

ENDUMENI

INTEGRATED DEVELOPMENT PLAN (IDP)



[2017/18 – 2021/22]

[DRAFT]

FOREWORD BY HIS WORSHIP THE MAYOR,

CLLR S.R MBATHA



It is the eNdameni Local Municipality's great mandate to continue to drive the implementation of government's transformation and service delivery programs. In ensuring that Endumeni economy is enormously growing, we have initiated the Endumeni Economic Partnership with external stakeholders with entrusted interest in growing and developing our economy. With that said, our Integrated Development Plan (IDP) is greatly utilised as one essential tool that strive to majorly close the gap of unemployment especially to the youth, decrease mounting poverty levels and providing food security to our local citizens. This Council will therefore continue to improve people's lives through fast tracking service delivery, economic growth, job creation, social and rural development in our town.

It is no doubt that the role of community participation into the affairs of the municipality has a positive impact on good governance. We are therefore prepared to take the challenges before us through

means of rectifying the inequalities of the past and turn the malicious scarcity circle which threatens our communities.

Our mission still remains to ensure that the standard of living of eNdameni residents and our town is greatly enhanced and improved. It is good news that Endumeni Local Municipality has recently received a clean audit which is clearly evidence of good leadership and good governance. This therefore means that the Municipality is managing public funds conscientiously and in a manner that will benefit all Endumeni residents.

In addition we continue to support Government's commitment to broadening service delivery through expanding housing projects and escalating infrastructure development and other major necessities needed by the community.

In conclusion, it is our mandate that we arise from all the challenges that we face as local government and diligently serve our communities and change their lives for the better. We are therefore servant leaders and may we endure and embrace the moral intentions of progressive local government within our municipality.

I genuinely have confidence in that the implementation of our well established and created municipal tactics plan will make our municipality to grow from strength to strength. The outcomes must be comprehended in the current term of office in order to construct an improved platform for the others who will come after us. With that said, I therefore am looking forward in working together with all Endumeni communities and stakeholders to achieve positive results and fast track service delivery to our level best.

“Together in Prosperity”

Sincere Regards

Endumeni Honourable Mayor Cllr S.R Mbatha

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| D | Human Settlement Sector Plan | |
| E | Local Economic Regeneration Strategy | |
| F | Integrated Waste Management Plan | |
| G | Operations & Maintenance Management Plan | |
| H | Electricity Development Sector Plan | |
| I | 2015/16 APR | |
| J | 5 Year Implementation Plan | |
| K | 2017/18 Organisational Scorecard | |
| L | 2017/18 SDBIP | |
| M | Wall to Wall Scheme | |
| N | 2017/18 IDP/PMS Process Plan Programme | |
| O | 2017/2018 Draft Organizational Structure | |

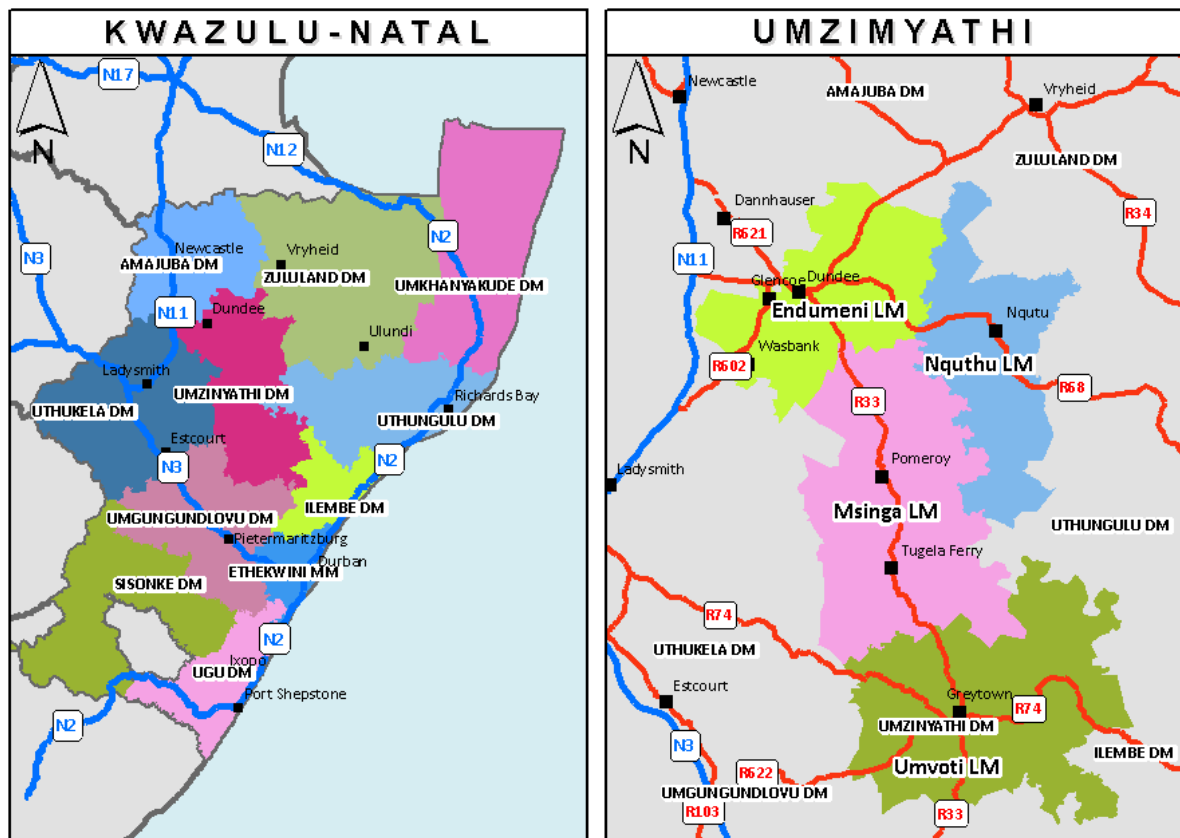
SECTION A EXECUTIVE SUMMARY

1. WHO ARE WE

Endumeni is one of four Local Municipalities located within the District Municipality of Umzinyathi (i.e Nquthu, Msinga and Mvoti local municipality) within the valleys of the Biggarsberg Mountain Range with the two main towns of Dundee and Glencoe located at the base of the Indumeni Mountain.

Endumeni is located on the northern edge of the Umzinyathi DM, in the northern portions of KwaZulu-Natal and is bordered by the Amajuba District Municipality to the North, the Uthukela District Municipality to the South West, the Msinga Local Municipality to the South and Nquthu Local Municipality to the East.

The municipality comprises seven wards.



Map 1: Location of the local municipalities within the district:

2. OVERVIEW OF THE LOCAL MUNICIPALITIES

Endumeni municipal area is one of four local authorities forming the uMzinyathi District Municipality. The local municipalities comprising the District are:

- Endumeni (KZ 241)
- Nqutu (KZ 242)
- Msinga (KZ 244)
- uMvoti (KZ 245)

Endumeni Local Municipality:

Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee and Glencoe. For detailed locality maps of the area and a list of the farms of which the area is comprised, reference should be made to the above-mentioned document. This municipality is unique, its population is predominantly urbanised or based on commercial farms and unlike the other local municipalities there is no tribal authority land. The main town is the Commercial centre which is Dundee; it has most diversified economy, commercial cattle farming and dairy production and is the centre of the Battlefields tourist region.

Nquthu Local Municipality:

This municipality is typically rural and largely tribal authority where the population is largely previously disadvantaged and relatively dispersed and where services are scarce and often at rudimentary levels. The main town is Nquthu and subsistence agriculture is the main activity in the area.

Msinga Local Municipality:

Owing to its rugged terrain Msinga's population is relatively dispersed and where services exist they are concentrated along road infrastructure and water sources such as the Tugela River. The main towns are Pomorey and Tugela Ferry, it's the rural region with subsistence farming.

Umvoti Local Municipality:

This local municipality comprises of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in commercial agricultural areas they are relatively high as farmers provide their own services and in tribal authority areas they are low to moderate. The main town is the commercial centre Greytown.

3. DEMOGRAPHIC PROFILE

The Endumeni Municipality (KZ 241) comprises the towns of Dundee, Glencoe and Wasbank, together with a number of farms astride MR 33, MR 68 and DR 602. It should be noted that no Ingonyama Trust land is located within the Municipal Area. The population of the Local Authority area, as determined in the 2011 census, was 64862 people, of which 54449 (84%) were of African origin. The gender split was relatively evenly balanced at 33225 (51%) for females to 31637 (49%) for males. The majority of the population (40206) 62% was under the age of 29 years old, with 20543 (32%) being of school going age at between 5-19 years of age.

Despite the large percentage of very young people, the population pyramid does not indicate the normal situation of a large base with most people being in the youngest age groups (under 4 years). In this instance, there are more people in the age group between 15 and 19 years, than 0 to 4 years. It is apparent that the higher infant mortality rate can be directly related to the HIV/AIDS pandemic. 15% of the population of Endumeni has no education. This comprises mainly those over the age of 50 years. A relatively high percentage (14%) of the population of the Municipal area has a senior certificate, tertiary or other higher education. This augurs well for the future economic development of the area. There is nonetheless a shortage of schools to serve the education needs of the area's population.

Per capita income is generally low, with 54% having no income, and 25, 55% earning less than R18 000 per annum. Over 75% of the population of Endumeni lives in formal urban housing, whilst another 10% of the community lives in informal housing in Endumeni. Thirteen Percent of the population lives on rural farms in the area. Present estimates are that an additional 1750 sites are required.

The comparative population figures by Endumeni Local Municipality for 2001 and 2011 are depicted in Table 1 below. This information indicates that the local municipality experienced a strong increase in population growth. This can be attributed to Endumeni Municipality as being one of the major economic centres of the district.

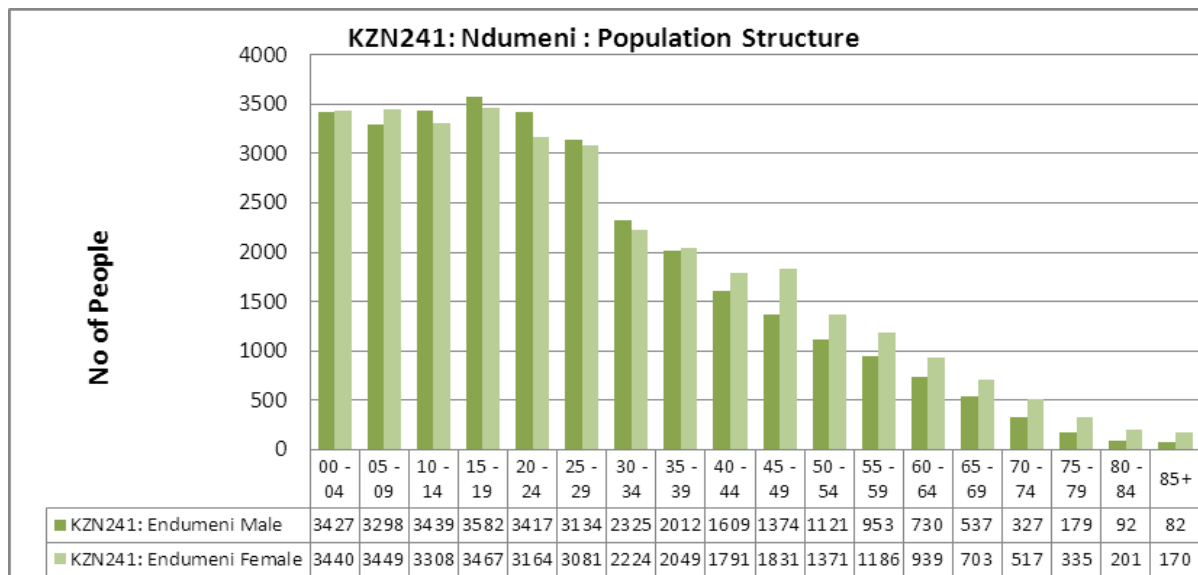
Endumeni Local Municipality Comparative population and households figures for 2001 and 2011

| | 2001 | | | 2011 | | |
|----------|------------|------|------------|--------|------|------------|
| | Population | % | Households | N | % | Households |
| Endumeni | 51 101 | 10.6 | 12,278 | 64 862 | 12.7 | 16,852 |

Source : 1. Statistics SA, Census 2001

2. Statistics SA, Census 2011 TABLE 1

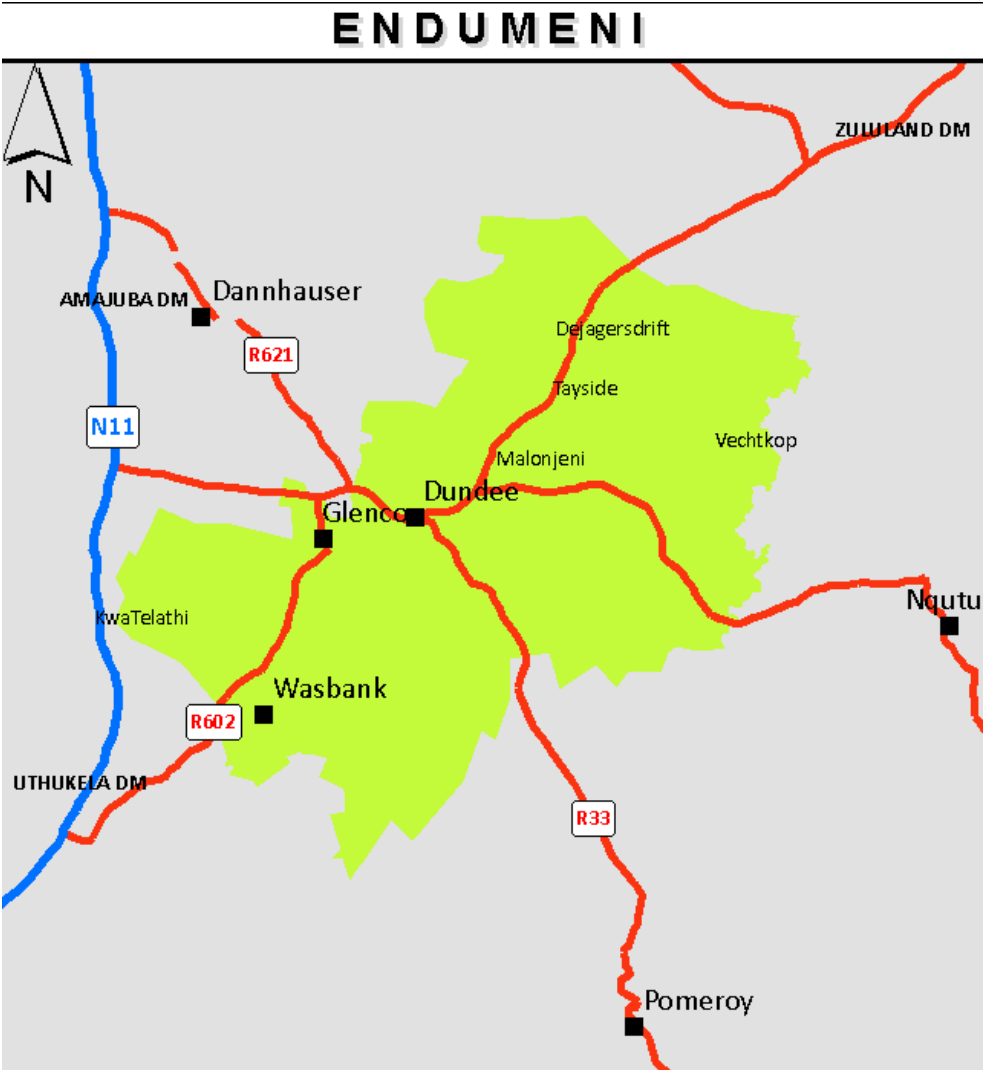
Population Size



Source: census 2011

4. WARDS AND TRADITIONAL AUTHOURITIES

The municipal area consists of 7 wards, within those wards there are no tribal authorities. The population of Endumeni is in an area that covers 1,612km² in extent, 55km wide from north-east to south-west on the R33/R602 and 30km on the R33/R621 south-east to north-west. Urban settlement is concentrated within the Dundee/Sibongile, Glencoe/Sithembile and Wasbank nodes. The balance of settlement is located either on the commercial farms or within a limited number of small rural settlements i.e. KwaTelaphi, Burnside, Malonjeni, Tayside, Vechtkop and Uithoek.



Map 2: Local Context

5. ECONOMIC PROFILE

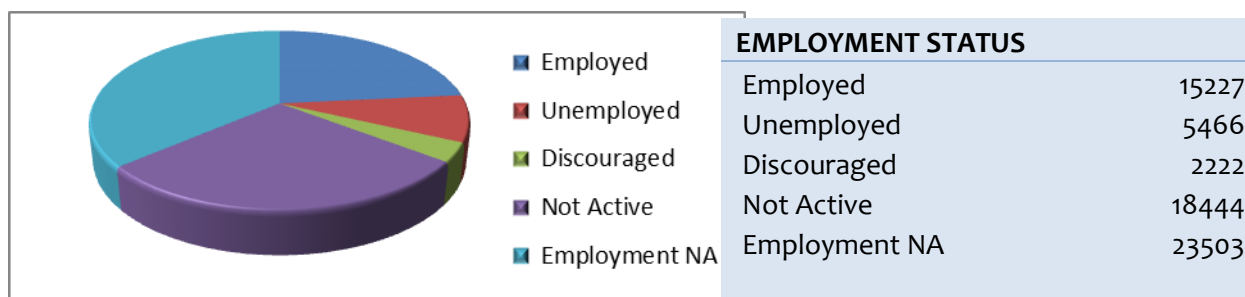
The key economic sectors in terms of the 2011 Census within Endumeni is as follows:

| | | |
|--------------------------------------|---|------------|
| • Social Services | - | 2,16% |
| • Trade | - | 13,64% |
| • Private household/domestic workers | - | 13,49% |
| • Farming | - | 9,57% |
| • Manufacturing | - | 7,39% |
| • Business Services | - | 4,93% |
| • Construction | - | 4,5% |
| • Transport | - | 4,48% |
| • Mining | - | 1,47%; and |
| • Utilities | - | 1,03% |

5.1 ECONOMICALLY ACTIVE POPULATION

The Global Insight data indicates that in 2010 the economically active population (EAP) for the Endumeni represented 18.9% which was an improvement on the 17.9% in 1996. The Asian community proved to be more economically active at 30% as compared to other racial groups. The 2010 EAP figures represented some 5 237 females and some 5 985 males. The EAP rate peaked in 2005 at 21.1%.

Employment Profile

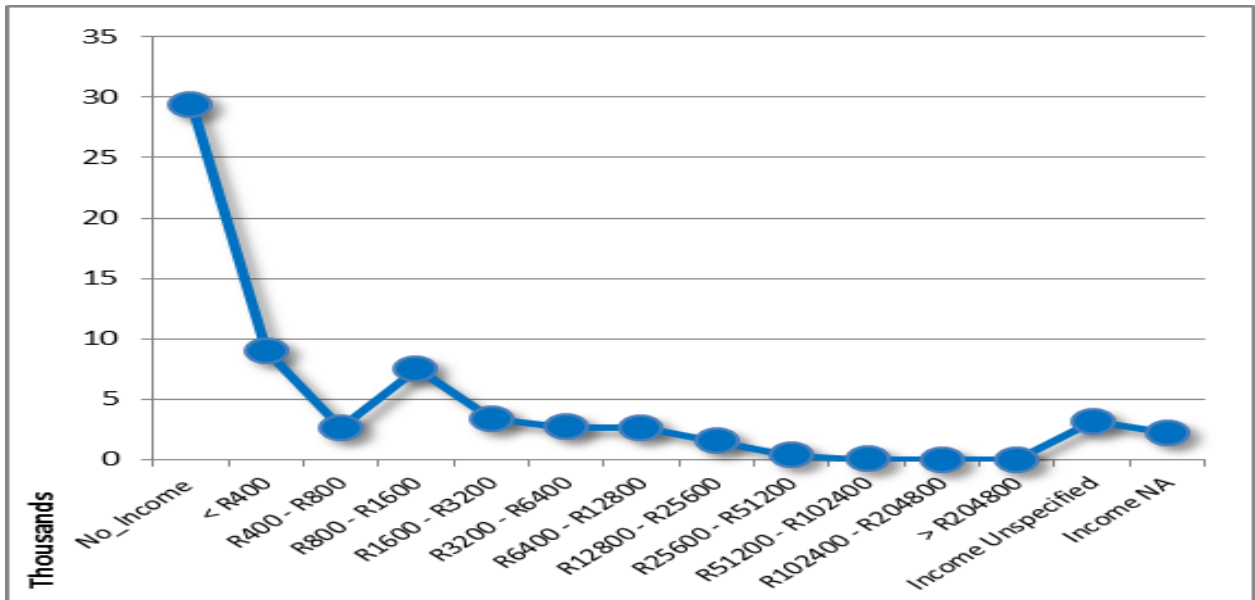


Source: Statistics South Africa

Statistics South Africa suggest that, the number of economically inactive population has now increased to 18 444 from 12 039 in 2007. The rate of the unemployed has decreased from 6 964 in 2007 to 5 466 in 2011.

5.2 ANNUAL HOUSEHOLD INCOME

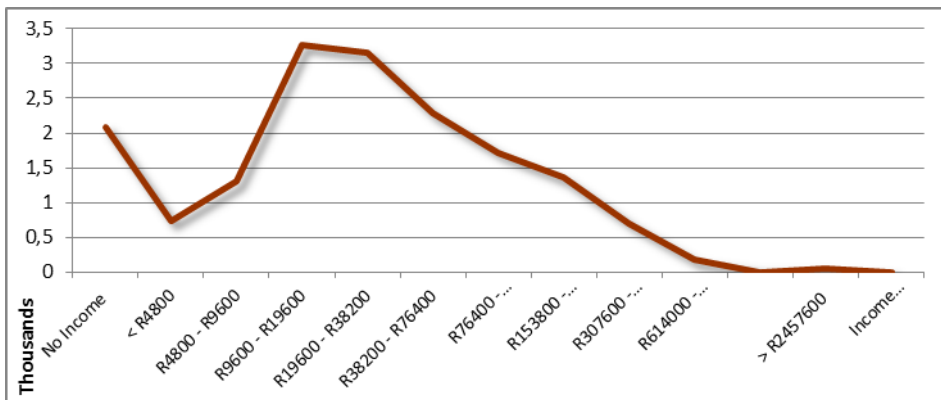
The following graph summarises the annual individual income at current rand prices. As can be seen, there has been an improvement in the annual individual and household income from 1996 to 2010. .



Graph 1: Individual income

However, it should be noted that people with no income are still high at 29 354 and at the top market bracket we have only 40 earning above R 204 000.

The following graph indicates the number of households per income category. As can be seen from this data, there has been a real decline in the households earning at the lower income levels and an associated increase in the number of households earning at the higher income levels.

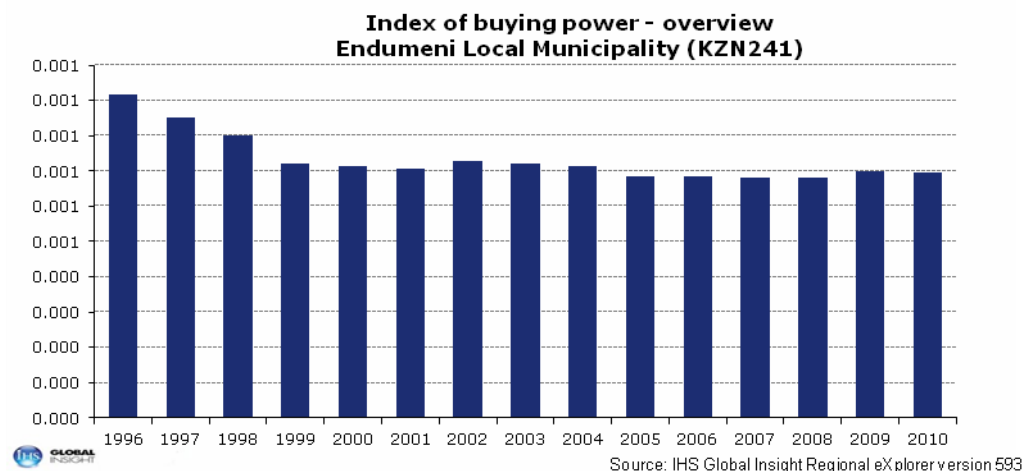


Graph 2: Individual Income

5.3 INDEX OF BUYING POWER

An *Index of Buying Power* is a popular indicator of a geographical area's relative consumer buying power. The index is calculated using weighted data for income, retail sales, and population in the area being evaluated. The index can be used by retailers when considering new store locations.

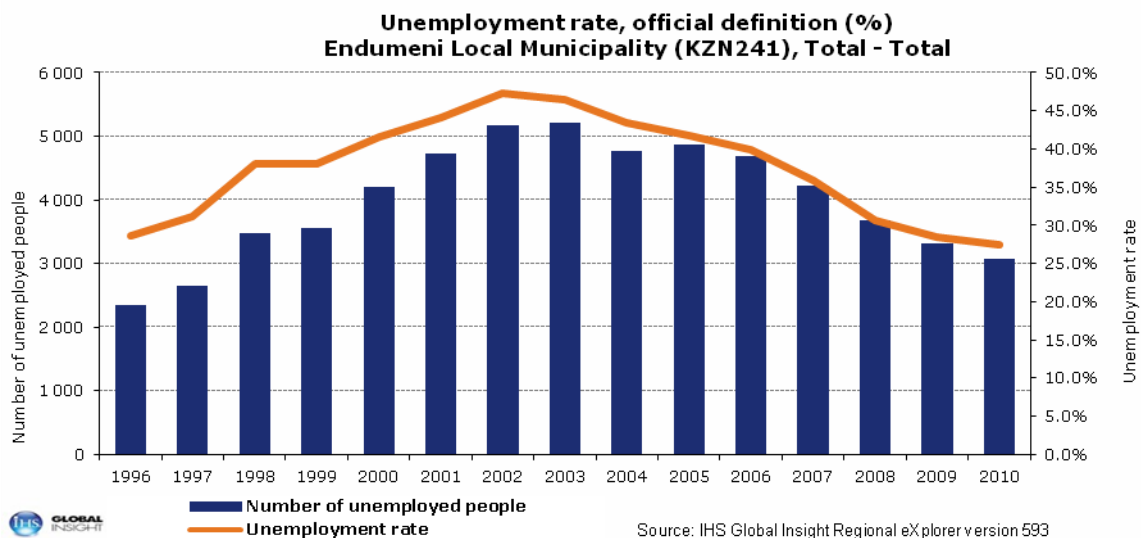
The Index of Buying Power for the Endumeni has decreased marginally from 0.0009% in 1996 to 0.0006% in 2010. The retail share of the national total has also decreased from 0.07% in 1996 to 0.04% in 2010. Income share of the national total has remained static at 0.1% for the period 1996 to 2010.



Graph 3: Index of Buying Power (1996 – 2010)

5.4 UNEMPLOYMENT

The Global Insight figures indicate that the Unemployment rate has decreased from 28% in 1996 to 27.5% in 2010. Unemployment levels were the highest in 2002 when they hit 47%. Global Insight estimates that 3 081 people in 2010 were unemployed. The following graph summarises these figures.



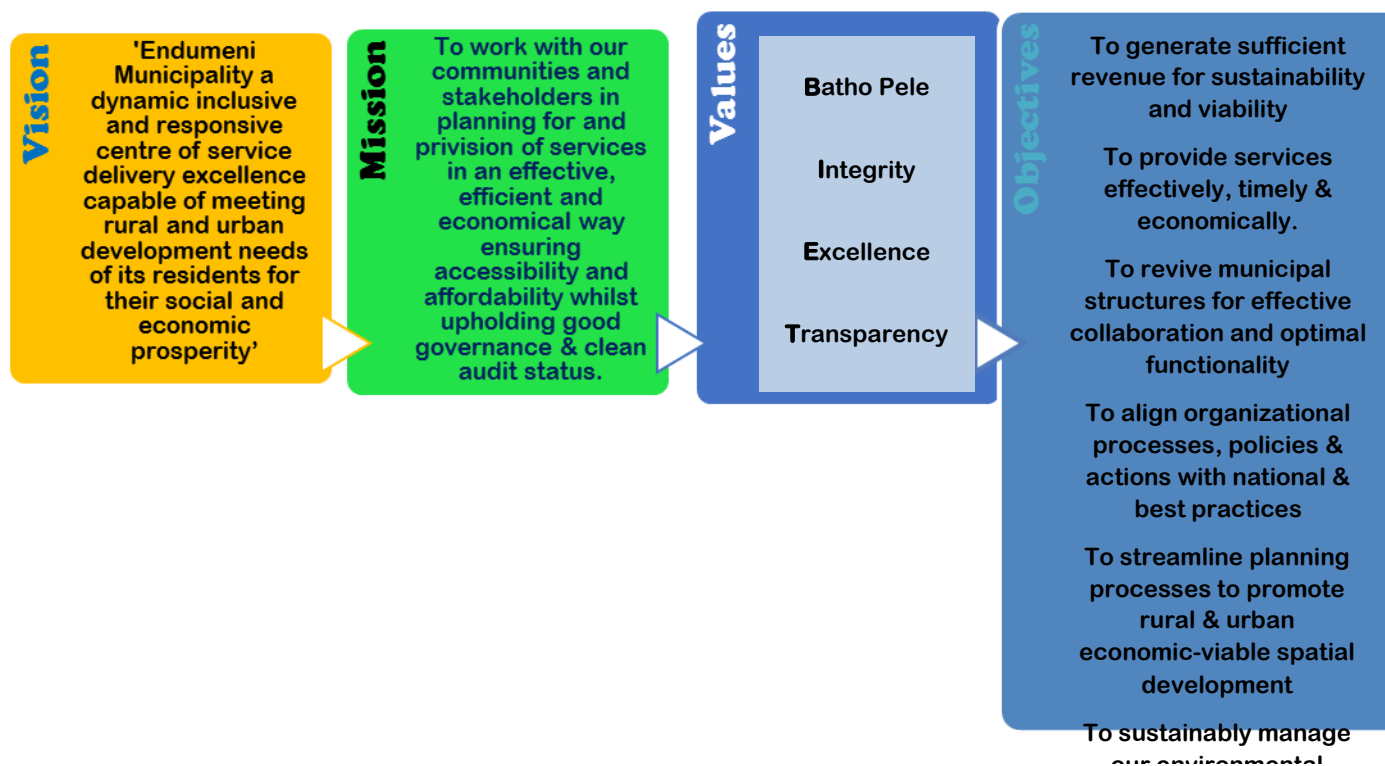
Graph 4: Unemployment rate

6. LONG TERM VISION

- **Vision**

'Endumeni Municipality a dynamic inclusive and responsive centre of service delivery excellence capable of meeting rural and urban development needs of its residents for their social and economic prosperity'

The municipality will achieve this vision through the strategic mapping that is aligned with the 6 national KPI's



7. IDP DEVELOPMENT PROCESS, PHASES AND KEY TIME FRAMES

The development of the IDP involved engagement of various stakeholders. This is well documented in the Process Plan, which is annexed in the IDP. The following is a summary of key activities of the process:

- The Strategic Review of the contents of the 2016/17 IDP;
- Addressing MEC Comments;
- 2015/16 AG Report
- The identification of sector plans;
- Alignment of IDP/PMS and Budget process;
- Alignment with sector departments and service providers;
- Integrating IDP and Sector Plans with the resource framework;
- The review of Spatial Development Framework; The review of three year financial plan to develop five year strategic financial plan;
- The development of Service Delivery and Budget Implementation Plan; and The preparation of the IDP.

The following table elaborates the various consultations and processes that were followed in the development of this IDP.

The following phases regarding the 2017/18 IDP Review were adhered to:

| Phase | Activity | Operational Activity | Completion Date |
|---------|---|--|-----------------|
| Phase 1 | Preparing for IDP Review <ul style="list-style-type: none"> • To clearly set out the approach and activities to be undertaken in executing the project; and • To ensure the support and buy-in of all key stakeholders. | Draft 2017/18 Process and Framework Plan submitted to the Department of Co-operative Governance and Traditional Affairs for assessment purposes; | July 2016 |
| | | Final 2017/18 Process and Framework Plan submitted to the Department of Co-operative Governance and Traditional Affairs for consideration; | August 2016 |

| Phase | Activity | Operational Activity | Completion Date |
|---------|--|---|-----------------|
| Phase 2 | Gathering of Information and Public Participation <ul style="list-style-type: none"> To collect all relevant information that will inform the assessment of the IDP and its implementation; and To identify the implications and impact for the IDP. | <ul style="list-style-type: none"> First IDP_LED Technical Committee (IDP Rep Forum) meeting convened; Draft consolidated data of the situational analysis, programmes and projects; and Holding of the induction session for the new Council on the IDP and Budget Process. | December 2016 |
| Phase 3 | Assessment and Evaluation of Information <ul style="list-style-type: none"> To revise identified sections of the IDP document; To prepare revised priority project lists; and To inform the municipal budget. | <ul style="list-style-type: none"> Holding of the Strategic Planning Session, to serve as a framework for the 2017/18 – 2021/22 IDP and Budget; Draft 2017/18 – 2021/22 IDP, Performance Management System and Organogram approved by Council, and submitted to the Department of Co-operative Governance and Traditional Affairs, PT and NT for assessment purposes | March 2016 |

| Phase | Activity | Operational Activity | Completion Date |
|---------|--|--|-----------------|
| Phase 4 | Adoption of Revised IDP Adoption of the 2017/18 – 2021/22 IDP, Performance Management System and Organogram by Council. | <ul style="list-style-type: none"> • Draft 2017/18 – 2021/22 IDP advertised, as required in terms of Section 25(4) of the Municipal Systems Act No. 32 of 2000; • Public Engagements held in all four local municipalities as required in terms of Chapter 4 of the Municipal Systems Act (No 32 of 2000; • Final 2017/18 – 2021/22 IDP, Performance Management System, Organogram adopted by Council. • Final 2017/18 – 2021/22 IDP, Performance Management System, Organogram submitted to COGTA, PT and NT for consideration; and Advertisement of the Final 2017/18 – 2021/22 IDP. | |

8. 2017/18 IDP, BUDGET AND PMS PROCESS PLAN PROGRAMME

The 2017/18 IDP Process and Framework Plan was presented and approved by Council in August 2016, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs. The details of the activities for the process plan are as follows:

PLEASE REFER TO ANNEXURE N

9. KEY CHALLENGES

Issues were identified throughout the IDP processes and were confirmed by management, councilors and the community as applicable, namely found in the six different KPA's of the IDP. Conclusive SWOT analyses were also taken of the individual KPA's:

TABLE 2: Key Challenges

| KPA | Key Challenge | Interventions |
|---|---|---|
| KPA1: Basic Service Delivery | <ul style="list-style-type: none"> ☞ Limited infrastructure related project pipeline ☞ Service delivery budget constraints ☞ Aging plant & tools for repairs and maintenance ☞ High Energy Losses through Theft, etc... | <ul style="list-style-type: none"> ☞ Develop a comprehensive infrastructure development and improvement plan ☞ 3 year project prioritization session with Councilors and sector department ☞ Review and update of the Housing Sector Plan ☞ Review and update of the Integrated Waste Management Plan ☞ Review of meter auditing company, clear terms of reference |
| KPA 2: Local Economic Development | <ul style="list-style-type: none"> ☞ Absence and outdated Sector Plans | <ul style="list-style-type: none"> ☞ Review and update of the Local Economic Development Strategy and Plan ☞ Review and update of the Agriculture Sector Plan ☞ Review and update of the Tourism Sector Plan ☞ Positive investment grading and attraction ☞ Favorable credit rating and interest on credit |

| KPA | Key Challenge | Interventions |
|---|--|--|
| KPA 3: Good Governance and Public participation | <ul style="list-style-type: none"> ☞ Lack of Batho Pele implementation framework ☞ Complaints management system not centralised ☞ Lack of training of ward committees | <ul style="list-style-type: none"> ☞ Develop comprehensive Batho Pele service delivery implementation plan, service charters, complaints register and monitoring tools. ☞ Appoint & Assign departmental Customer Service and Batho Pele Champions (CSBPC) from existing staff ☞ Increase number of customer service centres to accommodate remote areas – including mobile options ☞ Revise and or develop a comprehensive communication strategy with internal and external stakeholders ☞ Conduct induction of Ward Committees on their work, community leadership, meetings, reporting and communication ☞ Train ward committees on ward-based planning, Batho Pele, B2B, OSS, conflict management, diversity management and so forth |
| KPA 4: Municipal Transformation & Institutional development | <ul style="list-style-type: none"> ☞ Lack of training of Council regarding ethical issues ☞ Lack of staff awareness on code of conduct ☞ Outdated employment equity plan ☞ Lack of comprehensive WSP | <ul style="list-style-type: none"> ☞ Training of Councillors on the code of conduct, code of ethics and municipal values ☞ Training of staff on the code of conduct, code of ethics and municipal values ☞ Training of staff and Councilors on Batho Pele principles and customer service application ☞ Revise and review employment equity plan and develop placement policy of redundant staff ☞ Conduct skills audit of Councilors, ward committees, officials and compile a comprehensive WSP and Outreach Skills Plan |

| KPA | Key Challenge | Interventions |
|---|--|--|
| KPA 5: Municipal financial Viability and management | <ul style="list-style-type: none"> ☞ Theft of electricity and loss of revenue ☞ Growing debtors book ☞ Loss of revenue due to illegal developments | <ul style="list-style-type: none"> ☞ Conduct campaign against electricity theft and payment for services ☞ Conduct debtors affordability evaluation and update indigent register in order to write off irrecoverable debt ☞ Appoint collection agency for all recoverable debts longer than 180 days on percentage basis for 36 months ☞ Orientation of councilors and management staff on financial management, by-laws, procedures and rules. ☞ Conduct cost benefit analysis appraisal of municipal moveable and immovable assets to inform disposal, replacement and revenue optimization decisions |
| KPA 6: Cross Cutting Interventions | <ul style="list-style-type: none"> ☞ Development and Review of the IDP and all Sector Plans ☞ Insufficient resources for disaster and safety ☞ Inadequate capacity to enforce Development Planning Control; Building Compliance and By-laws | <ul style="list-style-type: none"> ☞ Improve IDP MEC assessment comments and IDP score ☞ Disaster Early Warning Systems ☞ Utilize the Adjustment Budget to fill all the most critical posts which are in the approved organogram prioritizing revenue generating and ☞ compliance departmental sections |

10. IDP IMPROVEMENTS

The municipality has implemented strategic actions aiming at improving delivery are the key performance areas that underpin “a credible IDP”. In this context, preliminary assessment process, each national KPA is briefly addressed in turn in this executive summary as called for in the March IDP review process.

The municipality then went a step further by highlighting the “matters” raised by the MEC of Cooperative Government and Traditional Affairs (COGTA) by then identify “action to be taken” as follows.

The Endumeni Municipality is using the back to basics programme to gauge the challenges raised in Section B no. 3.7. The back to basics programme aims to:

- ✓ Improve municipal procurement and infrastructure;
- ✓ The need to put people (citizens) first to restore confidence in Local Government
- ✓ The need for the introduction of fraud and corruption measures;
- ✓ The need to promote sound financial management through measures in place to mitigate electricity loss;

In the 2017/18 draft IDP, the municipality will be implementing the Cabinet Legkotla Resolution in terms of Batho Pele principles:

- ✓ Revision of IDP Framework, incorporating Batho Pele (Chapter C, c.7.1)
- ✓ Incorporation of Batho Pele Policy and procedure Manual
- ✓ Service Delivery Charter
- ✓ Service Delivery Implementation Plan
- ✓ Enhance monitoring of Batho Pele principles and monitor their implementation at Local Government level
- ✓ Intergrate Batho Pele with the Integrated Development plan and Performance Management System (IDP/PMS) reporting
- ✓ Introducing a new approach to service delivery that puts people at the Centre of planning when delivering services
- ✓ Improving the image of public service (How customers view us)

In the 2017/18 draft IDP will reflect the below sector plans that were also highlighted by the MEC in the 2016/17 comments. These Sector plans will be aligned to the 4th generation IDP's. Below are the Sector Plans that have been included in the strategic document:

- ✓ Operations & Maintenance Management Plan
- ✓ Electricity Sector Plan
- ✓ Integrated Waste Management Plan (IWMP)
- ✓ Pavement Management System (PMS)
- ✓ Consolidated Infrastructure Plan
- ✓ Human Settlement Sector Plan
- ✓ Spatial Development Framework
- ✓ Wall to Wall Land Use scheme

11. ENDUMENI PERFORMANCE MANAGEMENT SYSTEM

Performance Management is a strategic approach to management, which equip leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Chapter 6: of the Municipal Systems Act (No 32 of 2000) requires municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the realized s, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

2001: Municipal Planning and Performance Regulations states that:

- Performance Management System must entail a Framework that describes and represent how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
- Performance Management System must inter alia comply with the requirements of the Systems Act, relates to the municipality's employee performance management processes and be linked to the municipality's IDP.



Endumeni Local Municipality is in the process of reviewing its 2016/17 Organizational Performance System as required in terms of Chapter 6 of the Municipal Systems Act, 32/2000. The documents which are being developed as part of the process are as follows and consideration is currently being given to the conversion to an electronic system:

- Implementation Plan
- Organizational and Departmental Score Cards
- PMS Framework
- Individual Performance plans
- Individual Performance Agreements

The Organizational and Departmental scorecards contain strategies in line with SALGA guidelines and are further compliant with the Provincial Growth and Development Strategy. It has been recommended that the Performance Plans that have been developed for Section 57 Managers be made applicable to all employees. However, to date Endumeni Municipality Performance Management System has been refined to include a system of individual staff appraisals as contemplated per section 67 of the Municipal Systems Act.

The municipality is on the process of cascading PMS, to all other levels of the realized s . The performance of a municipality is integrally linked to that of staff it is therefore important to link realized s al performance to individual performance and to manage both at the same time, but separately. In this way all employees are working towards a common goal. It is however the responsibility of the employer, to create an environment, which the employees can deliver the objectives and the targets set for them in their performance plans and job descriptions.

The SDBIP gives effect to IDP and budget. The budget gives effect to the strategic priorities. The SDBIP therefore serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of- year targets and implementing the budget. The SDBIP measures the operational plan, whilst the PMS measures performance at a strategic level. The SDBIP and the PMS provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance.

INDIVIDUAL PERFORMANCE AGREEMENTS

These Performance Agreements define the municipality’s performance expectations of all employees.

WORK PLANS

Integral part of the Performance Agreement and informed by institutional outputs and targets as captured in the municipality’s IDP and SDBIP

PERFORMANCE REVIEWS

To be conducted on a quarterly basis-will culminate into an annual performance appraisal

PERFORMANCE EVALUATION SYSTEM

Employees will be assessed on the extent to which objectives under each KPA have been achieved

A score of 1 to 5 should be allocated to each KPA (depending on extent to which the objectives have been achieved)

PERFORMANCE BONUS

Performance bonuses will be paid in recognition of employee outstanding performance in terms of their respective performance reward and incentive policies. Such bonuses will only be paid to employees that completed an assessment period of 12 months.

CHALLENGES IN IMPLEMENTING PERFORMANCE MANAGEMENT

- I. The performance management challenge in organizations has many dimensions in today's environment and creating focused initiatives to overcome these challenges is not a silver bullet approach.
- II. In many cases remuneration schemes are driving the performance system, which creates a number of long term consequences in organizational behavior and culture.
- III. In other cases senior management are so focused on scorecard management to hold people accountable that the creation of the scorecard is not aligned with key performance areas, but rather a number of deliverable projects and tasks.

IV. Bring in the Gaps identified by AG and Internal Auditors

In the 2017/18 financial year the municipality will intensify its efforts towards cascading PMS beyond Section 54 and Managers as it was the case in the current financial year, but to include all other levels throughout the organization.

12. FIVE YEAR ACTION PLAN

Basic to five year action programme are the projects which have been reviewed and are shown in Section E. The process of reviewing, revising and updating the 2017/18 IDP Projects Table was coordinated internally by the IDP Manager. A series of meetings were convened both individually and collectively with the various line-function Departments within the Municipality, as well as with the key Sector Departments, and ward committees in order to identify projects that accord with the Municipality's Vision. This resulted in the compilation of a comprehensive schedule of proposed projects as shown in Section F. The outputs from the Ward Committee meetings also inform the review of and realized status of projects and are included in this IDP.

13. MEASURING & MONITORING PROGRESS

PMS cannot be implemented or transplanted directly from another municipality or copied from a text book or taken from the shelf. Each municipality is unique due to the ever changing environment in which they operate. Therefore, when developing and implementing a PMS, it is essential that this intervention is properly understood and tested, before implementation, in order to facilitate effective performance. No PMS operates in isolation as it is a systems wide intervention which ensures control in the ultimate achievement of vision/mission, strategic objectives and goals. It is therefore important that the municipality takes ownership and "grows" into its own PMS. It is important to note that a PMS is dynamic and will change and develop over time to reflect the unique features of the municipality. The municipal environment is no exception to this phenomenon and this policy framework lends itself to improvement and positive changes with even more focused alignment to its objectives and performance levels.

The municipality is in the **process** of reviewing the Service Delivery Budget Implementation for 2017/18 and will serve as a monitoring tool which will assist the mayor, the municipal manager, senior managers and the community in evaluating the performance of the council. The SDBIP translates the IDP and Budget in actionable objectives. This allows for early detection of poor performance, and measures to mitigate poor performance can be established.

14. MUNICIPAL GOALS AND OBJECTIVES

The municipal goal is to ensure that all community members within Endumeni have access to basic services. This can be achieved by ensuring that the Key Performance Areas are implemented. The table following highlights the municipal priority objectives aligned to the KZN KPAs and demonstrate how they will be measured:

| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
|---|---------------|--|
| KPA1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT | | |
| Improve organizational cohesion and effectiveness | | <ul style="list-style-type: none"> ❖ Date PMS Framework/Policy reviewed and adopted ❖ Date organizational structure reviewed and adopted ❖ % of critical identified posts filled by 30 June 2018 ❖ No. of people from employment equity target groups employed in the three highest levels of management in compliance with approved equity plan ❖ Date Skills development Plan adopted ❖ Date to review and adopt HR Strategy ❖ Compiled and adopted Annual report ❖ Date all HR policies reviewed ❖ % of litigation cases addressed ❖ Adoption date of the communication framework/strategy ❖ Number of Special Programmes implemented within the Local Municipality ❖ No. of B2B Quarterly Performance Reports and support plan submitted to Provincial Cogta |
| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
| KPA 2: BASIC SERVICE DELIVERY | | |
| Eradicate backlogs in order to improve access to services and ensure proper | | <ul style="list-style-type: none"> ❖ % of MIG Expenditure by 30 June 2018 ❖ Number (and percentage) of existing consumer units with access to electricity |

| operations and maintenance | | <ul style="list-style-type: none"> ❖ Number (and percentage) of new consumer units with access to electricity ❖ Number (and percentage) of existing consumer units with access to refuse removal at least once per week ❖ Number (and percentage) of new consumer units with access to refuse removal at least once per week ❖ Date of approval of Indigent Register ❖ Number of new housing units to be constructed by 30 June 2018 ❖ Number of facilities maintained ❖ Number of KM of tarred road reconstructed |
|--|---------------|---|
| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
| KPA 3: LOCAL ECONOMIC DEVELOPMENT & SOCIAL DEVELOPMENT | | |
| Create an environment that promotes the development of the local economy and facilitate job creation | | <ul style="list-style-type: none"> ❖ LED Regeneration strategy, adoption date ❖ Number of EPWP jobs created ❖ Number CWP jobs created ❖ Number of LED jobs created ❖ Number of SMME's Supported ❖ Number of Business Forum meetings Held |
| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
| KPA 4: MUNICIPAL FINANCIAL VIABILITY & FINANCIAL MANAGEMENT | | |
| To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems | | <ul style="list-style-type: none"> ❖ Percentage Capital expenditure budget implementation (actual capital expenditure/budget capital expenditure x 100) ❖ Percentage operating revenue budget implementation (actual operating expenditure/budget operating revenue x 100) ❖ Percentage service charges and property rates revenue budget implementation (actual service charges and property rates revenue/budget service charges and property rates revenue x 100) |

| | | <ul style="list-style-type: none"> ❖ Asset register updated on a monthly basis and report submitted to the MM ❖ Review and implementation of debt collection policies, systems and by-laws submitted to ExCo |
|--|---------------|--|
| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
| KPA 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION | | |
| Promote a culture of participatory and good governance | | <ul style="list-style-type: none"> ❖ Number of ward meetings held per ward ❖ Number of Audit/ Performance Audit meetings held each ❖ Date unqualified audit report from AG with no matters obtained ❖ Number of MPAC meetings held ❖ Number of quarterly reports submitted for the progress made with the reporting process in terms of the MFMA ❖ Percentage of complaints addressed ❖ Comply with the traffic regulations ❖ % IGR Structures coordinated |
| GOALS | OBJECTIVE (S) | HOW THEY WILL BE MEASURED |
| KPA 6: CROSS CUTTING INTERVENTIONS | | |
| Development of schemes & unlocking of land | | <ul style="list-style-type: none"> ❖ Date of review of bylaws ❖ % IDP credibility ranking achieved ❖ Date Spatial Development framework Reviewed ❖ Developed / Reviewed Disaster Management Plan date ❖ Date Environmental Management Plan provided with input ❖ Date Integrated Waste management plan adopted by Council ❖ Date wall to wall scheme developed and adopted by Council |

15. KEY CURRENT PROJECTS FOR 2016/2017 FINANCIAL YEAR

The following table reflects the list and status of the key capital projects that the municipality is currently implementing during the 2016/2017 Financial Year:

| No. | Project Name | Project Description | Project Location | Project start and completion date | Project Value | Project Funder | Progress Status To Date |
|-----|---|---------------------|------------------|-----------------------------------|----------------|----------------|-------------------------|
| 1. | Fencing of Glencoe Cemetery | | | | R 732 831.44 | | |
| 2. | Stratford Farm Community Hall | | | | R3 899 193.54 | | |
| 3. | Sithembile Media Center | | | | R5 781 740,74 | | |
| 4. | Dundee Rural Horse Riding phase 2 | | | | R5 191 546.04 | | |
| 5. | Electrification of buffer strip Phase 3 | | | | R4 511 367.93 | | |
| 6. | Electrification of Senzokuhle | | | | R2 395 095.98 | | |
| 7. | Electrification of Busi/ Kameel Kop | | | | R4 845 5574.57 | | |
| 8. | Packaging House at Tandy community Garden | | | | R2 000 000,00 | | |
| 9. | Dlamini Housing Projects | | | | R60 000 000.00 | | |
| 10. | Forestdale Housing Project | | | | R60 000 000.00 | | |
| 11. | Bufferstrip Housing Project phase 1-3 | | | | R60 000 000.00 | | |

(Source: Approved Endumeni 2016/2017 IDP)

SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES

1. INTRODUCTION AND BACKGROUND

Integrated Development Planning is a **process** through which municipalities prepare a strategic development plan, for a five year period. The Integrated Development Plan (IDP) is a **product** of the integrated development planning process. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. All municipalities (i.e. Metros, District Municipalities and Local Municipalities) have to undertake an integrated development planning process to produce integrated development plans (IDPs), as the IDP is a legislative requirement and its legal status supersedes all other plans that guide development at local government level.

2. LEGISLATIVE FRAMEWORK

▪ CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

- Section 152, 153 and 195 of the Constitution compelling municipalities to perform specific duties and in a certain way including:
 - Provide a democratic and accountable government for local communities
 - Ensure a provision of services to communities in a sustainable manner
 - Promote social and economic development
 - Promote a safe and healthy environment
 - To encourage the involvement of communities and community organisations in the matters of local government

▪ MUNICIPAL SYSTEMS ACT (NO 32 OF 2000)

According to Chapter 5, Section 32 of the Municipal Systems Act of 2000, all municipalities (i.e. Metros, District Municipalities and Local Municipalities) are required to undertake an integrated development planning process to produce integrated development plans (IDPs). A credible IDP is a single, inclusive strategic plan for the municipality that:

- is based on up to date and accurate statistics and empirical data that can inform strategic decision making;
- integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;

- forms the general basis on which annual budgets are developed;
- aligns the resources and capacity of the municipality with the implementation of the plan;
- assists a municipality in fulfilling its constitutional mandate as developmental local government; and
- facilitates the processes of realized social and sustainability through vigorous public participation.

