

UMTSHEZI MUNICIPALITY



INTEGRATED DEVELOPMENT PLAN

TABLE OF CONTENTS

CHAPTER 1- STRATEGIC DIRECTION

- 1.1 INTRODUCTION
- 1.2 FOCUS OF THE IDP REVIEW PROCESS
- 1.3 UMTSHEZI VISION
- 1.4 MISSION STATEMENT
- 1.5 BACKLOG ANALYSIS, CHALLENGES AND OBJECTIVES
- 1.6 CHALLENGES AND OBJECTIVES
- 1.7 POWERS AND FUNCTIONS
- 1.8 INSTITUTIONAL ARRANGEMENTS TO ENSURE BETTER SERVICE

CHAPTER 2 - UMTSHEZI STATUS QUO

- 2.1 POPULATION SIZE
 - 2.1.1 POPULATION DISTRIBUTION
 - 2.1.2 POPULATION DISTRIBUTION PER WARD
- 2.2 GENDER
- 2.3 AGE BREAKDOWN
- 2.4 INCOME PROFILE
- 2.5 PHYSICAL AND SOCIO-ECONOMIC PROFILES: A DISTRICT VIEW
- 2.6 UMTSHEZI ECONOMIC ANALYSIS
 - 2.6.1 FORMAL SECTOR
 - 2.6.2 INFORMAL SECTOR
- 2.7 GEOGRAPHICAL DATA

CHAPTER 3 - NATIONAL KPAs as DRIVERS OF UMTSHEZI SERVICE DELIVERY

- 3.1. INTRODUCTION
- 3.2. SOCIAL AND ECONOMIC DEVELOPMENT
- 3.3 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION
- 3.4 LOCAL ECONOMIC DEVELOPMENT
- 3.5 FINANCIAL MANAGEMENT
 - 3.5.1 FINANCIAL ARRANGEMENT MANAGEMENT
 - 3.5.2 INCOME FINANCIAL RESOURCES
 - 3.5.3 EXPENDITURE
 - 3.5.4 FINANCE POLICIES
 - 3.5.5 FIVE YEAR CAPITAL INVESTMENT PLAN
- 3.6 GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

CHAPTER 4 - IMPLEMENTATION PLAN AND MONITORING (PROJECTS SCHEDULE PER KPA)

1. SOCIAL AND LOCAL ECONOMIC DEVELOPMENT
2. INFRASTRUCTURE AND SERVICES: ELECTRICITY
3. INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION
4. DEMOCRACY AND GOVERNANCE
5. FINANCIAL MANAGEMENT

ANNEXURE A: SECTOR PLANS

**PHASE ONE:
SETTING THE UMTSHEZI DEVELOPMENT
CONTEXT**

CHAPTER 1

STRATEGIC DIRECTION

1.1. INTRODUCTION

Umtshezi Local Municipality is one of five (5) category B local municipalities comprising Uthukela District Municipality. The other local municipalities comprising the District Municipality include Indaka, Umnambithi, Okhahlamba and Imbabazane Municipalities.

In response to the current socio economic analysis, Umtshezi Local Municipality has identified projects aimed at addressing the challenges experienced by local communities. The identified projects are in line with the municipality's vision, mission, objectives and strategies, resource framework and also comply with legal requirements of different sectoral departments or donors. This has been done in order to avoid duplication of activities and allow the Municipality to maximize the positive development impact that is derived from utilization of its scarce resources.

The Municipality strongly believes in public participation in its decision-making processes. As a result, a consultative process with all the wards under Umtshezi, radio talks and newspaper advertisements are used to get input from the public in order to ensure that the IDP 2008/09 is credible, transparent and accepted by all stakeholders. The comments received from the MEC for Local Government are an important indicator of the extent to which the municipality has managed to fulfill all requirements in terms of the Municipal Systems Act (MSA), Act No 32 of 2000. These have been addressed in a systematic and comprehensive way in order to ensure full compliance to all MSA requirements, resulting in an improved decision-making tool for the Umtshezi Local Municipality as well as credible IDP for 2008/09.

This IDP document therefore, presents yet another review of the Umtshezi Municipality Integrated Development Plan. It is prepared in accordance with the provisions of Chapter Five of the Municipal Systems Act and is based on the broad assessment of the current situation, self-assessment, comments received from the MEC for Local Government and Traditional Affairs and a participation process, including interviews and workshops involving key stakeholders.

1.2. FOCUS OF THE IDP REVIEW PROCESS

This IDP is based on the municipal theme i.e. *“TRANSFORMING FOR BETTER SERVICE DELIVERY”*. The theme places emphasis on what the Municipality plans to achieve, how this will be implemented, who will implement and what resources in terms of budgets, infrastructure and institutional capacity are available to fulfill that purpose, by when. Therefore, Section 34 of the Municipal Systems Act 2000 (MSA) provided a guide as to the important areas that this review should focus on in implementing its theme.

In this review the municipal theme is further translated into a time-based vision. The following section presents the Vision, mission and objectives that will ensure that the municipality is *“TRANSFORMING FOR BETTER SERVICE DELIVERY”*

1.3. UMTSHEZI VISION

“By 2020, Umtshezi Local Municipality will be the champion of a Sustainable Development and safe environment”

Based on the above vision statement, Umtshezi Local Municipality has formulated a consolidated, brief and a holistic mission statement, which describes how the vision will be achieved.

1.4. MISSION STATEMENT:

We as Umtshezi Municipality ‘in-partnership’ with other sectors/stakeholders are committed to: -

1. Provide an enabling economic and social development environment
2. Strive to provide housing with bulk infrastructure
3. Establish and maintain community networks that promote healthy engagement between the Municipality and our stakeholders
4. Develop Umtshezi in a way that does not compromise future generations
5. Work co-operatively with other spheres of Government and the Private Sector
6. Continuously provide services in an equitable manner taking Batho Pele Principles into cognizance.

1.5. BACKLOG ANALYSIS, CHALLENGES AND OBJECTIVES

Umtshezi municipality conducted a series of community meetings in Weenen (Nobamba Hall), Wembezi Community Hall and Forderville hall. In these meetings it transpired that there are issues that affect the community residing in the municipal area. These issues are presented in a ranking order based on how many times they were mentioned in each meeting. Given that there is no other statistics available these will be used as the backlog analysis for the municipality and it will be the parameter from which projects will be planned.

BACKLOG	BACKLOG DESCRIPTION	AFFECTED AREAS / WARDS
ROADS	Road Extension	C-section, Wembezi, Thembalihle, Esigodlweni, Ennersdale eTshenilengele, KwaMshayazafe, Cornfields, Mabhalonini, eMngwenya, Brymbela, KwaMthweni, Ward 3 ezizeni, C-section
	Speed Humps	Collita
	Tarring RDP Houses	Collita
	Bridges	KwaMshayazafe, eMgunyathi, Collita
	Upgrade storm water drainage	Collita
Water & Sanitation	Provision of clean water	Ennersdale eTshenilengele, eZizeni, Mabhalonini, eMngwenya, Brymbela, Haveland, Frere, KwaMthweni
	Water Tankers & Communal Tanks	Thembalihle, Esigodlweni, Cornfields
Electricity	Electrification of households	Wembezi, Thembalihle, Esigodlweni, Ennersdale eTshenilengele, Cornfields, Brymbela, Haveland, Frere
	Street lighting	
Social Services	Youth training	
	Creches	Wembezi, Ennersdale Tshenilengele, Cornfields, Brymbela, Collit
	School construction	Esigodlweni, Ennersdale eTshenilengele, KwaMshayazafe, eMngwenya, Chively
	• School fencing	
	• Classes to grade 12	KwaMshayazafe
	• Sanitation	eMngwenya, Chively
Infrastructure	Cellphone network Aerial,	Cornfields, eMngwenya
	Halls construction	Ennersdale eTshenilengele, KwaMshayazafe, Mabhalonini, eMgunyathi, Frere
Community Services & LED	Sports grounds	Ennersdale eTshenilengele, Mabhalonini, Frere
	Refuse bins	Wembezi
	Parks & recreational facilities	Collita
	Public transport	Wembezi, Enkundla
	Job creation	Wembezi

Following the stakeholder meetings and presentation of their needs, the municipal management and councillors held a series of strategic planning workshops where it was agreed that there are a set of challenges that faces the municipality, also a number of objectives to address these challenges were outlined as follows.

1.6. CHALLENGES AND OBJECTIVES

KEY DEVELOPMENT CHALLENGES	UMTSHEZI OBJECTIVES TO ADDRESS ITS CHALLENGES
1. Lack of Skills and community-driven programmes.	1. Create an environment that allows training and development
2. Lack of Communication of Municipal Development Processes.	2. Ensure full community participation in development processes of the Municipality • Ensure that there is an effective and efficient internal communication channel
3. Lack of housing and bulk Infrastructure.	3. Provide housing (through KZN Housing) and bulk Infrastructure
4. Under-resourced service centers (nodes).	4. Improve Socio-Economic Development in Service Centers (Weenen and Wembezi)
5. Inadequate safety and Security Resources.	5. Create a Safer Town and surroundings where all citizens enjoy a better quality life.
6. High prevalence of epidemic and pandemic diseases.	6. Reduce the Prevalence of the Epidemic and Pandemic diseases.
7. Low Economic Growth and Investment.	7. Create an enabling environment to Economic Growth Sectors and engage potential investors.
8. Uncontrolled development patters and use of space	8. Develop an effective special development framework

In realizing its objectives uMtshezi Municipality will thrive to provide the following powers and functions as enshrined in the constitution and the Municipal Systems Act of 2000.

