

UMZIMKHULU LOCAL MUNICIPALITY

REVIEWED INTEGRATED DEVELOPMENT PLAN FOR 2009/2010 FINANCIAL YEAR



JUNE 2009

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EXECUTIVE SUMMARY

1. INTRODUCTION

The preparation of Integrated Development Plan (IDP) is a legislative requirement as stipulated in Section 25 of the Municipal Systems Act (MSA) Act (No 32) of 2000. An IDP is one of the key tools for Local Government to fulfill its developmental role. Furthermore, the IDP seeks to facilitate strategic decisions on issues of Municipal budgets, Land Use Management Systems, Local Economic Development and Institutional transformation in a consultative and systematic manner. The Municipal Systems Act which provides a framework for the preparation of IDPs recommends that once in place, each IDP must be reviewed annually to re-assess and re-evaluate Municipal's development priorities and challenges and to accommodate new developments in local government processes. Therefore, this particular document (2008-2009) fulfills review mandate for this financial year.

2. POLICY FRAMEWORK

The IDP review process is predominantly guided by various legislations and policies, which have to be carefully considered to ensure alignment and adherence of the municipality. These policies and legislative frameworks include amongst others the following:

- ⇒ The Constitution of the Republic of South Africa
- ⇒ Municipal Structures Act
- ⇒ Municipal Systems Act
- ⇒ Municipal Finance Management Act
- ⇒ National Spatial Development Perspective
- ⇒ Accelerated Shared Growth Initiative for South Africa (ASGISA)
- ⇒ Provincial Growth Development Strategy
- ⇒ Joint Initiative on Priority Skills Acquisition (JIPSA)
- ⇒ Millennium Development Goals-2015

3. PURPOSE, OBJECTIVE AND APPROACH ADOPTED

Purpose of Document

The purpose of this is to reflect and highlight the approach of the uMzimkhulu Municipality towards service delivery and responsibilities in the 2009/2010 financial year.

Objective of IDP Review Process

UMzimkhulu Municipality strives to uphold the IDP as an effective service delivery management tool for the municipality. This includes:

- ⇒ creating a greater level of focus to priority issues and thereby improving on the document structure so that the municipal issues are easy to understand;
- ⇒ aligning this strategic document with the realities of the resources, both financial and human, available;

- ⇒ alignment of the IDP with the activities of the sector departments and other service providers (and vice versa i.e. influencing their planning); and
- ⇒ Alignment of the IDP with the various sector plans.
- ⇒ Alignment of the IDP with PMS and Municipal Annual Budget

Overview of the Approach to 09/10 IDP

The key activities for the process included:

- ⇒ the Strategic Review of the contents of the 2009/10 IDP;
- ⇒ addressing MEC Comments
- ⇒ the identification of sector plans;
- ⇒ alignment of IDP/PMS and Budget process
- ⇒ alignment with sector departments and service providers;
- ⇒ integrating IDP and Sector Plans with the resource framework;
- ⇒ finalizing LUMS;
- ⇒ the review of Spatial Development Framework;
- ⇒ the review of three year financial plan to develop five year strategic financial plan
- ⇒ the development of Service Delivery and Budget Implementation Plan; and
- ⇒ the preparation of the IDP.

4. ROLE PLAYERS

The following are the role players in the IDP process:

- ⇒ Council and the Executive Committee;
- ⇒ Mayor;
- ⇒ Ward Committees and CDW's
- ⇒ Municipal officials;
- ⇒ Municipal Manager / IDP Manager;
- ⇒ IDP Steering Committee;
- ⇒ Representative Forum;
- ⇒ The District Municipality;
- ⇒ Relevant Government Departments; and
- ⇒ Inter-Governmental Relations Committee

5. SITUATIONAL ANALYSIS

The report further provides socio-economic analysis of the Municipality focusing mainly on the following:

- ⇒ Demographics
- ⇒ Infrastructure
- ⇒ Environmental Issues
- ⇒ Economic Development
- ⇒ Stakeholder Analysis

6. PUBLIC PARTICIPATION

The participation of a diverse range of stakeholders in the formulation of the IDP process forms the integral part of the entire process and the programme for this exercise was captured in the IDP Review Process Plan.

7. SITUATIONAL ANALYSIS

A Current Situational Analysis was conducted and it covered the following key areas:

- ⇒ Demographics
- ⇒ Infrastructure;
- ⇒ Environmental Issues;
- ⇒ Economic Development;
- ⇒ Stakeholder Analysis;
- ⇒ Public Participation

8. DEVELOPMENT STRATEGIES

A strategic framework was developed that covers the following:

- ⇒ Vision, Mission and Core Values
- ⇒ Strategic Objectives and Strategies
- ⇒ Key Performance Indicators

9. OTHER KEY FOCUS AREAS

The IDP Review document also covered the following areas:

- ⇒ Spatial Development Framework
- ⇒ Sector Involvement and Support
- ⇒ Implementation Plan
- ⇒ Projects
- ⇒ Financial Plan
- ⇒ Disaster Management
- ⇒ Organisational Performance Management System
- ⇒ Annexures and Appendices

10 .SUMMARY OF PREVIOUS (2008) MEC COMMENTS

The following are extracted from the letter from the MEC after consideration of the 2008 submission, also highlighting how they were addressed.

	AREA OF IMPROVEMENT	IMPROVEMENT
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	⇒ Employment Equity Plan, HIV/Aids Plan, Work Place Skills Plan as well as your PMS. Progress in this regard should be provided and you are again urged to ensure alignment between your development strategies, PMS and budgeting process and to reflect on progress in this regard during the next IDP Review.	Employment Equity Plan, HR strategy, Work Place Skills Plan, PMS are now in place. The HIV / AIDS Plan is in place, but it has been decided that this is now due for further update and review in the current financial year.
	⇒ The importance and roles of a disaster management plan for your municipality is shown in your IDP although it appears as if such a plan still needs to be development and refined.	This has now been addressed. The plan is attached.
LOCAL ECONOMIC DEVELOPMENT	⇒ It is noted from your IDP that an LED Plan has been completed and you are urged to take the necessary actions in line with the said plan. The options of partnerships to address, amongst others, capacity constrains with regard to implementation should be borne in mind. Also, the need to derive a Tourism Sector Plan is noted and you are urged to pursue this in the forthcoming years.	During July 2008 the municipality hosted an LED summit bringing a range of partners to rally around LED priority issues. A lot of LED fundamentals have been included in the urban regeneration projects and the municipality will review action issues identified during the summit on ongoing basis. A tourism plan is now in place.
	⇒ It was previously observed that your IDP makes reference to national and provincial policies and statements, i.e. the PSEDS, but the alignment between these listed policies and statements and your municipal strategies is not clear in the report and you are urged to establish this link in future IDP Reviews.	The municipality is in close proximity to P68 corridor. Whilst there are no projects directly linked to the corridor, there are few supporting projects that will enhance the corridor, particularly in tourism. The alignment is therefore indirectly contained in the municipal strategies. Furthermore the Farmers Market planned for location at Ixopo is a direct product of the corridor and is meant to serve the entire district.
	⇒ It is further recommended that you adopt the action plan from your district Growth and Development Summit.	⇒ The District summit was held in approximately 2007. Relevant focus issues affecting the municipality were subsequently incorporated into the LED strategy when it was developed. In addition when our own LED summit was held in 2008 it culminated into action plans.

BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT	⇒ Although your IDP does provide details on backlogs for water – as derived from the district WSDP – as well as the cumulative cost to address these backlogs, your IDP still does not provide an indication of the phased approach to backlog eradication with associated cost implications.	Based on the initial WSDP, a budget R54 million was set aside for the improvement of services identified in the plan. These issues are prioritised based on the provision of basic services in line with the national guidelines in the short to medium term, to on-site services in certain nodal areas in the long term.
	⇒ As expressed in a previous correspondence, it remains a concern that an array of projects (social and engineering infrastructure) is listed in your IDP without clear priority allocations. A clearer link between your identified development strategies, objectives and projects and your capital budget is needed.	The list of projects relates in the first instance to the needs expressed in consultation processes and goals as presented in the strategy section. The list of capital projects therefore is intended to address developmental needs and has been based on the prospect and /or availability of funding from a range of sources and streams, most of which were already confirmed.
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	⇒ The municipal MTEF (revenue and expenditure) is included in the IDP but your five year strategic financial plan still has to be developed.	The five year strategic plan has been reviewed and has been summarized as part of this document.
	⇒ You are reminded that your IDP should at least contain the Municipality's draft Service Delivery Budget Implementation Plan which should also be aligned with the IDP.	The SDBIP has been compiled and attached.
GOOD GOVERNANCE AND COMMUNITY PARTICIPATION	⇒ You have indicated the need to strengthen community participation and improve the skills of officials, councillors and community members and it is important to report on this in future IDP Reviews.	Training / workshop /newsletters/ range of information structures/ sessions including IGR have been effected. In addition a Skills development plan is in place with budgeted activities in the next financial year.
SPATIAL DEVELOPMENT FRAMEWORK	⇒ Thank you for submitting a spatial development framework (SDF). It is noted that a spatial expression of the capital investment framework of your municipality was not submitted with your IDP. This matter needs to be addressed as a matter of urgency.	This will be finalized as part of the final submission.

11. UPDATE ON THE MEC COMMENTS 2009

This section provides a summary 2009 MEC comments and how they were addressed.

FINANCIAL VIABILITY

KPA	ACTION REQUIRED	RESPONSE
Critical Issues to be emphasised during Feedback sessions	<ul style="list-style-type: none"> Detail on AG's report and corrective steps Document needs to be reduced to specifics Detail billing system 	<ul style="list-style-type: none"> Action plan on AG attached.
Issues to be considered as part of the 10/11 Review	Address the above comments	

INFRASTRUCTURE-

KPA	ACTION REQUIRED	RESPONSE
2.30 Does the operating budget make provision for funding the O&M Programme?	The IDP states the municipality still needs to develop a O&M plan, refer to page 34. The municipality to provide such information	<ul style="list-style-type: none"> Now in place See annexure B
2.29. Does the municipality have a minimum 3 year O&M Programme?	There is no evidence of such a plan. The municipality to prepare the O & M	<ul style="list-style-type: none"> As clarified above.
2.21. Is there integrated infrastructure investment plan?	Refer to Chapter 7 pages 71 to 76 The municipality to provide evidence	<ul style="list-style-type: none"> Not in place. Has been identified for the next financial year.
Waste management 2.18. Is there an Integrated Waste Management Plan ?	There is no plan Expertise and appointment-DEA	<ul style="list-style-type: none"> Not in place.
2.19. Is environmental Impact Assessment of waste management options included in Waste Management Strategy/Plan?	There is no plan	<ul style="list-style-type: none"> No. Terms of reference to do SEA (which will incorporate this aspect) have been drawn
2.20. Is there an evaluation and implementation of environmentally friendly practices for re-cycling, landfill sites and economic opportunities?	There is no plan	An initial process involves the feasibility study for the relocation of alternative landfill site, including assessment of options of waste disposal.
Roads and Transport 2.12. Is there a budget and plan for integrated roads and transport system (included non-mechanized, etc.)?	Projects listed but no budgets attached – budget to be included Evidence provided in p. 90-92	A public transport plan has been prepared by the district and includes transportation options applicable to each municipality.

2.13. Is there a budget and plan for new roads and O&M of old roads?	No budget – municipality to source funding The municipality to provide evidence	Budget was provided by DOT and some O&M programmes are underway..
2.14. Is there a resource capacity: both human and financial?	There is no evidence provided	Budget in place as indicated above. Human resource issues are addressed as part of the departmental organogram which has been substantially filled up.
2.15. Does this relate to ITP?	There is no evidence provided	It relates to the transport plan as prepared by the district.

LOCAL ECONOMIC DEVELOPMENT-MS JAMES

KPA	ACTION REQUIRED	RESPONSE
Critical Issues to be emphasised during Feedback sessions	§ It is recommended that the LED plan be aligned with national, provincial and district objectives.	§ ALIGNMENT :This is done as evident in the LED plan
	§ It is recommended that statistical data be reviewed to include economic analysis.	§ The STATISTICAL INFORMATION was provided and facilitated by DTLGA and will be included in the revision process.
	§ It is recommended that the budget is spread to cover the 3 year MTEF period.	§ Detailed SWOT will be undertaken when the LED plan is reviewed.
	§ It is recommended that institutional arrangements for LED be referenced on the IDP.	§ MTEF has considered LED projects to be undertaken during the MTEF period
	§ It is recommended that the LED Coordinating Committee is established.	§ LED FORUM is now in place.
	§ A detailed SWOT analysis is recommended.	§ LED human resource issues are reflected as part of LED, Housing and Planning organogram.
	• Comprehensive statistical information specific to the economic status should be included.	
	§ There must be integration of information between the SDF, Tourism & LED Strategy and the IDP.	
	§ The key spatial consideration should also be included in the IDP.	
§ RECOMMENDATION: Existence of LED Forum and operation thereof.		

SPATIAL DEVELOPMENT FRAMEWORK

Evidential Criteria / KPIs	Improvement Measure	Response
Critical Issues to be emphasised during Feedback sessions	<ul style="list-style-type: none"> • Need to review the SDF. • Need to develop strategies for integration of areas with economic potential with that of high household poverty. 	<ul style="list-style-type: none"> • DBSA has committed funding for review of SDF and the procurement process has commenced
Issues to be considered as part of the 10/11 Review	<ul style="list-style-type: none"> •The municipality need to be more detailed and should develop projects that would be aligned to the SDF and also present them in a map format. •The Municipality needs to develop LUMS for their entire area (urban and rural). •A detailed analysis of the natural resources and its elements need to be developed. •Municipality need to develop sustainability environmental projects such as greening, landcare, alien plant removal & waste recycling projects. •Need to develop an EMP. •The municipality need to incorporate environmental sustainability principles into the 	<ul style="list-style-type: none"> •Will be addressed during the review •LUMS process has commenced •Environmental projects will initially commence within the CBD where an urban regeneration process has been initiated and it is intended that this process is extended to the balance of the municipal area in time. •Terms of reference have been prepared to commence SEA which will eventually suggested EMP. Currently the EMP confined to the CBD. •

IDP.

INSTITUTIONAL

KPA	ACTION REQUIRED	RESPONSE
6.13. Is there usage of IGR structures to facilitate intergovernmental dialogue with relevant national and provincial sector department?	No evidence provided	Various instruments in place: <ul style="list-style-type: none"> • District facilitated IGR structures aligned to 5 KPA • Programme specific IGR including CBD regeneration process
6.15. Is there evidence that comments from AG reports are being seriously addressed? (more a financial management focus)	The municipality must provide details of how it has responded to any comments by AG. Refer to page 118	Action plan on AG attached.
6.17. Is there an Audit Committee?	Committee still to be established.	The committee is now operational

GOOD GOVERNANCE

KPA	ACTION REQUIRED	RESPONSE
4.3. Does the strategy/ plan adequately cover issues of communication with community and other stakeholders with regards to IDP, Budget & PMS?	Pg 61 communication programme & milestones indicated but does not address the IDP issues.	The IDP process has evolved out of various participatory processes including ward based meetings and broad municipal level meetings
4.6. Is there contribution of Ward committees to development priorities in the IDP?	No clear indication	Ward committees are involved in initial prioritization processes. Ultimately however the council decides on final allocations, based on available resources.
4.7. Does the Municipality have strategies to involve traditional leaders and their communities in the IDP process if applicable?	The municipality could address this issue through their participation process and note in IDP.	There is very strong relationship with traditional leaders who are part of ongoing consultation processes.

CHAPTER 1 INTRODUCTION

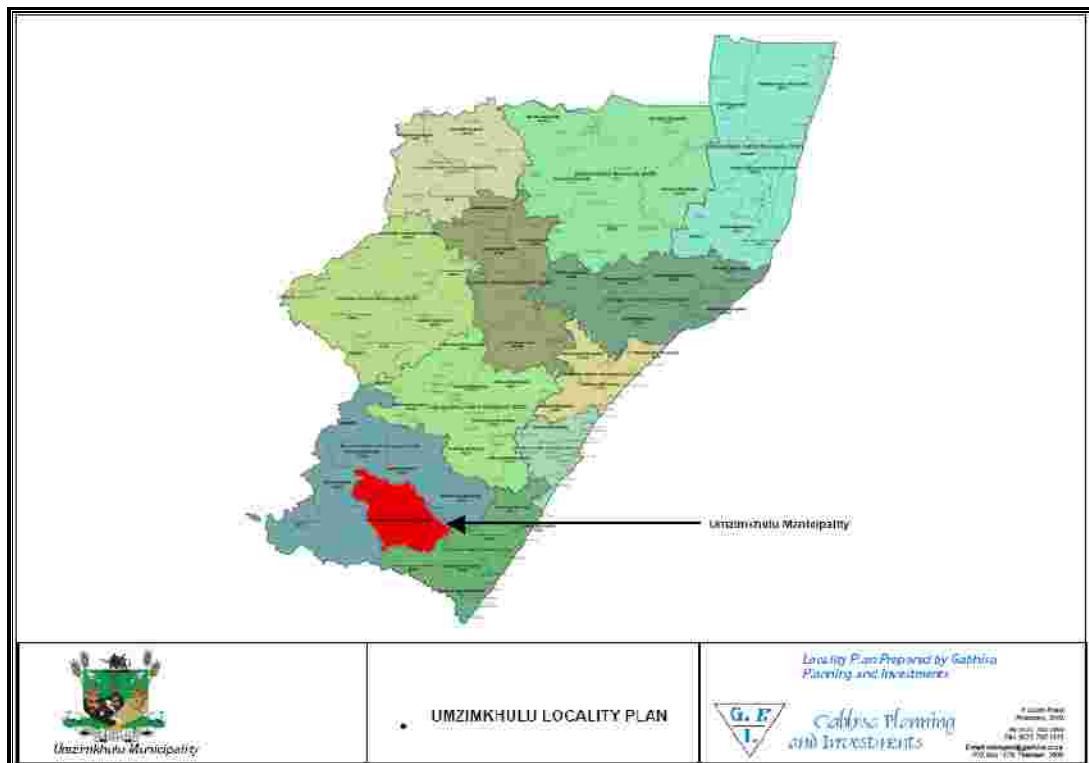
1.1. Introduction

The preparation of Integrated Development Plan (IDP) is a legislative requirement as entailed in terms of Section 25 of the Municipal Systems Act (Municipal Systems Act 32) of 2000. An IDP is one of the key tools for Local Government to assist municipalities to deliver in their developmental mandate. Furthermore it seeks to facilitate strategic decision on issues of Municipal budgets, Land Use Management Systems, Local Economic Development and Institutional transformation in a consultative and systematic manner. The Municipal Systems Act which provides a framework for the preparation of IDPs recommends that once in place, each IDP must be reviewed annually to re-assess and re-evaluate Municipal's development priorities and challenges and to accommodate new developments in local government processes.

Therefore, this particular document (2009-2010) fulfills review mandate for this financial year.

1.2. Location

Umzimkhulu Local Municipality is land-locked by municipalities of Ubuhlebezwe to the East, KwaSani and Ingwe to the North, Greater Kokstad to the West and Umuziwabantu and Umzumba to the South whilst bounded by the Umzimkhulu River in the South and Umkhomazi River in the North.



Map 1: Umzimkhulu Locality Plan

1.3. District Location Context

Umzimkhulu Local Municipality is one of the five (5) municipalities under the Sisonke District Municipality together with Ubuhlebezwe, Ingwe, Kwa-Sani and Greater Kokstad.



Map 2: Umzimkhulu within Sisonke District Context

1.4. IDP Guidelines

The National Department of Provincial and Local Government has developed guidelines to assist local municipalities in the development of their respective IDPs. A Credible IDP Framework was developed in due consultation with local government structures as a tool to align activities of government structures.

The Integrated Development Plan must therefore comply both relevant legislation and convey the following:

- ⇒ Consciousness by a municipality of its constitutional and policy mandate for developmental local government, including its powers and functions.
- ⇒ Awareness by municipality of its role and place in the regional, provincial and national context and economy.
- ⇒ Awareness by municipality of its own intrinsic characteristics and criteria for success.
- ⇒ Comprehensive description of the area – the environment and its spatial characteristics.
- ⇒ A clear strategy, based on local developmental needs.

- ⇒ Insights into the trade-offs and commitments that are being made regarding economic choices, establishment of SHS, integrated service delivery etc.
- ⇒ The key deliverables for the next 5 years.
- ⇒ Clear measurable budget and implementation plans aligned to the SDBIP.
- ⇒ A monitoring system (OPMS and PMS), that's based on the IDP indicators, targets, time frames, etc.
- ⇒ Determines the capacity and capability of the municipality.
- ⇒ Communication, participatory and decision-making mechanisms.
- ⇒ The degree of intergovernmental action and alignment to government wide policies, plans, priorities and targets.

1.5. Policy framework

Municipalities are guided by various legislations and policies, which have been carefully considered whilst compiling this document.

1.5.1. The Constitution of the Republic of South Africa

Chapter 7 of the Constitution of the Republic of South Africa provides the primary legislative framework for the establishment of local government structures. Section 152 (1) provides the local government objectives as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2) provides that "...a municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1)." Section 156 provides powers and functions of municipalities.

The following Table 1 indicates powers and functions of municipalities as stipulated in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution:

Table 1: Powers and Functions of Municipalities

Schedule 5 Part B	Schedule 4 Part B
Functional Areas of Concurrent National and Provincial Legislative Competence	Functional Areas of Exclusive Provincial Legislative Competence
<ul style="list-style-type: none"> ⇒ Air pollution ⇒ Building regulations ⇒ Child care facilities ⇒ Electricity and gas reticulation ⇒ Firefighting services ⇒ Local tourism ⇒ Municipal airports ⇒ Municipal planning ⇒ Municipal health services 	<ul style="list-style-type: none"> ⇒ Beaches and amusement facilities ⇒ Billboards and the display of advertisements in public places ⇒ Cemeteries, funeral parlours and crematoria ⇒ Cleansing ⇒ Control of public nuisances ⇒ Control of undertakings that sell liquor to the public ⇒ Facilities for the accommodation, care

<ul style="list-style-type: none"> ⇒ Municipal public transport ⇒ Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other law ⇒ Pontoons, ferries, piers and harbours, excluding the regulation of international and national shipping and matters related thereto ⇒ Stormwater management systems in built-up areas ⇒ Trading regulations ⇒ Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems 	<ul style="list-style-type: none"> and burial of animals ⇒ Licensing of dogs ⇒ Licensing and control of undertakings that sell food to the public ⇒ Local amenities ⇒ Local sport facilities ⇒ Markets ⇒ Municipal abattoirs ⇒ Municipal parks and recreation ⇒ Municipal roads ⇒ Noise pollution ⇒ Pounds ⇒ Public places ⇒ Refuse removal, refuse dumps and solid waste disposal ⇒ Street trading ⇒ Street lighting ⇒ Traffic and parking
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1.5.2. Municipal Structures Act

The act was developed to provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith. Of importance in the context of this legislation is the following:

Co-operation between district and local municipalities in the following instances:

- i. A district municipality and the local municipalities within the area of that district municipality must co-operate with one another by assisting and supporting each other;
- ii. A district municipality on request by a local municipality within its area may provide financial, technical and administrative support services to that local municipality to the extent;
- iii. A local municipality on request of a district municipality in whose area that local municipality falls may provide financial, technical and administrative support services to that district municipality to the extent that that local municipality has the capacity to provide those support services;
- iv. A local municipality may provide financial, technical or administrative support services to another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests; and
- v. The MEC for local government in a province must assist a district municipality to provide support services to a local municipality.

1.5.3. Municipal Systems Act

The Municipal Systems Act (MSA), (Act no 32 of 2000) plays a crucial role in the preparation of IDPs; Chapter 5 of the Municipal Systems Act specifies that each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality, which:

- ⇒ Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- ⇒ Aligns the resources and capacity of the municipality with the implementation of the IDP;
- ⇒ Forms the policy framework and general basis on which annual budgets must be based; and
- ⇒ Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of the legislation.

The Act also requires municipality to review the IDP annually.

1.5.4. Municipal Finance Management Act (MFMA)

Section 21 of the MFMA stipulates that the mayor of a municipality must:

- ⇒ Coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget – related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible.
- ⇒ At least 10 months before the start of the budget year table in the municipal council a time schedule outlining key deadlines for –
 - (i) The preparation, tabling and approval of the annual budget;
 - (ii) The annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act; and the budget related policies
 - (iii) The tabling and adoption of any amendments to the integrated development plan and budget related policies; and
 - (iv) Any consultative processes forming part of the processes referred to in subparagraph (i), (ii) and (iii).

1.5.5. Intergovernmental Relations Framework Act (IGR)

The Act was promulgated to establish a framework for the national government, provincial governments and local governments in order to ensure amongst other things;

- ⇒ promotion and facilitation of intergovernmental relations;
- ⇒ Provision for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and
- ⇒ Provision for matters connected therewith.

The objective of the Act is based on the principle of co-operative governance as set out in Chapter 3 of the Constitution. The Act also aims to facilitate co-ordination in the implementation of policy and legislation including –

- ⇒ Coherent government;
- ⇒ Effective provision of services;
- ⇒ Monitoring implementation of policy and legislation; and
- ⇒ Realisation of national priorities.

1.5.6. National Spatial Development Perspective (NSDP)

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

- ⇒ Economic growth is a prerequisite for achievement of policy objectives;
- ⇒ Government spending should concentrate on fixed investment, focusing on localities of economic growth and/or economic potential;
- ⇒ Efforts to address the past and current inequalities should focus on people not on places; and
- ⇒ To overcome spatial distortions of apartheid, future settlement and economic development opportunities should be channeled into nodes adjacent to the main growth centres.

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

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

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

1.5.7. ASGISA

Certain weaknesses in the way government is organized, in the capacity of key institutions, including some of those providing economic services, and insufficiently decisive leadership in policy development and implementation all negatively impact on the country's growth potential. Countering these constraints entails a series of decisive

interventions. These interventions amount not to a shift in economic policy so much as a set of initiatives designed to achieve our objective effectively.

In developing responses to the binding constraints, certain measures to counter the constraints were developed.

- ⇒ • Macroeconomic issues;
- ⇒ • Infrastructure programmes;
- ⇒ • Sector investment strategies (or industrial strategies);
- ⇒ • Skills and education initiatives,
- ⇒ • Second economy interventions; and
- ⇒ • Public administration issues.

Umzimkhulu Municipality has prepared a Local Economic Development Strategy where the principles of ASGISA have been applied and addressed by the strategy.

1.5.8. Provincial Growth and Development Strategy (PGDS)

The PGDS is a vehicle to address the legacies of the apartheid space economy, to promote sustainable development and to ensure poverty eradication and employment creation.

The PGDS offers a tool through which national government can direct and articulate its strategy and similarly for local government to reflect the necessary human, financial and fiscal support it needs to achieve these outcomes. It facilitates proper coordination between different spheres of government and aims to prevent provincial departments from acting out of concert with local municipalities. It enables intergovernmental alignment and guides activities of various role players and agencies (provincial sector departments, parastatals, district and municipalities). The PGDS will enhance service delivery.

It is a framework for public and private sector investment, indicating areas of opportunities and development priorities. It addresses key issues of implementation blockages whilst providing strategic direction.

The PGDS on the one hand involves preparing policies, strategies and guidelines and on the other hand it involves preparing mechanisms to align and facilitate the implementation, monitoring and evaluation of key growth and development priorities.

1.5.9. Millennium Development Goals-2015

The Millennium Development Goals summarize the development goals agreed on at international conferences and world summits during the 1990s. At the end of the decade, world leaders distilled the key goals and targets in the Millennium Declaration (September 2000). The Millennium Development Goals, to be achieved between 1990 and 2015, are:

- Halving extreme poverty and hunger;
- ⇒ Target for 2015: Halve the proportion of people living on less than a dollar a day and those who suffer from hunger.

Achieving universal primary education;

⇒ Target for 2015: Ensure that all boys and girls complete primary school.

Promoting gender equality;

⇒ Targets for 2005 and 2015: Eliminate gender disparities in primary and secondary education preferably by 2005, and at all levels by 2015. Two-thirds of illiterates are women, and the rate of employment among women is two-thirds that of men. The proportion of seats in parliaments held by women is increasing, reaching about one third in Argentina, Mozambique and South Africa.

Reducing under-five mortality by two-thirds;

⇒ Target for 2015: Reduce by two thirds the mortality rate among children under five. Every year nearly 11 million young children die before their fifth birthday, mainly from preventable illnesses, but that number is down from 20 million in 1980.

Reducing maternal mortality by three-quarters;

⇒ Target for 2015: Reduce by three-quarters the ratio of women dying in childbirth. In the developing world, the risk of dying in childbirth is one in 48, but virtually all countries now have safe motherhood programmes

Reversing the spread of HIV/AIDS, malaria and TB;

⇒ Target for 2015: Halt and begin to reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases. In order to meet this goal, the municipality is addressing the issue through social policies.

Ensuring environmental sustainability;

⇒ Target for 2015: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

⇒ By 2015, reduce by half the proportion of people without access to safe drinking water.

⇒ By 2020 achieve significant improvement in the lives of at least 100 million slum dwellers.

Developing a global partnership for development, with increased support for aid, trade and debt relief.

⇒ Target for 2015: Develop further an open trading and financial system that includes a commitment to good governance, development and poverty reduction - nationally and internationally;

⇒ Address the least developed countries' special needs, and the special needs of landlocked and small island developing States;

⇒ Deal comprehensively with developing countries' debt problems;

⇒ Develop decent and productive work for youth;

⇒ In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries;

⇒ In cooperation with the private sector, make available the benefits of new technologies - especially information and communications technologies.

In addressing the above the municipality has various poverty eradication programmes that are part of the plan for the financial year. These programmes include assisting the local community to plant vegetables for sustenance of the families. The municipality has completed a Local Economic Development Plan. This plan will assist in the identification of economic opportunities within Umzimkhulu thereby unlocking job opportunities.

The municipality has acknowledged the need to build more schools infrastructures and that has been included in the plan to ensure that schools are accessible. The municipality will partner with the Department of Education in addressing the issue.

To address the issue of gender equality, the municipality has started with the implementation of the equity plan internally. There are various programmes to assist with reversing the spread of HIV/AIDS and also support the families that are affected by the pandemic.

To ensure environmental sustainability the municipality working together with Sisonke District has increased the number of people who have access to safe drinking water. The district has quantified the backlogs in water provision service and will work on addressing the problem. The municipality also intends fast tracking the construction of houses. This plan is included in the planning of the municipality for the financial year.

1.6. Development of the Plan

The Umzimkhulu Municipality developed a Process Plan for 2009/2010 IDP Review which detailed the critical stages necessary for the completion of the entire process. The Process Plan was timely submitted to the DLGTA Office and was accordingly approved. The following sections will however provide the summary of the Process Plan and will highlight on the following key elements of the Process Plan:

- ⇒ Purpose, objective and approach adopted
- ⇒ Role Players
- ⇒ Schedule of Planned Activities

1.6.1. Purpose, objective and approach adopted

Purpose of Document

The purpose of the process is to reflect the approach of the uMzimkhulu Municipality to the 2009/2010 IDP.

Objective of IDP Review Process

uMzimkhulu Municipality strives to continue to develop the IDP as an effective management tool for the municipality, this include:

- ⇒ creating a greater level of focus and thereby improving on the strategic nature of the document;
- ⇒ aligning this strategic document with the realities of the resources, both financial and human, available;
- ⇒ alignment of the IDP with the activities of the sector departments and other service providers (and vice versa i.e. influencing their planning); and
- ⇒ alignment of the IDP with the various sector plans.

Overview of the Approach to 09/10 IDP

The key activities for the process included:

- ⇒ the Strategic Review of the contents of the 2009/10 IDP;
- ⇒ addressing MEC Comments
- ⇒ the identification of sector plans;
- ⇒ alignment of IDP/PMS and Budget process
- ⇒ alignment with sector departments and service providers;
- ⇒ integrating IDP and Sector Plans with the resource framework;
- ⇒ finalizing LUMS;
- ⇒ the review of Spatial Development Framework;
- ⇒ the development of Service Delivery and Budget Implementation Plans; and
- ⇒ the preparation of the IDP.

1.6.2. Role Players

The following are the role players in the IDP process:

- ⇒ Council and the Executive Committee;
- ⇒ Mayor;
- ⇒ Ward Committees
- ⇒ Municipal officials;
- ⇒ Municipal Manager / IDP Manager;
- ⇒ IDP Steering Committee;
- ⇒ Representative Forum;
- ⇒ The District Municipality;
- ⇒ Relevant Government Departments; and
- ⇒ PIMS
- ⇒ Inter-Governmental Relations

1.6.3. SCHEDULE OF THE PLANNED ACTIVITIES TO ALIGN WITH IDP, BUDGET AND PMS PROCESS MANAGEMENT PLAN FOR 2009/10

UMZIMKHULU IDP REVIEW 2009/2010 – PROGRAMME

ACTION	ACTION DATE	RESPONSIBILITY
Phase 0: Preparation		
Consultation on 2009/2010 IDP Review Process Plan and Budget Process with Manco/Exco/Representative Forum/Council	August/September 2008	Manager: Development Planning and Housing & All HOD's
Advertise for stakeholder participation for 2009/2010 IDP Review	September 2008	Manager: Development Planning and Housing
IDP Representative Forum meeting: The first Rep Forum meeting will involve a presentation of the Process Plan, as well as Gap Analysis identifying key focus areas to be addressed in the IDP Review Process, Report back of confirmed ward level based projects (to take into account of the ongoing projects and new projects)	September 2008	Manager: Development Planning and Housing
Approval and Adoption of IDP Review Process Plan for 2009/2010	September 2008	Council
Submission of Approved and Adopted 2009/2010 IDP Review Process Plan to the District and DLG&TA	End September 2008	Manager: Development Planning and Housing
Phase 1: Review Analysis		
Assessment of IDP implementation status	January 2009	M//M and all heads of departments
Evaluation of changes and new information	September –October 2008	M//M and all heads of departments
Phase 2: Strategic Analysis		
Review of Vision, Priorities, objectives and strategies	October 2008	M//M and all heads of departments

Review the municipality's priority list of strategies and projects	October 2008	M/M, all heads of departments and relevant committees
Development/Review of Key Performance Areas, Key Performance Indicators and targets	October 2008	Municipal Manager/Corporate Services
Development of Performance Contracts for Section 57 Managers and middle management;	October 2008	Municipal Manager/Corporate Services
Phase 3: projects identification (Review of Projects)		
Develop Project Template		Dev. Planning
Ward Consultation Process on project prioritization through ward meetings and workshops	November/December 2008	Ward Councillors assisted by CDW's and Planning Team
Establish preliminary budget for each project	November/December 2008	CFO & Dev Planning & Infrastructure Manager
Alignment meetings with sector departments	January to March 2009	Manager Development Planning
Update of 3 year financial plan, list of projects for 2009/2010 and 3 year capital investment programme; to integrate with IDP to inform strategic municipal budget aligned with IDP	December 2008	CFO & All HOD's
Preparation of the 2009/2010 Financial year's: <ul style="list-style-type: none"> • Capital budget • Operational budget • Salaries Budget • Tariff of charges • Revised Budget • Draft SDBIP 	March 2009	Chief Finance Officer
Submission and presentation of all Capital projects for 2009/2010 and the 3 year capital plan	Pending	CFO

IDP Representative Forum Meeting	March 2009	Manager Development Planning
Council project prioritization workshop	February 2009	Council
Phase 4: Project Integration		
Screening of projects	March 2009	
Integration of projects and programmes	March 2009	
Integrate all Plans	March 2009	
Integration with Municipal Budget/ SDBIP	March 2009	M/M, CFO and Manager Development Planning
Present 1 st draft budget to the Mayor	March 2009	M/M & Chief Finance Officer
<ul style="list-style-type: none"> • Table 1st draft budget to Executive Committee 	March 2009	
Table 1 st draft budget to the Full Council		
Finalisation and Submission of 2009/2010 Draft IDP	End March 2009	Municipal Manager
Submission for Provincial Analysis	End March 2009	Municipal Manager
Provincial IDP Analysis	Mid April 2009	DLGTA & Service Providers
uMzimkhulu Municipality Izimbizo/Public meetings on IDP/Budget & PMS for 2009/2010	April 2009	Municipal Officials & Councillors
Phase 5: Approval		
Presentation of the Revised 2009/2010 , (After the Provincial Analysis/Assessment)	May 2009	Municipal Manager
Final approval of IDP, Budget and PMS by Council	May 2009	Council
Submission of Final Service Delivery and Budget Implementation Plan (SDBIP)	14 June 2009	CFO
Submission of the budget in the approved format to the Provincial and National Treasuries	End June 2009	CFO
Submission of the approved and adopted 2009/2010 IDP to the MEC for Local Government & Traditional Affairs	End June 2009	Municipal Manager

CHAPTER 2 CURRENT SITUATIONAL ANALYSIS

2.1. Demographics

Overview of the Current State of South Africa's Population

The Strategy on Population Development 2004 -2009 highlights that South Africa's population grew from 40.5 million people in 1996 to 44.8 million people in 2001, which was a growth of about 10%. In 2001, more than three quarters (79%) of the population were African, about 10% were white, 9% were coloured, and Indians made up to 2.5%. The Growth patterns showed that Africans have become a larger portion of the population than in 1996. In the 80s, it was estimated that the total population of South Africa would reach 70-80 million by 2020. However, decreasing fertility rates and increasing mortality rates (mainly due to the impact of HIV & Aids) have resulted in estimations that the population will stop growing in the current decade, and will remain stable at 48 to 52 million people.

