



CITY OF
UMHLATHUZE
VISION INTO ACTION

FINAL IDP REVIEW

2016/2017

**“LAST IDP REVIEW FOR THE THIRD IDP
GENERATION”**

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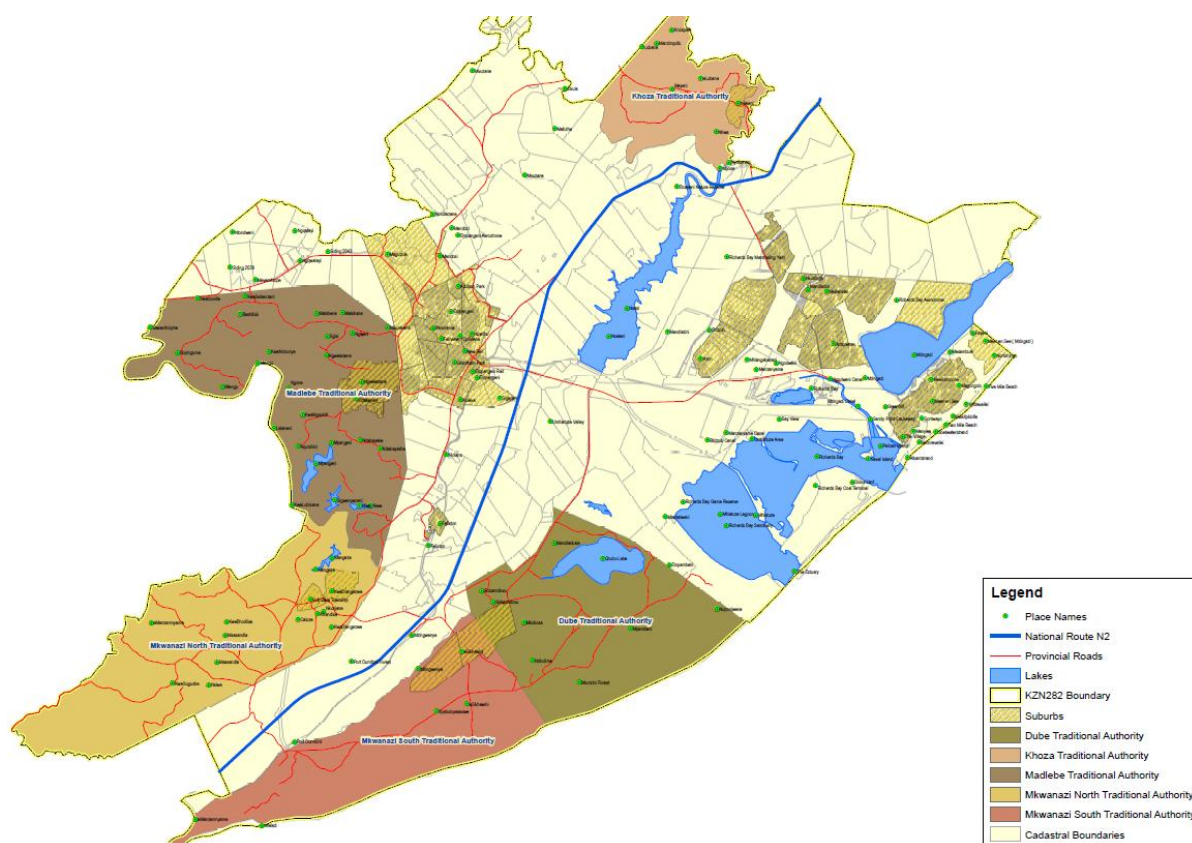
CBO	Community Based Organisation
CIF	Capital Investment Framework
CIP	Comprehensive Infrastructure Plan
COGTA	Co-operative Governance and Traditional Affairs
CSIR	Council for Scientific and Industrial Research
DMP	Disaster Risk Management Plan
DWA	Department of Water Affairs
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programme
ECD	Early Childhood Centres
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
ESMP	Environmental Service Management Plan
GDP	Gross Domestic Product
GIS	Geographical Information Systems
GVA	Gross Value Added
HDA	Housing Development Agency
HSP	Housing Development Plan
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HR	Human Resources
ICT	Information Communication Technology
IDZ	Industrial Development Zone
IGR	Intergovernmental Relations
IAMP	Infrastructure asset management plan
IDP	Integrated Development Plan
IWQMS	Integrated Water Quality Management System
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development

LUMF	Land Use Management Framework
LUMS	Land Use Management System
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MTAS	Municipal Turnaround Strategy
MTREF	Medium-Term Revenue and Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NGO	Non-governmental organisation
NSP	National Strategic Plan
OSS	Operation Sukuma Sakhe
PMS	Performance Management Systems
RDP	Reconstruction and Development Programme
SANAS	South African National Accreditation System
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SEA	Strategic Environmental Assessment
SEDA	Small Enterprise Development Agency
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SOE	State-Owned Enterprise
SONA	State of the Nation Address
STI	Sexually Transmitted Infection
TB	Tuberculosis
VIP	Ventilated Improved Pit
WSB	Water Services Backlog
WSDP	Water Services Development Plan
WQMS	Water Quality Monitoring Systems

SECTION A: EXECUTIVE SUMMARY

1. Who are we?

Map 1: uMhlathuze Locality Map



The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometers north-east of Durban. The uMhlathuze area covers 795 km² and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton and Vulindlela, as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, and Zungu (Madlebe). The population is estimated at 334459 (2011 Census). The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi and Zungu. uMhlathuze Local Municipality has been divided into 30 municipal wards since then.

During the re-determination of municipal boundaries in 2014, the Demarcation Board resolved that the boundaries of uMhlathuze Municipality be changed in line with the proposal of the Board with regards to parts of land within the Ntambanana Municipality to be incorporated within uMhlathuze Municipality after the Local Government elections of 2016. The estimated uMhlathuze population thereafter is at 379 459

(Projected). Further the municipality has been divided into 34 wards which will come into effect after Local Government elections. The areas to be incorporated are mostly privately owned and the remainder under the Traditional Authorities of Kwa-Biyela, Kwa-Somopho, Obizo and Mambuka.

There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. The municipal population has increased by, on average, 1.45% per annum from 2011. In 2001 there were 289 189 people in the Municipality and in 2011 the census indicated a population of 334 459. The number of households increased from 67 127 in 2001 to 86 609 in 2011.

2. Re-determined uMhlathuze and Ntambanana Municipal Boundaries

In terms of Section 21 of the Local Government Municipal Demarcation Act 27 of 1998 the Municipal Demarcation Board has re-determined the municipal boundaries of Ntambanana Municipality (KZ283) and uMhlathuze Municipality (KZ282) by excluding wards 5, 7, 8 and portion of ward 6 from the municipal area of Ntambanana local municipality and by including them into the municipal area of uMhlathuze Municipality. The municipal landscape will therefore change after the municipal elections in 2016. This will not only increase the population of uMhlathuze but will also expand the municipal jurisdiction. This re-determination was formally gazetted by the MEC in the Provincial Government Gazette No. 1042.

Through the Change Management Committee, all municipalities within uThungulu District Municipality have been engaging on the matter in order to ensure smooth transition within the affected municipalities.

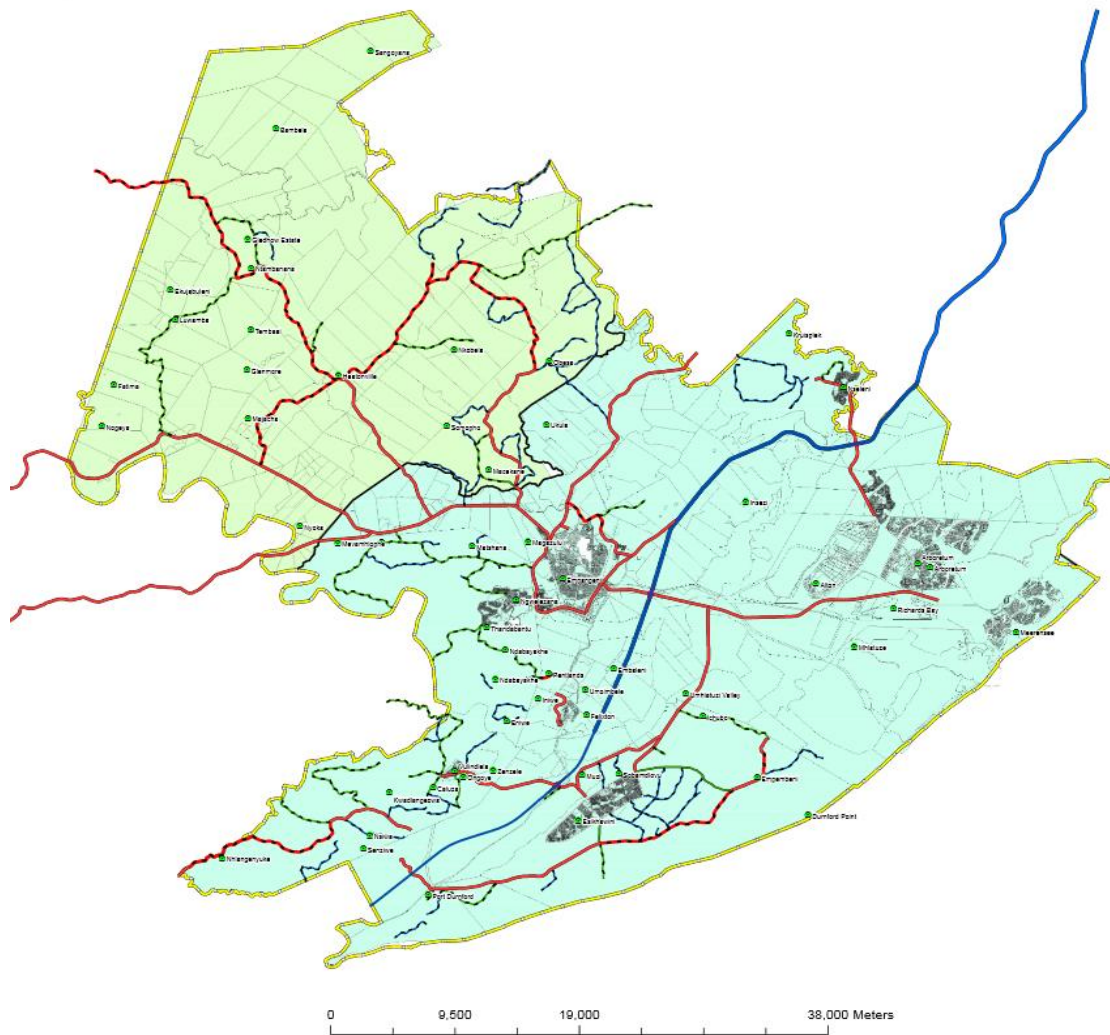
Ntambanana Municipality due to be disbanded has been hugely affected by the lack of a viable rates base since its establishment and has been constantly depending on grant funding. The effect has been high backlogs in service delivery which in the process defied the human right of residents and ratepayers to sustainable service delivery. uMhlathuze Municipality after Local Government elections will be providing all services to the newly incorporated areas.

The extent of the above is depicted in the following map below:

Map 2: Re- determined uMhlathuze Local Municipal Boundary



2016 Proposed Re-Determined uMhlathuze Local Mucipal Boundary



KZN282



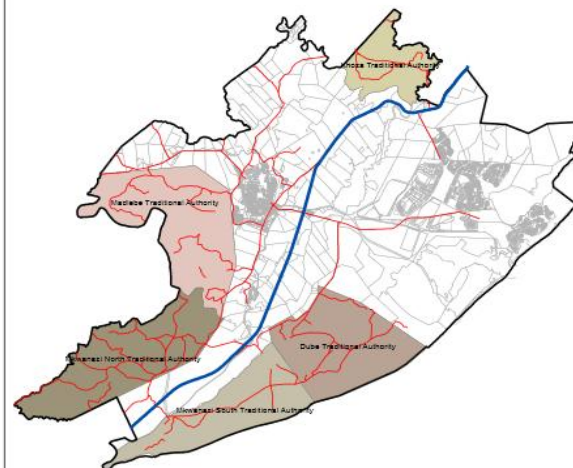
Legend

- Placenames
- N2 National Route
- 2016 KZN282 Redemation Boundary
- KZN282 Boundary
- National Route
- Provincial Route, Blacktop
- Provincial Route, Gravel
- District Road, Gravel
- Local Road, Gravel

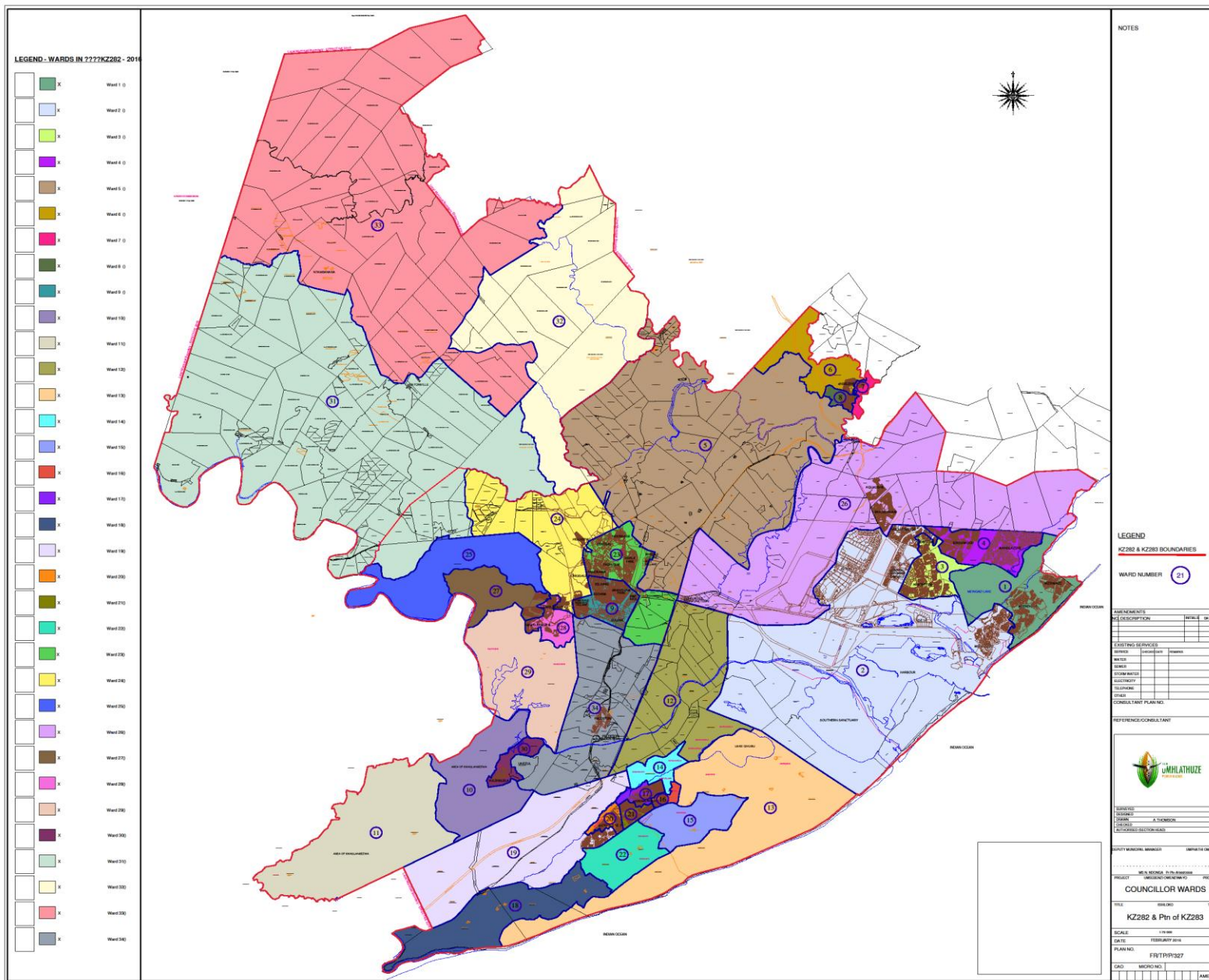
Area in Hectares

Note:
KZN 282 Municipal Boundary: 79334(ha)
Re-Determined Municipal Boundary: 123325(ha)
Added Portion of the Ntambana Municipal Area: +/- 43991(ha)

Existing uMhlathuze Local Municipal Boundary



Source: uMhlathuze SDF 2016



The uMhlathuze Council has considered the implications of the above situation and the following requirements have been noted and some actioned already and some in progress.

- Council is in a process of obtaining aerial photographs and contour mapping similar to what the Municipality has already.
- Municipality has obtained cadastral information of the affected area, suburb information, street names and street numbers, suburb information, servitudes, etc.
- The Current Land Audit by Council will among other things assist in obtaining ownership information and add to GIS and Council financial system.
- Creating affected properties in GIS in order to start preparations for populating databases.
- Prepare for the inclusion of these properties in the Municipal area in terms of property valuations and rates.
- A number of engagements and physical visits to areas that will be incorporated, had occurred in order to determine the level and state of services in the affected area in order to eventually add these assets to Council's asset register, to determine areas that would require basic services, this is in progress.
- Through the Change Management Committee (CMC) and Technical Committees, an assessment with regards to what the impact of change in municipal boundary would have on human and capital resources is progressing positively and towards completion, i.e. does the Municipality require additional staff, equipment, vehicles, office space, satellite offices closer to the Ntambanana area, etc.
- Assessment of legal aspects relating to the affected area, i.e. which legal agreements are in place with services providers in the Ntambanana area, term of contracts, etc., this process is also managed through the CMC and it's in progress.
- Assessment of budget implications relating to the inclusion of the Ntambanana area.

In addition, the following high-level documents are to be amended during 2016/2017 IDP Review

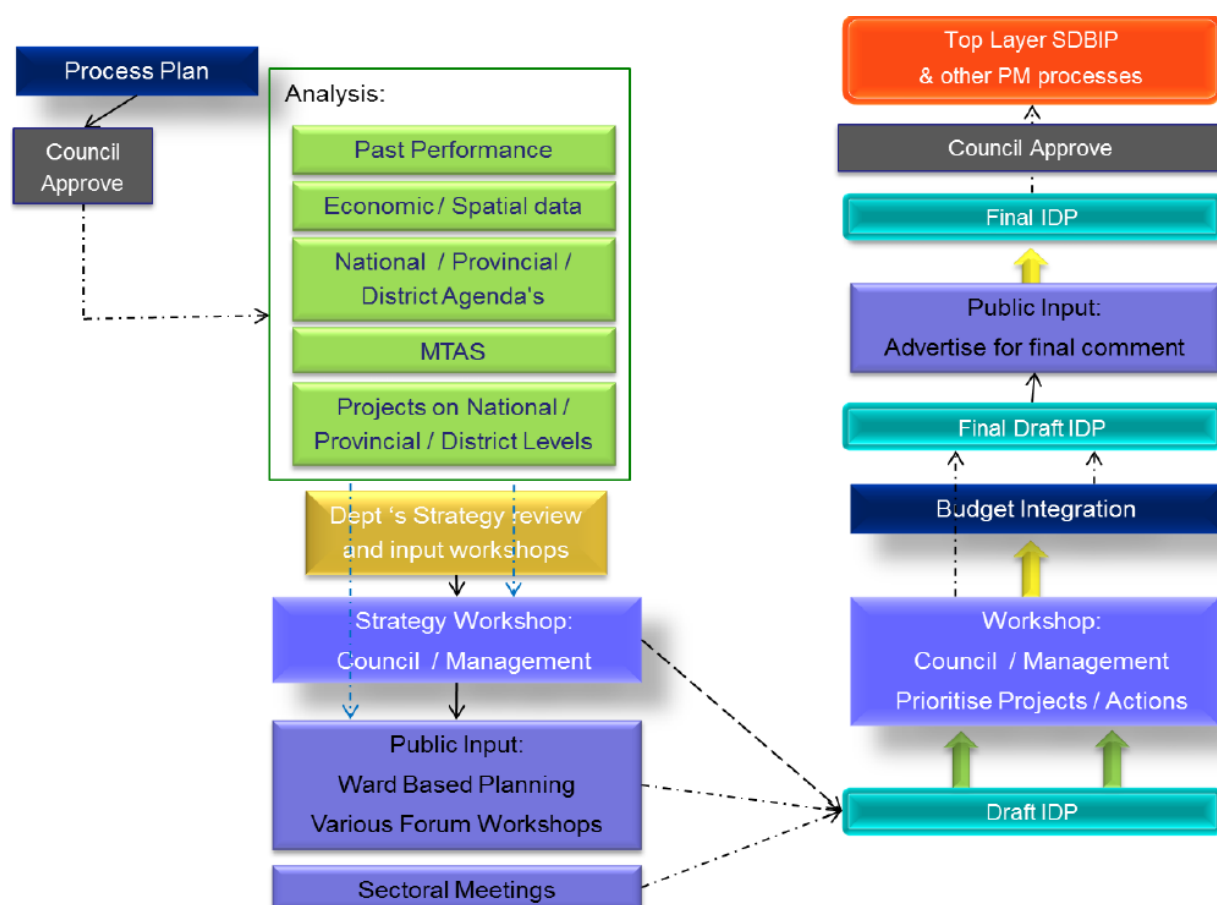
- Amend the Integrated Development Plan and Spatial Development Framework to also refer to the new areas which are to be included in the uMhlathuze Municipal Area (the affected area);
- Extend the uMhlathuze Road Framework Plan;
- Extend the uMhlathuze Rail Framework Plan (if relevant);
- Create land use mapping for the affected area in order to prepare for the extension of the uMhlathuze Land Use Scheme, which shall be submitted to Council for adoption after the inclusion of the affected area in 2016; and
- Update relevant IDP Sector Plans to include the affected area (Human Settlements Plan, Waste Management Plan, Water Services Plan, etc.).

3. How was this plan developed

It is important to note that this is the last IDP Review of the 2012/2017 IDP. Special consideration to the IDP Review 2016/2017 was given to the following:-

- Development of the Economic Roadmap for uMhlathuze Municipality
- Alignment with Government Priorities;
- Presidential Back to Basics Programme
- Re-determination of Municipal Boundaries as per KZN Provincial Government gazette No:1042
- Public Participation Comments as per Public Participation Report;
- MEC Letter, Assessment comments on the Final IDP Review 2015/16;
- Self-Assessment;
- Different Stakeholder Comments and Requirements
- Legislative Compliance in terms of Chapter, 4, 5 and 6 of MSA Act No 32 of 2000
- Review of Sector plans

The diagram below depicts an annual high-level process plan towards the development of the IDPs and their subsequent reviews.



In order to develop a credible IDP document, Council engaged with all relevant stakeholders to solicit views and inputs for the City's plan for the 2016/2017 financial year. Below are the schedules for the public participation meetings held in September, further engagements were held in April for the draft IDP and Budget.

Table 1: 1st Round IDP and Budget Public Participation Meetings

Wards	Venue	Date	Time
AmaKhosi, Ward Committees and Stakeholders	Empangeni Civic Centre	16 September 2015 (Wednesday)	10:00
1,2,3,4,26, 5,6,7,8	Mzuvukile Sports Field	20 September 2015 (Sunday)	10:00
5,9,23,24,25,27,28,29	Ngwelezane New Field	04 October 2015 (Sunday)	10:00
10,11,12,13,14,30,18,19,20,15,16,17,21,22	Esikhale TVET Colledge	10 October 2015 (Saturday)	10:00
Second Round – Draft Budget and IDP			
Amakhosi	Richards Bay Civic Centre (Council Chambers)	06 April 2016 (Wednesday)	14:00
Ward Committees	Richards Bay Civic Centre (Auditorium)	07 April 2016 (Thursday)	17:00

Wards	Venue	Date	Time
24,25,27,28,29, 9 23, PORTION 24	Ngwelezane New Sports field	17 April 2016 (Sunday)	10:00
5,6,7and 8	Mzuvukile Sports field	08 May 2016 (Sunday)	10:00
10,11,12,13,14,30,18,19,20,15,16,17,21,22	ESikhaleni TVET	24 April 2016 (Sunday)	12:00
Stakeholders	Richards Bay Civic Centre	10 May 2016	10:00

4. What are our Key Challenges?

4.1 UMhlathuze Municipality Identified Challenges

UMhlathuze Municipality during the development of the Third Generation IDP embarked on an intensive strategic session wherein both the administration and councilors as a collective did a comprehensive situation analysis, below are the challenges that were identified during the session:

National KPA: Municipal Transformation and Organisational Development		
Nr.	Key Challenge	Description
1.	Low Levels of Skills Development and Literacy	The Municipality has a responsibility to facilitate the improvement of literacy levels of the community and to ensure an adequate skills base to foster enterprise growth and job creation. Scarce skills need to be transferred by partnership relations with industries and the different organizations that exist in the area.
National KPA: Basic Service Delivery and Infrastructure Management		
Nr.	Key Challenge	Description
2.	Limited access to basic household and community services	The provision of acceptable basic services is a critical element in the national developmental agenda. Water, electricity, sanitation, waste removal and social amenities are key critical services which have been identified by communities that are required to meet their basic needs. Limited funding and the increasing numbers of the community daily increases the levels of backlogs.
3	Ensuring adequate energy and water supply	The unsustainable use of resources such as energy and water has major impacts on the environment, and will ultimately compromise the Municipality's energy security, as well as its ability to deliver water of adequate quality and quantity to its citizens. . In the case of water, whole catchment management (including areas that fall outside of the municipal area) as well as efficient nature conservation programmes will help to ensure that there is an adequate supply of clean water. The most sustainable solution to the energy crisis is to reduce the demand for energy and at the same time investigate alternative renewable energy sources.
4	Infrastructure degradation	Degradation has become a critical social problem. It is therefore critical that the Municipality works towards managing its assets,

		work towards mitigating climate change, ensure life cycle management of infrastructure, thus ensuring value for money.
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National KPA: Local Economic Development and Social Development

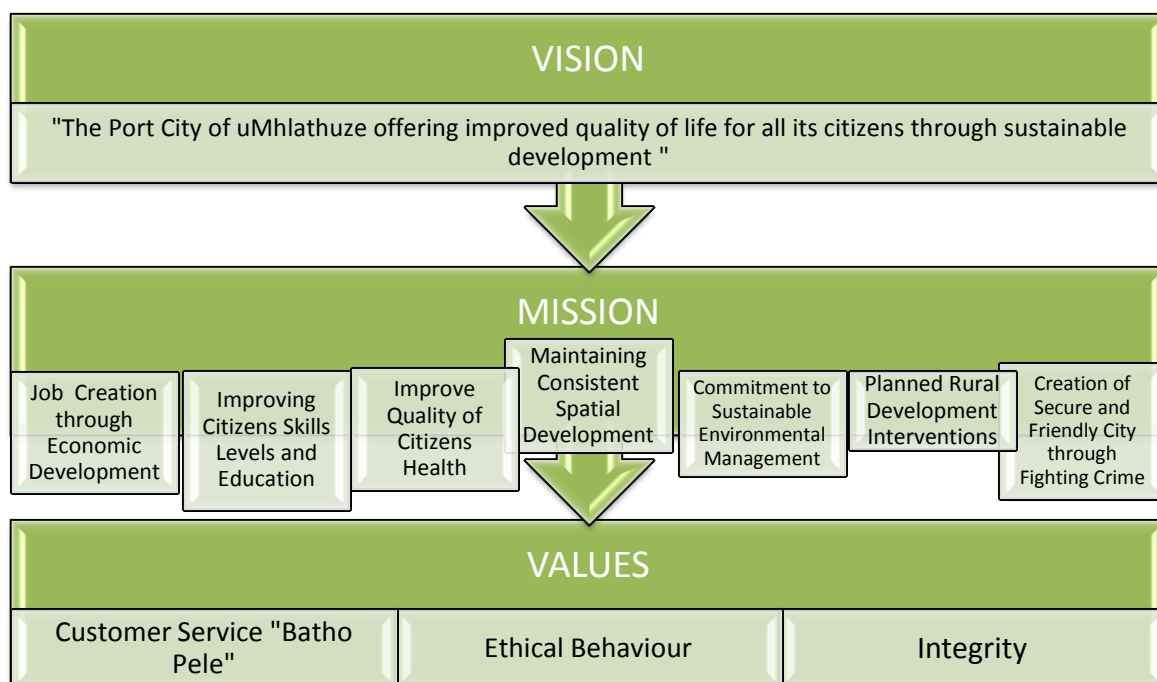
Nr.	Key Challenge	Description
5	High rates of unemployment, low economic growth and sustainability of industries.	Considering the current economic climate and global recession, significant strides have been made to address the key development challenges in the Municipality. Different department are engaging with different sector departments and agencies in search for funding to assist in the implementation of proposed projects.
6	High levels of crime and risk	Strategies for addressing crime including both reactive strategies to respond to crime, and proactive strategies, aimed at stopping crime before it happens, are required. The response requires an integrated, multifaceted approach that includes working closely with the different stakeholders such as communities, National and Provincial Government, other stakeholders and service providers in all areas of crime prevention.
7	Increased incidents of HIV/AIDS and communicable diseases	HIV/AIDS is an epidemic which is increasing at an alarming rate and affects communities negatively. External support to ensure continuous support for efficient and effective service delivery in terms of health related issues. Provision of basic health services and effective healthcare infrastructure, increased financial and human resources in healthcare, awareness and education and poverty alleviation programmes will reduce the increased incidents of HIV/AIDS and communicable diseases
8	High levels of poverty	The current welfare dependency on grants, packages offered by the municipality is soon being felt since the financial situation the municipality is in. It is therefore necessary to come up with strategic objectives to enable job opportunities in the area, economic development programmes. The situation the community is finding themselves in leads to many more households being unable to sustain themselves.

National KPA: Financial Viability and Management

Nr.	Key Challenge	Description
9	Sustainable Financial Management and Cash Flow Management	In order to maintain our financial stability and still align with the Municipality's sustainable development strategy, new approaches to risk and growth need to be created. The municipality should maintain favourable credit balance, enhanced rate base by supporting high density developments. The agreed terms of the financial management system must be respected.

National KPA: Cross Cutting		
Nr.	Key Challenge	Description
10	Unsustainable developmental practices	The Municipality faces a challenge of reacting to urban sprawl, which, in turn, results in increased informal settlement, overcrowded schools, ill health, marked spatial disparities, higher cost of providing infrastructure and services, disturbed ecosystems and environmental resources, changes in air quality, change in aesthetics and urban form, as well as loss of land for economic and agricultural services. Our spatial policies and development have not have not helped in the reconstruction and integration processes.
11	Climate change	Escalating greenhouse gas emissions contribute towards climate change and will ultimately impact on human health, food security, natural resources, sea level rise, land loss and coastal infrastructure. As such climate change runs the risk of undoing all of the development gains of the last one and a half decades, and for a city such as Durban climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

5. What is our long term Vision?



6. What are we going to do to unlock and address our Key Challenges?

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	1.1.1 To ensure effective and efficient administration complying with its Legal Mandates	1.1.2.1 Provide administrative support for all Council Committees
		1.1.2.2 Strengthen Council Oversight through training on Legislation and Policies
		1.1.2.3 Development of an organisational strategic planning document
	1.1.2 To maintain a SMART Organisational Performance Management System to ensure Planning, Monitoring reporting and evaluation of municipal performance	1.1.2.1 Develop and approve an Organisational Scorecard annually
		1.1.2.2 Develop and Adopt a Service Delivery Plan for each financial year
		1.1.2.3 Draft S57 Performance Agreements
		1.1.2.4 Compilation of quarterly performance reports to council
		1.1.2.5 Conduct performance assessment
		1.1.2.6 Submit the Annual Performance Report to Auditor General
	1.1.3 Ensure Institutionalisation of Batho Pele Culture and Principles	1.1.3.1 Develop and Implement a Service Charter
		1.1.3.2 Increase sensitivity of government administrators to the aspirations of citizens through bi-annually awareness sessions on BP
		1.1.3.3 Development of a full-fledged Customer Service Relation
	1.1.4 To promote a municipal	1.1.4.1 Facilitate the Functionality of Ward

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
	governance system that enhances and embraces the system of participatory Governance	Committees through continues capacitation
		1.1.4.2 Development of a Credible Integrated Development plan within prescribed legislative guidelines
		1.1.4.3 Facilitation of Stakeholder and Community participation in policy making
		1.1.4.4 Development of Community Based Plans
		1.1.4.5 Measure customer satisfaction survey bi- annually
	1.1.5 To promote and foster sound internal and external communication	1.1.5.1 Development and implementation of communications strategy to help the organisation to communicate effectively and meet core organisational objectives
		1.1.5.2 An effective ICT Systems that enables efficient decision making and communication
		1.1.5.3 Facilitate functionality of IGR Structures
	1.1.6 To Promote Access to Information and Accountability	1.1.6.1 Develop and Maintain an approved <u>Records Management System</u>
		1.1.6.2 Review of access to information annually
		1.1.6.3 Facilitate compilation of an Annual Report
	1.1.7 To develop and review policies that will lead to improved service delivery and legislative compliance	1.1.7.1 Embark on a consultation process in the development and review of policies
1.2 Risk Governance	1.2.1 To ensure that the risk maturity of the organisation is at an enabled level (risk management and internal control fully embedded into the operations of the organisation, high level understanding of risk, effective risk management system)	1.2.1.1 Development, implementation and continuous improvement of Enterprise Risk Management Policy and Strategy
		1.2.1.2 Risk assessment bi- annually with implementation, monitoring, continuous improvement and on-going review
		1.2.1.3 Development and on-going review of Enterprise Risk Management Committee (ERMC) Charter
		1.2.1.4 Facilitate Functionality of Enterprise Risk Management Committee
		1.2.1.5 Development, co-ordination and continuous improvement of Fraud Risk Management Policy and Strategy
		1.2.1.6 Development, co-ordination, continuous improvement and monitoring of Business Continuity Plan
	1.2.2 Ensure reliable, and maintain independence of internal and external audit	1.2.2.1 Development of Audit Charter
		1.2.2.2 Facilitate Functionality of Audit Committee
		1.2.2.3 Development of an Internal Audit Plan
		1.2.2.4 Annual Review of Anti- Corruption Strategy
	1.2.3 Ensure Compliance with Relevant legislation	1.2.3.1 Review of Municipal By-laws annually
	1.2.4 Ensuring compliance with the Occupational Health and	1.2.4.1 Review the Occupational Health and Safety policy

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
	Safety Act and Compensation for occupational injuries and diseases	1.2.4.2 Develop Occupational Health and Safety Guidelines 1.2.4.3 Develop Injury on duty management procedure 1.2.4.4 Implement EAP programs that promote and support health and well-being of employees

NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
GOALS	OBJECTIVES	STRATEGIES
2.1 Efficient and integrated infrastructure and services	2.1.1 To expand and maintain infrastructure in order to Improve access to Basic Services to the community	2.1.1.1 Eradicate water services backlogs through provision of basic water services
		2.1.1.2 Eradicate Sanitation services backlogs through provision of basic sanitation services
		2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services
		2.1.1.4 Provide a weekly domestic solid waste removal service to the community
	2.1.2 To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	2.1.2.1 Provision of public transport facilities and infrastructure in the rural areas
		2.1.2.2 Maintenance of stormwater facilities
	2.1.3 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.1 Improve community standard of living through accelerated development of houses in rural areas
		2.1.3.2 To provide housing for vulnerable groups
		2.1.3.3 To provide low-cost Houses (Urban)
	2.1.4 To ensure effective Fleet Management	2.1.4.1 Implementation of effective Fleet management Plan
	2.1.5 Maintenance of Municipal fixed assets	2.1.5.1 Strive to improve reliability and service life of Municipal infrastructure and facilities

NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
3.1 Viable Economic Growth And Development	3.1.1 To create an environment that will create jobs and alleviate poverty.	3.1.1.1 Develop and sustain urban and commercial agriculture to build food security
		3.1.1.2 Facilitate and grow SMME's
		3.1.1.3 Promote Local Production for local Needs
		3.1.1.4 Review and Implement LED Strategy
		3.1.1.5 Affirm Local Entrepreneur
		3.1.1.6 Promoting economic growth by successfully delivery of capital infrastructure projects
	3.1.2 To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent	3.1.2.1 Promote economic growth by successful implementation of EPWP community based projects
		3.1.2.2 Promoting economic growth by providing employment opportunities for Women and Youth

NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
	employment and entrepreneurship	3.1.2.3 Promoting economic growth by providing skills empowerment to the unemployed
	3.1.3 To promote Local tourism	3.1.3.1 To ensure maxim marketing and promotion of uMhlathuze as the tourism destination of choice
3.2 Public Safety and Security	3.2.1 Provision of efficient and effective security services	3.2.1.1 Review and implementation of crime prevention strategy
	3.2.2 To ensure Provision of fire – and rescue services	3.2.2.1 Review and Implementation of a fire prevention strategy
3.3 Safe and Healthy Living Environment	3.3.1 Efficient an effective waste management services	3.3.1.1 Review and Implementation of Integrated Waste Management Plan
		3.3.1.2 Implementation of Waste Management Strategy
		3.3.1.3 Compliance with national norms of standards
	3.3.2 To ensure air quality management	3.3.2.1 Development and Implementation Air Quality Management Strategy
	3.3.3 Development of Cemeteries	3.3.3.1 Review of Pauper and Indigent Burial Policy
3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development of sports and recreation programmes
		3.4.1.2 Development of community facilities
	3.4.2 To promote arts and cultural services	3.4.2.1 Development of Arts and Culture Strategy

NATIONAL KPA 4 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION		
GOALS	OBJECTIVES	STRATEGIES
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	4.1.1 To create an Appropriate organisational climate that will attract and retain appropriate skills	4.1.1.1 Review and Implementation of development and retention strategy
		4.1.1.2 Compliancy with Employment Equity Act
		4.1.1.3 Provide employment opportunities for Women, Youth, People with disabilities and Military Veterans
	4.1.2 To Improve Citizens Skills levels and Education	4.1.1.4 Review Bursary Policy and align with government priorities.
	4.1.3 To ensure Sound Relationship between management and labour	4.1.2.1 Compliance with other labour legislation and collective agreements
	4.1.4 To ensure maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	4.1.3.1 Annual review of an organisation structure

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 Ensure GRAP compliance
		5.1.1.2 SCOA compliant (new reform)
		5.1.1.3 Review of all budget related policies
		5.1.1.4 Adherence to all MFMA and budget and reporting
		5.1.1.5 Compliance with the Supply Chain Management regulation and PPPFA

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
	5.1.2 Sustainable Financial and supply chain Management	5.1.2.1 Improve internal communication on budget matters 5.1.2.2 Maintenance of fixed asset register 5.1.2.3 Credit control and debt collection 5.1.2.4 Compliant internal controls 5.1.2.5 Compliant grant reporting 5.1.2.6 Obtain targeted cash-backed statutory reserves 5.1.2.7 Development and appropriate training and assistance to employees 5.1.2.8 Identify and redress water and electricity tampering 5.1.2.9 Demand and acquisition management 5.1.2.10 Warehouse management 5.1.2.11 Contract administration

NATIONAL KPA 6 : CROSS CUTTING		
GOALS	OBJECTIVES	STRATEGIES
6.1 Integrated Urban and Rural Development	6.1.1 To plan areas for future development and formalisation	6.1.1.1 Review the Spatial Development Plan for adoption by Council
		6.1.1.2 Development of Rural Framework plans
		6.1.1.3 Development of Urban Framework plans
		6.1.1.4 Development of Rapid Urbanisation Management Plans
		6.1.1.5 Developing Commercial precinct / revitalisation plans for all suburbs
		6.1.1.6 Review of Human Settlement Sector Plan
	6.1.2 To promote environmental conservation and protection	6.1.2.1 Developing a Strategic Environmental Assessment for the entire municipal area.
	6.1.3 To ensure effective Land Use Management and Building Management	6.1.3.1 Review and Implementation of uMhlathuze Land Use Scheme
		6.1.3.2 Efficient processing of development application
		6.1.3.3 Development of Risk Management Strategy relating to National Building regulations
6.2 Immovable Property Management	6.2.1 To ensure fair valuation of properties	6.2.1.1 Development and maintenance of valuation roll in line with municipal property rates act.
	6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register
		6.2.2.2 Review and Adopt Land Sale and Lease Policy
		6.2.2.3 Development of a Standard Operating Procedure for Land
6.3 Disaster Management	6.3.1 To prevent and mitigate disaster incidents	6.3.1.1 Review and Implement Disaster Management Plan

7. How will our progress be measured?

To measure and monitor our progress, a Performance Management Framework and Policy was developed and is in place and it is reviewed regularly (annual). Key performance indicators have

been refined in support of the municipality's development priorities and objectives aligned with the organizational structure in line with the Integrated Development Plan framework (indexing) to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the Organisational Performance Management Scorecard attached to the Integrated Development Plan and is reviewed annually together with the Integrated Development Plan review. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans for the Municipal Manager , Chief Operations Officer and the Deputy Municipal Managers (Heads of Department) are prepared annually in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act 56 of 2003.

Performance Evaluation Panels have been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager and performance assessment is taking place on a quarterly basis to ensure that annual departmental targets will be achieved.

SECTION B1: PLANNING AND DEVELOPMENT PRINCIPLES

7.1 PGDS SPATIAL PLANNING PRINCIPLES

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Need and Potential.

The Principle of **Environmental Planning** (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas.

The Principle of **Economic Potential** aims to improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The Principle of **Sustainable Communities** promotes the building of places where people want to live and work. Again the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities. Often communities within the rural context of KwaZulu-Natal are not located in the areas with perceived highest economic potential. Where low economic potential exists planning and investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities towards building sustainable communities.

The Principle of **Local Self-Sufficiency** promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally.

The Principle of **Spatial Concentration** aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e. roads, facilities, housing etc. This principle will further assist in overcoming the spatial distortions of the past. Future settlement and economic development opportunities should be channelled into

activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

The Principle of **Sustainable Rural Livelihoods** considers rural areas in a way which is integrated with other decision making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural, financial and social capitals of an area and spatially structures these in support of each other. Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

The Principle of **Balanced Development** promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

The Principle of **Accessibility** simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region.

LOCAL RELEVANCE: The uMhlathuze Municipality abides by sound spatial planning principles as extracted hereunder:

1. Environmental awareness and sensitivity with due consideration to EMF and ESMP.
2. Promotion of sustainable communities and the realization of restructuring zones in respect of human settlement projects.
3. Urban integration and densification to decrease economic cost of travel specifically.
4. Introduction of urban development boundary as a measure to achieve spatial concentration.
5. Development of rural framework plans being initiated.

7.2 SPLUMA PRINCIPLES

The following provides a summary of the development principles contained in the SPLUMA (Spatial Planning and Land Use Management Act):

- (a) The principle of **spatial justice**, whereby –
- i. past spatial and other development imbalances must be redressed through improved access to and use of land;
 - ii. spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;
 - iii. spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons;
 - iv. land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
 - v. land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and
 - vi. a Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application.

(b) The principle of **spatial sustainability** whereby spatial planning and land use management systems must –

- i. promote land development that is within the fiscal, institutional and administrative means of the Republic;
- ii. ensure that special consideration is given to the protection of prime and unique agricultural land;
- iii. uphold consistency of land use measures in accordance with environmental management instruments;
- iv. promote and stimulate the effective and equitable functioning of land markets;
- v. consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;
- vi. promote land development in locations that are sustainable and limit urban sprawl; and
- vii. result in communities that are viable.

(c) the principle of **efficiency**, whereby –

- i. land development optimises the use of existing resources and infrastructure;
- ii. decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
- iii. development application procedures are efficient and streamlined and timeframes are adhered to by all parties.

(d) the principle of **spatial resilience**, whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

(e) the principle of **good administration**, whereby –

- i. all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ii. all government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;
- iii. the requirements of any law relating to land development and land use are met timeously;
- iv. the preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and
- v. policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

LOCAL RELEVANCE: The following actions by the uMhlathuze Municipality are of relevance with regard to the SPLUMA principles:

1. Efforts to densify, improve access to opportunities in non-core areas and densification.
2. Focus on sustainability of natural resource based – including protection of agricultural land resources.

Section 12 (1) (a) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“interpret and represent the spatial development vision of the responsive sphere of government and competent authority”

Section 12 (1) (h) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and land holdings of state-owned enterprises and government agencies and address their inclusion and integration into spatial, economic, social and environmental objectives of relevant sphere”.

Section 12 (1) (i) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“address historical spatial imbalances in development”

The Municipal SDF is a primary spatial response to the development context, needs and development vision of the municipality (long term development vision). It is a key land use management tool at a strategic level with an important role to play in guiding and managing Municipal decisions relating to the use, development and planning of land.

The Municipal SDF also guides the form and location of future spatial development in a manner that addresses the imbalances of the past i.e. spatial injustice. It enables the municipality to manage its land resources in a developmental and sustainable manner. It provides an analysis of the spatial problems and provides strategies and programs to address the challenges.

SECTION B2: GOVERNMENT PRIORITIES

7.3 SUSTAINABLE DELIVERY GOALS

A new sustainable development agenda, World leaders on 25 September 2015 at the United Nations in New York gathered to adopt 2030 Agenda for Sustainable Development. The 2030 Agenda comprises of 17 new Sustainable Development Goals (SDGs).

The SDGs replace the Millennium Development Goals. The MDGs established, measurable, universally agrees objectives for eradicating extreme poverty and hunger preventing deadly but treatable disease and expanding educational opportunities to all children among other development imperatives.

The SDGs aims to finish the job that the MDGs started by ending hunger, achieving full gender equality improving health services and getting every child into school. SDGs aim to do just that, with 2030 as the target date.

NO	SUSTAINALE DEVELOPMENT GOALS	ALIGNMENT THEREOF
1.	End Poverty in all its forms everywhere.	Viable Economic Growth And Development
2.	End Hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Develop and sustain urban and commercial agriculture to build food security
3.	Ensure Healthy Lifestyles and promote well-being for all at all ages.	Improve Quality of Citizens Health

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF
4.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Improving Citizens Skills levels and Education
5.	Achieve gender equality and empower all women and girls.	
6.	Ensure availability and sustainable management of water and sanitation for all.	Efficient and integrated infrastructure and services
7.	Ensure access to affordable, reliable and modern energy for all.	
8.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Viable Economic Growth And Development
9.	Build resilient infrastructure promote inclusive and sustainable industrialization and foster innovation.	Efficient and integrated infrastructure and services
10.	Reduce inequality within and among countries.	
11.	Make cities and human settlements inclusive, safe, resilient and sustainable.	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing
12.	Ensure sustainable consumption and production patterns.	
13.	Take urgent action to combat climate change and its impacts.	To promote environmental conservation and protection
14.	Conserve sustainably use of oceans, seas and marine resources for sustainable development.	
15.	Protect, restore and promote sustainable use of terrestrial ecosystem, sustainable manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.	
16.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.	Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance
17.	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	

7.4 NATIONAL PLAN PRIORITIES

The National Planning Commission issued the first draft of the National Development Plan in November 2011 for consideration – its priorities are summarized in the table below:

No.	National Plan Priorities	Strategic Alignment Thereof
1	Create jobs	Job Creation through Economic Development Viable Economic Growth and Development
2	Expand infrastructure	Efficient and Integrated Infrastructure and services
3	Use resources properly	
4	Inclusive planning	Integrated Urban and Rural Development
5	Quality education	Improving Citizens Skills levels and Education
6	Quality healthcare	Improve Quality of Citizens Health
7	Build a capable state	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance
8	Fight corruption	Public Safety and Living Environment
9	Unite the nation	Promoting Social Cohesion

7.5 14 NATIONAL OUTCOMES

The 14 National Outcomes that all provincial governments must align to are:

No.	National Outcome	Strategic Alignment Thereof
1	Improved Quality of basic education	Improving Citizens Skills levels and education
2	A long and healthy life for all South Africans	Improve Quality of citizens Health
3	All people in South Africa are and feel safe	Creation of Secure and Friendly City through fighting crime
4	Decent employment through inclusive economic growth	Job Creation through economic development
5	Skilled and capable workforce to support an inclusive growth path	Municipality Resourced and committed to attaining the vision and mission of the organization
6	An efficient, competitive and responsive infrastructure network	Efficient and Integrated infrastructure and services
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Viable Economic Growth and Development
8	Sustainable human settlements and improved quality of household life	To promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing
9	Responsive, accountable, effective and efficient local government system	Democratic, Responsible, transparent, Objective and equitable Municipal Governance
10	Protect and enhance our environmental assets and natural resources	To promote environmental; conservation and promotion
11	Create a better South Africa, a better Africa, and a better world	Promoting Social Cohesion
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Democratic, Responsible, transparent, Objective and equitable Municipal Governance
13	An inclusive and responsive Social protection system	Democratic, Responsible, transparent, Objective and equitable Municipal Governance
14	Nation building and social cohesion	Social Cohesion

7.6 5 NATIONAL PRIORITIES

The Five National and Six Provincial Priorities include the following:

No.	Five National (Including 6 th Provincial) Priorities	Alignment
1	Job creation (Decent work and Economic growth)	Job Creation through Economic Development
2	Education	Improving Citizens Skills levels and education
3	Health	Improve Quality of citizens Health
4	Rural development, food security and land reform	Integrated Urban and Rural Development
5	Fighting crime and corruption	Creation of Secure and Friendly City through fighting crime
6	Nation-building and good governance	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion

7.7 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS) GOALS

No.	PGDS Strategic Goal	Alignment thereof
1	Job Creation	Job Creation through Economic Development
		Viable Economic Growth and Development
2	Human Resource Development	Municipality Resourced and committed to attaining the vision and mission of the organization
3	Human and Community Development	Municipality Resourced and committed to attaining the vision and mission of the organization
4	Strategic Infrastructure	Efficient and Integrated Infrastructure and services
5	Responses to Climate Change	To promote environmental; conservation and promotion
6	Governance and Policy	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance
7	Spatial Equity	Integrated Urban and Rural Development

7.8 UTHUNGULU DISTRICT GROWTH AND DEVELOPMENT PLAN (GDGP)

No.	DGDP Goals	Alignment
1	Job Creation	Job Creation through Economic Development
		Viable Economic Growth and Development
2	Human Resource Development	Municipality Resourced and committed to attaining the vision and mission of the organization
3	Human and Community Development	Municipality Resourced and committed to attaining the vision and mission of the organization
4	Strategic Infrastructure	Efficient and Integrated Infrastructure and services
5	Response to Climate Change	To promote environmental; conservation and promotion
6	Governance and Policy	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance
7	Spatial Equity	Integrated Urban and Rural Development

7.9 ALIGNMENT WITH BACK TO BASICS

Following the national government elections of 2014, the national Department of Cooperative Governance and Traditional Affairs (CoGTA) embarked on a programme called “Back to basics – serving our communities better.” The programme acknowledges local government as the primary site

for service delivery and the programme seeks to assist local government to enforce its mandate for service delivery.

The programme identified the following as challenges that need to be addressed:

- Collapse of municipal infrastructure services
- Inadequate and/or slow response to service delivery challenges
- “Social distance” between the public representative and the communities reflects poor public participation in the processes of local government
- Financial viability of some municipalities in particular low revenue collection
- Mismatch and/or lack of skills of the personnel in local government
- Breakdown in values and good governance which is manifested by rent-seeking and corruption

To address the challenges above, the back-to-basics programme has identified a set of indicators on which municipalities report against on a continuous basis. These are discussed below and the City of uMhlathuze’s response to these is provided.

Key Performance Areas for the Back-to-Basics Approach

	Back to basics	Alignment
1.	Basic Services : Creating decent living conditions	Efficient and Integrated Infrastructure and Services
2.	Good Governance	Democratic, Responsible, transparent and objective and equitable municipal governance
3.	Public Participation :Putting People First	Democratic, Responsible, transparent and objective and equitable municipal governance
4.	Sound Financial Management	Sound Financial and Supply Chain Management
5.	Building Capable Institutions and Administrations	Municipality resources and Committed to attaining the vision and mission of the organisation

Back to Basics Assessment 2015/2016: Quarter 1

Score the municipality from 1 (lowest) to 10 (highest) in terms of :	WEIGHTING	POINTS Q1	SCORE Q1
Putting People first	19	18.0	95%
Delivering basic services	66	52.0	79%
Good Governance	17	17.0	100%
Sound Financial Management	25	18.0	72%
Building Capable Local Government Institutions	19	17.0	89%
TOTALS	146	122.0	84%

7.10 STATE OF THE NATION ADDRESS

The State of the Nation Address is important for all South Africans because it tells us what government’s Programme of Action is for the year ahead. The Programme of Action is government’s plans for the country and people of South Africa.

President Jacob Zuma presented the State of the Nation Address (SoNA) at a joint sitting of the two Houses of Parliament (National Assembly and National Council of Provinces) on 11 February 2016 at 19h00.

The 2016 theme was **“Following up on our commitments to the people”**.

During his speech, the President talked about government's achievements of the past year, and highlighted a few areas government needed to work on in 2016:

The Local Government Elections

- The president urged the youth to register to vote.

Measures to improve performance in Local Government

- The president emphasises the importance of visits to municipalities, spot checks of supply chain processes, implementing recommendations of forensic reports and increased interventions to help struggling municipalities

State Owned Pharmaceutical Company

- The president announced the establishment of a state owned pharmaceutical company which would supply the department of health with anti-retroviral in 2016/2017 financial year.

Land Claims

- To date around 120 000 land claims received, a draft bill capping land ownership at 12 000 hectares and prohibiting foreigners from owning land, allowing long term leases instead would be presented to parliament later the year President said

Safety of Police Officers

- About fifty seven police officers had been killed since the start of 2015/2016 financial years. The president urged police to defend themselves when attacked within the confines of law.
- Efforts to improve underperforming police stations are underway, reported the president

Draught

- Five provinces had been seriously affected by the draught (including KZN) and government was providing relief to affected communities.
- Operation Hydrate was commended for their help

Country's Economy

- The President attributed country's economic woes to the economic slump emerging market economies elsewhere in the world were facing.

Nuclear Programme

- The country would roll out a nuclear programme at a scale and pace South Africa could afford

Cost Cutting Measures

- Government would introduce cost cutting measures to curb wasteful expenditure

- Any government official wanting to go overseas would have to motivate strongly and explain how it would benefit the country.
- The size of delegations on these trips would be reduced and standardised.

Proposed Capitals

- Parliament had been told to look at having two capitals, Pretoria as the administrative and Cape Town as the legislative one.

Migration policy

- An improved migration policy would make easier for companies to import scarce skills.

7.11 STATE OF THE PROVINCE (KZN) ADDRESS

Kwa-Zulu Natal Premier Senzo Mchunu delivered the State of the Province Address at the Olympia hall at the Royal Agriculture; show grounds Pietermaritzburg on Thursday February 25

“KZN Growing, Developing, Caring” was the theme of the under which this year’s SOPA was being held.

The Premier re-iterated the challenges facing the province of Kwa Zulu Natal as outlined by the president during his state of the nation addressed how they intend dealing with them as articulated by the Minister of Finance Pravin Gordhan.

It was reported during the SOPA that the province managed to provide better access for HIV and Aids treatment, but the infections remains high. The declining matric pass rate was reported as a serious matter with interventions already put in place; the Premier indicated that as government they want to see drastic action to improve the poor matric pass rate.

According the Premier, employment in KZN has been increased by six percent, which has been achieved despite a lower that anticipated economic growth rate and the prevailing draught in the province.

This increase was achieved through the created Industrial zones which are crucial for economic growth. Further the Premier reported on launched poverty interventions programmes.

The Premier acknowledged the shortcomings in terms of land reform , he reported that limited budget for land reformed programs have resulted in a slow pace, which has created a perception that there is no commitment on the part of government.

As an effort to ensure continued planning the Premier reported the review of the Provincial Growth and Development Strategy with the intention of retaining 20 years planning horizon.

About 67 % of KZN Citizen Population was satisfied with the services it received from provincial government during the survey conducted by the province, and 36% were not satisfied. At the top priority citizens were not happy about the level of employment followed by a need for accelerated housing. Delivery

7.12 STATE OF THE CITY ADDRESS (SOCA)

The uMhlathuze Mayor, Cllr. Mduduzi Mhlongo delivered his speech on the state of the City Address on the 20 June 2015 under the theme **“City hard at work in taking forward the people’s contract to build better local communities”** a theme aiming at transforming city economic growth and development. He indicated that 2015 has been declared by His Excellency, President JG Zuma as the year of Freedom Charter. He also mentioned marks the 60th anniversary of this historic document since its adoption in Kliptown in 1955.

The Mayor indicated that the year 2015 also marks the 15th year following the ushering in of an era in Local Government which saw the amalgamation of the then towns, namely eMpangeni and Richards Bay, our townships, namely Esikhaleni, Enseleni, Ngwelezana and Dlangwezwa as well as our four Traditional Areas to form what is now referred to as the City of uMhlathuze.

The Mayor indicated that during the fourth local government elections as part of the Manifesto delivered to South African people in general and people of uMhlathuze in particular the ruling party promised to (a) build local economies to create more employment, decent work and sustainable livelihoods; (b) improve local public services and broaden access to them; (c) build more united, non-racial, integrated and safer communities; (d) promote more active community participation in local government; and (e) ensure more effective, accountable and clean local government that works together with national and provincial government as part of building the better local communities. He mentioned that the Municipality has managed to respond to its promises.

He mentioned that the City of uMhlathuze in its endeavour to fulfil its constitutional mandate for local government and in keeping with the new adopted approach, ‘Back to Basic’ the municipality has made significant progress and improvements. He mentioned that the municipality always working hard in promoting the ideals of developmental local government. Every year we seriously engage with the communities and stakeholders thus offering them opportunities to have a say in matters affecting their livelihood. Thus Municipal service delivery plans are informed by the requests made and received during the public participation programmes and technical needs.

He mentioned that the Municipality has managed to provide water to its inhabitants and currently the municipal water provision stands at 95% with only 4.35 backlogs. The Municipality is currently providing water to 82 842 households and only 3757 yet to be connected. He also mentioned that as of 2015, 95% of households in the City have access to electricity, leaving only 5% yet to be connected. He mentioned that a total of 81, 07 % have access to basic level of sanitation service.

The Mayor indicated that over the past three financial years including the current, R58 443 000 has been budgeted for, to provide access to and opportunities for social and economic development within the City for many people. This amount is earmarked for Local Economic Development, marketing and tourism, human settlement programme and economic development facilitation.

The Mayor also mentioned that Industrial Development Zone growing day by day as it recently signed agreements with different investments, both international and local. He mentioned that IDZ together with other stakeholders including the Municipality have put in place measures to assist SMME’s benefit from IDZ activities.

He mentioned that the Municipality commits itself in the spirit of back to basics to ensure that it would do whatever in its power in realizing the following key developmental objectives:

- Putting people first, by listening and communicating;
- Providing adequate and community-oriented service;
- Ensuring good governance and transparent administration;
- Providing sound financial management and accounting; and
- Robust institution with skilled and capable staff

7.13 SUMMARY OF KEY PERFORMANCE ACHIEVEMENTS FOR THE FIVE IDP

National KPA	Measurable Objective	2011/2012		2012/2013		2013/2014		2014/2015		2015/2016 Mid Year	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Basic Service Delivery	Number of Households with access to Water	72660	71660	72660	73613	83342	82842	82842	84617	85357	84795
	Number of Households with access to electricity	31004	31049	31617	31667	32226	31915	33415	33974	34054	34061
	Number of Households with access to Sanitation	49013	48080	52050	53667	71822	66822	73832	73471	75174	74000
	Number of Households with access to Waste removal	59762	58894	60894	59494	61826	61872	64872	64952	65052	66947
	Rural Roads established	24km	3.6km	12km	50km	36km	35.40km	48km	47km	24km	47km
	Number of low-cost houses build	The function was still under province 360			2200	1050	1655	1041	765	90	766
Local Economic Development	Jobs created through the Municipal's Capital Projects	750	238	520	1201	669	506	580	436	180	456
	Capacity Building Initiatives undertaken	4	9	2	2	1	6	3	3	0	2
Municipal Transformation and Institutional Development	Women employed by the municipality	881	656	659	703	723	736	756	765	775	787
	Youth employed by the municipality	TBA	558	598	655	695	579	628	645	655	690
	Percentage Operating Budget spent on implementing Workplace Skills Plan	100%	59.33%	100%	78%	100%	88.44%	0.74%	0.77%	0.75%	0.90%
Financial Viability and Financial Management	Capital Budget Actually spent on Capital Projects	90%	41.33%	100%	49.26%	100%	54.44%	100.00%	92.10%	40%	22.23%
Good Governance and Community Participation	Number of ward committee management meetings0	Not measured at the time		330	362	330	345	360	350	120	166

SECTION C: SITUATIONAL ANALYSIS

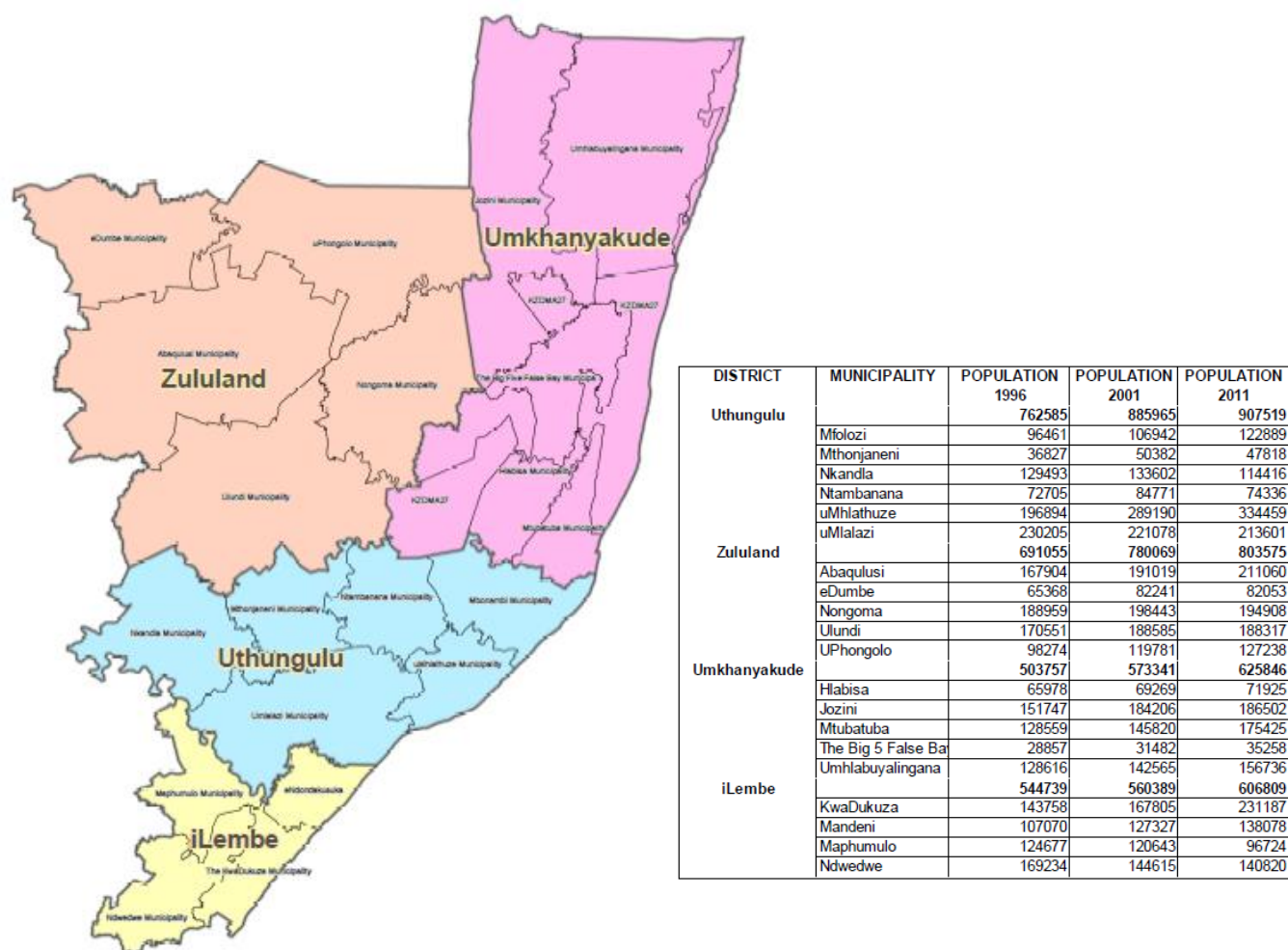
8. SPATIAL ANALYSIS

8.1 REGIONAL CONTEXT

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometres north-east of Durban. The uMhlathuze area currently covers 795 km² and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton and Vulindlela, as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, and Zungu (Madlebe). The population is estimated at 334459 (2011 Census). After 2016 Local Government elections, UMhlathuze Municipality will be incorporating areas from the disbanded Ntambanana Municipality. The landscape of the Municipality will change and the population is estimated at 379 459. The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

The following map and supporting table provides details in respect of the locality of the uMhlathuze and Ntambanana Municipalities and population changes in the areas between 1996, 2001 and 2011.

Map 3: uMhlathuze in Regional Context



uMhlathuze's climate is characterized by a warm to hot and humid subtropical climate, with warm moist summers. Average daily maximum temperatures range from 29 °C in January to 23 °C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1 228 mm and most (~80%) of the rainfall occurs in the summer, from October to March, although rainfall also occurs in winter ~20%).

The Richards Bay area is generally very flat and is situated on a coastal plain and whilst going west towards Empangeni the terrain rises and becomes undulating.

8.2 ADMINISTRATIVE ENTITIES

The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi and Zungu. The uMhlathuze Local Municipality has been divided into 30 municipal wards.

In terms of Section 21 of the Local Government Municipal Demarcation Act 27 of 1998 the Municipal Demarcation Board has re-determined the municipal boundaries of Ntambanana Municipality (KZ283) and uMhlathuze Municipality (KZ281) by excluding wards 5, 7, 8 and portion of ward 6 from the municipal area of Ntambanana local municipality and by including them into the municipal area of uMhlathuze Municipality. The municipal landscape will therefore change after the municipal elections in 2016. This will not only increase the population of uMhlathuze but will also expand the municipal jurisdiction, including more areas under Tribal Authorities of Obuka, Somopho, Mthiyane and Cebekhulu. This re-determination was formally gazetted by the MEC in the Provincial Government Gazette No. 1042.

The following table provides an indication of the land area covered by the respective towns, settlements and rural areas:

Table 2: Land Area in km²

Area	Km²	%
Richards Bay	289, 9966	36,5
eNseleni	1,3325	0,2
Empangeni	28,9386	3,6
Felixton	2,7835	0,3
eSikhaleni	6,2304	0,8
Vulindlela	0,8464	0,1
Ngwelezane	3,7001	0,5
5 Traditional Authority areas, 21 rural settlements and 61 farms	462,1426	58,0
Total municipal land area	795,9707	100

Source: Key Statistics and Information on the uMhlathuze Municipal Area 2009

8.3 STRUCTURING ELEMENTS

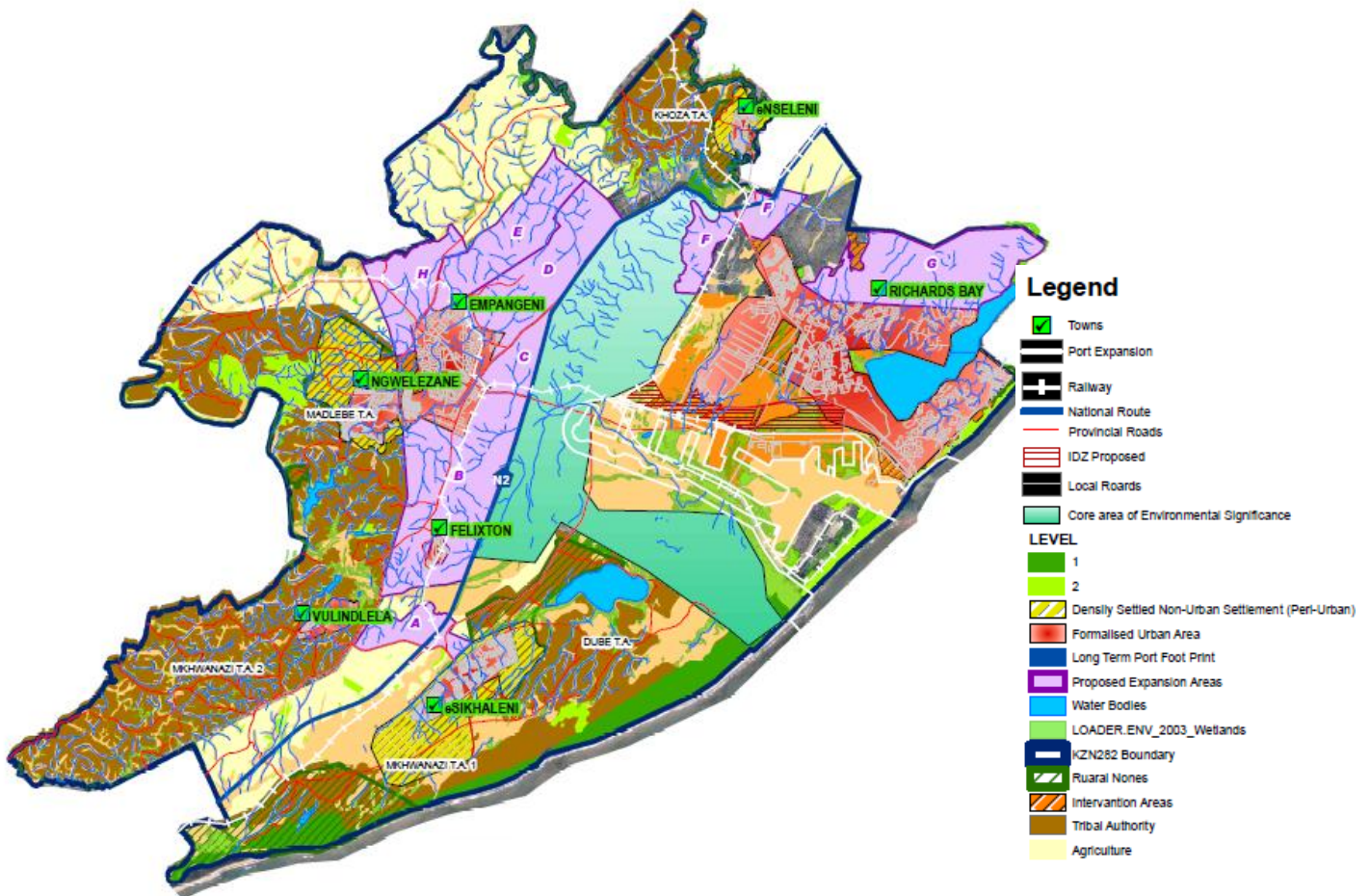
There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area.

The municipal areas includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi and Zungu. Apart from the areas of natural significance, large tracts of land are under commercial agricultural production.

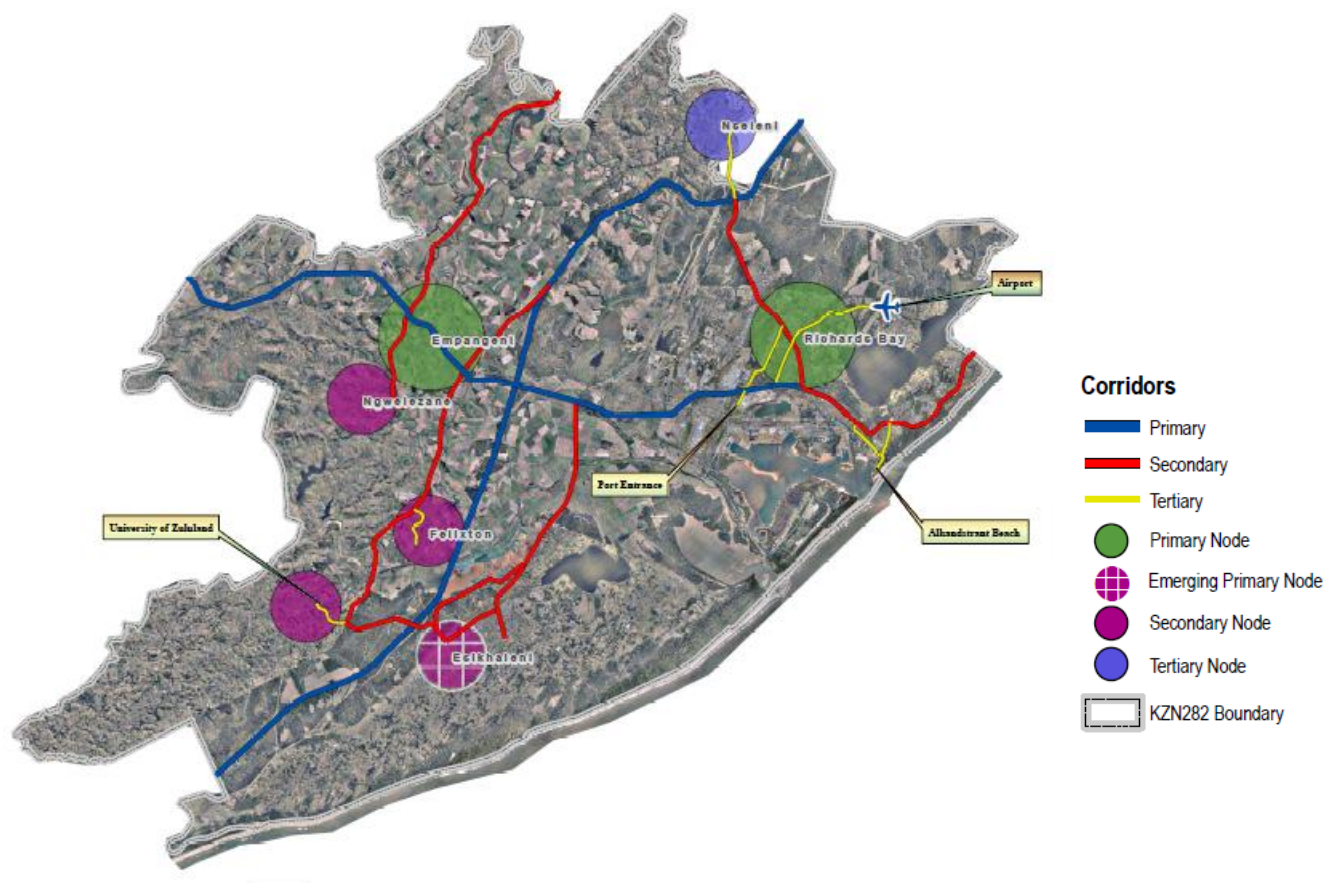
Map 4: Structuring Elements



8.4 EXISTING NODES AND CORRIDORS

The following map inset provides more details in respect of the main nodes and corridors in the uMhlathuze Municipality.

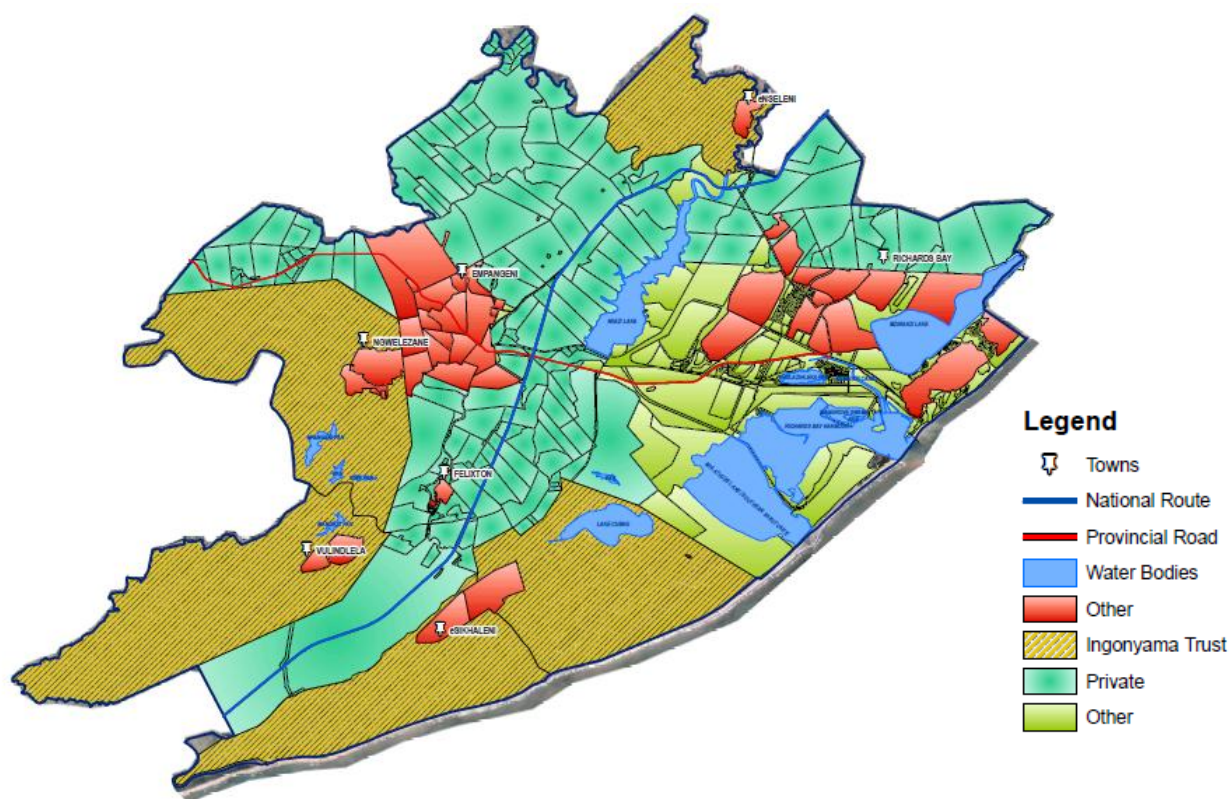
Map 5: Nodes and Corridors



From the map it can be seen that the two primary nodes on the municipal area are Richards Bay and Felixton. ESikhaleni is an emerging primary node. The towns of Ngwelezane, Vulindlela and Felixton are primary nodes while ENseleni has been classified as a tertiary node.

8.5 LAND OWNERSHIP

Map 6: Land Ownership in uMhlathuze



The following table provides a breakdown of the land ownership in terms of hectares and percentages (%).

Table 3: Land Ownership Breakdown

	Size(hectares)	Percentage(%)
Other	12460ha	16%
Ingonyama Trust	27953ha	35%
Private	33380ha	42%
Water Bodies	5542ha	7%
Total	79334ha	100%

The above table indicates that 42% of land within uMhlathuze Municipality is under private ownership and 35% under Ingonyama Trust Board which is normal administered by Traditional Authorities.

One of the biggest Municipal challenges in relation to land ownership is the distribution and allocation of land in the Ingonyama Trust Board land which is mainly administered by Traditional Authorities. Such distribution is common in the peri-urban and infill areas. This situation led to formation of unplanned settlements which put pressure to the Municipality from services provision perspective.

8.6 LAND CLAIMS

The uMhlathuze Municipality area was subject to two land claims filed in accordance with the Restitution of Land Rights Act 22 of 1994.

1. Combined claim filed by the Mbonambi/Mbuyazi and Mthiyane Traditional Authorities – Richards Bay. The original claims focused on the following areas:
 - Mbonambi claim - extending from the Reserve 4 boundary in the North/East of Mzingazi Village incorporating the whole of Meerensee and the beach and bay area towards the south up to the bridge over the John Ross road near the northern turnoff to the harbour. This is the general area where the people of Mbonambi lived (comprising of Erf 5333, Richards Bay).
 - Mthiyane claim - extending from the north eastern boundary of Reserve 6 to Lake Nsezi in the south (the whole of the original Reserve 6) incorporating various residential areas, the Central Business area, general industrial area and Mondli. This is the general area where members of the Mthiyane Tribe (Mandlazini group) resided. (This area excludes the Mandlazini Trust area which has already been returned to the Mandlazini people).

The above-mentioned two claims were subsequently combined by the Land Claims Commissioner and are now referred to as the Mandlazini claim.

2. Claim filed by the Mkhwanazi Traditional – ESikhaleni Area

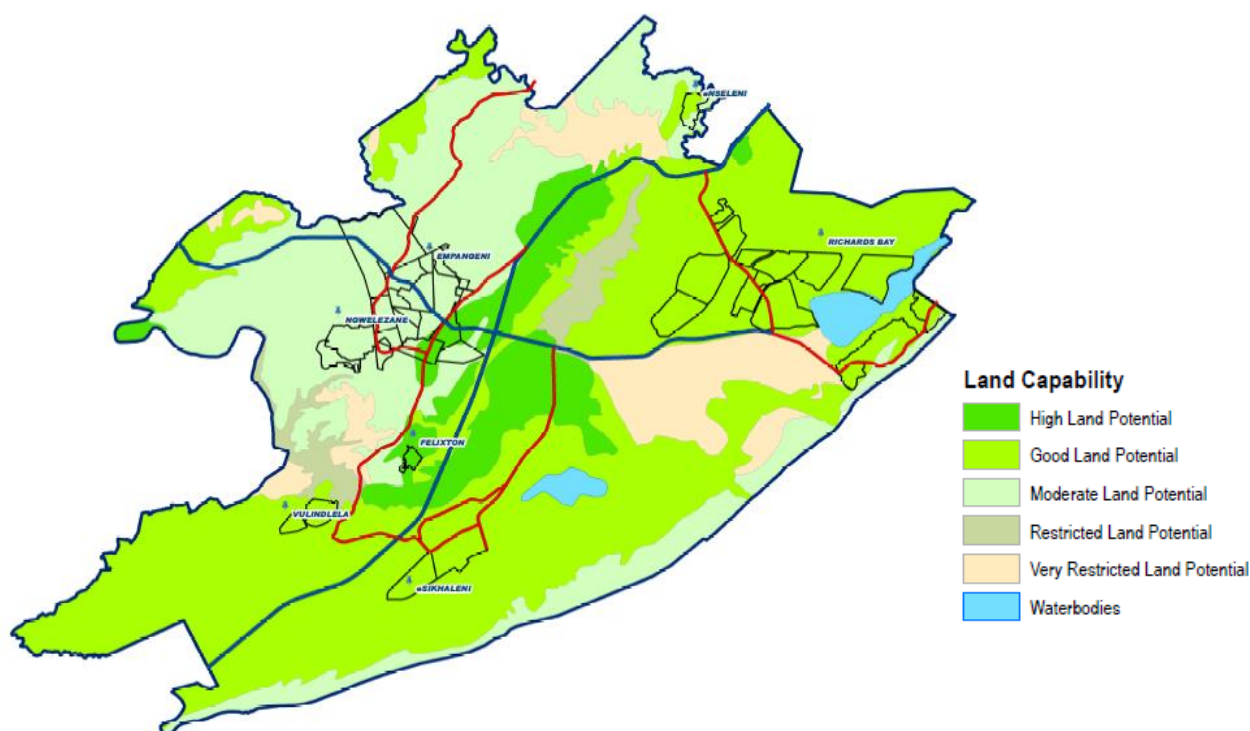
A claim related to the ESikhaleni residential area known as the “Mkhwanazi” claim has been ongoing from January 2004. The land claim affects the following properties:

No.	Property Description	Extent	Current Title Deed	Current Owner	Bonds & Restrictive Conditions (Interdicts)
1	Erf No 2868 of the Township of ESikhaleni	262,4109 ha	T52531/1999 T52610/2001	uMhlathuze Municipality	None
2	Portion 5 of the farm Reserve No. 10 No. 15830	360,6249 ha	T52530/1999 T52610/2001	uMhlathuze Municipality	None

Updates in respect of the above are sought by the Municipality on a regular basis.

8.7 LAND CAPABILITY

Map 7: Land Capability



The following table provides a breakdown of land potential/capability in terms of hectares and percentages.

Table 4: Land Capability Breakdown

	Size(hectares)	Percentage(%)
High Land Potential	6959ha	9%
Good land Potential	39519ha	50%
Moderate Land Potential	21565ha	27%
Restricted Land Potential	2259ha	3%
Very Restricted Land Potential	7632ha	10%
Waterbodies	1400ha	1%
Total	79334ha	100%

8.8 PRIVATE SECTOR DEVELOPMENTS

It be noted that there are many development initiatives driven by the council of uMhlathuze. In this section, a summary of initiatives driven by private sector will be listed hereunder:

8.8.1 Zulti South

Tisand, Richards Bay Mining (RB Mining) and Richards Bay Titanium, trading as Richards Bay Minerals (RBM), is situated just north of Richards Bay in Zululand, KwaZulu-Natal. RBM processes the heavy minerals located in the coastal sands in the area and is a leading producer of titanium minerals, high purity iron and zircon. RBM has been in operation to the north of Richards Bay for approximately 30 years on two of its mining leases: Tisand and Zulti North. RBM is also in possession of a further mining lease, located along a 20 km stretch of coastline to the south of Richards Bay and the Umhlathuze River and north of Port Durnford, the Zulti South Mine Lease Area

(ZSMLA). It is on land owned by the Ingonyama Trust and falls within the Umhlathuze Local and Uthungulu District Municipalities' areas of jurisdiction. In order to sustain existing mining operations, RB Mining proposes to mine heavy minerals from ZSMLA as operations in the north reach the end of their lifespan.

Running along the coast near eSikhawini, the mine will draw out heavy minerals including ilmenite, to produce titanium dioxide feedstock and pig iron, ultimately used in making automotive parts, ceramic tiles and sanitary ware.

If all goes according to plan, Zulti-South's Phase One will include infrastructure development and a 2 500 tonnes per hour (tph) dry mining operation forecasted to come on-stream in the first quarter of 2017. Its second phase will allow 1 250 tph dry mining in 2021.

RBM supplies 14% of the world's titanium dioxide requirements.

8.8.2 CBD North

DFA approval for "Town Square/Northern Edge Lifestyle Centre" was obtained during Oct 2008. Latest reports indicate that a R600-million upmarket Lifestyle Centre and four-star hotel are to be developed on the site although plan submissions are still awaited.

8.8.3 SAPPI Housing Development

Sappi Manufacturing/MDC is proposing to establish an integrated residential township to the north of Birdswood. Proposed land uses include Commercial, Office, Filling Station, Community Facilities, Hospital, Frail care, Worship and Pre-School, High School, Primary Schools, Retirement village.

The residential components contains a proposed 262 single residential erven, medium density residential stands for about 2400 units (at 30 units per hectare) as well as high density residential stands for about 3100 units (at 60 units per hectare). It is understood that the EIA for the above project has been submitted and the submission of the PDA for planning approval is awaited.

8.8.4 Westview Residential

The proposed development provides for about 540 single residential erven, 1 commercial erven, 3 high-density residential erven, 4 open space erven, 2 conservation erven, 1 Erf to be reserved for the construction of electrical works, 1 worship Erf and 1 primary school Erf

The total extent of the development is about 61 Ha and it is located to the east of the western outskirts of Empangeni town and abuts the existing residential suburb of Hillview. Commercial farmland is located to the west and south of the site while the Empangeni Prison is located to the east of the site. Tronox mining industry is located to the north-east of the site, across the R34.

8.8.5 Carsdale

The development proposes to establish a mixed residential development consisting of 671 single residential erven, 2 commercial erven, 1 group housing erf, 3 open space erven and 3 conservation erven. The property is situated on the western outskirts of Empangeni and abuts the existing residential suburb of Panorama. The property is traversed by the Mkhumbane River on the west, as well as Main Road P166 between Ngwelezane and the R34.

8.8.6 Waterstone Lifestyle Estate

Development hereunder forms part of the uMhlathuze Housing Chapter

8.9 ENVIRONMENTAL ANALYSIS

8.9.1 Geomorphology

The geomorphology of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relief terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations. Past geomorphologic processes have resulted in a unique landscape that supports complex hydrological systems, which in turn have resulted in high level of species diversity. The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time. Landscape features are therefore important factors for decision-making and development planning.

8.9.2 Climate

The City of uMhlathuze is characterized by a warm to hot and humid subtropical climate, with warm moist winters. Average daily maximum temperatures range from 29°C in January to 23°C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1228mm and mot (80 %) of the rainfall occurs in the summer, from October to March. Extreme rainfall and thundershowers has occurred on several occasions in the Zululand Region, resulting in extensive flooding with loss of life, property and infrastructure. An increasing trend in the frequency of cyclonic activity has been observed, which needs to be considered in future planning of the region.

8.9.3 Biodiversity

The area falls within the Maputaland-Pondoland-Albany Biodiversity hotspot which is recognized as the second richest floristic region in Africa: containing approximately 80 % of the of South Africa's remaining forests, rich birdlife and many other significant flora and fauna species. The uMhlathuze Municipal Area supports a total of 174 Red Data species, which has been reported as amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one of the main reasons that the remaining percentage of its surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife for meetings its conservation objectives in the province.

8.9.4 Water Resources

The geology and geomorphology of the area controls the transport and storage of water and influences the hydraulic functions of the ground water system. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands. Consequently the streams are generally perennial and seldom stop flowing even in drought conditions. This also creates a large underground storage reservoir that consistently sustains the coastal lakes which form the main water supply resources for the municipality.

8.9.5 Heritage

The City of uMhlathuze has high potential for archaeological heritage resources of different classes of significance. Although a considerable amount of sites have been recorded, there remain gaps in availability of data on the local heritage. A desktop survey indicated a total of 125 recorded archaeological sites, which range from the Stone Age Period to the recent historic period. Most of the sites recorded indicated pressure from mining and infrastructure development within the municipal area.

8.9.6 Environmental Assets

Economic Development: Coastal Dunes contain heavy minerals that are sought after for mining, which is a key sector in the context of regional economic development and national plans.

Tourism: The beaches are significant tourism assets for the municipality, attracting an Annual Beach Festival and hosting beach events at Alkanstrand, and providing seasonal holiday destination and on-going recreational amenity. Other tourism assets worthy of preservation are the area's lakes and forests, heritage sites, conservation areas around Mzingazi River, and the estuary found south of the Port. The proposed developments of the waterfront, has a strong tourism focus. Environmental assets and socio-economic indicators have therefore been considered in the conceptual plans for the Waterfront.

Water Resources: The coastal Lakes (Lake Mzingazi, Lake Cubhu and Lake Nsezi) are important water resources for the municipality. The development of Richards Bay in particular, with its industrial development, has seen a significant increase in the abstraction rates of these lakes over the past 20 years.

Ecological Features: Water logged areas have been drained to accommodate development but has in the process, created important hydrological and ecological linkages. In certain instances, these artificial regimes have resulted in the formation of valuable natural assets that support high levels of biodiversity and species endemism. An example of such is the Thulazihleka Pan system in Richards Bay.

8.9.7 Threats to Ecosystem Goods and Services

Atmosphere: Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions. This is because the quality of the air influences people's well-being and ecological integrity. It has been reported that there will be adverse risks to human health and to the environment, as well as exacerbating climate change, should current trends prevail.

Landscape: Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.

Hydrology and Water Resources: The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area. At present, the availability and variability of water within the catchment is fully subscribed or allocated and there are predictions that the demand for water will grow. Against this backdrop, there are questions where future water will come from. Furthermore a decline in water quality in streams, lakes and rivers pose a risk for communities that extract water for subsistence, domestic or personal consumption

Figure 1: Air and Water Pollution from industrial and mining activities



Pollution: Established developments, by virtue of specific land-uses, and growing population pressures, have resulted in intrinsic pressures on the environment. These manifest in the form of pollution which impact on the environment on various scales from localized illegal dumping to air and water pollution.

Figure 2: Illegal dumping is a serious cause for concern and which warrants significant resources to manage



Landscape: Specific qualities of a landscape (natural vegetation, water bodies, landscaped parks etc.) provide aesthetically pleasing environments for the inhabitants of the area. The cumulative impact of development pressure and future planning scenarios however, pose a major threat to visual quality and a sense of place.

Coastal Management: Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.

Biodiversity: A large proportion of the Biodiversity Hotspot is being transformed and degraded by human activities, resulting in many vegetation types being vulnerable to further disturbances. These disturbances threaten species complexity and lead to imbalances within ecosystem.

8.9.8 Environmental Priorities and Objectives

Having considered various sources of information, and given the current sphere of governance and accountability, the City of uMhlathuze has identified and prioritized the following as key to meeting its environmental targets and objectives:

- To ensure legal compliance of environmental bylaws and legislative requirements by all (Council, Employees, Contractors)
- To ensure sufficient suite of local environmental bylaws and effective enforcement thereof
- Regulation of land use and enforcement of usage of land in terms of the town planning scheme and land use management system
- To minimize air pollution (prevention and reduction) in the City of uMhlathuze through efficient monitoring
- To reduce overall water pollution within the municipality as a result of land use practices through monitoring hotspots and imposing stringent requirements during EIA and planning processes
- To ensure management of all water resources in a sustainable manner by adhering to lake management plans and water services bylaws
- To ensure the management of soil and land resources in a sustainable manner through environmental and land use planning
- To ensure the protection of habitats and natural resources that would contribute to conservation targets of the province
- To preserve heritage resources by preventing damage and loss through development planning processes and through the tourism sector
- Complying with the provisions of the National Environmental Management: Integrated Coastal Management Act
- Maintaining the biological diversity and productivity of coastal ecosystems through implementation of coastal management programme and estuary management plans
- To comply with the provisions of National Environmental Management: Waste Act by appointment of a waste management officer and compilation of a waste management plan for the City of uMhlathuze
- To improve energy efficiency of existing facilities and reducing demand in terms of the strategy set out in the energy sector plan, and facilitating renewable energy/co-generation initiatives and projects
- To be prepared and anticipate disaster management within the municipality
- To ensure that the municipality maintains its environmental assets through environmental tools such as project specific EIA's, the EMF and the Environmental Framework of the SDF
- To increase the knowledge and understanding, and prepare for vulnerability to environmental changes within the municipality

8.9.9 Comparative and Competitive Advantages of the Municipality

Given the strategic economic or development imperatives of the area, some of which are of National importance, the City of uMhlathuze needs to ensure that the landscape and social indicators are managed sustainably.

Table 5: Competitive and Comparative Advantages

LANDSCAPE FACTORS: LAND USE	
Port and related infrastructure	As the main economic attraction of the area, the port is the overarching priority for stimulating the local economy. It is also a provincial priority in that it is the growth engine for one of the primary provincial growth nodes. Port and related infrastructure is classified as Strategic Important Developments and such is important for the national economy. Port expansion options are addressed in the Port Development Framework (2007) which has been integrated with the City's IDP and SDF and form parts of the City's Local Economic Development Strategy.
Transport	The City's Arterial Road Framework and Airport Framework Plan are under review (2009). The John Ross Parkway is currently being upgraded. Over the long-term it may need to be rebuilt to accommodate the proposed port layout plan, encroaching into land earmarked for development for the IDZ.
Rail infrastructure	Rail infrastructure links the port with the hinterland to ensure the flow of resources. The National Infrastructure Plan makes provision for expansion and upgrades of transport networks.
Industrial development	The Richards Bay Industrial Development Zone has been designated as a national priority for stimulating growth in the manufacturing sector. The manufacturing sector is important in the province (largest contributor to PGDP). The City promotes "competitiveness in the manufacturing sector whilst advancing downstream value-adding opportunities that are labour intensive".
Commercial activities	National Government: Promote Local Economic Development Initiatives The City's IDP promotes a diversity of economic activities and the Local Economic Development Plan makes provision for growth in the commercial sector by encouraging new initiatives for emerging businesses, the informal sector and SMMEs.
Agriculture	Agriculture is a provincial development priority (food security). The focus of the City's Agricultural Development Strategy and Plan is on traditional authority areas and addressed emerging farmers. There are no local priorities for agriculture expansion within the study area.
Tourism	The region within which the study area is located has been identified as a provincial tourism priority. The City's IDP acknowledges the tourism potential of the area and promotes the enhancement of this potential.
Mining	Mining of mineral resources is an important economic activity in the region. There is only one mine in the study area while mining rights have been assigned to the south of the area.
Energy	The City has an Energy Strategy (2009) to "minimise the local and global environmental impacts of energy use by adopting and promoting efficient demand-side practices and by encouraging the uptake of renewable energy options within all sectors". The strategy defines objectives for the environmental, social, economic and institutional sectors. It also sets demand side and supply side targets for the municipality. Existing electric overhead power lines serves the city and the aluminium smelters. These power lines may need to be relocated further north to accommodate the proposed port layout plan, encroaching into land earmarked for development for the IDZ.
Housing	Sustainable human settlements are a national policy goal. Private land ownership, lack of suitable infrastructure, environmentally sensitive wetlands, geotechnical and environmental considerations limits suitability. A number of potential land parcels have been identified with housing potential and urban densification is receiving attention. An increasing need for housing within or close to the CBD is projected. The greatest need for housing occurs in rural/tribal areas and the removal of slums and informal

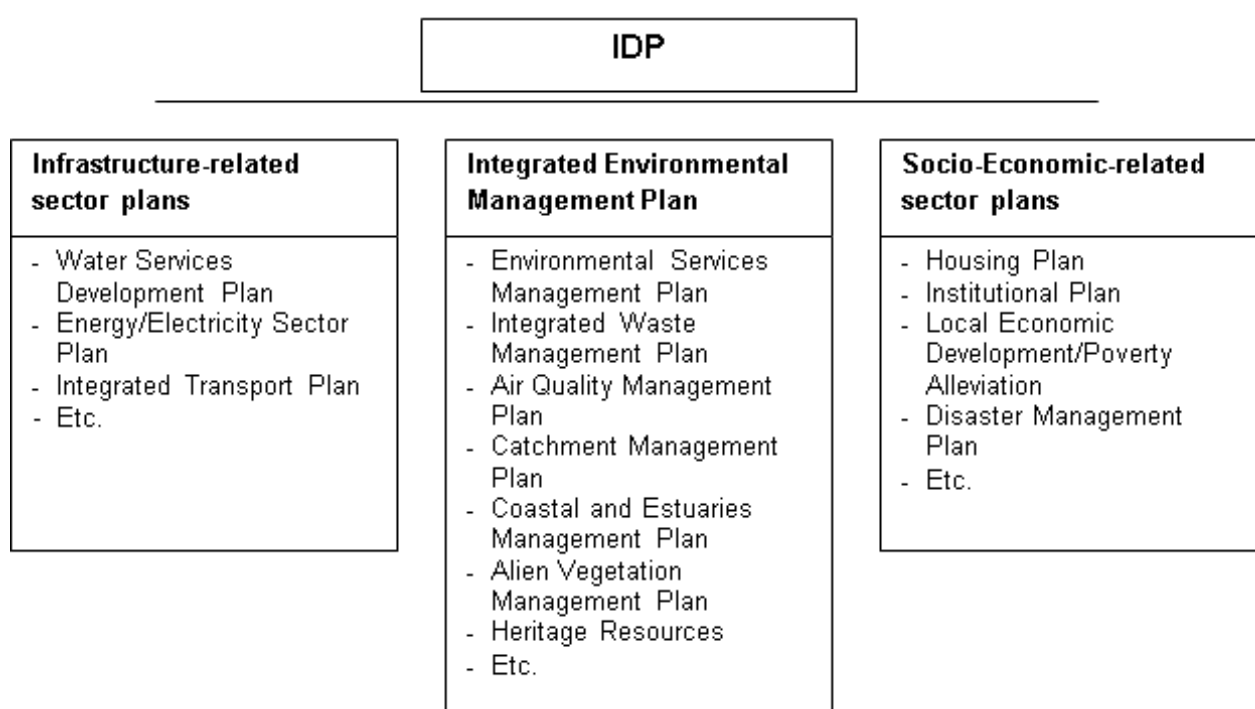
LANDSCAPE FACTORS: LAND USE	
	settlements is a priority. Land tenure is a major challenge.
Waste Services and Infrastructure	The management and minimisation of waste streams in the study area is a concern due to a lack of adequate disposal infrastructure and services. The City has an Integrated Waste Management Plan (2005) to “protect natural resources by managing and minimising waste streams” in the study area. The City has adopted a “0 waste to landfill” policy with targets of 50% reduction of waste by 2012 and 0% waste by 2020. However, the Plan gives scant attention to industrial waste disposal needs. In view of future potential industrial expansion the Plan may need to be reviewed and strategies need to be devised, in cooperation with the District Municipality who is responsible for addressing the inadequate landfill capacity to serve the area over the short-term.
Water and sanitation services and infrastructure	The uMhlathuze Municipal area is supplied with potable water from Lake Mzingazi, Lake Cubhu, Nseleni river (Nsezi Lake) and Mhlathuze river. There are concerns about the long-term sustainable supply of water to sustain economic growth. The priorities for water and sanitation provision are specified in the City’s Water Services Management Plan (2008) where the focus is predominantly on the “provision of safe, sustainable and affordable water services, the right of access to basic water supply and sanitation”. The Plan acknowledges the threats of diseases and environmental problems posed by water and sanitation backlogs in the rural areas. The Plan does not consider the supply of water to meet future growth demands nor ways to optimise use of existing water resources.
LANDSCAPE FACTORS: SOCIAL	
Community health and wellbeing	<p>Reducing poverty and unemployment and inequalities are national and provincial priorities.</p> <p>The city’s IDP defines the associated priorities based on the needs of urban vs. rural communities. Safety and security, employment creation, social welfare, community facilities, health, education, housing and agriculture is important to the communities in the area. Community upliftment and empowerment of rural areas and demand for affordable housing are priorities in terms of community well-being.</p> <p>The IDP gives special attention to sport and recreation in order to “develop provide and maintain suitable sport and recreation facilities and amenities in an organised, effective and cost-efficient manner with the co-operation of all role-players whilst utilising available resources efficiently and effectively”. There are important natural assets that are valued by communities in the north of the study area for their recreational value.</p> <p>The City’s Disaster Management Plan aims to protect the public, public property, infrastructure and services from the risk of disaster potential through prevention and mitigation. There are low-lying areas in the study area (within flood lines) which may be exposed to risk.</p> <p>The health of all communities is a concern due to the prevailing air pollution levels but this is not acknowledged in local plans.</p>
Vulnerable communities	Rural communities are vulnerable because of their economic status. Poor people must receive special attention in planning. The threat of diseases and environmental problems posed by water and sanitation backlogs in the rural areas are important.

