



UMHLATHUZE MUNICIPALITY

DRAFT IDP 2007: DEVELOPMENT STRATEGIES AND IMPLEMENTATION

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1 INTRODUCTION

1.1 Introduction and Objective of Integrated Development Plans

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

- ✓ Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- ✓ Aligns the resources and capacity of the municipality with the implementation of the plan;
- ✓ Forms the **policy framework and general basis on which annual budgets must be based**;
- ✓ Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

The Integrated Development Plan consists of the following core components:

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

1.2 Vision and Fundamentals

The following vision was adopted for the uMhlatuze Municipality:

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

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

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

The uMhlathuze Municipality has set the following mission for itself:

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

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

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

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

1.3 Key Priorities

The following key challenges faced by uMhlathuze IDP processes remain:

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

1.4 The 2007/2008 Review

The 2006-2011 IDP was approved by Council after the March 2006 Local Government Elections, and subsequent to Council's acceptance the only essential directive given by the MEC for Local Government and Traditional Affairs for the 2007/2008 review is the alignment of Councils IDP strategies with the National Key Performance Areas (KPA'S). As a consequence the 2007/2008 IDP Review seeks to realign Council strategies with National Key Performance areas, as contained in the Municipal Performance Regulation No 805 gazetted on 1 August 2006, and review the Spatial Development Framework for the period 2007 to 2011.

2 PLANNING PERSPECTIVE

The planning perspective was obtained from the following:

- ✓ The Situational Analysis – a technical analysis of the area, which addressed service standards, the socio-economic status of the population and current development trends and tendencies. This resulted in the identification of service needs and backlogs from a technical point of view while looking at strengths, weaknesses, opportunities and threats.
- ✓ Public Participation – this provided insight into problems and needs as experienced by the community.

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

2.1 Situational Analysis

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

2.1.1 Institutional Sector

- ✓ Strong financial situation of the uMhlathuze Municipality.
- ✓ Strong human resource and skills base of the Municipality.
- ✓ Opportunity to extend and improve service delivery in the urban and rural areas.
- ✓ Strong overall institutional capacity in the municipality, although with the need for augmenting financial and human resources, equipment, information technology and productivity.
- ✓ Opportunity to promote the status of the City of uMhlathuze as a metropolitan area.
- ✓ Weak definition of roles and responsibilities of the traditional leaders vs. the Municipality and weak co-operation between these authorities.

2.1.2 Socio-Economic Sector

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

2.1.3 Engineering Infrastructure

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

2.1.4 Social Development

- ✓ Weakness posed by social service backlogs, particularly in rural areas.
- ✓ Opportunity for social development, by provision of additional facilities accessible to rural communities.
- ✓ Weak communication and cooperation systems between provincial departments and district/local municipalities, due to the fact that provincial service districts and regions do not correspond with local municipality boundaries.
- ✓ Weakness in the safety net due to the lack of shelters/places of safety for people in distress and permanent accommodation for orphans.
- ✓ Opportunity of providing Multi Purpose Community Centres in the densely populated rural areas, to provide people with crucial social services required on a frequent basis.
- ✓ Weakness due to the lack of sport and recreational facilities in the marginalized townships and rural areas to meet basic requirements.
- ✓ Opportunity to stimulate economic development through incentives such as the Industrial Development Zone, tourism projects and local economic development.

2.1.5 Environmental Management

✓ **The Atmosphere**

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

✓ **Land**

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

✓ **Water Resources**

- The use of inland lakes is becoming increasingly multi-purpose and can become threatened.
- Threats as surface water resources are limited.
- Threat - the impact of catastrophic events e.g. droughts and floods affect the sustainable supply of water.
- Weakness - borehole yields and borehole water quality place a limitation on groundwater resource usability.
- Opportunity - legal issues will have a major impact on the way industrial pollution is controlled and managed in the area.

✓ **Biodiversity**

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

✓ **Waste Management**

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

2.1.6 Physical Development

- ✓ Threat posed by the increasing population densities around Ngwelezane, Esikhawini and Nseleni.
- ✓ Weaknesses and threats due to poor living standards in rural areas, particularly in areas with high population concentrations.
- ✓ The poor nodal hierarchy in the City of uMhlathuze is a weakness.
- ✓ The opportunity exists to extend the MOSS to the entire City of uMhlathuze area to protect natural resources.
- ✓ Opportunity for land reform.
- ✓ Threats posed by land claims and long time frame involved in settling these issues.
- ✓ Opportunities inherent to specific development initiatives, particularly the Industrial Development Zone and tourism projects.