The proportion of women in the total population increased by 0.3% since 1996. The proportion of the population that is younger than 15 years has declined slightly (by 1,9%) since 1996 due to lower birth rates. The proportion of the population older than 64 years grew slightly to almost 5%. The economically active age group of the population (between 15 to 64 years) increased by 1.8% of the total population between 1996 and 2001.

In 2001, the median age of the population was 22, 13 years, compared to 22,07 years in 1996 – an increase, in spite of the fact that HIV & Aids mostly kills people older than the median age. Household size has decreased to 3.8 persons in 2001. The urbanization rate increased sharply by 7.3% between 1996 and 2001.

South African households have become remarkably smaller since 1996. This is probably a consequence of the government's housing programme, i.e. households unbundled in view of the larger availability of accommodation. The trend translated in a 30% increase in the number of households in the country, which in turn places pressure on services that are rendered to households (as opposed to individuals).

There have also been structural changes in the population between 1996 and 2001, the largest (ten-year) age cohort in 1996 was 5-14 years old. By that by 2006 youth aged 15-25 will constitute the country's largest cohort. This is prioritised and targeted. Simply put, children need education and care. Youth need jobs and are at risk of contracting HIV. The teenage pregnancy rate was very high in 1998.

KwaZulu-Natal has the largest population of the nine provinces. The province with the highest percentage growth between 1996 and 2001 was Gauteng (20%), followed by the Western Cape (14%). The Eastern Cape and the Free State each showed growth less than 3%, while in the Northern Cape there were fewer people in 2001 than in 1996. Internal migration of people from the more rural provinces to more urban provinces in part explains these differences in population growth, in spite of higher fertility rates in rural areas.

Data confirm that South Africa underwent a very sharp fertility transition during the past two decades, to a current Total Fertility Rate of 2.77 children per woman of reproductive age. Various indications exist of increased contraceptive prevalence. For example, the HSRC found that condom use has increased to 33.9% by 2002.

There is still concern about the high rates of premature mortality attributable to preventable causes. Also high rates of infant, child and maternal mortality are a major concern. The HIV & Aids epidemic has impacted negatively on the demographic characteristics of the South African population, especially since the nineties, and will continue to do in the next decades. The epidemic reduced the life expectancy to 50 years (male) and 53 years (female).

Today's population distribution, migration and urbanization patterns still reflect the legacy of the apartheid era. The apartheid system forcefully relocated over three million African, Indian and coloured people. It created urban concentrations of poor communities without viable commercial, industrial and other economic activities. It created many settlements in rural areas with similar, or worse, restrictions in terms of opportunities.

The government has developed urban and rural development frameworks, which reflect its thinking on internal spatial issues. The population policy promotes an increase in alternative choices to migration from rural to urban areas; to reduce backlogs in urban infrastructure and social services; and to review the nature and impact of all forms of international migration on sustainable development.

South Africa is the most urbanized country in the southern African region, and urbanization affects family life, including sexual partnerships, household formation rules and patterns, the care of children and the maintenance of kin networks. For this reason there is an urgent need to reconstruct this institution.

Table 2: Strategic Focus areas of the Population Strategy

Strategic focus area and objective for the strategy on population and development 2004-2009	
Strategic focus area	Objectives
<ul style="list-style-type: none"> Sustainable local population and development 	<ul style="list-style-type: none"> To ensure the integration of population and development plans of local government
<ul style="list-style-type: none"> Population environment and development 	<ul style="list-style-type: none"> To promote sustainable human development by focusing on population, environment and development interaction
<ul style="list-style-type: none"> The social and economic integration of youth and children 	<ul style="list-style-type: none"> To integrate youth and children socially and economically into society
<ul style="list-style-type: none"> Policy development, monitoring and evaluation 	<ul style="list-style-type: none"> To promote integrated policy development, monitoring and evaluation through population and development research, capacity building and IEC.
<ul style="list-style-type: none"> Regional population and development strategy 	<ul style="list-style-type: none"> To promote, develop, monitor and evaluate regional collaboration on population and development, as part of South Africa's strategy on the AU, NEPAD and SADC
<ul style="list-style-type: none"> The socio-development impact of HIV and AIDS 	<ul style="list-style-type: none"> To respond to the socio-developmental impact of HIV and AIDS, on the basis of the demographic implications of the epidemic.

(SOURCE: STRATEGY ON POPULATION AND DEVELOPMENT 2004-2009)

2.1.1. Demographic Analysis

This is an analysis of the demographics of Umzimkhulu based on the Community Survey 2007 (Statistics South Africa). Umzimkhulu Municipality covers a total area of 2436 km² and has a population size of 243 242 and 43 545 households compared to 174 338 and 36 246 Census 2007 and 2001 figures, respectively. According to figures obtained from StatsSA –Durban

Office, the population growth rate for the KwaZulu-Natal Province is estimated to 0.7% growth rate.

Thus the projected population for Umzimkhulu Municipality for the next five years is estimated as follows:

Figure 1: Population Projections

The increase to population and household figures poses major development challenges to the Municipality which has limited resources and acute historical development backlogs.

2.1.2. Racial distribution

The following Figure 2 shows Black African dominance in the municipal area.

Figure 2: Racial Distribution of the Population

The rural nature of the Municipality and the dominance of Black African (99%) is an important starting point towards understanding the plight of this municipal area which is generally characterised by huge service backlogs, abject poverty, unemployment and other social development challenges.

2.1.3. Gender Distribution

The following Figure 3 shows the gender distribution in Umzimkhulu with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women. The gender figures also help the government to provide appropriate facilities and social investments in line with gender demographics.

Figure 3: Gender Distribution

While the above figure indicates the female dominance which reflects National figures, however it indicates male absenteeism which indicates that males work as migrant workers in major cities, which further exerts pressure on vulnerable groups, especially women who have to fend for their families with limited resources. This can also be interpreted to mean that there are a number of women-headed households.

2.1.4. Age Distribution

Figure 4 below shows the age distribution within the Umzimkhulu Municipal area where the ages of 5-14 are the most dominant followed by the 15-34 age groups, which is still within the formal description of youth. The latter group forms part of the active labour group. The huge numbers of this age group call for a need for creation of employment opportunities and provision of educational facilities to cater for their needs.

Figure 4: Age Group Distribution

The dominance of the youth also poses social challenge since this group is sexually active and more vulnerable to HIV/AIDS infection and other social ills. It will be therefore crucial that

interventions aimed at reducing HIV/AIDS and other social ills are intensified in order to sustain development interventions. More social facilities and access to educational institutions should also be provided to cater for this age cohort.

2.1.5. Education Profile

Education levels have a major bearing on the quality of life. The inability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills and be trained. The following Figure 5 indicates educational levels within the Municipality:

Figure 5: Educational Status

It is evident that more than 60% of individuals ranging from no formal education to primary levels are dominant within the Municipality. This is a major challenge which is likely to lead to low households' income levels which further limit the ability of families to invest into the education of youthful members. Such low figures also limit the ability of absorbing new skills and effectively compete for higher paying jobs.

Umzimkhulu area has 176 public schools recognized by the Department of Education including one technical college. Much of the education-associated problems are experienced in farms and rural schools. Existing schools do not offer up to standard science and technical subjects. School property is continuously vandalized. Most schools lack water and sanitation and the infrastructure of most schools is a health hazard to the pupils.

Effects or consequences of the problems are:

- ⇒ Low educational levels for the youth in the area;
- ⇒ Low science and technical skills base;
- ⇒ Migration of youth to urban areas;
- ⇒ High unemployment rates;
- ⇒ High dependency rates;
- ⇒ Employment to low paying jobs and
- ⇒ Poor payments for services rendered by the municipality.

To assist in promoting reading the municipality has a public library in the CBD that is currently under renovation with assistance from the Department of Arts Culture and Tourism. The library is well resourced in terms of book material due to numerous donations that have been received.

Projects that will be undertaken through the library auspices include;

- ⇒ Creating library awareness to generate interest from the communities so that satellite libraries can be built in areas where there is interest.
- ⇒ Establishing a computer centre with an internet café will be opened and free computer lessons will be offered to the community.

2.1.6. Employment Status

As indicated above, the level of education that the individuals possess contributes towards employability. Table 3 below shows the current status of employability in the municipality. The figure indicates high unemployment figures, which can be interpreted to mean high dependency ratios and low affordability levels.

Table 3: Employment Status

Status	Umzimkhulu LM
Employed	10%
Unemployed	22%
Scholar or student	24%
Home-maker or housewife	14%
Pensioner or retired person/too old to work	5%
Unable to work due to illness or disability	5%
Seasonal worker not working presently	1%
Does not choose to work	8%
Could not find work	12%

2.1.7. Individual Monthly Income

Table 4: Individual Monthly Income Ranges

Individual Monthly Income Levels	
Income Range	Percentage
No income	52%
R1 - R400	17%
R401 - R800	11%
R801 - R1 600	7%
R1 601 - R3 200	6%
R3 201 - R6 400	4%
R6 401 - R12 800	2%
R12 801 - R25 600	1%
R25 601 - R51 200	0%
R51 201 - R102 400	0%
R102 401 - R204 800	0%
R204 801 or more	0%

The above Table 4 indicates more than 52% of individuals with no income which pushes more households below poverty datum levels, which is an equivalent of \$1 per day (\pm R8/day). It is not surprising to have huge numbers of individuals with low income levels which correspond with their educational levels and their ability to effectively compete for higher paying employment.

2.1.8. Health

The prevalent settlement pattern in farming areas as well as the traditional areas makes effective delivery of health services difficult. Umzimkhulu has currently 15 built clinics and the following Table 5 below highlights the infrastructural challenges:

Table 5: Infrastructural Status of Clinics

CLINIC	MUNICIPAL WARD	PIPED WATER	ELECTRICITY	TELEPHONE	FAX	BUILDING
Mvoti	Ward 5	Nil	Yes	Nil	Ni	New
Ladam	Ward 9	Nil	Nil	Nil	Nil	Under Construction
Riverside	Ward 2	Nil	Yes	Yes	Nil	New
Lourdes	Ward 6	Nil	Nil	Yes	Nil	Under Construction
Ibisi	Ward 11	Yes	Yes	Yes	Yes	New
Malenge	Ward 3	Nil	Nil	Nil	Nil	New
Sihleza	Ward 18	Nil		Nil	Nil	Under Construction
Gowan Lea	Ward 8	Nil	Nil	Yes	Nil	Old Prefab
Gugwini	Ward 14	Nil		Nil	Fax	New
Rietvlei	Ward 12	Yes	Yes	Yes	Yes	Old Structure
Mvubukazi	Ward 9	Nil	Nil	Nil	Nil	New
Umzimkhulu	Ward 16	Yes	Yes	Yes	Nil	Under Construction
Siphamandla	Ward 5	Nil	Nil	Nil	Nil	New
St. Margarets	Ward 17	Yes	Nil	Yes	Fax	Park Home
Singisi	Ward 4	Yes	Yes	Yes	Yes	Old Structure

(Source: Presentation by Department of Health – Umzimkhulu Sub-District IDP Inputs 2008/2009)

Services are currently not rendered in Ibisi, Ladam and Sihleza as the buildings have been completed but there is no equipment to start working yet.

Umzimkhulu is also serviced by 41 mobile clinics, which provide the service once a month to the remote areas. The mobile clinics also provide comprehensive service to the community and some areas are still inaccessible during the rainy season. However there is a need to expand the mobile services particularly to areas currently not addressed.

Umzimkhulu has 3 hospitals namely Rietvlei Hospital, St Margaret's Hospital and Umzimkhulu Hospital.

Challenges

- ⇒ The shortage of human resources hamper rendering of effective services to the community.
- ⇒ The supply chain process is long and hampers progress.
- ⇒ The transition is still incomplete so other functions not performed and others have been removed.

2.1.9. HIV / AIDS:

The fight against HIV/AIDS should be handled in a co-coordinated manner by government departments and NGO's. Community involvement in AIDS awareness campaigns is crucial where strategies like abstinence, education and other relevant methods must be promoted with active participation from councilors, traditional leaders, church leaders, school stakeholders, and sports stakeholders. The St Margaret's Hospital in Umzimkhulu specializes in the provision of services for HIV/Aids patients. These range from VCT, provision of ARV's, TB etc.

The municipality also has an HIV/AIDS strategy which will be reviewed during 2008/2009 financial year. The Strategy looks at broad programme of dealing with pandemic in the greater municipal area.

Recommendations

- ⇒ Health service needs to address the greater vulnerability of women to HIV infections in terms of the services they offer to women. They need in particular, to focus on effective services for cervical cancer and STIs, which are often not easily detected in women.
- ⇒ Inculcating a culture of rights and equality, as provided for in the constitution, is one of the most important ways in which vulnerable groups such as women can be protected against HIV infection.
- ⇒ Deeply entrenched social differences such as class, gender, colour and age need to be recognized and engaged with openly in all government services.
- ⇒ Young people need to be taught in the formal education curriculum and elsewhere that every individual has the right to say no to sex, coercion is unacceptable.
- ⇒ Sex education and education in the use of condoms needs to begin at an early stage, as South Africans youth are on average sexually active by the age of 15 years for girls and 14 years for boys and, as shown in research, reluctant to use them.

2.1.10. Safety and security

Umzimkhulu has a number of police stations within its jurisdiction. The current state is that the communities in other areas experience that the stations are not properly servicing them, as there is a low level of resources for the police to perform their jobs.

Based on interactions with various stakeholders and the community, issues that should be taken into account to improve this service include:

- ⇒ Tightening up relationship between SAPS and CPFs.
- ⇒ Communication system must be provided for CPFs to contact SAPS
- ⇒ Street controls and by laws on taverns and shebeens (alcohol, drug abuse, fire – arms, knives and all other weapons of death).

- ⇒ Law enforcement on illegal trading
- ⇒ Transformation plan to ensure promotion of racial mix in the context of staff / resources.
- ⇒ Ongoing training of police officers.
- ⇒ Upgrade of facilities and equipment.

The municipality during 2008/2009 financial year will mark in process of sourcing funds for the development of Safety Plans which will respond to some of the challenges currently encountered by the communities.

2.1.11. Sport and Recreation

The whole municipal area still lags far behind in the development of a range of sports codes. Of particular concern is the absence and poor condition of facilities. Whilst some funding has been received to improve certain sport and recreational facilities, there is still a huge backlog. There are facilities currently constructed by the municipality in areas declared as having potential for growth in terms of the reviewed SDF such as Ibsi, Ntsikeni etc. This will assist in taking the youth off the streets in a constructive way.

2.1.12. Social Welfare

Due to the high poverty levels in Umzimkhulu, many families depend solely on social grants for sustenance. More than 77% of households earn less than R9,600 per annum and live below the poverty line. The Umzimkhulu municipality has a high unemployment rate; only 10.2% of the population is employed. Lodging of partnerships with Government Departments and Corporate Service Providers is crucial to address these challenges hence the municipality alone can deal with them effectively.

In this regard it is critical that the departmental services are brought closer to the area through a one stop shop facility.

2.1.13. Transportation

There is a rail link connecting Pietermaritzburg with Grahamstown, Singisi, Kokstad and Matatiele. However, there are no national roads in the municipality. The R56 regional road is the arterial, connecting different sections of the municipality with adjoining areas.

2.1.14. Conclusion

Umzimkhulu has a large proportion of the population that have low education level or none. This has led to a decline in skilled labour in the area. The education level has also affected the income of the various households because a large percentage of the population households earn below R800 per month and are dependent on social services and grants.

Income in the "Urban" component of the Municipality (R293 and Umzimkhulu Town) is generally higher than in the balance of the Municipality. The nature of poverty in areas within Umzimkhulu needs to be understood at the community level to ensure appropriate development and prioritisation of funding.

In view of the above it is proposed that poverty alleviation programmes, provision of basic services and access to social grants be focused on the wards defined as "worst off" areas, as a

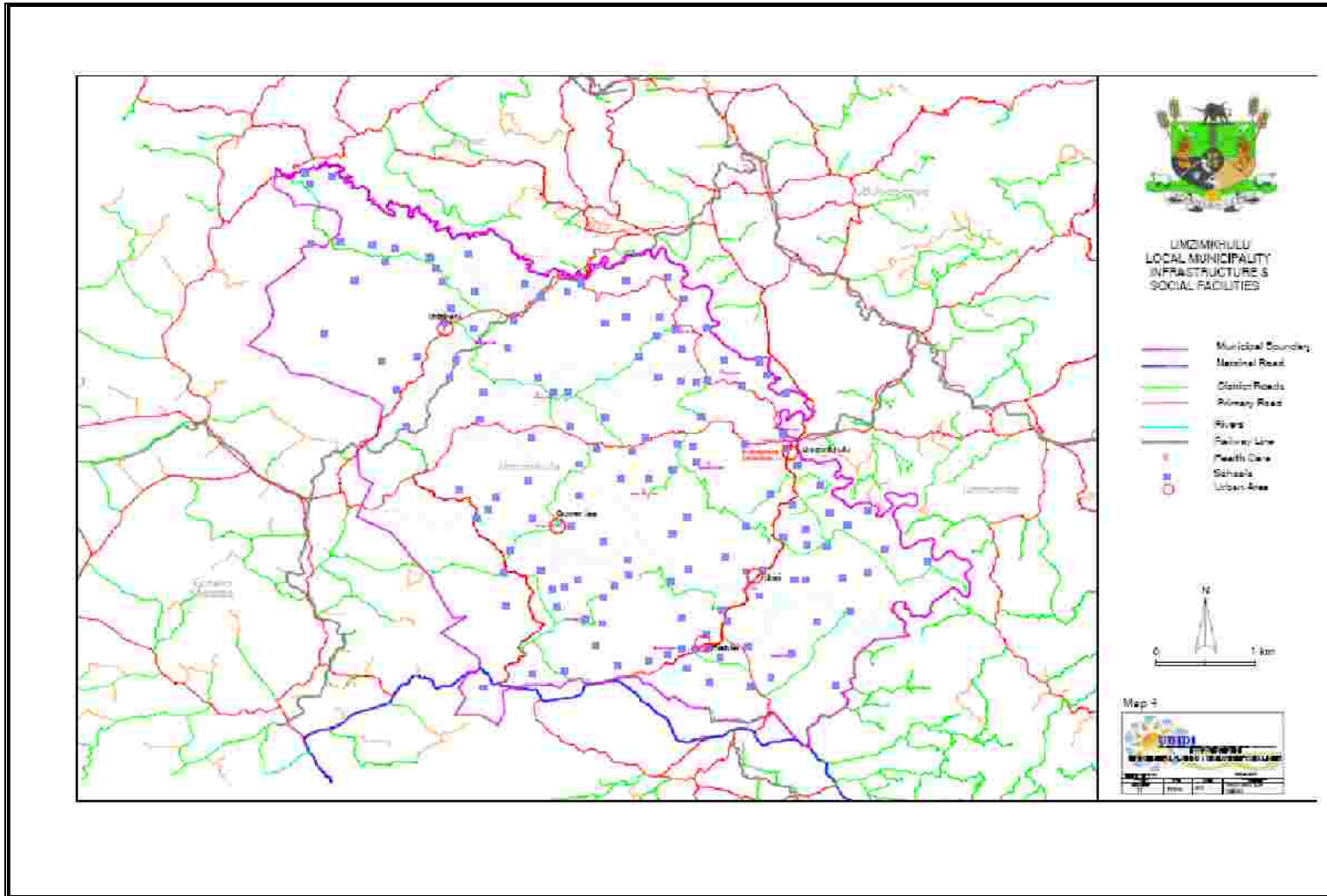
priority. The provision of health services in the area needs to be improved to reach the 'hard to reach' areas in Umzimkhulu.

Safety and Security is another aspect that needs to be addressed in terms of providing resources to the various police stations and satellite stations so that the services can be provided effectively. More structured intervention to establish CPF's is needed to better implement the set of laws.

There are various sport facilities that are currently built by the municipality, however some of these facilities are plagued by problems because of the poor quality of the structures built.

Currently bakkies, taxis and busses are the most used mode of transportation in the area. However the transport sector needs to be regulated. Whilst a lot of effort has been put for the rehabilitation of roads, they however still remain in poor condition. Access to some villages is only possible through the use of light delivery vehicles (bakkies) and this has affected the economic development of these areas as the community has little access to transport.

Map 3 below provides graphical representation of the status of social and infrastructure services within Umzimkhulu Local Municipality.



Map 3: Umzimkhulu Social and Infrastructure Services

2.2. INFRASTRUCTURE

Various managers at the municipality attended an Extended Public Works Programme (EPWP) programme to prepare them for better understanding of EPWP and how it should be translated to projects. This ensured that the studies that are being commissioned meet targets.

Consultants were appointed to visit all the 18 wards and undertake a study to determine the following for all infrastructure projects.

- ⇒ Investigate roads projects in all wards
- ⇒ Create a business plan for all the projects.
- ⇒ And register all projects in the MIG

The process was critical in ensuring application of EPWP principles for the improvement of socio-economic situation.

The following table indicates the backlogs within Umzimkhulu:

KZ435	6,128	604	28,288	1,158	68	430								36,005	672	98%	2%	36,677
-------	-------	-----	--------	-------	----	-----	--	--	--	--	--	--	--	--------	-----	-----	----	--------

Sanitation

Municipality	Flush toilet (connected to sewerage system)	Flush toilet (with septic tank)	Chemical toilet	Pit latrine with ventilation	Pit latrine without ventilation	Bucket latrine	None	Not applicable (institutions)							>=RDP	<RDP	>+RDP%	<RDP%	Total
KZ435	830	465	1,258	2,677	28,050	615	2,781	1						3,973	32,704	11%	89%	36,677	
Municipality	water inside the dwelling	water inside the yard	stand: distance less than 200m from dwelling	distance greater than 200m from dwelling	to piped (tap) water	Not applicable	Borehole	Spring	Dam/pool	River/stream	Water vendor	Rain water tank	Other	>=RDP	<RDP	>+RDP%	<RDP%	Total	
KZ435	946	3,104	5,708	3,383	23,535	1								13,142	23,535	36%	64%	36,677	

Energy

Municipality	Electricity	Gas	Paraffin	Candles	Wood	Coal	Animal dung	Solar	Other	Not applicable (institutions)					>=RDP	<RDP	>+RDP%	<RDP%	Total
KZ435	11,353	285	973	23,646				186	233	1				11,638	25,038	32%	68%	36,677	

Housing

Municipality	Formal	Informal	Traditional	Backyard	Other	Institution									>=RDP	<RDP	>+RDP%	<RDP%	Total
KZ435	1,122	1,122	23,288	1,122	1,122	1,122									24,225	1,122	95%	5%	25,347

2.2.1. Electricity

Many villages in Umzimkhulu have limited or no access to electricity. As a result other alternative forms of energy are being used (i.e. candles, paraffin and other forms of energy). The following Figure 6 indicates households using electricity for lighting, cooking and heating within Umzimkhulu Local Municipality:

Figure 6: Households Uses of Electricity, (Community Survey 2007)

The above comparisons indicate significant improvements in the use of electricity which can be translated to an increased number of households having access to electricity

ESKOM highlighted the following as the municipal electricity challenges:

- ⇒ Meeting 2012 Government Expectation
- ⇒ Mobilising Resources
- ⇒ Integrating IDP with Eskom Plans
- ⇒ Lack of Sector Planning from Local Municipality
- ⇒ Government Special Programmes
- ⇒ Feedback to Local Municipality's DORA Section 23

The following Table 5 indicates the Status of Electrification within Umzimkhulu Local Municipality:

Table 6: Status of Electrification

Total no of Households AS per help Data base Collected In 2006	No of Households Electrified Inception to date	No of Households Not Electrified Current backlog	Total no of Schools	No of Schools Electrified	No of Schools not Electrified
36,244	14,969	21,275	66	42	24

(Source: Presentation by ESKOM Distribution Division – Eastern Region: Sisonke DM Electrification Status, 2008)

The municipality is however striving to achieve the following:

- ⇒ Electrification of all areas in Umzimkhulu.
- ⇒ Upgrading of existing electricity in all electrified areas.
- ⇒ Establishment of local ESKOM / electricity offices, a power station and its substations.

The Sisonke District Municipality Electricity Service Delivery Plan was developed and its draft was completed in September 2007 and was accordingly presented to the Infrastructure Standing Committee of Umzimkhulu Local Municipality. The Draft Plan further indicates on the prioritized electrification projects for Umzimkhulu Municipality which can be generally interpreted to indicate the electrification backlog within the Municipality. It must be highlighted that the Plan also provides an indication on the ESKOM Electrical Network Upgrade Projects beginning from 2007/08 to 2010/11 financial years.

2.2.2. Roads

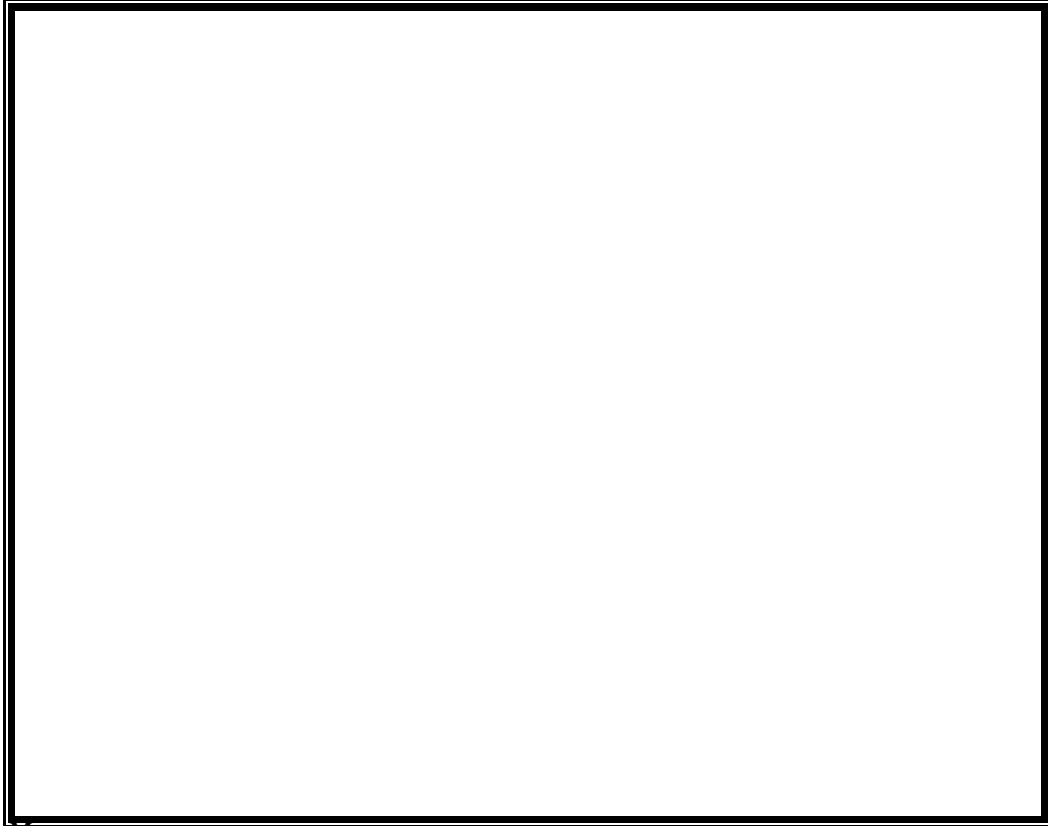
Whilst a lot of effort has been put for the rehabilitation of roads, however a lot still needs to be done to reduce the backlog. Access to some villages is only possible through the use of light delivery vehicles (bakkies). It is estimated that 45% of access roads become unusable during the rainy season. Taxis, buses and bakkies (neither of which are regulated) are the main modes of transport. The Department of Transport (DoT) provided funding (2007/2008) for the municipality to upgrade the road infrastructure.

The following roads have been completed:

- ⇒ Ward 16 Clydesdale access Road.
- ⇒ Ward 12 Nxaphanxapheni Access Road.
- ⇒ Ward 6 Makholweni Access Road.
- ⇒ Ward 8 Driefontein Access road
- ⇒ Ward 4 Mount Sheba Access road

In addition DOT has provided allocations stretching to 2012 for roads improvement and construction.

As highlighted above there are significant backlogs which will require priority funding in the next few years. The municipality intends sourcing funding for development of an Integrated Transport Plan (ITP) aligned to the existing District Public Transport Plan.



Map 4: Road Network within Umzimkhulu Municipality

2.2.3. Water

Water in Umzimkhulu is mainly drawn from natural sources like streams, rivers and fountains. Water in many areas is not purified and this makes these areas exposed or prone to cholera and other diseases. Quality of water is generally poor. Water from the main pipeline supplies and from the boreholes is not always in working order. Of the funding that has been received by the municipality, part of it is for the planned water projects that were previously halted due to lack of funding. There are projects that have been identified to cater for the provision of water and sanitation to the community.

The municipality is however still in the process of providing the following services:

- ⇒ Provision of clean water to all communities.
- ⇒ Establishment of water purification works in all schemes.
- ⇒ Provision of basic sanitation services.
- ⇒ Conducting of health and hygiene education
- ⇒ Developing a maintenance programme on water and sanitation services.

The following Table 7 indicates households having access to piped water within Umzimkhulu Municipality:

Table 7: Households' Access to Piped Water

Type of Water Source	Census 2001	Community Survey 2007
Piped Water Inside Dwelling	2.4%	7.5%
Piped Water Inside Yard	8.3%	6.9%
Piped (tap) Water to Community Stand: Distance Less than 200m from Dwelling	15.6%	25.7%
Piped (tap) Water to Community Stand: Distance Less than 200m from Dwelling	9.3%	-
Total Piped Water	35%	40.2%

(Source: Community Survey 2007)

The above table indicates significant improvements to households' access to clean and hygienic water. The figures on the other hand also indicate that over 50% of households continue to access water from other less reliable and relatively hygienic water sources.

The Water Service Delivery Plan was prepared by Sisonke District Municipality and now forms a crucial basis for planning of projects.

2.2.4. Sanitation

Rural areas under the jurisdiction of Umzimkhulu use pit latrines with very few areas that use septic tanks. A main sewer line has been installed within the Umzimkhulu CBD and surroundings; therefore most CBD residents are using waterborne sanitation system. The following Table 8 indicates the percentage of households using pit latrine, bucket system and no toilet facilities:

Table 8: Households Access to Sanitation Facilities

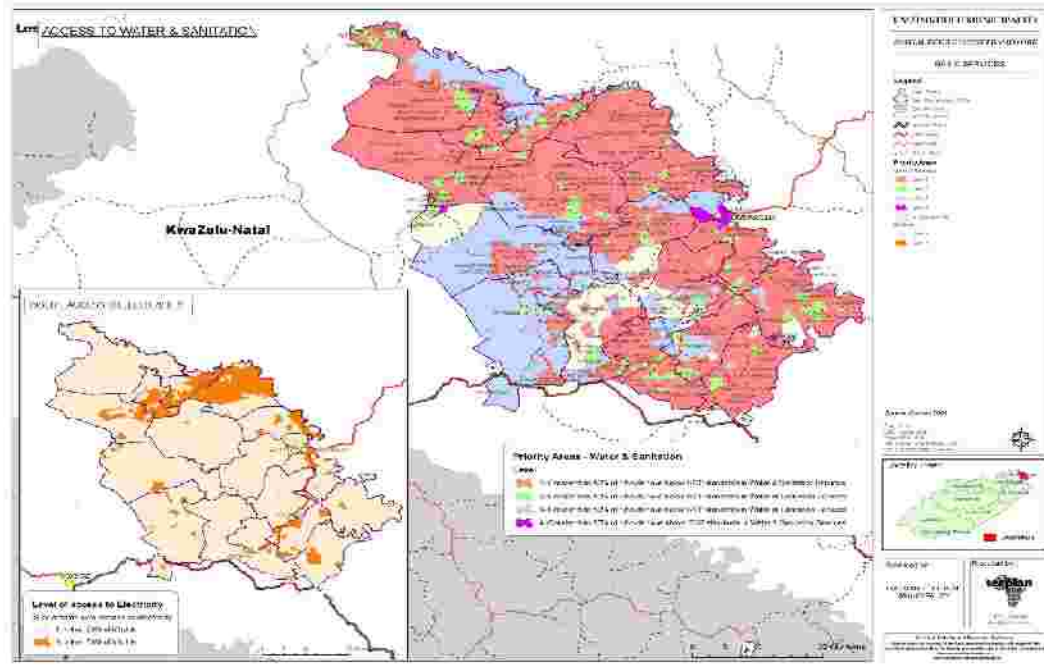
Type Sanitation Facility	Census 2001	Community Survey 2007
Pit Latrine	84.0%	66.5%
Bucket Toilet System	1.7%	0.4%
No Toilet	7.6%	7.1%

(Source: Community Survey 2007)

The above table can be interpreted to indicate that only 26% of the households have access to waterborne sanitation facilities. It also indicates significant reduction to the use of pit latrines and the bucket toilet system, however little change occurred to households with no access to sanitation facilities.

A Draft Protocol to Manage the Potential of Groundwater Contamination from on site Sanitation for Umzimkhulu Local Municipality has been developed. This Plan serves as a precursor for the development of a Sanitation Plan for the entire Sisonke District.

The Map 5 below indicates the households' access to water and sanitation:



Map 5: Households Access to Water and Sanitation

2.2.5. Refuse removal

The Community Survey 2007 indicated the Umzimkhulu Municipality's households' access to refuse disposal as depicted to Table 8 as follows:

Table 9: Households' Access to Refuse Disposal

Access to Refuse Disposal	Census 2001	Community Survey 2007
Removal by Local Authority / Private Company	4.5%	5.4%
No refuse Disposal	11.7%	1.6%

The above figures indicate that there has been relative improvement to households' access to refuse disposal for the last seven (7) years, specifically to households who had no refuse disposal systems in place.

This service is currently only offered in the following areas:

- ⇒ CBD,
- ⇒ Ibisi,
- ⇒ Skoonplaas,
- ⇒ White city,
- ⇒ Emajaridini,
- ⇒ Extension 6 and 8
- ⇒ Nyenyezi and
- ⇒ Imbizweni

In 2008 the municipality purchased a refuse collection truck which is now fully operational. In addition tractors with tipper trailer augment this service at least once a week. The municipality intends extending the service to neighbouring municipalities. Plastic bags are provided for the refuse collection. The refuse bins have been obtained for the CBD area during year 2008. There is a dumping site however it is not properly managed partly because of the lack of machinery. It is therefore intended that other suitable sites will be considered for locating the dump site.

Problems that are encountered with this service are as follows:

- ⇒ There is no recycling plant
 - ⇒ There is no way bridge to weigh incoming refuse in-order to charge other users
 - ⇒ There is human resource capacity but funds are lacking
- Balance of areas use dug holes for refuse disposal however this method results in the pollution of underground water. Rural areas on the other hand use open trenches to dispose their waste.

2.2.6. Housing

The Municipality has concluded its Housing sector plan that is to provide guidance in the roll-out of housing initiatives within the Municipality. A number of low cost housing projects were inherited from the Eastern Cape Government, which were delivered under the People's Housing Process. Almost all of these projects are experiencing land legal problems in the form of land invasions, encroachments etc however the Municipality appointed consultants to assist in this regard. The KZN Housing Department is also engaged in the process of resolving these issues.

A format to record the applications has been designed the list of applications has been compiled. A building inspector has been appointed to oversee building processes. However there is a need to expand unit's capacity to deal with the applications and other associated responsibilities.

