



UMSHWATHI MUNICIPALITY

Integrated Development Plan 2011/2012

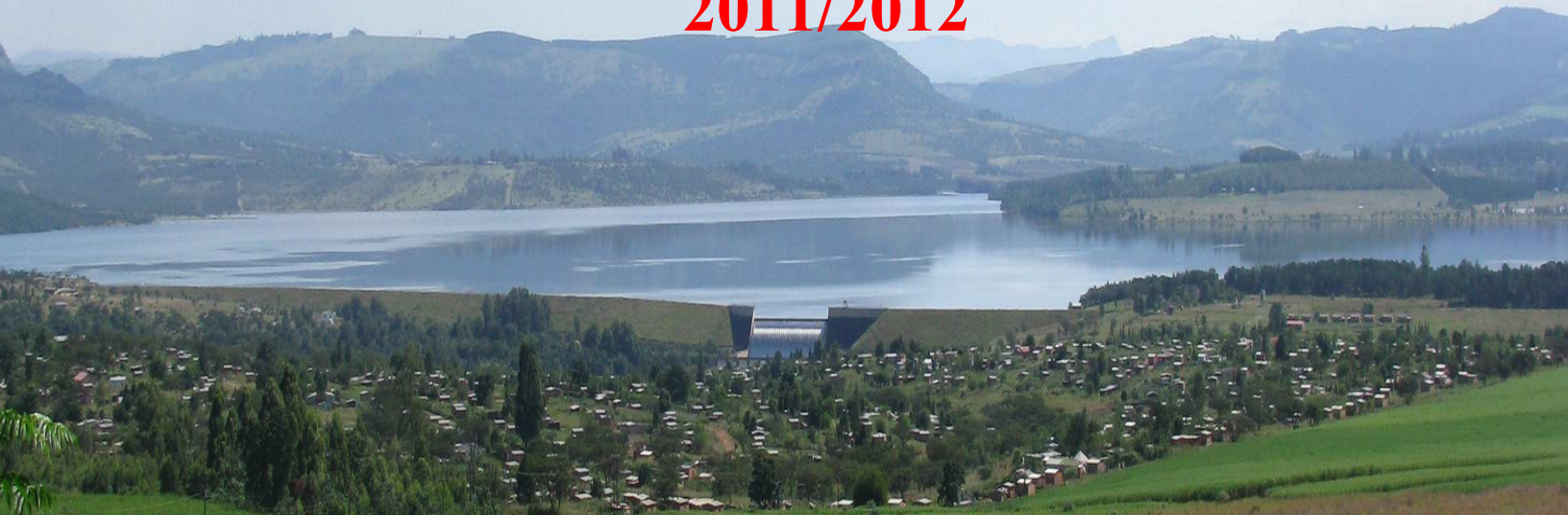


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GLOSSARY

ABBREVIATIONS USED IN THE DOCUMENT

ASGISA	---	Accelerated Shared Growth Initiative of South Africa	LUMS	---	Land Use Management System
BBBEE	---	Broad Base Black Economic Empowerment	MAP	---	Management Assistance Programme
CBO	---	Community Based Organization	MDG	---	Millennium Development Goal of the United Nation
CMIP	---	Common Management Information Protocol	MEC	---	Member of the Executive Council
DBSA	---	Development Bank of South Africa	MFMA	---	Municipal Finance Management Act
DFA	---	Development Facilitation Act	MIG	---	Municipal Infrastructure Grant
DLA	---	Department of Land Affairs	MPCC	---	Multi-Purpose Community Center
DLGTA	---	Department of Local Government and Traditional Affairs	MSA	---	Municipal Systems Act
DTI	---	Department of Trade and Industry	NAFCOC	---	National Federation Chamber of Commerce
DMP	---	Disaster Management Plan	NGO	---	Non-Profit Organisation
EIA	---	Environmental Impact Assessment	NSDP	---	National Spatial Development Perspective
EMP	---	Environmental Management Plan	PGDS	---	Provincial Growth and Development Strategy
EPWP	---	Extended Public Works Programme	PMS	---	Performance Management System
EU	---	European Union	PPP	---	Public Private Partnership
EXCO	---	Executive Committee	PSEDS	---	Provincial Spatial Economic Development Strategy
FIFA	---	Federation Internationale de Football Association (French)International Federation of Association Football	PTO	---	Permission to Occupy
GDP	---	Gross Domestic Profit	RDP	---	Reconstruction and Development
IDC	---	Industrial Development Corporation	SARS	---	South African Revenue Services
IDP	---	Integrated Development Plan	SAMAF	---	South African Micro- Finance Apex Fund
IGR	---	Intergovernmental Relations	SDBIP	---	Service Delivery and Budget Implementation Plan
ICT	---	Information and Communication Technology	SDF	---	Spatial Development Framework
IT	---	Information Technology	SEA	---	Strategic Environmental Assessment
JIPSA	---	Joint Initiative for Priority Skills Acquisition	SMME	---	Small Medium and Micro Enterprises
KPA	---	Key Performance Area	TLC	---	Transitional Local Council
KPI	---	Key performance Indicators	TISA	---	Trade and Investment South Africa
KZN	---	KwaZulu-Natal	TIK	---	Trade and Investment KwaZulu-Natal
LED	---	Local Economic Development	UMDM	---	uMgungundlovu District Municipality
LFTEA	---	Formal Townships Establishment Act	WSDP	---	Water Service Development Plan
LRAD	---	Land Redistribution and Development	VIP	---	Ventilated Improved Pit Latrine

SECTION A: EXECUTIVE SUMMARY

1. DOCUMENT OUTLINE

The aim of this section is to give an overall overview of the uMshwathi Municipality's 2011/12 Integrated Development Plan (IDP) document. This executive summary section will give high level details of what is covered by each section of the document.

A comprehensive IDP for the uMshwathi Municipality covering the period 2006/07 to 2010/11 was adopted in May 2007 in terms of the Municipal Systems Act, Act 32 of 2000. This document is the 2011/12 review of the aforementioned original document. In October 2007, the then National Department of Provincial & Local Government (DPLG) introduced a new format to be used in developing the IDP's ("A plan for all Government"). Therefore uMshwathi Municipality has developed its 2011/12 Integrated Development Plan using this new format, covering the following sections:

Section A: Executive Summary covers an overall overview of the uMshwathi Municipality's 2011/12 IDP document and gives high level details of what is covered by each section of the document.

It also gives a detailed overview of uMshwathi Municipality's area of jurisdiction, highlighting the current situation by looking briefly at the challenges and opportunities that uMshwathi Municipality faces. A brief geographical context of uMgungundlovu District Municipality is also covered in this Section

Section B: Situational Analysis gives a detailed status quo analysis of uMshwathi Municipal area with detailed information on social, environmental, economic, infrastructural analysis of uMshwathi Municipal area of jurisdiction. This section further deal with the priority areas as identified through the community participation exercise (IDP

Representative Forum and Public meetings held in all 13 wards of uMshwathi).

Section C: Development Strategies: This section deals with the Long Term Growth and Development Goals for uMshwathi Municipality. It covers strategic objectives and strategies by aligning these to the Five Key Performance Areas of the Five Year Local Government Strategic Agenda, namely, Basic Service Delivery; Municipal Institutional Development & Transformation; Local Economic Development; Municipal Financial Viability & Management; and Good Governance & Public Participation.

Section D: High Level Spatial Development Framework: This section deals with the high level overview of uMshwathi Municipality's Spatial Development Framework and the Land Use Management System;

Section E: Sector Involvement: This section deals with an outline of the key issues that will be covered by the sector departments and state owned enterprises in the next three years within uMshwathi Municipal Area of jurisdiction; The Housing Chapter of the IDP is also incorporated into this section.

Section F: Implementation Plan: This section is combined with Section C, and it covers the uMshwathi Municipality's departmental Implementation/Action Plans with committed Human and Financial Resources;

Section G: Projects: This section covers 2011/12, 2012/13 detailed Capital Projects Plan

Section H: Financial Plan and SDBIPS: This section covers in detail, uMshwathi Municipality’s Three year Operational and Capital Budgets (Three Year Financial Plan)

Section I: Organisational Performance Management System deals, in detail with uMshwathi Municipality’s Key Performance Indicators for each service delivery objective

The document is further supported by detailed Sector Development Plans and Reports as per the requirement of the Department of Co-operative Governance & Traditional Affairs. These plans and reports are attached to this document as *Annexures* .

ANNEXURES

J.1	uMshwathi detailed 2010/2011 IDP Process Plan
J.2	Detailed Spatial Development Framework (SDF)
J3	Detailed LUMS
J4	Detailed LED Plan
J5	Detailed Housing Plan
J6	Detailed Performance Management System
J7	Draft Environmental Management Framework for the uMshwathi ‘City’ Development Node
J8	Adopted By-Laws with a special reference to Environmental Management issues
J9	uMshwathi Municipality’s Annual Report
J10	uMshwathi Municipality’s Communication Strategy

SECTION B: SITUATIONAL ANALYSIS

2. STATUS QUO ANALYSIS – AN OVERVIEW OF UMSHWATHI MUNICIPALITY’S AREA OF JURISDICTION

The uMshwathi Municipality is located in the uMgungundlovu District, KwaZulu-Natal Midlands, north-east of the Province’s capital namely, Msunduzi Municipality. Not only sharing a common boundary with Msunduzi, uMshwathi Municipality shares such with uMngeni, Mpofana, uMvoti, Ndwedwe, eThekwini and Mkhambathini Local Municipalities. uMshwathi Municipality covers a land area of approximately 1811 square kilometres and according to the 2007 Statistics South Africa’s Community Survey, the total population is 113,054, being the second largest in the district in relation to Msunduzi. Thirteen wards exist in the uMshwathi Municipality with predominantly agricultural landscapes (timber and sugar-cane) and rural-residential settlements. The four main urban settings of the Municipality comprise of New Hanover, Wartburg, Dalton and Cool Air wherein there is a broad spectrum of services and facilities relating to administrative, economic, and social activities, amongst others, are available.

The Municipality is strategically positioned within the district and provincial spatial context and it accommodates secondary movement systems which aim at providing efficient and effective access e.g. the R33 (Old Greytown Road) serves as the major/ main movement corridor between the N3 and the capital Msunduzi Municipality, to some of the surrounding local Municipalities towards the north such as uMvoti, Msinga, and Ndumeni. Hence, due to these as well as many other characteristics, there is a clear reflection of the R33 being a primary development and access corridor offering a range of opportunities for investment in relation to the province.

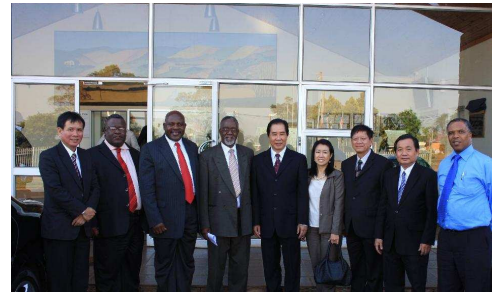
Dwelling on uMshwathi Municipality's close proximity to Pietermaritzburg (Msunduzi Municipality), opportunity exists for positive spin-offs from the latter's vibrant economy. The local economy can also be diversified through the development of tourism infrastructure and middle to high income residential and commercial developments which may be limited in Msunduzi. Further, the partnership between the KZN Department of Economic Development & Tourism and the European Union provides a strategic avenue through which uMshwathi Municipality can develop a growth and development strategy for the area based on an in-depth analysis of the local economy and the identification of catalytic projects.

Some of the challenges that the uMshwathi Municipality is currently dealing with include the increasing demand of basic services such as water, sanitation, electricity and refuse removals, etc. Others include limited availability of social services and facilities particularly in rural locations, unemployment increases, housing shortages in relation to demand, constant infrastructure maintenance, etc.

In order to meet some of these challenges, a great deal of capital and investment in the Municipality is required. The implementation of a Rates Bylaw and Policy in terms of the Property Rates Act, has allowed the Municipality to increase its rates base and income and increased access to grant funding and resources for infrastructure development is available through the Municipal Infrastructure Grant (MIG) and other Provincial interventions. The Municipality's excellent credit rating with major banks is another avenue to source funding for priority developments and delivery of essential services required by its people. Vast opportunity exists for public-private-partnerships in stimulating economic growth and the Management Assistance Programme (MAP) as well as the Project Consolidate status serve as opportunities for uMshwathi Municipality to expand its development and service delivery initiatives within its jurisdiction. Options and benefits related to the 2010 World Cup in South

Africa are currently being analysed to ensure the best possible spin-offs in terms of tourism, the economy and other social facilities and amenities. Given the historic linkages between uMshwathi Municipality and Germany, there are opportunities to establish beneficial relationships between the two in order that the local economy and communities may be strengthened. The Municipality is also embarking on establishing good business relations with other countries such as Korea and Vietnam, to name but a few.

The Mayor of uMshwathi Municipality, Cllr. BM Gwala, recently visited Hanoi and Ho Chi Minh City to call for Vietnamese investors to invest in wood and wooden products processing plants in the Industrial Park in uMshwathi Municipality in KwaZulu-Natal.



During the visit, Mayor Gwala had various meetings with potential partners, such as Vietnamese furniture corporations Savimex and Navifico. The Mayor's trade missions have resulted in the signing of an MOU on the Co-operation in Wood and Wooden Products, Import & Export and Training Worker Programmes.

The main business activity in uMshwathi is agriculture and more specifically sugar cane, timber and maize. There are two major sugar

mills, which contribute largely towards the district's sugar production. There are two timber-processing plants in the region as well as a nursery to support the plantations. Other agricultural activities include: poultry, pig farming, abattoirs, feedlots, vegetables avocado pears and flowers. The first tea plantations have recently been founded and this has become a possible area for agricultural growth and co-operation with Vietnam.

In light of the above, it is evident that the uMshwathi Municipality is making painstaking efforts to ensure that development, not only in the spatial environment, but in the economic and social circumstances of its people too, are of significant and priority directives of the organization. In order for uMshwathi to develop and grow, the upliftment of its people and resources must be at the focus of all development initiatives, programmes and policies. These basic underlying principles, in conjunction with the requirements of the National and Provincial Government, therefore form the basis of the Municipality's Integrated Development Plan

Urban activities and settlements are based within the former Traditional Local Councils of New Hanover, Wartburg, Dalton and Cool-Air. These settlements are centrally located on the major activity routes. The privately owned commercial farmlands are prominent in the centre of the municipality characterised by vast farmlands that are serviced by the centres of New Hanover, Wartburg and Cool Air while commercial forestry is dominant on the North Western side of the Municipality.

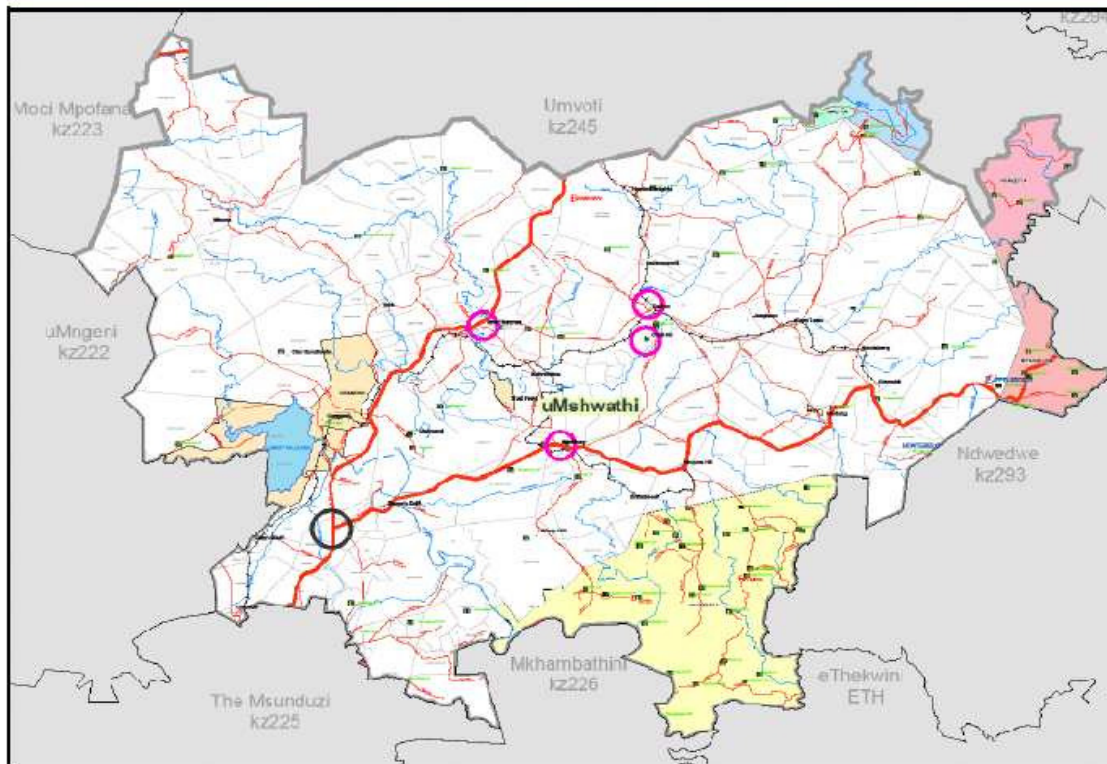
2.1 MAJOR ROAD AND ECONOMIC LINKAGES

The Municipality is located in a prime position within the regional and provincial context because it accommodates secondary movement systems to the N3 which provide linkages to the hinterland. The key feature of the Municipality is R33 that connects Pietermaritzburg to the hinterland. The significance of R33 is that it transverses the entire length of the Municipality and offers substantial opportunities as a development corridor of provincial significance. There is a need to maximize on development opportunities along key routes within the municipality linking markets, places and people. Ideally housing opportunities should be created in the main centres and municipal activity corridors.

uMshwathi is located in close proximity to the major provincial markets of Durban and Pietermaritzburg. Outward migration to these major economic centres to seek economic opportunities has been the trend in the Municipality. It can be safely predicted that the outward migration trend will continue into the future as the unemployment levels in the Municipality are high with a large dependency on the agricultural sector. The primary node and administrative centre is New Hanover in the centre of the Municipality.

uMSHWATHI LOCAL MUNICIPALITY (KZN 221)

**MAP OF
uMSHWATHI
MUNICIPAL AREA**



- Legend**
- Place Names
 - Hospitals
 - Clinics
 - Schools
 - Provincial Roads
 - District Roads
 - Regional Roads
 - Main Roads
 - Minor Roads
 - Local Municipal Boundaries
 - Farm Boundaries
 - Major Dams
 - Towns
 - Traditional Communes
 - Waterbury Geyser Road Development Node
 - Urban Fringe Nodes
 - Major Transportation Routes
 - Potential Activity Centers



Map Scale:
N.T.S

Date:
OCTOBER 2010

By:
uMSHWATHI TOWN
PLANNING



2.2 MUNICIPALITY'S FUNCTIONS PER DEPARTMENT

The following table outlines the functions of the municipality per directorate:

DIRECTORATE/ DEPARTMENT	FUNCTION	RESPONSIBLE OFFICIAL	RESPONSIBLE PORTFOLIO COMMITTEE
Office of the Municipal Manager	Integrated Development Planning Performance Management Town and Regional Planning Economic Growth and Development Internal Audit Council Matters Special Programmes	M.V. Cebekhulu -Municipal Manager	Economic Development and Planning Committee
Finance	Revenue and debt management Procurement and stock management Expenditure management Financial administration	R. Mani - Chief Financial Officer	Finance Committee
Technical Services	Building regulations Project management Municipal parks and recreation Municipal roads Pounds Public places Refuse removal, solid waste disposal Cleansing services Infrastructure maintenance	A. Weymouth – General Manager Technical Services	Infrastructure and Community Services Committee
Community Services	Child care facilities Community facilities (halls & sports) Health Care Services Protection Services Motor licensing bureau Human Settlements	G.M. Zondi – General Manager Community Services	Infrastructure and Community Services Committee

	Youth development Affairs Cemetery management Disaster management		
Corporate Services	Administration Record management Communication Legal support Secretariat function Information Technology Personnel management services Staff transformation Training and development Labour relations Fleet management Occupational health and safety co-ordination	N. Mkhize – General Manager Corporate Services	Human Resources and Sound Governance Committee

2.3 UMSHWATHI MUNICIPALITY'S DEVELOPMENT PRIORITIES PER WARD

The following priority development needs were identified during the IDP Public meetings held at the 13 wards as part of the 2011/12 IDP Review process. Please note that these are recorded in terms of the new municipal wards.

WARD	PRIORITY DEVELOPMENT ISSUES
	<p>Municipality's cross-cutting development priorities: Job creation & poverty alleviation, Thusong Centre construction to bring essential government services closer to people, Water and Sanitation, Roads, Housing development, Electricity and energy provision, fight against HIV/AIDS, and crime prevention, skills development centre, uMshwathi Municipality's slums clearance projects, Youth Development and Women Empowerment Programmes.</p>
1	<p>Thokozane: Access roads maintenance, Thokozane Roads surfacing and Stormwater systems, Title deeds, Two crèches, water supply system upgrade, Bus/taxi stop shelters, Repair to RDP houses, crime prevention, Library, Clinic extension, toilets at cemetery, sports development</p> <p>Crammond: Upgrade water pipes, electricity, Housing, access roads upgrade, sportfields (poles and grass)</p> <p>Albert Falls/Ottos Bluff: Sanitation for farm dwellers, solar panels, Sportsfield, Youth skills development programs.</p>
2	<p>Dalton: Housing, Clinic, water standpipes, sanitation, graveyard extension, crèche, sportsfield upgrade, Hawkers' shelters at the rank, electricity, Dalton graveyard, Adult Basic Education, Acceleration of different banks: STD, ABSA etc. Youth & Women development Programmes.</p> <p>New Hanover: Clinic, Housing, Home Affairs offices, Renovation and planning for proper usage of Farm Kruis Building (Municipal property next to New Hanover Taxi Rank), crèche renovation, upgrade of sportsfield (Poles needed urgently) regraveling of roads, electricity, storm water drainage, township naming, title deeds, cemetery extension & development, sanitation, Abet, Youth & Women development programs, sanitation, skills development centre, Refuse removal (twice a week), urgent need for Tomu jojo tanks (at least 2), Tomu electrification, Qalabani electricity, Maintenance of New Hanover street lights, Community gardening</p>
3	<p>Khamanzi: Clinic, Hall, Housing, electricity, Johan Road, Khamanzi Road, water, sports-field, Agricultural projects.</p> <p>Nadi: Housing, TV Aerial, electricity, water meters, sanitation, crèche, road upgrade, Build Siyabuswa school.</p>

	<p>Mtulwa: Housing, Completion of D40 road, land ownership, electricity, mission road, water, community gardens fencing, storm-water pipes fixing, primary school, support for agricultural projects</p> <p>Efaye: Main road tarring, water, electricity, housing, sports-field, title deeds, cemetery, access roads, Taxi rank.</p> <p>Mthizane: Water, Mpofini crèche, clinic, electricity, skills development, Mthizane road upgrade, Pedestrian bridge, mobile clinic shelter.</p> <p>Mount Elias/Wobhu/Ngcazini: Water tanks at D&E, water, roads upgrade, electricity, housing, cemetery fencing, crèche, hall furniture, road tarring, skills dev, Agricultural development projects.</p> <p>Endundwini: Clinic, primary school, Berlin crèche renovation, housing, sports-field, electricity, water, road N1757 upgrade</p>
4	<p>Mhlangandlovu: Housing, electricity, water, access roads upgrade, Learnerships, Sportsfield upgrade, Community garden fencing</p> <p>Ntanzi: Electricity, Housing, access roads gravelling, Mbiko Hall, Community garden fencing, Water pump irrigation, Bus shelters, learnerships, main road tarring, creche.</p> <p>Mathulini – Mbalenhle: Sportsfield, Mchunu road construction, Bus shelters, Hall, crèche, access roads gravelling, Gardens fencing, tarring of the main road, learnerships</p> <p>Appelsbosch: Appelsbosch dam upgrade, Mjele sportsfiels, Khilima Hall, Library, crèche, Housing, dipping tank, Electricity, Tarring of Nxumalo road, Okhalweni road, Mashiyane road, Mjele road, learnerships.</p> <p>Chameni: Electricity, Housing, Solar system, Gravelling of the main road, crèche, learnerships.</p> <p>Skhotho: Hall, bridge, crèche, electricity, completion of Thusi/Noodsberg road, Housing, community gardens fencing, access roads, learnerships.</p> <p>Sgodiphola: Housing, Hall, crèche, access roads, electricity, learnerships.</p> <p>Nene Farm: Housing, Access roads upgrade, crèche, hall, electricity, learnerships</p> <p>Glenside: Housing, Electricity, Sanitation, Glenside Agri-village, Village road, Water, Sewing machines, learnerships.</p> <p>Doboti: Bridges (Gwala concrete crossing, Diphini, Nkwadini, Thusi, Doboti sportsfield, Water, Housing, Primary school, access</p>

	roads, learnerships, Poverty alleviation projects in all areas.
5	<p>Nomyele: Electricity, Mankunde road tarring, water, housing, Shalkeni Road construction, Construction of Nomyele sportsfield</p> <p>Gobinsimbi: Water, electricity, housing, A2812 road upgrade, Mathulini sportsfield upgrade</p> <p>Hlathikhulu: Water, electricity, D1620 road upgrade, sports-field, Bhamshela Rank, Hlathikhulu Community Hall construction, Creche renovation,</p> <p>Ireland: Road construction, crèche, electricity, grazing land fencing</p> <p>Appelsbosch: Creche, water, electricity, housing, cattle dip tanks, Community Hall.</p> <p>Edrayini: Mgube-Duma road upgrade, shared crèche for Drayini & Ireland areas</p>
6	<p>Maphumulo Estezi: Main road tarring, Electricity, Sports-field, housing, crèche, Youth & women development programs, agricultural support, job opportunities, learnerships, taxi ranks, shelters at bus stops.</p> <p>Tholeni & Eskhaleni: Ntintisa road upgrade, access roads upgrades, Surfacing (tarring) of D599 road, water, housing, Tholeni bridge, sports-field, hall access road, job opportunities, Pedestrian walkways along P423 road, Bus stop Shelters at major points along P423 and D599 roads, Youth & women development, agricultural activities, job opportunities, learnerships, shelters at bus stops.</p> <p>Mbava, Nsongeni, Elozi, Janokwe: Water, electricity, Gravelling of Janokwe road, Regravelling of Mbhava road, Mafu bridge, Ngabayena/Mbava Hall renovation, fencing of community gardens, access roads, sanitation facilities at public areas such churches, sports-field upgrade, bridge, Youth & women development, agricultural activities, job opportunities, learnerships, shelters at bus stops.</p> <p>Empethu: Housing, electricity, crèche, water, D2147 road upgrade, sports-field, Improved safety at Nagle dam pedestrians tunnel, Mshazi road upgrade, Youth & women development, agricultural activities, job opportunities, learnerships, shelters at bus stops.</p>
7	<p>Cool Air: Urgently attend to the cemetery's high water table problem, clinic, housing, hall maintenance and renovation, Hall doors, fencing with remote controlled gate, sports-field reconstruction, library, ambulance service, transfer of houses, crèche renovation and furniture, lights in business premises, fix road signs, solve overcrowding problem at Ross compound, electricity at Ross compound,, fix street lights, replace old water pipes, sewer works extension, Women empowerment and Youth Development</p>

	<p>and skills Development programmes, Poverty alleviation programmes,</p> <p>Wartburg: Clinic, mobile clinic in the interim, housing, covered & secured pension point, resurfacing internal roads, pedestrian crossings, replace damaged street names and signs, water pipes replacement, upgrade High Street parking lots, Phela crèche children crossing, upgrading of taxi rank</p> <p>Fawn lease: Housing, electricity, shelters @Mphesheya farm, crèche.</p>
8	<p>All areas: Housing, attend to unreliable water supply problems especially Lower Oqaqeni area, electricity in-fills, shelters at public transport stops, Swayimana sports-field renovation, Sanitation project completion, clinic at Sigqumeni</p> <p>Road upgrades and tarring: D1006, Mbeka road, Nazo road, Dumela road and bridge, Bhisi road, Mqeku road, clinic road, Shayamhlane road, Madlala/Ndumunga road, Ndlela road, Ndulo road, Thwala road, Ophondweni road, Ntanzi road, Malinga road, Mdoti road, Mkhith road, Mpangele road, eNduneni road, Mpanza road, Mdavu road, No.7 road, Myeza road, Sokhela road, Mpangase bridge, Ndlela road, Ngcobo’uhle road, Phungula road, Mathonsi road, Esilaheni road, Emanduneni road, Dube/Maromeni courseway, Dimba courseway, storm-water pipes. Pedestrians walkways along the Swayimana main roads.</p> <p>Halls and crèches: Sigqumeni, Mqeku and Ezalukazini halls, Msilili and Mahlathini crèches.</p> <p>Swayimana Hall – repairs to windows and toilets, floor tiles, door keys, ceiling for sound control, yard water tap, pre-paid electricity.</p> <p>Youth Programmes: Skills development programmes, learnerships, promotion of local Artists, Career guidance, support for youth SMMEs and Co-ops.</p>
9	<p>Trust Feed: Housing, Slums clearance, Main road tarring completion, access roads maintenance, clinic, school, streetlights, Taxi rank, crèche, completion and furniture for the community hall, tools, water and sanitation facilities at cemetery, sports-field, library, TV network at Ematsheni area, Pensioners pay-point shelter, Pedestrian walk-ways/pavements, fencing of the crèche, fencing of the old cemetery.</p>
10	<p>Mpolweni: Land and housing, tarring completion of D708 road, electricity, clinic, completion of regional sports-field, access roads upgrade, sanitation, Mhlangeni cemetery fencing, 2 courseway bridges (Mpolweni & uMshwathi rivers, community center fencing, community centre toilets renovation, sports-fields upgrades (Mvundlweni & Kwenzokuhle), Newtown crèche, D708 sidewalks/pavement, tarring of N715 road, library, improve reliability of water supply tankers at Mantshalini, internet café, Park</p>

	& recreational area, Post Office, Satellite Police Station
11	<p>Emabheleni: Housing, water, sanitation, electricity, Mkhathini bridge, clinic, satellite police station, roads upgrade, High school, Hall extension, Vodacom network aerial, D1025 road upgrade, completion of Phungula road, Concillors service delivery offices.</p> <p>Egazini: Electricity, roads upgrade and bridge, housing.</p> <p>Gququma: Main road upgrade, clinic, electricity, Zibambele road maintenance program for poverty alleviation.</p> <p>Okhasini: Water and Sanitation, Electricity, Okhasini Road upgrade, Thusi road, Nogqaza road, Nyathi road, Mahushu road, Gobeni road, Delani road, Crèche needs renovations, community hall, access roads, library.</p> <p>Ekupholeni: Hall furniture and fencing, Fix hall doors and toilets, proper installation of storm-water pipes, road signage, Tertiary institution (FET), Increase Zibambele road maintenance program, Ekupholeni crèche renovation, Library, Courseway, crèche fencing, Ekupholeni road upgrade, sanitation, housing, water extensions, Gravelling of Gudlukuphola road, Ngoleleni Road gravelling. Construction of Masabalala Road.</p> <p>Egujini: Community Hall, mobile clinic, Electricity, Egujini crèche extension, completion of Sanitation Project, Youth Development Programmes, Ezihlabathini Clinic, High School, Taxi Rank and Taxi Stop Shelters, Water extensions.</p> <p>Tholeni: Tholeni road upgrade and bridge, housing and water.</p> <p>Elangeni: Elangeni Road Off 1025 needs a bridge, road upgrade, Electricity, Water, Sanitation and Crèche, youth development programs (all areas)</p> <p>Okhalweni: Housing, Sanitation, Water, Electricity, Okhalweni Road upgrade, Gravelling of Ngcobo store road, gravelling of Bhokobhoko road, Nhlabamasoka bridge and gravelling, Upgrading of Access Roads, Mdabanisi Road.</p>
12	<p>Gobizembe, Inkululeko & Windy Hill: Tarring of D1012, 1013, 1019 road, clinic, taxi rank, Windy Hill road, Housing, water, electricity, sanitation, crèche, hall renovation, reliable water tanker in the interim. Leanerships, sports-field upgrade, FET College for uMshwathi, Library, Councillors offices. Upgrading of access roads, Commuters' Shelters along the main public transport routes, Youth & women empowerment programs.</p>
13	<p>All areas: Road upgrades -: D457, Maziwane road, Ndlaveleni Road, Ntabazwe/Edwaleni bridge, Nonganga bridge, Asamukele bridge, Snxadwini road, Maziwane road, Gudla Nene road, Lamont road, Ngoje bridge safety rails, Water scheme upgrade, hall</p>

	near Gwala store, Ndlaveleni Higher Primary school, storm-water pipes, community gardens. Acces roads to Inyaninga and Ngolela Schools. Women and Youth Development Programmes, Housing, Namibia Creche construction.
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2.4 POWERS AND FUNCTIONS

The powers and functions of uMshwathi Municipality as assigned by the MEC for Local Government and Traditional Affairs are set out below:

- Air Pollution
- Building Regulations
- Child Care Facilities
- Fire Fighting
- Local Tourism
- Municipal Planning
- Public Transport
- Storm Water
- Trading regulations
- Amusement Facilities
- Billboards and Display of Advertising in Public Places
- Cemeteries, Crematoria and Funeral Parlours
- Cleansing
- Control of Nuisances
- Control of Undertakings that Sell Liquor to the Public
- Facilities for Accommodation and Care and Burial of Animals
- Fencing and Fences
- Licensing of Dogs
- Licensing and Control of Undertakings that Sell Food to the Public
- Local Amenities
- Local Sport Facilities
- Local Markets
- Municipal abattoirs
- Municipal Parks and Recreation
- Municipal Roads
- Noise Pollution
- Pounds
- Public Places
- Refuse Removal, Refuse Dumps and Solid Waste Disposal
- Street Trading
- Street Lighting
- Traffic and Parking

2.5 DEMOGRAPHICS AND TRENDS

To analyse the demographic trends manifested at uMshwathi Municipality, a lot of reliance was placed on the data released by Statistics South Africa, especially the 2007 Community Survey. Although the reliability of this data has been questioned in the past, it is submitted that in the absence of any data to the contrary, Census 2001 and Community Survey 2007 do provide a satisfactory indication of the status quo situation of uMshwathi Municipality.