8.9.10 Environmental Governance

Despite policy challenges on a national and provincial level from where legislation is derived, the prevailing system of environmental governance within the municipal jurisdiction is reasonably strong, both in the private and public sectors. This is particularly resonant amongst industries that interact with the global community, who are compelled to meet international standards and subscribe best practice guidelines when it comes to environmental performance. There is however, unprecedented pressure on the municipality to manage local environmental objectives and deliver on the following:

- Plan and manage for a sustainable City
- Deliver sustainable services
- Govern the area in a responsible manner
-

The overarching plan that enables Council to perform these functions in terms of the abovementioned two roles is the IDP, and it's associated Sector Plans, as prescribed in legislation or as required during the IDP process:



Public participation and engagement during environmental planning

Public participation and involvement of interested and affected parties is a legal requirement of an EIA process. All applications subject to environmental approval thus go through rigorous public participation. This has furthermore cascaded to other processes such as the EMF and conceptual planning for proposed developments. In fact with the case of the Waterfront Planning, a public participation exercise was conducted upfront to inform the conceptual designs.

Environmental Awareness and Campaigns

One of the over-arching principles of the National Environmental Management Act, No. 107 of 1998, (NEMA) categorically states that: "Community wellbeing and empowerment must be promoted through environmental education, the raising of environmental awareness, the sharing of knowledge and experience and other appropriate means."

Considerable resources are hence set aside annually by the City of uMhlathuze towards creating environmental awareness programmes that are aimed at environmental protection and quality (protection of indigenous plants, wetlands, coastal management, water and promotion of recycling). Such programmes are often collaborated with Provincial environmental authorities, the District and importantly, leverage support from local industry.

Initiatives for 2016/2017 include:

- Schools cleanup campaigns, PHAST Training, Environmental awareness, Health and Hygiene Awareness at the High Schools to be identified;
- Community cleanups involving ward members in various suburbs
- Recycling Projects to emphasize the concept of kerbside recycling in areas to be identified;
- Job creation initiative at Alton Recycling and Resource Centre
- eSikhaleni Transfer Station Project- Zoning phase and before construction
- Essenwood Way Drop off- Community members recycling, job creation
- ENseleni Recycling: promoting recycling of glass.
- Informal Traders, Day Care Centres: Health & Hygiene education-especially in our Taxi and Bus Rank -food and personal hygiene, house-keeping and preserving the environment
- Regular visits to illegal dumping sites and community awareness
- Roadshows to communicate information on Rivers, Streams, Lakes, dams, Wetland and Estuaries
- Annual School roadshows on water issues, including drinking water, blue drop, green drop, waste water and surface water.

Environmental Policy and Bylaws

Certain environmental or public health issues are not provided for in terms of Provincial or National Environmental Legislation, which implies that the municipality must rely on enabling powers of the Local Authority to ensure that communities are safeguarded against environmental degradation. The municipality has, to this end, numerous bylaws that serve to protect the environment, and the community's rights to a healthy environment. To achieve this, the following applicable bylaws must be enforced:

- Beach
- Cemetery
- Electricity Supply
- Environmental Health
- Flammable Liquids
- Funeral Undertakers
- Keeping of animals
- Nuisances
- Outdoor Advertising
- Possession and Discharge of Fireworks
- Solid Waste
- Street Trading
- Water Services Bylaws (Including Storm water management)

Furthermore, various policies have been adopted by the Council, namely, a broad Environmental Policy that is aligned to the principles of Section 28 NEMA: Duty of Care to the Environment; Policy on EIA's, and the clearing of vegetation within Public Open Spaces.

The focus on energy management and green buildings presents further opportunities for development of a policy framework for the City, which the relevant sectors are looking into.

Accountability towards Environmental Performance

A range of environmental competencies and responsibilities have been delegated to South African local authorities that may be controlled or influenced by appointed officials, elected politicians or civil society. Within the City of uMhlathuze, the environmental performance needs to be addressed by means of the implementing the programmes identified in the table below:

Table 6: Tools for Measuring Environmental Performance

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
Permit Registers	Proposed	Community Services
EIA Registers (Internal & External applications)	Implemented	City Development
Air Quality Management Plan	Proposed,	Community Services
Wetland Management Plan	In Progress, Budgeted for	City Development, DWA, KZNWL, and DAEA
Biodiversity Sector Plan	Proposed	City Development, SANBI, KZNWL, and DAEA
Water Services Development Plan	Approved by Council, effective 1 January 2014	Infrastructure and Technical Services
Lake Management Plans	In progress, Draft available	Infrastructure and Technical Services
Alien Weed Control Programme	Commenced	Infrastructure and Technical Services
Estuary Management Plan	In Progress	Community Services
Heritage Management Plan	Proposed	City Development, uThungulu District, DAEA and KZNWL
Waste Management Plan	In Progress	Community Services
Climate Change Strategy	Budgeted for	Community Services
Energy Sector Plan	Adopted by Council. Implementation ongoing	Championed by City Development
Health / Air Quality Study	Adopted by Council. Implementation phase	Championed by Infrastructure and Technical Services
Low Emissions Development Strategy	Commissioned by DAEA (CEDARA/Head Office)	Community Services, uThungulu District Municipality,
	Commenced: Partnership with ICLEI	

It is important to note that the above programmes have taken into consideration the outcomes and recommendations of the EMF.

8.9.11 Environmental Services Management Plan

The ESMP outlines, amongst others, the following critical goals Environmental Services Management:

- To define cohesive and functional spatial management units within the municipal area that need to be managed in order to optimise the delivery of environmental services.
- To develop management plans for each management unit that identify the management activities required to secure environmental services supply.

The areas that provide environmental services to the City are spatially defined, and the following “Levels” of protection were determined:

Level 1: Environmental Corridors (Nature Reserves): Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. It is recommended that these areas be proclaimed as nature reserves in terms of relevant legislation such as the National Environmental Management Protected Areas Act.

Level 2: Conservation Zone: Included in the conservation zone are areas of biodiversity/ environmental significance, which are not viable for proclamation as nature reserves, but that require some form of legal protection. No transformation of the natural assets or the development of land for purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

Level 3: Open Space Linkage Zone: Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.

Level 4: Development Zone: Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply.

3.3 Air Quality

Air quality management plays an integral part in land use planning and zoning. A study was initiated to assess air quality within the municipality. The main objective of the air quality investigation was to inform the Spatial Development Framework for the City of uMhlathuze to ensure all environmental aspects were considered for current and future planning.

Council adopted the outcomes of the study in November 2006. The study had the following focus areas:

- Determination of ambient air quality limits to be adopted as targets for areas within the City of uMhlathuze;
- Determination of areas where local air quality limits are exceeded or are in danger of being exceeded;
- Determination of buffer zones for existing industrial areas; and,
- Identification of possible future industrial development areas that would not impact on the health and well-being of the residents in uMhlathuze or on the sensitive environment.

8.9.12 Coastal Issues

Coastal Management:

The uMhlathuze municipality is bordered by approximately 48 km of coastline, which presents a number of economic, conservation and recreational opportunities. The shoreline is characterized by sandy beaches, well established dune formations, estuarine environments, and hosts the country's largest deep water Port.

Coastal Erosion:

As is the case with most coastal municipalities in KwaZulu-Natal, the Municipality has encountered severe coastal erosion, which requires a management response that would prevent further loss of beaches, damage to property and infrastructure. Being predisposed to disruption of natural wave action because of the Port entrance, Alkantstrand beach at Richards Bay requires a reliable sand bypassing scheme. In the absence of sand budget on the Northern beaches, the municipality has to implement soft engineering techniques to mitigate against an eroding coastline. Any further development of the coast is furthermore required to take cognizance of the Coastal setback lines adopted by the municipality.

Coastal access:

Sanctioned by the National Environmental Management: Integrated Coastal Management Act, Act 24 of 2008, a number of coastal access points is being considered. These access areas are strategically important as they aim to create safe, equitable beach access, as well as improved recreational and tourism opportunities.

8.9.13 Biodiversity and Development

The greater uMhlathuze Municipal Area supports a total of 174 Red Data species, which according to the South African National Biodiversity Institute, ranks amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one of the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

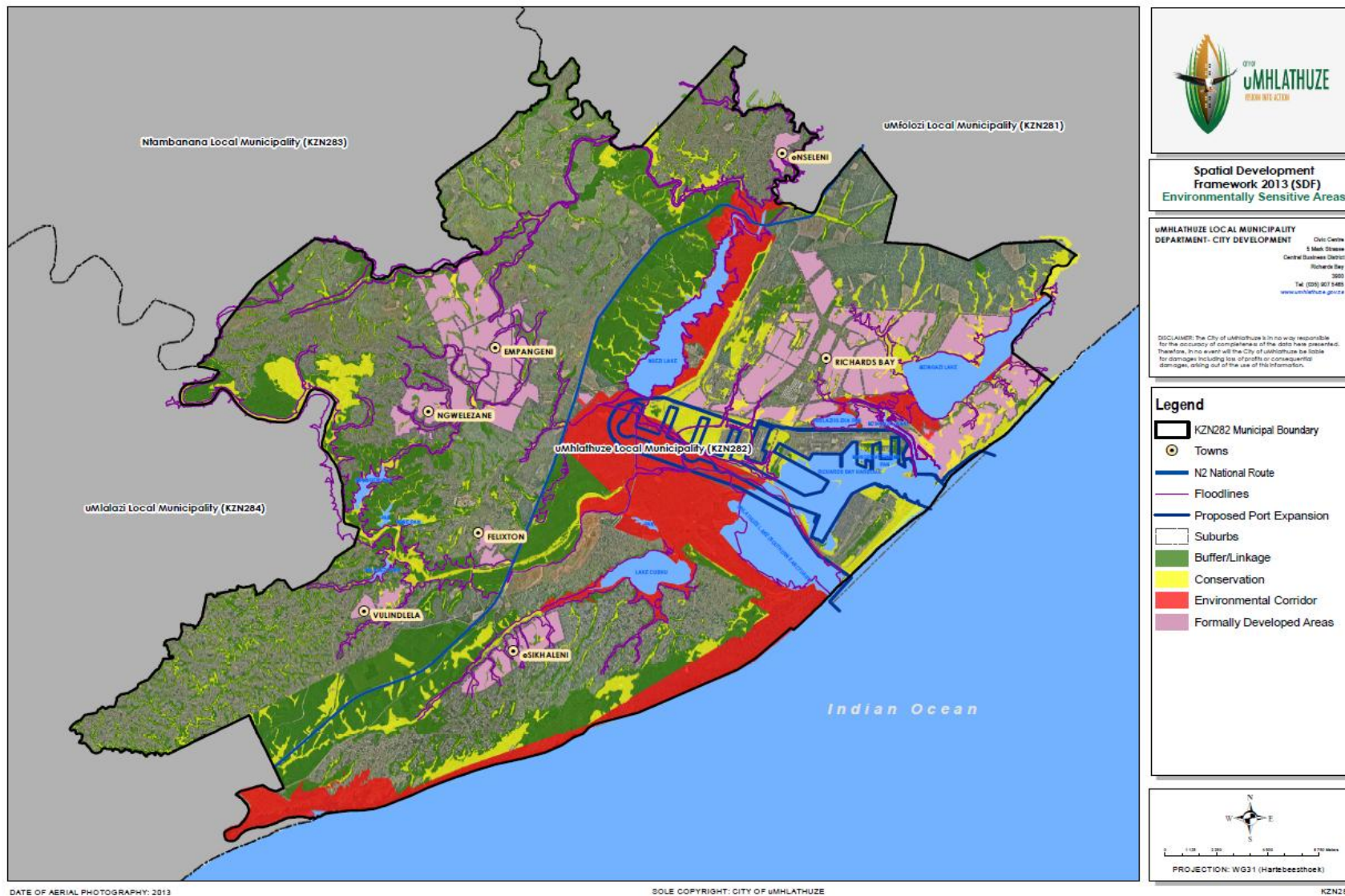
Table 7: Biodiversity Significance

Vegetation Type	Red Data Species (Significance)	Conservation Target
Grasslands	124	100 % following a detailed survey. Conservation of a substantial portion of the remaining natural asset in the region is required if conservation objectives are to be pursued
Forests	90	
Nseleni River_Lake Nsezi System	70	
Large Wetlands	55	
Estaries	28	
Lakes	18	
Mhlathuze River System	11	
Swamp Forests	9	

All of the remaining ecosystem types are important for supporting Red Data Species, implying that there is a direct conflict with future development imperatives. The Spatial Development Framework has identified such development opportunities for the area. Port expansion with associated industrial development is the single most significant opportunity in the area with tremendous potential to grow the local, regional and national economy. Existing planning approaches in the area also present opportunities to enhance conservation and hence tourism objectives. The limited space to accommodate the growth demand in the area reflects the realities of ecological risks that may arise and the anticipated conflict between conservation and development. The situation highlights the need for closer collaboration and coordinated planning between environmental stakeholders and prospective developers.

Environmental Sensitive areas as discussed are mapped at overleaf:

Map 8: Environmental Sensitive Areas

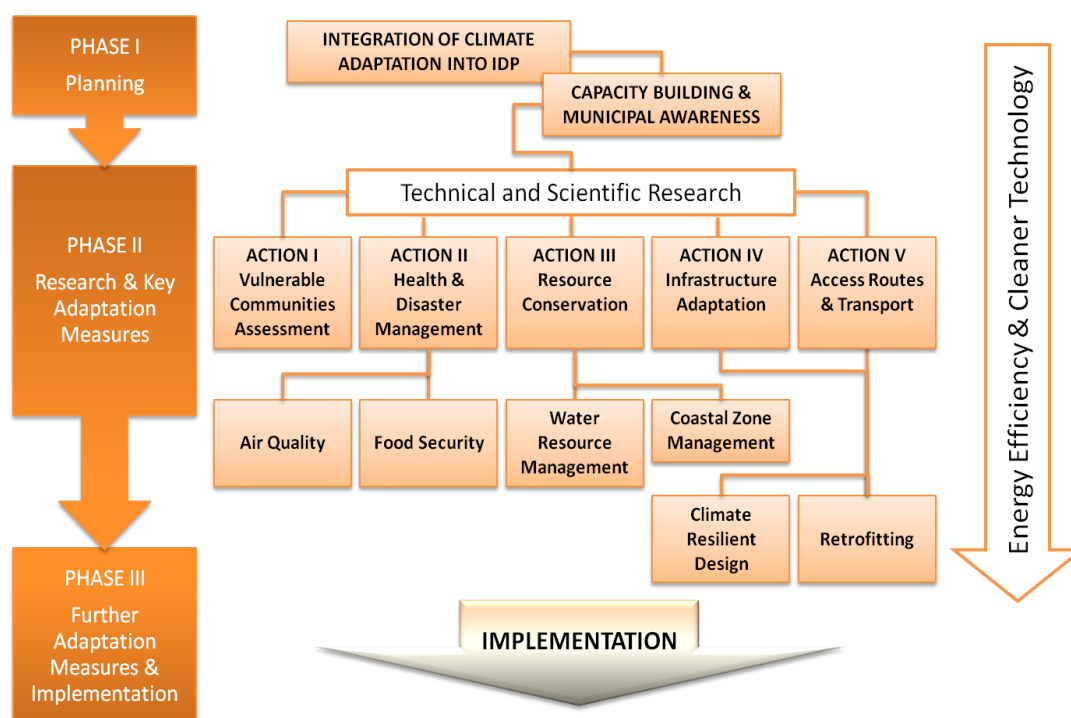


8.9.14 Response to Climate Change

Regardless of the attempts to mitigate the impacts of climate change, it is widely accepted that many of the anticipated changes are destined to take place. The climate change strategy was therefore drafted on the basis of two fundamental principles, i.e. **mitigation** and **adaptation** through the implementation of the Climate Change Municipal Action Plan.

The Municipal Action plan adopts a phased approach to allow for a systematic and realistic response to potential climate impacts. Represented in the following figure, it is proposed that the plan be adopted over a 5-year period, coinciding with the rollout of the Municipality's Integrated Development Plan (IDP).

Figure 3: Phased Approach to Municipal Action Plan



The following table provides a more detailed explanation of the above:

Table 8: Phased Approach to Municipal Action Plan

Phase 1

Integration into the IDP

The long term vision of the municipality is to mainstream all sector plans within the IDP and within decision-making procedures to allow for protection of resources and communities, in line with the Climate Change Strategy.

Appointment of a Climate “Champion”

The climate champion would ensure that the Municipality's projects and activities are carried out in accordance with local and international environmental legislation and policy, and within the Integrated Development Plan (IDP). In summary, this role would be included as a performance area of the Department: City Development, which would involve:

Phase 2 Adaptation Actions

- Awareness creation in terms of local climate change impacts
- Development of climate change mitigation and adaptation plans
- Ensure integration into IDP
- Initiating international fundraising for climate change related projects; which would utilise existing personnel

Municipal Awareness Programme

The process of mainstreaming climate change issues into municipal planning should begin within the Municipality itself, with the aim of disseminating this knowledge to decision makers. This should be initiated through a brief awareness campaign for various departments (perhaps through a presentation by the climate champion within branch meetings), and provision of a communicative pamphlet or brief. This should serve, at a minimum, to initiate climate thinking within Municipal structures.

Climate Change Working Group

The establishment of a Climate Change Working Group or partnership will encourage communication between Municipal departments, industry and NGO role-players for open discussion of climate impacts and solutions from various points of view.

Vulnerable Communities Assessment

It is recommended that the Municipality undertake a vulnerability profile of the area in order to determine geographically where climate-related health impacts are likely to be exacerbated by differential vulnerability. The results of this assessment will provide maps indicating areas of concern and priority with regard to climate change impacts in the Municipality – an example may be communities living within flood line areas, which would be vulnerable to floods.

Health and Disaster Management

A two-step response to Health and Disaster management is recommended:

- An assessment of health care facilities in the Municipality in terms of capacity and facilities. Identification of obvious shortcomings or priority areas.
- Completion of the Disaster Management Plan taking into account the need for responses to climate change induced flood or storm events and/or disease outbreaks. This Plan furthermore requires communication and dissemination to the Municipality and public.

Agriculture and Communities

Food security of Municipal residents, particularly in peri-urban and rural settlements, is a long-term concern for the Municipality. Although responsibility in terms of food security for the public is not considered to lie with the Municipality, but rather with government, it is important that the Municipality assess agricultural concerns and is aware of the need to alleviate climate-induced pressure on food security. Some examples include:

- Launching of marketing campaigns for local fresh produce
- Establishment of food production partnerships within the communities (CBOs)
- Knowledge sharing regarding crop type and yield assessment for future initiatives

This may lead to longer term research projects into crop viability and livelihoods assessment. The Municipality could potentially apply for international funding for such initiatives.

Resource Conservation

Water resources are of extreme importance within South Africa, and water quality is of particular concern in the uMhlathuze area. The following responses to this issue are recommended:

- The Municipality, in conjunction with UMhlathuze Water should evaluate the existing infrastructure to determine the sustainability of that infrastructure to supply water in an uncertain climatic future. The investigation should prepare a “Future’s demand” profile for the city in terms of water requirements which should be evaluated in terms of climate influenced rainfall.
- The Municipality forming a partnership with the Catchment Management Forum to allow for reporting and assessment of water quality testing and management.
- Make improvements to urban drainage, the use of sustainable drainage systems, schemes that ‘make space for water’
- Stormwater retention/detention ponds and constructed wetlands
- Incorporation of extreme precipitation events into storm sewer design, land use planning and zoning to avoid locating structures and buildings in flood/landslide prone areas (these will need to be mapped as a component of re-setting the city 1:50 year floodlines).

Biodiversity

Through discussions with local stakeholders, the development of an Invasive Species Management Plan was seen as significant in addressing of biodiversity and conservation concerns within the Municipality

Infrastructure Adaptation

A culture of ‘climate resilient’ infrastructure design and construction needs to be instilled within the Municipality’s decision makers, engineers and architects. In terms of city buildings, roads and water management structures, the Municipality may respond through the ‘retrofitting’ of facilities (widening of storm water channels, fitting of cooling devices, etc.) or through the proactive construction of new infrastructure with climate change impacts in mind. Dialogue with engineers and architects are required to disseminate climate change modelling data and to discuss the implications, both practically and economically, and to allow for discussions around the best possible action.

This action applies to both residential and commercial buildings, and includes the following aspects:

- Determining whether the existing dams and reservoirs provide adequate storage capacity under variable rainfall conditions
Evaluate whether pipeline infrastructure can cope with increased flows
- Establishment of a culture of ‘climate resilient’ planning
- The establishment of effective building guidelines, including, for example, the use of vegetation buffers and reduced amounts of impervious surfacing to reduce runoff.
- Revision of the Municipality’s flood lines and adequate design of storm water drains and water storage structures. These should take into account heavier, more intense floods and increased runoff.
- Use of ‘climate resilient’ building materials (particularly for informal housing).
- Prevention of settlement and development in floodplains.
- Confirmation and consideration of the ocean setback lines and beach erosion study in terms of projected sea level rise, and risk assessment for these with regard to vulnerable communities and infrastructure.

Transport Planning

It is recommended that the Municipality identify problem areas for widening of bridges (retrofitting) or provision of alternate routes. Problem areas already identified include the Richards Bay Minerals and the Nsezi Lake Routes. It is understood that road and transport infrastructure is managed at a provincial level; however the Municipality should play an important role in the identification of problem areas and the lobbying to provincial government in terms of infrastructure improvement. Part of the process also entails a campaign to encourage incentives for car-pooling and the use of cleaner fuels for Municipal vehicles. Dialogue should be initiated on the introduction of safe and energy efficient public transport mechanisms, which could aim to improve air quality and congestion in the city centre.

The first two phases of the Climate Change Strategy require thorough implementation, follow up and monitoring. These actions should be continuously assessed and supplemented with new findings, and updated with municipal plans, goals and communication resources. Through this iterative process the City of uMhlathuze would demonstrate its proactive response to the threat of climate change, for the City, its industries and local communities.

Vulnerable Communities Identified

Given the inherent sensitive environmental attributes or features that are applicable within the municipality boundaries (coastal floodplain, groundwater and soil conditions, ecological services, proximity to water bodies such as lakes and rivers), flooding was considered to be the most significant impact in terms of the climate change projections for the city. The following areas were identified to being most prone to flooding:

- Mzingazi;
- Mandlazini; and
- ESikhaleni (specific attention to uMzingwenya and Lake Cubhu Communities)



*Flood Prone Settlement on the banks of Lake Cubhu, ESikhaleni, 2010:
Source uMhlathuze Municipality Climate Change Strategy*

8.10 SPATIAL AND ENVIRONMENTAL SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Proximity of the municipal area to the N2 highway that traverses the Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. ○ Good road accessibility ○ The municipality borders a coastline that spans approximately 45 kilometres ○ The municipality borders a coastline that spans approximately 45 kilometres ○ Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. ○ High level of species diversity. ○ The beaches are significant tourism assets for the municipality. ○ Alien Invasive and Greening Strategy in place. ○ Spatial Development Framework has been developed and is in place. ○ Climate change Strategy in place. 	<ul style="list-style-type: none"> ○ Funding challenges to implement Alien Invasive and Greening Strategy. ○ The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the uMhlathuze and Nsezi. These water systems offer opportunities but also limit development opportunities. ○ Gaps in availability of data on the local heritage. ○ A remarkable concentration of Red Data Species is one of the main reasons that the remaining percentage of the municipal surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife for meetings its conservation objectives in the province.
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ There is one airport and a couple of land strips in the municipal area. ○ Economic node to the North-Eastern parts of the Province ○ The R34 Provincial Main Road passes through Empangeni towards Melmoth. ○ There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node. ○ Coastal Dunes contain heavy minerals that are sought after for mining. 	<ul style="list-style-type: none"> ○ Distance from major economic node in the province ○ The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time. ○ An increasing trend in the frequency of cyclonic activity has been observed. ○ Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise. ○ Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions. ○ The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area.

8.11 DISASTER MANAGEMENT

8.11.1 Status of Municipal Institutional Capacity

Disaster Management Framework

The uMhlathuze Disaster Management Framework was compiled during 2009 in terms of section 42 of the Disaster Management Act, (Act 57 of 2002), in line with the National Disaster Management Framework of 2005. The City of uMhlathuze Disaster Management Framework is essential to ensure an efficient and effective disaster management effort in its area of jurisdiction. The Disaster Management Framework also has to ensure that all role players in the disaster management arena (including Government, Non-Government Organizations, Traditional Authorities and the Private Sector) work together in a coherent and coordinated fashion to prevent and or mitigate the occurrence of disasters.

Disaster management bylaws are in the process of being adopted by Council. Bylaws have to be promulgated to give effect to the provisions of Council's Disaster Management Framework. These bylaws will be aimed at ensuring public safety before, during and or after the occurrence of a catastrophic event.

Disaster Management Center

The focal point of all efforts in disaster risk management lies in the Disaster Management Center. The center is required to fulfill numerous important disaster risk management functions; namely planning, resource management, reporting etc. The City of uMhlathuze is utilizing the Fire Station as the base of its disaster management center.

The disaster management unit is strategically placed at the fire station to meet all the requirements of the disaster management center, as most of such are readily available.

The City of uMhlathuze shall entirely execute, facilitate and promote an integrated, coordinated and uniform approach to the disaster management continuum (prevention, mitigation and recovery) in its area of jurisdiction. This disaster management approach involves and will take cognizance of national, provincial and municipal organs of state, statutory functionaries, private sector, communities and other role players involved in disaster management.

Disaster Management Advisory Forum

This is a body in which the municipality and other disaster management role-players consult one another and coordinate their actions on matters relating to disaster management within the area of jurisdiction of the municipality. At least the following persons/organizations serve on the above forum:

- Head of Disaster Management Center
- Representatives of line function departments in the municipality
- Traditional leaders
- Councillor responsible for disaster management
- Non-Governmental Organizations (NGOs)
- Community Based Organizations (CBOs)
- Private Sector e.g. Chamber of Business
- Institutions that can provide scientific and technological advice

The roles and functions of the Disaster Management Advisory Forum can be summarized as follow:

- To be the point of coordination for all the role players.
- To facilitate cooperation amongst disaster management role-players.
- To develop the capacity and understating about disaster management amongst the key role-players.
- To develop resources sharing arrangements around financing including the delivery of emergency services and responding to emergencies or disasters.
- To report to key-stakeholders including the municipal council, district municipality, provincial and national government of matters of disaster management.

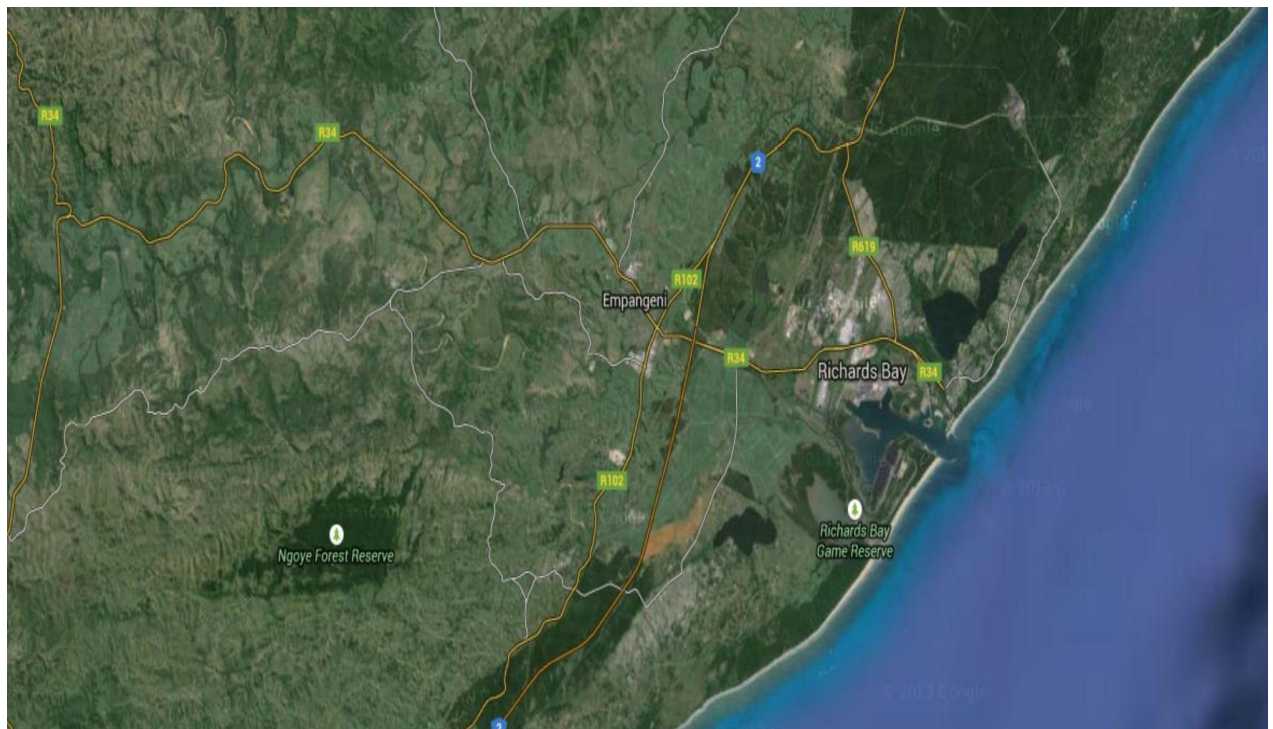
8.11.2 Disaster Risk Assessment

List of Priority Risks.

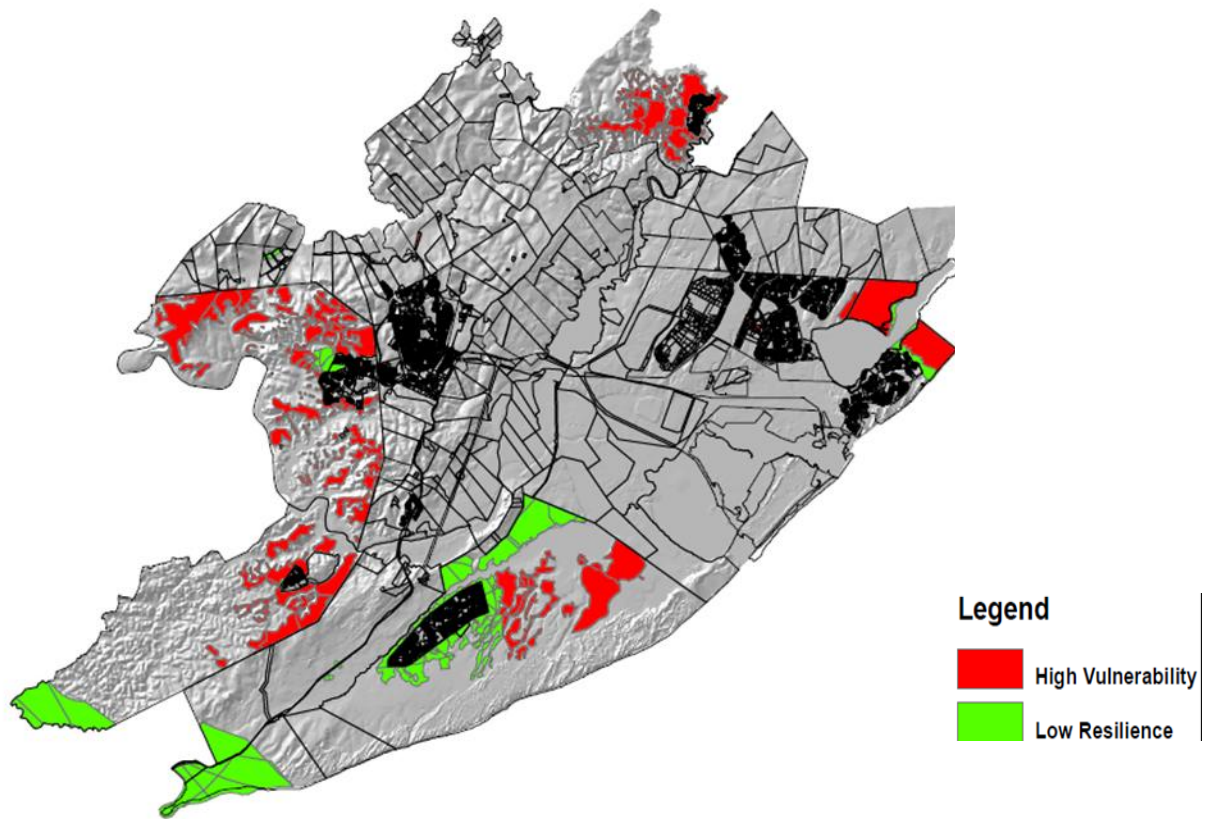
RISKS	AREAS OF OCCURANCE	FREQUENCY	MAGNITUDE	EARLY WARNING	CAPACITY	LEVEL OF RISK
Piet Fires	Ward1,3,4 plantation	Throughout the year	5% plantation	Uncontrolled burnings	82% fire services	
Veld Fires		Once in a year, 2 or 3 days	60% open field and plantation	Weather services, wind speed, dry veld, fire danger index	82% fire services	
Structural Fires	Nseleni, Esikhaleni, Ndabayakhe, Ngwelezane, Dumsani Makhaye	Throughout the year	45% households and other buildings	Load shading, illegal electric connections, unmonitored used of candles	82% fire services	
Vehicle Accidents	N2 and John Ross Highway	Throughout the year		Over speeding, reckless driving, un-road worthy vehicles	Fire services, traffic officers, EMRS, SAPS	
Flooding	Esikhaleni, Nseleni, Mabuyeni, Matshane, Ngwelezane	During heavy rains		Weather services, blocked drains, uncleaned water drainage, water measuring poles	Fire and rescue, Environmental Health, SAPS, EMRS, Agriculture, storm water and rural roads, clinics	
Strong Winds	Matshane, Ndabayakhe, Esikhaleni, Nseleni, Niwe, Empangeni, Richards Bay		70%	Weather services		
Air Pollution	Richards Bay industries, Nseleni, Bay Stone, Filixston	Throughout the year	30%	Smoke, smell, dust		
Illegal Dumping	Richards Bay open velds, Esikhawini, Nseleni. eMpangeni,	Throughout the year	40%	High grass and tree next to the settlements		
Draught	Entire uMhlathuze	Severe climate change	78%	Severe heat, dry rivers and dams, no rain		
Epidemics	Close to the rivers and contaminated foreigners with diseases from other countries	When there is an out-break	70%	News, number of casualties		
Crime	House breakings.	Throughout the year	55%	Level of unemployment		

RISKS	AREAS OF OCCURANCE	FREQUENCY	MAGNITUDE	EARLY WARNING	CAPACITY	LEVEL OF RISK
	Rape, Hijackings, Arm robbery			and poverty, rate of school leavers and substance abuse, hide away places		

Map 9: Hazards Map



Map 10 : Disaster Management Vulnerability Map



8.11.3 Disaster Risk Reduction

Hyogo framework of action as a planning tool

The hyogo framework of action with 5 priorities can be utilized as a planning tool for disaster risk reduction. There five priorities for the hyogo framework of action are as follows:

- Governance – ensuring that risk reduction is a national and a local priority with strong institutional basis for implementation.
- Risks Identification- identifies, assesses and monitors disaster risks and enhances early warnings.
- Knowledge- use knowledge, innovation and education to build a culture of safety and resilience at all levels.
- Reducing underlying risk factors.
- Strengthen disaster preparedness for effective responses.

The table below provides for the annual implementation for plan for the Disaster Management Services.

Table 9 : Disaster Management Programmes

NATIONAL KPA	MUNICIPALITY'S AREA OF FOCUS	ROJECTS/ PROGRAMMES	RELEVANT HYOGO FRAMEWORK FOR ACTION	BUDGET	INDICATOR
MAXIMIZE DISASTER REDUCTION	Conduct a Comprehensive Disaster Risk Assessment in the municipality's area of jurisdiction	Appointment of a Service Provider to Conduct a Comprehensive Disaster Risk Assessment and put measures in place to monitor risks	Risk Identification, Assessment and Enhance Early Warnings	R700, 000 plus	Comprehensive document with prioritized disaster risks, communities at risk and the same included in the disaster management Plan
	Enhance Early Warning Systems	Dispatch Early Warnings to Community Level		In House as a pilot project	Identified Community Members to which early warnings can be dispatched
	Promote Risk Reduction	Conduct Disaster Management Community Awareness		R300, 000 PLUS	Number of Communities/ people attended the awareness
		Increment of Grant in Aid Budget	Strengthen Disaster Preparedness for Effective Response	By R15, 300	Relief Procured
		Development of a Standardized Industrial Emergency guideline for Emergency Plans		INHOUSE	Document Presented to Industries and Submitted to Council for Approval
		Review and Update Disaster Management Plan on quarterly basis		INHOUSE	Updated plan with latest information
		Coordinate Emergency Drills or Exercises		R 10, 000 plus	Number of Emergency Exercises held
		Procurement of Disaster Management Promotional Material including schools guides	Use Knowledge, Innovation and Education to build a culture of safety and Resilience at all levels	R 100,000	Promotional material dispatched and Number of people benefited including schools
		Commemoration of International Disaster Management		R 250,000	Communities, Schools, Private Sector, Government Departments, NGOs and all other stakeholders converging together and emergency services showcasing

8.11.4 Disaster Response and Recovery

- City of uMhlathuze Compiled standard operating procedures (SOPs)
- City of uMhlathuze will ensure that all response personnel are trained in the standard operating procedures.
- City of uMhlathuze will ensure that rehabilitation and reconstruction plans relating to the primary activities of the specific/department/municipal entity are developed in line with disaster risk management plans.
- The Municipality has a fully operational twenty four hour call centre and a disaster management centre
- The municipality has Fire stations in Richards Bay, eMpangeni. Esikhaleni Fire station is currently under construction.

8.11.5 Training and Awareness

Communication and stakeholders' participation on disaster management issues in the City of uMhlathuze will be executed through a consultative process, education, and public awareness initiated by the Disaster Management Center. This will take into consideration the municipality's strategy on community participation.

The City of uMhlathuze is committed in ensuring that, during risks identification and prioritization, information management and dissemination processes there-of, directly acquire and involve indigenous knowledge through community leaders and community structures representatives.

Currently awareness is conducted through PIER [Public Information Education and Relation] Some of the public awareness activities include,

- School/ public awareness campaigns on Basic Fire Fighting and Disaster Management

8.11.6 Funding Arrangements

The City of uMhlathuze shall endeavor to budget for identified projects and programmes for disaster management with the effort of complying with its Disaster Management Framework as well as the statutory documents as required.

8.11.7 Municipal Cross-Boundary Cooperation

According to the new dispensation of wall- to- wall municipalities clearly indicating that, there is no land that does not fall under a municipal area, it is of paramount to understand that, disasters know no boundaries and as a result a strategy in a form of a memorandum of understanding is crucial to ensure cooperation amongst neighbouring municipalities during disasters.

8.11.8 Disaster Management: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Disaster Management Framework in place ○ All role players in the disaster management arena (including Government, None-Government Organizations, Traditional Authorities and the Private Sector) work together to prevent and or mitigate the occurrence of disasters ○ Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework. ○ Disaster Management Advisory Forum in place 	<ul style="list-style-type: none"> ○ Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area ○ lack of resources , Appointment of Support of staff and equipment ○ Lack of capacity to adequately handle all kinds Disaster related incident. ○ Insufficient funds allocated to the section.

OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ Existing disaster management centre located at the Fire Station ○ Potential growth in terms of expanding and economical 	<ul style="list-style-type: none"> ○ The location of the municipality on the coastline and its proximity to shipping routes present numerous natural marine and coastal threats. ○ Due to the deep-water port in Richards Bay, the City is a choice location for heavy industries that inevitably present a range of human-induced disaster risks. ○ The settlement of communities in disaster high risk also leads to chronic disaster vulnerability threats that range from floods to repeated informal settlement fires

9. DEMOGRAPHIC CHARACTERISTICS

9.1 DEMOGRAPHIC INDICATORS

9.1.1 Population and Household Numbers

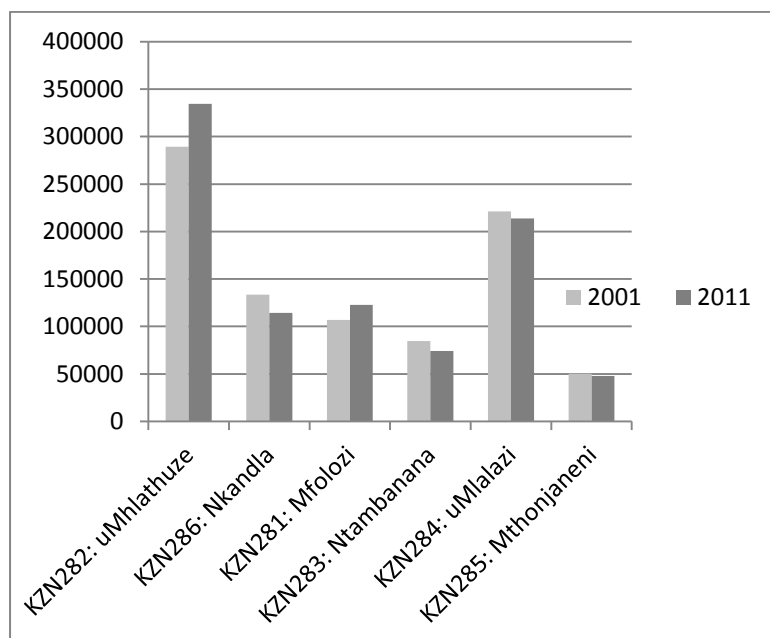
UMhlathuze and Ntambanana Municipalities are located in the uThungulu District. The population increase in the uThungulu District, broken down per municipality is indicated in the table and explanatory figure herewith.

Table 10: Population Numbers

	Population		
	2001	2011	% change
KZN282: uMhlathuze	289190	334459	15.65
KZN286: Nkandla	133602	114416	-14.36
KZN281: Mfolozi	106942	122889	14.91
KZN283: Ntambanana	84771	74336	-12.31
KZN284: uMlalazi	221078	213601	-3.38
KZN285: Mthonjaneni	50382	47818	-5.09

Source: Census 2011

Figure 4: Population Numbers



The uMhlathuze and Mfolozi Local Municipalities are the only municipalities in the uThungulu District that have experienced and net population increase between 2001 and 2011. Their population increase has been significant, more than 14%. uMhlathuze has remained the municipality with the largest population in the district.

Source: Census 2011

Map 11: Population Density

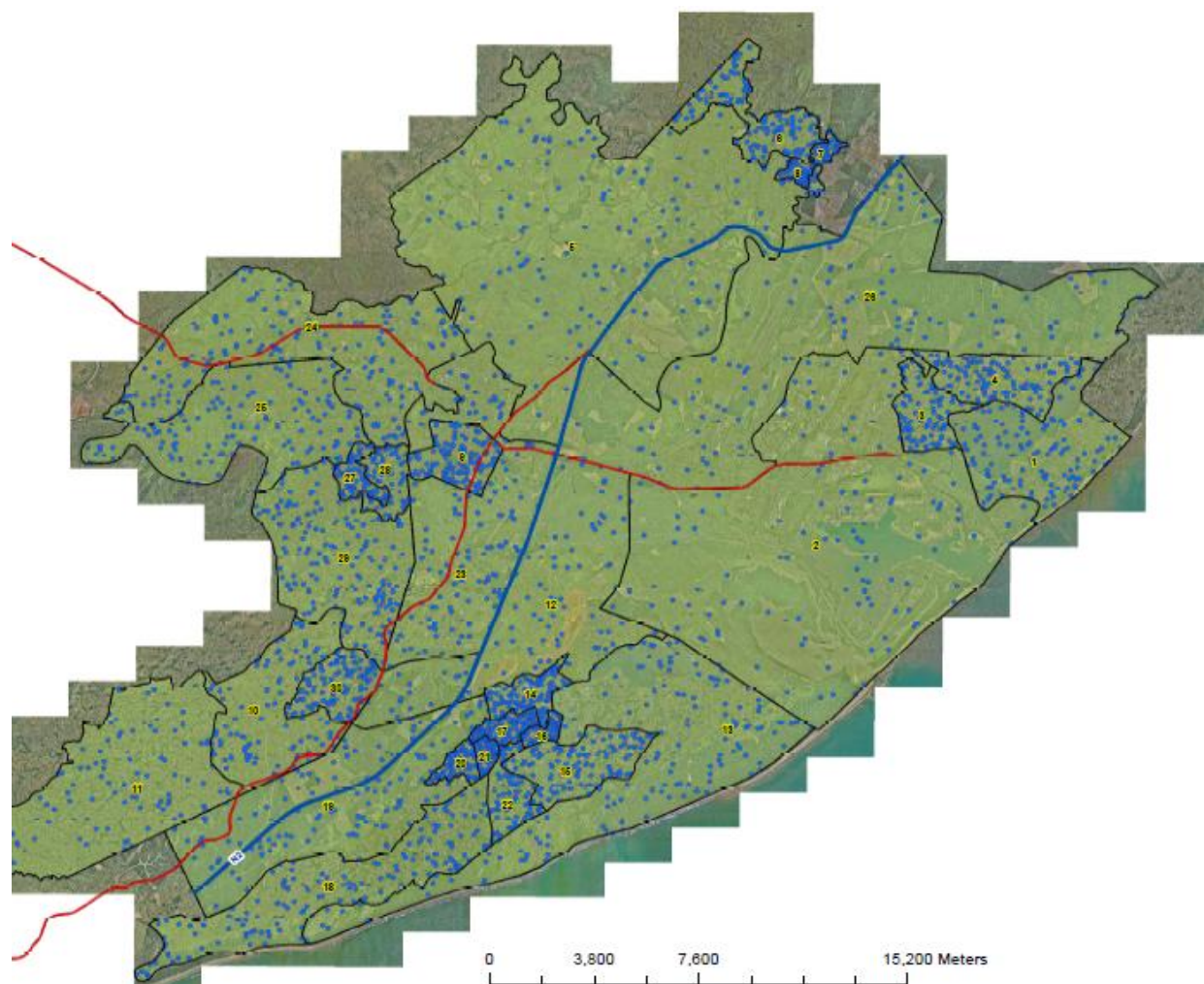


Table 11: Population Growth over Census Periods

	1996 - 2001	2001 -2011
DC28: Uthungulu	3.00	0.24
KZN282: uMhlathuze	7.69	1.45
KZN286: Nkandla	0.62	-1.55
KZN281: Mfolozi	2.06	1.39
KZN283: Ntambanana	3.07	-1.31
KZN284: uMlalazi	-0.81	-0.34
KZN285: Mthonjaneni	6.27	-0.52

Source: Census 2011

The increase in the population from 1996 to 2011 has been just below 2% per annum in the uMhlathuze Municipality as indicated in the following table that was part of the 2007 SDF Review of the uMhlathuze Municipality:

Table 12: Annual Population Growth of 1.45% between 2001 and 2011 for uMhlathuze

Census	Applied Annual Growth Rate of 1.45%				
2001	2002	2003	2003	2004	2005
289,189	293,382	297,636	301,952	306,330	310,772
Applied Annual Growth Rate of 1.45%					
2006	2007	2008	2009	2010	2011
315,278	319,850	324,488	329,193	333,966	338,809

The following tables provide a **projection** of the population for 2015, 2020, 2025, 2030, 2040 and 2050 at the following annual growth rate scenarios:

- 1.45%
- 2%
- 3%
- 5%
- 10%

Table 13: Projected Population Growth at 1.45%

2011	2015	2020	2025	2030	2040	2050
334,459	354,284	380,725	409,140	439,675	507,753	586,372

Table 14: Projected Population Growth at 2%

2011	2015	2020	2025	2030	2040	2050
334,459	362,029	399,709	441,312	487,244	593,947	724,018

The above two tables indicate the projected population for uMhlathuze at a rate of 1.45% and 2% respectively. It can be seen that at a 2% growth rate, the municipal population will double by the year 2050, 35 years from now. The impact of such a population increase on municipal services as well as other governmental services is very significant.

Table 15: Projected Population Growth at 3%

2011	2015	2020	2025	2030	2040	2050
334,459	376,437	436,393	505,899	586,476	788,175	1,059,241

Table 16: Projected Population Growth at 5%

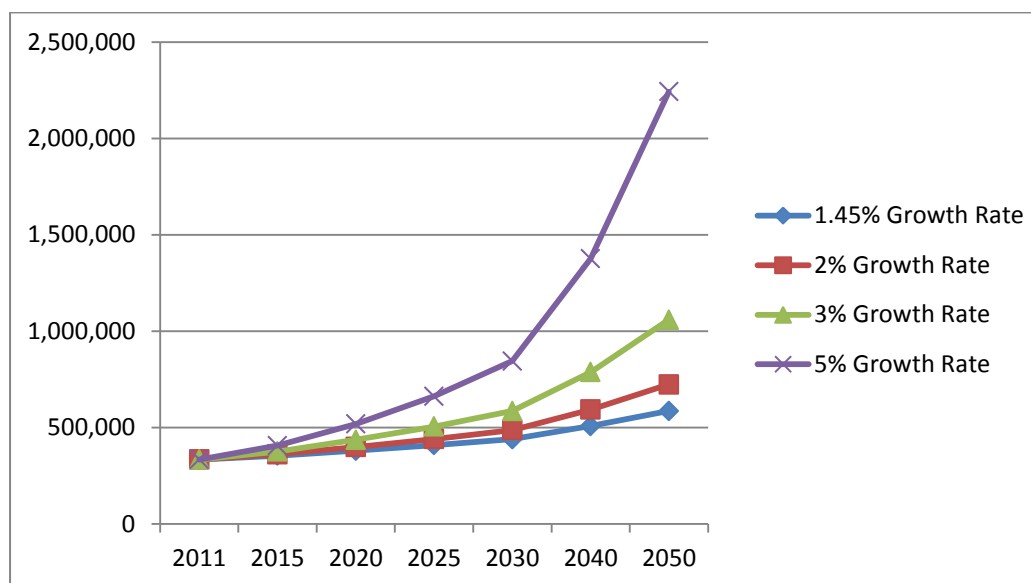
2011	2015	2020	2025	2030	2040	2050
334,459	406,537	518,856	662,206	845,161	1,376,679	2,242,464

Table 17: Projected Population Growth at 10%

2011	2015	2020	2025	2030	2040	2050
334,459	489,681	788,637	1,270,107	2,045,521	5,305,554	13,761,241

The following graph is a graphical illustration of the above tables indicating a 1.45%, 2%, 3%, and 5% annual population growth rate.

Figure 5: Population Growth Projections to 2050



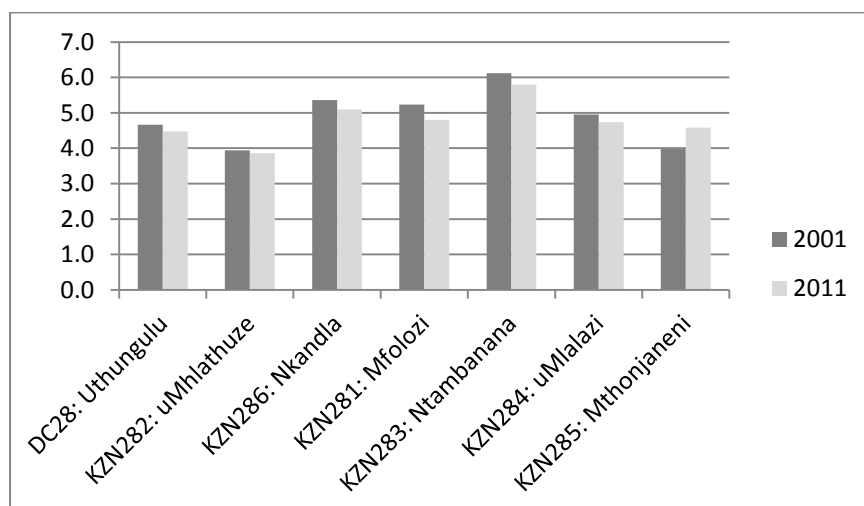
Comparative household numbers and sizes over the 2001 and 2011 census years are provided in the following table.

Table 18: Comparative Household Numbers and Sizes for the uThungulu District

	Households		Household Size	
	2001	2011	2001	2011
DC28: Uthungulu	171480	202976	4.7	4.5
KZN282: uMhlathuze	67127	86609	3.9	3.9
KZN286: Nkandla	24216	22463	5.4	5.1
KZN281: Mfolozi	19143	25584	5.2	4.8
KZN283: Ntambanana	12441	12826	6.1	5.8
KZN284: uMlalazi	38446	45062	5.0	4.7
KZN285: Mthonjaneni	10108	10433	4.0	4.6

Source: Census 2011

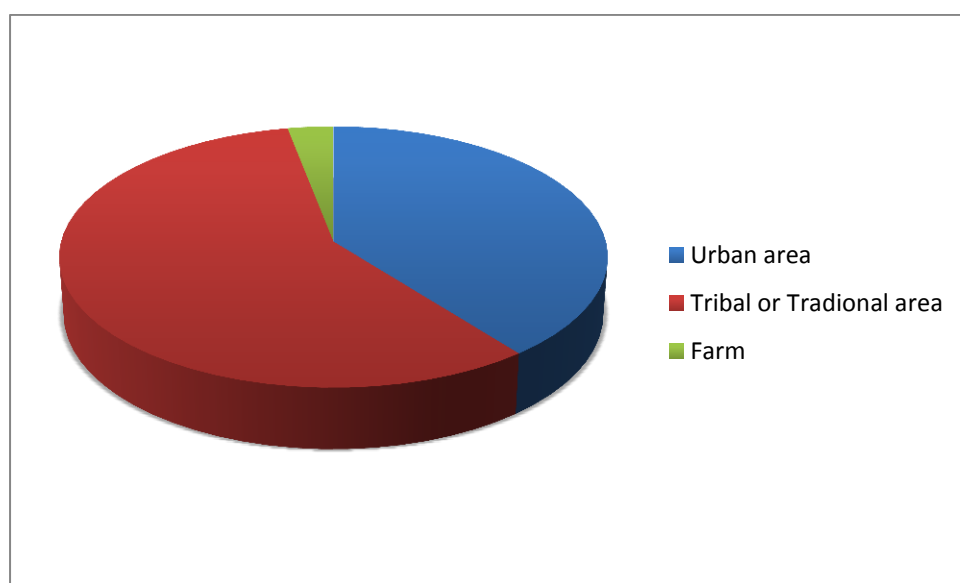
Figure 6: Comparative Household Sizes



Source: Census 2011

The uMhlathuze Local Municipality has the smallest household size in the district with 3.9. This has remained the same since 2001.

Figure 7: Geo Type



Source: Census 2011

A total population of 58% resides within Tribal areas, followed by Urban Area where 39 % of the total population resides, thirdly is small percentage of the population of 3 % resides in Farm Land. The municipality has a huge area, classified as tribal. It is therefore important that programs like Rural Development are fully employed by the municipality in order to improve service standards in those areas. Further it is important that a municipality maintains a good relationship with traditional leaders within uMhlathuze, so that service delivery will not be comprised.

9.1.2 Population Gender Breakdown

Table 19: Population and Gender per Ward

Ward	Male	Female	Grand Total
1	5966	6179	12145
2	6377	5877	12254
3	4510	4548	9058
4	6168	6304	12472
5	8003	7560	15564
6	6371	6173	12544
7	3116	2780	5896
8	2577	2559	5137
9	6473	7085	13558
10	5277	6033	11310
11	4295	4836	9131
12	4234	4341	8574
13	7190	7738	14928
14	6033	6283	12315
15	5808	6444	12252
16	3669	4132	7801
17	4949	5514	10463
18	7050	7837	14887
19	5626	6394	12020
20	4055	4497	8552
21	3377	3573	6950
22	4180	5001	9181
23	5461	5242	10703
24	10346	7985	18331
25	6804	7067	13871
26	5622	5901	11523
27	4090	4783	8873
28	3550	3890	7440
29	7281	8086	15367
30	4485	6874	11359
TOTAL	162943	171516	334459

The municipal wards that have the highest population numbers are wards 5, 13, 18, 24, 25 and 29.

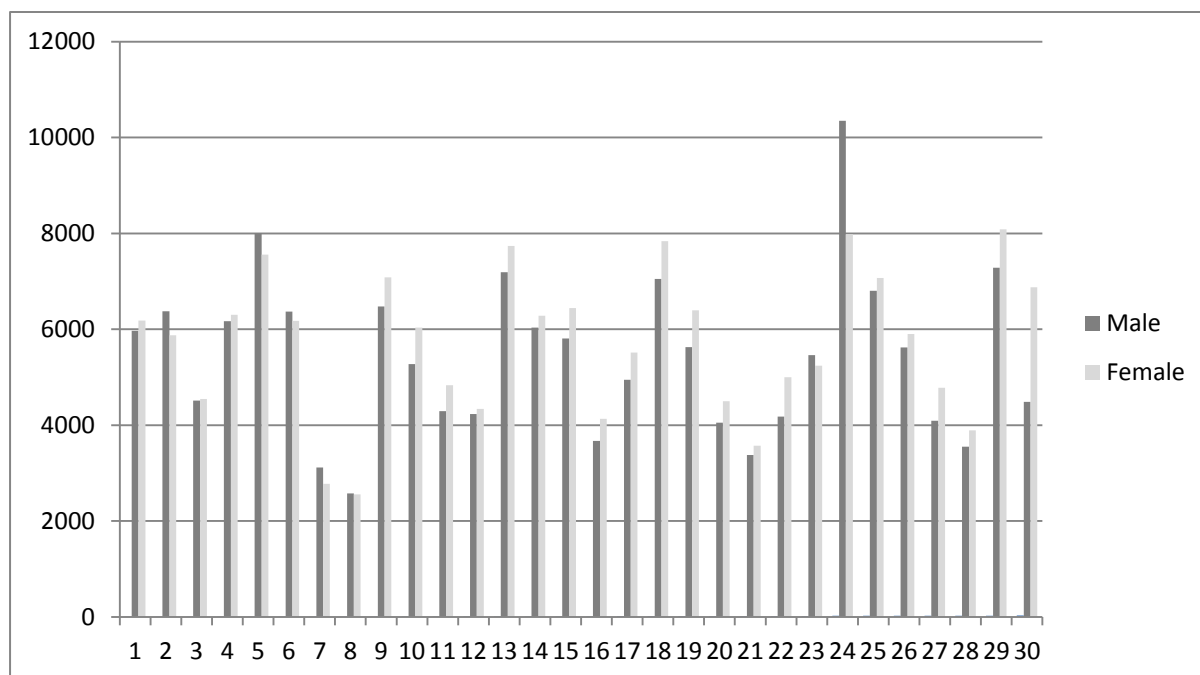
In line with national and provincial trends, there are more females than males in the Municipality, i.e. 171 516 females and 162 943 males. The wards where the number of males is higher than the number of females are wards 2, 5, 7, 8, 23 and 24. It is possible that single males live in these wards and are employed in the municipal area and that their families live elsewhere.

Wards to be incorporated post 2016 LGE

	Male	Female	Grand Total
5	5022	5688	10710
7	4767	5052	9819
8	4443	5031	9474
Total	14232	15771	30003

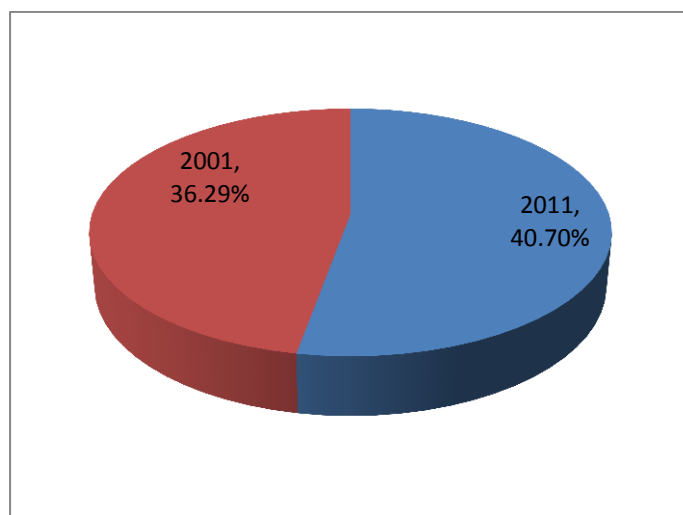
Source: Census 2011

Figure 8: Gender Breakdown per Ward



Source: Census 2011

Figure 9: Female Headed Households



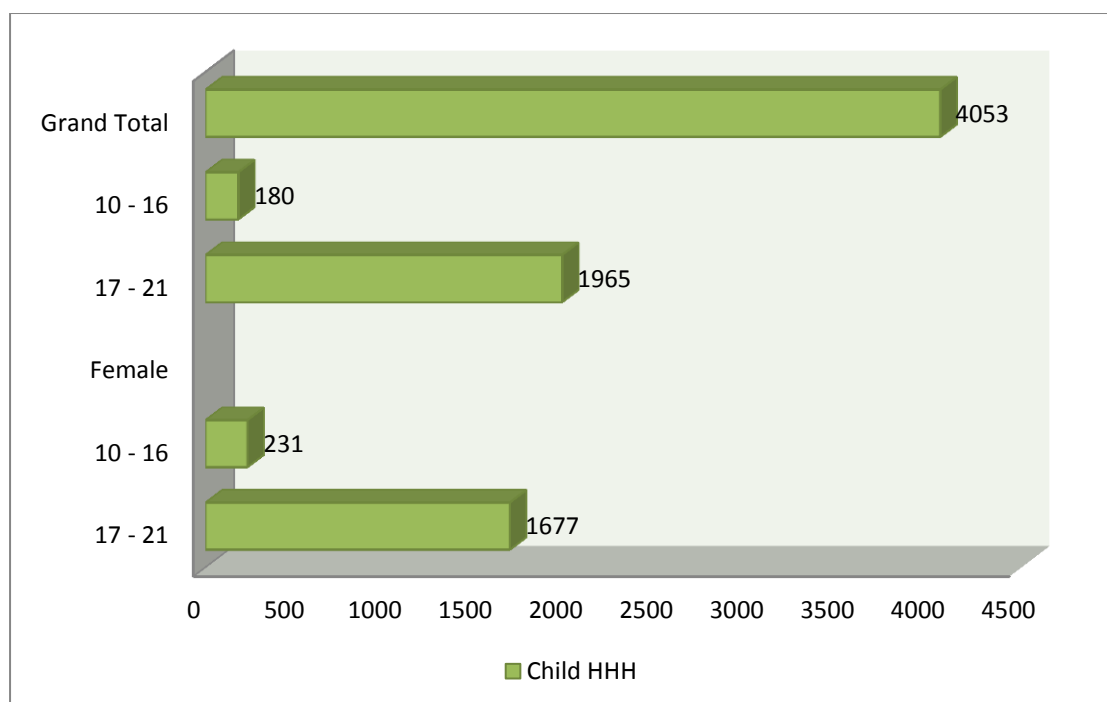
Source: Census 2011

The number of Female headed Households has increased from 2001 from 36.29 % to 40.70% in 2011. This can be attributed by many factors including the high level of divorce cases, and the fact that more women are becoming more independent.

Post LG Elections

From the table below it is evident that wards to be incorporated will cause an increase to the number of Female Headed Households.

Programs for women empowerment needs to be intensified and strategies for gender equality be implemented.

Figure 10: Child Headed Households

Source: Census 2011

Table 20:

Wards to be Incorporated Post 2016 Local Government Elections : Age of household head by Geography and Gender of head of household for Household weighted							
	Ward 5		Ward 7		Ward 8		Grand Total
	Male	Female	Male	Female	Male	Female	
10 - 14	9	3	9	9	15	6	51
15 - 19	18	15	15	3	3	6	60
20 - 24	60	36	66	24	21	15	222
25 - 29	60	51	114	69	36	30	360
30 - 34	48	60	165	69	39	48	429
35 - 39	90	99	141	93	69	54	546
40 - 44	66	102	123	87	69	60	507
45 - 49	105	162	105	108	84	90	654
50 - 54	105	150	114	132	84	117	702
55 - 59	105	72	96	84	78	111	546
60 - 64	63	99	75	75	81	78	471
65 - 120+	120	237	117	186	123	267	1050
Grand Total	849	1086	1140	939	702	882	5598

Source Census 2011

About 5 % of uMhlathuze Households are Child and Adolescent Headed Households. This percentage will increase if figures above are considered from the wards to be incorporated. The needs of these children are complex, many and diverse. Of importance are their rights that are compromised.

According to Jacobs (2005)¹, Smart (2003)², and UNICEF (2003)³, these children are often found to be fulfilling parenting roles and tasks like household chores, helping siblings with homework, providing emotional support, taking care of ill parents and providing spiritual guidance to family and sibling. They are vulnerable to all types of abuse because the family environment that served as a safety net has been eroded. The children are at risk of contracting HIV/AIDS and suffer psychological instability. They are often poor; they live in poor conditions and are exposed to hard labour. They are at risk of poor education as they quite often lack money to pay for their schooling or that of their siblings. Other risks are unemployability because of poor education and lack of skills; disease; prostitution; crime; pregnancy; poor or no shelter and no knowledge about their rights. They are exposed to emotional trauma, as they may have to cope with multiple loss in the form of death, sibling dispersal, relocation and reconstitution of the family after the death of parents.

Children in these households need shelter, clothes, food, education, access to health facilities, care giving and life skills, including coping with drugs and alcohol abuse, and protection against physical harm, sexual abuse and exploitation.

9.1.3 Age Breakdown

The population age cohort <15 has been declining at the district and uMhlathuze Local Municipality level while the population cohort for the 15-64 age group has shown an increase at both the district and local municipality level between 2001 and 2011. The latter could be indicative of increased perceptions of employment opportunities in the uMhlathuze area resulting in an in-migration into the area. An increase in the older age cohort (65+) is also observed between 2001 and 2011. Such could be indicative of the elderly deciding to reside in the area upon retirement or of improved health care facilities and an improved standard of living.

Table 21: Population Age Structure

	Population		Age Structure (Percentage % of Population)					
			<15		15-64		65+	
	2001	2011	2001	2011	2001	2011	2001	2011
DC28: Uthungulu	885965	907519	38.3	34.8	57.3	60.7	4.4	4.5
KZN282: uMhlathuze	289190	334459	33.0	29.3	64.2	67.5	2.8	3.2

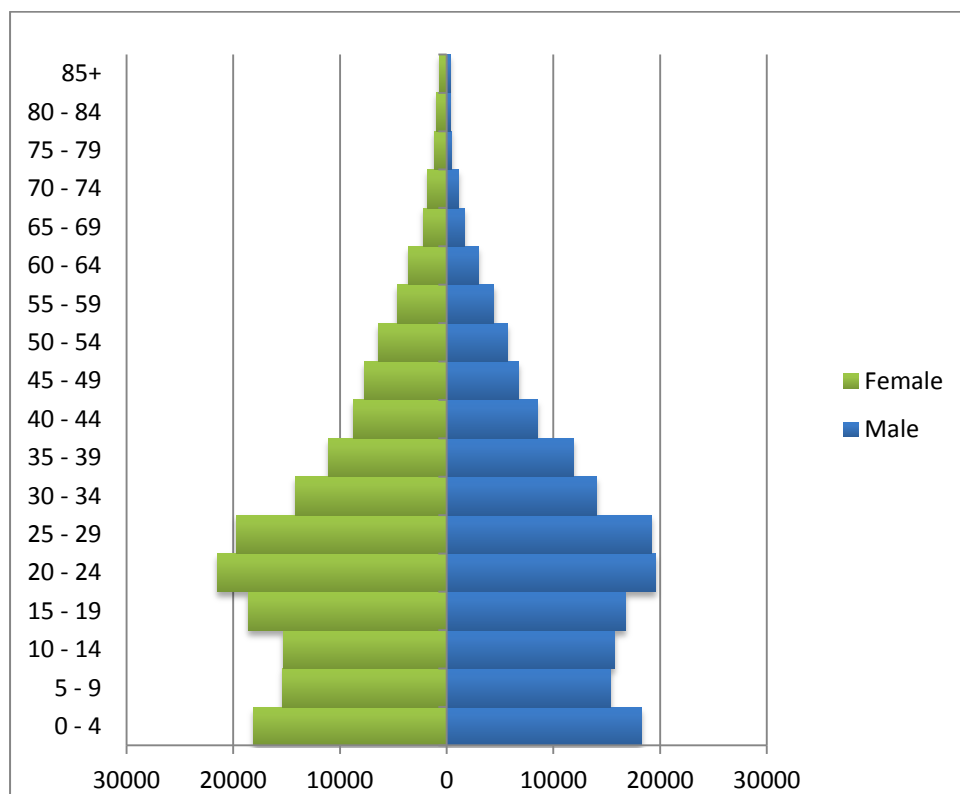
Source: Census 2011

¹ Jacobs, M. 2005. *South African Child Gauge*. Children's Institute.

² Smart, R. 2003. *Policies for Orphans and Vulnerable Children: A Framework for Moving Ahead*. Policy Project.

³ UNICEF. 2003. *Working with Children in Unstable Situations*. UNICEF.

Figure 11: Age in Completed Years by Gender



Source: Census 2011

Table 22

Age in completed years by Geography for Person weighted Wards to be incorporated Post 2016 Local Government Elections				
	Ward 8	Ward 7	Ward 5	Grand Total
0 - 4	1176	1146	1506	3828
5 - 9	1110	1074	1323	3507
10 - 14	1116	1035	1407	3558
15 - 19	1188	1128	1515	3831
20 - 24	987	1116	1104	3207
25 - 29	855	1020	810	2685
30 - 34	609	708	498	1815
35 - 39	420	552	459	1431
40 - 44	351	405	345	1101
45 - 49	339	378	444	1161
50 - 54	345	396	387	1128
55 - 59	288	282	252	822
60 - 64	213	198	213	624
65 - 69	138	126	135	399
70 - 74	129	102	129	360
75 - 79	78	63	69	210
80+	126	84	120	330
Grand Total	9468	9813	10716	29997

Source : Census 2011

The Figure and the table above indicate that Municipality is dominated by a young population in terms of Age. It is imperative that the municipality develop programs and projects that will respond to youth issues. Further strategies for youth development, in terms of empowering youth in different skills must take priority in municipality's strategies. If youth is not developed and empowered, municipality will have no future leaders.

9.1.4 Life Expectancy

According to Stats SA life expectancy for females in KZN increased from 51 years (2001--2006) to 55.2 years (2006--2011), and for males increased from 45.7 years (2001--2006) to 50 years (2006--2011)

9.1.5 Education

Education levels are provided for the 2001 and 2011 census years. Comparisons are made with the levels in the country, the uThungulu District as well as the local municipalities in the uThungulu district. The following table provides a summary of the situation while more explanatory figures are provided hereafter of specific situations.

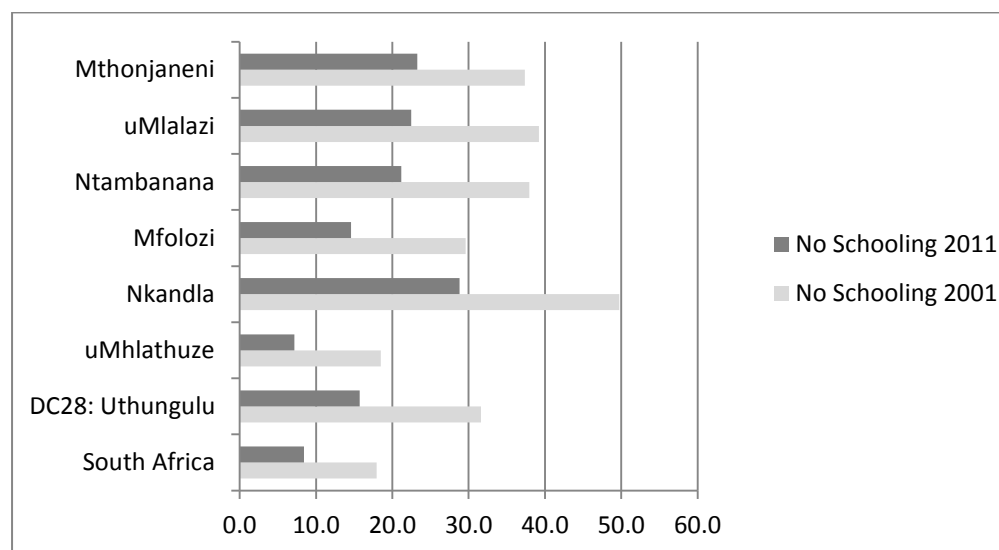
Table 23: Comparative Education Levels

	No Schooling		Higher Education		Matric		Primary Educational Enrolment aged 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
South Africa	17.9	8.4	8.4	6.7	22.1	27.8	91	93.1
DC28: Uthungulu	31.6	15.7	5.8	4.2	18.3	29.5	88.3	89.6
uMhlathuze	18.5	7.2	10.9	7.3	27.6	36.9	90.1	91.7
Nkandla	49.8	28.8	2.5	1.7	11.5	21.0	88.7	86.7
Mfolozi	29.6	14.6	2.3	1.2	14.5	30.3	89.3	88.2
Ntambanana	38.0	21.2	1.5	0.8	10.4	23.1	86.4	91.3
uMlalazi	39.2	22.5	3.5	2.9	13.2	22.9	87.0	88.9
Mthonjaneni	37.3	23.3	3.9	2.3	14.7	22.1	85.6	88.9

Source: Census 2011

Although there has been a slight increase in the primary enrolment levels at national and district level, it remains concerning that, in some instances, nearly 10% of children of school going age, are not attending school. Reasons could relate to access, affordability and other poverty related factors such as HIV/Aids for this. The number of persons that do not have any education (no schooling) has declined between 2001 and 2011 as indicted in the figure hereunder.

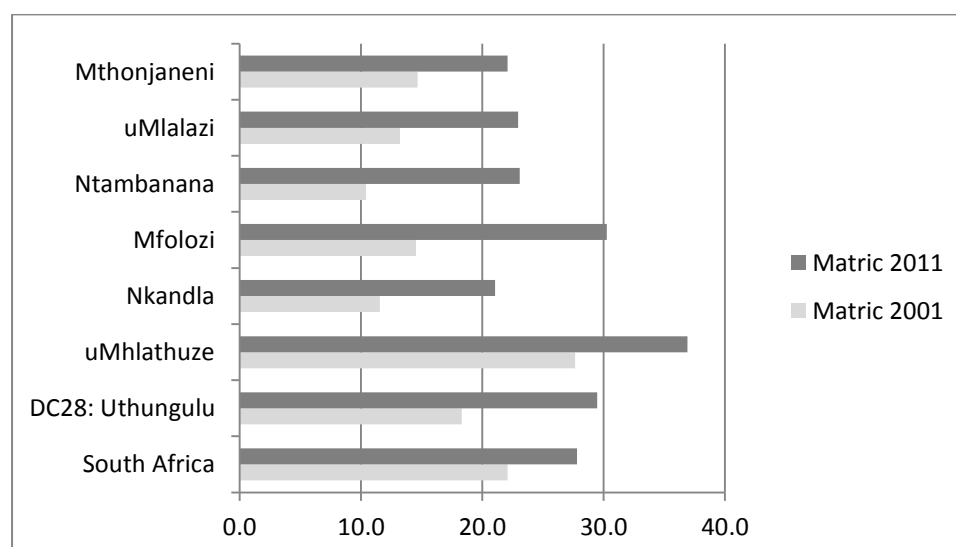
Figure 12: Persons with No Schooling



Source: Census 2011

It is also concerning to note with reference to the previous table that there has been a decline in the percentage (%) of persons with a higher education. Again, affordability and accessibility could be main contributors. On the contrary, the following figure indicates that the percentage (%) of persons with a matric qualification has increased in all areas.

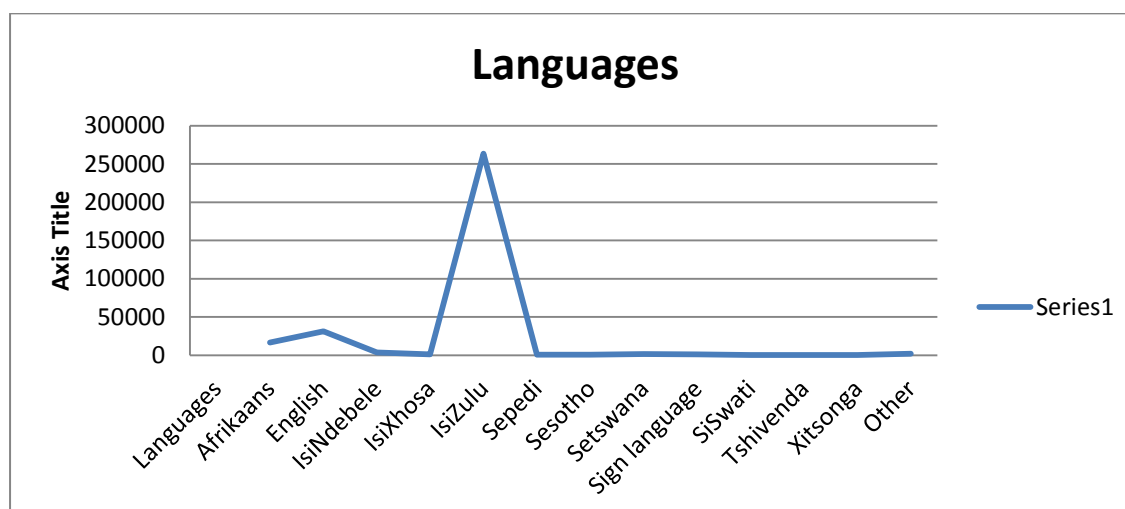
Figure 13: Persons with Matric



Source: Census 2011

9.1.6 Language

Figure 14: Language for Persons Weighted in uMhlathuze

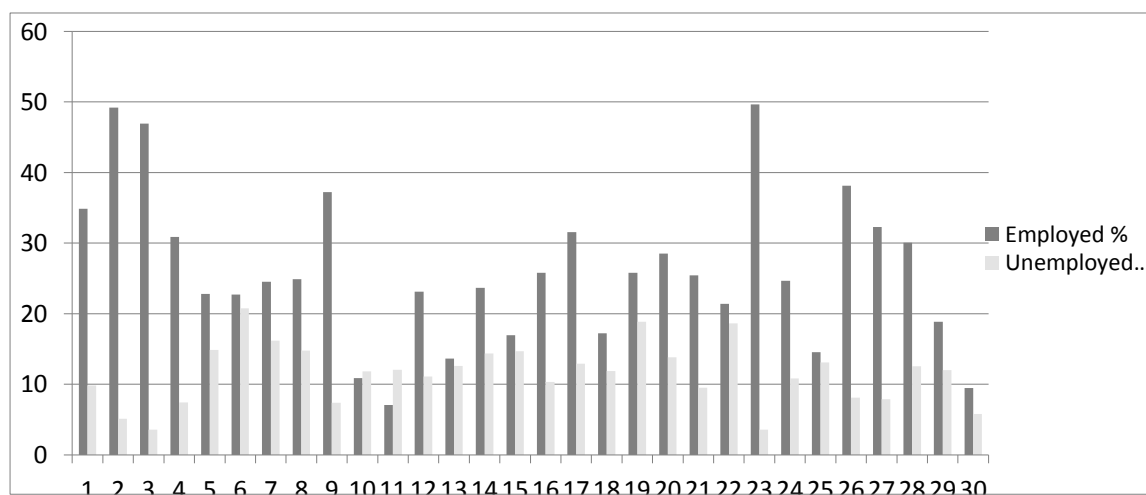


Source: Census 2011

isiZulu is the most common language in South Africa, spoken by nearly 23% of the total population. But it's a regional language, with 71.8% of its speakers to be found in KwaZulu-Natal, where it is the language of 80.9% of the provincial population. The figure above indicates that In uMhlathuze Municipality isiZulu is also a majority language spoken by 78.73% of its population. In the Second place is English spoken by 9.3 % of the total population. In third place is Afrikaans, spoken by 13.3% of the total population.

9.1.7 Employment

Figure 15: Percentage Employment per Ward



Source: Census 2011

The above figure and table on the left shows the percentage of persons in the respective municipal wards that are employed and unemployed. The highest percentage employment is in Ward 1, 2, 3, 9, 23 and 29. These wards largely correlate with the developed urban areas of Richards Bay and Empangeni. Unemployment levels seem to be highest (as a percentage) in Wards 6, 19 and 22. These wards largely correlate with areas that are developing (densifying) on the urban periphery of Esikhaleni and Nseleni. With the wards to be incorporated there is positive rate of employment as compared to unemployment. The highest rate of unemployment from the wards to be incorporated in found in ward 5.

Ntambanana Ward	Employed	Unemployed
5	1089	648
7	2073	1209
8	879	1461
Total	4041	3318

Date: May 2016

9.1.8 Income and Dependency

Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents. The following table does indicate monthly individual income levels for all 30 wards in uMhlathuze

Table 24: Individual Monthly Income at Ward Level

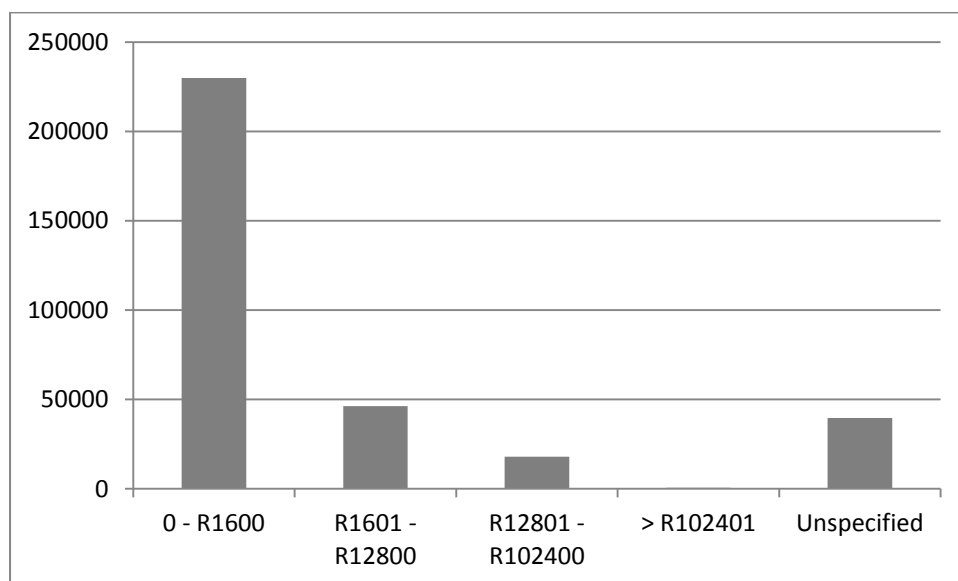
Wards	0 - R1600	R1601 - R12800	R12801 - R102400	> R102401	Unspecified
1	6463	2064	1552	97	1969
2	3829	2740	2507	70	3108
3	3532	2169	1706	51	1600
4	7841	1773	1356	60	1442
5	12857	1337	157	4	1209
6	10135	1377	144	12	875
7	4774	649	75	0	397
8	3926	925	60	3	223
9	7426	3054	1660	35	1381
10	7641	1364	129	4	2170
11	7886	397	42	6	800
12	6943	1002	38	6	586
13	13029	1030	110	4	756
14	9854	1513	96	3	849
15	10559	1010	110	9	563
16	6172	817	343	50	419
17	7277	1783	887	9	506
18	12036	1153	129	7	1561
19	8852	1666	684	12	807
20	6201	1501	303	13	535
21	5211	1266	226	8	238
22	6984	1084	292	2	819
23	4945	2629	1735	82	1312
24	8881	2357	946	36	6109
25	11664	1212	72	10	912
26	5930	2797	1154	14	1628
27	6013	1749	762	12	338
28	4622	1678	246	1	891
29	12832	1618	260	6	652
30	5590	592	112	13	5052
Total	229905	46306	17893	639	39707

Source: Census 2011

Wards from Ntambanana	0- 1 600	R 1 601 - R 12 800	R 12 801 - R 102 400	> R 204 801	Unspecified
W5	9714	420	54	3	516
W7	8277	945	63	3	531
W8	8106	462	45	12	852
Total	26097	1827	162	18	1899

Although the above table does not indicate percentage (%) but numbers only, it still provides a clear indication of the magnitude of poverty (in respect of income levels) in the respective wards. Very high numbers of persons in Wards 5, 6, 13, 15, 18, 25 and 29 earn less than R1600 per month.

Figure 16: Monthly Individual Income in uMhlathuze



Source: Census 2011

As noted, the number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the official Census 2011 dependency ratios for South Africa, KwaZulu-Natal, the uThungulu District as well as the Local Municipalities in the uThungulu District.

Table 25: Comparative Dependency Ratio

	Dependency Ratio	
	per 100 (15-64)	
	2001	2011
SOUTH AFRICA	58.7	52.7
KWAZULU-NATAL	65.4	58.5
DC28: Uthungulu	74.5	64.7
KZN282: uMhlathuze	55.8	48.2
KZN286: Nkandla	99.2	86.6
KZN281: Mfolozi	80.2	68.2
KZN283: Ntambanana	85.7	79.3
KZN284: uMlalazi	81.5	74.9
KZN285: Mthonjaneni	78.2	75.6

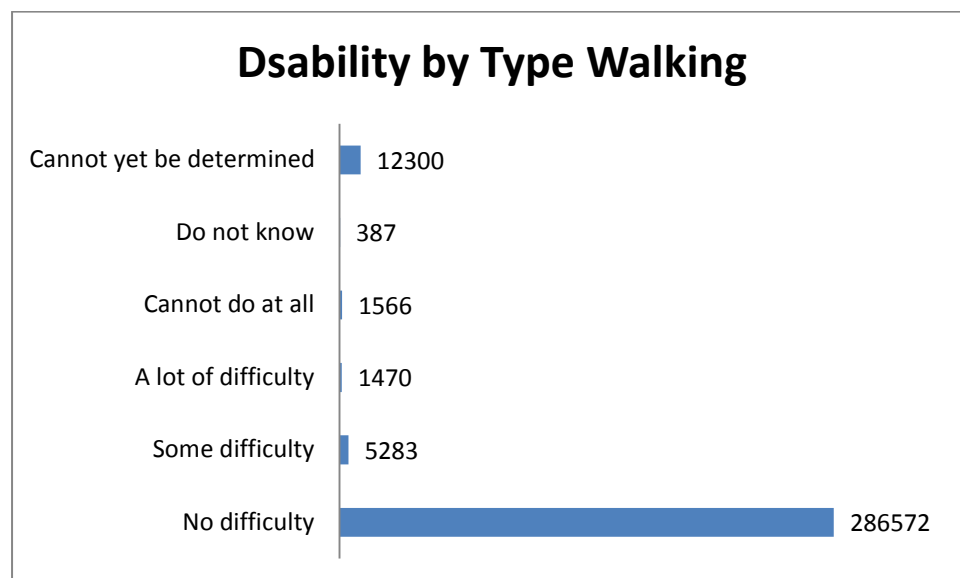
Source: Census 2011

The dependency ratio on KZN was higher in 2001 and remains higher in 2011 than that of the country. The situation is also worse in uThungulu than in the province. The dependency in uMhlathuze is lower than that of the country.

9.1.9 Disability by Type

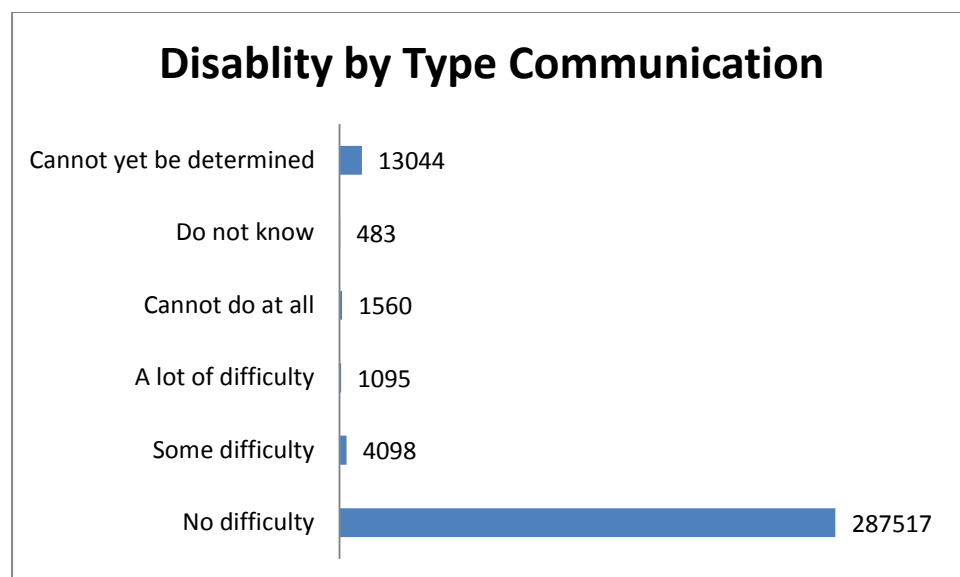
The following figures will indicate the number of people that live with different types of disabilities within in uMhlathuze Municipality.

Figure 17: Disability by Type Walking



Census: 2011

Figure 18: Disability by Type Communication



Source: Census 2011

Figure 19: Disability by Type Hearing

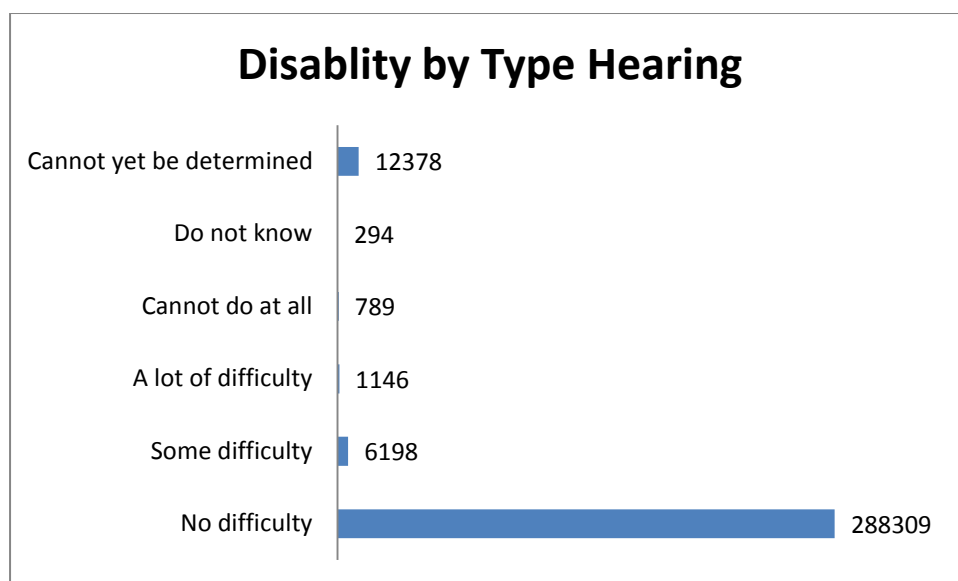
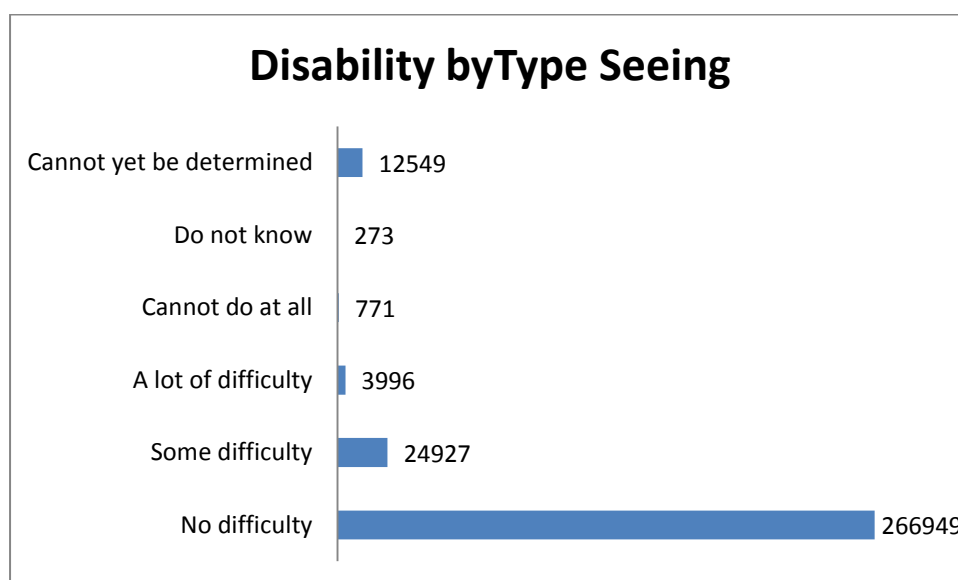


Figure 20 : Disability by Type Seeing



From the above figures it is evident that within uMhlathuze population there are people living with different disabilities. It is important therefore for the municipality in their implementations plans to develop initiatives that will support and develop people living with disabilities. In different structure of the municipality they should be represented so that they have their inputs on developmental issues considered and what challenges are they facing within the society, which must be addressed through cooperative governance initiatives by different government departments. Further uMhlathuze must consider in all their constructions, or when approving building plans that the needs of people living with disabilities must never be compromised. On Job opportunities priority should also be given to people living with disabilities, in terms of the employment equity act.

9.1.10 HIV/Aids

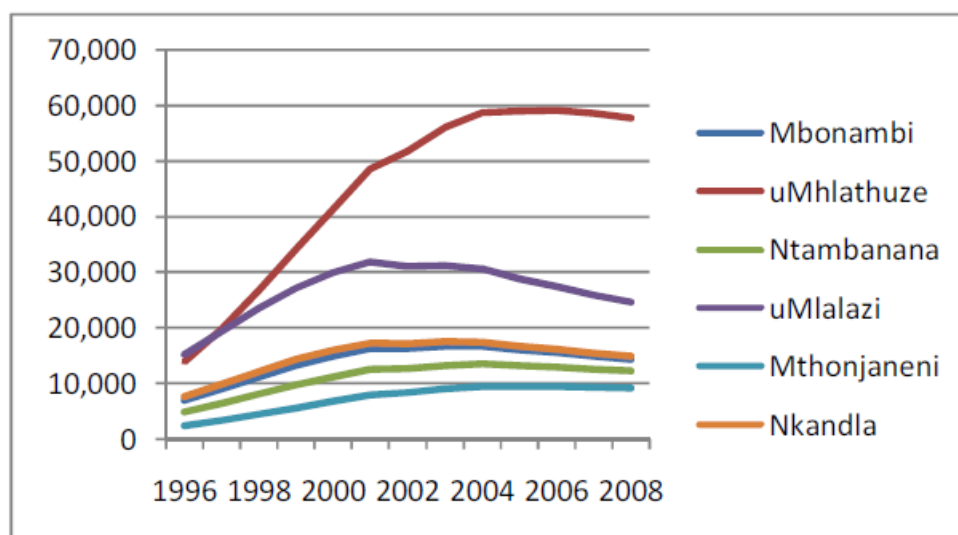
In the 2013 State of the Province Address, the Honourable Premier Dr Z Mkhize said: *“For the first time in recent history, HIV and AIDS are showing signs of retreat. The number of AIDS--related deaths is declining. Since we took office in 2009, we have stabilised HIV prevalence in our Province from 39.5% to 37.4%, as a direct result of our integrated approach through the Provincial Council on AIDS working together with all sectors of our society to ensure that our initiatives on prevention and to make anti--retroviral treatment available, are successful. Utilizing a special roving team of dedicated health professionals to initiate therapy to all 550 000 deserving individuals, we can now declare that for a few years now, the waiting list for anti--retroviral treatment no longer exists. It has been cleared for good.”*

Between 2009 and 2011, the HIV prevalence among pregnant women decreased from 39.5% (2 664 of 6 744) to 37.4% (2 511 of 6 714); among 15--19 year old pregnant women decreased from 22% (340 of 1 547) to 16.8% (261 of 1 555); and among 20--24 year old pregnant women decreased from 37.2% (850 of 2 284) to 33.3% (727 of 2 183).⁴ According to data from Statistics SA Burden of Disease, HIV and AIDS related deaths in KZN decreased from 67 429 (2008) to 54 337 (2010), which can be attributed to improved management of HIV challenges. **(Information/Statistics sourced from the KZN Department of Health 2012/2013 Annual Report)**

uMhlathuze is providing resources to the Premier's Sukuma Sakhe Programme which seeks to reduce HIV and AIDS which is also prevalent amongst young people through awareness programmes. Typical impacts of AIDS include decreased productivity of workers, increased absenteeism and additional costs of training new workers. It also represents a greater demand and pressure on health facilities and as the statistics gathered from antenatal clinics indicate a very real problem of AIDS orphans and child (minor) headed households. These factors must be taken cognizance of when devising local economic development strategies.

