

# Integrated Development Plan (IDP) 2012/2013 to 2016/2017

**INDAKA  
MUNICIPALITY**  
“triggers towards change”



*Rural Development*



*Job Creation*



*Social Change*



*Agrarian Reform*



*Good Governance*



*Infrastructure  
Investment*

## March 2012

*(Draft Report as submitted to COGTA for Pre-Assessment)*

# Municipal Profiling (Position Statement)

## Basic Fact Sheet for the Indaka Local Municipal Area

### Institutional Overview

|   |
|---|
| Indaka Local Municipality (KZ233)   |
| Newly Established in 18 December 2000 (Category B Municipality)               |
| Powers & Functions: Solid Waste 84(1)(e) & Municipal Roads 84(1)(f)           |
| 10 Wards (Notice 143 – 13 July 2000)  |
| Under Administration (Administrator: Mr. B. Ndwandwe)                         |
| 75 Posts as per approved Organogram, 66 Positions Filled, 83% Employment Rate |

### Situational Analysis

|  |
|--|
| Extent of Municipal Area equals 990km <sup>2</sup>                         |
| Population 113,644 (21,372 hh)   |
| Population Density 100/km <sup>2</sup>                                     |
| Population Composition: Black (99.9%), White (0.03%), Coloured (0.01%)     |
| Male 44% and Female 55.8%  |
| Age Profile: 51% below 20 years of age                                     |
| Dependency Ratio of 63%  |
| No Formal Education of 31%   |
| Unemployment represents 72% of total population                            |
| Financial Grant Dependency equals 92%                                      |
| 143 Settlements that vary in size scattered throughout                     |
| Land Ownership: 48% Ingonyama Trust, 51% State land, & 1% Private 84 farms |
| Primary Node: Ekuvukeni Village (R293)                                     |
| Secondary Node: Mhlumayo Village   |
| Tertiary Node: Sahlumbe & Limehill   |
| Major Road traversing MR32 (Ladysmith Pomeroy Link)                        |
| 1734m Above Sea Level (Highest Point)                                      |
| Two Major River Systems: uThukela & Indaka River                           |
| Agriculture: Low Potential (grazing dominant)                              |
| Tourism Opportunity: Cannibal Site & Community Based Tourism               |
| Manufacturing / Industries: None - closest Ezakheni                        |

### Service Delivery

Backlogs RDP Standard: Water 4,710 (22%), Sanitation 5,443 (25%) and Electricity 49%

### Strategic Objective:

1. To provide and promote access to infrastructure and basic services
2. To reconfigure lands cape of Indaka for economic regeneration
3. To promote economic development and environmental sustainability
4. To promote good governance and financial discipline
5. To provide and promote access to public infrastructure
6. To promote access to basic services
7. To redesign spatial face of Indaka to promote economic opportunities
8. To create efficient and effective administration
9. To promote efficient and effective use of resources
10. To provide access to basic facilities

**Catalytic Projects:**

1. Sustainable Rural Development Strategy linked to Agrarian Reform
2. Formalisation & Regeneration of Ekuvukeni & Waaihoek
3. Formulate & Review Series of Plans & Planning Directives i.e. SDF, LUMS, EMF, Disaster, etc
4. Implement Recovery Plan/Strategy (Operation Clean Audit)
5. Prepare & Implement Revenue Enhancement Strategy
6. Review LED to gear mass Job Creation & promote sustainable livelihoods
7. Basic Infrastructure Investment specific reference to Roads & Stormwater
8. Implement Housing programmes linked to outcome of Rural Development Strategy
9. Alignment of Social Investment Programmes & Partnerships

| <b>Resource Allocation (Budget Requirements)</b> |                |                |                |
|--|----------------|----------------|----------------|
|  | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> |
| Operational                                      | R80,858,160    | R82,295,240    | R88,688,572    |
| Capital  | R32,130,530    | R34,575,382    | R37,150,328    |
| Grant Dependency                                 | 41%            | 62%            | 70%            |

# FOREWORD BY THE MAYOR

My sincere greetings to all who are perusing this Integrated Development Plan and value my foreword to the document. Following the successful local government elections during 2010, a new Council was elected to steer the municipal leadership of the Indaka Municipality towards developmental local government, improving the lives of all its inhabitants. The Indaka Municipality appreciate the maturity conveyed by our communities in the conduction of election polls. Having said this, it is imperative to mention that the trust that the Indaka Community bestowed upon us is not to be celebrated by ourselves, but has to be viewed as a huge challenge that goes with the responsibility one has been given as a Mayor. I wish to embrace this challenge with hope and dedication which could assist in enabling me and the entire council to conquer the road ahead.

It is worthy to mention that the fresh mandate that we were given is accompanied by the blessing in it. I say so since there is no single party that was given the responsibility to govern this municipality alone, but the electorates commanded that we govern as a collective and have a compelling trait of leadership in such situations, which is sharing. We are compelled to share the common goals and vision of this council. We have to share the desire to meet the developmental challenges and provide our people with much needed infrastructure and social ills that mares them. We have to share the responsibility to eradicate poverty, fight corruption and disease, and we have to share the oversight role that we were automatically mandated to exercise collectively through the coalition that we formed as a result of the election results.

This Integrated Development Planning (IDP) document is part of the so-called 3<sup>rd</sup> generation IDP and will, as with previous 5-year IDP cycles, attempt to organise the developmental vision of the newly elected council into implementable plans, which will address the needs of the municipality's constituency. The 3<sup>rd</sup> generation IDP of the Indaka Municipality is structured according to the simplified IDP vision and the credible IDP Framework.

We are the community at work and we are pursuing our development goal together every day. There is no time to waste anymore because our municipality has seen enough procrastination in the past, hence, in the financial year in question, I am proud that we have had programmes that had a direct impact on the community's quality of lives. In every ward at Indaka, we delivered LED programmes like sewing machines, grass-cutting equipment, starter packs for hair salons, mobile phones, marquee tents and chairs, etc. I believe that this is just the beginning, and numerous challenges are still lying ahead and trust that the IDP, as strategic planning and implementation tool will focus the resources of the municipality effectively towards developing the municipal area to improve the lives of all who live in it.

Lastly I want to appreciate with thanks, the improvement that has been brought by the intervention in our municipality by the Provincial Government in terms of Section 139 (1) (b). Although, we have had some moments where the direction of the intervention could not be shared, I am glad that indeed this move will leave our municipality with much needed capacity and experience that will see us through in our ultimate goal to emancipate our communities in their needs for service delivery.

We are the community at work, let's take urgency in our service delivery efforts!

Your partner in service delivery

.....  
N B MCHUNU: MAYOR

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# SECTION A: EXECUTIVE SUMMARY

## A1 Indaka Municipality in Context

Indaka Municipality is one of the five local Municipalities situated in the Uthukela District Municipality. The uThukela District consists of five Local Municipalities namely: Indaka, Emnambithi/Ladysmith, Umtshezi, Okhahlamba and Imbabazane. The Indaka Municipality is a newly established municipality (established 18 December 2000), without a well-established economic centre. It shares borders with Emnambithi, Endumeni, Msinga and Umtshezi municipalities and is situated 49 km East of Ladysmith.

The Indaka Municipality's land area comprises approximately 9% of the total uThukela District Municipality land area. The majority of the land area of the Indaka Municipality falls under the Ingonyama Trust and used to be part of the former Zululand Homeland. This in itself has rendered the Indaka Municipality with little historical economical development and has left a legacy of impoverishment and dependency on migrant workers and social grants for socio economic well-being of the majority of its population.

Indaka is a predominantly rural municipality which is characterised by extensive socio economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, lack of resources and low levels of education are also prevalent.

The settlement patterns are dispersed which has resulted in underdeveloped land and settlement patterns. This presents a challenge in that it is expensive to deliver services. Indaka has dense rural villages which are mainly located in the traditional areas. In terms of land ownership approximately 95 % of the municipality is traditional land.

## A2 The Challenges We Face .....

The Indaka municipality continuously undergoes self-assessment and some key challenges are identified through this process. These issues are captured as part of the IDP process and are informed through data sources, including statistics from Census and community surveys, community participation and consultation and internal municipal strategic initiatives.

The socio economic challenges in the Indaka Municipality are substantial, mostly due to the rural and underdeveloped nature of the municipal area and the related prevalence of poverty and dependence on social grants. The challenges faced by the Indaka Municipality relate to virtually every aspect of the human development index and general societal needs and desires.

The IDP will identify, analyse and address ways of addressing the challenges. Some of the major challenges faced by the Indaka Municipality can briefly be summarised as follows:

- The municipality has no well-established economic core, which hampers economic development within the municipal area also, no formal and/or proclaimed town. As a result, the area is unable to attract inward investments that could address economic development challenges. This also renders the municipality without an income base as rates and taxes cannot be collected from any of the settlements.

- Partly due to the above, there is a high rate of unemployment, and the majority of families depend on social grants for their survival. The poverty levels, combined with levels of deprivation are at very high levels.
- There exists an extremely high prevalence of HIV/AIDS in the municipal area, with the estimated infection rate at approximately 25%. The high mortality rate and burden of AIDS related illness caused by this has resulted in increased socio economic hardships of families in the municipality, mostly due to a loss of income when economically active family members are unable to work or pass away.
- A lack of proper educational facilities contributes to the high levels of illiteracy in the Indaka Municipality. No tertiary education facility exists in the municipality and the nearest is the Mnambithi FET College in Ladysmith.
- The inadequate and limited recreational facilities are perceived to be contributing factors to socio economic issues in the Indaka Municipality.
- The crime rate in the municipality is high and this is caused by the fact that there is only one police station in the municipality and it is not located central to the geographical extent of the municipal area. The high crime rate is perceived to hamper tourism, amongst other negative influences.
- Huge infrastructure services backlogs exist in the municipality and the major shortages are found in the delivery of water, sanitation and electricity.
- According to the Spatial Development Framework and land use plans of the municipality the Indaka Municipality has unutilized, productive land which can be utilized for housing purposes. Large portions of land in the municipality are subjected to land claims and these places a burden on development on this land.
- The dispersed settlement pattern in the municipality makes physical infrastructure related services delivery extremely expensive and in most cases not effectively affordable.

### **A3 The Opportunities We Offer .....**

Notwithstanding the numerous challenges that the Indaka Municipality is faced with, there are various opportunities that are offered by features within the municipality. Amongst others, the identified opportunities.

#### **Natural landscape**

Indaka municipality is characterized by two drainage systems-uThukela and Sundays river. The last flowing uThukela rivers form the southern boundary of the municipality, with tributaries drainage southern wards to the river.

Sundays River drainage basin forms the major proportion of Indaka municipal area. The flowing of these rivers through the municipality is viewed as an opportunity because they act as centripetal force to the industries to the municipality and also makes water supply project possible to the municipality.

#### **Suitable arable land and land for infrastructural development**

Indaka municipality has plenty of the unoccupied land. Therefore this municipality is suitable for physical development projects e.g. housing. Though agricultural potential is limited at

Indaka but there are some few areas that have been identified as having good and moderate agriculture potential.

### **Location and Accessibility**

Indaka municipality is not transverse by any national roads, but has a network of provincial and district roads due to its proximity to N3 and N11.

These roads service the municipality itself and carry primarily local traffic. The most important provincial road is the Helpmekaar road, which runs from Helpmekaar through Ekuvukeni and the Limehill Complex before linking with Dundee Pomeroy road (MR32). From the road, a network of district and provincial roads service the northern areas of the municipality which links to Elandslaagte, Wasbank and Wesselsnek to the North possible by means of provincial roads.

Tourism, though, is a sensitive industry has a possibility to grow with the proposed police station to be built. There are two giant projects that are viewed as tourism's booster. These projects are: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation.

### **Tourism**

Tourism seems to be slightly growing at Indaka, but the disturbing factor is crime and investment opportunities which are very limited.

## **A4 Strategies for Improvement**

### **Economic Development**

Since the municipality does not have a revenue base, it has engaged itself in developing projects that could generate income for the municipality. Those projects are cannibalism route project, craft centre, shopping complex and sight-seeing.

Municipality has developed local economic development strategy that details how Indaka economy should be developed.

### **Financial Management viability of the Municipality**

Financial management appeared to be a problem with the municipality but municipality has come up with measures over financial management and introduced a financial system that was not lasting.

The Municipality has been put under administration and it is attempting to turn around its financial management status and obtain a clean audit from the Auditor-General. The municipality is also attempting to speed up the implementation of property rates act so that it will have a revenue base and this will boost financial viability of the municipality.

### **Eradicating Infrastructure backlogs**

The municipality has conducted a backlog study and now the municipality is aware of all backlogs in terms of the service delivery. Indaka engages itself with sector departments to convey the researched data contained in the backlog study for inclusion in their budgets.

### **HIV/AIDS Combating**

Indaka municipality has a high prevalence rate of HIV/AIDS with reference to above-mentioned rate municipality has developed HIV/AIDS strategy. The developed strategy

outlines intervention programme and projects that should be implemented to combat HIV/AIDS.

### **Skills Auditing**

Municipality has embarked on the skills audit programme and it has revealed some gaps to many staff members of the municipality.

Some training has been organized to fill those gaps and workshops have been recommended for other staff members. The findings of the skills audit were accommodated in the municipal assistance programme (MAP).

### **Housing Plan**

Municipality intends building houses for Indaka community. A housing plan that outlines pertaining analysis housing has been developed. The real construction process has commenced and its yielding positive results.

### **Development of Performance System**

To better and maintain ourselves, the municipality has developed a performance monitoring tool that is closely monitoring performance of individuals in terms of service delivery.

## **A5 Indaka 5 Years from Now .....**

To reach developmental objectives for municipal areas, the government's priority since 1994 has been meeting the basic needs of the millions of South Africans living in poverty. This target has been a cornerstone of government's redistribution and poverty-eradication effort. In line with the Millennium Development Goals, government's target is to ensure that by 2014 all households have access to the minimum standard for each basic service.

The attainment of these Millennium goals seems unlikely for most municipalities, in most of its service delivery sectors. Government has not yet revised its targets to apply to the realistic attainment of medium term goals reaching beyond 2014.

### **Targets for Service Delivery**

The table below depicts the current targets set by the South African government in order to accelerate service delivery to meet basic needs and to promote growth.

Minimum standards for basic services, source vision 2014

| Sector   | Minimum standard 2014 target  |
|--|---|
| Water  | All households to have access to at least clean piped water 200 m from household.   |
| Sanitation   | All households to have access to at least ventilated pit latrine on site.   |
| Electricity  | All households to be connected to national grid.  |
| Refuse Removal   | All households to have access to at least once-a-week refuse removal services.  |
| Housing  | All existing informal settlements to be formalized with land-use plans for economic and social facilities and with provision of permanent basic services.   |
| Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls, etc | Standards for access for all other social, government and economic services must be clearly defined, planned, and where possible implemented by each sector working together with municipalities in the development and implementation of IDPs. |

**Table 1: Minimum Standards for Basic Services**

A related 2014 goal is to halve unemployment and poverty. Through their procurements of services and by using labour-intensive methods to maintain and build infrastructure, municipalities both broaden participation in the local economy and create work opportunities for the poor.

It is important to consider at this point, the potential of differentiated approaches to service provision. It is possible that current standards and expectations may have to be reviewed. Highly urbanized areas, with formal settlements can reasonably expect their own standpipes, whilst tiny rural area such as Indaka, may need, realistically to have service delivery focusing on greater access to state provided boreholes, or rain tanks and water harvesting, and alternative energy for cooking, as in the bio-fuel example cited under 'good practices' in the section below. In considering alternative service delivery models, positive political leadership and optimal communication would be critical. Here, structured, directed and regular communication with communities plays a key role.

## **The Municipality's Expectations by 2017 .....**

### **The Municipality is expected to have achieved the following by 2017:**

- This municipality shall improve its revenue base.
- The municipality shall have implemented the Property Rates Act.
- Minimized backlogs on :
  - Electricity
  - Water & sanitation
  - Roads
  - Increased HIV/AIDS awareness
  - Housing
  - Minimum of Housing units of 1000 shall have been built by 2014
  - Protected environment

## Critical Targets

The municipality has identified priority issues which need to be addressed as they are critical targets over the short-term:

### Economic Priority Issues

- Economic development
- Tourism initiative development
- Development of Shopping Centre
- Development of SMME's

### Infrastructure Priority Issues

- Electricity
- Water and Sanitation
- Roads
- MPCC

### Environment priority issues

- Development of environmental impact assessment (EIA for any project which will impact on environment)
- Development of environmental protection plan

## A6 Developing the Indaka IDP

A Process Plan to guide the development of the 2012/13 to 2016/17 Indaka IDP was considered and approved by the Council on 28 August 2011. This Process Plan sets out timeframes for formulating the IDP, including the achievement of certain milestones. It details responsibilities, methodology, mechanism for community participation and mechanism for alignment with other stakeholders. This Process Plan has also been aligned to the Process Plan of the Uthukela Family of Municipalities and it is attached hereto as **Appendix K11**.

## A7 Public Involvement, Participation and Consultation

The Indaka Municipality is committed to adhere to its mandate of serving its constituency through effective and honest public participation, involvement and consultation. The IDP process plan outlines

The Indaka Municipality through its Process Plan adopted on 28 August 2011, prescribed a method and process to be followed in ensuring that there is an acceptable level of public participation during the Integrated Development Planning process. The following mechanism and process for participation has been put in place.

- **IDP Representative Forum:** This forum represents all stakeholders and be inclusive as possible. It meets during the various stages of the IDP process to provide input and discuss reports.
- **Media.** Local newspapers are used to inform community of progress through a progress report will be submitted at the end of each phase. Ward Committee meetings: These are held to inform people in local level.

- **Council Approval:** The Council approves the different components of the IDP throughout the process of compiling the report. The institutional arrangements are set out for the Municipality to take ownership of the IDP, and the following table lists the relevant stakeholders taking part in the formulation and the review of the IDP and their responsibilities:

| ENTITY                   | RESPONSIBILITY   |
|--------------------------|--|
| Executive Committee      | The committee delegates co-ordination, monitoring and the management processes of the IDP to the Municipal Manager.  |
| Council                  | The council as the decision makers in the Municipality is responsible for the adoption and approval of the Process Plan and the IDP  |
| IDP Steering Committee   | This committee consists of the Municipal Manager, IDP Manager, and the Heads of Departments and their functions are: <ul style="list-style-type: none"> <li>• To provide technical support and financial information</li> <li>• To contribute more towards the formulation of the Strategies and Objectives of the Municipality</li> <li>• To provide departmental budget information</li> </ul> |
| IDP Representative Forum | This forum consists of the Steering committee members, sectoral Departments, businesses, traditional leaders, NGO's and civil society  |

**Table 2: Relevant Stakeholders and their Responsibilities**

## A8 Indaka “Turn Around” Strategy (MTAS)

In December 2009, Cabinet approved a turnaround strategy for local government. This is expected to ensure that local government has the correct management, administrative and technical skills.

The Municipal Turnaround Strategy of the Indaka Municipality aims contribute to building the Developmental State in South Africa and draw from the constitutional and legal framework established, as per objectives of the national strategy. An ideal municipality would:

- Provide democratic and accountable government for local communities;
- Be responsive to the needs of the local community;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Encourage the involvement of communities and community organisations in the matters of local government;
- Facilitate a culture of public service and accountability amongst its staff; and
- Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms.



To ensure that the municipality contributes to the above, through the national initiative, it has developed a Municipal Turn Around Strategy (MTAS) during 2010. The Indaka MTAS identified ten priority turn around focal areas for the Municipality, which are as follows:

#### **SERVICE DELIVERY**

1. Access to basic (or higher) refuse removal & solid waste disposal P1
2. Access to municipal roads

#### **FINANCIAL & ADMINISTRATIVE CAPACITY**

3. Expenditure Management
4. Unqualified Audit
5. Administration

#### **LABOUR RELATIONS**

6. Functionality of Local Labour Forum

#### **GOVERNANCE / PUBLIC PARTICIPATION**

7. Governance Functions between Political & Administrative Structures & ensuring that Council plays an oversight role
8. Municipal SCOPA
9. Public Participation Enhancement

#### **LED / ENABLING ENVIRONMENT**

10. Enabling environment for growth & development

*For more details on the MTAS, see Section B17 of the IDP.*

## **A9 Auditor General's Report & Finding**

The Auditor General's(AG) Report on financial statements of the municipality resulted in a disclaimer of an audit opinion and it was stated in the opinion that because of the significance of the matters described in the Basis for disclaimer of audit opinion paragraphs of his report, he was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion for Indaka Municipality as at 30 June 2011 and its financial performance and its cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

The AG emphasized the matters of unauthorized expenditure amounting to R4,654 million as a result of overspending on certain votes within the approved budget as well as irregular expenditure amounting to R22,509 million, as no sufficient and appropriate audit evidence to support that the its supply chain management policy was complied with, in the procurement of goods and services.

Other matters of concern by the AG, briefly mentioned in its report relate to the material inconsistencies in other information included in the annual report as well as unaudited supplementary schedules.

Matters of concern raised by the AG regarding legal and regulatory requirements include the following:

- Unable to review performance against predetermined objectives;
- Performance Audit Committee did not substantially fulfill its duties;
- Unauthorized expenditure not reported;
- The accounting officer did not take reasonable steps to prevent irregular expenditure;
- Annual financial statements were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA; and
- Issues of internal control related to leadership, financial and performance management and governance were also raised as concerns and not meeting necessary legal requirements.

## A10 Indaka Financial Position & Implications

The IDP must have a financial plan that can work and be sustainable. Budget must be prepared according to the plan and they must be linked to local identified priorities. The annual council budget should be based on the IDP. The financial plan should include a budget projection for at least three years.

| Resource Allocation (Budget Requirements) |             |             |             |
|---|-------------|-------------|-------------|
|   | 2011/12     | 2012/13     | 2013/14     |
| Operational                               | R80,858,160 | R82,295,240 | R88,688,572 |
| Capital                                   | R32,130,530 | R34,575,382 | R37,150,328 |
| Grant Dependency                          | 41%         | 62%         | 70%         |

Table 3: Indaka LM Resource Allocation (Budget Requirements)

## SECTION B: ANALYSIS OF CURRENT REALITIES

### B1 Introduction and Background

All municipalities are required to undertake IDP Reviews on annual basis. In terms of section 34 of the Local Government: Municipal Systems Act ( Act No. 32 of 2000), “ a municipal council must review in accordance its Integrated development plan

Integrated Development Planning is a process through which Municipalities prepare strategic development plans for a five-year period. The integrated Development Plan is a product of the integrated development planning process and is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision making in a municipality.

The Integrated Development Plan has been summarized in the IDP Guide Pack as being about the municipality identifying its priority issues/problems, which determine its vision, objectives and strategies followed by the identification of project addressing the issues. A very critical phase of the IDP is to link planning to the Municipal budget (i.e. allocation of internal or external funding to the identified projects) because this will ensure that implementation of projects and hence the IDP directs developments.

The need for the integrated development plans is entrenched in South African Constitution (section 152 and 153).The Constitution states that local government is in charge of the development process in Municipalities and it is in charge municipal planning.

New 3<sup>rd</sup> Generation Integrated Development Plans (IDP's), covering the period 2012/2013 to 2016/2017 which shall be referred to as the “principle IDP” need to be prepared in terms of the Municipal Systems Act, Act 32 of 2000 for the current political mandate. This principal IDP undertook a comprehensive review and analysis of the Indaka Municipality and specifically highlighted economic and infrastructural backlogs, together with the developmental challenges facing the municipality. These serve as the baseline for municipal service delivery, monitoring and performance and the principal IDP set out specific objectives and strategies to address these backlogs and challenges. In addition, these will be re-assessed on an annual basis within through the required IDP Review Process.

The Indaka 2012/2017 principle IDP is also prepared within the context of revised Credible Framework Guidelines of the KwaZulu-Natal Provincial Government's Department of Co-Operative Government and Traditional Affairs (COGTA) for the assessment of IDPs. These guidelines specifically provide clarification on the contents and format of reviewed IDPs for their subsequent assessment.

### B2 MEC Evaluation of the 2011/2012 Indaka IDP

The MEC evaluation letter, dated 25 November 2011, in response to the Indaka Municipality 2011/2012 IDP submission, commended the Municipality with its efforts, alignment (horizontal and vertical) to achieve a Credible IDP with the exception of additional information required and areas to be improved. Overall the MEC recorded his satisfaction with (proposed)? adjustments to:-

## **Municipal Transformation and Institutional development**

- The municipal organogram is available and there is a low vacancy rate;
- Municipal structure is aligned to its powers and functions;
- The objectives of the strategic rationale are noted to relate to the creation of a good work environment, monitoring and evaluation and effective IT systems;
- Institutional arrangements in respect of policies and the majority of sector plans are in order.

## **Local Economic development (LED)**

- LED Strategy has been compiled to address the issues, including the lack of a well-established economic core;
- A number of priority projects have been devised on offer at identified secondary nodes that relates to tourism opportunities which will improve the range of facilities;
- The municipal strategic rationale notes the importance of SMME's and co-operatives, the private sector and access to markets.

## **Basic Service Delivery and Infrastructure Investment**

- A steady improvement in access to basic service improvements have been noted, inclusive of the housing situation;
- The strategic approach is well defined with clear objectives, strategies and actions.

## **Financial Viability and Financial Management**

- IDP implementation is related to the KPAs and specific projects;
- A certain degree of sector alignment is attained in the project specific lists in the IDP.

## **Good Governance and Community Participation**

- A number of key challenges are noted and are cascaded in the municipality's strategic approach into integrated development planning policy development and public participation;
- The content of the disaster management plan is said to contain very useful information and spatial data to add value to the municipality's SDF.

## **Spatial Development Framework (SDF)**

- It was noted that a hardcopy of the spatial development framework was submitted as part of the IDP and also incorporated into the IDP;
- The SDF considered the provisions of provincial strategies such as the PGDS and the PSEDS and it contains a satisfactory classification of nodes and corridors and as such, the SDF is commended for sufficiently considering and aligning with the spatial intentions of the PSEDS as well as the PGDS.

## **General Comments**

It is acknowledged that the municipality has incorporated information regarding its MTAS in the IDP and that this is well linked to all the municipal KPA's

Further areas to be addressed, based on the concerns raised in the letter from the MEC are:

## **Municipal Transformation and Institutional development**

It is critical that the issues and objectives of the strategic rationale are captured in the municipality's implementation plan and SDBIP for ongoing monitoring purposes.

## **Local Economic development (LED)**

It was noted that the strategic rationale of the municipality noted the importance of SMME's and co-operatives, the private sector and access to markets and that it is very important that appropriate resources are allocated to these strategies to ensure their implementation.

## **Basic Service Delivery and Infrastructure Investment**

Some of the objectives in the IDP relate to district and other to service provider functions and emphasis is placed on alignment with such and that the strategic approach be further refined to also indicate tasks/responsibilities at the local level.

## **Financial Viability and Financial Management**

- The municipality has been identified as one of nineteen in Kwazulu-Natal that needs considerable work done in order to improve financial viability and management. Concern was raised regarding poor financial management in the municipality, which is reflected in the IDP and which does not address this KPA adequately.
- Although the municipality does achieve a certain level of sector alignment with inclusion of funding from external service providers in its project list, it is proposed that the projects list and implementation plan should not be separated.
- The municipality is urged to provide the financial plan in its IDP and that only limited information on the SDBIP's are provided and that the municipality is urged to ensure that complete information is submitted.

## **Good Governance and Community Participation**

It is very important that appropriate mechanisms are in place to ensure that the identified objectives/strategies, relating to challenges such as HIV/Aids, poverty, crime levels, skills shortages, vulnerable groups and low educational levels, are implemented.

## **Spatial Development Framework (SDF)**

The SDF map does not illustrate all of the nodes and corridors mentioned within the document.

## **State of the Nation Address**

The State of the nation address as delivered by the state president during 2011 highlight five priority areas which are aimed at Building a Prosperous Society considering the fact that Unemployment & Poverty Exist – despite economic growth since 2000.

The president declared that 2011 will be regarded as a year of job creation through meaningful economic transformation & growth – by means of introducing a new growth path. This is proposed through 5 priority areas to build on, which were decided upon during 2009. These are:

- Education
- Health
- Rural Development & Agrarian Reform
- The fight against Crime
- Creating Decent Work

Following us a brief extract of the specific proposals of these priority areas to the extent that they relate to the Indaka Municipality.

### **Focus: Creating Decent Work**

All Government Departments (National, Provincial, Local) to align programmes with job creation imperative. The programmes of State Owned Enterprises and development finance institutions should also be strongly aligned to the job creation.

#### **Job Creation is possible in the following 6 areas:**

1. Infrastructure development,
  2. Agriculture,
  3. Mining and beneficiation,
  4. Manufacturing,
  5. Green Economy
  6. Tourism
- For success, cooperation between Business, Labour & Community Constituencies is necessary;
  - Job Creation Fund – to be spent in areas with high job potential;
  - Infrastructure to boost agricultural sector;
  - Construct & rehabilitate Reservoirs, windmills, irrigation schemes; and
  - Youth development agency aim to mainstream youth development in public sector programmes & promote youth enterprises and co-operatives.

### **Focus: Education**

- Focus on TTT – Teachers, Textbooks, Time
  - Teachers to be in class on time, teaching 7 hours per day.
  - Tracking of progress by means of Annual National Assessments in Literacy & Numeracy – Internationally benchmarked for grades 3,6,9
  - Training of Principles NB
- Higher education will focus on the poor
  - Includes converting Loans to bursaries.
  - Students that qualify for financial aid – exempted from fees.

### **Focus: Fight Against Crime**

- Improving Capacity of Police especially
  - Detective Service
  - Forensic analysts
  - Crime Intelligence
- Increased visible policing
- Decrease in illegal fire arms
- Courts Functions Better
- Prioritise crimes against women
- Focus on drug peddling & usage

- Fight Against Corruption – Special Anti-corruption unit established

### **Focus: Health**

- Focus on appointment of appropriate & Qualified Personnel in correct positions;
- Revitalize 105 Nursing Colleges;
- Open Medical Faculty at Limpopo Academic Hospital;
- Renovation & Refurbishment of hospitals & Clinics;
- Broaden scope of Women's Health; and
- Revitalize HIV Aids Programmes.

### **Building a responsive, accountable, effective and efficient local government system**

- Complaints regarding Local government;
- Must make experience of Local Government Pleasant;
- Turn Around Strategy:
  - Strengthen Basic Admin Systems
  - Financial Management
  - Customer Care
- Elections:
  - Before end of May - 4th local government elections
- 700,000 first time ID docs issued;
- Disasters:
  - R800 Million set aside for immediate relief;
  - Will source funding for post disaster support.

## **B3 Local / Regional Context**

Indaka is a rural Municipality which was established on 18 December 2000. Indaka Local Municipality (KZ233) is one of the five Local Municipalities that form part of the Uthukela District Municipality. The other municipalities within the District are Emnambithi, Umtshezi, Imbabazane and Okhahlamba. It shares its borders with Emnambithi and Umtshezi within the uThukela District and with Msinga and Endumeni within the Umzinyathi District Municipality.

This Municipality has no economic base, and is situated 49 km east of Ladysmith. The extent of the municipal area is 990 square kilometers with a population of approximately 101 557 (Community Survey, 2007). Indaka municipality is not transversed by any national roads, but has a network of provincial and district roads due to its proximity to the N3 and N11.

The municipality is characterised by socio-economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, a lack of resources and low levels of education are also prevalent. The settlement patterns are dispersed which has resulted in undeveloped land and settlement patterns that make delivering effective services challenging and expensive.

The factors influencing spatial development in the area are a combination of natural factors, physical infrastructure and policies guiding spatial development. The key issues faced by Indaka municipality include environmental degradation and the under-utilisation of natural and physical resources. This is due to the growth of dispersed settlements with limited infrastructural services.

## **B4 Key Features of the Municipality**

### **Social Aspects**

In dealing with access to community services by the people of Indaka, it is important to look at all services that are needed by the communities. Services dealt with in this section include inter alia education, health, welfare and facilities related to HIV/AIDS, sport, youth and the aged people within the municipal area.

#### **Education**

There are no institutions of higher learning within the municipality. After matriculation children either go to the Ladysmith Technical College to further their studies or move out of the Uthukela District. The latter is not always practical and affordable as most people in the area cannot afford to provide their children with better education opportunities outside of the municipal area. The cost is simply too much.

At primary and secondary levels the facilities are distributed all over the municipality and these are well utilized by the communities. There is however a need to extend or renovate most of the primary schools, as most is unsuitable for proper education purpose.

The statistics reveal that 31% of the people in the municipal area have no formal education. Assuming that these are adult people there is clearly a need to assist these people through the ABET program.

Health services are currently the responsibility of the Department of Health. The new legislation on local government has not provided that the local municipalities are responsible for the health services in as far as they are provided to serve their area of jurisdiction. Therefore services like clinics and mobile clinics can be safely assumed to be the responsibility of Indaka Municipality.

Currently there are 7 clinics at Indaka namely the Limehill, Ekuvukeni, Rockcliff, KwaMteyi, Mhlumayo, Gcinalishone and Sahlumbe. The total number of mobile clinics that operate in the municipal area is 13. These mobile clinics are spread all over the area but there are some areas that still need mobile clinics.

#### **Safety and Security**

There is only one police station in the whole of Indaka Municipality. This only police station is located at Ekuvukeni. Communities of the Mhlumayo settlement have called for stronger and more visible police presence in their communities (David Totman and Associates: 1999). The SAPS Crime Information Analysis Centre at Ezakheni Police Station stated that the Umhlumayo complex is being served by the Ezakheni Police Station whereas the Limehill Complex is served by the Ekuvukeni Police Station. Whilst the centre acknowledged the increase in the rate of crime in the Indaka area it was however made clear that there are no immediate plans for the construction of a new police station in the Indaka area. It was also acknowledged that the SAPS are currently under resourced in terms of personnel.

#### **Vulnerable Groups**

The aged, youth, the disabled and people living with HIV/ AIDS have been grouped together under vulnerable people. This is because they are almost always neglected in planning activities or are treated as part of other groups leading to their needs not being given specific attention they deserve.



## The Aged

The population statistics shows that there are about 5 895 people above the age of 65 in the Indaka area. These are people who have needs related to transport, healthy security etc, which may be over and above the needs of the general population. The Department of Social Welfare in Ladysmith has stated that it has a total of 10 pension pay points in the Indaka area. There are no formal facilities that exist as pay points. Currently existing shops are used as pay points and these have no adequate facilities to cater for the needs of the people who come for pensions.