2.2 Summary of Community-Specific Issues

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

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

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

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

3 STRATEGIC DEVELOPMENT RATIONALE

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

More specifically the physical components of the structure are:

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

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

- ✓ Financing; and
- ✓ Institutional support.

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

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

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

Empangeni and Richards Bay have different functions at sub-regional level – their organizations differ. In the past Richards Bay was dominated by the port and industrial functions, while Empangeni was the administrative and commercial hub,

where higher order goods and services could be found. Although these functions have become hybrid, the towns have sufficient growth impetus for sustained growth. It should be borne in mind that the above places different resource requirements, human and financial, on both the areas

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

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

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

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

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

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

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

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

4 DEVELOPMENT STRATEGIES AND ASSOCIATED AIMS AND GOALS

4.1 Development Strategy 1: Good Governance

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

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

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

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

Create a Safe and Secure Environment:

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

Prevention and eradication of crime is however also a civic responsibility. In this regard neighbourhood watches, community policing forums and farmer associations can augment the limited capacity of the police force. These institutions should work in close cooperation with the police force, therefore the municipality could act as facilitator to bring the police and community closer together and promote cooperation.

Measures such as police reservists and commandos in the farming areas should be considered and could be promoted through the establishment of ward committees.

Existing open spaces and parks should also be managed and maintained by the municipality. Policies should be developed to guide decision-making on the co-use and alienation of parks and open spaces for private purposes.

4.2 Development Strategy 2: Infrastructure & Services Provision

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

Provision and Upgrading of Basic Infrastructure to address Backlogs:

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

Well-timed provision of new infrastructure to attract development:

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

Maintenance of Infrastructure to maintain and enhance Service Levels:

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

Improve Public Transport:

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

Formalise Emerging Urban Settlements:

The Tribal Authority Areas around Esikhawini, Vulindlela, Nseleni and Ngwelezane have reached high population densities and may be classified as emerging urban settlements in terms of their density, concentration, housing types and diversity of activities. Although functionally reliant on the facilities in the urban area, these areas are not physically integrated with the urban system.

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

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

The RPI has provided the basis for establishing a footprint or ordered settlement pattern for these areas, with surveyed erven, a hierarchy of roads and land use allocation for non-residential purposes. This will ensure that these areas are

functionally and physically part of the urban system. Land will also be set aside for non-residential uses, particularly for nodes.

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

The provision of affordable housing remains one of the most pressing problems in South Africa and the City of uMhlathuze. The current rate of economic development and job creation cannot be expected to alleviate the problems of low-income levels and poverty; therefore specific housing programmes are required to provide subsidized housing. The actual need for subsidized housing however has to be quantified, given the uncertainty in terms of the actual population figure. Programmes for providing access to land and basic services with security of tenure, and further programmes for the provision of top structures, should be devised. The quantification of needs and a five (5) year housing programme are essential to provide for current and projected needs and ongoing urbanization, but measures should be instituted to prevent ongoing influx, based on expectations of housing provision.

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

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

4.3 Development Strategy 3: Social and Economic Development

<p><u>Aim:</u></p>	<p>To improve physical and functional integration within the City of uMhlathuze, whilst protecting the City’s natural resources and assets through effective Environmental Management, in order to improve access to opportunities. To create opportunities through economic growth and development within the City of uMhlathuze and to promote economic upliftment of its communities</p>
<p><u>Goals:</u></p>	<ul style="list-style-type: none"> • Establish a Hierarchy of Nodes throughout the City of uMhlathuze • Improve Access to Social Facilities and Infrastructure for Rural Communities and disadvantaged Groups, particularly Women, Children and the Elderly • Promote a Diversity of Land Uses, Activities and Opportunities • Implement the outcomes of the Strategic Environment Assessment • Promote the Status of the City of uMhlathuze to become a Metropolitan Area • Extend the Metropolitan Open Space System • Enhance the Tourism Potential of the City of uMhlathuze • Promote Local Economic Development Initiatives • Promote Primary Industrial Development • Support existing local economic development initiatives and encourage new initiatives • Create an entry level into the market system for emerging businesses, the informal sector and SMMEs • Promote a diversity of economic activities throughout the City

Establish a Hierarchy of Nodes throughout the City of uMhlathuze:

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

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

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

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

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

Rural Service Centres are proposed for the following areas:

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

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

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

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

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

- ✓ National Departments;
- ✓ Provincial Departments;

- ✓ Local Authorities (regional or local council); and
- ✓ Non-Government Organizations (NGOs) and Community Based Organizations (CBOs).

