

CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1. INTRODUCTION

The Integrated Development Plan (IDP) is the Municipality's principal strategic planning document which ensures co-ordination of the government's development agenda among its three spheres. The IDP therefore enhances integrated service delivery and development and promotes sustainable, integrated communities, providing all services, as communities cannot be developed in a fragmented manner. The integrated development planning, as a concept must eliminate unnecessary duplication of effort and streamline funding in a sustainable manner.

The priorities identified in the IDP inform all financial planning and budgeting undertaken by the municipality. The attainment of IDP and budget targets and deliverables must be monitored and evaluated on an ongoing basis to ensure that the goals set with the communities are achieved.

The IDP finds its credence in a manner in which it is developed, through stakeholder mobilization and participation. This is the tool through which the democratic government seeks to reverse the ills of apartheid, which was based on separate development overwhelmingly bias to the white population of this land at the expense of the black majority. The IDP of any municipality in this country must decisively put the emphasis on the upliftment and empowerment of blacks in general and Africans in particular through sustainable strategies. This must be evident in the manner in which the resources are allocated and programs implemented.

CHAPTER SEVEN

The IDP is a continuous process whereby municipalities prepare 5-year strategic developmental plans which must coincide with the term of council. These plans are reviewed annually in consultation with communities and stakeholders. These plans seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

1.2. LEGISLATIVE BACKGROUND

1.2.1. Constitution of the Republic of South Africa Act 108 of 1996

The Constitution of the Republic of South Africa sets the objectives of local government as:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote socio and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community

1.2.2. Local Government: Municipal Systems Act 32 of 2000

In terms of the Municipal Systems Act all municipalities in South Africa must prepare Integrated Development Plans (IDP) for their area of jurisdiction. This act defines the IDP as "single inclusive and strategic plan for the development of the municipality which:

- links, integrates and co-ordinates a municipality's sector specific plans;

- aligns the resources and capacity of the municipality to the overall Development objectives of the municipality;
- forms the policy framework on which annual budgets rest; and
- is compatible with the national and provincial development plans

1.2.3. Local Government: Municipal Planning and Performance Management Regulations (2001)

These Regulations make provision for the inclusion in the IDP of the following:

- The institutional framework for the implementation of the IDP;
- Investment and development initiatives in the Municipality;
- Key performance indicators and other important statistical information;
- A financial plan; and
- A spatial development framework.

1.2.4. Municipal Finance Management Act 56 of 2003

This Act makes provision for alignment between the IDP and the municipal Budget. The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget are aligned.

1.2.5. Disaster Management Act 57 of 2002

The Disaster Management Act, (Act 57 of 2002) in which the main features of disaster management are described as preventing or reducing of disasters, mitigation, preparedness, response, recovery and rehabilitation.

The Disaster Management Act, 2002, provides for the declaration of disasters through national, provincial and local level government. In the case where Provincial and Local authorities have determined that a disastrous drought occurred or threatens to occur, the disaster management centre of both the province and local municipality must immediately-

- Initiate efforts to assess the magnitude and severity or potential magnitude and severity of the disaster;
- Inform the National Centres of the disaster and its initial assessment of the magnitude and severity or potential magnitude and severity of the disaster;
- Alert disaster management role-players in the province that may be of assistance in the circumstances; and
- Initiate the implementation of any contingency plans and emergency procedures that may be applicable in the circumstances.

1.3. SUMMARY OF THE MEC'S COMMENTS ON THE 2009-2010 IDP

Here below is a summary of comments from the MEC on each national KPA for the 2009-2010 IDP:

- **MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**
 - Annual report not included
 - Auditor General's findings and responses not included
- **LOCAL ECONOMIC DEVELOPMENT**
 - LED plan not fully integrated with the IDP
- **BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT**
 - Statistic used is too old i.e. 2001
 - Poor linkage of IDP strategies and budget
- **FINANCIAL VIABILITY AND MANAGEMENT**
 - Poor linkage of the MTERF and IDP strategies
- **GOOD GOVERNANCE AND COMMUNITY PARTICIPATION**
 - Community participation strategy needs to be developed
- **SPATIAL DEVELOPMENT AND FRAMEWORK**
 - Full SDF not attached

CHAPTER TWO

SITUATIONAL ANALYSIS

2.1. GEOGRAPHIC LOCATION AND SIZE

Umuziwabantu is located to the west of the Ugu district hence forming a western boundary for the Ugu district and it borders on the Eastern Cape; Sisonke district and Umzumbe and Eziqoleni municipalities to the east. The municipality ranges in altitude from 200m above sea level at Umzimkhulu River in KwaMbotho, to 220m above sea level in the Ingeli Mountain. The topography is rugged, with many catchments and sub catchments of both the Umzimkhulu and Umtamvuna rivers, which are from the northern and southern borders of the municipality.

The extent of the Umuziwabantu Municipal area is 10 862 ha (1088 km²). This area is constituted as follows:

Urban: Harding which is about 2% of the area;

Farmland: This constitutes 36%;

Forestation: 20%; and

Tribal Areas: approximately 42%

UMuziwabantu Municipality consists of 9 wards, however the delimitation of wards process which is currently on has determined that for 2011 local government elections there will be 10 wards. There are six tribal authorities which are within the municipal boundaries and they are listed here below:

- Ward 1: KwaFodo and Dumisa Tribal Areas and farmland.
- Ward 2: KwaMbotho and Bashaweni Tribal Areas and farmland.
- Ward 3. Harding, part of KwaMbotho Tribal Area and Farmland.
- Ward 4. Part of KwaMachi Tribal Area.
- Ward 5. Part of KwaMachi Tribal Area.

- Ward 6. Part of KwaMachi Tribal Area.
- Ward 7. Part of KwaJali and KwaMachi Tribal areas, Weza State Forest and Farmland.
- Ward 8. Part of KwaMachi Tribal Area.
- Ward 9. Part of KwaJali Tribal Area.

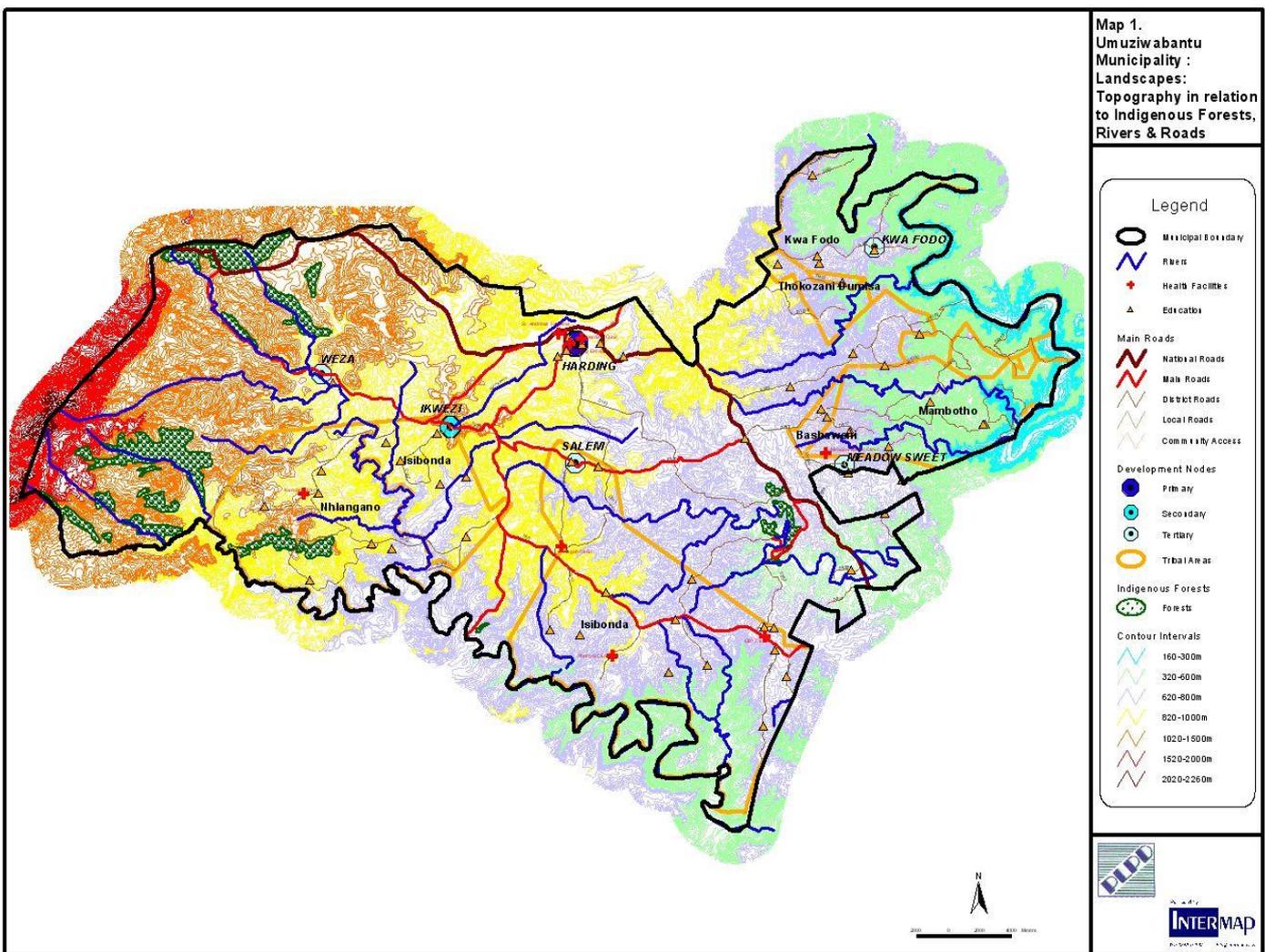
The spine road at Umuziwabantu is the N2 which connects this municipality with Ezingoleni and Port Shepstone on the east and the Eastern Cape on the south east. Connected to the N2 is R56 road which passes through Umzimkhulu; Ixobho and ultimately Pietermaritzburg.

TOPOGRAPHY

Umuziwabantu like other rural municipality within Ugu is characterized by the topography which is not friendly to the delivery of basic services. Its description is well captured by in the Ugu's Water Services Development Plan:

"The area is 1088 km² in extent and is characterized by steeply incised river valleys and generally undulating topography. The area is sparsely populated with a population density of 88 people per square kilometer. The undulating topography and sparse population referred to above are some of the key factors which make it very difficult to achieve the RDP standards in service delivery. The area of KwaFodo is one of such areas where the terrain and space between households will make almost impossible to achieve the national target. In fact in some areas a proactive intervention to, firstly, discourage people from building in areas which are difficult to reach even by foot like deep valleys and gorges. Secondly, to encourage those that can afford to relocate to areas which are more accessible.

Map 1: Umuziwabantu Locality Map



2.2. DERMOGRAPHICS /POPULATION DISTRIBUTION

Demographics and population distribution guide any planning and development process, since the people provide labour and entrepreneurship for production and also consume the output of production. To form a clear picture of socio-economic conditions in the Umuziwabantu municipality, it is vital to analyze the size, spatial distribution, composition and growth pattern of the population, along with changes in these factors and possible future trends and tendencies.

Table 1: Demographic Information

	KZN	UGU	UMUZIWABANTU
Area Size (Km2)		5 044	1 088
Population	10 259 230	709 918	104 527
Households	2 234 125	151 620	20 313
Gender			
Male	47.5	45.8	44.8
Female	52.5	54.2	55.2
Population Group			
Black	86	92	96.3
Coloured	1.4	0.6	1.7
Asian/ Indian	8.2	3.5	1.7
White	4.4	3.8	0.4
Age			
Age (10 - 14)	33.5	35.6	42.1

Age (15 - 64)	61.7	57.9	52.3
Age (65+)	4.8	6.4	5.6
Average Age	25.6	26	24
Dependency	62	73	91

(Source: STATSSA Community Survey 2007)

The above table shows that approximately 54,5% of the population in Umuziwabantu is younger than 20 years, while a further 5.6 % is 65 years or older. The percentage of people that are 65 years or older is lower than Ugu's and higher than that of KwaZulu-Natal and South Africa. This shows high differences in dependency ratio between the non working age and those of working age from the municipality. Females form the majority of the population at 55.2% and the balance of 44,3% are males.

In terms of the population breakdown, Africans make up 97, 4% of the population in Umuziwabantu. Indians, whites and coloureds, constitutes only 0.4%, 0.5% and 1.7 of the population in Umuziwabantu respectively. The population shows an average growth of 1.3% per annum when compared with the 2001 national census statistics.

2.3. SOCIO-ECONOMIC ANALYSIS

The situational analysis and statistics presented in this chapter indicate the developmental challenges facing Umuziwabantu, such as poverty, unemployment and service delivery backlogs. The programmes and projects in this IDP are informed by this scenario.

2.3.1. Health Services

Umuziwabantu Municipality currently has one (1) hospital, St Andrews Hospital; nine permanent clinics (8), one of which is a municipal clinic and 3 mobile clinics. There

are two clinics which are newly constructed at KwaMbotho and Santombe (KwaFodo). There is an additional one referred to as a cross border clinic because of its location in both jurisdictions of Umuziwabantu and Izingolweni municipalities, the KaNikwe Clinic. Weza clinic which was built in partnership with private company is subject to review of the contract between the owners and stakeholders. Given the population of Umuziwabantu this number of health service points is not sufficient. There is a big influx of patients of the neighbouring villages e.g. Umzimkhulu to the health service centres in town.

The Living Standards Assessment Survey conducted by the Global Research and Medical Network released in April 2004 indicated that the most commonly used facilities are clinics at 48% followed by private doctors at 33% and 25% ended up using hospital services. Given the increase in the number of clinics since then, it is expected that the number of people who use the clinic as the first point of contact with the health services would have increase.

2.3.2. HIV/ AIDS

It is impossible at this point of our history to speak about the social issues and not talk about the HI virus and AIDS. This is due to its impact in the economy, family structures and family expenditure patterns. Here below is a comparative table on HIV and AIDS Statistics sourced from Ugu LED Strategy completed in 2007. It is estimated that approximately 12,343 persons in Umuziwabantu were HIV positive in 2004. The population infected in Umuziwabantu increased by 8,1 % between 1996 to 2004 resulting in a total number of infected people increasing from 5.1% in 1996 to 13,2% in 2004. The 8.1% rate increase of the infected people in Umuziwabantu is lower than 8.4% in both Ugu district and the province but higher than 7.4% of the entire country.

Statistics show another increase in AIDS related deaths from 13.4% in 1996 to 56.9% in 2004 compared with Ugu, the province and the country whose rates are 54.4; 57,6 and 47,6 respectively for the same period. During the same period, 1996

to 2004, there was virtually no increase in non-AIDS related deaths in most of the municipalities in Ugu, as well as in the rest of KwaZulu-Natal and South Africa.

Table 2: HIV / AIDS Statistics

	Umuziwabantu	Ugu	Kwazulu-Natal	South Africa
HIV+				
Total: 2004	12,343	98,265	1364,030	5,021,067
Annual Growth: 1996-2004	13.6	13.4	13.2	16.9
% of Population				
1996	5.1	5.3	5.8	3.5
2004	13.2	13.7	14.2	10.9
Deaths				
Total: 2004	1,647	13,348	172,512	687,280
% AIDS Related				
1996	13.4	11.8	13.2	7.8
2004	56.9	54.4	57.6	46.7
Annual Growth: 1996-2004				
Non-Aids Related	0.5	0.5	0.8	1.1

AIDS related	31.4	32.2	32.5	35.4
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(Source: Ugu LED Strategy (2007))

In terms of access to ARVs, only the hospital, St. Andrews is equipped to dispense the ARVs excluding of course private doctors. The 2005-2006 statistics shows that only about 1012 people were on ARVs through the local hospital. As per the resolutions of the HIV and AIDS in the Ugu district an Ugu HIV and AIDS Forum has been established to coordinate the activities, programs and campaigns. One of the reasons why this forum was established was to minimize duplication by different government departments; NGOs, the district and local municipalities.

