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ABBREVIATIONS OF TERMS

DOT	Department of Transport
DTLGA	Department of Traditional and Local Government Affairs
DAEA	Department of Agriculture and Environmental Affairs
DOH	Department of Housing
DO Health	Department of Health
DO Welfare	Department of Welfare
DLA	Department of Land Affairs
DOE	Department of Education
DOW	Department of Works
EAP	Employee Assistance Programme
ESKOM	Electricity Supply Commission
GIS	Geographic Information Systems
IDP	Integrated Development Plan
KPA	Key Performance Area
KPI	Key Performance Indicator
LM	UBuhlebezwe Local Municipality
LED	Local Economic Development
LUMS	Land Use Management Systems
MIG	Municipal Infrastructure Grant
NSDP	National Spatial Development Plan
PGDS	Provincial Growth and Development Strategy
PSEDS	Provincial Spatial Economic Development Strategy
OPMS	Organisational Performance Management Systems
PMS	Performance Management Systems
SCM	Supply Chain Management
SDBIP	Spatial Development Framework
SDM	Sisonke District Municipality
WSP	Workplace Skills Plan
WV	World Vision

SECTION A: EXECUTIVE SUMMARY

1. OVERVIEW OF THE MUNICIPALITY

The UBuhlebezwe Municipality (KZ434) is located within the Sisonke District Municipality (DC43). The main administrative centre of the Municipality is the town of Ixopo, which is located approximately 85km south east of Pietermaritzburg, capital of KwaZulu-Natal, and is strategically located at the intersection of four major provincial routes leading to Pietermaritzburg, the Drakensberg, the Eastern Cape and the South Coast.

The town of Ixopo forms the primary development node of the Municipality and has also been selected as the seat of the Sisonke District Council. The importance of Ixopo cannot be underestimated in the socio-economic development of the area as a whole. Ixopo plays an important role in terms of the possible location for industry, commerce and other economic activity. It is a major education and health centre and assists in the diffusion of new ideas and technologies to the rural areas. It is also the primary base for the operation of many departments and service providers.

In line with the KwaZulu-Natal Integrated Rural Development Policy a number of secondary development nodes have been identified. The intention of secondary development nodes is to identify well-located settlements where government and municipal services, administrative functions and commercial and residential development will be encouraged to locate in the future. The secondary and tertiary development nodes identified are: Highflats; Hlutankungu (Stuartsville); Jolivet; Emgodi and Hlokozi.

The preparation of the Integrated Development Planning (IDP) is intended to provide the municipality with strategic development plans for a five-year period. The IDP is one of the key tools for assisting the municipality in coping with its new developmental role. It seeks to align issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner.

The IDP attempts to redress past imbalances by meeting the basic needs of communities, particularly the most disadvantaged groups and those people living in the most underprivileged areas of the Municipality. The IDP also recognises that there is a need to promote economic growth through investment and strategic planning. The IDP thus attempts to achieve a balance between addressing basic needs and promoting economic growth and development. Throughout the IDP, various principles of development, service delivery and practises have been extracted from the applicable legislation for each sector. The purpose of key principles is to provide a guide to Council when making decisions.

2. CHALLENGES

The main challenges faced by UBuhlebezwe Municipality relate to socio-economic issues, economic issues, infrastructure issues, spatial and housing issues as well as the issues around social facilities and services. The priority issues that require attention are:

- In ensuring that the backlog in the provision of basic services such as water, sanitation, electricity and housing, especially in the rural areas is addressed
- Attracting economic and investment opportunities to the urban area and to extend it to other areas of the Municipality to ensure economic sustainability
- Management of various risks, inclusive of investor, environment, agricultural, etc
- Limited availability of bulk electricity and water
- Unequal distribution of social facilities
- HIV-Aids and its impact on the demographics
- Dilapidated infrastructure that requires upgrading
- Although limited progress has been made in terms of economic growth, infrastructure development and basic service provision, the impact on job creation and poverty alleviation has been minimal.
- Optimizing on the opportunities presented by the agricultural sector in UBuhlebezwe.
- Create an enabling environment for economic development so as to create more job opportunities and reduce the unemployment levels in the Municipality.
- Conserve the environment of UBuhlebezwe.
- Identification of land for the expansion of Ixopo Town.

3. OPPORTUNITIES

- Optimizing the opportunities presented by UBuhlebezwe location along R56 secondary corridor as identified in the PSEDS between Pietermaritzburg and the Eastern Cape.
- Tourism potential
- Agricultural attributes in terms of soil types, climate diversity and rainfall

HOW WAS THE IDP DEVELOPED (PROCESS)

The UBuhlebezwe Integrated Development Plan (IDP) was prepared in terms of the Municipal Systems Act No.32 of 2000 which requires all municipalities to prepare an IDP for their area of jurisdiction. The IDP is an integrated planning and development tool which has the following aims:

- to integrate and coordinate service delivery within the Municipality;
- to assist the Municipality in fulfilling its powers and functions;
- to harness and align the resources of the Municipality and other service providers with the implementation of the IDP;

- to form the basis upon which the annual budgets of the Municipality and other service providers must be based; and
- to empower the community within UBuhlebezwe to participate in the implementation of the IDP.

At the onset of the IDP Review process, an IDP Process Plan was developed setting out the steps which were required for the preparation of the IDP and the roles and responsibilities of the Municipality, departments and the Representative Forum. The Process Plan also established the advertising requirements and the procedures for adopting the IDP and submitted to Council for approval. In following the phases of the IDP, emphasis was given to community consultation via Ward Imbizos held in November and December 2008. These needs were considered by the Technical Department in preparing the projects submitted as part of the MIG Plan. The main aim of the public participation process was not only to get community needs but also to get the status quo on services that are provided by the municipality and governments departments such as Health, Transport, Home Affairs and other service providers involved in service delivery and community development.

The IDP was developed in-house with support being provided by the DBSA Siyenza Manje Team in the finalisation of a draft. The Draft was presented to a Council meeting held on the 26 March 2009 and then submitted to DLGTA for comment.

Once comments are received, the draft will be updated and a final version advertised for public comment prior to finalisation thereof.

5. RESPONSIBLE AUTHORITY

The Municipal Manager has overall responsibility for developing and implementing the IDP. Each Department, Service Provider and the Sisonke District Municipality is responsible for implementing projects which fall within its line functions. The IDP Manager resigned in December 2008 and the post is in the process of being filled. The new employee will begin duty on the 1 April 2009. In the interim, the Development Bank of South Africa via the Siyenza Manje Programme has assisted the Municipality in the finalisation of the Draft 2009/10 IDP in the absence of internal capacity within the Municipality.

6. IDP APPROACH

The approach adopted in the preparation of the UBuhlebezwe Integrated Development Plan was twofold. One of the primary objectives is to redress past imbalances by meeting the basic needs of communities and particularly in the most disadvantaged areas of the Municipality and of the most disadvantaged groups. At the same time, the need to promote economic growth through investment and strategic planning is a priority of the IDP.

The IDP attempts to achieve a balance between addressing basic needs and promoting economic growth and development.

7. INSTITUTIONAL ARRANGEMENTS

In order to comply with the requirements of the Municipal Systems Act, the following institutional arrangements were put in place to prepare the IDP:

ENTITY	ROLES AND RESPONSIBILITY
UBuhlebezwe Council	<p>The UBuhlebezwe Council is responsible for :</p> <ul style="list-style-type: none"> * Resolving to prepare the IDP * Final decision making * Considering, adopting and approving the IDP
Executive Committee	<ul style="list-style-type: none"> * Delegate the coordination and management of the preparation of the IDP to the Municipal Manager & the IDP Manager
IDP Steering Committee	<p>The Steering Committee comprised the Municipal Manager, IDP Manager, one member from each Municipal Portfolio Committee, HOD's and officials working with communities.</p> <ul style="list-style-type: none"> * Assist and support the Municipal Manager/ IDP Manager and Representative Forum * Ensure stake-holder participation and integration of activities. * Oversee the alignment of the planning process internally
IDP Representative Forum	<p>The Representative Forum was advertised to obtain representivity and consisted of departmental representatives, service providers, representatives of the Sisonke District Municipality, ward councillors and interested parties.</p> <ul style="list-style-type: none"> * Provide a forum for coordinated input into the IDP * Provide an interface between communities and the IDP process
IDP Manager	<p>The IDP Manager would perform the following functions.</p> <ul style="list-style-type: none"> * Coordinate the Municipal input into the IDP * Ensure that the process plan and time-limits are met * Responsible for the management of the drafting of the IDP * Responsible for input from Heads of Department * Responsible for the input from the Public

SECTION B-SITUATIONAL ANALYSIS

1 LOCATION

UBuhlebezwe is one of the five municipalities that make up Sisonke District. It is located along its eastern boundary and it borders onto Ingwe, Richmond, Vulamehlo, Umzumbe and UMzimkhulu local municipalities. It covers an area of approximately 1604km² and has a total population of about 80 905 people spread throughout the breadth and length of the area, with the majority being resident in traditional authority areas. It is strategically located along the midlands mistbelt which is famous for high production potential agricultural land. It is accessed through R 56 which is an inland corridor linking the north and the southern parts of the KZN Province, and R 612 which is generally a trade and tourist route linking Southern Drakensberg and the south coast.

Map 1: Locality map



2. DEMOGRAPHIC ANALYSIS

2.1 Key demographic Information

Table 1: Key Demographic Information

KEY DEMOGRAPHIC INFORMATION		
	Census 2001	Community Survey 2007
Area of uBuhlebezwe Municipality	162 744Ha	162 744Ha
Population	101 959	80 905
Number of Households	21 421	21 084
Density of people per Hectare	1,6 people per ha	2 people per ha
Females	55 %	53.8 %
Males	45 %	46.2 %

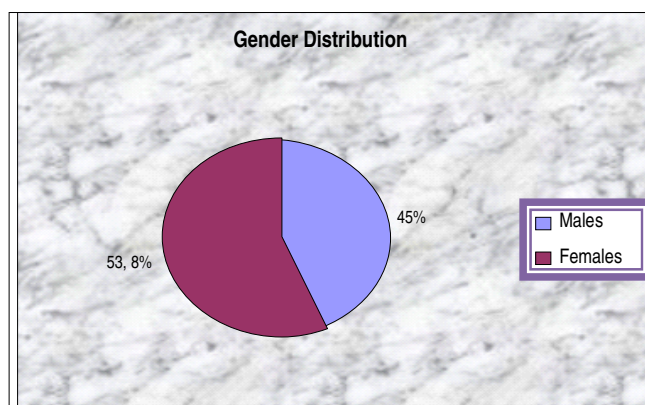
Source: Stats SA: Census 2001 and Community Survey 2007

This is an analysis of the demographics of UBuhlebezwe Municipality based on the Community Survey 2007 (Statistics South Africa). UBuhlebezwe Municipality covers a total area of 16744 hectares and has a population size of 80 905 and 12 084 households for 2007 Community Survey compared to a population of 101 959 and 21 084 households for Census 2001 figures. These figures mean that UBuhlebezwe Municipality has had a population decline and households decrease from 2001 to 2007. The decrease to population and household figures poses major development challenges to the Municipality which has limited resources and acute historical development backlogs. The population decline indicates that there is an outwards movement of people from the municipal area. This could be attributed to a number of factors including the following: decline in the quality of life and access to employment opportunities

2.2 Gender Distribution

The following **Figure 1** shows the gender distribution in uBuhlebezwe 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 1: Gender Distribution



Source: Stats S A Community Survey 2007

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 to 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 within the Municipal area.

2.3 Racial Distribution

Table 2: Racial Population Distribution

Race	No	Percentage
Black African	79 030	97%
Coloureds	766	0.90
Indians	92	0,14
Whites	1016	1,96
Total	80904	100%

Source: Stats S A Community Survey 2007

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

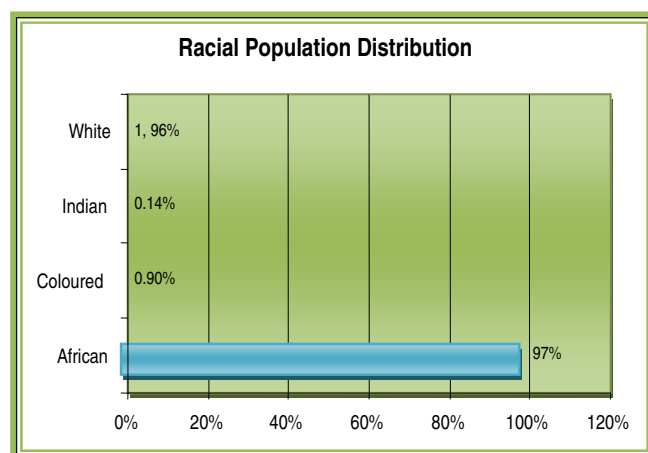


Figure 2: Racial Distribution of the Population

The rural nature of the Municipality and the dominance of Black African (97%) is an important starting point towards understanding the plight of this municipal area which is generally characterized by huge service backlogs, abject poverty, unemployment and other social development challenges.

2.4 Age Group Distribution

Table 3 below shows the age distribution within the UBuhlebezwe Municipal area where the ages of 15-34 which accounts for 27 958 people or 36, 34% of the total population are the most dominant followed by the 5-14 age groups which accounts to 20 247 of the total population or 26.30% of the total population, 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.

Table 3: Age Group Distribution

AGE	PERCENTAGE
0-4	12,45%
5-14	26.30 %
15-34	36.34%
35-64	24.51%
65+	0.4%
TOTAL	100%

Source: Stats S A Community Survey 2007

The dominance of the youth also poses social challenges 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.

2.5 Employment Status

Table 4: Employment Status

STATUS	NO.
Employed	12565
Unemployed	7535
Not economically active	25255

Source: Stats S A Community Survey 2007

The unemployment figures indicate that unemployment in UBuhlebezwe is high which can be interpreted to mean high dependency ratios and low affordability levels.

2.5 Table 5: Individual Monthly Income Ranges

Individual Monthly Income Levels	
Income Range	No.
R1 - R400	2104
R401 - R800	4000
R801 - R1 600	6991
R1 601 - R3 200	988
R3 201 - R6 400	833
R6 401 - R12 800	655
R12 801 - R25 600	191
R25 601 - R51 200	46
R51 201 - R102 400	-
R102 401 - R204 800	97
R204 801 or more	-

Source: Stats S A Community Survey 2007

The above **Table 5** indicates more than 13 000 individuals of earn less than R1600 a month. It is therefore crucial for the municipality to adopt and implement the indigent policy and draft the indigent register in order to provide free basic services.

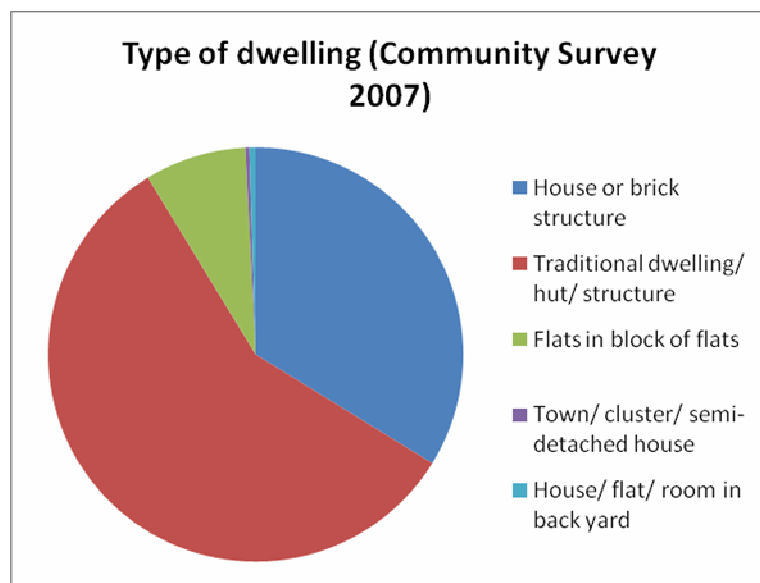
2.6 Household Distribution by Type of Main Dwelling

TABLE: 6 PERCENTAGE DISTRIBUTIONS OF HOUSEHOLDS BY TYPE OF MAIN DWELLING

Type of dwelling	Census 2001 (%)	Community Survey 2007 (%)
House or brick structure on separate stand or yard	17,6	33,8
Traditional dwelling/ hut/ structure made of traditional materials	70,6	57,5
Flats in block of flats	3,0	7,9
Town/ cluster/ semi-detached house (simplex, duplex, triplex)	0,9	0,3
House/ flat or room in back yard	1,2	0,5
Informal dwelling/ shack in backyard	2,4	-
Informal dwelling/ shack not in backyard	3,4	-
Room or flatlet not in back yard but on a shared property	0,6	-
Caravan or tent	0,3	-
	100	100

Source: Stats SA: Census 2001 and Community Survey 2007

Figure: 3: Household by type of dwelling



Based on the Census 2001 and Community Survey 2007 data, the number of brick housing structures has increased from 17, 6% to 33, and 8%. This is positive for the Municipality as it shows an increase in the number of formal brick structures. Conversely, the number of traditional dwellings has decreased from 70, 6% to 57, 5%.

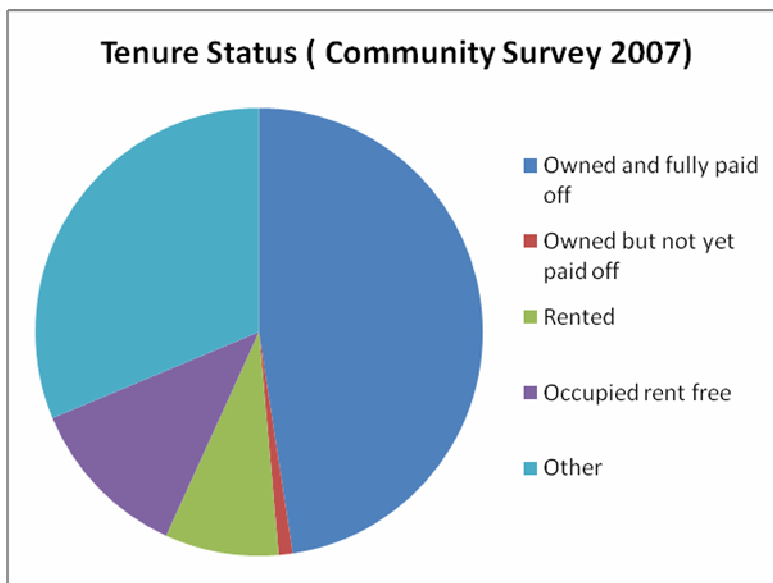
2.7 Household type by tenure status

TABLE 7: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TENURE STATUS

Tenure status	Census 2001 (%)	Community Survey 2007 (%)
Owned and fully paid off	58,1	47,6
Owned but not yet paid off	6,0	1,0
Rented	10,0	8,2
Occupied rent-free	25,9	11,9
Other	-	31,3
	100	100

Source: Stats SA: Census 2001 and Community Survey 2007

Figure: 4 Household by tenure status



Based on the Community Survey 2007 statistics, the largest percentage (47, 6%) of households within uBuhlebezwe have houses that are owned and fully paid off. 8, 2% of households are rented and 11, 9% of houses are occupied rent free.

2. Socio-Economic Analysis

2.1 Economic Overview

The UBuhlebezwe Municipality received the grant funding from Gigjima KZN for the preparation of an LED Strategy. The Local Economic Development Strategy was prepared in 2007 it was however not adopted by the Municipality it is still in a draft format. The Municipality is now in the process of appointing the LED Manager to take this process forward. Upon the appointment of an LED Manager the plan will be reviewed and adopted for implementation.

The Sisonke District Municipality is also embarking on the process of preparing the Local Economic Development Plan for the entire District. During the Review process the District will be involved to ensure that the strategy is aligned to the District LED Strategy.

The following information has been extracted from this strategy. It gives an executive summary of the Final Draft LED Strategy

LED Vision

The UBuhlebezwe Municipality Development vision does not specifically make mention of economic development. It does however, makes mention of the need to maintain the scenic beauty of the land and the municipality has also identified LED initiatives as one of its strategic goals. The following is suggested as a possible LED vision for the municipality:

“In ten years time, the citizens of UBuhlebezwe will enjoy an improved quality of life and will possess the skills to be involved in sustainable economic activities focusing on agriculture, tourism and local economic development initiatives which is supported by improved physical and social infrastructure.”

LED Objectives

- The following LED objectives have been identified:
- To increase the tourism marketing share of UBuhlebezwe.
- To enhance/improve the existing service centre role.
- To provide support and integrate emerging farming into the mainstream agricultural economy.
- To ensure that LED infrastructure including the upgrading of water, electricity and road infrastructure is provided.
- To establish an appropriate institutional structure for the effective implementation of the strategy.