1.7. POWERS AND FUNCTIONS

<ul style="list-style-type: none"> • Development planning and Local economic development • Solid waste disposal • Fire fighting services • The establishment, conduct and control of cemeteries and crematoria 	<ul style="list-style-type: none"> • Promotion of local tourism • Air pollution • Building regulations • Storm water management • Street trading • Control of undertakings that sell liquor and food to the public 	<ul style="list-style-type: none"> • Street lighting • Traffic and parking • Electricity • Local sports facilities • Noise pollution • Pounds • Municipal roads
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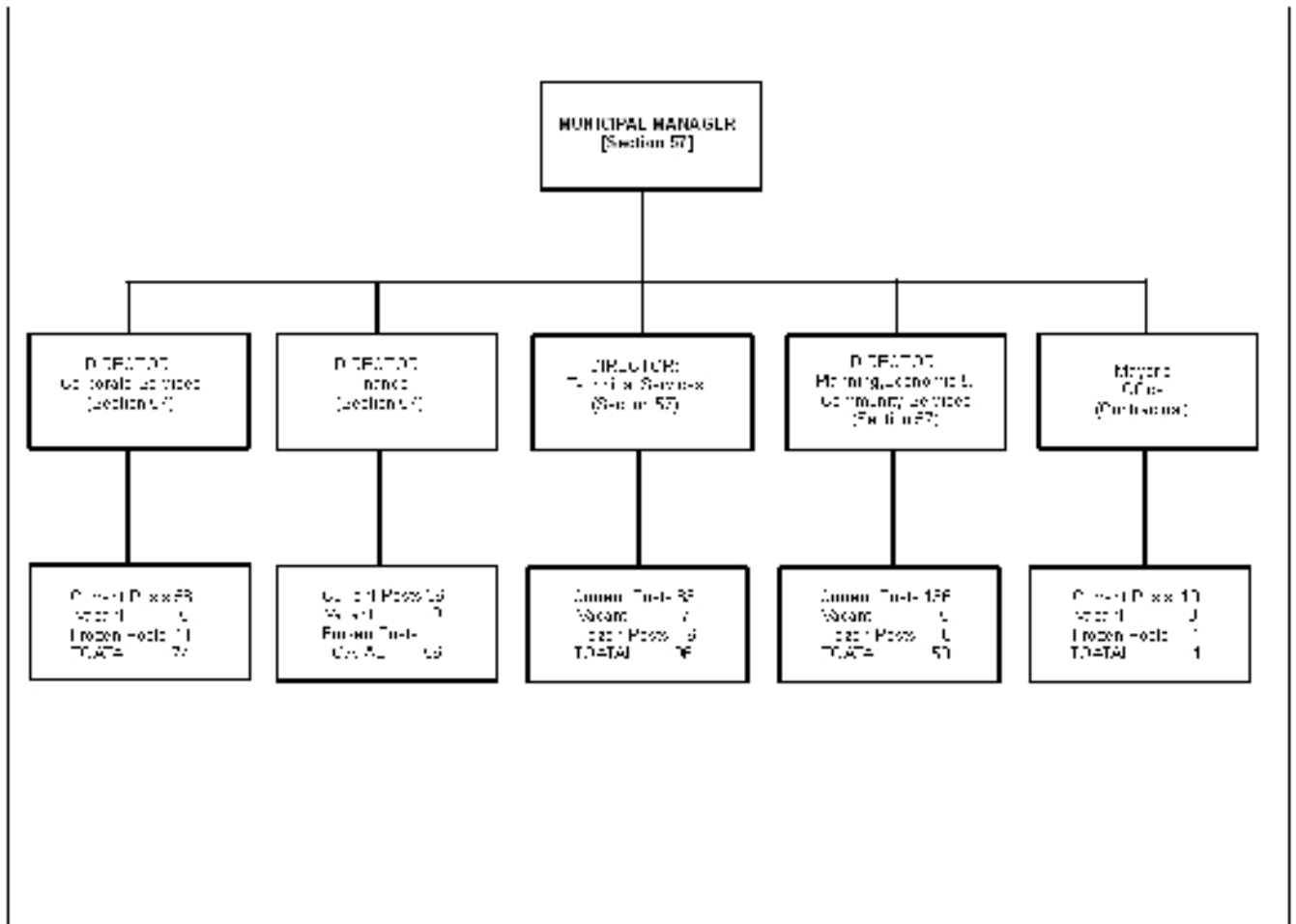
1.8. INSTITUTIONAL ARRANGEMENTS TO ENSURE BETTER SERVICE

On the political institutional arrangement, Umtshezi Municipality has a collective executive system combined with a ward participatory system. The Political structure of the municipality consists of the Mayor, the Deputy Mayor and the Speaker as full-time office bearers. In total there are 14 councilors (inclusive of office bearers) which constitutes the municipal Council. Out of 14 councillors, 7 councilors are ward councilors, and the other 7 are PR councilors.

The municipality has an Executive Committee that comprises of 3 members, as per the political quota representation. There are also four sub – committees in which councilors serve and deliberate on matters to be submitted to EXCO and Council thereof. The committees are as follows:

- 1) Infrastructure, Housing and Town Planning Committee
- 2) IDP, Finance, Local Economic Development and Tourism Committee
- 3) Sports, Gender and Vulnerable Groups Committee
- 4) Human Resources, Transformation and Safety / Security Committee

On the administration institutional arrangement all Section 57 positions are filled. All section 57 Managers have performance agreements and charters. The diagram below presents the first page organogram of the municipality and division of powers and functions to different portfolios within the Umtshezi Municipality establishment to ensure the effective implementation of the IDP.



CHAPTER 2

UMTSHEZI STATUS QUO

2.1. POPULATION SIZE AND DISTRIBUTION

The 2001 Census Data estimated that the total population of Umtshezi Municipality is 59 922 individuals, constituting about 9% of the Uthukela District Council population. The latest population estimation as of 2008 is 68314 persons are residing in Umtshezi municipality (Census estimates at 2% growth rate). The highest number is that of the black African population.

2.1.1. POPULATION DISTRIBUTION

RACE	POPULATION (2001)	* ESTIMATED (2008)	* ESTIMATED % (2008)
BLACK AFRICAN	50166	57189	83.7 %
COLOURED	1514	1726	2.5 %
INDIAN /ASIAN	5399	6155	9.1 %
WHITE	2846	3244	4.7 %
TOTAL :	59925	68314	100 %

**estimated at a 2 % growth rate per annum (Stats SA recommendation)*

The Municipality has 13 951 households, spread unevenly on seven (7) municipal wards. The majority of the people are concentrated in urban areas (\pm 29 934) and in farming areas (\pm 19 950), but there are a few patches of high-density settlements within informal areas, hence, there have been Housing projects running to date in different wards of the municipality and this has contributed to the growth rate since the last census conducted in 2001 and the total number of new households is 1688 households and are distributed as follows: Colita (301 households); Wembezi A (515 households); Wembezi D(800 households); Kwanobamba Phase 2 (72 households).

The figure below indicates population distribution per municipal ward:

2.1.2. POPULATION DISTRIBUTION PER WARD

WARD	POPULATION (2001)	* ESTIMATED (2008)	* ESTIMATED % (2008)
1	10028	11432	16.7%
2	7458	8502	12.4%
3	7787	8877	13.1%
4	8616	9822	14.4%
5	8414	9592	14%
6	11517	13129	19.2%
7	6105	6960	10.2%
Total	59925	68314	100%

**estimated at a 2 % growth rate per annum (Stats SA recommendation)*

The above table indicates that the most populated areas within Umtshezi Municipality are ward 1 and 6. These wards record better service infrastructure and in the past decade have experienced huge influxes of people attracted by better service provision and proximity to Estcourt town, which is a major economic hub presenting employment opportunities within the Municipality. Ward 7 is the least populated within the Municipality. This is not surprising since the ward is mainly comprised of farming settlements around Weenen.

2.2. GENDER

Umtshezi Municipality's population is slightly imbalanced with females out-numbering their male counterparts. Approximately 52% (35 523) of the total population is comprised of women while males account for only 48% (32 791), which adds up to the population estimation of (± 68313) persons. This can be attributed to a number of males going outside of the municipal boundaries to seek work at major economic hubs within the country, mainly in Durban and the Gauteng province.

2.3. AGE BREAKDOWN

AGE	POPULATION (2001)	* ESTIMATED (2008)	* ESTIMATED % (2008)
0 - 4	6420	7318	10.7 %
5 - 14	13872	15814	23.1 %
15 - 34	22230	25342	37.1 %
35 - 64	14782	16851	24.7 %
Over 65	2621	2989	4.4 %
TOTAL	59925	68313	100%

**estimated at a 2 % growth rate per annum (Stats SA recommendation)*

The age breakdown determines the kind of economic activities required within the varying wards. Different age groups have different economic needs and different spending patterns. Approximately 71% of the total population in Umtshezi Municipality area is below the age of 35. Children, below the pre-school enrolment age (that is, 0-4 years of age), constitute 11% of the population, with those who are at school-going age, including pre-school constitute 23% of the entire Municipal population. Approximately 4% of the total population is over the age of 65 years. This scenario indicates the high dependency ratio incident within the municipal area, an event that might have a negative impact on the overall socio-economic development of the area as it impedes on the ability of the individuals to save and invest.

The table above (age breakdown) indicates that the largest age group in the municipality is between the ages of 15-34 constituting 37% of the entire population. This is followed by ages 35-64 (25%) and by 5-14 age group (23%). This trend obliges the provincial and national government (implementation) and the local municipality (planning) to allocate a large percentage of their budget to social development facilities such as schools, child grant, pension and clinics. However, capital facilities such as roads, water and electricity infrastructure and municipal marketing activities require the municipal attention.