Chapter 5, Section 34 of the Municipal Systems Act (No 32 of 2000), requires municipalities to review their IDP's on annual basis to address amongst others but not limited to:

- Comments from the MEC for Co-operative Governance need to be considered as part of the IDP preparation process;
- Consider new Council priorities;
- New policies (e.g National Development Plan, Provincial Growth and Development Strategy, Growth Path);

▪ MUNICIPAL STRUCTURES ACT (NO 117 OF 1998)

The Municipal Structures Act No 117 of 1998 makes provision for the powers and functions between the districts and local municipalities. It mandates district wide functions to the district municipalities and critical day to day functions to the local municipalities.

▪ MUNICIPAL FINANCE MANAGEMENT ACT (NO 56 OF 2003)

The annual Budget and the IDP have to be linked to one another and that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act indicates that:

At least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for:

- a) The preparation, tabling and approval of the annual Budget;
- b) The annual review of:
 - a. The integrated development plan in terms of Section 34 of the Municipal Systems Act, and
 - b. The Budget related policies

- c) The tabling and adoption of any amendments to the integrated development plan and budget related policies, and
- d) The consultative processes forming part of the processes referred to in subparagraphs (a), (b) and (c).

▪ DISASTER MANAGEMENT ACT (NO 53 OF 2002)

The Disaster Management Act No 53 of 2002, Section 25 requires:

1. Each municipality must, within the applicable municipal disaster management framework-

- (a) prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- (b) co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players;

I regularly review and update its plan: and

- (d) through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

- (2) A disaster management plan for a municipal area must-

- (a) form an integral part of the municipality's integrated development plan;
- (b) anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;
- (c) place emphasis on measures that reduce the vulnerability of disaster-prone areas,
- (d) seek to develop a system of incentives that will promote disaster management in the municipality;
- (e) identify the areas, communities or households at risk;
- (f) take into account indigenous knowledge relating to disaster management;
- (g) promote disaster management research;
- (h) identify and address weaknesses in capacity to deal with possible disasters;
- (i) provide for appropriate prevention and mitigation strategies;
- (j) contain contingency plans and emergency procedures in the event of a disaster,

(3) A district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.

(4) A municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Centre, the disaster management centre of the relevant province, and, if it is a district municipality or a local municipality, to every municipal disaster management centre within the area of the district municipality concerned.

▪ LOCAL GOVERNMENT: MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS, 2001

In 2001, the Municipal Planning and Performance Management Regulations were issued to further provide guidelines and clarity on the issues of IDP and PMS. The Municipal Planning and Performance Management Regulations provide details on the requirements of the IDP and Performance Management System.

3. ALIGNMENT WITH PROVINCIAL AND NATIONAL POLICIES

Sustainable Development Goals (SDGs)

MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)

The 2014-2019 MTSF focuses on the following priorities:

- ☐ Radical economic transformation, rapid economic growth and job creation;
- ☐ Rural development, land and agrarian reform and food security;
- ☐ Ensuring access to adequate human settlements and quality basic services;
- ☐ Improving the quality of and expanding access to education and training;
- ☐ Ensuring quality health care and social security for all citizens;
- ☐ Fighting corruption and crime;
- ☐ Contributing to a better Africa and a better world;
- ☐ Social cohesion and nation building.

THE 14 NATIONAL OUTCOMES

- ✓ **Outcome 1:** Improved quality of basic education
- ✓ **Outcome 2:** A long and healthy life for all South Africans
- ✓ **Outcome 3:** All people in South Africa are protected and feel free
- ✓ **Outcome 4:** Decent employment through inclusive economic growth
- ✓ **Outcome 5:** A skilled and capable workforce to support inclusive growth
- ✓ **Outcome 6:** An efficient, competitive and responsive economic infrastructure network.
- ✓ **Outcome 7:** Vibrant, equitable and sustainable rural communities with food security for all
- ✓ **Outcome 8:** Sustainable Human Settlements for and improved quality of household life
- ✓ **Outcome 9:** A responsive, accountable, effective and efficient Local Government
- ✓ **Outcome 10:** Environmental Assets and natural resources that are well protected and continually enhanced
- ✓ **Outcome 11:** A better South Africa, a better safer Africa and world
- ✓ **Outcome 12:** A development orientated public service and inclusive citizenship
- ✓ **Outcome 13:** An inclusive and responsive social protection system
- ✓ **Outcome 14:** Nation building and Social cohesion

MILLENNIUM DEVELOPMENT GOALS

“The concept of a developmental state – which applies both to the country and the province – is rooted in the Millennium Development Goals (MDGs) adopted by the United Nations. Indeed both the national and provincial government’s development strategies and interventions should be viewed in the context of, and measured against, these international development goals which apply to all countries across the globe.

The MDGs which need to be achieved by 2015 are:

1. Eradication of extreme poverty and hunger
 - Halve the proportion of people with less than R6.00 per day
 - Reduce by half the proportion of people who suffer from hunger
2. Achievement of universal primary education

-
- Ensure that all boys and girls complete a full course of primary schooling
 - 3. Promotion of gender equality and empowerment of women
 - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
 - 4. Reduction in child mortality
 - Reduce by two thirds the mortality rate among children under five
 - 5. Improvement of maternal health
 - Reduce by three quarters the maternal mortality ratio
 - 6. Combating HIV/AIDS, malaria and other diseases
 - Halt and begin to reverse the spread of HIV/AIDS
 - Halt and begin to reverse the incidence of malaria and other major diseases
 - 7. Ensuring environmental sustainability
 - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
 - Reduce by half the proportion of people without sustainable access to safe drinking water
 - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
 - 8. Developing a global partnership for development
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction— Nationally and Internationally
 - In cooperation with the developing countries, develop decent and productive work for youth
 - In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
 - In cooperation with the private sector, make available the benefits of new technologies especially information and communication technologies”

NATIONAL DEVELOPMENT PLAN: VISION 2030

The National Development Plan has been prepared by the National Planning Commission, which was appointed by the President and it is not a government department. The purpose of the National Planning Commission serves to advise government on issues impacting long term development. The National Development Plan has a vision and targets to be achieved from now till 2030.

The National Development Plan is a step in the process of charting new path for the country. By 2030, the plan seeks to eliminate poverty and reduce in quality and create employment and it serves to change the life chances of millions of the people. The National Development Plan mainly seeks to address the following main challenges:

- Too few people work;
- The standard of education for most black learners is of poor quality;
- Infrastructure is of poor quality and under maintained;
- South Africa remains a divided society;
- Corruption is wide spread; and
- Public services are uneven and often of poor quality.

The 2030 targets which are aimed to be achieved by the National Development Plan are as follows:

- **Economy and employment**
 - Reducing unemployment rate by 20% in 2011 to 14% by 2020, and 6% by 2030; creation of 11 million jobs by 2030;
- **Economic Infrastructure**
 - People with access to electricity should rise from 70% in 2010, to 95% by 2030;
- **Transition to a low carbon economy**
 - Reducing of green gas emissions by 2025;
- **Inclusive rural economy**
 - An additional of 643 000 direct jobs and 326 000 indirect jobs in agriculture, agro – processing and related sectors by 2030;
- **Education, training and innovation**

- 80% of the schools and learners to achieve 50% and above in literacy, mathematics and science in grades 3, 6 and 9.
- Improve education and training graduation rate to 75% by 2030;
- **Health care for all**
 - Under 20 age group should largely be an HIV free generation
- **Social protection**
 - Number of public works jobs should rise from the present level to about 1 million in 2015, and then to about 2 million by 2030;
- **Building safer communities**
 - In 2030; people living in South Africa feel safe and have no fear of crime;
- **Fighting corruption and enhancing accountability**
 - a corruption free society and high adherence to ethics and government accountable to its people
- **Transforming society and uniting the country**
 - Living society where opportunities are not being determined by race and birthright, seek a united, prosperous and non – racial society

THE REVISED PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

Table No 5: Alignment of the Provincial Growth and Development Strategy to the municipal sectors

The Vision Statement is:

“By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living indignity and harmony, acting as a gateway to Africa and the World.”

The Mission Statement is:

By 2035, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a gateway to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.

Abject poverty, inequality, unemployment and the current disease burden should be history, basic services must have reached all of its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.

The people will have options on where and how they opt to live, work and play, where the principle of putting people first, living together in dignity and harmony, and where leadership, partnership and prosperity in action, has become a normal way of life.

The Revised 2016 KZN PGDS continues to:

- (a) Be the primary growth and development strategy for KwaZulu-Natal, but now to 2035;
- (b) Mobilise and synchronise strategic plans and investment priorities in all spheres of government, state owned entities, business, higher education institutions, labour, civil society and all other social partners, in order to achieve the desired growth and development goals, objectives and outcomes;
- I Spatially contextualize and priorities interventions so as to achieve greater spatial equity;
- (d) Guide clearly defined institutional arrangements that ensure decisive and effective leadership, robust management, thorough implementation and ongoing inclusive reviews of the growth and development plan;
- I Provide a firm basis for monitoring, evaluation and reporting, as well as a framework for public accountability.

This Revised PGDS puts forward 31 strategic objectives to achieve seven strategic goals, as indicated in the table below.

| 2016 PGDS STRATEGIC GOALS and OBJECTIVES | | |
|---|------------|---|
| STRATEGIC GOAL No | No. | STRATEGIC OBJECTIVE 2016 |
| 1 INCLUSIVE ECONOMIC GROWTH | | <i>Develop and promote the agricultural potential of KZN</i> |
| | | <i>Enhance sectoral development through trade investment and business retention</i> |
| | | <i>Enhance spatial economic development</i> |
| | | <i>Improve the efficiency, innovation and variety of government-led job creation programmes</i> |
| | | <i>Promote SMME and entrepreneurial development</i> |
| | | <i>Enhance the Knowledge Economy</i> |
| 2 HUMAN RESOURCE DEVELOPMENT | | <i>Improve early childhood development, primary and secondary education</i> |
| | | <i>Support skills development to economic growth</i> |
| | | <i>Enhance youth and adult skills development and life-long</i> |

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| | | learning |
| 3 HUMAN AND COMMUNITY DEVELOPMENT | | <p>Eradicate poverty and improve social welfare services New Wording</p> <p>Enhance health of communities and citizens</p> <p>Safeguard and enhance sustainable livelihoods and food security New Wording</p> <p>Promote sustainable human settlements</p> <p>Enhance safety and security</p> <p>Advance social cohesion and social capital New Wording</p> <p>Promote youth, gender and disability advocacy and the advancement of women</p> |
| 4 INFRASTRUCTURE DEVELOPMENT | | <p>Development of seaports and airports New Wording</p> <p>Develop road and rail networks</p> <p>Develop ICT infrastructure</p> <p>Ensure availability and sustainable management of water and sanitation for all</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>Enhance KZN waste management capacity</p> |
| 5 ENVIRONMENTAL SUSTAINABILITY | | <p>Enhance resilience of ecosystem services New Wording</p> <p>Expand the application of green technologies</p> <p>Adapt and respond climate change</p> |
| 6 GOVERNANCE AND POLICY | | <p>Strengthen policy, strategy coordination and IGR</p> <p>Build government capacity</p> <p>Eradicate fraud and corruption</p> <p>Promote participative, facilitative and accountable governance</p> |
| 7 | | <p>Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and</p> |

| | | |
|-----------------------|--|--|
| SPATIAL EQUITY | | economic opportunities Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment |
|-----------------------|--|--|

ALIGNMENT OF THE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY TO THE MUNICIPAL SECTORS IS AS FOLLOWS:

| 2016 PGDS STRATEGIC GOALS and OBJECTIVES | | | |
|---|-----|--|--|
| STRATEGIC GOAL | No. | STRATEGIC OBJECTIVE 2016 | MUNICIPAL OBJECTIVES |
| 1 INCLUSIVE ECONOMIC GROWTH | | <i>Develop and promote the agricultural potential of KZN</i> Enhance sectoral development through trade investment and <i>business retention</i> <i>Enhance spatial economic development</i> Improve the efficiency, <i>innovation and variety</i> of government-led job creation programmes Promote SMME and entrepreneurial development Enhance the Knowledge Economy | Enhancement of Endumeni Local Economic Development Increase Job creation Support of local businesses |
| 2 HUMAN RESOURCE DEVELOPMENT | | Improve early childhood development, primary and secondary education Support skills development to economic growth Enhance youth and adult skills development and life-long learning | Skills development plan adopted and implemented |

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| <p>3 HUMAN AND COMMUNITY DEVELOPMENT</p> | | <p>Eradicate poverty and improve social welfare services</p> <p>Enhance health of communities and citizens</p> <p>Safeguard and enhance sustainable livelihoods and food security New Wording</p> <p>Promote sustainable human settlements</p> <p>Enhance safety and security</p> <p>Advance social cohesion and social capital New Wording</p> <p>Promote youth, gender and disability advocacy and the advancement of women</p> | <p>To ensure provision of a safe and secure environment for all Endumeni residents</p> <p>Safety and sustainable community engagements</p> <p>To maintain Community facilities</p> |
| <p>4 INFRASTRUCTURE DEVELOPMENT</p> | | <p>Development of seaports and airports New Wording</p> <p>Develop road and rail networks</p> <p>Develop ICT infrastructure</p> <p>Ensure availability and sustainable management of water and sanitation for all</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>Enhance KZN waste management capacity</p> | <p>Access to basic services</p> |

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| <p>5</p> <p>ENVIRONMENTAL SUSTAINABILITY</p> | | <p>Enhance resilience of ecosystem services New Wording</p> <p>Expand the application of green technologies</p> <p>Adapt and respond climate change</p> | <p>To ensure sustainable protection and development of the environment</p> |
| <p>6</p> <p>GOVERNANCE AND POLICY</p> | | <p>Strengthen policy, strategy coordination and IGR</p> <p>Build government capacity</p> <p>Eradicate fraud and corruption</p> <p>Promote participative, facilitative and accountable governance</p> | <p>Ensuring good and effective governance</p> <p>Effective Public Participation</p> |
| <p>7</p> <p>SPATIAL EQUITY</p> | | <p>Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities</p> <p>Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment</p> | <p>Improved implementation of policies and by-laws</p> <p>Efficient & Credible Strategic & Spatial Municipal Planning</p> |

STATE OF THE NATION ADDRESS 2017 (SONA)

President Jacob Zuma has presented the State of the Nation Address (SoNA) to a joint sitting of the two Houses of Parliament (National Assembly and National Council of Provinces) on 9 February 2017 at 19h00. This was President Zuma's fourth State of the Nation Address (SoNA) to the joint sitting of the two houses of Parliament since he was re-elected in May 2014.

The theme for SoNA 2017 was: "The Year of Oliver Reginald Tambo: Unity in Action Together Moving South Africa Forward."

The President provided an update on the implementation of the Programme of Action based on the National Development Plan (NDP). The 2017 SoNA was delivered within the context of the current strides made by government to respond to the various challenges that our country is facing.

Job creation

The focus areas of the Nine-Point Plan to reignite the economy to be able to create much-needed jobs include industrialisation, mining and beneficiation, agriculture and agro-processing, energy, small, medium and micro enterprises (SMMEs), managing workplace conflict, attracting investments, growing the oceans economy and tourism.

Boosting economic growth

The interaction between government, business and labour, known as the CEO Initiative, has been able to address some domestic challenges. As a result, the country successfully avoided credit ratings downgrades, which would have had a significant impact on the economy.

Stable labour market

South Africa's labour-market environment is showing signs of stability, owing to cooperation by social partners. Unity in action was demonstrated following the conclusion of the agreement on the national minimum wage and on measures to stabilise labour relations.

Water and sanitation

Government is working hard to ensure reliable bulkwater supply in the various areas of the country to support economic growth while increasing access to vulnerable and rural municipalities. In an effort to curb high water losses, which in some municipalities far exceed the national average which is at 37%, about 10 000 unemployed youth are being trained as plumbers, artisans and water agents. More will be recruited this year to reach the total of 15 000. Municipalities have been urged to support the War on Leaks Programme.

School infrastructure

Government continues to build modern schools, and is replacing mud structures and other inappropriate buildings through the Accelerated Schools Infrastructure Delivery Initiative. A total of 173 inappropriate school structures have been eradicated since 2011. In total, 895 new schools now provide a conducive learning environment for schoolchildren.

Housing

Government is actively involved in the property sector and has provided more than four million houses since 1994. The housing sector in South Africa is valued at approximately R7 trillion, with the subsidised sector being valued at R1.5 trillion. However, less than 5% of the sector is owned or managed by black people and Africans in particular.

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STATE OF THE PROVINCE ADDRESS (SOPA)

Honourable Premier of the Province of Kwa-Zulu Natal has presented the State of the Province Address (SoPA) in front of the Provincial Executive, including the Speaker, Deputy Speaker and the Secretary on 01 March 2017 at 10h00.

The theme of the 2017 State of the Province Address is:

“Through Unity in Action, we can move KZN to a prosperous future”

The approach was to look critically at what it was that we had set out to achieve on previous State of the Province Addresses and to acknowledge the gains we have made, but at the same time to be open and frank about areas where we have not achieved or have failed. The focus must therefore be refinement and recalibration of our plans, based on the evidence of our performance.

CHALLENGES WE HAVE HAD TO FACE SINCE FEBRUARY 2016

- International Geopolitical Uncertainties
- Persistent Low Levels Of Economic Growth
- Continued Drought

HIGHLIGHTS OF PROGRESS WE HAVE MADE IN THE LAST YEAR

- Adoption Of The 2016 PGDS And 2016/17 PGDP
- August 2016 Local Government Elections
- Management Of The Education Challenges
- Hosting Of International Conferences

THERE IS MUCH MORE TO BE DONE

1. MOBILISATION WITH MOTIVE TO DESTABILISE

It is for this reason that we have explored all possible options to provide access to financial support to deserving students through bursary schemes. In addition to the national student financial support programmes, we as the Province of KwaZulu-Natal have awarded more than R1, 5 billion worth of bursaries to needy students. We have appointed Over the past three years more than 5000 interns who have worked for various provincial government departments costing government more than R100 million.

Our approach to ensuring that we return stability to our Province, will involve the launch of Operation Thulamsindo through Project Lethukuthula as a grassroots community based mobilisation strategy. This strategy acknowledges the role of each individual, each organisation or grouping, each community, each leader, each government department in ensuring that an environment is created to promote peace and stability

2. SOCIAL COHESION AND MORAL REGENERATION AS IMPERATIVES FOR NATION BUILDING

The Province will undertake to rollout an integrated twin-programme of social cohesion and moral regeneration, which will focus on the reconstruction of the soul, healing the wounds and rebuilding community fibre. In our assessment, we have realized that the silo approach involving different government departments is ineffective. The central co-ordination of activities and sharing of resources will ensure maximum impact on the ground.

Our moral regeneration programme will involve the mobilization of civil society, in the form of religious and traditional teachings, which are all intended to create a better human being and a humane society. We believe in the strong role for religious and traditional leaders as custodians of our religion, culture and traditions.

3. CRIME AND CORRUPTION

While government, through our Department of Social Development, under the leadership of MEC Weziwe Thusi, will be implementing a number of interventions – there is a need for partnerships. Our children are forced to make the choices earlier on in life, when they are actually very vulnerable. As a result they turn to alcohol,

crime and drug trafficking. These are things that require our society to stand together.

We will continue to assist vulnerable children such as abused and orphans, youth in distress, homeless children, those from unstable families and those in conflict with the law. We want to create safety nets to save them from joining the pool from which hardened criminals recruit

4. LAND ISSUES

Progress with the Land Restitution Programme has been slow due to a variety of reasons, most significant of which is the constraint of the fiscus and budget available to support land claim projects. The other significant constraint has been long and protracted land disposal and acquisition negotiations, to the detriment of both existing and future land owners. This has also had a serious debilitating effect on the agricultural sector and food security.

We wish to thank President Zuma for his commitments in his latest State of the Nation Address. He clearly indicated that this more direct intervention by the state on matters of Land Reform must not be perceived as a land grab, or for that matter a condonation of land grab processes. The state has had legal and regulatory processes at its disposal which it has not effectively utilised and that is what has to be rectified. The state will now get involved directly in vigorously resolving land issues.

5. CAPACITY AND ABILITY OF THE STATE

The NDP highlights the need for well-run and effectively coordinated state institutions, with skilled officials who are committed to the public good and capable of delivering consistently, high-quality services, while prioritizing the nation's developmental objectives.

Although significant progress has been made in this regard, we have to acknowledge that we are still facing deep rooted challenges and that we are not impressed with the overall state of provincial governance as reported on in the annual audit outcomes, as well as the outcomes of the annual Management Performance Assessment Tool (MPAT) assessment results.

6. RADICAL ECONOMIC TRANSFORMATION

Both the 2015 KwaZulu-Natal Citizen Satisfaction Survey and the 2016 Community Survey, both conducted by Stats SA, confirmed that although substantial progress has been made in addressing poverty in our Province, the gains made are not adequate or at a pace to meet the expectations of our communities.

It is therefore imperative to embark upon a process of Radical Economic Transformation as a drive to address the persevering triple challenges of poverty, unemployment and inequality.

BACK TO BASICS POLICY

The Technical PCC of 04 July 2014 received a presentation and briefing from CoGTA on the development of a new approach to revitalise and strengthen the performance of the local government sector. The Technical PCC resolved that PCC would convene a session dedicated to the planned Programme of Action for Local Government 2014-2019. The evolution of this Programme within CoGTA has resulted in the concept and approach for: Back to Basics: Serving Our communities Better! Back to Basics to Build a Responsive, Caring and Accountable Local Government.

The context for the Back to Basics Concept and Approach...

Developmental local government remains the visionary foundation for the continuing reconstruction and development of our country. The Local Government White Paper developed a vision of local government as a key component of the developmental state. In pursuit of that vision, basic services, social services, and civil and political rights, including participatory governance, have been progressively extended to more citizens than ever before. It is recognized however, that despite our delivery achievements, much still needs to be done to improve the performance of local government.

The policy identified the following key performance areas that each local municipality should gear towards achieving:

- 1) Basic Services: Creating decent living conditions,
- 2) Good Governance,
- 3) Public Participation,
- 4) Financial Management,
- 5) Institutional Capacity

“We cannot solve today’s problems with the same level of thinking that created the problems in the first place” (Albert Einstein). We need to do things differently if we want different solutions. We must change our paradigm to focus on serving the people and not extractive elites. The Constitution and other legislation spell out our responsibilities and tasks. Some municipalities perform them well, but others don’t. For example, an acceptable level of performance means that municipalities must:

1. Put people and their concerns first and ensure constant contact with communities through effective public participation platforms. This is the essence of our ‘back to basics’ approach.

2. Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Ensure no failures in services and where there are, restore services with urgency.
3. Be well governed and demonstrate good governance and administration – cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
4. Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
5. Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels

THE SEVEN (7) KZN PRIORITIES

The following are the seven (7) KZN Priorities that each municipality as an implementing agent should strive to address / achieve:

- 1) Job creation;
- 2) Human Resource Development;
- 3) Human & Community Development;
- 4) Strategic Infrastructure;
- 5) Environment Sustainability;
- 6) Governance & Policy
- 7) Spatial equity.

GOVERNMENT POLICIES AND IMPERATIVES AND HOW THE MUNICIPALITY APPLIES / ADDRESSES THEM

The following table demonstrates the Government Policies and Imperatives and how eNdumeni Municipality applies / addresses them

| GOVERNMENT POLICY | MUNICIPAL ACTION |
|--|--|
| Medium Term Strategic Framework (MTSF) | ➤ The municipality has housing projects that have been approved by the Department of Human Settlement for implementation in ward 6 & 5. Ensuring access to adequate human settlements and quality basic services |
| The 14 National Outcomes | ➤ The municipality adopted the 2017/18 IDP planning |

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| | <p>processes and that has been the guiding tool throughout the review process;</p> <ul style="list-style-type: none"> ➤ Endumeni Municipality has implemented a number of community work programmes including amongst others war rooms in all 7 wards, Youth, HIV/AIDS programmes, etc.; ➤ Endumeni ensures that Ward Committees are representative and are fully participate in community consultation processes around the IDP, budget and other strategic service delivery issues; ➤ Endumeni ensures that the issues raised by the Auditor General are addressed through an action plan, hence a clean audit was received for the 2015/16 financial year. |
| Millennium Development Goals | The municipality of Endumeni will be benchmarking with the City of Dundee Scotland, with the aim of developing a global partnership for development |
| National Development Plan | <ul style="list-style-type: none"> ➤ Endumeni LM has developed an LED Regeneration Strategy that has initiated projects and programmes that will promote economic growth and development and respond to the NDP. ➤ Infrastructure Plan is geared towards providing economic support infrastructure that will facilitate smooth transport of goods and services. |
| PGDP/PGDS | <ul style="list-style-type: none"> ➤ The revised PGDS has 7 strategic goals, there is significant alignment in terms of the strategic objectives identified in section D of the 2017/18 draft IDP |
| Umzinyathi District Growth & Development Strategy | <ul style="list-style-type: none"> ➤ The municipality is working together with Umzinyathi District Municipality to ensure that there is alignment within the district family of municipalities |
| SPLUMA | <ul style="list-style-type: none"> ➤ The Municipality is in the process of finalizing the wall to wall scheme that promotes social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development; |
| State of The Nation Address (SONA) | <ul style="list-style-type: none"> ➤ The Endumeni Municipality has adopted a LED regeneration strategy in line with the 4th generation IDP. The strategy amongst other issues addresses job creation, boosting |

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| | <p>economic growth and labour market.</p> <ul style="list-style-type: none"> ➤ The municipality has housing projects that have been approved by the Department of Human Settlement for implementation in ward 6 & 5. ➤ The municipality in collaboration with Buffalo Coal, Department of Education are in a process of building a school. |
| State of the Province Address (SOPA) | <ul style="list-style-type: none"> ➤ Crime and corruption, land issues are accounted for in the policies that exist within the governance of Endumeni ➤ Through the B2B programme Endumeni Local Municipality plays its role in ensuring the capacity and ability of the state. |
| Back to Basics Policy | <ul style="list-style-type: none"> ➤ The municipality has appointed a B2B Champion to ensure that the monthly and quarterly reports are submitted to National & Provincial Cogta ➤ The B2B programme has been incorporated to the 2017/18 – 2021/22 IDP ➤ An up to date support plan has been signed by the Accounting Officer & sent to Cogta |
| The Seven (7) KZN Priorities | <ul style="list-style-type: none"> ➤ Endumeni ensures that all the 7 KZN Priorities are considered in each development. This means that, all projects that are implemented are within the 7 provincial priorities and this is evident with the project lists provided in the IDP. |

SECTION C: SITUATIONAL ANALYSIS

1. 2016/17 MEC COMMENTS

The following table highlights issues raised in the MEC Letter and how the municipality has addressed them.

- The municipality submitted the final 2016/17 IDP on 01 June 2016. It was assessed by the MEC and there were comments that were received for implementation in the 2017/18 IDP.
- The municipality has since developed an action plan addressing the 2016/17 MEC comments. This action plan will **form part** of the 4th Generation IDP
- The comments are based on the 6 National KPA's and their appearance in the IDP:
- **MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT** – 3 areas of emphasis, (HR &IT)
- **LOCAL ECONOMIC DEVELOPMENT**- 6 areas of emphasis all related to LED planning processes and the shortage of staff within that unit
- **BASIC SERVICE DELIVERY** – 4 areas of emphasis all related to sector plans (Energy, O&M & IWMP)
- **FINANCIAL VIABILITY & MANAGEMENT** – 3 areas of emphasis (Indigent register, Age analysis & Assets)
- **GOOD GVERNANCE & PUBLIC PARTICIPATION** – 4 areas of emphasis all related to Council Committees
- **CROSS CUTTING INTERVENTIONS** – 5 areas of emphasis related to (SDF and Sector Plans)

| KPA | 2016/17 MEC COMMENTS | MUNICIPAL RESPONSE | TIME FRAME | RESPONSIBLE DEPARTMENT |
|--|---|---|--|--|
| MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT | <ul style="list-style-type: none"> Municipality to reflect the date of the next review of the Human Resource Strategy The municipality is encouraged to appoint the 2 critical vacant positions The municipality to include the adoption date of the ICT policy framework | <ul style="list-style-type: none"> The municipality will be reviewing the Human Resource Strategy by 30 June 2017 in line with the adoption of the 4th Generation IDP. The 2 critical posts are undergoing the recruitment process The CGITC Policy framework is in place and will be adopted 24 March 2017. | <p>30 June 2016</p> <p>30 June 2017</p> <p>Completed</p> | Corporate Services |
| | <ul style="list-style-type: none"> The municipality is requested to develop a new LED Strategy in line with the 4th generation IDP Municipality to finalise the LED Regeneration Strategy The municipality is encouraged to pursue the PGDP-DGDP-IDP alignment, to include key interventions, indicators, targets, planned catalytic projects /programs, budget and time frames | <ul style="list-style-type: none"> The Development of the New LED Strategy is prioritized in the 2017/2018 Budget and would have been adopted by 30 March 2018 The LED Regeneration Strategy has been finalized and is due for adoption by Council by 30 June 2017 as part of the 2017/2018 FY's IDP & Budget This is being addressed as part of | <p>30 March 2018</p> <p>30 June 2017</p> <p>30 June 2017</p> | Planning & Economic Development Services |

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| | <ul style="list-style-type: none"> Capacity constraints in your municipality are noted. Hence the Municipality is encouraged to prioritizing and building the LED capacity, to respond to the pressures of economic development | <p>the compilation of the IDP and Sectoral Plan and will further be enhanced during the Planned District-wide PDGP/DGDP/IDP/Sector Plans Alignment Sessions planned for April 2017 and the outcomes thereof will be incorporated into the final IDP/Budget and Sector Plans.</p> <ul style="list-style-type: none"> In addressing this finding and in addition to the already filled position of Manager: LED & Tourism Services the Municipality has since August 2016 appointed the Executive Manager/ Head of Department responsible for Planning & Economic Development Services In addition the Municipality is prioritizing to fill the positions of both LED Officer and Tourism Development & Marketing Officer during the 2017/2018 FY In addition the Municipality has since revived the LED Forum to assist with coordination of LED efforts within the Municipal area | 31 March 2018 | |
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| LOCAL ECONOMIC DEVELOPMENT | <ul style="list-style-type: none"> ▪ The municipality is encouraged to address in the IDP and the LED Strategy the capacity gap (Agriculture/agro-processing, tourism, etc.) of the municipality in the response to the vision 2030 priorities. ▪ Municipality to give attention to comprehensive stakeholders participation in all LED planning processes and initiatives | <ul style="list-style-type: none"> - This will be addressed during the Review of the LED Strategy planned for 2017/2018 Financial Year and will further be addressed during the PGDP/DGDP/IDP Alignment Processes planned for April 2017 - In response to this finding the Municipality during 2016/2017 FY has implemented the following stakeholder participation mechanisms in planning and implementation of various economic development interventions and processes: <ol style="list-style-type: none"> (1) Revival of the Municipal-Wide LED Forum (2) Hosting and staging at least two Mayoral Big Business Engagement Sessions throughout the Financial Year (3) Hosting and Staging at Least 4 Quarterly Small Business Workshops targeting the Small Business Sector (4) Hosting and staging at least | <p>30 June 2018</p> <p>Completed</p> | |
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| | | <p>one (1) Endumeni Small Business Week Event</p> <p>(5) Hosting and staging at least two (2) Emerging Framers Engagement Sessions.</p> | | |
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| | <ul style="list-style-type: none"> ▪ The municipality is requested to develop a monitoring and evaluation mechanism for the implementation of all LED programmes and target set: | <ul style="list-style-type: none"> - Hosting and staging at least 4 Business Inspections throughout the Municipal area - Hosting and Staging Informal Economy Sector Workshops/ Seminars - Facilitating numerous Small Business and Informal Economy Sector Training and Business Skills Training - Have facilitated and Convened Various Tourism Sector Specific Workshops and Meetings - Signed a Partnership agreement with Small Enterprise Development Agency (SEDA) - Have strengthened the relationship of the Municipality with Tourism Sector by Signing a Memorandum of Agreement with the Community Tourism Organization affectionately known as Dundee Tourism - This is in progress and the Comprehensive Project matrix for all the LED programmes and projects within the municipal area is being developed and will be | Completed | |
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| | | <p>presented regularly in the revived LED Forum for monitoring purposes. In addition all the prioritized interventions implemented by the Municipality have all been incorporated in the 2016/2017 SDIBIP and will be incorporated in the subsequent SDIBIPs which is monitored regularly as part of the Municipality's PMS Policy Framework</p> | | |
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| | | | | |
|------------------------|---|--|---|--------------------|
| | <ul style="list-style-type: none"> ▪ The municipality is also advised to give attention to the analysis of the social development challenges and identify three social developmental priorities per ward | <ul style="list-style-type: none"> - This is being addressed as part of the 2017/2018 IDP and will be attended. In addition the work being done through the Community –Based Planning Programme in all the 7 wards and couples with the recently released Community Surveys Reports these analysis will be enhanced as well. | 30 June 2017 | |
| BASIC SERVICE DELIVERY | <ul style="list-style-type: none"> ▪ The municipality must indicate when the reviewed (Integrated Waste Management Plan) IWMP will be adopted ▪ Indicate the adoption date of the draft Energy sector Plan ▪ Indicate the status of your Electricity Operations and Maintenance (O&M) plan ▪ The municipality must indicate the | <ul style="list-style-type: none"> - Messrs DIGES Group is appointed by MISA to develop and complete the IWMP by 30 June 2017 - A draft O & M policy which will regulate and guide the preparation of the O & M plan is due to be tabled at Council on 24th March 2017. The following draft O & M plans shall be prepared by 30 June 2017: <ul style="list-style-type: none"> • Electricity; • Building and municipal structures; • Storm water; - The appointment of a service provider for the preparation of a Pavement Management System for the maintenance of road networks | <p>30 June 2017</p> <p>30 June 2017</p> | Technical Services |

| | | | | |
|----------------------------------|---|---|-------------------------------------|--------------------|
| | mechanism used for the coordination of human settlements projects | in due for finalisation by 30 March 2017 | | |
| FINANCIAL VIABILITY & MANAGEMENT | <ul style="list-style-type: none"> It is noted that the indigent register is still in review and no time line on implementation is given The age analysis of consumer debt is outstanding and reasons for constrained collections are not given There is no evidence of a coherent plan to preserve the useful life of municipal infrastructure assets, including the acquisition of new service delivery assets | <ul style="list-style-type: none"> New Indigent register was implemented 1 July 2016. New applications for the 2017-2018 year is now accepted and will commence 1 July 2017 The municipality has an age analysis, reasons for constrained collections is due to : <ul style="list-style-type: none"> ✓ Deceased estates: Executors are not appointed to finalize the matters of the Deceased. ✓ Government debt: Human Settlements and Land Reform have not paid their outstanding Rates. Meetings have been held with the respective departments. ✓ Unemployment and low income. ✓ Culture of non-payment and tampering of electricity meters still very strong | <p>1 July 2017</p> <p>Completed</p> | Finance Department |

| | | | | |
|--|---|--|---|--------------------|
| | <ul style="list-style-type: none"> ▪ There is insufficient details regarding borrowings ▪ The impact on critical vacancies, contracted services from financial consultants and skills transfer to current staff is not mentioned | <ul style="list-style-type: none"> ▪ The Financial Plan on Section E of the IDP is being reviewed to incorporate sufficient information regarding borrowings ▪ The Financial Plan on Section E of the IDP is being reviewed to incorporate critical vacancies | <p>30 June 2017</p> <p>30 June 2017</p> | |
| GOOD GOVERNANCE & PUBLIC PARTICIPATION | <ul style="list-style-type: none"> ▪ The municipality is encouraged to report in more detail on the status, functionality and membership of the Risk Management Committee ▪ The municipality is encouraged to report in more detail on the status, functionality and membership of various Portfolio Committees ▪ The municipality is encouraged to report in more detail on the status, functionality and membership of the Performance Audit Committee | <ul style="list-style-type: none"> ▪ All committee status and functionality for the below committee's have been addressed in the 2017/18 IDP <ul style="list-style-type: none"> ✓ Risk Committee ✓ Portfolio Committee's ✓ Audit Committee ✓ Performance Audit Committee ✓ Bid Committee's ✓ MPAC | 31 March 2017 | Corporate Services |

| | | | | |
|--|---|---|---------------|--|
| | <ul style="list-style-type: none"> ▪ The municipality is encouraged to report in more detail on the status, functionality and membership of the various Bid Committees ▪ The municipality is encouraged to identify actions to address the functionality challenges being experienced by the MPAC, and report progress in this regard | | | |
| IMPLEMENTATION OF OPERATION SUKUMA SAKHE | <ul style="list-style-type: none"> ▪ The municipality is encouraged to also report on the functionality of the war rooms, your achievements and challenges experienced with implementation ▪ Report in the next IDP review regarding the efforts in the District to address service backlogs through the Local Strategic Action plan | <ul style="list-style-type: none"> ▪ Operation Sukuma sakhe, and the functionality have been addressed in Section C no. 27.2 | 31 March 2017 | Office of the MM |
| IMPLEMENTATION OF OPERATION SUKUMA SAKHECT | <ul style="list-style-type: none"> ▪ SDF is partially compliant with MSA Regulations and SPLUMA revisions, the municipality is requested to take the above into cognisance when reviewing the current SDF ▪ The municipality is encouraged to | <ul style="list-style-type: none"> - This being addressed as part of the Compilation of the 2017/2018 SDF which is underway and due for adoption by 30th June 2017 | 30 June 2017 | Planning & Economic Development Services |

| | | | | |
|--|--|---|---|--|
| | <p>continue refining the SDF through the development of additional Local Area Plans (LAP's) and the updating of the Capital Investment Framework (CIF's)</p> <ul style="list-style-type: none"> Strategies to address informal settlements, the integration of non – urban areas into the objectives of the municipality and managing the development of settlements, especially within the Community Project Areas, should be included in the SDF Municipality has not adopted the required environmental sector tools or conducted the biodiversity analysis and determination of sensitive environmental areas. The Agriculture Sector Plan, Housing Sector Plan, and Disaster Management Sector Plan have also not been developed by the municipality | <ul style="list-style-type: none"> This is being addressed as part of the Compilation of the 2017/2018 SDF which is underway and due for adoption by 30th June 2017 This being addressed as part of the Compilation of the 2017/2018 SDF which is underway and due for adoption by 30th June 2017 This being addressed as part of the Compilation of the 2017/2018 SDF which is underway and due for adoption by 30th June 2017. In addition the recently completed District-Wide EMF is being used to address these findings and will form part of the SDF. The Agriculture Sector Plan is prioritized for 2017/2018 FY in line with the District-wide Agri-Parks Business Plan | <p>30 June 2017</p> <p>30 June 2017</p> <p>30 June 2017</p> <p>30 June 2018</p> | |
|--|--|---|---|--|

| | | | | |
|--|---|--|---|--|
| | <ul style="list-style-type: none"> ▪ The municipality must carefully consider the Strategic Integrated Projects (SIP's) of 2013 in the next SDF review ▪ The CIF section of the SDF Must be updated to align it with the contents of the recently produced CIF map ▪ The SDF however, needs to incorporate the Department projects as outlined in the District Rural Development Plan, Rural Infrastructure Development (RID) and Rural Enterprise and Industries Development (REID) programs. ▪ A section of land reform with mapping is to be included in the next SDF review | <ul style="list-style-type: none"> - Human Settlement Sector Plan is being reviewed and due for adoption by 30th June 2017 - Disaster Management Plan has been reviewed and adopted by 30 June 2017 - Addressed as part of the Development of the 2017/2018 SDF - Addressed as part of the Development of the 2017/2018 SDF - Addressed as part of the Development of the 2017/2018 SDF - Addressed as part of the Development of the 2017/2018 SDF - Addressed as part of the Development of the 2017/2018 SDF | <p>30 June 2017</p> <p>28 February 2017</p> <p>30 June 2017</p> | |
|--|---|--|---|--|

Endumeni is one of four Local Municipalities located within the District Municipality of Umzinyathi within the valleys of the Biggarsberg

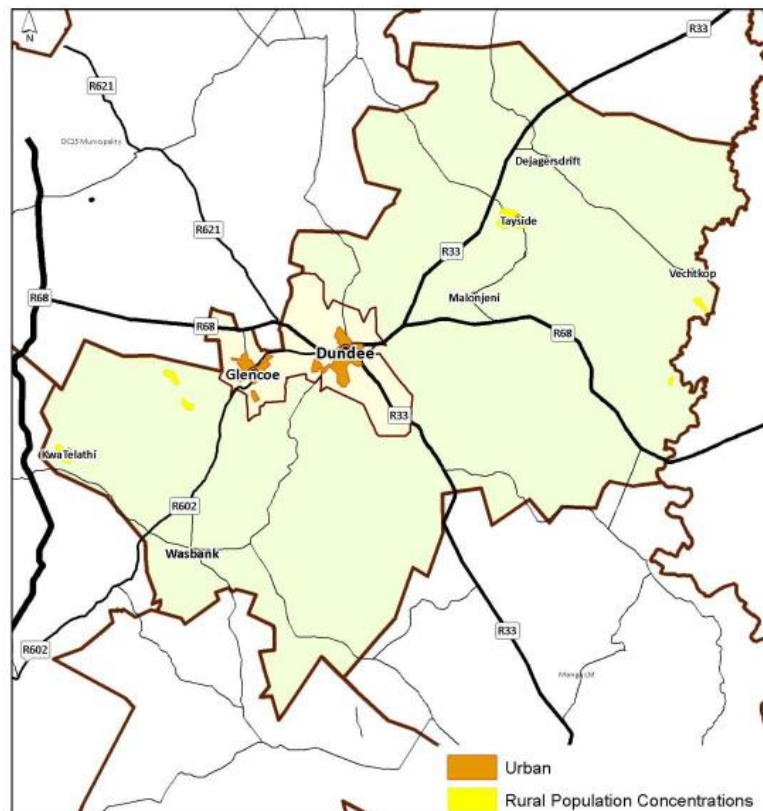
economic centre for the entire district. Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and 'Battlefields' is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. Together with Amajuba, the area is branded the 'custodian' of the Battlefields region which has international and regional significance.

There are no Traditional Authorities within Endumeni Local Municipal jurisdiction.

3. ADMINISTRATIVE ENTITIES

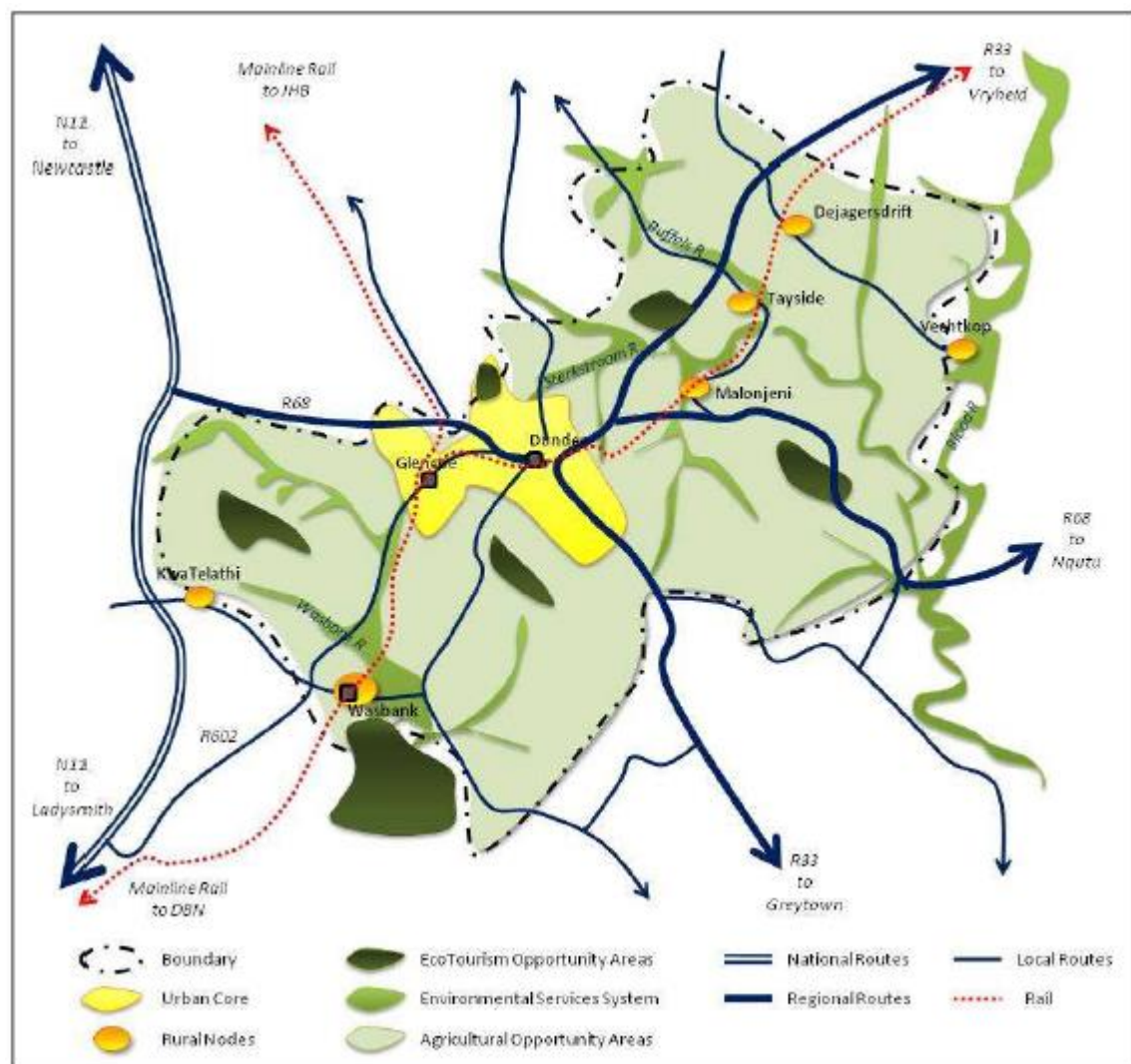
The Endumeni Municipality predominantly **urbanized** the other local municipalities land. Dundee is the main administrative centre of the ranging from retail and centre. The municipality is agricultural region and rural service centre serving municipality only comprises

ELEMENTS



is unique in that its population is or based on commercial farms and unlike in the District there is no tribal authority economic heart of Endumeni and the region and has a diversified economy trade, tourism, farming and administrative located within a well-developed commercial hence, it functions as an important regional the surrounding agricultural hinterland. The of **seven (07)** wards.

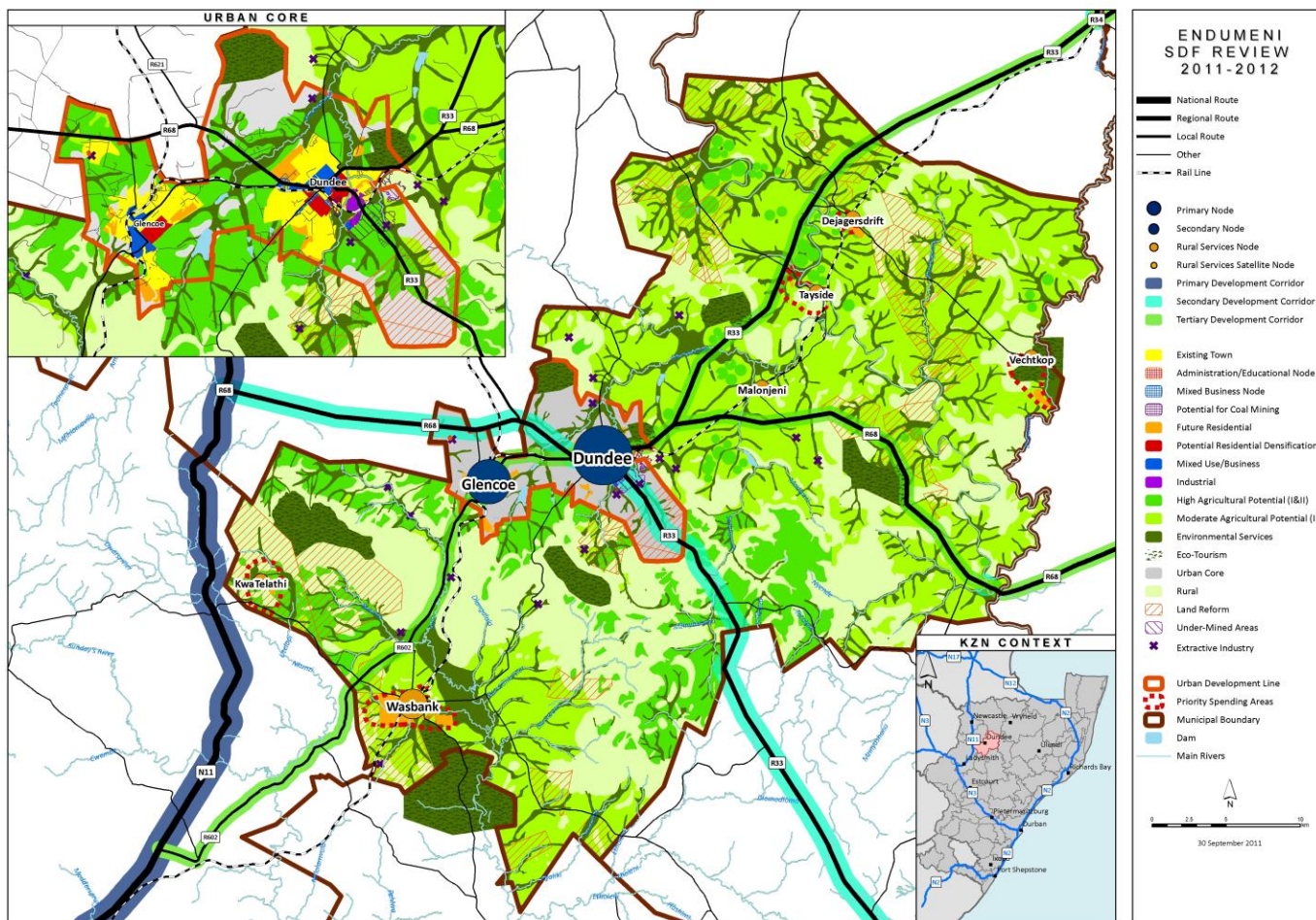
4. STRUCTURING



The topography, hydrology and resources of the area have influenced and determined, to some extent, the physical structure of Endumeni, the patterns of settlement and of the land use within the area. The key towns of Dundee and Glencoe are centrally located within the municipal area and a network of roads radiate out from this central core, taking into account also the routes of the railway lines. Outside of this central core, the only other significant settlement node is Wasbank. The remainder of the area is predominantly characterized by commercial farming. A limited number of small concentrations of people are scattered across the north-west sections of the municipal area.

Residential density in the area averages 6-8du/ha in the towns of Dundee and Glencoe, whilst the densities of the satellite townships associated with each Sibongile and Sithembile average densities of 30-35du/ha. The settlement form of the towns is suburban in nature with a predominant grid-layout street pattern. The highest intensity land use occurs in the CBD. The pattern of settlement is fragmented which impacts on thresholds for commercial development, community facilities and public transport. Dundee is 10km from Glencoe and 16km from Wasbank.

5. EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)



5.1 DEVELOPMENT CORRIDORS

The development corridors within Endumeni have been located with a provincial context and are therefore named accordingly.

1.1.1 PRIMARY CORRIDOR

The primary corridor within the region is the N11 (Ladysmith to Newcastle). Whilst the N11 does not pass through Endumeni it does provide access to the R602 and R68 for access to the area from the west. This is a key industrial and agricultural corridor.

1.1.2 SECONDARY CORRIDOR

R33 and R621 form the central spine of the secondary provincial priority corridor. The focus of this corridor is agriculture and tourism.

1.1.3 TERTIARY CORRIDORS

These comprise the lower order roads within the municipal area, including the R33 from Dundee to Wasbank and the R68 to Nqutu and the R33 to Vryheid.

Although they are lower order roads, they play an important role in enhancing accessibility to a number of the rural settlements within the municipal area.

1.1.4 ACTIVITY CORRIDOR

Mixed use activity corridors are located within Dundee and Glencoe. These routes offer an opportunity to provide the highest range and intensity of mixed use activities.