2.5.1 POPULATION, HOUSEHOLDS AND BASIC SERVICES

uMshwathi Municipality's people are its most strategic asset. According to the 2007 Community Survey of Statistics South Africa, its total population is 113 054, living in the total households of 22 110. In terms of gender, women were a majority and accounted for 53,1 percent of the population as opposed to men at 46,8 percent. Similarly, almost 52 percent of households were headed by women. The following tables sourced from the same Statistics SA Survey (2007) illustrate various population trends comparing the current status (2007) with 2001 Census data.

Figure 1: Household basic services comparisons (2001 & 2007)

Percentage distribution of households by type of main dwelling	Census 2001	CS 2007	Percentage of households by type of water source	Census 2001	CS 2007
House or brick structure on a separate stand or yard	43,9	48,7	Piped water		
Traditional	42,1	36,7	Inside the dwelling	14,4	17,3
dwelling/hut/structure made of traditional materials	3,1	2,7	Inside the yard	32,8	43,3
Flat in block of flats	0,5	-	From access point outside the yard	18,2	9,4
Town/cluster/semi-detached house (simplex: duplex: triplex)	4,6	0,7	Borehole	1,2	5,0
House/flat/room in back yard	2,8	0,5	Spring	4,5	3,1
Informal dwelling/shack	2,0	1,1	Dam/Pool	2,2	0,7
In back yard	0,5	-	River/stream	22,7	19,4
NOT in back yard e.g. in an informal/squatter settlement	0,3	-	Water vendor	0,7	1,1
Room/flat not in back yard on a shared property	-	-	Rainwater tank	1,4	0,5
Caravan or tent	-	-	Other	3,0	0,2
Private ship/boat	-	1,4			
Workers' hostel (bed/room)	-	-			
Other	-	-			
Total	100,0	100,0	Total	100,0	100,0

Percentage distribution of households by tenure status	Census 2001	CS 2007
Owned and fully paid off	34,4	22,4
Owned but not paid off	8,6	2,9

Percentage distribution of households by type of toilet facilities	Census 2001	CS 2007
Flush toilet (connected to)	13,5	12,5
	6,4	7,7

Rented	9,6	12,5	sewerage system)	-	17,7
Occupied rent- free	47,4	59,2	Flush toilet (with	4,4	17,3
Other	-	-	septic tank)	7,7	39,4
			Dry toilet facility	51,8	-
			Chemical toilet	2,3	0,4
			Pit latrine with	13,8	5,0
			ventilation (VIP)		
Total	100,0	100,0	Pit latrine without	100,0	100,0
			ventilation		
			Bucket latrine		
			None		
			Total		

Electricity	21,8	30,1	Electricity	24,9	40,3
Gas	1,4	1,2	Gas	3,4	4,3
Paraffin	6,2	7,3	Paraffin	11,7	16,4
Wood	64,6	60,4	Wood	57,2	38,5
Coal	2,4	0,5	Coal	0,6	-
Animal dung	0,3	-	Animal dung	0,6	-
Solar	0,2	-	Solar	0,4	0,2
Other	3,1	0,5	Other	1,1	0,2
Total	100,0	100,0	Total	100,0	100,0

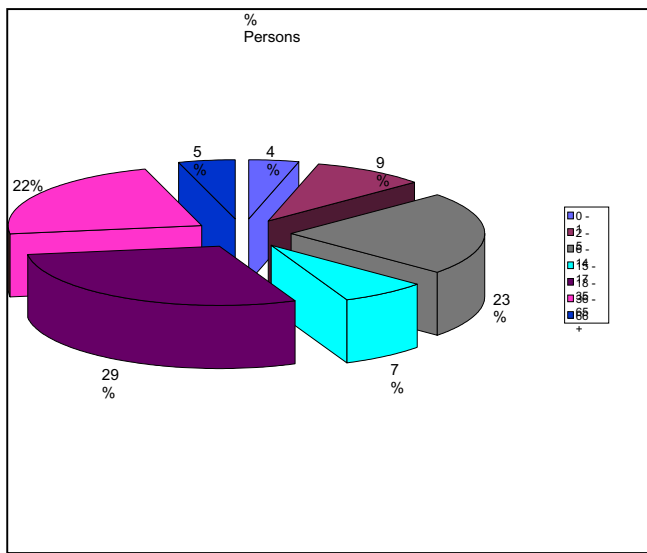
Percentage distribution of households by type of energy/fuel used for lighting	Census 2001	CS 2007	Percentage distribution of households by type of refuse disposal	Census 2001	CS 2007
Electricity	53,2	64,3	Removed by Local Authority/private company at least once a week	12,4	9,9
Gas	0,5	-	Less often	2,7	2,1
Paraffin	0,7	3,7	Communal refuse dump	1,9	2,9
Candles	44,7	30,4	Own refuse dump	66,9	81,2
Solar	0,3	0,3	No rubbish disposal	16,1	3,9
Other	0,6	1,3	Other	-	-
Total	100,0	100,0	Total	100,0	100,0

Percentage distribution of households by type of energy/fuel used for heating	Census 2001	CS 2007	Percentage distribution of households by type of energy/fuel used for cooking	Census 2001	CS 2007
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2.5.2 POPULATION BY AGE

When account was taken of the age differentiation, it has been established that 72, 9 percent were the age between 0-35. This signifies that the dependency ratio of uMshwathi Municipality is very high.

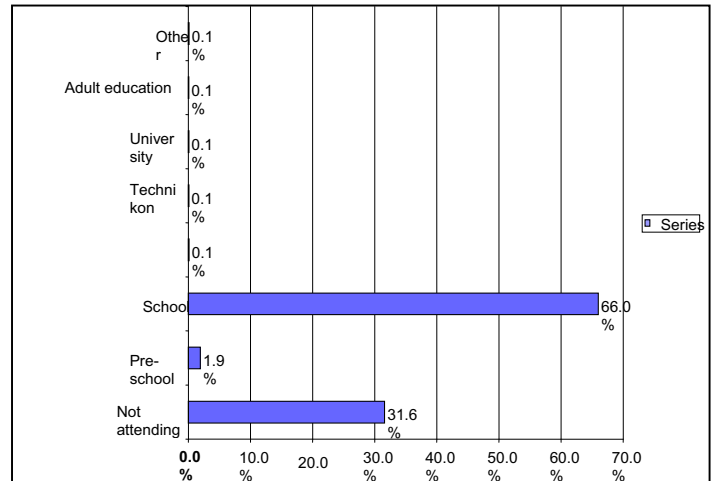
Figure 1: Population by Age



2.5.3 EDUCATIONAL ATTAINMENT

Education expands a person's basic capacity to choose and opens further options for a fulfilling life. A major proportion of the population of uMshwathi Municipality aged above 20 years has absolutely no schooling. This accounts for 29, 2 percent of out of a total of 55 993. This is compounded by the fact that 27, 9 percent has just attained some primary education. What this reveals is that literacy levels of the population are low and require strategic intervention in future. The other worrying point is that only 3, 2 percent has attained a level of education above standard 10 or Grade 12. This has serious implications in terms of the overall skills profile of the area.

Figure 2: Educational Attendance of Those Aged 5 to 24 Years



2.5.4 LABOUR MARKET AND INCOME

Of the total of 35 530 economically active segments of the population, 43, 7 percent were classified as unemployed. This is a serious social challenge when consideration is taken of the reality that 66, 6 percent of households were said to earn between 0 – R800 per month and therefore, considered poor as they were living below poverty datum line.

Figure 3: Labour Market Status of Those Aged 15 to 65 Years

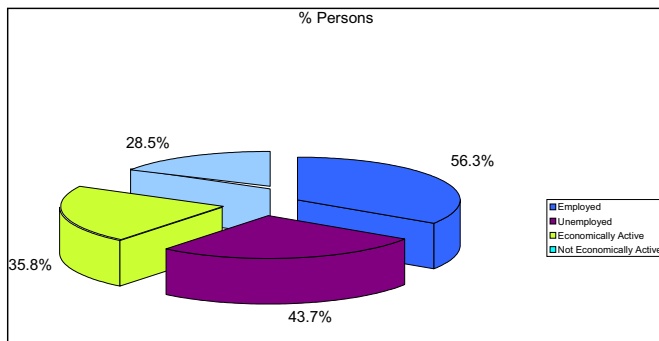


Table1. Household Income

Income Level	No of households
No Income	8195
R1-R4 800	3269
R4 800- R9 600	6587
R9 601-R19200	4618
R19 201-R38 400	2683
R38 401-R76 800	1094
R76 801-R153 600	503
R153 601-R307 200	207
R307 201-R614 400	60
R614 401-R1 228 800	35
R1 228 801-R2 457 600	43
R2 457 601, more	9

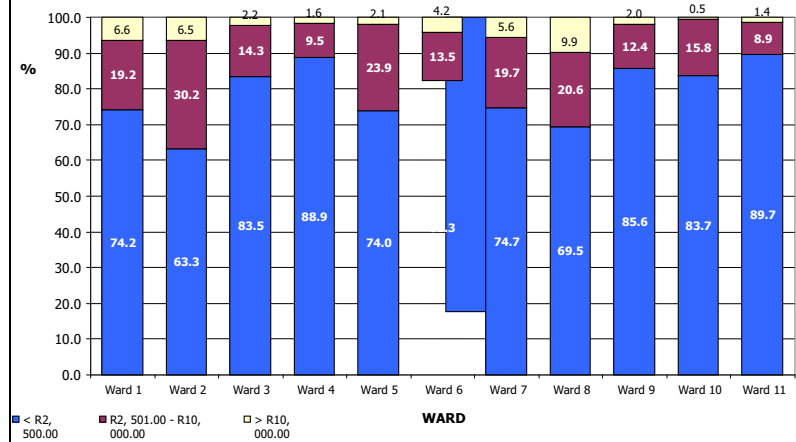
Source: Census 2001

The levels of education have been determined as low reflecting limited access to employment opportunities. 66% of the households earn between R0-R800 and therefore live below the poverty line (IDP 2006). This correlates with the low wages in the agricultural sector. The agricultural sector is the main employer in the municipality employing 55% of the economically active population.

Diagram 4 below classify household income by ward indicating that over 63% of the households earn less than R2 500 per month and that income levels are low in all the wards, 10 of the 11 wards have 70% of the population earning less than R2500 refer to Map 1. This illustrates high levels of poverty and its equal distribution across the municipality.

Low incomes, insecure jobs, high dependency ratios and unemployment rates mean that many people in need of housing in uMshwathi depend largely on the housing subsidy and whatever savings or small loans they are able to muster on their own to meet their housing needs. Only a small proportion of these households are able to access formal loans to complement the housing subsidy and thereby increase the site and or quality of the dwelling that can be erected.

DIAGRAM 4: MONTHLY HOUSEHOLD INCOME BY WARD



2.6 DEVELOPMENT CHALLENGES

2.6.1 ACCESS TO WATER AND SANITATION

Access to water and sanitation is imperative to reaffirm people's dignity and the enjoyment of basic human rights. The backlog in water and sanitation provision is still a point of concern. 2001 Census data confirms that about 46 percent of the total households either source their water some 200 meters away or from boreholes, springs, rainwater tanks, dams/pool/stagnant water, rivers/streams, water vendor and other sources. The situation is worse especially in rural areas. In terms of sanitation, it was also estimated that about 52 percent of the total households used pit latrines with no ventilation, whilst 13, 8 percent had no toilet facilities at all.

2.6.2 ACCESS TO ENERGY

Energy is considered one of the vital components of human development. In the South African context, it is said that rural women spend up to eight hours per day gathering firewood. Inadequate lighting also impacts negatively on educational attainment. In the uMshwathi Municipal area, approximately 53 percent of households were said to be using electricity as main source of fuel for lighting, 21, 6 percent for heating and 24, 7 for cooking.

2.6.3 REFUSE

Only 12, 4 percent of the total households had their refuse removed once a week by the municipality. For the rest, about two thirds used their own refuse dumps a staggering number of 16, 1 percent had no rubbish disposal. This has implications for health and environmental conditions of the people.

2.6.4 SOCIAL FACILITIES

Notwithstanding the fact that no data is available about number and state of social facilities such as clinics, parks, sport facilities, and so on, it can be concluded that these are also inadequate and unevenly distributed in various wards. It is therefore not surprising that the provision of social services is still ranked highly as one of the most important community development priorities.

2.7 CURRENT BACKLOGS

Table 1: Current Backlogs (data from uMgungundlovu IDP 2006/2007)

ISSUE	2001/2 Baseline	2004/5	Increase/ Decrease	Percentage Increase / Decrease	Remaining Backlog & Percentage
Piped water on site	10 932	12 907	1 975	15,3%	10 794 46%
Access to portable water within 200m	13 222	15 866	2 644	20%	7 875 33%
Decent sanitation – VIP's	2 849	4 696	1 847	64%	19 045 80%
Access to legal connection of electricity	9 959	12 007	2 048	21%	11 734 50%

From the base year of 2001/2 noticeable progress has been made in respect of access to portable water whether piped or within a distance of 200 meters. However, it is estimated that 10 749 (46%) and 7 875 (33%) of

households within uMshwathi Municipality still do not have access to piped water and water within a distance of 200 meters respectively. Furthermore, approximately 19 045 households have no access to decent sanitation and 11 734 households do not have access to legal electricity connection. This backlog indicates that the ability of uMshwathi Municipality to implement Free Basic Services to all qualifying households will be hamstrung by the magnitude of the backlog it still faces. This level of backlog is even more critical when looked at against the national goals of universal access to portable water and sanitation by 2009 and universal access to electricity by 2012.

2.8 INTEGRATION OF IDENTIFIED LAND

a) LAND REFORM

There are two Land Reform Programmes that impact on the land that has been identified for housing in uMshwathi Municipality that is, Land Redistribution and Land Tenure Reform. The purpose of Land Redistribution is to provide the poor with access to land for residential and productive use. The poor, labour tenants, farm workers as well as emergent farmers are expected to pool their resources to negotiate, buy and jointly hold land under a formal title deed. Opportunities are also offered for individuals to access the grant for land acquisition.

Land Tenure Reform addresses difficult problems created in the past. In the case of Mpolweni for example tenure rights have to be transferred as residents are settled on church land. The significance of Land Reform is also captured by the uMgungundlovu District IDP which has identified Land Reform and Housing as one of its priority programmes. However, implementation progress has been slow. In uMshwathi Housing projects have primarily focused in smaller urban centres with very low levels of success. The urban and peri-urban such as Trustfeed, New Hanover,

Dalton have land ownership problems that the municipality could not speedily resolve. Consequently only two projects have been completed since 1994 with 294 beneficiaries because of the complex tenure issues across the municipality.

The lack of housing development in the rural areas can be ascribed to a number of factors, the most important of these being the security of tenure on Ingonyama Land. The project linked subsidy which requires beneficiaries to have outright ownership of the site to which the subsidy relates has been until recently the preferred Housing subsidy Scheme. Consequently, there has been no development on Ingonyama Trust Land, the area where the majority of the municipal population resides. The introduction of the Institutional subsidy now provides a mechanism for development on Ingonyama Land which provides the beneficiary with a long term-lease. The District Municipality has set an annual target of 3000 housing opportunities. In this plan uMshwathi Municipality quantifies the annual housing opportunities that it aims to establish.

b) SPATIAL INTEGRATION OF IDENTIFIED LAND

From a housing point of view, the key issue is to promote the social, economic and spatial integration of the Municipality. The description of land uses in the Municipality clearly outlines the spatial configuration of the Municipality based first on the primary economic activity and past racial planning. While the ideal outcome is to change the past planning legacy however the Municipality can neither socially nor economically afford to relocate long-established communities. The strategic response to spatial integration particularly to the tribal settlements in the periphery encompasses two major planning interventions, that is,

- To ensure access to social and economic services

- To promote mixed use that includes economic activities based on skills that already exist in the community

c) ACCESS TO EMPLOYMENT OPPORTUNITIES

There is an efficient road network that links the rural areas with urban centers. However, the economic opportunities are limited to the agricultural sector that spreads throughout the municipal area. The well established road network in the form of provincial and national roads further links the Municipality to a diverse range of economic opportunities in the major centers of Durban and Pietermaritzburg. Thus, a good road network is critical to the future development of the Municipality as opportunities within the boundaries of the Municipality are limited.

The creation of alternative sources of employment and the diversification of the agricultural sector will create economic opportunities within the Municipality. This is critical as the majority of the population is unskilled with low levels of education.

d) ACCESS TO SOCIAL SERVICES

Social facilities are distributed throughout the municipality (Map 6). However the ratio of the population to the facilities is three times higher than the acceptable standard. There are 3 primary health care facilities in the Municipality that has a population of 114 136 residents, hence there is one facility available to a population of approximately 38 000 residents. Consequently, the backlog is quantified at 33%. Similarly there are 3 police stations in the Municipality. There is a fairly acceptable level of access to schools at a ratio of 1:39.

e) ACCESS TO TRANSPORT FACILITIES

The municipality has an established network in a good state of repair which promotes the linkages between places. 75% of households have access to graded/gravel road within 500m while 40% have direct access. It is the aim of the District to ensure that 100% of the households have direct access to the road network by 2010. The main limitation in this regard would be the availability and cost of reliable public transport.

The Department of Technical Services is currently establishing a Pavement Management System which will provide for the carrying out of the following functions:

1. Roads inventory
2. Analysis, evaluation, and needs assessment
3. Visual assessment and condition report
4. Rehabilitation recommendations
5. Maintenance plan
6. Provision and maintenance support for software package.

To date, it has been established that the total length of roads for which uMshwathi Municipality bears responsibility is 113km, of which 24km are paved, 50km unpaved and 39km of tracks. Upon completion of the management system, it will have been established how best, and at what cost, the network may be effectively, efficiently and professionally maintained.

2.9 CAPACITY TO BE SERVICED BY BULK SERVICES

a) WATER

Access to water within 200m of one's home is an acceptable minimum standard irrespective of whether the water comes from a hand pump, borehole, and a reticulation system supplied from a high yielding borehole or a reticulation system from a bulk line or reservoir. The main issue is the quality levels of the water supplied. In the uMshwathi Municipality the water services backlog is at 35.74% (UDM IDP 2006/2007). 54% of the 64.26% of households with access to water have piped water on site. The supply of water is made possible by the bulk water infrastructure throughout the Municipality, that is, pipeline, borehole, springs, rain-water tank, dam/pool/stagnant water, and river/stream and water vendor.

Table 2.2.2(a) below indicates the water sources in uMshwathi Municipality.

Water Source	No. of Household
Piped water inside dwelling	3549
Piped water inside yard	9131
Piped water on community stand: distance less than 200m. from dwelling	3262
Piped water on community stand: distance greater than 200m. from dwelling	2427
Borehole	298
Spring	1039
Rain-water tank	400
Dam/pool/stagnant water	621
River/stream	5542
Water vendor	159
Other	761
Total	27190

Source: Census 2001

Umgeni Water - Raw water is drawn from Midmar Dam & piped to Howick where it is treated. Water is conveyed thence to Claridge, and on to Wartburg. There is a branch line to Albert Falls and Thokozane. From Wartburg there are three lines: through Bruyn's Hill to Swayimane, to Trust Feed, and through Schroeders to New Hanover. There is a branch line to Dalton and Cool Air

Umgeni Water thus provides for Claridge, Albert Falls, Thokozane, Wartburg, Trust Feed, Bruyn's Hill, Swayimane, Schroeders, New Hanover, Dalton and Cool Air.

Payment for bulk water supplied by Umgeni Water is made directly by uMgungundlovu District Municipality.

Tanker Trucks are on hire from Messrs Aquatrans, 5 in total (15 000 litres capacity), of which 1 has been hired by uMgungundlovu District Municipality directly and 4 by uMshwathi Municipality. All operate on a 7-day week during the hours 07h00 to 16h00. Water is sourced from a standpipe at the Bruyn's Hill turnoff from the Wartburg-Fawnleas road.

Umgeni Water is planning for the Augmentation and extension of the Wartburg bulk water system – incorporating supply to Efaye and Ozwatini. This project is intended to augment the supply capacity of the main to Dalton, and to extend the main to Efaye and Ozwatini. The total length of pumping main is 90km, and the project budget R206m. Funding is to be spread over 5 capex years, with completion in 2011/12.

The Project is split into four phases:

- Phase 1 Claridge to Wartburg
- Phase 2 Wartburg to Dalton
- Phase 3 Dalton to Ozwatini
- Phase 4 Dalton to Efaye

Phases 3 and 4 are intended to be undertaken simultaneously. The supply mains will terminate at the respective reservoirs, and the installation of distribution mains will thus have to constitute separate projects.

Aerial survey work has been completed, and the mapping process is currently under way for all phases. Detailed planning has been completed for phase 1, and design is in progress. Detailed planning for the next three phases is currently in hand, and design is planned to commence in July.

It is anticipated that construction on phase 1, of 26km length, may start in January 2008. The designed capacity of this pumping main is 50Ml/day. An optimistic hope is that completion of the project may be achieved in December, 2009.

The Umgungundlovu District Municipality as a Water Services Authority is currently conducting a detailed Water Services Development Plan, which will determine all water and sanitation backlogs within the district.

b) ENERGY SOURCES

Access to energy sources can be through electricity, Gas, Paraffin, Solar Power and Wind Power. However the Municipality has a backlog of 46.96% which it intends to meet by 2010.

Table 2.2.2(b) below indicates the energy sources for lighting in uMshwathi Municipality.

Energy Source	No. of household
Electricity	14678
Gas	140
Paraffin	188
Candles	11931
Solar	87
Other	166
Total	27190

Source: Census 2001

c) SANITATION

On site sanitation if appropriately implemented, where the geotechnical conditions are suitable, that is, there is no danger of ground water contamination can be in the form of VIP toilet, septic tanks and soak-way system. These are acceptable levels of service. The overall Municipality has a high sanitation backlog, measured at 68.21%. Sanitation projects are also planned for the Traditional Councils.

Table 2.2.2(c) below indicates the sanitation in uMshwathi Municipality.

Type	No. of Household
Flush toilet (connected to sewerage system)	243
Flush toilet (with septic tank)	640
Chemical toilet	0
Pit latrine with ventilation (VIP)	7379
Pit latrine without ventilation	13518
Bucket Latrine	0
None	3656
Total	25436

Sanitation projects currently under implementation within the area of uMshwathi Municipality as follows:

Swayimane – Wards 6, 9, 10 and 11.

These projects are funded by MIG and are being implemented by uMngungundlovu District Municipality. The project budgets are R8 861 966 (Wards 6 & 9), R8 200 955 (Ward 10) and R7 358 104 (Ward 11) respectively.

d) TELE-COMMUNICATION

Table 2.2.2(d) below indicates the tele-communication in uMshwathi Municipality.

Telephone	No. of Household
Telephone in dwelling and cell-phone	1114
Telephone in dwelling only	1049
Cell-phone only	2450
At a neighbour nearby	3485
At a public telephone nearby	12087
At another location nearby	1322
At another location; not nearby	2768
No access to a telephone	2914
not applicable (institutions)	-
Total	27190

Source: Census 2001

e) CEMETERIES

The current cemetery capacity in the Municipality cannot cope with medium to short term requirements (0-25yrs) particularly because the mortality rate is rapidly rising due to HIV Aids. Besides Trustfeed that has a newly built cemetery the remainder of the cemeteries in the municipality will reach capacity soon. New Hanover and Cool Air cemeteries are estimated to reach capacity by mid 2010 while Appelsbosch is projected at the end of 2010. There are no cemeteries in the ancestral land which lends itself to the danger of contamination and pose limitations to future land development.

2.10 ECONOMIC DEVELOPMENT, JOB CREATION AND POVERTY ALLEVIATION

The poverty levels in uMshwathi Municipality are very high due to unemployment rate which is attributed to low education levels and stagnant economic growth.

2.10.1.1 ESTABLISHMENT OF A RATES BASE

The Municipality has put forward a proposal to Department of Cooperative Governance and Traditional Affairs on the old and small Town Rehabilitation (Renewal) incorporating New Hanover as the Main Economic Hub of the municipality.

The municipality has developed its Land Use Management Systems to assist the municipality in the implementation of Municipal Property Rates. The Valuation Roll has been completed and advertised for public comments. The municipality is in a process of developing the Rates Policy rates By-Laws. Consultation process on the valuation roll has been done. Property Rates implementation will be aligned to IDP and Budget.

2.10.1.2 SETTLEMENT PATTERNS AND TOPOLOGY

uMshwathi Municipality has a rather dispersed nature of settlements. This factor makes service and infrastructure delivery difficult and in some cases impossible. Services should however be provided according to the need of the settlement type. It is therefore important to differentiate between various levels of settlement and provide guidelines for the services required for the various settlement types.

2.10.1.3 TOURISM DEVELOPMENT

The municipality has a number of natural, historical, cultural resources and opportunities. It has particularly location advantages in that it is located at an effective nexus between the coast and the hinterland, and while explicit research has not yet been conducted on the precise advantages this location may yield for UMshwathi. There is a view that opportunities exist to offer logistics services to freight traffic moving between the coast and hinterland.

At present there is a lack of co-ordinated planning, development and marketing efforts in the municipality, with the result that the potential of the tourism sector in the municipality has not yet been realized. It would be important that the municipality investigate the following:

- Location: exploiting the location of UMshwathi to develop the capacity to become a service centre for trucks and to offer logistics and linkage capability between the hinterland and Dube Trade Port/La Mercy and Durban;
- Manufacturing- especially in the value added sugar and wood products;
- Agriculture-with the release of more land to smaller black farmers and agri-processing
- Tourism linkages to the Valley of 1000 Hills route and the Midlands Meander
- Build on the Albert Falls Amble to include rural and traditional areas and thereby develop a municipal tourism plan;
- Consider linkages with Ndwedwe Municipality with regard to Nhlankazi Holy Mountain and other tourism initiatives;
- Consider linkages with uMvoti Municipality with regard to Cultural Tourism e.g. Battlefields

2.10.2 PRIORITIES

The municipality has identified a number of priorities, some of which are listed below:

- i. Economic Development, Job Creation and Poverty Alleviation
- ii. Renewal of New Hanover as a Municipal Economic Hub
- iii. HIV/Aids
- iv. Electricity
- v. Water and Sanitation
- vi. Roads
- vii. Development of Harry Gwala Corridor (Linkage to Dube Trade Port & N2-N3 Connector) The then DLGTA gave the municipality grant funding for a feasibility study for the development of this road.
- viii. Value Adding on Agricultural and Mineral Produce from the Area
- ix. Development of Tourism Infrastructure (and Promotion): The Municipality is currently using tourism brochures for marketing the municipality as a tourist destination. The marketing of the municipality as an investment destination has also begun with the various LED Events and International Trade Missions that took place in 2007 and 2008.
- x. Community Facilities
- xi. Environmental Management and Environmental Resource Management Plans have been developed, particularly on the management of the area around Albert Falls Dam.
- xii. Housing (massification of small towns): A feasibility study is currently under way. The terms of reference include Housing developments and other projects. Furthermore, there are plans for the construction of low cost housing in various areas in the municipality.

2.10.3 POVERTY ALLEVIATION

Given the service backlogs and constraints existing in uMshwathi Municipality, focused and integrated interventions by all three spheres of government using the massification approach will bring enormous social and economic benefits to the communities, inter alia the following (based on Provincial commitment):

- Serious service backlogs will be addressed, especially with regards to water and sanitation (a Millennium Development Goal)
- High prevalence of T.B., HIV and Aids will be addressed bringing some relief to the affected
- Food security and basic income opportunities will be enhanced
- Safety and security of communities will be improved
- Sports development programmes will contribute to social cohesion and upliftment
- Literacy and matric pass rates will improve with better facilities and basic services (including water, sanitation and electricity),
- Gender equality will be enhanced with improved employment opportunities for women through Extended Public Works Programmes and establishment of Cooperatives (through mobilization, education and training, funding, marketing, and mentoring and support)

Government has launched a number of growth, economic development and poverty alleviation programmes from which uMshwathi Municipality's IDP draws its programmes; namely:

- Urban Development Strategy which Commenced in 1995
- The Manufacturing Development Programme to promote or jump-start new investments in manufacturing

- The Spatial Development Initiatives, under the auspices of the National Spatial Development Framework which aims to unlock the inherent and under-utilized economic potential of poverty reduction, but to fast-track and boost new investments and growth and employment opportunities
- Local Economic Development (LED) where local government assumed new responsibilities for LED planning, which often occurs in partnership with other local stakeholders including the private sector, communities, trade unions or NGOs.
- The Rural Development Framework which has a powerful focus on poverty, addressing the issues of how to improve rural people in decisions of local government that affect their lives.
- The set of programmes for assisting small, medium and micro (SMME) non-farm enterprises offers a means of addressing poverty by strengthening existing coping strategies, or offering alternative livelihoods for those engaged in the formal sector. They also have potential for redressing apartheid inequalities through upgrading micro-enterprises development and the condition of the emerging SMME economy, which is dominated by historically disadvantaged communities.
- Expanded Public Works Programme and Community Development Workers Programme aimed at empowerment and job creation.

Recently, the Office of the Premier has initiated discussions around creating a new paradigm, a holistic and balanced poverty intervention. This vision contains critical areas with each requiring ongoing and sustained effort, namely;

- Strategic pro-poor growth that is aimed ultimately at creating wealth in numbers
- Human capital development
- Reducing vulnerability

- Good governance
- Spatial intervention (Operation MBO)
- Transformation of the Public Service
- Redefining and repositioning KZN

Ultimately, success over the scourge of poverty will result from a combination of factors:

- A caring, democratic, hard-working and inclusive government
- Astute leadership
- A set of good policies
- Institutional capacity
- Alignment and cooperation amongst all role players
- Resource allocation and management
- Multi-pronged strategies and approaches and
- A mid-to-long term outlook

It is within this framework that poverty alleviation activities designed to move the municipality from Project Consolidate status to a developing one, is located.

2.11 MICRO ENVIRONMENTAL SCAN

2.11.1 STAKEHOLDER ANALYSIS

As part of the environmental scan, a stakeholder analysis was done to identify the stakeholders of the Municipality and to gauge the type of interest they have in municipal affairs. The following key stakeholders were identified, and the municipality has committed to work with them to strengthen democratic participation:

- Ama-Khosi – governance and service delivery
- Ward Committees – all delivery issues

- Ratepayers – they want value for money
- Other spheres of government – development agenda and inter-governmental relations
- Business - conducive environment for business to thrive and broad-based economic empowerment
- uMshwathi Agricultural Union – food production
- Unions – employment opportunities, and development
- Religious leaders – moral regeneration issues and development
- NGOs – issues such as home-based care, HIV/AIDS
- CBOs – community gardening and other projects to address poverty
- Co-operatives – to stimulate distribution of economic opportunities and broad-based black economic empowerment
- Woman’s groups – development and empowerment
- Community and youth organization – development and empowerment

There is also a commitment to continue to identify other stakeholders that are not covered by the list above.

2.11.2 P.E.S.T. ANALYSIS

All municipalities operate in macro-environment shaped by relevant influences outside their boundaries emanating from the political terrain, economic conditions, social sphere, and technological considerations. Understanding of these relevant influences is important as they have an impact and a bearing on the decisions, directions and developmental model that each municipality ultimately makes.

The following political, economic, social/cultural and technological factors were identified as having an influence on uMshwathi Municipality

2.11.3 POLITICAL FACTORS

The Constitution as well various pieces of legislation such as the Municipal Systems Act and the Municipal Finance Management Act provide various mandates, which the municipality is expected to implement. All these legislative imperatives have a vast impact on the manner in which the municipality conducts its business as a developmental local state and shape to a great extent how it relates with different stakeholders. The second influence is the fact that the present political context is one where the First Decade of Freedom in South Africa has been about ten years of growing unity in action, peace and stability, and replacing apartheid institutions with a new governance framework founded on the ethos and a culture of democracy, non-racialism, non-sexism and respect for human rights and dignity. The Second Decade of Freedom is one in which the gains of the past decade need to be consolidated, and taken a step further in terms realizing and implementing programmes that not just accelerate service delivery and deepen democracy and economic redistribution, but also coalesce around the new 2014 Vision, which is underpinned by the following political targets and objectives:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods;
- Provide skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and caring society;
- Ensure that all South Africans, including especially the poor and those at risk – children, youth, women, the aged, and people with

disabilities are fully able to exercise their constitutional rights and enjoy full dignity of freedom;

- Compassionate government service to the people, national, provincial and local government representatives who are accessible and accountable to all citizens who know their rights and insist on fair treatment and efficient services;
- Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV/AIDS, malaria and working to improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and roads accidents;
- Significantly reduce the number of serious crime and awaiting trial cases with a society that actively challenges crime, corruption, and with programmes to address social roots of criminality;
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and North, and in an Africa that is growing and benefiting all Africans, especially the poor.

The development priorities set out by former Premier Ndebele and articulated in The Provincial Growth and Development Strategy are also fundamental in shaping the development agenda of uMshwathi Municipality and are consistent and resonates well with the national 2014 Vision. These are:

- Strengthening governance and service delivery;
- Integrating investments in community infrastructure;
- Sustainable economic development and job creation;
- Developing human capability;
- Developing a comprehensive response to HIV and Aids;
- Fighting poverty and protecting the vulnerable groups in society.

Furthermore, the March 2006 local government elections more than ever before confirmed that issues and problems raised by the electorates in different Wards need to be dealt with as urgently as possible by involving every stakeholder in all development processes. The relationship with Amakhosi and their participation in the local governance processes have improved tremendously. A challenge, however, is for the municipality to continue to find creative ways around which this relationship can be cemented further with Amakhosi, without exception.

2.11.4 ECONOMIC INFLUENCES

The economy of KwaZulu-Natal continues to grow above national average at 4, 3 percent. In particular, the declaration of Pietermaritzburg as a capital of KwaZulu-Natal has led to an unprecedented economic boom, which positively impact on neighbouring municipalities, including uMshwathi Municipality. With an upswing in the demand for accommodation and office space, uMshwathi Municipality has been positively impacted as well. Hence, a need arises for uMshwathi Municipality to strategically position itself by identifying its competitive advantages and investment opportunities in order to benefit from high levels of investor confidence shown in the Pietermaritzburg and surrounding areas. A separate section presenting a detailed economic strategy and plan for uMshwathi Municipality is presented in Appendices K9.

As indicated above, the people of uMshwathi Municipality have a very low disposable income and skills levels. The latter aggravates the rate of unemployment, which stood at 43, 7 percent as per the 2001 Census.

ASGISA (Accelerated Shared Growth Initiative of South Africa) has set annual growth targets of 6% by 2014, and this will require municipalities

to do their best to facilitate economic development in their areas to realize these growth targets.

