

Draft Integrated Development Plan (IDP) 2014/2015 to 2018/2019

INDAKA MUNICIPALITY

“a Municipality
without Poverty by
2030”



Rural Development



Job Creation



Social Change



Agrarian Reform



Good Governance



*Infrastructure
Investment*

March 2014

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)
- Municipal Mayor – Cllr NB. Mchunu
- Municipal Manager – Mr K. S Khumalo

Situational Overview

- Extent of Municipal Area equals 990km²
- Population 113,644 (21,372 hh)
- Population Density 100/km²
- 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 (Stats SA 2011):

- Water 4,710 (22%),
- Sanitation 5,443 (25%) and
- Electricity 49%

Challenges

- No Well-Established Economic Core;
- No formal or proclaimed Town (Revenue Base);
- Negative Population Growth Rate (out migration);
- High Youth Ratio and High Unemployment;
- Social Grant Dependent (100% poverty stricken);
- Extremely high prevalence of HIV/AIDS;
- Lack of Social Support Services & Facilities/ Amenities;

- Dysfunctional and lack of Infrastructure Support Services;
- Access to Basic Infrastructure (Backlogs);
- Grant Dependency & Lack of Financial & HR Resources;
- Clean Audit (Implementation of Recovery Plan);
- Skills Attraction & Retention Strategy;
- Sustainable & Subsistence Agriculture / Farming; and
- Auditor General's Report.

Key Interventions

- Backlog Study (Core Infrastructure)
- Infrastructure Master Plan with specific reference to Roads & Storm-water & Solid Waste Management
- Sustainable Rural Development Strategy linked to Agrarian Reform
- Formalisation & Regeneration of Ekuvukeni & Waihoek
- Formulate & Review Series of Plans & Planning Directives, i.e. SDF, LUMs, EMF, Disaster, etc.
- Implement Recovery Plan / Strategy (Operation Clean Audit)
- Prepare & Implement Revenue Enhancement Strategy
- Review LED to gear mass Job Creation & promote Sustainable Livelihoods
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives
- Implement Housing Programmes linked to outcome of Rural Development Strategy
- Alignment of Social Investment Programmes & Partnerships
- Foster & Mobilize Partnerships to Economic Regeneration
- Prioritised Targeted Support (Public & Private Sector)
- Identify Pilot Programmes / Projects with specific reference to Rural Development
- Operation Sukuma Sakhe / War Against Poverty

Catalytic Projects

- Sustainable Rural Development Strategy linked to Agrarian Reform
- Formalisation & Regeneration of Ekuvukeni & Waihoek
- Formulate & Review Series of Plans & Planning Directives i.e. SDF, LUMS, EMF, Disaster, etc
- Implement Recovery Plan/Strategy (Operation Clean Audit)
- Prepare & Implement Revenue Enhancement Strategy
- Review LED to gear mass Job Creation & promote sustainable livelihoods
- Basic Infrastructure Investment specific reference to Roads & Storm-water
- Implement Housing programmes linked to outcome of Rural Development Strategy
- Alignment of Social Investment Programmes & Partnerships
- Backlog Study (core infrastructure)
- Roads Master Plan

Strategic Objectives per KPA

- **Service Delivery and Infrastructure**
Objective: to address services backlogs and future growth as well as maintain and upgrade existing infrastructure.
- **Municipal Transformation and Institutional Development**
Objective: to facilitate the management of institutional change and develop institutional capacity that will enable the municipality to deliver on its constitutional mandate.
- **Spatial and Environmental Management**
Objective: to preserve and protect the natural environment through the application of appropriate conservation management.

- **Social and Local Economic Development (LED)**
Objective: to stimulate economic growth and development and coordinate and facilitate the delivery of social services.
- **Financial Viability and Management**
Objective: Manage Municipal Resources to ensure Financial Viability, Sustainability and Affordability.
- **Good Governance and Public Participation**
Objective: to provide systems and mechanisms for accountability and public participation in municipal affairs.

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 3rd 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 3rd 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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LIST OF ABBREVIATIONS

| | | |
|----------|---|--|
| AG | - | Auditor General |
| DEAT | - | Department of Environment, Agriculture and Tourism |
| DLTGA | - | Department of Local Government and Traditional Affairs |
| DME | - | Department of Minerals and Energy |
| DOE | - | Department of Education |
| DOH | - | Department of Housing |
| DOT | - | Department of Transport |
| DWAF | - | Department of Water Affairs and Forestry |
| EXCO | - | Executive Committee |
| GIS | - | Geographical Information System |
| HIV/AIDS | - | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| IDP | - | Integrated Development Plan |
| ILM | - | Indaka Local Municipality |
| KZN | - | KwaZulu-Natal |
| LED | - | Local Economic Development |
| LRAD | - | Land Redistribution for Agricultural Development |
| LUMF | - | Land Use Management Framework |
| LUMS | - | Land Use Management System |
| MEC | - | Member of the Executive Council (Local Government and Traditional Affairs) |
| MFMA | - | Municipal Finance Management Act, No. 56 of 2003 |

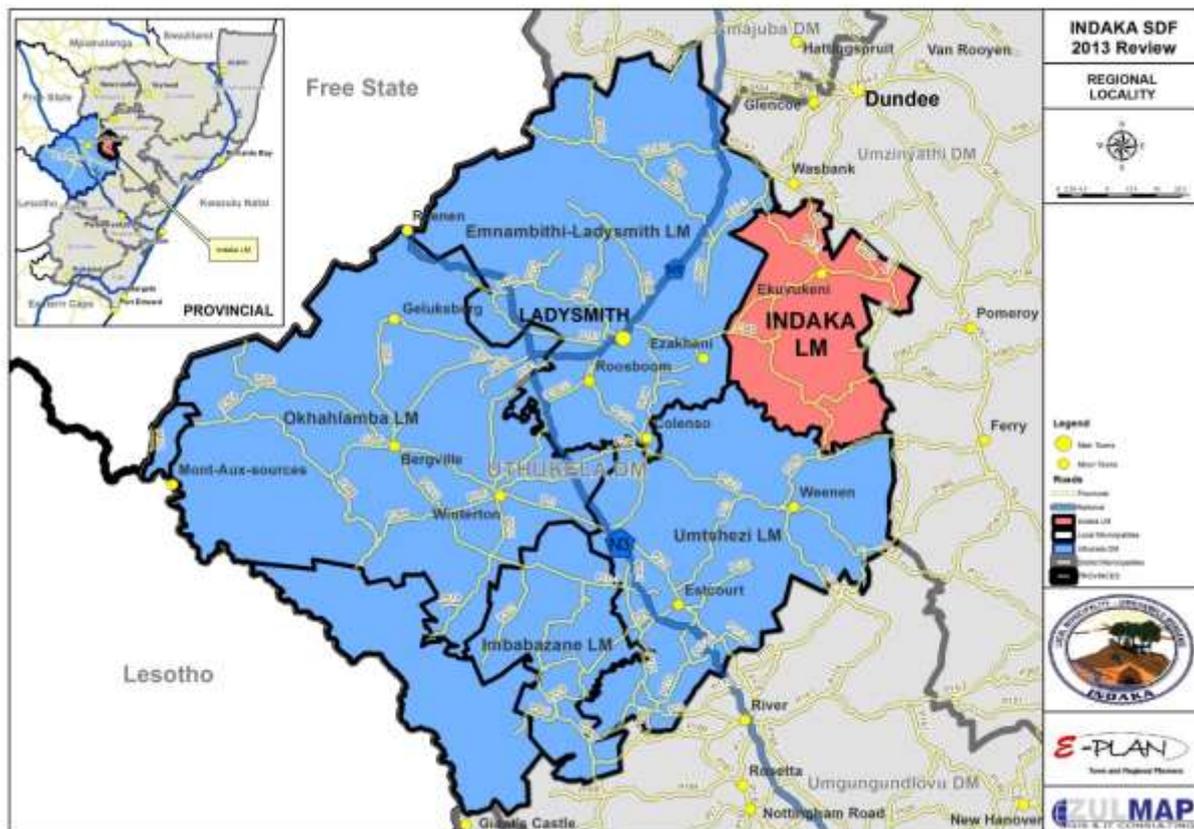
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| MIG | - | Municipal Infrastructure Grant |
| MTCF | - | Medium-term Capital Framework |
| MSA | - | Municipal Systems Act, No. 32 of 2000 |
| NT | - | National Treasury |
| OPMS | - | Organisational Performance Management System |
| PIMS | - | Planning, Implementation and Management System |
| PGDS | - | Provincial Growth and Development Strategy |
| PMAC | - | Performance Management Audit Committee |
| RF | - | Representative Forum |
| SADC | - | Southern Africa Development Community |
| SEA | - | Strategic Environmental Assessment |
| SDF | - | Spatial Development Framework |
| SDBIP | - | Service Delivery and Budget Implementation Plan |

SECTION A: EXECUTIVE SUMMARY

1.1 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.

MAP 1 Indaka Municipality Locality Map



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 economic 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 under-developed 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.

According to the 2011 StatsSA Census, the population of the Indaka Municipality has decreased from 113,644 people in 2001 to 103,116 people. Thus indicates a a population decline of -10.2% over 10 years. In 2011, the number of males was 46,509 as opposed to 56,607 females and this is particularly noticeable in the 20 to 49 year age group which indicates a high level of out-migration of men in the economically active population.

1.2 Indaka's Development Vision

This vision is informed by members of council during the Didima Camp Strategic Session, which include, but are not limited to:-

- Indaka is a rural municipality.
- The municipality to attract business people to foster partnerships to increase Local Economic Development by 2030.
- To create a self-reliant and economically viable municipality by 2030.
- The municipality to render sufficient Local Government Functions, and facilitate proper IGR by 2021.
- Strive to transform to an effective and efficient municipality that provides for the Indaka community's basic needs, and stimulate skills and decrease the unemployment rate by 2020, and jointly move forward in becoming one of the most competent municipalities in the world.
- By 2030, to eradicate poverty, to stimulate economic development, to create a safe and healthy environment, to sustain basic services, to improve quality of life, to provide electricity to all residences, access roads to all households by 2030, access to water for all residences, to development urban settlement, to collect revenue.

The Municipal vision is as follows:

“Indaka...a Municipality without poverty by 2030”

The Mission statement

The Mission Statement defines the fundamental purpose of the municipality and is as follows:

- Providing Basic Services in an affordable and sustainable manner;
- Promoting social upliftment and economic regeneration;
- Promoting a safe and healthy environment;
- Promoting public participation in the manner that supports Co-operative / Developmental Government;
- Building and entrenching Citizen Involvement.

1.3 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., as well as, 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 crimes 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 place 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.

1.4 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 include:

Natural Landscape

Indaka Municipality is characterized by two drainage systems - uThukela and Sundays River. The fast 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 make water supply projects possible to the municipality.

Suitable Arable Land and Land for Infrastructural Development

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

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation.

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

1.5 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.

The municipality has developed a Local Economic Development Strategy that outlines how the Indaka economy should be developed.

Financial Management Viability of the Municipality

Financial Management appeared to be a problem with the municipality, but the 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 the Property Rates Act so that it will have a revenue base and this will boost financial viability of the municipality, hence the need to formalize the towns.

Eradicating Infrastructure Backlogs

The municipality has conducted a Backlog Study and 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 the above-mentioned rate, the municipality has developed an HIV/AIDS Strategy. The developed strategy outlines intervention programmes and projects that should be implemented to combat HIV/AIDS.

Skills Auditing

The 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

The municipality intends building houses for the Indaka community. A Housing Sector Plan has been developed, however, needs to be annually reviewed. House construction has commenced and is yielding positive results.

Development of Performance System

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

1.6 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.

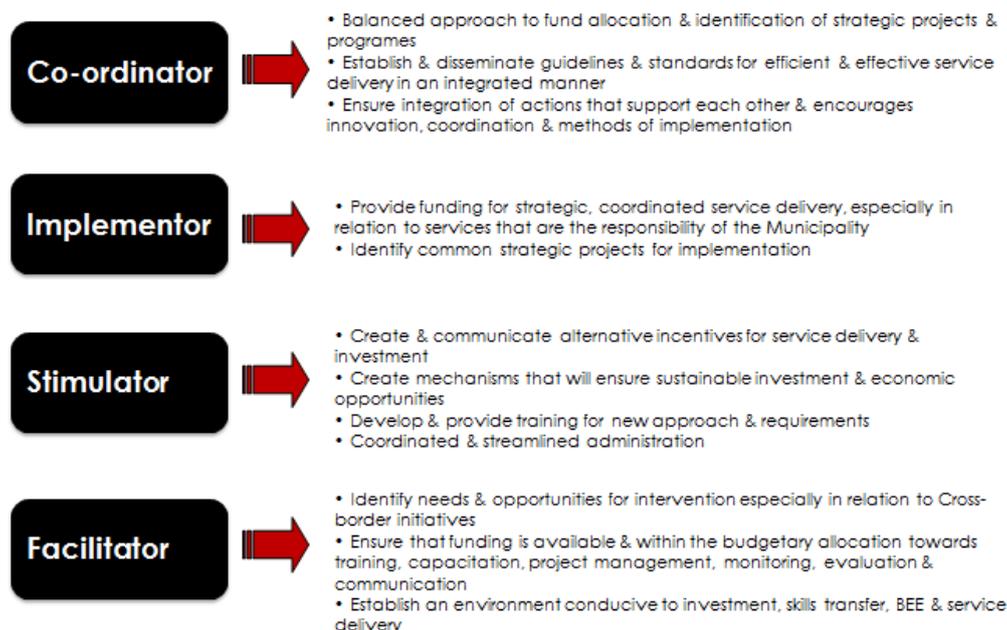


Figure 1: Strategic Role of Indaka LM as part of their Service Delivery Programme

1.7 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 their 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 government in order to accelerate service delivery to meet basic needs and to promote growth.

Minimum standards for basic services, vision 2018

| Sector | Minimum Standard 2014 Target |
|----------------|--|
| Water | All households to have access to at least clean piped water 200m 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 2018 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 areas, such as Indaka, may need to realistically have service delivery focusing on greater access to state provided boreholes, or rain tanks and water harvesting, and alternative energy for cooking, e.g. bio-fuel. 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 2018

The Municipality is expected to have achieved the following by 2018:

- The municipality shall improve its revenue base.
- The municipality shall have implemented the Property Rates Act.
- The municipality shall have minimized backlogs on:
 - Electricity;
 - Water and Sanitation;
 - Roads;
 - Increased HIV/AIDS Awareness;
 - Housing; and
 - Protected Environment.

Critical Targets

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

Infrastructure Priority Issues

- Water and Sanitation;
- Roads;
- Electricity;
- MPCC.

Economic Priority Issues

- Economic Development;
- Tourism Initiative Development;
- Development of Shopping Centre (Township Formalisation); and
- Development of SMME's.

Environment Priority Issues

- Development of Environmental Management Framework (EMF); and
- Development of Environmental Protection Plan.

1.8 Developing the Indaka IDP

A Process Plan to guide the development of the 2013/14 Indaka IDP review was considered and approved by the Council in July 2012. 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 Framework Plan of the UThukela Family of Municipalities and it is attached hereto as **Appendix J1.**

The approach to 2014/15 IDP include the following six key activities:

- Strategic Review of the contents of the 2012/13 IDP;
- Finalization of sector plans;
- Alignment with sector departments and service providers;
- A filtering process whereby the reviewed IDP and Sector Plans are integrated with the resource framework;
- The development of a detailed implementation framework; and
- Finally, the preparation of the IDP.

IDP Steering Committee

As part of the IDP preparation process, Council resolved to establish an IDP Steering Committee, which will act as a support to the IDP Representative Forum, the Municipal Manager and the IDP Manager. These structures are to continue functioning throughout the IDP Review Phase.

The IDP Manager

The IDP Manager is an official of the municipality assigned the responsibility of championing the IDP process. Amongst other, the following responsibilities have been allocated to the IDP Manager for the IDP Review Process:

To ensure that the Process Plan is finalised and adopted by Council;

- To adjust the IDP according to the proposals of the MEC;
- To identify additional role-players to sit on the IDP Representative Forum;
- To ensure the continuous participation of role players
- To monitor the participation of role players;
- To ensure appropriate procedures are followed;
- To ensure documentation is prepared properly;
- To carry out the day-to-day management of the IDP process;
- To respond to comments and enquiries;
- To ensure alignment of the IDP with other IDP's within UThukela District Municipality;
- To co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;
- To co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP.
- To submit the reviewed IDP to the relevant authorities.

Project Teams

Projects Teams are composed of municipal officials, public/private sector agencies and relevant portfolio councillors. The municipality will establish/revive Project Teams to deal with project planning and consolidation where improvements or changes have to be made to projects.

IDP Representative Forum (RF)

The IDP Representative Forum (RF) will be reviewed by including the newly established Ward Committee members and Traditional Councils. It has, however, been noted that the participation by NGO's and CBO's in many of the RF's has not been as good as was anticipated. As such, additional effort will need to be made to include more organisations and ensure their continued participation throughout the IDP Review.

Table 2: The Programme for IDP, Budget and Organisational PMS Process

| Activity No. | Action/ Task For IDP and Budget | Timeframe For Task Completion |
|--------------------------------|--|-------------------------------|
| August / September 2013 | Align IDP and Financial Processes: <ul style="list-style-type: none"> • Advertising for stakeholder participation • Revival of IDP Organisational Structures • Draft and advertise the IDP Process Plan • Adoption of Process Plan by EXCO • 1st IDP Steering Committee meeting • 1st IDP Representative Forum • Adoption of the process plan by Full Council | 30 September 2013 |
| October / November 2013 | 2nd IDP Steering Committee Meeting: <ul style="list-style-type: none"> • Review Priority issues • Review Municipal Vision and Mission • Review Objectives and Strategies • Review Spatial Development Framework • Identify outstanding Sector Plans • Integrate finalized sector plans • Review of Projects • Adoption of objectives and strategies • Review of KPI'S Targets, timeframe etc. where impacted upon by reprioritization • Align with budget estimate | 30 November 2013 |
| March/May 2014 | <ul style="list-style-type: none"> • Present Draft IDP Document to 3rd IDP representative Forum • Assessment by Provincial IDP Forum Public Participation • Incorporate municipality's approved budget • Advertise for public comments and incorporate comments where possible | 31 May 2014 |
| June 2014 | <ul style="list-style-type: none"> • EXCO recommend IDP approval to Council • Council approval of IDP • Submission to MEC | 30 June 2014 |

1.9 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 Indaka Municipality, through its Process Plan, 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 mechanisms and processes for participation have been put in place.

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP Review phase has to be institutionalised in order to ensure all residents have an equal right to participate.

- a) Representatives Forum (RF) will represent all stakeholders and will be as inclusive as possible. Efforts were made to bring additional organisations into the RF and ensure their continued participation throughout the process. The representative forum met as indicated in the process plan and were organised to coincide with the completion of each phase.
- b) Local newspapers were used to inform the community of the progress of the Review phase. A notice was submitted to the local newspaper on the completion of the IDP Review.
- c) On completion of the IDP Review, a Mayoral Izimbizo will be scheduled to ensure that the input of the community at large is also taken into account.

The following internal and external stakeholders were considered as part of the public participation and engagements in developing this IDP.

Internal Stakeholders

| Role Player | Roles and Responsibilities |
|------------------------|--|
| Council | <ul style="list-style-type: none"> • Final decision making • Approval of the reviewed IDP documentation. |
| Councillors | <ul style="list-style-type: none"> • Linking the IDP process with their constituencies • Organising the public participation. |
| Mayor | <ul style="list-style-type: none"> • Decide on the process plan. • Be responsible for the overall management, coordination and monitoring of the process and drafting of the IDP Review documentation, or delegate this function |
| Municipal Officials | <ul style="list-style-type: none"> • Provide technical/sector expertise. • Prepare selected Sector Plans. • Prepare draft progress proposals. |
| Municipal Manager | <ul style="list-style-type: none"> • Decide on planning process. • Monitor process. • Overall Management and co-ordination. |
| IDP Manager | <ul style="list-style-type: none"> • Day-to-day management of the process |
| IDP Steering Committee | <ul style="list-style-type: none"> • Assist and support the Municipal Manager/IDP Manager and Representative Forum. • Information "GAP" identification. |

| | |
|---------------------|--|
| | <ul style="list-style-type: none"> • Oversee the alignment of the planning process internally with those of the local municipality areas. |
| Municipal Officials | <ul style="list-style-type: none"> • Provide technical/sector expertise. • Prepare draft progress proposals. |

External Stakeholders

| Role Player | Roles and Responsibilities |
|---|--|
| The District Municipality | <ul style="list-style-type: none"> • Coordination role for local municipalities. • Ensuring horizontal alignment of the IDP's of the municipalities in the district council area. • Ensuring vertical alignment between the district and local planning. • Facilitation of vertical alignment of IDP's with other spheres of government and sector departments. • Provide platform for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists. |
| Representative Forum/Civil Society | <ul style="list-style-type: none"> • Representing stakeholder interest and contributing knowledge and ideas. |
| Government Departments through stakeholders forum | <ul style="list-style-type: none"> • Provide data and information. • Budget guidelines. • Alignment of budgets with the IDP. • Provide professional and technical support. |
| Consultants | <ul style="list-style-type: none"> • Providing the required specialist services for various planning activities • Methodological guidance. • Facilitation of planning workshops. • Support with guidance on Sector Plans (sources of funding and guidelines). • Documentation. |

1.10 Organisational Key Performance Indicators

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 following targets were identified within the context of the current realities, development challenges and the strategic development objectives put forward in response to achieve the development vision of Indaka, namely:-

- Implement Recovery Plan / Strategy (Operation Clean Audit);
- Prepare & Implement Revenue Enhancement Strategy;
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives;
- Prioritised Targeted Support (Public & Private Sector Backlog Study (Core Infrastructure));
- Infrastructure Master Plan with specific reference to Roads & Stormwater & Solid Waste Management;
- Sustainable Rural Development Strategy linked to Agrarian Reform;
- Formalisation & Regeneration of Ekuvukeni & Waaihoek;
- Formulate/Review Series of Plans & Planning Directives, i.e. SDF, LUMs, EMF, Disaster, etc.;
- Review LED to gear mass Job Creation & promote Sustainable Livelihoods;
- Implement Housing Programmes linked to outcome of Rural Development Strategy;
- Alignment of Social Investment Programmes & Partnerships;
- Foster & Mobilize Partnerships to Economic Regeneration;
- Identify Pilot Programmes / Projects with specific reference to Rural Development; and
- Operation Sukuma Sakhe / War Against Poverty.

1.11 Responses to MEC Comments

The comments received from the MEC of Local Government on the 2012-2016 IDP provided guidance to the 2013/2014 IDP Review process.

| Commendations | Recommendations | Municipal Action |
|--|--|--|
| KPA 1: Municipal Transformation & Institutional Development | | |
| <ul style="list-style-type: none"> • Challenges facing municipality well-articulated • SWOT Analysis for various Departments | <ul style="list-style-type: none"> • Fill vacant section 56 positions | <ul style="list-style-type: none"> • Address Vacancy ratio on Strategic Positions (66%) • Skills Retention Strategy incorporating programmes associated to department SWOT Analysis |
| KPA 2: Local Economic Development | | |
| Local Economic Development strategies geared towards poverty alleviation. | Develop appropriate implementation strategy in particular to fully exploit agricultural and tourism opportunities. | <ul style="list-style-type: none"> • LED Projects to be reviewed to promote sustainable livelihoods and Rural Development • Business Plans for LED projects considered to be superficial without resourcing strategy. • |
| KPA 3: Basic Service and Infrastructure | | |

| Commendations | Recommendations | Municipal Action |
|--|--|--|
| <ul style="list-style-type: none"> Focus on basic services towards improving quality of life Basic services backlogs analysis well presented | <ul style="list-style-type: none"> Include telecommunication backlogs and strategies/measures to reduce backlogs | <ul style="list-style-type: none"> Intend to undertake ongoing basic services backlog survey , (roads & storm water, waste management and telecommunications) Improved alignment with service authorities and District Municipality on implementation of programmes. |
| KPA 4: Financial Viability and Management | | |
| <ul style="list-style-type: none"> Acknowledge grant dependency Progressive financial targets to improve viability | <ul style="list-style-type: none"> Develop strategies to increase municipal revenue and decrease grant dependency | <ul style="list-style-type: none"> PGDS Social Investment Zone Performance Monitoring linked to achievable target Develop an Action Plan to achieve clean audit |
| KPA 5: Good Governance and Public Participation | | |
| <ul style="list-style-type: none"> A number of policies and a structure to ensure good governance exists. Commitment to effective public participation process | <ul style="list-style-type: none"> More on how these policies are implemented and applied is required. | <ul style="list-style-type: none"> Review and update public participation plan Improve IDP representative forum participation of Sector Departments, orchestrated by DM. Review and update policies procedures and by laws Establish effective communication channels for improved service turn around times |
| KPA 6: Spatial Development Framework | | |
| <ul style="list-style-type: none"> Compliant to Section 26(E) of Municipal Systems Act. | <ul style="list-style-type: none"> SDF to provide guidelines for schemes to be adopted Overall credibility and support of SDF strategies | <ul style="list-style-type: none"> Municipality has completed SDF to be incorporated in 2014/15 IDP review. |

SECTION B: GOVERNMENT POLICIES, AND IMPERATIVES AND PLANNING, DEVELOPMENT PRINCIPLES.

2.1 Government Priorities

The strategic framework will address the objectives and strategies of the municipality that it needs to achieve in a specific time frame to address key issues identified. The objectives and strategies of the municipality must be in line with the International, National and Provincial guidelines.

2.1.1 National Development Plan 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The National Planning Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

1. Too few people work
2. The quality of school education for black people is poor
3. Infrastructure is poorly located, inadequate and under-maintained
4. Spatial divides hobble inclusive development
5. The economy is unsustainably resource intensive
6. The public health system cannot meet demand or sustain quality
7. Public services are uneven and often of poor quality
8. Corruption levels are high
9. South Africa remains a divided society.

South Africans from all walks of life welcomed the diagnostic as a frank, constructive assessment. This led to the development of the draft national plan, released in November 2011. Building on the diagnostic, the plan added four thematic areas: rural economy, social protection, regional and world affairs, and community safety.

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

Progress over the next two decades means doing things differently. Given the complexity of national development, the plan sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability.
- Bringing about faster economic growth, higher investment and greater labour absorption.
- Focusing on key capabilities of people and the state.
- Building a capable and developmental state.
- Encouraging strong leadership throughout society to work together to solve problems.

While the achievement of the objectives of the National Development Plan requires progress on a broad front, three priorities stand out:

- Raising employment through faster economic growth
- Improving the quality of education, skills development and innovation
- Building the capability of the state to play a developmental, transformative role.

A sustainable increase in employment will require a faster-growing economy and the removal of structural impediments, such as poor-quality education or spatial settlement patterns that exclude the majority. These are essential to achieving higher rates of investment and competitiveness, and expanding production and exports. Business, labour, communities and government will need to work together to achieve faster economic growth.

Social cohesion needs to anchor the strategy. If South Africa registers progress in deracialising ownership and control of the economy without reducing poverty and inequality, transformation will be superficial. Similarly, if poverty and inequality are reduced without demonstrably changed ownership patterns, the country's progress will be turbulent and tenuous.

Longer term interventions from the local authority need to take cognizance of the following:

- Promote mixed housing strategies and more compact urban development to help people access public spaces and facilities, state agencies, and work and business opportunities.
- Invest in public transport, which will benefit low-income households by facilitating mobility.

For infrastructure that supports human settlements (housing, water, sanitation, roads, parks and so on) the picture is unnecessarily complicated. The planning function is located at local level, the housing function is at provincial level, and the responsibility for water and electricity provision is split between those responsible for bulk services and reticulation. In practice, these arrangements do not work. In general, human settlements are badly planned, with little coordination between those installing water reticulation infrastructure and those responsible for providing bulk infrastructure.

Responsibility for housing should shift to the level at which planning is executed: the municipal level. The plan sets out recommendations for effective urban development. Local government faces several related challenges, including poor capacity, weak administrative systems, undue political interference in technical and administrative decision-making, and uneven fiscal capacity. The Commission believes that within the framework of the Constitution, there is more room for the asymmetric allocation of powers and functions and for more diversity in how developmental priorities are implemented. To achieve this, longer-term strategies are needed, including addressing capacity constraints, allowing more

experimentation in institutional forms and working collaboratively with national and provincial government.

Reshaping South Africa's cities, towns and rural settlements is a complex, long-term project, requiring major reforms and political will. It is, however, a necessary project given the enormous social, environmental and financial costs imposed by existing spatial divides. The Commission proposes a national focus on spatial transformation across all geographic scales. Policies, plans and instruments are needed to reduce travel distances and costs, especially for poor households. By 2030, a larger proportion of the population should live closer to places of work, and the transport they use to commute should be safe, reliable and energy efficient.

This requires:

- Strong measures to prevent further development of housing in marginal places
- Increased urban densities to support public transport and reduce sprawl
- More reliable and affordable public transport and better coordination between various modes of transport Incentives and programmes to shift jobs and investments towards the dense townships on the urban edge
- Focused partnerships with the private sector to bridge the housing gap market.

Rural areas present particular challenges. Policies are required to bring households in these areas into the mainstream economy. There are rural areas, however, where transport links are good and where densification is taking place in the absence of effective land-use management and urban governance. These require urgent interventions.

2.1.2 KwaZulu-Natal Provincial Growth And Development Strategy (PGDS)

The National Development Plan (NDP) has successfully been unpacked into the more localized KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) and it is widely acknowledged that the PGDS fully complies to the intentions and targets of the NDP.

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.

Provincial Strategic Goals & Objective

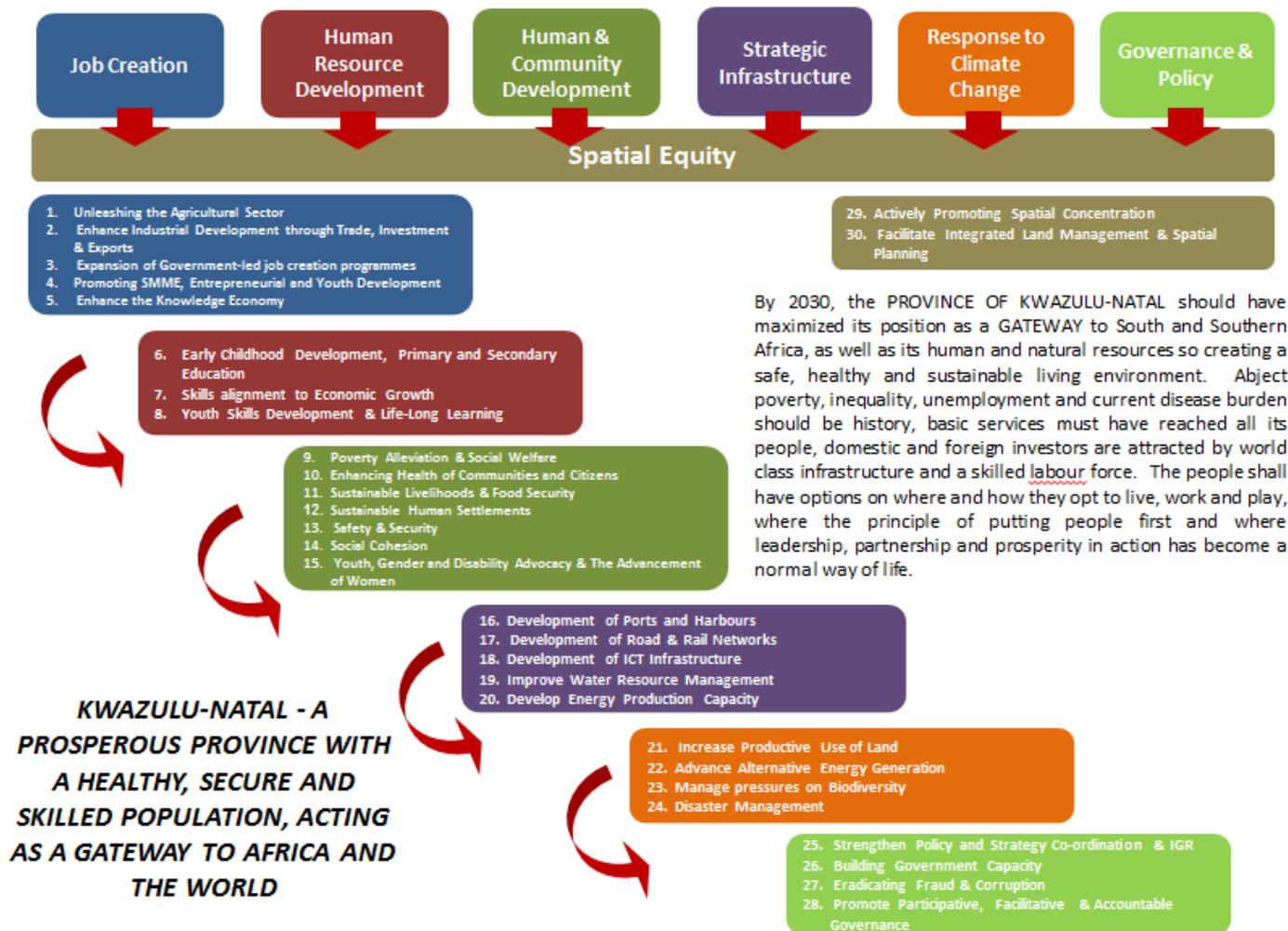
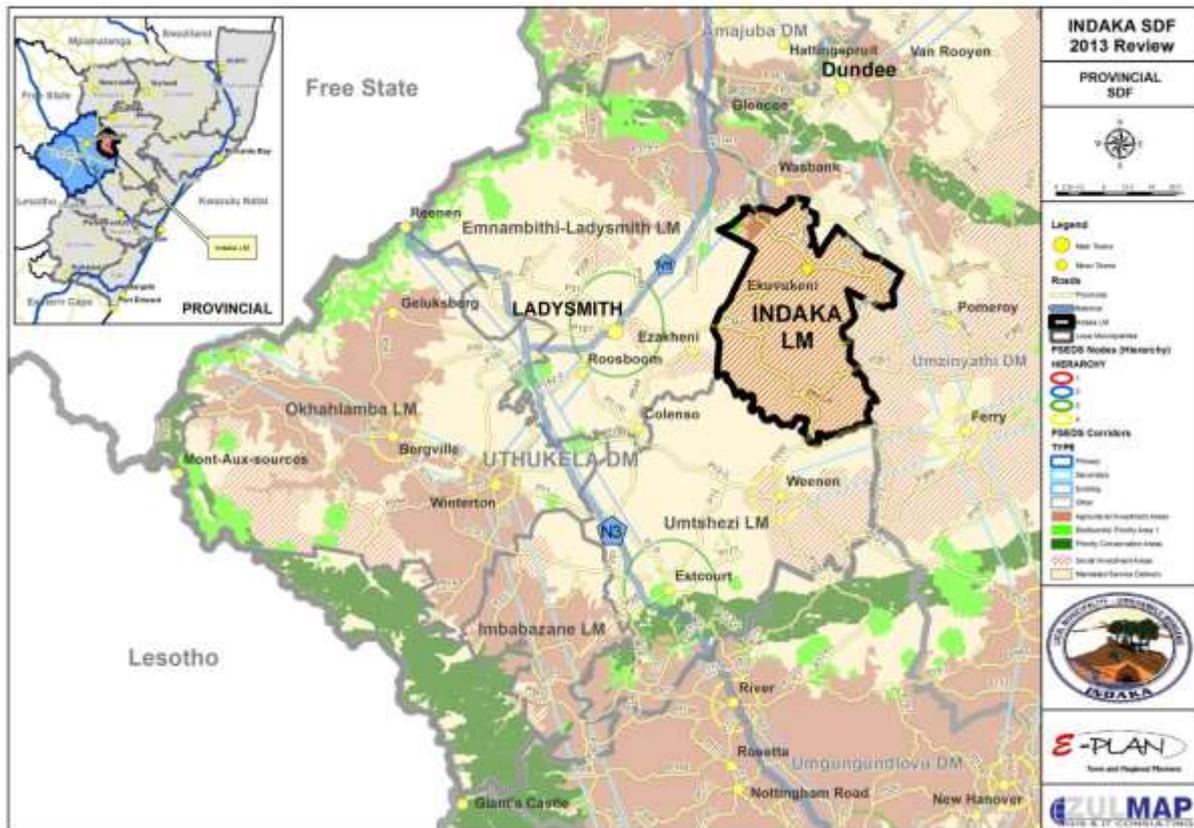


Figure 2: Provincial Strategic Goals & Objectives

(Refer to Section D 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)

As an integral part of the PGDS the KwaZulu-Natal Spatial Development Strategy was also formulated and the resulting spatial strategy for the uThukela district illustrated by the image below:

MAP 2: KZN Provincial Spatial Development Framework – Indaka Municipality



From the provincial spatial strategy it is evident that the entire Indaka Municipality is classified as a Social Investment Area, indicating an acknowledgement of the widespread poverty and limited economic base within the municipality. Only two small Economic Support Areas have been identified based on pockets of good agricultural land within the area.