Information has been extracted from the uThungulu District Municipality Global Insight (2008) database in respect of the incidence of HIV/Aids in the uThungulu District and its Local Municipalities and is provided hereunder:

Figure 21: Incidence of HIV/Aids



Source: Global Insight 2008

9.1.11 Fertility Rates/Recorded Live Births

KwaZulu Natal recorded a total fertility rate (TFR) of 2.9 children per woman in 2006 - 2011 (among the highest in the country); the second worst life expectancy (50.6 years) in the same period and the worst under-five mortality rate in 2007 (93 deaths per 1,000 live births).

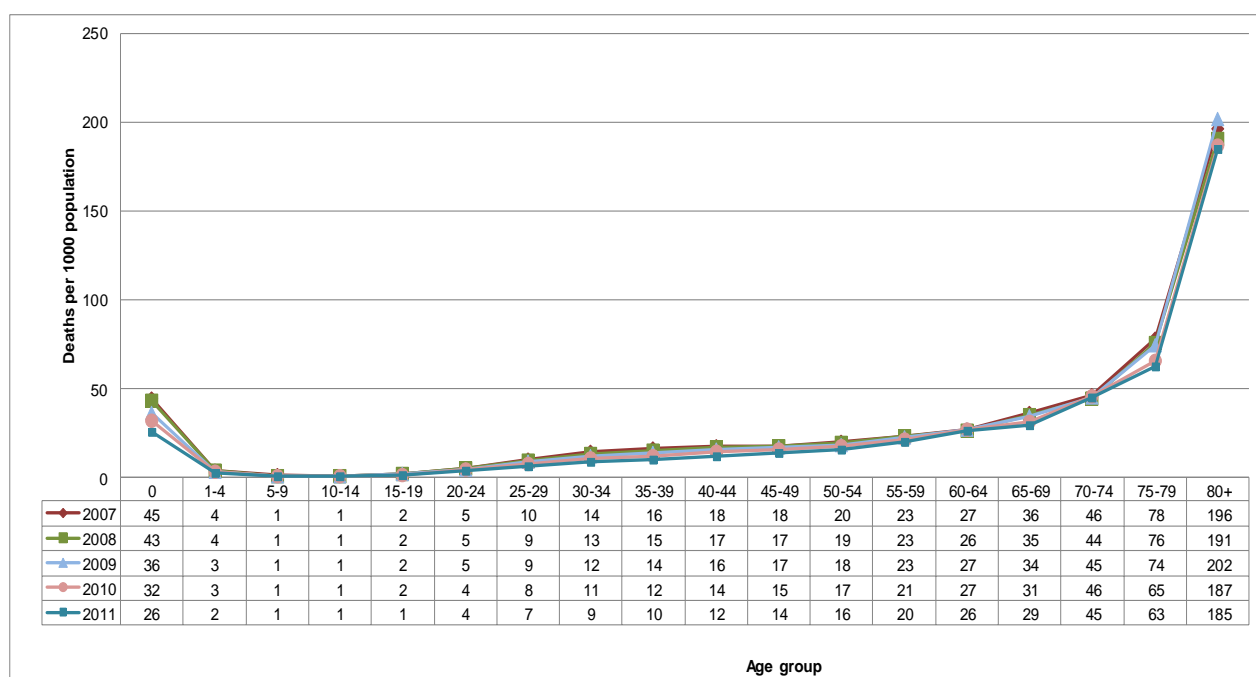
9.1.12 Mortality Rates

Table 26: Number of deaths by Age, Sex, Years of Dearth, 2009-2011

Age group	2010				2011			
	Male	Female	Unsp.	Total	Male	Female	Unsp.	Total
0	18 235	16 045	376	34 656	14 637	12 956	492	28 085
1-4	6 978	6 070	43	13 091	5 217	4 662	46	9 925
5-9	2 538	2 089	5	4 632	2 299	1 983	7	4 289
10-14	2 420	2 112	3	4 535	2 064	1 776	5	3 845
15-19	4 397	3 955	18	8 370	4 054	3 496	25	7 575
20-24	9 400	10 640	33	20 073	8 433	8 767	80	17 280
25-29	16 440	19 397	61	35 898	14 682	15 850	141	30 673
30-34	22 321	21 352	67	43 740	19 251	17 498	133	36 882
35-39	24 680	20 314	46	45 040	22 061	17 175	104	39 340
40-44	23 246	17 573	44	40 863	20 559	15 247	93	35 899
45-49	22 836	16 305	56	39 197	20 607	14 683	58	35 348
50-54	21 910	15 164	30	37 104	20 754	14 117	66	34 937
55-59	20 874	14 274	33	35 181	20 039	14 024	47	34 110
60-64	20 017	14 744	26	34 787	20 079	14 707	57	34 843
65-69	17 224	14 560	21	31 805	16 725	14 061	24	30 810
70-74	15 802	16 644	13	32 459	16 260	16 586	21	32 867
75-79	11 741	16 083	8	27 832	11 541	16 257	18	27 816
80-84	9 909	16 187	11	26 107	9 834	16 511	14	26 359
85-89	5 758	10 485	5	16 248	5 895	11 020	13	16 928
90+	4 078	10 713	8	14 799	4 325	11 259	7	15 591
Unspecifi	818	230	259	1 307	1 253	602	546	2 401
Total	281 622	264 936	1 166	547 724	260 569	243 237	1 997	505 803

Source: Statistics SA 2011

The table above and the figure below provides statistics on the number of deaths by age, sex and years of death occurrences within uThungulu District Municipality. The figure above shows a decrease in the total number of deaths in the district, from 547 724 to 505 803. This could be attributed by the increase in life expectancy, further the rolling out of ARV could also be a contributing factor to such a decrease. People are also adapting to a healthy living lifestyles which improves general health. Specific programs like health awareness must be continuous be done in partnership with the Department of Health of importance to note in the substantial number infants/stillborn death's within the district. More measure must e put in place, i.e. Pregnant mothers must be encouraged to attend Antenatal Care Classes, as lack of knowledge could also contribute to mothers giving birth before time.

Figure 22: uThungulu District - Age Specific Dearth Rates by year of dearth 2007-2011

Source Census 2011

In terms of dearth's occurrence by age a group, from ages 60 upwards there is an increase in the number of death occurrences followed by ages 0-4.

Table 27: The Ten leading underlying natural causes of deaths by district municipality of death occurrence, 2011

uThungulu		No.	%
1	Tuberculosis (A15-A19)**	1 270	14,5
2	Influenza and pneumonia (J09-J18)	501	5,7
3	Other viral diseases (B25-B34)	462	5,3
4	Cerebrovascular diseases (I60-I69)	442	5,0
5	Human immunodeficiency virus [HIV] disease (B20-B24)	418	4,8
6	Other forms of heart disease (I30-I52)	397	4,5
7	Diabetes mellitus (E10-E14)	364	4,2
8	Intestinal infectious diseases (A00-A09)	330	3,8
9	Hypertensive diseases (I10-I15)	237	2,7
10	Certain disorders involving the immune mechanism (D80-D89)	184	2,1
	Other natural causes	3 287	37,5
	Non-natural causes	866	9,9
	All causes	8 758	100,0

Source : Census 2011

9.2 KEY FINDINGS

- The uMhlathuze and Mfolozi Local Municipalities are the only municipalities in the uThungulu District that have experienced a net population increase between 2001 and 2011. Their population increase has been significant, more than 14%. The increase in the population from 1996 to 2011 has been just below 2% per annum
- uMhlathuze is the municipality with the largest population in the district.
- At a projected population annual growth rate for uMhlathuze of 2%, the municipal population will double by the year 2050, 35 years from now. The impact of such a population increase on municipal services as well as other governmental services is very significant.
- The uMhlathuze Local Municipality has the smallest household size in the district with 3.9. This has remained the same since 2001.
- The municipal wards that have the highest population numbers are wards 5, 13, 18, 24, 25 and 29.
- In line with national and provincial trends, there are more females than males in the Municipality, i.e. 171 516 females and 162 943 males.
- The wards where the number of males is higher than the number of females are wards 2, 5, 7, 8, 23 and 24. It is possible that single males live in these wards and are employed in the municipal area and that their families live elsewhere.
- The population age cohort <15 has been declining at the district and uMhlathuze Local Municipality level while the population cohort for the 15-64 age group has shown an increase at both the district and local municipality level between 2001 and 2011. The latter could be indicative of increased perceptions of employment opportunities in the uMhlathuze area resulting in an in-migration into the area.
- Although there has been a slight increase in the primary enrolment levels at national and district level, it remains concerning that, in some instances, nearly 10% of children of school going age, are not attending school.
- It is also concerning to note with reference to the previous table that there has been a decline in the percentage (%) of persons with a higher education.
- The highest percentage employment is in Ward 1, 2, 3, 9, 23 and 29. These wards largely correlate with the developed urban areas of Richards Bay and Empangeni.
- Unemployment levels seem to be highest (as a percentage) in Wards 6, 19 and 22. These wards largely correlate with areas that are developing (densifying) on the urban periphery of Esikhaleni and Nseleni.
- Very high numbers of persons in Wards 5, 6, 13, 15, 18, 25 and 29 earn less than R1600 per month.
- The dependency ratio on KZN was higher in 2001 and remains higher in 2011 than that of the country. The situation is also worse in uThungulu than in the province. The dependency in uMhlathuze is lower than that of the country.

10. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT ANALYSIS

10.1 MUNICIPAL POWERS AND FUNCTIONS

A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution. Chapter 5 of the Local Government: Municipal Structures Act, 117 of 1998 clearly defines those functions and powers vested in a local municipality, notably:

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

In setting out the functions of a Local Municipality, the Municipal Systems Act indicates that the Minister responsible for Local Government may authorize a Local Municipality to perform the following functions of a District Municipality. The uMhlathuze Municipality performs the following:

- o Potable water supply systems
- o Bulk supply of electricity
- o Domestic waste-water systems
- o Sewage disposal systems
- o Municipal Health Services.

More specifically, the objectives of local government are:-

- o Air and Noise Pollution
- o Building, Trading Regulations, Liquor and Public, Nuisance Control
- o Fire Fighting Services
- o Pounds
- o Public Places
- o Refuse Removal, Refuse Dumps and Solid Waste
- o Street Trading
- o Street Lighting
- o Traffic and Parks
- o Electricity Reticulation
- o Cleansing and Trade Areas
- o Beaches and Amusement Facilities
- o Billboards and Display of Advertisements in Public Places
- o Cemeteries, Funeral Parlors and Crematoria
- o Licensing, Facilities for Accommodation, Care and Burial of Animals
- o Fencing and Fences
- o Local Amenities
- o Local Tourism
- o Municipal Airports
- o Municipal Planning
- o Municipal Public Transport
- o Storm Water Management
- o Local Sport Facilities
- o Markets Stalls / Trade Areas
- o Municipal Abattoirs
- o Municipal Parks and Recreation

10.2 MUNICIPAL TRANSFORMATION

10.2.1 Employment Equity Plan

uMhlathuze Municipality has an Employment Equity Plan which was Adopted in 2013 and will be in implementation until the year 2018. The main objective of the Employment Equity Plan is mainly on achieving transformation and equality in the workplace by promoting equal opportunity and fair treatment in the employment through the elimination of unfair discrimination, through the EEP Council further commits itself to implement affirmative action measures to redress the historical disadvantages in employment as a result of the apartheid legacy which restricted members of the designated groups from entry to employment, advancement or development of such.

The number and levels of employees from designated and non-designated groups (as at February 2016) is provided in the following table:

Figure 23: Designated and Non-Designated Employment Numbers and Levels

OCCUPATIONAL LEVEL	LEVEL	VACANT POSTS	MALE								FEMALE								PERSONS WITH DISABILITIES			FOREIGN NATIONALS		TOTAL POSTIONS FILLED	TOTAL POSTERS PER LEVEL	
			AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE		MALE	FEMALE	NUM GOAL PWD	MALE	FEMALE			
			CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL								
TOP MANAGEMENT	26	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	
	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	23	1	4	252	0	0.12	0	0.42	0	0.18	2	228	0	0.12	0	0.24	0	0.12	0	0	0	0	0	6	6	
TOTAL		1	5	3.52	0	0.12	0	0.42	0	0.18	2	228	0	0.12	0	0.24	0	0.12	0	0	0	0	7	7		
SENIOR MANAGEMENT	22	5	3	7	0	0	1	1	2	0	3	5	0	0	0	0	0	0	0	0	0	0	9	13		
	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	19	14	19	22	0	0	0	6	8	0	8	20	0	0	0	3	5	0	0	0	0	1	0	41	51	
	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL		19	22	29	0	0	1	7	10	0	11	25	0	0	0	3	5	0	0	0	0	1	0	50	64	
PROFESSIONALLY QUALIFIED & EXPERIENCED SPECIALISTS / MIDDLE MANAGEMENT	17	7	12	13	0	0	2	2	1	1	2	9	0	0	0	1	0	0	0	0	0	1	0	18	26	
	16	7	5	8	0	0	0	2	2	0	2	7	0	0	1	1	1	0	0	0	0	0	0	11	18	
	15	22	20	29	0	0	3	6	2	2	12	25	1	0	1	2	5	0	0	0	2	0	0	44	64	
	14	0	1	2	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	3	3	
TOTAL		36	38	52	0	0	5	10	6	3	16	42	1	0	2	4	7	0	0	0	2	1	0	76	111	
SKILLED TECHNICAL & ACADEMICALLY QUALIFIED / JUNIOR MANAGEMENT / SUPERVISORS / FOREMAN / SUPERINTENDENTS	13	2	2	4	0	0	1	1	2	0	1	3	0	0	0	0	0	0	0	0	0	0	0	6	8	
	12	16	18	24	0	0	0	4	2	2	13	20	0	0	4	2	1	1	0	0	1	0	0	38	53	
	11	37	44	59	1	2	4	9	5	5	28	54	1	0	4	6	10	3	0	0	3	0	0	97	138	
	10	25	40	38	0	0	3	8	6	3	14	32	0	0	1	4	4	1	0	0	1	0	0	68	86	
	9	41	59	76	0	1	6	13	10	6	39	68	1	1	4	8	16	4	2	0	6	0	0	137	177	
TOTAL		121	163	201	1	3	14	35	25	16	95	177	2	1	13	20	31	9	2	0	11	0	0	346	462	
SEMI-SKILLED & DISCRETIONAY DECISION MAKING	8	20	51	51	1	1	1	8	10	4	32	44	2	1	0	5	2	3	0	2	3	0	0	101	117	
	7	19	28	38	0	1	3	6	4	2	24	32	1	0	4	4	2	1	0	1	1	0	0	67	84	
	6	68	147	133	1	4	3	21	5	10	72	117	3	1	3	14	6	7	1	0	6	0	0	241	307	
	5	56	115	104	1	3	3	19	4	7	67	95	2	3	3	11	10	5	0	0	5	0	0	205	247	
	4	118	141	151	0	4	2	28	2	12	81	138	1	3	5	15	2	7	1	2	7	0	0	237	358	
TOTAL		281	482	477	3	13	12	82	25	35	276	426	9	8	15	49	22	23	2	5	22	0	0	851	1113	
UNSKILLED & DEFINED DECISION MAKING	3	143	293	268	1	8	0	45	5	21	193	242	0	5	1	28	0	14	2	1	13	0	0	496	631	
	2	13	23	19	0	1	0	4	0	1	8	17	0	0	0	2	0	0	0	0	1	0	0	31	44	
	1	1	0	3	0	0	0	0	0	0	3	1	0	0	0	0	0	0	0	0	0	0	0	3	4	
TOTAL		157	316	290	1	9	0	49	5	22	204	260	0	5	1	30	0	14	2	1	14	0	0	530	679	
TEMPORARY WORKERS			10	149	0	0	0	1	0	2	0	114	0	2	0	2	0	2	0	0	0	0	0	272		
TOTAL PERMANENT EMPLOYEES			615	1026	1052.5	5	25.12	32	183.42	71	76.18	604	932.28	12	14.12	31	106.24	65	46.12	6	6	49	2	0	1860	2475
TOTAL TEMPORARY EMPLOYEES			10	149	0	0	0	1	0	2	0	114	0	2	0	2	0	2	0	0	0	0	0	272	272	
GRAND TOTAL			625	1175	1052.5	5	25.12	33	183.42	73	76.18	718	932.28	14	14.12	33	106.24	67	46.12	6	6	49	2	0	2132	2747

An Employment Equity Committee has been established and is responsible for the following

- Ensuring that the Employment Equity Act is being implemented.

10.2.2 Employment of Disabled Employees

As per the requirement from the Department of Labour, employers are required to employ a total of 2% disabled persons, meaning that Council needs to employ a minimum of 44 disabled persons. Council currently has 11 known disabled employees. In order to attract people with disabilities, positions which are suitable for people with disabilities are to be identified and will be stated as such on the advertisements. The Municipality has prioritised a strategy on employment of people living with disabilities (DMS1106399)

10.2.3 Labour Relations

The main focus of Labour Relations is to manage and strengthen relations between Organised Labour and Management. Council is currently engaged in a facilitation process under the auspices of the South African Local Government Bargaining Council (SALGBC).

All disciplinary processes and grievance processes are dealt with in terms of the Collective Agreements agreed upon by SALGA and Organised Labour. Appeals are also dealt with in terms of the same Collective Agreement until cases are referred to the Bargaining Council. Labour Relations also represents Council with cases which appear before the Bargaining Council and the CCMA.

The Labour Relations section is also responsible for the following:

- Facilitation of preparation meetings for Local Labour Forum (LLF prep);
- Attending of Local Labour Forum meetings;
- Assisting Employee Assistance Programme (EAP) with drug and alcohol awareness sessions with employees;
- Workshop disciplinary process and procedures with employees;
- Foster better relationships between management and Organised Labour;
- Assist and advise line management and employees on good line management.

10.3 ORGANISATIONAL DEVELOPMENT

The Council strives to maintain and enforce a strict workflow to ensure:-

- Uniformity
- Security
- Accessibility
- Transparency

during the reporting procedure, from report preparation to the finalization or implementation of recommendations and resolutions.

There are more than 15 Portfolio Committees which are scheduled to meet twice a month that feed into the two EXCO's per month. Numerous ad hoc and other departmental committees exist and are operational.

All reports are approved by the Municipal Manager before they are placed on an agenda.

Further a draft Organisational Development Strategy has been developed in order to introduce planned change that will improve organisational work performance.

10.3.1 Institutional Arrangements

In lieu of the above, the following committee structures are in the place in the Municipality:

Table 28: Council Committees

<ul style="list-style-type: none"> o Bylaws o Standing Orders o uMhlathuze Public Transport Liaison Committee o Public Participation Committee o Community Safety Forum 	Section 79 Committees
<ul style="list-style-type: none"> o Corporate Services o Community Services o Financial Services o City Development <ul style="list-style-type: none"> o Aesthetics o Naming Structure o Mandlazini Trust o Mzingazi Joint Steering Committee o Social Compact o Infrastructure and Technical Services 	Section 80 Committees
<ul style="list-style-type: none"> o Municipal Public Accounts Committee (MPAC) 	Establishment in terms of Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act
<ul style="list-style-type: none"> o Section 62 Appeals Committee 	Established in terms of Local Government Municipal Systems Act, 32 of 2000.
<ul style="list-style-type: none"> o Local Labour Forum 	Established in terms of the Organizational Rights Agreement
<ul style="list-style-type: none"> o Audit Committee o Performance Audit Committee o Performance Evaluation Panel (Section 57 Employees) o Performance Evaluation Panel (Municipal Manager) 	Performance Audit, Performance Evaluation Panels
<ul style="list-style-type: none"> o Board of Trustees 	
<ul style="list-style-type: none"> o Bid Specification o Bid Evaluation o Bid Adjudication 	Supply Chain Management Committees

10.3.2 Organizational Structure

uMhlathuze Municipality is the third largest Municipality in KwaZulu Natal hence it has large number of workforce. Below is the profile of uMhlathuze Municipality's workforce as indicated in the Employment Equity Plan.

uMHLATHUZE WORKFORCE PROFILE	FIGURES	PERCENTAGE
Total Positions	2420	100%
Filled Positions	1761	72.8%
Vacant Positions	660	27,2%

The organizational structure of the Municipality aligns, to a large degree to the National Key Performance Areas (as well as the corresponding municipal strategies). It be noted that because of the high number of municipal workforce it is therefore impossible in this instance to place an organogram which covers all positions within the municipality. Hence only the Top and Senior Management organograms for the Municipality are provided on the following page.

Figure 24: SENIOR MANAGEMENT

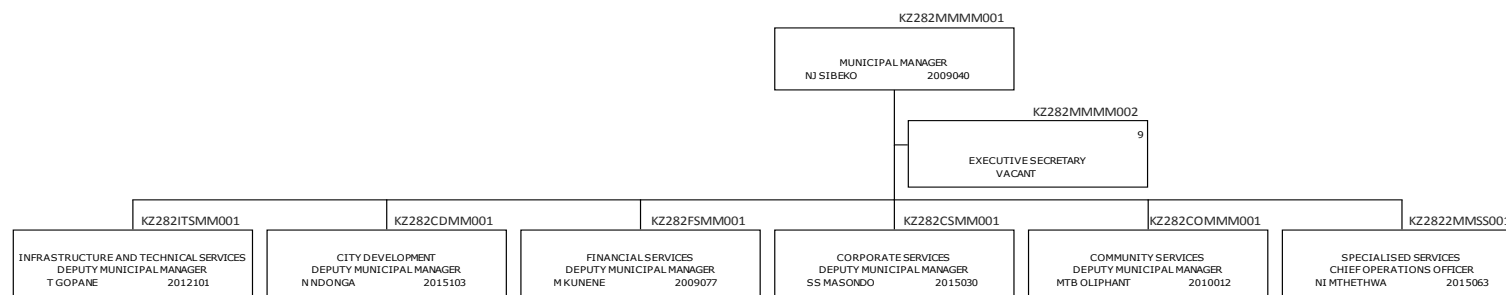


Figure 25: OFFICE OF THE MUNICIPAL MANAGER

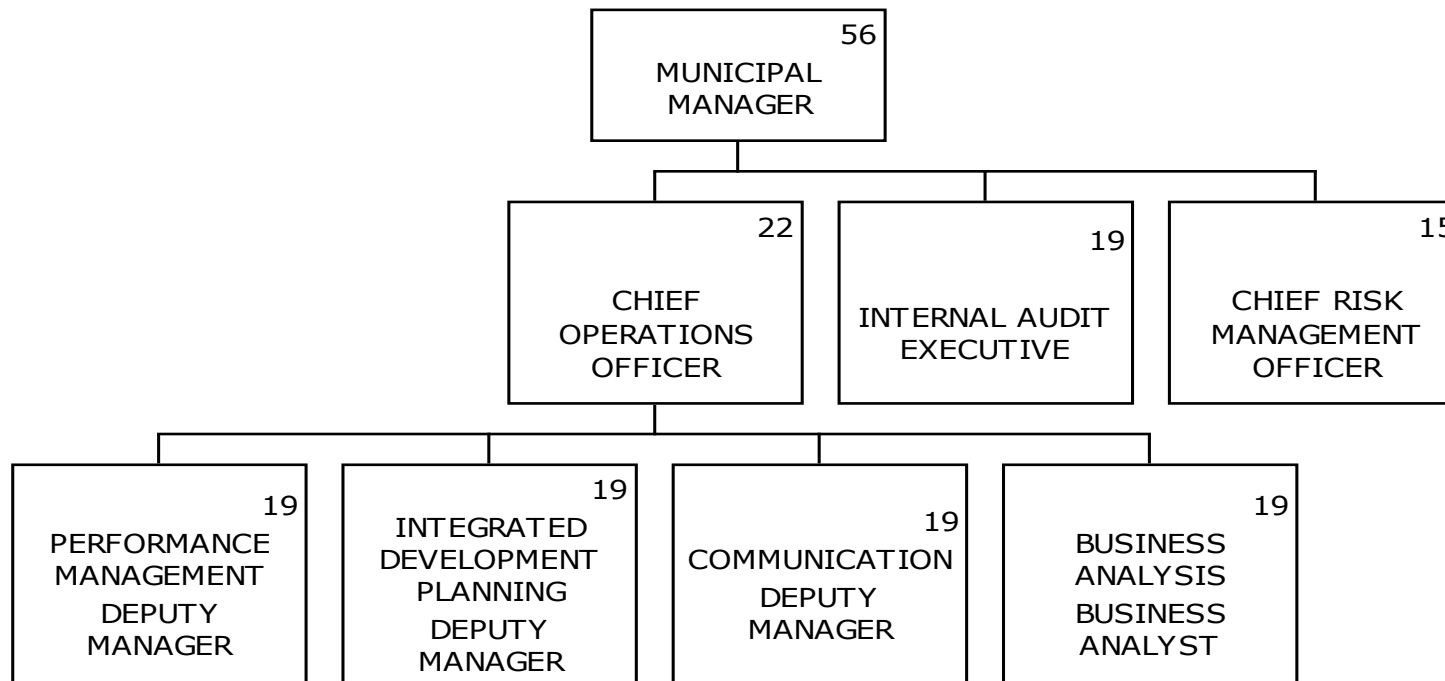


Figure 26: Corporate Services Department

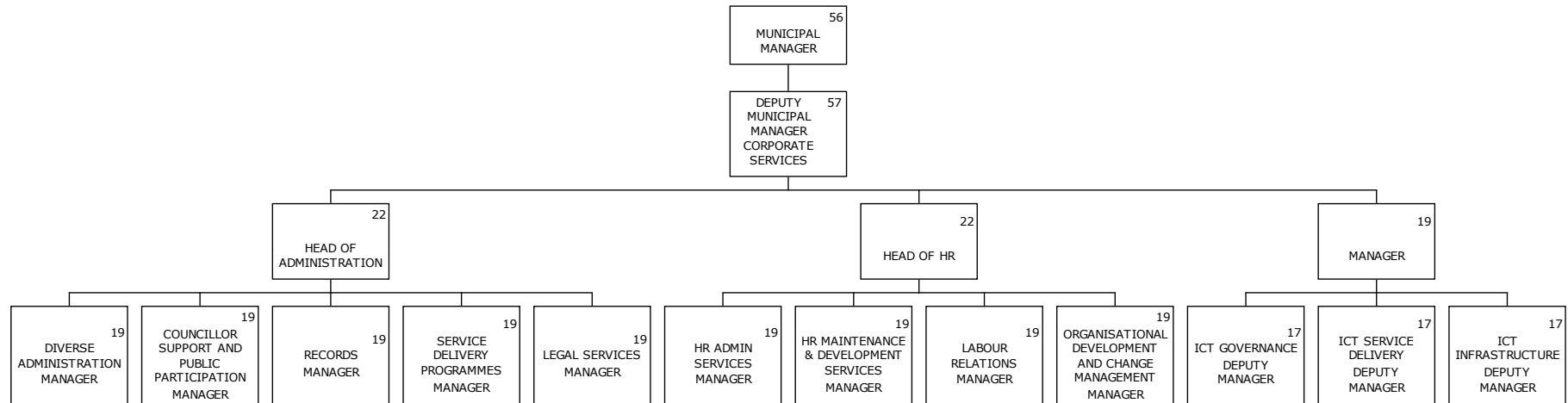


Figure 27: City Development Department

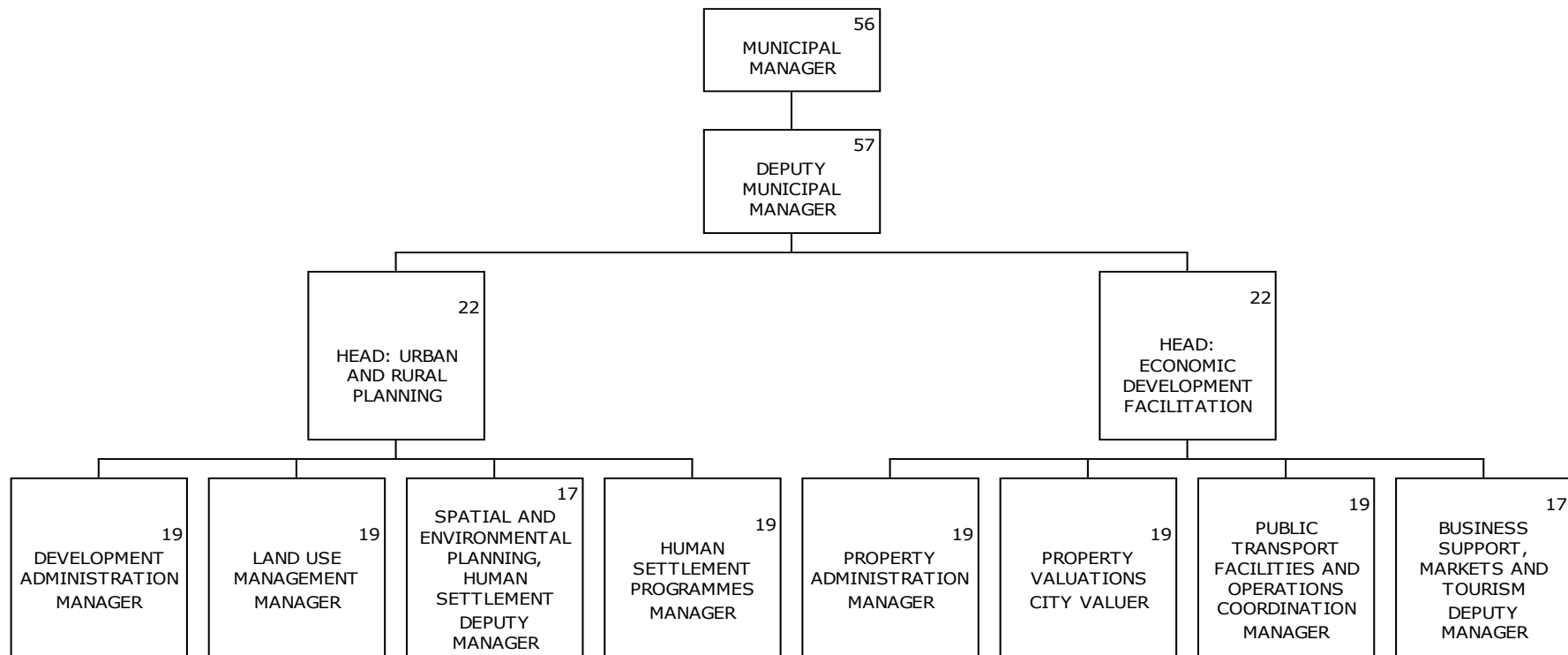


Figure 28: Infrastructure and Technical Services 1 OF 2

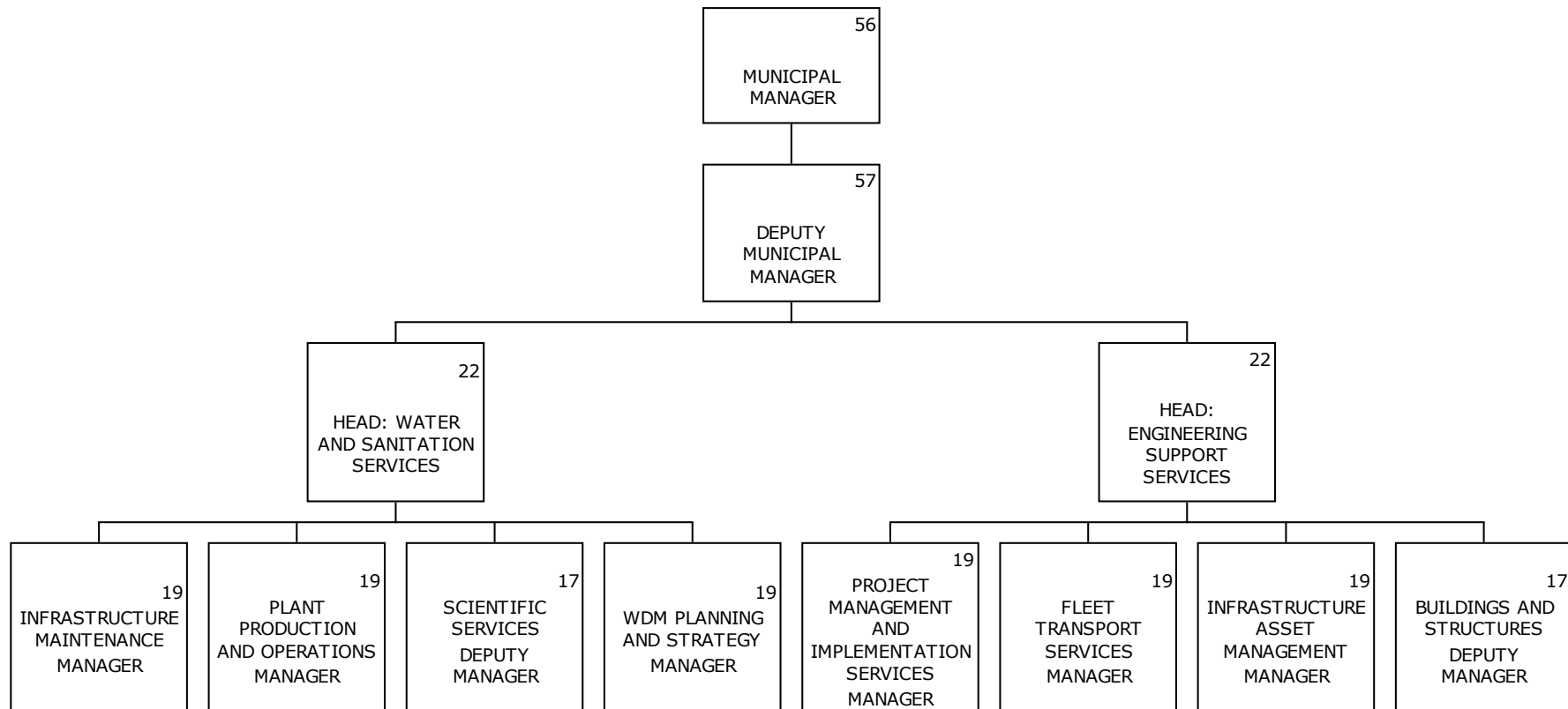


Figure 29: Infrastructure and Technical Services 2 of 2

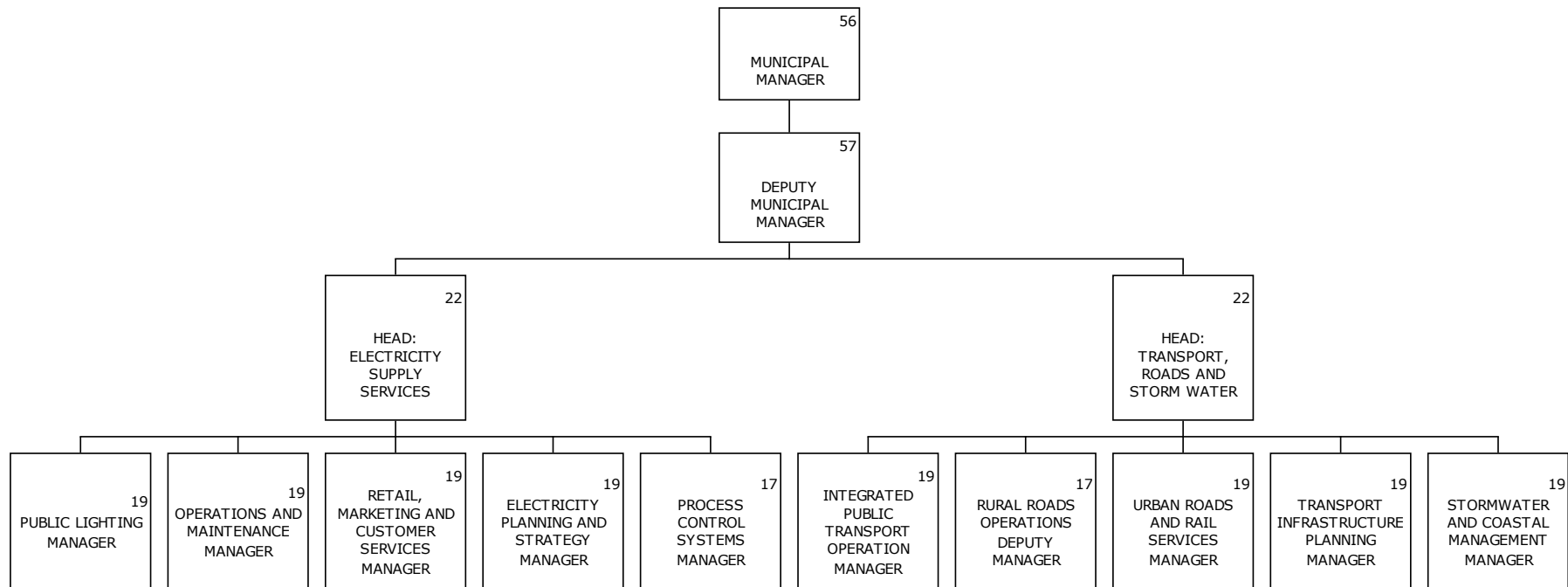


Figure 30: Financial Services

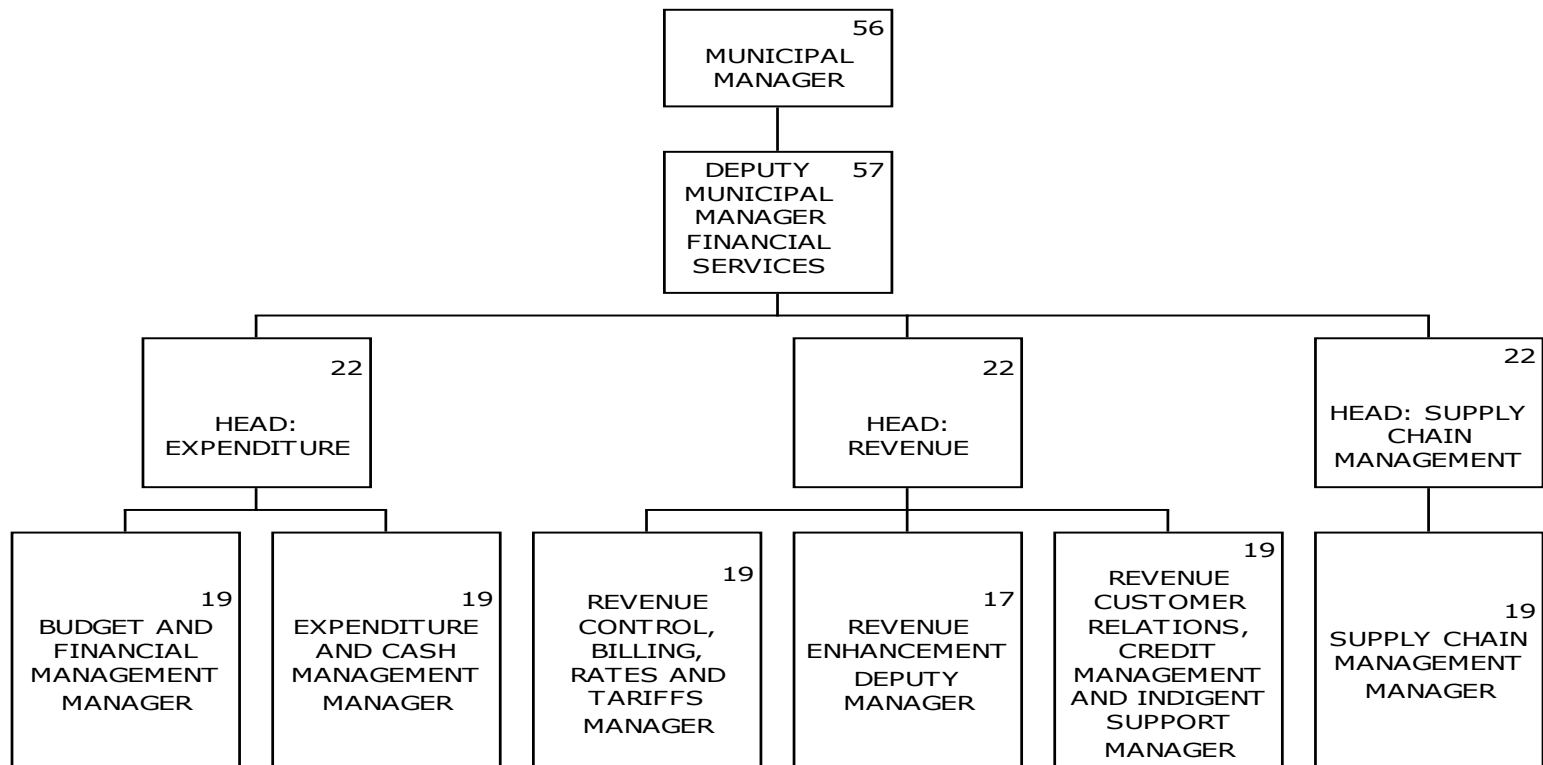
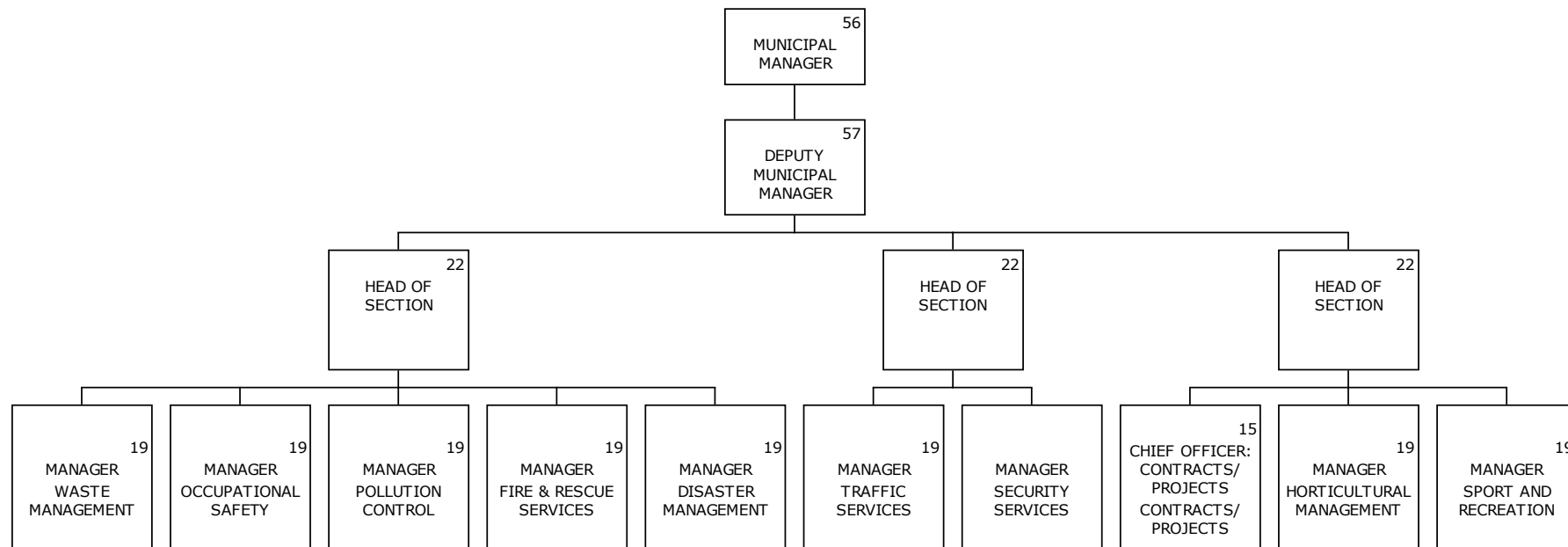


Figure 31: Community Services



10.3.3 Municipal Institutional Capacity and critical posts

10.3.3.1 Critical Posts

The posts of Municipal Manager, as well as all Section 56 posts, are considered as critical posts. All these posts are filled within uMhlathuze Municipal Organisation.

10.3.3.2 Municipal Institutional Capacity

As indicated previously in the document, uMhlathuze Municipality has five departments which are aligned to five National Key Performance Areas. Below an overview is given in terms of each department's functions or responsibilities:

Municipal Departments	Departmental Functions
Office of the Municipal Manager	<ul style="list-style-type: none"> • Integrated Development Planning • Performance Management • Communication and Marketing • Internal Audit • Specialised Services • Enterprise Risk Management
Corporate Services	<ul style="list-style-type: none"> • Diverse Administration • Legal Services • ICT • Councillor Support and Public Participation •
Community Services	<ul style="list-style-type: none"> • Public Safety and Security Services • Environmental Health /Health and Cleaning • Recreation and Environmental Services
City Development	<ul style="list-style-type: none"> • Property Administration • Local Economic Development • Urban and Rural Planning
Infrastructure and Technical Services	<ul style="list-style-type: none"> • Water and Sanitation • Roads • Electricity Services • Transports Roads and Storm Water • Engineering Supply Services
Financial Services	<ul style="list-style-type: none"> • Income • Expenditure • Supply chain

10.3.4 Human Resource Strategy

The foundation of the Human Resources function is a Human Resources Strategy which supports the Integrated Development Plan of the municipality. uMhlathuze Municipality has an adopted Human Resources Strategy which addresses the following:

- Training and development
- Labour Relations
- Personnel Administration
- Organisational Development and Change Management
- Employee Assistance and
- SHE Risk Management

The implementation of the above is explained briefly at the beginning of the section and also below:

10.3.4.1 Training and Development [workplace skills plan]

The vision of the Training and Development sub – section of Human Resources is to ensure that Council has a skilled and capable workforce to support inclusive growth and development of skills within the City. This is achieved through co-ordinating and providing quality assured skills development and training interventions to Councillors and employees to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

The Training and Development component has positioned itself strategically to improve current training and development practises within Council as well as to form strategic partnerships with accredited Training and Development Institutions, Corporates as well as other entities within the Local Government Sector to establish a standard of best practice.

Skilling of Council employees is achieved through relevant training interventions and sustainable development initiatives that cascade skills to all disciplines on all levels within the organisation. The **Workplace Skills Plan (WSP) serves as the strategic document that gives direction on training and development within the Municipality.** Council has an adopted WSP which is aligned to the National Skills Development Strategy (NSDS), the Skills Development Act 97 of 1998 as well as the Skills Levies Act 09 of 1999. The WSP and Annual Training Report (ATR) are submitted annually to the LGSETA. Submission of these reports ensures that Council receives its mandatory grant. Council also has a Bursary Policy which caters for employees and their children.

The Training Programmes as indicated below have taken place during the period **1 July 2015 to 31 March 2016:**

- Computer Induction;
- Induction Training for Interns;
- Induction Training for new employees;
- MPAC Training;
- MDP Training for Councillors;
- Asset Management Training;
- ESRI – Building Geodatabases 10.3;
- Report Writer Training;
- Contract Management Training;

- Disaster Management Training;
- Incident Investigation Training;
- ELMDP;
- Artisan Trade test brush up training;
- HR and IDP Training;
- MS Excel Advanced Training;
- AET Training;
- Minimum Competency Training;
- Records Management Training;
- LLF Training;
- Correspondence Handling Training for secretaries;
- Pole/ tree pruning training;
- Confined space training;
- WSP Training, and;
- Mentor and Coaching Training.

Work Integrated Learning

A Memorandum of Agreement (MoA) was signed between the City of uMhlathuze and the Umfolozi TVET College where the agreement proposed that Council shall provide opportunities to Umfolozi TVET College graduates to gain the workplace experience in order to graduate.

In the 2015/2016 financial year, Council is currently hosting 73 learners on internships / apprenticeships / learnerships / Graduate Programmes and In-service Training.

Graduate Development Programme

Council has also embarked on a Graduate Development Programme that has been funded by National Treasury. At the beginning of January 2013, science and engineering graduates joined the City of uMhlathuze to receive skills development and experience as part of a programme funded by the National Government through the Infrastructure Skills Development Grant (ISDG). The aim of the programme is to develop the engineering and technical knowledge of the graduates in their chosen fields in line with the requirements of respective statutory bodies for them to be registered as professionals on the completion of the training period.

10.3.4.2 Employee Assistance Programme (EAP)

The City of uMhlathuze values employees as the most important asset to sustain the organisation. City of uMhlathuze takes responsibility for helping employees to deal with pressures of life. Thus, this organization has undertaken to provide its employees with an Employee Assistance Programme (EAP).

EAP is a work based intervention programme aimed at an early identification and resolving of the employees personal and work related problems, which may have an adverse effect in their work performance. The vision of the City of uMhlathuze is to “improve quality of life for all its citizens through sustainable development”. The employees form an integral part of the citizens, thus the Municipality has recognised that employees are the most valuable asset and resource.

The total wellbeing of employees adds up to the wellbeing of the municipality. Therefore, the EAP came up with as a solution to the Municipality’s commitment to assist employees to deal with their social and emotional pressures in order to sustain effective performance and remain productive members. This may enhance the municipality’s profitability by reducing

absenteeism, turnover, tardiness, accidents, medical claims and thus, improving service delivery.

The Employee Assistance Programme (EAP) section works tirelessly to assist employees and their family members in need of counseling assistance. Some of their programs and events include the following:

- EAP Supervisory and Managers Training
- Employee Wellness Day/S (Health Screening Day/S)
- Emotional Intelligence for the Executive
- Health and Wellness Service Provider's Certificates of Appreciation Ceremony
- The section conducted 267 basic counselling and trauma debriefing sessions and assisted 117 employees
- The section coordinated financial literacy education training workshops facilitated by Liberty Life facilitators which were mainly focusing on the importance of budgeting and saving.
- Alcohol and drug abuse awareness sessions were held throughout the Municipality in collaboration with other HR sections (Labour Relations and SHE Risk) and SANCA to alert employees about the dangers of alcohol abuse and the consequences of drinking on duty.
- The EAP section is continually motivating staff through The EAP Motivational Corner, an informative and topical column in the organisation's internal newsletter.
- EAP section is the champion of the Ndabayakhe project.

In addition to the above mentioned programmes EAP section has mandated itself to give back to the University of Zululand Psychology and Human Resources students by conducting EAP and HR (in collaboration with other HR sections) information sharing workshop sessions where Employee Assistance programme content and other HR sections duties and functions were shared to attendees.

Table 29: Human Resource Policies

No.	Policy Name		Approved By Council	Council Resolution
1.	Induction and Orientation of Staff	Procedures for Inducting new staff	2 Dec 2008	5698
2.	Staff Training	Policy on Training of staff	6 May 2008	5215
3.	Bursary Policy for Officials, Their Children and the Community	Bursary Processes and requirements for Bursary Applications	29 Nov 2011	7617
4.	Staff Succession Planning Policy	Staff succession planning processes for Council	06 Sept 2011	7444
5.	Anti – Nepotism Policy	Processes in place to ensure there is no nepotism in placements	02 Nov 2010	6978
6.	Acting Arrangements Policy	Conditions for Acting	02 Nov 2010	6979

No.	Policy Name		Approved By Council	Council Resolution
		arrangements		
7.	Recruitment and Selection of Temporary Staff Policy	Processes and criteria for recruitment and selection of temporary staff	02 Nov 2010	6977
8.	Recruitment and Selection Policy	Processes and criteria for recruitment and selection of staff	02 Nov 2010	6980
9.	Intoxication on Duty	Procedures for dealing with and prevention of staff being intoxicated whilst on duty.	06 Sept 2011	7445
10.	Employee Assistance Programme	Aims at Developing an EAP programme to promote the mental, social health and well-being of all employees.	06 Oct 2009	6311
11.	In-house training for External students	Programme for students conducting in-service training	27 August 2002	1243
12.	Policy on the Utilisation of Council Vehicles for Certain gatherings	Conditions for the Utilisation of Council Vehicles for Certain gatherings	25 June 2013	8596
13.	Rapid Advancement Policy	Conditions for the Rapid advancement of Council employees in identified posts	6 Nov 2012	8211
14.	Notch Increase Policy	Conditions for notch increases	27 Aug 2013	8688
15.	Relocation and Moving Expense Policy	Processes and criteria for the relocation and moving expenses of the newly appointed employee.	25 June 2013	8597

10.3.5 ICT Governance Framework

In line with the National Corporate Governance of ICT Policy Framework, the uMhlathuze Municipality ICT Governance Policy (DMS 925194) was reviewed and approved by Council on 30 March 2016. The purpose of ICT Governance Policy is to provide a strategic direction for the ICT Services supported by the ICT Strategy and the Enterprise Architecture documents, to ensure that ICT goals are aligned with the IDP objectives, the risks are managed appropriately, and the ICT resources are used responsibly. In providing strategic direction, ICT Governance Policy enables the ICT team members to focus and contribute effectively towards the attainment

of departmental goals which talks to the entire Municipality. The purpose of ICT Governance as per COBIT Framework is to ensure the following:

- IT is aligned with the business
- IT enables the business and maximises benefits
- IT resources are used responsibly
- IT risks are managed appropriately

In implementing ICT Governance Policy, an ICT Steering Committee was established and is fully functional, constituted by senior management representatives and chaired by the Accounting Officer. As Council provides an oversight role over the ICT Services, the reports of the ICT Steering Committee also serve at the Corporate Services Portfolio, EXCO and Council.

The following documents, among others support and enable the implementation of ICT Governance:

- uMhlathuze Municipality has a 5 year ICT Strategy reviewable at its anniversary, document number (**DMS 1062580**).
- ICT maintains the ICT Risk Register in document number (**DMS 1065505**).
- ICT organisational structure indicating the roles and responsibilities. (**DMS 725250**).
- The ICT Services maintains an updated ICT contracts register in document number (**DMS 831348**)
- The ICT Service performance must be periodically reviewed against targets. Performance reports must be submitted to the ICT Steering Committee, Corporate Services Portfolio and the Audit Committee.
- ICT projects and acquisitions of ICT equipment are approved by the ICT Steering Committee through a formalised process.
- All ICT equipment acquisitions and contractor appointments are done in accordance with the approved City of uMhlathuze Supply Chain Management Policy.

Here are some of the Key ICT Projects for 2015/2016 and 2016/2017 Financial Years:

Project Name	Project Info/Status	Budget
Fibre Link	Building of a Fibre Route between Richards Bay Civic Centre, Alton Service Centres and Empangeni Civic 1 (2015/2016) – Completed .	R 15 000 000
Fibre Link	Building of Fibre Route between Empangeni, Vulindlela and Esikhaleni. Project in Evaluation stage (2016/2017)	R20 000 000
Financial ERP (632_39)	Enterprise Resource Planning System Phase 1: Feasibility Study completed (2015/2016) and Phase 2 – Project in Evaluation stage (2016/2017)	R 15,162,000
Network Infrastructure (536_43)	Installation of distribution switches in Alton Stores and Electrical workshop, installation and configuration of 10GB links between distribution and core switches - Completed	R 2,011,090
Review Documentation: ICT Governance	Review Documentation: ICT Governance: Tender 8/2/1/1034 – Completed (2015/2016)	R 842 000

10.3.6 Change Management

This unit aims at improving the overall effectiveness of the organisation through planned, comprehensive and systematic processes. It involves intervening in the processes, structure and culture of the organisation. There is a strong emphasis on organisational behaviour, human resource development and organisational change. The following are important issue to note:

- Organisational design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation.
- Managing change and transition cuts across all the phases of the organisational structuring process. It includes communication and consultation with staff and key stakeholders. How effectively change and transition are managed has a major impact on the final outcome of the organisational structuring processes or any other changes the organisation have to deal with.

No major organisational structure changes took place after the restructuring exercise during 2010/11. Finer adjustments are however continuously taking place.

One of the major challenges experienced by the Municipality is the lack of a job evaluation forum in order to determine post levels. The South African Local Government Association is however in the process of getting a job evaluation framework in place. Five Job Evaluation Units were established in the Province.

10.4 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Municipal Organogram is in place. ○ Section 79, 80 and other Council Committees established and are operational. ○ A reliable ICT system for effective functioning and efficient service delivery. ○ Human Resource Policies in Place ○ Employment Assistance Programme ○ 24 hours operational Call Centred with toll free ○ Fully functional ward committees ○ Functional Local Labour Forum 	<ul style="list-style-type: none"> ○ Satisfactory attraction and employment of disabled personnel. ○ Inadequate budget allocations for programs such as the EAP.
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ Institutionalisation of Batho-Pele Principles ○ Implementation of the E-Council system, eliminating cost for paper used in agendas etc. ○ Bursary Policy for councillors, employees and members of the public. ○ Graduate Development Programmes and off-the –job training is offered to graduates. 	<ul style="list-style-type: none"> ○ Staff Low Moral ○ Lack of proper implementation of the Succession Policy. ○ Lack of Job Evaluation forum in order to determine post levels ○ Failure/slow process of addressing Identified risks within the organisation.

11. SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

11.1 Introduction

In accordance with the Municipal Structures Act (No 117 of 1998), the City of uMhlathuze Local Municipality (the City of uMhlathuze or COU) is the Water Services Authority (WSA) and the Water Service Provider (WSP).

The WSA has a duty to all consumers, or potential consumers, in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water supply and sanitation (collectively referred to as water services). As a WSA, the uMhlathuze Municipality focuses on water services and on providing at least a basic level of service to consumers in its area of jurisdiction.

To achieve this, the City takes a leading role in planning the following:

- Service Level Objectives;
- Water Resources;
- Water Conservation and Demand Management;
- Bulk Infrastructure;
- Institutional Arrangements;
- Organisational Support;
- Financial Management; and
- Tariff Policy;

uMhlathuze Municipality has produced a WSDP in June 2013 and adopted by Council thereafter, this version builds on the previous versions and serves mainly to update key information and to fill certain gaps that have been identified in the fourth version prepared in 2010. The Water Services Development Plan (WSDP) is a key tool in achieving the objectives as mentioned above. The WSDP also feeds information into the Integrated Development Plan (IDP), which is the annual multi-sectoral plan for uMhlathuze Municipality.

11.2 WATER AND SANITATION

Water and sanitation backlogs have been monitored and are reported on a quarterly basis to the Council structures by the Infrastructure and Technical Services Department. The details obtained from the 2011 census below are provided for comparison purposes.

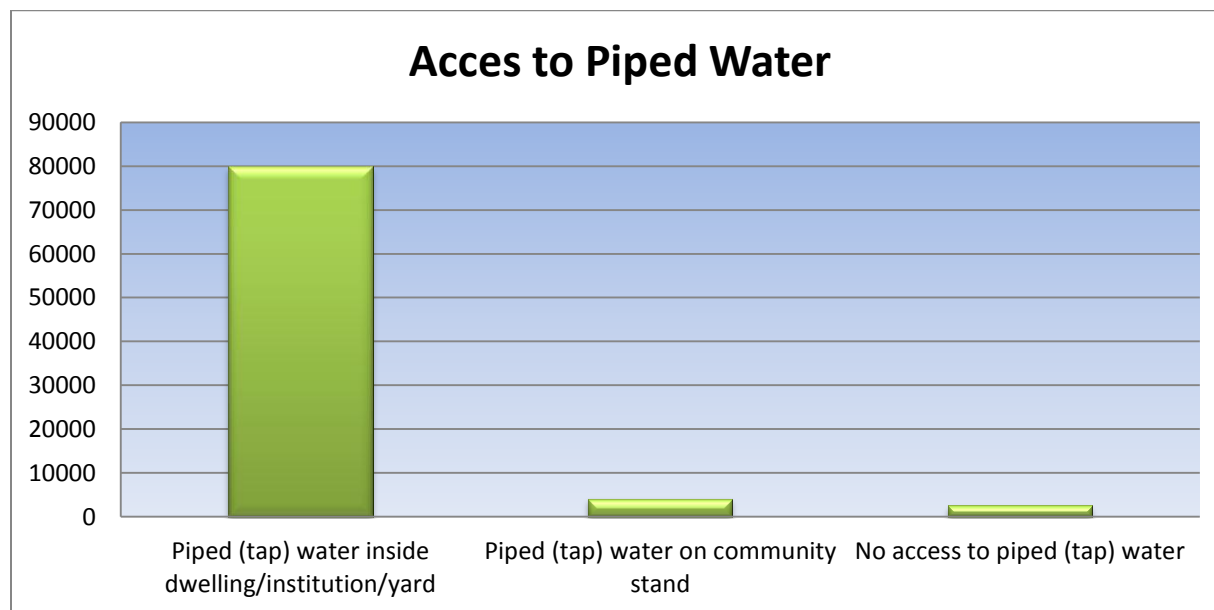
The City of uMhlathuze has formulated a level of service policy and this is defined in the Free Basic Water (FBW) policy. The policy identifies and deals with the following levels of water services:

- (a) Supply of water through communal water services i.e. Standpipe.
- (b) Supply of uncontrolled volume of water to a household where a water meter is installed.

The City of uMhlathuze has formulated a Level of Service Policy for Sanitation in rural and urban areas. In formalised urban areas a waterborne system is implemented and in rural areas Ventilated Improved Pit (VIP) Latrines are installed.

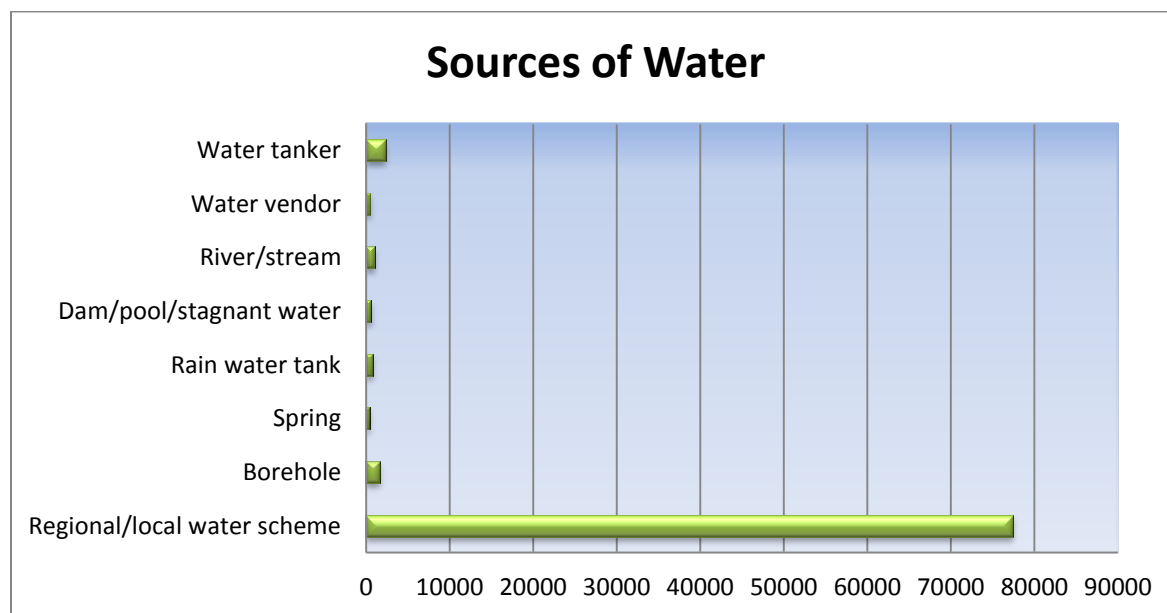
It must be noted that in peri-urban areas or dense settlements adjacent to urban areas, which are close to a Water Resource, it will be advisable that shallow sewers be installed in order to protect a water resource.

Figure 32: Access to Piped Water 2011



About 89% of households in uMhlathuze obtain water from, the uMhlathuze Municipality. Followed by 3% households who obtain water from Water tankers. Very few household are still reliant on Borehole and spring to obtain water. More than 43,000 households obtain water through pipes inside the dwelling. The Municipality continues to strive in an effort to ensure that all residents have access to clean water.

Figure 33: Water Sources



Source Census 2011

Table 30: Water Backlogs

Service Level	Baseline (2014/2015)	2015/2016 Target (as per adjusted budget)	Stats Ending March 2016
Total households = 86 609 (2011 Stats SA)	Households with access to water	Households with access to water	Household with access to water
ACCESS TO WATER	84 698	85 617	84 859
House connections	44 308	44 308	44 308
Yard Connections	40 309	41 309	40 551
Communal Supply < 200 m	(698)	(498)	(598)
Communal Supply > 200 m (Backlog) Supplied with JOJO Tanks	1 992	992	554
New Installations reducing Backlogs (Target)	0	0	Actual Q3 = 64
Upgrades from <200m to Yard Connections	1 776	1000	Q1 = 102 Q2 = 76

The Municipality currently receives funding through the Municipal Infrastructure Grant (MIG), of which **70%** is for water and **30%** for sanitation. It has been proven that such funding is not adequate to reduce backlogs for sanitation. The baseline information in the 2013/2014 Integrated Development Plan (IDP) with regards to basic services delivered were previously aligned with the more recent 2011 Census figures as recorded by National Statistics South Africa. The achievements for 2014/2015 were validated by the Auditor General during November 2015 and added to the 2011 census figures to replace the baseline for the 2015/2016 financial year.

At commencement of the financial year a total of **97.79%** households had access to the basic RDP level of water supply service as at 30 June 2015. The basic level for the provision of water is communal supply less than 200 metres from a household. The target for 2015/2016 on Water Provision is **99.50%**. The approved target of **(1 500)** households to be upgraded to yard-taps for 2015/2016 was however amended to **(1 000)** during the mid-year adjusted budget. The actual upgrades at mid-year was 178, therefore the amended targets for Quarter 3 and Quarter 4 are set at **411** yard-tap upgrades for each quarter.

Access to water at 31 March 2016 is **97.90%** and the water backlog is **2.10%**. The challenge that needs to be dealt with is the constant supply of Water with fewer interruptions therefore funding is required for future upgrades.

Various key functional areas within the Scientific Services contribute to the reliability and credibility of an effective water quality management system. The two major sections of the Scientific Services is the laboratory and Water Quality Management section. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

- **Sample Management**

Samples from various sources are collected for analysis of key parameters to determine water quality.

SOURCE	SAMPLES
Surface Water (Industrial)	288
Surface Water (Pump station)	339
Surface Water (Urban/Rural Suburbs)	56
Surface Water (Rivers/Streams/Canal)	88
Industrial Effluent	304
Surface Water (Lakes)	600
Alton Landfill (Boreholes)	168
Coastal Water (Blue Flag)	68
External Service Provider (Sampling only) (MW)	150
Richards Bay Cemetery (Boreholes)	18
GRAND TOTAL	2079

Total samples from July 2015 to Feb 2016

- **Drinking Water and Wastewater Systems**

uMhlathuze Water, is responsible for the water and wastewater purification and distribution function. An extensive water quality-monitoring program for drinking water and wastewater quality has been implemented. The monitoring program contains the following:

- Water Treatment Works
- Drinking Water Reticulation monitoring and;
- Waste Water Treatment Works

- **Water Pollution Management**

The Water Quality Monitoring Program (WQMP) (CR4711, 7 August 2008) has been developed and implemented, so that council meets the statutory requirements and for the sustainability of water resources within its area of jurisdiction. The following areas are monitored for possible pollution:

SAMPLE TYPE	DESCRIPTION
Surface Water	Lakes (Cubhu & Mzingazi) Rural/Urban Suburbs (stormwater streams) Rivers/Streams/ Canals Industrial (stormwater streams) Pump-stations (streams close to pumpstations)
Coastal Water	Alkantstrand 1 & 2
Groundwater	Municipal Cemetery Landfill Site
Sewage	Industrial Effluent (sewage network)

Sample types being monitored by the WQMP



11.2.2 Blue and Green Drop Status

The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their Providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined. Awareness of this performance is obtained by pressure through the customers, the media, political classes and Non-Governmental Organisations. The strategy revolves around the identification of mediocre performing municipalities who consequently correct the identified shortcomings, as well as the introduction of competitiveness amongst the municipalities and using benchmarking in a market where competition is difficult to implement.

The Green Drop regulation programme seeks to identify and develop the core competencies required for the sector that if strengthened, will gradually and sustainably improve the level of wastewater management in South Africa.

○ Blue Drop Status

The Blue Drop Assessment conducted annually for the period January to December 2013 includes compliance evaluation of Blue Drop requirements, a site verification inspection and confirmation of information updated on the Blue Drop System (BDS). The overall scores for the Blue Drop Systems can be noted in the table below:

Blue Drop Systems	2010 Score	2011 Score	2012 Score	2014 Score
Mzingazi WTW	81.25%	89.28%	89.91%	85.45%
eSikhaleni WTW	79.75%	90.07%	92.35%	91.85%
Ngwelezane  WTW	79.75%	91.35%	96.37%	95.02%
Nsezi WTW 	NA	88.90%	98.39%	95.38%
The Average Score*	80.4%	89.26%	92.94%	89.60%




Blue Drop Scores

The CRR for the municipal systems are as follows:

Blue Drop Systems	2012 CCR Score	2013 CRR Score	2014 CRR Score
Nsezi WTW	82.57%	33.62%	32.00%
Mzingazi WTW	59.81%	39.10%	47.70%
eSikhaleni WTW	56.60%	39.10%	39.60%
Ngwelezane WTW	79.11%	64.95%	31.80%
The Weighted Average Score	69.51%	36.19%	42.00%

▪ **Green Drop Status**

The Green Drop Assessment conducted annually for the period July 2012 to June 2013 of the following year includes compliance evaluation of Green Drop requirements, a site verification inspection and confirmation of information updated on the Green Drop System (GDS). The Municipal Green Drop score is a percentage score which is based on the design capacities of the individual plants as a function of the total available design capacity of the municipal plants, as related to the individual Green Drop Certification (GDC) score of each system. A marked improvement in the overall scores for the Green Drop Scores can be noted in the table below, inclusive of those systems that received the prestigious Green Drop Status:

Green Drop Systems	2009 Score	2011 Score	2013 Score
Empangeni WWTW	72%	84.30%	77.20%
eSikhaleni WWTW	72%	82.60%	86.73%
Ngwelezane WWTW 	72%	83.20%	91.18%
eNseleni WWTW 	72%	83.20%	95.99%
Vulindlela WWTW 	72%	86.10%	90.74%
The Average Score*	72%	83.3%	84.94%

Green Drop Scores

The CRR for the municipal systems are as follows:

Green Drop Systems	2011 Score CRR	2012 Score CRR	2013 Score CRR	2014 Score CRR
Empangeni WWTW	35%	50%	54.55%	54.50%
eSikhaleni WWTW	52%	50%	50.00%	54.50%
Ngwelezane WWTW	48%	36%	40.91%	31.80%
eNseleni WWTW	33%	35%	29.41%	29.40%
Vulindlela WWTW	22%	35%	41.18%	23.50%
The Average Score	38.1%	41.4%	43.21%	38.70%

Green Drop CRR Scores

11.2.3 Water Loss

The water loss percentage has stabilised to an average of 30% which is a reduction of over 18% since the Reduction of Non-Revenue Contract in which started in 2014. The challenge now is to zoom in to the individual zones as has been established by the consulting team.

Figure 34: Richards Bay Supply Systems % Loss Comparison

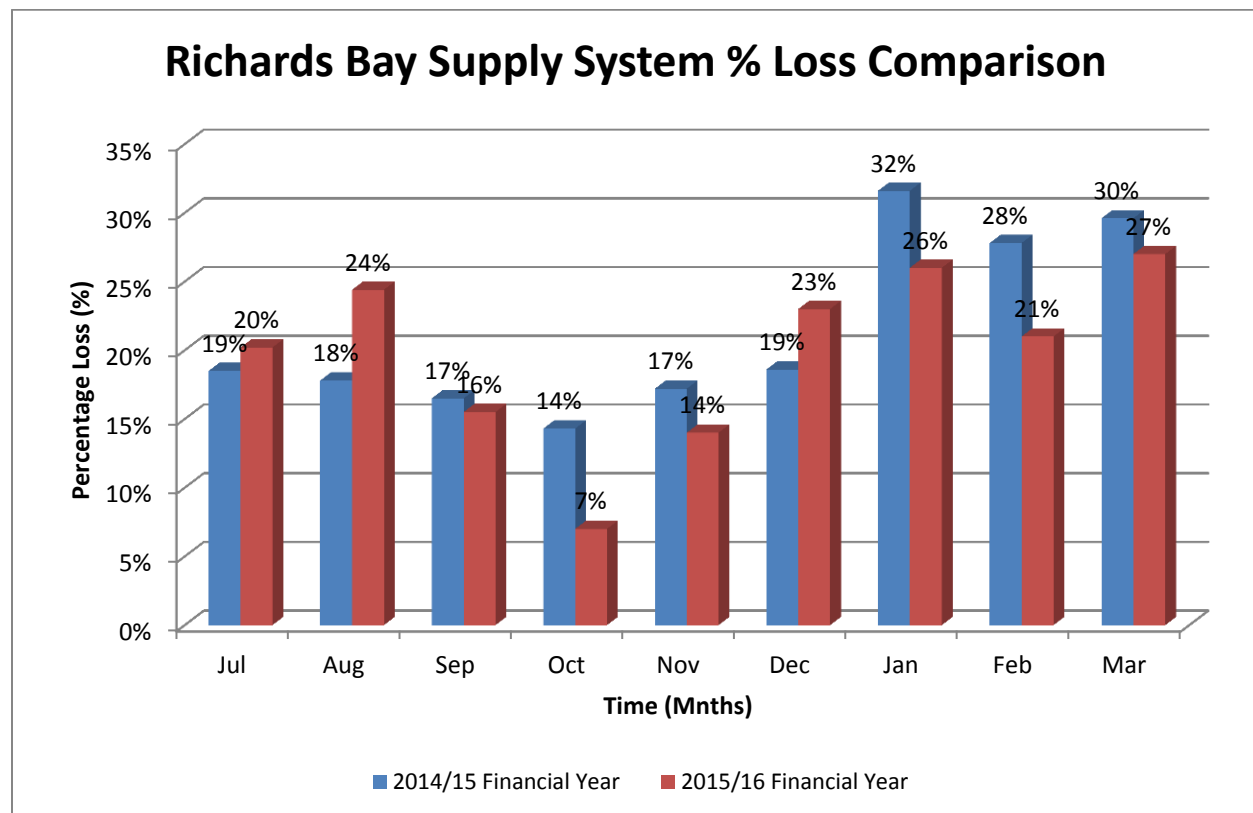


Figure 35: Empangeni Supply Systems % Loss Comparison

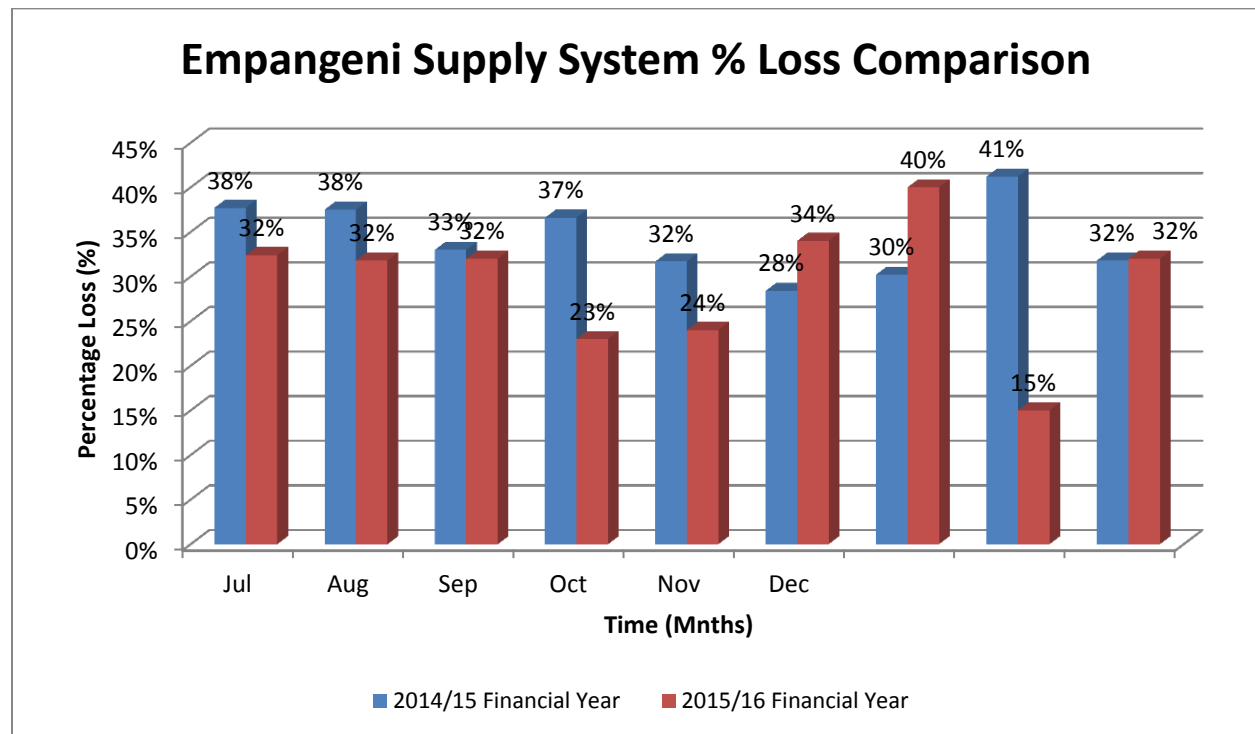


Figure 36: Esikhaleni Supply Systems % Loss Comparison

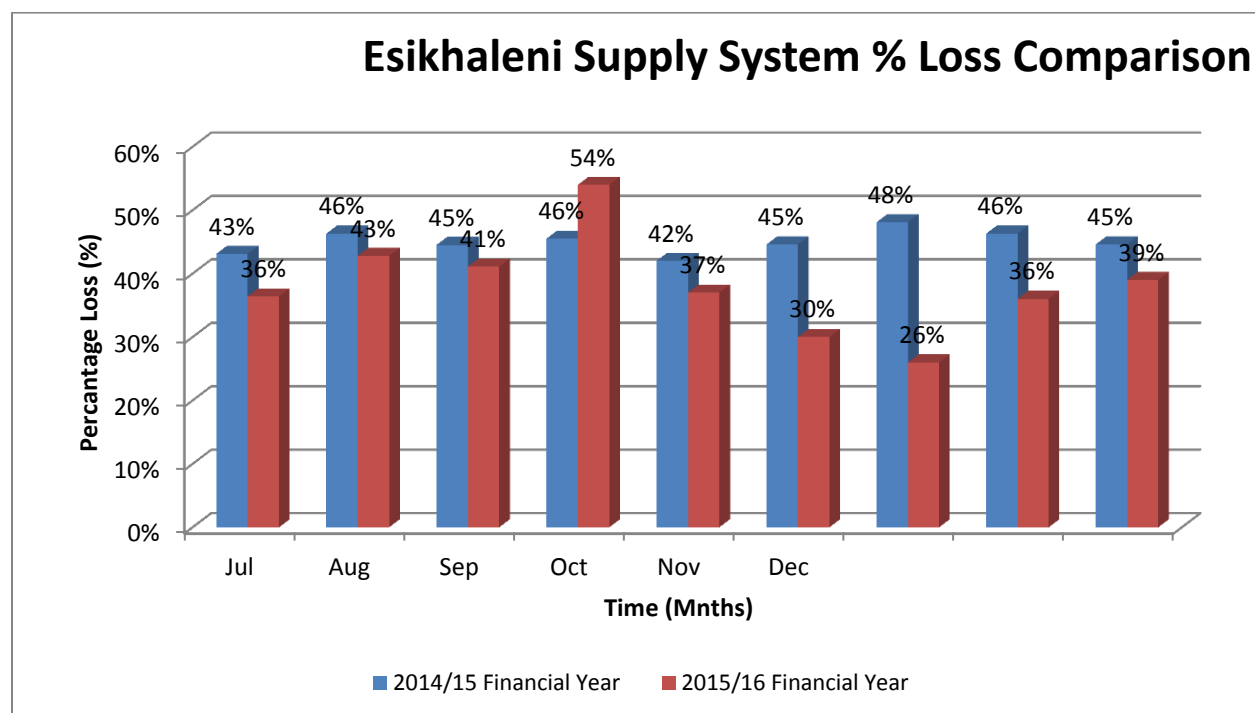


Figure 37: Ngwelezane Supply Systems % Loss Comparison

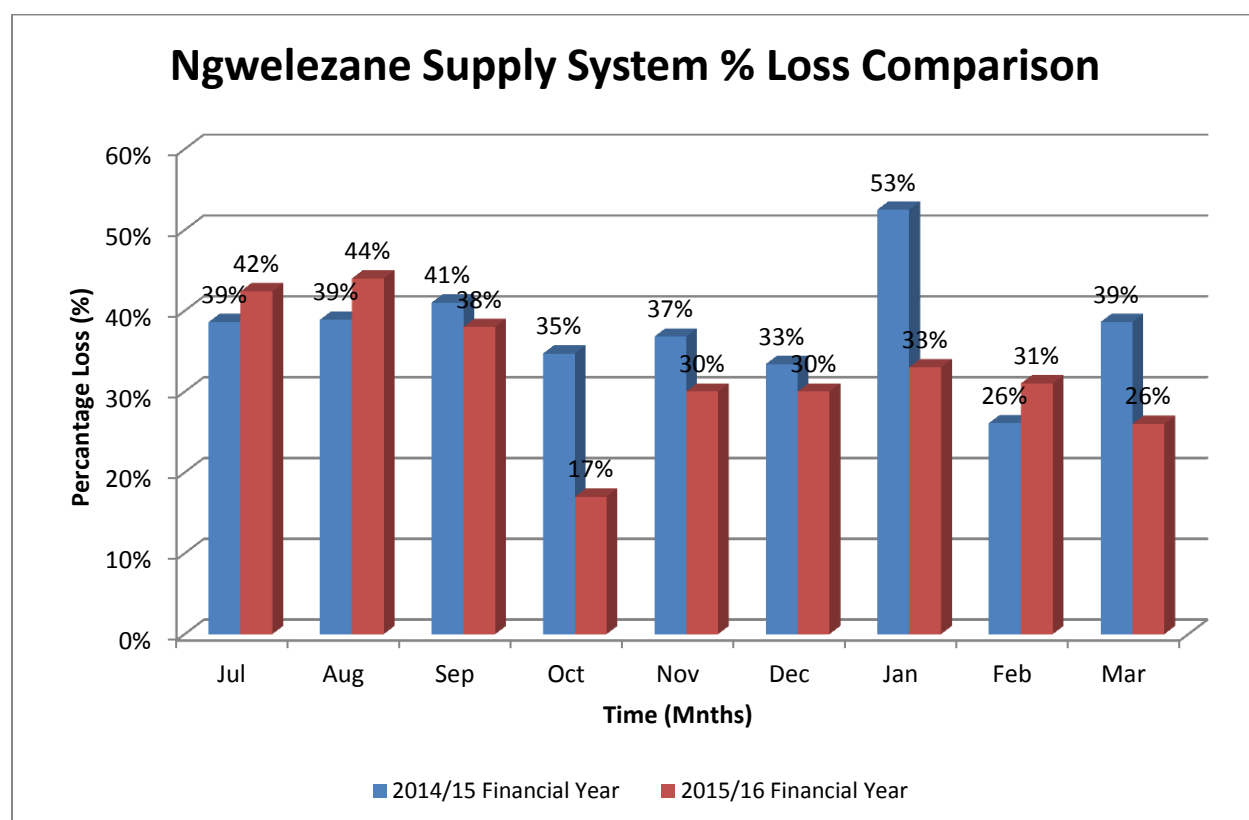


Table 31: March 2016 Water Balance Summary for City of uMhlathuze

Supply Area	SIV (kl/day)	Billed Metered Consumption (kl/day)	Billed Unmetered Consumption (kl/day)	Unbilled Metered Consumption (kl/day)	Unbilled Unmetered Consumption (kl/day)	Real Losses (kl/day)	Apparent Losses (kl/day)	Non- Revenue Water (kl/day)	NRW (%)
Richards Bay	39 199	29 734	36	652	684	7 280	813	9 428	24%
Nseleni	7 239	3 180	1 081	115	216	1 528	1 118	2 978	41%
Empangeni	20 170	13 673	1	52	106	5 703	634	6 496	32%
Ngwelezane	8 363	5 132	1 053	-	217	1 057	904	2 179	26%
eSikhaleni	24 172	11 466	2 499	720	399	5 612	3 476	10 207	42%
Vulindlela	5 781	2 815	1 364	-	256	533	813	1 602	28%
Total City of uMhlathuze Operational Area	104 924	66 000	6 035	1 540	1 879	21 713	7 759	32 890	31%

11.2.4 Water and Wastewater Operation

The Municipality has 3 WTW (Water Treatment Works) and 5 WWTW (Waste Water Treatment Works). The following table indicates their design capacities and operating capacities. In addition, challenges with the operations are also noted.

Table 32: Design and Operating Capacities of Treatment Plants

Name	Design Capacity (ML/day)	Operating Capacity (ML/day)	Challenges
Mzingazi WTW	65	60	<ul style="list-style-type: none"> Increased rural demand for uThungulu
Esikhaleni WTW	36	31	<ul style="list-style-type: none"> High demand compared to capacity No alternative power supply during Eskom power outages Night restrictions
Ngwelezane WTW	8	8	<ul style="list-style-type: none"> Breakdown on raw water pumps due to sand in the river High raw turbidity when raining High demand and need Magazulu supplementary Flooding during summer season
Esikhaleni WWTW	12.5	6.5	-
Ngwelezane WWTW	5.8	2.9	<ul style="list-style-type: none"> Community members are building houses on the ponds Aerators need to be replaced Flooding of the plant when it rains
Nseleni WWTW	3	1.2	-
Empangeni WWTW	14.5	9	<ul style="list-style-type: none"> Degritter to be replaced Digesters to be repaired Drying beds to be rehabilitated Ponds to be rehabilitated
Vulindlela WWTW	2.8	1	<ul style="list-style-type: none"> Flooding of the plant when it rains

Water Quality Achievements

- Water Quality Management section has managed to implement permit system, which assist the municipality to minimise impacts to the sewage system from discharge of effluent by companies.
- The implementation of the Drinking Water and Wastewater Incident and Failure Response Management Protocols
- Improved Cumulative Risk Ratio (CRR) for our Waste water treatment works.
- Attaining of two Blue Drop status for Ngwelezane Water Treatment Works and Nsezi Water Treatment Works
- Development and implementation of Water Safety Plan and Wastewater Risk Abatement Plan

Key Projects

Integrated Water Quality Management System (IWQMS)

The Council for Science and Industrial Research (CSIR), as part of the Memorandum of Understanding signed with the City of uMhlathuze at the end of last year, is developing an Integrated Water Quality Management System (IWQMS) for the City that could later be rolled out to assist other municipalities.

Mobile GIS

The City of uMhlathuze's GIS is a dynamic example of this technology application in action. The City of uMhlathuze (Richards Bay) Corporate GIS is aiming to in-cooperate Mobile GIS as part of their Enterprise GIS service, GIS software and computer infrastructure technology continue to expand capabilities and introduce new business opportunities.

Lake management

In order to address the natural degree of change in the system, as well as the resulting changes in social impacts and reliance of communities on the lake itself, an updated Situational Analysis Report was required. The city's partnership with the CSIR proved the most appropriate opportunity to conduct such a study, which would culminate in the development of a Lake Management Plan.

Landfill Site Project

The council has approached CSIR to conduct a Forensic Ecological Study for the Richards Bay Landfill site. The main aim of the study is to establish methods in order to achieve sustainable management of the landfill site.

Laboratory ISO 17025 accreditation

Scientific Services has embarked on a project to get formal recognition that the laboratory is competent to perform tests and CSIR will offer their services to assist in realisation of the plan.

Online Instrumentation Management

The council has embarked on a project to install online instrumentation at all its Water and Wastewater facilities to monitor and evaluate the plant process against standards/specifications. Thus the council has partnered with the CSIR to augment the current online equipment by integrating the current equipment with CSIR Water Quality Monitoring Systems (WQMS).

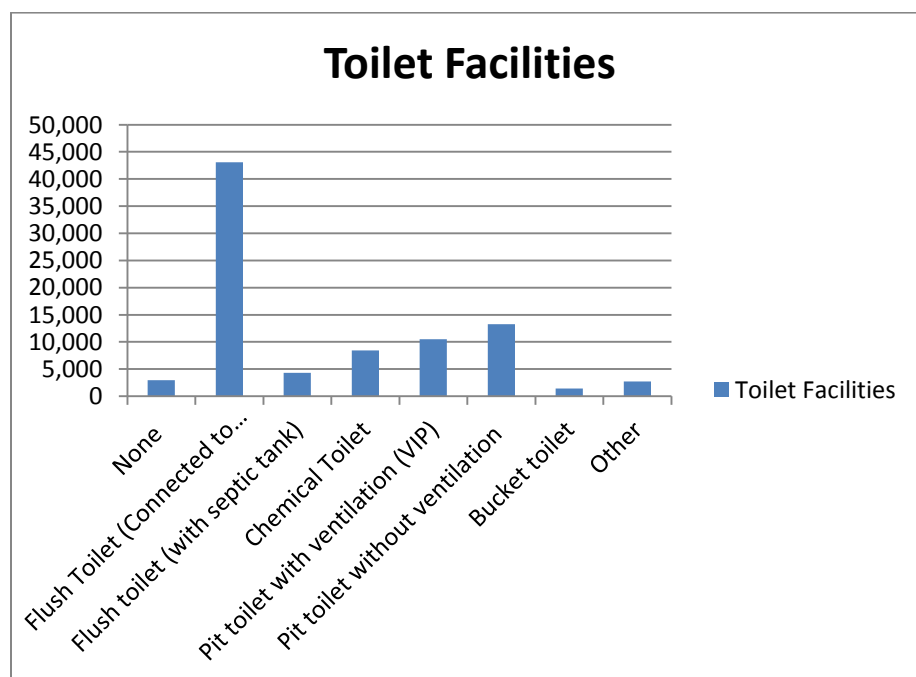
11.2.5 Sanitation

Table 33: Municipality Calculated Sanitation Backlogs

Service Level	Baseline (2014/2015)	2015/2016 Target (as per adjusted budget)	Stats Ending (At DEC) March 2016
Total households = 86 609 (2011 Stats SA)	Households with access to sanitation	Households with access to sanitation	Households with access to sanitation
ACCESS TO SANITATION	73 471	78 481	75 325
Waterborne Sewerage	43 068	43 068	43 068
VIP Toilets	30 403	35 413	32 257
Backlogs	13 138	8 128	11 284
New Installations (VIP)	6 649	5 010	Actual Q3 = 1325 Q1 = 489 Q2 = 40

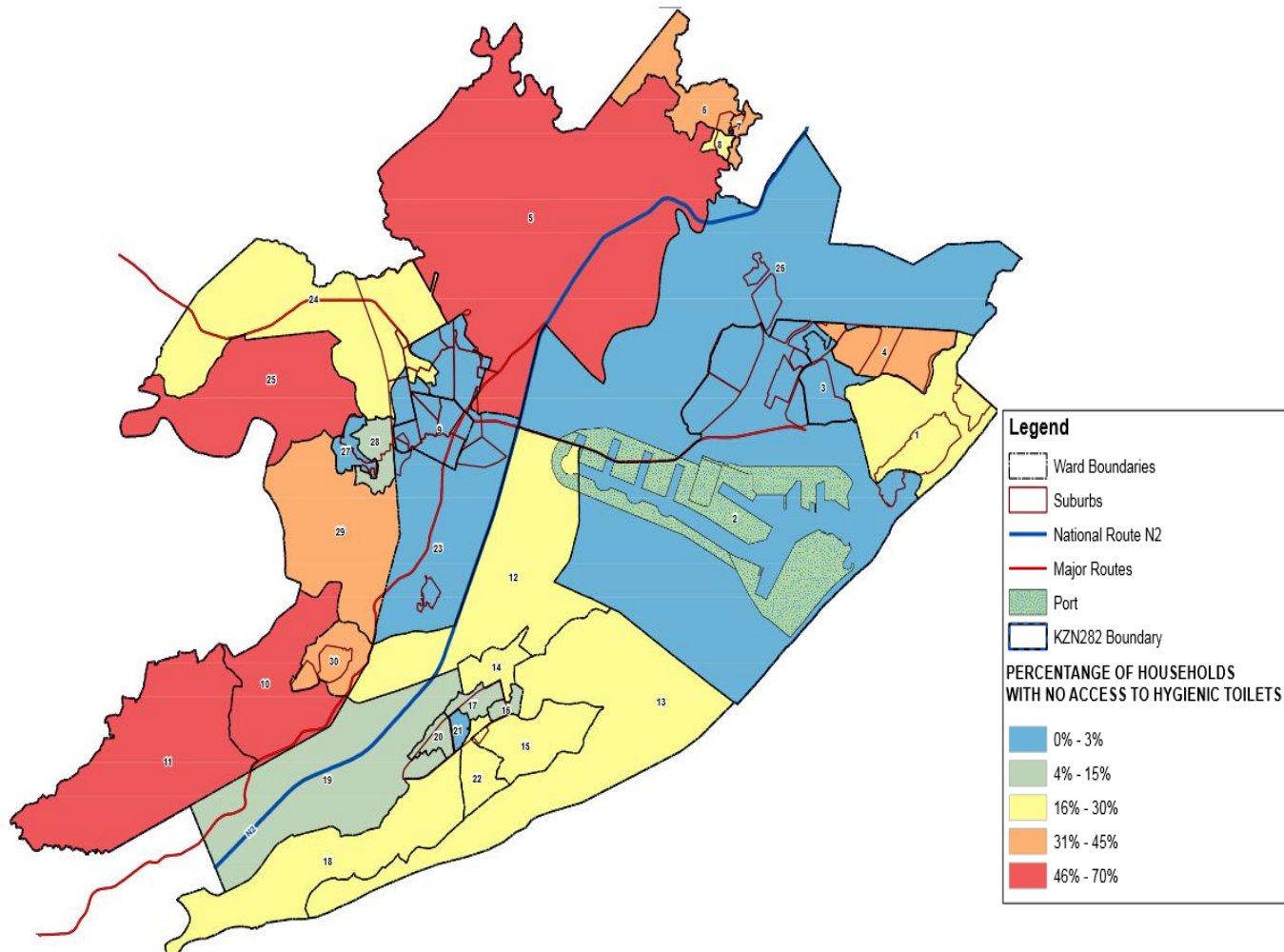
At commencement of the financial year a total of **84.83%** households had access to the basic level of service for sanitation as at 30 June 2015. The basic (RDP) level is one VIP toilet per household. The target for 2015/2016 for basic RDP level of sanitation service set at 90.62% was amended at mid-year to **87%**. 5010 VIP toilets amended to **4200** to be constructed during the 2015/2016 financial year. Since 529 VIP's were constructed at 31 December 2015 the remainder of the annual target was divided between the third and fourth quarter based on the appointment of service providers and therefore amended to Q3 = 1400 VIP toilets and Q4 = 2 271 VIP toilets to be constructed.

Figure 38: Access to Sanitation (as per 2011 Census)



According to Census 2011 about 49% of households have access to flush toilets connected to sewer. It is also noted that there has been an increase in the number VIP Toilets used by households; this is mostly influenced by a number of VIP Sanitation projects implemented by the municipality in rural areas. It is surprising to note that very few of households are still using bucket and "other" toilet facilities. About 15 % of households are using Pit Toilets without ventilation.

Map 13: Households with no access to hygienic toilets



Source: uMhlathuze SDF Review 2016

From the map above it can be seen at which spatial locality large percentages of households do not have access to hygienic toilet facilities

11.2.6 Operations and Maintenance

The municipality has an operations and maintenance plan for water and sanitation in place; however because of the thickness of the plan due to different activities in the section it is impossible to include it in IDP.

11.3 SOLID WASTE MANAGEMENT

11.3.1 Waste Collection

uMhlathuze Municipality has reviewed its Integrated Waste Management Plan for the Waste Management Division of the Municipality. The Draft Reviewed Plan will be tabled to Council in May 2016 as an annexure to the Final IDP 2016/2017. While reviewing the plan, the current status of the waste collection system and existing disposal sites, the service delivery capacity and the needs were analysed.

The collection, transportation and proper disposal of waste on an approved landfill site is a legal mandate of uMhlathuze Municipality in terms of the National Environment: Waste Management Act, Act 59 of 2008. Further to this, the Constitution of South Africa (1996), Section 24 calls for an environment which is conducive to living for all citizens of the country.

The following core functions are undertaken by the Municipality:

- Weekly waste collection and disposal thereof at the uThungulu Regional Landfill site
- Recovery of reusable material by separation at source and directing usable waste to the recycling project at Alton Resource Centre
- Collection, removal and disposal of illegally dumped waste
- Taking part in Greenest Municipality Competition run by the Department of Agriculture and Environmental Affairs
- Awareness campaigns

The following quantities of waste were collected and disposed of at uThungulu Regional Landfill site:

- 76 023 tons of domestic refuse
- 4 831cm³ of garden refuse
- 1 434 tons of mixed waste from illegal dumps, consisting of domestic waste, garden refuse and builders rubble.

The latter is problematic due to indiscriminate dumping by residents. The Waste and Environmental Health Section are continuously engaging communities on environmental awareness by attending ward meetings and through clean up campaigns with an aim of getting communities to take responsibility of their actions.

The tonnage disposed increased as a result of various clean-up campaigns launched, such as the campaign during COP17, the Municipal Annual Address, communities volunteering to do clean up in their wards and municipal Operation Khanyisa by staff of various departments that targeted various areas.

Continued acquisition refuse trucks in the municipality improves service delivery to its citizens. Interruptions in waste removal service due to truck breakdown have significantly reduced.

Apart from industries and commercial businesses, the municipality services 66 947 households, emptying 61 924 trolley bins. Free basic service is also rendered to 20 549 low income (indigent) households. There are 130 skips currently dedicated to rural communities in the City of uMhlathuze. More skips are being repaired in order to increase the number of households with access to the service in Traditional Council areas. Therefore service delivery is accessible

to at least more than 77% when communal skips servicing rural communities and rural schools are considered.

Table 34: Solid Waste Management

TOTAL HOUSEHOLDS SENSUS 2011 = 86609 Service Level	CENSUS 2011	2014/2015 Baseline	2015/2016 TARGET	2015/2016 Actual at 31 March 2016
Weekly 240 L bins	46 326	46 326	46 326	46 398
Communal Skips	13 500	18 554	18 754	19 549
Additional Skips (sensitive areas not included in total)	NA	3 008	200	1 995
Access to Basic Sanitation	59 826	64952	65 152	66 947
No formal Service Backlog	26 783	21 657	21 457	19 662
Total Backlog #	26 783	21 657	21 457	19 662

A total of **77%** (66 947) households have access to the basic weekly solid waste removal service at the end of March 2016, excluding communal skips placed in sensitive areas serving an additional 3000 households on a more regular basis. The baseline for access to solid waste removal has previously been aligned with the Census 2011 figures, therefore total access amended in 2013 to 69,08% (59826) households. The baseline for setting of target in the medium term (three years) will be to serve additional 2000 households per year with communal skip services.