2.4. INCOME PROFILE

ANNUAL HOUSEHOLD INCOME	PERCENTAGE (%)
No income	27 %
R 1 – R 4 800	10 %
R 4 801 – R 9 600	20 %
R 9 601 – R 19 200	13 %
R 19 201 – R 38 400	11 %
R 38 401 – R 76 800	9 %
R 76 801 – R 153 600	7 %
R 153 601 – R 307 200	2 %
R 307 201 – R 614 400	0.7 %
R 614 401 – R 1228 800	0.1 %
R 1228 801 – R 2457 600	0.2 %
TOTAL:	100 %

Individual and Household Income levels

The above figures indicate that on average 27% of the households are surviving on less than R12 per day. This indicates high dependency ratios in that most of the households may be surviving on government grants ranging from old-age pension grants, disability grants etc. Even

if households employ informal or illegal survival strategies it is unlikely that they generate substantial income given the general lack of viable economic base within rural areas. This situation indicates a need for development of local economic development activities that will ensure that households do manage to have access to the bare minimum of household's amenities.

2.5. PHYSICAL AND SOCIO-ECONOMIC PROFILES: A DISTRICT VIEW

Uthukela DM covers an area of 11,329km², has a population of approximately 630,000 and is divided into five LMs namely, Emnambithi (KZ233), Indaka (KZ234), Okhahlamba (KZ235) and Imbabazane (KZ236). This district constitutes 12% of the provincial area, 6.5% of the population and contributes 3.5% to the province's gross geographic product (GGP). The region is predominantly characterized by farmland and dense to scattered rural settlements situated in undulating topography, with 88% of the population living in the rural areas. Emnambithi LM has the largest population (230.511) and Umtshezi LM the smallest (48.328). The average population density is 56 people /km², ranging from 23 people /km² in Umtshezi to 157 people / km² in Imbabazane. The average household size varies within the rural area from 5 to 8 persons. Urban areas include Ladysmith, Ezakheni, Colenso, Ekuvukeni, Estcourt, Emesis, Weenen, Berryville and Winterton / Khethani. The area forms part of the Tugela River Catchments that extends from the high-lying Okhahlambe-Drakensberg Mountains and Free State Province in the west of the Indian Ocean in the east. High rainfalls of 700 to 1.200mm per annum are experienced, and numerous strategic water storage dams have been developed.

The district economy is based primarily on manufacturing and trade (including tourism), with secondary support through agriculture. Most commercial farmlands are located in Emnambithi (Klipriver), Umtshezi and Okhahlamba (Bergville), Imbabazane and Indaka are primarily Ngonyama Trust land, with significant underdevelopment and relative isolation from the main N3 development corridor. The population within Uthukela is generally poor. Only 36% of the population is potentially economically active (20 to 60 years; Census 1996, with 10% earning less than R500 per month and 66% having no income. Therefore a vast majority of the population is unable to contribute meaningfully towards the provision of basic water services. There is large percentage of youth (55%) and 54% of the population is female, both which could impact on future water services requirements and ability to pay. The government has, however committed itself to providing free basic water and sanitation services to all citizens.

2.6. UMTSHEZI ECONOMIC ANALYSIS

The economic analysis undertaken in the Status Quo report indicates that the poverty and unemployment rates in Umtshezi have increased, with employment opportunities not being created quickly enough for the number of people entering the labour force. The Development Bank (2005) has clearly indicated that employment (a job or an income generating activity) is the best protection against poverty. This means that any strategy must protect and build formal employment and assist the poor and second economy participants to access opportunities.

The balance between the two approaches and the use of available resources is also important.

2.6.1. FORMAL SECTOR

The economy experienced a negative growth rate until 1999 – 2000, and even since then has exhibited a fluctuating growth rate in spite of the national positive growth. In terms of sectors the area has had mixed success. The three most positive private sectors remain agriculture, manufacturing and trade. These are also the three most important sectors historically. The three sectors differ in their forecast in terms of potential growth, challenges, and the future of employment demand.

The manufacturing and agri-processing sectors remain important, but have experienced a decline. The Estcourt area has been a key centre for the processing of agricultural products (60% of manufacturing was previously in food processing) – mostly meat and dairy products. There are obvious important backward and forward linkages between agriculture and food processing which can be exploited. The manufacturing sector was well established in the past but has experienced a steady decline with a number of large firms closing down. The decline was partly a result of the national slow down in the sector, but also as a result of industries moving to larger centres. The remaining industries are exhibiting growth as the sector as been growing in terms of GDP/GVA, but not in employment. The upturn in manufacturing will not necessarily lead to industries coming back.

The agricultural sector is well established and indicates a level of stability in terms of employment¹. There are two key challenges in the sector. The first is that there is a dependency on traditional crops and products with very little innovation or value addition. The second is that the sector appears to be struggling with the possible impacts of land reform.

There have been some positive signs as the Estcourt Farmers Association has been investigating the local solution developed at Besters near Ladysmith. At the same time there is also the area proposed for the Gongolo Game Reserve which has been unable develop a common vision.

The decline in manufacturing employment is notable and a cause for concern. The decline is probably associated with the closure of some firms, the sensitive nature of the sector to broader trends (foreign exchange, cost of raw material, transport etc) and an increase in mechanization. The sector as been growing in terms of GDP/GVA, but not in terms of employment. The increase in employment in community services is largely linked to the establishment of wall to wall local government and the expansion of the public sector. This trend will tend to slow as new government structures have been established. The stability in employment in the agricultural sector is positive as this sector is a large employer and has experienced a general down turn in employment at a national level. The construction sector should be showing an improved growth n employment, as should trade. There may have been additional capacity in these sectors which meant growth could take place without additional employment. Additional capacity may also have been taken on as 'casuals' without permanent employment being created. Finance has remained stable, although the sector is growing.

2.6.2. INFORMAL SECTOR

The most disturbing trend is that unemployment and poverty levels will continue to increase unless a new approach is developed. This is despite a growing economy (see Table 1 below). The point is that the economy will not create as many formal sector opportunities as there are job seekers. Future opportunities need to be generated in more creative ways.

Unemployment Rate: 1996 and 2004			
	Male	Female	Total
1996	43.6%	57.5%	50.0%
2004	53.1%	73.7%	62.7%

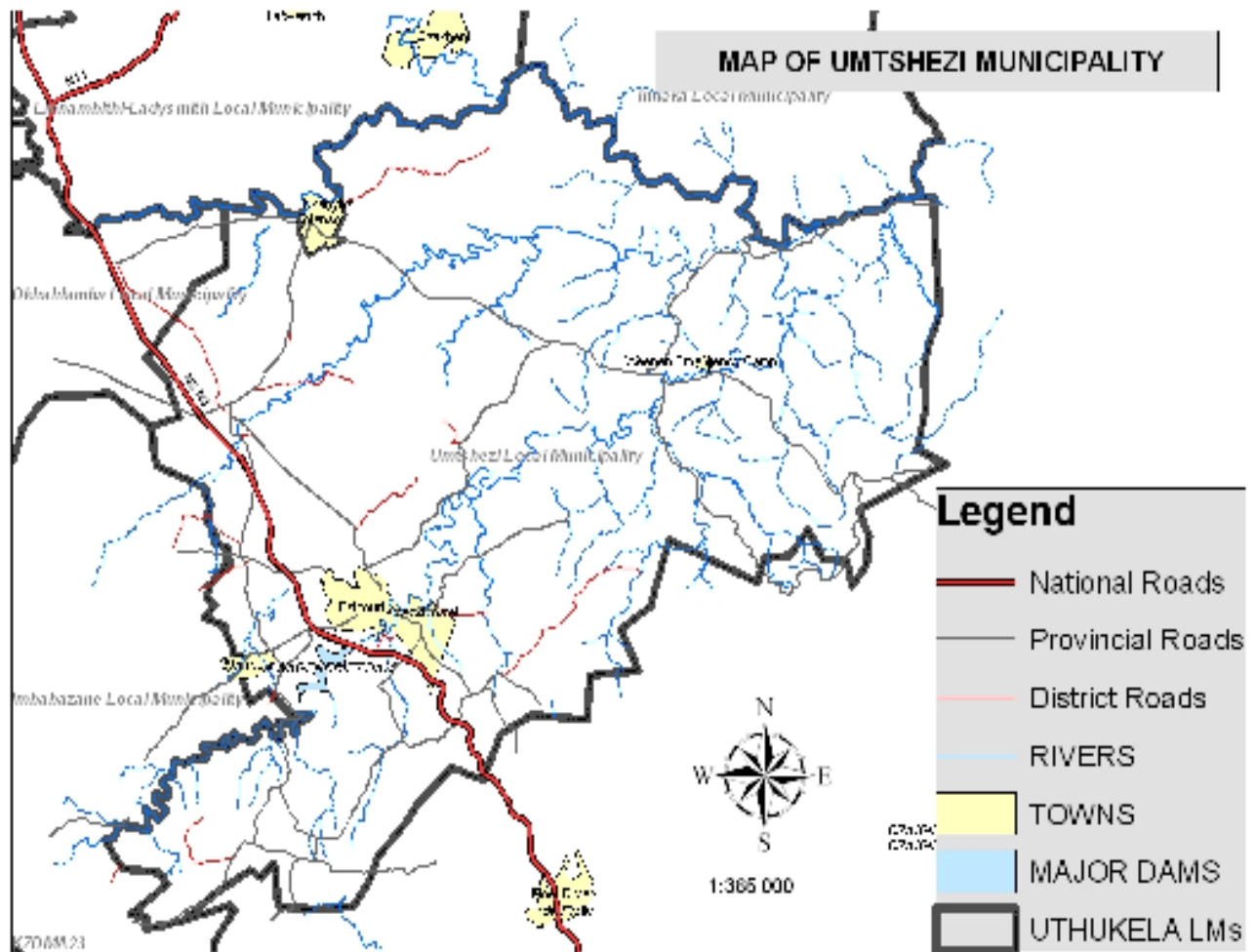
The statistics generated in the status quo assessment indicates the total number of people involved in the informal sector as follows:

	Manufacturing	Construction	Trade	Transport	Finance	Community Services	Total Information
Estcourt	388	434	1,493	84	82	537	3,019
Weenen	11	0	215	0	0	70	296
Total	398	434	1,708	84	82	607	3,315

This is probably an under assessment². It does not clearly identify the number of small businesses as some of the people counted above will in fact be employees in the sector. Trade obviously dominates the informal sector, with community services following. (A community service in this context refers to service providers such as telephone kiosks.) It is unlikely that the second economy will disappear; it is a more realistic approach to manage and support the people who are involved in the second economy. The LED strategy must investigate ways in which the second economy or informal sector can be developed and supported.