2.3.3. Education

Education is the core function of the department of education and not of the municipality. However, given the nature of the role the IDP must play in intergovernmental relations and the impact of skills in the economy at large it is critical to look at it. This department of Education is one of those departments which have aligned its boundaries to match those of local government.

The statistics of 2001 estimated that 35.8% of Umuziwabantu population was attending schools and that less than 8% of the population had completed Matric. The Standard of Living Assessment Survey estimated that 58% of this number travel on foot to school with 10% of these taking more than an hour to get to school. There is only one library in the municipality located in municipal offices in town. Needless to say that one small library cannot cope with more than 33 000 learners. Access to libraries is still the privilege of the few.

There are 60 schools within Umuziwabantu composed of 45 primary and 15 second schools. Only one of these schools is a special school catering for children living with disabilities.

2.3.4. Other Social Services

Excluding education which has been discussed above there are three other departments which fall under social services: Departments of Social Welfare and Population Development; Home Affairs and Safety and Security. The services offered by these departments were among the most discussed during the stakeholders meetings. The biggest concern with the three of them is their accessibility. Communities have to travel to town for their services as their functions are not decentralized. Upon arrival, more especially with Home Affairs and Social Welfare, they spend hours on the queues with no guarantee that they shall get serviced on the day. Home Affairs specifically, is grossly understaffed.

Social Welfare and Population Development is the better staffed of the two, however, the problem of overcrowding remains an issue. This department has a serious problem of space as well. They are currently using park homes as offices, which are not the best setting for their service. As a result people queue outside offices in different kinds of weather. With police stations, besides the issue of staffing, the biggest problem is that there is only one police station within Umuziwabantu as a whole.

IDP representative meetings have led Social Development Department to develop a rotational strategy for all wards, by developing a rotational programme so that each ward can be given more attention as opposed to the past where people will all come at once from all wards and some bound to not receiving assistance because of high numbers. In addressing its challenge of space, the Department of Social Development is in process of identifying potential sites for construction of offices.

2.3.5. Safety and Security

There is only one police station in the Umuziwabantu municipality which is situated in town. The entire community is depending on this police station's services. In pursuit to reduction of crime, the establishment of Community Police Forums (CPF) and emergency zoning of villages need to be an area of focus.

The Community Justice programme must be structured and strengthened to resolve on small cases. In addition to the inadequacy of this service, the existing Police Station lack equipment and vehicles. The municipality within the ensuing financial year will be engaging the Provincial Department of Safety Liaison and the Police Commissioner regarding the possibility to improving accessibility of this service in terms of building new police stations, equipping the existing ones and strengthening of partnership especially in terms of sharing the available resources.

The lack of or shortage of safety and security services, leads to community confusion whereby other people e.g. Ward 5 are serviced by Eziqoleni Police Station.

It was strongly felt by almost all stakeholders that decentralization of social services operations to MPCCs will be an answer to their problems. This is in line with the new thinking of the municipality to move away from provision of community halls into building multi-purpose facilities which in terms of this plan the South African Police Service could access space from such facilities.

2.3.6. Community Facilities

The municipality shows enormous progress in the provision of community facilities compared to the previous era where development in communities was dominated by the construction of community halls; sewing centres and crèches. These structures

were not based on sustainability principle and there were no operations and maintenance plans projected. These structures were built by government departments; transitional authorities and the district municipality. Most of these structures are underutilized and are, consequently vandalized. Proper maintenance plans need to be developed to safe guard these properties.

There are also no management structures in place to run these facilities. In many instances these facilities were constructed and not handed over to the community, hence they are not maintained and not on the municipal asset register. There is generally little improvement on looking after community halls, crèches and multipurpose centres. There is barely a plan to sustain their operations and maintenance. Although in some wards, committees have been established to service these centres, a master plan embedded on principles of self sustainability must be developed and decentralised to all wards.

There is one functional and fully-fledged community library which was built by the department of Sports, Arts and Culture. It is located in Harding on the municipal premises. Given high number of users, more space or extension is required in the near future. It is worth-noting, that the culture of learning has been instilled in Umuziwabantu.

Type of Grant	Number Paid	Amount in Rands
Old Age Pension	4956	R4,311,720.00 (per month)
Disability Grant	4422	R3,847,140.00 (per month)
Foster Care Grant	1128	R699,360.00 (per month)

Combined Grant (CDG+FCG)	24	R35,760.00 (per month)
Grant-In-Aid	12	R2,400.00 (per month)
Care Dependency Grant	228	R198,360.00 (per month)
Child Support Grant	11197	R2,239,400.00 (per month)
Grand Totals	21967	R11,334,140.00 (per month)
Average to be spent for the year 2008/2009	R136,009,680.00	

2.3.7 Social Services Grants

Given the high levels of poverty referred to here above, there is high reliance on social grants by families for survival. As shown below, 20% of the population was receiving government grants during 2008-2009 financial year. This figure has grown by 15.6% between 2006 and 2007.

SASSA 2008

The figures above show that:

- More than 20% of Umuziwabantu population receives social grants
- The biggest number of recipient, by far are children, receiving the child support grant.
- The number of children receiving the child support grant is more than 50% of the total number of recipients at Umuziwabantu.

2.4 LOCAL ECONOMIC DEVELOPMENT(LED)

The Umuziwabantu Municipality has, like most predominantly rural municipalities in the province and throughout the country, high levels of poverty, unemployment and inadequate economic growth to provide good quality of life to most of its residents.

2.4.1 LED Strategy

The Umuziwabantu LED Strategy was completed in January 2008 as envisaged in the original IDP. It has been adopted by Council to become a legal municipal document and included in IDP as a sector plan that informs all local based economic development strategies.

Currently LED projects underway include the following: Ingeli trails, Wind generated Energy, Honey production, Bean production, training programmes for both cooperatives and SMMEs and formalising their registration. In the strategy, it appears that Umuziwabantu area has high potential for production of maize, wheat and sugar cane, other crops and plantations. People in the community are encouraged to form groups of cooperatives in order to access these opportunities. The municipal council has decided not to renew contracts of expiring lease of lands occupied by former advantaged counterparts, in pursuit of encouraging previously disadvantaged people to use the land in future. Besides, certain areas like Gundrift, the topology of soils allows mining of tiles and mud related products, this opportunity need further exploration and lobbying to relevant business partners.

2.4.2 Food Security Programme

The municipality is one of the two in the district which are beneficiaries from the Flemish funded food security programme. This project is targeting the already organized groups and schools. It intervenes by providing the main infrastructure needed to unlock the potential of existing projects and by providing seeds and implements. This programme will be funded for a period of four year with an estimate amount of R5m.

2.4.3 Household Income

Household income is one of the most important determinants of poverty levels in the municipal area. The ability to meet basic needs is largely determined by the level of income earned by the households. Poverty is often defined as the lack of resources to meet the basic needs.

Here below is the Individual Monthly Income based on Census 2001.

Table 3: Individual Monthly Income

Individual Monthly Income (2001)	
Persons	2001
None	9369
R1 – 400	453
R401 – 800	1104
R801 – 1600	78
R1601 – 3200	63
R3201 – 6400	33
R6401 – 12800	12
R12801 – 25600	3
R25601 – 51200	0
R51201 – 102400	3
R102401 – 204800	3
Over R204801	0

(Source: Census STATSSA 2001)

The table above shows a high number of people at Umuziwabantu who do not have income any source of income. This is a challenge because the lack of income is due to a number of issues such as unemployment and lack of opportunities for self employment. Lack or no income in a household is a direct contributing factor to

poverty and also requires the municipality to closely look at the issues of indigent support.

Table 4: Location of formal employment opportunities in Umuziwabantu in 2004

SECTOR	Umuziwabantu	Ugu
Number of Formal Employment Opportunities in Ugu (2004)	6,176	67,926
Percentage per Sector:		
Agriculture, forestry and fishing	20.8	18.1
Mining	0.4	0.6
Manufacturing	14.4	12.1
Electricity & water	0.1	0.6
Construction	4.8	4.6
Wholesale & retail trade; catering and accommodation	14.2	15.9
Transport & communication	1.5	1.7
Finance and business services	5.1	9.3
Community, social and other personal services	19.2	20.4
General government services	19.5	16.7

(Source: Ugu LED Strategy (2007))

The above table sourced from Ugu LED strategy indicates that only 6 176 formal employment opportunities existed at Umuziwabantu. This shows a decline in the number of people who are employed if compared with 2001 statistics, which is not

good at all as it puts pressure on the government grants and the few that are employed. One of the biggest contributors to this decline has been the poor performance of Hans-Marensky group, one of the biggest timber processing firms in the country employing thousands in the Umuziwabantu area. In the last few years this firm laid off hundreds of its workforce. The table also indicates that the sector that employs the biggest number of people is forestry at 20.8, followed by government at 19.5. The Living Standards Assessment indicated that 60% of the total number of the employed is unskilled labourers. This can be attributed to the low level of skills and a shortage of entrepreneurial skills to create more jobs. This also means that most of the raw material processed leaves the area unprocessed, if that was not the case the market would have had more skilled labour force.

2.4.4 Economic Profile

The main economic activity in the Umuziwabantu Municipality is farming, subsistence agriculture and retail businesses. The retail business which is the core of Harding town is showing very slow growth.

2.4.5 Agriculture

In the agricultural sector there is a marked division between the commercial sector (first economy) and the subsistence sector (subsistence agriculture). Furthermore, the commercial sector involves both primary production and agro-processing activities.

With the exception of small scale maize growing, limited small-scale woodlots, the traditional authority areas are generally characterised by subsistence agriculture. This comprises livestock raising (mainly cattle, goats and household chickens), dryland cropping and homestead gardening. Many rural people have multiple livelihood strategies. They are involved in a range of agricultural activities but also

rely largely on social grants (pension and child support grants), salaries and remittance.

Inland, the density of housing is reduced and grazing land is more available for livestock. While livestock keeping is not primarily for commercial purposes, livestock do play important roles in rural communities. While generating some cash through sales in time of need, they are also a source of food (eggs, meat and milk), draught power for ploughing and a range of social benefits (e.g. *lobolo*).

2.4.6 Timber

Forestry is an important crop serving the furniture and pulp industries. Large commercial plantations are located mainly in the high rainfall areas near Harding. Timber is grown for hardwoods (for poles, pulp and bark – wattle and gum), and softwood (for logs - pine). Small and medium scale growers focus on hardwood for pulp production.

The Ugu Agricultural sector plan indicted that there are various growers that are involved in Umuziwabantu Municipality and they can be summarized as private farmers (Harding), Mondi (Harding), Sappi Forests (Harding), Masonite (Harding) and NCT Forestry Co-op (Harding). Sappi and Mondi have promoted small-scale growers with access to communal traditional land but the long time period between planting and harvesting means that the benefits are not readily evident.

The list below summarizes some of the projects that have received funding through the Gijima Programme funded by the KZN Department of Economic Development:

- ⇒ Port Shepstone – Ugu Market Depot System - Capacitate emerging rural farmers by linking them with the Ugu Fresh Produce Market Development –

create infrastructure including bulk bins, forklifts and refrigeration (as a pilot collection depot is proposed to be established –one at Umuziwabantu).

⇒ The LED Strategy

⇒ SMME Development

2.4.7 Manufacturing

- **Agri-processing**

According to the Ugu Agric Sector Plan 2007, this sector is well-developed in Umuziwabantu most notable various timber mills and processing plants primarily in the areas around Harding. High employment numbers in these sectors stresses the importance of the sector for Umuziwabantu.

- **Timber and Timber Products**

This sector covers a whole range of activities from logging and stripping to sawing and finally the manufacture of items such as construction materials (doors, window frames and others), furniture and other household items. There is however, a lot that still needs to be done for timber beneficiation before it leaves the region.

- **Trade and Commerce**

This provides an overview of the economy for Umuziwabantu municipality. It is evident that the trade and commerce sector contributes a significant portion of the overall economy in the municipalities. It accounts for around 50% of GDP in the Umuziwabantu municipality as stated in the Ugu Trade and Commerce sector plan.

Table 5: Gross Geographic Product Profile of Umuziwabantu Municipality Economy (GDP, 2004).

Sector	Umuziwabantu
Agriculture	20.12
Mining	0.66
Manufacturing	19.30
Electricity & water	0.19
Construction	2.53
Transport & communication	6.71
Trade; catering and accommodation	17.67
Finance and business services	4.93
Community, social and other personal services	9.59
General government services	18.31
Total	100.00

(Source: Quantec Easy Data)

2.4.8 Competitiveness

The information provided in the above tables is by no means exhaustive as various factors impact on the profitability of businesses and industries. Amongst others, competition is influenced by the following:

- Factor endowments – the availability of resources and their level of development.
- Distance to markets – transport costs has a huge impact on unprocessed primary products such as timber, mining and other agricultural products. .
- Infrastructure – poor infrastructure impacts negatively on the profitability and viability of industries. Provision of roads and electricity and other specific infrastructure requirements are critical for the survival and growth of existing industries and growth of new ones. Within this context government action can play a strategic role in mitigating these costs.
- Rivalry of competition – competition may facilitate or inhibit the emergence of new industries. The shortage of timber supplies and scramble for new forestry resources is a good thing for economies such as uMuziwabantu. This makes it because of easy access to markets and available support and partnerships from established forestry companies such as Mondi, SAPPI, NCT and Hans Merensky.
- Government Action – by developing appropriate support strategies for industry to invest in depressed local economies such as uMuziwabantu. New businesses can emerge. Through incentives, appropriate by-laws and other support mechanisms government can play a positive or negative role in attracting new investments and the expansion of existing ones.

2.4.9 Tourism

Ugu family of municipalities have successfully established a tourism entity which is responsible for the promotion of Tourism in the entire district. Already, the association is in a process of establishing a tourism office in the area of Umuziwabantu and has already established a tourism areal committee.

2.5 BASIC SERVICES AND INFRASTRUCTURE INVESTMENT

The level and quality of a country's infrastructure is the backbone of economy and determines the extent to which external investors may choose the country as an investment destination.

2.5.1 Roads and Storm Water Drainage

The Umuziwabantu municipality is responsible for the construction, maintenance and upgrading of access roads within the area of jurisdiction. There are two primary roads that form the spine of Umuziwabantu roads network, that is the N2 which connects this municipality with Ezingoleni and Port Shepstone on the east and the Eastern Cape on the south west and **R56** which connects to N2.

The condition of Harding roads is very poor. Most of them need to be re-done; patching them can only be a temporary measure. Historically, there are only two roads which were properly constructed: Hawkins (Bizana) and Murchison streets. The rest of the roads were gravel roads which were covered with the black top to reduce dust. Given the significant increase of traffic in the last 10 years and the lack of proper maintenance, this black top has deteriorated to an extent that in some roads there is more of gravel surface than tar. As a result the town is dusty and unpleasant to drive in.

During the last three years, the municipality has dedicated more than R20m to the upgrade Harding Roads. This excludes the R15m investment made by the provincial government as part of the Small Town Rehabilitation program which is currently being implemented. The current reconstruction of these roads is taking into account the current and future volumes of traffic.