The main corridor within the UBuhlebezwe Municipality is the R56 as identified in the Draft UBuhlebezwe Spatial Development Framework Review, which links into the N2. It links Ixopo to towns such as Kokstad, Matatiele, Pietermaritzburg and Port Shepstone. The primary corridor facilitates stronger cross border economic flows and economic development in the Eastern Cape and KwaZulu-Natal. The R612 and R617 serve as secondary corridors, which link the remaining areas of UBuhlebezwe to the R56 (main corridor). These corridors provide the potential to exploit the underutilized location and economic advantages of the hinterland areas thus providing a potential for export-oriented growth particularly in the agricultural sectors. UBuhlebezwe is not just an administrative and local government structure but an economic and social functional entity as well. It has a well-defined settlement pattern and functional structure. In economic terms, it is part of the Greater Ixopo economic functional region. Movement within the area tends to go towards Ixopo and even the economic/transportation infrastructure is oriented towards this area. However,

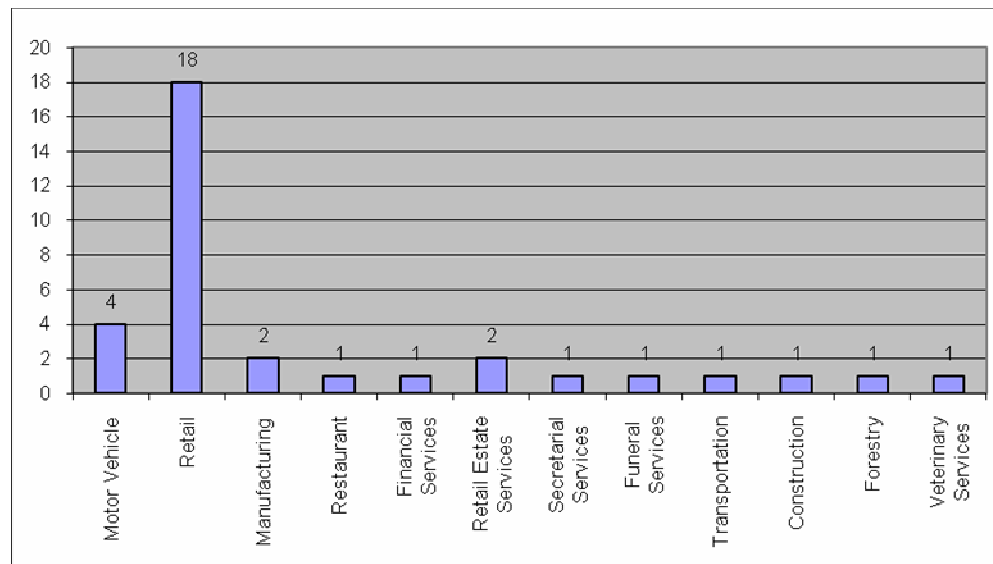
a limited form of modular development occurs in Highflats and other emerging nodes in traditional authority areas. This presents an opportunity for the concentration of development and decentralization of service delivery to these areas. In fact, Ixopo is identified in both UBuhlebezwe and Sisonke IDPs as the main service centre and economic hub within the District. It accommodates different government departments and a wide range of shopping and commercial facilities.

These urban centres serves as a link between the areas outside of UBuhlebezwe and the expansive commercial agriculture as well as the dispersed rural settlements located at the peripheral areas with marginal economic development potential.

Commercial Sector

The UBuhlebezwe area has an extensive commercial sector, which offers opportunities for future economic growth and provides a range of supplies to the surrounding communities and sectors operating in the area. The majority of businesses have been in existence for over 10 years. The graph below indicates that the dominant sector in the UBuhlebezwe Municipal area is retail trade, which makes up 52% of commercial activities.

FIGURE 5: BUSINESS SECTOR DISTRIBUTION



Source: Business Survey 2006

It appears that the retail sector is experiencing a high level of competition. Food accounts for a large part of the tradable products i.e. perishable and processed products. It is interesting to note that the second largest sector is motor vehicles contributing 11%. It was noted in the statistical analysis section that products that are sold by retailers are typical of rural services centres that provide for a predominantly rural population. These include mainly perishable and processed products, household furniture, clothing and footwear and other household necessity items (glass and crockery, pharmaceuticals etc).

Employment in the Business Sector

Generally the business sector does not employ a large number of employees – it is the third largest employer after agriculture and community services (the public sector). Businesses employment is closely linked to demand patterns – the business will only take on new employees when demand increases. Staff is taken on when they can assist in expanding the customer base. Most of the businesses in UBuhlebezwe are of a small scale and only employ a small number of people. Approximately 59% of the businesses in the area employ 1 to 10 people.

Informal Sector

There is a fairly large informal sector within the Ixopo and Highflats area. Informal sector operators include informal traders near taxi ranks, spaza shops and many other types of economic activities. This group is however not organized and as such do not enjoy the benefits of proper trading facilities, services and opportunities (skills training, access to finance), etc.

Agricultural Sector

Agriculture is the backbone of the economy of uBuhlebezwe Municipality. Given the importance of agriculture in the municipality there is a diversity of agricultural activities and therefore a diversity of agricultural issues and opportunities. Most of the land in the municipality is arable hence suitable for agriculture and the main climatic constraints include low temperature and frost. Given that agriculture is the backbone of the economy of the municipality a plan to develop a sustained agriculture industry is necessary.

Agricultural Potential

The climate capability class for the various Bioresource Units (BRUs) in the municipality ranges from C2 to C7 corresponding to slight to very severe limitation rating. Most BRUs have restricted growing season due to low temperatures, heat, and frost and/or moisture stress. The BRG 21 “Valley Bushveld” is the most restricted in terms of climate.

The majority of BRUs have high percentage of arable land although only a small percentage of the arable land is high potential land. 486.63km² of land is classified as having a minor limitation to agriculture, 669.65km² has moderate limitations, 205.29km² is considered to be non-arable and 141.02km² has severe limitations to agriculture. In general most of the land within the municipality is considered to be suitable for agriculture.

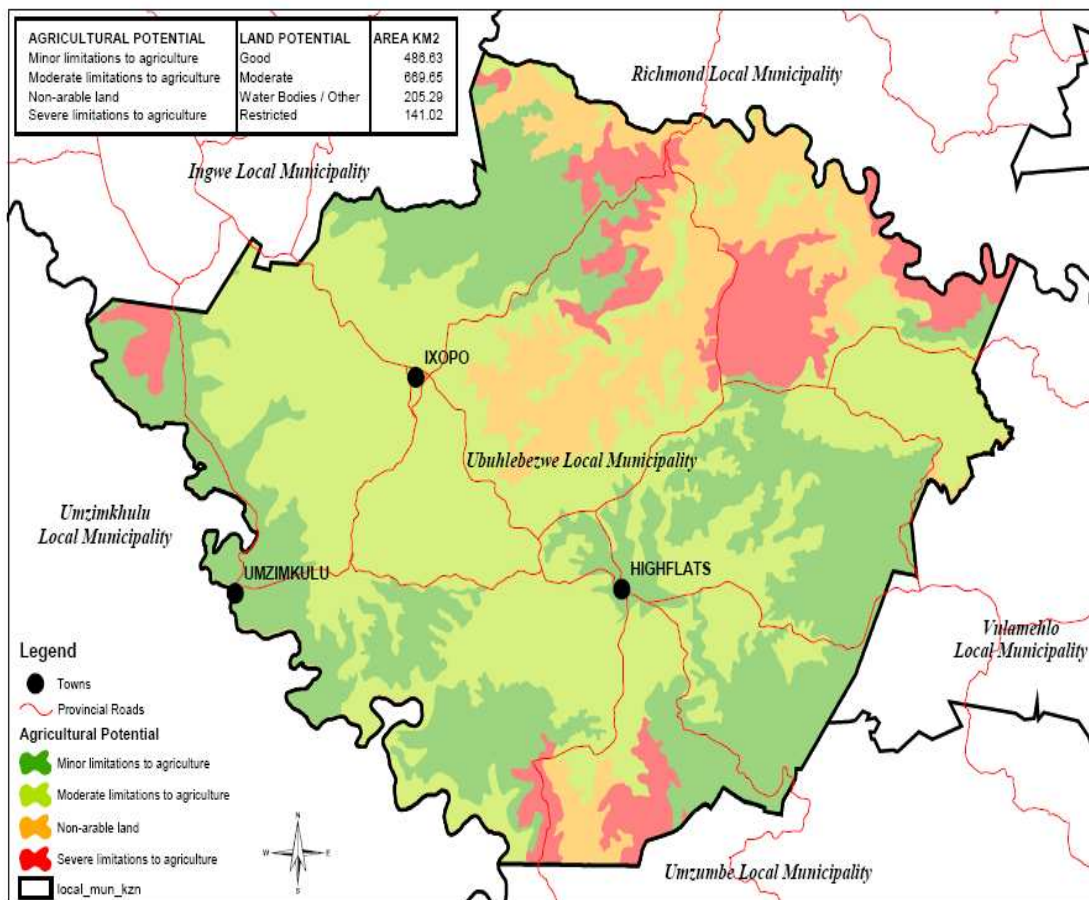
Most BRGs have abundant water resources in the form of streams and a number of perennial rivers flow through them. These rivers include the Lufafa, Mkomazi, UMzimkhulu, Lovu, Mpambanyoni, etc. rivers. In addition the UBuhlebezwe Municipal area also falls within an important Water Management Area i.e. the Mvoti to UMzimkhulu WMA. BRG 6 “Dry Midlands Mistbelt” seems the most limited in terms of water resources as it only has the Mtwalume River flowing through it. Most of the land in the municipality is either private or state land. Communal land accounts for 16% of the municipal area. Grazing capacity of the various BRUs in the municipality varies from 1.8 to 6.4 ha per animal unit (AU). The bio-resource information provides a basis for determining the agricultural potential of a given area. Based on the bio-resource information, DAEA has also developed an agricultural potential classification.

Map: 2 show that the municipality is classified into four agriculture potential ratings namely:

- Land with minor limitations to agriculture (approximately 32, 4%);
- Land with moderate limitations to agriculture (approximately 44.6%);
- Non-arable land (approximately 13.7%); and
- Land with severe limitations to agriculture (approximately 9.4%).
- Given these agricultural potential ratings, land suitable for agriculture makes up approximately 77% of the total area of the municipality.

BRG3 is suitable for sugar cane and timber production; BRG 4 is suitable for irrigated sugar cane farming and limited potential for cattle, goat and dairy activities; BRG 5 has a high potential for maize, forestry and dairy activities; BRG 6 is suitable for irrigated sugar cane and maize farming; BRG 11 has a high potential for maize, forestry, beef and dairy activities; BRG 12 is suitable for irrigated crop and dairy farming; BRG 17 has limited potential for sugar cane, maize, vegetable and goat farming and BRG 21 is suitable for goat farming.

Map 2: Agricultural Potential for UBuhlebezwe Municipality



Timber

Timber is mainly produced by Sappi, Mondi, Mondi/Shanduka, Mesonite, NTC and some private farmers. Timber production involves the growing of eucalyptus, pine and wattle species. Eucalyptus species are grown most. Timber operations involve the following operations viz silviculture, harvesting, protection, roads and open area management. A limited number of emerging farmers are engaged in timber production through SAPPI or government supported grower's schemes.

Crops

Crop production is similar throughout the various emerging farmers associations in the UBuhlebezwe Municipality. The crops that are grown by farmers in their respective areas include maize, beans, madumbe, potatoes, sweet potatoes, pumpkin, butternut, groundnuts, and sorghum. Maize, beans and potatoes are the main crops. Most crops are grown for home consumption and very little is sold. Vegetables grown in community gardens include cabbage, onions, carrot, spinach, beetroot, green pepper, chilies and tomatoes. There are several community garden clubs. A bucket irrigation system is used in most cases. The DAEA provides fencing materials but maintenance of the fence remains the club's responsibility. Each club member owns a plot to grow his/her vegetables. Vegetables are for both home consumption and for sale. Commercial farmers produce the following crops: sugarcane, maize, pastures, potatoes, tomatoes, cabbage, and citrus fruits. The High flats Farmers Association and Ixopo Agricultural Society together produce 120,000 tons of sugarcane per year worth approximately R25 million. Sugarcane is mainly grown under dry land agriculture and is cut every 2 years. Some sugarcane is grown under irrigation and is cut every year. Sugarcane is an intensive labour operation especially during cutting season (March to December).

Commercial farmers have in general stopped growing maize because it has become uneconomical, theft and monkeys and warthogs destroy huge areas. However, some dairy farmers grow it for silage. It is harvested when it reaches the dough stage leaving only a short window when the crop is vulnerable to theft. Crops such as potatoes are grown and vegetables such as cabbage and tomatoes are also grown. Tomatoes are grown to a limited extent. Cabbage and pastures are grown under irrigation. Vegetables are grown all year round. Demand for cabbage varies a lot and in some months particularly in summer demand is very low and one can end up with thousands of cabbage heads rotting in the field.

Citrus fruits are mainly grown at Carrisbroke area. The citrus farmers formed an informal cooperative. They have made a huge investment for the establishment of a pack house three years ago. The area is not ideal for high quality citrus. High quality citrus require hot dry weather under irrigation. Citrus production is labour intensive and therefore creates a lot of employment.

Livestock

The following livestock are farmed by the various black farmers associations: cattle, goats, pigs, and poultry. There is generally a veterinary technician in the area of each farmers association who is responsible for animal health. Cattle are raised for cultural functions (such as marriage, funeral, remembering the ancestors) and prestige. Cattle and goats are not raised at present for commercial purposes.

There are currently no projects involving commercial cattle production. Goats are reared for sale but mainly for remembering ancestors, welcoming visitors and parties. Poultry production is

practiced in some areas for commercial purposes.

Some commercial farmers practice dairy and feed pastures to the animals. Bull calves are reared as beef and cull cows are sold as beef. There is a quota system in place that determines how much milk one is allowed to produce. Currently there is an oversupply. Dairy farmers grow pastures under irrigation and dry land. Some of the pasture is grown for silage production.

Beef production has declined a lot in the past 15 years and that is why the Ixopo Agricultural society is no longer conducts stock sales. There are no stud breeders in the area.

Tourism Sector

UBuhlebezwe is well located from a regional perspective within southern KwaZulu-Natal between Pietermaritzburg, Kokstad and the Eastern Cape. Ixopo is located on the cross-roads linking Pietermaritzburg and the Eastern Cape, Highflats and the coastal towns of Port Shepstone, and to the west linking Ixopo to the Drakensberg Region. Ixopo is accessible from a good quality Provincial Main Road. The nearest airport is the regional airport at Pietermaritzburg, while international flights operate from Durban International Airport.

The town of Ixopo serves as one of the key focal points for tourism within the sub-region. Many natural attractions are located within its immediate surrounds. In addition, most of the support infrastructure is concentrated here. One of the key challenges is to increase UBuhlebezwe role as a tourist destination and to attract an increasing amount of the passing tourist trade.

The UBuhlebezwe municipal area contains a number of key assets, which could be developed and integrated into a diverse product mix. Ixopo is located in an area which has a lot of history and many existing and potential tourist attractions such as:

Rail tourism

The Paton's Express Adventures is a narrow gauge train excursion traveling through some of the most spectacular scenery in South Africa. It is the oldest operational narrow gauge garrot in the world and there are plans to extend the railway line to the UMzimkhulu River so as to provide tourists with additional activities/facilities to engage in. The expansion of the rail tourism initiative should be co-ordinated at a district level so as give tourists a longer experience and to enable citizens on a district basis to derive associated benefits.

Adventure Tourism

The rivers in the area allow individuals to engage in water sports such as paddling, fishing and rafting; hiking, hunting and mountain biking in the forestry areas; and four wheel driving on some private farms.

- Conservation & game viewing;
- Carisbrooke and the Allan Paton connections;
- The hotel;
- Bed and Breakfast establishments;
- Hunting;
- Fishing, and
- Rafting.

Avi tourism

The presence of rare bird species such as the Cape Parrot, cranes and the Blue Swallow provides opportunities for avitourism activities. This type of tourism should be focused/co-ordinated at a district level as these bird species are common to the district.

Missionary Tourism

There are a number of existing cultural assets within the uBuhlebezwe municipal area, which could be used to promote Heritage/cultural tourism. These include: Mill Museum at Kings Grant, Buddhist Retreat, and Mariathal Mission

Community Based Tourism

There is very little to no community based tourism initiatives within the municipal area. The white population group dominates the tourism sector.

A tourism association has been established to promote the town and the District and a tourism route has been established in order to give the attractions a common identity and to market the area to tourists.

Tourism Market

Data relating to the tourism market is difficult to obtain, as no official statistics exist. The only documented statistics are obtained from guest books at accommodation facilities. It is estimated that the area receives approximately 10 000 tourists per annum with 50% passing through the area on business. Sporting events also result in a significant number of people visiting the area (estimated at being around 3500).

This would be mainly canoeing, mountain biking and adventure recreation. Tourists, focusing on birding and heritage, total about 1200 visitors per year. The remaining visitors would be made up of religious and holiday visitors. The source tourist market is predominantly domestic i.e. mainly from KZN and Gauteng and it is estimated that foreigners account for approximately 7% of the visitors (mainly British). Holiday visitors are attracted to the country setting and weddings and social functions are fairly popular at certain venues. The foreign tourist groups are attracted to the Old Mill and Highbury dairy. In terms of seasonality, the periods between February/March and September/November are the peak seasons for tourists.

The Strategy has suggested interventions that need to be actioned by the municipality in order to meet the objectives as identified in the Final Draft of the LED Strategy. The following table indicates the implementation plan:

Implementation Plan

Key Area of Intervention	Projects	Sub-Activities	Roleplayers	Estimated Budget	Potential Sources of Funds
TOURISM	Rail Tourism	<ul style="list-style-type: none"> • Link up with the existing initiative involving Ingwe, UMgungundlovu and Msunduzi. • Identify opportunities in UBuhlebezwe. • Develop strategy and frame work for implementation. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Paton's Express Adventures • Tourism Association 	R500 000	<ul style="list-style-type: none"> • Gijima KZN LED Fund • Sisonke District • UBuhlebezwe Municipality • TKZN
	Tourism Route	<ul style="list-style-type: none"> • Engage Sisonke and LMs about the route initiative. • Engage stakeholders and obtain buy-in. • Source funds to undertake project. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Tourism Association 	R250 000	<ul style="list-style-type: none"> • Gijima KZN LED Fund • TKZN • Sisonke District
	Establishment of Cultural Village	<ul style="list-style-type: none"> • Undertake a needs analysis • Undertake a feasibility assessment • Business Plan • Source funding. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Tourism Association • TKZN • Amakhosi 	R350 000	<ul style="list-style-type: none"> • Gijima KZN LED Fund • TKZN • Department of Arts and Culture
COMMERCE & INDUSTRY	Formulation of Urban Regeneration Plan	<ul style="list-style-type: none"> • Engage public and private stakeholders. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Broader public and local businesses • DLGTA 	R250 000	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • DLGTA
	Review of by-laws and LUS	<ul style="list-style-type: none"> • Engage stakeholders to obtain buy-in and consensus to revisions. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Broader public and local businesses • DLGTA 	R100 000	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • DLGTA
	Identification and packaging of strategically located	<ul style="list-style-type: none"> • Source funding to develop land. • Marketing plan to attract 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality • Private investors 	R350 000	<ul style="list-style-type: none"> • Gijima KZN LED Fund • UBuhlebezwe

Key Area of Intervention	Projects	Sub-Activities	Roleplayers	Estimated Budget	Potential Sources of Funds
	land.	investors.			Municipality
	Organizing and mobilizing the informal sector	<ul style="list-style-type: none"> Facilitate the establishment of a representative structure for the informal sector. Develop municipal policy regarding informal traders and informal sector. Facilitate engagement with broader public. Approve municipal policy. 	<ul style="list-style-type: none"> UBuhlebezwe Municipality Informal sector /hawkers/ traders Department of Labour 	Could be undertaken internally.	<ul style="list-style-type: none"> Gijima KZN LED Fund UBuhlebezwe Municipality
	Establishment of chicken abattoir	<ul style="list-style-type: none"> Undertake a needs analysis. Undertake feasibility assessment. Business plan. Source funding. 	<ul style="list-style-type: none"> Broiler Project Co-operatives UBuhlebezwe Municipality Department of Agriculture Commercial farmers 	R500 000	<ul style="list-style-type: none"> Gijima KZN LED Fund UBuhlebezwe Municipality Department of Agriculture
	Establishment of Vegetable Market	<ul style="list-style-type: none"> Undertake a needs analysis. Undertake feasibility assessment. Business plan. Source funding. 	<ul style="list-style-type: none"> UBuhlebezwe Municipality Department of Agriculture Commercial and emerging farmers 	R600 000	<ul style="list-style-type: none"> Gijima KZN LED Fund UBuhlebezwe Municipality Department of Agriculture
AGRICULTURE	Networking of chicken projects	<ul style="list-style-type: none"> Consolidated list of all projects to be assisted. Facilitate process to mobilize participants. Establishment of network. 	<ul style="list-style-type: none"> UBuhlebezwe Municipality Department of Agriculture Project participants 	R150 000	<ul style="list-style-type: none"> Department of Agriculture UBuhlebezwe Municipality
	Networking of sustainable community gardens	<ul style="list-style-type: none"> Consolidated list of all projects to be assisted. Facilitate process to mobilize participants. Establishment of network. 	<ul style="list-style-type: none"> UBuhlebezwe Municipality Department of Agriculture Project participants 	R150 000	<ul style="list-style-type: none"> Department of Agriculture UBuhlebezwe Municipality

Key Area of Intervention	Projects	Sub-Activities	Roleplayers	Estimated Budget	Potential Sources of Funds
	Land Reform co-coordinating structure	<ul style="list-style-type: none"> • Facilitate process to mobilize stakeholders. • Facilitate establishment of structure. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality 	Initial budget is minimal (cost of refreshments and venue).	<ul style="list-style-type: none"> • UBuhlebezwe Municipality
INFRASTRUCTURE DEVELOPMENT	Construction of market stalls	<ul style="list-style-type: none"> • Facilitate process with traders. • Design a series of interventions. May include infrastructure and training support. 	<ul style="list-style-type: none"> • Informal traders • UBuhlebezwe Municipality 	R300 000	<ul style="list-style-type: none"> • Municipal Infrastructure Grant • Gijima KZN LED Fund • UBuhlebezwe Municipality
INSTITUTIONAL TRANSFORMATION	Business Chamber establishment	<ul style="list-style-type: none"> • Facilitate discussion with business community. • Facilitate a process of unification. • Facilitate establishment of structure. • Register with appropriate Provincial and National bodies. 	<ul style="list-style-type: none"> • Business Community 	Contributions should be in facilitating the Process and providing administrative support or venues and catering where possible.	<ul style="list-style-type: none"> • Gijima KZN LED
	Establishment of LED Unit	<ul style="list-style-type: none"> • Review of municipal organogram. • Appointment of LED and Tourism officers. • Purchasing of equipment. 	<ul style="list-style-type: none"> • UBuhlebezwe Municipality 	R300 000	<ul style="list-style-type: none"> • UBuhlebezwe Municipality

ECONOMIC SWOT ANALYSIS

TOURISM	Strengths: Diverse natural attractions Areas of scenic beauty Rare bird species Rail tourism – oldest narrow gauge garrot in the world	Weaknesses: No tourism strategy No funding for marketing Fragmentation amongst stakeholders
	Opportunities: Natural attractions and rare bird species provides an opportunity to attract special interest tourists to the area. The expansion of the rail tourism industry can provide tourists with an experience which is unique to the Ubuhlebezwe region.	Threats: The ability to initiate projects depends on whether funds are available/can be accessed to implement proposals. The lack of co-operation among stakeholders will result in the desired outcome not being achieved.