5.2 NODES

1.1.5 PRIMARY NODE – DUNDEE

An existing multipurpose business, administrative, social service and intermodal transportation terminal centre that services the surrounding urban and rural communities of Endumeni and its neighboring municipal areas. Dundee is home to the headquarters of the Umzinyathi District Municipality.

1.1.6 SECONDARY NODE – GLENCOE

An existing secondary node that serves the greater Glencoe community with a mix of commercial and social services. The role of the node is to provide essential ‘day to day’ commercial needs and social and commercial services to immediately adjacent communities. The node should be consolidated with Dundee to form an urban core for Endumeni.

1.1.7 RURAL SERVICES NODE – WASBANK

An existing settlement that serves the southern region of Endumeni, Wasbank should be consolidated and/or enhanced as village centre that provides support to the development of the rural and agricultural hinterlands of Endumeni.

1.1.8 RURAL SERVICES SATELLITE NODES

Further Rural Service Satellite Nodes are proposed in areas where there is a significant concentration of rural population:

| | |
|---|---|
| <ul style="list-style-type: none"> ♦ De Jagersdrift ♦ Vechtkop ♦ Tayside | <ul style="list-style-type: none"> ♦ Malonjeni ♦ KwaTelaphi |
|---|---|

These nodes **performs** a similar function to the rural services node but the provision of social facilities can be provided in a non-permanent manner. Such facilities should include mobile clinic, school, mobile welfare services, mobile banking services, postal services, and a basic sports facility.

6. LAND COVER AND BROAD LAND USES

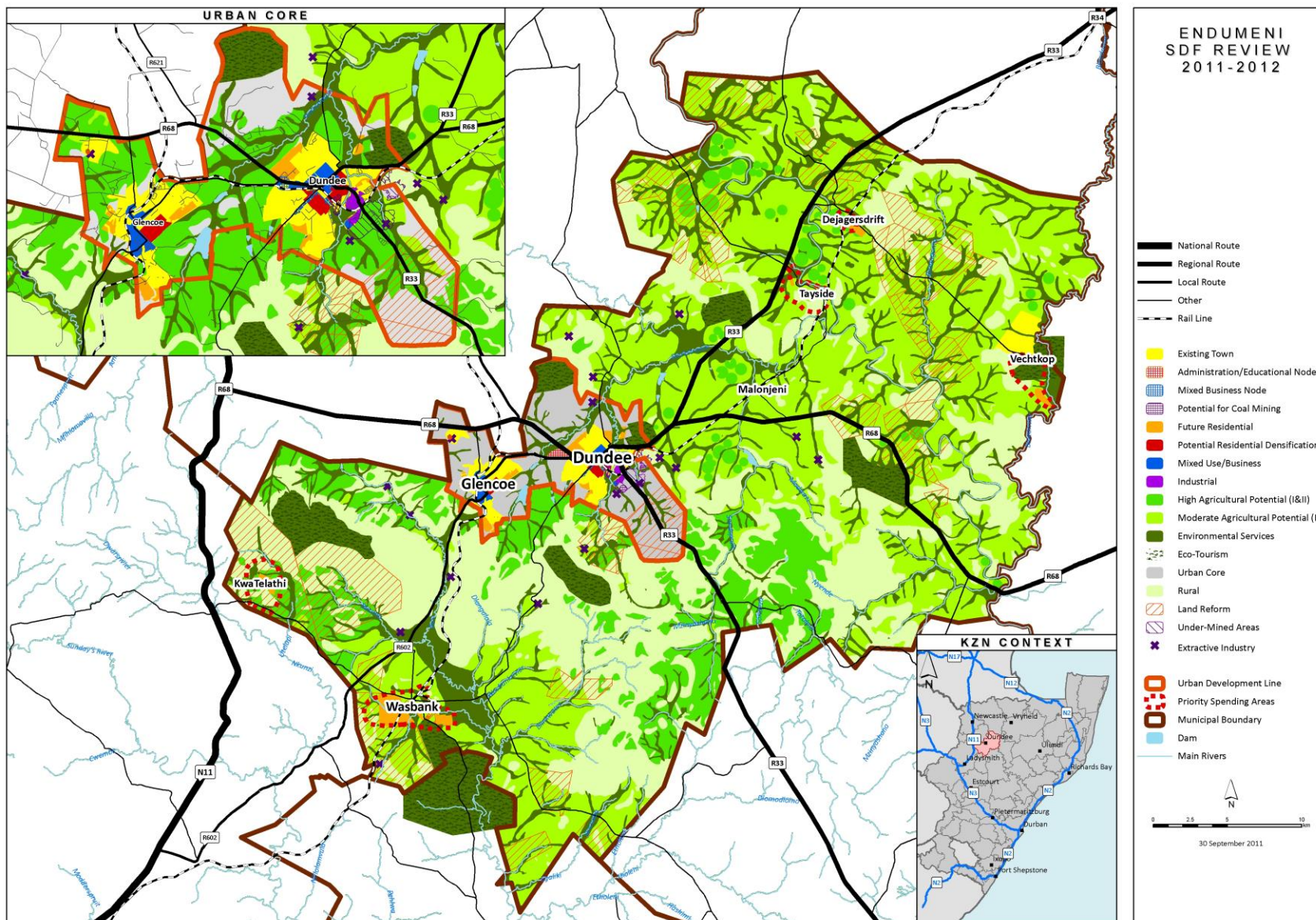
LAND COVER

The land cover of Endumeni Municipal Area can be categorized as follows:

- Urban/ Built-up areas – which includes the dense settlements and towns of Dundee, Glencoe and Wasbank.
- Mountainous areas – which are mostly found on the southern part of Glencoe and few steep/ hilly areas that are spread around different parts of the municipality.
- Natural Grasslands – which are mostly found within the farmlands.
- Surface Water (Rivers, Dams and Tributaries) – which includes Buffalo River and its associated tributaries.

BROAD LAND USES

Current land use patterns have evolved in response to the spatial structure of Endumeni, settlement patterns, the natural environment and regional access routes and reflects the predominately rural nature of the region within which Endumeni is located. The land use categories are not highly diversified and can be outlined as follows:



COMMERCIAL AGRICULTURE

The predominant land use in Endumeni is agriculture. Cultivation is mainly characterized by large areas of commercial dry land activities and dispersed areas of irrigated agriculture. The most productive land occurs around Glencoe, while areas with high to moderately high productivity occur in the north-west. The agricultural activities in the area include the extensive beef/sheep farming, dry land cropping of maize, soya, groundnuts and sunflower. Field crops are irrigated where there is access to irrigation.

SETTLEMENTS

Urban

Urban settlement is concentrated within the Dundee/ Sibongile, Glencoe/ Sithembile and Wasbank nodes.

Rural

The balance of settlement is located either on the commercial farms or within a limited number of small rural settlements i.e. KwaTelaphi, Burnside, Malonjeni, Tayside, Vechtkop and Uithoek.

Commercial

The commercial economy Endumeni mimics that of a small-rural based town. Retail activities dominate, as well as those associated regional administrative activities e.g. government departments. Commercial (retail and office) activities are located within the urban core towns of Dundee and Glencoe. Informal trading occurs in the former township areas and within public nodes in Glencoe and Dundee.

Industrial (Manufacturing)

Manufacturing accounts for only 7% of the local economy and production primarily linked to the agricultural sector. Industry is located within the formal industrial areas of Dundee and Glencoe with some activity related to agro-processing on commercial farms in the area. There are three main agro-processing activities in Endumeni:

- Orange Grove Dairy
- Maize production and milling supply
- Processing of beef products including feedlots and tanneries.

Coal Mines

The north western portions of KZN are important areas for mining coal. Coal mining can be directly linked to the development of Dundee and Glencoe. The industry is in the process of

restructuring and whilst there is a decline in corporate interest, there is interest in small scale regeneration of the coal belt for SMME development.

Tourism

Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and 'Battlefields' is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. Cultural assets in the area include:

- Monuments and Museums (e.g. Talana Museum)
- Maria Ratschitz Mission
- Battlefield sites (Talana and Lennox Hills)
- Other Cultural sites i.e. Talana Crafts, Talana Zulu Cultural Villafe, Iron Age smelting sites
- Rifleman's Road and Red Soldier's March Battlefield Routes

Community Facilities

The distribution of certain key community facilities including schools, clinics and the locations used by mobile clinics are concentrated in the existing nodes of Dundee, Glencoe and Wasbank with a number of lower order facilities scattered with the rural hinterland.

LAND OWNERSHIP

The land ownership pattern within Endumeni can be broken down into four main categories:

- Land owned by Traditional Authorities – there are no Traditional Councils within the Municipal area of jurisdiction. Hence section 81 of the Municipal Structures Act is not implemented within Endumeni Local Municipality.
- Privately owned land – most of the land is in the hands of private individuals. These include the farms and residential properties.
- Municipal Land – there are properties which includes buildings (municipal offices) and vacant sites which belong to the municipality;
- State-owned land – these includes the schools, clinics and other public facilities which are spread within different parts of the municipality; and
- Land owned by Community Property Associations – these mainly involve the farms that have emanated from the settled restitution and redistribution claims.

LAND REFORM

In terms of the Department of Land Affairs land reform programme, both land restitution and land redistribution projects have been implemented within the municipal area. To date,

the following land reform projects have been implemented or are in the process of being implemented within Endumeni (table

Table: 3 Land Reform Projects

| Project Name | Legal Entity Name |
|-----------------------------------|----------------------|
| Aletta | RSA |
| Battersea Park | Sisonke Land Trust |
| Croydon | Senzangakhona CPA |
| Dalry / Phezukomkhono | Phezukomkhono CPA |
| De Jagersdrift Cluster | Ethembeni CPA |
| De Jagersdrift Cluster | Khanyisani CPA |
| De Jagersdrift Cluster | Masakhane CPA |
| De Jagersdrift Cluster | Sizanani CPA |
| De Jagersdrift Cluster | Thokoza CPA |
| De Jagersdrift Cluster | Vukuzenzele CPA |
| De Jagersdrift Cluster (spitzkop) | RSA |
| De Jagersdrift Cluster | Bambanani CPA |
| De Jagersdrift Cluster | Ekuthuleni CPA |
| De Jagersdrift Cluster | KwaMthethofanayo CPA |
| De Jagersdrift Cluster | Mazakhele CPA |

| Project Name | Legal Entity Name |
|-----------------------------------|---------------------------|
| De Jagersdrift Cluster | Sibonelo-Khwezi CPA |
| De Jagersdrift Cluster | Siyaphumula CPA |
| De Jagersdrift Cluster | Thuthukani CPA |
| De Jagersdrift Cluster | Zamokuhle CPA |
| Dumain | Lethukuthula CPA |
| Dundee Cluster | Entokozweni CPA |
| Dundee Cluster | Khululeka CPA |
| Dundee Cluster – Gowrie | Senzokhule CPA |
| Entabeni CC | Emast Farming cc |
| Fankomo | RSA |
| Harrowdale | Amalinda Family Trust |
| Henessey Trading cc | Henessey Trading cc |
| Klipspruit | Bazangoma CPA |
| Klipspruit / Bozangoma / Bozagane | Bazangoma CPA |
| Kuickvlei – Mvelwenhle | Mvelenhle Community Trust |
| Kuickvlei / Bhekanani | Bhekani CPA |
| Langverwacht Farm | The Green Farm Land Trust |

| Project Name | Legal Entity Name |
|---|--------------------------|
| Ruigtefontein | Ruigtefontein Syndikaat |
| Thangeni | Ekuthuleni CPA |
| Thangeni | Tangeni Land Trust |
| Tijgerkrantz/ De Jagersdrift | RSA |
| Verdruk (Ntekelezwayo) | Ntekelezwayo CPA |
| Wasbank Cluster / Thandanani | Thandanani CPA |
| Wasbank Cluster / Zimisele of Dingledale | Zimisele Dingledale CPA |
| Zimisele / Schuilhoek | Zimisele Community Trust |
| Zisizeni Sithole Community | Zisizeni Sithole CPA |
| ZS Sithebe Farming / ZS Sithebe Family (LB) | Matshosi Farming CC |
| ZZ Farming / Land Bank Project | Mageba Farming cc |

Figure: Land Reform Projects

Tabl

e above is being expanded on a regular basis by the Department. In addition, the Department has provided the Local Authority with a schedule of properties that have been offered to the Department for purchase. The Local Authority is liaising with the Department in order to advise on which properties, if any would best serve the longer-term spatial and socio-economic development objectives of the Council.

LAND CAPACITY

Based on a broad ‘agri-potentials’ or ‘bio-resource’ classification by the Department of Agriculture, all agricultural land within the municipal area has been categorized as having either good or poor agricultural potential. The system provides for 8 land capability ranging from prime arable land (Class I) to land which is unsuitable for any agricultural use (Class VIII). The resulting land resource units can then be related to the appropriate agricultural land uses and levels of intensity as follows in the table below and

Figure.

Table 4: Agricultural Land Capability Classes

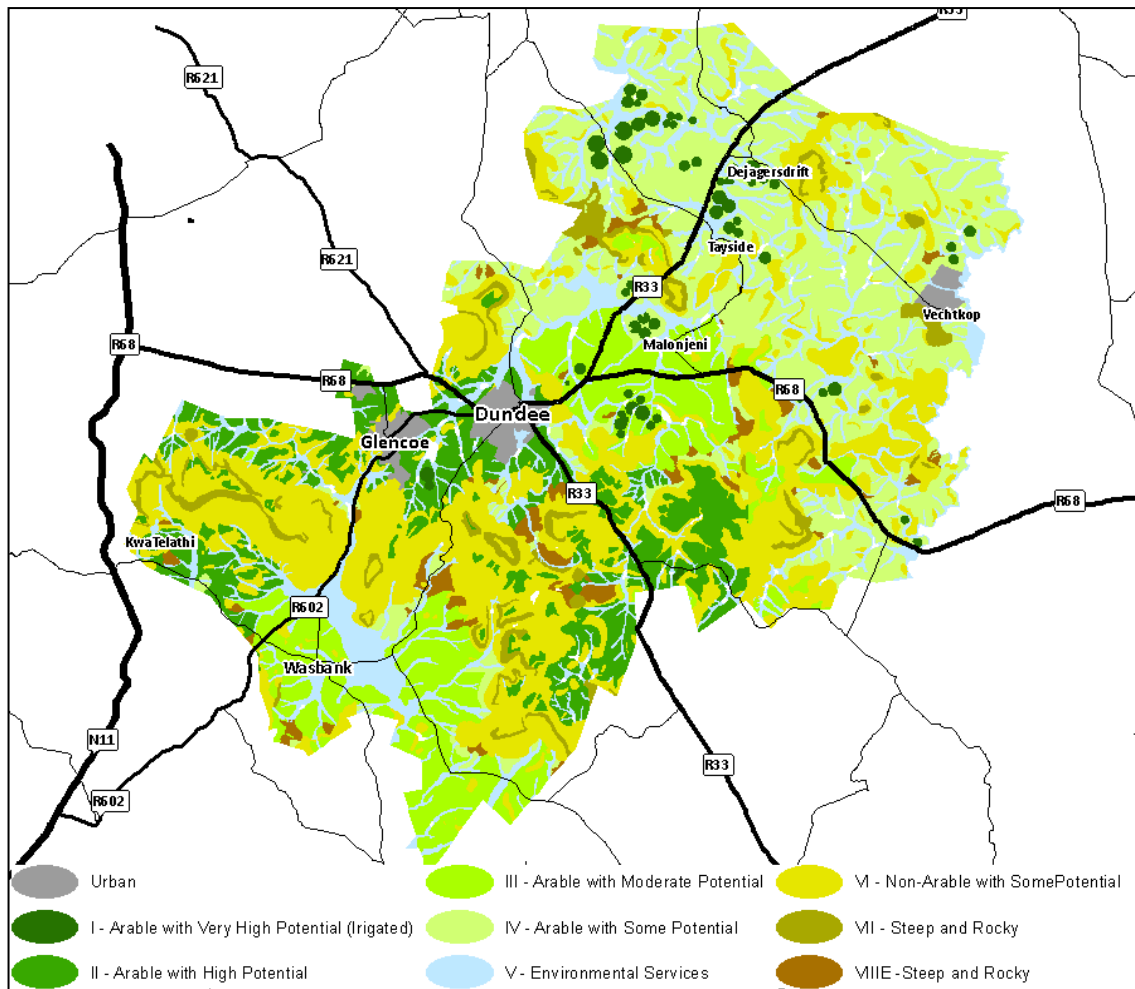
| Land Capability Class | Land Resource Category | Recommended Land Use |
|------------------------------|--|---|
| I & II Under irrigation | High potential irrigable land | Intensive irrigated cropping |
| I & II Without irrigation | High potential arable land suitable for intensive dryland cropping | Intensive dryland cropping |
| III | Arable land with moderate potential for dryland cropping | Semi-intensive dryland cropping |
| IV | Arable land of limited potential for dryland cropping | Limited cropping, preferably only to perennials. |
| V | Wetlands and watercourses | Soil and water conservation with only limited grazing. |
| VI | Good non-arable land with scope for intensification but not annual | Suitable for pastures or, in high rainfall areas, forestry. |

| Land Capability Class | Land Resource Category | Recommended Land Use |
|-----------------------|--|--|
| | cropping. | |
| VII | Rough non-arable land suitable only for extensive use. | Suitable only for carefully managed extensive grazing. |

This classification is important in that, in the future evaluation of any possible development projects, one key consideration must always be the implications of the loss of valuable productive agricultural land. Consequently, any proposed development within an area categorized as having good to high agricultural potential should be subjected to further investigation into the implications of its possible loss.

Conversely, in the areas of poor agricultural potential, there is a need to ensure the promotion of sound agricultural practices so as to avoid degradation of the fragile soils in these areas. Programmes for the rehabilitation of eroded areas should also be implemented, possibly under a public works programme.

Figure: Agricultural Land Capability Classes



PRIVATE SECTOR DEVELOPMENTS

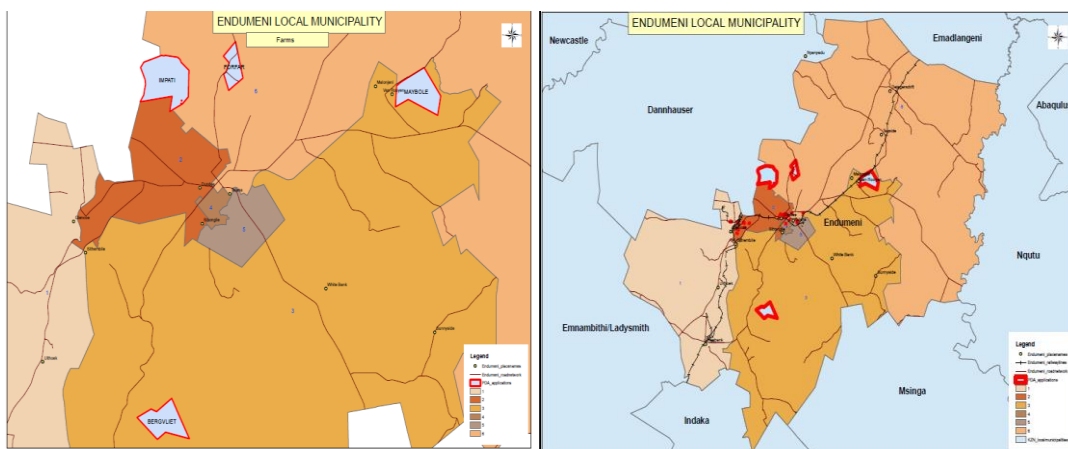


Illustration above shows PDA application received by Endumeni municipality from the year 2010 up to date. Most of the applications come from the two urban areas which is Glencoe

and Dundee. There is a number of rezoning applications coming from privately owned land (Farms). More can still be done to encourage PDA applications in **Endumeni Local Municipality**.

ENVIRONMENTAL ANALYSIS SWOT ANALYSIS

SPATIAL AND ENVIRONMENTAL TRENDS AND ANALYSIS

| Spatial issues | Spatial strategies |
|---|---|
| The municipality is located within a well-developed commercial agricultural region and hence, it functions as an important regional rural service centre serving the surrounding agricultural hinterland. Its location away from the national road network limits any potential development benefits that might otherwise accrue to the Municipal area. The implication is that the Municipality needs to look to its own strengths and | <p>promote a more compact urban form by focusing on and densifying existing urban nodes;</p> <ul style="list-style-type: none"> • promote a more efficient use of infrastructure • nurture and protecting higher potential agricultural land; • ensuring the appropriate level of protection to environmentally sensitive areas; |

| | |
|--|--|
| comparative and competitive advantages in order to grow its economy, rather than being able to 'piggy-back' on any spin-offs from development arising from the two main development axes of the Province | <ul style="list-style-type: none"> • promote, in appropriate localities, economic opportunities, including LED and tourism; and • ensure that land use within the municipal area will be able to be managed in a balanced and integrated manner • promote opportunities for land reform • accommodate new housing area |
|--|--|

SPATIAL AND ENVIRONMENTAL SWOT ANALYSIS

| SPATIAL ANALYSIS AND DISASTER MANAGEMENT | |
|--|--|
| Strengths | Weakness |
| SDF in place | Implementation/budgeting of the SDF |
| Existing baseline procedure in place to guide and regulate development | Parking of trucks on the main corridors |
| Greenest town in the District | No environmental officer and town planner within the municipality. Shared Services is temporary. |
| Town effectively linked in terms of transportation | Less focus on potential development nodes (tertiary nodes) |
| Grant funding for parks establishment and removal of alien plants | Lack of Town Planning capacity |
| Availability of farm land, e.g. municipal owned and LRAD land | Status of available land on lease is unknown. |
| Opportunities | Threats |
| Geo-referencing of municipal projects | Lack of new investment into the municipal area |
| Linkage of the District Infrastructure Plan to SDF | Non-transformation of the current Town Planning Scheme. |
| Job Creation through removal of alien plants and green town | Deteriorating weather patterns |
| Identification and establishment of Truck stop | Degraded environment and soil erosion |

Promotion of Public Investments in potential nodes.
i.e. Develop strategies, activities should be linked to
nodes as to sustain them.

**NB: IT MUST HOWEVER BE NOTED THAT THIS SECTION WILL SIGNIFICANTLY CHANGE ONCE
THE SDF HAS BEEN FINALIZED”**

7. DISASTER MANAGEMENT

7.1 INTRODUCTION

The intention of the new Disaster Management Act is to create an environment wherein the line function disaster management activities of all National, Provincial and Municipal organs of state are coordinated in a manner which is consistent with and in line with the National policy framework and is in the context of the Act, with special emphasis on mitigation, development, risk reduction, prevention and preparedness.

The Endumeni local municipality, has a fully-fledged disaster management unit inclusive of Disaster Manager since 2011, a disaster officer was appointed in 2013, fire station office, eight fire fighters and six volunteers.

The unit prepared adopted a Disaster Management Plan in 2012/13 financial year. The plan is updated and reviewed on an annual basis, in line with Municipal IDP. The last review was in the 2015/16 financial year, with council resolution, C17/27/01/15, the plan will also be reviewed for the 2016/17 financial year by 30 June 2016. The Disaster Management Plan comprises of the following documents:

- I. Disaster Management Policy Framework
- II. Disaster Management Operational Plan
- III. Disaster Management Risk Profile

The municipality has also prepared and adopted a Disaster Management Sector plan in 2015/16, council resolution no. C17/27/01/15. The sector plan depicts what the municipality will be embarking on in the 2016/17 financial year. See **Annexure F**

7.2 MUNICIPAL INSTITUTIONAL CAPACITY

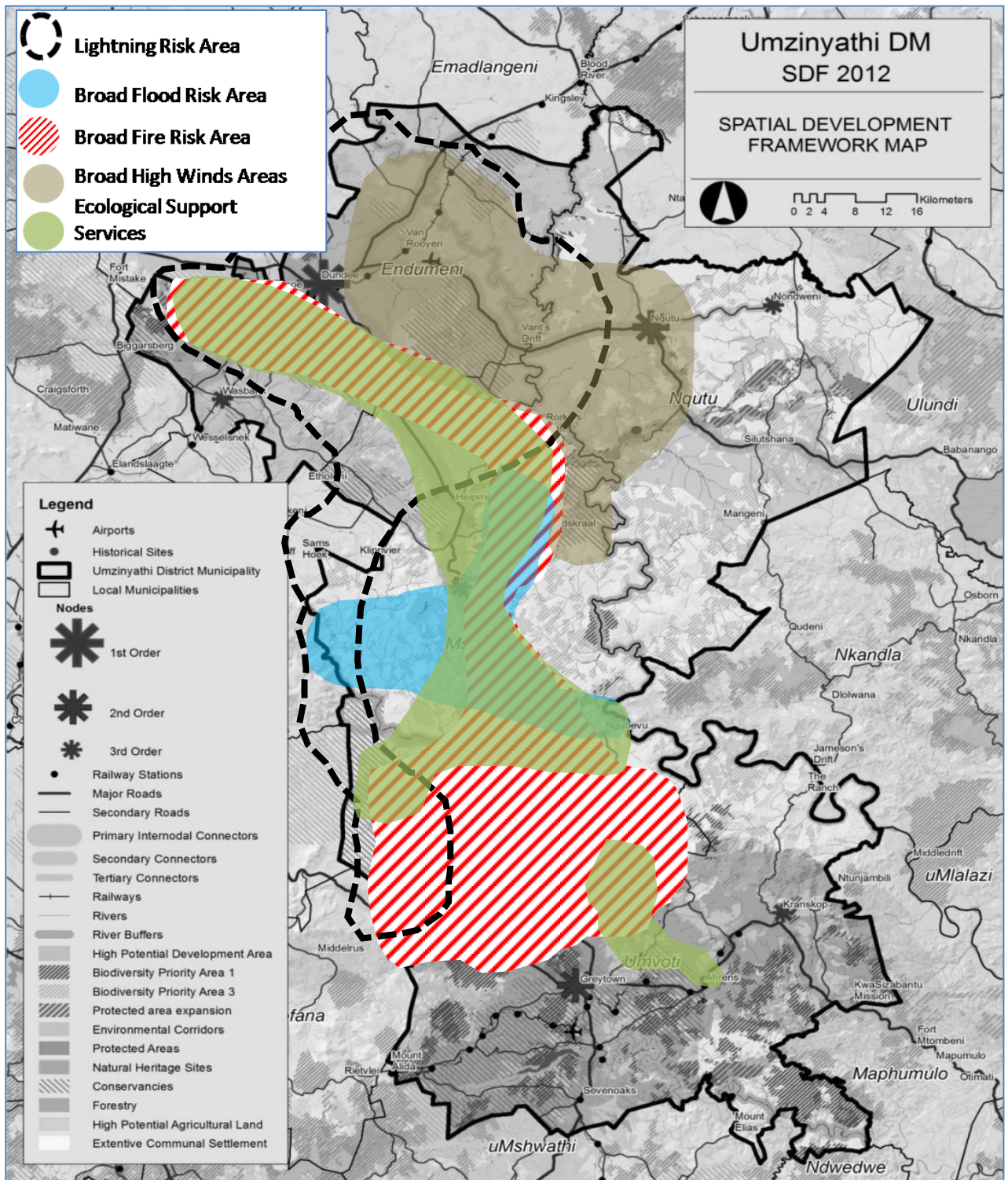
In terms of Section 42 of the Disaster Management Act, **each Metropolitan and each District Municipality MUST** establish and implement a policy framework for disaster risk management in the municipality aimed at ensuring an integrated and uniformed approach to disaster risk management in its area.

It is also clear, from this Section, that **Local (Category “B”) municipalities** are **not** required to develop or establish policy frameworks at their level of governance, however, **this section DOES prescribe the consultation and participation of Local municipalities** in the development and establishment of **District** Disaster Risk Management Policy Frameworks.

Irrespective of the fact that the Act **does not prescribe** the development of a policy framework for disaster risk management **at Local municipal level**, the Act, at the same time, **does not prohibit** a Local Municipality from developing and implementing its own policy framework for disaster risk management.

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

Vulnerability Map



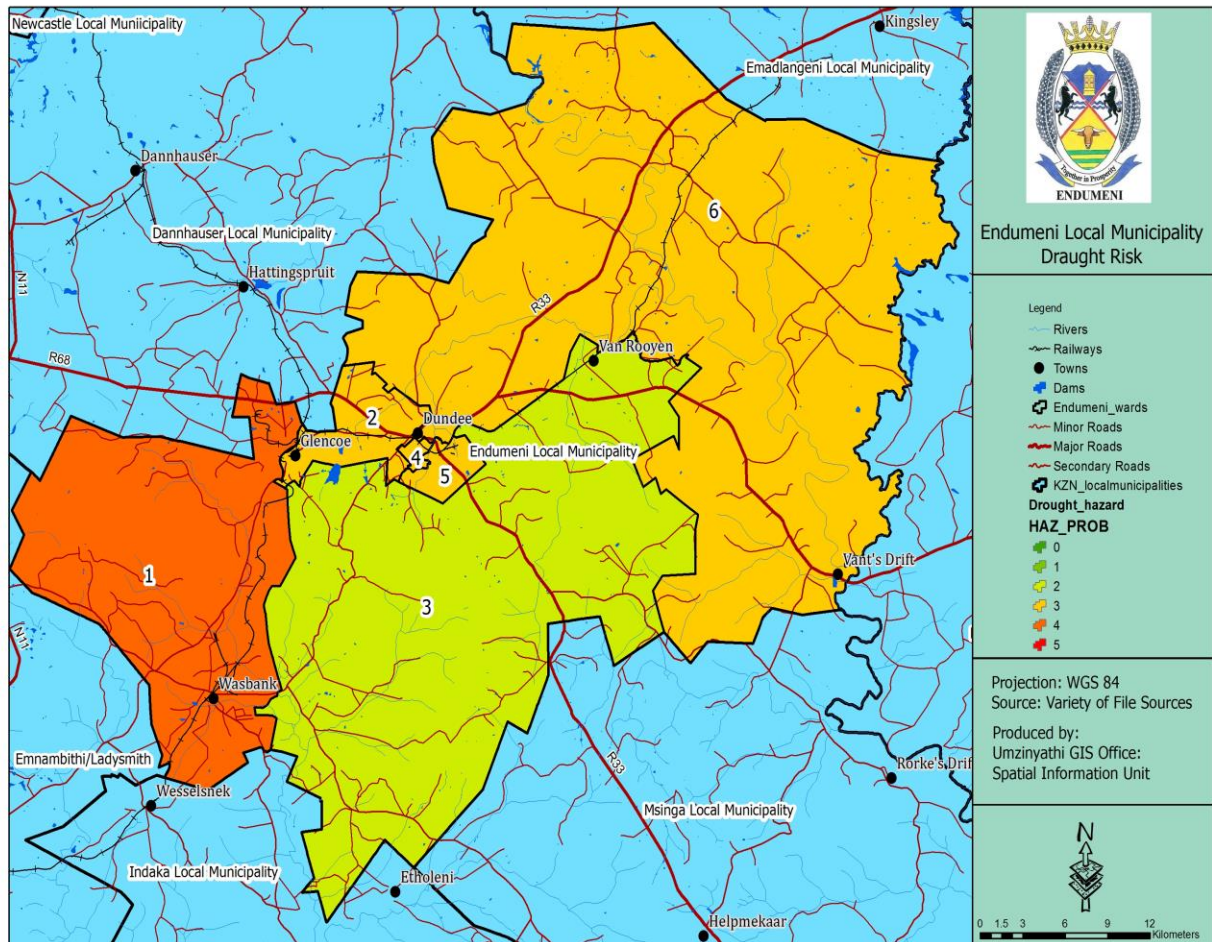
7.3 RISK ASSESSMENT

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility in the event of a disaster occurring or threatening to occur. In terms of the Disaster Management Act of 2002, the Local Municipality is responsible for the co-ordination and management of the disaster incident until such time that the responsibility escalates to a higher level of Governance.

Endumeni Municipality Risk rating are shown below:

| Main Category (Endumeni Local Municipality Risk Rating) | RISK |
|--|------|
| Fire Hazards-Veld Fires | 0.90 |
| Hydro-meteorological Hazards – Severe Storms (Heavy Rainfall) | 0.86 |
| Hydro-meteorological –Droughth | 0.83 |
| Hydro-meteorological Hazards – Floods (River) | 0.77 |
| Hydro-meteorological Hazards – Severe Storms (Wind, Hail) | 0.75 |
| Fire Hazards – Formal & Informal Settlements / Urban Area | 0.75 |
| Hydro-meteorological Hazards – Severe Storms (Snow) | 0.72 |
| Transport Hazards – Road Transportation | 0.71 |
| Hydro-meteorological Hazards – Severe Storms (Lightning) | 0.70 |
| Transport Hazards – Air Transportation | 0.69 |
| Transport Hazards – Rail Transportation | 0.67 |
| Environmental Degradation – Erosion | 0.66 |
| Disease / Health – Disease: Animal | 0.61 |
| Hazardous Material – Hazmat: Spill/Release/Fire/Explosion (Storage & Transportation) | 0.59 |

Hazard Maps



Thorough disaster risk management planning and effective co-ordination of all line function response agencies is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They (disaster risk management plans) also facilitate the optimal utilization of resources. The Endumeni Disaster Management Advisory Forum is the most effective platform from which disaster risk reduction and operational plans can be developed. In terms of the provisions of the Endumeni Disaster Risk Management Policy Framework, the Municipality operates in the following manner:

Response Protocols;

Contingency Planning

Access to Resources for:

Immediate relief;

Equipment; and

Recovery and rehabilitation.

Guidelines for:

Funding; and

Declaration of a State of Disaster.

Contingency Planning

Contingency Plans are **alternatives** to the **normal**. Having determined **who** is likely to be threatened by **what** hazard and **which** Emergency Services are likely to respond, it is of vital importance that **the responders** have a **plan of action** that must be followed in order to address the particular circumstances at hand.

Contingency plans, therefore, need to identify **the availability and accessibility of resources** (human, material, financial and structural). This will provide for the re-prioritization of projects in order to make emergency relief or rehabilitation projects possible using own resources.

Contingency plans must also identify **developmental projects and programs, aimed at risk reduction**, which need to be aligned with the municipal I.D.P.'s in order to identify funding sources.

ENDUMENI LOCAL MUNICIPALITY has the following contingency checklists:

DROUGHT

EPIDEMIC

FIRE

FLOOD

HAZMAT

STORM

Endumeni Local Municipality then uses a guideline to the declaration of a local state of disaster. The Process and Consequences of a Declaration of a Local State of Disaster is governed by **Section 23** deals with the classification and recording of disasters as **“Local Disaster”, “Provincial Disaster”** and **“National Disaster”**. Assignment of Responsibilities is then done through **Section 54** in the event of a municipal disaster. *In terms of this section, the **council of a metropolitan municipality** and the **council of a district municipality**, acting after consultation with the relevant local municipality, are **primarily responsible** for the **coordination and management** of disasters that occur in their municipal areas of responsibility, irrespective of whether a municipal state of disaster has been declared in terms of section 55 or not.*

Declaration of a Local State of Disaster is then done through Section 55 prescribing the procedures to be followed when an event is declared to be a municipal state of disaster. This section also clarifies the logic of assigning the responsibility to co-ordinate and manages a

municipal state of disaster to the executive committees of the metropolitan or district councils, as prescribed by section 54.

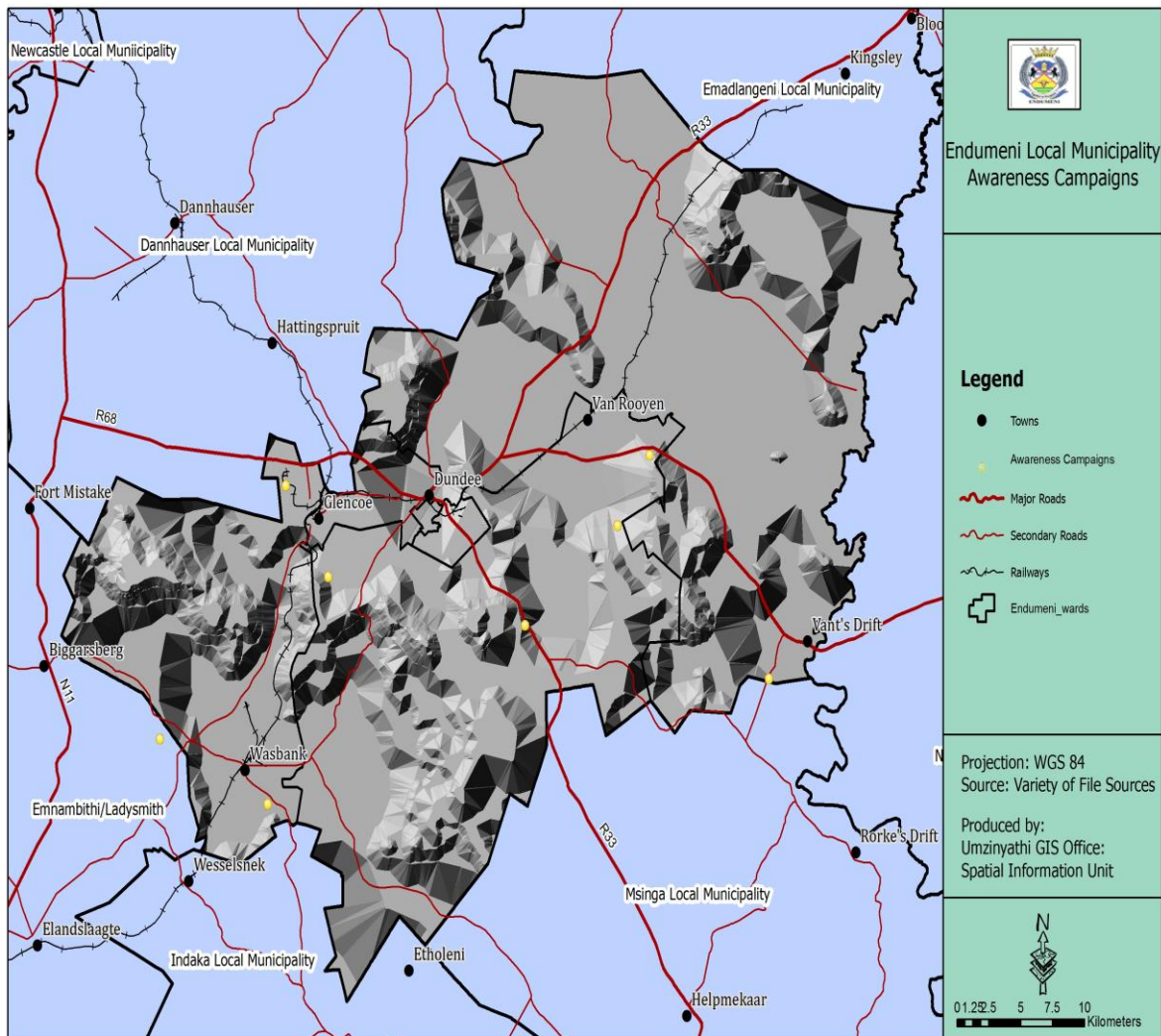
7.4 DISASTER RISK REDUCTION

Disaster Risk Reduction Planning.

Although Endumeni faces a broad range of Disaster Risks, it is not possible to address all potential threats at once. Effective disaster risk management planning by all municipal departments as well as by other essential external role-players requires careful identification of priority disaster risks and the areas, communities, households and infrastructure most vulnerable to the identified risk. The Disaster Risk Assessment conducted in terms of Key Performance Area 2 will play a critical role in informing the process of Priority Risk identification

- Identifying Priority Disaster Risks.
- Identifying the most vulnerable areas, communities and households
- Priorities for focusing disaster risk protection efforts

Map Showing Disaster Risk and Reduction Projects linked to budget



7.5 STRATEGIC PLANNING: DISASTER RISK REDUCTION

PREVENTION AND MITIGATION AS CORE DISASTER RISK REDUCTION PRINCIPLES

All disaster risk management plans must give explicit priority to the core principles of disaster prevention and mitigation. Disaster prevention, mitigation and preparedness are referred to as disaster risk reduction measures because they lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability. In this way, prevention and mitigation are central to achieving the goal of disaster risk reduction in which vulnerabilities and disaster risks are reduced and sustainable development opportunities strengthened.

It is often difficult to decide whether an intervention is preventive or mitigative. For this reason, it is more practical to refer to them jointly as disaster risk reduction measures, because both minimise the risk of disasters.

- Disaster prevention
- Disaster mitigation

DISASTER RISK REDUCTION PLANNING AND THE ENDUMENI INTEGRATED DEVELOPMENT PLAN

- Setting up institutions, governance and functioning mechanisms;
- Updating past disaster events and realized reasons and root causes for the disaster;
- Assessing hazards, exposure, sensitivity, coping capacity and vulnerability to different disasters; review of human resources, equipment, fund and other resources situation available and required;
- Planning mitigation activities for short and longer terms to reduce underlying risks for individual hazards, such as checking of dams, bridges, water supplies and fire prevention measures;
- Planning preparedness, rescue and relief activities, and realized the resources and technologies needed; and
- Raising awareness and training volunteers, communities and planners in the required skills and capabilities.

DISASTER RESPONSE AND RECOVERY

Background

Endumeni Disaster Management Component responded to various incidents which included: House Fires, Strong Winds, Heavy Rains, Lightning Strikes and Veld Fires during the financial year 2015/16. All these incidents happened in and around Endumeni Municipality. Vigorous awareness campaigns have also been conducted to prevent and mitigate the effects of disasters. This information is used as a base when preparing for the 2016/17 financial year.

Statistics Table

| Local Municipalities | Types of Incidents | Number of Incidents | Households Affected | Houses/Structures Destroyed | | People Affected | Fatalities | Injuries | Missing Persons |
|---|--------------------|---------------------|---------------------|-----------------------------|-------------------|-----------------|------------|----------|-----------------|
| | | | | Totally destroyed | Partially Damaged | | | | |
| SW – Strong Winds, F – Fires, FL – Floods, HR – Heavy Rains, L –Lightning HF – House fires, SF – Structural Fire, VF – Veld Fire | | | | | | | | | |
| Endumeni | HF | 8 | 58 | 18 | 40 | 295 | 5 | 0 | 0 |
| | SF | 1 | | | | | | | |
| | VF | 4 | | | | | | | |
| | SW | 32 | | | | | | | |
| | HR | 11 | | | | | | | |
| | L | 2 | | | | | | | |
| | FL | | | | | | | | |
| Total | | 58 | 58 | 18 | 40 | 295 | 5 | 0 | 0 |

Source: 2014/15 Annual Report Endumeni disaster management

Assistance Provided

| LOCAL MUNICIPALITY | Blankets | Tents | Plastic Sheets | Mattresses | Food Hampers |
|--------------------|-----------|----------|----------------|------------|--------------|
| ENDUMENI | 23 | 3 | 43 | 6 | 0 |
| TOTAL | 23 | 3 | 43 | 6 | 0 |

Source: 2014/15 Annual Report Endumeni disaster management

Preparedness

The preparedness contributes to disaster risk reduction through measures taken in advance to ensure effective response to the impact of hazards. The municipality is in the process of developing an emergency evacuation plan for the municipal building located in 64 Victoria Street, Dundee.

Disaster response

Disaster response refers to the provision of assistance or intervention during or immediately after a disaster to meet the life preservation and basic subsistence needs of those people affected. It can be of an immediate, short-term or protracted duration.

List of relevant stakeholders in Response and Recovery

| Stake Holder | Contact Person | Contact Info |
|---|-------------------|--|
| Umzinyathi Disaster Management centre | Mr M.C. Hadebe | 215 Parth Farm, Nyanyadu. L: 034 212 2222 Cell: 082 325 0239 |
| Umzinyathi Disaster management assistant | Mr P Dearlove | 9 Karellandman St, Dundee Tel: 034 2122 222 Cell : 082 876 2254 |
| Endumeni Disaster Management Centre | Mr. B H Zulu | 11 Eerstelaan, Glencoe Tel: 034 212 2121 Cell : 079 9999 919 |
| Disaster Management Officer | Mr. L Mathambo | D 47 Croydon Farm, Dundee Cell: 082 521 8484 |
| Fire Services | Mr. CZ Mhlungu | 8 Diaz Road, Dundee Tel: 034 212 2222 |
| S.A.P.S | Lt Col Ackerman | 11 Gladstone Street, Dundee 034 2999 754 |
| Traffic | Mr F Coetzee | 17 Victoria Street, Dundee 034 212 2121 |
| Stake Holder | Contact Person | Contact Info |
| EMRS | Mr. N Shrikrishan | 64 Ann Street, Dundee Cell: 082 809 8304 |
| RTI | Mr C.C. Griffiths | 40 Hajee Jamal Street, Dundee Tel: 034 212 3887 Cell: 082 887 8324 |
| Department Of Transport | Mr T.P. Dlodlo | 5 Bigger Street, Dundee Tel: 034 212 2135 Cell: 083 635 2244 |
| Farmers Union | Mr De Wet | Elsinor Farm, Shiyane Tel: 034 642 1846 Cell: 082 541 6310 |

| | | |
|---|-------------------------|---|
| Eskom | Ms J. Chewrkoot | 25 Valley View Road, New Germany, Pinetown Tel: 031 710 5679 Cell: 082 578 4672 |
| Department Of Welfare | Mrs N.I. Vilakazi | No 108 Blue Street, Pieters Industrial Area, Ladysmith Tel: 036 634 6612 Cell: 083 731 5062 |
| Department Of Agriculture | Mr S.W. Haschke | 13 Main Street, Hattingspruit Tel: 034 299 9660/1 Cell: 082 454 7992 |
| Environmental Affairs | Dr Peter Kuyler | Cell : 082 806 9850 |
| Veterinary Services | Dr Nocubela | Cell : 078 550 4625 |
| Dundee Farmers Union | Mrs. Cheryl van Heerlen | Tel 034 212 3648 Cell : 076 520 0048 |
| Department Of Education | Ms T.C. Vilakazi | 2. Watt Street, Forestdale, Dundee Tel: 034 219 2154 Cell: 083 277 9920 |
| Department Of Water Affairs And Forestry | Mr. M. Buthelezi | Lot 941 Babanango Road, Nquthu Tel: 082 808 9908 |
| Mayor : Umzinyathi District Municipality | Cllr J M Mthethwa | 39 Victoria Street, Dundee Tel:034 219 1500 Cell: 0791739647 |

| | | |
|---|-----------------|--|
| Mayor: Endumeni Local Municipality | Cllr T M Mahaye | 14 Fourche Street, Tel: 034 212 2121 Cell: 082 611 7040 |
| Municipal Manager | Mrs B Mkhize | 64 Palm Square Flats, Browning Street , Cell: 073 406 5833 |

Disaster recovery

Disaster recovery (including rehabilitation and reconstruction) focuses on the decisions and actions taken after a disaster to restore livelihoods, services, infrastructure and the natural environment. In addition, by developing and applying disaster risk reduction measures at the same time, the likelihood of a repeated disaster event is reduced.

- Co-ordination of response and recovery efforts
- Resources
- Incident Management System

TRAINING AND AWARENESS

Sections 15 and 20(2) of the Act specify the encouragement of a broad-based culture of risk avoidance, the promotion of education and training, and the promotion of research into all aspects of disaster risk management.

The Endumeni Local Municipality conducts formal and informal awarenesses. Disaster Management unit continuously attends trainings as prescribed by PDMC. The acquired information is relayed to the public through public awareness campaigns. The platform for public awarenesses is afforded in the below:

- ✓ Schools
- ✓ Public gathering (Izimbizo)
- ✓ News paper
- ✓ Bill boards

- ✓ Pamphlet
- ✓ War rooms
- ✓ Government Department Functions
- ✓ Traffic Intersections, Taxi Rank, Water collection points

FUNDING ARRANGEMENTS

Section 7(2)(k) of the Act requires that the national disaster management framework makes provision for 'a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute towards post-disaster recovery and rehabilitation.

Given the provisions of the Act, funding arrangements must be designed in a manner that ensures that disaster risk management activities are funded adequately and in a sustainable way.

DISASTER MANAGEMENT ADVISORY FORUM

The Act calls for the active participation of all stakeholders, including the private sector, NGOs, technical experts, communities, traditional leaders and volunteers, in disaster risk management planning and operations. Specific arrangements must be implemented to ensure the integration of stakeholder participation, to harness technical advice and to adopt a holistic and realized approach to the implementation of policy and legislation. In order for all relevant role-players in disaster risk management in the municipal area to co-ordinate their actions on matters relating to disaster risk management as prescribed in Endumeni Disaster Risk Management Framework, Council has established a Disaster Risk Management Advisory Forum in 2016 as provided for in Section 51 of the Disaster Management Act 57 of 2002.

The Forum comprises of the relevant stakeholders and role-players including all Endumeni departments, NGOs and CBOs; individuals or groups with special technical expertise.

This forum carries the following responsibilities:

- give advice and make recommendations on disaster-related issues and disaster risk management
- contribute to disaster risk management planning and co-ordination
- establish joint standards of practice
- implement response management systems

- gather critical information about the municipality's capacity to assist in disasters and to access resources
- Assist with public awareness, training and capacity building.

Endumeni Local municipality is part of Umzinyathi District Disaster Management Advisory Forum that was established on 07th December 2004. According to subsection (1), a forum is a body in which the municipality and other key stakeholders consult one another and co-ordinate their actions on matters relating to disaster management in areas under their jurisdiction.

The municipality has revived its own Disaster Management Advisory Forum which was established in 2011, Umzinyathi District municipality is part of that forum, and it is made up of all relevant stakeholders within the district who may be involved on issues related to disaster management. The first revived advisory Forum was held on the 3 February 2016.

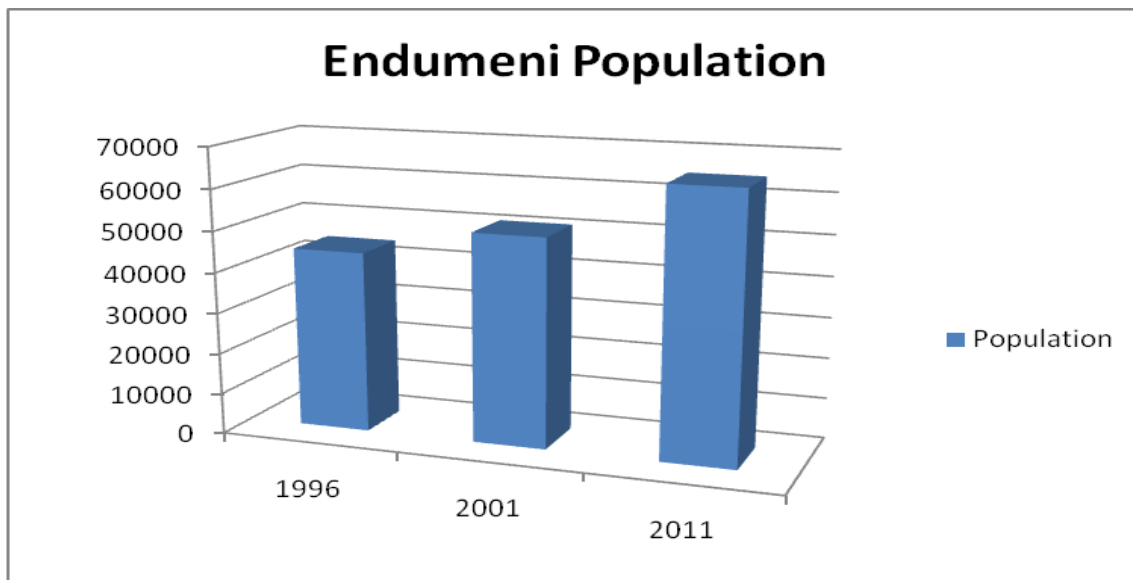
SWOT Analysis

8. DEMOGRAPHIC CHARACTERISTICS

| STRENGTHS | WEAKNESSES | OPPORTUNITIES | THREATS |
|--|---|--|--|
| <p>Attributes of the Municipality that is helpful to achieving compliance with the Disaster Management Act and the municipal responsibility in terms of the disaster management principles:</p> <ul style="list-style-type: none"> • Disaster Management Plan in place • Disaster Management Framework in place • Contingency Plan in place • Sector Plan in place • Disaster Risk Profile in place • Priority risk of municipality significance have been identify, assessed and documented • Hazard assessment studies, reports associated maps | <p>Attributes of the Municipality that is harmful to achieving compliance with the Disaster Management Act and the municipal responsibility in terms of the disaster management principles:</p> <p>Finance:</p> <ul style="list-style-type: none"> • Awareness Campaigns • Standby allowance for response • Office space and furnisher/equipment • Shortage of staff | <p>External conditions related to the Municipality that are helpful to successful completion of the project and complying with the Act and the municipal responsibility in terms of the disaster management principles:</p> <ul style="list-style-type: none"> • Interdepartmental corroboration especially in drafting the IDP to ensure identification of Disaster Related Projects • Endumeni disaster component should participate in the municipal planners forum, to cap chronic lack of coordination and inferiority of disaster management functions and priorities. | <p>External conditions related to the Municipality that may hinder the successful completion of the project and complying with the Act and the municipal responsibility in terms of the disaster management principles:</p> <ul style="list-style-type: none"> • Climate change • Capacity – funds, working space • Environmental degradation • Extreme temperatures |

8.1 POPULATION

The Endumeni population has increased from 51 101 recorded in 2001 to at least 64 862 recorded in 2011 census. This increase necessitates the matching increase on the level of provided services. Hence the planning for future infrastructure will be realized of this eminent reality. Again, the economic growth and development of Endumeni is now compelled to cater for increasing population. In the light of the three noticeable social-economic ills of unemployment, poverty and inequality it is clear that the failure of the economy to absorb an increased labour force will worsen the social living standards of the community. The graph below indicates that, there has been a steady growth in population between 1996 and 2011.