## The Disabled

Disabled people have often been neglected or kept indoors in our societies. Various programs have been initiated by the government to include this group in our daily lives but these have often been ignored. The constitution of South Africa protects the rights of all people. It provides for no discrimination on the basis of disability. Therefore it is important that in our planning activities we do not lose sight of the needs of these people. No facilities for the disabled currently exist at Indaka.

## Youth

From the census statistics the majority of the people in the municipality are youth. As the youth is almost half of the population it is important to ensure that development projects in the area address issues of youth interest. The statistics show that out of an economically active population of about 57 000 people only 2 510 is employed. It can be safely reasoned that the majority of the unemployed is the youth.

## People living with HIV and AIDS

This is another special category of people that cuts across all groups within the population for the municipality. As the HIV/AIDS statistics clearly reflect that this increase at an alarming rate this is a cause for concern. HIV/AIDS statistics from the Department of Health reveals that the age group that is hardest hit by disease is the youth is the majority in this municipality the results can be very dramatic. Pressure will be felt within the health sector. Schools will need to adapt to the new situation of AIDS suffers at school. Therefore facilities will have to be provided that provide accommodation as well as health and education facilities.

# B5 Demographic Realities

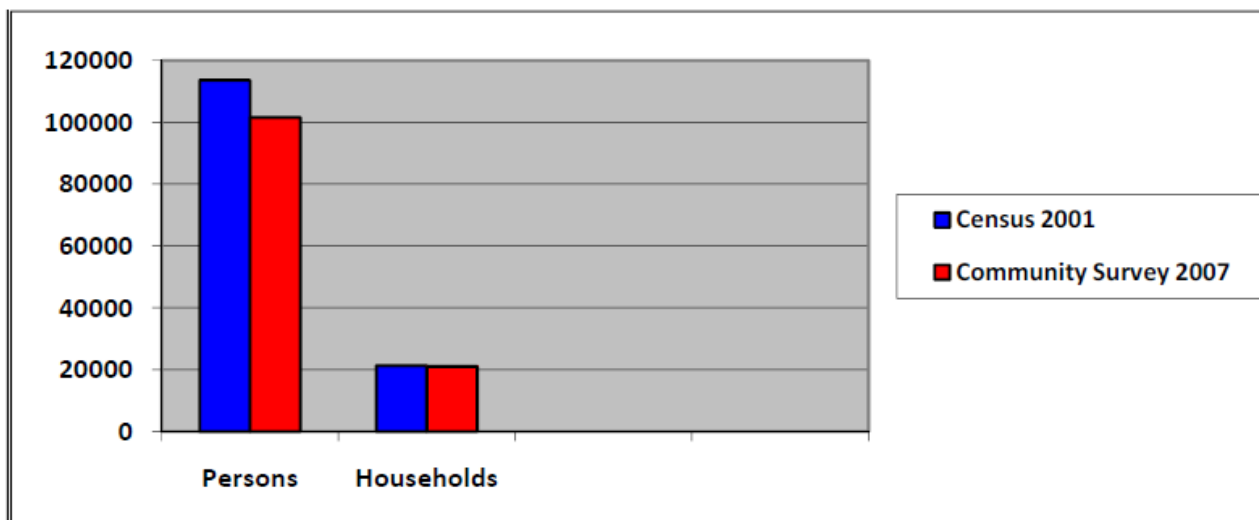
## Population Dynamics

According to the Community Survey 2007, the total population of Indaka is 101 557. The population has decreased from 113 644 in 2001 to 101 557 in 2007. In terms of households, the number of households has decreased from 21 372 in 2001 to 21 081 in 2007. (Stats SA: Census 2001 and Community Survey 2007). There has been a decrease in population by 12 087 people since 2001. The number of households has decreased by 291 since 2001. This can be attributed to out-migration and the effects of HIV/AIDS.

**Table 4: Indaka Municipality - Population per Person and per Household, 2001 - 2007**

| Persons     |                       | Households  |                       |
|-------------|-----------------------|-------------|-----------------------|
| Census 2001 | Community Survey 2007 | Census 2001 | Community Survey 2007 |
| 113,644     | 101,557               | 21,372      | 21,081                |

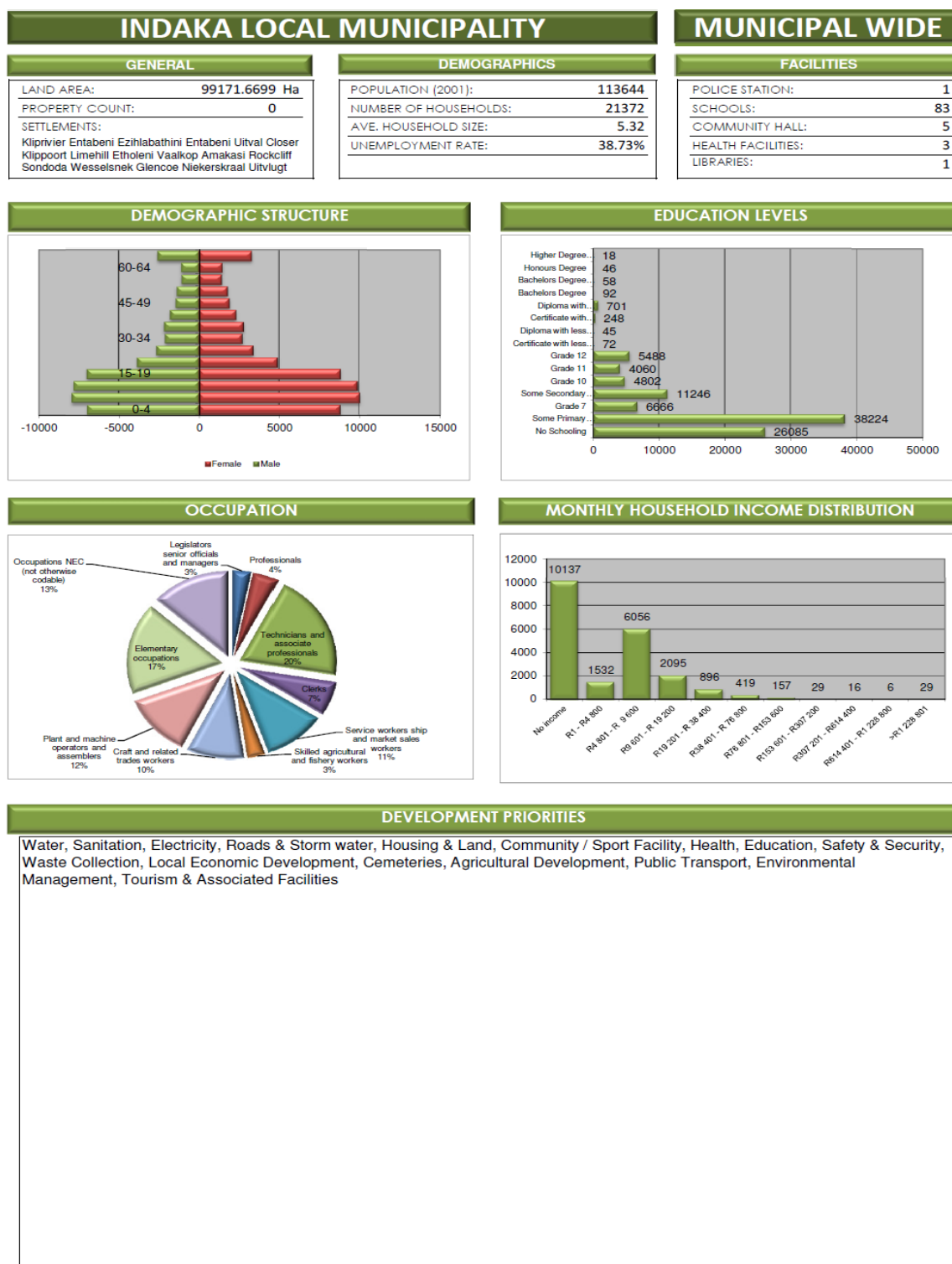
Source: Stats SA: Census 2001 and Community Survey 2007



**Figure 1: Indaka Municipality - Population per Person and per Household, 2001 - 2007**

*Source: Census 2001 and Community Survey 2007*

It is important to understand the population dynamics in order to determine backlogs and facilitate spatial and other planning, budgeting and policy formulation for the provision and development of infrastructure for social services including human settlements, medical and educational facilities.



**Figure 2: Municipal Profile Summary**

The summary of the demographic realities, combined with the socio economic realities in the Indaka Municipality are outlined in Figure 2 above. Similar information per ward, including 5 priority needs identified in each ward is attached as **Appendix K16**.

## **Ward Profiles**

In 2007 the number of males was 43,416 as opposed to 58,139 females and is particularly noticeable from the 20 year to 49 age-group which indicates a high level of out-migration of men in the economically active population.

In terms of the elderly there are 6,471 over the age of 65, which is 6 percent of the total population. In terms of the potential economically active population age group (working age group) 37 percent of the population fall within the age group 20 – 65 years. In terms of children below the age of 20, there are 57,661 children which is 57 percent of the total population. This indicates a very high number of dependent children who are dependent on a largely female economically active population.

## **B6 SOCIO-ECONOMIC REALITIES**

Figure 2 in the preceding section gives a brief overview of the socio-economic indicators of the Indaka municipality population. As mentioned before, the income levels, linked to economic opportunities, are very low. The greatest majority of residents enjoy no income, with a relatively large proportion of the economically active people in the municipality which earns between R4,801 and R 9,600 per annum. This amount correlates with the average amounts for social grants and it is assumed that this is an indication of the high levels of economic and social dependencies in the municipality.

The education levels in the municipality indicates that the largest proportion of residents (more than 50%, or approximately 64,309) has some primary schooling or no schooling .It is accepted that this is because of the demographic structure of the municipality, indicating that the majority of residents in the municipality are young people (under the age of 20 years). Notwithstanding, the general education levels in the municipality are very low, with only a handful of residents being in possession of tertiary education qualifications.

The largest portion of the employed in the Indaka Municipality are found in the occupation sector of Technical and associated professionals (20%). Elementary occupations are the second largest employment sector in the municipality, with 17% of the employed active in this sector. Of note is the low number of professionals (which include teachers, health workers, managers, and other professionals). This also serves as a contributing factor to the high levels of poverty in the municipal area, through various social and economic downstream effects.

## **B7 SPATIAL REALITIES**

### **Natural Factors Influencing the Spatial Pattern**

#### ***Mountain Ranges***

The Indaka Municipality is located within the south-western foothills of the Biggarsberg, which forms a watershed and natural divide between the municipality and the adjacent municipalities of Endumeni to the north and Msinga to the east.

#### ***Topography***

Topographically, the municipality can be divided into the rugged southern areas and the central plateau. The southern areas of Indaka, comprising the Sundays River Valley and the

Uthukela River gorge are topographically rugged, characterized by deeply entrenched river valley and broken ridge lines. Due to the steep gradients and relative inaccessibility of these areas, settlement tends to be more limited and dispersed. Agricultural potential is limited and limited agricultural activity is practiced.

The northern portion of the municipality is part of the central plateau extending from Ladysmith to Wasbank. The area is characterized by gently sloping land, with extrusions of dolomitic capped koppies and ridges. The most prominent of these are Jobskop (1 734 m), Stuurmanskop (1 125 m), Mancilwane (1 054 m) and Cancane (1 192 m). Within this flatter area, the average elevation varies from 100-1 500 m. Much of this northern area is degraded due to overstocking and erosion.

## **Rivers**

The Indaka Municipality is characterised by two drainage systems – the Tugela River and the Sundays River. The east-flowing Tugela River forms the southern boundary of the municipality, with tributaries draining southwards to the river. The Jana Dam is proposed along this river.

The Sundays River drainage basin forms the major proportion of the Indaka municipal area. The Wasbank River joins the Sundays in the central area of Indaka. Tributaries into these south flowing rivers drain from the east and west. Water quality in the Wasbank River has been negatively affected by coal mining within its drainage system. The Tugela, Sundays and Wasbank rivers are perennial while some of the minor tributaries are seasonal.

## **Wetlands**

There are no major wetlands in the Indaka municipality. However, in the upper reaches of the tributaries of the major rivers, areas have been identified where there is adequate water supply and a place where water will accumulate (Kotze and Breen, 1996).

## **Agricultural Land**

Agricultural potential within the Indaka municipality is limited. In terms of Agricultural Potential (based on data from Cedara), only a few areas have been identified as having good and moderate agricultural potential. The part of the region in which Indaka municipality falls consists mainly of the Valley Bushveld Bio-resource Group with pockets of Dry and Moist Tall Grassveld, Sour. These areas are predominantly on the periphery of the municipality, in the low-lying central plateau and drained by tributaries of the Sundays River. Beef farming is the most suitable form of agricultural production in these areas.

The full agricultural potential of these areas is not currently exploited, as subsistence agricultural is the predominant practice. The remaining areas of the Indaka area are characterized by very restricted, low and very low potential categorization.

There are three main categories of agricultural land that have been identified for Indaka Municipality and these can be outlined as follows:

Good Potential Agricultural Land – that have been identified on the northern parts of the municipality. According to the recent land audit there are large hectares of good potential agricultural land, which is currently underutilized within the northern parts of Indaka. Any form of land use that does not promote agricultural development or may have negative effect on the productivity of this land should be discouraged in these areas.

Moderate Agricultural Potential – most land within the northern and central parts of the municipality has moderate agricultural potential and it is currently vacant and unoccupied which presents an opportunity for agricultural production amongst the individuals to own and occupy that land once the land claims have been settled.

Grazing and Stock Farming – most of the land within the traditional authority areas has a steep gradient and a low agricultural potential in terms of crop production. The alternative agricultural activities that can be used for this area should be stock farming or grazing.

## **Physical Factors Influencing the Spatial Pattern**

### **Roads and Railways**

The transportation network in the form of roads and rail infrastructure plays a critical role in determining the structure of the area while creating opportunities for investment. This is due to the transportation network providing linkages between different areas, while influencing the level of access to social and economic opportunities whereby the quality of life for individuals can be enhanced.

Indaka Municipality is not traversed by any national roads, but has a network of provincial and district roads. These roads service the municipality itself and carry primarily local traffic. The most important provincial road is the Helpmekaar road, which runs from Ladysmith through Ekuvukeni and the Limehill Complex, before linking with the Dundee-Pomeroy road (MR 32).

From the road, a network of district and provincial roads service the northern areas of the municipality, with links to Elandslaagte, Wasbank and Wesselsnek to the north possible by means of provincial roads. The road network through the area has played an important role in the distribution of settlements, with most settlements in the municipality located along the provincial and district roads.

### **Dams**

There are currently no dams in the Indaka Municipality. However, there are proposals for the construction of the Jana and Mielietuin Dams on the Tugela River as part of the Vaal Transfer Scheme. However, the Indaka Municipality will only benefit marginally from the water stored in the dams.

### **Towns and Settlements**

The main town in the municipality is Ekuvukeni, a former R293 township, which serves as the hub of the municipality. The municipal administration and a concentration of economic activities are located in Ekuvukeni.

The remainder of the area is characterized by rural settlements, as may be anticipated in an area that previously was administered by the KwaZulu Government. A total of 143 settlements have been identified in the municipality. Many of the settlements are located along the provincial and district roads, while others are clustered where services are available (e.g. Limehill complex).

## **Alignment with Neighbouring Municipalities**

### ***Msinga***

- The main hubs are Tugela Ferry and Pomeroy.
- An important link to Indaka is the MR32 between Ekuvukeni, Limehill Complex to Pomeroy.
- A large portion of degraded land is located in traditional areas.
- Predominantly rural municipality with high poverty levels.

### ***Emnambithi***

- The main town in the municipality is Ladysmith which is a commercial centre and is to be developed as the Primary Administration Centre of the Uthukela District.
- The industrial area at Ladysmith is to be developed as the Primary Industrial Hub of the District.
- Colenso has been identified as a tertiary node for the District.
- The N11 is identified as a primary corridor and the portion of the N11 stretching between Ladysmith and the N3 has been identified as a priority upgrade.

### ***Endumeni Local Municipality***

- The main town in the municipality is Dundee which a commercial centre.
- The town has a diversified economy.
- The agricultural activities in the municipality include cattle farming and dairy production.
- Endumeni is the centre for the Battlefields Tourism route.

### ***Umtshezi Local Municipality***

- The main town is Estcourt with a smaller centre at Weenen.
- Estcourt serves as the primary agri-processing hub of the Uthukela District.
- A large portion of degraded land is located in traditional areas although it does not constitute a significant portion of the Municipality.
- High potential farm land and commercial agriculture.
- High potential tourism route.

## **B8 ENVIRONMENTAL REALITIES**

### **Environmentally sensitive areas**

Analysis of the KZN Wildlife GIS database identifies two categories of environmentally important areas as occurring in the municipality:

- Important Species Sites.
- Sites of Intrinsic Biodiversity Value.

The important species identified as potentially occurring in the municipality is Oribi and the location is the north-western portion of the municipality. The locality is contiguous with areas in the Emnambithi municipality. This area overlaps with the important flood plain of the Sundays River.

Areas of high intrinsic biodiversity 3 have been identified in the Indaka Municipality. These are located in the high lying areas, particularly around Jobskop and in the ridgeline forming the watershed between the Sundays and Tugela Rivers. Some other isolated areas in proximity to streams/wetlands have also been identified. Many of the steep slopes of the uThukela Gorge and of the Sundays River valley have been identified as areas of intermediate biodiversity value, as have the slopes of Jobskop.

There is currently no Strategic environmental Assessment in place for the Indaka Municipality. It is anticipated that the municipality will embark upon a process to get this in place within the current MTEF. Some environmental characteristics of the municipality are elaborated upon under the section dealing with the municipal Spatial Development Framework.

## **B9 ECONOMIC REALITIES**

### **Status Quo**

Indaka Municipality currently relies on subsistence agriculture, government services, government grants and migrant worker income to sustain its residents.

There is extremely limited agricultural potential due to settlement pressure, traditional farming methods, poor bio-resource groupings and limited irrigation potential. However the Indaka Local Municipality has undertaken an Agricultural Development plan which has identified several sites for potential irrigation and commercial farming operations.

Most Indaka residents sustain their families through subsistence agriculture or wage work in factories in and around Ladysmith, Estcourt and Weenen. Previous investigations of the area have identified potential for development of arts and crafts, game farms, tourism and irrigated agriculture along the Tugela and Sundays Rivers.

One of the major economic issues facing the Indaka Municipality is the fact that there are no major markets for the delivery and resale of products in the municipal area. This causes an outflow of economic contributions in that the limited numbers of surplus products that are produced are transported to markets outside of the municipal area, such as Ladysmith. The income that is generated from the production of these products is also spent within these larger economic hubs. This means that there is effectively a net outflow of capital from the area and hampers economic growth as the economic multiplier effect is not present.

The municipality needs to focus on the economic base within its area and use this as a stepping stone for reversing this outflow of capital from the area. Firstly, the municipality, in conjunction with other role players, needs to establish stronger markets in the area, which will be able to serve as economic generators which will attempt to affect an inward capital multiplying effect. This is anticipated to happen if cash from produce is spent at local markets, which in turn will cause income for local employees which can be re-invested in the area.

Secondly, the municipality needs to utilize the existing skills in the area as a base for coordinating, supporting and developing economic activities in the area. It would be ineffective to expand skills development by aiming at tertiary and highly skilled levels, considering the existing skills levels in the municipality. The economic base of the municipality is regarded as being subsistence and small scale agriculture. The majority of inhabitants in the municipality are active and dependent on this sector. As it forms part of the informal



economic sector, the size or reach of this sector is difficult to measure, but it can be safely assumed that it is the biggest economic contributor.

This sector is likely to also contain a certain level of skills, whether it is cultural knowledge and experiential learned skills or formal skills. This could serve as a basis through which the municipality can consolidate and coordinate an increase in skills through, for instance agricultural small business support, co-operatives, transport and market accessibility, agri-processing and niche product production.

Indaka Local Municipality has recently undertaken a spatial development framework plan. In terms of the plan the Ekuvukeni complex is identified as the urban hub of the area and demarcated for future urban expansion. Emerging Tertiary nodes have been identified at Embolweni / Okhalweni, Ludimbi, Manqomfini and Msusampi. The northern portion of the Local Municipality is identified as having good to moderate agricultural potential whilst the southern portions are classified as low/very limited agricultural potential and has been allocated as grazing land.

Priority projects ranked as follows:

- Tourism Potential – Cannibalism Route (Ilenge Project)
- Sahlumbe – Secondary node
- Mhlumayo – Secondary node
- Limehill Centre – Secondary node.

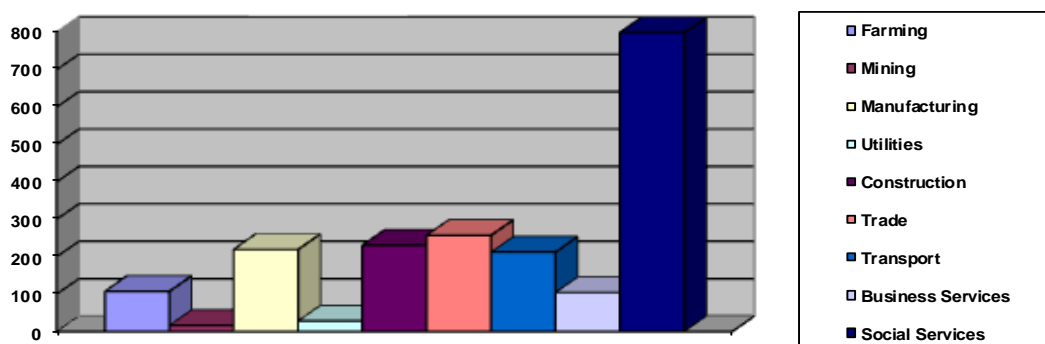
Approximately 48% of the land within the Indaka municipality fall under the control of the Ingonyama Trust, the remaining 52% falls either under state ownership (29 000 ha of land/84 farms) or private ownership and is generally subject to large scale land claims from the adjoining tribal authorities or communities affected by the forced removals which took place in the early 1960's to 1980's. At present this is a limiting factor on development as little can be done until the land claims are resolved.

The Status quo assessment provides a summary of available information on the Indaka Local Municipality. It highlights the potential for local economic development identified in the IDP, the Spatial Development framework and the Agricultural Development plan, these primarily being in the fields of tourism and agricultural developments. It also pointed to the numerous constraints to local economic development, the primary constraint being the rural nature of the Local Municipality and the lack of a sound economic based upon which to build the area.

## **Employment and Economy**

Employment within the Indaka municipality is broken down into the following industries, with employment figures shown as the number of people employed in each sector. (<http://www.kzntopbusiness.co.za>):

|                   |     |
|-------------------|-----|
| Farming           | 107 |
| Mining            | 16  |
| Manufacturing     | 219 |
| Utilities         | 28  |
| Construction      | 230 |
| Trade             | 257 |
| Transport         | 212 |
| Business Services | 104 |
| Social Services   | 799 |



**Figure 3: Employment within Indaka Local Municipality**

The high level of people employed in the Social Services Sector of the economy indicates the high dependency levels which are prevalent in the municipality. Other considerable economic employment sectors include Trade, mining, manufacturing and construction. It can safely be assumed that the majority of economically active people in the municipality are active in the informal sector, specifically in subsistence and small scale farming.

#### ***Limited local economic development***

In line with the above, it is clear that Indaka currently relies heavily on subsistence agriculture, government services, government grants and migrant worker income to sustain its residents. The municipality is geographically located on the periphery of the coal rim, Midlands Economic Development Cluster and the battlefield node. There is very limited economic development within Indaka Municipality due to its lack of natural resources, lack of revenue and its distance from any major tourist routes and markets.

#### ***Limited agricultural potential***

There is extremely limited agricultural potential due to settlement pressure, traditional farming methods, poor bio-resource groupings and limited irrigation potential. At present most of the agricultural undertakings are for household consumption, with the exception of project located along the Tugela and Sundays river, which have tremendous irrigation potential at a large scale.

The prevalence of dongas, soil erosion and soil impoverishment are major indicators of poor environmental management within the municipality. This is a major problem in that most of Indaka's residents depend on subsistence agriculture for food and do not have the means to correct the environmental degradation which has taken place over the years.

The nature of agriculture in the Indaka Municipal area is characterised by fragmented subsistence cultivation, traditional animal husbandry and the widespread production of Marijuana (Dagga) for diverse national markets. There is a strong correlation between agricultural under-development and marijuana cultivation since the latter is an important source of household income utilised for the purchase of basic commodities.

The municipality has identified agricultural pilot projects intended to generate maximum local economic development within the Municipal area. The projects will act as learning opportunities for both the Municipality and the participants. A number of the sites were

identified as having potential for the establishment of agricultural projects, while others were found to be less favourable.

### **Overall Economic Analysis**

The most important economic indicator in terms of production activity is the Gross Geographic product, which is the value of all the final goods and services produced within a defined area over a certain period of time. However, due to virtually non-existent GGP data specific to the Indaka Municipal area, regional information has to be used to determine the productivity of the area.

Manufacturing is the biggest sector with the Uthukela DM, this is mainly the result of state support offered to the sector in the past. Key manufacturing sectors in the region are textiles, clothing, footwear and the leather industry. The historical development of the manufacturing has however not been spread out to the Indaka Municipality. Its impact was more at a regional level, taking more of an urban bias as against direct investment in rural areas. There is thus virtually no manufacturing investment in the Indaka Municipal area, except small manufacturing enterprises in the form of block makers, panel beaters and craft work. The agricultural and tourism sectors are medium sized sectors in the regional economy.

Tourism is a sunrise sector at a global level, with virtually all most all global nations pursuing tourism development in an attempt to inject economic growth capable of sustaining the ever increasing population. The location of the region and the municipality within the Battlefields, and the recognition of these respective authorities in the evolving provincial Tourism Development Strategy, present windows of opportunity for capitalizing on the sector. The labour absorption potential of tourism and its revenue generation effect make the sector worth exploiting. Within the context of Indaka Municipality there is potential to design future economic development strategies that are linked to tourism.

The nature of agriculture in the Indaka Municipal area is characterised by fragmented subsistence cultivation, traditional animal husbandry and the widespread production of Marijuana (Dagga) for diverse national markets. There is a strong correlation between agricultural under-development and marijuana cultivation since the latter is an important source of household income utilised for the purchase of basic commodities.

The municipality has identified agricultural pilot projects intended to generate maximum local economic development within the Municipal area. The projects will act as learning opportunities for both the Municipality and the participants. A number of sites were identified as having potential for the establishment of agricultural projects, while others were found to be less favourable.

The following criteria were used to assess sites:

- Potential for cultivation (based on the soils)
- Accessibility
- Infrastructure
- Potential for irrigation.

The following sites were identified as high potential for the establishment of agricultural projects that are to be supported by the Indaka Municipality.

- Oqungweni (Site 2b in particular)
- Mangweni/ Mahlokoma (Site 3)
- Kwanogejane (Site 6)

- Nhlambamasoka plateau (Site 7)
- Mahlutshini 1 (Site 9)
- Somsuku (Site 13)

These projects can be supported by the Indaka Municipality, in cooperation with other role players, with due recognition of the realities such as establishing markets to support the economic multiplier potential of these projects. Also, the implementation of these projects should be done in conjunction with skills audits and development to support the sustainability and potential of these projects.

As part of the identification of these sites, market potential of each site was analysed and possible product production identified.

## **Key Priority Issues**

### ***Spatial Development Framework***

Indaka Local Municipality has recently undertaken a spatial development framework plan. In terms of the plan the Ekuvukeni complex is identified as the urban hub of the area and demarcated for future urban expansion. Emerging Tertiary nodes have been identified at Embolweni/Okhalweni, Ludimbi, Manqomfini and Msusampi. The northern portion of the Local Municipality is identified as having good to moderate agricultural potential whilst the southern portions are classified as low/very limited agricultural potential and has been allocated as grazing land.

Priority projects ranked as follows:

- Tourism Potential – Cannibalism Route (Ilenge Project)
- Sahlumbe – Secondary node
- Mhlumayo – Secondary node
- Limehill Centre – Secondary node.

Recreational areas are identified as:

- Recreational site/picnic area
- Arts and Crafts Centre
- Emhluthwini Area/Cultural Village.

## **Social Context**

### ***Employment***

The majority of the people living in Indaka are unemployed i.e. about 87% are unemployed. A very high proportion of women are unemployed, as a result a number of activities have been initiated in the area to help women earn some sort of income, including sewing groups, crafts, gardening and savings clubs.

### ***HIV/Aids***

As a highly impoverished area, Indaka has been severely affected by HIV/AIDS however the Municipality's HIV/AIDS policy has not sufficiently address the prevalence of HIV/AIDS within the communities where it is estimated that one in four people are infected or affected with HIV/Aids, and this presents a major obstacle to local economic development within the

area. The present HIV/Aids plan focuses on intervention strategies that could assist the municipality in the implementation of an HIV/Aids programme and suggests that operational plans and activities should be drawn from the Plan. (Source: Indaka Local Municipality HIV/Aids Plan undated). It is recommended to the Indaka Municipality that this matter become a priority issues given the impact that HIV/Aids has on the economic development potential of the region.

## **Education**

Most of the areas within the jurisdiction of the local municipality have primary and secondary schools, however distance to rural schools remains an issue and the local municipality and the Department of Education are looking at ways of easing the distance to school which rural children have to walk. At primary and secondary levels the facilities are well utilized by the communities. There is however a need to extend or renovate most of the primary schools as most are unsuitable for proper educational purposes. 31% of the people in the municipal area have no formal education. Assuming that these are adult people there is clearly a need to assist these people through the ABET program. There are no tertiary education facilities within the municipality.

*(Source: Indaka IDP Report 2005/2006)*

## **Health care**

There is no hospital with the jurisdiction of the Indaka Municipality, but there are five clinics which operate from 08h00 to 17h00 with the municipality. A primary health care forum has been established to discuss the challenges and problems encountered by residents accessing health services.

*(Source: Indaka IDP Report 2005/2006)*

## **Development of Tourism Sector Plans**

### **Tourism Feasibility Study**

A feasibility study for tourism opportunities was conducted at Indaka Local Municipality with the following objectives:

- Establish available resources (both natural and cultural) which could provide tourism attraction for the area.
- Establish the most suitable tourism activity for the area.
- Evaluate road infrastructure and thereby establish accessibility of the area to tourists.
- Identify likely tourist target markets and most feasible means of attracting good spending power to the area.
- Determine availability of accommodation in the area.
- Establish level of security in the area.

The study was conducted with a qualitative and quantitative survey of a range of Indaka inhabitants. Study participants included municipal officials, traditional leaders, community based organizations, political leaders, and other Indaka community members. The study identified the following community assets as having the highest potential for developing tourism in the area:

- Cultural Village and traditional ceremonies at Mhlumayo;
- Arts and crafts;
- Cannibal caves at Illenge Mountain;
- Sports and recreation.

# B10 Infrastructure Development Realities

## Access to Basic Services and Infrastructure

Access to basic services has an influence in improving the standards of living and quality of life of the people living in the municipality.

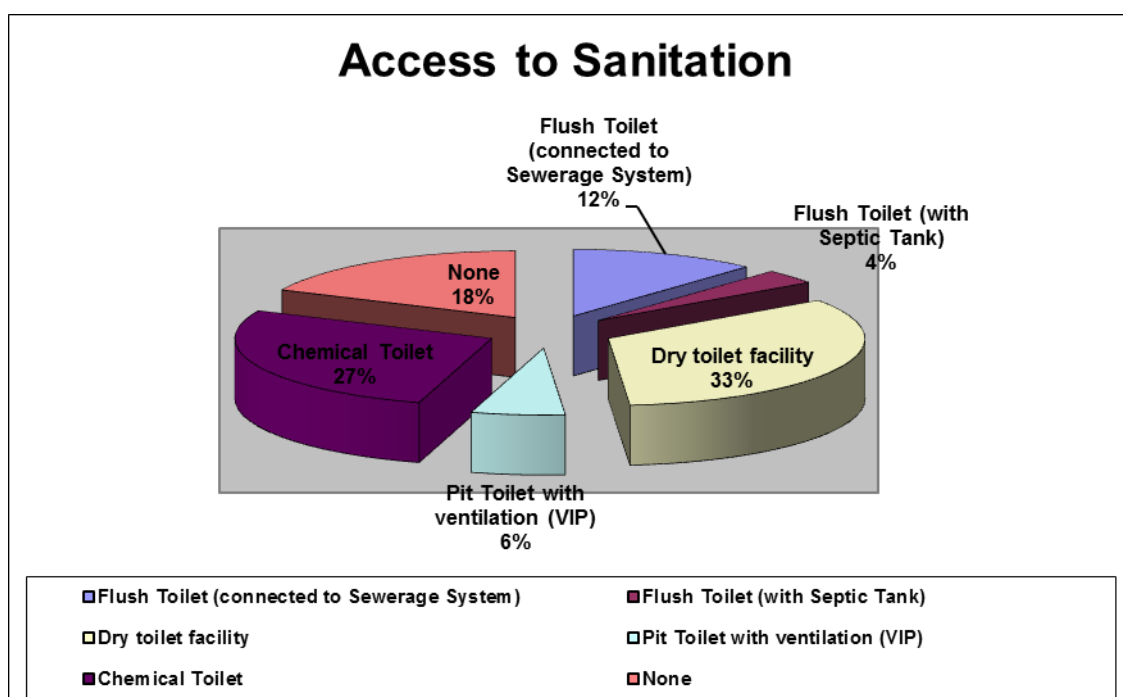
The level of infrastructure and access thereto, is another key determinant of the level of poverty in a community. National Government's programmes emphasize the need to ensure that poverty alleviation programmes underpin all strategies designed to deal with underdevelopment. The extent to which communities have access to infrastructure is investigated below.

### Sanitation

**Table 5: Indaka Municipality - Access to Sanitation**

| % Households by Type of Toilet Facility     |             |                       |
|---|-------------|-----------------------|
| Type of Toilet Facility                     | Census 2001 | Community Survey 2007 |
| Flush Toilet (connected to Sewerage System) | 12.9        | 11.8                  |
| Flush Toilet (with Septic Tank)             | 0.6         | 3.5                   |
| Dry toilet facility                         | -           | 33.4                  |
| Pit Toilet with ventilation (VIP)           | 18.3        | 5.9                   |
| Pit toilet without ventilation              | 26.2        | -                     |
| Chemical Toilet                             | 2.9         | 27.3                  |
| Bucket Toilet System                        | 0.8         | -                     |
| None  | 38.3        | 18.2                  |

Stats SA: Community Survey 2007



**Figure 4: Indaka Municipality - Access to Sanitation**

Community Survey 2007, the largest segment with regard to access to toilet facilities is dry toilet facilities (33.4%), which was recorded as 0% in the 2001 Census. There was also an increase in access to chemical toilets from 2.9% to 27.3%. The increase in these more formal toilet facilities correspond with a decrease in informal toilet facilities. The bucket toilet system

has been eradicated going from 0.8% in 2001 to 0% in 2007. Households with no toilet facilities decreased from 38.3% in 2001 to 18.2% in 2007 which is a significant improvement.