COMMERCE	Strengths: Strategically located along the R612 and R56. Large labour pool.	Weaknesses: Lack of housing: although people are employed in the Ixopo area the lack of accommodation results in them living outside of the municipal area and hence their spending power is in other areas/regions. Condition of the roads: the development of business depends on its ability to transport products to consumers and access products from suppliers. The roads within the municipal area are not in good condition and this result in products being damaged while being transported. Unregulated informal sector: competition among hawkers in the informal sector is a problem as there is large number of operators in the retail sector. State of the town in some areas: some areas were a problem in terms of strewn litter, water flowing on the road surface, etc. This could lead to the decay of these areas.
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	<p>Opportunities: The strategic location of Ixopo provides opportunities for the possible location of industrial, commercial and other economic activity.</p>	<p>Threats: Changes in Market Forces: the global and regional markets are influenced by a range of issues which are not controlled by the local arena. These issues include the supply and demand for commodities, the exchange rate, etc.</p> <p>Impact of HIV/AIDS: the impact that the pandemic can have on the labour force is enormous. The epidemic can result in a decrease in the labour force due to deaths and associated sicknesses. This will hamper economic growth due to the withdrawal of active labour in the region.</p> <p>Performance of the District Municipality in the delivery of Services: the undertaking or expansion of projects/activities will depend on whether the required services are provided/adequate to sustain operations.</p>
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<p>AGRICULTURE</p>	<p>Strengths: 77% of the land in the municipality is suitable for agriculture.</p> <p>The R56 passes through the municipality, which provides linkage between the municipality and other major towns in the region provides markets by increasing the level of patronage and provides a road network for the transport of inputs and produce.</p> <p>The well-established commercial agricultural sector provides a conduit for the development of emerging farmers into commercial farmers.</p> <p>A fairly developed institutional arrangement exists in the municipality. For example, the district agricultural office is located in Ixopo, emerging farmers are reasonably organised into farmer associations and efforts to form cooperatives are underway. Other support institutions such as the World Vision International are actively involved in</p>	<p>Weaknesses: The low skill base of emerging farmers would limit the rate of development into commercial farmers.</p> <p>The prevalence of HIV/AIDS has the potential to retard or even negate the efforts of agricultural development in the municipality.</p> <p>The main climatic limitation to agricultural development in the municipality is low temperature and frost. This limits the range of crops that can be grown, the length of the growing season and the level of production.</p> <p>Land under traditional authority jurisdiction is often marginal and very limited in size for the purposes of commercial agricultural production.</p> <p>Limited water resources in some areas.</p> <p>Most emerging farmers lack capital and collateral to access credit from banks. Although the department of agriculture is located within the municipality, understaffing results in inadequate provision of extension services to emerging farmers.</p> <p>Poor road condition and lack of transport have a negative influence on</p>
	<p>agricultural development.</p>	<p>the marketing of produce for emerging farmers.</p>

	<p>Opportunities:</p> <p>There is an opportunity for black contractors to be engaged in some contracts by timber companies.</p> <p>SMME development: The agricultural sector could provide the following SMME opportunities:</p> <ul style="list-style-type: none"> • value adding industry development (cheese, chips, ice-cream, packaging), • bee farming, • Timber out-grower scheme • utilization of timber off-cuts • Organic farming, and herb and spices production <p>Organic farming and herb production provide a niche market and a suitable alternative to small-scale commercial farmers.</p> <p>A fresh produce market will not only enhance economic development but will also boost and complement commercial agricultural development in the municipality.</p> <p>The high demand for dressed chicken in the area provides an opportunity for an abattoir to be established. This could be a local economic initiative for emerging farmers.</p>	<p>Threats:</p> <p>Land claims and sustainability of production:</p> <p>The prevalence of HIV/AIDS has the potential to retard or even negate the efforts of agricultural development in the municipality.</p> <p>Stock theft is a major demotivation factor to commercial livestock production.</p> <p>Lack of interest in agriculture by youth.</p> <p>Infighting within cooperatives.</p> <p>Currently most rural roads are unusable during the rainy season. If rural roads are not improved the transport of inputs and produce would be negatively affected.</p> <p>Risk of lower production levels than required sustaining an established infrastructure (fresh produce market, abattoir).</p>
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2.2 Social Services Overview

Municipal Infrastructure

There is a lot of administration zoned land within Ixopo much of which is currently located in the central area and is used to accommodate government services such as the Department of Transport and the Department of Justice.

Fire Services

The UBuhlebezwe Municipality provides the fire service at Ixopo and to the surrounding rural areas. The service will need to be formalised and expanded to accommodate the new Municipal requirements. This is a shared function with the District municipality.

Education

The town of Ixopo is an important educational centre and provides schools which serve both the town and the surrounding rural areas. The Department of Education has advised that the existing schools within UBuhlebezwe Municipality are sufficient to accommodate the current demand although there is a need for an ongoing programme to provide additional classrooms and upgrade existing facilities. The Department prefers to consolidate and make maximum use of the existing school facilities rather than to construct new schools. Future funding is therefore to be directed at improving the existing facilities, particularly expanding classrooms and bringing the teacher/learner ratio and learner/classroom ratio in line with national norms of 36 learners per teacher for both primary and high schools.

South African Police (SAPS)

There are police stations at Ixopo and Highflats. The Ixopo station has a staff of 65 people and serves the entire municipal area. The SAPS has very little financial resources. A lack of staff and equipment is cited as the biggest problem.

Department of Justice

The magistrates' court is located at Ixopo and serves the surrounding District. The Department of Justice has major plans for upgrading the cells in the court room, providing new office accommodation and generally providing an improved service.

Library services

A library is located next to the municipal offices was completed in October 2006. It serves the whole community of Ixopo and provides most of the services expected from a library. There is however, an urgent need to provide mobile library services to surrounding rural areas. There is also a need to establish permanent libraries at two of the major development nodes, Jolivet and Highflats.

Health & Welfare

Ixopo is well located to provide an increased medical service to surrounding communities and additional office space will be required for public medical facilities within the next five years. The health services at Ixopo serve an important district function. Mobile clinics operate from the central clinic at the town of Ixopo to serve the surrounding rural areas. The establishment of Health Stations throughout the Municipality is a priority.

In terms of the promotion of welfare in the sub-region the establishment of multi-use community centres, the placement of social workers at each pension payment point and the support of small livelihood projects need to be considered.

The impact of AIDS and diseases such as tuberculosis already affect the ability of the hospital and the clinics to serve the area's population. Urgent attention will need to be given by the District Health Forum to making provision for AIDS victims and for AIDS orphans from throughout the Municipality and from throughout the District.

Sports facilities

Ixopo is in need of additional sports facilities which are an important component of the town's function as a key rural centre. The Department of Sports and Recreation identified and funded the construction of a new sports stadium. There are insufficient sporting facilities in the rest of the Municipality. New sports fields and land for additional facilities have been identified and most of the funding of such is expected to come from the Department of Sports & Recreation as well as MIG. Sports facilities particularly related to youth development at concentrated urban areas need to receive additional attention and funding.

Cemetery Sites

There are two cemetery sites in Ixopo making provision for different religious requirements. While the existing cemetery has some capacity remaining additional cemetery space needs to be identified at Ixopo to accommodate demand over the next ten years. The identification of appropriate sites for local cemeteries at each of the secondary development nodes should be considered.

Postal Services

Postal services operate from the Telkom building and have 850 post boxes including Fairview and Morningside. Postal services are not considered to be a problem at the town of Ixopo. There is a post office in Highflats and post boxes are also available at many of the settlements located throughout the Municipality.

Ambulance Services

Ambulance services are currently provided from the hospital at Ixopo to serve the whole municipality.

2.2.1 Disaster Management

In view of UBuhlebezwe Municipality's physical characteristics in combination with the social characteristics of the area, there are a number of disasters that are likely to occur:

- Flooding
- Fires
- Cholera and other related diseases
- HIV/AIDS pandemic
- Drought
- Water contamination
- Road accidents

Disaster Management Plan

The primary aim of the Disaster Management Plan is primarily to establish institutional arrangements, putting contingency plan in place for responding, identifying key government and other stakeholders and developing the capacity to generate a level 2 Disaster Risk Management Plan. The focus is not only a disaster response but is intended to address the whole range of disaster risk management activities for disaster risk reduction, planning, emergency preparedness, response and recovery.

Objective

To strengthen the capacity of the UBuhlebezwe Disaster Risk Management system to reduce unacceptable risks and improve response and recovery activities.

Output

To move disaster risk management programming efforts from a response and relief emphasis to a comprehensive risk management culture

UBuhlebezwe Municipality Disaster Risk Management Advisory Forum

The key role-players in the UBuhlebezwe Disaster Management Plan have been identified and are actively involved. These role players are:

- The Municipal Manager
- Deputy Head Disaster Management
- South African police
- South African National Defence Force
- Emergency Medical Rescue Services
- KwaZulu-Natal Road Traffic Inspectorate
- Chamber of Business

Farmers Union
Ixopo Fire Protection association
Department of Social Welfare
Department of Health
Department of Agriculture
Department of education
Department of Public Works
Department of Local Government and Traditional Affairs
Sisonke District Municipality
Department of Transport

Representatives of other agencies may be co-opted to the forum as required.

The roles and functions of the Municipal Disaster Risk Management Advisory Forum are as follows:

- To be the point of coordination for all the role-players,
- To oversee the development of disaster risk management plans for the municipality and individual line functions in the municipality
- To facilitate cooperation between the District and key role players
- To develop capacity and understanding about the disaster risk management amongst the key role players.

- To develop resources sharing arrangements around financing including the delivery of emergency services and responding to emergencies or disasters
- To report to the key stakeholders including the District, Province and national Disaster management Centres on matters relating to Disaster Risk management.

The forum meets quarterly.

The following socio- economic characteristics, issues and challenges impact on the future development of the UBuhlebezwe Municipality and need to be taken forward in the Integrated Development Plan Process:

- Lack of Municipal support and interaction with businesses.
- The informal sector is also poorly organized and there is therefore a need to formalize it to ensure representation in municipal initiatives.
- The state of the town in some areas is a problem in terms of strewn litter, water flowing on the road surface, etc. This does not create an environment, which is conducive for trading purposes.
- Lack of trading facilities for informal traders.
- The relationship between the District and Local Municipality in terms of LED is not functioning adequately. A

relationship between the two is important for the alignment of projects and funding opportunities

- No structured mechanism for promoting interaction/communication among the different role-players exists in the municipality. This has resulted in there being no strategic linkage between the different initiatives being undertaken in the municipality.
- The area is poorly marketed as a tourist destination and is not well integrated into the broader Pietermaritzburg/Midlands corridor.
- Even though Municipal Infrastructure Grant by the Department of Provincial and Local Government is addressing the backlog in terms providing funding for social infrastructure, the funding of operation and maintenance of such facilities is still a challenge.

3. INSTITUTIONAL ANALYSIS

3.1 Powers and Functions

In terms of the Municipal Structures Act No. 117 of 1998 UBuhlebezwe Municipality (KZ434) is classified a B Municipality and falls within the Sisonke District Municipality (DC43). This act made provision of the division of powers and functions between the district and local municipalities. The most day to day service delivery functions to local municipalities and the District wide to District Municipalities. UBuhlebezwe Municipality is responsible for a number of functions some of which they are not performing due to lack of capacity. The Municipality has entered into shared service with Sisonke District Municipality in some of the functions

UBuhlebezwe Municipality has executive authority in respect of, and has the right to administer the local government matters listed below:

Table 6: Powers and functions

FUNCTIONS	CAPACITY TO PERFORM
Amusement facilities	Not applicable
Air Pollution	Not applicable
Building regulations	Adequate
Child care facilities	Adequate
Case & Burial of Pauper Human and of Animal Remains	Adequate
Fire fighting	Adequate, shared function with the District Municipality
Local Tourism	Adequate
Municipal Planning	Adequate
Municipal public Transport	Not applicable
Storm water	Adequate
Trading Regulations	Not applicable
Billboard and Display of	Not adequate

advertisements in public places	
Cemeteries, funeral parlour and Crematoria	Not adequate
Cleansing	Adequate
Control and Public Nuisance	Adequate
Fencing and Fences	Not adequate
Licensing of Dogs	Not applicable
Licensing and Control undertakings that	Not applicable
Sell food to the public	Not applicable
Local Amenities	Adequate
Local sports Facilities	Adequate
Markets	Adequate
Parks and Recreation	Not adequate
Pontoons and Ferries	Not applicable
Pounds	Not applicable
Municipal Roads	Adequate
Municipal airport	Not applicable
Municipal Abattoir	Not applicable
Noise Pollution	Not adequate
Public Places	Adequate
Refuse Removal and Solid Waste Disposal	Refuse Removal adequate, Solid Waste disposal, there is no landfill site
Street Trading	Adequate
Street Lighting	Adequate
Traffic and Parking	Adequate
Fireworks	Not applicable
Libraries	Adequate
Electricity	Not adequate, performed by ESKOM

Additional functions

In addition to performing local municipal functions the UBuhlebezwe Municipality has been granted authority to perform the following district functions in respect of local areas.

- Fire fighting Services
- Local Tourism

The Municipal Manager is responsible for the management of the following Municipal Departments and reports directly to Council:

- Corporate Services Department;
- Financial Services Department
- Community Services Department; and
- Technical Services Department

Table 7: List of functions assigned to each Department

OFFICE OF THE MUNICIPAL MANAGER
• IDP/ Performance Management ,monitoring and evaluation
• Mayoral Support
• Internal Audit functions
• Executive and Council Support
• Youth Development
• Special Programmes
• Communications
FINANCE DEPARTMENT
• Supply Chain Management
• Revenue Income
• Expenditure
• Budgeting and reporting
• Internal Audit
• Asset and Fleet management
TECHNICAL SERVICES
• Roads and storm water management and maintenance
• Solid Waste Management
• Construction of Sports and Recreation facilities
• Housing
• Town Planning
• Building Inspectorate
• Ranking Facilities
• Project Management Unit(PMU)
• Geographic Information Systems
• Cemeteries
CORPORATE SERVICES
• Human Resource Management
• Administration and sound governance
• Information Technology
• Municipal Properties
• Legal Services
COMMUNITY SERVICES
• Local Economic Development
• Tourism Development

• Disaster Management
• Sports and Recreation
• Protection Services
• Public amenities

3.3 ORGANISATIONAL STRUCTURE AND PORTFOLIO COMMITTEES

All managers and senior managers constitute the Management Committee of the UBuhlebezwe Municipality. The heads of department, who hold the designation of Directors, report to the Municipal Manager who in turn reports to the Mayor. Three section 57 posts are vacant. The municipality is currently in the process of filling these vacant posts (see attached organogram as Annexure A)

The Municipality is divided into twelve (12) Wards and is managed by an elected Council with councillors being elected for each of the wards. The Mayor chairs the Executive Committee and each of the Portfolio Committees as reflected below is chaired by the member of the Executive Committee. Each Portfolio Committee meets with the relevant Department on a monthly basis where it considers a Performance Report that reflects progress in achieving the planned outcomes, outputs and inputs for the year in each functional area.

In terms of Section 79 (1) of the Municipal Structures Act 117, 1998, the UBuhlebezwe Municipal Council established the three Portfolio Committees which meet once a month, each with its own terms of reference. The committees assist the Council in performing its functions. The following committees report to Executive Committee:

- Administration, Finance and Human Resources Portfolio Committee chaired by the Mayor
- Planning and Infrastructure chaired by the Deputy Mayor
- Community and Social Development chaired by the member of the Executive Committee.

Some of the roles and responsibilities of the above portfolio committees are as follows:

Administration, Finance and Human Resources Portfolio Committee	Planning and Infrastructure Development Portfolio Committee	Community and Social Development Portfolio Committee
<p>To assist the Executive Committee :</p> <ul style="list-style-type: none"> ➤ In maintaining the sound, viable and generally accepted financial systems. ➤ Advise the executive committee on matters relating to finance and budgeting. ➤ By ensuring that the values and principles set out in Section 195 of the Constitution are promoted throughout the Municipal Administration. ➤ To advise the Executive committee on all matters relating to administration, communication and information technology ➤ Advise the Executive Committee on all matters relating to human resources. <p>The Administration, Finance and Human Resources Portfolio Committee may refer to EXCO for decision with or without a recommendation, any matters in which this committee is entitled to exercise any power.</p>	<ul style="list-style-type: none"> ➤ To assist the Executive Committee: By advising on all matters, all legislation or prospective legislation relating to housing, building control, planning and infrastructure. ➤ To ensure the provision of housing and infrastructural services to the communities of the municipality in a sustainable manner. ➤ Advising EXCO on compilation and approval of the IDP and strategic planning exercises. ➤ Promoting the implementation of the IDP. <p>The Planning and Infrastructure Development Portfolio Committee may refer to EXCO for decision with or without a recommendation, any matters in which this committee is entitled to exercise any power.</p>	<ul style="list-style-type: none"> ➤ To assist the Executive Committee: by advising on all matters, all legislation, all prospective legislation relating to tourism, rural and local economic development, community services, Sports and Recreation, Heritage and Arts and Culture; ➤ By promoting social and economic development, promoting tourism opportunities, safety and security, disaster management, Health education, welfare and other social services <p>The Social and community Development Portfolio Committee may refer to EXCO for decision with or without a recommendation, any matters in which this committee is entitled to exercise any power.</p>

In addition to the above, Ward Committee's are established and meet regularly with minutes being submitted to the office of the Speaker.

Ward Committees are also responsible for the submission of community needs to the Municipality on an ongoing basis and are used as a means of communication to and from administrative structures and is also based on the Community participation Strategy which requires the necessary information to be made available to communities in terms of the budget, IDP, PMS, Annual Report, etc.

3.4 Performance Management System

The Municipality has not developed an organizational PMS. It does however, have a PMS for all Section 57 employees. All current Section 57 employees have signed Employment Contracts as well as Performance Agreements. DLGTA have appointed a Service Provider to assist the Municipality with the formulation of the SDBIP. The municipality has budgeted for the preparation of the Organizational performance management Framework for the 2009/2010 Financial Year.

3.5 Internal Audit

The Municipality does not have an Internal Audit Unit it's a shared function with Sisonke District Municipality but it is not functional. There is no Internal Audit Committee in place.

3.6 Intergovernmental Relations Structures

The Intergovernmental relation is coordinated by the Sisonke District Municipality. All Local Municipalities form part of this Structure.

3.7 Annual Report

The UBuhlebezwe has prepared an annual report for 2007 / 2008 Financial Year. The annual report was submitted to Council and Oversight Committee for adoption. The annual report was adopted in January 2009 and the oversight report in March 2009. The report is attached as Annexure F.

3.6 Municipal Policies and Sector Plan

Table 8: Policies and sector Plans

POLICY/ DEPARTMENT	BRIEF SUMMARY OF PLAN AND ITS IMPLEMENTATION STATUS	FOCUS FOR 2009/2010
FINANCE		
Credit control policy	Reviewed but not adopted	To be taken to Council for adoption
Debt Collection policy	Reviewed but not adopted	To be taken to Council for adoption
Tariff policy	Reviewed but not adopted	To be taken to Council for adoption
Banking and Investment policy	No policy	Policy to be formulated
Vehicle policy	Policy implemented	To be reviewed
Asset management Policy	Policy in draft format	To be taken to council for adoption
Supply Chain Management Policy	Policy adopted	Implementation
Petty Cash policy	Policy adopted	Implementation
Creditors and Payment Procedure	Procedure in place	To be reviewed when necessary
Indigent Policy	Policy in draft format	To be taken to Council for adoption. Indigent Register to be formulated.
Rates policy	Policy In draft format	Adoption and implementation
HUMAN RESOURCES		
Acting policy	Policy in draft format	To be adopted and implanted
HIV/AIDS policy	Policy reviewed in 2008	To be implemented
Employee Assistance Programme	Policy in draft format	To be taken to council for adoption
Recruitment and Selection policy	Policy adopted	To be reviewed, if necessary
Employment Equity Plan	Plan in draft format	Implementation of the plan
Workplace Skills Plan	Plan to be reviewed	Implementation of the plan
Human Resource Strategy	No Policy	To be developed

The municipality has the following sector plans in place:

- Housing Sector Plan adopted
- Spatial Development Framework currently being reviewed
- LED Plan in the process of being adopted
- Policy on establishment and functionality of ward committees-adopted
- Community Participation Strategy- adopted
- Communication Strategy- Adopted

The following institutional characteristics, issues and challenges impact on the future development of the UBuhlebezwe Municipality and need to be taken forward in the Integrated Development Plan Process:

- The implementation in terms of the Employment Equity Act is still a challenge. However, attempts have been made to comply during the recent recruitments.
- Improving the Organizational Performance Management System of the Municipality and ensuring that Strategic Managers cascade the system to all employees within the organization.
- Inadequate funding to develop skills of the staff, political office bearers and Ward Committees.
- Identification and filling of critical posts.
- Review the organizational structure to align with powers and functions of the Municipality.
- Reviewing and adoption of critical policies.

