector alignment (agriculture, human settlements, LED, etc.), promote intergovernmental relations and empower communities through participation in the process.	<ul style="list-style-type: none"> <li>• The SDF should address the land reform issues and align with the provisions of the ABP.</li> <li>• It must reflect a spatial strategy for addressing a range of land reform issue in an integrated manner.</li> </ul>

#### 2.1.4 IMPLICATIONS FOR UMVOTI SDF

These policies introduce a set of principles that are intended to influence the substantive outcomes of planning decisions, whether they relate to spatial development frameworks or decisions on land use change or development applications. The overall aim of these principles is to achieve planning outcomes that:

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- ❖ restructure spatially inefficient settlements;
  - ❖ promote sustainable development and use of natural resources;
  - ❖ channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
  - ❖ take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment; and
  - ❖ stimulate economic development opportunities in rural and urban areas; and support an equitable protection of rights to and in land.

Although municipalities are responsible for spatial planning at a local level, the desired or ideal spatial and economic system can only be achieved if local government works in tandem with the relevant organs of state and civil society. This emphasises the importance of public participation and cooperative governance. To this end, land development should address the local interests and be managed in accordance with the universal development principles. It should also:

- generate a wide range of economic development opportunities and necessary support systems;
- enable the members of the public to conduct their daily activities quickly, easily and cost effectively;
- provide a choice of living environments along a continuum from conditions of intense public environments to conditions of great privacy; and
- promote equitable in access to opportunities.

## 2.1.5 ACTION PLAN FOR MUNICIPAL TURNAROUND STRATEGY PRIORITY – 2013/2014

Table 7: 2013/14 Municipal Turn Around Strategy

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
1. Filling of critical posts	Appointment of Protection Service, Corporate Service managers, Deputy CFO and Supply Chain Manager	Recruitment and selection of suitable candidates	Municipal Manager	30 December 2013	Securing of suitable candidate,	SALGAKZN, Provincial COGTA, and Provincial Treasury to provide guidelines	-Interviews have been conducted for the Deputy CFO and Supply Chain Manager posts
2. Operation Clean Audit 2014	Clean Audit Report	-Address all matters contained in 2012/2013 Auditor General reports  -Internal Auditors, MPAC and Audit Committee to fulfil their oversight role in order to ensure clean audit	Council, MPAC, Audit committee, Municipal Manager and all HODs	30 June 2014	- Functionality of MPAC - Execution of Council resolutions - Proper reporting in terms of legislated requirements	- Appointment of additional MPAC members	- Additional MPAC members have been appointed and the committee is now fully functional

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
3. Solid Waste Removal	To review Integrated Waste Management Plan	Review the existing Integrated Waste Management Plan	Manager Physical Environment	30 March 2014	<ul style="list-style-type: none"> <li>- Insufficient resources (financial and human) to collect and transport waste</li> <li>- Poor planning</li> <li>- Lack of financial support from district</li> </ul>	Department of Agriculture and Environmental Affairs to intervene	
4. Eradication of Housing backlog	<ul style="list-style-type: none"> <li>- 20% incremental increase in new formal houses units</li> <li>- Review of Housing Sector Plan</li> </ul>	Identify future housing projects to be approved	Manager: Planning and Development	<p>On going</p> <p>- 30 June 2013</p>	- Capacity	Engage Department of Human Settlements (DoHS) in order to fast track the process	<p>-The DoHS Dundee Office is working closely with the Housing Section of the municipality in order to ensure that housing projects are fasttracked.</p> <p>-Prefeasibility Studies funding request for nine prioritised</p>

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
							housing projects has been submitted to Department of Human Settlements
5.Roads 5.1 Rural (access) roads  5.2 Urban (municipal) roads		<ul style="list-style-type: none"> <li>- Grading and levelling of access roads</li> <li>- Rehabilitation of urban roads</li> <li>- Maintenance of roads (rural and urban)</li> </ul>	Manager: Physical Environment	30 June 2014	<ul style="list-style-type: none"> <li>- Lack of coordination between municipality and Department of Transport</li> <li>- Lack of maintenance plan</li> </ul>	<ul style="list-style-type: none"> <li>- Funding from Department of Transport</li> </ul>	<ul style="list-style-type: none"> <li>- The Grader for rural access roads has been purchased.</li> <li>- The 2012/2013 prioritised urban roads are being rehabilitated utilising the MIG Grant.</li> </ul>
6.Eradication of electricity backlog	<ul style="list-style-type: none"> <li>-Facilitate eradication rural electricity backlog</li> <li>- Introduction of renewable/alternative energy</li> </ul>	<ul style="list-style-type: none"> <li>- Submit funding application to DoE and DBSA</li> </ul>	Manager: Physical Environment	30 June 2014	<ul style="list-style-type: none"> <li>- Funding approval from Department of Energy,</li> <li>- Municipal</li> </ul>	<ul style="list-style-type: none"> <li>- Engage DOE to approve funding</li> <li>- Liaise with Eskom network planning section</li> <li>- Secure funding to</li> </ul>	<ul style="list-style-type: none"> <li>- Commitment has been received from DOE to assist the municipality with funding.</li> </ul>

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
	- Erection of a substation				<p>Financial capacity to fund project prior the DOE approves funding</p> <p>- Network capacity constrains</p>	upgrade electricity capacity	<p>- Eskom has committed itself in improving network by: Installation of Greytown 132/11kV Sub and 33kV line to supply Greytown and improve voltages at the sub.</p>
7. Local Economic Development	<ul style="list-style-type: none"> <li>- Establishment of Umvoti Enterprise Development Agency</li> <li>- Identify opportunities which can boost the economy in Umvoti Municipal area</li> </ul>	<ul style="list-style-type: none"> <li>- Establishment of LED Forum</li> <li>- Engagement with various government departments in order to ensure effectiveness of LED programs</li> <li>- Establishment of the SMMEs and</li> </ul>	Manager: Planning and Development	30 June 2014	<ul style="list-style-type: none"> <li>- Financial constraints</li> <li>- LED Unit not established</li> </ul>	<ul style="list-style-type: none"> <li>- Engagement with various provincial and national departments as well as government LED entities (e.g. DEDT, DAEA, IDC, etc)</li> </ul>	<ul style="list-style-type: none"> <li>- LED Plan is currently under review</li> <li>- The municipality is the process of registering the State Owned Enterprise (SOE).</li> </ul>

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
		Cooperatives Database					
8.Office Buildings	-Municipality to have proper Offices as per the initial plan.  -Protection Services to be relocated with proper offices	- Preparation of a preliminary study - Consultation with the DBSA for loan application - Sourcing of alternative funding Consultation with Amafa KZN	Municipal Manager and all HODs	30 May 2013	-Assessment of financially viability to pay back the loan.	-National & Provincial Treasurer to access the financial strength of the municipality to pay back the loan.	
9.Reviewed Municipal Financial System	To audit and review the current financial system	Invite National Treasury to conduct an audit on the current financial system	Municipal Manager and CFO	30 December 2013	Current system is not linked to all municipal administrative functions	National Treasury	- National and Provincial Treasury have assessed the system. The municipality is awaiting assessment results.
10.Capacity Building for Councillors	Dissemination of information regarding	- Workshop councillors on	Corporate	15 May 2013		COGTA	- Delays have been

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING	PROGRESS TO DATE
	new legislations/regulations	<ul style="list-style-type: none"> <li>PDA Workshop councillors on new and amended legislations</li> </ul>	Services	On going			experienced and the PDA Training request will be made for July 2013.
11. Organisational Performance Management System and Organogram	Compliance with performance management regulations and Auditor General's report findings	<ul style="list-style-type: none"> <li>Quarterly performance reports compiled and submitted to COGTA and Treasury</li> <li>Ensure compliance with Umvoti Municipality Auditor General Action Plan</li> </ul>	MM & HODs	On-going		<ul style="list-style-type: none"> <li>Internal Auditors</li> <li>COGTA (PMS Unit and Municipal Finance)</li> <li>Provincial Treasury</li> </ul>	-

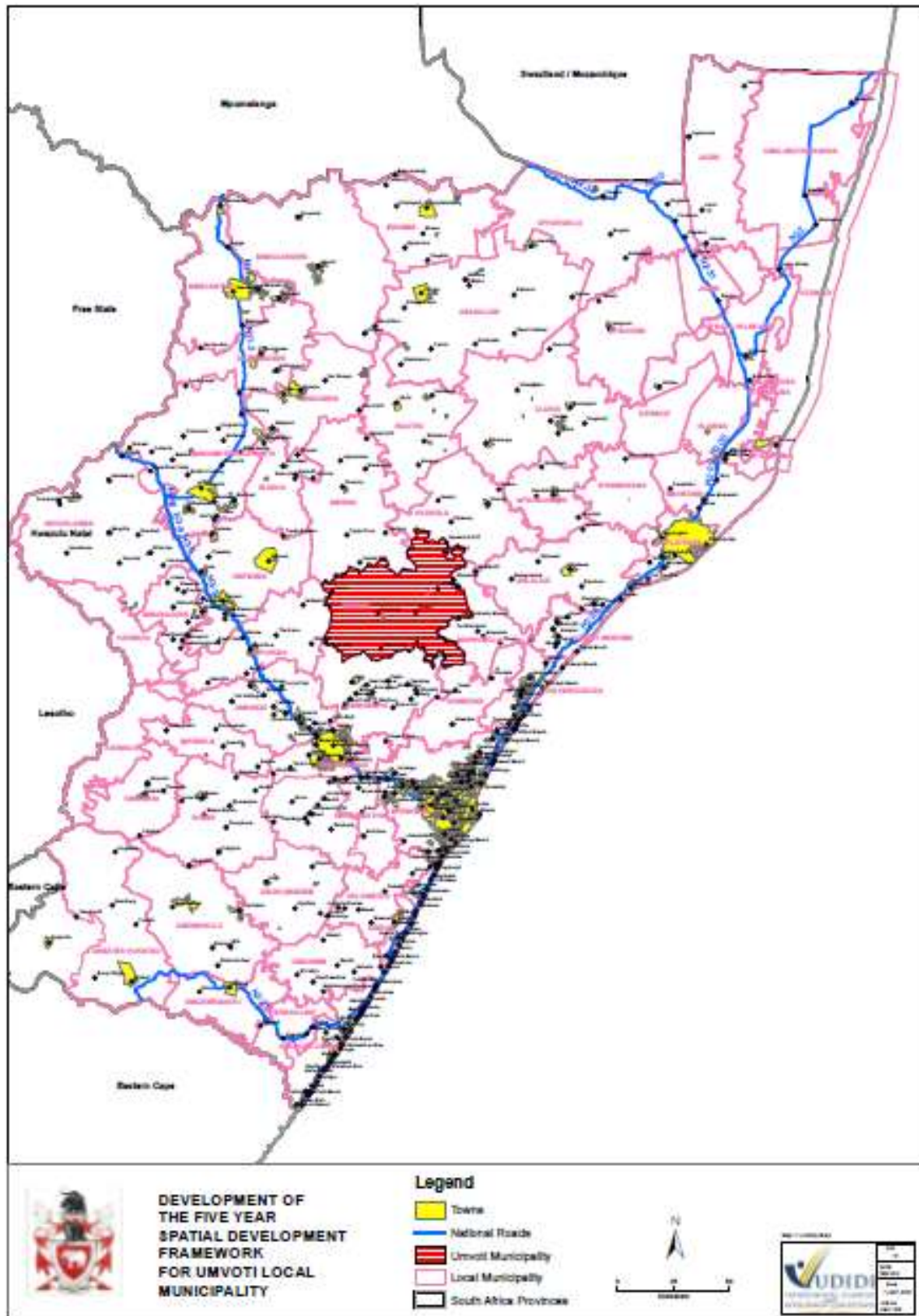
## SECTION 3: SITUATIONAL ANALYSIS

### 3.1 SPATIAL ANALYSIS

#### 3.1.1 REGIONAL CONTEXT

Umvoti Municipality is one of the local municipalities falling under Umzinyathi District Municipality. It is situated approximately 75km from Pietermaritzburg and 55km from Stanger, and includes the urban centres of Greytown and Kranskop (refer to Map 2). It is about 2509km<sup>2</sup> in extent and its population is estimated at 103 092 (Statsa 2011) people who are spread unevenly among the eleven wards. The municipality is located on the southern part of Umzinyathi District and borders onto uMgungundlovu District to the south, Mshwathi Local Municipality, and largely falls within the Pietermaritzburg functional economic region. The parts of the municipality that borders onto iLembe District enjoy the influence of Stanger-KwaDukuza economic region. The municipality is also well integrated into the Provincial transportation network. Route 33 serves as a major link between Greytown and Dundee while R74 connects the urban centres of Greytown, Kranskop and Stanger. Figure 2 below reflects location of Umvoti in the Provincial context:

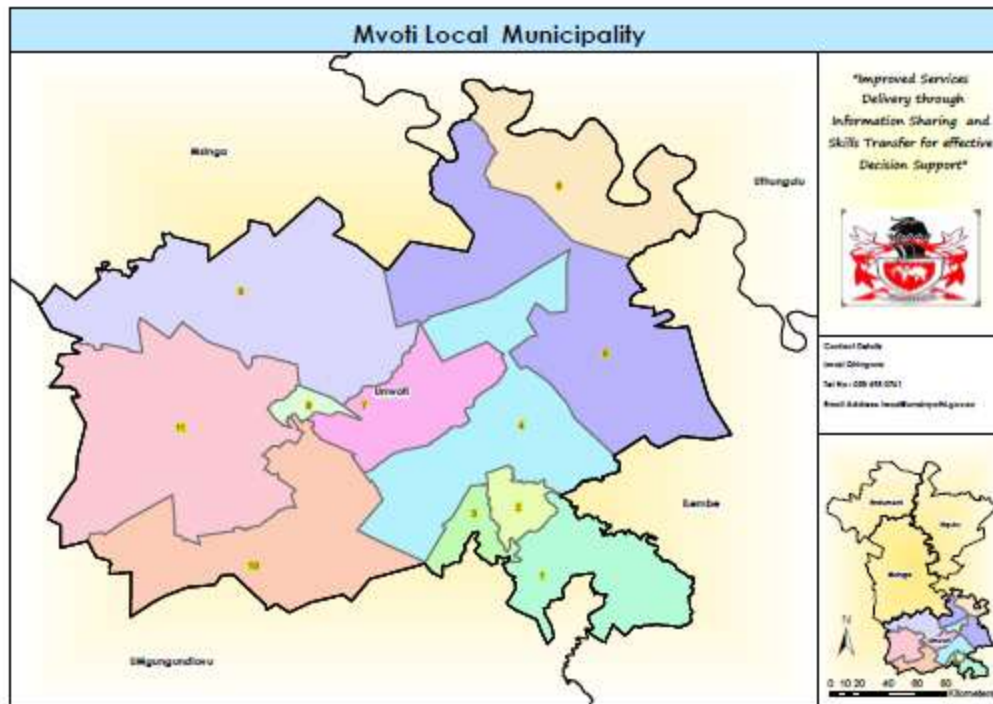
Figure 2: Location of Umvoti in the Provincial context



### 3.1.2 ADMINISTRATIVE ENTITIES

Umvoti municipality comprises of eleven (11) wards of which only four has an urban component (wards 5, 7, 9, 10).

**Figure 3: Umvoti Locality Map**



The whole of ward ten (10), Greytown is urban in nature and is the main town and the primary centre of the Umvoti municipality. Ward seven (7) is partial urban (township) and the other component is rural (Nseleni area). Ward nine (9) is also partial urban (portion of a township) and the other component of the ward is farm land. Ward five (5) comprises of the town of Kranskop and traditional authority area of Amakhabela. Table 2 below depicts the eleven wards of Umvoti Municipality with the population breakdown per ward and the percentage of population per ward.

**Table 8: Population by ward**

Ward	Population	%
Ward 1	10608	10.29
Ward 2	9887	9.59
Ward 3	9596	9.3
Ward 4	8081	7.83
Ward 5	9645	9.35
Ward 6	8796	8.53
Ward 7	11314	10.97

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Ward 8	11910	11.55
Ward 9	4875	4.72
Ward 10	8673	8.41
Ward 11	9708	9.41

There are 7 traditional authorities in Umvoti, namely:

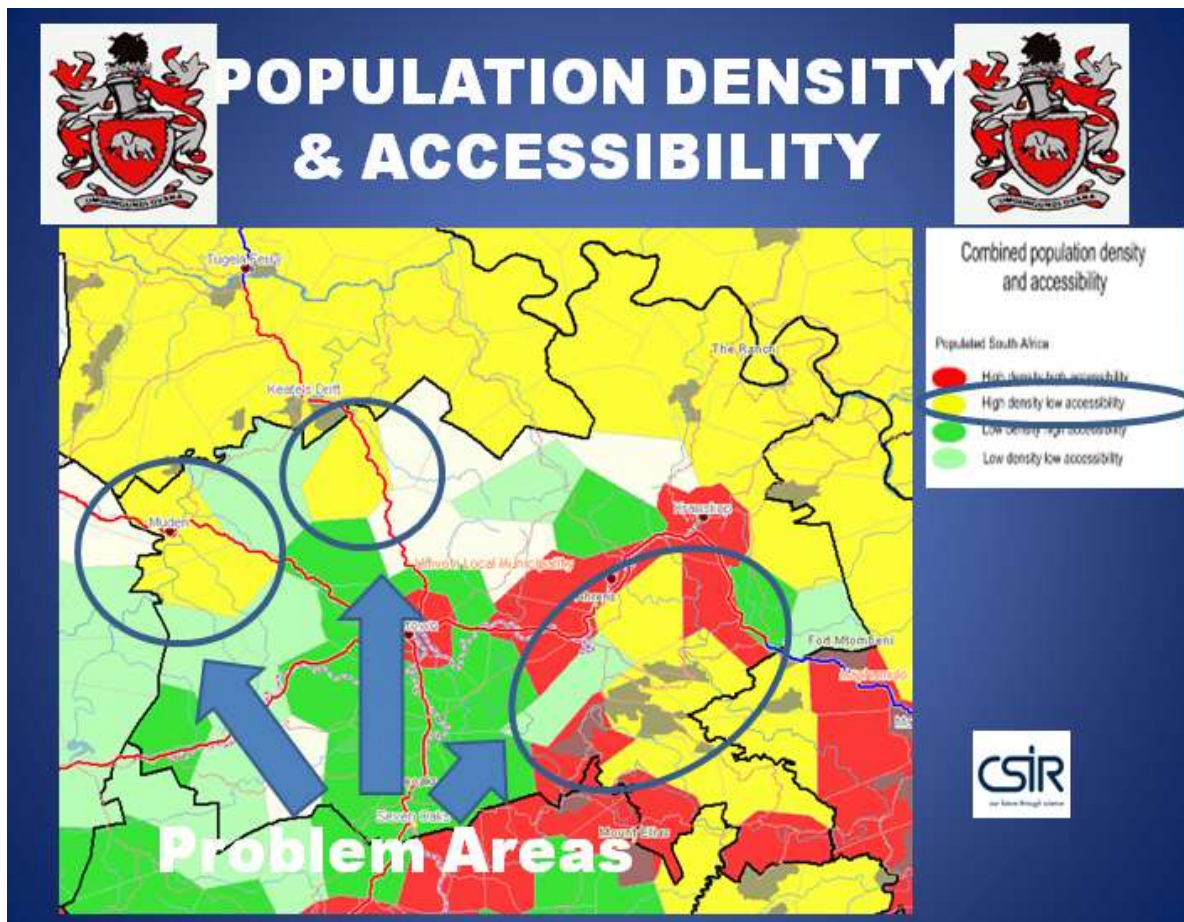
- Amakhabela 1 and 2
- Mthembu-Sithole
- Cele Nhangwini
- Bomvu
- Ntanzi
- Zondi
- Machunwini

Approximately 80% of the municipal population resides in the traditional authority areas. This is a classical South African Land issue. The tribal authorities are made up of wards 1, 2, 3, 4, part of 5, 6, part of 7, 8 and part of 11. Most of ward eleven (Muden area) is formed by farms which resulted from the land redistribution and tenure processes.

### **3.1.3 ACCESSIBILITY**

The following map summarises the concentrations of residents per mesozone in terms of accessibility. The areas indicated in red highlight where high concentrations of people occur that are accessible. The problem areas in the municipality are those indicated in yellow and circled on the map. These areas indicate where people live in high density with low accessibility.

Figure 4: Population Density and accessibility (CSIR,2004)



### 3.1.4 STRUCTURING ELEMENTS

Umvoti Municipality is dominated by dispersed rural settlements located in traditional areas. The main urban centres in Umvoti Municipality are Kranskop and Greytown which are considered as the main centres located within the agricultural area. Greytown and Kranskop offer support/cater for both rural and urban areas. The two mentioned centres are supported by other two small nodes namely Mudon and Keate's Drift for small scale commercial purposes. It has been pointedly eminent that the growth of the two centres is influenced by both urban and rural population; however the area where most of the population reside has not been noted that. Most of the population reside in rural areas.

Umvoti Municipality settlement is influenced by population residing in different areas. In this case, the majority of population reside in traditional areas and fewer people reside in urban areas due to the scale of the urban centres.

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### 3.1.5 EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)

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#### 3.1.5.1 DEVELOPMENT CORRIDORS

##### 3.1.5.1.1 PRIMARY DEVELOPMENT CORRIDORS

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The system of development corridors is based on the function of each corridor and the nature of the activities that occurs within its area of influence. The roads linking Greytown with Stanger and Pietermaritzburg serve as trade routes and are both serve as collector distributor routes to the national routes (N2 and N3). In addition, they serve as link roads with major provincial centres such as Durban, Pietermaritzburg and Richards Bay. Administratively, Umvoti forms part of Umzinyathi District, and its catchments in economic terms include the Greater Umsinga area. This highlights the importance of integration and connection between these areas, and implies the importance of the road to Dundee. Besides being a public passenger transport route, this corridor has a series of development nodes and plays a critical role in facilitating service delivery to the rural communities both within and outside of Umvoti. It also has potential to serve as a tourist access route to the battlefields. This route requires substantial upgrading.

##### 3.1.5.1.2 SECONDARY CORRIDORS

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Secondary corridors link the primary centre to the secondary centres or areas outside Umvoti Municipality. The following secondary corridors have been identified, namely:

- The road to Mooi River (R622) serves as a major link to the Mooi River and Rietvlei and other commercial farming districts. It also links Greytown to Mooi River town.
- The corridor to Maphumulo through Eshane/Matimatolo is intended to facilitate development and service delivery in Eshane, Matimatolo and neighbouring areas.
- The corridor from Kranskop to Eshowe is similar to that from Kranskop to Nkandla as they both attempt to link Umvoti with areas across Uthukela River and have potential to serve as major tourist access routes to the Zulu Culture and Heritage Route.

##### 3.1.5.1.3 TERTIARY CORRIDORS

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Tertiary development corridors facilitate linkages between settlements and serve as strategic areas for the location of public facilities. They also form the basis for the identification of settlement webs.

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#### 3.1.5.2 SYSTEM OF DEVELOPMENT NODES

##### 3.1.5.2.1 PRIMARY SERVICE CENTRE

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Greytown has been identified as a primary service centre. This is in view of its diverse role as the main administrative, service and commercial centre within Umvoti Municipality. As an administrative centre, it accommodates the municipal offices and sub-regional offices of various

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government departments. It is also the main industrial area, and is strategically located for the processing of raw materials produced within and outside the municipal area.

Over the last few years, Greytown has somewhat experienced both economic and infrastructural decline. This is evident in the lack of new developments and deterioration of service and industrial infrastructure. It should thus be considered for urban renewal. A detailed development plan for Greytown is also required.

#### **3.1.5.2.2 SECONDARY SERVICE CENTRE**

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Kranskop is the second largest centre within Umvoti Municipality. It performs a variety of functions including administration, service delivery and commercial centre. Its influence is limited, and its administrative function is likely to wane further with the introduction of the new municipal system and development of Greytown as the main administrative centre. However, it is strategically located to serve the Makhabeleni and the neighbouring rural settlement, as well as commercial farms in terms of both service delivery and commercial development.

#### **3.1.5.2.3 TERTIARY SERVICE CENTRE**

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Two types of tertiary centres have been identified. The first type is mainly administrative in nature, but has potential to develop into commercial centres as well. These are located in under-developed areas such as Makhabeleni and Matimatolo, and are intended to facilitate service delivery. Public sector investment in the form of Multi-Purpose Community Centres (MPCC) that can accommodate a range of social services and government departments should be prioritized in these areas. The same applies to sports fields, post offices, etc.

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#### **3.1.6 BROAD LAND USES**

Umvoti is characterized by extensive commercial agriculture areas, dispersed rural settlement located in traditional authority areas. Greytown and Kranskop are the main urban settlements, but there are other small commercial nodes such as Muden and Keate's Drift just outside Umvoti. The pattern is heavily influenced by mountainous areas and deep river valleys, which create difficulties for the provision of infrastructure.

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##### **3.1.6.1 COMMERCIAL FARMING**

Commercial farmlands account for more than 70% of the Municipal area. Forestry plantations and dry land crop production are the dominant agricultural land uses. Irrigated agriculture occurs mainly along the Rivers and to a limited extent away from the rivers. Livestock farming is mainly concentrated in areas with marginal crop production potential.

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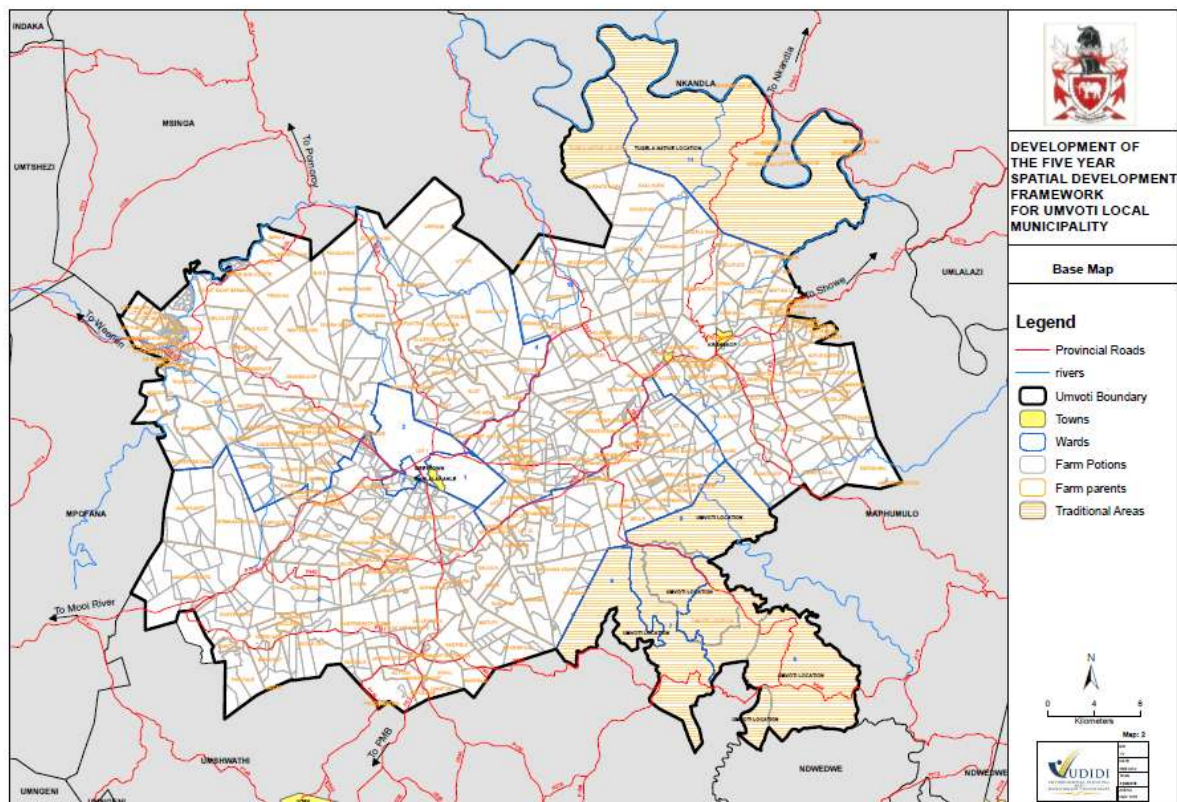
##### **3.1.6.2 TRADITIONAL COUNCIL AREAS**

There are 7 traditional authorities in Umvoti, namely:

- Amakhabela 1 and 2
- Mthembu-Sithole
- Cele Nhlanguwini
- Bomvu
- Ntanzi
- Zondi
- Machunwini

The Base Map below shows location of traditional authorities in Umvoti Municipal Area.

Figure 5: Umvoti Base Map



Approximately 80% of the municipal population resides in the traditional authority areas. This is a classical South African Land issue. The tribal authorities are made up of wards 1, 2, 3, 4, part of 5, 6, part of 7, 8 and part of 11. Most of ward eleven (Muden area) is formed by farms which resulted from the land redistribution and tenure processes.

### 3.1.7 URBAN COMPONENT

The urban component is made up of two growth centres being Greytown and Kranskop. The two are situated at the centre of a highly productive area of intensive agriculture. The growth patterns of the two urban centres have been greatly influenced by the past efforts to preserve the valuable areas of good agricultural land. The two offer a range of services to a significant proportion of the population in both commercial farms and the rural hinterland. None of the urban centres is located in the traditional authority areas where the majority of the population resides.

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### **3.1.8 LAND OWNERSHIP**

The majority of the land is under private ownership, with communal land coinciding mainly with traditional authority areas in the south and northern parts of the municipal area. Ownership patterns within Greytown and Kranskop are mainly private and the Local Municipality. The other portions are owned by the state and are under the control of the National Department of Public works.

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### **3.1.9 LAND CLAIMS**

There are a number of land reform and land restitution projects within the jurisdiction of Umvoti municipal area:

- Eshane Community Land Trust
- Vukile Community Land Trust
- Stegan
- Zondi
- Ntabenzima
- Emsi
- Somashi
- Goudina
- Scheeperdal
- Mt. St Bernards
- Franschoek
- Moodraai
- Phasiwe

Development of the rural settlements around the land reform projects should be encouraged in order to curb migration to Greytown and Kranskop. The development of Muden and Ahrens as satellites will promote the land reform projects in the hinterland. Service delivery should therefore be directed at the satellites to promote this growth of the satellite. The following are some of the major spatial development challenges facing most Land Reform Projects within Umvoti:

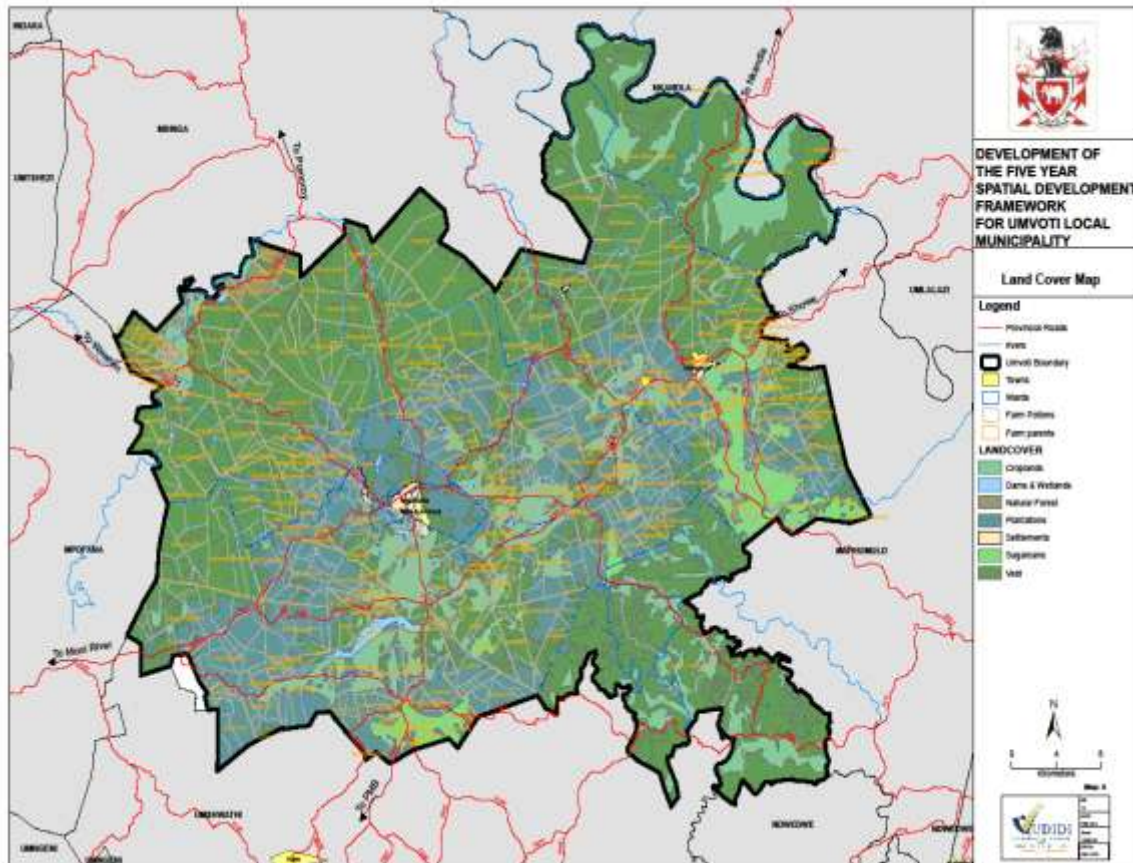
- Integration into the broader settlement pattern and economic activities
- Effective and productive land use
- Land Use Management

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### **3.1.10 LAND COVER**

Umvoti is well known of agriculture, commercial farming is well practiced. Umvoti SDF (2009), states that commercial farmlands account for more than 70% of the Municipal area. Forestry plantations and dry land crop production are the dominant agricultural land uses. Irrigated agriculture occurs mainly along the Rivers and to a limited extent away from the rivers. Livestock farming is mainly concentrated in areas with marginal crop production potential. Figure 6 depicts the land cover in Umvoti Municipal area.

**Figure 6: Land Cover Map**



### 3.1.11 PRIVATE SECTOR DEVELOPMENTS

The Inkosi Bhambathatha Private Hospital is currently under construction and was approved through Section 47 bis of the Town Planning Ordinance of 1949. The Mavundla Square (Shopping Centre) and Mascor Toyota (showroom and garage) have been approved through the KwaZulu-Natal Planning and Development Act, No. 6 of 2008.

The Rural Metro Training Centre application has been submitted through the PDA and is in the process of being approved. These developments will add value to the municipality in terms of the service that will be offered and in terms of rates contribution.

### 3.1.12 ENVIRONMENTAL ANALYSIS

#### 3.1.12.1 THE PHYSICAL ENVIRONMENT

Umvoti Municipality is located at the edge of the Midlands area, which is renowned for its high agricultural potential and high value outputs which accounts for its competitive advantage both provincially and nationally. This area stretches from Underberg and Ixopo in the south to Kranskop in the north and is often referred to as the Midlands Mistbelt. The Midlands Mistbelt is characterised by mean annual rainfall that varies from 800 mm to 1 276 mm. Mist is a common feature in the area.

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Crop production hazards include occasional dry spells in summer and mist and cloud cover in early summer. Hot "Berg" winds in spring are frequently followed by cold spells.

Umvoti has a temperate climate. Temperate climates are those without extremes of temperature and precipitation (rain and snow). The changes between summer and winter are generally invigorating without being frustratingly extreme. Rainfall varies from more than 800mm in Umvoti and Endumeni, to less than 400 mm in parts of Msinga. Precipitation is primarily associated with summer thunderstorms, which can be accompanied by strong winds and hail. Temperature averages range from minimum of 2°C in winter to max of 23°C in summer, with an average of 14°C.

The topography is undulating, although some areas are steeper than others. The Greytown and Umvoti River areas are characterized by good soils and moderate topography which makes it highly viable for agricultural activities. The area between Greytown and Kranskop has very acidic soils and steep slopes; which has resulted in recurring problems of soil erosion and therefore unsuitable for agriculture.

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### **3.1.12.2 HABITATS**

There are different habitats types found in Umvoti area which are suitable for different species, namely:

- Wetlands and watercourses
- Streams
- Rivers
- Forests
- Grasslands
- Dams

The Hilton Daisy (*Gerbera aurantiaca*) population found in the grasslands surrounding the Lake, is thought to be the largest population of the red-flowered variety (Figure 1) and the critically endangered Wattled Crane has nested in the wetlands for the past 3 years.

Figure 7: The Hilton Daisy (*Gerbera aurantiaca*) found on Lake Merthley Nature Reserve



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### 3.1.12.3 KEY HYDROLOGICAL FEATURES

The key hydrological features for Umvoti municipality comprise of:

- Lake Merthley Dam
- Rivers and streams
- Umvoti river

The entire river system in the municipal area is vulnerable. It implies that special attention will have to be paid to all development affecting the river system. The Umvoti River is already critically endangered and all development that might impact or affect the river will have to be very carefully monitored.

The catchment areas are vulnerable since large areas are exposed to erosion and agricultural practices in the traditional areas results in little or no ground cover. Good permanent ground cover is important for the long-term sustainability of catchments areas.

The bulk of Lake Merthley Nature Reserve is made up of an extensive wetland system which regulates water supply into the Merthley dam, the water supply dam for the town of Greytown. The wetland occurs in the headwaters of the Greytown Stream within the quaternary sub-catchment U140B. The Greytown Stream is a tributary of the Heinespruit that leads into the Umvoti River.

The Lake Merthley Nature Reserve wetland is comprised of several different hydrogeomorphic units. The mainstem (main body) of the wetland is a channelled valley bottom wetland (143ha) that is fed

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by a number of tributaries. The tributaries that enter the wetland on the eastern side are large (between 17 and 21ha) mostly unchannelled valley bottom wetlands. These tributary wetlands originate on the footslopes of the dolerite capped ridge in the east and appear to be fed primarily by seepage. Subsurface flows that enter from the east are far smaller ( $\leq 1$ ha) unchannelled seepage type wetlands. The seeps lie on higher ground, elevated on a sandstone bench (Ecca group) some 20-25m above the main body of the wetland. The seeps discharge over the edge of the bench down a steep sided valley into the main body of the wetland below. The water supply for these seepage wetlands comes from shallow secondary aquifers within overlying shale and siltstones (within fractures and joints). The water stored in the aquifer is discharged as perched springs or seepage wetlands along the contact zone between the shale and siltstone and the underlying sandstone. The seeps on the western bank of the mainstream wetland are not delineated.

#### **Pressures:**

- Reduced runoff from forestry areas as a result of high rainwater retention capacity (water infiltrates and causes detachment of soil particles and therefore results to soil erosion)
- Reduced water quality (due to pollution)
- Increased runoff
- Increase storm water peak flow intensity as well as increase in total annual storm water runoff.
- Water scarcity (in areas dependent on groundwater)
- Groundwater pollution as a result of poorly managed industrial practices
- Groundwater abstraction
- Siltation of wetlands
- River pollution as a result of drainage of pit latrines into rivers

#### **Proposed Interventions:**

The proposed interventions apply to both Umzinyathi district and its local municipalities:

- Determine all the source points contributing to declining water quality and set target objectives to minimize the impact on the health of this system.
- Bioaccumulation studies should be conducted on sediments, fish and birds hosted by the dam to derive benchmark values for contamination.
- Support the implementation of basic sanitation infrastructure projects
- Implementation of best practice environmentally sensitive storm water management systems.
- Water utilization training initiative should be initiated to train the local communities on water utilization.
- Wetlands and its tributaries act as environmental sieves and sponges and its value should be quantified. Set out research initiatives to locate all wetland systems in the district and do in depth biodiversity studies to determine the ecological value of these areas
- Strict policy for protection of wetlands from development and rehabilitation of degraded wetlands to improve water quality, water flow regulation and habitat provision at a regional scale.
- Ensure that all legal requirements in terms of environmental authorization and water use licenses are enforced for all infrastructure in water courses

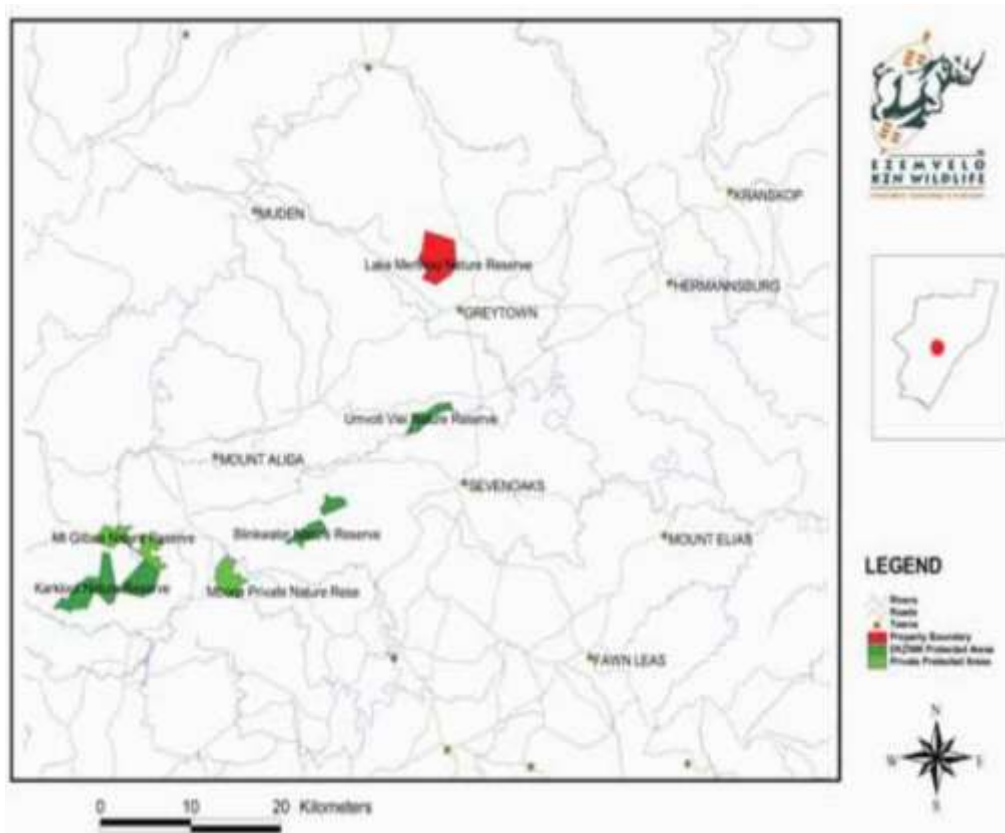
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- Water reticulation still a major priority in the area and efforts to supply potable water service to all communities should be a priority
  - All new developments must consider their impact on regional water quality.
  - Location of potentially polluting activities of infrastructure, especially waste disposal sites and cemeteries and settlement areas, should carefully consider geohydrological conditions during site selection.
  - Institute a long term monitoring program that allows specific identification of water pollution sources
  - Regulate the utilization of ground water in the area as allowed for by the specific permits adjudicated. Satellite technology can be applied to assess the groundwater utilization status in agricultural practices.
  - Develop contingency plans for periods of drought with emphasis on communities reliant on borehole water
  - Investigate different water availability scenarios for the next 20 years following rainfall, recharge and evaporation data and expected consumer pressure and plan realistically for future utilization
  - Wetland delineation should thus be conducted at a site specific scale in new developments
  - Ground water pollution can be addressed through provision of appropriate sanitation.

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#### **3.1.12.4 PROTECTED AREAS**

The Lake Merthley is one of the main protected areas for Umvoti Municipality. The municipality in partnership with Ezemvelo KZN-Wildlife is on the process of proclaiming Lake Merthley as a Nature Reserve. There is a very clear case for achieving formal protection in the Lake Merthley Nature Reserve area. The majority of the unplanted portion of the proposed area (11 of 17 grids) is classified as “High irreplaceability” within the EKZNW Conservation Plan due to the presence of Midlands Mistbelt Grassland and the Black-headed Dwarf Chameleon (*Bradypodion melanocephalum*). The Lake Merthley Nature Reserve is important in terms of ecological functionality, as it provides water security to the uMvoti municipality via the Lake Merthley Dam. The Lake Merthley Nature Reserve will be a partnership between the provincial conservation body EKZNW, the landowner (uMvoti Municipality) and Mondi, and will demonstrate the potential for mainstreaming biodiversity conservation within a production sector as biodiversity conservation is achieved within a commercial plantation estate.