Although the provincial spatial framework and its consideration of the Provincial Spatial Economic Development Strategy's (PSEDS) indicates provincial nodes and corridors, none have been identified within Indaka as provincially significant. Indaka is however in relatively close proximity to the Third Order nodes of Ladysmith and Dundee and the identified corridor between these two centres. It would therefore be advisable to focus on the linkages which could be achieved to these areas.

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.

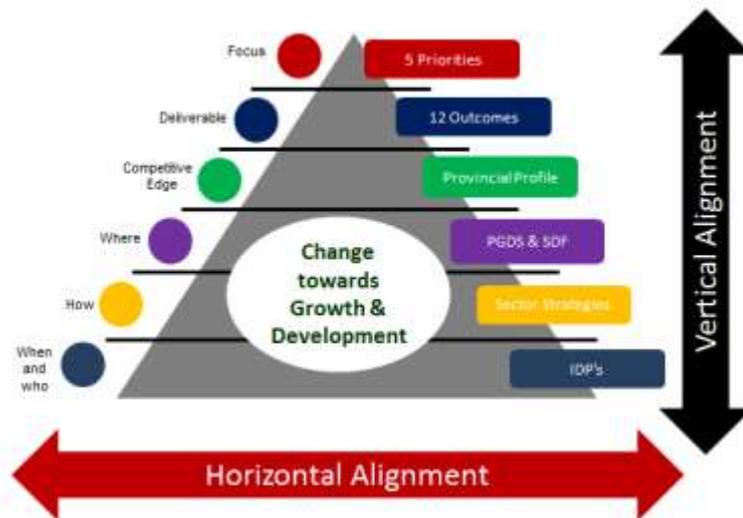


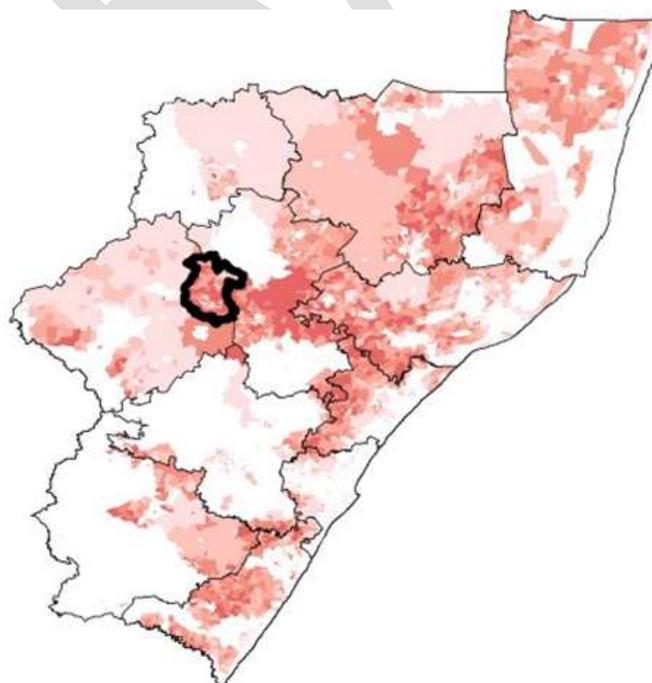
Figure 3: Alignment Processes Followed in the Formulation of the Indaka IDP

A classification of potential for the entire province and as it relates to Indaka Municipality is shown in the following brief overview:

2.1.2.1 Classification of Poverty/Need

Poverty levels measure the proportion of persons living below a certain living standard. Areas of high poverty thus have a large proportion of their population living below the poverty level. The highest levels of poverty and need are mainly concentrated within those areas previously forming part of the KwaZulu Natal homeland. The poverty levels in the province are illustrated in the following map.

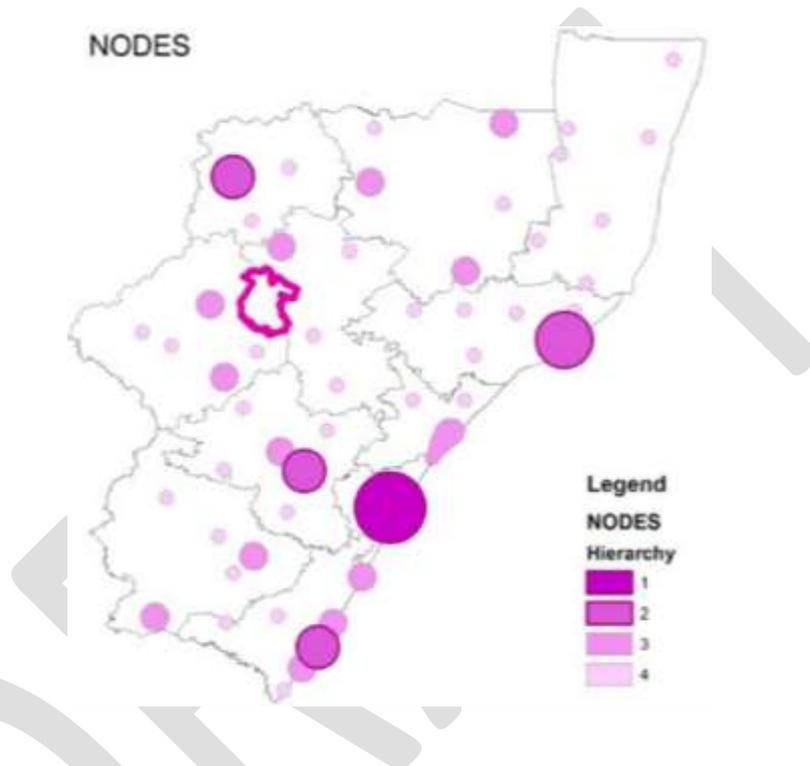
MAP 3 PGDS Classification of poverty/need



2.1.2.2 Service Centres

The Provincial Spatial Economic Development Strategy takes the implications of the importance of the service sector in most districts into account. Many of the smaller rural centres and towns represent important centres of service, and particularly government activity. The PSEDS builds on the concept of developing a comprehensive network of centres throughout the province which would support the delivery of services. Services delivered would be determined by various nodes according to a hierarchy of places. In identifying the hierarchy of places existing service centres are strengthened but, more importantly, new or emerging service centres are developed.

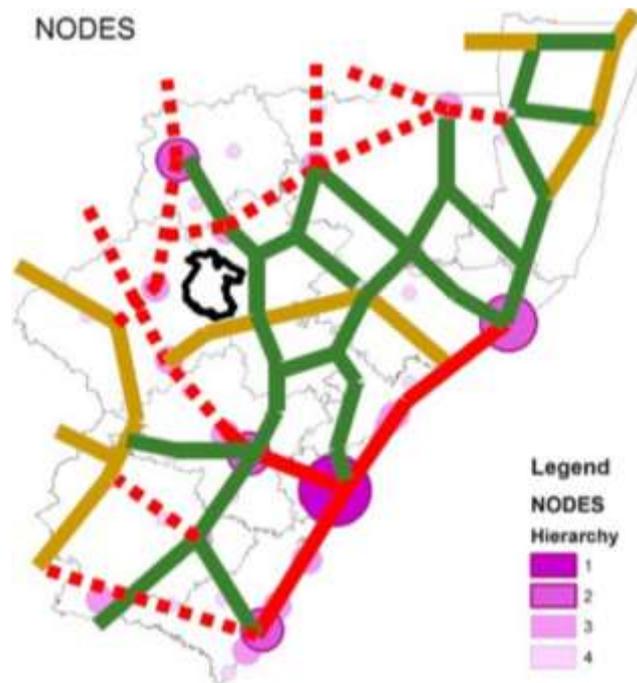
MAP 4 PGDS Service Centres



2.1.2.3 Development/Activity Corridors

Economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. The PSEDS thus does not attempt to identify a functional hierarchy of transport logistics corridors or routes throughout the province. Instead it focuses its attention on activity/development corridors. These development corridors are not intended to be the basis for a transport logistics network. It is however essential that the development corridors are adequately served by appropriate transport and logistics infrastructure.

MAP 5 PGDS Development/Activity Nodes

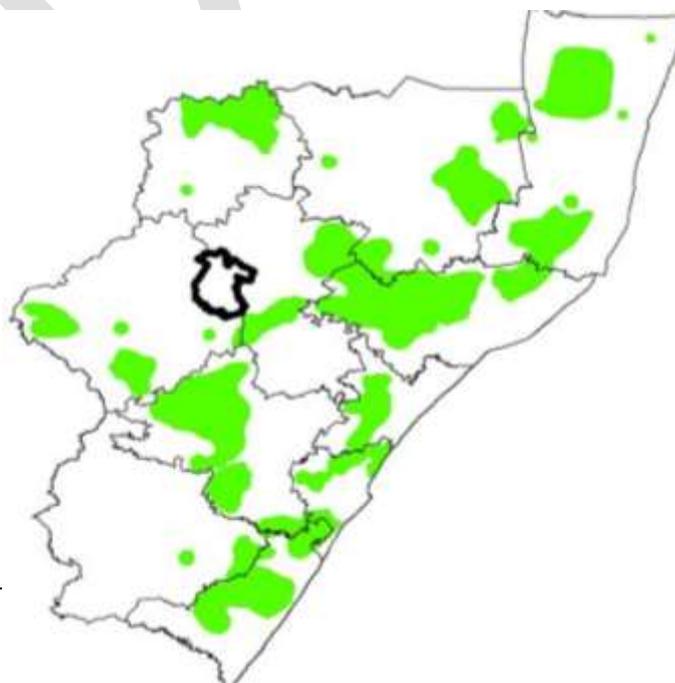


2.1.2.4 Agriculture and Agri-Processing

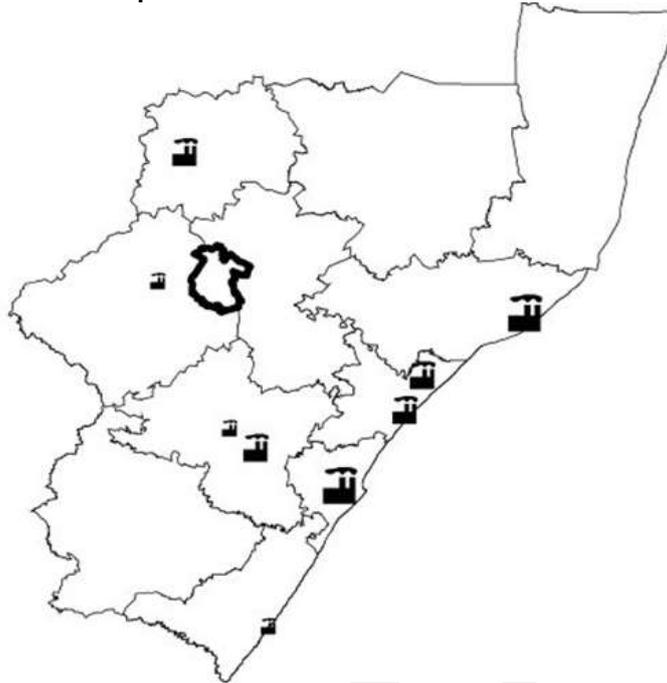
This sector is key to addressing poverty in the province since most areas of poverty are rural. Its contribution to the provincial economy is currently small but it has the potential to increase this contribution significantly if its full potential were realized. The commercial agriculture sector is the major employer in the majority of municipalities and forms the economic anchor of these municipalities. Subsistence agriculture is by far the most important source of sustenance for rural households. In order to achieve a reduction of unemployment and poverty the challenge is to grow and transform the commercial agricultural sector.

The accompanying map depicts areas in the province which have been identified with the highest potential agricultural and agri-processing potential.

MAP 6 PGDS Agricultural Potential



MAP 7 PGDS Industrial Development



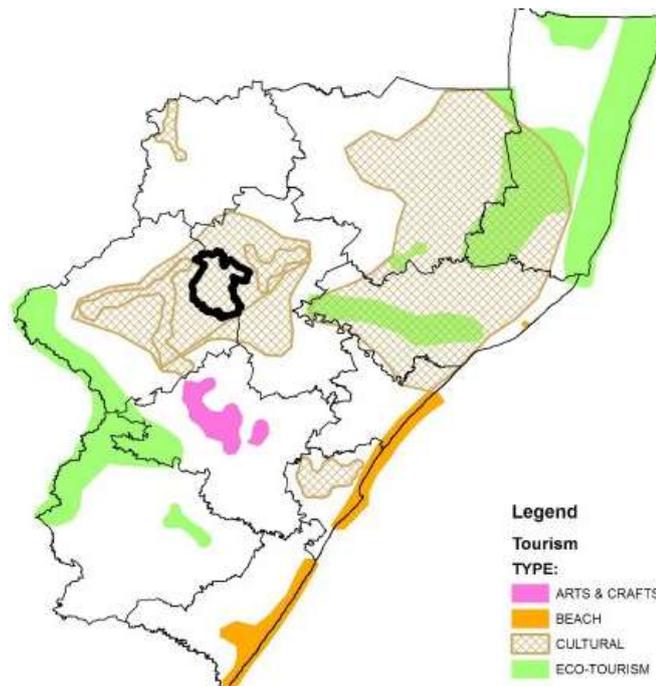
2.1.2.5 TOURISM DEVELOPMENT

The primary tourism potential within the province is in the beach tourism cultural tourism and eco-tourism markets. The areas of national tourism importance within the province are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg and Durban region, and the Drakensberg region. The tourism products of provincial importance are:

- Arts & crafts routes in Midlands Meander and Albert Falls Amble
- Durban, south coast and north coast beach tourism linked to cultural tourism in the interior
- Drakensberg region
- Greater St Lucia & surrounding big five reserves
- Zulu Heritage & Cultural Trail
- Battlefields Route

It can be seen from the map that the municipality features on a provincial scale with cultural tourism potential.

MAP 8 PGDS Tourism Development



2.1.3 The New Growth Path: 5 National Priorities

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 mobilize 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 seeks to :

- 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.

2.1.4 Twelve National Outcomes

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. 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.

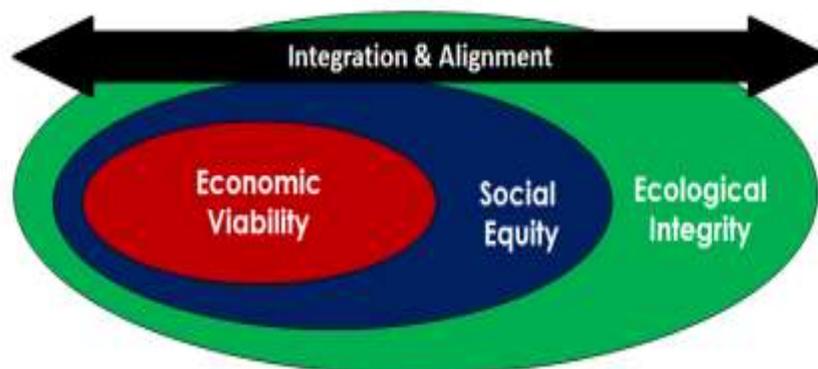


Figure 4: The Supporting Pillars of Integration & Alignment

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.

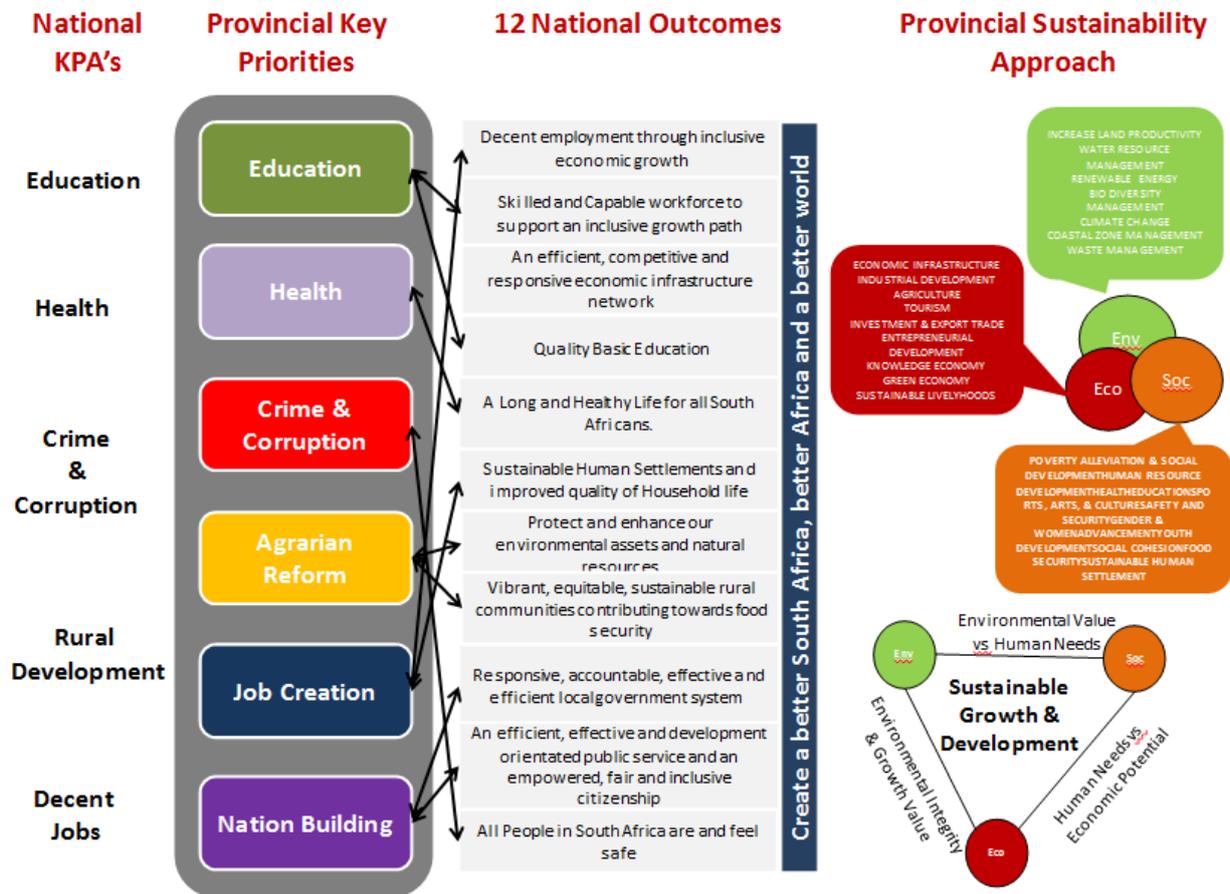


Figure 5: Figure 6: National KPA's

National **Outcome 9** relates to local government and is defined as: "A Responsive, accountable, effective and efficient local government system". Outcome 9 thus acknowledges that Local Government is a key part of the reconstruction and development effort in South Africa. There are seven outputs that need to be reported on in order to meet the requirements of Outcome 9 and the table below illustrates both the outputs as well as the key elements to be addressed by the Indaka IDP in support of the outputs.

| OUTPUTS | ELEMENTS TO ADDRESS |
|---|---|
| Output 1: Implement a differentiated approach to municipal financing, planning and support. | <ul style="list-style-type: none"> Contextual information towards a segmented classification of the municipality. Simplified IDP format. Simple revenue plan. Top 6 Critical posts identified, audited and filled. Concise performance contract for municipal manager. |
| Output 2: Improving access to basic services | <ul style="list-style-type: none"> Status and challenges of Household Access to Water, Sanitation, Refuse Removal and Electricity Role definition and co-ordination structure. Infrastructure funding status and strategies. |
| Output 3: Implementation of the Community Work Programme | <ul style="list-style-type: none"> Status and strategy to implement Community Work Programme in at least two wards.. |
| Output 4: Actions supportive of the human settlement outcome | <ul style="list-style-type: none"> Role definition and co-ordination structure. Clear norms and standards for different types of settlement areas. Strategies to increase densities in key areas. Public Land release strategies. Human Settlement Funding Status and Strategies |
| Output 5: Deepen democracy through a refined Ward Committee Model | <ul style="list-style-type: none"> Status and policies towards Ward Committee Structures. Functionality of Ward Committee Structures (Strategies, Funding etc.) |
| Output 6: Administrative and financial capability | <ul style="list-style-type: none"> Audit Response Report. Strategies towards reducing municipal debts, CAPEX underspending & OPEX overspending. Strategies towards increase maintenance and repairs. Strategies combatting corruption. |
| Output 7: Single window of coordination | <ul style="list-style-type: none"> Strategies towards improved integration and co-ordination of delivery within the municipality. Strategies towards improved intergovernmental co-ordination. |

Table 3: Millennium Development Goals

2.1.5 The Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals contained within the United Nations Millennium Declaration (2000) .that all 193 United Nations member states (including South Africa) have agreed to achieve between the year 2000 and 2015.

As these goals are aimed at service delivery and improving the social conditions of communities, all local municipalities, including the Indaka municipality have a critical collective role to fulfil towards achieving these goals within South Africa. The Millennium Development Goals and associated targets are summarised by the table below:

| MILLENNIUM DEVELOPMENT GOALS | TARGETS FOR 2015 |
|--|---|
| Goal 1: Eradicate extreme poverty and hunger | Target 1A: Halve the proportion of people living on less than \$1 a day. Target 1B: Achieve Decent Employment for Women, Men, and Young People |

| | |
|---|---|
| | Target 1C: Halve the proportion of people who suffer from hunger |
| Goal 2: Achieve universal primary education | Target 2A: By 2015, all children can complete a full course of primary schooling, girls and boys |
| Goal 3: Promote gender equality and empower women | Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015 |
| Goal 4: Reduce child mortality rates | Target 4A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate |
| Goal 5: Improve maternal health | Target 5A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio Target 5B: Achieve, by 2015, universal access to reproductive health |
| Goal 6: Combat HIV/AIDS, malaria, and other diseases | Target 6A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS Target 6B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it Target 6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases. |
| Goal 7: Ensure environmental sustainability | <ul style="list-style-type: none"> • Target 7A: Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources • Target 7B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss • • Target 7C: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation. • Target 7D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum-dwellers |
| Goal 8: Develop a global partnership for development | <ul style="list-style-type: none"> • Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. • Target 8B: Address the Special Needs of the Least Developed Countries (LDC). • Target 8C: Address the special needs of landlocked developing countries and small island developing States. • Target 8D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. |

Table 4: Millennium Development Goals

2.1.6 The Comprehensive Rural Development Programme

The Comprehensive Rural Development Programme (CRDP) is aimed at being an effective response against poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities. The strategic objective of the CRDP is therefore to facilitate integrated development and social cohesion through participatory approaches in partnership with all sectors of society.

The vision of the CRDP is to create vibrant, equitable and sustainable rural communities include:

- contributing to the redistribution of 30% of the country's agricultural land;
- improving food security of the rural poor;
- creation of business opportunities, de-congesting and rehabilitation of overcrowded

- former homeland areas; and
- Expanding opportunities for women, youth, people with disabilities and older
- persons who stay in rural areas.

The ultimate vision of creating vibrant, equitable and sustainable rural communities will be achieved through a three-pronged strategy based on:

- a coordinated and integrated broad-based agrarian transformation;
- strategically increasing rural development; and
- An improved land reform programme.

Agrarian transformation is the rapid fundamental change in the relations of land, livestock, cropping and community. It will focus on, but is not limited to, the establishment of rural business initiatives, agro industries, co-operatives, cultural initiatives and vibrant local markets in rural settings, the empowerment of rural people and communities (especially women and youth), and the revitalization of old, and revamping of new economic, social, and information and communication infrastructure, public amenities and facilities in villages and small rural towns.

Rural development is about enabling rural people to take control of their destiny, thereby dealing effectively with rural poverty through the optimal use and management of natural resources. It is a participatory process through which rural people learn over time, through their own experiences and initiatives, how to adapt their indigenous knowledge to their changing world.

Land reform is a national priority and is further entrenched in Section 25 (4) of the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996). A three-pronged land reform programme aiming at tenure reform, restitution and land redistribution, was launched in 1994. In relation to the CRDP, the land reform agenda will focus on reviewing the Restitution, Redistribution and Tenure Reform Programmes. In relation to Restitution, the focus will be on expediting the processing of settled claims and the settlement of outstanding claims. In addition, the work of the Land Claims Commissions will be rationalized within the Department of Rural Development and Land Reform. The focus of the Redistribution and Tenure Reform Programmes will be to develop less costly alternative models of land redistribution while reviewing legislation and policies that apply to both programmes.

2.1.7 State of the Nation Address

The State of the Nation Address as delivered by the State President during 2014 highlights the achievements over the past five years, while acknowledging that more needs to be done to tackle growing youth unemployment. Among the completed projects he highlighted were the Rea Vaya bus rapid transit system in Johannesburg, which is now used by more than 100 000 people a month, with similar systems under construction in Cape Town, Pretoria, Port Elizabeth, East London, Durban and Rustenburg.

The country's harbours and ports have been improved, 1 500 kilometres of new roads and road lanes have been built countrywide, construction of new rail lines is under way in Mpumalanga, and a 700-kilometre fuel pipeline has been built between Durban to Gauteng to transport four-billion cubic litres of petrol, diesel and jet fuel a year.

The Gautrain rapid rail link between Johannesburg, Pretoria and OR Tambo International Airport carries over 1.2-million passengers a month, and the Passenger Rail Agency of South Africa will spend over R120-billion over the next 10 years on buying new trains and further improving the country's transport system.

Transnet, meanwhile, will be spending R300-billion on transport infrastructure under its market demand strategy, which it has begun implementing.

To realise the economic potential of the Western Cape and the West Coast, the government had launched the Saldanha Bay Industrial Development Zone and opened two new factories in Atlantis outside Cape Town.

To improve the water supply, two large new dams, the De Hoop dam in Limpopo province and the Spring Grove dam in KwaZulu-Natal, had been completed, while phase 2 of the Lesotho Highlands Water Project was expected to be launched soon.

Construction was also continuing on the country's new power stations, Medupi in Limpopo, Kusile in Mpumalanga and Ingula near Ladysmith, together employing more than 30 000 workers.

However, the country still faces the triple challenge of poverty, inequality and unemployment, which government continues to grapple with. Dealing with these challenges has become a central focus of the current administrations. Government has elected to focus on five priorities, **education, health, the fight against crime and corruption, rural development and land reform as well as creating decent work.**

The establishment of the National Planning Commission which produced the landmark National Development Plan, the country's socioeconomic blueprint outlines what should be done to eradicate poverty, increase employment and reduce inequality by 2030.

On average, the South African economy has grown at 3,2% a year from 1994 to 2012 despite the global recession which claimed a million jobs. The government in partnership with business, labour and the community sector have nursed the economy to a recovery. The national wealth, measured in terms of GDP, has grown to more than R3.5-trillion. Jobs are now being created again. There are now 15 million people with jobs in the country, the highest ever in our history, and over 650 thousand jobs were created last year, according to Statistics South Africa.

However, this is still not good enough as the unemployment rate still remains high. Youth unemployment in South Africa continues to be of concern, as it is throughout the world and measures have been put forward to address this including the Employment Tax Incentive Act which encourages employers to hire younger workers.

The Expanded Public Works Programme (EPWP) and the Community Work Programme have continued to be an effective cushion for the poor and the youth. The EPWP has created 3, 7 million work opportunities over the past five years. Cabinet has set a target of 6 million work opportunities from this year to 2019, targeting the youth. The social assistance programmes of government which have reached about 16 million people, provides a safety net for the most vulnerable groups of society.

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

Focus: Jobs and infrastructure

- The tourism industry has grown dramatically, in 1993, South Africa received a mere 3 million foreign visitors but by 2012, the figure had grown to 13 million visitors.
- Subsequent investment of one trillion rand in public infrastructure over the past five years.

Focus: A country at work – and online

- South Africa is indeed a country at work and is a much better place to live in and in order to retain this momentum more resources must be invested into telecommunication.
- 37 000 kilometres of fibre-optic cable have been laid by the private and public sectors in the past five years. This will be significantly expanded in the years ahead.

Focus: Supporting local manufacturing

- Government incentives to boost manufacturing have yielded returns. The Automotive Investment Scheme that was launched in 2009 has approved a total 3.8 billion rand worth of incentives for about 160 investment projects. These sustain more than 50 thousand jobs.
- Government has assisted in stabilising the clothing, textile, leather and footwear sector, which had been shedding jobs.
- In the past two years alone, more than 20 000 minibus taxis and 330 buses were assembled locally, drawing investment and development to our cities.
- In the next five years, the state will procure at least 75% of its goods and services from South African producers.

Focus: Boosting black-owned industry

- Government has committed to working more intensively to develop emerging or black industrialists as many of the aspirant black industrialists complain about the difficulties they experience in obtaining industrial finance, supplier and retail markets, and technical production support.
- The National Empowerment Fund, the Industrial Development Corporation and the Small Enterprise Finance Agency will continue to provide finance to viable black-owned businesses to promote industrialisation.
- In addition, government is encouraging established businesses to support the development of black industrial businesses.

Restoring rights to land

- Agriculture is a key job driver and a provider of opportunities for entrepreneurship. The government agricultural support programme, Fetsa Tlala, is producing brand new exporters.
- Government will continue to promote the fisheries sector, which contributes an estimated 6 billion rand to the economy and provides 27 000 jobs.
- Some progress in the land reform programme. Since 1994, nearly 5,000 farms, comprising 4.2 million hectares, have been transferred to black people, benefiting over 200,000 families. Nearly 80,000 land claims, totaling 3.4 million hectares, have been settled and 1.8 million people have benefited. The next administration will need to take forward a number of policies, legislative and practical interventions, to further redress the dispossession of our people of their land.

Progress in basic education:

- The number of children attending Grade R has more than doubled, moving from about 300 thousand to more than 700 thousand between 2003 and 2011. A Draft Policy Framework towards Universal Access to Grade R has been gazetted for public comment, with a view to making Grade R compulsory.
- The matric pass rate has gone up from around 61 percent in 2009 to 78 percent last year and the bachelor passes improve each year.
- To promote inclusivity and diversity, the South African Sign Language curriculum will be offered in schools from next year, 2015.
- Government has increased our numbers of literate adults through the Kha Ri Gude programme from 2,2 million in 2008 to 3 million people.
- The State has also been investing in teacher training and are re-opening teacher training colleges to meet the demand.

- To produce a decent learning environment, government has delivered 370 new schools replacing mud schools and other unsuitable structures around the country. The programme continues.

Focus: More enrolled in higher education

- Student enrolments at universities increased by 12% while further Education and Training college enrolments have increased by 90%.
- The State has increased the budgets of the National Student Financial Aid Scheme to R9-billion to meet the rising demand.
- Another major achievement of this term has been the establishment of two brand new universities, Sol Plaatje in the Northern Cape and the University of Mpumalanga.
- Government will also build 12 new FET Colleges in Limpopo, Mpumalanga, KwaZulu-Natal and Eastern Cape.
- The launch of the National Education Collaboration Framework last year was an important development for the country. We wish the team well in their national duty.

Focus: Increasing Life Expectancy

- Over the past five years, 300 new health facilities have been built, including 160 new clinics.
- Ten new hospitals have been built or refurbished in Ladybrand, Germiston, Mamelodi, Natalspruit, eThekweni, Zola, Bojanala, Vryburg District, Swartruggens, Khayelitsha and Mitchell's Plain.
- The HIV and AIDS turnaround is one of the biggest achievements of this administration and we are used as a model country by the United Nations Aids Programmes.
- Mother to child transmission of HIV has declined sharply and we have doubled the number of people who are receiving anti-retroviral treatment, from one million to 2.4 million people in 2013.
- More than 20 million South Africans have taken the HIV test since the launch of the campaign in 2011 which indicates confidence in the health system.
- Life expectancy is now firmly on an upward trend. South Africans are now living longer.
- The target for the next administration is to ensure that at least 4.6 million people are enrolled in the anti-retroviral programme.
- At a broader level, government will enter a new phase in the implementation of the National Health Insurance programme which will extend quality healthcare to the poor.

Focus: Tackling violence against the vulnerable

- The overall crime rate has decreased by 21 percent since 2002 and work is on-going to make communities safer.
- One of the key focus areas is to eradicate violence against women and children. Government has introduced a number of measures to respond to this challenge. These include the reopening of the Family Violence, Child Protection and Sexual Offences Units as well as the Sexual Offences Courts.

Focus: Public sector corruption

- Since the launch of the National Anti-Corruption Hotline by the Public Service Commission, over 13 000 cases of corruption and maladministration have been referred to government departments for further handling and investigation.
- Government has recovered more than 320-million rand from perpetrators through the National Anti-Corruption Hotline. Some of the successes of the National Anti-Corruption Hotline include the following:

- 1 542 officials were dismissed from the Public Service
- 140 officials were fined their three month salary
- 20 officials were demoted
- 355 officials were given final written warnings
- 204 officials were prosecuted
- To prevent corruption in the supply chain system, government has decided to establish a central tender board to adjudicate tenders in all spheres of government. This body will work with the chief procurement officer whose main function will be to check on pricing and adherence to procedures as well as fairness.
- The Special Investigating Unit is investigating maladministration or alleged corruption in a number of government departments and state entities, through 40 proclamations signed by the President during this administration. We will keep the public informed of the outcome of the investigations.
- Last year, the competition authorities investigated large-scale price fixing in the construction industry and fined guilty companies 1.4 billion rand. Further steps against those involved are now underway.

Focus: Water, sanitation and electricity

- Over the past 20 years, remarkable achievements have been made in increasing access to services such as water, sanitation and electricity.
- Government has begun an intensive programme to eliminate the bucket system as part of restoring the dignity of our people. Phase one of the programme will eradicate buckets in formalised townships of the Free State, Eastern Cape and Northern Cape. Phase two will eradicate buckets in informal settlements in all provinces.
- In housing, about 3 million housing units and more than 855 thousand serviced sites were delivered since 1994. Nearly 500 informal settlements have been replaced with quality housing and basic services over the past five years. The next administration will promote better located mixed income housing projects.
- Some communities still do not have these services especially in informal settlements and rural areas. We are therefore working with all spheres of government to ensure the provision of these services, especially in the 23 municipalities with the greatest number of backlogs.

Focus: Protest, free speech and violence

- Violent protests have taken place again around the country in the past few weeks. Also worrying is what appears to be premeditated violence, as is the case with the use of petrol bombs and other weapons during protests. The democratic government supports the right of citizens to express themselves. The right to protest, peacefully and unarmed, is enshrined in the Constitution.
- When protests threaten lives and property and destroy valuable infrastructure intended to serve the community, they undermine the very democracy that upholds the right to protest. The dominant narrative in the case of the protests in South Africa has been to attribute them to alleged failures of government.
- When 95% of households have access to water, the 5% who still need to be provided for, feel they cannot wait a moment longer. Success is also the breeding ground of rising expectations.

Focus: Fixing local government

- Government has taken a decision has been taken to improve functioning of local government. The amendment of the Municipal Systems Act is intended to improve

the capacity of municipalities to deliver services. Qualified and experienced personnel must be deployed in municipalities.

- There is also need to strengthen existing forums of people's participation and enable our people to play a greater role in development.
- The fight against corruption must be intensified as well, especially given reports that some services are interrupted or stopped, so that certain people could provide those services at cost to the state. These matters are being prioritised for the next administration.

2.1.8 State of the Province Address

The State of the Province address was delivered by the Premier Senzo Mchunu presented a clear picture of a province that has undergone an amazing metamorphosis from being a byword for underdevelopment to a thriving place for best practice and prosperity.

The KwaZulu-Natal provincial government has excelled in the provision of all essential services to the people from the deep rural parts of the province to leafy suburbs of towns and cities. According to the Premier the past 20 years have seen the people of KwaZulu-Natal achieving a universal access to education, thanks to the South African Schools Act which ensures that the doors of learning are indeed open to all as stipulated in our Freedom Charter. The mud schools and learning under the trees which had become an accepted norm and had adverse impact on the quality of education in KwaZulu-Natal, have been addressed through the building of state of the art schools in all parts of the province.

The Premier also noted that in 1994, only 53 % households had access to electricity and in 2014 the figure has astronomically jumped to a whopping 80.2 %. People who had access to sanitation were just 40 % and today the figure has grown to 82.4 %, a clear indication that KwaZulu-Natal has moved forward and lives have changed for the better. Major improvements have been made in the provision of water with 85.1 % having access to clean water compared to a meagre 47% in 1994.

However, while celebrating these achievements, the provincial government are acutely aware that there are still areas that are desperately waiting for the provision of water and sanitation. The Premier noted that more than half a million houses have been built by government in the past 20 years and nearly 100 000 service sites have been developed in KwaZulu-Natal, ensuring sustainable settlements for millions of people.

Strides have also been made in the health sector, as government has not only built some state of the art infrastructure such as hospitals and clinics but has also done extremely well in the fight against HIV and Aids, reducing the mother to child transmission and HIV prevalence. The achievements scored in the past years would not have been possible were it not for sound political leadership and good governance. The Premier welcomed the strides that have been made in combating fraud and corruption and encouraged the public to continue supporting government in this regard by reporting corruption and maladministration to relevant authorities.

In summary the following issues were addressed:

- **People living slums:** The KZN Provincial government views the living conditions in slums as unbearable and in this regard the welcome the provincial government's decision to ensure that slums are eradicated through a slums clearance plan which will see people being given decent houses.
- **Communities using the bucket system:** The KZN Provincial government recently took a decision that the inhumane bucket system must be eradicated in this province before the end of the year. Government therefore welcomes the decision to eradicate the bucket system before the end of this month in eThekweni and Harry Gwala District

Municipality while other district municipalities will do so before the 30 September deadline that has been given to them.