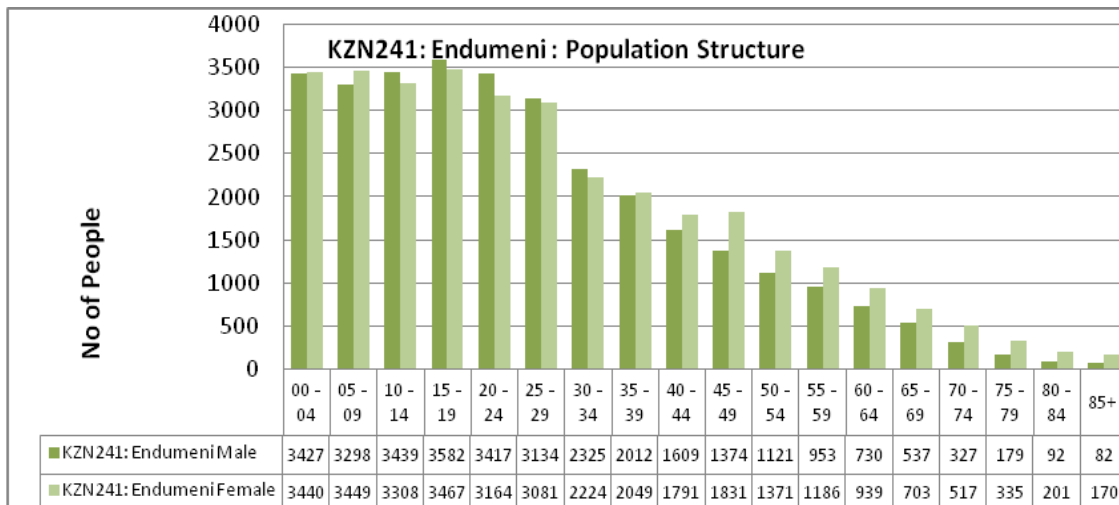


Source: Statssa 2011

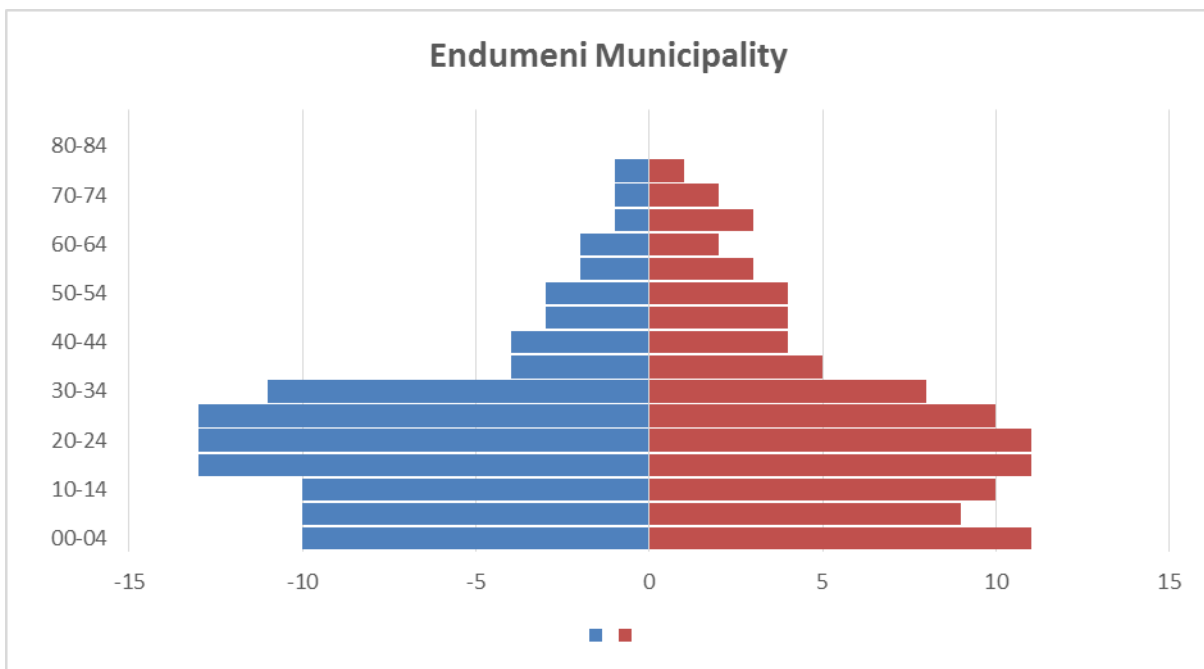
The above displayed trend that the municipality can also use an estimate of future projection on population figures for the next 10 years. The Endumeni has experienced the population growth rate of at least 2.38% per annum between 2001 and 2011, which is lower than the growth rate of 2.83% incurred between 1996 and 2001. This growth at a decreasing rate can be attributed to various factors with the inclusion of HIV Aids pandemic. But the overall summary is that, the future of Endumeni is full of challenges if you consider the graph below on age distribution.

8.2 AGE DISTRIBUTION

The age distribution of Endumeni community suggests that more than 50% of the population falls with the youth category. Undoubtedly the future growth and development will be necessary in order to meet both social and economic needs of this young population section.



Source: Statssa 2011



CS 2016 (Stats SA)

8.3 THE STRUCTURE(DISTRIBUTION ACCORDING TO SEX AND AGE)

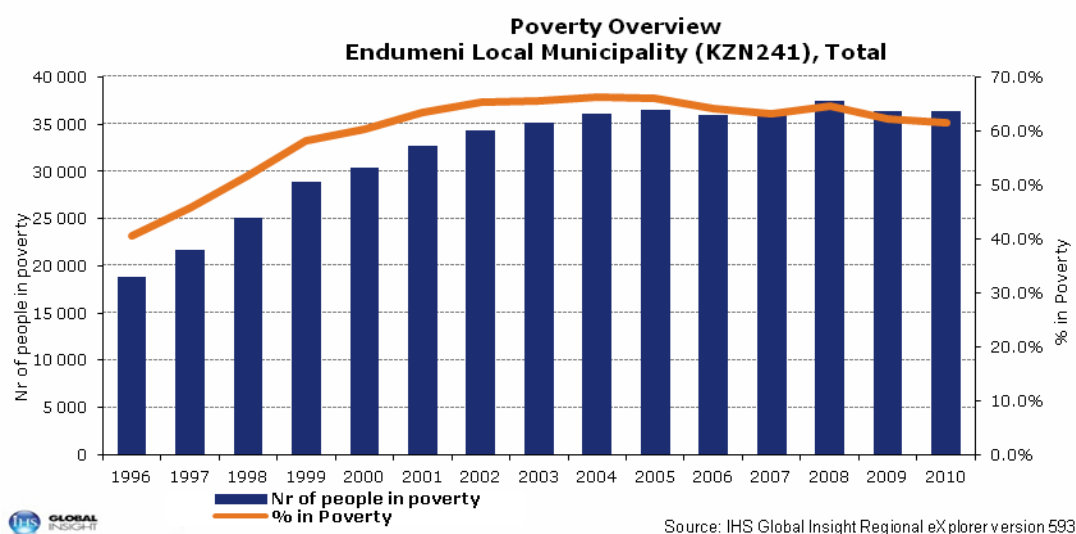
| | KZN241: Endumeni | 52401001: Ward 1 | 52401002: Ward 2 | 52401003: Ward 3 | 52401004: Ward 4 | 52401005: Ward 5 | 52401006: Ward 6 |
|---------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 0 – 4 | | | | | | | |
| Male | 3427 | 344 | 544 | 985 | 386 | 573 | 594 |
| Female | 3440 | 341 | 493 | 1026 | 368 | 598 | 615 |
| 5 – 9 | | | | | | | |
| Male | 3298 | 365 | 577 | 880 | 398 | 518 | 560 |
| Female | 3449 | 345 | 612 | 962 | 413 | 552 | 564 |
| 10 – 14 | | | | | | | |
| Male | 3439 | 358 | 733 | 865 | 440 | 474 | 570 |
| Female | 3308 | 307 | 776 | 803 | 401 | 482 | 540 |
| 15 – 19 | | | | | | | |
| Male | 3582 | 410 | 758 | 864 | 442 | 532 | 577 |
| Female | 3467 | 374 | 805 | 839 | 386 | 507 | 555 |
| 20 – 24 | | | | | | | |
| Male | 3417 | 392 | 573 | 774 | 491 | 554 | 633 |
| Female | 3164 | 276 | 612 | 812 | 417 | 517 | 531 |
| 25 – 29 | | | | | | | |
| Male | 3134 | 365 | 518 | 696 | 494 | 503 | 558 |
| Female | 3081 | 263 | 604 | 730 | 443 | 505 | 536 |
| 30 – 34 | | | | | | | |
| Male | 2325 | 312 | 432 | 519 | 308 | 351 | 402 |
| Female | 2224 | 183 | 436 | 557 | 306 | 337 | 405 |
| 35 – 39 | | | | | | | |
| Male | 2012 | 230 | 352 | 475 | 262 | 340 | 353 |
| Female | 2049 | 188 | 471 | 434 | 262 | 315 | 380 |
| 40 – 44 | | | | | | | |
| Male | 1609 | 157 | 348 | 317 | 232 | 224 | 330 |
| Female | 1791 | 190 | 403 | 373 | 232 | 222 | 371 |
| 45 – 49 | | | | | | | |
| Male | 1374 | 145 | 323 | 222 | 208 | 201 | 275 |
| Female | 1831 | 181 | 435 | 344 | 251 | 303 | 318 |
| 50 – 54 | | | | | | | |
| Male | 1121 | 126 | 262 | 175 | 154 | 155 | 249 |
| Female | 1371 | 164 | 361 | 243 | 174 | 167 | 261 |
| 55 – 59 | | | | | | | |
| Male | 953 | 133 | 226 | 168 | 138 | 122 | 166 |
| Female | 1186 | 149 | 273 | 237 | 169 | 147 | 210 |
| 60 + | | | | | | | |
| Male | 1946 | 280 | 528 | 288 | 234 | 221 | 395 |
| Female | 2864 | 369 | 677 | 505 | 382 | 406 | 526 |

9. POVERTY

9.1 NUMBER OF PEOPLE IN POVERTY

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society.

In terms of percentages, in 1996 40.7% of residents of the Endumeni lived in poverty, while in 2010 61.9% lived in poverty. This figure peaked at 66% in 2005. While the poverty rate is at 61% Africans are the most affected. At least 69.9% of Africans are languishing in poverty and as far back as 2005 the rate was at 78%. Again, this calls for strategic interventions that will speedily realized the number of people in poverty.



Graph 11: Poverty Overview

9.2 POVERTY GAP

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be

defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families.

For the UDM this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008. In case of Endumeni at least 47 million is required to bring all the residents currently below poverty line to the equilibrium level. This is the level where all affected will have 1 dollar per day.

9.3 PERCENTAGE OF PEOPLE LIVING BELOW \$1 AND \$2 PER DAY

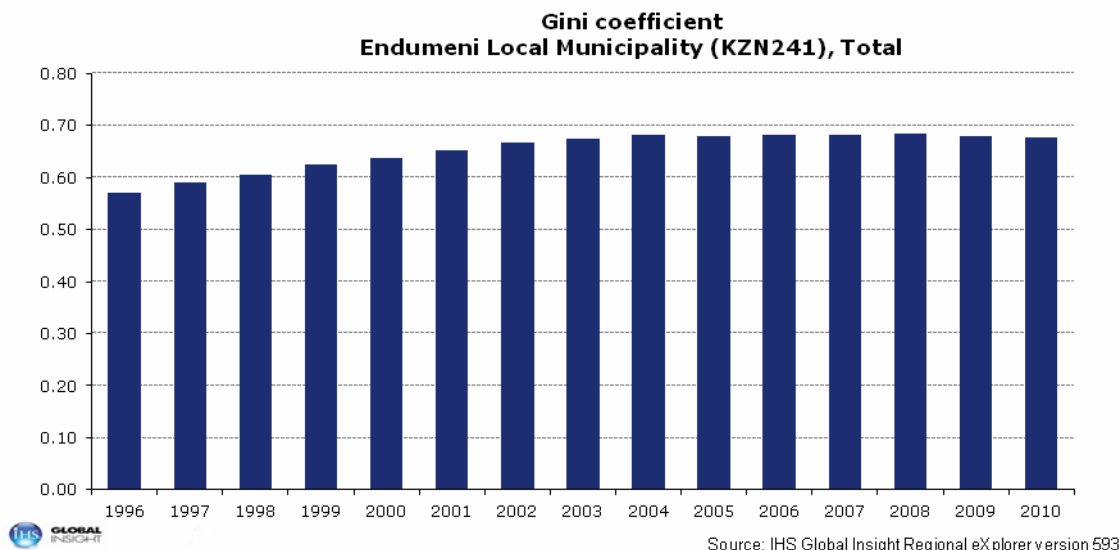
In 1996 9% of the population of Umzinyathi lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 0.4% living below \$1 per day and 10% below \$2 per day in 2010. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

In 1996 at least 4% of the population of Endumeni lived below \$1 per day and 12% below \$2 per day. However, there has been a noticeable improvement on these figures. Currently Global Insight reports that 0.4% live below \$1 per day and 11.5% below \$2 per day respectively.

10. GINI COEFFICIENT

The Gini Coefficient is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

The Gini Coefficient for the UDM rose from 0.59 in 1996, to 0.61 in 2009, and peaked at 0.63 in 2003 and 2004. This indicates a relatively high level of inequality in the UDM society. The Gini coefficient for the UDM in 2009 was lower than the national average. On the other hand, the Gini Coefficient of Endumeni is reported to be 0.68 in 2010 while it was 0.57 in 1996. The inequality gap has increased in Endumeni living government with the challenge to narrow this unhealthy economic gap.



Graph 12: Gini coefficient

10.1 HUMAN DEPRIVATION INDEX

The Human Deprivation Index or HDI is a summary of human development and can be defined as a measure of multi-dimensional poverty. In 2004 it was estimated that the HDI for the UDM was the second lowest figure for DM's in KZN behind the uMkhanyakude DM.

The HDI for the UDM in 2009 was 0.36 which was lower than the national average of 0.56 for the same period. The HDI for Endumeni was 0.54 in 2010 and was standing at 0.56 in 1996.

11. MINIMUM LEVEL OF LIVING

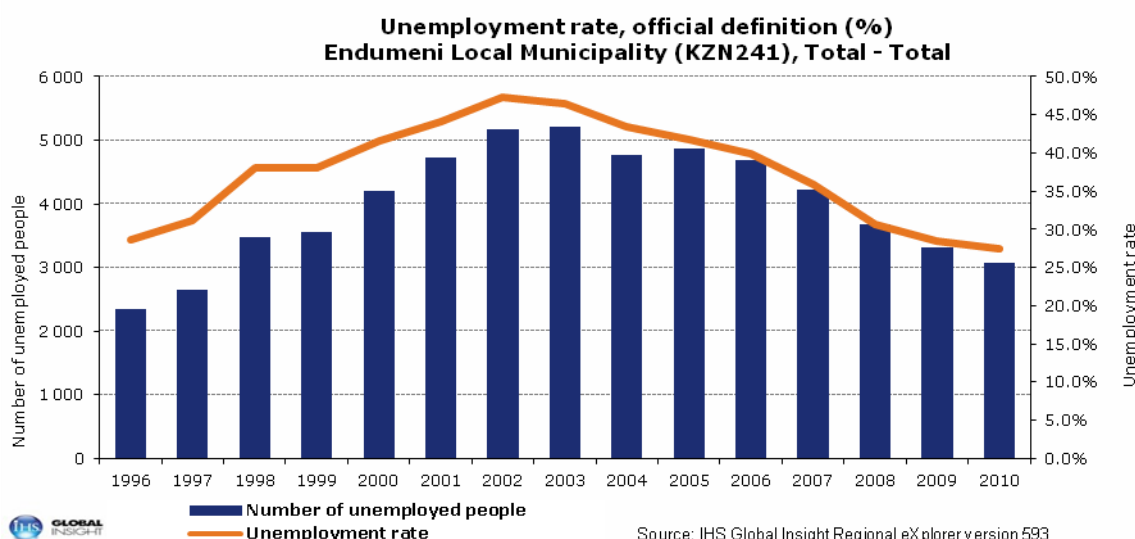
The Minimum Level of Living (MLL) can be defined as the minimum financial requirements of members of a household to maintain an acceptable living standard, which is above the Poverty Line. Sufficient quantities of relevant expenditure items based on minimum health standards are allowed for when calculating the MLL, but rational expenditure on them is assumed. The MLL is measured in monetary value.

The following map was prepared by the CSIR (2004) and identifies communities in South Africa that are living in areas with low economic activity, low levels of demonstrated economic potential, and with high numbers of people living below the MLL. As can be seen, the uMzinyathi DM is identified as one of these areas.

12. UNEMPLOYMENT

The unemployment rate for Endumeni Local Municipality has significantly dropped from 46% in 2001 to 26.4% in 2011, and it is relatively lower than the district rate which is 36.5% and provincial rate which is 33%.

The Global Insight figures indicate that the Unemployment rate has decreased from 28% in 1996 to 27.5% in 2010. Unemployment levels were the highest in 2002 when they hit 47%. Global Insight estimates that 3 081 people in 2010 were unemployed. The following graph summarises these figures.



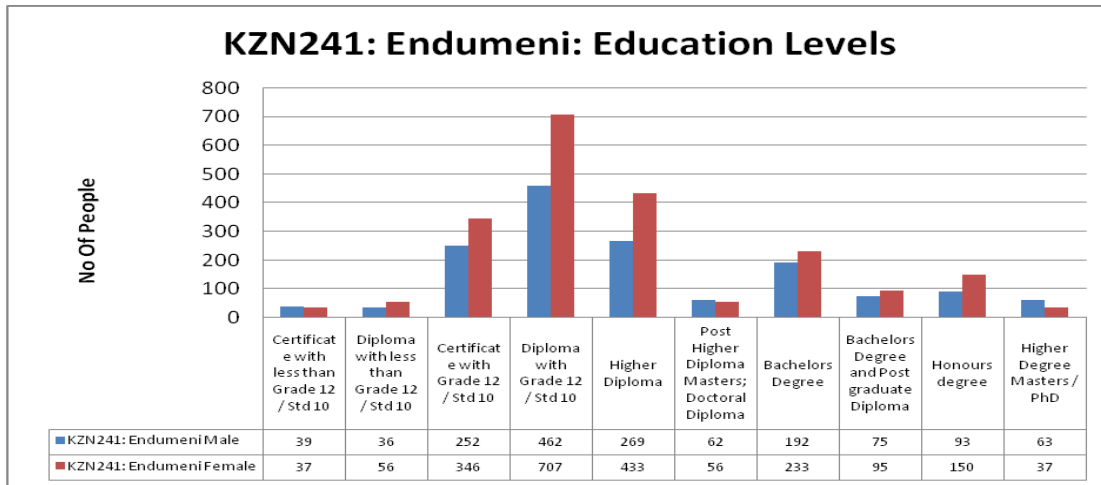
Source: Global Insight Unemployment rate

12.1 EDUCATION LEVEL

In terms of percentage of the population aged 20 and above within Endumeni local municipality with no education. In 2001, there were 15.5% of the population aged 20 and above with no form of education. In 2011, the percentage has dropped as it is 7%, and it is less than the provincial rate which is 10.8%.

The rate for people with Higher Education aged 20 and above at Endumeni Local Municipality has increased from 7.8% in 2001 to 10.7% in 2011. This is accompanied by the increase in people with matric qualification from 22.2% in 2001 to 31.8% in 2011. It is vehemently believed that, the establishment of a fully-fledged Further Education and Training centre will increase the education profile for the municipal area. Interestingly primary education enrolment has also increase from 90% in 2001 to 93% in 2011.

The education level is an important indicator of the future prosperity or challenge facing an economy. In this regard it is noted that the community of Endumeni is becoming more empowered through acquisition of important academic qualification. An increased number of women or a female in particular is acquiring more diplomas and degrees. But if the economy fails to absorb those realized people they will surely search for greener pastures elsewhere.



Source: Statssa 2011

13. HEALTH

Optimum walking distances are between 1 to 2.5 km and with a maximum walking distance of 5km. The municipality obviously does not conform to this standard. Facilities are clustered within the urban core of Dundee and Glencoe and facilities are required in the rural and rural satellite nodes, particularly in the north-west of the Municipality. Endumeni is serviced by only one hospital, which is insufficient, notwithstanding the CSIR standards. Should the clinics be geared to handle and stabilize serious medical cases, which they can refer to the hospital, this should not be a problem, on condition that the clinic is accessible via road infrastructure, and that the hospital has the capacity to carry a pre-determined number of people from the Community.

Source: KZN Department of Health

| Sub District | District Office | District Hospital | TB Hospital | CHC | Fixed Clinics | Mobile clinics | EMS Base | Forensic Mortuary | Nursing Colleges | Regional Laundry |
|-----------------|-----------------|-------------------|-------------|----------|---------------|----------------|---|-------------------|------------------|------------------|
| Endumeni | 1 | 1 | 0 | 0 | 6 | 2 | 3. EMS District Office + 1 EMS Base | 1 | 0 | 1 |
| Msinga | 0 | 1 | 0 | 1 | 20 | 3 | 1 | 0 | 1 | 0 |
| Nquthu | 0 | 1 | 0 | 0 | 15 | 4 | 1 | 0 | 1 | 0 |
| Umvoti | 0 | 1 | 1 | 0 | 12 | 3 | 1 | 1 | 0 | 0 |
| District | 1 | 4 | 1 | 1 | 53 | 12 | 4. District Office + 4 EMS Bases | 2 | 2 | 1 |

14. HIV/AIDS

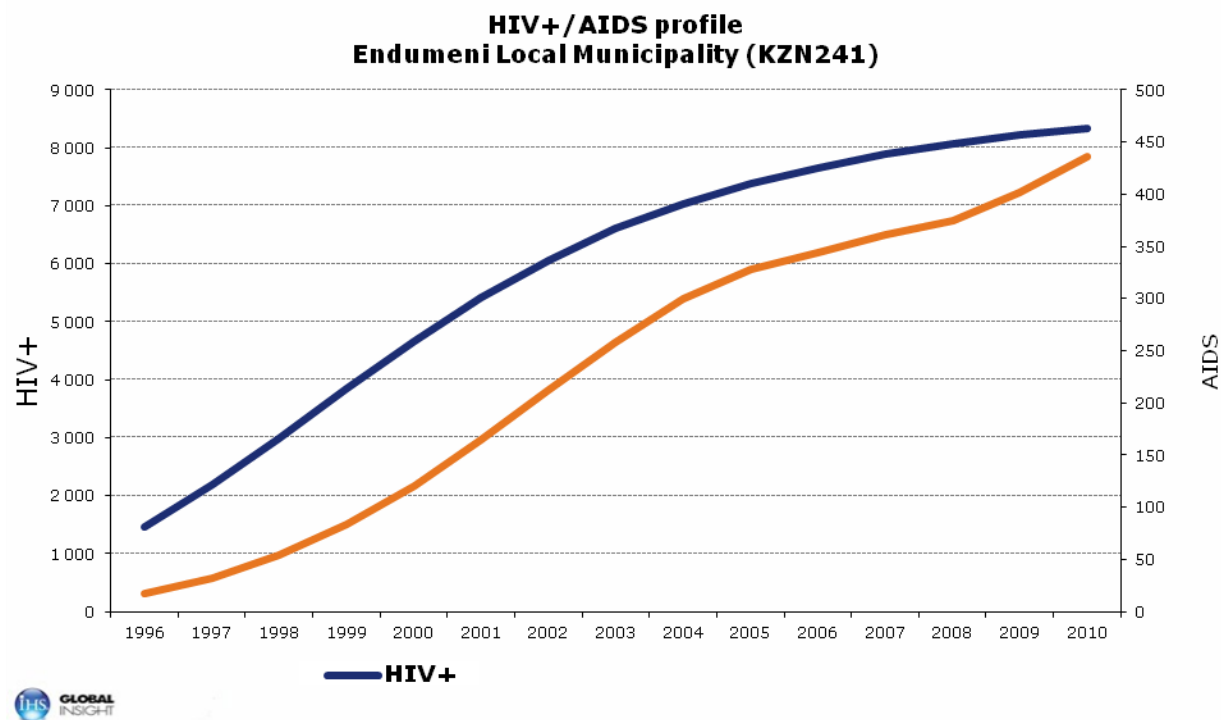
In Umzinyathi District Municipality, the HIV/AIDS infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwazulu Natal. The province has the highest HIV prevalence rate in South Africa. According to KZN Department of Health, April-November 2015 data on HIV/AIDS prevalence Endumeni Local Municipality has HIV prevalence of 10.1% which is relatively high than the other local municipalities.

| Dis_Metro | SubDis | Indicator Name | IndType | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Grand Total |
|---------------|-------------|---|---------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
| Umzinyathi DM | Endumeni LM | HIV prevalence among clients tested (excluding antenatal) | % | 9.6 | 8.4 | 8.4 | 6.7 | 7.4 | 7.1 | 8.3 | 8.8 | 8.1 |
| | | HIV prevalence amongst client tested 15-49 years rate | % | 9.5 | 13.8 | 11.0 | 8.6 | 6.9 | 9.5 | 10.3 | 9.8 | 10.1 |
| | Msinga LM | HIV prevalence among clients tested (excluding antenatal) | % | 5.7 | 6.0 | 4.8 | 5.9 | 5.9 | 4.6 | 5.5 | 5.4 | 5.5 |
| | | HIV prevalence amongst client tested 15-49 years rate | % | 4.8 | 6.7 | 5.1 | 6.9 | 5.9 | 4.9 | 4.3 | 7.2 | 5.7 |
| | Nquthu LM | HIV prevalence among clients tested (excluding antenatal) | % | 6.3 | 5.5 | 6.1 | 5.4 | 5.8 | 4.2 | 5.1 | 4.5 | 5.3 |
| | | HIV prevalence amongst client | % | 6.9 | 5.1 | 6.2 | 5.0 | 6.4 | 4.7 | 6.5 | 5.1 | 5.8 |

| | | | | | | | | | | | | |
|--|-----------|---|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | tested 15-49 years rate | | | | | | | | | | |
| | Umvoti LM | HIV prevalence among clients tested (excluding antenatal) | % | 4.9 | 6.4 | 6.4 | 5.6 | 5.7 | 6.1 | 5.2 | 5.5 | 5.7 |
| | | HIV prevalence amongst client tested 15-49 years rate | % | 5.1 | 6.9 | 5.0 | 6.0 | 6.2 | 5.9 | 5.6 | 6.3 | 5.9 |

Source: KZN Department of Health, April-November 2015 data on HIV/AIDS prevalence

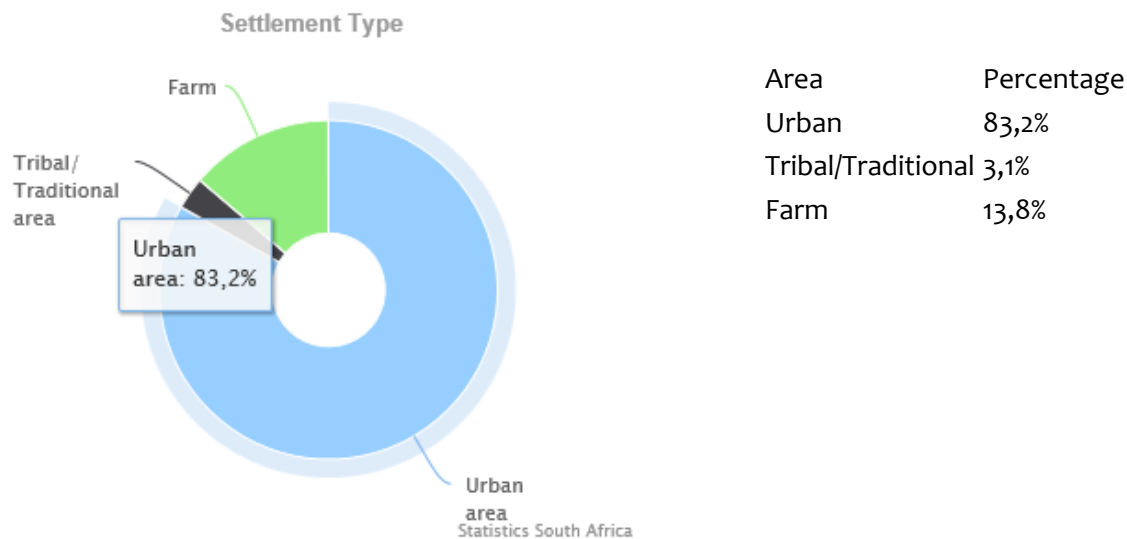
The graph below displays the profile of the populations with regards to HIV positive individuals, and AIDS rates within the study area. All figures are as a percentage of the total population.



Graph 4: HIV/AIDS Profile

15. RURAL AND URBAN DEVELOPMENT

Just over 87% of the population of Endumeni lives in formal urban housing with 3, 1% of the community living in traditional housing and 13,8% on rural farms. In comparison to the rest of the district municipality, the people of Endumeni are generally better off in terms of access to service infrastructure: 79,1% of households have access to electricity for lighting, while 61,9% have access to piped water within the dwelling.



Source: Statssa

16. CHILDREN

Endumeni Local Municipality is home to a population that is predominantly urban, with only 16,8% living in non-urban areas. The municipality has a population of 64862 with a growth rate of 2.38%. The children with the municipal area accounts for 31.4% of the total population.

Child Headed House holds

| Municipality | Census 2011 | | | Community Survey 2016 | | |
|------------------|----------------------------------|----------------------------------|-------|----------------------------------|----------------------------------|-------|
| | Head of household by age 10 – 14 | Head of household by age 15 – 19 | Total | Head of household by age 10 – 14 | Head of household by age 15 – 19 | Total |
| DC24: Umzinyathi | 504 | 2310 | 2814 | 658 | 5987 | 6645 |
| KZN241: Endumeni | 36 | 219 | 255 | 14 | 576 | 590 |
| KZN242: Nqutu | 153 | 672 | 825 | 113 | 1266 | 1379 |
| KZN244: Msinga | 213 | 846 | 1059 | 199 | 2255 | 2454 |
| KZN245: Umvoti | 102 | 573 | 675 | 331 | 1891 | 2222 |

CS 2016 (Stats SA)

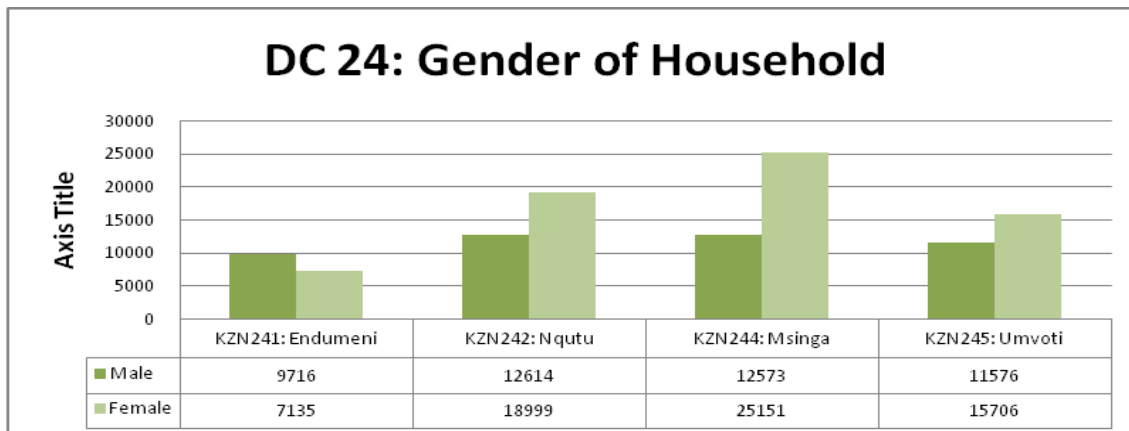
17. YOUTH

The Municipality has the responsibility of co-ordinating the development and promotion of youth development initiatives, establishment of youth desk and youth structures and implementation of procedures, reporting and upliftment of youth programmes.

18. WOMEN

According to the demographical data, Endumeni has more females (33 225 which amounts to 51% of the total population) than males. Endumeni Municipality places a very strong emphasis on the employment of women within both the public and private sector.

19. GENDER OF HOUSEHOLD



The female headed households in the district of Umzinyathi have increased dramatically. This puts more responsibility on their shoulders to provide for their families. Undoubtedly, the local economy has to be absorptive of female labour force in order to enable them to discharge their responsibilities. Unfortunately the increasing unemployment rate also affects the women thereby undermine their capability and capacity to sustain their households.

20. PEOPLE LIVING WITH DISABILITY

The number of people living with disabilities is estimated at 2 677 which accounts for 4% of the total population. The municipality has adopted policies and practices to ensure that these residents are not excluded from any development initiatives that are championed by council. These include the unbiased employment and recruitment procedures as well as the supply chain management systems.

21. KEY FINDINGS INCLUDING TRENDS

The implications that emanate from the above demographics are as follows:

- There has been a consistent population growth between 2, 38% and 2, 83% per annum. This is slightly higher than the national average.
- The area is dominated by youthful population.
- The levels of education have improved given the decrease of people with no schooling and the increase of people with matriculation has increased.
- There are more males than females within the area.

22. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Municipal transformation and institutional development relates to a fundamental and significant change in the way the municipalities perform their functions and the calibre of human resources used in the delivery of quality services to the communities served. Service delivery planning has changed from municipal centred approach to community participatory approach.

22.1 HUMAN RESOURCE STRATEGY

The municipality has a Human Resource Strategy that was adopted by the Council. The municipality will be reviewing the Human Resource Strategy by 30 June 2017 in line with the adoption of the 4th Generation IDP. The Human Resource Strategy is committed to ensuring that the municipality has the necessary human resource capacity that is aligned to the long-term development plans of the municipality. The human resource capacity in the municipality is dedicated to meet the municipal obligation set out by the IDP such as addressing the challenges and mandate brought about by both new service delivery modalities and ongoing transformation of Local Government.

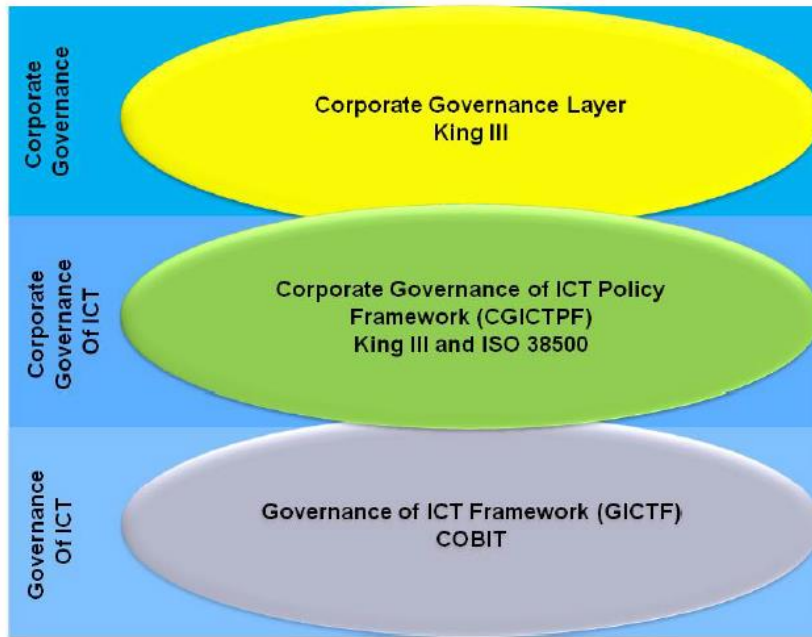
The HR Strategy has detailed the roles and responsibilities of all key municipal departments on how they should perform their duties to achieve the desired goal and objectives of the municipality. It also provides direction on how staff skills should continuously be capacitated.

22.2 ICT POLICY FRAMEWORK

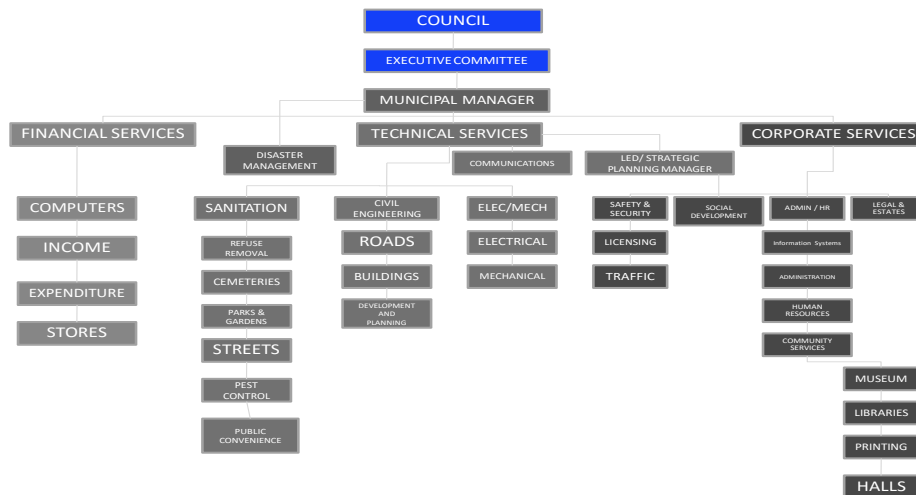
The Municipality has an ICT Framework policy that was adopted by Council on the 24 March 2017. The Public Service Corporate Governance of Information and Communication Technology Policy Framework (2012) stipulates that COBIT should be adopted and implemented as the Governance of ICT Framework on the Governance of ICT layer.

COBIT will enable the municipality to achieve their strategic goals by deriving optimal value from ICT through the realisation of benefits and optimising resources and risk.

The figure below demonstrates the different governance layers with their related frameworks and standards.



22.3 ORGANIZATION OF ADMINISTRATION (ATTACH THE REVIEWED ORGANIZATIONAL STRUCTURE)



The Municipality's Management Team is headed by the Municipal Manager who functions under the political directive of the Mayor. There are four Section 56 Managers, existent in the structure, who report directly to the Municipal Manager namely: the Executive Manager Corporate Services, the Executive Manager Technical Services, Executive Manager Planning & Economic Development and the Chief Financial Officer. The management team monitors,

implements and reviews various Council resolutions as well as the performance of various sub-directorates of the Municipality.

22.4 MUNICIPAL TRANSFORMATION

The Endumeni Municipality has a total staff complement of 325 permanent employees. The organograms for all departments was submitted to the Local Labour Forum for approval and all organograms were reviewed and amended by Council. The employees of the Endumeni Council are represented on the organizational structure as follows:

20.2.1 WORKPLACE PROFILE

The Endumeni municipality's workforce consists of:

- 71 African Females
- 5 Colored Females
- 19 Indian Females
- 14 White Females
- 181 African Males
- 5 Colored Males
- 10 Indian Males
- 20 White Males

20.2.2 STAFF MOVEMENT

TO BE UPDATED AS PART OF THE FINAL IDP IN MAY)

22.5 DEPARTMENTS REPRESENTATION

The following departments and sections exist within the Endumeni Local Municipality:

| Office Of the Municipal Manager | Corporate Services | Budget & Treasury Office | Planning & Economic Development Services | Technical Services |
|--|--|---|---|---|
| <u>PURPOSE</u> Provide leadership to the municipality & support council in fulfilling its mandate | <u>PURPOSE</u> Undertake corporate & administrative services | <u>PURPOSE</u> The efficient management of the finances of the municipality | <u>PURPOSE</u> To provide planning & economic development Services within the municipality | <u>PURPOSE</u> To provide capital & maintain existing infrastructure |
| <u>FUNCTIONS</u> <ul style="list-style-type: none"> • Communications & Public Relations • Intergovernmental Relations • Social Development • Internal Auditing & Risk Management • Community Participation | <u>FUNCTIONS</u> <ul style="list-style-type: none"> • Human Resources & Administration; • Safety & Security; • Legal • Information Technology | <u>FUNCTIONS</u> <ul style="list-style-type: none"> • Promote sound financial management throughout the municipality; • Be responsible for all income and expenditure, all assets and the discharge of all liabilities; • Income, • Supply Chain Unit; | <u>FUNCTION</u> <ul style="list-style-type: none"> • Development Planning Services / Town Planning Services • Geographical Information Systems (GIS) • Environmental Planning & Management • Integrated Development Plan | <u>FUNCTION</u> <ul style="list-style-type: none"> • Sanitation, • Civil Engineering, • Electrical, • Mechanical • Projects • Technical Administration |

| | | | | |
|--|--|---|--|--|
| | | <ul style="list-style-type: none">• Computers;• Expenditure• Asset Management• Budget and Reporting. | <p>(IDP) and Performance Management Plan (PMS)</p> <ul style="list-style-type: none">• Human Settlement & Building Compliance• Real Estate Services• Local Economic Development (LED) & Tourism Services | |
|--|--|---|--|--|

22.6 ORGANISATIONAL DEVELOPMENT

INSTITUTIONAL ARRANGEMENTS

The Endumeni Council has, in accordance with Section 43 of the Municipal Structures Act No. 117 of 1998, established an Executive Committee comprising of three members. The Executive Committee is chaired by the Mayor, while the Council is chaired by the Speaker in terms of Section 48 and Section 36 of the Municipal Structures Act (117 of 1998) respectively.

The Executive Committee functions under delegated authority of the Council, except for those powers and functions as determined by Section 160 of the Constitution of South Africa 1996. The Endumeni Municipality is demarcated into 6 wards with active ward committees.

The purpose of the Ward Committees is to assist the Ward Councillors with organizing, consulting and the cascading of information to all stakeholders of the various wards. The office bearers of the local municipality are as follows:

20.4.2 STATUS OF CRITICAL POST

- Municipal manager

The Municipal Manager's post is not vacant however the incumbent was suspended and the matter is with the High Court currently there is an Acting Municipal Manager

- Section 56

The positions of the Chief Financial Officer, Executive Manager Planning & Economic Development and Technical Services positions are filled. The Executive Manager Corporate Services is vacant; however it is in the process of being filled during the 2016/2017 Financial Year:

- Critical Positions:

The table below presents the status of the critical positions:

| NO. | POSITION | DEPARTMENT | GENDER | STATUS |
|-----|---------------------|---------------------------------|--------|--------|
| 1. | Manager: LED | Planning & Economic Development | M | Filled |
| 2. | Manager: IDP/PMS | Planning & Economic Development | F | Filled |
| 3. | Manager: PMU | Technical Services | F | Filled |
| 4. | PMU Technicians | Technical Services | - | Vacant |
| 5. | Manager: GIS | Planning & Economic Development | - | Vacant |
| 5. | Batho Pele Champion | Office of the Municipal Manager | - | Vacant |

22.7 WORK PLACE SKILLS PLAN

The municipality developed and adopted a Workplace Skills Development Plan (WSDP) in 2012. Human Resource Development is being rolled out through training programmes as per the WSP. Employees representative of almost all Departments have been sent to different workshops which address the skills gaps identified by their respective departments. This intervention is done through the Determination of Training Need. Training areas covered a wide range of fields related to municipal administration and delivery of services. The department of corporate governance and LGSETA are continuously developing programs meant to reskill both the technocrats and the political structures. A detailed Work Place Skills Plan is available and annexed in the IDP.

22.8 EMPLOYMENT EQUITY PLAN

Endumeni Municipal Council adopted the Municipal Employment Equity Plan. The plan was developed to ensure that all people are given equal opportunities. Transformation is one of the key issues that the municipality is busy addressing. The municipality has been transforming its management structure and has considered people with disabilities in its employ. Currently there is One (1) woman Head of Department and two (2) disabled employees and ten (10) coloured employees in the municipality. Likewise, a good percentage of the employees are youth.

The Municipality's vision for Employment Equity is to maximize the benefits of diversity, equal opportunity and fair treatment of employees, to maximize growth of employees so that the Municipality delivers a high quality service to the people of Endumeni, particularly the poor and those historically disadvantaged. To this end, the municipality has successfully implemented this plan and the municipal human resource structure is a testimony.

22.9 RETENTION STRATEGIES

Not all staff turnover is negative. Sometimes, staff turnover allows for new ideas to be introduced into the Municipal environment and for the development and promotion of employees who remain. However, the loss of some employees that have critical and scarce skills can hamper service delivery hence it is important to identify and prioritize such skills. To know which skills need to be prioritized, you need to classify the skills that are important to retain. Classifying skills is therefore a key step in ensuring a focused and cost-effective retention strategy. This is not meant to discriminate against some categories of employees, but rather to allow for a focused approach towards retaining staff and skills.

SKILLS TO BE RETAINED

The skills that need to be targeted within staff strategies are those needed to realize and meet.

(a) Woman and people with disabilities (in terms of the Employment Equity Act 55 of 1988): Measures to control non-discrimination in the workplace should be implemented. An accessibility survey should be conducted to establish whether all Municipal buildings are accessible to those with disabilities.

(b) Scarce skills: Scarce skills are those skills that are needed to realize the Department's goals and objectives, but which are difficult to recruit and expensive to replace.

(c) Valued Skills: Valued skills are those skills that are not classified as being scarce skills. Examples are employees with qualifications that are valuable to possess and positively contribute to the service delivery goals of the Municipality and the loss thereof will have a negative impact on a Department's ability to meet its goals.

(d) High – Risk skills: High – risk skills are the skills that an employee has attained over a long period of time pertinent to the department through years of service experience and such employee has indicated his/her intention to leave soon.

Link staff retention with an effective recruitment and selection Process.

A lot of staff losses are caused by unattractive salary packages which came as a result of the implementation of the Job/Task Evaluation. To prevent this, accurate job descriptions must be developed that clearly identifies the core competencies required for successful performance. These job descriptions must be used during the recruitment and selection process. In some cases it has also been shown to be good practice to “hire for capabilities and train for skills”. This is where a person is appointed because he/she has the right capability to be able to do the job even though they may not have the necessary skills required since these can be attained through training.

Link staff retention to an effective induction process

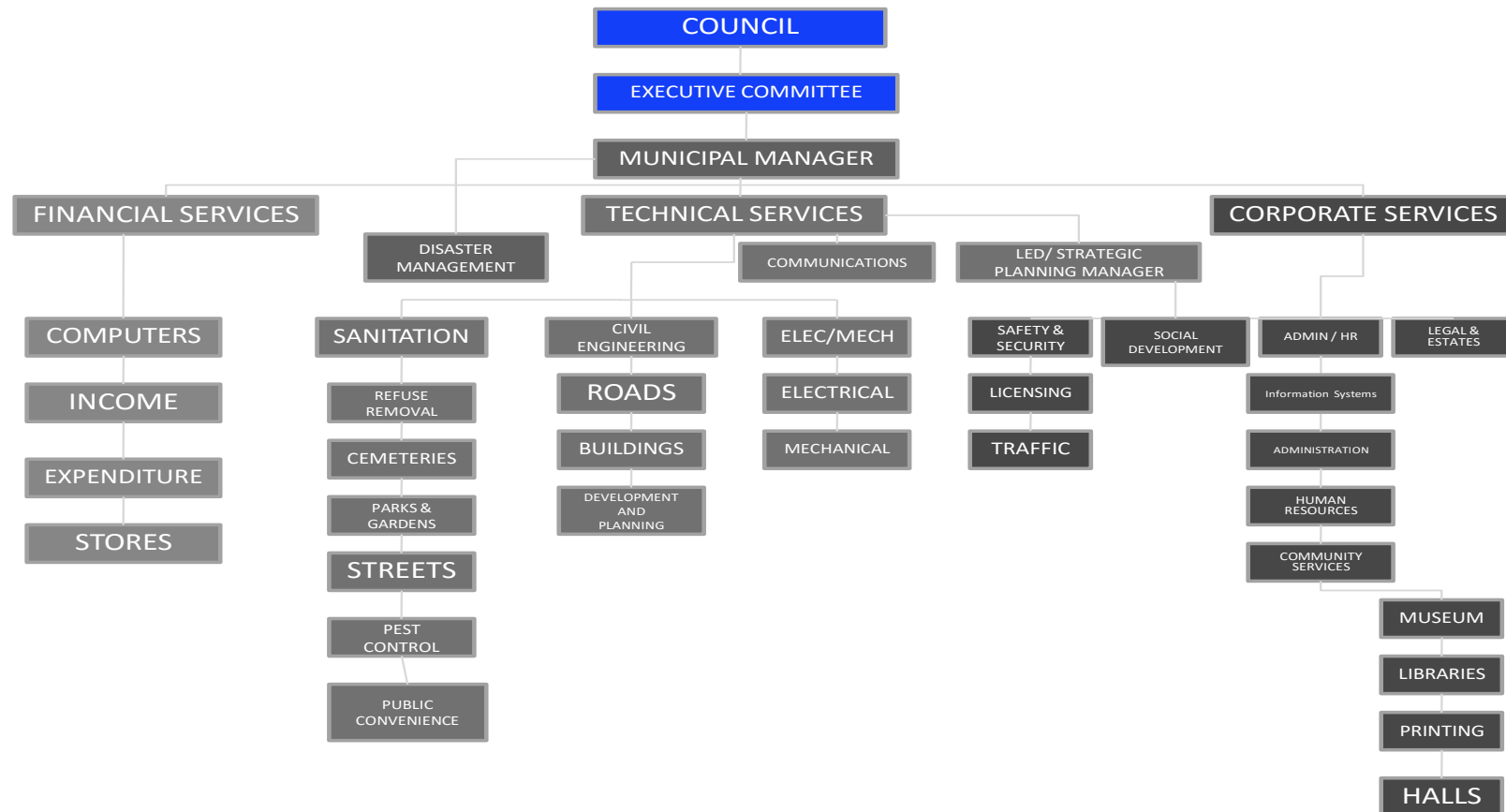
Best practice studies show that the first few weeks of employment are important for establishing employee commitment to equipment. It is therefore essential that Managers and human resource practitioners lay the foundation for future commitment by being part of the induction process. A good way of addressing this is to have well-structured and dynamic induction programs that stretches from the employee’s first day of work until they have been thoroughly introduced to their jobs. A useful tool in this regard is to develop a new employee guide that can be given to employees to read even if they have not started working.

22.10 POWERS AND FUNCTIONS OF THE ENDUMENI MUNICIPALITY

The Endumeni Municipality is a category B Municipality as described in Section 155(1) (b) of the Constitution of the Republic of South Africa 1996. The powers and functions of the Endumeni Municipality is in compliance with Section 156 of the Constitution of the Republic of South Africa, 1996.