**Figure 8: Regional location of Lake Merthley Nature Reserve**



The values of a place are those remarkable attributes that exemplify that led to it being identified as a priority for the Biodiversity Stewardship Programme. The values are important in planning and management, as they are the aspects of the place that must be protected. The values of Lake Merthley Nature Reserve include:

**Table 9: Values of Lake Merthley Nature Reserve**

Values	Explanation
Natural Value	<ul style="list-style-type: none"> <li>• The Nature Reserve contains two major habitats: Midlands Mistbelt Moist Grasslands (Endangered) and Alluvial Wetlands: Temperate Alluvial Vegetation.</li> <li>• The Nature Reserve provides suitable</li> </ul>

	<p>habitat</p> <p>for endangered and critically endangered species, including the following key species:</p> <p>Wattled Cranes, Hilton Daisy, <i>Watsonia canaliculata</i>, <i>Kniphofia latifolia</i> and Long toed tree frog.</p> <ul style="list-style-type: none"> <li>• The Nature Reserve provides suitable habitat</li> </ul> <p>for endemic and priority species such as</p> <p><i>Dierama luteoalbidum</i>, Black-winged Lapwing, Buff-streaked Chat, Striped Flufftail, Lanner Falcon, Yellow-bellied House Snake, Blackheaded Dwarf Chameleon, Spotted Harlequin Snake, Striped Caco and Natal Chirping Frog.</p>
Ecosystem Service Values	<ul style="list-style-type: none"> <li>• The Nature Reserve contains 196 ha of wetland</li> </ul> <p>which form important foraging areas for the wattled crane pair and are essential to the water quality and water security of the dam.</p>

### 3.1.12.5 BIODIVERSITY

The most dominant vegetation types in the whole Umzinyathi District include the Midlands Mistbelt Grassland in the southern parts of the district around Greytown Thukela Valley bushveld and Thukela Thorneveld in the central parts, KwaZulu Natal Highland Thornveld in the north eastern parts of the district, and Income Sandy Grassland in the northern parts. The indigeneous forest patches are mainly concentrated in the southern and eastern parts of the Umvoti Municipality. The densest stands of trees are limited to afforested areas (plantations), which are not regarded as ecologically sensitive.

In terms of the Umzinyathi District Integrated Environmental Programme (2012), Umzinyathi shows a large variation in fled types which changes according to the way it is treated. The main driving force causing vegetation change is selective grazing. This causes the actual veld condition (species

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composition and cover) at a given time to differ from the modal veld type composition or benchmark.

110 vegetation types are not protected at all. Most national or regional initiatives aimed at managing biological invasions lack objective protocols for prioritising invasive species and areas based on likely future spread.

**Pressures:**

- Loss of indigenous vegetation.
- Reduced water resource through alien invasive vegetation.
- Increased risk of flooding
- loss of indigenous vegetation
- Increased soil erosion
- Wetland destruction or drainage,
- flow patterns, and groundwater abstraction
- Reduced vegetation cover leading to reduced primary productivity and land carrying capacity
- Over grazing
- Uncontrolled veld fires
- Wood burn

**Proposed Interventions:**

- Develop a detailed strategy to preserve indigenous grasslands and consider in the identification of IDP project planning where possible.
- The location of all projects identified in the IDP should consider the identified environmentally sensitive areas
- Annual monitoring of fixed points as well as spot checks in the broader area. Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years
- A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.
- An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.
- Training and education on the implication of overexploitation of medicinal plants must be conducted with the local communities.
- All EIA's for developments to consider their potential impact on Red Data species.
- Developments should be avoided in areas that contain Red Data Species.
- Compile an inventory of wetlands in the district
- Compile guidelines for the protection of all wetland areas
- Co-ordinate activities of water users and of water management institutions within its water management area.
- A 'greening' programme in urban and rural areas to provide shade, erosion protection, and beautification
- Prepare and adopt an Invasive Species Monitoring, Control and Eradication Plan that is integrated and aligned with the IDP
- Prioritize areas for eradication which is accessible and degrading tourism as well as agricultural value.
- Include the local community in eradication programs as an economic empowerment project.

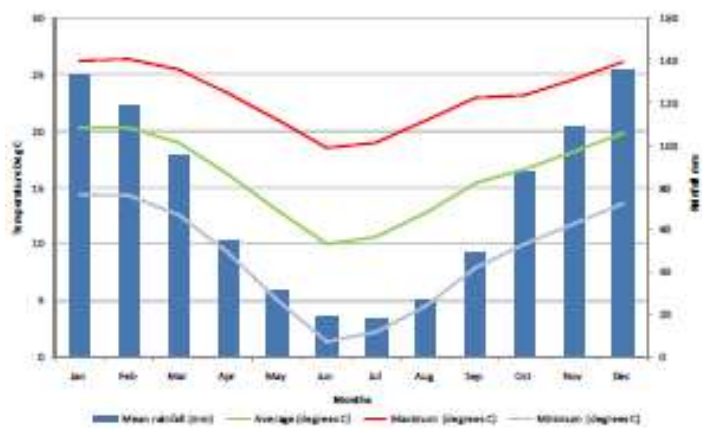
- Landowners educated and empowered considering their mandate to clear invasive species on their land.

### 3.1.12.6 CLIMATE CHANGE

The Lake Merthley Nature Reserve is in a summer rainfall area with a relatively high average annual rainfall. The mean annual precipitation is 872 mm, the potential evapotranspiration is 1699mm and run-off is 110mm. Precipitation is primarily associated with summer thunderstorms, which can be accompanied by strong winds and hail. Temperature averages range from minimum of 2°C in winter to max of 23°C in summer, with an average of 14°C.

Winters vary from cool to very cold with frequent thick frosts, and are generally very dry except for infrequent snow during cold fronts. These conditions lead to most of the grassland species entering a state of senescence, with the above-ground portions dying. Pre-frontal conditions can become warm with very strong westerly winds driving down from the escarpment. Such climatic combined with the fuel-load associated with the dead material in the grasslands result in very dangerous fire conditions.

**Figure 10: Climate Data for the Greytown area**



Umvoti Municipality faces increasing levels of disaster risk. It is exposed to a wide range of natural hazards, including severe storms, floods, heavy snow and lightning that can trigger widespread hardship and devastation. The Municipality's extensive forestry industry, coupled to the major transportation routes, inside the municipality as well as those leading to other major centres, present numerous catastrophic and hazardous materials threats. In addition to these natural and human-induced threats and despite on-going progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability – in underdeveloped, ecologically fragile or marginal areas – where they face recurrent natural and other threats that range from flooding to informal settlement fires.

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### **3.1.12.7 C-Plan (Irreplaceability)**

In terms of the C-plan data mandatory reserves (areas that have to be protected) are located in the northern and north-western parts and negotiated reserves are scattered throughout the municipal area. In addition, an area which is important for blue swallow protection has also been identified i.e. Roselands Stewardship Project (refer to Map 3).

South Africa has ratified the International Convention on Biological Diversity, which commits the country, including KwaZulu-Natal, to develop and implement a strategy for the conservation, sustainable use and equitable sharing of the benefits of biodiversity. In terms of the Constitution of South Africa, KwaZulu-Natal has responsibility for the function of nature conservation in the province, except for national parks, marine resources and national botanical gardens, and concurrent responsibility for the environment.

The Biodiversity Bill also requires Provincial Authorities together with the Department of Environment and Tourism, to compile and implement a 'Bioregional Plan' for the province that ensures that a minimum area of each bioregion with all its representative ecosystems is protected. The results of such a planning process have both strategic planning value as well as reactive value in the event of a change in land use being proposed. Thus, the opportunity arises to have a significant input into the environmental component of the Municipal Integrated Development Plans, and via this mechanism make a meaningful and positive contribution to environmentally sensitive development in the province. Umgungundlovu has developed a biodiversity sector plan which is incorporated in the analysis.

In essence important areas of environmental significance need to be identified to protect and preserve valued ecosystems, natural habitats and special case areas in order to minimize negative impacts. In terms of land use management, the specific ecosystems and vegetation communities that require environmental management are wetlands, grasslands, and indigenous forests that contain the habitats of important species. It should be noted that environmental management need not be limited to the protection/preservation but also areas may be identified for opportunities that a particular environment may provide such as the rehabilitation of wetlands, eco-tourism opportunities etc.

One of the development issues in the municipality is the promotion of LED through agriculture and tourism. There are also various projects associated with settlement growth through the implementation of Land Reform and Housing programmes. Therefore it is essential that while accommodating these challenges, environmental assets associated with the municipality are not undermined.

#### **3.1.12.7.1 IRREPLACEABILITY ANALYSIS**

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The first product of the conservation planning analysis in C-Plan is irreplaceability map of the planning area, in this case the province of KwaZulu-Natal. This map is divided by 2km grid cells called 'planning units'. Each cell has associated with it an 'Irreplaceability Value' which is one reflection of the cells importance with respect to the conservation of biodiversity. Irreplaceability reflects the planning units' ability to meet set 'targets' for selected biodiversity 'features'. The irreplaceability value is scaled between 0 and 1.

Irreplaceability value – 0. Where a planning unit has an irreplaceability value of 0, all biodiversity features recorded here are conserved to the target amount, and there is unlikely to be a biodiversity concern with the development of the site.

Irreplaceability value – 1. These planning units are referred to as totally irreplaceable and the conservation of the features within them are critical to meet conservation targets. (EIA very definitely required and depending on the nature of the proposal unlikely to be granted).

Irreplaceability value > 0 but < 1. Some of these planning units are required to meet biodiversity conservation targets. If the value is high (e.g. 0.9) then most units are required (few options available for alternative choices). If the value is low, then many options are available for meeting the biodiversity targets. (EIA required and depending on the nature of the proposed development, permission could be granted).

#### **3.1.12.7.2 C-PLAN AND MINSET**

Minset is a function or tool within C-Plan (Conservation Planning Software) that is used to identify a 'minimum set' of sites (planning units) that would fulfil the aim firstly of achieving the conservation targets within a number of constraints that can be set by the user e.g. avoid highly productive agricultural land, or land adjacent to major highways. It presents the most efficient solution to achieving conservation targets and other land use constraints. The Minset output map shows areas that are already protected, 'Mandatory Reserves' and 'Negotiable Reserves'. Mandatory reserves are those areas that appear as totally irreplaceable on the irreplaceability map, since there are no other alternatives for achieving the conservation targets. Areas identified as negotiable reserves are the areas that the Minset function returns as the most efficient for achieving targets and constraints. However there are alternatives to achieving the targets and constraints but with less efficiency, and hence the designation of this area is still negotiable.

In using the results of the Minset analysis for impact assessment and incorporating recommended areas into regional and local plans, planners need to proceed with caution. While mandatory reserves (totally irreplaceable areas) must be incorporated to meet conservation targets, negotiable reserves need not. However with respect to the latter, if an area is rejected for incorporation into the conservation network, landscape planning cannot end there. For the planning cycle to be completed in this respect, the planner must identify and recommend the incorporation of alternative sites that will allow the targets for the affected biodiversity assets to be satisfied. This will involve the rerunning of the Minset analysis with the initially excluded site removed from the analysis, and is what makes C-Plan a truly interactive and iterative planning tool.

Figure 11 : C-Plan

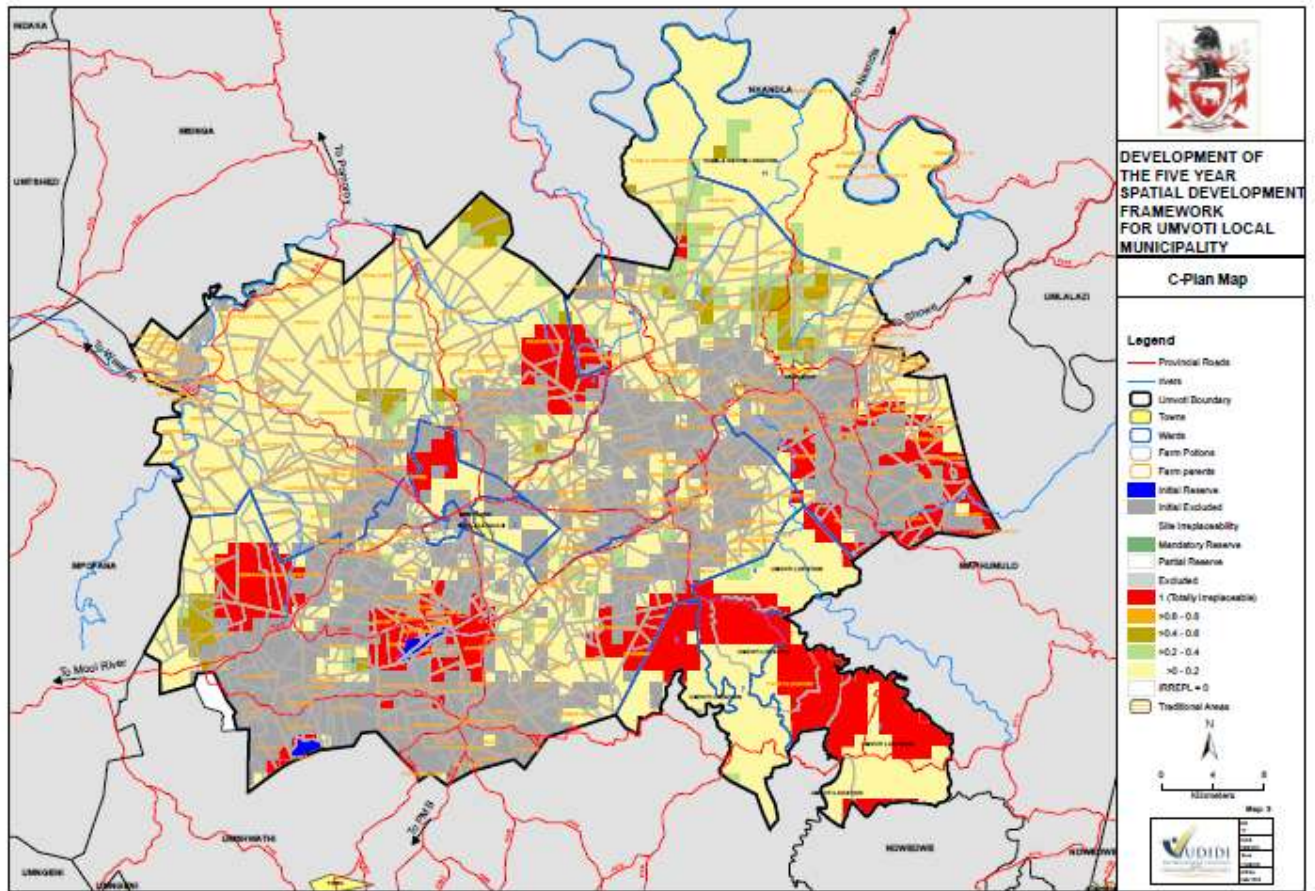
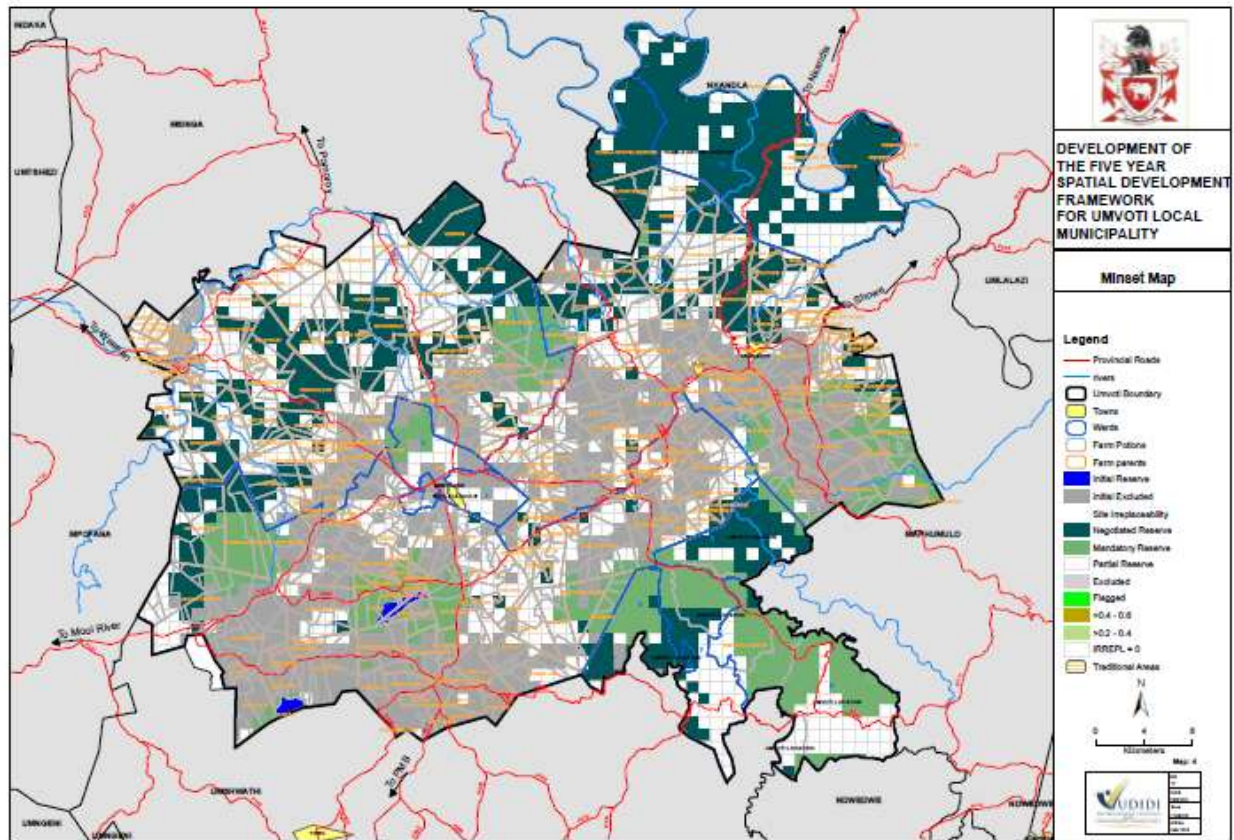


Figure 12 : Minset



### 3.1.12.8 RIVER SYSTEM, WETLANDS, DAMS AND FLOOD LINES

The Umvoti Municipality is very well watered with many perennial rivers and streams and a large number of farm dams. There should be demarcation of the 1:100 flood lines for all watercourses to control future development within these zones. The prohibiting of all future development within this area should be subject to Environmental Impact Assessment (EIA'S).

It must be stressed that wetlands identified over and above these maps should be subject to the same guidelines:

- (i) Infilling, drainage and hardened surfaces (including buildings and asphalt) should not be located in any of the wetland zones (i.e. permanent, seasonal and temporary) such activities generally result in significant impacts on a wetland's hydrology, hydraulics and biota and on the goods and services wetlands provide.
- (ii) Hardened surfaces and erven should be located at least 15 m outside of the outer boundary of the seasonal/permanent zone (Note: if the width of the outer temporary zone is greater than

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15m and Item 1 above is met then this requirement would automatically be met). The seasonal and permanent zones generally have surface water for extended periods. In the case of seasonal zones, it may be for most of the wet season and in the case of permanent zones, it may be throughout the year. A buffer is required between areas potentially generating non-point source pollution and such areas characterized by surface water.

- (iii) Extension to the buffer in localized areas should also be included to minimize the impact of concentrated stormwater run-off into the wetland. Stormwater outflows should not enter directly into the wetland. A predominantly vegetated buffer area at least 20m wide should be included between the stormwater outflow and the outer boundary of the wetland, with mechanisms for dissipating water energy and spreading and slowing water flow and preventing erosion. This buffer is particularly important when the catchment feeding the stormwater drain comprises predominantly hardened surfaces. Extensive hardened surfaces in the catchment and stormwater drains significantly increase the intensity of stormwater runoff, which increases the risks of erosion in a wetland. In addition, urban stormwater runoff is often polluted. A buffer is therefore required to reduce the energy and erosive power of the stormwater and to decrease the level of pollutants in the runoff before it enters the wetland.
- (iv) Where the wetland has a particularly high biodiversity value, further buffering may be required, the width of which would depend on the specific requirements of the biota. This should be determined in consultation with Ezemvelo KZN Wildlife. The value of a wetland for biodiversity derives not only from features of the wetland but also from the quality of natural, non-wetland areas adjacent to the wetland, as many wetland dependent species such as the giant bullfrog (*Pyxicephalus adspersus*) require both wetland and non-wetland habitat.
- (v) If a road crossing is planned in a wetland, first seek an alternative route. If this is not available then ensure that the road has minimal effect on the flow of water through the wetland (e.g. by using box culverts rather than pipes). Do not lower the base level of the wetland or any stream passing through the wetland. Ensure an adequate buffer is present to deal with run-off from the road (see Item 3 above). During construction, minimize disturbance of the wetland at and adjacent to the road crossing site. Road crossings may potentially greatly modify local water flow patterns in a wetland. In addition to having a damming or draining effect on the flow upstream of the road, roads which do not allow for the adequate passage of water may concentrate flow downstream, increasing the erosion hazard and drying out this portion of the wetland. A lowering of the base level increases the gradient in the wetland, thereby increasing the speed of water flow and its erosive potential and the extent to which it contributes to lowering the water table.
- (vi) Where a road runs alongside a wetland and it intercepts natural hill slope runoff into the wetland, the road should be set back from the boundary of the wetland by at least 20m and

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feed-off points should be included at frequent intervals along the road (at least every 100m) and the outflows of these should conform to the requirements of the stormwater outflows (given in Item 2 above). A road running alongside a wetland can strongly affect the natural hill slope runoff into the wetland by intercepting this runoff and concentrating it in localized entry points. The fewer the feed-off points into the wetland and the less protected they are, the more severe this effect will be.

- (vii) Where development (e.g. hardened surfaces, infilling and drainage) in a wetland is unavoidable then the resulting impacts must be mitigated. In many cases, off-site mitigation may be the only means of achieving satisfactory mitigation. The cumulative loss of wetlands in South Africa is already very high (see Section 1.1) and the continued net loss of wetlands needs to be prevented. Invasion of a wetland by alien plants may considerably reduce the integrity of a wetland.
- (viii) Where any disturbance of the soil takes place in a wetland, clear alien plants which establish and follow up for at least 2 years thereafter. Disturbance of a wetland favours the establishment of alien plants, which require long-term control.
- (ix) Where the infiltration rate of a wetland's catchment is naturally high and the wetland is maintained predominantly by groundwater input, at least 60% of the wetland's catchment should remain as permeable surfaces in a residential area and preferably at least 30% in an industrial/commercial area. Where the level of development is very high, reduced surface runoff can be promoted through mechanisms such as porous pavements (The inclusion of these mechanisms in areas dominated by hardened surfaces is generally sound catchment management practice and should be encouraged widely). Failure to maintain groundwater input to a predominantly groundwater-fed wetland will considerably alter the hydrological regime of the wetland, thereby compromising its integrity.
- (x) The onus is on the developer to identify and delineate all wetlands in the project area at a finer scale depending on the proposed development. Mapping at a minimum scale of 1: 10 000 is generally required. In order to account for the impact of a development adjacent to a wetland, it is essential that the boundary of the wetland be mapped. Any wetlands identified on the ground should be delineated and mapped by the municipality on an ongoing basis.
- (xi) Any development must comply with the requirements of the National Water Act. Through the concept of the "ecological reserve", this act makes provision for ensuring water of acceptable quantity and quality for maintaining the ecological functioning of wetlands and river systems. While wetlands assist in enhancing water quality, they should not be relied upon as an easy substitute for addressing pollution at source, as this may lead to serious impacts to the wetland systems.

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- (xii) Access to wetlands by off-road vehicles, man and livestock, should be as far as possible prevented.
- (xiii) Development within the flood line or within 32m of a river or stream should be avoided and vegetation in this zone should be conserved.

#### **3.1.12.9 INDIGENOUS FORESTED AREAS**

These areas are not mapped however; all areas of thornveld and all areas under indigenous forest and properties with indigenous trees should be subject to the following guidelines:

- No indigenous trees should be removed without authorization from DWAF who are responsible for protection of protected tree species.
- No undergrowth should be removed or the natural forest structure interfered with in any way as; when the forest undergrowth is removed, the large trees left standing often slowly die due to drought. Authorization must be obtained from DWAF prior to any clearing of both trees and under story of indigenous forested areas.
- All forest along streams and rivers must be conserved to prevent bank erosion.
- Wherever possible, patches of forest must be linked to form a continuous network and thus a path of migration for flora and fauna present (bushbuck, duiker, birds and so on) this would be easiest along existing corridors like streams and rivers.
- Forest trees should be left to screen development to improve stormwater drainage and aesthetics.
- Developers should be encouraged where possible to maintain any trees on site as part of the layout of the development.

#### **3.1.12.10 AREAS OF HIGH BIODIVERSITY VALUE**

These areas are identified in the mapping as High Importance Landscapes, Ecosystems or Species. Further areas of high irreplaceability and areas in the minset data set designated as non-negotiable or negotiable reserves should be categorized in this category.

- Should there be a change in land use or development density (in terms of the Town Planning Scheme and as listed in Schedule 1, Section 1, or 2 of the Environmental Conservation Act (ECA) of 1989), or the upgrading or construction of structures and facilities as listed in the ECA, the vegetation in high biodiversity areas should not be cleared until a “botanical assessment” has been undertaken and approval granted by the Department of Agriculture and Environmental Affairs approved.
- The local authority should negotiate with the property developer to incorporate land not to be used for development into Conservation Reserves. This can be done when permission for development is being sought.

- Earthmoving equipment must be prohibited from the site until the environmental assessment has been approved and the vegetation to be conserved has been demarcated.
- The Local Council should not plant exotic trees or shrubs in areas of this category.
- Sub divisional applications should be assessed in the light of proposed usage and the effect it would have on areas of high biodiversity value.
- Landowners should be made aware of the high biodiversity value of their land before purchase.
- Landowners should be made aware of their responsibility to maintain and manage the vegetation on their land.
- The local council may need to provide assistance in the form of advice to landowners in high biodiversity value areas.

### **3.1.12.11 REQUIRED INTERVENTIONS**

Areas identified as areas of high irreplaceability and areas in the minset data set designated as non-negotiable reserves should be categorized in this category, Further the environmental atlas areas within the municipality are almost entirely biodiversity related and therefore these areas are included in this category. These areas are somewhat limited by land transformation in the municipality and include only small portions of the northern areas and south western of the study area.

- This zone represents areas of natural vegetation and therefore any transformation of this area greater than 3 Ha should be subject to impact assessment. Further any development greater than 1 Ha would be subject to Basic Assessment and any development greater than 20 Ha would be subject to Full Environmental Impact Assessment.
- The local authority should negotiate with the property developer to incorporate land not to be used for development into Conservation Reserves. This can be done when permission for development is being sought.
- The Environmental Impact Assessment required for priority 1 zones should include a biodiversity assessment of the site and its biological value.
- The layout of the development should take biodiversity impacts and mitigation into account and as such should avoid areas of high biodiversity value.
- The local authority should negotiate with the property developer to incorporate land not to be used for development into Conservation Reserves. This can be achieved as part of authorization for development on submission of the plans.
- When building plans are submitted to the local authority for approval, they shall indicate whether the development constitutes a listed activity and if so include a copy of the Record of Decision (ROD) issued by DAEA and an Environmental Management Plan (EMP) where required by the ROD.
- No construction of a listed activity under the NEMA EIA regulations may begin without authorization from DAEA, the Municipality in its development control capacity should not, under any circumstances, authorize any listed activity until such time as DAEA has given authorization for the activity to go ahead.
- Any unauthorized development should be reported immediately to the DAEA.
- The width of survey paths shall be kept to the absolute maximum of 1 metre.

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- Where areas have been set aside for conservation in the layout, such areas will have to be demarcated. This should be done before building starts, sites must be staked and should be fenced or cordoned off with Chevron Tape. This is with a view to preventing damage to conservation areas during construction and operation. The fencing used should be appropriate and should allow for the movement of small animals, which may be found in this area.
  - In the conserved areas, only nature-related recreation and education shall be permitted, such as bird watching, walking and canoeing. These areas should be left as undisturbed as possible.
  - Exotics should be avoided in landscaping of developments.
  - Invasive aliens should be eradicated as part of landscaping and management plan for the development.
  - As far as possible, medium density housing development in this zone should be clustered in order to minimise visual impact and the amount of land needed. This reduces development costs and also makes land available for conservation or open space purposes. Further advantages are wind protection and better controlled access the development area
  - Landowners shall be made aware of the priority status of their land before purchase. Estate agents in the area could assist in this regard. The clearance certificate issued to each purchaser shall make note of the priority status, for the purchaser's information, should the estate agent not have raised the issue.
  - Earthmoving equipment must be prohibited from the site until the environmental assessment has been approved and the vegetation to be conserved has been demarcated.
  - The Local Council should not plant exotic trees or shrubs in areas of this category.
  - Sub divisional applications should be assessed in the light of proposed usage and the effect it would have on areas of high biodiversity value.
  - Landowners should be made aware of the high biodiversity value of their land before purchase. Landowners should be made aware of their responsibility to maintain and manage the vegetation on their land. The local council may need to provide assistance in the form of advice to landowners in high biodiversity value areas.

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### **3.1.13 SPATIAL & ENVIRONMENTAL: TRENDS AND ANALYSIS**

The key spatial and environmental issues and trends are listed below:

- Dispersed low-density settlement pattern in traditional council areas, making the provision of physical and social infrastructure (roads, water, electricity, clinics, schools, and police stations), and the costs of installing, maintaining and operating infrastructure very high.
  - Steep river valleys and hilly terrain, which create obstacles to accessibility, and limits the extent of agricultural production. But this type of terrain or topography also provides eco-tourism opportunities and the municipality should consider community conservancy projects in these areas.
  - Weak road and communication linkages exacerbated by hilly topography, with few tarred surfaces and few bridges across rivers.
  - Limited farming practices in traditional council areas that do not make optimal productive use of the agricultural potential of the area.
  - Limited economic activity in traditional council areas, resulting in income leakage outside these areas, exacerbated by a lack of business support services.
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- Overgrazing, fire, illegal sand winning and encroaching settlement could cause environmental degradation if not controlled or dealt with decisively.

### 3.1.14 SPATIAL & ENVIRONMENTAL: SWOT ANALYSIS

**Table: 13: Spatial and Environmental SWOT analysis**

STRENGTHS	WEAKNESSES
<p><b>Spatial:</b></p> <ul style="list-style-type: none"> <li>• Umvoti Municipality is located at the edge of the Midlands area, which is renowned for its high agricultural potential and high value outputs which accounts for its competitive advantage both provincially and nationally.</li> <li>• Umvoti is one of the important provincial farming areas.</li> <li>• Location along R33 and approximately 75 km from Pietermaritzburg</li> </ul>	<p><b>Spatial:</b></p> <ul style="list-style-type: none"> <li>• <b>Dispersed low-density settlement pattern in traditional council areas</b>, making the provision of physical and social infrastructure (roads, water, electricity, clinics, schools, and police stations), and the costs of installing, maintaining and operating infrastructure very high.</li> <li>• <b>Steep river valleys and hilly terrain</b>, which create obstacles to accessibility, and limits the extent of agricultural production.</li> <li>• <b>Weak road and communication linkages</b> exacerbated by hilly topography, with few tarred surfaces and few bridges across rivers.</li> </ul>

<p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Strong natural resource base</li> </ul>	<p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Poor management of the natural environment as a prime asset and resource base for the municipality.</li> </ul>
<p><b>OPPORTUNITIES</b></p>	<p><b>THREATS</b></p>
<p><b>Spatial:</b></p> <ul style="list-style-type: none"> <li>• Rural Housing Projects will address issues of densification.</li> <li>• Upgrade of R33 presents a major opportunity for tourism activities</li> </ul>	<p><b>Spatial:</b></p> <ul style="list-style-type: none"> <li>• High cost of infrastructure and Financial constraints</li> </ul>
<p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Annual monitoring of fixed points as well as spot checks in the broader area. Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years</li> <li>• A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.</li> <li>• An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.</li> <li>• Developments should be avoided in areas that contain Red Data Species.</li> <li>• Compile an inventory of wetlands in the district</li> <li>• Compile guidelines for the protection of all wetland areas</li> <li>• Co-ordinate activities of water users and of water management institutions within its water management area.</li> <li>• A greening' programme in urban and</li> </ul>	<p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• Loss of indigenous vegetation.</li> <li>• Reduced water resource through alien invasive vegetation.</li> <li>• Increased risk of flooding</li> <li>• Increased soil erosion</li> <li>• Wetland destruction or drainage, flow patterns, and groundwater abstraction</li> <li>• Reduced vegetation cover leading to reduced primary productivity and land carrying capacity</li> <li>• Over grazing</li> <li>• Uncontrolled veld fires</li> <li>• Wood burn</li> </ul>

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rural areas to provide shade, erosion protection, and beatification	
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### **3.1.15 DISASTER MANAGEMENT**

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#### **3.1.15.5 MUNICIPAL INSTITUTIONAL CAPACITY**

Umvoti Municipality Disaster centre is well established within Municipal Buildings. The relief stock is presently supplied by District Disaster Management Centre. Only Disaster Manager and Disaster Officer are presently employed by the Municipality and 10 volunteers are supplied by the District. The 911 centre is accommodated within municipal building and have entered into a contract with the municipality to deal with 24 hours service to disseminate information through telephone and radios. Umvoti Municipality is also a member of Umvoti Fire Protection Association which assists the municipality to curb fires during fire occurrences. Umvoti Fire and Rescue is also well established and falls under the Disaster Management Unit.

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#### **3.1.15.2 RISK ASSESSMENT**

Umvoti Local Municipality faces many different types of risk on a daily basis, including health risks, environmental risks, financial risks and security risks. However, disaster risk specifically refers to the likelihood of harm or loss due to the action of natural hazards or other external threats on vulnerable structures, services, areas, communities and households.

Risk assessment for Umvoti Municipality was undertaken and the following Priority Risks (Hazards) were identified:

- Floods,
- Fires,
- Lightning,
- Drought,
- Heavy rain storms.

The above mentioned disasters are likely to occur in almost all municipal wards. However there are other risks that occur or are likely to occur in some areas:

- The hail storm affected Eshane, Matimatolo and Mbulwane areas in 2011.
- Ward 3 – there is a vulnerable infrastructure that has been identified which is a low-level bridge near Stegan shops near Entembisweni Primary School which could be submerged during flooding
- Ward 4 – Lilani bridge (near Lilani Hotsprings) also poses a threat in this ward
- Ward 5 – Informal settlements at 19 (Kranskop Town) are exposed to fires and heavy rains damages the houses

- Ward 5- The vulnerable infrastructure in this ward includes the railway line which runs through it. Railway accidents are likely to occur in this area.
- Ward 7 - The vulnerable infrastructure in this ward includes the railway line which runs through it. Railway accidents are likely to occur in this area.
- Ward 9 also comprises of informal settlements (Tent Town and Coloured Village) and these areas are prone to fires. The Tent Town is established in a wetland and therefore is prone to flooding
- Ward 10 – also comprises of an informal settlement (Lindelani) and this area is prone to fires
- Ward 11 – the vulnerable infrastructure includes the railway line between Greytown and Mooi River and R74 main road between Greytown and Muden. The railway accidents are likely to impact on this ward and car accidents are also likely to occur.

There are no Hazard maps available at this stage. The Service Provider who was appointed to conduct the assessment did not produce any vulnerability maps. By July the district has promised to send a team to conduct the risk assessment and map all the hazards and vulnerability areas; after considering critical factors of vulnerability such as political, social, economic, technological and environmental factors.

Some risks, particularly those triggered by climate processes must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations.

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### 3.1.15.3 RISK REDUCTION AND PREVENTION

#### 3.1.15.3.1 DISASTER MANAGEMENT PROGRAMMES/PROJECTS BY MUNICIPALITY

**Table 14: Disaster Management Programmes/projects by Municipality**

NAME OF THE PROJECT	BUDGET	TARGETED AREAS	DATE
Lightning conductors	By District	All eleven wards	By District
Fire breaks	Part of services	Urban area/ ward 9	May/June
Causeway bridge	To be allocated	Ward 7	2013/2014
Causeway bridge	To be allocated	Ward 3	2013/2014

The Lightning conductors have been installed in the following areas:

- Shayamoya (next to Gwinyamathe) – ward 2

- Skobho (next to Mbuba) – ward 2
- Pholi – ward 2
- Egqalabeni – ward 2
- Mhlazane – ward 4
- Holmek – ward 7
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### 3.1.15.3.2 DISASTER MANAGEMENT PROGRAMMES/PROJECTS BY STAKEHOLDERS

Table 15: Disaster Management Programmes/Projects by Stakeholders

NAME OF THE PROJECT	BUDGET	TARGET AREAS	DATE
Lilani bridge	To be allocated	Ward 4, Lilane area	To be confirmed

### 3.1.15.3.3 DISASTER RISK RATING MAPS (DISASTER RISK EVALUATION MAPS)

There are no maps that are currently available until a thorough risk assessment is completed; which will be showing the overall disaster risk evaluation for the entire municipality.

### 3.1.15.4 RESPONSE & RECOVERY

The Municipality has budgeted for Response and Recovery in this financial year. The hail storm disaster that occurred on the 28 November 2011 affected Eshane, Matimatolo and Mbulwane areas. The materials such as blankets and tents were supplied by the municipality from their stock allocation from the district. The Municipality and World Vision assisted families that were affected by the disaster with repairing the houses that were damaged. The Provincial Department of Human Settlements has also assisted with vouchers for repairs and has also identified houses for rebuilt. The recent fires that have occurred recently were attended to by the municipality, Umvoti Fire Protection Association and volunteers.

The municipality has its own fire engine and equipment which are the resources used for recovery and response during fire occurrences. The fire engine is also used as a backup for response and recovery.

### 3.1.15.5 TRAINING & AWARENESS

#### 3.1.15.5.1 CAPACITY BUILDING

District Disaster Management as well as the Provincial Disaster Management Centers are involved in the training of the community and school as well as the awareness campaigns. Capacity Building also involves the work shopping of traditional leaders, councillors, volunteers etc.

### 3.1.15.5.2 PUBLIC AWARENESS CAMPAIGNS

This should be done at least once or twice a month. Pamphlets and Fliers are needed for this purpose. The budget for the campaigns is R40 000.

### 3.1.15.5.3 RESEARCH

Commissioning of disaster related scientific studies is not done as this may need a specialist in the field. This will be referred to the District centre for assistance.

### 3.1.15.5.4 FUNDING ARRANGEMENTS

The municipality has budgeted R200 00-00 for response and recovery. A further R40 000-00 has been budgeted for public awareness campaign. The other funding arrangements are the district responsibility.

## 3.1.16 DISASTER MANAGEMENT: SWOT ANALYSIS

**Table 16: Disaster Management SWOT analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Disaster Policy Framework in place</li> <li>• Established Disaster Management Unit</li> <li>• Risk assessment conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of capacity to deal with disasters</li> <li>• Disaster management Unit is still new</li> <li>• Unpredicted weather conditions as a result of climate change</li> <li>• Non-existence of Umvoti disaster risk management committee or advisory forum</li> <li>• Priority disaster risks affecting the municipality are not mapped.</li> <li>• Risk Reduction Plan not aligned with the IDP</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>

<ul style="list-style-type: none"> <li>• Strengthen relations with other disaster institutions</li> <li>• Alignment of programmes and projects for disaster relief</li> <li>• Full implementation of the Umvoti disaster management Policy Framework.</li> <li>• Establishment of Umvoti disaster risk management committee or advisory forum</li> <li>• Mapping of priority disaster risks affecting the municipality.</li> <li>• Review the Umvoti Disaster Risk Profile</li> <li>• Alignment of Risk Reduction Plan with IDP</li> <li>• Introduce disaster risk reduction efforts consultatively with the affected communities and key stakeholders in order to reduce the likelihood of future loss.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial constraints</li> <li>• Climate change</li> </ul>
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## 3.2 DEMOGRAPHIC CHARACTERISTICS

### 3.2.1 DEMOGRAPHIC INDICATORS

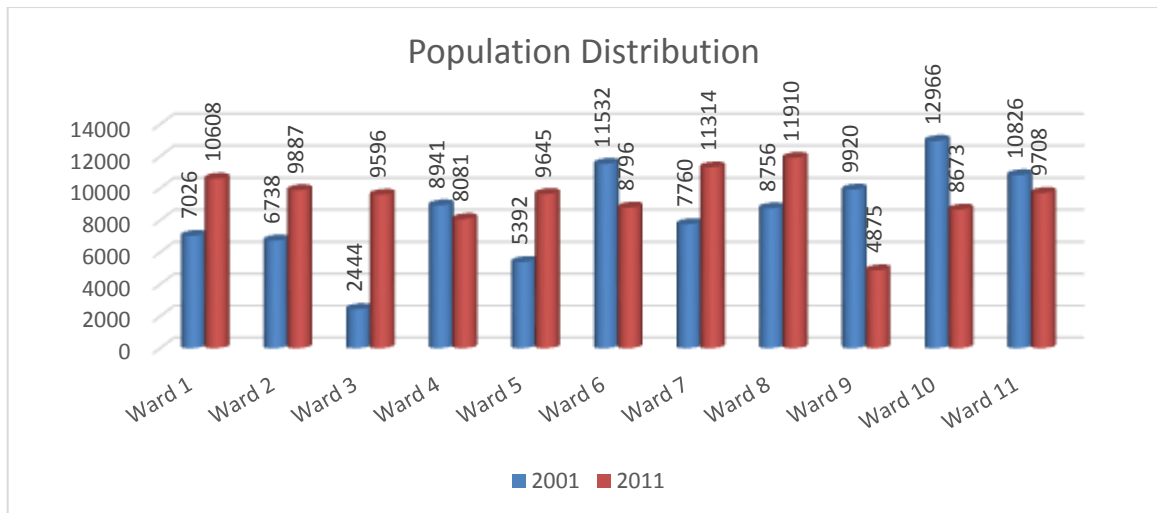
#### 3.2.1.1 POPULATION PROFILE AND SIZE

Umvoti is the one of 61 Municipalities in the Province of KwaZulu Natal and forms part of the UMzinyathi District. It has a population of 103 092 (20.1%), according to the Census 2011 data, compared to 92 294 in 2001. This translates into a growth rate of 1.11% per annum for the period between 2001 and 2011.

#### 3.2.1.2 POPULATION DISTRIBUTION

The population is distributed unevenly between 11 wards within the municipal area. (Refer to Figure 1 below). Figure 1 below clearly indicates that the population has generally increased per ward, with the exception of wards 4, 6, 9, 10 and 11, where a decrease in population occurred.

**Figure 6: Umvoti Population Distribution**

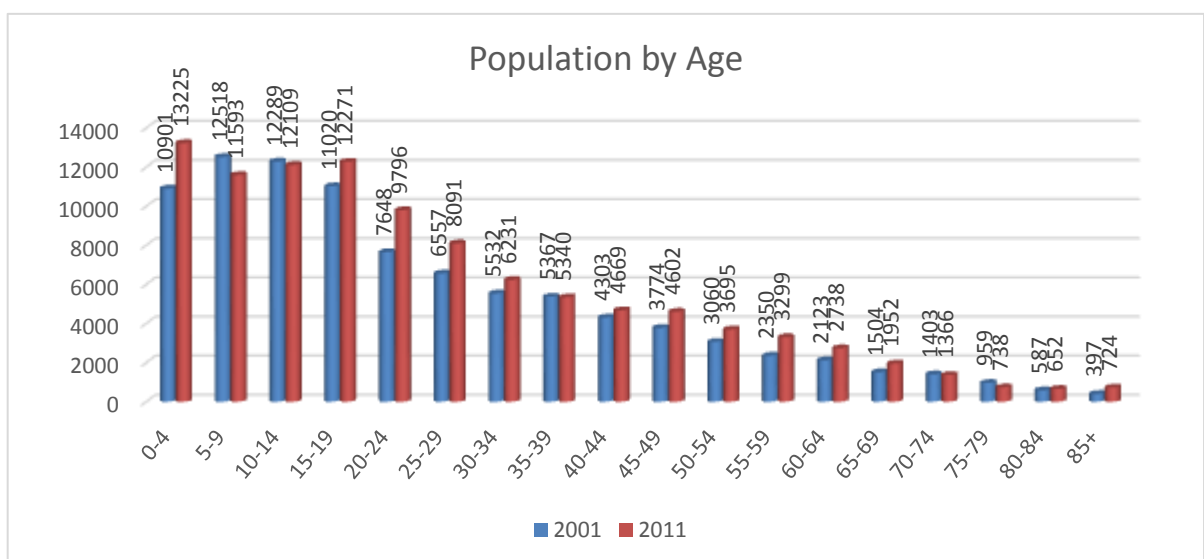


Source: Census 2011

### 3.2.1.3 UMVOTI POPULATION BY AGE

The age profile of the area shows a large youthful population with approximately 75% of population under the age of 34. The population between the age of 0 - 4 increased with approximately 17.5 % between 2001 to 2011, suggesting that the birth rate is higher than the overall municipal population growth rate. Also evident from figure 2 is that the age groups between 5-14, has experienced a decrease between the period 2001 and 2011, while the rest of the age groups generally experienced an increase in population. The large youthful population also indicates the need for educational facilities and the creation of employment opportunities, as well as youth development programmes.