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

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

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

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

Promote a Diversity of Land Uses, Activities and Opportunities:

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

The proposed Rural Service Centres in the rural areas would also introduce economic and social uses into the rural areas, although of appropriate nature and function to complement the rural character. Land use diversification in the rural areas should furthermore attract and promote tourism, while taking cognizance of the sensitive natural environment. Commercial farms and high crop yielding areas should however be protected from land use intensification, particularly subdivision, to protect the agricultural industry and valuable agricultural land.

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

agricultural industry and could include co-operative centres and workshop areas, developed by the private sector.

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

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

Proactive measures should be taken to ensure that sensitive environmental areas are protected and that open spaces are taken up into the urban structure of the City of uMhlathuze. **Metropolitan Open Space Systems (MOSS)** have been identified for Empangeni and Richards Bay, but these should be extended to the rest of the area and incorporated in the Spatial Development Framework and the land use management system.

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

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

Enhance the Tourism Potential of the City of uMhlathuze:

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

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

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

Eco-tourism enables communities to directly benefit from tourism, by directly involving them in tourism projects. The rich Zulu culture and tribal authority system hold potential for ecotourism development. While the importance of attracting international tourists should not be ignored, amenities such as conference centres and facilities for corporate breakaways should also be kept in mind, considering the large industries and corporations presented in the City of uMhlathuze. The colonial nature of large commercial farms offers the ideal opportunity for overnight facilities or weekend hideaways among the rolling hills and sugarcane characteristic of KwaZulu Natal.

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

The possibilities associated with industrial tourism should also be explored. The city hosts a prominent harbour and renowned industries that could serve as educational tourism sites to recreational and business visitors to uMhlathuze.

Promote Local Economic Development Initiatives:

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

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

The implementation of dedicated poverty alleviation projects should enjoy priority as part of local economic development. Food projects and agricultural projects should be included as part of land reform and community upliftment projects, to assist the indigent in creating a livelihood.

The Zululand Chamber of Business Foundation (ZCBF) is an organisation focused on

promoting business development and creating job opportunities, particularly amongst SMMEs and in formerly marginalised communities. The ZCBF has succeeded in attracting investment and economic injections into the area, *inter alia* in the form of hydroponics farms, where rural communities are trained and skilled into hydroponics farming methods.

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

Soft infrastructure" for competitive advantage

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

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

Empangeni and Richards Bay currently collectively fulfill the function of regional nodes or service centres. These areas each have a distinct character and function and therefore can proceed to collectively carry out this function. Empangeni traditionally used to be the administrative service centre, while Richards Bay was characterized by the harbour and heavy industries. Empangeni is already diversifying

and now also incorporates heavy industry. The commercial, professional and administrative functions have shown considerable expansion recently in Richards Bay, which should be encouraged.

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

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

Promote Primary Industrial Development:

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

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

Industrial development should also be promoted in specific Sub-regional Nodes, namely Ngwelezane, Esikhawini, Vulindlela and Nseleni to create an economic base in these areas and bring employment opportunities and residential areas in closer proximity, to limit traveling distances and high household expenditure on transport. The implementation Integrated Environmental Management principles and particularly an environmental management plan and policy would assist industry on a pro-active basis to take environmental aspects into consideration in the planning and development of new industries.

4.4 Development Strategy 4: Institutional Development

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

Maintain and improve the Institutional Capacity of the uMhlathuze Municipality:

The municipality is currently in a healthy financial state, due to sound financial management and strong credit control policies applied by the former entities. The municipality also has considerable institutional capacity, in terms of human resources, physical assets and up to date technology and equipment. To retain this condition and ensure that the municipality has the ability to let the city grow and prosper, it is essential to augment its financial and institutional capacity. There are a number of interventions in support of this, most importantly the protection of public and private investment and protection of the rates base.