- **Creation of jobs:** The KZN Provincial cabinet welcomes the province's commitment to creating 2.1 million jobs by 2030 through the Provincial Growth and Development Plan (PGDP).
- **Communities living on farms:** The provincial government welcome the initiative to establish Agri-villages which will see people living on farms having access to education, healthcare facilities and decent housing.
- **Infrastructure programmes:** The proposed infrastructure programmes below were welcomed which will see billions of Rands being pumped into the economy thus creating jobs and developing the economy of the province.
 - Upgrade of regional airports in Richards Bay Airport (estimated cost) R11, 5 million, Margate Airport (estimated cost)R2, 5million and Ulundi Airport (estimated cost)R30 million
 - Major road infrastructure development includes the construction of:
 - P700 from Ulundi to Hluhluwe/Mfolozi Game Reserve
 - P577 between Duffs Road in Durban to KwaDabeka
 - Other road infrastructure to support the Dube Trade Port such as Watson Highway
 - The rehabilitation and upgrading of numerous roads as well as uMzimkhulu and Sani Pass
 - Water infrastructure projects currently underway include:
 - Construction of Springgrove Dam which was completed in November November 2013.
 - Construction of Bulwer Dam in Harry Gwala District which is scheduled for completion in June 2014. The dam will provide water to about 94 000 people.
 - Construction of the Lower Thukela Regional Bulk Scheme and is scheduled for completion in December 2015.

2.1.9 Operation Clean Audit 2014

Operation Clean Audit 2014 is a Government initiative to ensure clean audits, transparency and improved service delivery within Government across the country.

The project is aimed at promoting good governance, strengthening financial management to achieve operational efficiency and encouraging accountability within Government. The ultimate goal is that by 2014, all 283 municipalities and provincial departments within the nine provinces will achieve clean audits on their annual financial statements.

The programme is targeted at addressing the current challenges faced by local and provincial government.

The main areas for the improvement of local government include

- Improving the ability of municipalities to produce reliable monthly financial and management information,
- Implementation of basic standard operating procedures to ensure proper record-keeping and the availability of supporting documentation.
- Emphasis on the timeous submission of monthly and quarterly reports to local government and provincial treasury.
- Development of audit readiness reports on an annual basis discussing the progress made.

Indaka municipality, with the support of COGTA has made significant progress towards achieving this national goal and received a favorable audit opinion from the Auditor General in the 2013/14 financial year.

2.2 Planning and Development Principles

2.2.1 National Spatial Development Perspective (NSDP)

The Policy Co-ordination and Advisory Services introduced a National Spatial Development Perspective (NSDP), which was then endorsed by the Cabinet in March 2003. The NSDP works in conjunction with different Departmental and Provincial spatial and development strategies.

The vision of the NSDP is that South Africa will become a nation in which investment in infrastructure and development programmes support government's growth and development objectives by:

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

The four principles of the NSDP which are applicable to Indaka are as follows:



Figure 7: National Spatial Development Spatial Principles

In order to distinguish between localities, the NSDP uses two concepts as methodological tools, which are Potential and Poverty Gap. These two concepts will assist the NSDP in providing a course-grained analysis from a national perspective, which will be supplemented by a more finely, grained analysis at provincial and Local Government level.

In defining potential, the NSDP has drawn on recent tradition of institutional economics, a field that has come to dominate both developmental economics and regional planning. The institutional approach suggests that beyond the usual sources of comparative advantage, the institutional adequacy of a locality will help determine whether development is sustainable or not. The NSDP therefore uses concepts of potential that rely strongly on the presence of institutional capacity to realize the developmental impact of other resources.

In summary, the NSDP will have a role to play as an instrument that informs the respective development plans of the three spheres of government i.e. IDP, PGDS and the Medium Term Strategic Framework (MTSF).

2.2.2 Provincial Spatial Development Strategy (PSDS)

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 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 8: 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 to 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 promote 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.

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

| Spatial Planning Category | Broad Intended Land Use and Interventions |
|---------------------------------------|---|
| Conservation Corridors | 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. |
| Biodiversity Priority Areas | 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. |
| Areas of Economic Value Adding | 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. |
| Areas of Economic Support | 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. |
| Areas of Agricultural Development | 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. |
| Areas of High Social Need | 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. |
| Undifferentiated Areas | 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 5: KZN Spatial Development Plan - Interpretation Notes

2.2.3 Spatial Development Vision and Thrusts

The Spatial Development Framework (SDF) provides strategic guidance for the spatial restructuring of the Indaka municipal area. It indicates where certain types of developments should or could take place, how these areas relate to other areas, and what development standards should apply.

- The aim of this review of the municipality's Spatial Development Framework is to:
- Ensure alignment of municipal IDP and related projects with the spatial reality of the study area.
- Ensure alignment with the Provincial Growth and Development Strategy
- Give direction and take into account the need for and compatibility of land uses;
- Confirm the Settlement Edge in line with COGTA's Guidelines

The primary objective of the SDF is to propose a model for the spatial development of Indaka Municipality that will ensure the optimal public capital investment and settlement growth. In

order to promote this objective the priority spatial development issues and concomitant objectives in the following table are identified.

| Priority Spatial Development Issue | Objective |
|---|---|
| 1. Spatial Fragmentation/ No well-established economic core | <ul style="list-style-type: none"> • To create a well-structured, efficient and sustainable node. • To correct historically distorted spatial development patterns • Within the settlements themselves, development has occurred in a spatially fragmented way. This fragmented pattern of spatial development is costly to service and maintain, and also imposes significant costs on the residents of the area, making access to services and socio-economic opportunities more difficult. |
| 2. Rapid and Unmanaged Urbanization | <ul style="list-style-type: none"> • To provide adequate land and services for settlement areas (existing and new) communities. • This issue refers to the fact that the area has, over the last few years, experienced a rapid growth in lower socio-economic settlements within the built areas and, more especially, on the fringes of existing settlements |
| 3. Low density Settlements | <ul style="list-style-type: none"> • To create higher density settlements • This issue refers to the fact that development within the lower socio-economic settlements has been of a low density, with settlements comprising of large residential sites sprawling over wide areas and consuming valuable land resources. • Moreover, when associated with the fragmented spatial pattern of development noted above, the phenomenon of settlement sprawl imposes additional costs in the provision of effective services, and reduces the likelihood of such services being rendered in a way that is affordable both to the provider and the |
| 4. Uncoordinated Spatial Development | <ul style="list-style-type: none"> • To achieve environmentally sustainable and spatially coordinated sectoral practices. • Here the issue is related to the fact that many decisions that result in spatial development or have an impact on existing development are taken by a range of different authorities, often without consulting each other. • This results in developments that are not planned in an integrated manner and gives rise to problems, ranging from environmental impacts that are unacceptable, to developments that are not serviceable within a short period of time |

SECTION C: SITUATIONAL ANALYSIS

3.1 SPATIAL ANALYSIS

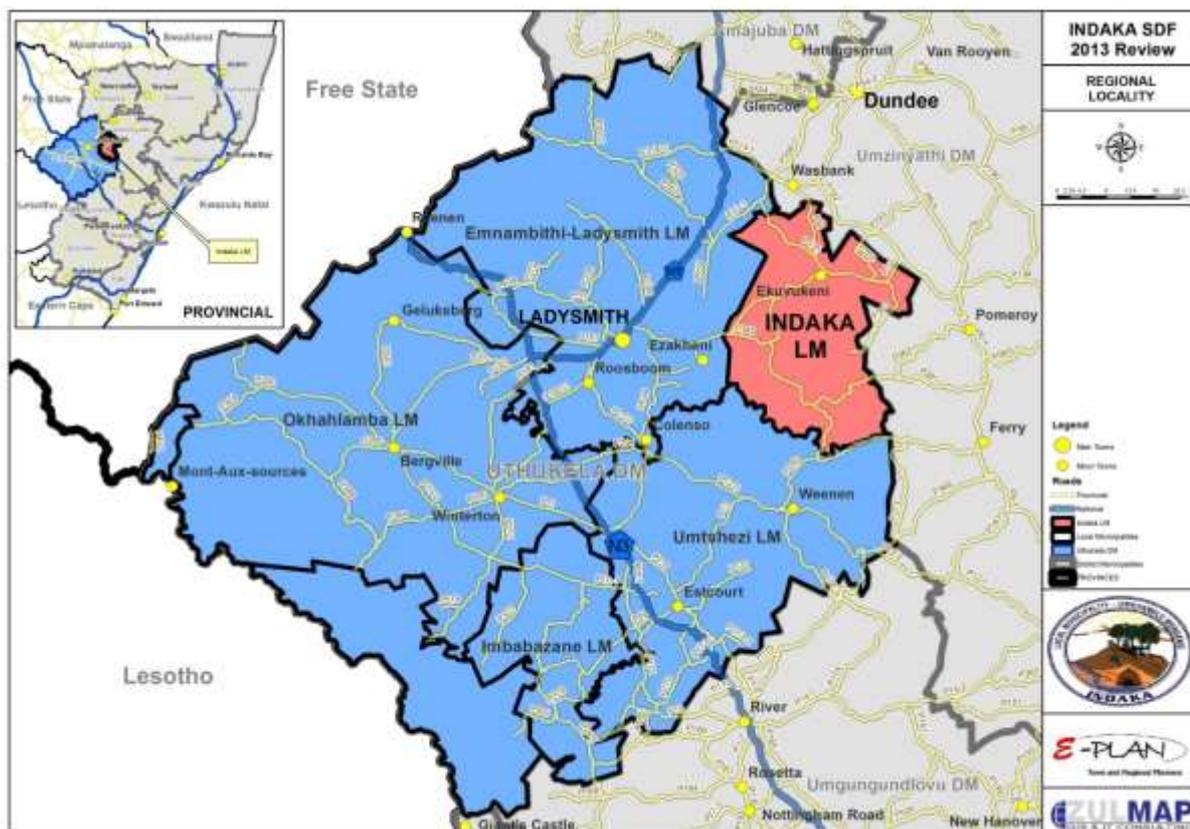
3.1.1 Regional Context and Administrative Entities

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 economic 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, and skills shortage, lack of resources and low levels of education are also prevalent.

MAP 9: Regional Locality on Indaka Local Municipality



3.1.2 Long Term Spatial Vision

The long term Spatial Development vision for Indaka Municipality is as follows:

“A Developmental integrated Municipality where resources are optimally allocated to ensure access to basic services, social amenities and economic opportunities are available to all.”

3.1.3 Spatial Development Objectives and Strategies

The municipal Development Objectives are mainly orientated and aligned to National Key performance areas (KPA's) as indicated below.

The following tables depict the strategies set out by the municipality that have aspects that can be spatially manifested. These strategies can be identified and categorized by the 5 principals indicated in the Spatial Planning and Land Use Management Act, 2013 (SPLUMA):

a) Spatial Justice

According to SPLUMA Principles;

- Past spatial and other development imbalances must be redressed through improved access to and use of land;
- Spatial Development Frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;
- Spatial planning mechanisms, including land use schemes, include provisions that enable redress in access to land and property by disadvantaged communities and persons;
- Land use management systems are inclusive of all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- Land development procedures will include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and where a planning tribunal considers an application before it, the planning tribunal's exercise of discretion may not be impeded or restricted on the ground that the value of land or property is affected by the outcome of the application.

b) Good Administration

According to SPLUMA Principles;

- All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- No government department may withhold their sector input or fail to comply with any other prescribed requirements during the preparation or amendment of Spatial Development Frameworks;
- The requirements of any law relating to land development and land use are met timeously;

- The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and Policies, legislation and procedures must be clearly set out and inform and empower citizens.

The following Spatial Objectives have been identified for Indaka Municipality:

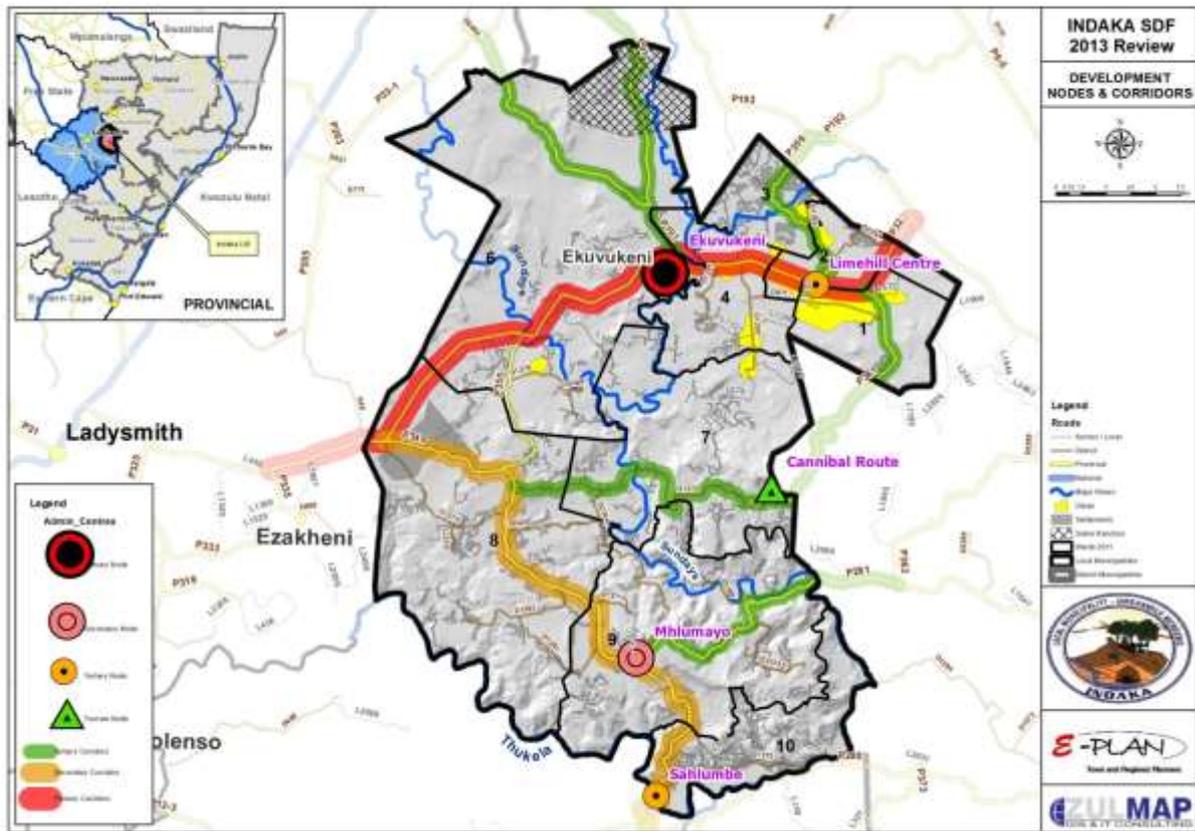
- Demarcate areas where development should not be allowed
- Establish the Urban/Settlement Edge and identify land for infill development
- Ensure that Public Capital investment promote development of the Primary node and attract private investment to the area.
- Establish a hierarchy of nodes
- Formalise emerging urban settlements
- Develop rural service centres in district nodes (emerging urban settlements)
- Provision and upgrading of infrastructure to address backlogs
- Develop a uniform Land Use management System.
- Support Land Reform Projects and Security of tenure
- Promote a variety of housing typologies and densities in and around identified nodes

3.1.4 Existing Nodes and Corridors (including Urban Edges)

The settlement patterns are dispersed which has resulted in under-developed 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.

MAP 10: Indaka Spatial Development Framework (2013)



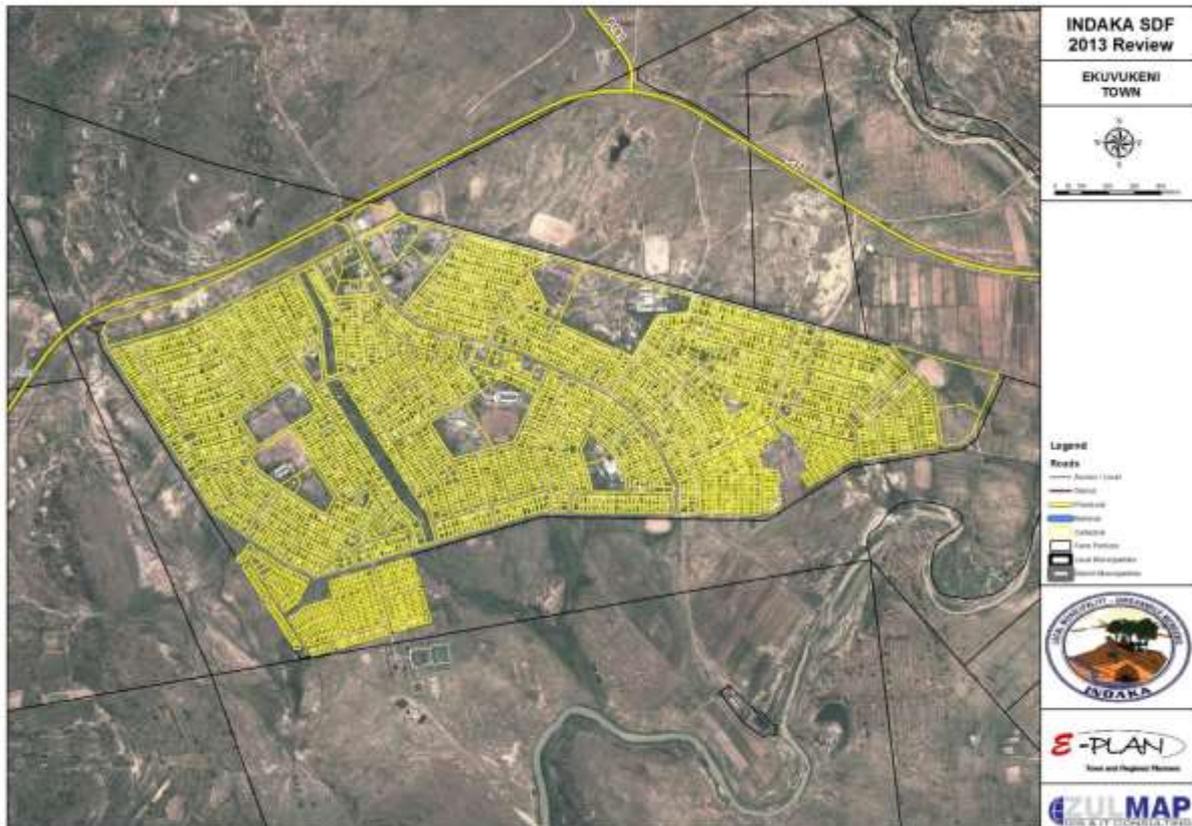
The main town in the municipality is Ekuvukeni, a former R293 township, which serves as the hub of the municipality. The municipal administration and a concentration of economic activities are located in Ekuvukeni.

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).

3.1.4.1 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.

MAP 11: Ekuvukeni Town, Indaka Local Municipality



3.1.4.2 Secondary Service Centre

There are four centres, which can be identified as the secondary service centres 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 centres currently perform few functions such as service delivery and to a limited extent commercial activities. The influence of these service centres 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 includes Ebomv ini, 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 centres 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.

3.1.4.3 Emerging/ Tertiary Centres

There are a number of tertiary centres, which are emerging. The first one (Amabolwane – Okhalweni Complex) exists in an under-developed area and has the potential to develop into commercial centres and is intended to facilitate service delivery. Public sector

investment in the form of Multi-Purpose Community Centres (MPCC) that can accommodate a range of social services and government departments should be prioritized in these areas. The other areas that are emerging as the tertiary centres within Indaka include Makayane, Mpameni, Fiffy Park, Mangweni, Cacane, Oqungweni and Mlilweni in ward 9.

While the tertiary centres in ward 10 that make a hub include Ludimbi, Manqofini and Msusampi.

3.1.4.4 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 potential to serve as 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 centres such as Ladysmith and Dundee.

3.1.4.5 Secondary Development Corridors

A secondary corridors link the primary centre to the secondary centres and areas outside of Indaka Municipality and includes the following:-

- The road to Weenen (P 176) serves as a major link between Weenen and it also links Ezitendeni with Esigodini and Ekuvukeni.
- There are two other secondary corridors which link Ekuvukeni with the surrounding centres 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 links Ebomvini with Ekuvukeni. The corridor from Pomeroy to Majaqula attempts to link Indaka with areas across Umzinyathi and has potential to serve as major tourist access routes to the Zulu Culture and Heritage Route.

3.1.5 Structuring Elements

3.1.5.1 Mountain Ranges

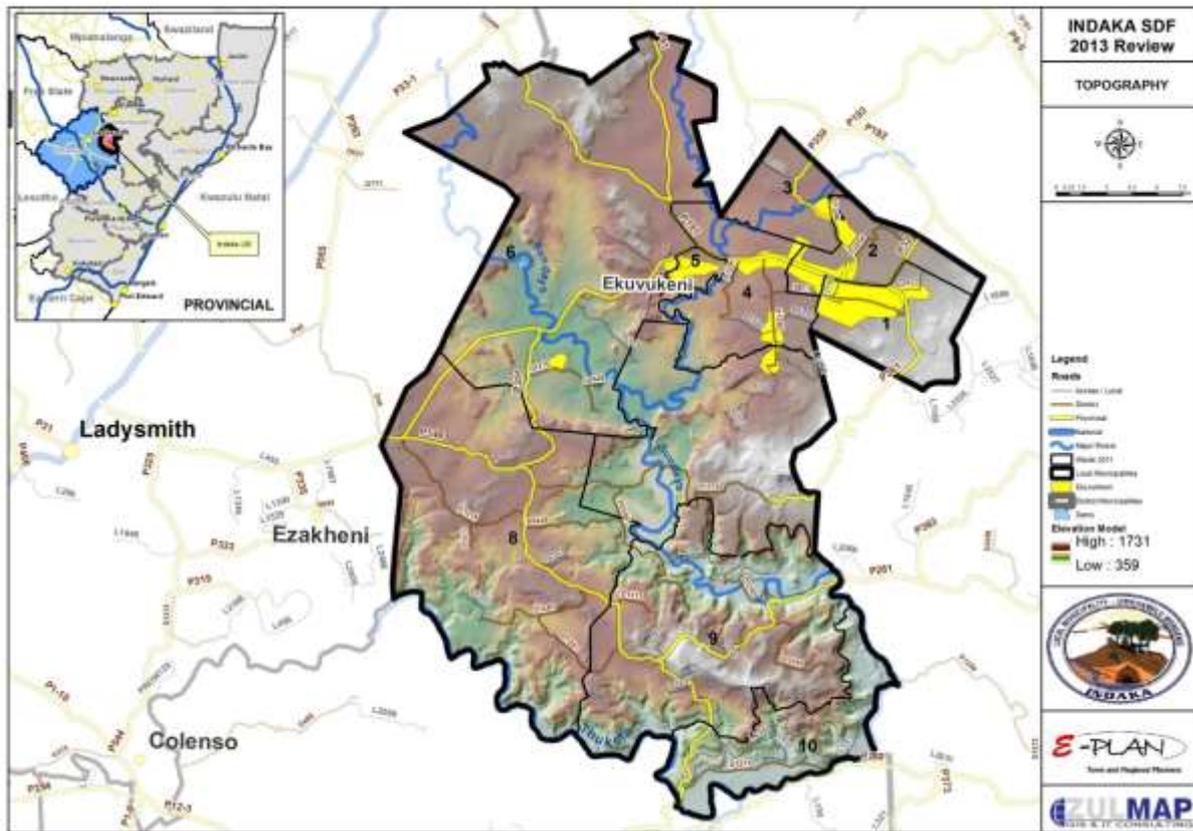
The Indaka Municipality is located within the south-western foothills of the Biggarsberg, which forms a watershed and natural divide between the municipality and the adjacent municipalities of Endumeni to the north and Msinga to the east.

3.1.5.2 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.

MAP 12: Topography Indaka Local Municipality



3.1.5.3 Water Catchment

3.1.5.3.1 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.

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.

The presence of a large number of rivers and high volumes of water implies that safety of communities also needs to be considered by locating them outside possible flood areas.

3.1.5.3.2 Wetlands

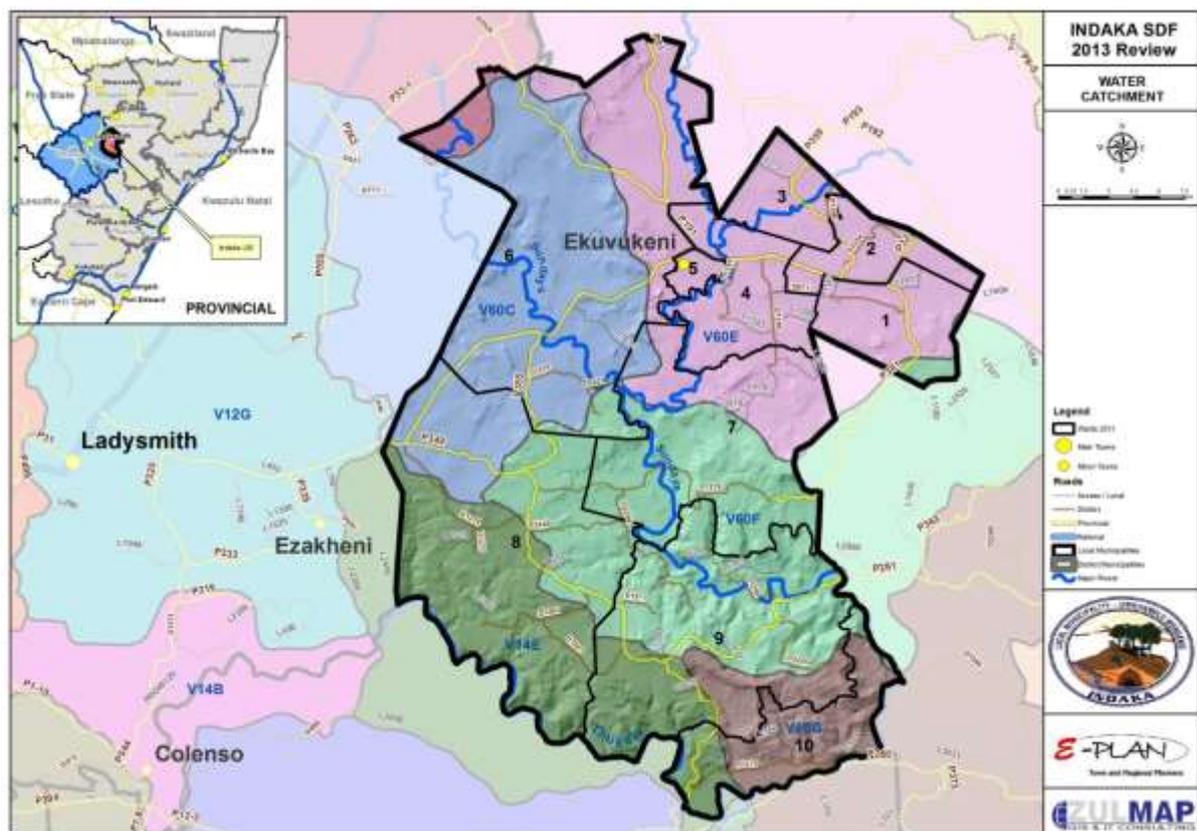
There are no major wetlands in the Indaka municipality. However, in the upper reaches of the tributaries of the major rivers, areas have been identified where there is adequate water supply and a place where water will accumulate (Kotze and Breen, 1996). Analysis of the

map indicates that these areas are more predominant in the northern area of the Indaka Municipality, due to the topography of the area.

3.1.5.3.3 Dams

The only dam worth mentioning in the Indaka Municipality is the Olifantskop Dam situated in the Sundays River. However, there are proposals for the construction of the Jana and Mielietuin Dams on the Uthukela River as part of the Vaal Transfer Scheme, Municipality will only benefit marginally from the water stored in the dams

MAP 13: River systems and catchment areas in Indaka Local Municipality



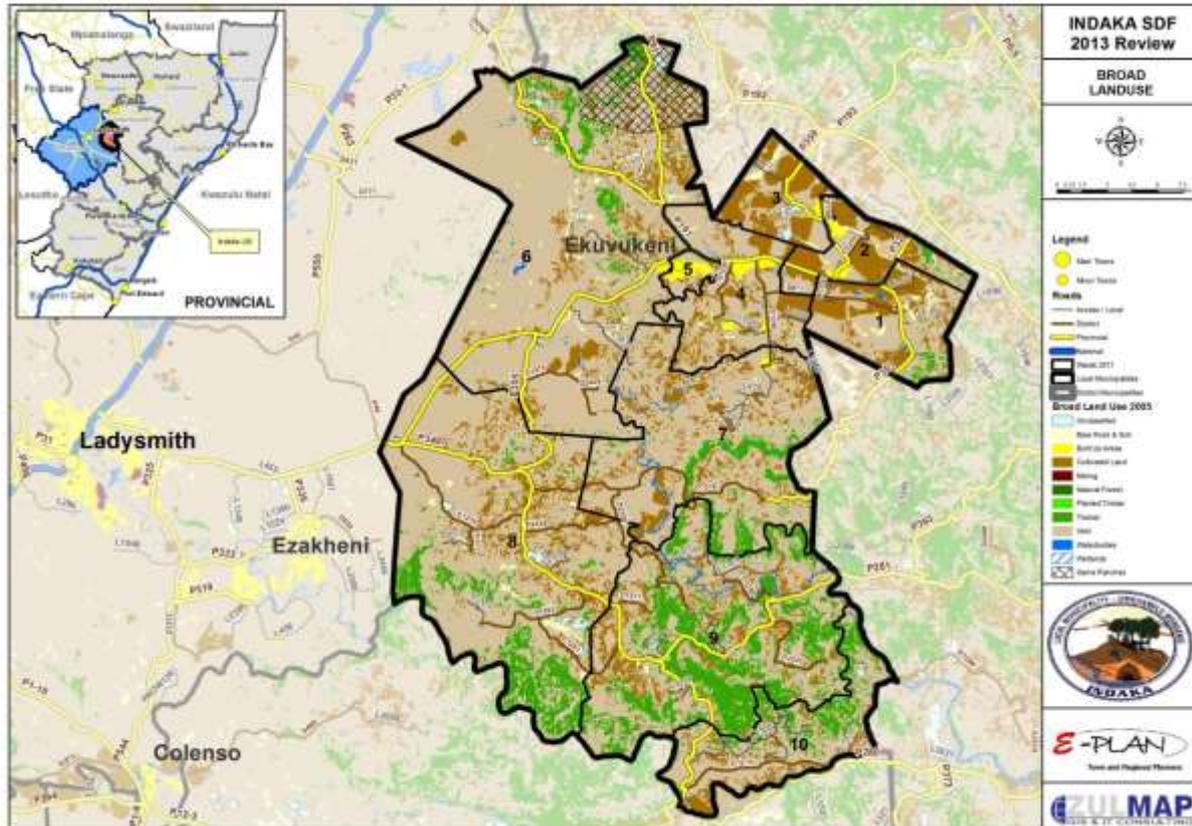
3.1.5.4 Agricultural Land

Agricultural potential within the Indaka Municipality is limited. In terms of Agricultural Potential (based on data from Cedarq), 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 agriculture is the predominant practice. The remaining areas of the Indaka area are characterized by very restricted, low and very low potential categorization.

The settlement patterns are dispersed which has resulted in under-developed 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.

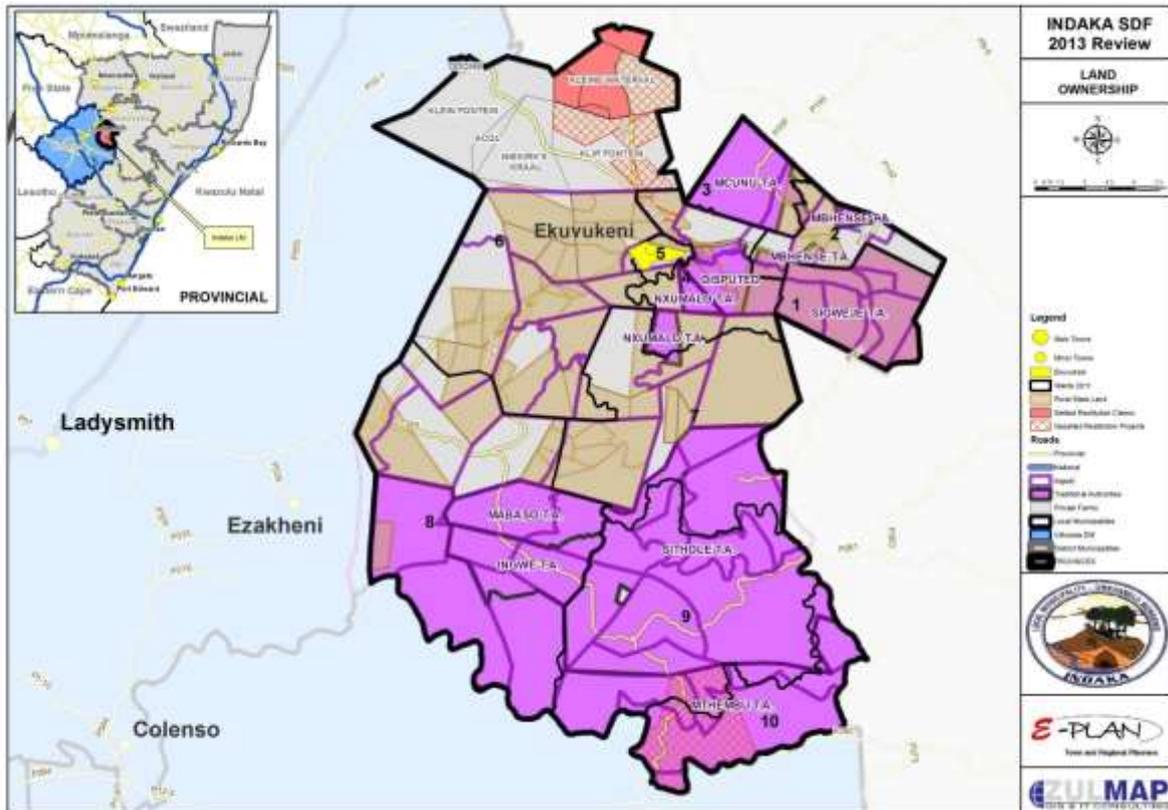
MAP 15: Broad land cover in Indaka Local Municipality



3.1.7 Land Ownership and Land Reform

Approximately 48% of the land within the Indaka Municipality falls under the control of the Ingonyama Trust, the remaining 52% falls either under state ownership or private owners. 29,000 ha of land (84 farms) is subject to 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.

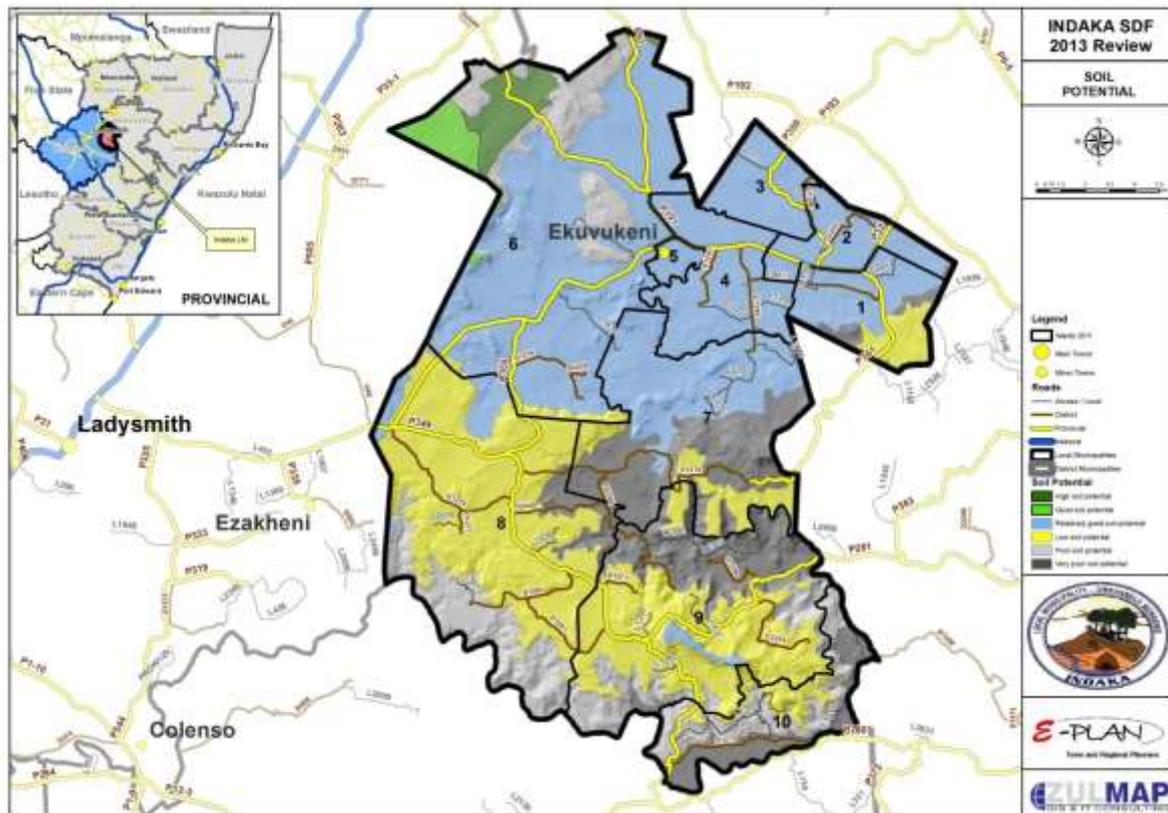
MAP 16: Land Reform in Indaka Local Municipality



3.1.8 Land Capability

The land capability of the Indaka municipal area, as indicated on Map 7 is dispersed, ranging between Land capabilities classes II to VII. There is no dominant land capability classification found in the municipal area and a very large portion of the land is falls under Classes II to VII.