4. SPATIAL AND ENVIRONMENTAL ANALYSIS

The main corridor within the UBuhlebezwe Municipality is the R56, which links into the N2. The corridor centers on tourism and agriculture. It links Ixopo to towns such as Kokstad, Matatiele, Pietermaritzburg and Port Shepstone. The primary corridor facilitates stronger cross border economic flows and economic development in the Eastern Cape and KwaZulu-Natal. The R612 and R617 serve as secondary corridors, which link the remaining areas of UBuhlebezwe to the R56 (main corridor). These corridors provide the potential to exploit the underutilized location and economic advantages of the hinterland areas thus providing a potential for export-oriented growth particularly in the agricultural sectors.

UBuhlebezwe is not just an administrative and local government structure but an economic and social functional entity as well. It has a well-defined settlement pattern and functional structure. In economic terms, it is part of the Greater Ixopo economic functional region. Movement within the area tends to go towards Ixopo and even the economic/transportation infrastructure is oriented towards this area. However, a limited form of modular development occurs in Highflats and other emerging nodes in traditional authority areas. This presents an opportunity for the concentration of development and decentralization of service delivery to these areas. In fact, Ixopo is identified in both UBuhlebezwe and Sisonke IDPs as the main service centre and economic hub within the District. It accommodates different government departments and a wide range of shopping and commercial facilities.

These urban centers serves as a link between the areas outside of UBuhlebezwe and the expansive commercial agriculture as well as the dispersed rural settlements located at the peripheral areas with marginal economic development potential. Owing to the disbursed nature of current development the UBuhlebezwe, settlement webs are not easy to define. Rather the tendency is towards the formation of a core area within each web as the basis for a wider catchments within which ranges of activities are located. Over time the emerging activity centre would become the focus for the establishment of a range of higher order goods and services. Primary, secondary and tertiary webs and scattered settlements comprise a concentration of activities servicing smaller population catchments for the provision of lower order services.

Settlements are scattered unevenly throughout the area. Although they do not follow any pattern other than high density along main roads, they are knit together by a system of local road network and public facilities differ significantly.

4.1 The Environment

The UBuhlebezwe Municipality has a rich and diverse environment derived from a wide range of topographical features, ecosystems and habitat types. This diversity provides for a range of development and tourism opportunities in addition to the comparative advantages in the agricultural sector. The natural environment can be summarised as follows:

- the mean annual rain fall varies considerably from a minimum of 600mm in the low lying areas and deep river valleys to over 1400mm in the highland areas;
- it consists of extremely undulating topography, ranging from highland areas through several geomorphologic terraces to the areas bordering on to the coastal belt;
- there is a widespread occurrence of moderate high to high potential soils;
- there is a diverse and extensive riparian vegetation which serves as an important source of grazing and timber for fuel and building materials;
- has a composite of three bioclimatic regions represented by the Coastal Hinterland and Mistbelt, the Highland areas and mixed Short and Medium Thicket Woodlands; and,
- The area is linked by a network of rivers and streams which form part of both the Umkomazi and Umzimkulu river catchments.

The UBuhlebezwe Municipality contains large tracts of good agricultural land both in the commercial farming areas and in the tribal authority areas. In addition, the area is well endowed with natural and physical resources and has immense potential for the development of agricultural industries, tourism and other commercial enterprises.

Vegetation Classification (as sourced from the Ezemvelo Conservation Plan)

In the UBuhlebezwe Local Municipality the vegetation is varied and the Natal Mist Belt Ngongoni Veld is one vegetation occurring mainly in this area. The following Bio-resource Group Analysis was extracted from the Ezemvelo Conservations Plan:

BRG 1: Moist Mistland Mistbelt

This BRG extends over the central portion of UBuhlebezwe including Ixopo. It is dominant in this Local Municipality. This is a large BRG with a very high production potential. It exists at an altitude between 900 to 1400m and is generally hilly rolling country.

The climate in this BRG is humid with an annual rainfall between 800 to 1280mm. A few relic areas of the former *Themeda triandra* grassland veld remain. The high potential of the BRG for agriculture has resulted in little value being placed on the veld or veld management and they are in a poor condition.

Poor management practices including excessive burning and selective overgrazing have resulted in the grassland having poor pastoral value. Palatable grass species have been replaced by unpalatable pioneer species. Forests are a feature of the BRG on cooler south facing slopes where they receive more moisture and fire protection. The ecotones of these forests are often abrupt or consist of rank grasses, shrubs and young trees. The ecotones are of great importance for biodiversity due to their contribution to water resource conservation. These forests have however been extensively felled in the past for building timber but the major threat now comes from uncontrolled fires and encroachment by commercial forestry.

BRG 2: Dry Midlands Mistbelt

This BRG has a very limited range and only occurs in small pockets in Ubuhlebezwe Local Municipality. This vegetation consists of mainly secondary *Arista juncififormis*. *Themeda tiandra* was once dominant in this area but poor management practices in the form of year round burning and selective overgrazing has reduced its relative abundance. This has resulted in a decrease of the grassland palatability. The vegetation is therefore more consistent with Ngongoni grassland with presence of some more palatable species. Forbs are not common in the area.

BRG 3: Moist Highland Sourveld

This BRG is the dominant group in the Municipality extending through out central areas of the District areas. It exists between an altitude of 1400 and 1800m. The vegetation consists of fire maintained grassland dominated by short bunch grasses 0.5 m high. In an absence or reduction of fire *Podocarpus* forest does however occur. Veld condition is dependant on where the soils are derived from. Dolerite soils are better suited to plant growth and therefore veld based on doleritic soils generally has good basal cover and are resistant to disturbance. Sedimentary soils however are less suited to plant growth and do not promote good basal coverage and are therefore more susceptible to disturbance. Grass production is related to aspect being higher on south facing aspect.

Forbs play a large role in species composition and relative abundance of *Scenecio species*, *Helichrysum* and sedges increase when the veld is over utilised while *Pteridium aquilinum* (Braken) increase with under utilisation. Aster dominates the veld on north-facing slopes or where severe overgrazing results in denudation.

BRG 4: Sour Sandveld

This BRG exists in the UBuhlebezwe Municipality in the central areas. This vegetation type is generally devoid of indigenous tree species. Grass species include *Alloteropsis semialata*, *Monocymbium ceresiiforme*, *Digitaria tricholaenoides*, *Harpochoa falx* and *Setaria nigrirostris*. On deep soils *Digitaria tricholaenoides* and *Tristachya leucothrix* are common, while on shallow soils *Arista congesta*, *Cynodon dactylon* and *Microchloa caffra* are common. Sedges are more common in seasonally wet areas and under heavy grazing pressure *Arista spp*, *Cynodon dactylon*, *Eragrostis spp* and *Sporobolus spp* relative abundance increases. Under selective grazing by sheep the relative abundance of *Elionurus muticus* increases.

BRG 5: Coast Hinterland Thornveld

Coast Hinterland Thornveld exists in the small pockets within the UBuhlebezwe Local Municipality. It occurs in the upper margins of river valleys and is dominated by Acacia species which have expanded into the Dry Ngongoni veld from the valley vegetation.

Before major disturbance the area would have been an Acacia wooded grassland and woodland. However, now dominant vegetation patterns include bushed grassland and bush land thicket. This group has a high floristic richness with many coast species and scrub and bush clump character. This is due to differences in climate with a wide rainfall distribution and lighter frosts. Shrubs up to 1.5m form dense thickets in some areas with problem species such as Lantana and Solanum. These thickets are particularly difficult to eradicate.

Faurea saligna woodlands occur in isolated areas on Table Mountain Sandstone and usually on south facing slopes, where summer conditions are cooler and moister. Bad burning practices have resulted in a change in species relative abundance. Overgrazing and bad burning practices result in invasion by undesirable species and poor vegetative cover.

4.2 Geology and Soils

Around Ixopo soils are leached and of low inherent nutrient status with problems with Phosphorus fixation and aluminium toxicity, they have low agricultural potential. East of Ixopo soils on hillsides are shallow of the Mispah and Glenrosa. In the valley bottoms pockets of deep alluvial soils are found. Areas of calcareous duplex soils are also found east of Ixopo, these soils are highly erodible. Around the edges of UBuhlebezwe Local Municipality soils are of the Table Mountain Sandstone plateau, with rugged low potential soils in the north of the Local Municipality.

On the eastern boundary of the Municipality the soils are acid and leached. They consist of shallow sandy soils derived from the Table Mountain series with heavier soils are derived from dolerite and Dwyka Tillite. Within the UBuhlebezwe Local Municipality however small pockets of high potential soils do occur, erosion on the steep slopes is however problematic in these areas.

4.3 Topography

UBuhlebezwe demonstrates rugged terrain with hilly rolling country. In the East numerous river valleys fragment the Local Municipality making the topography steep with gently sloping valley bottoms.

4.4 Climate

UBuhlebezwe demonstrates a mean annual temperature of approximately 18°C with an approximate mean annual rainfall of between 600 to 850 mm. Summers are warm with Mild winters. Moderate frost occurs with occasional severe frost. Mists occur in spring and early summer. Surrounding Ixopo occasional drought occurs, with heavy mists, occasional hail and frost also being experienced. Berg winds and sudden cold fronts in the area result in unpredictable weather conditions particularly in spring and early summer.

4.5 Management of Priority Species and Ecosystems

Blue swallow (critically endangered)

The UBuhlebezwe Local Municipality incorporates virtually the entire remaining population of the critically endangered blue swallow. The ultimate survival of this species will depend on the attitude of the Sisonke District Municipality towards development and use of the remaining grasslands where this species feeds and breeds. Thus the District has a national and international obligation to ensure the survival of this species. If it hasn't happened already, the Blue Swallow Working Group needs to be consulted for specific management and conservation requirements.

5 INFRASTRUCTURE ANALYSIS

It has been ascertained that there are no measurable statistics available in terms of backlogs, the action to be taken to alleviate and address the backlog which would assist in meeting the Millennium Development Goals, National and Provincial Governments targets as well as the targets to be set by the uBuhlebezwe Municipality. The Municipality will engage the services of the service provider. The Service Provider will be required to assess available statistics, verify their correctness in terms of the current situation, measure the statistics in terms of backlogs as well as measure the Municipality's progress to date in terms of meeting the goals as determined. The information gathered will be inserted into the key performance areas and indicators of the Integrated Development Plan. The Integrated Development Plan process and will thereafter encapsulate the contents of the Service Delivery and Budget Implementation Plans.

The information will also add value to the Performance Report required by each Municipality at the end of each financial year which is required to be submitted to the MEC, Local Government and Traditional Affairs. However on assessing current realities the following can be ascertained:

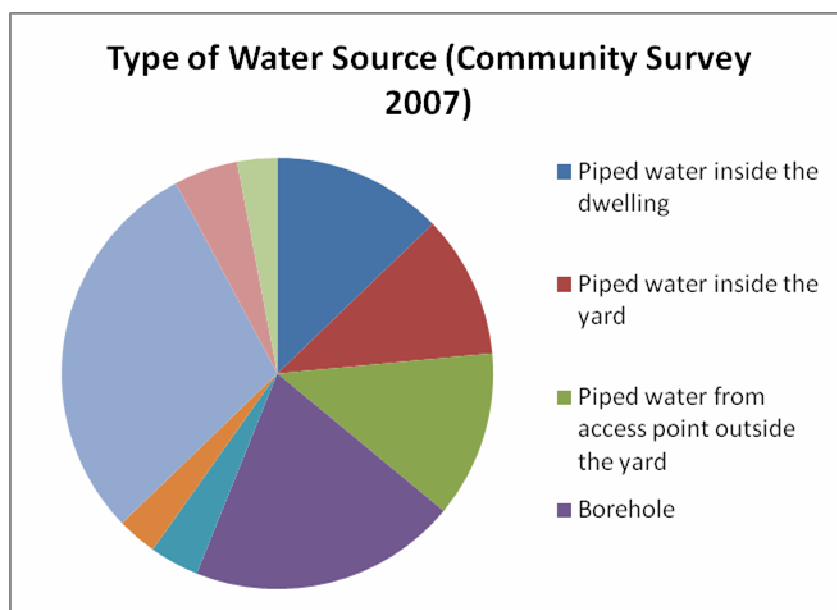
5.1 WATER AND SANITATION

Table 8: Percentage Distribution of Households by Type of Water Source

Type of Water Source	Census 2001 (%)	Community Survey 2007 (%)
Piped water inside the dwelling	8,0	12,8
Piped water inside the yard	4,2	10,7
Piped water from access point outside the yard	18,2	12,5
Borehole	9,7	20,1
Spring	13,9	3,7
Dam or pool	7,0	3,0
River or stream	32,4	29,4
Water Vendor	0,6	4,8
Rain water tank	1,8	3,0
Other	4,0	-
Total	100	100

Source: Stats S A. Community Survey: 2007

Figure 5: Percentage Distribution of Households by Type of Water Source



Based on the Census 2001 and Community Survey 2007 data, in 2001, 8% of households had access to piped water inside the dwelling and this increased slightly to 12,8% in 2007. According to the Community Survey 2007, 10,7% of households have access to piped water within the yard, and 12,5% of households have piped water from an access point outside the yard. There is a large reliance on water supply from springs (3,7%) and rivers and streams (29,4%). This indicates that water should be a priority within UBuhlebezwe.

5.2 Sanitation

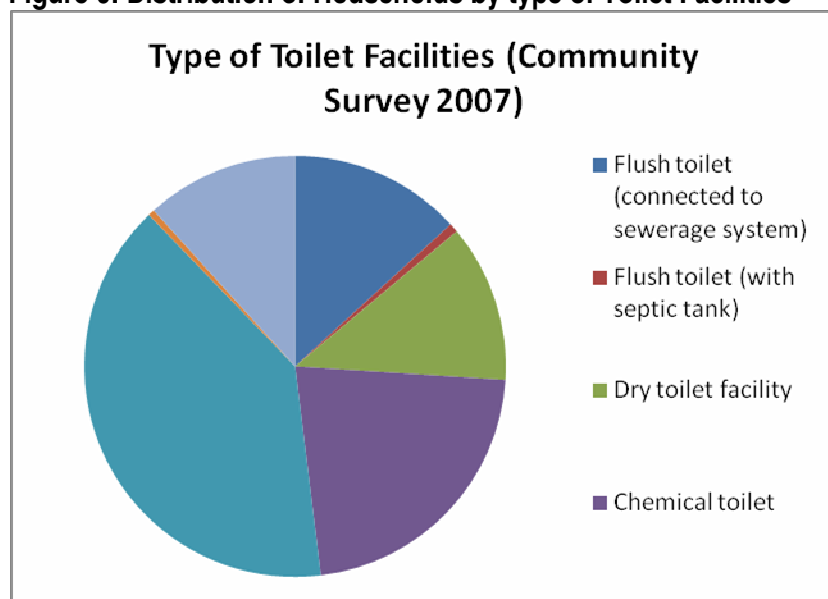
Sisonke District Municipality manages the provision of bulk sewerage disposal for Ixopo. Sewerage disposal is not considered to be a problem within the town as with the exception of a few areas, the whole town is connected to the water borne sewerage system. There is a major problem with the disposal and management of sewerage at Highflats, which is hampering the future growth and development of the town.

TABLE 9: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF TOILET FACILITIES

Type of Toilet Facilities	Census 2001	Community Survey 2007
Flush toilet (connected to sewerage system)	8.8	13.2
Flush toilet (with septic tank)	3.1	0.7
Dry toilet facility	-	12.1
Chemical toilet	4.0	22.0
Pit latrine with ventilation (VIP)	9.4	39.7
Pit latrine without ventilation	59.9	0.5
Bucket latrine	2.5	-
None	12.3	11.7
Total	100	100

Source: Stats S A. Community Survey: 2007

Figure 6: Distribution of Households by type of Toilet Facilities



Within UBuhlebezwe flush toilets connected to a sewerage system increased from 8, 8% in 2001 to 13, 2% in 2007. Chemical toilets increased from 4% in 2001 to 22% in 2007. Pit latrines with VIP increased from 9, 4% in 2001 to 39, 7% in 2007.

5.2 Waste Management

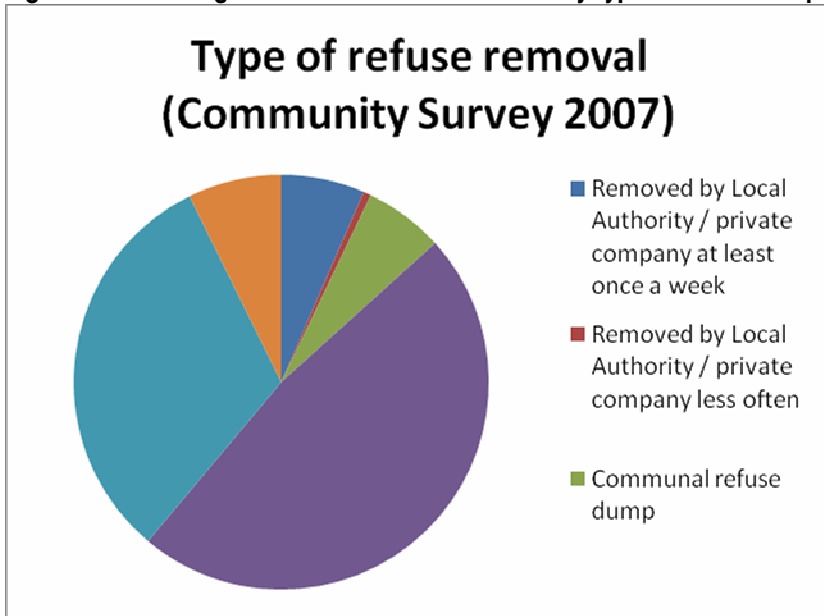
Domestic refuse in Ixopo is collected once a week in all areas by the municipality and is not considered to be a problem. Commercial refuse is collected twice a week. Ixopo currently has no solid waste site. All the waste is currently transferred to UMzimkhulu Municipality's dumping site according to the arrangement between the two municipalities. At Highflats, the location of the current waste disposal site is considered inappropriate. The Municipality is in the process of acquiring land for the establishment of a new landfill site.

Table 10: Percentage distribution of Households by type of Refuse Disposal

Type of refuse disposal	Census 2001 (%)	Community Survey 2007 (%)
Removed by Local Authority / private company at least once a week	10.2	6.5
Removed by Local Authority / private company less often	0.6	0.6
Communal refuse dump	0.6	6.2
Own refuse dump	76.5	47.8
No rubbish disposal	12.1	31.6
Other	-	7.3
Total	100	100

Source: Stats S A. Community Survey; 2007

Figure 7: Percentage distribution of Households by type of Refuse Disposal



Based on the Community Survey 2007, only 6.5% of households have access to refuse removal from the local authority or a private company at least once a week. 47, 8% of households use their own refuse dump and 31, 6% have no refuse removal. Refuse removal by the local authority is restricted to the urban areas. It is therefore crucial for the municipality to extend its refuse removal collection in those areas which are not serviced.

5.3 Electricity

Electricity in the UBuhlebezwe area is supplied by ESKOM. Most of the households in rural areas have inadequate access to electricity. Other alternative sources of energy such as candles; paraffin, coal etc are utilized by households without access to electricity. The lack of access to electricity is attributed to inadequate bulk supply, poor access to areas due to topography and insufficient funding. ESKOM has informed the Municipality that it is not capable of providing the electricity requirements to the new applicants in rural areas. The existing power stations have reached maximum capacity. There is however, a plan to construct a power station in Kenterton which will serve most of the area falling under UBuhlebezwe.

The Municipality has an agreement with ESKOM with regard to provision of free basic electricity. Eskom submit monthly statements to the municipality for payment e of electricity tokens for indigent people. The municipality also supply gel fuel to those areas that does not have access to electricity

Table 11: Percentage of Households using electricity for Lighting, Cooking and Heating

Lighting (%)		Cooking (%)		Heating (%)	
Census 2001	Community Survey 2007	Census 2001	Community Survey 2007	Census 2001	Community Survey 2007
26.1	45.6	12.7	26.5	12.0	22.9

Source: Stats S A. Community Survey; 2007

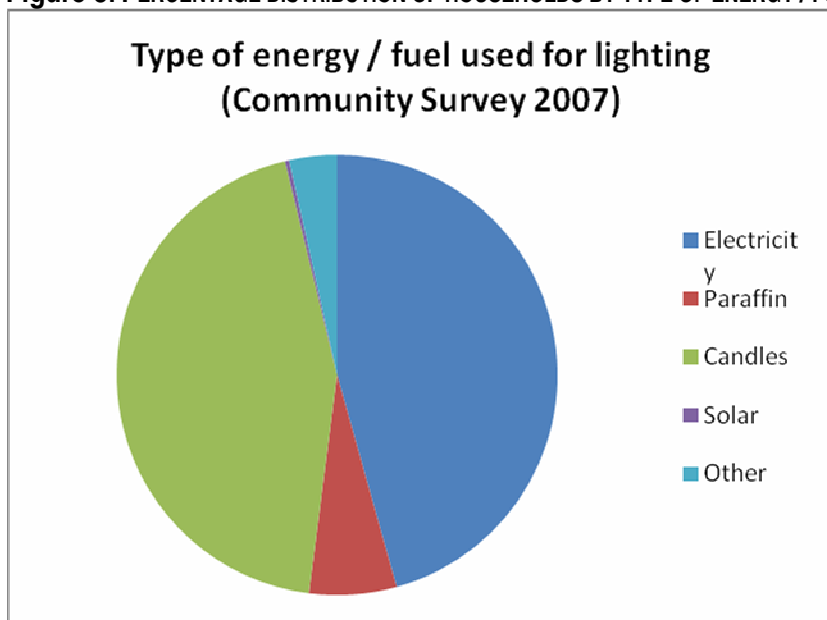
Access to electricity has increased throughout UBuhlebezwe between 2001 and 2007.