2.7 GEOGRAPHICAL DATA

Umtshezi Municipality is comprised by the former Wembezi / Estcourt and Weenen TLCs. It is located approximately 165km northwest of Durban and 400km south-east of Johannesburg. The National Road N3 also traverses the Municipality on its western portion linking these two major cities i.e. Durban and Johannesburg. Estcourt Town is the main urban center for the Municipality. Umtshezi Municipality is bordered on its southeastern portion by the Mooi Mpfana Municipality, Msinga Municipality on its eastern portion, Indaka Municipality on its northeastern portion, both by Emnambithi and Okhahlamba Municipalities on its northwestern portion and Imbabazane Municipality on its southwestern portion. (See the map of Umtshezi below)



2.8 CONCLUSION

Umtshezi has identified critical focus areas for the 2008/09 financial year. These priority areas will be addressed through the identified development strategies within the Municipality. It is however, important that Umtshezi gets support from other sectors that are interested in uplifting the quality of life of the people. The following are the identified priority areas:

1. Social and Local Economic Development.
2. Infrastructure and Services.
3. Institutional Development and Transformation.
4. Democracy and Governance.
5. Financial Management.

**PHASE TWO:
UMTSHEZI KEY PERFORMANCE AREAS
STRATEGIC PLAN**

CHAPTER 3

SOCIAL DEVELOPMENT

3.1 INTRODUCTION

The municipality aims to improve access to social development services and information with this chapter. Core to this chapter is the need for social needs analysis and programmes to facilitate interfaces between different spheres of government charged with social development role.

3.2.1. ACCESS TO SOCIAL SERVICES

3.2.1.1. EDUCATION

There is great concern over the distribution of crèche's, primary and secondary school facilities in the municipality. The quality of education in schools is also not satisfactory because of the shortage of teachers and location of schooling facilities in private land (farms). In some clusters high school learners have to travel long distances because of uneven distribution of schools. The planning of education facilities is complicated by the fact that some parents may choose to support schools in other areas because they are perceived as offering a better service.

3.2.1.2. HEALTH FACILITIES

Furthermore, the distribution of clinics and other primary health care facilities within the municipality is uneven with the result that some clusters are left out. There is one hospitals in the municipality which provides for emergency services and hospital care. They vary in size and they cater for prams and wheelchairs, i.e. the facilities are user friendly. The impact of HIV / AIDS determines the need for hospitals and clinics.

3.2.1.3. HIV/AIDS

There is still a great deal of ignorance about the spread of HIV/AIDS. Access to social welfare services still poses another challenge on the access to social services. The Department of Welfare and population Development is working together with the Municipality in ensuring that such services are rendered to the local communities. This is one of the priority areas for the Municipality.

The scourge of AIDS affects all the citizens of this country, mostly the youth. Umtshezi Local Municipality has realized that HIV/AIDS pandemic will have a devastating impact on its socio-economic development programs and formulated the HIV/AIDS council that was launched in 2007. This has led to the formation of HIV/AIDS development plan, which seeks to ensure that HIV/AIDS infection rates are lowered and that those who are affected and infected with the pandemic are given a necessary support. The Municipality will embark on HIV/Aids programmes during the 2008/9 financial year that would contribute to the mitigation of this pandemic.

3.2.1.4. SPORTS COUNCIL

The absence of sport and recreation facilities in the municipality has a direct relationship with crime and prevalence of HIV/AIDS among the youth. The facilities that exist are located only in urban settlements making them unreachable for the rural communities. There is a huge bias towards soccer and other sporting codes are not catered for. The provision of facilities is a matter of urgency so as to keep the youth engaged and thus reduce crime incidents. The youth need extra mural activities to keep them busy. The youth can develop their talent and get to professional level. The Departments of Education and Sports and Recreation are part of the IDP Forum as well as the service provider's forum where these priority areas are debated at length and addressed to a certain extent by the relevant sector department.

3.2.1.5. CEMETERIES

Some communities within the Municipality are still practicing on site burials as a cultural phenomenon and there is a general shortage of burial sites in the municipal area. There are negative environmental implications because of contamination of ground water. The land that has been used for cemetery purposes and it cannot be used for any other purposes. There needs to be intensive awareness campaigns so as to sensitize people about the importance of using clearly demarcated cemeteries as per National Water Act, Act No.36 of 1998 and KwaZulu – Natal Cemeteries and Crematoria Act, Act No.12 of 1996 require that suitable buffers be put in place as determined by a qualified professional. Uthukela District Municipality conducted the Cemetery Crematorium Identification Study and the findings are yet to be implemented.

CHAPTER 4

SERVICE DELIVERY AND INFRASTRUCTURE

3.1 INTRODUCTION

This chapter seeks to address the 2006 local government manifesto by accelerating service delivery so that:

- No community will still be using the bucket system for sanitation by 2007
- All communities will have access to clean water by 2008
- All houses will have access to electricity by 2012
- Formalisation of all informal settlements by 2014
- There is a universal provision of free basic services
- Improvement of housing provision so that better quality houses closer to economic opportunities is developed.

3.2 ENERGY AND ELECTRICITY

The Umtshezi Municipality is divided into Eskom Licensed Area of Supply and the Umtshezi Municipality licensed area of supply. Currently all households within the Umtshezi Municipality Licensed area of supply are electrified. The Municipality is only doing in fills and electrifying the low cost housing schemes. Therefore there are no electrification backlogs within Umtshezi Municipality Licensed area of supply.

Within Eskom Licensed Area of Supply but within Umtshezi Jurisdiction, there are households without electricity. The table below indicates the progress on that to-date.

AREA	STAGE	TOTAL PROJECT COST
Ekuthuleni Nkwaleni	Pre - Engineering	R1.500.000
Ernsdale	Pre - Engineering	R1.000.000
Frere Cornfield	Being Electrified	R3.700.000
Nhlawe	Pre - Engineering	R8.100.000
Thembalihle	Being Electrified	R2.900.000

All households that reside within the Municipal Boundary are within the electricity national grid; therefore it will be cost effective to provide the grid energy than the use of the renewable energy

sources. The current plan is to connect all the people to the national grid as soon as the funds are made available.

When the REDS were first initiated there was a political will to participate, however the issue of funding the processes to make the Municipality ready for the reds was a constraint. There is not evidence that the Municipality signed the cooperative agreement with EDI Holdings. With the REDS loosing momentum in the last few years, the momentum was lost too. The Municipality has however done the Electricity Asset Valuation in preparation of REDS. This will need to be updated when the processes are revived. Also the Municipality in partnership with EDI Holdings will need to conduct workshops to ensure that the decision makers are refreshed on the matter.

The Municipality is conducting an assessment into its tariffs as it was found to be below the NERSA benchmarks. A tariff harmonization plan will be established that will see the Municipality bridging the gap between the NERSA benchmarks as well as the existing tariffs. This has resulted in the Municipality being strained financially in terms of resources to keep the electricity department going.

The Municipality is currently doing Skills assessment on its electricity staff to identify the skills gap as well capacity. This will inform the organizational structure review, the skills development as well as the optimum capacity required. This will be completed in first six months of 2008/09.

The Municipality does have an Electricity Master Plan, but it is has not been updated. This Master Plan also deals with the electricity issues within the Umtshezi Municipality licensed area of supply.

3.3 ROADS AND TRANSPORT

The Municipality relies heavily on MIG funding for infrastructure development. The Municipality is working closely with the Department of Transport, through the Rural Transport Forums, in identifying roads that need funding and upgrading within the Municipality. A Transport Plan has also been developed which stipulates clearly their plans for the building of new roads and maintaining in the next five years. The O&M of old roads is funded to a total of R1.2 million budgeted for the next financial year; these projects are included in the Project Schedule:

Infrastructure and Services. The Municipality also has a Storm Water Drainage Budget and Plan to manage and maintain storm water drainage, hence, it needs updating for future use.

3.4. FREE BASIC SERVICES

The Municipality is also focusing on the provision of free basic services to the indigent. The indigent policy is in place and the register is updated regularly for this purpose. However, there are still some challenges that are experienced in this area due to lack of human resources that could focus entirely on this function. Regarding free basic electricity, the Municipality has signed a service level agreement with ESKOM to provide free basic electricity to those areas listed in the agreement. At the moment there are backlogs reported in those areas that need to be addressed by ESKOM. The Municipality is also providing alternative sources of energy in those communities where there is no electricity. On Free Basic Water, Uthukela District Municipality has also entered into an agreement with the Local Municipality on this function. Regarding Free waste removal, there are no programmes in place for this service. There is a funding which is provided by National Treasury to manage the Indigent policy.

3.5. REFUSE REMOVAL AND WASTE MANAGEMENT

There is no municipal wide waste disposal site with the result that dumping is uncontrolled and litter bears testimony to this. Only Estcourt, Weenen and Wembezi experience some measure of waste management although there is a need for the identification of a new waste disposal site. The majority of people, especially in the farming areas, dispose of their waste on-site and diseases emerge because they do not have information on how to manage the situation. As a result, diseases are spread and animals are also exposed to hazardous conditions because of plastics. Awareness campaigns on the importance of proper waste management in attracting investment. Currently, funds are inadequate to provide formal waste disposal sites, hence, a Waste Management Plan is underway

3.6. HOUSING PROVISION

The majority of the population resides in urban settlements of Weenen, Escourt and Wembezi. This is informed by the historic growth pattern of the municipality. The two main nodes of Weenen and Escourt evolved as agricultural service centres. While Wembezi complex on the other hand served the residential area of Wembezi, The municipal population of 59 822 residents distributed across seven municipal wards represents a range of predominantly urban, farming communities and rural settlements. Development intensity and housing need

particularly is in the urban areas of Estcourt and Weenen and Wembezi with a population of 29 934 residents (49%) of municipal population. These settlements are located on the major activity routes.