Figure 11: Umvoti Population Distribution by Age Group



Source: Census 2011

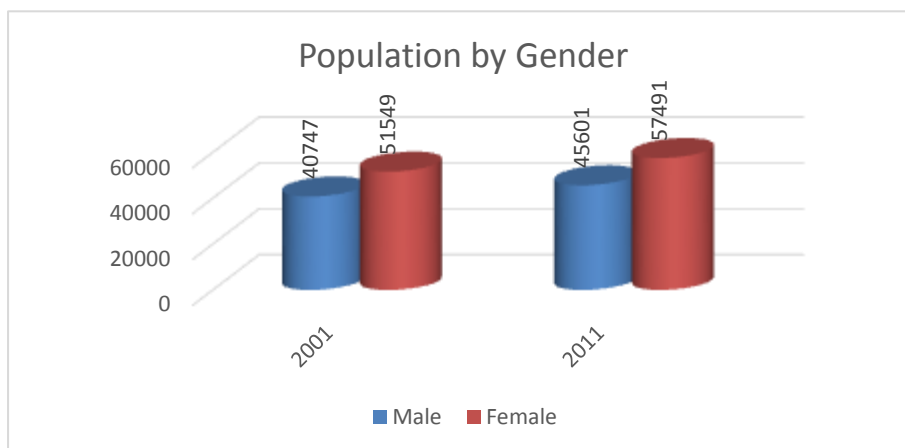
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### 3.2.1.4 UMVOTI POPULATION BY GENDER

The gender profile of the area indicates that over a ten year period, the female population still outnumber the male population, representing 56% of the population. The male population increased with approximately 4 854 people between 2001 and 2011, while the female population increased with approximately 5 942 people. In other words, the growth rate of the female population is higher than for the male population.

**Figure 12: Umvoti Population Distribution by Gender**



This has certain implications for gender programs within the municipality.

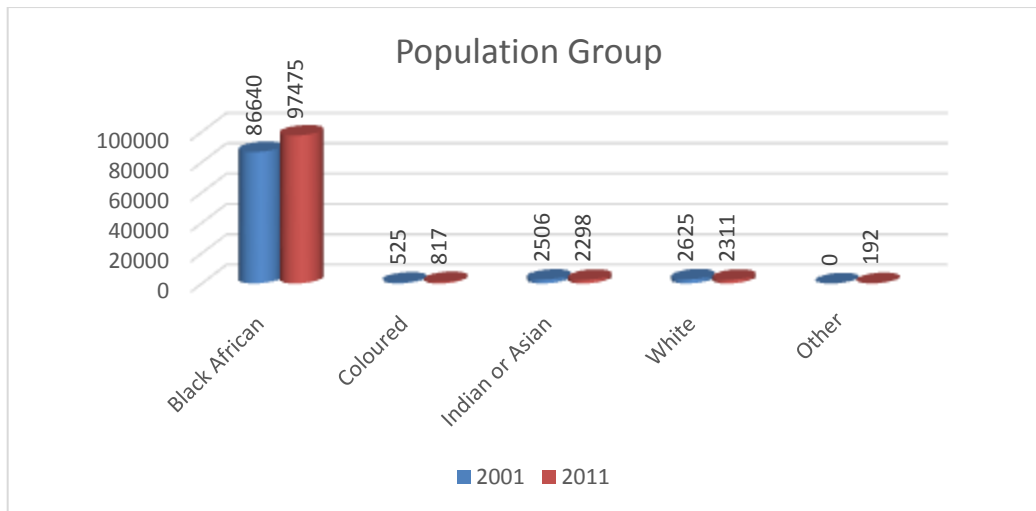
*Source: Census 2011*

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### 3.2.1.5 UMVOTI POPULATION GROUP (RACE)

The population group of the municipality suggests that approximately 95% of the population within Umvoti is black Africans. Over a ten year period, the black African population has increased more rapidly than other population groups. Other population groups, such as Whites, Asians and Indians have experienced a decrease in population numbers, which eventually could affect economic growth of the entire area.

**Figure 13: Umvoti Population Group**

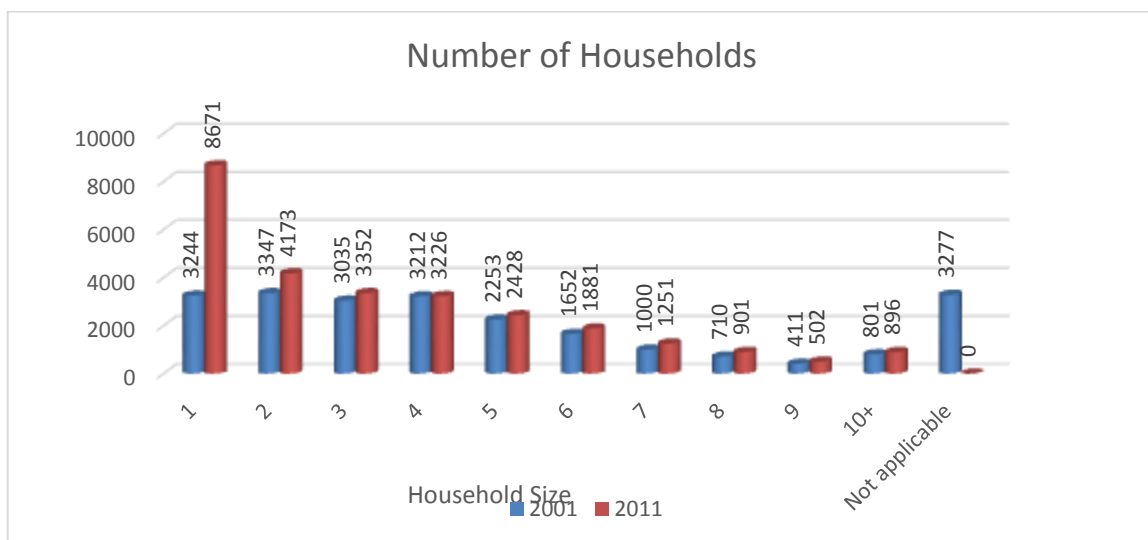


Source: Census 2011

### 3.2.1.6 NUMBER OF HOUSEHOLDS

The status of the number of households indicates an increase of 15.9% in households in the area. Census data suggest 27 282 households in 2011 within Umvoti. The average household size is 3.81 and the majority of households are small nuclear households.

Figure 14: Umvoti Number of Households



Source: Census 2011

The number of households decreases as the size of the households increase. Also of interest, is that households with one person have grown substantially between 2001 and 2011, confirming the tendency of small nuclear families.

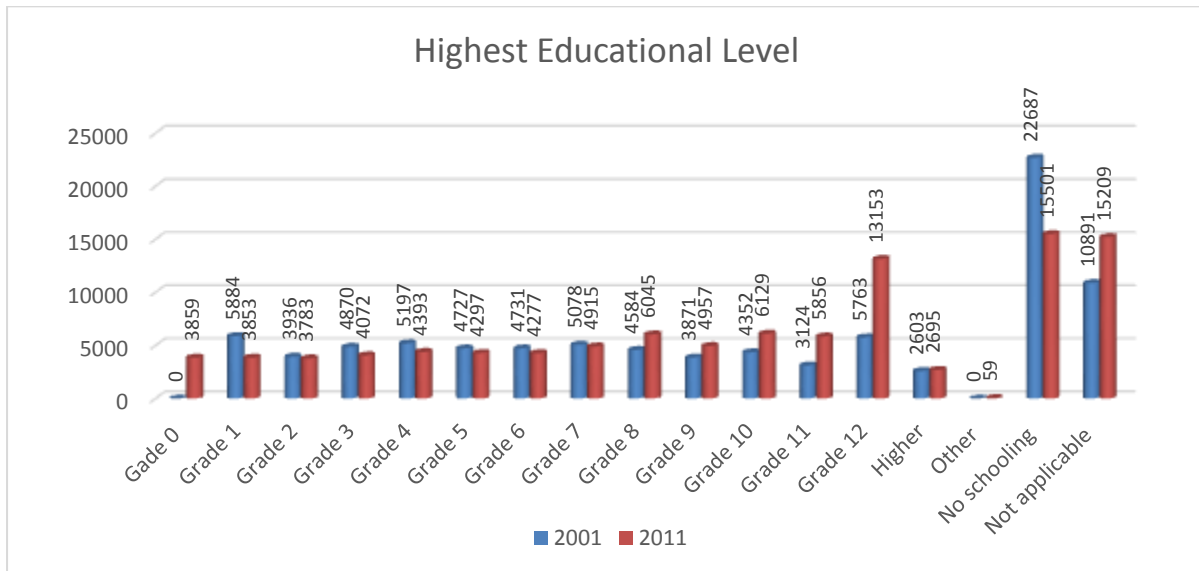
## 3.3 SOCIO-ECONOMIC PROFILE

### 3.3.1 EDUCATIONAL PROFILE

The majority of the population that appears to have some form of education increased, over the past ten years (2001 – 2011), while those with no schooling decreased. In 2001, 37.3% of the population had primary education, 23.5% (6.2% was Grade 12) of the population attended secondary school, and only 2.8% had some form of higher education. This changed over the past ten years. According to Census 2011, 35% of the population have secondary education (12.8% is Grade 12), 32.4% have attended primary school, and only 2.6% have some form of higher education.

This large population of Grade 12 candidates indicates the need for higher (tertiary) education facilities within the area. Education has a very important impact on people’s quality of life and the economy of a municipality, since it determines to a certain extent the type of employment of the economically active population.

**Figure 15: Umvoti Educational Level**

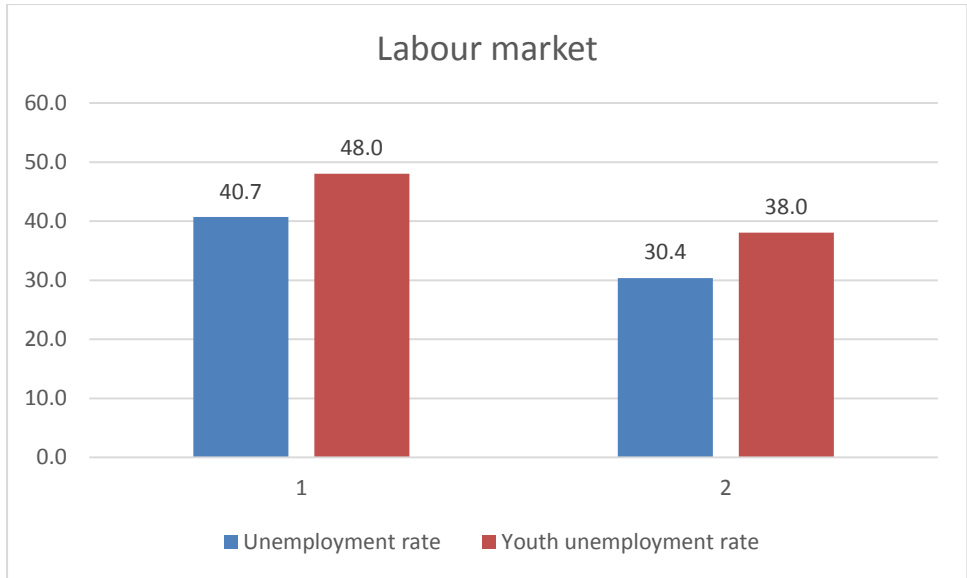


*Source: Census 2011*

### 3.3.2 EMPLOYMENT STATUS

The employment statistics indicate that the unemployment rate in Umvoti has decreased significantly from 40.7% to 30.4% between 2001 and 2011. However, although the youth unemployment rate has also experienced a decrease from 48% in 2001 to 38% in 2011, this percentage is still higher than the unemployment rate and a cause for concern.

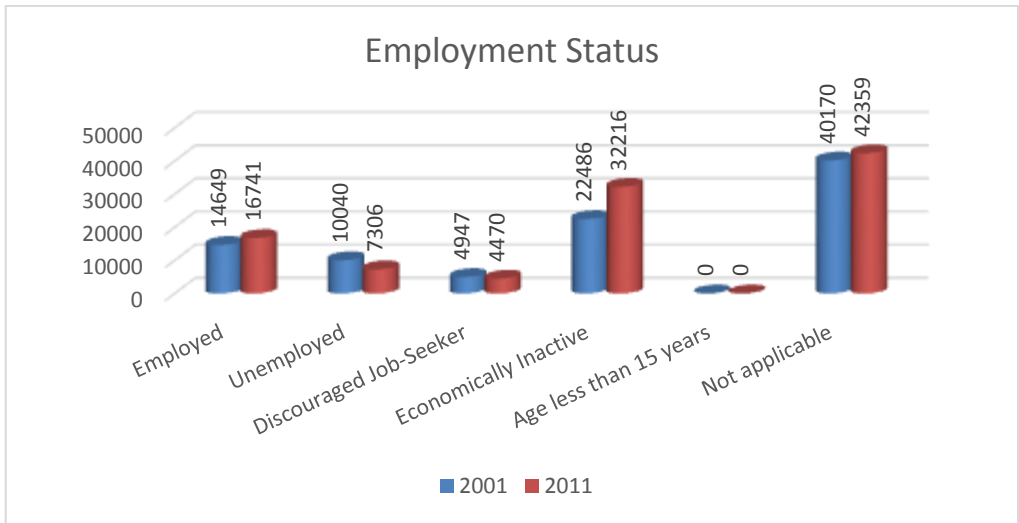
**Figure 16: Unemployment and youth unemployment rate**



Source: Census 2011

The employment statistics indicate that only 15.9% of the entire population were employed within Umvoti Municipality in 2001 and is currently at 16.2% (2011). This area needs more economic development interventions as the amount of economically inactive population has increased and indicates that the dependency rate is increasing.

Figure 17: Umvoti Employment Status

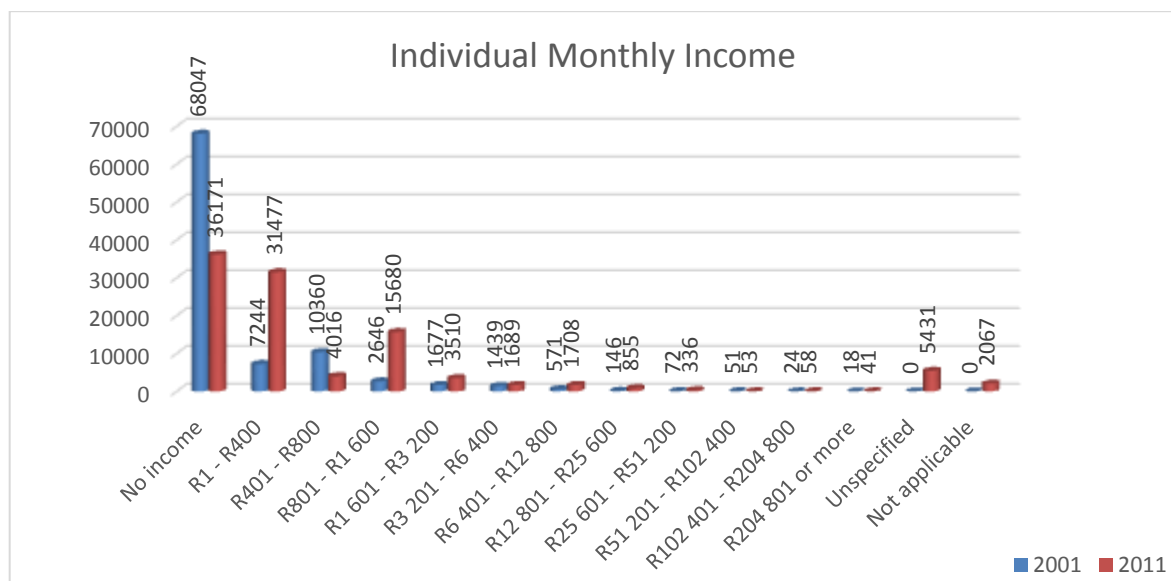


Source: Census 2011

3.3.3 INDIVIDUAL MONTHLY INCOME

In terms of Individual Monthly Income, 35.1% of the entire population have no income and 34.4% earns less than R800 per month. Thus, the majority (84.7%) of the entire population earns less than R1600 per month, which still falls within the lower income categories. An interesting phenomenon is that the amount of people with no income has decreased between 2001 and 2011, which suggest access to some form of income. Also, the amount of people earning between R1-R400 and R801 - R1600 per month experienced an increase over the same period. This suggests improved access to income and employment. Nonetheless, the effect of little disposable income and low skill levels are high dependency rates and the need for social and economic support for the very poor in the area.

**Figure 18: Umvoti Individual Monthly Income**



Source: Census 2011

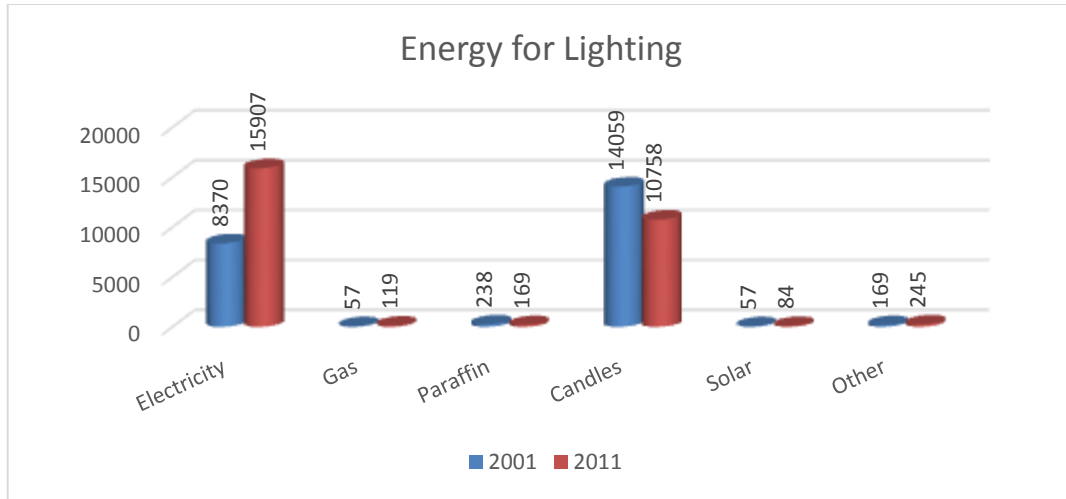
### 3.4 ACCESS TO BASIC SERVICES

There is insufficient access to basic services within Umvoti, which can possibly be attributed to the scattered settlement patterns that create challenges around basic service delivery, as evidenced by pronounced service delivery backlogs.

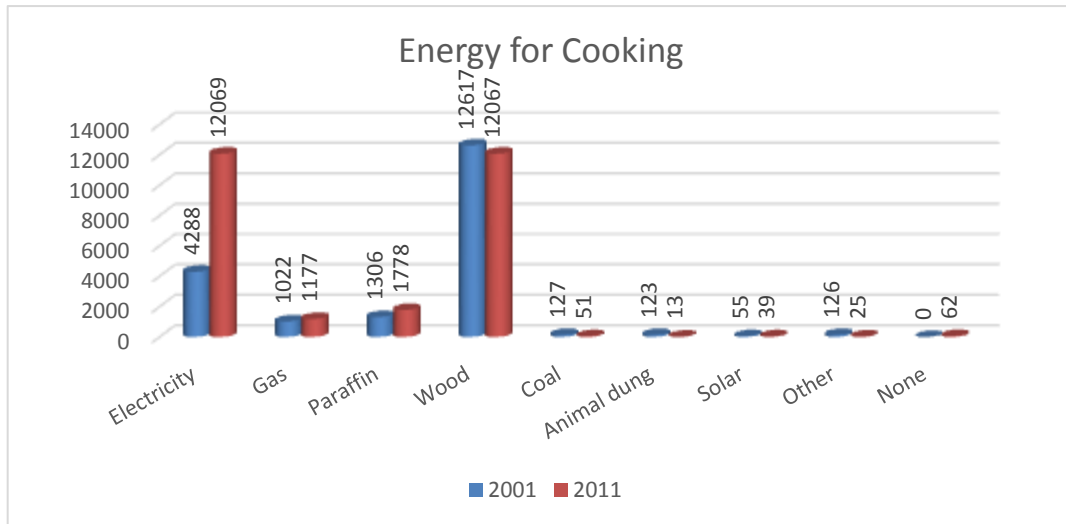
#### 3.4.1 ELECTRICITY / ENERGY

The three figures below indicate that even though electricity is the most widely used form of energy for lighting, cooking and heating, there is still a high reliance on wood for cooking, and for heating. This shows that wood is the most important source of energy for heating purposes. The popularity of electricity as the most commonly used source of energy for lighting and cooking purposes, indicates the availability/ accessibility of electricity within the area. The following figures represent access to Electricity/Energy:

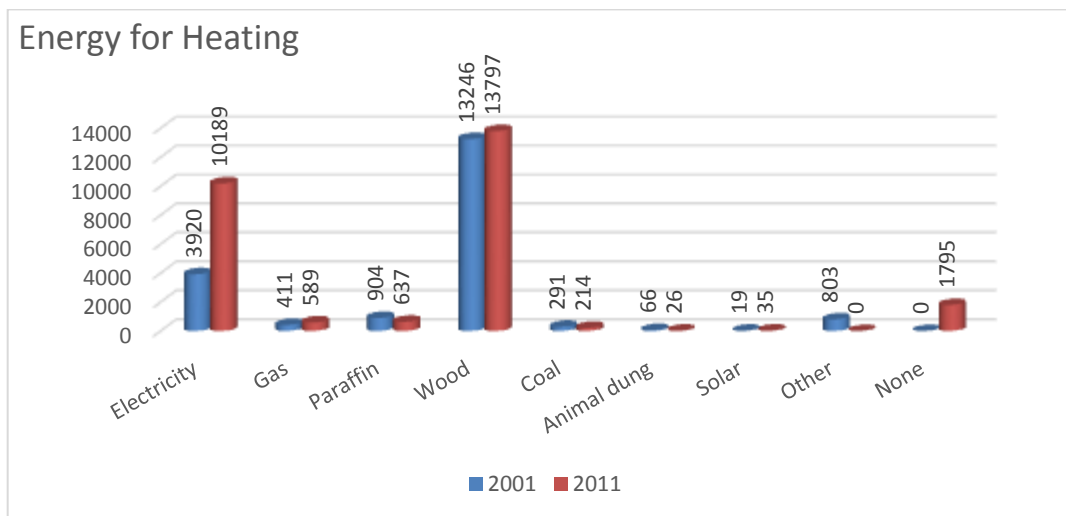
**Figure 19: Umvoti Energy for Lighting**



**Figure 20: Umvoti Energy for Cooking**



**Figure 21: Umvoti Energy for Heating**



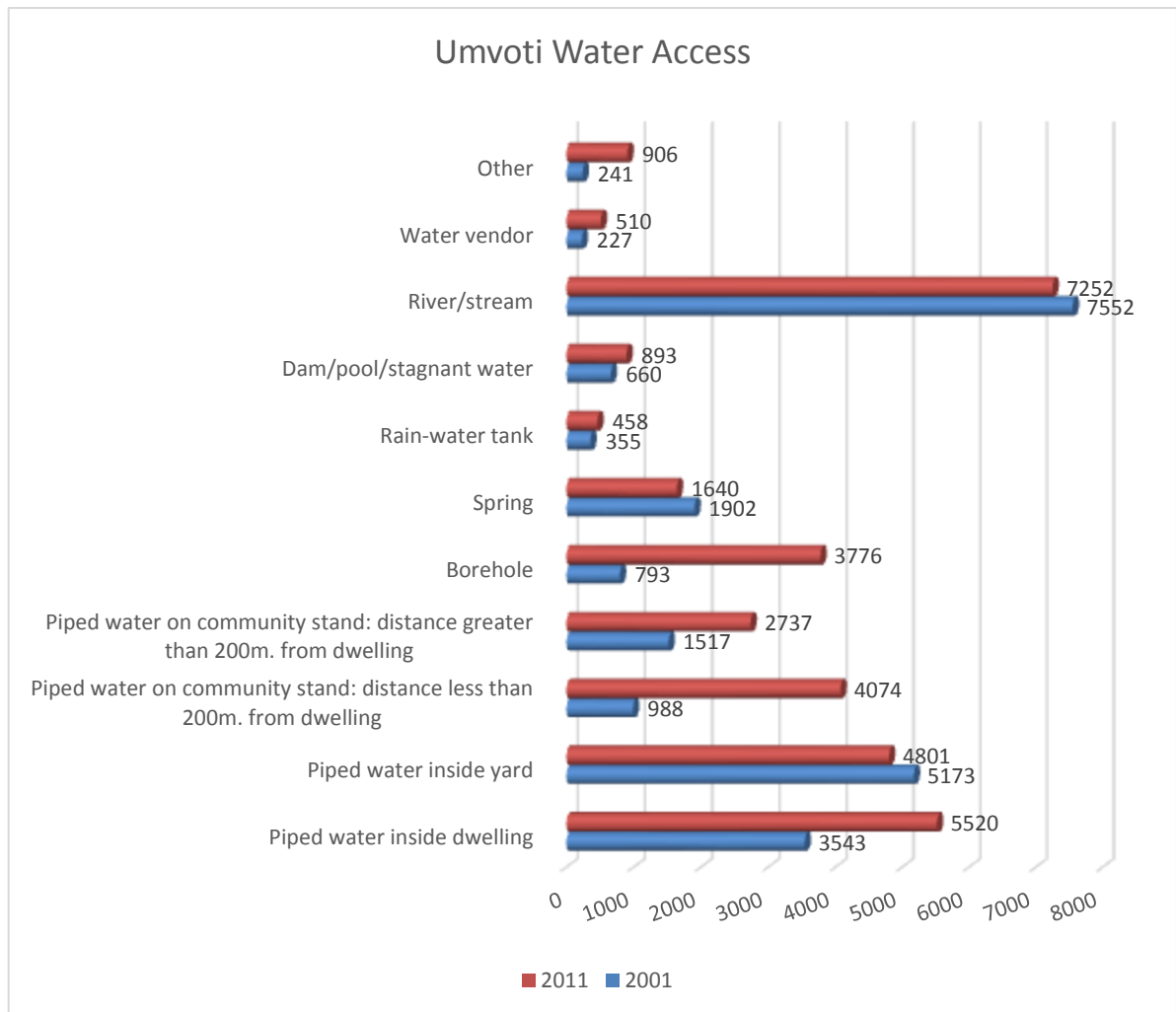
Source: Census 2011

### 3.4.2 ACCESS TO WATER

The majority of approximately 62.8% within Umvoti area have access to different types of piped water. Approximately 37.2% have no access to piped water. In terms of water sources, the majority of 26.6% of the entire population use rivers/streams as their main source of water.

The large increase in the level of dependence on boreholes as a source of water is significant and can have serious effects on public health, as well as on the environment.

**Figure 22: Access to water**

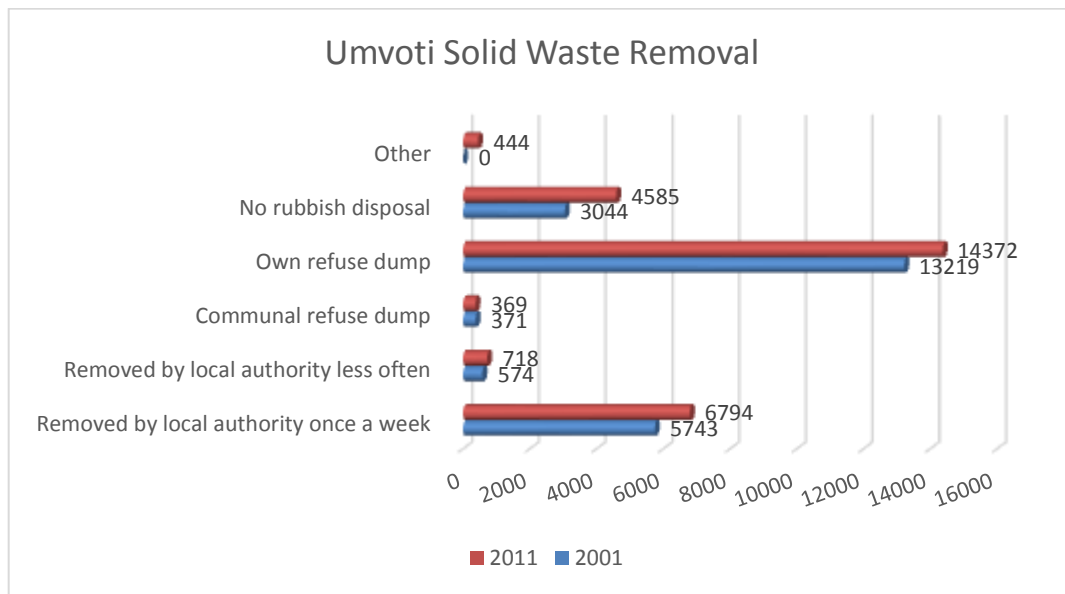


Source: Census 2011

### 3.4.3 SOLID WASTE / REFUSE REMOVAL

There is a clear lack of refuse removal services within the municipal area with 52.7% of households in Umvoti making use of their own refuse dump. Only 27.5% of refuse is removed regularly by the municipality. The use of own refuse can have serious impacts on the environment and the health of communities.

**Figure 23: Waste removal**

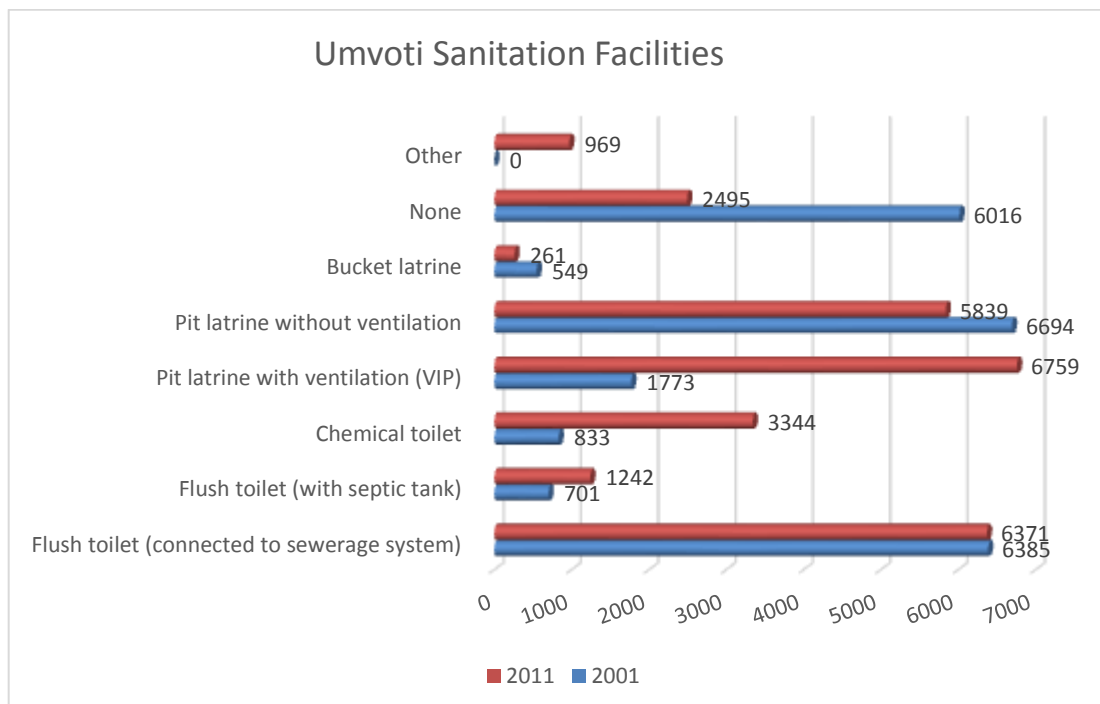


Source: Census 2011

### 3.4.4 SANITATION

The Census data indicates that a large percentage of households in the area have a flush toilet (23.4% connected to sewer system).

**Figure 24: Access to sanitation**



Source: Census 2011

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Approximately 24.8% has a pit toilet with ventilation (VIP), while 21.49% of households have a pit toilet without ventilation. The uses of chemical toilets have increased, while households without toilets decreased with 17.1%. This data indicates that the majority of households have access to some form of sanitation facilities.

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### **3.4.5 KEY FINDINGS (INCLUDING TRENDS)**

The following are the key findings and trends in the Umvoti Municipal Area:

- The growth rate of 1.11% per annum for the period between 2001 and 2011 has been experienced
- The population is distributed unevenly between 11 wards within the municipal area
- The age profile shows a largely youthful population with approximately 75% of the population under the age of 34
- The gender profile of the area indicates that over a ten year period, the female population still outnumber the male population representing 56% of the population
- Over a ten year period the Black African population has increased more rapidly than other population groups
- Majority of the population that appears to have some form of education has increased over the past ten years (2001-2011)
- Unemployment rate in Umvoti has decreased significantly from 40.7% to 30.4% between 2001 and 2011
- Majority of households have access to some form of sanitation facilities.

## **3.5 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT ANALYSIS**

### **3.5.1 MUNICIPAL TRANSFORMATION**

#### **3.5.1.1 EMPLOYMENT EQUITY**

The Umvoti Municipality's senior management is comprised of both males and females especially in regards to equity presentation of which the report is submitted on 01<sup>st</sup> October annually. An Employment Equity Plan has been drafted in accordance with the Employment Equity Act (55 of 1998). The following table indicates the current racial and gender composition of staff.

#### **3.5.1.2 EMPLOYMENT EQUITY**

The Umvoti Municipality's senior management is comprised of both males and females especially in regards to equity presentation of which the report is submitted on 01<sup>st</sup> October annually. An Employment Equity Plan has been drafted in accordance with the Employment Equity Act (55 of 1998). The following table indicates the current racial and gender composition of staff.

**Table 17: Umvoti Racial and Gender Composition of permanent and contract staff**

GENDER	MALE				FEMALE				Total
	A	C	I/A	W	A	C	I/A	W	
<b>Umvoti Municipality</b>	125	3	11	4	76	2	7	2	230

### 3.5.1.3 STAFF COMPONENT OF THE MUNICIPALITY

The Umvoti municipality currently has a staff component of 425 people, 229 of which are permanent and fixed term contracts, 75 temporary staff, 121 contract staff on co-operatives and 5 are Senior Managers.

## 3.5.2 ORGANISATIONAL DEVELOPMENT

### 3.5.2.1 POWERS AND FUNCTIONS

The Municipality has a policy on Delegation of Powers in terms of Section 59 of the Municipal Systems Act, 32 of 2000. These Delegations of Powers have been reviewed and adopted by council.

The powers and functions of local government are reflected in the list below. This is based on the provisions of the Municipal Structures Act 117 of 1998 (as amended) and the Municipal Demarcation Board. It must be noted that the allocation of powers and functions does not include the adjustments by the MEC following the recommendations of the Municipal Demarcations Board.

**Table 18: Powers and Function**

LOCAL FUNCTION	SHARED FUNCTION	DISTRICT FUNCTION
✓ Air Pollution (Local Function)	✓ Fire Fighting Services (Shared Function)	✓ Electricity Reticulation (District function)
✓ Building Regulations (Local Function)	✓ Local Tourism (Shared Function)	✓ Municipal Health Services (District Function)
✓ Child Care Facilities (Local function)	✓ Municipal Public Transport (Shared Function)	✓ Potable Water (District Function)
✓ Pontoons, Ferries, Jetties, Piers and Harbours (Local Function)	✓ Cemeteries	✓ Sanitation (District Function)

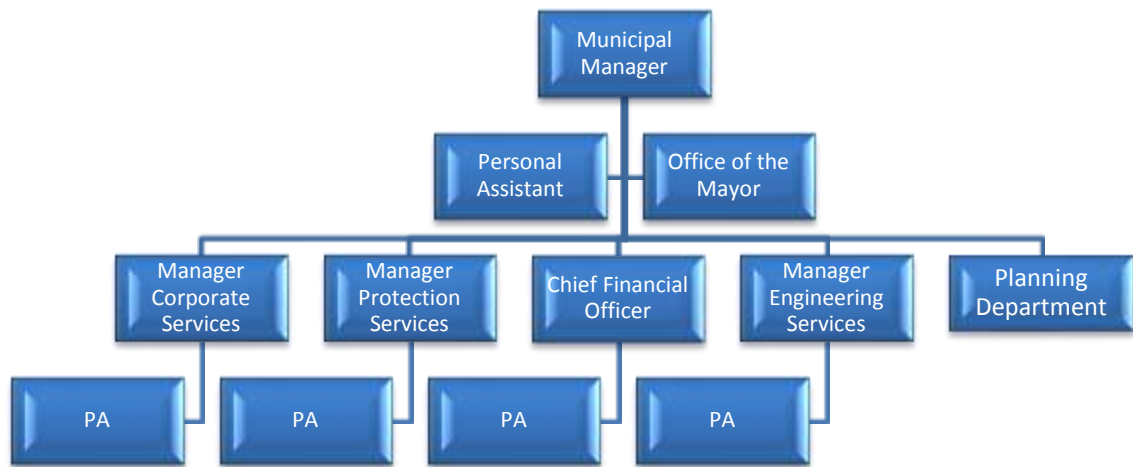
LOCAL FUNCTION	SHARED FUNCTION	DISTRICT FUNCTION
Function)		
✓ Storm Water Management Systems in Built up Areas (Local Function)	✓ Markets (Shared Function)	
✓ Trading Regulations (Local Function)	✓ Municipal Roads (Shared Function)	
✓ Billboards and the Display of Advertisements in Public Places (Local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

LOCAL FUNCTION	SHARED FUNCTION	DISTRICT FUNCTION
✓ Street Lighting (Local Function)		
✓ Traffic and Parking (Local Function)		

### 3.5.2.2 ORGANISATIONAL STRUCTURE / ORGANOGRAM

A comprehensive organogram for the municipality is contained as an Annexure herein.

**Figure 25: Senior Management Organisational structure**



### 3.5.2.3 MUNICIPAL INSTITUTIONAL CAPACITY & STATUS OF CRITICAL POSTS

Five Section 56 positions of Managers reporting directly to the Municipal Manager have been filled. However there are still two critical Senior Managers positions that are still vacant. The following table highlights the current status of Senior Managers reporting directly to the Municipal Manager:

**Table 19: Current Status of Senior Management reporting directly to the MM**

DEPARTMENTS	RESPONSIBLE DIRECTOR
Corporate Services	Vacant
Finance	Mr. ME Swanlow
Protection Services	Vacant
Planning	Mrs NV Mbhele
Physical Environment	Ms. N. Mhlongo
Legal Services	Ms. SS Masondo

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### **3.5.2.4 HUMAN RESOURCE DEVELOPMENT**

#### **3.5.2.4.1 SKILLS DEVELOPMENT**

In accordance with legislation, the municipality has been submitting the Declaration of Intent to train together with the application for Discretionary Grant Funding to LGSETA, and the application has been preliminary approved. The programmes focus on both skills development both internally and externally, but it cannot commence as we are waiting funding from SETA who have also advise the municipality no to commence with the preliminary approved training interventions pending the finalization of funding. The WSP and ATR are submitted annually to LGSETA outlining the organisational training needs as well as training conducted in the financial year.

The challenges are that it is difficult to obtaining training providers within the area as well as experiential learning for the programmes which require practical or workplace exposure in the programmes identified.

#### **3.5.2.4.2 MUNICIPAL HUMAN RESOURCE STRATEGIES**

The Umvoti municipality has developed a number of Human Resource (HR) strategies which include the following:

- Overtime Policy
- Recruitment and Selection Policy
- Sexual Harassment Policy
- Pauper Burial
- S & T for Councillors
- S & T for Officials
- Cellular
- Firearms
- Housing Policy

#### **3.5.2.4.2 SUCCESSION PLAN**

The municipality experiences difficulties in retaining skilled staff and as a result, there is a need to develop a Succession Plan.

There is also a need to develop a Human Resources Manual/Policy which will be inclusive of all human resources policies and procedures which is currently at the draft stage.

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### **3.5.3 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS**

**Table 20: Municipal Transformation and Organisational Development SWOT analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Risk Management policy in place</li> <li>• Fraud and Corruption policy in place</li> <li>• CPMD Training</li> <li>• Unqualified audit in 2011/12 financial year</li> </ul>	<ul style="list-style-type: none"> <li>• Political instability</li> <li>• Integrated information System not In place</li> <li>• Financial constrains</li> <li>• No staff development/support programme</li> <li>• Council resolutions not efficiently implemented</li>   <li>• Policies not fully implemented</li> <li>• Skills Development Policy not fully implemented</li> <li>• Low number of staff trained per year</li> <li>• No staff support programmes in place (i.e. Employee Assistance Programme)</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Strengthen skills base by staff training</li> <li>• </li> </ul>	<ul style="list-style-type: none"> <li>• Financial constraints</li> <li>• Low skilled staff</li> <li>• Political instability</li> </ul>

### 3.6 SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

#### 3.6.1 WATER & SANITATION

##### 3.6.1.1 CONDITIONS OF EXISTING WATER AND SANITATION INFRASTRUCTURE

The water and sanitation infrastructure in Umvoti municipality, especially the town of Greytown and Kranskop is dilapidated. There is currently high water demand for Greytown and surrounding areas. However the District is currently constructing the Craigeburn Dam Pipeline which will service these areas. The Greytown Waste Water Treatment Works is currently above its capacity and is sitting at 120%. The town of Kranskop is highly experiencing sanitation problems as there is no proper sewerage works/plant in this town.

### 3.6.1.2 Bulk Water and Sanitation Strategy

Umzinyathi District Municipality (DM) is the Water Services Authority (WSA) for the entire district in terms of Section 1 of the Water Services Act, 1997. In order to efficiently plan the development of water services in the DM's jurisdictional area, and has a Water Services Development Plan which assists the municipality to align the projects set out by the Water Services Authority and that of the IDP in terms of providing water and sanitation services to the entire district. It also helps with understanding the water services requirements and to effectively plan and manage the projects.

The municipality has reviewed the bulk water and sanitation strategy which has quantified the backlogs for each local municipality, funding required to eradicate backlogs and also funding sources. The Strategy for water is as follows:

- Too many small stand-alone schemes are being planned;
- Planned schemes are very costly – above the Department of Water Affairs bench mark guidelines.
- Serious concerns relate to the availability of reliable and sustainable water sources in the district;
- Strategic issues to be addressed:
  - Bulk Schemes to be assessed to extend services to other areas;
  - Benefits – reduced capital costs;
  - Sustainable water sources as many bore holes are drying up;
  - O&M Costs Reduced;
  - Shorten construction time and increase speed of service delivery; and
  - Avoid duplication of bulk infrastructure costs.

The Strategy for sanitation is as follows:

- Sanitation Area Based Business Plans were prepared to address the Backlogs at Umvoti , Msinga and Nquthu
- Intensive reconciliation made against Census 2011;
- Significant migration patterns across Wards and Increase in population has been observed;
- Actual households count from recently approved Sanitation Business Plans has supported significant population growth and household counts;
- Ward Councilors have to endorse business plans to eradicate sanitation backlogs; and
- Business Plans have been submitted to the Department of Water Affairs for Approval.