2.11.5 SOCIAL INFLUENCES

The high incidence of poverty in the area is by far ranked as a major social challenge for uMshwathi Municipality. That the HIV/AIDS pandemic and other diseases persist and are not abating significantly escalates the problem. In addition, the demands for housing especially in rural areas also create a challenge for the municipality. This also implies that issues of land restitution and redistribution must be pursued with more vigour than ever before. The demographic profile indicates that the majority of population is below age 35. This necessitates that the municipality must gear itself properly to address the problems of the youth to avoid a dysfunctional society in future. Crime especially the abuse of women and children is also a challenge that the municipality together with the whole community must confront and address its root causes.

2.11.6 TECHNOLOGICAL INFLUENCES

Technology continues to impact positively on society in general. The advent of the cellular industry has accelerated the communication revolution on a very profound basis. Similarly, continued development of information technology has a positive bearing on the way the municipality conduct its business especially in terms of financial management system. It is for this reason that the need for developing an IT strategy for uMshwathi Municipality has become more urgent to ensure that IT is integrated in all business processes of the municipality to enable better and faster service delivery. Office automation is no longer a luxury, but a reality that the municipality must embrace. Technological changes are also

having a positive impact on transportation. The movement of goods and people has become faster as well. The impact of transport development on municipality's roads network will need to be monitored closely, especially as it relates to the environment. Development in alternative energy sources also promise a lot of hope that the needs of the people in rural areas will be met faster than before.

2.12 MICRO ORGANISATIONAL ANALYSIS

To analyse uMshwathi Municipality as an organization, a SWOT Analysis has been used to size up its resource capabilities and deficiencies, and its external opportunities and threats to its future well-being. This helps in providing a broad overview about whether the municipality's overall situation is fundamentally healthy or unhealthy, and to craft the strategy that leverages on the strengths and use its best opportunities to defend against the threats to its well-being.

The first area that was analysed relates to corporate governance. The following strengths regarding the Executive Committee were raised:

- It is small and versatile as it consists of only four members. This makes it easy to convene meetings and to take decisions.
- Not too many political parties represented- ANC and IFP. This means that the major focus is largely driven by community needs rather unnecessary political contestations. Its agenda is driven by development priorities/issues and not mere political considerations.
- The retention of Mayor Gwala as the chairperson of EXCO provides stability and ensures continuity. His insight will help new

EXCO members with the necessary background information on some of the issues that would require consideration in future, and he is aware about challenges that the municipality faces.

- The speed of decision making has improved, only items that require further information and consultation are deferred. However, deferral is not indefinite, and there are always sound reasons for not taking certain decision.
- There is a commitment to build solid leadership team that is prepared to renew and “baptize” itself. In other words, there is a commitment to adopt a new perspective to addressing the challenges facing the municipality and to accelerate service delivery.

As a weakness, it is acknowledged that there are capacity constraints that exist within Exco and Council as whole, which would require ongoing and focused capacity building programmes. This is especially serious in the light of the fact that about 48% of local representatives are new.

In respect of Management it was found that its strength lies in the fact that recent appointments go a long way towards ensuring that the core of the management team is now in place to implement municipal decisions. This is complimented by other attributes such as:

- Firm decision making
- Action orientation
- Communication is effective and meetings are held regularly

- Clear commitment to service delivery

2.12.1 SWOT ANALYSIS

The following strengths, weakness, threats and opportunities were identified: -

STRENGTHS

- uMshwathi Municipality is relatively financially stable and has put policies in place to ensure that its resources are managed economically, effectively and efficiently;
- A performance management system has been adopted and is being implemented.
- The organisational structure has been adopted, though some refinement would be required in future;
- Several key positions such as the Municipal Manager, the General Manager : Finance (Chief Financial Officer), General Manager: Technical Services, General Manager: Corporate Services (Acting), General Manager: Community Services, Manager: PMU, Senior Manager: Special Projects, Manager: LED, Manager: IDP, Manager: Income, Manager: Expenditure, Assistant Director: Council Matters, Assistant Director: Finance and Youth Co-ordinator, have been created and filled to augment the capacity of the municipality;

- It has management and staff, who are relatively competent, dedicated and able to deliver services within the context of Batho Pele principles;
- There is a smooth relationship between Executive Committee and Management, which demonstrates unity of purpose;
- Skills development plan has been produced and submitted to the Department of labour in compliance with legislation; and
- Delivery of services especially free basic services was already been rolled out to needy areas.
- Community Development Workers have been appointed to facilitate ongoing interface between the municipality and the community.

WEAKNESSES

- The municipality has been part of Project Consolidate, which implies that its overall capabilities and competencies are those of a low-capacity status municipality;
- Enormous service delivery backlogs in terms of water provision, social facilities, roads, Housing, waste removal, etc still remain challenges;
- There is a concern that uMshwathi Municipality is incorrectly graded, which has a direct effect on its ability to attract technical staff, who are generally in high demand nationally;
- Another concern is that women representation within the higher echelons of management is not adequate. This is a serious dereliction in terms of the employment equity act, which must be addressed immediately;

THREATS

- Unless a protocol is developed to regulate relations between staff and Exco and Council, conflict could be experienced especially in areas where there is a perceived political interference in management;
- The municipality is over-dependent on grant funding and there is risk that debtors in respect of its own-revenue sources could escalate rendering the municipality unviable and unstable;
- Uneven delivery especially of basic services could cause discontentment among the community, leading to marches that can be negative to both the local leadership and management, and the image of the municipality;
- Staff turnover could affect delivery if there are not awarded reasonable incentives.

OPPORTUNITIES

- Location in close proximity to Pietermaritzburg, which is the capital city with a booming economy, has positive spin-offs which need to be capitalized upon;
- The partnership between the KZN Department of Economic Development and the European Union provides a strategic avenue through which uMshwathi Municipality can develop a growth and development strategy for the area based on in-depth analysis of the local economy and to identify catalytic projects for funding;
- There are plenty opportunities to diversify the local economy through development of tourism infrastructure and middle income residential and commercial real estate;
- Access to grant funding and the availability of resources for infrastructure through MIG is an opportunity to accelerate service delivery;
- Municipality's credit worthiness can be used to loan capital from the banks, which can help in fast-tracking service delivery;
- There is scope for public-private-partnerships for establishing viable economic centres within uMshwathi;
- Management Assistance Programme (MAP) and Project Consolidate are an opportunity for the municipality to turn the corner and be effectively managed;
- The 2010 World Cup provides opportunities for tourism and other economic spin-offs, which need to be investigated properly and acted upon;
- Given the historic linkages between uMshwathi area and Germany, there are opportunities to establish twinning relations with German cities and towns, to strengthen the local economy, leadership development, management capacity, and community development. However, twinning should be broadened to other countries as well.

2.13 THE IMPLICATION OF THE TRENDS

Mere recording of trends is not enough. For the trends analysis to serve any useful purpose it is critical that the implications therefore be highlighted and to begin to suggest broad interventions, which are needed to counteract negative trends and their effects and to leverage on positive ones. Amongst some of the implications that would need immediate attention, the following are of cardinal importance:

1. In respect of population growth, this is likely to trend up at about an annual rate of between 2-3%, even taking account of HIV/AIDS related deaths. The implications for this trend are that the dependency ratio is likely to increase further. Another implication is that the number of people requiring access to basic services, health, education and welfare, will also increase. This would require that future planning must take this increase in demand into account.
2. That the majority of the population consists of women and more households are headed by women has many ramifications for development of the area. The implications are that all programmes undertaken by uMshwathi Municipality must have a particular bias towards women as they are likely to experience more from the effects of poverty, joblessness and lack of skills. Specific targets must be set for ensuring that the representation of women within different levels of the administration is enhanced to implement the employment equity policy. Similarly, the supply chain of the municipality must also be well-gearred up to target the development of women entrepreneurs and women-led business to encourage and empower more women to play a meaningful role in the local economy. Furthermore, communication outreach, campaigns, and consultative processes must be such that their messages are tailor-made to target women as a

priority audience, and to encourage women to participate in the democratization processes.

3. The low levels of income and employment have a direct correlation to higher levels of poverty within the municipality. Accordingly, unemployment and poverty must be top priorities for the municipality. Efforts are needed to ensure that an expanded public works programme is integrated in all projects undertaken by the municipality and development partners. Even more compelling is that the municipality must begin to play a proactive role to stimulate local economic development and in facilitating land distribution. It also means that the spatial framework must be revisited to give more impetus to the development of vibrant economic nodes to enable the diversification of the economy. Linked to this, is that a clearly articulated economic development policy, which can lead to sustainable job creation and attack the roots of poverty, must be urgently formulated with short to medium solutions that can serve as a platform for long-terms economic development of the area.
4. As already mentioned above, uMshwathi Municipality's invaluable assets are its people. Given the youthfulness of the overall population and the high dependency ratio that this generates, there is a need for massive investment in youth programmes – social, educational, culture and recreation, sexuality education, and business development. The Youth Coordinator need to be assisted to develop an integrated youth development policy, which will be aligned with the policies and programmes of the National Youth Development Agency (NYDA) and other spheres of government and non-governmental organizations. This will also need a special mobilization and organization effort to ensure that young people are encouraged to play a central role in their own development processes and capacitated and trained to identify

opportunities and to capitalize on them; identify and solve problems; and project management.

5. The low level of educational attainment and low skills-base within uMshwathi Municipality also need dedicated attention. A broad-based Early Childhood and Pre-school enrolment programme and literacy and Adult Basic Education campaigns need to be implemented together with the Department of Education and non-governmental organizations. In addition, parents and the whole community, and School Governing Bodies must be mobilized to ensure that all children of school-going age are enrolled and assisted with their children's educational needs. A skills profile of the area must be undertaken to help develop a comprehensive local human resources and skills development policy for the area, which will be implemented with different stakeholders.
6. The backlogs in the delivery of basic services and addressing other pressing physical and social infrastructure and sustainable human settlement needs, has serious implications for the level of community satisfaction with the municipality and elected public representatives. All stops must be pulled to ensure that national targets are achieved to improve the quality of life of the area. Within this context, specific delivery of Free Basic Services in line with national policy must be extended to all areas that are not yet enjoying these benefits. It also means that the municipality's capacity to deliver must be improved (see below).
7. The implication of the uMshwathi Municipality being regarded as part of Project Consolidate warrants that a sustainable turnaround strategy be devised and implemented to ensure that it shifts to a high capacity municipal status. This strategy must of necessity address deficiencies in terms of the capacity of municipal staff, especially in areas of

strategy analysis, formulation, implementation and performance monitoring and evaluation, as well as project management, and Information Technology and Communication. Concurrently, a leadership development programme would be needed to address the needs of all local representatives and Ward Committees.

8. The organizational structure must be reviewed to assess whether it fits with the current conditions and needs. This review must be reinforced by systematic departmental business planning and process mapping, so as to identify the skills gaps that require future consideration.
9. The opportunity of twinning with German cities and towns must be looked at. In addition, a fund raising drive targeting German donors in particular must be initiated around specific project proposals, which are aligned with the IDP and community needs.
10. Last but no least important, the commitment of National Government and the Province through the Premier's State of the Province Address and the Provincial Growth and Development Strategy, to meeting the global Millennium and National Goals, which set specific targets about access to basic services, unemployment and poverty, educations and skills development, must also be taken into account and specific policies must be developed to respond to these challenges.



SECTION C: DEVELOPMENT STRATEGIES AND IMPLEMENTATION PLANS

3.1 VISION

The revised vision of uMshwathi Municipality is presented below as:

“uMshwathi Owethu-Lets Build Together”.

To achieve this vision, a new mission statement has also been developed.

3.2 MISSION

The operations of the municipality will be buttressed by a religious adherence to the following values:

“Provider of Municipal services for better quality of life for all”

3.3 VALUES

In all its deliberations, uMshwathi Municipality will strive to operationalise the Batho Pele principles by:

- Caring and putting people at the centre stage of all development processes;
- Being democratic, open and transparent;
- Adhering to a high standards of integrity and morality;
- Supporting anti-corruption drive
- Constantly improving its business processes in pursuit of excellence and best practice; and
- Supporting development of staff and councillors as a necessary condition for strengthening local governance.

3.4 STRATEGIC ISSUES TO BE ADDRESSED BY THE MUNICIPALITY

Flowing from the environmental scan, strategic issues confronting the Municipality were also identified. These included the following:

There is a challenge to improve the rate at which service delivery is taking place and ensure that all people have access to basic services and integrated human settlement in line with the new national housing policy. This challenge also extends to the provision of social facilities and services such as health and welfare, and the dire need to maintain existing physical and social infrastructure.

Institutionally, the finalisation of the organisational structure, staff placement, the filling of strategic vacancies and capacity-building for staff are crucial to service delivery and creating stability within the organization. In addition, putting in place an organization-wide performance management system and cascading it to individual managers and staff is also urgent.

There is also a strategic challenge to ensure that uMshwathi Municipality is financially viable and sustainable and to align its budget with Integrated Development Plan priorities

Poverty, unemployment, HIV/AIDS and other diseases, are regarded as the main socio-economic challenges that the municipality needs to address in the short, medium and long term.

Economic growth of the municipal area is also very critical in the creation of sustainable jobs and the building of Public-Private Partnerships. Land reforms and agricultural development

The strengthening of community participation in the development process, co-operative governance and communication is also vital in ensuring that the developmental needs and priorities of the people are addressed properly.

Improving the skills and capacity of all councillors and all people of uMshwathi Municipality need to occupy a central stage and integrated in all activities of the municipality.

Last but not least important, issues of integrated environmental management also require strategic attention.

NATIONAL KEY PERFORMANCE AREAS	ISSUES	STRATEGIC ISSUES
1a. INFRASTRUCTURE AND SERVICES	A.1 Access To Water And Sanitation	Notwithstanding progress made since 2000, access to portable water and sanitation are still critical challenges as they have an impact on the health and well-being of the people.
	A.2 Access To Electricity	Access to electricity especially non-grid connection is a critical issue
	A.3 Access To Roads & Transportation	Most municipal rural roads are difficult to access and this affects development in those areas
	A.4 Access To Solid Waste Service	There is a need to ensure that solid waste is collected in all households at least once a week, and to introduce a suitable service in rural areas
	A.5 Access To Cemeteries & Crematorium Service	New Regional service needs to be operationalised and existing ones to be maintained.
1b. SOCIAL DEVELOPMENT (Community Services)	Environmental Management	No local capacity exists.
	Land Use Planning	All developments need to be implemented using spatial plan guidelines
	Housing Delivery	Rural housing needs have not been met and there is a need to eliminate slums
	Poverty Reduction And Food Security	Abject poverty requires urgent action. Especially the reduction of food insecurity
	Safety And Security	Crime and security affect society negatively and also impact on development
	Health	Access to primary health care services within acceptable distances
	Education And Skills Level	High illiteracy rate and shortage of skills.
	Hiv And Aids	HIV/AIDS pandemic continues to ravage the community especially the poor and has left children orphaned and there is a challenge to mainstream it in all development processes
	Gender	Gender equity needs to be addressed and mainstreamed in all development
	Youth	Remain affected by lack of skills and Unemployment
	Arts And Culture	Not given the priority they deserve and lack of Facilities
2. ECONOMIC DEVELOPMENT	Sports And Recreation	Not given enough prominence and there are no facilities especially in rural areas
	Land Reform & Agricultural Development	Minimum security of tenure and production Incentives
	Local Economic Development (Led) & Unemployment	No led strategy in place and the economy is not diversified, broad-based empowerment, SMMEs and second economy require serious attention
	Tourism And Investment Promotion	Lack of tourism strategy and focus.
3. FINANCIAL MANAGEMENT	Internal Policies, Processes And Systems	Sustainability and alignment of budget
4. DEMOCRACY AND GOVERNANCE	Addressing Batho Pele	Need to be citizen-focused and to address issues of the Citizens Charter
	Community Participation	Strengthening community based structures and Capacity, and communication
	Inter-Governmental Relations	Cementing relations with different spheres of government and service providers and the District needs attention
5. INSTITUTIONAL TRANSFORMATION	Internal Policies, Processes And Systems	Organisational structure needs to be implemented and to attract the right candidates in critical posts specially those important for service delivery

3.5 STRATEGIC OBJECTIVES

A set of interconnected and interdependent strategic objectives was formulated based on the strategic issues, the priorities of the Provincial Growth and Development Strategy and the National Local Government Key Performance Areas. These strategic objectives are articulated below:

- To ensure that in line with national goals, **all households have universal access to electricity by 2014**;
- To ensure that the number of households eligible for **Free Basic Services** is increased;
- To reduce the backlog in **services** such as waste removal and **physical infrastructure** such as roads as well **social infrastructure** such as clinics, sports and recreation facilities, libraries and arts and culture;
- To eliminate all slums by 2010 in line with provincial goals and ensure decent rural housing delivery within the framework of sustainable and integrated human settlements;
- To facilitate growth and development of the local economy in a way that generates opportunities for sustainable job creation, poverty reduction, rates base increase, and improves broad-based black economic empowerment and the development of small and medium enterprises in various economic sectors, with particular emphasis on agriculture and tourism;
- To develop an organisational architecture, business processes and policies, which will enable the municipality to fulfil its constitutional and legislative mandates and achieve its vision and mission;
- To manage municipal financial resources in a way that will ensure financial viability and sustainability of the municipality, and the alignment of the budget with the needs and priorities of stakeholders;
- To build the capacity and skills of the community, councillors, and staff of uMshwathi Municipality, to deepen democratic participation in

decision making and all development processes, and to facilitate horizontal and vertical communication with all stakeholders;

- To mainstream and integrate issues of poverty, unemployment, environment and HIV/AIDS within the main development agenda of the municipality and to address them holistically;
- To address issues of the youth, women, disabled and vulnerable sectors of society on integrated basis;
- To develop systems to facilitate co-operative governance and inter-governmental relations especially with the District, other spheres of government and service providers to maximize the development impact within uMshwathi Municipality.

3.6 STRATEGY FOCUS

The strategic positioning of uMshwathi Municipality will be anchored on four core pillars to make the municipality and its people competitive and distinguishable from other municipalities of similar size. These pillars are a focus on:

- growing the local economy to create sustainable job opportunities, reduce poverty and increase the revenue base of the municipality;
- addressing service delivery backlogs, meeting basic needs of the people, and free basic services;
- improving educational attainment levels of the area and skills development of all people, especially the youth, women and other vulnerable groups; and
- forging strategic partnerships with the District Municipality and other stakeholders to realize the vision of the Municipality

3.7 CRITICAL SUCCESS FACTORS

Key success factors for ensuring that this strategic positioning is successfully implemented include the following:

- Visionary and decisive leadership will be important to get buy-in and support from all stakeholders of the municipality to implement its strategic direction;
- Strengthening the uMshwathi Municipality's organisational machinery with requisite skills is going to be a vital link and a pivot around which the performance of the municipality as a whole will evolve;
- Mobilization of all necessary financial resources cannot be over-emphasized. It is clear that additional capital will be needed if all the different components of the new strategic positioning of uMshwathi Municipality are to have a realistic chance of coming to fruition;
- Strengthening of internal and external communication with all stakeholders;
- Ensuring that the IDP of uMshwathi Municipality is factored in and aligned with the budgeting processes of the District, service providers and other spheres of government. The latter in particular, is something that the management of uMshwathi Municipality must ensure that it is taken care of on a continuous basis through bilateral and multilateral arrangements.

3.8 ORGANIZATIONAL STRATEGIC PROGRAMMES (IDP / BUDGET / PMS ALIGNMENT)

uMshwathi Municipality has adopted the balanced scorecard as a strategic management tool to manage the execution of its implementation framework. The purpose of the balanced scorecard is:

- To assist in translating the IDP strategic framework into coherent objectives, measures and targets;
- To make accountability for results more open and transparent;
- To Ensure organizational alignment by cascading the scorecard into each different departments and functional areas within departments;
- To help in formulating personal objectives and development plans for each manager and staff below them.

For this reason, all IDP programmes have been categorized under each balanced scorecard perspective and consideration has been made to ensure that the Key Local Government Performance Areas for each programme are also taken into account. The programmes (shown in the tables below) effectively integrated as a performance management system for the municipality

3.9 KPA: LED - UMSHWATHI MUNICIPALITY'S LED IMPLEMENTATION PLAN

INTRODUCTION

uMshwathi Municipality has over the years developed a solid record in service delivery. This is due to a number of realities that have characterised its functions and structures such as its stable and innovative leadership, attention to detail and hard and conscientious work as well as continuous interaction with the main stakeholders and role players within its municipal boundaries.

uMshwathi is the second largest of the seven local municipalities, and it has been blessed with good rainfall, fertile soils and a temperate climate, which have affected positively some sectors of its economic development and growth such as sugar cane and maize production, as well as a number of community-based projects. The Albert Falls and Nagle Dam are also within the municipal boundaries and it is widely acknowledged that they are open to a number of potential future investments at a number of levels and sectors such as tourism, agriculture and SMME development.

Such future developments need to be encapsulated in a well designed, planned, researched and implemented Local Economic Development Strategy.

Bearing in mind that in terms of the Systems Act 32 of 2000, local municipalities are required to review their LED Strategies and plans on an annual basis the document provides the framework of the municipality's LED Strategy's further reviews. The current LED Strategy and plan were last reviewed in 2010.

THE KEY COMPONENTS OF LOCAL ECONOMIC DEVELOPMENT

The basis of this framework is aligned with the Municipality's Integrated Development Plans, the National Spatial Development Perspective (NSDP), the KZN Provincial Growth and Development Strategy (PGDS) and the Provincial Spatial Economic Development Framework (PSEDS) amongst others.

The continuous efforts the Municipality to be an effective, efficient self-sustaining and productive municipality underpinned by its leadership's will to develop and sustain service excellence, underline the fact that the

review of its LED strategy is a step forward towards the further transformation of uMshwathi into an economically vibrant, safe and healthy environment, with all its citizens enjoying a high quality of life , with special emphasis on job creation and a better standard of living.

The review lays the foundations for an improvement and expansion of the existing activities in the municipality such as agriculture and more specifically sugar cane, timber and maize poultry, pig farming, abattoirs, feedlots, vegetables, avocado pears and flowers. It will also provide guidelines for the expansion of the horizons for tourism development, the role of the municipality in the mobilisation of youth and women in terms of job creation, and new, innovative strategies and tangible steps forward for the achievement of these objectives. Such initiatives will complement in many ways the new urbanisation trends that have surfaced over the last years in towns such as New Hanover, Dalton and Wartburg, as well as the development and sustainability of new initiatives in the rural areas of the municipality.

The reviewed LED Strategy takes into cognisance the importance of basing interventions on scientific research and reports that will provide an array of interventions based on the fundamental principles of co-ordination of the work of the municipality with all stakeholders, community participation as well as other spheres of government in a coherent manner

in order to improve the quality of life for all the people living within the municipality.

These processes and outcomes will be rooted on the belief that the municipal leadership believes strongly in a pro-active initiative that will ultimately lead to fruition the developmental goals and objectives of uMshwathi.

In these the following key parameters will be measured and analysed:

- *Job creation especially amongst the youth;
- *Empowerment and ways and means to achieve it;
- *Economic growth potential;
- * Relevant sectoral initiatives;
- * Existing initiatives and resources;
- *Future resources and their appropriate allocation.
- *The possibility of establishment of LED Forums;
- *Skills audit and training needs;
- *Infrastructural existence and future prospects;
- *Investment possibilities and sectoral priorities;
- *Existing and future conditions relevant in attracting investment;

These parameters when studied and analysed will provide the foundations for future reviews of the existing LED Strategy document and will pave the way in the identification of the lead projects aimed at expanding and further diversifying the economy of uMshwathi based on social and economic fundamentals such as the rehabilitation and development of the towns in the Municipality, middle to high-income housing projects as well as the development of a road corridor linking the N2 and N3 and traversing uMshwathi.

The continuous review of the LED Strategy will ultimately lead into the re-writing of a new, advanced and detailed LED Strategy that will further enhance the possibilities for the leadership of the municipality to fulfil its developmental objectives and will be instrumental in opening up opportunities for broadening up of the Municipality's economic and developmental terrain through the identification and future support of community-based, investment driven alternative economic avenues. Strategic imperatives will include the possibility of community-based enterprises and SMMEs, potential investment opportunities, fundraising imperatives, tourism initiatives, training and other opportunities for further growth.

THE FUNDAMENTALS

The Municipality's key imperatives in building up further the local economy needs to be based on the following fundamentals:

1. Facilitation of strategic infrastructure improvements
2. Enlarged job creation
3. Investment in key clusters (such as tourism , agriculture and SMME's)
4. Building of stronger public/private networks
5. Connecting people, especially youth and women to economic opportunity
6. Getting the best out of the sub region's assets
7. Exposing businesses and individuals to leading edge practice from elsewhere

In these endeavours the key parameters of a reviewed LED Strategy are to be concentrated on the following:

JOB CREATION FOR YOUTH AND WOMEN

- Job creation through the Expanded Public Works Programmes, Zibambele and the Community Works Programmes need to be

properly and carefully *facilitated , implemented and monitored* through a number of well thought mechanisms.

- For these to be developed and implemented the establishment of an LED Forum is necessary.
- Youth and Women Empowerment: Although there is a Youth Forum established the same has not occurred amongst women in the Municipality. A Policy Framework needs to be structured for the Youth Forum and the establishment of a Women's Forum is very important.
- In terms of youth and women development and expansion of the following is imperative:
- Skills development programmes in consultation and cooperation with Departments, FET's, the private and agricultural sectors and other similar entities is of importance.
- Hence this targeted priority initiatives through improving basic skills levels and ensuring appropriate labour market entry level skills is imperative.
- The opening up of business opportunities in the various sectors.
- The possibility of youth and women's cooperatives in the various sectors.

- One of the key projects destined to turn around the economy of uMshwathi is the development of a road corridor linking the N2 and N3 and traversing uMshwathi Municipality.
- Hence the completion of the Environmental Management Framework project for the Node at R33/R614 is a necessity.
- The facilitation of the development of road networks and the following up of the Corridor Project is imperative.

AGRICULTURAL POTENTIAL

- It is of vital importance to expand and diversify agriculture by developing further the potential of the indigenous rural population beyond the sugar cane production and the 250 farmers already in existence.
- The key issue associated with such an initiative is funding. In this there are basically three sources to be considered :
- Commercial
- Donor
- Self-funding (stokvels, cooperatives etc)

- Appropriate facilitation and project management principles and implementation of such projects need to be mediated by the municipality in cooperation with the relevant departments.
- Hence the municipality needs to encourage the diversification and growth of the rural economy by developing new ways of thinking and doing things.
- This will not only lead to the diversification of the sector as it exists today but will enhance a collective amongst women and youth through the potential creation of initiatives such as cooperatives.
- Such initiatives are to be based on a carefully designed, focused and implemented land reform that will be instrumental in creating opportunities for the development of an expanded indigenous a farming sector in the Municipality.
- Such developments require from the municipality to be active through communication and participation to be a crucial mediator in devising ways and means in helping indigent households sustaining themselves through:
 - farming;
 - improving security of tenure in rural communities; and

- Providing greater access to commercial agriculture to indigent indigenous households.
- This priority is a real challenge for the municipality as it faces many pockets of social and economic exclusion within its boundaries. Hence the development and implementation of locally targeted agricultural initiatives and creating social economies is important.

TOURISM POTENTIAL

- In terms of tourism potential expansion the diversification needs to take place basically through a gradual intensification of cultural tourism
- This means the activation of community-based arts and crafts potential amongst communities at individual or/and collective /cooperative mode.
- This will require a cost benefit analysis.
- Such an activation will energise the community potential of both youth and women , especially the latter and will supplement at a mass level the existing tourism activities and infrastructure

- Eco-tourism, agricultural, historical and cultural tourism potential and priorities need to be investigated seriously as a growth area for tourism but not in the form of single, large developments.
- This requires coordinated planning, development and marketing efforts in the municipality, so that the potential of the tourism will be realized.
- More serious attention need to be given to the Albert Falls Amble and its tourism potential explored further.
- The question, in marketing terms of a unique cultural/tourism identity for this is of high importance.
- Accompanying such priorities is the development of young “tourist pioneers” amongst the youth especially to be trained within the ambit of the new Youth Strategy as announced in the Presidential State of the Nation Address this year.

SMME DEVELOPMENT

- In terms of SMME development:
- The existing SMME –based local manufacturing activities such as block making, sewing and craft production takes place need to be

enhanced and nurtured further and other sectors need to be developed.

- A culture of entrepreneurship need to be enhanced in terms of SMMEs with special emphasis on women and youth as a key foundation of successful local economic regeneration.
- Rural communities need to be prioritised.
- A number of strategic and tactical initiatives need to be considered, planned and implemented in this effort.
- This can be achieved through capacity building and project initiation in coordinated efforts with departments and the private sector.
- A Training Center within the SMME as well as the poverty alleviation initiatives is very important.
- An agreed amount of money can be set aside by the municipality to facilitate the development and sustainability of SMMEs.
- The possibility of setting aside between R300-500 000 for such an initiative need to be explored within the legal parameters of MFMA.
- The Municipality can *facilitate* programmes that will create serious awareness of incentive packages and Government programmes which could benefit the expansion of informal businesses.

- The Municipality needs to communicate to aspirant entrepreneurs the opportunities to capitalize on the existence of programmes through SETAs and outcome based education

STAKEHOLDERS FORUM AN IMPERATIVE

All these initiatives need to be based on a cooperative and coordinated effort of a Stakeholders Forum, in other words a group that comprises the key strategic municipal, local and national Departments and agencies public/ private/other stakeholders who are actively involved in such developmental processes.

The municipality is the lead partner for all priority initiatives and is responsible for leading and driving the prioritised actions identified and agreed by the various partnerships towards delivery. The individual and institutional partners mainly define their own roles in this process, because it is essential that they fit with their respective networks, especially for consultation and decision-making purposes.

Quarterly meetings between lead partners will be held to ensure synergy between priorities.

COMMUNICATION AND CONSULTATION

Communications is an integral part of the Municipality's LED; hence the municipality needs to develop efficient and effective methods to engage internally and externally in order to sustain the partnership network. Therefore, both in terms of the capture and the dissemination of information and strengthening and expanding the strategic framework the communication and consultation process is of vital importance to the successful delivery of the action plan.

It also underpins the motivating and inclusion factors needed to build a strong and vibrant partnership network and provide the foundation building blocks of a monitoring, review and evaluation process to inform future development work.

On the higher level there is a need to raise awareness and understanding and to trigger action responses from target audiences and/or partners and through them to draw in information for analysis, research and evaluation. This would include responding to consultations, engaging in the process and sharing

knowledge and expertise. More specifically, there is a need to encourage partners to accept that the LED Strategy it is not the property of one partner but of all stakeholders and role players, especially the communities.

Individual partners have different roles and this needs to be communicated to all , but there is a commonly shared objective the economic and social well being of the municipality and all its people , especially the vulnerable and indigent.

Hence the input from partners, and the encouragement to share in:

- knowledge and understanding of key issues from all points of view
- strategic and policy making to ensure there is a 'two-way' fit
- planning knowledge and skills in the context of options, risks, rules etc.

3.10

3.11 KPA: FINANCIAL PLANNING –

uMSHWATHI MUNICIPALITY'S FINANCIAL STRATEGY 2011/2012

3.11.1 INTRODUCTION

The uMshwathi Municipality has recognised that to be successful the IDP must be linked to a workable financial plan, which includes a multi-year budget developed using financial modelling. Furthermore, it was recognised that without the financial plan, the IDP would be incomplete. The Municipal Finance Management Act No. 56 of 2003 (MFMA) requires the municipality to take into account the IDP during the budget preparation process. It further requires the municipality to take all reasonable steps to ensure the municipality revises the IDP in terms of Section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years.

Consequently the IDP process has been extended to include the financial plan in this section of the IDP. The financial plan is set out as follows:

- Financial strategies for the 5 year period
- Financial issues
- Detailed 5 year financial action plan
- Multi-year budgets
- Capital and investment program

3.11.2 FINANCIAL STRATEGIES

The financial strategies adopted by Council include a general strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management

strategy, capital financing strategy, operational financing strategy and cost effectiveness strategy. These strategies have been incorporated into a detailed financial action plan that follows this section. More details of the aforementioned strategies are set out below.

General:

3.11.2.1 Social responsibility

All aspects of matters relating to financial matters will take cognisance of council's social responsibility. These include Council's indigent policy and recognising that certain sections of the community do not have to pay for these services. A further aspect of social responsibility will focus on transformation and empowerment, for example in Council's procurement policy.

3.11.2.2 Engendering investor and consumer confidence

Council main aim is to increase investor and consumer confidence by building on the sound financial base. This will include developing sufficient reserves and limiting risks by ensuring that major contracts are awarded to "blue chip" partners and suppliers. At the same time Council must take cognisance of its social responsibilities and will only enter into agreements with partners and suppliers who can demonstrate a significant and continuing contribution to the empowerment of previously disadvantaged communities.

It is envisaged that an alliance with "blue chip" partners and suppliers will in the long term contribute to the betterment of the community through investment and increased employment opportunities. Although preference

on major contracts will be given to "blue chip" partners and suppliers, Council will at the same time seek to improve the fortunes of the community by awarding affordable smaller contracts to businesses and individuals' resident or operating within the jurisdiction of the Umshwathi Municipality. In order to limit risk, Council reserves the right to have due diligence reviews conducted in respect of any new partners, institutions or suppliers, including major suppliers. Recognising that smaller contractors might have difficulty in securing lines of credit, Council will investigate mechanisms to assist these contractors without placing the Council at risk. One such method will be the direct payment to suppliers of the contractors via cession documents. Such payments will be limited to the amounts owed by the emerging contractors to suppliers.

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate financial discipline, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports. It is intended that the business plan of the finance department will address these factors. In order for the finance department to deliver on these strategies, it is Council's intention to clearly define accounting policies and recruit the best finance people for that department. To this end, Council will define recruitment policy for finance staff, put in place a pre- and continuing education policy and develop career progression paths for designated finance staff. Like the IDP the financial action plan will be subject to a regular review and comparison of actual performance to predetermined performance measures.

3.11.2.3 Financial Resources

For the purposes of this plan, Council has considered financial resources for both capital projects and operational purposes. The various resources available to Council are summarised below.

Capital expenditure:

- Internal borrowings using existing funds
- External borrowings
- Grant funding from both National and Provincial government
- International funding
- Twin city funding
- Ring fenced statutory funds – housing
- Capital market
- Public/ private partnerships
- Disposal of un-utilised assets

Operational expenditure:

- Normal revenue streams
- Short term borrowings:
 - Internal
 - External

3.11.2.4 Revenue raising

The uMshwathi Municipality's significant sources of revenue are: rates, cleansing, refuse and grants. The contribution of the various streams to revenue will be subject to review. Whilst the issue of tariffs forms part of this financial plan, it is anticipated that the affected departments will be responsible for investigatory work.