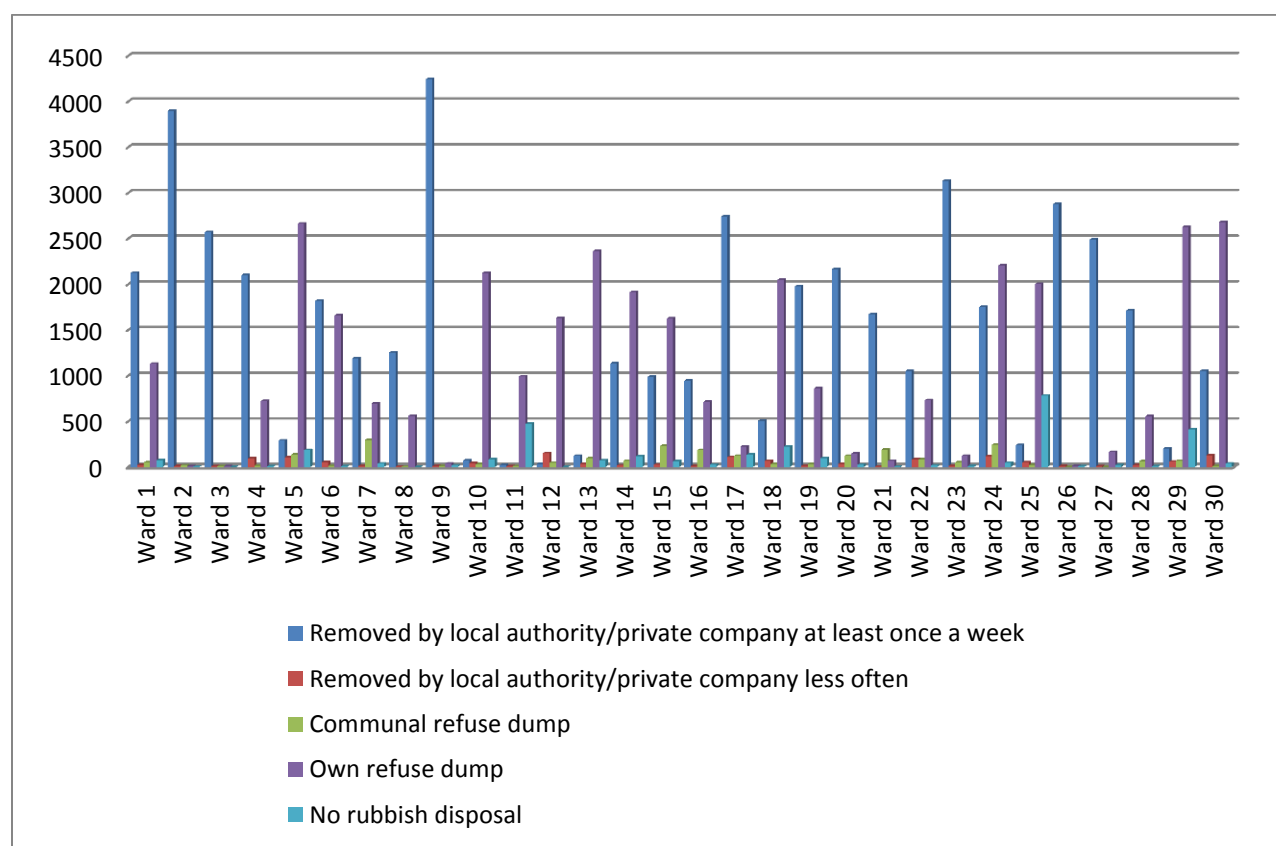
Table 35: Number of Households with Access to Waste Disposal

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Grand Total
KZN282: uMhlathuze	46326	1278	2211	33246	2961	86022
52802001: Ward 1	2124	21	48	1128	72	3393
52802002: Ward 2	3897	9	15	6	3	3930
52802003: Ward 3	2568	6	6	6	-	2586
52802004: Ward 4	2100	93	12	720	6	2931
52802005: Ward 5	288	105	135	2661	183	3372
52802006: Ward 6	1818	51	12	1659	6	3546
52802007: Ward 7	1188	12	294	693	36	2223
52802008: Ward 8	1251	3	3	558	-	1815
52802009: Ward 9	4245	9	9	36	15	4314
52802010: Ward 10	69	42	30	2121	84	2346
52802011: Ward 11	21	6	6	990	471	1494
52802012: Ward 12	30	150	45	1629	-	1854
52802013: Ward 13	120	33	96	2361	69	2679
52802014: Ward 14	1134	15	66	1914	117	3246

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Grand Total
52802015: Ward 15	984	24	231	1623	60	2922
52802016: Ward 16	942	9	183	711	24	1869
52802017: Ward 17	2739	108	120	222	135	3324
52802018: Ward 18	504	66	33	2046	222	2871
52802019: Ward 19	1977	12	30	861	96	2976
52802020: Ward 20	2163	33	120	144	24	2484
52802021: Ward 21	1671	3	189	66	3	1932
52802022: Ward 22	1050	84	81	729	15	1959
52802023: Ward 23	3129	12	48	120	9	3318
52802024: Ward 24	1749	117	243	2205	45	4359
52802025: Ward 25	237	48	18	2001	780	3084
52802026: Ward 26	2874	9	-	9	6	2898
52802027: Ward 27	2487	6	-	162	18	2673
52802028: Ward 28	1713	18	60	555	6	2352
52802029: Ward 29	201	57	66	2625	411	3360
52802030: Ward 30	1050	126	9	2679	36	3900
Grand Total	92649	2565	4419	66486	5913	172032

Source : Census 2011

Figure 39: Access to Waste Disposal



Source: Census 2011

Map 14 : Access to Refuse Disposal

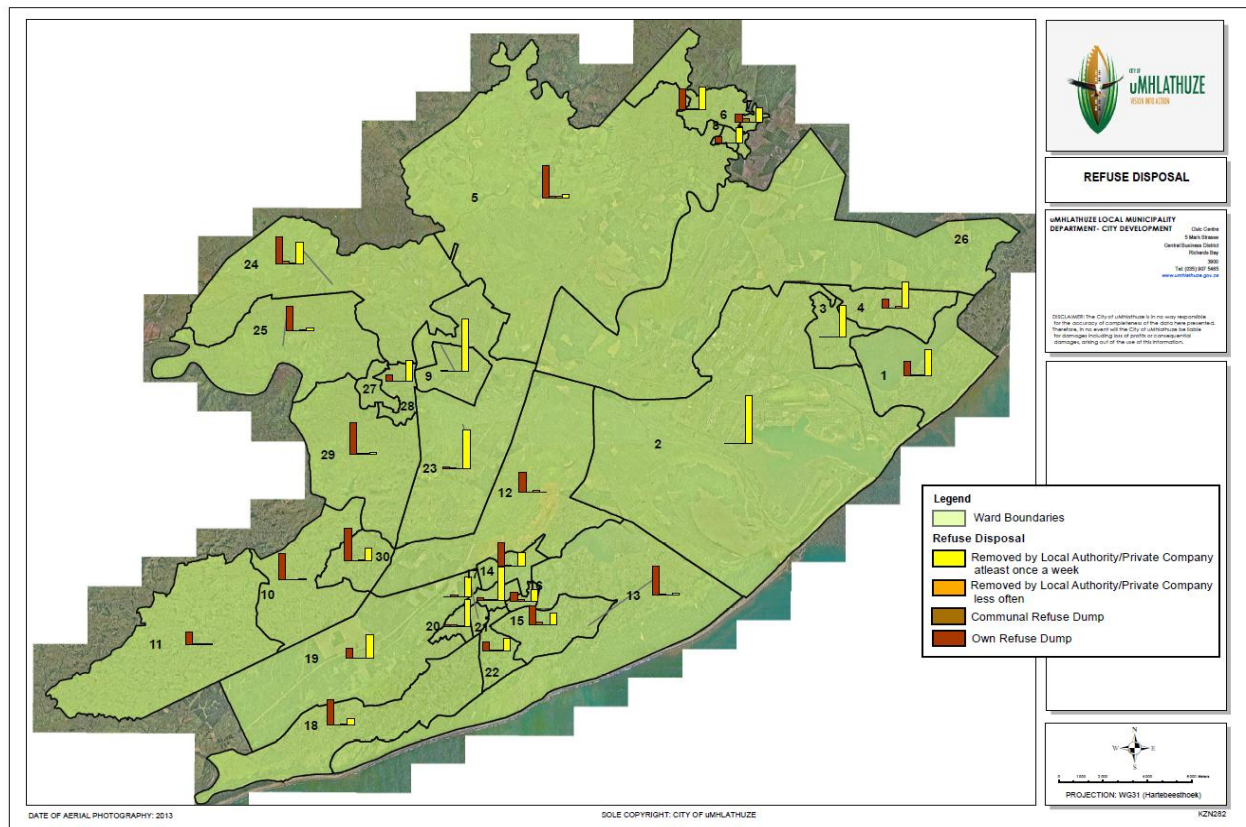


Table 36: Waste Collection Points

ESIKHAWINI		
Day	Number Vehicles Used	Collection points
Monday	4 Refuse Trucks	3150
Tuesday		400
Wednesday		2871
Thursday		389
Friday		750
RICHARDS BAY		
Monday	5 Refuse Trucks	3357
Tuesday		3991
Wednesday		3323
Thursday		3264
Friday		3317
EMPANGENI		
Monday	7 Refuse Trucks, 2 trucks, 5 bakkies for litter picking and 1 transporter for employees	2374
Tuesday		2170
Wednesday		2916
Thursday		2193
Friday		2193

11.3.2 Waste Types

In terms of the Draft Integrated Waste Management Plan Waste types in uMhlathuze Local municipality are as follows:

- Household Waste
- Medical waste
- Building waste
- Industrial waste
- Mining waste
- Commercial waste
- Garden refuse
- Illegal dumping
- Recyclables materials e.g. glass, plastic, paper and cardboards,
- Hazardous waste

11.3.3 Waste Quantities

Table 37 : Volume of the waste generated for the UMhlathuze Local Municipality

TYPE OF WASTE									
MONTH	ANIMAL WASTE	ABATTOIR	BUILDERS RUBBLE	DOMESTIC WASTE	GREEN WASTE	SEWER SLUDGE	TYRES	TOTAL MONTHLY TONNAGES IN KG	AVERAGE TONS PER DAY
31-January-2014	1840	0	28,020	3,695,000	366,060	1580	120	4,092,620	136.4
28-February-2014	2580	0	15,940	3,011,580	349,300	0	0	3,379,400	112.6
March	1620	0	82,860	2,868,360	368,720	0	0	3,321,560	110.7
April	160	0	7,200	3,182,200	345,240	0	0	3,534,800	117.8
May	900	0	5,880	2,978,980	285,000	0	0	3,270,760	109.0
June	80	0	32,020	3,079,520	318,280	0	0	3,429,900	114.3
July	120	0	39,640	3,280,780	402,040	0	4680	3,727,260	124.2
August	260	0	5,020	3,073,320	236,440	0	0	3,315,040	110.5
September	220	0	21,300	3,126,280	349,400	0	0	3,497,200	116.6
October	100	0	29,560	3,513,520	419,420	0	0	3,962,600	132.1
November	22,900	0	1,640	3,917,320	447,840	0	0	4,389,700	146.3
December	80	3580	1,200	3,281,160	321,920	0	0	3,607,940	120.3
TOTALS	30,860	3580	270,280	39,008,020	4,209,660	1580	4800	43,528,780	1404.2

GENERAL WASTE RECORDS	January	February	March	April	May	June	July	August	September	October	November	December
Quantities disposed by Municipality	4092620	3379400	9007200	7069600	3270760	3429900	3727260	3315040	3497200	3962600	4389700	4247120
Quantities disposed privately	4020920	4734340	7110760	9019280	4586840	5547240	5766960	4531220	5710260	6128100	4400060	4426060
TOTAL	8113540	8113740	16117960	16088880	7857600	8977140	9494220	7846260	9207460	10090700	8789760	8673180
Waste Quantities Recycled												
Bottles	39.3	38.2	68.00	73.82	31.26	99.52	170.65	161.86	123.7	130.5	68.8	77.1
Glass												
Paper	488.64	450.00	609.00	438.3	?	531.2	612.31	638.86	647.87	666.13	696.4	741.6
Cardboard												
Plastic												
Other	4.4	8.28	6.30	4.38	7.94	2.28						

Source: uMhlathuze Draft Integrated Waste Management Plan 2015

11.3.4 Municipal By-Laws on Waste

uMhlathuze Municipality in terms of Section 156 of the Constitution, 1996 (Act no 108 of 1996) and the National Environmental Management Act Act 59 of 2008 read in conjunction with section 11 of the Municipal Systems Act, 2000 (Act No 32 of 2000) made the following by-laws :

- Business and Domestic Waste
 - ✓ The provision of council services
 - ✓ Placing of bins
 - ✓ Use of bin liners for domestic waste and business waste
 - ✓ Compaction of business waste
- Industrial Waste
 - ✓ The provision of council services
 - ✓ Collection of industrial waste
 - ✓ Storage of industrial waste
- Garden, Special domestic and bulky waste
 - ✓ Storage, collection and disposal garden, special domestic and bulky waste
- Building Waste
 - ✓ Generation and storage of building waste
 - ✓ Collection and disposal of building waste
- Special Industrial, hazardous and Healthcare risk waste
 - ✓ Generation of special industrial, hazardous and health care risk waste
 - ✓ Storage of special industrial, hazardous and health care risk waste
 - ✓ Collection and disposal of special industrial, hazardous and health care risk waste.
- Disposal Waste
 - ✓ Disposal of waste at waste disposal sites

- Littering dumping and abandoned articles
 - ✓ Duty to provide facilities for litter
 - ✓ Prohibition of littering
 - ✓ Prohibition of dumping and abandoning articles
- Administrative enforcement provisions
 - ✓ Appointment of authorised officials
 - ✓ Powers of authorised officials
 - ✓ Enforcement notices
 - ✓ Complains
- General Provisions
 - ✓ Tariff charges
 - ✓ Liability to pay for council services
 - ✓ Offences and penalties
 - ✓ Repeal of by-laws

11.3.5 Recycling

The Municipality is running a recycling project with the goal of increasing recyclable materials recovered from the suburbs. At present, only Meerensee suburb is involved in the project. Reusable waste is put into yellow refuse bags supplied by the municipality. The refuse bags containing reusable materials are collected weekly on Wednesday and Thursday and delivered to Alton Transfer Station for sorting into various usable items by unemployed members of Mandlazini and Mzingazi community. There 13 members of the community involved at present.

The uMhlathuze Municipality has put aside R4, 8 million for the establishment of a four recycling centre stations at eSikhaleni, Ngwelezane, eNseleni and uMzingazi. These projects are presently at a construction stage.

Table: Recycling Programme

Recycling programmes	Project	Baseline	2013/2014 Target	2014/2015 target	2015/2016 Target
Reduction of reable at source	Recycling	5%	5%	20	24
Reduction of waste at source	Reduction	3%	3%	5	8
Establishment of recycling centres	eSikhaleni	Lot 1317	Construction of centres	Recycling	Create 10 employment
	Ngwelezane	Lot A275	Construction of centres	Recycling	Create 10 employment
	Mzingazi	Lot15373	Construction of centres	Recycling	Create 10 employment
	Enseleni	Site Still investigated	Construction of centres	Recycling	Create 10 employment

11.3.6 Landfills and Transferee Stations

uMhlathuze Municipality dispose its waste at uThungulu Regional Landfill at Empangeni. In terms of ownership of equipment, the Regional Landfill acquires equipment through hiring. Its capture rate is poor hence the space is reduced drastically. Permissions licence is granted to recycle at a cost of R2000.

A weighbridge which records the weight of the waste on a daily basis is also installed at landfill. This helps keeping records of waste and also monitoring targets set by the municipality in minimising the amount of waste generated. The transfer station at Alton is used as a recyclable centre, private company was appointed through tendering process. Wild lands collect recyclables waste from the communities while other recycle transport their own product to the station. The private company has employed 30 people in different categories. There are 6 permanent and 6 temporal on site personnel, 6 collection team also permanent, 7 facilitators and 3 assistant facilitators and 2 on data management and coordination there are 495 "Wastepreuners" around uMhlathuze municipal area involved in the project each working on individual basis

11.3.7 Community Outreach Programmes

Waste Management Services achieved 83.3% of its target in school clean-up campaigns. Ten (10) school clean-up campaigns were conducted during this financial year versus the targeted 12 schools. This means an involvement of more than 3000 pupils from various schools including educators and community members. These people received education regarding environmental awareness and were sensitised into loving their living environment. The increase in number of community members volunteering into cleaning their wards and requesting for assistance in the form of refuse bags and collection of waste thereafter has been an indication that residents are becoming conscious of their environments. The following are ongoing annual programmes have been adopted

- Rank Clean up awareness
- School environmental awareness
- Community environmental awareness
- Door to door community outreach

For the above programme to be effective there is need for additional staff members. The EPWP programme will be used to employ more people.

11.4 TRANSPORTATION AND STORMWATER INFRASTRUCTURE

Within the Infrastructure and Technical Services Department there is a unit responsible for transport, roads, storm water and coastal management. As such, the unit has the following sub-sections:

- Urban Roads, Rail and Road Markings
- Transportation Planning and Traffic Signs
- Rural Roads and Stormwater
- Stormwater Coastal Management

The Municipality has recently finalized a Review of its Arterial Road Framework Plan that extends beyond the boundaries of the existing formal urban areas into the proposed expansion areas as indicated hereunder.

Map 15: Arterial Road Framework Plan



11.4.1 Urban Roads, Rail and Road Markings

The maintenance entails daily pothole repairs, repairs in roads where pipe bursts occurred. Major maintenance is done via the pavement management system. uMHLATHUZE MUNICIPALITY appointed private service provider for the development of a Pavement Management System (PMS). This PMS presents a network level proposal for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of PMS is generally accepted as essential for determining the maintenance and upgrading needs/programmes for pavements in a network of roads.

The total length of the paved network is 560.4km (553.8km tar, 0.4km block paving and 6.2km concrete pavements) with an estimated replacement value of R1.85 billion. The average

condition of **the network can be rated as fair to poor**, with 16% of the surfacing and 12% of the structure in the poor to very poor category.

The following urban roads are maintained by the city uMlathuze:

Table 38: Urban Maintenance Road lengths

Area	Suburb	Length of Road (km)
Richards Bay	Alton North	20.5
	Alton South	32.5
	Aquadene	9.8
	Arboreturm	51.7
	Birdswood	22.5
	Brackenham	24.3
	Meerensee	51.2
	Sports complex	0.839
	Veldenvlei	19.2
	Wildenweide	7.3
	Mandlazini	18.2
	Mzingazi	5.5
Empangeni	Central	11.6
	CBD	22
	Empangeni Rail	17
	Fairview	10.1
	Grantham Park	13.8
	Kildare	6.9
	Kuleka	11
	Noordsig	3.8
	Nyala park	13.3
	Richem	6.1
	uMhlathuze Village	10.1
	ZSM Industrial	0.82
	Carsdale	0.4
	Hillview	2.7
	Panorama	6.5
	Zidedele Village	1.4
Ngwelezane	Unit A	17.8
	Unit B	15.1
Esikhaleni	Unit H	48.5
	Unit J	33.7
Felixton		9.8
Nseleni		22.2
Vulindlela		7.9
Not available		15.36
TOTAL		571.419

The following is a representation of the kilometres of different classes of roads in the City and affected wards:

Figure 40: Condition of the Structure

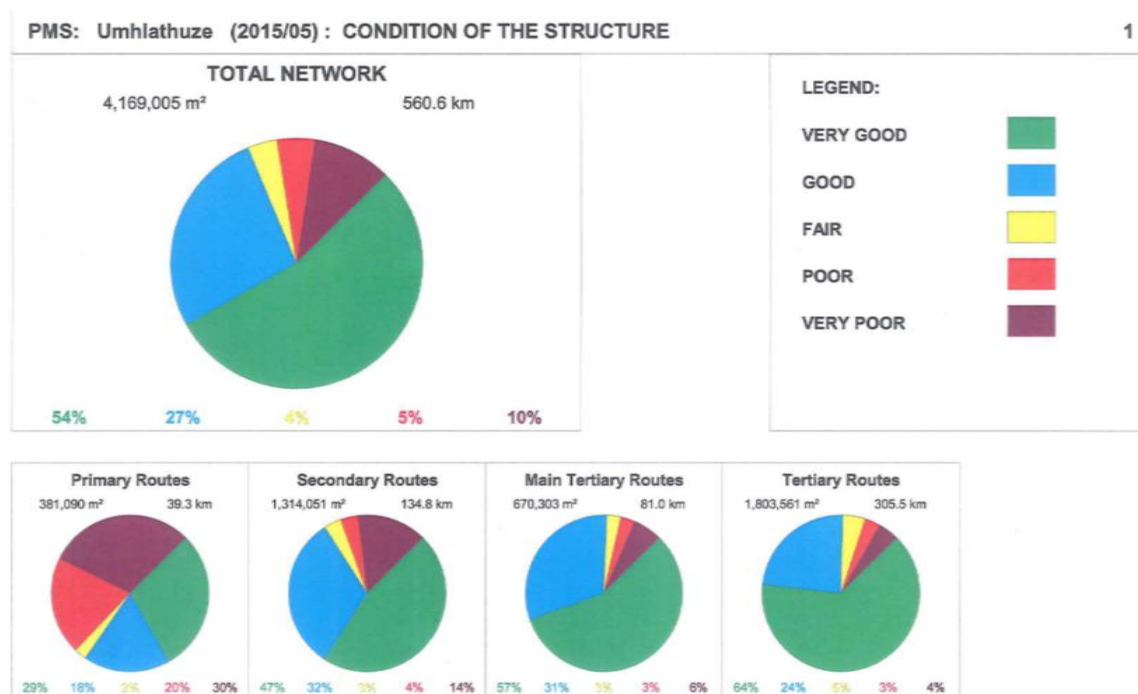


Figure 41: Condition of the Surfacing



The rail sidings are maintained to comply with the standards of the Rail Safety Regulator, which is a national body responsible for the safe operation of all rail lines. Maintenance work is generated by monthly inspections done by representatives from the municipality, a consulting firm and a maintenance contractor. A total length of 17.2 km of rail sidings and 38 turnouts is maintained.

11.4.2 Transportation Planning and Traffic Signals

This section consists of three divisions, i.e.:

- Transportation Planning
- Contract Maintenance
- Traffic Signals

Transportation planning includes the following:

- Planning on the upgrading of existing road infrastructure
- Planning of new roads infrastructure
- Road classification

- Integrated transport mode planning
- Public transport infrastructure planning
- Heavy vehicles operations planning
- Airport framework plan
- Arterial Framework plan

Transport Planning Assistance includes the following:

- Maintenance related quotations for upgrading of existing infrastructure
- Implementation of Traffic Calming
- Traffic counts and planning
- Warrant of traffic signals
- Upgrading of Traffic signals
- Design and Implementation of new Traffic Signals

Traffic Signals relates to the following:

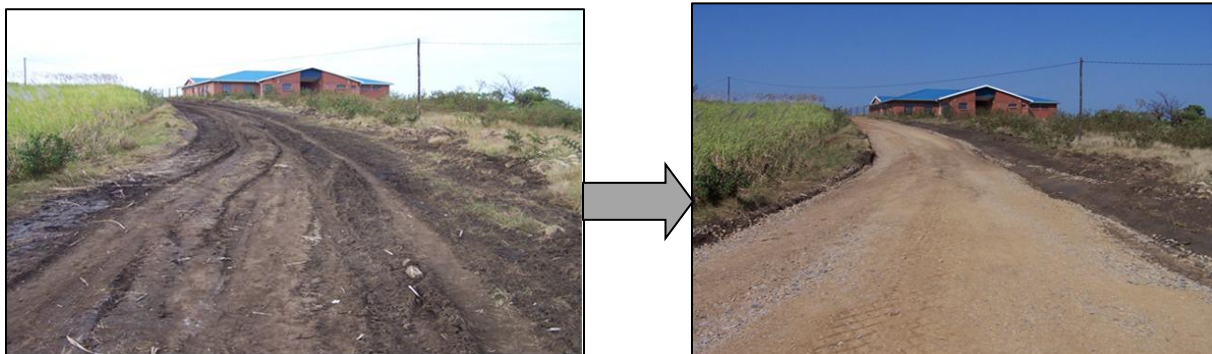
- Maintenance of traffic signals
- Upgrading of traffic signals
- Improvement of technology

Projects and Activities in this section are summarized hereunder:

- Rural Roads Development to source funding via a Business Plan for the upgrading and developing of the rural roads.
- To develop a business plan for the sourcing of funding for the implementation of the Comprehensive Integrated Transport Plan (CITP).
- To develop The Comprehensive Integrated Transport Plan for the City of uMhlathuze (CITP).
- Upgrade of the existing road from North Central Arterial to Grantham Road in Empangeni (John Ross Highway).

11.4.3 Rural Roads and Stormwater

Rural road services are provided to four Traditional Council areas. Infrastructure maintenance section is responsible for maintenance of roads and storm water, pedestrian bridges, bus shelters and vehicle bridges.



11.4.4 Stormwater Systems and Coastal Management

The Stormwater Systems and Coastal Planning section deals with the overall stormwater management and operations functions throughout the City, as well as the Coastal management

functions through liaison and coordination of meetings with various stakeholders involved in all activities and functions along the City's coastline.

Priorities for this section include:

- Maintenance and Cleaning of all Stormwater facilities throughout the City.
 - A two (2) year Stormwater Cleaning Contract is currently underway to address the overgrown open drains and stormwater servitudes.
 - The Stormwater Cleaning Contract as above also addresses the cleaning of our streets since waste from streets collects within the stormwater services and causes blockages
- Creating social upliftment through employment from the local community to clean the stormwater facilities and carry out routine maintenance.
 - A two (2) year Stormwater Cleaning Contract is addressing the unemployment conditions throughout the City by means of employment opportunities through the EPWP – Expanded Public Works Programme

Challenges include the following:

- Short to no supply of permanent staff to carry out daily functions.
- Currently section is almost 100% reliant on outsourcing of work to undertake its functions which results in delays when having to execute emergency functions
- Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that creates flooding of streets and properties.
- Requirement of "peace officers" to address the issuing of fines to members of the community that engage in illegal dumping.

Projects and Activities of the section include:

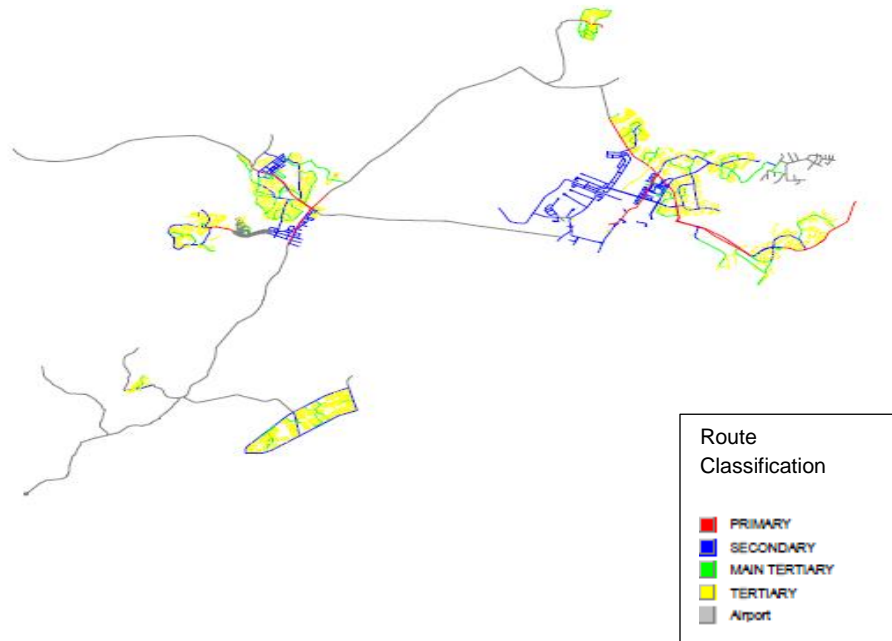
- Repair of Mzingazi River Salt Water Barrier Weir at John Ross Highway Bridge to prevent ingress of salt water through the weir into the fresh water course.
- Community Awareness Project for a Stream Clean-up crossing Saligna Road between John Ross College and Via Cassiandra Road.
- Replacement of all stormwater manhole covers throughout the City with Polymer Concrete manhole covers to prevent scrap metal theft and create a safe environment to the community.
- Maintenance and Cleaning of all Stormwater facilities throughout the City.

11.4.5 Sector Involvement

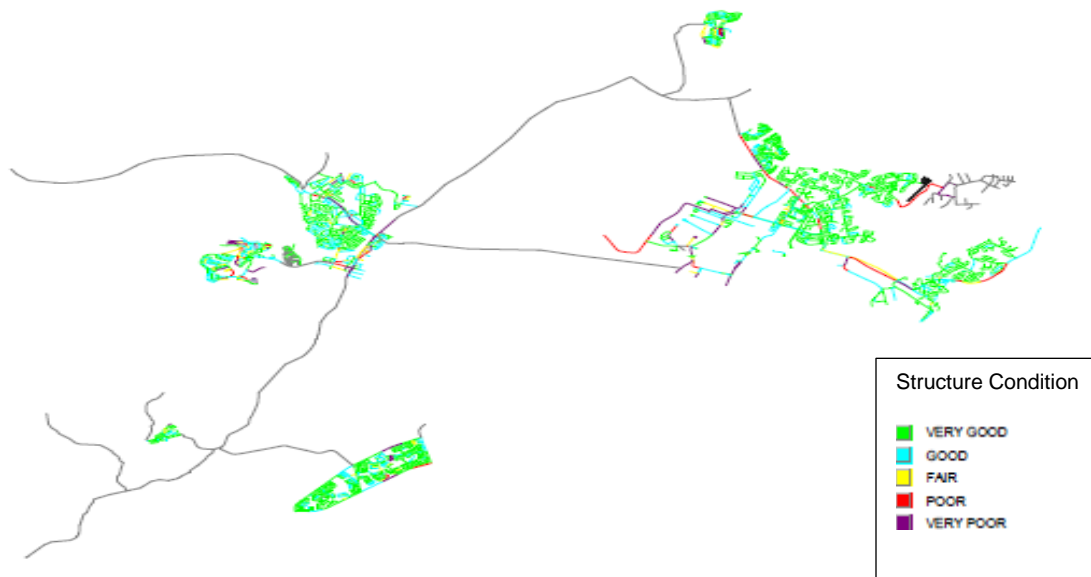
This department works closely with the Department of Transport, the Department of Co-operative Governance which through the Municipal Infrastructure grant has funded a number of capital projects.

The following maps are sourced from the PMS; they indicate spatially projects and status of the resurfacing, rehabilitation, structure and condition, and route classification:

Map 16: Route Classification



Map 17: Structure Condition



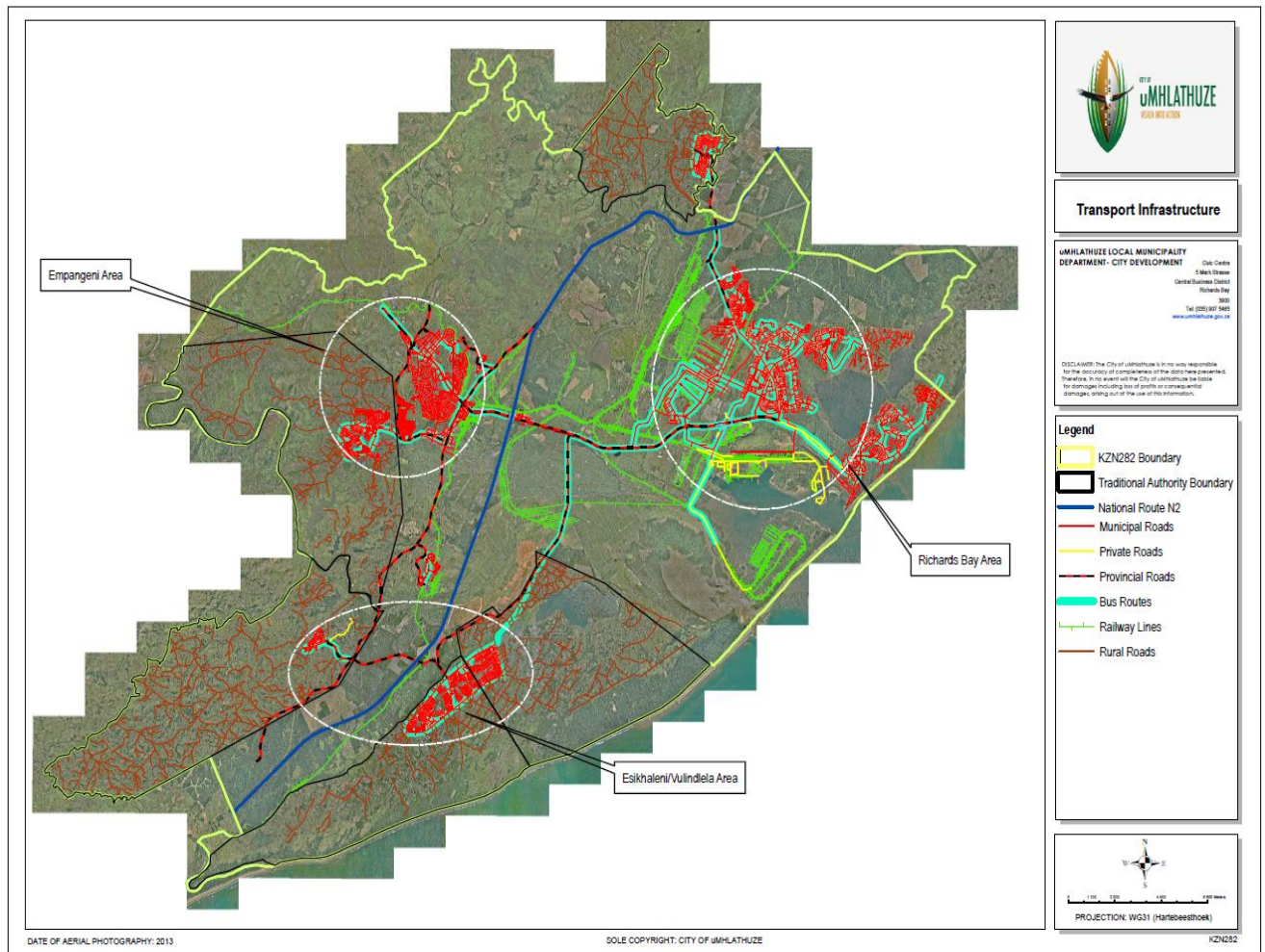
Map 18: Rehabilitation Projects



Map 19: Resurfacing projects



Map 20: Transport Infrastructure



11.5 ENERGY

11.5.1 Introduction

The city of uMhlathuze is a licensed electricity provider, however in rural areas electricity is still supplied by ESKOM. The Energy Sector Plan was prepared in 2009, and is due for revision. The purpose of this plan focuses on clearing electrification backlog and forecasting the end state bulk electrical infrastructure to provide an optimal, sustainable bulk supply for anticipated development.

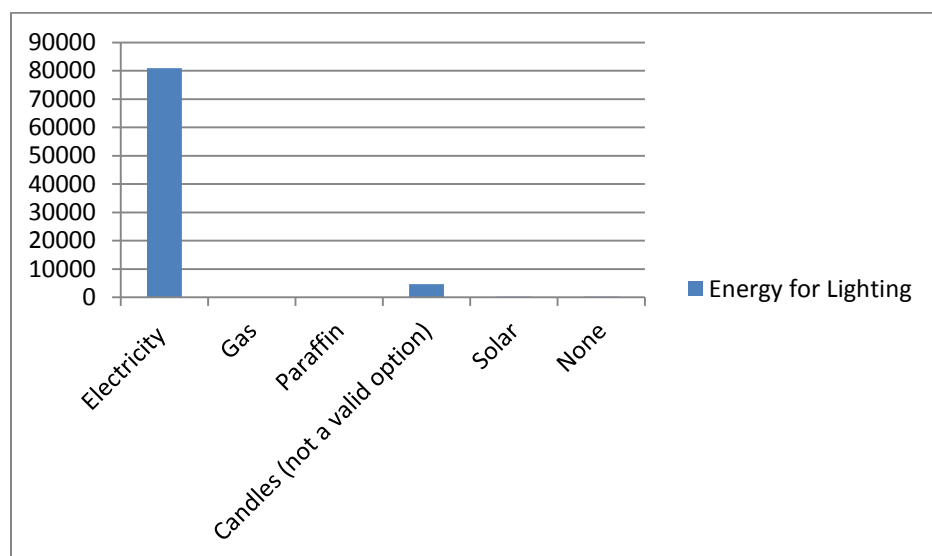
The overall objectives for this ESP are:

- State the vision for electricity services and support objectives of the IDP
- Prioritise areas and agree on priority / sequence to clear backlog
- Compile a load forecast for capacity planning
- Define study areas for renewable energy feasibility investigations
- Compile capital project lists & budgets
- Communicate the plan to all stakeholders

11.5.2 Access to Electricity

The following figure indicates number of people with access to different types and uses for electricity:

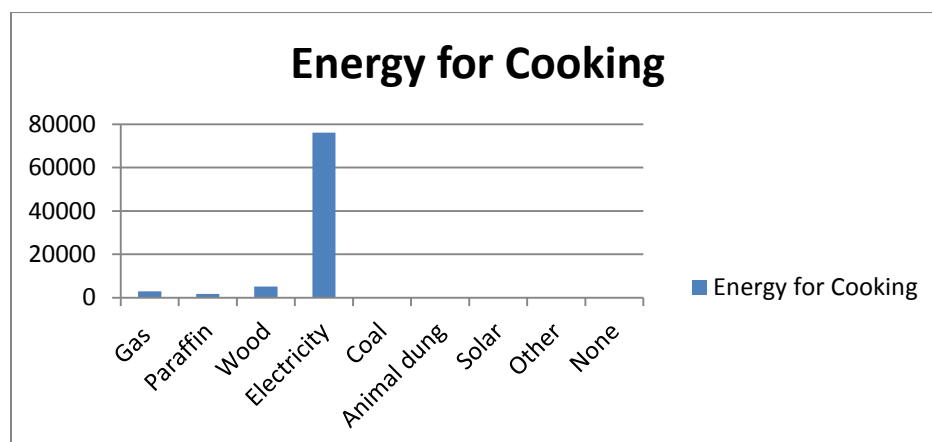
Figure 42: Energy for Lighting



Source Census 2011

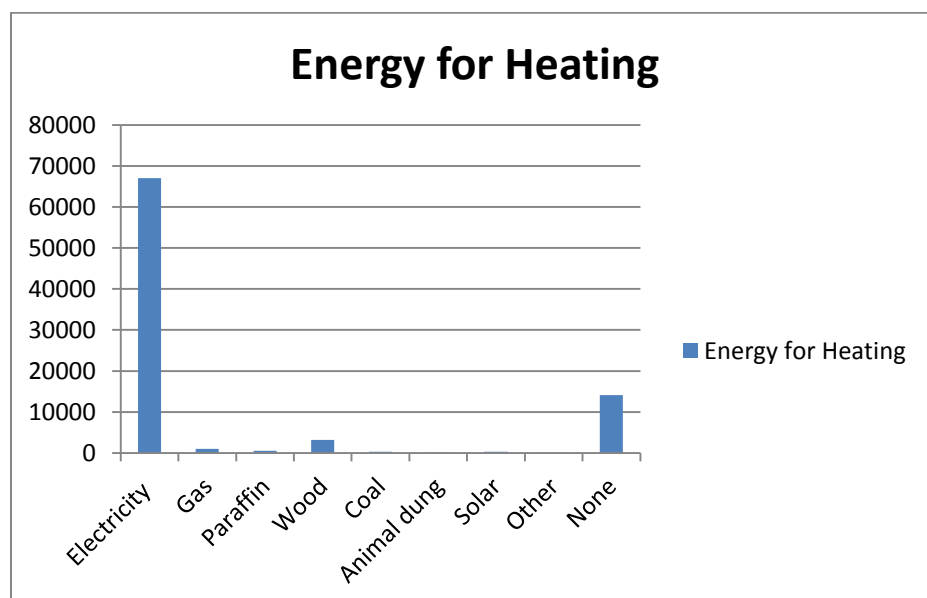
According to Census 2011, 93 % of households in the uMhlathuze Municipality use electricity for lighting. This is a great achievement for the municipality towards to realization of the Millennium Development Goals. Only about 5% of households still use candles for lighting.

Figure 43: Energy for Cooking



It is pleasing to note that Census 2011 indicated that about 87% households use electricity for cooking. Only 6% indicated dependency on wood and only 3% of households use gas for cooking.

Figure 44: Energy for Heating



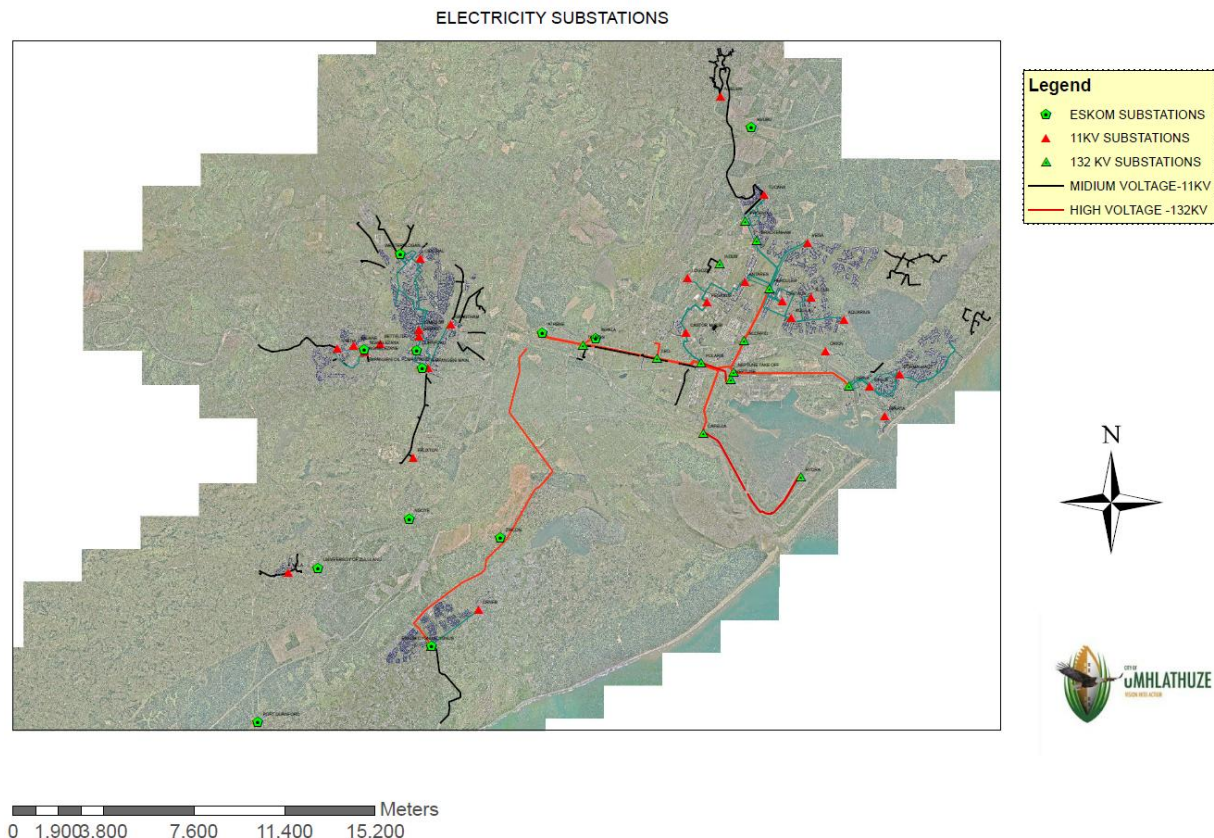
It is encouraging to note that some 78% of all households indicated in 2011 that they use electricity for heating purposes. Surprisingly about 16% of households indicated "none", which means that they do not have access to any of the heating sources or either they opt not to use these sources for heating

11.5.3 Electrification Backlogs

The City of uMhlathuze has no electricity backlogs in its area of supply. Few backlogs exist in the areas within the municipality which are directly serviced by Eskom. Municipality is only doing infills for new customers. The main focus of the municipality is on infrastructure provision and maintenance and also provision of streetlights in rural areas. A substantial amount has been budgeted for in the 2016/2017 budget for electrification infrastructure projects. (See a list of project at the end of section).

11.5.4 Summary of Infrastructure

Map 21: Electricity Infrastructure



The following provides a synopsis of the extent and nature of infrastructure in the uMhlathuze Municipality for electricity supply purposes as mapped above:

- 43 sub stations and switching stations
- 7 Eskom PoD (Point of Delivery) sub stations
- Some water and sewer pump stations supplied directly by Eskom 11kV
- Backbone network on 132kV, 11kV and 400V
- Mostly ring, with some radial feed
- Installed capacity is 296MVA
- Highest recorded MD (Maximum Demand) is 274MVA
- 356km of MV (Medium Voltage) underground cables
- 81km of MV overhead lines
- 789km of LV (Low Voltage) underground cables
- 143km LV overhead lines

The above supplies a total of 30 782 municipal customers, including Industrial, Commercial and Residential.

The following table summarises the Notified Maximum Demand (NMD) and Recorded Peak in the Municipality:

Table 39: Notified Maximum Demand and Recorded Peak

Point of Delivery (PoD)	Notified Maximum Demand (MVA)	Recorded Peak (MVA)
Impala/Polaris	230	146
Impala/Cygnus	16	17.47
Empangeni Main/ Empangeni Municipality	20	20.5
Logal/Empangeni Municipality	20	11.7
Ngwelezane/Ngwelezane	7	6.5
Avior/ Nseleni	2.5	1.9
Ngoye/Felixton	0.7	0.47
Total	296.20	204.54

The drop in recorded demand is due to the closure of TATA steel who were consuming 76MVA and a few customers that closed due to TATA and Bayside closure

11.5.5 Infrastructure Planning

The Electricity Department strives to always maintain a 10% to 20% reserve margin of supply. The impact on capacity is continually assessed given:

- Residential growth, due to individual applications and residential developments
- Individual commercial applications and commercial/office campus developments
- Light & heavy industrial developments

The network infrastructure reliability sustainability is assessed based on:

- Age of infrastructure
- Refurbishment requirements
- Upgrade requirements
- Replacement requirements
- Expansion requirements

It is critical for the Electricity Department to liaise with relevant stakeholders, on future capacity requirements, to achieve integrated development planning. Such stakeholders include Eskom, LPU's (Large Power Users), Private Developers, IDZ (Industrial Development Zone), SEZ (Special Economic Zone), District Municipality, Provincial and National Governments, Internal Customers from within the Municipal structure.

11.5.6 Operation and Maintenance

Network maintenance is informed by:

- Inspections
- Maintenance planning, scheduling and execution
- Performing standby, in case of breakdowns
- Responding to breakdowns
- Responding to technical customer queries
- Power quality monitoring

It is also critical to ensure proper installation during projects implementation for O&M suitability.

11.5.7 Technical Operations Centre

City of uMhlathuze operates an extensive telemetry network to monitor their water and sewer distribution infrastructure; electrical substations, and Analytical Instruments refer to the Addendum with regards to the extent of the areas.

The system consists of a SCADA based master station, situated in the City of uMhlathuze Technical Operations Centre office, and approximately 180 Telemetry outstations for monitoring pump stations, 43 electrical substations and reservoirs over the entire City of uMhlathuze.

Technical Operational current situation is as follows:

- Municipal Tracking System – Municipal Integrated Solution & Customer Care Centre
- Geographic Information System (GIS)
- Electrical Distribution, Load management and Online Metering Systems.
- Fleet Management system (Geotab)
- Water reservoir monitoring SCADA system – Adroits
- Sewer network line systems – SCADA system – Adroits
- Street Lights and Management System – Tele-management Systems (under development)
- Pressure management Systems SCADA Dashboard
- SCADA alarm management
- Electrical and Water Smart metering systems

11.5.8 Energy Efficient Demand Side Management and Renewable Energy

EEDSM (Energy Efficiency Demand Side Management) involves the following:

- Eskom IDM (Integrated Demand Management) program
 - Public Lighting
 - RLM (Ripple/Residential Load Management)
 - Building Lighting
 - HVAC (Heating Ventilation Air Conditioning)
 - Grid-tie Solar PV Panels – main municipal building
 - Water and Sewer Pumping
- DoE (Department of Energy)
 - Traffic Signals and Controllers
 - Household Survey on Energy Consumption – 200 units
- Renewable Energy – various technologies

Expression of Interest to Explore the Potential of Renewable Energy in The City of uMhlathuze ,the following technologies are on RFP Stage :

- PV Solar Plant
- Agricultural Biomass to Energy
- Waste Heat Recovery to Energy
- Hydrogen Dispatcher o Energy
- Waste Tyres to Energy , Wave Harnessing
- Proposed Wind Farm at Empangeni Area

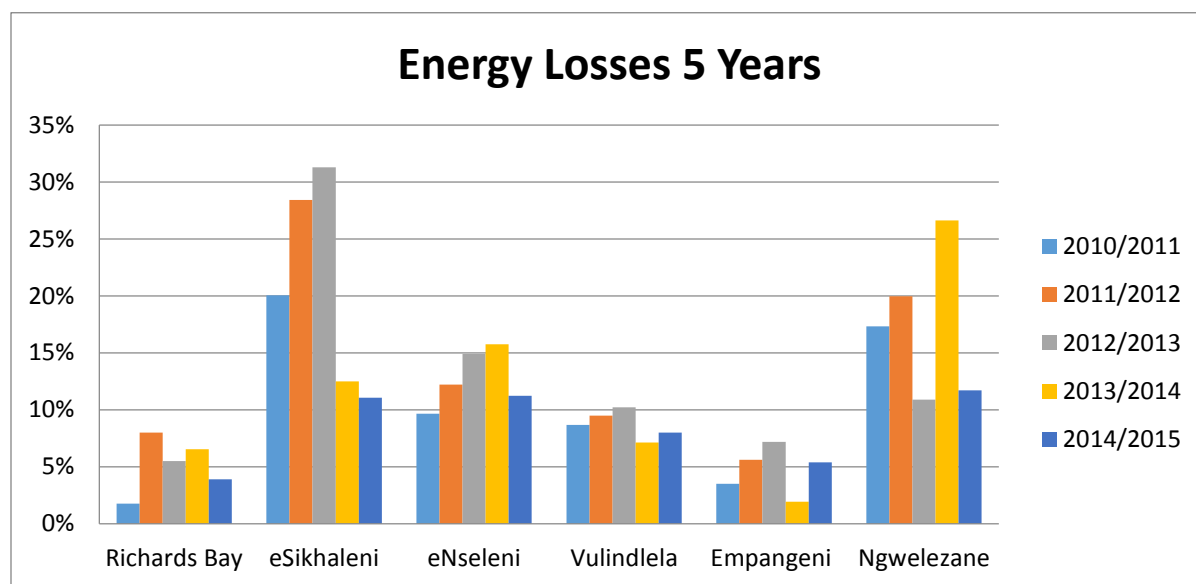
11.5.9 N2 Corridor and Non-Island Areas

The Municipality COU submitted an application to Eskom to cede license for the N2 buffer area (brown field) and “Hand over” assets in the rural areas to the Municipality. The Municipality intends to appoint a services provider to assess the cost implications of the above in respect of:

- Current equipment life expectancy
- Immediate capital outlay
- Refurbishment
- Replacement
- Upgrades
- Expansion
- Maintenance

11.5.10 Energy Losses

Although the national average is 10% and the overall average of the City is 7% it is a concern that some areas are exceeding the 10% national average.



The city of uMhlathuze has advanced several opportunities in terms of energy saving initiatives and water loss:

- Green Buildings: solar water heating, energy efficient lighting, energy conservation sensors.
- Department of Energy to roll out the Solar Water heaters program for the City of uMhlathuze
- Adoption of a reviewed Energy Strategy that will be an exclusive sector plan for the IDP
- An amount of R8million has been gazette by the Department of Energy from the Energy Efficiency and Demand Management Grant 2012/13, The grant was used for the implementation of Energy Efficient Lighting Technologies in Municipal Building, Street and Traffic lighting infrastructure. Application of Energy Efficiency and Demand Management Grant 2016/2017 in progress
- Rationalized user specification or light emitting diode (LED) streetlight luminaires has been developed and adopted by relevant departments
- Management of Mercury
- A detailed study of the best or recommended Energy Efficient Streetlight Roll has been prepared and hence :
 - ✓ Replacement /Retrofit of 70,100, 250 and 400 W HPS streetlights luminaries with the equivalent side entry light emitting diode (LED) streetlights luminaries fitted with the

Integrated Luminaries Controller and external antenna for the Tele-management system

.Total 400 units of 250 W HPS have been replaced /retrofitted in Ngwelezane Area .

- A detailed study on energy consumption of existing Traffic Signals, resulting in the: Replacement/Retrofit of Incandescent lamps to LED (light emitting diodes), total energy consumption savings per all 84 intersections is 90% ,all intersections has been retrofitted/replaced by LED Lights

Further Energy losses will be minimised through the implementation of the following projects:

- All remaining 11 kV customer meters were replaced with On-Line meters and during this process all the installations were audited as well. A total of 60 meters were replaced.
- A meter replacement project was launched in order to replace old redundant metering equipment i.e. CYLP meters and Indigo+ meters.
- A total of 242 customer meters were replaced. Mostly CYLP meters.
- Various meter audits were carried out:
- ✓ Small Business Prepayment Customer Audit: This audit was carried out in November 2013 - with 235 meters audited. The remainder was audited in 2014.
- ✓ Post Paid: Non-CT operated meter audit carried out in Sept / October 2013. A total of 1 869 meters were audited. From this report the work has started to replace all faulty meters reported.
- The project for the installation of bulk metering in all Mini substation started in July 2013 after audits were carried out on all mini substations, pole mounted transformers and ring main units. To date 93 meters were installed. A balance of 757 to be done over the next three years - funding dependent.
- The check meter reading tender was awarded and this means that all check meters are now again read on a three monthly basis which will make the identification of possible tampering and faulty installations much quicker. Thus billing can be effected much quicker. The new contractor is currently reporting any tampering they come across whilst doing their initial sweep as well as any meters clearly not running.

11.5.11 Electricity Maintenance Plan

The City of uMhlathuze is a utility for distribution of electricity to an area of **825 km²**. To effectively and safely distribute electricity to residential, commercial and industrial customers, maintenance is critical, as it will always cost much more to replace equipment that is not properly maintained. There is currently a manual maintenance plan that was developed to outline the maintenance strategy.

There is a total of 43 Substations with 12 being 132 kV substations and 31 being the 11 kV Substations which ultimately feeds our customers. Our key customers are, Mondi, RBCT, Foskor, Transnet & IVS and interruption of power to these customers has a significant impact on the environment, revenue & the Provincial economy.

Maintenance strategy

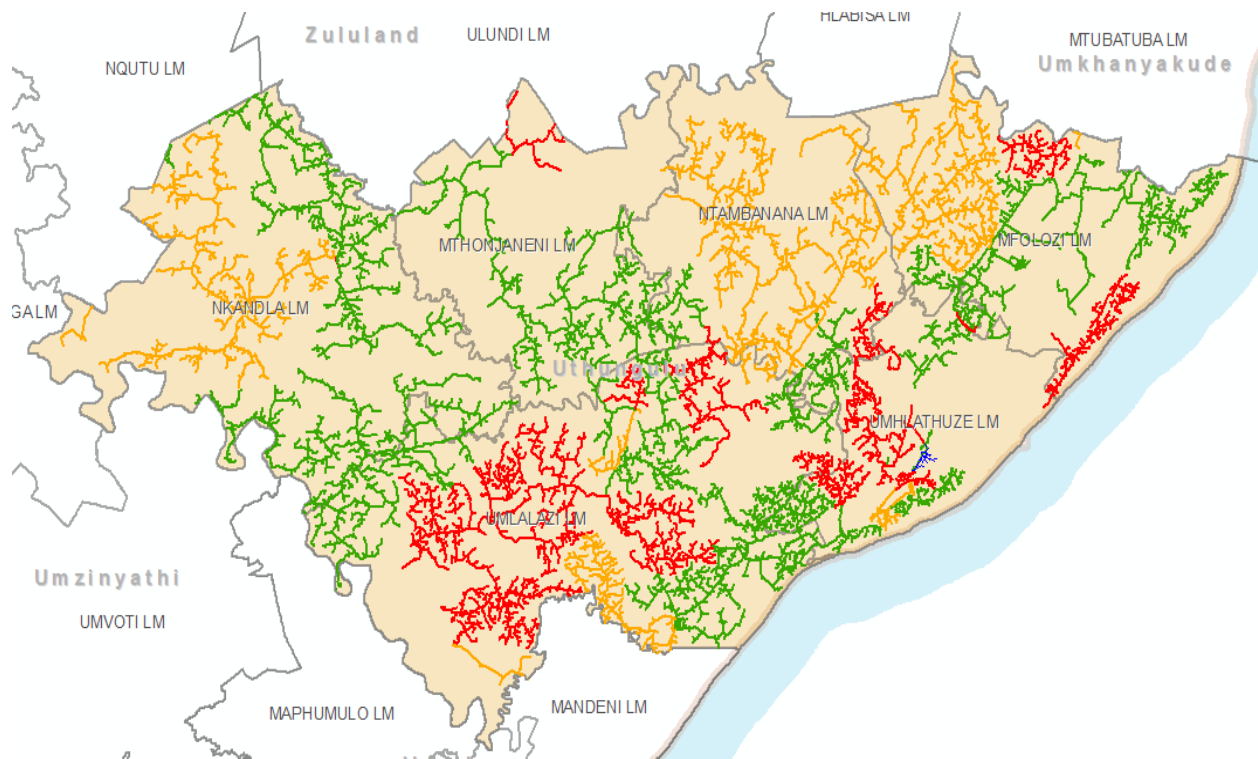
- **SAIDI => System Average Interruption Duration Index**
- **Definition:** Average duration (in hours) in total that the customer must be without supply.
- **SAIFI => System Average Interruption Frequency Index**
- **Definition:** Average frequency that the customers supply is interrupted
- **SLI => Supply Loss Index (RSLI if on Reticulation network)**
- **Definition:** The total duration the system was out of supply. SLI is an internal measure of transformer availability

Summary of Planned Maintenance

Due to the maintenance plan being complex and a document on its own, it is a challenge including such document into an IDP, because it is an operational document in nature. Below is a summary of planned maintenance for quarter 2.

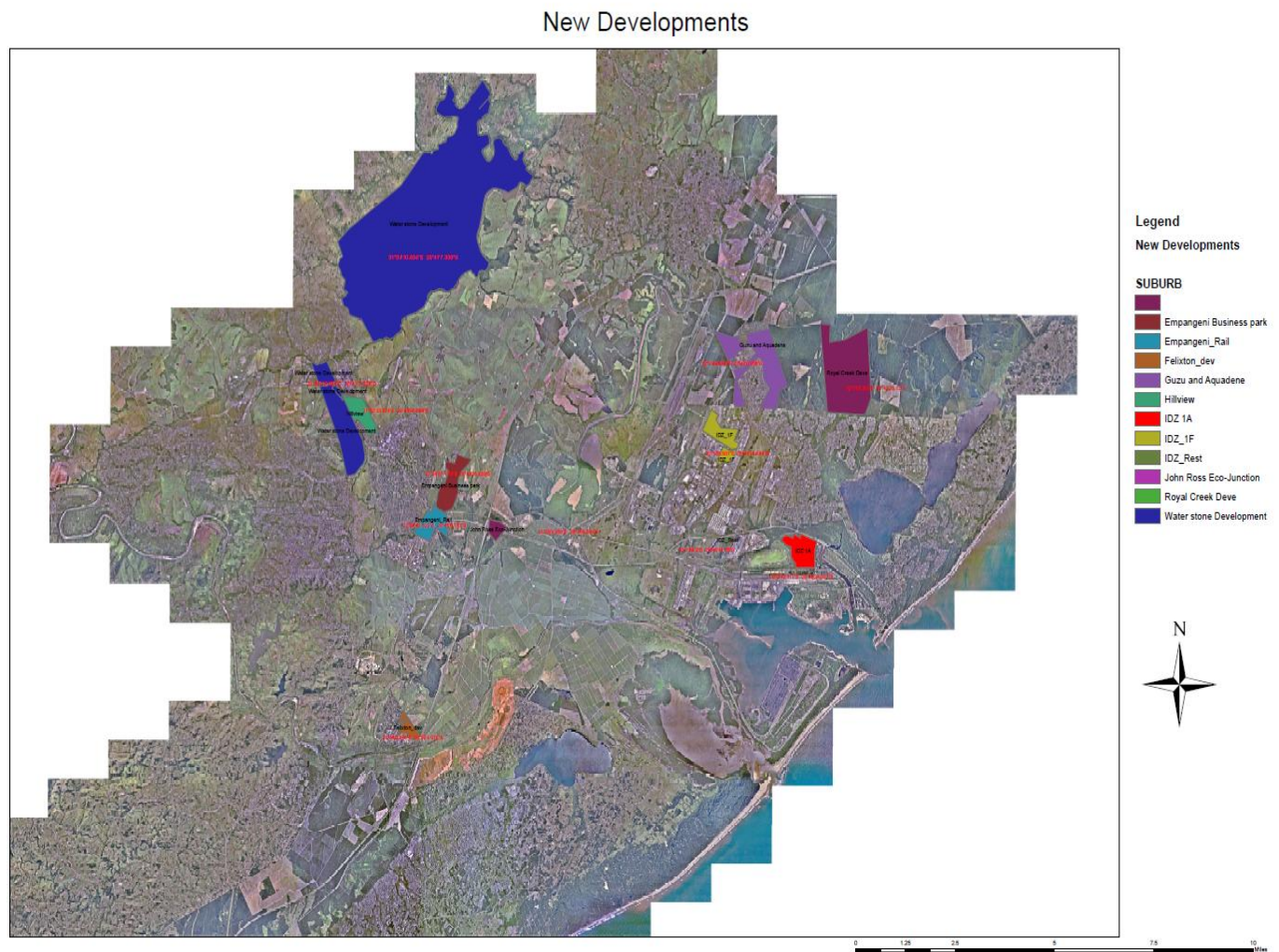
Substation Inspections	Date	Description	Target s	Actual s
	10/2015	Empangeni Main, Durnford Sub, Grantham Sub and Jameson Sub – DMS 1093159	4	4
	10/2015	Polaris/Hydra/IVS/Mobil/Cygnus/Phoenix/Hercules/Scorpio/Carina Subs – DMS 1092578	9	9
	10/2015	Aquila, Pegasus, Aquarius, Castor, Vega, Avior, Centaur, Altair, Antares and Tucana Substations – DMS 1092262	10	10
	10/2015	Vela, Gemini, Deneb, Aries, Sirius, Orion, Fomalhaut Substations – DMS 1096343	8	8
Mini Substation Maintenance	Date	Description	Target s	Actual s
	10/2015	Zidedele, Rugby Club, Baines, Flamingo, Schweitzer, Moberly, Extension 13, Addison, Union mini, Union Str 2, Profplan, ABSA mini, Maxwell, Higgs, Game two, Thrush, Armstrong, Mill housing, ZSM1, ZSM 3, ZSM3, Zidedele and Intrepid mini (Njomane Electrical Services) DMS 1093166	23	23
	10/2015	Kingfish Nook 1, Kingfisher Creek 2, Gull 1, Oester Bank 1, MS 18, MS 2/8, Lobster Pat 1, Golf 4, Lady Fish Nook 1, Anglers Rod 1, Dageraad 1, Sirius, MS 1, Davidson Laan 1 & 2 – DMS 1096366	24	14
		DMS: 1093166	18	15

Map 22: Capacity Constrains – uThungulu District 2015



Source: Eskom

Map 23: New Development Projects for Electrification



The map above illustrates some of the major projects the municipality is undertaking in the 2015/2016 financial year.

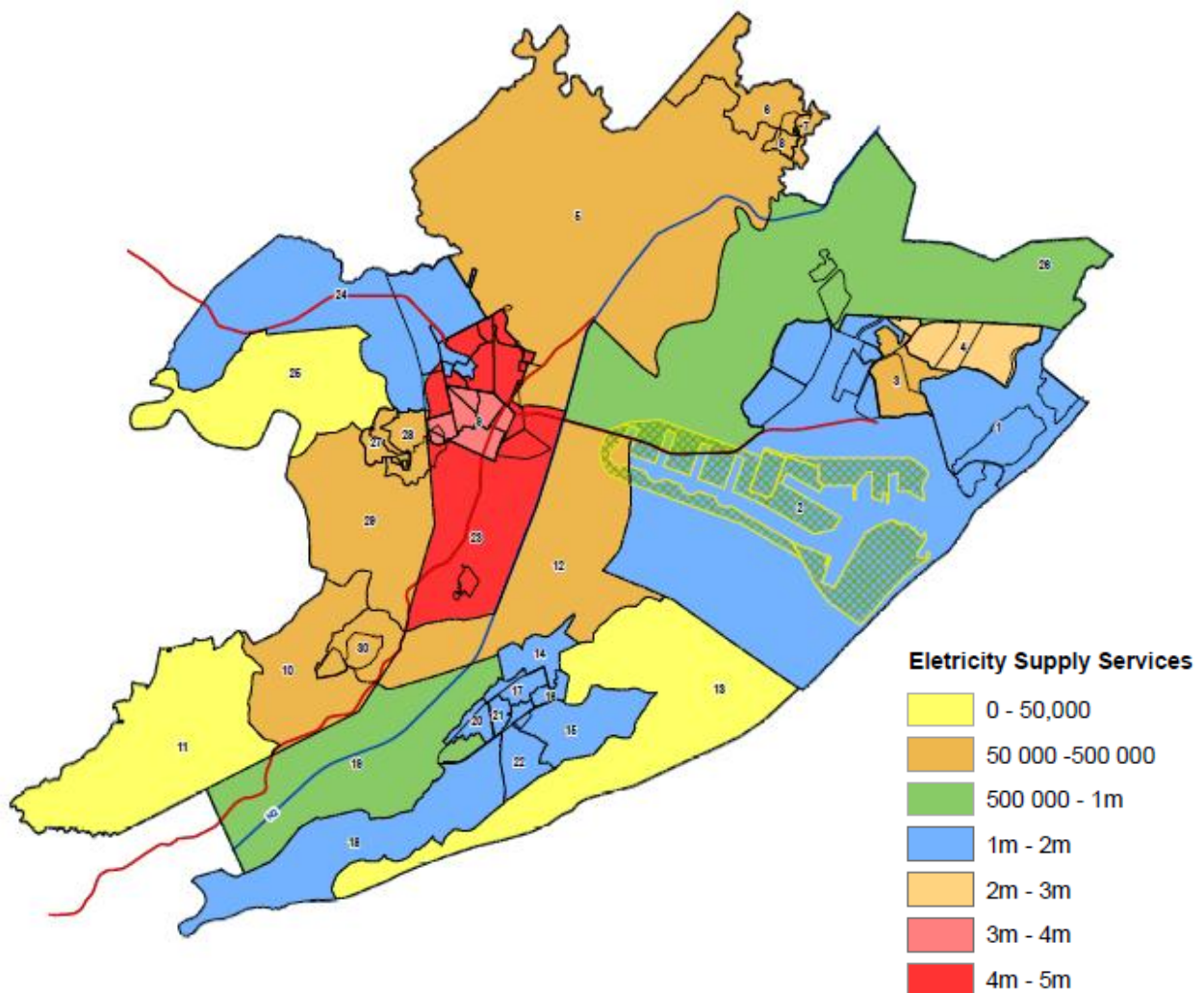
Sector Involvement

This section liaises with a number of stakeholders and departments in terms of strategic infrastructure planning and service provision. However the most prominent departments are the Department of Energy, Eskom and the Department of Co-operative Governance.

11.5.12 Electricity Capital Investment

In the quest to reduce electrification backlogs the map below summarises the capital investment towards electricity supply services.

Map 24 : Electricity (proposed capital 15/16 and 16/17)



11.6 Sector Involvement and Projects

11.6.1 Water, Sanitation, Roads and Electricity Significant Capital Projects

Table 40: Transport, Roads, Stormwater & Coastal Management Services (TRSCMS): Synopsis of Significant Capital Projects 2016/2017

DESCRIPTION	2016/2017
Bus Shelters & Laybys	R2 000 000
Esikhaleni Intersection	R18 000 000
Roads Resealing	R36 750 000
Pedestrian Bridges Rural Areas	R3 000 000
Upgrade Roads Empangeni & Aquadene	R15 050 000
Total Budget 2016/2017	R79 750 000

Table 41: Water Supply Services (WSS): Synopsis of Significant Capital Projects 2016/2017

DESCRIPTION	2016/2017
Richards Bay Pipe Replacement (MWIG)	5 000 000
Water Loss and Drought Relief Project	15 000 000
Ngwelezane Pipe Replacement	5 000 000
Reduction of non Revenue	15 000 000
Esikhaleni Waste Water Treatment	5 921 000
Empangeni Water Network Improvement	10 000 000
Kwa Dube Reticulation	5 000 000
Kwa Madlebe Reticulation	5 000 000
Mzingazi Sewer	7 000 000
Total Budget 2016/2017	72 921 000

Table 42: Electricity Supply Services (ESS): Synopsis of significant capital projects 2016/2017

Project description	Tabled budget 2016/2017
Asset maintenance management system	R 7 000 000
Roads projects mig	R 16 357 500
Sports projects mig	R 14 223 900
Rural sanitation	R 32 122 400
Rural/semi-urban areas water supply	R 32 122 400
Total engineering support services	R 101 826 100

11.6.2 Conditional Grants

MIG SPLITS	2015/2016	2016/2017
	Allocation	Allocation
	R 93 154 000	R 99 817 000
Water	R 29 248 150	R 32 122 300
Sewer	R 29 248 150	R 32 122 400
Pmu	R 4 657 700	R 4 990 900
Roads	R 15 000 000	R 16 357 500
Sports	R 15 000 000	R 14 223 900
Total	R 93 154 000	R 99 817 000

- R4.5 Million budgeted for Rural Households Infrastructure Grant for 120 Units by the Department of Water and Sanitation (National)
- Receiving R 50 000 000 for Water Services Infrastructure Grant (WSIG) from Department of Water and Sanitation (DWS)
- R31.08 million budgeted on Water & Sanitation projects for pipe replacement and to date a total of R19.2 million has been spent

11.7 ACCESS TO COMMUNITY FACILITIES

During November 2008, a service provider was appointed to assist with the “Determination of Suitable Localities and uses for various Community Centres”. The project was borne from the fact that the Council had been receiving a number of requests for integrated services at localities closer to where people live.

The project had the following main components:

Status Quo

As part of the status quo permission was obtained from the Traditional Council to undertake fieldwork in their areas. The intention was to undertake fieldwork to augment existing data.

Analysis

A mapping analysis was undertaken of the current situation in the municipality in respect of community facilities. The analysis considered the following:

- The current ratio of community halls to population
- Distribution of pension pay points
- Accessibility to Home Affairs type services
- Frequency of accessing listed services
- Travel distances to facilities
- Population size within specified distance from facility

Proposals

The outcomes of the above analysis alluded to the identification of areas that do not have access to a range of community type facilities; areas that have large population numbers that have access to a community facility that may not have adequate capacity. The results of the technical analysis was then used to make proposals on suitable locations to develop such facilities.

The community facilities investigated was:

- Community Halls
- Pension pay points
- Clinics
- Sport grounds
- Crèche
- Tribal Court
- Markets

The table below sets out the number of facilities per Traditional Council which have been identified, photographed and GPS-referenced:

Table 43: Number of Facilities per Traditional Council Area

	Mkhwanazi	Dube	Khoza	Madlebe	TOTAL
Halls	3	1	1	1	6
Pension	5	3	1	7	16
Clinic	2	2	1	1	6
Sport ground	3	9	7	4	23
Crèche	1	3	3	4	11
Tribal Court	1	2	2	1	6
Market/Craft	0	2	0	0	2
TOTAL	15	22	15	18	70

The following series of tables provide a summary of the accessibility to community facilities in the respective Traditional Council areas. It is important to note that the data presented in the following tables is based in 2001 census figures. It is therefore prudent to undertake the exercise again with the results of the 2011 census.

Table 44: Dube Traditional Council Access to Community Facilities

CALCULATIONS OF POPULATION WITHIN DUBE TA (2001)			
FACILITY TYPE	TOTAL PERSONS (INSIDE DUBE TA)WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE <5YRS OF AGE (INSIDE DUBE TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE >64YRS OF AGE (INSIDE DUBE TA) WITHIN 2KM RADIUS OF FACILITY
COURTS (2)	9849		
CRECHES (3)	21309	3026	
HALLS (1)	12061		
HEALTH FACILITIES (2)	10770		
PENSION PAY POINTS (4)	35466		929
SPORTS FIELDS (9)	52358		
DUBE TA TOTALS (2001)			
TOTAL POPULATION	58245		
TOTAL <5YRS	8060		
TOTAL >64YRS	1474		

Table 45: Khoza Traditional Council Access to Community Facilities

CALCULATIONS OF POPULATION WITHIN KHOZA TA (2001)			
FACILITY TYPE	TOTAL PERSONS (INSIDE KHOZA TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE <5YRS OF AGE (INSIDE KHOZA TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE >64YRS OF AGE (INSIDE KHOZA TA) WITHIN 2KM RADIUS OF FACILITY
COURTS (2)	16051		
CRECHES (3)	10334	1333	
HALLS (1)	14318		
HEALTH FACILITIES (1)	2726		
PENSION PAY POINTS (1)	16512		457
SPORTS FIELDS (7)	37303		
KHOZA TA TOTALS (2001)			
TOTAL POPULATION	37699		
TOTAL <5YRS	4708		
TOTAL >64YRS	888		

Table 46: Madlebe Traditional Council Access to Community Facilities

CALCULATIONS OF POPULATION WITHIN MADLEBE TA (2001)			
FACILITY TYPE	TOTAL PERSONS (INSIDE MADLEBE TA)WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE <5YRS OF AGE (INSIDE MADLEBE TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE >64YRS OF AGE (INSIDE MADLEBE TA) WITHIN 2KM RADIUS OF FACILITY
CRECHES (4)	32299	3736	
HEALTH FACILITIES (1)	6466		
PENSION PAY POINTS (7)	36916		1257
SPORTS FIELDS (4)	34536		
MADLEBE TA TOTALS (2001)			
TOTAL POPULATION	48968		
TOTAL <5YRS	5716		
TOTAL >64YRS	1673		

Table 47: Mkhwanazi Traditional Council Access to Community Facilities

CALCULATIONS OF POPULATION WITHIN MKHWANAZI TA (2001)			
FACILITY TYPE	TOTAL PERSONS (INSIDE MKHWANAZI TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE <5YRS OF AGE (INSIDE MKHWANAZI TA) WITHIN 2KM RADIUS OF FACILITY	NO OF PEOPLE >64YRS OF AGE (INSIDE MKHWANAZI TA) WITHIN 2KM RADIUS OF FACILITY
COURTS (1)	7175		
CRECHES (1)	3919	469	
HALLS (2)	6578		
HEALTH FACILITIES (2)	6361		
PENSION PAY POINTS (5)	16456		702
SPORTS FIELDS (3)	8840		
MKHWANAZI TA TOTALS (2001)			
TOTAL POPULATION	77751		
TOTAL <5YRS	8496		
TOTAL >64YRS	2257		

A summary of the above results is provided in the composite table herewith.

Table 48: uMhlathuze Municipality Access to Community Facilities

FACILITY	TOTAL NO FACILITIES	TOTAL POPULATION (2001)*	% OF TOTAL POPULATION PER TRAVEL TIME RANGE			
			<30 MINUTES	31 - 60 MINUTES	61 - 90 MINUTES	>90 MINUTES
Cemeteries	2	289186	74.24%	23.24%	2.10%	0.42%
Community Centres/Halls	16		95.23%	4.09%	0.60%	0.08%
Pension Pay Points	6		86.71%	12.07%	1.11%	0.12%
Sports Fields/Facilities	34		95.07%	4.34%	0.53%	0.06%
FACILITY	TOTAL NO FACILITIES	TOTAL POPULATION (2001)*	<15 MINUTES	16 - 30 MINUTES	31 - 60 MINUTES	>60 MINUTES
Creches	49	289186	84.90%	9.86%	4.52%	0.73%

FACILITY	TOTAL NO FACILITIES	POPULATION <5 YEARS (2001)*	% OF POPULATION <5 YEARS PER TRAVEL TIME RANGE			
			<15 MINUTES	16 - 30 MINUTES	31 - 60 MINUTES	>60 MINUTES
Creches	49	31347	35.47%	41.80%	19.66%	3.07%

FACILITY	TOTAL NO FACILITIES	POPULATION >64 YEARS (2001)*	% OF POPULATION >64 YEARS PER TRAVEL TIME RANGE			
			<30 MINUTES	31 - 60 MINUTES	61 - 90 MINUTES	>90 MINUTES
Pension Pay Points	6	8052	83.82%	14.80%	1.29%	0.10%

The following important issues are highlighted in respect of the above community facilities assessment:

- About 20% of children under the age of 5 years is not within 30 minutes travelling time from a crèche facility.
- About 15% of the population aged over 64 years is not within 30 minutes travelling time from a pension pay point facility.
- There is a general good level of accessibility to community halls and sports fields/facilities. However, the condition of the facilities nor the hours of access have not been taken into consideration in the above access determinations.
- As previously noted, the above data has been derived from 2001 census data and it would be prudent to undertake the assessment with the 2011 data when available in an appropriate format.
- As previously noted, the above data has been derived from 2001 census data and it would be prudent to undertake the assessment with the 2011 data when available in an appropriate format.

11.8 HUMAN SETTLEMENTS/HOUSING CHAPTER

The Constitution of the Republic of South Africa (Act 108 of 1996) is the supreme law of the country. The sections of the Constitution that are relevant with respect to human settlements are the following:

- Sections 26, 27 and 29 of Chapter 2 - Bill of Rights – states that, *“everyone has the right to **access to adequate housing**, health care services, social security and education.”*
- Schedules 4 and 5 states that, *“the Province has legislative competence in regard to (inter alia): Environment; Urban and Rural development; Welfare; **Housing**, Health Services; Regional planning and development; (concurrent competence with national) and Provincial planning and Provincial Roads and Traffic (exclusive competence).”*

Section 9(1)(a)(i) and (f) of the Housing Act 107 of 1997 identifies the primary role of the municipality as taking all reasonable and necessary steps, within the framework of national and provincial legislation and policy, to ensure that the inhabitants within its area of jurisdiction have access to adequate housing on a progressive basis; and to initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction. The Housing Chapter/Sector Plan is a five (5) year housing plan undertaken by the municipality and incorporated into the Municipal IDP with the aim of fulfilling the abovementioned role assigned to the municipality in terms of the Housing Act 107 of 1997 read with the National Housing Code. The Housing Chapter/Sector Plan is reviewed annually as part of the annual review of the IDP.

The uMhlathuze Municipality developed a comprehensive Housing Chapter/Sector Plan that will be adopted by Council in May 2016. The Housing Chapter is a summarised version of the comprehensive Housing Chapter/Sector Plan and focuses on certain key areas for the purpose of the IDP (i.e. analysis of housing demand, strategy for the supply of housing demand, set of designed and prioritised housing projects integration of housing strategies and projects with other sectors). For more detailed information reference should be made to the draft Municipal Housing Sector Plan. The Final 2016/2017 Municipal Human Settlements Plan Review will be adopted by Council in May 2016.

The Municipality has and will continue take into consideration the objectives of the Comprehensive Plan for the Development of Sustainable Human Settlements (August 2004) and the Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP) in all its human settlements projects.

11.8.1 National Priorities

The 2014/15 – 2018/19 Medium Term Strategic Framework focuses on reforms aimed at achieving the following:

- Ensuring that poor households have adequate housing in better living environments;
- Delivering settlements that are spatially, socially and economically integrated;
- Supporting the development of a functionally and equitable residential property market; and
- Improving institutional capacity and coordination for better spatial targeting.
- Qualitative targets to be achieved through policy reforms
- Quantitative targets to be achieved through the HSDG

MTSF in numbers

Primary MTSF Target	Secondary Target	5-Year Target	Annual Target
750 000 households in informal settlements upgraded to level 2 services	households located in 2 200 informal settlements	750 000	150 000
563 000 individual subsidy units (linked with title deeds target)	5 854 units for military veterans included	5 854*	1 951
		557 146	111 230
110 000 Gap Housing	70 000 FLISP	70 000	14 000
	40 000 DFIs	40 000	10 000
35 000 Affordable rental through the private sector	10 000 mineworker housing	10 000	2 000
	25 000 affordable private rental	25 000	5 000
27 000 state led social housing	-	27 000	5 400
10 000 CRU	-	10 000	2 000
900 000 Title Deeds backlog eradicated	-	900 000	180 000
Total number of housing opportunities created by the state* (excl private rental and title deeds backlog)		1 460 000	293 801

The Provincial Departments of Human Settlements must ensure that all municipalities align their human settlements projects in accordance with national targets that seek to achieve national priorities in terms of the MTSF.

11.8.2 Housing Demand

The housing demand within municipalities can be determined in two ways viz. statistical calculations or the establishment of housing waiting lists. Despite their shortcomings (i.e. applicants putting their names down on more than one municipal housing waiting list) housing waiting lists are considered by many to be the most accurate way of determining housing demand. The total estimated housing demand for the Umhlathuze Municipality can be calculated at **21 622**.

The uMhlathuze municipal area is characterised by a shortage of suitably well-located land for housing development. However the municipality has identified a number of potential land parcels that have potential for housing development.

There are portions of land within the City of uMhlathuze which are not developable due to limitations such as private land ownership, lack of suitable infrastructure, environmentally sensitive wetlands, geotechnical and environmental considerations; however there is an urgent need to give careful consideration to the process of urban densification and the identification of well-located land for development.

- **Slums clearance and Informal Settlements**

The removal of slums and informal settlements is a priority of the National and Provincial Department of Human Settlements, and the census of 2011 identified 5100 informal dwellings, with **the majority of dwellers** located in Khoza/Bhejane, in Dube and Mkhwanazi Traditional Authorities these areas are therefore the areas of greatest need in relation to informal settlements upgrade and slums clearance projects. The Slums backlog has therefore been estimated at **2800 and the total rural housing backlog is estimated in 6622**.

Total estimated Social Housing/Community Residential Unit backlog is 5000, which led to an urgent need to prioritise the Esikhaleni Hostels upgrade due to the need identified and the establishment of rental housing units in Richards Bay and Empangeni has been prioritised by the Municipality. It is evident that the majoring of people living in the peri-urban areas are workers who cannot afford formal private rent and students who with limited choice in respect of available student accommodation.

An estimated total of 1200 informal structures are located in the Mandlazini and Mzingazi Agri-Villages. Out of the estimated total, the housing backlog estimation is **600**.

Department of Human Settlements has initiated a process to establish housing demand databases within municipalities. The aim of the database is to assist municipalities in determining the demand for housing within their area of jurisdiction more accurately.

The Municipality will has appointed the Implementing Agent to undertake feasibility studies for Dube and Mkhwanazi Traditional Authorities slums clearance project for the area known as Mzingwenya River Settlement.

The Municipal housing backlog can be estimated as follows:

- Urban Greenfield low income housing: **10000** including Mandlazini and Mzingazi housing backlog
- Social/Rental and Community Residential Units: **5000**
- Rural Housing: **6622** including slums clearance estimated at **2800**

11.8.3 Strategy for the Supply of Housing Demand

The uMhlathuze Municipality does not have a housing demand database / waiting list and an allocation of human settlements beneficiaries' policy in place. The consequence of not having such tools can result in abuse of current processes for the allocation of beneficiaries in human settlements projects and . This phenomenon is not unique to uMhlathuze Municipality but is a challenge nationally. In the attempt to remedy the problem the KZN Provincial Department of Human Settlements developed provincial guidelines on Allocation of Human Settlements Beneficiaries in the aim to facilitate a fair, equitable, transparent and inclusive selection and housing subsidy applications and approval process for all housing development projects aimed at creating sustainable human settlements.

In addition, the KZN Provincial Department of Human Settlements has selected eight (8) municipality within the province as a pilot project for the implementation of the National Housing Needs Register (NHNR) namely; Hibiscus Coast Municipality, Emnambithi/Ladysmith Municipality, eThekweni Metro, KwaDukuza Municipality, City of uMhlathuze, uMngeni Municipality, eDumbe Municipality and Msunduzi Municipality.

Benefits of the NHNR include the follow:

- It allows for the allocation of housing opportunities in a manner that greatly reduces malpractices and corruption.
- It is a web based system requiring users to connect to the internet and be registered to gain access eliminating the need for physical installations thereby reducing the time required for implementation.
- **Municipalities and Provinces will be able to obtain a better understanding of the housing needs and backlog within their respective areas.**
- **It serves as a reliable planning and budgeting tool to enabling the delivery of housing based on identified need.**
- It will assist to understand the different dynamics and needs of potential beneficiaries for various tenure options in the province.

11.8.4 Housing Affordability

Currently persons who fall under the gap market category (i.e. R7501-R15000) have a challenge in accessing government housing subsidy and bonds from financial institutions. In most cases this category includes professionals such as nurses, teachers, administration clerks etc.

The President of the Republic of South Africa, Mr. JG Zuma in his State of the National Address on 9 February 2012 stated that R1 billion guarantee funds announced in 2010 to promote access to loans will start its operations in April 2012 and will be managed by the National Housing Finance Corporation. The scheme will enable the Banks to lend to people earning between R3500 and R15 000. The fund will be able to obtain a subsidy of up to R83 000 from Provinces, to enable them to obtain housing finance from an accredited Bank. Beneficiaries qualifying for the Finance Linked Individual Subsidy Programme (FLISP) can only access this subsidy at this stage through an existing housing project as recommended by the National Department of Human Settlements.

The IDP Review outlines that low income earners that earn less than R1600 per month are concentrated in Wards 5, 6, 13, 15, 18, 25, 29 and between R1601 – R12 800 per month in Wards 2, 9, 23, 24 and 26. In addition, middle to high income earners that earn between R12 801 – R102 400 are concentrated in Wards 1-4, 9, 22, 26. The income level analysis per ward guides the municipality in determining the distribution of human settlements instruments/programmes within a human settlements project. For example, where there is a high concentration of low income earners within a specific ward or surrounding wards than the ratio of low cost/RDP houses or Community Residential Programme units can be higher.

11.8.5 Urbanization and Population Growth

Over the years there had been an influx of people from the rural to the urban areas of the Umhlathuze Municipality. The highest population densities are observed in Nseleni and Esikhaleni while the predominantly settled areas around Nseleni, Esikhaleni and Ngwelezane towns depict the second highest population density. The lowest population densities are found in the non-traditional authority rural areas of the municipality.

1996	2001	2011
196,894	289,190	334,459

Source: Statssa, 1996, 2001, 2011

11.8.6 Human Settlement Programmes

SLUMS CLEARANCE AND INFORMAL SETTLEMENTS

The removal of slums and informal settlements is a priority of the National and Provincial Department of Human Settlements, and the census of 2011 identified 5100 informal dwellings, with the majority of dwellers located in Khoza/Bhejane, Dube and Mkhwanazi Traditional Authorities these areas are therefore the areas of greatest need in relation to informal settlements upgrade and slums clearance projects. The Slums backlog has therefore been estimated at **2800** and the total rural housing backlog is estimated in **6622**.

11.8.7 National Upgrading Support Programme

To ensure that the municipality fulfil the objectives of the Outcome 8, to upgrade 76 200 households in well located informal settlements; the uMhlathuze Municipality has identified six (6) informal settlements within its jurisdiction as priority areas for the National Upgrading Support Programme (NUSP) namely;

- I. Mandlanzini Infill Areas (Open Spaces) and Mandlanzini –Airport Buffer Strip Area
- II. Mzingazi Village Infill Areas
- III. Nseleni/Bhejane Peri-Urban Settlements
- IV. Mzingwenya Settlement
- V. Ngwelezani Hospital Settlement: Erf 1241
- VI. Vulindlela/University of Zululand Settlement

uMzingwenya Informal Settlement and Slums Clearance

Mzingwenya settlement situated within a flood risk zone between Mdlebe Ntshona Road and the Mzingwenya River. Attempts to manage or prevent the situation have proven to be rather complex in view of the fact that land ownership vests with two Traditional Authorities.

It is estimated that there are at least 4000 people living in this area within the 1:100 year floodline, therefore the informal settlement may well be regarded as the Municipality's largest disaster area with respect to the flood risks.

Nseleni Informal Settlement and Slums Clearance

The Nseleni informal settlement is situated on the outskirts of the Nseleni Township and a number of the structures are situated close to a 100 year floodline while others are built on steep areas. The land belongs to Khoza/Bhejane Traditional Authority which makes it challenging to the Municipality to control the allocation of land in unsuitable land. It is estimated that there are at least 700 households living in this area.

Mzingazi Informal Settlement

The Mzingazi Agri-Village has developed on land that is owned by uMhlathuze Municipality. During the early 1900's, Council initiated a process to formalise the Village and transfer the properties to the identified beneficiaries. At the time, the beneficiary list consisted of 201 families. This grew to 565 in the late 1990's. The Surveyor General diagrams were handed over to the families as an indication of Council's commitment to transfer ownership.

The uMhlathuze Council is currently also planning for the installation of waterborne sewer in Mzingazi and an EIA (Environmental Impact Assessment) has been approved. Recent indications are that the more than 1000 families reside in the area. It is essential that an appropriate sanitation solution is provided for the community of Mzingazi as the Village borders one of the main fresh water sources in the municipal area, Lake Mzingazi.

Mandlazi-Airport Buffer Strip Informal Settlement

The Mandlazi-Airport Buffer Strip measures approximately 65 hectares in extent and according to a November 2011 survey, there are approximately 500 residential structures in the buffer strip. Some of the structures are of an informal/temporary nature while other structures are built from brick and mortar. The land in question is owned by the uMhlathuze Municipality. There are two main concerns relating to the settlement in this buffer strip. In the first instance, some of the structures are believed to be located within a watercourse. In the second instance, this settlement is located within the predicted 55dBA noise

contour as determined by the 2010 Update of the Richards Bay Airport Master Plan. It is estimated that there are at least 600 households living in this area.

Ngwelezane Informal Settlement

Erf 1241 settlement is situated within Ngwelezane Hospital consisting of individual free standing structures and train type structures driven by private housing entrepreneurs as rental housing. The land belongs to the Department of Public Works.

University of Zululand Informal Settlement

University of Zululand settlement is situated on the outskirts of Vulindlela Township. Some of the structures are built on a slightly steep area. The land belongs to Mkhwanazi Traditional Authority which made it challenging to the Municipality to control the allocation of land in unsuitable land.

Mzingazi and Mandlazini Agri-Villages

The provision of government housing subsidies in Mzingazi and Mandlazini Village will be twofold as a result that the some 570 and 562 beneficiaries from Mandlazini Village and Mzingazi Village, respectively benefited from government land reform programme. These beneficiaries are likely to benefit from consolidation subsidies subject to qualifying criteria being met. Some of the residents will benefit from low income housing program.

The NUSP provides technical assistance for municipalities to undertake planning in conjunction with communities. During March 2014 the National Department of Human Settlements appointed a service provider to undertake the preparation of uMhlathuze Municipality Informal Settlements Upgrade and Relocation Plan which will assist the municipality in the implementation of the National Upgrading of Informal Settlements Programme (UISP). The project has commenced and is envisaged to be complete by April 2015.

11.8.8 Esikhaleni Hostel

There are seven (7) hostels located in various sites at eSikhaleni Township. Each hostel consists of 2, 3, 4 or 5 blocks with 18 units each. The envisaged number of units after the completion of refurbishment is 360 habitable units (four roomed flat). The eSikhaleni Hostel Refurbishment Programme has been in existence since 2002. To date, a total of 15 blocks (270 units) out of 20, which represents 6 hostels have been refurbished. Two (2) blocks situated on erf H396 (known as Bhambatha Hostel) are nearing completion in terms of refurbishment. The appointment of the contractor to refurbish the remaining three (3) blocks at H396 is in the process.

The following table illustrates the current status of Esikhaleni Hostel Upgrade Programme:

Table 49: Hostel Refurbishment Progress

HOSTEL NAME	STATUS
H862 (2 blocks)	Refurbished
H395 (3 blocks)	Refurbished
H396 (2 blocks)	Refurbished
H396 (3 blocks)	Refurbishment underway
J1169 (2 blocks)	Refurbished
J1083 (4 blocks)	Refurbished
J223 (2 blocks)	Refurbished
J464 (2 blocks)	Refurbished

11.8.9 Identification of Land for Housing

One of the primary challenges facing the uMhlathuze Municipality is the identification of suitably located land for development. The Municipality has recognized this need through focusing much of its capacity to the investigation of land that is suitable for housing development. The identification of land is a priority of the Municipal IDP and SDF.

The following criteria was used in identification of land suitable of Housing Development

- location;
- ownership;
- availability of bulk and/or connector services;
- accessibility in terms of transport and economic opportunities; and
- linkage to Spatial Development Framework.

Table 50: Land Suitable for Housing Development - SDF Expansion Areas

AREA	LOCATION	LAND OWNERSHIP	PROJECT TYPE	BULK INFRASTRUCTURE AVAILABILITY
Expansion Area A	ESikhaleni-Vulindlela Corridor	State	Mixed Residential	Yes
Expansion Area B	Felixton	Private	Mixed Residential	No
Expansion Area D	Empangeni	Private	High Residential	No
Expansion Area E	Empangeni	Private	Mixed Residential	No
Expansion Area F	Richards Bay-Birdswood-Mandlazini & Veldenvlei	State	Mixed Residential	No
Expansion Area G	Nseleli Interchange	Private	Mixed Residential	No
Expansion Area H	Empangeni (Water-stone)	Private	Mixed Residential	Yes

The table below indicated identified State owned land that is suitable for housing development

Table 51: State Owned Land Suitable for Housing Development

Erf Number	Ownership	Hectares
11488	State	217
16833	State	920 (100 ha required)
Portion 1 of Erf11489	State	368
16715	State	537
Total	-	2042

11.8.10 Human Settlements Projects in uMhlathuze

Table 52: Municipal Human Settlements Current Projects

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	NO. OF HOUSES CONSTRUCTED	PROJECT VALUE
1	Dumisani Makhaye Village Phase 1-3	Urban Greenfield (Low Income housing)	PLS	9	1191	1180 Phase 1-3 completed and the balance of 11 houses moved to phase 7. Eight houses have been constructed out of the 11 that were moved to phase 7.	R46,36,416.50
2	Dumisani Makhaye Phase 5	Urban Greenfield (Low Income housing)	PLS	9 & 23	313	312 The IA is looking at closing the project at 312 and moving that one house to phase 7	R18,596,588.26
3	Dumisani Makhaye Phase 6	Urban Greenfield (FLISP and Social/CRU)	PLS	9	1000	Planning Stage	
4	Dumisani Phase 7	Urban Greenfield (Low Income housing)	PLS	23	585 Due to the wetlands only 548 sites can be constructed	501 (21/02/2014)	R50,149,955.70
5	Dumisani Makhaye Phase 8	Urban Greenfield (Low Income housing)	PLS	24	130	Planning Stage	
6	Esikhaleni Hostel Upgrade(CRU's)	CRU	CRU/Brown field	20 & 21	360 (85% completed)	N/A	12,000,000.00 20,000,000
7	IDT Area (People's Housing	In-situ upgrade/Slums Clearance	EPHP	27	+250	68 But 138 sites were approved by the Department of Human	R1,789,309.04

	Process) - Ngwelezane					Settlements	
6	KwaDube Rural Housing	Rural Low income housing	Rural	12,13,14 ,15 &16	1500	13 Houses outstanding houses	R3,663,525.00 (Stage 1) R110,723,490.00 (Stage 2)
7	Khoza/Bheja ne Rural Housing	Rural Low income housing	Rural	Wards 5,6,7 & 8	1200	completed	R2,930,820.00 (Stage 1)
8	Mkhwanazi Rural Housing	Rural Low income housing	Rural	24,25,27 ,28 & 29	1000	48 outstanding houses	R58, 535, 950.00 (Stage 1) R59, 361, 700.00 (Stage 2)
9	Madlebe Rural Housing	Rural Low income housing	Rural	10,11,17 ,18,19,2 2 & 30	1000	completed	R2, 442, 350.00 (Stage 2) R73,506,880.00 (Stage 2)

Summary of Planned Human Settlements Projects

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	IMPLEMENTATION DATE OR PLANNED IMPLEMENTATION DATE	COMPLETION DATE
1	Aquadene Housing	CRU/Social & low income	IRDP	26	615: low income (Council owned land) 1579: CRU/Social Housing	EIA & Engineering designs underway		TBD	TBD
2	Dumisani Makhaye Village Phase 6 and 8	CRU/Social	IRDP	9 & 24	FLISP: 80 Social/CRU: 1000 PLS: 130 Total: 1400	Stage 1 application pack: Planning & Design submitted to the Department of Human Settlements.	Planning & Design: R4,200,840.00	TBD	TBD
3	SDF Expansion Area A	CRU/Social and low income housing	IRDP	17, 19 & 20	1300: Low income housing sites (Mzingwenya River Settlement) 3636: CRU/Rental Housing	Pre-planning	Cost for partially cultivated, uneven land = R60 000/ha -Cost for level, well planted areas = R100 000/ha -Estimated 50 ha @ R60 000 = R3 million -Estimated 50 ha @ R100 000 = R5 million	TBD	TBD
4	Empangeni Mega Housing	CRU/Social/ low income housing and FLISP	IRDP	5, small portion of 23 and 24	10 000	Planning Stage		TBD	TBD
4	Mandlazini Village In-	Urban In situ Upgrade and	Informal Settlement	4	Approximately 750 sites. Informal	Planning stage	R1,800,000.00 for Planning Stage (PDA process)	Planning process underway	TBD

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	IMPLEMENTATION DATE OR PLANNED IMPLEMENTATION DATE	COMPLETION DATE
	Situ Upgrade	partial relocation (Urban Greenfield)	Upgrade		Settlements Upgrade Plan has been completed.				
5	Mzingazi Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	1	Approximately 300 sites. Informal Settlements Upgrade Plan has been completed.	Planning stage	R1,800,000.00 for Planning Stage (PDA process)	Planning process underway	TBD
	Vulindlela/University of Zulu-Land Informal Settlement	In situ Upgrade (Urban Edge/Peri-Urban) and partial (Urban Greenfield)	Rural/ Informal Settlement Upgrade	30	To be determined during project planning stage. Informal Settlements Upgrade Plan has been completed.	Planning stage	Household count to be conducted in order to determine the number of households to be relocated	TBD	TBD
	Nseleni Informal Settlement	In situ Upgrade (Urban Edge/Peri-Urban) and partial relocation (Urban Greenfield)	Informal Settlement Upgrade & Relocation	5,6,7 & 8	To be determined during project planning stage. Informal Settlements Upgrade Plan has been completed.		Household count to be conducted in order to determine the number of households to be relocated	Planning/alternative process underway	TBD
	Ngwelezane Hospital: Erf 1241	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade & Relocation		To be determined during project planning stage. Informal Settlements Upgrade Plan has		Household count to be conducted in order to determine the number of households to be relocated	TBD	TBD

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	IMPLEMENTATION DATE OR PLANNED IMPLEMENTATION DATE	COMPLETION DATE
					been completed.				
	Mkhwanazi Rural Housing 2	Rural In-Situ upgrade	Rural	10, 11, 13, 15, 17, 18, 19, 20 & 22	1000	Pre-Planning	To be determined	TBD	TBD
	Madlebe Rural Housing 2	Rural In-Situ upgrade	Rural	24, 25, 27, 28 & 29	1000	Pre-Planning	To be determined	TBD	TBD
	Dube Rural Housing 2	Rural In-Situ upgrade	Rural	12, 13, 14, 15, 16 & 17	1000	Pre-Planning	To be determined	TBD	TBD
	Bhejane Rural Housing 2	Rural In-Situ upgrade	Rural	5, 6,7 & 8	1000	Pre-Planning	To be determined	TBD	TBD
	Mkhwanazi/Dube Traditional Authority Slums Clearance	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	14, 17, 19 & 20	1000	Pre-Planning	Household count to be conducted in order to determine the number of households to be upgraded or relocated. Informal Settlements Upgrade Plan has been completed.	TBD	TBD

The uMhlathuze municipality is currently finalising the Enhanced Extended Discount Benefit Scheme Programme (EEDBS). The following table illustrates the number of housing stock that still needs to be transferred to qualifying beneficiaries.