The water and sanitation funding requirements for the district and local municipalities as determined through the bulk strategy to eradicate backlogs thereby meeting the Millennium Development Targets are as follows:

**Table 21: Water and Sanitation funding requirements**

Local Municipality	Water funding requirements	Sanitation funding requirements

Umvoti Municipality	R 460 815 151.83	R 34 224 703.00
<b>Msinga</b>	R 1 425 533 087.65	R 122 470 174.00
<b>Nquthu</b>	R 852 645 160.75	R 263 601 338.61
<b>Endumeni</b>	R 17 584 989.49	<b>0</b>
<b>Total</b>	<b>R4 009 344 842.72</b>	<b>R 420 296 215.61</b>

### 3.6.1.3 UMZINYATHI DISTRICT 2013/14 PLAN FOR REDUCTION OF BACKLOGS

During 2013/14 financial year, the municipality aims to reduce the water backlog which will be 28,181 households by June 2013, and will be reduced by 750 households thereby improving access to communities within the RDP standards.

The municipality aims to reduce the sanitation backlog which will be 18,332 households by June 2013, and will be reduced by 6,831 households thereby improving access to communities within the RDP standards

### 3.6.1.4 SOLID WASTE MANAGEMENT

As can be seen from the table below, the amount of refuse removed by the municipality at least once a week has remained relatively static between 2001 and 2007 at approximately 23%. The number of households receiving the service less often has, however, increased from 2.4% in 2001 to 12.3% in 2007.

The waste service delivery of the Umvoti Municipality is coordinated from Greytown. Private households are permitted one orange bag, which is collected twice a week and the cost of this service is covered by the refuse tariff. Waste is collected daily from commercial properties and twice a week or by special request from industries and commercial and industrial collections are charged according to usage. The quality of the solid waste disposal service is also consistent throughout Kranskop. The informal landfill site at Kranskop was closed down and a transfer station is being utilised for waste. It is noted that there is a need for a proper plan for the collection and transportation of refuse from Kranskop to Greytown. There is an existing transfer station in Greytown from where waste is transported by a private contractor to a landfill site in Pietermaritzburg. There is also a need for a container and collection system for Muden. The needs for waste disposal in the Umvoti Municipality as identified in the Integrated Waste Management Plan are summarized below:

- There are no waste minimization strategies that have been developed. These need to be addressed and implemented.

- The tribal areas of the Umvoti Municipality do not receive a waste removal service and they need to be incorporated in the waste disposal.
- The new developments that are taking place in the Umvoti Municipality must be included for the provision of a waste disposal service.
- There is illegal disposal of waste at various sites in the municipality. The illegal disposal should be addressed in order to manage and minimise the illegal activities pertaining to waste disposal.

New Municipal By-Laws should be drafted that pertain directly to waste and issues surrounding waste management. Issues such as illegal dumping of waste, waste minimization/ and recycling should be dealt with in the By-Laws. Municipal waste records should be kept and maintained for informed future decision-making purposes and to comply with the Government's Waste Information System requirements.

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### **3.6.1.5 WASTE REMOVAL AND IMPACT OF TARIFF INCREASES**

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as transporting of waste to Pietermaritzburg. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 7 per cent increase in the waste removal tariff is proposed from 1 July 2013. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 7 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2013:

**Table 22: Comparison between current waste removal fees and increases**

<b>TARIFF TYPE</b>	<b>CURRENT TARIFFS</b>	<b>PROPOSED TARIFFS</b>	<b>DIFFERENCE</b>	<b>PERCENTATGE</b>
REFUSE DOMESTIC	108.20	115.77	7.57	7%
REFUSE OTHER	134.90	144.34	9.44	7%
REFUSE OTHER	241.80	258.73	16.93	7%

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## **3.6.2 TRANSPORTATION INFRASTRUCTURE**

### **3.6.2.1 ROAD NETWORK**

The main road linkages in the District are the R33 forming a North/South Corridor (Dundee-Greytown and Pietermaritzburg), followed by the R74 linking Greytown to Stanger through Kranskop. The major roads, R33 and R74 provide a link between the urban centres of Greytown/Kranskop with the urban nodes of Dundee, Pietermaritzburg, Stanger and Estcourt. No visible hierarchical ordering of the space economy in Umvoti is evident as Greytown and Kranskop dominate the economy. The settlements of Muden, Seven Oaks and Hermannsburg have very little economic impact.

Provincial roads within Umvoti are in a fair to poor condition. Urban roads are in a better condition in most areas. Surface drainage is not adequate and clearance of open drains and road verges need to be undertaken. Main roads in Kranskop are adequately surfaced although regular maintenance is required. However there is no pavement management strategy in place.

Rural roads require more attention, as they are mostly unsurfaced and hence susceptible to erosion. The municipality currently does not have storm water control measures for rural areas. Most of the drains for rural roads discharge into watercourses and the veld, and this contribute to soil erosion. Strategic intervention need to focus on storm water management and the monitoring of settlement establishment on areas adjacent to rivers and streams.

### 3.6.2.2 ACTIVITY ROUTES

The roads that currently run throughout the Umvoti Municipality present opportunities for creating the communication and access networks necessary to permeate the area. Along these routes services are provided and public transport operates, whilst many of these routes provide gathering places for those attracted to the activities along them. Existing high order routes could potentially evolve into movement corridors in the first instance, with high order activity developing along them over time.

### 3.6.2.3 PUBLIC TRANSPORT

The municipality has both formal and informal public transport facilities. Table 23 below provides a summary of the public transport facilities within Umvoti Municipality:

**Table 23: Formal and Informal transport facilities**

Facility Name	Ownership	Status	Location
Greytown Taxi Rank	Municipal	Formal	Off street
Kranskop Taxi Rank	Municipal	Formal	Off street
Muden Taxi Rank in Greytown	Private	Formal	Off street

Muden Taxi Rank in Muden	Private	Informal	Off street
Rural wards		Informal	On street and off street

### 3.6.3 ENERGY

The municipality has experienced challenges in the electrification of the whole of Umvoti municipal area of jurisdiction. The municipality completed the first phases of the Muden, Ngome and Mdlelanto electrification projects in the 2011/2012 financial year. The 497 sites electrification project design was completed in 2012 however there has been no progress in this project. The 497 sites is one of the Low Cost Housing Project whereby houses were handed over without electricity in order to avoid vandalism. There were no funds allocated to Umvoti Municipality by the Department of Energy for the 2012/2013 financial year.

The table below outlines the total projects costs required for 2013/2014 financial year.

**Table 24: Total Projection costs required for 2013/14 financial year**

PROJECT NAME	NUMBER OF CONNECTIONS	TOTAL PROJECT COST(Excl. VAT)
MUDEN PHASE 2 ELECTRIFICATION	156	R 2 992 779.00
NGOME PHASE 2 ELECTRIFICATION	178	R 2 716 266.00
MDLELANTO PHASE 2 ELECTRIFICATION	129	R 3 318 161.00
497 SITES ELECTRIFICATION	500	R 3 149 936.00
<b>TOTAL (Excl VAT)</b>	<b>963</b>	<b>R 12 177 745.00</b>

#### 3.6.3.1 FUTURE ELECTRIFICATION PROJECT FUNDING REQUIREMENTS

Umvoti Municipality completed and adopted an Electricity Service Delivery Plan (ESDP) for the municipality in 2008 and has been reviewing this plan regularly. The objective is to provide electricity to the people of Umvoti Municipality as quickly as possible. The three constraints determining the delivery process of electricity to the people is the availability of **network capacity, funding** as well as **proactive design and planning**.

#### 3.6.3.2 NETWORK CAPACITY

Subsequent to the completion of the new substation at Msinga and the upgrading of networks on some other substations by ESKOM capacity is now available to continue with electrification in a

number of areas in Umvoti Municipality. Network Capacity is therefore at present a factor delaying electrification in the municipality. Areas where network capacity constraints exist were identified and prioritized as high priority non grid project areas. The maps in this regard are attached herein.

### 3.6.3.3 PROACTIVE DESIGN AND PLANNING

The Umvoti Municipality realized some years ago that it is not possible to design and spend the funding on electrification projects in a single financial year. Projects are now planned and designed in advance.

The planning and design of the projects for the 2013/2014 financial year is therefore either already complete and the designs finalized or being designed. The designs of the following projects (with Eskom approvals) are complete and ready for implementation:

**Table 25: Completed project designs (with Eskom approval)**

PROJECT NAME	NUMBER OF CONNECTIONS	TOTAL PROJECT COST (Excl. VAT)
MUDEN PHASE 3 ELECTRIFICATION	230	R 6 000 000.00
NGOME PHASE 3 ELECTRIFICATION	630	R 10 000 000.00
BOMVINI PHASE 2 ELECTRIFICATION	40	R 400 000.00
TOWNLANDS ELECTRIFICATION	100	R 1 500 000.00
KWADOLO ELECTRIFICATION	250	R 2 300 000.00
<b>TOTAL (Excl VAT)</b>	<b>1250</b>	<b>R 20 200 000.00</b>

The planning and design of the following projects has been started:

**Table 26: Project that are at planning and design stage**

PROJECT NAME	NUMBER OF CONNECTIONS	TOTAL PROJECT COST (Excl. VAT)
KWASENGE PHASE 1 ELECTRIFICATION	470	R 9 400 000.00
GCOTOI ELECTRIFICATION	500	R 10 000 000.00
EMAKHABELENI/SIBUYANE/VUKAPANSI ELECTRIFICATION	850	R 18 200 000.00
MAKHABELENI ELECTRIFICATION	600	R 10 800 000.00
HLIMBITHWA ELECTRIFICATION	200	R 4 000 000.00
MTHIYAQWA ELECTRIFICATION	200	R 4 000 000.00
<b>TOTAL (Excl VAT)</b>	<b>2820</b>	<b>R 56 400 000.00</b>

### 3.6.3.4 FUNDING REQUIREMENTS FOR THE THREE FINANCIAL YEARS

From the above it is clear that service delivery related to electrification in the Umvoti Municipal area is being delayed because of a lack of funding for electrification projects.

The funding required for the 2012/2013 financial year is now rolled over to the 2013/2014 financial year and being bridge funded by the municipality to ensure that service delivery takes place. The problem that now needs to be solved is what will happen in 2013/2014.

The Umvoti Municipality needs more funding from DoE to ensure that service delivery is not negatively affected. The funding required in the current and the next two financial years are as follows:

**Table 27: Funding required for 2012-2015 projects**

YEAR	NUMBER OF CONNECTIONS	TOTAL PROJECT COST (EXCLUDING VAT)
2012/2013	963	R 13 000 000.00
2013/2014	1250	R 20 200 000.00
2014/2015	2820	R 56 400 000.00
Greytown New Substation #		R 40 000 000.00
<b>TOTAL (Excl VAT)</b>		<b>R 129 600 000.00</b>

The Umvoti Municipality also require R 40 000 000.00 to enable Eskom to construct a new substation to supply Greytown Town the current feeder lines from Eskom to the town and the substation has reached to maximum limit it can supply. The lines cannot be upgraded in the current position and a new substation is required.

The maps below reflect the electrification grid and non-grid plans for Umvoti municipality as a whole and some reflects the plans per wards.

**Figure 2: Umvoti Electrification Grid Plan**

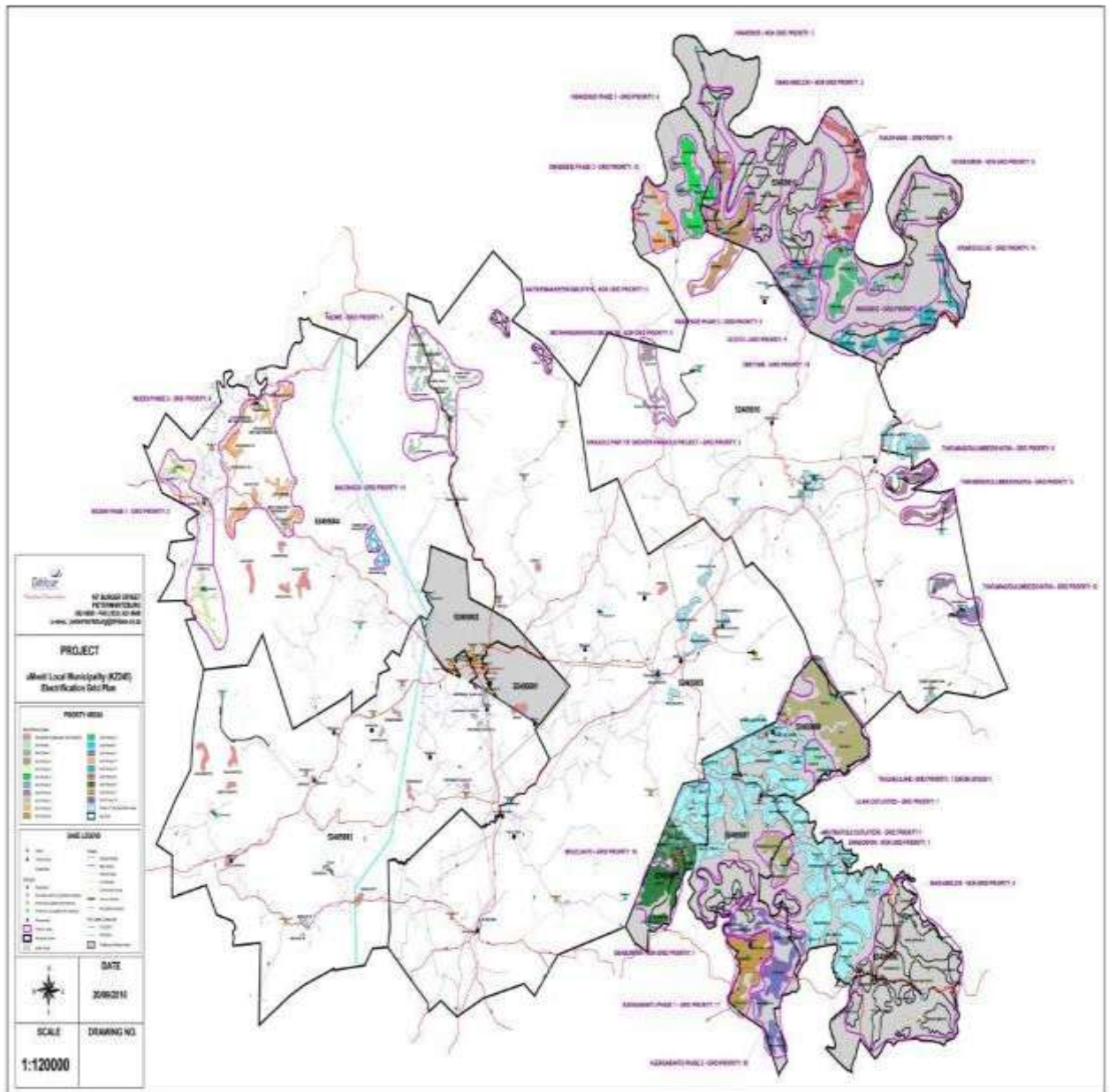


Figure 27: Electrification Grid Plan for Ward 3

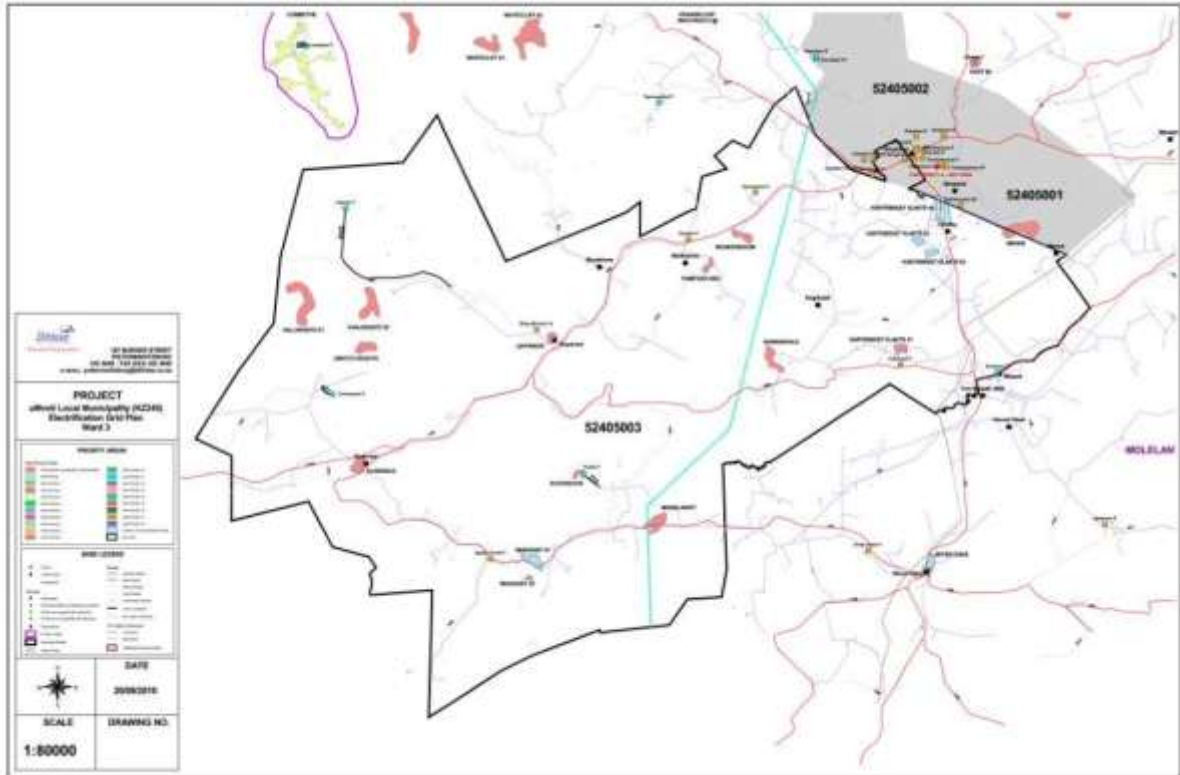
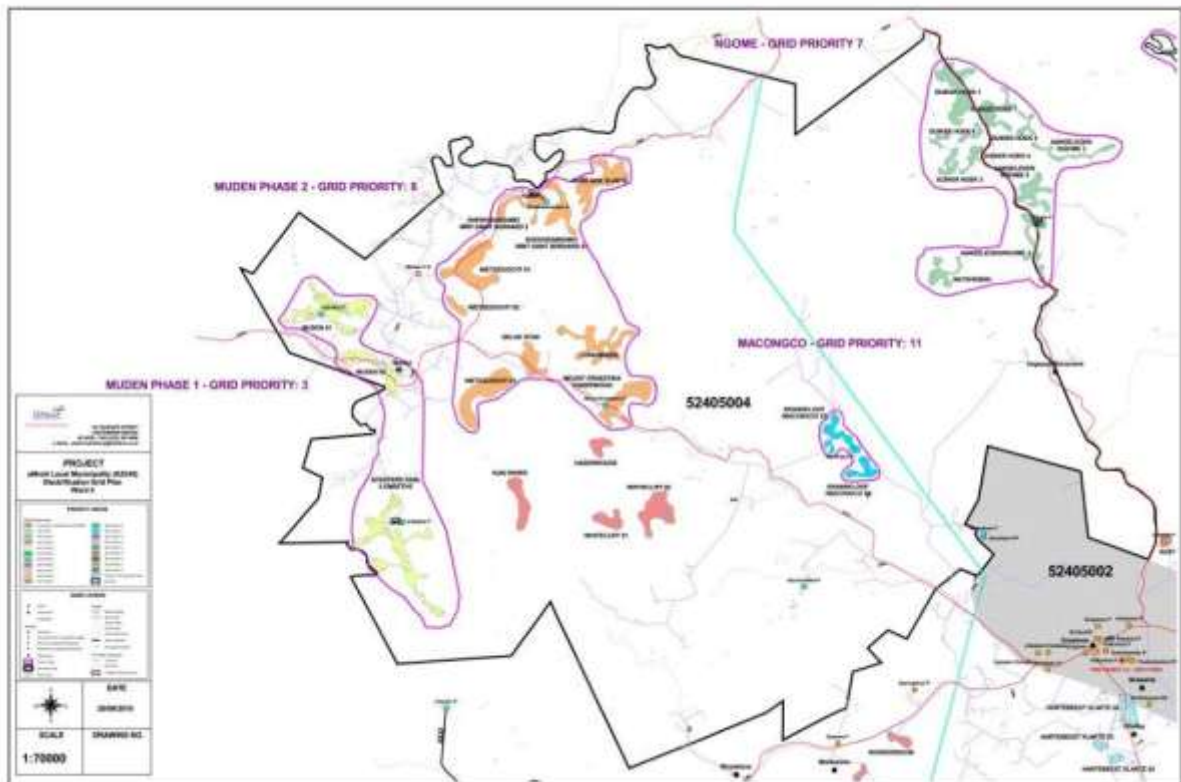
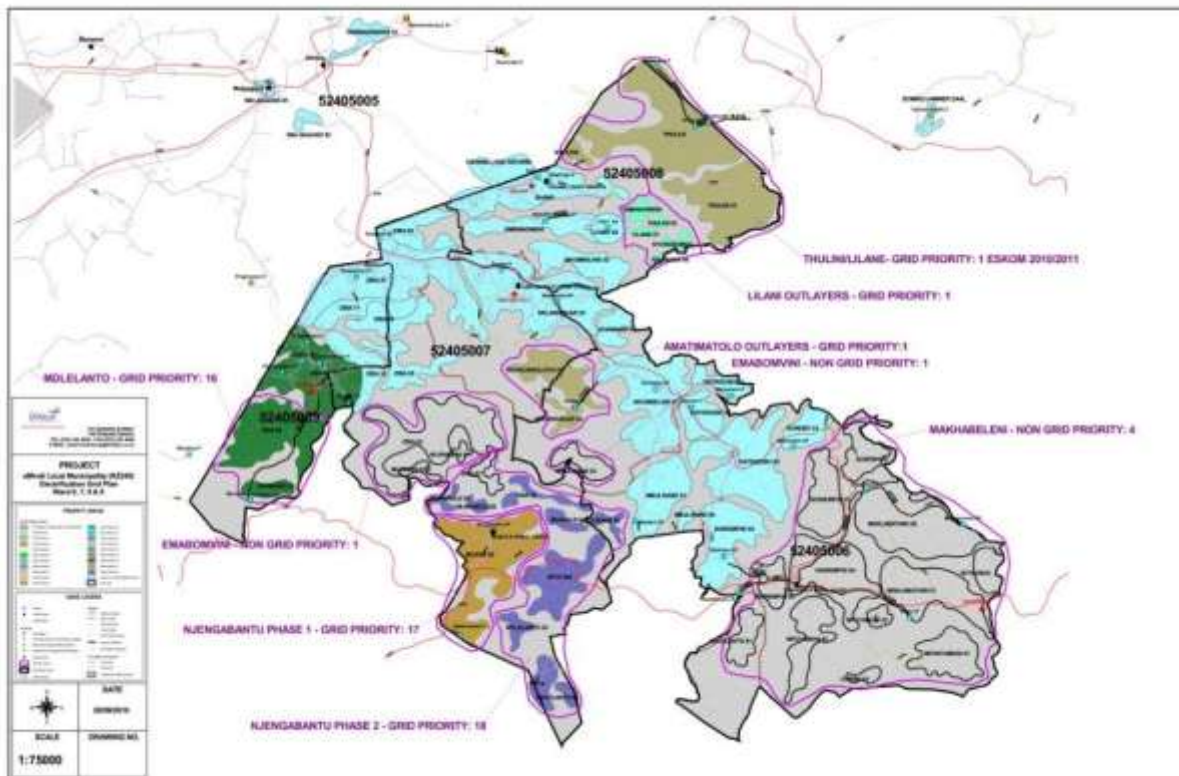


Figure 28: Electrification Grid Plan for ward 8





**Figure 31: Electrification Grid Plan for wards 6, 7, 8 &9**

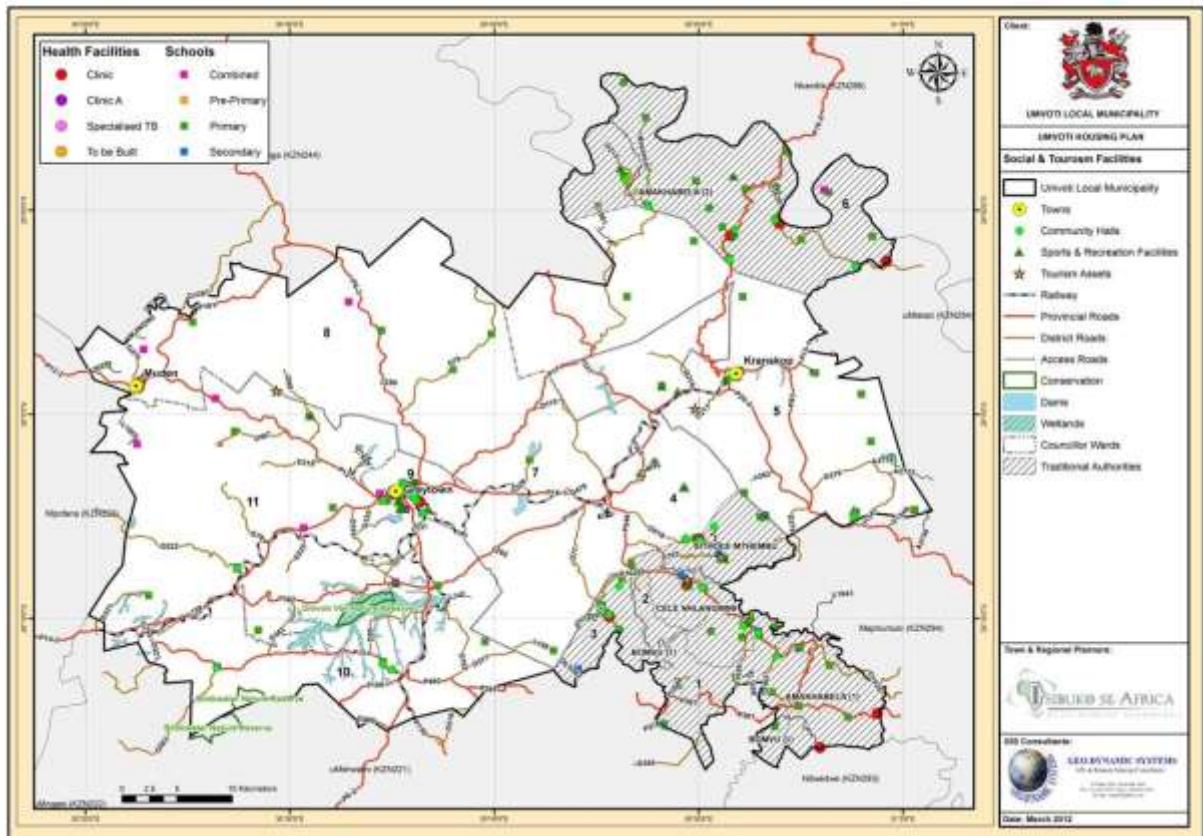


### 3.6.4 ACCESS TO COMMUNITY FACILITIES

The urban centres of Greytown and Kranskop are adequately provided with social facilities. The social facilities need to be provided in terms of the RDP guidelines. There is a general lack of sports facilities in Kranskop and the tribal authorities. Greytown is adequately catered for in terms of sporting facilities. Attention needs to be directed towards the tribal authority areas as they are under supplied with social facilities. However the situation has improved as compared to the previous years.

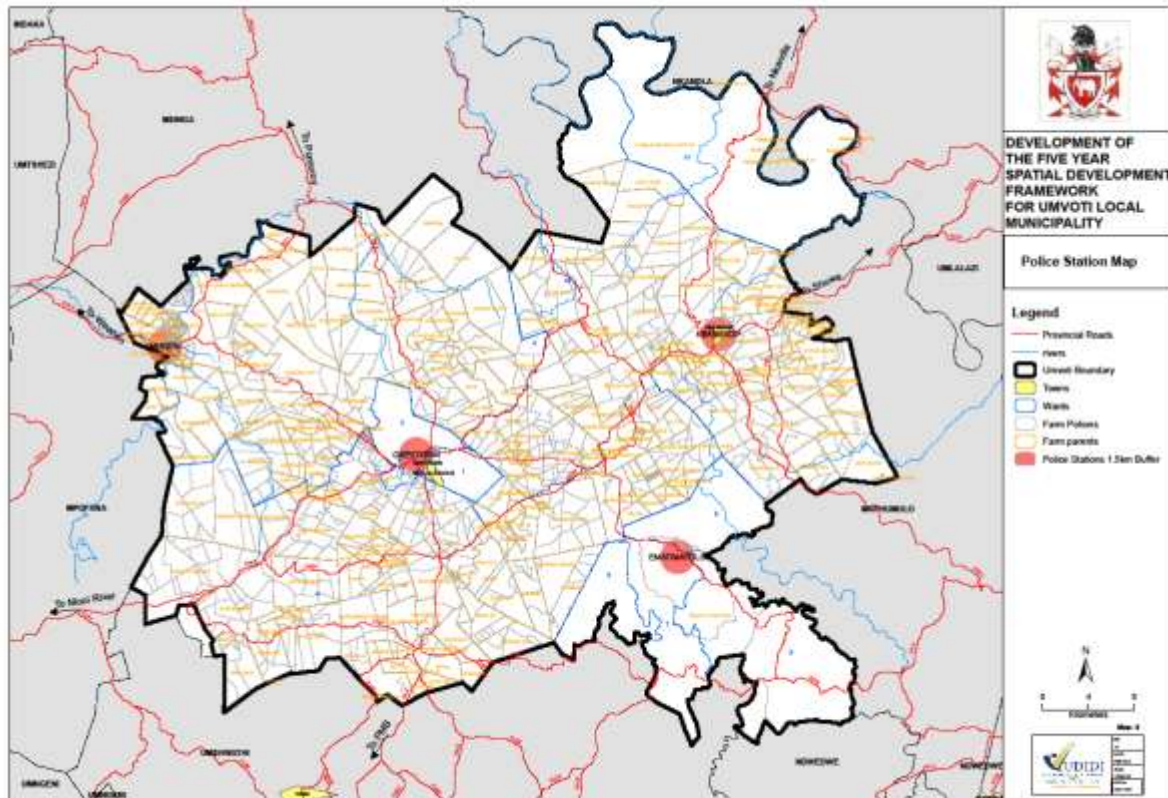
The provision of sufficient social and community facilities is considered critical for the development of sustainable human settlement. The basic social and community services that are a pre-requisite in this case include educational, health, community halls, sport and recreational facilities. The map below, demonstrates the spatial distribution of these social and community facilities within various parts of Umvoti Municipal Area. With reference to Map below, Umvoti can be considered to be well provided with Primary Schools which are located within various settlements on the urban areas, rural areas and farmlands. The majority of the rural settlements are provided with secondary schools.

**Figure 32: Spatial Distribution of Social facilities**



Umvoti Municipality has four (4) police stations situated within its area of jurisdiction with Greytown Police Station being the biggest police station amongst the four. There are two Magistrate Courts within Umvoti Municipality: Greytown and Kranskop.

**Figure 33: Police Stations within Umvoti Municipality**



### 3.6.5 HUMAN SETTLEMENTS

#### 3.6.5.1 CURRENT HOUSING SITUATION

The number of households who reside within the formal houses has increased from 42% in 2001 to 57% in 2007 within Umvoti Municipal Area. This increase may be attributed to the decrease of households residing in rural areas as well as the households who have received formal houses for the first time due to completed low – cost housing projects between 2001 and 2007. The municipality is very close in terms of meeting the national housing target of at least 60% of households to be formally housed within each municipality countrywide.

#### 3.6.5.2 LOW COST HOUSING DEMAND

##### 3.6.5.2.1 RURAL HOUSING DEMAND

The demand for rural housing within Umvoti has never been captured by the housing demand/ waiting lists; instead the census statistics have always been used to guide the municipality in this regard. According to the 2007 Census Community Survey, there are approximately 9 518 households who were recorded to be residing within the traditional settlements. This noted a decrease from 1 197 households who were residing in traditional settlement seven years ago (there were approximately 10 715 households residing in traditional settlements in 2001). Based on the assessment that was done with municipal ward councillors, this statistical demand is relatively lower than the what the municipality has quantified the backlog as, such that the estimated number of people who require rural housing is estimated at 21 160 households.

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### **3.6.5.2.2 MIDDLE – INCOME/ GAP HOUSING DEMAND**

“Gap housing” is a term used to describe the shortfall, in the housing market between residential units supplied by the state (which cost R100 000 and less) and houses delivered by the private sector (which are not less than R250 000). The gap housing market comprises people who typically earn between R3 500 and R10 000 per month, which is too little to enable them to participate in the private property market, yet too much to qualify for state assistance. The middle – income housing demand has never been captured on the housing demand/ waiting lists. It is therefore difficult to estimate precisely how large the demand for the gap housing product is, as it fluctuates with interest rate changes and employment levels.

It also depends on the number of families who voluntarily choose to make longer term financial commitments. However, it is certain that this housing segment is huge and represents a significant demand within the Greytown. In fact this housing spectrum is recently receiving attention from Umvoti Municipality. The need to explore options for this type of housing is considered important given the fact that the Breaking New Ground Housing Policy makes provision for any middle income housing (gap market) to be addressed. The municipality anticipates that there are approximately 500 households that require housing who fall within the middle income housing bracket. This is substantially higher than the census 2007 community survey middle – income housing demand, which is estimated at 61 household

### **3.6.5.2.3 ERADICATION OF INFORMAL SETTLEMENT**

There are four (4) informal settlements that exist within Umvoti Municipal Area of jurisdiction. As previously discussed these accommodate approximately 2344 households. Unfortunately none of these settlements can be formalized through in-situ upgrading due to a number of reasons which can be outlined as follows:

- Tin Town Having – approximately 691 households are located within the closed landfill site and it is not environmentally recommended to have the settlement there.
- Lindelani – approximately 860 households are located within Transnet owned servitude.
- Coloured Village – this small settlement (83 households) is located within a 50 – 100 year flood line and this poses a great danger.
- Kranskop – this is a very dense informal settlement with approximately 710 households. It will not be possible to accommodate all the households with the property that they have invaded since the household’s structures are too congested.

Umvoti Municipality intends to eradicate these informal settlements and ensure that all the households have access appropriate shelter with decent services. There are two existing projects which were conceived with the intention to eradicate informal settlements through relocation. These are Greytown Slums Clearance (848 Units) and Kranskop Slums Clearance (246 Units). The shortfall will still remained for approximately 1250 units. The municipality is intending to initiate an additional project in order to ensure that all the informal settlements are successfully eradicated.

However there are challenges that are experienced with finding additional land to accommodate this intended project.

### 3.6.5.2.4 CURRENT HOUSING SITUATION

#### 3.6.5.2.4.1 LIST OF PRIORITISED HOUSING PROJECT

Umvoti Municipality identified and prioritised projects in three phases. The projects in the table below are in an order of priority:

**Table 28: Phase 1 Housing Projects**

PROJECT NAME	TYPE	WARD NUMBER	ANTICIPATED NUMBER OF UNITS	PROPERTY DESCRIPTION	OWNERSHIP
Mbulwane Housing project	Rural	1	1000	Portion 16 of Umvoti location	Ingonyama Trust
KwaCele Housing Project Phase 2	Rural	2	1500	Portion 16 of Umvoti location	Ingonyama Trust
Kranskop Phase 2	Urban	5	500		Municipal land
Sangweni Housing Project	Greenfield	2	500		Acquire private land
Woolstone Housing Project (Nkonzo, Mhlopheni, Bloemhof, Macro, Haloni, Kusan)	Greenfield	11	500		Acquire private land
Extension 14 Middle Income Housing Project	Greenfield (Urban)	9	500		Municipal land
Nhlalakahle Phase 2	Greenfield (Urban)	7	1000		Municipal land

**Table 29: Phase 2 - Future Housing Projects:**

PROJECT NAME	TYPE	WARD NUMBER	ANTICIPATED NUMBER OF UNITS	PROPERTY DESCRIPTION	OWNERSHIP
Mdlelanto Housing Project	Rural	3	500		Ingonyama Trust
Greytown Slums Clearance	Urban	9	1000		Municipal land
Mbangweni Housing Project	Rural	2	1000		Ingonyama Trust

Mispah and Seven Oaks		10	500		Trust
Enseleni	Rural	7	500		Ingonyama Trust
Mbomvu Area	Rural	3	1600		Ingonyama Trust
Ntembisweni Phase 2	Rural	3	2000		Ingonyama Trust
Mashayinyoni	Rural	1	1500		Ingonyama Trust
Amabomvu	Rural	1	1000		Ingonyama Trust
Phasiwe Farm	Farm	10	100		Trust

**Table 30: Phase 3 - Future Housing Projects**

PROJECT NAME	TYPE	WARD NUMBER	ANTICIPATED NUMBER OF UNITS	PROPERTY DESCRIPTION	OWNERSHIP
Ngome, Msengeni, KwaNsundu and Maqwayibeni	Rural	8	600		Trust
Gcotoyi, Dimane, Engcaza	Rural	6	1000		Ingonyama Trust
Mpanza 1 and 2, Mdlazane, Msijimi, Esihlabeni, Msamo	Rural	8	500		Ingonyama Trust
Mthiyaqwa and Sinyambothi	Rural	5	600		Ingonyama Trust
Mthembu-Sithole	Rural	4	100		Trust
Mhlazane Housing Project	Rural	4	100		Trust
Emacongco Entabenzima Tshekane 1 Tshekane 2 Nyonini Mhlopheni Mbalane 1 Mbalane 2 Jestina Emanandini	Rural/Farms	11	1360		Trust
Mavalane and	Rural	5	500		Ingonyama

Nsongeni					Trust
Leje, Ophathe, Vondela, Nkanini, Ngubevu	Rural/Farms	8	600		Trust

#### 3.6.5.2.4.2 URBAN AREAS

The housing projects that are currently underway within the urban areas of Umvoti are as follows:-

**Table 31: Housing projects in progress within urban areas**

Project Name	Ward	Comments
497 Housing Project	7	96% complete
Greytown Slums Clearance (1000 units)	1	Awaiting Record of Decision
Kranskop Slums Clearance (246 Units)	5	Challenges in terms of Bulk water supply and sewer
Extension 14 – Middle income	9	Preliminary study is being conducted
Extension 9	9	Preliminary study is being conducted

#### 3.6.5.2.4.3 RURAL AREAS

The housing projects that are in progress within the rural areas of Umvoti are as follows:

**Table 32: Housing projects in progress within rural areas**

Project Name	Ward	Comments
Matimatolo Rural Housing Project	2	Construction phase
Ntembisweni Rural Housing Project	3	Construction phase
Mthembu-Sithole Rural Housing Project	4	Implementing Agent appointed
Muden	11	Finalisation of planning processes

#### 3.6.5.2.4.4 PREFEASIBILITY STUDIES FUNDING REQUEST FOR HOUSING PROJECTS

The Department of Human Settlements is encouraging municipalities to submit requests to the department for prefeasibility studies funding. Umvoti Municipality has submitted a request to the department for the following projects:

**Table 33: Housing projects submitted for prefeasibility studies funding request**

<b>Project Name</b>	<b>Type</b>	<b>Anticipated Number of Units</b>
1. Mbulwane Housing Project	Rural	1000
2. Sangweni Housing Project	Greenfield	
3. KwaCele Housing Project Phase 2	Rural	1500
4. Kranskop Phase 2	Urban	500
5. Woolstone Housing Project (Nkonzo, Mhlopheni, Bloemhof, Macro, Haloni, Kusan)	Greenfield	500
6. Nhlalakahle Phase 2	Urban	1000
7. Extension 14	Urban	500
8. Extension 9	Urban	500
9. Ntembisweni Rural Housing Project Phase 2	Rural	2000

### **3.6.6 TELECOMMUNICATIONS**

The National Department of Communications has a responsibility to position Information and Communications technology as a vehicle to address the social challenges that continue to characterise everyday life in our communities. This includes making people in the most remote and rural communities understand, for example, how to use computer.

Greytown and Kranskop are well covered in terms of communication network. However, the rural areas still got areas with poor and/or no communication network at all. The cellular masts need to be installed in some rural areas. In 2010, the Minister of Communications launched Zibambeleni Telecentre in Muden. The Telecenter was a community initiative whereby Zibambeleni Development Trust in partnership with the Ministry of Communications, the Universal Service Access Agency of South Africa (USAASA) , the South African Graduate Development Association and the National Youth Development Agency. The intention was to ensure that the community of Muden is able to access internet, computer training, photocopying and facsimile services. This service need to be considered in other areas.

Most farmers are switching to VOIP technology due to cable theft. This technology allows users to make telephone calls over the internet.

### 3.6.7 SERVICE DELIVERY & INFRASTRUCTURE: SWOT ANALYSIS

**Table 34: Service Delivery SWOT analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• 2011 Census outcomes (Stats)</li> <li>• MIG Funding</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of human and financial capacity</li> <li>• Poor planning</li> <li>• Continuous changes in priorities</li> <li>• Dilapidated infrastructure</li> <li>• Unspent MIG funding</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Proper planning within financial constrains</li> <li>• Recycling of waste</li> <li>• Landfill site</li> <li>• Alternative energy source(s)</li> <li>• Take advantage of EPWP funding</li> <li>• Establishment of Project Management Unit</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Shortage of water</li> </ul>

## 3.7 LOCAL ECONOMIC & SOCIAL DEVELOPMENT ANALYSIS

### 3.7.2 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

#### 3.7.2.1 ECONOMY

Umvoti Municipality is well known of sectors of economic development which contribute or drive the economic growth of the area. Umvoti municipal area has a number of opportunities for economic development and these can be summarised as follows:

- Processing of agricultural products.

- Umvoti municipal area has a rich history, which includes the battlefields, and the history of the Zulu nation, Germans, Afrikaners, etc.
- Location of the proposed culture and heritage route, midlands and battlefields at the various tourism zones.
- Industrial land in Greytown
- Traditional arts and craft skills, which have been passed from generations to generations. There is potential to commercialize traditional arts and craft products.
- Irrigable land located along the Uthukela, Mooi and Umvoti rivers, which creates opportunities for irrigation schemes.

### 3.7.2.2 MAIN ECONOMIC CONTRIBUTORS

**Table 35: Main economic contributors**

Sector	Share % of GVA
General Government Services	17.3
Wholesale and Retail trade, Catering and Accommodation	16.0
Manufacturing	15.8
Finance, Insurance, Real Estate and Business Services	14.1
Agriculture, Forestry and Fishing	12.6
Community, social and personal services	8.5
Transport, storage and communication	8.4
Construction	3.1
Mining and quarrying	2.6
Electricity, gas and water	2.2

*Source: Calculations based on Quantec data, 2011*

The table above reflects the relative contribution of each industry to the GVA at a district level. It clearly depicts the sectors that are major drivers of the economy. General government services, wholesale and retail trade, manufacturing and agriculture and forestry have been the major contributors in the economy over the past years. Likewise, Greytown is the main provider of higher income jobs in senior management, professional, technical, clerks and skilled in the Umvoti area. The commercial farms provide for the majority of the skilled jobs and these are primarily provided in the processing plants. On the low, Traditional Authority areas provide very few to no jobs at all. It is

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worth noting that the minimal employment that is provided in these areas is attributed to the development of basic infrastructure such as roads, electrification, water provision, schools and clinics within these Traditional Authority areas.

### **3.7.2.3 DEPENDENCY RATIOS**

The implications of little disposable income cause high dependency rates and the need for social and economic support for the very poor. The current situation paints a bleak picture in terms of the ability of the Umvoti community to meet their basic needs and improve their quality of life. A large portion of a low-income family's revenue comes from remittances and social grants.

Due to the poor economic performance of the municipality and the district municipality as a whole, unemployment and dependency ratios remain high. The 1996 census indicated that on average 5.8 people depended on each employed person, a figure which grew to 6.3 dependants in the 2001 census. The increase in the number of dependants further strengthens the need for an appropriate economic development strategy for the municipality. This should include the development of Small, Medium and Micro Enterprise (SMME) in suitable sectors as a means of promoting emerging entrepreneurs who will initiate labour intensive job growth. Furthermore, the strategy must aim to provide support to the informal sector as it is recognized that it provides many households with an income and it is anticipated to play an increasingly more important role in the future.