Performance of Powers and Functions

| POWERS & FUNCTIONS | Endumeni Municipality (Responsible Department) |
|---|---|
| Building Regulations | Planning & Economic Development Services |
| Electricity Reticulation | Technical services |
| Fire Fighting Services | Corporate services |
| Local Tourism | Planning & Economic Development Services |
| Municipal Airport | Planning & Economic Development Services |
| Municipal Planning | Planning & Economic Development Services |
| Stormwater Management System in Built Up area | Technical services |
| Trading Regulations | Planning & Economic Development Services |
| Cemeteries | Technical services |
| Cleansing | Technical services |
| Billboards and Display of Advertisements in Public Places | Planning & Economic Development Services |
| Licensing and Control of undertaking that sell food to the public | Umginyathi District Municipality |
| Local Amenities | Corporate services |
| Municipal Parks & Recreation | Technical services |
| Municipal Roads | Technical services |
| Pounds | Technical services |
| Public Places | Technical services |
| Refuse Removal, Refuse dumps and Solid Waste disposal | Technical services |
| Street Trading | Technical services |
| Street Lighting | Technical services |
| Traffic and Parking | Corporate services |
| Libraries | Corporate services |
| Museums | Corporate services |
| Municipal Halls and other Municipal Buildings | Corporate services |
| Financial Planning and Budgeting | Financial Services |
| Expenditure and Related Liabilities | Financial Services |
| Income and Related Credit Management | Financial Services |
| Control of Council's Assets | Financial Services |
| Investments | Financial Services |
| Financial Reporting | Financial Services |

22.11 ORGANISATIONAL STRUCTURE (**ATTACH REVIEWED ORGANIZATIONAL STRUCTURE**)

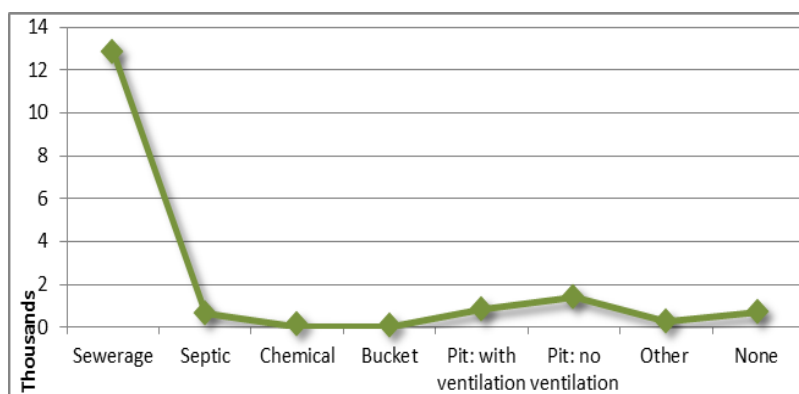
MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT ANALYSIS

| Strengths | Weakness | |
|------------------------------------|---|--|
| Capable and Skilled officials | Limited resources | Insufficient HR (as per Organogram) |
| Structures | Transformation on snail's pace | Lack of skills (WSP) |
| Active Unions (Local Labour Forum) | Failure of implementing the Succession Plan | Lack of managerial equity (EEP) |
| | Lack of Manager in the Office of MM | Lack of implementation of EEP |
| | No HR Strategy | Lack of implementation of WSP |
| | Organisational Structure not aligned to IDP | Political and Administrative interference |
| | Insufficient delegations to MM | Inconsistent application of regulations (Change Management Strategy) |
| Opportunities | Threats | |

| | |
|----------------------------|--|
| Grant Funding | Losing skilled personnel through natural attrition |
| External Technical Support | |
| | |

23. SERVICE DELIVERY AND INFRASTRUCTURE

23.1 STATUS ACCESS TO SANITATION



SANITATION

| | |
|-----------------------|-------|
| Sewerage | 12820 |
| Septic | 661 |
| Chemical | 129 |
| Bucket | 42 |
| Pit: with ventilation | 849 |
| Pit: no ventilation | 1381 |
| Other | 285 |
| None | 686 |

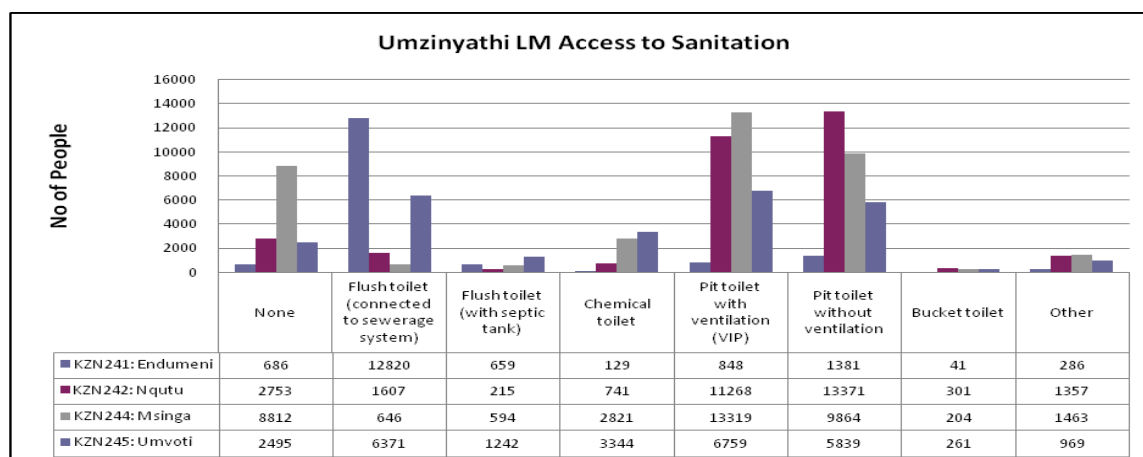
Graph7: Sanitation

Source: Statsa 2011

Approximately 12 820 households enjoy access to flushed toilet system and 849 have VIP system. This is a remarkable improvement if we consider that 1996 only 7000 households mainly from the advantaged backgrounds and townships had access to flushed toilet system. During the same year (1996) at least 100 households were still using the bucket system which has since been eradicated.

23.2 SANITATION BACKLOG

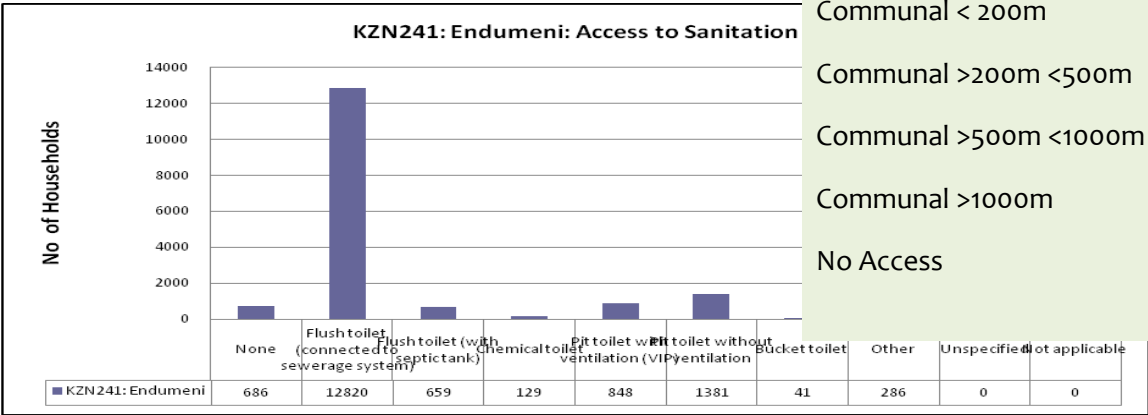
Sanitation backlog is estimated at 686 households in 2011, while on the other hand 86% has access to hygienic toilets. Access to basic service remains a priority of most societies. It is well understood if one considers the improvement in livelihood and lifestyle that result from accessibility of key services. To this end, the Endumeni municipality has enjoyed dramatic improvement in sanitation access as compared to all other local municipalities within the district.



Graph 5: Access to Sanitation District Wide

23.3 SANITATION NEEDS AND PRIORITIES

It is however, noted with concern that at least 41 households are still on bucket system and the municipality is concerned with this situation. This will call for fieldwork verification in order to identify affected households.



PIPED WATER

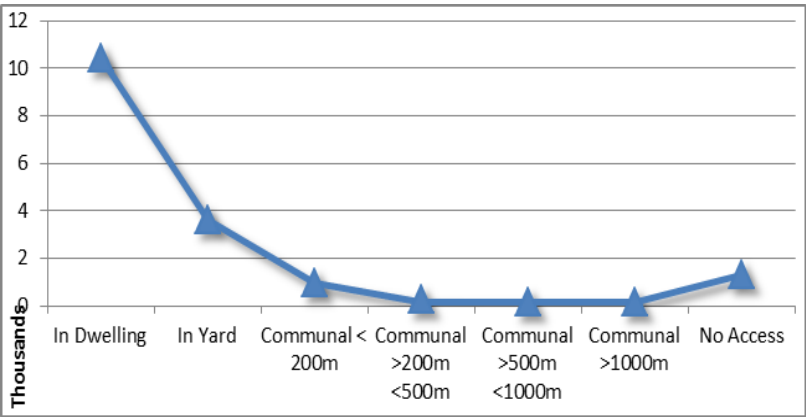
| | |
|-----------------------|-------|
| In Dwelling | 10434 |
| In Yard | 3618 |
| Communal < 200m | 929 |
| Communal >200m <500m | 236 |
| Communal >500m <1000m | 176 |
| Communal >1000m | 177 |
| No Access | 1279 |

Graph 6: Access to Sanitation Endumeni

The eradication of sanitation backlog is a priority to the district municipality. Endumeni has the responsibility to influence district programme to expedite the eradication of the current sanitation backlog.

23.4 STATUS OF ACCESS TO WATER SERVICES

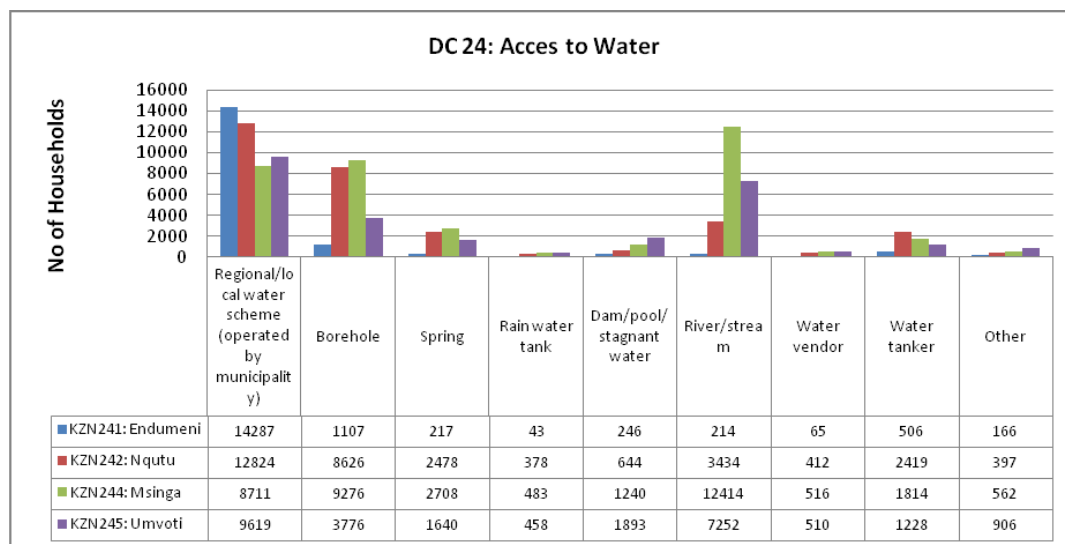
Graph 6: Water



Source Statsa 2011

Water in Umzinyathi District Municipality is mainly drawn from natural sources like streams and rivers. The water provision has improved in the area of Endumeni, households with

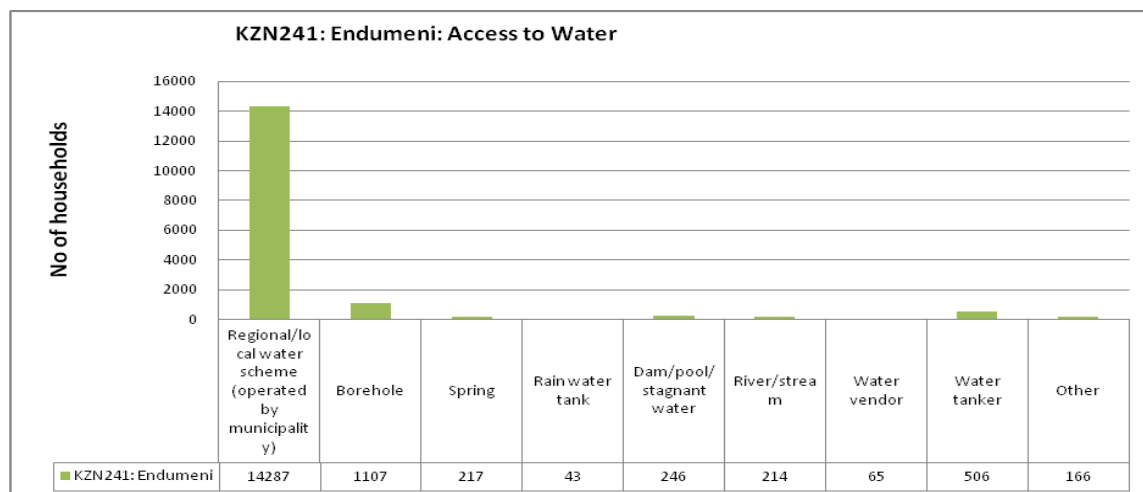
water inside dwelling have increased in 2007 and those that live below IDP standard are reported to be on the increasing path. According to Statssa figure, the households who have water in their dwellings is approximately 10 434 and in yard estimated at 3 618. At least 1 279 have no access to piped water as compared to 2007 when 2080 had no access and these are the households below RDP standards.



Graph 7: Access to Water

23.5 WATER BACKLOGS

The majority of Endumeni households have access to water through local water schemes. At least 14 287 households have access to water through local schemes and at least 1107 are still dependent on boreholes for their survival.



Graph 8: Access to Water Endumeni

The remaining households are still dependant on dams, river streams and water tankers for access to water.

23.6 WATER NEEDS & PRIORITIES

The municipal's priority is to ensure that all households in Endumeni Municipal Area have access to clean / tap water. Most of the backlog is in the rural parts of the municipality and this is where the municipality will focus. The municipality intends to prioritize provision of water services to the rural areas where it is economically and financially viable. The municipality will work closely with Umzinyathi District Municipality and government tiers to achieve the target priorities.

23.7 STATUS SOLID WASTE AND BACKLOG

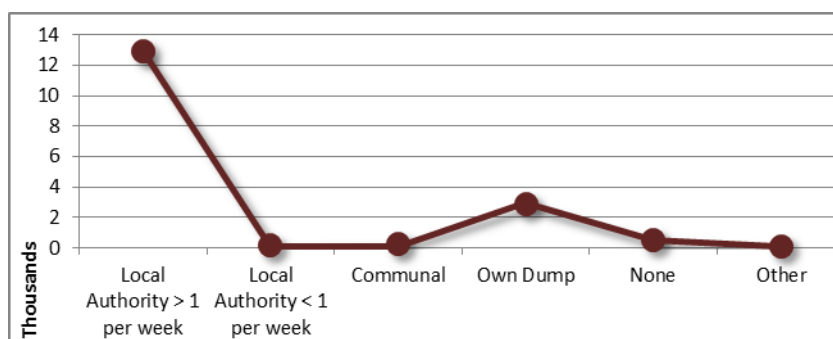
Only 82% of households have access to decent refuse removal and the remaining 3 500 households have no access at all. It is estimated that, 2 895 of the 3 500 households use personal dumping which might constitute illegal dumping.

This service is currently offered in the following areas including Dundee Town, Sibongile Township, Glencoe, Sithembile Township and Wasbank.

During the 2015/16 financial year, the municipality purchased a refuse truck which is currently in operation. The municipality received funding from COGTA for Urban Renewal. The municipality is in the process of obtaining 35 Skip Bins and 250 bulk skip bins utilizing that funding. The Dundee CBD and Glencoe will mainly benefit from this funding.

For the areas in the Rural areas like Kwa-Thelaphi, Mpilonde, Dejaggers drift, Enyanyeni, Strathford Farm and Kunene Farm, the Municipality is seeking to utilize a transfer station. The municipality will collect refuse on a central station in each of those areas.

Refuse Removal



REFUSE REMOVAL

| | |
|------------------------------|-------|
| Local Authority > 1 per week | 12922 |
| Local Authority < 1 per week | 163 |
| Communal | 267 |
| Own Dump | 2895 |
| None | 483 |
| Other | 122 |

Graph 9: Refuse removal

Source: Statsa

23.8 SOLID WASTE NEEDS AND PRIORITIES

Waste Management Priorities are as follows:

- I. Buying skip bins to accommodate the entire municipal area
- II. Establishment of transfer stations within the 7 farms
- III. Increase waste collection points

The municipality is involved in a Greening programme which is to promote the greening the municipality by planting and donating indigenous plants and trees to schools, communities and adopting hotspots. The municipality has 3 parks as part of promoting green environment.

23.9 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

It is a requirement of the National Waste Management Strategy (NWMS) and the IDP Process that all Municipalities compile an Integrated Waste Management Plan. This has resulted in the establishment of a Project Management Office (PMO) within the Departments of Co-operative Governance and Traditional Affairs (CoGTA) that with the assistance from the Municipal Support Agent (MISA) will co-ordinate and monitor the process to achieve the set services delivery targets.

DIGES Group was appointed by MISA with effect from 16 January 2017 for a 6 months' period up to 31 July 2017 for the development of Integrated Waste Management Plan for eNdumeni Local Municipality in the KwaZulu Natal Province. The Final IWMP will tabled as part of the Final 2017/18 IDP after it's adoption by Council by June 2017.

23.10 LAND FILL SITE

The Endumeni Local Municipality has one landfill site and is a registered licence owner of the Glencoe Landfill site. The Kwa-Zulu Natal Department of Agriculture and Environmental Affairs (DAEA) on the 03 March 2011 reviewed the Waste Management licence for Glencoe landfill site. The licence authorised the following:

- The recycling of Waste material at the Glencoe Landfill site
- The disposal of general waste to land covering an area in excess of 200m²
- The expansion of the waste disposal area at the Glencoe Landfill site

Therefore the Land fill site is being utilized fully by the municipality and the Nquthu Local Municipality is also using the Glencoe landfill site for waste disposal. Nquthu area is approximately 51 km from Dundee, and the waste is disposed on a daily basis.

23.11 ENERGY

STATUS ACCESS TO ELECTRICITY

Electricity is one of the major necessities required by all the communities. Lack of electrical connectivity to some of the households within Endumeni has hindered their development and exposed them to ever-increasing prices of paraffin and on-going struggle to access wood as an alternative means of water heating, cooking, etc.

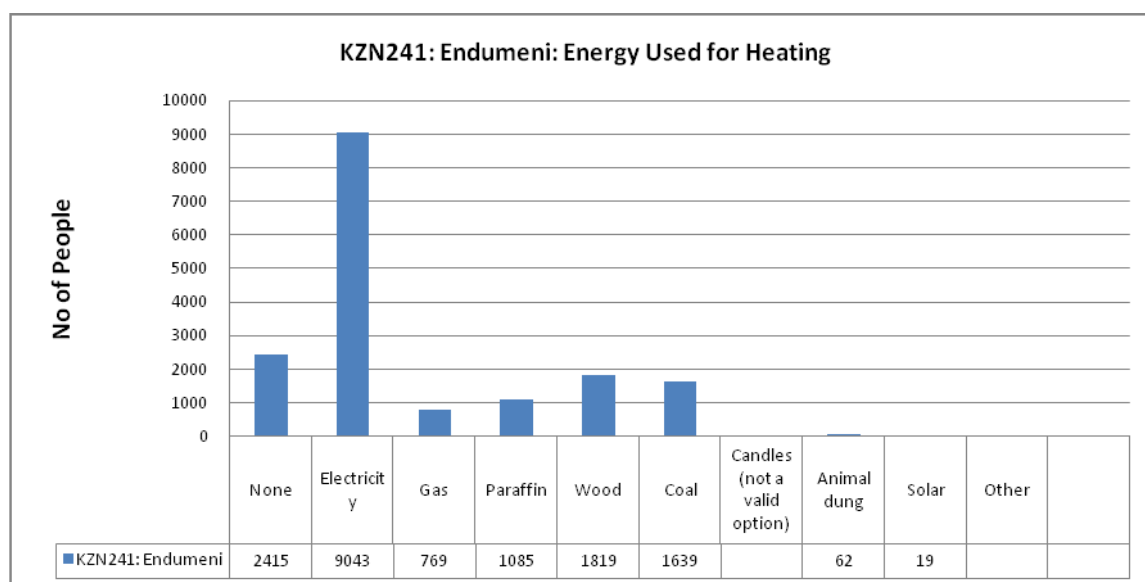
ELECTRICITY BACKLOGS

To this end, at least 75.2% of households have electrical connections while 3400 have no connections and form part of the current backlog. This compels the electricity service providers to outline their plans during the new generations of IDP on how are they planning to eradicating this costly backlog. The main affected areas fall under the operational jurisdiction of Eskom.

Table 1: Access to Alternative Sources of Energy

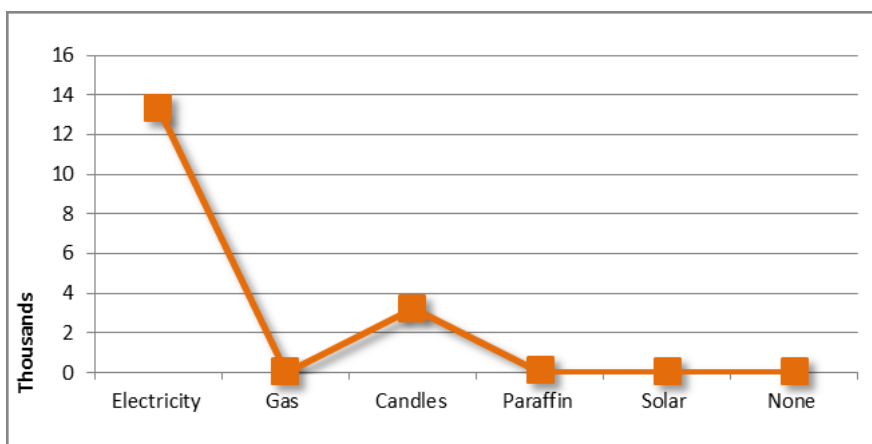
| Energy | 2001 | 2007 |
|-------------|-------|-------|
| Electricity | 66.3% | 80.7% |
| Gas | 0.1% | - |
| Paraffin | 1.3% | 0.4% |
| Candles | 31.6% | 18.5% |
| Solar | 0.2% | - |
| Other | 0.4% | 0.3% |

Source: 2001 & 2007 Stats SA



Graph 11: Electricity/ energy use for heating Census 2011

The majority of Endumeni community is using electricity for heating and cooking purposes. The limited few are still dependent on traditional and primitive measures for heating and cooking purposes



ELECTRICITY (LIGHTING)

| | |
|-------------|-------|
| Electricity | 13335 |
| Gas | 46 |
| Candles | 3245 |
| Paraffin | 111 |
| Solar | 45 |
| None | 69 |

Graph 8: Electricity Source: Electricity (Lighting)

ELECTRICITY NEEDS AND PRIORITIES

To this end, at least 13 335 of households have electrical connections while 69 have no connections and form part of the current backlog. This compels the electricity service providers to outline their plans during the new generations of IDP on how are they planning to eradicating this costly backlog. The main affected areas fall under the operational jurisdiction of Eskom.

The priorities in Electricity are as follows:

- I. Electrify Eskom licensed areas
- II. Update the municipal Energy plan
- III. Eradicate all electricity backlogs

An agreement between KES Energy Services (Pty) Ltd (Kukhanya Energy Services), the Department of Energy non grid and Endumeni Municipality was signed in 2012

SCOPE: KES Energy Services provides solar panels to the remote rural community that will not receive grid energy within the next 5 years. These customers are also placed on our indigent register to receive alternative FBE (Free basic electricity) WARD: 1, 3 & 6

FUNDING AGENT: Department of Energy Non Grid. These installations are ongoing.

Challenges identified:

- I. Eskom does not always provide the network planning reports required to apply for funding for projects in the Eskom areas of supply.
- II. Eskom delay the outages required to energise the completed projects
- III. Eskom does not inform the Municipality of its electrification programmes in the municipal area
- IV. Eskom rely on the Municipality to electrify the backlogs in their area of supply
- V. Some projects have to be done in two phases due to the funding allocations received by the Department of Energy which in turn rely on funding availability from Provincial and National treasury
- VI. Bid objections delay project implementation

23.12 ENERGY SECTOR PLAN

The Endumeni Local Municipality has recently developed a draft Electricity Sector Plan, that addresses the objectives set out in the IDP as follows:

- Forming linkages with Eskom in implementing the plan

This plan serves as means to communicate the priorities of the municipality and it's people to Eskom

- Provision of access to make job creation possible

Universal access to electricity by 2019, will improve job creation possibilities.

- Improve Local Economic Development, upgrading of existing electricity in all areas;

Eskom highlighted the following as municipal electricity challenges:

- Mobilising Resources;
- Integrating IDP with Eskom Plans;
- Lack of sector planning from Local Municipalities.

The reviewed Energy Sector Plan will be tabled to Council on the 23 March 2017.

23.13 ELECTRIFICATION BACKLOG IN THE ESKOM AREA OF SUPPLY

The below table depicts the Electrification backlogs in the Eskom Area of Supply at Endumeni LM:

| | PROJECT NAME | WARD | AREA NAME | NO, OF UNITS | ESTIMATED PROJECT BUDGET |
|---|------------------|------|------------|------------------|--------------------------|
| 1 | Tayside | 6 | Eskom Area | 100 connections | R2 500 000.00 |
| 2 | Craydon farm | 3 | Eskom Area | 300 connections | R7 500 000.00 |
| 3 | Northern Veld | 6 | Eskom Area | 200 connections | R 5 000 000.00 |
| 4 | De Jagersdrift | 6 | Eskom Area | 400 connections | R10 000 000.00 |
| 5 | Nyanyeni | 3 | Eskom Area | 200 connections | R5 000 000.00 |
| 6 | Busi Ext Phase 2 | 1 | Eskom Area | 100 connections | R2 500 000.00 |
| 7 | Mpilondi | 1 | Eskom Area | 300 connections | R7 500 000.00 |
| 8 | Senzokuhle | 3 | Eskom Area | 50 connections | R1 250 000.00 |
| 9 | | | | 1650 connections | R41 250 000.00 |

23.14 PROGRAMMES TO BE IMPLEMENTED DURING THE 2017/18 FY

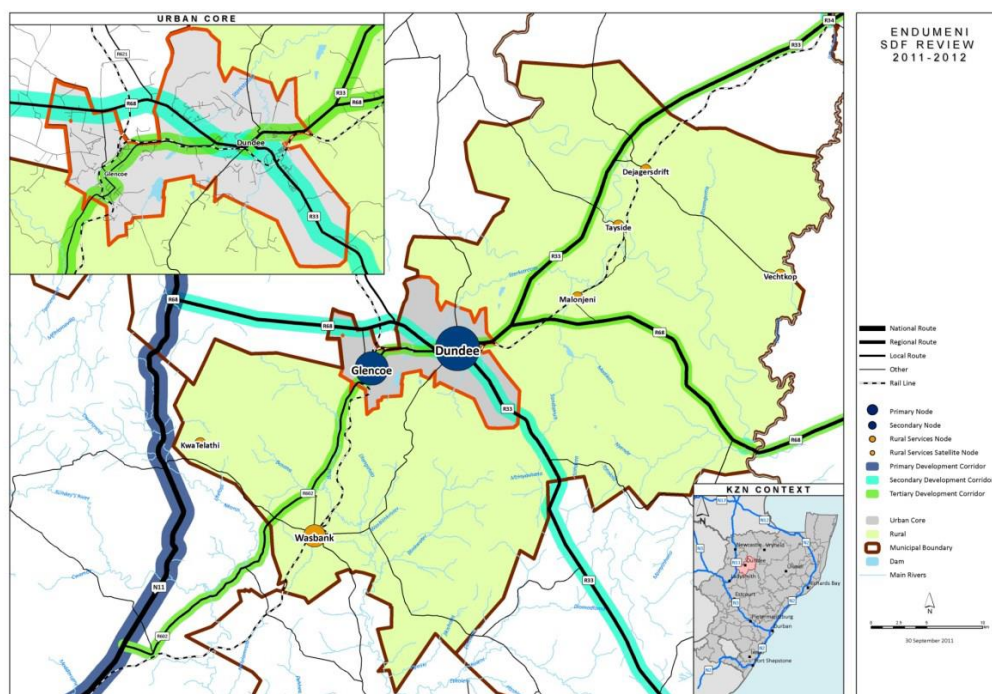
| No. | PROJECT NAME | WARD | AREA NAME | NO. OF UNITS | Funding Agent |
|-----|--------------------------------|------|-----------|--------------|---------------|
| 1. | Senzokuhle Electrification | 6 | Dundee | 50 | INEP |
| 2. | Glencoe Electrical Sub-station | 3 | Glencoe | n/a | INEP |

23.15 TRANSPORTATION INFRASTRUCTURE

ROADS

The rehabilitation of provincial Roads within the Dundee CBD is by means of initiative undertaken by KZN Department of Transport and Endumeni Municipality in order to rehabilitate transport infrastructure, contribute to the amenity of the town in order to further amplify the gross domestic product of the Endumeni area.

The condition of roads within Endumeni is slowly deteriorating. This is due to the Mining trucks that I making use of the roads within the CBD. The total road network that is maintained by the municipality is 200km long. The majority of the local rural access road is in a poor condition, needing regular maintenance and upgrade. Access to some farm areas is only possible by light delivery vehicles and it is estimated at 20%



23.16 MUNICIPAL ROADS AND MAINTAINANCE PLAN

The municipality has an updated road maintenance action plan, which entails pre-planning forecast on priority work to be done on road maintenance, storm water maintenance and building maintenance. The maintenance plan also includes the identification and repair and replacement of catch pit slabs. It takes 6 weeks to cover the whole of Endumeni municipal area. One week is dedicated to each ward where the identification and repair process take place. All repairs are entered into a maintenance register. It is then maintenance register that informs the monthly report and the monthly reports feeds into the SDBIP. The action plan is followed closely and when the 6th week is completed, it rotates back to the first week.

The municipality is therefore in the process of updating the 5 year road master plan that will take in to account the 7th ward which has been added to Endumeni Local Municipality.

23.17 TAXI RANK

The existing public transport terminal within Dundee is adequate however public transport facilities en-route require upgrading. There are two main taxi ranks in Endumeni LM. The first taxi rank is located in Dundee town along Victoria Street where there is a large number of informal trading and is privately owned. The second main taxi rank is located in Glencoe town and is owned by the Municipality. It is only the taxi rank in Dundee that services both short and longer distance travelers.

23.18 RAILWAY LINES

There is a railway line in Endumeni LM. Coal mining can be directly linked to the development of Dundee and Glencoe towns. The industry is in the process of restructuring and whilst there is a decline in corporate interest, there is interest in small scale regeneration of the coal belt for SMME development. There has been some interest in prospecting rights within the region for further coal mining but the sector no longer dominates the Endumeni economy. The train still passes through however it is as often as it used to be.



23.19 ACCESS TO COMMUNITY FACILITIES

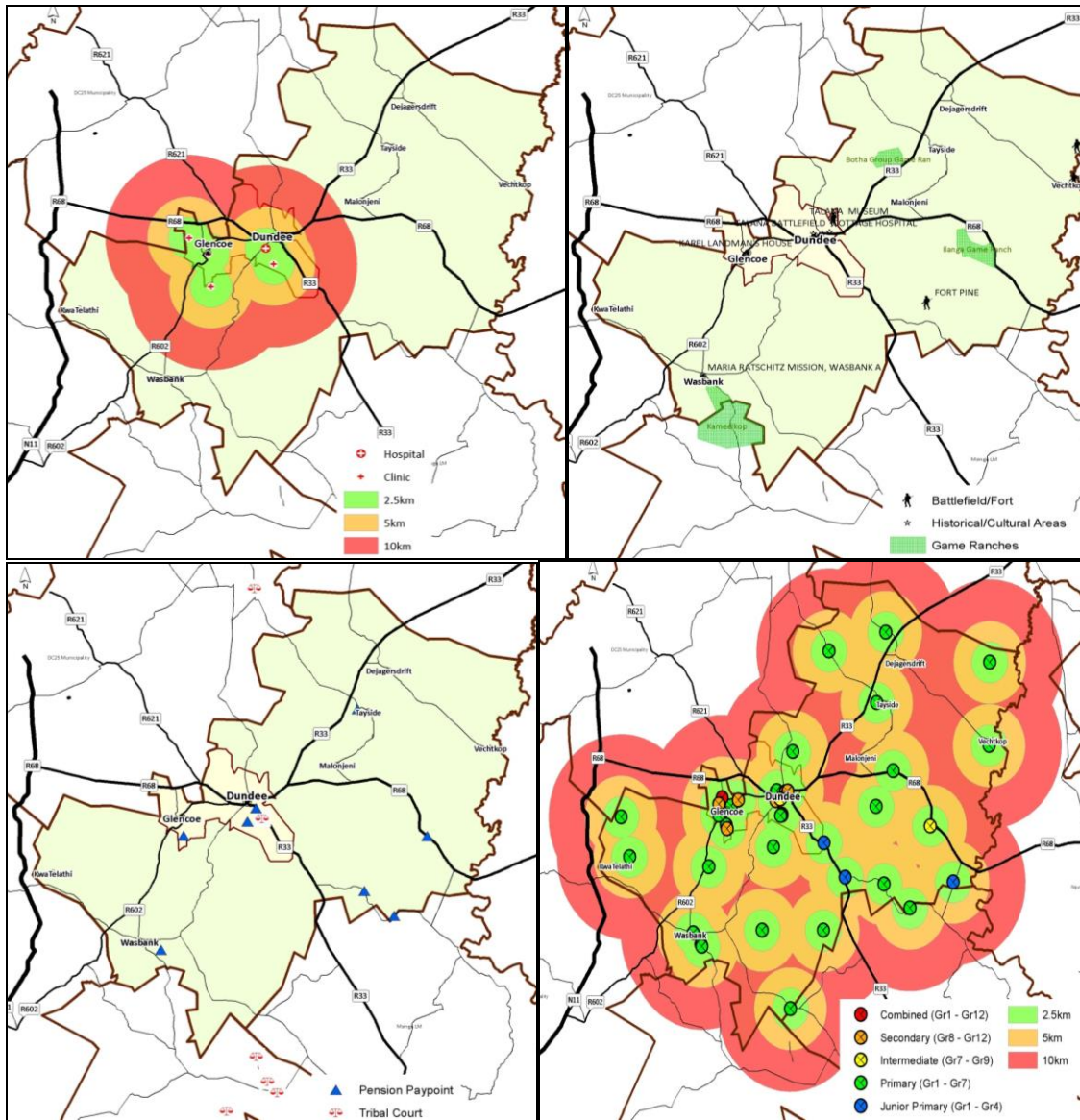
STATUS AND PRIORITY NEEDS OF COMMUNITY FACILITIES

The distribution of certain key community facilities including schools, clinics and the locations used by mobile clinics are concentrated in the existing nodes of Dundee, Glencoe and Wasbank with a number of lower order facilities scattered with the rural hinterland. Any new community facilities must be located within services nodes and, where appropriate the clustering of facilities must be promoted. Pension points are sporadically located across the municipality. There is one tribal court located within Dundee

The below table summarizes the status and priority needs of the community facilities in the municipal area:

| Priority | Priority | Actual No of Facilities | Backlogs |
|------------------------|----------------|-------------------------|----------|
| Community Halls | Community Hall | 6 | 3 |
| | Maintenance | 6 | 3 |
| Sportsfield | Sports Field | 3 | 2 |
| | Maintenance | 3 | 2 |
| Taxi Rank | Taxi Rank | 2 | 1 |
| | Maintenance | 2 | 1 |
| Libraries | Libraries | 4 | 1 |
| | Maintenance | 4 | 1 |
| Museums | Museum | 1 | 0 |
| | Maintenance | 1 | 0 |

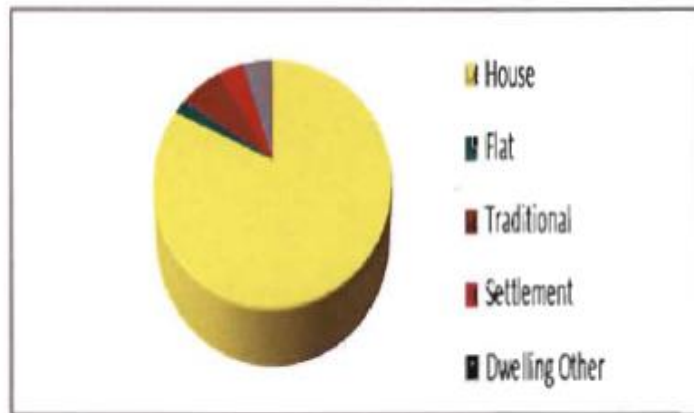
The below Maps depicts access to community facilities:



SDF 2016

HOUSING SECTOR PLAN

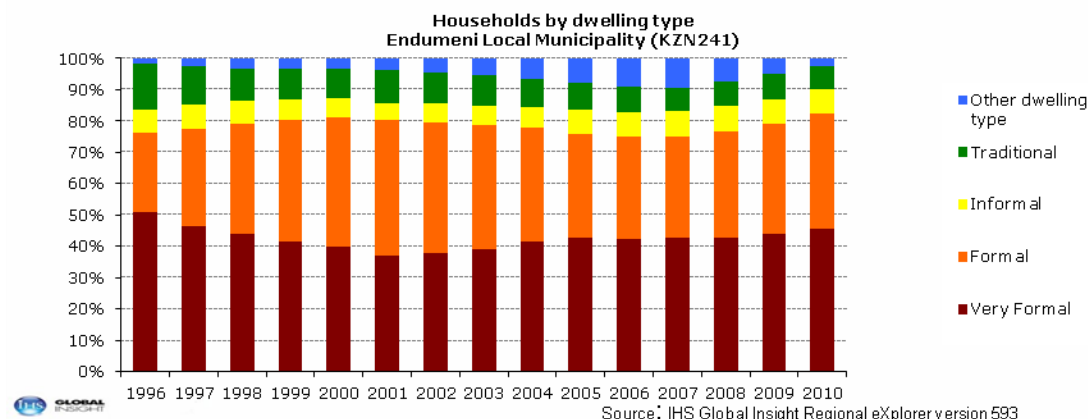
According to the 2011 Census Statistics the population of Endumeni is 64 862 compared to the 2001 population of 51 101. In this regard as it is evident from the above that the population of Endumeni Municipality has increased by 27%. The 2011 Census Statistics revealed 16 852 households in the municipal area.



Out of the total households recorded in 2011 Census, there are 14 171 households that have access to formal housing. According to the 2011 Census (Statssa) the total housing demand for Endumeni Municipality is estimated to be **2 681**.

| DWELLING TYPE | |
|----------------|-------|
| House | 13832 |
| Flat | 339 |
| Traditional | 1152 |
| Settlement | 700 |
| Dwelling Other | 830 |

The Endumeni Municipality Human Settlements Plan is a 5 year plan, and the current housing backlog could be eradicated if the municipality provides at least 536 units per annum. This actually means Endumeni Municipality could possibly eradicate the housing backlog over a ten year period providing a minimum of 268 units per year.



Undoubtedly housing backlog is an area of grave concern to Endumeni municipality. There are many factors that had had a significant adverse impact on the delivery of housing projects. Water amongst other things has proved to be a hindrance towards the delivery of housing projects at Endumeni.

A Human Settlements Sector Plan (HSP) forms a significant part of municipal planning and efforts of the Endumeni Local Municipality and housing institutions" response to its mandate and to create and sustain viable human settlements and livelihoods for the people residing therein. A Human Settlements Sector Plan sets out goals and objectives for the delivery of housing and the targets mostly the less fortunate / low income earners. Furthermore, Human Settlements Sector Plans are for the purpose of transforming the urban landscape and improving the municipality"s spatial structure. Due to past imbalances, South Africa is faced with a massive backlog in housing delivery and as such, every municipality is to fulfil their constitutional obligation to facilitate the delivery and provision of housing.

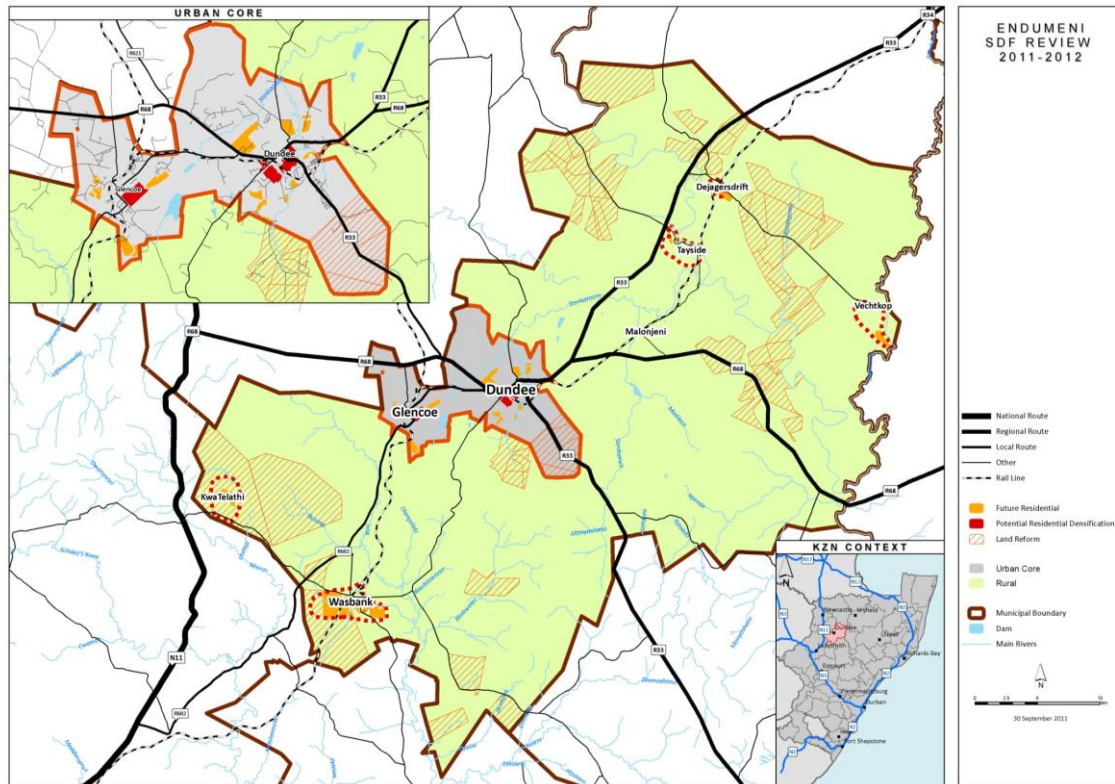
It is further envisaged that the Human Settlements Sector Plan will have a strategy for slums clearance. This strategy will be employed in the eradication of slums and the provision for quality, dignified housing for all. Therefore, the strategy will provide an investigation of informal settlements within the municipality and provide strategies and means for the eradication of those slums.

An inception report has been issued to the municipality by PWC, and the final sector plan will be tabled to Council for approval.

23.21 EXISTING HUMAN SETTLEMENTS NODES AND TOWNS

Household densities, are located within the urban areas of Dundee and Glencoe. Of the 77,717 people resident in Endumeni, 75% of the population is housed in formal dwellings (detached house, duplex or flat), whilst 13% in traditional dwellings and 5% in informal dwellings. Average household sizes are relatively low at 4, 16 persons. Estimated demand for low cost housing units is 2,341 and new urban housing projects will be required to meet this demand. There are no calculations for the demand for medium to upper income housing however anecdotal information suggests there is a demand for medium income housing, particularly rental housing stock.

According to the Housing Sector Plan, most areas within the municipality still require housing which varies in its form from low cost, rural and middle income housing.



23.22 EXISTING AND PLANNED HOUSING PROJECTS

Regardless of the challenges faced in addressing housing issues, the Municipality with the assistance from the Department of Human Settlements and Department of Social Development has made good achievements. The following are the housing projects to be implemented in different wards.

23.23 CURRENT PROJECTS BEING IMPLEMENTED

| No | Project Name | Project Budget | Project Target | Status | Comments |
|----|---------------------------------------|-----------------|----------------|--------------------------|---|
| 1. | Dlamini Housing Projects | R 46 028 630,29 | 44 | Still under construction | Social related challenges at the community level and delays in solving this problems resulted in delays in appointments |
| 2. | Forestdale Housing Project | R60 000 000.00 | 217 | Still under construction | Social related challenges at the community level and delays in solving this problems resulted in delays in appointments |
| 3. | Bufferstrip Housing Project phase 1-3 | | 250 | Still under construction | The project is on par with the schedule |

23.24 TELECOMMUNICATIONS

Endumeni is supplied with the necessary telecommunication infrastructure, such as coverage by cell phone service providers and Telkom. As such, the area is serviced with communications technology which is easily accessible to individuals.

23.25 SECTOR PLANS

The municipality has the below sector plans in place:

| No. | Sector Plan | Completed? (Y/N) | Adopted (Y/N) | Adoption Date (if adopted) | Date of Next Review |
|-----|--|---------------------|------------------|----------------------------------|---------------------------|
| 1 | Spatial Development Framework (SDF) | Y | Y | 25/06/13 | 2014 |
| 2 | Disaster Management Plan | Y | Y | 25/06/13 | 2014 |
| 3 | Human Settlement Sector Plan | Y | Y | November 2013 | 2014 |
| 4 | Strategic Environmental Assessment (SEA) | | | | |
| 5 | Local Economic Regeneration Strategy | Y | Y | | 2014 |
| 6 | Integrated Waste Management Plan | Y | Y | JUNE 2013 | |
| 7 | Operations & Maintenance Management Plan | | | | |
| 8 | Electricity Development Sector Plan | | | | |
| 9 | Integrated Waste Management Plan (IWMP) | | | | |
| 10 | Pavement Management System (PMS) | | | | |
| 11 | Consolidated Infrastructure Plan | | | | |

| SERVICE DELIVERY AND INFRASTRUCTURE | |
|---|--|
| Strengths | Weaknesses |
| ELECTRICITY: Availability of Electricity Master plan; capacity (limited) and provision (funding secured: rural;) | Illegal connections- loss of potential income |
| Road network captured spatially | Moratorium on bulk water and sanitation on newly established townships |
| Solid Waste: Management Plan | Rural housing stock with no access to water and sanitation |
| Availability of Council owned land for development i.e. housing | Multi-purpose centre not being fully realized |
| Availability of MIG funding | Turn around times for installation of electricity (multi-sectoral partnerships) |
| | Roads and storm water drainage |
| | Municipal Airfield in poor condition |
| | No municipal Taxi Rank (land available for the purpose) and inadequate provision of taxi laybys (drop off zones) |
| Opportunities | Threats |
| Availing municipal services to the FET college site | LIFESPAN AND MAINTANANCE: Capacity and state of infrastructure |
| Establishment of community facilities i.e. Libraries, sports fields, etc | Emerging of informal settlements |
| Provision of municipal service/bulk to urban area for security of rates purposes | |
| Securing of funding for Eskom areas | |
| Explore the purchase privately owned land and transfer of State land | |

24. LOCAL ECONOMIC DEVELOPMENT

24.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

LED STRATEGY

The Development of the New LED Strategy is prioritized in the 2017/2018 Budget and would have been adopted by 30 March 2018.

LED REGENERATION STRATEGY

During 2016/717 financial year, the municipality successfully prepared the LED Regeneration strategy which served as a vehicle to stimulate the economic development within the district and local municipalities. The LED Regeneration Strategy has been finalized and is due for adoption by Council by 30 June 2017 as part of the 2017/2018 FY's IDP & Budget.

The primary aims and objectives of the LED regeneration strategy are as follows:

The Strategy and Action Plan sets out the Endumeni Municipality's programme for development of the local economy over the period 2015-2019 outlining:

- Our **Vision** for Endumeni
- The **Governance and Partnership** arrangements
- The **Policy Context** against which the strategy will be delivered
- The **Sector Based Economic Context** that informs our approach
- The **Challenges and Opportunities** faced
- The **Strategic Priorities and Outcomes** which we will seek to achieve
- The **Actions** that will be prioritised by partners
- How we will **Monitor, Measure and Report** on progress

The report is designed to capture sector analysis, challenges and opportunities in that particular sector and further provide strategic priorities envisaged to improve economic performance of the sector thereby achieve broad economic vision of the municipal economic partners. Finally, action programme is presented and it should commit all the partners to play their respective roles and realize their respective mandates through the realized body of Endumeni Economic Partnership.

The Strategy and Action Plan underpins the Endumeni Outcome Agreement 2015 – 2019 and articulates how partners across the municipality will work collaboratively to deliver better economic outcomes for the area and its people.

STAKEHOLDER PARTICIPATION

The MEC raised a comment that the municipality should give attention to comprehensive stakeholder's participation in all LED planning processes and initiatives

- In response to this finding the Municipality during 2016/2017 FY has implemented the following stakeholder participation mechanisms in planning and implementation of various economic development interventions and processes:
 - (6) Revival of the Municipal-Wide LED Forum
 - (7) Hosting and staging at least two Mayoral Big Business Engagement Sessions throughout the Financial Year
 - (8) Hosting and Staging at Least 4 Quarterly Small Business Workshops targeting the Small Business Sector
 - (9) Hosting and staging at least one (1) Endumeni Small Business Week Event
 - (10) Hosting and staging at least two (2) Emerging Framers Engagement Sessions.
 - (11) Hosting and staging at least 4 Business Inspections throughout the Municipal area
 - (12) Hosting and Staging Informal Economy Sector Workshops/ Seminars
 - (13) Facilitating numerous Small Business and Informal Economy Sector Training and Business Skills Training
 - (14) Have facilitated and Convened Various Tourism Sector Specific Workshops and Meetings
 - (15) Signed a Partnership agreement with Small Enterprise Development Agency (SEDA)
 - (16) Have strengthened the relationship of the Municipality with Tourism Sector by Signing a Memorandum of Agreement with the Community Tourism Organization affectionately known as Dundee Tourism

The above outlined activities also form part of the KPI's of the performance plan for the Executive Manager Planning & Economic Development. Those KPI's are monitored on a quarterly basis.

KEY NATURAL ASSETS / RESOURCES ANALYSIS

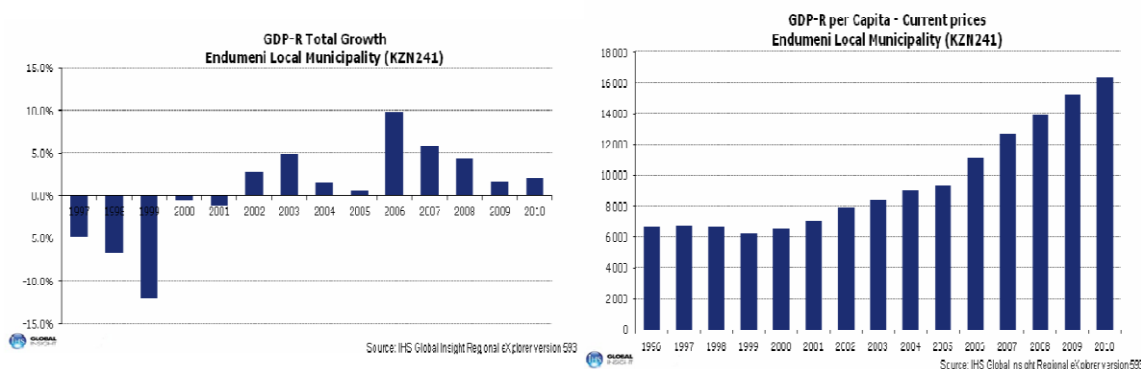
The section that follows presents the economic analysis. The analysis include the economic drivers in the in the municipality reflecting their current performances to the local economic growth and development.