MAP 17: Agricultural land categories of Indaka Local Municipality



According to Table 5 below, class VII, which is dominant in the southern parts of the municipality, is primarily suited for light grazing. The central parts of the municipality are dominated by classes ranging between III – V which are best suited for forestry, light to moderate grazing and light to moderate cultivation as land use options.

The northern part of the municipality has an area of class II land, which includes arable land for intensive, well adopted cultivation purposes, moderately well adopted cultivation, light to intensive grazing, wildlife and forestry. This area in the northern part of the municipality can generally be regarded as having high agricultural potential. This will need to be factored into the economic development and agrarian reform strategies of the municipality.

Table 5: Land Use Options

| LAND CAPABILITY CLASS | LAND USE OPTIONS | | | | | | | | | LAND CAPABILITY GROUPS |
|-----------------------|------------------|----------|---------------|------------------|-------------------|------------------|------------------------|-----------------------|----------------------------|------------------------|
| | Wildlife | Forestry | Light Grazing | Moderate Grazing | Intensive Grazing | Poor Cultivation | Moderately Cultivation | Intensive Cultivation | Very Intensive Cultivation | |
| I | Red | Yellow | Light Green | Green | Blue | Purple | Orange | Dark Red | Grey | ARABLE LAND |
| II | Red | Yellow | Light Green | Green | Blue | Purple | Orange | Dark Red | | |
| III | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | |
| IV | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | |
| V | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | GRAZING |
| VI | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | |
| VII | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | |
| VIII | Red | Yellow | Light Green | Green | Blue | Purple | Orange | | | WILDLIFE |

Source: Department of Agriculture

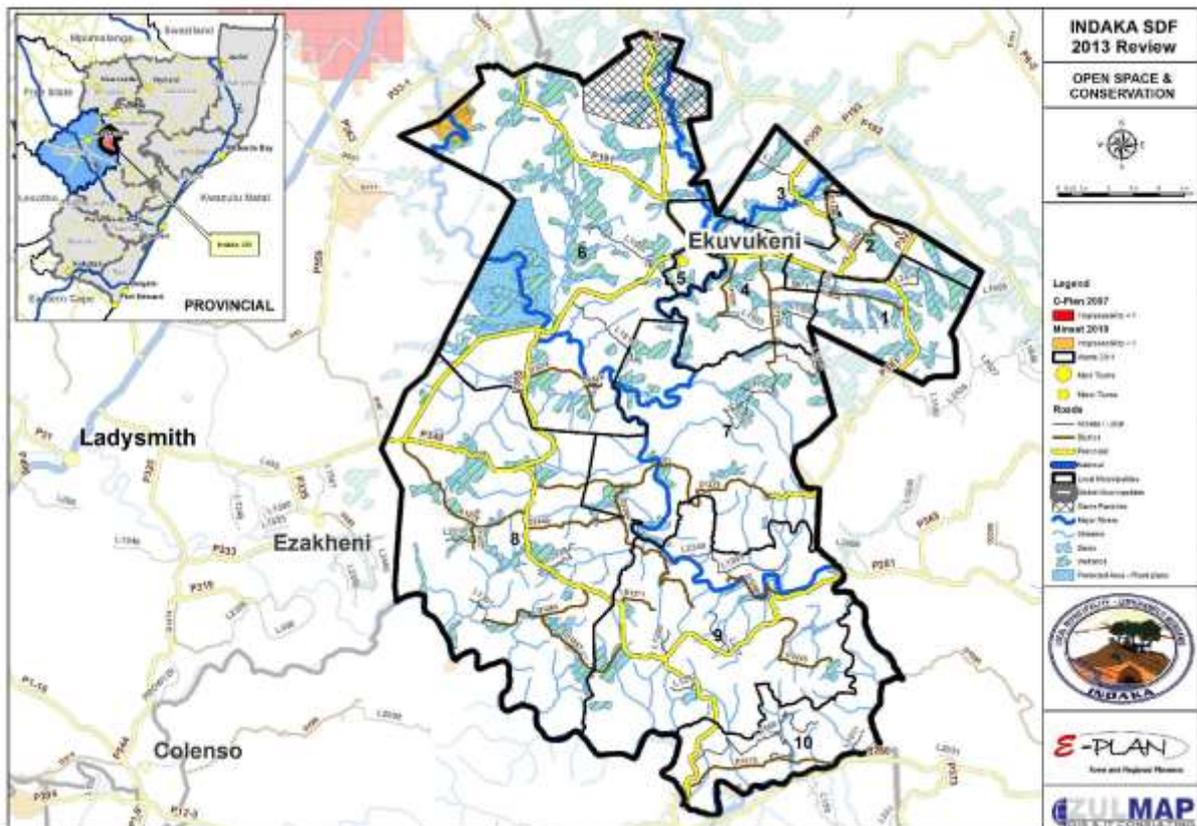
3.1.9 Environmental Analysis

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

- Important Species Sites; and
- 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.

MAP 18: Open Space and Conservation in Indaka Municipality



Three areas of high intrinsic biodiversity 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

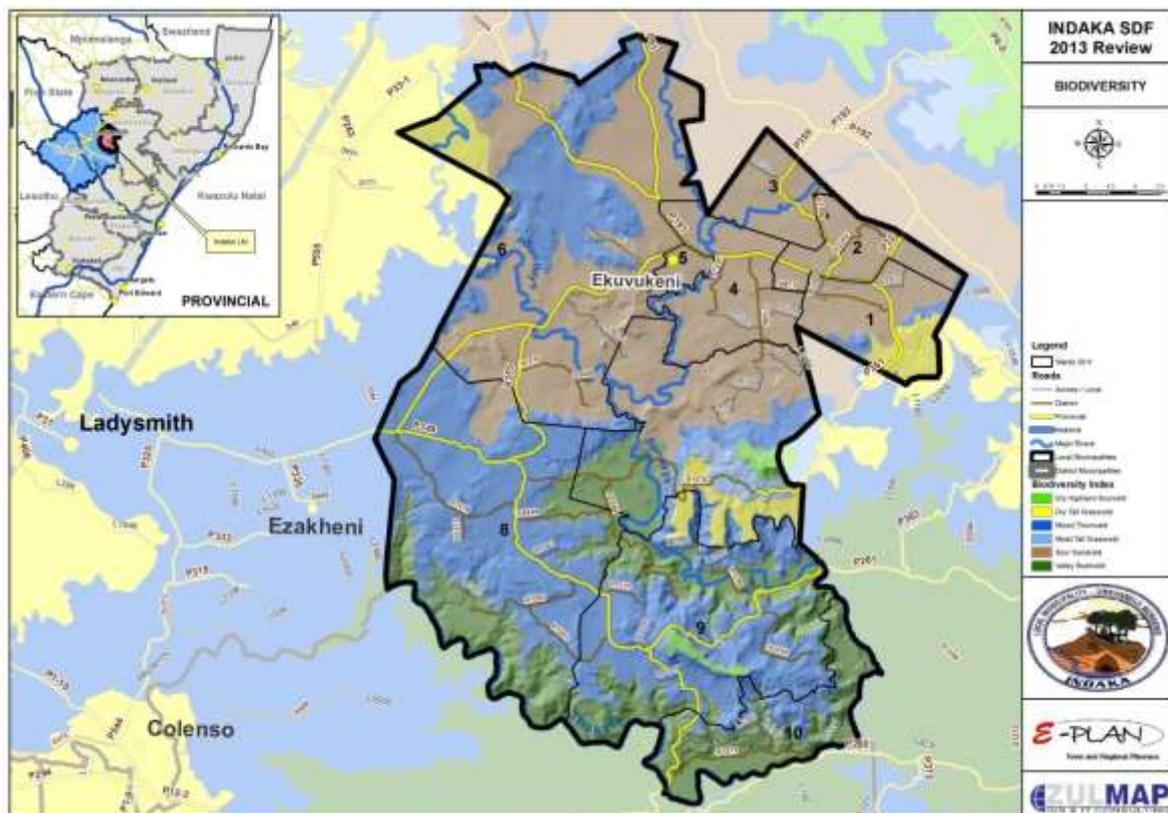
3.1.9.1 Vegetation

According to the Bioresearch Group classification of the vegetation of KZN by Camp (1996) as used by the Department of Agriculture, the main veld types in the area as follows:

- Moist Highland Sourveld (MHS) prevalent in the high precipitation areas at Majaquela settlement and the area on the plateau to the south of Emfundeni.
- Dry Tall Grassveld (DTG) a small biome in the area on the boundary of wards 1 and 2.

- Moist Tall Grassveld (MTG) on the plateaus with higher rainfall in the North West and eastern areas.
- Mixed Thornveld (MT) prevalent on the slopes and plateaus in the southern part of the municipality and is the largest biome in the municipal area. Much of the Mixed Thornveld has good potential for animal production. Where bush encroachment has occurred, the possibility of introducing browsers in the form of goats can raise the potential for animal production, using the grassland with grazing animals and the woody species with browsers. Management of a high quality is necessary to successfully apply this type of farming. There is a potential for game farming as indicated by the success of the introduction of wild animals into the Weenen Nature Reserve.
- Moist Transitional Tall Grassveld (MTTG) Prevalent in the Majuqula area Valley Bushveld (VB) prevalent in the Sundays and Tugela river valleys. The Valley Bush veld is found in the hot valleys of the major rivers of the Province. Neither sheep nor dairy cattle are suited to these warm areas. Sheep suffer from a variety of diseases, while the high temperatures and the extensive nature of farming do not suit dairy production. Beef and game farming are, however, well suited to the region. Because the veld is sweet, grazing is provided for the beef breeding herd throughout the year, without the need for supplementation.
- Sour Sandveld (SS) prevalent in the northern part of the municipality, livestock production potential of the natural grassveld is somewhat lower than in the Dry Tall Grassveld

MAP 19: Environmental Sensitivity in Indaka Municipality



3.1.9.2 Key Hydrological Features

Indaka Municipality is characterized by two drainage systems - uThukela and Sundays River. The fast 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 make water supply projects possible to the municipality.

3.1.9.3 Protected Areas

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.

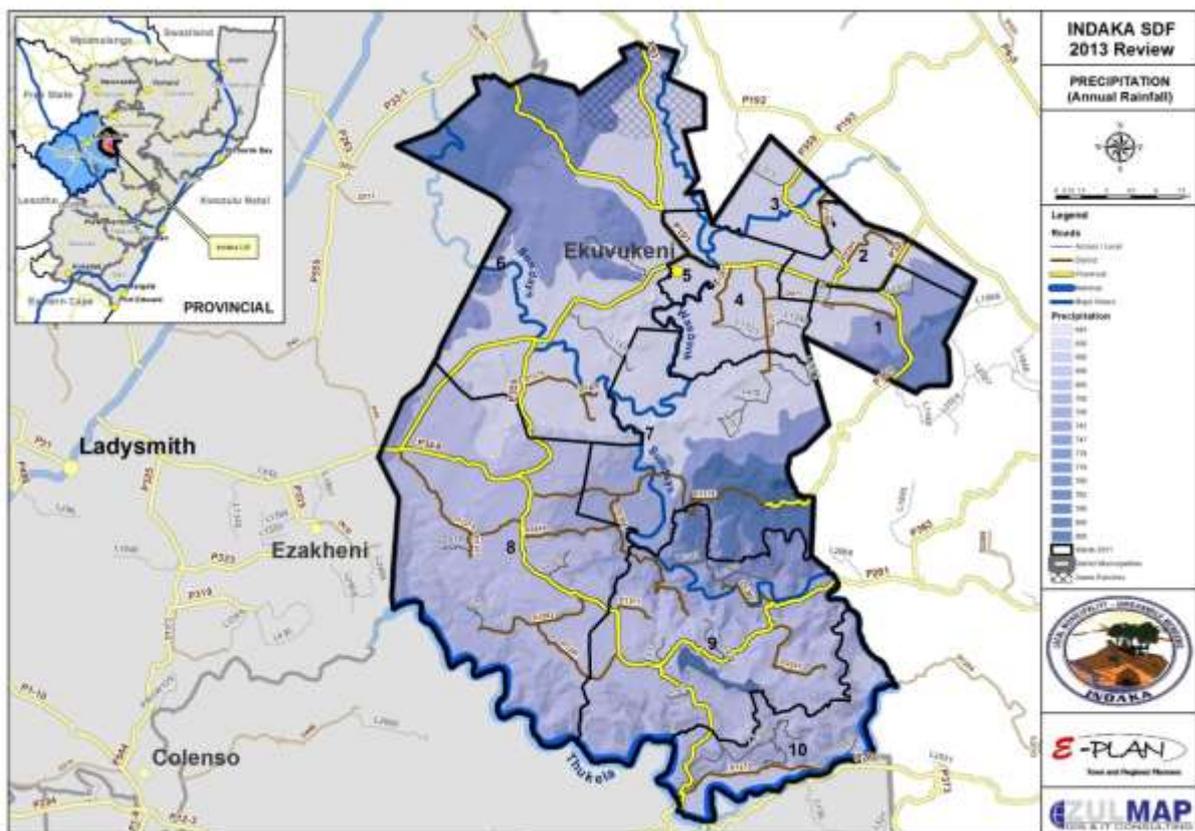
3.1.9.4 Biodiversity

Three areas of high intrinsic biodiversity 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.

3.1.9.5 Climate Change

Climate change is the greatest environmental challenge facing the world and refers to possible serious disruptions of the planets weather patterns. This includes impacts on precipitation, extreme weather circumstances and a rise in the sea level. The developing world faces greater challenges, both in terms of the impacts of climate change and the capacity to respond to it. The predominantly rural population of Indaka will feel the impacts of climate change to a much greater extent than other more urban municipalities, who are arguably less dependent on the environment and agriculture for a livelihood or for survival.

MAP 20: Annual Precipitation in Indaka Municipality



Subsequently the objectives and initiatives aimed at climate change is not only to achieve stabilization of the concentrations of greenhouse gases in the atmosphere but also aimed at improving the resilience of both the natural environment, through rehabilitation, conservation and management but in so doing also the ability of the people of Indaka to live in a more sustainable manner within their environment.

In order to ensure sustainability and continuity of food production through subsistence farming practices it is necessary to improve the skill and knowledge of the communities to ensure that land degradation does not occur and negatively influence the fertility of the land.

Proposed Interventions include:

- Promote Sustainable agricultural land-use practices,
- Regulatory Framework for the Reduction of Land Degradation and Land Care programme,
- Develop a Strategic Environmental Framework for Indaka Municipality towards Strategic Planning for Biodiversity Conservation.
-

3.1.9.6 Strategic Environmental Assessment

The UThukela District Municipality has developed a district Integrated Environmental Plan (IEP) covering all the local municipalities that make up UThukela District. The IEP provides a high-level environmental analysis for the district in order to guide strategic and project level development and planning decision making. The IEP is aimed at contributing to a healthy environment by ensuring that strategic environmental issues are identified, as well as potential environmental requirements for future projects are taken into account during decision making. The UThukela District IEP is attached as **Annexure**

3.1.9.7 Spatial & Environmental: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality spatially and environmentally. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> • Some Arable Land • Access to River Systems for irrigation • Tourism Attraction (Venture Based) • Cultural Heritage • Spatial Development Framework aligned to the vision and objectives of the municipality. | <ul style="list-style-type: none"> • Unavailability of Infrastructure to exploit Agricultural Potential • Geographical Location (Low Exposure and Accessibility) • Young Population |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Agriculture Irrigation; • Sand Mining • Coal Mine (Mineral Exploration Potential) | <ul style="list-style-type: none"> • Sand Mine (Control); • Decline in Population Growth; • Climate Change (Drought). |

3.1.10 Disaster Management

3.1.10.1 Municipal Institutional Capacity

Indaka municipality identified four institutional responses as part of its Disaster Management Plan (DMP) which included:

1. Establishment of a Municipal Disaster Management Advisory Forum (MDMAF) to facilitate the implementation of all development projects
2. Creation of a communication link between Indaka local municipality, the community and the UThukela District Municipality (UDM).
3. Compilation of appropriate Mutual Assistance Agreements with all the identified role players
4. Development of a comprehensive Disaster Management Information System (DMIS)

In addition the Disaster Management Plan proposed the establishment of the: Local Inter-departmental Disaster Management Committee (LIDMC), a tactical body bringing together all line functionaries at Indaka local municipality, deciding on risk reduction and post disaster recovery strategies. The LIDMC is made up of;

- Municipal Managers
- Head of Disaster Management
- Head of Strategic Planning
- Head of District Disaster Management Centre
- HOD's
- IDP Managers

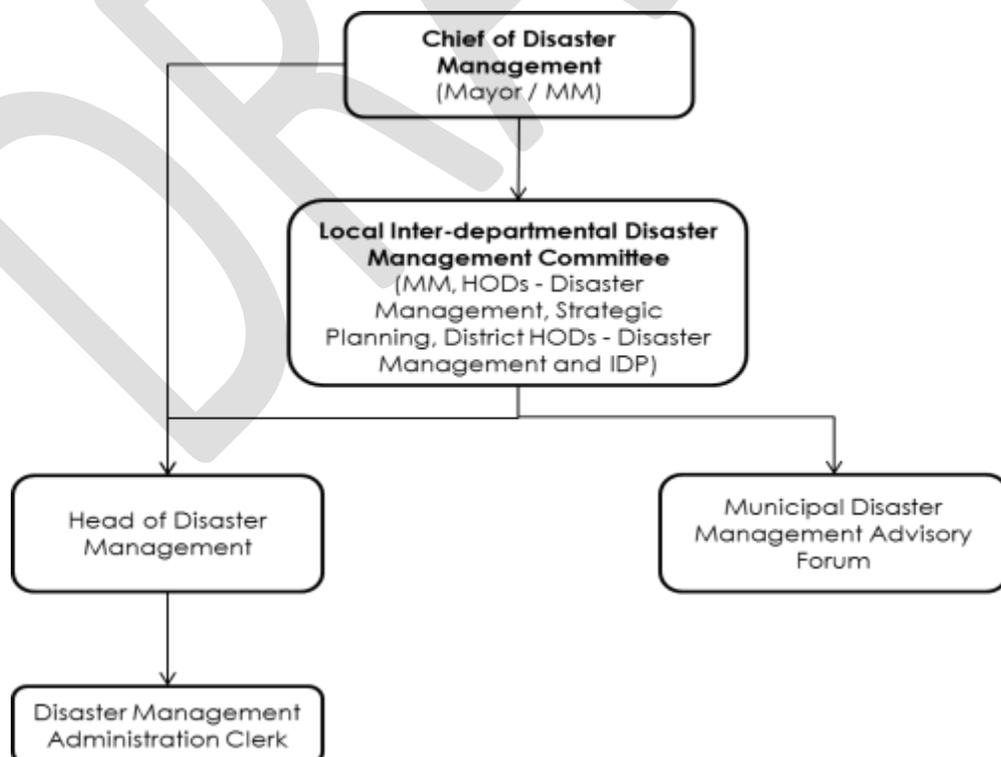


Figure 9: Disaster Management Institutional Arrangement

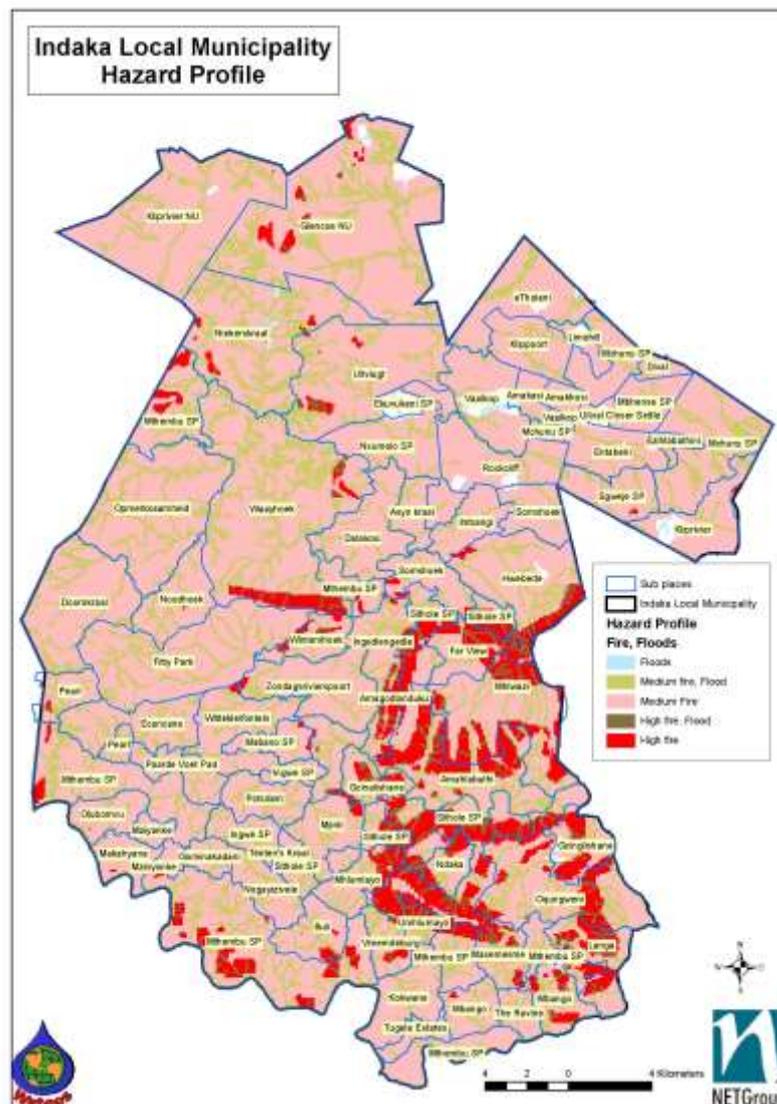
3.1.10.2 Risk Assessment

According to the Indaka DMP, the following potential risks were identified:

- **Fire (Rural and Urban context)**
- Strong Winds
- Hail Storm
- **Flooding resulting from heavy rain**
- Drought
- Disease (Cholera, Foot and Mouth disease, HIV, TB)
- Erosion
- Environmental Degradation
- Access to Water – Waste Management and Sanitation:
- Dumping sites not fenced
- Unsafe Bridges
- Limited resources to respond to disaster at local municipality.

The two greatest natural hazards identified by the Indaka DMP were veld fires and floods. The extent of areas vulnerable to fires and floods were overlaid to compile the map below.

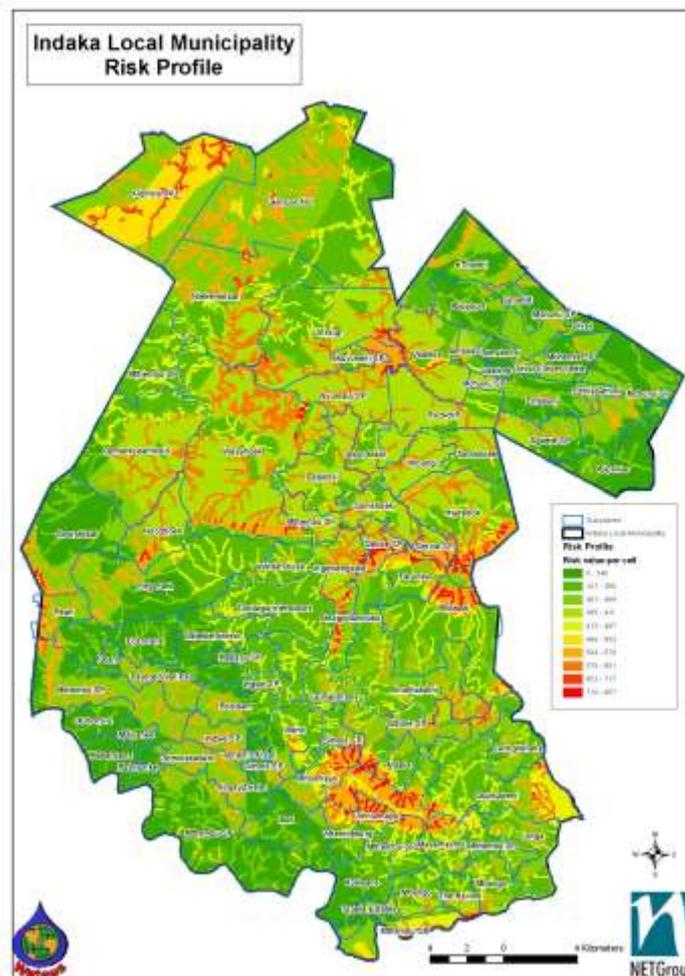
MAP 21: Veld Fire and Flood profile map for Indaka Local Municipality



3.1.10.3 Risk Reduction & Prevention

In order to mitigate risk in the municipality, the Indaka DMP developed a risk profile map was using the threshold values of the risk assessment (Map 7). A high value indicates a high priority to implement risk reduction measures.

MAP 22: Disaster risk profile map for Indaka Local Municipality



3.1.10.4 Response & Recovery

The following measures were proposed as part of the Indaka DMP as risk reduction measures and responses.

Infrastructure support

- Rehabilitation of evacuation routes
- Refurbishment of health posts, temporary shelters for evacuated populations

Advocacy and Public awareness-raising

- Radio broadcasts /communication in communities
- Print media interaction: newspapers, magazines, information leaflets, posters, and billboards
- Awareness campaigns: street drama, theatre, song and simulation exercises

Small-scale mitigation works

- Protection walls along river banks
- Structural works on existing public buildings to increase their resistance to disasters
- Identification and reinforcement of safe places
- Reforestation / plantation
- Small-scale drainage and irrigation works

Early warning systems

- Technical studies conducted specifically to set up an EWS (e.g. hydrological study)
- Installation of radio networks and training beneficiaries on their use
- Installation of rain gauges / hydrometric scales and training of beneficiaries on their use
- Scientific equipment

Institutional strengthening

- Training of decision makers at different levels
- Training of sub-national institutions (government and non-government)
- Training of the planning departments of sectoral line functions on disaster risk reduction measures that could be undertaken as part of respective work plans

Local Capacity building / Training

- Support in the organization and training of local disaster management committees
- Training and sensitization for enhanced natural disaster risk awareness
- Workshops conducted at community level for the development and management of community disaster preparedness action plans
- Simulations conducted at community level, e.g. evacuations
- Training of community facilitators
- Training of community fire brigades
- Rescue kits and First aid emergency kits (depending on the recipient)

3.1.10.5 Disaster Management: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality spatially and environmentally. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|---|---|
| <ul style="list-style-type: none"> • Existing disaster response coordination centres. • Existing Disaster Management Plan in place • | <ul style="list-style-type: none"> • Existing Disaster Management Plan in place requires review • Disaster Management Plan requires alignment with UThukela District • |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Implementation of simple and manageable small scale disaster mitigation systems • Awareness campaigns: street drama, theatre, song and simulation exercises • | <ul style="list-style-type: none"> • Lack of coordination with the District Disaster Management Plan • Alignment with disaster management of surrounding municipalities requires review |

3.1.11 Demographic Characteristics

3.1.11.1 Demographic Indicators

| Population size | 2001 | 2011 |
|------------------|---------|---------|
| Total population | 113,644 | 103,073 |
| Change (%) | | -9% |

| Population composition | 2001 | 2011 |
|------------------------|--------|--------|
| Young (0-14) | 51,488 | 44,424 |
| Working age (15-64) | 56,268 | 53,227 |
| Elderly (65+) | 5,888 | 5,512 |
| Dependency ratio | 100 | 92 |
| Disabled (%) | 7% | 10% |

| Population groups | 2001 | 2011 |
|-------------------|---------|---------|
| Black African | 113,587 | 102,723 |
| Coloured | 20 | 93 |
| White | 35 | 70 |
| Indian/Asian | 2 | 187 |

Statistics South Africa recently released the 2011 Census information at Municipal level, which will be contrasted against the 2001 Census data in order to analyze the trends and characteristics of the population.

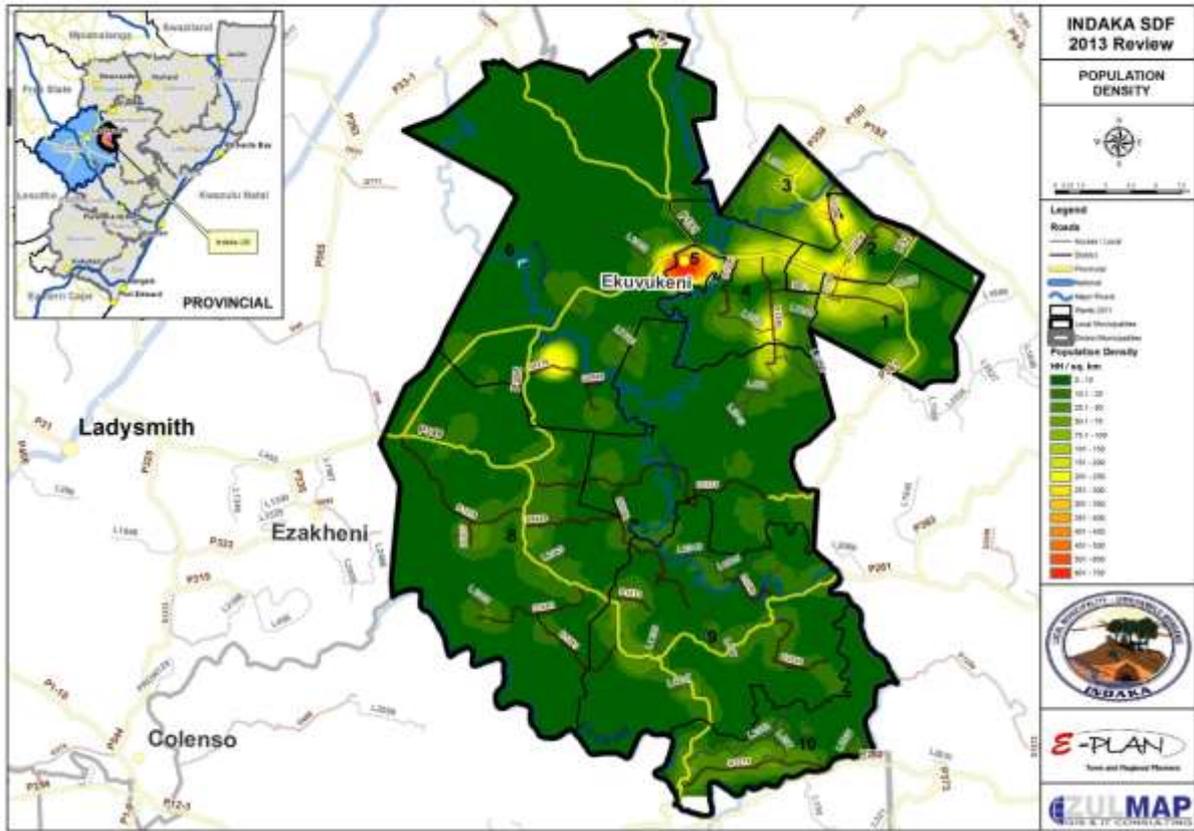
3.1.11.2 Population Density

The municipality has a fairly low average population density with the expected high density areas of the primary node and the traditional authority areas. This pattern has a positive effect on service delivery as the higher the density the more economical can service delivery be done.

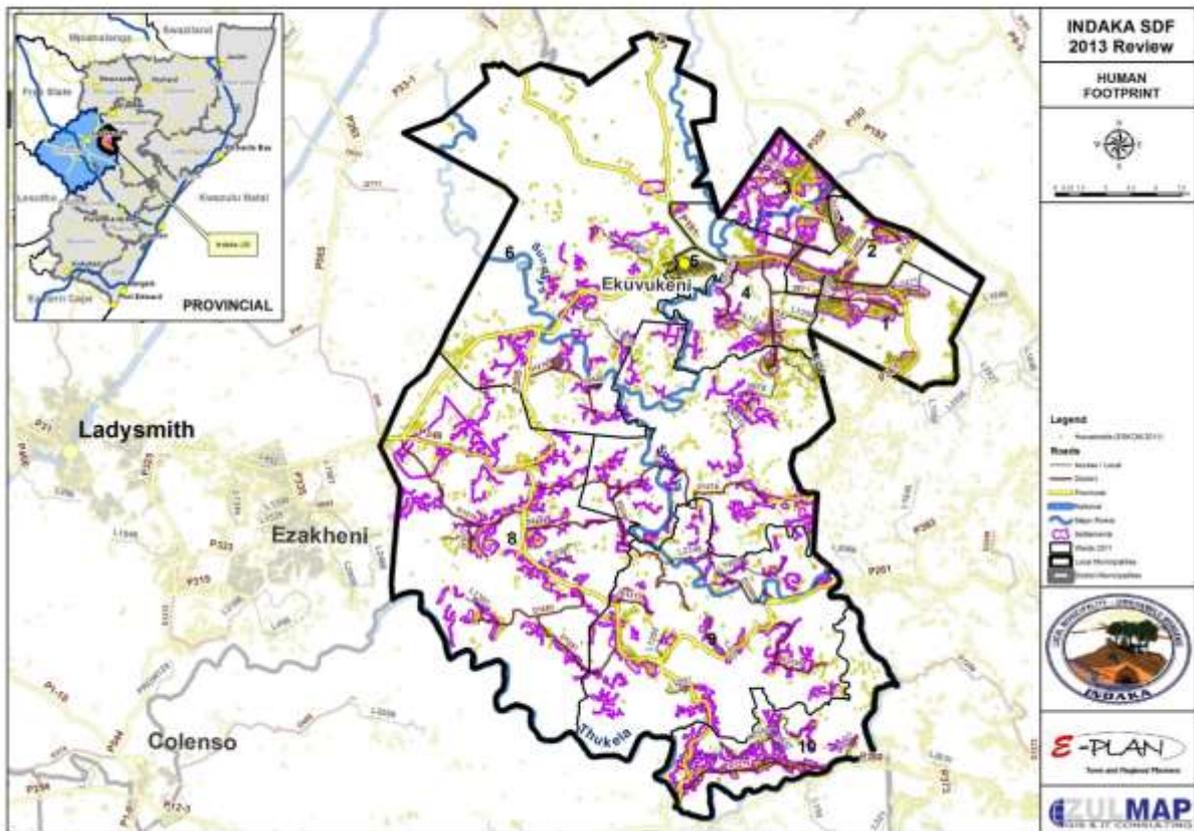
3.1.11.3 Human Footprint

The human footprint in the municipality has been derived from the household count of the ESKOM where all households were captured from 2011 aerial photographs. The correlation with the population density is obvious but this map drills down to a less general level and indicates the overall population/household distribution. The map below Indicates the human footprint in the municipal area.

MAP 23: Population Density in Indaka Local Municipality



MAP 24: Human Footprint in Indaka Local Municipality



3.1.11.4 Key Findings of Demographic Trends

The Census Data indicates that the population of the Indaka Municipality had decreased from 113,644 people in 2001 to 103,116 people in 2011. The 2011 figures indicate a population decline of -10.2% between 2001 and 2011.

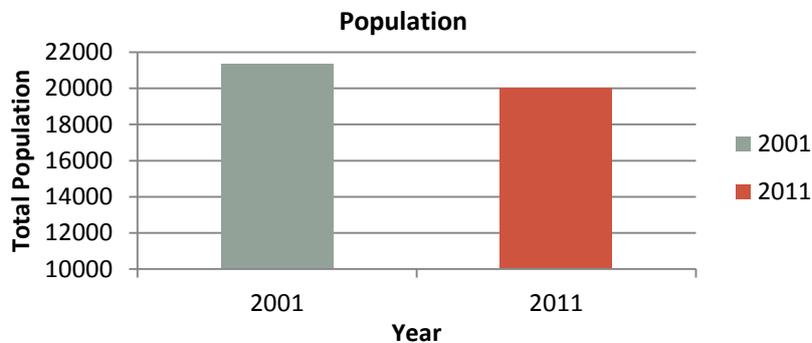


Figure 10: Indaka Population 2001-2011

In 2011, the number of males was 46,509 as opposed to 56,607 females and this is particularly noticeable from the 20 to 49 year age group which indicates a high level of out-migration of men in the economically active population. In terms of the elderly there are 5,510 over the age of 65, which is 5.3% of the total population. In terms of the potential economically active population age group (working age group) 38.4% of the population fall within the age group 20 to 65 years. In terms of children below the age of 20, there are 58,026 children which is 56.3% of the total population. This indicates a very high number of dependent children who are dependent on a largely female economically active population.