Most of the poverty-stricken households in the Umvoti municipality are located in the Enhlalakahle Township as well as in the Traditional Authority areas. The population in towns is generally better off than the rural community, where it is likely that communities will not be able to afford housing and other services. The provision of basic and essential services to the communities of these rural areas is one of the greatest challenges for this municipality.

### **3.7.2.4 UNEMPLOYMENT RATES**

The total labour force for the Umvoti Municipality is estimated to be around 24 696 people, of whom only 14 649 people are employed. This marks a net loss of about 2 000 jobs since 1996 where the number of the employed residents was estimated to be around 16 594 people. The impact of this relates to an increase in the unemployment rate from 9 810 people in 1996 to 10 047 people in 2001.

### **3.7.2.5 EMPLOYMENT RATE PER SECTOR**

The Umvoti economy is dominated by the agricultural and community services sectors. The agricultural sector has created about 4 863 of the total employment opportunities within the

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municipality with the community services sector employing approximately 2 502 people. Other important sectors in terms of employment include manufacturing, retail, private households and informal sector (undetermined).

Greytown is the main provider of higher income jobs in senior management, professional, technical, clerks, service related and skilled, providing in the region of 26.8% of all jobs in the Umvoti municipality. Commercial farms provide for 86% of the skilled jobs and these are primarily provided in processing plants. The Traditional Authority areas provide very few to no jobs at all, although 50% of construction related employment is provided for in these Traditional Authority areas. This is attributed to the development of basic infrastructure such as roads, electrification, water provision, schools and clinics within these Traditional Authority areas.

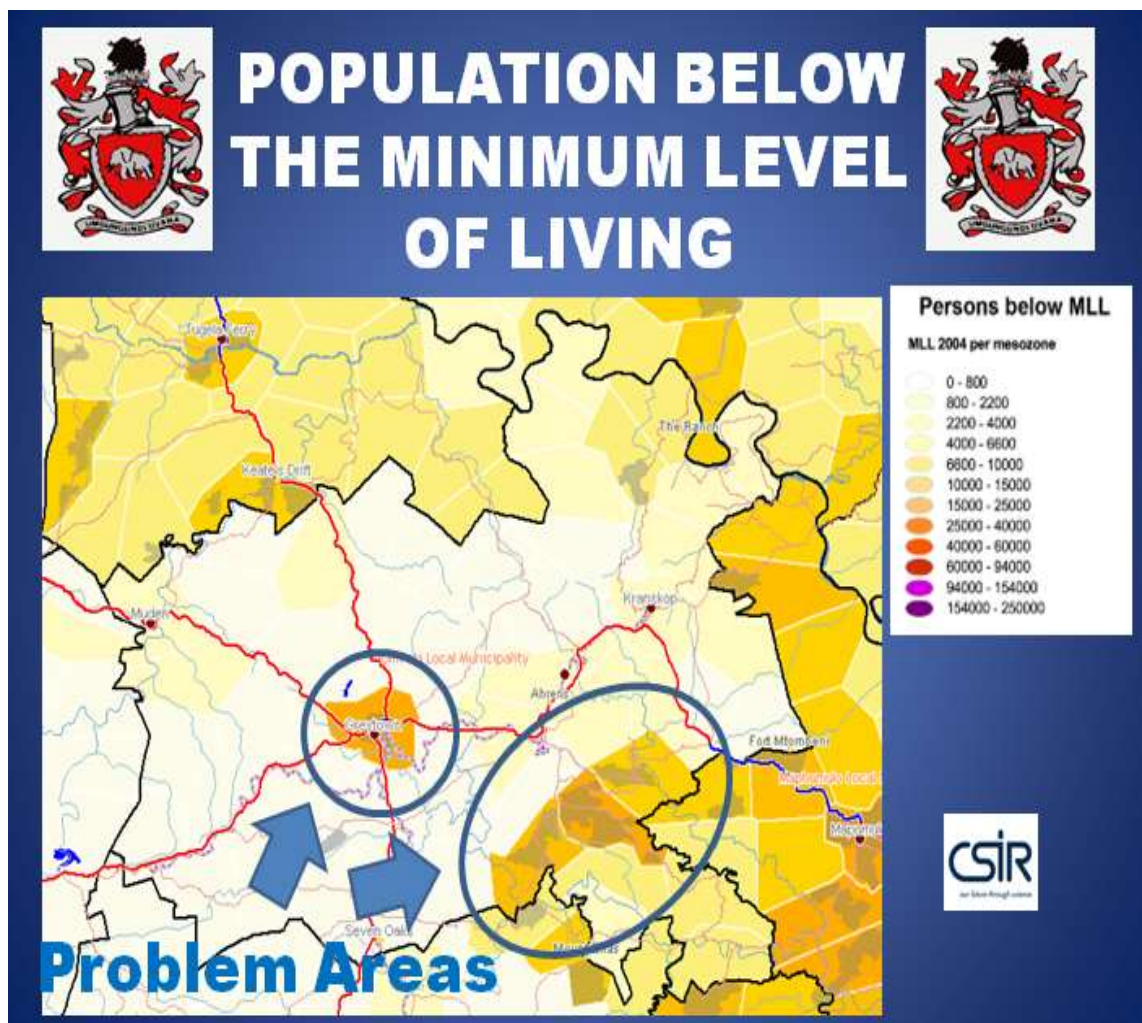
#### **3.7.2.6 SKILLS PROFILE**

The majority of the employed population have elementary skills and this impacts on their ability to compete for high profile and well-paying jobs. Poor representation of people in professional and other highly skilled jobs reflects the lack of such opportunities within Umvoti Municipality and the small number of people who have acquired skills. This situation has remained largely the same as in was the case in the 1996 census.

#### **3.7.2.7 MINIMUM LEVEL OF LIVING**

The minimum level of living (MLL) or poverty threshold/ poverty line, is the minimum level of income deemed necessary to achieve an adequate standard of living in a given country. The CSIR (2004) figures indicate the following the areas around Greytown and the tribal areas to the south-east of the municipality have the highest concentrations of people living below the minimum level of living.

**Figure 34: Population below the Minimum Level of Living (CSIR, 2004)**



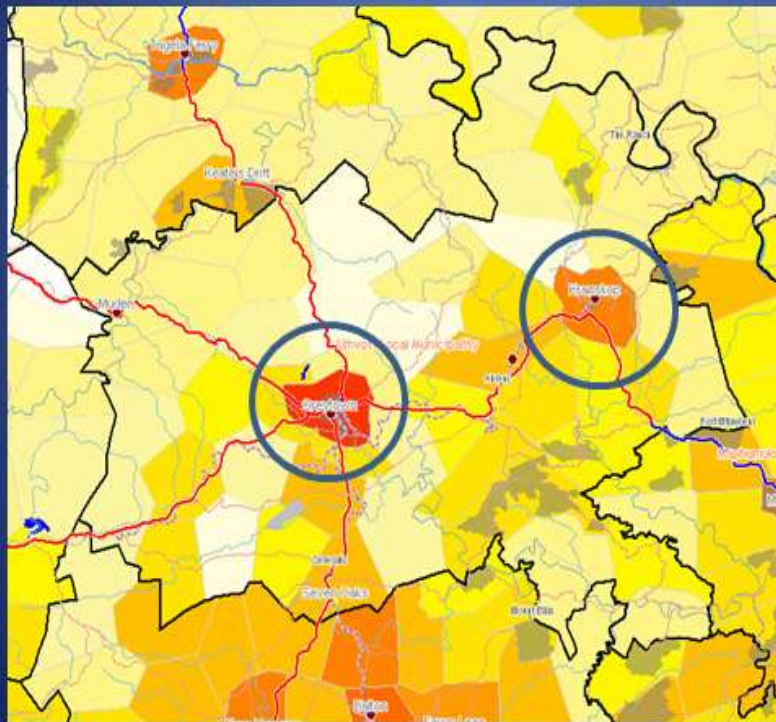
### 3.7.2.8 GROSS VALUE ADDED

Gross Value Added or GVA is a measure in economics of the value of goods and services produced in an area or sector of an economy. The map below indicates the GVA per mesozone and indicates that the areas around Kranskop and Greytown produce the highest GVA followed by the inter-joining areas.

Figure 35: GVA per Mesozone (CSIR, 2004)

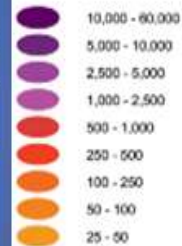


# TOTAL GVA PER MESOZONE



## Total GVA per mesozone

Total GVA 2004  
(R millions)



### 3.7.2.9 KWAZULU-NATAL DEPRIVATION INDEX

A KZN Deprivation Index is prepared annually which ranks municipalities in terms of their comparative levels of deprivation. The index is a composite of several elements including:

- Income Levels,
- Employment,
- Health,
- Education,
- The Living Environment, and
- Crime

The following table summarises the Umvoti municipality's scores for each of these categories out of the 55 local municipalities in the province. As can be seen from the table, the Umvoti municipality score comparatively poorly in terms of Crime and Employment.

**TABLE 36: Umvoti Scores per Deprivation Category**

CATEGORY	SCORE
Income Levels	44/ 55
Employment	35/55
Health	48/55
Education	38/55
The Living Environment	40/55
Crime	18/55

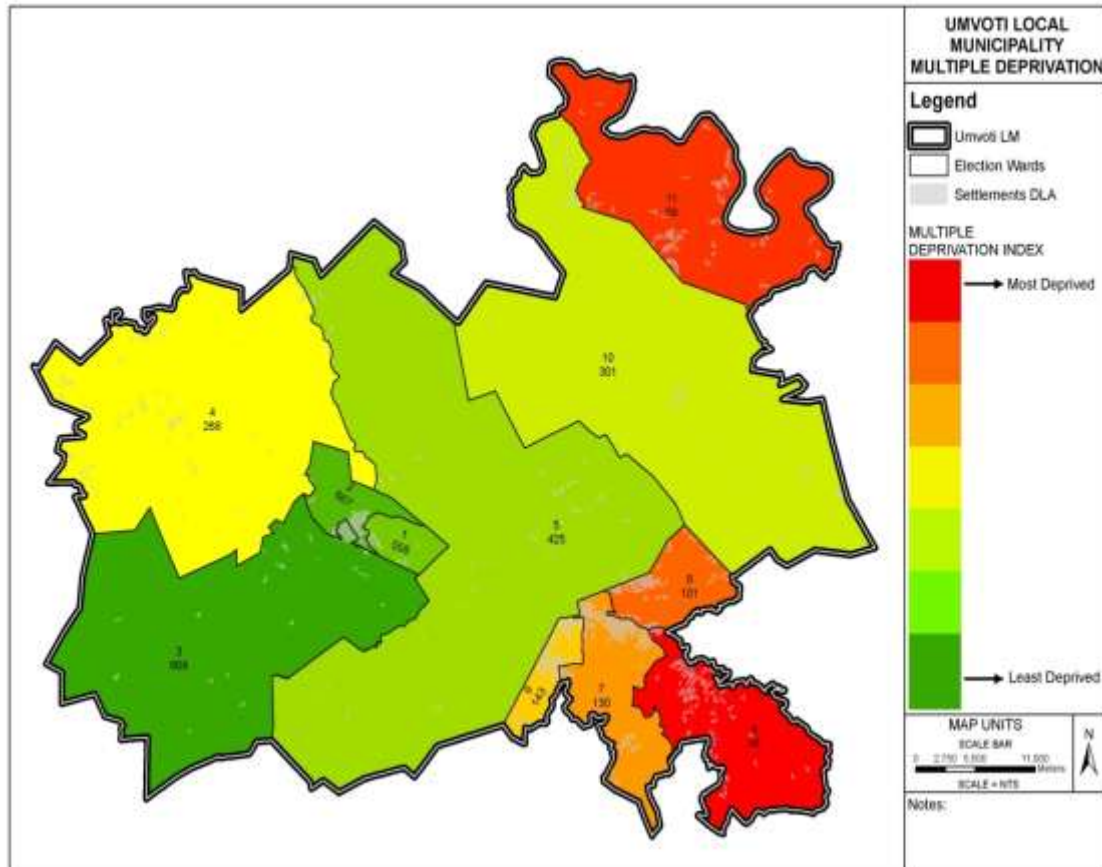
(Source: Provincial Treasury, 2009)

The scores for the six components are then weighted and a composite score determined. In terms of the overall composite score, the Umvoti Municipality was ranked **39<sup>th</sup> out of the 52 Municipalities** in the province.

If one looks at the Multiple Deprivations per ward, which applies the abovementioned five criteria, wards 6 and 11 have the highest levels of deprivation. The following diagrams illustrate the levels of deprivation across the areas of:

- Income Levels,
- Employment,
- Health,
- Education, and
- The Living Environment.

**Figure 37: Umvoti Municipal multiple deprivation**



### 3.7.2.10 LED STRATEGIES AND SECTOR PLANS

The Umvoti municipality adopted its LED plan in 2009 which was reviewed both in 2010 and 2011. The council is currently in the process of reviewing its LED/Tourism Strategy. Due to the delayed commencement of this process, the implications of the reviewed LED/Tourism strategy as well as the projects thereof will only take effect in the new financial year and will therefore be aligned to the 2014/2015 IDP review.

### 3.7.2.11 SMMES

Local economic growth is mostly perceived to be generated by small and medium-sized enterprises (SMMEs) that are already established in the community. It is the growth of the SMME sector that is most efficient in mobilising existing resources and transferring resources to different uses. In an endeavour to ensure sustainability of SMMEs in Umvoti, the council of Umvoti has in partnership with other spheres of government, state entities and private sector, embarked on a SMME Development program which seeks to achieve the following:

- Training and capacity building
- Entrepreneurship and business support
- Access to finance

- 
- Access to markets
  - Best practice through information sharing and empowerment structures
  - Improve competitive advantage of local entrepreneurs

Supporting SMME development at a local government level, involves creating linkages and networking among the local agencies concerned with the different components of SMME development, as well as building sustainable partnerships among local government bodies, government organisations, the private sector, NGOs, and communities, in order to ensure continuing support for SMMEs to grow, sustain and expand their businesses. In realising the above, Umvoti Municipality has formed strong relations with the Department of Economic Development and Tourism, Department of Cooperative Governance and Traditional Affairs, Department of Arts and Culture, SEDA and the private sector (local banks and local established enterprises).

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### **3.7.2.11 AGRICULTURE**

Agriculture is the backbone of sustainable economic development in the area. Agriculture, particularly, forestry is the dominant economic activity. It contributes about 43% to the local economy (Statsa 2007 Census). Commercial, industrial and government services are generally concentrated in Greytown and Kranskop. There is limited economic activity taking place within the traditional authority areas.

The agricultural potential within the area can be summarised as follows:

- Good agricultural potential is found in the Greytown area and along Umvoti River arising from a combination of high rainfalls, moderate temperatures, good soils and moderate slopes.
- Moderate agricultural potential is concentrated in the area between Greytown and Kranskop, but large patches are scattered throughout the area, where productivity is adversely affected by difficult topography, acidic soils, high hail tendencies and population pressure. The carrying capacity of the land/soil is high in summer, but poor during the winter months. Soil erosion is a recurring problem where there are steep slopes and poor land use practices.
- Restricted agricultural potential exists along the Mooi River and north of Kranskop Town.

It should be noted that agricultural potential for land in traditional areas often tends to be lower than the land in commercial farming areas.

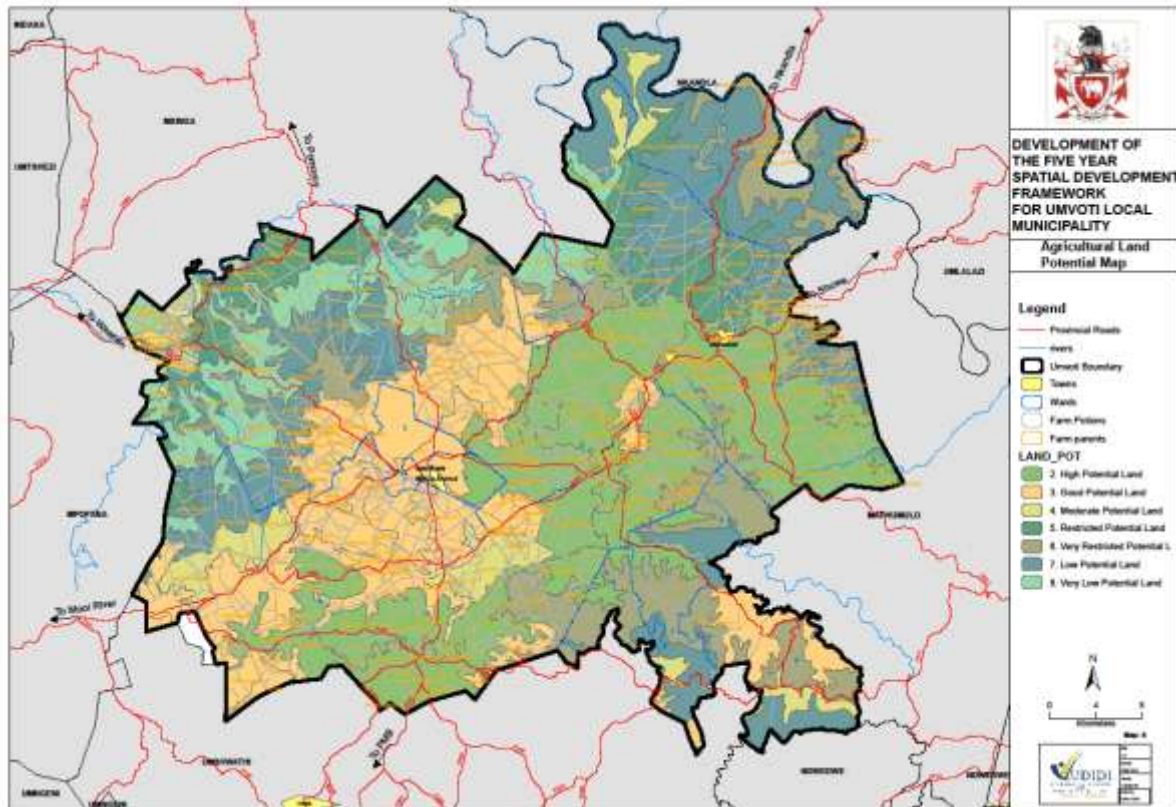
According to the uMzinyathi LED Strategy and Programme, the agricultural weaknesses in the Umvoti municipality relate to:

- The lack of co-ordinated value added processes in the timber, fruits and vegetables production sector;
- Sensitivity of the sugar market to global markets; and

Based on comparative advantages, the uMzinyathi LED Strategy and Programme identifies the following strengths of the Umvoti agricultural economy:

- Range of downstream forestry products from forestry waste;
- Stewardship Certification products; and
- Vegetable Production and processing on Mooi River Valley

**Figure 37: Agricultural Potential Map**



### 3.7.2.12 TOURISM

Umvoti Municipal area is poorly developed as a tourist area. However, due to the fact that Umvoti is located at the intersection of at least three tourism development zones each with unique character, this presents Umvoti with an exceptional and distinctive opportunity to develop as a tourist area providing easy access to the battlefields, Zulu Heritage and culture and eco-tourism zones.

The completion of the Lake Merthley Concept and Business plan indentified a number of eco-tourism opportunities such as:

- The camping and leisure retreat;
- The day visitor / recreation facility;
- The sport development centre;
- The spiritual and education retreat;
- The team building and adventure centre;
- Nature conservation through the KZN Wild Life Biodiversity Stewardship Program;

- 
- The activity route development; and
  - The residential development.

The key weaknesses identified are summarized as follows:

- Its distance from the province's key attractions and the fact that not many primary tourism attractions in the province are really accessible within a day;
- Poor public tourism related infrastructure including poor roads;
- The lack of signage;
- Absence of tourism related structures to champion this sector/industry

The Ngome Community Game Reserve, 2 000 ha community-owned land, is characterised by pristine riverine valley bushveld. There are two camps, viz. Bambatha's, which accommodates 12 people in thatched en-suite rondavels, and Ihlamvankulu ('Big Bullet') Camp, with three rondavels and a dormitory for 12 people. Amongst the animal species found on this Ranch are zebra, wildebeest, warthog, leopard and nyala buck. Regrettably, due to mismanagement and lack of guidance, the game reserve has become nonoperational over the years. However, the municipality, in partnership with Department of Economic Development and Tourism and The National Department of Tourism has commenced with the resuscitation process.

Other attractions in the area include General Botha's Birthplace, Blinkwater Hiking trails, The/Die Kop, The Grave of Sarie Marais, Lilani Spa, Shu-shu Hot Springs, Bambatha's Rock and Memorial, historical churches and buildings, and Forts such as Darnall, Mispah, Ahrens and Lilani Hot Springs.

Tourism development is considered to be of utmost importance to the economic growth of Umvoti. It is therefore deemed necessary to develop, enhance and expand the existing tourist attractions in cooperation with tourism role players. It is anticipated that the LED and Tourism Strategy that is currently underway will incorporate even the interest of the rural based economic stakeholders.

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### **3.7.2.13 MANUFACTURING (INDUSTRIAL)**

The manufacturing sector is considered to be the third major economic driver in the Umzinyathi district. Although a significant growth in this sector has been noted at the district level over the past years, it is encouraging to highlight the considerable entry of this sector into the main stream at the local level.

The manufacturing sector at the district level has seen a shift in recent years, from heavy industry focus to the light service industry e.g. clothing, food and beverages. The sector has considerable potential to contribute to the diversification and economic growth of the area through the optimisation of local market opportunities. The Umvoti has an opportunity to grow this sector through innovative beneficiation of locally produced products and expanding existing manufacturing operations.

The areas of potential market expansion and opportunity in the UDM are as follows:

- Forestry and forestry-waste products in Umvoti;
- Maize, milling and marketing;
- Increased activity in the construction industry; and
- Increased local demand for bricks, blocks and steel structures.

### 3.7.2.14 LOCAL ECONOMIC DEVELOPMENT: SWOT ANALYSIS

**Table 37: Local Economic Development SWOT Analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Strategic location of Umvoti (Greytown)</li> <li>• Eco-Tourism (Lake Merthley, Ngome, etc)</li> <li>• Land availability (Mondi plantation)</li> <li>• Cultural Tourism (Historical Heritage)</li> </ul>	<ul style="list-style-type: none"> <li>• Unexploited economic Opportunities</li> <li>• Dilapidated infrastructure</li> <li>• Ineffective IGR</li> <li>• High rate of unemployment</li> <li>• Financial and human constraints to undertake LED programme</li> <li>• Low levels of skills across the municipality with the majority of residents possessing 'elementary' skills.</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Green economy</li> <li>• Charcoal production and furniture manufacturing</li> <li>• Mining (Stone crushing)</li> <li>• Investor funding</li> <li>• Establishment of Umvoti Enterprise Development Agency</li> <li>• Agri-processing</li> <li>• Dairy Production and processing</li> <li>• Feedlots – Meat Processing- Leather Tanning.</li> </ul>	<ul style="list-style-type: none"> <li>• Stock Theft</li> <li>• Dilapidated Infrastructure</li> </ul>

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<ul style="list-style-type: none"><li>• Forestry and forestry-waste products in Umvoti;</li><li>• Coordination with other spheres of government is important to maximise spin-offs from Provincial and District Level Projects.</li></ul>	
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### **3.7.2.15 SUMMARY OF KEY ISSUES FOR LED**

The following key issues were noted in the Umvoti LED plan, namely:

- Outside of the urban centres, levels of service provision are very poor with large backlogs.
- Where existing service levels are low, this may negatively impact on opportunities for future development and may drive entrepreneurs to areas of higher service provision.
- The economy is reliant on the primary sector with limited development of the secondary and tertiary sectors thus making it susceptible to macro-economic changes.
- There are growing unemployment levels, with areas of high unemployment and pockets of poverty occurring in the tribal areas and around the major centre.
- A population characterised by more females than males indicating a large migrant population.
- Worsening unemployment rates with time.
- Increasing numbers of dependants per economically active individuals.
- Low levels of skills across the municipality with the majority of residents possessing 'elementary' skills.
- Coordination with other spheres of government is important to maximise spin-offs from Provincial and District Level Projects.

### 3.7.3 SOCIAL DEVELOPMENT ANALYSIS

#### 3.7.3.1 BROAD BASED COMMUNITY NEEDS (LIMITED TO 3 PRIORITY PROJECTS PER WARD)

**Table 38: Broad Based Community Needs**

No	PROJECT	WARD
1	Abstraction of water from Umvoti River to supply ward 1, 2, and 3	1, 2, and 3
2	Construction of Mbulwane clinic	1
3	Renovation of all crèches	1
4	-Continuation of P549 Mbulwane to Maphumulo - Nculwane Bridge -Access roads	1
5	Makhabeleni Sports field	1
6	Mbulwane Community Service Centre	1
	<b>MATIMATOLO</b>	<b>WARD 02</b>
7	Matimatolo Community Service Centre	1, 2, 3, and 4
8	Electrification of all main streets - street lights	2
9	2000 Sitter Community Hall	2
10	-Sangweni Community Health Centre -Sangweni Green-Field Project , middle income houses, schools, community facilities.	1,2,3 and 4 1,2,3 and 4 All wards
11	-Continuation of P549 road -Access roads	2
	<b>NTEMBISWENI</b>	<b>WARD 03</b>
12	-Mdlelanto water Scheme Phase 01 and -Ntembisweni water supply phase 2	3
13	KwaNtuthu road to be extended to intersect with Driehoek	3
14	Construction of Mdlelanto clinic	3
15	Mdlelanto road upgrade	3
16	Ntembisweni Road (Tarring) Access roads	3
17	Sanitation at Gudlihlathi, Mbuba, Dambatha, Mdlelanto and KwaZiba	3
18	Ntembisweni/Mbuba Community Service Centre	
	<b>ESHANE</b>	<b>WARD 04</b>
19	Upgrade of Mhlazane road	4
20	Upgrade of Ngoje road	4
21	Construction of road connecting Lilani and emaBomvini including bridge	4
22	Provision of water at Thulini	4
23	Rehabilitation and upgrade of road connecting	4

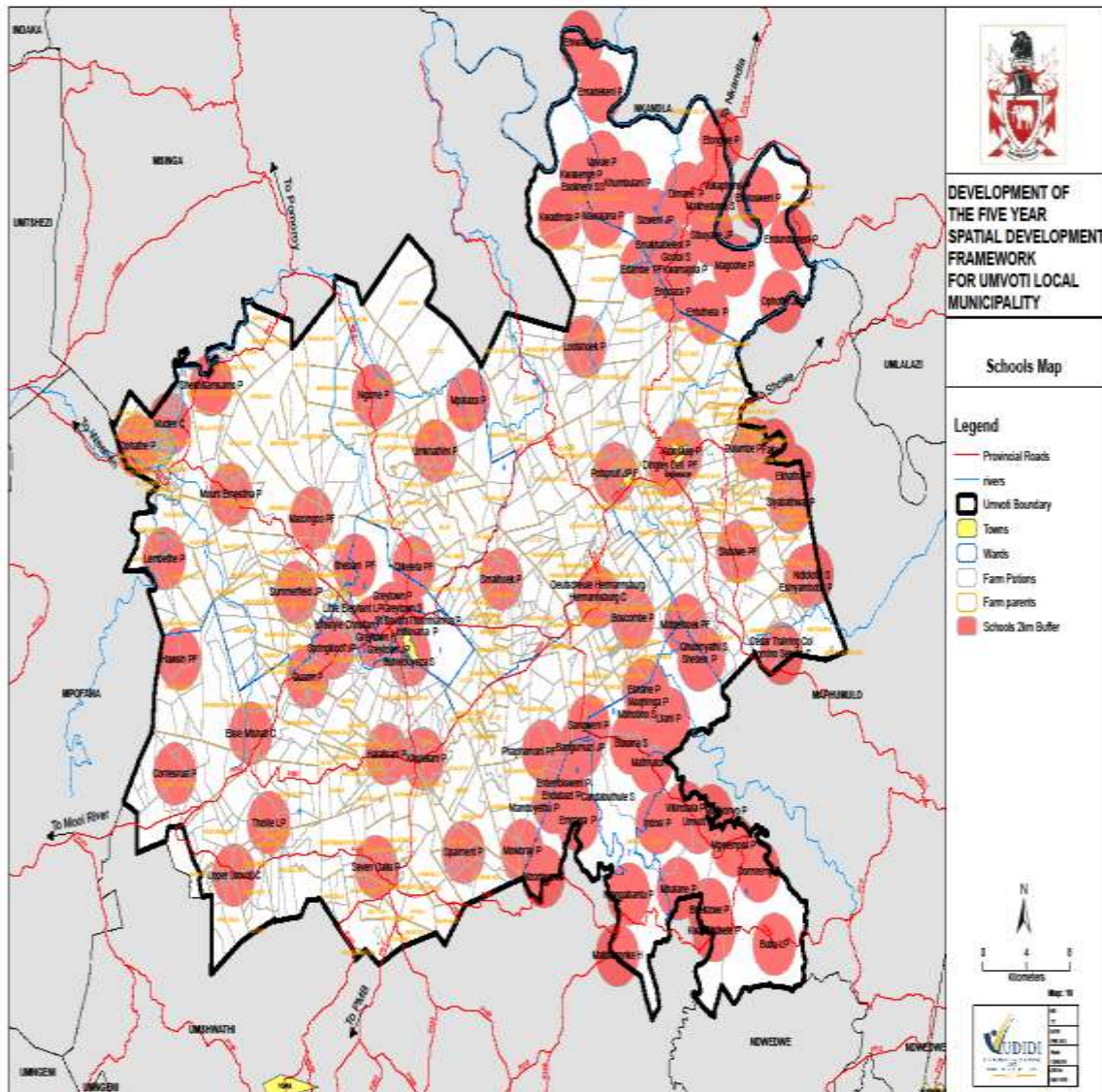
	Ngoje, Shane and Thulini	
24	Access Roads	4
	<b>KRANSKOP</b>	<b>WARD 05</b>
25	Kranskop Sewer Plant and Sanitation	5
26	Revamping and expansion of Kranskop town roads rehabilitation and construction of new facilities, (Home Affairs, Clinic, Social Development, New library, Rental Stock and Housing)	5
27	Continuation of Dulumbe road	5
28	Construction of Mthiyagwa road	5
29	Pounding Facility for Umvoti 11 wards	5
30	Mavalane Sports field	5
31	Kranskop Community Service Centre	5
	<b>AMAKHABELA</b>	<b>WARD 06</b>
30	Edimane Bridge	6
31	Maintenance of all ward 6 social facilities	6
32	Makhabeleni water supply	6
33	Ophofini peace centre	6
34	Dlabe road upgrade and storm water drainage	6
35	Access Roads	6
36	Makhabeleni Community Service Centre	6
	<b>NHLALAKAHLE</b>	<b>WARD 07</b>
37	Nseleni access road upgrade	7
38	Rehabilitation of all Enhlalakahle roads	7
39	France and Angola access road upgrade and traffic calming measures	7
40	Construction of bus/taxi shelters in Enhlalakahle	7
41	Upgrade of Enhlalakahle stadium	7
	<b>NGOME</b>	<b>WARD 08</b>
42	Nsundu road to Engcakini with related course way	8
43	Esihlabeni access road	8
44	Construction of Ward 8 clinic	8
45	Water	8
46	Construction of Ngubevu community hall with crèche	8
	<b>TOWN</b>	<b>WARD 09</b>
47	Durban street rehabilitation and maintenance	9
48	Informal trader market stalls	9
49	Upgrade of town infrastructure (roads and water and sewer pipes)	9
50	Upgrade of parks (including King Edward Park)	9
51	Upgrade of town social facilities (Lakhi sports field and community swimming pool)	9
	<b>MISPAH</b>	<b>WARD 10</b>
52	Rehabilitation of industrial roads	10
53	Upgrade of Upper Umvoti primary school	10
51	Provision of all basic services in Phasiwe farm	10
52	Rehabilitation of main road from Seven Oakes to Upper Mvoti	10
53	Water and sanitation in Phasiwe, Seven Oakes,	10

	Mispah and Khusane	
	<b>MUDEN</b>	<b>WARD 11</b>
54	Construction of Community hall at Mt Estina Woolstone Green Field, schools, clinic, housing, agriculture projects and other public facilities	11
55	Construction of a link road from Tshekane and Leje	11
56	Muden Water supply	11
57	Ntabenzima re-graveling	11
	Access Roads	11
58	Mbalane 1 and 2 re-graveling	11
<b>UMVOTI LOCAL MUNICIPALITY PROJECTS</b>		
(a) Building of the New Electricity Substation		
(b) Bulk Water Supply		
(c) Shortfall of Housing X22 000 for all eleven (11) wards		
(d) Schools Backlog, Public Facilities and Amenities		
(e) Landfill Site		
(f) Hydro Scheme 20 mega watts		
(g) Umvoti FET College		
(h) Sola Street lights for all the eleven (11) wards within Umvoti area of jurisdiction		

### 3.7.3.2 EDUCATION

Umvoti can be considered to be well provided with Primary Schools which are located within various settlements on the urban areas, rural areas and farmlands. The majority of the rural settlements are provided with secondary schools. However; there are still areas whereby the Department of Education need to intervene. The interventions can vary from assessment of conditions of schools to provision of transport for schools pupil travelling long distances.

Figure 38: Schools within Umvoti Municipal area



### 3.7.3.3 HEALTH

The municipal area comprises of both Permanent Primary Health Facilities as well as mobile stations. The Muden Health Care Facility situated in ward 11 is currently under construction. The school health programme is currently being implemented and there is one team that is operating under school health. There are three mobile teams operating in Umvoti Municipal area with sixty (60) stopping points that are servicing a minimum of two thousand (2000) people. The challenge faced by the mobile teams relate to lack of shelters, poor road conditions and poor network coverage in outlying areas. The map below depicts the clinics in Umvoti Municipal Area.



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### **3.7.3.5 NATION BUILDING & SOCIAL COHESION**

The Sport Programme has been used by the municipality to ensure that the young people are taken off the street. The youth in the municipality has participated in different sport codes and sport programmes which included KwaNOLOGA Games.

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### **3.7.3.6 COMMUNITY DEVELOPMENT WITH PARTICULAR FOCUS ON VULNERABLE GROUPS**

Umvoti Municipality intends formulating a Gender Equity Programme. It is envisaged that this Programme will promote the municipality where women and men have equitable access to opportunities and resources to address and meet socio-economic needs and improve the quality life of the community. In order to ensure effectiveness of the said Programme, a Gender Forum will need to be established and all municipal wards will have to be presented. This will assist the Umvoti Municipality to increase the participation of marginalised or target groups in all developmental processes.

#### **3.7.3.6.1 YOUTH DEVELOPMENT**

Youth Ambassadors are deployed in all the eleven (11) wards in order to ensure that youth is represented in ward activities. These ambassadors also play a pivotal role in Operation Sukuma Sakhe. The municipality does not have an established Youth Centre or desk whereby youth access information and get assisted in accessing government opportunities. The municipality will formulate the Youth Programme in line with the National and Provincial priorities. Funds have been set aside to assist youth with training. There are Youth Organisations that are funded by the Provincial Department of Social Development.

#### **3.7.3.6.2 DEVELOPMENT OF THE PEOPLE WITH DISABILITIES**

Currently the municipality does not have a programme for People Living with Disability. However; the municipality has leased a property to the Umvoti People Living with Disability Organisation disabled free of charge for their coffin manufacturing project and other related activities. There are disabled people serving as ward committee members. This organisation has received funds from the Provincial Department of Social Development.

#### **3.7.3.6.3 DEVELOPMENT OF THE ELDERLY**

The municipality does not have a programme for the elderly people. The Provincial Department of Social Development has a sub-programme for the elderly people. The objective of the programme is to provide community based care and support to older persons. In terms of the information received from the Department, there are seven (7) organisations funded for the old age: the six are luncheon clubs and one is an Old Age Home.

### 3.7.3.6.4 DEVELOPMENT OF WOMEN

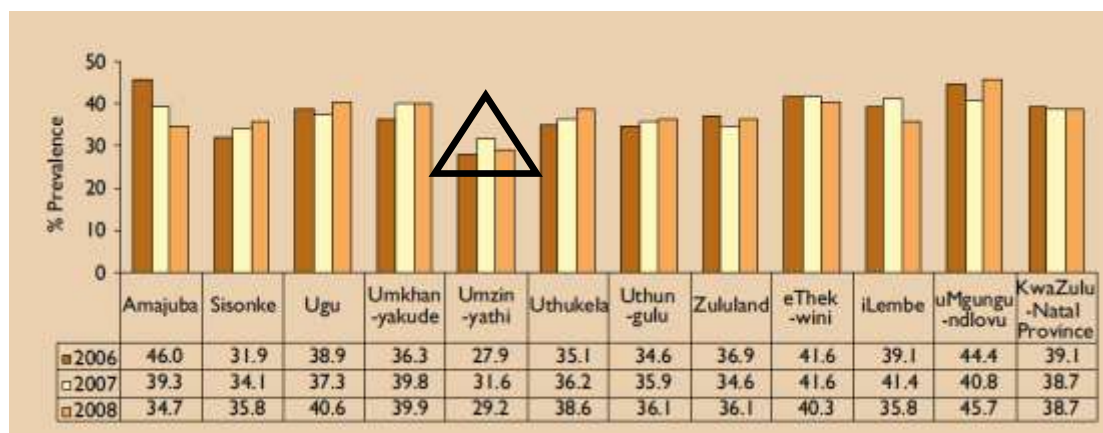
The municipality needs to develop a Programme for Women Empowerment. There are several programmes rendered by other government departments that the municipality need to align its programmes with. The municipality has budgeted for Women Empowerment however there is no plan of action of how these funds will be spent.

### 3.7.3.6.5 PEOPLE AFFECTED BY CRIME, HIV/AIDS, DRUGS, ETC.

#### 3.7.3.6.5.1 HIV/AIDS

According to the latest (2008) Department of Health's Annual Anti-natal Clinic testing results, the uMzinyathi DM has a 29.2% infection rate which is down from the 31.7% HIV/ Aids infection rate for the previous year. It must be noted that the uMzinyathi DM has the lowest infection rate of any of the DM's in the province (See the figure below). This aside, it is anticipated that this pandemic will have a profound impact on the need for health, social and welfare services over the next 20 years. Population growth is expected to decline over this period and this trend needs to be considered in the planning and delivery of new services.

Figure 40: HIV/ Aids prevalence per DM for 2006, 2007 and 2008



Source: Department of Health Antenatal Survey for 2009

There are several areas in the municipality characterized by high concentrations of rural and poverty stricken population and where the backlogs in service provision, both social and engineering, are severe. It is anticipated that the impact of HIV/ Aids in these areas will have the most profound effect.

The Department of Social Development has funded two centres under its sub-programme: HIV/AIDS. These centres are Umvoti AIDs Centre and Bhambatha Community Care Centre. The Department also funds the Harmony Retreat Centre under its sub-programme: Substance abuse, Prevention and Rehabilitation. This centre provides in-patient treatment to clients who have substance abuse problems.

### 3.7.3.6.5.2 CRIME

Most crimes committed in the Greytown Cluster have been influenced by the prevalence of drugs and substance abuse. There has been increase in assault, robberies and rape cases with both victims and perpetrators being young and learners. The Sports against crime event took place recently in order to motivate learners to do away with drugs and focus on learning and sports. The stakeholders involved in organising the event were: Police, Community Policing Forum Provincial Policing Board; Department of Community Safety, Health, Education, SAFA and Ruby Union. Thirteen (13) High Schools took part in the various sporting code.

### 3.7.3.6.6 EARLY CHILDHOOD DEVELOPMENT

The municipality has built crèches across the eleven wards. Some of the crèches were built by other organisations. The Department of Social Development through its Early Childhood Development Sub-Programme provide grants for the crèches in order to ensure their sustainability.

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### 3.7.3.7 SOCIAL DEVELOPMENT: SWOT ANALYSIS

**Table 39: Social Development SWOT Analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"><li>Traffic Management, learner and motor licensing facilities are provided</li></ul>	<ul style="list-style-type: none"><li>High level of crime</li><li>24 hour Health Facilities needed</li><li>High level of illiteracy</li><li>Non-existence of a Tertiary Education Facility within Umvoti</li></ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"><li>Community upliftment through education</li><li>Partnership between municipality and Traditional leadership</li><li>Provision of an FET College</li></ul>	<ul style="list-style-type: none"><li>Crime</li><li>Lack of resources</li><li>Vandalism of facilities</li></ul>

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## **3.8 MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS**

### **3.8.1 FINANCIAL VIABILITY & MANAGEMENT ANALYSIS**

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An upper limit of R6,4 million was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
  - Consultant Fees;
  - Furniture and office equipment;
  - Refreshments and entertainment;
  - Ad-hoc travelling; and
  - Subsistence, Travelling & Conference fees

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#### **3.8.1.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS**

Contracted services are primarily high due to shortage of skills within the municipality. The municipality does not have an established Project Management Unit with the proper technical skills to undertake the capital projects. The Physical Environment (Technical) Department relies heavily on consultants for both preliminary studies and implementation of the projects.

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#### **3.8.1.2 INDIGENT SUPPORT (INCLUDING FREE BASIC SERVICES)**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in

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terms of the Municipality's Indigent Policy. Educational programs need to be developed to encourage the indigent to register.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Hundred Per cent (100%) rebate will be granted to registered indigents in terms of the Indigent Policy. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

**Figure 40: Household Bills**

KZN245 Umvoti - Supporting Table SA14 Household bills											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent								% incr.			
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>	3										
<b>Rates and services charges:</b>											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		190.09	200.73	241.61	285.25	285.25		8.0%	308.07	338.88	372.76
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		49.40	58.34	68.20	68.20	68.20		5.5%	71.95	79.15	87.06
Other											
<b>sub-total</b>		<b>239.49</b>	<b>259.07</b>	<b>309.81</b>	<b>353.45</b>	<b>353.45</b>	-	<b>7.5%</b>	<b>380.02</b>	<b>418.02</b>	<b>459.82</b>
VAT on Services		33.53	36.27	43.37	49.48	49.48		14.0%	53.20	58.52	64.38
<b>Total small household bill:</b>		<b>273.02</b>	<b>295.34</b>	<b>353.18</b>	<b>402.93</b>	<b>402.93</b>	-	<b>7.5%</b>	<b>433.22</b>	<b>476.55</b>	<b>524.20</b>
<b>% increase/- decrease</b>			<b>8.2%</b>	<b>19.6%</b>	<b>14.1%</b>	<b>0.0%</b>	<b>(100.0%)</b>		-	<b>10.0%</b>	<b>10.0%</b>

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### **3.8.1.3 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES**

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. One such strategy is to conduct a meter sweep to ensure that all meters are functioning and that accurate accounts are sent out. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

For Umvoti Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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### **3.8.1.4 MUNICIPAL CONSUMER DEBT POSITION**

The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. For the 2012/13 financial year this amount equates to R2.8 million and escalates to R3.8 million by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

### 3.8.1.5 GRANTS & SUBSIDIES

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 22.1 per cent and 29.6 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

**Table 41: Operating Transfers and Grant Receipts**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>25,315</b>	<b>31,240</b>	<b>44,762</b>	<b>44,262</b>	<b>44,262</b>	<b>44,262</b>	<b>66,798</b>	<b>65,253</b>	<b>87,993</b>
Local Government Equitable Share	24,565	30,040	36,522	41,962	41,962	41,962	49,358	62,719	85,376
Finance Management	750	1,200	1,450	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement			790	800	800	800	890	934	967
Integrated National Electrification Programme			6,000						
EPWP Incentive							1,000		
Integrated National Electrification Programme							14,000		
Other transfers/grants [insert description]									
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>20,237</b>	<b>16,273</b>	<b>18,372</b>	<b>2,672</b>	<b>2,672</b>	<b>2,672</b>	<b>1,063</b>	<b>1,421</b>	<b>1,181</b>
Health subsidy	2,040	1,183	1,620						
Sport and Recreation	525	525		150	150	150			
Other transfers/grants [insert description]	17,672	14,565	16,752	2,522	2,522	2,522	1,063	1,421	1,181
<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>45,551</b>	<b>47,513</b>	<b>63,134</b>	<b>46,934</b>	<b>46,934</b>	<b>46,934</b>	<b>67,861</b>	<b>66,674</b>	<b>89,174</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>8,354</b>	<b>10,937</b>	<b>14,732</b>	<b>25,370</b>	<b>25,370</b>	<b>25,370</b>	<b>25,976</b>	<b>29,514</b>	<b>32,344</b>
Municipal Infrastructure Grant (MIG)	8,354	10,937	14,732	17,870	17,870	17,870	21,976	25,514	27,344
Rural Households Infrastructure				7,500	7,500	7,500	4,000	4,000	5,000
Other capital transfers/grants [insert desc]									
<b>Provincial Government:</b> Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>8,354</b>	<b>10,937</b>	<b>14,732</b>	<b>25,370</b>	<b>25,370</b>	<b>25,370</b>	<b>25,976</b>	<b>29,514</b>	<b>32,344</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>53,905</b>	<b>58,451</b>	<b>77,866</b>	<b>72,304</b>	<b>72,304</b>	<b>72,304</b>	<b>93,837</b>	<b>96,188</b>	<b>121,518</b>

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### **3.8.1.6 MUNICIPAL INFRASTRUCTURE ASSETS & MAINTENANCE**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Although ample budget provision is made for the repairing and maintaining of the municipal infrastructure assets the department concerned is not spending significantly on this urgent priority. Measures need to be put in place for the monitoring and maintaining of assets as renewing these assets will result in a additional burden to the Municipality.