The key economic sectors in terms of the 2011 Census within Endumeni is as follows:

- Social Services - 2,16%
- Trade - 13,64%
- Private household/domestic workers - 13,49%
- Farming - 9,57%
- Manufacturing - 7,39%

| | | |
|---------------------|---|------------|
| • Business Services | - | 4,93% |
| • Construction | - | 4,5% |
| • Transport | - | 4,48% |
| • Mining | - | 1,47%; and |
| • Utilities | - | 1,03% |

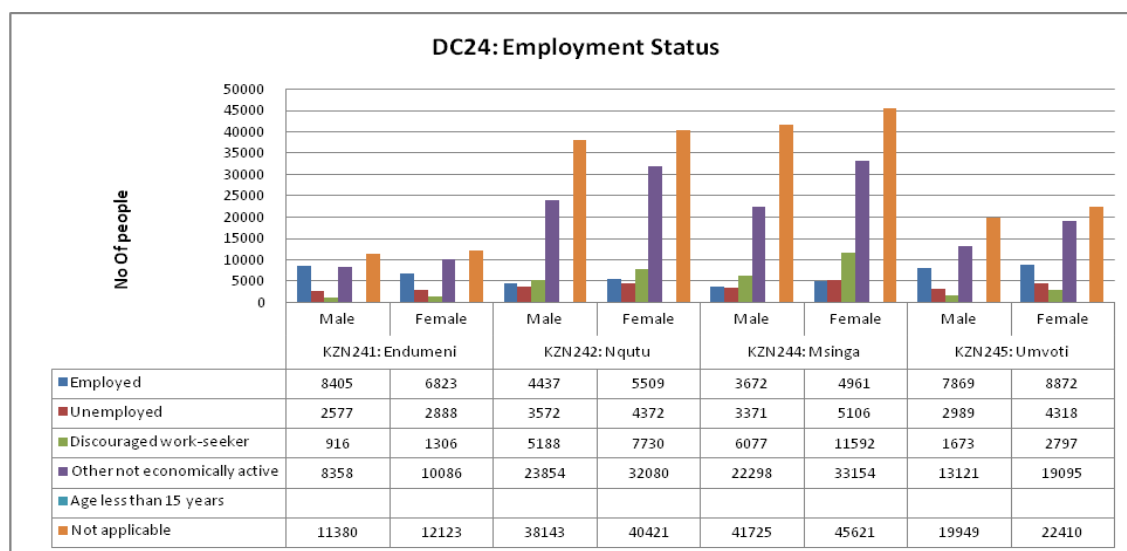
This highlights the dominance of the service centre nature of the local economy, with the social services and trade sectors comprising 35% of the economy. It also highlights that Endumeni has a relatively well diversified local economy. Tourism in particular, contributes significantly to the economy of Endumeni. This is dominated by cultural tourism, bearing in mind that Dundee is centrally situated to a number of Anglo-Zulu and Anglo-Boer war battlefields. The local Museum, Talana Museum, is one of the foremost museums in the country. Dundee forms a pivotal part of the northern KwaZulu-Natal tourism route, as well as itself being a tourist destination. It is also abundantly clear that the dominance of the mining and agricultural sectors of the early days is long gone. This provides an overview of the context within which the review of this IDP is founded.



Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee and Glencoe. The Gross Domestic Product growth rate of Endumeni has been on the negative zone from 1997 to 2000 and only managed to enter positive zone from 2002. This indicates poor performance of major economic sector in the study area. In 2006 the growth rate reached its highest level and immediately dropped to 5.5% and further down to 0.5% in 2010. Over the past few years there has been a real growth in the real household income and annual per capita income. The buying power has however declined since 1996. Nevertheless it is showing the signs of improvements. The Gross Value Added in Rands (GVA-R) of Endumeni is dominated by Tertiary Sector followed by the Secondary Sector and the Primary Sector.

EMPLOYMENT STATUS

The employment indicator remains critical in every economic analysis, since it indicates number of available opportunities and their accessibility thereof.



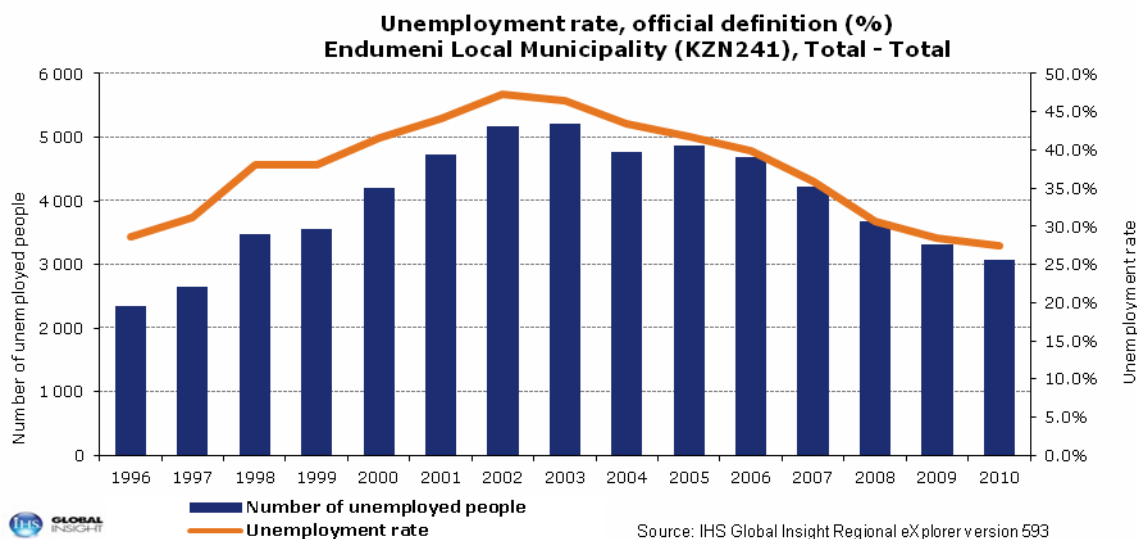
Graph 14: Employment Status

According to Statssa released results for 2011, at least 15 000 members of the work force are formally employed; while 2000 are discouraged and more than 18 000 are not economically active. This serves as a proof of poverty challenges facing the entire region.

UNEMPLOYMENT

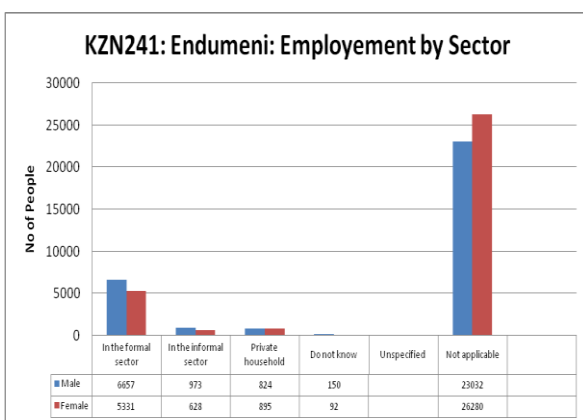
The unemployment rate for Endumeni Local Municipality has significantly dropped from 46% in 2001 to 26.4% in 2011, and it is relatively lower than the district rate which is 36.5% and provincial rate which is 33%.

The Global Insight figures indicate that the Unemployment rate has decreased from 28% in 1996 to 27.5% in 2010. Unemployment levels were the highest in 2002 when they hit 47%. Global Insight estimates that 3 081 people in 2010 were unemployed. The following graph summarises these figures.



Source: Global Insight Unemployment rate

EMPLOYMENT BY SECTOR

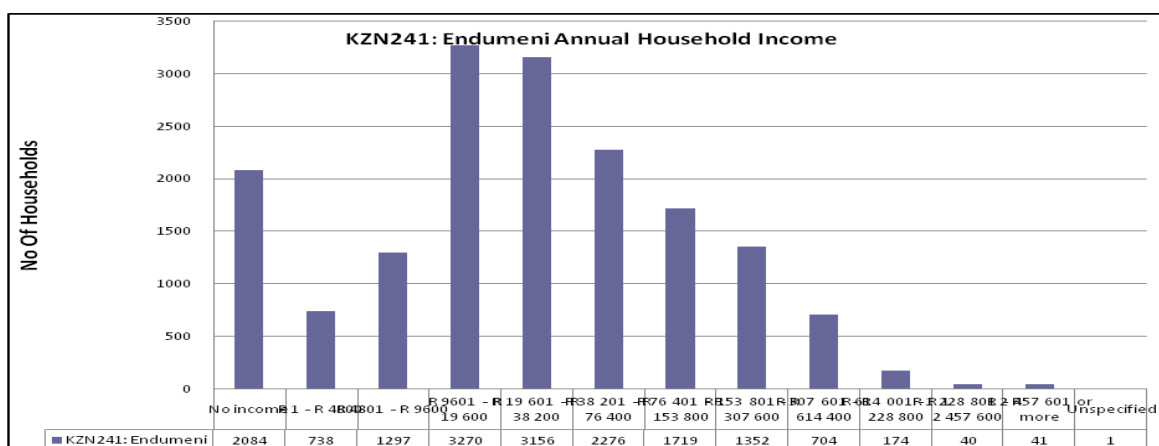


The employment created by different sector has varied over a period of time. The economic history of Endumeni suggests that Agriculture and mining were once dominant in creating both business and employment opportunities. However, the current results indicate that household and services sectors are creating more jobs than some of the primary sectors. But clearly it is noted that formal sectors are not creating sufficient opportunities for local labour force. On the other hand, informal sectors

are also attempting to provide opportunities to those who are waiting for better opportunities in the formal sector. The reality of employment is indeed evident from this analysis that the municipality together with other stakeholders should create required job opportunities and business opportunities for local active economic individuals.

INCOME LEVELS

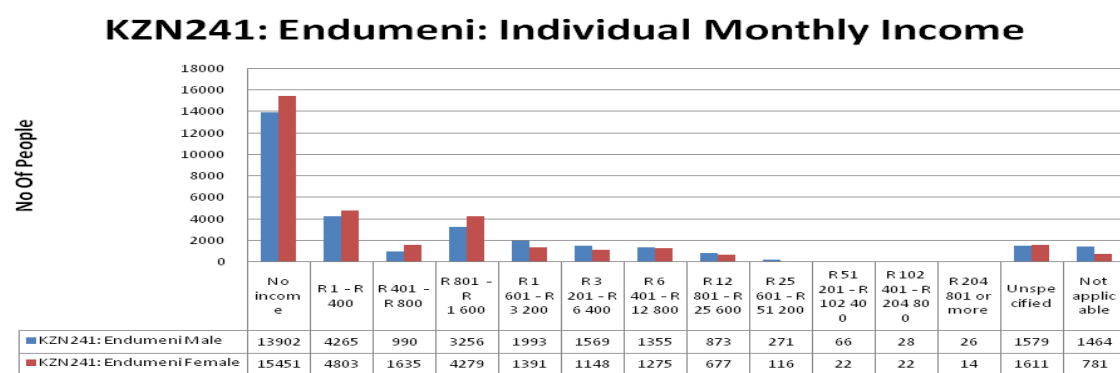
ANNUAL HOUSEHOLD INCOME



Graph 12: Annual Household Income

The annual household earnings have increased on average between 1996 and 2011. But those on the upper scales have enjoyed more benefits in terms of average growth in income level. On the contrary, those at the lower end of the scales are becoming more deprived. At least more than 2000 households have no income while more than 7000 are between R 4000 to R 38 000. The limited few are on the higher brackets. Undoubtedly this confirms the high level of poverty that persists to exist in Endumeni and Umzinyathi in general.

INDIVIDUAL MONTHLY INCOME

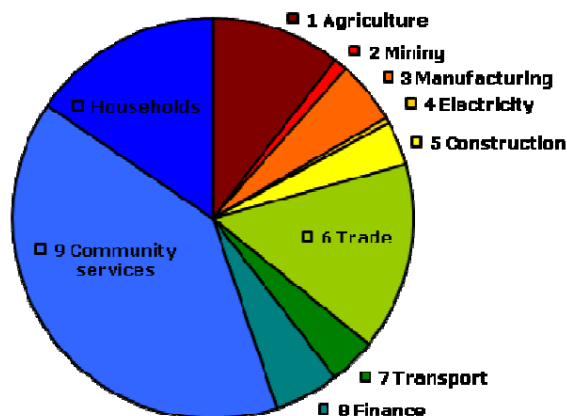


Graph 13: Individual Monthly Income

The household income discussed above suggested that at least 2000 households have no access to income and approximately 7000 households. Clearly, there is high level of dependency ratio on individual households. Hence, the individual income figures suggest that many people within municipal area have no access to income. At least 29 000 people are reported to be without any income. The next 20 000 people are within the category of R400 to R6400 per month. Undoubtedly more than 50% of the population aged between 15 and 64 years have no access to income.

MAIN ECONOMIC CONTRIBUTORS

The Community Services sector employed the highest percentage of residents followed by household (996 people), Trade (976 people) and Agriculture at 674 people. It is however noticeable that, agriculture and mining sector that used to dominate the economy of Endumeni have dwindled dramatically. While their potential to contribute significantly in the local economy is not questionable but rather the strategies required to turn around their fortunes need to be devised and implemented accordingly. Amongst other things, the fall of agriculture has been partly attributed to the large hectares of land transferred to previously disadvantaged communities that is under-utilized. Undoubtedly, the revitalization of land reform programme and implementation economic reforms within the farms around Dundee, Wasbank and Glencoe remains central to the LED strategy of the municipality. The revival of the mining sector is warmly welcomed, since it has a potential to re-create job opportunities in the area and impact on the positive growth of Dundee and Glencoe towns.



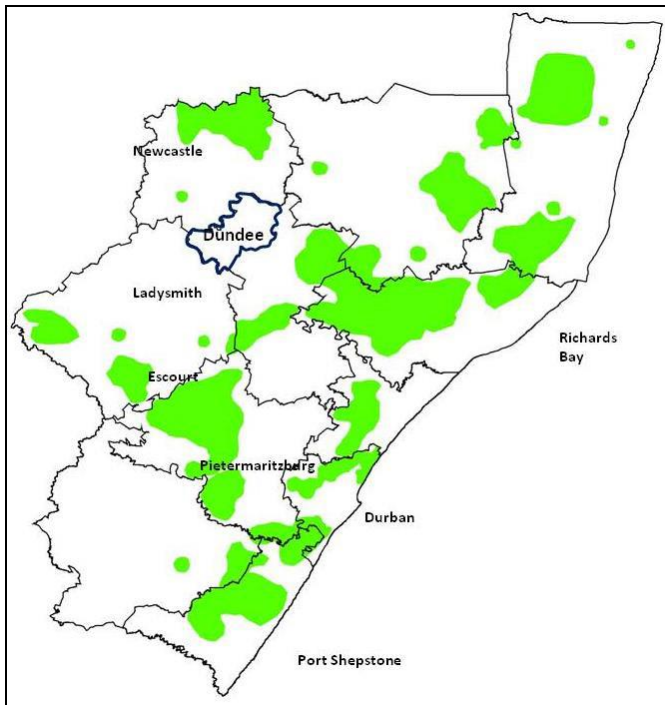
AGRICULTURE SECTOR

In the 2016/17 MEC comments, the municipality is encouraged to address in the IDP and the LED Strategy the capacity gap (Agriculture/agro-processing, tourism, etc.) of the municipality in the response to the vision 2030 priorities.

This will be addressed during the Review of the LED Strategy planned for 2017/2018 Financial Year and will further be addressed during the PGDP/DGDP/IDP Alignment Processes planned for April 2017. The municipality during the 2017/18 financial year will also develop the draft Agriculture Sector Plan

The below figure illustrates areas of massive potential for growth in agriculture and agri-processing. Endumeni is already a key contributor to the provincial economy in terms of agriculture and agri-processing and is therefore not identified in the attached figure.

Land Reform with the sector is required within Endumeni.



Source: Endumeni SDF PSEDs AGRICULTURE AND AGRI-PROCESSING

COMMERCIAL AGRICULTURE

The predominant land use in Endumeni is agriculture. Cultivation is mainly characterized by large areas of commercial dry land activities and dispersed areas of irrigated agriculture. The most productive land occurs around Glencoe, while areas with high to moderately high productivity occur in the north-west.

The agricultural activities in the area include the extensive beef/sheep farming, dry land cropping of maize, soya, groundnuts and sunflower. Field crops are irrigated where there is access to irrigation.

The area also has potential for wheat production. In terms of competitiveness, Endumeni is home to some provincial sector leaders i.e. the largest feedlot in KwaZulu-Natal (Crafcor) and the third largest dairy (Orange Grove). These two industry leaders both report a market opportunity for small producers in the form of an expanded demand for dairy products in Gauteng and a market for stock feed supply based on chop and mielies.

The milling sector also has important upstream linkages to small scale mielie producers from both Endumeni and Nquthu.

Agricultural opportunity areas need to be exploited.

Based on a broad 'agri-potentials' or 'bio-resource' classification by the Department of Agriculture, all agricultural land within the municipal area has been categorized as having

either good or poor agricultural potential. The system provides for 8 land capability ranging from prime arable land (Class I) to land which is unsuitable for any agricultural use (Class VIII).

TOURISM

Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and 'Battlefields' is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. Together with Amajuba, the area is branded the 'custodian' of the Battlefields region which has international and regional significance.

Cultural assets in the area include:

- Monuments and Museums (e.g. Talana Museum)
- Maria Ratschitz Mission
- Battlefield sites (Talana and Lennox Hills)
- Other Cultural sites i.e .Talana Crafts, Talana Zulu Cultural Villafe, Iron Age smelting sites
- Rifleman's Road and Red Soldier's March Battlefield Routes

Tourism is also linked to the natural assets of the region and there are three formal game reserves within Endumeni, with potential for more.

- Kameelkop
- Ilanga Game Ranch
- Botha Group Game Ranch

Tourism sector is one of the potential sectors in developing and growing the local economy. It has over the years displayed a tremendous potential to create job opportunities. Domestic tourists have found Endumeni and Umzinyathi at large more attractive over the recent years. While the number of visits and bed occupied over a period of time show signs of improvement, there is still a need to market tourism products vigorously. The international tourists have spent money in Umzinyathi especially during year 2010. This could easily be attributed to the FIFA world cup that was staged in South Africa during the same year.

The sector has experience mixed fortunes in Endumeni. The sector has enjoyed positive growth from 2007 to 2009 and immediately experienced a downturn until 2010. But during the same period the international tourists have paid more visit to Endumeni than domestic tourists. Again, this sector needs more attention from all stakeholders. Currently the previously advantaged communities are participating meaningfully while previously disadvantaged are not yet on board in terms of understanding sector dynamics.

SMALL MEDIUM AND MICRO ENTERPRISES (SMME)

The existence of a strong and dynamic Small, Micro and Medium Enterprises (SMMEs) sector indicates the relatively good health of the local economy. Based on general personal observations and experience with the local business environment within Endumeni Municipality, there is lack of support to the SMME sector, despite the opportunities that exists for this sector to take advantages of the tourism and trade opportunities. These opportunities range from the development of crafts for the tourism sector and general street trading along the Dundee and Glencoe. A number of strategies have been put in place at national level to provide a framework and an enabling environment within which strong and

dynamic SMME sector can be developed and supported to grow. It is the government's view that the SMME sectors including co-operatives have an inherent potential to promote a competitive entrepreneurship sector that is crucial in the sustainable creation of employment.

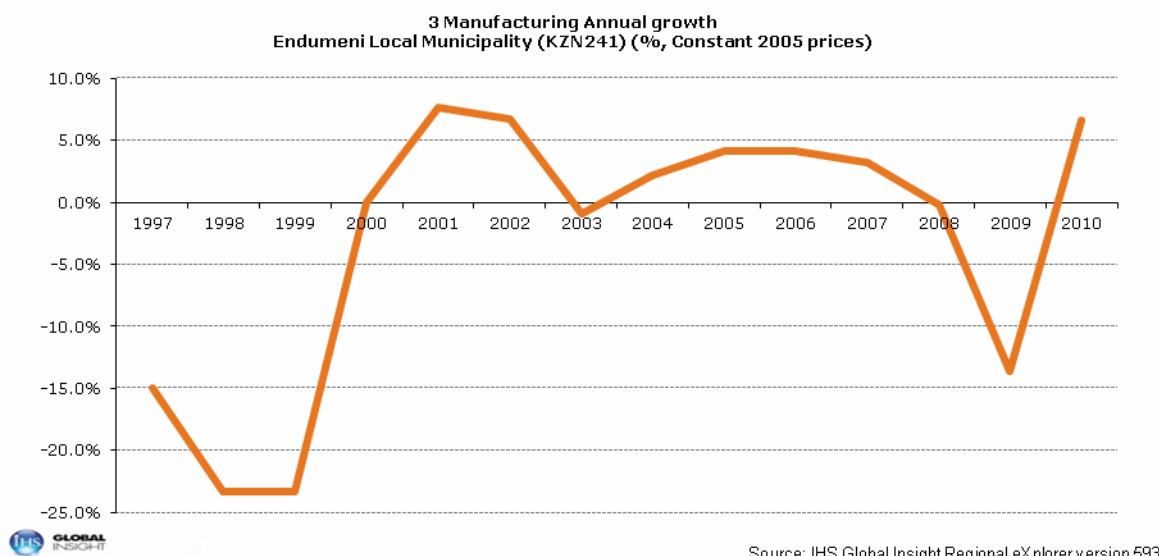
MANUFACTURING (INDUSTRIAL)

Manufacturing accounts for only 7% of the local economy and production primarily linked to the agricultural sector. Industry is located within the formal industrial areas of Dundee and Glencoe with some activity related to agro-processing on commercial farms in the area,

There are three main agro-processing activities in Endumeni:

- Orange Grove Dairy
- Maize production and milling supply
- Processing of beef products including feedlots and tanneries.

The following graph summarises the contribution of the manufacturing sector in the Endumeni to the regional total. As can be seen, there has been a gradual decline in the manufacturing sector from 1996 to 2010 with the Endumeni contributing less than 0.1% to the national total.



Graph 26: Manufacturing Annual growth

The above graph summarises the annual growth in the manufacturing sector and indicates that from 1998 to 2001 there was negative growth in the Manufacturing sector followed by positive growth from 2000 to 2001. From 2008 onwards the sector has declined at an

alarming rate of up to -10% per annum. The average annual growth rate for this sector from 1996 to 2009 was -3.6% per annum

MUNICIPAL COMPARATIVE AND COMPETITIVE ADVANTAGES

COMPARATIVE ADVANTAGES

The comparative advantages of Endumeni are as follows:

- Centre of Special Economic Zone of Umzinyathi (mining).
- Endumeni is the main contributor to the district economy.
- Battlefields route which put the area into an international map.
- District Administrative (primary service centre) role of Dundee.
- Scenically beautiful areas.
- Heritage and battlefield assets and products.
- Good climate to undertake all forms of livestock farming.
- Abundant labour supply.
- Well developed agribusiness.
- High potential agricultural soils.
- Large labour pool.

COMPETITIVE ADVANTAGES

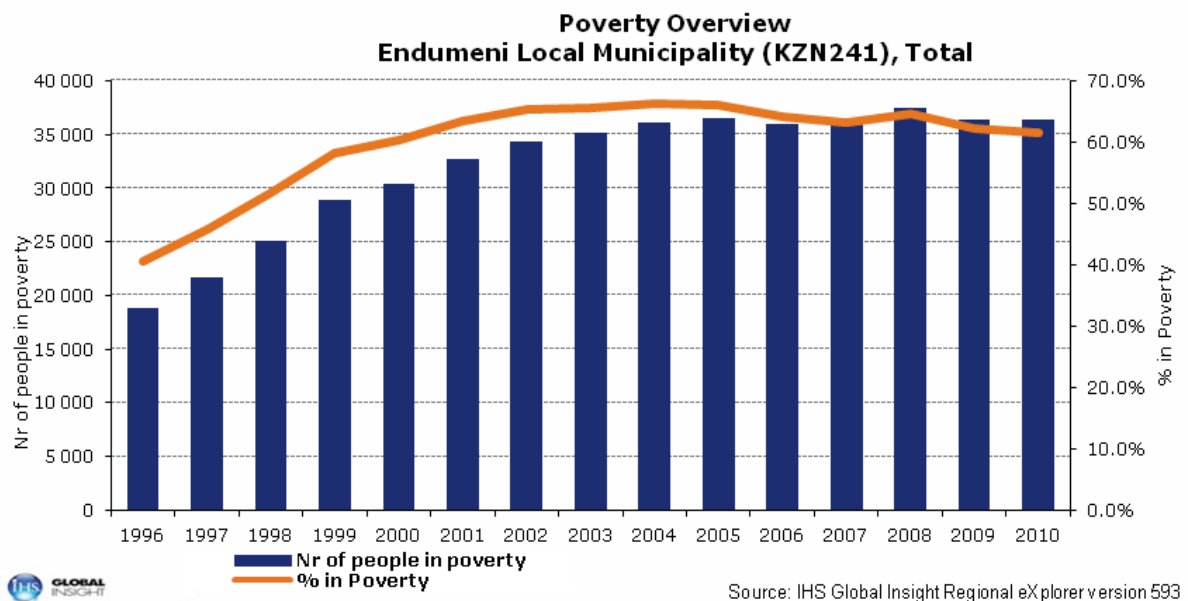
There are a number of competitive advantages within the area which can be outlined as follows:

- The Endumeni Municipality is located in Umzinyathi district as one of the municipalities that form part of the district. Endumeni Municipality is located 360 kilometers South East of Johannesburg and 290 kilometers North of Durban. The area is in the Biggarsberg Valley in the foothills of the Drakensberg. The Municipality is generally accessed by turning off the N3 highway onto the N11 then proceeding onto the R68 into the Municipal area.
- Relatively good transportation infrastructure including railway line and regional/provincial roads.

- Rich natural resources including high potential agricultural land.
- Diverse natural environment attractions.
- Good range of accommodation types.

POVERTY OVERVIEW

The overall poverty picture is that, more than 60% of the population are living under poverty.



POVERTY INDEX: NUMBER OF PEOPLE IN POVERTY

Poverty is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society.

In terms of percentages, in 1996 40.7% of residents of the Endumeni lived in poverty, while in 2010 61.9% lived in poverty. This figure peaked at 66% in 2005. While the poverty rate is at 61% Africans are the most affected. At least 69.9% of Africans are languishing in poverty and as far back as 2005 the rate was at 78%. Again, this calls for strategic interventions that will speedily address the number of people in poverty.

POVERTY GAP

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families.

For the UDM this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008. In case of Endumeni at least 47 million is required to bring all the residents currently below poverty line to the equilibrium level. This is the level where all affected will have 1 dollar per day.

PERCENTAGE OF PEOPLE LIVING BELOW \$1 AND \$2 PER DAY

In 1996 9% of the population of Umzinyathi lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 0.4% living below \$1 per day and 10% below \$2 per day in 2010. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

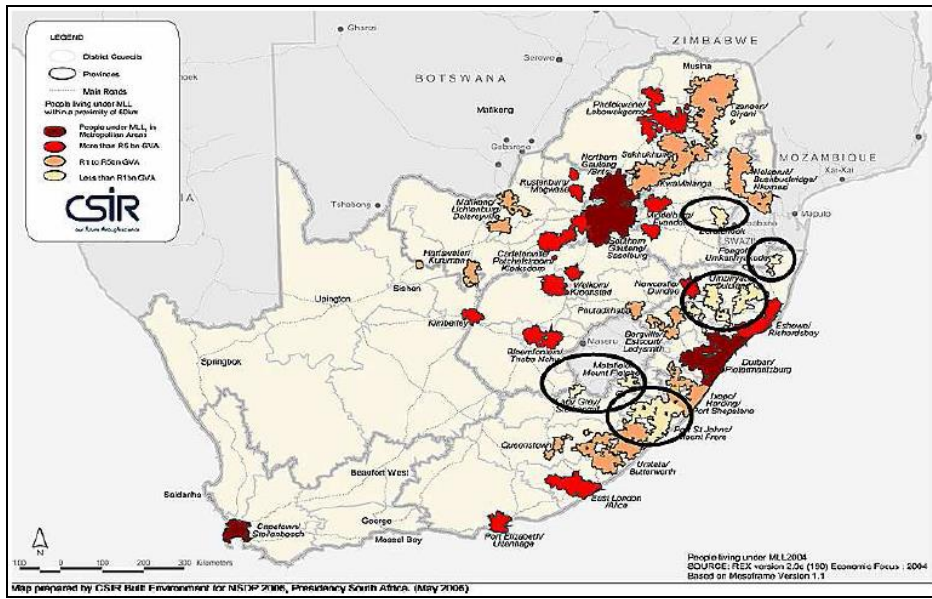
In 1996 at least 4% of the population of Endumeni lived below \$1 per day and 12% below \$2 per day. However, there has been a noticeable improvement on these figures. Currently Global Insight reports that 0.4% live below \$1 per day and 11.5% below \$2 per day respectively.

MINIMUM LEVEL OF LIVING

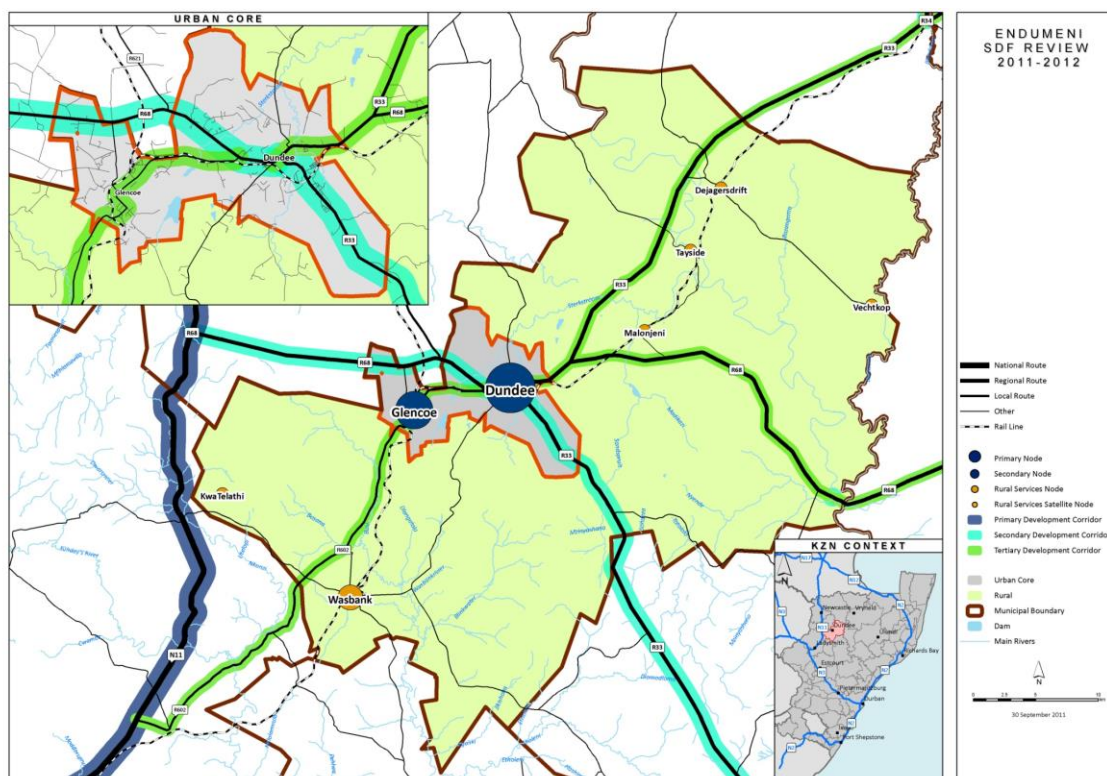
The Minimum Level of Living (MLL) can be defined as the minimum financial requirements of members of a household to maintain an acceptable living standard, which is above the Poverty Line. Sufficient quantities of relevant expenditure items based on minimum health standards are allowed for when calculating the MLL, but rational expenditure on them is assumed. The MLL is measured in monetary value.

The following map was prepared by the CSIR (2004) and identifies communities in South Africa that are living in areas with low economic activity, low levels of demonstrated economic potential, and with high numbers of people living below the MLL. As can be seen, the uMzinyathi DM is identified as one of these areas.

Map 1: Spatial economic mapping



POTENTIAL INVESTMENT AREAS



The map above presents various areas within the municipality as per SDF economic nodes that carry a potential for future investment. Undoubtedly the need exist for municipality to mobilize both private and public investment to indicate key nodes and investment areas. To this end, the key challenges facing is the lack of foreign and domestic investments that will stimulate growth and development in these municipal pockets.

SERVICES

There was a decline in the Community Services sector from 2004 to 2005 where after there has been a period of gradual growth with short periods of decline. The Community Services sector, during the period 1996 to 2010, has seen its contribution increase from 23% to 33% the regional total. This sector has enjoyed a significant growth rate from 1996 to 2009. There was a growth in the sector in 2005 of 1.5%, followed by a sustained period of growth at a decreasing rate from 2006 onwards. The average growth rate from 1996 to 2009 for this sector was 0.4% per annum.

MINING

In the past Endumeni and its surrounding areas depended largely on coal mining for its existence. However during the last 30 years coal mining steadily declined and as a result most of the mines have since closed down. The two remaining collieries still in existence are Slater Coal currently mining at Avemore and Magdelna farms in the Dundee district and Springlake

Colliery in the Hattingspruit in the Dannhauser district. Again, the lack of meaningful BEE participation in the mining sector is call for consideration. While new mines are reported to be opening soon, the need persist to identify meaningful opportunities for communities within the mining sector.

LEVERAGE PRIVATE SECTOR FUNDING RESOURCES

The Endumeni Local Municipality wants to embark on a retail sector study for the Dundee and Glencoe Towns. It is noted that according to Census Statistics for the Dundee and Glencoe Area, unemployment levels are extremely high. Therefore, the establishment of a shopping mall within the area will not only create several employment opportunities, but will also impact positively both financially and socially on the local residents. It is envisaged that the development of a retail facility could underpin the emergence of a strong, local economy. At present there is no large scale shopping mall in the Dundee and Glencoe Area. This situation forces most residents to travel towards Newcastle which results in residents paying high transport fees in addition to the movement of goods and capital to outside areas. It is envisaged that with new development in place, the residents of Dundee and its surrounds will now be able to frequent an establishment that is much more accessible. This in turn will promote the locking of resources within the area which will create conditions for a better standard of living.

The aim is to establish a shopping mall. The proposed above-mentioned project cycle could be initiated with the drafting of a Retail Sector Study for the Dundee, Glencoe Area. This entails the study of disposable income in the Dundee Glencoe Area, the result of which will be an understanding of the spending patterns; and the question of supply and demand within Dundee and Glencoe. This information is important in terms of understanding the critical mass that is required to support the Retail Centre and other such commercial entities. The end product of the Retail Sector Study would then be the development of a Shopping Framework. This would thus allow the Municipality to attract both developers and investors to the area as it would help create an environment of certainty whereby decisions would be based on facts and figures.

MONITORING & EVALUATION PLAN

In the 2016/17 MEC comments the municipality was requested to develop a monitoring and evaluation mechanism for the implementation of all LED programmes and target set.

This is in progress and a Comprehensive Project matrix for all the LED programmes and projects within the municipal area is being developed and will be presented regularly in the revived LED Forum for monitoring purposes. In addition all the prioritized interventions implemented by the Municipality have all been incorporated in the 2016/2017 SDIBIP and will be incorporated in the subsequent SDIBIPs which is monitored regularly as part of the Municipality's PMS Policy Framework.

LED CATALYTIC PROJECTS

LED UNIT CONSTRAINTS AND CHALLENGES

The LED Unit of the municipality is functional but under resourced. There is currently 1 personnel in the LED Unit namely the Manager: LED/Tourism services. The section is also receiving technical support from Sabalala Consultants. The Municipality has since the Executive Manager/ Head of Department responsible for Planning & Economic Development Services on the 1 August 2016. In addition the Municipality is prioritizing to fill the positions of both LED Officer and Tourism Development & Marketing Officer during the 2017/2018 FY. The LED manager has since revived the LED Forum to assist with coordination of LED efforts within the Municipal area

LOCAL ECONOMIC DEVELOPMENT

| Strengths | Weaknesses |
|--|---|
| 150 ha of land for crop farming and livestock | Land given back to community for LED purposes is not fully realized |
| Capacity building initiative/ skills development programmes, etc for the community | Unimplemented By-laws |
| Craft market | Operation and maintenance of the aerodrome establishment |
| Agri processing businesses; existing Abattoir, | No sustainability of LED projects once handed over to beneficiaries |
| Skills development related to agri-processing plants | Unavailable/ undeveloped LED infrastructure i.e. market stalls |
| Tourism , existence of govt institutions locally | Challenges in providing service delivery in LRAD Land |
| Biggest suppliers of livestock farming | Lack of LED capacity (management) |
| Availability of budget | Underutilization of Industrial Park |
| Suitable geographic area for tourism (Battlefields Route) Link to tourism above | Lack of proper infrastructure to support investments, e.g.: Mining Sector |
| Opportunities | Threats |

| | |
|--|---|
| Tourism plan to be compiled | Ignorance of approved by-laws |
| Attributes such as Battlefield Tourism Route to be fully explored | Limited or insufficient water, as a resource, to sustain agricultural purposes. |
| Involvement of other sectors of LED matters | Limited services to accommodate Dundee July event, e.g. electricity, access roads, parking demarcation, security, congestion etc. |
| Emerging farmers | |
| Skills development in agriculture | |
| Great investment interest from outside, e.g. cement manufacturing plants, etc. | |
| Existing land strip for economic purposes | |
| Formalization of boarding institution to regulate municipal rates. | |

25. SOCIAL DEVELOPMENT ANALYSIS

25.1 BROAD BASED COMMUNITY NEEDS

In the 2016/17 MEC comments the municipality was advised to give attention to the analysis of the social development challenges and identify three social developmental priorities per ward Demonstrating an understanding of participatory planning methodologies. The municipality has undergone an extensive community based planning in all seven (7) wards.

The 7 wards then generated the following priorities per ward:

WARD 1

| NO. | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|-----|---|----------------------------|-------------------------|------------------|-----------------------|------------|
| 1 | Maintenance (roads, grounds) | General Maintenance | Whole ward | Ward | 100% | 2017- 2027 |
| 2 | Provision of services (water, sanitation and electricity) | Service Delivery | Rural areas of the ward | Ward | 100% | 2017-2027 |
| 3 | Training of SMMEs | Local Economic Development | Whole ward | Ward | 100% | 2017-2027 |

WARD 2

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|--|---------------------------------|----------|---|-----------------------|-----------------------------|
| 1 | To ensure health and safety of the community through maintenance of infrastructure | Clearing of sewerage | France | Community Children Youth | 40% of the Ward | Three (3) Months – On going |
| 2 | | Reduce widening stream | France | School going children Community that crosses | 50% | 2years |
| 3 | | Construction of roads and humps | Ext. 18 | Community Children | 100% | 3years |

WARD 3

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|---|----------------------------|------------|----------------------------|-----------------------|------------|
| 1 | Community Projects (Sewing, welding, bricklaying, carpentry, plumbing, weaving, electrician and car wash) | Local Economic Development | Whole ward | Youth and Community | 100% | 2017- 2027 |
| 2 | Construction of infrastructure | Infrastructure development | Whole ward | Whole community | 100% | 2017-2027 |
| 3 | Skills Development | Skills Development | Whole ward | Youth Community Businesses | 100% | 2017-2027 |

WARD
4

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|--|---|--------------------|--------------------|-----------------------|----------------------------|
| 1. | To construct descent housing by 2022 | Housing Construction | Dlamini | Community | 40% | Five (5) years 2018 – 2022 |
| 2. | To Build ECDs by 2020 | Establishment of Early Childhood Development Centre | Sibongile Township | Community Children | 100% | Five (5) years 2017 – 2020 |
| 3. | To refurbish the sports facility by 2024 | Refurbishment of Sport Ground | Sibongile Township | Youth | 40% | Five (5) Years 2019 – 2024 |

WARD 5

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|---|---------------------|-----------|------------------|-----------------------|-----------|
| 1 | To create awareness to the community | Awareness campaings | Sibongile | All | 100% | On going |
| 2 | To ensure the functionality of the War Room for the whole community | War rooms (OSS) | Sibongile | All | 100% | On going |
| 3 | To ealized training that would empower the youth and unemployed | Training | Sibongile | All | 40% Youth | On going |

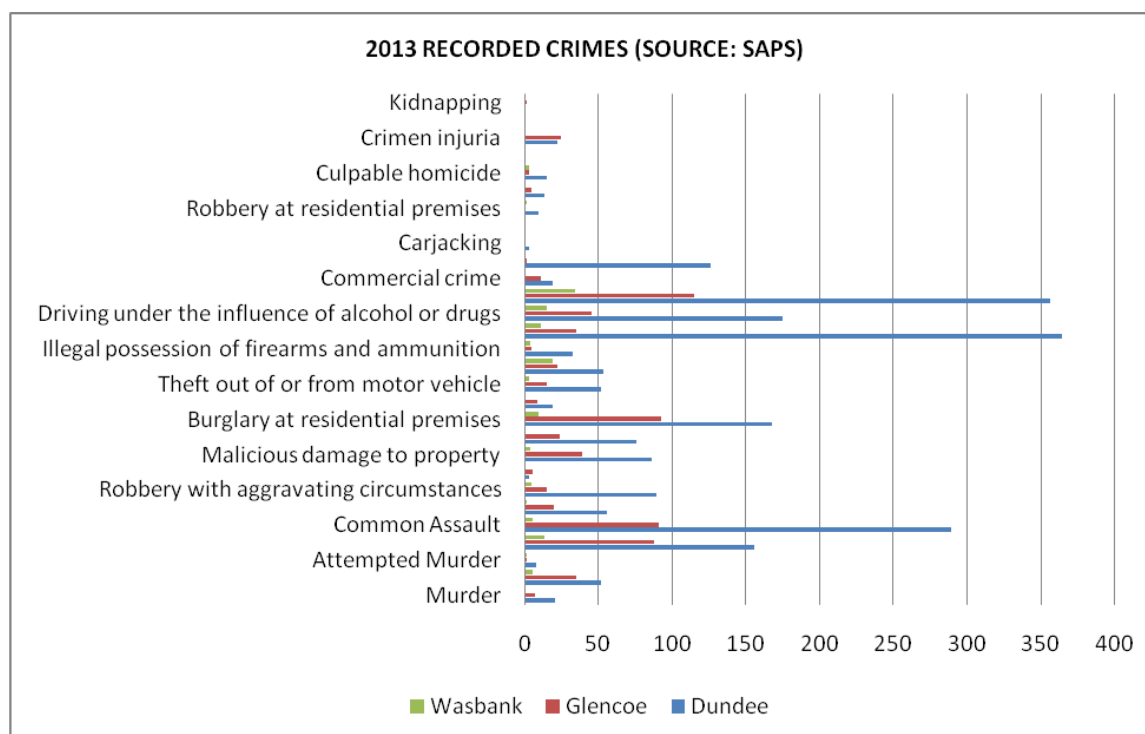
WA
RD 6

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|-----------------------------------|--------------------|---------------------------|--------------------------------|-----------------------|-------------|
| 1 | Development of skills | Skills Development | Whole ward | Youth | 100% | 2017 – 2022 |
| 2 | Enhancement of tourism | Tourism | In all wards | All | 100% | 2017 -2022 |
| 3 | Refurbishment of industrial areas | Industrialization | All areas with Industries | Businesses and whole community | 100% | 2017 -2022 |

WARD 7

| NO | OBJECTIVE | PROJECT NAME | LOCATION | WHO WILL BENEFIT | HOW MANY WILL BENEFIT | TIMEFRAME |
|----|--|----------------------------|-------------------------|----------------------------|-----------------------|------------|
| 1 | Development of Construction, plumbing electricity and farming skills | Skills Development | Whole ward | Youth Community | 80% 40% | 2017- 2022 |
| 2 | Construction of infrastructure in rural communities | Infrastructure development | Rural areas of the ward | Youth | | 2017-2032 |
| 3 | LED programme | Local Economic Development | Whole ward | Youth Community Businesses | 100% | 2017-2022 |

25.2 SAFETY AND SECURITY



There are three (3) police stations within Endumeni Municipality. These are located within the urban centres of Dundee, Glencoe and Wasbank. According to the 2013 crime statistics, the highest incidents of criminal activities are taking place in Dundee followed by Glencoe. With reference to the figure above read in conjunction with a table below, Drug-related crime are the highest reported cases which amount to 365 in Dundee. This is followed by theft which has recorded cases of 357 and Common Assault with 290 recorded crimes in Dundee.

| CRIME | Dundee | Glencoe | Wasbank |
|---|--------|---------|---------|
| Murder | 21 | 7 | 1 |
| Total Sexual Crimes | 52 | 35 | 6 |
| Attempted Murder | 8 | 2 | 2 |
| Assault with the intent to inflict grievous bodily harm | 156 | 88 | 14 |
| Common Assault | 290 | 91 | 6 |
| Common robbery | 56 | 20 | 2 |
| Robbery with aggravating circumstances | 90 | 15 | 5 |
| Arson | 3 | 6 | 1 |
| Malicious damage to property | 86 | 39 | 4 |
| Burglary at non-residential premises | 76 | 24 | 1 |
| Burglary at residential premises | 168 | 93 | 10 |
| Theft of motor vehicle and motorcycle | 19 | 9 | 1 |

| | | | |
|---|-------------|------------|------------|
| Theft out of or from motor vehicle | 52 | 15 | 3 |
| Stock-theft | 54 | 22 | 19 |
| Illegal possession of firearms and ammunition | 33 | 5 | 4 |
| Drug-related crime | 365 | 35 | 11 |
| Driving under the influence of alcohol or drugs | 175 | 46 | 15 |
| All theft not mentioned elsewhere | 357 | 115 | 34 |
| Commercial crime | 19 | 11 | 1 |
| Shoplifting | 126 | 2 | 0 |
| Carjacking | 3 | 0 | 0 |
| Truck hijacking | 1 | 0 | 0 |
| Robbery at residential premises | 10 | 1 | 2 |
| Robbery at non-residential premises | 14 | 5 | 1 |
| Culpable homicide | 15 | 3 | 3 |
| Public violence | 1 | 0 | 0 |
| Crimen injuria | 22 | 25 | 1 |
| Neglect and ill-treatment of children | 1 | 0 | 0 |
| Kidnapping | 1 | 2 | 1 |
| TOTAL | 2274 | 716 | 148 |

25.3 NATION BUILDING AND COHESION

There are number of existing sport facilities within Endumeni. These include Soccerfield, which are within Dundee (Oval, Kallis and Mpumelelo). This indicates that the majority of these facilities are located within the main urban centre (Dundee town) and that is urban bias. There are four art and culture events that are co-ordinated by the municipality which are Dundee July, Siyaya Emhlangeni, Heritage Day, Battlefield Street Carnival. These events are considered as important in terms of arts and culture.

25.4 COMMUNITY DEVELOPMENT: VULNERABLE GROUPS

YOUTH DEVELOPMENT

The Municipality has the responsibility of co-ordinating the development and promotion of youth development initiatives, establishment of youth desk and youth structures and implementation of procedures, reporting and upliftment of youth programmes.

DEVELOPMENT OF PEOPLE WITH DISABILITIES

The number of people living with disabilities is estimated at 2 677 which accounts for 4% of the total population. The municipality has adopted policies and practices to ensure that these residents are not excluded from any development initiatives that are championed by council.

These include the unbiased employment and recruitment procedures as well as the supply chain management systems.

DEVELOPMENT OF THE ELDERLY

There are two programmes that the municipality undertakes on an annual basis for the development of elderly which are Maiden Camp and Golden Games.

DEVELOPMENT OF WOMEN

According to the demographical data, Endumeni has more females (33 225 which amounts to 51% of the total population) than males. Endumeni Municipality places a very strong emphasis on the employment of women within both the public and private sector.

PEOPLE AFFECTED BY CRIME, HIV/ AIDS AND DRUGS

Endumeni has the highest percentage of HIV+ people, which was 16.49% of the population in 2007. The percentage of AIDS related deaths stood at 61.19% in 2007. The crime statistics also suggests that there are 3138 people affected by criminal activities and 411 affected by drugs.

EARLY CHILDHOOD DEVELOPMENT

The Endumeni Municipality has the responsibility to take care of the children that are still attending the crèches. We give them support in terms of equipment (educational, recreational and sporting). We work hand in hand with the Department of Sport and Recreation, Social Development and Department of Education as the Non-Governmental Organisations that has the responsibility in ensuring that the Early Childhood Development programmes are implemented.

There is also a structure that is aiming at promoting and advocating a culture of children's rights through co-ordinating and effectively monitoring and evaluating the realization of the child's right to survival, development, protection and participation.

LOCAL AIDS COUNCIL

The establishment of a Local Aids Council on the 23rd October 2008 greatly assisted in the Endumeni Council's endeavours in regard to having a unified approach which has become particularly evident in the planning of Endumeni Aids Awareness events. The Endumeni Aids Awareness Events began in 2002 with one event held annually to coincide with World Aids Day. These commenced with the first two in Dundee and then circulated to Glencoe, Wasbank, Sibongile and Sithembile.

In 2008 however, the Endumeni Council decided that smaller events need to be held during the year to reach out to communities on the outskirts and rural areas of Endumeni. On an average, three events were held within a financial year.

In the 2017/18 financial year, the municipality will continue to be working closely with Umzinyathi District Municipality. That will eliminate the duplication of awareness's to be held with the Endumeni Local Municipal area. In Umzinyathi District Municipality, the HIV/AIDS

infection rate for 2005 was 23% (Monitor Group, 2006) which is lower than the national average of 27.9% and significantly lower than the 37.5% average for the province of Kwazulu Natal. The province has the highest HIV prevalence rate in South Africa. According to KZN Department of Health, April-November 2015 data on HIV/AIDS prevalence Endumeni Local Municipality has HIV prevalence of 10.1% which is relatively high than the other local municipalities.

The municipality will be working together with the Department of Health and the District municipality to mitigate the increase of HIV/AIDS within our District. This can be done through IGR structures, sharing of information, awarenesses and alignment.

25.5 SOCIAL DEVELOPMENT: SWOT ANALYSIS

| STRENGTHS | WEAKNESSES |
|--|--|
| <ul style="list-style-type: none"> Facilities for safety and security are fairly spread amongst all three urban areas. Programmes for Nation Building and Social Cohesion are successfully championed by Endumeni Municipality | <ul style="list-style-type: none"> Public Facilities (Education & Health) are mainly clustered within the urban centres Crime levels are high Low levels of education |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> The provincial programmes for youth, women and children can be successfully piloted within Endumeni | <ul style="list-style-type: none"> The increase in crime would further discourage investments. |

26 MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

26.1 FINANCIAL VIABILITY AND MANAGEMENT (UNDER CONSTRUCTION)

The Budget for 2016/17 financial year has been prepared, aligned and integrated into the 2016/17 IDP Review. The budget below also contains indicative figures for 2017/18 and 2018/19 and revised budget for 2015/16.

The municipal income for 2015/16 was R 261,281m and it has decreased to R 253,872m for 2016/17 financial year; and the decrease was due to decrease of the grant allocation which was being received from National and Provincial government;

The expenditure for 2015/16 was R 259,554m and it will be decreasing to R 254,991m for 2016/17 financial year; in line with the projected municipal income;

The budget for capital projects for 2015/16 was R 48,776m and it has decreased to R 37,841m for 2016/17 financial year due to the decrease of MIG and other grants allocation.

26.1.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

MIG & INEP funding has been made available for the execution of capital projects. MIG & INEP grants have been completely spent in the past financial years. This indicates that the municipality is in a good position to execute capital projects in accordance with the conditions of the grants.

26.1.2 INDIGENT SUPPORT

The indigent policy and register is updated on an annual basis, the municipality provides support to indigent households, for refuse, rates and electricity based on set criteria and once the household is approved as indigent. The current Indigent register was implemented as at 1 July 2016. New applications for the 2017/18 financial year is now accepted and will commence 1 July 2017. There are currently 2040 indigent households.

26.1.3 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

The challenge facing the Endumeni Municipality is to successfully turn around the current declining cash position and to build a sustainable municipality for the future, Revenue enhancement was developed and approved by Council in phases. The municipality has implemented the strategy through amnesty process on electricity theft and further appointed a company auditing meters. However, more avenues has to be explored to curb the electricity theft. We also embarked on re-registration of indigents which was not undertaken for the past years and the number of registered applicants increased. Thus led to indigent debt write-off amounting to more than R18m. The debt relief programme of debt concessions is currently underway until the end of June 2016

whereupon the customers enter into arrangement with the municipality and the municipality waives the penalties, interest and collection fees provided that the current account is kept up to date. The municipality procured the ITC system to strengthen our controls in data verification and ascertaining affordability status of customers. The training of internal staff directly involved on the debt management cycle was conducted and we envisage to appoint 4 temps on a fixed term to solely focus on calling individual customers.