The municipality has embarked on a land audit, which was completed in November 2007. The municipality is busy with an array of land legal issues which will result in the unlocking of various development parcels. Land Acquisition and Disposal Policy as well as the Implementation Plan (Procedure Manual) has been developed and approved by the municipality.

The following Table 10 below indicates the New Housing projects proposed for 2008/2009:

Table 10: Proposed Housing Projects for 2009/20109

PROPOSED NEW HOUSING PROJECTS FOR 2009/2010
LOW COST-
⇒ Clydesdale 900 units
⇒ Riverside phase 1 500 units
⇒ Riverside Phase 2 500 units
⇒ Ibisi 536 units
⇒ Umzimkhulu ext 5 and 6 -709 units
RURAL HOUSING PROJECTS
⇒ Mvubukazi (500 units)
⇒ Mfulamhle (500 units)
⇒ Mabandla (500 units)
⇒ Khiliva (500 units)
⇒ Roodevaal (350 units)
SLUMS CLEARANCE PROJECTS
⇒ Sisulu Extension 9 & 10 (100 units)
⇒ Skoonplaas (50 units)
RENTAL HOUSING
⇒ Umzimkhulu Residential Flats

2.2.7. Conclusion

There are many villages in Umzimkhulu that still have not been electrified. The Electricity Service Delivery Plan that is currently underway; to investigate all electrification backlogs within Umzimkhulu Local Municipality will assist in the municipality determining electricity projects.

The bucket system is in the process of being eradicated. The majority of the municipality used pit latrines with the water borne sanitation system installed only in the CBD and surroundings.

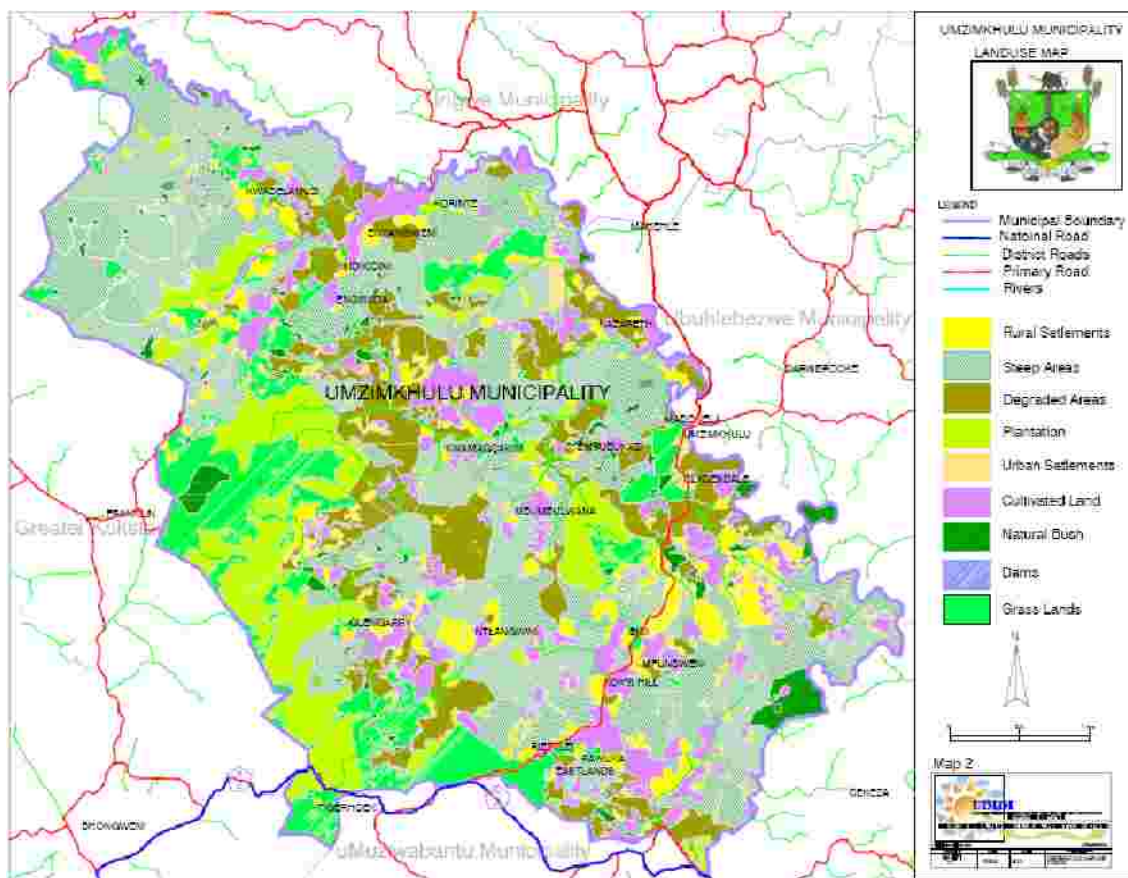
The priority for refuse collection should be the management of the dumping site. Other methods of waste disposal in rural areas should be considered and the current methods pollute the underground sources of water. Equipment to collect the refuse is not available so this service is hard to render to the community.

The Umzimkhulu Municipality has no Municipal owned housing stock that are leased or rented out to the community and government departments. As a result the municipality is not generating revenue from rent. The land audit will assist in clarifying the various land legal issues that are arising in the municipality and thereafter investments can be made in various areas without the fear of land claims.

2.3. Environmental Issues

2.3.1. Environment

Current condition of the natural environment is reflected in terms of land cover characteristics as per Figure 7. The plan reflects that a total of 18.2% of the overall municipal area consists of Degraded Unimproved Grassland. These degraded areas are mostly concentrated in the southern and eastern extent of the municipal area. Onl 0.07% of the municipal area is under commercial cultivation, whilst 15.6% is under subsistence cultivation. Approximately 9.24% of the municipal area is under commercial plantations. Overgrazing, excessive/uncontrolled removal of vegetation, road construction activities, v and forest fires and pollution are regarded as the main threats to the environment.



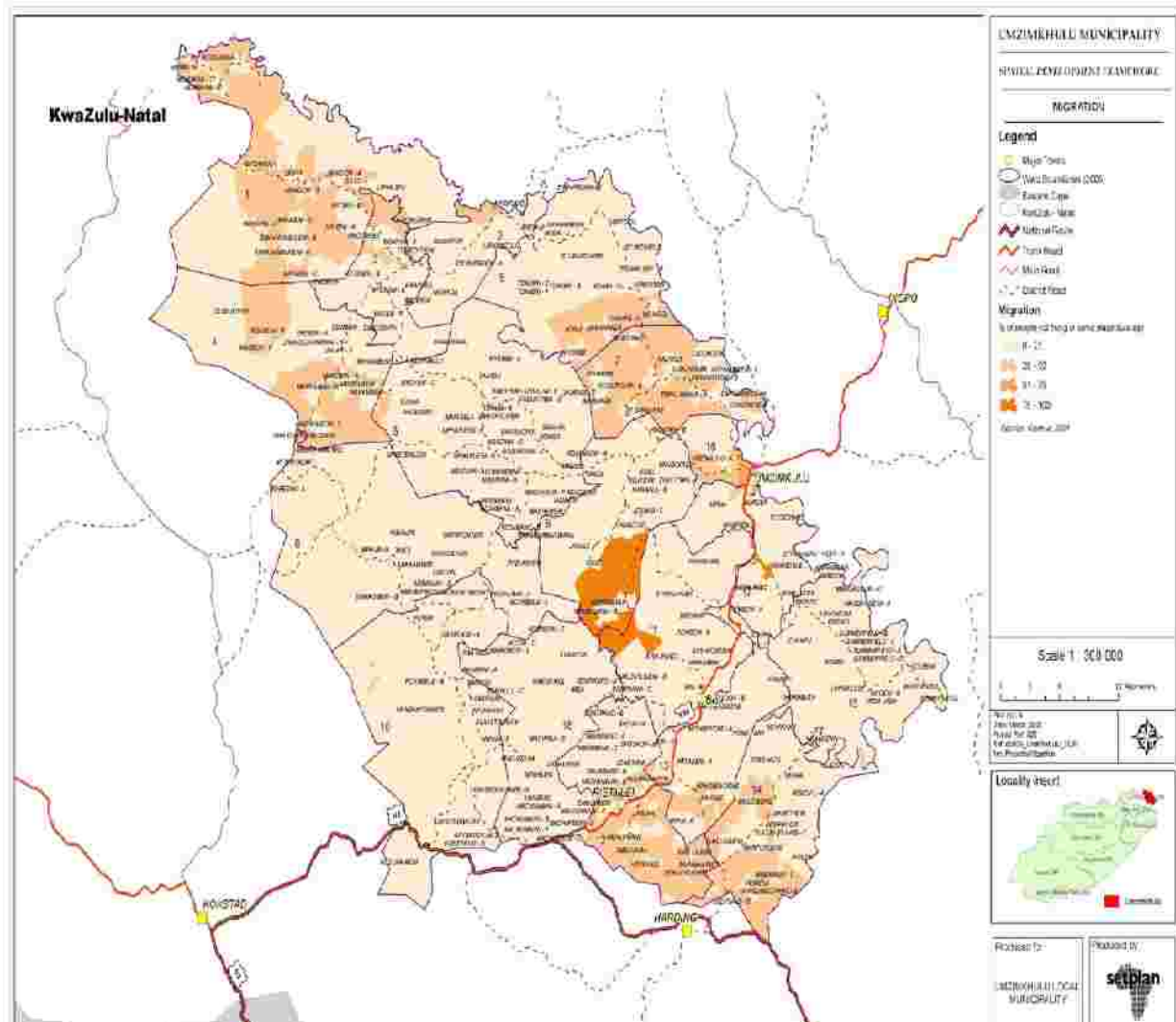
Map 6: Land Cover

2.3.2. Population Movement Patterns

The settlement pattern in Umzimkhulu clearly reflects that the majority of the population is at present residing within the rural parts of the Municipality. The implication of this is that development needs to be weighed heavily in favour of the rural areas. Some movement of people into parts of the Municipality has taken place. The following is clear:

- ⇒ Movement into Zones 1, 3 and 4.
- ⇒ Movement into Zones 7 and the southern portion of Zone 5.
- ⇒ Movement into Zones 12 and 14.
- ⇒ Movement into the area around Mambulweni B Village – Ward 9

Note: The movement of people is based on the % of people in an area (in 2001) that were not there 5 years prior. A high % movement therefore does not necessarily mean a high % of the overall municipal population, but rather indicates a high % change in the population status quo over the period 1996 – 2001.



Map 7: Movement Routes

2.3.3. Movement Routes

The roads in the Umzimkhulu municipality area can be broadly classified as follows:

- ⇒ The N2 passes immediately South of the Municipality.
- ⇒ The R56, which runs from the N2 through Rietvlei, Bisi Umzimkhulu towards Ixopo and Pietermaritzburg.
- ⇒ District Roads
- ⇒ Local Access Roads connecting the District Roads with the various villages.

The majority of the local rural access roads are in a poor condition, needing regular maintenance and upgrade. A railway line linking the Eastern Cape with KZN passes through the northern part of the Municipality.

2.3.4. Human Settlement

Umzimkhulu Local Municipal Area consists of 18 Wards, with the main administrative centre located in Umzimkhulu Town (Ward 16). Apart from privately owned land in the urban centre of Umzimkhulu (Title Deeds) and the R293 Townships of Rietvlei, Bisi and Clydesdale (Deeds of Grant), the balance of land in the Umzimkhulu Municipal area is mainly state land. Individual use right and "ownership" is held in terms of lesser forms of tenure. Most of this land is held communally and/or in trust by the Minister of Land Affairs which requires laborious procedures to unlock the potential of this land and its resources, as there is a number of overlapping rights and jurisdiction over most of the land not held in private ownership. The entire municipal area falls within the former Transkei homeland area, with a settlement pattern that reflects a predominantly rural character. The area can be described as follows:

Predominantly scattered low-density rural settlements. Settlements are loosely scattered throughout the entire municipal area and are surrounded by communal grazing and arable lands. Settlement density appears to be directly correlated to accessibility (increased accessibility – increased density). Spatially, settlement density appears to be lower, the further the location from the main road axis and its feeder roads. This is also supported by demographic information that clearly indicates that population density declines the further one moves away from the main transport routes. Levels of income are generally low, with the majority of residential structures being self-built.

Apart from a few trading stores and agricultural activities there is generally little sign of economic activity outside of the "urbanised" areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The continuous low-density sprawl of these rural settlements and poor planning of the past, which results in more productive agricultural land being taken up, can be regarded as one of the main threats to the development of the agriculture sector in Umzimkhulu.

2.3.5. Conclusion

The natural environment can be regarded as the primary factor for sustainable development in the Umzimkhulu Municipality. All the identified resources with potential to generate economic development are directly dependent on the condition of the natural environment. Current

inappropriate agricultural practices and human activities are the main threats to future sustainability of development in Umzimkhulu.

Settlements are loosely scattered throughout the entire municipal area and are surrounded by communal grazing and arable lands. Settlement density appears to be directly correlated to accessibility (increased accessibility – increased density). Spatially, settlement density appears to be lower, the further the location from the main road axis and its feeder roads and in these areas levels of service is generally low.

There is generally little sign of economic activity outside of the “urbanised” areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The population in these areas is not easily serviced because of the poor planning in these areas.

2.4. Economic development

Umzimkhulu Municipality adopted a Local Economic Development Strategy (LED) in July 2007. The national framework for LED in South Africa aims to support the development of sustainable local economies through integrated government action. This government action is developmental and stimulates the heart of the economy, which consists of a collection of enterprises including cooperatives that operate in local municipal spaces.

LED is one of the five Key Performance Areas (KPA's) for Local Government. As a key performance area, LED is strongly interrelated and dependent on the other four KPA's. The alignment of the Municipal LED Plan with National and Provincial objectives will be catered for when the strategy is being reviewed, however the District Municipality is in the process of developing its LED Plan and alignment with district objectives will also be considered in the review of the plan.

UMzimkhulu is an Integrated Sustainable Rural Development Programme (ISRDP) node and has maintained that status even after its transfer to uMzinyathi Local Municipality and a nodal economic profiling was conducted by the Department of Provincial and Local Government (DPLG)

The strategy identified the following sectors as the sectors that currently exist in Umzimkhulu.

- ⇒ Agriculture
- ⇒ Forestry
- ⇒ Community, social and other personal services
- ⇒ Trade and tourism

2.4.1. Agriculture

Agriculture sector accounts for the largest formal number of employees in the municipality. According to the information obtained from the local office of the department of Agriculture, Umzimkhulu has excellent weather, high quality soils and river streams dissecting the landscape giving opportunities for high value agricultural production. It is reported that this sector declined after government funded schemes collapsed. People were too dependent on government for agricultural development. However there is potential for growth with proper support (financial, technical, business) to farmers. The introduction of new technologies and new products will result in the growth of this sector.

Agricultural sector contributes primarily in the local economy due to its high agro-ecological potential. It contributes only 7% to GDP because of the fact that agricultural activity is practiced at a subsistence level and only 8% to employment. No significant large-scale commercial agriculture exist except for the privately managed timber plantations

Agriculture in Umzimkhulu consists of cattle and sheep farming, crop farming and poultry farming which are the most common ways of sustaining livelihood in the area. There are various projects that are initiated for farming but most of them are not sustainable as a result of poor management and marketing skills. Most of the projects that exist are good but misplaced e.g. breeding chickens in an area that has good soil, plenty of water and would make more economic sense for crop production than breeding chickens.

- ⇒ The local municipality has attempted to assist the projects through providing for some of their requirements and assist in the registration of the various projects, but lacks coordination of the whole exercise.
- ⇒ The human resource in the LED department of the municipality is also not enough to carry out all the functions that this department is responsible for.
- ⇒ There is also a problem with securing financial loans for the projects however some development banks are now assisting.
- ⇒ Land tenure practices in the area can be regarded as one of the main factors hampering investment in agricultural production.
- ⇒ In addition to this sprawl of low-density rural settlements can also be regarded as a leading factor in the loss of high potential productive agricultural land.
- ⇒ Agriculture currently contributes only 2% of the Gross Geographic Product of the Municipal area

2.4.2. Forestry

Forestry makes up most of the income generation in Umzimkhulu however most of these forests are privately owned. Singisi Forest is the biggest stakeholder of forestry in Umzimkhulu. According to information obtained through interviews the forests cover 60 000 hectares. Singisi Forests is looking at expanding to twice the current capacity. Currently they have three (3) sawmills and a mushroom plant. The mushroom plant deals with packaging and exportation mushrooms that are found in all the pine forests.

These forests currently have pine, gumtree and wattle the planted species. The pine is used for making furniture, building material, chemicals and cosmetics (pine gel). The gumtree and wattle don't create jobs in the area as they are mostly used for paper manufacturing and Umzimkhulu doesn't have the plants to manufacture paper so it is sent to manufacturers in Richards Bay as a raw product.

The main threat to the forests is veld fires and livestock. Singisi has a fleet of fire extinguishers however more still needs to be done in the actual prevention of veld fires.

As part of their Corporate Social Responsibility Plan Hans Merenskie group (Singisi Forests) has community development projects that target education, training and capacity building. These they achieve through providing bursaries building schools and community clinics etc. Furthermore Singisi Forests have opened a trust fund in the areas where they have

forests so they could plough back the money they make on the natural resource of the community. The trust fund is used at the community's discretion.

2.4.3. Community, social and other personal services

This is the second largest employment sector. It includes public administration, education, health and social work and other community, social and personal service activities and recreational, cultural and sporting activities.

2.4.4. Trade and tourism

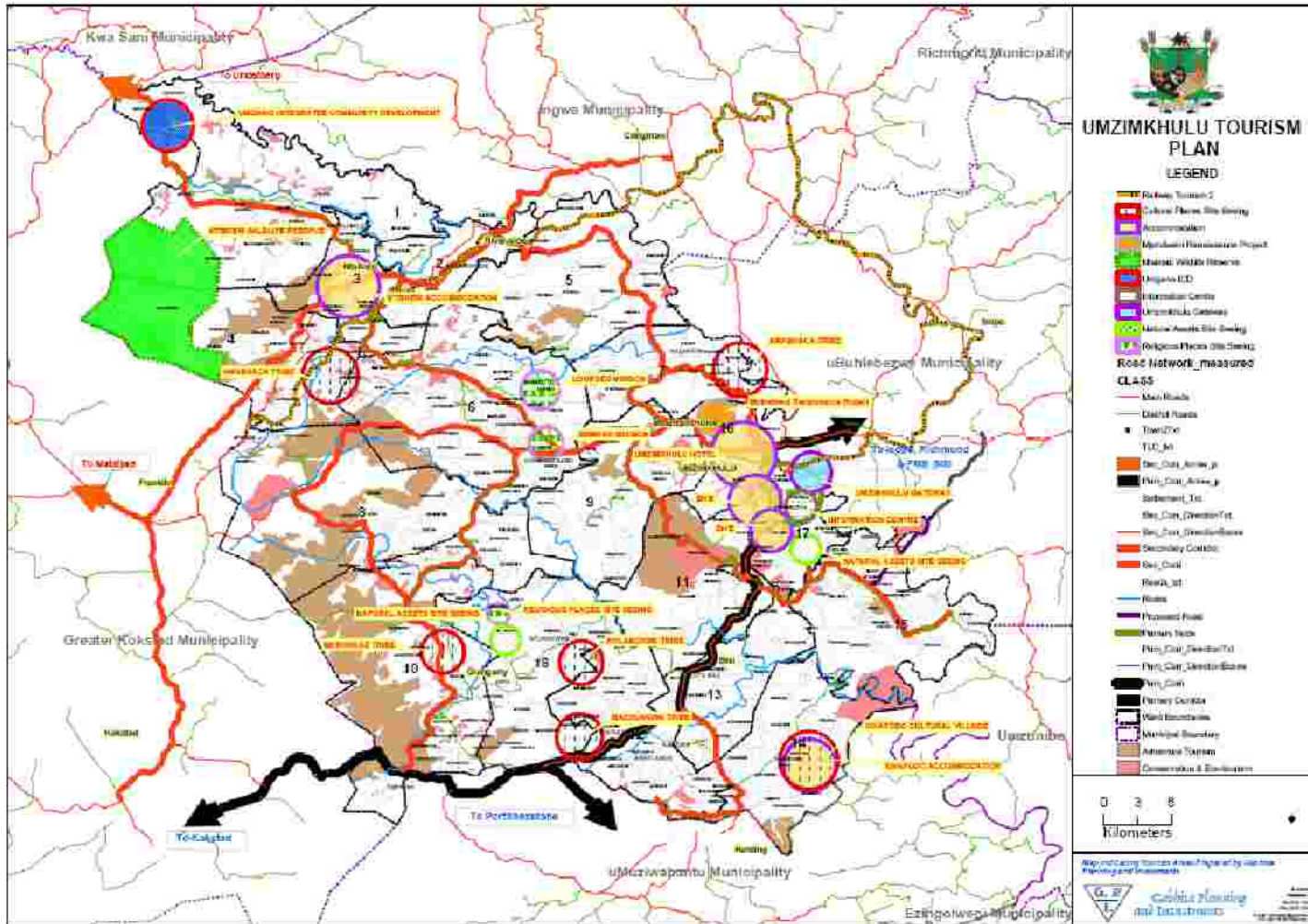
This is the third largest sector. It includes wholesale and retail trade, repair of motor vehicles, personal and household goods, accommodation establishments that to a large extent fall within a category of formal economy.

The tourism product is a combination of eco- and cultural tourism. The broader retail, wholesale, catering and accommodation sector contribute 12% of GDP AND 12% to employment. Private and public-private tourism initiatives e.g. the development of the rail tourism in neighbouring municipalities is underway and herein lies the potential to grow tourism in UMzimkhulu.

Tourism is recognized as one economic contributor that has major potential boosting the economy of Umzimkhulu. The sector has just recently been explored with only a few projects completed. The competitive advantage of this sector is the availability of beautiful scenery, wildlife, monumental places and forests that harbour rich bio diversity. It must be highlighted that the Municipality has completed its Tourism Sector Plan which highlights various tourism attractions within the Municipality and strategies towards their development. A number of projects were also highlighted.

Currently this sector is not properly marketed or advertised. However for the growth of this sector various infrastructural assets that hamper the functioning of tourism require upgrade.

The following map indicates spatially the Umzimkhulu Tourism Sector Plan:



Map 8: Tourism Sector Plan

Economic activity in the informal economy, which has historically been difficult to define, is also growing. In the context of Umzimkhulu the informal economy ranges from people selling on tables on the street side to people operating from transido and mobile vendors. The working conditions of most of these traders are not conducive to the growth of their businesses. The economy is also very fluid in that the consumer trend / interest is unpredictable for the kinds of goods they generally sell... Although some street furniture is provided some of it is left unused as the traders complain that there are no customers coming towards their direction. This furniture has become a "waiting area" for school children that are waiting for transport and need shade from the sun.

The traders that are selling from the streets and at the stands in the rank also have a problem with ablution facilities, amongst other things. There is poor parking space organization for both deliveries and customers, and an issue that can potentially discourage potential customers. There are also no storage facilities for these vendors and they end up renting at the transido's to keep their goods overnight. Even such space is not enough for all the traders.

The transido's accommodate hair saloons, dressmakers, catering, appliance repairs, herbalists and a driving school. The workers that are operating from transido's are operating with no water and ablution facilities.

2.4.5. Finance and Business Services

This sector has average performance in terms of number of employees but substantial GDP contribution and rapid growth over the last decade. However this sector is largely dependent on the growth of the other sectors and the potential for direct growth in this sector is limited.

2.4.6. Conclusion

LED in Umzimkhulu has various sectors that need to be developed. It is important to emphasize that the importance to identify and build on the agricultural, forestry and tourism potential of the area and target investment to LED related initiatives and programmes taking place outside of the urban centres that have potential for growth and to generate economic spin-off benefiting the large number of rural poor.

LED in the area can be better achieved through the formation of partnerships with the various private and public entities. The LED will improve the livelihoods of most households in the area and this can be achieved by improvement of other sectors in the area. For example the road condition has a bearing on the accessibility of the various tourist destinations in Umzimkhulu.

The transport system will also need to be improved and regulated to cater for transport projects that are far from the main mobility routes. The transport system will also ensure accessibility to the remote areas.

As a means towards the implementation of LED strategy, the municipality hosted an LED summit in 2008. The summit focused on the following themes:

- ⇒ Land, Agriculture and Forestry
- ⇒ SMME and Informal economy
- ⇒ Tourism, arts, Craft and culture
- ⇒ Retail, commercial formal business

⇒ Public Transportation, Public services

2.5. Stakeholder Analysis

Umzimkhulu has various stakeholders that are servicing the municipal area. These include both government and private entities. The various entities that exist in Umzimkhulu include;

- ⇒ Sisonke District Municipality
- ⇒ Umzimkhulu Local Municipality
- ⇒ Department of Agriculture
- ⇒ Department of Health
- ⇒ Department of Social Welfare and population development
- ⇒ Department of Home Affairs
- ⇒ Department of Education
- ⇒ SASSA (South African Social Security Agency
- ⇒ Singisi Forests

2.5.1. Sisonke District Municipality

Sisonke District Municipality is the District which offers all district services to Umzimkhulu Municipality. These include bulk water and sanitation, electricity etc.

2.5.2. Umzimkhulu Local Municipality

Umzimkhulu Local Municipality is the municipality that is responsible for service delivery in the Umzimkhulu Municipal Area.

The Municipality has 5 units namely

- ⇒ Community Services Department,
- ⇒ Corporate Services Unit,
- ⇒ Infrastructure,
- ⇒ Planning and Housing and Finance.

2.5.2.1. Community Services department

The department has 3 units namely ;

- ⇒ Traffic and Law enforcement,
- ⇒ Economic Development,
- ⇒ Environmental Management

◆ Traffic Regulation and Law Enforcement

Safety and security has 2 aspects to it, traffic control and policing. The aspect that falls under the municipality is traffic regulation. The unit is responsible for testing, traffic regulation and implementing the traffic bylaws. The municipality has an under resourced traffic unit. The urban regeneration programme will assist in the building of parking bays so the municipality can generate income from parking.

For 2009/2010 financial plan, the municipality intends establishing Fire and Rescue services unit.

Challenges

Currently there is no tracking system to assist with tracing of defaulters and consequently the municipality is unable to collect revenue from defaulters. The municipality does have bylaws for but they are barely implemented due to a lack of human resources. In addition the current working space of the unit is not sufficient for all their functions.

- ◆ Economic Development

There is an Economic Development Strategy in place for the municipality.

2.5.2.2. Corporate Services Unit

This department has the following aspects;

- Human Resources
- Skills Development
- Labour Relations

- ◆ Human Resources

It is also noteworthy that the municipality has filled all post in this department. In addition the municipality has completed a Human Resource Strategy plan. The Internship programme has assisted with the workload especially in the Finance unit. The organogram of the municipality was completed in November 2007. However constant developments necessitate updates and the latest revision has been completed for 2009/2010 review period.

- ◆ Skills Development

The Workplace Skills Plan has been completed and is currently being implemented. However the lack of financial resources hinders the full implementation of the WSP. Skills that have been prioritized include management skills, Leadership skills and computer literacy. Learnership programmes within the municipality are used to implement scarce skills.

The ABET programme has not been offered in 2009/2010 financial year.

- ◆ Labour Relations

This function is handled by the manager of the Corporate Services department. Whilst the municipality strives to uphold stronger labour relations, it is committed to ensuring efficiency to work ethics and Batho Pele principles as well zero tolerance to fraud and corruption. In this regard the municipality has successfully concluded in favour of the municipality.

2.5.2.3. Infrastructure Services Unit

Various managers at the municipality attended an Extension Public Works Programme (EPWP) programme to prepare them for better understanding of EPWP and how it should be translated to projects. This ensured that the studies that are being commissioned meet targets.

Consultants were appointed to visit all the 18 wards and undertake a study to determine the following for all infrastructure projects.

- ⇒ Conduct a skills audit for all the projects
- ⇒ Create a business plan for all the projects.

This project was completed in 2007. The process will be critical in ensuring application of EPWP principles for the improvement of socio-economic situation.

2.5.2.4. Planning and Housing

The municipality has employed a permanent Housing and planning manager. The goal of this department is to manage and promote informed integrated planning, development and housing that accelerates quality service delivery and ensures sustainable communities.

2.5.2.5. Finance

The Municipality has a fully functional Finance Department which has recently completed the review of its financial plan for 2008/2009 financial year.

It is important to note that the implementation of Property rates affected the current parameters in the indigent policy. In this regard, it became necessary to review the thresholds within the indigent policy from R2000 to R2500.

The municipality continued to receive an unqualified report from the Auditor General in 2008 financial year.

2.5.3. Department of Agriculture

The department is based in the CBD. This department renders the following services to the Umzimkhulu Municipal area.

- ⇒ Technical advice for agricultural services
- ⇒ Technical advice on environmental management
- ⇒ Veterinary services
- ⇒ Agricultural extension services (social facilitation, project management etc)

2.5.4. Department of Health

The department is based at the College. These offices are mainly focused on managing the clinics in the Umzimkhulu municipality. The services that are rendered by the department includes the following

- ⇒ Chronic services and mental health
- ⇒ Rehabilitation service
- ⇒ Environmental Health Service
- ⇒ Adolescent services (youth friendly clinics)
- ⇒ TB control
- ⇒ HIV/Aids management and ART is available in 5 clinics

2.5.5. Department of Social Welfare and population dynamics

The department is based at the college. This department is mainly focused on Community development which includes the following aspects

- ⇒ Youth development: this includes the developments of skills and knowledge for the youth to improve employment opportunities. This is achieved through internships and other community development programmes.
- ⇒ Sustainable livelihood: this includes poverty alleviation programmes. The department provides an integrated programme that responds to poverty.
- ⇒ Institutional capacity and support: this includes assisting in registering community projects as Non Profit Organisations (NPO). The department also assists in the improving of governance and management of NPO's so they can be self sustainable.
- ⇒ Research and demography: this is the research in population development trends.
- ⇒ Population capacity development: this is the training of youth and women on HIV issues.
- ⇒ HIV/AIDS: this programme includes establishment of community based centres, provision of support to victims and launching a prevention programme.
- ⇒ Child care and protection services: this includes child placements, foster care grant and child abuse cases.
- ⇒ Social crime prevention: This is a probation service for children in conflict with the law. It seeks to rehabilitate children and divert their cases from the mainstream.
- ⇒ Substance abuse: This is rehabilitation and counseling substance abusers.
- ⇒ Care for the aged: This includes referrals to residential care and providing support to the NPO's
- ⇒ Care for people with disabilities: This is launching income generating projects for the aged and assistance in accessing social grants.
- ⇒ Victim empowerment programme: these are support centre for abused women and children where counseling is provided to victims of violent crimes. Referrals for domestic restraining orders are also issued.

2.5.6. Department of Home Affairs

These offices are at the College, however they have not been renovated from the kitchen they used to be. This department offers the following services;

- ⇒ Birth Certificate
- ⇒ Death Certificate
- ⇒ Identity documents
- ⇒ Marriages
- ⇒ Passports

The department is currently suffering from a lack of working resources, which include office space, equipment and staff. The department has a mobile truck to service the areas that are far from the CBD. The truck services the entire Sisonke district and this year it will visit each municipality once a week as opposed to the once a month previously.

2.5.7. Department of Education

There are circuit offices in Umzimkhulu that are under the Kokstad region based. The role of this office includes:

- ⇒ Servicing of the 178 schools in Umzimkhulu through ward managers
- ⇒ Submission and distribution of learning material
- ⇒ Providing schools with subject advisors
- ⇒ Coordination of district and provincial activities

Mud structures make up approximately 120 of the schools in the area. This poses a problem because of the deteriorating conditions of these structures. There is still a shortage of classes and desks for the learners.

The projects for Umzimkhulu of this department are driven by the regional office in Kokstad

2.5.8. SASSA

SASSA is an agency that is responsible for the registration of social grants. This agency registers the following types of grants;

- ⇒ Old age grant
- ⇒ Disability grant
- ⇒ Care dependency grant
- ⇒ foster care grant and
- ⇒ grant in aid

The agency is also responsible for social relief which includes the distribution of food parcels that are distributed to households for 3 months.

2.5.9. Department of Transport

The department has offices at the college, however the role of these offices is the implementation of projects from the offices in Pietermaritzburg. There are no set functions that are performed by the offices in Umzimkhulu.

2.5.10. Singisi Forests

Singisi Forest is the biggest stakeholder of forestry in Umzimkhulu. According to information obtained through interviews the forests cover 60 000 hectares. Singisi Forests is looking at expanding to twice the current capacity. Currently they have three (3) sawmills and a mushroom plant. The mushroom plant deals with packaging and exportation of mushrooms that are found in all the pine forests.

These forests currently have pine, gumtree and wattle – the planted species. The pine is used for making furniture, building material, chemicals and cosmetics (pine gel). The gumtree and wattle don't create jobs in the area as they are mostly used for paper manufacturing and Umzimkhulu doesn't have the plants to manufacture paper so it is sent to manufacturers in Richards Bay as a raw product.

2.6. Public Participation

The participation of the public in all IDP processes forms the indispensable and integral part of the process and ensures identification with the final product. Umzimkhulu Municipality clearly outlined the mechanisms and the diverse community groupings in ensuring that inputs from these groupings are received. These public participation processes are clearly outlined in the IDP Process Plan. The following Table 10 provides an indication of the participation and consultation processes which are and are yet to be undertaken:

Table 11: Public Participation Meetings

COMMUNICATION PROGRAMME AND MILESTONES

OBJECTIVE (s)	ACTION	RESPONSIBILITY	TIMEFRAME	STATUS
To give the communities the opportunity to participate on their development.	IDP izimbizo	IDP Manager, Public Participation /communications unit.	October /November 2008	Complete
	MPRA, Budget and IDP stakeholder consultation	IDP Manager/ Public Participation /communications unit.	October 2008	Complete
	2009/2010 IDP Rep Forum	IDP Manager/ Public Participation /communications unit.	September 2008	Complete
	Ward Consultation Meetings on projects	IDP Manager /Public Participation /communications unit.	November 2008	Complete
	IDP Alignment meeting with sector departments	IDP Manager/ Public Participation /communications unit.	March 2009	Complete
	UMzimkhulu Intergovernmental Relations	Public Participation/communications unit	quarterly	Ongoing
To inform Communities about Role of Local government	Public Education	Communications Unit, Public Participation Unit, Special Programmes unit,	November 2008	Complete
To build good relationship between the Municipality and the Media	Engage the media on municipality's programmes through Media Briefing	Communications Unit and the Municipality's Principals	Ongoing	Ongoing

	Session			
Monitoring of Media	Collection of all media articles with Municipality's issues	Communications Unit	Ongoing	Ongoing
	Budget Izimbizo	Public Participation Unit, Communications Unit, Councilors, Finance Department.	April 2009	Complete
To market the Municipality and showcase its best Practices	Development of Municipality's News Letter	Communications Unit, GCIS(Sisonke District Municipality)	quarterly	Ongoing
To inform communities about the municipal property rates Act	MPRA outreach programme	Finance dept. , Public participation & Communications Unit	October / November 2008	initiated
To facilitate intergovernmental dialog with local and provincial departments			February 2009	Ongoing

CHAPTER 3 – DEVELOPMENT STRATEGIES

3.1. Introduction

This section highlights on uMzimkhulu Municipality's Long Term Growth and Development Goals. This section will therefore highlight on the components of the Long Term Growth and Development Goals as follows:

- ⇒ Vision, Mission and Core Values
- ⇒ Umzimkhulu Municipality Strategic Issues
- ⇒ Strategic Objectives and Strategies

The Strategic Objectives and Strategies are structured in line with the Key Performance Areas (KPAs) of the Five Year Local Government Strategic Agenda as indicated below:

- ⇒ Spatial Development Framework
- ⇒ Service Delivery
- ⇒ Sustainable Economic Growth and Development and LED
- ⇒ Financial Viability
- ⇒ Institutional Arrangements
- ⇒ Performance Management System
- ⇒ Governance

3.2. Vision, Mission and Core Values

Umzimkhulu Municipality Council adopted its development vision, mission and core values as follows:

Vision

“Delivery of quality services in Umzimkhulu”

Mission

Umzimkhulu Municipality will develop institutional capacity and use all available resources to ensure financial sustainability through public participation.