TOWNSHIP NAME / AREA	NO. OF UNITS TO BE TRANSFERRED	PROGRESS
1. Nseleni (Ward 8)	39	21 applications completed
2. Ngwelezane (Ward 27 & 28)	8	Work in progress
3. Esikhaleni (Ward 16,17,20,21 &22)	239	Work in progress
4. Vulindlela (Ward 30)	31	Work in progress
Total	317	

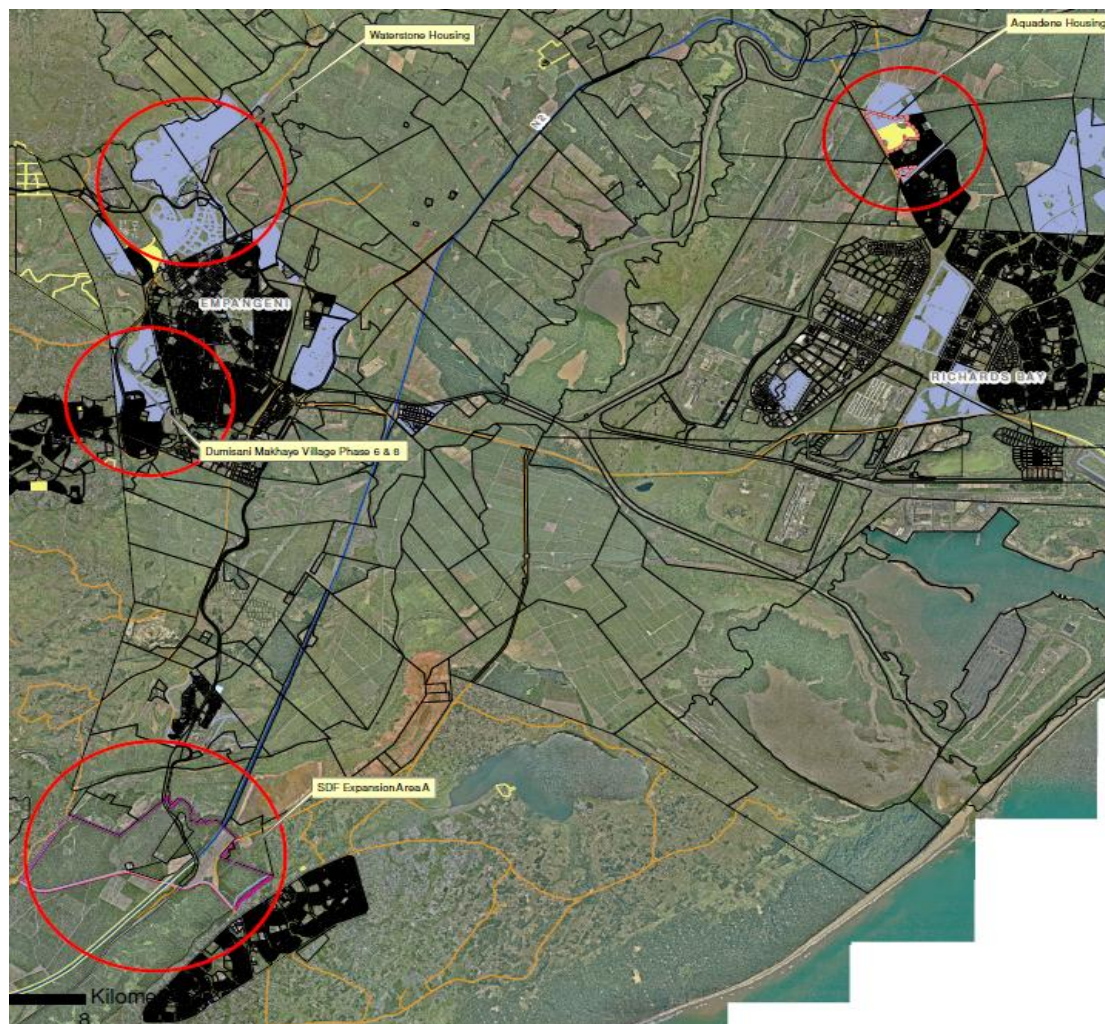
11.8.11 Projects Envisaged for Next 7 Years

The following priority list (not in any order) is an extract from the Draft Municipal Human Settlements Plan:

Social/Rental Housing: It be noted that the Municipality is in the process of applying to the Department of Human Settlements to be declared as restructuring zone in order to receive the restructuring or Institutional grant from the department to implement the social/rental housing project. Umhlathuze Municipality has been identified by the KwaZulu-Natal Department of Human Settlements as of the five Local Municipality with a possibility to be declared as **Restructuring Zones**.

Restructuring Zones will be used to open up areas which have major economic opportunities and for poor people who have been excluded or to protect poor people from being displaced from areas within economic opportunities. uMhlathuze Municipality has identified Richards Bay and eMpangeni as its Restructuring zones. The Municipality has identified three projects (as indicated on the map provided) within its proposed Restructuring Zones. The three identified projects are:

- Aquadene Superblock: Phase 1
- uMhlathuze Village Phase 6: Phase 2
- SDF Expansion Area A (Erf 16833): Phase 3



Map 25: uMhlathuze Restructuring Zones

The Aquadene Superblock Housing project is Phase 1 of Council restructuring zones project that has been identified and its planning process is underway. The project consist of 5 different phases, phase 1, 3 and 4 being owned by the Municipality and phase 2 and 5 being privately owners.

The Municipal Planning at this stage will focus on phase 1, 3 and 4. The previous development layout plan has been amended to accommodate Community Residential Units and Social Housing as part of the project.

Nine developmental blocks have been designed for future Community Residential Units and Social/Rental housing. The remaining portion of land will be used for low income housing development.

Dumisani Makhaye Village Phase 6 & 8: Phase 2: Initially, uMhlathuze Village Phase 6 was earmarked for middle income bonded housing. It has become apparent with the development of Dumisani Village Phase 4 that consumers face financial accessibility constraints and an alternative housing opportunity is therefore being investigated.

The Municipality has a high demand for government related human settlements assistance. Therefore the successful implementation of Dumisani Village Phase 6 as the Community Residential Unit/Social will reduce the housing demand in the uMhlathuze Municipality

Expansion area A (Esikhaleni-Vulindlela Corridor) has been identified as priority number 1 for possible relocation of uMzingwenya settlement communities who are located in a 1:100 year floodline. The expansion Area A is currently subject to a commercial forestry lease with a small portion of the corridor having been developed as a municipal cemetery. The required 100 ha could alleviate housing development pressures in Esikhaleni (the uMzingwenya settlement as well as people from Vulindlela and Esikhaleni) and from other critical intervention areas in the municipality.

Waterstone IRDP Housing Project: The project is classified as an Integrated Residential Development Programme (IRDP) which will provide a tool to plan and develop integrated settlements that include all the necessary land uses and housing types and price categories to become a sustainable integrated community. It encompasses integrated planning and development, providing for the housing, social and economic needs of different income categories.

The project is proposed to consist of the following human settlements programmes:

Low income Government Subsidy (RDP Housing): The programme facilitates the provision of housing for the lowest income persons (e.g. income between R0 - R3 500 per month). The housing unit's size can range from 40 m² – 42 m² consisting of 2 bedrooms. Preliminary indications are that this type of development will cover 30% of the proposed development.

Finance Linked Individual Subsidy Programme (FLISP): It is an instrument to assist qualifying households by providing a once off down payment to those households earning between R3501 – R15000 who have secured mortgage finance to acquire a residential property for the first time. The qualifying beneficiary will qualify for a subsidy of between R10 000 to R87 000 for a property to be financed to the tune of and not exceeding R300 000 purchase price - depending on the income/affordability level.

Social Housing: The Social Housing programme seeks to provide a rental or co-operative housing options for low income persons at a level of scale. The targeted persons are people earning between R3 501 - R7 500 per month. The unit's size can range from 40 m² – 50 m² which can consist of 1,2 or 3 bedrooms.

Bonded Housing: The programme will also envisage facilitating the provision of private finance for housing to persons earning between R11000 – R26000 who qualify for formal private housing market. This programme is proposed to cover 30 % of the proposed development.

11.8.12 Municipal Accreditation

UMhlathuze Municipality has been granted Level 1 and 2 accreditation that mean that the Municipality has the delegated authority to perform the following human settlements related tasks.

Level 1

- Beneficiary management;
- Subsidy budget planning and allocation; and
- Priority programme management and administration

Level 2

The Municipality will also been granted in Level 2 accreditation on the basis of the following conditions:

- Adoption of an updated Municipal Housing Sector Plan aligned to provincial and municipal strategic plans & frameworks
- Adopting infrastructure investment plans underpinning the MHSP
- Implementing an effective Performance Management System
- Clear operational plan for ensuring the expenditure of the Housing Subsidy capital budget

Level 2 accreditation means that the Municipality has the delegated authority to manage programme and administration of all housing instruments/ programmes (in addition to Level 1)

On the 7 March 2013, the MEC for Human Settlements in KwaZulu-Natal and the Mayor of uMhlathuze Municipality signed the Implementation Protocol Agreement for Level 2. The following tables illustrates the Municipal Performance Indicators which are directly linked to the Municipal Human Settlements Plan and a Medium Term Expenditure Framework (Human Settlements Development Grant Allocation):

11.8.13 Structures in place for coordination

- Technical Committee
- Project Steering Committee
- City Development Portfolio Committee
- Council

Key Performance Indicators

OUTCOME: Meet Infrastructure & Household Service Needs & Address Backlogs			
OUTPUT 1:	Targets 2012/2013	Targets 2013/2014	Targets 2014/2015
Indicator			
Project Management			
Number of subsidy houses built	720	1440	1080
OUTPUT 2:			
Property Management			
Indicator			
Number of social housing units facilitated (Hostels)	90 units	0	0
Number of social housing units facilitated (Social/CRU)	0	108 Units	363 Units
OUTPUT 3:			
Indicator			
Number of EEDBS houses transferred	39	268	0
Number of EEDBS disputes resolved	0	91	0

Medium Term Expenditure Framework: Human Settlements Development Grant Allocation

YEAR	PROJECT MANAGEMENT	PROPERTY MANAGEMENT	PLANNING	CAPACITY BUILDING	TOTAL
2012/2013	R66 605 000.00	R2 110 000.00	R1 334 000.00	R2 802 000.00	R72 851 000.00
2013/2014	R67 520 000.00	R8 679 000.00	0	R3 048 000.00	R79 247 000.00
2014/2015	R71 681 000.00	R11 126 000.00	R3 244 000.00	R3 442 000.00	R89 493 000.00

11.8.14 Institutional Arrangements

The Housing Section is staffed by a Manager: Human Settlements, 1 Chief Housing Officer, 1 Senior Housing Clerk, 1 Chief Housing Clerk and 3 Housing Clerks. The Housing Section reports to the Senior Manager: City Development. The Municipality, Human Settlements unit consist of 17 positions of 9 are vacant and will be filled within 2013/2014 and 2014/2015 financial years, respectively. These positions are Manager: Human Settlements Programmes (filled); 2 Project Managers (1 filled & 1 vacant); Legal Adviser (vacant); Chief Accountant (vacant); 2 Project Officers (1 filled & 1 vacant); Chief housing officer (administration & information-vacant); Senior administration officer (filled); Senior housing clerk (vacant); Chief housing clerk (filled) and Senior Quality & Building Control Officers (2 x vacant) The main objective is to enhance the immediate human settlements project management capacity. **Middle Income Housing**

There is a large gap between middle income housing prices in the former township areas and those in Richards Bay/Empangeni, which makes it difficult for the majority of middle income earners to move to Richards Bay and Empangeni.

The need for middle income housing in Richards Bay and Empangeni, has grown significantly in recent years, it is due to the fact that middle income earners are entering this market in increasing numbers.

Middle Income housing

Project	Est. Sites	Potential issues/Comments
Aquadene medium income housing	1251 (Transnet)	EIA and bulk sanitation to be upgraded
Sinkwinti	400	Potential for development to be investigated
Hillview Ext	47 medium income housing 7 High density housing	EIA and PDA approvals required,
Wild-en-Weide ext.	1719	Access to private land may be difficult
Birdswood ext./ Sappi Development	407	EIA required
Wild-en Vilde – Brackenham buffer	50	Potential for development to be investigated
TOTAL SITES	3036	

11.8.1 Mixed Housing Development (Low-High Income Housing)

The demand for upper income housing in Richards Bay and Empangeni can be met by a number of planned projects including. Furthermore with much of the land surrounding these towns in private ownership, this demand will be supplied by the private sector.

Mixed Housing Development (Low-High Income Housing)

The demand for upper income housing in Richards Bay and Empangeni can be met by a number of planned projects including. Furthermore with much of the land surrounding these towns in private ownership, this demand will be supplied by the private sector.

Mixed Housing Development

PROJECT NAME	LOCATION	LAND OWNERSHIP	PROJECT TYPE	BULK INFRASTRUCTURE AVAILABILITY	SDF LINK
Carsdale Housing Development	Empangeni	Private	Mixed Residential	Yes: possibility to be upgraded	Node
Hillview Extension	Empangeni	Private	Low-Medium Residential	Yes: possibility to be upgraded	Node
Westview Medium Housing	Empangeni	Private	Low-Medium Residential	Yes: possibility to be upgraded	Node
Sappi Development	Richards Bay	Private	Mixed Residential	Yes: possibility to be upgraded	Node
Redding Hills	Empangeni / Nseleni	Private	Mixed Residential	No	To be included as a SDF node

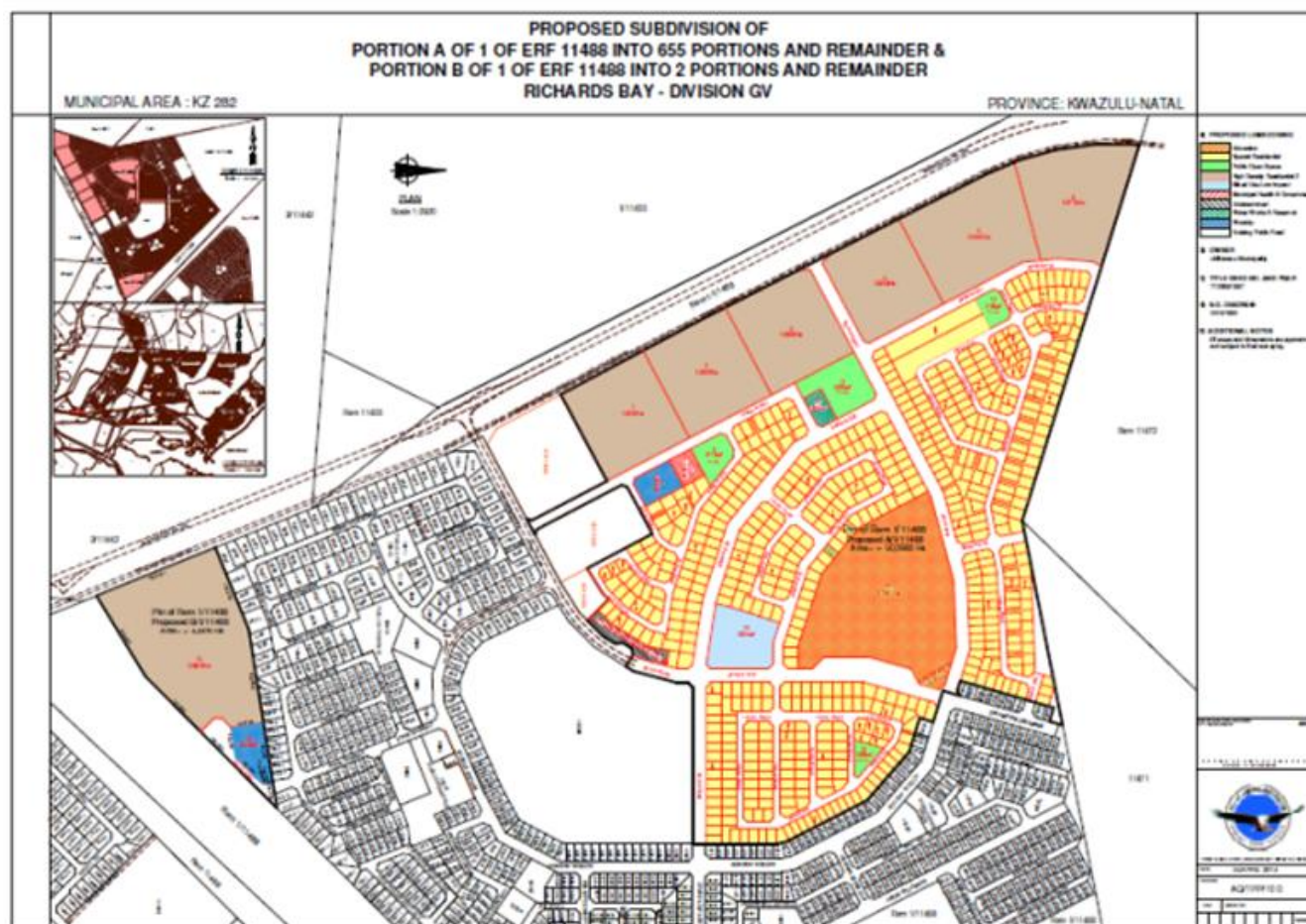
We are pleased to report that good progress has been made with regard to implementing the current Umhlathuze Municipal Human Settlements Plan. At present, four rural housing project at varying stages of completion and the pre-feasibility of second round of these will commence soon, while one urban Greenfield project (Dumisani Makhaye Village) is under implementation and a further urban Greenfield project (Aquadene and Waterstone) has made significant progress as well. In addition, a total of 15 hostel blocks have been revamped providing housing opportunity for 208 families.

Apart from accessing appropriately located land for housing development, there also exists a financial challenge to ensure that services to a level that is acceptable to the beneficiaries and municipality are provided.

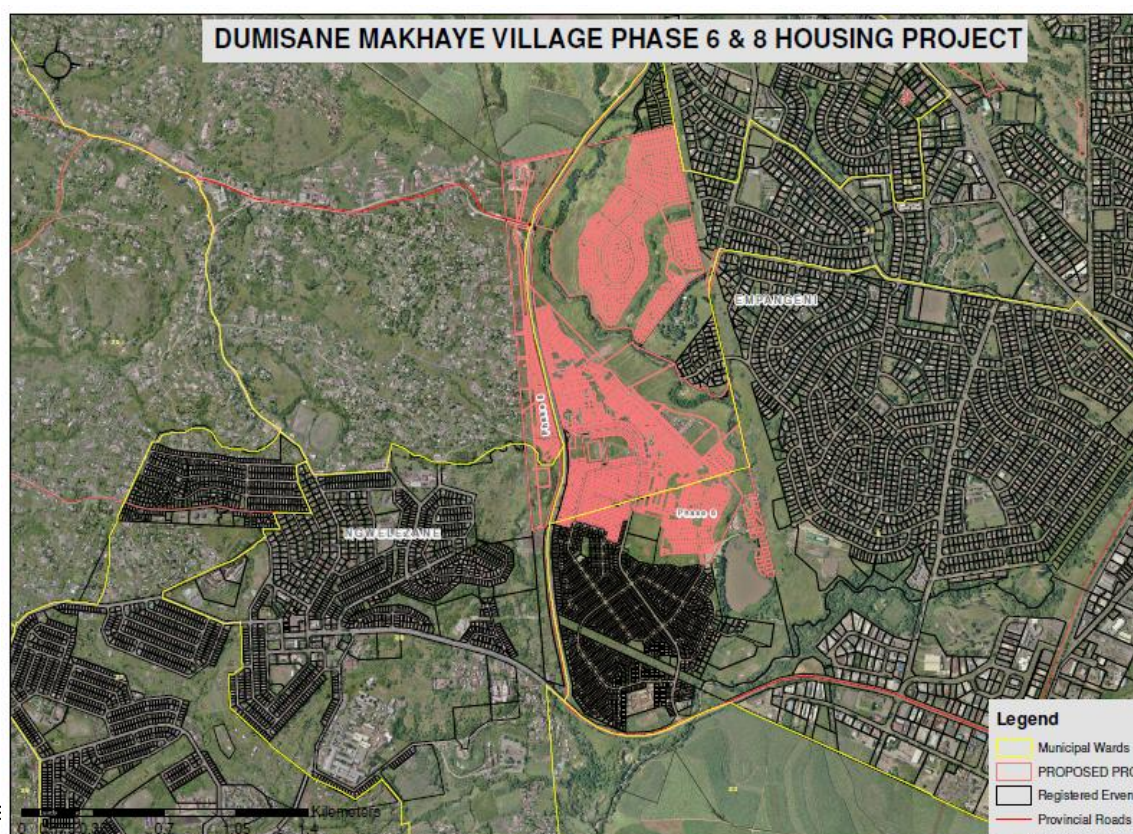
We are optimistic that with experience gained and with co-operation and commitment of all stakeholders and by ensuring that we are adequately resourced the pace of housing delivery will be enhanced in the near future.

uMhlathuze Municipality has been granted Level 2 accreditation which means that the Municipality has the delegated authority to do beneficiary management, subsidy budget planning & allocation and priority programme management & administration in house.

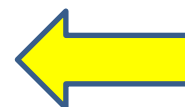
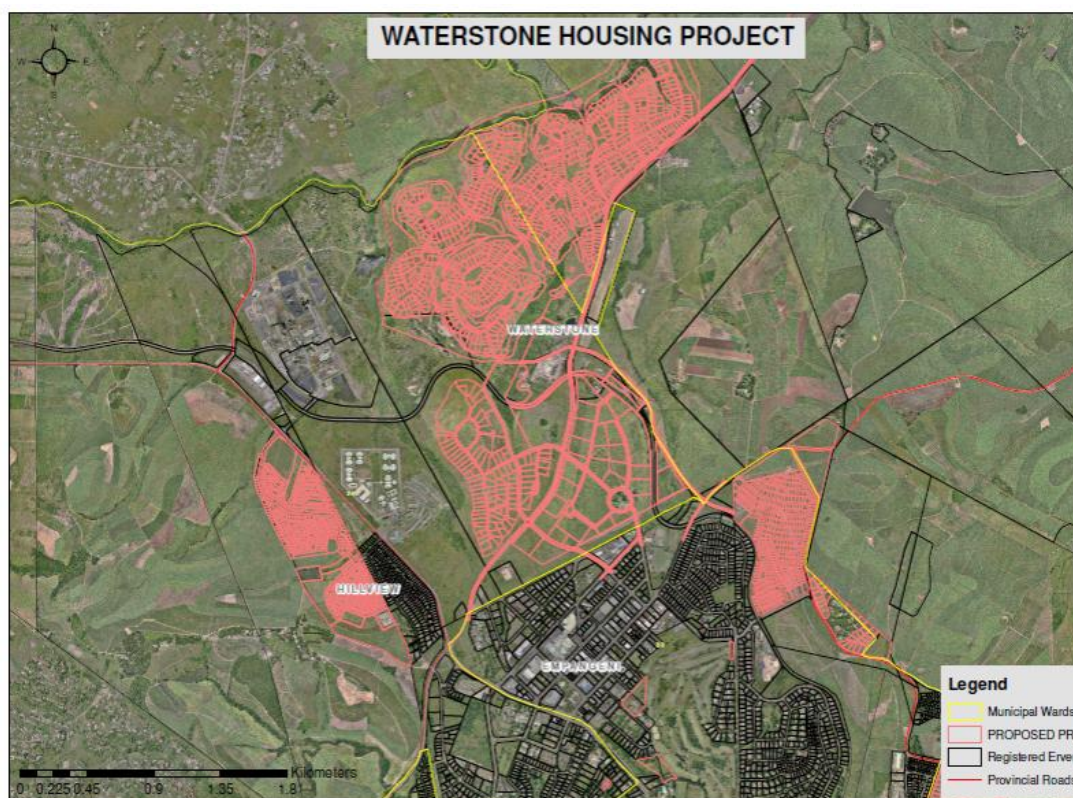
Map 26: Aquadene Amended Superblock



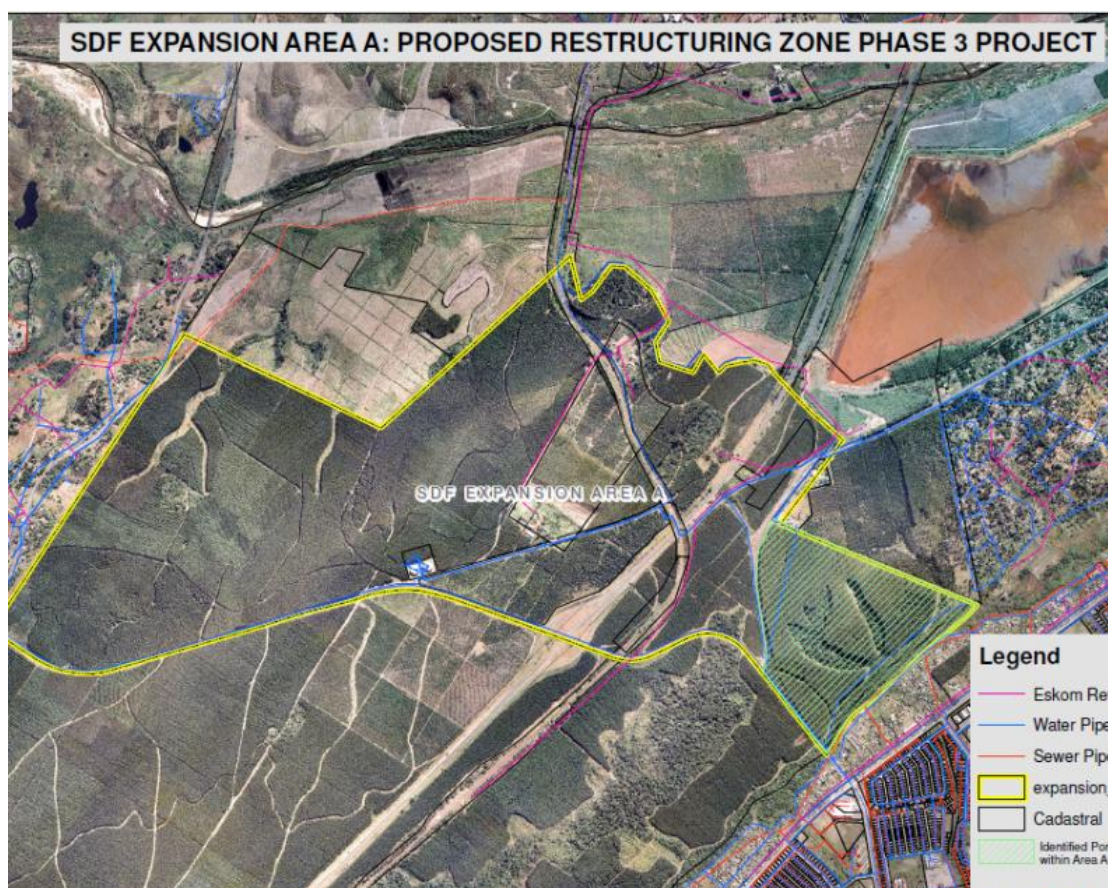
Map 27: Dumisane Makhaye Village Phase 6 & 8



Map 28: Empangeni Housing



Map 29: SDF Expansion Area A

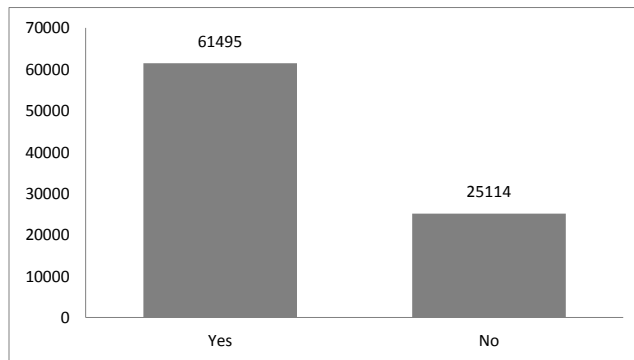


Date: May 2016

11.9 TELECOMMUNICATIONS

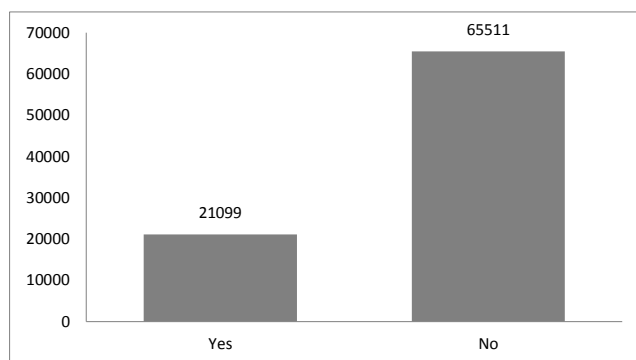
The 2011 census results indicate the following in respect of telecommunications.

Figure 45: Household Access to Radio



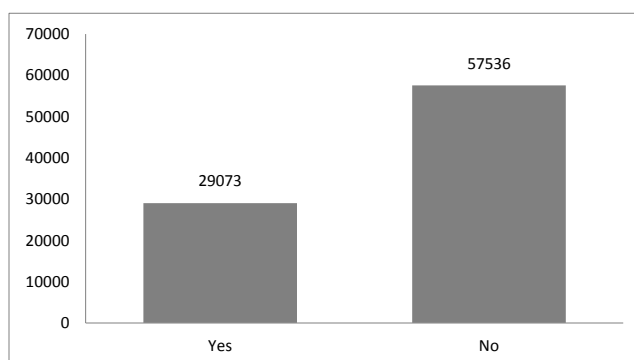
Source: 2011 Census

Figure 46: Household Access to Computer



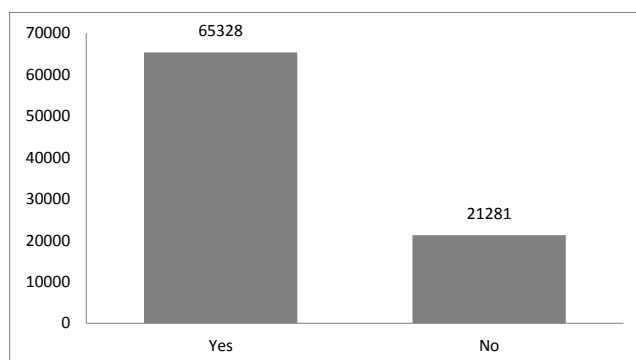
Source: 2011 Census

Figure 47: Household Access to Satellite Television



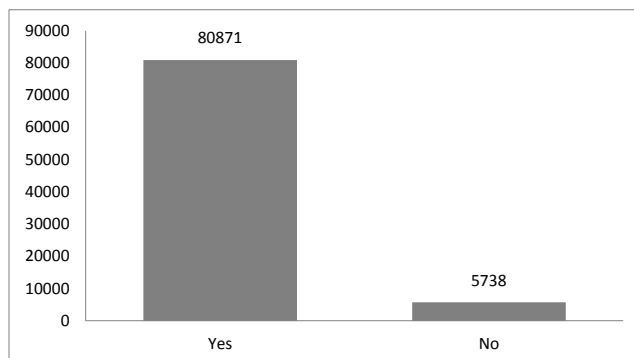
Source: 2011 Census

Figure 48: Household Access to Television



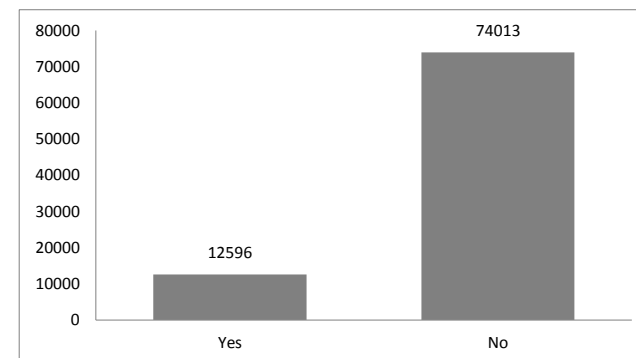
Source: 2011 Census

Figure 49: Household Access to Cellphone



Source: 2011 Census

Figure 50: Household Access to Landline

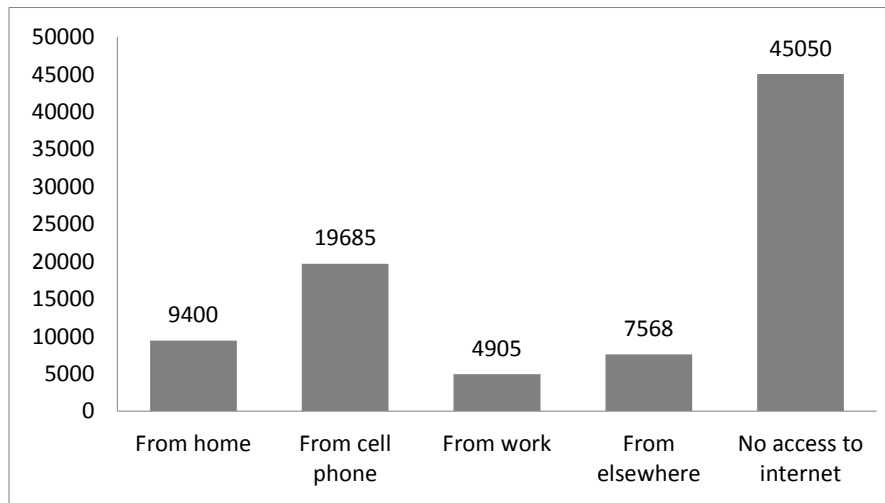


Source: 2011 Census

From the above table it is interesting to note that radio remains a very important and widely used form of communication. Household access to computers is low considering the increasing reliance on computers to

perform tasks and activities from school to tertiary education. The comparison between cellphone and landline telephone usage is very interesting and clearly indicates the reliance on mobile communications. The following graph further indicates that mobile phones are the source of internet access to many households as well.

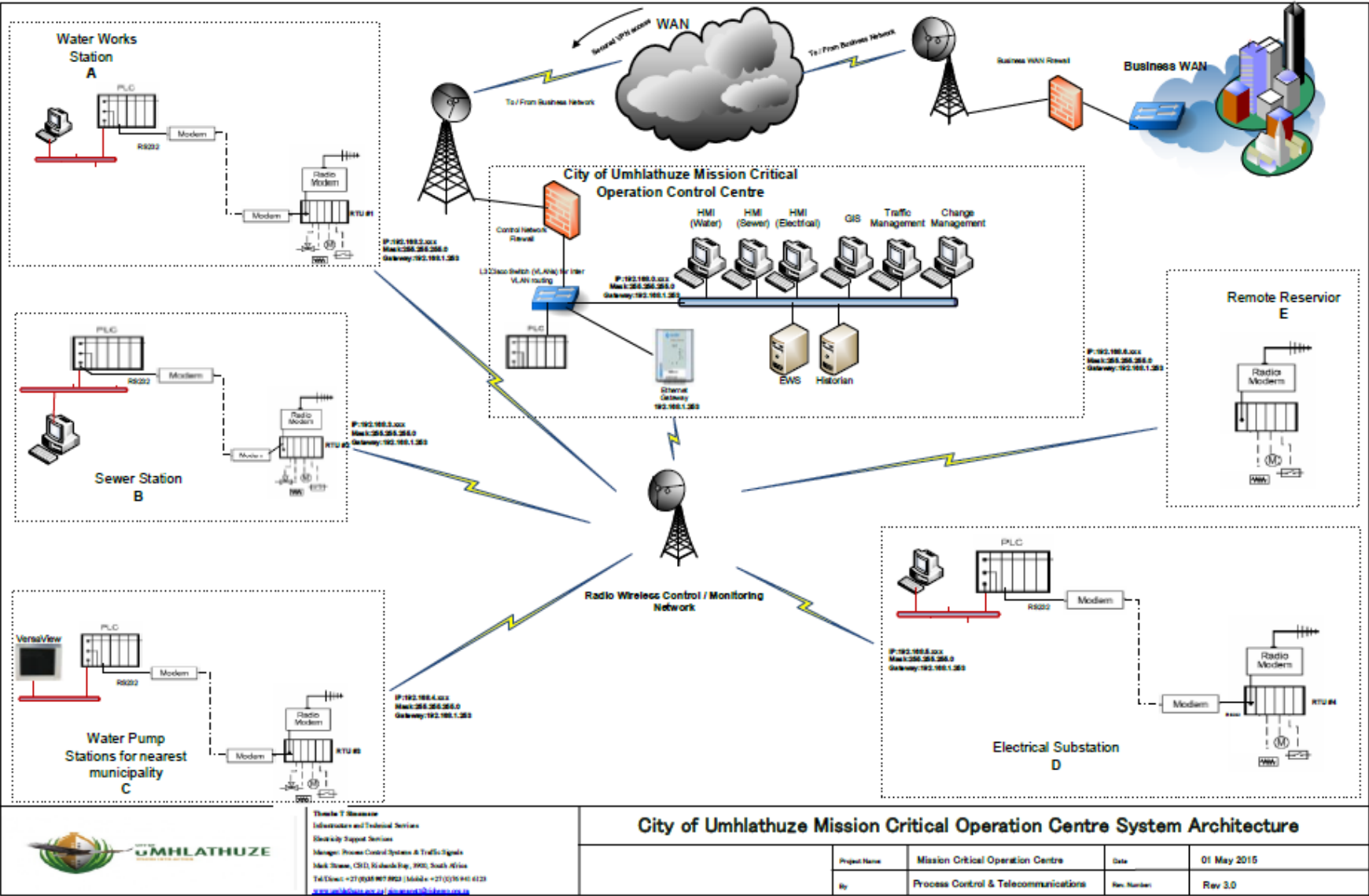
Figure 51: Household Access to Internet



Source: 2011 Census

11.9.1 Broadband

The City of Umhlathuze is in the process of developing a comprehensive fixed Infrastructure and broadband solution that is designed for rapid deployment of critical infrastructure and low operating costs for Visibility, Monitoring, Control and Observability, Status is sitting at 30 %. Below are proposed solutions:



11.10 SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Very high level of access to water in the uMhlathuze municipal area. ○ Well-functioning Scientific Services section to ensure that the quality of the city's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines. ○ Well-structured organogram to attend to range of responsibilities and needs in respect of infrastructure and service provision. ○ The most important aspect of the backlogs is that figures re reducing – from 42 000 in 2004 to 30 000 currently. ○ Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements. ○ Continual improvement of the Blue Drop score for the Municipality ○ Continual improvement of the Green Drop score for the Municipality 	<ul style="list-style-type: none"> ○ No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions. ○ The Municipality is running a recycling project with the goal of increasing recyclable materials recovered from the suburbs. At present, only Meerensee suburb is involved in the project. ○ Indiscriminate dumping by residents of garden waste and builders rubble. ○ Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that create flooding of streets and properties.

OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories. ○ Water quality status for the city in some instances far exceeds provincial and national percentages. This is a clear indication of the status of the Water Quality Monitoring Program in place and affirms that the operational integrity of the various systems is maintained optimally. ○ The acquisition of 10 new refuse trucks in the municipality improved service delivery to its citizens. Interruptions in waste removal service due to truck breakdown have significantly reduced. ○ The Municipality is running a recycling project with the goal of increasing recyclable materials recovered from the suburbs. At present, only Meerensee suburb is involved in the project. Reusable waste is put into yellow refuse bags supplied by the municipality. ○ A number of human settlement programmes are in progress. ○ Creating social upliftment through employment from the local community to clean the stormwater facilities and carry out routine maintenance through a two (2) year stormwater cleaning contract. ○ Access to additional forms of housing support from government in respect of income groups earning above R3 500 per month. 	<ul style="list-style-type: none"> ○ No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions. ○ High cost of much needed maintenance at WTW and WWTW ○ Short to no supply of permanent staff to carry out daily functions. ○ Increased water demand for rural reticulation at the Mzingazi WTW ○ Community members are building houses on the ponds at the Ngwelezane WWTW ○ High cost of much needed maintenance at WTW and WWTW ○ Influx and settlement along urban boundaries. ○ Access to appropriate land for human settlement purposes.

12. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

12.1 Introduction

uMhlathuze Municipality has the most developed economy of all the municipalities in the District and is the major contributor to the District GGP (it is the third largest local economy in KwaZulu-Natal). Although it has the smallest surface area, it has the largest population of the municipalities in the District. It has the characteristics of a highly industrialized urban complex. Its most important industries are in Richards Bay: these are Richards Bay Minerals, BHP Billiton Aluminium, Mondi, and SAPPI etc.

The uMhlathuze Municipal area is comprised of settlements of three types, urban, peri-urban, and rural. The main urban centres are Richards Bay and Empangeni. Empangeni is an important commercial and service centre for the sub-region. Richards Bay is, however, rapidly becoming of similar standing as a commercial node. Within the urban fabric of these main urban centres there are formal residential areas (including high-rise flats), former R293 towns (the old townships), and recently constructed low-income residential areas. Felixton, Ngwelezane, eSikhawini, and Nseleni are smaller urban centres in the Municipality. The urban areas are surrounded by large tracts of land under traditional authorities. Traditional authority areas are characterized by dense unplanned settlement, particularly on the borders of towns, driven by ad hoc land allocation through the Amakhosi. Some of these densely settled rural areas are, in effect, urban. Commercial farmland is under sugar cane and timber.

The Municipality is faced with a number of development challenges, including pollution from major industries, unplanned settlement in traditional authority areas, illegal invasion of state land, shortage of housing for all income levels, urban degeneration, and an historical legacy of giving preference to the provision of hard infrastructure over social development.

12.2 NATIONAL DEVELOPMENT PLAN

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. The Commission's *Diagnostic Report*, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out the following nine primary challenges:

1. Too few people work
2. The quality of school education for black people is poor
3. Infrastructure is poorly located, inadequate and under-maintained
4. Spatial divides hobble inclusive development
5. The economy is unsustainably resource intensive
6. The public health system cannot meet demand or sustain quality
7. Public services are uneven and often of poor quality
8. Corruption levels are high
9. South Africa remains a divided society

The National Development Plan provides a target for 2030 and notes a number of enabling milestones as summarised in the following table. The following provides a brief summary of the implication of the NDP target and milestones for the uMhlathuze Municipality:

- According to STATSSA, uMhlathuze had a population of 338,000 and the country 51,700,000 in 2011. This equates to uMhlathuze having a 0.65% of the country's population. Given that uMhlathuze is a centre of employment and economic activity it can be expected that the area should be providing at least 0.65% of the employment targeted by 2030 as per the NDP. This equates to just over 70 000 employment opportunities by 2030.

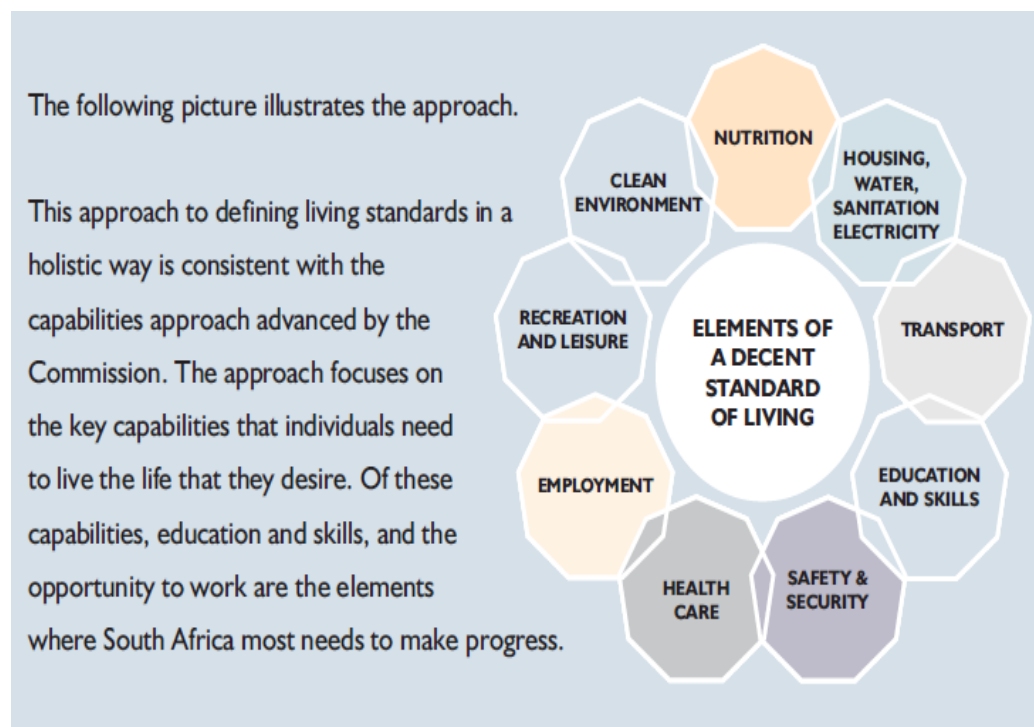
- The NDP further requires an improvement of the Gini-coefficient from 0.69 to 0.6. The figure for uMhlathuze was 0.67 in 2008.
- Generally employment creation will address the majority of the NDPs milestones, i.e. gini-coefficient, income per capita, ownership, quality of services and education etc.
- Other, non-income and employment elements, that require ongoing attention from the Municipality in relation to the NDP relate filling of managerial posts, energy supply, public transport, primary health care and water quality.

Table 53: Summary of National Development Plan

THE PLAN IN BRIEF	
<p>By 2030</p> <ul style="list-style-type: none"> ○ Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero. ○ Reduce inequality – The Gini coefficient should fall from 0.69 to 0.6. <p>Enabling milestones</p> <ul style="list-style-type: none"> ○ Increase employment from 13 million in 2010 to 24 million in 2030. ○ Raise per capita income from R50 000 in 2010 to R120 000 by 2030. ○ Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent. ○ Establish a competitive base of infrastructure, human resources and regulatory frameworks. ○ Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup. ○ Broaden ownership of assets to historically disadvantaged groups. ○ Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write. ○ Provide affordable access to quality health care while promoting health and wellbeing. ○ Establish effective, safe and affordable public transport. ○ Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third. ○ Ensure that all South Africans have access to clean running water in their homes. ○ Make high-speed broadband internet universally available at competitive prices. ○ Realise a food trade surplus, with one-third produced by small-scale farmers or households. ○ Ensure household food and nutrition security. ○ Entrench a social security system covering all working people, with social protection for the poor and other 	<ul style="list-style-type: none"> ○ groups in need, such as children and people with disabilities. ○ Realise a developmental, capable and ethical state that treats citizens with dignity. ○ Ensure that all people live safely, with an independent and fair criminal justice system. ○ Broaden social cohesion and unity while redressing the inequities of the past. ○ Play a leading role in continental development, economic integration and human rights. <p>Critical actions</p> <ol style="list-style-type: none"> 1. A social compact to reduce poverty and inequality, and raise employment and investment. 2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes. 3. Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption. 4. Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers. 5. An education accountability chain, with lines of responsibility from state to classroom. 6. Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care. 7. Public infrastructure investment at 10 percent of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water. 8. Interventions to ensure environmental sustainability and resilience to future shocks. 9. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps. 10. Reduce crime by strengthening criminal justice and improving community environments.

The National Development Plan also elicits the following elements of a decent standard of living:

Figure 52: Elements of a Decent Standard of Living



12.3 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

LED is intended to maximize the economic potential of municipal jurisdictions throughout the country and, within the context of sustainable development, to spur macro-economic growth through economic growth, employment creation, and development initiatives at the local level. The “local” in local economic development underscores the belief that a local jurisdiction is often the most appropriate arena for economic intervention as local government enjoys legitimacy deriving from its being a democratically elected body accountable to the local community.

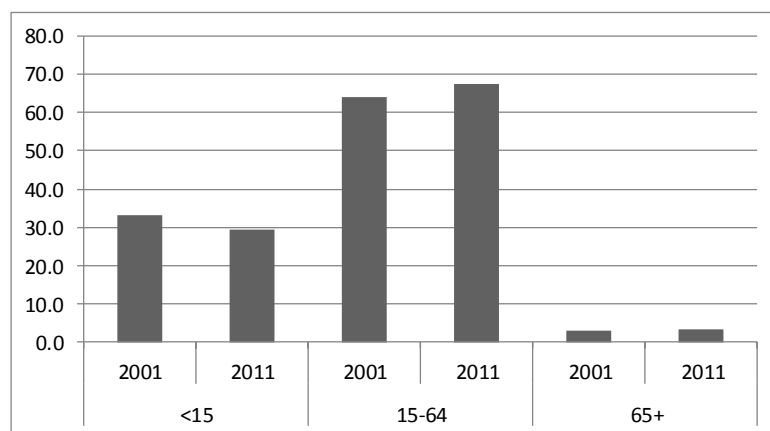
12.3.1 Economic Profile of Community

Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years. The following tables provide a comparison between the 2001 and 2011 census years in respect of the 0-14, 15-64 and 65+ population age cohorts for uMhlathuze and the other municipalities in the uThungulu District.

Table 54: Economic Population

	Population		Age Structure					
			<15		15-64		65+	
	2001	2011	2001	2011	2001	2011	2001	2011
DC28: Uthungulu	885965	907519	38.3	34.8	57.3	60.7	4.4	4.5
KZN282: uMhlathuze	289190	334459	33.0	29.3	64.2	67.5	2.8	3.2
KZN286: Nkandla	133602	114416	43.7	40.3	50.2	53.6	6.1	6.1
KZN281: Mfolozi	106942	122889	40.1	36.1	55.5	59.5	4.4	4.4
KZN283: Ntambanana	84771	74336	41.5	39.2	53.8	55.8	4.7	5.0
KZN284: uMlalazi	221078	213601	39.7	37.2	55.1	57.2	5.2	5.6
KZN285: Mthonjaneni	50382	47818	39.1	38.3	56.1	56.9	4.8	4.7

Source: 2011 Census

Figure 53: Economic Population


The data presented indicates that there has been a slight decline in the <15 year age cohort and a slight increase in the 15-64 age cohort between the 2001 and 2011 census years.

Source: 2011 Census

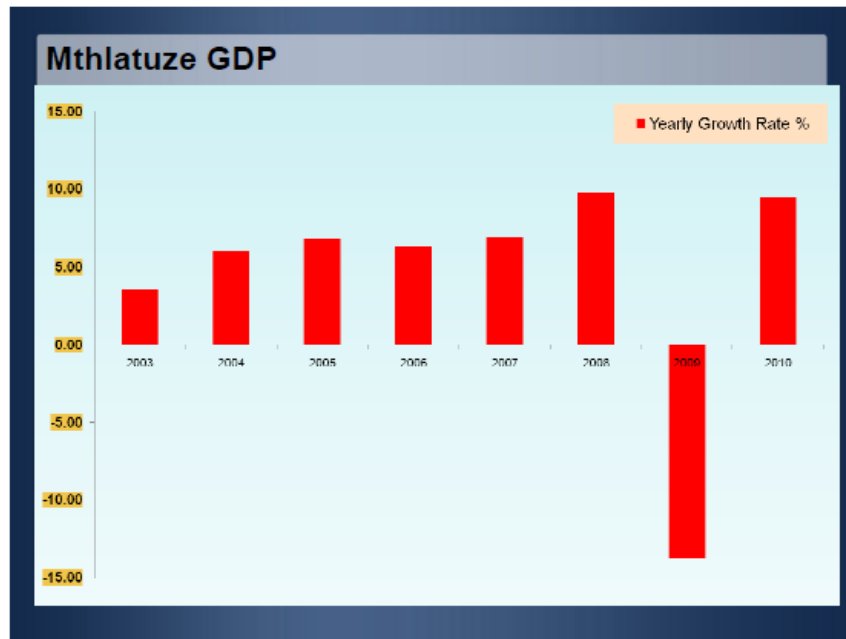
12.3.2 Economic Realities

The LED Strategy for the uMhlathuze Municipality was reviewed during 2012. It is noted that the Municipality has an important role in the national, provincial and district economies on account of the bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports. Its development has provided the impetus for large-scale industrial growth.

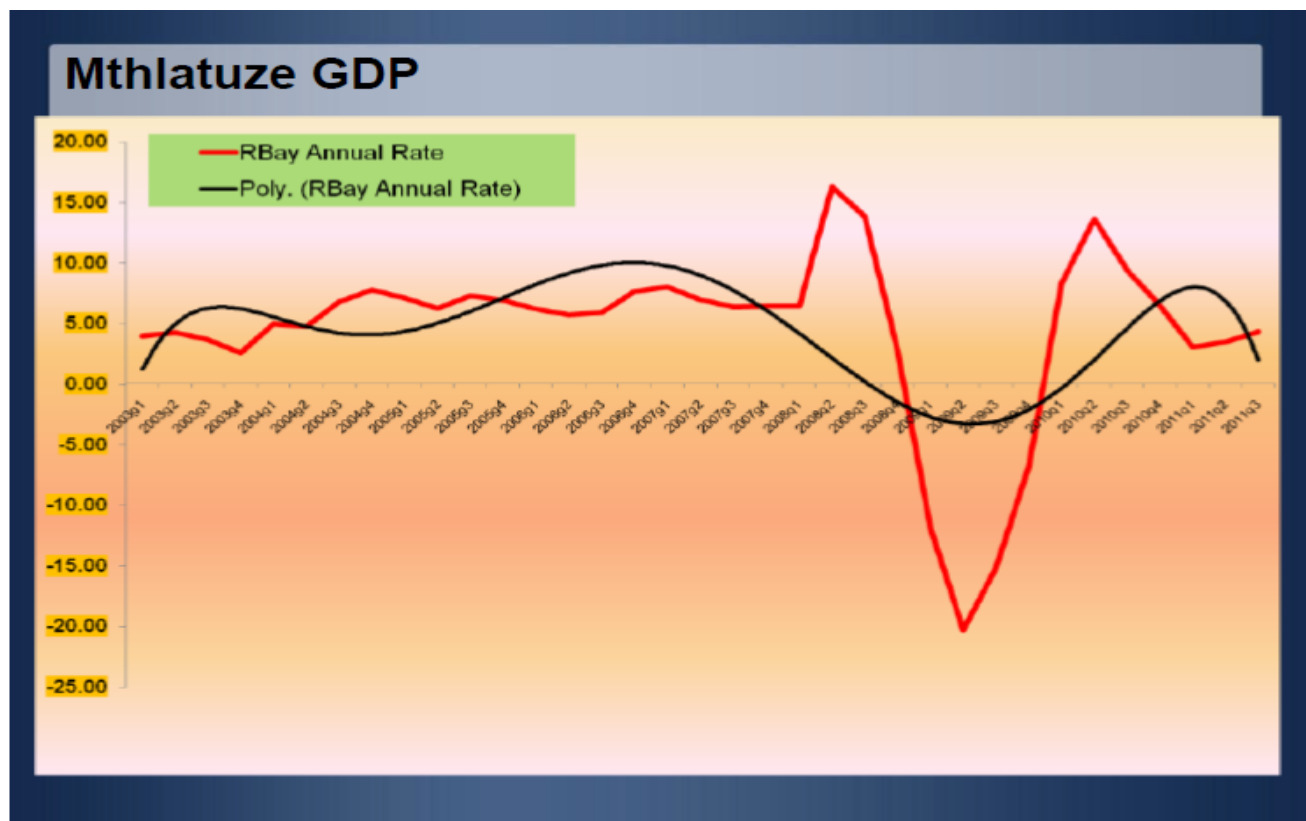
uMhlathuze has the most developed economy of all the municipalities in the district and is the major contributor to the District GGP (it is the third largest economy in KwaZulu-Natal). Its most important industries are BHP Billiton Aluminum, Mondi, SAPPI, RBCT, Tata Steel and Bell Equipment.

The following bar chart indicates the impact of the global recession on the GDP of the uMhlathuze Municipality.

Figure 54: uMhlathuze GDP



Source: Clive Coetzee, KZN Treasury



Source: Clive Coetzee, KZN Treasury

The figures above suggest that unemployment, low incomes, and disinvestment or business closure are the primary economic challenges within the City of uMhlathuze.

Human Development Index

Measuring the life expectancy, literacy rates and income levels as proxy of quality of living, the Human Development Index (HDI) of the uThungulu District was lower than the provincial HDI in 2008, i.e. 0.53 for the province compared to 0.47 for uThungulu in 2008. By definition:

The Human Development Index (HDI) is defined as a “composite, relative index which attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income ...”. The HDI can assume a maximum value of 1, indicating a high level of human development, and a minimum value of 0.

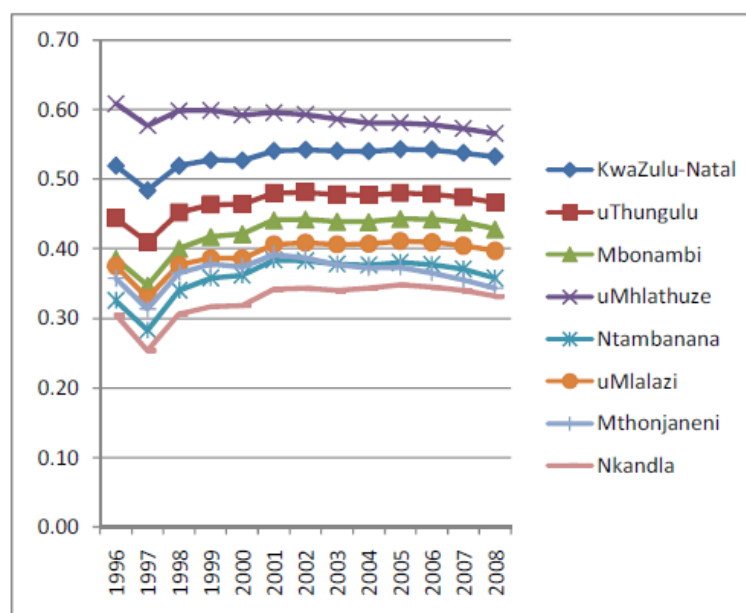
The following table and figure provides a comparison of the HDI for KwaZulu-Natal, the uThungulu District and the uMhlathuze Local Municipality over a given period of time.

Table 55: Human Development Index (HDI)

Year	KwaZulu-Natal	uThungulu	uMhlathuze
1996	0.52	0.44	0.61
1997	0.48	0.41	0.58
1998	0.52	0.45	0.60
1999	0.53	0.46	0.60
2000	0.53	0.46	0.59
2001	0.54	0.48	0.60
2002	0.54	0.48	0.59
2003	0.54	0.48	0.59
2004	0.54	0.48	0.58
2005	0.54	0.48	0.58
2006	0.54	0.48	0.58
2007	0.54	0.47	0.57
2008	0.53	0.47	0.57

Source: Global Insight 2008

Figure 55: Human Development Index (HDI)



Source: Global Insight 2008

From the aforementioned it is apparent that the HDI for uMhlathuze is higher than the HDI for both the uThungulu District and the Province between 1996 and 2008

Gini-coefficient

Income inequality is indicated by the Gini-coefficient. Income inequality in the uThungulu District and Province has become less equal over time – from 0.64 in 1996 to 0.67 in 2008 in the District – and – from 0.62 in 1996 to 0.66 in 2008 in the Province. The situation in the uMhlathuze Municipality has also worsened from 0.59 in 1996 to 0.67 in 2008.

12.3.3 Employment and Income Levels

There Two aluminum smelters, Hillside Aluminum and Bayside Aluminum, are operated by BHP Billiton. A fertilizer plant operated by Foskor has been erected at the harbour. Iron ore, rutile (titanium oxide) and zircon are mined from the sand dunes close to the lagoon by Richards Bay Minerals. Local exports include coal, aluminum, titanium and other heavy minerals, granite, ferrochrome, paper pulp, woodchips and phosphoric acid (Wikipedia). Although the municipality is rich in minerals, it is faced with the challenge of an unemployment rate of 31%. Youth unemployment is at 40,8%.

Labour Force Participation

High unemployment undermines the equitable distribution of income and underpins poverty. Employment is one of the main desired outcomes of economic growth and is currently a major focus of government policy at the national level. The table hereunder summarizes some critical labour market indicators for the uMhlathuze Municipality.

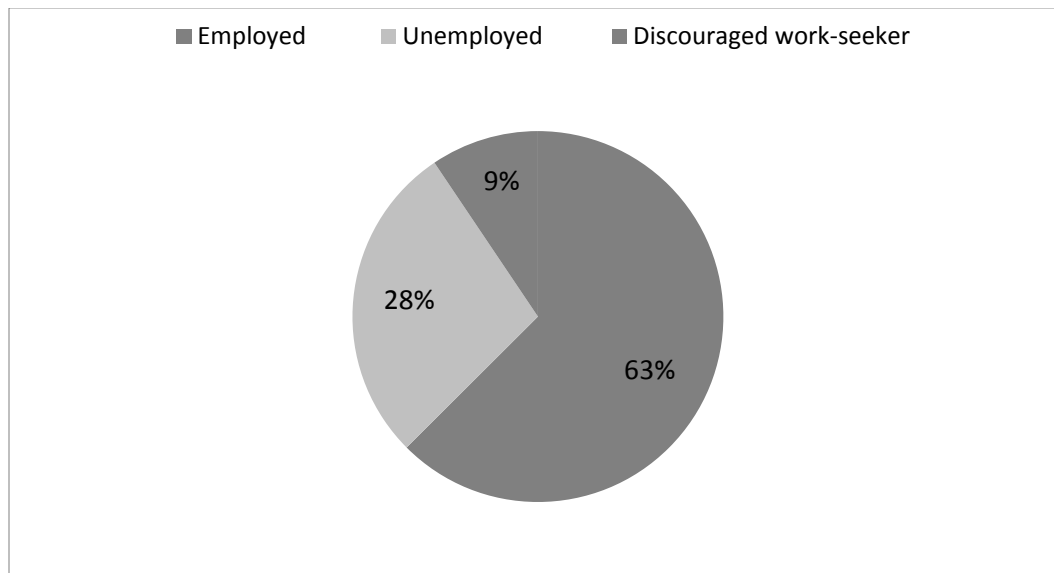
Table 56: Labour Market Indicators

Description	Number
Employed	85876
Unemployed	38532
Discouraged work-seeker	12948
Other not economically active	88314
Not applicable	108789
TOTAL	334459

The number of persons employed is similar to the not economically active portion of the population. About 9% are discouraged work-seekers.

Source: 2011 Census

Figure 56: Labour Market Indicators

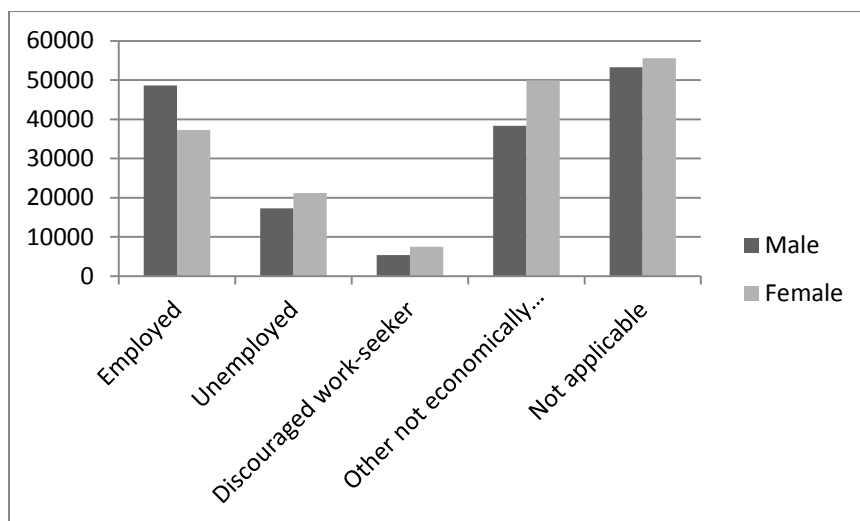


Source: 2011 Census

Table 57: Employment by Gender

	Male	Female
Employed	48600	37276
Unemployed	17308	21224
Discouraged work-seeker	5404	7544
Other not economically active	38380	49934
Not applicable	53251	55538
TOTAL	162943	171516

Figure 57: Employment by Gender



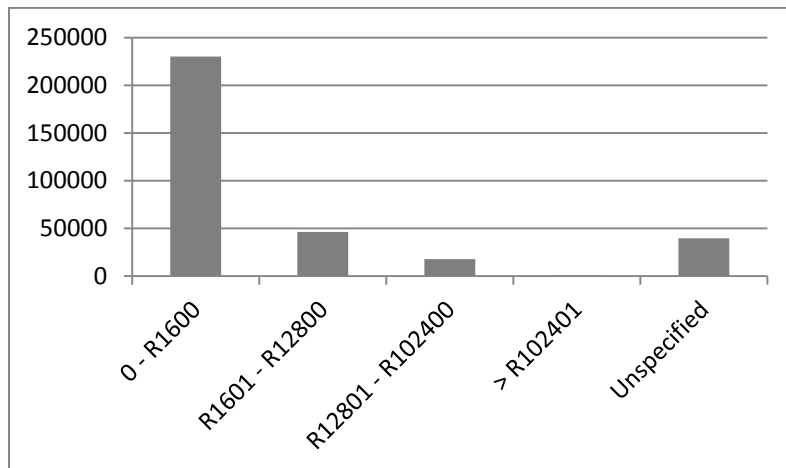
The table and figure herewith depicts that employment levels in the municipality are higher for males than for females. Also, the unemployed, discouraged and not economically-active counts are higher for females.

Source: 2011 Census

Income and Dependency

Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents.

Figure 58: Monthly Individual Income in uMhlathuze



Source: Census 2011

As noted, the number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the official Census 2011 dependency ratios for South Africa, KwaZulu-Natal, the uThungulu District as well as the Local Municipalities in the uThungulu District.

Table 58: Comparative Dependency Ratio

	Dependency Ratio	
	per 100 (15-64)	
	2001	2011
SOUTH AFRICA	58.7	52.7
KWAZULU-NATAL	65.4	58.5
DC28: Uthungulu	74.5	64.7
KZN282: uMhlathuze	55.8	48.2
KZN286: Nkandla	99.2	86.6
KZN281: Mfolozi	80.2	68.2
KZN283: Ntambanana	85.7	79.3
KZN284: uMlalazi	81.5	74.9
KZN285: Mthonjaneni	78.2	75.6

Source: Census 2011

The dependency ratio on KZN was higher in 2001 and remains higher in 2011 than that of the country. The situation is also worse in uThungulu than in the province. The dependency in uMhlathuze is lower than that of the country.

12.3.4 Strategic Roadmap for Economic Development, Job Creation and Transformation for the City of UMhlathuze

The City of uMhlathuze is embarking on a meticulous and comprehensive process to develop an all-embracing strategy that will guide the City's interventions and programme of action in relation to economic development and transformation. As a hub of industrial development and investment, the City is positioning itself as a strategic driver and champion of economic development and transformation for the benefit of local enterprises and aspirant entrepreneurs.

It is on this basis that the Municipality has prioritized economic development, transformation and job creation by developing a practical roadmap that will ensure the outcomes listed below:

- Job creation
- Improving citizen's skills levels/ education
- Increased competitiveness and investment in the city
- Transformation within the Public and Private sector
- Economic growth through job creation
- Stimulate rural development
- Sustainable Environmental Management
- Consistent spatial Development Framework
- Improved productivity and resource management
- Strengthened collaboration amongst key industry partners that will grow and sustain the city's job creation, economic growth and transformation efforts, in a collective manner

The draft roadmap has been developed by focusing on key sectors of the current and future economies of uMhlathuze. It has identified those sectors most likely to create jobs and transform the economy on a sustainable basis and provide a competitive advantage for the City. Key overarching themes/ considerations that emerged during the development of the roadmap include:

Economic diversification

the City of Umhlathuze should focus on strengthening and supporting existing industries in its economic basin whilst identifying and investing in future/ new industries. This would allow for economic diversification, as well as strengthening the City's competitive advantage.

Localisation of the economy

Key to driving economic transformation and inclusiveness is the need for uMhlathuze to localise the economy by using procurement as a critical enabler. Additionally, a local brand/ campaign will lend support

Economic inclusiveness

The current structure of the local economy has marginalised certain sectors of society. The proposed roadmap is intended to allow for greater inclusiveness of marginalized groups on a sustainable basis.

Evangelizing job creation

Job creation and the need to nurture the local economy, via the implementation of the strategic roadmap for job creation, economic development and transformation, should be made a priority by business, civil society, labour and the municipality.

Cost of doing business

Economic competitiveness, both financial and non-financial are critical in attracting new investment to the economy, as well as strengthening and retaining existing businesses. Productivity is key to driving the internal cost of doing business, whilst local government has a key role in providing an enabling environment

Virtual economy

Future economic thinking and trends have placed the internet and artificial intelligence as the foundation pillars for future economic growth. The proposed roadmap has aligned itself to the virtual economy, by proposing certain key infrastructure projects, and focusing on innovation across sectors.

Funding

Growing the economy of uMhlathuze is reliant on obtaining finance for new projects as well as growing existing industries, as well as strengthening infrastructure. A new partnership approach to capital funding should be considered and built around innovative funding structures.

Skills prioritisation

Appropriate skills are fundamental in growing all key sectors identified. Prioritising and matching industry skill requirements with academia will assist in reducing the rate of unemployment as well as improving the economic participation of youth in the economy.

Water security

Current water restrictions for uMhlathuze and the province (and South Africa) is an important reminder of the need to secure adequate supply of water for growth. The proposed roadmap gives specific attention to identifying alternative supplies of water, whilst also focusing on water efficiency measures.

Energy supply

Proposed/ pipeline projects as per the strategic roadmap for economic development, job creation and transformation will place a significant strain on the current energy supply. Key considerations need to be given to securing electricity supply as well as diversifying the energy needs of the local economy by considering alternative energy.

ECONOMIC ROADMAP IMPLEMENTATION PLAN

Implementing this roadmap will assist in stimulating the output of the local economy of uMhlathuze above the planned growth rate of 1.2% (as per the 2016/17 Municipal budget) for the area. Growing the economy will ensure the municipality will have additional revenue to support its service delivery mandate. The current estimated GDP for uMhlathuze is R29.7billion. At the proposed growth rate of 1.2%, the economy will grow by approximately R1.9billion over the next 5 years. Prioritising the roadmap and its implementation will help to improve the economic growth rate. If the growth rates were increased by 0.5% (to 1.7%), **the incremental growth** in the economy over the next 5 years would be R2.7billion (this would mean an additional R791million of additional economic activity as a result of the increased growth rate).

the roadmap has the potential to improve the rate of employment in the local economy. Currently, the unemployment rate is 31% with an estimated 38,500 unemployed individuals. If this roadmap had the potential to improve economic activity and reduce unemployment by 1%, then the unemployment rate in 2020 would have reduced to approximately 26% (with approximately 32,300 being unemployed). This would have meant that approximately 6,200 individuals would have been absorbed by the economy.

Consequently, implementation of this job creation, economic development and transformation roadmap is critical to impact the output of the economy and jobs to be created. The greater the success of its implementation, the greater would be its impact on the local economy of uMhlathuze.

The development of the job creation, economic development and transformation roadmap has been crystallized by focusing on key industries in uMhlathuze. The industries identified are a result of the needs of the economy, competitive advantage of uMhlathuze. The key industries identified are:

- **Agriculture, agri-processing and rural economy**
- **Tourism**
- **Maritime & blue economy**
- **Manufacturing**
- Township economy
- Mining and beneficiation
- Built environment
- Wholesale, retail, trade and services
- ICT and innovation

Tabulated below is the proposed roadmap/ implementation plan

Section wide Interventions					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Business/ Enterprise Development	1.1 One-stop shop for business development	<p>1.1 Conceptualise, develop and implement a “one-stop shop” for business support to the key industries identified. This will be a primary program for the SPV that is envisaged to roll out the strategic roadmap. This program should have the following elements:</p> <ul style="list-style-type: none"> - Will have a customized sector-specific sub-program supporting business retention and growth in that area. It is envisaged these will be on the nine proposed sectors identified in this roadmap. - Each key program will be managed by experienced and qualified industry experts - This one-stop shop sector specific programs will focus on the following: <ul style="list-style-type: none"> o Access to market o Skills development o Funding o Business development - Ensure the required infrastructure support is in place for that particular sector - Will utilise existing or create new sector-specific forums to facilitate industry dialogue 	Umhlathuze Municipality		Q2 (2016/17)
	1.2 Dedicated local business finance fund to be set up	<p>1.2.1 Complete a business case and implement the establishment of a local fund that is built around the following key parameters:</p> <ul style="list-style-type: none"> - Use lines of funding obtained from DFI's (IDC, ITHALA, SEFA, NEF foreign funders, etc) - A high focus on local developmental funding (not the traditional credit scoring mechanism) - The one-stop shop program managers (sector-based) will oversee the disbursing and 	Umhlathuze Municipality/ DFIs		Q4 (2016/17)

Section wide Interventions					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		collecting of funds - The above concept is based on the proposed SPV becoming a retail finance intermediary (RFI) for local business focusing on the proposed key industries for Umhlathuze			
	1.3 Development of a commodity resource plan (in advance) for both private sector and the public sector	1.3.1 A detailed commodity resource plan (advanced) that would determine products and services required by the local economy, based on approved projects and organic growth. This plan would be used to: - identify high volumes, services and products used (both by private sector and public sectors, respectively) - aggregate and secure the supply of these products and services (eg. Vegetables supplied to the Schools Nutrition program) - identify local small and emerging businesses to meet the aggregate demand - groom and mentor these businesses to secure other contracts			Q4 (2016/17)
	1.4 Business capacity-development program with <i>Productivity SA</i>	1.4.1 Complete and implement a MOU (which has been agreed to with PSA), that would provide: - Productivity awareness training across targeted key sectors - Informal trader training - Business start-up training - Customized business training for mature business (e.g. Kaizen training) - Productivity training for the public sector - Business mentorship - Business turn-around solutions (focusing on business retention)	Umhlathuze Municipality/ PSA		Q4 (2015/16)
	1.5 Global Mentorship program focusing on key sector development	1.5.1 Complete and implement a MOU with the PUM Senior Netherlands program. This proposed partnership will allow the City to facilitate global retired experts to assist individual businesses in the prioritised sectors, grow and capacitate their businesses. It is envisaged that the initial MOU will provide approximately 15 global mentorships which amount to approximately R3million 1.5.2 Crowdsourcing of mentorship for business development by identifying key partners to offer similar programs as per 1.3.1 above (on an ongoing basis)	Umhlathuze Municipality/ PUM		Q4 (2015/16)
	1.6 Policy to transform supply chain/ procurement	1.6.1 Develop a draft policy framework for procurement (both public and private sector) that would include: - policy on sub-contracting (to avoid window-dressing) - setting targets for local procurement with particular focus on: o township companies and co-operatives o women-owned businesses	uMhlathuze Municipality		Q1 (2016/17)

Section wide Interventions					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		<ul style="list-style-type: none"> youth-owned businesses PWD owned businesses - having a database for preferred local suppliers Once finalised, lobby for implementation both in public and private sectors, respectively			
2. Knowledge Management	2.1 Centralized knowledge repository	2.1.1 Establish a centralized knowledge repository/ database comprising: <ul style="list-style-type: none"> key local economic statistics and data existing, planned/ pipeline projects of both the public and private sectors, respectively creation of a database of development applications (using this foundation to calculate the possible growth trajectory of the City, and using this to plan for spatial development) This central database needs to be periodically updated and converted to business intelligence	Umhlathuze Municipality/ Unizulu		Q1 (2016/17)
3. Spatial Planning	3.1 Development of 'land banks' for uMhlathuze Municipality	3.1.1 Engaging key partners (e.g. ITB and private sector) to identify and secure future banks for land (for both agriculture and property development)	uMhlathuze Municipality/ ITB/ private sector		Q3 (2016/17)
4. Public-private partnerships (PPPs)	4.1 Develop MoA with Unizulu	4.1.1 Engage the University of Zululand with the view to developing a partnership that would assist in the implementation of specific elements of this roadmap such as research and development of the township index	uMhlathuze Municipality/ University of Zululand		Q4 (2015/16)
5. Other	5.1 Development of a <i>Water Relief Program</i> for Umhlathuze Municipality	5.1.1 Development of a <i>Water Relief Program</i> to be driven by each sector that would include: <ul style="list-style-type: none"> A program targeting water efficiency/ saving for Umhlathuze Municipality (via the <i>Umhlathuze Water Reuse</i> project) A contingency plan to access assistance on a proactive basis for drought relief (including funding support) Crowd-sourcing of ideas (for new technologies, new water sources, new ways to harvest water) 	Umhlathuze Municipality/ National Treasury/ CSIR		Q4 (2015/16)

Priority Sector: Agriculture, Agro-processing and the Rural Economy

Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources Required	Timeframes
1.Farmer Development/ Enterprise Development	1.1 Integration and alignment of agricultural support programmes for existing and new farmers, in particular farming co-operatives and women	<p>1.1.1. Development of a graduation model for existing and new suppliers to ensure growth in capacity and competence.</p> <p>1.1.2 Implement program using existing beneficiaries (possibly in partnership with Agribusiness Development Agency (ADA)).</p> <p>1.1.3 Develop support mechanisms for the formalisation of urban and rural agriculture (both public and private sector). This will include:</p> <ul style="list-style-type: none"> • Identification of potential new farmers for participation in agricultural programmes (including sugar farmers, vegetable farmers, as well as forestry farming). Consideration needs to be given to attracting youth to farming via: <ul style="list-style-type: none"> - Showcasing successful young farmers and innovation in farming (incl beneficiation) - Emphasizing farming as a possible occupation for school-leavers (via co-operatives) • Training, developing and mentoring new participants to become suppliers. This will include developing an incubation programme for entrant farmers (including co-operatives) in partnership with District, Province and National Department. In addition, this capacity-building program should leverage of off existing programs such as the development of small scale farmers) • This will include the development and implementation of support programmes specifically geared to PWD (people with disabilities), young and women farmers in the City 	<p>Umhlathuze Municipality/ uThungulu District Municipality</p> <p>Department of Agriculture and Rural Development (DARD) Agribusiness Development Agency (ADA)</p> <p>Umhlathuze Municipality in partnership with Uthungulu District municipality, DARD/ Traditional authorities and ADA</p>		Q2 (2016/17)

Priority Sector: Agriculture, Agro-processing and the Rural Economy

Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources Required	Timeframes
	1.2 Development of a "one-stop shop" for business support <u>with particular focus on emerging farmer development and access to markets</u>	1.2.1 Conceptualise, develop and implement a "one-stop shop" for business support for agriculture. This will include the development and roll out of a capacity-building program focusing on: <ul style="list-style-type: none"> Agricultural skills development (including business and technical) Infrastructure strengthening (e.g. irrigation systems) 	uMhlathuze Municipality/ Department of Agriculture, (sector) development funders (e.g. ITHALA, SEFA, COGTA, etc), business support agencies (SEDA, ADA, etc)		
	1.3 Investigate the feasibility of establishing Agri-Parks (as the per the 2015 Budget Speech by the MEC of DARD)	1.3.1 Undertake feasibility study for the establishment of Agri-Parks in the City and rural areas	uMhlathuze Municipality/ DARD/ Traditional Authorities		Q1 (2016/17)
2. Aggregation & Access to market	2.1 Strengthening access to market of local farmers in Uthungulu Fresh Produce Market (UFPM)/ Market Aggregation	2.1.1 Identify areas of collaboration and partnership with public sector (hospitals, prisons) and private sector (hotels, canteens, etc) clients via the development and implementation of an access to market plan. In future, this will include aggregating market access for the proposed agri-parks (as mentioned in 1.3 above)	uMhlathuze Municipality		Q4 (2015/16)
		2.1.2 Conduct a pilot project to aggregate vegetables from urban-based farmers (e.g. community gardens in townships) by providing logistics to collect vegetables and sell to UFPM (to be used for NSNP in other similar projects)	uMhlathuze Municipality/ UFPM		Q4 (2015/16)
	2.2 Investigate the feasibility of the following: <ul style="list-style-type: none"> commercial goat farming honey production charcoal manufacture 	2.2.2 Commission feasibility studies for these niche farming industries with particular focus on: <ul style="list-style-type: none"> Aggregation of small-scale farmers (co-operatives) Facilitating access to market on a collective basis (similar to UFPM) Production of value -adding by-products Key consideration to the above feasibilities should be given to include co-operatives	Umhlathuze Municipality/ EDTEA		Q1 (2016/17)
	2.3 Poultry Aggregation Model	2.3.1 Develop and implement a poultry project that aggregates demand, similar to the NSNP model, by pre-selling both private sector and public sector consumption of eggs to small-scale poultry farmers	uMhlathuze Municipality		Q1 (2016/17)

Priority Sector: Agriculture, Agro-processing and the Rural Economy

Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources Required	Timeframes
	2.4 Negotiate supplier agreements on behalf of small-scale and urban farmers with supermarket chains	2.4.1 Engage and develop potential supplier agreements with local supermarkets/ chains in uMhlathuze to buy vegetables from small-scale and urban farmers. This could be positioned by supplier development	uMhlathuze Municipality/ supermarkets		Q1 (2016/17)

Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
3. Access to Finance	3.1 Special/ ring-fenced capital for agriculture development	3.1.1 Set up of an agricultural-specific fund (in partnership with SEFA) for the development of agriculture within Umhlathuze	Umhlathuze Municipality/ SEFA		Q4 (2016/17)
		3.1.2 Create a structured funding model for local agriculture development. The proposed "one-stop shop" will serve as a platform for business/ farmers to access this fund, providing both financial and non-financial assistance (e.g. post-funding mentorship support)	Umhlathuze Municipality/ SEFA		Q4 (2016/17)
4. Public-private partnerships	4.1 Development of an industry-specific (agricultural) forum	4.1.1 The development of a local agri-forum is proposed that will comprise private companies, emerging & established farmers, public sector development agencies, industry associations, technical experts, and other key industry role-players. It is envisaged this forum will support the activities of the proposed "one-stop shop" for business support, as well as play a key advocacy and lobbying role in the development of the agricultural sector in Umhlathuze	Umhlathuze Municipality		Q2 (2016/17)
5. Agri-processing	5.1. Prioritizing new/ planned agri-processing projects for the Umhlathuze region	5.1.1 Assist in prioritizing key new agri-processing projects that have been identified for implementation by assisting with regulatory approval, engaging stakeholders and assisting with local incentives. The key projects that have identified include: <ul style="list-style-type: none"> Manufacturing of tomato paste Manufacturing of agricultural supplements Pulp manufacturing 	Umhlathuze Municipality/ RBIDZ		Immediate

Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
	5.2. Pineapple-processing facility	<p>5.2.1 Commission the completion of a detailed feasibility plan for the processing of pineapples for both canning (jam-making) and production of fibre products, similar to ECDC, in partnership with IDC</p> <p>It is envisaged this facility (if feasible) be set up within the Richards Bay IDZ to optimize export potential of the product</p>	Umhlathuze Municipality/ IDC/ RB IDZ		Q1 (2016/17)

Tourism					
Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
1. Enterprise Development	1.1 Development of a single window tourism business support portal that focuses on tourism development, skills development, marketing and branding	<p>1.1.1 Conceptualise, develop and implement a single window system for tourism that will include the following key interventions:</p> <ul style="list-style-type: none"> access to information access to funding and support access to business development support (mentorship, training, product quality). focusing on promoting existing tourism businesses and route development e.g. R66 access to market opportunities for tourism enterprises and skills development PPPs integrated marketing and branding support with particular focus on packaging of the core tourism offering of Umhlathuze 	Umhlathuze Municipality/ EDTEA/ TKZN/ FEDHASA/ SATSA		Q2 (2016/17)
2. Marketing/ access to market	2.1 Marketing Plan for Tourism Development/ Promotion	<p>2.1.1 Development of a targeted marketing plan for tourism for the City of Umhlathuze. This plan will focus on the following:</p> <ul style="list-style-type: none"> key tourism sub-sectors (i.e. beach tourism, cruise tourism, wildlife tourism, township tourism, events tourism, industrial tourism, business tourism, cultural and heritage tourism – R66 Heritage route) inherent to Umhlathuze/ surrounding brand identity/ development identification of key markets (segmented by type, spend, activity) tactical promotional plan (including the use of social 	Umhlathuze Municipality/ EDTEA/ TKZN/ CTO/ Tourism Forum		Q2 (2015/16)

Tourism					
Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
		<p>media to promote)</p> <ul style="list-style-type: none"> • funding to support marketing activities • Roll out strategic projects and programmes in support of township and rural tourism • establish functional relationship with neighbouring municipalities as part of tourism development and marketing • Investigate and prepare business case for cruise ship tourism 			
	2.2 Events Tourism	<p>2.2.1 Development of an eventing calendar to ensure all-year round activities to drive tourism. It is envisaged that this calendar will be joint-led and developed by the Municipality and Zululand Chamber of Commerce. Tourism Kwazulu-Natal (TKZN) is also expected to play a key role in promoting key events of Umhlathuze</p> <p>2.2.2 Identification of a champion to drive eventing activities (from the Municipality)</p> <p>2.2.3 Create an interactive virtual portal that will list /update events/ leisure activities throughout the year, and accessible to the public</p>	Umhlathuze Municipality / Zululand Chamber of Commerce/ TKZN/ Tourism Forum/ CTO		Immediate
3. Tourism Infrastructure Development	3.1 Task team to prioritise development of key strategic tourism infrastructure projects	<p>3.1.1 Prioritise development of the following tourism infrastructure projects via an appointed task team that will focus on prioritizing funding for development; expediting compliance applications; and feedback to business and civil society:</p> <ul style="list-style-type: none"> - Beachfront/Resort Upgrade at Alkantstrand - Waterfront Development - Regional Airport City - Theme Parks - Upmarket Recreational Facilities - Conference Centre (ICC), Retail & Hotel - Ridge Estate Development targeting secondary home ownership 	Umhlathuze Municipality – <i>Tourism Infrastructure Projects Task Team</i> (proposed)		Immediate
	3.2 Heritage Infrastructure audit	3.2.1 Conduct a heritage infrastructure audit to identify existing and possible future places of interest (to be built) as part of developing heritage tourism as a niche sub-sector	uMhlathuze Municipality/ TKZN/ Unizulu		Q1 (2016/17)

Tourism					
Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
4. Product packaging	4.1 Packaging key tourism sub-sectors for Umhlathuze	4.1.1 Packaging of the following tourism sub-sectors, identified as key to Umhlathuze: <ul style="list-style-type: none"> - Beach tourism - Cruise tourism - Industrial tourism - Township tourism - Cultural and heritage tourism (also package to support cruise tourism) - Events tourism - Wildlife tourism (also package to support cruise tourism) - Business Tourism - Rural tourism 	TKZN, EDTEA, Umhlathuze Municipality/ SAT/ CTO		Immediate
	5.1 Community Tourism Organization (CTO) Development	5.1.1 Review the existing CTO with a view to further develop, capacitate and integrate. It is recommended that the CTO mandate be aligned/ integrated to the key tourism initiatives of the City.	EDTEA, Umhlathuze Municipality/ CTO		Q2 (2015/16)
5. Institutional Strengthening/ development	5.2 Umhlathuze Tourism Forum	5.2.1 Review the existing Tourism Forum to ensure it is appropriately capacitated with a balance of appropriately represented private and public sector stakeholders, respectively. Additionally it is proposed that this forum champion tourism initiatives for the City. It is envisaged that this forum will: <ul style="list-style-type: none"> - Advocate and lobby for key tourism related issues (crime and grime) - Promote eventing - Assist in championing the tourism marketing strategy - Help create ED/SD initiatives of the sector 	Umhlathuze Municipality		Q2 (2015/16)

Maritime/ Blue Economy					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Industry Collaboration	1.1 Proposed Umhlathuze Maritime Sector Forum	1.1.1 It is proposed that a local maritime forum be developed that will provide a platform for collaborative engagement between different levels of government, state owned enterprises and the maritime community (Transnet, RBIDZ, corporates, business, key representation from eThekweni Maritime Cluster) to implement programs of common interest that support the growth and improve performance and competitiveness of the	Umhlathuze Local Municipality/ EDTEA/ Private sector		Q2 (2015/16)

Maritime/ Blue Economy					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		<p>local maritime industry (as part of a local action plan).</p> <p>In the long term, the voluntary model will evolve into a maritime cluster that will be similar to the successful eThekweni Maritime Cluster model and ultimately help to drive economic growth of the city of Umhlathuze, and the district of Uthungulu. The Cluster will focus on the following key areas:</p> <ul style="list-style-type: none"> - port efficiency and effectiveness, - education and skills development (in particular technical skills such as artisans, fitters and turners and engineering (e.g. ship-building), - SMME development & transformation, - maritime OHS, - promotion of the Umhlathuze maritime industry locally and internationally) - Prioritise projects of Operation Phakisa that impact uMhlathuze (coastal & maritime tourism, oil and gas, marine transport, aquaculture) - other <p>It is proposed a MOU be developed with eThekweni Maritime Cluster to facilitate the fast-tracked establishment of a local maritime cluster (based on the learnings of eThekweni)</p>			
	1.2 Port Cities Network/ PCN Collaboration	1.2.1 Develop and implement a plan of action that would ensure stronger engagement with other port cities and leverage off of their partnership, programs and learnings/ experiences (e.g. PCN collaboration)	uMhlathuze Municipality/ PCN Network		Immediate
2. Enterprise Development	2.1 Development of a "one-stop shop" to support <u>maritime development</u>	2.1.1 Conceptualise, develop and implement a "one-stop shop" for business support to the key industries identified. This one-stop business support shop will have key sector support programs, including maritime. This program manager will work closely with the proposed Uthungulu Maritime Cluster (or be outsourced to UMC)	Umhlathuze Municipality		Q2 (2016/17)
	2.2 Development of an economic localisation plan for the import of 950,000tons of maize in the current year	<p>2.2.1 Develop and roll out a local economic plan for the importation of maize that will include the following:</p> <ul style="list-style-type: none"> - identify the key companies/ service providers that will be involved across the value chain (maritime and logistics) - identify local companies that would be able to propose/ pitch for this work - engage with Transnet on prioritizing the local spend i.t.o procurement <p>Based on the success of this pilot project, work with Transnet to identify other similar opportunities (in the port) that could benefit local communities</p>	Umhlathuze Municipality/ Transnet		Immediate
	2.3 Feasibility study for an owner-driver program (in partnership with Richards Bay Coal Terminals (RBCT))	2.3.1 Conduct a feasibility of developing a local owner driver program (in partnership with RBCT)	uMhlathuze Municipality/ RBCT		Q2 (2015/16)

Maritime/ Blue Economy					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
3. Maritime Infrastructure Development	3.1 Key Maritime/port development Projects	<p>3.1.1 Prioritise development of the following port expansion infrastructure projects:</p> <ul style="list-style-type: none"> Land acquisition Expansion of coal export terminal in Richards Bay from current 72mtpa to 95mtpa Richards Bay Port Terminals Capacity Expansion Project (increase from 14mtpa to 23.7 mtpa – new port, rail and terminal infrastructure) Enhanced container-handling facility (with particular focus on strengthening demand) on a sustainable basis to ensure increased capacity is utilized. This will include identifying new clients that will have the potential to use containers. This project is to also consider the spatial planning implications for downstream industries New terminals (dry bulk and multipurpose terminals, LNG) Ship/ rig repair and dry dock Phangela storage tank (oil and gas) Development of the Waterfront Improving cruise terminal facilities (with dedicated point of entry facilities) <p>3.1.2 It is recommended that the following collaborative platforms play a key oversight and support role to expedite development of the key port expansion projects listed above:</p> <ul style="list-style-type: none"> Umdlathuze Mayoral Advisory Panel proposed Umdlathuze Maritime Lab CEO's Forum 	Umdlathuze Municipality/ RBIDZ/Transnet/ CEO Forum		Immediate
			Umdlathuze Mayoral Advisory Panel/ proposed Maritime Lab/ CEO's Forum		Immediate
4. Maritime Skills Development	4.1 Maritime skills development	<p>4.1.1 Development detailed skills profile (per sub-sector of the local maritime industry) (linked to the scarce and critical skills assessments of the relevant SETAs), with particular focus on:</p> <ul style="list-style-type: none"> <u>Artisanal skills</u> <u>Port logistics</u> <u>Port management</u> <u>Support services (e.g. maritime law/ finance)</u> <p>The above should be based on planned port capacity as a result of the capital projects being rolled out (as mentioned above in 3.1.1).</p> <p>4.1.2 A planned project by the Umdlathuze TVET College is the establishment of a Maritime School. It is recommended that the college consider the findings of the skills profile (above-mentioned) to develop appropriate maritime curricular, and aligned to required skills and industry needs (aligned to Operation Phakisa Centre of Specialisation requirements for maritime skills development)</p>	Proposed Uthungulu Maritime Cluster/ Umdlathuze TVET/ Unizulu		Q4 (2015/16)

Manufacturing					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Enterprise Development	1.1 Customising the “one-stop shop” to support <u>local manufacturing development</u>	<p>1.1.1 The proposed one-stop business support shop for the manufacturing sector will include the following</p> <ul style="list-style-type: none"> Developing supplier development support programs for large manufacturers in Umhlathuze focusing of inclusivity of marginalised groups, such as <ul style="list-style-type: none"> Aligning the activities of the key business incubators in Umhlathuze to supplier development programmes of corporates Prioritizing the roll out of the DTI's <i>Black Industrialist's program</i> A focus on developing technical skills to support the manufacturing requirements of the economy, with a focus on realigning current curricular and complementing it with practical training) Establishment of an investment support desk 	Umhlathuze Municipality/ DTI		Q4 (2016/17)
2. Investment Promotion	2.1 Customized <i>Manufacturing Incentive Toolkit</i> for Umhlathuze	<p>2.1.1 Developing a customized <i>Manufacturing Incentive Toolkit</i> that includes the following:</p> <ul style="list-style-type: none"> Explain incentives in detail and how these impact business Local incentives by the Municipality which could include: <ul style="list-style-type: none"> Reduced utilities, Payment holidays (rates) to incentivise new industries, subsidized utilities Reduced rates, Developer's rebates Rebates for developing bulk infrastructure Incentives for greenfield projects - Focusing on the prioritized industries for Umhlathuze - Step by step assistance with application process - Showcasing successful examples of accessing incentives and the impact on business To list all National Incentives including <i>12I tax incentive, DTI MCEP grant, PI grant, Black Industrialists program, BBSDP</i>, etc Detailed IDZ-specific incentives (reduction of customs duties, 	Umhlathuze Municipality, DTI, EDTEA/ TIKZN		Q1 (2016/17)

Manufacturing					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		simplified customs procedures, capital development expenditure incentives, reduced corporate tax, VAT and import duty exemptions, employment incentives)			
	2.2 Customized <i>Investment Promotion Plan</i> for Umhlathuze (including a comprehensive investment promotion programme)	<p>2.2.1 Development of a targeted investment promotion plan for Umhlathuze that will focus on:</p> <ul style="list-style-type: none"> - Key priority sectors - Targeted global markets that would be interested in these priority sectors - A dedicated focus on business retention and expansion (e.g. the revival of the aluminium industry in Richards Bay) - Investment opportunities for potential investors (e.g. possible additional smelter, automotive assembly plant (using AIS scheme), supplemented with alternative energy production - Showcasing key soft infrastructure that would attract potential investors, both existing and proposed (like the new <i>John Ross Hospital, Bay Hospital Expansion</i> project) - Development of an investment prospectus for Umhlathuze - Partnering with other destination promotion agencies (<i>Brand South Africa, SAT, TKZN, TIKZN, DTI/ DIRCO Ambassador's Forum</i>) - Trade shows - Investment success stories and specific IDZ incentives <p>2.2.2 Roll out of the <i>Investment Promotion Plan</i> should be championed by the following key stakeholders:</p> <ul style="list-style-type: none"> - the Mayor - existing CEO's of current corporates operating out of Richards Bay - Richards Bay IDZ <p>It is envisaged that investment promotion for Umhlathuze will become an integrated initiative between business and government, as envisaged in SONA 2016 (<i>Invest SA</i> initiative)</p>	Umhlathuze Municipality, EDTEA, TIKZN/ DTI/ Brand South Africa/ SAT		Q4 (2015/16)
	2.3 Prioritizing existing /"pipeline" / approved key projects	<p>2.3.1 Championing and providing support to ensure the following key projects are nurtured into implementation:</p> <ul style="list-style-type: none"> • Manufacturing of plastic piping for bulk water transportation • Paint manufacturing • Machinery and equipment assembly and repacking 	RBIDZ/ Umhlathuze Municipality/ EDTEA/ ZCCI/ KZN Growth Coalition/ TIKZN/ Uthungulu District		Immediate

Manufacturing					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		<ul style="list-style-type: none"> • Manufacture of solar water heater geysers • Manufacture of energy storage and micro grid systems • Cement blending and production facility • Establishment of caustic soda/ chorine chemical production plant • Manufacturing of stainless steel cookware • Manufacture of products that use nano-precipitated calcium carbonate • Manufacturing of tomato paste • Manufacturing of agricultural supplements • Manufacturing of Titanium Dioxide pigment • Pulp manufacturing • Generation of 60 megawatt green electricity • Establishment of a metallurgical coke production facility • Aluminium beneficiation • Manufacturing of welding electrodes • Development of a business case for automotive manufacture identifying niche opportunities to focus on (including establishment of a task team to champion)* 	Municipalities		
3. Export Development	3.1 Customized <i>Export Enhancement Plan</i> for Umhlathuze	3.1.1 Development of an <i>Export Enhancement Plan</i> for Umhlathuze that will focus on: <ul style="list-style-type: none"> • Minimizing red tape associated with exports (streamlining export processes, facilitation of an efficient payment system for exporters, • Admin support services, including guidelines (virtual) for exporters and possibly a walk-in centre for support • Export registration assistance • Upskilling for exports and training in reducing input costs • Facilitation of access to finance for exporters (Technical Financial Assistance Fund) • EMEA Funding (both domestic and international National Pavilions) • Prioritizing those manufacturing products with highest export potential • Partner with TIKZN to enhance export potential of Umhlathuze 	Umhlathuze Municipality, EDTEA, TIKZN		Q4 (2015/16)

Township Economy					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Economic Development	1.1 Action Plan for development and strengthening of township economy	<p>1.1.1 Identify, audit and develop key growth sectors (via the development of an action plan) within the townships that would allow for absorption of skilled, semi-skilled and unskilled labour force. These sectors will include but not limited to:</p> <ul style="list-style-type: none"> • Transport • ICT • Urban agriculture • Creative industries (arts, craft, fashion) • Cultural and heritage tourism • Food and beverage/ retail • Light manufacturing & artisanal industries (e.g. panel-beating, repair facilities- automotive, brick-laying, welding, block-making) • Eventing & catering • Leisure <p>In particular, this plan should focus in modernising and revitalizing the township economy using ICT. Serious consideration needs to be given to providing opportunities for PWD (people with disabilities), via NPOs</p>	Umhlathuze Municipality/ Uthungulu District Municipality/ EDTEA, Ministry of Small Business		Q4 (2015/16)
	1.2 Township Growth Index	1.2.1 Commission the development of a township growth index to baseline key township areas in Umhlathuze and measure bi-annually	uMhlathuze Municipality/ Unizul		Q1 (2016/17)
	1.3 Chamber Forum for Township Economic Development	1.3.1 Engage the Zululand Chamber of Commerce and Industry to establish a township forum that would represent township businesses	uMhlathuze Municipality/ Zululand Chamber of Commerce and Industry		Q1 (2016/17)
2. Enterprise Development	2.1 Township satellite offices for one-stop business support shop to be developed.	<p>2.1.1 Satellite one-stop business support shops for Esikhalini (realignment of current business park/ enterprise development centre), Vulindlela, Esikheleni, Ngwelezane, and Enseleni, as well as surrounding peri-urban areas are proposed. These satellite offices will be based on a "third-generation co-creation model", and will focus on the following:</p> <ul style="list-style-type: none"> - have basic incubation facilities (access to office, office automation, broadband and other) - mentorship support - providing access to market 	Umhlathuze Municipality		Q3 (2016/17)

Township Economy					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		<p>platforms, with particular focus on the use of the mobile channel</p> <ul style="list-style-type: none"> - a graduation model with key developmental interventions to allow graduation of informal/ survivalist businesses to more organized/ compliant small/ micro enterprises <p>It is envisaged these township business development centres, which will have an ICT focus, will attract youth in accessing the mainstream economy</p>			
	2.2 Township Enterprise & Supplier Development Program	2.2.1 Develop, formalize and implement partnerships/ conduits for large corporates/ business in Umhlathuze to access the township economy as beneficiaries of Enterprise Development/ Supplier Development programs	Umhlathuze Municipality/ CEO's Forum		Q1 (2016/17)
3. Infrastructure Development	3.1 Roll out of broadband to key business nodes including Last Mile connections	<p>3.1.1 It is proposed that broadband roll out be prioritised in the following key townships:</p> <ul style="list-style-type: none"> o Vulindlela, o Esikheleni o Enseleni o Ngwelezane 	Umhlathuze Municipality/ Uthungulu District Municipality/ EDTEA		Immediate
4. Access to markets	4.1 Development of a Localization Campaign	<p>4.1.1 It is proposed that a customized Localisation campaign be developed that will include the following:</p> <ul style="list-style-type: none"> - Development of a local brand identity using crowdsourcing to strengthen inclusivity - Encourages local businesses in the Umhlathuze area to adopt this brand identity, as part of their marketing strategy (e.g. "So-we-too" tourism brand created for Soweto township) - Evangelise the brand in a "buy local" campaign supported by individuals, business, tourist, etc 	Umhlathuze Municipality/ civil society		Q4 (2015/16)
	4.2 Encourage establishment and strengthen operation of local markets	<p>4.2.1 A local market development plan is proposed that will identify ways and propose solutions to:</p> <ul style="list-style-type: none"> • increase the number of markets (as segmented by the <i>Informal Economy Policy</i> for Umhlathuze) • improve basic infrastructure for these 	Umhlathuze Municipality		Q1 (2016/17)

Township Economy

Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		markets <ul style="list-style-type: none"> assist in reducing bureaucracy associated with informal trade align spatial planning to allow proposed and existing markets to generate sufficient foot traffic 			

Mining and beneficiation

Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Investment Promotion	1.1 Umhlathuze Municipality support for priority mining projects	1.1.1 Prioritize development and lend support for the implementation of key mining expansion projects (such as Fairbreeze mining – Phase 2 Tronox, Zulti mining project (RBM))	Umhlathuze Municipality		Immediate
2. Localisation of the mining value chain (direct/ indirect)	2.1 Development of a "one stop shop" to support the development of the <u>local mining value chain</u>	2.1.1 Conceptualise, develop and implement a "one-stop shop" for business support to the key industries identified in the mining value chain. This one-stop business support shop will have key sector support programs, including mining and beneficiation (with primary focus on localising the value chain to meet the Mining Sector Charter requirements). This will include: <ul style="list-style-type: none"> working with enterprise and supplier development programs of organizations providing inclusive platforms for rural-based economies around which these opportunities exist assisting local mining companies to strengthen their local content 	Umhlathuze Municipality/ private sector		Q2 (2016/17)
	2.2 Assessment of mining inputs/ outputs	2.2.1 Complete a pre-feasibility study on key minerals exported from/imported to RB with a view to identifying downstream beneficiation/ sourcing opportunities for Umhlathuze. This is to be done using the proposed RB IDZ technohub as the implementation partner	Umhlathuze Municipality/ EDTEA/ TIKZN/ RB IDZ		Q1 (2016/17)

Built Environment					
Focus Area	Priority Projects	Detailed Project Activity	Responsible	Resources	Timeframes
1. Creating an enabling environment	1.1 Turn-around plan for regulatory approvals	<p>1.1.1 Identify the key regulatory approvals performed by the City (business licence, zoning, permits, building plans, etc) and complete the following:</p> <ul style="list-style-type: none"> Setting ideal TATs Measuring the TATs and reporting to public and business (to be done in consultation with the Chamber) Benchmarking the municipality's performance with other key municipalities Looking at the possibility of automating these regulatory processes Setting up a Help-desk (virtual and walk-in, including the use of Retired experts) 	Umhlathuze Municipality		Q1 (2016/17)
	1.2 Construction champions	<p>1.2.1 Appointing specialized developers/ construction champions at the Municipality. It is envisaged these built environment specialists will assist to reduce the red tape associated with regulatory approvals. It is envisaged that these construction champions will focus on key projects, such as:</p> <ul style="list-style-type: none"> <i>Westview Residential</i> <i>CBD North Lifestyle Centre</i> <i>SAPPI Housing Development</i> <i>Waterstone Lifestyle estate</i> <i>Carsdale</i> 	Umhlathuze Municipality		Immediate
	1.3 Developing a strategic integrated plan for EPWP projects (both existing and new)	<p>1.3.1 EPWP projects is a significant contributor of temporary jobs. It is important that these job creation projects be aligned to the permanent economy by developing a strategic integrated plan that focuses on:</p> <ul style="list-style-type: none"> Ensure skills development programs of public sector programs (EPWP) provide training that meets entry-level requirements for the construction sector (and ensuring absorption into the mainstream economy) Exceeding EPWP benchmarks for PWD employment Providing post-employment mentorship and support to ensure likelihood of employment Actively target new EPWP projects with a particular focus on rural areas of Umhlathuze 			Q1 (2016/17)
2. Infrastructure Development	2.1 N2 Corridor Development	<p>2.1.1 It is envisaged that the <i>N2 Corridor Development</i> plan (currently being developed) will inform the spatial development requirements for integrated planning of key infrastructure projects. It is recommended that once complete, the City use the plan to identify opportunities</p>	Umhlathuze Municipality		Q4 (2016/17)

Wholesale, Retail, Trade and Services					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Infrastructure Development	1.1 CBD development and enhancement (both Richards Bay and Empangeni)	1.1.1 The CBD revitalisation and extension projects for both Empangeni and Richards Bay needs to be fast-tracked to ensure a more enabling environment for wholesale, retail, trade and services businesses that are operating in the CBD.	Umhlathuze Municipality		Immediate
2. Access to market	2.1 Prioritisation of retail space for marginalized communities	2.1.1 Developers of new facilities need to prioritize allocation of facilities for marginalized groups and communities (women, youth, local) to ensure localisation of small business	Umhlathuze Municipality/ Department of Energy (DoE) / Eskom		Ongoing
	2.2. Localising retail mall ownership	2.2.1 Engage existing property companies that have malls in Umhlathuze with view to localising shareholder ownership to local communities, using DFIs as funding agents (similar to Sizavuna ownership in Umlazi Megacity Mall)			Q1 (2016/17)

ICT & Innovation

Focus Areas	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Infrastructure Development	<p>1.1 Prioritisation development of the following key ICT projects:</p> <ul style="list-style-type: none"> - broadband roll out: <ul style="list-style-type: none"> o fibre optic route between Empangeni and Esikhaleni o the roll out of Last Mile connection for areas that have been connected to broadband - RB IDZ Technohub (including industrial research, as well as ICT <p>This will provide key infrastructure to roll out the Smart City concept that was envisaged for the City of Umhlathuze</p>	<p>1.1.1 An ICT Task team is proposed to drive key ICT projects to ensure an enabling infrastructure environment for business to thrive. This will be done by including key partners such as Broadband Infraco SOC, RB IDZ, Zululand Chamber.</p> <p>This proposed task team is to ensure that these key ICT infrastructure projects are linked to the township economy and a focus on youth. Additionally, this task team will ensure the technohub project focuses on mainstream ICT (in addition to industrial research)</p>	Umhlathuze Municipality/ Broadband Infraco SOC/ RB IDZ/ Zululand Chamber		Immediate
2. Skills Development	2.1 Virtual economic plan to be developed for Richards Bay	<p>2.1.1 It is proposed that the City develop a virtual economic plan that crystallizes how the City of uMhlathuze will use the internet to develop and create economic activity. This plan will include the following:</p> <ul style="list-style-type: none"> - Using the technohub to catalyse and strengthen the virtual economy of uMhlathuze - Identify how the virtual economy 	Umhlathuze Municipality/ RB IDZ		Q2 (2016/17)

ICT & Innovation					
Focu s Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
		<p>can be developed and strengthened with regards to:</p> <ul style="list-style-type: none"> ○ job creation, ○ improving productivity and competitiveness (both public and private sector) ○ transformation, ○ using public-private partnerships to develop catalytic projects in the virtual economy ○ skills development and ○ access to new markets for business ○ encourage innovation and inclusivity <p>It is proposed that virtual economic plan become the cornerstone in delivering a Smart Economy and City for Umhlathuze as the existing densification levels (low) do not allow the building of a Smart City in its traditional form</p>			
3. ICT as an Enabler for Innovation	3.1 Development of an Innovation Strategy (to support key sector development)	<p>3.1.1 Develop an innovation strategy that provides a framework on which innovation (and productivity improvements) will grow and strengthen each of the key sectors identified. It is envisaged that this strategy will address:</p> <ul style="list-style-type: none"> - the use of ICT to drive innovation - focus on business innovation, inclusive innovation and public sector innovation <p>It is proposed that this innovation strategy will provide organic growth for existing businesses and will complement job creation, in addition to promoting new investments</p>	uMhlathuze Municipality		Q2 (2016/17)

Other (Alternative Energy, Water Security, Municipality: Cost-saving and Revenue Generation)					
Focus Area	Priority Projects/ Interventions	Detailed Project Activity	Responsible	Resources	Timeframes
1. Alternative Energy Supply	1.1 Development of an alternative energy supply plan	1.1.1 Development of an alternative energy supply plan for the City of Umhlathuze, that will identify and assess the various alternative energy options for the City (such as <i>Felixton Sugar Mill's</i> use of biogas to generate its own electricity)	Umhlathuze Municipality/ Department of Energy (DoE) / Eskom		Q1 (2016/17)
		1.1.2 Prioritise the following key projects: <ul style="list-style-type: none"> • <i>Phangela Tank Farm</i> (gas turbine plant) • Generation of 60 Megawatt green electricity • Manufacture of energy storage and micro-grid systems • Manufacture of solar water heater geysers 	DoE, Umhlathuze Municipality		Immediate
2. Water Security	2.1 Desalination plant	2.1.1 A feasibility study for desalination is currently being undertaken that will inform as potential viable option to water security	Umhlathuze Municipality		Q4 (2015/16)
3. Municipality Cost-Saving/ Revenue Generation Model	3.1 Umhlathuze Municipality Cost-Saving and Revenue Generation	3.1.1 It is recommended that the Umhlathuze Municipality consider developing and implementing a long-term plan for cost-saving and revenue generation. It is proposed that this plan be focused on productivity improvement and innovation (in addition to cost reduction) which would allow for reduced resources. It is recommended that the PUM program mentioned previously be utilised to assist the Municipality in key projects relating to improving productivity and reduction of costs	Umhlathuze Municipality/ PUM		Q1 (2016/17)

Key next steps for the implementation of the strategy would include:

- Adoption and obtaining buy-in from the political leadership from the Municipality, the administrative leadership of the Municipality, business, civil society and labour
- A separate state-owned entity that is owned by the Municipality to be the implementing agent for this roadmap
- Making available the necessary resources (both financial and non-financial) for it to be implemented
- Monitoring (updating) and developing of key milestones that will allow for a review and effectiveness of this strategy

12.3.5 SMMEs AND THE INFORMAL ECONOMY

There is a branch of SEDA in Richards Bay which provides support to SMMEs, and Richards Bay Minerals has a Business Development Programme, but the Municipality could also contribute to SMME development in a number of ways. The following critical principles are noted:

- SMME development should be a key focus in the interest of economic growth and job creation.
- In Richards Bay, the presence of a cluster of large corporates presents opportunities for downstream small business development.