TABLE 12: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF ENERGY / FUEL USED FOR LIGHTING

Type of energy / fuel used for lighting	Census 2001 (%)	Community Survey 2007 (%)
Electricity	26.1	45.6
Gas	0.4	-
Paraffin	6.8	6.4
Candles	65.6	44.1
Solar	0.4	0.3
Other	0.8	3.5
Total	100	100

Source: Stats S A. Community Survey; 2007

Figure 8: PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY TYPE OF ENERGY / FUEL USED FOR LIGHTING



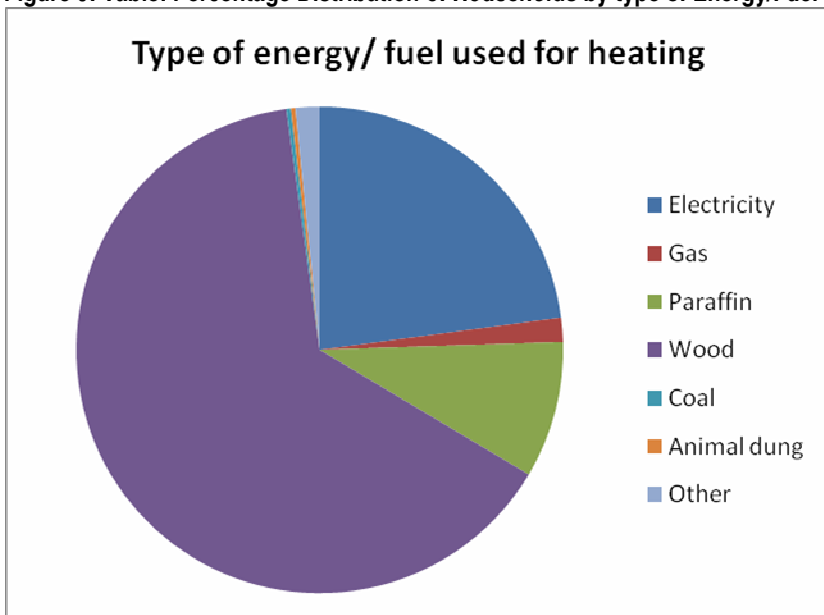
Whilst access to electricity has increased from 26% in 2001 to 45, 6% in 2007, there is still a large reliance on candles for lighting (44, 1% in 2007)

Table 13: Percentage Distribution of Households by type of Energy/Fuel used for heating

Type of energy/ fuel used for heating	Census 2001 (%)	Community Survey 2007 (%)
Electricity	12.0	22.9
Gas	1.0	1.6
Paraffin	6.5	9.1
Wood	76.4	64.3
Coal	0.7	0.3
Animal dung	0.3	0.3
Solar	0.2	-
Other	2.8	1.6
Total	100	100

Source: Stats S A. Community Survey; 2007

Figure 9: Table: Percentage Distribution of Households by type of Energy/Fuel used for heating



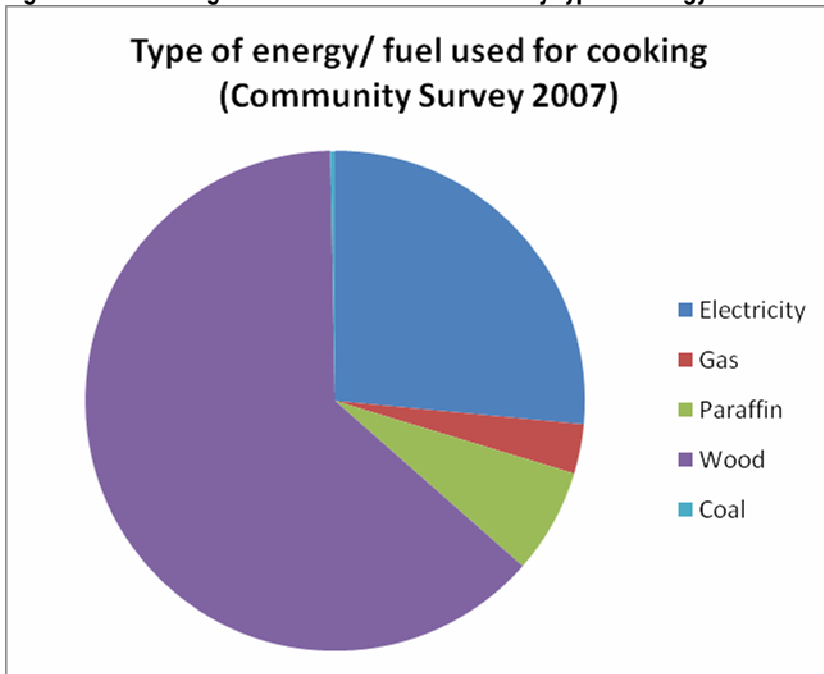
Whilst access to electricity has increased from 12% in 2001 to 22, 9% in 2007, there is still a large reliance on wood for heating (64, 3% in 2007)

Table 14: Percentage Distribution of Households by type of Energy/Fuel Used for cooking

Type of energy/ fuel used for cooking	Census 2001	Community Survey 2007
Electricity	12.7	26.5
Gas	4.0	3.2
Paraffin	11.0	6.8
Wood	70.0	63.2
Coal	0.4	0.3
Animal dung	0.5	-
Solar	0.4	-
Other	1.0	-
Total	100	100

Source: Stats S A. Community Survey; 2007

Figure 10: Percentage Distribution of Households by type of Energy/Fuel Used for cooking



Whilst access to electricity has increased from 12, 7% in 2001 to 26, 5% in 2007, there is still a large reliance on wood for cooking (63, 2% in 2007).

5.4 Transportation

The maintenance of provincial and district roads in the area is a major problem owing to heavy rains and inadequate resources. The Department of Transport has a major depot at Ixopo. There is a rural road upgrading programme which is undertaken in association with the local Transport Forum. Most of the roads in Ixopo are of a satisfactory standard and are maintained by the municipality. While the access roads to rural settlements in UBuhlebezwe are maintained by the Provincial Department of Transport and are generally in a reasonable state of repair, the internal roads are generally in a poor condition. The Department is focussing its budget on upgrading Community Access Roads.

5.5 Land and Housing

5.5.1 Housing

The Department of Housing and the UBuhlebezwe Municipality have established a Housing Forum to ensure that housing projects are coordinated and obtain the support of the Municipality and other role-players. All Housing applications are required to have the approval of the Municipality. The Municipality has prepared the Housing Sector Plan to assist in the delivery of housing. The following information has been extracted from the Housing Sector Plan.

Current Housing Demand

UBuhlebezwe as a responsible local municipality acts as a developer in all housing delivery projects within its area of jurisdiction. The analysis report indicates that housing delivery could be used as a means to deliver basic services such as water and sanitation to rural communities. Current focus is on slums clearance in Ixopo Town, Highflats and rural Housing in Traditional Authority Areas. In 3.2 Table reflects the number of households that resides in informal settlements within the Ixopo area only. There are six projects currently in progress. One of these projects is (Fairview) which has catered for some of the backlog in the Ixopo Area; slums clearance (Ithubalethu Extension 1 Low Cost Housing Project) and a Rural In-Situ upgrade (Mahehle Housing Project Phase 1, Sangcwaba Rural Housing Project and Sponya Rural Housing Project), and Mziki – Agri Village Housing Project which will cater for s housing need and an agricultural need for the area of Springvale.

Rental Stock: Ixopo being the seat of the District Municipality has resulted in the influx of sector departments and other related organs of state and personnel from other areas. The result is that rental accommodation in Ixopo has become scarce in recent years to the extent that landlords are exploiting the situation by charging exorbitant rentals for sub-standard accommodation. Municipal Rental Stock will go a long way to alleviate the great shortage of rental accommodation.

Housing Backlog

The Stats SA Census 2001 data will be used to reflect the housing backlog within the UBuhlebezwe municipal area in absence of a recent survey/waiting list. However, an informal settlement survey was carried out in 2006 and will be used for information on slums clearance [refer to 4.2.].

Municipality	Traditional dwellings/huts/structure made of traditional materials	House/flat/room in back yard	Informal dwelling/shack in back yard	Informal dwelling/shack NOT in back yard	TOTAL BACKLOG
UBuhlebezwe	15 124	263	506	733	16 626

Informal Settlement Backlog

There being no reliable statistics available, the Housing Section undertook to register all informal settlements in and around the Ixopo area. Community members were utilized in this project which cost the Municipality R 5400, 00 for 15 persons over a period of 6 days. The focus of the exercise was the actual occupants are not the shack owners.

a) Number of Areas Marked

1.	Chocolate City	230
2.	Shayamoya	340
3.	Draai Hoek	147
4.	Morningview	183
5.	Fairview	325
6.	Railway	91
Total		1316 (+- 5%)

b) These statistics inform the slums clearance project of the municipality. The Ithubalethu Extension 1 Low Cost Housing Project will only partially address this problem. The below table is a breakdown of a) above.

KEY DEMOGRAPHIC INFORMATION	
Total number of doors marked	1316
Total number of children under 18	410
Total number of children under 12	1556
Total number of housing beneficiaries	1916
Average household income	1476
Females over 18	1013
Males over 18	903
Employed	752
Unemployed	1164

Approximately 2000 potential housing beneficiaries in the informal settlements in Ixopo have been identified.

The informal settlement backlog in 4.2 a) and b) is being addressed in the Ixopo Slums Clearance project which will cater for 2000 beneficiaries. In the Highflats area, a new housing project i.e. Highflats Slums Clearance project will cater for the informal settlement need which will eradicate all slums backlog.

Current Housing Situation

PROJECT	WARD	FUNDING			TIME FRAME		Status
		Estimate	Budgeted	Complete	Source	Start	
Fairview	4	R18,5 mil	R18,5 mil	2007	DOH	1995	Close out
Ithubalethu Extension 1 Low Cost Housing Project	4	R16,0 mil		2009	DOH	2006	Conditional approval received 3 July 07, working towards final approval
Mahehle	1	R30 mil		2007	DOH	2004	Close-out stage
Mziki Agri-Village	9	R15 mil	R15 mil	2008	DOH	2004	Top structures are being constructed
Sangcwaba	5	880	R33 million	2010	DOH	2007	Stage 1 Rural Application approved by MEC.
Sponya	7	800	48 million	2011	DOH	2007	Stage 1 Rural Approval Application HEHAC 2008/05/29
Highflats Slums Clearance	9	500	30 million		DOH	2008	IA appointed. IA instructed to commence with clearing of 5 key risk areas.
Mahehle Phase 2	1	1000	60 million		DOH	2008	Awaiting formalization of land negotiations. All other key risk area current and complete.
Fairview Rectification Works	4	765			DOH	2007	IA Not performing as per to Terms of Reference.

Planned Housing Projects

The following housing projects have been planned for the next five years viz. 2008/09, 09/10, 10/11, 11/12, 2012/13.

No	Project	Ward	Sites	Estimated	Budgeted	Implementation	Status
12	Ixopo Slums	4	2000	120 million	Yes	2009	Department of Land Affairs and the Municipality in the process of land negotiations.
13.	Ehlanzeni	4	260	15 million	Yes	2009	Awaiting DLA to finalise the land restitution. Municipality need to re-advertise the Project as the IA went bankrupt and is now trading new company. This in is not in line with Supply Chain Management Policy.
14.	Hopewell	2	200	7 million	No	2010	DLA has commenced with land negotiations.
15.	Rental Stock	2	40	1 million	No	2009	Municipality has formally requested DOH's assistance. Municipality still awaiting DOH reply.
16.	Carisbrooke	1	350	13 million	No	2010	Landis restituted.

							Municipality to place an advertisement for project packaging.
17.	Nokweja	2	500	30 million	No	2010	Farm owners have indicated willingness to commence with land negotiations.
18.	Kwathathani Rural Housing Project	10	750	45 million	No	2010	Blocked Project
19.	Mfulomubi Rural Housing Project	8	750	45 million	No	2010	Blocked Project

Integration with other sectors

In terms of the IDP, Ixopo and Highflats projects are situated in the nodal corridors of development. They are well serviced by district nodes and are sustainable. The planned housing projects will be supported by clinics, schools, crèches, recreational facilities and are within reach of amenities.

Performance Management

The current housing projects thus far have been progressing at a steady and progressive pace. However projects are often delayed by the Department of Housing project approval process and conclusion of agreements between various role-players. Performance is impacted by the delays experienced in the housing delivery process viz. project approvals. Also, problems experienced by the District Municipality in the provision of bulk services.

The Department of Housing and the UBuhlebezwe Municipality have established a Housing Forum to ensure that housing projects are co-ordinated and have the support of the Municipality and other role-players.

Strategies for land and housing

Although a proportion of the low-income housing requirements have been addressed, there is a need for additional land over the next five to ten years. Rural housing applications and slum clearance applications need to be identified and prioritized. The social and physical facilities of previously disadvantaged areas need to be upgraded to improve the standard of living of residents. With the changing environment, there will be a need to improve the consideration and approval of development applications. The UBuhlebezwe Council will consider development applications from the entire

Municipality area in the future. In this regard and in order to address the key spatial issues there is a need to prepare a Land Use Management Plan (LUMS) for the entire municipal area in view of ward boundaries being changed. The Department of Land Affairs is also a key stakeholder in acquisition of land for housing development.

5.5.2 Land reform

The Department of Land Affairs is responsible for funding land reform projects. A District Coordinating Committee has been formed between the UBuhlebezwe Municipality, the Department of Land Affairs and the District Council. There is an active land reform programme operating in UBuhlebezwe in terms of restitution, redistribution and tenure reform. A Land Development Plan has been developed for the Sisonke District and recommendations are incorporated into the IDP.

2008 / 2009

NO	PROPERTY	MOTIVATION
1.	Mhlabashana Private Farms	Properties along road P68 are both tenanted and idle. The communities on these properties are potential beneficiaries of housing and agricultural support for sustainable rural development.
2.	Hlokozi Private Farms	The acquisition and of property in this community will provide opportunity to the tenants and general community in agriculture and general local economic development. Economic development will facilitate the provision of other services and subsidies to the community of Hlokozi.
3.	St. Michaels Church Lands	Agriculture and LED
4.	Nokwejha Private Farms	Bordering the UMzimkhulu River the area of Nokwejha is interspaced and neighboured by vibrant commercial farms which may be replicated in the Nokwejha area. Trans-border tourism is in planning due to the high potential of this enterprise in that area. The UMzimkhulu Citrus Pack house is in need of additional citrus production to increase its cost effectiveness. The Eastern Cape of Mtatha is a huge market for agricultural produce.

2009 / 2010

NO	PROPERTY	MOTIVATION
1.	Ncakubane Private Farms	Housing and agriculture
2.	Mazabeko Private Farms	Housing and agriculture
3.	Mahehle Housing Proj Phase 3	Private property adjoining phases 1 & 2
4.	Nhlamvini Private Farms	Housing, agriculture, ecotourism, LED

2010 / 2011

NO	PROPERTY	AGRICULTURE
1.	Craigieburn South	Extension of Ixopo Town Planning Scheme to extend commercial and industrial area.
2.	Craigieburn North	Commercial agriculture for co-ops and general job creation.
3.	Portion of Wolseley (Allwood)	Commercial agriculture for co-ops and general job creation.
4.	Portion of Whitehalls 5151 (Biggs)	Commercial timber and agriculture for co-ops and general job creation.

2011 / 2012

NO	PROPERTY	MOTIVATION
1.	Portion of Home Farm (Umgeni Water)	Extension of Ixopo Town Planning Scheme for residential purposes, co-op agriculture, recreation & tourism, LED and skills training facilities.

5.6 SUMMARY OF BACKLOGS

The Municipality will be using the following data to measure the backlogs. The Municipality is mindful of the fact that this information is old it might not reflect the current situation as far as backlogs. The municipality does not have any source of information the stage .Stats S A data is the only reliable information that is available at this stage; however funding will be sourced to prepare the Municipal infrastructure Plan. Over and above that the SDM is in process of undertaking the Backlog study for the entire District. The SDM is in the process of finalizing District Wide Electrification Plan. The Backlog Report is attached as Annexure F.

Table: Summary of Backlogs information

Services	With Access %	Without Access (%)
Water	40.8%	59.2%
Sanitation	77.2%	22.8%
Electricity	45%	55%
Refuse Removal	10.8%	82.2%
Housing		

Source: Stats S A: Community Survey 2007

5.7 Expanded Publics Works Programme

The District municipality is responsible for coordinating the implementation of the EPWP in the entire. The UBuhlebezwe municipality utilise the EPWP guidelines in the implementation of MIG projects.

The following infrastructure challenges impact on the future development of UBuhlebezwe Municipality and need to be taken forward in the IDP process:

- Rural areas are severely affected by a lack of basic services and continued service delivery backlogs.
- 59% of the population still do not have access to clean water and obtain water from rivers and streams. This poses a health risk with further implications regarding the provision of social services.
- The urban areas have proper water borne sanitation systems, but rural areas rely on pit latrines or no system at all.
- Refuse removal is limited to the rural areas. The municipality does not have a landfill site.
- The majority of urban households have access to household electricity. Very few rural settlements have access to electricity.

6. FINANCIAL ANALYSIS

A snapshot of the Municipal trading period of seven months is indicative of a Municipality that is Grant dependent. Although the Municipality has a moderate Rates Base, the income from Rates does not constitute a significant revenue stream. The Municipality has an agreement with the Department of Transport and generates a good proportion of its revenue from Driver License and Motor vehicle Testing. The other source of revenue is the provision of a refuse service; however this service does not generate sufficient revenue for sustainability. The Municipality does not provide a Water and Electricity Service, hence there is no leverage for the recovery of outstanding debt.

The Implementation of the Municipal Property Act commencing in July 2009, will see a change in the number of property owners being billed for property taxes, however discounting the emergence of many Indigents, this would not constitute a significant move away from the Municipalities dependency.

Employee costs represents approximately 36 % of the total General Expenses, however a back-pay to Councillors for remuneration will see a shift in this percentage. An objection raised by organized labour has prevented the Municipality from implementing the job evaluation exercise completed in 2006. The influence of the job evaluation could also see the Municipality reflecting a change in the percentage of employee costs to total general expenses.

The Municipality has over a number of years built up a significant Investment profile, however this resource remains untapped. The Municipality has three Low Cost Housing developments and transfers of ownership of these houses could impact on the revenue base of the Municipality.

The Capital programme of the Municipality is funded from the Municipal Infrastructure Grant (MIG) and a number of projects have been registered and it is envisaged that 100% expenditure will be achieved on this MIG Grant.

AUDITOR-GENERAL'S REPORT AND MUNICIPAL RESPONSE

The Auditor General has completed the statutory audit of the Council's books for the 2008 financial year in terms of section 188 of the Constitution read with section 4 of the Public Audit Act 25/2004 and section 123(3) of the Municipal Finance Management Act 56/2003.

In his report dated 30 June 2008, the Auditor General expresses his opinion on the Council's affairs and raises certain issues that require management and Council's comments. The opinion is qualified.

The report covered the following:

Responsibility of the accounting officer for the financial statements

1. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act, 2007 (Act No.1 of 2007) (DoRA). This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. The Auditor-General conducted audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that the Auditor-General comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. The Auditor-General believes that the audit evidence obtained is sufficient and appropriate to provide a basis for his audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity-specific basis of accounting as set out in accounting policy note 1.

Basis for qualified opinion

Debtors

9. In terms of the accounting policy contributions should be made to the bad debt provision on debtors which are outstanding for more than 90 days. At year-end debtors over 90 days amounted to R5, 1 million, whilst the provision for bad debts amounted to R2,7 million. As a result expenditure was understated and debtors overstated by R2, 3 million.

10. Through third party confirmation it was established that the Sisonke District Municipality owed an amount of R544 218 to UBuhlebezwe Municipality. The amount has not been raised as a debtor in the municipality's books. Consequently, debtors and accumulated surplus is understated by R544 218.

Taxes and Vat

11. The municipality did not prepare reconciliations on VAT accounts on a monthly basis in order to comply with the provisions of the Value-Added Tax Act, 1991 (Act No. 89 of 1991). Furthermore, not all the VAT 201's were available and many deficiencies in the VAT records could not be explained. Consequently, I did not obtain sufficient and appropriate evidence to satisfy myself regarding the accuracy, existence and completeness of the VAT balance totalling R359 126.

Revenue

12. Rental contracts for municipal properties were not available. I was unable to perform alternative procedures as these contracts formed the base of the calculations of this revenue.

Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself regarding the accuracy and completeness of rental income of R356 224.