The state of the rural road network remains a concern as most of the communities are inaccessible due to poor conditions of and lack of maintenance of these access roads.

The municipality, while noting that there are a few areas without access to well maintained access roads, acknowledges that most areas in Umuziwabantu have access roads, and that the priority of building new roads must be balanced against that of maintaining the existing ones. A prioritized achievement in the short term will be the drafting and adoption of a Municipal Road Network Maintenance Plan. In contrast to maintenance programme, which utilizes external contractors and a machinery-oriented approach, the Municipal Road Maintenance Plan for access roads seeks to address issues of unemployment and lack of skills through principles of Extended Public Works Programme (EPWP).

Maintenance of the storm water drainage network in town needs to be attended to with urgency. Silt, gravel and refuse regularly clog up the culverts, resulting in ponding of storm water on roads. This flooding contributes a lot in the filth of the town. As part of the roads upgrade, the municipality is redesigning and reconstructing the drainage system of the roads being upgraded.

Infrastructure Master Plan

The municipality funded by the DBSA and provincial COGTA has commissioned an infrastructure master plan for the town.

2.5.2 Electricity

There are two authorities licensed to supply electricity at Umuziwabantu, that is, the municipality and ESKOM. The former is only responsible for the town and the latter for the entire area, which is mainly rural. It could be estimated that the portion covered by the municipality is about one percent (1%) of the total area.

However, it is now known that in the near future Regional Electricity Distributors (REDs) will take over the function of distributing electricity from the two authorities.

This means that by the end of the five year term of the current national and provincial governments, the municipality and Eskom will not be the distributors of electricity. Although the national government has made a commitment to municipalities that they will not be worse off financially as a result of the removal of this income generating function, it has not yet been clarified how this will be avoided.

About 98 % of households in town have access to electricity with the balance being the informal settlement next to the low cost housing.

Table 6: Sources of Energy

ENERGY FOR LIGHTING			
	KZN	Ugu	Umuziwabantu
Electricity	71.5	68.2	78.2
Gas	0.2	0.2	0
Paraffin	2.6	2.6	0.9
Candles	24.5	24.5	19.5
Solar	0.5	0.5	0.2

(Source: Community Survey (2007))

The 2007 Community Survey conducted by STATSSA, as shown above, estimated that 78.2% households of Umuziwabantu have electricity, at least for lighting with 19.5% still using candles. The percentage of people using electricity is 10% and 7% above the district and provincial accessibility level, respectively. The backlog of about 21.8% and the pace at which Eskom has been extending the network, Umuziwabantu is one of the municipalities where it is possible to meet the 2014 target of the universal access to electricity. The national target for electrifying all households in South Africa has been extended from 2012 to 2014. Currently, there are two main electricity projects to be implemented in the 2010-2011 financial year. These are KwaMbotho and KwaJali projects with a total budget of R20.8m.

In terms of the capacity of substations, ESKOM confirms that the existing capacity is enough to carry 100% connection of households. This puts Umuziwabantu on an advantage as connections do not require upgrading of transformers, which is usually a delaying factor.

Alternative Source of Energy

Umuziwabantu and TPE energies (Cape Town) are piloting a wind power generated energy coordinated by District in municipalities with higher altitudes or favourable topography. Three sites have been earmarked, that include the Ingele Mountain near and facing Ingeli Forest Lodge, a hilltop in Ward 9 and a site near fontein sport ground as potential sites. This alternative source of energy will correlate to creating job opportunities and also to increase current revenue generated by the municipality. The municipality has started engaging Department of Energy and Eskom to discuss licensing and programme of action.

Free Basic Electricity

More than five thousand households are receiving the first 50kw of electricity free on monthly basis. This is part of the municipal indigent support on basic services.

2.5.3 Water Supply

In terms of delegated powers and functions, the function of water and sanitation service delivery rests with Ugu District Municipality. As Water Service Authority (WSA), UGU DM is responsible for ensuring water and sanitation access, planning of projects, regulation of projects, and overseeing water provision. As Water Service Provider (WSP), UGU DM is responsible for providing water and sanitation services, both effectively and efficiently, maintaining customer relations, and billing.

Although water provision is in the UGU DM competency, planning of projects is done jointly with local municipalities and budgeted for by the district. Based on the status quo, all urban residents have water in their houses or within the RDP standards in case of Kwamazakhele where residents get their water from the public water standpipes.

Access to water remains a challenge for rural communities; this is shown by huge backlog of lack of access to basic services. The table below is extracted from the Ugu' WSDP and it shows estimated backlog per tribal authority.

Table 7: Access to Water

Area	Estimated Population with Adequate Water Services	Estimated Population with a Backlog of Water Services
Bashaweni	982	0
KwaMachi/Isibonda	22867	27879
KwaFodo	5496	3023
KwaMmbotho	5030	2552
KwaJali	8069	6230
Dumisa/Thokozani	0	1838
TOTAL	42444	41522

(Source: Ugu WSDP 2008/2009)

The same document estimates that an amount of R 73,055,000.00 is needed to deal with the existing backlog by 2009. This plan is here annexed as a sector plan.

Public Inputs on Water Services

- **Water backlog in rural areas:** all rural wards raised access to clean water as one of the key priorities. This problem is reflected on the

backlog table above. In areas where the water reticulation has been implemented it is still very far from meeting the RDP standard of all households being at most 200m away from the standpipe. In many communities people still walk long distances to fetch water from the stand pipe or unsafe source.

- **Partially working water systems:** this problem is mainly experienced in rural areas where because of low pressure, it is said, certain areas end up having no water.
- **More resources needed for temporary water supply methods systems:** this refers to spring protection, borehole and water tanks

2.5.4 Sanitation

Many households in Harding town are using septic tanks and conservancy tanks with Mazakhele Township using the VIP system, a very inappropriate system in an urban setting. These systems are not the best for both the users and the environment, full waterborne system is required to ensure sustainable and environmentally healthy development. A big problem with conservancy tanks are sewage overflows. It is not uncommon to have sewage overflows into the storm water drainage, more especially during the rainy seasons.

The WSDP estimates that an amount of R 26,625,000 is needed for Harding to be on waterborne system excluding Greenfields and Mazakhele projects which are treated as separate projects. If included the costs moves up to ± R58 million. This project, of converting into a waterborne system in town has commenced and is anticipated to take three years.

The table below shows an estimated backlog in rural areas. These areas are provided with VIP toilets.

Table 8: Access to Sanitation

Area	Estimated Population with Adequate Sanitation Services	Estimated Population with Backlog of Sanitation Services
Bashaweni	0	982
KwaMachi/Isibonda	5047	45699
KwaFodo	4025	4494
KwaMmbotho	3542	4040
KwaJali/Nhlangano i	5866	8433
Dumisa/Thokozani	0	1838
TOTAL	18480	65486

(Source: Ugu WSDP 2008/2009)

It must be noted that in terms of the rural housing program funded by the Department of Housing, where a subsidized house is approved, the VIP toilet is also provided. This means that Ugu, the DoH and Umuziwabantu should work closely to ensure that there is no duplication of the same service. In fact, if this is well coordinated, the estimated time to do away with the backlog will be shortened and costs estimated by the district reduced significantly.

2.5.5 Housing

Like in many rural areas most houses in rural areas of Umuziwabantu are mud houses and they have a low resistance and easily collapse during storms. KwaJali and KwaMachi are areas which are susceptible to storms. In 2007 alone, more than 70 houses collapsed during the storms leaving casualties and at one fatality one.

As far as subsidized housing projects are concerned, there are both urban and rural housing projects. The table here below indicates the housing projects already

approved by the Department of Housing. The majority of these houses are to be built in rural areas. By the end of 2009 all 8128 houses should have been completed.

In rural projects, no rural scheme project is underway pending the allocation and plan from Department of Housing. On the urban programme Greenfields is on progress and for KwaMazakhele the DFA process has been approved more than 900 people are already occupying these houses.

Table 9: Access to Rural Housing

Name of Project	Number of Units
➔ Harding: Greenfields Project	338
➔ Winterton Harding: Phase 1	900
➔ Izibonda KwaMachi Rural Housing Project	1000
➔ Nhangwini/KwaFodo Rural Housing Project	1000
➔ KwaJali Tribal Authority Area Ward 7 and Portion of 9	890
➔ KwaDumisa Rural Housing Project	1000
➔ KwaMbotho Rural Housing Project	1000
➔ Mazakhele Winterton Phase 3	1000
➔ Bashaweni Rural Housing Project	1000
TOTAL	8128

(Source: Umuziwabantu Housing Sector Plan 2008)

2.5.6 Waste Removal

The majority of the population, about 95%, of Umuziwabantu uses their own dump to dispose their refuse. Only about 5% of the residents benefit from the municipal services, the majority of whom reside in and around Harding town. This is still very far from the national target of every household getting a refuse removal service at

least once a week by 2014. This target will require heavy investment which the municipality cannot afford from the current levels of funding.

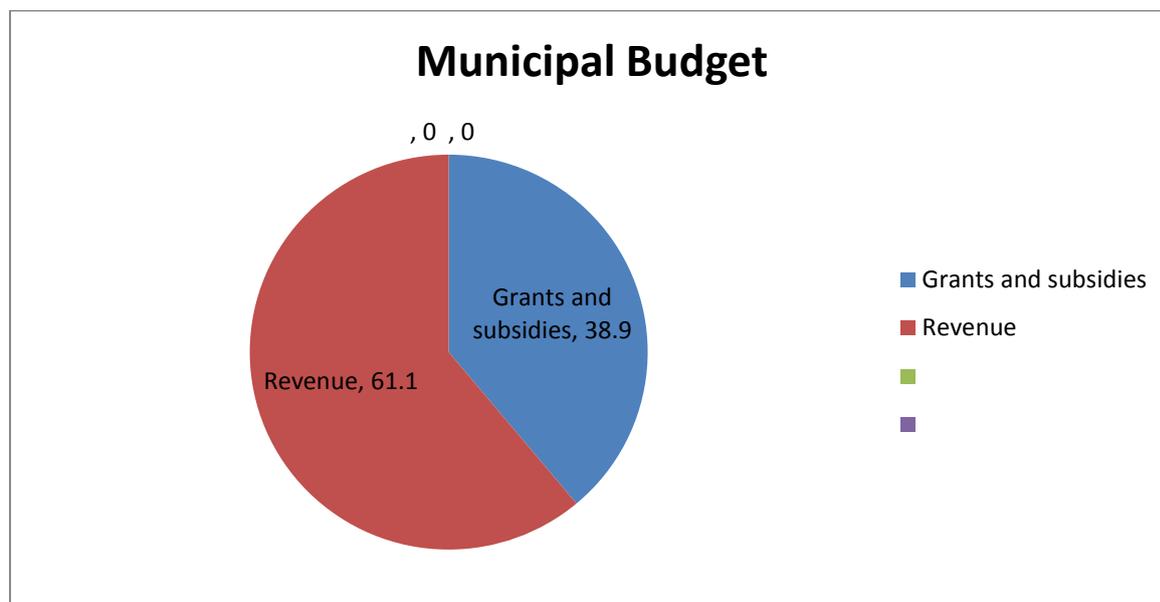
2.6 FINANCIAL VIABILITY AND MANAGEMENT

This KPA is concerned with the municipality's ability to manage its financial resources in sustainable manner. There are few indicators which point at whether the municipality is viable or not. This section is analyzed using the latest audited financial statements (2008-2009) and the approved budget (2009-2010).

2.6.1 Sources of Income

Here below is a split between grants and internally generated funding for the Municipal Budget (2010-2011)

Figure 1: Graphic Municipal Budget



As can be seen on the pie chart above, the municipal operations are 38.9% funded through grants and subsidies and the balance of 61.1% is generated internally. The following the main sources of income:

- Electricity
- Property rates

- Refuse removal
- Other (licensing; rentals; fines etc)

2.6.2 Financial Viability Determinants

Here below are viability results as calculated by the Provincial Treasury using the latest audited financial statements and the adopted budget. This analysis was published in October 2009:

2.6.2.1 Cash Balances

- Cash balances at the end of each year (for the last three years) indicate that the municipality has sufficient cash to cover unspent portion of the unspent conditional grants.

2.6.2.2 Cash Coverage Ratio

- The cash coverage ratio indicates that the available cash can cover approximately 8 months fixed operating expenditure.
- The cash coverage ratio appears to be reasonable over the 3 financial years and indicates that cash on hand is being effectively used.
- Cash coverage was 852% for 2008-2009

2.6.2.3 Liquidity Ratio

This ratio indicates the extent to which current assets can be used to cover short term liabilities. This ratio is good for Umuziwabantu as it was 2.06 for 2008-2009

All ratios which are used to test the viability of the municipality show an excellent performance by the municipality. Like in many municipalities the key challenge is the increasing debtors.

2.6.3 Auditor General's Report

Table 10: Auditor General's Report

2004/05	2005/06	2006/07	2007/2008	2008/2009
Qualified	Qualified	Qualified	Unqualified	Unqualified

The above table shows the history of the municipality's financial statements reliability. There has been a positive change since 2007. The national target set by the national government is for all municipalities to have clean audit by 2014.

2.7 INSTITUTIONAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

2.7.1 Municipal Structure

Umuziwabantu municipality is a category B municipality using an executive committee system. Council has three portfolio committees:

- ⇒ Finance; budget and Corporate Services
- ⇒ Planning; Housing; LED and infrastructure
- ⇒ Community Services

Table 11: Municipal Structure

PORTFOLIO COMMITTEE	TERMS OF REFERENCE
Finance; budget and Corporate Services	<ul style="list-style-type: none"> ⇒ Municipal finance including billing; ⇒ Municipal rating and taxation; ⇒ Municipal insurance; ⇒ Municipal banking and investments; ⇒ Loans and governmental subsidies; ⇒ Grants in aid ⇒ Labour Relations ⇒ Occupational Health and Safety
Community Services	<ul style="list-style-type: none"> ⇒ Squatting;

	<ul style="list-style-type: none"> ⇒ Groups with special needs (youth; women; elderly and the disabled); ⇒ Street Vending; ⇒ Education, crèches, welfare in general and religious services; ⇒ HIV and AIDS ⇒ Business licensing; ⇒ Cemeteries and crematoria; ⇒ Refuse removal, refuse dumps and solid waste disposal; ⇒ Cleansing, road and storm water maintenance; and ⇒ Building maintenance ⇒ Disaster management ⇒ Traffic services ⇒ Fire fighting services
Planning; LED; Housing and Infrastructure	<ul style="list-style-type: none"> ⇒ Local economic development; ⇒ Promotion of industrial development; ⇒ Land matters; ⇒ Rendering of basic services ⇒ Electricity and gas reticulation; ⇒ Storm water management systems in rural and urban areas; ⇒ Street lighting; ⇒ Capital roads items and construction; ⇒ Storm water capital items; ⇒ Housing Projects; ⇒ Housing development; and ⇒ Housing Projects administration
IDP FORUM	<ul style="list-style-type: none"> ⇒ Coordinate and facilitate IDP Projects ⇒ Debates and review IDP objectives ⇒ Integrates sectoral and other stakeholders strategic plans <p style="text-align: center;">Propose recommendations to both EXCO and Council. UMUZIWABANTU VISION STATEMENT</p> <ul style="list-style-type: none"> ⇒ To be a preferred investment destination with superior and sustainable service delivery.