SMMEs, particularly those setting up businesses, are in dire need of financial and non-financial assistance. In addition to the acquisition of business management skills, they require access to finance and to opportunities for the sale of goods and services. In short, SMME support comprises skills development, access to finance, and access to markets.

According to the recently reviewed LED Strategy, strategies to realize opportunities in the SMME sector relate to the following:

- Compilation of an SMME Database
- Provision of Training
- Procurement Policy
- Supply chain management
- Registration
- Provision of Financial Services
- Building Contractual Relationships
- Economic Infrastructure
- Marketing Support
- Monitoring and evaluation

The Quality of Life Survey conducted for Uthungulu District Municipality in 2009 noted that a large number of formally unemployed people are involved in informal trading in public spaces such as taxi ranks and street corners. Some informal traders consider themselves to be self-employed whilst others see themselves as unemployed because they are working as street vendors as a last resort.

An investigation of informal traders operating in the City was conducted in 2011. A matter of great concern is that 56% of traders were operating without a licence. There was also concern that damage was being done within public spaces and that trader stalls were untidy and unsightly. Traders do not locate in demarcated areas, but set up wherever good opportunities for trade present themselves. The review of the informal sector led to a number of recommendations:

The City Development: Business Support, Markets and Tourism Section would coordinate with regard to informal traders; an Informal Traders Working Group would be established including representatives from a number of sections; responsibility for permit issue and renewal would be moved from the Traffic Section to the City Development: Business Support, Markets and Tourism Section; additional sites would be demarcated by the Spatial Planning Section; and additional informal trader infrastructure would be budgeted and planned for. In addition, make-shift stalls would be removed and road side mechanics would be fined and the vehicles impounded.

Given that there are 1616 informal traders within the City of uMhlathuze (only 710 of whom are registered), it would seem that a comprehensive support policy should be formulated and adopted.

The following principles should underscore the said policy:

- The City is not unsympathetic to informal traders and recognizes that under harsh economic conditions, the sector enables people to generate some sort of livelihood, however modest. Instead of

tolerance and, in some instances, clamp down, the City needs a proactive and supportive informal trader policy.

- The City should recognize that the informal sector is here to stay in both urban and rural contexts. Providing support to informal traders means providing support to the poorer people in the community and their families.
- Informal traders own and run very modest businesses. However, the potential exists for these businesses to grow if they are appropriately supported. This would create opportunities for small businesses to enter the formal sector from below.
- The Municipality needs to foster a relationship of trust with informal traders and their structures. A positive relationship would facilitate the provision of appropriate infrastructure and support.

Challenges faced by informal traders themselves include no access to training, no access to finance, lack of storage facilities, lack of access to ablution facilities, lack of access to water, low incomes with household expenses competing with business needs such as maintaining stock levels, and lack of capital for business expansion.

Strategies to realize opportunities in the Informal Economy relate to the following:

- that support for the informal economy is reflected in their IDP
- facilitate the establishment of an informal actors' chamber as a means of engaging with informal economy actors appoint officials who are able to communicate with informal economy actors in a gender sensitive way
- make provision for regular contact with informal economy organizations and actors
- ensure that there is a dedicated office to liaise with organizations and individual traders
- ensure that decisions about issues such as site allocation are made in an open and transparent way
- specify the roles and responsibilities of traders and of the municipality
- respect the rights of foreigners
- register all informal traders
- provide basic infrastructure and services for informal traders
- take account of informal trader interests in the context of approving new developments

12.3.6 EPWP

The City of Umhlathuze took a resolution to implement the EPWP job creation purposes. This programme is fully supported and implemented by the municipality. The municipality is currently implementing three (3) out of the four(4) EPWP sectors, that is,

- Infrastructure,
- Environment and
- Culture
- Social.

The programme targets the indigent, unemployed and unskilled members of the community. The following is the **OVERALL PERFORMANCE ON THE EPWP PHASE 3: 2015-2016 Q3**

GROUP	January 2016	February 2016	March 2016
Men	314	338	354
Women	142	162	177
Youth	283	312	335
Cummulative Total Work Opportunities	456	500	531

The programme is used as an intervention for Operation Sukuma Sakhe profiled community members, indigent households and contributes to reducing unemployment within communities. Challenges include delays in implementation of projects, which has a negative impact on work opportunities to be created.

It is worth noting that out of the 531 EPWP participants on the table above, 259 are directly temporary employed by the municipality. The cancellation and/or delay on the implementation of infrastructure projects continue to impact on possible job creation efforts.

Also capacity Constraints: shortage of human resource capacity hinders prompt reporting of work opportunities. Data collection, data quality analysis and EPWP awareness programmes need a fully fledged staff complement in order to comply with DORA compliance requirements

uMhlathuze Municipality implemented the Vukúphile Learnership Programme where about 10 contractors with their supervisors participated in the programme. The programme is a partnership with the National Department of Public Works. Further The National Department of Public Works approved the municipality's application for the training of thirty four (34) EPWP beneficiaries. Workers are trained on Environmental Practice Level 2 accredited by the LGSETA.

The municipality has not yet adopted and approved a policy and/or strategic framework that will assist the municipality in dealing with graduation/exit of EPWP participants into formal employment. Various initiatives will be considered during the 2016/2017 financial year including amongst others absorption into permanent council employment, co-operatives and small enterprises. In view of the positive contribution made by the EPWP, the municipality has during the 2015/2016 financial year absorbed 15 EPWP participants into permanent Council employment.

12.3.7 Agriculture

Given that agriculture is a provincial competency, municipalities should facilitate and support the activities of the Department of Agriculture, the Environment and Rural Development. The aims of agricultural development should be to ensure food security, to promote food sovereignty, to encourage subsistence producers to commercialize, and to move away from primary production through identifying opportunities for value adding.

Current challenges being experienced in the sector relate to the following:

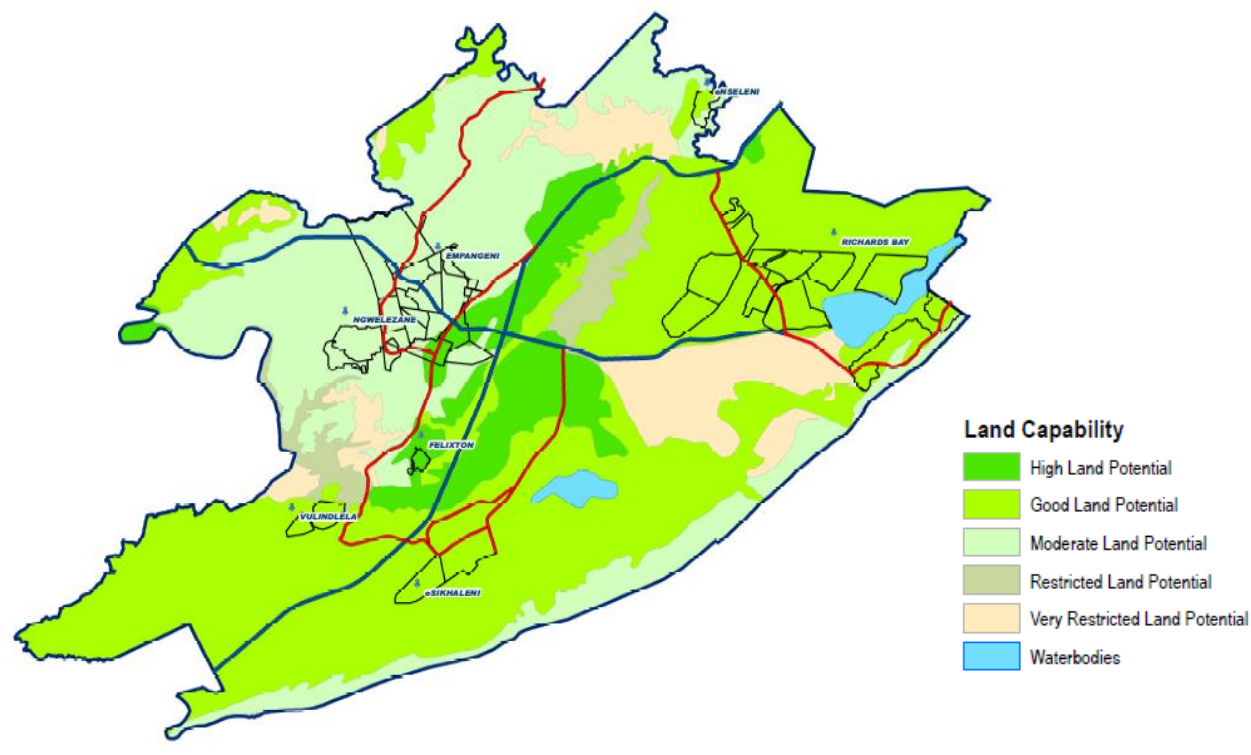
- Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects.
- Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- Failure to realize the potential for value adding through agro-processing.
- Volatile world markets which affect prices for some agricultural commodities, for example, sugar.
- The demise of the South African Sugar Association's credit facility for small-scale cane growers.

Strategies to realize opportunities in this sector relate to the following:

- Food security and food sovereignty should be promoted.
- In the traditional council areas where the land falls under the Ingonyama Trust, and where land is held under communal tenure, subsistence agriculture prevails, with the exception of small-scale farming in the sugar and timber.
- An Agribusiness Development Agency has been established in KwaZulu-Natal under the auspices of the Department of Economic Development and Tourism. The primary aim of this institution is to identify failed land redistribution projects that have some potential for revitalization. The Agency puts in place the appropriate mechanisms to assist the land reform beneficiaries of these projects to turn projects around so that they become viable farming enterprises.
- Small-scale farmers should be encouraged to add value to their produce.

The following map provides details of the land potential within the uMhlathuze Municipality.

Map 30: Land Capability



12.3.8 Tourism

Since its inception in the year 2000, uMhlathuze Municipality has made some policy gains to optimise its economic development potential – tourism being part of this potential. A number of studies have been devoted to pointing out the bottlenecks facing the tourism sector. Some authors such as Hill and Good enough (2005) for example note that the tourism sector in uMhlathuze is not well developed, it is characterised by a polluted environment, and generally poor image. Recognizing these challenges, the 2008-2011 Local Economic Development (LED) strategy underscores Tourism as one of its key areas of attention, thus the term tourism features 22 times in the 23 page policy document. The focus on tourism is also embedded on the Municipality's current vision which is to "...offer improved quality of life for all its citizens through sustainable development" as well as to establish itself as a "...renowned centre for trade, tourism and nature-lovers, coastal recreation, commerce, industry, forestry and agriculture". In 2008 the Municipality commissioned its first tourism strategy which within the limits of its scope drew attention to some broad challenges and opportunities. The strategy has finally been adopted in January 2014.

Tourism Sites

The city of uMhlathuze has amongst others the following key tourism areas:

- The Harbour
- The Enseleni Nature Reserve,
- Various City Parks
- The Arts and Crafts Centre
- The Empangeni Arts and Culture History Museum
- B+B dealers
- Port Durnford Beach
- King Cetshwayo Monument
- Thulasihleka Bird Sanctuary
- The small Craft Harbor as well as
- Alkantstrand Beach.

Tourism Trends in uMhlathuze

According to the statistics released by South African Tourism, the majority of tourists visiting KwaZulu Natal are concentrated in Durban (70%). This means that the rest of the province then has to fight for market share for the remaining 30%. As per the stats, Zululand (under which uMhlathuze is located) received only 5.2%. Much can still be done for tourism development in the region.

<i>Destinations Visited in KZN – Foreign Tourists 2013</i>	
Durban	70.4%
Pietermaritzburg	5.3%
Zululand	5.2%
Drakensberg	2%
Elephant Coast	5.2%
North Coast	0.7%
South Coast	0%
Battlefields	1.9%

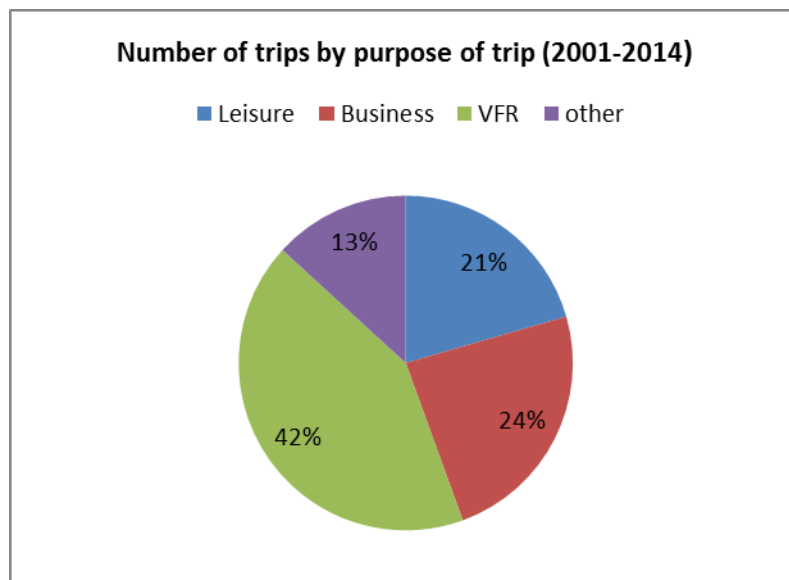
Source: SAT 2014



Source Global Insight 2013

When this trend is broken down into various tourism categories, evidently, visits to friends and relatives took the lion share totalling almost half of all tourists in uMhlathuze at 42%. Business tourism occupied second place, contributing 24% of all tourists over the period. Leisure tourism occupied 21% while medical/religious tourism came in at fourth place with 13%. These percentages are illustrated in the following chart.

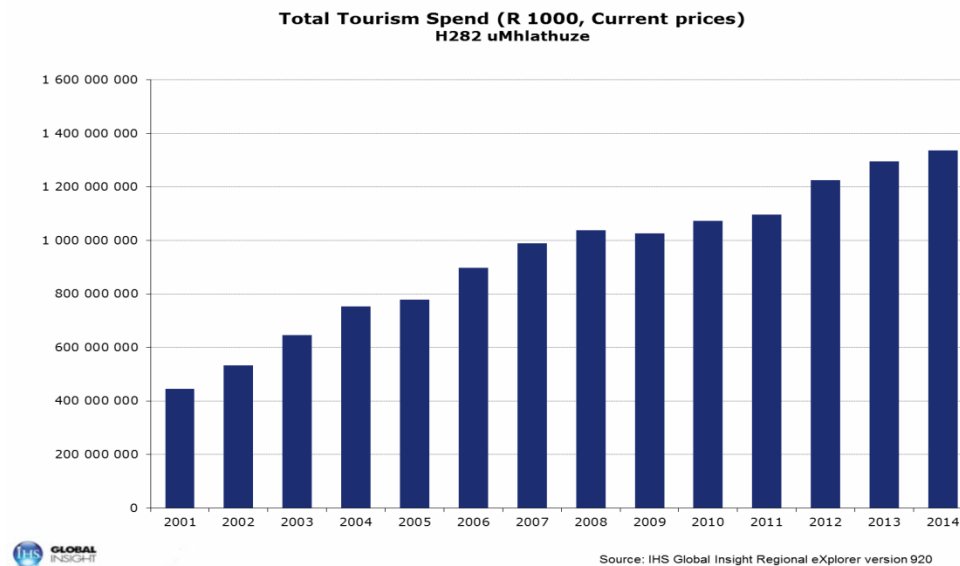
Figure 60: Category of Tourists Visits in uMhlathuze



Source : Global insight 2014

Tourism Spend

There has been a steady increase in the tourist spending patterns within uMhlathuze, with only a negligible dip in 2009. Thereafter, it continued on the steady increase. As illustrated below:



Proposed Tourism Projects and Programs for 2016/2017

Strategy	Programme	Project	Project Type	Expenditure	Budget	Outcomes
Spatio-Tourism Integration	Development of Routes	King Cetshwayo Monument upgrade A business plan has been prepared	Contractors: Construction	CAPITAL	R 5 600 000.00 (2 financial years) Possible MIG project in partnership with I&TS Possible Working for the Coast programme project in partnership with Environmental section	Rural Tourism Development Marketing of township tourism
	Capacity Building of Product owners	Training of Product owners	SMME Development	OPERATIONAL Venue Catering Facilitator/Training material	R75 000.00 Municipal infrastructure/donation R15 000.00 R60 000.00	Increased competitiveness of our SMME's
	Assistance with Grading of Tourism Establishments	Grading	SMME Development	OPERATIONAL	R60 000.00	Ensure international competitiveness Guarantee a certain standard amongst establishments which gives product owners leverage Compliance with standards as set out by Government and Tourism South Africa

Institutional Review	Assistance to the uMhlathuze Community Tourism Association	50% allocation given to the uCTO	Marketing & Publicity	OPERATIONAL	R120 000.00	As per council resolution 9693 of 25 November 2014
Research and Marketing	Profiling uMhlathuze as a preferred coastal destination in Northern KZN	<ol style="list-style-type: none"> 1. Adverts in publications 2. Advertorials 3. Attendance of Travel exhibitions/shows 4. Tourism Awareness/Media Tour 5. Township Brochure 	Advertising, Marketing & Publicity	OPERATIONAL	1. R 60 000.00 3. R300 000.00 (Stand space and stand design included) 4. R100 000.00 5. 2017/2018 Financial year	Customer awareness of region Marketing uMhlathuze brand and tourism offering
	Hosting of events	Easter Music Festival Beach Festival Tourism Month Celebrations	Advertising, Marketing & Publicity	OPERATIONAL	R1 000 000.00	Strengthening the uMhlathuze brand Raise the profile of the City of uMhlathuze Generate income for the City of uMhlathuze SMME opportunities Fill up accommodation establishments Entertainment
Infrastructure and Upgrade Development	Phase 3: Alkantstrand Expansion		Contractors: Construction	CAPITAL	R4 000 000.00 2017/2018	Upgrade of the Beach Node
	Port Durnford Upgrade	Feasibility study Construction A business plan has been prepared	Consultant & Professional Fees Contractors: Construction	OPERATIONAL CAPITAL	R200 000.00 2016/2017 R2 000 000.00 (SHARK NETS) R4 200 000.00 - 7 KM road construction (2017/2018) R29 800 000.00 2018/2019 Possible funders: Rural Development fund Working for the coast	Township Tourism Development Installation of Shark Nets will be done in partnership with Recreation section

12.3.9 Manufacturing, Commerce, Retail

The recession has had a negative impact on business in the main centres of the Municipality as is evident from the number of businesses that have closed down in the area. Some of the principles to support the above sector relate to the following:

- Local government needs to commit to facilitating the retention and growth of business within its area of jurisdiction.
- Once issues that negatively impact on businesses are identified, the Municipality should follow through by addressing these, where possible and appropriate.

Strategies to realize opportunities in the above sector relate to the following:

- An important intervention is to assess the status of business in the two main centres within uMhlathuze Municipality so that steps can be taken to assist businesses faced with different challenges. The City of uMhlathuze should facilitate a Business Retention and Expansion process in Empangeni and Richards Bay.
- A Business Retention and Expansion process was undertaken in Empangeni but the proposals were not implemented. As such, an action plan should be formulated and implemented to address the challenges facing the business community.

12.3.10 Industrial Development Zone

The history and potential of the Industrial Development Zone is key in considering the development of industry and manufacturing in uMhlathuze. Initially, Trade and Investment KwaZulu-Natal was the majority shareholder with the Municipality. The shares have been sold to the Department of Economic Development and Tourism making Provincial Government the single shareholder. The land within the IDZ has been subject to a number of agreements through which some of the ecologically sensitive land had been returned to the Municipality.

Tata Steel is the only industry that has been established in the IDZ to date. Pulp United have a purchase agreement, but work on a structure has not yet started. A few other industries have expressed interest.

The benefits to industries located in the IDZ include:

- Existing efficient deep-water port
- Suited to export-orientated production
- Customs controlled area
- VAT and import duty exemption
- Same time zone as Europe
- Strategic location to access world markets
- Allowance for 100% foreign ownership
- Established local and service industries
- Down-streaming opportunities with respect to: Aluminium, Heavy Metals, Chemicals, Wood, Paper, Pulp and various agricultural products

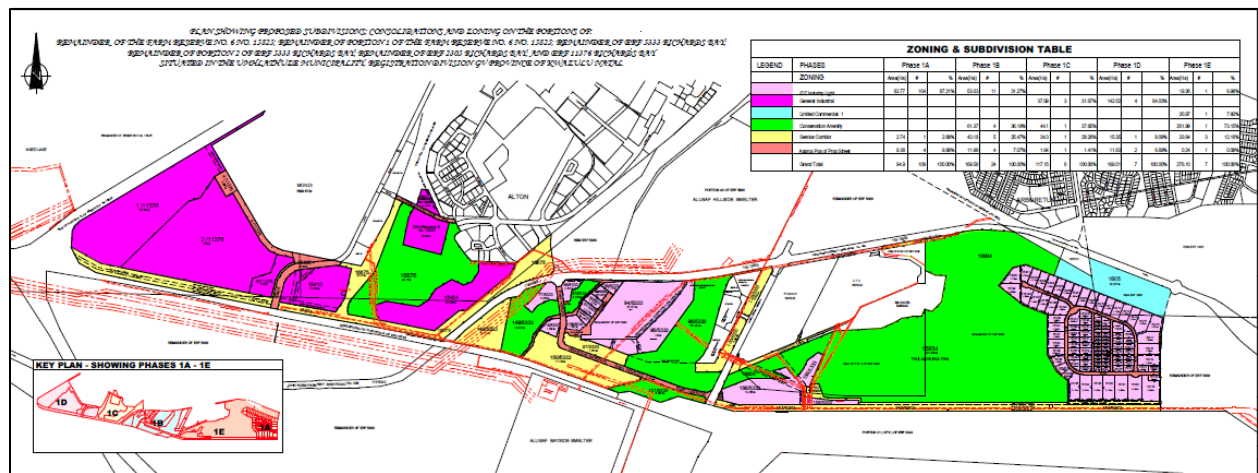
National government's initiative to establish Special Economic Zones is potentially a serious threat to the long term feasibility and viability of IDZ's for the following two reasons:

- 2 Unlike an IDZ, an SEZ may be established in any area. The area does not necessarily need to be adjacent to, or in proximity to a port or harbour or airport.
- 3 Secondly, in contrast to an IDZ, an SEZ is not required to focus on production for export, and may also provide services.

As such, SEZ's can be established anywhere, and for any purpose and would compete with existing IDZs for funding and support, particularly from national government.

The footprint of the IDZ for Richards Bay as it was designed prior to the transfer of land back to the uMhlathuze Municipality is shown herewith.

Map 31: IDZ Footprint



12.4 SOCIAL DEVELOPMENT ANALYSIS

12.4.1 Broad Based Community Needs

As part of the 2012/2017 IDP preparation a series of ward meetings/engagements took place to confirm wards based community needs. Most of these were revisited as part of the 2016/2017 IDP Review process. At Annexure I3, the Public Participation Report based on the outcomes of these wards meetings/engagements is provided. Summary of the report is provided below:

Table 59: Summary of Community Needs

	WARDS																														
NEEDS / ISSUES	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL
Sanitation related matters	*	*			*	*				*			*	*				*	*				*	*	*	*	*	*	*	*	15
Schools & related Issues	*	*				*				*	*								*	*			*	*	*	*	*	*	*	*	4
Roads (New, Upgrades & Repairs)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	27
Speed Humps & other	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	21
Street Lights	*													*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	12	
Electrical (Connections & upgrades)	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	18	
Stormwater / Covers problems	*	*	*					*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	16
Solar Systems	*													*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	2	
Bus Shelters, Laybys & repairs	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	21	
Taxi Rank (improvements / Upgrades)	*							*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	3	
Pedestrian Bridges	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	22	
Paved Walkways	*	*											*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	10	
Street Names / Signage / markings	*	*											*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	7	
Recreation, floodlights & other related	*	*	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	25	
Refuse Removal Issues & Dumping	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	6	
Clinic, Improvement & other	*							*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	11	
Waste skips, Refuse Bins & other	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	21	
City Beautification & cutting of grass/bushes	*	*	*										*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	7	
Pay Point for Social Grant	*									*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	2	
Telecommunication issues & Post Boxes	*									*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	2	
Creche & Child Care facilities	*					*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	12	
Housing, Hostel, Infill, Allocation, T/ship Est	*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	23	
Community Gardens, Fencing & Irriga	*								*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	8	
Stricter LUM, Bylaws, Environm controls	*	*	*							*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	6	
Change Northern boundary	*																													1	
Traffic management at busy crossing	*	*																	*	*		*	*	*	*	*	*	*	*	6	
Multi Purpose / Comm Hall / Upgrade	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	15	
Tourism enhancement & Marketing	*	*																	*	*		*	*	*	*	*	*	*	*	2	
Truckstop	*	*																												1	
Attraction of Industries & developments	*	*																												3	
Safety & Security issues & bright lights			*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	13	
Relocate / upgrade dump site	*																	*	*											1	
Water / Supply problems / Meters	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14	
Title Deeds & related issues	*				*			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	4	
Old Age Facilities					*														*											2	
Boundary Issues						*																								1	
Student Busaries & Skills Development						*				*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	5	
Jobs / incl physically challenged						*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	5	
Police station						*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	3	
Shopping Mall / Centre								*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	2	
Cemetery							*																							1	
Library							*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	7	
Youth Development/ Physically challenged							*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	5	
Transport System & Improvement							*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	5	
Informal Trade Facilities & SMMEs							*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	8	
Awareness Campaigns / Info/ Notices	*												*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	6	
Fire Station																		*	*	*	*	*	*	*	*	*	*	*	*	1	
Total	29	12	9	14	15	10	14	11	26	15	10	7	10	14	6	4	4	12	13	11	20	20	24	14	11	11	14	21	12	19	

12.4.2 Education

Education was discussed in the section dealing with the demographic characteristics of the area and is repeated herewith for ease of reference.

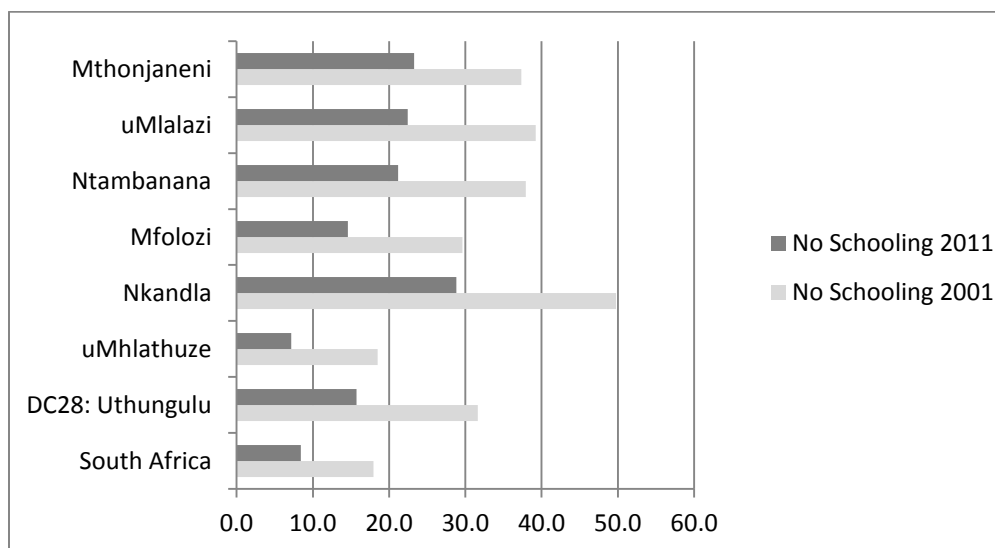
Education levels are provided for the 2001 and 2011 census years. Comparisons are made with the levels in the country, the uThungulu District as well as the local municipalities in the uThungulu district. The following table provides a summary of the situation while more explanatory figures are provided hereafter of specific situations.

Table 60 : Comparative Education Levels

	No Schooling		Higher Education		Matric		Primary Educational Enrolment aged 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
South Africa	17.9	8.4	8.4	6.7	22.1	27.8	91	93.1
DC28: Uthungulu	31.6	15.7	5.8	4.2	18.3	29.5	88.3	89.6
uMhlathuze	18.5	7.2	10.9	7.3	27.6	36.9	90.1	91.7
Nkandla	49.8	28.8	2.5	1.7	11.5	21.0	88.7	86.7
Mfolozi	29.6	14.6	2.3	1.2	14.5	30.3	89.3	88.2
Ntambanana	38.0	21.2	1.5	0.8	10.4	23.1	86.4	91.3
uMlalazi	39.2	22.5	3.5	2.9	13.2	22.9	87.0	88.9
Mthonjaneni	37.3	23.3	3.9	2.3	14.7	22.1	85.6	88.9

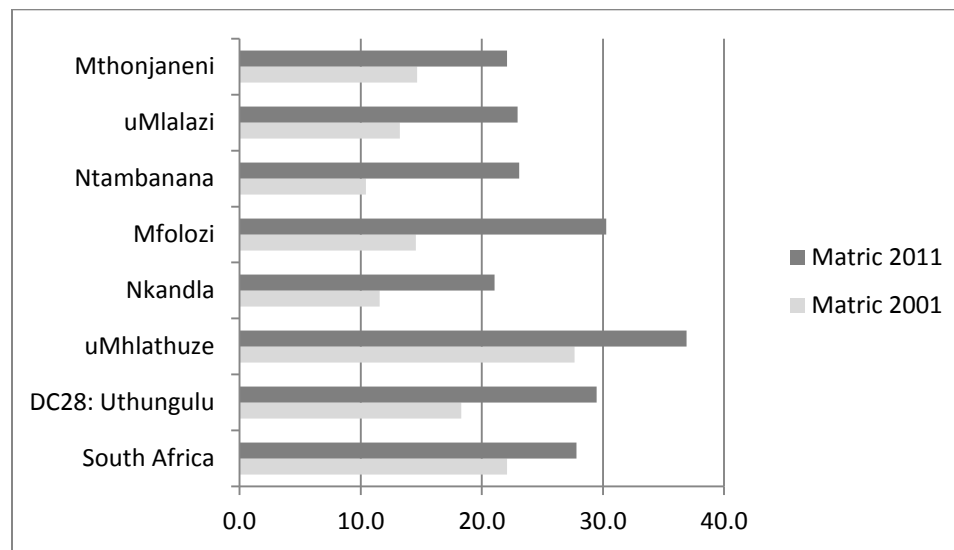
Source: Census 2011

Although there has been a slight increase in the primary enrolment levels at national and district level, it remains concerning that, in some instances, nearly 10% of children of school going age, are not attending school. Reasons could relate to access, affordability and other poverty related factors such as HIV/Aids for this. The number of persons that do not have any education (no schooling) has declined between 2001 and 2011 as indicted in the figure herewith.

Figure 61: Persons with no Schooling

Source: Census 2011

It is also concerning to note with reference to the previous table that there has been a decline in the percentage (%) of persons with a higher education. Again, affordability and accessibility could be main contributors. On the contrary, the following figure indicates that the percentage (%) of persons with a matric qualification has increased in all areas.

Figure 62: Persons with Matric


Source: Census 2011

12.4.3 Health

The uMhlathuze Municipality **Primary Health Care Services** are provided from two main Clinics, being Richards Bay and Empangeni with 6 satellite Clinics. The main disease conditions for which the clinics are visited for is Hypertension and Diabetes follow up visits as well as Tuberculosis. Sexual Transmitted infections remain a growing concern. In prevention, more 37 990 immunizations are given to protect children against disease. The clinics participate in the following Immunization campaigns: PCV (Pneumococcal Conjugate Vaccine) catch up and H1N1 (Flue Vaccine) and HPV (Human Papilloma Virus) Campaign. Clinic Staff annually visit schools targeting girls from grade 4 and from 9yrs to 12yrs. The aim is to inject girls for protection against cancer and transmitted sexual diseases. The ARV clinics are growing rapidly with the two main clinics currently serving 4000 patients collecting treatment..

12.4.4 Safety and Security

UMhlathuze Municipality has developed and adopted a Crime Prevention Strategy which is aimed at reducing crime rates in the area. The strategy is in line with National and Provincial framework for crime reduction. It therefore based on the following four National pillars:

Framework for the National Crime Prevention Strategy			
Criminal Justice Process	Community Values and Education	Environmental Design	Transnational Crime
Certain and Rapid Deterrence	Community pressure and public participation in crime prevention	Limit Opportunities and Maximise Constraints	Regional co-operation, stability and address cross-border crime

Formally established community policing forums within uMhlathuze are at Esikhaleni, Nseleni, Empangeni, Richards Bay and Ngwelezane. Community Policing is a partnership between the police and the Community hence the existence of these forums play a major role in ensuring that the city is a safe and free place to live and work in.

Objectives of the Community Policing Forums are as follows:

- By establishing a partnership between the police and the communities they serve to ensure effective protection of communities and a better quality of life.
- Ensuring that the police address the primary needs of the community and are accountable to them.
- Enhancing the quality of information available to the police resulting in the development of a proactive and problem-solving approach to crime and violence.
- Providing communities with a visible, accessible policing presence to enhance public confidence in the police and to deter criminals.
- Aligning the values of the police organization with those of a democratic South Africa, aiming at producing police officers who can interact sensitively with their communities and in a manner that respects local norms and values.

Community Police Forums report all their activities to uMhlathuze Municipality council through Community Services Portfolio Committee by attending committee meetings and providing reports for discussion.

Protection Services Department, Traffic department provide traffic control and road safety and scholar patrols working together with KZN Road Traffic Inspectorate.

Fire and Emergency Services provide fire safety and awareness to the community.

12.4.5 Nation Building and Social Cohesion

Libraries are the centres of knowledge and are vital for community upliftment. Libraries in the municipality provide internet access at no charge to users. Payment is only required for printing. Study facilities are provided at the libraries and are very well utilized. The Toy Library and Gaming Centre at the eSikhaleni library are very popular.

Table 61: Usage of Libraries in uMhlathuze

Library	Circulation	Visitors	Active Members
Richards Bay	133201	206584	7069
Empangeni	76179	196029	4601
Esikhaleni	12643	99278	3551
Brackenham	10174	33096	353
Enseleni	8094	99784	1846
Felixton	6927	26449	553
Ngwelezane	5417	113240	625
TOTAL	252635	774460	18598

The museum at Empangeni displays new artwork every month. Some of the main events in the past year included the Empangeni High School Artwork, Local Artist displays and the Mondi Eisteddfod.

Various Sports events and programmes are hosted by the Sport and Recreation Section including the following:

- Indigenous Games
- Mini Olympics
- Women's Sport Festivals
- Fun Days
- Golden Games
- Healthy Lifestyle Programs
- Councillors in Action

Sport Development programs hosted annually hosted by the Municipality include :

- KZN SALGA 2013 Games
- Ward Elimination Games
- uMhlathuze Sports Indaba
- uMhlathuze Beach Games (Annual event)

Sports facilities are continually being upgraded and provision of new sports grounds is made in the municipal budget for 2016/2017.

12.4.6 Operation Sukuma Sakhe

Operation Sukuma Sakhe is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB.

Operation Sukuma Sakhe has a “whole of Government approach” as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore delivery of services is required through partnership with the community, stakeholders and government.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve 12 National Outcomes. It encourages social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

It is the KwaZulu-Natal Provincial Government flagship programme that seeks to combat all kinds of ills affecting the society. It calls for joint efforts from all sectors to contribute towards sustainable upliftment of the standard of living for the people of KZN at the National Government level and is called “war on poverty”.

Mission

To provide comprehensive, integrated and transversal services to communities through effective and efficient partnerships.

Goal

Operation Sukuma Sakhe aims to rebuild the fabric of society by promoting human values, fighting poverty, crime, diseases, deprivation of social ills, ensuring moral regeneration, by working together through effective partnerships. Partnerships include civil society, development partners, communities and government departments, to provide a comprehensive integrated service package to communities.

Objectives

- Create and maintain functional task teams at provincial, district, local and ward levels to deliver integrated services to individuals, households and communities.
- Create fully efficient and competent OSS human capital structures across all levels of the OSS implementation package.
- Profile individuals, households and communities at ward level and build a database of the different services required by communities.
- Provide comprehensive, integrated, transversal services to communities.
- Develop and implement stakeholder engagement and advocacy plan.
- Monitor, evaluate, provide feedback and track service delivery.

For Operation Sukuma Sakhe to operate it needs the existence of the following core group of stakeholders and structures with different responsibilities:

- Business Sector
- Traditional Leadership Sector
- NGO Sector
- Religious Sector
- Sporting Fraternity
- Women
- Children
- Youth
- People with disability
- Senior Citizens

The following structures starting from Districts to Wards have different responsibilities to discharge in relation to Operation Sukuma Sakhe:

1. District Task Team
2. District AIDS Council
3. Local Task Team (LTT)
4. Local AIDS Council
5. Ward Task Team
6. Ward AIDS Council

Some of the critical success factors to ensure the effective functioning of OSS in the uMhlathuze Municipality are noted hereunder:

- Inclusion of community structures that include civil society, business and development partners and other key stakeholders.
- Institutional arrangement linkages and integrated development planning.
- Integrating Operational Plans with Governmental Department plans.
- Establishing of a permanent “War Room.”
- Allocating cadres to conduct Household Profiling to identify needs.
- Ensuring that different Departments sit in the LTT.
- Constantly building capacity of Managers through presentations on OSS reporting.
- Managers assisting war rooms in building capacity.

Benefits of OSS to Civil Society

- Networking and partnerships with Government Departments
- “One stop shop” approach at ward level
- Pooling of resources to maximize outputs
- Shared information gauge performance
- Joint reporting to the communities
- Coordinated approach for identifying and resolving issues
- Employment and Skills development opportunities through participation in task teams

The following provide tables with key achievements and activity plan for the Operation Sukuma Sakhe.

Table 62: Summary of Key OSS Achievements

Number of people reached with different kinds of campaigns mainly meant for behavioural change	4094
Number of people who received different services after intervention, services such as ID documents, birth certificates, learner ships and agricultural services.	2698
Report writing workshop conducted for Ward Task Teams Office Bearers	87 WTT members were trained
Workshop for People living with HIV/AIDS forum was conducted	15 members were trained
2 Local AIDS Council Meetings were held	
Hosted the District World AIDS Day where:	100 males were circumcised 50 inmates were circumcised 3200 were reached with the HIV/AIDS message on testing and prevention delivered by the Premier of KwaZulu Natal Mr ES Mchunu
Youth Ambassadors trained on behavioural change	87 Ambassadors were trained Survey on intergenerational relationships was conducted School youth camps was held at Enseleni Anti-Sugar Daddy material developed for both print and electronic media
During the Mandela Day	450 000 was disbursed to three ECD centres as well as other working tools
Hosted Transnet Phelophepha train for two weeks where health services were provided	2179 patients were treated for different ailments 1749 patients received eye services 858 patients received dental services 54 patients received psychological services 1480 people were reached through community

	outreach programs 1688 people received diabetic education 1461 learners were screened for different diseases 13185 pharmacy items were dispensed
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Table 63: OSS LTT 2015/2016 Programme of Action

DATE	ACTIVITY	PURPOSE	RESPONSIBILITY
January 14	LTT meeting	To receive reports from different war rooms & Departments	LTT, Government departments and relevant organisations
January 28	Local Aids Council meeting	Discuss HIV/AIDS programs and the reports from uppers structures	LAC, Governments departments and relevant organisations
Feb - March	Visits of War Rooms	To revive WAC's / War Rooms	LTT plus Broad reach
Feb 11	Revival of WAC	To revive the WAC structure	Ward 29 WAC & LAC
Feb 13	Revival of WAC	To revive the WAC structure	War 14 WAC & LAC
Feb 14	HIV Awareness Day	Promote safe sex, screening & referral	Ward 06 WAC & LAC
Feb 15	Revival of WAC	To pay visit to revive the WAC	LAC & Broad reach
Feb 18	Local Task Team Meeting	To receive reports from Wards & Departments	LTT Members
Feb- March	Training of War Room Mentors	Training of Mentors on War Room mentoring tool	LTT & Broad reach
March 11	Local Task Team Meeting	To receive reports from Wards & Departments	LTT Members
March 20	Youth Development Day	To present different youth development programmes to Madlankala Youth	LTT, Youth Council, WTT & Special Programmes
March 26	Humans Rights awareness Day	To create awareness on Human Rights for Women	LTT & Government Institutions
April 08	LTT Meeting	To receive reports from different war rooms & Departments	LTT Members
April 17	HCT Campaign	To screen people and refer them for HIV, TB & other chronic illnesses	LAC & Department of Health
April 22	LAC Meeting	To receive reports from WAC's.	LAC Members

DATE	ACTIVITY	PURPOSE	RESPONSIBILITY
May- June	Revival of War Rooms	To pay visits to War Rooms to assess their functionality	LAC Members & Broad reach
May 14	LTT Meeting	To receive reports from War Rooms & Departments	LTT Members
June 10	LTT Meeting	To receive reports from War Rooms & Departments	LTT Members
June 26	Drug & Substance Abuse awareness campaign	To fight against social ills affecting youth	LTT and relevant organizations & Departments
June 10	LTT Meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
July 15	LTT Meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
July 22	LAC meeting	Receive reports from WAC's	LAC, Governments departments and relevant organisations
August 12	LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
September 09	LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
October 14	LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
October 21	LAC meeting	To receive reports from WAC's	LAC, Governments departments and relevant organisations
November 11	LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
December 09	LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations

12.4.7 Special programs

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of youth, children senior citizens (older persons), people with disabilities, people with HIV/ AIDS, women and men.

- **Youth and Children**

The municipality in 2014 adopted Youth Development Policy and its Programme of Action.

- **Children**

Provincial departments provide technical support while national departments are responsible for dissemination of relevant information on the Children's Act to all spheres of Government and to strengthen implementation competencies at the three spheres of Government.

- **Senior Citizens**

The municipality established the forum but is not functional due to lack of support. There are no establishments at ward as per requirement.

- **People with Disabilities**

UMhlathuze Municipality established a Disability Forum. The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs of people with disabilities and ensure that they benefit from development initiatives.

- **HIV/AIDS**

Prevalence of HIV/ AIDS is still very high in KwaZulu-Natal. uMhlathuze Municipality has a big number of orphans and children made vulnerable by HV/AIDS. The Municipality has been able to established Local AIDS Council but emphasis is needed for ward based establishments.

The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs HIV/AIDS infected as well as the affected people and ensure that they benefit from development initiatives.

- **Gender**

UMhlathuze Municipality has got a responsibility a responsibility of developing municipal gender plans as well as municipal strategies to implement them.

Table 64: Special Programmes Initiatives

Program	Objective	Brief description	Impact
Youth entrepreneurship awareness workshop	To develop entrepreneurial skills among young people in business and enhance their business management ability	The workshop was conducted by National Youth Development Agencies and attended by local young people in business	It has assisted young people within the municipality to develop necessary confidence and the knowhow in the management of the business. It has also assisted them in identifying business opportunities
Intercultural & intergenerational dialogue	To develop the understanding amongst people of different generational groups on how each generation view some	The dialogue was conducted in partnership with Dept. of Arts and Culture it was held at R/Bay Auditorium it was	It managed to create an understanding on how different generations viewed different moral topical issues and in the

Program	Objective	Brief description	Impact
	moral topical issues	attended by 150 school children and 50 adults	process it enhanced the tolerance of different generations different views
Women in local govt. leadership conference	To create a platform where women within management could share their experiences with an intention to enhance their work performance	The conference was attended by 86 women leaders from level 11 upwards and Women Councillors it received presentations on women related topical issues	It boosted the moral of the women leaders and it managed to come up with a programme for women empowerment
Launch of people living with disability forum	To create a platform where people living with disability can sit and share their experiences with an intention to develop the program and structure that will deal with their issues	The launch was held at Hlanganani hall and it was attended by 40 people living with disability representing different organizations	Through presentations people living with disability managed to know about different govt. programs targeting them and their rights. They also managed to develop a program and the structure
Multi-stakeholder HIV/AIDS workshop	To discuss the five year draft strategy for HIV/AIDS and adopt it, to pave the way forward on the establishment of the Local AIDS Council	It was attended by Councilors led by Mayor, business, traditional healers, civil society, academics and labour	The workshop managed to effect some changes on the draft strategy and paved the way forward on the establishment of Local AIDS Council

12.5 LED AND SOCIAL DEVELOPMENT: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Increase in functional age group between 2001 and 2011. ○ Bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports ○ The dependency ratio in uMhlathuze is lower than that of the country. ○ Libraries in the municipality provide internet access at no charge to users. Study facilities are provided at the libraries and are very well utilized. ○ Functional Operation Sukume Sakhe Unit in the Municipality 	<ul style="list-style-type: none"> ○ A matter of great concern is that 56% of informal traders operating without a licence ○ Underutilization of good agricultural land in the traditional council areas. ○ Loss of good agricultural land in the traditional council areas to unplanned settlement. ○ Failure to realize the potential for value adding through agro-processing. ○ Funding to assist Operation Sukume Sakhe

OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ There is a branch of SEDA in Richards Bay which provides support to SMMEs, and Richards Bay Minerals has a Business Development Programme, but the Municipality could also contribute to SMME development in a number of ways ○ Harbour development has provided the impetus for large-scale industrial growth. 	<ul style="list-style-type: none"> ○ Many discouraged work seekers, about 9% of population. ○ Increase in functional age group between 2001 and 2011 indicate of increased pressure for employment opportunities. ○ Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects ○ Volatile world markets which affect prices for some agricultural commodities, for example, sugar. ○ The demise of the South African Sugar Association's credit facility for small-scale cane growers. ○ Nearly 10% of children of school going age, are not attending school. ○ There has been a decline in the percentage (%) of persons with a higher education. ○ Sexual Transmitted infections remain a growing concern.

13. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

13.1 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

13.1.1 Capability of the Municipality to execute Capital Projects

Procurement plans are in place to expedite the implementation of the procurement process for the 2015/16 MTREF. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team.

Below is the capital expenditure for the previous years.

Table 65: Capital Expenditure for the Previous Years

FIN YEAR	YEAR	BUDGET	ACTUAL	AVAILABLE	% SPENT
2015/2016 Adjustment Budget	0	501 161 000	215 113 698		
2014/2015 Adjustment Budget	1	489, 307 400	204, 189 281	294, 118 119	40.98%
2013/2014	2	467, 889 900	91, 133 796	376, 756 104	19%
2012/2013	3	233, 547 400	115, 036 477	118, 510 923	49%
2011/2012	4	178, 777 000	87, 042 060	91, 734 940	49%
2010/2011	5	169, 441 400	86, 176 117	83, 265 283	51%

13.1.2 Free Basic Services and Indigent Support

Council reviewed its Indigent Policy in 2010. The policy outlines the approach to accounts of indigent households and provides for a universal approach to the handling of the indigent.

There are currently 4 separate policies that provide for support to the indigent.

- o The Indigent Policy
- o The Rates Policy
- o The Credit Control Policy
- o The Free basic Electricity Policy

A new policy was compiled that is based on a targeted approach. The policy seeks to address a number of challenges that currently prevent some of the poor people from receiving their basic benefits.

Emanating from the above mentioned policies a social package was developed. The social package assists households that are poor or face other circumstances that limit their ability to pay for services. These are done in a universal and targeted approach. The universal approach is through the tariff structures and provides for 6kl free water and 50 kwh electricity free for users below a threshold. In addition, no rates and no refuse removal and no sewer are debited against consumers that has a property valued below the prescribed threshold.

Further the existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Litres and less per day for a month **or** the first 6 000 litres of water per month.
- When a consumer use **more** than the 200 Litres per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R120 000.
- Free refuse charge if property is valued less than R120 000.
- Free sewer charge if property is valued less than R 120 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal.
- Targeted indigent support for very poor and child run households.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach.

It bears noting that the limitation of the Municipal Property Rates Act on Traditional Areas reduces the ability of the Municipality to generate revenue required for the provision of services in general. The Municipality estimates that of the 86 609 households the traditional households can be assumed to be 55 915 when excluding properties in the Valuation Rolls which are 30 694.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

Source	Free	Subsidy	Total
Waste	16 271 399	1 419 836	17 691 235
Sanitation	18 697 974	5 571 733	24 269 706
Rates	0	9 815 610	9 815 610
Rates	0	21 122 682	21 122 682
Water	69 858 101	70 179 820	140 037 922
Elec	921 197	52 799 604	53 720 801
	105 748 671	160 909 286	266 657 957

The municipality is receiving equitable share of R 263.5 million in 2016/17 while the municipal social package is R 266.6 million. The municipality has requested National Treasury to amended Table A10 in the 2014/15 bench marking exercise to ensure that details as per above table can be displayed.

Below is the table with details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement:

Table 66: Free Basic Services and Indigent Costs

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Water:									
Piped water inside dwelling	35 752	35 752	35 752	44 308	44 308	44 308	44 308	44 308	44 308
Piped water inside yard (but not in dwelling)	35 619	35 619	35 619	40 604	41 301	41 301	41 403	41 753	41 903
Using public tap (at least min.service level)	1 039	1 039	1 039	498	498	498	498	498	498
Other water supply (at least min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	72 410	72 410	72 410	85 410	86 107	86 107	86 209	86 559	86 709
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	14 199	14 199	14 199	1 199	502	502	400	250	100
No water supply	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	14 199	14 199	14 199	1 199	502	502	400	250	100
Total number of households	86 609	86 609	86 609	86 609	86 609	86 609	86 609	86 809	86 809
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	32 605	32 605	32 605	32 605	43 608	43 608	43 608	43 608	43 608
Flush toilet (with septic tank)	—	—	—	—	—	—	—	—	—
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	33 152	33 152	33 152	33 152	34 063	34 063	38 063	42 063	43 001
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	65 757	65 757	65 757	65 757	77 671	77 671	81 671	85 671	86 609
Bucket toilet	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	20 852	20 852	20 852	20 852	8 938	8 938	4 938	4 938	4 938
No toilet provisions	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	20 852	20 852	20 852	20 852	8 938	8 938	4 938	4 938	4 938
Total number of households	86 609	86 609	86 609	86 609	86 609	86 510	86 609	90 609	91 547
Energy:									
Electricity (at least min.service level)	74 269	86 609	2 200	2 200	2 200	1 011	1 011	1 011	1 011
Electricity - prepaid (min.service level)	—	—	32 000	32 000	33 900	35 229	35 229	35 229	35 229
Minimum Service Level and Above sub-total	74 269	86 609	34 200	34 200	36 100	36 240	36 240	36 240	36 240
Electricity (< min.service level)	—	—	67 000	67 000	76 000	79 800	79 800	79 800	79 800
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	67 000	67 000	76 000	79 800	79 800	79 800	79 800
Total number of households	74 269	86 609	101 200	101 200	112 100	116 040	116 040	116 040	116 040
Refuse:									
Removed at least once a week	58 562	60 000	60 000	64 000	64 000	64 000	65 000	68 000	71 000
Minimum Service Level and Above sub-total	58 562	60 000	60 000	64 000	64 000	64 000	65 000	68 000	71 000
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	27 438	26 000	26 000	22 000	22 000	22 000	21 000	18 000	15 000
Below Minimum Service Level sub-total	27 438	26 000	26 000	22 000	22 000	22 000	21 000	18 000	15 000
Total number of households	86 000	86 000	86 000	86 000	86 000	86 000	86 000	86 000	86 000
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	86 609	86 609	58 395	58 822	58 822	58 822	49 665	50 000	51 000
Sanitation (free minimum level service)	5 104	3 100	34 168	34 535	34 535	34 535	38 063	39 000	40 000
Electricity/other energy (50kwh per household per month)	597	600	540	540	540	540	545	547	551
Refuse (removed at least once a week)	5 104	3 100	17 456	17 823	17 823	17 823	18 470	19 000	20 000
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	41 032	48 813	56 901	70 373	70 373	70 373	69 858	69 858	73 910
Sanitation (free sanitation service to indigent households)	6 670	6 900	7 987	20 302	20 302	20 302	18 698	18 698	19 782
Electricity/other energy (50kwh per indigent household per month)	719	751	857	822	822	822	921	921	975
Refuse (removed once a week for indigent households)	18 486	19 846	20 282	15 267	15 267	15 267	16 271	16 271	17 215
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	66 907	76 310	86 027	106 764	106 764	106 764	105 749	105 749	111 882
Highest level of free service provided per household									
Property rates (R value threshold)	75 000	110 000	110 000	110 000	110 000	110 000	120 000	120 000	120 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	20	20	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	116	135	135	146	146	146	154	163	173
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	3 005	2 905	3 255	3 523	3 523	3 523	3 721	3 951	4 181
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	25 799	31 109	30 216	34 344	34 344	34 344	44 326	46 621	49 223
Water (in excess of 6 kilolitres per indigent household per month)	—	—	148	356	356	356	377	399	422
households	2 707	2 175	2 175	2 175	2 175	2 175	2 306	2 439	2 581
per month	—	—	235	252	252	252	252	282	299
Refuse (in excess of one removal a week for indigent households)	1 822	1 576	1 576	1 577	1 577	1 577	1 671	1 768	1 871
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	33 333	37 765	37 605	42 227	42 227	42 227	52 668	55 460	58 577

13.1.3 Revenue Enhancement and Protection Strategies

During the latter part of 2009, the uMhlathuze Council approved cash flow recovery plan to circumvent a short term cash flow and service delivery impediment. A number of reasons were identified as the source of the cash flow situation and mitigation measures proposed and adhered to.

This plan has been adhered to and the cash flow situation has been improving steadily over the last number of years as a result of the plan. The essence of the municipal cash flow recovery plan focused on, amongst others, the following:

1. Operational expenditure that was not contractually bound or did not affect immediate service delivery was placed on hold until funds became available.
2. Capital expenditure that had not yet commenced in terms of a tender award was placed on hold until funds became available.
3. A working committee of senior officials was set up consisting of Senior Managers to expedite all land sale transactions that have gone through the tender process.
4. In terms of Section 45 of the MFMA council approved a short term borrowing facility of R 100 million. The availability of this facility did not imply that the money would necessarily be borrowed but would be bridging facility should the other interventions not materialise.
5. Council approved the phasing out of the dependence of the Operating Budget on land sales in the multi year budget. For all future budgets – Annual and Adjustments Budget, approval of capex only be allowed if the revenue from land sales has materialised.
6. Regular updates on the implementation of the interventions were reported to the Mayor.

13.1.4 Municipal Consumer Debt Position

Outstanding consumer debtors as at 30 June 2015 were R360 million (2014: R 316 million). The total provision for impairment increased from R86 million to R 110 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R110 million, which represents 27,91% of the total outstanding consumer debtors. Included in the provision is R43,8 million for traffic fines. This is as a result of the implementation of IGRAP1.

The overall payment rate for the past seven years is illustrated below:

Table 67: Debt Payment Rate

Year	Payment Rate
2007/2008	98.74 %
2008/2009	98.56 %
2009/2010	98.67 %
2010/2011	100.11 %
2011/2012	99.49 %
2012/2013	99.17%
2013/2014	100.93%
2014/2015	99.08%

More specifically, the following is the assessment for the financial year ending 30 June 2015.

Table 68: Debt Payment Ratio for 2014

Suburb	Debt Collection Ratio - In Days	Debtors Turnover Rate - %	Average Payment Rate - %
Richards Bay	29	7.92	99.82
Vulindlela	95	26.25	89.81
eNseleni	138	37.89	92.51
eSikhaleni	132	36.27	89.49
Sundry Debtors	57	16.58	107.62
Empangeni	42	11.57	99.58
Ngwelezane	189	51.93	86.20
Combined	40.35	11.05	99.08

The debt collection ratio is for the 12-month period preceding 30 June 2015. The debtor's turnover rate represents the outstanding debtors' amount expressed as a percentage of the last 12 months billed revenue. The payment rate is the average of the 12 months preceding 30 June 2015

13.1.5 Debtors age analysis by category

Information below is at March 2016

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Government	5 407 520	113 597	-163 322	3 210 568	8 568 363
Business	200 621 912	5 974 114	3 948 199	70 297 665	280 841 890
Households	49 448 651	3 054 148	3 405 669	52 926 668	108 835 136
Other	7 598 770	798 981	656 085	15 749 041	24 802 877
Total	263 076 853	9 940 840	7 846 631	142 183 942	423 048 266
%	62.19%	2.35%	1.85%	33.61%	

13.1.6 Grants and Subsidies

The table below provides a description of the capital grants received by uMhlathuze Municipality for the tabled 2016/2017 Draft budget report.

Table 69: Capital transfers and grant receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Capital Transfers and Grants									
National Government:	93 492	106 670	166 573	159 878	168 978	168 978	145 747	180 790	210 544
Municipal Infrastructure Grant (MIG)	84 492	84 595	117 927	88 496	88 496	88 496	94 826	106 253	112 544
Municipal Infrastructure Grant (Roll-Over)	-	-	-	-	9 100	9 100	-	-	-
Electrification Projects	-	-	8 000	9 000	9 000	9 000	-	10 000	12 000
Infrastructure Water Projects	-	17 547	18 850	50 882	50 882	50 882	50 921	64 537	86 000
Rural Households Infrastructure	-	4 000	4 500	4 500	4 500	4 500	-	-	-
Department of Water Affairs	-	-	14 000	7 000	7 000	7 000	-	-	-
Provincial Government:	28 011	1 378	6 170	-	100 312	100 312	-	-	-
Hostels (Roll-over)	-	-	-	-	17 812	17 812	-	-	-
Human Settlement - Waterstone Estates	-	-	-	-	82 500	82 500	-	-	-
Other grant providers:	-	60 536	2 000	-	1 115	1 115	-	-	-
Lotto Funding Sigiisi Field	-	-	-	-	1 115	1 115	-	-	-
Total Capital Transfers and Grants	121 710	168 583	174 743	159 878	270 405	270 405	145 747	180 790	210 544

13.1.7 Municipal Infrastructure Assets and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 70: Operational repairs and maintenance

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and Maintenance									
by Expenditure Item									
Employee related costs	193 041	250 282	277 451	273 418	273 418	273 418	273 418	317 683	338 327
Other materials	21 145	22 740	42 624	45 366	51 451	51 451	51 451	55 998	58 237
Contracted Services	44 293	52 390	89 460	86 697	85 447	85 447	85 447	61 722	64 191
Total Repairs and Maintenance Expenditure	258 479	325 411	409 534	405 481	410 315	410 315	410 315	435 403	460 755

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was increased marginally by 0.31 per cent in the 2016/17 financial year, from R 410 million to R 411 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **15.7; 15.6 and 15.6 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **7.7; 8 and 8.3 per cent** of the respective financial years MTREF. These favourable figures are intact despite the removable of R36,75m worth of road resealing from Operating Budget, now been placed on the Capital Budget.

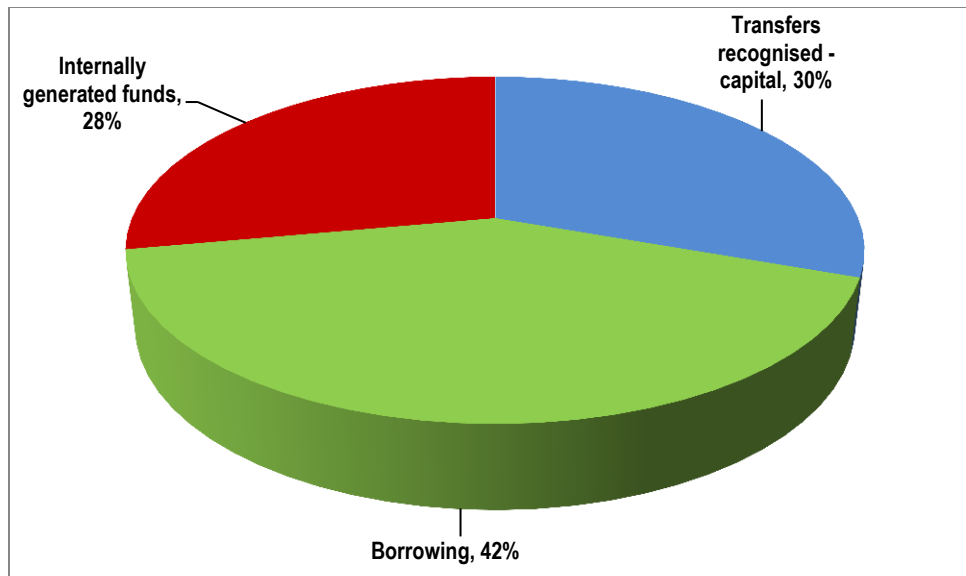
The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 71: Repairs and maintenance per asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	177 319	227 954	291 827	286 665	293 492	293 492	298 432	315 271	332 761
Infrastructure - Road transport	58 242	78 340	86 117	108 841	113 999	113 999	97 681	103 786	109 442
Infrastructure - Electricity	42 715	60 448	77 315	78 020	78 020	78 020	85 890	90 625	95 894
Infrastructure - Water	46 869	58 269	80 038	64 027	64 027	64 027	72 983	77 274	82 164
Infrastructure - Sanitation	25 976	30 896	47 261	35 728	37 296	37 296	40 599	42 254	43 873
Infrastructure - Other	3 517	-	1 096	50	150	150	1 278	1 332	1 389
Community	50 821	61 803	68 916	65 329	64 904	64 904	63 749	67 988	72 705
Other assets	30 340	35 655	48 791	53 486	51 920	51 920	47 557	50 239	53 308
Intangibles	-	-	-	-	-	-	1 831	1 904	1 980
Total Repairs and Maintenance Expenditure	258 480	325 411	409 534	405 481	410 315	410 315	411 569	435 403	460 755
<i>R&M as a % of PPE</i>	6.2%	6.9%	8.5%	8.8%	8.2%	8.2%	7.7%	8.0%	8.3%
<i>R&M as % Operating Expenditure</i>	12.4%	14.2%	15.8%	16.1%	16.6%	16.6%	15.7%	15.6%	15.6%

For the 2016/17 financial year, 73 per cent or R298 million of total repairs and maintenance will be spent on infrastructure assets. Road Transport infrastructure has received a significant proportion of this allocation totalling 24 per cent (R98 million), followed by electricity infrastructure at 20 per cent (R86 million), water at 14 per cent (R73 million) and sanitation at 11 per cent (R41 million). Community assets has been allocated R64 million of total repairs and maintenance equating to 16 per cent.

13.1.8 Current and Planned Borrowings



Capital grants and receipts equates to 30 per cent of the total funding source which represents R145.7 million for the 2016/17 financial year and increase to R 180.8 million or 43 per cent by 2017/18. Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R400 million to be raised for each of the respective financial years totalling 42, 24 and 22 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF. The following table is a detailed analysis of the City's borrowing liability.

The following table is a detailed analysis of the City's borrowing liability.

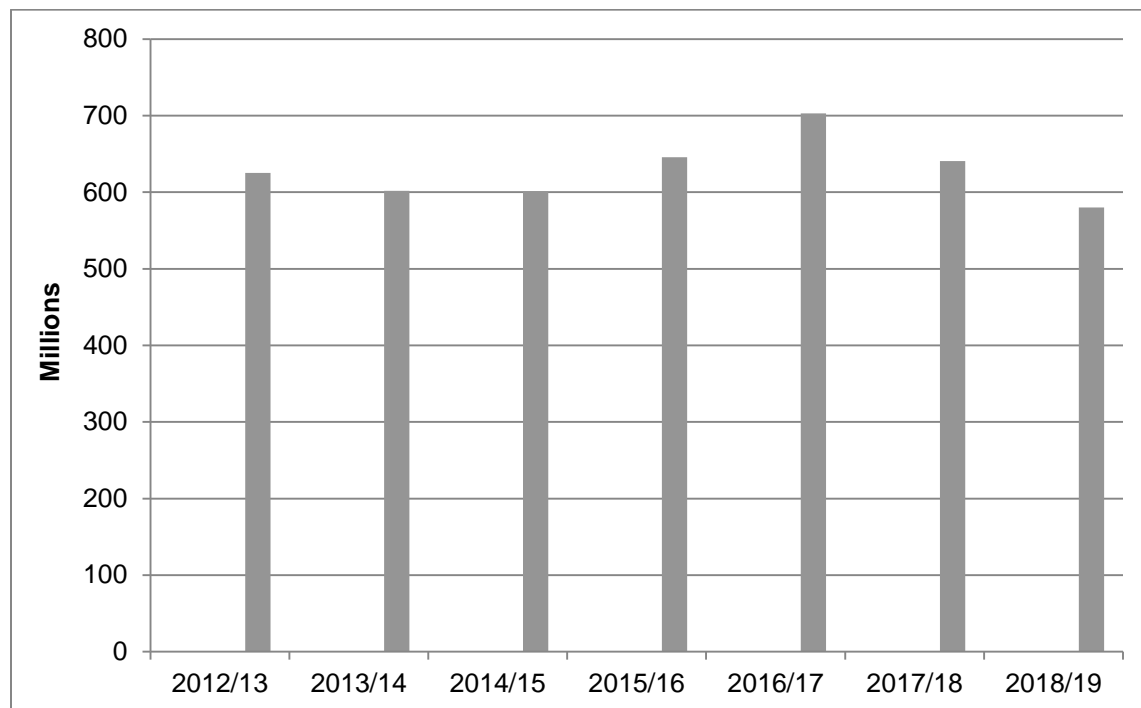
Table 72: Current Municipal Borrowings (Balance Outstanding)

Borrowing - Categorised by type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality									
Long-Term Loans (annuity/reducing balance)	625 250	601 727	600 897	645 778	645 778	645 778	702 864	640 474	580 182
Municipality sub-total	625 250	601 727	600 897	645 778	645 778	645 778	702 864	640 474	580 182
Total Borrowing	625 250	601 727	600 897	645 778	645 778	645 778	702 864	640 474	580 182

Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	22 193	52 940	-	15 000	15 000	15 000	30 000	15 000	15 000
Municipality sub-total	22 193	52 940	-	15 000	15 000	15 000	30 000	15 000	15 000
Total Unspent Borrowing	22 193	52 940	-	15 000	15 000	15 000	30 000	15 000	15 000

The following graph illustrates the growth in outstanding borrowing for the 2012/13 to 2018/19 period

Figure 63: Growth in outstanding borrowing (long-term liabilities)



Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R133.6 million in 2016/17, R135 million in 2017/18 and R137 million in 2018/19.

13.1.9 Municipality's Credit Rating

The rating of a Municipality has an impact on its ability to raise external funds. The current credit score of the Municipality is BBB. The Municipality had an A investment grade in 2005 but the grading was lowered mainly due to increased level of external gearing.

The grading can be improved to AA by achieving the following:

- Posting of operational surpluses
- Continued improvement of income and expenditure management
- Continued increasing levels of cash reserves through sound cash management
- Maintenance of a good collection rate by focusing on both old and current debt.

13.1.10 Employee Related Costs

Employee related costs, including Councilor Allowances and provided for in the MTREF is summarized hereunder.

Table 73: Summary of Employee and Councilor Related Costs

uMhlathuze Local Municipality: Final IDP Review 2016/2017

Summary of Employee and Councillor remuneration	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	10 895	13 450	14 349	15 409	15 409	15 409	16 488	17 478	18 614
Pension and UIF Contributions	1 636	2 019	2 144	2 311	2 311	2 311	2 474	2 622	2 793
Medical Aid Contributions	650	830	919	1 112	1 112	1 112	1 190	1 262	1 345
Motor Vehicle Allowance	2 922	3 642	3 752	3 987	3 987	3 987	4 266	4 522	4 817
Cellphone Allowance	831	1 251	1 458	1 420	1 665	1 665	1 518	1 609	1 713
Housing Allowances	–	–	–	244	244	244	262	277	295
Other benefits and allowances	215	216	–	245	–	–	265	280	299
Sub Total - Councillors	17 148	21 408	22 622	24 729	24 729	24 729	26 462	28 051	29 876
% increase		24.8%	5.7%	9.3%	–	–	7.0%	6.0%	6.5%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 740	4 893	4 652	8 842	8 643	8 643	9 290	9 847	10 487
Pension and UIF Contributions	467	457	478	720	603	603	641	679	723
Medical Aid Contributions	120	112	54	105	145	145	155	164	175
Performance Bonus	485	472	252	1 558	1 551	1 551	1 660	1 759	1 874
Motor Vehicle Allowance	1 476	1 466	711	1 145	1 068	1 068	1 102	1 168	1 244
Cellphone Allowance	120	113	108	187	183	183	196	208	221
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	228	278	1 005	331	629	629	681	722	769
Payments in lieu of leave	259	333	31	–	143	143	–	–	–
Sub Total - Senior Managers of Municipality	7 895	8 127	7 290	12 889	12 964	12 964	13 724	14 548	15 493
% increase		2.9%	(10.3%)	76.8%	0.6%	–	5.9%	6.0%	6.5%
Other Municipal Staff									
Basic Salaries and Wages	254 304	285 768	314 130	353 948	372 507	372 507	385 660	408 799	435 371
Pension and UIF Contributions	47 677	51 167	55 981	72 208	63 067	63 067	79 103	83 849	89 299
Medical Aid Contributions	22 103	24 794	27 489	31 524	30 325	30 325	36 250	38 425	40 922
Overtime	26 267	31 206	35 964	35 907	38 524	38 524	40 465	42 893	45 681
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	26 511	30 418	32 160	36 210	37 938	37 938	40 307	42 725	45 502
Cellphone Allowance	1 087	1 297	2 026	3 388	2 642	2 642	3 510	3 721	3 963
Housing Allowances	3 672	3 270	3 565	3 939	4 387	4 387	4 216	4 469	4 759
Other benefits and allowances	32 322	35 204	37 250	41 644	41 800	41 800	41 694	44 196	47 068
Payments in lieu of leave	12 280	6 388	13 670	20 390	21 565	21 565	21 402	22 686	24 161
Long service awards	–	–	–	–	–	–	90	95	102
Post-retirement benefit obligations	3 009	3 351	3 632	3 771	4 182	4 182	4 483	4 752	5 061
Sub Total - Other Municipal Staff	429 231	472 864	525 867	602 931	616 936	616 936	657 178	696 609	741 889
% increase		10.2%	11.2%	14.7%	2.3%	–	6.5%	6.0%	6.5%
Total Parent Municipality	454 274	502 399	555 779	640 548	654 629	654 629	697 364	739 207	787 257
		10.6%	10.6%	15.3%	2.2%	–	6.5%	6.0%	6.5%
TOTAL SALARY, ALLOWANCES & BENEFITS	454 274	502 399	555 779	640 548	654 629	654 629	697 364	739 207	787 257
% increase		10.6%	10.6%	15.3%	2.2%	–	6.5%	6.0%	6.5%
TOTAL MANAGERS AND STAFF	437 126	480 990	533 157	615 819	629 901	629 901	670 903	711 157	757 382

Table 74: Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	647 800	159 800	29 700			837 300
Chief Whip	1	652 500	98 000	29 700			780 200
Executive Mayor	1	823 300	147 300	272 000			1 242 600
Deputy Executive Mayor	1	495 800	121 300	218 500			835 600
Executive Committee	10	4 111 200	915 200	1 848 400			6 874 800
Total for all other councillors	46	9 757 400	2 211 800	3 892 200			15 861 400
Total Councillors	60	16 488 000	3 653 400	6 290 500			26 431 900
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 301 775	234 320	419 531	269 600		2 225 225
Chief Finance Officer	1	1 359 794	–	347 827	234 879		1 942 500
Deputy Municipal Manager - Infrastructure and Technical Services	1	1 259 723	273 202	174 695	234 879		1 942 500
Deputy Municipal Manager - Corporate Services	1	1 393 637	23 823	290 160	234 879		1 942 500
Deputy Municipal Manager - City Development	1	1 316 324	38 096	353 201	234 879		1 942 500
Deputy Municipal Manager - Community Services	1	1 184 310	166 953	219 422	215 708		1 786 392
Deputy Municipal Manager - Specialised Services	1	1 474 201	46 452	186 968	234 879		1 942 500
Total Senior Managers of the Municipality	7	9 289 764	782 845	1 991 804	1 659 704		13 724 117
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	67	25 777 764	4 436 245	8 282 304	1 659 704		40 156 017

The budgeted allocation for **employee related costs** for the 2016/17 financial year totals R616 million, which equals 25 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2016/17 financial year. An annual increase of 6 and 6.5 per cent has been included in the two outer years of the MTREF.

The challenge with the organizational structure is that it is designed for that of an aspirant metro and hence has many vacancies (R115m worth) which cannot be filled as there is no corresponding increase in the economy i.e. in the tax base. Consequently the associated risk is that there may be many organizational and municipal service delivery activities, which pre-restructuring were performed by one official and with the current vacuum of vacancies some of those functions may now not be performed.

The possible risk in the total Human Resource structure is if one adds both contracted services and employee related costs together, this figure amounts to 30 per cent of the operating budget, which although the 33 per cent norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource.

One of the overriding solutions here is that of a Municipal Grading in the first instance and an organogram suited for such grading for the administration. Since 2000 the structure of the organogram is dictated by the influences of the different Councils over the years and different managers, hence no collectively and best practice structured staff structure. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

Senior management has agreed in principle that no provision would be made in the 2016/17 and the subsequent two outer years for previously unfunded posts until such time the impact of the demarcation process is known as well as the impact of the Job evaluation exercise and the subsequent implementation of the Wage Curve agreement.

The cost associated with the **remuneration of councillors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of 7 per cent has been budgeted for the 2016/17 financial year.

The provision of debt impairment was determined based on an annual collection rate of 98 per cent and the Debt Write-off Policy of the City. For the 2016/17 financial year this amount is R6.95 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The accounting requirement of not writing bad debt to the provision but rather depicting an actual expense in the year of the write off may cause the City to review the estimates upwards in line with actual consumer trends at period reviews of the debtors. The amounts budgeted for also do not include the subsequent measure of Traffic fines which was a material impairment with the implementation of iGRAP 1.

Provision for depreciation and asset impairment has been informed by the Municipality's Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R252 million for the 2016/17 financial and equates to 9.6 per cent of the total operating expenditure. The risk here is that actual depreciation in the Asset Register amounts to R 372 million, but R 120 million worth of depreciation on these assets is not brought into the expenditure as it is treated offset. This is not sustainable in the long term.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 3 per cent (R80 million) of operating expenditure excluding annual redemption but including depreciation for 2016/17 and remains at R80 million. The actual interest and redemption of borrowings which is a true reflection of finance costs, even though not reflected as such in the budget, is R220 million for 2015/16 and R223 million for 2016/17 or 8% of operating expenditure for both years respectively. It is very good to see that the 8% actual interest and redemption of borrowings remains a constant for the outer years. The City has reached its prudential limits for borrowing - hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing - rather it is kept close to 8 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Mhlathuze Water Board. The annual price increases have been factored into the budget appropriations. Of the R1 129 million total electricity comprises R1 008 and water R125 million. The expenditure includes distribution losses.

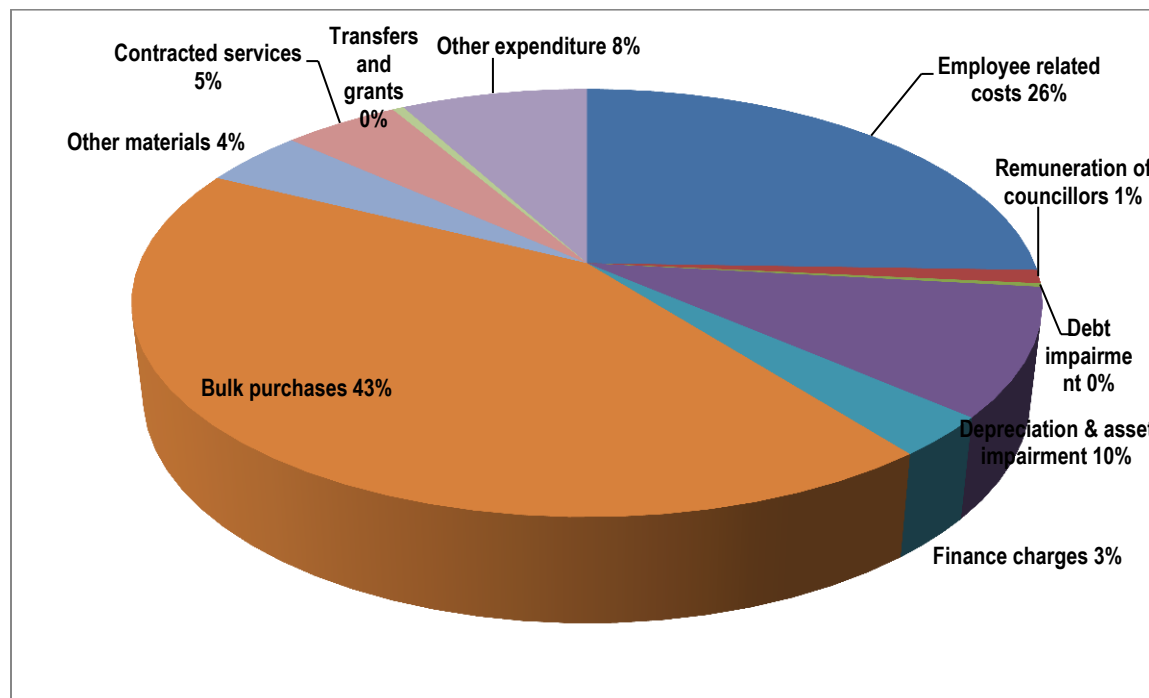
Other materials comprise the purchase, of materials for maintenance. In line with the City's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. The appropriation against this group of expenditure has grown, however further effort will be made in the outer years to increase this appropriation over and above the inflationary boundaries. Expenditure amounting to R 20 million previously budgeted for under the operating budget has been moved to the Capital budget for the 2016/17 MTREF.

Contracted Services has increased by 24 per cent and needs to be looked at critically, but in conjunction with Employee Related Costs. Contracted services together with Employee Related Costs amount to 31% (26 % + 5%) of total operating cost. There is a direct relationship between the efficiency and effectiveness of personnel versus that of the private sector, with the common fact between both sectors lying with level of management of resources they have at their disposal.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. No growth has been allowed here for the 2016/17 year with a 4 per cent allowed in the 2017/18 year.

The following figure gives a breakdown of the main expenditure categories for the 2016/17 financial year.

Figure 64: Main operational expenditure categories for the 2015/16 financial year



13.1.11 Supply Chain Management

The City of uMhlathuze has a fully functional Supply Chain Management Unit guided by SCM Policy. Council approved the amended Supply Chain Management Policy on 27 August 2013. Of significance is Clause 34 which aims to promote local economic development and support Community based Vendors, it will further assist the Operation Sukuma Sakhe (OSS) which is the KwaZulu Natal Provincial Government to address the social ills and poverty alleviation.

In order to assist in providing experiential learning the unit has accepted ten students to undertake their learnership for 18 months from uMfolozi FET Collage through the MOU between the Municipality and uMfolozi FET College and SETA.

Monthly reports are submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. **Bid committee meetings have been recorded and submitted on a monthly basis.**

Appointment letters were served to all members of the different bid committees stating their roles and responsibilities and their acceptance as member on the respective committees. Training of all bid committee members on their roles and responsibilities was done by Provincial Treasury. Training on oversight role of Council was conducted with Councilors by Provincial Treasury.

In terms of Government Gazette No 34350, the Preferential Procurement Regulations 2001 was repealed and replaced with the Preferential Procurement Regulations 2011 and the Preferential Procurement Policy was amended and approved by Council.

In order to ensure that all contractors are afforded the opportunity to participate in Council's SCM process, all works related orders in excess of R2 000 are advertised on all Council notice boards around the City. This has proven to be highly successful as several new contractors are now afforded an opportunity to perform work for Council. All quotations from R30 000 and above are advertised on Council's website.

The Supply Chain Management Unity (SCMU) scrutinizes all Requisitions for material and verifies that the correct Budget as per the SDBIP is utilized for the procurement of materials and services. It will be noticed that compared to previous years, the value of orders placed by the Supply Chain Management Unit has increased substantially which indicates growth in the orders processed by SCMU.

- 2009/2010 total transactions : R104 221 294.00
- 2010/2011 total transactions : R166 969 064.00
- 2011/2012 total transactions : R 256 852 052.24
- 2012/2013 total transactions : R 435 584 919.73
- 2013/2014 total transactions : R 878 899 965.76
- 2014/2015 total transactions : R 822 316 543.30

MATERIALS MANAGEMENT

Total discrepancies for 2015/16 were as follows:

- **Shortages** - R 3 181.69 (here the major component was attributable to fuel, which are subject to various environmental factors), thus this discrepancy was not due to maladministration.
- **Surpluses** - R 1 410.84

13.1.12 Standard Chart of Accounts (SCOA)

uMhlathuze Municipality is performing a pilot exercise for the National Treasury for the financial accounting reform called SCOA (Standard Chart of Accounts).

This SCOA reform essentially enforces a situation of consistency and improved financial management, where:

- All Municipalities in South Africa report in GFS classification format (World Bank Classification);
- All primary tariffs in a municipality will be cost reflective;
- All expenditure whether technical or administrative , be associated with the correct function and projects;
- The whole municipal budget in future can be reported on in terms of Projects (Activities) or by Function;
- The old municipal classification will remain, hence costs can be reported in such format as well, but will have to be associated with pre-determined projects;
- All users of the financial system will not be faced with the dilemma of having to choose vote numbers and try relate that to an activity, they just select there functional area and accordingly choose the predetermined (Budgeted) activities for goods and services. Should that activity not be budgeted for then it will not appear on the system. This enforces proper planning and not simply a vote with a "dam of money" to do with what the official wants in an ad-hoc manner.

The Project commenced on the 1 September 2014 and we "went live" on 7 July 2015.

There are many challenges at this stage, however most relate to the effect the new chart has on its existing business processes. Council had to change the Supply Chain and Expenditure side of the existing financial system to accommodate such change using the existing service providers.

Fundamental transactions are taking place such as:

- Receipting;
- Billing;
- Payments;
- Stock Issues;
- Requisitions;
- Orders;
- Contracts;
- Bids (Electronic Version);
- Journals;
- Virements (Budget transfers);
- Financial Reporting;
- General Inquiry's facility;
- Electronic Approvals (Work Flow); and
- Interface with Sub ledger and Third Party programmes.

Primary system issues that are posing some problems with the above processes:

- Works order component of financial system is not working;
- Contract Payments Module not functional yet. Main reason here is that the user departments are not using it and interrogating any issues that might arise therefrom;
- Bank Reconciliation is not been done currently, but progress is promising. It is believed that such will be up to date by end of March 2016;
- Although, the bulk of backlogs are up to date, there are still a number of system issues which still cause delays in current payments, but colleagues are working tirelessly to resolve and report matters to service providers; and
- It does appear that in the Supply Chain Division, the organizational changes will need to be made to exploit the benefits brought about by the SCOA project.

Primary business processes that are currently not functioning, but at various stages between January and June 2016, these should be up and running:

- Works Orders;
- Financial Assets; and
- Budget Module (New - did not exist in Old Financial System).

The project is run on a strict Project Management basis and project issues are well documented and managed. Council is currently in the "hand holding" phase of the project which was planned to end

at the end of September 2015. Given the extent of our challenges currently, it is envisaged that such hand holding phase will need to be extended to end of June 2016.

13.2 FINANCIAL VIABILITY AND MANAGEMENT: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Council reviewed its Indigent Policy in 2010. The policy outlines the approach to accounts of indigent households and provides for a universal approach to the handling of the indigent. The policy seeks to address a number of challenges that currently prevent some of the poor people from receiving their basic benefits. ○ The City of uMhlathuze has a fully functional Supply Chain Management Unit. ○ During the latter part of 2009, the uMhlathuze Council approved cash flow recovery plan to circumvent a short term cash flow and service delivery impediment 	<ul style="list-style-type: none"> ○ Ongoing challenges to spend internal and grant funds. ○ The current credit score of the Municipality is BBB. ○ Absence of financial implementation plan approved by Council for new organizational structure.

OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ The Municipality has obtained an average debt collection ratio of 99.49%. ○ The City obtained Clean Audit for the 2012/2013 Financial Year 	<ul style="list-style-type: none"> ○ The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure. ○ The Council is limited in its leverage to borrow money externally. ○ Limited resources provided in capital refurbishment and replacement programs.

14. GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

14.1 GOOD GOVERNANCE ANALYSIS

14.1.1 Provincial Programmes/Priorities rolled-out at Municipal Level

Operation Sukuma Sakhe

OSS is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB.

Operation Sukuma Sakhe has a “whole of Government approach” as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore delivery of services is required through partnership with the community, stakeholders and government.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve 12 National Outcomes. It encourages social mobilization where communities have a role, as well as delivery of government services in a more integrated way.



It is the KwaZulu-Natal Provincial Government flagship programme that seeks to combat all kinds of ills affecting the society. It calls for joint efforts from all sectors to contribute towards sustainable upliftment of the standard of living for the people of KZN at the National Government level and is called “war on poverty”.

Operation Sukuma Sakhe (OSS) was established in the uMhlathuze Municipality during 2011. Ongoing activities and strategies planning are increasing the effectiveness of the structure.