The financial system being used by the municipality is the Dolfin system.

3.11.2.5 Asset management

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance programme review and insurance cover. This part of the plan will be extended to assist in identifying and listing unutilised/ uneconomic assets with a view to disposal as previously indicated. Although directly related to revenue raising it is appropriate to include the monitoring of rental income and policies with the asset management programme. This aspect of asset management will ensure that Council is receiving economic rentals from Council owned land and buildings which are rented out.

Housing is a specialised field and will be considered separately from this financial plan.

3.11.3 Audit Committee

The term of the Audit Committee had come to an end at the end of September 2008. The appointment of the new committee was approved by Council in December 2008. It will be ensured that the Audit Committee does fulfil its duties in terms of section 166(2) of The MFMA.

Internal Audit

The internal audit function has been outsourced in the current year and the unit is working in terms of an approved internal audit plan.

Matters of Governance

The draft annual report was submitted to the auditors for consideration prior to it being tabled to Council.

Implementation of GRAP

The financial statements for the financial year June 2009 were prepared in the GRAP Format.

3.11.4 FINANCIAL MANAGEMENT

Council is committed to sound financial management and the maintenance of a healthy economic base. Although the statutory requirement for the contribution to statutory funds will disappear with the possible repealing of the KwaZulu Natal and Local Authorities Ordinance No 25 of 1974, Council will put in place policies, which will maintain sufficient contributions to similar funds established in terms of GAMAP. Financial management policies and procedures for the entire municipality will be implemented.

In addition, financial management systems and procedures will be reviewed to incorporate the following:

- Budgeting methods
- Cash forecasts and cash flow monitoring against forecasts
- Credit policies with emphasis on minimum debtors
- Credit risk management
- Investment policies
- Management reporting
- Procurement policies
- Stock levels for consumer stores
- Supplier payment periods
- Supplier selection and monitoring procedures

Municipal staff will be encouraged to adhere to value for money principles in carrying out their functions. To assist finance staffs achieve efficiencies in their daily tasks a performance review incorporating time and motion studies will be conducted on all functions. It is expected that this review will promote efficiencies in the finance department. Council has adopted a zero tolerance approach in respect of both internal and external audit reports and measures will be implemented to ensure that any material or fundamental issues are addressed immediately. It is expected that the internal audit function will raise any material or fundamental issues before external audit. Other issues arising will be prioritised and addressed accordingly.

Council recognises the need to maintain a positive cash flow at all times and will be investigating various avenues to improve cash flow. Strong positive cash flow will result in additional revenue in the form of interest earned. In view of this fact Council has outsourced its debt collection function since January 2008 to Venn Nemeth and Hart.

3.11.5 CAPITAL FINANCING

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide, the following principles will apply:

- Statutory funds for fund specific projects (e.g. housing)
- Internal borrowings for short to medium term non-strategic projects
- National and provincial government funding for medium term and long term projects
- International funding for medium and long term projects
- External borrowings for long term revenue generating and strategic projects

3.11.6 OPERATIONAL FINANCING

Council's policy is to fund operating expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

It is Council's intention to maintain a strong economic base by buying on good working capital management including the setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principles as currently apply to existing statutory funds in that the respective reserves will be cash backed.

3.11.7 COST EFFECTIVENESS

In any organisation it is necessary to strive for cost effectiveness. It is Council's intention to develop outsourcing policies and review all non-core services with a view to outsourcing or alternate service delivery. The effectiveness of departments and services provided by the departments will be subject to value for money reviews. It is expected that these reviews will achieve cost savings. The concept of shared service centres is being investigated with the objectives of seeking to obtain savings where services could be provided to a number of municipalities and possibly entities in the private sector.

3.11.8 DETAILED FINANCIAL ACTION PLAN

- i. The financial action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality.
- ii. The financial action plan incorporates strategies covering a period of 5 years
- iii. The implementation of the financial action plan requires a team effort. A team approach requires the involvement of the Council, Municipal Manager, Chief Financial Officer and all Heads of Departments in implementing these strategies.
- iv. It is crucial that individuals to whom the responsibilities have been allocated according to the action plan be held accountable for the outcome of these actions
- v. The progress made towards achieving these strategies should be measurable and it is essential that these strategies be included in the performance appraisals of individuals.

3.11.9 DEBT MANAGEMENT

The municipality cancelled the debt collection contract with Venn, Nemeth and Hart in August and embarked on the process in-house. The in-house debt collection process seems to have increased the recovery process. The process only started at the beginning of 2010, and continued to improve during the 2010/11 financial year.

The key financial issues affecting the Umshwathi Local Municipality are listed below.

- 3.11.9.1 Consumers in Cool Air are unhappy about arrear balances and refuse to pay their account.
- 3.11.9.2 Non Payment of Government Debt. .
- 3.11.9.3 Debtors' database needs updating.
- 3.11.9.4 There are insufficient funds for capital projects.
- 3.11.9.5 Operational costs of projects need to be determined.
- 3.11.9.6 The equitable share is used to subsidise the tariff increases.
- 3.11.9.7 Review of commercial and industrial tariffs is required.
- 3.11.9.8 A cash flow monitoring system is required.
- 3.11.9.9 There is a need to consolidate all policies and develop a procedure manual.

3.12 KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE PLANNING

3.11.1 Department: Technical Services

In terms of the functional organogram of uMshwathi Municipality, the Department of Technical Services is responsible for the following activities:

- ✚ Engineering Services
- ✚ Electricity
- ✚ Civil
- ✚ Building Control
- ✚ Solid Waste Management
- ✚ Environmental Management
- ✚ Maintenance
 - ✚ Buildings and Structures
 - ✚ Roads and Storm water
 - ✚ Parks, Verges and Amenities
 - ✚ Cemeteries

The Department is under the control of the General Manager: Technical Services, and the main office is located in Wartburg, with the principal depot at Dalton.

Provision is made, in terms of the Departmental organogram, for three distinct sections: Project Management, Building Control and Infrastructure Maintenance.

The largest section is that of Infrastructure Maintenance and it is organized on the basis of geographical area as follows, New Hanover / Wartburg, Dalton / Cool Air and Albert Falls / Crammond. Only the first two are headed by Supervisors.

The staff complement for the department is as follows:

CATEGORY	TOTAL
General Manager: Technical Services	1
Manager: Project Management Unit	1
Admin Officer	1
Supervisor	2
Assistant Supervisor	1
Handyman	1
Driver	1
Tractor Driver	3
General Assistant	42
TOTAL	53

Engineering Services, Civils and Projects

The provision of engineering services by the Department to the municipality is achieved by the GM and the Manager: PMU supported, as required from time to time, by specialist consultants retained for specific projects. These include electrical consultants, architects, quantity surveyors, civil engineers, geotechnologists, etc.

Electricity

Provision of electricity to consumers including street lighting throughout the municipal area is carried out directly and exclusively by Eskom. This department does however occasionally intervene on behalf of consumers regarding quality and adequacy of service provision.

Building Control

The function is carried out in terms of the National Building Regulations and Building Standards Act 103 of 1977.

In the absence of a Building Control Officer (AKA Building Compliance Officer), the function is carried out by a service provider, Messrs EGM Services, under the control of the GM. Administration of the function is performed by an Admin Officer, whose services are shared with the Town Planner, who falls within the Municipal Manager's support structure.

Final approval of building plans is performed by the General Manager: Technical Services.

Solid Waste Management

The function of solid waste management falls into two activities, that of litter-picking and solid waste disposal.

Litter-picking is carried out within the municipal areas under the control of supervisors, i.e. New Hanover / Wartburg and Dalton / Cool Air, by Departmental staff. The street litter is collected and bagged, and thereafter collected for disposal by the solid waste disposal contractor.

Difficulties are being experienced with control of street litter. This is primarily as a result of a lack of discipline on the part of certain business proprietors who, instead of retaining the refuse emanating from their businesses for collection on a weekly basis, are continually placing such refuse in and around the street bins placed on the sidewalks and verges. This results in excessive volumes of refuse in the streets, with the consequent unsightly appearance of the towns.

Occasionally, e.g. on pension payout days or school sports functions, high volumes of public result in excessive littering, and difficulties are experienced with timeous collection of such street litter.

Solid waste disposal is carried out by a service provider, Messrs Uppergold Services, who is contracted to collect bagged refuse from 3 800 premises within the municipality on a weekly basis. These are residential and business sites within the urban areas only. No service is provided in rural areas.

There are no solid waste disposal sites located within the uMshwathi municipal area. The service provider hauls all waste to New England Road landfill site in Pietermaritzburg, where it is disposed of at the cost of this municipality.

The municipal by-laws provide for the prohibition of irregular disposal of waste. Despite this, substantial difficulty is frequently experienced with the necessity of clearing waste illegally dumped, by persons unknown, upon public areas.

Environmental Management

Environmental management is the control of vegetation upon municipal property – sidewalks, verges, parks, sports fields, cemeteries, etc.

The function is loosely divided into urban- and rural areas. The rural areas are controlled by the Assistant supervisor, whilst the urban areas are attended to departmentally under the control of the supervisors.

The exceptions to these are the areas of Albert Falls / Crammond, the New Hanover urban area and Thokozane, which are attended to by service providers, Messrs Rod Scallan, Silver Stars Services and Sinqobile Construction respectively.

Maintenance

Maintenance of municipal assets, including Buildings and Structures, Roads, Storm water, Parks, Verges and Amenities and Cemeteries, etc. is carried out both departmentally and by means of service providers. Resources are extremely limited, with the result that only spot maintenance is possible.

3.11.2 Department: Community Services

The Department of Community Services is made up of the following sections:

- o The Traffic Unit
- o The Motor Licensing Unit
- o The Cemeteries Management Section
- o The Youth Affairs Unit
- o The Health Care Unit
- o The Housing Unit

Cemetery Management Section

Presently, the Municipality is running five cemeteries situated in New Hanover, Cool Air, Trust Feed, Mpolweni and Thokozani. This section is run by a supervisor and five cemetery attendants.

The municipality has established death registers for each cemetery during the current financial year.

The New Hanover Cemetery is almost full and the municipality is facing a challenge of identifying and acquiring a new site to replace this cemetery. The Municipality has also had to deal with the problem of informal settlements at the New Hanover Cemetery.

There is also a challenge of a low water table that is presenting problems in the Cool Air Cemetery.

Youth Affairs

The Youth Affairs Section is run by the Youth Coordinator. It is responsible for facilitating the empowerment of the local youth.

The achievements for the current financial year include the establishment of the local Arts and Culture Forum and the formation of four farming cooperatives.

The local youth has also benefited from the establishment of two Mass Participation Program Hubs in New Hanover and Wartburg. The Hubs were established by the Department of Sports and Recreation (DSR). They coordinate and promote different sport codes within uMshwathi Municipality. There are twenty facilitators that are paid by the DSR.

The Municipality is assisting the community in its efforts to establish a community radio in uMshwathi. The success of this project will enhance the ability of the municipality to communicate with the rest of uMshwathi residents and organizations. The station will also provide the local youth with an opportunity to develop an interest and skills applicable to radio broadcasting and the media in general.

3.10 uMshwathi Municipality Youth Development and Capacity Building Implementation Plan

3.10.1 Introduction

The legacy of apartheid has resulted in a large proportion of young people being subjected to poor-socio-economic conditions characterized by poverty, poor living conditions, abuse, unemployment and a lack of access to education and recreational facilities. The prevalent poor socio-economic conditions severely impinge on young peoples' holistic well being and further exacerbate their vulnerability to peer pressure, substance abuse, crime and ill-health.

We have as young people, inherited and sustained a culture of dependency. We have become highly dependant on the government to do things for us, to provide resources for us and to also make them work for us. As a result of this culture that is deeply inculcated in our society, we find an increase of uneducated young people, an increase in crime rates and an increase in teenage pregnancy. This, in turn causes a serious vicious cycle of young people being dependent on a government that already is carrying a large social burden.

The identification of the proposed strategic areas for intervention is done in terms of the broad cluster approach of government, the discussions conducted in the youth forum capacity building workshop, as well as the current situation faced by young people in uMshwathi.

3.10.2 Vision

To create integrated, holistic and sustainable youth development programs, conscious of local dynamics, and to build responsible and active young people who will be proactive in their own development and full participants in matters of local government.

3.10.3 Mission

To advance youth participation at local government level, in business and in a well balanced society, by enhancing self-reliance and sustainable developmental programs in an effective, sufficient and reliable manner.

3.10.4 Value Statement

To actively promote universally accepted human values and best practices through linking the youth with relevant resources required to liberate them from poverty.

3.11.5 Strategic Objectives

- Ensuring youth representation at local government level, in matters of socio-economic development.
- To coordinate and facilitate the creation of multi purpose sports and recreational facilities and ensuring their maximum usage.
- To lobby financial institutions, private companies, private individuals and government to create a conducive environment for young people to access financial support.
- To engage on moral regeneration programs to curb crime, teenage pregnancy and substance abuse, in order to bring back pride amongst young people to take responsibility for their futures.
- To establish beneficial and sustainable relationships with youth from other strategic countries.
- To create programs to empower and equip youth with the tools and skills required for success.

The following areas have been identified as requiring intervention for the development of youth and formulate part of the implementation plan:

A) Social Wellbeing

HIV/AIDS

Goal: To minimise the spread and impact of the pandemic and promote VCT testing. Promote teenage pregnancy prevention and awareness.

1. Coordinate integrated and effective youth friendly educational campaigns
2. Strengthen the partnership with Love Life
3. Coordinate early childhood development
4. Encourage circumcision and virginity testing

Champions – Youth desk, manager for special projects and youth forum

Time frame: Campaigns must be ongoing and all must be running by June 2012.

B) Education and Training

Career Guidance

Goal: To empower learners in grade 10 – 12 with information on study courses and bursary opportunities.

1. Coordinate annual career exhibition shows
2. MOU with municipality for the allocation of bursaries to learners

Champion – Youth Desk and NYDA

Time frame: Ongoing

C) Skills Development

Skills shortage and unemployment

Goal: To develop a unique approach on the creation of job opportunities and learnership programs.

1. Skills audit must be conducted by service provider
2. Youth development office, in partnership with relevant stakeholders should lobby institutions to provide experiential training to students

Champion – Youth coordinator and GM of community services

Time frame: June 2012

D) Economic Participation and Empowerment

Entrepreneurship program

Goal: To mainstream economic empowerment of young people and encouragement of growth of SMME's.

1. Coordinate mentorship program, where well-established businesses mentor youth owned and youth managed businesses within the same sector.

Champion – Youth coordinator and manager of growth and economic development

Time frame: Ongoing

E) Crime Prevention

High rate of crime

Goal: To minimize the increase of crime and to ensure there is a safe environment within society.

1. Revival of youth desk in every ward within the municipality
2. Coordinate a youth against crime campaign

Champion- Youth desk and youth forum

Time frame: Ongoing

F) Mobilisation, Capacity Building and Advocacy

Institutionalisation of youth development

Goal: To ensure the centralization of youth development programs

1. Establish and develop an effective and efficient youth forum
2. Form an effective and efficient youth unit
3. Establish a youth office
4. Training of NYDA staff

Champion – Youth coordinator and NYDA

Time frame: June 2012

G) Sports, Arts and Culture

Lack of sustainable sports activities/development and scarce resources

Goal: To build a sports and recreational centre. To promote sports and recreation, increase number of sporting codes and provide sustainable sports development programs.

1. Coordinate coaching clinics for all identified sporting codes (rugby, soccer, netball, basketball and volleyball).
2. Identification of all federations and the establishment of those that are needed.

3. Formation of leagues of five sporting codes.
4. Promotion of school plays in primary schools and high schools
5. Formulation of arts and culture programs

Champion – Youth coordinator, sports council and mass participation program; activity coordinators and sports and recreation department.

Time frame: June 2012 and ongoing

Health Care

uMshwathi Municipality has 5 Clinics. The clinic in Crammond is managed by the Municipality through a service level agreement with the Provincial Department of Health. This clinic has a subsidized budget of R393 000.00. The municipality and the Department of Health are currently working towards the transfer of the running of the Crammond Clinic to the Department.

Housing Unit

uMshwathi Municipality is one of ten municipalities in KZN that have been identified by the Provincial Department of Human Settlements for the establishment of housing units.

The Housing Unit was established in 2008. It is currently run by the Housing Manager. However, the municipality is currently awaiting a response from the Department of Human Settlements for the request for additional personnel. This section is responsible for the provision of housing, and slums clearance programs of the municipality.

This Municipality has a target of building 8325 housing units by 2014.

HUMAN SETTLEMENTS

1. INTRODUCTION

The Department of Human Settlements' Comprehensive Plan for sustainable Human Settlement is the Key Policy Document, which introduced a programme for Housing Chapter of the Integrated Development Plan.

The Housing Chapter enhances IDP to include the following:

- Municipal Housing needs Assessment
- Identification, surveying and prioritization of informal settlements.
- Identification of well located land for housing
- Linkages between urban renewal and housing
- Integration of Housing, Planning and Transportation Frameworks in the integration process of the IDP.

The current Housing Sector Plan will be reviewed during 2011/2012. This section is the summarized version of the current Housing Sector Plan and focuses on certain key areas for the purpose of the IDP. For more detailed information, reference should be made to the Housing Sector Plan.

The Housing Unit (Human Settlements Unit) is managed by a Manager: Housing and one Housing Officer. The manager Housing reports to the General Manager: Community Services, and is responsible for all Housing Projects frequently liaising with Implementing Agents and relevant Government Departments,

attends Housing Think Tank and Housing Co-ordination meetings, compile reports for Management and Council. He works closely with the Provincial Department of Human Settlements, Department of Rural Development, Corporative Governance and Traditional Affairs, eliciting their assistance and attendance at meetings to address challenges and thereby ensuring that Housing Projects are not delayed.

2. LEGISLATIVE FRAMEWORK

In terms of the Housing Act No.107 of 1997, every Municipality must, as part of the Municipality's IDP process, take all reasonable and necessary steps within the framework of National and Provincial Housing Legislation and Policy to initiate, co-ordinate, facilitate, promote and enable appropriate Housing Development in its area of jurisdiction.

3. URBANISATION, POPULATION GROWTH CHALLENGES

uMshwathi Municipality is experiencing population growth within its small towns due to influx of people from outside its borders. Reasons for the influx could be attributed to work opportunities. This has caused social problems to the extent that some people are being evicted by Land Owners and the municipality has to make some means to house those people. Previous planning of the existing small towns did not provide such influx resulting in infrastructural services being inadequate.

The Local Municipality and the District Municipality intervened by providing water and sanitation, access roads, refuse removal and electricity.

4. INFORMAL SETTLEMENTS

The uMshwathi Municipality has identified the uMshwathi Slums Clearance Housing Project as a priority Greenfield Project. The land site is situated next to the existing community of Trustfeed. The project is meant to have 3000 units, while Trustfeed is to be improved by 1000 units.

There have been some serious delays with regard to Trustfeed and Dalton Cool Air Housing Projects caused by:

- Problems with Land Acquisition – Land Owners demand writing off rates before they release the land.

Families located in flood risk areas will be relocated. In site upgrade will be considered for where settlements are in well located land in terms of closeness to employment opportunities and developable land.

5. IDENTIFICATION OF LAND FOR HOUSING

Fortunately, the Municipality has identified the land for the planned Housing Projects. Currently the municipality is in a process of acquisition of the Mpolweni Mission, through the Department of Rural Development and Land Reform. The Housing Project is planned to have 1000 units, the infrastructure is in place.

Land audit of private and state owned land is necessary to make land available for human settlement.

6. MUNICIPAL SERVICES

The level of services provided by the Municipality will comply with the terms of Housing Code 2009 and commitment of services

to be provided will be given when projects are identified and implemented. There is close interaction between housing development unit and other internal components eg LED, infrastructure to ensure intergration of human settlement projects with basic services. There are bulk services for the current and identified human settlement projects in uMshwathi municipality.

7. MIGRATION PLAN

In consultation with the communities that are affected by slums, the Municipality have started the process of identifying such people. Once the process is complete, the Municipality will implement a relocation strategy for uMshwathi Municipal Slums Clearance Housing Project.

8. SOCIAL VIABILITY

In planning the urban areas, i.e Dalton/Cool Air Housing Project, Trustfeed Housing Project, Mpolweni Housing Project, Thokozane Housing Project, New Hanover Commonage Housing Project, cognizance has been taken of the existence of Amenities and Infrastructure that will ensure sustainability.

The aspect of social viability and sustainability of the project will be adequately addressed in the application for project approval to council via PDA (Provincial Development Act) the route which has replaced the DFA(Development Facilitation Act) and LEFTE (Less Formal Township Establishment).

9. CURRENT PROJECTS

PROJECT NO.	PROJECT NAME	TYPE	No. OF UNITS	STATUS
K05110002	Swayimane Housing Project	Rural	500	Implementation Stage, Adjudication to be executed soon
K505110006	Mhlangandlovu Housing Project	Rural	500	Implementation Stage Tender has been closed. Evaluation to be executed soon.
K05110004	Appelsbosch Housing Projects	Rural	500	Implementation Stage. Tender has been closed. Evaluation to take place soon.
K06030003	Masihambisane Housing Project	Rural	500	Planning Stage. Challenges are Poor Beneficiary yield some areas are not accessible, however the problem is being addressed. 80% complete.
K05110005	Inadi Housing Project	Rural	500	Challenges: Poor Land Audit by IA, Contract with IA is to be cancelled, but project to continue. Money spent is to be reclaimed back by DoHS.
	Efaye Housing Project	Rural	500	Planning Stage challenge: had been delayed for a long time due to Land Ownership,

				however it has now been resolved. Stage One is now therefore continues.
K05110001	Trustfeed Housing Project	Urban	1000	Planning Stage. Challenge: Land Owners are willing to sell, on condition that the Municipality writes off outstanding rates. This problem is being addressed by the Municipal Senior Officials.
	Dalton/Cool Air Housing Project	Urban	439	Planning Stage: Challenge: Delay has been encountered due to Land Acquisition but now resolved. IA is therefore now in progress with Tranche 1.
	Mpolweni Housing Project	Urban	1000	Application for Land Acquisition has been submitted to DRDLR. Application for Preparation Fund has been submitted to DoHS.
	Thokozane Housing Project	Urban	906 but 42 are	The 864 completed Houses have been proved to be poorly constructed. The issue is

			still to be built	with the Legal Advisor.
	New Hanover Commonage Housing Project	Urban	243	Project closed. Challenge: Houses are poorly constructed. Problem being attended.
	uMshwathi Municipal Slums Clearance Housing Project	Urban	3000	Planning Stage. IA had been appointed. Planning is almost 80%.

10. PROJECTS ENVISAGED FOR THE NEXT THREE YEARS

PROJECT NAME	TYPE	No. OF UNITS	STATUS
Windy Hill	Urban	50	Negotiations amongst SAPPI, DRDLR and the Municipality with regard to transferring the property from SAPPI to LM. Challenge: Land Claim, which is why DRDLR is involved.

3.13 KPA: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

3.13.2 Department: Corporate Services

The purpose of the Department

The purpose of the department is to provide management leadership and sound administration of the institution.

Measurable Objectives of the Department

Effective leadership, management and administrative support to business units of the institution ensured, through continuous refinement of corporate policies, structure, systems in compliance with legislation and best practice and championing Batho Pele principles and Service Delivery.

Sections that exist within the Corporate Services Department

- ✚ Human Resources
- ✚ Corporate Administration and Secretariat
- ✚ Compliance and Legal Services
- ✚ Information and Communications Technology (ICT)
- ✚ Records Management Services
- ✚ Fleet Management
- ✚ Security Services

Corporate Administration and Secretariat

This section provides secretarial support to various Committee/ Sub Committee meetings and Forums .The following are some of its responsibilities:

- ✚ Ensuring that meetings take place according to the schedule.
- ✚ Co-ordination of logistical and procedural requirements of the meeting of that specific Committee
- ✚ Distributing notices of meetings
- ✚ Compiling and distributing agendas timeously.
- ✚ Recording details of proceedings/ discussions of the meeting
- ✚ Preparing minutes accurately
- ✚ Distributing resolutions emanating from the meetings for relevant employees to action.
- ✚ Making follow up on resolutions of committees
- ✚ Maintaining safe keeping of all records pertaining to Council meetings.

Compliance and Legal Services

The Corporate Services Department is responsible for the establishment and functionality of all core municipal policies and systems as required by law and ensures adherence to same.

- ✚ The Department in conjunction with other departments drafts by laws and ensures that they are promulgated

Information and Communications Technology (ICT)

This section maximises the opportunities to communicate creatively and effectively through the use of new technology, so that there is easy access to information about the Municipality, It undertakes to continuously

- ✚ Promote the Council and its services and to facilitate channels of communication.
- ✚ Seek out and exploit the opportunities presented by electronic communication, internally and externally, to benefit the Municipality and the communities it serves.

The Registry

The Registry section serves as a link between the organization, departments and sections within the organization. The activities of the registry section are governed by the Archives Act of 1996 and Access to information Act of 2000.

Amongst other activities that are carried out at the registry section are:

- ✚ Receipt and opening of post
- ✚ Sorting of post
- ✚ Making files available on request
- ✚ Tracing of files
- ✚ Dispatch of outgoing mail
- ✚ Safekeeping and protection of archives
- ✚ Maintaining the list of all important documents
- ✚ Photocopying
- ✚ Messaging (Messenger)

Fleet Section

This section performs administrative functions related to management of Council fleet which includes the processing and updating of fleet records, attending to procedural requirements, conducting analysis and reporting on the performance of fleet with respect to fixed and variable costs against

budgetary provisions, to ensure fleet utilization is controlled, deviations identified and optimum efficiencies achieved.

Security Services

This section is responsible for the provision of security services which is currently outsourced and includes the following key aspects

- ✚ Provision of 24 hours security services at the Municipal offices in New Hanover, Wartburg, Dalton and Cool Air.
- ✚ Provision of armed banking of Council's cash and cheques on a daily basis to ensure its daily banking operations are undertaken with maximum security.

Human Resources and Organisational Management

Our human resources section is responsible for formulating objectives, practices, and policies in order to enable the municipality to meet both its short-term and long-term organizational development objectives. The Human Resources section also plays a lead role in change management and in evaluation of human capital contributions to municipality's effectiveness in service delivery in line with municipality's performance management plan.

The following are the key functional areas for Human Resources Section:

- ✚ Compensation and benefits
- ✚ Custodian of human resource policies
- ✚ Employee Assistance Program (EAP)
- ✚ Employment equity
- ✚ Labour relations

- ✚ Training and development
- ✚ Strategic management
- ✚ Workforce planning/employment, and
- ✚ Occupational health and safety.

Organisational Development

Induction Programme

During the reporting period, the municipality organized a team building and induction session for employees, aimed at ensuring cohesion and understanding the vision, mission and values of the municipality. As part of this program, issues relating to conditions of service and human resource policies were discussed. By the end of 2008/2009 financial year, more than 80% of the employees had been inducted.

Skills Development

In pursuance of the municipality's' skills development objectives, the following milestones were achieved:

- ✚ The Municipality skills audit was complete and WSP was submitted on time to the SETA for local government.
- ✚ 70% of the planned training programmes were implemented.
- ✚ Four employees qualified as traffic officers through the municipality skills development program.

Employment Equity Plan

The Municipality adopted the Employment Equity Plan and appointed a committee to ensure compliance with the Plan.

Youth Development

The Municipality is committed to promoting youth education and training through practical learning with a view to empowering all undergraduates, graduates and post graduates especially from designated groups, to familiarise them with practical on-the-job experience in their respective career choices.

In this regard, four graduates in the financial field have been engaged as interns for a period of two years where they are afforded an opportunity to obtain the necessary practical and on-the-job training for their qualification.

The municipality is also assists scholars and undergraduates who want to do in-service training.

3.13.3 UMSHWATHI MUNICIPALITY'S HUMAN RESOURCES STRATEGY

3.13.3.1 FOREWORD

Creating the Strategy has enable the organisation to review the current the Human Resources function fulfils within uMshwathi, The strategy ensures the function addresses all the internal and external factors impacting on HR, these are directly linked to its success.

The Strategy reflects the principles outlined within the Corporate Plan. It is specific to HR and gives full and comprehensive details and actions HR will use to ensure it achieves the uMshwathi goals.

It recognizes that people are our most valuable resource in delivering our service and goals and this Strategy is intended, not just to pay lip services

but to give clear direction and tangible evidence that the organization is seeking to reward its staff in recognition of this.

The Strategy acknowledges weaknesses that have previously been highlighted, both formally and informally, relating to HR matters.

To implement this Strategy a significant investment in Human Resources Management is required. The stability of the HR function and its structure is also fundamental to its delivery. It is an ambitious strategy and there is much work to do. With the support of staff, management and elected members we are confident that we can deliver our goals.

3.13.4 INTRODUCTION

This **Strategy** sets out our plan to ensure that uMshwathi Municipality has the right number of skilled people in place at the right time fully supported by effective HR policies and practices to ensure we can meet our municipal vision to improve people's quality of life by ensuring service deliver in a sustainably managed manner to bring about the best combination of environmental, economic and social benefits.

- In order to achieve this purpose, we must be able to meet changing public expectations of what the Municipality is here to do, and we must retain high levels of public respect and support.
- Consequently, it is necessary to have a clear picture of the organisation we are seeking to develop.

The HR Strategy underpins the Municipality's aims which are to:

- Ensure that the people of uMshwathi receive value for money services of the highest quality that are focused on the needs of the community and the environment.
- Acquire and maintain quality services which meet the current and future needs of the uMshwathi communities.
- Govern in a fair, open, honest and inclusive way which clearly demonstrates a sustainable and responsible approach to working for and with the community

3.13.5 HR STRATEGY

- 3.13.5.1 The Strategy is designed to encompass all employees within the Municipality.
- 3.13.5.2 The Municipality aims to embed the commitment to diversity and equality in services.
- 3.13.5.3 The Municipality aims to achieve an effective balance between organisational, departmental and individual training and development needs, all geared to enhancing quality and performance and with the development of people at the heart of the overall HR Strategy.
- 3.13.5.4 The Municipality recognises that its entire staff needs opportunities to acquire and develop the relevant skills and competencies to enable them to perform their roles effectively and to a high standard. To this end staff development and training (WSP) is viewed as an investment rather than a cost and requires excellent planning and coordination if the Municipality's investment in its people is to be fulfilled.

3.13.5.5 Now, more than ever, there is a strong emphasis on people management, workforce planning and workforce development. HR Strategies however, must be delivered within the resources available to the Municipality. Changes need to improve the efficiency and effectiveness of our services and real improvements in the pay and conditions of the employees of the Municipality need to be both affordable and matched by improvements in service delivery.

3.13.6 OBJECTIVES

The broad objectives of the strategy are outlined below and focus on key priority areas considered to be central to delivery, namely:

- 3.13.6.1 Support the Municipality in meeting current and future organisational needs.
- 3.13.6.2 Support the Municipality in achieving a culture of continuous improvement in organisational, section and individual performance.
- 3.13.6.3 Support the Municipality in achieving a diverse workforce that is representative of the communities it serves across all occupational groups and at all levels, promoting equality, fairness and dignity in the treatment of all employees.
- 3.13.6.4 Support the Municipality in achieving value for money from its investment in people management, including the efficient and

effective targeting, deployment and management of resources and expertise.

- 3.13.6.5 Support the Municipality in creating a sustaining and competent, motivated and well-led workforce.
- 3.13.6.6 Support the Municipality in developing and implementing employment packages that meet the needs of a modernized service and flexible workforce.
- 3.13.6.7 Promote the Municipality as an employer of choice.
- 3.13.6.8 Support the Municipality in recognising the contribution of all employees.

3.13.7 KEY PRIORITIES

To meet these overall objectives six (6) key priorities have been identified:-

1. DEVELOPING THE ORGANISATION

Developing the organisation to achieve excellence in people and performance management, partnerships and the efficient delivery of services.

2. DEVELOPING LEADERSHIP CAPACITY

The development of leadership capacity amongst both senior managers and elected Members (including attracting effective management into the Municipality from other sectors).

3. DEVELOPING THE SKILLS AND CAPACITY OF WORKFORCE

Across all areas within the Municipality including technical, specialist and support services, management and frontline workforce

4. RECRUITMENT AND RETENTION

To ensure the Municipal plans to recruit, develop and retain the employees it needs, whilst supporting and promoting equality and diversity.

5. RECOGNITION AND REWARD

Ensuring that pay, reward and recognition structures attract, retain, motivate and develop a skilled and flexible workforce whilst achieving value for money in service delivery.

1. DEVELOPING HR CAPACITY

Identifying and building on the skills and expertise of the HR function in planning and delivering the transformation agenda.

Priority 1 – Developing Leadership Capacity

The development of leadership capacity will focus on supporting and improving the quality of political and managerial leadership in the Municipality. This includes developing the capacity of existing sections and planning the development of future leaders.

Our key aims will be to:

- Develop the capacity and quality of section management.

- Ensure that elected Members have the knowledge and understanding of the Municipality's issues to enable them to be effective in their role.
- Share learning opportunities for Senior Managers and Elected Members.
- Support succession planning and systems to identify and support staff with high potential for future leadership positions.
- Support Managers to adopt a risk based approach to delivering the corporate objectives.

Key Actions

- Develop guidance on workforce succession planning strategies.
- Work with lead stakeholders to develop a comprehensive information pack for elected members.
- Support and contribute to leadership development stemming from national strategies.

Priority 2 – Developing the Organisation

This will focus on identifying successful approaches to managing performance. We want to build on a successful partnership approach to employee relations focused at the appropriate level within the Municipality to enable change to be managed effectively. We must challenge further how we currently operate and develop the role of the community and voluntary sectors, as well as considering the role of the private sector in the provision and delivery of services.

Our key aims will be to:

- Promote effective performance management through the Municipality's performance management framework.
- Support and share best practice in delivery against people management performance indicators including sickness absence.
- Support improvements in organisational productivity and efficiency and sustainability.
- Identify and work with partners including the community and voluntary and private sectors.
- Support effective engagement and communication strategies for all employees within the Municipality.
- Ensure that all staff are treated with respect and dignity and valued for their contribution in line with core values.
- Build and maintain effective employment relations.

Key Actions:

- Produce framework to deliver prioritised HR tools and guidance
- Undertake a review of the effective employee relations.
- Develop employment relations skills for senior managers.
- Ensure the Municipality's Performance Management System is communicated and implemented effectively and also utilised by all staff

Priority 3 – Developing the Skills and Capacity of the Workforce

The emphasis will be on achieving a significant increase in the skills of employees, including raising levels of training, development and performance and multi-skilling to increase productivity and flexibility and promote cultural change.