Accumulated surplus and appropriation account

13. An un-reconciled difference of R3 513 553 in the accumulated surplus account could not be substantiated. As a result the accuracy and completeness of the accumulated surplus of R5 562 191 as reflected in the balance sheet and the opening appropriation of R5 509 879 as reflected in the income statement could not be confirmed.

Qualified opinion

14. In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the matters described in the Basis for qualified opinion paragraphs, the financial statements of the UBuhlebezwe Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 to the financial statements and in the manner required by the MFMA and DORA.

Emphasis of matters

I draw attention to the following matter:

Highlighting critically important matters

15. As disclosed in note 29 to the financial statements, unauthorised expenditure to the amount of R3 562 720 was incurred in respect of overspending on conditional grants.

16. In 2005-06 it was reported that irregular expenditure of R2,3 million had been incurred. During the 2007-08 audit it was noted that section 32(2) and (4) of the MFMA had not been complied with in resolving this matter and bringing it to finality.

OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Internal control

17. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and
 18. Maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Debtors	□		□		□
Revenue	□		□		□
Accumulated surplus/ Appropriation account	□		□	□	□

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

Non-compliance with applicable legislation

18. Municipal Finance Management, 2003 (Act No. 56 of 2003)

- A risk assessment and a fraud prevention plan were not in place, as required by section 62(1)(c) of the MFMA

19. Municipal Systems Act, 2000 (Act No. 32 of 2000)

Councillors and staff members did not declare their business interest as required by the code of conduct of councillors and municipal staff members as contained in schedules 1 and 2 of the MSA.

20. Division of Revenue Act, 2007 (Act No 1 of 2007)

- The municipality did not submit any reports required for the period ending 30 June 2008.

Matters of governance

21. The MFMA tasks of the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.		<input type="checkbox"/>
• The audit committee operates in accordance with approved, written terms of reference.		<input type="checkbox"/>
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		<input type="checkbox"/>
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.		<input type="checkbox"/>
• The internal audit function operates in terms of an approved internal audit plan.		<input type="checkbox"/>
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		<input type="checkbox"/>
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	<input type="checkbox"/>	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		<input type="checkbox"/>
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		<input type="checkbox"/>
• The prior year's external audit recommendations have been substantially implemented.		<input type="checkbox"/>
• The Provincial SCOPA resolutions have been substantially implemented.		<input type="checkbox"/>
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards		<input type="checkbox"/>

Matter of governance	Yes	No
full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.		
<ul style="list-style-type: none"> The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP. 		<input type="checkbox"/>
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. 		<input type="checkbox"/>

Unaudited supplementary schedules

22. The supplementary information set out in appendix A to F does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

23. I was engaged to audit the performance information.

Responsibility of the accounting officer

24. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

25. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

26. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

27. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Performance information not received in time

28. The municipality did not submit the annual performance report as required by section 46 of the MSA. Consequently the municipality's performance against any measurable performance objectives was not audited, as required by section 45(b) of the MSA at date of my report.

MUNICIPALITY'S RESPONSE

In response to the matters raised by the Auditor General, management has responded as follows. This was submitted to Council for consideration and was approved for inclusion in the Annual Report 2007/8 of the Council.

AUDIT ISSUE	MUNICIPALITY'S RESPONSE
Paragraphs 9 and 10, Debtors	<p>The total outstanding debtors figure represents both rates and service charges and as rates is a charge against the property concerned it is in our view not necessary to create a 100% bad debt provision for these debts. The provision raised is realistically based on service charge debts that are in excess of 90 days old and that could possibly be considered as irrecoverable. The provision is deemed adequate under these circumstances and will be revisited again during the current financial year.</p> <p>The amount of R 544 218 has not been raised in the books of the Council as a debtor as when the assets and liabilities were transferred out of the books of the Council to the District Council no such debtor figure was raised as a consequence of the transfer transactions. It may be that the District Council was indebted to this Council by the transfer of assets and liabilities from the District to the municipality. The transfer transactions between the two parties will be revisited with a view to determining any debt or liability between the parties and if any does exist these will be raised in the books of the Council during the current financial year.</p>
Paragraph 11, Taxes and VAT	<p>The VAT201 returns and control accounts are currently being reviewed and reconciled with a view to ensure that they have been correctly completed and filed. A full VAT training session that will include the necessary processes and procedures required to properly compile returns is also being planned for implementation shortly. The purpose of this exercise is to ensure that the VAT control accounts are correctly reconciled and that the VAT201 returns are timeously filed in the future.</p>
Paragraph 12, Revenue	<p>The rental agreements or copies thereof are being located and these will be made available to audit in the current financial year.</p>
Paragraph 13, Accumulated surplus and appropriation account	<p>A full working paper of all transactions processed through the appropriation account resulting in the balance as reflected in the annual financial statements is available and this will be properly analyzed and detailed for audit purposes and produced to audit in the current financial year.</p>
Paragraph 15 and 16, Highlighting critically important matters	<p>The overspending of R 3 562 720 on conditional grants was the result of inadequate planning and poor budgeting procedures and the additional capital spending was funded from internal funds as the projects were completed and delivered according to the specifications of the Council which inevitably will lead to improved service delivery. Plans and procedures are being put into place to prevent a re-occurrence of overspending on projects.</p> <p>The irregular expenditure of R 2,3 million reported on in the 2005/2006 financial year is still currently under investigation and once fully completed the Council intends invoking</p>

	the provisions of section 32(2) and (4) of the MFMA 56/2003. Legal advice on certain issues also needs to be considered and these are being obtained.
Paragraph 17, Internal controls	The Council is in the process of establishing and improving all internal control mechanisms with a view to ensuring that risks are minimized and fraud is prevented.
Paragraphs 18 to 20, Non compliance with applicable legislation	<p>A risk assessment and fraud prevention plan will be formulated and produced to Council during the current financial year for approval and implementation.</p> <p>The Municipal Manager will ensure that the corporate services department issues the necessary declarations for return to all staff and councillors in terms of schedules 1 and 2 of the MSA 32/2000. The results of these returns will be available to audit in the current financial year.</p> <p>The returns and reports required to be submitted in terms of the Division of Revenue Act are being obtained and incorporated into the Council's treasury work flow and procedure manuals in an effort to ensure that they are completed and submitted as required.</p>
Paragraph 21, Matters of governance	<p>Audit Committee – The Council is currently investigating the possibility of co-opting onto the district audit committee appointed by the Sisonke District Municipality as establishing an independent and separate committee would not be affordable and cost effective. Agreements and deliberations regarding this matter are being pursued.</p> <p>Internal Audit – The same comments as the audit committee apply to the establishment of an internal audit function. Cost sharing is the most viable option available to the Council.</p> <p>Other matters of governance – The annual report will in future be submitted to the Auditor General for prior consideration and the Council intends fully capacitating all staff in matters of governance</p> <p>ce in order to comply with all applicable legislation. Staff turnovers and available training courses and materials are a restriction but the Council intends pursuing all options available..</p> <p>Implementation of standards of Generally Recognized Accounting Practice (GRAP) – As a low capacity municipality the Council is only required to implement the GRAP standards with effect from the 2009/2010 financial year and has now prepared a conversion plan accordingly and has submitted the same to National Treasury for information. A detailed implementation plan detailing further progress towards full compliance with GRAP is being finalized and will also be submitted to National Treasury as required.</p>

Points not included in the response are for noting.

SWOT ANALYSIS

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Most parts of the municipal area have high agricultural potential. • Raw materials and labour are abundantly available • Processing of the raw materials leads to the creation of industries and markets • Strategically located along the R56 and R612. • Large blue swallow Bird Community. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Backlog in the provision of infrastructure • Dilapidated infrastructure that requires upgrading and refurbishment. • Inadequate social and cultural amenities. • Businesses are dependent on local markets – little inflow of capital from outside and this restricts businesses from expanding. • Lack of professional service providers • Lack of industries
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • The strategic location of Ixopo Town provides for the possible location of economic development opportunities. • According to the PSEDS the town is located along a secondary corridor which serves areas of high poverty levels with good economic development potential. <ul style="list-style-type: none"> • Commercial Agriculture well developed. • Tourism Potential in terms of Sites with historical significance and tourist assets available in the municipal area. 	<p>THREATS</p> <ul style="list-style-type: none"> • Changes in market forces: the global and regional markets are influenced by a range of issues which are not controlled by the local arena. These issues include the supply and demand for commodities, exchange rate, etc. • Lack of any substantial economic activity in the majority of the areas of the Municipality. • Challenges in attracting economic opportunities in the urban area. • Management of various risks inclusive of investors, environment, agriculture etc • Lack of entrepreneurial development opportunities • Unregulated informal Sector • Limited water resources • Lack of Housing in the Ixopo area. • Low skill levels of emerging farmers • Natural disasters

SECTION C: DEVELOPMENT STRATEGIES

1 Accelerated Shared Growth Initiative for South Africa

The national vision for economic development and growth is outlined in the Accelerated Shared growth Initiative for South Africa (AsgiSA). It acknowledges that the goal of reducing unemployment to below 15% and halving the poverty rate to less than one-sixth of households by 2014 will not be achieved without sustained and strategic economic leadership from government, and effective partnerships between government and stakeholders such as labour and business. It commits the government between 2005 and 2009 to seeking an annual growth rate that averages 4,5% or higher as the first phase. In the second phase, between 2010 and 2014, it seeks to achieve an average growth rate of at least 6% of gross domestic product (GDP).

In addition to these growth rates, social objectives require the government to improve the environment and opportunities for more labour-absorbing economic activities. More broadly, there is a need to ensure that the fruits of growth are shared in such a way that poverty comes as close as possible to being eliminated, and that the severe inequalities that still plague the country are further reduced.

2 National Spatial Development Plan

The NSDP uses the concept of 'potential' as one of two methodological tools for distinguishing between localities. The other is the poverty gap weighted by the population to provide a poverty volume per locality. In using these two tools, the NSDP recognizes that they can only provide coarse-grained analysis from a national perspective of a locality's potential (and volume of poverty) and that this national perspective will be supplemented by a more finely grained analysis at Provincial and Local Government level. The four principles of the NSDP are as follows:

- Economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), should therefore be focused on localities of economic growth and/or economic potential in order to attract Private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Efforts to address past and current social inequalities should focus on people not places. In localities where there are both high levels of poverty and development potential, this could include fixed capital investment beyond basic services to exploit the potential of those localities. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence. This will enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- In order to overcome the spatial distortions of apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres.

3 Provincial Context: PGDS and PSEDS

The Provincial Growth and Development Strategy was developed in the late 1990s and has since been overtaken by a number of initiatives and events. A process towards the introduction of a Provincial Spatial Economic Development Strategy as a Provincial translation of the National Spatial Development Plan suggests that there is emerging consensus that the new PGDS should rest on the following pillars:

- Increasing investment in the Province
- Skills and capacity building
- Broadening participation in the economy.
- Increasing competitiveness

It identifies agriculture, industry, tourism and service sectors as the main drivers of the Provincial economy and opportunities for addressing unemployment and poverty. UBuhlebezwe is located with a generally agricultural region with opportunities for tourism. It is located along a secondary and agriculture corridor which serves areas of high poverty levels with good economic development potential and has been identified as an area that should be developed for agricultural service and agri-processing centres.

(Source: UBuhlebezwe Local Economic Development Strategy – 2008)

4. UBULEBEZWE STRATEGIC FRAMEWORK

VISION

“To improve the quality of life of all its citizens by providing basic affordable services, a safe and healthy environment, eradication of poverty and maintaining the scenic beauty of this land.”

MISSION STATEMENT

UBUHLEBEZWE MUNICIPALITY WILL STRIVE TO DELIVER AN APPROPRIATE LEVEL OF SERVICE TO ALL OUR CITIZENS BY THE YEAR 2015 AND ALLEVIATE POVERTY BY PROMOTING SUSTAINABLE DEVELOPMENT WHILST PROVIDING GOOD GOVERNANCE AND BEING TRANSPARENT AND ACCOUNTABLE TO THE PUBLIC

THEME - “THINA SINGABENU

Democracy as envisaged in the constitution and the Bill of Rights is about Governance based on COMMUNITY PARTICIPATION at all Spheres of Government. To this end, the Municipal Council of UBuhlebezwe has resolved that it is the means by which the aspirations of its citizens will be achieved.

“Thina Singabenu” (We are yours) is the theme by which the Municipality will embrace its citizens and give assurance that the Municipal Council is AVAILABLE & ACCOMODATIVE to all its Citizens.

DEVELOPMENT STRATEGIES

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Objectives	Strategies	KPIs	Programmes and / or Projects	Responsibility	Target dates for inputs
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To improve the performance and functioning of the municipality	-implement a performance management system within the municipality	- Fully functional OPMS	-development of OPMS framework	IDP/PMS Manager/Municipal Manager	January 2010	
			- develop an organizational scorecard - develop SDBIP	IDP/PMS Manager/Municipal Manager	January 2010	
		Approved and Adopted policies.	Reviewing and adoption of Human Resource critical policies	HR/Director: Corporate Services	Nov.2009	
			- Workshop Councillors and staff on policies.	Director: Corporate Services Department	November 2009	
		Adopted Human Resource Strategy	Draft Human Resource strategy	Director :Corporate Services	November 2009	
		Adopted Employee Assistance Programme	Develop EAP	Director Corporate Services	November 2009	
		Adopted Bylaws	Publish bylaws in Govt.Gazettee	Director: Corporate Services Department	October 2009	
		-improve records management system	- Approved registry policy and procedure manual	-develop registry procedure manual		November 2009
				Appoint service provider to improve the system		September 2009
				- Organize and workshop all staff on registry procedure		November 2009
				Train registry staff	Director: Corporate Services Department.	November 2009
				Proper filling systems	Acquire proper filling cabinets	Director: Corporate Services
		Reviewed organizational Structure	-align organogram with the powers and functions of the municipality.	Director: Corporate services	July 2009	
			-align organogram with the IDP.	Director: Corporate Services Department	July 2009	
			-Identification and filling of critical posts.		June 2009	

KPA 2: SOCIAL AND LOCAL ECONOMIC DEVELOPMENT

Objectives	Strategies	KPIs	Programmes and / or Projects	Responsibility	Target dates for inputs		
1.Promote the growth of appropriate tourism and economic activity within UBuhlebezwe	- Prepare a Local Economic Development & Regeneration Plan for UBuhlebezwe	- Approved LED Strategy	-Review and adopt the existing LED Strategy	-LED /Director Community Services	December 2009		
			-Establishment of LED committee	LED/Director Community Services	December 2009		
		-Approved Regeneration strategy	-Appointment of Service Provider	IDP Manager	December 2009		
			Prepare Regeneration strategy	IDP Manager	December 2009		
			-Develop partnerships with private and public development bodies	-Fully fledged active LED Forum	-Stakeholder mobilization	-LED/Director: Community Services Manager	December 2009
	-Engagement with Department of Economic Development	LED/Director: Community Services			January 2009		
	-Formalization of formal and informal traders association	LED / Director: Community Services		December 2009			
	2. Promote the growth of appropriate, economic agricultural activity within UBuhlebezwe	- Investigate alternate strategies for economic agricultural growth		Approved LED Strategy	- Review and adopt the existing LED Strategy	Director community Services	December 2009
					-Establishment of LED committee	Director Community Services	December 2009
	-Develop partnerships with private and public development bodies	-Fully fledged active LED Forum	-Stakeholder mobilization	-Engagement		December 2009	

3. Promote a peaceful area where people will want to live and invest.	-Improve Safety and Security	with Department of Agriculture and Environmental Affairs	-Formalization of formal and informal traders association	Director Community Services	December 2009
		Partner with SAPS on crime prevention		Director Community Services	December 2009
	-Promote Social Crime Prevention	Attend CPF meetings		Director: Community services	December 2009

KPA 3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Objectives	Strategies	KPIs	Programmes and / or Projects	Responsibility	Target dates for inputs
1. Ensure that all sectors of the community have access to an adequate, reliable and affordable potable water supply.	-Develop partnership and facilitate integrated planning with the District in order to promote the needs of the community in terms of water.		Provide inputs to the WSDP review through participation in the SDM Water and Infrastructure Committee	Director :Technical Services	December 2009
			Participation of Technical Dept. in the Integrated Development Forum.	Director: Technical Services	December 2009
	- Engage with the community through ward committees to assess their needs in terms of water		Participate in the public participation processes	Director Technical Services	December 2009
2.Promote water	- Promote public		Develop	Director: Technical Services	December 2009

conservation in the municipality	awareness with respect to water conservation.		partnership with SDM and DWAF to create awareness		
3. Facilitate effective sanitation systems at schools and within the rural settlements.	Develop partnership and facilitate integrated planning with the District and Department of Education in order to promote the needs of schools and the community in terms of sanitation			Director :Technical Services	
To ensure that adequate access roads are provided to the key centres	Maintenance and upgrading of existing roads		Develop maintenance plan	Director: Technical Services	
Improve electrification in the municipality.	Develop partnership and facilitate integrated planning with ESKOM in the planning of the electrification	Adopted Energy Master Plan	Extract UBuhlebezwe information from the district wide Electrification Plan and adopt	Director : Technical Services	
Improve waste management in the municipality	Ensure effective waste management is implemented through the municipality	Acquired land	Acquire land for the establishment of a landfill site.	Director: Technical Services	
	Implementing recycling and pollution control measures within the municipality.		Engage with DLA to purchase the land. Forge partnership with DAEA and DoL to train communities on recycling	Director: Technical Services	

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Objectives	Strategies	KPIs	Programmes and / or Projects	Responsibility	Target dates for inputs
1.Promote accountability to the citizens of UBuhlebezwe	- Encourage public participation	-Approved Community Participation Strategy	-Review and adopt Community Participation Strategy	Municipal Manager	December 2009
			-Workshop Councillors and Ward Committees on the Strategy	Director Corporate Services	December 2009
	- Ensure proper communication with the communities to empower them	-Approved Communications Strategy	Implement recommendations of the communications Strategy	Municipal Manager	July 2009
			-Advertise strategy for public comments	Municipal Manager	August 2009
To identify and initiate programme that would improve the provision of social services for all communities within UBuhlebezwe	- Ensure proper functioning of ward committees	Trained ward committees	Train ward committees	Municipal Manager	
	Provide an effective base for the provision of social services throughout the municipality	30% of the total MIG allocation to social facilities	Equal Distribution of social facilities through implementation of MIG Projects.	Director: Technical Services	July 2010
To identify programmes to address HIV/AIDS		Established HIV/AIDS Council	Establish HIV/AIDS council	Municipal Manager	December 2009

KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Objectives	Strategies	KPIs	Programmes and / or Projects	Responsibility	Target dates for inputs
1.Promote financial sustainability	The identification of alternative sources of funding to extend the current income base	Implemented MPRA	Implementation of the MPRA	CFO	July 2009
			Identification of landfill site to enhance revenue for collection of refuse within the municipal area.	CFO	July 2010
			Identification of prime land for sale to developers.	CFO	July 2010
			Enforcement of credit control and debt collection.	CFO	January 2010
			Establishment of the customer care centre for paying of services.	CFO	July 2010
	Source Funds for development, prepare and submit business plans for projects to departments	100% compliance to the MFMA	Submit business plans for projects to sector departments timorously.	CFO	Ongoing
	Adhere to the requirements of the MFMA		Ensure implementation and compliance with the requirements of the MFMA.	CFO	ongoing

SECTION D: OVERVIEW OF THE SPATIAL DEVELOPMENT FRAMEWORK

1. FORMULATION OF A SPATIAL DEVELOPMENT FRAMEWORK:

Spatial = relating to physical space.

Spatial Development Framework = A Spatial Development Framework is a framework that seeks to guide overall spatial distribution of current and desirable land uses within a municipality, in order to give effect to the vision, goals and objectives of the municipal IDP. It is a plan that outlines developmental principles, policies and goals that are applicable in the municipal area in relation to physical space.

A Spatial Development Framework provides a broad indication of where different types of development should take place within the municipal area- in other words it provides a spatial guidance for development. The spatial framework is the structure, which allows for the development of a co-ordinated and integrated economic development strategy to harness and exploit opportunities on a large scale throughout the District Municipality. An important feature of any spatial framework is the system of nodes and corridors.

The Spatial Development concept is based on the following:

- location and accessibility
- population concentrations
- availability of services
- economic opportunities
- consideration for areas of conservation
- consideration of areas that are of historical importance

The formulation of a Spatial Development Framework entails the following steps:

- studying the spatial profile of the municipal area (i.e. the development informants);
- assessing the spatial impact of the various development strategies;
- preparing a Spatial Development Framework Plan.

The purpose of a Spatial Development Framework is to reflect the strategic and policy framework contained in the Integrated Development Plan and to provide a broad spatial guidance for existing and future development and land use.

While the Spatial Framework Plan provides a guideline for future expansion of land uses within the Municipality, it shall not restrict development which, by reason of need or its desirability (in the public interest) can be proven to contribute towards the co-ordinated, sustainable and harmonious development of the area.

In general term, development proposals should seek to meet the following Spatial Guidelines and Principles:

- Promote the integration of social, economic, institutional and physical aspects of land development.
- Promote integrated development in rural and urban areas, and with each other.