## Water

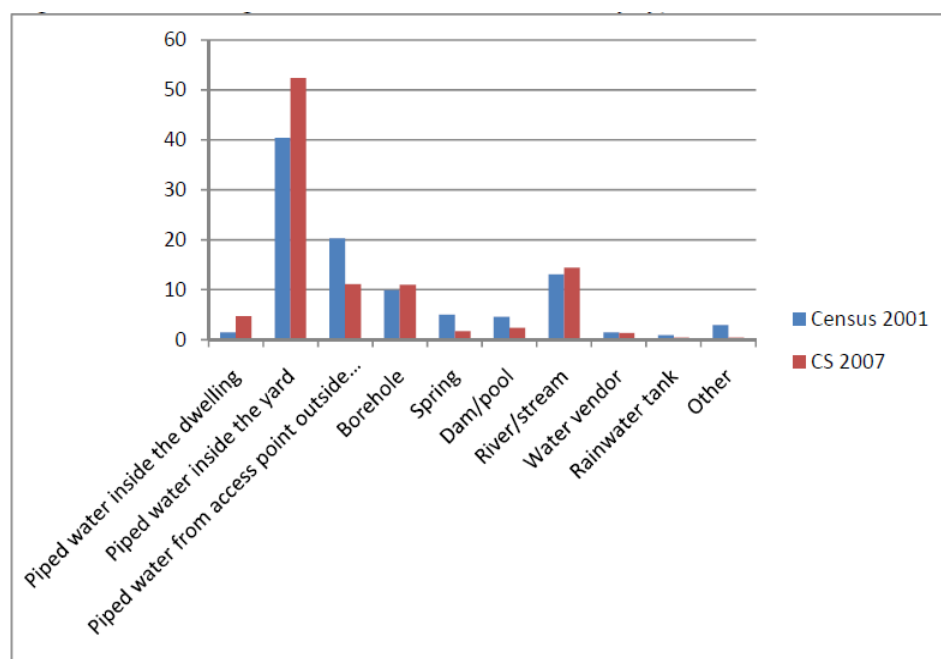
**Table 6: Percentage Distribution of Households by Type of Water Source**

|  | Census 2001 | CS 2007    |
|--|-------------|------------|
| Piped water inside the dwelling                | 1.5         | 4.7        |
| Piped water inside the yard                    | 40.4        | 52.4       |
| Piped water from access point outside the yard | 20.3        | 11.1       |
| Borehole                                       | 9.9         | 11         |
| Spring   | 5           | 1.7        |
| Dam / pool                                     | 4.6         | 2.3        |
| River / stream                                 | 13.1        | 14.4       |
| Water vendor                                   | 1.5         | 1.3        |
| Rainwater tank                                 | 0.9         | 0.4        |
| Other  | 2.9         | 0.6        |
| <b>Total</b>                                   | <b>100</b>  | <b>100</b> |

Source: Stats SA: Census 2001 and Community Survey 2007

There has been an increase in access to piped water inside the dwelling between 2001 (1.5%) and 2007 (4.7%), and a significant increase in piped water inside the yard from 40.4% in 2001 to 52.4% in 2007. Piped water in general constitutes 68.2 percent of the source of water to households as at 2007. The remaining 31.8 percent is an area of concern.

**Figure 5: Percentage Distribution of Households by Type of Water Source**



Source: Stats SA: Census 2001 and Community Survey 2007

## Refuse Disposal

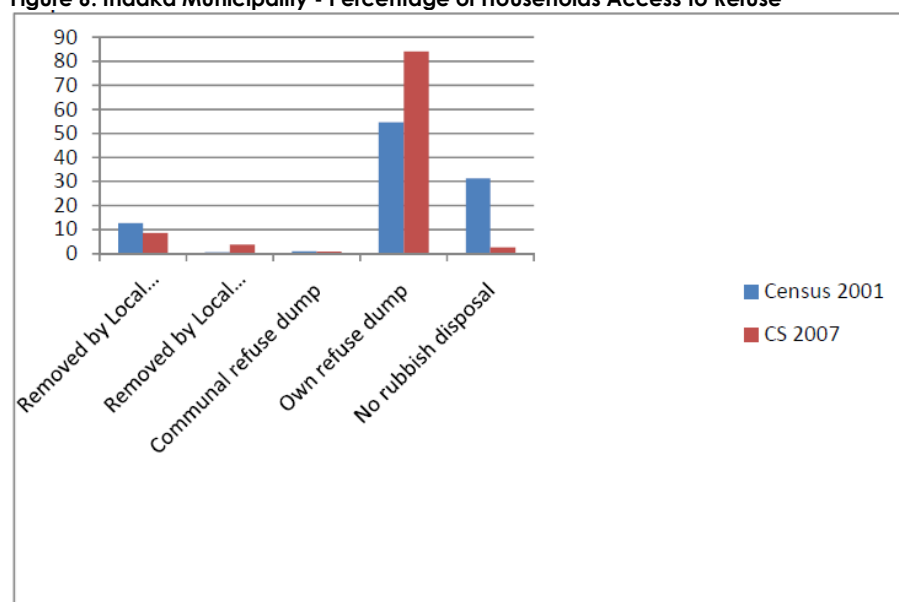
**Table 7: Indaka Municipality - Access to Refuse Disposal per Household**

|   | Census 2001 | CS 2007    |
|---|-------------|------------|
| Removed by Local Authority at least once a week | 12.7        | 8.7        |
| Removed by Local Authority less often           | 0.5         | 3.7        |
| Communal refuse dump                            | 1           | 0.9        |
| Own refuse dump                                 | 54.5        | 84         |
| No rubbish disposal                             | 31.2        | 2.7        |
| Other   | 0           | 0          |
| <b>Total</b>                                    | <b>100</b>  | <b>100</b> |

Source: Stats SA: Census 2001, Community Survey 2007

According to the Community Survey 2007, 2.7 percent of the households do not have access to refuse removal. Approximately 84 percent of households are disposing of refuse through their own means and 0.9 percent through communal sites. Only 8.7% are serviced by the local authority at least once per week.

**Figure 6: Indaka Municipality - Percentage of Households Access to Refuse**



Source: Stats SA: Census 2001, Community Survey 2007

## Energy

According to the Community Survey 2007, 48.9 percent of households are using wood for cooking, 32 percent use electricity and 16.1 percent use paraffin. The use of electricity for cooking has increased from 15.1 percent in 2001 to 32 percent in 2007.

**Table 8: Indaka Municipality - Comparison of Energy Used for Cooking per Household (%): 2001 - 2007**

| Energy Usage          | Electricity | Gas | Paraffin | Wood | Coal | Animal Dung |
|-----------------------|-------------|-----|----------|------|------|-------------|
| Census 2001           | 15.1        | 2.3 | 21.6     | 52   | 7.1  | 0.2         |
| Community Survey 2007 | 32          | 0.7 | 16.1     | 48.9 | 2.3  | 0.1         |

Source: Stats SA: Census 2001 and Community Survey 2007

According to the Community Survey 2007, the majority of households utilise wood for heating (55.7%), 11.9 percent utilise paraffin and 9.8 percent utilise coal. Twenty percent use electricity which has increased from 11.2% in 2001.



**Table 9: Indaka Municipality - Energy Used for Heating per Household (5): 2001 - 2007**

| Energy Usage          | Electricity | Gas | Paraffin | Wood | Coal | Animal Dung | Other |
|-----------------------|-------------|-----|----------|------|------|-------------|-------|
| Census 2001           | 11.2        | 0.9 | 9.4      | 56.2 | 19.6 | 1.5         | 1.0   |
| Community Survey 2007 | 20          | 0.5 | 11.9     | 55.7 | 9.8  | 0.1         | 2.1   |

Source: Stats SA: Census 2001 and Community Survey 2007

According to the Community Survey 2007, 61.2 percent of households use electricity for lighting as at 2007 which is a significant increase from 46.8% who utilised electricity in 2001. However, there is still a very high use of candles even though the use of candles has decreased considerably from 49% in 2001 to 35.4% in 2007.

**Table 10: Indaka Municipality - Energy Used for Lighting per Household (%): 2001 - 2007**

| Energy Usage          | Electricity | Gas | Paraffin | Candles | Solar | Other |
|-----------------------|-------------|-----|----------|---------|-------|-------|
| Census 2001           | 46.8        | 0.2 | 3.4      | 49      | 0.2   | 0.4   |
| Community Survey 2007 | 61.2        | 0.4 | 2.2      | 35.4    | 0.2   | 0.5   |

Source: Stats SA: Census 2001 and Community Survey 2007

## B11 Social Services Realities

The Indaka municipality has a general lack of social services, in comparison to its population size. Compounding the issue is the fact that the municipality is riddled by poverty and associated general lack of private social facilities.

|                    |    |
|--------------------|----|
| POLICE STATION:    | 1  |
| SCHOOLS:           | 83 |
| COMMUNITY HALL:    | 5  |
| HEALTH FACILITIES: | 3  |
| LIBRARIES:         | 1  |

**Table 11: Social Services**

The table above shows that there is only one police station, which serves the municipal area. The location of this police station, in the Ekuvukeni settlement is not such that it can effectively serve the entire municipal area, especially not the southern areas of the municipality, in the region of the Tugela River.

There are 83 schools in the municipality, which effectively means that there are more than 800 children per school on average. Considering the size of the school structures and the associated number of teachers and classrooms, it can safely be assumed that the schools are generally overcrowded. Further to this, the service provision to schools in the area is not up to standard and causes situations which are not conducive to learning.

There are only 5 community halls in the municipal area, meaning that each community hall serves approximately 20 000 people. These community halls are not necessarily located at points which make it accessible to all the inhabitants of the area. At the municipal strategic session during December 2011, it was also established that these community halls are subject to a lot of vandalism.

There are only three health facilities and one library located in the municipality. Both of these services are inadequate and this situation contributes to the levels of deprivation and poverty in the area. Accessibility of most residents to these facilities fall far short of acceptable standards.

## B12 Housing Realities

Challenges faced by the Indaka municipality in the provision of housing include, the planning and provision of bulk infrastructure required for housing developments, which is presently not aligned to the housing projects and is creating bottlenecks, the complex relationship between Amakhosi and the Indaka Municipality over access to land for housing projects and the dissemination of information to ward committee level. The municipality has initiated the implementation of housing projects through provincial housing grants, and has included priority housing projects in its IDP.

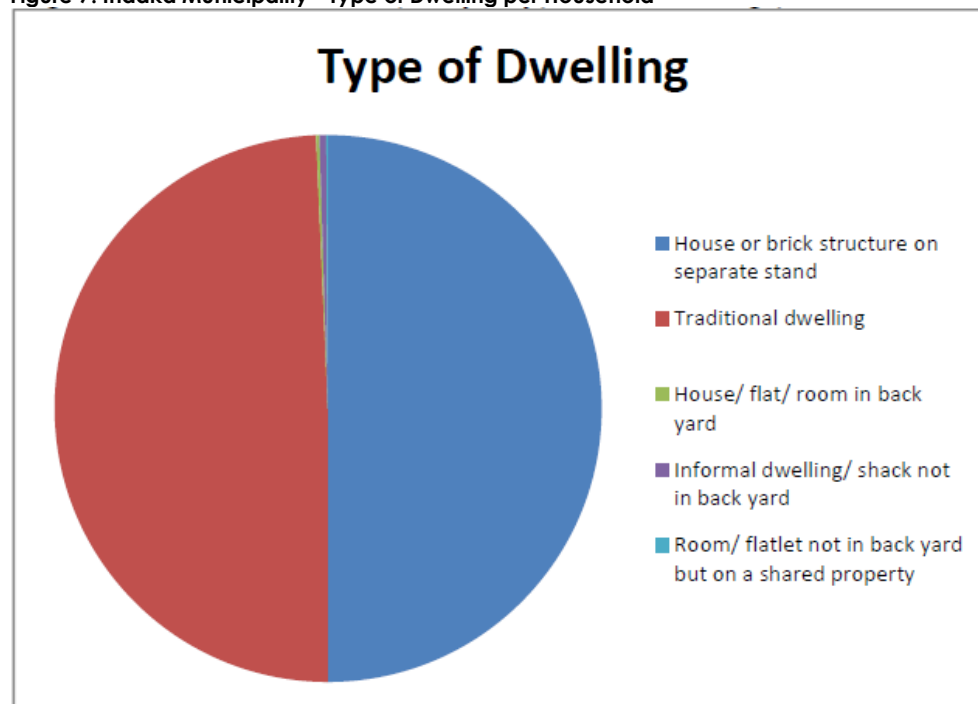
### Access to Housing

**Table 12: Indaka Municipality - Percentage Distribution of Households by Type of Main Dwelling**

| Category | Type of Dwelling   | Census 2001 | Community Survey 2007 |
|----------|--|-------------|-----------------------|
| A        | House or brick structure on a separate stand or yard                             | 38.6        | 50                    |
| B        | Traditional dwelling / hut / structure   | 54.1        | 49.3                  |
| C        | Flat in block of flats   | 4.1         | -                     |
| D        | Town / cluster / semi-detached house   | 1.4         | -                     |
| E        | House / flat / room in back yard   | 0.5         | 0.2                   |
| F        | Informal dwelling / shack in back yard   | 0.2         | -                     |
| G        | Informal dwelling / shack not in back yard (e.g. informal / squatter settlement) | 0.8         | 0.4                   |
| H        | Room / flatlet not in back yard but on a shared property                         | 0.1         | 0.1                   |
| I        | Caravan or tent  | 0.1         | -                     |

Source: Stats SA: Census 2001 and Community Survey 2007

**Figure 7: Indaka Municipality - Type of Dwelling per Household**

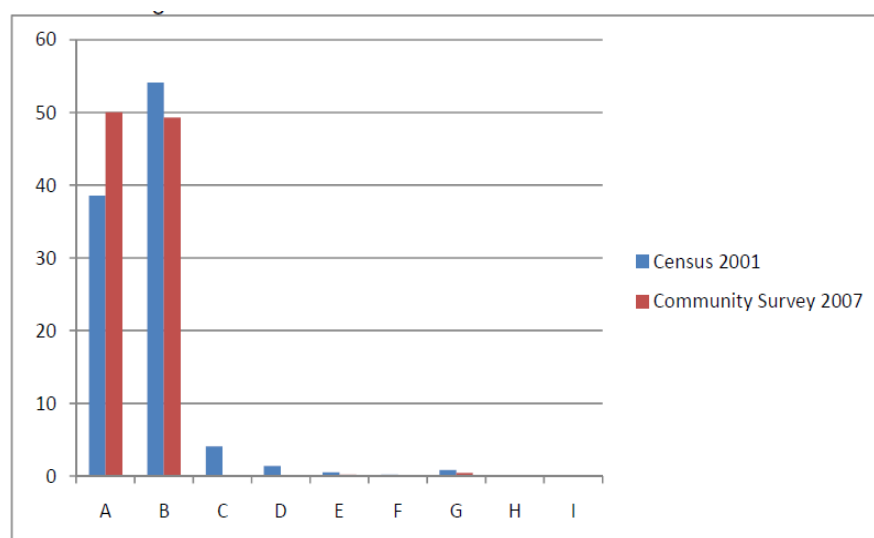


Source: Stats SA: Community Survey 2007

Based on Community Survey 2007, the largest proportion of dwellings is households living in brick structures (50%), followed by traditional dwellings (49.3%). There has been an increase in households living in house or brick structures from 2001 (38.6%) to 50 percent in 2007. There

has been a decrease in other dwelling types therefore needs are being met through brick structures.

**Figure 8: Indaka Municipality - Percentage Distribution of Households by Type of Main Dwelling**



Source: Stats SA: Community Survey 2007

## B13 Institutional Realities

The Municipality has approved its organizational structure during its financial year 2009-2010 which has been aligned with the IDP to its operational capacity and which has contributed positively to service delivery and the Municipality is in a process of filling up the vacant positions during this financial year. The table below indicates the status quo, including critical vacancies, specifically in management positions in the municipality:

| Department         |   | No. of Posts | Filled Posts | Vacancies | Vacancy Rate | Employ Rate | Remarks                              |
|--------------------|---|--------------|--------------|-----------|--------------|-------------|--------------------------------------|
| Management         | A | 6            | 6            | 0         | 0%           | 100%        | 3 Senior Managers incl. MM suspended |
| Corporate Services | B | 22           | 16           | 6         | 27%          | 73%         | HR Officer suspended                 |
| Technical Services | C | 24           | 23           | 1         | 4%           | 96%         |                                      |
| Financial Services | D | 15           | 14           | 1         | 7%           | 93%         | 3 employees suspended                |
| Dev and Planning   | E | 8            | 7            | 1         | 13%          | 87%         | IDP PMS Off. Suspended               |
| <b>TOTALS</b>      |   | <b>75</b>    | <b>66</b>    | <b>9</b>  | <b>12%</b>   | <b>88%</b>  |                                      |

**Table 13: Status Quo in Management Positions within the Municipality**

For the municipality to better perform its administrative functions and obligations it has a structure which has four departments and one office of the Municipal Manager.

- Corporate Services Department;
- Technical Services Department;
- Financial Services Department;
- Housing Development and Planning Department.

The breakdown of the departments in terms of their functions is as follows:

### **Office of the Municipal Manager**

It is the responsibility of the Municipal Manager as the Accounting Officer to:

- Promote sound financial management within the municipality;
- Be responsible for all income and expenditure as well assets of the municipality;
- Ensure compliance with the provisions of the MFMA; and
- Prevent fruitless and wasteful expenditure.

### **Department-Finance**

The department consists of two sections i.e

- Supply Chain; and
- Treasury Office.

### **Department-Technical**

- Municipal Infrastructure Implementation;
- Community Facilitation;
- Project Management;
- Disaster Management;
- Fleet Management.

### **Department-Housing, Planning and Development**

- Local Economic Development;
- Integrated Development Planning;
- GIS;
- Tourism;
- Housing;
- Environmental Affairs.

### **Department-Corporate Services**

- Labour Relations;
- Registry Services;
- Legal Services;
- Human Resources;
- Security Services;
- Secretariat Services.

Below is the current organogram for the Indaka municipality, per municipal department:

**Annexure "A"**  
**ORGANOGRAM / MUNICIPAL MANAGER'S OFFICE (CURRENT)**

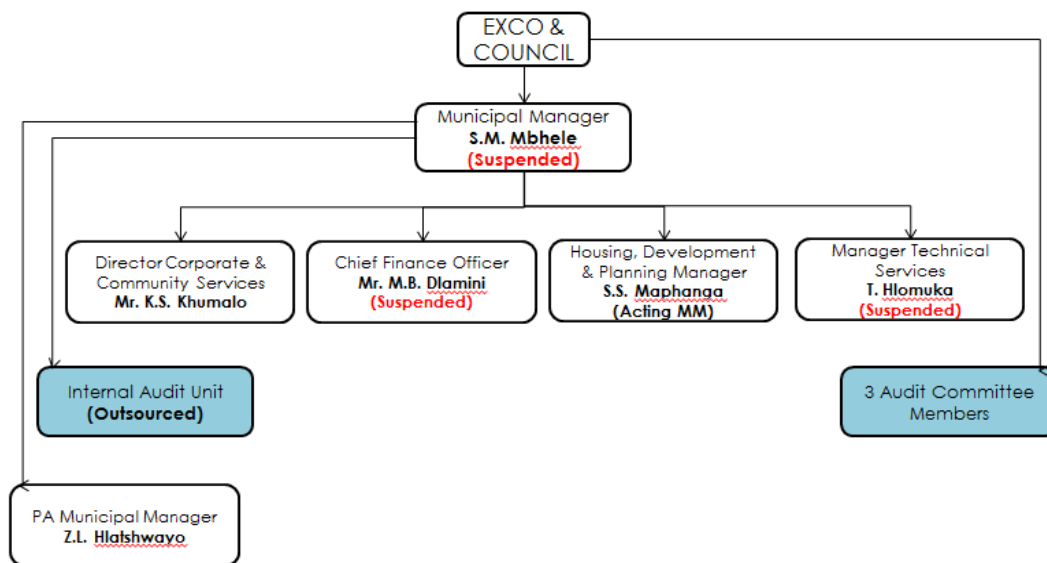


Figure 9: Organogram - Municipal Manager's Office

**Annexure "B"**  
**ORGANOGRAM / CORPORATE & COMMUNITY SERVICES DEPARTMENT**

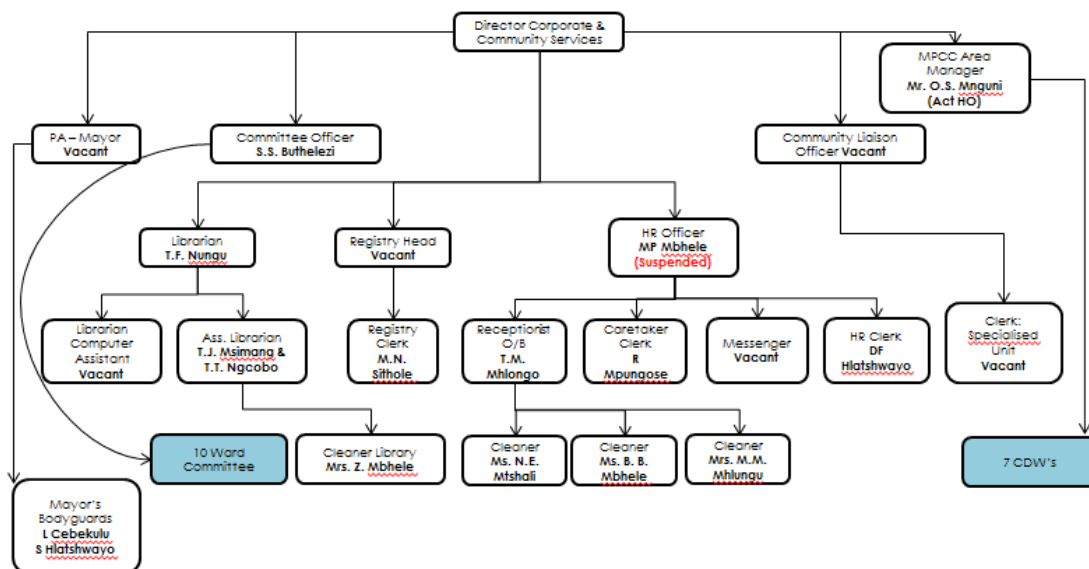


Figure 10: Organogram - Corporate & Community Services Department

### Annexure "C" ORGANOGRAM / TECHNICAL DEPARTMENT

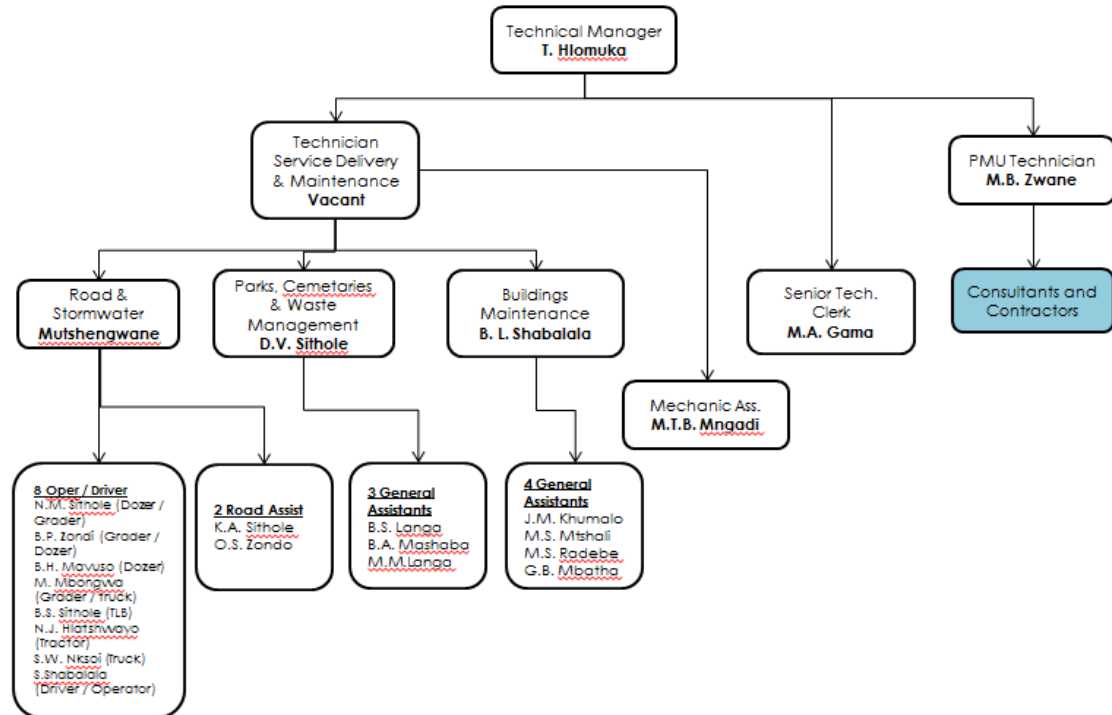


Figure 11: Organogram: Technical Department

### Annexure "D" ORGANOGRAM / FINANCE DEPARTMENT

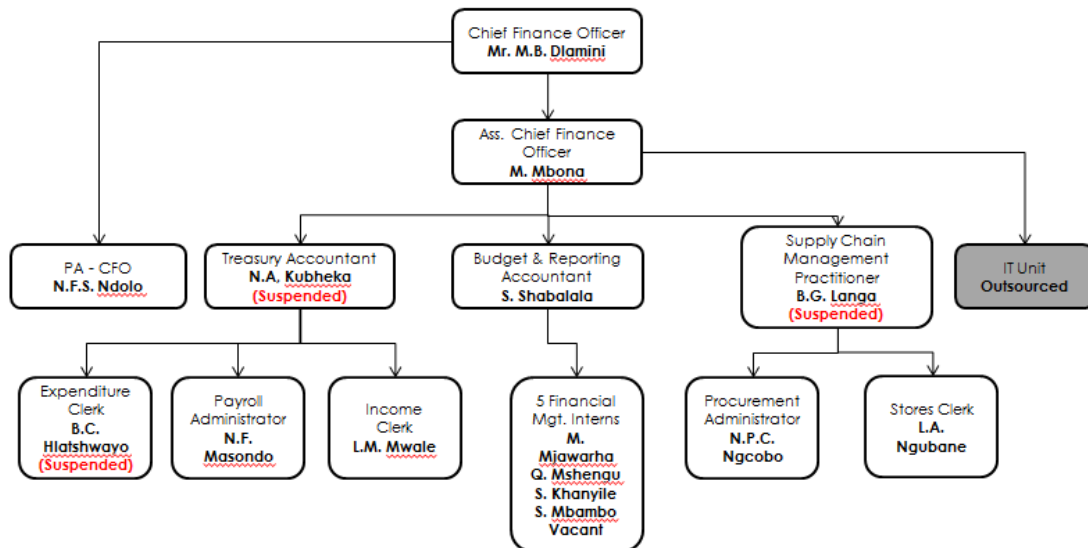


Figure 12: Organogram - Finance Department

## Annexure “E” ORGANOGRAM / HOUSING DEVELOPMENT & PLANNING DEPARTMENT

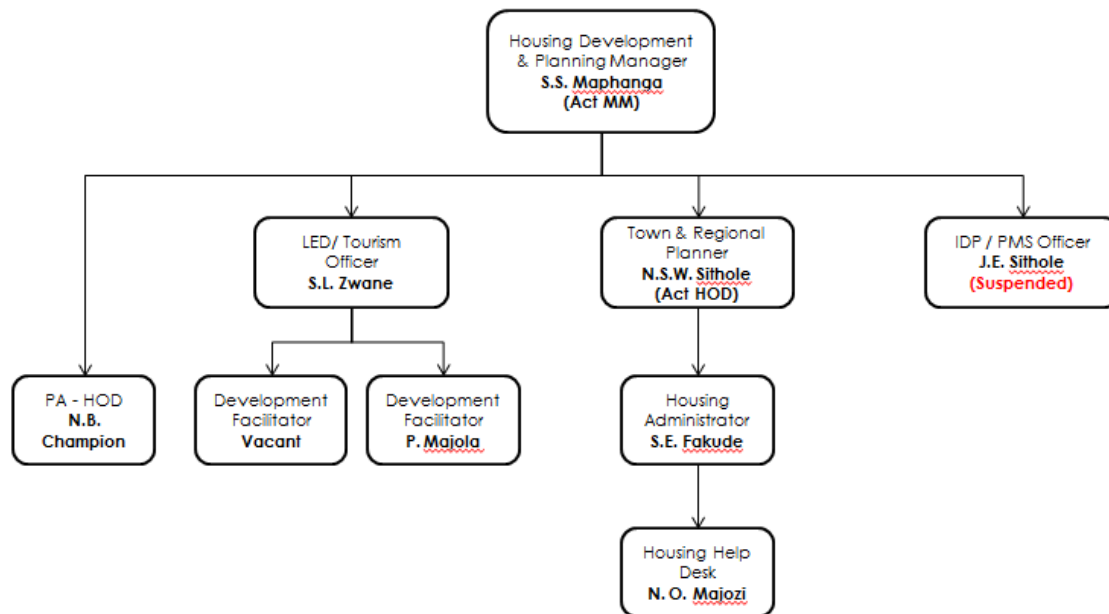


Figure 13: Organogram - Housing Development & Planning Department

## Municipal Powers and Functions

The municipalities need to know exactly what their powers and functions are for them to properly execute their duties and to avoid causing duplication or political tension. The tables below outline the functional areas of local government competence as outlined by the Municipal Systems Act:

### Functional area of Local Government Competence

#### Indaka Mandate & Compliance

Schematic Representation of the powers and functions in terms of the Municipal Systems Act

| Municipal Structures Act (Section 84) - the what! | #  | Item   | Legislative Compliance | Municipality Mandate | Perform Duty |
|---|----|--|------------------------|----------------------|--------------|
|   | 1  | Integrated Development Planning (incorporating Municipal Planning) |                        | •                    | •            |
|   | 2  | Water & Sanitation (limited to potable water supply)               |                        |                      |              |
|   | 3  | Electricity & Gas Provision  |                        |                      |              |
|   | 4  | Waste Water & Sewage Disposal Systems                              |                        |                      |              |
|   | 5  | Solid Waste Management   |                        | •                    | •            |
|   | 6  | Municipal Roads & Stormwater Management                            |                        | •                    | •            |
|   | 7  | Child Care Facilities  |                        |                      |              |
|   | 8  | Passenger Transport Services                                       |                        |                      |              |
|   | 9  | Municipal Airports   |                        |                      |              |
|   | 10 | Municipal Health Services  |                        |                      |              |
|   | 11 | Fire Fighting Services   |                        |                      |              |
|   | 12 | Fresh Produce Markets & Abattoirs                                  |                        |                      |              |
|   | 13 | Cemetaries & Crematoria  |                        | •                    | •            |
|   | 14 | Parks & Recreation (including Sport Stadiums)                      |                        |                      |              |
|   | 15 | Local Tourism  |                        | •                    |              |
|   | 16 | Municipal Public Works   |                        |                      |              |
|   | 17 | Grants Management  |                        | •                    | •            |
|   | 18 | Trading Regulations  |                        |                      |              |
|   | 19 | Building Regulations   |                        |                      |              |
|   | 20 | Traffic & Parking  |                        |                      |              |
|   | 21 | Taxes, Levies & Duties   |                        | •                    | •            |

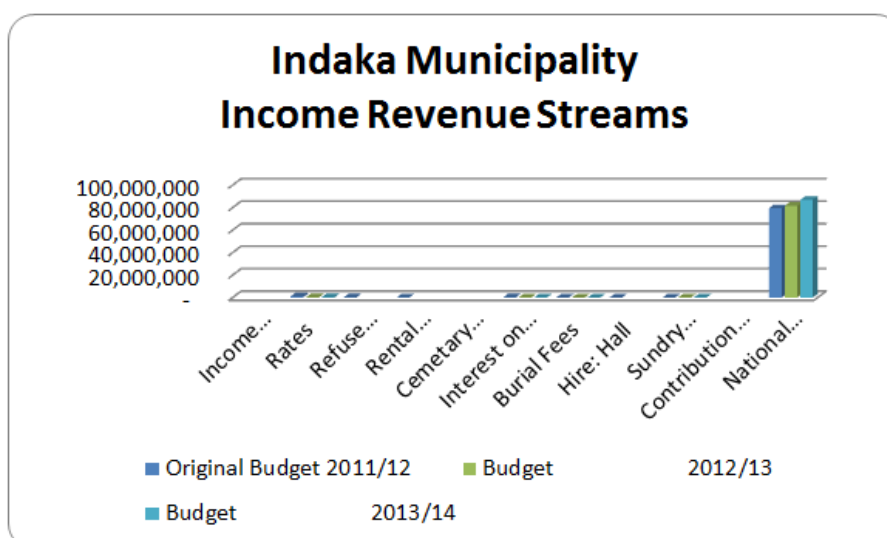
| Municipal Structures Act wrt Duties - the how! | #  | Item   | Legislative Compliance | Municipality Mandate | Perform Duty |
|--|----|--|------------------------|----------------------|--------------|
|  | 1  | Accountability   |                        | •                    | •            |
|  | 2  | Community Participation                                    |                        | •                    | •            |
|  | 3  | Financially & Environmentally Sustainable Service Delivery |                        | •                    | •            |
|  | 4  | Equitable Access to Municipal Services                     |                        | •                    | •            |
|  | 5  | Local Development  |                        | •                    | •            |
|  | 6  | Gender Equity  |                        | •                    | •            |
|  | 7  | Safe & Healthy Environment                                 |                        | •                    | •            |
|  | 8  | Integrated Development Planning                            |                        | •                    | •            |
|  | 9  | Performance Management Systems                             |                        | •                    | •            |
|  | 10 | Incremental Improvement                                    |                        | •                    | •            |
|  | 11 | Responsible Financial Management                           |                        | •                    | •            |

**Table 14: Municipal Powers and Functions**

The Complete Indaka Mandate and Compliance performance evaluation documentation is attached as **Appendix K14**.