	⇒ Integration and formulation of projects
Human Settlement Forum	⇒ Housing development; and ⇒ Housing Projects administration

2.7.2 Municipal Administration

The administration, as appropriately delegated, has a responsibility to support the Council in exercising its powers and functions in the followings ways:

- It has to support the political structures in performing the political functions. These include the Council itself, the offices of the Speaker, the Mayor and the Executive Committee as well as Council Committees.
- It also has a responsibility to support the functioning of community participation structures as required in Chapter 4 of the Municipal Systems Act. These include ward committees.
- Lastly, it has to ensure that services that are incidental to the exercise of the municipality's powers and functions are delivered.

The municipality has eighteen councillors and 155 staff. The administration has three departments:

- ⇒ Finance
- ⇒ Technical Services
- ⇒ Corporate Services

There is a possibility of creating another directorate which will incorporate fire and disaster management issues especially that Umuziwabantu has over 20% covered with forestation. The municipal organogram is reviewed annually with the IDP.

2.7.3 Skills Development

The municipality is facing a big challenge of the shortage of skills more especially in the technical and finance departments. The shortage of skills presents itself as both the absence of people and the occupation of positions by under qualified people. During the last three financial years the training and development budget was mainly utilized in the financial management, project management; traffic management and general management and leadership. These programs included the councillor development.

2.7.4 Annual Report

The Annual Report was tabled to Council in January 2010 and was adopted on the 31 March 2010.

2.7.5 Auditor General's Report

Umuziwabantu got an unqualified audit opinion for a second time in succession with the following matters of emphasis:

- Unauthorised expenditure
- Fruitless and wasteful expenditure
- Irregular expenditure
- Revision of the previously issued financial statements
- Restatement of corresponding figures
- Material Losses

The responses and a plan to the findings were tabled to both the Audit Committee and to council in the presence of the AG.

2.7.6 Existing Inter-Municipal Structures

The municipality is participating in the following district coordinated structures:

- District Intergovernmental Relations Forum

- Speakers Forum
- Municipal Managers Forum
- Chief Financial Officers (CFOs) Forum
- HR Managers Forum: HR managers of each municipality comprise this forum
- Skills Development Facilitators forum: This forum includes HR Managers and Skills Development Practitioners of the municipalities
- Disaster management forum
- LED Chairpersons Forum

2.8 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

In terms of *section 151 of the Constitution*, the executive and legislative authority of a municipality is vested in its Municipal Council.

2.8.1 Powers and Functions

Specific functions and the way that the responsibilities for these functions are allocated to the 3 different spheres of government are detailed in Schedules 4 and 5 of the constitution. Schedules 4B and 5B identifies those functions allocated to local government.

These Schedules read together with section 84 of the Local Government: Municipal Structures Act provide the distinction between services which can be delivered by district municipalities and those which can be run by the local municipalities.

Umuziwabantu Municipality has been allocated powers and functions reflected in the following table in terms of the Constitution and the Municipal Structures Act no 117 of 1998. Over and above the MEC for local government determined that the district functions of fire fighting and roads are allocated to Umuziwabantu.

Table 12: Powers and Functions

<ol style="list-style-type: none"> 1. Air pollution 2. Building regulations 3. Child care facilities 4. Electricity reticulation 5. Fire-fighting services 6. Local tourism 7. Municipal airport 8. Municipal planning 9. Municipal transport 10. Pontoons, fairies, settees, piers and harbours excluding the regulations of international and national shipping 11. Storm water management system 12. Trading regulations 	<ol style="list-style-type: none"> 13. Beaches and amusement facilities 14. Billboards and display advertisement in public places 15. Cemeteries, funeral parlours and crematoria – including the DM function 16. Cleansing 17. Control of public nuisance 18. Control of undertakings that sell liquor to the public 19. Facilities for the accommodation care and burial of animals 20. Fencing and fences 21. Licensing and controlling of undertakings that sell food to the public 22. Local sport facilities 23. Markets 24. Municipal abattoirs 25. Municipal parks and recreation 26. Municipal roads – including the DM function 27. Noise pollution 28. Pounds 29. Public places 30. Refuse removals, refuse dumps
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	<p>and solid waste disposals – including the DM function</p> <p>31. Street trading</p> <p>32. Street lighting</p> <p>33. Traffic and parking</p> <p>34. Municipal public works only in respect of the needs of the municipalities – including the DM function</p>
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2.8.2 Shared Services

Ugu Family of Municipalities identified several functions which were seen to be very costly and complicated for each municipality to establish. The advantages of sharing services are:

- Benefitting out of the economies of scale
- Sharing of experience
- Ability to recruit the scarce resource persons jointly
- Planning at a macro level

The following services have been established as the shared services or in the process of being established:

2.8.2.1 Internal Audit and the Audit Committee

The Ugu family of municipalities Municipality established an Audit Committee as an independent advisory body in terms of Section 166 (1) of the Local Government: Municipal Finance Management Act, 2003 (the MFMA). The Audit Committee established in terms of Section 166(1) of the MFMA also fulfils the functions of a performance management audit committee constituted in terms of Regulation 14(2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001. The internal audit as well is established and services all seven municipality

All municipalities contribute financially and have the equal share of time. This is most successful shared service to date.

2.8.2.2 Fire Fighting Services

This service is shared in a different manner. Given the vastness of the district area the municipalities were clustered in two groups of three in terms of geographic proximity. Umuziwabantu is in the same cluster with Ezingoleni and the Hibiscus Coast Municipality. The cluster will have a central command but the resources are decentralized equitably to three municipalities.

2.8.2.3 Development Planning Shared Services

This shared service includes the following functions:

- Strategic Planning
- Spatial planning
- Development Administration
- Performance Management
- Information Management
- Building Inspections and Control

2.8.2.4 IDP Process Plan

The 2010 / 2011 IDP Review Process Plans of the District and its Local Municipalities were prepared in line with the IDP Framework Plan of the district as agreed by all the Municipalities in the District. In 2009 the Ugu District Municipality, in pursuit of the relevant legislative directives, adopted its 2010/2011 IDP Review Framework Plan to guide its process plans and consequently, the IDP process plans of both the district itself and the local municipalities within the area of its jurisdiction. This was done in consultation with the local municipalities through IDP Managers Forums, IDP Representative Forums, Steering Committees, EXCO and the Councils of the respective municipalities.

The IDP Framework Plan provides the linkage for binding relationships to be established between the district and its family of local municipalities. In so doing,

proper consultation, co-ordination and alignment of the review process of the District Municipality and its various local municipalities has been maintained. The Process Plan is attached overleaf as an Annexure.

2.8.2.5 Special Programmes

Umuziwabantu has launched the following functions:

- People with Disabilities Forum
- Youth Forums
- Women/Gender forum
- Senior citizens' Forum

The HIV and AIDS forum is the only one which is still outstanding. For each of these programmes there is dedicated funding and two managerial positions have been established in the Municipal Manager's Office for the youth and for all other special programs

2.9 SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

Here below is the status quo of the environmental management at Umuziwabantu:

Strategic Priority	Departments	Indicator	Status Quo	Responsible person
		Environmental Sector Plans	<ul style="list-style-type: none"> • 1 SEAs in the pipeline (Ph1) –Umuziwabantu • IWMP – District-wide. Tender awarded 	Ugu/DAEARD –Env Services Ugu DM,
		Greening initiatives	<ul style="list-style-type: none"> • Greening projects Nursery for traditional healers for medicinal plants • Invasive Alien Species Programme – Umuziwabantu LM – R2,3m. 	DEARD EKZN WIlDlife
		Environmental Education and Awareness	<ul style="list-style-type: none"> • Educators and learners, youth, traditional healers and leaders, CDWs, 	Ugu /DAEARD –Env Services
	DAEARD, EKZNW, UGU DM	Environmental Impact Management	<ul style="list-style-type: none"> • Support and advisory role to the competent authority on biodiversity/ecosystem specialist advice • Authorization issuing for the submitted and qualifying projects. • Toolkit - Guideline document developed for consultants detailing what exactly EKZNW looks for during EIAs to avoid delays in EIA and land-use change applications. This document establishes norms and standards for (i) undertaking specialist investigations, and (ii) the incorporation of specialist findings and recommendations into a project 	Ms Bianca McKelvey DAERD – UGU Regional Office EKZN-Wildlife DAEARD - UGU Regional Office, UGU DM

			<ul style="list-style-type: none"> Regional/district Office with 5 directorates Deployed officials for project management and immediate assistance 	
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MORE DETAILED INFORMATION COMPLEMENTING THE ABOVE TABLE

Project/Program Progress Report Template for 2009/2010 Financial Year (on what was planned last year for Umuziwabantu)

Program and Project	Project description	Targeted beneficiary per municipality and ward	Expected outcomes	Progress to date	Challenges	Budget	Responsible person
Greening Projects	Identification and development of greening projects for low income houses		<ol style="list-style-type: none"> 1. Job creation 2. Planting Trees 3. Training people 4. Greening Houses 		<p>The beneficiaries do not tend the trees e.g. watering them, left to livestock to graze on</p> <p>Theft of trees by by-passers as houses are not fenced off</p> <p>- The stipend given to people planting the trees is too little.</p> <p>- Funds are not sufficient to complete the projects once off.</p> <p>- Other beneficiaries do not like/take the</p>		DAEARD – UGu Regional Office –

					trees at all.		
Environmental Education and awareness	Environmental education for focus groups e.g. youth, traditional leaders and healers, planners and engineers, educators, clean-up campaigns Development and dissemination of information material to beneficiaries	Ugu DM and LM (per schedule)	Environmental awareness and information sharing	Some rolled out while some are at planning stage	Monitoring and ensuring that the trained beneficiaries do cascade the knowledge to the communities at large		DAEARD – UGu District Office – (in collaboration with Ugu DM and other member departments and public entities)
Strategic environmental planning	Strategic Environmental Assessment (SEA) and Integrated Waste Management Plan (IWMP)	Umuziwabantu LM (SEA);	Strategic environmental management tools to guide development, informed decision-making and environmental and socio-economic projects	SEA in the status quo phase		SEA – R500,000 from DAEARD, R150,000 from Ugu DM;	DAEARD – UGu Regional Office Ugu DM Muziwabantu LM
Law enforcement	Enforcement and Compliance monitoring to projects authorised	District and all Local Municipalities	Compliance monitoring and enforcement by all	This is an ongoing exercise directed by demand	Limited Personnel and vehicular tools to enable timeous response Lack of environmental awareness by the public and deliberate non-	R0, 00	

					<p>compliance by those who are aware.</p> <p>Lack of enforcement tools to other institutions hence responsibilities shifted to DAEARD.</p> <p>Environmental law enforcement vs cooperative governance</p>		
Environmental Impact Management	Conducting environmental impact assessment for all the submitted projects that fall under listed activities in the EIA Regulations	Ugu DM and applicant LM	Informed decision-making on the nature of development in appropriate spots	This is an ongoing exercise	<p>Municipality not factoring in time required for EIA in project planning.</p> <p>Perception that EIA process delays development</p>	R0, 00	DAEARD – UGu District Office –

CHAPTER THREE

MUNICIPAL DEVELOPMENT STRATEGIES

3.1 VISION AND MISSION

3.1.1 Vision

UMUZIWABANTU VISION STATEMENT

To be a preferred investment destination with superior and sustainable service delivery.

3.1.2 Mission Statement

Umuziwabantu shall create an environment that is attractive to investors, thereby creating jobs and improving the quality of life.

3.2 STRATEGIC OBJECTIVES

- To promote social cohesion and provision of social amenities
- To ensure sustainable infrastructure investment
- To strategically plan towards development of human capital
- To ensure alignment and integration of strategies, programmes and projects
- To promote economic development programs and related activities for a mixed economy.
- To proactively plan to reconcile land reform and land claims programmes to sustainable local economic development.

- Intensify provision of free basic services targeting indigent groups
- To create an enabling environment for local economic development
- To vigilantly plan and manage our environmental resources
- To enhance fight against the spread HIV/AIDS pandemic and other diseases

3.3 DEVELOPMENT STRATEGIES

National Key Performance Area	Medium Term Strategic Framework (MTSF), 2009 – 2014	Provincial priority	Strategic focus area	Strategic objectives	Strategies	Programmes	Responsible Department
Local Economic Development	Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	Decent work	Thriving and growing economy.	To transform the local economy of in a manner that promotes BBBEE.	Broad-Based Black Economic Empowerment	Proper implementation of the Preferential Procurement.	MM& TREASURY
					Utilize the municipal forestation to empower and promote young black entrepreneurs.	Provision of profitable agricultural land to SMMEs of the previously disadvantage	LED Section
					Use Municipal-owned land and properties to leverage BBBEE opportunities and general economic transformation.	Provision of profitable agricultural land to SMMEs of the previously disadvantage	LED Section
			To promote economic growth of the town of Harding.	Land release	Development of commercial centres		

			Business Support	To promote integrated business support with special focus on SMMEs	Lobby the small Enterprise Development Agency (SEDA) service to establish offices at Umuziwabantu.	SMME support system	LED Section
			Agricultural development	To promote agriculture to be the backbone of Umuziwabantu economy.	Linkage of small farmers with Ugu and other Markets		LED Section
					Establish strong relations with the department of Agriculture and Amakhosi for the purpose of encouraging; supporting; and allocating land to small farmers.		
			Urban rehabilitation	To develop and promote sustainable service, trade and commerce centres attractive to potential investors.	Reconstruction of roads.	Urban Renewal Programme	
National Key Performance Area	Medium Term Strategic Framework (MTSF), 2009 – 2014	Provincial priority	Strategic focus area	Strategic objectives	Strategies	Programmes	Responsible Department

Basic services and infrastructure development	Massive programme to build economic and social infrastructure		Access to reliable source of energy	To ensure universal access to electricity by 2012.	Upgrade and maintain existing electricity infrastructure	Replacement of all outdated meters in Harding	Technical Services	
					Alternative energy sources.	Wind energy generation	LED	
			Waste management	To ensure an integrated waste management system which benefits more residents	Ensuring sufficient capacity	Registration of new land fill site	Technical Services	
						Development of an integrated waste management plan	Technical Services	
						Upgrading of the landfill site	Technical Services	
					To ensure affordable housing for middle income/subsidy earners.	Investigate the best funding method with the department of housing; banks and developers for middle income earners.	Middle income Development	Technical Services
					To eradicate informal settlements	Alignment of needy communities with the funding program	Slums clearance project	Technical Services

				To ensure effective maintenance, upgrade and construction of roads to improve the transport system within the district.	Align projects with the departments so that the investment by both spheres is focused and coordinated, Put in place good monitoring system to prevent over deterioration of roads.	Construction of roads	
				To ensure provision of free basic services	indigent support	Update the indigent database,	Treasury & Corporate
						Communication campaign identify more indigent people,	Treasury & Corporate
Economic Development	Comprehensive rural development strategy linked to land and agrarian reform and food security	Rural development		Rural development	Revival of agricultural economy in rural areas		

Municipal transformation and institutional development	Strengthen the skills and human resource base		Skills Development	To ensure successive leadership within the organisation	Support internal upward mobility. Establish mentorship programmes. Skills transfer to new incumbents by deployment of experienced professionals.	Identify scarce skills within the organization. Train internal staff. Develop management training course. Apply for learnerships in the area of scarce skills	Corporate
	Improvement of the image Of the municipality through accelerated service delivery.		Institutional capacity building	To ensure that the institution is better prepared to execute its mandate.	Turnaround strategy	Ten focal areas of the turnaround strategy.	Municipal Manager's Office

National Key Performance Area	Medium Term Strategic Framework (MTSF), 2009 – 2014	Provincial priority	Strategic focus area	Strategic objectives	Strategies	Programmes	Responsible Department
Municipal transformation and institutional development	Strengthen the skills and human resource base.					Invest in staff training and development.	Corporate Services
						Encourage inter-municipal learning visits.	
						Improving our communication unit to better respond and interact with internal and external stakeholders.	