Core Values

- ⇒ Transparency
- ⇒ Commitment
- ⇒ Accountability
- ⇒ Cultural Diversity
- ⇒ Integrity

3.3. Umzimkhulu Municipality Strategic Issues

The following highlights on the Municipality's strategic issues:

- ⇒ To develop systems to facilitate co-operative governance and inter-governmental relations especially with the district, other spheres of government and service providers to maximize the development impact within Umzimkhulu municipality
- ⇒ To build capacity and skills of the community, council and staff of Umzimkhulu Municipality to deepen democratic participation in decision making all development processes and to facilitate horizontal and vertical communication with all stakeholders.
- ⇒ To reduce the backlog in services such as waste removal and physical infrastructure such as roads as well as social infrastructure such as clinics, sports and recreation facilities, libraries and arts and culture
- ⇒ To manage municipal financial resources in a way that will ensure financial viability and sustainability, and the alignment of the budget with the needs and priorities of the stakeholders
- ⇒ To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the municipality to address them holistically.
- ⇒ To develop an organisational architecture, business processes and policies, which will enable the municipality to fulfil its constitutional and legislative mandates and achieve its vision and mission.
- ⇒ To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction and improves BBBEE.
- ⇒ To address issues of youth, women, disabled and vulnerable sectors of society on integrated bases
- ⇒ To ensure that the number of households eligible for free basic services is increase
- ⇒ To manage and promote informed integrated planning, development, housing and local economic development that accelerates service delivery and ensures sustainable communities

3.4. Strategic Objectives and Strategies

UMZIMKHULU LOCAL MUNICIPALITY STRATEGIC FRAMEWORK

KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES	INDICATORS
1. Municipal transformation and Institutional development	1) Acknowledgement of transitional status of the Municipality's institutional arrangement.	<p>a. To address issues of the youth, women, disabled and vulnerable sectors of society on integrated basis;</p> <p>b. To develop systems to facilitate co-operative governance and inter-governmental relations especially with the District, other spheres of government and service providers to maximize the development impact within Umzimkhulu Municipality.</p>	i. Improving educational attainment levels of the area and skills development of all people, especially the youth, women and other vulnerable groups.	<p>A. Number of female employees appointed / promoted at management level</p> <p>B. % of females appointed at operational level</p> <p>C. Number of disabled people appointed</p> <p>D. % progress made toward the implementation of the system</p>
2. Local Economic Development	<p>1) Poverty, unemployment, HIV and AIDS and other diseases, are regarded as the main socio-economic challenges that the municipality needs to address in the short, medium and long term;</p> <p>2) Economic growth of the municipal area is also very critical in the creation of sustainable jobs and the building of Public-Private Partnerships</p>	a. To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction, rates base increase, and improves broad-based black economic empowerment and the development of small and medium enterprises in various economic sectors, with particular emphasis on agriculture and tourism	i. Growing the local economy to create sustainable job opportunities, reduce poverty and increase the revenue base of the municipality	<p>A. Number of tourism facilities upgraded.</p> <p>B. Number of jobs created through the Municipality's LED initiatives including capital projects</p> <p>C. Number of people trained under cooperatives</p> <p>D. Number of agriculture initiatives sustained.</p> <p>E. Number of SMME's which have been budgeted for the next financial year</p> <p>F. % of LED projects implemented</p>

KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES	INDICATORS
Local Economic Development (Continued...)	3) Speed up land reforms and agricultural development	b. To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the municipality and to address them holistically;		
3. Basic Service Delivery and Infrastructure Investment	<p>1) The challenge is to improve the rate at which the service delivery is taking place and ensure that all people have access to basic services and integrated human settlement in line with the new national housing policy.</p> <p>2) Provision of social facilities and services such as health and welfare, and the dire need to maintain existing physical and social infrastructure</p>	<p>a. To ensure that in line with national goals, all households have universal access to clean and portable water and decent sanitation by 2009;</p> <p>b. To ensure that in line with national goals, all households have universal access to electricity by 2012;</p> <p>c. To ensure that the number of households eligible for Free Basic Services is increased;</p> <p>d. To reduce the backlog in services such waste removal and physical infrastructure such as roads as well social infrastructure such as clinics, sports and recreation facilities, libraries and arts and culture;</p> <p>e. To eliminate all slums by 2010 in line with provincial goals and ensure decent rural housing delivery within the framework of sustainable and integrated human settlements;</p>	i. Addressing service delivery backlogs, meeting basic needs of the people, and free basic services;	<p>A. % of Municipality's capital budget actually spent on capital projects in terms of the IDP</p> <p>B. Number of projects completed within budget and timeframes and to acceptable quality standards</p> <p>C. % progress made toward the development of a 5 year strategic plan (IDP)</p> <p>D. R value of grants and investments attracted</p>

KPAs (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES	INDICATORS
4. Financial Viability and Financial Management	1) Ensure that Umzimkhulu Municipality is financially viable and sustainable and align its budget with Integrated Development Plan Priorities	a. To manage municipal financial resources in a way that will ensure financial viability and sustainability of the municipality, and the alignment of the budget with the needs and priorities of stakeholders	i. Ensure that financial management systems are structured to increase municipal revenue; ii. Ensure alignment of municipal development priorities with budgetary allocations	A. % of Municipality's capital budget actually spent on capital projects in terms of the IDP B. % Progress made toward the final budget being adopted by Council C. % Progress toward reviewing financial policies
5. Good Governance and community Participation	1) The strengthening of community participation in the development process, co-operative governance and communication is also vital in ensuring that the developmental needs and priorities of the people are addressed properly 2) Improving the skills and capacity of all officials, councillors and all people of Umzimkhulu Municipality need to occupy a central stage and integrated in all activities of the municipality	a. To develop an organizational architecture, business processes and policies, which will enable the municipality to fulfill its constitutional mandate and achieve its vision and mission. b. To build the capacity and skills of the community, councilors, and staff of Umzimkhulu Municipality, to deepen democratic participation in decision making and all development processes, and to facilitate horizontal and vertical communication with all stakeholders;	i. Forging strategic partnerships with the District Municipality and other stakeholders to realize the vision of the Municipality	A. Number of employees trained in customer care B. Number of training initiatives conducted C. Number of meetings attended with other Local Government Establishments (e.g. SALGA, DM and DTLGA) D. Number of Municipal Partnerships established E. % of ward committees trained F. Number of meetings held
6. Performance Management Systems	1) Development of stringent culture of high administrative standards and accountability.	a. Effective institutional management implementation	i. Improve service delivery through proper and effective administrative structures.	A. Progress made toward the development of performance plans for all levels in the Municipality B. % Progress made toward performance agreements being in place for all senior staff

KPA's (Strategic Priority Issues)	ISSUES FOR CONSIDERATION	STRATEGIC OBJECTIVES	DEVELOPMENT STRATEGIES	INDICATORS
7. Spatial Development and Human Settlements	1) Effective management of development pockets and growth areas.	a. To facilitate coherent development of all growth areas; b. To maximize the economic potential of Umzimkhulu Municipality Town and Corridor as a transitional cross-border municipality	i. Ensure harnessing of socio-economic opportunities provided by regional development; ii. Optimal utilization of advantages provided by the R56 secondary provincial corridor	a. % Progress toward the development of the IDP Sector Plans b. % Progress toward the development of an Approved Town Planning Scheme c. % Progress toward the review and implementation of Spatial Development Framework d. % Progress toward Umzimkhulu Town Urban Regeneration Plan e. % of Land audit completed (Land Legal Matter) f. Number of houses built
8. Community and Social Development Initiatives	1) High prevalence of HIV/Aids infections 2) Prevalence of natural and man-made disasters 3) Human and vehicular traffic management challenges 4) Lack and limited access to social facilities	a. To minimize disasters within the Municipality b. To develop orderly management of human and vehicular traffic c. To ensure basic access to a wide range of social amenities d. To develop a preventative measures and mechanisms to mitigate the impact of disasters (natural and man-made) e. To educate members of the community regarding the dangers of HIV/AIDS. f. To create awareness of Traffic Rules, Regulations and Signage g. To develop local talent and promote culture and heritage thereby ensuring self-sustainability. To improve library facilities	i. To facilitate access to a wide range of HIV/Aids initiatives ii. To promote voluntary HIV/Aids testing and counseling iii. To develop spatial organization that promotes smooth traffic movements iv. To fast-track implementation of urban regeneration projects v. To develop basic access to social facilities in line with RDP standards	a. Number of HIV/AIDS awareness campaigns. b. % progress made toward the development and approval of a Disaster Management Plan c. % Progress made with the implementation of the PALS system d. Number of awareness campaigns conducted e. % progress made toward the development of Library satellite Centres f. % progress made toward the development of a Moral Regeneration Plan g. Number of arts and culture festivals.

CHAPTER 4 SPATIAL DEVELOPMENT FRAMEWORK (AN OVERVIEW)

4.1. Contextual Analysis

The Umzimkhulu Local Municipal Area consists of 18 Wards, with the main administrative centre located in Umzimkhulu Town (Ward 16). Apart from privately owned land in the urban centre of Umzimkhulu (Title Deeds) and the R293 Townships of Rietvlei, Ibisi and Clydesdale (Deeds of Grant), the balance of land in the Umzimkhulu Municipal area is mainly state land. Individual use right and “ownership” is held in terms of lesser forms of tenure. Most of this land is held communally and/or in trust by the Minister of Land Affairs which requires laborious procedures to unlock the potential of this land and its resources, as there is a number of overlapping jurisdictions over most of the land not held in private ownership. The entire municipal area falls within the former Transkei homeland area, with a settlement pattern that reflects a predominantly rural character. The area can be described as follows:

Predominantly scattered low-density rural settlements. Settlements are loosely scattered throughout the entire municipal area and are surrounded by communal grazing and arable lands. Settlement density appears to be directly correlated to accessibility (increased accessibility – increased density). Spatially, settlement density appears to be lower, the further the location from the main road axis and its feeder roads. This is also supported by demographic information which clearly indicates that population density declines the further one moves away from the main transport routes. Levels of service are generally low, with the majority of residential structures being self-built.

Apart from a few trading stores and agricultural activities, there is generally little sign of economic activity outside of the “urbanised” areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The continuous low-density sprawl of these rural settlements and poor planning of the past, which results in more productive agricultural land being taken up, can be regarded as one of the main threats to the development of the agriculture sector in Umzimkhulu.

The key issues relating to tenure and settlement in the region are:

- ⇒ Competition for land.
- ⇒ Competing uses of land (productive agriculture vs. subsistence agriculture/residential)
- ⇒ Access to affordable infrastructure.

This emphasizes the need for appropriate land reform planning and spatial planning intervention to resolve the rural problems.

Peri-Urban and Semi-Urban Settlements of Rietvlei and Ibisi and Clydesdale. The settlements of Bisi and Rietvlei – as R293 townships of higher settlement density and being situated on the main route through the area (R56), can be classified as Semi-Urban. Clydesdale, being situated in close proximity to the urban centre of Umzimkhulu Town, can be classified as Peri-Urban.

Urban settlement within Umzimkhulu Municipality is comprised of the town of Umzimkhulu. As main administrative and business centre, it would normally be anticipated that such a centre should be

centrally located within the hinterland that depends on it. Based on the existing road infrastructure and its physical locality, it is clear that Umzimkhulu Town does not conform to these criteria.

In comparison to the surrounding hinterland, towns have a higher level of social and infrastructure services, higher concentrations of administrative and business infrastructure and hence, towns normally fulfil the role of service centres to the surrounding hinterland. A large part of the Central Business District (CBD) area of the town is situated below the 728m contour line, which is the water level recorded during the 1987 flood. All of the larger "agricultural" erven situated along the bank of the river, to the west and south east of the CBD, are situated below the 728m contour. Erven within the town are owned by individual title, registered in the Deeds Office.

Key Spatial Issues and Related Needs

- ⇒ Dispersed Settlement Pattern: The Umzimkhulu urban centre is situated on the eastern boundary of the Municipality. The town is surrounded to the north-west, west and south by scattered under developed rural villages.
- ⇒ Population density statistics suggests a direct correlation between settlement density and access. This implies increased costs in delivering basic infrastructure and services to the more remote parts of the Municipality.
- ⇒ Due to varying functions of settlement areas, a strategic approach needs to be formulated, which enables geographic areas to be prioritized (based on their role and function) for different levels of investment.
- ⇒ Need to systematically address the fragmented nature of development. Need to integrate urban and rural areas.
- ⇒ Need for development and implementation of a detailed strategic planning and a land use management system to control development in priority areas such as urban and peri-urban centre, and other strategic areas that are under pressure to develop. Urban Centre – when considering Umzimkhulu – and Semi-Urban Centres – when considering Bisi and Rietvlei, act as business and service centres, whilst rural settlement areas fulfil mainly a residential function with little economic activity.
- ⇒ Need to identify and build on the agricultural, forestry and tourism potential of the area and target investment to LED related initiatives and programmes taking place outside of the urban centres. Investment in opportunities that are sustainable and have potential for growth, so as to generate economic spin-offs benefiting the large number of rural poor.

The Municipality has plans underway to develop a co-ordinated spatial structure of Umzimkhulu Municipality in response to the spatial analysis of the Municipality. These plans include the following:

- ⇒ Urban Regeneration Project
- ⇒ Housing Sector Plan
- ⇒ Tourism Sector Plan

4.2 Proposals for a Spatial Development Framework – Interpretation of the Structural Elements in a Spatial Context

4.2.1. Desired Spatial Form

It is normally accepted that a service centre to a geographic area (such as a municipal area) will be centrally located, either geographically or accessibility –wise in terms of movement routes. As is clear from the spatial analysis, Umzimkhulu Town is located on the western boundary of the municipal area and in terms of topographical features and road networks does not appear to be equally accessible to all parts of its service area.

Due to the nature of movement networks, topography and linkages with surrounding municipalities, it is important to consider the relationship of less accessible part of Umzimkhulu (in terms of the current main service centre being Umzimkhulu town) with other potential service centres in adjoining municipalities. Although initially, the municipal area was until recently part of the Eastern Cape, it should be spatially and functionally integrated with the surrounding KwaZulu – Natal areas. In terms of administrative functions, it however remains important to ensure access to such functions to all parts of the municipal area of jurisdiction.

The principle of accessibility and hierarchy of settlement and service centres need to be applied to the municipal area in a manner that will ensure optimal levels of access is achieved in all parts of the municipality.

4.2.2. Settlement Nodes and Hierarchy

The criteria used by the Provincial Spatial Development Plan to define nodal points were:

Currently capacity	availability of existing infrastructure and facilities (higher order facilities such as health facilities, police station, administrative offices, sport / recreation and community facilities)
Accessibility	Access via higher order roads, positioning at intersections of National, Trunk, Main and District Road network.

Using the above criteria, the following is proposed in Umzimkhulu:

Umzimkhulu Town and adjoining Clydesdale peri – urban area is regarded as the primary node, both administrative and economic, within the municipal area.

Rietvlei, Riverside and Ibsi are regarded as secondary nodes, fulfilling the role of rural service centres.

Other settlements such as Mountain Home, Glengarry, Nt ikeni and Ncambele (Gowan Lea) can be regarded as minor service centres (being accessible in terms of transportation networks and service facilities such as police stations and clinics being situated within).

The towns of Creighton and Franklin (both situated just outside of the north western part of Umzimkhulu Municipal area) need to be considered as future economic service centres

that are accessible to the northwestern part of the municipal area. Likewise Harding needs to be considered for the same reasons, in relation to the southern part.

Other rural settlements within the study area, functioning as dispersed / low density settlements, depending on their immediate surrounding communal land (and social grants and income from migrant labour outside the area) for subsistence. It is proposed that these settlements be included in a phased formalisation and upgrade program. The emphasis being improvement of the rural livelihoods through the following:

- ⇒ Improved infrastructure
- ⇒ Improved access to social services
- ⇒ Improved utilisation of the natural environment for economic benefit of rural residents.

4.2.3 Urban Edge

In order to promote compact settlements and to prevent low density sprawl of settlement areas with a predominant "urban residential" function, it is proposed that an urban edge be defined / demarcated around such areas. Areas included within the urban edge are to be targeted for upgrading of levels of infrastructure. This will in turn support higher densities of residential development and in time, development of industrial and commercial areas linked to the residential function of the settlement.

Settlement areas outside the urban edge are defined as rural, which implies lower density with basic infrastructure and social facilities.

For the town of Umzimkhulu, the urban edge was traditionally seen as the commonage boundary. However the settlement area of Clydesdale to the south of the town can be regarded as functionally being part of the town. More recent residential expansion in the area has extended towards the southwestern side of the town. It is therefore proposed that the urban edge be demarcated along the southern bank of the river, extending in a westerly direction up to the edge of the more recent residential extensions, and then to extend the urban edge southwards to include the peri urban settlement of Clydesdale and surrounds.

4.2.4 Corridors / Mobility Routes

High mobility in terms of road and rail infrastructure through the municipal area exists in terms of the southwest – northeast direction. These are mainly regional and sub regional linkages passing through the municipal area.

The R56 is the main transport route passing through the Umzimkhulu Municipal area linking the municipal area with KwaZulu Natal to the North and Eastern Cape Local Municipalities to the south. The district road passing through Riverside in an East West direction (in the northern extent) links the northern extent with the adjoining towns and municipalities.

As is clear from the assessment of current settlement patterns and population distribution, the high accessibility along these routes have over time, led to the routes attracting additional settlement and establishment of business uses dependent on accessibility and population concentrations.

Priorities of upgrade projects on access routes leading to areas that are regarded as having high development potential, or areas that are regarded as rural service centres, are considered more feasible for creating sustainable development. Such upgrade projects are more likely to generate spin off effects from investment. Areas with high development potential may include strategic development nodes / areas, such as high potential for forestry and agriculture are areas with tourism development potential. This principle supports the phased approach to development, targeting areas of greatest potential first.

4.2.5 Tourism Nodes and Hierarchy and Related Structural Elements

While efforts are centred on infrastructure provision and service delivery, backlogs remain vast. Agriculture, forestry and tourism have been identified as key economic growth drivers in Umzimkhulu Municipality. Projects launched within each of these sectors are at various stages of development; the transfer of Umzimkhulu to Sisonke M has halted further investment into many of these projects pending the outcome of newly commissioned feasibility studies.

Planning processes in Umzimkhulu are being realigned to Kwazulu Natal standards. Consultants have been engaged to develop an LED strategy for the area and assist with drafting the new IDP.

There needs to be a fast track in the provision of basic needs and infrastructure and the development of a municipal capacity, especially in the areas of LED, agriculture and tourism. The municipal area needs to unlock land potential by resolving land ownership issues so that agricultural self-sustaining and commercial production can be achieved. Strong farming co-operation that includes private and communal farmers to facilitate the sourcing of inputs, improved marketing, transport services and transfer of skills would be of good advantage to the area. Development of tourism around current initiatives like birding, rail and cycle tourism should focus on the tourism offer (accommodation, catering, activities) at Ntsikeni Nature Reserve and maximise the planned Umzimkhulu Gateway through careful planning around location and offering.

This will require involvement of key stakeholders such:

- ⇒ Local government (municipal and district)
- ⇒ Department of Local Government and Traditional Affairs, KwaZulu Natal, department of Provincial and Local Government
- ⇒ Spoornet, Eskom
- ⇒ Independent Development Trust
- ⇒ Department of Land Affairs, Department of agriculture, Department of Water Affairs and Forestry, Department of Trade and Industry, Department of Economic Affairs and Tourism, Department of Transport
- ⇒ District tourism bodies, operators, experts
- ⇒ Local business people

4.2.6 Conservation / Open Space

These are regarded as areas of specific sensitivity and include

- ⇒ Steep Areas, slopes and valleys around drainage features
- ⇒ Already degraded areas
- ⇒ Drainage features, water bodies, wetlands and rivers
- ⇒ Areas with pristine vegetation/indigenous forest
- ⇒ Conservation
- ⇒ Other areas identified as ecologically sensitive or as conservation worthy

4.2.7 Strategic Areas – Priority Basic Needs

Areas of greatest need are identified as those areas with the lowest per capita income levels and the worst off settlement areas to the poverty index. These areas require priority basic needs intervention and strategic proposals to improve the level of well being of communities in these areas (poverty alleviation programmes and basic infrastructure investment). With the majority of the households within the municipal area being regarded as poor (approximately 77% earning below R800.00 per month) it is impossible to single out one area above the next. The main principle to be applied in targeting areas of greatest need will be to first focus on areas that are worst off in terms of access to basic infrastructure and services (access to water, sanitation, electricity, health care and education).

4.2.8 Strategic Areas – Opportunity Based

Sectors of economic opportunity evident in Umzimkhulu area as follows:

- ⇒ Agriculture and rural development with areas identified as falling within land capability classes I – IV.
- ⇒ Forestry with areas identified as having moderate to high potential for commercial forestry development
- ⇒ Tourism or eco tourism and cultural tourism. This refers to the historical sites, nature reserve areas with potential for tourism development and conservation. (See Map 8)

4.3 Spatial Development Proposals for the Umzimkhulu Urban Area – Interpretation of the Structuring Elements in a Spatial Context

4.3.1 Desired Spatial Form

In its current form, the town of Umzimkhulu clearly reflects the gradual expansion of a small service centre that gradually expanded as the function of the town was reinforced as commercial and administrative service centre to rural area. The initial establishment took place on the banks of the Umzimkhulu River, most likely in the vicinity of a drift or crossing on the main transport route passing through the area.

The river in the past served as a buffer that limited development in a northerly direction. The Umzimkhulu River has historically served as the boundary of the independent Transkei and also the Eastern Cape Province.

In terms of the desired spatial form, it is proposed that the CBD area be expanded in a southwest direction, with future residential expansion being directed in a west and south direction along the two main transportation routes, linking the town to the surrounding hinterland.

At points where proposed internal link road join these two main routes, opportunity will arise for establishment of secondary commercial /service nodes.

4.3.2 The Urban Edge

The settlement area of Clydesdale and the more recent residential expansion to the south of the town can be regarded as functionally being part of the town. It is therefore proposed that the urban edge be demarcated along the southern bank of the river, extending in a westerly direction up to the edge of the more recent residential extensions, and then to the urban edge southwards to include the peri-urban settlement of Clydesdale and surrounds.

4.3.3 Corridors / Mobility Routes

The R56 and the main road extending from the town in a westerly direction are the two main mobility routes through the town and linking the surrounding hinterland to the town. With the two routes joining within the CBD, problems related to traffic congestion are clearly visible.

The intersection of the mobility routes clearly reinforces the CBD areas role. However, it is important to ensure clearly provision of adequate lateral linkages between these two routes, in order to relieve some of the traffic pressure and congestion in the CBD. It is therefore proposed that the feasibility of creating lateral linkages be investigated.

4.3.4 Primary Corridors

R56 link is a primary corridor within the Municipality providing high linkages with surrounding municipalities and economic nodes.

4.3.5 Secondary Corridors

The district road passing through Riverside in an east west direction is a secondary corridor which its potential could be strengthened through tarring.

4.3.6 Tertiary Corridors

They provide linkages to service satellites in the district and ensure connectivity with service delivery in the communities.

4.3.7 Nodes

The criteria used by the Provincial Spatial Development Plan to define nodal points were:

- ⇒ Current capacity –availability of existing infrastructure and facilities (higher order facilities such as health facilities, police stations, administrative offices, sport / recreation and community facilities).
- ⇒ Accessibility- access via higher order roads, positioning at intersections of National, Trunk, Main and District networks.

In terms of the Umzimkhulu SDF and the above criteria, the settlement Hierarchy proposed for the municipal area is as follows:

Primary Node

Administrative and Economic Umzimkhulu town and adjoining Clydesdale's peri urban area are proposed to be the primary node.

Secondary Node

Rural Service Centres Rietvlei, Riverside and IBisi.

Tertiary Node

Minor Service Centres such as Mountain Home, Glengarny, Ntsikeni and Ncambele can be regarded as minor service centres because they are accessible in terms of transportation networks and service facilities such as police station and clinics being situated within.

Creighton and Franklin both situated just outside of the northwestern part of Umzimkhulu Municipal area. These areas need to be considered as functioning economic service centres that are accessible to the northwestern part of the municipal area. Likewise Harding needs to be considered for the same reason – in relation to the southern part.

4.3.8 Other Rural Settlements

These areas function as dispersed / low density settlements for subsistence depending on their immediate surrounding communal land (and social grants and income from migrant labour outside the area). It is proposed that these settlements be included in a phased formalisation and upgrade program. The emphasis being improvement of the livelihoods through the following:

- ⇒ Improved infrastructure
- ⇒ Improved access to social services
- ⇒ Improved utilisation of the natural environment for economic benefit of rural residents

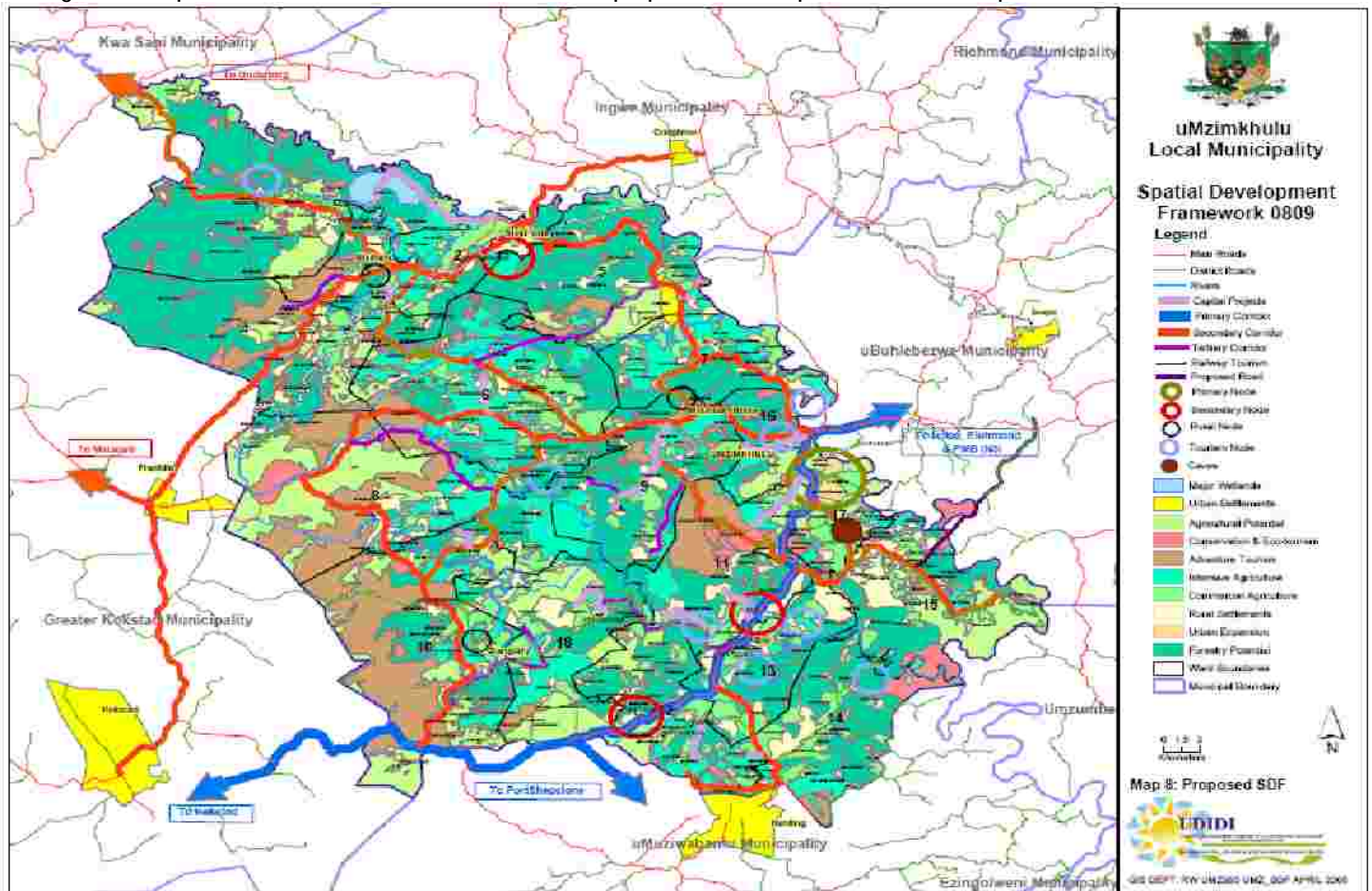
4.3.9 CBD Expansion/Regeneration

Due to the potential for flooding of the area between CBD and the river, there lies limited potential for expansion in that direction. The CBD expansion plan has created additional business, commercial and light industrialerven on under-utilised land to the South West and West of the CBD. Future demand for expansion of the CBD should be directed towards lower density residential erven in close proximity to existing and proposed movement routes, south west of the CBD. It is proposed future middle-income residential expansion to be accommodated to the west of the CBD

The objectives of the CBD expansion include the positioning of the Umzimkhulu Town centre to be within the context of the sub-region. The accommodation activities within the CBD should be in a manner, which enhances its present/future use as a symbolic and functional town centre within the wider municipal setting and addressing those areas with biggest need in service delivery. The functional and spatial physical integration of the town centre into the surrounding should be addressed by promoting the clustering of facilities in a manner which ensures the efficient use of public funds and that allows for systematic private sector investment to support local economic development. The establishment of mixed and diverse land uses should include adequate consideration of existing uses as well as the broader stakeholder needs and concerns, promoting the integrated civic and development function of the town centre and enhancing place making opportunity. The CBD expansion should ensure the facilitation of local economic development through appropriate design and promote a planning approach that is ecologically and environmentally sensitive.

The CBD expansion focuses on areas south of Umzimkhulu River due to municipal boundary. The public investment focuses outside of flood area with first priority to relocate threatened infrastructure. There should be residential integration aimed at better infill planning. Focus should be paid upon accessible investment nodes and long-term removal of all infrastructures from flood line.

The following Map 9 indicates the proposed Spatial Development Framework or the



Municipality:

Map 9: Revised Spatial Development Plan

CHAPTER 5 DISASTER MANAGEMENT

5.1. Disaster Management Plan

The main vision of the Umzimkhulu Municipal Disaster Management Plan is to empower and to ensure appropriate disaster management at all times by Umzimkhulu Municipality. In order to fulfill the following mission:

- ⇒ To prevent or reduce the risk of disaster
- ⇒ To mitigate the severity or consequences of disasters.
- ⇒ To be prepared for emergencies
- ⇒ To respond rapidly and effectively to disasters
- ⇒ To enable post – disaster recovery and rehabilitation

5.1.1. Core values:

- ⇒ Trust, commitment, professionalism, respect, responsiveness, care and discipline

5.1.2. Common types of disasters:

- ⇒ Natural: Tornado
- ⇒ Human made: Veld fires

5.1.3. Legislative authority:

The following legislative framework has to be complied with:

- ⇒ Green paper in disaster management 1998
- ⇒ White paper in disaster management 1999
- ⇒ Disaster management bill 2000
- ⇒ Disaster management bill 2001

5.1.4. Purpose of the plan:

Umzimkhulu Municipality Disaster Management plan is designed to establish a framework for the implementation of the provision of the new Disaster Management Act 2000 as well as the relevant provision of the Municipality System Act 2000 (Act no.32 of 2000).

- ⇒ It is legislative requirement as detailed in section 48 of the bill.
- ⇒ Umzimkhulu Disaster Management must prepare a disaster management plan based on previous occurrences and those envisaged.
- ⇒ Umzimkhulu Municipality must co-ordinate and align the implementation of its plan with all National and Provincial Departments within the municipal area.
- ⇒ As defined in section 53 of the bill, the detailed plan with preventive and mitigation measures is the responsibility of Local and District Municipality.

5.1.5. Disaster Management Framework:

There is currently a framework in place and numerous actions need to be effected to ensure that the Disaster Management structure functions. The head of the disaster management center will be responsible for coordination with Sisonke District's Disaster Management structures. The Umzimkhulu Municipality Disaster Management framework is however:

- ⇒ Consistent with the disaster management bill (Act 2000).
- ⇒ Consistent with National Disaster Management framework.
- ⇒ Consistent with the Disaster Management framework of the Province of the Eastern Cape.
- ⇒ Consistent with the Disaster Management framework of the Sisonke District Municipality.

The Umzimkhulu Municipality's Disaster management framework is aimed at ensuring an integrated and uniform approach to Disaster Management in the area of the Municipality by establishing the local disaster Management after consultation with ward councilors and ward committees. The District Disaster Management plan is aimed at serving the entire Umzimkhulu Municipal area

5.1.6. Institutional Arrangements for Disaster Management

Corporate Structure / Management Arrangements.

External co-ordination arrangements:

The success of the entire process will evolve around the establishment of Umzimkhulu Municipal Disaster Management Committee as a priority milestone. The mayor will preside over the meetings of the Committee. It is envisaged that the issues discussed at the committee meetings will be disseminated to the ward Disaster Management Committees by the respective representatives.

5.1.7. The Umzimkhulu Municipality Disaster Management Centre

The Centre will undertake the following mandatory functions as outlined in the policy and legislative frameworks:

- ⇒ Specialize in issues concerning disaster and disaster management within Umzimkhulu.
- ⇒ Promote an integrated and co-coordinated approach to disaster management in Umzimkhulu area, with special emphasis on prevention and mitigation by:
 - § wards forming Umzimkhulu Municipal Area
 - § other role players involved in disaster
 - § management in the municipal area.
- ⇒ Act as a repository and conduit for information concerning disaster issues
- ⇒ Act as an advisory and consultative body for organs of state, the private sector, NGO's, communities and individuals on issues concerning disasters and disaster management in Umzimkhulu.
- ⇒ Initiate and facilitate efforts to make funds available for disaster management through Sisonke District Municipality.
- ⇒ Make recommendations to Provincial Disaster Management Centre in the event of a local disaster, whether a local state of disaster should be declared in terms of section 51 of the Act.

- ⇒ Promote the recruitment, training and utilization of volunteers to participate in disaster management in Umzimkhulu Municipality
- ⇒ Perform any duties arranged and may exercise any power delegated to it in terms of section 14 of the Act.

The following highlights on the responsibilities of the Disaster Management Centre:

- ⇒ Performance by the centre of its duties and the exercise of its powers; and
- ⇒ In accordance with the directives of the council, takes all decisions of the centre in the performance of its duties and exercise of its powers, except decisions taken by another person in consequence of a delegation by the head of the centre.

5.1.8. Functioning of the District Disaster in relation to provincial and national disaster management centres

When a disastrous event occurs or is threatening to occur in Umzimkhulu the Disaster Management Centre of Sisonke must immediately be informed to assist and determine whether the event is a disaster in terms of the Act and if so the center must immediately undertake the following action measures:

- ⇒ Initiate efforts to assess the magnitude and severity potential magnitude and severity of the disaster;
- ⇒ Inform the provincial and national disaster management centres of the disaster and initial assessment of the magnitude and the severity or potential magnitude and severity of the disaster through the district centre.
- ⇒ Alert disaster management role players in uMzimkhulu
- ⇒ Initiate the implementation of contingency plans and emergency procedures applicable in a disaster situation. When informing the provincial and national disaster centres district centre, recommendations regarding the clarification of the disaster must be submitted.

The Local Municipality disaster management centre is required to submit annual reports to the Umzimkhulu Municipal Council on the following aspects regarding its activities:

- ⇒ Its activities during the year.
- ⇒ Disasters that occurred during the year in the area of Umzimkhulu.
- ⇒ The clarification, magnitude and severity of these disasters.
- ⇒ The effects they had.
- ⇒ Highlight particular problems that were experienced: in dealing with these disasters generally in implementing the Act and the national disaster management framework.
- ⇒ The way in which these problems were addressed and any recommendation that the centre wishes to make in this regard.
- ⇒ Progress with the preparation and regular updating in terms of section 44 and 49 of disaster management plans by ward committees, disaster management teams and other role players involved in disaster management in the Umzimkhulu Municipal Area.
- ⇒ An evaluation of the implementation of the plans.
- ⇒ A copy of the report must be submitted to district, provincial and national centres.

Each responsible line function department has a specific responsibility in both risk disaster and post disaster recovery context as highlighted below:

- ⇒ Department of Health for treatment of patients and hospitalization.
- ⇒ Department of Welfare for food and clothing.
- ⇒ SAPS for removal of dead and record property of the victims.
- ⇒ Department of Transport – traffic section for regulating traffic around disaster site.