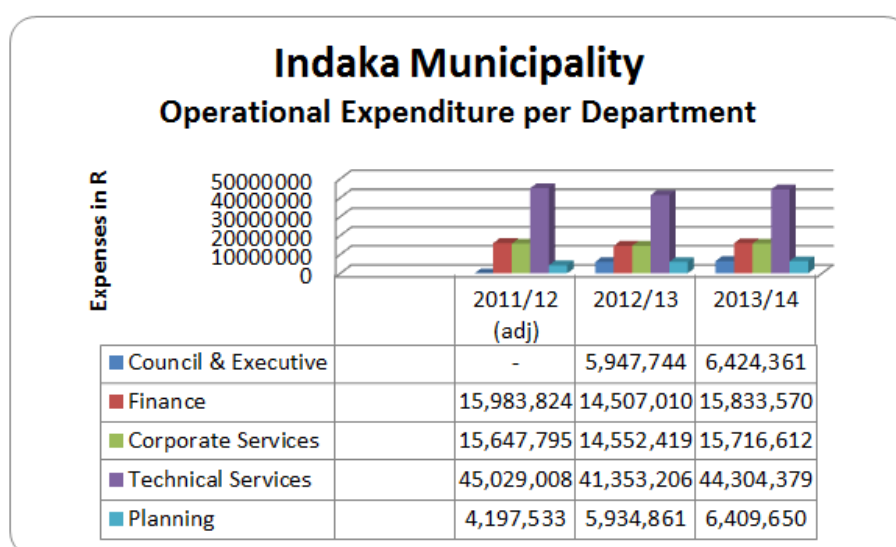


## B14 Financial Realities



**Figure 14: Income Revenue stream for Indaka Municipality**

The diagram above depicts the Income Revenue stream for Indaka Municipality, and of note is that the municipality is sole dependent of grants to cover its operation costs. The current adjusted budget has shown saving within the operating budget due to non-funded position, of which an approximate R7 million has been re-allocated toward capital expenditure.



**Figure 15: Operational Expenditure per Department within the Indaka LM**

The diagram above depicts the operating expenditure per Department within the Indaka Local Municipality within the current and over the future medium term period. Of note, is that the Department Technical Services contributes to the largest portion of the operating costs. The following diagrams outlines and expresses the expenditure per department as a percentage. Of note that technical services contributes to more than 50% of the operating expenditure.

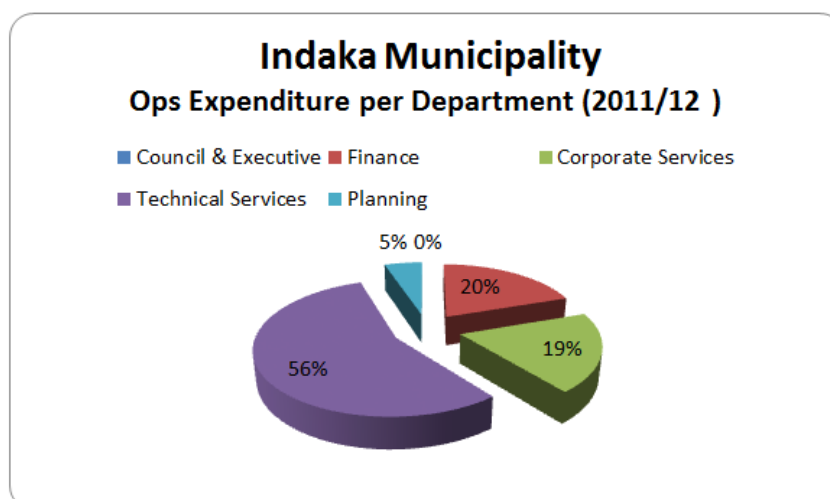


Figure 16: Operating Expenditure per Department (2011/12)

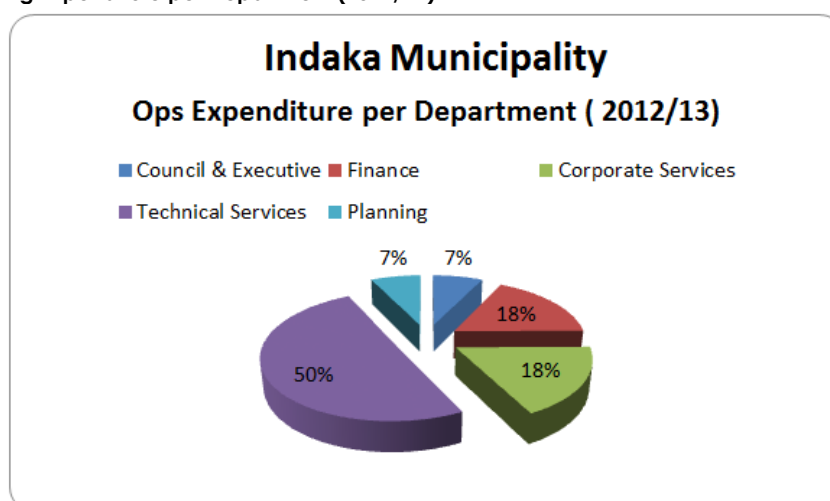


Figure 17: Operating Expenditure per Department (2012/13)

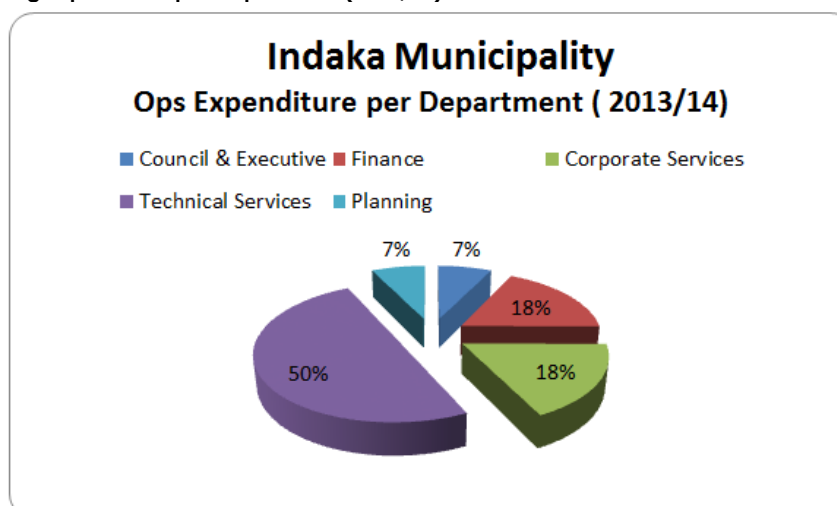


Figure 18: Operating Expenditure per Department (2013/14)

The diagram below depicts the Capital Expenditure per Department for the current financial year, with the following tables indicating the projections for following financial years. Yet again, Technical Services are the dominant users of the Capital Budget.

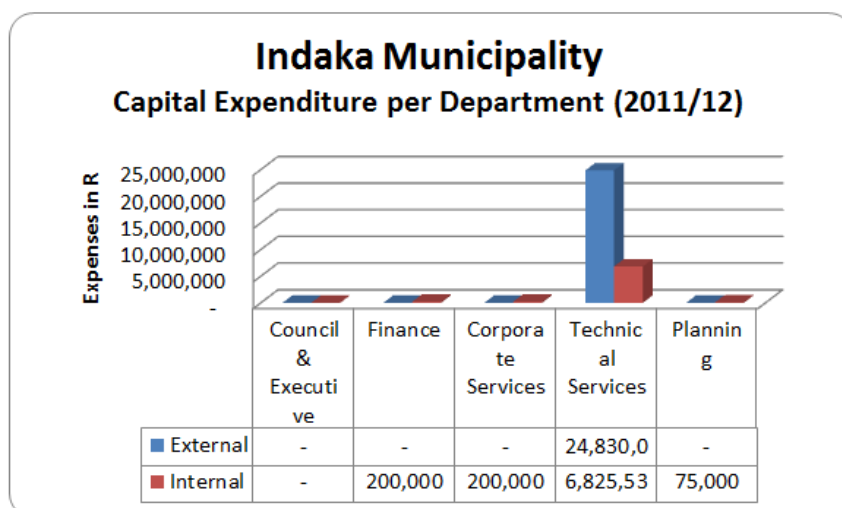


Figure 19: Capital Expenditure per Department (2011/12)

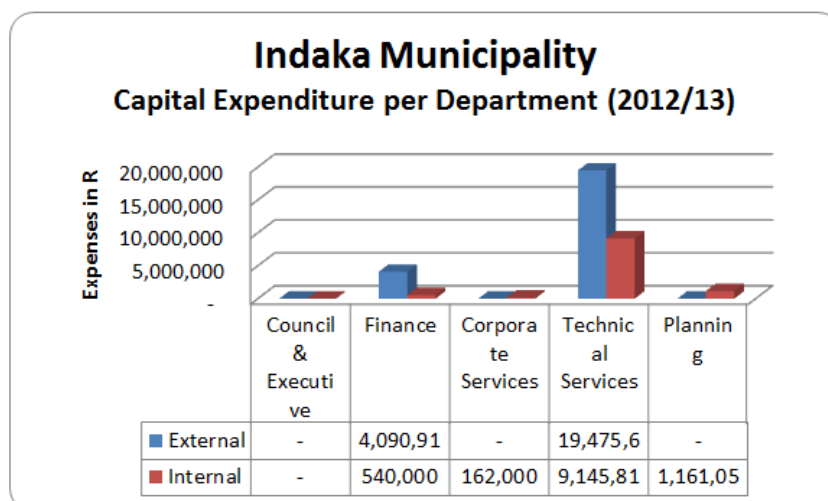


Figure 20: Capital Expenditure per Department (2012/13)

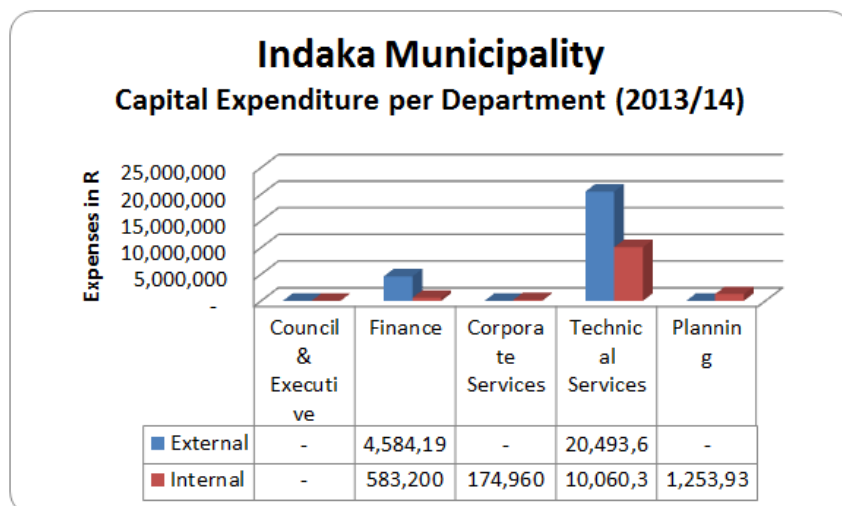


Figure 21: Capital Expenditure per Department (2013/14)

## B15 Broad Based Community Needs

The broad based community needs per ward of the municipality were determined during a strategic session held on 5 and 6 December 2011. The resulting document, which contains the findings of the strategic session, inclusive of the Broad based community needs is attached as **Appendix K15**, being the Indaka Situational Analysis Findings.

In addition to the strategic session, the individual ward councilors prioritized the main needs in terms of priority in their respective wards. Below is a table which reflects the priority needs analysis per ward:

### Indaka Local Municipality Priority Needs Analysis per Ward

The table below depicts a list of priorities identified through Stakeholder Engagement ranked in order of priority 1 - 16

| Priorities / Needs |                                 | Wards |    |    |    |    |    |    |    |    |    |
|--------------------|---------------------------------|-------|----|----|----|----|----|----|----|----|----|
|                    |                                 | 1     | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10 |
| 1                  | Water                           | 1     | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1  | 1  |
| 2                  | Sanitation                      | 3     | 3  | 4  | 2  | 10 | 3  | 3  | 2  | 2  | 6  |
| 3                  | Electricity                     | 4     | 12 | 2  | 3  | 11 | 2  | 2  | 3  | 4  | 7  |
| 4                  | Roads & Stormwater              | 2     | 4  | 3  | 4  | 2  | 5  | 5  | 4  | 5  | 5  |
| 5                  | Housing & Land                  | 5     | 11 | 6  | 5  | 12 | 6  | 6  | 5  | 3  | 3  |
| 6                  | Community / Sports Facilities   | 6     | 5  | 8  | 8  | 5  | 7  | 11 | 10 | 10 | 8  |
| 7                  | Health                          | 9     | 2  | 5  | 6  | 7  | 4  | 4  | 8  | 6  | 11 |
| 8                  | Education                       | 11    | 10 | 7  | 7  | 8  | 11 | 7  | 9  | 9  | 9  |
| 9                  | Safety & Security               | 10    | 8  | 12 | 11 | 6  | 8  | 8  | 12 | 12 | 12 |
| 10                 | Waste Collection                | 13    | 7  | 13 | 12 | 3  | 13 | 15 | 13 | 13 | 13 |
| 11                 | Local Economic Development      | 8     | 6  | 9  | 9  | 4  | 12 | 9  | 11 | 8  | 4  |
| 12                 | Cemetaries                      | 14    | 16 | 16 | 16 | 13 | 16 | 16 | 16 | 16 | 16 |
| 13                 | Agricultural Development        | 12    | 9  | 10 | 13 | 16 | 10 | 12 | 6  | 7  | 2  |
| 14                 | Public Transport                | 7     | 13 | 11 | 10 | 14 | 9  | 10 | 7  | 11 | 10 |
| 15                 | Environmental Management        | 15    | 14 | 14 | 14 | 9  | 14 | 14 | 14 | 14 | 14 |
| 16                 | Tourism & Associated Facilities | 16    | 15 | 15 | 16 | 15 | 15 | 13 | 15 | 15 | 15 |

Table 15: Indaka Municipality - Priority Needs Analysis per Ward

Analysis of the above table also provided a ranking of the priority needs at a municipal wide level. This is illustrated in the table below:

### INDAKA LOCAL MUNICIPALITY Expressed Ward Priorities / Needs

| No | Priority Area / Need            | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Share of Wards | Rank |
|----|---------------------------------|---|---|---|---|---|---|---|---|---|----|----------------|------|
| A  | Water                           |   |   |   |   |   |   |   |   |   |    | 100%           | 1    |
| B  | Sanitation                      |   |   |   |   |   |   |   |   |   |    | 80%            | 3    |
| C  | Electricity                     |   |   |   |   |   |   |   |   |   |    | 70%            | 4    |
| D  | Roads & Stormwater              |   |   |   |   |   |   |   |   |   |    | 100%           | 2    |
| E  | Housing & Land                  |   |   |   |   |   |   |   |   |   |    | 50%            | 5    |
| F  | Community / Sports Facilities   |   |   |   |   |   |   |   |   |   |    | 20%            | 7    |
| G  | Health                          |   |   |   |   |   |   |   |   |   |    | 40%            | 6    |
| H  | Education                       |   |   |   |   |   |   |   |   |   |    | 0%             |      |
| I  | Safety & Security               |   |   |   |   |   |   |   |   |   |    | 0%             |      |
| J  | Waste Collection                |   |   |   |   |   |   |   |   |   |    | 10%            | 10   |
| K  | Local Economic Development      |   |   |   |   |   |   |   |   |   |    | 20%            | 8    |
| L  | Cemetaries                      |   |   |   |   |   |   |   |   |   |    | 0%             |      |
| M  | Agricultural Development        |   |   |   |   |   |   |   |   |   |    | 10%            | 9    |
| N  | Public Transport                |   |   |   |   |   |   |   |   |   |    | 0%             |      |
| O  | Environmental Management        |   |   |   |   |   |   |   |   |   |    | 0%             |      |
| P  | Tourism & Associated Facilities |   |   |   |   |   |   |   |   |   |    | 0%             |      |

#### TOP MUNICIPAL DEVELOPMENT ISSUES

- 1 Water
- 2 Roads & Stormwater
- 3 Sanitation
- 4 Electricity
- 5 Housing & Land
- 6 Health
- 7 Community / Sports Facilities
- 8 Local Economic Development
- 9 Agricultural Development
- 10 Waste Collection

Table 16: Indaka Municipality - Expressed Ward Priorities / Needs

## B16 IDP SWOT Analysis

An IDP SWOT analysis was undertaken per line department of the municipality. These SWOT Analysis' are regarded as the IDP swot analysis. It serves to also show the interrelationship between the strengths, weaknesses, opportunities and threats between departments:

### Technical Services Department

| STRENGTHS   | WEAKNESSES  |
|---|---|
| <ul style="list-style-type: none"> <li>Team work</li> <li>Delivering of Basic services with limited resources</li> <li>Availability of MIG funding</li> <li>Friendly Working environment</li> <li>Tourism opportunities</li> </ul>      | <ul style="list-style-type: none"> <li>Lack of financial Base to collect</li> <li>Insufficient resources</li> <li>High Staff turnover</li> <li>Poor Communication infrastructure</li> </ul>           |
| OPPORTUNITIES   | THREATS   |
| <ul style="list-style-type: none"> <li>Job Creation and employment</li> <li>Land availability</li> <li>Business opportunities</li> <li>Access to al basic services</li> <li>Skills development</li> <li>New shopping complex</li> </ul> | <ul style="list-style-type: none"> <li>Unemployment and poverty</li> <li>Lack of communication with sector departments</li> <li>Ruling of Municipal Governance and traditional authorities</li> </ul> |

### Financial Services Department

| STRENGTHS  | WEAKNESSES  |
|--|---|
| <ul style="list-style-type: none"> <li>GRAP Compliant Budget (approved annually on time)</li> <li>GRAP Compliant AFS</li> <li>Committed and dedicated staff</li> </ul>   | <ul style="list-style-type: none"> <li>Constant changes in administrative leadership</li> <li>Budget not fully cash backed</li> <li>Current ratio of funding: 60% Grant Funding &amp; 40% Internal Funding</li> <li>Low collection rate</li> <li>Lack of automated system to monitor consumer queries</li> <li>Lack of capacity (personnel and equipment)</li> <li>Lack of exposure to new developments pertinent to finance related matters (e.g. IMFO networking and other relevant professional bodies)</li> </ul> |
| OPPORTUNITIES  | THREATS   |
| <ul style="list-style-type: none"> <li>Provision of Bulk Electricity</li> <li>Control of Fresh Produce Markets &amp; Abattoirs</li> <li>Utilization of smart metering system</li> <li>Participation in strategic national networking symposiums</li> </ul> | <ul style="list-style-type: none"> <li>Lack of communication (Departments working in silos)</li> <li>Going concern</li> <li>Unemployment</li> <li>Culture of non payments</li> <li>Adverse Audit Opinion</li> </ul>   |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>Poor procurement planning (not aligned to budget which leads to large volumes of deviations)</li> </ul> |
|--|--|

## Housing Development and Planning Department

| STRENGTHS   | WEAKNESSES   |
|---|--|
| <ul style="list-style-type: none"> <li>Availability of land</li> <li>Good working environment</li> <li>Land suitable for tourism</li> </ul> <p>Greater opportunities for Local Economic Development</p> | <ul style="list-style-type: none"> <li>Dependant on grants</li> <li>Insufficient resources</li> <li>Need for organogram review</li> <li>Poor Communication infrastructure</li> <li>No proper planning</li> <li>No GIS facilities</li> <li>Outdated zoning</li> <li>No infrastructure Plan</li> <li>Outdated Housing Sector Plan</li> </ul> |
| OPPORTUNITIES   | THREATS  |
| <ul style="list-style-type: none"> <li>Local Economic Development</li> <li>Tourism opportunities</li> <li>Business opportunities</li> <li><b>Agricultural opportunities</b></li> </ul>                  | <ul style="list-style-type: none"> <li>Crime rate increase</li> <li>Unemployment</li> <li>Unfavourable audit opinion</li> </ul>  |

## Corporate Services Department

| STRENGTHS   | WEAKNESSES   |
|---|--|
| <ul style="list-style-type: none"> <li>Most of staff members are skilled</li> <li>Good understanding of duties and responsibilities by staff members</li> <li>High level of commitment and willingness to conform by staff members</li> </ul> | <ul style="list-style-type: none"> <li>Geographical location of the municipal area</li> <li>Municipality unable to attract and retain highly skilled employees</li> <li>Job evaluation incomplete</li> </ul> |
| OPPORTUNITIES   | THREATS  |
| <ul style="list-style-type: none"> <li>Availability of funds for Staff Training</li> </ul>  | <ul style="list-style-type: none"> <li>High labour turnover due to inadequate work environment based on the geographical location of the municipality</li> </ul>   |

## B17 Summary of Backlogs and Achievements

In cooperation with other service delivery agencies, including the uThukela District Municipality, provincial departments and others, the Indaka Municipality is attempting to eradicate service backlogs, grow the economy of the municipal area and improve the lives of all its citizens. Notwithstanding the combined efforts of these agencies, vast backlogs to various services still exist in the municipality. In summary of some of the backlogs which still exist and, in line with these efforts, the following achievements can be noted:

|                                    |  |
|------------------------------------|--|
| <b>Sanitation</b>                  | 18,2% of households had no access to any sanitary (toilet) facility in 2007, down from 38,3% in 2001   |
|                                    | The bucket system has been eradicated in the municipality  |
|                                    | Dry toilet facilities and chemical toilets are the major sanitation types in the municipality with 33,4% and 27,3 of households in the municipality having access to this  |
| <b>Unemployment and Dependency</b> | Unemployment is estimated at 72% of the total population, with an associated dependency ratio of 63%. Partly due to this, the Financial Grant Dependency equals 92%  |
| <b>Water</b>                       | Piped water inside dwellings has increased from 1,5% to 4,7% of households between 2001 and 2007.  |
|                                    | Piped water inside the yard has increased from 40,4% to 52,4% of households between 2001 and 2007.   |
|                                    | Approximately 20% of households obtain water from natural sources like dams, springs and rivers.   |
| <b>Electricity</b>                 | The household use of electricity for cooking has increased from 15,1 % to 32% between 2001 and 2007. The majority (48,9%) uses wood for cooking purposes.  |
|                                    | The household use of electricity for heating has increased from 11,2 % to 20% between 2001 and 2007. The majority (55,7%) uses wood for cooking purposes.  |
|                                    | The household use of electricity for lighting has increased from 46,8 % to 61,2% between 2001 and 2007. 35,4% of households uses candles for cooking purposes.   |
| <b>Housing</b>                     | Approximately 50% of housesold are residing in a House or brick structure on a separate stand or yard, with the majority of the balance of households residing in Traditional dwelling / hut / structure.  |
|                                    | The municipality has completed Housing projects such as ward nine housing project and others are under construction  |
| <b>Refuse</b>                      | Only 8,7 % of households enjoy weekly refuse removal by the municipality, with 3,7% less regularly by the municipality. 84% of households make use of their own refuse removal facilities.   |
| <b>Roads</b>                       | The municipality managed to establish and complete six gravel roads through MIG assistance, namely: Ezihlabathini Road, Inkinga Road, Waihoek Road, Limehill Road, Umgejakazi Road and the Ilenge Road   |
|                                    | <p>We further engaged ourselves in the maintenance and clearing of several local roads within Indaka Municipality using our own equipment and plant. These include:</p> <ul style="list-style-type: none"> <li>• Establishment of Emabhekazi Road to the Reservoir</li> <li>• Clearing of Nodada Road</li> <li>• Clearing of access road around Uitval</li> <li>• Clearing of access roads in Stanford</li> <li>• Clearing of access roads at Ekuvukeni</li> <li>• Clearing of access roads from Amakhasi Area to the Graveyard</li> <li>• Clearing of access roads at KwaMteyi</li> <li>• Establishment of sewerage access road</li> <li>• Installation of the storm water system near Ekuvukeni Police Station.</li> <li>• Installation of storm water pipes at Ekuvukeni</li> <li>• Quarry loading to various places at Indaka</li> </ul> |
| <b>Social Services</b>             | The following social services are found in the municipality: 1 police station, 83 schools, 5 community halls, 3 health facilities and 1 library  |

## B18 Conclusion on IDP Challenges

Not only is the municipality faced with numerous service delivery and socio-economic backlogs and challenges, including, amongst other the following:

- Road and stormwater provision and maintenance;
- Limited agricultural potential;
- High reliance on social grants as well as a high level of unemployment;
- Environmental degradation due to lack of management (dongas, etc, need to develop EMP);
- Overcrowding in schools; and
- Social services far short of desirable, inclusive of sport recreational facilities.

Also, there are challenges relating to the strategic planning processes of the municipality as well. During its strategic session in December 2011, the municipal representatives construed that:

- The IDP should be developmental and holistic in its approach;
- It needs to attempt to overcome the poor planning legacy of apartheid past;
- The IDP must Co-ordinate the planning and implementation of local government and other spheres of government;
- Take into account existing conditions and problems and resources available for development;
- Involve both the municipality and communities;
- Link together the different strategies of different sectors, such those housing, water, infrastructure, etc; and
- Allocate the municipality's budget and resources in the best way possible.

Part of developing an IDP includes identifying and analyzing the key issues that are characteristic to the IDP process and include:

The IDP is complicated:

- The needs of the poor communities are often not given the right priority
- The government and other stakeholders can dominate the process and often have their own agenda and sense of priorities
- Where the needs of communities are addressed in the IDP or municipal budget, it is only to a limited extent and backlog continues to grow.

## **B19 "Turn Around" Strategies (MTAS)**

In December 2009, Cabinet approved a turnaround strategy for local government. This is expected to ensure that local government has the correct management, administrative and technical skills.

The strategy has been distilled into a local government 10-point plan, which includes:

- improving the quantity and quality of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management;
- enhancing the municipal contribution to job creation and sustainable livelihoods through LEDs, and utilising cooperatives in every ward;
- deepening democracy through a refined ward committee system that will be based on the will of the people;
- ensuring that municipalities have and implement reliable and credible integrated development plans (IDPs);
- building and strengthening the administrative, institutional and financial capabilities of municipalities;



- creating a single window of coordination, support, monitoring and intervention to deal with uncoordinated interaction by other spheres of government with municipalities, including unfunded mandates;
- rooting out corruption, nepotism and maladministration in the system of local government;
- developing a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system;
- developing and strengthening a stable system of municipalities; and
- restoring the institutional integrity of municipalities.

The Indaka Municipality has developed and implemented a Municipal Turn Around Strategy, as per the guidelines of the related national initiative. The Turn Around Strategy identifies priority areas of development and service delivery needs within the municipality's area of jurisdiction, according to the following broad priority areas:

- Service Delivery
- Financial and Administrative Capacity
- Labour Relations
- Governance/Public Participation
- LED Enabling Environment

The Turn Around Strategy will aim to focus resources within the municipality at the most urgent requirements and to turn the municipality into a viable entity, which can effectively fulfill its service delivery mandate. As such, this strategy is integrated into the IDP through the service delivery plans of the municipality. The following table indicates the ten priority turn around focal areas for the Indaka Municipality:

|  | BASELINE  | INDICATORS   |  | TARGETS                                  | PROGRESS ACHIEVED  | BLOCKAGES    | CORRECTIVE MEASURES  | SUPPORT NEEDED IN TERMS OF UNBLOCKING |
|--|---|--|--|--|--|--------------|--|---------------------------------------|
| <b>SERVICE DELIVERY</b>  |   |  |  |  |  |              |  |                                       |
| Access to basic (or higher) refuse removal & solid waste disposal P1 | 2,743   | Nr of households with access to basic (or higher) refuse removal | Extension of service to 2 more wards Uitvaal & Waaihoek. Appointment of service provider.                                    | 3,000                                    | Service rendered at all intended wards & about 2,800 households are getting the service                          |              |  | No support needed yet.                |
| Access to municipal roads  | 45km regarding & maintenance of access roads at Ekuvukeni & all 9 remaining wards | Km of new municipal roads constructed                            | Purchase of Equipment & Plant (Roller Water Tanker) for upgrade & maintenance of access roads & extend service to all wards. | 70km Gravel roads upgrade & maintenance. | Roller purchased & about 40km access roads regavelled at Ekuvukeni. Municipality has purchased new Water Tanker. |              | Water Tanker purchased & currently on site. Program devised for road upgrade in all wards. | No support needed yet.                |
| <b>LABOUR RELATIONS</b>  |   |  |  |  |  |              |  |                                       |
| Functionality of Local Labour Forum                                  | 4 meetings  | Level of Functionality of Local Labour Forum (LLF)               | Holding of regular Local Labour Forum meetings   | 4 meetings                               | Local Labour Forum reviewed & 1 meeting held   | No blockages | Another meeting to be held to discuss Job Evaluation Progress                              | No support needed yet                 |

| FINANCIAL & ADMINISTRATIVE CAPACITY |   |  |   |   |  |   |   |  |
|-------------------------------------|---|--|---|---|--|---|---|--|
| Expenditure Management              | Effective Cash Flow Management                | Monthly operational expenditure as a percentage of planned expenditure | Cash Flow to be constantly monitored  | Compilation & Submission of monthly Financial Reports | Monthly Financial Reports submitted to EXCO. Control over Management of payment i.e. payments only done twice a month. Drastic improvement on overall Municipal Finances                     | None  | Not needed  | No support needed yet                              |
| Unqualified Audit                   | Intention to receive unqualified Audit Report | Audit opinion  | Municipality fully converted to GRAMAP all previous Audit queries addressed & Annual Financial Statements submitted on time | Clean Audit Report                                    | Municipality fully converted to GRAMAP & all previous Audit queries addressed & Annual Financial Statements submitted on time. Municipality has Program of Action for 2009/2010 Audit Report | None  | Engagement of Service Provider for GRAP GAMAP Convention & appointment of Internal Audit Unit as well as Functionality of the Audit Committee | Support needed from National & Provincial Treasury |
| Administration                      | Completion of the Municipal Work Skills Plan  | Updated & credible Municipal Work Skills Plan & Implementation thereof | Completion & updating of WSP  | 1 WSP   | WSP template completed & submitted on time as a matter of compliance   | Municipality has no capacity for completion & Management of WSP | Province approached & is prepared to assist & Governance Expert appointed by the Province also assists  | Support needed from Province                       |

| GOVERNANCE / PUBLIC PARTICIPATION  |  |  |  |   |  |      |  |   |
|--|--|--|--|---|--|------|--|---|
| Governance Functions between Political & Administrative Structures & ensuring that Council plays an oversight role | Workshop for 20 Councillors & 6 Managers                           | 1.8. Implementation of revised, adopted governance frameworks, policies & guidelines               | P Adoption of New Governance Frameworks. Workshop & implementation of New Governance Framework | Conduct workshop to ensure implementation | Terms of Reference adopted. Workshop conducted 17 Councillors & 6 officials. Implementation from monitored | None | Constant monitoring of Policies Implementation Workshop already conducted on new Councillors                 | No support needed yet                                     |
| Municipal SCOPA  | 1 SCOPA Committee to be established                                | 6.10. P. Municipal SCOPA established & functional  | Province requested to give information session   | Establishment of Municipal SCOPA          | Province requested to give information session. Provincial experts have been appointed                     | None | New Council elected the SCOPA  | Support needed from Province. Provincial experts deployed |
|  | N/A  | (ten point plan) Identify tensions between internal municipal stakeholders or political structures | N/A  | N/A                                       | N/A  | N/A  | N/A  | N/A   |
| Public Participation Enhancement   | 20 Councillors 100 Ward Committees 20 Representative Forum Members | % of functional ward committees in terms of the new model  | Council adopted new model Revival of Ward Committees training on CPF                           | 140                                       | New model adopted & workshoped 71 members trained CPF received from Province                               | None | Training of Ward Committee on 28/10/2010. CPF workshop done. Dates set for reconstitution of ward Committees | Assistance received from Province                         |
|  | 10 meetings per quarter  | Number of ward committee management meetings   | Holding of 10 ward committee meetings per quarter and report to EXCO                           | 10  | 2 out of 10 meetings held during quarter ending September 2010   | None | Revised schedule to be made & holding of meetings to be enforced after constitution                          | Support received from Province                            |
|  |  | Number of community meetings held  | No information received from Councillors   |   | In future Councillors will be asked to give Municipality the information                                   |      | Speaker's Public Participation Program was a success   |   |

| LED / ENABLING ENVIRONMENT                    |   |  |  |                                      |  |  |   |   |
|---|---|--|--|--------------------------------------|--|--|---|---|
| Enabling environment for growth & development | LED Strategy (Development of an Effective LED Plan) | LED Strategy & plans are aligned with PGDS | To ensure that an effective LED Plan exists for the Municipality | Development of an Effective LED Plan | LED Strategy advert put up for the appointment of a Service Provider for the compilation of a Prescient Plan | None Availability of Land for Development in the Municipal Area most Land belongs to Ingonyama Trust | Approached Provincial Government for assistance | Approached Provincial Government for assistance |

**Table 17: 10 Priority Turn Around Focal Areas for the Indaka LM**

The complete "Turn Around" Strategy for the Indaka Municipality is attached as **Appendix K13**.

## SECTION C: DEVELOPMENT STRATEGIES

### C1 Introduction: Integration and Alignment

The schematic representation below provides outline of the integrated approach followed in the formulation of the Indaka IDP, which demonstrates the alignment between the National Key Performance Areas (NKPA's) and the Provincial Key Priorities supported by the State of Province Address 2011. These key areas of intervention are in turn aligned with the 12 National Outcomes that serve as the Development Thrusts (regarded as the non-negotiables). Each of these priorities are benchmarked against the backbone of the Provincial Sustainability Approach followed in the formulation of the Provincial Growth and Development Strategy (PGDS) 2011. The supporting pillars are:-

- **Economic Efficiency** through capital gain to attain Prosperity;
- **Social Equity** to ensure the development of Human Capital; and
- **Ecological Integrity** to ensure Environmental Capital.