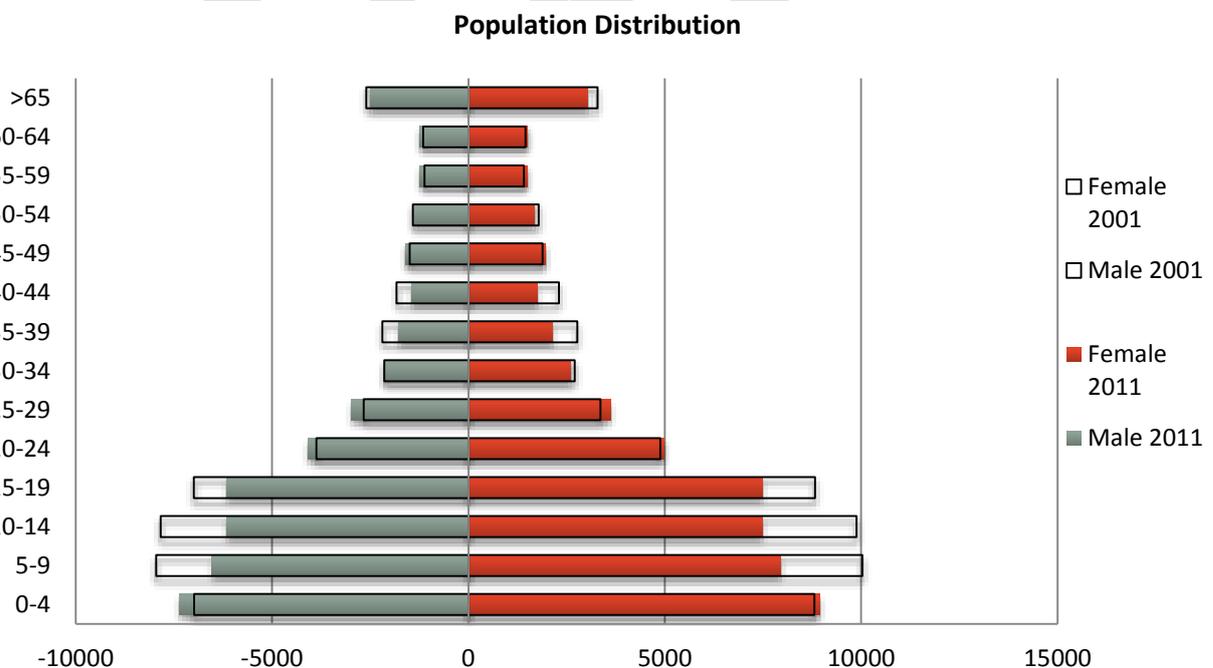


Figure 11: Indaka Population Age Distribution 2001-2011

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.

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 earn between R4,801 and R9,600 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. See figure 6

The education levels in the municipality indicate that the largest proportion of residents (more than 50%, or approximately 64,309) have 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.

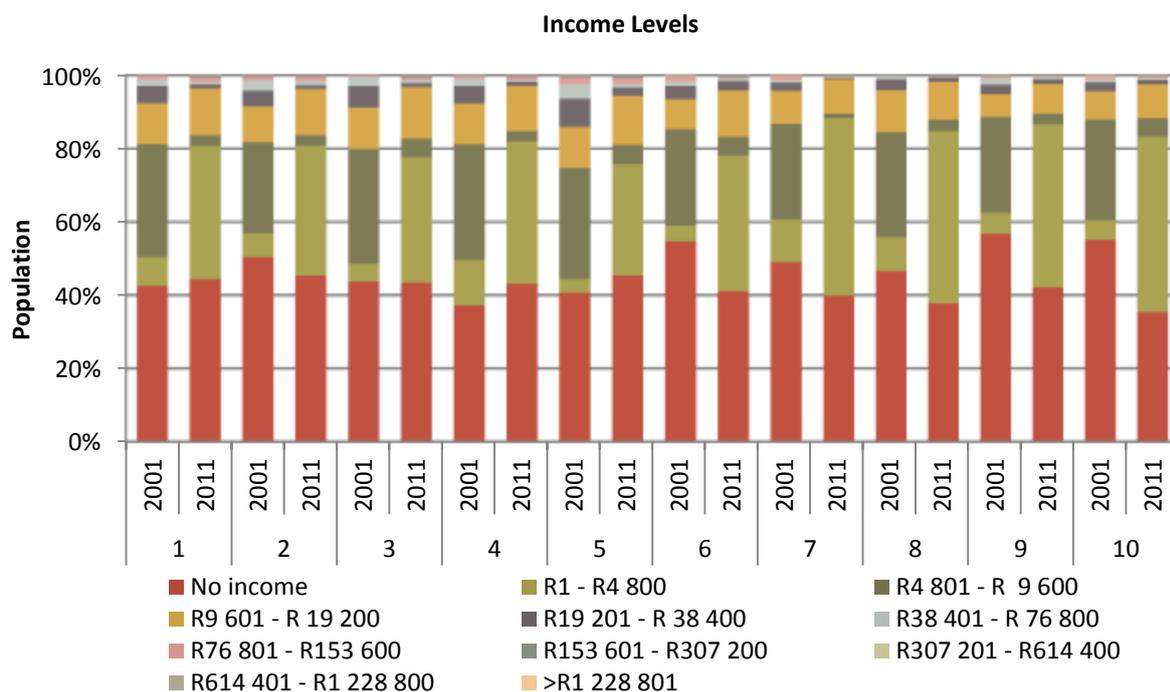


Figure 12: Levels of Income per Ward (StatsSA 2011)

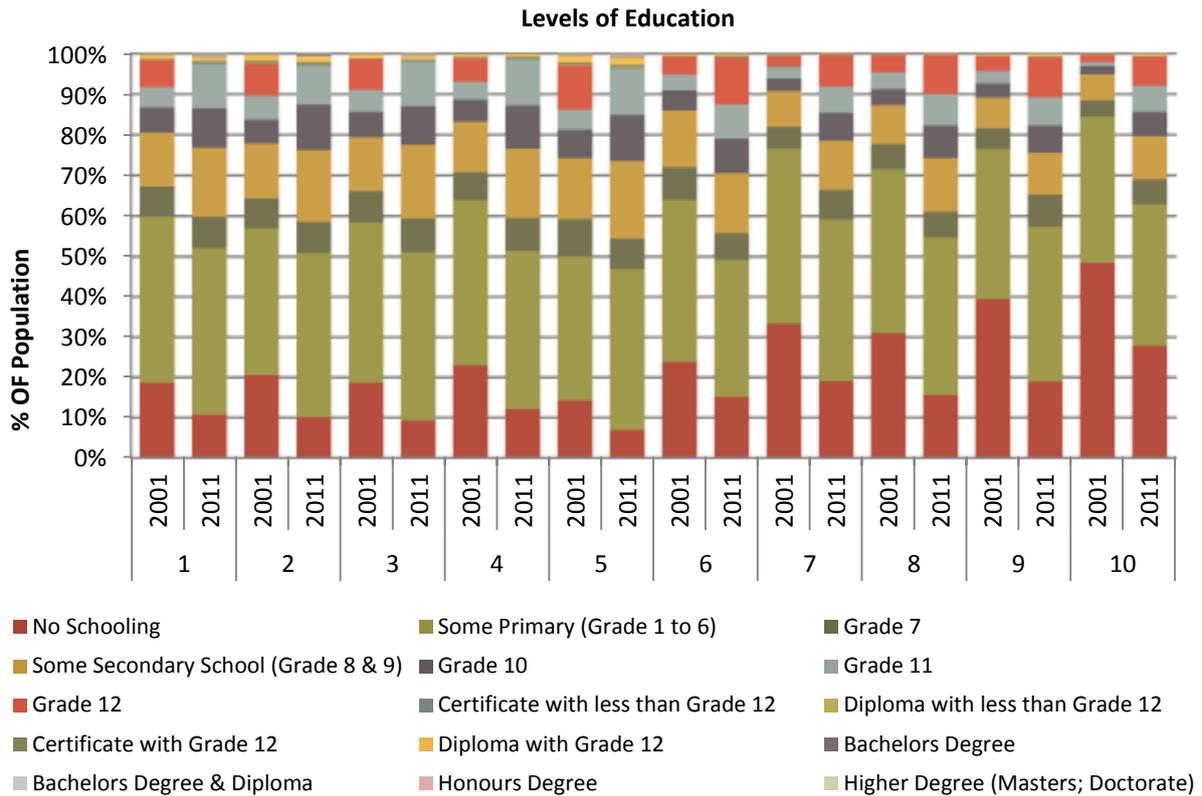


Figure 13: Levels of Education per Ward (StatsSA 2011)

3.2 MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT ANALYSIS

3.2.1 Municipal Transformation

In December 2009, Cabinet approved a Turn Around 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; and
- LED Enabling Environment.

The Turn Around Strategy is aimed and to focus resources within the municipality at the most urgent requirements and to turn the municipality into a viable entity, which can effectively fulfil its service delivery mandate.

3.2.2 Organizational Development

3.2.3 Employment Equity

In compliance with the Employment Equity Act (55 of 1998), the municipality has developed and implemented an Employment Equity Plan.

3.2.4 The Audit Committee

An Audit Committee has been established and is currently operational.

3.2.5 Ward Committees

The Municipal Ward Committees were established in 2004 and have been operational since then.

3.2.6 Traditional Authorities

The Municipality engages with local Traditional Leadership through the Mayor's office, as well as engagement at the Representatives Forum level.

3.2.7 Institutional Arrangements

Explain the workflow processes and procedures and the manner which decisions/resolutions are taken in the municipality

3.2.8 Powers & Functions

The municipalities need to know exactly what their powers and functions are in order 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:

| # | Item | 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 | ● | ● |

Table 6: Municipal Powers and Functions

3.2.9 Organizational Structure / Organogram

Figure 14: Organogram - Municipal Manager's Office

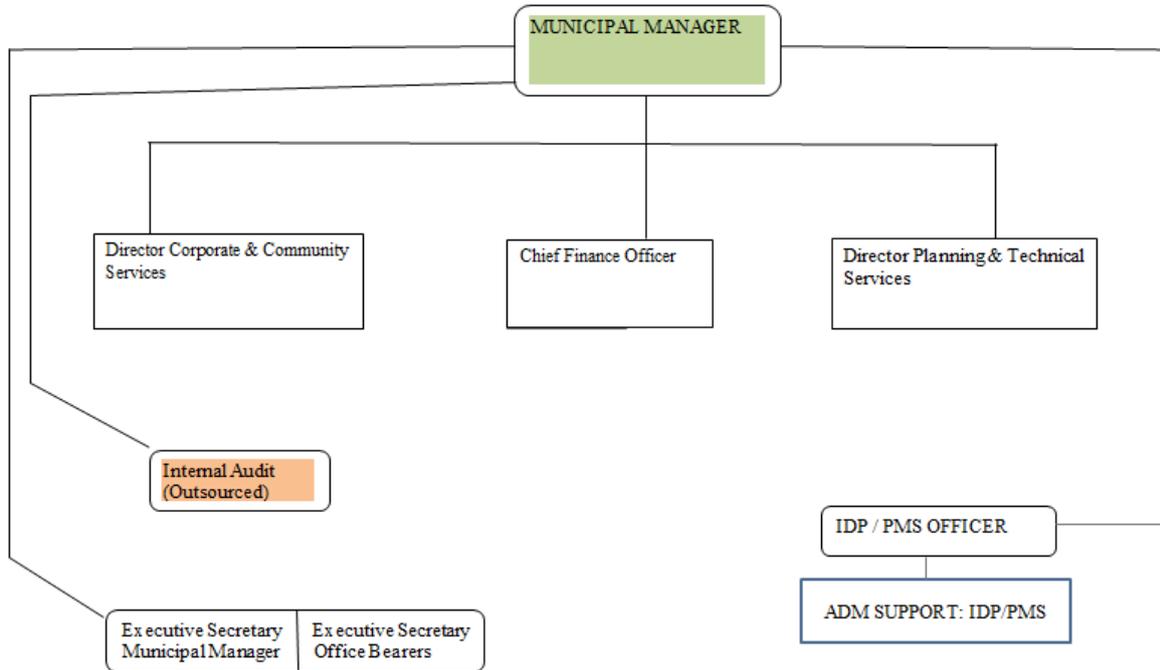


Figure 15: Organogram - Corporate & Community Services Department

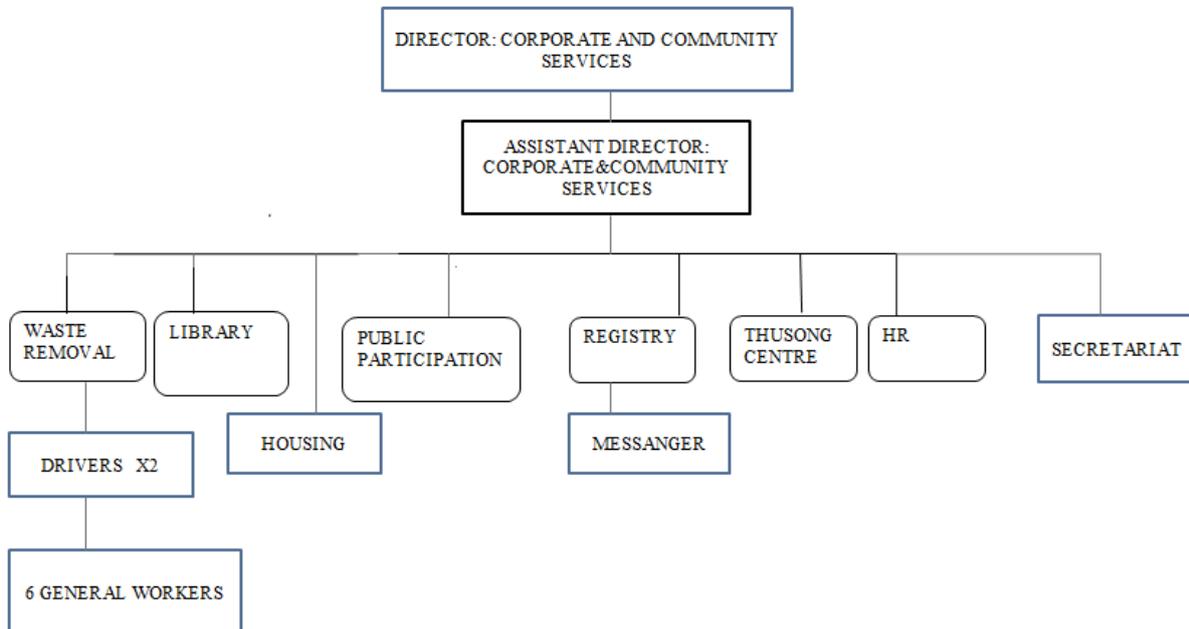


Figure 16: Organogram: Technical Department

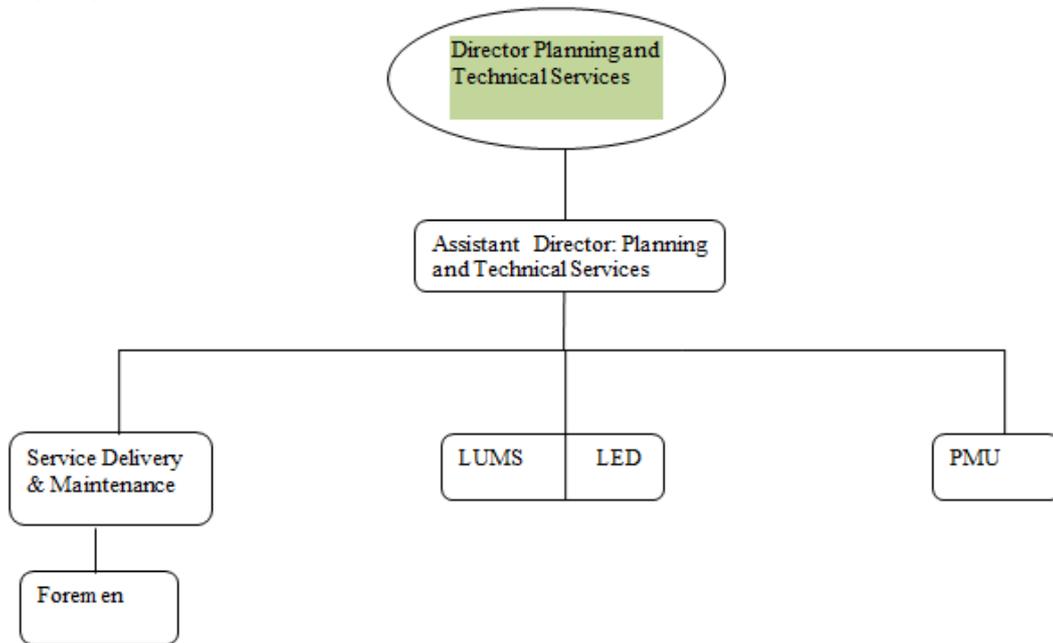
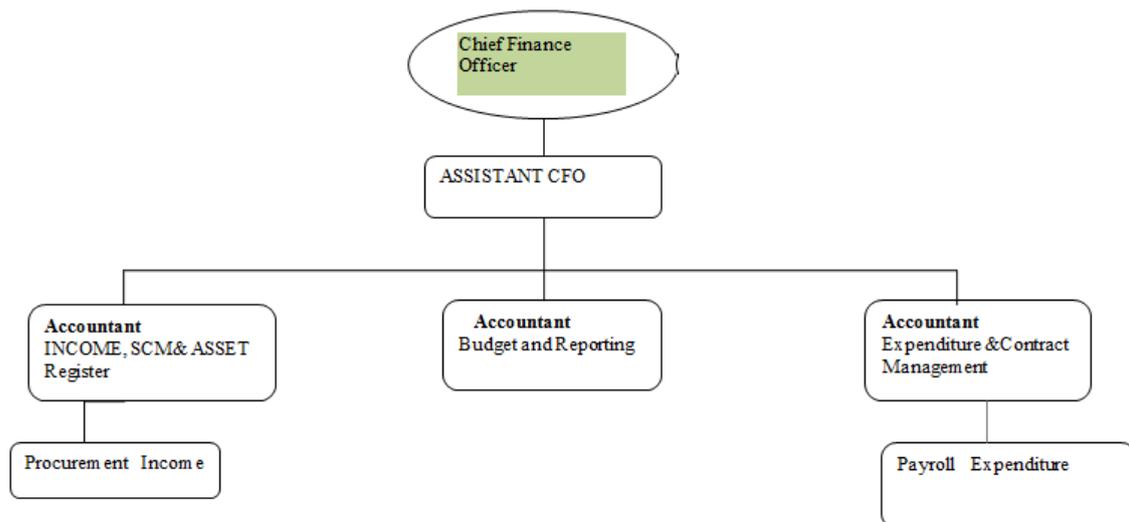


Figure 17: Organogram - Finance Department



3.2.10 Municipal Institutional Capacity & Status of Critical Posts

The municipality still has some capacity constraints; however the post of the Chief Financial Officer who is also responsible for managing SCM processes in the municipality has now been filled.

A Performance Management System has also been introduced and an IDP/PMS Officer was appointed.

3.2.11 Human Resource Development

3.2.12 Skills Development

The municipality has developed a comprehensive Workplace Skills Development Plan for the period under review in accordance with the relevant legislation.

3.2.13 Municipal Human Resource Strategies

The municipality has developed a number of policies that deal with Human Resource issues. These strategies include the following:

- Employment Equity Policy
- Training and Development Policy
- Recruitment, Selection, Promotion, Demotion, Transfer, and Appointment Policy
- Overtime and Stand-by Policy
- Study Scheme Policy

3.2.14 Municipal Transformation & Organizational Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality's Municipal Transformation and Organizational Development. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none">• Approved Organizational Structure aligned to operational capacity• High level of commitment and willingness to conform by staff members• Indaka Municipality is no longer under Administration• Indaka received a favourable audit opinion from the Auditor General for the 2012/13 financial year.• | <ul style="list-style-type: none">• Municipality unable to attract and retain highly skilled employees• Job evaluation incomplete• Functional IGR / Re-instate structures / start to participate at Forum Level;• Address and finalize suspension cases |
| Opportunities | Threats |
| <ul style="list-style-type: none">• Availability of funds for Staff Training | <ul style="list-style-type: none">• High labour turnover due to inadequate work environment based on the geographical location of the municipality |

3.3 SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

3.3.1 Water

The responsibility to provide water and sanitation services vests in the UThukela District Municipality, being the appointed Water Services Provider and also the Water Services Authority. The function as Water Services Provider is undertaken in terms of a Service Agreement between the Indaka Local Municipality and the UThukela District Municipality. In

terms of this responsibility, UThukela District Municipality is responsible for the implementation of new capital projects to extent water services to those communities that have not been served thereby, and is also responsible for the operation and maintenance of these facilities

In terms of the most recent update of the Water Services Development Plan, it has been indicated that substantial backlogs still exists in respect of water services within the Indaka Local Municipality, the detail of which is as reflected in the table hereunder as follows

Figure 18: UThukela District Water Services Development Plan Services backlog 2011

| WATER | Ward 1 | | Ward 2 | | Ward 3 | | Ward 4 | | Ward 5 | | Ward 6 | | Ward 7 | | Ward 8 | | Ward 9 | | Ward 10 | |
|---------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|------|--------|-------|---------|-------|
| | No. | % | No. | % | No. | % | No. | % |
| In Dwelling In Yard | 77 | 3.74 | 239 | 10.08 | 294 | 14.62 | 225 | 10.16 | 713 | 33.33 | 340 | 19.35 | 97 | 5.23 | 17 | 0.88 | 13 | 0.63 | 101 | 6.11 |
| Communal<200m | 1757 | 85.25 | 1804 | 76.12 | 1254 | 62.36 | 1667 | 75.26 | 1397 | 65.31 | 535 | 30.45 | 316 | 17.03 | 6 | 0.31 | 40 | 1.95 | 344 | 20.82 |
| Communal>200m<500m | 72 | 3.49 | 145 | 6.12 | 65 | 3.23 | 182 | 8.22 | 12 | 0.56 | 177 | 10.07 | 15 | 0.81 | 21 | 1.05 | 43 | 2.1 | 671 | 40.62 |
| Communal>500m<1000m | 12 | 0.58 | 21 | 0.89 | 32 | 1.59 | 15 | 0.68 | 5 | 0.23 | 75 | 4.27 | 20 | 1.08 | 74 | 3.85 | 51 | 2.49 | 170 | 10.29 |
| Communal>1000m | 4 | 0.19 | 12 | 0.51 | 14 | 0.7 | 3 | 0.14 | 0 | 0 | 40 | 2.28 | 27 | 1.45 | 40 | 2.08 | 114 | 5.57 | 43 | 2.6 |
| No Access | 0 | 0 | 1 | 0.04 | 36 | 1.79 | 0 | 0 | 0 | 0 | 14 | 0.8 | 19 | 1.02 | 17 | 0.88 | 105 | 5.13 | 25 | 1.51 |
| | 139 | 6.74 | 148 | 6.24 | 316 | 15.71 | 123 | 5.55 | 12 | 0.56 | 576 | 32.78 | 1362 | 73.38 | 1749 | 90.9 | 1682 | 82.13 | 298 | 18.04 |
| Backlog per ward | 6.74% | | 6.24% | | 15.71% | | 5.55% | | 0.56% | | 32.78% | | 73.38% | | 90.90% | | 82.13% | | 18.04% | |

According to the UThukela Water Services Development Plan various water schemes are in existence in Indaka LM. Ekuvukeni has a scheme that serves approximately 51 600 people through house connections. The primary water source for the existing water schemes is the Olifantskop Dam which is on the Sundays River. Certain villages like Oqungwini, Ehlonwane, Mjindini, Emkhalandoda, Ilenge and Engedlengedleni still rely on boreholes and springs for water

3.3.1.1 Future water supply

The Driefontein Complex Project as it has been named is set to serve about 34 000 households in the Emnambithi and Indaka Local Municipalities with the supply of potable bulk water to alleviate the current and high water backlogs in some 10 formal villages in these municipalities. The ultimate water source of the project is Spioenkop Dam which is the only reliable source to meet the medium and long-term demands of the Driefontein Complex Project

It is planned that the Driefontein Complex Bulk Water Project be implemented in 11 distinct contracts, as mentioned below.

- i. To supply bulk water infrastructure within the Driefontein Complex including the development of Production Boreholes as an interim water source.
- ii. Development of bulk water supply infrastructure to realize bulk water supply from Ladysmith (Observation Hills Reservoir) to Hobsland Reservoir located within the Driefontein Complex.
- iii. Extension of the bulk water supply infrastructure from the Hobsland Reservoir to Matiwanoskop (Emnambithi LM).
- iv. Extension of bulk water supply infrastructure to Steincoalspruit.
- v. Further extension of the bulk water supply infrastructure to the existing Zandbult Reservoir (Ekuvukeni) to serve the ultimate needs of the Indaka Local Municipality.
 - 19.5km of the 630mm dia. PVC-O bulk water gravity feeder main to the existing Zandbult Reservoir in the Indaka Local Municipality area.

- This development stage will also include construction of a 5ML balancing reservoir mid-way en-route the feeder main.

A uMhlumayo Community Water Supply Scheme Phase 4 is also planned for the Fitty Park and Waaihoek areas. The water source for this scheme is an existing extraction point in the Tugela River.

The 2011 Census indicates that 59% of households in the municipality receive piped water from a regional or local water supply scheme, 16% receive water from a borehole, while another 16% received their water from rivers or streams. These figures indicate that almost two thirds of the population of the municipality receives water to RDP standards.

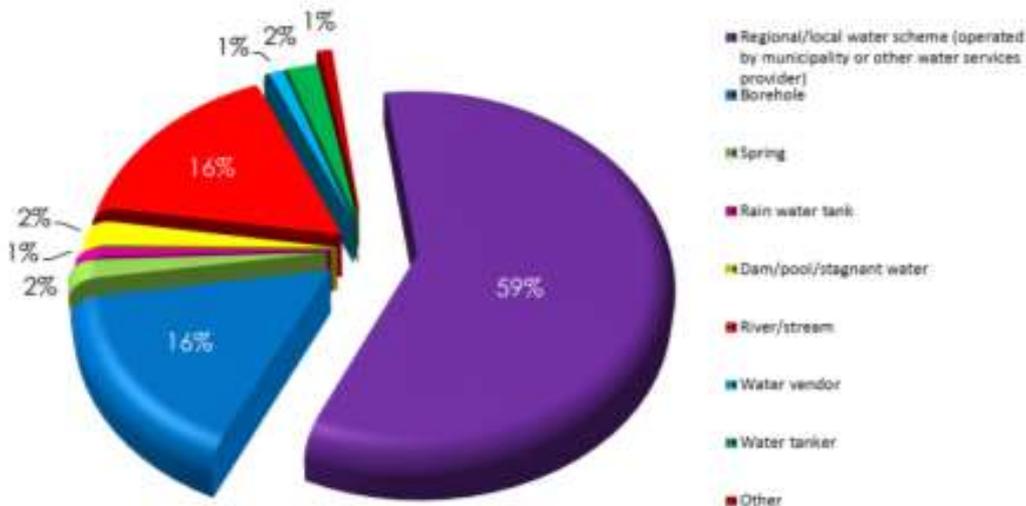


Figure 19: Water Provision (STATSSA, 2011)

A water backlog is defined by the RDP standard of 25l/c/d at a maximum distance of 200m of existing infrastructure. The uThukela District Municipality (UDM) is the Water Services Provider (WSP) and is responsible for the implementation of new capital projects to extend the provision of water services facilities and their maintenance thereof. The District's Water Services Development Plan (WSDP) indicates that the backlog of water services in Indaka is still substantial.

In terms of uThukela district municipality Free Basic Water Policy, all rural communities qualify for up to 6kl of free basic water. Urban indigent consumers are required to register as indigent consumers and thereafter qualify for up to 6kl of free basic water and the municipality is implementing the free basic water which is 6kl. The graph below is a breakdown of the backlog for household

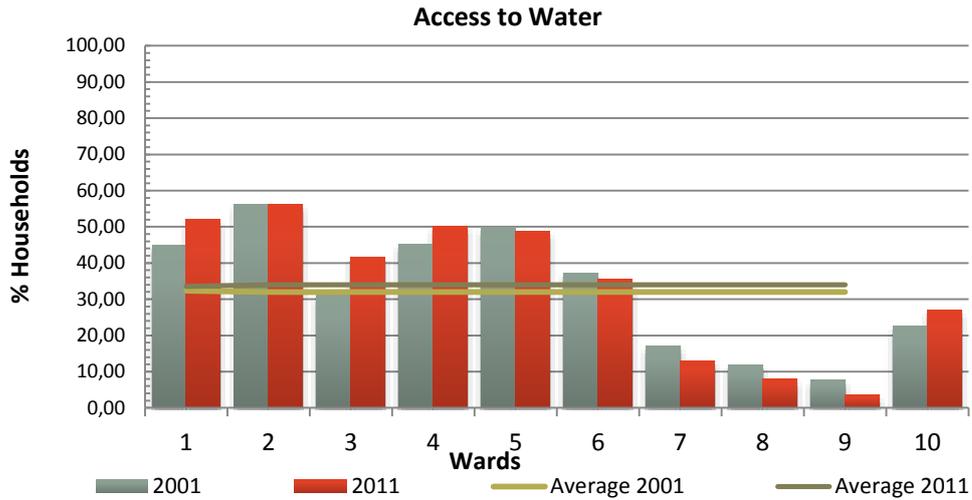
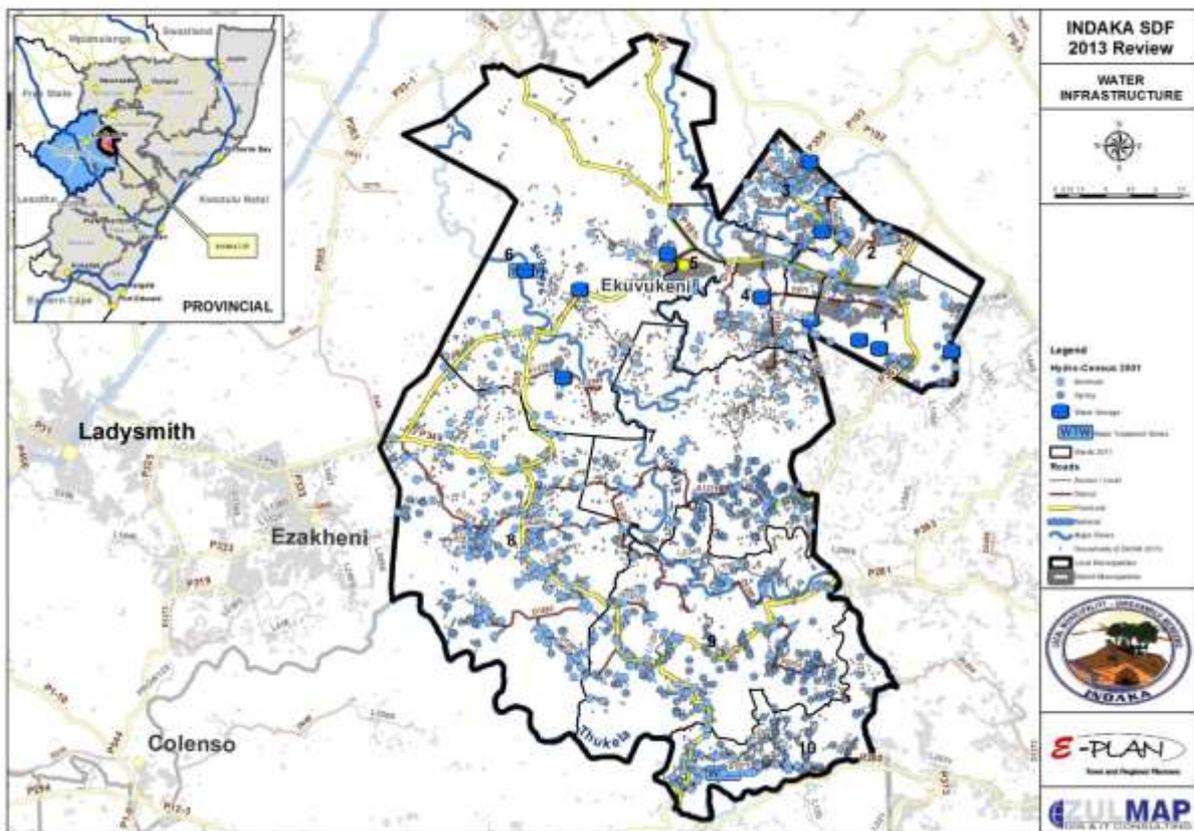


Figure 20: Access to RDP Standard Water StatsSA (2011)

MAP 25: Bulk Water Infrastructure in Indaka Local Municipality



3.3.2 Sanitation

Sanitation is mainly effected through the provision of ventilated improved pit latrines to individual households, with the exception of the clinics, for which waterborne sanitation was provided. However Limehill Complex and Ekuvukeni do have an operating sewer system with the wastewater treatment works situated in Ekuvukeni.

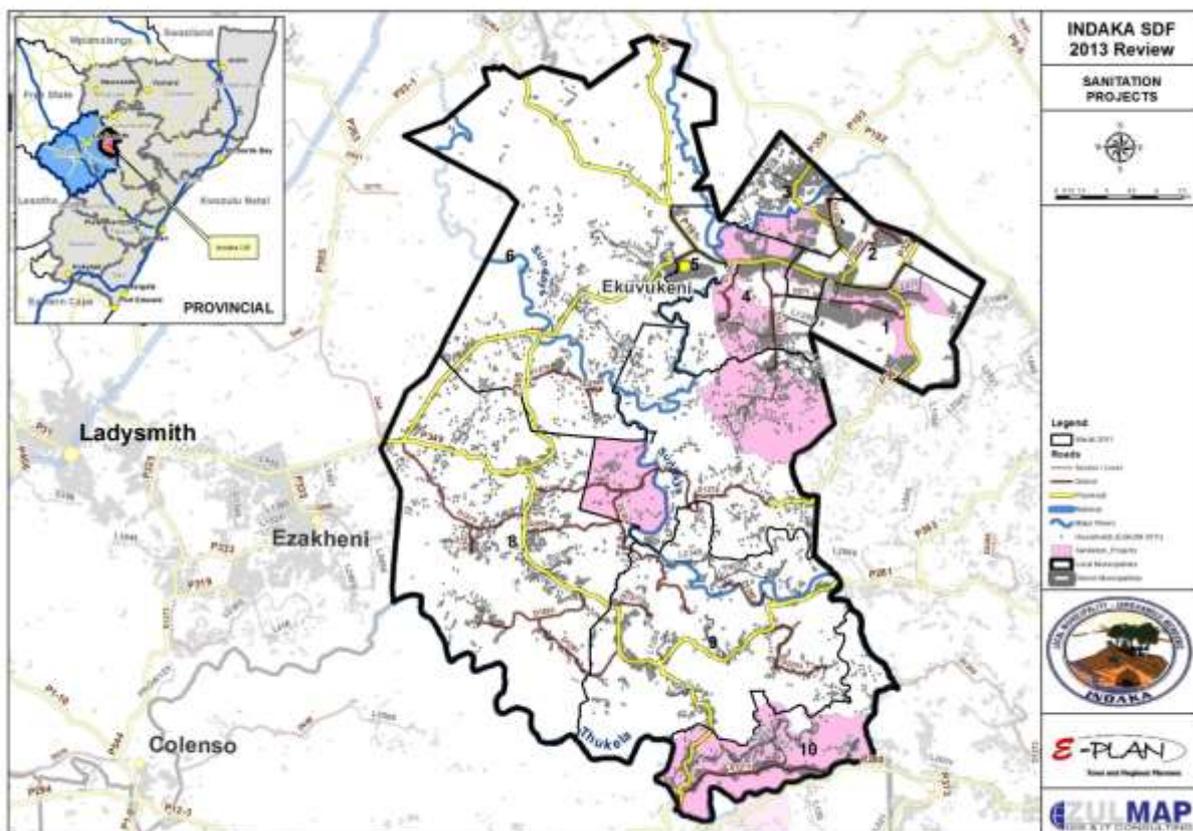
According to UThukela District Municipality's 2013/14 IDP there are 5 443 households without adequate sanitation facilities in Indaka. According to the 2011 StatsSA census 3 793 households are without access to adequate sanitation. The table below is an extract from the UThukela Water Services Development Plan.

| SANITATION | Ward 1 | | Ward 2 | | Ward 3 | | Ward 4 | | Ward 5 | | Ward 6 | | Ward 7 | | Ward 8 | | Ward 9 | | Ward 10 | |
|----------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|---------|-------|
| | No | % | No | % |
| Sewerage | 13 | 0.63 | 43 | 1.81 | 96 | 2.78 | 26 | 1.17 | 2047 | 95.74 | 476 | 27.11 | 10 | 0.54 | 5 | 0.26 | 4 | 0.2 | 12 | 0.73 |
| Septic | 6 | 0.29 | 37 | 1.56 | 22 | 1.09 | 15 | 0.68 | 52 | 2.43 | 17 | 0.97 | 9 | 0.48 | 5 | 0.25 | 15 | 0.73 | 13 | 0.79 |
| Chemical | 4 | 0.19 | 12 | 0.51 | 20 | 0.99 | 174 | 7.85 | 1 | 0.05 | 38 | 2.16 | 4 | 0.22 | 13 | 0.68 | 50 | 2.44 | 118 | 7.14 |
| Bucket | 113 | 5.48 | 4 | 0.17 | 10 | 0.5 | 3 | 0.14 | 2 | 0.09 | 5 | 0.28 | 5 | 0.27 | 18 | 0.94 | 12 | 0.59 | 10 | 0.61 |
| Pit with ventilation | 1115 | 54.07 | 1229 | 51.83 | 557 | 27.66 | 647 | 29.2 | 7 | 0.33 | 286 | 16.29 | 562 | 30.28 | 63 | 4.31 | 604 | 29.52 | 950 | 57.51 |
| Pit no ventilation | 728 | 35.31 | 733 | 30.92 | 1317 | 65.39 | 1248 | 56.32 | 7 | 0.33 | 162 | 9.23 | 219 | 11.8 | 499 | 25.92 | 597 | 29.18 | 281 | 17.01 |
| Other | 73 | 3.54 | 179 | 7.55 | 5 | 0.25 | 1 | 0.05 | 6 | 0.28 | 94 | 5.35 | 339 | 18.27 | 39 | 2.03 | 177 | 8.65 | 0 | 0 |
| None | 10 | 0.48 | 134 | 5.65 | 27 | 1.34 | 102 | 4.6 | 16 | 0.75 | 678 | 38.61 | 708 | 38.15 | 1263 | 65.61 | 587 | 28.69 | 268 | 16.22 |
| Backing per ward | 4.02% | | 13.20% | | 1.59% | | 4.65% | | 1.03% | | 43.96% | | 56.42% | | 67.64% | | 37.34% | | 16.22% | |

3.3.2.1 Future sanitation supply

A programme for the implementation of sanitation in the form of ventilated improved pit latrines on a prioritized basis has in the past been approved by the UThukela District Municipality, which project will continue over the district area on a prioritized basis, which also includes for the supply of these facilities to selected areas on a prioritized basis within the Indaka Local Municipality.