The second largest population density with a population of 19 950 (33%) of municipal residents is located on privately owned commercial farmlands. The tribal areas make up 10 038 (16%) of the residents of the municipality.

According to Census 2001 there are 13 961 households in the municipality profiled as follows:

- 6 506 (47%) are formal houses or structures
- 4 929 (35%) are traditional huts
- 583 are flat-lets
- 443 are rooms in backyards
- 93 are informal dwellings or shacks

Taking into account the composition of settlements that is, urban population (49.9%) while farmlands and tribal settlements comprise 33% and 16 % respectively. It is evident that the 35% of traditional huts are in farmlands and communal areas. The municipal IDP (2007/2008) states that the houses in these areas are in a bad state of repair. They are subjected to periodic collapse during the rainy season or windy times. In terms of Section 9 (1) of the National Housing Act the municipality through its planning takes all reasonable and necessary steps to ensure that, conditions that are not conducive to health and safety of its residents are prevented and removed.

It is therefore without doubt that the greatest areas of housing need in the Umtshezi Municipality are the farmlands and tribal areas. This correlates to the housing development projects planned by the municipality as the majority of them are in rural settlements (see Table 5). The lack of housing development in the rural areas and farm areas can be ascribed to a number of factors, the most important of these being security of tenure on Ingonyama Land and lack of land ownership by farm dwellers.

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. As a result thereof, housing development has taken place in urban areas as all the current housing

developments are in urban settlements. The foreseen challenge in the housing development in farmlands is access to tenure as this land is privately owned.

Consequently, there has been no development on Ingonyama Land and farmlands resulting in less than adequate housing standards. Almost half of the municipal population resides in these areas. The introduction of the Institutional subsidy now provides a mechanism for development on Ingonyama Land which provides the beneficiary with a long term-lease. For farm dwellers access to housing opportunities is reliant on tenure reform.

3.7. WATER AND SANITATION

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, a reticulation system supplied from a high yielding borehole or a reticulation system from a bulk line or reservoir. In the Umtshezi Municipality the water services backlog is at 7% (UTDM IDP 2007/2008) while the sanitation backlog is estimated at 8%.

The planned housing projects are guaranteed access to water through CMIP funding. Thus housing development provides opportunities for households to access water and sanitation. This is a district competency and therefore housing projects have to be aligned to the district infrastructure plan to ensure that they the bulk infrastructure component of the development is supplied.

3.8 SPATIAL INTEGRATION

From a development planning 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 or 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.

Housing Development provides a platform for the delivery for other basic services such as electricity, water, road infrastructure amongst others. Furthermore it is critical that the identified land for housing development promotes spatial integration and access to social services (with basic amenities, sports and recreation, clinics, libraries, shopping malls, cemeteries, schools and other social services), economic (access to employment opportunities, trade and industry).

There are service delivery backlog, with respect to water, electricity, roads and others, in many of the municipal areas especially the identified land that is in the communal or commercial land. This section is premised on the vision for settlements in both urban and rural settlements. This vision envisages urban settlements that would be centers of vibrant urban governance, centers of economic, environmental and social opportunity where people live and work in a close environment while the rural settlements must ensure much greater access for rural people to government support and to commercial services with a more logical spatial networks of towns, services, roads and transport system serving both market traders and customers. Furthermore, rural settlements must ensure close availability of water, sanitation and fuel sources, giving everyone more time for economic productivity and better health.

In identifying land for housing development the following has to be taken into account and ensure the dignity, safety and security of access for all, especially women and youth, to useful employment, housing and land, with people able to exercise control over their society, community and personal lives, and to invest in the future.

CHAPTER 5

INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Municipality has a Human Resource Strategy Document which responds to the long-term development plans which reflect on recruitment, retention, succession plan, scarce skills, skills development plan, etc, and an adopted organogram, with 325 current posts, 45 vacant posts and 16 frozen posts. There is one frozen post in the Section 57 staff but all other positions in this category are filled (Refer to the Organogram).

There is a budget allocated for the review of the Performance Management System for the Municipality. This will be implemented in the 2007/8 financial year. The Municipality has established a Special Programmes Units that will ensure there is effective implementation of the Equity Plan in order to address the issues relating to HIV / AIDS, youth, gender, pensioners and people with disabilities. Policies to address the foregoing Special Programmes have been developed.

Of importance also is the involvement of the both internal and external stakeholders in the decision making processes on Umtshezi. The Municipality has devised clear roles and responsibilities for each structure. For example, the internal role players include the councilors, officials, IDP steering committee and the representative forum (RF). The external role-players include the District Municipality, the ward committees as well as the sector departments. The RF provides a platform for all role players to take part in the decision making process to ensure the effectiveness of the IDP Review Phase.

The Municipality has approved the Skills Development Plan which also includes the Workplace Skills plan. This plan promotes education and training in the Municipality and to empower all employees as per the Skills Development Act, Employment Equity Act and the Basic Conditions of Employment Act.

CHAPTER 6

LOCAL ECONOMIC DEVELOPMENT

6.1 INTRODUCTION

The economic analysis undertaken in Umtshezi indicates that the poverty and unemployment rates have increased, with employment opportunities not being created quickly enough for the number of people entering the labor force age group. The Development Bank (2005) has clearly indicated that employment (a job or an income generating activity) is the best protection against poverty. This means that any strategy must protect and build formal employment and assist the poor and second economy participants to access opportunities. The balance between the two approaches and the use of available resources is also important. The formal economy experienced a negative growth rate until 1999 – 2000, and even since then has exhibited a fluctuating growth rate in spite of the national positive growth.

6.2 TOURISM PARTICIPATION

The Bushman's River Tourism Association in partnership with the Umtshezi Municipality have for the past two years been developing a Tourism Route through the area which is known as the "The Drakensburg Experience", which will be ready to launch during 2008. This venture will assist in boosting the economy and will create job opportunities in the Umtshezi area.

6.3 LED STRATEGY & PLAN

The Umtshezi Mission and Vision provides the context for the LED Plan. The LED Plan supports the municipality in achieving the goals as set out in the IDP. The Umtshezi LED plan is driven by the following strategies:

6.3.1. Strategy 1: Municipal – Multi Stakeholder

The previous LED policies have emphasized the need for partnerships and forums for interaction and communication. The Umtshezi Municipality and the business community have an inconsistent relationship to date. The municipality and the business community also need an environment where issues relate to Municipal functions and programme focus areas – land use management, economic infrastructure provision, business service provision, etc. The relationship between the broader economic community (including trade unions, the informal traders, and youth groups) can meet the municipality's need to be established. These types of

forums are essential as they enable broader platforms for integration between these stakeholders, is not usually shared.

6.3.2 Strategy 2: Municipal Functions

The 2006 LED policy reflects on the 'Market and Public Confidence', which emphasizes the role that the municipality has in creating the environment that promotes business development.

These areas include local policies and by-laws, which reflect on: -

- 2.1. Municipal by-laws (including enforcement).
- 2.2. Land Use Management Systems or Land Use Schemes.
- 2.3. Rates and levies.
- 2.4. Budget preparation and reporting.
- 2.5. Integrated Development Plan.
- 2.6. Procurement policies.
- 2.7. Policies dealing with the indigent, youth, woman, disabled, etc
- 2.8. Business support institutions (Community Tourism Organization, Business Support Centers, etc).

In terms of service delivery, municipalities are urged to review the level of integration of their systems. Referring to the policy document reflects, "Infrastructure development, service delivery, municipal financial viability and local economic development are not mutually exclusive concepts.

6.3.3 Strategy 3: Sector Support and Strategy

The sector support approach is based on the assumption that economic growth can be driven by interventions in specific markets and sectors. The analysis typically makes use of an analysis of sector stakeholders, product development and selection, supply and value chains, market areas and international trends. The strategy should begin by making use of the resources available to undertake sector interventions. A sector strategy would provide the basis for short and medium interventions. The strategy should begin by making use of the resources available to undertake sector specific interventions. A sector strategy would provide the basis for short and medium term interventions.

The Provincial Spatial Economic Development Strategy is the key development which drives economic development thinking at present and identifies four key sectors as drivers of economic growth in the province.

The following sectors were identified:-

1. The Agricultural Sector (inclusion of agri-processing) and land reform
2. The Industrial Sector
3. The Tourism Sector
4. The Service Sector (inclusion of government services)

6.3.4 Strategy 4: Enterprise Support

This strategy emphasizes enterprise support to co-operatives and other small businesses. The instruments to implement the strategy include the establishment of enterprise Information Centers, skills development and a Mentoring Programme Center is a central intervention being intervened within the ASGISA Initiative, The National LED strategy and within Provincial Interventions. The need is to assist those “who are presently economically trapped in the non – functioning local township and rural marginalized economies of the Second Economy”. The ASGISA documentation refers to the notion of “eliminating the second economy”. That will probably not to be possible and in some middle income countries the informal sector provides more than 50% of the employment and income generating opportunities. The enterprise support strategy aims at assisting in the establishment of a centre (Enterprise Information Centre) but also in ensuring that the center is effective, relevant and targeted.

6.3.5 Strategy 5: Support to Land Reform Beneficiaries

As it is suggested in Strategy 3 an Agricultural Plan needs to be prepared. It is important that such a sector plan make clear provision for the inclusion of land reform as transformative process. The experience of land reform in the municipal area has included a high level of competition and conflict. It is important that the strategy make resources available for mediation and stakeholder support.

The following table summarizes the current extent of the land reform programmes in Umtshezi.