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### **3.8.1.7 CURRENT & PLANNED BORROWINGS**

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R120 million for two years will be necessary to steer the Municipality out of this predicament.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and Department of Energy funding be utilized to repay such a loan. As part of the 2013/14 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

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### **3.8.1.8 MUNICIPALITY'S CREDIT RATING**

No credit rating has been done.

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### **3.8.1.9 EMPLOYEE RELATED COSTS (INCLUDING COUNCILOR ALLOWANCES)**

The budgeted allocation for employee related costs for the 2012/13 financial year totals R41.4 million, which equals 23.9 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.95% per cent for the 2013/14 financial year. An annual increase of 7 per cent has been included in the two outer years of the MTREF. The staff cost is rapidly on the increase as new post are proposed on a continual basis without any due diligent studies being conducted. Serious attention should be given to restructuring the organization to ensure that we can concentrate on core functions and better service delivery.

The settlement reached by the SALGBC parties in the salary disputes have resulted in a further financial implication on this area of expenditure. It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

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### **3.8.1.10 SUPPLY CHAIN MANAGEMENT (SCM)**

There is an existing supply chain unit; however there is no Manager employed to render supply chain services. The Supply Chain Management Policy was adopted by Council. The municipality is in the process of appointing a Supply Chain Manager in order to ensure effective functioning of the Supply Chain Unit.

### **3.8.1.11 KEY FINANCIAL CHALLENGES**

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Additional staff request from management without any due diligent studies being conducted and the establishment of a security and disaster section.

- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year’s capital investments needed to be factored into the budget as part of the 2013/14 MTREF process; and
- Availability of affordable capital/borrowing.

### 3.8.2 FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS

**Table 42: Financial Viability and Management SWOT analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Unqualified audit opinion in 2011/12 financial year</li> <li>• Functional Audit Committee</li> <li>• Established MPAC</li> </ul>	<ul style="list-style-type: none"> <li>• Overspending on operational budget</li> <li>• Under-spending on capital budget</li> <li>• Financial weakness</li> <li>• Wasteful expenditure (noncompliance with SCM Procedures)</li> <li>• Critical vacancies not filled</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Operation Clean audit 2014</li> <li>• Revenue enhancement strategies</li> <li>• Development of charts of accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Bankruptcy</li> <li>• Non-payment for services</li> </ul>

## 3.9 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

### 3.9.1 GOOD GOVERNANCE ANALYSIS

#### 3.9.1.1 NATIONAL AND PROVINCIAL PROGRAMMES AT MUNICIPAL LEVEL

##### 3.9.1.1.1 OPERATION SUKUMA SAKHE (OSS)

The Umvoti OSS Local Task Team was established in 2011. It comprises of government departments and the municipality also plays a major role in ensuring that this programme is effective and beneficial to its residents. War rooms have established in all the eleven (11) wards and the municipality has renovated community halls as Thusong Centres. These Thusong Centres are used as War Rooms whereby all issues affecting residents (such as poverty related, abuse, service delivery issues, etc) are reported. The Councillors’ offices are also catered for in the Thusong Centres in order to ensure oversight and functionality of these centres. The availability of the Councillors close to the communities will also assist in ensuring access to Council services and information.

The administration assistants, security guards and caretaker/cleaners have been appointed for all the eleven War Rooms. The furniture and office equipment have been procured in order to ensure effective functioning of the war rooms. The Manager Administration for Umvoti Municipality has been tasked to oversee the functioning of the centres and monitor the effectiveness of the services rendered in these centres.

The key challenges associated with OSS are as follows:

- Minimal participation of Government departments on Operation Sukuma Sakhe (OSS) war rooms and this results in the delay of execution of interventions
- Local task team meetings do not take place as per the meeting schedule
- OSS reports are not submitted on time
- Lack of commitment and poor attendance from ward champions regarding local task team meetings.

### 3.9.1.1.2 HOUSING CONSUMER EDUCATION

The Housing Consumer Education Programme is meant to educate and empower housing consumers with regard to legislation and to support housing programmes and strategies, including housing delivery. The programme also assist housing consumers to understand their rights and responsibilities, the various housing options available, how to apply, home ownership rights and obligations, financial literacy with regard to housing, tenant rights and so on.

The Provincial Department of Human Settlements have rolled out this programme in Umvoti Municipal Area as per the table below:

**Table 43: Housing Consumer Education**

<b>Date</b>	<b>Venue</b>	<b>Attendees</b>	<b>Ward Number (and Project where applicable)</b>
26 November 2012 23 January 2013 19 February 2013	Matimatolo Sports ground	Community members, ward committee members, municipal officials	Ward 2 – Matimatolo Housing project
January and March 2013	Enhlalakahle New Hall	Community members, ward committee members, municipal officials	Ward 7
30-31 January 2013	Town Hall	Planning Staff, CDWs and ward committees	Municipal Wide
28 February 2013	Eshane Community Hall	Ward Councillor, Inkosi Mthembu-Sithole, Ward committee members, IziNduna, community members, municipal officials	Ward 4

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### **3.9.1.1.3 COMMUNITY BASED PLANNING**

The municipal officials attended the Community Based Planning (CBP) Training in Pietermaritzburg organised by the Provincial Department of Cooperative and Traditional Affairs (COGTA) that was facilitated by Khanya Aicdd from the 14<sup>th</sup> to 18<sup>th</sup> January 2013. The CBP Pilot Programme was rolled out in Ward 2 of Umvoti Municipality from 21 to 25 February 2013. The pilot programme was successfully conducted and benefitted residents of Ward 2.

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### **3.9.1.2 IGR**

#### **3.9.1.2.1 INTERGOVERNMENTAL RELATIONS (IGR) STRUCTURES**

The Intergovernmental Relations Framework Act (13 of 2005) specifies the IGR structures that a municipality must participate in. The following summarises the IGR structures that the Umvoti municipality participates in.

#### **3.9.1.2.2 THE UMZINYATHI IGR FORUM**

The uMzinyathi District Municipality has established an intergovernmental forum as required by the said act which called the uMzinyathi District Coordinating Forum. On the 30 November 2007, the district family of municipalities signed the intergovernmental relations protocol, rules and procedures. The objective of the forum is to promote and facilitate intergovernmental relations and cooperative government between the district and local municipalities.

A technical support structure has also been established which serves to provide technical support to the District Coordinating Forum and implement their resolutions. Members of the technical support structure include the Municipal Managers of the district family of municipalities, or officials designated by them.

#### **3.9.1.2.3 THE UMZINYATHI PLANNING AND DEVELOPMENT FORUM**

The uMzinyathi District Municipality established a Planning and

Development Forum with the purpose of the forum being to co-ordinate planning and development within uMzinyathi District by ensuring:

- Improved and continued communication amongst the various planning practitioners in the district, and
- That planning and development within the District is considered in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans.

The membership of the forum comprises of officials from the DM and LM's under the following components, namely:

- IDP Managers;

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- Town Planners;
  - GIS Officers; and
  - Representatives from the Department of Cooperative Governance and Traditional Affairs.

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### **3.9.1.3 MUNICIPAL STRUCTURES**

#### **3.9.1.3.1 MANAGEMENT COMMITTEE (MANCO)**

The municipality has established a management committee that sits on a weekly basis. The main purpose of this committee is to deliberate on administrative issues that are focused on service delivery and operational management of the municipality.

#### **3.9.1.3.2 PORTFOLIO COMMITTEES**

Portfolio committees were established in terms of Section 79 of the Local Government Municipal Structures Act, act 117 of 1998 as follows:

- Legal and Constitutional Affairs and Good Governance and Public Participation Portfolio Committee
- Protection Services Portfolio Committee
- Municipal Public Account Committee
- Finance Services Portfolio Committee
- Corporate, Social Development Portfolio Committee

#### **3.9.1.3.3 WARD COMMITTEES**

Ward committees were fully established in January 2012. Training thereof only commenced in February 2013 and is anticipated to be completed by June 2013. The delay in training of ward committees was due to financial constraints.

Even though ward committee meetings are not as regular as expected, it is worth noting that ward committees are currently at a functional stage and will be making use of the established Thusong centres to undertake their respective functions.

#### **3.9.1.3.4 LED FORUMS**

Umzinyathi District Municipality has embarked on a holistic approach in engaging stakeholders which includes sector departments through IDP/LED planning workshops, which is now officially known as the District wide IDP Technical Committee meeting. The aim of the session was to:

- Streamlining planning process;
- Finding a common district wide development vision;
- Consolidation and alignment of programmes and budgets;

- Unifying the channelling of both private and public sector investments;
- Combating socio-economic ills in a strategic and coordinated manner; and
- Put forward a plan of action that will enjoy political buy-in at levels

Locally, even though there has been a lack of support from key stakeholders, stakeholder engagements through various project processes has seen Umvoti vigorously reviving the confidence of its key stakeholders. However, there is still a dire need of resuscitating the LED Forum as a formal structure of stakeholders who are committed to the collaborated development of Umvoti.

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#### **3.9.1.4 AUDIT COMMITTEE**

The municipality has appointed Gobodo as a Service Provider overseeing the internal audit function. The Audit Committee has been established and is fully functional. The Audit Committee is responsible for the following functions:

- financial audits,
- performance audit,
- advise on effective governance; and
- advise on matters referred by municipality

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#### **3.9.1.5 STATUS OF MUNICIPAL POLICIES**

The policies highlighted in table 26 below have been prepared by the municipality and are in the process of being approved by the Council:

**Table 44: Status of Municipal Policies**

<b>No.</b>	<b>POLICIES</b>	<b>PROGRESS</b>
1.	Rate Policy	Awaiting Council Approval
2.	Supply Chain Management	Awaiting Council Approval
3.	Fraud Prevention Policy	Awaiting Council Approval
4.	Credit Control and Debt Collection Policy	Awaiting Council Approval
5.	Tariff Policy	Awaiting Council Approval
6.	Risk Management Framework	Awaiting Council Approval

7.	E-mail Registry Policy	Awaiting Council Approval
8.	Delegations of Authority	Awaiting Council Approval
9.	Study Aid Policy	Awaiting Council Approval
10.	Placement Policy	Awaiting Council Approval

### 3.9.1.6 MUNICIPAL RISK MANAGEMENT

The Draft Municipal Risk Management Policy has been prepared and is still awaiting approval by Council. The Risk Management Committee members have been appointed, however this Committee has not been trained.

### 3.9.1.7 MUNICIPAL BYLAWS

The by-laws in table 27 below have been prepared and are ready for promulgation:

**Table 45: Municipal By-Laws**

No.	BY-LAWS	PROGRESS
1.	Credit Control and Debt Collection by-laws	Ready for promulgation
2.	Rates by-laws	Ready for promulgation
3.	Tariff Policy by-laws	Ready for promulgation
4.	Credit Management	Ready for promulgation

### 3.9.2 PUBLIC PARTICIPATION ANALYSIS

In terms of chapter 4, Section 16(1)(a)(iv) of the Local Government Municipal Systems Act, municipalities are required to develop a culture of public participation and consult their respective communities on developmental issues.

The following mechanisms have been utilised for public participation when reviewing the 2013/2014 IDP.

- **IDP Representative Forum (IDP RF):** This forum includes all interested and affected stakeholders within Umvoti such as ward committees, government departments, Non-Government Organisations (NGOs) and Community Based Organisations (CBOs).

- **Media:** The municipality also made use of the local news paper to inform the public on the process of the IDP/Budget review and schedule of public participation meetings such as IDPRF and community road shows.
- **Ward Committees:** Umvoti established ward committees for all the eleven wards. The ward committees participated fully during the IDP review process through the IDPRF meetings and IDP/Budget road shows.
- **IDP/Budget Road shows:** Umvoti Local municipality undertook the IDP public engagement process which commenced on the 13<sup>th</sup> April 2013 and proposed to be completed by the 18<sup>th</sup> April 2013. This process was conducted in all the eleven wards

The municipality has appointed an administration manager who is responsible for public participation. Amongst other things, this incumbent is responsible to ensure that ward committees, Thusong Centres, and structures related to public participation are fully functional.

### 3.9.3 GOOD GOVERNANCE & PUBLIC PARTICIPATION: SWOT ANALYSIS

**Table : Good Governance and Public Participation SWOT Analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Mayors regular meetings with the community</li> <li>• Operation Sukuma Sakhe</li> <li>• Trained ward committees</li> <li>• Thusong centres</li> <li>• Strong relationship with traditional authorities</li> </ul>	<ul style="list-style-type: none"> <li>• No regular ward meetings</li> <li>• Non-functionality of portfolio committees</li> <li>• Ineffective IGR</li> <li>• Ineffective consultations with stakeholders</li> <li>• No programmes to address promote special groups</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Community Based Planning</li> </ul>	

### 3.10 COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Umvoti Municipality is located at the edge of the Midlands area, which is renowned for its high agricultural potential and high value outputs</li> <li>• Location along R33 and approximately 75 km from Pietermaritzburg</li> <li>• Strong natural resource base</li> <li>• Eco-Tourism (Lake Merthley, Ngome, etc)</li> <li>• Cultural Tourism (Historical Heritage)</li> <li>• Risk Management policy in place</li> <li>• Fraud and Corruption policy in place</li> <li>• CPMD Training for senior management</li> <li>• Unqualified audit in 2011/12 financial year</li> <li>• MIG Funding</li> <li>• Land availability (Mondi plantation)</li> <li>• Traffic Management, learner and motor licensing facilities are provided</li> <li>• Disaster Policy Framework in place</li> <li>• Established Disaster Management Unit</li> <li>• Risk assessment conducted</li> <li>• Functional Audit Committee</li> <li>• Established MPAC</li> <li>• Mayors regular meetings with the community</li> <li>• Operation Sukuma Sakhe</li> <li>• Trained ward committees</li> <li>• Thusong centres</li> <li>• Strong relationship with traditional authorities</li> </ul>	<ul style="list-style-type: none"> <li>• Dispersed low-density settlement pattern in traditional council areas, making the provision of physical and social infrastructure (roads, water, electricity, clinics, schools, and police stations), and the costs of installing, maintaining and operating infrastructure very high.</li> <li>• Steep river valleys and hilly terrain, which create obstacles to accessibility, and limits the extent of agricultural production.</li> <li>• Weak road and communication linkages exacerbated by hilly topography, with few tarred surfaces and few bridges across rivers.</li> <li>• Poor management of the natural environment as a prime asset and resource base for the municipality.</li> <li>• Political instability</li> <li>• Integrated information System not In place</li> <li>• Financial constrains</li> <li>• Council resolutions not efficiently implemented</li> <li>• Policies not fully implemented</li> <li>• Skills Development Policy not fully implemented</li> <li>• Low number of staff trained per year</li> <li>• No staff support programmes in place (i.e. Employee Assistance Programme)</li> <li>• Lack of human and financial capacity</li> <li>• Poor planning</li> <li>• Continuous changes in strategic priorities</li> <li>• Dilapidated infrastructure</li> <li>• Unspent MIG funding</li> <li>• Unexploited economic Opportunities</li> <li>• Ineffective IGR</li> <li>• High rate of unemployment</li> <li>• Low levels of skills across the municipality with the majority of residents possessing 'elementary' skills.</li> <li>• High level of crime</li> <li>• 24 hour Health Facilities needed</li> <li>• Non-existence of a Tertiary Education Facility within Umvoti</li> <li>• Overspending on operational budget</li> <li>• Under-spending on capital budget</li> <li>• Wasteful expenditure (noncompliance with SCM)</li> </ul>

	Procedures) <ul style="list-style-type: none"> <li>• Critical vacancies not filled</li> <li>• No regular ward meetings</li> <li>• Non-functionality of portfolio committees</li> <li>• Ineffective consultations with stakeholders</li> <li>• No programmes to address promote special groups</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Rural Housing Projects to address issues of densification.</li> <li>• Upgrade of R33 presents a major opportunity for tourism activities</li> <li>• Mark all occurrences of rare and endangered species (GPS) (especially vegetation) and follow up its existence in following years</li> <li>• A program to cultivate rare and endangered vegetation species should be initiated and the community should be included.</li> <li>• An inventory of popular medicinal plants must be drawn up and efforts to commercially produce these species must be encouraged.</li> <li>• Developments should be avoided in areas that contain Red Data Species.</li> <li>• Compile guidelines for the protection of all wetland areas</li> <li>• Co-ordinate activities of water users and of water management institutions within its water management area.</li> <li>• A greening' programme in urban and rural areas to provide shade, erosion protection, and beatification</li> <li>• Strengthen relations with other disaster institutions</li> <li>• Alignment of programmes and projects for disaster relief</li> <li>• Implementation of the Umvoti disaster management Policy Framework.</li> <li>• Establishment of Umvoti disaster risk management committee or advisory forum</li> <li>• Mapping of priority disaster risks affecting the municipality.</li> <li>• Alignment of Risk Reduction Plan with IDP</li> <li>• Introduce disaster risk reduction efforts consultatively with the affected communities and key stakeholders in order to reduce the likelihood of future loss.</li> <li>• Strengthen skills base by staff training</li> <li>• Proper planning within financial constrains</li> <li>• Recycling of waste</li> <li>• Landfill site</li> <li>• Alternative energy source(s)</li> <li>• Take advantage of EPWP funding</li> <li>• Establishment of Project Management Unit</li> </ul>	<ul style="list-style-type: none"> <li>• High cost of infrastructure and Financial constraints</li> <li>• Loss of indigenous vegetation.</li> <li>• Reduced water resource through alien invasive vegetation.</li> <li>• Increased risk of flooding</li> <li>• Increased soil erosion</li> <li>• Wetland destruction or drainage,</li> <li>• low patterns, and groundwater abstraction</li> <li>• Reduced vegetation cover leading to reduced primary productivity and land carrying capacity</li> <li>• Over grazing</li> <li>• Uncontrolled veld fires</li> <li>• Wood burn</li> <li>• Lack of capacity to deal with disasters</li> <li>• Disaster management Unit is still new</li> <li>• Unpredicted weather conditions as a result of climate change</li> <li>• Non-existence of Umvoti disaster risk management committee or advisory forum</li> <li>• Priority disaster risks affecting the municipality are not mapped.</li> <li>• Risk Reduction Plan not aligned with the IDP</li> <li>• Financial constraints</li> <li>• Climate change</li> <li>• Financial constraints</li> <li>• Low skilled staff</li> <li>• Political instability</li> <li>• Climate change</li> <li>• Shortage of water</li> <li>• Stock Theft</li> <li>• Dilapidated Infrastructure</li> <li>• Crime</li> <li>• Lack of resources</li> <li>• Vandalism of facilities</li> <li>• Bankruptcy</li> <li>• Non-payment for services</li> </ul>

<ul style="list-style-type: none"> <li>• Green economy</li> <li>• Charcoal production and furniture manufacturing</li> <li>• Mining (Stone crushing)</li> <li>• Alternative funding sources</li> <li>• Establishment of Umvoti Enterprise Development Agency</li> <li>• Agro-processing</li> <li>• Dairy Production and processing</li> <li>• Feedlots – Meat Processing- Leather Tanning</li> <li>• Forestry and forestry-waste products in Umvoti;</li> <li>• Coordination with other spheres of government is important to maximise spin-offs from Provincial and District Level Projects.</li> <li>• Community upliftment through education</li> <li>• Partnership between municipality and Traditional leadership</li> <li>• Provision of an FET College</li> <li>• Operation Clean audit 2014</li> <li>• Revenue enhancement strategies</li> <li>• Development of charts of accounts</li> <li>• Community Based Planning</li> </ul>	
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### 3.11 KEY CHALLENGES

- Dispersed low-density settlement pattern in traditional council areas, making the provision of physical and social infrastructure (roads, water, electricity, clinics, schools, and police stations), and the costs of installing, maintaining and operating infrastructure very high.
- Steep river valleys and hilly terrain, which create obstacles to accessibility, and limits the extent of agricultural production. But this type of terrain or topography also provides eco-tourism opportunities and the municipality should consider community conservancy projects in these areas.
- Weak road and communication linkages exacerbated by hilly topography, with few tarred surfaces and few bridges across rivers.
- Limited farming practices in traditional council areas that do not make optimal productive use of the agricultural potential of the area.
- Limited economic activity in traditional council areas, resulting in income leakage outside these areas, exacerbated by a lack of business support services.
- Overgrazing, fire, illegal sand winning and encroaching settlement could cause environmental degradation if not controlled or dealt with decisively.
- The on-going difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

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- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
  - Additional staff request from management without any due diligent studies being conducted and the establishment of a security and disaster section.
  - Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year’s capital investments needed to be factored into the budget as part of the 2013/14 MTREF process
  - Outside of the urban centres, levels of service provision are very poor with large backlogs.
  - Where existing service levels are low, this may negatively impact on opportunities for future development and may drive entrepreneurs to areas of higher service provision.
  - The economy is reliant on the primary sector with limited development of the secondary and tertiary sectors thus making is susceptible to macro -economic changes.
  - There are growing unemployment levels, with areas of high unemployment and pockets of poverty occurring in the tribal areas and around the major centre.
  - A population characterised by more females than males indicating a large migrant population
  - Worsening unemployment rates with time
  - Increasing numbers of dependants per economically active individuals.
  - Low levels of skills across the municipality with the majority of residents possessing ‘elementary’ skills.
  - Coordination with other spheres of government is important to maximise spin-offs from Provincial and District Level Projects.

#### 4.1 VISION

During the 2013/14 Strategic workshop, the Council formulated a new vision which is as follows:

**“By 2030, Umvoti shall be an internationally recognised municipality which embraces rural development, economic growth, sustainability, social cohesion and a people centred society.”**

#### 4.2 MISSION

As part of fulfilling its mandate, Umvoti Municipality commits itself to:

- Provide democratic, transparent and accountable local government;
- Encourage community participation on local government affairs;
- Ensure equity and integrated transformation;
- Ensure sound inter-governmental relations for integrated development planning;
- Facilitate economic and social development;
- Promote a safe and healthy environment; and
- Render and expand affordable and sustainable services in a transparent and accountable manner and promote a culture of payment for services.

**Table 48: Goals, Objectives and Strategies**

<b>KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
IDP preparation and Reporting	To ensure effective planning and reporting processes in line with prescribed legislation	Preparation and submission of the 2014/15 IDP Process Plan for approval Preparation and submission of the 2014/15 IDP for approval	Planning Department IDP/PMS Unit
Administration	To ensure the optimal institutional structure to render effective and efficient service aligned to the IDP	To provide efficient and effective general administrative support services	Office of the Municipal Manager Corporate Services Administration
Human Resource Management	To ensure effective human resource functionality	Review human resource policies and plans (Recruitment Policy, Employment Equity Plan, Placement policy, etc)	Corporate Services Human Resource Management
Information Technology	To enhance Information Technology to stay abreast on changes and needs	Licensing of all software Information Technology Security Establish electronic document management system	Budget and Treasury Office Corporate Services Records Management
Institutional capacity and organizational structure	To ensure that council has sufficient capacity to meet service delivery demands	Ensure alignment of organogram to development objectives (IDP) Assessment of existing and required skills for council staff Reduction of level of literacy among elementary employees Upliftment and improvement of skills within the organization	Corporate Services Human Resource Management

		Ensure that all budgeted critical posts that exist on the organogram are filled	
Operational Improvements	Implement actions of feasible operational processes to sustain strategic objectives	Continuous monitoring and evaluation of plans	Office of the Municipal Manager All Departments
Public Safety (Safety and Security)	To create a safe and conducive environment	To establish municipal security unit Improve municipal security on contracts/agreements To ensure visible policing within Umvoti To effectively respond to disasters To review the Disaster Management Plan To review and finalise Fire Prevention and Operational Plans Foster working relations with external stakeholders	Protection Services Corporate Services
<b>GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
Good governance	To ensure good governance through openness, transparency and accountability in the organisation	To establish systems to ensure good governance and monitor compliance thereof To implement effective "whistle blowing" strategies	Good governance All Departments
Public participation and	To keep the communities and stakeholders	Formulate a communication policy	Corporate Services Good Governance

communication	informed and involved in the affairs of the municipality	To improve internal and external communication methods To ensure effective functionality of Operation Sukuma Sakhe Structures	
Performance Management System	To ensure good governance through openness, transparency and accountability in the organisation	To ensure public consultation during formulation of organisational performance targets and reporting thereof Establish a public monitoring and evaluation mechanism on organisational performance To ensure monthly and quarterly performance reporting and assessment (IPMS)	Office of the Municipal Manager Good Governance Planning All departments
Risk Management System	To ensure good governance through openness, transparency and accountability in the organisation	To finalise Risk Management Policy To formulate a Risk Management Strategy To ensure that the Risk Management Committee is fully functional Risk Management standing item on MANCO	Office of the Municipal Manager Internal Audit Unit All Departments
Internal Audit	To ensure effective internal audit function	To establish a fully-fledged internal audit unit To develop a system to identify risk in advance	Office of the Municipal Manager Internal Audit unit

		Ensure regular meeting of the external audit committee and Municipal Publics Account Committee	
Legal Services/Compliance	To render legal services and ensure compliance	To minimise litigation and minimise legal risk To ensure sound and credible advise is given to the organisation To establish a credible legal library system To ensure effective contract administration/service level agreements	Office of the Municipal Manager Legal Services
<b>FINANCIAL VIABILITY AND SUSTAINABILITY</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
Financial Management	To ensure compliance to all legislative requirements and regulation/directives	Ensure timeous submission of monthly accounts Ensure adherence to MFMA calendar	Budget and Treasury Office
Financial Viability	To ensure compliance to all legislative requirements and regulation/directives	Ensure accurate billing and implementation of proper market values as per Municipal Property Rates Act	Budget and Treasury Office
Budgeting and reporting	To ensure compliance to all legislative requirements and regulation/directives	Monthly budgets reports to MANCO Timeous submission of section 71 and 72 reports	Budget and Treasury Office
Revenue	To ensure compliance to	Formulate revenue enhancement	Budget and Treasury Office

enhancement	all legislative requirements and regulation/directives	strategy Monitor and report regularly on revenue collection	
Assets Management	To ensure compliance to all legislative requirements and regulation/directives	Regular safeguarding and maintenance of municipal assets	All Departments
Supply Chain Management	To ensure compliance to all legislative requirements and regulation/directives	Ensure proper mechanisms are in place to enable compliance to SCM regulations Training of SCM committees, practitioners and officials	Office of the Municipal Manager Supply Chain Unit
<b>SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
Basic Services	To improve quality of service delivered to the consumer	To ensure equitable provision of basic services to the community	Physical Environment
Roads Infrastructure	Upgrade quality of roads in Umvoti	To ensure that road maintenance is done according to the road maintenance plan To ensure that municipal access roads are graded according to the maintenance plan	Physical Environment Project Management Unit
Electrification	Upgrading of Electricity Infrastructure	Upgrade electricity main supply (ESKOM) Regular maintenance of electricity network (licensing area) Address electricity backlog To facilitate supply of electricity outside the licensed areas Investigate alternative sources of electricity	Physical Environment Project Management Unit Electricity Unit
Public amenities and Parks	To ensure that the community has access to	Ensure a safe and conducive environment for the community	Physical Environment Corporate Services

	municipal facilities	Develop maintenance plan for municipal facilities Greening and beautification of parks and open spaces	Parks and Gardens Unit
Waste Management	To provide efficient waste removal services	Refurbishment of the transfer station Facilitate completion of landfill site Investigate recycling and alternative energy	Physical Environment Waste Management Unit
Fleet Management	To provide effective tools for provision of services	To investigate internal versus external mechanisms for provision of effective tools	Physical Environment Fleet Management Unit
Housing	To promote integrated human settlement development	To facilitate finalisation of planning processes for the Greytown and Kranskop Slums clearance projects To facilitate finalisation of planning process for the Community Rental Units and middle income housing Facilitate the implementation of rural housing projects To review the Housing Plan in order to incorporate new needs	Planning Department Housing Unit
<b>LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
<b>Social Development</b>			
Indigent Support systems	To improve access to basic services	Roll out of free basic services to all registered indigent within area of jurisdiction Profiling of indigents Registration of indigents	Budget and Treasury Office Corporate Services

Special Programs	To respond to the needs of the vulnerable groups	Develop a program for youth, women and children, people living with disabilities, HIV/AIDS and the elderly	Corporate Services Administration Unit
<b>Economic Development</b>			
Tourism Development	To enhance the tourism sector into a vibrant economic contributor	To resuscitate and enhance all existing tourism products and/or destinations To extend government support to the local hospitality industry To capacitate the LED/Tourism unit	Planning Department LED/Tourism Unit
SMMEs Development	To intensify sustainable development of SMMEs	To review and monitor the implementation of the SMME Development and Support Plan To extend SMME development and Support to Informal traders	Planning Department LED/Tourism Unit
Public and private partnerships	To strengthen relations between the private, public and civil society	To establish all relevant sub-structures that aid in socio-economic development To ensure optimum functionality of the LED forum	Planning Department LED/Tourism Unit
Economic growth within Umvoti area	To stimulate economic growth	To monitor and evaluate the implementation of the LED and Tourism Strategy To ensure financial viability of identified LED initiatives	Planning Department LED/Tourism Unit
Poverty alleviation	To ensure poverty alleviation through interdepartmental (internal and external) partnerships	Effective Implementation of Indigent policy To prioritize projects and initiatives focusing on poverty alleviation To create jobs through EPWP by means of capital projects	Planning Department LED/Tourism Unit
Compliance with	To ensure compliance	To facilitate completion and promulgation	Planning Department

Business Act No 71 of 1991		of the Umvoti Business Licensing By-Law To ensure that all businesses trading within Umvoti municipal area of jurisdiction are licensed and managed in accordance with legislation To ensure monitoring and evaluation of implementation of the Umvoti Informal Economy Policy	Corporate Services LED/Tourism Unit
<b>SPATIAL AND ENVIRONMENTAL ANALYSIS</b>			
<b>Goal/Programme</b>	<b>Strategic Objectives</b>	<b>Operational Strategy</b>	<b>Responsible Department</b>
Land Use Management	Develop an effective Land Use Management System	To finalise the wall to wall scheme <ul style="list-style-type: none"> <li>- Finalisation of the urban land use scheme</li> <li>- Formulation of the rural land use scheme</li> <li>- Develop By-Laws for planning and Building control enforcement</li> </ul>	Planning Department Town Planning Unit Building control Unit
Spatial Planning	To promote spatial restructuring and integration	Finalisation of the Spatial Development Framework Finalisation of Local Area Plans Evaluate development applications	Planning Department Town Planning Unit
Environmental Management	To develop an environmental management framework	Ensure compliance with environmental regulations and legislations To promote environmental awareness through educational programmes/campaigns Preservation of environmental sensitive areas	Planning Department

## 5 STRATEGIC MAPPING AND IMPLEMENTATION PLAN

### 5.1 STRATEGIC MAPPING

#### 5.1.1 DESIRED SPATIAL OUTCOMES

The municipality is in the process of developing its new five year Spatial Development Framework and the spatial development information will be included in the final 2013/14 Reviewed IDP.

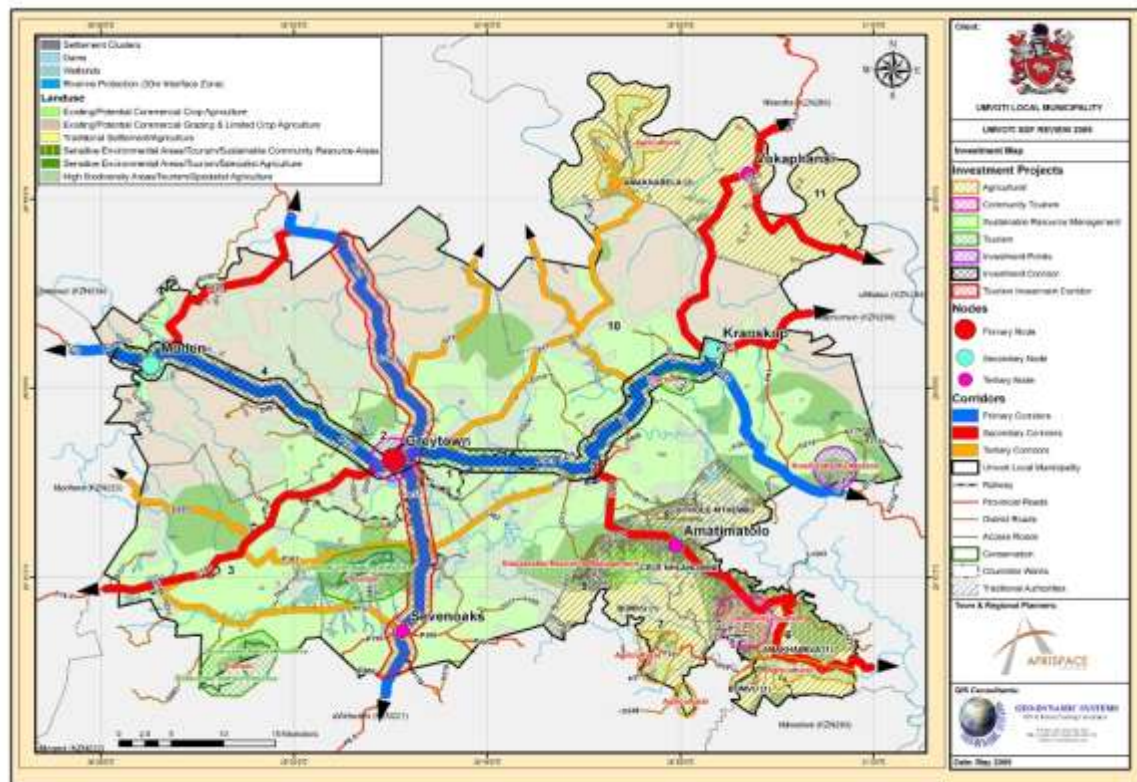
**Figure 41: Desired Spatial Outcomes**



#### 5.1.2 DESIRED SPATIAL FORM AND LAND USE

The municipality is currently developing a New Five Year Spatial Development Framework (SDF) that will address most of the issues that need to be covered in this section. The map used in this section is taken from the 2009 SDF.

Figure : Desired Spatial form and Land Use



### 5.1.3 SPATIAL RECONSTRUCTION OF THE MUNICIPALITY AND STRATEGIC GUIDANCE IN RESPECT OF THE LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY

#### 5.1.3.1 UNDERLYING PRINCIPLES

- **Integrated Development:** Integrated development endeavours to marry the various needs of the district in a manner which will provide a national mix of development to meet socio economic needs and requirements for environmental conservation.
- **Sustainable Development:** Sustainable Development is a concept which focuses on the enhancement and improvement of various components of main environments in a manner which will protect the bio-physical environment, cultural heritage and improve the quality of life so that community development will be enriched rather than impoverished in the interest of present and future generation.
- **Establishment of Structure:** This concept can best be achieved through the use of a variety of planning tools to include the identification, linking and zoning of areas, nodes and corridors in a structured manner that will promote sustainable development within an area.
- **Unique Character:** The unique character of an area, place or region is described as an assessment of its attributes and determining those that make it different from others in the region.
- **Implementation Orientated Planning:** This is geared to the preparation of plans linked to strategic implementation objectives according to time lines.

- 
- **Development as a Continuous Process:** This concept stems from a view that development is dynamic and progresses along a continuum of cause and effect.
  - **Participatory Planning:** Consultation with interested and affected parties is the basis of this process in order to identify key issues and address these in the plan being prepared. It is also very much part of the integrated development process toward achieving sustainable development.

### **5.1.3.2 PLANNING STRATEGIES**

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- ***Access Routes as Investment Lines***
  - Developing a district structure (see establishment of structure above)
  - Establishing a clear framework which facilitates access in its wider context
  - Creating a framework to direct public and private investment
  - Developing a network of opportunity on the basis of existing roads, settlement, natural resources and features
  - These routes represent the spines around which existing development has been attracted to and potentially also represent opportunities for future development
  - A hierarchy of investment lines can be distinguished consisting of primary, secondary and tertiary routes
  - The identification of this hierarchy provides guidance for the location of relevant land uses.
  
- ***A Service Centre Strategy***
  - Creating a hierarchy of service centres (nodes) offering a range of facilities and activities throughout the district.
  - Four levels of areas are suggested to include a district centre, primary, secondary and satellite service nodes.
  - The centres are conceptualised as serving different catchments and offering a range of services and opportunities
  - In general higher order centres will at the same time serve as the relevant lower order centres
  - The principles suggested will have to be adjusted to specific local circumstances.
  
- ***Natural Resource as Primary Asset and Structuring Element***
  - Acknowledging, protecting and enhancing the inherent qualities of the landscape and managing the natural environment as a prime asset and resource base for the district.
  - Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this

- 
- The sustainable utilization of natural resources is suggested to *inter alia* promote the development of agriculture as a key driver of the rural economy incorporating currently underutilized agricultural land
  - The identification of new inherent opportunities to be found within the picturesque landscape which characterizes much of the district including developing latent potential particularly with regards to tourism opportunities.
- **Integration**
    - Integrate Low Income residential areas to high order centres
    - New economic opportunities in growth area and adjacent to major roads
  - **Compaction**
    - New and Infill development focused to create coherent system, mainly in urban and peri-urban areas Greytown and Kranskop
  - **Meeting Land Use Needs and Identification of areas of economic development potentials**
    - New Residential areas
    - New economic opportunity areas, especially those areas which were previously excluded from the main stream economy
    - New nodal points
    - Restructure CBD
  - **Restructuring of the LM:**
    - Creation of new nodes and new economic opportunity areas
    - Limited mixed-use activity spines between focus points
    - Redressing imbalances with improved infrastructure
  - **Sustainability**
    - Protecting environmentally sensitive areas
    - Coherent and reinforcing infrastructure
    - Protecting agriculture potential areas
    - Upgrade residential areas with appropriate infrastructure
    - In situ upgrading of Informal settlements
  - **Establishing a Management Framework**
    - Having established an investment framework and a natural resource base, it is possible to identify an overall management framework to guide future development.

- Such guidance will include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement etc.

#### 5.1.4 SPATIAL ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES

##### 5.1.4.1 KZN SDF

##### 5.1.4.1.1 KZN SDF ALIGNMENT ASPECTS

**Table 49: KZN SDF Alignment aspect**

Area of Alignment	Observations
Development Corridors	The corridors identified in the Provincial SDF are aligned with the district SDF. There are also Priority conservation corridors and Biodiversity priority areas with need to be maintained for sustainability of ecosystems.
Cross Boundary Dependencies	Areas of cross boundary dependencies include economic support areas to the north and the east of Umvoti Municipality. Agricultural investment area are evidential to the south and west of Umvoti Municipality.
Cross Boundary Co-operation	These should be at provincial, district and local level especially with regards to the Priority conservation corridors and Biodiversity priority areas for sustainability of ecosystems
Potential Contradictions	There are no contradictions identified thus far in the Provincial SDF.

##### 5.1.4.2. UMZINYATHI SDF

##### 5.1.4.2.1 UMZINYATHI DM ALIGNMENT ASPECTS

**Table 50: Umzinyathi DM alignment aspects**

Area of Alignment	Observations
Development Corridors	R33 and R74 (to Maphumulo, Muden and Weenen) are primary corridors identified in the District SDF. A secondary corridor is identified as a road from Greytown to Mooi River. Various tertiary corridors are identified within the local municipality
Cross Boundary Dependencies	Areas of environmental significance are not depicted at cross boundary level.
Cross Boundary Co-operation	There is a need to identify major corridors that link communities within the district and prioritise those. Also environmental considerations need cross boundary co-operation.
Potential Contradictions	There are contradictions in identification of movement corridors.

##### 5.1.4.3 MSINGA SDF

##### 5.1.4.3.1 MSINGA LM ALIGNMENT ASPECTS

**Table 51: Umsinga LM alignment aspects**

Area of Alignment	Observations
Development Corridors	R33 is identified a primary corridor. A tourism corridor from Keats Drift to Kwadolo and to R74 is also linked to Umvoti Municipality.
Cross Boundary	Nkonyane Rural Settlement cluster and Keats Drift rural Service centre also

Dependencies	serve Umvoti Community.
Cross Boundary Co-operation	The provision of services should not be duplicated on the identified nodes within the region.
Potential Contradictions	There are no potential contradictions identified.

#### 5.1.4.4 NKANDLA SDF

##### 5.1.4.4.1 NKANDLA SDF, 2011

**Table 52: Nkandla LM alignment aspects**

Area of Alignment	Observations
Development Corridors	The road passing Jameson's Drift is identified as a high access route. This should link to the road to Kranskop.
Cross Boundary Dependencies	The above route needs to be prioritised as a primary corridor in both Nkandla and Umvoti Municipality. Both at Provincial and District this corridor should be prioritised.
Cross Boundary Co-operation	There is a need for cooperation at all levels with regard to prioritisation of this corridor and preservation of the environment
Potential Contradictions	The rural landscape to the north boundary of Umvoti should be properly designated in terms of land use.

#### 5.1.4.5 MAPHUMULO SDF

##### 5.1.4.5.1 MAPHUMULO LM ALIGNMENT ASPECTS

**Table 53: Maphumulo LM alignment aspects**

Area of Alignment	Observations
Development Corridors	R74 to Maphumulo and The road from Eshowe to Kranskop are identified as primary corridors.
Cross Boundary Dependencies	A Secondary node identified in Maphumulo municipality to the north of Maphumulo town is on the boundary of the two municipalities and serve Umvoti Community.
Cross Boundary Co-operation	There is a need to consolidate services on this node and not duplicate in Umvoti Municipality
Potential Contradictions	No Land Use Designation are proposed in Maphumulo SDF

#### 5.1.4.6 UMSHWATHI SDF

##### 5.1.4.6.1 UMSHWATHI LM ALIGNMENT ASPECTS

**Table 54: Umshwathi LM alignment aspects**

Area of Alignment	Observations
Development Corridors	R33 from Pietermaritzburg links Umshwathi and Greytown
Cross Boundary Dependencies	The R33 needs to be prioritized as provincial corridor linking Umshwathi, Umvoti, Msinga and Dundee
Cross Boundary Co-operation	There is a need for cooperation at all levels with regard to prioritization of this corridor and preservation of the environment
Potential Contradictions	Environmental considerations should be aligned

#### 5.1.4.7 MPOFANA LM ALIGNMENT ASPECTS

**Table 55: Mpofana LM alignment aspects**

Area of Alignment	Observations
Development Corridors	R74 from Weenen to Muden and road from Mooi River to Greytown is identified as primary corridors within Mpofana LM SDF
Cross Boundary Dependencies	The above route needs to be prioritized as a primary corridor in both Nkandla and Umvoti Municipality. Both at Provincial and District this corridor should be prioritized.
Cross Boundary Co-operation	There is a need for cooperation at all levels with regard to prioritisation of this corridor and preservation of the environment
Potential Contradictions	Environmental considerations should be aligned.