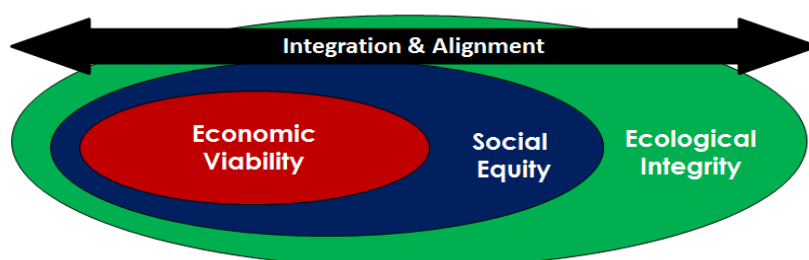


Figure 22: The Supporting Pillars of Integration & Alignment

The following triggers have been identified in support of the sustainability approach:-

- *Economic Strengths – higher living greater prosperity*
- *Competitiveness to Attract Capital – economic incentives*
- *Infrastructure Strength – sustain & promote*
- *Housing Development – ownership opportunity*
- *Social Strength – public assets*
- *Energy Usage- environmental change*
- *Agriculture Protection – urbanisation to non-renewable*
- *Environmental Conservation – balance development*
- *Good Governance – pro-poor approach*
- *Safety & Security – community stability*

These sustainable pillars are further support by:-

- **Good Governance**, building capacity within province to guide and direct growth and development through policy and strategic coordination, to ensure effective, accountable, competent, caring, facilitating government and will eradicate corruption;
- **Strategic Infrastructure Development**, focusing on catalytic projects to stimulate and growth and development at national and provincial scale such as public and freight transport, ICT, water and electricity;
- **Spatial Development and Management**, focusing of poly centric development, population density management, rural development, appropriate land use management through spatial referencing and guidance.

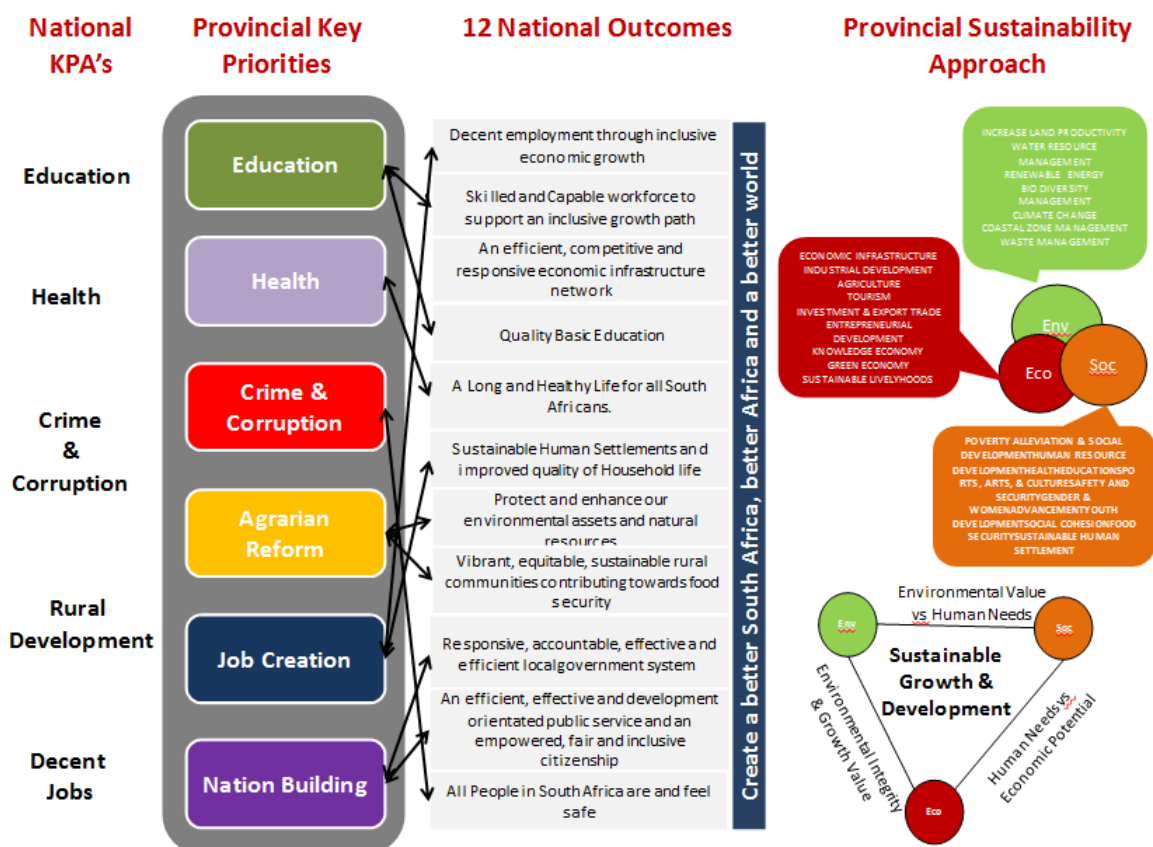
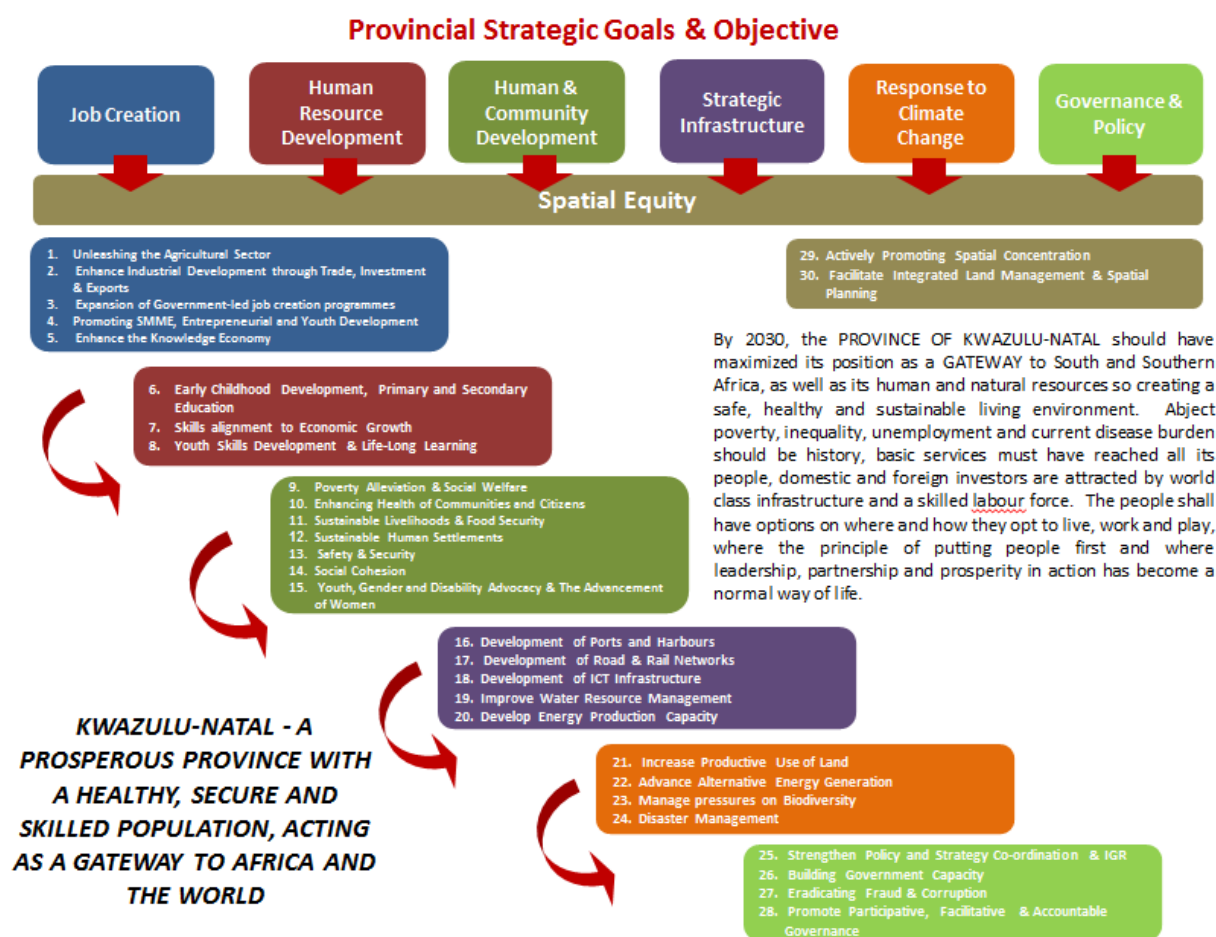


Figure 23: National KPA's



**Figure 24: Provincial Strategic Goals & Objectives**

In response to the sustainability approach the province developed a Strategic Framework formulating seven (7) Strategic Goals and thirty (30) Strategic Objectives in support of the Key Priorities to achieve its desired 2030 growth and development vision as outlined in the diagram. Of note, is that these strategic goals and objectives manifests itself within a-spatial and spatial context, hence the formulation of a Provincial Spatial Development Framework (PSDF) to guide and direct district and local level integration and alignment. (Refer to Chapter 4 for more details with regards to how Indaka have adopted this philosophy and its response in support of the strategic goals and objectives at local level).

## C2 Indaka's Position Statement

The Indaka Municipality's position statement is embodied by its core values and principles in its approach to fulfilling its mandate to its people. The Indaka Municipality is working towards its vision by:

- Providing Services in a sustainable manner;
- Creating an enabling environment for economic development;
- Empowering municipal staff and social stakeholders to fulfil a developmental role;
- Ensuring the participation of marginalized target groups especially women, youth, disabled and HIV/Aids infected and affected; and
- Ensuring a clean and safe environment.

The municipality's approach towards fulfilling its mandate is also informed by the principles of Batho Pele:

- Showing compassion and care to all municipal customers.
- Treating all residents with equality, integrity and respect they deserve.
- Attending and responding to all queries efficiently.
- Conducting the municipal business processes in an ethical and professional manner.

## C3 Indaka's Development Vision

This vision is informed by following attributes:

- Indaka is a rural municipality
- The majority of Indaka households are poor and illiterate
- Prior to 1994 Indaka was not included under local government structures

**The Municipal vision is as follows:**

"Championing development to improve the quality of life to all Indaka communities"

### ***The Mission statement***

The mission statement has been carefully crafted to give a motivating message to the staff and the residents of Indaka municipality.

It is as follows:

- Providing Basic Services in a sustainable manner
- Promoting a social and economic development
- Promoting a safe and healthy environment
- Promoting public participation in the matter of local government

Emanating from the mission statement are the specific and clear objectives leading to development strategies. The objectives give the clear specifications on what are the municipality's intentions in order to address the identified issues and gaps.

## C4 Indaka's Development Thrusts

1. To provide and promote access to infrastructure and basic services;
2. To reconfigure lands cape of Indaka for economic regeneration;
3. To promote economic development and environmental sustainability;
4. To promote good governance and financial discipline;
5. To provide and promote access to public infrastructure;
6. To promote access to basic services;
7. To redesign spatial face of Indaka to promote economic opportunities;
8. To create efficient and effective administration;
9. To promote efficient and effective use of resources;
10. To provide access to basic facilities.

## C5 Indaka's Strategic Development Role

The diagram below depicts the strategic role that the Indaka Local Municipality will fulfill as part of their service delivery programme.

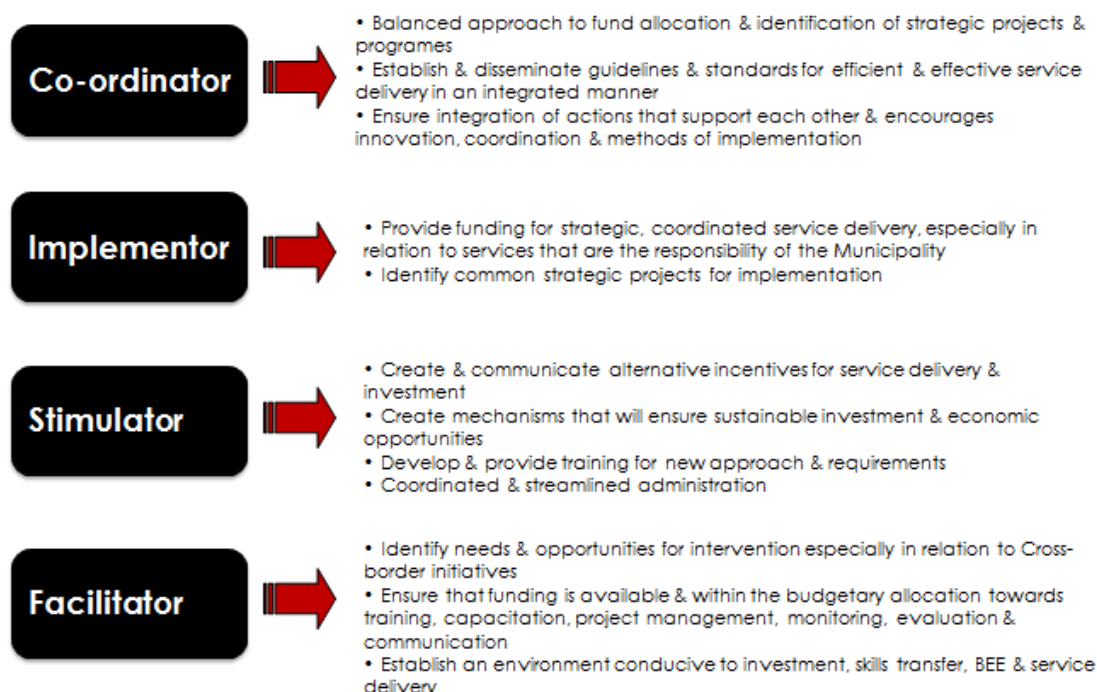


Figure 25: Strategic Role of Indaka LM as part of their Service Delivery Programme

## C6 Indaka's Development Strategies

The Indaka Development Strategies serve as a link between the development thrusts and the programmes and projects that will serve to fulfil the service delivery mandate of the municipality. Categorised per service delivery department of the municipality, the Indaka development strategies are as follows:

### Corporate Services

- To have fully functional and effective Public Participation System;
- To have well-structured Human Resource Policies.

### Housing, planning and Development

- Formulation of credible and viable IDP;
- Formulation of SDF which form part of the IDP;
- Establishment of new landfill site;
- Development and review of the LED Strategy;
- Monitoring and support to mining industry;
- Valuation of properties and disposal of non-core assets;
- Effective and legally compliant processing of land use applications;
- Annual revision of Housing Plan;
- Formalization of traditional dwellings and security of tenure; and
- Revision of the Disaster management Plan



## **Technical**

- Construction of 500km of new roads and storm water drainage systems, maintenance to existing 200 km roads;
- Construction of 5000 new RDP houses, and provision of electricity to 3000 households;
- Construction of Multipurpose Sport facilities.

## **Finance**

- To raise collection rate on billing;
- To obtain a clean Audit Report;
- Pay creditors within 30 days;
- To ensure compliance with SCM Policy and regulations;
- To ensure effective management of budgeting process (realistic and credible);
- To Expand revenue base (e.g. proper implementation of PRA);
- To have an asset register that fully complies with the requirements of GRAP 17.



# SECTION D: THE SPATIAL DEVELOPMENT FRAMEWORK

## D1 Alignment of the SDF with Key Provincial & National Policies

### Policy Context

Since 2009, Government departments and institutions of Government have been required to focus their planning drawing from a number of inter-related policy documents. Of significance here is the five (5) National and six (6) Provincial Priorities, the twelve (12) National Outcomes, the New Growth Path the National Planning Commissions Diagnostic and at the global level the Millennium Development Goals (MDGs). This policy context serves to highlight the key threads of the different yet related policy frameworks. Their relevance lies in their developmental principles that any growth and development strategy will need to subscribe to in order to address the constraints and so harness the provincial strengths to bring about growth and development that will benefit all KZN people.

The Five National and Six Provincial Priorities include the following:

- Job Creation (Decent work and Economic growth);
- Education;
- Health;
- Rural Development, food security and land reform;
- Fighting Crime and corruption; and
- Nation Building and Good Governance (*State of KZN Province Address February 2010*).

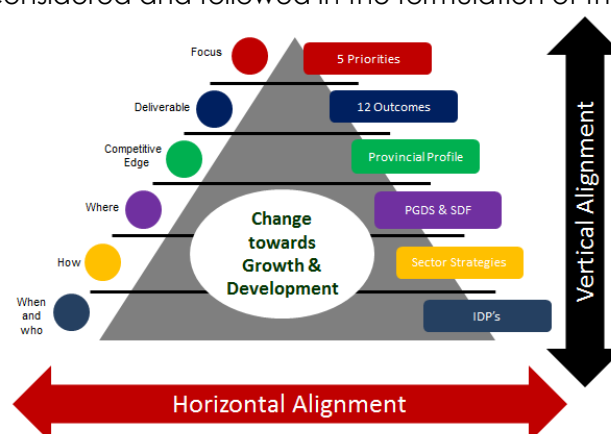
The 12 National Outcomes that all provincial governments must align too, has played a critical role in providing the foundation towards alignment and integration of current policy directives.

The United Nations MDGs declaration aims to promote a 'comprehensive approach and a coordinated strategy, tackling many problems simultaneously across a broad front'. It is a critical document whereby all signatory countries and development organizations have committed to aligning themselves with achieving the targets set by 2015. The goals are as follows:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/Aids, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a global partnership for development

The Indaka Municipality has considered the National Spatial Development Perspective (NSDP), the current Provincial Growth & Development Strategy (PGDS), the Spatial Development Framework (SDF) and the Provincial Spatial Economic Development Perspective (PSEDS) 2006 under review to ensure that there is alignment between the all the planning and policy directives/imperatives and to ensure its IDP Sector Plans are aligned and

integrated. The schematic diagram below demonstrates the vertical and horizontal alignment processes considered and followed in the formulation of the Indaka IDP.



**Figure 26: Alignment Processes Followed in the Formulation of the Indaka IDP**

## The National Development Perspective (2006)

The principles of **the NSDP** considered in the formulation of the Indaka IDP are summarised as follows:

- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) focus on localities of economic growth and/ or economic potential. This is in order to attract private- sector investment, stimulate sustainable economic activities and/ or create long-term employment opportunities.
- Economic growth is a pre-requisite for the achievement of other policy objectives, key among which are poverty alleviation.
- In localities where there are both high levels of poverty and development potential, fixed capital investment beyond basic services are to be included to exploit the potential of these areas.
- Efforts to address past and current social inequalities should focus on people and not places.
- In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres.
- In localities where there is low development potential, government spending beyond basic services should focus on providing social transfers, human resource development and labour market intelligence.

## The New Growth Path

### Introduction

The government is committed to forging the growing consensus that creating decent work, reducing inequality and defeating poverty can happen only through a new growth path, and leading the way by:

- Identifying areas where employment creation is possible on a large scale as a result of substantial changes in conditions in South Africa and globally.
- Developing a policy package to facilitate employment creation in these areas, above all through:

- A comprehensive drive to enhance both social equity and competitiveness;
- Systemic changes to mobilise domestic investment around activities that can create sustainable employment; and
- Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The New Growth Path must:

- Provide bold, imaginative and effective strategies for job creation;
- Lay out a dynamic vision as to how a more developed, democratic, cohesive & equitable economy and society can be collectively achieved in the context of sustained growth;
- Require creative and collective efforts of all section of South Africa society;
- Require strong leadership and governance;
- Take account of the new opportunities, our strengths and our constraints;
- Change the character of the South African economy to ensure that benefits are shared more equitably by everyone.

Achieving the New Growth Path requires that we address key trade-offs, some of which are:

- Between present consumption & future growth, since that requires higher investment & saving in the present;
- Between the needs of different industries for infrastructure, skills & other interventions;
- Between policies that promise high benefits but also entail substantial risks, and policies that are less transformative & dynamic but are also less likely to have unintended consequences;
- Between a competitive currency that supports growth in production, employment & exports & a stronger rand that makes imports of capital & consumer goods cheaper; and
- Between the present costs & future benefits of a green economy.

## **The New Growth Path Focus**

The focus of the Growth Path can be summarised as follows:

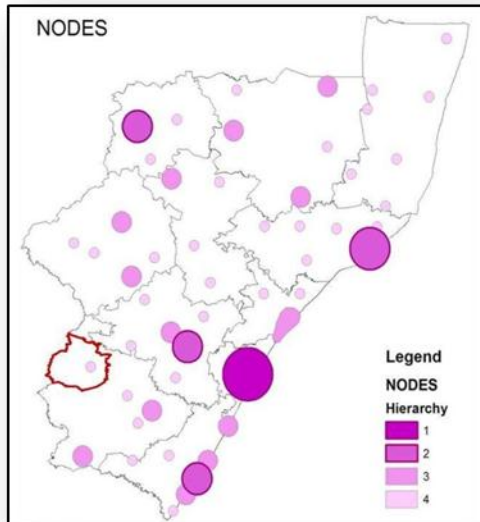
- The New Growth path identifies where employment creation is possible, both within economic sectors and cross-cutting activities, then analyses policies & institutional developments required to take advantage of these opportunities.
- The aim is to target our limited capital and capacity at activities that maximise the creation of decent work opportunities.
- The main indicators of success will be: jobs, growth, equity and environmental outcomes.
- To achieve profound changes in savings, investment and production, the government must consistently pursue key policies & programmes over at least a decade, and co-ordinate its efforts around core priorities.
- Long-term structural change also requires phasing to establish the preconditions for success over time.
- In the case of employment, the steps that the state can take vary over time:
  - Short term: it can accelerate employment creation through direct employment schemes, targeted subsidies and / or a more expansionary macroeconomic package;
  - Short to medium term: it can support labour-absorbing activities, i.e. agricultural value chain, light manufacturing and services, to generate large-scale employment.

- Long term: as full employment is achieved, the state must increasingly support knowledge and capital intensive sectors in order to remain competitive.
- Inherent phasing means that in the medium term state must focus on facilitating growth in sectors able to create employment on a large scale but must not neglect more advanced industries that are crucial for sustained long-run growth.
- The growth path emphasises supply-side needs (improve demand).
- The measures in the growth path:
  - Address the income inequalities of our society;
  - Place decent work at the centre of the fight against inequality;
  - Include measure such as skills enhancement, small enterprise development, wage & productivity gain-sharing policies, addressing the excessive pay gap, progressive taxation & support for the social wage.
- The connection between economic and social measures needs to be further strengthened.

# Provincial Spatial Economic Development Strategy (PSEDS)

## PSEDS Indicators: Nodes

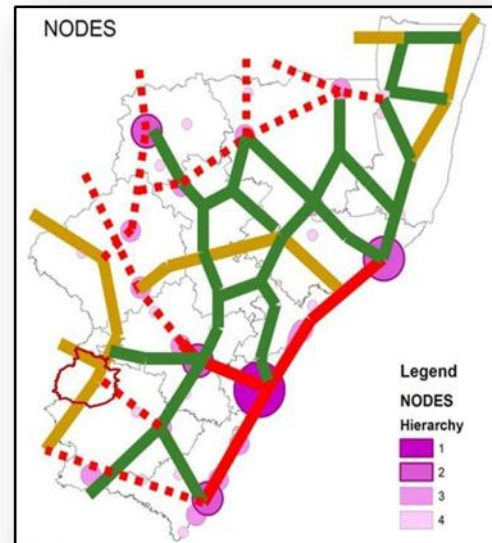
According to the KwaZulu-Natal Provincial Spatial Economic Development Strategy there is no village/town that has been identified as a node within the Province.



Source: KZN PSEDS 2006

## PSEDS Indicators: Corridors

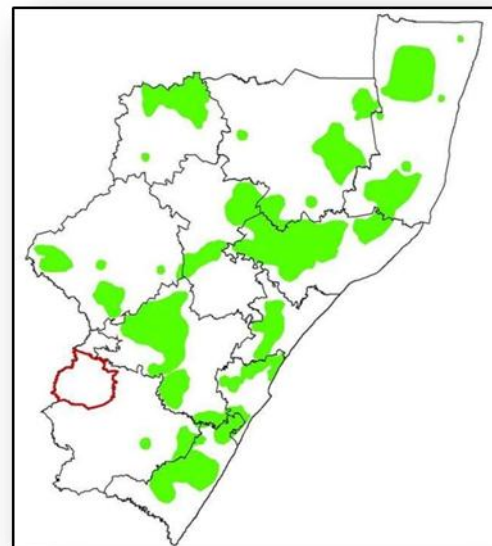
The municipality is traversed by provincial and district roads but of no significance and neither supporting the proposed provincial growth and development corridors. It can be argued that the road networks act as social and agriculture network linkages to surrounding areas of opportunity, hence such roads act as pro-poor corridors.



Source: KZN PSEDS 2006

The PSEDS does not identify the Indaka Municipality to make any significant contribution to the agricultural industry on Provincial Level.

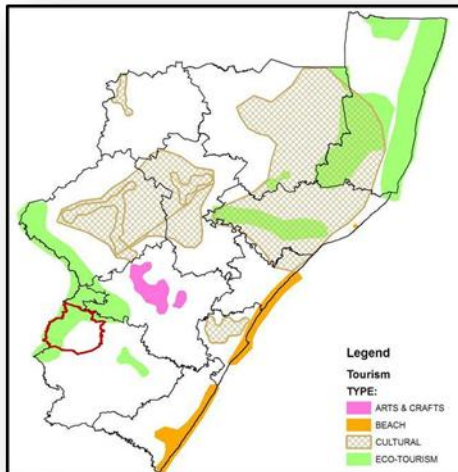
## PSEDS Indicators: Agriculture



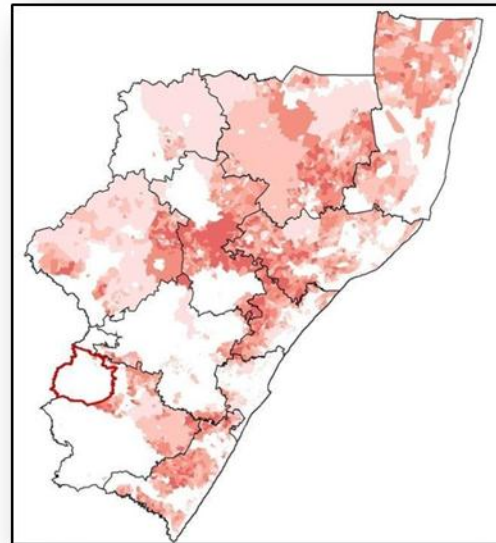
Source: KZN PSEDS 2006

### PSEDS Indicators: Tourism

With the proposed Cannibal Route and other associated tourism initiatives within the municipality, Indaka has identified cultural and eco-tourism as an important sector to grow.



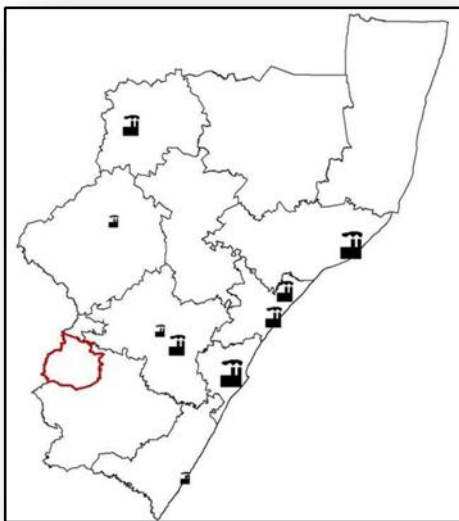
Further, the whole of the Indaka Municipal area is seen as deprived on a provincial scale.



Source: KZN PSEDS 2006

### PSEDS Indicators: Industry

There are no industries within Indaka Municipality.



Source: KZN PSEDS 2006

### PSEDS Indicators: Poverty Levels

## D2 The Provincial Growth & Development Strategy (PGDS)

### Introduction

The KwaZulu-Natal Provincial Spatial Economic Development Strategy, as well as the recently Developed KwaZulu-Natal Spatial Development Strategy provides direction regarding the proposed economic drivers that should be focused on and enhanced in specific localities. The recommendations are outlined below.

### Provincial Spatial Development Framework implications for the Municipality

The KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) was reviewed in 2011 and adopted by cabinet in August 2011. This PGDS provides KwaZulu-Natal with a reasoned strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments. Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. This will lay the foundations for attracting and instilling confidence from potential investors and developing social compacts that seek to address the inter-connectedness of the Provincial challenges in a holistic, sustainable manner, whilst nurturing a populous that is productive, healthy and socially cohesive.

Against this background, the 2011 KZN PGDS is designed to facilitate sustainable economic growth, reduce growing inequality and promote environmental sustainability. To realise the vision of “**KwaZulu-Natal – A Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World**”, the following long-term strategic goals and objectives have been identified as the compass to guide policy-making and resource allocation to 2030.

**Table 18: Listing of Strategic Goals & Objectives of the PGDS**

| LISTING OF STRATEGIC GOALS AND OBJECTIVES          |   |
|--|---|
| STRATEGIC GOAL                                     | STRATEGIC OBJECTIVE   |
| <b>1. JOB CREATION</b>                             | <ul style="list-style-type: none"> <li>• Unleashing Agricultural Potential;</li> <li>• Enhance Industrial Development through Trade, Investment &amp; Exports;</li> <li>• Expansion of Government-led Job Creation Programmes;</li> <li>• Promoting SMME, Entrepreneurial &amp; Youth Development; and</li> <li>• Enhance the Knowledge Economy.</li> </ul>   |
| <b>2. HUMAN DEVELOPMENT</b> <b>RESOURCE</b>        | <ul style="list-style-type: none"> <li>• Improve Early Childhood Development, Primary &amp; Secondary Education;</li> <li>• Support Skills Alignment to Economic Growth; and</li> <li>• Promote Enhance Youth Skills Development &amp; Life-Long Learning.</li> </ul>   |
| <b>3. HUMAN &amp; DEVELOPMENT</b> <b>COMMUNITY</b> | <ul style="list-style-type: none"> <li>• Poverty Alleviation &amp; Social Welfare;</li> <li>• Enhancing Health of Communities &amp; Citizens;</li> <li>• Safeguard Sustainable Livelihoods &amp; Food Security;</li> <li>• Sustainable Human Settlements;</li> <li>• Enhancing Safety &amp; Security;</li> <li>• Advance Social Cohesion; and</li> <li>• Promote Youth, Gender &amp; Disability Advocacy &amp; the</li> </ul> |



|                                       |   |
|---------------------------------------|---|
|                                       | <b>Advancement of Women.</b>  |
| <b>4. STRATEGIC INFRASTRUCTURE</b>    | <ul style="list-style-type: none"> <li>• Development of Ports &amp; Harbours;</li> <li>• Development of Road &amp; Rail Networks;</li> <li>• Development of ICT Infrastructure;</li> <li>• Improve Water Resource Management; and</li> <li>• Develop Energy Production Capacity.</li> </ul> |
| <b>5. RESPONSES TO CLIMATE CHANGE</b> | <ul style="list-style-type: none"> <li>• Increase Productive Use of Land;</li> <li>• Advance Alternative Energy Generation;</li> <li>• Manage Pressures on Biodiversity; and</li> <li>• Disaster Management.</li> </ul>   |
| <b>6. GOVERNANCE &amp; POLICY</b>     | <ul style="list-style-type: none"> <li>• Strengthen Policy, Strategy Co-ordination &amp; IGR;</li> <li>• Building Government Capacity;</li> <li>• Eradicating Fraud &amp; Corruption; and</li> <li>• Promote Participative, Facilitative &amp; Accountable Governance.</li> </ul>           |
| <b>7. SPATIAL EQUITY</b>              | <ul style="list-style-type: none"> <li>• Actively Promoting Spatial Concentration; and</li> <li>• Facilitate Integrated Land Management &amp; Spatial Planning.</li> </ul>  |

Although these goals and objectives are intended to guide provincial growth and development, the focus and rationale is applicable to all municipalities and towns within the province and addressing applicable issues at local level will contribute to addressing those strategic issues at a provincial scale.

In attempting to address the challenges highlighted above and embrace the policy intentions, the following principles were developed to facilitate overall guidance in the development of the 2011 KZN PGDS Strategic Framework, namely:-

- Harness the Provinces assets and endowments,
- Develop the Province's greatest asset, its human capital,
- Harmonise environmental integrity, human and social development with economic development,
- Government must be developmental, competent, caring and facilitating,
- Private Sector must grow a shared economy, providing employment,
- Organised Labour must protect workers from exploitation while promoting labour productivity, and
- Civil Society must be responsible in shaping its own destiny.

## D3 Provincial Spatial Development Framework

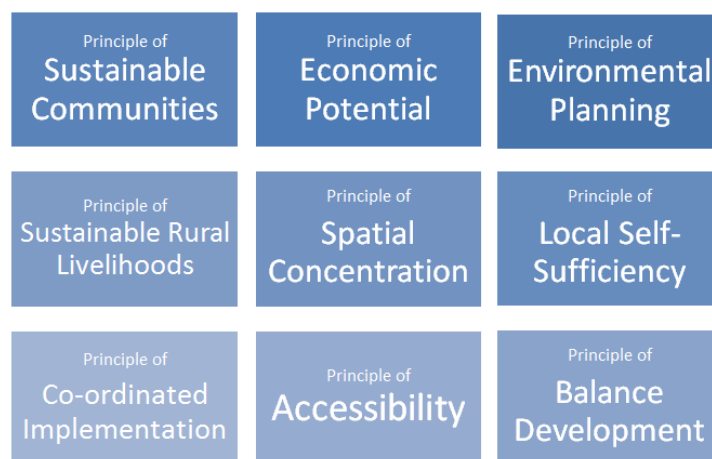
### Introduction and Purpose

The Provincial Growth and Development Strategy recognises that environmental vulnerability, social need and economic development are not evenly distributed and spatial disparities will always exist due to the spatial distribution of natural resources, historical imperatives and cultural factors. These spatial disparities have often been aggravated by past spatial planning. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalization from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth and the protection of vulnerable bio-resources. The KwaZulu-Natal Provincial Spatial Development Strategy has therefore been developed in order to achieve the goals and objectives of the PGDS in a targeted and spatial co-ordinated manner. The Provincial Spatial Development Strategy sets out to:



- Be the spatial expression of the Provincial Growth and Development Strategy (PGDS) and provide spatial context for proposed strategic interventions;
- Provides a set of normative principles or departure points that guide the Province's approach to dealing with socio-economic issues that are manifested spatially;
- Provide a basis for informed consensus on the province's spatial priorities by providing a map giving guidance for the future spatial development of the Province based on Broad Provincial Spatial Planning Categories (BPSPCs) and a series of other relevant features;
- Assist to prioritise and align where government directs its investment and development initiatives to ensure sustainable and maximum impact;
- Capitalise on complementarities and facilitate consistent and focused decision making,
- Guide municipal integrated development plans (IDPs), spatial development frameworks (SDFs) and provincial and municipal framework plans (i.e. sub-SDF spatial plans); with normative principles, approach and content.
- Provide clear intent to the private sector about desired development directions;
- Increase predictability in the development environment.

The following nine spatial principles underscores the general spatial intentions of the PGDS and serves as provincial guiding principles which should ideally be pursued within all levels of spatial planning at district and local level in alignment with the provincial spatial development strategy.