MAP 26: Bulk Sanitation Infrastructure in Indaka Local Municipality



3.3.3 Solid Waste Management

According to the 2011 Census, 24.9% of the households do not have access to refuse removal. Approximately 59.3% of households are disposing of refuse through their own means and 1.3% through communal sites. Only 14% of the households are serviced by the local authority at least once per week.

| Refuse Disposal | Census 2001 | Census 2011 | Variance |
|---|-------------|-------------|----------|
| Removed by Local Authority at least once a week | 12.7% | 13.4% | 0.7% |
| Removed by Local Authority less often | 0.5% | 0.6% | 0.1% |
| Communal refuse dump | 1% | 1.3% | 0.3% |
| Own refuse dump | 54.5% | 59.3% | 4.8% |
| No rubbish disposal | 31.2% | 24.9% | -6.3% |
| Other | 0% | 0.5% | 0.5% |

Table 7: Indaka Municipality - Access to Refuse Disposal per Household (%): 2001 – 2011

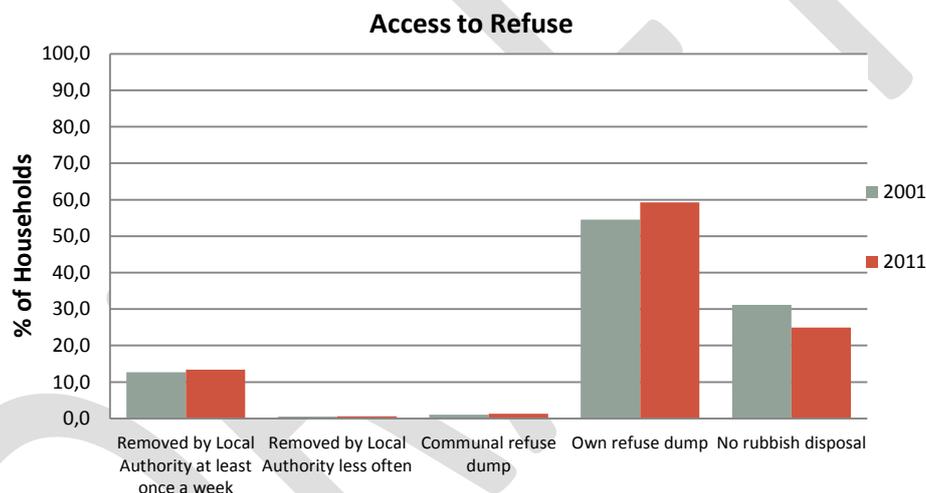


Figure 21: Indaka Municipality - % of Households Access to Refuse (StatsSA 2011)

3.3.4 Transportation Infrastructure

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.

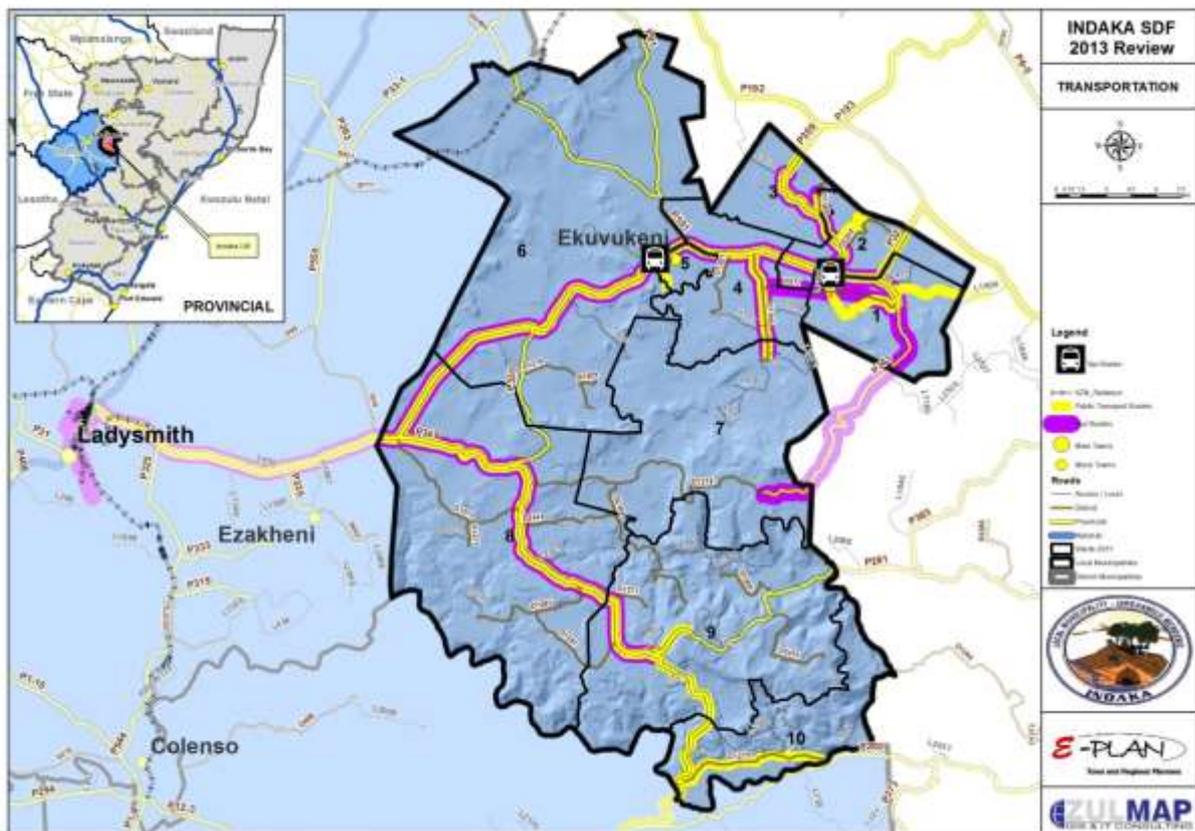
The predominant forms of transportation in the municipality are by taxis and buses. Nodal bus stops/taxi ranks have been identified at:

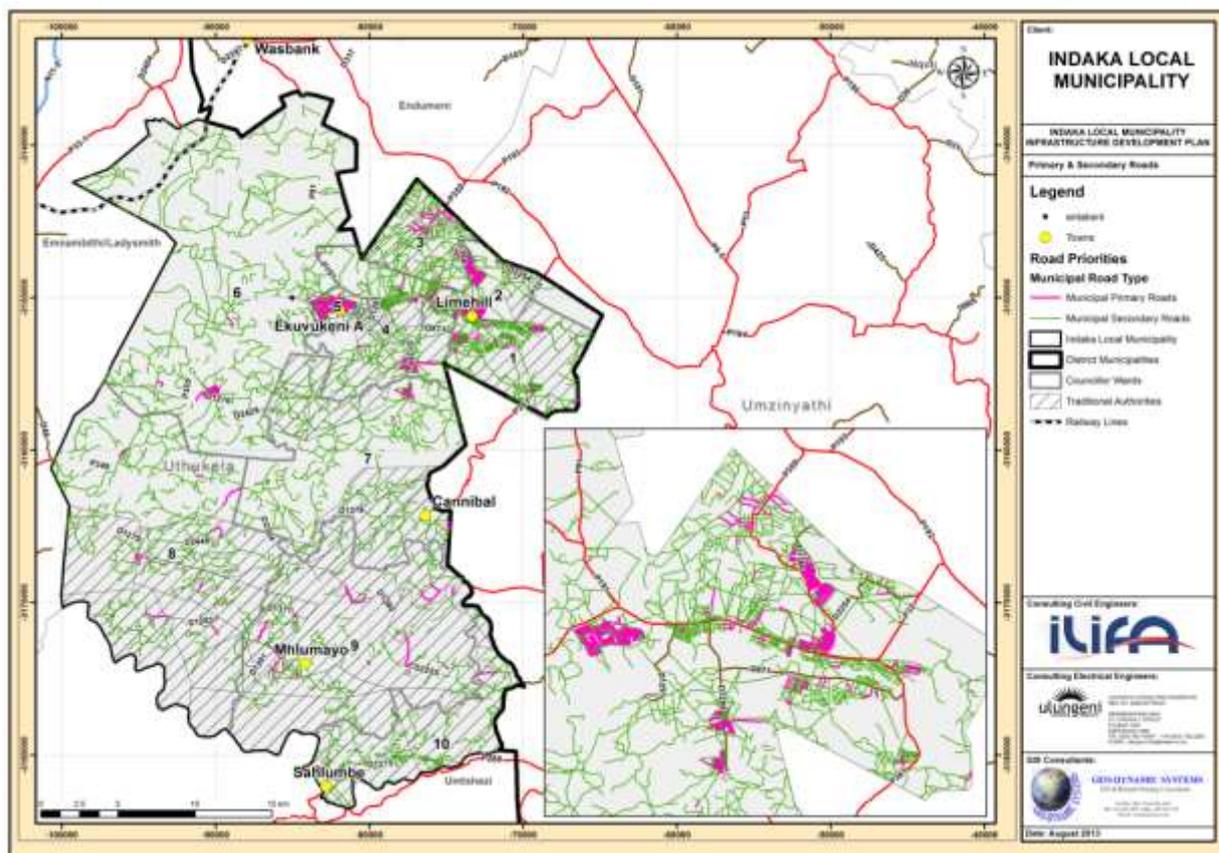
- Ekuvukeni;
- Klipriver;
- Waaihoek;
- Uitval;
- Sithole Tribal Authority (serving the Umhlumayo area).

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.

The issue of access roads in the municipality is a very serious one. This is because most of the community access roads are in 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 transport to collect the sick from the settlements that are currently not accessible

MAP 27: Road network in Indaka Local Municipality





MAP 28: Prioritised Road network in Indaka Local Municipality

3.3.5 Energy

Eskom, the national electricity supplier, supplies electricity in bulk within the municipality and supply to rural areas is slow due to high costs associated with scattered settlements and no anchor clients.

Electrical infrastructure is widely spread over the Indaka municipal area, with only a small percentage of households not connected, mostly along the fringes. Ward 8 has the largest backlog of 88%. The backlogs in Ward 1 and 10 are indicated as 0%. This can only be due to inaccurate census data for the total number of households as both these wards still have a backlog according to the infrastructure plans. The backlogs in electrification in terms of the respective wards within the municipal area are provided in the following table.

| Wards | Households | Population | Households electrified | Backlog % |
|--------------|--------------|---------------|------------------------|------------|
| Wards 1 | 2129 | 10257 | 2266 | 0% |
| Wards 2 | 2594 | 11468 | 2200 | 15% |
| Wards 3 | 2208 | 9909 | 1780 | 19% |
| Wards 4 | 2263 | 11120 | 1961 | 13% |
| Wards 5 | 2639 | 8966 | 2144 | 19% |
| Wards 6 | 2224 | 9687 | 1115 | 50% |
| Wards 7 | 1334 | 10393 | 440 | 67% |
| Wards 8 | 1479 | 11157 | 176 | 88% |
| Ward 9 | 1444 | 10967 | 907 | 37% |
| Ward 10 | 995 | 9193 | 1016 | 0% |
| Total | 19309 | 103117 | 14005 | 27% |

Table 8: Indaka Electrical Infrastructure Backlog.

With 27% of households not connected to the Eskom Grid, a prioritized needs analysis was done per ward. The electrification in Indaka will remain in the hands of Eskom and Eskom's prioritization of electrification projects will apply if alternative funding cannot be sourced.

3.3.5.1 Operation and maintenance

Eskom is the supply authority in this KZ and Eskom is thus also responsible for Operations and Maintenance of all electrical infrastructures.

3.3.5.2 Prioritized programme

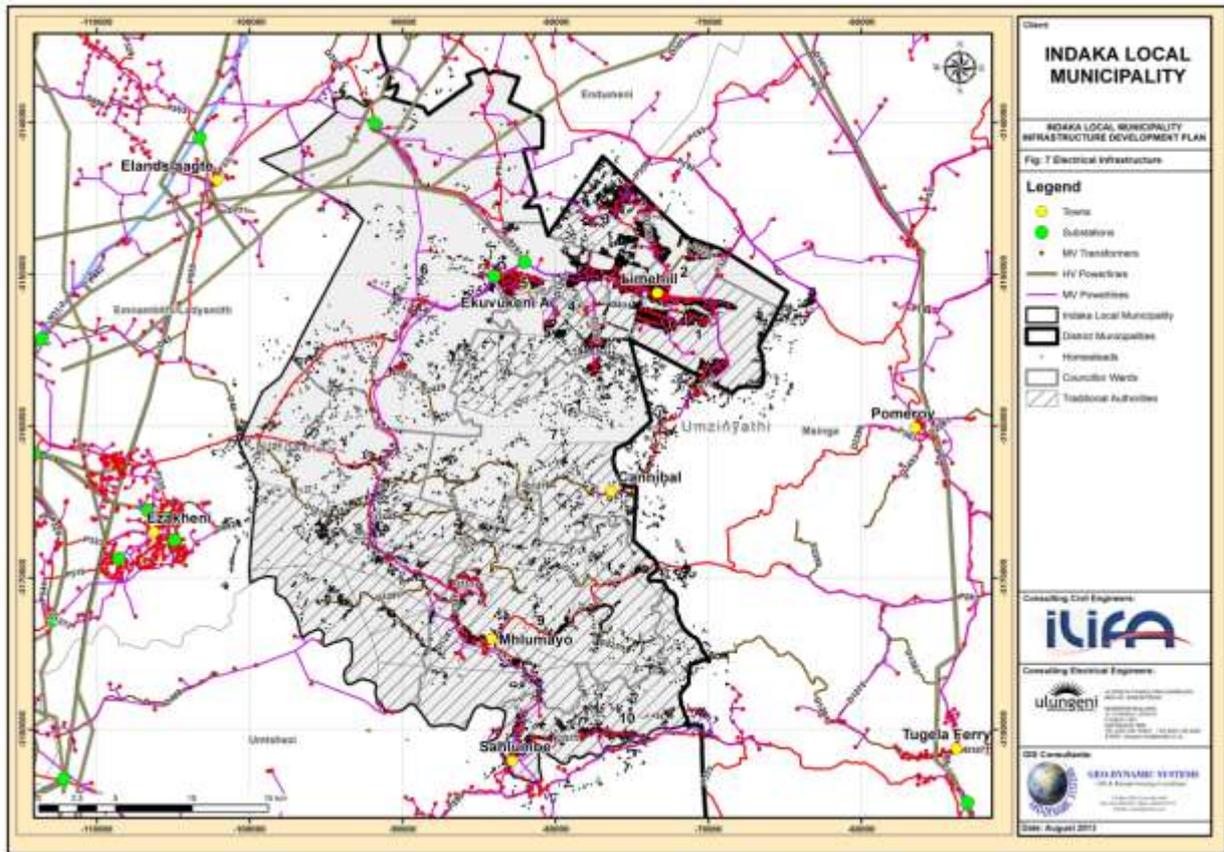
A prioritized programme was established to eradicate the backlogs in the Municipality to derive at an estimated capital cost. The prioritization is based on connecting the households within 300m of a transformer first and secondly the households within 300m of a powerline. The subsequent phases can be implemented based on eradicating the backlogs in the wards starting with the largest backlog.

3.3.5.3 Capital requirements for electrification

The capital requirement forecast is as follows:

| | | |
|----------------------------|---------------------------|-------------------------|
| Within 300m of transformer | 3239 HH to be Electrified | = R14 575 500.00 |
| Within 300m of the line | 195 HH to be Electrified | = R 877 500.00 |
| Phase 1 | 40 HH to be Electrified | = R 180 000.00 |
| Phase 2 | 280 HH to be Electrified | = R 3 780 000.00 |
| Phase 3 | 460 HH to be Electrified | = R 6 210 000.00 |
| Phase 4 | 471 HH to be Electrified | = R 6 358 500.00 |
| Phase 5 | 99 HH to be Electrified | = R 1 336 500.00 |
| Phase 6 | 74 HH to be Electrified | = R 999 000.00 |
| | Total | = R34 317 000.00 |

The mapping below indicates the spatial distribution of the electrical supply network as well as the prioritization for implementation.



MAP 29: Indaka Municipality Electrical Infrastructure Priorities

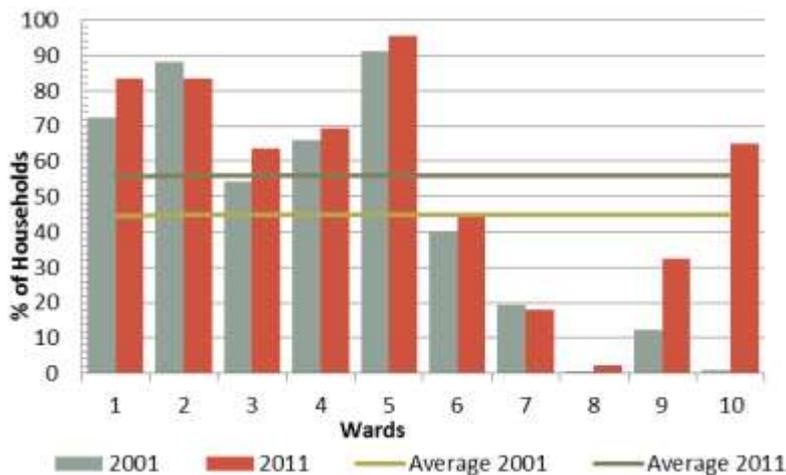


Figure 22: Electricity Provision per ward (StatsSA 2011)

According to the Census 2011, 45.4% of households are using wood for cooking, 40% use electricity and 7% use paraffin. The use of electricity for cooking has increased by 25, 8% from 15, 1% in 2001 to 40.9% in 2011.

| Energy Usage | Census 2001 | Census 2011 | Variance |
|--------------|-------------|-------------|----------|
| Electricity | 15.1% | 40.9 | 25.8% |
| Gas | 2.3% | 1.8% | -0.5% |
| Paraffin | 21.6% | 7.1% | -14.5% |
| Wood | 52% | 45.4% | -6.6% |
| Coal | 7.1% | 3.7% | -3.4% |
| Animal Dung | 0.2% | 0.5% | 0.3% |

Table 9: Indaka Municipality - Comparison of Energy Used for Cooking per Household (%): 2001 - 2011

According to the Census 2011, the majority of households utilise wood for heating (45.4%), 7.1% utilise paraffin and 3.7% utilise coal, while 40.9% use electricity which has increased from 11.2% in 2001.

| Energy Usage | Census 2001 | Census 2011 | Variance |
|--------------|-------------|-------------|----------|
| Electricity | 11.2% | 28.01% | 16.81% |
| Gas | 0.9% | 0.14% | -0.76% |
| Paraffin | 9.4% | 5.10% | -4.30% |
| Wood | 56.2% | 52.14% | -4.06% |
| Coal | 19.6% | 6.05% | -13.55% |
| Animal Dung | 1.5% | 0.63% | -0.87% |
| Other | 1% | 0.11% | -0.89% |

Table 10: Indaka Municipality - Energy Used for Heating per Household (5): 2001 - 2011

According to the Census 2011, 58.2% of households use electricity for lighting an increase of 11.4% from 46.8% who utilised electricity in 2001. There is still a very high use of candles, which has decreased from 49% in 2001 to 38.8% in 2011.

| Energy Usage | Census 2001 | Census 2011 | Variance |
|--------------|-------------|-------------|----------|
| Electricity | 46.8% | 58.2% | 11.4% |
| Gas | 0.2% | 0.3% | 0.1% |
| Paraffin | 3.4% | 1.6% | -1.8% |
| Candles | 49% | 38.8% | -10.2% |
| Solar | 0.2% | 0.4% | 0.2% |
| Other | 0.4% | 0 | -0.4% |

Table 11: Indaka Municipality - Energy Used for Lighting per Household (%): 2001 - 2011

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

The municipality's SDF describes the municipality's settlement pattern as follows:

a) Urban Settlements

The only settlement in the municipal area which provides some higher order services and can be classified as urban is Ekuvukeni. Ekuvukeni also has cadastral information and is registered at the office of the Surveyor-General. The SDF describes Ekuvukeni as follows:

"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."

This urban centre serves as a link between the outlying areas as well as the dispersed rural settlements located at the peripheral areas of the municipality with marginal economic development potential.

In comparison to the surrounding hinterland, towns generally have a higher level of social and infrastructure services, higher concentrations of administrative and business infrastructure and hence, towns normally fulfil the role of service centre to the surrounding hinterland.

b) Predominantly Scattered Low-Density Rural Settlements;

- Scattered throughout the entire municipal area (especially in the eastern parts of the municipality) and they surround communal grazing, crop production and grasslands. Settlement density appears to be directly correlated to accessibility (increased accessibility – increased density).
- Spatially, settlements density appears to be lower, the further the location from the main road axis and its feeder roads. This is also supported by demographic information which clearly indicates that population density decline the further one moves away from the main transport routes. Levels of services are generally low, with the majority of residential structures being self-built.
- Apart from a few trading stores and agricultural activities there is generally little sign of economic activities outside of the urbanized areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The continuous low-density sprawl of these rural settlement and poor planning of the past, which results in more productive agricultural land being taken up need to be addressed to ensure protection of the municipality's primary economic generating resource.

c) Peri-Urban And Semi-Urban Settlements;

The Limehill Complex and Ezitendeni – Msusumpi Complex are classified as Semi Urban Settlements as the SDF describes these settlements. These centres currently perform few functions such as service delivery and to a limited extent commercial activity. The influence of these service centres 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 includes 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 centres are strategically located to serve these complexes and the neighbouring rural settlement and they can be seen as the opportunity for clustering future development that must benefit these areas.

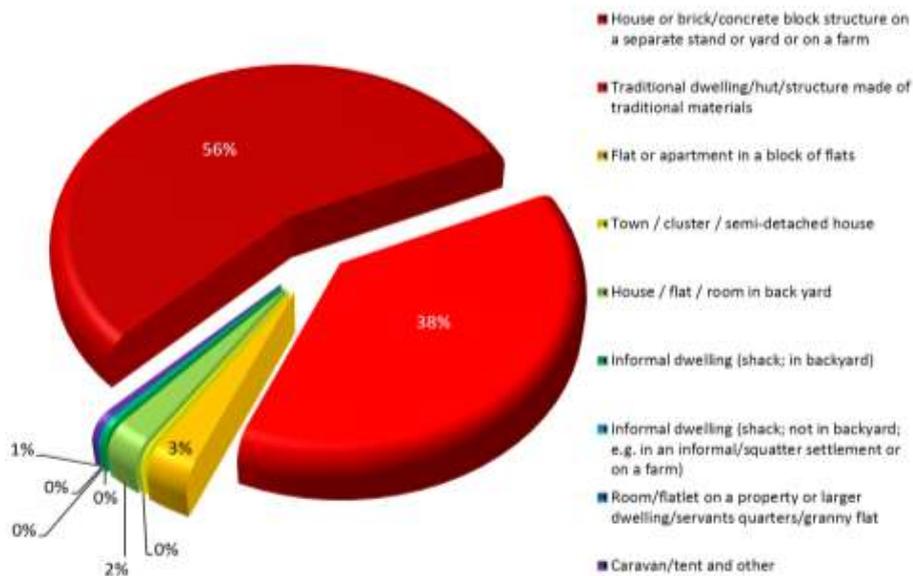
3.3.7.2 Housing Delivery

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.

| Category | Type of Dwelling | Census 2001 | Census 2011 | Variance |
|----------|--|-------------|-------------|----------|
| A | House or brick structure on a separate stand or yard | 38.6% | 56% | 17.4% |
| B | Traditional dwelling / hut / structure | 54.1% | 38% | -16.1% |
| C | Flat in block of flats | 4.1% | 3% | -1.1% |
| D | Town / cluster / semi-detached house | 1.4% | 0.2% | -1.2% |
| E | House / flat / room in back yard | 0.5% | 2.2% | 1.7% |
| F | Informal dwelling / shack in back yard | 0.2% | 0.3% | 0.1% |
| G | Informal dwelling / shack not in back yard (e.g. informal / squatter settlement) | 0.8% | 0.1% | -0.70% |
| H | Room / flatlet not in back yard but on a shared property | 0.1% | 0.1% | 0% |
| I | Caravan or tent or other | 0.1% | 0.4% | 0.3% |

Table 13: Indaka Municipality - % Distribution of Households by Type of Main Dwelling

Figure 23: Indaka Municipality - Type of Dwelling per Household (StatsSA 2011)



Based on the Census 2011 the largest proportion of dwellings is households living in brick structures (56%), followed by traditional dwellings (38%). There has been an increase in

households living in house or brick structures from 2001 (38.6%) to 56% in 2011. There has been a decrease in other dwelling types, therefore needs are being met through brick structures.

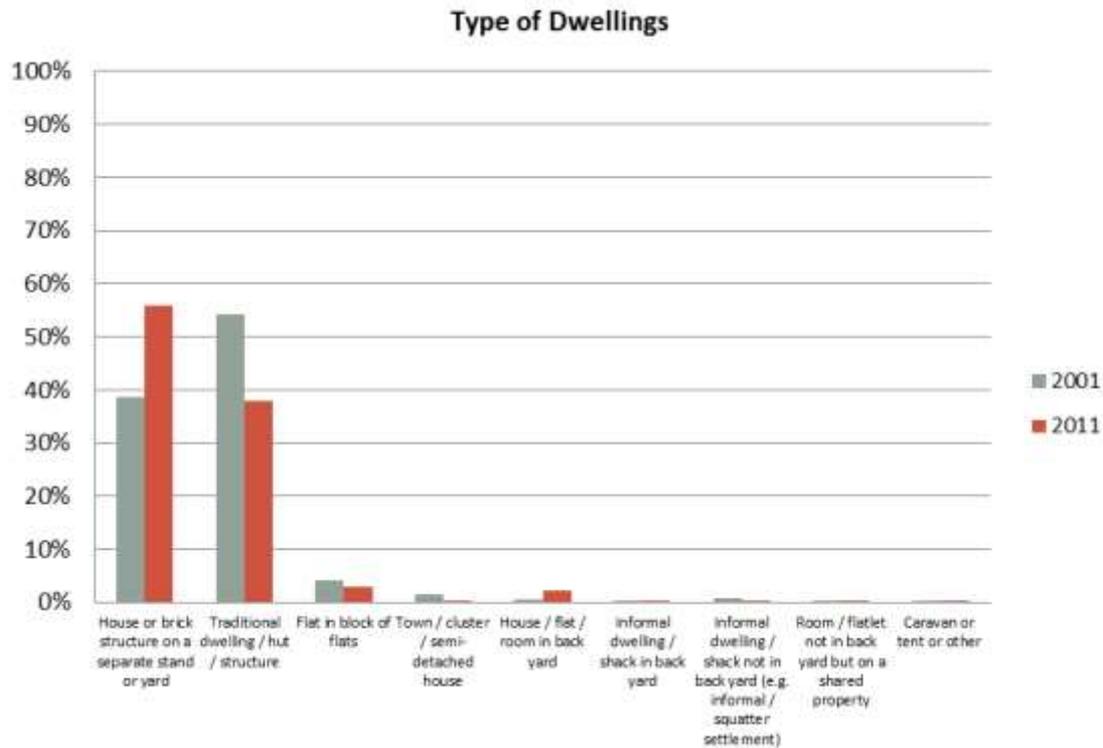


Figure 24: Indaka Municipality - % of Households by Type of Main Dwelling (StatsSA 2011)

3.3.8 Service Delivery & Infrastructure: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect service delivery and Infrastructure development in the Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> Delivering of Basic services with limited resources Availability of MIG funding Understanding of services backlogs | <ul style="list-style-type: none"> Lack of financial Base to collect Insufficient resources High Staff turnover Lack of Social Support Infrastructure; Dysfunctional Infrastructure Scheme; Resolution Execution / Implementation No infrastructure Plan |
| Opportunities | Threats |
| <ul style="list-style-type: none"> Land availability Access to MIG funding for provision of basic services Skills development Strategies/measures to reduce backlogs | <ul style="list-style-type: none"> Lack of updated backlog data Lack of communication with sector departments Relationship between Municipal Governance and Traditional Authorities |

3.4 LOCAL ECONOMIC & SOCIAL DEVELOPMENT ANALYSIS

3.4.1 Local Economic Development Analysis

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.

According to the Municipality's Local economic Development Strategy Indaka is not an economically functioning region. The area has very few economic activities of its own and it largely functions as a dormitory residential area which contributes to the economies of Ladysmith/ Ezakheni and the lesser extent Dundee/ Glencoe. This is mainly attributed to the fact that the entire municipality has no formal and/or proclaimed town which can serve as an engine for attracting retail and trade type of investments. As a result, the area is unable to attract inwards investments that could address economic development challenges.

The above-said of economic development, there is a high rate of unemployment by the active population who are residing within the area. In fact the municipality is also unable to benefit from the revenue that other municipalities (with towns) get which includes the property rates and service charges (i.e. refuse removal levy, traffic fines etc.)

Indaka's economy is reliant on subsistence agriculture, government services and private household employment. A challenge is therefore to examine and exploit other economic development opportunities. This municipality is geographically located on the periphery of the Coal Rim, Midlands's economic development cluster, and the battlefield route. The agriculture potentials are limited. The sector is not well established and currently occurs on adhoc basis. Indaka has an abundance of underutilized land parcels which offer an opportunity for economic advancement. Astoundingly, obstacles to economic development are related to institutional development, lack of resources and local of comparative advantage."

3.4.1.1 Municipal Comparative & Competitive Advantages

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

3.4.1.1.1 Natural Landscape

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

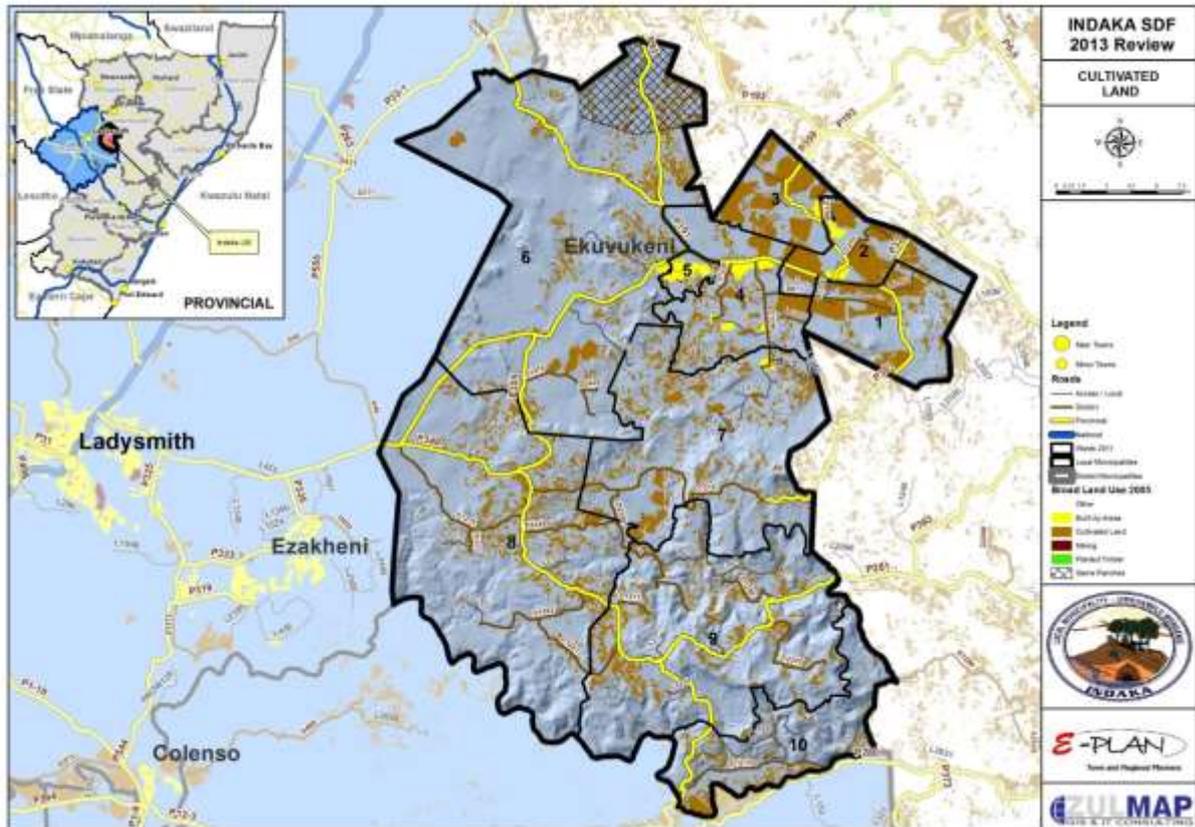
Sundays River drainage basin forms the major proportion of Indaka municipal area. The flowing of these rivers through the municipality is viewed as an opportunity because they act as centripetal force to the industries to the municipality and also make water supply projects possible to the municipality.

3.4.1.1.2 Suitable Arable Land and Land for Infrastructural Development

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

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

MAP 32: Cultivated Land in Indaka Local Municipality



3.4.1.1.3 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.

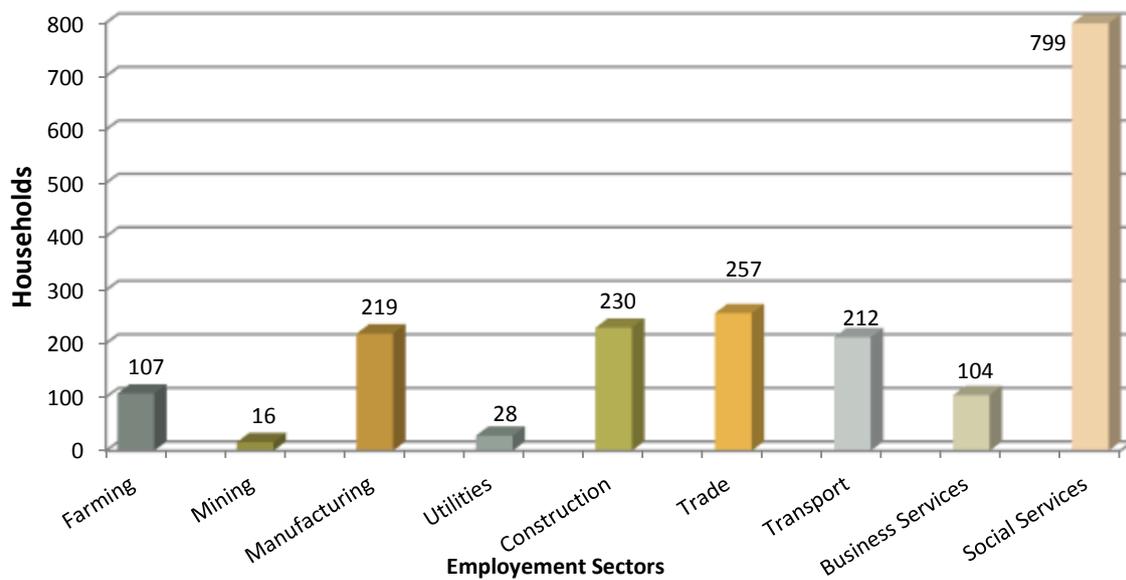
3.4.1.1.4 Tourism

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation. Tourism seems to be growing slightly at Indaka, but the disturbing factor is crime and investment opportunities which are very limited.