5.1.9. Interdepartmental Disaster Management Committee

- ⇒ The head of the committee will convene and chair its meetings.
- ⇒ The committee will ensure the disaster management plan with sub-plans are implemented when required.
- ⇒ Ensure that the plans are reviewed annually.
- ⇒ Make recommendations regarding amendments.
- ⇒ Assign project teams to address specific risks and to develop risk-specific plans.
- ⇒ Ensure that the following actions are taken:

(a) Risk Reduction

- ⇒ Risk assessment for the local municipal area.
- ⇒ Assessing municipality's capacity to implement emergency response actions.
- ⇒ Formulate plans and projects to reduce risks.

(b) During Emergency or Disaster

- ⇒ Assess risks in affected areas.
- ⇒ Assess risks to the remainder of the local municipal area.
- ⇒ Recovery and rehabilitation phase.
- ⇒ Ensure return to normal functioning of affected community as soon as possible.
- ⇒ Introduction of disaster prevention and mitigation strategies to prevent further recurrence.

Project teams can be established on an ad hoc basis in order to address specific pre or post disaster risk elimination / reduction projects. The terms of reference and project implementation plans, in consultation with interdepartmental disaster management committee, should be drawn.

5.1.10. Planning framework for disaster management plans for municipal departments and other municipal entities

In terms of section 52 of the Bill (Act 2000) each department within Umzimkhulu Municipality is responsible for preparation of a disaster plan. The plan must be submitted to the disaster management centre for inclusion in the local disaster plan as well as to the IDP manager for inclusion in the IDP.

5.1.11. The Municipality Risk Profile

Most communities within Umzimkhulu are at risk and vulnerable to natural and human made disasters. Various projects and programmes need to be implemented, like community awareness and education projects.

Pre Disaster Risk Reduction

Prevention / Mitigation Strategies

- ⇒ Public education and training
- ⇒ Housing safety codes / standards
- ⇒ Comprehensive risk assessment and determining what risk exists and who or what are vulnerable.

Preparedness

The Organogram for Disaster Management consists of the following:

- ⇒ Disaster Management Teams/ Committees.
- ⇒ Disaster management plans and MAPS of the area.
- ⇒ Emergency exercise / drills
- ⇒ Disaster management centres
- ⇒ Evacuations plans
- ⇒ Resource inventories.
- ⇒ External and internal contact list
- ⇒ Public information.

Classification of the local disaster

As described in the bill the disasters can be classified based on severity and magnitude and such recommendation be submitted to the District, Provincial and National Centres.

Post disaster response and recovery

Procedure for activating the disaster response plan

- ⇒ Notify role players i.e. the district, local and ward
- ⇒ Mobilize primary responders.

Disaster response co-ordination

- ⇒ Set up Disaster Operational Centre (DOC) within the Disaster Management Centre (DMC).
- ⇒ The key personnel of Local Disaster Management team to participate in DOC.
- ⇒ The head of the centre to chair the DOC.
- ⇒ DOC team will be responsible for assessment, evaluation and co-ordination of all actions in all phases of the incident.

- ⇒ External assistance / back up responses will be channeled from the Incident Command post to the site.

The Disaster Operation Centre (DOC)

The DOC is responsible for the following functions or activities:

- ⇒ Maintain records of communications, decisions, actions and expenditure.
- ⇒ Designate emergency areas and site.
- ⇒ Decide on emergency measures and priorities.
- ⇒ Assess impact.
- ⇒ Request emergency partner assistance / invoke mutual aid agreement.
- ⇒ Close public buildings.
- ⇒ Issue public warnings, orders and instructions.
- ⇒ Protect the health and safety of emergency responders.
- ⇒ Ensure an acceptable level of emergency service for the Alfred Nzo outside emergency areas.
- ⇒ Prepare lists of fatalities, casualties and missing persons.
- ⇒ Prepare list of destroyed and damaged properties.
- ⇒ Co-ordinate response with provincial district through District Disaster Management.
- ⇒ Co-ordinate response with non-governmental disaster relief organisations, neighbourhood and community organizations.
- ⇒ Identify person / organisations to contribute to emergency response.
- ⇒ Provide information to the media for dissemination to the affected population and the general public.
- ⇒ Co-ordinate information for public release with emergency partner's communication staff.
- ⇒ Respond to enquiries from the media, public.
- ⇒ Identify target audience for post-emergency communication.
- ⇒ Identify persons/ organizations to contribute to post-emergency reports / debriefings.
- ⇒ Submit reports to Province and National District Management Centre.

Standing operating protocols (SOP's) for the DOC team

- ⇒ Continue with the individual SOP's for each member of the DOC team.
- ⇒ The head of the center
- ⇒ Municipal Manager
- ⇒ Mayor
- ⇒ Head of various departments
- ⇒ Heads of emergency services
- ⇒ Key personnel
- ⇒ Describe their broad responsibilities and prepare a specific standard operating protocol

Request for assistance

- ⇒ Set out parameters and protocols for requesting external assistance from other district, provincial and Non-governmental organization.

Recovery and rehabilitation operations

- ⇒ These operations become projects or programmes of the head of departments. The project team would be informed to manage the project and outline the reporting mechanisms to the Disaster Management Committee. The Disaster Management Centre will be responsible for each and every phase or project in Disaster.

CHAPTER 6 SECTOR INVOLVEMENT AND SUPPORT

Umzimkhulu has various stakeholders (public and private). This chapter outlines the various programmes of the various entities for the next 3 to 5 years.

Department of agriculture	
Responsibilities	3-5 year Programmes
Technical advice for agricultural services	Mushroom programme
Technical advice on environmental management	Livestock Rehabilitation programme
Veterinary services	Corridor and massification programme
Agricultural extension services (social facilitation, project management etc)	Food security programme
	Land reform
Department of Health	
Responsibilities	3-5 year Programmes
Chronic services and mental health	HIV/Aids
Rehabilitation service	TB Management
Environmental Health Service	Poverty alleviation
Adolescent services (youth friendly clinics)	Rehabilitation
TB control	
HIV/Aids management	
Department of Social Welfare and population development	
Responsibilities	3-5 year Programmes
Community Development	St Paul Multipurpose centre
Social Services	Sinomhawu Community Projects
	Singisi Home Based HIV/Aids programme
	Khanya Multipurpose
	Gcinisizwe Community Project
	Lungelo development centre
	Simunye Project
	Masiphakamise project
	Zenzele Project
	Ekuphileni Project
	Sukuma Project
Department of Home Affairs	
Responsibilities	3-5 year Programmes
Issuing of Identity documents	
Conducting marriages	
Issuing of passports	
Issuing of birth and death certificates	

Department of Education	
Responsibilities	3-5 year Programmes
Adult basic Education and Training (ABET) support	
Education Management and Governance Development	
Teaching and learning support services	
Early Childhood Development (ECD) support	
SASSA	
Responsibilities	3-5 year Programmes
Registration of social grants	Registration of social grants
Department of Transport	
Responsibilities	3-5 year Programmes
Safety maintenance	Safety maintenance
Routine maintenance	Routine maintenance
Regravelling	Regravelling
Upgrading of roads	Upgrading of roads
Local structures and roads	Local structures and roads

CHAPTER 7 IMPLEMENTATION PLAN

This chapter will specify the financial and human resources commitment for the various programmes that will be undertaken by the various entities.

7.1. Combined departments

NAME OF PROJECT	BENEFICIARIES / WARD	SOURCE OF FUNDING	IMPLEMENTING AGENCY	BUDGET	TIMEFRAME
Community Services Programmes	All	UMZ/ES	Umzimkhulu Municipality	714 000.00	2009/2010
Development of Policies	---	UMZ/ES	Umzimkhulu Municipality	430 000.00	2009/2010
Library Signage	All	UMZ/ES	Umzimkhulu Municipality	20 000.00	2009/2010
Project Steering Committee Support	All	UMZ/ES	Umzimkhulu Municipality	250 000.00	2009/2010
Municipal Surveying	16	UMZ/ES	Umzimkhulu Municipality	216 000.00	2009/2010
Development of Monitoring and Evaluation Tools	---	UMZ/ES	Umzimkhulu Municipality	120 000.00	2009/2010
PMS	---	UMZ/ES	Umzimkhulu Municipality	400 000.00	2009/2010
GIS	---	UMZ/ES	Umzimkhulu Municipality	100 000.00	2009/2010
Sector Plan Development	---	UMZ/ES	Umzimkhulu Municipality	300 000.00	2009/2010
Development Planning Filling System	---	UMZ/ES	Umzimkhulu Municipality	150 000.00	2009/2010
Business Support	---	UMZ/ES	Umzimkhulu Municipality	200 000.00	2009/2010
Urban Greening & Parks Development	16	UMZ/ES	Umzimkhulu Municipality	1 200 000.00	2009/2010
Street naming	16	UMZ/ES	Umzimkhulu Municipality	440 000.00	2009/2010
Tourism project implementation	All	UMZ/ES	Umzimkhulu Municipality	600 000.00	2009/2010
Debt Management	All	UMZ/ES	Umzimkhulu Municipality	1 800 000.00	2009/2010
Arts and Culture Forum	All	DACT	DACT/Umzimkhulu Municipality	10 000.00	2009/2010
Moral regeneration	All	DACT	DACT/Correctional Services	120 000.00	2009/2010
Social Cohesion	All	DACT	DACT	50 000.00	2009/2010
Visual arts & craft development	All	DACT	DACT/Umzimkhulu Municipality	100 000.00	2009/2010
Performing arts development	All	DACT	DACT/Umzimkhulu Municipality	40 000.00	2009/2010
Visual Arts and Craft	All		DACT/Umzimkhulu Municipality	170 000.00	2009/2010
Music Song &	All		DACT/Umzimkhulu	150 000.00	2009/2010

Dance			Municipality		
Film development	All		DACT/Umzimkhulu Municipality	100 000.00	2009/2010
Establishment of computer and internet public facility at library	All		DACT/Umzimkhulu Municipality	220 000.00	2009/2010
Ntsikeni Tourism Project		DACT	DACT/Umzimkhulu Municipality	2 800 000.00	2009/2010
Umzali NB72 change over to Umzali NB71	02.Strengthening	Eskom	Eskom	R 0.19 m	2007/2008
Umzali NB70 Build line to feed Nokweja	02.Strengthening	Eskom	Eskom	R 0.12 m	2009/2010
Corinth SS 132/22kV (Creighton)	04.Electrification	Eskom	Eskom	R 11 m	2008/2009
Corinth SS Turn in lines	04.Electrification	Eskom	Eskom	R 0.6 m	2009/2010
Umzali SS 132kV Bay ext & 132KV loop-in-loop out	04.Electrification	Eskom	Eskom	R 5.5 m	2008/2009
Corinth Umzali 132kV Line (Creighton)	04.Electrification	Eskom	Eskom	R 22.4 m	2008/2009
Rietvlei 132/22kV 20MVA S/S	06.Reliability	Eskom	Eskom	R 9.5 m	2010/2011
Rietvlei 132kV Line	06.Reliability	Eskom	Eskom	R 18 m	2010/2011
Rietvlei Retic Turn in Lines	06.Reliability	Eskom	Eskom	R 1.5 m	2010/2011
Umzali NB72 change over to Umzali NB71	02.Strengthening	Eskom	Eskom	R 0.19 m	2007/2008
Umzali NB70 Build line to feed Nokweja	02.Strengthening	Eskom	Eskom	R 0.12 m	2009/2010
Clydesdale (900 units)	Clydesdale	Dpt of Housing	Dpt of Housing	R 13 059 964.00	2008 - 2010
Umzimkhulu Villages (235 units)	Umzimkhulu Villages	Dpt of Housing	Dpt of Housing	R 4 795 032.00	2008 -2010
Ibisi (636 units)	Ibisi	Dpt of Housing	Dpt of Housing	R 535 000.00	2008/2009
Riverside Phase 1 (500 units)	Riverside Phase 1	Dpt of Housing	Dpt of Housing	R 1 169 520.00	2008/2009
Riverside Phase 2 (500 units)	Riverside Phase 2	Dpt of Housing	Dpt of Housing	R 5 067 920.00	2008 - 2010
Umzimkhulu Ext 5 & 6 (709 units)	Umzimkhulu Ext 5 & 6	Dpt of Housing	Dpt of Housing	R 1 637 328.00	2008/2009
Mvubukazi Rural Housing (500 units)		Dpt of Housing	Dpt of Housing		2010/2011
Mfulamhle Rural Housing (500 units)		Dpt of Housing	Dpt of Housing		2010/2011
Mabandla Rural Housing (500 units)		Dpt of Housing	Dpt of Housing		2010/2011
Khiliva Rural Housing (500 units)		Dpt of Housing	Dpt of Housing		2010/2011
Roodevaal Rural Housing (350 units)		Dpt of Housing	Dpt of Housing		2010/2011
Sisulu Extension 9 & 10 Slums		Dpt of Housing	Dpt of Housing		2010/2011

Clearance (100 units)					
Scoonplaas Slums Clearance (50 units)		Dpt of Housing	Dpt of Housing		2010/2011

7.2. DOT projects

**UMZIMKHULU TRANSPORT OPERATIONAL PLAN FOR MTEF FINANCIAL YEAR - 2009/
2010/2011/2012**

Contract No	Contract Description	Tribal Authority	Budget (09/10)	Budget (10/11)	Budget (11/12)	GRADE
	Safety maintenance - Signage : Purchase		300,000.00	250,000.00	250,000.00	Departmental
	Safety maintenance - Signage : Installation	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Safety maintenance - Guardrails : Purchase		656,000.00	850,000.00	1,000,000.00	Departmental
	Safety maintenance - Guardrails : Installation 1	MJOLI-MJOLI	200,000.00	400,000.00	500,000.00	1
	Safety maintenance - Guardrails : Installation 2	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Safety maintenance - Blacktop patching : Material		200,000.00	800,000.00	1,500,000.00	Departmental
	Safety maintenance - Blacktop patching : Contract	MJOLI-MJOLI	200,000.00	600,000.00	800,000.00	1
	Safety maintenance - Kilometre posts : Purchase		200,000.00	100,000.00	200,000.00	Departmental
	Safety maintenance - Kilometre posts : Installation		200,000.00	100,000.00	200,000.00	1
	Safety Maintenance		2,356,000.00	3,500,000.00	4,850,000.00	
	Civil Material: Conc. Pipes, crushed stone, km posts, etc.		4,000,000.00	5,000,000.00	5,000,000.00	Departmental
	Routn Maintnc : Labour base 1	MVOLOZANE-MAVANA	200,000.00	200,000.00	500,000.00	1
	Routn Maintnc : Labour base 2	MVOLOZANE-MAVANA	200,000.00	200,000.00	500,000.00	1
	Routn Maintnc : Labour base 3	MVOLOZANE-MAVANA	200,000.00	200,000.00	500,000.00	1
	Routn Maintnc : Grass cutting 1	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Routn Maintnc : Grass cutting 2	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Routn Maintnc : Grass cutting 3	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Routn Maintnc : Pipe de-silting 1	SILAHLA-JOZANA	200,000.00	200,000.00	200,000.00	1
	Routn Maintnc : Pipe de-silting 2	MJOLI-MJOLI	200,000.00	200,000.00	200,000.00	1
	Routn Maintnc : Pipe de-silting 3	SILAHLA-JOZANA	200,000.00	200,000.00	200,000.00	1
	Routine Maintenance		5,800,000.00	6,800,000.00	7,700,000.00	

	Gabions works	INDAWANA-MJOLI	600,000.00	1,500,000.00	3,000,000.00	3
	Causeway construction	GUNGULULU-MSINGAPHAN SI	7,550,000.00	10,000,000.00	10,000,000.00	3
	Local Structures Total		8,150,000.00	11,500,000.00	13,000,000.00	
	Access Roads - Regravelling & Betterment	INDAWANA-MJOLI	26,400,000.00	30,000,000.00	32,000,000.00	Open
	Local Roads Total		26,400,000.00	30,000,000.00	32,000,000.00	
	P601, P602, P417, P749, D2405, D2406, D2407, D2409, D2410, D2413, D2414, D2416, D2418, D2419, D2420, D2421, D2422, D2423, D2424, D2425, D2426 & D2427		10,222,000.00	15,000,000.00	18,000,000.00	Open
	Blading including routine maintenance		10,222,000.00	15,000,000.00	18,000,000.00	
	Widening of P416 to 1m wide each side incl. sidewalk	MUNICIPALITY	5,000,000.00	5,000,000.00	5,000,000.00	Open
	Widening on P416 Total		5,000,000.00	5,000,000.00		
	P749 upgrade from gravel to surfaced	SILAHLA-JOZANA	15,000,000.00	20,000,000.00	10,000,000.00	Open
	P601 upgrade from gravel to surfaced	INDAWANA-MJOLI	20,000,000.00	15,000,000.00	20,000,000.00	Open
	P417 upgrade from gravel to surfaced	FODO-FODO	5,000,000.00	10,000,000.00	15,000,000.00	Open
	P750 upgrade from gravel to surfaced	BHISHOBHI	1,200,000.00			Open
	Upgrade Total		41,200,000.00	45,000,000.00	45,000,000.00	
	GRAND TOTAL		99,128,000.00	116,800,000.00	120,550,000.00	

7.3. DTLGA projects

EXISTING PROJECTS					
Project Name	Previous Budget Required	Revised Budget Required	2008/2009 Allocation	2009/2010 Allocation	Approved Budget
Bucket eradication	1,800,000.00	2,467,011.03			2,467,011.03
Interceptor sewer	910,000.00	910,000.00			910,000.00
Electricity backlog study	299,614.00	299,614.00			299,614.00
Water and sanitation backlog studies	129,876.00	129,876.00			129,876.00
Riverside oxidation ponds	2,500,000.00	3,500,000.00			3,500,000.00
Ntshongo road	195,042.00	279,123.36			279,123.36
Ntlabeni road	1,255,241.75	1,255,241.75			1,255,241.75
Langkloof	2,705,950.80	2,705,950.80			2,705,950.80
Gugwini water	5,740,540.00	6,549,528.95			6,549,528.95
Rietvlei water	7,354,489.00	7,878,460.84	523,972.00		7,878,460.84
Refurbishment water schemes phase I	6,949,029.00	9,300,582.40	2,351,553.00		9,300,582.40
Ground water protocol	324,900.00	324,900.00			324,900.00
Electrification Phase I	8,322,000.00	14,506,090.49			14,506,090.49
Ngwagwane culvert	755,431.06	755,431.06			755,431.06
Cacatho Culvert	1,141,498.74	1,141,498.74			1,141,498.74

Water Services office facilities	4,500,000.00	4,500,000.00			4,500,000.00
Electrification Phase II	22,000,000.00	2,000,000.00			2,000,000.00
Refurbishment water schemes phase II	9,723,400.00	13,446,352.36	2,218,230.00	377,195.00	13,446,352.36
Flood Protection Study	2,200,000.00	2,200,000.00	1,000,000.00		2,200,000.00
Refurbishment water schemes phase III	27,644,000.00	30,092,584.48	8,372,584.00	10,481,711.00	30,092,584.48
Project Manager appointed by Sisonke	2,750,000.00	2,750,000.00	1,000,000.00	1,000,000.00	2,750,000.00
Umzimkulu fire protection services	1,250,000.00	2,050,000.00	800,000.00		2,050,000.00
Subtotal	110,451,012.35	109,042,246.25	16,266,339.00	11,858,906.00	109,042,246.26
PROPOSED PROJECT					
Project Name	Previous Budget Required	Revised Budget Required	2008/2009 Allocation	2009/2010 Allocation	Approved Budget
Gijima Water Supply		1,426,696.45	150,000.00		150,000.00
Rocky Mount Water Supply		1,423,965.07	150,000.00		150,000.00
Njunga Water Supply		6,082,622.22	500,000.00		500,000.00
Gudlintaba Water		1,500,000.00	1,000,000.00		1,000,000.00
Kroemhoek Water		700,000.00	700,000.00		700,000.00
Riverside Housing Phase 2 Bulk Services		12,574,200.00	500,000.00		500,000.00
Vreikant Water Supply		2,500,000.00	250,000.00		250,000.00
Ibisi Housing Bulk Water Services		23,900,000.00	700,000.00		700,000.00

Ibisi Housing Bulk Sewer Services		7,400,000.00	500,000.00		500,000.00
Umzimkhulu VIP toilets		120,000,000.00	1,747,137.00		1,747,137.00
		177,507,483.74	6,197,137.00		6,197,137.00
TOTAL 2008/2009 ALLOCATION			22,463,476.00	11,858,906.00	115,239,383.26

7.4. Projects identified by the KZN Department of Education Umzimkhulu District

RENOVATIONS				
No.	NAME OF SCHOOL	EMIS NO.	ROADS	EXTRAMURAL
1.	Enyanisweni	425167		
2.	Zamani	429311		
3.	Dumisa JSS	424538		
4.	Singisi JSS	427942		
5.	Masakhane SPS	426647		
6.	Ntlambamasoka	427533		
7.	Nomeva Vukazi SPS	427424		
8.	Kayeka	425944		
9.	Khayelitsha	426018		
10.	Brandwood	423872		
11	Dovedale	424353		
.12	Fountains JSS	425315		

MUD- STRUCTURE				
NO.	NAME OF SCHOool	EMIS NO.	ROADS	EXTRAMURAL
1.	Thembalihle JSS	427017		
2.	Cothoza	442483		
3.	Emtshibeni	442557		
4.	Myembe JSS	427128		
5.	Elukhoweni JSS	424723		
6.	Victory	428941		
7.	Ginyiqhinga SSS	425278		
8.	Maranjana	426610		
9.	Bungende	423946		
10.	Ezimpungeni	425278		
11.	Zwelonke	429681		
12.	Teekloof	428497		

CURRICULUM REDRESS				
NO	NAME OF SCHOOL	EMIS NO	ROADS	EXTRAMURAL
1.	Mkangala SPS	427017		
2.	Cothoza SPS	442483		
3.	Mkhatshana JSS	426795		
4.	Ladam SSS	426466		
5.	Deepdale JSS	424242		
6.	Rietvlei SSS	427868		
7.	Ginyiqhinga SSS	425389		
8.	Clydesdale JSS	424057		
9.	Vumazonke JSS	429163		
10.	Nompumelelo SSS	427461		
11.	Zamokuhle SSS	429835		
12.	Lourdes SSS	426277		

FENCING				
NO	NAME OF SCHOOL	EMIS NO	ROADS	EXTRAMURAL
1.	Mvolozana	427091		
2.	Dumakude	424501		

3.	St August	428090
4.	Jirah JSS	425870
5.	St Pauls JSS	428212
6.	Lourdes JSS	426277
7.	Zibukeli	429496
8.	Khayelitsha	426018
9.	Mt Horeb	426980
10.	Tshaka's	428719
11.	Clydesdale SSS	424094
12.	Highlands JSS	425311

ADDITIONAL CLASSROOMS

NO	NAME OF SCHOOL	EMIS NO	ROADS	EXTRAMURAL
1.	Washbank JSS	429200		
2.	Masakhane SPS	426647		
3.	Gloucester JSS	425463		
4.	Dulati Combined	424464		
5.	Samaria JSS	427905		
6.	Tweefontein JSS	428756		
7.	Myembe JSS	477128		
8.	Dumisa Combined	424538		
9.	KuKhanyeni	426092		
10.	Khayelitsha	426018		
11.	Umzimkhulu JSS	428830		
12.	Mzokhanyo JSS	427165		
13.	Bungende	423964		

TOILETS

NO	NAME OF SCHOOL	EMIS NO	ROADS	EXTRAMURAL
1.	Indawana SSS	447885		
2.	Mzokhanyo	427165		
3.	Myembe JSS	427128		
4.	Clydesdale JSS	424057		
5.	Ntlambamasoka JSS	427533		
6.	Dumakude SSS	424501		
7.	Mabandla SSS	427533		
8.	Elukholweni JSS	424728		
9.	Mithwane SS	427091		
10.	Buhlebezwe SPS	429309		
11.	DRC JSS	424390		
12.	Gcwentsa	425352		
13.	Ginyiqhinga	425389		

WATER

NO	NAME OF SCHOOL	EMIS NO	ROADS	EXTRAMURAL
1.	Bonginceba	423687		
2.	Elukholweni JSS	424723		

3.	Jirah JSS	425870		
4.	Khayelitsha	426018		
5.	Nokhwezi	427350		
6.	Lourdes JSS	426277		
7.	Nomeva Vukazi SPS	427424		
8.	Mfulamhle JSS	426221		
9.	Maranjana SPS	426610		
10.	Driefontein JSS	424427		
11.	Mhlaba's Combined	426758		
12.	Mangeni	426573		

CHAPTER 8 PROJECTS

8.1. Umzimkhulu Projects Expenditure

The following table indicates the Municipal funded projects to be undertaken within Umzimkhulu Local Municipality:

8.1.1. MIG funded projects

PROJECT DESCRIPTION				VALUE OF PROJECT		YEARS (COMMITTED EXPENDITURE)			TOTAL PLANNED EXPENDITURE PER PROJECT
Priority No.	Council Resolution Number	Provincial Project Number	MIG Registered Projects	Total Value	MIG Value	2008/2009	2009/2010	2010/2011	
1	16	2006 MIGFK 5a6 5360	Seria Access Rd	R 1,362,530.93	R 1,362,530.93	124,832.95			124,832.95
1	16	2007 MIGFK 5a6 123210	Goso, Lukhasini, Mangeni Acc Rd	R 3,079,251.00	R 3,079,251.00	691,442.86			691,442.86
1	16	2007 MIGFK 5a6 123097	Vierkant Access Road	R 1,886,000.00	R 1,886,000.00	405,479.66			405,479.66
1	16	2007 MIGFK 5a6 123026	Marhewini Sportsfield	R 1,692,461.00	R 1,692,461.00	604,542.21			604,542.21
1	16	2007 MIGFK 5a6 122921	Esihlonhlweni Access Road	R 4,380,750.00	R 4,380,750.00	1,557,147.68			1,557,147.68
1	16	2007 MIGFK 5a6 122888	Nsikeneni Sportsfield	R 4,043,230.00	R 4,043,230.00	2,854,684.16	212,944.87		3,067,629.03
1	16	2007 MIGFK 5a6 122991	Mbulumba Makhaleni Access Rd	R 2,081,836.09	R 2,081,836.09	130,031.32			130,031.32
1	16	2007 MIGFK 435 123228	Eskhewini River Crossing	R 1,196,994.00	R 1,196,994.00	939,393.20	216,994.87		1,156,388.07
1	16	2007 MIGFK 5a6 122975	Bondrand Access Road	R 3,162,000.00	R 3,162,000.00	2,792,686.34	369,313.66		3,162,000.00
1	16	2007 MIGFK 5a6 122481	Elusizini Through Fare Access Road	R 1,879,176.76	R 1,879,176.76	1,488,978.51	390,198.25		1,879,176.76

1	16	2007 MIGFK 435 148953	T10 to Deda Access Road	R 2,135,040.00	R 2,135,040.00	1,428,003.66	707,036.34		2,135,040.00
1	16	2007 MIGFK 435 148626	Rehabilitation of Rocky Mount access Road - Ward 10	R 4,050,000.00	R 4,050,000.00	2,603,410.59	249,367.28		2,852,777.87
1	16	2007 MIGFK 435 148366	Khivila Access Road	R 1,375,820.00	R 1,375,820.00	900,000.00	475,820.00		1,375,820.00
1	16	2008 MIGFK 435 148584	Mnceba Access Road	R 3,698,680.00	R 3,698,680.00	1,586,903.46	1,084,807.72		2,671,711.18
1	16	2008 MIGFK 435 148570	Rietvlei Taxi Rank	R 3,255,000.00	R 3,255,000.00	2,300,938.16	386,137.14		2,687,075.30
1	16	2008 MIGF KZN 435 154074	Upgrading of Tweefontain access road, ward 10	R 2,832,660.00	R 2,832,660.00	1,858,160.59			1,858,160.59
1	16	2007 MIGFK 5a6 124498	Tebetebe Bridge	R 1,900,000.00	R 1,900,000.00		618,150.54	1,281,849.46	1,900,000.00
1	16	2007 MIGFK 435 148588	Kwa Njunga Access Road, Ward 10	R 2,285,910.00	R 2,285,910.00		571,477.50	1,714,432.50	2,285,910.00
1	16	2008 MIGFK 435 148579	Mnceba Bovini Access Road	R 3,116,000.00	R 3,116,000.00		779,000.00	2,337,000.00	3,116,000.00
Total Value of MIG Projects Registered				R 49,413,339.78	R 49,413,339.78	R 22,266,635.35	R 6,061,248.17	R 5,333,281.96	R 33,661,165.48

MIG projects continued.

Priority No.	Council Resolution Number	MIG Projects Planned	Total Value	MIG Value	2009/2010	2010/2011	2011/2012	Total Planned Expenditure per Project
1	6	Juta Access Road	R 2,850,000.00	R 2,850,000.00	R 712,500.00	R 2,137,500.00		R 2,850,000.00
1	6	Mpindweni to Sikhulu Access Road	R 3,690,000.00	R 3,690,000.00	R 922,500.00	R 2,767,500.00		R 3,690,000.00
1	6	New Mountain Access Road	R 2,459,159.68	R 2,459,159.68	R 1,967,327.74	R 491,831.94		R 2,459,159.68
1	6	New Village Access Road (Indawana)	R 3,412,500.00	R 3,412,500.00	R 2,730,000.00	R 682,500.00		R 3,412,500.00
1	6	Ngujini to Driefontein Access Road	R 4,925,000.00	R 4,925,000.00	R 3,940,000.00	R 985,000.00		R 4,925,000.00
1	6	Nkofeni Access Road	R 3,225,000.00	R 3,225,000.00	R 2,580,000.00	R 645,000.00		R 3,225,000.00
1	6	Gcwentsa Access Road	R 4,420,000.00	R 4,420,000.00	R 2,536,000.00	R 1,884,000.00		R 4,420,000.00
1	6	Angus Farm Sports field	R 5,054,037.51	R 5,054,037.51	R 3,191,393.20	R 1,862,644.31		R 5,054,037.51
1	6	Dulathi Access Road	R 3,276,275.00	R 3,276,275.00	R 819,068.75	R 2,457,206.25		R 3,276,275.00
1	6	Sibovini Access Road	R 4,208,720.00	R 4,208,720.00	R 1,851,836.80	R 2,356,883.20		R 4,208,720.00
1	6	Ngwaqa Community Hall	R 1,672,046.51	R 1,672,046.51		R 735,700.00	R 936,346.51	R 1,672,046.51
1	6	Lukhanyeni Access Road	R 3,360,000.00	R 3,360,000.00		R 978,400.00	R 2,381,600.00	R 3,360,000.00
1	6	Maduna Access Road	R 2,625,000.00	R 2,625,000.00		R 854,700.00	R 1,770,300.00	R 2,625,000.00
1	6	Nkampini Access Road	R 1,500,000.00	R 1,500,000.00		R 660,000.00	R 840,000.00	R 1,500,000.00
1	6	Slovas Access Road	R 2,250,000.00	R 2,250,000.00		R 790,000.00	R 1,460,000.00	R 2,250,000.00
1	6	Rietvlei Sports field	R 5,054,037.50	R 5,054,037.50		R 1,038,414.38	R 4,015,623.12	R 5,054,037.50
1	6	Deapdale Access Road	R 4,200,000.00	R 4,200,000.00		R 1,848,000.00	R 2,352,000.00	R 4,200,000.00

1	6	Mzwandile Mhlawuli Hall	R 1,800,000.00	R 1,800,000.00		R 792,000.00	R 1,008,000.00	R 1,800,000.00
1	6	Madakeni Sports Field	R 5,054,037.50	R 5,054,037.50		R 1,566,893.75	R 3,487,143.75	R 5,054,037.50
1	6	Khayeka Access Road	R 4,800,000.00	R 4,800,000.00			R 4,800,000.00	R 4,800,000.00
1	6	Ntokozweni Access Road	R 3,056,000.00	R 3,056,000.00			R 3,056,000.00	R 3,056,000.00
1	6	Spring Access Road	R 2,430,000.00	R 2,430,000.00			R 2,430,000.00	R 2,430,000.00
1	6	Mnkangala to Ntsingizi Access Road	R 3,570,000.00	R 3,570,000.00			R 3,570,000.00	R 3,570,000.00
1	6	Antioch Access Road	R 2,812,500.00	R 2,812,500.00			R 2,812,500.00	R 2,812,500.00
1	6	Laleni Access Road	R 2,506,000.00	R 2,506,000.00			R 2,506,000.00	R 2,506,000.00
1	6	Gudlintaba Access Road	R 2,940,000.00	R 2,940,000.00			R 2,940,000.00	R 2,940,000.00
1	6	Ngunjini Community Hall	R 2,780,007.61	R 2,780,007.61			R 2,780,007.61	R 2,780,007.61
1	6	Emmaus Access Road	R 3,000,000.00	R 3,000,000.00			R 3,000,000.00	R 3,000,000.00
1	6	Mpola Access Road	R 3,000,000.00	R 3,000,000.00			R 3,000,000.00	R 3,000,000.00
1	6	Off Stralhoek to Mathathan Access Road	R 1,775,000.00	R 1,775,000.00			R 1,775,000.00	R 1,775,000.00
1	6	Masamini to Mbumbane Access road	R 4,125,000.00	R 4,125,000.00			R 4,125,000.00	R 4,125,000.00
1	6	Mfundweni Access Road	R 3,682,726.57	R 3,682,726.57			R 3,682,726.57	R 3,682,726.57
1	6	Siphahleni Access Road	R 3,185,000.00	R 3,185,000.00			R 3,185,000.00	R 3,185,000.00
1	6	Bombo/Sodom Access Road	R 2,875,000.00	R 2,875,000.00			R 2,875,000.00	R 2,875,000.00
1	6	Sisulu Community Hall	R 2,000,000.00	R 2,000,000.00			R 2,000,000.00	R 2,000,000.00
1	6	Gijima to Magaqa Access Road	R 3,200,000.00	R 3,200,000.00			R 3,200,000.00	R 3,200,000.00
1	6	Zintwala Access Road	R 3,900,000.00	R 3,900,000.00			R 3,900,000.00	R 3,900,000.00
1	6							

Total Value of MIG Projects Planned	R 120,673,047.88	R 120,673,047.88	R 21,250,626.49	R 25,534,173.83	R 73,888,247.56	R 120,673,047.88
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Total Value of MIG Projects : Registered & Planned	R 170,086,387.66	R 170,086,387.66	Total Anticipated Annual Expenditure (Projected) on MIG Registered & Planned projects	R 22,266,635.35	R 27,311,874.66	R 30,867,455.79	R 73,888,247.56	R 154,334,213.36
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8.2. Umzimkhulu Urban Renewal Programme: Project Implementation Plan

Sector	Project No.	Project	Estimated Budget	Priority	Year 1	Year 2	Year 3	Year 4	Year 5
PRIORITY A PROJECTS									
Planning	1.1.1.1.	Analysis and Release Strategy for Public Land	R 100,000.00	A					
Communication	1.1.3.8.	Integrated Information Technology Plan (Incl Mobile Networks)	R 100,000.00	A					
Social	1.3.1.1.	Thusong Centre (Hospice, HIV Info Centre, Gov Depts. etc.)	R 4,000,000.00	A					
Planning	2.1.2.2.	Planning and Surveying of Clydesdale	R 330,500.00	A					
Planning	2.1.2.3.	Detail Terrain Modelling of core investment area	R 250,000.00	A					
Disaster Man.	2.2.1.1.	Umzimkhulu River Flood Protection Study	R 2,300,000.00	A					
Infrastructure	2.3.1.1.	Infrastructure Sector Plans (WSDP, Electricity etc) [See Project 1.1.3.7.]	R 500,000.00	A					
Economic	4.2.1.3.	Municipal Website Development	R 40,000.00	A					
Disaster Man.	2.2.1.2.	Umzimkhulu River Flood Management Strategy	R 200,000.00	A					
Housing	1.1.2.1.	Umzimkhulu Town Land Reform Programme	R 150,000.00	A					
Housing	1.1.3.1.	Clydesdale Phase 2 Housing Project	R 20,000,000.00	A					
Housing	1.1.3.3.	Extension 9 Upgrading (below Sisulu) (150 Units)	R 31,800,000.00	A					
Housing	1.1.3.4.	Extension 10 Upgrading (36 Units)	R 1,600,000.00	A					
Transport	1.2.1.1.	Urban greening & parks development	R 2,000,000.00	A					
Planning	2.1.2.1.	Establishment and Formalisation of Umzimkhulu Town & CBD	R 500,000.00	A					
Transport	2.3.2.1.	Surfacing of Bve Route (to Skoonplaas)	R 5,000,000.00	A					
Transport	3.1.1.1.	R56 Main Road resurfacing	R 2,400,000.00	A					
Planning	4.3.1.1.	Umzimkhulu LUMS Formulation (See Project 2.1.1.1.)	R 250,000.00	A					
Transport	1.2.2.1.	Street lighting along main routes	R 3,000,000.00	A					
Disaster Man.	1.3.1.2.	Satellite Disaster Management Center (Fire Station)	R 1,000,000.00	A					
Transport	3.1.1.2.	Realignment of D08006 (P601 & P749) Route	R 4,000,000.00	A					
Transport	3.1.1.3.	Clydesdale Access Road off R56	R 1,300,000.00	A					
Transport	3.1.2.1.	Resurfacing and stormwater provision of main road in current CBD.	R 5,000,000.00	A					
Housing	1.1.3.2.	Clydesdale Housing Provision	R 23,310,000.00	A					
Traffic	4.3.2.1.	Traffic Control Measure at Main Intersections	R 1,500,000.00	A					
Sub Total (Priority A Projects)			R 110,530,600.00						

