



**REPORT BY THE ACTING MUNICIPAL MANAGER  
FOR THE ADMINISTRATOR  
AND FULL COUNCIL**

Ref: 10.4.1.INT  
23/06/2010

**REVISED DRAFT IDP FOR 2010/2011 AND BEYOND**

**1. PURPOSE**

To present:

- 1.1. The revised draft IDP for 2010/2011 with amendments for adoption by the Administrator and approval by Full Council
- 1.2. The enclosed Izimbizo community needs and MEC for Co-operative Government and Traditional Affairs reports for noting.

**2. BACKGROUND**

- 2.1. In accordance with the Municipal Systems Act, 2000, as amended, all municipalities have to undertake an Integrated Development Planning process in order to produce an Integrated Development Plan (IDP). The Integrated Development Plan is a legislative requirement, it has a legal status and it supersedes all other plans that guide a developmental agenda at the local government sphere.
- 2.2. This IDP review will mark the end of the fifth year of the five-year IDP process and will be done in terms of Chapter 5, of the Municipal Systems Act 2000, as amended.
- 2.3. In terms of Section 34 of the Municipal Systems Act:

A Municipal Council –

- must review its integrated development plan-
  - i. annually in accordance with an assessment of its performance measurements in terms of section 4 I; and
  - ii. to the extent that changing circumstances so demand; and
- may amend its IDP in accordance with a prescribed process.

**2.4 Msunduzi Municipality must undertake the IDP review to address the following:**

- Respond to comments received from various stakeholders involved in the IDP review process including the comments from the MEC for COGTA, Auditor General;
- Areas which required additional attention in terms of legislative requirements;
- Areas identified through self-assessment and Municipal Turnaround Strategy;
- Review and prepare of the SDF, Financial Plan and other Integrated Programs where possible;
- Update and amend the list of IDP priority projects; and

- Alignment with the relevant Sector Plans.

### 3. REPORT IN DETAILS

#### 3.1 Stakeholders Consultation and Public Participation Process

3.1.1. In accordance with the Municipal Structural Act, 1998 as amended, every councilor is expected to consult with its constituency on a monthly basis, be it through ward committees or public meetings. The agenda of these meeting among other things is to address community complaints or needs, progress on projects and programs, contributing towards setting priorities for the municipality, etc. A record of these meetings (registers and minutes) had to be kept for ward development plans as well as for auditing purposes.

3.1.2. It was then within the same principles of public consultation process that the municipality late last year in November and first week December 2009, and all the consultations that were conducted by councilors, the Speaker and Mayor's offices, the City Mayor, together with members of the Executive Committee and Management Committee invited the communities of Pietermaritzburg to five public meetings (izimbizo) that were held in five Area Based Management areas. Subsequent to those consultations, members of the Parliamentary Adhoc Committee on 19-20 May 2010 held public hearings with the members of public of Pietermaritzburg including various stakeholders and on 20<sup>th</sup> June 2010, ward committees, various stakeholders including representatives from sector departments attended the public consultation on the draft Budget and IDP.

The parliamentarians engaged on issues of service delivery and the City Administrator had an opportunity to present the Municipal Turnaround Strategy which was critic and supported as the plan to endeavor to lift the municipality from its financial crisis.

3.1.3. Those public meetings were held to report back to communities as part of the first to 4<sup>th</sup> quarterly reports for municipal performance and progress made thus far, to invite members of public to raise their concerns / needs/ recommendations (herewith, see the Public Participation report). Summing up the issues raised by communities at the izimbizo according to National Key Performance Areas in order of priority:

**Basic Service Delivery and Infrastructure Investment (69%)**

- Housing for informal dwellers and middle income earners
- Provision of electricity
- Access to basic water
- Road maintenance and access roads
- Provision of clean sanitation

**Local Economic Development (24%)**

- Lack of job creation opportunities and skilling of society for economic growth
- Crime Prevention
- Provision of Grants
- Development of Sports and facilities for a Playing City
- Development of community centers for social change

**Good Governance and Public Participation (5%)**

- Corruption in Government
- Crime Prevention

- Nepotism in giving jobs
- Lack of continuous public engagement and participation
- Lack of effective communication.

**Financial Viability and Management (2%)**

- What has led the municipality to this financial crisis?
- How long this financial crisis would last?

Issues regarding Institutional Development (0%) were not directly raised but indirectly raised based on presumption that the municipal institutional arrangements have to be sound first to address issues as above.

**3.3. Setting Priorities for 2010/2011 through Internal and External Consultation Process**

As part of the IDP review process, the Management Committee and Executive Committee held the Corporate Strategic Planning sessions late November and December 2009, reflecting on the organizational efficiencies, service delivery mandate and priorities for 2010/2011. During mid March 2010, the MEC for COGTA instituted section 39 (b) of the MFMA, 2003, and Mr. Johann Mettler as the Administrator was deployed and the Provincial Intervention Team (PIT) was appointed to assist him to turnaround the finances of the municipality.

Through those engagements, a list of 202 strategic objectives were identified from the SDBIP and IDP, then consolidated, interrogated and summarized into twenty one manageable strategic objectives and this arrangement would make the assessment and alignment of the IDP, SDBIP, PMS and Budget a reality, especially for auditing purposes.