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

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

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

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

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

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

Ensure continuous Organisational Analysis and Improvement in efficiency and effectiveness:

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

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

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

4.5 Development Strategy 5: Sound Financial Management

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

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

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

Increase the Municipal Revenue Base:

It is essential to protect the revenue base and investment through land use management, law enforcement, maintenance, repair and upgrading of services. Proactive measures should also be taken to increase the revenue base to ensure that services can be delivered to the larger jurisdictional area and to improve services. This includes the attraction of investment, business and industrial expansion, promotion of a nodal hierarchy with higher property values, agency agreements for debt collection and closer cooperation with stakeholders. The possible collection of District Municipality levies should be explored, to augment the capacity to increase income levels. An indelicacy policy should also be formulated to provide assistance to people who do not have the ability to pay for services.

5 DEVELOPMENT PROGRAMMES

DEVELOPMENT PROGRAMMES PER DEVELOPMENT STRATEGY

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

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

	National Key Performance Area	IDP Strategy		Programmes	New	Sub Programmes	Projects
1	Good Governance & Public Participation	Good Governance	1.1	Community/Public Participation			
				Accountability & Transparency			
			1.3	Corporate Services	1.2.1	Secretarial Services	
					1.2.2	Legal Support Services	
					1.2.3	Property Administration	
			1.3	Public Safety and Security Services			
					1.3.1	Fire & Rescue Services	
					1.3.2	Traffic	
					1.3.3	Crime Reduction / Prevention	
					1.4	Office of the Municipal Manager	
		1.5	Council Meetings				
2	Basic Service Delivery & Infrastructure Development	Sustainable Infrastructure and Service Provision	2.1	Water and Sanitation			
					2.1.1	Rural Development	
					2.1.2	Urban Core Development	
					2.1.3	Residential Development	
					2.1.4	Other	
			2.2	Electricity			
					2.2.1	Rural Development	
					2.2.2	Urban Core Development	
					2.2.3	Residential Development	
					2.2.4	Energy Sector Plan	
2.3	Roads & Stormwater						
		2.3.1	Rural Development				
		2.3.2	Urban Core Development				

		2.3.3	Residential Development	
		2.3.4	Other	
2.4	Solid Waste			
2.5	Cemeteries & Crematoria			
2.6	Vehicles & Plant			
2.7	Communication Systems			
2.8	Rail Network			
2.9	Environmental Management			
		2.9.1	ISO 14001	
		2.9.2	MOSS	
		2.9.3	Air Quality	
		2.9.4	EIA's	
2.10	Housing			
		2.10.1	Esikhawini - Vulindlela Corridor	
		2.10.2	Aquadene Super block	
		2.10.3	uMhlathuze Village	
		2.10.4	Hillview, Meerensee 5	
		2.10.5	Slums Clearance, Rural Housing and Hostel Upgrade	
2.11	Public Facilities			
		2.11.1	Parks	
		2.11.2	Sport & Recreation	
		2.11.3	Community Halls	
		2.11.4	Libraries	
		2.11.5	Commuter Facilities	
		2.11.6	Museums	
2.12	Health			

					2.12.1	Primary Health	
					2.12.2	Occupational Health	
					2.12.3	Environmental Health	
3	Local Economic Development	Social and Economic Development	3.1	Local Economic Development			
					3.1.1	Community Capacity Building & Training	
					3.1.2	Business Support & Establishment of Partnerships	
					3.1.3	Development & Support of markets	
					3.1.4	Economic Facilitation	
			3.2	Poverty Alleviation			
					3.2.1	Indigent Policy	
					3.2.2	Equitable Share vs free basic water, sanitation and electricity	
			3.2	Municipal Planning			
					3.2.1	LUMS	
					3.2.2	Spatial Development & Urban Efficiency	
					3.2.3	Building Control	
			3.3	Marketing & Tourism Development			
4	Municipal Institutional Development &	Institutional Development	4.1	Organisational Business Analysis, Efficiency & Transformation			
					4.1.1	Performance Management	