26.1.4 MUNICIPAL CONSUMER DEBT POSITION

The non-payment for municipal services adversely affects the cash flow situation. There is a significant loss of electricity revenue from theft of electricity and distribution losses. The bottom line is that if every consumers regularly pays for the services rendered the municipality will improve on service delivery, increase maintenance of existing infrastructure and the provision of additional amenities. Ward ealized s and members of ward committees must play a significant role in creating community awareness of the impact of the practices of theft and non-payment of rates and services and contribute to the accessibility to the areas by council's audit teams.

26.1.5 GRANTS AND SUBSIDIES

Operational grants make up 17% of the budgeted revenue for 2016/17. This indicates that the municipality is not grant dependant. Grants received for capital expenditure are spent in accordance with the grant conditions. The Municipal Infrastructure Grant (MIG) grant has been fully expended for the 2014/15 financial year.

The following table presents a stream of grants that the municipality will receive from national treasury between 2016/17 – 2018/19 financial years.

| Grant Description | 2016/17 | 2017/18 | 2018/19 |
|-------------------------------------|---------|---------|---------|
| Equitable Share | | | |
| Municipal Infrastructure Grant | | | |
| INEP | | | |
| Finance Management Grant | | | |
| Expanded Public Works Programme | | | |
| Arts & Culture (Rural Horse Riding) | | | |

26.1.6 MUNICIPAL INFRASTRUCTURE ASSETS AND MAINTENANCE

The municipality has recently developed an draft Operations and Maintenance Infrastructure Sector Plan that formulates a rational basis upon which infrastructure assets can be repaired and maintained planned. This plan also guides the municipality in the roll out of its assets to the greater population of Endumeni Local Municipality and offers avenues that the municipality can utilize in exploring various funding streams. Endumeni is in the process of budgeting for its own plant machinery that will help with the maintenance of the gravel roads, as they constitute more than 60% of municipal infrastructure assets.

The municipality has budgeted 3% of its property, plant and equipment for maintenance and repairs. In the determination of the 3 % labour and overhead costs were excluded. Due to financial constraints the municipality is unable to budget for repairs and maintenance at 8% which is a minimum acceptable rate.

In terms of the acquisition of new service delivery Assets, the municipality relies on the five (5) year strategic plan of the municipality known as the IDP. Then utilize the SDBIP for annual review of such.

26.1.7 CURRENT AND PLANNED BORROWINGS

The municipality has four existing DBSA loans for infrastructure. The municipality is not heavily reliant on borrowings.

26.1.8 EMPLOYEE RELATED COSTS

Employee related costs are budgeted to increase by 7.6% in 2016/17 financial year. The total budget for salaries is R 90,638m which amounts to 36% of the total budget (R 254,991m).

26.1.9 MUNICIPALITIES CREDIT RATING: AUDITOR-GENERAL'S OPINION

| 2014/15 | 2015/16 | 2016/17 |
|--------------------------------|-------------|------------------|
| Unqualified with other matters | Clean Audit | Not yet received |

26.1.10 SUPPLY CHAIN MANAGEMENT

The SCM unit is functioning effectively, in that SCM policies are in place and procedures are followed. The vacancy of SCM manager was filled in January 2016.

1. SCM Policy

- The municipality had adopted and implemented the supply chain management policy as per s111 & 112 of the MFMA and it is reviewed annually.

2. Establishment of SCM Unit

- The municipality has established the supply chain management unit to implement the SCM policy but it is not fully functioning and it's not centralized, more staff is needed.

3. Appointment of Bid Committees

- Bid committees were established as per SCM Regulation and are fully functioning

4. Reporting

- Reports on supply chain management implementation are submitted monthly and quarterly to relevant portfolio committees.

26.1.11 AGE ANALYSIS OF CONSUMER DEBT

The municipality has an age analysis, reasons for constrained collections is due to:

- ✓ Deceased estates: Executors are not appointed to finalize the matters of the Deceased.
- ✓ Government debt: Human Settlements and Land Reform have not paid their outstanding Rates. Meetings have been held with the respective departments.
- ✓ Unemployment and low income.
- ✓ Culture of non-payment and tampering of electricity meters still very strong

26.1.12 MUNICIPAL RISK MANAGEMENT COMMITTEE

The municipality has a functional Risk Committee. The members of the Risk Committee are Top Manco & the Chairperson is the Acting Municipal Manager. However the municipality will be employing Risk personnel at a contractual level within the 2017/18 financial year as per Performance Audit Committee Chairperson Recommendations.

In terms of s62(1)(i) of the Municipal Finance Management Act No. 56 of 2003, the municipality must have and maintain an effective, efficient and transparent system. For financial and risk management and internal control. The Endumeni Local Municipality has identified 37 risk factors within the municipality mainly in the below sections:

1. Disaster recovery, Business continuity risk
2. Financial risk
3. Cultural risks
4. Technological and Systems risk
5. Strategic and Service Delivery risk

6. Health and Safety security risks
7. Process operational risks
8. Social risks
9. Human resources risk

Progress is noted in some of the risk areas identified however according to the risk register the addressing all of the issues will be achieved in the 2016/17 financial year. The municipality maintains a risk register that is updated on a regular basis. The issue of risk Management remains a standing item in the following committees:

- I. MANCO
- II. Extended Management Meeting
- III. Audit Committee
- IV. Performance Audit Committee

The table below shows the members of the Endumeni Risk Committee:

| NAME OF MEMBER | DESIGNATION | GENDER |
|-----------------------|---|--------|
| Mr. Desiga Padayachee | Acting Municipal Manager | Male |
| Mr. Desiga Padayachee | Acting Executive Manager: Corporate Services | Male |
| Ms. Naseema Chenia | Acting Chief Financial Services | Female |
| Mr. Lwazi Cindi | Executive Manager: Technical Services | Male |
| Mr. Boxer Mpontshane | Executive Manager: Planning & Economic Development Services | Male |

NB: It must be noted that the CFO of the Municipality, Mrs. CB Mkhize is currently under suspension hence there is someone acting

MUNICIPAL FINANCE VIABILITY & MANAGEMENT ANALYSIS

| Strengths | Weaknesses |
|---|--|
| 3 year financial plan | IT internal Controls |
| 3 year investment plan | Non-Centralisation of Supply Chain |
| Liquidity position of Council (at least 8 months) | Debt collection from government farms |
| Four (4) existing Loans | Enhancement of Revenue base |
| GRAP compliant | Capacity constraints – asset management |
| 89% of collection rate | Lack of procurement plan delay SCM process |
| Funding of grant in aid | |
| Fully compliant with MFMA/ Supply Chain Regulations | |
| Over R13 million debt collected on government offices | |
| Opportunities | Threats |
| Increase revenue | |

| | |
|--|--|
| Development of incentives Schemes in the next financial year | |
| Identification of Child Headed Households | |

27 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

Good Governance is described as “involving fairness, accountability, responsibility and transparency on a foundation of intellectual honesty”. Good governance encourages municipal representatives and officials to collaborate with their communities in order to fulfil their needs in a more efficient manner and accountability. The participation of the public in all IDP processes forms the indispensable and integral part of the process and ensures identification with the final product.

27.1 2016/17 IDP REVIEW MEC COMMENTS

The 2016/17 IDP Review was submitted to the Department of Co-operative Governance and Traditional Affairs for commenting purposes as required by Chapter 5, Section 25 of the Municipal Systems Act. The Department of Co-operative Governance and Traditional Affairs has submitted comments on the 2016/17 IDP Review to the municipality to serve as a base for the development of the 2017/18 IDP, comments pertaining to the municipal IDP were received, and the municipality developed an action plan to address the comments, and is structured as attached in **Section C no. 1**.

27.2 NATIONAL AND PROVINCIAL PROGRAMMES ROLLED-OUT

BATHO PELE (BP) PRINCIPLES

BP as a concept was officially pronounced by Government in 1997 as an initiative to get public servants to be service oriented or customer focused, to strive for excellence in service delivery and to commit to continuous service delivery improvement.

BP was designed as a transparent mechanism to allow customers to hold public servants/officials accountable for the type of services they deliver.

The White Paper on Transforming Public Service Delivery (1997) provides direction on how service should be rendered informed and guided by the eight principles (linked to the 8 transformation priorities of this government).

The Endumeni Municipality has resolved to appoint a designated Batho Pele Coordinator with the aim of ensuring implementation of BP principles is reflected in organisational strategic, operational, budgetary and Service Delivery Improvement Plans. Also to ensure that regular monitoring and evaluation of progress with regards to all BP initiatives through regular reporting is achieved.

Following are the Batho Pele Principles that Endumeni Municipality's administrative and political structures strive to achieve when delivering services to the people:

Consultation: All developments in the municipality are undertaken through community participation and engagements. The municipality has engaged the community in its development through the following channels: ICDW's, radio, newsletters, meetings, suggestion boxes, izimbizo, etc.

Service Standards: The municipality is striving towards providing services to the community that are of good quality and satisfying.

Access: The municipality will ensure that the community has access to the basic services such as, electricity, housing, etc. Whilst there are challenges such as limited financial resources in realizing this aspect, a lot has been achieved thus far.

Courtesy: Our staff are encouraged to be polite and friendly to our customers. Customers should be treated with respect and consideration. Staff must always be willing to assist.

Information: Information on municipal developments and projects is always conveyed to the community through IDP Rep Forums, war rooms, newsletters, newspapers, radio, posters, Imbizo, etc.

Openness and Transparency: The municipality has established various structures that ensure that the public knows municipal activities. Information is made available to the public through annual reports, strategic plans, service commitment charters, etc.

Redress: Redress is making it easy for people to tell us if they are unhappy with our service. The municipality has a suggestion box that is attended to. Complaints are attended to effectively and efficiently.

Value for Money: Our municipality is striving to make the best use of its available resources, avoid wasteful expenditure, fraud and corruption and finding new ways of improving services at little or no cost.

BATHO PELE POLICY & PROCEDURE MANUAL

The Endumeni municipality is the process of developing its very own custom made Batho Pele Policy. The aim of the policy is to outline what makes an organization effective in delivering services to the public, and in so doing comply with the principles of Batho Pele. It will also serve as a comprehensive and systematic process to manage the implementation of Batho Pele Principles. The policy proposed is an adaptation of a model or set of principles of how client centred organizations are run and what makes them successful, based on findings of studying service delivery to the public. The policy will further enable the municipality to be Batho Pele compliant and infused with reinforcing values, norms and beliefs strongly focused on the public and beneficiaries of their (the departments') services. This culture ensures that the concerns of the public and their needs are at the heart of all key decisions, actions and communications in the departments.

The municipality will have a draft Batho Pele policy by 30 June 2017.

SERVICE DELIVERY CHARTER

The municipality has recently developed a service delivery charter that describes the general mandate and responsibilities of the Municipality of Endumeni. The services provided by the municipality have been prioritized as the requirements of a standard service delivery charter. The public has been involved notices on the local news paper and further more through war rooms, engagements occur at all levels. Powers and functions of the municipality are clearly defined and the standards are linked to Objectives & strategies of the municipality. Standards have been developed in a SMART manner that can enable performance against the standards to be easily measured and reported on.

The municipal standards are clear in terms of timelines and awareness's will be conducted in order to familiarise the community about them.

SERVICE DELIVERY IMPROVEMENT PLAN (SDIP)

The municipality will be developing a Service Delivery Improvement Plan in line with its constitutional mandate. The SDIP will outline the current baseline of the municipality; where do our citizens want us to be, and furthermore addresses how do we get there. Key services that require improvement will be identified and the SDIP will be developed on those findings.

OPERATION SUKUMA SAKHE

The main aim of Operation Sukuma Sakhe / War on Poverty campaign is to reach out to more poverty stricken communities, with the intention of making maximum impact on those communities in the shortest possible way, and also to ensure that communities including the private and the public sector join forces to fight against poverty.

The Operation Sukuma Sakhe programme is the new approach of how government and its social partners would fight poverty.

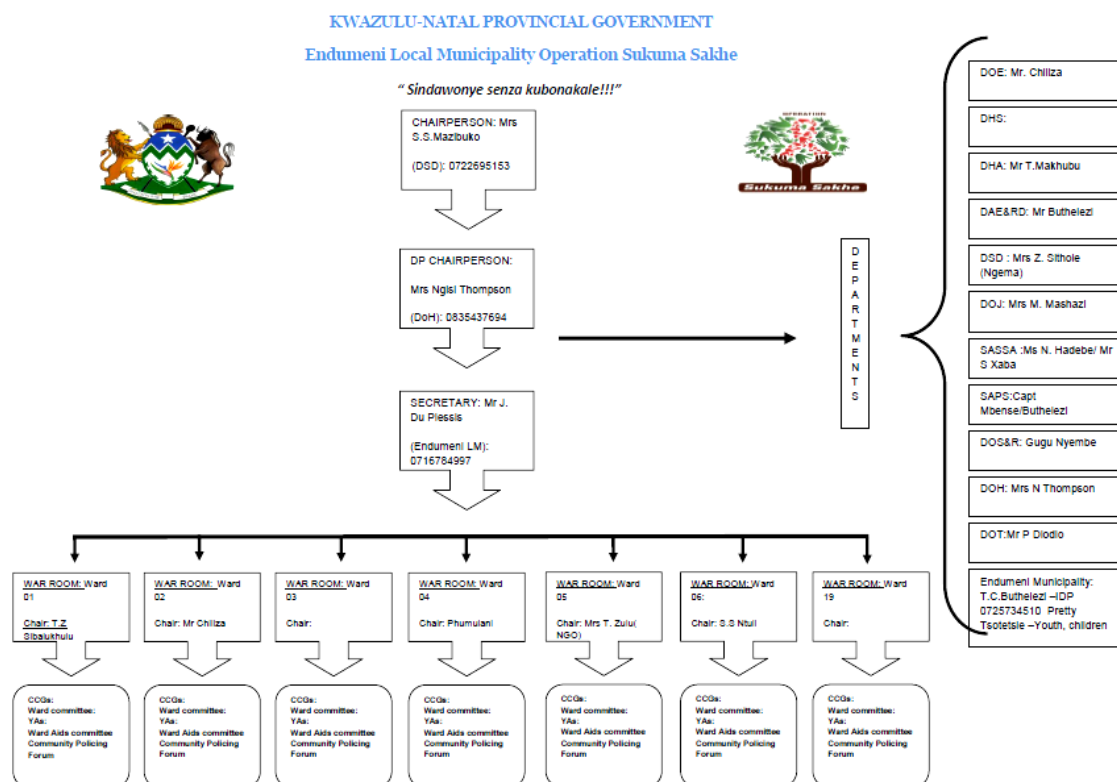
FORMATION OF THE ENDUMENI LOCAL TASK TEAM: FLAGSHIP PROGRAMS

FORMATION OF THE ENDUMENI LOCAL TASK TEAM: FLAGSHIP PROGRAMS

During May 2010, the Endumeni Local Task Team was formed with Mrs S S Mazibuko of The Department of Social Development – Dundee and Mr J A du Plessis of the Endumeni Local Municipality as the Secretariat of the Task team. At present there are 35 registered members consisting of Departmental Officials and other organisations. These members are basically also the members of the Endumeni Aids Council, the difference being that the Local Aids Council is chaired by the Mayor of Endumeni with relevant Councillors forming the Executive membership thereof.

The programs from the Office of the Premier administered by the Local Task Team were known as “Flagship Programs” but have recently been changed to “Operation Sukuma Sakhe”, meaning Rise up & Build. Although these programs are aimed at Poverty Alleviation they cannot be separated from HIV/AIDS infections as it is a well known fact that poverty

leads to malnutrition which compromises the human immune systems. The Local Task Team meets every first Thursday of the new month and the below figure shows its structure.



IDP ALIGNMENT TO OPERATION SUKUMA SAKHE (OSS)

The Endumeni Local Municipality's together with the Endumeni Local Task Team under the banner of OSS decided to align their operations after the District OSS meeting held on the 27th September at Month Hall, Dundee. The below generated formula is yet to be presented to the District OSS Forum for adoption as it was also supported by the Local Task Teams of Nquthu and Msinga.

The following was agreed upon:

Backlogs

Backlogs are a shared burden of the municipality and sector departments, regardless of the profiling done at ward war room level. Therefore we should classify our eradicating programmes/projects according to immediate/ short term/ medium term and long term.

Therefore long & medium term programmes/projects should be those featured in the IDP and short term to immediate should be seen as "operational". Therefore to be reported on the IDP as past financial year activities of the OSS since they can be predicted or planned for.

Service Delivery

A Local Strategic Action Plan is therefore needed in order to action and monitor the work done under the banner of OSS. This will help in clearing the confusion in the Powers & Functions of the Municipality vs Sector Departments, and that of the two conflicting financial year structure.

Both Municipality and Departments are to generate projects by the end of November. Therefore OSS profiling and IDP “Ward to Ward” .public engagements must be done in order to inform departmental projects/budgets before end of October.

This will help the Local Strategic Action Plan to have financial commitments from the municipality and sector departments.

CHALLENGES & SUCCESSES OF WAR ROOMS

Scheduled dates for war room sittings

| Ward Name | Place | Dates |
|------------------|-------------------------------|--------------------------------------|
| Ward 1 | Was bank municipal offices | Every Wednesday per week @ 11h00 |
| Ward 2 | Do not have a structure | |
| Ward 3 | Sithembile community Hall | Every Thursday per week@ 11h00 |
| Ward 4 | Sibongile old Admin building | Every Friday per week @12h00 |
| Ward 5 | Anglican church (sibongile) | Every Wednesday per week @ 10h00 |
| Ward 6 | Mackenzie Hall | Every Wednesday per week @ 10h00 |
| Ward 7 | Aryan old age home in Glencoe | Last Thursday of every month @ 10h00 |

War room Functionality

All 6 wards are functional except ward 6 because they do not have place to call it war room. The war room are operating under the supervision of ward councilors as Ward champions and ward war rooms structure. The issues reported by community into war rooms may

referred to relevant stakeholders including the municipality and to the top structure which is Endumeni Local Task team.

The most common issues reported are as follows:

1. Housing issues in all wards
2. Electricity at Dlamini Village
3. Drainage system in all areas which cause flooding in most households
4. Grants, IDs, and all social ills
5. Job opportunities
6. Toilets
7. Disaster issues
8. Social relief
9. Pauper burier
10. Municipal services

The operation Sukuma Sakhe/LTT sit once every first Tuesday of the month and the structure is operating under the superior of Executive Mayor as a Chairperson and it has its own structure. The purpose for structure to sit is titled all issues reported through war rooms or ward councilors, if the LTT does not get joy on issue referred it to the principal structure.

Operation Sukuma sakhe /LTT must work hand with Local municipality because it fulfilling the needs for communities of that particular LM.

OSS programs on pipe line

- Operation mbo in all 7 wards
- Ward profiling/ households profiling
- Schools cordon search in all schools under Endumeni
- Food items donations
- School uniforms donations
- Awareness campaigns
- Clean-up campaigns at all angles

Challenges at war rooms

- Officials not attending war room meetings also municipal officials
- Furniture and stationary
- Issues not being resolved by relevant stakeholders

EXPANDED PUBLIC WORKS PROGRAMME

Endumeni Local Municipality is also committed in training and developing communities through the EPWP programme, thereby promoting economic growth and creating sustainable development. 25% of the MIG projects to be undertaken by the municipality are EPWP compliant.

The municipality during the 2016/17 Financial year, has appointed 45 people through the EPWP programme. The Department of Cooperative governance and Traditional Affairs has nominated Endumeni Local Municipality to implement the Community Work Programme in the 2017/18 Financial Year. It is a Nationally funded programme implemented by municipalities. The programme is community driven through partnerships between community, government and civil society. The CWP programme falls under the umbrella programme EPWP in the Non-state sector as public employment programme. The municipality will recruit 450 participants to form part of the programme, and in line with the guiding principles and policies of the programme.

BACK TO BASICS PROGRAMME

The Endumeni Local municipality is reporting on monthly basis to National Cooperative Governance and Traditional Affairs regarding back to basics. The municipality reports on a quarterly basis to the Provincial Cooperative Governance and Traditional Affairs. The feedback received on submissions for quarter 1 and 2 have assisted the municipality in improving on service delivery and identifying shortfalls. The reporting is based on the below mentioned pillars.

5 PILLARS OF BACK TO BASICS IMPLEMENTATION

Pillar 1 – Putting People First and Engaging with Communities

Pillar 2 – Delivering Basic Services

Pillar 3 – Good Governance a

Pillar 4 – Sound Financial Management

Pillar 5 – Building Capabilities

Initially when back to basics was introduced for the first time to municipalities, the municipality was categorised as challenged. However through the support plans that were entered into with COGTA the municipality has advanced to fully functional and maintained that status.

27.3 INTERGOVERNMENTAL RELATIONS (IGR) (REPORT ON FUNCTIONALITY)

Endumeni Local Municipality does not have IGR personnel in place but however rely on the Communications Manager who took the work upon himself while he was Acting Municipal Manager. The Manager was part of the committee that saw the establishment of the following committees at District level:

- Mayors forum
- Municipal Managers Forum
- CFO's Forum
- Speakers Forum
- District Technical Advisory Forum

The above forums have been able to sort out intergovernmental issues at record time due to their functionality. One can then make an example out of the due payment contributions to the District for the functioning of the District's Development Planning Shared Services utilised by all LMs.

27.4 MUNICIPAL STRUCTURES

The Endumeni Municipality appoints representatives to its political structures and external bodies after completion of each municipal election and representations to such Committees and external bodies are listed as follows:

Labour Forum:

The Mayor, Cllr T M Mahaye

Cllr Ms W N Mbatha

Cllr Dlamini

Cllr J A Mfeka

PORTFOLIO COMMITTEES

The municipality has properly constituted all necessary portfolio committees. These committees are functional and are actively involved in monitoring and evaluating progress of projects. All projects that are undertaken in the municipality are presented to the portfolio committees for comments and inputs before proceeding to the next phase / level. In this way, the political structure is well-informed on what is happening on project implementation. The portfolio committees are proportionally represented.

| Portfolio Committee | Name of Portfolio Chair | Gender |
|--|-------------------------|--------|
| Budget & Treasury (BTO) | Cllr S R Mbatha | Male |
| Technical Services | Cllr S R Mbatha | Male |
| Corporate Services | Cllr Dr I Bedassi | Male |
| Office of the Municipal Manager | Cllr Dr I Bedassi | Male |
| Planning & Economic Development Services | Cllr S R Mbatha | Male |

IDP ORIENTATED STRUCTURES

WARD COMMITTEES

All the Ward Committees in all the 7 wards in the municipality have been very functional and active in all development issues affecting their wards and the municipal area at large. These structures are in continuous contact with the community at the ward levels and all issues raised in the meetings are conveyed to the council for consideration. These committees receive ongoing training.

IDP REP FORUMS

Chapter 5 of the Municipal Systems Act (Act 32 of 2000) dictates that every municipality must prepare an IDP and that, the IDP must include representation from members of the community. Endumeni Municipality has established the IDP Representative Forum that represents the interests of all residents in the IDP process.

The IDP Representative Forum comprises of government departments, NGO's that are active in a range of issues, Corporate Service Providers and all other structures that exists within the community. The municipality will continuously identify the groups and ensuring their representation in the IDP Representative Forum. For example, each meeting of the Representative Forum is advertised on local paper, invitations are also delivered using door-to-door in the most accessible addresses, through posters and announcement in social meetings.

In order to ensure maximum participation in the Representative Forum (Rep Forum) meetings from members of the public, representatives and relevant government officials, Rep Forum meetings are to be scheduled as and when required during the key stages of the IDP Process to ensure focused and meaningful contributions by participants:

The first Rep Forum meeting will involve a presentation of the Process Plan, as well as Gap Analysis identifying key focus areas to be addressed in the IDP Review Process;

Additional Rep Forum workshops will be held to provide feedback on the IDP Process, to acquire input from Rep Forum members and to ensure participation in relevant activities (such as PMS, review of the LUMS and Budget development).

IDP STEERING COMMITTEE

As part of the IDP preparation process, the IDP/Budget Steering Committee chaired by the Mayor acts as a support to the IDP Representative Forum, the Acting Municipal Manager and the IDP Coordinator/ Manager. This structure will continue functioning throughout the process.

The committee facilitates the participation of the management and other senior officials of municipality in the process. The committee also ensures efficient alignment and co-ordination between IDP projects and the budget to ensure that there is sufficient funding for the proposed projects. The functionality of this committee is to improve the IDP in various areas of expertise and some decisions made are based on its recommendations.

COMMUNICATION PLAN FOR PUBLIC PARTICIPATION

The municipality developed and adopted a plan titled Integrating of Public Participation to Communication Strategy. The purpose is to ensure that there is increased synergy between both the Public Participation and Communication Departments in their Engagement with shared stakeholders. Endumeni Local Municipality has a fully-fledged public participation unit and fully-fledged Communication's unit, however the two units are working in silos and therefore there is no synergy.

The objective of the plan is to:

- Improve communication with the local community as well as other organs of state within the local and provincial spheres of government;
- Enhance accountability, openness, transparency and responsive local government;
- Inform the community of the activities and intentions of the municipality.

27.5 INTERNAL AUDIT COMMITTEE

The Internal Audit Charter as adopted by the Performance/Audit Committee regulates the work of the Internal Audit Activities.

The Municipality has an approved structure of internal audit and it was outsourced to Umnotho Consulting cc. Endumeni Municipality has one employee responsible for the Internal Audit and is full time in the Municipality being responsible for the co-ordination of the work of the Internal Audit in the Municipality. As part of their mandate the out-sourced service provider is expected to transfer skills to the internal person and the progress in this regard is monitored by the Audit Committee (AUDCOM) and the Municipal Manager. It is recommended that the Municipality should consider appointing interns for internal audit and risk management for the skills transfer, in order for the Municipality to build its internal capacity going forward.

In terms of S62 I (ii) and S165 (1) of the MFMA each Municipality is required to have an Internal Audit Unit and S165 (3) allows the Municipality to co-source the internal audit function if the Municipality requires assistance to develop its internal capacity. The Internal Audit coverage plan was approved by the Performance/Audit Committee at its 1st quarter meeting for the 2016/17 financial year.

27.5 AUDIT COMMITTEE

The Endumeni Local Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.

The role of the Audit Committee is to assist the Council and the Accounting Officer in fulfilling its oversight responsibilities with regard to the integrity of internal control and accounting function, internal auditing and external auditing and reporting practices of the municipality and other such duties as may be directed by the Council and Accounting officer, and in so doing shall:

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management and staff of the municipality on matters relating to :
 - (i) internal financial control and internal audits;
 - (ii) risk management;
 - (iii) accounting policies;
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;
 - (v) performance management;
 - (vi) effective governance;
 - (vii) compliance with the Municipal Finance Management Act , the annual Division of Revenue Act and any other applicable legislation;
 - (viii) performance evaluation; and

- (ix) any other issues referred to it by the municipality.
 - (b) Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation;
 - (c) respond to the council on any issues raised by the Auditor-General in the audit report;
 - (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request; and
 - (e) perform such other functions as may be prescribed.
- 28 In performing its functions, an audit committee-
- 29 Has access to the financial records and other relevant information of the municipality ;
and
- (2) Must liaise with-
- 30 The internal audit of the municipality; and
- (ii) The person designated by the Auditor General to audit the financial statements of the municipality.

Members of the Audit Committee

| | |
|-----------------|-------------|
| Mr P Mawila | Chairperson |
| Mr Z Zulu | Member |
| Mr CI Narrandes | Member |

Audit Charter

The Endumeni Local Municipality has approved an Audit Charter. The purpose of the Audit Committee charter is to set out the status, authority, roles and responsibilities of the Audit Committee of the Municipality. The status, authority, roles and responsibilities are in

accordance with section 166 of the Municipal Finance Management Act (MFMA), no 56 of 2003 read together with MFMA Circular 65 of 2012 as issued by National Treasury. Consideration has also been given to the recommendations contained in the King Report on Governance for South Africa 2009 (King III). This charter guides the Audit Committee in fulfilling its obligations.

Conclusion

The role of the Audit Committee is to assist the Endumeni Local Municipality in achieving its strategic goals and objectives, by helping to maintain effective internal controls, risk management, accurate financial reporting and corporate governance principles.

27.6 PERFORMANCE AUDIT COMMITTEE

The Endumeni Municipality has established a Performance Audit Committee, which is separate from the Audit Committee. It's responsibility in terms of performance management are set out in the MFMA Regulations and framework.

The Municipal Performance Audit Committee does the following:

- Provide oversight on municipal programmes;
- Audit Reports;
- Audit risk assessment reports;
- Audit performance and all compliance issues
- Review the quarterly reports submitted to it by the internal audit unit;
- Review the municipality's PMS and make recommendations in this regard to the Council;
- At least twice during a financial year submit a report to the Council

27.7 ENDUMENI INTERNAL POLICIES

Endumeni Municipality has developed and adopted the following policies/strategies. These strategies / policies govern developments / interventions in the municipal area. The table below reflects the list of adopted policies / strategies:

The following table indicates the stats of the Endumeni Municipality's Internal Plans and Policies:

Institutional Policies and Plans

| POLICY/PLAN | STATUS | IMPLEMENTATION/ PROBLEMS OR CHALLENGES | RESPONSIBLE PERSON | TARGET DATE |
|--|--|---|---|-------------|
| Human Resource Placement Policy | To be reviewed | Implemented in first generation IDP phase. Placements completed | Executive Manager: Corporate Services | May 2017 |
| Recruitment and Selection Policy | To be reviewed | Senior Management appointments must reflect the demographics of Endumeni and be gender sensitive | Municipal Manager and All Heads of Departments | May 2017 |
| Employment Equity Plan | 5-Year Plan adopted in 2014 | Update Employment statistics submitted to Department of Labour by 1 October each year | Manager: Human Resource | 2019 |
| Workplace Skills Plan | Submitted annually | Workplace Skills Plan submitted to Department of Labour timeously by 30 June every year | Manager: Human Resource | April 2017 |
| Skills Retention, Training and Career Pathing Policy | To be reviewed | Lack of implementation of training programmes due to non-appointments of SDF , however the post is not yet advertised | Senior Manager: Corporate Services and Manager: Human Resources | July 2017 |
| Performance Management System | Section 57 Employment contracts include performance management | Performance Management to be extended to other levels of staff | All Heads of Departments | June 2017 |

| POLICY/PLAN | STATUS | IMPLEMENTATION/ PROBLEMS OR CHALLENGES | RESPONSIBLE PERSON | TARGET DATE |
|---|--|---|---|-------------|
| | plans | | | |
| Job Classification and Grading | Job evaluations commenced during the first quarter | Departments are busy crafting their job descriptions | All Heads of Departments and Manager: Human Resource | June 2017 |
| Remuneration Benefits | Negotiated at SALGBC | Unsuccessful salary negotiations results in strike action | Municipal Manager and All Heads of Departments | N/A |
| Conditions of Service | Negotiated by SALGBC | New agreement signed by member parties of SALGBC | N/A | N/A |
| Promotion, Demotion and Transfer Policy | Approved | Implementation on an ongoing basis | All Heads of Departments and Manager: Human Resources | Ongoing |
| HIV/Aids Education and Prevention Programme | Approved | HIV/Aids Council meeting convened regularly who direct and plan all HIV/Aids campaigns and programmes | Senior Manager: Health Services | June 2017 |
| Succession Plan | To be reviewed | Succession Planning programme for existing staff not yet completed | Senior Manager: Corporate Services and Manager: Human Resources | May 2017 |
| Sexual Harrassment Policy | Adopted | Delays in implementation of the charges must be expedited | Municipal Manager | Ongoing |
| Phone and Cell Phone Policy | Adopted | Implemented and monitored on a monthly basis | All Heads of Departments | Ongoing |
| Smoking Policy | Adopted | Adhered to | All Heads of Departments and Supervisors | Ongoing |
| Election of Spearker, Mayor | Completed | Done after Local Government | Municipal Manager | Done |

| POLICY/PLAN | STATUS | IMPLEMENTATION/ PROBLEMS OR CHALLENGES | RESPONSIBLE PERSON | TARGET DATE |
|---------------------------------------|--------------------------------------|---|--|---------------|
| and Exco Committee Members | | Elections and whenever office bearers are voted out of office | | |
| Election of Ward Committee Members | Completed | The six ward committees have been established and meet on a regular basis | Municipal Manager and Communications Manager | December 2011 |
| Portfolio Committees | Completed | <p>4 Portfolio Committees established for:</p> <ul style="list-style-type: none"> • Municipal Manager • Executive Manager: Corporate Services • Executive Manager: Technical Services • Chief Financial Officer | Municipal Manager | June 2016 |
| Audit Committee | Completed | Term of office of current Audit Committee to expire. To advertise and appoint new committee | Municipal Manager | July 2012 |
| Integrated Development Plan | 2 nd Generation completed | Currently compiling the 3 rd generation IDP | Executive Manager: Technical Services | June 2012 |
| By-Laws and Regulations | Completed | Need to fast track and expedite the promulgation of outstanding By-Laws | Senior Manager: Legal & Estates | June 2016 |
| Standing Rules of Order and Procedure | Revised and Adopted to | New Standing Rules of Order are in operation: Promulgated in 11 March | Municipal Manager | Current |

| POLICY/PLAN | STATUS | IMPLEMENTATION/ PROBLEMS OR CHALLENGES | RESPONSIBLE PERSON | TARGET DATE |
|--|----------------------------|--|---|----------------|
| | meet Provincial Compliance | 2011 | | |
| System and Delegation | Adopted | In operation | Municipal Manager | Current |
| IT Policy | Adopted | IT Governance issues are being addressed to ensure Audit compliance | Executive Manager: Corporate Services and Chief Financial Officer | June 2017 |
| Declaration of Interest by Councillors & Officials | Completed | To be renewed annually | Municipal Manager | Annual renewal |
| Tariff Policy | Adopted | Tariff of Charges are being renewed annually in budget process | Chief Financial Officer | June 2017 |
| Supply Chain management | Adopted | Expand on Supply Chain Management senior staff to enhance compliance with MFMA | Chief Financial Officer | June 2017 |
| Fleet Management/ Council Vehicle Policy | Adopted | Compliance to be adhered to | Chief Financial Officer | June 2017 |
| Indigent Policy | Adopted | Renewal and revision annually | Chief Financial Officer | June 2017 |
| Subsistence and Travelling Policy | Adopted | Revision as and when required | Chief Financial Officer | June 2017 |
| Vehicle Use by Councillors | Adopted | Implemented | Municipal Manager | June 2017 |
| Cash Management and Investment Policy | Adopted | Regular review of Investment performance | Chief Financial Officer | June 2017 |

27.8 MUNICIPAL RISK MANAGEMENT COMMITTEE

The municipality has a functional Risk Committee. The members of the Risk Committee are Top Manco & the Chairperson is the Acting Municipal Manager. However the municipality will be employing Risk personnel at a contractual level within the 2017/18 financial year as per Performance Audit Committee Chairperson Recommendations.

In terms of s62(1)(i) of the Municipal Finance Management Act No. 56 of 2003, the municipality must have and maintain an effective, efficient and transparent system. For financial and risk management and internal control. The Endumeni Local Municipality has identified 37 risk factors within the municipality mainly in the below sections:

10. Disaster recovery, Business continuity risk
11. Financial risk
12. Cultural risks
13. Technological and Systems risk
14. Strategic and Service Delivery risk
15. Health and Safety security risks
16. Process operational risks
17. Social risks
18. Human resources risk

Progress is noted in some of the risk areas identified however according to the risk register the addressing all of the issues will be achieved in the 2016/17 financial year. The municipality maintains a risk register that is updated on a regular basis. The issue of risk Management remains a standing item in the following committees:

- V. MANCO
- VI. Extended Management Meeting
- VII. Audit Committee
- VIII. Performance Audit Committee

| NAME OF MEMBER | GENDER |
|-------------------|--------|
| Desiga Padayachee | Male |
| Naseema Chenia | Female |
| Lwazi Cindi | Male |

| | |
|---------------------------|------|
| Lungelo Mpontshane | Male |
|---------------------------|------|

27.9 MUNICIPAL BID COMMITTEES

The municipality's Bid Committee is in place and functional. All tenders go through evaluation under the watchful eye of the bid committee. The committee comprises of members with independent minds and relevant skills.

Appointment of Bid Committees

Bid committees were established as per SCM Regulation and are fully functioning.

There are 3 committees in place ,

- I. Bid Specification Committee,
- II. Bid Evaluation Committee and
- III. Bid Adjudication Committee

The committees have fixed dates for meetings every week. BSC sits every Thursdays, BEC sit 5 days after bid closing and BAC sits in days after BEC. The Management has been trained by the Provincial Treasury on Bid committees so as to have a pool of people who are trained on Bid Committees.

27.10 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The municipality has a functional Municipal Public Accounts Committee which is in charge with the responsibility to:

- Assist Council to hold the executive and administration to account;
- Councillors are therefore responsible for exercising oversight over both the executive and administration;
- Proper administration of oversight requires Councillors to be fully informed of their own agenda, business or affairs; and
- Councillors are accountable for the performance of the council; hence they must supervise the Municipal Council agenda, in order to achieve the desirable performance.

27.11 MUNICIPAL BYLAWS

The municipality has developed, adopted and promulgated various municipal bylaws. These bylaws are under the custody of various municipal departments and the department ensure the bylaws are adhered implemented. Likewise, all businesses and developments within the municipal area expected to operate within the municipal bylaws. All bylaws have clear punitive measures should they be breached. The council together with the relevant government stakeholders monitor adherence of businesses on the bylaw and ensure that all culprits face appropriate and laid-out penalties or punishments. The table below reflects the existing municipal bylaws.

ENDUMENI MUNICIPALITY**SCHEDULE AND STATUS OF BYLAWS – 2017**

| BYLAWS | DEVELOPED | ADOPTED BY COUNCIL | GAZETTED |
|--|-----------|--------------------|----------|
| 1. Bylaws On Keeping of Animals | ✓ | ✓ | ✓ |
| 2. Trading Bylaws | ✓ | ✓ | ✓ |
| 3. Credit Control Bylaws | ✓ | ✓ | ✓ |
| 4. Bylaw On The Control And Discharge Of Fireworks | ✓ | ✓ | ✓ |
| 5. Bylaw Relating To The Control Of Public Nuisance | ✓ | ✓ | ✓ |
| 6. Bylaw On Advertising Signs | ✓ | ✓ | ✓ |
| 7. Bylaw Relating To Offences, Penalties And Appeals | ✓ | ✓ | ✓ |
| 8. Bylaws Relating To Municipal Property Rates | ✓ | ✓ | ✓ |
| 9. Electricity Bylaws | ✓ | ✓ | ✓ |

| | | | |
|---|---|---|---|
| 10. Road Traffic Bylaws | ✓ | ✓ | ✓ |
| 11. Property Encroachment Bylaws | ✓ | ✓ | ✓ |
| 12. Library Bylaws | ✓ | ✓ | ✓ |
| 13. Bylaw Relating To Municipal Facilities And Public Amenities | ✓ | ✓ | ✓ |
| 14. Bylaw Relating To Regulation Of Mini Bus Taxis And Buses | ✓ | ✓ | ✓ |
| 15. Pound Bylaws | ✓ | ✓ | ✓ |
| 16. The Bylaw Relating To Parking | ✓ | ✓ | ✓ |
| 17. The Bylaw Relating To Cemeteries | ✓ | ✓ | ✓ |
| 18. The Bylaw Relating To Fire Prevention | ✓ | ✓ | ✓ |
| 19. The Bylaw Relating To Refuse Removal And Disposal | ✓ | ✓ | ✓ |
| 20. The Bylaw Relating To Stormwater | ✓ | ✓ | ✓ |
| 21. Spatial Planning and Land Use Management Bylaws | ✓ | ✓ | ✓ |

27.12 PUBLIC PARTICIPATION ANALYSIS

One of the objectives of local government in terms of section 152 (1) l of the Constitution of South Africa is to encourage the involvement of communities and community organisations in local government. The White Paper on Local Government puts forward the vision of “developmental local government” which it defines as:

“Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the “quality of their lives.”

The vehicle and system for involving the public is given more emphasis in Section 16 of the Municipal Systems Act, which requires that municipalities develop a culture of community Participation and create mechanisms, processes and procedures. These mechanisms would involve communities in planning, performance management, budgeting and service delivery.

Municipalities are also required to build the capacity of the local community to participate, as well as the capacity of councillors and staff to foster community participation. Emphasis is placed on ensuring representivity in terms of age, gender, race, disability, as well as reaching those previously excluded from formal local government structures.

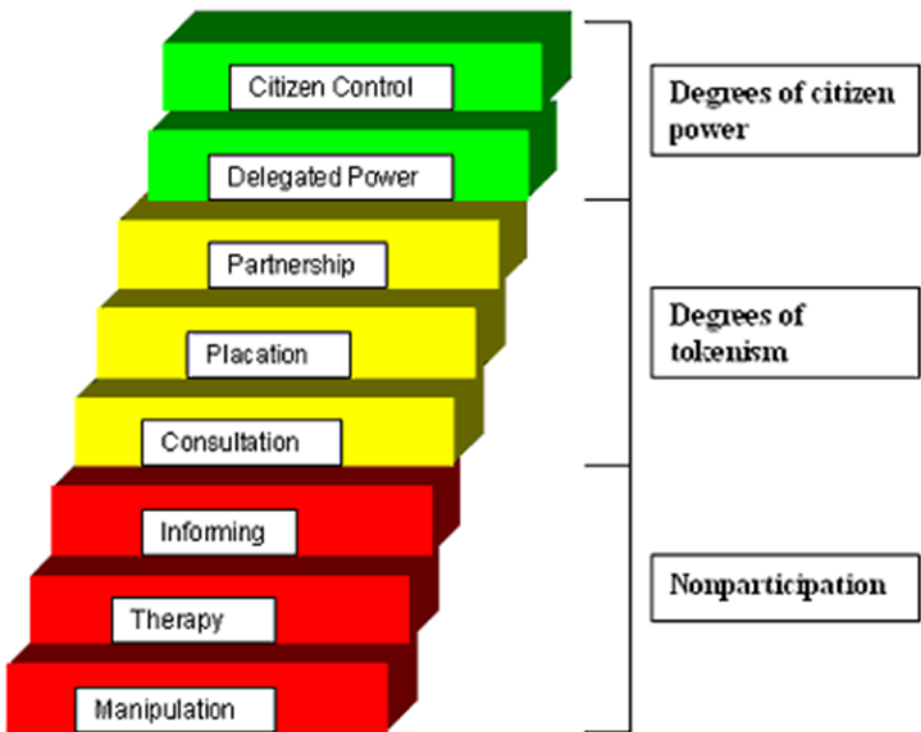
“The purpose of the Endumeni Local Municipality is to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilize their full potential and access opportunities, which enable them to contribute towards a vibrant and sustainable economy with full employment, and thus create a better life for all.

The municipality is in the process of developing a community participation policy. The main purpose of the policy is to provide guidelines for increasing the level of active citizen participation in the decision-making process of local government and to create an enabling environment for civil society in which ordinary citizens and social groups may find platform upon which they voice out their concerns and take part in the fundamental decision making on issues that affect their lives.

SPECIFIC OBJECTIVES OF THE POLICY ENTAIL THE FOLLOWING:

- I. Strengthening democracy by increasing participation of citizens in local government’s decision-making;
- II. Developing mutual trust between citizens and local government officials and Councillors;
- III. Improving communication to allow citizens to have access to information and to feedback to the local government;
- IV. Keeping local government abreast of citizens’ needs, which enables the creation of an environment where local government resources are directed to meet the needs;
- V. Creation of additional resources for development to encourage and promote civic initiatives and public-private partnerships and
- VI. Promoting programmes for skills capacity enhancement of local government authorities and citizenry.

LADDER OF PARTICIPATION



27.13 AG COMMENTS AND RESPONSES 2015/16

Our municipality received a clean audit for the financial year 2015/16. The following table summarizes the Auditor’s General Opinion and the actions that the municipality will undertake to address them.

| | | | | | |
|--|--|--|--|--|--|
| ENDUMENI MUNICIPALITY | | | | | |
| ACTION PLAN TO ADDRESS AUDIT REPORT AND MANAGEMENT REPORT QUERIES | | | | | |
| 2015/2016 FINANCIAL YEAR | | | | | |
| | | | | | |
| | | | | | |

MANAGEMENT REPORT ISSUES

| No. | Findings | Person responsible | Action plan to address audit finding | Target date | |
|------------|---|---------------------------|---|--------------------|--|
| | PROPERTY, PLANT AND EQUIPMENT | | | | |
| 1 | Assets included in the fixed asset register could not be verified | Assets Manager | This asset has been investigated, it could not be verified because it was auctioned in 2015 September but we have included it in this years disposal list before removing it from the register. | Addressed | |
| 2 | Assets not included in the fixed asset register | Assets Manager | We have already compiled a moveable assets list that were not included in the register but infrastructure will only be identified during infrastructure verification. | 31/05/2017 | |

| | | | | | |
|---|---|----------------------|---|------------|--|
| | PROCUREMENT AND CONTRACT MANAGEMENT | | | | |
| 3 | Three quotes not obtained and deviation not valid | SCM Manager | Awards are only made when 3 quotes are obtained, where it is impractical to obtain 3 quotes reasons are documented and reported to the CFO on monthly basis. | On going | |
| 4 | False interest declaration submitted | SCM Manager | MBD 3 declaration of interest form is set as a requirement for all procurement above R10 000.00 and the municipality only relies on what the service provider declared. | On going | |
| 5 | Non- disclosure of benefits by employees | SCM Manager | Financial Disclosure form for employees and councillors was forwarded to all users by HR and are kept on each employee personal file. | 28/02/2017 | |
| | BANK AND CASH PROCESSES | | | | |
| 6 | No formally documented electronic funds transfer process in place and no review of user activity logs | System Administrator | EFT procedure manual drafted and implemented. User activity logs will be reviewed periodically. | 01/02/2017 | |
| | EXPENDITURE MANAGEMENT | | | | |
| 7 | Payments not made within 30 days | Expenditure Manager | Invoice tracking register implemented | 1/12/2016 | |
| | A INFORMATION TECHNOLOGY | | | | |

| | | | | | |
|----|---|----------------------|---|------------|-----------|
| | GOVERNANCE | | | | |
| 8 | Lack of IT risk assessment and risk register | IT Manager | | | Completed |
| | B INFORMATION SYSTEMS – SECURITY MANAGEMENT | | | | |
| 9 | Network security patches management status reports not reviewed | IT Manager | WSUS in error state needs to be fixed it can't pull reports, will submit request to SCM to appoint company to repair server | 31-03-2017 | |
| 10 | User activity audit logs and failed logon attempts not reviewed for the Windows Active Directory, Munsoft and Payday applications | IT Manager | Audit Logs are done on munsoft, IT Manager has attended training on payday user account will be added to pull reports ,Active directory is in error state | 31-03-2017 | |
| 11 | Firewall management weaknesses | IT Manager | ICT company has been appointed to install a hardware based firewall currently waiting for it to be installed | 31-03-2017 | |
| | D INFORMATION SYSTEMS – USER ACCOUNT MANAGEMENT (MUNSOFT) | | | | |
| 12 | Uncontrolled remote access on Munsoft | IT Manager- Finance | Remote access on Munsoft is now controlled | | Complete |
| 13 | Windows Active Directory, Munsoft administrator activities not reviewed | IT Manager – Finance | | | Pending |
| 14 | Munsoft user access rights not reviewed | IT Manager – Finance | | | Pending |

| | | | | | |
|----|---|------------|--|------------|-----------|
| | G INFORMATION SYSTEMS – PHYSICAL ACCESS AND ENVIRONMENTAL CONTROLS | | | | |
| 15 | Environmental controls not present in the server room | IT Manager | | | Completed |
| 16 | No maintenance schedule defined for server room | IT Manager | | | Completed |
| 17 | Server room access register not in place | IT Manager | | | Completed |
| | H INFORMATION TECHNOLOGY SERVICE CONTINUITY | | | | |
| 18 | Business Continuity Plan not established | IT Manager | | | Completed |
| 19 | Disaster Recovery Plan not tested | IT Manager | IT Disaster Recovery Plan was reviewed and adopted by council 28-02-2017, will be tested | 31-03-2017 | |

EMPHASIS OF MATTER - AUDIT REPORT

| | | | | | |
|----|---|------------------------|--|------------|--|
| 20 | Material electricity losses incurred 18 mil (Kwh) | Exec Manager Technical | The current contract for meter auditing is lapsed and the service provider is on a month to month contract whilst the appointment of a new service provider is being finalised by the end of April 2017. Split metering system is also being introduced where realized of electricity was incurred. An improved smart metering system is also being considered. Bilateral engagements with | 01/07/2017 | |
|----|---|------------------------|--|------------|--|

| | | | | | |
|--|--|--|---|--|--|
| | | | Provincial Treasury are also in progress. | | |
| | | | | | |

| GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS | |
|---|---|
| Strengths | Weakness |
| Public Participation | Inadequate communication |
| By-laws in place | Policies not always followed |
| Policies in place | ICT not fully operational |
| Structures | Internal Audit Section |
| | No official Communication Plan |
| | |
| Opportunities | Threats |
| IGR | Non-compliance leading to lawsuits |
| Public Private Partnerships | Failure to tap into existing expertise |
| | ICT hacking viruses |
| | Abuse of municipal equipment and property |
| | |

SECTION D: VISION, GOALS, OBJECTIVES AND STRATEGIES

1. STRATEGIC PLANNING SESSION

Strategic planning is an inclusive process of making informed decisions setting future direction about how to optimally attain established priorities, within allocated resources and time and be able to monitor results overtime to move the organisation from the present to desired future'. As such planning is not an end to itself, but a process that culminates into a written plan. This plan provides a map and framework to guide the municipality to achieve specific set of objectives and towards positive and progressive outcomes.

In the main, the ultimate goal of strategic planning is to increase municipality's ability to serve and achieve its vision and mission.

On the 20-23 November 2016, Council and Management had a Strategic Planning workshop, In the main, the purpose of the session was to set a strategic framework that should guide planning, programme, project implementation, monitoring and evaluation of municipal developmental objectives within the district, and also to serve as a framework for the 4th generation IDP from 2017/18 – 2021/22. The other aim of the Strategic Planning Session is also to inform the municipal structure (organogram) which will be required to provide support in terms of human capacity for the implementation of the strategy; and also to ensure that the structure is strictly in line to the municipal powers and functions, in order to enhance service delivery

Council and management resolved to change the current Vision, Mission, Motto and key Developmental Priorities for implementation during the 2017/18 – 2021/22 financial years.

The vision, mission, core values and developmental priorities for the municipality is as follows:

2. MOTTO

"TOGETHER IN PROSPERITY"

3. VISION

'ENDUMENI MUNICIPALITY A DYNAMIC INCLUSIVE AND RESPONSIVE CENTRE OF SERVICE DELIVERY EXCELLENCE CAPABLE OF MEETING RURAL AND URBAN DEVELOPMENT NEEDS OF ITS RESIDENTS FOR THEIR SOCIAL AND ECONOMIC PROSPERITY'

4. MISSION STATEMENT

‘To work with our communities and stakeholders in planning for and provision of services in an effective, efficient and economical way ensuring accessibility and affordability whilst upholding good governance & clean audit status’

5. CORE VALUES

- **Batho Pele**
- **Integrity**
- **Excellence**
- **Transparency**
- **Responsiveness ;**

6. OBJECTIVES

- ✓ To generate sufficient revenue for sustainability and viability
- ✓ To provide services effectively, timely & economically.
- ✓ To revive municipal structures for effective collaboration and optimal functionality
- ✓ To align organizational processes, policies & procedures with national & best practices
- ✓ To streamline planning processes to promote rural & urban sustainably economical viable spatial development
- ✓ To sustainably manage our environmental landscape

7. STRATEGIC PRIORITIES

- I. Revenue enhancement; prevention of losses and sound financial management
- II. Improvement of work ethics

- III. Organisational alignment, cohesion and effectiveness
- IV. Improved customer service, customer care and communication
- V. Improved project planning, management and implementation

8. CHALLENGES

The municipality held a strategic planning session on the 20 -23 November 2016. The session was very extensive and informative. A comprehensive detailed report was developed deriving information from the session, and will be subsequently submitted to Council. The approved report will serve as a base for the development of an action plan where progress will be monitored. Below are the challenges identified thereof:

- Electricity Theft
- Lack of adequate personnel related budget
- Inadequate staff resulting in staff burnout
- Lack of Batho Pele implementation framework
- Collection below 100% as debtors make 79%
- Deviating SCM and irregular expenditure
- Poor user departments' budget control
- SCM Module not functional
- Lack of office space
- Aging fleet, plant and equipment

9. VISION, MISSION, GOALS, OBJECTIVES AND STRATEGIES

9.1 DEFINITION OF VISION

VISION: is a statement of the ideal situation that the municipality would like to achieve in the long term. A vision statement is making informed decisions setting future direction about how to optimally attain established priorities, within allocated resources and time and be able to monitor results overtime to move the organisation from the present to desired future'.