Picture 1: Urban Regeneration Priority A Projects

Sector	Project No.	Project	Estimated Budget	Priority	Year 1	Year 2	Year 3	Year 4	Year 5
PRIORITY B PROJECTS									
Economic	2.2.3.1.	Business investment and flood-area redevelopment strategy.	R 150,000.00	B					
Planning	4.1.2.1.	Integrate internal application mechanisms	R 40,000.00	B					
Planning	2.2.2.3.	Graveyard Feasibility and Protection Project	R 300,000.00	B					
Transport	3.2.2.2.	Sidewalk paving and pedestrian crossings	R 2,000,000.00	B					
Housing	1.1.3.5.	Extension 5 & 6 Housing Project	R 43,200,000.00	B					
Sanitation	1.2.2.2.	Provision of public ablution facilities	R 500,000.00	B					
Social	1.3.1.6.	Renovation of St. Margarets Hospital	R 6,000,000.00	B					
Traffic	1.3.1.8.	Expansion of Traffic Offices	R 250,000.00	B					
Economic	3.2.1.1.	Umzimkhulu Tourism Gateway	R 4,200,000.00	B					
Economic	4.2.1.2.	Cross boundary tourism products	R 100,000.00	B					
Housing	1.1.3.6.	Mbizweni/ Nyerwezi Housing Project	R 13,000,000.00	B					
Planning	1.2.1.2.	Streetscaping, public furniture and features	R 200,000.00	B					
Sanitation	2.2.2.1.	Relocation of Umzimkhulu Main Sewage Ponds	R 6,000,000.00	B					
Economic	3.3.1.1.	Provision of industrial and commercial sites	R 300,000.00	B					
Planning	1.1.1.2.	Facilitating the development of private vacant land	R 4,000,000.00	B					
Transport	2.3.2.2.	Upgrading of internal distribution and link roads	R 10,000,000.00	B					
Sanitation	1.3.1.3.	Regional Solid Waste Disposal Site	R 2,000,000.00	B					
Social	1.3.1.4.	Provision of sport facilities	R 8,000,000.00	B					
Economic	1.3.1.5.	Fresh Produce Market Development	R 1,600,000.00	B					
Sanitation	2.2.2.2.	Relocation of Umzimkhulu Hospital Sewage Ponds	R 4,000,000.00	B					
Electricity	2.3.2.3.	Nhlambamasoka Electrical Reticulation	R 3,000,000.00	B					
Transport	3.1.3.1.	Taxi Facility & Market relocation (Private Interest)	R 5,000,000.00	B					
		Sub Total (Priority B Projects)	R 113,740,000.00						

Picture 2: Urban Regeneration Priority B Projects

Sector	Project No.	Project	Estimated Budget	Priority	Year 1	Year 2	Year 3	Year 4	Year 5
PRIORITY C PROJECTS									
Social	1.3.2.1.	Registration of all community organisations (Skills Survey)	R 50,000.00	C					
Social	1.3.2.2.	Co-ordinating forum of community organisations	R 5,000.00	C					
Planning	4.2.1.1.	Database of all sectoral support roleplayers	R 20,000.00	C					
Transport	4.3.3.1.	Area cleaning programme	R 300,000.00	C					
Economic	4.2.2.1.	Local and regional Tourism Network	R 20,000.00	C					
Planning	4.3.1.2.	Review and control of Street Signage	R 100,000.00	C					
Planning	4.1.1.1.	Policy development and awareness project	R 300,000.00	C					
Economic	3.3.2.1.	Investment Promotion Strategy	R 200,000.00	C					
Infrastructure	4.3.3.2.	Infrastructure Maintenance Programme	R 3,000,000.00	C					
Transport	3.2.2.1.	Provision of Public Parking lots	R 2,600,000.00	C					
Traffic	4.3.2.2.	Vehicle Weigh Bridge	R 1,500,000.00	C					
Economic	3.3.1.2.	Communal Agricultural land development	R 1,000,000.00	C					
Economic	2.1.3.1.	Fencing of Arable Land	R 500,000.00	C					
Economic	3.2.1.2.	Warehousing for hawkers	R 300,000.00	C					
Social	1.3.1.7.	Orphanage Development	R 3,000,000.00	C					
Sub Total (Priority C Projects)			R 12,895,000.00						

Picture 3: Urban Regeneration Priority C Projects

PROJECTS SUBMITTED TO NDPG FOR FUNDING

FUNDING SOURCE	TECHNICAL ASSISTANCE (R)	CAPITAL GRANT (R)	TOTAL (R)
NDPG Funds Requested	R4.31 million in the initial Town Nodal regeneration application (R900 000 for the combined smaller applications for a taxi rank and market stalls and street lighting)	R95.45 million in the initial Town Nodal regeneration application (R45 million for the combined smaller applications for a taxi rank and market stalls and street lighting)	R 99.76 million
Municipal Contribution	R 365000.00	R 1.1 million	R 1.465 million
Other Contributions	R 2.52 million	R 10.850 million	R 13.1 million

Total	R 7.195million	R 107.4 million	R 114.595 million
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RECOMMENDED ESTIMATED FUNDING ENVELOPE (including VAT I costs)

FUNDING SOURCE	TECHNICAL ASSISTANCE (R)			CAPITAL GRANT (R)			TOTAL (R)
	YEAR 1	OTHER YEARS	SUBTOTAL	YEAR 1	OTHER YEARS	SUBTOTAL	
NDPG	R5 million			R72.95million			R 77.95 million
MUNICIPALITY	R 365000.00			R 1.1 million			R 1.465million
OTHER GOVERNMENT	R 2.52 million			R 10.85 million			R 13.37 million
PRIVATE SECTOR							
OTHER							
GRAND TOTAL	R 7 885 000.00			R 84 900 000.00			R 92.79 million

NDPG to Total Project (Leverage Ratio) is:	1:	0.19
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HAS PROVISION BEEN MADE FOR AN OPERATING BUDGET ONCE IMPLEMENTED?	Yes	No v	HOW MUCH?	R	SUPPLY TIMEFRAME: (Start to End Date)	
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HAS ONGOING SUSTAINABILITY BEEN ADDRESSED? (SUPPLY EVIDENCE)	Only to the point that the municipality has budgeted for an Area cleaning programme (Bins, education & signage), to ensure ongoing maintenance of the CBD once renewal projects have taken place.
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PROJECT PHASING AND MILESTONES:
(Where possible identify key milestones and timeframes for completion.)

PROJECT/SUB-PROJECT DESCRIPTION	PHASE	MILESTONE	TIMEFRAME (Start to End Date)	COST (R)	COMMENT
MAIN PROJECT					
CBD Renewal project (see below for sub-projects)					
PROJECT/SUB-PROJECT DESCRIPTION	PHASE	MILESTONE	TIMEFRAME (Start to End Date)	COST (R)	COMMENT
SUB-PROJECTS (WHERE APPLICABLE)					
TA Projects					
Detailed Planning for the implementation of the Umzimkhulu CBD renewal	1	Appointment of PSP	Nov 2008 to Nov 2009	R 5 million	
Sub-total				R 5million	
Capital Costs					
Thusong Centre	2			R 8 million	Funds could be added to existing funds in order to ensure the completion of the centre.
Extension of municipal offices	2			R20 million	
Upgrading of +/- 900m of P416 (R56) from the bridge to the council chambers				R30 million	
Implementation of Civic Square and Amphitheatre				R 10 million	
Urban Greening and Parks				R 2 million	
Street lighting along main routes				R 9 million	
Sidewalk paving and pedestrian crossings				R 2 million	
Provision of public ablution facilities				R 1 500 000.00	
Street-scraping, public furniture and features				R3 million	
Upgrading of Taxi and Bus rank, public ablutions				R 30.3 million	Figure based on subsequent application focused exclusively on

					this project
Construction of market stalls				R 15.6 million	Figure based on subsequent application focused exclusively on this project
Area cleaning programme (Bins, education & signage)				R 500 000.00	
Provision of public parking lots				R 500 000.00	
Public Art				R 100 000.00	
Cycle ways				R 250 000.00	
Bus stops and shelters				R 300 000.00	
Provision of Bins & Signage for waste management				R 100 000.00	
Sub-total				R138, 150,000	
Total				R138, 150,000	

Chapter 9: Financial Plan and SDBIP

9.1. Financial Planning

The Umzimkhulu Municipality through its long-term investment and financial planning process intends to improve its annual budgeting process by integrating national fiscal policies and guidelines (including the annual Division of Revenue Act), financial planning strategies and action plans and forecasting data and information into a comprehensive strategic and long-term financial planning and forecasting model.

For the period ending 2010/2011, the Umzimkhulu Municipality intends to improve and enhance its budget preparation process, aiming particularly towards achieving better budget management, including budget variance analysis and performance measurement, financial modeling and forecasting and maximisation of available financial resources.

In addition the municipality has adopted good governance ethos that seek to ensure public participation. This includes:

- ⇒ Establishment of audit committee
- ⇒ Internal audit committee
- ⇒ Oversight committee
- ⇒ Risk Committee
- ⇒ Annual report hearings

The above arrangements are now in place. The municipality believes that the following principles are fundamental to sound financial management:

- ⇒ Accountability
- ⇒ Transparency
- ⇒ Independence
- ⇒ Responsibility
- ⇒ Fairness
- ⇒ Social responsibility.

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9.2. Financial Resources

For purposes of the financial plan, the municipality has considered financial resources in relation to operational and capital expenditure. The various financial resources available to the municipality are summarised below:

Capital expenditure:

- ⇒ grant funding from the national and provincial government departments;
- ⇒ external borrowings and other forms of funding (e.g. donor funding);
- ⇒ capital receipts from the disposal of impaired and/or obsolete assets

Operational expenditure:

- ⇒ municipal own revenue – including rates, refuse removal, traffic fines, etc.;

- ⇒ grant funding – equitable share;
- ⇒ investment income;
- ⇒ interest income

9.3. Revenue Enhancement, Debt Collection and Credit Control and Customer Care and Management

9.3.1 Debt collection and credit control

The municipality will focus on providing a holistic solution in developing and implementing a credit control and debt collection policy from ensuring that an effort is applied towards making the environment, from employees to the community/consumers conducive towards transforming its credit control and debt collection policy to the necessary capacity to enable effective execution against the municipality's debt collection initiative.

The municipality will thus ensure that the following key components of an effective and sustainable credit control and debt collection policy are functioning effectively:

- ⇒ Personnel/HR:
 - effective policies and procedures must be put in place to enable a streamlined and coordinated functioning of HR;
 - detailed job descriptions must be developed for the relevant positions enabling execution on the credit control and debt collection policy;
 - placing of suitably able personnel into the relevant positions
- ⇒ Information Technology (IT) systems:
 - effective IT support and maintenance capability should be secured;
 - personnel should be provided of the necessary training on all the relevant IT systems and software programs;
 - IT systems should be operated within a suitably secured operating environment
- ⇒ processes and activities:
 - processes to be followed in executing on credit control and debt collection should be fully documented and personnel should have a full working knowledge of these policies
- ⇒ reporting and performance measurement:
 - ensuring a sustainable and continuously improving credit control and debt collection policy entails putting in place effective reporting and performance measurement mechanisms, thus allowing for continuous review of progress and allowing for comparison of targets against actual results

In dealing with government, institutional and large commercial customers the municipality will first ascertain the proportion of its debtors book, particularly accounts in arrears, attributable to government, institutional and large commercial customers. This will be an important step in the process as it will allow the municipality to determine the influence of these customers on its revenue generating and debt collection ability and ultimately its overall financial viability and sustainability.

Essentially the debt collection effort aimed at government, institutional and large commercial customers will be driven or rather preceded by a well structured communication plan. This will be aimed at creating cordial and mutually beneficial relationships with such customers. The municipality intends to gain an understanding of the relevant customers' operating environment and the municipality's influence on such environment on service delivery terms.

With respect to medium sized businesses, particularly small businesses and residential customers the municipality may elect to adopt a more lenient approach by allowing such customers arrear settlement terms of between three to six months. The overriding principle though of such arrear settlement arrangements should be that customers should settle their current accounts in full on a monthly basis such that there is no further accumulation of arrears and thus undermining the process of arrear settlement.

The strategy of debt collection for all categories of customers will thus be underpinned by the following principles:

- ⇒ the municipality will devise a communication plan to be deployed through public community forums and various communication media, including the local press, community radio and other relevant publications, informing the community of the municipality's intended debt collection initiative, including the initiative's intended objectives and the relevant timelines.
- ⇒ The municipality will then commence a fieldwork exercise which will comprise site visits to facilitate dialogue with customers on arrear settlement terms. The municipality will also consider requesting customers to sign acknowledgement of debt agreements as a sign of commitment to the full settlement of outstanding debt.
- ⇒ The municipality will then monitor adherence with such acknowledgement of debt agreements on a monthly basis until the customer has fully met his/her obligations.
- ⇒ The municipality will also consider provide ongoing updates on the success of such debt collection initiative to the community through newsletters or the local press so as to create more awareness and also to galvanise the community's support of such initiative.

9.3.2. Customer Care and Management

In terms of section 95 of the Municipal Systems Act No. 32 of 2000 municipalities should adopt a customer care management system to achieve the following:

- ⇒ create a positive and reciprocal relationship between ratepayers and service consumers and the municipality and where applicable a service provider;
- ⇒ paypoints that provide customers with online facilities for accessing account query information to facilitate quick resolution of customer queries;
- ⇒ multiple paypoints and mechanisms including kiosks, Easypay, online payments, direct deposits, etc.;
- ⇒ presentable premises utilised for banking hall and customer care facilities, including suitably furnished, equipped, proper signage, convenient office hours, well trained, courteous and helpful personnel;
- ⇒ conducting of regular network audits to ensure that accurate consumption metering occurs and also as a means of minimising water and/or electricity losses;
- ⇒ issuing of accurate, regular and timeous accounts to ratepayers and customers that clearly record the tariff utilised, the level of consumption and the time period used to calculate the billed amount; and
- ⇒ consistent and impartial application of the municipality's credit control and debt collection policies.

Having noted the above the municipality intends to review its customer care and management systems to ensure that any debt collection initiative that is implemented is supported by a fully functional and effective customer care and management function.

9.3.3. Revenue Enhancement

Umzimkhulu, as a municipality covers an area which is largely rural and the municipality's revenue base consists primarily of the equitable share grant a of services in the form of refuse removal, electricity and protection and traffic management services and also rates. In formulating strategies for the enhancement of its revenue sources the municipality has to take into account the demographics of its area of jurisdiction. In essence, the best revenue enhancement plans in a municipality should fall under one of the following enhancement principles:

- ⇒ the extension and improvement of any existing revenue source; and
- ⇒ the formulation and implementation of a new source of revenue.

An example of formulation of a new source of revenue would be in the case of a municipality that decides to offer traffic management and protection service where there were not offered before, which of course would entail the acquisition of new infrastructure and resources, such as trained and qualified personnel to enable the conducting of such service.

An example of the extension and improvement of any existing revenue source would include the offering of extended operational hours for learners' and drivers' licences tests as an incentive for the general public to utilise the service and to also offer Umzimkhulu an advantage over other municipalities offering the same service. In essence they are various means by which this can be achieved but what is most critical is for such an exercise to be a collective effort by all the municipality's departments so as to dispense with the notion that this is purely a financial department responsibility.

This is particularly relevant considering that the various services that can be offered to drive the revenue enhancement effort reside and are controlled within the various line departments, such as infrastructure services and social development departments. It is thus critical that these departments' ideas and plans are brought to bear in formulating such plans. As part of its strategic long term financial planning process the municipality intends to explore various revenue enhancement initiatives as further means of entrenching its long term financial viability and sustainability.

9.4. Financial Operational Plan

The Financial Plan also provides the operational plan for the 2008/2009 financial year and is guided by the following strategic objectives:

- ⇒ To measure the impact of co-operative governance on development;
- ⇒ To build financial management capacity amongst councillors and staff;
- ⇒ Maximizing municipal revenue;
- ⇒ Effective budgeting;
- ⇒ Value for money goods and services (SCM);
- ⇒ Timely financial reporting;

- ⇒ Effective information technology; and
- ⇒ Implementation of PPPFA and BBBEE in SCM

9.5. Financial plan

Statement of Financial Performance: Forecasted

	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
REVENUE	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Assessment rates	1,355,423	1,941,043	12,000,000	14,400,000	16,128,800	17,273,945	19,865,037
Refuse	1,362,578	1,295,086	1,756,052	1,930,557	2,123,613	2,442,155	2,857,321
Traffic Fines	99,539	75,720	55,000	61,050	67,765	73,525	101,000
Licences and permits	1,612,829	-	-	-	-	-	-
Other revenue sources	1,879,649	1,113,760	2,423,000	3,392,200	5,596,800	6,716,160	10,074,240
Other income	2,729,169	10,000,000	10,000,000	11,050,000	13,989,250	15,038,443	13,333,000
Interest received	1,601,128	982,663	3,663,178	3,846,337	2,100,000	1,000,000	750,000
Total own Revenue	10,640,315	15,408,272	29,897,230	34,680,144	40,006,228	42,544,228	46,980,598
Grant Income							
Equitable Share	28,407,475	36,313,077	46,711,000	57,767,000	63,035,000	68,015,000	73,388,185
MIG (Capital Projects)	23,188,788	22,267,000	27,311,875	34,671,000	29,766,000	25,823,000	41,122,333
Other grants	7,132,203	1,260,851	9,139,994	4,666,116	20,234,441	22,396,858	16,555,000
Total Grant Income	58,728,466	59,840,928	83,162,869	97,104,116	113,035,441	116,234,858	131,065,518
Total current year income	69,368,781	75,249,200	113,060,099	131,784,260	153,041,669	158,779,086	178,046,116
Roll-forward projects (year-on-year)		40,426,225	14,001,483	6,657,825	-	-	-
Total funding available	69,368,781	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	178,046,116

Statement of Financial Performance:
Forecasted

EXPENDITURE	ACTUAL 2007/08	FORECAST 2008/09	FORECAST 2009/10	FORECAST 2010/11	FORECAST 2011/12	FORECAST 2012/13	FORECAST 2013/14
Operational Expenditure							
Employee related costs	14,749,493	16,930,910	23,154,354	25,261,400	26,549,731	27,903,767	29,801,223
Remuneration of councillors	5,782,678	6,899,068	8,051,474	8,784,158	9,232,150	9,702,990	10,362,793
Repairs and maintenance	1,822,871	1,360,905	10,538,400	11,286,626	12,313,709	13,434,256	14,522,431
General expenses	24,215,311	32,382,524	42,350,079	42,196,838	46,000,463	50,348,331	54,627,939
Depreciation	2,370,105	2,414,306	814,000	4,031,891	4,435,080	4,878,588	5,464,019
Total Operational Expenditure	48,940,458	59,987,713	84,908,307	91,560,913	98,531,133	106,267,932	114,778,405
Capital Expenditure							
Furniture and equipment	2,783,548	873,664	840,000	924,000	1,016,400	1,118,040	1,252,205
Infrastructure	4,729,252	48,055,603	38,827,381	43,098,393	49,994,136	47,293,114	51,133,721
Land and Buildings	15,675,978	-	-	-	-	-	-
LED Projects	-	6,758,445	2,485,894	2,858,779	3,500,000	4,100,000	5,200,000
Total Capital Expenditure	23,188,778	55,687,712	42,153,275	46,881,172	54,510,536	52,511,154	57,585,926
Total Expenditure	72,129,236	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	172,364,331
Total Funding available	69,368,781	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	178,046,116
Net budget deficit or surplus	2,760,455	-	-	-	-	-	5,681,785
Total employee costs	20,532,171	23,829,978	31,205,828	34,045,558	35,781,881	37,606,757	40,164,016
Employee costs as Percentage of total costs	42%	40%	37%	37%	36%	35%	35%

Statement of Financial
Position: Forecasted

	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
ASSETS	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Trade and other receivables	792,249	866,917	679,235	999,546	794,256	609,235	854,320
VAT	6,209,038	3,164,275	2,060,313	3,510,149	3,298,301	2,355,995	3,965,580
Consumer debtors	1,336,440	6,537,304	7,395,468	6,224,298	5,227,581	4,787,068	4,605,120
Investments	46,935,823	34,334,396	20,886,074	16,673,355	13,688,260	19,781,964	20,623,370
Cash and cash equivalents	7,000	260,814	277,595	176,771	5,093,663	219,060	5,505,400
	55,280,550	45,163,706	31,298,685	27,584,119	28,102,061	27,753,322	35,553,800
Property, plant and equipment	45,128,591	48,534,086	82,232,407	118,518,793	157,597,474	195,118,828	233,917,180
Assets in construction	13,987,859	49,916,196	51,271,256	54,975,372	62,472,147	68,483,359	76,606,900
	59,116,450	98,450,282	133,503,663	173,494,165	220,069,621	263,602,187	310,524,090
Total assets	114,397,000	143,613,988	164,802,348	201,078,284	248,171,682	291,355,509	346,077,890
Liabilities							
Trade and other payables	25,263,635	7,160,629	8,592,755	9,881,668	10,573,385	10,679,119	9,931,580
Finance lease obligation	197,661	141,543	110,654	77,444	15,362	-	
Deferred income	57,575,201	94,550,195	114,327,394	139,137,858	170,092,406	197,700,597	234,710,080
Total Liabilities	83,036,497	101,852,367	123,030,803	149,096,970	180,681,152	208,379,716	244,641,660
Net Assets	31,360,503	41,761,621	41,771,545	51,981,314	67,490,530	82,975,792	101,436,220
Government Grant Reserve	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800
Accumulated Surplus	18,250,704	28,651,821	28,661,745	38,871,514	54,380,730	69,865,993	88,326,420
Total Net Assets	31,360,504	41,761,621	41,771,545	51,981,314	67,490,530	82,975,793	101,436,220

9.6. MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

REVENUE	2009/2010	2010/2011	2011/2012
Assessments rates and refuse	R 2,781,673.00	R 2,976,389.00	R 3 214 500.12
Building plans	R 107,000.00	R 114,490.00	R 123 649.20
Cemetery fees	R 18,832.00	R 20,150.00	R 21 762.00
Advertising income	R 6,992.00	R 7,482.00	R 8 080.56
Dumping fees	R 735,432.00	R 786,913.00	R 849 866.04
Land lease	R 292,003.00	R 312,443.00	R 337 438.44
Lease of municipal property	R 53,500.00	R 57,245.00	R 61 824.60
Interest earned - investments	R 535,000.00	R 572,450.00	R 618 246.00
Interest earned - outstanding debtors	R 500,700.00	R 535,749.00	R 578 608.92
SARS refund	R 10,700,000.00	R 11,449,000.00	R 12 364 920.00
Traffic fines and licences	R 1,605,000.00	R 1,717,350.00	R 1 854 738.00
Vehicle registration and licensing	R 107,000.00	R 114,490.00	R 123 649.20
Hall fees	R 10,700.00	R 11,449.00	R 12 364.92
Grants - Province	R 65,383,397.00	R 69,960,235.00	R 75 557 053.80
Grants - National	R 63,602,940.00	R 68,055,146.00	R 73 499 557.68
Other income	R 1,604,995.00	R 1,717,346.00	R 1 854 733.68
Total Revenue	R 148,045,164.00	R 158,408,327.00	R 171 080 993.16
EXPENDITURE			
Operational Expenditure			
Employee related costs	R 18,546,687.00	R 19,844,956.00	
Remuneration of Councillors	R 7,126,157.00	R 7,624,988.00	
Repairs and maintenance	R 4,564,620.00	R 4,884,143.00	
General expenses	R 29,363,764.00	R 31,419,228.00	
Contribution to capital outlay	R 5,301,850.00	R 5,672,979.00	
Total Operational Expenditure	R 64,903,078.00	R 69,446,294.00	
Capital Expenditure	R 83,142,086.00	R 88,962,033.00	
Total Expenditure	R 148,045,164.00	R 158,408,327.00	

The MTREF is escalated based on an annual inflation rate of 8% year-on-year

9.7. SDBIP

This is an integral financial planning tool in the preparation of IDPs. However the timing of the preparation of this plan will result in its inclusion only with the final report in June 2009.

9.8 Financial Policies

The municipality has 166 indigent beneficiaries for the 2009/2010 financial year with a total household income threshold of R1100. These beneficiaries are 100 % subsidized. The total income threshold for the 2008/2009 has been increased to R2000.00

Applications for 2009/10 financial year have commenced and will be closed by the end of July 2009. There is an anticipated increase in the number of applicants as a result of the increase in household income threshold.

9.9 Auditor General's Report

The municipality prepared financial statements for the year ending June 2008 and are available in the municipality and has also been incorporated in the Annual report.

In terms of the AG's report the municipality received an unqualified assessment. However the municipality will strive to maintain sound fiscal discipline for the current and future assessment periods.

Chapter 10: Organisational Performance Management System

The Figure below indicates the revised broad Umzimkhulu Municipality's organogram:

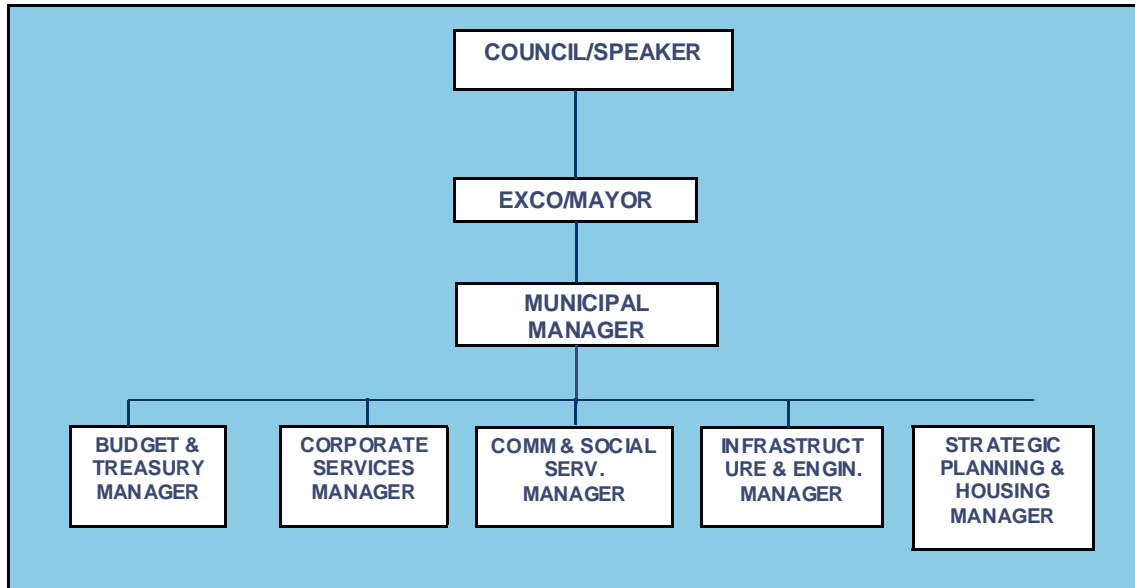


Figure 7: Umzimkhulu Municipal Organogram

The municipality has also its Performance Management System in place for all municipal departments. The Plan highlights on the following SWOT Environmental Analysis of the Municipal Institutional System:

Opportunities	Challenges (Threats)
<ul style="list-style-type: none"> ➤ Natural resources (forestry, agriculture, rivers, mining); ➤ Potential for tourist attractions; ➤ KZN/E Cape corridor; ➤ Potential service delivery node in the district; ➤ Conducive climatic conditions; ➤ Proximity to sea and air transport; and ➤ Establishment of a library. 	<ul style="list-style-type: none"> ➤ Co-ordination for service delivery; ➤ Low revenue base; ➤ Attraction of private sector investment; ➤ HIV/Aids; ➤ Rural vastness; ➤ Urban regeneration; ➤ Unemployment; and ➤ Poverty.
Opportunities (Strengths)	Challenges (Weaknesses)
<ul style="list-style-type: none"> ➤ Team spirit; ➤ Committed, dedicated and motivated people; ➤ Capable municipal leadership and administration; ➤ Capacity for service delivery; ➤ Improved financial management; ➤ Political and management's will to serve the people of uMzimkhulu; and ➤ Ability to survive despite all odds. 	<ul style="list-style-type: none"> ➤ Non-exploitation of opportunities; ➤ Institutional capacity – critical vacant posts; ➤ Poor document and records management; ➤ Disclaimed audit opinion; ➤ Limited funding to implement programmes; ➤ Lack of resources; ➤ Poor internal communication; ➤ Inadequate adherence to legal prescripts; and ➤ Office accommodation.

The following figure highlights on the Municipal Strategic Outcomes of the Plan:

VISION: 'Delivery of Quality Services in Umzimkhulu' "Ukunikizelwa kosizo lwezentuthuko olufanele eMzimkhulu"						
Office of the Municipal Manager Office of the Chief Financial Officer Corporate Services Community & Social Development Technical Services						
GOALS	STRATEGIC OBJECTIVES					
Municipal Transformation and Institutional Development	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development 	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development 	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development 	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development 	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development 	<ul style="list-style-type: none"> Capacity Building Planning Policy development Review of systems Effective institutional development
Local Economic Development	<ul style="list-style-type: none"> Stimulate the local Economy 	<ul style="list-style-type: none"> Stimulate the local Economy 	N/A	<ul style="list-style-type: none"> Effective implementation of LED Services 	<ul style="list-style-type: none"> Implementation of the Expanded Public Works Programme 	
Basic Service Delivery & Infrastructure Investment	<ul style="list-style-type: none"> Implement a three year capital investment plan 	<ul style="list-style-type: none"> Implement a three year capital investment plan 	N/A	<ul style="list-style-type: none"> Provide strategic direction to the department Effective library functions 	<ul style="list-style-type: none"> Construction of Planned Projects Policy Development and implementation Review and implementation of systems 	
Financial Viability & Financial Management	<ul style="list-style-type: none"> Effective financial management 	<ul style="list-style-type: none"> Effective financial management 	<ul style="list-style-type: none"> Effective financial management 	<ul style="list-style-type: none"> Effective financial management 	<ul style="list-style-type: none"> Effective financial management 	
Good Governance & Community Participation	<ul style="list-style-type: none"> Effective good governance and community participation 	<ul style="list-style-type: none"> Manage budget consultation process 	<ul style="list-style-type: none"> Enhance good governance and community participation 	<ul style="list-style-type: none"> Enhance good governance and community participation 	<ul style="list-style-type: none"> Enhance good governance and community participation 	

The Plan also has detailed Operational Plans for each Municipal office covering the following elements:

- Goals;
- Strategic Objectives
- Measurable Objective / Output
- Performance Measures / Indicator
- Targets

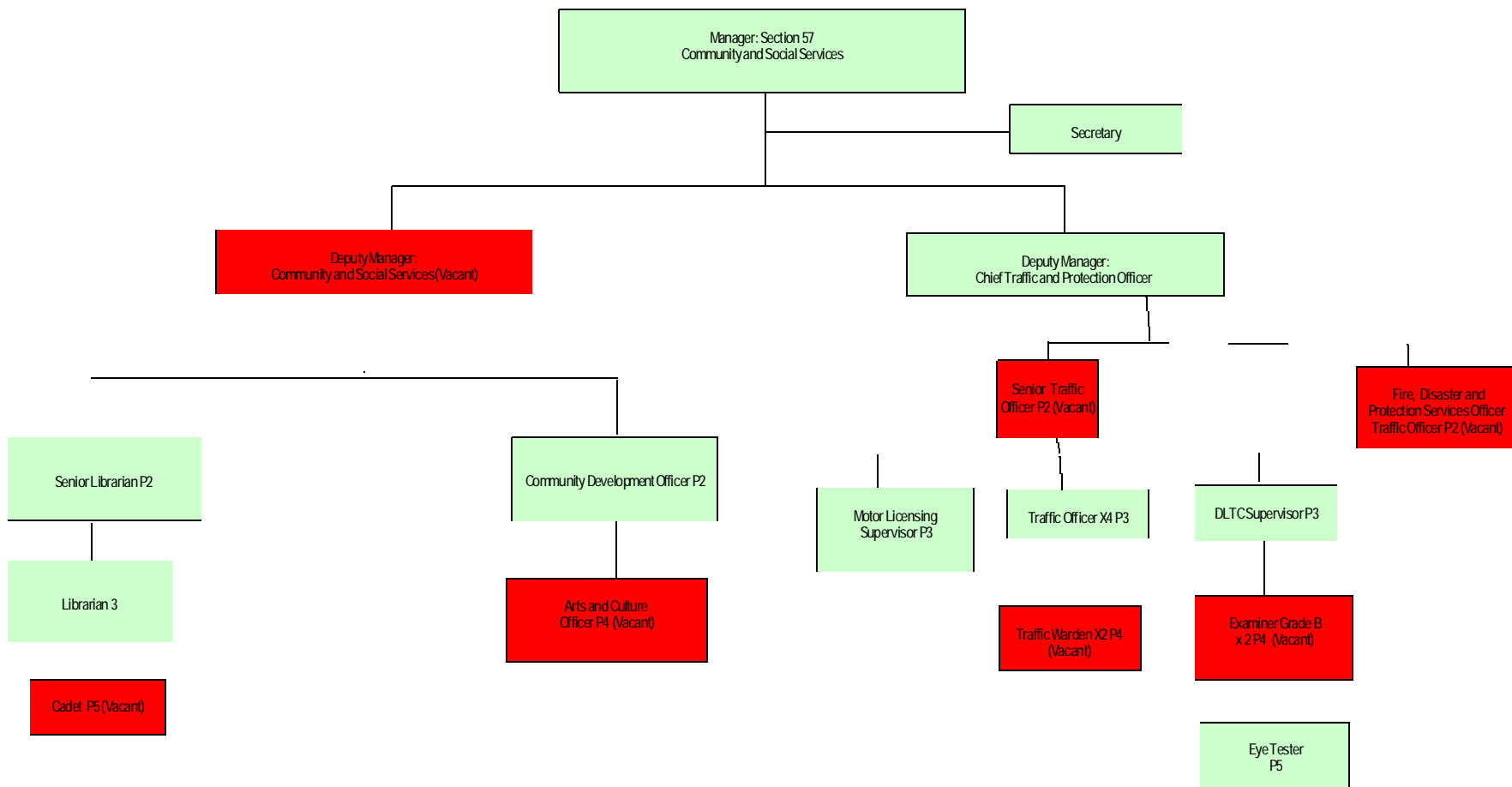
10.1. Community and Social Development Department

The Community and Social Services team for Umzimkhulu Local Municipality held its strategic planning session for 2009/2010 on 13 - 14 November 2008 at Underberg Resort, Drakensburg KwaZulu-Natal and was attended by 16 participants including the Community and Social Services Manager.

During the planning session, the Community and Social Services identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ KZN Department of Transport key requirements for the traffic unit;
- ✓ Intergovernmental linkages for Arts and cultural programmes;
- ✓ Language services; and
- ✓ Supporting systems.