**Figure 27: 9 Spatial Principles**

### **Principle of Environmental Planning**

The Principle of Environmental Planning (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas. The PSDF supports environmental planning as the fundamental methodology on which spatial planning should be based. Environmental planning can be defined as land-use planning and management that promotes sustainable development.

### **Principle of Economic Potential**

The Principle of Economic Potential aims at improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The principles further promotes the consideration of spatial needs for Economic Competitiveness (Potential) by proposing an asset based spatial approach based on unique advantages and opportunities within various areas.

#### **Principle of Sustainable Communities**

The Principle of Sustainable Communities promotes the balance between environmental quality, addressing social need and promoting economic activities within communities.

#### **Principle of Local Self-Sufficiency**

The Principle of Local Self-Sufficiency promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally as well as . Furthermore, the principle is underpinned by an assessment of each areas unique competency towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency.

#### **Principle of Spatial Concentration**

The Principle of Spatial Concentration aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e. roads, facilities, housing etc. Future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

#### **Principle of Sustainable Rural Livelihoods**

The Principle of Sustainable Rural Livelihoods considers rural areas in a way which is integrated with other decision making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural , financial and social capitals of an area and spatially structure these in support of each other.

Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

#### **Principle of Balanced Development**

The Principle of Balance Development promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

#### **Principle of Accessibility**

The Principle of Accessibility simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region. At a provincial level there is a strong correlation between the most deprived areas and poor regional accessibility to those areas. In addressing accessibility at provincial and local level, the need for possible new

linkages, the upgrade in the capacity of existing linkages and the suitable mix of modes of transport should be considered.

### Principle of Co-ordinated Implementation

The Principle of Co-ordinated Implementation actually projects beyond spatial planning and promotes the alignment of role player mandates and resources with integrated spatial planning across sectors and localities. Essentially the principle suggests that planning-implementation becomes a more continuous process and that government spending on fixed investment should be focused on planned key interventions localities. This principle ultimately also proposes a move towards more developmental mandate definitions of the various departments away, from single mandates to enable the spatial alignment of growth and development investment.

From these principles, the Provincial Spatial Development Strategy identified a number of provincial priority nodes, corridors and broad planning categories. The map overleaf illustrates the resulting provincial spatial strategy, localised for the Indaka Municipality and need to be read in conjunction with the tables below, providing a brief explanation to the categories illustrated on the map

The various nodes and their broad intended function and possible interventions are described by the table below.

| Intervention Node     | Broad Intended Function  |
|-----------------------|--|
| Primary Node          | Only eThekweni is classified as a Primary Node within the Provincial Context as an urban centre with very high existing economic growth and the potential for expansion thereof. Provides service to the national and provincial economy.  |
| Secondary Nodes       | Richards Bay, Msunduzi, Newcastle and Port Shepstone has been identified as provincial Secondary Nodes and thus urban centres with good existing economic development and the potential for growth and services to the regional economy.   |
| Tertiary Nodes        | These nodes are mainly centres which should provide service to the sub-regional economy and community needs and is represented by the following towns such as Pongola, Vryheid, Ulundi, Dundee, Ladysmith, Estcourt, Howick, KwaDukuza, Ixopo, Scottburgh, Hibberdene, Kokstad, Margate.   |
| Quaternary Nodes      | These nodes are mainly centres which should provide service to the local economy and community needs and is represented by 31 towns, such as but not limited to: Port Edward, Nongoma, Nkandla, Bergville, Greytown, Underberg, uMzimkulu, etc.  |
| Rural Service Centres | <p>The proposed rural service centres are envisaged to serve as the lowest level of provincial nodes and could typically be established around existing traditional administration centres as well as other accessible rural points identified as periodic markets. These will be identified in consultation with the district municipalities and should serve as first access to basic services within rural areas. These rural service centres will include, as some have already emerged to include, a combination of the following activities:</p> <ul style="list-style-type: none"> <li>• Traditional administration centre,</li> <li>• Taxi/ bus stop,</li> <li>• Informal trading / market area,</li> <li>• Social facility (clinic, library etc),</li> <li>• Skills development centre (mainly local schools),</li> <li>• Mobile services point (mobile clinics, pension pay points, mobile library etc.)</li> <li>• Small commercial facility</li> <li>• Recreational facility such as a sport field.</li> </ul> <p>A conceptual model of these rural service centres will guide the formulation of a provincial implementation strategy towards the implementation of the proposed Rural Service Centres.</p> |

**Table 19: The Various Nodes & their Intended Function**

The Broad Provincial Spatial Planning Categories (BPSPCs) which are indicated within the above illustrated provincial spatial development framework should be interpreted as follow:

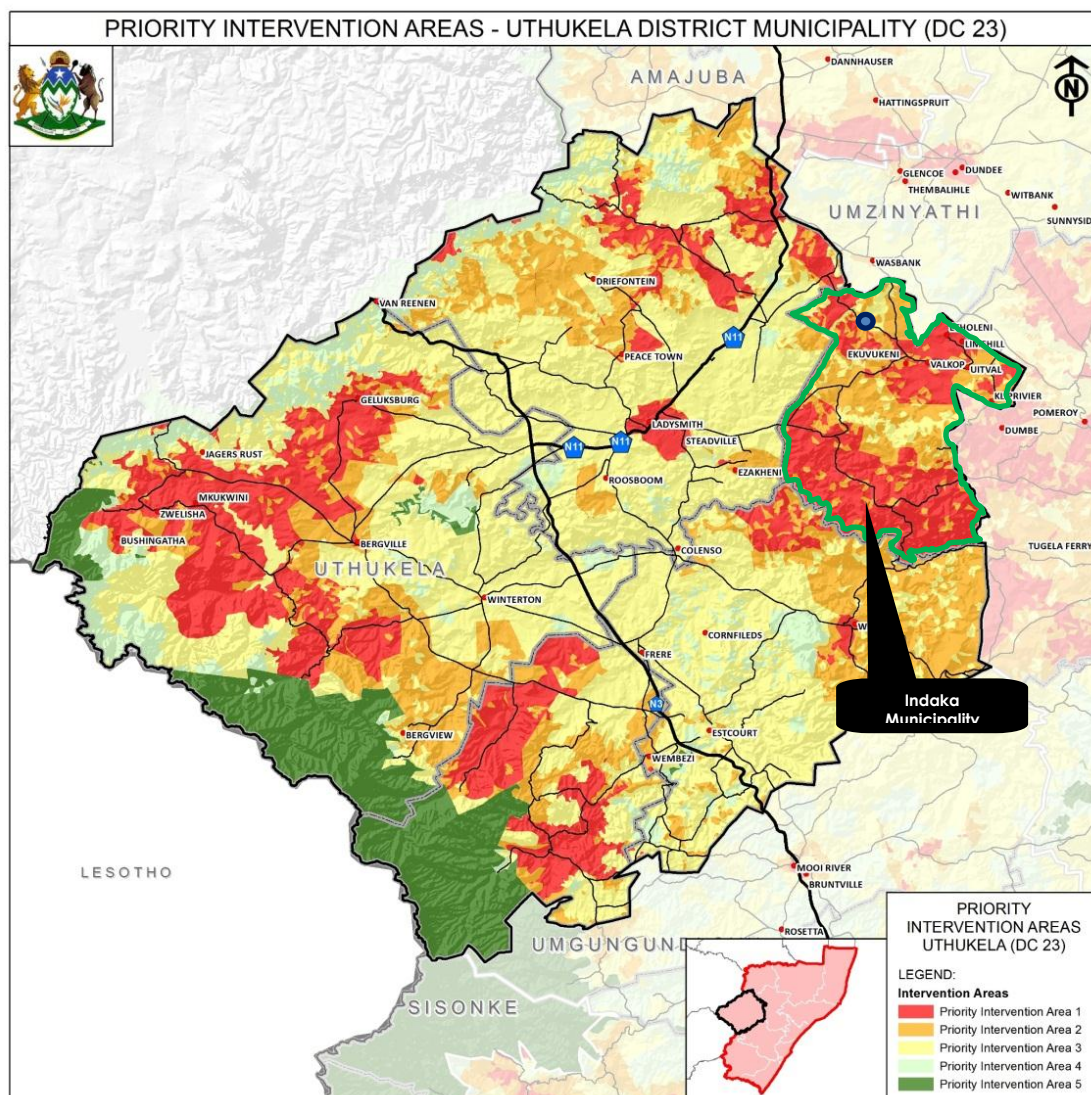
| <b>Spatial Category</b>                  | <b>Planning</b> | <b>Broad Intended Land Use and Interventions</b>  |
|--|-----------------|---|
| <b>Conservation Corridors</b>            |                 | Proposed regional critical conservation areas which are linked in a continuous system of ecosystems and bioregions traversing the province between the Drakensberg and the Indian Ocean. These areas were identified combining existing environmentally protected areas as well as conservation corridors proposed by Ezemvelo KZN Wildlife, through combining extensive environmental research into bio-resources throughout the province as part of the formulation of a Critical Biodiversity Plan for the province. These Conservation Corridors are not suggested as absolute "no-go" areas, but rather highlighted as areas of environmental significance to the sustainable development of the entire province. Where economic opportunity (such as tourism development) and high social need exist within these Conservation Corridors, it implies both that the rich natural environment should contribute to the address such needs and potential, and further that any interventions in these areas need to consider the impact on such important regional ecological corridors. These corridors are however perceived as areas where extensive densification would be discouraged and sensitive development promoted. |
| <b>Biodiversity Areas</b>                | <b>Priority</b> | Areas with a significantly high biodiversity value expressed in the number of species and sensitive environments as identified through extensive research by Ezemvelo KZN Wildlife. These areas are most often located in close proximity to the identified Conservation Corridors and may serve as an additional buffer to these corridors. These areas too are not (at a provincial level) proposed as absolute "no-go" areas, but are identified to indicate areas where extensive densification would be discouraged and sensitive development promoted.  |
| <b>Areas of Economic Value Adding</b>    |                 | The key economic centres and areas where all of the varieties of economic sectors (Agriculture, Tourism, Manufacturing, and Services) are prevalent and perceived to have good potential to be further expanded on. These areas are visibly linked to high accessibility areas with existing bulk infrastructure and relatively high population densities which would both contribute to the economic expansion and benefit from interventions in these areas. Due to these factors, further economic processing and value adding at a provincial level, are mainly proposed within these identified areas.   |
| <b>Areas of Economic Support</b>         |                 | A number of regions resembled areas of good economic potential in more than just one of the key provincial economic sectors. Due to the fact that these areas represent a larger distribution across the entire province than the core areas of economic value adding, these zones are considered important areas of Economic Support. Typical interventions in these areas would include economic prioritisation of development, labour force interventions (e.g. skills development), key economic infrastructure investment and area promotion.  |
| <b>Areas of Agricultural Development</b> | <b>of</b>       | Relatively high agricultural production areas, which are not located within biodiversity areas of combined with other potential economic sectors, are highlighted by this category to identify and promote areas with the potential to make a significant contribution through agricultural production. Although successful farming practices are already occurring on some of these areas, it is proposed that underutilised agricultural land within these zones are more effectively utilised for sustainable agricultural production. Associated interventions may include agriculture specific infrastructure, skills development, market access interventions etc.  |
| <b>Areas of Social Need</b>              | <b>High</b>     | The highest ranges of combined social need when considering the population density, dependency ratio as the provincial index of multiple deprivations is illustrated by this category of high social need. These area broadly the areas where the most intensive social interventions area required and this category is further over layed above all other categories to provide a spatial reference to the types of interventions which might be pursued towards addressing the concentrated social   |

|                               |  |
|-------------------------------|--|
|                               | need within these areas. As example where high social need is identified within an area earmarked as a conservation corridor, this firstly provides a reference to the fact that social conditions of communities will need to be addressed if any conservation is to be promoted within such areas. Further it suggests that the effective utilisation of the high biodiversity within such areas might be harnessed towards addressing social need through example conservation tourism.   |
| <b>Undifferentiated Areas</b> | The areas which are not representative of any of the above mentioned categories are classified as undifferentiated areas. It is acknowledged that these areas also have communities residing on them with economic potential and environmental resources, however, based on the approach followed these areas weren't differentiated to the same degree as the identified preceding categories. It is therefore important that this category is not neglected from public and private interventions and as the various departmental programmes are inclusive in nature, these areas should also benefit from it. It is anticipated that the intensity of such programmes and the total portion of resource allocation to these areas would be less than the identified categories as well as the key intervention areas identified previously. |

**Table 20: KZN Spatial Development Plan - Interpretation Notes**

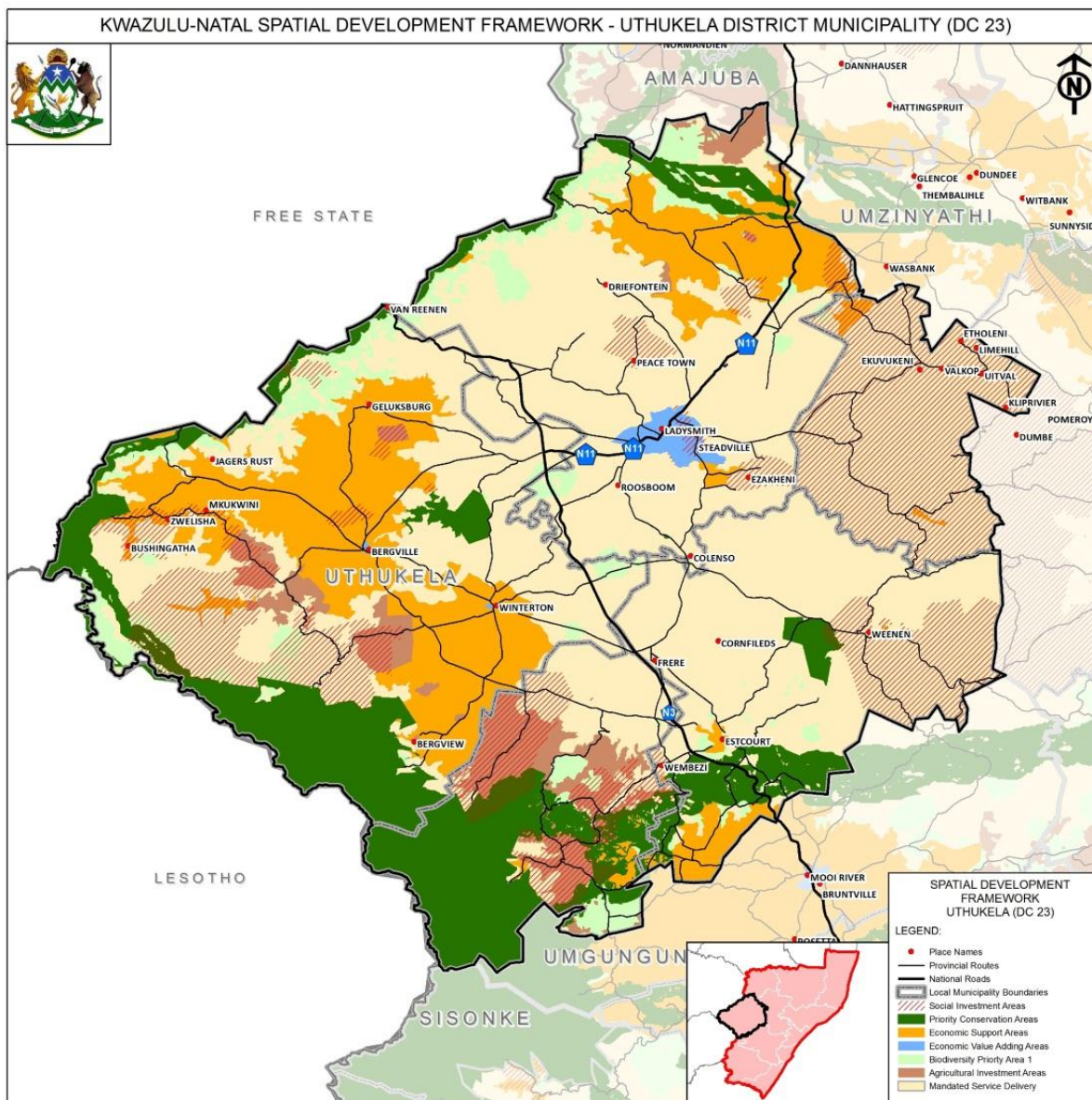
Please refer to the plan below for an extract of the Provincial Spatial Development Strategy related to the uThukela District Municipality, and to MAP 1 on overleaf for a depiction of the above. The Provincial Spatial Development Framework depicts the entire area of Indaka as a Poverty and Social Investment Area.





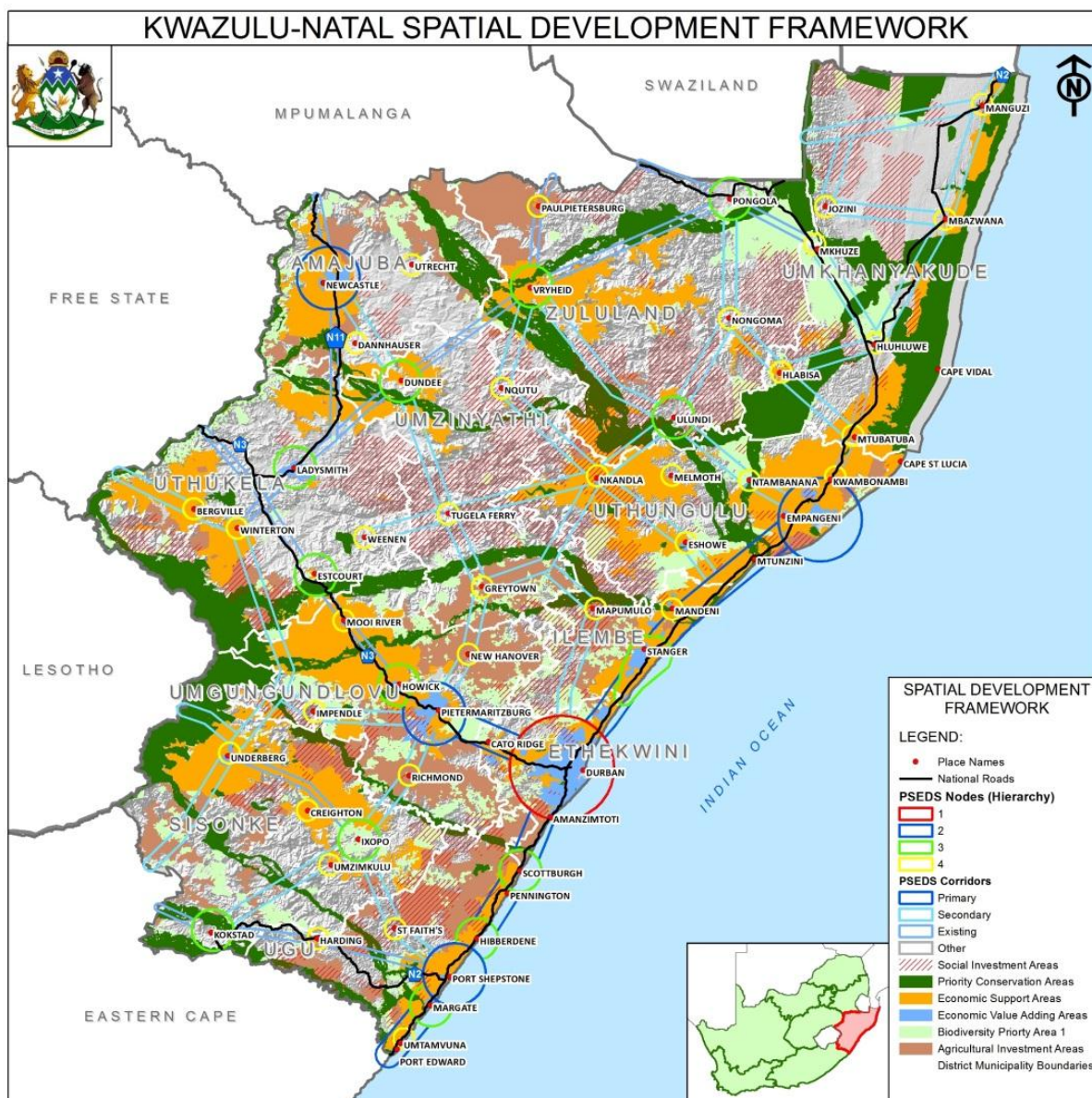
**MAP 1: Provincial Spatial Development Framework - uThukela District Municipality**

The highest ranges of combined social need when considering the population density, dependency ratio as the provincial index of multiple deprivations, is illustrated by this category of high social need. These areas broadly the areas where the most intensive social interventions are required and this category is further overlaid above all other categories to provide a spatial reference to the types of interventions which might be pursued towards addressing the concentrated social need within these areas. As an example where high social need is identified within an area earmarked as a conservation corridor, this firstly provides a reference to the fact that social conditions of communities will need to be addressed if any conservation is to be promoted within such areas. Further it suggests that the effective utilization of the high biodiversity within such areas might be harnessed towards addressing social need through example conservation.



MAP 2: KZN Spatial Development Framework – uThukela District Municipality





MAP 3: KZN Spatial Development Framework

### Sukuma Sakhe Initiative (War on Poverty)

The origin of Masisukuma Sakhe, which is the motto on the crest of the Provincial Government of KwaZulu-Natal, is taken from the Prophet Nehemiah 2:18, where he yearns to rebuild a city that has been destroyed. Operation Sukuma Sakhe then is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV & AIDS and TB.

Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instill behavioural change amongst the citizens of the province



## Flagships

- Development Information Services (DIS)
- Free Basic Services
- Imizi Yezizwe
- Installation of Amakhosi
- Corridor Development
- Small Town Rehabilitation Programme
- Operation Clean Audit
- KZN Local Government Strategy

## Community Partnership

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government...therefore delivery of services is required through partnership with community, stakeholders and government.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. Government will encourage social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

Government has structured programs which need to get as deep as to the level of the people government is serving. This is at ward level, translating to all 11 districts and all households in all 51 municipalities. Government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The Indaka Municipality takes due cognisance of Sukuma Sakhe initiative and endeavours to assist in overcoming the issues with which communities are faced. This is evident in the strategic thrusts of the Indaka Municipality and in line with the associated objectives and strategies.

## D4 Spatial Development Vision and Thrusts

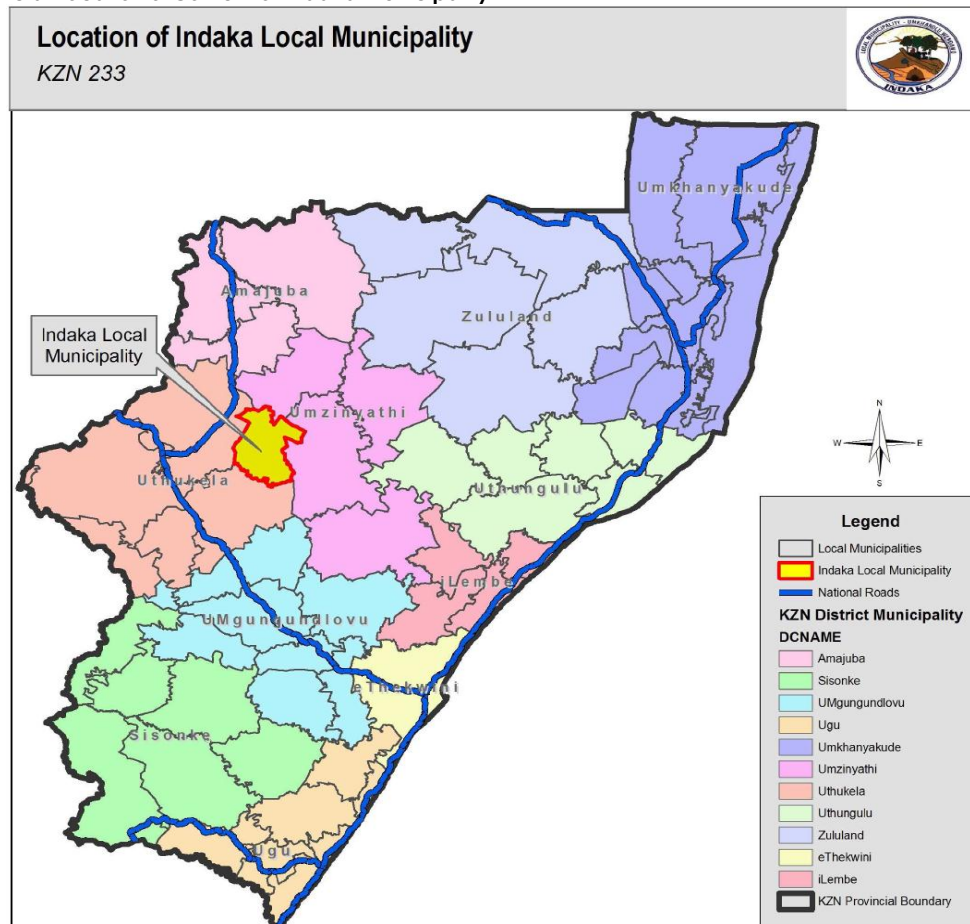
The SDF is guided by the following 5 spatial principles which form the foundation of an appropriate SDF:

- **Promote the principle of spatial justice** addressing inter alia; past imbalances, poverty stricken areas, informal settlements, former homelands, access to land and flexible and appropriate land management in such areas.
- **Promote the principle of spatial sustainability** promoting inter alia; viable communities, protection of environmentally sensitive area and prime agricultural land, integration of social economic and physical aspects, equitable land markets and fiscal and institutional capacity to manage these.
- **Promote the principle of efficiency** ensuring inter alia; optimal use of existing resources and infrastructure, discouragement of urban sprawl, residential & employment opportunities in close proximity, streamlined development application procedures and decision-making procedures aimed at sustainable development.
- **Promote the principle of spatial resilience** including diverse combinations of land uses in support of each other, flexibility in spatial plans, policies and land use management systems

is accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks, rural and urban development in support of each other; and

- **Promote the principle of good administration** ensuring an integrated approach to land development, legislative compliance and the preparation of comprehensive spatial planning policies and strategies.

**MAP 4: Provincial Location & Context of Indaka Municipality**



## Indaka Spatial Development Framework

### A System of Development Corridors

The Spatial Development Framework performs two major functions, that is, indicating where development should be promoted and also where it should be discouraged. It is an overall tool for defining structure and channeling private and public sector investment. Its key components are discussed below:

## **Primary Development Corridors**

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 Ekuvukeni with Ladysmith and Dundee/ Glencoe has a good potential to serve as the trade routes. These routes are also tributary routes to the national routes (N3 and N11). In addition, they serve as link roads to the major centers such as Ladysmith and Dundee.

## **Secondary Development Corridors**

Secondary corridors link the primary centre to the secondary centres and areas outside of Indaka Municipality and these include the following:

The road to Weenen (P 176) serves as a major link between Weenen and it also link Ezitendeni with Esigodini and Ekuvukeni. There are two other secondary corridors which link Ekuvukeni with the surrounding centers and these include the corridors to Wasbank and the Corridor to Elandslaagte.

The corridor to Dundee through Ebomvini can be considered important in facilitating development and service delivery in Ebomvini (within Limehill Complex) and it is directly linked to the primary corridor that link Ebomvini with Ekuvukeni.

The corridor from Pomeroy to Majaqula attempt to link Indaka with areas across uMzinyathi and have potential to serve as major tourist access routes to the Zulu Culture and Heritage Route.

## **Tertiary Development Corridors**

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.

## **System of Service Centres**

The system of service centers are highly dependant on the network of development corridors amongst other things and are intended to facilitate access to social services and facilities. To this end, they service as co-ordination centers for service delivery.

### **Primary Service Centre**

Ekuvukeni is identified as a primary service centre. The area has some form of semi urban setting in that it acts as a major rural service centre within Indaka Municipality. It accommodates the municipal offices, police station and schools. The area includes a mixture of land uses namely administrative, social and settlements. Ekuvukeni should be developed further for services, business, institutional and administrative activities. A detailed central business development (CBD) plan is required.

### **Secondary Service Centre**

There are four centers, which can be identified as the secondary service centers within Indaka Municipality and these include Limehill centre (within the Limehill Complex), Sahlumbe (within Ezitendeni – Msusamaphi Complex), Hlumayo (located within Mkhumbane – Mgababa

complex) and Ilenge (which is within the Cannibalism Route which has a potential for tourism). These centers currently perform few functions including such as service delivery and to a limited extent commercial activities. The influence of these service centers is quite critical for service delivery to the complexes where they are located which are: -

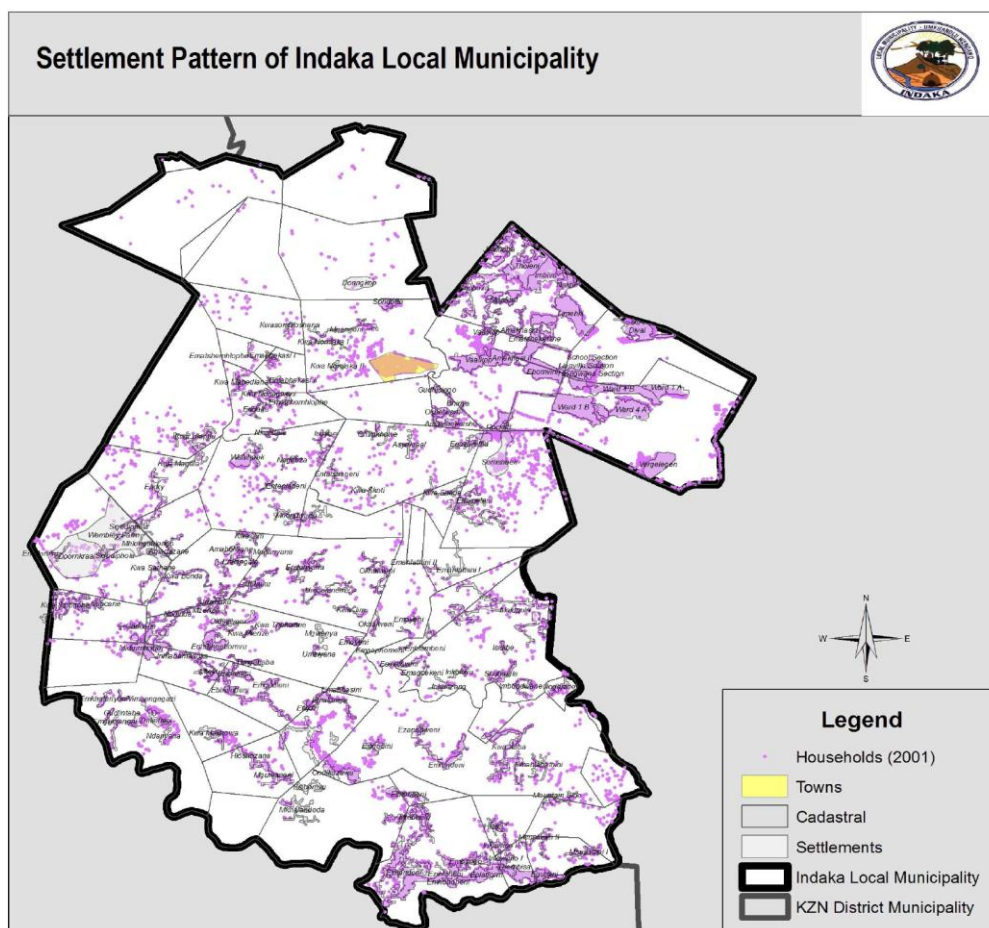
Limehill Complex – this is the largest complex within Indaka and it has a total population of approximately 64 500 people. The complex Ebomvini, Lionville section, School section, Hlongwane section, Ward 1A & Bb and Ward 4A & B.

Ezitendeni – Msusumpi Complex – this is the second largest complex with a total population of 15 864 people. The complex include settlement areas of Ezitendeni 1 & 2, Mtebhelu, Ezihlabeni, Embango, Emhohobeni, E platform, Inkawulo 1 & 2, Msusampi 1 & 2, Hlathi, Thembisa and Egunjini.

The identified secondary centers are strategically located to serve these complexes and the neighboring rural settlement and they can be seen as the opportunity for clustering future development that must benefit these areas.

### **Emerging/ Tertiary Centres**

There are a number of tertiary centers, which are emerging. The first one (Amabolwane – Okhalweni Complex) exist in an under – developed area and has the potential to develop into commercial centers and is intended to facilitate service delivery. Public sector investment in the form of Multi-Purpose Community Centers (MPCC) that can accommodate a range of social services and government departments should be prioritized in these areas. The other areas that are emerging as the tertiary centers within Indaka include Makayane, Mpameni, Fiffy Park, Mangweni, Cacane, Oqungweni and Mlilweni in ward 9. While the tertiary centers in ward 10 that make a hub include Ludimbi, Manqofini and Msusampi.



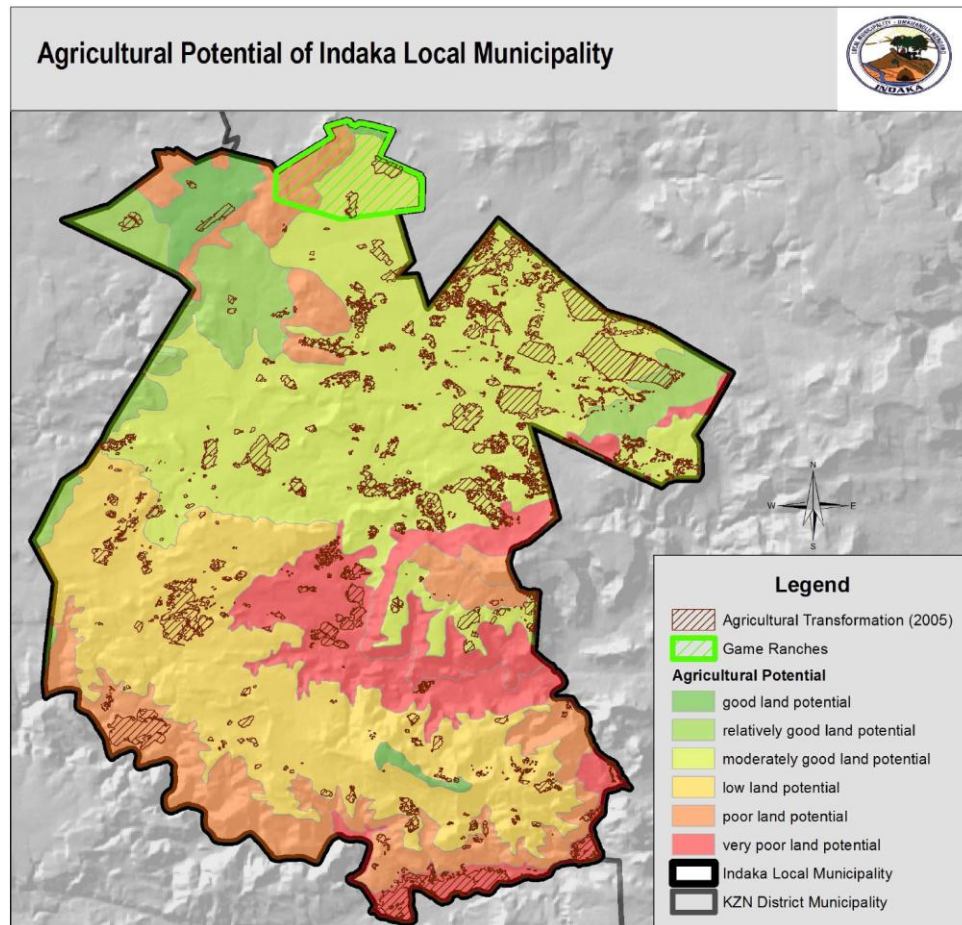
**MAP 5: Settlement Pattern of the Indaka Local Municipality**

### **Rural Settlements as Primary Investment Areas**

The rural settlements have been classified according to density and location as a means to facilitate service delivery. The strategically located higher density settlements will be cheaper and easier to service piped with water, roads and grid electricity compared to the dispersed and low density ones and they provide sufficient thresholds to support public facilities within a short radius. The rural housing projects can also be used as a means to promote development in these areas.