#### 5.1.4.8 EXISTING UMVOTI SDF 2009

##### 5.1.4.8.1 UMVOTI LM ASPECTS TO BE ADDRESSED AS PER MEC COMMENTS

**Table 56: Umvoti LM aspects to be addresses as per MEC comments**

Area of Alignment	Observations
Development Corridors	Only R33 and R74 are identified as primary corridors. There is a need for alignment with adjoining municipalities in terms of secondary corridors. Tourism corridors do reflect and serve the needs of community needs and spatial structure of the municipality.
Cross Boundary Dependencies	Need to look at alignment of nodes and corridors with adjoining municipalities.
Cross Boundary Co-operation	Need to look at alignment of nodes and corridors with adjoining municipalities.
Potential Contradictions	There is no reflection of areas requiring special attention in terms of spatial restructuring and social spending. Environmental sensitive areas should be aligned and coordinated in a corridor development.

##### 5.1.4.8.2 LAND USE MANAGEMENT SCHEME

The KwaZulu-Natal Planning and Development Act, No. 6 of 2008 requires municipalities to prepare the Wall-to-Wall Scheme for the whole municipality within five (5) years from the date of the commencement of the Act. Umvoti Municipality has adopted an Urban Land Use Scheme for its urban areas: Greytown, Kranskop and Enhlalakahle. The Municipality has submitted a request for funding to COGTA in order to finalise the scheme by preparing a Rural Land Use Scheme.

#### 5.1.5 INDICATE WHERE PUBLIC AND PRIVATE LAND DEVELOPMENT AND INFRASTRUCTURE INVESTMENT SHOULD TAKE PLACE

There are several areas with special attention by virtue of their location or special circumstances. They provide opportunities for development that would benefit the Municipality as a whole.

- The infrastructure in Greytown as a Primary node and corridor and the town of Kranskop which is the secondary node and corridor need to be rehabilitated in order to draw investment to these areas.
- Areas with underutilized but high agricultural potential: Future investigations into niche market commercial agriculture as well as the focus of training should be considered for these areas.
- Areas with Land Reform potential: Land Reform is a priority in the area. These areas should be the prioritized targets of future land reform initiatives that build on their agricultural potential. Muden has a number of derelict buildings, which requires substantial upgrading and redevelopment in some instances. Commercial farms and land reform projects surround the centre. Muden has potential to develop as a service and agri-processing centre.
- Areas that have particular value in terms of Tourism: These are areas that should be celebrated and promoted for their potential to draw outside visitors. Many of these areas are environmentally sensitive, thus protection as well as celebration is required. Investment is required to make them attractive and accessible – thereby providing an income source for local residents.

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## **5.1.6 AREAS WHERE STRATEGIC INTERVENTION IS REQUIRED**

### **5.1.6.1 AREAS OF SPECIAL NEED**

Areas that deserve special attention are those very isolated pockets of land, with a low level of services and particularly dispersed populations

There is limited agricultural potential, although some opportunity does exist in terms of land reform given proximity to State land. This area should be prioritized for intervention including improved access roads and an essential level of services.

### **5.1.6.2 AREAS THAT HAVE PARTICULAR VALUE IN TERMS OF TOURISM**

These are areas that should be celebrated and promoted for their potential to draw outside visitors. Many of these areas are environmentally sensitive, thus protection as well as celebration is required. Investment is required to make them attractive and accessible – thereby providing an income source for local residents. The Environmental Education Centre proposed in the Development Strategies is intended to be a resource that will provide environmental education as well as being an added tourist attraction for those visiting Nature Reserves. The Investment Framework Plan depicts tourism routes, investment lines and interceptor points for investments.

The tourism assets within the Umvoti municipality include the following assets and heritage sites:

- Muden Culture and Craft Village
- Bhambatha Heritage and Craft Centre
- Ngome Community Game Reserve
- Ntunjambili View Site

- Liliani Hot Springs
- Mvoti Vlei
- Greytown Museum
- Hermannsburg Mission House
- Lake Merthley
- Blinkwater Hiking Trails
- The Grave of Sarie Marais
- Several Forts such as Darnall, Mispah, Ahrens and Lilani

These tourism products need to be developed in an integrated manner and serve as the basis for the Umvoti Tourism Route which will be developed and marketed along the same lines as Midlands Meander.

### **5.1.7 AREAS WHERE PRIORITY SPENDING IS REQUIRED**

It is felt that this section will be thoroughly addressed once the SDF is complete. However, the nodes and corridors (primary, secondary and tertiary) need to be given special attention in order to attract more investment into Umvoti Municipal Area.

### **5.1.8 SDF IMPLEMENTATION PLAN (CAPITAL PROJECTS 2012-2015)**

The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting. The main capital projects that will be undertaken in the next three (3) years involve the MIG projects whereby the funds are already committed for the town roads.

### **5.1.9 THREE YEAR INVESTMENT PROGRAMME**

#### **5.1.9.1 CAPITAL INVESTMENT PLAN**

The projects included in this three year investment programme are the MIG funded project where by the funds are already committed and projects registered with MIG. The projects are for the rehabilitation of Greytown Town roads. These projects will be implemented in phases over three years (2012/2013, 2013/2014 and 2014/2015 financial years).

**Table 57: Capital Investment Plan**

<b>PHASE 1: 2012/2013 FINANCIAL YEAR</b>					
<b>Road Name</b>	<b>Road Section</b>	<b>Length</b>	<b>Direct Cost (Sealcoat)</b>	<b>Indirect Cost (inclusive of Disbursements, fees and site monitoring)</b>	<b>Total</b>

Sergeant Street	Okes to Maitland	± 590 m	R 5 232 450.45	R 581 532.02	R 5 813 982.47
Voortreker street	Maitland to bell	± 267 m	R 2 200 686.26	R 244 583.21	R 2 445 269.47
Voortreker street	Bell to okes	± 267 m	R 1 732 670.07	R 192 568.12	R 1 925 238.19
Voortreker street	Shepstone to okes	± 267 m	R 2 383 793.36	R 264 933.65	R 2 648 727.01
Bell street	Pine to sergeant	± 410 m	R 2 526 628.89	R 280 808.32	R 2 807 437.21
Shepstone street	Pine to Durban	± 260 m	R 1 312 770.72	R 145 900.71	R 1 458 671.43

**PHASE 2: 2013/2014 FINANCIAL YEAR**

Road Name	Road Section	Length	Direct Cost (Sealcoat)(R )	Indirect Cost (inclusive of Disbursements, fees and site monitoring) (R )	Total ( R )
Sergeant Street	Okes to Maitland	± 590 m	5 232 450.45	581 532.02	5 813 982.47
Voortreker street	Maitland to bell	± 267 m	2 200 686.26	244 583.21	2 445 269.47
Voortreker street	Bell to okes	± 267 m	1 732 670.07	192 568.12	1 925 238.19
Voortreker street	Shepstone to okes	± 267 m	2 383 793.36	264 933.65	2 648 727.01
Bell street	Pine to sergeant	± 410 m	2 526 628.89	280 808.32	2 807 437.21
Shepstone street	Pine to Durban	± 260 m	1 312 770.72	145 900.71	1 458 671.43
Sergeant Street	Shepstone to Oke	± 285 m	<b>3 299 094.70</b>	<b>366 659.80</b>	<b>3 665 754.50</b>
<b>Total Values</b>			<b>18 688 094.45</b>	<b>2 076 985.83</b>	<b>20 765 080.28</b>

**PHASE 3: 2014/2015 FINANCIAL YEAR**

Road Name	Road Section	Length	Direct Cost (Sealcoat)	Indirect Cost (inclusive of Disbursements, fees and site monitoring)	Total
Dr Elliot Street		± 700m	R 2 691 219.74	R 357 696.07	R 3 048 915.81
Dr Gordon Street		± 950m	R 4 160 211.09	R 552 943.01	R 4 713 154.10
<b>Total Values</b>			<b>R 6 851 430.83</b>	<b>R 910 639.08</b>	<b>R 7 762 069.91</b>

**LONG-TERM CAPITAL PROGRAMME FOR THE 2013/14 FINANCIAL YEAR**

<b>Department</b>	<b>Project</b>	<b>Amount (R )</b>
Council General Expenses	Botanical Gardens	200 000.00
	Electronic attendance system	400 000.00
Duplicating mach/messengers	Extension records room	300 000.00
Community facilities (Services rural areas)	Ngome Community Hall	61 100.00
	Vikindlala Community Hall	36 400.00
	Gwinyamate Hall	80 000.00
	Mbangweni Hall	80 000.00
	Ntembisweni Hall	65 000.00
	Dayingubo crèche	80 000.00
	Mbuba Hall	50 000.00
	Vukaphansi Hall	30 000.00
	Entembisweni crèche	20 000.00
	Matimatolo creche	90 000.00
Greytown Library	Upgrading of Greytown Library (fencing, air-conditioning and equipment)	231 000.00
Corporate services	Equipment for Information Technology and Geographic Information System services	227 500.00
Town Hall	Maintenance of Greytown Town Hall	135 000.00
Stores and Buying	Construction of Ablution facilities	100 000.00
Protection services	Procurement of equipment	670 000.00
	Procurement of vehicles	550 000.00
	Installation of robots	400 000.00
Parks and gardens	Procurement of equipment and vehicles	3 100 000.00
Testing Station	Testing Station Upgrade	1 500 000.00
Public Safety	Procurement of equipment and vehicles	2 200 000.00
Community facilities (urban)	Khomba road Hall	140 000.00
	Maphanga Road Hall	100 000.00
	Kranskop Hall	30 000.00
Electricity	Electricity distribution	4 950 000.00
<b>Total Values</b>		<b>15 826 000.00</b>



## 5.1.9.2 SECTOR DEPARTMENTS INVOLVEMENT

### 5.1.9.2.1 DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

#### 5.1.9.2.1.1 CORRIDOR DEVELOPMENT GRANT

**Table 58: Corridor Development Grant**

Ward	Project Name	Budget	Status
11	Mooibraai Commercial Farming Project	R3 000 000.00	Project in the Close-Out Phase

#### 5.1.9.2.1.2 LOCAL ECONOMIC DEVELOPMENT (LED) GRANT

**Table 59: Local Economic Development Grant**

Ward	Project Name	Budget	Status
5	Kranskop Rehabilitation and Expansion Project Local Area Plan	R600 000.00	Phase 2 : Development Vision
11	Woolstone Greenfield Project Local Area Plan	R400 00.00	Phase 2 : Development Vision

### 5.1.9.2.2 DEPARTMENT OF TRANSPORT (DOT)

#### 5.1.9.2.2.1 2013 / 2014 FINANCIAL YEAR HIGHLIGHT NEW GRAVEL ROADS AND CAUSEWAYS

**Table 60: 2013/14 New gravel roads and causeway**

PROJECT	INFRASTRUCTURE TYPE	LOCAL MUNICIPALITY	WARD	TRADITIONAL COUNCIL	OUTPUT	LOCATION / BENEFICIARY	BUDGET 2014-15
Busani Road	New Gravel Road	Umvoti	4	Abakwacele	1.9 km	Busani	R 1,000,000
Mabovini Road Ext	New Gravel Road	Umvoti	4	Mthembu-Sithole	3.0 km	Mabovini	R 1,500,000
Muden Road	New Gravel Road	Umvoti	4	Amachunu	2.5 km	Muden	R 1,500,000
Busani Casueway	New Causeway	Umvoti	2	Abakwacele	1	Busani	R 757,315
Mabovini Causeway #1	New Causeway	Umvoti	4	Bomvu	1	Mabovini	R 4,500,000

### 5.1.9.2.2.2 2013 / 2014 FINANCIAL YEAR HIGHLIGHTS RESEAL & REHABILITATION

**Table 60: 2013/14 Reseal and Rehabilitation**

PROJECT	INFRASTRUCTURE TYPE	LOCAL MUNICIPALITY	OUTPUT	LOCATION / BENEFICIARY	BUDGET 2013-14
P16-1 (km 0-13.5)	Reseal	Umvoti	13.5 km	Greytown-Kranskop	R 8,8m
P14 (km 2-15)	Reseal	Umvoti	13 km	Greytown-Moorriver	R 17,2m
P16-2	Structure Rehab	Umvoti	1	Kranskop	R 4m

### 5.1.9.2.2.3 DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (DEDT)

**Table 61: DEDT Projects for the 2013/14 financial year**

PROGRAMME	PROJECT	AMOUNT	COMMENTS
CO-OPERATIVES	Poultry farming layers – Greytown	R500 000-00	Approved

### 5.1.9.2.2.4 DEPARTMENT OF WATER AFFAIRS (DWA)

**Table 62: DWA Projects for the 2013/14 financial year**

Project	Commencement	Contract in place	Amount	Completion
Phase 1: Extention of the 7MI/d WTW	Mar-14	No, to appoint by Feb 2014	R1,8M	Jun-15
Phase 1: Kranskop borehole project	Ongoing	Yes	R500K	Apr-13
Phase 2: Enhlalakahle reserrior	Ongoing	Yes	R3,3M	Aug-13
Phase 2: Bulk Water Main to Enhlalakahle Reservoir	Ongoing	Yes	R6M	Jun-13

Phase 2: Trunk Water Main to Enhlalakahle	Apr-13	No, tender award expiring 21 March 2013	R8,8M	Oct-13
Phase 3: Pipeline and Reservoir	Apr-13	Yes	R28M	Jul-05

District	Local Municipalities	Project cost	DWA Recommended Funding	Spent to Date	Allocation 2013/14	Allocation 2014/15	Allocation 2015/16
UDM RBIG	Mvoti/ Msinga/ Matimatolo	R950M	R610M	R25 Previous R21 Current	R31M	R200M	R340M

### 5.1.9.2.3 DEPARTMENT OF SOCIAL DEVELOPMENT (DSD)

Table 63: DSD Projects for the 20013/14 Financial Year

NAME OF NPO	NPO NO.	AREA	Sub programme	objectives	Ward	Needs a structure /not
1.Zamukukhanya Crèche	057 - 802	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
2.Sekusile Crèche	064- 196	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
3.Khanyakusa Crèche	064 -194	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure

4. Khanyisani Crèche	045 - 023	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
5.Earlybird Crèche	054 -951	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
6. Velakahle Crèche	044 -278	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Does not have a structure
7. Freddie Mhlongo Ikusasa lethu crèche	044 -282	Eshane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	4	Have a structure
8. Ziphozonke Crèche	049 - 443	Eshane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	4	Have a structure
9. Mbaliyesizwe Crèche	038 -227	Matimatolo	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	2	Have a structure
10.Thembalethu Crèche	069 -143	Eshane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	4	Have a structure

11.Imizamoy ethu Crèche	064 -151	Eshane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	4	Does not have a structure
12.Qalulwazi Crèche	064 - 105	Matimatolo	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	2	Does not have a structure
13.Scelinhlan hla Crèche	064 -200	Matimatolo	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	2	Have a structure
14. Hlakaniphani Crèche	044-779	Entembisweni	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	3	Have a structure
15. Busy bees Crèche	089 -750	Muden	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	11	Have a structure
16.Nkanyiso Crèche	022 -191	Nhlalakahle	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	7	Have a structure
17. Khulasizwe Crèche	072 -989	Engome	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	8	Have a structure – operating at Inkosi Mbongeleni One stop Development

						t centre
18.Philani Crèche	090 -074	Lindelani	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	7	Have a structure
19. Valumlomo Crèche	069 - 268	Entembisweni	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	3	Does not have a structure

#### 5.1.9.2.3.1 REGISTERED AS NPO BUT NOT YET NOT FUNDED

**Table 64: Organisations registered as NPOs but not funded**

1.Siyathuthuka Crèche	064 - 136	Entembisweni	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	3	Have a structure
2. Sizwesihle Crèche	064- 037	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Does not have a structure
3.Ukukhanya Crèche	069 - 269	Mbulwane	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
4. Mdlalanto Crèche	069 - 188	Mdlalanto	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	3	Does not have a structure
5. Dumisani Lembede	086 - 077	Muden	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to	11	Have a structure

Crèche			nt	children under the age of 5 years		
6. Esibusweni Crèche	064 - 075	Tin town	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	7	Does not have a structure
7.Umvoti Day Care Centre	089 - 752	Nhlalakahle	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	7	Have a structure
8. Silindokuhle Crèche	068 - 882	Matimatolo	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	2	Does not have a structure

#### 5.1.9.2.3.2 UNREGISTERED CRECHES

**Table 65: Unregistered crèches**

1. Lethokuhle Crèche	NPO registration still in process	Matimatolo	Early Childhood Development	To provide stimulation, nutritious food ,life skills and safety and security to children under the age of 5 years	2	Have a structure
2.Mpilwenhle Crèche	NPO registration still in process	Muden	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	11	Does not have a structure
3. Impumelelo Crèche	NPO registration still in	Muden	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and	11	Does not have a structure

	process			safety and security to children under the age of 5 years		
4. Sukumani Crèche	NPO registration still in process	Matimatolo	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	2	Does not have a structure
5. Usizolwethu Crèche	NPO registration still in process	Eshane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	5	Have a structure
6. Ketuka Crèche	NPO registration still in process	Makhabeleni	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	1	Have a structure
7. Funulwazi Crèche	NPO registration still in process	Entembisweni	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	3	Have a structure
8. Mangena Crèche	NPO registration still in process	Mbulwane	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and	1	Does not have a structure

				security to children under the age of 5 years		
9.Siyasiza Crèche	NPO registration still in process	Engome	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	8	Does not have a structure
10.Siyethemba Crèche	NPO registration still in process	Engome	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	8	Does not have a structure
11.Sambulo Crèche	NPO registration still in process	Greytown	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	10	Does not have a structure
12. Siyakhula Crèche	NPO registration still in process	Matimatolo	Early Childhood Development	To provide stimulation ,nutritious food ,life skills and safety and security to children under the age of 5 years	2	Does not have a structure
<b>NAME OF NPO</b>	<b>NPO NO.</b>	<b>AREA</b>	<b>Sub programme</b>	<b>objectives</b>	<b>Ward</b>	<b>Status</b>
1.Greytown Children's	009-231	Greytown	Child care and Protection	To protect orphaned	10	Have a structure

Home				and vulnerable children		
2. Beth Hatlaim Children's Home	004-634	Shalom	Child care and Protection	To protect orphaned and vulnerable children	10	Have a structure
3. Khayalami Children's Village	068-710	Nhlalakahle Township	Child care and Protection	To protect orphaned and vulnerable children	7	Have a structure
4. Umvoti Place of Safety	022-255	Nhlalakahle Township	Child care and Protection	To protect orphaned and vulnerable children	7	Have a structure
5. Sydney Children's Home		Mispar	Child care and Protection	To protect orphaned and vulnerable children	10	Does not have a structure

NAME OF NPO	NPO NO.	AREA	Sub Programme	Sub Programme	Ward	Status
1. Greytown & District Child and Family Welfare Society		Greytown	Care and support to families	To provide care and support to families	10	Have a structure

NAME OF NPO	NPO NO.	AREA	Sub programme	Objectives	Ward	Status
1. Zimiseleni Luncheon Club	059-167	Engome	Services to older persons	To provide community based care and support to older persons	8	Have a structure – operating at Inkosi Mbongele ni One stop

						Development centre
2. Sizana Luncheon Club	064-202	Ntembisweni	Services to older persons	To provide community based care and support to older persons	3	Does not have a structure
3. Zizameleni Luncheon Club	064-221	Townlands	Services to older persons	To provide community based care and support to older persons	10	Does not have a structure
4. Sinamuva Luncheon Club		Nhlalakahle Township	Services to older persons	To provide community based care and support to older persons	7	Does not have a structure
5. Masibambisane Luncheon Club		Mbulwane	Services to older persons	To provide community based care and support to older persons	1	Does not have a structure
6. GADCCA	002-173	Greytown	Services to older persons	To provide community based care and support to older persons	10	Have a structure

NAME OF NPO	NPO NO.	AREA	Sub programme	Objectives	Ward	Status
1. Arcadia Old Age Home	002-173	Greytown	Services to older persons	Residential facility for older person	10	Have a structure

NAME OF NPO	NPO NO.	AREA	Sub programme	Objectives	Ward	Status
1. Umvoti Aids Centre	022-255	Greytown	HIV/AIDS	To provide HIV/AIDS prevention programmes and care and support to OVC	7	Have a structure
2. Bhambatha Community	073-035	Engome	HIV/AIDS	To provide HIV/AIDS prevention programmes and care	8	Have a structure - operating at

Care Centre				and support to OVC		Inkosi Mbongeleni One stop Development centre
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NAME OF NPO	NPO NO.	AREA	Sub programme	Objectives	Ward	
1. Harmony Retreat Centre		Greytown	Substance abuse, Prevention and Rehabilitation	To provide in – patient treatment to clients who have substance abuse problems		Have a structure

NAME OF NPO	NPO NO.	AREA	Sub Programme	Objectives	Ward	Needs a structure /not
1.Umvoti People with Disability	058-056	Nhlalakahle	Sustainable Livelihood	To remove discrimination and stigma from people living with disabilities by creating employment and alleviate poverty.	7	Have structure
2.Ubumbano Youth Organisation	079-756	Engome	Youth Development	To reduce crime, HIV & AIDS infection rate and to increase employment	8	Have a structure - operating at Inkosi Mbongeleni One stop Development centre
3.KwaCele Poultry Organisation	079-778	Matimatolo	Sustainable Livelihood	To alleviate poverty and hunger, generate income and create employment opportunities by engaging themselves in poultry production	2	Have structure
4.Siqwashisa Isizwe Youth	NPO registra	Eshane	Sustainable Livelihoods	To reduce HIV & AIDS infection	4	Does not have structure

Organisation	tion still in process			rate at Eshane through proactive involvement and support . To combat and reduce crime and drug abuse		
5. The Holly Isambulo Free Church in Zion of South Africa	086 - 428	Muden	Sustainable Livelihoods	To provide material support to HIV & AIDS infected and affected orphans and vulnerable people of Muden and to establish garden and poultry for sustainability of the project	<b>11</b>	Does not have structure
6. Isihlangu Sesizwe	048-814	Muden	Sustainable Livelihoods	To prevent youth from crime by supporting sports development, open business opportunities by selling furniture for sustainability	<b>11</b>	Does not have structure

#### ESKOM: INFRASTRUCTURE PLANNING

The following projects are meant to address the network problem in Greytown and surroundings:

- Proposed Greytown 132/11kV Sub
- 2<sup>nd</sup> 33kV line to supply Greytown and improve voltages at the sub.

## 5.2 IMPLEMENTATION PLAN

Table 66: Implementation Plan

Objective	Strategies	Performance Indicator	Budget					Source	Responsibility (in Mun)
			Yr 1 2012/13	Yr 2 2013/14	Yr 3 2014/15	Yr 4 2015/16	Yr 5 2016/17		
Upgrade quality of roads in Umvoti	To rehabilitate municipal roads	1.794 KM of Greytown CBD roads re	17 099 325.78	20 765 080.28	7 762 069.91	-	-	MIG	Engineering Services
Upgrading of Electricity Infrastructure	To facilitate supply of electricity outside the licensed areas	Number of rural households electrified	-	14 000 000.00-	-	-	-	Department of Energy	Engineering Services
Public amenities and Parks	To ensure that the community has access to municipal facilities	Number of public amenities and parks maintained	10 134 000.00	649 000.00	-	-	-	Internal	Corporate Services
Waste Management	To provide efficient waste removal services	Number of households and commercial properties serviced	500 000.00	-	-	-	-	Internal	Engineering Services
Indigent Support	To improve access to basic	Number of	353 450.00	381 040.00	419 150.00	461 060.00	-	Internal	Finance

Objective	Strategies	Performance Indicator	Budget					Source	Responsibility (in Mun)
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
			2012/13	2013/14	2014/15	2015/16	2016/17		
systems	services	indigents supported							Department
Spatial Planning	To promote spatial restructuring and integration	Date of completion of the 5 year SDF including the LED/Tourism Strategy review	800 000.00	890 000.00	-	-	-	Municipal Systems Improvement Grant	Planning Department
IDP preparation and Reporting	To ensure effective planning and reporting processes in line with prescribed legislation	Preparation and submission of the 2014/15 IDP Process Plan for approval  Preparation and submission of the 2014/15 IDP for approval	200 000.00	-	-	-	-	Internal	Planning Department
Human Resource Management	To ensure effective human resource functionality	Human resource policies and plans reviewed by 30 May 2014	180 000.00	-	-	-	-	Internal	Corporate Services
Public Safety	To create a safe and conducive environment	To establish a fully functional municipal security unit by 30 June	800 000.00	2 726 000.00	400 000.00	400 000.00	-	Internal	Protection Services Department

Objective	Strategies	Performance Indicator	Budget					Source	Responsibility (in Mun)
			Yr 1 2012/13	Yr 2 2013/14	Yr 3 2014/15	Yr 4 2015/16	Yr 5 2016/17		
		<b>2014</b> Effective response to disasters  To review the Disaster Management Plan by 30 May 2014  To review and finalize Fire Prevention and Operational Plans by 30 May 2014							
Public participation and communication	To keep the communities and stakeholders informed and involved in the affairs of the municipality	Formulate a communication policy by 30 December 2013	-	-	-	-	-	Internal	Corporate Services
	To ensure public consultation during formulation of organizational	To conduct quarterly public consultation sessions in accordance with the	-	-	-	-	-	Internal	Office of the Municipal Manager Planning

Objective	Strategies	Performance Indicator	Budget					Source	Responsibility (in Mun)
			Yr 1 2012/13	Yr 2 2013/14	Yr 3 2014/15	Yr 4 2015/16	Yr 5 2016/17		
	performance targets and reporting thereof	PMS Framework							Department
Internal Audit	To ensure effective internal audit function	To establish a fully-fledged internal audit unit by 30 May 2014	-	-	-	-	-	Internal	Office of the Municipal Manager Corporate Services
		To hold quarterly meetings with external audit committee and Municipal Publics Account Committee	-	-	-	-	-	Internal	Office of the Municipal Manager Finance Department
Financial Management	To ensure compliance to all legislative requirements and regulation/directives	Timeous submission of monthly accounts	-	-	-	-	-	Internal	Finance Department

## 6 FINANCIAL PLAN

## 6.1 INTRODUCTION

## 6.1.1 LEGISLATIVE FRAMEWORK

The Municipality's financial affairs are guided by the Municipal Finance Management Act. This is also the basis open which the Municipality's Budget will be formulated This financial plan will outline the municipality's financial strategies and policies that will guide the implementation of the IDP and budget for 2013/14. It will also address debt collection strategies, revenue generation, asset management and a summary of the Auditor General Report and responses by management. The financial plan will also indicate all projects with budgets and timeframes within the municipal area which are not included in the municipal budget.

## 6.2 ASSETS AND LIABILITIES

Table 67: MBRR Table A6 - Budgeted Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	1,465	2,633	4,295	891	1,000	1,000	1,000	1,000	1,500
Call investment deposits	38,768	45,729	60,020	10,000	27,894	45,597	33,121	23,234	17,543
Consumer debtors	15,018	16,343	18,590	11,694	16,580	16,580	17,409	18,279	19,193
Other debtors	2,373	5,478	1,807	3,000	1,800	1,800	2,000	2,100	2,205
Current portion of long-term receivables	21	24	31	20	20	20	20	20	15
Inventory	1,312	1,254	1,354	1,800	1,500	1,500	1,700	1,700	2,000
<b>Total current assets</b>	<b>58,957</b>	<b>71,461</b>	<b>86,097</b>	<b>27,405</b>	<b>48,794</b>	<b>66,497</b>	<b>55,250</b>	<b>46,333</b>	<b>42,456</b>
<b>Non current assets</b>									
Long-term receivables	62	34		60	50	50	60	40	30
Investments									
Investment property	46,824	64,189	73,620	65,000	73,620	73,620	73,620	73,620	73,620
Investment in Associate									
Property, plant and equipment	105,432	109,738	384,746	168,493	403,721	403,721	406,903	404,541	408,096
Agricultural									
Biological									
Intangible									
Other non-current assets									
<b>Total non current assets</b>	<b>152,318</b>	<b>173,961</b>	<b>458,366</b>	<b>233,553</b>	<b>477,391</b>	<b>477,391</b>	<b>480,583</b>	<b>478,201</b>	<b>481,746</b>
<b>TOTAL ASSETS</b>	<b>211,275</b>	<b>245,422</b>	<b>544,463</b>	<b>260,958</b>	<b>526,185</b>	<b>543,888</b>	<b>535,833</b>	<b>524,534</b>	<b>524,203</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	107	125	82	-	-	-	-	-	-
Consumer deposits	1,769	1,849	1,988	2,200	2,200	2,200	2,500	2,625	3,000
Trade and other payables	15,920	22,789	32,331	21,000	31,000	31,000	27,850	21,743	20,680
Provisions	456	362	339						
<b>Total current liabilities</b>	<b>18,252</b>	<b>25,125</b>	<b>34,740</b>	<b>23,200</b>	<b>33,200</b>	<b>33,200</b>	<b>30,350</b>	<b>24,368</b>	<b>23,680</b>
<b>Non current liabilities</b>									
Borrowing	207	82	-	-	-	-	-	-	-
Provisions	7,906	8,000	8,023	8,000	8,000	8,000	8,000	8,000	8,000
<b>Total non current liabilities</b>	<b>8,113</b>	<b>8,082</b>	<b>8,023</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>TOTAL LIABILITIES</b>	<b>26,365</b>	<b>33,207</b>	<b>42,762</b>	<b>31,200</b>	<b>41,200</b>	<b>41,200</b>	<b>38,350</b>	<b>32,368</b>	<b>31,680</b>
<b>NET ASSETS</b>	<b>184,910</b>	<b>212,215</b>	<b>501,701</b>	<b>229,758</b>	<b>484,985</b>	<b>502,688</b>	<b>497,483</b>	<b>492,167</b>	<b>492,523</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	129,455	138,551	116,151	153,583	110,765	128,468	134,363	166,240	179,001
Reserves	55,455	73,664	385,550	76,175	374,220	374,220	363,120	352,020	340,920
Minorities' interests									
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>184,910</b>	<b>212,215</b>	<b>501,701</b>	<b>229,758</b>	<b>484,985</b>	<b>502,688</b>	<b>497,483</b>	<b>518,260</b>	<b>519,921</b>

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### 6.3 OPERATING REVENUE FRAMEWORK

For Umvoti Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

**Table 68: Summary of revenue classified by main revenue source**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	21,028	13,564	13,799	16,178	18,850	18,850	20,461	21,484	22,558
Property rates - penalties & collection charges	1,085	1,180	1,251	1,300	1,300	1,300	1,330	1,397	1,466
Service charges - electricity revenue	28,276	34,013	42,433	48,235	48,893	48,893	52,291	54,905	57,650
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	4,359	4,726	5,290	5,529	5,486	5,486	5,790	6,080	6,383
Service charges - other	189	317	563	407	883	883	872	915	961
Rental of facilities and equipment	2,827	2,998	2,819	2,979	2,880	2,880	3,032	3,184	3,343
Interest earned - external investments	3,279	2,939	3,261	2,700	2,700	2,700	2,700	2,835	2,977
Interest earned - outstanding debtors	192	157	154	167	163	163	183	192	202
Dividends received	-	-	-	-	-	-	-	-	-
Fines	434	325	491	404	804	804	804	844	886
Licences and permits	1,656	2,071	1,914	2,002	1,963	1,963	2,045	2,148	2,255
Agency services	817	925	970	1,016	1,082	1,082	1,110	1,166	1,224
Transfers recognised - operational	32,622	34,788	44,951	44,966	52,263	52,263	67,053	70,406	73,926
Other revenue	8,326	2,801	841	111	119	119	171	180	189
Gains on disposal of PPE	-	-	-	-	-	-	10	11	11
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>105,090</b>	<b>100,804</b>	<b>118,737</b>	<b>125,993</b>	<b>137,386</b>	<b>137,386</b>	<b>157,853</b>	<b>165,745</b>	<b>174,033</b>

**Table 69: Percentage growth in revenue by main revenue source**

Description	CURRENT YEAR 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	18,850	13.7%	20,461	13.0%	21,484	13.0%	22,558	13.0%
Property rates - penalties & collection charges	1,300	0.9%	1,330	0.8%	1,397	0.8%	1,466	0.8%
Service charges - electricity revenue	48,893	35.6%	52,291	33.1%	54,905	33.1%	57,650	33.1%
Service charges - water revenue	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-
Service charges - refuse revenue	5,486	4.0%	5,790	3.7%	6,080	3.7%	6,383	3.7%
Service charges - other	883	0.6%	872	0.6%	915	0.6%	961	0.6%
Rental of facilities and equipment	2,880	2.1%	3,032	1.9%	3,184	1.9%	3,343	1.9%
Interest earned - external investments	2,700	2.0%	2,700	1.7%	2,835	1.7%	2,977	1.7%
Interest earned - outstanding debtors	163	0.1%	183	0.1%	192	0.1%	202	0.1%
Dividends received	-	-	-	-	-	-	-	-
Fines	804	0.6%	804	0.5%	844	0.5%	886	0.5%
Licences and permits	1,963	1.4%	2,045	1.3%	2,148	1.3%	2,255	1.3%
Agency services	1,082	0.8%	1,110	0.7%	1,166	0.7%	1,224	0.7%
Transfers recognised - operational	52,263	38.0%	67,053	42.5%	70,406	42.5%	73,926	42.5%
Other revenue	119	0.1%	171	0.1%	180	0.1%	189	0.1%
Gains on disposal of PPE	-	-	10	-	11	-	11	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>137,385</b>		<b>157,853</b>		<b>165,746</b>		<b>174,032</b>	
Total revenue from rates and service charges	75,412	54.9%	80,744	51.2%	84,781	51.2%	89,018	51.2%

Revenue generated from rates and services charges forms a minor percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise of 51.2% of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges totaled R75.4 million or 54.9 per cent. This increases to R80.7 million, R84.7 million and R89 million in the respective financial

years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges flattens out from 51.2 per cent in the outer years. This decrease can be mainly attributed to the decreased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totalling 13 per cent or R20.4 million rand and increases to R22.5 million by 2012/16. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

Figure 44: Operational revenue per main category

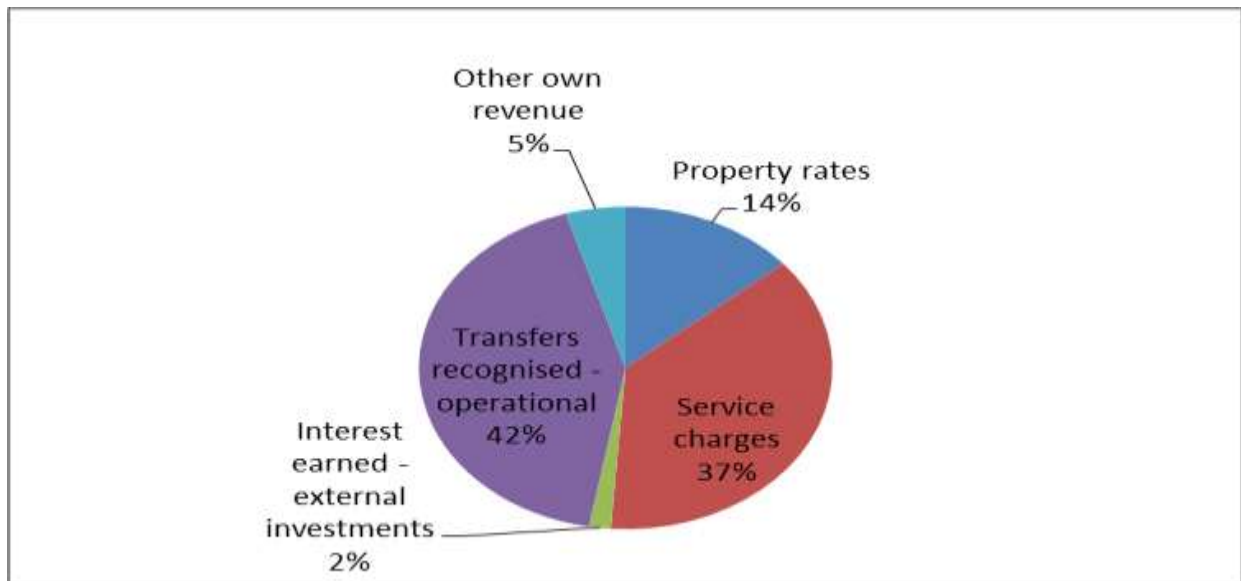


Figure 3: Breakdown of operating revenue over the 2013/14 MTREF

#### 6.4 FUNDING SOURCES

Operating grants and transfers totals R67 million in the 2013/14 financial year and steadily increases to R73.9 million by 2015/16. Note that the year-on-year growth for 2013/14 financial year is 42.5% and then flattens out for the outer two years. The following table gives a breakdown of the various grants and subsidies allocated to the municipality over the medium term.

**Table 70: Operating Transfers and Grant Receipts**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>25,315</b>	<b>31,240</b>	<b>44,762</b>	<b>44,262</b>	<b>44,262</b>	<b>44,262</b>	<b>66,798</b>	<b>65,253</b>	<b>87,993</b>
Local Government Equitable Share	24,565	30,040	36,522	41,962	41,962	41,962	49,358	62,719	85,376
Finance Management	750	1,200	1,450	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement			790	800	800	800	890	934	967
Integrated National Electrification Programme			6,000						
EPWP Incentive							1,000		
Integrated National Electrification Programme							14,000		
Other transfers/grants [insert description]									
Other transfers/grants [insert description]									
<b>Provincial Government:</b>	<b>20,237</b>	<b>16,273</b>	<b>18,372</b>	<b>2,672</b>	<b>2,672</b>	<b>2,672</b>	<b>1,063</b>	<b>1,421</b>	<b>1,181</b>
Health subsidy	2,040	1,183	1,620						
Sport and Recreation	525	525		150	150	150			
Other transfers/grants [insert description]	17,672	14,565	16,752	2,522	2,522	2,522	1,063	1,421	1,181
<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>45,551</b>	<b>47,513</b>	<b>63,134</b>	<b>46,934</b>	<b>46,934</b>	<b>46,934</b>	<b>67,861</b>	<b>66,674</b>	<b>89,174</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>8,354</b>	<b>10,937</b>	<b>14,732</b>	<b>25,370</b>	<b>25,370</b>	<b>25,370</b>	<b>25,976</b>	<b>29,514</b>	<b>32,344</b>
Municipal Infrastructure Grant (MIG)	8,354	10,937	14,732	17,870	17,870	17,870	21,976	25,514	27,344
Rural Households Infrastructure				7,500	7,500	7,500	4,000	4,000	5,000
Other capital transfers/grants [insert desc]									
<b>Provincial Government:</b> Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b> [insert description]	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>8,354</b>	<b>10,937</b>	<b>14,732</b>	<b>25,370</b>	<b>25,370</b>	<b>25,370</b>	<b>25,976</b>	<b>29,514</b>	<b>32,344</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>53,905</b>	<b>58,451</b>	<b>77,866</b>	<b>72,304</b>	<b>72,304</b>	<b>72,304</b>	<b>93,837</b>	<b>96,188</b>	<b>121,518</b>

## 6.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

**Table 71: Summary of operating expenditure by standard classification item**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
					R thousand	Audited	Audited	Audited	Original	Adjusted	Full Year
Employee related costs	2	22,892	29,810	37,339	45,842	41,459	41,459	-	59,005	61,956	65,054
Remuneration of councillors		4,348	4,316	4,668	5,858	5,971	5,971	✓	6,729	7,065	7,418
Debt impairment	3	3,437	618	9	3,090	2,840	2,840		3,180	3,339	3,506
Depreciation & asset impairment	2	14,667	16,785	16,823	21,207	21,218	21,218	-	21,251	22,314	23,430
Finance charges		24	41	23						-	-
Bulk purchases	2	18,640	22,479	29,004	40,000	34,000	34,000	-	37,000	38,850	40,793
Other materials	8									-	-
Contracted services		11,281	10,862	11,938	6,839	24,654	24,654	-	28,913	30,359	31,877
Transfers and grants		1,534	1,390	1,103	2,311	1,810	1,810	-	1,910	2,063	2,228
Other expenditure	4, 5	35,517	20,689	25,981	29,478	41,043	41,043	-	17,920	18,816	19,757
Loss on disposal of PPE										-	-
<b>Total Expenditure</b>		<b>112,340</b>	<b>106,990</b>	<b>126,888</b>	<b>154,625</b>	<b>172,995</b>	<b>172,995</b>	<b>-</b>	<b>175,908</b>	<b>184,762</b>	<b>194,063</b>

The budgeted allocation for employee related costs for the 2012/13 financial year totals R41.4 million, which equals 23.9 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.95% per cent for the 2013/14 financial year. An annual increase of 7 per cent has been included in the two outer years of the MTREF. The staff cost is rapidly on the increase as new post are proposed on a continual basis without any due diligent studies being conducted. Serious attention should be given to restructuring the organization to ensure that we can concentrate on core functions and better service delivery.

## 6.6 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 72: 2013/14 Medium-term capital budget per vote**

Description	2013/14 Medium Term Revenue & Expenditure Framework								
	R thousand	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
Executive and council	645	645	1%	655	2%	–	0%	–	0%
Budget and treasury office	74	74	0%	182	1%	4,000	15%	50	8%
Corporate services	526	526	1%	363	1%	–	0%	–	0%
Community and social services	10,303	10,303	21%	649	2%	–	0%	–	0%
Sport and recreation	2,405	2,405	5%	2,100	7%	2,100	8%	100	17%
Public safety	995	995	2%	2,726	9%	400	1%	400	68%
Housing	–	–	0%	–	0%	–	0%	–	0%
Health	–	–	0%	–	0%	–	0%	–	0%
Planning and development	10	10	0%	–	0%	–	0%	–	0%
Road transport	31,713	31,713	64%	18,028	61%	12,928	47%	–	0%
Environmental protection	–	–	0%	–	0%	–	0%	–	0%
Electricity	1,750	1,750	4%	4,950	17%	8,100	29%	40	7%
Waste management	800	800	2%	–	0%	–	0%	–	0%
<i>Other</i>	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Standard</b>	<b>49,221</b>	<b>49,221</b>		<b>29,653</b>		<b>27,528</b>		<b>590</b>	

For 2012/13 an amount of R33.4 million has been appropriated for the development of infrastructure which represents 68 per cent of the total capital budget. In the outer years this amount totals R22.9 million, 77.5 per cent and R21 million, 79.3 per cent respectively for the outer financial years. Transport and roads receives the highest allocation of R18 million in 2013/14 which equates to 61 per cent followed by electricity infrastructure at 17 per cent, R4.9 million.