				To ensure proper implementation of PMS	Implement a monitoring system that is based on the IDP, indicators targets and timeframes.	Municipal support programme on PMS funded by CoGTA.	MM'S Office
					Alignment of individual performance with organizational performance.	Municipal support programme on PMS funded by CoGTA.	
					Implementation of a shared service on performance management.		

				To establish and ensure functionality of all core municipal policies and systems as required by legislations.	On going review of municipal operational systems.		Corporate Services
					Establish standardized set of business procedures		

				To restructure the institutional set up for the enhanced services delivery and development,	Review organogram by restructuring existing departments and units and filling up critical posts to enhance both management and operations by focusing on development and planning, administration and water,		Corporate Services
Spatial Planning and Environment Management	Strategic Priority 9: Sustainable Resource Management and Use	Development of human capacity and education	Safe, transformed and sustainable environment			spatial planning	All sectors
		creating healthier and sustainable communities					

					Sector planning (waste, water, biodiversity, coastal, air, estuaries, land-use, tourism,	All sectors
				climate change mitigation and adaptation	Air quality management	DAEARD ugu DM DAE
					Environmental Impact Assessment	DAEARD Umuziwabantu LM ugu DM EKZNW Disaster Management Centre Amafa aKwaZulu-Ntali

						Education and Awareness	DAEARD Umuziwabantu LM ugu DM EKZNW Disaster Management Centre Amafa aKwaZulu-Natali DoE South African Weather Services DAE
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						Greening	DAEARD Umuziwabantu LM Ugu DM NGOs Umuziwabantu EKZNW Services DAE DoE Amafa aKwaZulu-Natali
						Disease control and management	Dept of Health Ugu DM DAEARD-Vet services
						Traditional/indigenous knowledge system	House of traditional Authorities Amafa aKwaZulu-Natal
						Disaster management	Ugu DM LM South African Weather Services

					reduce negative environmental impacts and promote sustainable use of natural resources	Environmental Impact Assessment	DAERD All Sectors
						Compliance Monitoring and Enforcement	Umuziwabantu DAEARD Ugu DM LM
						Education and awareness	DAEARD Umuziwabantu WESSA Ugu District
						Sector Planning	Amafa aKwaZulu-Natal
					ensure effective waste management	Strategic planning Ugu DM	Umuziwabantu LM DAEARD Ugu DM

						Municipal Solid Waste	Umuziwabantu LM Ugu DM
						Health Care Risk Waste	Dept of Health Ugu Umuziwabantu LM
						Education and awareness	DAEARD Dept of Health Ugu Umuziwabantu LM
					promote environmental protection and biodiversity conservation	Alien Invasive Programme	DAEARD ugu DM Umuziwabantu LM NGOs EKZNW Services DAE WESSA NGOS
						Environmental Impact Assessment	DAEARD Ugu DM LM

						Law enforcement	DAEARD Ugu DM LM EKZNW WESSA NGOS
						Education and awareness	EKZNW DAE WESSA NGOS DAEARD ugu DM Umuziwabantu LM
						Sector Planning	All sectors

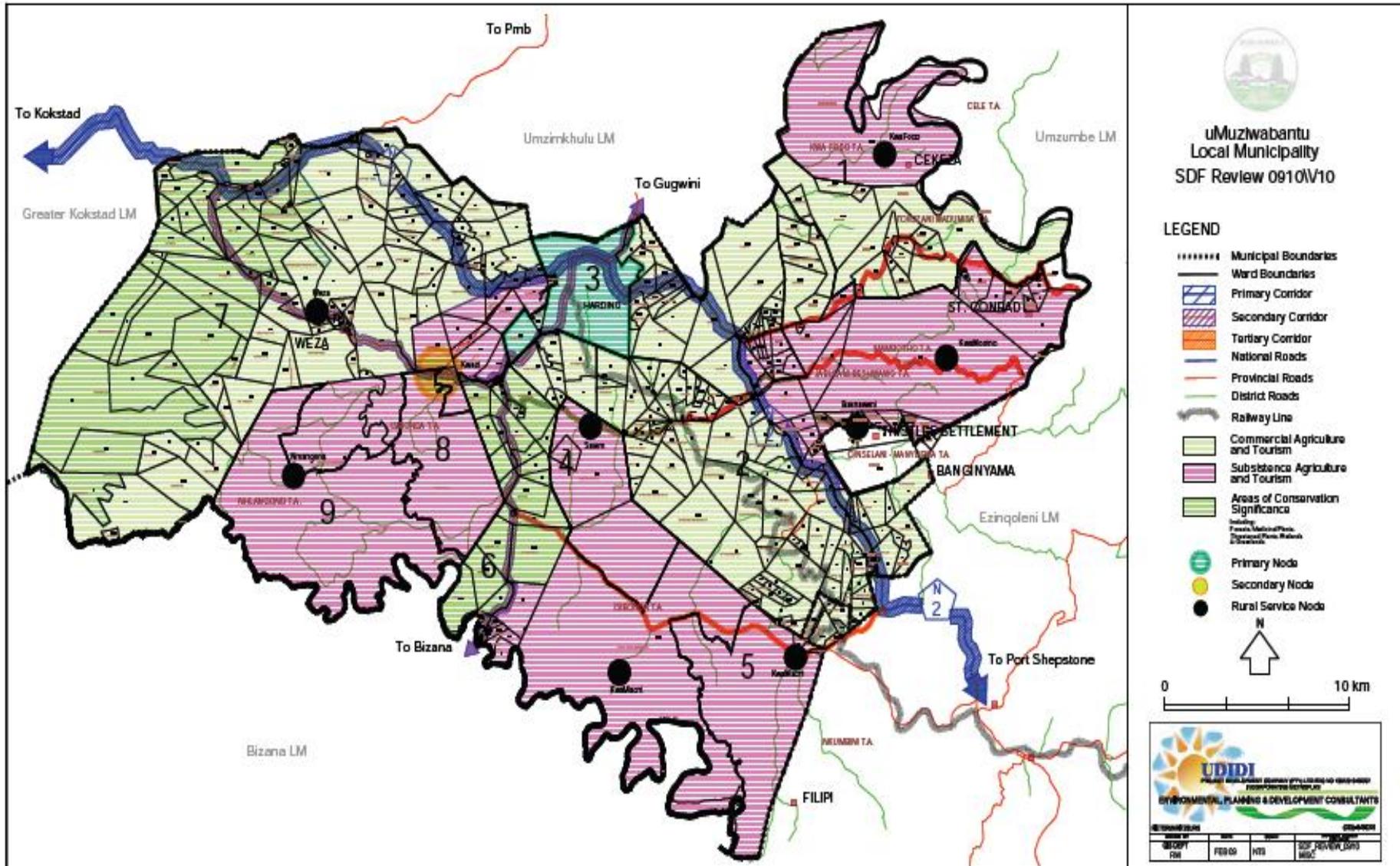
CHAPTER FOUR

HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK (SDF)

4.1 Spatial Rationale

The map below indicates the spatial layout of Umuziwabantu Local Municipality with the intended and potential developments:

Map 2: Umuziwabantu Spatial Development Framework



The Spatial Development Framework (SDF) is an integral part of a Municipality's IDP (Chapter 5 of the Municipal Systems Act 32, Of 2000) and should reflect the culmination of the other elements of the IDP, guided by those development informants, strategies and development actions, which have a spatial implication. Based on the development strategies identified in the Umuziwabantu Municipality's IDP, the Spatial Development Framework has taken into account the subsequent critical areas to be developed spatially.

- Agricultural Development in the form of :
 - a) enhancing commercial agriculture and promotion of subsistence farming by providing access to land (State Owned Land lease extension and Land reform) and
 - b) promotion of cooperatives (Training and Mentoring).
- Environmental Management or promotion of sustainable tourism and Agriculture; and
- Nodal Economic Development.

4.2 Aims of the SDF

Amongst others the aims of this SDF are:

- To promote sustainable functional and integrated settlement patterns
- To maximise resources efficiency;
- To enhance regional identity and unique character of place.
- To ensure conformance with the neighbouring local, district's and provincial spatial development frameworks.

4.3 The Link between the SDF and Land Use Management System (LUMS)

It is important to note that the IDP's Spatial Development Framework is intended to form the basis for the Land Use Management System for the municipal area, Land

Use Management System referring in this instance to i) the control of development and ii) the facilitation of development. These two aspects place different requirements on the Spatial Development Framework-on the one hand it must be detailed enough to guide the implementation of land use rights (by means of Planning Schemes), while on the other hand it must identify measures to stimulate development.

4.4 The Spatial Framework

The development informant maps are a series of maps, which indicates the spatial trends and diverse issues of the municipality. The following list of maps has been prepared to form the base of the Spatial Framework.

Map 1 : Landscapes – Topography in relation to Indigenous Forests, Rivers and Roads

Map 2 : Significant Landscapes and Biodiversity

Map 3 : Agricultural Potential

Map 4 : Land Cover

Map 5 : Social Infrastructure

Map 6 : Land Use Management Enabling Framework

Map 7 : Umuziwabantu SDF 2001

Based on this set of maps, the following key broad spatial trends and issues have been identified.

4.4.1 Corridors

The Movement Corridors linking the primary nodes, secondary nodes, and rural service nodes were proposed as follows:

- Primary Corridor:
- Secondary Corridor:
- Tertiary Corridors:

4.4.1.1 Primary Corridors

The primary movement corridor at Umuziwabantu is the N2 which connects this municipality with Port Shepstone to the east and Kokstad to the west which are the economic hubs in the region.

4.4.1.2 Secondary Corridors

P59 is a secondary corridor and also provides linkages to Bizana town. P417 is also a secondary corridor connecting Harding to Umzimkhulu Municipality where the community of Gugwini enjoys a short cut to Harding. P61 which is a loop road from the N2 linking Kwezi and Weza are secondary corridors and mainly serve as public transport routes and economic routes for timber. P238 linking with the Harding/Bizana road (P59) from Kwezi is also a secondary corridor identified. These routes are important linkages with the surrounding municipalities and regular maintenance of these roads and widening is essential as they are used as public transport corridors.

4.4.1.3 Tertiary Corridors

D250 (to KwaFodo Road), D165 (Kwambotho Road), P 327 (Seaview Road), P 58 (Kwa Machi Road) are tertiary corridors that provide vital linkages to service satellites in the municipality and ensure connectivity with service delivery at Rural Service Nodes identified.

4.4.2 Nodes

The Settlement Hierarchy proposed for the municipal area is as follows:

- Primary Node - Administrative and Economic Centre
- Secondary Node – Distribution Point
- Rural Service Node - Delivery of Supplementary Services:

4.4.2.1 Primary Node

The primary node for Umuziwabantu is Harding since it is the main centre for government offices, trade, manufacturing and employment opportunities. Therefore, it is paramount that Harding be supported and strengthened to ensure its sustainability over the long term, thereby protecting the investment that supports the whole municipal area. Different kind of land uses encompassing various kinds of trade, social services, transportation and residential infill should be encouraged at this node.

The accessibility of the Harding area must be maximized not only for the land reform beneficiaries but for all the municipality's inhabitants since Harding is the main point for both first order and second order goods within the municipality. Therefore there is an need for a Master Plan to be developed for the Harding Town.

4.4.2.2 Secondary Node

The secondary node is at KwaMbonwa within the greater Ikwezi area, this area is where rapid densification is taking place. The secondary node is also located at the junction of P61, the secondary transportation corridor from Weza to the N2 and Harding and the P238 linking with the Harding/ Bizana road (P59).

4.4.2.3 Rural Service Node

The location of these nodes is usually the most accessible location within an acceptable walking distance of a particular community. These were identified in Salem, Weza, Hlangano, KwaFodo, Bashaweni and KwaMachi.

4.5 Land Use and Environmental Management

4.5.1 Areas of Conservation Significance / Adventure and Eco Tourism

Areas of Conservation Significance consist of both private and communal land which have important water and nature conservation values, but do not enjoy formal legal protection. These areas contain natural communities of high nature-conservation value, and also important grazing resources which occupy virtually the entire zone.

The intrinsic bio-diversity value of eco-systems and natural habitats on agricultural farmlands provide the basis for eco-tourism diversification and sustainable farming practices, thus activities need to be carefully planned in order to integrate with the environmental attributes and minimize any negative impacts

This area provides and opportunity for:

- Recreation,
- Conservation of biodiversity
- A tourism attraction node (at Ingeli forests with the trails as the attraction).

4.5.2 Commercial Agriculture and Eco Tourism

Well managed agriculture occurs almost throughout the municipality. Future development of the municipality should seek to preserve the agricultural land in the area, develop its specific potentials and provide for diversification e.g. tourism. In

the course of diversifying to tourism conservation efforts should be applied utilising protection mechanisms such as bio-sphere reserves. Diversification in terms of agricultural production needs to be explored as the area has potential for wheat, Honeybee production and sugarcane.

The major potential within the municipality is timber which covers approximately 34000ha in plantations and this need to be preserved in the form of proper environmental management and disaster management (fire fighting units).

4.5.3 Subsistence Agriculture and Eco Tourism

This type of farming is a characteristic of the traditional areas. Much of the tribal areas are not cultivated mainly for economic reasons such as deep poverty. The small subsistence cultivated plots that are cultivated are often established in unsuitable areas, the slope is either too steep, the soils are highly eroded or vulnerable seeps or wetlands are planted up. Subsistence farming within these areas includes livestock raising, Dryland cropping and homestead gardening. Inland, the density of housing is reduced and grazing land is more available for livestock. While livestock keeping is not primarily for commercial purposes, livestock do not play a major role in rural communities.

There is a need to extend or develop lease agreements with small farmers on the state owned land so they can be productive in order to fight poverty (e.g. Gundrift area).

Cooperatives need to be formulated in order to achieve this and proper training and mentoring need to be undertaken to ensure sustainability of this initiative.

4.5.4 Land Reform

Umuziwabantu has 4 prioritised restitution claims that are lodged with the land claims commission m5 PLRO projects have been transferred. There are no labour tenants' applications.

Restitution Claims

Umuziwabantu	
Project Name	Property Description
Machi Community	Gundrift, Umtamvuna Drift, Wartle
Bombo Community	Ravenhill, Brookside, Hawarden
Mbotho Community	Keitdale and Movice Farms
Kwa-Fodo	Bedford Farm

4.5.5 Housing

The following housing projects predominantly consist of insitu upgrading or Rural Housing Projects with the exception of Greenfields projects in Harding and Winterton areas.

Project Name	Number of Units	Status
Harding Greenfields project	338	Complete
Winterton Harding: Phase 1	900	Complete
Izibonda KwaMachi Rural Housing project	1000	Incomplete

Nhlangwini/ Housing project	KwaFodo Rural		1000	Incomplete
KwaJali Tribal Ward 7 and Portion of 9	Authority Area		890	Incomplete
KwaDumisa Project	Rural	Housing	1000	Incomplete
KwaMbotho Project	Rural	Housing	1000	Incomplete
Mazakhele Winterton Phase 3			1000	Incomplete
Bashaweni Project	Rural	Housing	1000	Incomplete

4.6 Conclusion

The Umuziwabantu Spatial Development Framework (SDF) provides a broad indication of where different types of development should take place within the municipal area. As such it provides general direction to guide decision-making (and thereby contribute towards the creation of integrated and habitable towns and residential areas), a framework for the review of land use management system for the municipal area and a framework for public and private sector investment.