The Municipality has 10 CDWs (Community Development Workers) that provide a foundation for at least 10 wards. The deployment of managers to war rooms is being pursued and managers are to act as mentors for the war rooms. In addition, all Departments sit in the LTT. More details in respect of OSS are provided in section 5 of this report.

Batho –Pele Principles

Batho Pele principles are a Government’s initiative to improve the delivery of public services. Batho Pele means people first and the name was chosen specifically to emphasize that it is the foremost duty of those in the Public Service to serve all citizens of South Africa.

The City of uMhlathuze is in a process of institutionalizing Batho Pele. The Batho Pele Committee was established which constituted of both councilors and senior officials. Council adopted an Action plan in ensuring that institutionalisation is achieved. Documents including, Service Standards Policy and Service Charter have been drafted and considered by Management committee. The remaining challenge is the availability of budget for actioning other activities crucial to the full realization of institutionalizing Batho Pele.

14.1.2 IGR

UThungulu District Mayors Forum

is one of the critical IGR Structures that this municipality is a member of. The object of the Forum is to promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities, including to seek unity of purpose and coordination of effort around the District's development priorities; and to ensure effective and efficient service delivery unhampered by jurisdictional boundaries.

MUNIMEC

It is one the provincial structures that our municipality participates in. The City Manager and the Mayor are members of the technical committee. This is a platform for the city of uMhlathuze to engage at a high level with regards to provincial priorities and implementation of provincial functions and initiatives. At length the issues of Disaster Management, Back to Basics and all other important issues are deliberated and resolutions are taken.

UMhlathuze IGR Co-ordination Role

UMhlathuze Council has initiated a number of programmes and actions to improve good governance and relations with external role-players but also to improve internal efficiencies. Municipal venues (within the Council complexes and inclusive of the Auditorium and Restaurant) host numerous departmental award ceremonies, Independent Electoral Commission meetings and training sessions, Human Resources Relationship Building Programmes, sports meetings, budget meetings with the public and Traditional Councils and many more. A great number of events by external organisations ranging from the Youth Ambassador Conference by the Premiers Office, the Women's Day Summit, Statistics South Africa Census Programme, uThungulu District Municipality sessions, Small Town Rehabilitation and Corridor Development Programme by the Department of Cooperative Governance and Traditional Affairs, BEE Training Workshop as well as various Tourism Workshops by the Department of Economic Affairs and Tourism, Hospice, National Prosecution Authority Workshop, Annual Spelling Bee and numerous seminars and exhibitions have been hosted in the Auditorium.

14.1.3 MPAC

Guidelines for the Establishment of Municipal Public Accounts Committees were issued jointly by Cooperative Governance and Traditional Affairs and National Treasury Departments during August 2011.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

The primary functions of the Municipal Public Accounts Committees are as follows:

- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and Annual Reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and

- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The MPAC reports to Council, at least quarterly, on the activities of the Committee which includes a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.

Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA).

14.1.4 Participation of Traditional Leadership in Municipal Council

The Constitution of the Republic of South Africa, 1996 (Act no 108 of 1996) places an obligation on Local Government to encourage the involvement of communities and community organizations in the matters of Local Government. And Section 81 of the Municipal Structures Act states that; *Traditional authorities that traditionally observe a system of customary law in the area of a municipality, may participate through their leaders, identified in terms of [subsection \(2\)](#), in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.*

In ensuring unity and cohesion between the two houses, Council after their appointment conduct visits to Traditional Leadership to introduce themselves as a signal of willingness to work together with Traditional Leaders. Political Office Bearers visited all Traditional Leaders or the Houses of Traditional Leaders within uMhlathuze Municipal jurisdiction. There are five Traditional Leaders within the area of jurisdiction of uMhlathuze Municipality, under each Traditional Leader or tribal Authority there are wards that are under Tribal Communities and the synergy between the two houses is paramount. As section 81 regulates the sitting of Traditional Leaders in Municipal Councils likewise with Councillors who are within tribal communities they in turn should attend and participate in the tribal authority meetings. There is consistent consultation and engagement with Traditional Leaders on issues of development and service delivery.

uMhlathuze municipality always avail administrative support to Amakhosi when necessary, this done in the spirit of strengthening relations and their participation in Council meetings and its committees.

There are two Traditional Leaders who seat in Council meetings and committees as per their nomination by the Department of Corporate Governance and Traditional Affairs, INkosi Mkhwanazi of kwaMkhwanazi Traditional Authority and Inkosi Zungu of kwaMadlebe Traditional Authority.

14.1.5 Municipal Structures

Table 75: Section 79 Committees of Council

Committee	Chairperson
Executive Committee	Cllr GM Mhlongo
Bylaws Integration Committee	Cllr SN Hlope
Standing Orders and Disciplinary Committee	Cllr M Mthenjana
uMhlathuze Public Transport Liaison Committee	Cllr SB Xaba
uMhlathuze Transport and Taxi Liaison Forum	
Community Safety Forum	Cllr K Sukreben
Public Participation Committee	Cllr M Mthenjana
Municipal Public Accounts (SCOPA)	Cllr AS Dawood

Table 76: Section 80 Committees of Council

Committee	Chairperson
Financial Services	Cllr GM Mhlongo
Corporate Services	Cllr NV Gumbi
Community Services	Cllr NR Cele
City Development	Cllr M Sookroo
Infrastructure and Technical Services	Cllr SG Mkhize

Table 77 Good Governance, Performance Audit and Performance Evaluation Panels

Committee	Chairperson/Panel
Section 62 Appeals Committee	Cllr A Viljoen
Audit Committee	Mr Nkonzombi
Performance Audit Committee	Dr. M E Ntombela
Performance Evaluation Panel (Heads of Department)	Dr NJ Sibeko, Dr. M E Ntombela, Cllr GM Mhlongo, Mr M Khozi, Cllr NV Gumbi
Performance Evaluation Panel (Municipal Manager)	Cllr GM Mhlongo, Cllr NV Gumbi, Dr. M E Ntombela, Mrs T Mchunu, Mr V Kuzwayo

Table 78: Bid Committees

Bid Committee	Legislative Reference	Members of Bid Committee
Bid Specification Committee	The Accounting Officer appoints officials to serve on the Bid Specification Committee in terms of Section 27 (3) (a) of the Supply Chain Management Policy (DMS 868603) which reads as follows: <i>“(3) (a) the bid specification committee must be composed of at least one or more officials of the municipality or municipal entity, preferably the manager responsible for the function involved, and may, when appropriate, include internal or external specialist advisors”</i>	<ul style="list-style-type: none"> ○ Mr N Khumalo - Chairperson (Manager: Supply Chain Management) ○ Mr S Hlela (Manager: Infrastructure, Planning and Strategy) ○ Mr. BV Nzuzo (Head of Human Resources) ○ Ms D Ngidi (Manager: Recreational Services) ○ Ms S Maduma (Deputy Manager: Business Support, Markets and Tourism)
Bid Evaluation Committee	The Accounting Officer appoints officials to serve on the Bid Evaluation Committee in terms of Section 28 (2) (a), (b) and (c) of the Supply Chain Management Policy (DMS 868603) which reads as follows: <i>“(2) The bid evaluation committee must be appointed and composed as follows: (a) officials from departments requiring the goods or services;</i>	<ul style="list-style-type: none"> ○ Mr D Mohapi (Manager Planning and Strategy) ○ Ms Z Masango - Manager Waste Management Services ○ Mr T Kubheka - Deputy Manager: ICT Governance ○ Ms N Ndwandwa – Manager PMU ○ Mrs B Strachan -

	<p><i>(b) at least one supply chain management practitioner of the municipality or municipal entity and</i></p> <p><i>(c) the accounting officer must appoint the members of the committee in terms of clause 26(b) of this policy and the chairperson of the bid specification committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting."</i></p>	<p>Manager: Spatial and Environmental Planning (City Development)</p> <ul style="list-style-type: none"> ○ Mrs S van Wyk - Senior Procurement Officer (Supply Chain Management)
Bid Adjudication	<p>The Accounting Officer appoints officials to serve on the Bid Adjudication Committee in terms of Section 29 (2) (i) (ii) (iii), (3) and (4) of the Supply Chain Management Policy (DMS 868603) which reads as follows:</p> <p><i>"(2) The bid adjudication committee must consist of at least three deputy municipal managers of the municipality which must include:</i></p> <p><i>(I)the chief financial officer or, if the chief financial officer is not available, another head of the section or manager in the financial services department, reporting directly to the chief financial officer</i></p> <p><i>(ii) at least one senior supply chain management practitioner who is an official of the municipality; and</i></p> <p><i>(iii) a technical expert in the relevant field who is an official, if such an expert exists; and</i></p> <p><i>(3) The accounting officer must appoint the chairperson of the bid adjudication committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.</i></p> <p><i>(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee."</i></p>	<ul style="list-style-type: none"> ○ Mr M Kunene - Chief Financial Officer: (Chairperson) ○ Mr. S Mbatha - Acting Deputy Municipal Manager: City Development ○ M S Khumalo – Assistant CFO ○ Mr M Oliphant - Deputy Municipal Manager: Community Services ○ Mr T Gopane- Deputy Municipal Manager: Infrastructure and Technical Services ○ Mr S Mhlongo - Deputy Manager: Supply Chain Management Unit ○ Ms S Masondo – Deputy Municipal Manager Corporate Services

14.1.6 Ward Committees

uMhlathuze Municipality is a category B Municipality with a collective executive system that is linked with a ward participatory system. There are 30 wards, 30 fully functional ward committees with 300 ward committee members.

Ward committees are the legitimate structure for community participation to ensure communication between the community and the municipality. One principle of public participation is that it is designed to promote good governance and human rights and also narrow the social gap between the electoral and elected institutions. The functionality of the ward committees is an indication of the participation of the community in the affairs of governance.

Council policy on ward committee stipulates that ward committee meetings shall be held at least once a month and public meetings shall be held every quarter. Although there are challenges with other wards not meeting the required number of meetings per quarter, the office of the Speaker work tirelessly to ensure that all ward committees are fully functional. Apart from ward committee meetings, ward committees effectively participate in the IDP and Budget process, they are also members of War Rooms.

14.1.7 Audit Committee

The uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003. The status, authority, roles and responsibilities are in accordance with section 166 of the Municipal Finance Management Act (MFMA), no 56 of 2003 and MFMA Circular 65 of 2013 and is delegated by the uMhlathuze Municipality's Municipal Council. Consideration has also been given to the recommendations contained in the King Report on Governance for South Africa 2009 (King III). This charter guides the Audit Committee in fulfilling its obligations.

The Audit Committee of the uMhlathuze Municipality is authorized, in terms of its charter, to perform the duties and functions required to ensure adherence to the provisions of the Municipal Finance Management Act, the applicable provisions of the Municipal Systems Act and the Municipal Structures Act and other applicable regulations. In carrying out its mandate, the Audit Committee must have regard to the strategic goals of uMhlathuze Municipality and its strategic focus areas and development priorities as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP).

The Audit Committee is required to consider any matters relating to the financial affairs of the municipality, internal and external audit matters. The committee must review and assess the qualitative aspects of financial reporting, the municipality's processes to manage business and financial risk, governance processes and compliance with applicable legal, ethical and regulatory requirements. The Audit Committee does not assume the functions of management which remain the responsibility of Exco, Council and the delegated officials.

The Audit Committee may:

- Communicate with the Council, Municipal Manager or the internal and external auditors of the municipality.
- Have access to municipal records containing information that is needed to perform its duties or exercise its powers.
- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the Audit Committee.
- Conduct investigations into the financial affairs of the municipality, as may be requested by the Council.
- Obtain outside legal or other professional advice within the scope of its responsibilities and allocated budget provision.

2014/2015 Audit Committee Report

The Audit Committee of the City of uMhlathuze has pleasure in submitting its tenth report to the Council of the City of uMhlathuze. This report is submitted in terms of the provisions of sections 121(3) (j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial year from 1 July 2014 to 30 June 2015 except where otherwise stated.

The following persons served as members of the Audit Committee for the year under review:

- S Nkonzombi – Chairperson
- ZP Khanyile (1 July 2014 - 31 January 2015)
- A Dhuki (01 February 2015)
- B Zulu (01 February 2015)
- EMS Ntombela

Dr EMS Ntombela, served as Chairperson of the Performance Audit Committee and as such represented the Audit Committee on the Performance Audit Committee.

Overview of activities

- The Audit Committee had four formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year.
- The meeting dates and attendance at these meetings were as follows:

Name	27 August 2014	31 October 2014	27 March 2015	28 August 2015
S Nkonzombi (Chairperson)	✓	✓	✓	✓
A Dhuki	x	x	✓	✓
ZP Khanyile	✓	✓	n/a	n/a
B Zulu	x	x	✓	✓
EMS Ntombela	✓	✓	✓	✓

- Set out below is a summary of the matters which were dealt with at the Audit Committee meetings:
- The Internal Audit Plan for the 2014/2015 financial year was considered and approved;
- Council's draft Enterprise Risk Management Policy document was considered and commented upon;
- The recommendations and guidance contained in Guideline 65 which was issued by National Treasury during November 2012 was considered and is dealt with in more detail below;
- At each of the meetings, reports from the internal auditors on work done by them in terms of the approved audit plan, was tabled, discussed and approved;
- At each meeting a progress report of actual work done as measured against the Internal Audit Plan, was considered;

- At each meeting feedback was received and considered relating to critical ICT issues and related risks;
- Attention was given to Council's Performance Management System by considering reports from Council's Performance Management Committee.

Report

For purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Committee Charter, the Audit Committee relies on the work done by internal audit. The internal audit function is overseen and co-ordinated by the Chief Audit Executive who is a Council employee. In executing her mandate, the Chief Audit Executive was assisted by the following contracted firms of professional service providers: SAB & T Business Innovations Group. In order to be able to rely on the work performed by internal audit, the Audit Committee has to satisfy itself that the quality and scope of the work performed by internal audit is sufficient to be able to place the necessary reliance thereon. This requires that the internal auditors should be able to do their work without any restrictions and that the internal auditors are, at all times, fully independent. It is the view of the Audit Committee that the work performed by internal audit is of a high standard, that it is properly planned and controlled and that the reporting is detailed and comprehensive. There is also sufficient evidence that internal audit findings are discussed with the responsible officials and that implementation of corrective measures that have been agreed upon, is followed up regularly. Consequently we have no hesitation in relying on the work performed by internal audit for purposes of executing our mandate. We are therefore in a position to advise Council that as far as matters relating to internal financial control, the adequacy, reliability and accuracy of financial reporting, performance management and evaluation, effective governance and compliance with the MFMA and other relevant legislation are concerned, the internal audit reports considered by the Committee have not revealed any material issues that may compromise any of these functions or responsibilities. This comment should however be read with our concerns and recommendations which are dealt with in paragraph 10.

Section 166(2)(b) of the MFMA requires the Audit Committee to "review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation". For these purposes, the Audit Committee relies on the work performed by the Auditor-General during its audit of the financial statements of the municipality. The members of the Audit Committee reviewed the financial statements and the report of the Auditor General for the year ended 30 June 2015 and can report as follows:

- The Auditor-General's report on the financial statements has been noted. In this regard it is pleasing to note that the Auditor-General expressed an unqualified audit opinion on the financial statements for the year ended 30 June 2015 however with emphasis on the Water Losses which Council needs to improve on.
- An overview of the financial performance of Council for the year ended 30 June 2015, is set out in the table below.

Financial performance for the year ended 30 June 2015

	Comment	2015	2014
		R000	R000
1	Financial performance Total income Total expenditure Surplus for the year <i>Surplus for the year decreased compared to the previous year as a result of an increase in Depreciation of almost R100 Million and Post-employment benefits compared to the previous year.</i>	2 737 981 2 588 772 149 209	2 494 312 296 407 197 905
2	Positive cash flow from operating activities <i>In spite of the deficit recorded for the year, Council achieved positive cash generation from operating activities after the removal of non-cash items (primarily depreciation).</i>	620 092	467 448
3	Revenue from property rates and service charges <i>Percentage increase</i>	2 012 006 5.7%	1 897 405
4	Revenue from government grants <i>Percentage increase</i>	456 923 21.7%	357 616
5	Employee costs <i>Percentage increase</i>	533 157 9.8%	480 990
6	Bulk purchases	1 100 661	1 051 626
	Comment	2015 R000	2014 R000
	Percentage increase	4.5%	

Financial Position as at 30 June 2015

	Comment	2015 R000	2014 R000 RESTATED
1	Net assets <i>Reduction as a result of the deficit for the year</i>	4 407 762	4 258 553
2	Cash and cash equivalents <i>Increase primarily due to positive cash flow from operating activities</i>	421 638	404 509
3	Trade receivables before provision for bad debts <i>Percentage increase</i>	361 011	402 751
4	Provision for bad debts <i>There seems to have been a deterioration in collections which is evidenced by the increase in trade receivables (see 3 above) which required an increase in the bad debt provision</i>	(109 661)	(86 223)
5	Ratio of current assets to current liabilities <i>This ratio, which is an indicator of liquidity, has remained constant from the previous year however has improved from the previous years which indicates that Council has made progress in overcoming the cash flow challenges experienced previously</i>	1.4:1	1.4:1
6	Percentage overspending of final approved operating expenditure budget	11.2%	15.4%
7	Percentage under-spending of final approved capital expenditure budget <i>This has been a great improvement comparative from the previous year which shows management commitment to previous audit action plans and the execution of service delivery</i>	9%	36.2%
	Comment	2015 R000	2014 R000 RESTATED
8	Percentage under-spending of conditional grants received <i>This has been a great improvement comparative from the previous year which shows management commitment to previous audit action plans and the execution of service delivery</i>	3%	25.4%

Insofar as the provisions of section 166(2)(c) of the MFMA are concerned, we can report that, in our opinion, there are no issues raised by the Auditor General in the audit report which require Council's specific attention.

Reporting and disclosure

The preparation of Council's annual financial statements is governed by various International Financial Reporting Standards, Generally Recognised Accounting Standards and Generally Accepted Municipal Accounting Standards. In addition, there are a number of financial reporting requirements issued by National Treasury which have to be complied with. In spite of the substantial compliance burden which these standards require, Council's Treasury Department managed, as in the previous financial year, to comply with these standards to the satisfaction of the Auditor General and Treasury should, in our view, be congratulated with this achievement. Future compliance with financial reporting standards will however continue to place severe strain on existing financial capacity and infrastructure. It is therefore crucial that Council acknowledge the importance of maintaining and improving its financial capacity to meet this ongoing challenge.

Internal audit issues

The main function of the Audit Committee is to receive and consider reports from Internal Audit in which their findings on work done in terms of the approved Internal Audit Plan are recorded. For purposes of completeness, the process which is typically followed when a specific area is selected for audit is as follows:

- A pre-scoping meeting is held with the HOD and other senior officials of the relevant department in which the audit objectives and outcomes are discussed;
- A scoping document is then prepared which is agreed upon with the relevant HOD;
- Fieldwork commences. During this process regular interaction with relevant officials takes place;
- After completion of the fieldwork a draft report is prepared for discussion with the HoD and senior officials.

The purpose of this discussion is to iron out any errors or differences of opinion and to obtain managements' comments and implementation commitments; These reports are collated on a quarterly basis and presented to the Municipal Manager and other senior officials for discussion and final approval; These approved reports are then tabled at the next Audit Committee meeting for discussion.

Because of the above procedure and the fact that the Audit Committee only meets on a quarterly basis, the time line from initiation of an audit cycle to final reporting is very long and, as a result, some urgency with the addressing of identified problem areas is lost. It is however, conceded that the interaction between Internal Audit and officials during the fieldwork stage has a lot of value and compensates to a degree for the lost benefits associated with the long reporting time line.

Conclusion

The implementation and maintenance of proper systems of internal control, the prevention of fraud and error, the safeguarding of the assets of the municipality and compliance with relevant laws and regulations, are Council's responsibility. The role of the Audit Committee is to monitor the efficiency of the procedures and mechanisms which Council has put in place in order to ensure that its policies and procedures are adhered to. We can report that, taking into account the exceptions noted above and based on the reports submitted to us, that our overall impression is that the systems and procedures implemented by council are operating efficiently.

14.1.8 RISK Management Committee

The Risk Management Committee was established in terms of the Public Sector Risk Management Framework and trained by National Treasury Risk Management Support unit in August 2012. It's membership comprises the Municipal Manager, his 5 Deputy Municipal Managers, The Chief Operations Officer, specialists in the high risk business areas of the Municipality and it is chaired by an external Chairperson- the CFO of the district municipality under which the municipality resides. Subject specialists and risk owners are also invited on an ad hoc basis when required to present on matters tabled before the committee.

The Risk Committee functions under an approved Charter and meets every quarter. The primary objective of the committee is to assist the Municipal Manager and Council in discharging his/ its accountability for risk management by reviewing the effectiveness of the Municipality's risk management systems, practices and procedures, and providing recommendations for improvement. One of the main focuses of the committee is the quarterly review of the Strategic Risk Register which ensures that risk treatment plans are strategically aligned and implemented within required timeframes in order to address the mitigation of risk to acceptable levels in line with the organisational policy and strategy.

14.1.9 Status of Municipal Policies

Herewith a summary of municipal human resource and budget policies already reported on in separate sections:

Table 79: Status of Municipal Policies

Policy Name	Description	Approved by Council
Staff Recruitment, Retention and Succession Plan	Ensures fair, efficient, effective and transparent personnel administration, including the recruitment, selection and appointment of persons as staff members." Development and maintenance of an integrated, systematic approach to attracting, developing and retaining talent for key positions within uMhlathuze Municipality.	7 June 2009, Resolution 5959
Anti-Nepotism Policy	Establish a consistent set of guidelines by which recruitment decisions can be made in terms of employment of immediate family members, relatives, friends and associates of employees.	2 Nov 2010, Resolution 6978

Policy Name	Description	Approved by Council
SHEQ Policy	Continual provision of quality services to all stakeholders in a healthy, safe and environmentally responsible manner	3 July 2008, Resolution 5411
EAP Policy	Aims at developing an Employee Assistance Programme to promote the mental, social health and wellbeing of all employees and to create a working environment that is conducive for the effective and efficient delivery of services	6 Oct 2009, Resolution 6311
HIV/AIDS Policy for Employees		4 Sept 2007, Resolution 4777
Tariff of Charges	DMS 873147	To serve at Council with the Adopted 2013/2014 Medium Term Revenue and Expenditure Framework (MTREF) in May 2013.
Investment and Cash Management Policy	RPT 141398 DMS 454662 DMS 458007 Review	Council Resolution 4600 dated 3 July 2007. Council Resolution 6336 dated 3 November 2009.
Supply Chain Management Policy	RPT 137944 RPT 145110 DMS 439330 (review)	Council Resolution 3386 dated 4 October 2005. Council Resolution 4211 (res 3) dated 5 December 2006 Council Resolution 6174 dated 4 August 2009.
Credit Management Policy (Credit Control, Debt Collection and Indigent Support)	DMS 438088 DMS 716354	Council Resolution 4650 dated 3 July 2007. Amended in terms of Council Resolution 5968 dated 5 May 2009 Amended in terms of Council Resolution 7970 dated 10 July 2012
Tariff Policy	DMS 418186	Council Resolution 4169 dated 7 November 2006.
Rates Policy	DMS 473856 (2008/2009) DMS 566699 (2009/2010) DMS 637432 (2010/2011) DMS 701131 (2011/2012) DMS 789516 (2012/2013) DMS 873351 (2013/2014)	Council Resolution 4169 dated 29 May 2008. Council Resolution 4914 dated 4 December 2009. Council Resolution 6686 dated 8 June 2010. Council Resolution 7172 dated 1 March 2011. Council Resolution 7938 dated 30 May 2012. Adopted Budget in progress.
Fraud Prevention Policy	RPT 143608 DMS 497798	Council Resolution 6084 dated 9 June 2009.

Policy Name	Description	Approved by Council
Virement Policy (transfers of funds)	RPT 147986 DMS 635065	Council Resolution 6737 dated 6 July 2010. Paragraph 5.7 of policy amended in terms of Council resolution 7524 dated 4 October 2011.
Fixed Asset Management Policy	RPT 145981 DMS 562968	Council Resolution 6048 dated 9 June 2009.

14.1.10 Municipal Risk Management

Risk management, a Corporate Governance imperative, is one of Management's core responsibilities in terms of section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of the municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the municipality. It also focuses on reducing materialized risks to acceptable levels. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

In order to enhance risk management processes to ensure a truly integrated and enterprise-wide approach, the City has approved and is in the process of reviewing an Enterprise Risk Management Policy and Strategy, which when applied, will ensure:

- more sustainable and reliable delivery of services
- informed decisions underpinned by appropriate rigour and analysis
- innovation
- reduced waste
- prevention of fraud and corruption
- better value for money through more efficient use of resources
- better outputs and outcomes through improved project and programme management
- pursuing institutional objectives through transparent identification and management of risk
- prioritizing risk management activities
- enhancing risk response decisions
- reducing operational losses and surprises
- seizing opportunities
- increasing the probability of achieving organizational objectives; and
- identifying and planning for any other negative events which may confront the municipality.

Enterprise Risk Management involves:

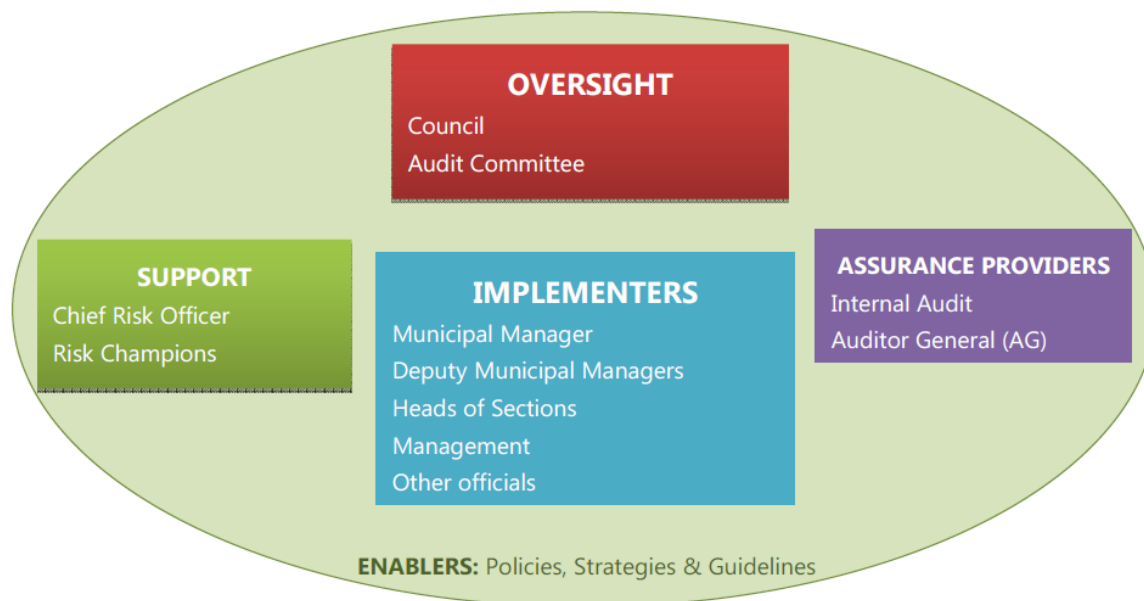
- Objective setting
- Risk Identification
- Risk Assessment
- Risk Response
- Communication and reporting
- Monitoring and review

The City has in place an Enterprise Risk Management Committee reporting to Council as oversight. A Chief Risk Officer co-ordinates activities and is in the process of setting up a fully functional Enterprise Risk Management Unit. Risk Champions in each department report to Management on risk management matters. Continuous training and awareness is an important part of the process effected to ensure that risk management is understood, embraced and integrated into the organizational culture- filtering from Top Management to all levels of staff. Risk Assessments are conducted, reviewed and updated annually and on a continuous basis- and are carried out on both a strategic and operational level to ensure a thorough approach. The Municipal Manager is the ultimate Chief Risk Officer and is responsible for championing risk management

and ensuring that its activities are monitored in terms of performance management throughout the organization.

Overall, the role players in Enterprise Risk Management are as follows

Figure 65: Enterprise Risk Management Role Players



There are varying levels of risk maturity in local government, and the City of uMhlathuze is at an advanced stage in this regard. More information, if required regarding enterprise risk management in the City of uMhlathuze is available.

14.1.11 Municipal By-Laws

uMhlathuze Municipality has passed a number of By-laws including the following:

BYLAWS	RESPONSIBLE DEPT
Keeping of Animals Bylaws	DCSH
Solid Waste Bylaws	DCSH
Water Services Bylaws	CE
Advertising Sign Bylaws	MM
Street Trading Bylaws	CD
Bylaws Relating to Public Amenities	CS
Credit Control and Dept Collection Bylaws	CFO
Funeral Undertakers Bylaws	DCSH
Cemetery Bylaws	DCSH
Bylaws Relating to Flammable Liquids	DCSH
Bylaws Relating to the Lease of Halls and Conference Facilities	CS
Bylaws Relating to the Control of Parking Attendants/Car Guards	DCSH
Bylaws Relating to Public Libraries	DCSH
Bylaws Relating to Municipal Swimming Pools	DCSH
Bylaws Relating to Childcare Services	
Electricity Supply Bylaws	I&TS
Standing Orders for the Council and its committees	CS

BYLAWS	RESPONSIBLE DEPT
Nuisance Bylaws	DCSH
Environmental Health Bylaws	DCSH
Bed and Breakfast Bylaws	CD
Beach Bylaws	DCSH
Rates Bylaws	CFO
Possession and discharge of fire works Bylaws	DCSH
Air Quality Management By-Laws	DCSH

There is also a By-Laws Committee in place which facilitates the development, review and implementation of the above mentioned Council By-Laws.

Ntambanana Municipality has the same by-laws a process of integration has already started and thereafter local government elections they will be formally gazetted and a public participation process will be initiated.

14.1.12 Local Aids Strategy 2012 - 2016

In line with the vision of developmental local government, the uMhlathuze Municipality sees itself as a key role-player in all efforts to prevent the spread of HIV and mitigate the negative impacts of AIDS on its communities. As such, the municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society organisations and departments from the other spheres of government in an effort to reduce the infection rate and the socio-economic impact of the pandemic on its citizenry.

In line with the National Strategic Plan (NSP), the overall goal of this five year strategy is to achieve the following by 2016:

- Halve the number of new HIV infections;
- Ensure that at least 80% of people who are eligible for treatment for HIV are receiving it. (At least 70% should be alive and still on treatment after five years.)
- Halve the number of new TB infections and deaths from TB;
- Ensure that the rights of people living HIV with are protected; and
- Halve stigma related to HIV and TB.

In light of this, the HIV and AIDS strategy focuses its interventions in five key areas with the following strategic objectives and sub-objectives:

STRATEGIC OBJECTIVE 1: PREVENTION OF HIV, STIs & TB TRANSMISSION

- Sub-objective 1.1** To reduce new HIV infections to less than half by 2016
- Sub-objective 1.2** To reduce new STI incidence to less than 0.5% by 2016
- Sub-objective 1.3** To reduce new smear positive TB infections to less than 1000/100 000 population by 2016

STRATEGIC OBJECTIVE 2: SUSTAINING HEALTH AND WELLNESS

- Sub-objective 2.1** To reduce disability and death resulting from HIV, STIs and TB through universal access to HIV, STIs and TB screening, diagnosis, care and treatment
- Sub-objective 2.2** To ensure that people living with HIV, STIs and TB remain within the health care system and are adherent to treatment and maintain optimal health and wellness
- Sub-objective 2.3** To ensure that systems and services remain responsive to the needs of people living with HIV, STIs and TB

STRATEGIC OBJECTIVE 3: PROTECTION OF HUMAN RIGHTS AND PROMOTION OF ACCESS TO JUSTICE

Sub-objective 3.1 To halve the stigma related to HIV and TB by 2016

Sub-objective 3.2 To ensure establishment of mechanisms to monitor human rights abuses and exercising rights

STRATEGIC OBJECTIVE 4: REDUCING STRUCTURAL VULNERABILITY RELATING, SOCIAL AND CULTURAL NORMS AND VALUES TOWARDS HIV, TB AND STIs

Sub-objective 4.1 To reduce vulnerability to HIV, STIs and TB due to poverty, socio-cultural norms and gender imbalance by 2016

Sub-objective 4.2 To address social, economic and behavioural drivers of HIV, STIs & TB

Sub-objective 4.3 To address gender inequalities and gender based violence as drivers of HIV and STIs

STRATEGIC OBJECTIVE 5: CO-ORDINATION, MONITORING, EVALUATION AND RESEARCH

Sub-objective 5.1 To monitor the effectiveness of the response to HIV, STIs and TB

Sub-objective 5.2 To have a well-coordinated district response to HIV, STIs and TB that is informed by an effective M&E system by 2016

14.2 PUBLIC PARTICIPATION ANALYSIS

14.2.1 Taking Council to the Community

In ensuring an unfading sense of connection with its community, the municipality annually stages an unprecedented “*Taking Council to the Community*” Program. The program is rotated in all the wards. This initiative involves taking both the Executive Committee as well as Council meetings to the selected venues/areas and thus providing the community with an opportunity to witness how such meetings are conducted. About 1700 people (the public) participated in the previous seating’s.

During these meetings induces the climax following a series of preceding activities which, amongst others, saw the handing over of wheel chairs, school visits, clean up campaigns, repainting of the roads etc. Councillors led by the His Worship the Mayor take part throughout these activities thereby demonstrating Council's seriousness about service delivery and being closer to the community in pushing developmental objectives. The next seating will be held in the month of June 2016, an overall report to the community by the Mayor will highlight some of the key service delivery achievements made the municipality over the past four years since local government elections.

14.2.2 IDP Process and Public Participation

Participatory mechanisms that take place throughout the IDP process help the project to ensure that the process, plans, goals, and implementation of the planned intervention is inclusive, and importantly address the needs of marginalized groups and minorities to ensure nondiscrimination and equality. Participation has built up ownership and partnerships which have made the projects that have been implemented within the community more sustainable.

During the IDP process, participation is implemented during the assessment and planning phase to help gather relevant data to define development challenges and to identify vulnerable groups, map out root causes, and set priorities

The integrated development planning process provides a forum for identifying, discussing and resolving the issues specifically aimed at upliftment and improvement of conditions in the under-developed parts of the municipality area. In order to ensure certain minimum quality standards of the IDP, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000). Municipal Departments participate throughout the process by contributing relevant aspects of their sections.

The objective of the IDP process is to facilitate deliberations resulting in decisions being made on the strategic development direction of the municipality and includes issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. The IDP, however, will not only inform municipal management; it is intended to guide the activities of any agency from other spheres of government, corporate service providers, NGOs and the private sector within uThungulu district.

14.2.3 Communication Plan

uMhlathuze Municipality has a draft Communication Strategy which will be adopted by Council in June 2016. uMhlathuze Municipality's communication strategy with specific reference to the IDP Process, entails that:

- Ward Committee members and Councillors are part of the preparation of ward meetings
- IDP community sessions are held in venues closest to the community
- Release of print media press when required to local and provincial newspapers are in Zulu and English
- SMS's, flyers and loud hailing are also used as a strategy to sensitise the community to attend the IDP meetings
- Monthly internal and external newsletters are used to publish IDP/Budget news
- Council provides transport for community members to respective venues

14.3 GOOD GOVERNANCE AND PUBLIC PARTICIPATION: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Operation Sukuma Sakhe (OSS) established in the uMhlathuze Municipality Ongoing activities and strategies planning are increasing the effectiveness of the structure. ○ Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA). ○ Functional section 79 and Section 80 committees. ○ Ward committees established for all 30 wards. ○ uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003. ○ Range of municipal policies in place. ○ The municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society 	<ul style="list-style-type: none"> ○ Resourcing, human and financial, to ensure efficient operation of OSS structures is challenging in some areas. ○ Ward Committees have to remain functional.

STRENGTHS	WEAKNESSES
<p>organisations and departments from the other spheres of government in an effort to reduce the infection rate and the socio-economic impact of the pandemic on its citizenry.</p> <ul style="list-style-type: none"> ○ <i>"Taking Council to the Community"</i> Program ongoing in the Municipality. ○ Communication strategy in place. 	

OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> ○ The Council has initiated a number of programmes and actions to improve good governance and relations with external role-players but also to improve internal efficiencies. 	<ul style="list-style-type: none"> ○ IGR and Good Governance in general is dependent on the support from various institutions and organs of state to ensure success.

15. UMHLATHUZE: COMBINED SWOT ANALYSIS

15.1 STRENGTHS

- Proximity of the municipal area to the N2 highway that traverses the Municipality in a north-east direction towards the Swaziland border and south-west towards Durban.
- Good road accessibility
- The municipality borders a coastline that spans approximately 45 kilometres
- The municipality borders a coastline that spans approximately 45 kilometres
- Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development.
- High level of species diversity.
- The beaches are significant tourism assets for the municipality.
- Alien Invasive and Greening Strategy in place.
- Spatial Development Framework has been developed and is in place.
- Climate change Strategy in place.
- Disaster Management Framework in place
- All role players in the disaster management arena (including Government, None-Government Organizations, Traditional Authorities and the Private Sector) work together to prevent and or mitigate the occurrence of disasters
- Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework.
- Disaster Management Advisory Forum in place
- Municipal Organogram is in place.
- Section 79, 80 and other Council Committees established and are operational.
- A reliable ICT system for effective functioning and efficient service delivery.
- Human Resource Policies in Place
- Employment Assistance Programme
- 24 hours operational Call Centred with toll free

- Fully functional ward committees
- Functional Local Labour Forum
- Very high level of access to water in the uMhlathuze municipal area.
- Well-functioning Scientific Services section to ensure that the quality of the city's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines.
- Well-structured organogram to attend to range of responsibilities and needs in respect of infrastructure and service provision.
- The most important aspect of the backlogs is that figures re reducing – from 42 000 in 2004 to 30 000 currently.
- Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements.
- Continual improvement of the Blue Drop score for the Municipality
- Continual improvement of the Green Drop score for the Municipality
- Increase in functional age group between 2001 and 2011.
- Bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports
- The dependency ratio in uMhlathuze is lower than that of the country.
- Libraries in the municipality provide internet access at no charge to users. Study facilities are provided at the libraries and are very well utilized.
- Functional Operation Sukume Sakhe Unit in the Municipality
- Council reviewed its Indigent Policy in 2010. The policy outlines the approach to accounts of indigent households and provides for a universal approach to the handling of the indigent. The policy seeks to address a number of challenges that currently prevent some of the poor people from receiving their basic benefits.
- The City of uMhlathuze has a fully functional Supply Chain Management Unit.
- During the latter part of 2009, the uMhlathuze Council approved cash flow recovery plan to circumvent a short term cash flow and service delivery impediment
- Operation Sukuma Sakhe (OSS) established in the uMhlathuze Municipality Ongoing activities and strategies planning are increasing the effectiveness of the structure.
- Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA).
- Functional section 79 and Section 80 committees.
- Ward committees established for all 30 wards.
- uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.
- Range of municipal policies in place.
- The municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society organisations and departments from the other spheres of government in an effort to reduce the infection rate and the socio-economic impact of the pandemic on its citizenry.
- "Taking Council to the Community" Program ongoing in the Municipality.
- Communication strategy in place.

15.2 WEAKNESSES

- Funding challenges to implement Alien Invasive and Greening Strategy.
- The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the uMhlathuze and Nsezi. These water systems offer opportunities but also limit development opportunities.
- Gaps in availability of data on the local heritage.
- A remarkable concentration of Red Data Species is one of the main reasons that the remaining percentage of the municipal surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife for meeting its conservation objectives in the province.
- Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area
- lack of resources , Appointment of Support of staff and equipment
- Lack of capacity to adequately handle all kinds Disaster related incident.

- Insufficient funds allocated to the section.
- Satisfactory attraction and employment of disabled personnel.
- Inadequate budget allocations for programs such as the EAP.
- No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions.
- The Municipality is running a recycling project with the goal of increasing recyclable materials recovered from the suburbs. At present, only Meerensee suburb is involved in the project.
- Indiscriminate dumping by residents of garden waste and builders rubble.
- Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that creates flooding of streets and properties.
- A matter of great concern is that 56% of informal traders operating without a licence
- Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- Failure to realize the potential for value adding through agro-processing.
- Funding to assist Operation Sukume Sakhe
- Ongoing challenges to spend internal and grant funds.
- The current credit score of the Municipality is BBB.
- Absence of financial implementation plan approved by Council for new organizational structure.

- Resourcing, human and financial, to ensure efficient operation of OSS structures is challenging in some areas.
- Ward Committees have to remain functional.

15.3 OPPORTUNITIES

- There is one airport and a couple of land strips in the municipal area.
- Economic node to the North-Eastern parts of the Province
- The R34 Provincial Main Road passes through Empangeni towards Melmoth.
- There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node.
- Coastal Dunes contain heavy minerals that are sought after for mining.
- Existing disaster management centre located at the Fire Station
- Potential growth in terms of expanding and economical
- Institutionalisation of Batho-Pele Principles
- Implementation of the E-Council system, eliminating cost for paper used in agendas etc.
- Bursary Policy for councillors, employees and members of the public.
- Graduate Development Programmes and off-the –job training is offered to graduates.
- Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories.
- Water quality status for the city in some instances far exceeds provincial and national percentages. This is a clear indication of the status of the Water Quality Monitoring Program in place and affirms that the operational integrity of the various systems is maintained optimally.
- The acquisition of 10 new refuse trucks in the municipality improved service delivery to its citizens. Interruptions in waste removal service due to truck breakdown have significantly reduced.
- The Municipality is running a recycling project with the goal of increasing recyclable materials recovered from the suburbs. At present, only Meerensee suburb is involved in the project. Reusable waste is put into yellow refuse bags supplied by the municipality.
- A number of human settlement programmes are in progress.
- Creating social upliftment through employment from the local community to clean the stormwater facilities and carry out routine maintenance through a two (2) year stormwater cleaning contract.
- Access to additional forms of housing support from government in respect of income groups earning above R3 500 per month.
- There is a branch of SEDA in Richards Bay which provides support to SMMEs, and Richards Bay Minerals has a Business Development Programme, but the Municipality could also contribute to SMME development in a number of ways
- Harbour development has provided the impetus for large-scale industrial growth.

- The Municipality has obtained an average debt collection ratio of **99.49%**.
- The City obtained Clean Audit for the 2012/2013 Financial Year
- The Council has initiated a number of programmes and actions to improve good governance and relations with external role-players but also to improve internal efficiencies.

15.4 THREATS

- Distance from major economic node in the province
- The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time.
- An increasing trend in the frequency of cyclonic activity has been observed.
- Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.
- Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions.
- The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area.
- The location of the municipality on the coastline and its proximity to shipping routes present numerous natural marine and coastal threats.
- Due to the deep-water port in Richards Bay, the City is a choice location for heavy industries that inevitably present a range of human-induced disaster risks.
- The settlement of communities in disaster high risk also leads to chronic disaster vulnerability threats that range from floods to repeated informal settlement fires
- Staff Low Moral
- Lack of proper implementation of the Succession Policy.
- Lack of Job Evaluation forum in order to determine post levels
- Failure/slow process of addressing Identified risks within the organisation.
- No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions.
- High cost of much needed maintenance at WTW and WWTW
- Short to no supply of permanent staff to carry out daily functions.
- Increased water demand for rural reticulation at the Mzingazi WTW
- Community members are building houses on the ponds at the Ngwelezane WWTW
- High cost of much needed maintenance at WTW and WWTW
- Influx and settlement along urban boundaries.
- Access to appropriate land for human settlement purposes.
- Many discouraged work seekers, about 9% of population.
- Increase in functional age group between 2001 and 2011 indicate of increased pressure for employment opportunities.
- Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects
- Volatile world markets which affect prices for some agricultural commodities, for example, sugar.
- The demise of the South African Sugar Association's credit facility for small-scale cane growers.
- Nearly 10% of children of school going age, are not attending school.
- There has been a decline in the percentage (%) of persons with a higher education.

- Sexual Transmitted infections remain a growing concern.
- The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure.
- The Council is limited in its leverage to borrow money externally.
- Limited resources provided in capital refurbishment and replacement programs.
- IGR and Good Governance in general is dependent on the support from various institutions and organs of state to ensure success.

16. KEY CHALLENGES

From the aforementioned sections, the following summary of key challenges can be extracted:

Table 80: Key Challenges

Nr.	Key Challenge	Description
1	Sustainable Financial Management and Cash Flow Management	In order to maintain our financial stability and still align with the Municipality's sustainable development strategy, new approaches to risk and growth need to be created. The municipality should maintain favourable credit balance, enhanced rate base by supporting high density developments. The agreed terms of the financial management system must be respected.
2	Low Levels of Skills Development and Literacy	The Municipality has a responsibility to facilitate the improvement of literacy levels of the community and to ensure an adequate skills base to foster enterprise growth and job creation. Scarce skills need to be transferred by partnership relations with industries and the different organizations that exist in the area.
3	Limited access to basic household and community services	Limited access to basic and community is the cause for a low quality of life in the municipal area. An area such as uMhlathuze is characterized by an in-flow of people in search of opportunities thereby increasing pressures on social and infrastructure services. Programmes from government departments are being pursued to address typical problems created as a result thereof.
4	High rates of unemployment and low economic growth	Considering the current economic climate and global recession, significant strides have been made to address the key development challenges in the Municipality. Different department are engaging with different sector departments and agencies in search for funding to assist in the implementation of proposed projects.
5	High levels of poverty	The current welfare dependency on grants, packages offered by the municipality is soon being felt since the financial situation the municipality is in. It is therefore necessary to come up with strategic objectives to enable job opportunities in the area, economic development programmes.

Nr.	Key Challenge	Description
		The situation the community is finding themselves in leads to many more households being unable to sustain themselves.
6	Limited access to basic household and community services	The provision of acceptable basic services is a critical element in the national developmental agenda. Water, electricity, sanitation, waste removal and social amenities are key critical services which have been identified by communities that are required to meet their basic needs. Limited funding and the increasing numbers of the community daily increases the levels of backlogs.
7	Unsustainable developmental practices	The Municipality faces a challenge of reacting to urban sprawl, which, in turn, results in increased informal settlement, overcrowded schools, ill health, marked spatial disparities, higher cost of providing infrastructure and services, disturbed ecosystems and environmental resources, changes in air quality, change in aesthetics and urban form, as well as loss of land for economic and agricultural services. Our spatial policies and development have not have not helped in the reconstruction and integration processes.
8	Ensuring adequate energy and water supply	The unsustainable use of resources such as energy and water has major impacts on the environment, and will ultimately compromise the Municipality's energy security, as well as its ability to deliver water of adequate quality and quantity to its citizens. . In the case of water, whole catchment management (including areas that fall outside of the municipal area) as well as efficient nature conservation programmes will help to ensure that there is an adequate supply of clean water. The most sustainable solution to the energy crisis is to reduce the demand for energy and at the same time investigate alternative renewable energy sources.
9	High levels of crime and risk	Strategies for addressing crime including both reactive strategies to respond to crime, and proactive strategies, aimed at stopping crime before it happens, are required. The response requires an integrated, multifaceted approach that includes working closely with the different stakeholders such as communities, National and Provincial Government, other stakeholders and service providers in all areas of crime prevention.
10	Increased incidents of HIV/AIDS and communicable diseases	HIV/AIDS is an epidemic which is increasing at an alarming rate and affects communities negatively. External support to ensure continuous support for efficient and effective service delivery in terms of health related issues. Provision of basic health services and effective healthcare infrastructure, increased financial and human resources in healthcare, awareness and education and poverty alleviation programmes will reduce the increased incidents of HIV/AIDS and communicable diseases
11	Infrastructure degradation	Degradation has become a critical social problem. It is therefore critical that the Municipality works towards managing its assets, work towards mitigating climate change, ensure life cycle management of infrastructure,

Nr.	Key Challenge	Description
		thus ensuring value for money.
12	Climate change	Escalating greenhouse gas emissions contribute towards climate change and will ultimately impact on human health, food security, natural resources, sea level rise, land loss and coastal infrastructure. As such climate change runs the risk of undoing all of the development gains of the last one and a half decades, and for a city such as Durban climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

SECTION D: VISION, STRATEGIES, GOALS AND OBJECTIVES

17. VISION AND MISSION OF THE UMHLATHUZE MUNICIPALITY

“The Port City of uMhlathuze offering improved quality of life for all its citizens through sustainable development.”

Mission statement that underpins the above vision:

- Job Creation through Economic Development
- Improving Citizens Skills Levels and Education
- Improve Quality of Citizens Health
- Creation of Secure and Friendly City through Fighting Crime
- Planned Rural Development Interventions
- Maintaining Consistent Spatial Development
- Commitment to Sustainable Environmental Management

18. GOALS, OBJECTIVES AND STRATEGIES

The following tables provide a summary of the municipal strategies, goals and objectives as well as a summary of the alignment of the municipal approach to that adopted and followed by provincial and national government.

Table 81: uMhlathuze Strategies, Goals and Objectives

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
1.3 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	1.1.8 To ensure effective and efficient administration complying with its Legal Mandates	1.1.2.4 Provide administrative support for all Council Committees
		1.1.2.5 Strengthen Council Oversight through training on Legislation and Policies
		1.1.2.6 Development of an organisational strategic planning document
	1.1.9 To maintain a SMART Organisational Performance Management System to ensure Planning, Monitoring reporting and evaluation of municipal performance	1.1.2.7 Develop and approve an Organisational Scorecard annually
		1.1.2.8 Develop and Adopt a Service Delivery Plan for each financial year
		1.1.2.9 Draft S57 Performance Agreements
		1.1.2.10 Compilation of quarterly performance reports to council
		1.1.2.11 Conduct performance assessment
		1.1.2.12 Submit the Annual Performance Report to Auditor General

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
	1.1.10 Ensure Institutionalisation of Batho Pele Culture and Principles	1.1.3.4 Develop and Implement a Service Charter
		1.1.3.5 Increase sensitivity of government administrators to the aspirations of citizens through bi-annually awareness sessions on BP
		1.1.3.6 Development of a full-fledged Customer Service Relation
	1.1.11 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.6 Facilitate the Functionality of Ward Committees through continues capacitation
		1.1.4.7 Development of a Credible Integrated Development plan within prescribed legislative guidelines
		1.1.4.8 Facilitation of Stakeholder and Community participation in policy making
		1.1.4.9 Development of Community Based Plans
		1.1.4.10 Measure customer satisfaction survey bi- annually
	1.1.12 To promote and foster sound internal and external communication	1.1.5.4 Development and implementation of communications strategy to help the organisation to communicate effectively and meet core organisational objectives
		1.1.5.5 An effective ICT Systems that enables efficient decision making and communication
		1.1.5.6 Facilitate functionality of IGR Structures
	1.1.13 To Promote Access to Information and Accountability	1.1.6.4 Develop and Maintain an approved Records Management System
		1.1.6.5 Review of access to information annually
	1.1.14 To develop and review policies that will lead to improved service delivery and legislative compliance	1.1.6.6 Facilitate compilation of an Annual Report
		1.1.7.2 Embark on a consultation process in the development and review of policies
1.4 Risk Governance	1.2.5 To ensure that the risk maturity of the organisation is at an enabled level (risk management and internal control fully embedded into the operations of the organisation, high level understanding of risk, effective risk management system)	1.2.1.7 Development, implementation and continuous improvement of Enterprise Risk Management Policy and Strategy
		1.2.1.8 Risk assessment bi- annually with implementation, monitoring, continuous improvement and on-going review
		1.2.1.9 Development and on-going review of Enterprise Risk Management Committee (ERMC) Charter
		1.2.1.10 Facilitate Functionality of Enterprise Risk Management Committee
		1.2.1.11 Development, co-ordination and continuous improvement of Fraud Risk Management Policy and Strategy
		1.2.1.12 Development, co-ordination, continuous improvement and monitoring of Business Continuity Plan

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
	1.2.6 Ensure reliable, and maintain independence of internal and external audit	1.2.2.5 Development of Audit Charter
		1.2.2.6 Facilitate Functionality of Audit Committee
		1.2.2.7 Development of an Internal Audit Plan
		1.2.2.8 Annual Review of Anti- Corruption Strategy
	1.2.7 Ensure Compliance with Relevant legislation	1.2.3.2 Review of Municipal By-laws annually
	1.2.8 Ensuring compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	1.2.4.5 Review the Occupational Health and Safety policy
		1.2.4.6 Develop Occupational Health and Safety Guidelines
		1.2.4.7 Develop Injury on duty management procedure
1.2.4.8 Implement EAP programs that promote and support health and well-being of employees		
NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
GOALS	OBJECTIVES	STRATEGIES
2.2 Efficient and integrated infrastructure and services	2.1.6 To expand and maintain infrastructure in order to Improve access to Basic Services to the community	2.1.1.5 Eradicate water services backlogs through provision of basic water services
		2.1.1.6 Eradicate Sanitation services backlogs through provision of basic sanitation services
		2.1.1.7 Eradicate electricity supply backlogs through provision of basic electricity supply services
		2.1.1.8 Provide a weekly domestic solid waste removal service to the community
	2.1.7 To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	2.1.2.3 Provision of public transport facilities and infrastructure in the rural areas
		2.1.2.4 Maintenance of stormwater facilities
	2.1.8 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.4 Improve community standard of living through accelerated development of houses in rural areas
		2.1.3.5 To provide housing for vulnerable groups
		2.1.3.6 To provide low-cost Houses (Urban)
	2.1.9 To ensure effective Fleet Management	2.1.4.2 Implementation of effective Fleet management Plan
2.1.10 Maintenance of Municipal fixed assets	2.1.5.2 Strive to improve reliability and service life of Municipal infrastructure and facilities	
NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
3.5 Viable Economic Growth And Development	3.1.4 To create an environment that will create jobs and alleviate poverty.	3.1.1.7 Develop and sustain urban and commercial agriculture to build food security
		3.1.1.8 Facilitate and grow SMME's
		3.1.1.9 Promote Local Production for local Needs
		3.1.1.10 Review and Implement LED Strategy
		3.1.1.11 Affirm Local Entrepreneur
		3.1.1.12 Promoting economic growth by

NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
		successfully delivery of capital infrastructure projects
	3.1.5 To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	3.1.2.4 Promote economic growth by successful implementation of EPWP community based projects
		3.1.2.5 Promoting economic growth by providing employment opportunities for Women and Youth
		3.1.2.6 Promoting economic growth by providing skills empowerment to the unemployed
	3.1.6 To promote Local tourism	3.1.3.2 To ensure maxim marketing and promotion of uMhlathuze as the tourism destination of choice
3.6 Public Safety and Security	3.2.3 Provision of efficient and effective security services	3.2.1.2 Review and implementation of crime prevention strategy
	3.2.4 To ensure Provision of fire – and rescue services	3.2.2.2 Review and Implementation of a fire prevention strategy
3.7 Safe and Healthy Living Environment	3.3.4 Efficient an effective waste management services	3.3.1.4 Review and Implementation of Integrated Waste Management Plan
		3.3.1.5 Implementation of Waste Management Strategy
		3.3.1.6 Compliance with national norms of standards
	3.3.5 To ensure air quality management	3.3.2.2 Development and Implementation Air Quality Management Strategy
	3.3.6 Development of Cemeteries	3.3.3.2 Review of Pauper and Indigent Burial Policy
3.8 Social Cohesion	3.4.3 To promote social cohesion	3.4.1.3 Development of sports and recreation programmes
		3.4.1.4 Development of community facilities
	3.4.4 To promote arts and cultural services	3.4.2.2 Development of Arts and Culture Strategy

NATIONAL KPA 4 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION		
GOALS	OBJECTIVES	STRATEGIES
4.2 Municipality Resourced and Committed to attaining the vision and mission of the organisation	4.1.5 To create an Appropriate organisational climate that will attract and retain appropriate skills	4.1.1.5 Review and Implementation of development and retention strategy
		4.1.1.6 Compliancy with Employment Equity Act
		4.1.1.7 Provide employment opportunities for Women, Youth, People with disabilities and Military Veterans
	4.1.6 To Improve Citizens Skills levels and Education	4.1.1.8
	4.1.7 To ensure Sound Relationship between management and labour	4.1.2.2 Compliance with other labour legislation and collective agreements
	4.1.8 To ensure maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	4.1.3.2 Annual review of an organisation structure

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

GOALS	OBJECTIVES	STRATEGIES
5.2 Sound Financial And Supply Chain Management	5.1.3 Compliance with financial legislation and policies	5.1.1.6 Ensure GRAP compliance
		5.1.1.7 SCOA compliant (new reform)
		5.1.1.8 Review of all budget related policies
		5.1.1.9 Adherence to all MFMA and budget and reporting
		5.1.1.10 Compliance with the Supply Chain Management regulation and PPPFA
	5.1.4 Sustainable Financial and supply chain Management	5.1.2.12 Improve internal communication on budget matters
		5.1.2.13 Maintenance of fixed asset register
		5.1.2.14 Credit control and debt collection
		5.1.2.15 Compliant internal controls
		5.1.2.16 Compliant grant reporting
		5.1.2.17 Obtain targeted cash-backed statutory reserves
		5.1.2.18 Development and appropriate training and assistance to employees
		5.1.2.19 Identify and redress water and electricity tampering
		5.1.2.20 Demand and acquisition management
		5.1.2.21 Warehouse management
		5.1.2.22 Contract administration

NATIONAL KPA 6 : CROSS CUTTING		
GOALS	OBJECTIVES	STRATEGIES
6.4 Integrated Urban and Rural Development	6.1.4 To plan areas for future development and formalisation	6.1.1.7 Review the Spatial Development Plan for adoption by Council
		6.1.1.8 Development of Rural Framework plans
		6.1.1.9 Development of Urban Framework plans
		6.1.1.10 Development of Rapid Urbanisation Management Plans
		6.1.1.11 Developing Commercial precinct / revitalisation plans for all suburbs
		6.1.1.12 Review of Human Settlement Sector Plan
	6.1.5 To promote environmental conservation and protection	6.1.2.2 Developing a Strategic Environmental Assessment for the entire municipal area.
	6.1.6 To ensure effective Land Use Management and Building Management	6.1.3.4 Review and Implementation of uMhlathuze Land Use Scheme
		6.1.3.5 Efficient processing of development application
		6.1.3.6 Development of Risk Management Strategy relating to National Building regulations
6.5 Immovable Property Management	6.2.3 To ensure fair valuation of properties	6.2.1.2 Development and maintenance of valuation roll in line with municipal property rates act.
	6.2.4 Effective Management of Council owned Immovable properties.	6.2.2.4 Update immovable asset register
		6.2.2.5 Review and Adopt Land Sale and Lease Policy
		6.2.2.6 Development of a Standard Operating Procedure for Land
6.6 Disaster Management	6.3.2 To prevent and mitigate disaster incidents	6.3.1.2 Review and Implement Disaster Management Plan

Table 82: Local, Provincial and National Alignment

National KPA	uMhlathuze Goals	uMhlathuze Mission	uMhlathuze Objectives	MDG	National Plan Priorities	14 National Outcomes	5 National Priorities	PGDS Goals	DGDP Goals	Back to Basics
Good Governance and Public Participation	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance		To promote a municipal governance system that enhances and embraces the system of participatory governance	Develop a Global Partnership for Development	Inclusive Planning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy	Governance and Policy	Good Governance
			To promote and foster sound internal and external communication		Unite the Nation	Nation Building and Social Cohesion				
			Public Safety and Security		Fight Corruption	Inclusive and Responsive Social Protection system				
Basic Service Delivery and Infrastructure Provision	Efficient and Integrated Infrastructure and Services		To Expand and improve infrastructure in order to improve access to basic services to the community		Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure	Strategic Infrastructure	Basic Services: Creating Decent living conditions
		Planned Rural Development Interventions	Integrated Urban and Rural development			Vibrant, equitable, sustainable rural communities contributing towards food security for all				
		Maintaining Consistent Spatial Development	To plan areas for future development and formalisation			Sustainable human settlements and improved quality of household life		Spatial Equity	Spatial Equity	Basic Services: Creating Decent living conditions
		Commitment to Sustainable Environmental Management	To promote Environmental Conservation and Protection	Ensure environmental sustainability		Protect and enhance our environmental assets and natural resources		Response to Climate Change	Response to Climate Change	Basic Services: Creating Decent living conditions
Local Economic Development	Viable Economic Growth and Development	Job Creation through Economic Development	To create an environment that will create jobs and alleviate poverty	Eradicate extreme Poverty and Hunger	Create Jobs		Job Creation	Job Creation	Job Creation	
		Improve Citizens Skills Levels and Education		Achieve Universal Primary Education	Quality Education	Skilled and capable workforce to support an inclusive growth path	Education			
						Quality basic education				
	Safe and Healthy Living Environment	Improve Quality of Citizens Health		Combat HIV/Aids, malaria and other diseases	Quality Healthcare	A long and healthy life for all South Africans	Health			
				Reduce Child Mortality						
	Integrated Urban and Rural development	Planned Rural Development Interventions				Decent employment through inclusive economic growth	Rural development, food security and land reform			
	Public Safety and Security	Creation of Secure and Friendly City through Fighting Crime	Provision of efficient and effective security services	Promote Gender Equality and Empower Women		All people in South Africa are and feel safe	Fighting crime and corruption			
Municipal Institutional Development and Transformation	Municipality Resourced and Committed to attaining the vision and mission of the organisation		to create an appropriate organisational climate that will attract and retain appropriate skills		Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development	Human Resource Development	Institutional Capacity
			To ensure maintenance of an organisation structure that is in line with organisational objectives and optimises service delivery			An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		Human and Community Development	Human and Community Development	Institutional Capacity
Municipal Financial Viability and Management	Sound Financial and Supply Chain Management		Sustainable Financial and Supply chain Management		Use Resources Properly					Financial Management
			Compliance with financial legislation and policies							

SECTION E: STRATEGIC MAPPING

This chapter represents an extract of the uMhlathuze Spatial Development Framework and should be read in conjunction with the comprehensive Spatial Development Framework of the uMhlathuze Municipality. This chapter also makes reference to the Municipal Human Settlement Plan and should therefore also be read in conjunction with the comprehensive Municipal Human Settlements Plan of the uMhlathuze Municipality.

The Spatial Development Framework (SDF) can be considered as a visual presentation that seeks to guide the overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goal and objectives of the municipal IDP, in keeping with the principles for land development. As such, it should guide spatial growth, conservation of the natural and built environment as well as the correction of past imbalances. It should also indicate areas where strategic intervention is required and should act as marketing tool to indicate where development could be promoted.

18.1 SPATIAL DEVELOPMENT VISION

The long term vision of the Municipality is:

“The Port City of uMhlathuze offering improved quality of life for all its citizens through sustainable development.”

The above municipal vision underpins the following mission elements:

- Job Creation through Economic Development
- Improving Citizens Skills Levels and Education
- Improve Quality of Citizens Health
- Creation of Secure and Friendly City through Fighting Crime
- Planned Rural Development Interventions
- Maintaining Consistent Spatial Development
- Commitment to Sustainable Environmental Management

In Support of the above Municipal wide (IDP) vision and mission, the uMhlathuze Municipal Spatial Development Framework vision is:

“Progressive and sustained socio-economic transformation poised for equal distribution of opportunities to all citizens.”

18.2 ALIGNMENT WITH POLICIES, PLANS AND LEGISLATION

Due cognisance is taken of a number of National and Provincial policies and plans as well as legislation when preparing a municipal SDF. A short summary of the key policies, plans and legislation is provided hereunder:

18.2.1 Sustainable Development Goals

17 Sustainable Development Goals (SDGs): 2020-2030 Vision. The following three SDGs are noted given their relevance to the context in which uMhlathuze is functioning. Sustainability and integration issues are at the focus of the spatial transformation program being pursued by the municipality.

SDG	Goal Description	Application to uMhlathuze
6	Ensure available and sustainable management of water and sanitation for all.	<ul style="list-style-type: none"> ○ The uMhlathuze Municipality is a Water Services Authority (WSA) and the Water Service Provider (WSP). ○ A total of 96.75% households have access to the basic RDP level of water supply service as of 31 March 2016 and the water backlog is 3.25%. One of the main challenges being dealt with is constant supply of water with fewer interruptions. An annual target to eradicate the remaining backlog has been determined. ○ A total of 85.44% households had access to the basic level of service for sanitation as of 31 March 2016 and the backlog remains at 13.03%. An annual target to eradicate the remaining backlog has been determined. ○ Post the August 2016 Local Government Elections and the incorporation of wards from the Ntambanana Municipality, the above figures will be reviewed to reflect the backlogs from Ntambanana as well. ○ The Municipality has prepared Water and Sewer Bulk Master Plans to inform water and sewer planning and investment. These plans will also require updating post the August 2016 Local Government Elections.
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	<ul style="list-style-type: none"> ○ The establishment of a Techno Hub in Richards Bay is being pursued, on a co-development principle, between the Richards Bay IDZ (Industrial Development Zone) and the uMhlathuze Municipality. ○ During 2002, the Downstream Aluminium Centre for Technology (DACT) was launched with support from the DTI. The Centre is an incubator that assists potential entrepreneurs from local and emerging communities. The facility has a customized building, equipped to obtain patterns and dies for the manufacture of the range of cast aluminium garden furniture, architectural fittings, balustrades, filigree work, corner brackets, lamps poles

		and light fittings.
11	<p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p> <p><i>Goal 11.1 ... that citizens have access to adequate, safe and affordable housing and basic services, and upgrade slums.</i></p> <p><i>Goal 11.3 ... that all countries must enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management ...</i></p> <p><i>Goal 11.a ... countries must support positive economic, social and environmental links between urban, peri-urban and rural areas ...</i></p> <p><i>Goal 11.b requires that by 2020 all countries must increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters etc.</i></p>	<p>The uMhlathuze Municipality has resolved to establish Human Settlement Restructuring Zone. These restructuring zones are intended as an instrument (among others) to pursue restructuring of South African cities. This is essentially about integration: economic, racial and social. Restructuring is largely about moving away from housing interventions that entrench/enforce or in any way maintain the spatial status quo, which reinforces certain social and economic disparities.</p> <p>In line with the above, there Human Settlement projects have been initiated in the identified restructuring zones namely the uMzingwenya Slums Clearance Project, Aquadene Integrated Human Settlements Project (bulk services under construction) and the Empangeni Mega Housing Project.</p>

18.2.2 National Development Plan:

S.A. Government plan to eliminate poverty and reduce inequality by 2030. The uMhlathuze Municipality has embarked on the preparation of a Municipal Economic Development Transformation Roadmap. Also, particular attention is being given to the upliftment and revitalization of the Township Economy.

18.2.3 Strategic Integrated Projects (SIPs):

Presidential Infrastructure Coordinating Commission.

<p>SIP 1</p> <p>Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst</p>	<p>The rail capacity between Mpumalanga and Richards Bay is relevant in in this instance. The uMhlathuze Municipality has budgeted R100 million to spend on the electricity line to RBCT to avoid future failure of electricity</p>
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	supply to this large export facility. The Port expansion of Richards Bay is a permanent discussion item between the uMhlathuze Municipality and the Richards Bay Port (Transnet).
SIP 8 Green energy in support of the South African economy	Numerous green economy initiatives are either being pursued or supported by the uMhlathuze Municipality in its area of jurisdiction.

18.2.4 Provincial Growth and Development Strategy:

KZN Province Strategy to promote KZN to be a prosperous Province with a healthy, secure and skilled population, gateway to Africa and the world by 2030

18.2.5 N2 Corridor Plan:

Durban - Richards Bay to Kwambonambi: To develop a clear 25 year strategic plan for the development, land usage and transport mobility of the affected area.

18.2.6 uMhlathuze-Ulundi-Vryheid Secondary Corridor Plan:

To develop a 25 year strategic framework that identifies spatial issues and opportunities.

18.2.7 uThungulu Growth and Development Strategy

There is significant alignment between the above key policies and plans. For example, the SDG goal to significantly access to adequate, safe and affordable housing; support social, economic and environmental links as well as increasing human settlements which mitigate and adapt to climate is of particular relevance to the Municipality and is addressed in the National Housing Code; National Upgrading Support Programme; National Development Plan; Provincial Growth and Development Strategy and Outcome 8 strategic objectives.

Table 83: Summary of Core Spatial Planning Principles

SPLUMA Principles	Development	Core Spatial Development Principles
Spatial Justice		<ul style="list-style-type: none"> ○ Address the spatial legacy ○ Integrated human settlement development ○ Redress spatial and other development imbalances through improved access to and use of land
Spatial Sustainability		<ul style="list-style-type: none"> ○ Encourage sustainable development, promote densification, discourage urban sprawl ○ Integration of all physical aspects of land/economic development ○ Optimize the use of existing resources ○ Strategic environmental assessment

Spatial Efficiency	<ul style="list-style-type: none"> ○ Nodes and corridors ○ Urban development edge
Spatial Resilience	<ul style="list-style-type: none"> ○ Urban and rural integration ○ Promote mixed use development
Good Administration	<ul style="list-style-type: none"> ○ Capital investment framework, priority spending areas ○ Cross boundary developments

The National Development Plan 2030 makes a strong statement about the need to “address the challenge of apartheid geography” which is defined in terms of **living, working** and **environmental sustainability**. To this end, the following 5 pillar of Spatial Transformation are noted:

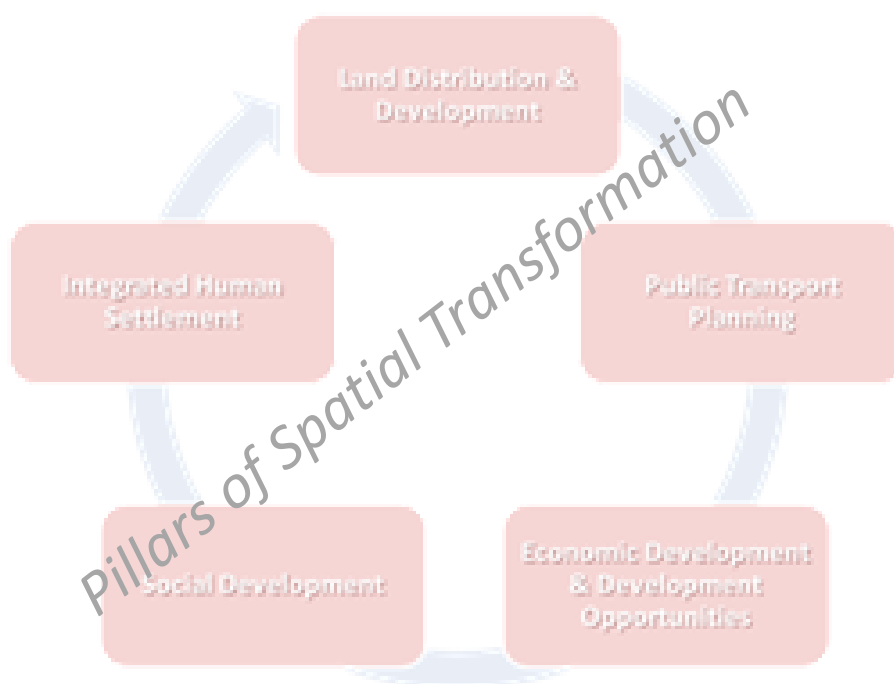
18.2.8 Pillars of the Spatial Transformation:

1. Land Distribution and Development (Brown and Green fields)
2. Public Transport Planning
3. Economic Development and Economic Opportunities
4. Social Development
5. *Integrated Human Settlement*

The **Spatial Land Use Management Act (SPLUMA)** has been proposed as a possible tool to effect spatial transformation. To this end, the main objective of the uMhlathuze Municipal Spatial Transformation Concept is as follow:

To address integrated development, city compacting, structural elements, equal access to land and create sustainable economic development opportunities which will contribute to job opportunities.

Figure 66: Pillars of Spatial Transformation



18.3 SPATIAL STRUCTURING ELEMENTS

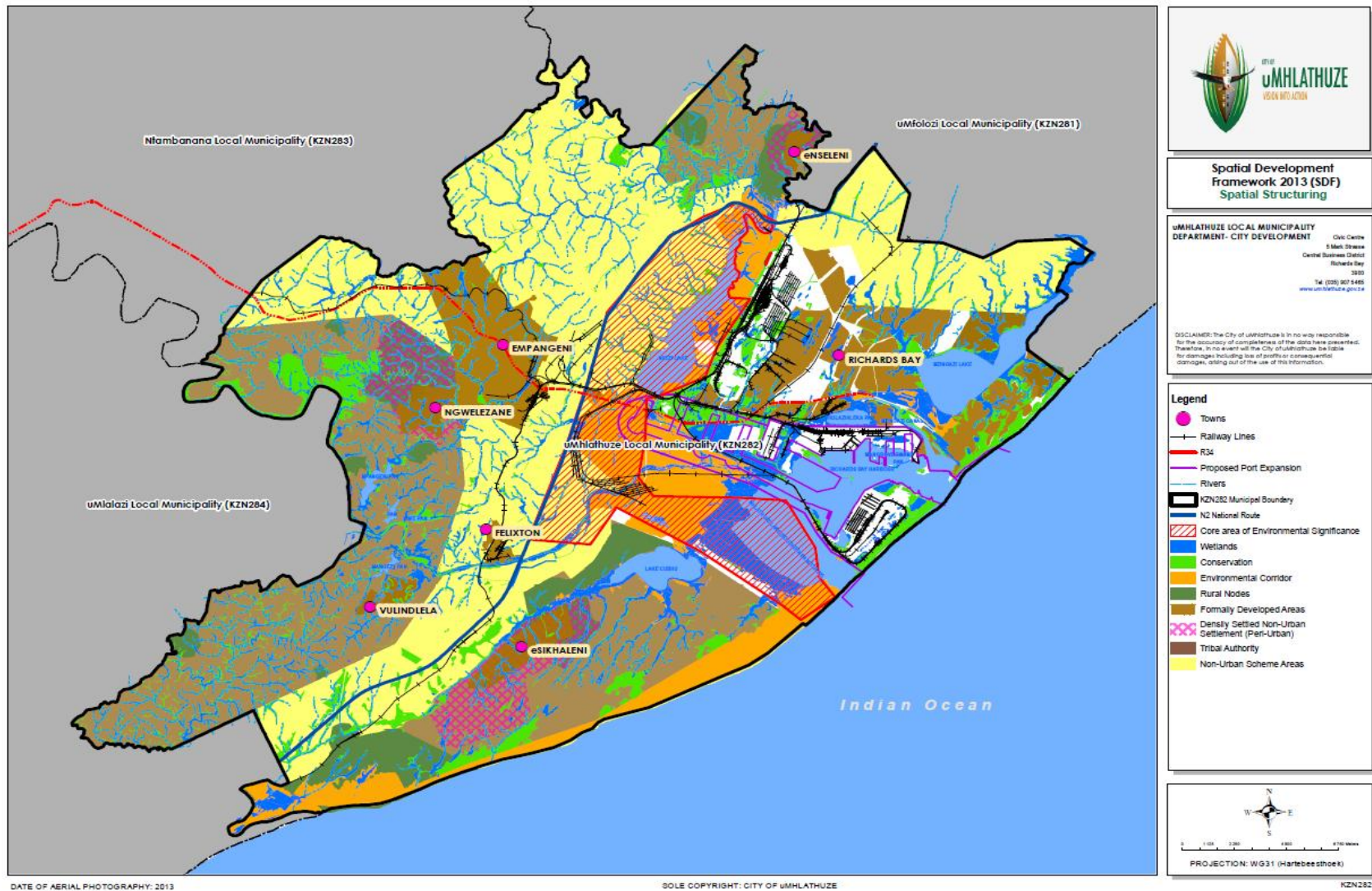
There are a number of natural and man-made phenomenon that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The municipal area includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi and Zungu. Apart from the areas of natural significance, large tracts of land are under commercial agricultural production.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the N2 on its inland. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided. The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of landing strips in the municipal area.

The developability of the municipal area has limitations given topography and natural features as can be noted from the map at overleaf.

More details in respect of the natural (environmental) characteristics are also provided herewith.

Map 32: Spatial Structuring Elements



18.4 ENVIRONMENTAL CHARACTERISTICS

The **geomorphology** of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relieve terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations.

The municipal area falls within the which is recognized as the second richest floristic region in Africa: containing approximately 80 % of the of South Africa's remaining forests, rich birdlife and many other significant flora and fauna species. The uMhlathuze Municipal Area supports a total of 174 Red Data species, which has been reported as amongst the highest in the country for an area of its size.

The geology and geomorphology of the area controls the transport and storage of water and influences the **hydraulic functions of the ground water system**. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands.

18.4.1 ENVIRONMENTAL ASSETS

The environmental assets of the areas are briefly described hereunder:

Economic Development: Coastal Dunes contain heavy minerals that are sought after for mining, which is a key sector in the context of regional economic development and national plans.

Tourism: The beaches are significant tourism assets for the municipality, attracting an Annual Beach Festival a hosting beach events at Alkanstrand, and providing a seasonal holiday destination and on-going recreational amenity. Other tourism assets worthy of preservation are the area's lakes and forests, heritage sites, conservation areas around Mzingazi River, and the estuary found south of the Port. The proposed developments of the waterfront, has a strong tourism focus. Environmental assets and socio-economic indicators have therefore been considered in the conceptual plans for the Waterfront.

Water Resources: The coastal Lakes (Lake Mzingazi, Lake Cubhu and Lake Nseze) are important water resources for the municipality. The development of Richards Bay in particular, with its industrial development, has seen a significant increase in the abstraction rates of these lakes over the past 20 years.

Ecological Features: Water logged areas have been drained to accommodate development but has in the process, created important hydrological and ecological linkages. In certain instances, these artificial regimes, have resulted in the formation of valuable natural assets that support high levels of biodiversity and species endemism. An example of such is the Thulazihleka Pan system in Richards Bay.

18.4.2 ENVIRONMENTAL SERVICES MANAGEMENT PLAN

The ESMP outlines, amongst others, the following critical goals Environmental Services Management:

- To define cohesive and functional spatial management units within the municipal area that need to be managed in order to optimise the delivery of environmental services.
- To develop management plans for each management unit that identify the management activities required to secure environmental services supply.

The areas that provide environmental services to the City are spatially defined, and the following “Levels” of protection were determined:

Level 1: Environmental Corridors (Nature Reserves): Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. It is recommended that these areas be proclaimed as nature reserves in terms of relevant legislation such as the National Environmental Management Protected Areas Act.

Level 2: Conservation Zone: Included in the conservation zone are areas of biodiversity/ environmental significance, which are not viable for proclamation as nature reserves, but that require some form of legal protection. No transformation of the natural assets or the development of land for purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

Level 3: Open Space Linkage Zone: Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.

Level 4: Development Zone: Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply.

3.4 Air Quality

Air quality management plays an integral part in land use planning and zoning. A study was initiated to assess air quality within the municipality. The main objective of the air quality investigation was to inform the Spatial Development Framework for the City of uMhlathuze to ensure all environmental aspects were considered for current and future planning.

Council adopted the outcomes of the study in November 2006. The study had the following focus areas:

- Determination of ambient air quality limits to be adopted as targets for areas within the City of uMhlathuze;
- Determination of areas where local air quality limits are exceeded or are in danger of being exceeded;
- Determination of buffer zones for existing industrial areas; and,
- Identification of possible future industrial development areas that would not impact on the health and well-being of the residents in uMhlathuze or on the sensitive environment.

18.4.3 COASTAL ISSUES

Coastal Management:

The uMhlathuze municipality is bordered by approximately 48 km of coastline, which presents a number of economic, conservation and recreational opportunities. The shoreline is characterized by sandy beaches, well established dune formations, estuarine environments, and hosts the country's largest deep water Port.

Coastal Erosion:

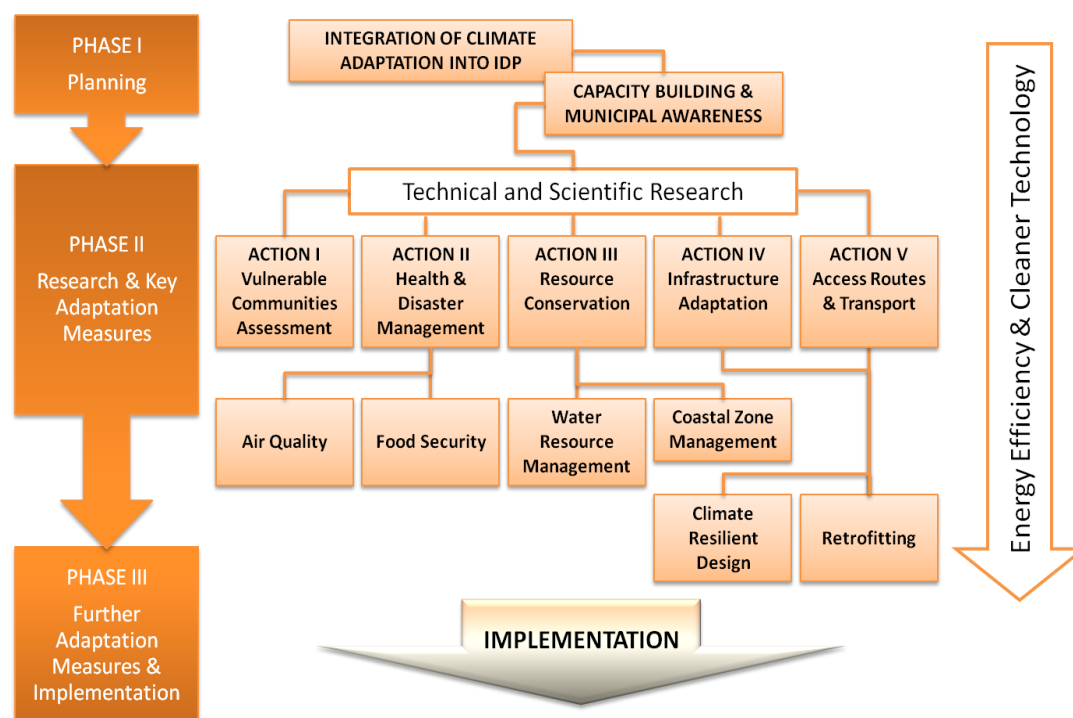
As is the case with most coastal municipalities in KwaZulu-Natal, the Municipality has encountered severe coastal erosion, which requires a management response that would prevent further loss of beaches, damage to property and infrastructure. Being predisposed to disruption of natural wave action because of the Port entrance, Alkantstrand beach at Richards Bay requires a reliable sand bypassing scheme. In the absence of sand budget on the Northern beaches, the municipality has to implement soft engineering techniques to mitigate against an eroding coastline. Any further development of the coast is furthermore required to take cognizance of the Coastal setback lines adopted by the municipality.

Coastal access:

Sanctioned by the National Environmental Management: Integrated Coastal Management Act, Act 24 of 2008, a number of coastal access points is being considered. These access areas are strategically important as they aim to create safe, equitable beach access, as well as improved recreational and tourism opportunities.

18.4.4 CLIMATE CHANGE

A climate change strategy has been drafted on the basis of two fundamental principles, i.e. **mitigation** and **adaptation** through the implementation of the Climate Change Municipal Action Plan. The Municipal Action plan adopts a phased approach to allow for a systematic and realistic response to potential climate impacts. Represented in the following figure, it is proposed that the plan be adopted over a 5-year period, coinciding with the rollout of the Municipality's Integrated Development Plan (IDP).

Figure 67: Phased Approach to Municipal Action Plan

18.4.5 BIODIVERSITY AND DEVELOPMENT

The greater uMhlathuze Municipal Area supports a total of 174 Red Data species, which according to the South African National Biodiversity Institute, ranks amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one of the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

Table 84: Biodiversity Significance

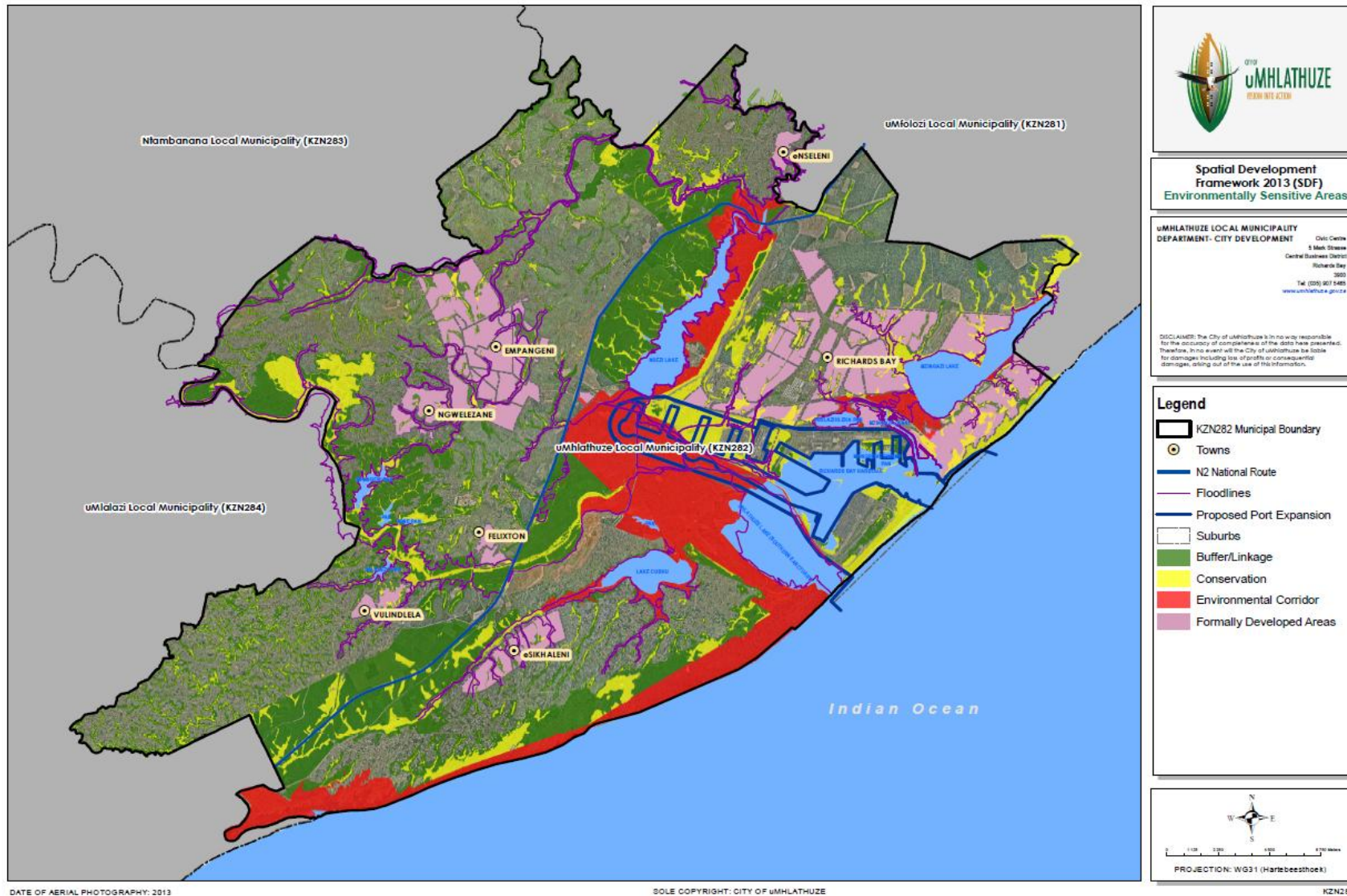
Vegetation Type	Red Data Species (Significance)	Conservation Target
Grasslands	124	100 % following a detailed survey. Conservation of a substantial portion of the remaining natural asset in the region is required if conservation objectives are to be pursued
Forests	90	
Nseleni River_Lake Nsezi System	70	
Large Wetlands	55	
Estaries	28	
Lakes	18	
Mhlathuze River System	11	
Swamp Forests	9	

All of the remaining ecosystem types are important for supporting Red Data Species, implying that there is a direct conflict with future development imperatives. The Spatial Development Framework has identified such development opportunities for the area. Port expansion with associated industrial development is the single most significant opportunity in

the area with tremendous potential to grow the local, regional and national economy. Existing planning approaches in the area also present opportunities to enhance conservation and hence tourism objectives. The limited space to accommodate the growth demand in the area reflects the realities of ecological risks that may arise and the anticipated conflict between conservation and development. The situation highlights the need for closer collaboration and coordinated planning between environmental stakeholders and prospective developers.

Environmental Sensitive areas as discussed are mapped at overleaf:

Map 33: Environmental Sensitive Areas



18.5 UMHLATHUZE SPATIAL DEVELOPMENT FRAMEWORK

The KwaZulu-Natal province (through the PGDP) has set itself up as the gateway to the country and the Africa continent. The provincial focus is on job creation aimed at bringing down unemployment through job creation. Agriculture is one of the sectors that need to be revived as well as tourism as KZN has the highest domestic tourism numbers.

One of the driving sectors in the province's economy was the ports. The province has the biggest ports in Africa and with more expansion at the ports planned. Richards Bay is strategically located close to the Port of Maputo and is also strategically located in respect of SIP 1: Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst with regard to the rail link improvements between Mpumalanga and Richards Bay.

The uMhlathuze SDF is a tool to guide future development (investment, decisions etc.) and interventions in context of the aforementioned and local conditions. Amongst others, it encompasses the following:

- Long term development trajectory of more than 50 years
- Alignment with International, National, Provincial and Local Plans
- Alignment with long term future Port Development Framework and Richards Bay IDZ Plans
- The municipal SDF contains spatial structuring elements, is informed by a technical analysis of trends and considers a number of development scenarios
- Nodes and corridors are identified for investment responses
- Integrated Human Settlements is a core feature of the spatial development framework
- Effect is given to Spatial Transformation by way of focussing and channelling investment in line with the Pillars of Spatial Transformation.

The following elements relevant to uMhlathuze's spatial development are expanded upon to indicate how investment and development is guided by the municipal SDF:

- Mixed Use Zones (Nodes & Corridors)
- SDF Expansion Areas
- Integrated Human Settlement (Restructuring Zones & NUSP)
- Disaster Management Planning
- Urban Renewal & Precinct Planning
- Public Transport Facilities
- Catalytic Projects

The IUDF (Integrated Urban Development Framework) Spatial Planning Toolkit as championed by CoGTA and the World Bank will also be referenced.

18.5.1 CORRIDORS AND NODES

Corridors:

uMhlathuze has been identified as a Primary Corridor No.1 (Ethekwini – Umhlathuze), in terms of the Provincial Spatial Economic Development Perspective as a result of being area with high economic growth. It has also been identified as the Secondary Corridor No.1 (Umhlathuze – Ulundi – Vryheid) as a result of high poverty areas with good economic development potential.

The Presidential Infrastructure Commission (PIC) launched a National Infrastructure Development Plan which consists of 18 Strategic Integrated Projects (SIPs). KZN COGTA has embarked on a phased approach towards the development of Corridor Plans, with the first plan being the Development of a Strategic Corridor Plan for the SIP 2 (Durban Free State - Gauteng) Logistics and Industrial Corridor followed by the N2 Corridor Plan from Ethekwini through Richards Bay to the uMfolozi Municipality. The “N2 Corridor” (from Durban - Richards Bay to Mbonambi) is proposed to provide a clear 25 year period strategic plan for the development, land usage and transport mobility of the affected area. The plan will be used to inform, integrate and coordinate strategic growth and development along the “N2 Corridor” over the next 25 years by exploiting KZN's key competitive and comparative advantages.

The P700 and P701 is part of the KZN Transport Department's African Renaissance Roads Upgrading Programme (ARRUP). P700 is a Provincial route, which emanates from the R66 to Hluhluwe-Umfolozi Park. It provides a shorter and more direct link to the Park from Mpumalanga and Gauteng. The P701 is in extent of about 62km running from the P700 and joins the R34 to Empangeni. It bisects two Local Municipal areas namely, the Ntambanana Local Municipality and the uMhlathuze Local Municipality.

The development of this corridor seeks to facilitate the distribution of benefits arising from tourism and other economic activities. In economic and conservation terms, the tourism sector is regarded as one of the key development catalysts in the area.

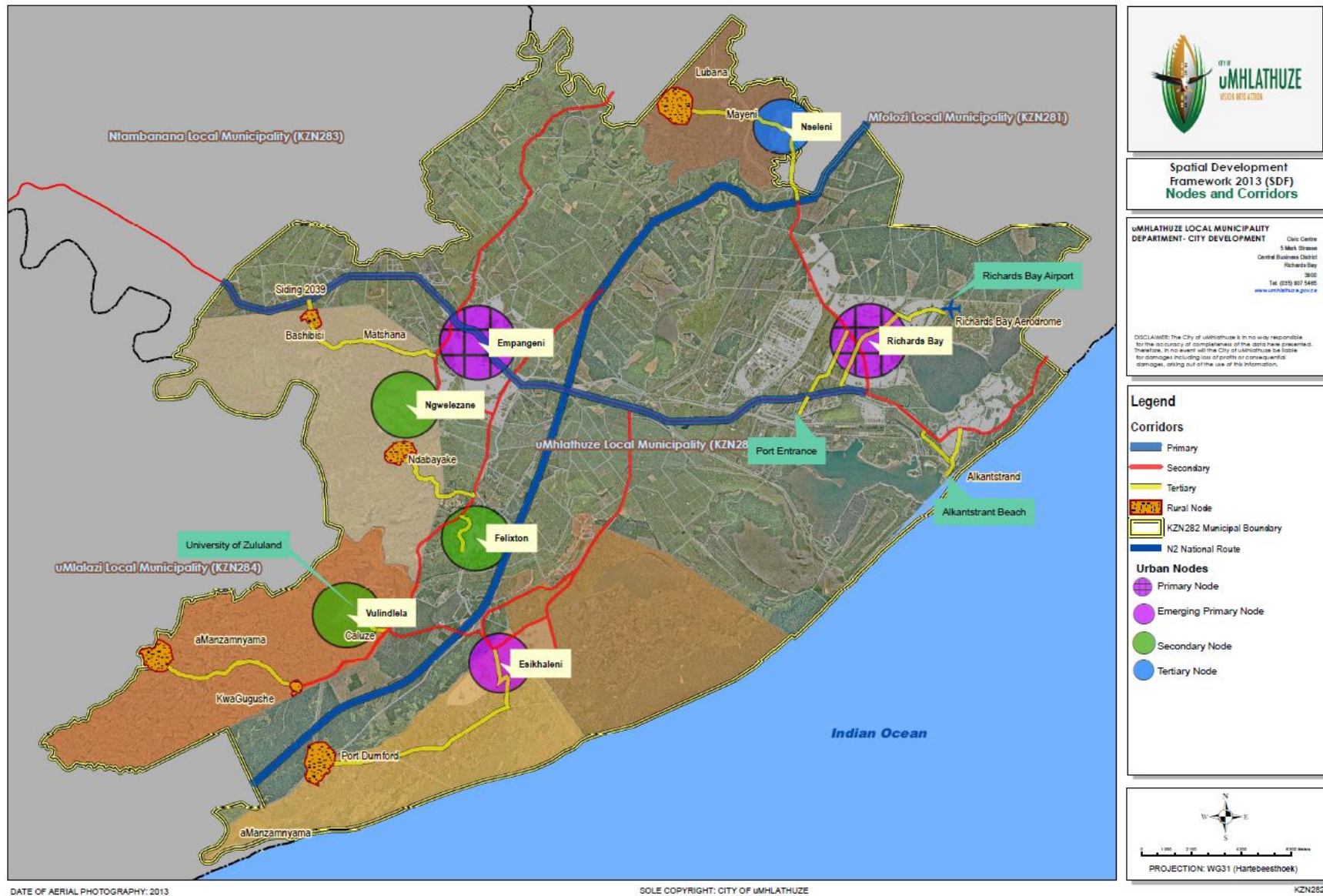
Nodes:

uMhlathuze has been identified as a Secondary Node in terms of the Provincial Spatial Economic Development Strategy (PSEDS) as a result of being an urban centre with good existing economic development and the potential for growth and services to the regional economy. uMhlathuze has identified eleven (11) nodes within its area of jurisdiction. These nodes were identified by their spatial characteristics, primary land use characteristics, roles and functions to city and the region. The identified nodes are classified as Primary, Emerging Primary, Secondary, Tertiary and Rural nodes as discussed hereunder:

- **Empangeni Node:** an urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live-i.e. work-play-trade environment.
- **Richards Bay:** an urban centre for economic transformation and development opportunities based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live-i.e. work-play-trade environment.
- **Esikhaleni Node:** a socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle.
- **Felixton Node:** a socio-economic node that offers sustainable economic and social opportunities to its inhabitants.

- **Vulindlela/KwaDlangezwa Node:** an institutional node that offers sustainable mixed use development to the benefit of its inhabitants and visitors based on a human scale principle.
- **Nseleni Node:** a socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle.
- **Semi-Urban Node** (Empangeni Milling Node): a commercial node that offers sustainable and accessible mixed use facilities to local people and visitors.
- **Rural Nodes:** socio-economic nodes that offers tailor made mixed use development opportunities closer to the people.

Map 34: uMhlathuze Nodes and Corridors



18.6 SDF EXPANSION AREAS

A future development scenario has been prepared for the Municipality based on the following practical and realistic assumptions:

1. Further Port Expansion and development will take place
2. There will be an increase in economic activity
3. There will be population increase

When considering the census figures for 2001 and 2011, it is noted that the uMhlathuze Municipality has maintained a relatively low population increase of 1.45% per annum between 2001 and 2011. In response to the above scenario, the following has been undertaken:

1. The identification of land for expansion purposes
2. The identification of areas for densification
3. Revision of the Town Planning controls

The expansion areas were identified by applying spatial planning principles, i.e. integration and concentration together with a technical analysis of air quality, founding conditions, the environmental etc. The location of a possible development application in the expansion area does not provide adequate information for Council to support the proposed development in principle. Site specific specialist studies and approvals that address environmental issues, land ownership and use issues etc. are still required. Council can only make an informed decision upon consideration of the specialist studies as part of the development application processes. In addition, environmental compliance/approval is also required

The following expansion areas have been identified for the municipal area with the following size and developable characteristics.

Table 85: Extent of Expansion Areas

Expansion Area	Size (Ha)	Land Developable (Ha)
A	593	363
B	2 982	2 214
C	512	437
D	1 756	356
E	2 306	1 958
F	2 344	1 699
G	971	407
H	1 163	780
TOTAL	12 629	8 214

The application of the determined 1.45% as well as a 3% growth rate has been projected to 2050. Apart from the estimated population and household increases, land required (in Ha) at various development densities have been determined to accommodate residential expansion.