3.4.1.2 Main Economic Contributors

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>):

Figure 25: Employment within Indaka Local Municipality

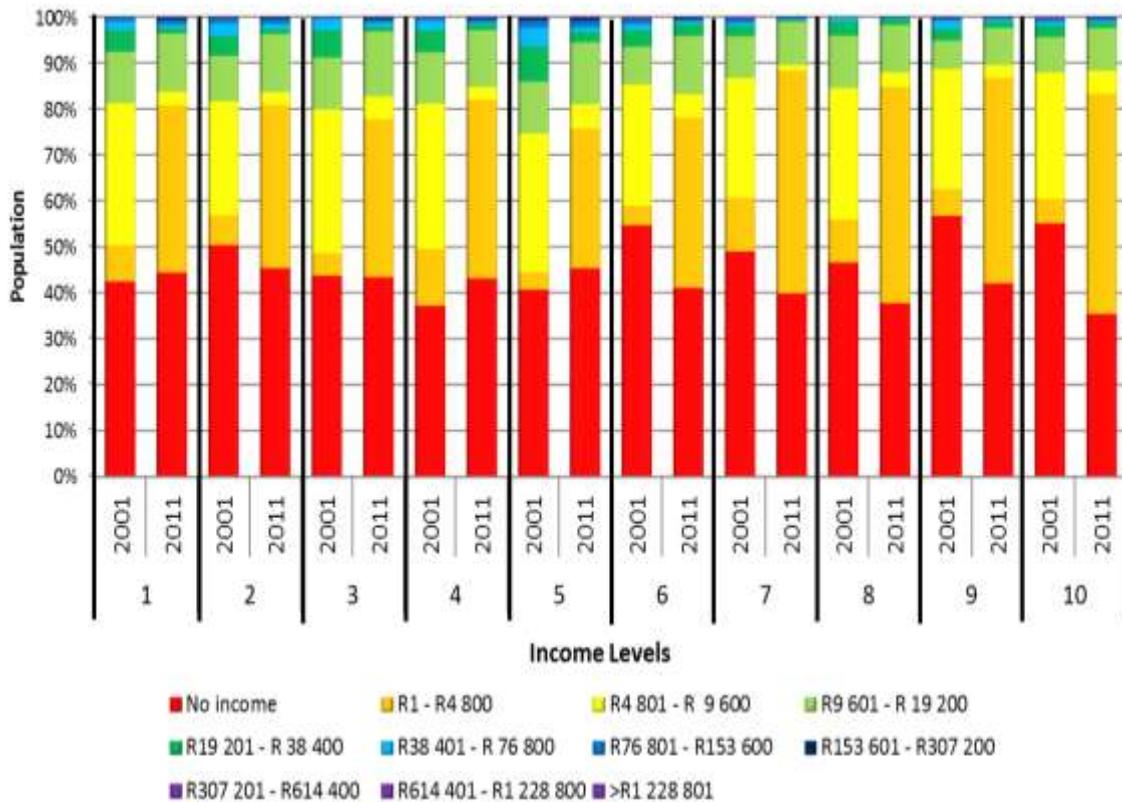


The high level of people employed in the Social Services Sector of the economy indicates the high dependency levels which are prevalent in the municipality. Other considerable economic employment sectors include trade, mining, manufacturing and construction. It can safely be assumed that the majority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

3.4.1.3 Employment and Income Levels

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.

Figure 26: Levels of Income Per Ward (StatsSA 2011)



3.4.1.3.1 Occupational Profile

The majority of respondents in the Census 2011 indicated that they participated in Undetermined or unspecified categories of work. One can deduce that these people are largely involved in the informal sectors.

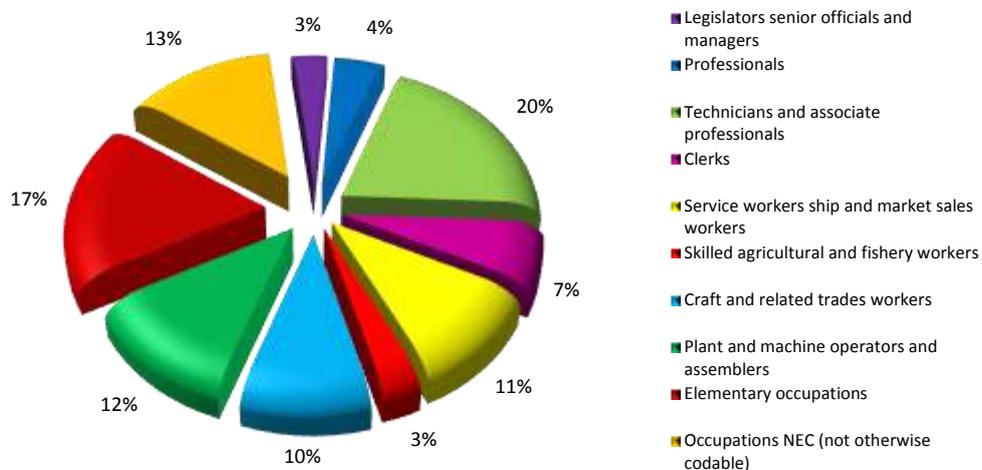


Figure 27: Occupational Profile (StatsSA 2011)

3.4.1.3.2 Employment per Sector

The following sectors employ residents within the municipality, namely:

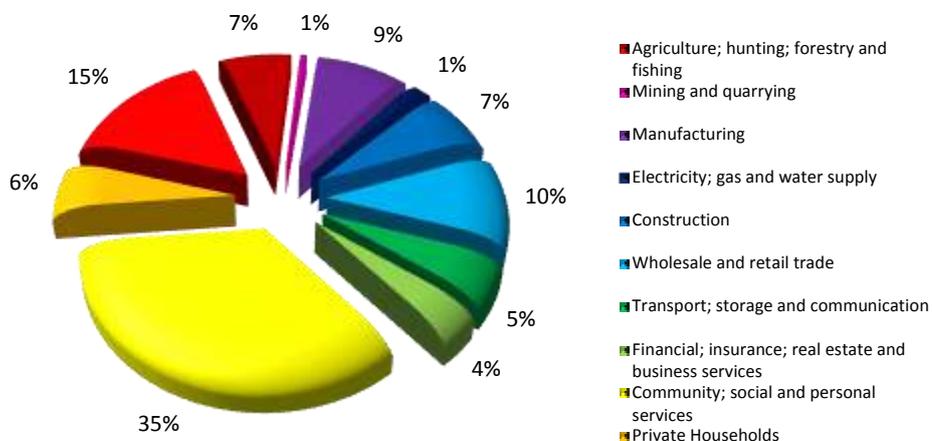


Table 14: Employment per Sector

As can be seen from these statistics, the majority of residents (35%) indicated that they were employed in the community; social and personal services sector. 15% indicated they were employed in sectors not specified in the survey and could indicate that they are employed in the informal sector.

3.4.1.4 Agriculture

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 projects 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.

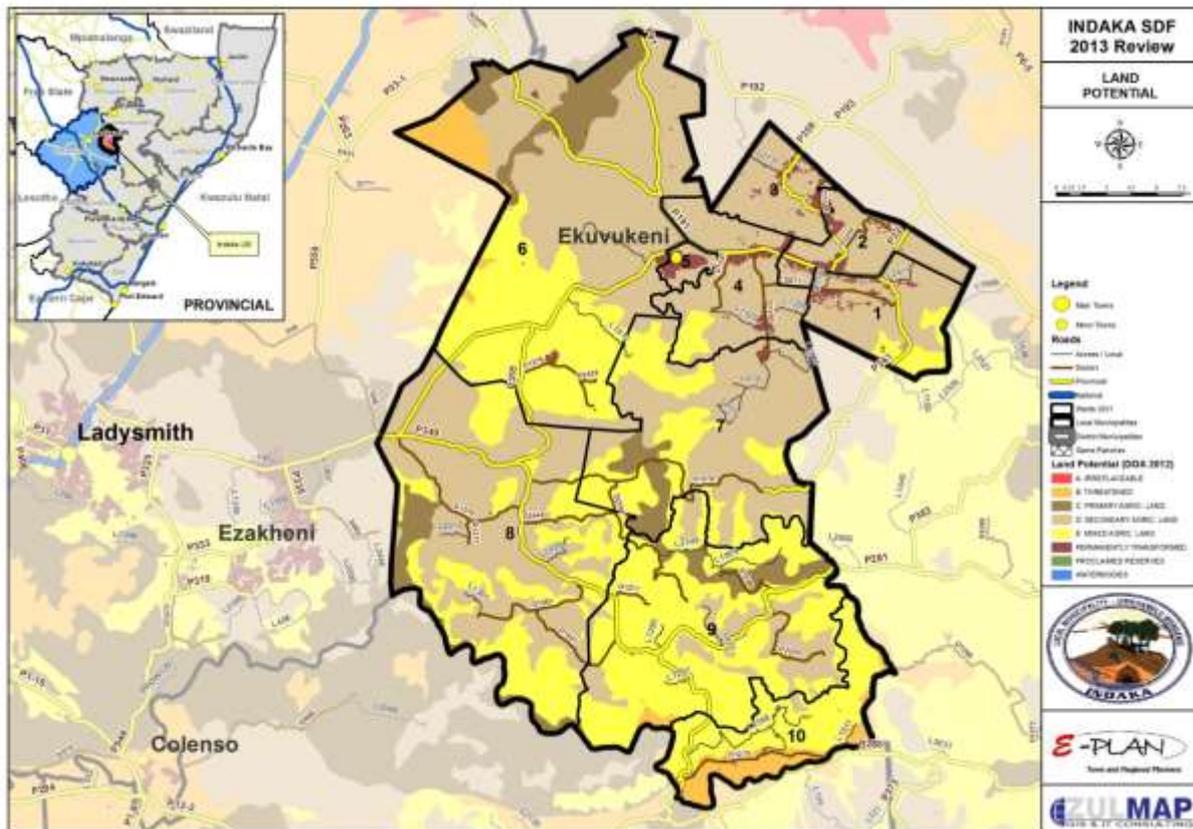
The nature of agriculture in the Indaka Municipal area is characterised by fragmented subsistence cultivation, traditional animal husbandry and the widespread production of Marijuana (Dagga) for diverse national markets. There is a strong correlation between agricultural under-development and marijuana 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.

The following criteria were used to assess sites:

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

MAP 33: Land Potential in Indaka Local Municipality



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).

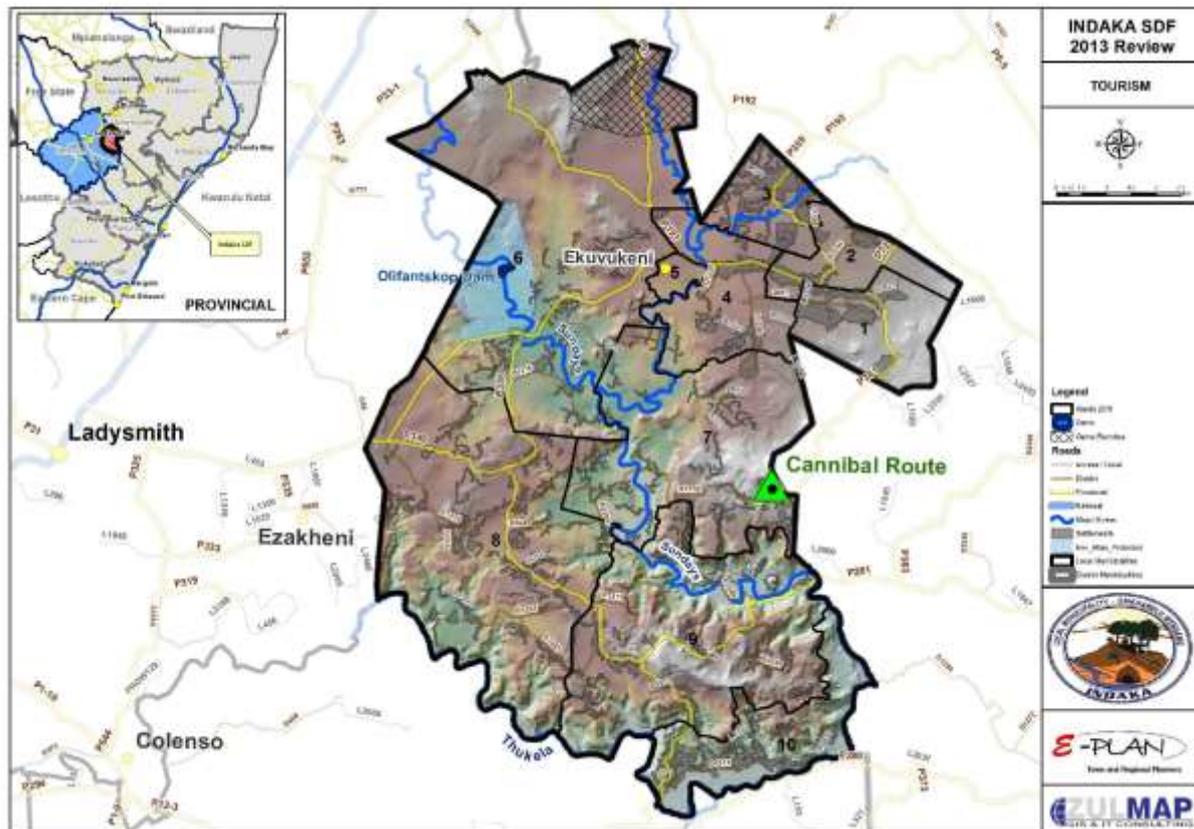
These projects can be supported by the Indaka Municipality, in cooperation with other role players, with due recognition of the realities such as establishing markets to support the economic multiplier potential of these projects. Also, the implementation of these projects should be done in conjunction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

3.4.1.5 Tourism

Tourism is a sunrise sector at a global level, with virtually 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.

MAP 34: Tourism Opportunities in Indaka Local Municipality



Increasing significance is being placed on this sector in the context of South Africa given this sector's potential as an income and employment generator. The location of the municipality within the Battlefields, and the recognition of these respective authorities in the evolving provincial Tourism Development Strategy, present an opportunity to capitalize 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.

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation.

The protected site at Olifantskop and Olifantskop Dam provide some tourism opportunities that need to be thoroughly investigated.

3.4.1.6 Manufacturing (Industrial)

Manufacturing is the biggest sector with the UThukela District Municipality, 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.

3.4.1.7 Local Economic Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect local economic development in Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> • Availability of land for development • Economic Status Quo Analysis commended • Strategic Projects to address economic Challenges | <ul style="list-style-type: none"> • Dependant on grants • Income / Financial Leakage; • Insufficient economic resources • No appropriate Economic Development implementation strategy • No profiling towards implementing Operation Sukuma Sakhe Project Identification & Resource • Allocation (Lack of PMU) |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Greater opportunities for Local Economic Development • Tourism opportunities (Cannibal Route) • Business opportunities • Agricultural opportunities • Social Investment Zone (PGDS) | <ul style="list-style-type: none"> • Lack of updated backlog data • Lack of communication with sector departments • Relationship between Municipal Governance and Traditional Authorities |

3.4.2 Social Development Analysis

3.4.2.1 Broad Based Community Needs (limited to 3 priority projects per ward)

The Broad Based Community Needs per ward of the municipality were determined during a strategic session. 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 Cemeteries | 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 | Cemeteries | | | | | | | | | | | 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

3.4.2.2 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 schools, as most are unsuitable for proper education purpose.

The statistics reveal that 15% 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.

The following table summarises the education levels for residents of the municipality.

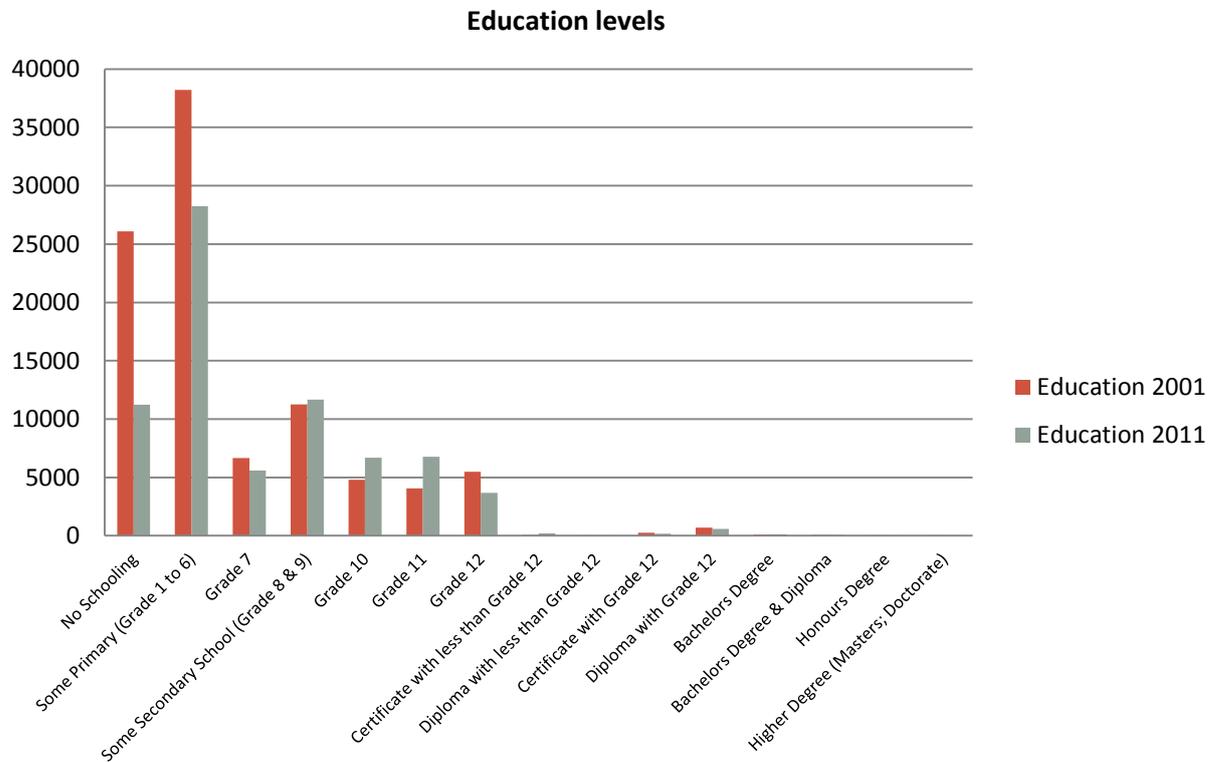
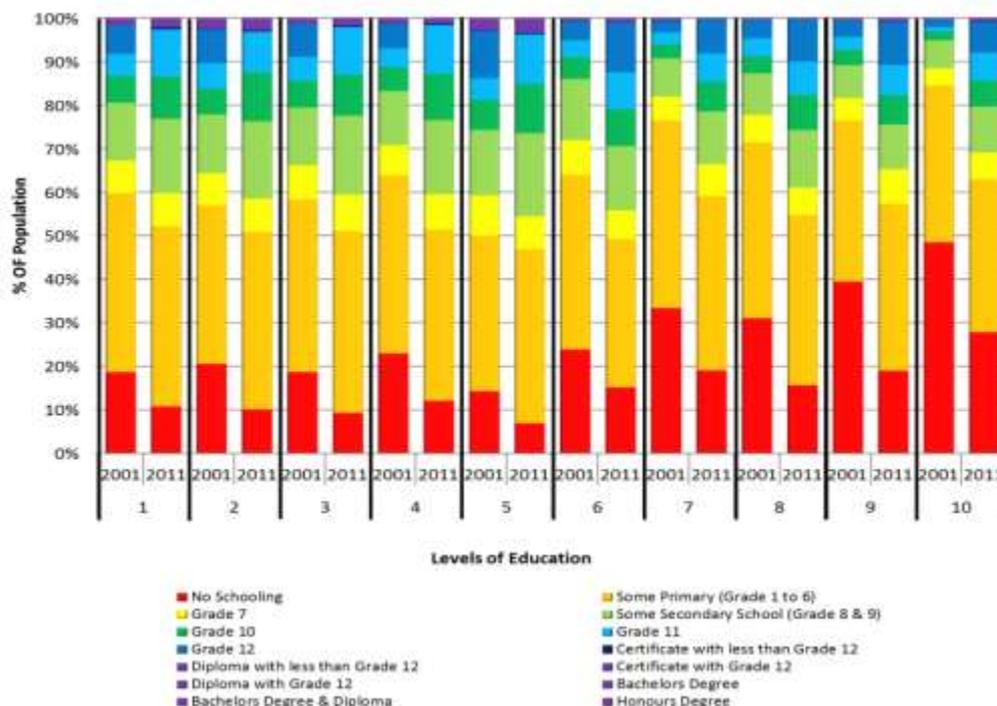


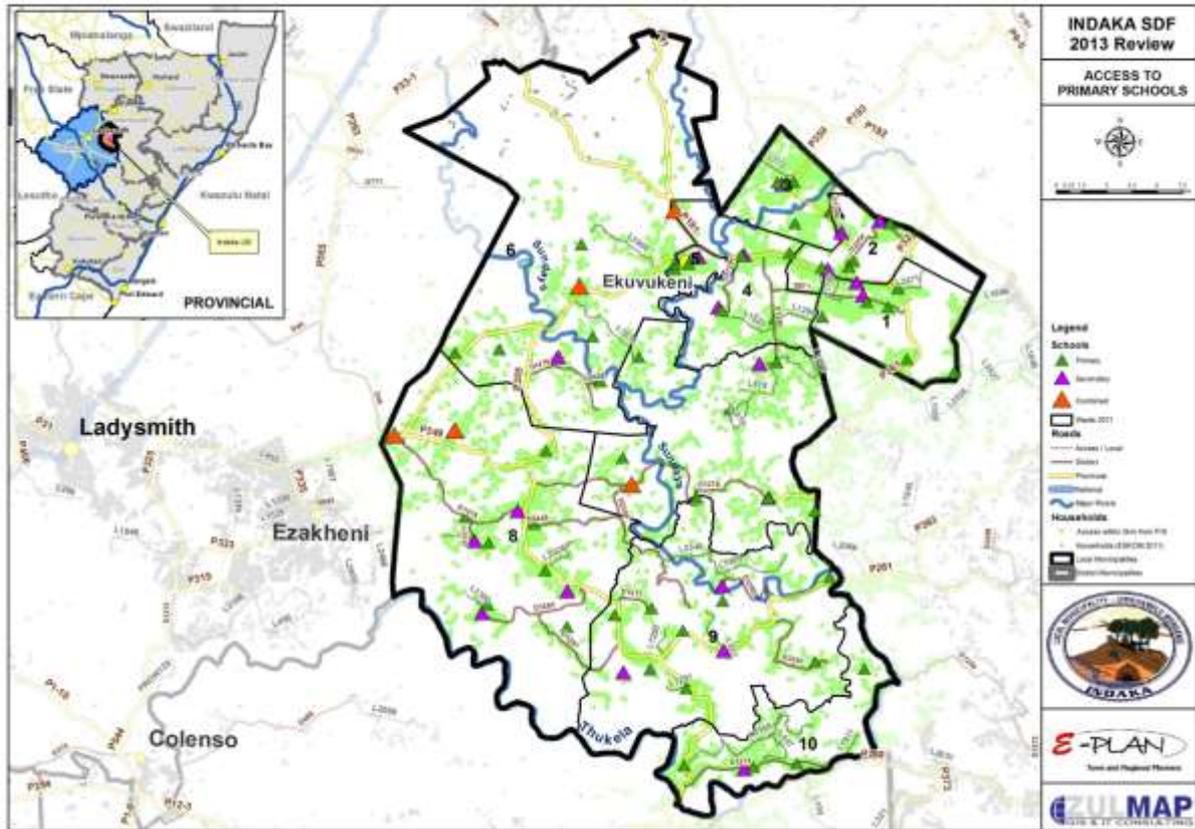
Figure 28: Educational Levels of the Population from 2001 to 2011 (StatsSA 2011)

What is noticeable from these figures is that low portions of the population have any form of post matric qualification which indicates that they are in all likelihood involved in primary activities.

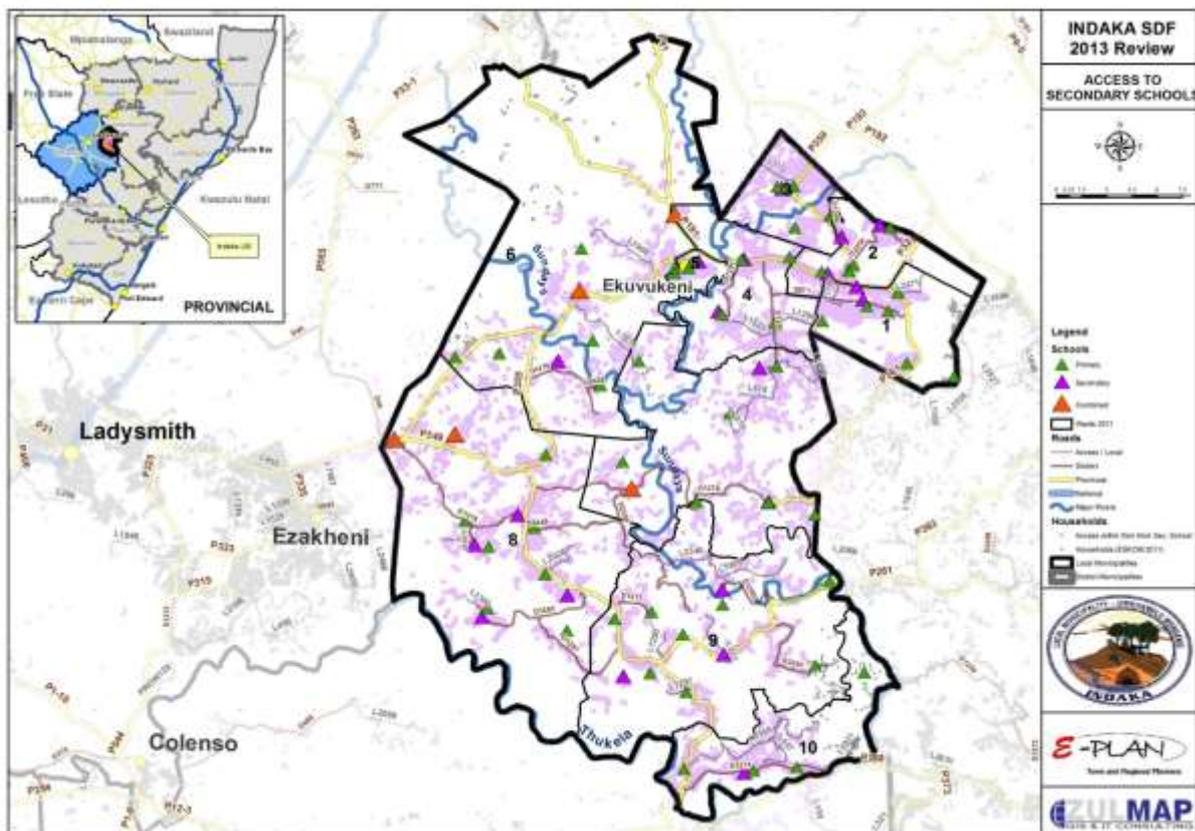
Figure 29: Levels of Education per Ward (StatsSA 2011)



MAP 35: Access to Primary Schools in Indaka Local Municipality



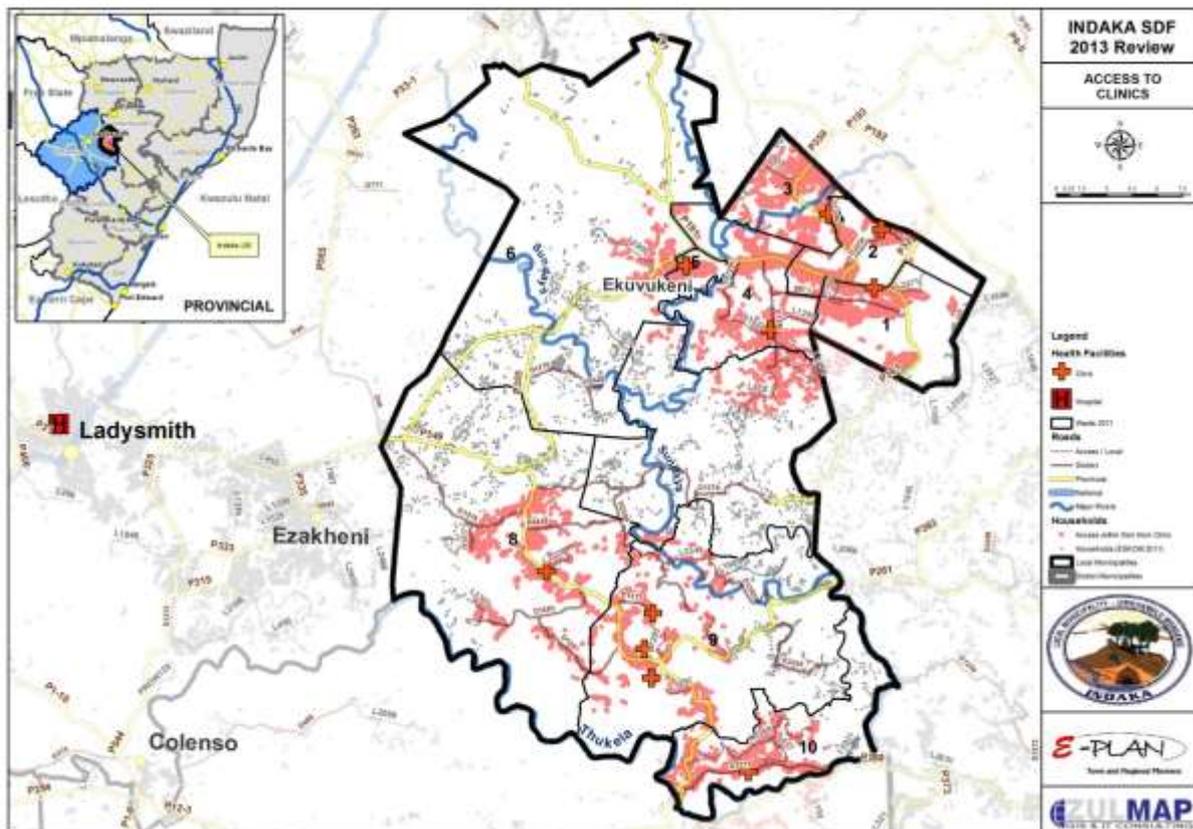
MAP 36: Access to Secondary Schools in Indaka Local Municipality



3.4.2.3 Health

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.

MAP 37: Access to Clinics in Indaka Local Municipality



Currently there are 7 clinics in Indaka namely; 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.

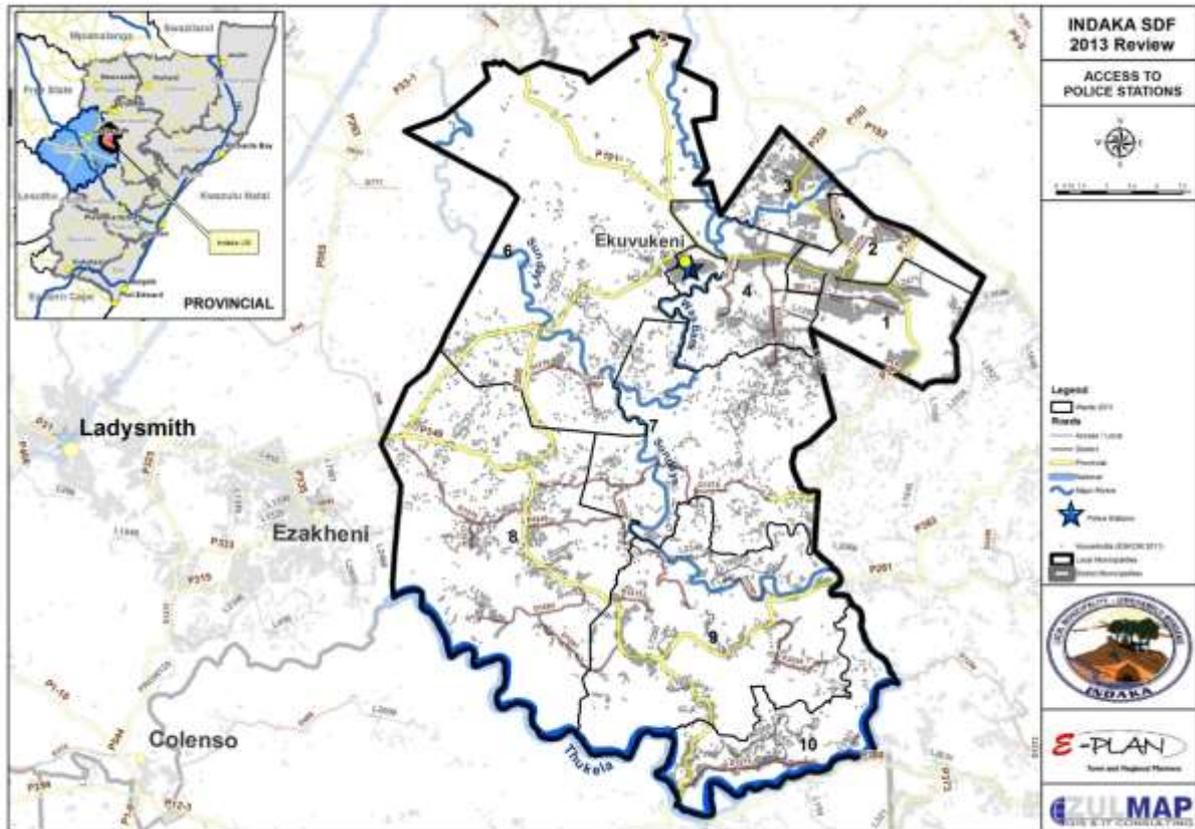
There is no hospital in Indaka but the population in the western part is within 25km from the facility in Ladysmith. The population in the central area is in excess of 5km from a clinic and the accesses roads in this area make it difficult to reach by mobile clinic. The households whose distance is further then 5km from Clinic are considered as a backlog.

3.4.2.4 Safety & 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. 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.

MAP 38: Access to Police Stations in Indaka Local Municipality



3.4.2.5 Nation Building & Social Cohesion

3.4.3 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; and
- 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 Sukume 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.

3.4.3.1 Community Development with particular Focus on Vulnerable Groups

The aged, youth, 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 the specific attention they deserve.

3.4.3.1.1 Youth Development

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 39,598 people only 3,005 are employed. It can be safely reasoned that the majority of the unemployed are the youth.

3.4.3.1.2 Development of the People with Disabilities

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.

3.4.3.1.3 Development of the Elderly

The population statistics show that there are about 5,512 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.

3.4.3.1.4 People affected by Crime, HIV/Aids, Drugs, etc.

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 increases at an alarming rate, this is a cause for concern. HIV/AIDS statistics from the Department of Health reveal that the age group that is hardest hit by the disease is the youth, and as 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 sufferers at school. Therefore, facilities will have to be provided that provide accommodation as well as health and education facilities.

3.4.3.2 Social Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect social development in Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> • Availability of land for development | <ul style="list-style-type: none"> • Dependant on grants • Income / Financial Leakage; • Insufficient economic resources • No profiling towards implementing Operation Sukuma Sakhe • Project Identification & Resource Allocation (Lack of PMU) |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Social Investment Zone (PGDS) • | <ul style="list-style-type: none"> • Lack of updated backlog data • Lack of communication with sector departments |

3.5 MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

3.5.1 Financial Viability & Management Analysis

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.

3.5.2 Auditor General Report

3.5.3 Capability of the Municipality to execute Capital Projects

A Capital Investment Framework (CIF) was developed as part of the Financial Plan demonstrating the relationship between what resources are required to meet the challenges as per mandate and the actual budget implications, incorporating the respective MTEF's of the Provincial Sector Departments in an attempt to set the framework for capital investment. It is clear that the need by far over exceeds the resource allocation, as well as the ability of the Indaka Municipality to fulfil its mandate through the allocation of own resources, hence its dependency on external grant funding to deliver services.

The table below depicts the projects and programmes applicable for the 2012/2013 financial year, which demonstrates an internal committed financial requirement of R36,343 million and a R20,85 million as non-committed. A R212, 876 million external committed capital funding (this includes various sector departments and uThukela DM MIG Funding towards water and sanitation), and a total of R156,250 million external non-committed funding requirement.

Of note, is that an estimated capital budget forecast of R34,4 million is projected and aligned and prioritized, to ensure the mandate, strategic objective and identified key interventions as contained in this IDP are met.

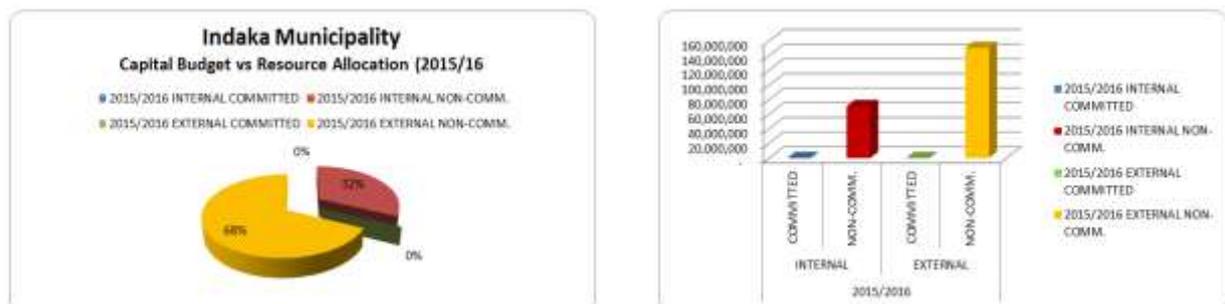
3.5.3.1 Grants & Subsidies

The diagrams below reflect that Indaka Municipality is largely dependent on External Sources of funding, however recorded as non-committed due to absence of information. Thus for Indaka Municipality to ensure delivery in response to its mandate and priority needs (Localized Investment and Provincial Catalytic Interventions), the success thereof is pending the manner in which the Provincial Sector Departments aligns these identified projects with their respective MTEF's. The following diagrams per financial year show dependency on external sources of funding between 61% and 68%.