- Promote residential and employment opportunities, in close proximity to each other.
- Optimise existing resources.
- Promote diverse combination of land uses.
- Promote compact urban areas and discourage urban sprawl.
- Assist in correcting historically distorted settlement patterns, and optimise the use of existing settlements.
- Encourage environmental sustainability.
- Meet basic needs in an economically and environmentally efficient and sustainable manner.
- Provision must be made for security of tenure and different tenure options.
- Land development should be co-ordinated so as to minimise conflict and stimulate competition.
- There should be a rapid release of land for development.
- The disturbance of eco-systems and loss of bio-diversity must be avoided or at least minimised and remedied.
- Pollution and degradation of the environment is to be avoided, or where they cannot be altogether avoided, minimised and remedied.
- Disturbance of landscapes and sites that constitute the nation's cultural heritage are to be avoided, or where they cannot be altogether avoided, minimised and remedied.

2. DEVELOPMENT INFORMANTS

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

Map 1: Cadastral Base Map

Map 2: Minset

Map 3: C-Plan

Map 4: Agricultural Potential

Map 5: Existing Land Use

Map 6: Sisonke District Municipality SDF

Map 8: Ubuhlebezwe LUMS

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

3. ENVIRONMENTAL CONSIDERATIONS

EKZN Wildlife C-Plan, MinSet, Estuarine, and Transformed/Untransformed Land dataset has influenced the development proposals as contained in the SDF's. Environmental Suitability Toolkit for IDP's in KZN by DAEA was utilized in the formulation of the SDF.

The Municipality needs to undertake Strategic Environmental Assessment, Environmental Management Plan and Environmental Management Framework to ensure environmental sustainability. In the next review the recommendations must be integrated into IDP, SDF and LUMS.

In addition to meeting broad environmental objectives and legal requirements, such initiatives will also ensure that the area retains its attraction as a tourist destination, with obvious benefits to the local economy.

These initiatives will greatly assist in ensuring stability and sustainability in the municipality's economy which in turn will have the positive effect of creating an attractive climate for potential investors.

A further issue which requires attention is to ensure that the broader community understands the benefits of these processes and in order to achieve this, full participation should be ensured from the outset, in the preparation thereof.

4. THE UBUHLEBEZWE SPATIAL DEVELOPMENT FRAMEWORK (see map 7)

Furthermore to the development information provided by the local context, the most appropriate future spatial development pattern is informed by other aspects such as existing land use patterns, population concentrations, availability of services, accessibility, agricultural development potential and environmental considerations. Moreover, the development informants and the various components of the SDF are discussed in more detail in the subsequent sub-headings, therefore the following overview of the Spatial Development Framework should be read in conjunction with the SDF map (map7).

The Provincial Spatial Economic Development Strategy has been developed in order to achieve the objectives of ASGISA within the framework of the NSDP and the PGDS. The Provincial Spatial Economic Development Strategy (PSEDS) sets out to:

- Focus where government directs its investment and development initiatives to ensure sustainable and maximum impact (Massification)
- Capitalise on complementarities and facilitate consistent and focused decision making
- Act as a tool to help government to move beyond mere focusing on integration & coordination procedures to establishing processes & mechanisms to bring about strategic coordination, interaction and alignment.

Both the NSDP and PGDS recognise that social and economic development is never evenly distributed and spatial disparities will always exist due to the spatial distribution of natural resources, historical imperatives and cultural factors. These spatial disparities have been aggravated by apartheid spatial planning. This has resulted in a disjuncture between where people live and where social and economic opportunities are concentrated. This spatial marginalization from economic opportunities of the majority of the population needs to be addressed in order to reduce poverty and inequality and ensure shared growth.

In recognition of the above it is imperative that Government spatially references the programmes and plans contained in the PGDS. This ensures that plans take account of the inevitable spatial disparities and ensure that optimal investment decisions are made. It is towards this end that the PSEDS has been developed.

The PSEDS focuses fixed infrastructure investments in areas of economic development potential (whether realised or dormant), and prioritises areas of greatest need based on poverty densities. This does not imply that other areas, with lower economic growth potential, will be neglected. All areas in the Province will receive investments in development and the provision of basic services.

The concept of development corridors is established in national and provincial policies. The PSEDS identifies industrial development as a key element to economic growth. Tourism is identified as the next provincial priority, focusing on cultural and eco-tourism.

The National Spatial Development Perspective (NSDP) sets the following categories of economic development potential:

- Production of high value, differentiated goods not strongly dependent on labour costs, focused on local & global niche markets – i.e. manufacturing
- Production of labour intensive, mass produced goods more dependent on labour costs, affordable transport linkages – i.e. agriculture and mining
- Innovation and experimentation – research and development

- Retail and private sector services – large employer of skilled & semi skilled workers in advanced economies
- Public service and administration.

5 MOVEMENT CORRIDORS

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

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

○ Provincial Priority Corridors (SC2 and SC6)

In the PSEDS, a series of provincial priority corridors are identified, two of which, (code-named SC2 which is R56 and SC6 which is P68 and R612) runs from the Eastern Cape to Msunduzi and from Port Shepstone to Ixopo respectively. This is the main axis of UBuhlebezwe Municipality, and the PSEDS states that it has the potential to attract development in at least four out of the six categories set in the NSDP.

The corridors suggested in this SDF are based on the recommendations in the PSEDS, the various development informants identified in the earlier phase of the study and the goals and objectives of the SDF, with specific reference to:

- the need to integrate district space and link the various nodes and opportunities into a meaningful whole;
- improve or extend access to areas with economic potential within areas of high poverty;

- maximise interest opportunities and potentials within the municipality in way which promotes growth and investment, and
- ensure the sustained growth of existing centres and corridors of economic development

Notwithstanding the classification of these corridors as secondary in terms of the PSEDS, it must be emphasized that for the district these are the main focal corridors. The definition and purpose of these corridors are described in the PSEDS as “a corridor serving areas of high poverty levels with good economic development potential within one or two sectors.”

Although it could be argued that the primary function of these corridors is long distance traffic movement, development should be encouraged at appropriate locations along the corridors. More detailed planning at these locations will however be required

Along R56 there are views of scenic beauty and landscape which can attract both domestic and international tourist thereby promoting LED projects at some locations. This corridor centres on tourism and industry and links the primary nodes. This primary corridor facilitates stronger cross border economic flows and economic development.

R612/P68 is a corridor with an agro-tourism theme and connects the nodes Ixopo, Creighton, Bulwer, Underberg and Umzinto. The corridor has strong tourism theme links linking coast to country. The corridor also unleashes important economic potential in terms of agriculture, as important commercial agricultural centres namely Ixopo, Creighton, and Underberg are linked directly to the coast through this corridor. This corridor has potential to exploit the underutilized location and economic advantages of the hinterland/country areas, providing a potential for export-oriented growth particularly in the potential global competitive agriculture sectors (e.g. forestry in UBuhlebezwe and Ingwe Municipalities).

➤ **Secondary Corridor**

This corridor is to be maintained and strengthened to attract tourists in the Municipality. Secondary corridors link primary movement routes to one another and they also provide inter-settlement linkages and link different settlement to one another. These routes also link places of residence with places of economic opportunity even though this occurs at a lesser degree than primary movement routes. There needs to be a provision of commuter facilities at primary along the secondary corridors.

➤ **Tertiary Corridors**

These provide linkages to service satellites in the district and ensure connectivity with service delivery in the communities. Tertiary corridors provide intra-settlement linkages. These roads include all residential streets below the level of bus routes. These function primarily as community access routes.

There is a need for regular maintenance of the road surface through grading and the maintenance of storm water drains and culverts where they exist and their provision where they are absent. These need to be at a standard of all weather accessibility.

6 NODES

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

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

➤ Primary Node

Ixopo is seen as a primary commercial node as it is fed by development corridors in terms of people and physical thresholds. There is provision of concentration of different activities and services at Ixopo.

Ixopo as a primary node:

- contain a wide range of local and district level public and private sector activities such as :
 - Local Council offices
 - Library
 - Hospital
 - Clinic
 - Sports facilities
 - Police station
 - Postal services
 - Taxi rank
 - Pension payout point
- Provide for primary and high schools and skills training facilities.
- Provide the administrative centre for the whole Municipality.
- Be the primary commercial and industrial development node.
- Provide services and facilities to the whole Local Council area.
- Provide a focal point for housing.
- Have a higher level of physical infrastructure necessary to serve an urban area, such as:
 - Cemetery
 - Surfaced roads
 - Municipal sewerage disposal system
 - Municipal waste disposal site
 - Electricity
- Provide the base for the establishment of service providers and regional government depots and offices.
 - Provide financial services such as banks and service collection points.
 - Provide communication facilities.
 - Make provision for SMME activities.

Ixopo plays an important role in terms of the possible location for industry, commerce and other economic activity. It

is a major education and health centre and assists in the diffusion of new ideas and technologies to the rural areas. It is also the primary base for the operation of many departments and service providers. Additional land is required around Ixopo to accommodate future commercial and industrial growth.

➤ **Secondary Node**

The primary purpose Highflats is to serve the local resident population and the surrounding rural areas. Services provided at this secondary node include:

- a range of public and private sector activities such as :
 - Points for mobile services
 - Clinic
 - Sports facilities
 - Post box points
 - Transport facilities
- Localised services including primary schools.
- Pension payout point.
- Public phones, local markets and minor commercial activities

This is the main distribution centre or higher order point (node) where services are concentrated. There is a greater variety of higher order and more permanent services are sustained than is possible at a Rural Service Node.

Criteria used for locating Secondary Node:

- Economic growth potential of the location and the surrounding area.
- Intersections of major movement routes.
- Existing and potential agglomeration effects.
- Level of existing public service provision.
- Level of existing private/commercial sector service provision and investment.
- Level of infrastructural and logistical support from higher order service centres.
- Need for services within target community.
- Levels of community acceptability and support for RSC within target community.
- Access to land for development.

➤ **Rural Service Nodes**

“Rural Service Nodes represent the lowest order of locality, where a range of service and economic activities could be concentrated in a sustainable way and are located in the periphery of the Hub,” (*ibid*). Their location is usually the most accessible locations within an acceptable walking distance of particular community. These services may be located at a clinic, store, tribal court or taxi rank.

The levels of service that are normally found at these nodes are:

- I. Clinic / Mobile service

- II. Post Boxes
- III. Shops
- IV. Secondary and Primary School
- V. Weekly Service; and
- VI. Weekly / Mobile Service.

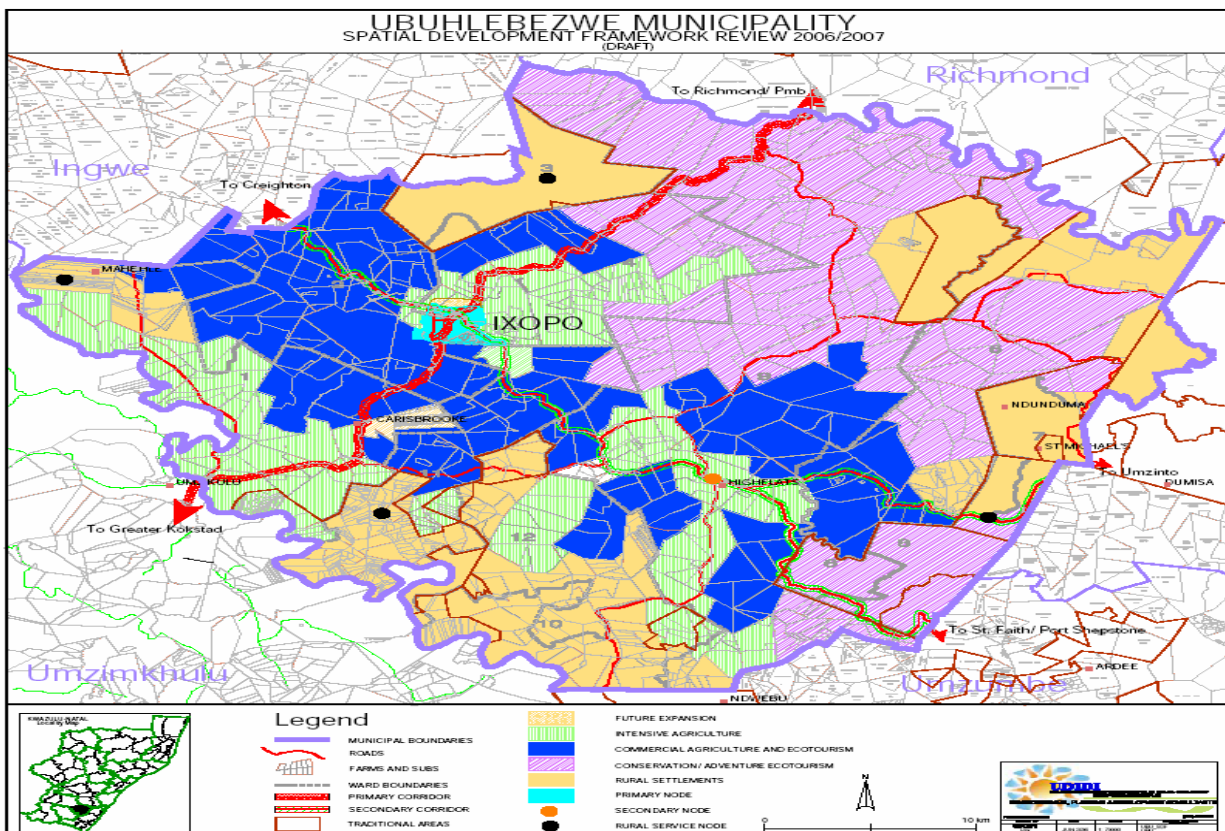
These were identified in Hlutankungu (Stuartsville), Jolivet, KwaBhidla, Emgodi, Hlokozi and Mahehle.

The following policy guidelines are proposed for the Rural Service Nodes (RSN), namely:

- The RSN needs to be consolidated and upgraded through provision of necessary infrastructure, as well as provision of additional social services and facilities.
- Public investment is required to fulfil all functions of a RSC.
- The scale of developments should be appropriate to the neighbourhood and community level needs.

7. CONCLUSION

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



SECTION E: SECTOR INVOLVEMENT

Sector Departments were contacted throughout the IDP process as well as via the IDP Representative Forum meetings held. The other mechanism used was via the Sisonke District Municipality's Services Providers Forum Meeting and a 2 day workshop held on the 19 and 20 February 2009. Information gathered is captured in the table below;

5.1 Sector Departments MTEF

PROJECTS AND PROGRAMS TO BE UNDERTAKEN BY DEPARTMENT OF AGRICULTURE AND ENVIRONMENTAL AFFAIRS IN UBuhLEBEZWE

Table 1. Projects for Policy Coordination and Environmental Planning

MEASURABLE OBJECTIVE/OUT PUT	PROJECT	ESTIMATED BUDGET
Ensure all IDPs are environmentally compliant	IDPs reviewed for environmental content/compliance with provincial priorities	
Facilitation of Environmental planning tools	SEAs completion	
Ensure accessibility to environmental information	Fully functional environmental database and information system	
Facilitate environmental cooperative governance	Provincial EIP complete(4yr plan) and EIP Annual Compliance report	

Table 2: Projects for Compliance and Enforcement

MEASURABLE OBJECTIVE/OUT PUT	PROJECT	ESTIMATED BUDGET
Enforcement with environmental legislation(illegal developments, compliance)	Enforcement actions undertaken for non compliance with legislation on Air Quality Management	
	Enforcement actions for non compliance with legislation on Waste	
	Enforcement actions undertaken non compliance with legislation on Incident Management	
	Unauthorised developments acted on with enforcement action	
Compliance Monitoring and Auditing	Enforcement of Actions undertaken for non compliance with legislation on Impact Management	
	Air quality management and pollution prevention investigation and audits	
Promote compliance with environmental legislation	Registered Environmental management Practitioners in the province	

Sector Compliance Inspection	No and % of landfill sites monitored for compliance per province	
	No.of complaints related to environmental quality management followed up expressed as no. received	
	% of landfill sites which are not permitted	

Table 3 : Projects for Quality Management

MEASURABLE OBJECTIVE/OUT PUT	PROJECT	ESTIMATED BUDGET
Dev. Of Integrated Waste Management Plans (IWMPs) at local level	IWMP development	
Assist with dept. funded waste recycling projects	Waste recycling projects established	
Response to complaints, NEMA s30 emergency incidents, remediation exercises	Complaints received No. incidents responded to	
Capacity building and training	Capacity building and training projects	
Impact Management	No. of EIA applications submitted	
	No. of EIA applications finalized within legislated time frames	
	No. of Environmental Authorizations Issued (both approved / rejected)	
	Average duration of EIA processes in months (from application to decision)	
Finalisation of EIA applications	EIA applications finalized within the stipulated timeframe	

Table 4: Projects for Environmental Empowerment Services

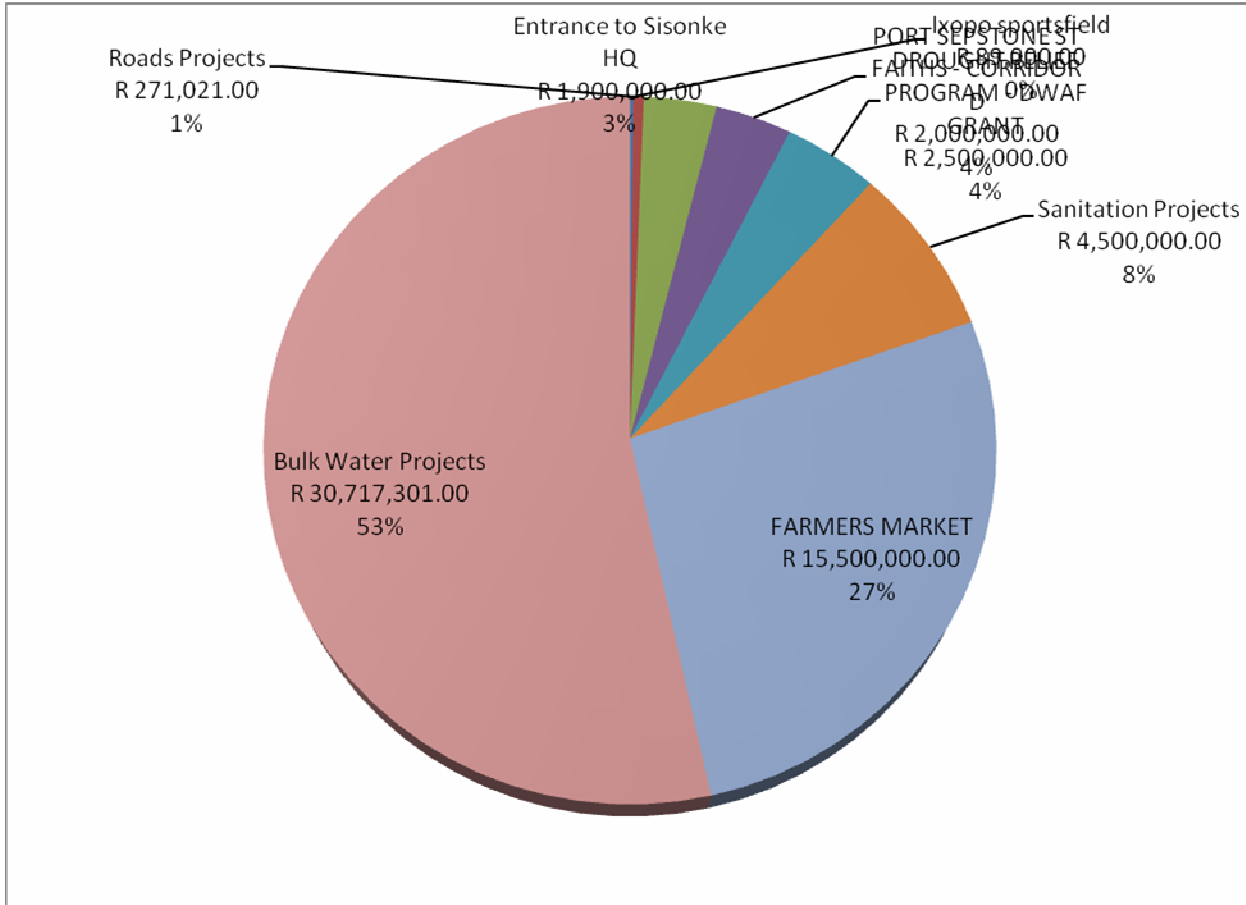
MEASURABLE OBJECTIVE/OUT PUT	PROJECT	ESTIMATED BUDGET
Ensure that all capacity building and support projects are sustainable	Sustainable livelihoods courses underway in the municipality (Indcare, Greening Project)	
Ensure Cleanest Town is successfully implemented	Municipality participation in competition	
Ensure development and support of Fan Parks in the Province	Ensure development and support of Fan Parks in the Municipality	
Ensure that capacity building programmes are implemented	Sectoral workshops conducted	
Environmental calendar days commemorated	Environmental events hosted	
No. of teachers attending accredited Environmental Education courses	Teachers attend environmental education courses	
No. of youth enrolled in environmental education learnerships	Youth enrolled in Environmental education learnerships	

5.2 Sector Department Gaps and Shortfalls

Municipal needs/ requirements	Programmes/ Key issues addressed by sector departments	Gap or Shortfall	
		In terms of information	In terms of funding
Electricity	Chibini/Emashakeni – 1		✓
Electricity	Nokweje #2		✓
Electricity	Hlokozi		✓
Electricity	Chibini/Emashakeni – 2		✓
Electricity	Etshenilenduna		✓
Electricity	Kozondi		✓
Electricity	Ndumduma		✓
Electricity	Mkhunya		✓
Electricity	Nhlozane		✓
Electricity	Mahehle		✓