	Transformation		4.2	Integrated Development Planning			
					4.2.1	Strategic Planning, Business Planning, City Development Strategies	
			4.3	Information Management			
			4.4	Human Resource Services			
					4.4.1	Recruitment Strategy	
					4.4.2	HR Management Strategy	
			4.5	Municipal Offices/Depots/Land	4.5.1	Extensions to the Civic Centre	
			4.6	Education, Capacity Building and Training			
5	Municipal Financial Viability & Management	Sound Financial Management	5.1	Financial Planning			
			5.2	Asset Management			
			5.3	Debt Control			
			5.4	Revenue Enhancement			

6 PROJECT PRIORITISATION MODEL

There are a large number, and a wide range of projects, which have been identified through the IDP processes of the uMhlathuze Municipality. A substantial number of these proposed projects would require grant funding or loans if they were to be undertaken. Further, due to resource constraints, they cannot all be funded at once.

It is therefore vitally important to be able to determine which are the priority projects in a fair and informed manner. Some of the challenges that are faced in this regard are:

- ✓ how to determine the highest priority projects;
- ✓ how to align the IDP development strategies, programmes and sub-programmes to projects;
- ✓ how to cater for emergency projects; and
- ✓ how to manage priorities in terms of budgets.

At the outset it should be clearly stated that the development of a numerical Project Prioritisation Model remains open to subjective interpretation. As such it must be accepted that the Model is only a technical tool to assist decision makers in prioritizing projects.

Given the above, a numerical project prioritization model (which is an improvement of a similar model currently in use by the municipality) has been developed to assist the municipality in the prioritization and scheduling of projects.

How does the Model Work?

Each project that has been identified through the IDP or which is currently on the municipality's "wish list" is assessed in terms of Project Assessment Criteria. A "Yes" answer to a question posed in terms of the Assessment Criteria scores the corresponding score. A "No" answer scores zero.

CRITERIA	DESCRIPTION	SCORE
Direct Health Risks	Will the postponement of the project lead to a considerable direct negative impact with regards to health?	9.55
Direct Safety Hazard	Will the postponement of the project lead to a considerable direct negative impact with regards to safety?	9.18
Direct Commercial Risks	Will the postponement of the project lead to a considerable direct negative impact with regards to commercial risk?	7.18
Legal requirement	Is the project both critical and required by legislation?	8.95

CRITERIA	DESCRIPTION	SCORE
Basic Service	Is the project providing or assisting in providing a basic service (water, sanitation) - particularly in those areas where such a service is non-existent or lacking?	8.64
Crime Reduction	Will the project contribute towards a reduction in crime?	7.27
Grant Funding & Sustainability	Is 100% grant funding available for the project, and will the project be sustainable or self-sufficient?	7.09
Effect on Operating Budget	Will the project result in a decrease in the net operating budget?	5.59
	Will the project result in no impact on the operating budget?	5.18
Usage of Asset	Will the immovable asset be used throughout the year?	5.95
	Is the movable asset required to be available at all times?	6.00
Economic Development	Will the project create economic development opportunities within a community?	7.64
	Will the project encourage capital investment by the public or private sector?	7.14
Permanent Job Creation	Will the project have a considerable positive impact on the socio-economic situation within the Municipality through the creation of permanent direct jobs?	7.14
Community Facilities	Is the project a community facility, which is also linked to community, needs as expressed in the IDP?	6.09
Spatial Framework	Does the project comply with or reinforce the proposed municipal spatial framework?	5.59
Environmental	Will the project have a positive impact on the Environment?	6.86
	Will the project have no diverse impact on the environment?	5.27

Each Project Assessment Rating is then multiplied by a Project Category weighting, which provides a project's final score.

The Project Categories and Weightings are depicted in the table below.

PROJECT CATEGORY	CAT.WEIGHT
Water	100%
Sanitation	95%
Health	91%
Roads and Storm water	80%
Electricity	80%
Strategic Planning	73%
Solid Waste	73%

PROJECT CATEGORY	CAT.WEIGHT
Housing	70%
Commerce / Business / SMMEs	65%
Land Use Management	61%
Cemeteries	60%
Community Facilities	60%
Community Training & Capacity Building	60%
Safety & Security	59%
Industry	57%
Environmental Management	55%
Sports & Cultural	50%
Land Reform	49%
Public Transportation	48%
Agriculture	48%
Communications	34%
Telecommunications	32%
Tourism	25%

Notes:

The above Project Prioritization Model has been applied to projects for this current IDP review.