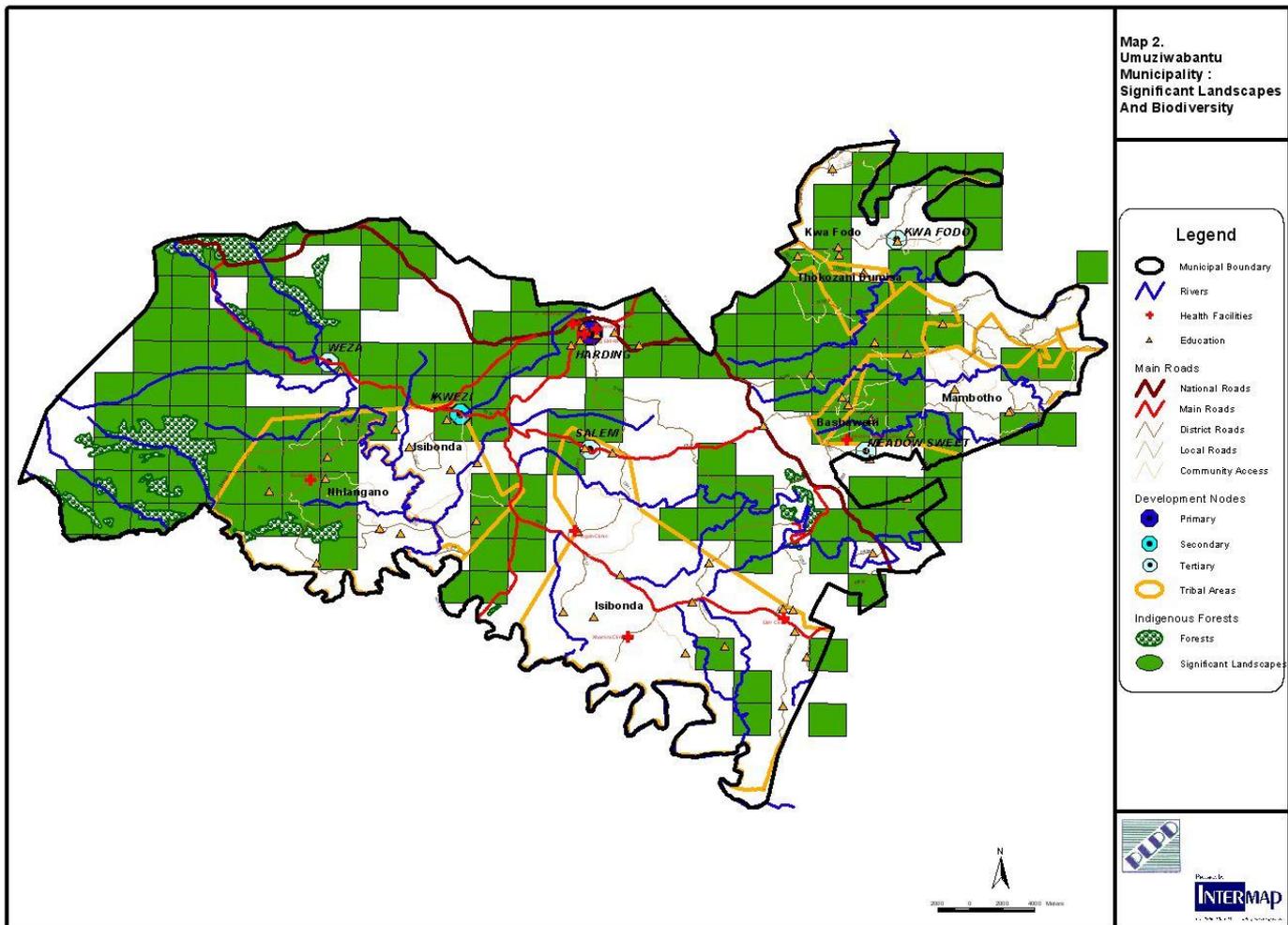
This is a broad desktop SDF for Umuziwabantu Municipality. The municipality is currently developing a new SDF with assistance from the DBSA through the district municipality. The development of the SDF coincides with the Strategic Environment Assessment which is conducted with an assistance of the Department of Environmental Affairs. The Strategic Environmental Assessment (SEA) being prepared will include, among others:

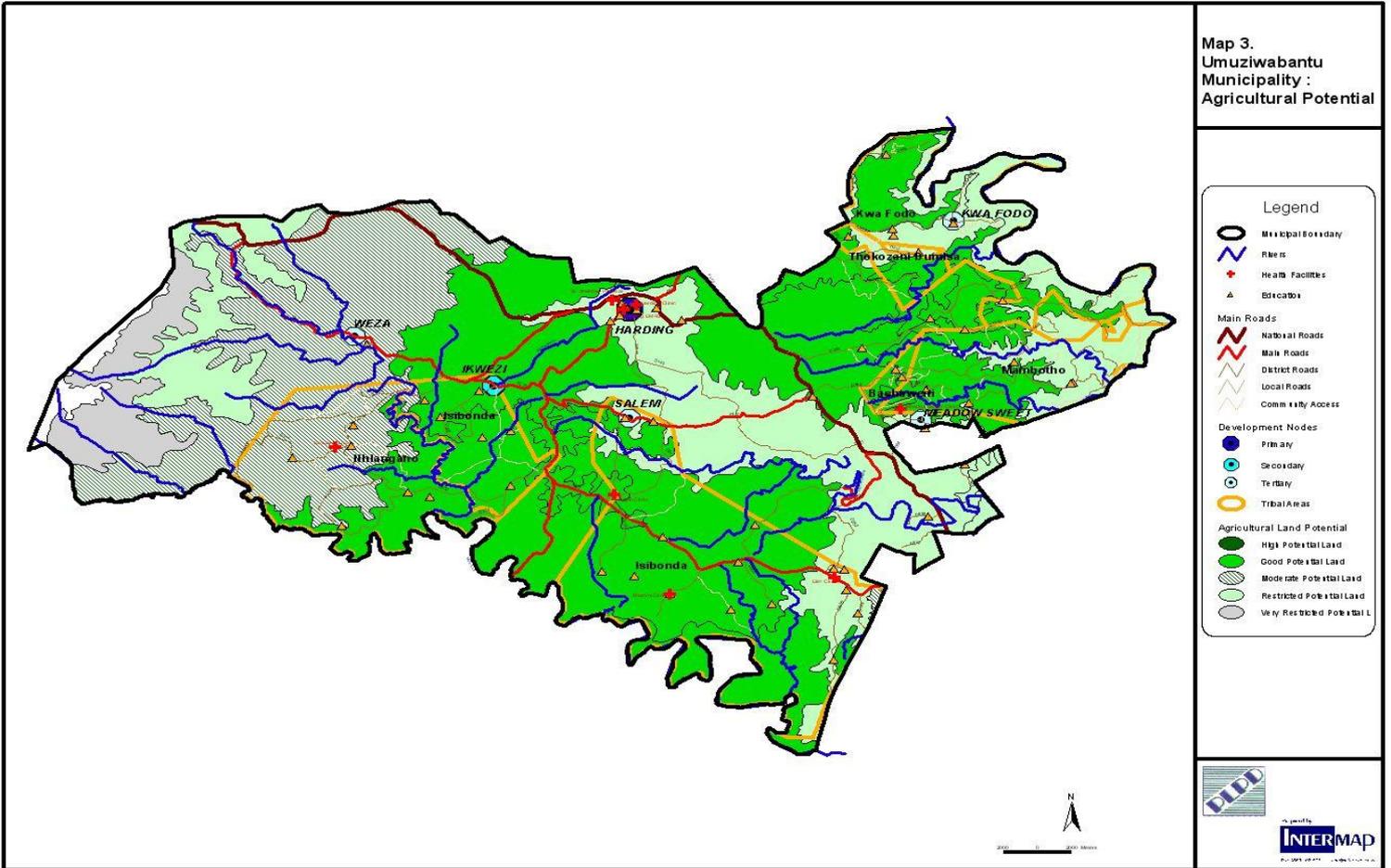
- ❖ Review and identify the desired Spatial Patterns (Long term vision)

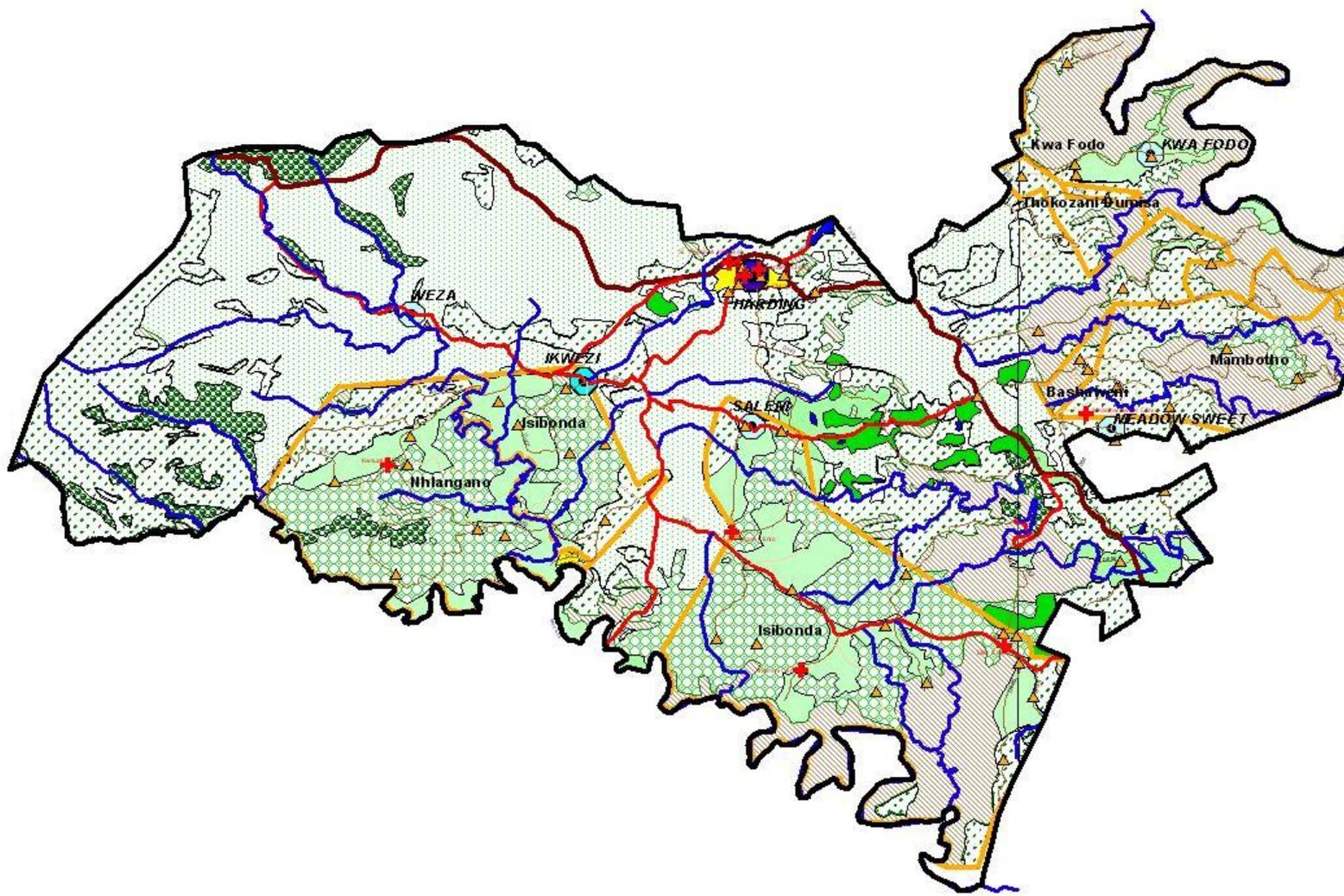
- ❖ Identification of Spatial intervention areas (Short to medium vision)
- ❖ Identification of key strategic intervention areas.
- ❖ Layout Plan for all nodes and urban renewal plans for each node.

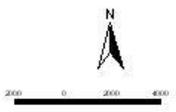
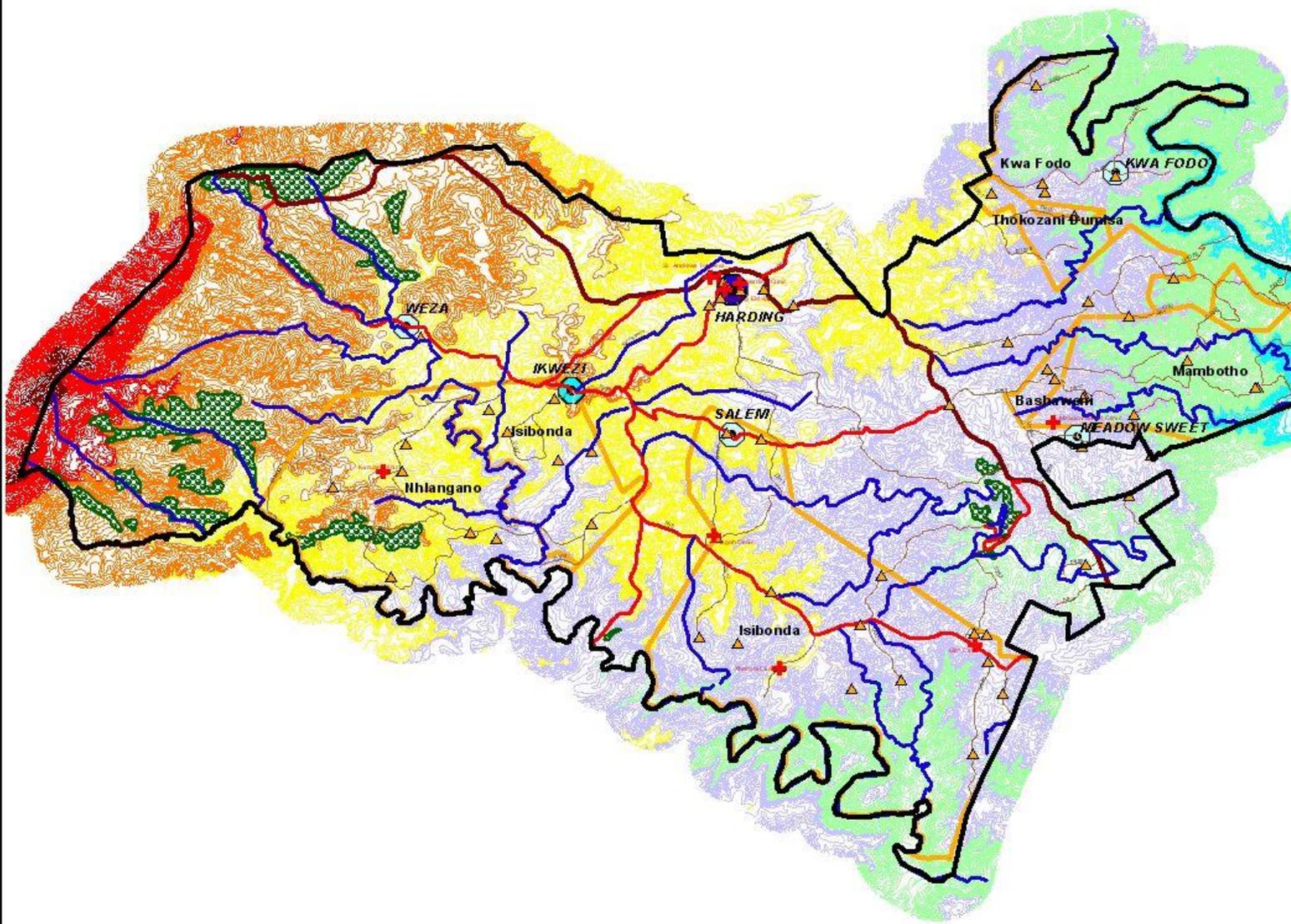
This will enable the municipality to:

- ❖ Create a more efficient urban form by:
 - densifying existing urban nodes in appropriate locations
 - strengthening secondary service centres
 - identifying and implementing development corridors
- ❖ promote more flexible land use mix
- ❖ strengthening secondary service centres
- ❖ ensure a more efficient use of infrastructure
- ❖ give preference to those land uses that will assist in achieving the Municipality's Vision and particularly the local economic development and environmental objectives
- ❖ create an environment conducive to investors and small entrepreneurs
- ❖ optimize the inherent tourism and recreation potential of the area









CHAPTER FIVE

SECTOR CO-ORDINATION AND INVOLVEMENT

5.1 Sector Involvement

The intent of this section is to clearly outline how other spheres of government are positioned to render support to the Umuziwabantu to achieve developmental objectives and goals contained in the IDP and other strategic tools. This is also emphasized by the White Paper on Intergovernmental Relations which is aimed to forge partnerships between government, parastatals, NGOs and CBOs communities in the service delivery of integrated services. It does appear though, some department like Department of Transport are still missing in the equation in terms of participation. However other Departments like Social Development and Welfare, Home Affairs, SAPS, SASSA and Department of Health and Education were very active and passionate with the integrated development approach to address problems at Umuziwabantu.