The following figure indicates the Organisational Structure of Community and Social Services:



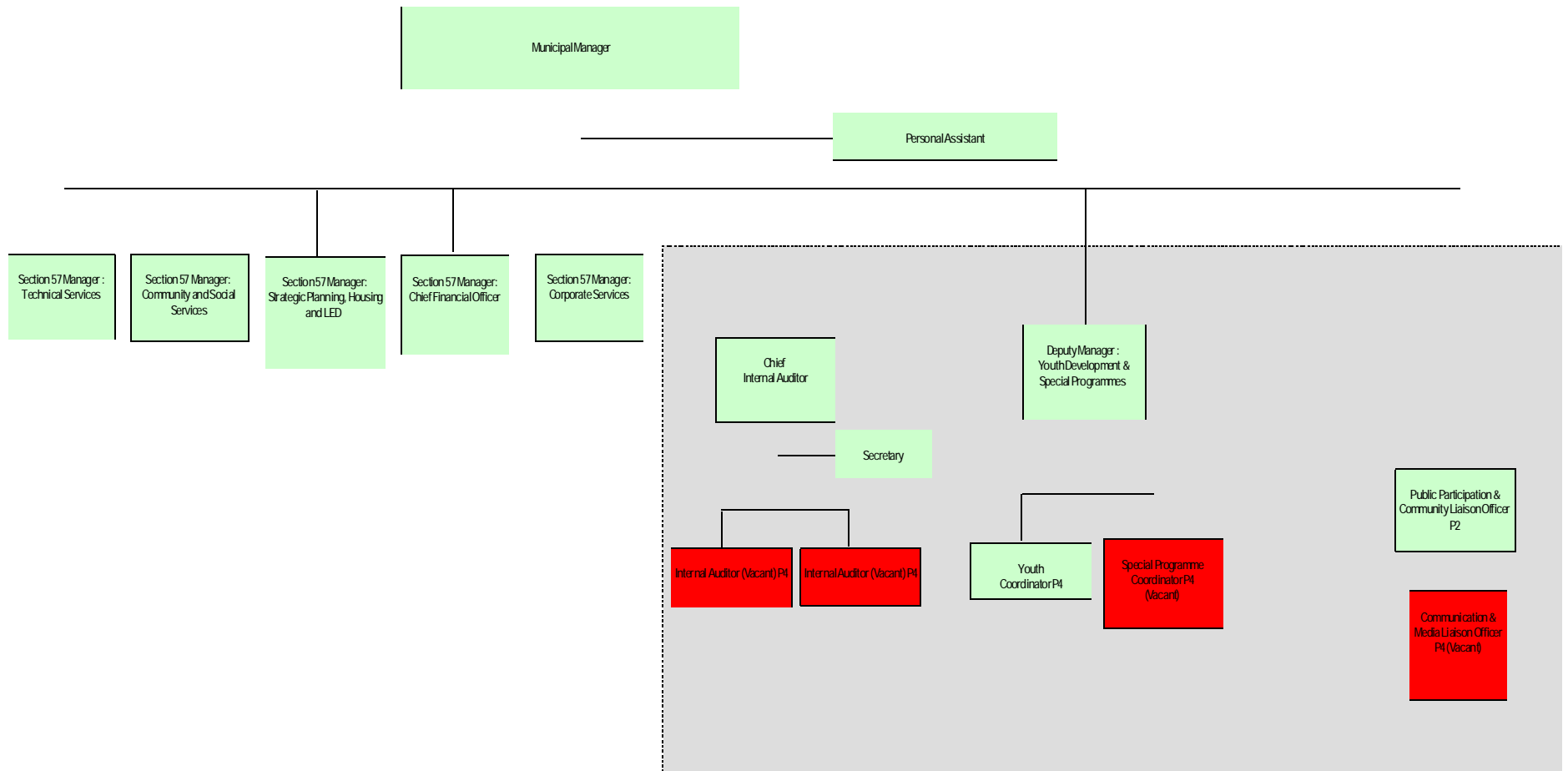
10.2. Office of the Municipal Manager

The Municipal Managers Office for Umzimkhulu Local Municipality held its strategic planning session for 2009/2010 on 4th of November 2008 at Engeli Forest Lodge, Umzimkhulu in KwaZulu-Natal and was well attended by 8 participants including the Municipal Manager.

During the planning session, the Municipal Managers Office identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ Opportunities to maximise municipal services;
- ✓ Taking the services and projects to the communities;
- ✓ Financial Management Reporting; and
- ✓ Implementation of systems to improve service delivery.

The following figure indicates the Organisational Structure of Municipal Managers Office:



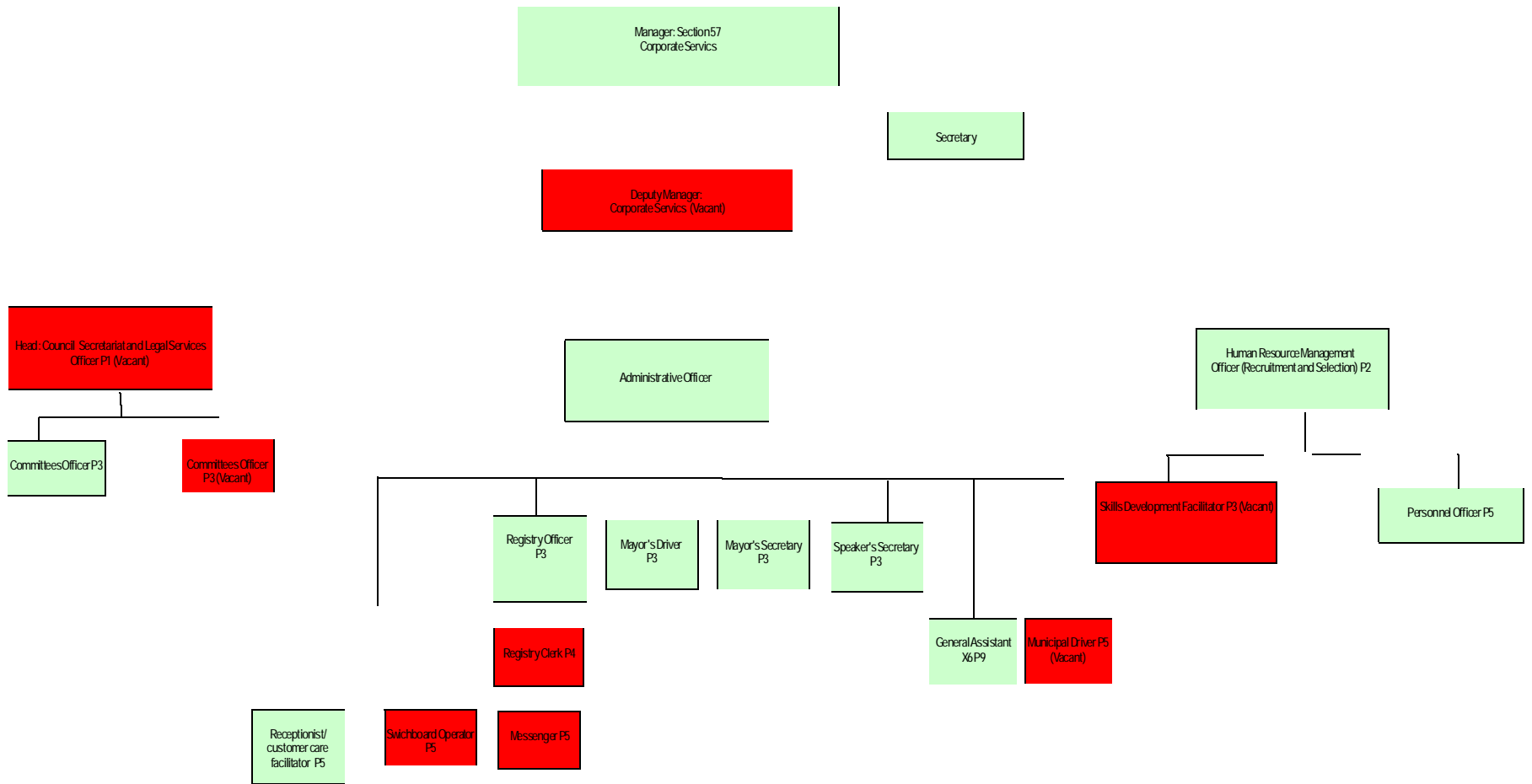
10.3. Corporate Services Department

The Corporate Services Department at Umzimkhulu Local Municipality held its strategic planning session for 2009/2010 on 6 - 7 November 2008 at Underburg Resort, Drakensburg, KwaZulu-Natal and was attended by 15 participants including the Corporate Services Manager.

During the planning session, the Corporate Services Team identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ Best practice for management;
- ✓ Payroll management;
- ✓ Standard reporting requirements; and
- ✓ Human Resource and Administration systems.

The following figure indicates the Organisational Structure of the Corporates Services Department:



10.4. Strategic Planning, LED and Housing Department

Strategic Planning, LED and Housing Department for Umzintu Local Municipality held its strategic planning session for 2009/2010 on 30 - 31 October 2008 at San Lameer, Port Edward in KwaZulu-Natal. The session was well attended by 25 participants including the Manager Strategic Planning, LED and Housing Manager and Municipal Manager. This session was also attended by the Technical Services Department.

During the planning session, the Strategic Planning, Housing and LED identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ Monitoring and Evaluation;
- ✓ National and Provincial Housing Processes;
- ✓ Best practices for IDP development;
- ✓ Provincial Tourism Plan; and
- ✓ Organisational systems.

The following figure indicates the Organisational Structure of the Strategic Planning, LED and Housing Department

At a municipal level this department has PLANNING HOUSING AND LED (STANDING COMMITTEE)

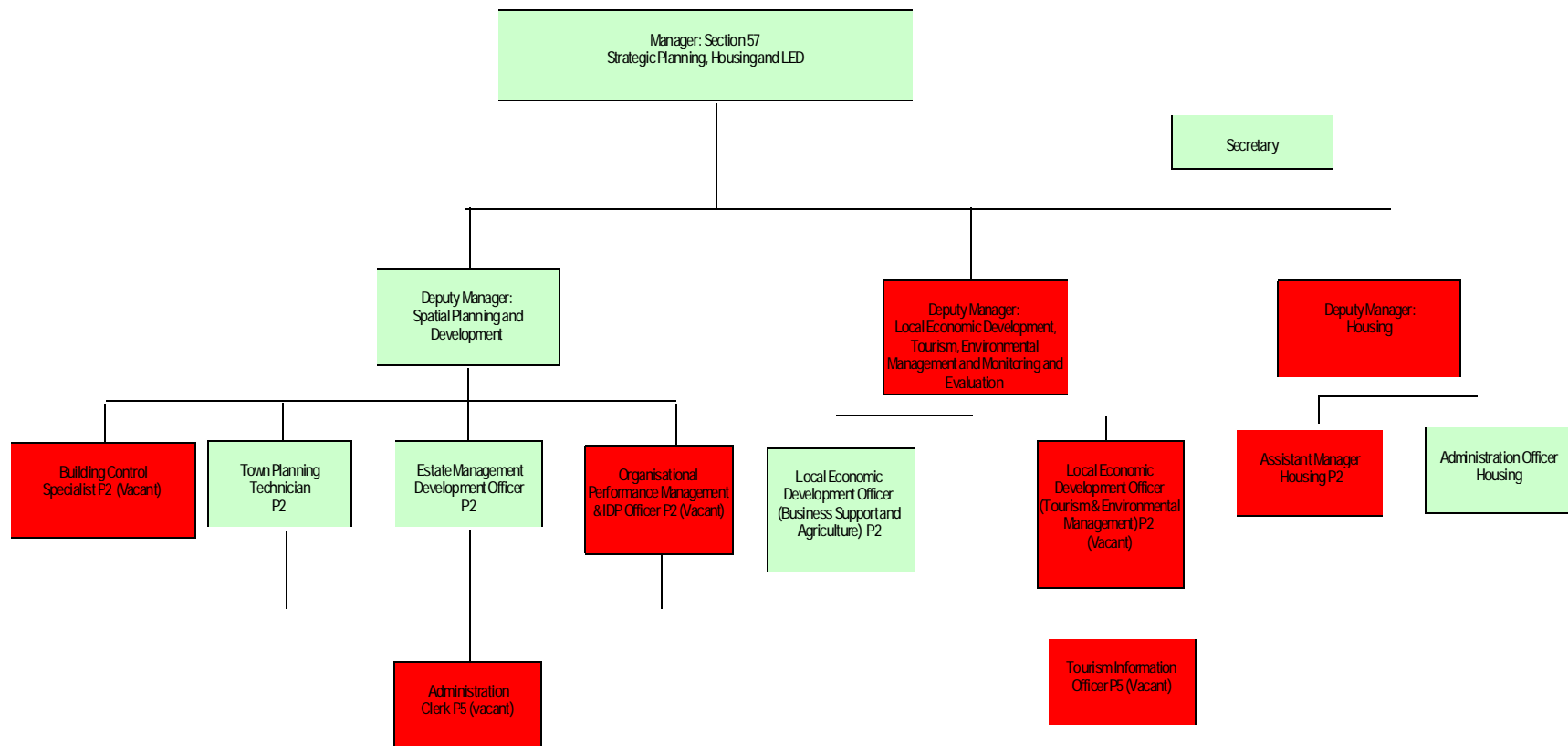
OLIO COMMITTEE

In the context of LED the following institutional arrangements are in place

- Various project based adhoc committees
- LED forum (Local and District) At district
- Business forum (local)
- Tourism forum
- Review- internal process incorporating recommendations of the LED summit

Planning

- Planners forum
- VARIOUS project based ad hoc committees
- IDP representative forum



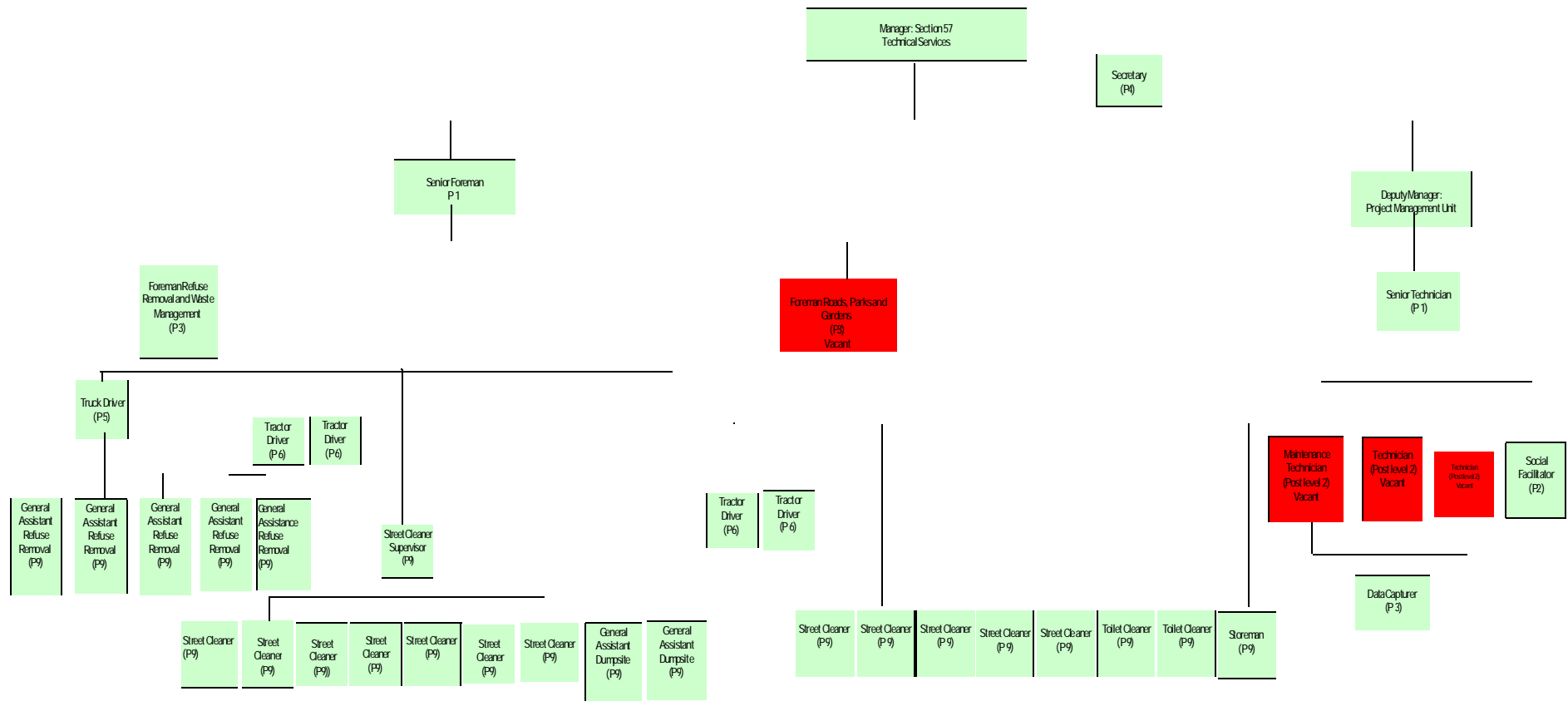
10.5. Technical Services Department

The Technical Services for Umzimkhulu Local Municipality held its strategic planning session for 2009/2010 on 30 - 31 October 2008 at San Lameer, Port Edward in KwaZulu-Natal and was well attended by 25 participants including the Technical Service Manager and Municipal Manager. This session was also attended by the Strategic Planning, LED and Housing Department.

During the planning session, the Technical Services identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ Project management;
- ✓ Financial management;
- ✓ Development of systems;
- ✓ Developing business plans; and
- ✓ Reporting requirements.

The following figure indicates the Organisational Structure of the Technical Services Department:



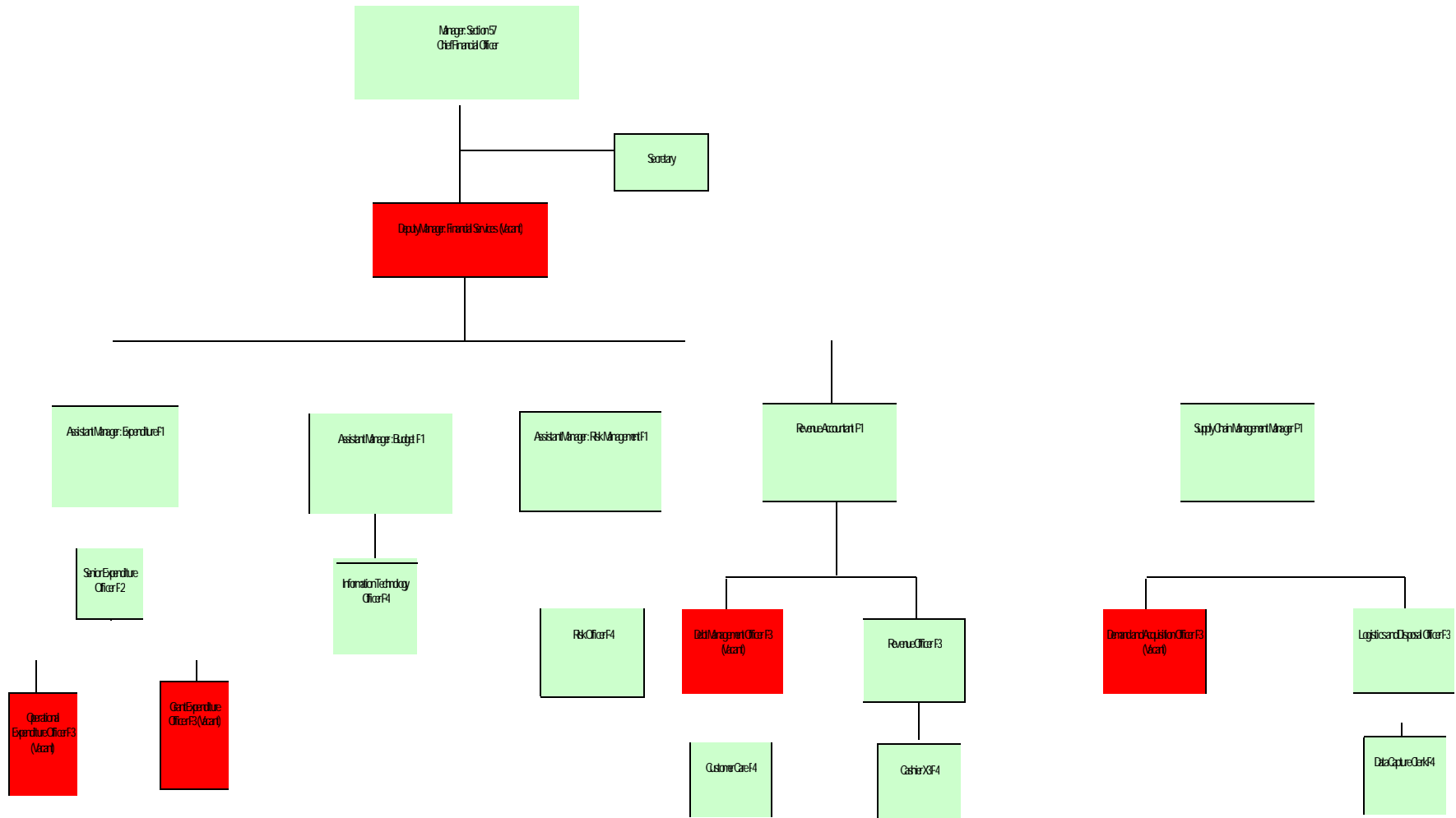
10.6. Budget and Treasury Office Department

The Budget and Treasury Office for Umzimkhulu Local Municipality held its strategic planning session for 2009/2010 on 23 - 24 October 2008 at Ekuphumuleni B&B, Umzimkhulu in Kw Zulu-Natal and was well attended by 13 participants including the Chief Financial Officer and Municipal Manager.

During the planning session, the Budget and Treasury Office identified and evaluated other models for providing excellent service. Models included the following areas:

- ✓ Investment management;
- ✓ Billing and receivables management;
- ✓ Financial Management Reporting; and
- ✓ Financial systems.

The following figure indicates the Organisational Structure of the Budget and Treasury Office Department:



Finance		Costs of Revenue as defined in the Municipal Planning and Performance Management Regulations (2001)	Compliance with the MFMA and Systems Act and National Treasury Regulations	Financial Statements	Bi-annually		8.5%	18%	9%	12%	15%	18%	18%	18%	18%	18%	CFO
The Municipality has completed its Framework for Institutional Performance Management together with the Institutional ScoreCard 2007 – 2012 tabulated below.																	
	To exercise best budgeting practices in order to improve service delivery.	% of Municipality's capital budget actually spent on capital projects in terms of the IDP	Compliance with the MFMA and Systems Act and National Treasury Regulations	IDP and Capital Budget Quarterly reports	Quarterly		25%	75%	100%	100%	100%	100%	100%	100%	100%	100%	CFO, Technical Services Manager.
KPA	Over-arching Objectives & Strategies	Indicators	Standards	Measurement Source	Frequency	IDP Indicator Number	Baseline	Target 07/08	2007/8				2008/9	2009/10	2010/11	2011/12	Manager
									Quarter 1	Quarter 2	Quarter 3	Quarter 4					
	To have a centralised, efficient and reliable IT system	% progress made toward the implementation of an IT system	Website, LAN & WAN server Updated website, IT Policy	IT Strategy	Annually		15%	100%	15% (Milestone-IT audit, Appointment of IT interns)	30% (Website)	75% (Fully functional website and integrated network)	100%	n/a	n/a	n/a	n/a	CFO, Municipal Manager
		Cost Coverage as defined in the Municipal Planning and Performance Management Regulations (2001)	Compliance with the MFMA and Systems Act and National Treasury Regulations	Financial Statements	Bi-annually		1.9	2.5	1.0	1.5	2.0	2.5	2.5	2.5	2.5	2.5	CFO
	To achieve increased revenue through efficient, effective and coordinated financial management.	Debt Coverage as defined in the Municipal Planning and Performance Management Regulations (2001)	Compliance with the MFMA and Systems Act and National Treasury Regulations	Financial Statements	Bi-annually		12%	35%	15%	20%	25%	35%	35%	35%	35%	35%	CFO
Outstanding Service Debtors In Revenue as																	
																	135

GOVERNANCE PERSPECTIVE (PROCESSES)																	
KPA	Over-arching Objectives & Strategies	Indicators	Standards	Measurement Source	Frequency	IDP Indicator Number	Baseline	Target 07/08	2007/8				2008/9	2009/10	2010/11	2011/12	Manager
									Quarter 1	Quarter 2	Quarter 3	Quarter 4					
		Number of wards in which environmental campaigns are conducted.	Reports submitted to council. Campaigns aimed at educating community on Environmental issues	Environmental Management Plan	Annually		2	9 wards	1 ward	4 wards	6 wards	9 wards	9 wards	9	9	9	C&SM
Environmental Management	To protect and preserve the environment To have well trained and capacitated personnel	% of Municipality's budget actually spent on implementing the workplace skills plan	1% of total budget (R1 million) Compliance with the Skills Development Act and SDLA	WSP, IDP, Annual Training Report	Quarterly		100%	100%	25%	50%	75%	100%	1%	1.5%	1.5%	1.5%	CFO, CSM
Human Resources	To have a diverse workforce that incorporates previously disadvantaged individuals	% of projects which have had an environmental employment target	Assessment to include negative impacts	Environmental Assessments conducted.	Quarterly		50%	100% 1 senior management, 2 middle management	100%	100%	100%	100%	100%	100%	100%	100%	C&SM, IM
		The number of people employed in the three highest levels of management in compliance with the EE plan.	Projected targets met by 50% by November 2009	EE Plan, EE Policy	Annually		1 female in senior management post		0	1 senior and 1 middle	1 middle	management, 2 middle management	2 in the top 3 levels	2 in the top 3 levels	2 in the top 3 levels	2 in the top 3 levels	CSM, MM
LED	To create new jobs through SMME development thereby alleviating poverty	Number of jobs created through the Municipality's LED initiatives including capital projects	Temporary employment: 3-6 months.	LED Strategy, SCM Policy.	Bi-annually		50	100	10	50	70	100	150	200	250	300	C&SM

Public Facilities	To provide public facilities that are of a good quality and that are accessible to all wards of Umzimkhulu	% progress toward the development of 5 facilities.	3 sports centres, 2 combo courts.	IDP, Capital Development Plan	Annually		0	70%	10% (Contract awarded)	30% (Construction started)	50%	70%	100%	To be determined	To be determined	To be determined	IM
KPA Housing	Over-arching Objectives & Strategies To provide shelter to deserving members of the community	Indicators Number of houses built	Standards Compliance with RDP standards	Measurement Source Housing Sector Plan, Annual Report	Frequency Bi-annually	IDP Indicator Number	Baseline 760	Target 07/08 637	2007/8 Quarter 1	2007/8 Quarter 2	2007/8 Quarter 3	2007/8 Quarter 4	2008/9 2756	2009/10 2756	2010/11 2756	2011/12 2756	Manager IM
HIV/AIDS	To educate members of the community regarding the dangers of HIV/AIDS.	Number of HIV/AIDS awareness campaigns.	In accordance with HIV/AIDS strategy. National and Provincial Policy.	HIV/AIDS Plan and Policy.	Bi-annually		3 campaigns	4 campaigns	1 campaign	2 campaign	3 campaign	4 campaign	4	4	4	4	C&SM
SERVICE DELIVERY PERSPECTIVE (OUTPUTS)																	
Roads	To provide basic road infrastructure that is of good quality in all villages of UMzimkhulu	Kilometres of roads gravelled.	Compliance with DOT standards.	Quarterly, Annual Reports	Quarterly		54.45km	24km	5km	10km	15km	24km	Information not available	Information not available	Information not available	Information not available	I&M
		Kilometres of gravel roads repaired.	Compliance with DOT standards.	Quarterly, Annual Reports	Quarterly		30km	65km	15km	20km	35km	65km	Information not available	Information not available	Information not available	Information not available	137 I&M

10.7. Institutional Development of the Municipality

1. Equity Vision

Umzimkhulu Municipality undertakes to ensure good employment equity practices by recruiting, employing, training, empowering and retaining a diverse, motivated and competent workforce, in order to sustain its competitive advantage.

To this end, Umzimkhulu Municipality values its culturally diverse workforce and will ensure that its employees in turn acknowledge, understand and celebrate that diversity. Implementation of employment equity initiatives and ensuring appropriate skills to people from the designated groups will underpin this vision.

Umzimkhulu Municipality employment equity programme will be implemented within the confines of business rationale, prevailing social and political factors, reasonableness, fairness, justice and the values of the Municipality.

2. Equity Mission

Umzimkhulu Municipality will continuously endeavor to reach adequate representation of all designated groups at all job levels and categories.

3. Equity Strategy

Conditioning the environment

The strategy aims to create an environment conducive to the implementation of employment equity and changing of attitudes within the organization, by:

- o Ensuring the Equity Committee remains functional
- o Training Council, Management and the entire workforce on diversity management, with a specific focus on cultural diversity, within the first financial year of this plan being adopted
- o Integrating the diversity philosophy into all management and leadership training

Recruiting, Selecting and retaining good caliber staff

We will turn Umzimkhulu Municipality into an employer of choice, by

- o Allocating targets to the recruitment and promotion of women and people with disabilities
- o Eliminating subjective criteria that has no bearing on inherent job requirements
- o Including additional steps measures in the recruitment processes to ensure disabled people are recruited
- o Employing culture-fair assessment tools for competence and potential assessments

Training, Developing and advancing good caliber staff

Our training and development strategies will be aligned with our Equity Plan, to ensure that:

- o Internal development supports the targets for Employment Equity
- o Candidates with potential from designated groups be identified and taken up into accelerated development plans
- o Priority is given to the development of internal staff to maximize internal recruitment and promotion

4. Consultative Framework

In terms of the Employment Equity Act, a consultative forum needs to be in place, comprising members from different cultural groups, occupations and management levels to ensure that various interests in the Municipality are represented. For this purpose, the Training Committee shall also be tasked with the Employment Equity responsibilities.

Name	Designation
1. N Nduku	HR Officer
2. S. Ndondo	Expenditure Officer
3. K. Ngcaweni	Senior Librarian
4. J. Z Mahlaba	General Assistant
5. N. Tyekela	Town Planner
6. B. Simelane	General Assistant
7. B.G Nomvalo	Registry Clerk
8. S.N Dlamini	Receptionist

The Human Resource Officer has been appointed to take responsibility for Employment Equity in Umzimkhulu Municipality and provision has been made that a budget be created for the promotion of Employment Equity objectives.

5. Workforce Profile

This is the workforce profile as at 31 August 2008

Category and Occupational Levels	Female						Male						Grand Total
	Afr	Col	Ind	White	Disabled	Total	Afr	Col	Ind	White	Disabled	Total	
Senior Management	2	0	0	0	0	2	4	0	0	0	0	4	6
Middle Management	1	0	0	0	0	1	4	1	0	0	0	5	6
Junior Management	13	0	0	0	0	13	8	0	0	0	0	8	21
Operational Staff	41	0	0	0	1	42	26	0	0	0	1	27	69
TOTAL	47	0	0	0	1	58	42	1	0	0	1	44	112

2. Workforce Movement

This is the workforce movement for the year 01 July 20 7 – 31 August 2008

NATURE	Female						Male						Grand Total
	Afr	Col	Ind	White	Disabled	Total	Afr	Col	Ind	White	Disabled	Total	
Recruitment	13				1	14	11	1				12	26
Promotions													
Dismissals													
Death								1					
Resignation							2						
Other													
TOTAL	13				1		13	2				12	26

Income Differential Statement

CATEGORY	* LOWEST INCOME LEVEL (salary)	# HIGHEST INCOME LEVEL (salary)
SENIOR MANAGEMENT	R512 662.20	R 685 749.72
MIDDLE MANAGEMENT	R 296 182.44	R 400 000.00
JUNIOR MANAGEMENT	R 87 180.48	R 307 530.00
OPERATIONAL STAFF	R 54 702.00	R 78 309.12

- The salary of the lowest paid individual on that level
- # The salary of the highest paid individual on that level

3. Barriers and Measures to eliminate barriers

Category	Barrier	AA Measure to Eliminate Barriers
Advertising, Recruitment, Selection and Appointment	Largely male officials do the recruitment Employers are not trained to recruit designated staff	Recruiters should be capacitated and trained so that they are well versed in the recruitment process and all legislative requirements. It is also important the internal recruitment policy.
	No targets set for designated groups.	The Employment equity forum should be capacitated and aware of their obligations and duties. Where candidates of equal ability are available the position will go to a person from designated groups Training on recruitment procedures and legislative requirements is vital so that the process is fair and effective.
	Strict adherence to formal academic qualifications.	Adherence to recruitment and promotion of suitably qualified individuals

Category	Barriers	AA Measures to Eliminate Barriers
	<p>Selection word of mouth recruiting. Appointments are predicted by management.</p> <p>Lack of management commitment to recruit designated staff. No specific internal targeting of designated staff for vacancies. Some designated groups specialists are too pricey to afford Absence of strategies to attract and retain good caliber designated staff Perception that designated people can be paid less and are only suitable for lower level appointments.</p>	<p>All available positions will be first advertised internally and job requirements will be made transparent by the responsible manager.</p> <p>Recruitment policy to be enforced.</p> <p>No employee will be refused an appointment on the basis of race or gender. Fair discrimination is allowed as long as there is a legitimate Affirmative Action in place ,as long the candidates have inherent requirements of the job the process is fair and transparent.</p> <p>Implementation will be monitored by general management and equity forums. The Employment Equity forum must be capacitated and kept upto date as law and changes take place</p> <p>Enforce equitable remuneration at all levels.</p> <p>Create an environment conducive to development, recognition and rewarding of all staff for good work. Benchmark with related institutions to ensure fair remuneration. Intensify diversity awareness programmes.</p> <p>It is the responsibility of the Employment Equity forum to make sure that the institution is managing Diversity, therefore diversity sessions should be held regularly. Also Sexual harassment seminars must be held regularly.</p>

Category	Barriers	Measure to Eliminate Barriers
Training, Development and Promotions	Limited time spent on mentoring designated groups due to tight work schedules and tight budgets	Intensive training programmes to ensure such accelerated development Succession planning and career pathing mechanism should be developed.
Performance evaluation	Lack of ownership towards diversity management and employment equity. Racial and gender prejudice by management and customers	Introduce objective performance measurement systems such as the 360° system to allow performance management to be fair and transparent and linked to competence and productivity. The performance management system should be properly communicated to all employees, this will improve overall performance and also identify the non performers.
Promotions	Designated employees overlooked for promotion. Shortage of "own group" role models.	Line managers must prioritise the advancement of those severely disadvantaged. Fast track designated employees into areas where they are underrepresented such as senior management. Advertise designated employee success stories and this should be done via internal newsletter.
Succession and experience planning	Succession plans are not in place. Mentorship programmes for designated groups are not in place.	Design career pathing. Preference will be given to designated employees regarding the nomination for training and developmental interventions. This will only be effective if there is a proper enforceable performance management mechanism in place. Accelerated career paths will be prepared for designated employees with potential. Institute mentorship programmes/ learnerships.
Succession and experience planning	There is an absence of a retention strategy focused on high quality designated employees.	Good caliber staff will be empowered and rewarded in a manner commensurate to their efforts. Performance Appraisal system should be developed
Disciplinary measures	Management not equipped to handle IR issues correctly	Practices along with the Municipality's disciplinary code and IR training.
Retention Strategies	Minimal attempt is made to persuade staff from designated groups to stay.	Set up independent "ombudsperson" to conduct exit interviews and to negotiate withdrawal of resignations.