7 PERFORMANCE MANAGEMENT SYSTEM

7.1 Background

The Municipal Systems Act, enacted in November 2000, requires all municipalities to:

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

AST Business Consulting has been appointed by municipality, as part of its outsource agreement, to render consulting services which include the facilitation and management of the municipal performance system. The Performance Management Framework (see Section 10.6) below has subsequently been developed, and the municipality is in the process of applying the framework in the organisation.

7.2 Key Performance Areas

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

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

The following general key performance indicators¹ are prescribed in terms of Section 43 of the Municipal Systems Act:

- (a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- (b) The percentage of households earning less than R1100 per month with access to free basic services;

¹ Local Government: Municipal Planning and Performance Management Regulations, 2001

- (c) The percentage of a municipalities capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;
- (d) The number of jobs created through the municipality's local economic development initiatives including capital projects;
- (e) The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approached employment equity plan;
- (f) The percentage of a municipality's budget actually spent in implementing its workplace skills plan; and
- (g) Financial viability as expressed by the ratios:

(i)

$$A = \frac{B-C}{D}$$

Where:

A represents debt cover

B represents total operating revenue received

C represents operating grants

D represents debt service payments (i.e. interest + redemption) due within the financial year;

(ii)

$$A = \frac{B}{C}$$

Where:

A represents outstanding service debtor to revenue

B represents total outstanding service debtors

C represents annual revenue actually received for services

(iii)

$$A = \frac{B+C}{D}$$

Where;

A represents cost coverage

B represents all available cash at a particular time

C represents investments

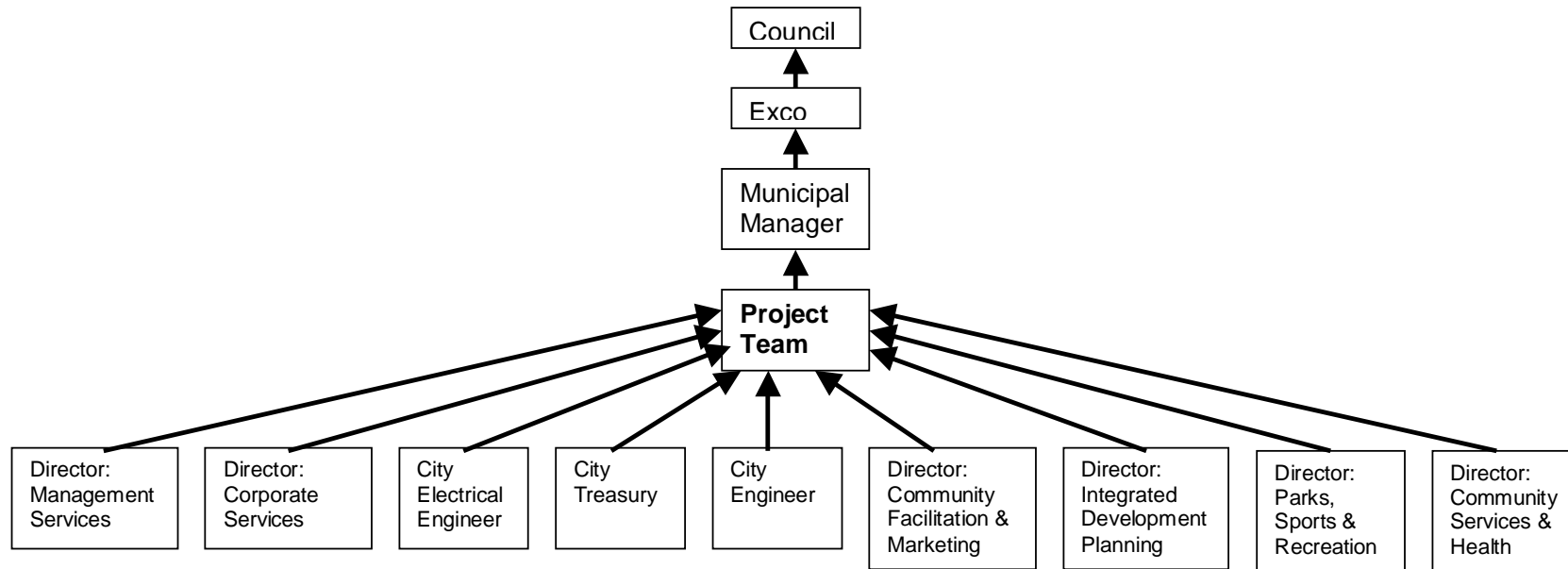
D represents monthly fixed operating expenditure.