5.2 Sectoral Strategies

1. To create an enabling environment for local economic development
 - a. Ugu District Municipality
 - b. Department of Economic Development
 - c. Department of Agriculture and Environmental Affairs
 - d. Eskom
2. To plan towards development of human capital
 - a. Ugu District
 - b. Provincial Department of Local Government and Traditional Affairs
 - c. Department of Provincial and Local Government
 - d. SALGA
3. To ensure sustainable infrastructure investment

- a. Ugu District Municipality
 - b. Department of Local Government and Traditional Affairs (DLGTA)
 - c. Department of Housing
 - d. Works Department
 - e. Department of Transport
4. To promote social cohesion and provision of social amenities
- a. Ugu District Municipality
 - b. Provincial Department of Local Government and Traditional Affairs
 - c. Department of Social Development Department of Sports and Recreation
 - d. SAPS
 - e. Department of Arts Culture and Tourism
5. To plan and manage environmental resources
- a. Ugu District Municipality
 - b. Department of Agriculture and Environmental Affairs
 - c. Department of Cooperative Governance and Traditional Affairs
6. To facilitate access to free basic services
- a. Department of provincial and local government
 - b. Department of Cooperative Governance and Traditional Affairs
7. To support reconcile land reform to land claims
- a. Department of Land Affairs
 - b. Department of Cooperative Governance and Traditional Affairs
8. To promote an economic development programmes
- a. Department of Economic Development

- b. Department of Local Government and Traditional Affairs
 - c. Provincial Department of Agriculture and Environmental Affairs
 - d. Eskom
 - e. Department of Mineral and Energy
 - f. DOT
 - g. Telkom
 - h. Spoornet
 - i. Department of Public Enterprises
9. To create sustainable and socially cohesive Communities
- a. Department of Transport
 - b. Department of Social Development
 - c. SAPS
 - d. DLGTA
 - e. Department of Communication
10. To enhance fight against the spread of HIV/AIDS pandemic and other diseases
- a. Ugu District Municipality
 - b. Department of Health
 - c. DLGTA
 - d. NGOs
 - e. Department of Social Development
 - f. Department of Education

PUBLIC SECTOR INVEST ON UGU FAMILY OF MUNICIPALITIES

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10	2010/11	2011/12	
	In R'000	In R'000	In R'000	
1. Office of the Premier	4,446	4,780	5,066	<p>To create a sound and stable Municipal administration</p> <p>To promote municipality that is free of AIDS/HIV and TB</p> <p>To promote tolerance, perseverance and participation in development</p>
2. Agriculture and Envio. Affairs	21,141	23,428	24,834	<p>To promote employment and self-employment opportunities</p> <p>To support access to land and land tenure improvement</p> <p>To create a sustainable physical Environment</p> <p>To promote municipality that is free of AIDS/HIV and TB</p>
3 Economic Development	7,211	3,022	3,250	<p>To promote employment and self-employment opportunities</p>

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10 In R'000	2010/11 In R'000	2011/12 In R'000	
4. Education	1,176,294	1,305,450	1,396,830	To Facilitate access better quality Education and facilities To promote tolerance, perseverance and participation in development
5. Health	821,061	925,067	1,079,052	To promote municipality that is free of AIDS/HIV and TB
6. Housing	155,610	207,108	212,992	To Facilitate provision of Housing infrastructure To support access to land and land tenure improvement To create a sustainable physical Environment To create sustainable and socially cohesive Communities
7. Community Safety and Liaison	4,734	7,717	6,948	To promote tolerance, perseverance and participation in development

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10	2010/11	2011/12	
	In R'000	In R'000	In R'000	
8. Local Gov, & Traditional Affairs	47,851	66,678	35,818	<p>To promote employment and self-employment opportunities</p> <p>To create a sound and stable Municipal administration</p> <p>To advance adequate infrastructure provision</p> <p>To advance provision of social amenities</p> <p>To support access to land and land tenure improvement</p> <p>To create sustainable and socially cohesive Communities</p>
9. Transport	197,822	247,707	265,203	<p>To promote employment and self-employment opportunities</p> <p>To advance adequate infrastructure provision</p> <p>To create sustainable and socially cohesive Communities</p>

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10	2010/11	2011/12	
	In R'000	In R'000	In R'000	
10. Social Development	83,885	94,776	117,136	<p>To promote employment and self-employment opportunities</p> <p>To advance provision of social amenities</p> <p>To create sustainable and socially cohesive Communities</p> <p>To promote municipality that is free of AIDS/HIV and TB</p> <p>To promote tolerance, perseverance and participation in development</p>
11. Works	700	700	700	<p>To promote employment and self-employment opportunities</p> <p>To advance provision of social amenities</p> <p>To Facilitate access to better quality Education and facilities</p>

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10	2010/11	2011/12	
	In R'000	In R'000	In R'000	
12. Arts, Culture and Tourism	17,858	13,462	9,161	<p>To promote employment and self-employment opportunities</p> <p>To advance provision of social amenities</p> <p>To create a sustainable physical Environment</p> <p>To create sustainable and socially cohesive Communities</p> <p>To promote tolerance, perseverance and participation in development</p>
13. Sport and Recreation	11,285	15,169	16,012	<p>To promote employment and self-employment opportunities</p> <p>To advance provision of social amenities</p> <p>To Facilitate access to better quality Education and facilities</p>

SECTOR DEPARTMENT	MTEF ALLOCATION FOR UGU			UMUZIWABANTU STRATEGIC DIRECTIONS
	2009/10	2010/11	2011/12	
	In R'000	In R'000	In R'000	
				To create sustainable and socially cohesive Communities

5.3 Sector Plans

The municipality realises the need for integration of sector plans in order to achieve cross sectional development that is informed from all spheres of government the following has list is hereby outline below with status quo of the plans development.

PLAN	COMMENTS/PROGRESS	RESPONSIBLE DEPARTMENT/ROLE PLAYER
Workplace Skills Development Plan	Completed and was done internally	Municipality
Waste Management Plan (WMP)	Funds have been set aside R700 000	Municipality & DEAT, DAEA & Ugu
Disaster Management Plan	Being developed R250 000	Municipality
Land Use Management Scheme	Complete. Funds required for review and implementation of the scheme.	Municipality
Local Economic Development (LED)n Strategy	Funding was secured with Gijima KZN (EU) and the strategy is complete.	Municipality; Gijima
Spatial Development Framework	Being developed with the assistance of DBSA	Municipalities and DBSA
Housing Sector Plan	Complete	DOH and Municipality
HIV & AIDS strategy.	Adopted plan used by St. Andrews	Department of Health
IT Plan.	No IT plan in place. Entered into SLA with SETA	SETA and municipality

PLAN	COMMENTS/PROGRESS	RESPONSIBLE DEPARTMENT/ROLE PLAYER
Risk Management Plan	BEING DEVELOPED	Municipality
Internal skills Audit	Complete	Municipality
Skills Development Plan.	Reviewed Annually	Municipality
Property Rates Policy	Reviewed Annually	Municipality
Credit control and debt collection policy.	Reviewed Annually	Municipality
Supply Chain Management Policy.	Reviewed Annually	Municipality
Preferential procurement policy	Reviewed Annually	Municipality
HR Policies	Reviewed Annually	Municipality
Town Planning By-laws	Recently Adopted	Municipality and Ugu shared services

CHAPTER SIX

PROGRAMMES AND PROJECTS

6.1. Programmes and Projects for Service Delivery

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT						
No.	Project Name	Area	Funding	Budget 09/10	Budget 10/11 Allocation	budget 11/12 Allocation	12/13 budget Allocation	Nature	Total Project Value
M1	Living stone Phase 3	Ward 3	MIG	DONE				Infrastructure	2 961 392
M2	Holman Street	Ward 3	MIG	DONE				Infrastructure	1 000 000
M3	Keate Street Phase 2	Ward3	MIG	DONE				Infrastructure	600 000
M4	Patterson Street	Ward 3	MIG	DONE				Infrastructure	2 000 000
M5	Electrification Kwajali and KwaMbotho (Esabelweni)	Ward9	Dept. Of Energy		R10.8m	R5m	R5m	Infrastructure	R20.m
M6	Town Rehabilitation	Ward3	COGTA	R11.5m	R3.5m			Infrastructure	R15m

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT						
LM1	Regravelling of D926	Ward 1	Mun		TBA	TBA		Infrastructure	TBA
LM1	Mabhungwini Access Road	Ward 2	Mun		R2.2m			Infrastructure	R2.2m
LM1	Street lights -Greenfields	Ward 3	Mun		R500 000			Infrastructure	TBA
LM1	Quarry for Road from Ntshangwe to Eringini	Ward4	Mun					Infrastructure	TBA
LM1	Water Main Pippes at Engqungqumeni	Ward 5	Mun					Infrastructure	TBA
LM1	Bridge from KwaNhlanza to Mjika	Ward 6	Mun					Infrastructure	TBA
LM1	Upgrade Main Road D862 (Mkhoba to Esitezi)	Ward 7	Mun					Infrastructure	TBA
LM1	Constr. of Access Rd Hlabe to KwaNgubelanga	Ward 8	Mun		R2.1M			Infrastructure	TBA
LM 1	Bridge connecting Mlolweni and Eskhulu	Ward 9	Mun		R5.2			Infrastructure	TBA
								Infrastructure	TBA

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT						
LM.2	Access Road to Cemetery site and one for Ediphini	Ward 1	Mun					Infrastructure	TBA
LM.2	Sport grounds at Esabelweni, Fihla, kwaGasa, Ndlovini, Xambu and Mpesu	Ward 2	Mun					Infrastructure	TBA
LM.2	Recreational Park (play & soccer ground)	Ward 3	Mun					Infrastructure	TBA
LM.2	Bridge constr. Nkondwana, Sangulube, Zibini River, Road from Gadenzima to Ntunini, RD from Mpola to Jijintaba	Ward 4	Mun					Infrastructure	TBA
LM.2	Sport Ground for Koloni	Ward 5	Mun					Infrastructure	TBA
LM.2	Sport Complex for Mdlangathi	Ward 6	Mun					Infrastructure	TBA
LM.2	Gravelling D914, D1032, Access Rd to all schools	Ward 7	Mun					Infrastructure	TBA
LM.2	Gravelling access Rd from Shabalala to Shangase (Mkhoba)	Ward 8	Mun					Infrastructure	TBA

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT						
LM.2	Bridge Bhudlu to Silangwe, Mfila to Edebheni	Ward 9	Mun					Infrastructure	TBA
DM.1	KwaMbotho water extensions	Ward 2	DM		3 000 000			Infrastructure	3 000 000.00
DM.2	KwaMbotho/ KwaFodo Bulk interlink	Ward 1&2	DM					Infrastructure	
DM.3	KwaFodo Phase 3 to Dumisa	Ward 1	DM					Infrastructure	
DM.4	Mazakhele	Ward 3	DM					Infrastructure	
DM.5	Harding Weza phase 7	Ward 7	DM	2 000 000.00	20 000000	20000 000		Infrastructure	
DM.6	KwaMbotho bulk 1	Ward 2	DM					Infrastructure	
DM.7	Harding Weza water supply-dam	Ward 7	DM	5 000 000.00	25000000	25 000000		Infrastructure	
DM.8	KwaFodo phase 2 booster pumpstation	Ward 1	DM	R7 000 000.00	R 48 000 000	R 45 000 000.00			

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
No.	Project Name	Area	KPI	09/10 budget Allocation	10/11 budget Allocation	11/12 budget Allocation	Nature	Total Project Value
LM.3	Construction of KweLabasha Road		Mun				Infrastructure	TBA
LM.3	Crèche at Bashaweni		Mun				Infrastructure	TBA
LM.3	Construction of MPCC		Mun				Infrastructure	TBA
LM.3	Upgrade Access Rd from Ntshangwe to Nyomvela		Mun				Infrastructure	TBA
LM.3	Construction of MPCC		Mun				Infrastructure	TBA
LM.3	Building Construction for old age		Mun				Infrastructure	TBA
LM.3	Constr. of MPCC at Nkungwini		Mun				Infrastructure	TBA

NATIONAL KEY PERFORNCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
No.	Project Name	Area	KPI	09/10 budget Allocation	10/11 budget Allocation	11/12 budget Allocation	Nature	Total Project Value
LM.3	Bridge for road connecting Road D907	Mun					Infrastructure	To Be Allocated (TBA)
LM.3	Gravelling D1033	Mun					Infrastructure	TBA

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
No.	Project Name	Area	Funding	09/10 budget Allocation	10/11 budget Allocation	11/12 budget Allocation	Nature of Project	Total Project Value
LM.4	Santombe Sport Fields	Ward 1	Mun		To identify funding source	To identify funding source	Infrastructure	TBA
LM4	Hall at Mpesu	Ward 3	Mun			To identify funding source	Infrastructure	TBA
LM4	Upgrading of Sport complex	Ward 3	Mun			To identify funding source	Infrastructure	TBA
LM4	Sport grounds at Ocingweni	Ward 4	Mun			To identify funding source	Infrastructure	TBA
LM4	Creche	Ward 5	Mun			To identify funding source	Infrastructure	TBA
LM4	Phumza Community Hall	Ward 6	Mun				Infrastructure	TBA

LM4	Hall Construction for Mkhoba	Ward 7	Mun				Infrastructure	TBA
LM4	Weza Bridge for Mbuthuma and KwaJali	Ward 8	Mun				Infrastructure	TBA
LM 4	Construct. Of MPCC for Engele	Ward 9	Mun					TBA