SISONKE DISTRICT MUNICIPALITY 2009/2010

UBUHLEBEZWE MUNICIPALITY :R 57 ,477,322



SISONKE DISTRICT MUNICIPALITY MIG THREE YEAR CAPITAL DEVELOPMENT PROGRAMME

2009/2010

PROJECT	MIG VALUE
eMazabekweni/eBovini Water Supply	R17 949 087.00
Jolivet Water Conservation & Water Demand	R4 600 000.00
Hlokozi Water	R35 411 292.00
Eradication of Sanitation Backlog	R58 187 715.36
Ufafa Access Road	R1 572 498.00

2010/2011

PROJECT	MIG VALUE
Jolivet Water Conservation & Water Demand	R4 600 000.00
Hlokozi Water	R35 411 292.00
Eradication of Sanitation Backlog	R58 187 715.36

2011/2012

PROJECT	MIG VALUE
Hlokozi Water	R35 411 292.00
Eradication of Sanitation Backlog	R58 187 715.36

Sector Department	Programme	Funding/ Budget				Total
		2008/2009	2009/2010	2010/2011	2011/2012	
DEPARTMENT OF TRANSPORT						
DoT	Construction of Agi Mary Road	R 599, 875				R 599, 875.00
DoT	Construction of Carrisbrooke Road	R 992, 256				R 992, 256.00
DoT	Construction of Ncakubane Road	R 382, 308.00				R 382, 308.00
DoT	Gold way Causeway Construction	R 588, 612.00				R 588, 612.00
DoT	Maweni Causeway Construction	R 430, 000.00				R 430, 000.00
DoT	D1037	R 720, 000.00				R 720, 000.00
DoT	D1232	R 1, 440, 000.00				R 1, 440, 000.00
DoT	D483	R 1, 440, 000.00				R 1, 440, 000.00
DoT	D209	R 720, 000.00				R 720, 000.00
DoT	D68	R 720, 000.00				R 720, 000.00
DoT	D968	R 1, 440, 000.00				R 1, 440, 000.00
DoT	D310 (phase 1)	R 487, 593.00				R 487, 593.00
DoT	D310 (phase 2)	R 487, 593.00				R 487, 593.00
DoT	Construction of Siweni Road		R 1, 260,000.00			R 1, 260, 000.00
DoT	Construction of Carrisbrooke Road		R 900, 000.00			R 900, 000.00
DoT	Construction of Xoliswa Road		R 504. 000.00			R 504, 000.00
DoT	Goldstone Causeway Construction		R 588, 612.00			R 588, 612.00
DoT	Maweni Causeway Construction		R 430, 000.00			R 430, 000.00
DoT	D527		R 760, 000.00			R 760, 000.00
DoT	D698		R 1, 180,000.00			R 1, 180, 000.00
DoT	D2098		R 730, 863.00			R 730, 863.00
DoT	D695		R 1, 520, 000.00			R 1, 520, 000.00
DoT	P739		R 1, 520, 000.00			R 1, 520, 000.00
DoT	P77		R 1, 180,000.00			R 1, 180, 000.00
DoT	Zimbabwe contractors		R 5, 897, 850.00			R 5, 897, 850.00
DoT	Construction of Ntabane Road			R 693, 000.00		R 693, 000.00
DoT	Construction of Zenzele Road			R 693, 000.00		R 693, 000.00
DoT	Construction of Madungeni Road			R 1, 500, 000.00		R 1, 500, 000.00
DoT	Construction of Usuthu Road			R 554, 400.00		R 554, 400.00
DoT	Maluleka Causeway Construction			R 480, 000.00		R 480, 000.00
DoT	Mgodi Causeway Construction			R 555, 000.00		R 555, 000.00
DoT	Madungeni Causeway Construction			R 544, 000.00		R 544, 000.00
DoT	D299			R 761, 234.00		R 761, 234.00
DoT	D2156 (phase 1)			R 1, 180, 000.00		R 1, 180, 000.00
DoT	D2156 (phase 2)			R 1, 180, 000.00		R 1, 180, 000.00
DoT	D783			R 1, 180, 000.00		R 1, 180, 000.00
DoT	D233			R 1, 180, 000.00		R 1, 180, 000.00
DoT	D2202			R 1, 180, 000.00		R 1, 180, 000.00
DoT	P113 (phase1)			R 761, 234.00		R 761, 234.00

DoT	P113 (phase2)			R 761, 234.00		R 761, 234.00
DoT	Zimbabwe contractors			R 5, 897, 850.00		R 5, 897, 850.00
DoT	Construction of Maromini Road				R 1, 016, 000.00	R 1, 016, 000.00
DoT	Construction of Sibhaxeni Road				R 965, 200.00	R 965, 200.00
DoT	Construction of Ngomakazi Road				R 914, 400.00	R 914, 400.00
DoT	Construction of Sdadweni Road				R 762, 000.00	R 762, 000.00
DoT	D136				R 1, 380, 000.00	R 1, 380, 000.00
DoT	D2023				R 920, 000.00	R 920, 000.00
DoT	D1232				R 1, 380, 000.00	R 1, 380, 000.00
DoT	L1120				R 1, 380, 000.00	R 1, 380, 000.00
DoT	P729				R 1, 380, 000.00	R 1, 380, 000.00
DoT	Zimbabwe contractors				R 5, 897, 850.00	R 5, 897, 850.00
DEPARTMENT OF ARTS CULTURE AND TOURISM						
DACT	Moral regeneration			R 50 000		
DACT	Craft Development (Disabled Persons)			R 25, 000.00		R 25, 000.00
DACT	Mentorship programme			R 20, 000.00		R 20, 000.00
DACT	Music, Song & Dance			R 30, 000.00		R 30, 000.00
DACT	Visual Arts Workshop			R30, 000.00		R30, 000.00
DACT	Craft development Workshop					
DEPARTMENT OF WATER AFFAIRS AND FORESTRY						
DWAF	Somelulwazi School					
DWAF	Ixopo Village School	10 trees				
DWAF	Mariathal School					
DWAF	Amazabeko School					
DWAF	Carisbrook School					
DWAF	Ncakubane School	50 trees				
DWAF	Mazabekweni School	30 trees				
DWAF	Ncomane School	5 trees				
DWAF	KwaDladla School (Nokweja)	15 trees				
DEPARTMENT OF PUBLIC WORKS						
DPW	Christ the King Hospital - Relocate Accomodation					26 992 000
DPW	Christ the King Hospital - Upgrade Female Ward					9 847 000
DPW	Ixopo State Aided School					7 500 000
DPW	Sonqobasimunye School Repairs and Renovation					2 200 000
DPW	Emhlabashane JS School Repairs and Renovation					3 650 000
DPW	Emhlabashane SP School Repairs and Renovation					2 886 929

SECTION F: IMPLEMENTATION PLAN

Financial issues, especially the affordability and availability of funding in terms of operating and capital, for the continued viability of the Municipality and the delivery of services is an ongoing issue that requires constant attention by the relevant structures of the Municipality to deliver on its developmental mandate.

The UBuhlebezwe Municipality is intensely aware of the financial pressures it faces in terms of building on its institutional capacity to ensure that it delivers at an optimum level. The Municipality is required to formulate a number of strategies to facilitate the actual implementation of this Integrated Development Plan and these include:

- The Municipality will introduce key performance indicators relating to cash and cash management
- The successful implementation of Municipal Property Rates Act and ensuring that the implementation is acceptable and in line with Councils intention to ensure that suitable rebates are implemented to ensure that assistance is afforded
- The Municipality will develop a budgetary system that increases ownership of the budgetary process by departmental heads
- The Municipality will encourage maximum interest earnings and minimum interest outgoings. It will achieve this by appropriate cash flow forecasting as part of its strategic financial control principles
- The Municipality will leverage increased grants from organizations such as the DBSA and other major funding donors
- The Municipality will undertake to ensure the reduction of debt.
- The Municipality will continue to develop a budgetary system that projects at least three years in advance from the forthcoming year. This is in line with the recommendations of the MFMA.

The purpose of the Medium Term Expenditure Framework is to set out a three year framework for money planned for capital investment programmes required to obtain the Integrated Development Plan objectives. Although the Municipality does formulate its budget as a three year forecast – its capital projects need to be aligned on a three year implementation plan to ensure maximum alignment is obtained in all regards. MIG allocations, to a large extent, form a large portion of the external sources of funds granted to the UBuhlebezwe Municipality for use for identified and prioritized capital projects.

The Municipality has developed the Capital Projects priority List where all projects identified by the communities and the municipality are captured. The Three Year Implementation Plan is formulated from this Plan. The plan gets reviewed annually. The plan is attached as Annexure E.

THREE YEAR CAPITAL PROJECTS IMPLEMENTATION PLAN

UBUHLEBEZWE MUNICIPALITY 3 YEAR PROJECTS PRIORITY LIST					
ITEM NO.	PROJECT NAME	WARD NO	PROJECT COST ESTIMATE		
			2009/2010	2010/2011	2011/2012
1	Carrisbrooke Community Hall	1	1,700,000.00		
2	Webbstown Community Hall	1			1,800,000.00
3	St Alois Creche Electrification	1	50,000.00		
4	Mahafana Creche Electrification	1	50,000.00		
5	Ncakubani Creche Electrification	1	50,000.00		
6	Hopewell Sportsfield	2		4,000,000.00	
7	Hopewell Creche	2			900,000.00
8	Construction of Hopewell Community Hall	2	1,700,000.00		
9	KwaBhaca Community Hall	3		1,800,000.00	
10	Esigedleni Community Hall	3			1,800,000.00
11	Nkumande Community Hall Electrification	3	50,000.00		
12	Sheshe Hall Electrification	3	50,000.00		
13	Sheshe Hall	3	R1,700,000.00		
14	Chibini Sportsfield	4		R1 500 000.00	
15	Rehabilitation of Fairview Bus Route Phase 2	4	R4,272,460.95		
16	Phambuka Creche	5	R900,000.00		
17	Stokfela Creche	5			900,000.00
18	Nkweletsheni creche Electrification	5	R50,000.00		
19	Senzeni Creche	6		900,000.00	
20	Zethembe Road – Gudlucingo	6			2,875,000.00
21	KwaMpondo Skills Centre	7	R1,600,000.00		
22	Ugrading of St Michaels Sportsfield	7			4, 000 000.00
23	Bhobhobho Community Hall and Sports facility Electrification	7	R50,000.00		
24	Bhobhobho Community Hall and Sports facility	7	R1,259,910.00		
25	Fourteen Road	8		2,650,000.00	
26	KwaVezi Road	8			1,500,000.00
27	Nkawini community hall Electrification	8	R50,000.00		
28	Koshange Community hall	9	R1,800,000.00		
29	KwaShinga Creche	9			800,000.00
30	Mhlabashane Sportsfield	10		4,000,000.00	
31	Impiyamandla Road	10			2,650,000.00
32	Mpiyamandla Hall Electrification	10	R50,000.00		
33	KwaThathani Sportsfield	10	R200 000.00		
34	Nokweja Community Hall	11			4,000,000.00
35	Bhekuphiwe Road	11		1,800,000.00	
36	Mkhalwane Road	11	R1, 550,000.00		
37	Madungeni Sportsfield	11	R1,763.500.00		
38	Shayamoya Road	12			3,225,000.00
39	Nodumehlezi sportsfield	12		4,000,000.00	
	TOTAL		R18,895,870.95	R20,650,000.00	R24,450,000.00

SECTION G: PROJECTS

Various programmes and projects have been identified by the UBuhlebezwe Municipality to meet challenges and to improve the quality of life for the UBuhlebezwe Community. In the expectation of service delivery, cognizance however must be taken of the fact that the availability of committed funding far outweighs the requirements in terms of delivery of infrastructure, facilities and services.

Projects have been prioritized to meet community's expectations. The following principles have been used: urgency, sustainability and the legal requirements. In the prioritization and allocation of resources the UBuhlebezwe Municipality is guided by objectives and strategies of the IDP in striving to realize the vision of the UBuhlebezwe Community.

PROJECTS AND PROGRAMMES TO BE IMPLEMENTED IN 2009/2010

SOURCE OF FUNDING	PROJECTS	TOTAL PROJECT COST	STATUS	WARD
MUNICIPAL INFRASTRUCTURE GRANT	Carisbrooke Hall	R 1 700 000.00	Planning stage	1
	Hopewell Hall	R1 700 000.00	Design stage	2
	Sheshe Hall	R1 700 00.00	Tender Stage	3
	Rehabilitation of Fairview Bus Route	R4 272 460.95	Construction stage	4
	Phambuka Creche	R 900 000.00	Planning Stage	5
	Bhobhobho Sportsfield	R1,259 910.00	Design Stage	7
	KwaMpondo Skills centre	R 1 600 000.00	Planning stage	7
	KoShange Community Hall	R1 800 000.00	Planning Stage	9
	Madungeni sportsfield	R1 763 500.00	Design Stage	11
	Mkhalwane Road	R1 550 000.00	Design stage	11
INTERNAL FUNDING	St Alois Creche electrification	R50 000.00		1
	Mahafana crèche electrification	R50 000.00		1
	Ncakubani Creche electrification	R50 000.00		1
	Nkumande Community Hall	R50 000.00		3

	electrification			
	Sheshe Hall electrification	R50 000.00		3
	Nkweletsheni Crèche Electrification	R50 000.00		5
	Bhobhobho Community Hall and Sportsfield electrification	R50 000.00		7
	Nkawini Community Hall electrification	R50 000.00		8
	Mpiyamandla Community Hall electrification	R50 000.00		10

DEPARTMENT OF HOUSING

PROJECT	NO OF HOUSES	STATUS	WARD
MAHEHLE PHASE 2	1000	PLANNING STAGE	1
IXOPO SLUMS	2000	LAND NEGOTIATION	2
THUBALETHU EXT 1	384	APPROVED	4
FAIRVIEW RETIFICATION WORKS	736	APPLICATION FOR FUNDING SUBMITTED	4
EHLANZENI	500	LAND SECURED	4
SANGCWABA	500	STAGE 1 APPROVED	5
SPONYA	750	IMPLEMENTING AGENT APPOINTED	7
MZIKI AGRICULTURAL VILLAGE	385	TOWARDS COMPLETION	9
HIGHFLATS	500	PLANNING STAGE	9

PROGRAMMES	BUDGET REQUIRED	BUDGET ALLOCATED
KPA 1-Municipal Transformation and Institutional Development		
Reviewing of an Indigent Policy	N/A	N/A
Review Workplace Skills Plan	N/A	N/A
Review organisational structure	Facilitation	Facilitation
Prepare Human Resource Strategy	N/A	R 100 000.00
Review Employment Equity Plan	N/A	
Draft registry policy and procedure manual	N/A	R150 000.00
Filling of critical positions	Facilitation	Facilitation
Training of managers on SCM procedures and policies	N/A	Facilitation
Preparation of Occupational Health and Safety Plan	N/A	
KPA 2- Social and Local Economic Development		
Review and adoption of the LED Strategy	N/A	N/A
Launch LED Coordinating Committee	N/A	N/A
Launch SMME Committee	N/A	N/A
Facilitate access to various business development services in partnership with various role players including KZNDED, FET Colleges, SEDA, etc...on an ongoing basis.	Facilitation	Facilitation
Blackstore art and pottery centre	R 1,500,000.00	Source funding
KwaThathani Piggery project	R1,200,000.00	Source Funding
KPA 3:Basic Service Delivery		
Acquiring land for a new landfill site	Facilitation	Facilitation
Preparation of the operations and Maintenance Plans for all projects	Facilitation	Facilitation
KPA 4: Municipal Financial Viability and Management		
Preparation of Risk Management and Fraud Prevention Plan	R100 000.00	R100 000
KPA 5: Good Governance and Community Participation		
Youth Development Youth development SDBIP Baseline Survey Back to school campaign KwaNaloga Games	R2,300.000.00	R980 000.00

Youth Month Enterprise Development		
Preparation of OPMS Framework	R200 000.00	R200 000.00
Special Programmes	N/A	R158 100.00
Community awareness Programmes	N/A	R207 373.00
Community Participation Programmes	N/A	R210 000.00
Preparation of Planning Bylaws and Manual	R200 000.00	R 200 000.00
Implement Recommendations of the communication Strategy	Facilitation	Facilitation
Upgrade Website	N/A	R20 000.00
Develop Municipal Newsletter	Facilitation	Facilitation
KPA 6: Spatial and Environmental Analysis		
GIS- Implementing the recommendation of the GIS Implementation Plan	Facilitation	Facilitation
Preparation of Waste Management Plan	N/A	N/A
Preparation of Ixopo Regeneration Plan	R400.000.00	R300 000.00
Jolivet Local Development Plan	R200 000.00	R200 000.00
Preparation of SEA	R400 000.00	N/A

SECTION H: FINANCIAL PLAN AND SDBIP

8.1.1 CONTEXT

The UBuhlebezwe Municipality is a low capacity Municipality. The Financial Plan forms and integral part of the Integrated Development Plan (IDP) and is intended to provide details of the sources of funding in aligning the Budget to the IDP. The financial plan provides an indication of the Internal and External sources of funding in order to realize the priorities identified in the IDP.

8.1.2 BACKGROUND

The Financial Plan forms the very foundation and provides a basis for the availability of funding and the ability of the Municipality to adequately address the priorities identified in the IDP. The financial plan includes a three year Operating and Capital Budget. The financial plan is intended to address the funding gaps.

8.1.3 LEGISLATION

The following pieces of Legislation govern the Municipality in terms of its Role and Responsibilities, Financial reporting and presentation:

The Constitution of the Republic of South Africa;
The Municipal Systems Act;
The Municipal Finance Management Act; and
The Municipal Property Rates Act.

8.1.4 FINANCIAL MANAGEMENT STRATEGIC OBJECTIVES

The overarching Strategy is to improve and sustain the City finances, systems and procedures to make financial management possible to contribute towards quality infrastructure and sustainability service through the following strategies:

- Ensure compliance of the Property Rates Act to maximize income;
- Revision of internal policies in line with Treasury Regulations;
- Develop cash flow model;
- Develop effective reporting system;
- Establish an effective debt collection process;
- Ensure monitoring of expenditure and income;
- Develop and implement urban/rural and Gender and Youth development strategy;

- Advocate and package programmes to benefit the intended beneficiaries and provide baseline relevant data that could have economic spin offs (Indigent Register);
- Implement policies adopted by Council;
- Upgrade financial system to provide quality reporting;
- Full implementation of collection process (submit to Legalese);
- Submission of monthly reconciled income and expenditure analysis reports;
- Adjustments to expenditure to be approved prior to incurring expenditure

8.2 BUDGET OVERVIEW

The three year budget has been prepared using the income and expenditure trends of the past year, reviewed during January 2009. The adjustment made to the original budget has been necessitated by funds required to overcome changes in the prevailing economic conditions.

ATTACHED AT ANNEXURE C IS THE MUNICIPAL THREE YEAR FINANCIAL OVERVIEW.

8.3 SDBIP

The SDBIP will be developed upon finalisation of the IDP and Budget.

SECTION I: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

The UBuhlebezwe Municipality has not as yet developed its Organisational Performance Management System. The Department of Local Government and Traditional Affairs has appointed a Service Provider to assist the Municipality with the development of its PMS once completed, it will be included into the IDP. Although the Municipality has not developed and organizational PMS, it does however, have a PMS for all Section 57 employees.

ANNUAL REPORT

The Municipality has prepared its 2007/8 Annual Report. The report has been adopted by Council. The report is attached as **Annexure F.**

SECTION J: ANNEXURES

ANNEXURE	SECTOR PLAN	STATUS -PROGRESS WITH REGARD TO DEVELOPMENT/ IMPLEMENTATION
J1	Organogram	Adopted
J2	Budget Summary	Adopted
J3	Capital Investment Plan	Adopted- reviewed annually
J4	Spatial Development Framework	UBuhlebezwe has appointed a service provider to assist with the update of its SDF. The SDF Final Draft has been completed and is incorporated into the IDP.
J5	Disaster Management Plan	Adopted- reviewed annually.
J6	Annual Report 2007/2008	Adopted

SECTION K: APPENDICES

ANNEXURE	SECTOR PLAN	STATUS -PROGRESS WITH REGARD TO DEVELOPMENT/ IMPLEMENTATION
K1	Land Use Management Framework	The UBuhlebezwe LUMS is in the process of being finalized.
K2	Land Use Management System	The UBuhlebezwe LUMF is in the process of being finalized as part of the LUMS process.
K3	Coastal Zone Management Plan	N/A
K4	Waste Management Plan	The Municipality still needs to prepare this plan.
K5	A. Water Service Development Plan	District Function
	B. Water Resources Plan	District Function
	C. Forestry Plan	This needs to be prepared in conjunction with DWAF.
K6	Integrated Transport Plan	Not prepared, however, the District has prepared a Public Transport Plan. Relevant recommendations will be incorporated into the IDP.
K7	Housing Plan	Adopted.
K8	Energy Master Plan (Electricity Master Plan)	This needs to be prepared in conjunction with Eskom.
K9	Local Economic Development Plan	The UBuhlebezwe LED Strategy had been completed. The Municipality still needs to prepare the LED Implementation plan.
K10	Infrastructure Investment Plan (EPWP Compliant)	This is in the process of being prepared by an external service provider to the Municipality.
K11	Area Based Plans (Land Reform)	Completed by DLA but still needs to be adopted by Council.
K12	Organizational PMS	Still needs to be prepared.
K13	IDP Process Plan / Framework Plan	Completed and adopted by Council.
K14	Communication Strategy	Adopted
K15	Community Participation Strategy	Adopted
K16	Youth development Strategy	Adopted

ANNEXURE A: ORGANOGRAM

ANNEXURE B: 2009/2010 MUNICIPAL THREE YEAR FINANCIAL OVERVIEW

ANNEXURE C: CAPITAL INVESTMENT PLAN