## Agricultural Land



**MAP 6: Agricultural Potential of Indaka Local Municipality**

There are three main categories of agricultural land that have been identified for Indaka Municipality and these can be outlined as follows:

**Good Potential Agricultural Land** – that have been identified on the northern parts of the municipality. According to the recent land audit there are large hectares of good potential agricultural land, which is currently underutilized within the northern parts of Indaka. Any form of land use that does not promote agricultural development or may have negative effect on the productivity of this land should be discouraged in these areas.

**Moderate Agricultural Potential** – most land within the northern and central parts of the municipality has moderate agricultural potential and it is currently vacant and unoccupied which present an opportunity for agricultural production amongst the individuals who will should own and occupy that land once the land claims have been settled.

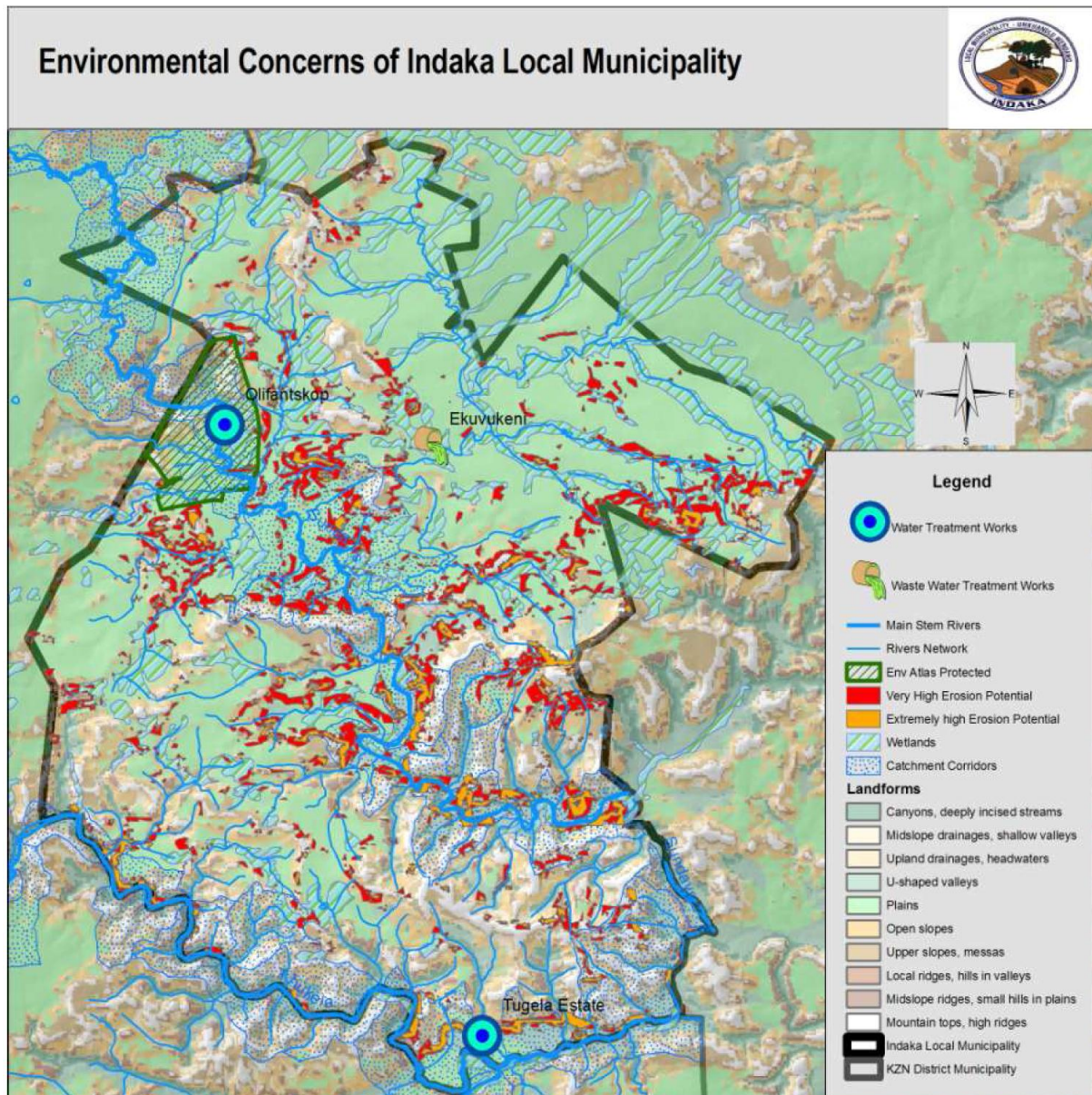
**Grazing and Stock Farming** – most of the land within the traditional authority areas has a steep gradient and a low agricultural potential in terms of crop production. The alternative agricultural activities that can be used for this area should be stock farming or grazing.

## Environmental Management

The identified protected area and the Oribi sites (important species sites) and some tourism related assets (i.e. Cannibalism Route) within the municipality would need to be properly managed and protected

## Factors Influencing the Spatial Development of the Area

The factors influencing spatial development in the area are a combination of natural factors, physical infrastructure and policies guiding spatial development.



MAP 7: Environmental Concerns of the Indaka Local Municipality



## **Natural factors**

### Mountain Ranges

The Indaka Municipality is located within the south-western foothills of the Biggarsberg, which forms the watershed and natural divide between the municipality and the adjacent municipalities of Endumeni to the north and Msinga to the east.

### Topography

Topographically, the municipality can be divided into the rugged southern areas and the central plateau.

The southern areas of Indaka, comprising the Sundays River Valley and the Uthukela River gorge are topographically rugged, characterized by deeply entrenched river valley and broken ridge lines. Due to the steep gradients and relative inaccessibility of these areas, settlement tends to be more limited and dispersed. Agricultural potential is limited and limited agricultural activity is practiced.

The northern portion of the municipality is part of the central plateau extending from Ladysmith to Wasbank. The area is characterized by gently sloping land, with extrusions of dolomitic capped koppies and ridges.

The most prominent of these are Jobskop (1734m), Stuurmanskop (1125m), Mancilwane (1054m) and Cancane (1192m). Within this flatter area, the average elevation varies from 100-1500m. Much of this northern area is degraded due to overstocking and erosion.

### Rivers

The Indaka Municipality is characterized by two drainage systems – the Uthukela River and the Sundays River,

The east-flowing Uthukela River forms the southern boundary of the municipality, with tributaries draining southwards to the river. The Jana Dam is proposed along this river, as indicated on the map: Natural Factors:

The Sundays River drainage basin forms the major proportion of the Indaka municipal area. The Wasbank River joins the Sundays in the central area of Indaka. Tributaries into these south flowing rivers drain from the east and west. Water quality in the Wasbank River has been negatively affected by coal mining within its drainage system.

The Uthukela, Sundays and Wasbank rivers are perennial while some of the minor tributaries may be seasonal.

### Wetlands

There are no major wetlands in the Indaka municipality. However, in the upper reaches of the tributaries of the major rivers, areas have been identified where there is adequate water supply and a place where water will accumulate (Kotze and Breen, 1996). These wetlands are indicated on the map: Natural Factors. Analysis of the map indicates that these areas are more



predominant in the northern area of the Indaka Municipality, due to the topography of the area.

#### Environmentally Sensitive Areas

Analysis of the KZN Wildlife GIS database identifies two categories of environmentally important areas as occurring in the municipality:

- Important Species Sites
- Sites of Intrinsic Biodiversity Value

The important species identified as potentially occurring in the municipality is Oribi and the location is the northwestern portion of the municipality. The locality is contiguous with areas in the Emnambithi municipality. This area overlaps with the important flood plain of the Sundays River.

Areas of high intrinsic biodiversity 3 have been identified in the Indaka Municipality. These are located in the high lying areas, particularly around Jobskop and in the ridgeline forming the watershed between the Sundays and Uthukela Rivers. Some other isolated areas in proximity to streams/wetlands have also been identified.

Many of the steep slopes of the uthukela Gorge and of the Sundays River valley have been identified as areas of intermediate biodiversity value, as have the slopes of Jobskop

#### High Potential Agricultural Land

Agricultural potential within the Indaka municipality is limited. As indicated on the MAP 6: Agricultural Potential (based on data from Cedara), only a few areas have been identified as having good and moderate agricultural potential. The part of the region in which Indaka municipality falls consists mainly of the Valley Bushveld Bio-resource Group with pockets of Dry and Moist Tall Grassveld, Sour.

These areas are predominantly on the periphery of the municipality, in the low-lying central plateau and drained by tributaries of the Sundays River. Beef farming is the most suitable form of agricultural production in these areas.

The full agricultural potential of these areas is not currently exploited, as subsistence agricultural is mainly practiced. The remaining areas of Indaka area characterized by very restricted, low and very low potential categorization.

#### **Physical Infrastructure and Activities**

Indaka Municipality is not traversed by any national roads, but has a network of provincial and district roads. These roads service the municipality itself and carry primarily local traffic.

The most important provincial road is the Helpmekaar road, which runs from Ladysmith through Ekuvukeni and the Limehill Complex, before linking with the Dundee-Pomeroy road (MR 32).

From the road, a network of district and provincial roads service the northern areas of the municipality, with links to Elandslaagte, Wasbank and Wesselsnek to the north possible by means

of provincial roads. The road network through the area has played an important role in the distribution of settlements, with most settlements in the municipality located along the provincial and district roads.

The predominant forms of transportation in the municipality are by taxis and buses. Nodal bus stops/taxi ranks have been identified at:

- Ekuvukeni
- Klipriver
- Waaihoek
- Uitval
- Sithole Tribal Authority (serving the Umhlumayo area)

In an effort to redress the backlogs of roads infrastructure, the Uthukela District Municipality is involved in the three access roads projects in the area. All three access roads are in the Mhlumayo complex. The issue of access roads in the municipality is a very serious one. This is because most the community access roads are in a very bad condition and some now only exist as tracks. Given the impact that HIV/AIDS will have it is argued that a demand for access roads will increase as more people will be requiring cars to collect the sick from the settlements that are currently not accessible.

### Dams

There are currently no dams in the Indaka Municipality. However, there are proposals for the construction of the Jana and Mielietuin Dams on the Uthukela River as part of the Vaal Transfer Scheme. However, the Indaka Municipality will only benefit marginally from the water stored in the dams

### Bulk Water Systems

Bulk water systems supply the settlements of Ekuvukeni, Vaalkop and Uitval, and are being expanded to the villages of the Limehill Complex. These systems are reliant from supply from the Oliphantskop dam.

In the Mhlumayo complex there is a pattern of dispersed settlements. The people in this part of Indaka municipality are using dams, streams and boreholes as water sources as there is no piped water. It has been observed in a number of projects that one of the problems associated with boreholes is lack of maintenance. This makes life very difficult for people who are dependent on this type of water source. Uthukela District Municipality has been involved in the supply of clean water through other means as a short term. As a long term solution the District Municipality is currently in a process of obtaining information on the best suitable way of supplying the Mhlumayo complex with clean water.

There are no bulk water systems in the remainder of the municipality, with the residents of these areas reliant on tankers, boreholes and natural supplies from streams, springs and dams. Analysis of the population distribution in the Indaka municipality indicates that the greatest concentration of people and settlements is in the areas where there is bulk water supply.

### Electricity Lines

The northern areas of the Indaka Municipality are traversed by bulk electricity lines. According to Statistics South Africa (1996) only 2,719 of Indaka municipality make use of electricity. The Limehill complex is the one that has benefited most in terms of electrification within the municipality, where over 50% of the residents of the complex and its periphery have access to electricity. The northwest portion of the municipality is also traversed by electricity lines, although these stop north of the Helpmekaar road. These service the commercial farms in the area.

In the remainder of the municipality there is no electrification and residents use candles, mainly due to the dispersed settlement and rugged topography. Such areas constitute about 53% (Statistics South Africa, 1996) of the total population of Indaka municipality.

Analysis of the population distribution in the municipality indicates that the greatest concentration of people and settlements is in the areas where there is electricity supply.

### Towns and Settlements

The main town in the municipality Ekuvukeni, a former R293 township, serves as the hub of the municipality. There is the location of the municipal administration and a concentration of economic activities.

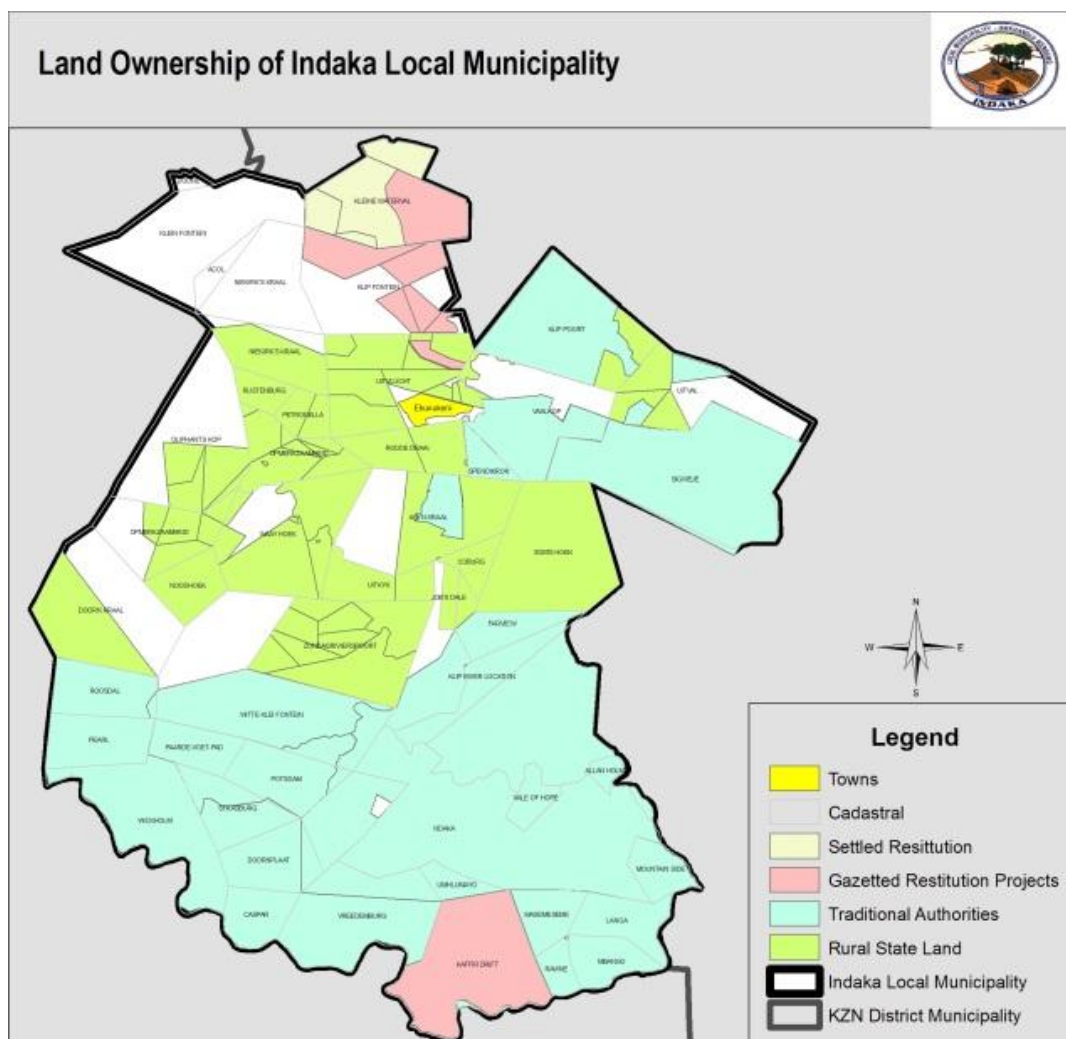
The remainder of the area is characterized by rural settlements, as may be anticipated in an area that previously was administered by the KwaZulu Government. A total of 143 settlements have been identified in the municipality. These are further analyzed in Section 3.4.

Many of the settlements are located along the provincial and district roads, while others are clustered where services are available (e.g. Limehill complex).

### Land Reform Projects

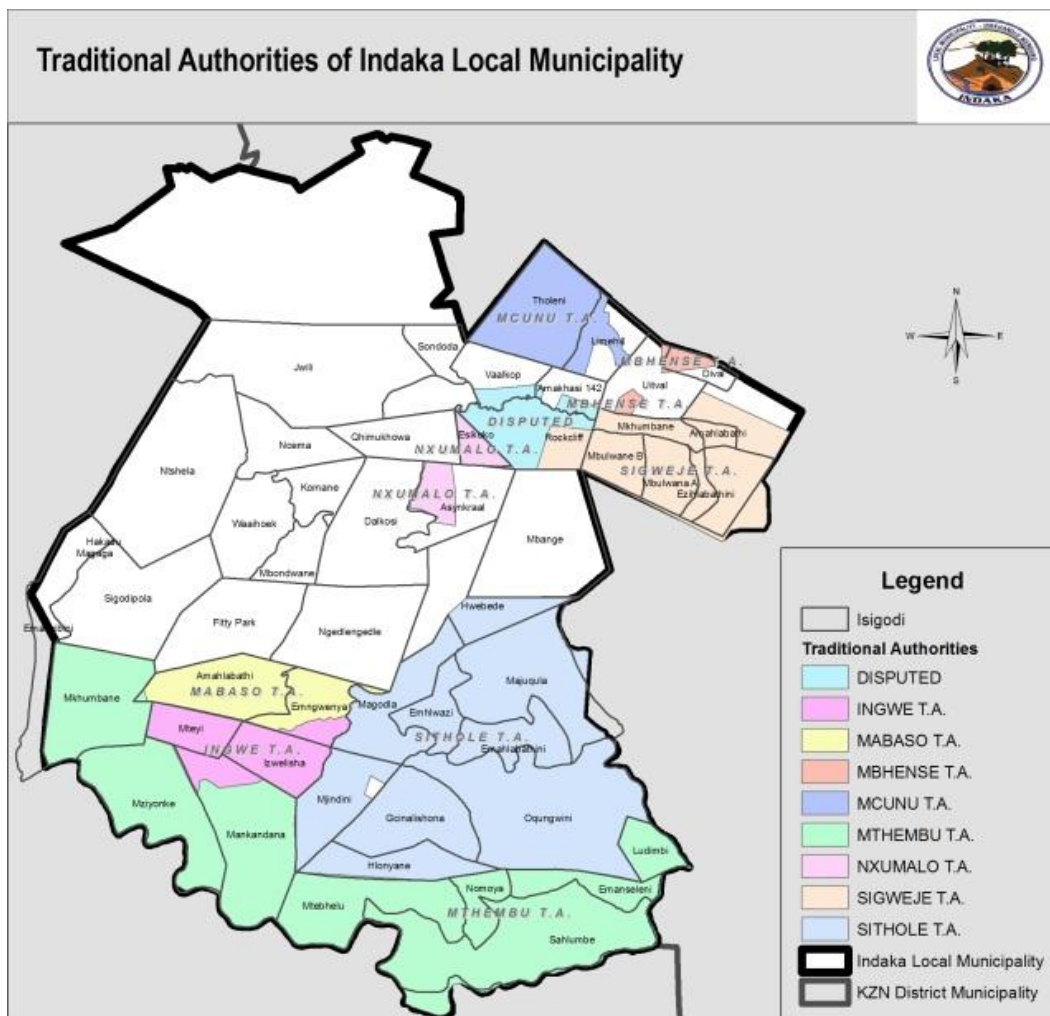
There are two confirmed land reform projects affecting the Indaka area:

- The Klipriver/Emnambithi State Land Disposal Project involves the disposal of approximately 29 000 hectares of state land, made up of 84 farms extending across the municipality. The project commenced in 1998 and co-ordinated consultation with all roleplayers, including the uthukela District Municipality and the amakhosi has been ongoing.
- The Opmerkzaamheid Project is a labour tenants(tenure/farm dweller) project currently in detailed planning phase. The project is 311 ha in extent and there are 22 beneficiary households.



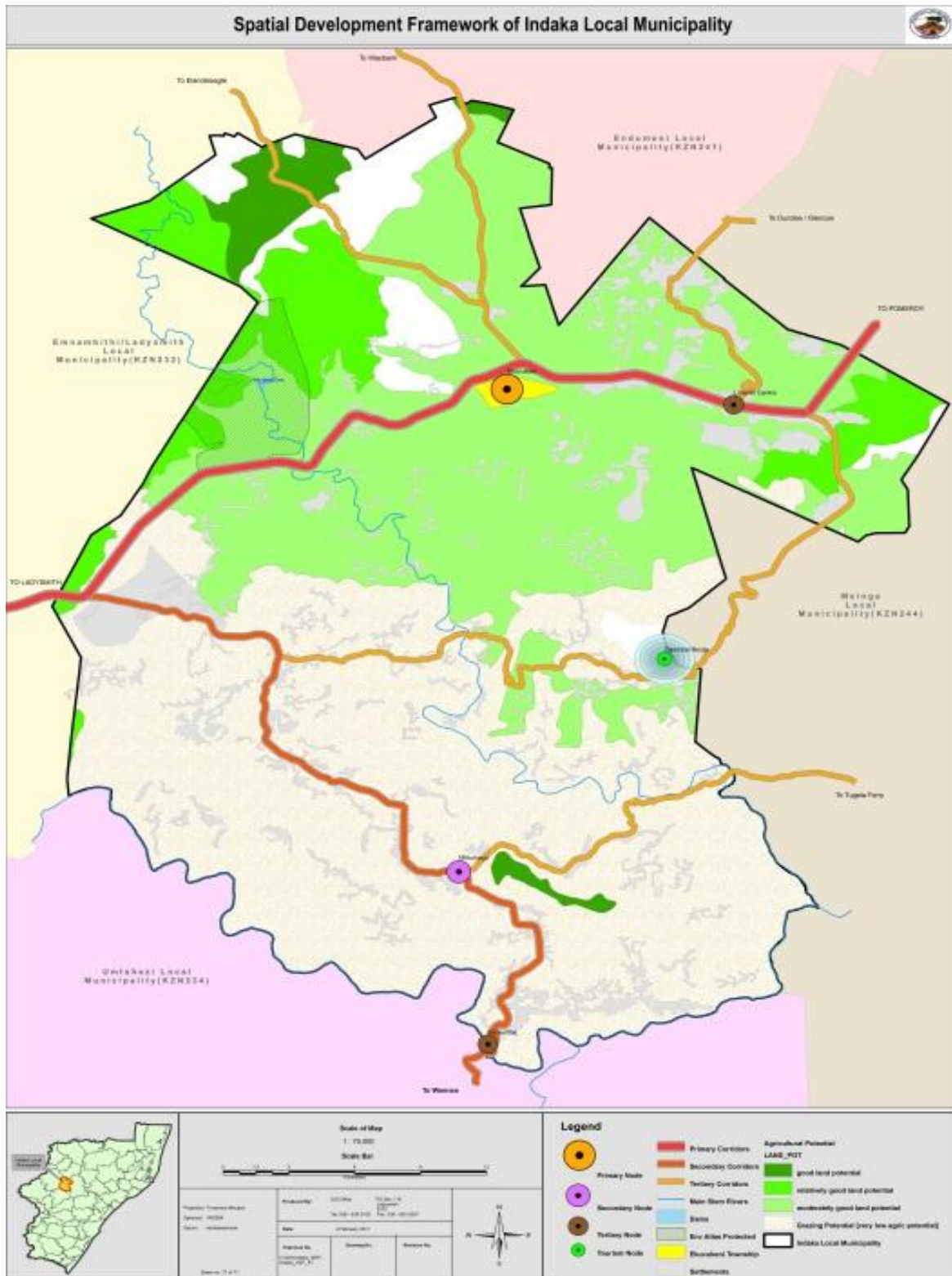
The Department of Land Affairs has had a large number of enquiries of claims relating to Labour Tenants and claims have been lodged for restitution projects in the Ladysmith/Emnambithi sub-region. However as these are still being processed, it is difficult to determine the number of other projects that impact on the Indaka Municipality

Within the Indaka municipality there is a lot of overlap between the disposal of state land processes and the restitution processes, as most of the state land being considered for disposal is land that Amakhosi have put restitution claims on.



**MAP 9: Traditional Authorities of Indaka Local Municipality**





**MAP 10: Spatial Development Framework of Indaka Local Municipality**

## D5 Spatial Interventionist Responses

The Indaka Municipality need to address the issues as identified, by applying its development thrusts in a spatially orientated manner. The strategic location of development interventions, as per priority projects, need to take cognisance of the spatial realities of the municipality and respond accordingly.

The spatial locations of interventions need to factor in all the spatial factors, including considerations such as physical and geographic landscape, infrastructure and service delivery levels, environmental considerations etc. and respond in an optimal impact of service systems. Although this is modeled based on the local and provincial spatial realities and analysis', the location of the intervention (projects and programmes) are also influenced by human perceptions of need and political influence.

# SECTION E: SECTOR ALIGNMENT

## E1 Sector Departments

Indaka Local Municipality is partnering with different government departments as part of the intergovernmental relations to establish and sustain the economy of Indaka. This is done in order to strengthen the level of participation with the service providers, and to obtain their MTEF's (3-5 years plan), programmes and projects for incorporation into the current 2011-2012 IDP. The other way of promoting the IGR structures is by means of the Thusong centre where the Centre Manager facilitates all the communication with public and private government sectors'

The Indaka Development Vision is supported by various objectives and strategies to guide decision-making and the allocation of funds. Delivering on the expectations created through this can, however, only materialize if all efforts are focused on the implementation of those projects that would best serve in attaining the objectives.

| Department   | Departmental Vision   | Mission  | Departmental MTEF   |
|--|---|--|---|
| <b>DEPARTMENT OF HEALTH</b>  | To provide the best, comprehensive, accessible, integrated, sustainable, cost-effective and equitable quality service to the people of the uThukela and Indaka.   | To provide a sustainable, integrated and comprehensive health service at all levels; based on the Primary Health Care approach through the District Health System, so as to increase the capacity of individuals to accept responsibility for their own health.  | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>DEPARTMENT OF HUMAN SETTLEMENTS</b>                                       | The vision of the KwaZulu-Natal Department of Housing is: <i>Innovative champions of change in the housing sector to improve the quality of life for all in KwaZulu-Natal.</i>  | The mission statement of the KwaZulu-Natal Department of Housing is to create an enabling environment for the development of sustainable human settlements in partnership with stakeholders to improve the quality of life for all in KwaZulu-Natal.   | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>DEPARTMENT OF EDUCATION</b>   | The vision of the Department of Education is: <i>A literate and skilled 21st century society that is able to benefit from participating in all democratic processes, and contribute to the development and growth of the people of KwaZulu-Natal.</i> | To provide opportunities for all our people to access quality education this will improve their position in life and contribute to the advancement of a democratic culture in KwaZulu-Natal.   | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>DEPARTMENT OF COOPERATIVE GOVERNANCE &amp; TRADITIONAL AFFAIRS</b>        | People centered sustainable local governance which focuses on effective service delivery responsive to the needs of the communities   | The Department will promote people-centered, accountable and viable local governance that accelerates service delivery and ensures sustainable communities.  | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>DEPARTMENT AGRICULTURE, ENVIRONMENTAL &amp; RURAL DEVELOPMENT AFFAIRS</b> | A champion for a prosperous agricultural productive land use, food security and environmentally sustainable livelihoods.  | The strategic objectives of the department are as follows:<br><ul style="list-style-type: none"> <li>• Improved local, national and international trade access and competitiveness;</li> <li>• Provision of food security;</li> <li>• Farmer development and support;</li> <li>• Integrated sustainable natural environmental management; and</li> <li>• Integrated and transformed service delivery.</li> </ul> | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>THE DEPARTMENT ARTS, CULTURE AND TOURISM</b>                              | The vision of the department is: <i>A unified citizenry that embraces its cultural diversity and contributes to the social and economic upliftment of all the people of KwaZulu-Natal, through arts, culture and tourism.</i>                         | The mission of the department is to create an environment conducive to the delivery of effective, efficient and sustainable world-class services in the arts, culture, library, archival and tourism fields for the people of KwaZulu-Natal.   | Outstanding pending Provincial Sector Departments engagements and providing require information |
| <b>THE DEPARTMENT SOCIAL DEVELOPMENT</b>                                     | The vision of the Department of Social Development is to: <i>Enhance the quality of life through an</i>   | The department is committed to the promotion of developmental social welfare services and  | Outstanding pending Provincial Sector Departments engagements and providing require information |



|  |   |   |   |
|--|---|---|---|
|  | <i>integrated system of social development services.</i>  | community development to people of KZN in partnership with stakeholders.  |   |
| <b>DEPARTMENT ECONOMIC DEVELOPMENT</b> | The vision of the Department of Economic Development is: <i>For KwaZulu-Natal, through the expertise and initiatives of the department, to be the leading province in economic development and to develop a globally competitive economy whose benefits are equitably shared by its citizens.</i> | The department's mission is to formulate and implement effective economic development strategies that promote sustainable economic development and job creation within the Province of KwaZulu-Natal. | Outstanding pending Provincial Sector Departments engagements and providing require information |

**Table 21: Sector Department Table**

Refer to table below as separate document outlining the responsibility whether at local or district municipality level with regards to mandate and the preparation of the respective sector plan as well as the status thereof. In addition the table indicates the whether a specific sector plan is due for update/review and during which year such is envisaged.

| Sector Plans & Institutional Arrangements: Indaka Local Municipality |           |               |                                |                     |     |                                |         |         |         |         |   |
|--|-----------|---------------|--------------------------------|---------------------|-----|--------------------------------|---------|---------|---------|---------|---|
| Plan   | Developed | Not Developed | MEC Evaluation Report Findings | Levels of Execution |     | *LM Responsibility over Period |         |         |         |         | Comments  |
|  |           |               |                                | *LM                 | *DM | 2012/13                        | 2013/14 | 2014/15 | 2015/16 | 2016/17 |   |
| 1 Human Resources Policy   | •         |               | unknown                        | a                   |     |                                |         |         |         |         | The Human Resources Policy has been developed. It is a draft & has not yet been adopted                                 |
| 2 Employment Equity Plan   | •         |               | unknown                        | a                   |     |                                |         |         |         |         | Employment Equity Plan adopted and is being implemented   |
| 3 HIV/Aids Strategy  | •         |               | unknown                        | •                   |     |                                |         |         |         |         | HIV/AIDS Strategy developed & Adopted. It is being implemented & the Local Aids Council has been formed                 |
| 4 Disaster Management Plan   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The Disaster Management Plan has been developed. It was adopted in 2008 & in the process of its implementation          |
| 5 Tourism Plan   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The Tourism Plan has been developed. It is not being implemented & a Tourism Officer has not been appointed             |
| 6 LED Strategy   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The LED Plan was developed and adopted. It is yet to be reviewed in 2011  |
| 7 Land Use Management System (LUMS)                                  | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The LUMS was developed & sent to COGTA for assessment. When comments are received, the plan will be amended accordingly |
| 8 Financial Plan   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan was developed and has been reviewed  |
| 9 Spatial Development Framework (SDF)                                | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan was developed and in the process of review   |
| 10 Work Skills Development Plan                                      | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan was developed and is being implemented by the Municipality   |
| 11 Environmental Plan  |           | •             | unknown                        | •                   |     |                                |         |         |         |         | Funding is not yet available  |
| 12 Waste Management Plan   |           | •             | unknown                        |                     | •   |                                |         |         |         |         | Funding is yet to be outsourced   |
| 13 Recruitment & Selection Policy                                    | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan was adopted and is being implemented   |
| 14 Integrated Transport Plan   |           | •             | unknown                        |                     | •   |                                |         |         |         |         | Not available - this is the District Municipality's function  |
| 15 Housing Plan  | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan was developed and is being implemented as there are housing projects which are being built                     |
| 16 Infrastructure Investment Plan                                    |           | •             | unknown                        | •                   | •   |                                |         |         |         |         | The Municipality does not have this plan  |
| 17 Succession Policy   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan is being implemented   |
| 18 Community Participation Strategy Performance                      | •         |               | unknown                        | •                   |     |                                |         |         |         |         | The plan is available, adopted and is being implemented   |
| 19 Management System (PMS)   | •         |               | unknown                        | •                   |     |                                |         |         |         |         | Developed and implemented.  |
| 20 Capital Investment Framework (CIF)                                |           | •             | unknown                        | •                   | •   |                                |         |         |         |         | Developed and reviewed on Annual basis as part of IDP Process.  |
| 21 Water Services Development Plan (WSDP)                            | •         |               | unknown                        |                     | •   |                                |         |         |         |         | Developed by DM, annual review and MIG funding appropriated accordingly.  |
| 22 Roads & Stormwater Master Plan                                    | •         |               | unknown                        | •                   | •   |                                |         |         |         |         | LM in consultation with DM to develop a Roads & Stormwater Master Plan.   |
| 23 Transportation Plan   |           | •             | unknown                        |                     | •   |                                |         |         |         |         | LM in consultation with DM to develop an overall Public Transportation Plan.  |
| 24 Electrification Plan  |           | •             | unknown                        |                     |     |                                |         |         |         |         | Eskom to be approached and Electrification Plan be developed.   |

**Table 22: Sector Plans & Institutional Arrangements**

## E2 Alignment with Provincial Sector Departments

The alignment of the Indaka Municipal IDP and related strategic initiatives with the projects and programs of the provincial sector departments is an ongoing exercise and is dependent on the cooperation from these departments. Attempts to engage these departments at a district level have not yielded the desired outputs and attempted interaction has been problematic.