NATIONAL KEY PERFORMANCE AREA			SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT					
No.	Project Name	Area	Funding	09/10 budget Allocation	10/11 budget Allocation	11/12 budget Allocation	Nature	Total Project Value
LM.5	Construction MPCC for KwaDumisa/ KwaFodo	Ward 1	Mun	0			Infrastructure	TBA
LM.5	Construction of MPCC for Esabelweni	Ward 2	Mun	0			Infrastructure	TBA
LM.5	Zelia Homes – Entrance & Driveways	Ward 3	Mun	0			Infrastructure	TBA
LM.5	Access Rd from KwaPhondo to Mavetheni	Ward 4	Mun	0		R2.2m	Infrastructure	TBA

LM.5	Sanitation, Nongidi, Mbangweni & Ngunjini	Ward 5	Mun	0			Infrastructure	TBA
LM.5		Ward 6	Mun	0			Infrastructure	
LM.5	Pedestrian Bridge from Ngqolo	Ward 7	Mun	0			Infrastructure	TBA
LM.5	Construction of an MPCC next to Clinic	Ward 8	Mun	0			Infrastructure	
LM5	Uplifting of bridge from Esikhulu to Esitezi ward 8&9	Ward 9	Mun	0			Infrastructure	TBA
PG1	Santombe Clinic	Ward 1	Dept. of Health				Infrastructure	8 405 000
PG2	Kwambotho Clinic	Ward 2	Dept. of Health				Infrastructure	6 033 005
PG3	Pisgah Clinic (Renovations)	Ward 4	Dept. of Health				Infrastructure	4 534 950
PG4	Kwajali Clinic	Ward 7	Dept. of Health				Infrastructure	1 511 994
PG 5	Broiler and piggery	KZ214	Dept. of Agric				Infrastructure	600 000
PG 6	Bean & maize production	KZ214	Dept. of Agric				LED	900 000

PG 7	Marketing of Bean produce	KZ214	Dept. of Agric				LED	60 000
PG 8	Integrated Food Security	KZ214	Dept. of Agric				LED	660 000
PG 9	Local selections	KZ214	Sport and Recr.				Awareness campaigns	3 333.33
PG 10	Selections of sport admin.	KZ214	Sport and Recr.				Good governance	12 500
PG 11	District structures	KZ214	Sport and Recr.				Sport	6 666.6
PG 12	Training Off. And administrat.	KZ214	Sport and Recr.				Indigenous games	100 000
PG 13	Identification of hub	KZ214	Sport and Recr.				Talent Identification	80 000
PG 14	Arts and Culture Forums	KZ214	Arts, Culture, Tourism				Support to Arts & Culture	5000
PG 15	Visual Arts & Craft	KZ214	Arts, Culture, Tourism				Vis Arts & Craft Development	20 000
PG 16	Craft Development	KZ214	Arts, Culture, Tourism				Craft Arts & workshop	20 000
PG 17	Music, Song and Dance	KZ214	Arts, Culture, Tourism				Music, song and Dance	40 000

PG 18	Theatre Project	KZ214	Arts, Culture, Tourism				Theatre workshop	30 000
PG 19	Film Development	KZ214	Arts, Culture, Tourism				Theatre workshop	15 000
PG21	Greening of Mazakhele	KZ214	Dept. of Agric & Enviro	160 000	170 000	180 000	Greening of Mazakhele	366 000
PG22	Sustainable environment	KZ214	Dept. of Agric & Enviro				Distr. Interg. Waste Managt	827 000
PG23	Environmental Planning	KZ214	Dept. of Agric & Enviro				Strat. Enviro. Management	670 000
PG24	Sustainable environment	District	Dept. of Water & Forest				Alien plant removal	10 000000
PG 25	Health empowered community	District	Dept. of Agric & Enviro	60 000	75 000	90 000	Health Educ. programme	225 000
PG 26	Clean Air	District	Dept. of Agric & Enviro	120 000	150 000	170 000	Air Quality Monitoring	440 000
PG 27	Safe Water	District	Dept. of Agric & Enviro				Eliminate Pollution	TBA
PG 29	Quality food handled hygiene	District	Dept. of Agric & Enviro				Food safety Control	TBA
PG 30	Healthy Buildings	District	Dept. of Agric & Enviro				Planning and build control	TBA
PG 31	Ensure sustainable Coastal	District	Dept. of Enviro and Tr	3,3 M	3,3 M	0	Sustainable Coastal	6,6 M

PG 32	Environment	District	Dept. of Agric & Enviro				Integrated Coastal Plan	TBA
PG 33	Environment	District	Dept. of Agric & Enviro				Communicable Diseases	TBA

HOUSING PROJECTS

	PROJECT NAME		NO. OF UNITS	PROJECT TYPE	PROJECT STATUS	2009/10 BUDGET R
PG34	Mazakhele Winterton Phase 3		1071	Greenfields/slum clearance	Active	2 134 396
PG35	Izibonda KwaMachi Rural Housing		1000	Rural	Close-out	0
PG36	Nhlangwini/Kwafodo Rural Housing		1000	Rural	Active	7 961 558
PG37	KwaJali Tribal Authority Area Ward 7 & Portion of 9		890	Rural	Active	2 909 166
PG 38	Bashaweni Rural Housing		1000	Rural	Active	0
PG 39	KwaDumisa Rural housing		1000	Rural	Active	9 789 039
PG 40	Harding: Greenfields		338	Rural	Close-out	0
PG 41	Izibonda KwaMachi Phase 2 Rural housing		1000	Rural	Closed	2 909 166
PG 42	KwaMbotho Rural housing		1000	Rural	Packaging	348 500

CHAPTER SEVEN

FINANCIAL PLAN

INTRODUCTION

Umuziwabantu Municipality financial plan has been prepared in terms of section 26 of the Local Government: Municipal Systems Act.

The financial plan includes the Operating Budget, Capital Budget, and Sources of funding for the Capital Budget, Financial strategies and programmes, various financial management policies adopted by council, key financial targets, key performance indicators and a budget according to the IDP priorities. Umuziwabantu Municipality has recognised that in order to be successful, the Budget and the IDP Process must be linked.

PURPOSE

Is to create a medium and long term strategic financial framework for allocation of resources and to ensure financial viability and sustainability of municipality.

RESPONSIBILITY

The Budget and Treasury office is responsible for the Collection of revenue due to the municipality by the management of billing and Credit Control function which is than expended on creditors which include the payments for operations and projects and payment of salaries. The treasury office also manages the Budget and Reporting, Supply Chain, Assets & Liabilities.

CAPITAL & OPERATING BUDGET ESTIMATES

	2009/2010	2010/2011	2011/2012	2012/2013
	R,000	R,000	R,000	R,000
REVENUE BY SOURCE				
Property Rates	7699	8650	9515	10466
Service Charges	10699	19126	24338	31043
Investment Revenue	2363	2599	2859	3145
Grants & Subsidies	27173	25998	28598	31458
Other own revenue	12169	9539	2688	2935
TOTAL REVENUE	60089	65913	67979	79048
EXPENDITURE				
OPERATING EXPENDITURE TYPE				
Employee Costs	27407	30307	32823	35547
Remuneration of councillors	4358	4720	5112	5536
Depreciation	2366	2430	2673	2941
Finance Charges	99	99	109	119
Bulk Purchases	11343	13380	17247	22231
Transfer grants	100	150	150	150
TOTAL OPERATING EXPENDITURE	60089	65912	67967	75368
CAPITAL EXPENDITURE BY VOTE				
Governance & Administration	1051	590	715	300

Community & Public Safety	13062	3935	400	150
Economic & Environmental services	31286	25438	26745	13130
Trading Services	2760	12580	3200	3050
TOTAL CAPITAL EXPENDITURE	47637	42668	30645	16600
TOTAL EXPENDITURE	117726	118582	98624	95648

- The Government grants for 2010/2011 are as per the Division of Revenue Act.
- The inflation rate has been estimated at 6.3%
- Increase in the Salary and Wage bill will be as a result of the new position, Inflation related increase for Councillors and Senior managers allowances and 8.48% as per SALGA
- Increase is rate set at 5%
- Increase in refuse at 11% due to efforts of trying to balance the cost of provision of service and revenue received
- Increase in electricity as per NERSA's recommendation

Financial Strategy

Management of Municipal Finance involves both strategic and operational component, Strategically municipal finances should always be managed with caution bearing the credit crunch that the country is currently recovering from which has a direct impact in cost of buying and income expected by the Municipality which will then involve the Management of Cash flow

Umuziwabantu Municipality is a developing Municipality which means that is a need for the provision of infrastructure. Currently the municipality is experience a huge challenge in the area of limited and not sufficient funding to fund it operation and on the provision of infrastructure.

STRATEGIES & PROGRAMMES

Asset Management Strategies and Programmes

The Budget Format and content for the MTEF period 2008/09 to 2010/13 was informed by circular 28 of the MFMA. Budget assumptions were informed by circular 41 where expenses are increased with an average of 6% and salaries with 7%. The same assumptions will be applied in the determination of tariffs when applicable and required.

All Departments within the Municipality were involved in the Budget discussions that resulted in this multi-year Budget. The focus was on key service delivery challenges within the municipal area and municipal administration whilst acknowledging the political context and its associated financial implications and priorities of the council. Challenges such as overtime, acting allowances, temporary workers, leave provision, infrastructure maintenance budget, and repairs were considered.

The budget was submitted to the Finance Portfolio committee for consideration and assessment and the draft budget as tabled before council for noting.

Grant dependency remains the biggest problem of the municipality and due to the economic profile of local citizens. In terms of credit control policy, Free Basic services are provided to the indigent to ensure that unemployment has a minimum effect to the standard of living and payment levels.

Endeavours will be made to ensure that all funds and payments that are due to the municipality are secured; this will be achieved through the appointment of the CFO and capacitating the Finance Unit as much as possible.

Basic Interventions that Address the Audit Report

The General Auditors report contained number of elements of emphasis which included the following:

- Asset Management – the municipality has reviewed its asset management policy and a register has been opened to record all transactions.
- Performance Management information not measurable – the municipality has reviewed the existing PMS framework and ensured alignment of the Key performance objectives to those in both IDP and SDBIP.
- Capacitating SCM Unit staff and bid committees – the municipality has hired PALAMA (Formerly known as SAMDI) to conduct training for a week on bid committees and functioning of the SCM Unit.
- Budget Capital Projects not aligned with IDP – The councillors through IDP Forum prioritised capital projects which have been included in the budget for the year under consideration.
- Debt collection strategy – the municipality has intensified systems and methods of revenue collection through correspondence and disconnections of services to defaulters. That has led to number of citizens paying their rates indefinitely.
- Finance Policies have been recently reviewed to align the procedures and regulations to the treasury regulations and circulars.

Return on Investments

This is a ratio of money gained or lost (realized or unrealized) on an investment relative to the amount of money invested. The amount of money gained or lost may be referred to as interest, profit/loss, gain/loss, or net income/loss. The money invested may be referred to as the asset, capital, principal, or the cost basis of the investment. ROI is usually expressed as a percentage rather than a fraction. Municipalities are encouraged to invest in order to gain profits. The municipality has reviewed its investment policy to optimal maximize its potential to make more profits in order to increase their service delivery.

Expenditure and Income

The municipality has increased its monitoring and safeguarding procedures to prevent fraudulent and corruption practices.

Risk Assessment and Management

This refers to the proactive mechanism of managing potential hazards to the municipal systems. Risks defined as either of external or internal origin must be minimized in the organization. The municipality has engaged a process of developing a risk management policy for 2009/10. Amongst other things the policy will deal with potential risks at strategic, operational and financial levels and procedures to be followed in due course.

Revenue enhancement measures

The municipality has filled vacancies in the unit and hence provided training to the new staff to improve efficiency and productivity in the usage of billing system. Amongst other activities, the municipality has created a register for indigent. To promote higher recovery, the municipality shall afford discounts to willing debtors.

Revenue by Sources

- Equitable share
- Other grants (MIG/ DOH/DED/DLGTA)
- VAT Recovery
- Licences and Permits
- Interest Earned-Outstanding Debtors
- Other Service Charges
- Interest Earned- External Investments
- Rental of Equipment and Facilities
- Fines

Finance Strategy

Sound Financial Management and Planning remain a top priority of Umuziwabantu Municipality. Therefore the following strategies and policies have been developed or underdevelopment to ensure that a good financial steed in maintained.

Budget Policy: (Reviewed)

The Budget Policy gives guidance to the basis, format and information that must be included in the budget documentation. In addition to the policy the budget process is supported by a range of circulars which include annual budget assumptions.

Indigent Policy: Reviewed

The aim of this policy is to create an enabling environment in which a financially sustainable municipal service can be offered, given that many of the residents can not afford to may for those services due to socio-economic hardships.

Asset Management Policy: Reviewed

- The purpose of this policy is to ensure that Municipal Fixed Assets are:
 - ❖ Acquired
 - ❖ Safeguarded
 - ❖ Controlled
 - ❖ Accounted for, and
 - ❖ Disposed Off

In terms of the Municipal Finance Management Act (MFMA), Act 56 of 2003, requirements and applicable accounting pronouncements.

Debt and Credit Control: Reviewed

The strategic aim of this policy is to create an environment in which the objectives of credit control and debt collection can be realised.

Petty Cash Policy: Reviewed

This policy is there to give guidance with regard to purchases of small items whilst fostering adherence to the SCM policy.

Payments Policy: Reviewed

This policy is there to ensure that the municipality pays for goods and services that have been delivered to the municipality and within voted funds. It further ensures that there are appropriate internal controls with regard to payments

Anticorruption Strategy: Reviewed

The aim of the policy is to assist prevent corruption expenditure budget and ensure that the municipality does not incur unauthorised expenditure before compilation of the adjusted budget.

Investment Policy: Reviewed

The document regulate the activities of responsible financial officials to manage cash flow and municipal investments

Supply Chain Management Policy: Reviewed

This policy is there to control acquisition procedures and to ensure transparency and fairness.

Fleet Management Policy: Reviewed

This policy exists to control the usage of vehicles and procedures to be followed when involved in accident

CHAPTER EIGHT

ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)

Performance Management is a process which measures the implementation of the organisation's strategy. At Local Government level this has become an imperative, with economic development, transformation, governance, finance and service delivery being the critical elements in terms of Local Government Strategy. Performance Management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met. National Government has also found it necessary to institutionalize and provide legislation on the Performance Management Process for Local Government.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance Management, therefore, is not only relevant to the organisation as a whole, but also to the Individuals employed in the organization as well as the

External Service Providers and the Municipal Entities. Given this background, it is important that a framework for Performance Management be established, implemented and monitored. This framework therefore describes how the municipality's performance process, for the organisation as a whole will be conducted, organised and managed.

The quality and scope of the PMS has evolved with the recent introduction of further details through the MFMA's Service Delivery and Budget Implementation Plan. While the two documents have different levels of emphasis in different issues, with SDBIP focusing on financial details and PMS on non-financial aspects of service delivery, they are both tools used by local government to enable Monitoring, Reporting and Evaluation of its work.

Umuziwabantu uses the SDBIP to monitor its performance and expenditure throughout the year. It also ensures the implementation of plans and programmes and provides a tool for assessing, managing and improving the overall health and success of business processes and systems. To measure the development impact, ensure efficient utilisation of resources and promoting accountability amongst all municipal employees.

The performance management system allows for the Municipal Manager and Heads of Departments to sign performance contracts aligned to the organizational IDP which is monitored on quarterly basis to ensure that their targets are met.