Programme	Extent
Restitution	72 claims
Redistribution	23 projects
Land Redistribution for Agricultural Development(LRAD)	3 projects
Labour Tenant	14 projects

The LED aspects of the land reform projects are generally poorly developed. The Framework for Land Reform in KwaZulu Natal (2005) notes that: “Very few land reform projects, except those initiated by the private sector or in partnership with the private sector, facilitate the integration of beneficiary groups into commercial agricultural markets or provide opportunities for rural households to generate small amounts of income from their agricultural produce or natural resource products” (71). Land reform projects require not only the same kinds of support that other emerging farmers do; but additional support in the enterprise transformation process and resettlement process. This is termed ‘post- transfer support’ and requires enterprise, livelihood, infrastructure and social support interventions.

6.3.6 Strategy 6: Municipal and State Procurement

The national LED strategy noted that state expenditure (at all levels) is having a limited impact on development goals. This strategy intervention is based on the use of the municipal procurement system to undertake targeted and preferential procurement. This should be undertaken as a specific study within the corporate services section. The intervention should not end at this point – but also the Municipality should monitor that any other state agencies are ensuring that maximum benefits are accruing to local enterprises and local labour. This would include infrastructure development such as water systems and road construction.

CHAPTER 7

FINANCIAL MANAGEMENT

7.1 INTRODUCTION

Umtshezi Municipality has recognized that to be successful, the IDP must be linked to a workable financial plan. The purpose of the five year financial plan is to create the medium and long term strategic financial framework for allocating resources through the municipal budgeting process and to ensure the financial viability and sustainability of the Umtshezi Municipality's investments and operations. Other important reasons for developing the financial plan are:

7.2 AUDITOR GENERAL AND AUDIT COMMITTEE REPORTS

On receiving the audit opinion, annually, from the auditor general, uMtshezi municipality council deliberates on the auditor's report and provides the response to the auditor general. Over and above these mechanisms are put in place to prevent the same incidents recurring within the municipality.

The municipality has a shared service agreement with uThukela district municipality in terms of services of the audit committee. This is in line with the requirements of the Inter-Governmental- Relations. The audit committee deliberates on annual performance of the municipality and reports to Council. Thereafter Umtshezi full Council adopts the annual report.

7.3 FINANCIAL PLAN

The municipality has put together a financial plan in order to:

- To ensure a close planning and budgeting link;
- To inform municipal budgeting over tier;
- To facilitate inter-governmental alignment with regard to capital requirements and sources of funding;
- Assess financial management arrangement and financial strategy; and
- To outline revenue and expenditure forecast.

The financial plan is an integral component of the IDP and addresses:

- Establishing financial management systems and efficient, effective internal audit systems.
- Funding availability over a 3- 5year planning period
- The balancing of this limiting factor relating to income with objectives established in terms of the IDP.

7.3.1 OPERATING EXPENDITURE BY VOTE

DESCRIPTION	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
Office of the Municipal Manager	665,573	1,391,688	1,365,288	1,561,711	0	22,868	24,469
Corporate Services	17,269,712	14,661,470	14,796,091	16,196,122	13,586,207	14,433,339	15,243,673
Office of the Mayor and Council	0	0	0	0	575,000	575,000	575,000
Finance and Administration	7,271,038	9,700,237	10,013,262	7,394,446	23,138,126	24,180,895	25,565,438
Civil Services	12,073,917	8,557,256	8,553,037	5,532,344	7,790,738	8,077,384	8,142,801
Social Services	16,604,004	18,363,215	18,524,124	20,905,000	22,349,829	23,183,285	24,465,661
Electrical Services	54,924,561	44,348,486	49,466,036	48,744,969	60,467,584	63,762,725	67,241,646
TOTAL OPERATING EXPENDITURE	108,808,805	97,022,352	102,717,838	100,334,592	127,907,484	134,235,496	141,258,688

7.3.2 FINANCIAL MANAGEMENT ARRANGEMENTS

The following financial management arrangements in the municipality are in place:

7.3.2.1 ADMINISTRATION

Umtshezi Municipality has got a reasonable capable finance department although there are some challenges that need to be addressed, also has an internal audit function responsible for monitoring financial and other controls. In addition, council is committed to sound financial management and the maintenance of a sound economic base. Financial management policies and procedures for the entire municipality have been developed to address the cash forecasts and cash flow monitoring against forecasts, budgeting methods, management reporting, asset policy, investment policy, credit risk management and procurement policies.

7.3.2.2 FINANCIAL PROCEDURES AND POLICIES

To-date some policies are properly documented and in place. These policies include supply chain management policy, tariff policy, by-laws (including credit control and debt collecting policy) transport policy.

7.3.2.3 COUNCIL REPRESENTATION

A portfolio councilor for finance serves on the executive committee and advises the mayor on matters in the executive committee agenda. The council is responsible for approving the IDP, the operating and capital budgets that are prepared on recommendations of the executive committee.

The council adopted financial strategy that encompasses the following fundamental issues, a financial resource mobilization (capital and operational), asset management, revenue base expansion, and operational cost effectiveness methods. All aspects of matters relating to the financial matters will take into account council's social responsibilities and these include council's indigent policy and recognizing that certain sections of the community do not have the ability to pay for services. A further aspect of social responsibility will focus on transformation and empowerment as called for in council's preferential procurement policy.

7.3.3 INCOME/ FINANCIAL RESOURCES

7.3.3.1 RATES AND GENERAL SERVICES

The municipality has a reasonable good property valuation roll but with a challenge of general revaluation. With the introduction of new Municipal Property Rates Act of 2004, the municipality has high potential increase on the property rates income. Also municipality needs to strengthen controls in the implementation of credit control and revenue collection by- laws. This should be closely coupled with good customer care and community education around area of billing of rates and services. This will improve the collection rate and ultimately the picture of revenue generation. The municipality is currently the second in provincial pilot project on debt collection and credit control for municipalities with highest debtors. This project is also expected to yield good results towards end its second year (2007&8).

7.3.3.2 GRANTS AND SUBSIDIES

The Municipality derives most of its income form internal sources to fund its capital and operational budget. For next three years (07/08, 08/09, 09/10) the total grants and subsidies will average at 19% of the total budget. This means that the municipality is mostly dependent on the internal revenue sources. This is a serious challenge that the municipality has taking into consideration high levels of unemployment versus very high infrastructure backlogs in vast rural areas of the municipality. More serious attention should be given to the Statistics SA census processes as figures currently do not show the correct picture to inform the national government equitable share allocation.

7.3.3.3 OTHER FUNDING

The council has obtained donation funding from SWAME for community related projects. Also opportunities of accessing grant funding for capacity building are being explored from institutions like DBSA and other capital markets.

7.3.4 EXPENDITURE

Expenditure is closely monitored and control by the finance department. Expenditure is strictly linked to approved budget and when it is necessary urgently adjustments within are done and also adjustments in between votes are done after six months of the financial year. Departmental directors are held responsible and accountability for any over expenditure. With the support of the finance department are responsible for analysis of monthly expenditure reports. The municipality has had slow spending on capital expenditure due cash flow problems. Only grants and subsidies funded capital projects were done, specifically electricity and housing projects. The 2008 / 2009 capital expenditure is as follows:

7.3.4.1 CAPITAL EXPENDITURE BY VOTE

DESCRIPTION	2008/09 Medium Term Revenue & Expenditure Framework		
	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
Municipal Manager	0	0	0
Corporate Services	51,000	535,500	316,500
Council (Special Projects)	31,050,000	0	0
Finance	211,000	157,000	71,000
Civil Services	31,247,000	3,487,000	630,000
Social Services	3,697,000	4,177,000	936,000
Electrical Services	9,550,000	8,001,000	10,669,000
TOTAL CAPITAL EXPENDITURE	75,806,000	16,357,500	12,622,500

7.3.4.2 CAPITAL BUDGET FUNDED AS FOLLOWS:

Municipal Infrastructure Grant (MIG)	5,187,000
Department of Minerals & Energy (DME)	1,200,000
DBSA Loan	9,950,000
Council Funded	5,769,000
Grant (Wembezi Urban Renewal Project)	30,000,000
Management Assistance Programme (MAP)	200,000
Hostel Redevelopment & Upgrading Grant (KZN Provincial Government)	23,500,000
	75,806,000

7.3.5. FINANCE POLICIES

The municipality embarked on a process of reviewing the financial environment with a view to determining which areas required enhancement to ensure overall financial stability. This has been done by reviewing financial policies on the following areas but not limited to:

- The IDP and Budgeting process;
 - Financial procedures and manuals;
 - Financial accounting and reporting;
 - Debt Collection and Revenue Management
 - Resource mobilization;
 - Management of grants and subsidies;
 - Raising of other income; and
- Supply Chain Management and Asset Management⁶

7.3.6. FIVE YEAR CAPITAL INVESTMENT PLAN

Umtshezi municipality is composed of various rural areas where serious challenges of infrastructure backlog, high rate of unemployment are evident. Also statistics show high figures of illiterate in most of the rural areas of the municipality. As an integral component of the IDP the municipality has developed a five year capital investment plan. This five year capital invest plan is aimed in addressing the challenges faced by the communities in the entire municipality as well as to ensure a close planning and budgeting link, inform municipal budgeting over tier and as a sphere, facilitate inter-governmental alignment with regard to capital requirements and sources of funding, assess financial management arrangements and financial strategy; and outline revenue and expenditure forecast.