Figure 30: Indaka LM Capital Budget vs Resource Allocation 2014/15



Figure 31: Indaka LM Capital Budget vs Resource Allocation 2015/16



3.5.3.2 Asset Management

Indaka municipality has a fully compliant asset register, with staff responsible for the management of these assets.

3.5.3.3 Supply Chain Management (SCM)

Indaka municipality has developed and adopted a Supply Chain Management Policy. The Supply Chain Management Policy guides the procurement of goods and services in a fair, transparent, competitive and efficient manner and to ensure that local and previously disadvantaged individuals (HDI) are accorded preferential consideration

3.5.4 Financial Viability & Management: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the financial viability and management of Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|--|
| <ul style="list-style-type: none"> • GRAP Compliant Budget (approved annually on time) • Progressive financial targets to improve viability • Committed and dedicated staff | <ul style="list-style-type: none"> • 60% Grant Funding & 40% Internal Funding • Low collection rate • Lack of automated system to monitor consumer queries • Lack of capacity (personnel and equipment) • Indication of progress in achieving targets • No explanation to AG |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Provision of Bulk Electricity • Control of Fresh Produce Markets & Abattoirs • Utilization of smart metering system • | <ul style="list-style-type: none"> • Lack of communication (Departments working in silos) • Unemployment • Culture of non-payments • Adverse Audit Opinion • Procurement planning (not aligned to budget which leads to deviations) |

3.6 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

3.6.1 Good Governance Analysis

3.6.1.1 National and Provincial Programmes rolled-out at Municipal Level

The municipality actively participates in Sukuma Sakhe programmes, Batho Pele principles, Access to Information, War on poverty.

3.6.1.2 IGR

Although relations have improved with the introduction of programmes such as Sukuma Sakhe, complete integration in terms of infrastructure planning and delivery has not yet been achieved.

The attendance from all sector departments at stakeholders meetings and IDP/Budget Forums has not yet been achieved.

3.6.1.3 Municipal Structures

The following structures are in place

- Executive Council with ward participatory system
- Ward Committees
- IDP Representative Forum
- Internal Audit Committee (outsourced)
- Portfolio committees

3.6.1.4 Audit Committee

A functional audit committee is in place and currently functional.

3.6.1.5 Status of Municipal Policies

All necessary Human Resource and Financial Policies are in place and will be reviewed in the 2013/14 financial year.

3.6.1.6 Municipal Risk Management

A Risk Analysis and Action Plan have was developed for the 2012/2013 financial year.

3.6.1.7 Municipal Bylaws

All necessary bylaws are in place and due for review in the 2013-2014 financial year. The Indaka municipality plans to establish a municipal police unit to enforce municipal bylaws.

3.6.2 Good Governance & Public Participation: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the financial viability and management of Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|--|---|
| <ul style="list-style-type: none"> • Collective Effort – work to common good; | <ul style="list-style-type: none"> • Constant changes in administrative leadership • Administration under Section 139; • Geographical location of the municipal area • No demonstration of incorporation of special group needs (MEC's Comments, 2012) • |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Availability of funds for Staff Training • Skills development | <ul style="list-style-type: none"> • Lack of communication (IGR) • High labour turnover due to inadequate work environment based on the geographical location of the municipality |

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3.7 COMBINED SWOT ANALYSIS

The Combined SWOT analysis discusses all the external and internal factors that affect the Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> • Some Arable Land • Access to River Systems for irrigation • Tourism Attraction (Venture Based) • Cultural Heritage • Approved Organizational Structure aligned to operational capacity • High level of commitment and willingness to conform by staff members • Availability of land for development • Economic Status Quo Analysis commended • Strategic Projects to address economic Challenges • Collective Effort – work to common good; • Availability of funds for Staff Training • Skills development | <ul style="list-style-type: none"> • Low Agricultural Potential • Young Population • No SDF guidelines for Land Use Schemes to be adopted 1 May 2015 • Project Identification & Resource Allocation (Lack of PMU) • Administration under Section 139; • Municipality unable to attract and retain highly skilled employees • Job evaluation incomplete • Functional IGR / Re-instate structures / start to participate at Forum Level; • Dependant on grants • Income / Financial Leakage; • Insufficient economic resources • No profiling towards implementing Operation Sukuma Sakhe • Insufficient economic resources • No appropriate Economic Development implementation strategy • Constant changes in administrative leadership • Geographical location of the municipal area makes public participation difficult |
| Opportunities | Threats |
| <ul style="list-style-type: none"> • Agriculture Irrigation; • Sand Mining • Coal Mine (Mineral Exploration Potential) • Availability of funds for Staff Training • Social Investment Zone (PGDS) • Greater opportunities for Local Economic Development • Tourism opportunities (Cannibal Route) • Business opportunities • Agricultural opportunities • Social Investment Zone (PGDS) | <ul style="list-style-type: none"> • Sand Mine (Control); • Decline in Population Growth; • Climate Change (Drought). • High labour turnover due to inadequate work environment based on the geographical location of the municipality • Lack of updated backlog data • Lack of communication with sector departments • Relationship between Municipal Governance and Traditional Authorities. |

3.8 KEY CHALLENGES

The major challenges faced by the Indaka Municipality can briefly be summarised as follows:

1. The municipality has no well-established economic core, which hampers economic development within the municipal area., as well as, 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.
2. 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.
3. Huge infrastructure services backlogs exist in the municipality and the major shortages are found in the delivery of water, sanitation and electricity.
4. 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.
5. 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.
6. The inadequate and limited recreational facilities are perceived to be contributing factors to socio economic issues in the Indaka Municipality.
7. The crimes 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.
8. The dispersed settlement pattern in the municipality makes physical infrastructure related services delivery extremely expensive and in most cases not effectively affordable.
9. There is currently no Spatial Development Framework and Land Use Management System to guide the municipality on the most effective use of unutilized, productive land. Large portions of land in the municipality are subjected to land claims and these place a burden on development on this land.

SECTION D: VISIONS, GOALS, OBJECTIVES AND STRATEGIES

4.1 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 of which the following formed the underlying principles thereof:

- 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.

4.2 Indaka's Development Vision

This vision is informed by members of council during the Didima Camp Strategic Session, which include, but are not limited to:-

- Indaka is a rural municipality.
- The municipality to attract business people to foster partnerships to increase Local Economic Development by 2030.
- To create a self-reliant and economically viable municipality by 2030.
- The municipality to render sufficient Local Government Functions, and facilitate proper IGR by 2021.
- Strive to transform to an effective and efficient municipality that provides for the Indaka community's basic needs, and stimulate skills and decrease the unemployment rate by 2020, and jointly move forward in becoming one of the most competent municipalities in the world.
- By 2030, to eradicate poverty, to stimulate economic development, to create a safe and healthy environment, to sustain basic services, to improve quality of life, to provide electricity to all residences, access roads to all households by 2030, access to water for all residences, to development urban settlement, to collect revenue.

The Municipal vision is as follows:

“Indaka...a Municipality without poverty by 2030”

The Mission statement

The Mission Statement defines the fundamental purpose of the municipality and is as follows:

- Providing Basic Services in an affordable and sustainable manner;

- Promoting social upliftment and economic regeneration;
- Promoting a safe and healthy environment;
- Promoting public participation in the manner that supports Co-operative / Developmental Government;
- Building and entrenching Citizen Involvement.

Values

Values drive the municipality's culture and priorities and provide a framework in which decisions are made. Beliefs are shared among the stakeholders of the municipality, which are the following:

- Integrity;
- Diligent;
- Self-Respect;
- Responsible and accountable;
- Fairness.

Emanating from the Mission Statement are the specific and clear objectives leading to development thrusts and strategies. The objectives give the clear direction on what are the municipality's intentions in order to address the identified issues and gaps.

4.3 Indaka's Development Objectives

1. To provide and promote access to public infrastructure and basic services;
2. To promote access to basic services;
3. To redesign spatial face of Indaka to promote economic development;
4. To promote prudent financial management
5. To establish efficient and effective administration;
6. To promote good governance and accountability;

4.4 Indaka's Development Strategies

The Indaka Development Strategies serve as a link between the development objectives and the programmes and projects that will serve to fulfil the service delivery mandate of the municipality. The following Strategic Objectives per Key Performance Area (KPA) have been formulated for Indaka:

Service Delivery and Infrastructure

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Responsible Dept | Key Performance Indicator |
|-------------------------------------|---------------|--|-----------------------------------|--|------------------|---|
| Service Delivery and Infrastructure | 1 | To provide and promote access to public infrastructure and basic services; | 1.1 | Electrification of households | TECH & PLAN | <ul style="list-style-type: none"> Household connected to Eskom grid. Engineer's completion certificate. |
| | | | 1.2 | Reducing condition of crime in the area | TECH & PLAN | <ul style="list-style-type: none"> Number of high mast lights to be installed. Engineer's completion certificate. |
| | | | 1.3 | Development of a maintenance plan | TECH & PLAN | <ul style="list-style-type: none"> Council resolution approving maintenance plan |
| | | | 1.4 | Construction of roads infrastructure | TECH & PLAN | <ul style="list-style-type: none"> Roads constructed. Engineer's completion certificate. |
| | | | 1.5 | Construction of storm water infrastructure to protect roads | TECH & PLAN | <ul style="list-style-type: none"> Storm water drains and pipes installed. Engineer's completion certificate |
| | | | 1.6 | Provision of refuse removal service | TECH & PLAN | <ul style="list-style-type: none"> Household refuse collected. |
| | | | 1.7 | Protection of the graveyard | TECH & PLAN | <ul style="list-style-type: none"> Fencing erected Engineer's completion certificate |
| | | | 1.8 | Ensure public landfill site is in proper condition in conformity with the law. | TECH & PLAN | <ul style="list-style-type: none"> Identification of new landfill site |
| | | | 1.9 | Ensuring that all planned creche projects are completed within budget. | TECH & PLAN | <ul style="list-style-type: none"> Completion of all building projects on time and within budget. |
| | 2 | To promote access to basic services | 2.1 | Develop and infrastructure and maintenance plan | TECH & PLAN | <ul style="list-style-type: none"> Approved Infrastructure and Maintenance Plan Participation in District Infrastructure Plans Adopted Housing Sector Plan |
| | | | 2.2 | To participate in the preparation of district infrastructure plans. | TECH & PLAN | |
| 2.3 | | | Review of the Housing Sector Plan | TECH & PLAN | | |

Municipal Transformation and Institutional Development

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Responsible Dept | Key Performance Indicator |
|---|---------------|--|--------------|--|------------------|--|
| Municipal Transformation and Institutional Development | 3 | To promote good governance and Efficient Administration | 3.1 | Development of municipal scorecard | MM | <ul style="list-style-type: none"> Organisational scorecard approved by the Council |
| | | | 3.2 | Develop Action Plans for all departments | MM | <ul style="list-style-type: none"> SDBIP signed by the Mayor within 28 days. |
| | | | 3.3 | Review of organisational structure | MM | <ul style="list-style-type: none"> staff organogram approved by council resolution |
| | | | 3.4 | Preparation of 2013/14 OPMS | MM | <ul style="list-style-type: none"> Organisational scorecard forming part of the 2013/14 IDP review. |
| | | | 3.5 | Approved PMS policy | MM | <ul style="list-style-type: none"> Council resolution amending or confirming existing PMS Policy |
| | | | 3.6 | Ensure that staff is paid appropriately | COPR | <ul style="list-style-type: none"> Signed schedule of staff members who were absent, present or worked overtime throughout the month. |
| | | | 3.7 | Ensure smooth administration of municipal documents | COPR | <ul style="list-style-type: none"> Implementation of filing system as per provincial instruction |
| | 4 | To create and retain sufficient staff capacity for an effective administration | 4.1 | Conduct Job Evaluation | COPR | <ul style="list-style-type: none"> Completion of Job Evaluation |
| | | | 4.2 | Implement the findings of the work skills plan | COPR | <ul style="list-style-type: none"> Training of Staff in identified areas |
| | 5 | To identify and address potential risks that may affect the functioning of the organization. | 5.1 | Undertake a risk identification and assessment exercise. | MM | <ul style="list-style-type: none"> Updated and revised Risk Management Strategy |
| | | | 5.2 | Review and update risk register | MM | |
| | 6 | To render employee assistance support | 6.1 | Develop an employee assistance programme. | COPR | <ul style="list-style-type: none"> Employee Wellness Program |

Social and Local Economic Development (LED)

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Res Dept | Key Performance Indicator |
|-------------------------------|---------------|---|--------------|--|-------------|---|
| Local Economic Development | 7 | To redesign the spatial configuration of Indaka to promote economic development | 7.1 | Developing a Spatial Development Framework to promote economic development | TECH & PLAN | <ul style="list-style-type: none"> Council resolution approving SDF |
| | | | 7.2 | Re-configuring the municipal area for promotion of economic development. . | TECH & PLAN | <ul style="list-style-type: none"> Council resolution approving LUMS |
| | | | 7.3 | Developing a Rural Development Strategy to promote economic development | TECH & PLAN | <ul style="list-style-type: none"> Council resolution approving rural development strategy |
| | 8 | To facilitate development and growth of SMMEs | 8 | Develop Local Economic Development Strategy | TECH & PLAN | <ul style="list-style-type: none"> Adopted LED Strategy |
| | 9 | To facilitate improved agricultural production | 9.1 | Ensure that fields/gardens are ploughed. | TECH & PLAN | <ul style="list-style-type: none"> (a) Number of hectares to be ploughed. (b) Ploughing certificate by Extension Officer from KZN Agriculture. |
| | 10 | To promote and support tourism as a means to enhance local economic development | 10 | To participate in the development of tourism framework through IGR. | TECH & PLAN | <ul style="list-style-type: none"> Participation in Tourism Development Forum |
| | 11 | To promote and support tourism as a means to enhance local economic development | 11 | To develop tourism strategy and plan for Indaka. | TECH & PLAN | <ul style="list-style-type: none"> Development of Indaka Tourism Strategy |

Financial Viability and Management

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Res Dept | Key Performance Indicator |
|------------------------------------|---------------|---|--------------|--|----------|--|
| Financial Viability and Management | 12 | To promote good financial management | 12.1 | Compilation of 2012/13 budget | CFO | <ul style="list-style-type: none"> Council resolution approving balanced 2012/13 budget. |
| | | | 12.2 | Review and assessment of 2012/13 budget. | CFO | <ul style="list-style-type: none"> Council resolution approving budget adjustments for 2012/2013 |
| | | | 12.3 | Improve Budget control | CFO | <ul style="list-style-type: none"> Total Year to date own revenue received. Year to date operating grants received. Year to date capital grants received. Year to date operating expenditure (Year to date capital per project |
| | | | 12.4 | Preparation of 2013/14 budget | CFO | <ul style="list-style-type: none"> Council resolution approving 2013/14 budget |
| | | | 12.5 | Compilation of the 2012/2013 Annual Financial Statements | CFO | <ul style="list-style-type: none"> Completed AFS, tabled to Audit Committee for compliance review and submitted to AG. |
| | | | 12.6 | Improve financial planning | CFO | <ul style="list-style-type: none"> Council resolution approving Cash flow Plan |
| | 13 | To improve Financial Statutory Compliance | 13.1 | Preparation of statutory reports | CFO | <ul style="list-style-type: none"> Number of reports submitted to the Mayor, PT and NT. |
| | 14 | To improve Supply Chain Management | 14.1 | SCM Report | CFO | <ul style="list-style-type: none"> Number of quarterly reports submitted to the Council. |
| | | | 14.2 | Review SCM policy | CFO | <ul style="list-style-type: none"> Council resolution approving SCM policy |
| | | | 14.3 | Implement online SCM system | CFO | <ul style="list-style-type: none"> All requisitions done on the system. Quotations done on the system. Order number issued by the system. |
| | | | 14.4 | SCM Planning | CFO | <ul style="list-style-type: none"> Completed Plan signed by the Municipal Manager. |
| | 15 | To improve revenue collection | 15.1 | Collection of revenue | CFO | <ul style="list-style-type: none"> Council resolution approving the action plan |

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Res Dept | Key Performance Indicator |
|-------------------------------|---------------|--|---|---|--|--|
| | | | 15.2 | Compilation of supplementary valuation roll | | <ul style="list-style-type: none"> • Council resolution approving the supplementary valuation roll. • Supplementary Valuation Roll certificate by the Property Valuer. |
| | 16 | To monitor and control expenditure | 16.1 | Monitor and control expenditure to ensure financial viability | CFO | <ul style="list-style-type: none"> • Number of reports submitted to the Council. |
| 16.2 | | | Monitor and control expenditure on capital budget. | CFO | <ul style="list-style-type: none"> • FAR update report to Council | |
| 16.3 | | | prepare financial control manual | CFO | <ul style="list-style-type: none"> • Financial manual with the signatures of Administrator and MM | |
| | 17 | To establish and operate an efficient asset management system. | 17.1 | Develop and maintain an assets register. | CFO | <ul style="list-style-type: none"> • Updated Municipal Asset Register |
| 17.2 | | | Formulate and keep updated an assets disposal policy. | CFO | <ul style="list-style-type: none"> • Development of an Assets Disposal Policy | |
| 17.3 | | | Develop a operating procedure for counting and cataloguing of all municipal assets. | CFO | <ul style="list-style-type: none"> • Municipal Assets management operating procedure | |

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Res Dept | Key Performance Indicator |
|---|---------------|--|--------------|---|-----------------------|--|
| Good Governance, Ward Committee Systems and Public Participation | 18 | To promote good governance and Efficient Administration | 18.1 | Planning the IDP and budget process | TECH& PLAN | Council resolution approving 2013/14 IDP and budget process plan. |
| | | | 18.2 | Service Delivery strategy | TECH& PLAN | Council resolution approving 2013/14 IDP |
| | | | 18.3 | Statutory compliance | MM | (a) Audit Committee Review report on the draft annual report and AFS. (b) Proof of submission of the draft AR and AFS to AG by the 30th August 2012. . |
| | 19 | To involve local communities in municipal affairs in a structured manner | 19.1 | Ensure continuity and functionality of Ward Committees | COPR | Functional Ward Committees |
| | | | 19.2 | Training of ward committees to understand issues of local governance | COPR | Responsive and effective ward committees |
| | 20 | Improve anti-corruption measures | 20 | Develop and implement an anti-corruption strategy for the Municipality | MM | Council resolution approving the Anti- FPS |
| | 21 | Improve public participation in municipal programmes | 21 | Improve the communication strategy to encourage the public to participate in municipal programmes | CORP | Council resolution approving the PP programme |
| | 22 | To facilitate the implementation of the Community Based Programs. | 22 | Report progress in Community Works Programme in all municipal wards | CORP | Enhance Community Programs |
| | 23 | To enhance the overall quality of | 23.1 | Creation of a municipal law enforcement unit | CORP | Development of a law enforcement unit |

| National Key Performance Area | Objective No. | Objectives | Strategy No. | Strategy | Res Dept | Key Performance Indicator |
|-------------------------------|---------------|--|--------------|--|-------------|---|
| | | road traffic services provision, and in particular ensure safety, security, order and discipline on the roads. | 23.2 | Participate actively in community policing and community road safety forums and other coordinating structures. | CORP | Active community policing and community road safety |

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4.5 Indaka's Key Interventions

The following Key Interventions were identified within the context of the current realities, development challenges and the strategic development objectives put forward in response to achieve the development vision of Indaka, namely:-

- Backlog Study (Core Infrastructure);
- Infrastructure Master Plan with specific reference to Roads & Storm water & Solid Waste Management;
- Sustainable Rural Development Strategy linked to Agrarian Reform;
- Formalisation & Regeneration of Ekuvukeni & Waaihoek;
- Formulate/Review Series of Plans & Planning Directives, i.e. SDF, LUMs, EMF, Disaster, etc;
- Implement Recovery Plan / Strategy (Operation Clean Audit);
- Prepare & Implement Revenue Enhancement Strategy;
- Review LED to gear mass Job Creation & promote Sustainable Livelihoods;
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives;
- Implement Housing Programmes linked to outcome of Rural Development Strategy;
- Alignment of Social Investment Programmes & Partnerships;
- Foster & Mobilize Partnerships to Economic Regeneration;
- Prioritised Targeted Support (Public & Private Sector);
- Identify Pilot Programmes / Projects with specific reference to Rural Development; and
- Operation Sukuma Sakhe / War Against Poverty.

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5.1 Spatial Development Vision and Thrusts

Of note is that the municipality is in the process to contract a service provider to undertake a review of the Indaka Spatial Development Framework Plan (SDF).

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SECTION F: CAPITAL INVESTMENT FRAMEWORK

A Capital Investment Framework (CIF) was developed as part of the Financial Plan demonstrating the relationship between what resources are required to meet the challenges as per mandate and the actual budget implications, incorporating the respective MTEF's of the Provincial Sector Departments in an attempt to set the framework for capital investment. It is clear that the need by far over exceeds the resource allocation, as well as the ability of the Indaka Municipality to fulfill its mandate through the allocation of own resources, hence its dependency on external grant funding to deliver services.

The table below depicts the projects and programmes applicable for the 2012/2013 financial year, which demonstrates an internal committed financial requirement of R36,343 million and a R20,85 million as non-committed. A R212,876 million external committed capital funding (this includes various sector departments and uThukela DM MIG Funding towards water and sanitation), and a total of R156,250 million external non-committed funding requirement.

Of note, is that an estimated capital budget forecast of R34,4 million is projected and aligned and prioritized, to ensure the mandate, strategic objective and identified key interventions as contained in this IDP are met.

The diagrams below reflect that Indaka Municipality is largely dependent on External Sources of funding, however recorded as non-committed due to absence of information. Thus for Indaka Municipality to ensure delivery in response to its mandate and priority needs (Localized Investment and Provincial Catalytic Interventions), the success thereof is pending the manner in which the Provincial Sector Departments aligns these identified projects with their respective MTEF's. The following diagrams per financial year show dependency on external sources of funding between 61% and 68%.

Figure 32: Indaka LM Capital Budget vs Resource Allocation 2012/13



Figure 33: Indaka LM Capital Budget vs Resource Allocation 2013/14



Figure 34: Indaka LM Capital Budget vs Resource Allocation 2014/15

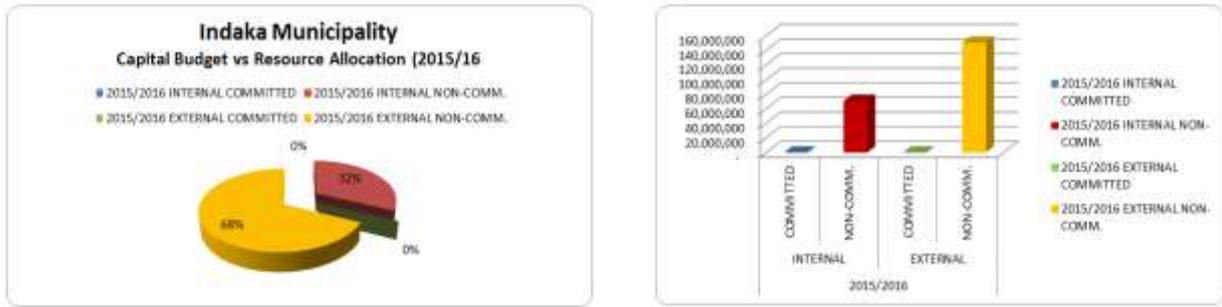


Figure 35: Indaka LM Capital Budget vs Resource Allocation 2015/16

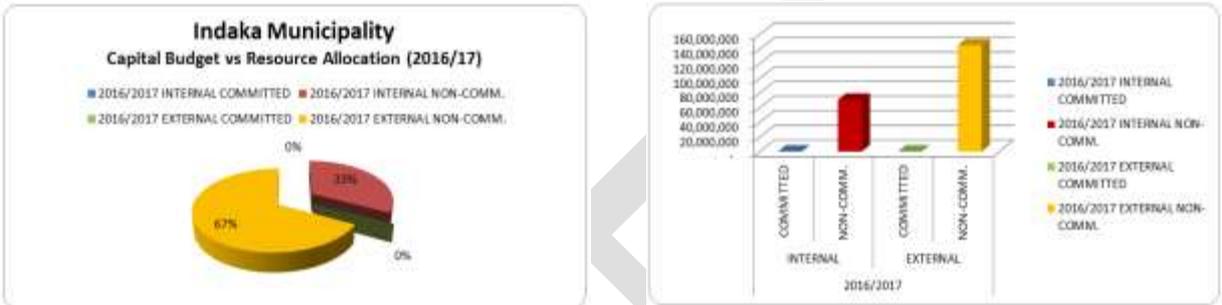


Figure 36: Indaka LM Capital Budget vs Resource Allocation 2016/17

Having considered the alignment of projects identified as part of the overall Capital Investment Framework, the following diagrams outline and demonstrate the integration and alignment with the Provincial Strategic Goals and the Outcome Based (Catalytic Projects).

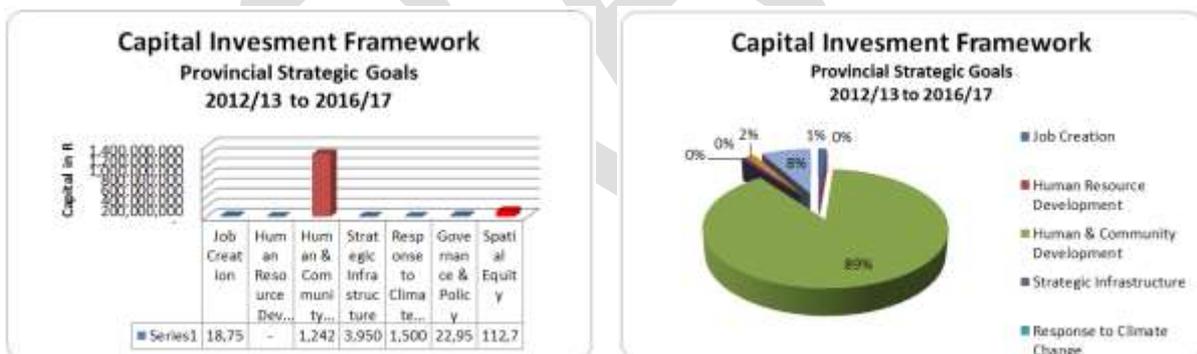


Figure 37: CIF Provincial Strategic Goals 2012/13 to 2016/17

The diagrams above depict that in general, the overall alignment is that of Human and Community Development that coincides with the current realities, challenges and social investment priority zone of the province. It can be concluded that approximately 89% of the entire Capital Investment over the next 5 years will be towards social upliftment i.e. education, health, welfare, human settlement, rural development, skills development, etc. followed by 8% towards Job Creation.

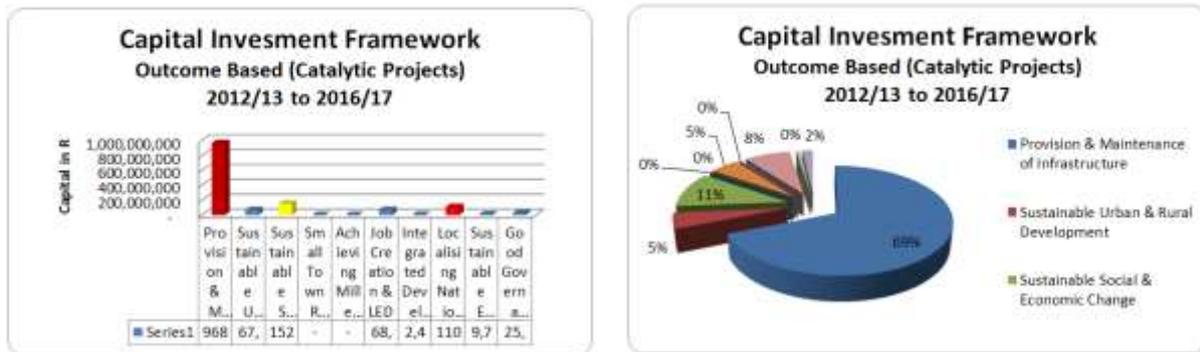


Figure 38: CIF Outcome Based (Catalytic Projects) 2012/13 to 2016/17

With regards to the Provincial Service Delivery Plans (Outcome Based – Catalytic Projects), the following diagrams outlines and demonstrates the alignment of the core focus of the Indaka Municipality to that of the Province. The overall Capital Investment over the next 5 years are aligned to the strategic imperatives and key areas of intervention identified by the municipality namely Provision & Maintenance of Infrastructure, which represents a total 69% of the resource allocation and capital expenditure, followed by Sustainable Social & Economic Change and Sustainable Rural Development.

The table and diagram below depict the schedule of Programmes & Projects that have been identified as part of a comprehensive consultation process and various engagements at district and individual session with Provincial Sector Departments to incorporate their MTEF's and formulate a Capital Investment Framework for Indaka Municipality.

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 Approach IDP's (3rd Generation), linked to projected resource requirements over the MTEF period (2012/13 to 2016/17). Of note, although a total of approximately R1,4 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. One of the shortcomings is to incorporate all the other external departments MTEF's to determine the overall capital expenditure within Indaka, this in turn will assist to evaluate the manner in which backlogs are addressed and strategic objectives are met.

SECTION G: FINANCIAL PLAN

7.1 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.

7.2 Operating Revenue and Expenditure Framework

| 2013/14 MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK | | | |
|---|------------------------|------------------------|------------------------|
| | 2013-2014 | 2014-2015 | 2015-2016 |
| Grants | -106 226 701.00 | -112 749 000.00 | -118 542 000.00 |
| Property Rates | -2 029 208.00 | -1 455 856.94 | -1 527 193.93 |
| Refuse | -188 643.68 | -198 264.51 | -207 979.47 |
| Hall Hire | -2 110.00 | -2 217.61 | -2 326.27 |
| Rentals | -73 656.00 | -73 656.00 | -73 656.00 |
| Sundry | -58 692.50 | -61 795.82 | -64 823.81 |
| Interest On Investments | -1 000 000.00 | -1 051 000.00 | -1 102 499.00 |
| Burial Fees | -10 000.00 | -10 530.00 | -11 045.97 |
| TOTAL | -109 589 011.18 | -115 602 320.87 | -121 531 524.45 |

Table 17: Income Framework

| | BUDGET YEAR | | |
|-----------------------------|--------------------|--------------------|-------------------|
| | 2013-2014 | 2014-2015 | 2015-2016 |
| Total Salaries | 17 652 714 | 18 782 488 | 19 984 567 |
| Total General Expenses | 38 039 167 | 43 846 344 | 46 226 815 |
| Total Repairs & Maintenance | 2 611 350 | 2 752 363 | 2 900 990 |
| Contributions To Provision | 1 800 000 | 1 897 200 | 1 999 649 |
| Total Free Basic Services | 1 000 000 | 1 400 000 | 1 474 200 |
| | 61 103 231 | 68 678 395 | 72 586 221 |
| Operating Expenditure | 61 103 231 | 68 678 395 | 72 586 221 |
| Capital Expenditure | 51 436 027 | 40 430 593 | 13 980 000 |
| TOTAL | 112 539 259 | 109 108 988 | 86 566 221 |

Table 18: Operating and Capital Expenditure

7.3 Auditor General's Report & Findings

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 2012 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 R1,2 million due to unbudgeted expenditure, as well as irregular expenditure amounting R15,874 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.

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SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

8.1 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.

The following is a diagrammatic representation of the Indaka Municipality Performance Management System.

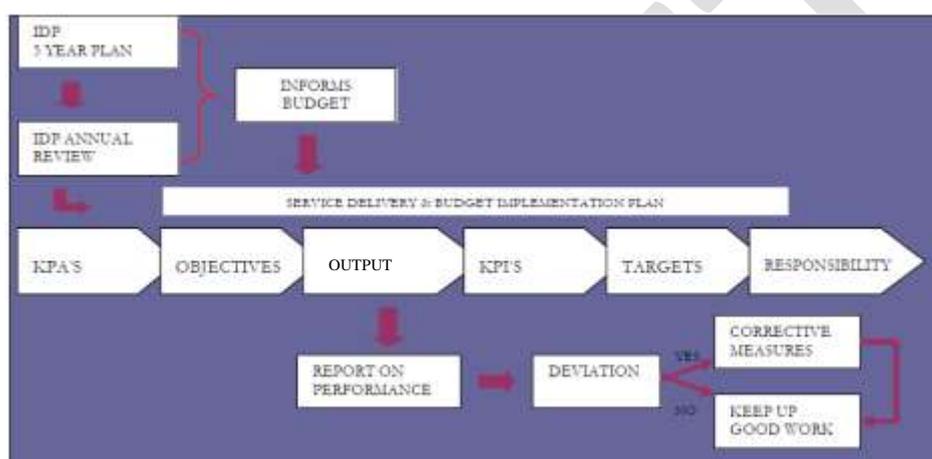


Figure 39: Performance Management System of the Municipality

8.1.1 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.

8.1.2 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 one's 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.

8.1.3 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.

8.1.4 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.

8.2 Approach and Methodology

8.2.1 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 annual review thereof. The municipality is also required to prepare the 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 cycle is that of the performance review 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-performed.

Performance monitoring is an ongoing process, which continuously monitors current performance against set targets. The aim of the monitoring process is to take appropriate and immediate interim action where there is an indication that a target is not going 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 should be taken when it becomes evident that a specific performance target is 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.

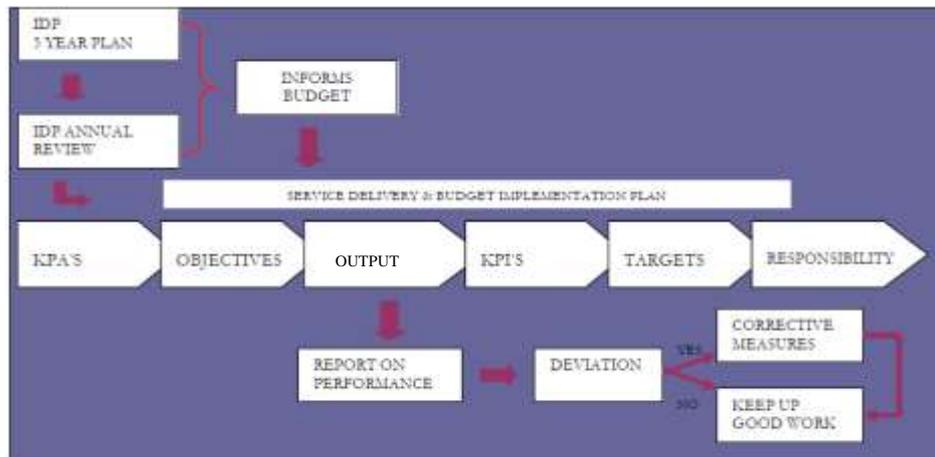


Figure 40: Performance Monitoring

8.2.2 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 KPI's, which define what needs to be measured in order to gauge progress towards achieving the development objectives. KPI's must be measurable, relevant, simple and precise. KPI's 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.

8.3 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 11. 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**.

CONCLUSION

This is the 3rd 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.

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SECTION I: ANNEXURES

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SECTION J: APPENDICES

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Appendix J1:

Land Use Management Framework and System

The formulation and preparation of a single Land Use Management System is a project identified by Indaka Municipality to be internally funded over a three (3) year period starting in 2013 / 2014 and linked to the Township Formalisation and Regeneration Process of Ekuvukeni, Limehill and other R293 / R118 Towns.

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Appendix J2:

Waste Management Plan

The preparation of a Waste Management Plan and Strategy is a project identified by Indaka Municipality and a high priority, to be internally funded during 2013 / 2014 financial year, incorporating the establishment of a Landfill Site and preparation of an Integrated Environmental Management Framework.

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Appendix J3:

Water Service Development Plan

Consultation with uThukela District Municipality has proved no success and uncertain as to the status thereof.

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Appendix J4:

Integrated Transport Plan

2005 – 2010

**Attached, however out-dated, in the process of being reviewed
by uThukela District Municipality.**

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Appendix J5:

Housing Plan
(April 2006)

The Housing Plan is out-dated and review thereof has been identified as a project by Indaka Municipality to be internally funded during the 2013 / 2014 financial year.

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Appendix J6:

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.

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Appendix J7:

Local Economic Development Plan

(August 2011)

Attached as separate document, however, to be reviewed to align with new strategic goals & objectives through provincial localized projects (catalytic).

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Appendix J8:

Indaka Recovery Plan

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Appendix J9:

Auditor General's Report
(November 2013)

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Appendix J10:

Sector Plan Alignment

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Appendix J11:

IDP Process Plan / IDP Framework Plan

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Appendix J12:

5 Year Plans

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Appendix J13:

Municipal Turn Around Strategy (MTAS)

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Appendix J14:

Indaka Mandate & Compliance Performance Evaluation

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Appendix J15:

Ward Profiles

Prepared by Vuka Africa

DRAFT

Appendix J16:

Provincial Sector Department MTEF Summary

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Appendix J17:

Capital Investment Framework (CIF)

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Appendix J18:

SDBIP

To follow once IDP is adopted.

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