

WAKEFIELDS

ESTATE AGENTS

What Is A UIP?

An Urban Improvement Precinct (UIP) is one term given to a vehicle used to manage public spaces implemented abroad and throughout South Africa UIP's successfully tackle the threat of urban decay; retain existing investment; stimulate new investment; improve safety and quality of life, and respond to the challenge of environmental sustainability.

There is no correlation between the rand value of municipal rates paid and service levels delivered to an area as there is a set service level throughout the municipality. This means that despite some areas contributing more to the rates base, service levels will remain the same. For this reason, property owners in key economic and tourism nodes come together to fund the establishment and management of public space management structures.

In Kwa-Zulu Natal, this structure is known as a UIP or as in the case of Ramsgate & Southbroom a Special Ratings Area (SRA). It is classified as a geographic area within which the majority of property owners agree to pay for certain services supplementary to those supplied by the municipality.

Essentially, the SRA fills the gap in service delivery to public areas thus ensuring the desired level of safety and quality of public areas and add measurable value for all stakeholders.

Examples of Services Provided

Services provided by a UIP are based on the needs of the area and the related budget but usually include services such as:

- A dedicated Precinct Manager;
- Dedicated security teams that work with local authorities;
- Dedicated cleaning and maintenance teams focused on taking care of public space;
- Marketing and Communication;
- Place-marketing projects that focus on experience of place;
- Social and Environmental Projects;
- Work that grows partnerships with local councils/municipalities.

UIP Formation and Management

The UIP/SRA mechanism is provided for within the Municipal Property Rates Act of 2004 and its subsequent amendments. This legislation requires the UIP register a Non-Profit Company (NPC) to represent property owners in the defined UIP area. The NPC runs independently of the municipality and ensures sustainable service delivery and provides transparent, accountable financial governance.

The UIP Board which is constituted by property owners or property owner representatives must approve an annual budget for services rendered to the defined UIP area. The budget is then approved annually by the municipality in line with their individual policies on UIP's. In the case of the Ray Nkonyeni Municipality, these further guidelines are contained within their Municipal Rates Policy.

The Benefits

A UIP is a sustainable funding mechanism for urban management and improvement, with the financial responsibility equitably shared by precinct members. With its method of governance entrenched within law by the Municipal Property Rates Act of 2004, there are no free-loaders as all property owners within the UIP boundaries are compelled to contribute. With the UIP being an independent and privately funded entity, it means that the UIP management is directly answerable to its property owners, ensuring responsive service delivery and accountability.

As a municipally recognised legal entity, issues of common interest and concerns specific to the UIP geographical area can be properly addressed and the UIP is able to leverage costs and demand service levels with private sector service providers if required. The UIPs are recognised as a 'service provider' to public areas by the municipality. The status of an official service provider provides significant leverage in optimising municipal service delivery.

Ramsgate & Southbroom

There was consensus that the Southbroom & Ramsgate areas had many years ago seen increasing levels of urban decay, specifically around the issue of crime, grime and by-law enforcement. This was negatively impacting on property values/rates base, investor confidence, business viability and the quality of life of those who work, live and visit those areas. The response to this was the formation of area specific Community Policing Forums which had existed purely on the generosity through donations of residents and business owners in the area. The tremendous efforts of those involved in their formation and then ongoing operational management and financial husbandry in a declining economic environment can never be sufficiently lauded. It did however become apparent that this effort, in spite of the continued input of those involved, would become impossible to maintain, let alone grow in response to the ever present levels of crime driven by the continued social disparity. The fragility of the sustainability of the CPF was thankfully recognised and the mechanism of the UIP, provided for by the Municipal Property Rates Act of 2004, and utilised successfully within other areas within the country, was identified to provide for the even spread of the financial input required to guarantee not only the maintenance of the current security services by the CPF, but ultimately for its onward growth in context of properly trained manpower and available technology, through the coming years.

Since the moment the UIP's were established, the CPF's have with confidence moved onwards and continued to consistently provide superlative security services to the ratepayers and residents of both Ramsgate & Southbroom, the levels of which are not only evidenced by the statistical data supplied by them periodically, but also commonly attested to by those who have directly felt the benefits.