SUMMARY OF REVENUE AND EXPENDITURE BY SOURCE

DESCRIPTION	2006/07	Current Year 2007/08			2008/09 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
<u>OPERATING REVENUE</u>							
Service Charges - Refuse Removal	3,671,893	3,896,959	3,896,959	4,066,115	4,269,421	4,568,280	4,888,060
Service Charges - Electricity	50,448,305	54,677,254	54,677,254	52,334,524	60,184,701	64,397,630	68,905,464
Fines	4,425,767	4,577,313	157,656	226,753	276,375	295,721	316,422
Rent of Facilities and Equipment	374,153	432,444	641,420	360,989	484,502	513,647	544,594
Other	945,185	1,018,412	703,886	796,679	742,685	782,465	837,238
Licences	3,515,296	3,648,034	3,648,034	4,151,907	4,286,961	4,587,049	4,908,139
Penalties and Interest Earned	3,131,976	207,816	4,606,073	4,969,300	5,265,440	5,634,021	6,028,402
Grants (Operating)	10,159,532	14,315,000	17,216,274	17,216,274	20,632,000	24,888,000	30,086,000
Grants (Capital)	0	5,294,000	5,294,000	5,294,000	30,287,000	9,574,000	8,334,000
Grant (Wembezi)	0	0	0	0	30,000,000	0	0
Property Rates	21,578,029	22,961,110	18,834,778	23,975,533	26,373,086	28,219,202	30,194,546
Proceed from sale of land	0	0	0	0	4,000,000	0	0
Contribution to rates and services	0	3,210,000	3,210,000	3,210,000	3,210,000	3,434,700	3,675,129
Total Operating Revenue	98,250,136	114,238,342	112,886,334	116,602,074	190,012,171	146,894,715	158,717,994
<u>OPERATING EXPENDITURE</u>							
Employee Related Costs	31,469,424	35,166,961	35,215,962	36,079,203	38,252,160	40,929,812	43,794,898
Remuneration of Councillors	2,885,791	3,001,348	3,001,348	3,047,379	3,243,820	3,470,887	3,713,849
Doubtful Debts	4,685,595	900,000	900,000	900,000	1,200,000	1,354,000	1,454,000
Depreciation	10,954,537	214,000	214,000	214,000	4,000,000	4,280,000	4,579,600
Repairs and Maintenance	6,968,853	5,353,644	6,310,800	6,015,945	5,819,208	5,967,847	5,315,597
Finance Charges	6,824,645	3,828,500	3,828,500	3,828,500	724,901	561,900	390,644
Bulk Purchases	38,380,199	36,552,632	40,754,158	40,754,158	46,879,508	49,223,483	51,684,658
Contracted Services	1,442,675	1,257,582	1,233,983	1,749,837	1,667,135	1,783,835	1,908,703
General Expenses - Other	5,197,086	10,747,685	11,259,087	7,745,570	26,120,752	26,663,732	28,416,739
Total Operating Expenditure	108,808,805	97,022,352	102,717,838	100,334,592	127,907,484	134,235,496	141,258,688
OPERATING SURPLUS / DEFICIT	-10,558,669	17,215,990	10,168,496	16,267,482	62,104,687	12,659,219	17,459,306

CHAPTER 8

GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

8.1 INTRODUCTION

The Municipality believes in good governance, transparency and community participation. There are functional structures within the Municipality that ensure that communities are constantly informed of the development processes by the Municipality.

8.2 WARD COMMITTEES

Ward Committees are well established in all seven wards which address issues raised by the community; these issues are prioritized and linked with the development strategies. These structures include among others, the Office of the Mayor, Community Development Workers and Ward Standing Committees, which are led by the councilors who are governed by the Code of Conduct for the Municipality.

8.3 MAYORAL IZIMBIZO / ROADSHOWS AND STAKEHOLDER FORUMS

The Mayor participates actively in Road Shows and Izimbizo to discuss and approve the IDP and the allocated budgets with the communities. The Representatives Forum also includes external stakeholders to ensure that there is contribution made by all stakeholders before the final IDP is adopted by the Municipality.

The area of focus for the 2008/09 financial year will be to ensure that all relevant sector Departments attend the planned forums and participate effectively. The Municipality hosts the Service Providers Forum which is aimed at bringing together all service providers within the Municipality to share with other stakeholders and input on the IDP. Attempts were made in the previous years but there are those Departments that never attend the scheduled meetings. However, there is support from the Departments such as the Department of Agriculture, Social Welfare and Transport.

CHAPTER 9

IMPLEMENTATION PLAN AND MONITORING

UMTSHEZI KEY CHALLENGES	OBJECTIVES	STRATEGIES	KEY OUTCOME	TIME FRAMES
<p>Lack of Skills</p> <p>Most of the community members are illiterate because there was no money for their education. Therefore Umtshezi community is lacking skills</p>	<p>To create an environment that allows training and development</p>	<p>The Umtshezi Municipality must assist in sourcing bursaries, In-service training, Internships and Learnerships in partnership with relevant stakeholders.</p>	<p>The community will be economically active and they will be able to participate in different programs.</p>	<p>Ongoing</p>
<p>Communication</p> <p>There is a communication breakdown between the Municipality and the community which therefore result in slow progress of Municipal Development Processes</p>	<ul style="list-style-type: none"> - To ensure full community participation in Development process of the Municipality will be ensured. - Ensure that there is effective and efficient internal communication channels 	<p>The Municipal Communication Strategy has been developed and must be implemented</p>	<p>The community will be continuously updated about what is happening in their area through the Municipality.</p>	<p>Ongoing</p>
<p>Lack of Infrastructure</p> <p>There is no water and electricity in the area. Even the farmers use boreholes because there is lack of Infrastructure for services</p>	<p>To facilitate the process for the District Municipality to provide bulk Infrastructure to the community for water supply and Eskom to address electricity backlogs.</p>	<p>The Municipality need to Formulate Infrastructure Business Plan to source funds</p>	<p>There will be fully-serviced households.</p>	<p>2014</p>
<p>Under-resourced Service Centres (nodes)</p> <p>Banks and shopping centres are concentrated in Escourt. Community members from Weenen and Wembezi have to travel to Estcourt for these service centres</p>	<p>To Improve Socio-economic Development in Service Centres</p>	<p>An enabling environment for investors in Service Centres have to be created.</p>	<p>There will be well-resourced Service Centres</p>	<p>2012</p>

<p>Inadequate Safety and Security.</p> <p>There is a shortage of Police Stations in the municipality with the result that many clusters are not covered. This makes effective policing virtually non-existent and leads to an increase of criminal elements.. Umtshezi is however served by SAPS Estcourt; Weenen and Wembezi, also Estcourt Stock Theft Unit. The SAPS together with the Department of Justice and the South African Demarcation Board are in the process of re-aligning SAPS, Magisterial and Municipal boundaries which might bring about minor changes to the boundaries of the various stations serving the Umtshezi Local Municipality</p>	<p>To create a Safer Town and surroundings where all citizens enjoy a better quality of life is in great need.</p>	<p>The Municipality needs to Develop the Crime Prevention Strategy and Provide basic households needs.</p>	<p>There will be a Safe and Secured environment.</p>	<p>Ongoing</p>
<p>There is a High Prevalence of Epidemic and Pandemic diseases because the community is not well informed of these diseases such as HIV/Aids, Tuberculosis and Kwashiorkor</p>	<p>To minimise the prevalence of Epidemic and Pandemic diseases.</p>	<p>Consultants need to be appointed to help the community with Health Awareness Programs</p>	<p>Prevalence of Epidemic and Pandemic diseases will definitely be reduced.</p>	<p>2012</p>
<p>Low Economic Growth and investment</p> <p>There is a potential of high economic growth because Estcourt is situated in between of Durban and Johannesburg, on a main road and railway line.</p>	<p>To create an enabling environment to Economic Growth Sectors and engage potential investors. The Municipality also need to adjust the rates to avoid factories from leaving the area.</p>	<p>Economic Growth Sectors and engage potential investors will be identified. Offering of incentives to willing investors and Maintain existing investors</p>	<p>This will create a Vibrant Economic Growth and Investment.</p>	<p>2014</p>

PHASE THREE:
UMTSHEZI MUNICIPALITY PROJECTS PER KPA

PROJECTS SCHEDULE PER KPA

1. SOCIAL AND LOCAL ECONOMIC DEVELOPMENT.

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2010/11
1.Spatial Development Framework	LED1	DTLGA			365 000		
2.Integrated Waste Management Plan	LED2	DTLGA / MAP			360 000		
3.Land Audit	LED3	MSIG	Simultaneous with the property valuation process			200 000	
4.Municipal Ward Profiles & GIS Data Cleansing	LED4	Umtshezi Municipality	Includes aerial photography			400 000	
6.Umtshezi Sports field upgrade / construction	LED5	KZN Sports & Recreation department	The money is to be transferred to uThukela DM		1.500 000		
7.Concrete Palisade Fencing Swimming pools & Dumpsite	LED6	Umtshezi Municipality				1000 000	
8.SMME / CO-OPERATIVES DATABASE	LED7	Umtshezi Municipality			150000		
9.Tourism plan / agency	LED8	Umtshezi Municipality			200 000		
10.Special Programmes (HIV; Sports; Gender; Youth and disable persons, pensioners)	LED9	Umtshezi Municipality			300 000		
11.Urban regeneration strategy	LED10	Umtshezi Municipality				150 000	

SOCIAL AND LOCAL ECONOMIC DEVELOPMENT

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2010/11
12.Umtshezi Resort	LED11	IDC	Awaiting approval				
13.Taxi Rank and Informal Trade Development	LED12	IDC	Awaiting approval				
14.Airdrome Upgrade	LED13	IDC	Awaiting approval				
15.Weenen Cultural Village	LED14	IDC	Awaiting approval				
16.LED support	LED15	Umtshezi Municipality		R 225,925.00			
17.Keep Umtshezi Clean	LED16	Umtshezi Municipality		R 800 000.00			
18.HIV /AIDS Projects	LED17	Umtshezi Municipality		R 200 000.00			
19.Designated groups projects	LED18	Umtshezi Municipality		R 450 000.00			
20.Tourism support	LED19	Umtshezi Municipality		R 100 000.00			
21.Wilde Vees	LED20	Dept of Arts, Culture and Tourism		R 20 000. 00			
22.Training in Indigenous Music (Isicathamiya & Maskandi)	LED21	Dept of Arts, Culture and Tourism		R 17 500. 00			
23.Co-operatives support	LED22	Umtshezi Municipality		R 70 000. 00			
24.SMMS's support	LED23	Umtshezi Municipality		R 70 000. 00			