The Municipality must improve the quality of operational learning and development to enhance the critical skills of front line employees and provide a career path for technical and specialist staff.

We want to promote continuous improvement through challenging existing processes and procedures and encouraging partnership working and learning from best practice.

Our key aims will be to:

- Raise performance and skills across all functions of the Municipality.
- Ensure the Municipality provides an effective framework for people development support through the Workplace Skills Plan.
- Promote the effectiveness of Performance Management System.
- Develop an inclusive and positive culture that values diversity and challenges unacceptable behaviour.
- Ensure that learning and development addresses organisational, section and individual skills gaps.
- Ensure that critical learning and development needs are correctly prioritised.
- Support the development of effective change management.
- Encourage the Municipality to adopt appropriate quality management systems.

Key Actions:

- Develop best practice guidance on the implementation of effective employee development frameworks to include skills gap analysis.
- Develop existing mechanisms to assess the effectiveness and return on learning and development.

Priority 4 – Recruitment and Retention

The Municipality will continue to ensure that its Recruitment and Retention Policy is utilised to take action in addressing key future occupational skill shortages, promote jobs and careers and identify, develop and motivate talent.

Diversity in every sense must be mainstreamed into managing performance and ensuring that workforce diversity issues are tackled effectively.

Our key aims will be to:

- Build a diverse workforce by identifying under-represented groups locally in the workforce and encouraging new approaches to ensure open access to recruitment opportunities.
- Meet legal requirements and encourage the use of equality impact assessments across working practices, selection and progression.
- Support the use of a fair and transparent recruitment and promotion process at all levels for all employee groups.
- Support recruitment and retention initiatives ensuring that they are aligned with Municipal Skills Policy.
- Attract and retain talented people by encouraging the provision of a positive working environment which recognises the contribution of individuals and support the aims set out in 'developing the organisation'.
- Encourage the provision of a positive working environment which recognises the contribution of individuals and supports the aims set out in 'Developing the Organisation'.

- Promote robust and consistent workforce planning systems and procedures and share best practice.

Key Actions:

- Identify good practice approaches to workforce planning to facilitate consistent analysis of the workforce and skills needed within the organisation.
- Ensure the Recruitment and Retention Policy in conjunction with the Equity Plan meets the needs of the Municipality without any adverse impact on any groups or services.
- Develop the Communication Strategy to promote the Municipality as an employer of choice.

Priority 5 – Recognition and Reward

The Municipality must ensure that any national overarching framework of terms and conditions is reviewed regularly to support the needs of the organisation.

In developing pay strategies however, we must continue to combine the flexibility of local determination within the stability of a national collective bargaining framework for general pay increases for all staff covered by national bargaining arrangements.

Our key aims will be to:

- Within the pay structure, seek pay and reward structures for all employees that support high performance, highly skilled and flexible workforce.
- Ensure equal pay for work of equal value.

- Promote Performance Development Reviews.
- Develop and promote the elements within the employment package to support the Municipality being an employer of choice for example, work/life balance, personal development and health and well being.

Key Actions:

- Undertake a review of grading structures to comply with equal value and equality principles.
- Ensure the Workplace Skills Plan is fully implemented to obtain adequate competencies and organisational skill provision coupled with individual personal development.
- To ensure staff recognition awards, e.g. Long Service Awards. Are resented in a timely manner in recognition of achievement.
- To ensure job evaluation for all levels is undertaken

Priority 6 – Developing the capacity of HR

We need to invest in the people management and developments skills within the Municipality to create the intellectual capacity to enable services to be delivered. It is crucial that we develop the HR role from

being advisory and transactional to becoming a more strategic partner and key advisor to the Municipality.

Our key aims will be to:

- To ensure that all people related legislative policies are implemented and that appropriate consultation has taken lace on policy changes or development.
- Promote the importance of developing people management skills in managers through professional HR support
- Strengthen the contribution of HR and communicate the added value HR contributed to improve organizational performance.
- Support continuing professional development of HR skills and knowledge to meet the improvement objectives of the Municipality

Key Actions:

- Rationalize the policies, procedures and practices used within the HR function.
- Develop guidance on the contribution of the HR function to successful organisational development.
- Develop relationships with professional bodies to facilitate sharing of knowledge and good practice of the HR Function.

3.13 KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.13.1 Communication

The uMshwathi Municipality's IDP PROCESS PLAN AND COMMUNICATION STRATEGY documents are attached as *Annexure J1 & Annexure J10, respectively*. Public participation including all other stake holders to municipality's activities plays a pivotal role in service delivery and is one of the key sound governance principles that the uMshwathi Municipality is using to bring about good and effective governance. During the reporting period the Municipality had a regular engagement with local communities through their Ward committees in order to ensure that their inputs were taken into consideration in the formulation of the municipality's programs and plans, such as the IDP.

Public Participation

The municipality deploys all means available at its disposal to enhance a broader community participation in its activities and programs, including service delivery. The following are some of the modes of communication that were utilized during reporting period:

- ✚ Community structures (Ward committees)
- ✚ Print Media (newspapers and various other publications)
- ✚ Radio station
- ✚ Our website
- ✚ Public gatherings eg. Izimbizo

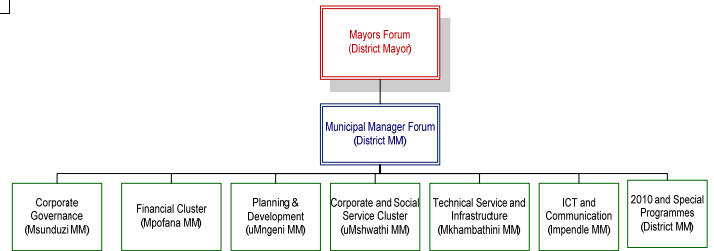
STRUCTURE / PUBLICATION	STAKEHOLDERS	OBJECTIONS/ FUNCTIONS	FREQUENCY
Ward Committee Meetings	<ul style="list-style-type: none"> ✚ Ward councillors (Chairpersons) ✚ Ward committee members (Elected from the community) ✚ Community ✚ Senior management personnel of Municipality 	<ul style="list-style-type: none"> ✚ Informing the community Of Council decisions, municipal activities etc. ✚ Community informing Ward Councillor / municipality of their concerns. 	Quarterly
Public meetings/ Izimbizo	<ul style="list-style-type: none"> ✚ Mayor and councillors ✚ Community ✚ Senior management personnel of municipality 	<ul style="list-style-type: none"> ✚ Informing the community of council decisions, community rights and duties, municipal affairs etc. ✚ Community informing Councillors and officials of their issues. 	Annual
Council meetings (open to public)	<ul style="list-style-type: none"> ✚ Mayor and councillors ✚ Senior management ✚ Personnel of municipality 	<ul style="list-style-type: none"> ✚ To formulate policy decisions ✚ Exercise oversight role ✚ Consider community contributions 	Quarterly
IDP and budget Engagements	<ul style="list-style-type: none"> ✚ Mayor and councillors ✚ Community ✚ Senior management ✚ Personnel of municipality 	<ul style="list-style-type: none"> ✚ Obtaining community input on the content of IDP and proposals ✚ Informing the community of IDP and budget- related matters 	Annual
Notices	<ul style="list-style-type: none"> ✚ Community 	<ul style="list-style-type: none"> ✚ Informing the general 	As required

	Personnel of municipality	public and personnel on municipal matters	
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The uMshwathi Municipality also participates actively in the following IGR structures:

- + Municipal Manager’s Forum : (Municipal manager)
- + District Waste Management Forum : (GM Technical Services)
- + District Technical Cluster : (GM Technical Services)
- + CFO’s Forum : (Chief Financial Officer)

The uMgungundlovu District Cluster Model has led to the establishment of shared services in the District, which also lead to better utilisation of resources. Shared services are now used in the fields of Internal Audit, Performance Management, Integrated Development Planning and Information and Communications Technology. This approach is having the effect that our family of Municipalities in the District are all benefitting from the scarce resources and expertise available within the District. Each cluster is chaired by municipal Managers as indicated in the diagram below.



Youth Affairs

The Youth Affairs Section is run by the Youth Coordinator. It is responsible for facilitating the empowerment of the local youth.

The achievements for the current financial year include the establishment of the local Arts and Culture Forum and the formation of four farming cooperatives.





The local youth has also benefited from the establishment of two Mass Participation Program Hubs in New Hanover and Wartburg. The Hubs were established by the Department of Sports and Recreation (DSR). They coordinate and promote different sport codes within uMshwathi Municipality. There are twenty facilitators that are paid by the DSR.

The Municipality is assisting the community in its efforts to establish a community radio in uMshwathi. The success of this project will enhance the ability of the municipality to communicate with the rest of uMshwathi

residents and organizations. The station will also provide the local youth with an opportunity to develop an interest and skills applicable to radio broadcasting and the media in general. The final outcome of the application is expected before the end of the second quarter of 2010.

Audit Committee

The audit committee comprises of four independent members of society. The committee acts in accordance with written terms of reference as confirmed by the Council, which sets out its authority and duties. The primary mandate of the committee is to evaluate the municipality's systems of internal controls, to review accounting policies and financial information to be issued to the public and to review the effectiveness of the performance management system. The committee reviews the financial statements before they are submitted to council and discusses these results with the external auditors. The Municipal Manager and the Chief Financial Officer attend meetings of the committee as invitees when required.

 Ms L Robertson (Chairperson)
 Prof Stobie
 D. Mncwabe
 M. Ngcobo

Attempts are afoot to recruit an HR Specialist in order to assist the Audit Committee in its expanded role of Performance Monitoring as approved by Council.

Integrated Development Plan (IDP) and Performance Management System (PMS)

The IDP/PMS unit is primarily responsible for driving the IDP process, which in essence entails the strategic planning for the municipality's development agenda in accordance with its powers and functions.

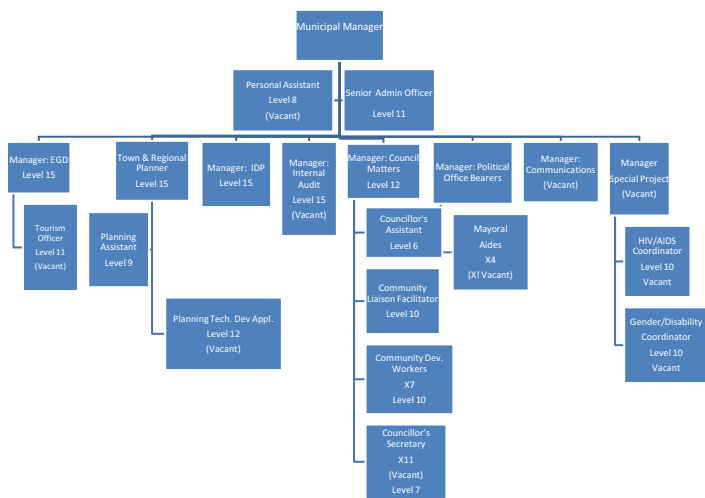
The 2011/12 IDP review process started with the preparation and adoption of the IDP Process Plan (*Annexure J1*), followed by consultation of communities through Public Participation meetings in each of uMshwathi Municipality's eleven Wards. Ward Development Needs section of the IDP document serves as the primary input into the IDP/Budget processes.

The Performance Management System was realigned to the IDP unit. The PMS policy framework was revised and adopted by Council in August 2010 (*Annexure J6*). This function entails the development and upholding of a Performance Management System in accordance with the revised policy framework. Currently (2010/2011), ALL five Section 57 positions had been filled – these being the Municipal Manager (Mr MV Cebekhulu) and the General Manager Technical Services (Mr A Weymouth), the General Manager Community Services (Mr M Zondi), CFO (Mr R Mani), and the General Manager Corporate Services (Mrs N Mkhize).

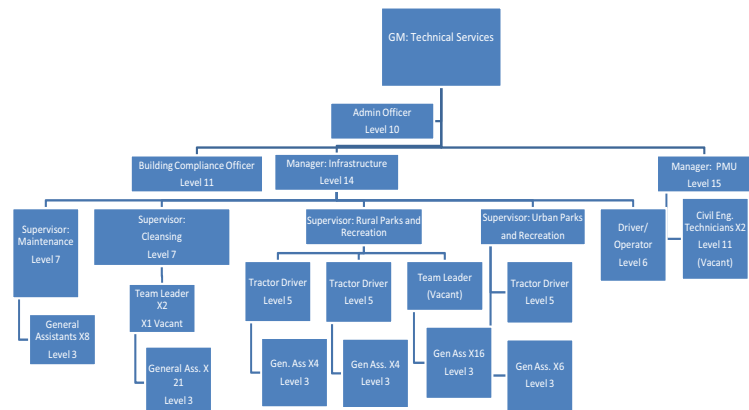
The full organizational Structure of uMshwathi Municipality is shown below:

ORGANISATIONAL STRUCTURE

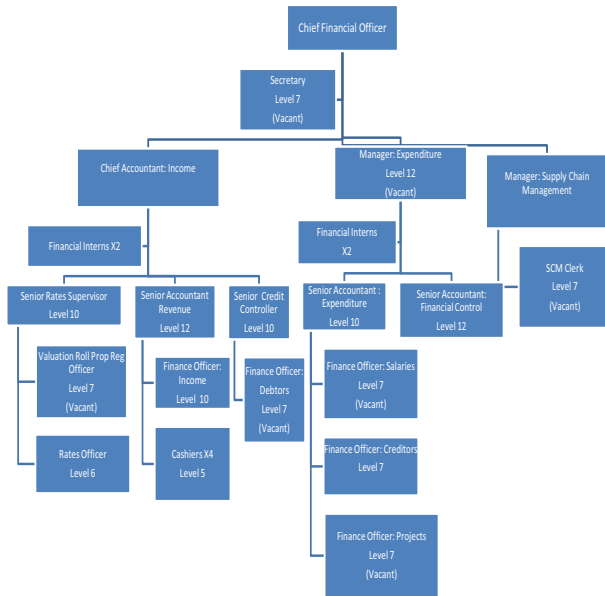
Municipal Manager Support



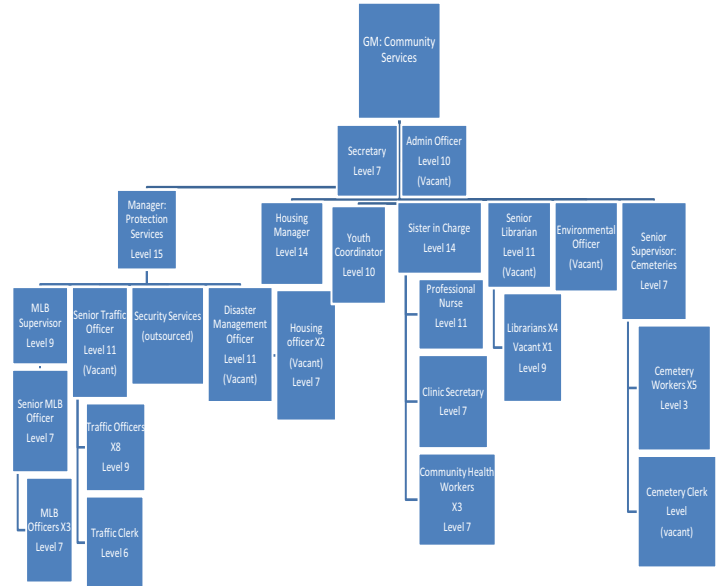
Technical Services



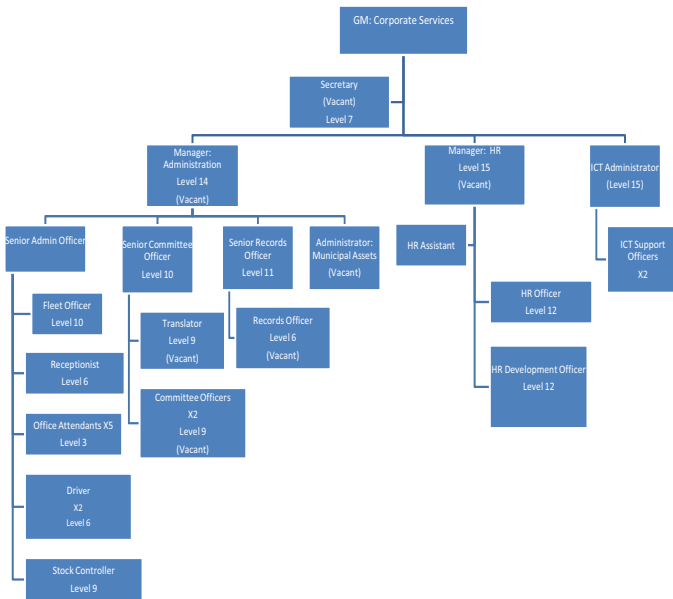
FINANCIAL SERVICES



COMMUNITY SERVICES



Corporate Services




SECTION D: **KPA: SPATIAL CONSIDERATIONS**

HIGH LEVEL SPATIAL DEVELOPMENT FRAMEWORK

4.1 BACKGROUND

The activities of the Municipality's Town Planning section are aimed at providing the people of uMshwathi with the greatest possible opportunities and choices with respect to living, working, shopping, education and entertainment opportunities whilst:

- ✚ Achieving a balance between meeting the people's needs and the capacity of uMshwathi's physical and economic resources;
- ✚ Being responsive to the differing values, perceptions and desires of the residents;
- ✚ promoting the attainment of visual beauty, environmental quality and a sense of place; and

 Conserving the natural environment.

Within this context, the Municipality's Town Planning Section endeavours to encourage development that is appropriate and compliant with the Integrated Development Plan, Spatial Development Framework as well as complying with all legislative planning and development application procedures. Of key importance in assessing all applications, are the principles of sustainability, feasibility and long-term benefit to the people of uMshwathi. From minor subdivisions or changes in land use, to rezoning and large-scale developments, the Town Planning Section provides the necessary guidance and support to all uMshwathi inhabitants, developers and investors to obtain approval from Council.

Of key importance with respect to developments utilizing the Development Facilitation Act (No. 67 of 1995) is the fact that the municipality has its own designated officer to facilitate and manage the relevant processes herein. This includes liaison with various stakeholders, National and Provincial Government Departments, members of the public and other interested and affected parties. With regard to submission of development applications, the respective procedures are determined by the nature and scale of the different types of proposals and all applications for development regardless of their individual processes require a detailed motivation in terms of, "need" and "desirability", anticipated impacts on the amenity and environment surrounding the application site, submission of various plans (i.e. locality/ zoning/ land use/ surveyor general diagrams/ site development plans), etc.

Despite some of the minor challenges affecting the Town Planning Section e.g. applications lacking in terms of all necessary documents and attachments (which results in delays), the influx of development applications at certain given times, the need to shift priority as and when required (particularly with respect to community priorities), the Town

Planning Section aims to serve the people of uMshwathi and others, to the best of its ability and available resources. At all times, the best possible guidance and care is shown to all developers, investors and people within the uMshwathi Municipality.

The original Spatial Development Framework (SDF) was adopted as part of the uMshwathi IDP by Council during May 2002_Council's first IDP Review included a review of the SDF and was adopted by Council in April 2004. The second IDP review was initiated during 2004. Following advice from the then Province's Department of Traditional and Local Government Affairs (DTLGA), the 2003 / 04 review was combined with the 2004 05 review. This allowed for the IDP review process to catch up with the budgetary process. Once again, the SDF was reviewed and amended as part of this process, and the reviewed IDP was adopted by Council in July 2005. Two further Reviews were undertaken and the latest IDP Review was adopted in May 2007. **The SDF was last reviewed in October 2007, and the municipality is planning to review it during the 2011/2012 financial year.**

Previous reviews of the SDF were mainly prompted by the following:

- To accommodate more up to date information, such as the rural cadastral data base, environmental data and land use information
- The increased pressure for development across the municipality
- The need to refine the boundaries of the various nodes within the municipality
- The need to provide guidelines on the management of development in the urban / rural interface
- To incorporate the findings and recommendations of Sector Plans such as the Tourism Management Plan.

4.2 PURPOSE

The uMshwathi Spatial Development Framework (SDF) reflects the culmination of the other elements of the IDP, and is guided by those development informants, strategies and development actions which have a spatial implication as well as the content of the District SDF. It broadly informs decisions relating to future development and service provision

4.3 THE IDP'S STRATEGIC FRAMEWORK

In addition to the national and provincial legislation and policies as set out above, the SDF must also be guided by the IDP's Strategic Framework.

Strategic issues with a spatial implication, as contained in the IDP, include the following:

- There is a challenge to improve the rate at which service delivery is taking place and ensure that all people have access to basic services and integrated human settlement in line with the new national housing policy. This challenge also extends to the provision of social facilities and services such as health and welfare, and the need to maintain existing physical and social infrastructure.
- There is also a strategic challenge to ensure that uMshwathi Municipality is financially viable and sustainable and to align its budget with Integrated Development Plan priorities
- Poverty, unemployment, HIV/AIDS and other diseases, are regarded as the main socio-economic challenges that the municipality needs to address in the short, medium and long term.
- Economic growth of the municipal area is critical in the creation of sustainable jobs and the building of Public-Private Partnerships. Land reforms and agricultural development require specific attention.
- Integrated environmental management also require strategic attention.

The following general objectives and strategies are relevant to the SDF:

- To designate desirable land use and provide clarity on what may or may not occur on a property and what may be considered in the future.
- To promote the certainty of land use which protects property values and creates investor confidence
- To protect the amenity of adjacent land uses.
- To balance the interest of the individual with those of the public.
- To enable the co-ordinated and efficient use of land.
- To enable the efficient movement of persons and goods.
- To promote the economy.
- To protect natural resources and agricultural resources.
- The protection of unique areas.
- The protection of cultural resources and places of religious and cultural significance.
- The reservation of land for longer-term use.

Based on these general objectives it is possible to identify more specifically the objectives to be achieved through the SDF. The most important of these are:

- Improve accessibility in rural areas and improve linkages between urban and rural components.
- To stimulate local economic development; with specific emphasis on tourism, agriculture, manufacturing and commerce.
- To attract a greater market share of tourism markets.
- To protect, consolidate and develop the existing agricultural sector.

- To actively pursue the provision of housing to all communities within the Municipality, within the context of overall community development.
- To positively manage informal settlements.
- To achieve a balance between the developmental needs of all local communities, the demands of the tourism and manufacturing industry and sound environmental management principles.
- To place all Council's developmental actions and decisions on a sound environmental footing.
- To raise environmental awareness amongst all the communities in the municipal area.
- To establish an integrated land use management system which will be more user friendly, environmentally sensitive and responsive to community needs.

4.4 DEVELOPMENT INFORMANTS

The application of general planning and development principles and objectives are influenced by the local context. The following development informants play a key role in the existing spatial development patterns of the municipality:

- The strategic location of the municipality on the R33, providing a high level of accessibility and connectivity to the Pietermaritzburg / uMsunduzi complex.
- High potential agricultural land which is the primary resource supporting the commercial agriculture sector.
- The two existing primary nodes being New Hanover (administrative) and Wartburg (commercial) which are located on a primary and secondary corridor respectively.

- The strategic location of the municipality along tourism routes both internally (Albert Falls Amble) and externally, as a potential gateway to the North Coast.
- High quality recreation resources with a specific focus on the Albert Falls Dam area as well as the adjoining Karkloof Falls.
- Relatively low levels of access to urban services and facilities for some rural communities.
- Relatively low levels of participation in the local economy by low income communities.
- Extensive area of indigenous vegetation and water courses, requiring careful environmental management.

4.4.1 Environmental Management

The Municipality's landscape comprises mainly of high-potential agricultural farming land (sugar-cane and timber plantations/ grazing areas for livestock) as well as a few primary tourism attraction locations such as the Albert Falls Dam and Nature Reserve. All proposed developments and activities must therefore ensure that there are no detrimental impacts on the quality of the environment or the general amenity of the area in question. Aspects that should form the basis of analysis to ensure the integration of development with the environment, would include any anticipated pollution (land/ water/ air/ etc), the land use compatibility with surrounding environment/ developments, impacts on existing habitats, eco-systems and species predominant in the area, the dependency of a development/ activity on the existing natural resources e.g. water.

In terms of land use management, the specific ecosystems and vegetation communities that require specific environmental management are wetlands, grasslands, and indigenous forests which provide the habitats of important species.

In light of its potential impacts, Commercial Forestry should be carefully monitored and be confined to areas where permits have already been granted.

4.5 STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA) OF SPATIAL FRAMEWORK

Funding has been secured to prepare a formal SEA for the Municipality and work is underway with this project. The outcomes of this study will be a key informant in future reviews of the SDF.

4.6 PROGRAMS AND PROJECTS FOR THE DEVELOPMENT OF LAND

As part of the IDP Review, Low Income Housing projects have been identified as part of the Department of Housing subsidized housing projects as follows: and are summarized below:

Clearance housing project: Dalton/ Cool Air slums, approx. 450 low-cost houses. As of August 2007, Project documentation/ application compiled by Consultant/ Amendments & report done by Municipality (to be approved by Council). Land Sale Agreement to be signed between the seller of the property & Municipality. Complete application to be forwarded to KZN Province for LFTEA approval.

Thokozane low-cost housing project: As of August 2007: As at August 2007,

Construction already commenced and nearing completion.

In light of recent development proposals, it can be said that there is extensive investment in the Albert Falls area and surrounds, particularly from the private sector i.e. landowners. The Albert Falls Dam has a major

influence on development bearing in mind that it serves as a significant attraction for tourists. The main type of development proposed in this area is residential estates with tourism-related activities i.e. water sports (those properties with access to the dam), fishing, mini golf courses, conference and holiday facilities. These developments will enhance the Albert Falls Dam and surrounding area as a major tourist destination and prime investment opportunity within the Municipality.

The four urban/ formal centres which have approved town planning schemes i.e. Wartburg/ New Hanover/ Cool Air/ Dalton also pose as opportunities for investment, each with their own advantages and pull-factors. For example, New Hanover, although currently under-developed, is identified as the Administrative Hub/ centre within the uMshwathi Municipality based on the fact that the Municipal Head offices (Mayor/ Senior Managers/ etc) are situated here. Plans are also underway for the new Multi-Purpose Indoor Sports Arena in New Hanover. There has also been keen public interest in new property development and revitalization of the existing buildings and structures along the Main Road within New Hanover and this has received favourable comments and support from Council. Plans are also underway to develop a mini-shopping mall to replace an existing dilapidating Municipal building/ warehouse. This would involve a partnership between the Municipality and the developers in support of promoting Public/ Private Partnership (PPP's). The Council would favour suitable types of land uses and development within New Hanover i.e. those that will add value and enhance the area as a whole, provide a valuable service to the local community and basically complement the town as the Administrative centre.

Included in the IDP Review 2011/12, are the low-cost housing development (approximately 439) houses between Cool Air and Dalton. This aims at clearing the existing slums/ informal dwellings in the area and providing a decent level of formal housing for the affected

communities. This project also aims at linking the two centres/ areas mentioned herein and align itself with the residential fabric already in existence. There has been extensive support for the development particularly from the public and ward committee structures. The Department of Housing is funding the project and the necessary application in terms of the Less Formal Township Establishment Act has been prepared by the Consultants and will be submitted to the relevant authorities. It is envisaged that construction will commence in 2008. It can be said that Cool Air remains predominantly residential in nature while Dalton serves more as a commercial hub/ centre offering goods and services essential for daily living.

Insofar as Wartburg is concerned various commercial, tourism, economic and social, educational as well as residential activities are prevalent in the area. Much of the proposals in the area are focused on residential increases (i.e. medium-density housing), commercial and tourism related activities. The town has seen a shift from being the previous administrative centre for the former Transitional Local Council to now being more of a commercial/ economic hub with various related activities occurring.

The Wartburg/ Greytown Roads intersection (R614 and R33) was identified by Council as an opportunity point with the potential to develop into a node. A resolution was also taken in light of this and adopted as part of the Municipality's Integrated Development Plan (IDP) 2007/08. A few key characteristics of this area and reasons for it being deemed a potential Development Node are as follows:-

- As a major intersection it forms a focal point in terms of the Municipality's transport/ road infrastructure i.e. all roads stemming from the other urban centres such as Dalton/ Cool Air/ New Hanover/ Wartburg link with these major transport routes (Wartburg and Greytown Roads) and hence, intersect at a common

point now referred to as the Wartburg/ Greytown Roads Development Node.

- It can also be said that from this specific point, all major activity corridors and opportunities for development are envisaged. It would serve as a catalyst for further development thus promoting other investment and development.
- Traffic from the adjoining Municipalities of Greytown, Msinga, Nquthu and Endumeni all utilize the Greytown Road (R33) as a major transport route therefore enhancing it as an activity corridor and opportunity for development.
- This route also forms the main link between these Municipalities (including uMshwathi) and the Pietermaritzburg- uMsunduzi complex.
- The Wartburg Road (R614) is also seen by the uMgungundlovu District Municipality as an opportunity for development bearing in mind the recent conditional approval for the Dube' Tradeport and International Airport at La Mercy on the North Coast. This road provides an alternative route to the N3 between the North Coast and the Municipalities mentioned above. It further leads directly to Tongaat on the North Coast in close proximity to the new airport development and as such has the potential to stimulate development in the area.

More recently, Council has had a workshop for prospective investors in the development of the Municipality. This has seen various sectors forming partnerships i.e. Public-Private Partnerships/ Broad-Based Black

Economic Empowerment as well as Government Departments. This event was also attended by the KwaZulu Natal Premier who gave his support to the development initiatives of the Municipality.

Stemming from this initiative to promote investment locally, nationally and internationally, the Municipality has embarked on the preparation of a "Feasibility Study" for various types of land uses envisaged around the proposed Wartburg/ Greytown Roads Development Node. This project is currently being undertaken by consultants Zotha Africa, who aim to produce a development plan for investment in the Municipality. Some of the issues to be addressed in this study include the identification of suitable land parcels for future medium-high income residential precincts and commercial activities which include a proposed shopping mall at this nodal location.

Land Reform

Land reform projects and claims currently registered with the Department of Land Affairs (DLA). Council recognizes the need to actively support these projects and ensure their long term viability, in order to prevent the loss of productive agricultural land to non-agricultural uses. In addition, there are a number of Labour Tenant claims which have been registered and are to be processed by the DLA.

4.7 ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES AND DISTRICT INTEGRATED DEVELOPMENT PLANS

Alignment is being co-ordinated at District level through its SDF programmes. The surrounding local municipalities within the district are Mooi Mpofana, uMngeni and uMsunduzi which all have a strong interface with the uMswathi Municipal area. In addition to these the municipality also borders onto uMzinyathi and Ilembe District Municipalities.

The uMswathi interface with Msunduzi Municipality is a linkage along the R33 which serves a dual purpose in that it provides access as well as being an alternative route to the North Coast (Ilembe) and Greytown (uMzinyathi) areas. In order to strengthen the linkage of the area with the districts primary corridor it is also proposed that a Tourism Link Route upgrade be undertaken along the P423 which will create a more direct link from the N3. This link is also included in the District SDF to ensure co-ordination and alignment of the two plans.

In light of the recent conditional approval of the iDube Tradeport and proposed International Airport on the North Coast, the links that uMswathi has with the North Coast through the Ilembe District needs to be strengthened. This should occur through the elevation in status of the current "Wartburg Road" (R614) to that of at least a secondary corridor. In order to ensure alignment the District has, in its SDF, allocated secondary corridor status to this route. In order to ensure maximum benefit for the uMswathi Municipality more detailed planning of the development potential offered by this route will be required.

The link to the uMngeni municipality focuses primarily on the Albert Falls area and in order to strengthen this link the District SDF proposes a Tourism Link Road upgrade along the P9 route.

It is also considered desirable that the demarcation issues around Albert Falls Dam be resolved in order for the integrated planning of the area surrounding the dam to be undertaken. In the interim it is recommended that the planning of this area be undertaken on a joint basis between the two affected municipalities, under the auspices of the District Municipality. Alignment of development initiatives in the interface area will be critical for the sustainable development of the area.

4.8 THE SPATIAL DEVELOPMENT FRAMEWORK MAP

Development Concept: Development information provided by the local context and the most appropriate future of the spatial development pattern is informed by aspects such as existing land use patterns, population concentrations, availability of services, accessibility, agricultural development potential and environmental consideration.

The broad development concept contained in the SDF, consists of the following:

Two Primary Nodes, being New **Hanover (Administrative)** and **Wartburg (Service)** as well as a **Secondary Service** and **Industrial node** consisting of the towns of Cool Air and Dalton, within which a wider range of land uses, are to be accommodated. Based on an interpretation of the development informants as well as the information contained in the Municipalities draft LUMS, the following zones are identified within the nodes:

- Residential
- Low Impact Mixed Use
- Low Impact Industrial
- Industrial
- Civic and Social

- Educational
- Agriculture
- Active and passive Open Space
- Environmental Management

The Rural Component of the Municipality, within which the following zones or designations are set out:

- Residential
- Low Impact Mixed Use
- Civic and Social
- Education
- Passive Open Space
- Agriculture

4.9 DEVELOPMENT INFORMANTS

A. Agricultural Production Potential

The Municipality is characterized by high-potential agricultural land, more specifically farming, grazing, and sugarcane and timber plantations. Such areas must be preserved and maintained to sustain agricultural production/ activities and for revenue generation. It is crucial that any other type of development proposed within these high-potential agricultural areas, more specifically at individual-property levels, receive detailed assessment as well as necessary approvals from the respective government departments.

B. Environmental Priority Areas

This assessment also served as one of the basic informants in the formulation of the SDF, and has been updated as more information

becomes available. Both the MinSet and Cplan data sets from Ezemvelo KZN Wildlife were used to provide input into the SDF.

On review of the MinSet and Cplan maps, it became obvious that a large percentage of land within the uMswathi Municipality falls within Non Negotiable Reserve (MinSet) or Category 1 (Cplan) – absolutely critical. Normally one would overlay MinSet and Cplan data with land use information to produce environmental priority areas.

Similarly to the agricultural production potential assessment, the identification of environmental priority areas was done at a broad scale. Individual properties would require more detailed environmental assessments if a change of land use is contemplated. It is envisaged that the priority areas will be reviewed once the SEA has been completed.