Resignations	Employees from designated groups with tertiary qualifications leave because they are overlooked for development and promotion.	Fast track all tertiary qualified employees from designated groups.
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4. Targets and Timeframes

The projected workforce profile as at 30 June 2012

Category and Occupational Levels	Female						Male						Grand Total
	Afr	Col	Ind	White	Disabled	Total	Afr	Col	Ind	White	Disabled	Total	
Senior Management	3	0	0	0	0	3	3	0	0	0	0	3	6
Middle Management	3	0	0	0	0	3	4	1	0	0	0	5	7
Junior Management	20	0	0	0	1	21	8	1	0	0	1	10	41
Operational Staff	45	2	0	0	4	51	26	1	0	0	4	31	82
TOTAL	71	2	0	0	5	78	41	3	0	0	5	49	126

Projected targets must at least be met 50% by November 11

5. Operational Plan

Category	Action Steps
Recruitment	<p>All recruitment and advertising will comply with the Employment Equity Act sec 20, subsection 3 and 5 at June 2005.</p> <p>The recruitment racial mix will comply with the Employment Equity Act sec 3 (b), 6 (b) and 15 (1) and will be determined by the equity targets. These equity targets will be monitored by top management from October 2004</p>
Promotions	<p>All promotions will be aligned with the Employment Equity Act sec 15 (2) (c), 2(b) and 3(b) as from October 2004 according to the targets and timeframes set by the Equity Committee</p> <p>Promotion criteria will be clearly defined using the inherent requirements of the job as a benchmark with sections 20 (3) and (4) (5) of the EE Act</p> <p>The Staff turnover replacement will be in line with the EE Act section 20 (2) © and the Employment Equity Code Good Practice paragraph 8.4.1</p>
Skills Development	<p>Based on the Employment Equity Code of Good Practice , priority will be given to the development of designated groups to enhance their promotability and opportunities for experience and succession training</p>
Training and Development	<p>Candidates with potential from designated groups will identified and accelerated paths planned with them.</p> <p>Diversity Awareness Programmes will be presented to the entire workforce HIV/AIDS awareness programmes will be presented to the entire workforce. Sexual Harassment awareness programmes will be presented to the entire workforce</p>
Retention	<p>Exit interviews will be conducted with the designees ,to identify the reason for the staff turnover</p>
Disciplinary measures	<p>Staff will be made of behavior and actions that might lead to dismissals, within the above mentioned programme. A disciplinary code should be re-issued to all employees . Every employee should sign for it.</p>
Policies	<p>In the review of all policies , the Employment Equity forum should part so as to ensure no policy contain any element that does not promote or accommodate Employment Equity.</p>

CHAPTER 11: ANNEXURES AND APPENDICIES

J	ANNEXURES	Applicable to:	
		Umzimkhulu LM	Sisonke DM
J.1	Detailed Spatial Development Framework	Complete	
J.2	Detailed Disaster Management Plan	Completed	
J.3	Framework for Institutional Performance Management	Completed	
K	APPENDICIES	Umzimkhulu LM	Sisonke DM
K.1	Land Use Management Framework	District	
K.2	Land Use Management System	In-Progress	
K.3	Coastal Zone Management Plan	N/A	
K.4	Waste Management Plan	To be completed in last quarter 2008/09	
K.5	Water Service Development Plan	District	
	Water Resource Plan	District	
K.6	Forestry Plan		
	Integrated Transport Plan	District	
K.7	Housing Plan	Complete	
K.8	Energy Master Plan (Electricity Master Plan)	District	
K.9	Local Economic Development Plan	In place	
K.10	Infrastructure Investment Plan (EPWP Compliant)	Being reviewed	
K.11	Area Based Plans (Land Reform)	District	
K.12	Organizational PMS	In Place	
K.13	IDP Process Plan / IDP Framework Plan	In Place	
K.14	Agricultural Plan	In place but has to be reviewed	
K.15	Financial Management Plan	complete	
K.16	HIV and Aids Plan	To be reviewed	
K.17	Tourism Plan	In Place	
K.18	Environmental Management Plan	Being developed for the CBD and ToR for SEA now prepraed	

K.19	Human Resource Development Plan	In Place
K.20	Municipal Annual Report for the year ended 30 June 2008	In Place
K.21	<ul style="list-style-type: none"> • DETAILED UMZIMKHULU MUNICIPALITY OPERATIONAL PLAN 2009/20010 • SDBIP 	<p>In Place</p> <p>In place</p>

ANNEXURE A: LED PROJECTS

WARD 01

VILLAGES	PROJECTS
1. Indawana	Completion of Fencing of Arable Land
2. Lucingweni- Lukhasini	Fencing of Arable Land
3. Mangeni	Fencing of Arable Land
4. Sangweni	Poultry Project
5. Mangeni	Fencing of Camps
6. Sisonke Piggery	Piggery Structure
7. Mqanu	Forestry Cultural Village

WARD 02

VILLAGES	PROJECT
1. LUPHONGOLO	Fencing Wire Manufacturing & Training
2. VUKUSEBENZE	Agric Project
3. RIVERSIDE	Shelter for Vendas / Market Stalls
4. RIVERSIDE	Multi-Skills project
5. ENYANISWENI	Agric Project
6. INKQUBELA	Poultry Project
7. MAKEPS	Piggery Project
8. GWEBINDLALA	Block Making
9. EDGERTON 20	Poultry Project
10. CORINTH WOMEN	Piggery Project

WARD 03

FENCING OF ARABLE LAND

VILLAGES	PROJECTS
1.BOMVINI MNCWEBA	Fencing of Arable Land
2.NTSIKENI VILLAGE	Fencing of Arable Land
3.Noziyigili	Fencing of Arable Land
4.SIYAPHAMBILI GARDENING PROJECT	Seeds and Fencing
5.NTSIKENI DROPP IN CENTRE	Seeds and Fencing
6. DEDA POULTRY PROJECT	Broiler House
7. MNCWEBA	Massive food Production
8 SPHAMANDLA	Piggery Project
9. UBS	Nursery (Youth)
10. NTSIKENI	Taxi Rank

WARD 04

VILLAGES	PROJECT
1. Magqagqeni	Fencing of Arable Land
2. Nkukhwini	Fencing of Arable Land
3. Mt. Sheba	Fencing of Arable Land
4. St. Augustine	Fencing of Arable Land
5. Masamini	Fencing of Arable Land
6. Sakhisizwe	Poultry Project
7. Sinoncedo	Piggery Project
8. Nomarhanjana	Vegetable Gardens

9. St. Augustine	Vegetable Gardens

WARD 05

VILLAGES	PROJECT
1.Thonjeni	Fencing of Arable Land
2.Ndabayilali	Amadudusi sixoshindlala (communal garden project)
3.Thonjeni	Amadidi Bazise Poultry Project
4. Sidadeni	Fencing of Arable land
5. Lukhanyeni	Fencing of Arable Land
6. Antioch	Fencing of Arable Land
7.Myembe	Fencing of Arable Land
8.Nyaka	Fencing of Arable land
9.Gwijendlini	Fencing of Arable Land
10.Ngwangwane	Poultry Project

WARD 06

VILLAGES	PROJECTS
1. LOURDES	Shearing Shed
2. LOURDES	Charcoal
3. Mafebela	Fencing
4. Candle	Candle Making Project

WARD 07

VILLAGES	PROJECT
1. Mabuyana/ Nozibhobo	Extension of fencing of Nazareth Arable Land
2. Maduna/Sicelweni/Dryhoek	Fencing of Arable Land
3. Mfulamhle	Izigi Zendoda brick making
4. Nyanisweni/Zadungeni	Poultry Farming
5. Sayimane	Fencing Arable Land
6. Ngqokozweni/ Gudlintaba	Sewing Project
7. Zadungeni	Crush Stone processing project
8. St BARNABAS	Fencing of Arable Land
9. Maduna	Women Agricultural Project
10. Zindongeni/ Nguse	Citrus Production
11. Try Singers	Bakery Project

WARD 08

VILLAGES	PROJECT
1. Polonyoni	Fencing
2. Fourteen	Fencing
3. Mshayezafe Youth/Singisi Village	Fencing
4. Dresini	Fencing
5. Mnceba	Fencing

6. Senti Grezing Land	Fencing
7. Ngujini	Fencing
8. Ngunjini	Charcoal
9. Ngujini	Irrigation System & inputs (seeds & Fertilizer)

WARD 09

1. Sizoyinqoba	Agricultural Youth Project
2. Zolani Community Project –	Poultry & Farming
3. Mbumbulwana –	Sewing Project
4. Mambulwini	Fields Fencing
5. Goxe	Mielie Fields Fencing
6. Kwa-Bhala	Mielie Field Fencing

WARD 10

VILLAGES	
1. Ncambele	Fencing of Arable Land
2. Raloti Fencing of Arable Land	Fencing of Arable Land
3 Tweefontein Fencing of Arable Land	Fencing of Arable Land
4. Readsdale Fencing of Arable Land	Fencing of Arable Land
5. Ntshongo / Nkampini	Fencing of Arable Land
6. Seldene Taxi Rank	Fruit & Vege stalls
7 Readsdale	Piggery
8.Ward wide	Assistance on small Farmers (input & Fencing)
9. Ward wide	Assistance Animal Husbandry
10. Ward wide	Assistance Fruit & vege Cultivation
11. Ncambele	Shearing shed

WARD 11

1. Villages	PROJECT
2. Kwamathathani	Maize / Crop Production
3. Vierkrant/ Kwa James	Crop Production
4. Vierkrant	Field Fencing
5. Sukume- Ibisi	Vegetable production
6. Ethembeni	Fencing of Arable Land
7. Ibisi	Fencing Greveyard
8. Esihlontweni	Crop Production

WARD 12

VILLAGE	PROJECT
1. Khiliva	Fencing of Mielie fields and Arable land
2. Nxaphanxapheni	Fencing of Mielie Fielda and Arable land
3. Mbulumba	Fencing of Mielie Fields and Arable land

4. Mahlomane	Vegetable Production
5. Rauka	Vegetable Production
6. Rietvlei	Vegetable Production
7. Mbuzweni	Vegetable Production
8. Mbulumba	Vegetable Production
9. Mahlomane	Crop Production
10. Mbuzweni	Crop Production
11. Mbulumba	Crop Production
12. Khiliva	Crop Production
13. Nxaphanxapheni	Crop Production
14. Mbuzweni	Senzokuhle Poultry Production
15. Rauka	Poultry Production
16. Mahlomane	Poultry Production
17. Tshaka	Poultry Production

WARD 13

VILLAGES	PROJECTS
1. Farm	Field Fencing
2. Mahobe 1	Field Fencing
3. Teekloof	Field Fencing
4. Ntlabeni	Field Fencing
5. Matsheni	Poultry
6. Mahobe 2	Dam Renovation
7. Mfundweni	Sewing Project
8. Kokhill- Nomdaphu 1 Nomdaphu 2 Lucingweni	Dam Refurbishment Dam Refurbishment Dam Refurbishment

WARD 14

VILLAGES	PROJECTS
1. Memeka	Fencing of Arable Land
2. Mngqumeni	Fencing of Arable Land
3. Masamini	Vegetable Production and Fencing
4. Jekho	Fencing
5. Siphakeni	Fencing of Arable Land
6. Mantuzeleni	Fencing of Arable Land
7. Dresini	Agric vegetable Production
8. Kwashali	Fencing of Arable land
9. Ndlovini	Fencing
10. Hlanzeni	Fencing of Vegetable Garden

WARD 15

VILLAGES	PROJECTS
1. Ngudwini (Phalikweni)	Vegetable Gardens
2. Moyeni	Vegetable Gardens
3. Summerfield	Vegetable Gardens
4. Mastela	Vegetable Gardens
5. Phumamuncu	Vegetable Gardens

6. Zimele Project (chamto)	Vegetable Gardens
7. Thorn bush	Fencing of Arable Land
8. Longkloof	Fencing of Arable Land
9. Bombo	Fencing of Arable Land
10. Siyathuthuka youth Project	Poultry Project
11. Summerfield	Poultry Project
12. Summerfield	Charcoal Project

WARD 16

1. CBD	Floods lights
2. Ntlambamasoka	Fencing of arable land
3. CBD	Skills Development centre
4. CBD	Recreational centre
5. CBD	Trading Centre
6. CBD	Fresh Produce Market.
7. CBD	Lock Up Market Stalls
8. CBD	Fresh produce Market
9. CBD	Tourism (Feasibility Study & B/P)

WARD 17

VILLAGES	PROJECT
1. STRANGER REST	Fencing
2. WASH BANK	Fencing(Mealie Field)
3. HOPEWELL	Ploughing Maize
4. CLYDESDALE	Veld Fencing
5. HIGHLANDS	Mielie Plant (extension & Refurbishment)

WARD 18

VILLAGES	PROJECT
1. BONTRAND	Fencing
2. MTHALENI	Fencing of Arable Land
3. ZINTWALA	Fencing & Block Project
4. NTLANGWINI	Fencing
5. GCWENTSA	Fencing
6. SKHULU	Broiler House
7. MACHUNWINI	Fencing

ANNEXURE B: Operational Plan

UMZIMKHULU OPERATIONAL PLAN FOR MTEF FINANCIAL YEAR - 2009/ 2010/2011/2012

Contract No	Contract Description	Tribal Authority	Budget (09/10)	Budget (10/11)
-	Safety maintenance - Signage : Purchase		300,000.00	250,000.00
	Safety maintenance - Signage : Installation	MJOLI-MJOLI	200,000.00	200,000.00
	Safety maintenance - Guardrails : Purchase		656,000.00	850,000.00
	Safety maintenance - Guardrails : Installation 1	MJOLI-MJOLI	200,000.00	400,000.00
	Safety maintenance - Guardrails : Installation 2	MJOLI-MJOLI	200,000.00	200,000.00
	Safety maintenance - Blacktop patching : Material		200,000.00	800,000.00
	Safety maintenance - Blacktop patching : Contract	MJOLI-MJOLI	200,000.00	600,000.00
	Safety maintenance - Kilometre posts : Purchase		200,000.00	100,000.00
	Safety maintenance - Kilometre posts : Installation		200,000.00	100,000.00
	Safety Maintenance		2,356,000.00	3,500,000.00
	Civil Material: Conc. Pipes, crushed stone, km posts, etc.		4,000,000.00	5,000,000.00
	Routn Maintnc : Labour base 1	MVOLOZANE-MAVANA	200,000.00	200,000.00
	Routn Maintnc : Labour base 2	MVOLOZANE-MAVANA	200,000.00	200,000.00
	Routn Maintnc : Labour base 3	MVOLOZANE-MAVANA	200,000.00	200,000.00
	Routn Maintnc : Grass cutting 1	MJOLI-MJOLI	200,000.00	200,000.00
	Routn Maintnc : Grass cutting 2	MJOLI-MJOLI	200,000.00	200,000.00
	Routn Maintnc : Grass cutting 3	MJOLI-MJOLI	200,000.00	200,000.00
	Routn Maintnc : Pipe de-silting 1	SILAHLA-JOZANA	200,000.00	200,000.00
	Routn Maintnc : Pipe de-silting 2	MJOLI-MJOLI	200,000.00	200,000.00
	Routn Maintnc : Pipe de-silting 3	SILAHLA-JOZANA	200,000.00	200,000.00
	Routine Maintenance		5,800,000.00	6,800,000.00

	Gabions works	INDAWANA-MJOLI	600,000.00	1,500,000.00	
	Causeway construction	GUNGULULU-MSINGAPHANSI	7,550,000.00	10,000,000.00	1
	Local Structures Total		8,150,000.00	11,500,000.00	1
	Access Roads - Regravelling & Betterment	INDAWANA-MJOLI	26,400,000.00	30,000,000.00	3
	Local Roads Total		26,400,000.00	30,000,000.00	3
	P601, P602, P417, P749, D2405, D2406, D2407, D2409, D2410, D2413, D2414, D2416,		10,222,000.00	15,000,000.00	1
	D2418, D2419, D2420, D2421, D2422, D2423, D2424, D2425, D2426 & D2427				
	Blading including routine maintenance		10,222,000.00	15,000,000.00	1
	Widening of P416 to 1m wide each side incl. sidewalk	MUNICIPALITY	5,000,000.00	5,000,000.00	
	Widening on P416 Total		5,000,000.00	5,000,000.00	
	P749 upgrade from gravel to surfaced	SILAHLA-JOZANA	15,000,000.00	20,000,000.00	1
	P601 upgrade from gravel to surfaced	INDAWANA-MJOLI	20,000,000.00	15,000,000.00	2
	P417 upgrade from gravel to surfaced	FODO-FODO	5,000,000.00	10,000,000.00	1
	P750 upgrade from gravel to surfaced	BHISHOBHI	1,200,000.00		
	Upgrade Total		41,200,000.00	45,000,000.00	4
	GRAND TOTAL		99,128,000.00	116,800,000.00	12

ANNEXURE C **Workplace Skills Plan**

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Executive Summary - Workplace Skills Plan

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1. Total anticipated payroll for the year	R 416,000.00
2. Total anticipated training spend for the year	R 3,135,455.00
3. Total anticipated levy payment for the year	R 300,000.00
4. Total Number of Employees in the Municipality	141

Employment category	African		Coloured		Indian	
	M	F	M	F	M	F
SOC 100 Legislators	20	15	0	1	0	0
SOC 100 Directors and Corporate Managers	6	2	0	0	0	0
SOC 200 Professionals	8	14	0	0	0	0
SOC 300 Technicians and Trade Workers	2	1	0	0	0	0
SOC 400 Community and Personal Service Workers	3	2	0	0	0	0
SOC 500 Clerical and Administrative Workers	7	16	0	0	0	0
SOC 700 Machine Operators and Drivers	7	0	0	0	0	0
SOC 800 Labourers	15	21	0	0	0	0
Apprentices	0	0	0	0	0	0
TOTALS	65	71	0	1	0	0

5. Total Number of Employees to Receive Training

Employment category	African		Coloured		Indian	
	M	F	M	F	M	F
SOC 100 Legislators	20	15	0	1	0	0
SOC 100 Directors and Corporate Managers	6	2	0	0	0	0
SOC 200 Professionals	8	14	0	0	0	0
SOC 300 Technicians and Trade Workers	2	1	0	0	0	0
SOC 400 Community and Personal Service Workers	3	2	0	0	0	0
SOC 500 Clerical and Administrative Workers	7	16	0	0	0	0
SOC 700 Machine Operators and Drivers	7	0	0	0	0	0
SOC 800 Labourers	15	22	0	0	0	0

Apprentices	0	0	0	0	0	0
TOTALS	65	71	0	1	0	0

6. Percentage of Total Employees to Receive Training

Employment category	Total
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6. Percentage of Total Employees to Receive Training

Employment category	Total
SOC 100 Legislators	36%
SOC 100 Directors and Corporate Managers	8%
SOC 200 Professionals	77%
SOC 300 Technicians and Trade Workers	267%
SOC 400 Community and Personal Service Workers	5%
SOC 500 Clerical and Administrative Workers	100%
SOC 700 Machine Operators and Drivers	100%
SOC 800 Labourers Apprentices	103%
TOTALS	

IDP objectives	Operational context Municipal Objectives	Enabling context Training & Skills Dev Objectives	Transformation context Employment Equity Objectives (employees only)	Pi term
1.To achieve increased revenue through efficient, effective and coordinated financial management	To implement and maintain the financial management system	To ensure that correct people are trained to participate in the implementation and maintenance of financial management system.	Percentage of the employees identified for the top positions are included for financial systems training.	Finan
	To exercise the best budgeting practises in order to improve service delivery	Employees & councillors to be trained on budgeting techniques	% of Municipality's capital budget actually spent on capital projects in terms of the IDP	Finan
	To have a centralised efficient and reliable IT system	To ensure that correct people are trained in IT systems	Percentage progress made towards the implementation of IT system	Finan
2.To have well trained and capacitated personnel	Skills audit to be done ;applicable policies to be developed and implemented.	To ensure that training is directed to close identified skills gaps	To reach the targets on diversity as identified in the EE plan	Mana
	Applicable training to be identified [ABET and occupational directed training] and sufficient funds to be made available own or donor.	To ensure efficient delivery of IDP objectives	To accelerate development of identified individuals	ABET
	To ensure proper training through a leadership leadership development programme.	To ensure that EE targets are met through directed training.	To accelerate development of identified individuals to management and leadership positions.	Socia deve
	To have a diverse workforce that incorporates previously disadvantaged individuals	Total workforce to be diversity sensitive ,managers to implement diversity management in their business planning and operations.	50 % female representation on top management	Mana
			10% of people with disability representation at operational level	
3.Basic Service Delivery and infrastructure Investment	To ensure that in line with national goals ,all households have universal access to clean and portable water and decent sanitation by 2009.	To ensure efficient delivery of IDP objectives	Number of youth , women and disabled people employed on infrastructure projects.	Spec
	To reduce the backlog in services such waste removal and physical infrastructure such as roads as well social infrastructure such as clinics ,sports and			

	recreation.			
		To ensure that people are trained on EPWP programmes	Involvement youth,women and disabled people on infrastructure projects.	Spec
	0	0	0	0

ANNEXURE C FINANCIAL PLAN

Financial Plan: 2008/2009 to 2013/2014 :Prepared in June 2009

1. Introduction

This document presents the municipality's Financial Plan (the Plan) that has been prepared in June 2009. The starting point of this financial plan is the latest estimates (forecasts) in respect of the anticipated results of performance for year ending 30 June 2009. These forecasts are a combination of year-to-date figures plus the remaining months of the financial year that were forecasted on the basis of the actual figures and definite forecast figures in certain instances.

After the forecasts, the next item featuring prominently in the Financial Plan is the 2009/10 budget. This comes directly from the 2009/10 budget. Beyond the budget year are the forecasts in respect of the 'outer years' which are forecasted up to and including the year ending 2013/14.

The Financial Plan depicts the municipality's intended strategic direction translated into forecasted financial information. As indicated under the assumptions below, the Financial Plan takes into account the Municipality's Revenue Enhancement Strategy prepared and approved in the 2008 calendar year.

2. Background to the compilation of the Financial Plan

The first objective of compiling this Financial Plan is to provide the Municipality with an overview of the medium to long term municipal financial strategy, this a base of the intended municipal development priorities over the medium to long term horizon. This Financial Plan is premised on three factors: Factor I: the continued financial support from the government; Factor II: The municipality drastically and visibly improving its collection of billed rates and refuse income in particular; and Factor III: the municipality consciously and actively growing its revenue base. The latter part i.e. growing the municipal revenue base is derived directly from the Municipal Revenue Enhancement Strategy adopted and approved by the municipality in calendar 2008. In other words, the municipality's ability to collect its own revenue and to substantially grow its current revenue stream will determine the success or failure the envisaged Financial Plan. To keep the Financial Plan realistic and practically achievable, some of the Revenue Enhancement Projects / Initiatives have not been factored into the Financial Plan, while others have been 'toned down'.

The second objective of preparing this Financial Plan is to provide a firm and predictable guide for the annual budgeting process. While the IDP and the SDBIP documents are thus as a guiding force behind the municipality's strategic direction, the annual budgeting process nonetheless still involves a certain level of competing for funds among the municipality's departments, particularly in the face of ever scarce resources and increasing service delivery expectations from the communities and differing priorities served by the relevant departments.

Through this medium to long-term financial planning exercise the municipality intends to develop a comprehensive strategic and long-term financial planning and forecasting model, of which the ultimate objective is to develop a tool that the municipality can utilise to ascertain the effects on its financial viability and sustainability of short, medium and long-term financial commitments. As mentioned earlier on, without a remarkable and visible improvement of the municipality's financial performance and its financial position, substantially improved service delivery can never be improved to the intended levels.

The non-existence of a firm and predictable guide to aid the yearly budgeting process from year-to-year often leads to the annual budget preparation process creating a degree of friction and most significantly holistic prioritization is sometimes totally lost in the process. Accordingly, the municipality expects that this long term financial planning and forecasting approach would go some way towards reducing the pain and stress of the budget preparation process and the need for undue competition and adversity amongst the municipality's departments. Furthermore, it will also achieve an indirect objective that of negating the view that budget preparation is entirely a Budgetary Treasury Office 'burden and problem' rather than a critical function of equally significant and strategic importance to all municipal departments without exception.

The municipality intends to improve and enhance its budget preparation This initiative should also result in better / improved / focused budget management by all departments; departments being more performance measurement driven and the general maximisation of available limited financial resources. This is not just limited to the personnel, it extends to the Council as a whole.

In summary, this medium to long-term financial planning includes and covers all the foregoing underlying foundational steps:

The ongoing review of the municipality's strategic and operational plans, as reflected in the IDP, the SDBIP and the Operational Plan; and

A translation of the municipality's long-term strategy as reflected in the abovementioned documents into a multi-year Financial Plan.

Our view is that this new financial planning phenomenon will enable the councilors, the staff, the community and the rest of the stakeholders, to gain a better understanding of the impact of internal and external economic environment factors that affect the municipality's ability to deliver services to its community.

In the long-term, it is envisaged that all role players will ultimately get to understand that short-term decisions have medium to long-term cumulative financial consequences, thus demanding cautious decision making on a continuous basis. As part of this educative process, it is expected that the said role players will start accepting the more prudent financial management principle of matching ongoing operational expenditure with stable revenue sources and once-off capital expenditure projects with the following funding sources: The residual revenue income after providing for operational expenditure; capital grants and other external funding of a capital nature.

3. Key Assumptions to the Financial Plan

The Key assumptions to the Financial Plan are as follows:

- ⇒ The key point of departure is that the Financial Plan is based on the latest estimates for 2008/09 (the current year) and the budget for 2009/10;
- ⇒ Headline inflation forecasts provided by National Treasury in circular 48 as part of the budget preparation process for 2009/10 have been used albeit with variation as and where necessary;
- ⇒ That the implementation of the Municipal Property Rates Act (the MPRA) will result in a 518% increase in billed rates from R1.9m in 2008/09 to R12m in 2009/10;
- ⇒ One of the fundamental and key underlying assumptions in the preparation of this Financial Plan is that the Revenue Enhancement Strategy approved by the municipality in the 2008 calendar year will be implemented in full by the municipality;
- ⇒ That as a result the municipality will seek to grow its own revenue to the levels indicated in the body of the financial plan, for example own revenue in 2008/09 is estimated at R15.4m, this will be grown to R29.9m in 2009/10; increasing to R35m in 2010/11 and R42m in 2012/13;
- ⇒ That the municipal revenue collection strategy (debt collection and credit control measures) will be substantially effective resulting in a collection of at least 85% of billed revenue. This may sound like an extremely ambitious target, but if the municipality is to achieve its growth and service delivery targets, amongst others it simply has to achieve this target;
- ⇒ That the development of the infrastructure is a key priority as it enables the municipality to expand its revenue base in a fair, justifiable and defensible manner. Carefully planned capital expenditure at Clydesdale, Ibisi, Rietvlei and Riverside will enhance the municipality's revenue generation ability even further;
- ⇒ That going forward, the municipality may start to ring-fence the utilisation of its revenue streams this to ensure that revenue / income generated from a given sector is utilised only for that sector;
- ⇒ That the commission receivable from the Traffic Licensing Office has been eliminated and omitted from this Financial Plan and this is due to the indefinite closure of this office. However, if and when it opens it will make a positive substantial contribution to the municipal revenue, thereby improving the current and forecasted scenarios even further;
- ⇒ That in 2010/11 and 2011/12 both rates and refuse income (including the landfill site direct income) are forecasted to grow in real terms i.e. additional ratepayers and service beneficiaries are forecasted to be added to the list;

- ⇒ That within General Expenses, substantial strategic expenditure exists, this refers to some LED Projects, Mayor's Projects, Expenditure on the Indigents, Expenditure on Consultants doing strategic Consulting work and that which was previously called 'Contribution to Capital Outlay';
- ⇒ That the municipality will actively work towards complying with the recommended (effectively mandatory) National Treasury threshold on operational expenditure, that total employee costs must not be in excess of 35% of total operational expenditure. In terms of the Financial Plan, this target is achieved in 2012/13. The municipality continues to make substantial improvements in this regard, the actual ratios for 2006/07 and 2007/08 financial years were 49% and 42% respectively;
- ⇒ That the impact of the Revenue Enhancement Strategy as a whole has not been taken into account in the preparation of this Financial Plan. Approximately 39% of this plan has been taken into account, this to allow a margin of error and the statistical law of probabilities in any given plan;
- ⇒ That the Revenue Enhancement Strategy consciously looks to grow sundry revenue, i.e. revenue other than rates and refuse income. Sundry revenue has been assumed to grow at an average rate of 50% from one year to the next in the Financial Plan (this is Other Revenue Sources);
- ⇒ Other income represents net input tax claimable from SARS. It is important to note that this income may be accounted for either as direct income separately disclosed and accounted for, or as a reduction in capital and operational expenditure, with the same net effect on the Statement of Financial Performance and on the cash flows;
- ⇒ That interest received will eventually decline as the municipality will be utilising funds received for development speedily;
- ⇒ The Equitable Share and the MIG up until 2011/12 have been obtained directly from DoRA and that 2012/13 and 2013/14 amounts have been forecasted at conservative rates in relation to the preceding years;
- ⇒ That there are no Housing Projects projected or forecasted in the model;
- ⇒ That the Infrastructure budget for 2009/10 is less than the latest estimates for the 2008/09 infrastructure expenditure. The same applied to Local Economic Development Projects;
- ⇒ That there are no special designated projects i.e. projects other than LED, Infrastructure and Projects included in General Costs;
- ⇒ One of the key municipal turnaround projects (already fully implemented) is the accurate, timely and complete billing of all ratepayers and all consumer service beneficiaries. The second aspect to this turnaround initiative is that all bills are distributed accurately and completely to all parties on a monthly basis. The third and final aspect to this turnaround is that the municipality monitors on a monthly basis the payment patterns of the service beneficiaries; and that ratepayers / service beneficiaries who do not pay as regularly as they should 'get visited' by the relevant municipal officials, this to ensure that the expected payment pattern is maintained. Failure to keep to this payment pattern on the part of the service beneficiaries will automatically result in the institution of legal procedures by the municipality without further ado. This is one of the underlying key and fundamental assumptions as failure to achieve this will put the achievement of this Financial Plan in serious doubt.

4. The Financial Plan

Statement of Financial Performance: Forecasted

Revenue	Actual 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Assessment rates	1,355,423	1,941,043	12,000,000	14,400,000	16,128,800	17,273,945	19,865,037
Refuse	1,362,578	1,295,086	1,756,052	1,930,557	2,123,613	2,442,155	2,857,321
Traffic Fines	99,539	75,720	55,000	61,050	67,765	73,525	101,000
Licences and permits	1,612,829	-	-	-	-	-	-
Other revenue sources	1,879,649	1,113,760	2,423,000	3,392,200	5,596,800	6,716,160	10,074,240
Other income	2,729,169	10,000,000	10,000,000	11,050,000	13,989,250	15,038,443	13,333,000
Interest received	1,601,128	982,663	3,663,178	3,846,337	2,100,000	1,000,000	750,000
Total own Revenue	10,640,315	15,408,272	29,897,230	34,680,144	40,006,228	42,544,228	46,980,598
Grant Income							
Equitable Share MIG (Capital Projects)	28,407,475	36,313,077	46,711,000	57,767,000	63,035,000	68,015,000	73,388,185
Other grants	23,188,788	22,267,000	27,311,875	34,671,000	29,766,000	25,823,000	41,122,333
Total Grant Income	7,132,203	1,260,851	9,139,994	4,666,116	20,234,441	22,396,858	16,555,000
Total current year income	69,368,781	75,249,200	113,060,099	131,784,260	153,041,669	158,779,086	178,046,116
Roll-forward projects (year-on-year)		40,426,225	14,001,483	6,657,825	-	-	-
Total funding available	69,368,781	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	178,046,116

Statement of Financial Performance: Forecasted

Expenditure	Actual 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Operational Expenditure							
Employee related costs	14,749,493	16,930,910	23,154,354	25,261,400	26,549,731	27,903,767	29,801,223
Remuneration of councillors	5,782,678	6,899,068	8,051,474	8,784,158	9,232,150	9,702,990	10,362,793
Repairs and maintenance	1,822,871	1,360,905	10,538,400	11,286,626	12,313,709	13,434,256	14,522,431
General expenses	24,215,311	32,382,524	42,350,079	42,196,838	46,000,463	50,348,331	54,627,939
Depreciation	2,370,105	2,414,306	814,000	4,031,891	4,435,080	4,878,588	5,464,019
Total Operational Expenditure	48,940,458	59,987,713	84,908,307	91,560,913	98,531,133	106,267,932	114,778,405
Capital Expenditure							
Furniture and equipment	2,783,548	873,664	840,000	924,000	1,016,400	1,118,040	1,252,205
Infrastructure	4,729,252	48,055,603	38,827,381	43,098,393	49,994,136	47,293,114	51,133,721

Land and Buildings	15,675,978	-	-	-	-	-	-
LED Projects	-	6,758,445	2,485,894	2,858,779	3,500,000	4,100,000	5,200,000
Total Capital Expenditure	23,188,778	55,687,712	42,153,275	46,881,172	54,510,536	52,511,154	57,585,926
Total Expenditure	72,129,236	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	172,364,331
Total Funding available	69,368,781	115,675,425	127,061,582	138,442,085	153,041,669	158,779,086	178,046,116
Net budget deficit or surplus	-2,760,455	-	-	-	-	-	5,681,785
Total employee costs	20,532,171	23,829,978	31,205,828	34,045,558	35,781,881	37,606,757	40,164,016
Employee costs as Percentage of total costs	42%	40%	37%	37%	36%	35%	35%

Statement of Financial Position:
Forecasted

Assets	Actual 2007/08	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12	Forecast 2012/13	Forecast 2013/14
Trade and other receivables	792,249	866,917	679,235	999,546	794,256	609,235	854,321
VAT	6,209,038	3,164,275	2,060,313	3,510,149	3,298,301	2,355,995	3,965,583
Consumer debtors	1,336,440	6,537,304	7,395,468	6,224,298	5,227,581	4,787,068	4,605,121
Investments	46,935,823	34,334,396	20,886,074	16,673,355	13,688,260	19,781,964	20,623,371
Cash and cash equivalents	7,000	260,814	277,595	176,771	5,093,663	219,060	5,505,404
	55,280,550	45,163,706	31,298,685	27,584,119	28,102,061	27,753,322	35,553,801
Property, plant and equipment	45,128,591	48,534,086	82,232,407	118,518,793	157,597,474	195,118,828	233,917,188
Assets in construction	13,987,859	49,916,196	51,271,256	54,975,372	62,472,147	68,483,359	76,606,906
	59,116,450	98,450,282	133,503,663	173,494,165	220,069,621	263,602,187	310,524,094
Total assets	114,397,000	143,613,988	164,802,348	201,078,284	248,171,682	291,355,509	346,077,895
Liabilities							
Trade and other payables	25,263,635	7,160,629	8,592,755	9,881,668	10,573,385	10,679,119	9,931,580
Finance lease obligation	197,661	141,543	110,654	77,444	15,362	-	-
Deferred income	57,575,201	94,550,195	114,327,394	139,137,858	170,092,406	197,700,597	234,710,085
Total Liabilities	83,036,497	101,852,367	123,030,803	149,096,970	180,681,152	208,379,716	244,641,666
Net Assets	31,360,503	41,761,621	41,771,545	51,981,314	67,490,530	82,975,792	101,436,229
Government Grant Reserve	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800	13,109,800
Accumulated Surplus	18,250,704	28,651,821	28,661,745	38,871,514	54,380,730	69,865,993	88,326,429
Total Net Assets	31,360,504	41,761,621	41,771,545	51,981,314	67,490,530	82,975,793	101,436,229

5. Comments on the Financial Plan

Our observations on the Financial Plan are as follows:

- ⇒ By 2013/14, the municipality would have grown its assessments rates to R20m;
- ⇒ PS: Assessment rates and refuse income have been forecasted conservatively;
- ⇒ The assumption made is that the municipality will be collecting at least 85% of its billed revenue. As seen on the Statement of Financial Position on page 9, the municipality's net equity or net assets would as a result grow to R100m in 2013/14. This explains the steady level of consumer debtors i.e. increasing up to a maximum of R7.4m in 2009/10 and coming down to R4.6m in 2013/14. The importance of the achievement of this recovery assumption cannot be overemphasized as the success of this financial plan is directly dependent on this factor;
- ⇒ The growth of the municipal revenue will result in an accumulated surplus of R88.3m in 2013/14;
- ⇒ Deferred income represents capital grants, received and mostly utilized but only being released slowly to the Statement of Financial Performance as the relevant PPE is being depreciated from one year to the next;
- ⇒ VAT will be recovered and collected on a consistent and predictable basis. Therefore, Vat receivable remains steady and un-increasing;
- ⇒ One the single biggest factor of this anticipated level of growth coupled with the continued financial support from the government, it will result in the municipality's infrastructure touching the R300m mark in 2013/14;
- ⇒ Employee costs from 2012/13 onwards are arrested to a maximum of 35% of total operational costs, this is per Treasury guidelines and recommendations;

The final and most fundamental comment to make with respect to this Financial Plan is that, while it is stretching, it is nonetheless most definitely achievable. Lastly, it is important to re-emphasize the fact the Revenue Enhancement Strategy has not been factored in full in this Financial Plan. For example the Public Private Partnership concept has amongst others not been factored at all in this Financial Plan.

6. Conclusion

Finally, once approved, the municipality needs to monitor its performance against this Plan. This should be done by the municipality after the completion of each audit; with the plan being revised as necessary (after this monitoring review) and that the plan be used as suggested in the introductory paragraphs to guide the budgeting process for the next budgeting cycle, year-after-year. It's only then that the municipality will derive tangible benefits from the preparation of this Financial Plan.

The Plan needs to be reviewed and critiqued by Management and the Council to ensure it is robust and that it covers and takes care of all major strategic issues at the Municipality.