- It should contain the aim and purpose of the organisation, its primary stakeholders and its responsibilities towards these stakeholders, products and services offered
- Its wording should ensure that the management and staff can infer some order of priority on how services are provided.

9.2 DEFINITION OF MISSION

Mission is a statement that describes the municipality's vision including the unchanging values and purpose of the institution and forward-looking a visionary goal that guides the pursuit for the future opportunities.

9.3 DEFINITION OF GOAL

A **goal** is a desired result that a person or a system envisions, plans and commits to achieve a personal or organizational desired end-point in some sort of assumed development. The setting of goals allows Endumeni Municipality to plan how it wants to move to achieve the desired Municipal Vision.

9.4 DEFINITION OF OBJECTIVE

An **objective** can be defined as a specific result that a person or system aims to achieve within a time frame and with available resources. In general, objectives are more specific and easier to measure than goals. Objectives are basic tools that underlie all planning and strategic activities. They serve as the basis for creating policy and evaluating performance.

9.5 DEFINITION OF STRATEGY

A **strategy** can be defined as a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. Alternatively, it can be defined as the art and science of planning and realized resources for their most efficient and effective use.

10. DEVELOPMENT STRATEGIES

| KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT | | | | | | | |
|---|----------------------------|---|--|--|---------------|------------------------|--------|
| Goal : Build a responsive accountable and accessible public institution | | | | | | | |
| IDP REF | PGDS | Objectives | Strategies | KPI Unit of Measure | Annual Target | Responsible department | Budget |
| MT001 | Governance and Policy | Ensure Functional Performance Management System implemented | Implementation of PMS Policy & Framework | Date PMS Framework/Policy reviewed and adopted | 30 June 2018 | Planning | Ro |
| MT002 | | Improve institutional and realized s al Capacity | Filling of identified critical posts | Date organizational structure reviewed and adopted | 30 June 2018 | Corporate Services | Ro |
| MT003 | | | | No. of critical posts filled by 30 June 2017 | 1 | Corporate Services | |
| MT004 | Human Resource Development | Improve institutional and | Employment Equity | No. of people from employment equity | 3 | Corporate Services | |

| | | | | | | | |
|-------|-----------------------|--|---|--|---------------|--------------------|----------|
| | | organizational capacity | Plan adopted | target groups employed in the three highest levels of management in compliance with approved equity plan | | | |
| MT005 | | | Skills Development Plan adopted and implemented | Date Skills development Plan adopted | 30 June 2018 | Corporate Services | R892 379 |
| MT006 | | To ensure an effective and efficient HR systems that addresses Human resources within the municipality | Revised HR Strategy | Date to review and adopt HR Strategy | 30 June 2018 | Corporate Services | Ro |
| MT007 | Governance and Policy | Improve institutional capacity | Compliance with the MFMA | Compiled and adopted Annual report date | 31 March 2018 | Finance Department | |
| MT008 | | To ensure an effective and efficient functionality of the municipality. | Develop and adopt all policies | Date all policies reviewed | 30 June 2018 | Corporate Services | |
| MT009 | | Effective Labor | Compliance with legal prescripts | % of cases resolved | 100% | Corporate Services | Ro |

| | | | | | | | |
|-------|--|---|---|--|--------------|------------------|---|
| | | Relations | | | | | |
| MT010 | | To ensure effective and efficient internal and external communication strategy. | Develop and implement Communication Framework/ Strategy | Adoption date of the communication framework/strategy | 30 June 2018 | Office of the MM | |
| MT011 | | To participate in public community events to give feed back | To participate in the Annual Events | Number of Special Programmes implemented within the Local Municipality | 15 | Office of the MM | R |
| MT012 | | To report and monitor Service delivery | Submission of quarterly reports to COGTA | No. of Back to Basics quarterly reports submitted to COGTA | 4 | Office of the MM | |

KPA 2: BASIC SERVICES

Goal : Accelerate access to Basic Services

| IDP REF | PGDS | Objectives | Strategies | KPI Unit of Measure | Annual Target | Responsible department | Budget |
|---------|--------------------------|---|------------------------------------|---|---------------|------------------------|------------|
| BS001 | Strategic Infrastructure | To ensure that the municipality provides service delivery | Implementation of Capital projects | % of MIG Expenditure by 30 June 2017 | 100% | Technical Services | Ro |
| BS002 | | Access to basic services | Improve access to Electricity | Number (and percentage) of existing consumer units with access to | 9727 | Technical Services | R2 835 683 |

| | | | | | | | |
|-------|--|--------------------------|--|---|--------------|--------------------|-------------|
| | | | | electricity | | | |
| BS003 | | | | Number (and percentage) of new consumer units with access to electricity | 40 | Technical | R320 00 |
| BS004 | | Access to Basic Services | Improve access to refuse Removal | Number (and percentage) of existing consumer units with access to refuse removal at least once per week | 10741 | Technical Services | R16 770 290 |
| BS005 | | | | Number (and percentage) of new consumer units with access to refuse removal at least once per week | 1152 | Technical Services | R222 863 |
| BS006 | | Access to Basic Services | Provision of Free Basic Electricity , and refuse removal | Date of approval of Indigent Register | 30 June 2018 | Finance Department | |
| BS007 | | | Improve access to adequate shelter | Number of new housing units to be constructed by 30 | | Technical Services | R |

| | | | | | | | |
|-------|--|--|---|---|-------------------------|---------------------|---|
| | | | | June 2017 | | | |
| BS008 | | Accelerate service delivery | Increase workshop efficiency | Average time vehicles & equipment repaired | | Technical Services | R |
| BS009 | | To maintain Community facilities | Upkeep of the Municipal facilities | No of facilities maintained | 20 buildings maintained | Corporate Services | R |
| BS010 | | | Provision of security services to the municipal sites | No of sites provided with security services | 32 Sites | Corporate Services | R |
| BS011 | | Improved security | To ensure provision of a safe and secure environment for all Endumeni residents | Number of Monthly Safety and Security reports submitted to the Manager Corporate Services | 12 | Corporate Services | R |
| BS012 | | Safety and sustainable community engagements | Upgrade of Dundee Rural Horse Riding | Date of completion of the Dundee Rural Horse Riding upgrade | 30 June 2018 | Office of the MM | R |
| BS013 | | To provide new roads and maintain existing roads | Improve access to roads | No of km of tarred roads constructed | 2KM | Technical Services | |
| BS014 | | To provide Human Settlement | Improve access to Human Settlement | Date Human Settlement Sectoral Plan adopted by Council | 30 June 2018 | Planning Department | |

| KPA 3: LOCAL ECONOMIC DEVELOPMENT | | | | | | | |
|---|--------------|---|-------------------------------|---|---------------|------------------------|--------|
| Goal : Promote Economic development within Endumeni | | | | | | | |
| IDP REF | PGDS | Objectives | Strategies | KPI Unit of Measure | Annual Target | Responsible department | Budget |
| LED001 | Job Creation | Promote Local Economic Development | LED policy reviewed/drafted | LED strategy, adoption date | 30 June 2018 | Planning Department | |
| LED002 | | Improve support to Local Economic Development | Enforcement of By-laws | No. of business inspections conducted by 30 June 2017 | 4 | | |
| LED003 | | Promote economic growth | Creation of job opportunities | Date Municipal Business Engagement Strategy reviewed by Council | 30 June 2018 | Planning Department | |
| LED004 | | | | No of LED jobs created | 20 | Planning Department | |
| LED005 | | Improve support to Local Development | Support of local businesses | Number of SMME's business development workshop / sessions conducted by 30 June 2018 | 5 | Planning Department | |
| LED006 | | | | Number of Business Forums Held | 4 | Planning Department | |
| LED007 | | | Support Local Tourism | No. of Operations report for Dundee Tourism CTO be submitted to PED by 30 th June 2017 | 4 | Planning Department | |

| LED008 | | | | Represent the Municipality in the Relevant Dundee Tourism CTO Strategic Meetings. i.e. AGM Meetings financial year end | 30 June 2018 | Planning Department | |
|---|----------------------------|--|--|--|-----------------|------------------------|--------|
| KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION | | | | | | | |
| Goal : Promote Good Governance and community participation | | | | | | | |
| IDP REF | PGDS | Objectives | Strategies | KPI Unit of Measure | Annual Target | Responsible department | Budget |
| GG001 | Good Governance and Policy | Ensure a functional ward committee structure | Functional ward committees | No of functional wards meetings held | 12 meetings | Office of the MM | |
| GG002 | | Improve the municipal Audit opinion | Effective Audit Committee | No of Audit /Performance Audit meetings held | 4 | Finance Department | |
| GG003 | | | Improved Audit opinion | Maintain an unqualified audit report from AG with no matters | 31 January 2018 | Finance Department | |
| GG004 | | | Oversight meetings held | No of MPAC meetings held | 4 | Finance Department | |
| GG005 | | Improve reporting systems | Efficient reporting in terms of the MFMA | Number of quarterly reports submitted for the progress made with the reporting process in terms of | 4 | Finance Department | |

| | | | | | | | |
|-------|---------------------------------|---|-----------------------------------|--|--------------------------|--------------------|----|
| | | | | the MFMA | | | |
| GG006 | | To monitor and address all Complaints | Addressing complaints | Percentage of complaints addressed | 100% of issues addresses | Finance Department | Ro |
| GG007 | Human and Community Development | To ensure the provision of a safe and secure environment for all Endumeni residents | Maintain law and order | Comply with the traffic regulations | 100% compliance | Corporate Services | |
| GG008 | Governance and Policy | IGR issues | Participate in the IGR Structures | No of IGR Structures that exists within the municipality | 4 | Corporate Services | |

KPA 5: MUNICIPAL FINANCIAL VIABILITY

Goal : Promote Sound Financial Management

| IDP REF | PGDS | Strategic Objective Strategies/Input | Objectives | Strategies | Annual Target | Responsible department | Budget |
|---------|------|--|--|--|---------------|------------------------|--------|
| FV001 | | Improved budget implementation in the municipality | Optimize the expenditure of capital budget | Percentage Capital expenditure budget implementation (actual capital expenditure/budget capital expenditure x 100) | 100% | Finance Department | |
| FV002 | | | Optimize expenditure of operational budget | Percentage operating revenue budget implementation (actual operating expenditure/budget operating revenue x | 100% | Finance Department | |

| | | | | | | | |
|-----------------------------|--|---|--|--|---------------|--------------------|--|
| | | | | 100) | | | |
| FV003 | | | Optimize actual service charges and property rates revenue | Percentage service charges and property rates revenue buget implementation (actual service charges and property rates revenue/budget service charges and property rates revenue x 100) | 100% | Finance Department | |
| FV004 | | Improved Asset Management | Optimize expenditure of asset and risk Management | Asset register updated on a monthly basis and report submitted to the MM | 12 Reports | Finance Department | |
| FV005 | | Improved implementation of policies and by-laws | Compliance with the MFMA | Review and implementation of debt collection policies, systems and by-laws submitted to ExCo | 31 March 2018 | Finance Department | |
| FV006 | | To reduce electricity theft within the Municipal area | Increasing Revenue | Number of revenue enhancement interventions done | 4 | Finance Department | |
| KPA 5: Cross Cutting | | | | | | | |
| Goal : | | | | | | | |

| IDP REF | PGDS | Objectives | Strategies | KPI Unit of Measure | Annual Target | Responsible department | Budget |
|---------|---------------------------------|---|---|---|---------------|------------------------|--------|
| CC001 | Spatial Equity | Estates and Bylaws | Adopted estates bylaws | Date of review of bylaws | 30 June 2018 | Corporate Services | |
| CC002 | | SPLUMA | Implementation of the ACT | “No. of Quarterly Participation Reports in the Spatial Planning & Land Use Management Capacity Building & Skills Transfer Programme by 30 June 2017 “ | 4 | Planning Department | |
| CC003 | | Efficient and credible strategic and spatial municipal planning | Revision of a Credible Intergrated Development Plan | Date Improvement in the percentage scored in IDP credibility ranking | 30 June 2018 | Planning Department | |
| CC004 | | | Improved Spatial Development Framework planning | Date reviewed Spatial Development framework | 30 June 2018 | Planning Department | |
| CC005 | Human and community Development | To ensure improved response to Disasters | Establishment of disaster management Structures and systems | Developed / Reviewed Disaster Management Plan date | 30 June 2018 | Office of the MM | |
| CC006 | Environmental Sustainability | To ensure sustainable protection and development of the | Development and implementation of environmental | No. of Comprehensive Quarterly Environmental | 4 | Planning Department | |

| | | | | | | | |
|-------|--|---|---|--|--------------|--------------------|--|
| | | environment | management Plan | Impact Assessments (EIAs) Registers Submitted to Council by 30 th June 2018 | | | |
| CC007 | | To ensure sustainable protection and development of the environment | Effective and compliant waste management implementation | Developed Intergrated waste management plan date | 30 June 2018 | Technical Services | |

SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

1. STRATEGIC MAPPING

1.1 SPATIAL DEVELOPMENT FRAMEWORK

Endumeni is one of four Local Municipalities located within the District Municipality of Umzinyathi within the valleys of the Biggarsberg Mountain Range with the two main towns of Dundee and Glencoe located at the base of the Indumeni Mountain.

Endumeni is located on the northern edge of the Umzinyathi DM and is bordered by the Amajuba District Municipality to the North, the Uthukela District Municipality to the South West, the Msinga Local Municipality to the South and Nquthu Local Municipality to the East. Endumeni constitutes 11% of the Umzinyathi DM.

Endumeni is 1,612km² in extent, 55km wide from north-west on the R33/R602 and 30km on the R33/R621 south-east to north-west.

In the context of national transportation systems, the Endumeni Municipality finds itself “out on a limb” situated away from the national road network. At a regional level, the municipality is located on an important regional route servicing the agricultural regions of northern KwaZulu-Natal and southern Mpumalanga.

Endumeni dominates the district economy as it serves as the key administrative, educational and economic centre for the entire district.

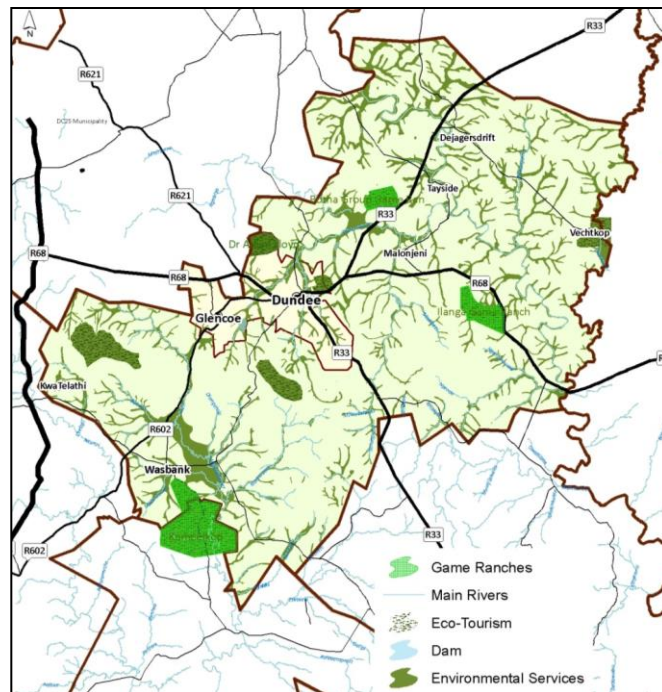
Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and ‘Battlefields’ is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. The municipality, in conjunction with its north-western neighbour Dannhouser and Emandlangeni Local Municipalities, is branded as the battlefields region of the Zulu Kingdom spanning a history of conflict between Zulu and Boer, Boer and Brit and Brit and Zulu. This branding is of international and regional significance.

In terms of the status for 2016/17 review the municipality is currently undertaking the SDF review in house. The Town Planning Unit is currently collecting data that will respond to the MEC comments and also enhance and strengthen the Endumeni SDF Review of 2017/18.

2. STRATEGIC ENVIRONMENTAL ANALYSIS

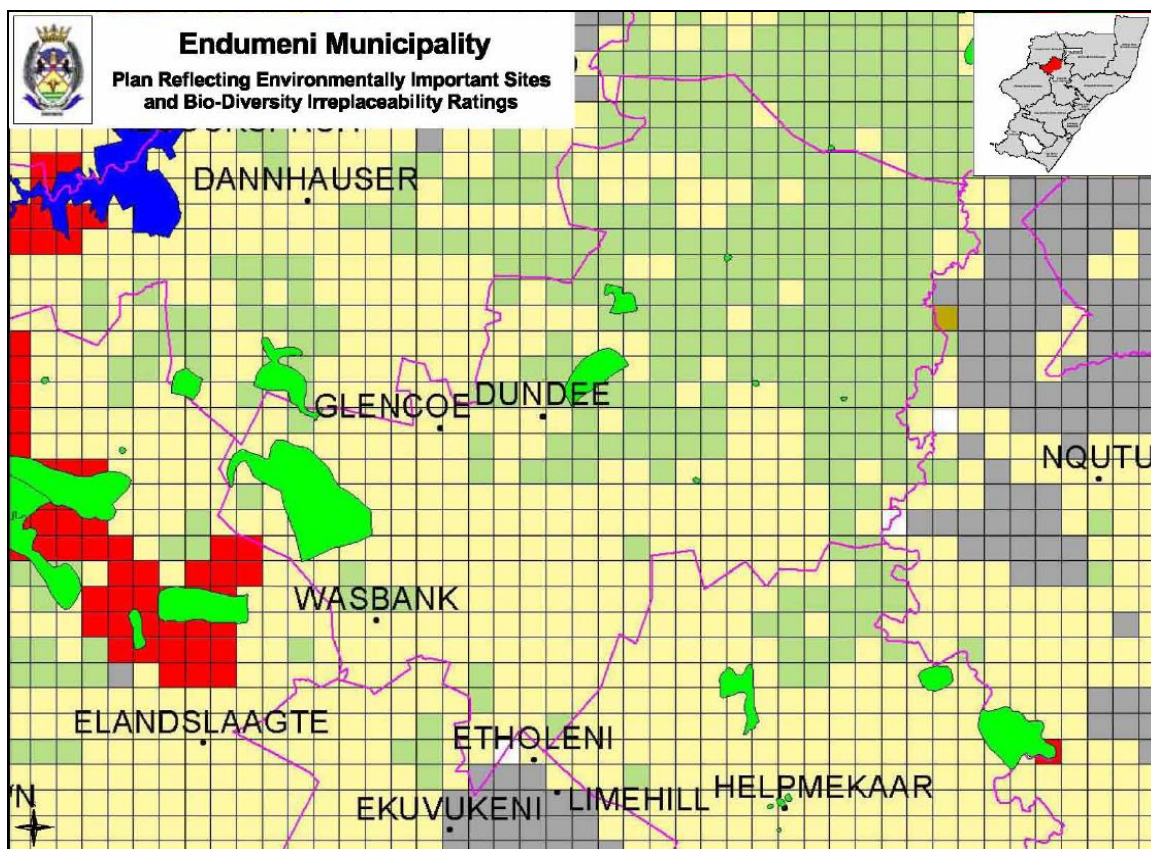
2.1 KEY HYDROLOGICAL FEATURE

The environmental service areas of Endumeni are ill defined and as a result highly ealized s and fragile. The area contains two primary river systems, the Buffels and Blood Rivers, as well as a number of secondary river systems of the Sterkstroom, Mzinyashana, Wasbank, Nsuze and Sandspruit Rivers. Further sensitive areas have been identified and include the Aden Lloyd Nature Reserve and a number of existing eco-tourism areas including sites of historical or cultural significance such as battlefields, as well as private game.



2.2 BIODIVERSITY

Endumeni Local Municipality is part of the SDF technical team which is a subcommittee that sits every month, whereby the all planners within the district sit with relevant department and discuss issues that will assist with the improvement of the SDF.



Endumeni is among a number of municipalities that have had large areas of vegetation transformed because of one kind of land use or another. As is evident from figure below areas in the south/ west of Endumeni in the vicinity of Glencoe and Dundee have experienced wide spread land transformation. A number of areas within Endumeni have been flagged for potential biodiversity conservation. No areas within Endumeni are considered irreplaceable from a biodiversity perspective.

2.3 AIRQUALITY

Endumeni does not host any heavy industries and as such it is less likely to be affected by air pollution. The land uses and economic activities within the area do not pose any threats which are related to air pollution that can take place at a large scale. However the mining activities need to be closely monitored since it generates emissions that can be hazardous to the neighboring communities over a long-term.

2.4 CLIMATE CHANGE

Over the past few years changes in climatic trends have been observed within KwaZulu-Natal. This includes observed warming trends in the north-eastern, Midlands and south coastal parts of the province. Also, wetting trends have been observed over parts of the region during February, which is abnormal.

- Abnormal drought occurred between 1990 and 1995 followed by extremely high rainfall amount in 1996 in Kwazulu-Natal.
- The 2001 runaway fires in Dundee and Vryheid caused R350m damages.
- In 2004, drought conditions occurred at Umkhanyakude, Sisonke and Umzinyathi.
- Climate forecasting for KwaZulu-Natal includes information on warming and precipitation patterns and a likelihood of an increase in extreme weather events.
- An apparent increase in extreme weather events shall impact negatively on communities and economic activities.

The Department of Agriculture, Environmental Affairs and Rural Development has developed a policy paper on climate change which states that If no action is taken, the instability of the climatic conditions in the Province will:

- (a) increase the incidence and severity of extreme weather events such as storms, droughts, floods and heat waves;
- (b) cause sea levels to rise; shift and expand certain disease and pest vectors and further stress on already vulnerable species and ecosystems;
- I threaten the KwaZulu-Natal's natural resource base;
- (d) alter the ecosystem may cause changes that will influence human-beings negatively, and
- I impact communities and economies negatively.

2.5 STRATEGIC AND ENVIRONMENTAL ASSESMENT

The goal within Endumeni is to protect, enhance and expand the existing environmental assets base within exiting urban and built areas but also to ealize the opportunity to establish a more robust and integrated open space system within the undeveloped and agricultural areas that will directly meet the needs of the local communities, as well as, respond to wider municipal and regional environmental planning needs with regard to environmental services planning and management.

The following is relevant in this regard:

- Maintaining a sustainable supply of environmental goods and services
- Provide for climate change preparedness
- Protection and provision of agricultural resources and assets
- Protection and enhancement of environmental assets to meet the needs of the Community, as well as local and district planning. This includes
 - agricultural resources

- the open space system
- recreational opportunities
- tourism opportunities
- Protecting the open space system as a primary spatial structuring element
- Provide for integrated environmental planning and management, especially with regards to catchment management
- Specific objectives include: Restricting erosion of the upper reaches of the Buffels, Blood, Sterkstroom, Mzinyashana, Wasbank, Nsuze and Sandspruit Rivers
- Identifying opportunities for linking fragmented open space elements in the built up areas of Dundee and Glencoe

Early identification and protection of core and amenity open space elements in the various river systems. Protection of conservation areas for eco-tourism opportunities i.e. Aden Lloyd Nature Reserve, Kamelkop, Ilanga Game Ranch, Botha Group Game Ranch etc. Protection and enhancement of areas of cultural and historical significance i.e. Fort Pine, Alana Museum, Maria Ratschitz Mission, Karel Landsman's House etc

2.6 SPATIAL AND ENVIRONMENTAL TRENDS AND ANALYSIS

| Spatial issues | Spatial strategies |
|---|---|
| <p>The municipality is located within a well-developed commercial agricultural region and hence, it functions as an important regional rural service centre serving the surrounding agricultural hinterland. Its location away from the national road network limits any potential development benefits that might otherwise accrue to the Municipal area. The implication is that the Municipality needs to look to its own strengths and comparative and competitive advantages in order to grow its economy, rather than being able to 'piggy-back' on any spin-offs from development arising from the two main development axes of the Province</p> | <p>promote a more compact urban form by focusing on and densifying existing urban nodes;</p> <ul style="list-style-type: none"> • promote a more efficient use of infrastructure • nurture and protecting higher potential agricultural land; • ensuring the appropriate level of protection to environmentally sensitive areas; • promote, in appropriate localities, economic opportunities, including LED and tourism; and • ensure that land use within the municipal area will be able to be managed in a balanced and integrated manner • promote opportunities for land reform • accommodate new housing area |

2.7 KEY ENVIRONMENTAL ISSUES

Issues Identified

- Refuse removal and disposal
- Limited access to water
- Soil erosion and instability in lower slopes areas such as eSibongile
- Land degradation (due to over grazing)
- Diminishing of water reserves
- Water scarcity
- Poor waste disposal practices
- Lack of waste avoidance
- Increase water table and pollution of water bodies resulting from mining activities (Dundee and Glencoe forms part of the so called Coal Rim of KwaZulu-Natal)
- Groundwater contamination by sewage effluent
- Urban Greening

3. IMPLEMENTATION PLAN

Endumeni Local Municipality has prepared the implementation plans according to the National Key Performance Areas of the Five Year Strategic Local Government Agenda and they are also aligned to the departments of the municipality in relation to their implementation. The implementation plans serve as the alignment between the IDP and Budget, and they also unpack the strategies in terms of their programmes. They also have the core functions aligned to each Key Performance Areas to be undertaken during the 2017/18, 2018/19 and 2019/20 financial years, these core functions are then aligned to the budget to facilitate the implementation. The implementation plans have committed human and financial resources to enable the municipality to achieve its developmental mandate.

SECTION E FINANCIAL PLAN

1. FINANCIAL PLAN 2017/18 – 2019/2020

This is the executive summary of the Endumeni Local Municipal Financial Plan 2017/18. This detailed Budget is under **Annexure – A**

1.1 BACKGROUND AND PROCESS

The budget process started with approval of the Budget Process Plan by Council on 29 August 2013. Inputs and requests were received from the various departments and consolidated by the Budget and Treasury Department.

For the past few years budgets were compiled in the context of the global difficult economic conditions. Although there are signs that growth will begin to accelerate over the medium term, the difficult conditions normally impact more severely on smaller municipalities where economic conditions take more time to recover. We therefore need to maintain firm control over expenditure. Development is a long-term project that must be financially sustainably.

Operating Budget (This was being finalized at the time of submission)

The municipal income for 2015/16 was R 261,281m and it has decreased to R 253,872m for 2016/17 financial year; and the decrease was due to decrease of the grant allocation which was being received from National and Provincial government;

The expenditure for 2015/16 was R 259,554m and it will be decreasing to R 254,991m for 2016/17 financial year; in line with the projected municipal income;

The budget for capital projects for 2015/16 was R 48,776m and it has decreased to R 37,841m for 2016/17 financial year due to the decrease of MIG and other grants allocation.

Theft of electricity

Apart from the loss of revenue caused by the theft of electricity (meter-tampering), we now have to budget for the cost to engage a company in the auditing of meters in Endumeni. The loss of revenue due to electricity theft is dealt with in more detail under the heading challenges.

Provision for the cost of engagement of a meter-auditing service provider as provided for in the operating budget for 2016/2017 amounts to R 1 275 000.

Other matters

A further amount of R 672 000 was provided for the cost of an acting Municipal Manager for a period of six months, which amount may have to be reviewed when compiling an adjustments budget for 2016/2017.

Due to finality not reached on the sale of municipal houses and the pending matter referred to the Housing Tribunal by the occupants of the houses, an equal amount to the revenue from rent had to be provided for maintenance as a first phase to renovate the houses, the condition of which has deteriorated during the past few years pending the sale of these properties.

Provision was made for revenue from the gain on disposal of assets (the sale of Craigieburn properties) at an estimated 50% of the value of these properties.

Capital budget

The needs identified for capital projects were reviewed more than once. The capital budget amounts to R 36 162 826, which amount includes R 1 500 000 for the installation of water infrastructure for the Craigieburn-area intended to be sold and counterfunding on MIG projects in the amount of R 5 106 791.

Detail of projects forms part of the annexures in the budget document.

2. CHALLENGES

The main challenges for Endumeni can be realized as follows:

2.1 VACANT SECTION 56 POSITIONS

Since the Section 56 positions became vacant during June 2013, the responsibility of management rested on acting managers. These managers have put much effort in managing the departments to the best of their abilities, however senior management was not operating at full capacity. This was due to non-functioning of Council, which delayed decisions, as well as various vacant senior level positions which could not be filled. This resulted in extreme pressure on the acting managers.

2.2 METER TAMPERING (THEFT OF ELECTRICITY)

The loss of revenue from electricity services due to theft by means of tampering with electricity meters for the first eight months of the current financial year is calculated as follows:

| | |
|---------------|-------------------|
| kWh purchased | 64 001 919 |
| kWh sold | <u>44 962 044</u> |

(ENDUMENI LOCAL MUNICIPALITY'S DRAFT IDP 2017/18 FINANCIAL YEAR)

| | |
|----------------------------------|------------------|
| Loss | 19 039 875 |
| Calculated distribution loss-kWh | <u>5 120 154</u> |
| Calculated loss due to theft-kWh | 13 919 721 |

| | |
|----------------------------|--------------|
| Value of loss due to theft | R 14 289 417 |
|----------------------------|--------------|

| | | |
|---------------------|------------|--------|
| % Loss due to theft | Dundee | 10.28% |
| | Sibongile | 47.95% |
| | Glencoe | 8.06% |
| | Sithembile | 78.98% |

Due to the challenges Endumeni Municipality experienced during the past months, the proposed plan of action submitted by senior management could not be implemented. Bids were invited to once again outsource the meter auditing and some incentives to resolve this matter will now be considered at the council meeting scheduled to be held on Thursday 3 April 2014.

The situation can not be allowed to continue. The bottom line is that if the same trend as for 2013/2014 continues, the revenue loss due to the meter tampering / theft of electricity as at end February 2014 (estimated at R 14 289 417) will escalate to R 23 291 750 by the end of this financial year.

If the situation is allowed to continue, this amount will escalate to R 25 155 090 in the 2016/2017 year due to the proposed tariff increase of 8% only.

Had this situation been stopped, the challenges to compile the budget for 2016/2017 would have been much less. The impact of theft of electricity becomes more clear when the summary of the budget is discussed.

The reality is that theft of electricity will eventually cause a major cash flow crisis if not stopped urgently.

Ward ealized s and members of ward committees, with the help of the Communication Section, must play a significant role in creating community awareness of the impact of these practices.

The political will to have the situation rectified will be vital in solving the problem.

2.3 NON-PAYMENT FOR RATES AND SERVICES

The rate of non-payment for rates and services leads to the need for a high provision for bad debt. The contribution to the bad debt reserve for 2016/2017 is calculated at R 6 707 026. This contribution again has to be financed.

3. TARIFF PRINCIPLES

In funding the operational budget, the following criteria provide a good indication of the various levels to which the tariffs for individual services should be adjusted:

-Trade services

Services such as electricity are classified as trade services, where tariffs should be determined in a way that will ensure that the service is delivered at a surplus.

-Economic Services

A service such as refuse removal is classified as an economic service. Tariffs should be set at a level to ensure that expenditure is recovered and that there is at least a break even.

- Subsidised services

These are services not classified as Trade or Economic Services and funded from sundry revenue and revenue obtained from property rates.

3.1 TARIFF INCREASES

Having consideration of the difficult economic realities of consumers and also the necessity to ensure sustainability, it would be necessary to increase certain tariffs to fund the expenditure provided for in the budget.

Rates:

The rates randage is proposed to be increased by **8%**.

Refuse removal:

In considering the tariffs for this service, a general increase of **8%** in related tariffs is required to render a sustainable service.

Electricity:

In order to ensure a financial sustainable service, this municipality will apply for a general increase of **8%** on electricity tariffs

3.2 MISCELANEOUS TARIFFS:

Miscellaneous tariffs have not been adjusted.

4. BUDGET SUMMARY: (UNDER CONSTRUCTION AT THE TIME OF SUBMISSION)
Operational Expenditure:

| | | |
|----------------------------|------------|-------|
| Salaries and allowances | 81 850 175 | 32% |
| Councillor allowances | 3 406 571 | 1% |
| Purchase of electricity | 73 762 997 | 29% |
| Audit fees | 1 930 000 | 1% |
| Transport cost | 5 608 220 | 2% |
| Security | 5 190 566 | 2% |
| Indigent support | 4 256 194 | 2% |
| Conditional grant spending | 11 786 000 | 5% |
| Depreciation | 9 981 195 | 4% |
| Other expenditure | 42 368 149 | 16.7% |
| Repairs and Maintenance | 4 184 975 | 1.65% |
| Interest | 1 028 262 | 0.41% |

Provisions:

(ENDUMENI LOCAL MUNICIPALITY'S DRAFT IDP 2017/18 FINANCIAL YEAR)

| | | |
|--------------------------|------------------|--------------|
| Post retirement expenses | 1 500 000 | 0.59% |
| Bad debt reserve | <u>6 707 026</u> | <u>2.65%</u> |
| | R 253 560 330 | 100.00% |

Operational revenue:

Operational revenue, inclusive of proposed tariff increases and grants (inclusive of MIG), amounts to **R 263 239 061**

Capital expenditure amounts to R36 162 826

Breakdown of CAPITAL funded projects:

| | |
|----------------------------|---------------------------|
| MIG | R14 383 000 |
| D o H | R 4 151 385 |
| Dept of Energy | R 8 000 000 |
| Internally funded projects | R 9 628 441 |
| TOTAL CAPITAL | <u>R36 162 826</u> |

5. ENDUMENI CAPITAL PROJECTS 2016/17

5.1 ELECTRIFICATION PROJECTS

| | PROJECT NAME | WARD | AREA NAME | NO, OF UNITS | ESTIMATED PROJECT BUDGET | AGENT |
|---|------------------|------|------------|------------------|--------------------------|----------------|
| 1 | Tayside | 6 | Eskom Area | 100 connections | R2 500 000.00 | E |
| 2 | Craydon farm | 3 | Eskom Area | 300 connections | R7 500 000.00 | E |
| 3 | Northern Veld | 6 | Eskom Area | 200 connections | R 5 000 000.00 | E |
| 4 | De Jagersdrift | 6 | Eskom Area | 400 connections | R10 000 000.00 | E |
| 5 | Nyanyeni | 3 | Eskom Area | 200 connections | R5 000 000.00 | E |
| 6 | Busi Ext Phase 2 | 1 | Eskom Area | 100 connections | R2 500 000.00 | E |
| 7 | Mpilondi | 1 | Eskom Area | 300 connections | R7 500 000.00 | |
| 8 | Senzokuhle | 3 | Eskom Area | 50 connections | R1 250 000.00 | |
| 9 | | | | 1650 connections | R41 250 000.00 | 5.2 ELE CTR |

(ENDUMENI LOCAL MUNICIPALITY'S DRAFT IDP 2017/18 FINANCIAL YEAR)

IFICATION BACKLOG IN THE ESKOM AREA OF SUPPLY

5.3 HOUSING CURRENT PROJECTS (2015/16)

| No | Project Name | Project Budget | Project Target | Status | Comments |
|----|-----------------------------|----------------|----------------|--------------------------|---|
| 1 | Sithembile Housing Project | R60 000 000.00 | 492 units | 99,9% Complete | The project is almost complete there two houses that there are not yet handed over and the process of registration of |
| 2 | Bufferstrip Housing Project | R57 381 334.50 | 725 units | Still under construction | There are challenges on relocation of people residing at uMzomusha |

5.4 HOUSING PRIORITY PROJECTS (2016/17)

| No | Programme Name | Project Name | Project Locality | Project Budget | Target | Comments |
|----|----------------|----------------------------------|------------------|----------------|-----------|---|
| 1 | | Dlamini, Frestdale and Craigside | Ward 4 and 6 | TBC | 639 units | There is a need to identify another piece of land for future projects |

5.5 CURRENT MIG FUNDED PROJECTS 2015/16

| No | Project Name | Project Budget | Project Target | Status | Comments |
|----|--------------------------|----------------|----------------|-------------------------------|---|
| 1 | Slurry Seal Of Roads | R1000 000.00 | R1000 000.00 | Currently in Progress | To be completed within this financial year |
| 2 | Craigside Community Hall | R3.5m | MIG Funded | Under construction | There were delays on the project during procurement and recruitment processes |
| 3 | Wasbank Community Hall | R3.6m | MIG Funded | Project is under construction | There was a delay |
| 4 | Wasbank Sport Facility | R3.8m | MIG Funded | Project is under construction | |

6. MULTI YEAR CAPITAL PROJECTS 2017/18 – 2019/20

Below are the 2017/18 – 2019/20 projects to be implemented, however an implementation plan is in the process of being formulated:

| MULTI-YEAR CAPITAL PLAN | | | | | | | | | | | |
|-------------------------------|---|---|--------------------------|-------------------------------|------------------|----------------|------------------|------------------------------|---------------|---------------|---------------|
| Project Number | Project Name | Project Description | Council Resolution | Specific Area of Intervention | Project Location | Funding Source | Funding Required | Committed / Approved Funding | | | |
| | | | | | | | | 2016/17 | 2017/18 | 2018/2019 | 2019/2020 |
| 2016MIGFK2 41246593 | Dundee Rural Horse Precinct (Phase 2) | Construction of VIP parking and driveway | C04/28/06/16 | Sport and Recreation | Dundee-ward 2 | MIG | R2 547 404,87 | R2 547 404,87 | R0,00 | R0,00 | R0,00 |
| 2016MIGFK2 41246051 | Fencing of Glencoe Cemetery | Construction of 720m of concrete panel wall around the periphery of the Glencoe Cemetery | C04/28/06/16 | Cemeteries | Glencoe -ward 3 | MIG | R764 021,84 | R764 021,84 | R0,00 | R0,00 | R0,00 |
| 2016MIGFK2 41246052 | Fencing of Dundee Cemetery | Construction of 964m of concrete panel wall around the periphery of the Dundee Cemetery | C04/28/06/16 | Cemeteries | Dundee-ward 4 | MIG | R1 655 027,60 | R1 655 027,60 | R0,00 | R0,00 | R0,00 |
| 2016MIGFK2 41247421 | Stratford Farm Community Hall | Construction of a new 350 seater community hall with kitchen, office, ablution and change rooms | C04/28/06/16 | Social Amenities | Dundee-ward 1 | MIG | R4 229 454,76 | R2 329 454,76 | R1 900 000,00 | R0,00 | R0,00 |
| 2016MIGFK2 41247489 | Sithembile Media Center | Construction of a new media center with computer lab, library and meeting rooms | C04/28/06/16 | Social Amenities | Glencoe-ward 3 | MIG | R5 781 740,74 | R1 000 000,00 | R4 781 740,74 | R0,00 | R0,00 |
| 2013MIGFK2 41216780 | Refurbishment of Browning and Agryle Street | Refurbishment of Browning and Agryle Street | C06/06/12/16 | Road Infrastructure | Dundee-ward 2 | MIG | R8 500 000,00 | R0,00 | R3 000 000,00 | R5 500 000,00 | R0,00 |
| 2016MIGFK2 41247384 | Construction of Mc Phail Drive | Upgrading of gravel road to new asphalt surface road with stormwater infrastructure | C11/06/12/16 | Road Infrastructure | Dundee-ward 2 | MIG | R17 000 000,00 | R1 300 000,00 | R3 000 000,00 | R7 000 000,00 | R6 700 000,00 |
| To Be Registered | Establishment of new Dundee Cemetery | Establishment of new Dundee Cemetery with fencing, ablution, water reticulation and security gates | C12/06/12/16 | Cemeteries | To Be Confirmed | MIG | R6 019 500,00 | R0,00 | R0,00 | R1 476 500,00 | R4 543 000,00 |
| To Be Registered | Establishment of new Glencoe Cemetery | Establishment of new Glencoe Cemetery with fencing, ablution, water reticulation and security gates | C12/06/12/16 | Cemeteries | To Be Confirmed | MIG | R6 019 500,00 | R0,00 | R0,00 | R1 476 500,00 | R4 543 000,00 |
| To Be Registered KZ241 PMU | Provision of water reticulation services in Craigieburn | Installation of municipal services to 26 unserved municipal erven at Craigieburn | Item to be prepared | Water services | Ward 2 | MIG | R3 000 000,00 | R0,00 | R3 000 000,00 | R0,00 | R0,00 |
| B01/2016-17 | PMU | Operating costs of PMU unit | C11/06/12/16 | | n/a | MIG | R773 000,00 | R723 000,00 | R616 080,00 | R641 880,00 | |
| B01/2016-17 | Buffer Strip Electrification (Phase 3) | Electrification of 250 households in Sibongile Ext. 20 | Strategic plan-June 2016 | Electricity | Dundee-ward 2 | INEP | R4 511 367,97 | R4 511 367,97 | R0,00 | R0,00 | R0,00 |
| B26/2015-16 | Kameelkop Electrification (Phase 2) | Electrification of 149 households in Busi & Kameelkop | | Electricity | Wasbank-ward 1 | INEP | R5 094 452,27 | R5 094 452,27 | R0,00 | R0,00 | R0,00 |
| B22/2016-17 | Sezokuhle Electrification | Electrification of 50 households in Sezokuhle | | Electricity | Dundee-ward 6 | INEP | R2 400 000,00 | R0,00 | R2 400 000,00 | R0,00 | R0,00 |
| B17/2015-16 | Glencoe Electrical Substation | Refurbishment of Glencoe substation | | Electricity | Glencoe -ward 3 | INEP | R7 497 014,08 | R0,00 | R7 497 014,08 | R0,00 | R0,00 |

| MULTI-YEAR CAPITAL PLAN | | | | | | | | | | | |
|-------------------------|-------------------------------|--|---------------------|-------------------------------|------------------|----------------|------------------|------------------------------|----------------|----------------|----------------|
| Project Number | Project Name | Project Description | Council Resolution | Specific Area of Intervention | Project Location | Funding Source | Funding Required | Committed / Approved Funding | | | |
| | | | | | | | | 2016/17 | 2017/18 | 2018/2019 | 2019/2020 |
| | Dlamini Electrification | Electrification of 300 h/h in Dlamini | | Electricity | | INEP | R528 000,00 | R0,00 | R0,00 | R528 000,00 | R0,00 |
| | Forestdale Electrification | Electrification of 217 h/h in Forestdale | | Electricity | | INEP | R2 604 000,00 | R0,00 | R0,00 | R2 604 000,00 | R0,00 |
| | Nyanyeni Electrification | Electrification of 200 h/h in Nyanyeni | | Electricity | | INEP | R5 000 000,00 | R0,00 | R0,00 | R5 000 000,00 | R0,00 |
| | Boyaphile Electrification | Electrification of 50 h/h in Boyaphile | | Electricity | | INEP | R1 250 000,00 | R0,00 | R0,00 | R1 250 000,00 | R0,00 |
| | Bloodriver Electrification | Electrification of 50 h/h in Bloodriver | | Electricity | | INEP | R1 250 000,00 | R0,00 | R0,00 | R1 250 000,00 | R0,00 |
| | Craydon Farm Electrification | Electrification of 300 h/h Craydon Farm | | Electricity | | INEP | R7 500 000,00 | R0,00 | R0,00 | R0,00 | R7 500 000,00 |
| | Northern Veld Electrification | Electrification of 100 h/h in Northern Veld Farm | | Electricity | | INEP | R2 500 000,00 | R0,00 | R0,00 | | R2 500 000,00 |
| | Tandy Street Packaging House | Construction of a new packaging house at the Tandy Street Community Garden | C04/15/10/16-3 | LED | Dundee-ward 4 | STRG | R2 000 000,00 | R2 000 000,00 | | R0,00 | R0,00 |
| | Majuba Mhlungu Statue | Construction of Majuba Mhlungu Statue | C04/15/10/16-3 | Parks & Gardens | Dundee-ward 5 | STRG | R2 000 000,00 | R0,00 | R2 000 000,00 | R0,00 | R0,00 |
| | Craigside Creche | Construction of a new crech at Craigside | C16/06/12/16 | Social Amenities | Dundee-ward 6 | Mine | R1 500 000,00 | R0,00 | R1 500 000,00 | R0,00 | R0,00 |
| | Craigside Primary School | Construction of a new primary school at Craigside | Item to be prepared | Social Amenities | To Be Confirmed | Mine | R0,00 | R0,00 | R0,00 | R0,00 | R0,00 |
| Total | | | | | | | R101 924 484,13 | R21 924 729,31 | R29 694 834,82 | R26 726 880,00 | R25 786 000,00 |

SECTION F: SECTOR PLANS

| No. | Sector Plan | Completed? (Y/N) | Adopted (Y/N) | Adoption Date (if adopted) | Date of Next Review |
|-----|--|---------------------|------------------|----------------------------------|---------------------------|
| 1 | Spatial Development Framework (SDF) | Y | Y | 25/06/13 | 2014 |
| 2 | Disaster Management Plan | Y | Y | 25/06/13 | 2014 |
| 3 | Human Settlement Sector Plan | Y | Y | November 2013 | 2014 |
| 4 | Strategic Environmental Assessment (SEA) | | | | |
| 5 | Local Economic Regeneration Strategy | Y | Y | | 2014 |
| 6 | Integrated Waste Management Plan | Y | Y | JUNE 2013 | |
| 7 | Operations & Maintenance Management Plan | N | | | |
| 8 | Electricity Sector Plan | Y | | | |
| 9 | Integrated Waste Management Plan (IWMP) | N | | | |
| 10 | Pavement Management System (PMS) | N | | | |
| 11 | Consolidated Infrastructure Plan | N | | | |

SECTION G: AUDITOR-GENERAL AUDIT FINDINGS

1. REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON ENDUMENI MUNICIPALITY

Report on the financial statements

Introduction

1. I audited the financial statements of the Endumeni Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement, and statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government; Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

2. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Endumeni Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material losses and impairments

8. As disclosed in note 43.5 to the financial statements, material electricity losses of 18,12 million (2015: 22,61 million) kilowatts amounting to R26.1 million (2015: R28,76 million) were incurred as a result of technical and non-technical distribution losses.
9. As disclosed in note 5 to the financial statements, material losses to the amount of R6.82 million (2015: R32.86 million) were incurred as a result of a write-off of irrecoverable trade debtors.

Additional matter

3. draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

4. In terms of section 125(2)I of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

5. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the electricity, roads and refuse removal objectives presented in the annual performance report of the municipality for the year ended 30 June 2016.
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the electricity, roads and refuse removal objectives.

Additional matters

18. I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, however, I draw attention to the following matters:

Achievement of planned targets

19. The annual performance report on pages x to x; x to x includes information on the achievement of planned targets for the year.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the electricity objective. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality complied with applicable legislation regarding financial matters, financial management and other related matters.

I did not identify any instances of material non-compliance with specific matters in key

legislation, as set out in the general notice issued in terms of the PAA.

3

Internal control

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation, I did not identify any significant deficiencies in internal control.

Auditor-General

Pietermaritzburg

30 November 2016



SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

1. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

Performance Management is a strategic approach to management, which equip leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Chapter 6: of the Municipal Systems Act (No 32 of 2000) requires municipalities to:

- Develop a performance management system;
- Set targets, monitor and review performance based on indicators linked to their IDP;
- Publish an annual report on performance for the realized s, staff, the public and other spheres of government;
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government;
- Have their annual performance report audited by the Auditor-General; and
- Involve the community in setting indicators and targets and reviewing municipal performance.

2001: Municipal Planning and Performance Regulations states that:

- Performance Management System must entail a Framework that describes and represent how the municipality's cycle and process of performance management, including measurement, review, reporting and improvement, will be conducted;
- Performance Management System must inter alia comply with the requirements of the Systems Act, relates to the municipality's employee performance management processes

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and be linked to the municipality's IDP.

For the 2017/18 IDP Review financial year, the municipality has prepared a functional and effective Organisational Performance Management System which addresses performance needs of the organization and also serves to promote a culture of performance management, and to administer its affairs in an economical, effective, efficient and accountable manner as required by Section 38 of the Municipal Systems Act (No32 of 2000).

In terms of measuring the performance of the municipality in implementing the 2016/17 IDP Review, the municipality has reviewed the entire system of Performance Management System, and has the following documents in place which guide the review, implementation, monitoring and reporting on performance management system:

- Organisational Scorecards;
- Departmental Scorecards;
- Performance Framework; and
- Performance Policy

The organisational scorecard is attached herewith as **Annexure H**

2. INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

In line with the annual Cogta's IDP Management Programme the municipality will simultaneously submit the final 2017/18 IDP Review and Budget on the 31 May 2017 and the Draft 2017/2018 Service Delivery and Budget Implementation Plan for adoption and assessment by Cogta. Within 28 days after the adoption of the Budget and IDP, the Municipality will adopt the SDIBIP which will serve as a monitoring tool for the implementation of the IDP, and then prepare the performance agreements for the Section 54 and 56 Managers as required by the 2006 Performance Regulations which will have to be concluded before the end of July 2017.

The municipality will also undertake the quarterly reviews during 2017/18 financial year to monitor performance as per the following quarters:

| | | |
|-----------------------|---|-------------------------|
| First quarter | : | July – September 2017 |
| Second quarter | : | October – December 2017 |
| Third quarter | : | January – March 2018 |
| Fourth quarter | : | April – June 2018 |

The performance agreements which will be concluded will within 30 days of the commencement of the financial year consist of the following documents

- Annexure A : Performance Plan
- Annexure B : Personal Development Plan
- Annexure C : Financial Disclosure Form
- Annexure D : Code of Conduct

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3. 2015/16 ANNUAL PERFORMANCE REPORT

The municipality prepared a 2015/16 Annual Performance Report (APR), this report includes highlights from the key performance measures included in the IDP 2015/16. These priority measures constitute the Endumeni Local Municipal Scorecard for 2015/16.

This report presents the year-end performance results for 2015/16. The results are assessed using traffic light criteria, according to their performance against improvement targets. A dashboard which summarises performance for the municipality's scorecard is illustrated in tables. At the end of quarter 4 (April to June 2017), Almost 70% of priority performance measures have been met or exceeded this year-end target. Areas for improvement are shown in the Scorecard attached. The accounting officer and Mayor have provided commentary to put performance into context and identified actions that they are taking to address performance.

In 2015/16 performance declined by 10% when compared with 2014/15. It is worth noting the impact of factors such as budget and staff reductions as lead to increased demand for services, putting pressure on achievement of challenging targets. Benefits from transformational challenges taking place are starting to have an impact but have not yet been fully realized. Ultimately the municipality has achieved R 20,113,607.00 cost and investments for the financial year, maintained good levels of service delivery (as demonstrated through comparative information) and seen increased levels of satisfaction across a number of services.

Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money. Early investigation of variances enables remedial action to be taken where appropriate.

SECTION I: ANNEXURES

| ANNEXURE | IDP COMPONENTS | STATUS |
|----------|--|-----------------------|
| A | 2017/18 Draft Budget | Draft and In Progress |
| B | Draft 2017/2018 Spatial Development Framework (SDF) | Draft |
| C | 2017/2018 Disaster Management Plan | Adopted |
| D | 2017/2018 Human Settlement Sector Plan | Draft and In Progress |
| E | 2017/2018 Local Economic Development (LED) Plan & Strategy | Draft and In Progress |
| F | 2017/2018 Integrated Waste Management Plan (IWMP) | Draft and In Progress |
| G | 2017/2018 Operations & Maintenance Management Plan | Draft and In Progress |
| H | 2017/2018 Electricity Provision Sector Plan | Draft and In Progress |
| I | 2015/16 Annual Performance Report (APR) | Completed and Audited |
| J | 5 Year Implementation Plan | Draft and In Progress |
| K | 2017/18 Organizational Scorecard | Draft and In Progress |
| L | 2017/18 SDBIP | Draft and In Progress |
| M | 2017/2018 Wall to Wall Land Use Management Scheme | Draft and In Progress |
| N | 2017/18 IDP/PMS Process Plan Programme | Draft and In Progress |
| O | 2017/2018 Draft Organizational Structure / Organogram | Draft and In Progress |

SECTION J: CONCLUSION

(UNDER CONSTRUCTION)

SECTION K: CONTACT DETAILS

For all enquiries/comments/inputs to this Draft Integrated Development Plan (IDP) feel free to contact the following key Municipal Officials:

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