Also as part of the IDP review, the Turnaround Strategy was developed with specific interventions and indicators, and the turnaround of the City's finances was projected over three-year financial years. During the development of the Turnaround Strategy, the Msunduzi' Vision, Mission, Mission Statement as following:

**Mission:**

- To stabilize the affairs of the municipality and ensure that the municipality functions effectively and in a sustainable manner in delivering services to the community

**Vision Statement**

- By 2025 to be a Globally Competitive Metropolitan City of Choice which Capitalizes on its strategic Location, Environment, Cultural Heritage and Educational Facilities in Creating a Choice Quality of Life for All.

The present financial crisis in the municipality was also mentioned as a factor for consideration in setting up priorities for 2010/2011. The outcome of the city summit was held in October 2009 and subsequently to those engagements with various stakeholders under the Msunduzi Innovative and Development Institute (MIDI) raised the following priorities to be considered for 2010/2011 financial year:

- Feasibility of the Oribi Airport
- N3 Corridor development
- Agro-processing hub, using market site
- Management of the Harry Gwala Stadium, be outsourced to make it commercially viable

- A fully fledged PMS for Msunduzi Municipality
- Environmental management and waste management not be limited to refuse collection and special attention to be given to landfill site
- Appropriate skills training be identified and focused to economic development, especially for young people in order to improve the City's economic growth
- Making rural settlements attractive in order to mitigate big numbers of people migrating to urban areas as part of long term planning

Also as part of the IDP review in setting priorities for 2010/11 and beyond, the Turnaround Strategy was developed with specific interventions and indicators, and thus far various internal and external stakeholders were consulted and they pledged their support and commitments. The implementation of the Turnaround Strategy is projected over three financial years.

### 3.2. **Amendments to the IDP according to the MEC for Co-operative Government and Traditional Affairs' letter and the Auditor's General findings**

3.2.1. The Msunduzi Municipality's IDP was rated at 93% as the best IDP among the best ten IDPs in the Province of KwaZulu-Natal by the team of experts in various disciplines in local government drawn from various districts and provincial departments under the stewardship of the Department of Cooperative Government and Traditional Affairs, and this rate is above 60% threshold which is required for best and credible IDPs.

Contrary, it was a disappointment though that the Msunduzi Municipality received a qualified opinion from the Auditor-General for the Financial Year-end 2008/2009 after two consecutive years of unqualified reports. The municipality responded to the AG findings through the management letter that was tabled last year at the Executive Committee and Full Council and the issues that were raised by both the AG and MEC for COGTA were taken into account during the IDP review process and the action plans were developed. Below, are comments raised by the MEC for COGTA according to the national key performance areas:

#### 3.2.1.1. **Comments raised by the MEC for Cooperative Government and Traditional Affairs for 2009/2010 IDP review**

##### **Municipal Transformation and Institutional Development**

- Municipality to attend to a succession plan particular for key positions
- Indicate how the municipality makes use of Intergovernmental structure to facilitate intergovernmental dialogue with national and provincial sector departments

##### **Local Economic Development**

- Finalize the Municipal LED Plan with spatial reference
- The LED Strategy should provide an analysis of comparative and competitive advantage
- Provide feedback on progress in terms of support to small enterprises and cooperatives as well as the level of engagement and partnership with the economic stakeholder coalition

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

- The Municipality has indicated that a review of its Water Services Development Plan (WSDP) is underway, and there was a difficult to determine if the municipality has given consideration to bulk infrastructure development or waste water treatment and many vacancies were indicated in water and sanitation unit.
- Develop Waste Water Management Plan and what recycling and economic opportunities considered through this plan
- Details were given regarding Energy Provision Sector Plan but with limited details. It must be indicated that backlogs would be eradicated with the available resources and it be explained if alternative and renewable energy options have been considered
- Beside the existence of the Integrated Transport Plan, the human and financial constrains as pointed out could work against the plan

#### **Financial Viability and Management**

- Ensure that all strategic objectives are budgeted for and include spatial information

#### **Good Governance and Public Participation**

- Foster relationships with other governance structures and various sectors

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

- Noted with interest the inclusion of mini-SDF of Greater Edendale Development Initiative and feedback on progress on the roll-out program can be a motivator for this initiative if included in the IDP. Another inclusion required would be Area Based Management sectors
- Noted as a need that the municipality should include environmental sustainability principles in the IDP
- The challenge for the municipality is to translate the capital investment into the SDF particular in areas indicated by the spatial and environmental analysis

Due to the current financial crisis, some of the concerns and priorities raised by interest groups would have to be delayed but kept in perspective in the IDP in order to focus on the Financial Recovery Plan especially the critical projects whilst mobilizing external funding for the municipality to address our service delivery mandate.

#### **4. RECOMMENDATIONS**

It was resolved to recommend to the Administrator and Full Council:

- 4.1. That the revised draft IDP for 2010/2011 with amendments as reflected in the Msunduzi Turnaround Strategy which was approved by Full Council and as now translated into the Municipal Financial Recovery Plan be adopted by the Administrator and approved by Full Council;
- 4.2. That the Organizational Strategic Objectives, Mission and Mission Statement be adopted by Administrator and approved by Full Council;

- 4.3. That izimbizo community needs report as annexure B be noted; and
- 4.4. That the MEC for Co-operative Government and Traditional Affairs' comments as annexure C be noted.

**COMMENTS IF ANY:**

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**GENERATOR OF REPORT**  
**MR R MKHIZE**

**COMMENTS IF ANY:**

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**ACTING MUNICIPAL MANAGER**  
**MR T MASEKO**

**COMMENTS IF ANY:**

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**ADMINISTRATOR**  
**MR J METTLER**