C. Existing Sub-divisional and Development Patterns in the Rural Component of the Municipality

The existing property subdivisions are characterized in terms of their sizes, compatibility with surrounding properties (proposed land use/ size/ etc), ability to be serviced separately (i.e. water, sanitation, refuse and electricity), accessibility (entrance/ exit points), as well as the impact on the agricultural viability of the land (if applicable), etc. It is noted that the major concentration of smaller subdivisions and proposed applications are in close proximity to tourism-related areas/ activities e.g. Albert Falls Dam. The influx of tourists during holiday seasons has resulted in a demand for additional land for development purposes (i.e. Bed & Breakfast/ Guest House Facilities/ Recreational areas/ etc) which has spurred further subdivision of properties and also raised values in this regard. From Albert Falls/ Crammond being the major location for subdivision, Wartburg and New Hanover seem to be at equal levels in terms of pressure for subdivision. Wartburg however, does have a need for

more residential properties and this is evident in the submissions received by the Municipality. Cool Air and Dalton appears to be under the least pressure in terms of proposed subdivision. It can be said that pressure for subdivision on existing farms in the rural areas/ outside Town Planning Scheme areas is slowly increasing and hence suitable management measures need to be put in place (e.g. through the Land Use Management System- LUMS).

D. The LED Strategy/ Plan

The Municipality understands the importance of developing its tourism sector which would in effect add value to its local economy. In addition to this, the Municipality's Local Economic Development component has embarked on a LED Strategy/ Plan for the Municipality with particular focus on drawing national and foreign investment into the municipal area. Part of this exercise would involve ways to promote investment in and around the Wartburg/ Greytown Roads intersection which as part of the IDP 07/08 Review, has been deemed a potential Development Node. It must also be noted that this area is in close proximity to the Albert Falls Dam and Nature Reserve therefore having a significant impact on the tourism potential of the area as a whole.

Also of importance is the Draft Albert Falls/ Crammond Local Development Plan which has been publicly workshopped and supported. This plan focuses on the land parcels in and around the Albert Falls Dam and prescribes a guide to the types of land uses and associated development patterns. The Municipality in the absence of a formal town planning scheme for Albert Falls, currently utilizes such plan to deal with and consider submitted development applications.

4.10 PRIMARY, SECONDARY AND TERTIARY NODES

Stemming from a Council Workshop held on 5 March 2007 in respect of the Land Use Management System (LUMS), it was decided that the nodes be aligned to the functions that they fulfil. The following table provides an overview of the outcomes of the workshop

NODE	NODE TYPE
New Hanover	Main Administrative Node
Wartburg	Major Service Node
Cool Air / Dalton	Industrial / Service Node
Wartburg / Greytown Roads Intersection	Economic Development Nodes
Appelsbosch	
Bhamshela	
Swayimana	
Whispers	Rural Residential Nodes
Claridge	
Schroeders	Residential Node
Albert Falls / Crammond	Tourism Node
Harburg	Service Node
Efaye	Rural Service Nodes
Mtulwa	
Trust Feed	
Mpolweni South	

4.10.1 THE PRIMARY NODE

Wartburg and New Hanover are the major centres within the uMshwathi Municipality. These areas also have formal/ adopted town planning schemes for land use management purposes.

These areas have largely urban settings and incorporate the major economic and administration activities of the Municipality.

These nodal areas are linked by good transportation/ road networks which all linked to the major transportation routes or corridors within the Municipality i.e. the R33 (Greytown Road) and the R614 (Wartburg Road). These provide a high degree of accessibility between the nodes and also with the surrounding Municipalities of Umvoti, Msinga and Endumeni (within the Umzinyathi District). The R33 through uMshwathi Municipality provides a linkage with the capital of KwaZulu Natal (Pietermaritzburg) therefore enhancing the significance of the R33 as a Primary Transportation Corridor. This corridor also presents and opportunity for future development at certain key points, one being the proposed commercial development at the Wartburg/ Greytown Roads intersection. The Council has given its support to the concept of a mixed use corridor focusing on middle-high income residential housing, commercial and other economic and tourist-related activities. This concept is especially encouraged in the vicinity of the Wartburg/ Greytown Roads intersection but should be compatible with those existing activities surrounding the Albert Falls Dam area. More detailed planning of the corridor in the form of a local area development plan needs to be undertaken, taking into account and other issues such as water quality, landscape quality and compatibility with the municipality's tourism objectives. The land uses in this location also needs to be aligned with the principles contained in the municipalities LUMS.

The following broad planning principles apply in the primary node:

- It must offer a full range of Economic, Social, Community and other Services and facilities
- It will be the focus of Urban employment opportunities
- The full range of permanent residential options will be encouraged, keeping in mind the existing character, natural attributes and attractions.
- Inside the node, mixed use corridors and areas of a more flexible and general land use nature are proposed, as opposed to only tourism and residential. The intention is to encourage non-polluting, environmentally friendly urban employment opportunities.
- While it is acknowledged that the **Primary Transportation Route (R33)** offers development opportunities, these are to be restricted to identified as Mixed use areas within the Primary Nodes and the **Opportunity Points** as identified elsewhere.
- Agriculture should be seen as an integral part of the urban node, and offers opportunities for high intensity agricultural activity.
- **Urban Transition** areas offer opportunities for Residential Estates, Tourism and Recreation provision. Smallholdings are the dominant present land use in these areas, and agricultural activities are encouraged to continue in these areas.
- Residential expansion possibilities at scale are restricted by topographical and other physical considerations, as well as high potential agricultural land. Dependant on impact and servicing possibilities, these are intended to offer as high a density as can be reasonably accommodated within the context of the surrounding uses.

- Infill and the densification of existing residential areas is encouraged where this is shown to not impact on the amenity of the area.

4.10.2 SECONDARY NODES

In aligning the uMshwathi SDF with the District SDF as well as general planning terminology, with specific reference to the PSEDS, the Dalton / Cool Air complex is regarded as a secondary node. These areas constitute large residential settlements and have existing social and economic activities occurring. These areas further provide a smaller range of commercial and social services. In this instance a potential exists for the development of limited industrial activity in order to provide employment opportunities to the residential component of the town.

The following planning principles shall apply in the Secondary node:

The primary aim is consolidation and upgrading

They are lower order Service Centres to serve the surrounding rural community. Services such as a hospital and pension payout points are provided.

More detailed planning of the secondary nodes will be done as part of the LUMS project.

4.10.3 OPPORTUNITY POINT

The **Wartburg/ Greytown Roads** Intersection is deemed an opportunity for future economic and commercial development. Various conceptual land uses are currently being proposed by the Municipality in order to provide those goods and services not currently available in its area of jurisdiction. Such as, transport facilities, specialized services such as

medical services, banking facilities, food outlets, etc. This intersection forms the main point of exit from uMshwathi Municipality to the Msunduzi Municipality and therefore offers an ideal opportunity for investment. The future development of this area must however complement the surroundings, bearing in mind the agricultural/ rural nature of the land and also serve as a catalyst for further development in the surrounds. Consideration must also be given to the Albert Falls/ Cramond area so as not to conflict with and cause detrimental impacts to those establishments currently approved and in existence. Further, it is also deemed appropriate to encourage medium-high income residential housing from this point towards Pietermaritzburg due to the fact that it has a shortage of housing accommodation and land for further residential expansion within the Msunduzi municipal area thereby allowing the opportunity for uMshwathi, being the adjoining Municipality, to make available suitable land for such expansion.

4.10.4 PROPOSED DESIGNATIONS IN THE SDF

In order to align the municipality's SDF with the district SDF, terminology used in the Provincial Spatial Economic Development Strategy and generally acceptable planning terminology, the following designations are proposed.

Primary Node
 Secondary Node
 Tertiary Node
 Rural Service Node

Due to the unique characteristics of the area the following specific designations were included in the SDF:

Tourism Node
 Opportunity Point

In order to provide an integrated land use system and to once again align the local SDF with that of the District a hierarchy of corridors were identified being:

Primary corridor
Secondary corridor
Tourism Link Road Upgrades

These designations form the foundation of the SDF and the application thereof together with the development informants drawn from the LUMS provide the outline for the SDF.

4.11 FURTHER WORK REQUIRED

Cadastral demarcation of the nodes as identified in the SDF
Detailed Land Use Analysis showing areas per zone as well as % of total area in the node
Alignment of SDF and LUMS to reflect more accurately the specific use zones in the various nodes

4.12 ENVIRONMENTAL MANAGEMENT FRAMEWORK

(Documents/Reports attached at Annexure J7)

i BACKGROUND TO THE PROJECT

- In response to an influx of certain development proposals and applications in and around the intersection of the Wartburg / Greytown (R614 / R33) Roads, the Municipality's Council had previously taken a resolution to support the appropriate development of this area in order that the Municipality may achieve growth in, inter alia, economic and social terms.
- Stemming from this, the Municipality's Council had resolved to undertake studies to determine the feasibility of future development in this vicinity of the Wartburg / Greytown Roads Intersection and initiated various investigations to identify suitable and appropriate land uses, activities and developments that will be compatible with this area and hence, assist in decision-making processes of the Structures of Council.
- In the early stages of this project, BNM Project Managers (inclusive of other Sub-Consultants e.g. Environmental Consultants) were appointed to undertake feasibility studies of the said area and formulate conceptual plans with distinct layout proposals and land use categories. The result of such consultation led to the compilation of a proposal document entitled, "*uMshwathi Urban Centre Restructuring Project*" as well as the convening of various Local Economic Development Summits to discuss the merits of the findings. Such discussions were held at

high-levels of the KwaZulu Natal Provincial Government where favourable comments and support was extended to the uMshwathi Municipality.

- In addition to the above and as a result of the extensive support generated from the various Summits and Public Workshops, the Municipality's Council further decided to pursue this project and with the advice rendered by the KZN Provincial Department of Agriculture and Environmental Affairs, resolved to develop an Environmental Management Framework for future development of the Wartburg / Greytown Roads (R614 / R33) Intersection (also known as the "uMshwathi City").
- This therefore established the background to the appointment of the consultants namely, Institute of Natural Resources (inclusive of others), to undertake the development of the Environmental Management Framework (EMF).

ii INTENT & PURPOSE OF THE PROJECT

- Having regard to the recent Environmental legislative requirements and in particular the principles of the National Environmental Management Act (NEMA: Act 107 of 1998), the Municipality has identified certain key issues which inform the intent and purpose of undertaking such project:
- That strategies are put in place to ensure that there are no detrimental impacts on the natural environment in this area and that local fauna and flora are not harmed in any way due to the anticipated future development around the intersection of the Wartburg / Greytown (R614 / R33) Roads;

- That an approved framework is in place to ensure streamlined facilitation of any environmental application processes (e.g. Basic Assessments and Environmental Impact Assessments) with regard to future development applications on individual properties within the project area;
- That investors and developers may have access to guidelines and a "sense of direction" as to the appropriate developments which may be supported and promoted within this project area.

iii WHAT THE MUNICIPALITY EXPECTS TO GET OUT OF THE PROJECT?

The Municipality expects to have in its possession a final document / Environmental Management Framework that:-

- is properly aligned to National, Provincial and Local legislation as well as any applicable By-laws, Policies and Programmes (in order that all future processes of the Municipality, its investors and developers, are law-abiding);
- contains an analysis of the current state of the environment and bio-diversity structures within the project area (in order that appropriate mitigation measures may be put in place with regards to future development);
- contains a series of mapping (preferably in GIS format) reflective of the findings and proposals in the main document (in order to determine the "go and no-go" areas in terms of the state of the environment within the project area);

- gives an indication of suitable and appropriate land use categories that are compatible with the environment in the project area (in order to advise investors and developers as well as to guide the Municipality in its decision making);
- contains issues or aspects pertaining to the “need” and “desirability” of the conceptual land uses proposed in the project area (in order to assist the Municipality, its investors and developers, in motivation of any future individual development applications);
- contains guidelines for environmental protection and reducing environmental degradation in this project area (in order to guide the Environmental Impact Design of any future development proposals);
- contains all feedback, inputs and recommendations of the general public as well as key interested and affected parties (in order that public participation is sufficiently addressed in compilation of the EMF);
- “feeds” into the Municipality’s overall Spatial Development Framework (SDF) and other guidelines documents, as well as allowing this EMF project area to integrate holistically with the sustainable development goals of the Municipality.

iv TIMEFRAMES AND BUDGET FOR COMPLETION OF THE PROJECT

- The completion of the final EMF document is envisaged to be completed by October 2009. Details of the timeframes for each of the phases involved are reflected in the Draft Document.

- The total budget allocated to this project is R 1 548 115, 00.

4.13 614 DEVELOPMENT CORRIDOR

4.13.1 BACKGROUND TO THE PROJECT

- An opportunity was identified by the uMshwathi Council for further development along the R614, between the inland Municipalities of Msunduzi and uMngeni through uMshwathi and Ndwedwe Municipalities (along the R614) to the coastal areas of eThekweni and iLembe Municipalities. This stretch of road along the R614 has been termed the “R614 Development Corridor”.
- With the above in mind, the Municipality’s Council had resolved to proceed with and tender the above project whereafter, Urban Econ Development Consultants (inclusive of some other sub-consultants) were appointed to formalize the R614 Development Corridor Project.
- As per the Draft Feasibility Report 1, “the rationale for the study and the corridor project lies in the identification of the following perceived opportunities:-
- That the R614 Corridor may be developed as an alternative route (as opposed to the N3), through uMshwathi Municipality to the N2 in light of the forthcoming development of the King Shaka Airport and the Dube Trade Port on the KwaZulu Natal North Coast.
- That the R614 Corridor may serve as a relief to the anticipated traffic volumes on the N3 and N2 due to the influx of the new developments on the KwaZulu Natal North Coast.

- That there may be opportunities available to the uMshwathi Municipality due to its strategic location adjacent to the Capital City of Pietermaritzburg (Msunduzi Municipality) and in close proximity to areas of the eThekweni Municipality, bearing in mind the agricultural and tourism value of the uMshwathi Municipality”.

4.13.2 INTENT & PURPOSE OF THE PROJECT

- Having regard to the above background, the aim of the project is to “determine the best business case scenario/s for the development of the R33 / R614 routes traversing the uMshwathi Municipality, in order to create a link between the N3 and N2”.
- “Development proposals to synergise the various economic nodes within and external to the uMshwathi Municipality”, will also be provided in the project.
- The Projects aims to “achieve economic, social and development growth from the realization of a node and corridor development strategy along the R614”.
- Stemming from this project, the Municipality aims to be in a position to “attract private, community and public sector investment into the area thereby stimulating development throughout the Municipality”.

4.13.3 WHAT THE MUNICIPALITY EXPECTS TO GET OUT OF THE PROJECT?

The Municipality expects to have in its possession a final document / R614 Development Corridor Study that:-

- is properly aligned to National, Provincial and Local legislation as well as any applicable By-laws, Policies and Programmes (in order that all future processes of the Municipality, its investors and developers, are law-abiding);
- contains an analysis of the current population growth and movement trends, as well as the current and future economic prospects available, within the Municipality;
- contains a comparison between the Municipality’s economic situation / potential and that of the District, Provincial and National Sectors;
- contains a series of mapping (preferably in GIS format) reflective of the information pertaining to the economic potential and future development prospects within the Municipality;
- where possible, gives an indication of suitable and appropriate land use categories or economic opportunities that may be promoted/ encouraged by the Municipality along the R614 Development Corridor;
- provides a guide to optimal utilization of the Municipality’s existing resources in order that economic growth may be enhanced;
- gives an insight into the proposed “uMshwathi City Development” at the R33 / R614 intersection and its links to the R614 Development Corridor extending to the N2 KwaZulu Natal North Coast.
- contains all feedback, inputs and recommendations of the general public as well as key interested and affected parties;

- contains guidelines for economic development and growth which promotes sustainability at all levels i.e. environmental / social / economic / etc;
- “feeds” into the Municipality’s Integrated Development Plan and the Spatial Development Framework (SDF) as well as any other guideline documents.

These high-profile and high-visibility services are required to be delivered on an ongoing basis, and are the subject of regular scrutiny by both public bodies and relevant municipal officials.

4.13.4 TIMEFRAMES AND BUDGET FOR COMPLETION OF THE PROJECT

- Funding was initially secured from the KZN Provincial Department of Local Government & Traditional Affairs for the Municipality to undertake a comprehensive feasibility study of this proposed “R614 Development Corridor”.
- It is anticipated that the project will be finalized towards mid-2009 provided that there are no constraints and limitations.

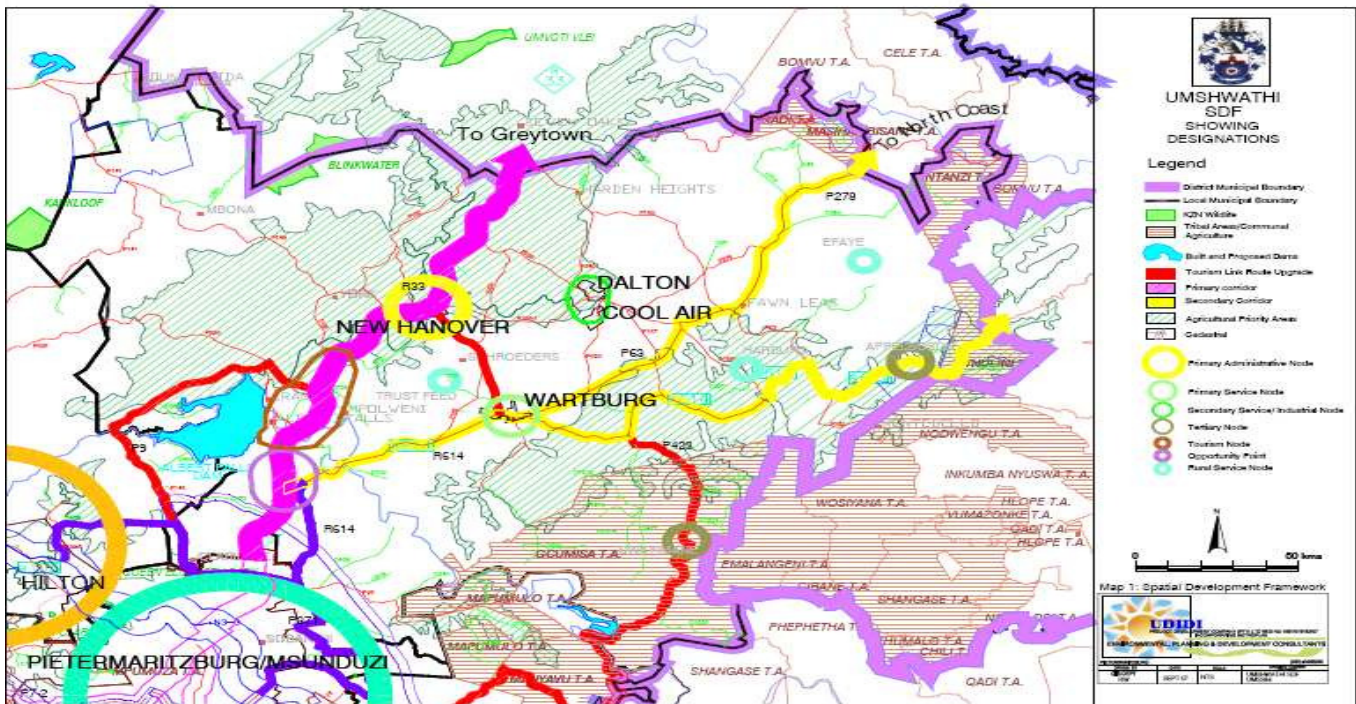
4.13.5 ONGOING SYSTEMATIC MAINTENANCE

The Department of Technical Services is tasked with, inter alia, Solid Waste Management, Environmental Management, and Maintenance of Parks, Verges, Amenities and Cemeteries. Two sub-sections within the Department carry out these functions.

Solid Waste Management includes litter-picking (cleansing of public areas, particularly CBDs, of street litter and cane trash dropped by transporters), and removal of domestic and commercial refuse, while Environmental Management and Maintenance requires vegetation control and grass-cutting.

UMSHWATHI MUNICIPALITY SPATIAL DEVELOPMENT FRAMEWORK

MAP 2: uMshwathi Municipality Spatial Development Framework



SECTION E – SECTOR PLANS AND SECTOR INVOLVEMENT

SECTOR PLAN		STATUS REPORT
1.	LUMS	Draft LUMS completed by consultant and work shopped to the municipality's full council. The Draft LUMS has been submitted to the DLGTA for assessment by the Provincial LUMS steering committee. The municipality is currently awaiting feedback.
2.	Water Services Plan	Adopted in 2004, in a process of being reviewed
3.	Disaster Management Plan	The district DMP is still at the framework stage. Once the framework has been finalized we will then be able to develop a specific DMP for the local Municipality. Critical facilities however have been set up by the district Municipality. The review will be done in 2006/07.
4.	Public Transport Plan	Adopted in 2002 by UMDM.
5.	Integrated Waste Management Plan	District plan in place. uMshwathi to develop a local IWMP during 2006/07. The land fill site for solid waste has DFA approval awaiting DWAF for the certificate.
6.	Electrification Plan	District plan in place and in process of implementation by ESKOM. However, in the light of national 2012 goals of universal access to electricity, the plan will be reviewed during 2006/2007
7.	Environmental Management Plan	District plan in place. uMshwathi Environmental Management Framework for the uMshwathi City Node completed
8.	Local Economic Development Plan	Completed
9.	Economic Strategy and Plan	Completed
10.	Spatial Development Framework	Completed
11.	HIV and AIDs Strategy and Plan	Plan completed

5.1 KEY PROGRAMMES/PROJECTS FROM SECTOR DEPARTMENTS

Listed below are the MTEF allocations for the 2011/12 financial year from the Department of Transport and from the Department of Human Settlements.

Listed below are the explanation for some of the abbreviations used:

OL = On Line
 L= Local road
 D = District road
 P = Provincial road
 Km = Kilometers

DEPARTMENT OF TRANSPORT

Construction Project title	Budget	Financial period
Const. of OL 1190 Efaye	700 000	2011/12
Const. of OL 1887 Emalangi Rd	750 000	2011/12
Const. of L 1926 Ndlaveni Rd	625 000	2011/12
Const. of D 1012 Bhuqwini / Baxoleleni Rd	775 000	2011/12
Re-Gravelling of Local Roads	485 000	2011/12
Const. of L 1757 Ekhamanzi Rd	475 000	2011/12

Local Roads	Budget	Financial period
Local Roads	3 810 000	
Re-gravelling	Budget	Financial period
Re-gravelling of D 87 0km - 2.1km	650 000	2011/12
Re-gravelling of P 159 15km - 23km=8km	2 100 000	2011/12
Re-gravelling of P381 14-24km	2 100 000	2011/12
Re-gravelling of D2205 0-3km=3km	900 000	2011/12
Re-gravelling of P9 10km-17km: In Progress 2010/11	1 670 000	2011/12
Re-gravelling of P150 5km-10km	1 000 000	2011/12
Re-gravelling of D599 5-10km	1 500 000	2011/12
Gravelling	920 000	

DEPARTMENT OF HUMAN SETTLEMENTS

Project title	Total units	Total project cost	2011/12 Budget	2012/13 Budget	Budget
Dalton/Cool Air	419	32,626,273	2,957,850	4,513,540	
Mhlangandlovu	500	29,074,000	6,670,670	4,684,720	
Swayimana	500	29,074,000	6,670,670	4,684,720	
Appelsbosch	500	29,074,000	6,670,670	4,684,720	
Masihambisane	500	29,074,000	2,328,098	3,399,420	
Trust Feed	1000	77,867,000	0	1,899,292	
Mpolweni	1000	77,867,000	0	0	
Slums clearance	1000	77,867,000	0	1,221,000	

DEPARTMENT OF COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

Project	Type	Ward	Budget
Gcumisa TAC	Renovation	8	R450,000.00

SASSA

Active social grant beneficiaries – Umshwathi area

GRANT TYPE	ACTIVE BENEFICIARIES	RAND VALUE PER MONTH
Grant for the Aged	5598	R6 381 720.00
Grant for the Disabled	4491	R5 119 740.00
Foster Child Grant	769	R 569 060.00
Care Dependency Grant	291	R 331 740.00
Combination grant	39	R135 360.00
Child Support Grant	10848	R2 82 0480.00

Grant – in – Aid	72	R18 720.00
TOTAL	22108	R15 3768 20

SASSA CONTINUED

Beneficiary increase projected for 2011/2012

GRANT TYPE	PROJECTED INCREASE 2011/2012	PROJECTED INCREASE ON MONTHLY RAND VALUE
Grant for the Aged	1232	R1 40 4480.00
Grant for the Disabled	988	R1 12 6320.00
Foster Child Grant	169	R 125 060.00

Care Dependency Grant	64	R72 960.00
Combination grant	09	R 16 920.00
Child Support Grant	2387	R 620 620.00
Grant – in – Aid	16	R4 320.00
TOTAL	4865	R3 37 0680.00

SASSA

Social Relief of Distress

- This is immediate temporary assistance given by the Agency/State to our vulnerable groups who cannot support themselves.
- Those vulnerable groups in need of immediate temporary material assistance may qualify for social relief of distress if the applicant complies with one or more of the following conditions:-
- The person is awaiting permanent aid. (Permanent aid does not only include grants, but, any form of permanent aid from the state. **This will include persons whose grants have been approved but the payment will be made in the following month/s and children awaiting foster placement.**

- The person has, for a period of less than six months, been found to be medically unfit to undertake remunerative work. **(Proof will be needed in this regard).**
- No maintenance is received from a person obliged to pay maintenance and proof is furnished that efforts made to trace such person or to obtain maintenance were unsuccessful. **(Social worker's reports can also be accepted).**
- The breadwinner is deceased and insufficient means of support are available. **(This can be through referrals from community leaders, NGO's, CBO's, other departments including Social Development or self presentation).**
- The breadwinner has been admitted to an institution run by the State (prison, state psychiatric hospital, state home for the aged, care and treatment centre and / or treatment centre for drug dependants) for less than six months. **(Investigation by a Social Worker or Delegated SASSA Official will be required).**
- The person has been affected by a disaster although the area of the community in which he or she lives has not yet been declared a disaster area, or by any other emergency situation. **(Investigation by a Social Worker or Delegated SASSA Official will be required).**

Beneficiary Payment Management

SASSA is paying social grants throughout the

jurisdiction of Umshwathi Municipality which has in excess of 20 community halls, but at this stage only 10 facilities are used to pay out social grants.

2. During 2011/2012 all pay-points in open fields are to be destroyed and all beneficiaries to be moved to the community halls available in their respective areas and Municipal support is sought in this regard.

DEPARTMENT OF AGRICULTURE PROJECTS

- Mswela (continues)- ward 3, funding R562.500
- Mt Elias (new)- ward 3, funding R490.310
- Empethu (new) ward 10, funding R582.00

- Mkhabela (new) ward 10, funding R580.330

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Ward 1

- No water projects taking place as most of ward 01 areas are fed from the Umgeni Water bulk pipeline
- WSDP backlog results show high level of water services backlogs in farm dwelling settlements
- These services backlogs will be attended to in the next 5years.
- Thokozani water office- to be utilised for revenue collection
- Long term plan- augmentation of the Umgeni Water bulk pipeline
- Future plans- farm dweller sanitation provision.

Ward 2

- No water projects taking place as most of ward 02 areas are fed from the Umgeni Water bulk pipeline
- WSDP backlog results show high level of water services backlogs in farm dwelling settlements
- These services backlog will be attended to in the next 5years.
- Long term plan- augmentation of the Umgeni Water bulk pipeline
- Future plans- farm dweller sanitation provision.

Ward3

NTANZI CWS SCHEME- OPERATIONAL

- Current status- Complete & commissioned in Dec 08
- Level of service- 37 communal standpipes
- Population-2550
- Households- 296

MASIHAMBISANE CWS SCHEME- OPERATIONAL

- Current status- Complete & commissioned in Dec 08
- Level of service- 42 communal standpipes
- Population- 1840
- Households- 230

Long term plan by Umgeni Water is to build Sikhotho Dam to augment bulk water supply

MVOTISLOPES SANITATION PROJECT- COMPLETE

- Household served: 3445
- Level of service: VIP toilets
- Date of completion: December 2010

Ward 4 & 5

OZWATHINI INTER-DISTRICT CWSS – OPERATIONAL

- Current status- Complete & commissioned in Dec 08
- Level of service- 200 communal standpipes
- Population-21820
- Households- 2727
- Challenge- Technical team to attend a collapsed borehole

OZWATHINI SANITATION PROJECT- COMPLETE

- Date of completion- October 2008
- Level of service- Basic Sanitation – VIP toilets
- Population- 17 786
- Households- 2408
- Challenge- full toilet pits

Ward 6 & 9

GQUGQUMA CWSS- OPERATIONAL

- Current status- complete & commissioned in Aug 08
- Level of service- 18 communal standpipes
- Population- 1059
- Households- 199

W6&9 SANITATION PROJECT- COMPLETE

- Current status- 2563 toilets constructed
- Level of service- Basic sanitation - VIP toilets
- Population- 22 228
- Households- 2563
- Date of completion – December 2010
- Challenge- To identify households that were not covered or with incomplete toilets

Ward 7

- No water projects taking place as most of ward 07 areas are fed from the Umgeni Water bulk pipeline
- WSDP results show high level of water services backlogs in areas called Spot-on, Ross and KwaXimba.
- These services backlogs will be attended to in the next 5years.
- Long term plan- augmentation of the Umgeni Water bulk pipeline
- Future plans- farm dweller sanitation provision.

Ward 8

- No water projects taking place as most areas of ward 08 are fed from the Umgeni Water bulk pipeline

- National Department of Human Settlements (DOH) has allocated funding for sanitation projects in uMshwathi
- As informed by the results of WSDP- Ward 08 was identified to benefit from the allocated funding
- Provincial DOH appointed Independent Development Trust (IDT) to implement the sanitation project in ward 08
- Current status- Planning stage
- Level of service- Basic sanitation - VIP toilets
- Population- 11 976 (6384 in Mpolweni plus 5592 in Trustfeed)
- Households – 1996 rounded off to 2 000 (1064 in Mpolweni plus 932 in Trustfeed)
- The project to be rolled out in three phases- first phase starting in 2011-2012 financial year.

Ward 9

- No water projects taking place as most areas of ward 09 are fed from the Umgeni Water bulk pipeline
- Major need to improve on the O&M of the reticulation networks.

Ward 10

- No water projects taking place as most areas of ward 10 are fed from the Umgeni Water bulk pipeline
- Major need to improve on the O&M of the reticulation networks.
- Future plan- as informed the results of WSDP backlog study- Funding request for Gonowakhe CWWS scheme planning phase has been forwarded to Water Affairs.