**Table 73: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - EXECUTIVE AND COUNCIL	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY OFFICE	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL	-	-	-	-	-	-	-	-	-
Vote 6 - HOUSING	-	-	-	-	-	-	-	-	-
Vote 7 - PUBLIC SAFETY	-	-	-	-	-	-	-	-	-
Vote 8 - SPORT AND RECREATION	-	-	-	-	-	-	-	-	-
Vote 9 - ENVIRONMENTAL PROTECTION	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-
Vote 11 - ROAD TRANSPORT	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY	-	-	-	-	-	-	-	-	-
Vote 13 - OTHER	-	-	-	-	-	-	-	-	-
Vote 14 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - EXECUTIVE AND COUNCIL	44	1	443	136	645	145	655	-	-
Vote 2 - BUDGET AND TREASURY OFFICE	219	75	683	435	74	54	182	4,000	50
Vote 3 - PLANNING AND DEVELOPMENT	1,316	-	-	-	10	10	-	-	-
Vote 4 - HEALTH	2	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL	600	1,313	51	6,622	10,303	10,134	649	-	-
Vote 6 - HOUSING	1,327	-	-	-	-	-	-	-	-
Vote 7 - PUBLIC SAFETY	-	84	31	690	995	800	2,726	400	400
Vote 8 - SPORT AND RECREATION	525	-	1,515	2,630	2,405	1,433	2,100	2,100	100
Vote 9 - ENVIRONMENTAL PROTECTION	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT	132	175	595	1,650	800	500	-	-	-
Vote 11 - ROAD TRANSPORT	17,124	16,368	7,824	22,663	31,713	27,000	18,028	12,928	-
Vote 12 - ELECTRICITY	1,955	2,663	1,154	12,800	1,750	1,478	4,950	8,100	40
Vote 13 - OTHER	-	-	-	-	-	-	-	-	-
Vote 14 - CORPORATE SERVICES	436	417	12	483	526	488	363	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>23,680</b>	<b>21,096</b>	<b>12,309</b>	<b>48,109</b>	<b>49,221</b>	<b>42,043</b>	<b>29,653</b>	<b>27,528</b>	<b>590</b>
<b>Total Capital Expenditure - Vote</b>	<b>23,680</b>	<b>21,096</b>	<b>12,309</b>	<b>48,109</b>	<b>49,221</b>	<b>42,043</b>	<b>29,653</b>	<b>27,528</b>	<b>590</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>699</b>	<b>493</b>	<b>1,138</b>	<b>1,054</b>	<b>1,245</b>	<b>687</b>	<b>1,200</b>	<b>4,000</b>	<b>50</b>
Executive and council	44	1	443	136	645	145	655	-	-
Budget and treasury office	219	75	683	435	74	54	182	4,000	50
Corporate services	436	417	12	483	526	488	363	-	-
<b>Community and public safety</b>	<b>2,454</b>	<b>1,397</b>	<b>1,598</b>	<b>9,942</b>	<b>13,702</b>	<b>12,367</b>	<b>5,475</b>	<b>2,500</b>	<b>500</b>
Community and social services	600	1,313	51	6,622	10,303	10,134	649	-	-
Sport and recreation	525	-	1,515	2,630	2,405	1,433	2,100	2,100	100
Public safety	-	84	31	690	995	800	2,726	400	400
Housing	1,327	-	-	-	-	-	-	-	-
Health	2	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>18,440</b>	<b>16,368</b>	<b>7,824</b>	<b>22,663</b>	<b>31,723</b>	<b>27,010</b>	<b>18,028</b>	<b>12,928</b>	<b>-</b>
Planning and development	1,316	-	-	-	10	10	-	-	-
Road transport	17,124	16,368	7,824	22,663	31,713	27,000	18,028	12,928	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>2,087</b>	<b>2,838</b>	<b>1,749</b>	<b>14,450</b>	<b>2,550</b>	<b>1,978</b>	<b>4,950</b>	<b>8,100</b>	<b>40</b>
Electricity	1,955	2,663	1,154	12,800	1,750	1,478	4,950	8,100	40
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	132	175	595	1,650	800	500	-	-	-
<b>Other</b>									
<b>Total Capital Expenditure - Standard</b>	<b>23,680</b>	<b>21,096</b>	<b>12,309</b>	<b>48,109</b>	<b>49,221</b>	<b>42,043</b>	<b>29,653</b>	<b>27,528</b>	<b>590</b>
<b>Funded by:</b>									
National Government							20,351	19,794	
Provincial Government									
District Municipality									
Other transfers and grants									
<b>Transfers recognised - capital</b>							<b>20,351</b>	<b>19,794</b>	
<b>Public contributions &amp; donations</b>									
<b>Borrowing</b>									
<b>Internally generated funds</b>							9,302	7,734	590
<b>Total Capital Funding</b>							<b>29,653</b>	<b>27,528</b>	<b>590</b>

## Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R29.6 million for the 2013/14 financial year and declines over the MTREF at levels of R27.5 million and R560 thousand respectively for the two outer years.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from capital and provincial grants and transfers, internally generated funds from previous years surpluses.

## 6.7 CASH AND INVESTMENTS

**Table 74: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	40,233	48,360	64,315	12,563	28,894	46,597	83,823	100,030	122,237
Other current investments > 90 days	-	2	(0)	(1,672)	-	-	(49,702)	(75,796)	(103,194)
Non current assets - Investments	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>40,233</b>	<b>48,362</b>	<b>64,315</b>	<b>10,891</b>	<b>28,894</b>	<b>46,597</b>	<b>34,121</b>	<b>24,234</b>	<b>19,043</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	5,657	5,401	14,210	10,000	14,000	14,000	10,000	3,000	1,000
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(2,792)	(4,477)	(5,971)	(3,754)	(1,454)	(1,454)	328	365	394
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>2,865</b>	<b>924</b>	<b>8,239</b>	<b>6,246</b>	<b>12,546</b>	<b>12,546</b>	<b>10,328</b>	<b>3,365</b>	<b>1,394</b>
<b>Surplus(shortfall)</b>	<b>37,368</b>	<b>47,438</b>	<b>56,076</b>	<b>4,645</b>	<b>16,348</b>	<b>34,051</b>	<b>23,793</b>	<b>20,870</b>	<b>17,649</b>

## 6.8 DEFICIT

**Table 75: Surplus/(Deficit) calculations for the trading services**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Electricity</b>									
Total Revenue (inc capital grants and transfers)	28276	34025	46984	48235	53893	53893	66291	69605	73085
Operating Expenditure	25508	28513	41407	51653	49191	49191	65544	68821	72262
<b>Surplus/(Deficit) for the year</b>	2768	5512	5577	-3418	4702	4702	747	784	823
	10%	16%	12%	-7%	9%	9%	1%	1%	1%
<b>Refuse</b>									
Total Revenue (inc capital grants and transfers)	4370	4742	5300	5529	5489	5489	5799	6089	6393
Operating Expenditure	6294	5931	8219	8259	8864	8864	10097	10602	11132
<b>Surplus/(Deficit) for the year</b>	(1924.00)	(1189.00)	(2919.00)	(2730.00)	(3375.00)	(3375.00)	(4298.00)	(4513.00)	(4739.00)
<b>Percentage Deducit</b>	-44%	-25%	-55%	-49%	-61%	-61%	-74%	-74%	-74%

1. The electricity trading surplus is deteriorating over the 2013/14 MTRF from 9 percent or R53.8 million in 2012/13 to 1 percent by 2015/16. This is primarily as a result of the high increase in Eskom bulk purchase as well as illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
2. The refuse trading deficit has increase from 61 per cent in 2012/13 or R3.3 million to 74 per cent or R4.5 million in the 2013/14 MTRF. It is of great concern that this service continually runs at a loss and will continue to do so due the high cost of transportation of refuse to Pietermaritzburg. It is envisaged that once a landfill site has been established the service would start improving.

## 6.9 POTENTIAL SOURCES OF INCOME AND REVENUE RAISING STRATEGIES

It is proposed that the following strategies be implemented to address the deficit:

- Traffic law enforcement and the collection of outstanding traffic fines.
- Sweep of all electricity meters to ensure there are no illegal connections or tampering.
- Investigation to be done regarding the high electricity losses and to implement measures to address the losses.
- Only essential and critical posts be filled.
- Restructuring of commercial tariffs.

## 6.10 DEBT CONTROL MEASURES

The following debt control measures are to be implemented:

- Ensuring that state owed rates and service charges are collected
- Debt collection strategies to be put in place to collect outstanding debt from ratepayers.

## 6.11 CASH/ LIQUIDITY POSITION

Cash and cash management is vital for both the short-term and long-term survival of the Municipality. It is essential that an effective cash management process is established that will contribute to a positive current ratio, whereby the municipality's turnaround of current assets in relation to current liabilities is at least 2:1. This ratio refers to the Municipality's ability to convert current assets into cash and settle current liabilities within a 12 months period.

## 6.12 MUNICIPAL BUDGET OVERVIEW

**Table 76: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	21,028	13,564	13,799	16,178	18,850	18,850	20,461	21,484	22,558
Property rates - penalties & collection charges	1,085	1,180	1,251	1,300	1,300	1,300	1,330	1,397	1,466
Service charges - electricity revenue	28,276	34,013	42,433	48,235	48,893	48,893	52,291	54,905	57,650
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	4,359	4,726	5,290	5,529	5,486	5,486	5,790	6,080	6,383
Service charges - other	189	317	563	407	883	883	872	915	961
Rental of facilities and equipment	2,827	2,998	2,819	2,979	2,880	2,880	3,032	3,184	3,343
Interest earned - external investments	3,279	2,939	3,261	2,700	2,700	2,700	2,700	2,835	2,977
Interest earned - outstanding debtors	192	157	154	167	163	163	183	192	202
Dividends received	-	-	-	-	-	-	-	-	-
Fines	434	325	491	404	804	804	804	844	886
Licences and permits	1,656	2,071	1,914	2,002	1,963	1,963	2,045	2,148	2,255
Agency services	817	925	970	1,016	1,082	1,082	1,110	1,166	1,224
Transfers recognised - operational	32,622	34,788	44,951	44,966	52,263	52,263	67,053	70,406	73,926
Other revenue	8,326	2,801	841	111	119	119	171	180	189
Gains on disposal of PPE	-	-	-	-	-	-	10	11	11
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>105,090</b>	<b>100,804</b>	<b>118,737</b>	<b>125,993</b>	<b>137,386</b>	<b>137,386</b>	<b>157,853</b>	<b>165,745</b>	<b>174,033</b>
<b>Expenditure By Type</b>									
Employee related costs	22,892	29,810	37,339	45,842	41,459	41,459	59,005	61,956	65,054
Remuneration of councillors	4,348	4,316	4,668	5,858	5,971	5,971	6,729	7,065	7,418
Debt impairment	3,437	618	9	3,090	2,840	2,840	3,180	3,339	3,506
Depreciation & asset impairment	14,667	16,785	16,823	21,207	21,218	21,218	21,251	22,314	23,430
Finance charges	24	41	23	-	-	-	-	-	-
Bulk purchases	18,640	22,479	29,004	40,000	34,000	34,000	37,000	38,850	40,793
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	11,281	10,862	11,938	6,839	24,654	24,654	28,913	30,359	31,877
Transfers and grants	1,534	1,390	1,103	2,311	1,810	1,810	1,910	2,063	2,228
Other expenditure	35,517	20,689	25,981	29,478	41,043	41,043	17,920	18,816	19,757
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>112,340</b>	<b>106,990</b>	<b>126,889</b>	<b>154,624</b>	<b>172,994</b>	<b>172,994</b>	<b>175,909</b>	<b>184,762</b>	<b>194,062</b>
<b>Surplus/(Deficit)</b>	<b>(7,250)</b>	<b>(6,186)</b>	<b>(8,152)</b>	<b>(28,631)</b>	<b>(35,607)</b>	<b>(35,607)</b>	<b>(18,056)</b>	<b>(19,016)</b>	<b>(20,029)</b>
Transfers recognised - capital	10,124	10,937	8,604	48,079	17,912	17,912	18,851	19,794	20,783
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,874</b>	<b>4,751</b>	<b>452</b>	<b>19,448</b>	<b>(17,695)</b>	<b>(17,695)</b>	<b>795</b>	<b>777</b>	<b>754</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>2,874</b>	<b>4,751</b>	<b>452</b>	<b>19,448</b>	<b>(17,695)</b>	<b>(17,695)</b>	<b>795</b>	<b>777</b>	<b>754</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,874</b>	<b>4,751</b>	<b>452</b>	<b>19,448</b>	<b>(17,695)</b>	<b>(17,695)</b>	<b>795</b>	<b>777</b>	<b>754</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>2,874</b>	<b>4,751</b>	<b>452</b>	<b>19,448</b>	<b>(17,695)</b>	<b>(17,695)</b>	<b>795</b>	<b>777</b>	<b>754</b>

## 6.13 AUDITOR GENERAL'S COMMENTS & RESPONSES IN THE 2011/12 ANNUAL REPORT

Type of Opinion: Unqualified with other matters

Type of Opinion Previous Year: Qualified

**Table 77: Adequacy of Audit Responses:**

Nature of Audit Query	Audit Query	Response from Municipality	Responsible official	Target Date
Material losses	As disclosed in note 37 to the financial statements, the municipality incurred material electricity distribution losses of R4,946 million (8,423 million kilowatt hours) during the year.	<ul style="list-style-type: none"> <li>• The service provider [IGODA] has been appointed and clean-up on the electricity losses has to be addressed.</li> <li>• The meter system was changed and intelligent meters were installed to avoid electricity theft.</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>• 30 June 2013</li> </ul>
Material Impairments	As disclosed in note 2 to the financial statements, the municipality provided for an impairment allowance of R3080 million on consumer debtors as the recoverability of these amounts were considered doubtful.	<ul style="list-style-type: none"> <li>• The indigent register had been advertised to get the input from the public and the objections will be considered by the council.</li> <li>• The council had not written-off the debtors and the Transunion was</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>• 31 March 2013</li> </ul>

Nature of Audit Query	Audit Query	Response from Municipality	Responsible official	Target Date
		appointed to deal with the indigent verifications.		
Compliance with laws and regulations-strategic planning and performance management	<p>The performance report for the financial year under review was not prepared as required by section 46 of the Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) read with section 121 (3) (c) of the MFMA.</p> <p>The Municipal council did not consult with the local community in the drafting and implementation of the municipality's IDP, through a forum that enhances community participation, as required by section 28 of the Local Government: Municipal Planning and Performance Management Regulations of 24 August 2001 (MPPMR)</p>	<ul style="list-style-type: none"> <li>• The consultant had been appointed to deal with the policies and by-laws and also deal with the performance management which includes the Organisational scorecard, departmental scorecards and the individual scorecards.</li> <li>• The performance management evaluation for the first and the second quarter will done and the third is under process.</li> <li>• The community was consulted and the Mayoral road shows were conducted even the advertisement was</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Manager, and</li> <li>• Manager Planning Service</li> </ul>	<ul style="list-style-type: none"> <li>• 31 March 2013</li> </ul>

Nature of Audit Query	Audit Query	Response from Municipality	Responsible official	Target Date
	<p>The municipality did not afford the local community at least 21 days to comment on the final draft of its integrated development plan before the plan was submitted to council for adoption, as required by regulation 15(3) of the MPPMR.</p> <p>The municipality did not give effect to its integrated development plan or conduct its affairs in a manner which was consistent with its integrated development plan, as required by section 36 of the MSA and regulation 6 of the MPPMR.</p> <p>The Municipality did not</p> <ul style="list-style-type: none"> <li>Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and</li> </ul>	<p>placed in the local newspaper the only problem was that during the audit the advert was no where to be found.</p> <ul style="list-style-type: none"> <li>The municipality had requested the service of Cogta to assist in the new format of dealing with the PMS as required by the department.</li> <li>The IDP has been amended to set Key Performance Indicators for measuring performance. The strategies and objectives with time frames have also been amended. The necessary advert amending the IDP will also be placed in the local newspaper.</li> <li>The reviews</li> </ul>		

Nature of Audit Query	Audit Query	Response from Municipality	Responsible official	Target Date
	<p>objectives set out in its integrated development plan.</p> <ul style="list-style-type: none"> <li>• Measure and review performance at least once per year, with regard to each of those development priorities and objectives and against the key performance indicators and targets set.</li> <li>• Take steps to improve performance with regard to those development priorities and objectives where performance targets are not met as required by section 41 of the MSA</li> </ul>	<p>will be done during the current financial year in terms of the requirements of the legislation</p> <ul style="list-style-type: none"> <li>• The necessary steps have been taken to ensure compliance during this financial year</li> </ul>		
Leadership	Significant deficiencies noted in the communication and implementation of policies and procedures as well as monitoring and oversight, to enable and support understanding and execution of internal	<ul style="list-style-type: none"> <li>• The Organizational Performance Management System which includes the organizational scorecard, individual agreements and SDBIP have been</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor</li> </ul>	<ul style="list-style-type: none"> <li>• 31 Marchn2013</li> </ul>

Nature of Audit Query	Audit Query	Response from Municipality	Responsible official	Target Date
	control objectives, processes and responsibilities with respect to performance management.	reviewed and are now in line with the legislative requirement		
Financial and performance management	The accounting officer did not maintain an effective and efficient system of recording, reporting and monitoring of information on predetermined objectives.	<ul style="list-style-type: none"> <li>The performance reviews will be conducted during the current financial year. The process will be documented and records thereof will be kept accordingly</li> </ul>	<ul style="list-style-type: none"> <li>Accounting Officer /Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>31 March 2013</li> </ul>



## 7.1 UMVOTI SDBIP 2013/14: SERVICE DELIVERY TARGETS: MUNICIPAL MANAGER

Table 78: 2013/2014 Service Delivery and Budget Implementation Plan

VOTE	DEPARTMENT	DESCRIPTION	PERFORMANCE OBJECTIVE	MEASURE	SOURCE & FREQUENCY	BASELINE	ANNUAL TARGET 2013/14	TARGET Q1	ACTUAL Q1	TARGET Q2	ACTUAL Q2	TARGET Q3	ACTUAL Q3	TARGET Q4	ACTUAL Q4	REASON FOR PERFORMANCE	RECOMMENDED CORRECTIVE ACTION	RESPONSIBLE REPORTING OFFICIAL	WARD
	Municipal Manager	Internal Audit	To manage the internal audit function of the municipality	Adoption of an annual audit plan	Per quarter	Report per quarter		1 <sup>ST</sup> QUARTER Report		2 <sup>ND</sup> QUARTER		3 <sup>RD</sup> QUARTER Report		4 <sup>TH</sup> QUARTER Report				Municipal Manager	
	Municipal Manager	IDP	To manage the review process of the integrated development plan	Extent of compliance with IDP review deadlines	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				Municipal Manager	
	Municipal Manager	Finance	To ensure the financial viability of the municipality	Monitoring of monthly income and expenditure reports	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				Municipal Manager	

## UMVOTI SDBIP2013/14: SERVICE DELIVERY TARGETS: MANAGER PLANNING

VOTE	DEPARTMENT	DESCRIPTION	PERFORMANCE OBJECTIVE	MEASURE	SOURCE & FREQUENCY	BASELINE	ANNUAL TARGET 2013/14	TARGET Q1	ACTUAL Q1	TARGET Q2	ACTUAL Q2	TARGET Q3	ACTUAL Q3	TARGET Q4	ACTUAL Q4	REASON FOR PERFORMANCE	RECOMMENDED CORRECTIVE ACTION	RESPONSIBLE REPORTING OFFICIAL	WARD
	Planning	Integrated Development Planning	To promote Integrated Development Planning	Extent of compliance with IDP review deadlines	Per Quarter	Report per quarter		1 <sup>ST</sup> QUARTER Report		2 <sup>ND</sup> QUARTER		3 <sup>RD</sup> QUARTER Report		4 <sup>TH</sup> QUARTER Report					
	Planning	Performance Management	To implement the performance management system	Extent of compliance with performance management review deadlines	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER					
	Planning	LUMS	Roll out of LUMS	Extent of compliance with	Per Quarter			REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER					

				LUMS review deadlines																
	Planning	Housing	To coordinate service delivery in respect of housing in umvoti municipality	To facilitate the implementation of Matimatolo, Ntembisweni, Muden and Mthembu-Sithole Rural Housing Project,	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER						

UMVOTI SDBIP2013/14: SERVICE DELIVERY TARGETS: MANAGER LEGAL SERVICES

VOTE	DEPARTMENT	DESCRIPTION	PERFORMANCE OBJECTIVE	MEASURE	SOURCE & FREQUENCY	BASELINE	ANNUAL TARGET 2013/14	TARGET Q1	ACTUAL Q1	TARGET Q2	ACTUAL Q2	TARGET Q3	ACTUAL Q3	TARGET Q4	ACTUAL Q4	REASON FOR PERFORMANCE	RECOMMENDED CORRECTIVE ACTION	RESPONSIBLE REPORTING OFFICIAL	WARD
	Legal Services	By-laws	To develop and implement new by-laws and policies for Umvoti municipality	Extent of completion and review of old by-laws and policies	Per quarter	Report per quarter		1 <sup>ST</sup> QUARTER Report		2 <sup>ND</sup> QUARTER		3 <sup>RD</sup> QUARTER Report		4 <sup>TH</sup> QUARTER Report				Manager legal	
	Legal Service	Legal advice	Lead and direct the legal department in order that the objectives of Council in provision of legal services are achieved	Legal strategy be drawn up	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				Manager legal	
	Legal	Disciplin	To	Numb	Per	Report		REPO		REPO		REPO		REPO					

	services	ary hearings	maintain an effective and efficient internal disciplinary process	er of referrals and outcomes of hearings	Quarter	Per Quarter		RT 1 <sup>ST</sup> QUARTER		RT 2 <sup>ND</sup> QUARTER		RT 3 <sup>RD</sup> QUARTER		RT 4 <sup>TH</sup> QUARTER					
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UMVOTI SDBIP2013/14: SERVICE DELIVERY TARGETS: CHIEF FINANCIAL OFFICER

VOTE	DEPARTMENT	DESCRIPTION	PERFORMANCE OBJECTIVE	MEASURE	SOURCE & FREQUENCY	BASELINE	ANNUAL TARGET 2006/7	TARGET Q1	ACTUAL Q1	TARGET Q2	ACTUAL Q2	TARGET Q3	ACTUAL Q3	TARGET Q4	ACTUAL Q4	REASON FOR PERFORMANCE	RECOMMENDED CORRECTIVE ACTION	RESPONSIBLE REPORTING OFFICIAL	WARD
	Chief financial officer	Assessment rates	To effectively collect rates	% collection against amounts raised for rates	Report per quarter	Report per quarter		1 <sup>ST</sup> QUARTER Report		2 <sup>ND</sup> QUARTER		3 <sup>RD</sup> QUARTER Report		4 <sup>TH</sup> QUARTER Report				CFO	
	Chief financial officer	Revenue	To effectively collect revenue	% of all revenue sources for which the	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				CFO	

				collection targets have been met														
	Chief financial officer	Reporting	To meet all legal financial reporting deadlines	Extent to which all reporting deadlines have been met	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				CFO
	Chief financial officer	Budget	To meet all the MFMA budget process requirements	Extent to which the budget requirements have been met	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				CFO
	Corporate Services	Bad Debt	To monitor the extent of bad debt	Debtors as a % of income	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				CFO
	Corporate Services	Staff costs	To ensure staff costs are within budgetary provision	Extent to which costs are within quarter	Per Quarter	Report Per Quarter		REPORT 1 <sup>ST</sup> QUARTER		REPORT 2 <sup>ND</sup> QUARTER		REPORT 3 <sup>RD</sup> QUARTER		REPORT 4 <sup>TH</sup> QUARTER				CFO

				ly projec tions															
	Chief financial officer	Financial stateme nts	To meet the MFMA requirem ents for the completi on of the annual financial statement s	Extent to which the requir ed deadli nes were met	Per Quarter	Report Per Quarter		REPO RT 1 <sup>ST</sup> QUAR TER		REPO RT 2 <sup>ND</sup> QUAT ER		REPO RT 3 <sup>RD</sup> QUAT RE		REPO RT 4 <sup>TH</sup> QUAR TER					CFO

UMVOTI SDBIP2013/14: SERVICE DELIVERY TARGETS: MANAGER GOOD GOVERNANCE

VOTE	DEPARTME NT	DESCRIPTIO N	PERFOMAN CE OBJECTIVE	MEASURE	SOURCE & FREQUENCY	BASELINE	ANNUAL TARGET 2013/14	TARGET Q1	ACTUAL Q1	TARGET Q2	ACTUAL Q2	TARGET Q3	ACTUALQ3	TARGET Q4	ACTUAL Q4	REASON FOR PERFOMAN	RECOMME NDED CORRECTIV E ACTION	RESPONSIB LE REPORTING OFFICIAL	WARD
	Good Governan ce	Disciplin ary Hearings	To maintain an effective and efficient internal disciplinary process	No of refer als and outco me of hearings	Per quarter	Report per quarter		1 <sup>ST</sup> QUAR TER Repor t		2 <sup>ND</sup> QUAR TER		3 <sup>RD</sup> QUAR TER Repor t		4 <sup>TH</sup> QUAR TER Repor t					All
	Good governan ce	Training of councilors and	To advance the skills levels of	No of coun cilor s and	Per Quarter	Report Per Quarter		REPO RT 1 <sup>ST</sup> QUAR TER		REPO RT 2 <sup>ND</sup> QUAT ER		REPO RT 3 <sup>RD</sup> QUAT RE		REPO RT 4 <sup>TH</sup> QUAR TER					All



## 8 ORGANISATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

### 8.1 BACKGROUND TO MUNICIPAL PERFORMANCE REPORTING

The Umvoti Local Municipality's Annual Performance Report is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act, 32 of 2000 and Chapter 12 for the Municipal Finance Management Act, 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in the municipal performance reporting. These are illustrated as follows:

**Local sphere of Government** – In terms of section 46 of the Municipal Systems Act 32 of 2000,

1. *municipalities must prepare for each financial year a performance report reflecting*
  - a) *The performance of the municipality and of each external service provider during that financial year,*
  - b) *A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
  - c) *Measures taken to improve performance*
2. *An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act*

**Provincial sphere of Government** - In terms of section 47 of the Municipal Systems Act 32 of 2000,

1. *The MEC for Local Government must annually compile and submit to the provincial legislatures and the Minister a consolidated report on the performance of municipalities in the province*
2. *The report must*
  - a) *Identify municipalities that under-performed during the year*
  - b) *Propose remedial action to be taken; and*
  - c) *Be published in the Provincial Gazette*
3. *The MEC for local government must submit a copy of the report to the National Council of Provinces*

**National sphere of Government** - In terms of section 47 of the Municipal Systems Act 32 of 2000,

1. *The Minister must annually compile and submit to Parliament and the MECs for Local Government a consolidated report of local government performance in terms of general key performance indicators.*
2. *The reports must be published in the Gazette*

## 8.2 SCORECARD

Table 79: Umvoti 2012/13 Organisational Scorecard

DRAFT UMVOTI MUNICIPALITY 2013/2014 ORGANISATIONAL SCORECARD																
IDP / SDBI P NO.	OUT COM E 9	NATIO NAL KEY PERFO RMAN CE AREAS	OUTPUT S	INDICA TORS	UNIT OF MEASUR E/ CALCULA TIONS	Annual	Q1	Q2	Q3	Q4	Respon sible Dept	Budget ( R )	Blocka ges	Correct ive Measu res	Support needed in terms of unblocking	Portfolio of Evidence
						Target	Target	Target	Target	Target						
						Projected	Projecte d	Projecte d	Projecte d	Projecte d						
13/14 IDP	DIFFERENTIATED APPROACH TO MUNICIPAL FINANCING, PLANNING AND SUPPORT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	Simplifie d IDPs focusing on planning for the delivery of 10 critical municipa l services	Review ed IDP Adopte d	Yes/No	Yes	Yes	N/A	N/A	N/A	PLANNING DEPARTMENT					
Date Adopted					30-Jun-14	Advertis e final IDP/Bud get process plan by 30 Septemb er 2013	1st IDP steering committ ee and Rep Forum meeting	Tabling and submis sion of draft Review ed IDP report	Adopti on and submis sion of the final Review ed IDP by 30/06/ 2014							
13/14 IDP				Ensure alignm ent of organo gram to develo pment objecti ves (IDP)	Finalisati on of review of organogr am in lign with IDP develop ment objectve s	30-Jun-14	N/A	N/A	Tabling of dratf organo gram to EXCO, Council	30-Jun-14		PLANNING DEPARTMENT AND CORPORATE SERVICES DEPARTMENT				

13/14 IDP			Recruitment and selection	Submission of Employment Equity Report	Date of completion	15-Jan-14	N/A	N/A	15-Jan-14	N/A	CORPORATE SERVICES DEPARTMENT						
13/14 IDP			Compliance with HR Legislation	Formulate HR Policy	Date of completion	31-Dec-13	N/A	31-Dec-13	N/A	N/A							
13/14 IDP			Skills Development	Skills Development	Prepare 2014/15 Work Skills Plan	30-Jun-14	N/A	N/A	Submission of declaration of DOI by 31 March 2014	30-Jun-14							
13/14 IDP			Submission of signed Sec 56 and 57 Performance Agreements to COGTA	Seven Performance Agreements signed and submitted to COGTA	Number of performance agreements signed	7	7	N/A	N/A	N/A	OFFICE OF THE MUNICIPAL MANAGER						

13/1 4 IDP				Date of submission of signed performance contracts to COGTA	30-Aug-13	30-Aug-13	N/A	N/A	N/A						
13/1 4 IDP			OPMS Framework	Date of Review of PMS Framework	30-May-14	N/A	N/A	N/A	30-May-14	PLANNING DEPARTMENT					
13/1 4 IDP			Facilitate the PMS reviews	Number of Quarterly Reviews facilitated	4	1	1	1	1	ALL HODS				None	
13/1 4 IDP		No of written PMS Reports prepared		2	N/A	1	N/A	1	PLANNING DEPARTMENT						
13/1 4 IDP		Date of submission of draft Annual report to AG		31-Aug-13	31-Aug-13	N/A	N/A	N/A	PLANNING DEPARTMENT						

13/1 4 IDP			OPMS Audit	Percentage reduction of OPMS Audit queries raised	100%	20%	60%	80%	100%	OFFICE OF THE MUNICIPAL MANAGER					
13/1 4 IDP			Ensure effective record management	Develop and adoption of a record management policy	Date of adoption	30-Jun-14	N/A	N/A	N/A	30-Jun-14	CORPORATE SERVICES DEPARTMENT				
13/1 4 IDP		Provide Museum Services	Efficient Museum Services	Number of reports submitted	12	3	3	3	3						
13/1 4 IDP			Attend Museum Board meetings	Number of meetings attended	4	1	1	1	1						
13/1 4 IDP		Provision of Advisory Services	Policy and By-Law Formulation and monitoring of implementation	Review of 5 policies and review and promulgation of 5 By-Laws by 30 June	30-Jun-14	N/A	N/A	Tabling of 5 draft reviewed policies and By-Laws to council	30-Jun-14	LEGAL DEPARTMENT					

13/14 IDP			Improve functionality of IT Unit	Electronic Document management system	Date of Purchase	15-Jun-14	N/A	N/A	N/A	15-Jun-14	FINANCE DEPARTMENT					
13/14 IDP			Umvoti Rural Scheme	Compilation of Rural Scheme	Date of completion	30-Jun-14	N/A	N/A	N/A	30-Jun-14	PLANNING DEPARTMENT					
13/14 IDP			Update of town planning by-laws	Updated by-laws	Date of adoption	30-Dec-14	N/A	N/A	N/A	30-Dec-14						
13/14 IDP			Municipal Security	Security at Municipal Buildings and Thusing Centers	No. of Sites covered	29	29	29	29	29	PROTECTION SERVICES					
13/14 IDP				Facilitate the Installation of the Biometrics Access Control System	Date of Installation	30-Jan-14	N/A	N/A	30-Jan-14	N/A						

13/14 IDP			To ensure effective administration	Monthly MANCO meetings held	Number of meetings	12	3	3	3	3	OFFICE OF THE MUNICIPAL MANAGER						
13/14 IDP				Review of Municipal Turnaround Strategy (MTAS)	Date of completion	30-Mar-14	N/A	N/A	30-Mar-14	N/A							
13/14 IDP																	
13/14 IDP	IMPROVED ACCESS TO BASIC SERVICES	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Facilitation of Provision of Water and Sanitation	Attend Meetings for the facilitation of Water and Sanitation Services	No Of Meetings	4	1	1	1	1	PHYSICAL ENVIRONMENT						
13/14 IDP			Provision of Electricity	To ensure provision of electricity thereby reducing electricity backlog	Electrification of households (Nhlalakhle 500 sites)	500 Households electrified	Appointment of service provider	100 households electrified	250 households electrified	150 households electrified							

13/14 IDP			Facilitation of Provision of Electricity	Attend four meetings for the facilitation electricity provision	4	1	1	1	1						
13/14 IDP			Provision of Free Basic Services	Provision of free basic electricity	Number of households	50 kwh per household	50 kwh per household	50 kwh per household	50 kwh per household	50 kwh per household					
13/14 IDP				Provision of free waste removal	Number of households	R 40 per household	R 40 per household	R 40 per household	R 40 per household	R 40 per household					
13/14 IDP			Provision of refuse removal services	Provision of a weekly removal Services	Number of urban household serviced at least once per week	5000	5000	5000	5000	5000					
13/14 IDP			Clean Environment	Maintenance of parks and Open Space	Date of Action Plan completion	28-Feb-14	N/A	N/A	28-Feb-14	N/A					
13/14 IDP			To promote sustainable human settlements	Coordination of Housing Forum Meetings	Number of meetings	4	1	1	1	1	PLANNING DEPARTMENT				

13/14 IDP				Adoption of review of a Housing Sector Plan.	Date of adoption	28-Feb-14	N/A	N/A	28-Feb-14	N/A					
13/14 IDP				Completion of project 497	Date of completion	30-May-13	N/A	N/A	N/A	30-May-13					
13/14 IDP			Maintenance and Upgrading of Municipal Assets	Upgrade of cemeteries	Date of completion	30-May-13	N/A	N/A	N/A	30-May-13	PHYSICAL ENVIRONMENT				
13/14 IDP		Fencing of old cemeteries		Date of completion	30-Apr-13	N/A	N/A	N/A	30-Apr-13						
13/14 IDP		Maintenance of existing Buildings (Community facilities)		Submission of monthly maintenance reports		12	3	3	3	3					

13/1 4 IDP			Fleet Management services	Disposal of municipal vehicles	Number of vehicles	3	N/A	3	N/A	N/A					
13/1 4 IDP					Date of disposal	30-Oct-13		N/A	30-Oct-13		N/A	N/A			
13/1 4 IDP				Procurement of new fleet	Number of vehicles purchased	5	N/A	5	N/A	N/A					
13/1 4 IDP						Date of Purchases	30-Dec-13		N/A	30-Dec-13		N/A	N/A		

13/1 4 IDP			Construction and maintenance of roads	Maintenance of existing roads	Road Maintenance e.i edge breaks, Patching and potholes repairs	1500 M2	375 m2	375 m2	375 m2	375 m2					
13/1 4 IDP				Completion of rehabilitation of Greytown CBD damaged roads	Kms of roads completed (MIG)	2.068Km	N/A	2.068Km	N/A	N/A					
13/1 4 IDP					Date	30-Oct-13	N/A	30-Oct-13	N/A	N/A					
13/1 4 IDP			Implementation of EPWP	Projects identified for Job Creation	No Of Jobs Created per quarter	523	164	61	237	61					
13/1 4 IDP															
13/1 4 IDP	PROGRAMME IMPLEMENTED AND COOPERATIVES	LOCAL ECONOMIC DEVELOPMENT	Improve Public & Private Partnerships	Ensure optimal functionality of the LED Forum	Number of LED Forum meetings	4	1	1	1	1	PLANNING DEPARTMENT				

13/14 IDP			To stimulate economic growth	Completion of Review of LED and Tourism Strategy	Date of Completion	30-Sep-13	30-Sep-13	N/A	N/A	N/A					
13/14 IDP				Comprehensive SMME Development and Support Plan	Date of completion	30-Mar-14	N/A	N/A	30-Mar-14	N/A					
13/14 IDP			Compliance with Business Act No 71 of 1991	Completion of Business Licensing By-Law	Date of completion	30-Oct-13	N/A	30-Oct-13	N/A	N/A					
13/14 IDP				Implementation of Business Licensing By-Law	Number of progress reports	4	1	1	1	1					
13/14 IDP				Implementation of Informal Economy Policy	Number of progress reports	4	1	1	1	1					



13/14 IDP			Tabling of MTAS Progress report to council	Number of MTAS progress reports tabled	4	1	1	1	1						
13/14 IDP			Management of public amenities	Ensure effective and efficient management of public amenities	Submission of quarterly management reports	4	1	1	1	1	CORPORATE SERVICES DEPARTMENT				
13/14 IDP			Disaster Management and Fire Rescue Services	Facilitate Installation of Lightning Conductors	No. of risk areas identified	29	29	29	29	29	PROTECTION SERVICES				
13/14 IDP			Provide Traffic & Law Enforcement Services	Ensure Compliance with Traffic Regulations	% Compliance	100%	100%	100%	100%	100%	PROTECTION SERVICES				
13/14 IDP			Facilitate the Oversight Process	Tabling of Oversight report to council	Date	28-Mar-14	N/A	N/A	28-Mar-14	N/A	OFFICE OF THE MUNICIPAL MANAGER				

13/1 4 IDP			Improve d ward committ ees	Numbe r of ward commi ttee	Number of meetings per ward	4	1	1	1	1	CORPORATE SERVICES DEPARTMENT					
13/1 4 IDP				manag ement meetin gs held and percen tage attend ance by memb ers	% of attenden ce by members per ward	60%	60%	60%	60%	60%						
13/1 4 IDP					Numbe r of comm unity meetin gs organiz ed	number of communi ty meetings per ward	4	1	1	1		1				
13/1 4 IDP					Improv ed public partici pation	Frequenc y of ward committ ee meetings held	12	3	3	3		3				

13/1 4 IDP				Submission and tabling of ward reports and plans to the council	number of reports	4	1	1	1	1						
13/1 4 IDP																
13/1 4 IDP		MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	Improved Audit Opinion	To ensure effective planning, execution and management of budgetary processes in line with prescribed legislation	Date of budget submission to treasury	30-Jun-14	N/A	N/A	N/A	30-Jun-14	FINANCE DEPARTMENT					
13/1 4 IDP				Established internal audit Unit	Date of establishment	30-May-14	N/A	N/A	N/A	30-May-14	OFFICE OF THE MUNICIPAL MANAGER					

13/1 4 IDP				Functional audit committee	No of Meetings	4	1	1	1	1	OFFICE OF THE MUNICIPAL MANAGER					
13/1 4 IDP				Formulation of a Fraud prevention plan	Date of completion	30-Mar-14	N/A	N/A	30-Mar-14	N/A	FINANCE DEPARTMENT & CORPORATE SERVICES					
13/1 4 IDP				Hold municipal public accounts meetings	No of Meeting	4	1	1	1	1	FINANCE DEPARTMENT & OFFICE OF THE MUNICIPAL MANAGER					
13/1 4 IDP				To ensure an updated assets register is compiled	Submission of quarterly assets maintenance reports	4	1	1	1	1	FINANCE DEPARTMENT					

13/14 IDP			Budgeting and Reporting	Formulation of the SDBIP for 2014/2015	Date Adopted	30-Jun-14	N/A	N/A	N/A	30-Jun-14	FINANCE DEPARTMENT & ALL HODS							
13/14 IDP				Budget Adjustment for 2013/2014	Date of adoption	31-Jan-14	N/A	N/A	31-Jan-14	N/A	FINANCE DEPARTMENT							
13/14 IDP				Reconciliation Reports of Expenditure and Budget	Number of Reports	12	3	3	3	3								
13/14 IDP				Submission of Budget Reports	Monthly Reports	Monthly	Monthly	Monthly	Monthly	Monthly								
13/14 IDP					Quarterly Reports	4	1	1	1	1		1						
13/14 IDP			Expenditure Control	Budgeted Grants Spent	% spent	100%	25%	50%	75%	100%								
13/14 IDP				SCM Compliance	% Compliance	100%	100%	100%	100%	100%								
13/14 IDP				Cash Management	Monthly Reconciliation	Monthly	Monthly	Monthly	Monthly	Monthly		Monthly						

13/14 IDP				Operational expenditure 100% or less of amount budgeted	Percentage	100%	25%	50%	75%	100%	FINANCE DEPARTMENT & ALL HODS					
13/14 IDP				Percentage spent of Operational Budget (OPEX) on repairs and maintenance of infrastructure	Percentage	100%	25%	50%	75%	100%	FINANCE DEPARTMENT & PHYSICAL ENVIRONMENT					
13/14 IDP				Percentage of a municipality's capital budget actually spent on capital projects identified in the IDP	Percentage	100%	10%	40%	70%	100%	FINANCE DEPARTMENT & PHYSICAL ENVIRONMENT					

13/14 IDP				Financial viability in terms of debt coverage	Ratio	1:1	1:1	1:1	1:1	1:1	FINANCE DEPARTMENT					
13/14 IDP				Financial viability in terms of cost coverage	Ratio	1:1	1:1	1:1	1:1	1:1	FINANCE DEPARTMENT					
13/14 IDP				Amend and Implement the Indigent Register	Date of Implementation	1-Jul-13	1-Jul-13	N/A	N/A	N/A	FINANCE DEPARTMENT & CORPORATE SERVICES					
13/14 IDP			Revenue Enhancement	Review of Municipal Property Rates Policy	Date adopted	30-Jun-14	N/A	N/A	N/A	30-Jun-14	FINANCE DEPARTMENT & CORPORATE SERVICES					
13/14 IDP				Review and Adopt a Credit Control Policy	Date adopted	30-Jun-14	N/A	N/A	N/A	30-Jun-14	FINANCE DEPARTMENT					

13/1 4 IDP				Appoin tment of service provid er to conduc t Meter sweep s	Date of appoint ment		N/A	N/A	N/A	30- May- 13						
13/1 4 IDP				Financi al viabilit y in terms of outsta nding service debtors to revenu e	Ratio	30-May-13										
13/1 4 IDP							1:2	1:2	1:2	1:2						
13/1 4 IDP																
13/1 4 IDP		Spatial Development And Environmental Management	Formulat ion of Spatial Develop ment Framewo rk	Ensure comple tion of Umvoti 5 year SDF	Date of completi on	30-Oct-13	N/A	30-Oct- 13	N/A	N/A	PLANNING DEPARTMENT					

13/14 IDP			Kranskop and Woolstone Local Area Plans preparation	Ensure completion of Kranskop and Woolstone Local Area Plans	Date of completion	30-Oct-13	N/A	30-Oct-13	N/A	N/A						
13/14 IDP			Environmental Planning and Management	Develop an Environmental Management Programme	Date of completion	30-May-14	N/A	N/A	N/A	30-May-14	PLANNING DEPARTMENT & PHYSICAL ENVIRONMENT					

### 8.3 MONITORING, EVALUATION AND REVIEW

#### 8.3.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

The monitoring, evaluation and review of the organisational performance is based on the PMS framework which requires quarterly performance reports to be submitted to the office of the Municipal manager through the IDP unit for further submission to the internal audit and external audit committee for review and recommendations thereon to the EXCO. This process allows the municipality to monitor, evaluate and review the organisational performance based on the National Key Performance Areas and the IDP key performance indicators.

The following table illustrates the reporting deadlines according to the legislative framework for performance management and PMS framework.

Table 80: PMS Reporting requirements

REPORT	FREQUENCY	REPORTING STRUCTURE FOR CONSIDERATION AND/REVIEW	REFERENCE
Annual Report	Annually	Council	Chapter 12 of the MFMA
Annual Performance Report	Annually	Council	Section 46 OF THE Systems Act
SDBIS mid-year budget and performance assessment	Annually (January of each year)	Mayor (in consultation with EXCO)	Section 72 and 54 of the MFMA
Organizational Scorecard	Quarterly	EXCO	PMS Framework
SDBIPs	Quarterly	EXCO	MFMA Circular 13 of National Treasury
Monthly Budget statements	Monthly	Mayor (in consultation with EXCO)	Section 71 and 54 of the MFMA

#### 8.3.2 INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

In terms of the Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers of 2006, the Municipal manager and Managers reporting directly to the Municipal manager must enter into a performance agreement in order to comply with the provisions of section 57 (1)(b), (4A), (4B) and (5) of the Municipal Systems Act. In respect of the 2013/14 financial year, performance agreements will be completed, signed and submitted to COGTA by the 30<sup>th</sup> July 2013.

## ANNEXURES

**Table 81: Sector Plans Status**

SECTOR PLAN	COMPILING AGENT	Completed? (Y/N)	Adoption Date (if adopted)	Date of Next Review
Housing Plan	LM	Complete		
Local Economic Development Plan	LM	2010 Reviewed complete		
Local Economic Development Plan 2012/13-16	LM	Outstanding		
Spatial Development Framework	LM	2009 Reviewed complete		
Spatial Development Framework 2012/13-16	LM	Underway		
Land Use Management System (LUMS)	LM	Underway		
Financial Plan	LM	Underway		
Integrated Transport Plan	LM	Underway		
Retention Strategy	LM	Underway		
Electrification Service Delivery Plan	LM	Complete		
Electrification Service Delivery Plan Review	LM	Underway		
Disaster Management Plan	LM	Complete		
Integrated Waste Management Plan	LM	Complete		
Communication Plan	LM	Outstanding		
Integrated Infrastructure Investment Plan	LM	Outstanding		
Public Transport Plan	DM	Complete		
Local Economic Development Plan	DM	Complete		

Water Development Plan	Services	DM	Complete		
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## ANNEXTURES

	<b>ANNEXTURE</b>
<b>1</b>	Organogram
<b>2</b>	Umvoti Final 2013/14 Budget
<b>3</b>	Ag Comments on latest Audit Financial Statements and Responses thereto
<b>4</b>	Housing Sector Plan
<b>5</b>	Disaster Management Plan
<b>6</b>	New Five Year Spatial Development Framework Status Quo Report
<b>7</b>	Umvoti Urban Land Use Scheme
<b>8</b>	2013/14 IDP Review Public Engagements Report