7.3 Basic Principles of uMhlathuze Municipality's PMS

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

7.4 Municipal Institutional Arrangement

The municipality established a Project Team led by the Head of Management Services. The team report to the Municipal Manager who will in turn account to the Executive Committee and finally, Council.



The Team is responsible for:

- Preparing the organisation for change with the objective of reaching a common understanding of performance management within the organisation;
- Facilitating the development of the PMS; and
- Supporting the organisation in the implementation of the PMS.

7.5 Identification of Stakeholders and their respective Roles

It is important for the municipality to ensure that all stakeholders are identified and that their respective roles in performance management is clear and communicated to them:

Stakeholders	Planning	Implementing	Monitoring	Reviewing
Citizens and communities: <ul style="list-style-type: none"> • Community Based Organizations • Ward Committees • NGO's • Civics • Business • Tribal Authorities 	Be consulted with regards to the choice of indicators and the setting of targets		Be able to monitor and "audit" performance against commitments	Be given the opportunity to review municipal performance and suggest new indicators and targets
Councillors	Adopt indicators and targets		Monitor municipal performance from different areas	Review municipal performance for major reviews such as the annual review Review the performance of Exco
Exco	Identify indicators and targets Communicate the plan to other stakeholders		Monitor municipal performance from different areas Commission audits of performance where necessary	Conduct the major reviews of municipal performance, determining where goals and objectives have or have not been met, what the reasons are and to adopt response strategies
Project Team <ul style="list-style-type: none"> • Municipal Manager • HODs 	Identify indicators and targets Communicate the plan to other stakeholders Develop Sectoral Plans for integration with all sectors within the strategy of the organisation	Manage and implement the IDP – make it a reality	Regularly monitor the implementation of the IDP, identifying risks early Ensure that regular monitoring (say monthly) (measurement, analysis and reporting) is happening in the organisation Intervene in performance problems on a daily operational basis	Conduct reviews of sectoral and team performance against plan Ensure the availability of information Propose response strategies to Exco
Employees	Adopt the IDP by aligning personal goals and plans with the organizational plan	Implement the IDP and fulfill the personal plan	Monitor own performance continuously Monitor the performance of the organisation and Project Team	Participate in review of own performance Participate in the review of organizational performance where necessary

7.6 Performance Management Framework

The municipality has adopted the following Performance Management Framework:



7.7 Performance Management System: Balance Scorecards

Ideally the IDP should focus on Phases 1 and 2 of the Performance Management Framework (refer to Section 11.6), namely the Revision of the IDP (Phase 1) and the Establishment of Balance Scorecards (Phase 2). This is to ensure and to reflect that the Performance Management System that's being developed for the municipality is in line with the IDP in terms of its Vision, Mission, Key Performance Areas (KPAs or reflected as the 5 Development Strategies in the IDP), Programmes & Sub-Programmes and its associated Key Performance Indicators (KPIs).

The reflection of Balance Score sheets in the IDP could not be achieved. The reason for this is that Balanced Score sheets for the coming financial year, i.e. 2006/2007 (which is also this IDP Review's applicable year), will only be in place by 21 June 2006 (which is a requirement of the MFMA). Since this draft IDP needs to be submitted to the KZN Department of Traditional Affairs and Local Government prior to the aforementioned date, the Balanced Score sheets are hence not reflected in this draft IDP Review. It will only be incorporated in this IDP Review towards the end of June 2006.

8 FINANCIAL PLAN

The financial plan and capital projects schedule will be added after the approval of the 2007/2008 budget by Council.

9 CONCLUSION

The 2007/2008 IDP Review focused on:

- ✓ Updating the uMhlathuze Situational Analysis data;
- ✓ Aligning Strategies with National Municipal Key Performance Areas for period 2007-2011,
- ✓ Reviewing the uMhlathuze Spatial Development Framework for the period 2007 - 2011