SANITATION PROJECT- IMPLEMENTATION COMPLETE

- Current status- 2271 toilets constructed
- Level of service- Basic Sanitation - VIP toilets
- Population- 19 195
- Households- 2271
- Challenge- To identify households that were not covered or with incomplete toilets

Ward 11

- No water projects taking place as most areas of ward 11 are fed from the Umgeni Water bulk pipeline
- Major need to improve on the O&M of the reticulation networks

SANITATION PROJECT- IMPLEMENTATION ONGOING

- Level of service- Basic Sanitation - VIP toilets
- Current status- 1560 toilets constructed
- Outstanding – 512 toilets to be constructed
- Population- 16 077
- Households- 2072
- Targeted date of completion- 31 May 2011

SECTION G – OPERATIONAL BUDGET

1.1 Operational Budget

Draft Budget 2011-2012 - Departmental Summary

Vote	Details	Budget 2010/2011	Draft Budget 2011/2012	Draft Budget 2012/2013	Draft Budget 2013/2014
Council General					
Revenue					
001/005	Rates: Penalties	-800,000	-850,000	-913,750	-982,281
001/037	Fees: Photocopies	-15,000	-12,000	-12,900	-13,868
001/038	Fees: Rates Clearance	-5,000	-4,000	-4,300	-4,623
		-			
001/080	Grants: Equitable Share	41,165,000	-49,180,000	-54,362,000	-57,915,000
001/025	Grants:FMG	-1,500,000	-1,500,000	-1,500,000	-1,750,000
001/026	Grants: MSIG	-750,000	-790,000	-800,000	-900,000
001/020	Provincial Government: Property Rates	-106,000			
001021	Provincial Government: Capacity Building	-170,000			
001/083	Interest: Investments	-100,000			
001/086	Interest: Arrear Accounts	-3,000,000	-4,000,000	-4,300,000	-4,622,500
001/087	Interest: Current Account	-10,000	-30,000	-32,250	-34,669
001/090	Fees	-10,000	-5,000	-5,375	-5,778
001/096	Rent: Facilities	-200,000	-150,000	-161,250	-173,344

001/100	Sale of Assets	0			
		-			
		47,831,000	-56,521,000	-62,091,825	-66,402,062
	Expenditure				
	Salaries and Allowances				
001/201	Salaries	3,007,653	3,308,418	3,556,549	3,823,291
001/211	Allowance: Transport	1,121,324	1,233,456	1,325,966	1,425,413
001/214	Telephone Allowance	244,870	269,357	289,559	311,275
001/220	Pension Contribution	334,576	368,033	395,636	425,309
001/222	Medical Scheme Contribution	39,389	43,328	46,577	50,070
001/234	Skills Levy	47,813	52,594	56,539	60,779
		4,795,624	5,275,186	5,670,825	6,096,137
	Council General				
	General Expenses				
001/373	Conferences/Seminars	20,000	300,000	322,500	346,688
001/396	Insurance	280,000	300,000	322,500	346,688
001/428	Purchases: Electricity	750,000	800,000	860,000	924,500
001/451	Subsistence and Travelling	250,000	250,000	268,750	288,906
001/453	Sundries	5,000	5,000	5,375	5,778
001/481	Consulting Fees	75,000	150,000	161,250	173,344
		1,380,000	1,805,000	1,940,375	2,085,903
	Total: Income	47,831,000	-56,521,000	-62,091,825	-66,402,062

	Total: Expenditure	6,175,624	7,080,186	7,611,200	8,182,040
		-			
	Surplus	41,655,376	-49,440,814	-54,480,625	-58,220,022
Rates					
Income					
011/002	Assessment Rates	27,294,443	-31,250,000	-33,593,750	-36,113,281
Expenditure					
011/352	Rates: Rebate	18,603,020	18,900,000	20,317,500	21,841,313
	Net	-8,691,423	-12,350,000	-13,276,250	-14,271,969
Municipal Manager Expenditure					
Salaries and Allowances					
031/201	Salaries	3,608,273	3,981,435	4,280,042	4,601,046
	Municipal Manager	776,568	854,225	918,292	987,164
	Performance Bonus	107,800	118,580	127,474	137,034
031/212	Bonus	33,782	37,160	39,947	42,943
031/211	Allowance: Transport	0	0	0	0
031/220	Pension Contribution	89,763	98,739	106,145	114,105
031/222	Medical Scheme Contributions	46,549	51,204	55,044	59,173
031/226	Unemployment Insurance	44,848	49,333	53,033	57,011

031/231	Bargaining Council	724	796	856	920
031/234	Skills Levy	47,005	51,706	55,583	59,752
		4,755,312	5,243,178	5,636,417	6,059,148
Municipal Manager					
General Expenses					
031/427	IDP Review/PMS Review	300,000	300,000	322,500	346,688
031/382	IT	900,000	900,000	967,500	1,040,063
031/456	Town Planning	200,000	200,000	215,000	231,125
031/383	Bursaries	100,000	150,000	161,250	173,344
031/391	Mayor's Outreach Programme: Youth	50,000	50,000	53,750	57,781
	Mayor's Outreach Programme: Arts & Culture	50,000	50,000	53,750	57,781
031/409	Social Empowerment	330,000	390,000	419,250	450,694
	Communication	200,000	250,000	268,750	288,906
031/438	Ward Committees	125,000	300,000	322,500	346,688
031/440	Internal Audit	400,000	400,000	430,000	462,250
031/451	Subsistence and Travelling	250,000	300,000	322,500	346,688
031/373	Conferences and Seminars	25,000	0	0	0
031/381	Entertainment	0	10,000	10,750	11,556
031/407	Special Projects	250,000	300,000	322,500	346,688
031/330	LED Projects	400,000	1,500,000	1,612,500	1,733,438
031/452	Subscriptions	125,000	150,000	161,250	173,344
		3,705,000	5,250,000	5,643,750	6,067,031
Repairs and Maintenance					
031/650	Furniture	0			

	Total: Expenditure	8,460,312	10,493,178	11,280,167	12,126,179
	Corporate Services				
	Expenditure				
	Salaries and Allowances				
041/201	Salaries	2,792,808	3,072,089	3,302,496	3,550,183
	General Manager: Corporate	563,508	619,859	666,348	716,324
	Performance Bonus	69,300	76,230	81,947	88,093
041/203	Leave Bonus	120,649	132,714	142,668	153,368
041/207	Housing/Rental	113,840	125,224	134,616	144,712
041/205	Overtime	0	0	0	0
041/211	Allowance: Transport	0	0	0	0
041/220	Pension Contribution	339,812	373,794	401,828	431,965
041/222	Medical Scheme Contribution	81,020	89,122	95,806	102,992
041/226	Unemployment Insurance	20,113	22,124	23,784	25,567
041/230	Protective Clothing	280,800	308,880	332,046	356,949
041/231	Bargaining Council	492	541	582	625
041/234	Skills Levy	39,184	43,102	46,335	49,810
		4,421,526	4,863,679	5,228,455	5,620,589
	General Expenses				
041/451	Subsistence and Travelling	37,500	37,500	40,313	43,336
041/373	Conferences & Seminars	10,000	0	0	0

041/381	Entertainment	0		0	0
041/351	Advertisements	250,000	200,000	215,000	231,125
041/402	Licences	0		0	0
041/400	Legal Expenses	300,000	300,000	322,500	346,688
041/414	Materials: Cleaning	125,000	137,500	147,813	158,898
041/422	Postage & Stamps	150,000	150,000	161,250	173,344
041/424	Printing and Stationery	380,000	350,000	376,250	404,469
041/434	Rental: Copiers	500,000	400,000	430,000	462,250
041/436	Refreshments	100,000	120,000	129,000	138,675
041/444	Security	1,350,000	1,250,000	1,343,750	1,444,531
041/455	Telephones	1,000,000	900,000	967,500	1,040,063
041/460	Transport/Vehicle Costs	1,000,000	1,000,000	1,075,000	1,155,625
041/480	Workman's Compensation	125,000	125,000	134,375	144,453
041/453	Sundries	2,000	2,000	2,150	2,311
041/458	Training	600,000	600,000	645,000	693,375
	EAP	75,000	150,000	161,250	173,344
		6,004,500	5,722,000	6,151,150	6,612,486
	Corporate Services				
	Repairs and Maintenance				
041/650	Furniture & Equipment	40,000	30,000	32,250	34,669
	Total: Expenditure	10,466,026	10,615,679	11,411,855	12,267,744
	Municipal Buildings				
051/605	R & M: Buildings	2,000,000	2,500,000	2,687,500	2,889,063

053/096	Rent: Facilities				
		2,000,000	2,500,000	2,687,500	2,889,063
	Total: Expenditure	2,000,000	2,500,000	2,687,500	2,889,063
	Community Services				
	Expenditure				
	Salaries and Allowances				
091/201	Salaries	529,128	582,041	625,694	672,621
	General Manager: Community Services	563,508	619,859	666,348	716,324
	Performance Bonus	69,300	76,230	81,947	88,093
091/203	Leave Bonus	44,094	48,503	52,141	56,052
091/205	Overtime	0	0	0	0
091/220	Pension Contribution	132,396	145,636	156,558	168,300
091/222	Medical Scheme Contributions	23,280	25,608	27,529	29,594
091/226	Unemployment Insurance	10,926	12,019	12,920	13,889
091/231	Bargaining Council	123	135	145	156
091/234	Skills Levy	13,035	14,338	15,413	16,569
		1,385,790	1,524,369	1,638,697	1,761,599
	Community Services				
	General Expenses				
091/451	Subsistence and Travelling	15,000	20,000	21,500	23,113

091/373	Conferences & Semnars	10,000	0	0	0
091/381	Entertainment	0		0	0
091/403	Sports Promotion	300,000	300,000	322,500	346,688
091/404	Youth Desk	350,000	350,000	376,250	404,469
091/405	HIV/AIDS	500,000	500,000	537,500	577,813
091/406	Small Scale Disasters	200,000	200,000	215,000	231,125
091/420	Pauper Burials	75,000	75,000	80,625	86,672
091/453	Sundries	4,000	5,000	5,375	5,778
091/384	Crime Prevention	100,000	100,000	107,500	115,563
091/376	Arts and Culture	100,000	100,000	107,500	115,563
		1,654,000	1,650,000	1,773,750	1,906,781
Community Services					
Repairs and Maintenance					
091/650	Furniture	0			
	Total: Expenditure	3,039,790	3,174,369	3,412,447	3,668,381
Library Services					
Revenue					
061/078	Fines	-1,000	-1,000	-1,075	-1,156
061/090	Fees				
		-1,000	-1,000	-1,075	-1,156

Expenditure					
Salaries and Allowances					
061/201	Salaries	232,917	256,208	275,424	296,081
061/208	Relief	11,384	12,522	13,462	14,471
061/203	Leave Bonus	19,410	21,351	22,952	24,673
061/211	Allowance: Transport	0	0	0	0
061/220	Pension Contribution	31,192	34,311	36,885	39,651
061/222	Medical Aid	31,875	35,063	37,692	40,519
061/226	Unemployment Insurance	2,329	2,562	2,754	2,961
061/230	Protective Clothing/Uniforms	6,830	7,513	8,077	8,683
061/231	Bargaining Council	164	180	194	208
061/234	Skills Levy	3,293	3,622	3,894	4,186
		339,394	373,333	401,333	431,433
Library Services					
General Expenses					
061/373	Conferences/Seminars	2,000	2,000	2,150	2,311
061/404	Lost Books	2,500	2,500	2,688	2,889
061/435	Reference Books/Periodicals	2,000	2,000	2,150	2,311
061/451	Subsistance and Travelling	2,000	2,000	2,150	2,311
		8,500	8,500	9,138	9,823
Repairs and Maintenance					

061/650	R & M: Furniture	0	0	0	0
	Total: Income	-1,000	-1,000	-1,075	-1,156
	Total: Expenditure	347,894	381,833	410,471	441,256
	Deficit:	346,894	380,833	409,396	440,101
Clinic					
Revenue					
076/098	Subsidies	-443,000	0	0	0
Expenditure					
Salaries and Allowances					
076/201	Salaries	576,713	634,385	681,964	733,111
076/208	Relief	68,304	75,134	80,769	86,827
076/203	Leave Bonus	48,059	52,865	56,830	61,093
076/220	Pension Contribution	137,462	151,208	162,549	174,740
076/226	Unemployment Insurance	5,767	6,344	6,820	7,331
	Protective Clothing	6,830	7,513	8,077	8,683
076/231	Bargaining Council	287	316	339	365
076/234	Skills Levy	8,742	9,616	10,337	11,112
	Medical Aid	37,567	41,324	44,423	47,755
		889,732	978,705	1,052,108	1,131,016

Clinic					
General Expenses					
076/373	Conferences/Seminars	1,500	2,000	2,150	2,311
076/414	Materials	5,000	5,000	5,375	5,778
076/415	Medical Supplies	25,000	25,000	26,875	28,891
076/422	Postage & Stamps	2,000	2,000	2,150	2,311
076/424	Printing and Stationery	7,500	7,500	8,063	8,667
076/453	Sundries	1,000	1,000	1,075	1,156
076/429	Water	2,500	2,500	2,688	2,889
		44,500	45,000	48,375	52,003
Repairs and Maintenance					
076/605	R & M: Buildings	5,000	5,000	5,375	5,778
		5,000	5,000	5,375	5,778
	Total: Income	-443,000	0	0	0
	Total: Expenditure	939,232	1,028,705	1,105,858	1,188,797
Community Hall					
082/048	Fees				
082/096	Rent: Facilities	-25,000	-15,000	-16,125	-17,334
		-25,000	-15,000	-16,125	-17,334

Repairs and Maintenance					
082/605	R & M: Buildings				
	Total: Income	-25,000	-15,000	-16,125	-17,334
	Total: Expenditure	0	0	0	0
	Surplus	-25,000	-15,000	-16,125	-17,334
Traffic					
Revenue					
101/078	Fines	-500,000	-200,000	-215,000	-231,125
Expenditure					
Salaries and Allowances					
101/201	Salaries	1,074,650	1,182,115	1,270,773	1,366,081
101/203	Leave Bonus	84,507	92,958	99,930	107,425
101/205	Overtime	113,840	125,224	134,616	144,712
101/220	Pension Contribution	228,579	251,437	270,295	290,567
101/222	Medical Scheme Contribution	97,777	107,555	115,622	124,293
101/226	Unemployment Insurance	10,232	11,255	12,099	13,007
101/231	Bargaining Council	410	451	485	521
101/234	Skills Levy	16,100	17,710	19,038	20,466
		1,626,095	1,788,705	1,922,857	2,067,072

General Expenses					
101/373	Conferences/Seminars	7,500	7,500	8,063	8,667
101/398	Law Enforcement	50,000	50,000	53,750	57,781
101/401	Levy: Research	5,000	5,000	5,375	5,778
101/453	Sundries	1,000	1,000	1,075	1,156
101/422	Postage & Stamps			0	0
101/463	Towing of Vehicles	3,000	3,000	3,225	3,467
101/451	Subsistance and Travelling	1,000	1,000	1,075	1,156
101/455	Telephones				
		67,500	67,500	72,563	78,005
Traffic Department					
Repairs and Maintenance					
101/660	Tools	3,000	3,000	3,225	3,467
		3,000	3,000	3,225	3,467
	Total: Income	-500,000	-200,000	-215,000	-231,125
	Total: Expenditure	1,696,595	1,859,205	1,998,645	2,148,543
	Deficit:	1,196,595	1,659,205	1,783,645	1,917,418
Motor Licencing					
Revenue					
111/029	Fees: Drivers Licence	-725,000	-700,000	-752,500	-808,938

111/030	Fees: Learner Licence	-300,000	-425,000	-456,875	-491,141
111/090	Fees	-675,000	-700,000	-752,500	-808,938
		-1,700,000	-1,825,000	-1,961,875	-2,109,016
Expenditure					
Salaries and Allowances					
111/201	Salaries	477,086	524,795	564,155	606,466
111/203	Leave Bonus	39,763	43,739	47,020	50,546
111/220	Pension Contribution	119,077	130,984	140,808	151,369
111/222	Medical Scheme Contribution	57,341	63,075	67,806	72,891
111/226	Unemployment Insurance	4,794	5,273	5,669	6,094
111/231	Bargaining Council	205	225	242	260
111/234	Skills Levy	6,983	7,681	8,257	8,876
		705,249	775,773	833,956	896,503
Motor Licencing					
General Expenses					
111/401	Levy: Research	2,000	2,000	2,150	2,311
111/422	Postage & Stamps	3,000	1,500	1,613	1,733
111/424	Printing and Stationery	12,500	15,000	16,125	17,334
		17,500	18,500	19,888	21,379
Repairs and Maintenance					

111/655	Office and Acc Machines	1,500	1,000	1,075	1,156
	Total: Income	-1,700,000	-1,825,000	-1,961,875	-2,109,016
	Total: Expenditure	724,249	795,273	854,919	919,038
	Surplus	-975,751	-1,029,727	-1,106,956	-1,189,978
Financial Services					
Revenue					
201/105	Discount				
Expenditure					
Salaries and Allowances					
201/201	Salaries	3,102,709	3,412,980	3,668,954	3,944,125
	Chief Financial Officer	626,120	688,732	740,387	795,916
	Performance Bonus	77,000	84,700	91,053	97,881
201/207	Housing	0	0	0	0
201/203	Leave Bonus	117,682	129,450	139,159	149,596
201/205	Overtime	28,460	31,306	33,654	36,178
201/211	Allowance: Transport	0	0	0	0
201/220	Pension Contribution	307,892	338,681	364,082	391,388
201/222	Medical Scheme Contribution	55,497	61,047	65,625	70,547
201/226	Unemployment Insurance	30,276	33,303	35,801	38,486
201/231	Bargaining Council	410	451	485	521

201/234	Skills Levy	39,093	43,002	46,228	49,695
		4,385,139	4,823,653	5,185,426	5,574,333
Financial Services					
General Expenses					
201/408	Communication: Budget Process	300,000	300,000	322,500	346,688
201/373	Conferences & Seminars	10,000		0	0
201/381	Entertainment	0		0	0
201/365	Bank Charges	60,000	60,000	64,500	69,338
201/740	Depreciation	2,100,000	7,000,000	7,525,000	8,089,375
201/333	Debt Collection Costs	150,000	200,000	215,000	231,125
201/451	Subsistence and Travelling	15,000	20,000	21,500	23,113
201/450	Audit Fee: External	600,000	600,000	645,000	693,375
201/486	Interest and Redemption: Loan	2,500,000	2,500,000	2,687,500	2,889,063
201/487	FBS & FBE	1,500,000	1,500,000	1,612,500	1,733,438
		7,235,000	12,180,000	13,093,500	14,075,513
Repairs and Maintenance					
201/752	Leave Provision/Bad Debts	100,000	150,000	161,250	173,344
	Total Expenditure	11,720,139	17,153,653	18,440,176	19,823,190
Postal Services					
Revenue					

211/045	Fees: Services	-25,000	-17,500	-18,813	-20,223
		-25,000	-17,500	-18,813	-20,223
Expenditure					
Salaries and Allowances					
211/201	Salaries				
211/203	Leave Bonus				
211/226	Unemployment Insurance				
211/231	Bargaining Council				
		0	0	0	0
Postal Services					
General Expenses					
211/303	Adm. Finance				
211/480	Workman's Compensation				
		0	0	0	0
	Total: Income	-25,000	-17,500	-18,813	-20,223
	Total: Expenditure	0	0	0	0
Technical Services: Administration					
Expenditure					

Salaries and Allowances					
501/201	Salaries	489,512	538,463	578,848	622,262
	General Manger: Technical Services	563,508	619,859	666,348	716,324
	Performance Bonus	69,300	76,230	81,947	88,093
501/203	Leave Bonus	0	0	0	0
501/205	Overtime	0	0	0	0
501/207	Housing	0	0	0	0
501/210	Allowance: Acting	0	0	0	0
501/211	Allowance: Transport	0	0	0	0
501/220	Pension Contribution	0	0	0	0
501/222	Medical Scheme Contribution	0	0	0	0
501/226	Unemployment Insurance	7,969	8,766	9,423	10,130
501/231	Bargaining Council	285	313	337	362
501/234	Skills Levy	10,246	11,270	12,115	13,024
		1,140,819	1,254,901	1,349,018	1,450,195
Technical Services: Administration					
General Expenses					
501/458	Training			0	0
501/411	Office Equipment	2,500	5,000	5,375	5,778
501/373	Conferences	17,500		0	0
501/650	Furniture			0	0
501/451	Subsistence & Transport	30,000	45,000	48,375	52,003
501/381	Entertainment	0		0	0
		50,000	50,000	53,750	57,781

Repairs and Maintenance					
501/650	Furniture	0	0	0	0
501/655	Office Equipment	0	0	0	0
		0	0	0	0
	Total Expenditure	1,190,819	1,304,901	1,402,768	1,507,976
	Deficit	1,190,819	1,304,901	1,402,768	1,507,976
Roads and Stormwater Maintenance					
Revenue					
551/011	Fees: Building Plans	-30,000	-25,000	-26,875	-28,891
551/050	Fees	-30,000	-50,000	-53,750	-57,781
		-60,000	-75,000	-80,625	-86,672
Expenditure					
Salaries and Allowances					
551/201	Salaries	4,545,037	4,999,540	5,374,506	5,777,594
551/203	Leave Bonus	353,753	389,128	418,313	449,686
551/205	Overtime	60,358	66,394	71,373	76,726
551/209	Allowance: Standby	45,536	50,090	53,846	57,885
551/220	Pension Contribution	757,759	833,535	896,050	963,254
551/222	Medical Aid contribution	233,201	256,521	275,760	296,443

551/226	Unemployment Insurance	42,450	46,695	50,198	53,962
551/231	Bargaining Council	2,746	3,020	3,247	3,490
551/234	Skills Levy	56,953	62,648	67,347	72,398
		6,097,793	6,707,572	7,210,640	7,751,438
Roads and Stormwater Maintenance					
General Expenses					
551/412	Chemicals and Oil Dispersants	2,000	20,000	21,500	23,113
551/417	Road Signs	30,000	30,000	32,250	34,669
551/458	Training				
		32,000	50,000	53,750	57,781
Repairs and Maintenance					
551/623	Road Maintenance	3,500,000	3,000,000	3,225,000	3,466,875
551/660	Tools	15,000	15,000	16,125	17,334
551/665	Machinery	250,000	250,000	268,750	288,906
		3,765,000	3,265,000	3,509,875	3,773,116
Contribution to Capital		1,000,000	3,000,000	0	0
	Total Income:	-60,000	-75,000	-80,625	-86,672
	Total Expenditure:	10,894,793	10,022,572	10,774,265	11,582,335
	Deficit	10,834,793	9,947,572	10,693,640	11,495,663

Building and Infrastructure Maintenance					
General Expenses					
530/412	Chemicals and Oil Dispersants	2,000	2,000	2,150	2,311
	Materials			0	0
530/660	Tools	20,000	20,000	21,500	23,113
530/666	Plant Hire	5,000	50,000	53,750	57,781
	Training				
		27,000	72,000	77,400	83,205
Repairs and Maintenance					
	Furniture		0	0	0
	Office Equipment		0	0	0
		0	0	0	0
	Total Expenditure	27,000	72,000	77,400	83,205
	Deficit	27,000	72,000	77,400	83,205
Taxi/Bus Rank					
Income					
601/090	Fees	-5,000	0		
		-5,000	0	0	0

Repairs and Maintenance					
601/607	Taxi Rank				
Cemetery					
Revenue					
652/017	Fees: Burial	-15,000	-10,000	-10,750	-11,556
Expenditure					
Salaries and Allowances					
652/201	Salaries	471,013	518,114	556,973	598,746
652/203	Leave Bonus	39,251	43,176	46,414	49,895
652/207	Housing/Rental	0	0	0	0
652/205	Overtime	20,514	22,565	24,258	26,077
652/211	Allowance: Transport	0	0	0	0
652/220	Pension Contribution	76,444	84,088	90,395	97,174
652/222	Medical Scheme Contributions	21,436	23,580	25,348	27,249
652/226	Unemployment Insurance	4,710	5,181	5,570	5,987
652/230	Protective Clothing	0	0	0	0
652/231	Bargaining Council	246	270	291	313
652/234	Skills Levy	6,336	6,970	7,492	8,054
		639,950	703,945	756,741	813,496

General Expenses					
652/451	Subsistence and Travelling				
652/416	Fuel	15,000	15,000	16,125	17,334
	Maintenance: Equipment			0	0
				0	0
652/665	Machinery	30,000	30,000	32,250	34,669
652/660	Tools	5,000	5,000	5,375	5,778
		50,000	50,000	53,750	57,781
	Total Income	-15,000	-10,000	-10,750	-11,556
	Total Expenditure	689,950	753,945	810,491	871,278
	Deficit	674,950	743,945	799,741	859,721
Parks and Gardens					
Expenditure					
General Expenses					
540/412	Chemicals and Oil Dispersants	2,000	2,000	2,150	2,311
540/414	Materials	5,000	5,000	5,375	5,778
		7,000	7,000	7,525	8,089
Parks and Gardens					
Repairs and Maintenance					
540/660	Tools	5,000	5,000	5,375	5,778
540/665	Plant and Machinery	10,000	10,000	10,750	11,556

540/661	Contract Administration	800,000	850,000	913,750	982,281
		815,000	865,000	929,875	999,616
	Total Expenditure	822,000	872,000	937,400	1,007,705
	Deficit	822,000	872,000	937,400	1,007,705
	Cleansing and Solid Waste Management				
	Revenue				
751/045	Fees: Services	-1,400,000	-1,400,000	-1,505,000	-1,617,875
	Expenditure				
	General Expenses				
751/412	Chemicals and Oil Dispersants	2,000	2,000	2,150	2,311
751/414	Materials	15,000	20,000	21,500	23,113
751/465	Tools	5,000	5,000	5,375	5,778
751/417	Road Signs	15,000	15,000	16,125	17,334
751/418	Plant Hire	15,000	15,000	16,125	17,334
751/315	Training			0	0
751/462	Transfer Station	0		0	0
751/315	Refuse Removal	1,200,000	1,000,000	1,075,000	1,155,625
		1,252,000	1,057,000	1,136,275	1,221,496

Repairs and Maintenance					
751/660	Tools	0			
	Total Expenditure	1,252,000	1,057,000	1,136,275	1,221,496
	Deficit	1,252,000	1,057,000	1,136,275	1,221,496
Pounds					
General Expenses					
	Pound Management	250,000	250,000	268,750	288,906
		250,000	250,000	268,750	288,906
	Total Expenditure	250,000	250,000	268,750	288,906
	Salaries				
	Council General	4,795,624	5,275,186	5,670,825	6,096,137
	Municipal Manager	4,755,312	5,243,178	5,636,417	6,059,148
	Corporate Services	4,421,526	4,863,679	5,228,455	5,620,589
	Community Services	1,385,790	1,524,369	1,638,697	1,761,599
	Library	339,394	373,333	401,333	431,433
	Clinic	889,732	978,705	1,052,108	1,131,016
	Traffic	1,626,095	1,788,705	1,922,857	2,067,072
	Motor Licencing	705,249	775,773	833,956	896,503
	Finance	4,385,139	4,823,653	5,185,426	5,574,333

Postal Services	0	0	0	0
Technical Services	1,140,819	1,254,901	1,349,018	1,450,195
Road and Stormwater Maintenance	6,097,793	6,707,572	7,210,640	7,751,438
Cemetery	639,950	703,945	756,741	813,496
	31,182,423	34,313,000	36,886,475	39,652,961
General Expenses				
Council General	1,380,000	1,805,000	1,940,375	2,085,903
Rates: Rebates	18,603,020	18,900,000	20,317,500	21,841,313
Municipal Manager	3,705,000	5,250,000	5,643,750	6,067,031
Corporate Services	6,004,500	5,722,000	6,151,150	6,612,486
Community Services	1,654,000	1,650,000	1,773,750	1,906,781
Municipal Buildings				
Library	8,500	8,500	9,138	9,823
Clinic	44,500	45,000	48,375	52,003
Traffic	67,500	67,500	72,563	78,005
Motor Licencing	17,500	18,500	19,888	21,379
Finance	7,235,000	12,180,000	13,093,500	14,075,513
Postal Services	0	0	0	0
Technical Services	50,000	50,000	53,750	57,781
Road and Stormwater Maintenance	32,000	50,000	53,750	57,781
Building & Infrastructure Main	27,000	72,000	77,400	83,205
Cemetery	50,000	50,000	53,750	57,781
Taxi/Bus	0	0	0	0
Environmental Management	7,000	7,000	7,525	8,089
Cleansing and Solid Waste Mgt	1,252,000	1,057,000	1,136,275	1,221,496
Pounds	250,000	250,000	268,750	288,906

		40,387,520	47,182,500	50,721,188	54,525,277
	Repairs and Maintenance				
	Municipal Manager	0	0	0	0
	Corporate Services	40,000	30,000	32,250	34,669
	Community Services	0	0	0	0
	Municipal Buildings	2,000,000	2,500,000	2,687,500	2,889,063
	Library	0	0	0	0
	Clinic	5,000	5,000	5,375	5,778
	Community Halls	0	0	0	0
	Traffic	3,000	3,000	3,225	3,467
	Motor Licencing	1,500	1,000	1,075	1,156
	Finance	0	0	0	0
	Technical: Admin	0	0	0	0
	Road and Stormwater Maintenance	3,765,000	3,265,000	3,509,875	3,773,116
	Building & Infrastructure Main	0	0	0	0
	Taxi/Bus	0	0	0	0
	Environmental Management	815,000	865,000	929,875	999,616
	Cleansing and Solid Waste Mgt	0	0	0	0
		6,629,500	6,669,000	7,169,175	7,706,863
	Total Expenditure	78,199,443	88,164,500	94,776,838	101,885,100
	Contribution to Reserves	100,000	150,000	161,250	173,344
	Contribution to Capital	1,000,000	3,000,000	0	0
		79,299,443	91,314,500	94,938,088	102,058,444

Income				
Rates	27,294,443	-31,250,000	-33,593,750	-36,113,281
Rates: Penalties	-800,000	-850,000	-913,750	-982,281
Fees: Photocopies	-15,000	-12,000	-12,900	-13,868
Fees: Rates Clearance	-5,000	-4,000	-4,300	-4,623
Grants: Equitable Share	41,165,000	-49,180,000	-54,362,000	-57,915,000
	-2,250,000	-2,290,000	-2,300,000	-2,650,000
Grants	-276,000	0	0	0
Interest: Investments	-100,000	0	0	0
Interest: Arrear Accounts	-3,000,000	-4,000,000	-4,300,000	-4,622,500
Interest: Current Account	-10,000	-30,000	-32,250	-34,669
Fees	-10,000	-5,000	-5,375	-5,778
Rent: Facilities	-200,000	-150,000	-161,250	-173,344
Library	-1,000	-1,000	-1,075	-1,156
Clinic	-443,000	0	0	0
Community Hall	-25,000	-15,000	-16,125	-17,334
Traffic	-500,000	-200,000	-215,000	-231,125
Motor Licencing	-1,700,000	-1,825,000	-1,961,875	-2,109,016
Postal Services	-25,000	-17,500	-18,813	-20,223
Maintenance	-60,000	-75,000	-80,625	-86,672
Taxi/Ranks	-5,000	0	0	0
Cemetery	-15,000	-10,000	-10,750	-11,556
Cleansing	-1,400,000	-1,400,000	-1,505,000	-1,617,875
Sale of Assets	0	0	0	0

	Total Income	-	-91,314,500	-99,494,838	-106,610,300
	Summary				
	Income	79,299,443	-91,314,500	-99,494,838	-106,610,300
	Expenditure: Operating	79,299,443	91,314,500	94,938,088	102,058,444
	Expenditure: -Surplus/Deficit	0	0	-4,556,750	-4,551,856

Draft Budget 2010/2011				
Summary				
Details	Budget 2010/2011	Draft Budget	Draft Budget	Draft Budget
	-			
Total Income	79,299,443	-91,314,500	-99,494,838	-106,610,300
Total Operating Expenditure	79,299,443	91,314,500	94,938,088	102,058,444
Surplus/-Deficit	0	0	4,556,750	4,551,856
Income				
Rates	27,294,443	-31,250,000	-33,593,750	-36,113,281
Services	10,840,000	-10,884,500	-11,539,088	-12,582,019
Grants	41,165,000	-49,180,000	-54,362,000	-57,915,000
Total	79,299,443	-91,314,500	-99,494,838	-106,610,300
Operational Expenditure				
Salaries	31,182,423	34,313,000	36,886,475	39,652,961
General Expenditure	40,387,520	47,182,500	50,721,188	54,525,277
Repairs and Maintenance	6,629,500	6,669,000	7,169,175	7,706,863
Contribution to Reserves/Provisions	100,000	150,000	161,250	173,344

	Contribution to Working Capital	1,000,000	3,000,000	0	0
	Total Expenditure	79,299,443	91,314,500	94,938,088	102,058,444

SECTION H – CAPITAL BUDGET

MIG PROJECTS

PROJECT	WARD	AMOUNT REQUIRED
ROADS		
Thokozani Roads Surfacing	1	1,000,000.00
New Hanover Extension - Upgrade Storm water	2	400,000.00
Dalton CBD Stormwater & Pedestrian Movement	2	400,000.00
New Hanover CBD Stormwater & Pedestrian Movement	2	400,000.00
OL 1178 - Efaye	3	560,000.00
Ntanzi Road	4	1,000,000.00
Shalkeni Road	5	1,350,000.00
Nomhele Hall	5	1,150,000.00
Estezi Road D599	6	2,000,000.00
Wartburg CBD Stormwater & Pedestrian Movement	7	400,000.00
Cool Air Housing: Bus Route	7	4,900,000.00
Dumela Bridge	8	1,000,000.00

D1006 - Surfacing	6/8	3,200,000.00
Ezalukazini Community Centre	8	500,000.00
Trust Feed - Road	9	500,000.00
D708 - Surfacing	10	2,500,000.00
Nhlambamasoka Road	11	2,000,000.00
Mabeleni Hall Road	11	100,000.00
D1012 - Regravelling	12	1,000,000.00
Mshayazafe Road	13	625,000.00
		24,985,000.00
PUBLIC WORKS PROJECTS		
Thusong Centre	2	8,500,000.00
		8,500,000.00
Total		33,485,000.00

33,485,000.00

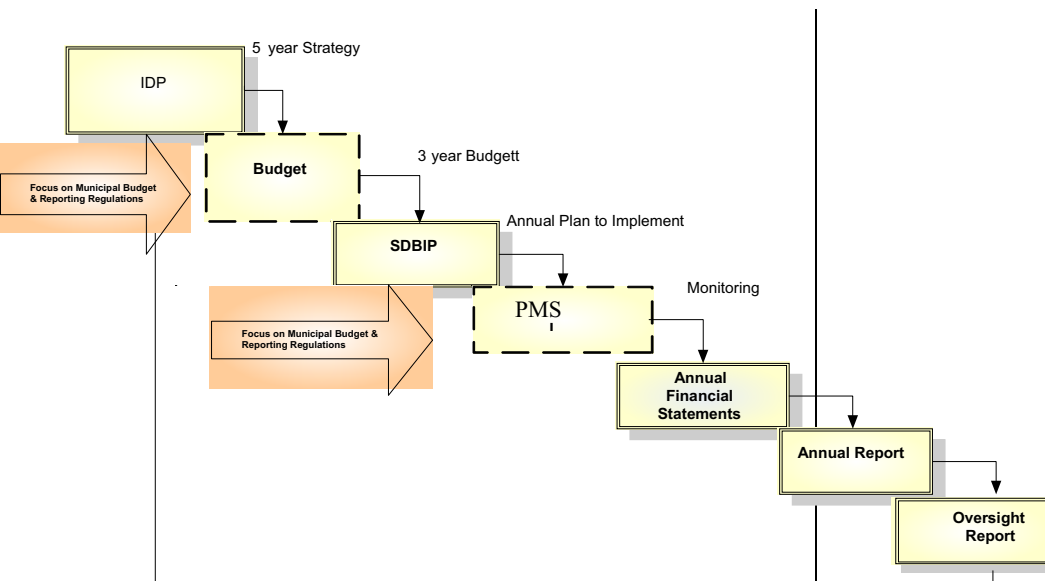
Action Plan for Items raised in Auditor General's Report for June 2010

Number	Item Raised	Action to be taken	Official Responsible	Time Frame
1	Restatement of Corresponding Figures	None. Since the restatements was once off.	N/A	N/A
2	Content of the IDP did not include KPI's and Performance targets	Ensure that the KPI's are included in the current year's IDP as an addendum.	IDP Manager	Immediate 31-Dec-11
3	Inadequate source information on reported performance	Ensure that adequate supporting information is maintain on reported targets.	IDP Manager	On-going
4	Performance measurements not audited by internal auditors	Ensure that quarterly performance are audited by the internal auditors	Chief Financial Officer	Quarterly
5	Performance audit committee did not review the quarterly reports of the IA on performance	Submit IA reports on performance to performance Audit Committee	Chief Financial Officer	Quarterly
6	Performance Management System not implemented.	Ensure that the requirements of the PMS is implemented	IDP Manager	On-going
7	Performance evaluation of S57 managers not performed	Ensure that section 57 managers are evaluated.	Municipal Manager	Quarterly
8	Terminated employee not removed from the salary system.	Ensure that in future all terminated employees are removed from the salary system timeously.	HR and Salaries Clerk	Monthly
9	Normal appointment process not followed in appointing an employee	Ensure that normal recruitment process is followed when appointing new staff.	HR	On-going
10	Certain fixed assets could not be verified due to	Label all assets to ensure easy identification.	Chief Financial	31-Jan-11

	lack of adequate labels		Officer	
11	Monthly reconciliations of fixed assets register to the general ledger not carried out.	Perform monthly reconciliations of assets register to general ledger.	Chief Financial Officer	Monthly
12	Asset register was incomplete in that certain assets did not have purchase dates and/or locations	Review assets register and ensure that all necessary information is included in register.	Chief Financial Officer	30-Apr-11
13	A register for hall hire was not maintained.	Develop and maintain a hall hire register.	Chief Financial Officer	Immediate 31-Dec-10
14	Unallocated receipts not cleared at year end.	Investigate and clear unallocated receipts suspense account.	Chief Financial Officer	Immediate 31-Jan-11
15	Bank reconciliations not reviewed by management.	Ensure that bank reconciliations are reviewed by management.	Chief Financial Officer	Monthly
16	Effective functioning of the Audit Committee	Ensure that Audit Committee reports to Council at least on a quarterly basis.	Chief Financial Officer	Quarterly
17	Bid Specifications not compiled by a properly constituted committee.	Have properly constituted bid specification committee in place.	Chief Financial Officer	Immediate 07-Jul-10
18	Service providers not invited to register on supplier's database. SCM policy does not provide for suppliers on National Treasury's black list to be disqualified.	Review SCM Policy to include the prohibition of registering of service providers black listed by National Treasury.	Chief Financial Officer	Immediate 04-Nov-10

19	Bids not evaluated by a properly constituted committee	Have properly constituted bid evaluation committee in place.	Chief Financial Officer	Immediate 07-Jul-10
20	Old signatories on certain bank accounts still on records of the banks.	Inform banks to update their records	Chief Financial Officer	Immediate
21	Petty cash policy not adhered to fully.	Review petty cash policy.	Chief Financial Officer	Immediate 04-Nov-10

IDP/BUDGET/SDBIP/PMS ALIGNMENT AND MONITORING OF BUDGET IMPLEMENTATION



In essence the Integrated Development Plan (IDP) process and the Performance management Process are both integrated in that the IDP represents the planning stages of Performance Management, and on the other hand Performance Management represents the implementation,

management, monitoring and evaluation of the IDP process. Therefore in ensuring proper alignment of the municipality’s IDP, Budget and PMS as depicted in the above process cycle, uMshwathi Municipality has adopted the Organizational Scorecard (attached) recommended by KZN CoGTA as

a strategic management tool to manage the execution of its IDP. The purpose of the scorecard is:

- To assist in translating the IDP strategic framework into coherent objectives, measures and targets;
- To make accountability for results more open and transparent;
- To ensure organizational alignment by cascading the scorecard into each different departments and functional areas within departments;
- To help in formulating personal objectives and development plans for each General Manager as head of department and staff below them.