The following sections will deal with the information available from these departments to the extent of which detail is available. It is anticipated that some of the Departments will be able to provide more detail on the actual location of the deliverables, closer to the start of the 2012/2013 municipal financial year, or once their budgetary cycle is complete. The current information regarding the proposed expenditure by sector departments at the disposal of the municipality is attached as **Appendix K17**.

## E3 Department of Health

The proposed expenditure on health services by the department for the uThukela District municipal area was R(thousand)1,016,146 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)1,092,766 and R(thousand)1,170,526 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## E4 Department of Human Settlements

The proposed expenditure on housing delivery by the department for the uThukela District municipal area was R(thousand)145,418 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)169,483 and R(thousand)184,527 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## E5 Department of Education

The proposed expenditure on education by the department for the uThukela District municipal area was R(thousand)1,957,097 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)2,067,999 and R(thousand)2,189,534 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E6 Department of Works**

The proposed expenditure by the department for the uThukela District municipal area was R(thousand) 33,224 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)31,356 and R (thousand)35,452 respectively.

No allocations were made for any of this funding to be transferred to the Indaka Municipality. This is a striking observation, in that amounts were allocated to all the other local municipalities within the district over the 2011/2012 to 2013/2014 financial years.

## **E7 Department of Cooperative Governance and Traditional Affairs**

The proposed expenditure by the department for the uThukela District municipal area was R(thousand)9,223 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)5,708 and R(thousand)3,635 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E8 Department of Agriculture and Environmental Affairs**

The proposed expenditure by the department for the uThukela District municipal area was R(thousand)24,194 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)25,162 and R(thousand)26,546 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E9 Department of the Arts, Culture and Tourism**

The proposed expenditure by the department for the uThukela District municipal area was R(thousand)11,204 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)10,206 and R(thousand)18,839 respectively.

For the purpose of library building projects, the department has allocated an amounts of R(thousand)150 for the 2011/2012 financial year.

For the purpose of Community Library Services Grants, the department has not allocated any funding to the Indaka Municipality.

For the purpose of Museum Subsidies, the department has allocated amounts of R(thousand)233 for the 2011/2012 financial year, R(thousand)245 for the 2012/2013 financial year and R(thousand)964 for the 2013/2014 financial year respectively

For the purpose of Provincialisation of libraries, the department has allocated amounts of R(thousand)383 for the 2011/2012 financial year, R(thousand)245 for the 2012/2013 financial year and R(thousand)964 for the 2013/2014 financial year respectively

## **E10 Department of Social Development**

The proposed expenditure on by the department for the uThukela District municipal area was R(thousand)44,342 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)46,559 and R(thousand)49,120 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E11 Department of Economic Development**

The allocation as proposed by the department for the uThukela District, as well as the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E12 Department of Community Safety and Liaison**

The proposed expenditure on by the department for the uThukela District municipal area was R(thousand)7,601 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)7,836 and R(thousand)8,267 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E13 Department of Sport and Recreation**

The proposed expenditure on by the department for the uThukela District municipal area was R(thousand)14,091 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)15,227 and R(thousand)16,684 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E14 Department of Transport**

The proposed expenditure on by the department for the uThukela District municipal area was R(thousand)312,479 for the 2011/2012 financial year. The projected amounts for the 2012/2013 and 2013/2014 financial years are R(thousand)329,683 and R(thousand) 345,710 respectively.

The allocation as proposed by the department for the Indaka Municipality is not yet established and it is expected that it will be known before the commencement of the 2012/2013 financial year.

## **E15 District Sector Plans**

The table under the introduction to Section E of this report shows the interrelationship between the development responsibilities of the various sector plans that are developed by either the District and/or the local municipalities. Some of these district and municipal wide sector plans are up for review, or are currently under review. The IDP Implementation plan incorporated, through the IDP process, the strategic interventions and projects that are part of these sector plans.

## SECTION F: IMPLEMENTATION PLAN

The municipality has developed a Five Year Implementation Plan, attached as **Appendix K12** which will be the guiding tool on how the Municipality will implement and monitor its programmes and projects. This has been done in accordance with the National Key Performance Areas of the Strategic Local Government Agenda and they are also aligned with the departments from the Municipality, and the provincial development priorities.

The Five Year plans resulted in the development of the Capital investment Framework (CIF) and subsequently inform the SDBIP of the Municipality. The implementation plan therefore consists of the departmental 5 Year Plans (attached as **Appendix K12**), further detailed by the Capital Investment Framework (attached as **Appendix K18**) and the SDBIP (attached as part of the performance management system, **Appendix K10**).

## SECTION G: IDP PROJECTS

The table below depicts the projects identified by Indaka Municipality to ensure alignment with National and Provincial Key Priorities as well as with the Outcome Approached IDP's (3<sup>rd</sup> Generation), linked to projected resource requirements over the MTEF period (2012/13 to 2016/17). Of note, although a total of approximately R1,165 billion is required, a distinct differentiation is made between internal and external sources of funding, which in turn is categorized between committed or non-committed for the particular financial year.

| PROVINCIAL STRATEGIC GOALS    | OUTCOME BASED (CATALYTIC PROJECTS)                               | PROGRAMME & PROJECT DESCRIPTION                         | TOTAL                |
|-------------------------------|--|---|----------------------|
| Governance & Policy           | Good Governance, Institutional Development & Financial Viability | Public Participation : Budget / IDP                     | -                    |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Indaka LM Ward 6 Sanitation                             | 13,000,000           |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Indaka LM Ward 8 Sanitation                             | 11,000,000           |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Indaka Ward 9 Sanitation                                | 11,000,000           |
| Human & Community Development | Sustainable Urban & Rural Development                            | Sahlumbe  | 9,062,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Limehill  | 25,000,000           |
| Human & Community Development | Sustainable Urban & Rural Development                            | Uitval  | 23,000,000           |
| Human & Community Development | Sustainable Urban & Rural Development                            | Somshoek  | 1,000,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Nazareth  | 1,000,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Kwashuzi  | 1,000,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Fitty Park  | 1,000,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Vaalkop   | 2,442,350            |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Bulk Supply connection Driefontein                      | 4,200,000            |
| Human & Community Development | Sustainable Environmental Management                             | Cemetery Strategy & establishment of Cemeteries         | 250,000              |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Construction of 500km of new Roads & Stormwater         | 210,000,000          |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Maintenance of 200km of Roads & Stormwater              | 70,000,000           |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Construction of 5000 Subsidised Housing Units (Backlog) | 360,000,000          |
| Human & Community Development | Provision & Maintenance of Infrastructure                        | Electrification of 3000 Households                      | 175,000,000          |
| Human & Community Development | Sustainable Social & Economic Change                             | Construction of Multi-purpose Sport Facility            | 120,000,000          |
| Governance & Policy           | Good Governance, Institutional Development & Financial Viability | Ward Councilors Training                                | -                    |
| Governance & Policy           | Good Governance, Institutional Development & Financial Viability | Adopt & Implement HR Strategy & Policies                | -                    |
| Spatial Equity                | Integrated Development Planning                                  | Review Spatial Development Framework (SDF)              | 1,200,000            |
| Spatial Equity                | Integrated Development Planning                                  | Review Integrated Development Plan (IDP)                | 750,000              |
| Human & Community Development | Sustainable Urban & Rural Development                            | Review Housing Sector Plan                              | 600,000              |
| Human & Community Development | Sustainable Environmental Management                             | Establishment of Landfill Site                          | 5,750,000            |
| Job Creation                  | Job Creation & LED   | Review LED Strategy                                     | 750,000              |
| Governance & Policy           | Sustainable Environmental Management                             | Monitor illegal Mining Operations                       | 1,000,000            |
| Governance & Policy           | Good Governance, Institutional Development & Financial Viability | Disposal of Non-Core Assets (policy?)                   | 200,000              |
| Governance & Policy           | Good Governance, Institutional Development & Financial Viability | Processing Development Applications (Shared Services)   | -                    |
| Spatial Equity                | Localising National & Provincial Priorities                      | Small Town Rehabilitation (eKhuvukeni & Waaihoek) - BP  | 110,250,000          |
| Response to Climate Change    | Sustainable Environmental Management                             | Formulate Environmental Management Framework linked to  | 1,500,000            |
| Job Creation                  | Sustainable Social & Economic Change                             | Develop Agriculture Potential Analysis/Strategy         | 3,000,000            |
| Human & Community Development | Sustainable Urban & Rural Development                            | Integrated Rural Development Strategy                   | 1,500,000            |
| Governance & Policy           | Sustainable Environmental Management                             | Review Disaster Management Framework Plan               | -                    |
|                               |  |   | <b>1,164,454,350</b> |

**Table 23: IDP Projects**

The table below depicts the projects and programmes applicable for the 2012/2013 financial year, which demonstrates an internal non-committed financial requirement of R42,2 million, a R40,06 million external committed capital funding (this relates to uThukela DM MIG Funding towards water and sanitation), and a total of R142,2 million external non-committed funding requirement. The reason for this can be ascribed to the lack of information provided by the Provincial Sector Departments and non-commitment towards capital investment within Indaka Local Municipality.

# SECTION H: FINANCIAL MANAGEMENT

## H1 The Financial Framework

### Introduction

Indaka Municipality is a Local Municipality within Uthukela District Municipality which has limited urban development within its area of jurisdiction. The sources of income available for Indaka Municipality are refuse removal, burial fees, services and rates income which will increase once the townships and towns are formalized. The payment for services is very poor as most households are unemployed; however the Municipality ensures that it uses its limited resources in a sustainable manner and in line with Municipal Finance Management Act.

## H2 Operating Revenue and Expenditure Framework

| Revenue                             |              | Adjusted<br>Budget 11/12 |     | Budget<br>2012/13 |     | Budget<br>2013/14 |     |
|-------------------------------------|--------------|--------------------------|-----|-------------------|-----|-------------------|-----|
| Rates                               |              | 5,000,000                | 6%  | 200,000           | 0%  | 300,000           | 0%  |
| Refuse Removal                      |              | 196,161                  | 0%  |                   |     |                   |     |
| Rental Received                     |              | 83,931                   | 0%  |                   |     |                   |     |
| Cemetery Fees                       |              |                          |     |                   |     |                   |     |
| Interest on Investment              |              | 250,000                  | 0%  | 162,000           | 0%  | 174,960           | 0%  |
| Burial Fees                         |              | 34,992                   | 0%  | 32,400            | 0%  | 34,992            | 0%  |
| Hire: Hall                          |              | 2,000                    | 0%  |                   |     |                   |     |
| Sundry Income                       |              | 12,000                   |     | 97,200            | 0%  | 104,976           | 0%  |
| Contribution From Operating Surplus |              |                          |     |                   |     |                   |     |
| National Grants                     |              | 79,445,000               | 93% | 81,563,640        | 99% | 86,892,771        | 99% |
|                                     | <b>Total</b> | <b>85,024,084</b>        |     | <b>82,055,240</b> |     | <b>87,507,699</b> |     |

Table 24: Expenditure Framework

| Operational Expenditure |              | 2011/12<br>(adj)  |            | 2012/13           |            | 2013/14           |            |
|-------------------------|--------------|-------------------|------------|-------------------|------------|-------------------|------------|
| Council & Executive     |              | 0                 |            | 5,947,744         | 7%         | 6,424,361         | 7%         |
| Finance                 |              | 15,983,824        | 20%        | 14,507,010        | 18%        | 15,833,570        | 18%        |
| Corporate Services      |              | 15,647,795        | 19%        | 14,552,419        | 18%        | 15,716,612        | 18%        |
| Technical Services      |              | 45,029,008        | 56%        | 41,353,206        | 50%        | 44,304,379        | 50%        |
| Planning                |              | 4,197,533         | 5%         | 5,934,861         | 7%         | 6,409,650         | 7%         |
|                         | <b>Total</b> | <b>80,858,160</b> | <b>77%</b> | <b>82,295,240</b> | <b>70%</b> | <b>88,688,572</b> | <b>70%</b> |

Table 25: Operating Expenditure



### H3 Capital Investment Programme and Framework

The table below depicts a summary of the Municipality's Capital investment Framework, which is attached as **Appendix K18**.

| Capital Expenditure |                      | 2011/12<br>(adj)  |            | 2012/13           |            | 2013/14           |            |
|---------------------|----------------------|-------------------|------------|-------------------|------------|-------------------|------------|
| Council & Executive | External             | -                 |            | -                 |            | -                 |            |
|                     | Internal             | -                 |            | -                 |            | -                 |            |
|                     | <b>Total</b>         | -                 |            | -                 |            | -                 |            |
| Finance             | External             | -                 |            | 4,090,917         |            | 4,584,190         |            |
|                     | Internal             | 200,000           |            | 540,000           |            | 583,200           |            |
|                     | <b>Total</b>         | 200,000           |            | 4,630,917         |            | 5,167,390         |            |
| Corporate Services  | External             | -                 |            | -                 |            | -                 |            |
|                     | Internal             | 200,000           |            | 162,000           |            | 174,960           |            |
|                     | <b>Total</b>         | 200,000           |            | 162,000           |            | 174,960           |            |
| Technical Services  | External             | 24,830,000        |            | 19,475,600        |            | 20,493,648        |            |
|                     | Internal             | 6,825,530         |            | 9,145,811         |            | 10,060,392        |            |
|                     | <b>Total</b>         | 31,655,530        |            | 28,621,411        |            | 30,554,040        |            |
| Planning            | External             | -                 |            | -                 |            | -                 |            |
|                     | Internal             | 75,000            |            | 1,161,054         |            | 1,253,938         |            |
|                     | <b>Total</b>         | 75,000            |            | 1,161,054         |            | 1,253,938         |            |
|                     |                      |                   |            |                   |            |                   |            |
|                     | <b>External</b>      | 24,830,000        | 77%        | 23,566,517        | 68%        | 25,077,838        | 68%        |
|                     | <b>Internal</b>      | 7,300,530         | 23%        | 11,008,865        | 32%        | 12,072,490        | 32%        |
|                     | <b>Total Capital</b> | <b>32,130,530</b> | <b>30%</b> | <b>34,575,382</b> | <b>30%</b> | <b>37,150,328</b> | <b>30%</b> |
|                     |                      |                   |            |                   |            |                   |            |

Table 26: Summary of the Municipality's CIF

|  |  | 2011/12<br>(adj) |  | 2012/13            |  | 2013/14            |  |
|--|--|------------------|--|--------------------|--|--------------------|--|
| Total Expenditure<br>(capital & operational) |  | 105,688,160      |  | <b>116,870,622</b> |  | <b>125,838,900</b> |  |

Table 27: Total Expenditure (Capital & Operational)

### H4 IDP Projects within Spatial Context

At the date of submission of the draft IDP document, this information has not yet been developed. It will however form part of the final IDP Document.

# SECTION I: ORGANISATIONAL PERFORMANCE

## 11. Organisational Performance Framework

The Performance Management System of the Municipality has been developed and it has been mostly focusing on the organization and only the Section 57 Managers. The municipality has designed the organizational scorecards for the section 57 Managers and the employment contracts have all been signed, the performance agreements, the Personal Development Plans and Financial Disclosure Forms have also been signed for 2010-2011 financial year.

Following is the Performance Management System of the Municipality:

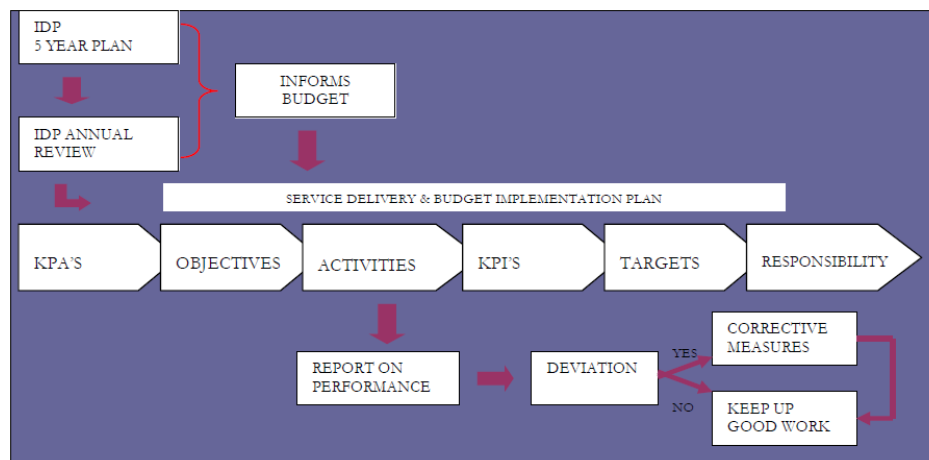


Figure 28: Performance Management System of the Municipality

### Purpose

A well developed and functional PMS will assist in checking that the delivery is happening as planned and promotes the efficient utilization of resources. PMS also promotes the delivery of the envisaged quality of services, identifies blockages and guides future planning and developmental objectives and resource utilization of the municipality. It is also important to indicate that PMS identifies capacity gaps in both human and non-human resources and at the same time assists in determining right-sizing requirements while providing early warning signals to future problems with the implementation of the IDP in terms of risks.

### Background

Indaka Local Municipality annually adopts the revised Integrated Development Plan (IDP) and has identified a need to facilitate the implementation of the IDP through a Performance Management System (PMS). PMS is one of the tools available to the municipality to continuously assess and measure the attainment of predetermined outcomes and/or outputs using a set of indicators and targets. It is a mechanism the municipality may use to undertake self-assessment of the implementation of its Integrated Development Plan (IDP) and its efficiency in the allocation and expenditure of municipal funds.

Section 38 of the Municipal Systems Act, prescribes that a Municipality must establish a Performance Management System (PMS) as a means to improve its performance. Section 57 (1) (b) further prescribes that a performance agreement must be entered into between the municipality and the municipal manager, and between the Municipal Manager and all persons directly accountable to him. Section 40 provides for the municipality to develop a mechanism to monitor and review its PMS.

In addition to the above PMS can be seen as a process that involves both managers and employees in identifying and describing job functions and relating it to the strategy (IDP) developing appropriate Performance Standard giving and receiving feedback about ones performance undertaking performance appraisal identifying and planning skills development opportunities to sustain and improve employee work performance.

In other words this system forces all individuals in a municipality, to be held accountable for their actions, which should bring about improved service delivery and value for money.

## **Aims and Objectives**

The aims of the Performance Management System are:

- To monitor, Review, Improve the implementation of the Integrated Development Plan (IDP) and to assess the progress made in achieving the implementation of the IDP and other service delivery functions of the municipality.
- To provide decision makers with the relevant information that will allow efficient, effective and informed decision-making.
- To ensure that learning and improvement takes place, for the municipality to improve delivery.
- To provide early warning and signals to all stakeholders for all performance related risks, so that early intervention can take place, where necessary.
- To facilitate increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

## **PMS Steps and Processes**

The steps as articulated on the PMS policy framework for the municipality include:

- Gearing the municipality for implementation of the PMS.
- Internal and external consultation around PMS.
- Setting of performance measures.
- Institutionalization of the reporting.
- Preparing the municipality for the audit of its performance.
- Linking PMS with performance of Section 57 employees.
- On-going support in terms of Performance Monitoring and Reporting.

## I2 Approach and Methodology

### Approach

The performance of Indaka Municipality is to be planned in terms of its IDP and Budget, particularly the process of compiling an IDP and the e annual review thereof. The municipality is also required to prepare the e Service Delivery and Budget Implementation Plan in order to manage its performance towards the implementation on of the IDP and Budget. This involves quarterly or mid-term reviews. It should be noted that the last component of the e cycle is that of performance review w and the outcome of such a review process must inform the next cycle of IDP compilation/ review by focusing the planning processes on those areas in which the Municipality has under-perform med.

Performance monitoring is s an ongoing process, which continuously monitors current performance against set targets. The aim of monitoring process is to take appropriate and immediate interim action where there is an indication that a target is not going g to be achieved by the set time. This is normally observed during the reporting meeting where the progression of the targets is reviewed. Performance monitoring requires that appropriate action s should be taken when it becomes evident that a specific performance target is n not going to be achieved. It is therefore proposed that the Managers should track performance trends against set targets on a monthly basis, as a means to identify performance related problems early and take appropriate remedial action.

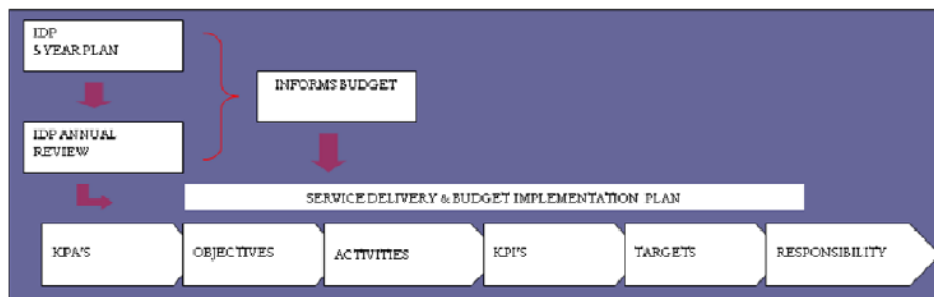


Figure 29: Performance Planning

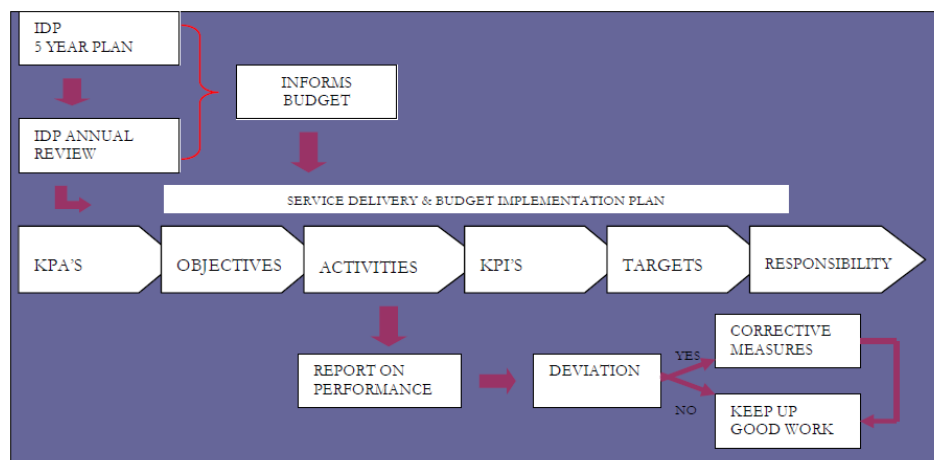


Figure 30: Performance Monitoring

## Methodology

A total of eight steps will be undertaken in order to develop a Performance Management System for Indaka. These steps should not be construed as discreet components, as but interrelated and sequential grouping of activities necessary for the establishment of an effective and implementable PMS. These can be outlined as follows:

### Step 1: Selecting appropriate Key Performance Areas (KPA's):

Setting KPA's is the first step in the performance management process. Section 26 (c) of the Municipal Systems Act requires that the development priorities of a municipality be clustered around the following KPA's, which can be regarded as national developmental priorities.

### Step 2: Formulating appropriate Development Objectives:

As a second step one needs to design high-level objectives per Key Performance Area, which put more emphasis on development. These should be manageable and realistic.

### Step 3: Developing suitable Key Performance Indicators:

As a third step, it is necessary to determine KPIs, which define what needs to be measured in order to gauge progress towards achieving the development objectives. KPIs must be measurable, relevant, simple and precise. KPIs can also be used to:

- Communicate the achievements and results of the municipality.
- Determine whether a municipality is delivering on its developmental mandate.
- Indicate whether the organizational structure of a municipality is aligned to deliver on its developmental objectives.
- Promote accountability by the council to its electorate.

### Step 4: Setting performance targets:

Step 4 involves setting performance targets for each identified KPI. Performance targets should comply with SMART a principle, which stands for Specific, Measurable, Achievable, Realistic and Time bound.

### Step 5: Identifying actions that will achieve the performance targets:

After targets have been set, it is important to identify action steps required for achieving each performance target. The actions taken in each target must feed into the achievement of the broader target.

### Step 6: Allocation of responsibility:

Step 6 involves allocating roles and responsibilities to different individuals in the municipality. A name must be assigned to each action indicated above. This is also a way of cascading the responsibility from strategic level down to operational level and from organisational goals to individual employees. Individual employees can therefore be clear on their role in achieving the strategic objectives.

Step 7: Setting target dates:

Target dates for the completion of actions should be set in conjunction with those individuals responsible for their achievement. Realistic dates should be set, and if not, the individuals concerned create false expectations and also set themselves up for failure.

Step 8: Allocate financial resources for achieving set performance targets:

The last step (step 8) involves identifying and allocating budget for each of the set targets. Without budget resources, most of the identified actions will be difficult to execute.

The process was underpinned by the following overarching concerns, which can be used to assess the reliability and relevance of the end product to the specific context of Indaka Municipality:

- Integration of PMS to the management processes and systems.
- Linkages between performance plans and the organizational objectives as outlined in the IDP.
- Clear, unambiguous and negotiated performance measures. The PMS should be able to measure progress with regard to implementation of the IDP. It should be able to issue early warnings if there is lack of progress.
- Sustainability of service delivery.
- Customer focus in line with the Batho Pele principles.
- Simplicity: at the onset, it is essential to develop a PMS that will be simple and easy to understand so as to avoid uncertainties during implementation.
- Linkages with the capacity building and skills development programmes.
- Benchmarking.
- Incremental implementation.
- Transparency and accountability.
- Integration: facilitates integration of the PMS with the IDP and the budget. PMS measures performance in terms of both expenditure and project/ programme implementation.
- Realistic: the time frames stipulated in the PMS should be as realistic as possible so as to avoid manipulation of the system.

## **Stakeholder Engagement Plan**

Public participation and involvement forms an important aspect of development projects, and is framed within the legislative requirements of a new democratic and developmental orientated government. In order to address this requirement mechanism, processes and procedures are required to enable community participation. The purpose of this document is to set out the participation structures and procedures that will be followed through the course of the project. Participation strategies and potential stakeholder's roles and responsibilities are discussed.

## **Legal Requirements**

In terms of the legal requirements pertaining to participation, the Constitution of South Africa [Section 152 (1) (e)] states that government is to encourage the involvement of communities and community organizations in local government.

Further to the Constitution, the Municipal Systems Act (Act 32 of 2000) sets out the core principles, mechanisms and processes for municipalities in order to achieve development and move progressively toward participatory governance. This Act also assists in the empowerment of municipalities to move towards the social and economic upliftment of communities. As such, this act calls for public consultation through public participation. In order for public participation to be effective, conditions conducive for participation and the encouragement thereof is essential. The establishment of ward committees as a means to reach the community at ground level are also encouraged. The adherence to the Batho Pele principles set out by government forms an important aspect of participation. These include the following:

- Consultation
- Service Standards
- Courtesy
- Access
- Information
- Openness and Transparency
- Dealing with complaints
- Giving Best Value
- Encouraging Innovation and Reward Excellence
- Customer Impact

## **Public Participation**

Public Participation is defined in Wikipedia as follow:

*"Generally public participation seeks and facilitates the involvement of those potentially affected by or interested in a decision."*

The principle of public participation holds that those who are affected by a decision have a right to be involved in the decision-making process. Public participation implies that the public's contribution will influence the decision."

Participation can also be described as the process through which stakeholders influence and share control over priority setting, policy-making, resource allocations and access to public goods and services. Through the promotion of participation, ownership is promoted and transparency and accountability are achieved.

### **Value of Public Participation**

The value of public participation, as set out in the International Association for Public Participation, is described as follow:

- Affected parties in decision-making processes should be involved in the decision-making process.
- The public's contribution must influence the decision.
- Recognizing and communicating the needs and interests of all participants, including decision makers, leads to sustainable decisions.
- Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
- Public participation seeks input from participants in designing how they participate.



- Public participation provides participants with the information they need to participate in a meaningful way.
- Public participation communicates to participants how their input affected the decision.

### **Public Participation Objectives**

The main objectives of participation are to inform, consult, involve, collaborate and empower the public in the process of public participation.

#### **Stakeholders**

Stakeholders are individuals and organizations that are actively involved in the project, or whose interests may be affected as a result of the project. The project team and their requirements will identify stakeholders and expectations will be determined.

### **Stakeholders Roles and Responsibilities**

Stakeholders have varying levels of responsibility and authority when participating on a project. Their responsibility and authority range from occasional contributions in surveys and focus groups to full project sponsorship, which includes providing financial and political support.

Some of the responsibilities of stakeholders are discussed below.

- To assist in the identification of other stakeholders who should be consulted;
- To prepare themselves for public workshops and/or meetings, and to attend/participate in them;
- To rise above personal agendas, and to understand and appreciate that there will always be trade-offs.

In addition, stakeholders should understand that it is the sum total of all inputs from all participants that will add value to decision making, and that the process can recognize, but cannot be governed by, individual viewpoints.

### **Stakeholders Identification**

The stakeholders/parties who need to be advised about the project and/ or participate in its preparation will include:

- Members of the general public (interested and affected parties);
- Municipal service business units / sub-units;
- Ward Councillors.

## **I3 Organisational Performance Management System**

The Organisational Performance Management System (PMS) of the Indaka Municipality is informed by the PMS Framework as indicated under the preceding section I1. The basis for the detailed planning of the Organisational PMS is the Departmental 5 year action plans, which in turn forms the basis for the Organisational Scorecard and SDBIP of the municipality. The 5 Year Action Plans are attached as **Appendix K12**.

## I4 The Indaka Scorecard and SDBIP

The Indaka Municipal Scorecard and SDBIP of 2011/2012 are attached as part of **Appendix K10: Organisational PMS**. The scorecard and SDBIP for 2012/2013 will be finalized as per the required timeframe and will inform/be linked to the performance plans of the Section 57 Managers.

# CONCLUSION

This is the third generation of Integrated Development Plans (IDP) since their inception in the year 2000. The IDP is the principle strategic planning document that paves the way for current and future development priorities of the municipality. It strives to address both national and provincial priorities as elaborated in both the State of the Nation and the State of the Province Addresses. This third generation of IDP is the beginning of a five year term which will stretch between the 2012/2013 and 2016/2017 financial years. The development goals/strategic thrusts and priorities will continue to give direction and guide development in the Municipality. The development priorities are still part of policy making and should influence the strategic development plan in order to ensure continuity and alignment. These development priorities are ultimately aimed at achieving the development objective for the Indaka Municipal area and its constituency. To that effect the municipality will be striving to:

- To provide and promote access to infrastructure and basic services;
- To reconfigure lands cape of Indaka for economic regeneration;
- To promote economic development and environmental sustainability;
- To promote good governance and financial discipline;
- To provide and promote access to public infrastructure;
- To promote access to basic services;
- To redesign spatial face of Indaka to promote economic opportunities;
- To create efficient and effective administration;
- To promote efficient and effective use of resources; and
- To provide access to basic facilities.

A large portion of this IDP Review is dedicated to the financial implications and challenges facing the Municipality in meeting its mandate as caretakers, managers and developers of their judicial area. The demands far outweigh the resources and it is critical that the Municipality continue and strive to:-

- Prioritize projects and programmes for implementation in addressing the community needs.
- Do proper financial planning which is also based on sound financial and business principles.
- Source appropriate external funds to supplement our own resources.
- Improve and sustain the Municipal income generation.
- Stimulate and grow the economic base of the Indaka Municipal area.
- Enter into partnerships to facilitate effective implementation.

The necessary actions and projects to achieve the objectives and implement strategies are deliberated with financial implications and requirements set out in detail. The culmination of this entire process is the development of a Spatial Development Framework which is supported by the projects, programmes and a Financial Plan for implementation and guiding the development and future growth of the Indaka Municipal area in the strive to improve the quality of life, providing a higher standard of services to the entire community ensuring that this area become a prime economic generator for tourist development, farming, mining and a service centre for its communities.

Ultimately, the Indaka Municipality needs to integrate and align all its efforts with those of its neighbouring Local Municipalities as well as national and provincial stakeholders. The effort made in this IDP to align the council budget with those of line function departments goes a long

way to addressing the weaknesses of previous development plans. Even though the implementation process may take a number of years and at times seem difficult, the advantages of this process are numerous. Policy makers (councillors) gain clear information about the impact of spending, aiding them in making informed decisions.

The results of policy decisions become evident as performance is measured and resource usage is directly related to services delivered. Programme managers will work within well-defined expectations and have the flexibility to reform processes and increase efficiency as long as goals are met. The Indaka communities also benefit by being able to determine a clear connection between money spent and services provided.

## SECTION J: ANNEXURES

Annexure J1: Detailed Spatial Development Framework

Annexure J2: Detailed Disaster Management Plan including the Provincial DMC Rating

## SECTION K: APPENDICES

Appendix K1: Land Use Management Framework and System

Appendix K2: Waste Management Plan – Outstanding, to be incorporated as part of final submission

Appendix K3: Water Service Development Plan (All WSAS) – Outstanding, to be incorporated as part of final submission

Appendix K4: Integrated Transport Plan – Available but outdated, in the process of being reviewed by uThukela District Municipality & will form part of final submission.

Appendix K5: Housing Plan

Appendix K6: Energy Master Plan (Electricity Master Plan) – Since the Indaka local municipal area is currently under ESKOM license servicing agreement the uThukela District Municipality is in the process of preparing a district wide Energy Master Plan that would reflect the roll out of electricity provision of Indaka. Comprehensive status report to form part of final submission.

Appendix K7: Local Economic Development Plan – Attached as separate document, however, to be reviewed to align with new strategic goals & objectives through provincial localized projects (catalytic).

Appendix K8: Infrastructure Investment Plan (EPWP Compliant) - Available but outdated, in the process of being reviewed by uThukela District Municipality & will form part of final submission.

Appendix K9: Area Based Plans (Land Reform) – To be verified and to report on final submission.

Appendix K10: Organisational PMS

Appendix K10.1: Organisational Scorecard

Appendix K10.2: SDBIP

Appendix K11: IDP Process Plan / IDP Framework Plan

Appendix K12: 5 Year Plans

Appendix K13: Municipal Turn Around Strategy (MTAS)

Appendix K14: Indaka Mandate & Compliance Performance Evaluation

Appendix K15: Indaka Situational Analysis Findings

Appendix K16: Ward Profiles

Appendix K17: Provincial Sector Department MTEF Summary

Appendix K18: Capital Investment Framework (CIF)