2. INFRASTRUCTURE AND SERVICES: ELECTRICAL ENGINEERING

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2007 / 08
1.Replace Transformer, Cables & Switch	ISE1	Umtshezi Municipality					
2.Upgrade 33 KV substation	ISE2	DBSA	Phased over next 2 years				
3.Replace Circuit Breakers	ISE3	Umtshezi Municipality					
4.Street light Wembezi A+C	ISE4	Umtshezi Municipality					
5.Protection Upgrade	ISE5	Umtshezi Municipality					
6.Electrification Projects	ISE6	Dept. of Minerals and Energy	Amount requested, not yet confirmed and approved by DME				
7.Vehicle replacement(Bucket truck)	ISE7	Umtshezi Municipality					
8.Tools and Equipment	ISE8	Umtshezi Municipality					
9.Scada system	ISE9	Umtshezi Municipality	Enable remote switching				

INFRASTRUCTURE AND SERVICES: ELECTRICAL ENGINEERING

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2007 / 08
10.Frere (Cornfields)	ISE10	DME	-Frere is 100% complete. -Cornfields is 80% complete. -. An outage occurred, i.e. 176 connections and next outage is booked for end of February.	2.575.838			
11. Ekuthuleni Colenso	ISE11	DME	-Materials ordered. -Project to go ahead in 08/09. - Project at survey stage.	77.545			
12. Ernesdale	ISE12	DME	-Project Cancelled.	0			
13. Nhlawe	ISE13	DME	-	0			
14.Thembalihle	ISE14	DME	-Project survey stage. -Materials ordered. -Site meeting was held on the 6 th of February.	188.567			

INFRASTRUCTURE AND SERVICES: CIVIL ENGINEERING

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2007 / 08
13.Emahhashini , C-Section, D-Section, Ward 7, Ward 5, Mabhalonini, Mshayazafe, Colita Roads	ISC1	uMtshezi Municipality	Road Maintenance		R1.2m		
14.C Section (383 Waterborne toilets)	ISC2	Uthukela DM					
15.C-Section and Mahhashini (Drainage)	ISC3	uMtshezi Municipality					
16.Thembalihle Sanitation	ISC4	MIG		0.00	1.422.763.00	0.00	
17.Ntabamnyama Gravel Road	ISC5	MIG					
18.Inhlawe – Mabiza Gravel Road	ISC6	MIG					
19.Ingavuza Road	ISC7	MIG					
20.Mahhekeni Gravel Road	ISC8	MIG					
21.Nobamba Ezitendeni Sanitation	ISC9	MIG		0.00	1.000.000.00	3.000.000.00	
22.Umtshezi Sports Field Construction	ISC10	DSR			R1.5		

INFRASTRUCTURE AND SERVICES: HOUSING (Funding detailed in the sector plan)

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2007 / 08
1. Wembezi A Housing Development	ISH1	KZN Department of Housing	100 Units approved and handed over to beneficiaries.				
2. Wembezi C Phase Two Housing Development	ISH2	KZN Department of Housing	Development completed and awaiting ownership Transfer to beneficiaries.				
3. Kwanobamba Phase One Housing Development	ISH3	KZN Department of Housing	Development completed and awaiting ownership Transfer to beneficiaries.				
4. Kwanobamba Phase Two Housing Development	ISH4	KZN Department of Housing	Out of 72 units, 30 approved and handed over to beneficiaries.				
5. Kwezi Hostel Upgrade	ISH5	KZN Department of Housing	Construction to begin in June 2008.				
6. Brewit Park Housing Development	ISH6	Xavier Construction (Private Construction Company)	Construction to begin in June 2008				

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007 / 08	2008/09	2009/10	2007 / 08
7. Papkuilsfontein Housing Project Phase One	ISH7	KZN Department of Housing	Development completed and awaiting ownership Transfer to beneficiaries.				
8. Rensbergdrift Housing Development 8.1.Construction of Top Structures (Houses).	ISH8	KZN Department of Housing	Uthukela District Municipality to confirm the availability of Bulk Services and then the project can be submitted to the KZN DOH for conditional Approval. Once Conditional Approval approved then only will the Department of Land Affairs Purchase the Privately Owned Land.	0.00	0.00	0.00	0.00
8.2.BULK WATER	ISH9	Uthukela DM	The KZN DOH is no longer funding Bulk Services and as a result the Uthukela District Municipality is funding the service from its MIG Funds.	0.00	R4 075 000.00		
8.3.BULK SEWER	ISH10	Uthukela DM	The KZN DOH is no longer funding Bulk Services and as a result the Uthukela District Municipality is funding the service from its MIG Funds.	0.00	R2 035 000.00		

INFRASTRUCTURE AND SERVICES: HOUSING

9. Msobotsheni, Engodini and KwaNhlawe Housing Development 9.1. Construction of Top Structures (Houses).	ISH11	KZN Department of Housing	Department of Land Affairs has confirmed in writing to purchase the privately owned Land (Engodini), Uthukela District Municipality to confirm the availability of Bulk Services and then the Project can be submitted to the KZN DOH for Preparation Funding.	0.00	0.00	0.00	0.00
9.2. Bulk Water (Engodini)	SH12	Uthukela DM	The KZN DOH is no longer funding Bulk Services and as a result the Uthukela District Municipality is funding the service from its MIG Funds.	0.00	R4 075 000.00		
9.3. Bulk Sewer (Engodini)	ISH13	Uthukela DM	The KZN DOH is no longer funding Bulk Services and as a result the Uthukela District Municipality is funding the service from its MIG Funds.	0.00	R2 035 000.00		
10. Thembalihle Housing Development	ISH14	KZN Department of Housing	Project cannot be submitted for Preparation Funding due to Land Issues.	0.00	0.00	0.00	0.00
11. Rama, Chievely and Frere Housing Development	ISH15	KZN Department of Housing	Project Submitted to the KZ DOH for Preparation Funding and was rejected due to Procurement Procedures.	0.00	0.00	0.00	0.00
12. Papkuilsfontein Phase Two	ISH16	KZN Department of Housing		0.00	0.00	0.00	0.00
13. Bambanani Machunu Housing Development	ISH17	KZN Department of Housing	Project submitted for preparation funding with the KZN DOH (October 2006).	0.00	0.00	0.00	0.00
14. Owl and Elephant Housing Development	ISH18	KZN Department of Housing		0.00	0.00	0.00	0.00
15. Wembezi Urban Renewal project	ISH 19	National Treasury	Grant funding approved		30 000 000		
16. Nobamba Agricultural Catchment Node	ISH 20	National Treasury	Awaiting Approval		R50m		

3. INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007/08	2008/09	2009/10	2010/11
1.Councillors Education programme	IDT1	Municipality					
2.Policy development	IDT2	Municipality					
3.Local Labour Forum	IDT3	Municipality					
4.Management / Councillors Strategic planning workshop	IDT4	Municipality					

4. DEMOCRACY AND GOVERNANCE.

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007/08	2008/09	2009/10	2010/11
1.Ward Committees	DG1	Municipality			100 000		
2.HIV / AIDS Council	DG2	Municipality			100 000		
3.Sports Council	DG3	Municipality			50 000		
4.Housing Committees (Project Based e.g. A section)	DG4	Municipality					
5.Intergovernmental relations	DG5	Municipality					
6.Landfill Monitoring Committee	DG6	Municipality			10 000		

5. FINANCIAL VIABILITY MANAGEMENT.

NAME OF PROJECT	REF. NO.	FUNDER	REMARK	CASHFLOW			
				2007/08	2008/09	2009/10	2010/11
1. Debt Collection	Fvm1	Municipality					
2. Budget processes	Fvm2	Municipality					
3. Free Basic services	Fvm3	Municipality					
4. Income regeneration strategy	Fvm4	Municipality					
5. Fraud and Corruption plan	Fvm5	Municipality					

ANNEXURE A: SECTOR PLANS

Sector Plan	Status	Adopted by Council	Comment	Time-frame
1. Disaster Management Plan	Underway	No	MAP Funding secured to finalize this plan	30 June 2008
2. Spatial Development Framework	Underway	No	Isibuko SeAfrica has been contracted to formulate the SDF	August 2008
3. Environmental Management Plan	Underway	No	Part of SDF	
4. Financial Plan	Complete	yes	To be concluded with budget 2008/2009 budget process	30 June 2008
5. Infrastructure Plan	None			
6. Skills Development Plan	Completed	Yes		
7. Integrated Transport Plan	None		District to lead the process	
8. Local Economic Development	Completed	Yes		
9. Final Draft Land Use Management Systems	Completed	Yes		
10. Performance Management System Plan	Completed	Yes		
11. Special programmes plan				
• Youth Policy	Completed	Yes		April 2008
• Gender Policy	Completed	Yes		April 2008
• Older persons / pensioners policy	Completed	Yes		April 2008
• People with disability policy	Completed	Yes		April 2008
• HIV/AIDS Plan	Completed	Yes		April 2008
• Housing Plan	Completed	No	Awaiting Council Approval.	June 2008

• Workplace Skills Plan	Completed	Yes		
• Infrastructure Investment Plan(EPWP compliant)	Underway	No	Part of SDF.	
• Area Based Plans(Land Reform)			Land affairs to provide	
• Waste Management Plan	Underway	No	Call for proposals and will be completed in the 08/09 financial year	
• Energy Master Plan (Electricity Master Plan)	Completed	Yes	Needs to be updated.	
• Annual report 06/07	Completed	Yes	Available	
• Section 57 agreements	Completed	Yes	Available	
• By-laws update	Completed	Yes	available	