For this reason consideration has been made to ensure that uMshwathi Municipality's IDP priority areas and programmes are classified in terms of the five (5) Key Local Government Performance Areas, namely:

- i. Basic Service Delivery and Infrastructure Development,
- ii. Financial Viability and Financial Management,
- iii. Municipal Transformation and Institutional Development,
- iv. Good Governance, Community Participation and Ward Committee Systems and
- v. Local Economic Development.

The uMshwathi Municipality's IDP priority areas and targets (shown in the attached organizational scorecard/datasheet) are effectively integrated as a performance management system for the municipality.

MONITORING OF BUDGET IMPLEMENTATION

The municipality through its PMS Framework will be reporting on the implementation of the IDP/Budget in the manner as described below as derived from the legislative framework for performance management, as it applies to uMshwathi Municipality.

Report	Frequency	Submitted for consideration	Legislation
SDBIPs	Quarterly	Executive Committee (EXCO)	MFMA Circular 13 of National Treasury
Monthly budget statements	Monthly	Mayor in consultation with EXCO	Sections 54 & 71 of the MFMA
Organizational scorecard	Quarterly	EXCO	PMS Framework
SDBIP mid year budget and performance assessment	Annual in January of each year	Mayor in consultation with EXCO	Sections 54 & 72 of the MFMA
Performance Report	Annually	Council	Section 46 of the MSA
Annual Report	Annually	Council	Chapter 12 of the MFMA

**UMSHWATHI MUNICIPALITY
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

1 INTRODUCTION

1.2 According to Section 53 of the MFMA, the Mayor must approve the SDBIP within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

2. RATIONALE FOR SDBIP

2.1 The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

2.2 A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the

mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality.

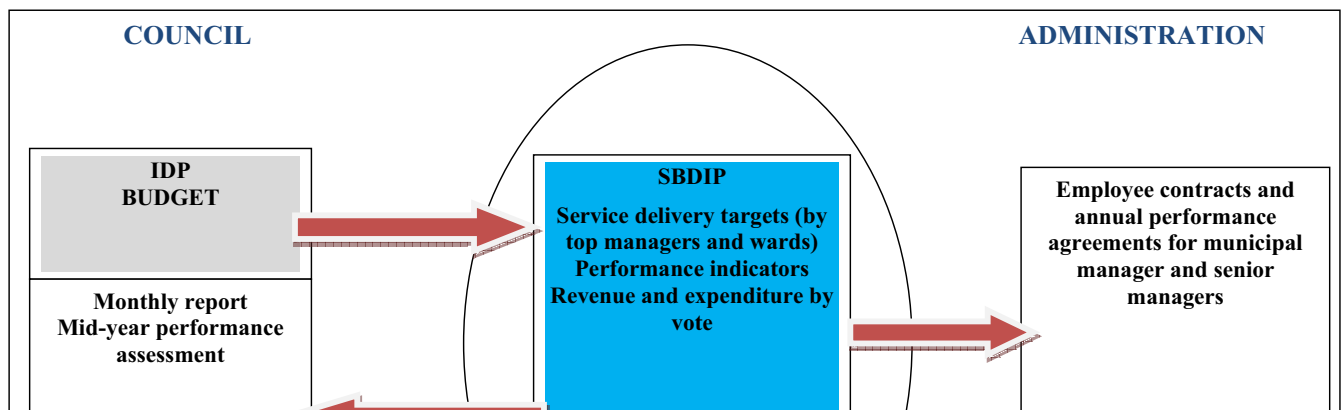
2.3 By cascading performance measures from strategic to operational level, both the IDP and the Service Delivery and Budget Implementation Plan (SDBIP), forms the link to individual performance management.

2.4 This ensures that performance management at the various levels relate to one another which is a requirement of the Municipal Planning and Performance Regulations and the MFMA.

2.5 The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget (circular 13 of the MFMA).

2.6 The SDBIP in essence becomes the main operational tool to translate and manage the performance objectives as formulated in the IDP. This process is illustrated by the diagram below and as described in circular 13.

Diagram 1 - SDBIP “contract”



Communities	MISSION				
	uMshwathi Municipality exists to provide municipal services for better quality of life for all its citizens				
	KPAs: a) Basic services; b) Economic development; and c) Social development				
	Basic Services	Economic Development	Social Development		
	<ol style="list-style-type: none"> 1. Access to water 2. Storm water services 3. Access to sanitation 4. Cemeteries and crematoria 5. Electrification 6. Waste management 7. Roads and transportation 8. Land use management 9. Housing 	<ol style="list-style-type: none"> 1. Local economic development 2. Tourism promotion 3. Agricultural development 4. Cooperatives and SMMEs 5. Public private partnerships 6. Business support and development 	<ol style="list-style-type: none"> 1. Disaster management 2. Environmental health 3. Community safety 4. Sports & recreation 5. Arts and culture 6. Land reform 7. HIV and Aids 8. Education 9. Health 10. Social security 11. Gender, Youth & the Disabled 12. Community and Public Facilities 		
	KPA: Financial viability and management				
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 1. Financial planning 2. Revenue enhancement 3. Budgeting and Reporting </td> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 5. Credit control 6. Expenditure control 7. Sound Supply Chain practices </td> </tr> </table>			<ol style="list-style-type: none"> 1. Financial planning 2. Revenue enhancement 3. Budgeting and Reporting 	<ol style="list-style-type: none"> 5. Credit control 6. Expenditure control 7. Sound Supply Chain practices
	<ol style="list-style-type: none"> 1. Financial planning 2. Revenue enhancement 3. Budgeting and Reporting 	<ol style="list-style-type: none"> 5. Credit control 6. Expenditure control 7. Sound Supply Chain practices 			
	KPA: Good governance and public participation				
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 1. Internal audit 2. Policy development 3. Combating corruption </td> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 4. Public participation 5. Integrated development planning </td> </tr> </table>			<ol style="list-style-type: none"> 1. Internal audit 2. Policy development 3. Combating corruption 	<ol style="list-style-type: none"> 4. Public participation 5. Integrated development planning
<ol style="list-style-type: none"> 1. Internal audit 2. Policy development 3. Combating corruption 	<ol style="list-style-type: none"> 4. Public participation 5. Integrated development planning 				
KPA: Institutional development and transformation					
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 1. Workplace Skills Plan 2. Implementing <i>Batho Pele</i> 3. Sound HR practices </td> <td style="width: 50%; border: none;"> <ol style="list-style-type: none"> 4. Information technology 5. Councillor support 6. Performance management </td> </tr> </table>			<ol style="list-style-type: none"> 1. Workplace Skills Plan 2. Implementing <i>Batho Pele</i> 3. Sound HR practices 	<ol style="list-style-type: none"> 4. Information technology 5. Councillor support 6. Performance management 	
<ol style="list-style-type: none"> 1. Workplace Skills Plan 2. Implementing <i>Batho Pele</i> 3. Sound HR practices 	<ol style="list-style-type: none"> 4. Information technology 5. Councillor support 6. Performance management 				

4. CONCLUSION

- 4.1 The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services and the inputs and financial resources to be used.
- 4.2 The SDBIP indicates the responsibilities and outputs for each of the senior managers in the top management team, the inputs to be used, and the time deadlines for each output. The SDBIP will therefore determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible.
- 4.3 The SDBIP should also provide all expenditure information (for capital projects and services) per municipal ward, so that each output can be broken down per ward, where this is possible, to support ward councillors in service delivery information.
- 4.4 The SDBIP is also a vital monitoring tool for the mayor and council to monitor in-year performance of the municipal manager and for the municipal manager to monitor the performance of all managers in the municipality within the financial year. This enables the mayor and municipal manager to be pro-active and take remedial steps in the event of poor performance. The SDBIP aims to ensure that managers are problem-solvers, who routinely look out for unanticipated problems and resolve them as soon as possible.

- 4.5 It is critical that mayors and municipal managers adopt an innovative and creative approach to develop the SDBIP tool so that it assists them in managing and monitoring performance.

**SECTION I – ORGANIZATIONAL
PERFORMANCE SYSTEMS**

**Full document attached as
*Annexure J6***

**UMSHWATHI LOCAL
MUNICIPALITY**

**PERFORMANCE MANAGEMENT
POLICY FRAMEWORK**

Version: August 2010

9.1. INTRODUCTION

9.1.1 Section 38 of the Local Government Municipal Systems Act, Act 32 of 2000 states that a municipality must establish a performance management system that is— (i) commensurate with its resources;

(ii) best suited to its circumstances; and (iii) in line with the priorities, objectives, indicators and targets contained in its integrated development plan;

9.1.2 Section 41(1) of the above act provides that a municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed— (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact with regard to the municipality’s development priorities and objectives set out in its integrated development plan; (b) set measurable performance targets with regard to each of those development priorities and objectives.

9.1.3 In addition, section 57 (1) states that a person to be appointed as the municipal manager of a municipality, and a person to be appointed as a manager directly accountable to the municipal manager, may be appointed to that position only— (a) in terms of a written employment contract with the municipality complying with the provisions of this section; and (b) subject to a separate performance agreement concluded annually as provided for in subsection (2); (3) the employment contract referred to in subsection (i)(a) must include, subject to applicable labour legislation, details of duties, remuneration, benefits and other terms and conditions of employment; (4) the performance agreement referred to in subsection (i)(b) must include—(a) performance objectives and targets that must be met, and the time frames within which those performance objectives and targets must be met; (b) standards and procedures for evaluating performance and intervals for evaluation; and (c) the consequences of substandard performance and (5) that the performance objectives and targets

referred to in subsection (4)(a) must be practical, measurable and based on the key performance indicators set out from time to time in the municipality's integrated development plan.

- 9.1.4 On the same token, chapter 3 section 7 (1) of Local Government Municipal Planning and Performance Management Regulations, 2001 states that a municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players.
- 9.1.5 Local Government Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 sets out how the performance of municipal managers and managers directly accountable to him/her must be directed, monitored and improved.

9.2. POLICY INTENT

- 9.2.1 Provide the uMshwathi Municipality's stakeholders with a strategic approach setting out tools and techniques to regularly plan, periodically monitor, measure and review organisational and individual performance.
- 9.2.2 Set out an effective and efficient planning framework that integrates planning for an IDP, Budget and Performance Management.

9.3. POLICY OBJECTIVES

- 9.3.1 uMshwathi Municipality is committed in improving the quality and the speed of service delivery to all its residents and add value to all its dealings with suppliers, customers and visitors through the following objectives:

We shall:-

- a) Instill a performance-oriented culture throughout the organisation by rewarding those employees whose performance meets and exceeds agreed upon standards;
- b) Promote effectiveness and efficiency in service delivery planning and monitoring by integrating planning, budgeting and performance management processes;
- c) Improve teams and individuals performance levels through setting of SMART objectives, KPI's and targets that are based on the departments' scorecards and linked to performance contracts and performance plans of the senior management;
- d) Develop the skills and competencies of all employees to ensure that the Batho Pele principles are understood and implemented in all that we do;
- e) Promote transparency, involvement and responsibility in the planning for service delivery and performance assessment processes;

- f) Recruit qualified and experienced personnel, develop their skills and talents and retain a high calibre of employees who are committed to serving the public;
- g) Provide a motivating climate to assist municipal employees in developing and achieving high standards of performance;
- h) Foster interdependency and sound working relationship between managers, employees and different departments through the development of SMART objectives and targets, the provision of feedback, counselling and coaching;
- i) Evaluate our performance regularly and report to our citizens and monitoring authorities including the AG on prescribed time-frames;
- j) Take corrective actions against any employee or councillor who deliberately or negligently fail or interferes with the implementation of organisational plans;
- k) Regularly review our strategic plans and budget in consultation with our stakeholders to ensure that their needs are understood and where feasible addressed; and
- l) Clarify the roles of each stakeholder in the planning, implementation and assessment of our individual and organisational performance.

9.4 COMMENCEMENT AND APPLICABILITY

- 9.4.1 This policy shall become effective on the date of signature by the Mayor of uMshwathi Municipality based on the resolution of a full council; and
- 9.4.2 This policy shall be applicable to all section 57 employees on performance agreements, fixed term employees without performance agreements and bargaining council employees as follows;
 - a) **SECTION 57 EMPLOYEES:** Employment Contracts and Performance Agreements for the 1st and 2nd reporting levels i.e. Municipal Manager and Directors/HOD's/Managers.
 - b) **FIXED TERM CONTRACT EMPLOYEES WITHOUT PERFORMANCE AGREEMENTS:** Employment Contracts and Performance Plans.

9.5 PERFORMANCE MANAGEMENT PHILOSOPHY

- 9.5.1 The Performance Management Process is designed to provide administrative simplicity, maintain mutual respect between a Manager and an Employee, and add value to Managers' and Employee's day-to-day communication about performance and personal development issues. For this reason the uMshwathi Performance Management Policy Framework is based on the following philosophy:

- a) It is simple to understand and administer.
- b) It links the uMshwathi's organisational objectives and individual objectives together for a specific time period.
- c) It appraises the behaviours that support the vision and values of the organisation as well as job results.
- d) It communicates expectations, motivates success and focuses on coaching and development instead of being just a scoring and punitive tool.
- e) It promotes positive and constructive feedback while nurturing talent.

9.6 PMS IMPLEMENTATION: PROCEDURES AND GUIDELINES

The procedures and guidelines mentioned below as well as annexures form part of this policy. This policy and its implementation must be understood and undertaken in conjunction with the said annexures.

9.6.1 PMS DELEGATED RESPONSIBILITIES

- 9.6.1.1 uMshwathi Municipality recognises and treats PMS as one of the core and central administrative tools that will promote high levels of organisational and individual performance. To this end a full time **delegation of responsibilities** to a person reporting directly to the MM to perform among others duties here below outlined must be effected:

- a. Coordinating all PMS related activities (e.g. drawing up of assessment schedules, reports, committee meetings and so forth);
- b. Advising committees of council, including but not limited to the following: IA Committee, AC, Council, RC, RTC, EXCO, MANCO, PC's; BC; IDPSC and LF;
- c. Coordinating all PMS related workshops and capacity building initiatives;
- d. Evaluating and reporting on the functionality and effectiveness of PMS and related PMS policies and practices;
- e. Monitoring and reporting on all PMS related legislation and the implementation of PMS policy; and
- f. Other PMS related functions as may be delegated from time to time.

9.6.2 PMS PLANNING FRAMEWORK

- 9.6.2.1 uMshwathi Municipality believes that integrating the **IDP**, **Budget** and **PMS** planning processes will promote effectiveness and efficiency due to the nature of their interdependencies and legal requirements for community participation. *(See Annexure A)*
- 9.6.2.2 The **outline on the roles of different stakeholders within the performance management cycle is depicted in Annexure B and Table A below:**

TABLE A: PERFORMANCE MANAGEMENT PROCESS			
Phase	Explanation	When	Stakeholders
1 Planning	a) Starts with a high level organisational strategy setting out organisational priorities and objectives.	June	Top/Senior Management
	b) Then departments formulate their business plans or departmental scorecards (SDBIP's) on how they will contribute to achieving organisational strategy. This requires the setting of objectives, performance indicators and targets. This information is submitted to IDPSC and Budget Committee	June	Senior Management
	c) This is followed by drawing up a draft IDP and a draft budget using the Municipal Scorecard. See Annexure C	June	IDPSC BC
	d) Stakeholders' inputs are then sought and taken into consideration before the final IDP or Budget is adopted by a full council resolution.	June	PC, ExCo IDPSC, BC, Employees Interest Groups
	e) Once this process is finalised performance agreements and performance plans detailing employees' performance targets and KPI's are agreed upon and concluded. KPI's detail the evidence that will be used to assess whether or not the employee has achieved the objective and targets.	July	Mayor, MM Directors, Employees
2 Monitoring and Assessing:	a) This phase involves a continuous quarterly process of determining whether individual performance addresses the objectives, KPI's and achieving performance levels that will help the organisation achieve its goals at the end of a particular annual period. It also involves jointly assessing actual performance against expectations at the end of the period to determine reward or bonuses.	September December March June	Mayor, MM Directors, Employees Evaluation Panel

3 Coaching and Mentoring	a) This is a crucial phase of continuously guiding and supporting employees to facilitate achievement of KPI's and improve their performance. b) This is achieved through demonstrating, feedback and reinforcement of appropriate behaviours, key results and competencies.	Ongoing	Mayor, Experts MM, Directors
4 Rewarding	a) This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees.	June	ExCo & Council
5 Reviewing	c) This phase happens at the end of performance cycle whereby the employer, manager and employee agree on new KPA's, objectives, KPI's and targets for a new performance cycle at the end of the performance cycle to review and document planned vs actual performance. SDBIP must also be finalised at this stage to inform the new performance plans.	July	Mayor, MM Directors, Employees

9.6.3.1 ROUTINE TASKS

- a) The Local Government Municipal Systems Act, 32 of 2000 and its amendments and the Basic Conditions of Employment Act require that all employees must be provided with an employment contract, among others detailing duties that the employee is employed to perform. This applies to all employees, be it section 57, fixed term or on permanent contracts. Routine tasks are based on pre-determined remuneration packages which are reviewed annually based on negotiated terms, bargaining council agreement, cost of living and affordability of the municipality.
- b) To this end all employees must have job descriptions detailing their day to day duties, expected performance standards, time frames and accountabilities.

9.6.3.2 TIME-BOUND TASKS

- a. In this policy time-bound tasks in relation to section 57 employees refer to key performance indicators and targets for a specific period. These must be linked to the municipal IDP, Budget and SDBIP which must be assessed quarterly. These are over and above what the employees have been employed to do in terms of their employment contract containing routine tasks. For this reason, section 57 employees' performance agreements must be reviewed annually to ensure that for each particular year they address IDP, Budget and SDBIP priorities.
- b. Since section 57 employees do not get a 13th cheque, their time-bound duties are linked to their performance bonuses which are determined once performance assessments for the entire period i.e. 01 July to 30 June have been completed and a municipal performance report has been approved by a full council.
- c. Key Performance Area's constituting 80% of individual performance plan in terms of section 26 (6) of the LGPMR shall be used and incorporated in *Annexure C* and SDBIP. Namely:
 - i. Basic Service Delivery
 - ii. Municipal Institutional Development
 - iii. Local Economic Development
 - iv. Municipal Financial Viability and Management
 - v. Good Governance and Public Participation
- d. *Annexure E* is a template for performance agreement and performance plans for all section 57 employees of uMshwathi Municipality and shall incorporate KPA's mentioned in section c) above and the following compulsory CCR's:
 - I. Financial Management
 - II. People Management and Empowerment
 - III. Client Orientation and Customer Focus

- e. Other CCR may be included and form part of the performance agreement entered into between the MM and Mayor and MM and Manager Directly Accountable to MM.
- f. *Annexure G* is a template to be used for annual performance plans linked to departmental scorecard for other employees not on performance agreements.

9.6.4 PERFORMANCE MONITORING AND REPORTING

- 9.6.4.1 This is phase two of the Performance Management Process in Table A under section 6.2 above. However to be able to track progress against agreed upon KPI's and performance targets a performance appraisal based on the principles of **fairness, validity and reliability** must be conducted. *Annexure F* of this policy is a standard Appraisal Form that must be used when conducting employees' performance assessments.
- 9.6.4.2 While management reports are submitted to ExCo on monthly basis, performance appraisals must be conducted quarterly and reports about organisational performance be submitted quarterly to council using *Annexure D* template.
- 9.6.4.3 During the January and June quarters, the performance appraisal reports must be submitted to **Internal Audit** and **Audit Committee**, respectively for verification in line with the Audit Charter, *Annexure J*. Then, they must be submitted to **ExCo** and **Council** for approval.

9.6.4.4 The end of financial year performance reporting must be included in the municipality's **Annual Report** and **AG Report** respectively.

9.6.4.5 The Mayor shall conduct the quarterly assessments of the MM. The **MM** must conduct the assessments of the section 57 employees. The **section 57** employees must conduct assessments of managers reporting to them and so forth.

9.6.4.6 The evaluation panel as contemplated in LGMPR must be involved during the annual performance assessment of the MM and HOD's as follows:

9.6.4.6.1 For the purposes of evaluating the annual performance of the municipal manager the evaluation panel must be constituted by the following persons:

- a) the uMshwathi Mayor or the Deputy Mayor;
- b) Chairperson of AC or his/her delegated member from Audit Committee;
- c) Member of the ExCo;
- d) Mayor or MM of another municipality; and
- e) Member of a Ward Committee nominated by the Mayor

9.6.4.6.2 For the purposes of evaluating the annual performance of managers directly accountable to the municipal manager the evaluation panel must be constituted by the following persons:

- a) the Municipal Manager;
- b) Chairperson of AC or his/her delegated member from Audit Committee;
- c) Member of the ExCo; and
- d) MM of another municipality

6.4.7 The assessment of the high level occupational categories must only be conducted once all the lower levels have been completed.

6.4.8 The municipality must strive to conduct **Customer Satisfaction and/or Quality of Life Surveys** at least once a year during the month of April to ascertain the level of customer satisfaction and developmental impact the municipality is achieving each year. This will provide municipality's stakeholders an opportunity to assess the performance of the municipality and provide the municipality with useful feedback for future planning.

6.4.9 **Group** and **individual** appraisals must be undertaken internally to ascertain the level of cooperation and support each individual and department or sub-unit has provided to other individuals and departments within the municipality. This will help in determining the incentives and rewards that are due to high performers.

6.4.10 All employees reserve the right to lodge and appeal within 7 days if they are not satisfied with the assessment process or an outcome of such process. The **appeal** process and appeal form is provided as **Annexure I** in this policy.

9.6.5 REWARDING OF PERFORMANCE

9.6.5.1 **Annexure K** is a Remuneration Policy providing guidelines on municipal guaranteed pay and performance based rewards as follows:

9.6.5.1.1 GENERAL INCREMENTS

- a) The municipality will from time to time implement benefit structures that meet the aggregate needs of the employees, while at the same time being sufficiently flexible to cope with a rapidly changing environment;
- b) Under a guaranteed pay all employees shall receive a guaranteed annual cost of living increase determined by the Remuneration Committee taking into account Treasury Regulations, Bargaining Council agreement and affordability;
- c) In addition to the cost of living increase, a merit increase may be awarded to employees who after performance appraisal obtain high performance scores that will be calculated on the basis of Table B below:

TABLE B: MERITS INCREASE MATRIX

Rating	Definition	Merit Increase
5	Outstanding	Above average i.e. above inflation
4	Above Expectations	Above average i.e. slightly above inflation
3	Fully Effective	Average inflation linked
2	Not Fully Effective	Below inflation
1	Unacceptable	No merits increase and compulsory performance counselling

- d) Should factors beyond an employee’s control play a major role in impacting negatively on an employee’s ability to meet the required standards of performance, it is at the discretion of the Remuneration Committee whether or not the employee should be entitled to a merit increase.

9.6.5.1.2 FIXED TERM CONTRACT EMPLOYEES NOT ON PERFORMANCE AGREEMENTS

- a) Due to a need to retain a high calibre of staff, these employees’ conditions of service may entail a provision for a 13th cheque.
- b) Merits increase may also be considered
- c) Their conditions of service and remuneration packages may be renegotiated and adjusted annually in keeping with cost of living increases, market trends, additional responsibilities and acceptable performance levels.

9.6.5.1.3 EMPLOYEES ON PERFORMANCE AGREEMENTS – SECTION 57

- a) Unlike in the case of bargaining employees, bonus is not guaranteed and is subject to performance agreement and performance appraisal;
- b) Performance will be rewarded in terms of an approved performance management and reward system subject to provision in the budget and provided that the incumbent has occupied the post for a minimum of THREE consecutive months;
- c) The monetary value of a performance bonus may not exceed the agreed percentage for that grade.
- d) Performance pay will be paid annually as a once off performance bonus subject to provisions of the performance management system and performance agreements;
- e) In the event of employment termination for whatever reason, no performance bonus is payable and an employee will not have any

claim of a performance bonus except where the termination takes effect after 30 September and the employee qualifies to be assessed in terms of the performance agreement; and

- f) The MM, RTC in consultation with the Remuneration Committee may approve such additional policies, processes and procedures as may be required to manage the performance based pay.
- g) Bonuses shall be determined in accordance with the Table C and Table D below:

Table C: Determination of Performance Bonus

Rating	1	2	3	4	5
Definition	Unacceptable performance	Performance not fully effective	Fully Effective	Performance significantly above expectations	Outstanding performance
% Achieved	0-19%	20-39%	40-59%	60-79%	80-100%
% Bonus	0-0.9%	1-1.9%	2-4.9%	5-9%	10-14%

Definition of Rating Criteria

Rating	Abridged Explanation	Detailed Explanation
1	Unacceptable	Performance does not meet the standards expected for the job. Despite management efforts to encourage improvement the employee failed to demonstrate the commitment or ability to bring performance up to the level expected.
2	Performance not Fully Effective	Performance is below the standards required for the job in key areas. Performance meets some of the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
3	Fully Effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement and Performance Plan.
4	Performance above Expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indications as indicated in Performance Agreement and Performance Plan and maintained this in all areas of responsibility throughout the year.

Table D: Performance Ranges and Bonus Matrix

Performance Range	Performance Bonus	Performance Range	Performance Bonus	Performance Range	Performance Bonus
0	0	34	1.70	68	6.68
1	0.05	35	1.75	69	6.89
2	0.10	36	1.80	70	7.1
3	0.15	37	1.85	71	7.31
4	0.20	38	1.90	72	7.52
5	0.25	39	1.95	73	7.73
6	0.30	40	2	74	7.94
7	0.35	41	2.15	75	8.15
8	0.40	42	2.30	76	8.36
9	0.45	43	2.45	77	8.57
10	0.50	44	2.60	78	8.78
11	0.55	45	2.75	79	9
12	0.60	46	2.90	80	10
13	0.65	47	3.05	81	10.21
14	0.70	48	3.20	82	10.42
15	0.75	49	3.35	83	10.63
16	0.80	50	3.50	84	10.84
17	0.85	51	3.65	85	11.05
18	0.90	52	3.80	86	11.26
19	0.95	53	3.95	87	11.47
20	1	54	4.10	88	11.68
21	1.05	55	4.25	89	11.89
22	1.10	56	4.40	90	12.1
23	1.15	57	4.55	91	12.31
24	1.20	58	4.70	92	12.52
25	1.25	59	4.85	93	12.73
26	1.30	60	5	94	12.94
27	1.35	61	5.21	95	13.15
28	1.40	62	5.42	96	13.36
29	1.45	63	5.63	97	13.57
30	1.50	64	5.84	98	13.78
31	1.55	65	6.05	99	13.95
32	1.60	66	6.26	100	14
33	1.65	67	6.47		

9.6.6 ADDRESSING PERFORMANCE GAPS

9.6.6.1 Every employee is required to have a Personal Development Plan (PDP) that is prepared at the beginning and reviewed at the end of the performance appraisal period. The PDP forms a key part of the skills development planning process. PDP provides the opportunity for managers/supervisors and employees to jointly identify training and development needs in order to improve job role performance and to support individual development.

9.6.6.2 The PDP, which must be completed annually, records the actions agreed to improve performance and to develop skills and competencies. It must be developed to improve the ability of the employee in their current job but also to enable employees to take on wider responsibilities and extend their capacity to undertake a broader role where appropriate. Where applicable it should also contribute to enhancing the potential of individuals to carry out higher level jobs. This plan therefore contributes to the achievement of continuous development of employees within the uMshwathi Municipality

9.6.6.3 This PDP must be used by the head of the department to develop a comprehensive unit level workforce skills development plan that will feed to the organizational WSP.

9.6.6.4 Managers are encouraged to use development activities other than training courses when preparing the development plan. Such development activities may include:

- a) **On-the-job training:** This involves structured training in which the subject matter expert within the department/unit works with the employee to build that employee's skill level or a training program linked to individual development

- b) **Coaching and Mentoring:** This involves identifying a senior person within the department or organisation who will act as a teacher, role model, trusted advisor, challenger, encourager and counsellor;
- c) **Self Study; Reading; Part time study:** This requires the employee to conduct research in a particular area in order to develop knowledge in that area;
- d) **Involvement** in a specific project or task force or; secondment to another section/department to deepen understanding of work flow;
- e) **Delegation** of an aspect of the manager's work to the employee to stretch him/her.

9.6.6.5 6.6.4 **Table C** below provides a template to be used by managers when writing up a Personal Development Plan for their subordinates.

9.6.6.6 **Table D** below provides a template to be used by managers when conducting performance mentoring and coaching with their subordinates.

TABLE C: PERSONAL DEVELOPMENT PLAN TEMPLATE

Employee Name: _____			Employee Number: _____			
Job Title: _____			Department: _____			
Supervisor / Manager: _____			Date: _____			
Skills / Performance Gap	Outcomes Expected	Suggested training and / or development activity	Suggested mode of delivery	Suggested Time Frames	Work opportunity created to practice skill / development area	Support Person
1.						
2.						
3.						
4.						

Employee's Signature: _____

Supervisor / Manager's Signature: _____

TABLE D: PERFORMANCE PLANNING, MENTORING & COACHING TEMPLATE

PLANNING PHASE	
Date of 1 st planning meeting: _____	Date of 2 nd Planning meeting: _____
Date copy of completed scorecard handed to employee: _____	Manager / Supervisor's name: _____
MENTORING AND COACHING PHASE	
Make a record of meetings held for the purpose of giving feedback to the employee on performance related issues.	
<i>Date of Feedback Meeting</i>	Performance Issue Discussed
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Date of formal half year review: _____	
REVIEWING PHASE	
Date Employee notified of formal appraisal meeting: _____	Date of 1 st review meeting: _____
Date of 2 nd Review meeting: (if applicable) _____	Manager / Supervisor's name: _____

9.7. RECORDS AND DOCUMENTS MANAGEMENT

- 9.7.1 uMshwathi Municipality's PMS is currently paper based. However the Municipality wishes to automate it in the not too distant future.
- 9.7.2 Currently all PMS related documents must be saved in both the discs and computers' hard drive for easy storage and retrieval by the office of the MM and that of the IDP Manager.
- 9.7.3 Assessments that are conducted during the paper based period must be scanned and stored in the computers' hard drive and discs by the two offices mentioned above.
- 9.7.4 Additional relevant guidelines to manage the automated PMS tool must be developed and attached to this policy as annexures when automation is finalized.
- 9.7.5 In accordance with section 39 (2) of the LGMPR employment contracts entered into before 1 August 2006 continue to apply until such contracts have been terminated in terms of their provisions of termination or reviewed by agreement between the parties concerned.
- 9.7.6 Chapter 3 of the LGMPR, take effect immediately subject to the provisions of existing employment contracts and the continuation of performance agreements that have been concluded before the regulations took effect.

9.8. ONGOING REVIEWS AND CONCLUSION

- 9.8.1 In keeping with the environmental and legislative changes this PMS Policy Framework must be reviewed once every year.
- 9.8.2 In closing, uMshwathi Municipality continues to strive for the improvement of organisational performance because we realise that without capacity and tools to plan, implement and monitor achievement of plans, as an organisation we will not be in a position to know where we are, where we are going and the development impact we are making in the broader society.
- 9.8.3 With this policy, we believe that our external and internal stakeholders will play their meaningful roles in helping us achieve our objectives.
-
- 9.8.4 ATTACHED HEREUNDER IS THE UMSHWATHI ORGANIZATIONAL SCORECARD FOR PERFORMANCE REPORTING.**

SECTION J – ANNEXURES

	PLANS	STATUS
J.1	uMshwathi detailed 2011/2012 IDP Process Plan	Complete and attached
J.2	Detailed Spatial Development Framework (SDF)	Complete and attached
J3	Detailed LUMS	Complete and attached
J4	Detailed LED Plan	Complete and attached
J5	Detailed Housing Plan	Complete and attached
J6	Detailed Performance Management System Policy	Complete and attached
J7	Draft Environmental Management Framework for the uMshwathi 'City' Development Node	Complete and attached
J8	Adopted By-Laws with a special reference to Environmental Management issues	Complete and attached
J9	uMshwathi Municipality's Annual Report 2009/10	Complete and attached
J10	uMshwathi Municipality's Communication Strategy	Complete and attached
J11	uMshwathi Financial Strategy	Complete and attached

SECTION K – SECTOR PLANS STATUS

	SECTOR PLAN	STATUS
K1	Land Use Management System	Draft LUMS completed
K2	Waste Management Plan	Adopted in 2002
K3	Integrated Transport Plan (Retic)	Adopted in 2002
K4	Housing Plan	Completed
K5	Energy Master Plan	UMDM Plan in place
K6	Local Economic Development Plan	Completed
K7	Infrastructure Investment Plan (EPWP compliant)	
	SECTOR PLAN	STATUS
K8	Organisational PMS	Reviewed and adopted
K9	Detailed Disaster Management Plan	UMDM in place
K10	Cemetery and Crematoria	Adopted in 2002
K11	Integrated Environmental Management Plan	Adopted in 2004 UMDM), in a process of being reviewed
K12	UMDM Spatial Development Framework	Adopted in Feb. 2004 (UMUDM)
K13	Land Area Based Plan	Commenced in 2006 to be completed in 2008
K14	UMDM- LUMS Framework	Adopted in Feb. 2004 (UMDM)
K15	Water Services Development Plan	Adopted in 2004 (UMDM), in a process of being reviewed
K14	Electrification Plan	Adopted in 2002 (UMDM)