A land use analysis has already been undertaken for the municipal area indicating the current proportionate land use zonings in the municipal area as per the following table:

Table 86: Current zoned land use Percentages

Zoning	Ha	% Against Total
Commercial	114.02	1.46%
Industrial	1695	21.70%
General Residential	115.752	1.48
Special Residential	1496.475	19.16
Intermediate Residential	15.87	0.2
Public/Private Open Spaces	540	6.92
Transportation Infrastructure	28.4	0.4
Undetermined	16.686	0.21
Social	535.8	6.86
Other Zonings	3248.997	41.616
Total	7807	100

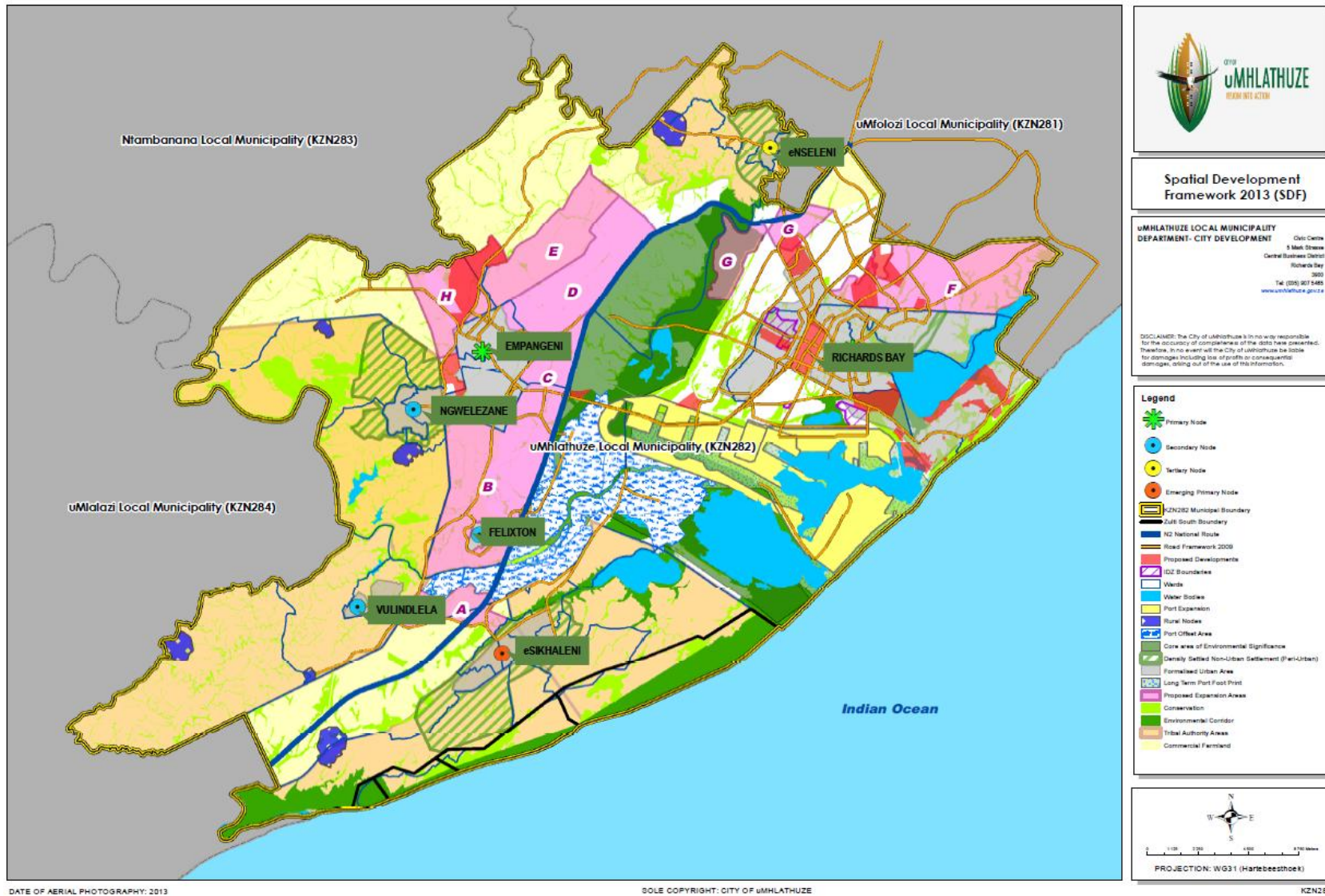
The above determined land use percentages were applied to the land area of the proposed expansion areas to provide an indication of the anticipated land usages in the expansion areas.

Table 87: Anticipated land usages in Expansion Areas

Zoning	Ha
Commercial	119.93
Industrial	1782.50
General Residential	121.57
Special Residential	1573.86
Intermediate Residential	16.43
Public/Private Open Spaces	568.43
Transportation Infrastructure	32.86
Undetermined	17.25
Social	563.50
Other Zonings	3418.46
Total	8214.30

It is important to note the above findings have informed the WSDP/Water Master Plan as well as the Bulk Sewer Master Plan preparation. The estimated estimated 1 600 Ha of residential land in the proposed expansion areas could accommodate a 1.45% population growth rate beyond 2050 and a 3% population growth rate beyond 2030.

Map 35: uMhlathuze SDF



18.7 INTEGRATED HUMAN SETTLEMENTS

The following map indicates the locality of public human settlement interventions (excluding Rural Housing projects), proposed private human settlement developments in relation to the municipal Restructuring Zones.

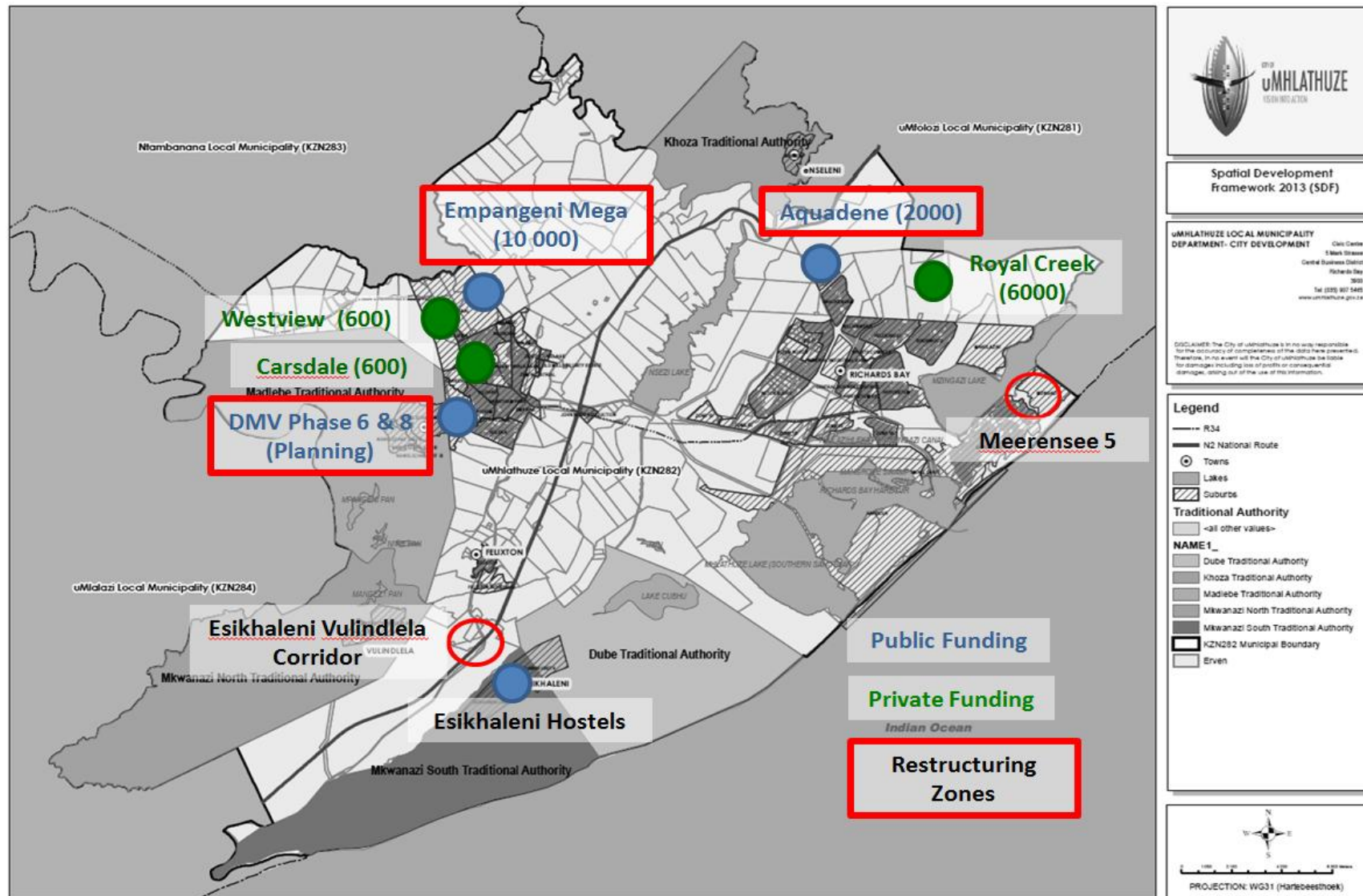
It should be noted that the Aquadene project has benefitted in the 2015/2016 financial year and is anticipated to continue benefitting from Council infrastructure investment in the 2016/2017 financial year.

Apart from human settlement projects that are under implementation or that have attained development rights; the Municipality has prepared the following Municipal Informal Settlement Upgrade and Relocation Plans for seven identified settlements as part of the National Upgrading Support Programme (NUSP):

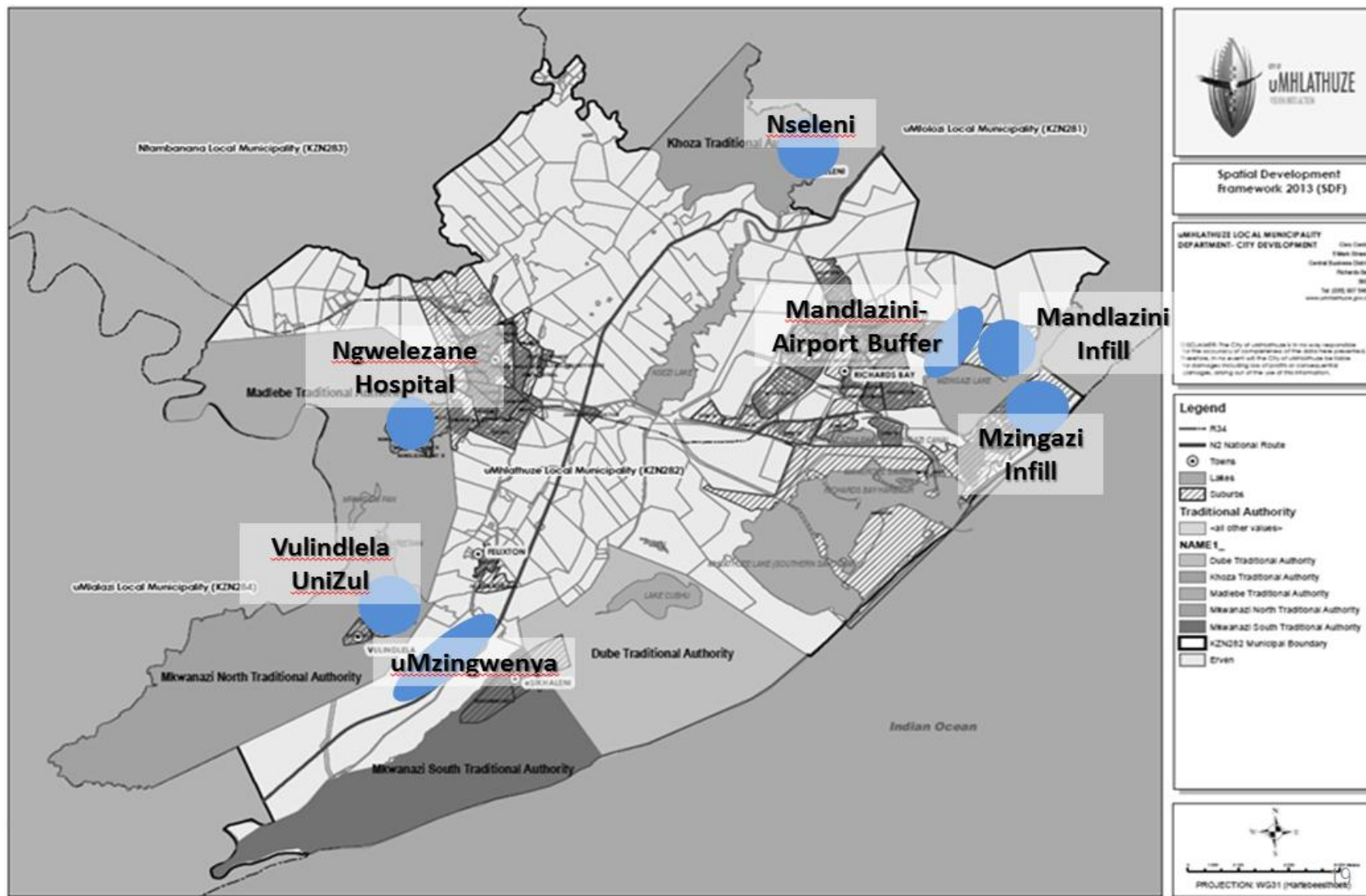
- uMzingwenya River Settlement Plan
- Mzingazi Village Settlement Plan
- Mandlazini Village Infill Areas Plan
- Mandlazini-Airport Settlement Plan
- Vulindlela/UniZulu Settlement Plan
- Ngwelezane Hospital Settlement Plan
- Nseleni Settlement Plan

The National Upgrade Support Programme (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The National Upgrade Support Programme is an important initiative which works closely with government at all levels in achieving Output 1 of Outcome 8, i.e. Sustainable human settlements and improved quality of household life.

Map 36: Human Settlement Projects



Map 37: NUSP Settlement Localities



18.8 DISASTER MANAGEMENT

The Disaster Management Act (Act 57 of 2002) as well as the National Disaster Management

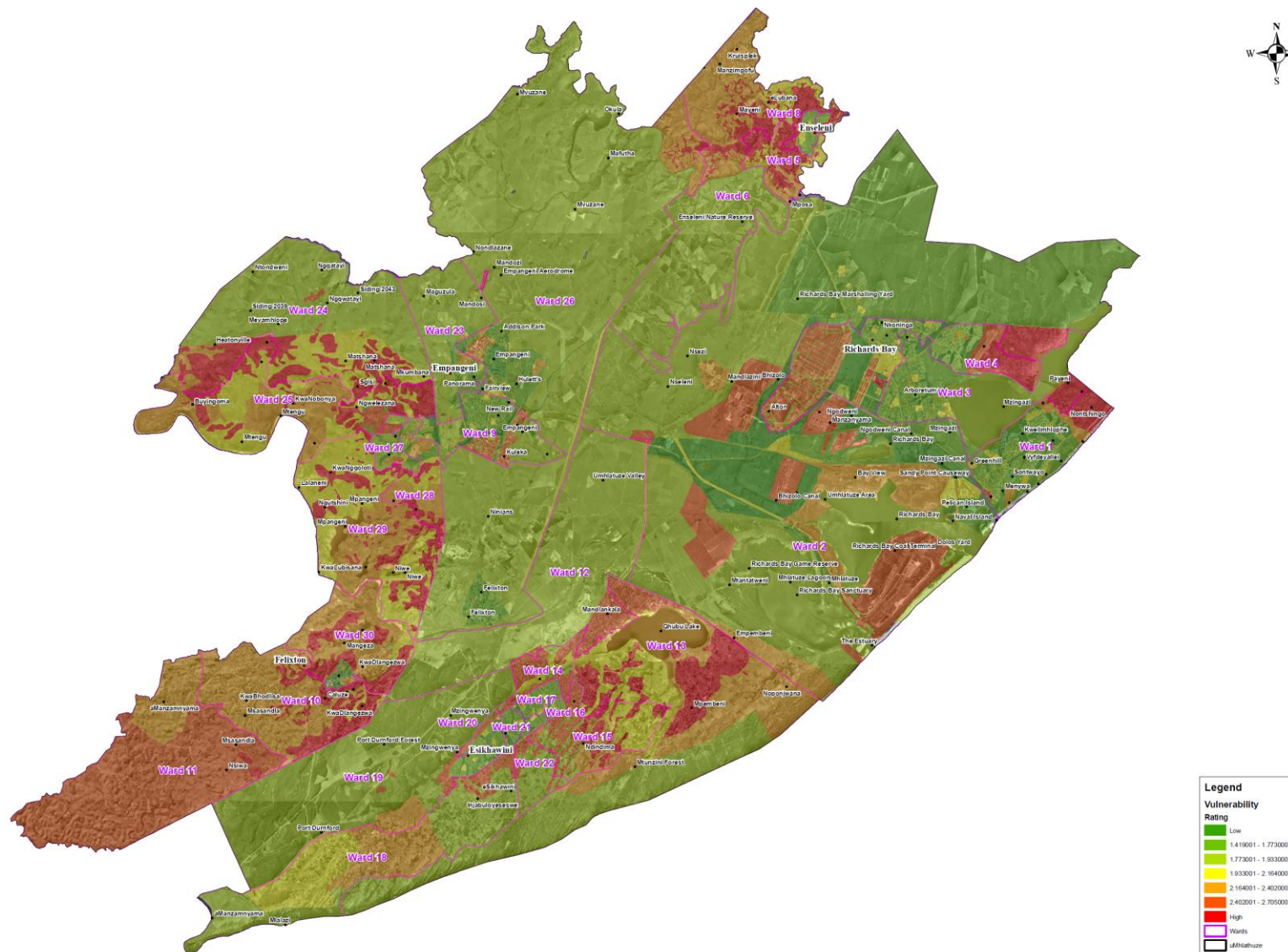
Framework, requires that Municipalities conduct disaster risk assessments for their area of jurisdiction. The main objective of the Disaster Risk Assessment is to provide the City of uMhlathuze with relevant information to enable and support the required disaster risk reduction planning and activities to be undertaken by the Municipality. Given their spatial relevance, the issues of overall vulnerability and resilience are briefly expanded upon:

Vulnerability can be described as the degree to which an individual, a household, a community, an area or a development may be adversely affected by the impact of a hazard. Conditions of vulnerability and susceptibility to the impact of hazards are determined by physical, social, economic and environmental factors or processes. It is also important to remember that vulnerability is dynamic, not static, as the vulnerability of communities change due to improvements or degradation of social, environmental and economic conditions, as well as interventions specifically aimed at reducing vulnerability, such as disaster mitigating actions.

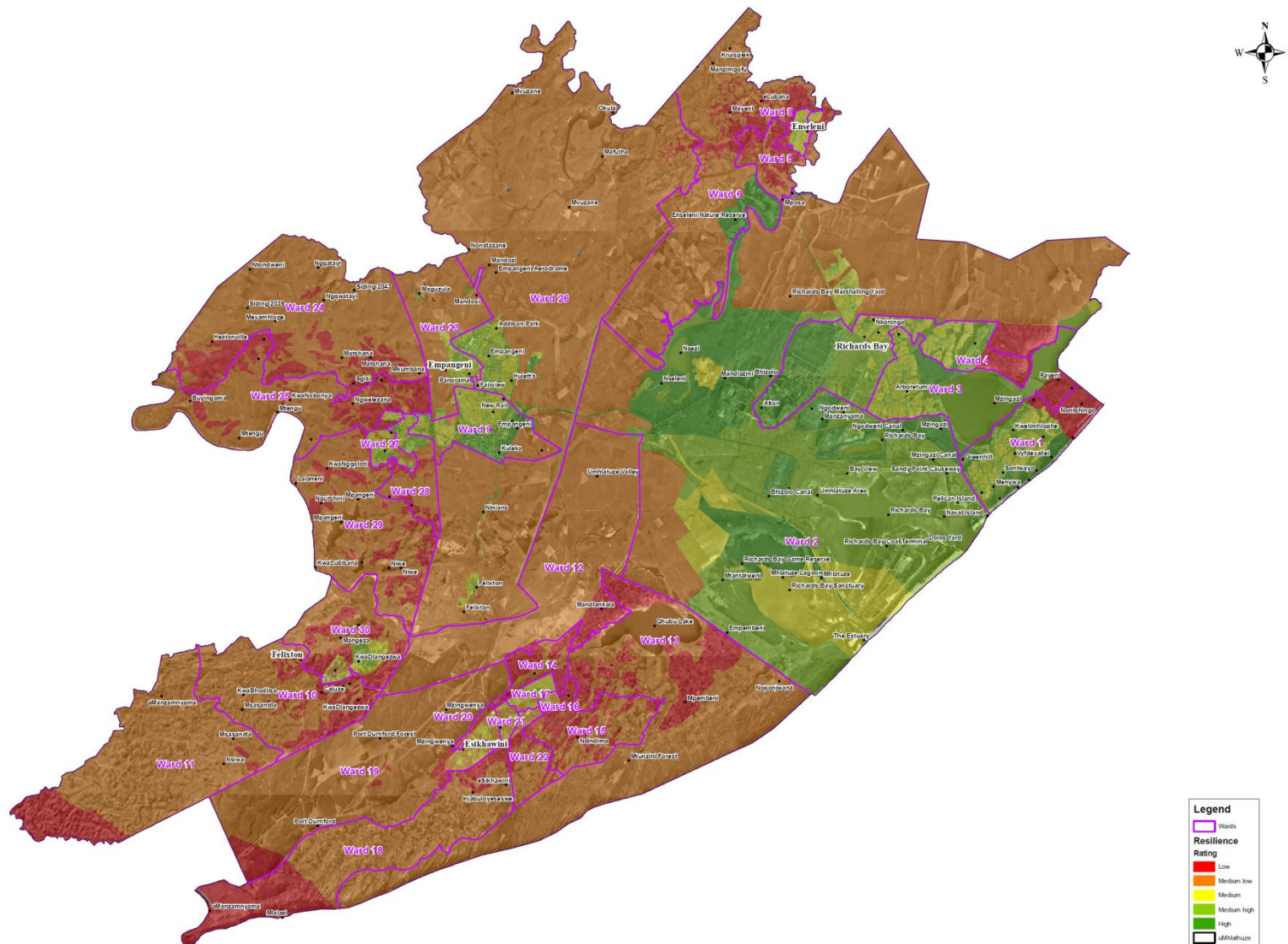
Resilience characteristics relate to the capacity within the uMhlathuze area to counter the effects of hazards and vulnerabilities. Resilience levels consist of Manageability and Capacity values. Manageability is defined as the combination of all the strengths and resources available within the government departments and line-functions that can reduce the level of risk or the effects of a disaster. This includes the level of staff or human resources, available expertise, suitable experience, available vehicles, equipment, funding or budget allocations, facilities and risk reduction and response plans. Capacity is defined as the combination of all the strengths and resources available within the community or society that can reduce the level of risk or the effects of a disaster.

The following two maps provide a spatial indication of the composite vulnerability and resilience in the uMhlathuze Municipal area.

Map 38: Combined Vulnerability



Map 39: Combined Resilience



18.9 URBAN RENEWAL AND PRECINCT PLANNING

The following table provides details of urban renewal and precinct plans have either been completed, are underway or have been prioritized for compilation with the uMhlathuze Municipality:

PLAN	STATUS
Empangeni CBD Revitalization Plan	Completed 2013
KwaDlangezwa Revitalisation Plan	Completed 2014
Precinct Plans for Esikhaleni, Nseleni and Ngwelezane Townships	Still to be prepared
Review of the 2006 Richards Bay CBD Framework Plan	Still to be prepared
Richards Bay CBD South Ext. Urban Design Concept	Completed 2013
Alkantstrand Beach and Newark Beach Development Concept	Completed 2013
Esikhaleni Business Support Centre Urban Design Concept	Completed 2016
Richards Bay SMME Park Urban Design Concept	Completed 2016
The Ridge Development	Service provider to be appointed towards end May 2016
Proposed Richards Bay International Conventional Centre	Service provider to be appointed towards end May 2016
Rural Settlement Plans	Service provider to be appointed towards end May 2016
Central Waterfront and Waterfront Park Precincts	Still to be prepared

Selected extracts of some of the above plans are provided herewith as well as an indication of implementation funding that has been committed to implement the said plans.

Figure 68: Empangeni CBD Revitalisation Plan

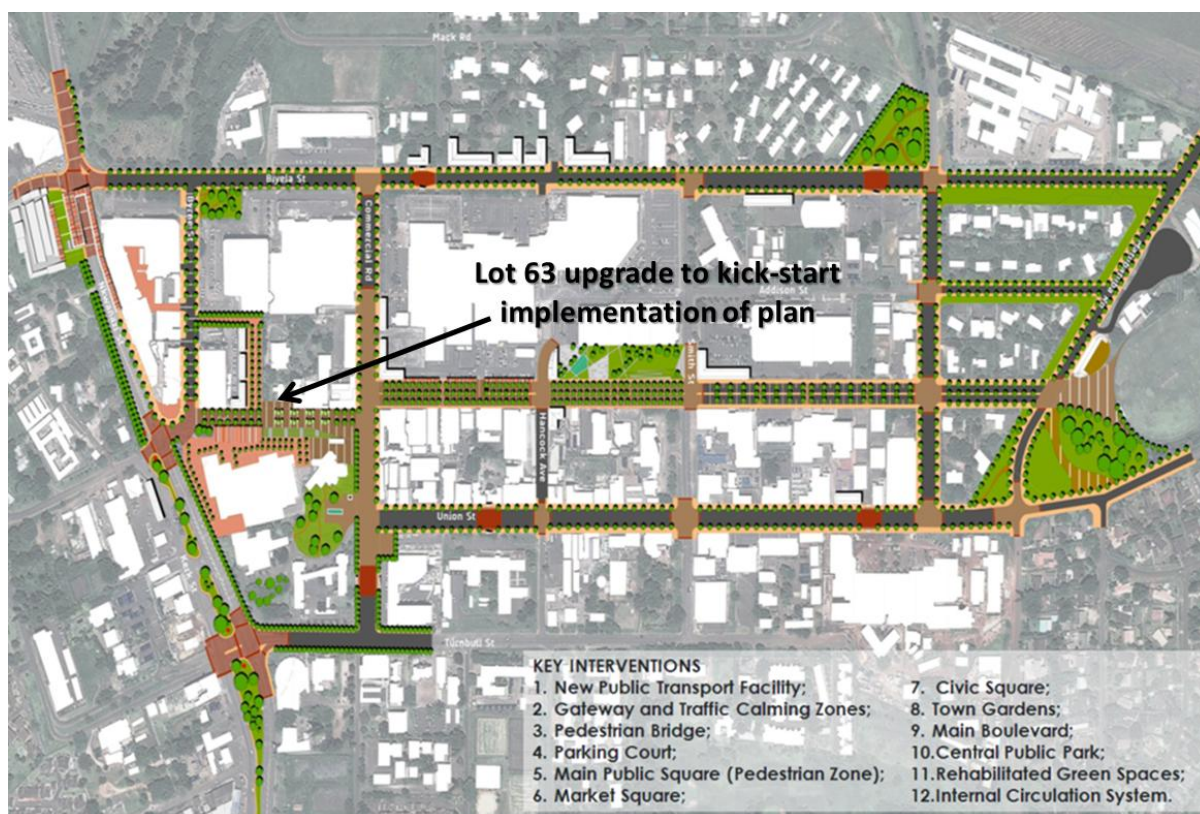


Figure 69: KwaDlangezwa Revitalisation Plan

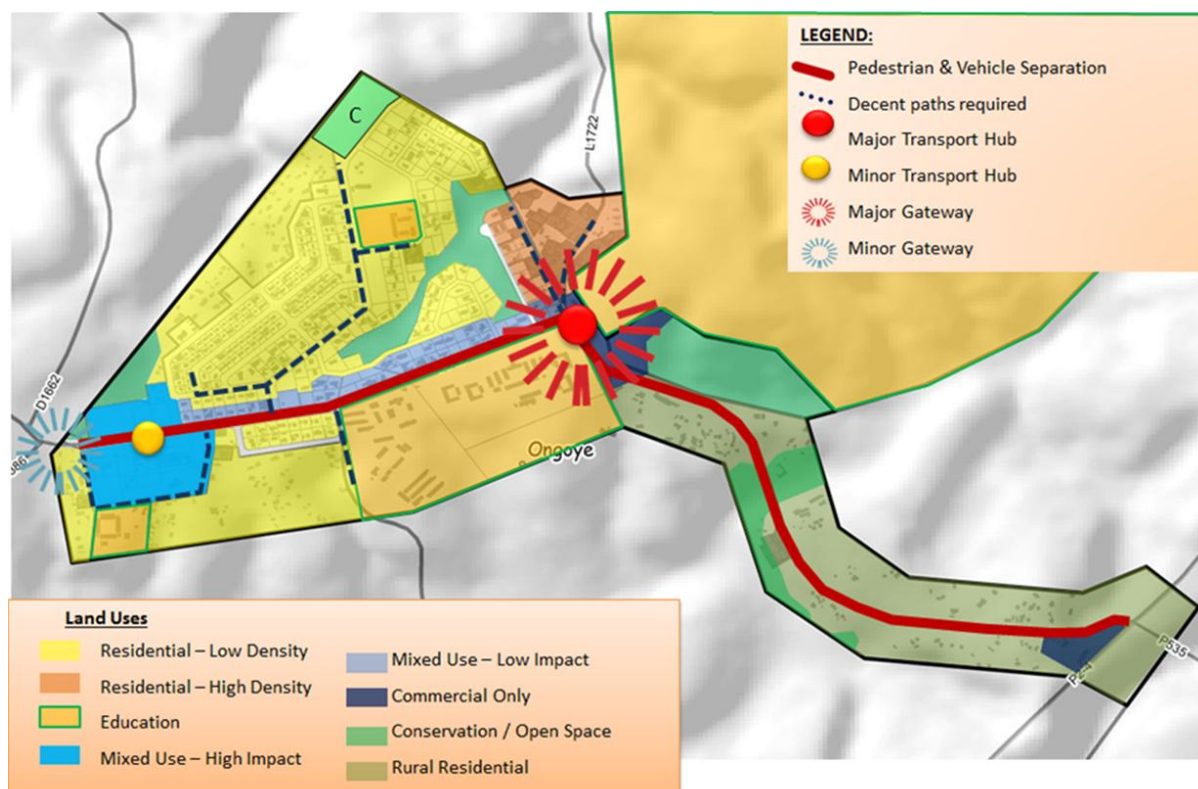
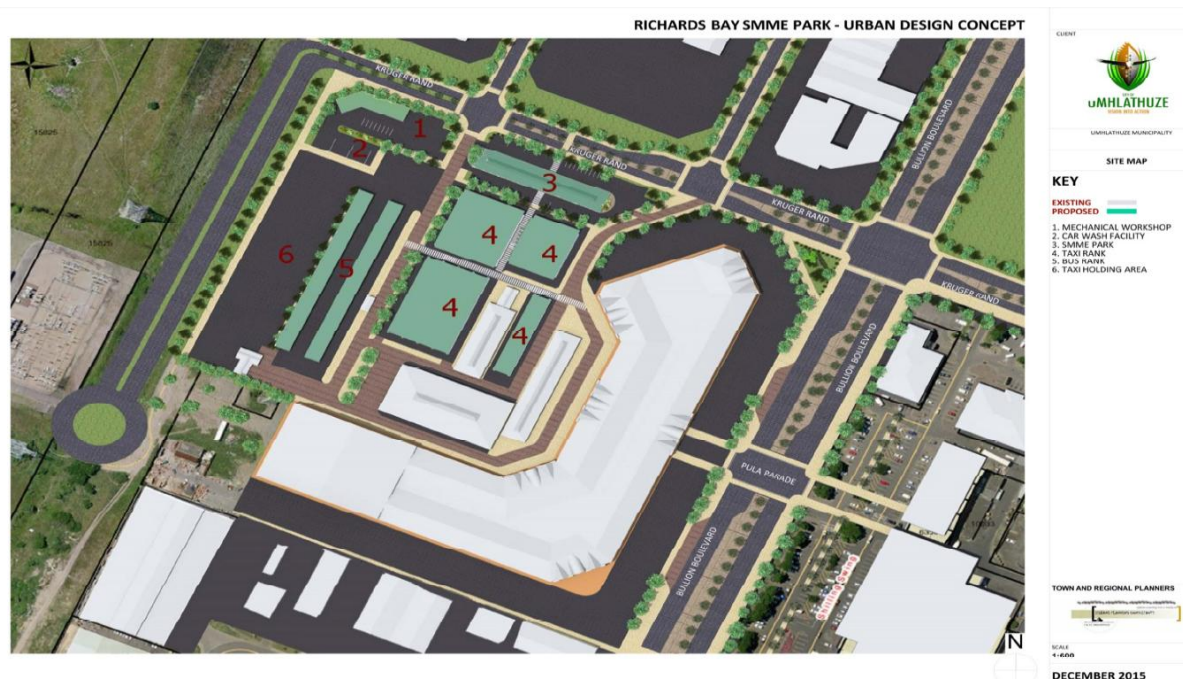




Figure 72: Richard Bay SMME Park Urban Design Concept



Interventions aimed at Rural Settlement Planning have been prioritized as follow:



18.10 PUBLIC TRANSPORT FACILITIES

The following table provides details of interventions that are either under implementation of imminent at selected public transport facilities in the municipality:

PLAN	STATUS
LOT 63, Empangeni Upgrade	Under Construction
Richards Bay Taxi Rank Upgrade	Adjudication process underway(Detailed Design stage)

Selected extracts of some of the above plans are provided herewith.

Figure 73: Lot 63 Upgrade Plan



Figure 74: Richards Bay Taxi Rank Upgrade



18.11 CATALYTIC PROJECTS

A catalytic project promotes cross-cutting sustainability outcomes that mirror goals and targets to promote the overall sustainability of a plan or area. The uMhlathuze Municipality is pursuing a number of catalytic projects/interventions are present as summarised hereunder.

- Preparation of the feasibility Study for the Relocation of the Richards bay Airport (appointment of a service provider imminent)
- Preparation of the Urban Design Concept for the proposed Richards Bay ICC (appointment imminent)
- Preparation of Urban Design Concept for the Ridge proposed development (appointment imminent)
- Steel Bridge Urban Design Concept has been completed and funding has been allocated for implementation design.

Figure 75: Steel Bridge Concept



18.12 INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF) SPATIAL PLANNING TOOLKIT

The Integrated Urban Development Framework (IUDF) is a policy framework guiding the reorganization of the urban system of South Africa so that cities and towns can become inclusive, resource efficient and adequate places to live, as per the vision outlined in the National Development Plan (NDP).

The overall outcome of the IUDF is spatial transformation. This new focus for South Africa steers urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns. The IUDF implementation plan identifies a number of short term proposals to achieve spatial transformation.

One such proposal is the development and implementation of a model(s) to improve integrated planning in secondary cities in a way that promotes spatial integration and unlocks the dormant economic potential.

The objective of the study is to conduct an assessment of current approaches towards Integrated Spatial Planning and Economic Development in Secondary Cities. The study will serve as a pilot project to understand integrated planning processes in secondary cities and propose a planning model or toolkit that can be used as a framework by these cities to achieve desired spatial outcomes and unlock social and economic potential.

The study focusses on two pilot secondary cities; and a comparison with a metropolitan municipality for benchmarking purposes, these being uMhlathuze, Polokwane and eThekweni municipalities respectively.

18.13 SUMMARY OF SPATIAL TRANSFORMATION INTERVENTIONS

Selected investment proposed by the uMhlathuze Municipality to attain the objectives of spatial transformation are summarised hereunder:

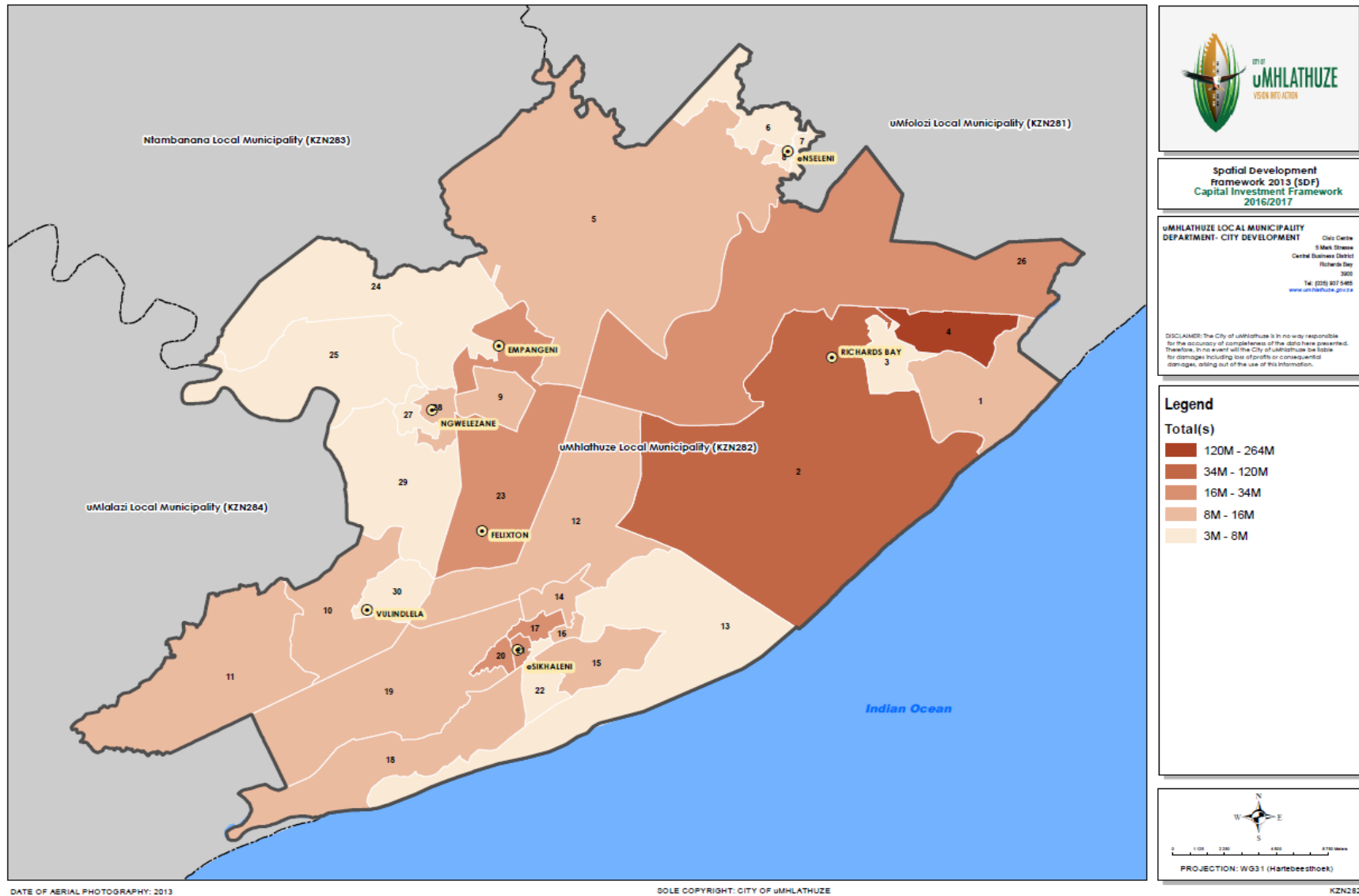
Table 88: Summary of Spatial Transformation Interventions

Spatial Transformation Pillar	Project	2016/2017	Core SDF Elements					
			Nodes & Corridors	SDF Expansion Areas	Integrated Settlements	Human Urban Renewal & Precinct Planning	Public Transport Facilities	Catalytic Projects
Land Distribution & Development	• Land Audit	R900 000						
	• Review of Land Disposal Policy	R150 000						
	• Rural Settlement Plans	R480 000				X		
Public Transport Planning	• Taxi Facility upgrade	R7 000 000					X	
Economic Development & Development Opportunities	• 132KV Oil filled cables between Hydra and Capella substations (South Dunes)	R100 000 000	X					
	• Esikhaleni Intersection	R18 000 000	X					
	• Road upgrades Empangeni & Aquadene	R20 000 000	X		X			
	• Nseleni & Empangeni Market Stalls	R7 000 000	X					
	• Richards Bay SMME Park	R5 000 000				X		
	• Steel Bridge designs	R1 000 000						X

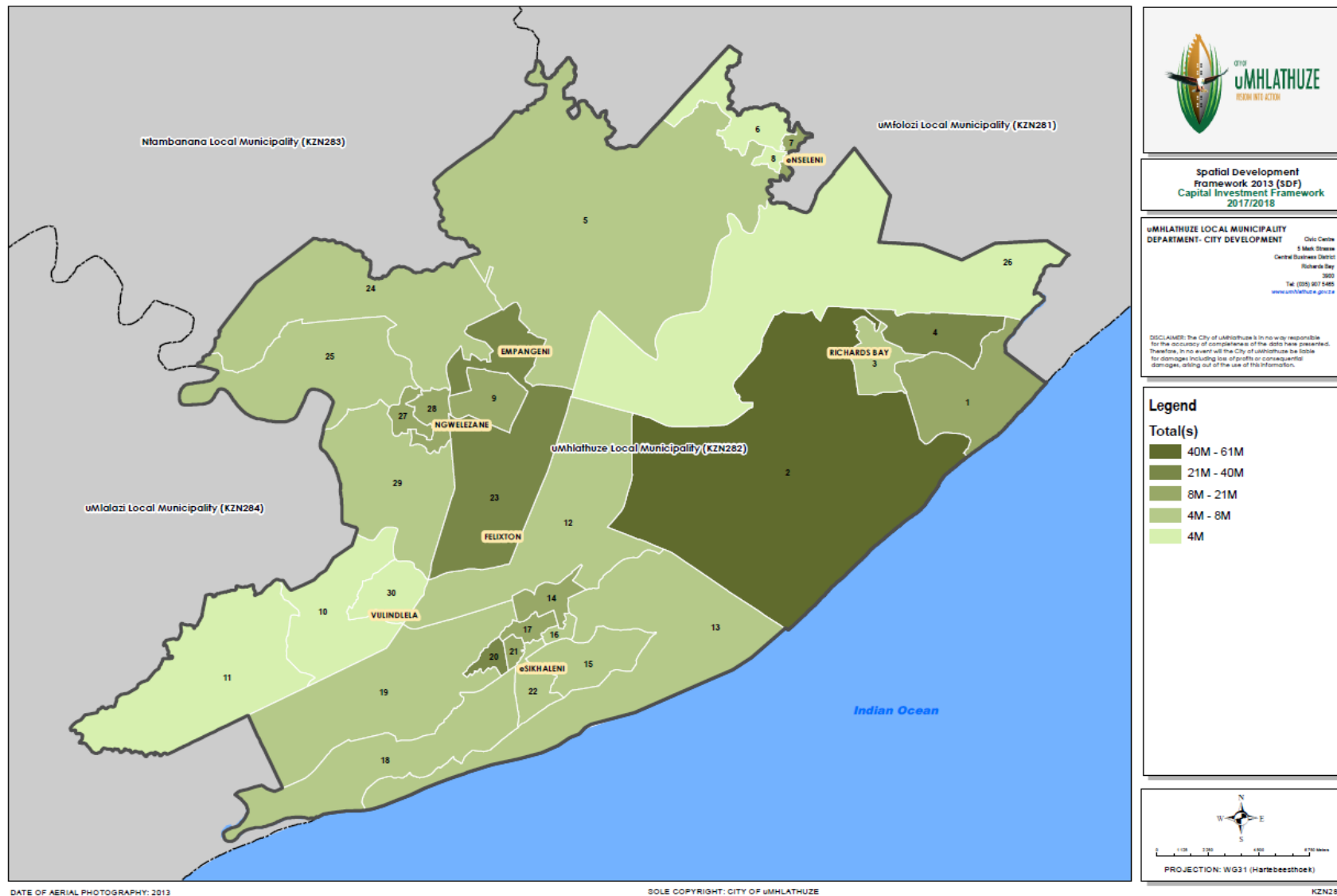
		2016/2017	Core SDF Elements					
Spatial Transformation Pillar	Project		Nodes & Corridors	SDF Expansion Areas	Integrated Human Settlements	Urban Renewal & Precinct Planning	Public Transport Facilities	Catalytic Projects
Social Development	• Esikhaleni Transfer Station	R1 500 000	X					
	• Urban Design concept for The Ridge	R320 000						X
	• Urban Design Concept for the Richards Bay ICC	R320 000						X
Integrated Human Settlement	• Aquadene Electrification	R9 000 000	X		X			
	• Aquadene Bulk Water	R5 000 000	X		X			
	• Aquadene Bulk Sewer	R5 000 000	X		X			
	• Mzingazi Sewer	R7 000 000	X		X			

A spatial depiction of the Municipal MTREF for the 2016/2017 to 2018/2019 financial years are provided at herewith that depict a focus on investment in nodes and corridors as well as areas of integrated human settlement:

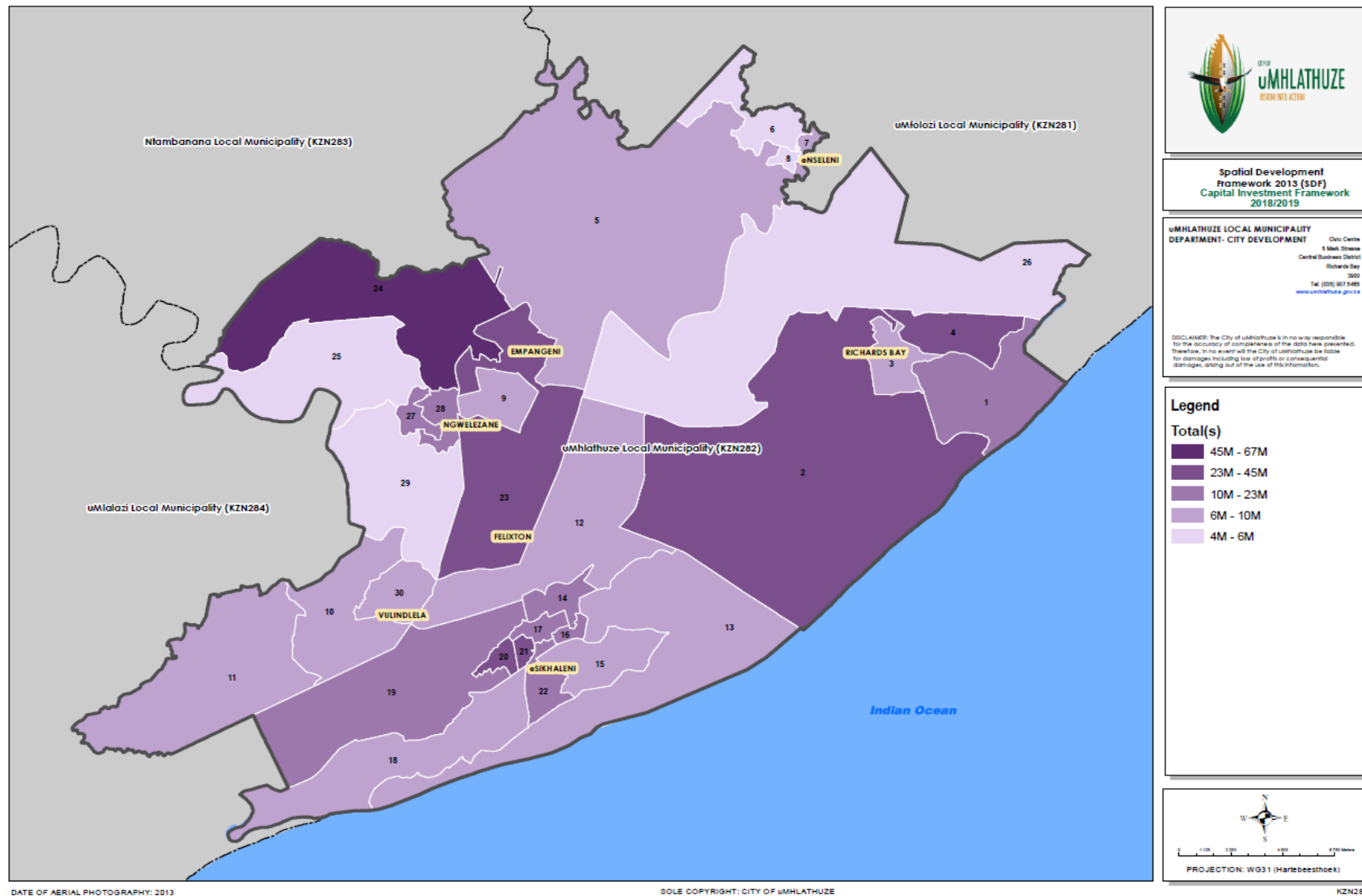
Map 40: Capital Investment for 2016/2017



Map 41: Capital Investment for 2017/2018



Map 42: Capital Investment for 2018/2019



18.14 CROSS BOUNDARY ALIGNMENT

18.14.1 Cross Boundary Initiatives

The following significant cross boundary projects are either under implementation or have been compiled to guide future development/investment. The uMhlathuze SDF has taken cognisance of these given the impact of such cross boundary initiatives on local resources and growth.

- **IDZ 50 Year Master Plan:** uMhlathuze and Mfolozi
- **Tronox: Fairbreeze Mining:** uMhlathuze and uMlalazi
- **Provincial P700/P701 Road Upgrade:** Ulundi, Mthonjaneni, Ntambanana and uMhlathuze
- **Heatonville Formalisation:** uMhlathuze and Ntambanana
- **Mfolozi Human Settlements Projects:** uMhlathuze Ward 1 and Mfolozi Ward 6

18.15 UTHUNGULU SDF

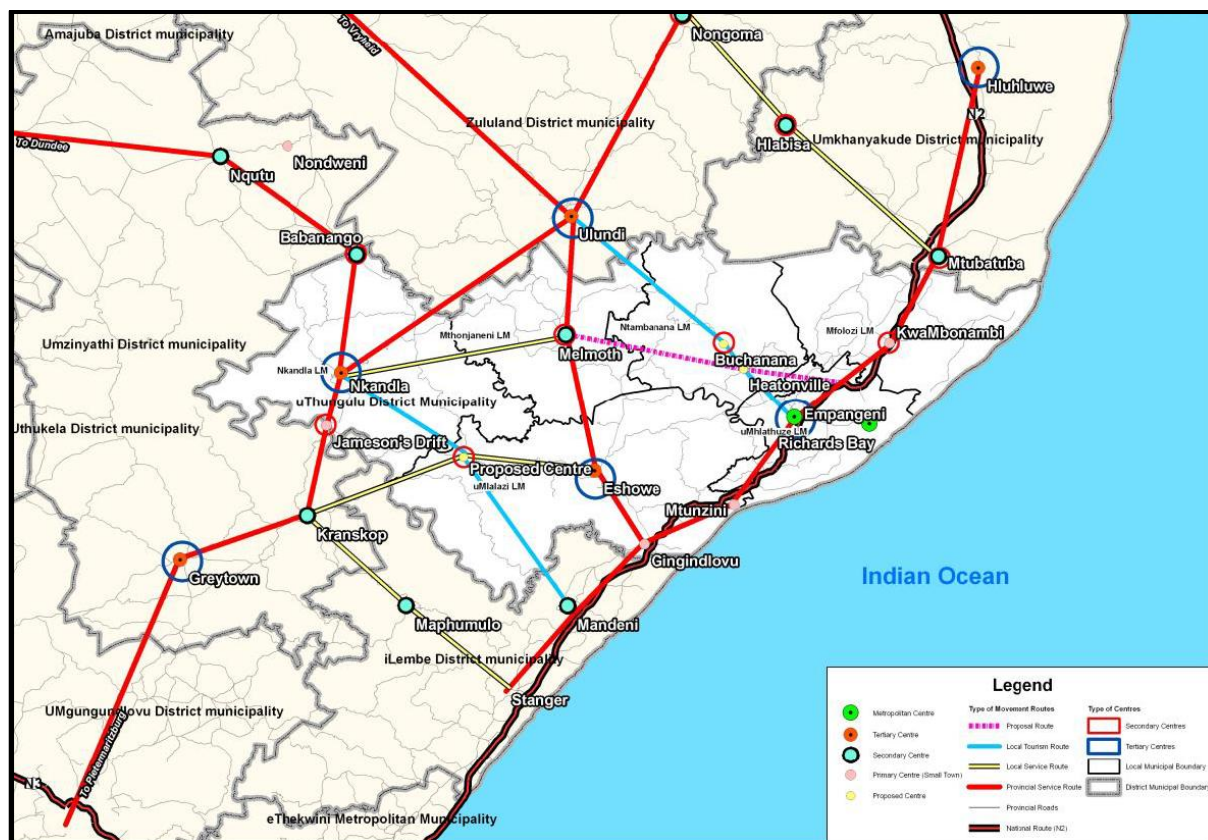
From a planning perspective, the spatial development frameworks of the uThungulu District, as well as the neighbouring Local Municipalities have been interrogated. The district SDF is briefly summarised hereunder as it provides a global, comparable interpretation of nodes and routes.

The uThungulu SDF comprises of: (i) the hierarchy of centres and movement routes identified for prioritisation in the capital investment component (ii) the broad zoning guidelines for land use at local municipal level in the district based on an extensive assessment of natural resources, agricultural potential, topography, human settlement and level of services.

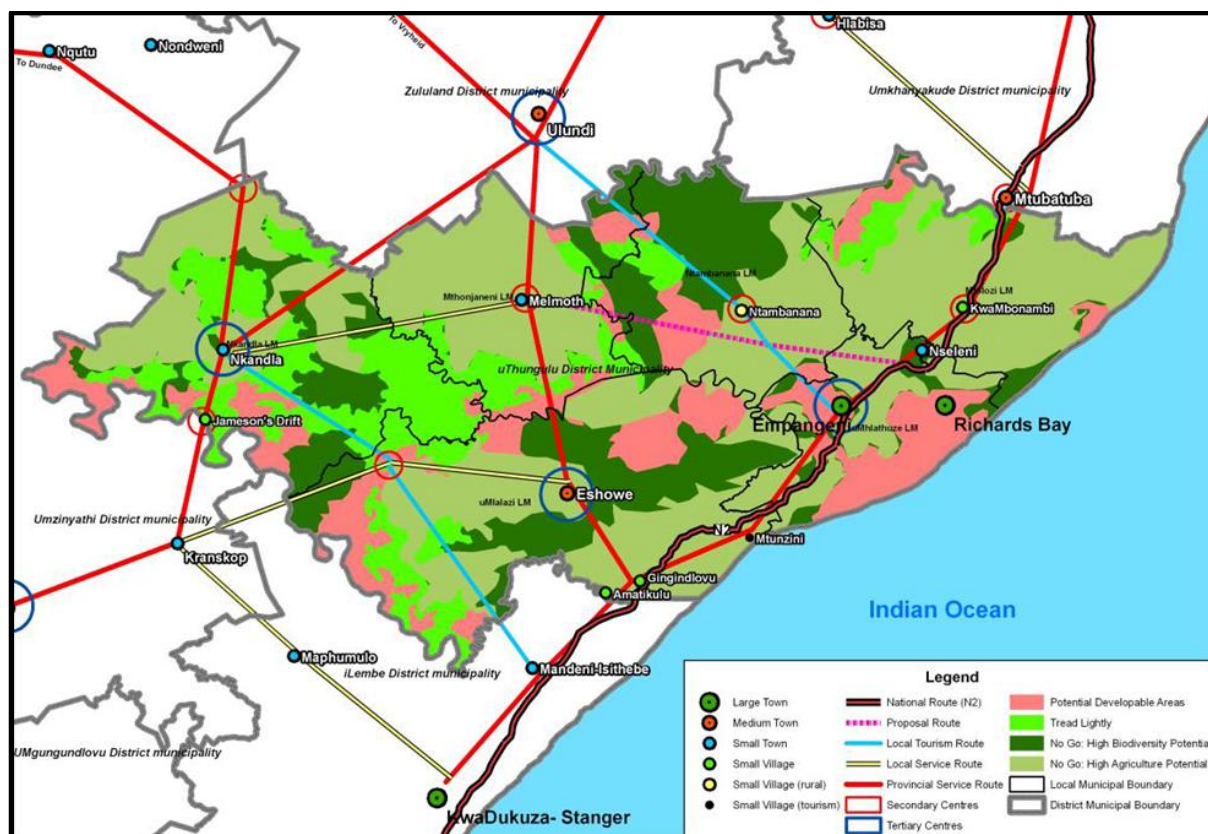
The five proposed tertiary centres in this SDF, in and around the district are located at Greytown, Nkandla, Eshowe, Ulundi and Hluhluwe. Richards Bay-Empangeni has been classified as a metro level centre and therefore performs both the tertiary and higher level functions. Second order centres are located at Buchanana, Melmoth, the proposed new centre near Nkandla, Kranskop, Maphumulo, Mandeni and Mtubatuba.

These lower order centres should be reconstituted as rural villages. They need to be structured such that they have a sense of place, there is differentiation in terms of functionality in the use of space and there is room to accommodate future urbanisation pressures. Furthermore they need to be located on defined transportation routes that lead directly to higher order centres in order for residents to benefit from these services.

Map 43: uThungulu SDF: Hierarchy of centres and movement routes



Map 44: uThungulu SDF: Spatial Development Framework



The uThungulu SDF mapping consists of the following:

- No go areas for any further non-agricultural development in high value agricultural areas as well biodiversity sensitive areas.
- Tread lightly for areas that are both environmentally and agriculturally sensitive.
- Areas suited to development.

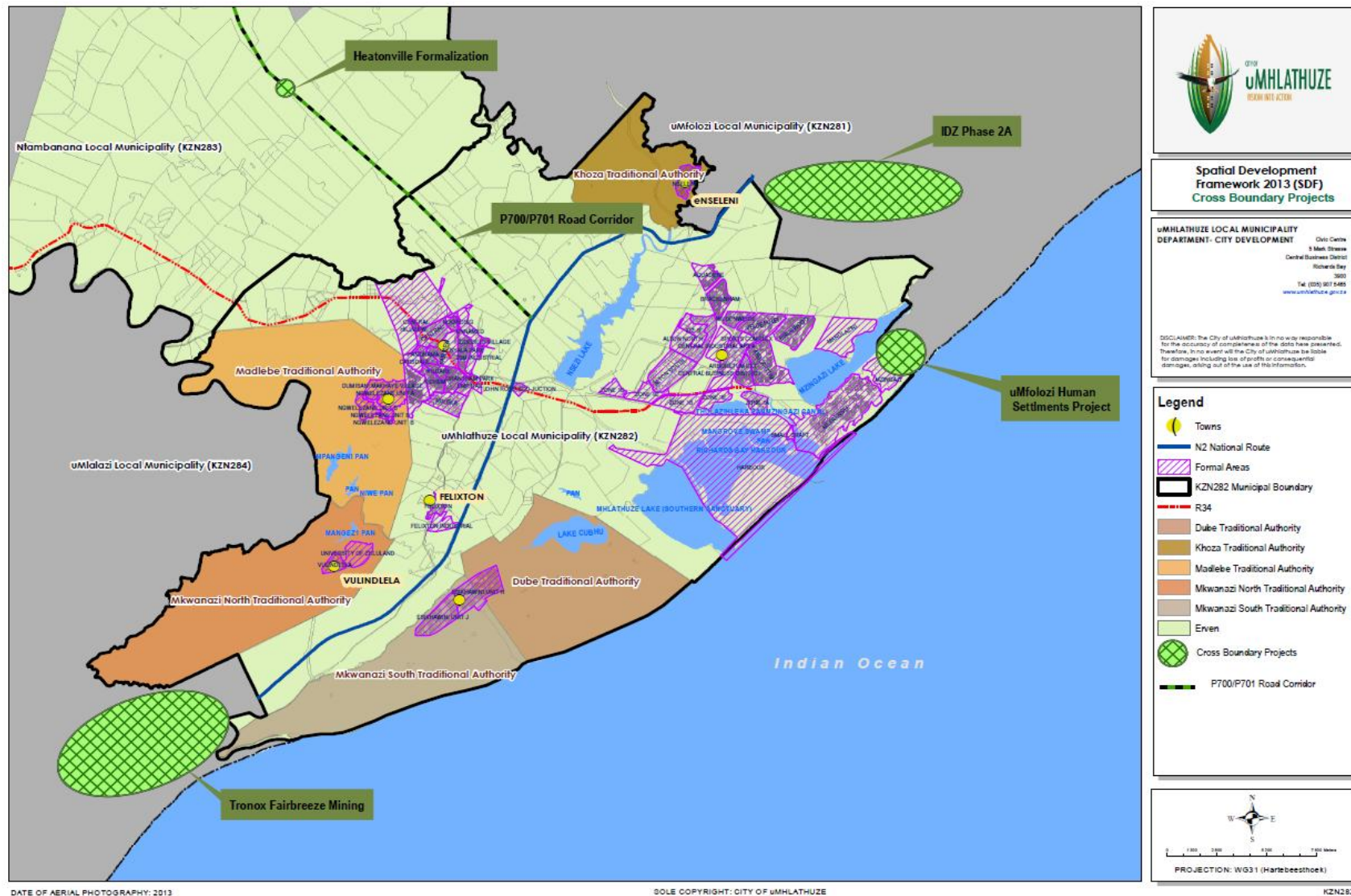
The conditions associated with land use in each of these broad land use categories is further summarised hereunder:

- (i) 'No-go' areas: Owing to critical biodiversity or/and agricultural potential of land in this zone, it should not be used for any form of built environment development save for that relating to natural resources management or/and farming. There may be opportunities for limited hospitality facilities where it can be demonstrated that such development does not compromise the integrity of the agricultural or biodiversity resource in the area. In traditional areas where there are pressures for expanded residential development on identified biodiversity and agricultural resource areas, then these pressures should be diverted to identified urban areas.
- (ii) 'Tread lightly' area: This includes land which is environmentally sensitive, but for which there are alternative sites in the region which demonstrate the same characteristics in terms of replaceability. If development is mooted in 'tread lightly' areas this should be subject to identifying suitable offsets to ensure that the biodiversity in that area is not lost. Any development anticipated in the 'tread lightly' areas should be subject to environmental and planning assessments to safeguard biodiversity.
- (iii) 'Developable' area: This includes land that is transformed and hence there is limited biodiversity or agricultural potential that remains to be protected and managed. Thus, potentially, land in this broad land use category could be considered available for different forms of development. However, owing to the fact that these areas have been identified at a regional scale verification at local level is essential as part of scheme preparation for land use management.

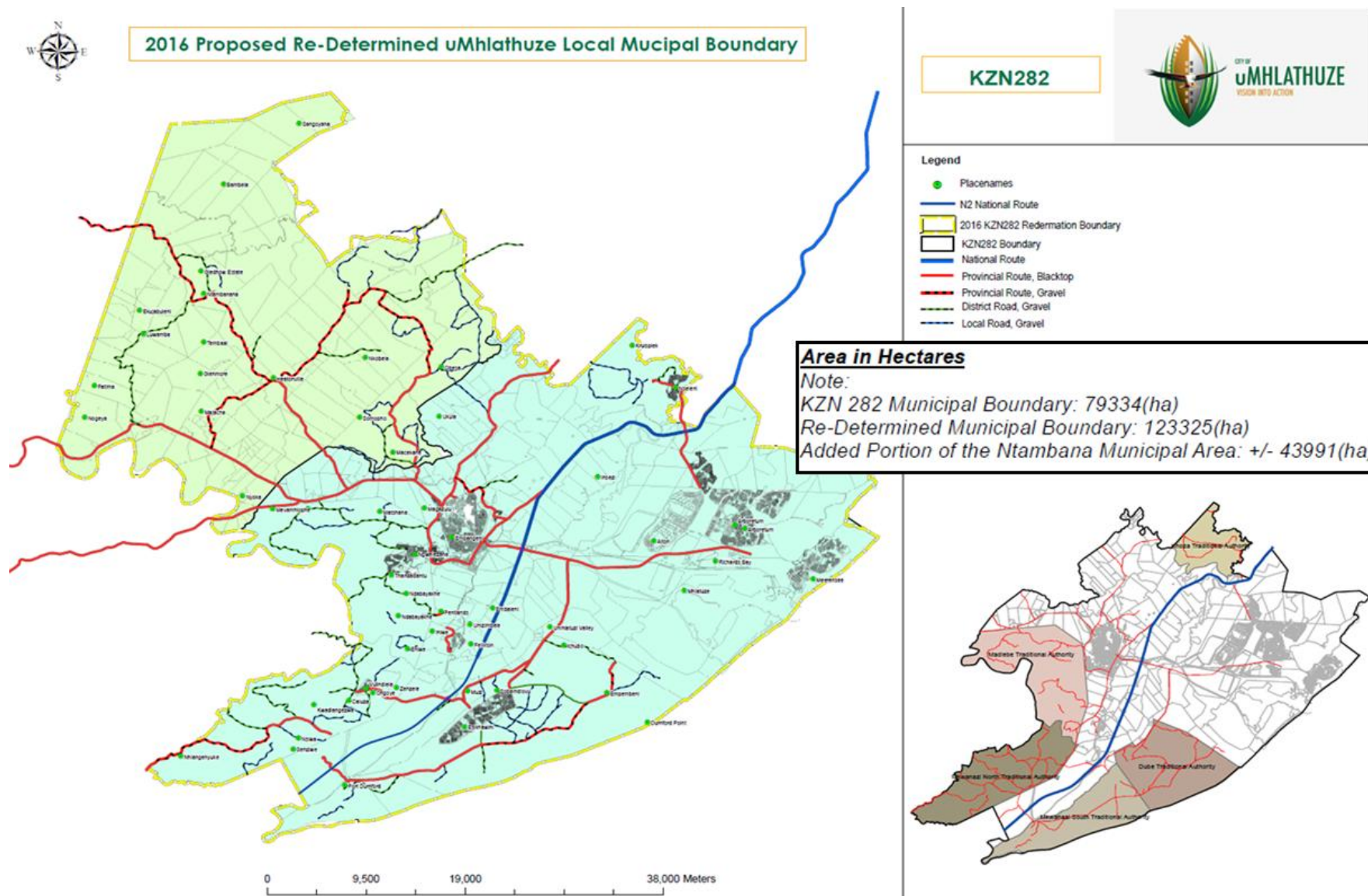
18.16 RE-DETERMINED UMHLATHUZE MUNICIPAL BOUNDARY

Apart from the above cross boundary initiatives, the uMhlathuze municipal boundary is changing post the 2016 Local Government elections as indicated by inclusion of more than 40 000 ha from Ntambanana. The impact of this boundary changes on services delivery, human resources, the demographics, overall municipal operations and planning functions (i.e. land use management, valuation etc.) is currently being dealt with. The process of updating strategic planning documents, valuations and land use control mechanisms is underway.

Map 45: Cross Boundary Projects



Map 46: Re-determined uMhathuze Municipal Boundary



19. IMPLEMENTATION PLAN

UMHLATHUZE MUNICIPALITY																		
IMPLEMENTATION PLAN 2016/2017																		
NATIONAL KEY PERFORMANCE AREAS	STRATEGIC GOALS	OBJECTIVE	STRATEGY	PERFORMANCE INDICATORS	Annual			BUDGET 2016/2017	Five Year Targets									
					Demand	Baseline	Backlog		Year 1 2016/2017	Quarter 1	Quarter 2	Mid-Year	Quarter 3	Quarter 4	Year 2	Year 3	Year 4	Year 5
									Target	Target	Target	Target	Target	Target				
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	DEMOCRATIC, RESPONSIBLE, TRANSPARENT, OBJECTIVE AND EQUITABLE MUNICIPALITY	To ensure effective and efficient administration complying with its Legal Mandates	Provide administrative support for all Council Committees	No. of EXCO Meetings held	18			18	3	5	8	4	6	24	24	24	24	
				No. of COUNCIL Meetings held	10			10	3	2	5	2	3	12	12	12	12	
				No. of Portfolio Meetings held	20			20	5	5	10	5	5	20	20	20	20	
			Strengthen Council Oversight through training on Legislation and Policies															
				No. of MPAC Meetings held	4			4	1	1	2	1	1	4	4	4	4	
		To implement an Organisational Performance Management System as a tool to monitor the progress of service delivery	Monitor, evaluate, measure and review the performance of the Municipality against indicators and targets set in its IDP	Number of SS7 Performance Agreements signed	7			7	7	0	7	0	0	7	7	7	7	
				Number of Performance Audit Committee meetings	4			4	1	1	2	1	1	4	4	4	4	
				Date of approval of Performance Management framework				30-Jun	0	0	0	Draft	30-Jun	30-Jun		30-Jun		
		To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitate the Functionality of Ward Committees through continuous capacitation	Number of Ward Committee Management meetings	360			360	90	90	180	90	90	360	360	360	360	
				Number of Ward community meetings	120			120	30	30	60	30	30	120	120	120	120	
			Development of a Credible Integrated Development plan within prescribed legislative guidelines	Adopted Integrated Development by Council	30-Jun			30-May	0	0	0	Draft	30-May	30-Jun	30-Jun	30-Jun	30-Jun	
			Facilitation of Stakeholder and Community participation in policy making	Number of IDP/Budget Community Meetings held	22			22	0	11	11	3	8	22	22	22	22	

UMHLATHUZE MUNICIPALITY IMPLEMENTATION PLAN 2016/2017																		
NATIONAL KEY PERFORMANCE AREAS	STRATEGIC GOALS	OBJECTIVE	STRATEGY	PERFORMANCE INDICATORS	Annual			BUDGET 2016/2017	Five Year Targets									
					Demand	Baseline	Backlog		Year 1 2016/2017	Quarter 1	Quarter 2	Mid-Year	Quarter 3	Quarter 4	Year 2	Year 3	Year 4	Year 5
									Target	Target	Target	Target	Target	Target				
LOCAL ECONOMIC DEVELOPMENT	EFFICIENT AND INTEGRATED INFRASTRUCTURE AND SERVICES	To expand and maintain infrastructure in order to Improve access to Basic Services to the community	Eradicate water services backlogs through provision of basic water services	% of Household with access to water	100%	95.65%	4.35%		97.97%	97.97%	97.97%	97.97%	97.97%	97.97%	97.97%	97.97%	97.97%	95.65%
				Number of Household with access to water	86609	84859	1750	32 122 400	84859	84859	84859	84859	84859	84859	84859	84859	84859	84859
				Reduction of water losses	%reduction in water losses			15 000 000		30%	28%	28%	24%	20%	20%	15%	15%	
				Eradicate Sanitation services backlogs through provision of basic sanitation services	% of Household with access to Sanitation	100.00%	86.97%	13.03%		91.58%	88.130%	89.28%	89.28%	90.43%	91.58%	93.00%	95.00%	99.97%
				Number of Household with access to Sanitation	86609	75325	11284	32 122 400	79325	76325	77325	77325	78325	79325	82385	83785	85185	86585
				Number of new household with access to sanitation					4000	1000	1000	2000	1000	1000	3000	1000	2000	5010
				Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of Household with access to Electricity (Municipal Area)				34316	34166	34216	34216	34266	34316	34173	34673	35173	35673
				Number new Electricity connections (Municipal Area)					200	50	50	100	50	50	250	500	500	500
				% of Household with access to weekly waste disposal	100%	77.29%	22.70%		79.60%	77.29%	77.87%	77.87%	79.02%	79.60%	80.76%	83.07%	84.22%	85.38%
				Number of Household with access to weekly waste disposal	86609	66947	19662	2 000 000	68949	66947	67447	67447	68447	68947	69947	71947	72947	73947
LOCAL ECONOMIC DEVELOPMENT	EFFICIENT AND INTEGRATED INFRASTRUCTURE AND SERVICES	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	Provision of public transport facilities and infrastructure	Kilometres of rural gravel roads established		48km			48km	12km	12km	24km	12km	12km	48Km	48Km	48Km	48Km
				Kilometres of rural gravel roads maintained (grading)		600km			600km	150km	150km	300km	150km	150km	600Km	600Km	600Km	600Km
				Kilometres of tarred roads established				16 357 500	2.2km	0	0	0	0	2.2km	2.2km	5km	3km	4km
				Kilometres of tarred roads rehabilitated				36 750 000	16km	9km	7km	16km	0	0	9km	15km	20km	10km
				Kilometres of urban gravel roads maintained (graveling)		40km			40km	10km	10km	20km	10km	10km	40Km	40Km	40Km	40Km
				m2 of repairs to potholes and patching on urban tarred road		11184m²			11184m²	2796m²	2796m²	5592m²	2796m²	2796m²	11184m²	11184m²	11184m²	11184m²
				Construction of Bus shelters and laybys				2 000 000	29 Bus shelters & 5 Laybys	0	21 Bus shelters & 3 Laybys	21 Bus shelters & 3 Laybys	29 Bus shelters & 5 Laybys	0				
				Construction of Pedestrian Bridges				3 000 000	10	0	5	5	5	1	1	1	1	1
				Capacitate community through training in scarce skills	Number of people to provide training to.													
				Facilitate and grow SMME's	Construction of SMME Retail Parks			5 000 000	1	0	0	0	0	1	0	50	50	50
LOCAL ECONOMIC DEVELOPMENT	SOCIAL COHESION	To create an environment that will create jobs and alleviate poverty.	Development and upgrader of sports facilities	Construction of Market Stalls				7 000 000	2	0	0	0	1	1	1	1	1	1
				No. of upgrades /developments				8 500 000	6	0	0	0	3	3	4	6	6	6
				Development of community facilities	No of facilities upgraded / hand over certification			4 000 000	3	0	0	0	1	2	3	3	4	7

SECTION F: FINANCIAL PLAN

20. BUDGET SUMMARY

Table 89: Budget Summary

Description R thousands	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Operating Revenue	2 462 578	2 635 837	2 802 820	2 950 722
Total Operating Expenditure	2 474 871	2 629 337	2 796 321	2 948 073
Surplus/ (Deficit) for the year	(12 293)	6 500	6 499	2 649
Total Capital Expenditure	501 161	479 397	416 277	447 961

Total operating revenue has grown by 7 per cent or R173 million for the 2016/17 financial year when compared to the 2015/16 Adjusted Budget. For the two outer years, operational revenue will increase by 6.3 and 5.3 per cent respectively, equating to a total revenue growth of R488 million over the MTREF when compared to the 2015/16 financial year.

Total operating expenditure for the 2016/17 financial year has been appropriated at R2.6 billion and translates into a budgeted surplus of R6.5 million. When compared to the 2015/16 Adjusted Budget, operational expenditure has grown by 6.2 per cent in the 2016/17 budget and by 6.4 and 5.4 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years remains constant at R6.5 million and then decreases at R 2.6 million. The tabled capital budget of R479 million for 2016/17 is 4.1 per cent less when compared to the 2015/16 Adjusted Budget.

21. CAPITAL BUDGET SUMMARY

The following table below is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

Table 90: Proposed Capital Funding

The 2016/17 Capital Budget amounts to **R479 million** will be financed from the following sources:

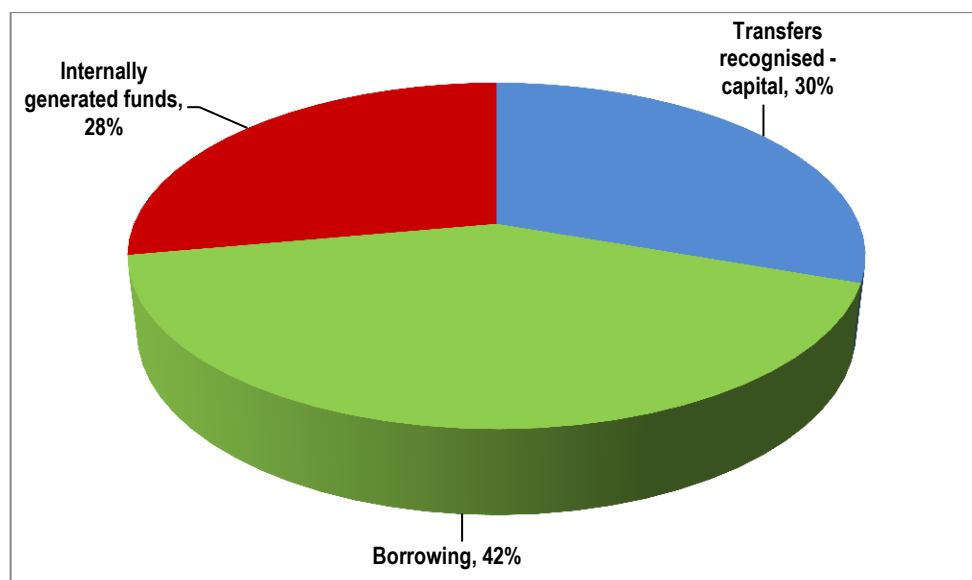
Vote Description R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funded by:				
National Government	159 878	145 747	180 790	210 544
Provincial Government	100 312	–	–	–
Transfers recognised - capital	260 190	145 747	180 790	210 544
Public contributions & donations	1 115	–	–	–
Borrowing	137 236	200 000	100 000	100 000
Internally generated funds	102 619	133 650	135 488	137 417
Total Capital Funding	501 161	479 397	416 277	447 961

The capital programme decreases to R416 million in the 2017/18 financial year and increases to R 448 million in 2018/19. A portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R100 million in 2017/18 and R 100 million in 2018/18 of the MTREF. Borrowing will contribute 42, 24 and 22 per cent of capital expenditure in each of the MTREF years. The balance will be funded from internally generated funds. The repayment of capital and interest (debt services costs) has decreased over the past five years and is forecasted to remain constant over the MTREF period.

Figure 76 : Sources of Capital Revenue over MTREF

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funded by:									
National Government	40 345	110 841	201 357	159 878	159 878	159 878	145 747	180 790	210 544
Provincial Government	11 087	15 246	10 439	18 000	100 312	100 312	–	–	–
District Municipality	97	110	–	–	–	–	–	–	–
Other transfers and grants	131	133	–	–	–	–	–	–	–
Transfers recognised - capital	51 659	126 329	211 796	177 878	260 190	260 190	145 747	180 790	210 544
Public contributions & donations	4 531	62 602	8 323	1 115	1 115	1 115	–	–	–
Borrowing	33 829	69 347	147 302	159 702	137 236	137 236	200 000	100 000	100 000
Internally generated funds	25 017	46 097	86 952	110 082	102 619	102 619	133 650	135 488	137 417
Total Capital Funding	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961

The above table is graphically represented as follows for the 2016/17 financial year

Figure 77: Sources of Capital Revenue

Capital grants and receipts equates to 30 per cent of the total funding source which represents R145.7 million for the 2016/17 financial year and increase to R 180.8 million or 43 per cent by 2017/18.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R400 million to be raised for each of the respective financial years totalling 42, 24 and 22 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF.

Table 91: Budgeted Capital Expenditure by vote, standard classification and funding.

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	6 098	7 595	7 063	18 000	100 320	100 320	–	200	200
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH	901	8 941	13 146	16 233	12 119	12 119	16 000	15 900	15 900
Vote 3 - COMMUNITY SERVICES - RECREATIONAL	2 797	9 579	16 621	37 403	31 404	31 404	15 500	14 600	14 600
Vote 4 - CORPORATE SERVICES - ADMINISTRATIO	9 480	5 923	2 066	8 980	23 842	23 842	36 000	15 100	15 100
Vote 5 - CORPORATE SERVICES - HUMAN RESOUR	–	12	64	–	–	–	–	–	–
Vote 6 - FINANCIAL SERVICES	142	–	–	–	–	–	–	–	–
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERV	12 722	65 291	30 876	31 688	29 659	29 659	20 000	10 000	12 000
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERV	47 811	114 084	185 107	182 144	161 180	161 180	125 166	134 079	159 660
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERV	5 025	25 670	10 880	27 909	31 967	31 967	80 750	56 788	58 717
Vote 10 - INFRASTRUCTURE AND TECHNICAL SER	–	–	4 817	4 444	1 724	1 724	9 500	–	–
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	49	–	38	–	–	–	–	–	–
Capital multi-year expenditure sub-total	85 024	237 096	270 679	326 799	392 214	392 214	302 916	246 667	276 177
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	1 123	1 012	152	–	4 368	4 368	–	300	300
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH	495	1 165	2 756	13 228	9 897	9 897	2 000	17 100	17 100
Vote 3 - COMMUNITY SERVICES - RECREATIONAL	2 610	4 320	20 215	17 541	18 222	18 222	14 224	29 938	30 882
Vote 4 - CORPORATE SERVICES - ADMINISTRATIO	5 492	5 746	25 070	16 119	8 360	8 360	6 000	10 980	10 980
Vote 5 - CORPORATE SERVICES - HUMAN RESOUR	16	5	18	18	–	–	–	200	200
Vote 6 - FINANCIAL SERVICES	104	151	43	15	772	772	–	–	–
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERV	6 820	4 185	24 510	2 505	4 436	4 436	108 900	33 200	33 200
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERV	3 790	28 189	46 616	23 876	6 400	6 400	22 000	46 900	46 900
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERV	1 998	6 202	9 038	15 044	15 000	15 000	16 358	20 772	22 002
Vote 10 - INFRASTRUCTURE AND TECHNICAL SER	7 543	16 085	54 266	33 634	41 492	41 492	7 000	10 200	10 200
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	22	220	1 008	–	–	–	–	20	20
Capital single-year expenditure sub-total	30 012	67 280	183 694	121 979	108 946	108 946	176 481	169 610	171 784
Total Capital Expenditure - Vote	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961

Vote Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard									
Governance and administration	22 235	33 076	84 002	44 606	65 674	65 704	43 000	25 820	25 820
Executive and council	–	352	50	93	–	–	–	100	100
Budget and treasury office	195	132	43	15	422	422	–	–	–
Corporate services	22 040	32 591	83 908	44 498	65 252	65 282	43 000	25 720	25 720
Community and public safety	15 937	33 791	72 511	119 748	188 950	188 950	39 724	72 018	72 962
Community and social services	4 470	12 847	19 147	35 726	25 039	25 039	13 000	24 480	24 480
Sport and recreation	2 276	9 301	23 935	41 239	38 173	38 173	25 724	30 538	31 482
Public safety	2 920	5 114	17 655	21 345	18 359	18 359	–	16 800	16 800
Housing	6 046	5 756	7 144	18 000	104 212	104 212	1 000	200	200
Health	225	773	4 630	3 439	3 167	3 167	–	–	–
Economic and environmental services	7 247	32 321	19 996	44 411	48 762	48 732	117 108	78 360	81 519
Planning and development	219	86	72	–	476	476	7 000	600	600
Road transport	7 028	32 236	19 925	42 983	46 997	46 967	110 108	77 660	80 819
Environmental protection	–	–	–	1 428	1 290	1 290	–	100	100
Trading services	67 359	205 187	277 864	239 714	197 774	197 774	279 566	240 079	267 660
Electricity	15 544	61 607	43 317	29 631	28 465	28 465	128 900	43 200	45 200
Water	15 048	79 627	155 719	128 429	117 204	117 204	103 043	122 308	145 830
Waste water management	36 584	62 646	76 003	79 876	50 576	50 576	44 122	58 671	60 730
Waste management	183	1 307	2 824	1 778	1 530	1 530	3 500	15 900	15 900
Other	2 258	–	–	300	–	–	–	–	–
Total Capital Expenditure - Standard	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961
Funded by:									
National Government	40 345	110 841	201 357	159 878	159 878	159 878	145 747	180 790	210 544
Provincial Government	11 087	15 246	10 439	18 000	100 312	100 312	–	–	–
District Municipality	97	110	–	–	–	–	–	–	–
Other transfers and grants	131	133	–	–	–	–	–	–	–
Transfers recognised - capital	51 659	126 329	211 796	177 878	260 190	260 190	145 747	180 790	210 544
Public contributions & donations	4 531	62 602	8 323	1 115	1 115	1 115	–	–	–
Borrowing	33 829	69 347	147 302	159 702	137 236	137 236	200 000	100 000	100 000
Internally generated funds	25 017	46 097	86 952	110 082	102 619	102 619	133 650	135 488	137 417
Total Capital Funding	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2016/17 R302.9 million has been allocated of the total R479.3 million capital budget, which totals 63 per cent. This allocation decreases to R 246.6 million in 2017/18 and then increases to R 276 million in 2018/19.
- Single-year capital expenditure has been appropriated at R 176.4 million for the 2016/17 financial year and reduces slightly over the MTREF to levels of R 169.6 million and R 171.7 million respectively for the two outer years.
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
- The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2016/17, capital transfers

totals R 333.6 million (70 per cent) and decreases to R 235.4 million in the 2017/18 financial year (56 per cent). Borrowing has been provided at R 400 million over the MTREF with internally generated funding totaling R 133.6 million, R 135.4 million and R 137.4 million for each of the respective financial years of the MTREF.

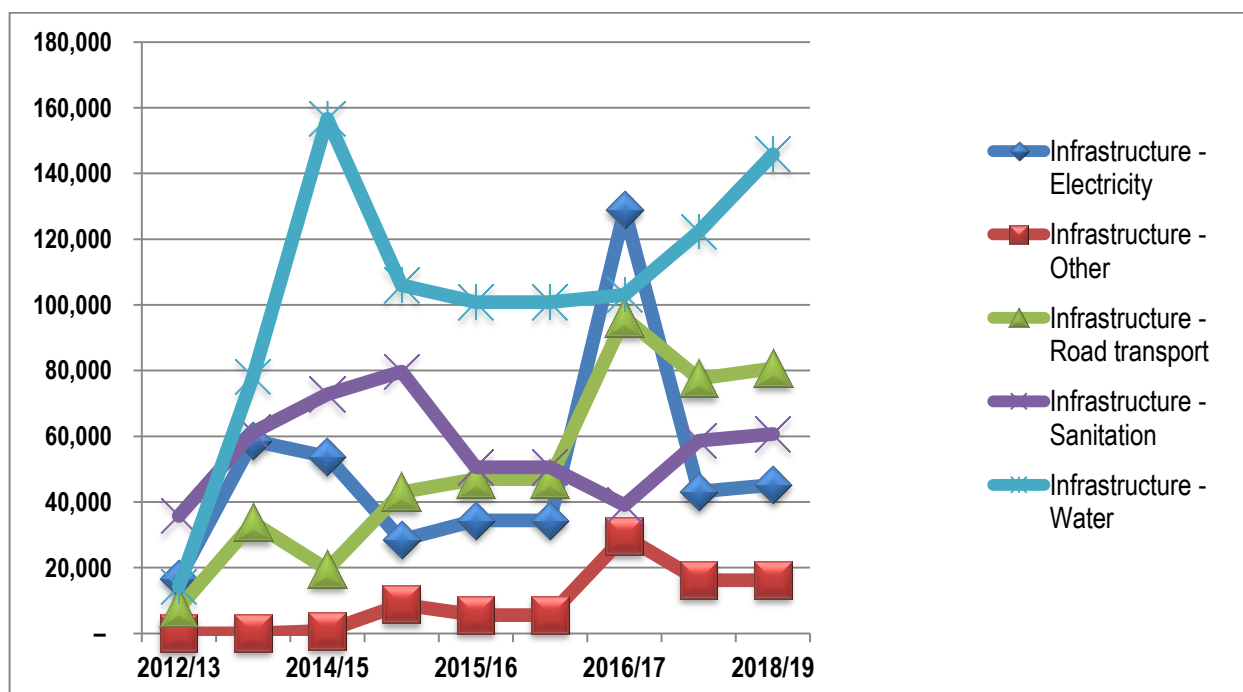
6. Included in the 2016/17 Borrowings is R 100 million that has been earmarked for the 132KV oil filled cables in the South Dunes between Hydra and Capella Substations. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

21.1 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard									
Governance and administration	22 235	33 076	84 002	44 606	65 674	65 704	43 000	25 820	25 820
Executive and council	–	352	50	93	–	–	–	100	100
Budget and treasury office	195	132	43	15	422	422	–	–	–
Corporate services	22 040	32 591	83 908	44 498	65 252	65 282	43 000	25 720	25 720
Community and public safety	15 937	33 791	72 511	119 748	188 950	188 950	39 724	72 018	72 962
Community and social services	4 470	12 847	19 147	35 726	25 039	25 039	13 000	24 480	24 480
Sport and recreation	2 276	9 301	23 935	41 239	38 173	38 173	25 724	30 538	31 482
Public safety	2 920	5 114	17 655	21 345	18 359	18 359	–	16 800	16 800
Housing	6 046	5 756	7 144	18 000	104 212	104 212	1 000	200	200
Health	225	773	4 630	3 439	3 167	3 167	–	–	–
Economic and environmental services	7 247	32 321	19 996	44 411	48 762	48 732	117 108	78 360	81 519
Planning and development	219	86	72	–	476	476	7 000	600	600
Road transport	7 028	32 236	19 925	42 983	46 997	46 967	110 108	77 660	80 819
Environmental protection	–	–	–	1 428	1 290	1 290	–	100	100
Trading services	67 359	205 187	277 864	239 714	197 774	197 774	279 566	240 079	267 660
Electricity	15 544	61 607	43 317	29 631	28 465	28 465	128 900	43 200	45 200
Water	15 048	79 627	155 719	128 429	117 204	117 204	103 043	122 308	145 830
Waste water management	36 584	62 646	76 003	79 876	50 576	50 576	44 122	58 671	60 730
Waste management	183	1 307	2 824	1 778	1 530	1 530	3 500	15 900	15 900
Other	2 258	–	–	300	–	–	–	–	–
Total Capital Expenditure - Standard	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961
Funded by:									
National Government	40 345	110 841	201 357	159 878	159 878	159 878	145 747	180 790	210 544
Provincial Government	11 087	15 246	10 439	18 000	100 312	100 312	–	–	–
District Municipality	97	110	–	–	–	–	–	–	–
Other transfers and grants	131	133	–	–	–	–	–	–	–
Transfers recognised - capital	51 659	126 329	211 796	177 878	260 190	260 190	145 747	180 790	210 544
Public contributions & donations	4 531	62 602	8 323	1 115	1 115	1 115	–	–	–
Borrowing	33 829	69 347	147 302	159 702	137 236	137 236	200 000	100 000	100 000
Internally generated funds	25 017	46 097	86 952	110 082	102 619	102 619	133 650	135 488	137 417
Total Capital Funding	115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961

Figure 78: Capital Budget for Infrastructure Projects



For 2016/17 an amount of R396 million has been appropriated for the development of infrastructure which represents 83 per cent of the total capital budget. In the outer years this amount totals R318 million, 76 per cent and R 349 million, 78 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R122 million in 2016/17 which equates to 44 per cent followed by waste water infrastructure at 27 per cent, R79 million, road transport at 15 per cent, R42 million and then electricity infrastructure at 12 per cent, R32 million.

Total new assets represent 76 per cent or R 364 million of the total capital budget while asset renewal equates to 24 per cent or R 116 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 33 MBRR A9 (Asset Management) on page 86. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and d provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 147, 148, 149 and 150).

22. OPERATIONAL BUDGET SUMMARY

22.1 Operating Revenue Framework

The City of uMhlathuze The City of uMhlathuze requires sustainable revenue streams in order to improve the lives of its citizens. The City must continuously review revenue management processes to ensure that revenue is protected and the municipality

has an ability to maximize the revenue generating potential of all revenue sources through adequate and effective controls and allow for investment opportunities that will accelerate economic growth in the city.

The KZN province was declared a disaster area after being hit by a severe drought since October 2014. This has resulted in a decreased pattern of consumption which has inevitably negatively affected revenue generated. The city requires long term rainfall to refill its fast declining water reservoirs to return to water levels considered safe and sustainable. The drought poses a major risk to the economy, the farming sector, the citizens and animal health.

South Africa's economy is struggling to grow, putting strain on consumers battling inflation, unemployment, low growth opportunities and a weakening rand. The projected gross domestic product (GDP) has been revised down to 0.9 per cent (**Source - NT 2016/17 Budget Circular No.79 Annexure L2 - DMS 1117323**).

The city is majorly sustained by the industrial businesses and with the drought and low commodity prices has negatively affected the city's economy and many citizens are facing uncertainty in their jobs at present and as a major exporter of commodities in the district, low prices will continue to hurt the city's economy.

Amid to the severity of the drought and in view of this dire situation consumers have been hit hard in the pocket, which the city has to strike a balance of providing cost effective services and the consumer affordability. The city has taken a stance of only increasing tariffs not more than the inflation forecast for 2016/17 budget year, despite the increasing cost for providing the municipal services.

In 2016/17 the City will be applying Tariff of Charges (TOC) that is inclusive of tariffs applicable during a drought period which will cater for the restrictions and be punitive in order to ensure compliance from customer during drought period and will be in line with National Department of Water Affairs drought level tariffs.

The City has taken initiatives of introducing investment based projects, which attracts and promote both local and international relations with a hope of gearing the city towards accelerated economic growth. Engagements are underway for strong propositions for the City of uMhlathuze to become an investment destination for the automotive sector. Council has also approved the strategy of having a municipal owned entity to serve as a special purpose vehicle to maximize returns from the city's strategic assets and commercialization of strategic transactions for the benefit of the shareholders. These strategies are aimed at steering the city towards sustainable future without being severely affected by the downfall of the commodity industries that are dominant in the area.

The City has taken the decision to ensure that it takes proactive steps towards ensuring that a long term solution to the energy crisis presently faced by the Country is found. The City has embarked on a process of identifying potential partners within the various renewable energy sectors who can enter into a partnership with the municipality that will take advantage of the opportunity presented by the crisis. The reality presently faced by the electricity trading services is one which indicates a decline in demand due to lucrative power purchase agreements from Eskom and the unreliability of supply due to load shedding. This therefore indicates that the level of cross subsidization that has been previously relied upon to finance the municipality is facing a threat and can no longer be sustained.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 98 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had

- to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- Increase ability to extend new services and recover costs where economically possible;
- The municipality's Indigent Policy and rendering of free basic services.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Figure 79: Summary of revenue classified by main revenue source

Description R thousand	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Revenue By Source</u>				
Property rates	374 178	402 140	428 181	449 879
Service charges - electricity revenue	1 336 170	1 424 840	1 505 505	1 581 210
Service charges - water revenue	268 270	265 520	284 520	299 100
Service charges - sanitation revenue	81 200	86 820	95 330	98 650
Service charges - refuse revenue	67 137	71 020	78 640	81 000
Rental of facilities and equipment	11 524	12 099	12 865	13 656
Interest earned - external investments	21 982	29 000	30 740	32 584
Interest earned - outstanding debtors	90	100	110	120
Fines	3 732	3 732	3 953	4 133
Licences and permits	3 607	3 631	3 847	3 986
Agency services	7 000	7 000	7 100	7 200
Transfers recognised - operational	258 723	298 237	318 355	343 274
Other revenue	28 965	31 698	33 672	35 928
Total Revenue (excluding capital transfers and contributions)	2 462 577	2 635 837	2 802 820	2 950 721

Figure 80: Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue By Source								
Property rates	374 178	15.2%	402 140	15.3%	428 181	15.3%	449 879	15.2%
Service charges - electricity revenue	1 336 170	54.3%	1 424 840	54.1%	1 505 505	53.7%	1 581 210	53.6%
Service charges - water revenue	268 270	10.9%	265 520	10.1%	284 520	10.2%	299 100	10.1%
Service charges - sanitation revenue	81 200	3.3%	86 820	3.3%	95 330	3.4%	98 650	3.3%
Service charges - refuse revenue	67 137	2.7%	71 020	2.7%	78 640	2.8%	81 000	2.7%
Rental of facilities and equipment	11 524	0.5%	12 099	0.5%	12 865	0.5%	13 656	0.5%
Interest earned - external investments	21 982	0.9%	29 000	1.1%	30 740	1.1%	32 584	1.1%
Interest earned - outstanding debtors	90	0.0%	100	0.0%	110	0.0%	120	0.0%
Fines	3 732	0.2%	3 732	0.1%	3 953	0.1%	4 133	0.1%
Licences and permits	3 607	0.1%	3 631	0.1%	3 847	0.1%	3 986	0.1%
Agency services	7 000	0.3%	7 000	0.3%	7 100	0.3%	7 200	0.2%
Transfers recognised - operational	258 723	10.5%	298 237	11.3%	318 355	11.4%	343 274	11.6%
Other revenue	28 965	1.2%	31 698	1.2%	33 672	1.2%	35 928	1.2%
Total Revenue (excluding capital transfers and contributions)	2 462 577	100%	2 635 837	100%	2 802 820	100%	2 950 721	100%
Total revenue from rates and service charges	2 126 955	86.4%	2 250 340	85.4%	2 392 177	85.3%	2 509 839	85.1%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 11 per cent. Rates and service charge revenue comprise of 85 per cent of total operating revenue mix. In 2015/16, revenue from rates and service charges totalled R2 billion and is projected to increase to R2.2 billion in 2016/17 and steadily increase to R2.3 billion and R2.5 billion in 2017/18 and 2018/19 respectively. This raises an alarm for the municipality to action more on revenue enhancement strategies in future.

Electricity service charge is the largest contributor towards municipal revenue streams at an average of 54 per cent over the MTREF. The electricity service charges in monetary terms have increased by R89 million and this has been matched by a corresponding increase in bulk purchases by R73 million. There is no tangible growth in terms of expanded customer base or tariff hikes. The tariffs were increased by 7 per cent for Electricity. Details in this regard are contained in Table 73 MBRR SA1 (see pages 159 to 163).

The second largest revenue source in the City is Property rates at a constant 15 per cent over the MTREF. Strategic turn is pivotal towards expanding rates base of the city and the rural arrears regulations need to be explored. The municipality is still prejudiced by the Traditional Authorities not yet forming part of the MPRA while geographically representing 47 per cent of the municipal jurisdiction.

The municipality is significantly dependent on electricity to cross subsidise Rates and General services. The revenue from Property Rates however has closed the gap and almost equals the gross profit that is made by the electricity trading service. This in essence now places the municipality in a better position towards sustainability as every rand raised in the rates and general environment contributes more than the rand earned in sales of a service mainly because one is exchange revenue while the other is non-exchange revenue.

The trading service water is downsized by R3 million in 2016/17 when compared with the 2015/16 adjusted budget. This is attributed by the severe drought in the country and the patterns of consumptions have been forced to change downwards by both the households and industries in the area.

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. The item segment Revenue classification of mSCOA has done away with the "other revenue" as a category and therefore specific detail will be provided going forward due to the financial reform. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Yet the tariffs have in practice just been escalated by the inflation index as guided by the circular.

Operating grants and transfers totals R298 million in the 2016/17 financial year, steadily increases to R318 million in 2017/18 and to R343 million in 2018/19. Due to economic down turn in the country the grants and subsidies have been kept at an average increase of not more than 7 per cent.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Figure 81: Description of Operating Grants

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Operating Transfers and Grants									
National Government:	183 679	209 798	220 130	249 431	249 431	249 431	289 862	309 631	334 185
Local Government Equitable Share	179 139	190 384	204 800	229 925	229 925	229 925	263 487	291 465	319 112
Finance Management	904	1 176	1 600	1 600	1 600	1 600	2 537	2 650	2 650
Municipal Systems Improvement	11	890	930	930	930	930	-	-	-
Water Services Operating Subsidy	(1 500)	7 210	-	-	-	-	-	-	-
EPWP Incentive	-	1 000	1 896	2 961	2 961	2 961	5 061	-	-
Project Management Unit	2 125	2 138	2 904	4 658	4 658	4 658	4 991	5 592	5 923
Infrastructure Skills Development Grant	3 000	7 000	8 000	7 500	7 500	7 500	6 500	6 500	6 500
Municipal Demarcation Transitional Grant	-	-	-	1 857	1 857	1 857	7 286	3 424	-
Provincial Government:	15 197	24 576	18 557	8 522	9 292	9 292	8 375	8 724	9 089
Museums	134	284	151	166	166	166	175	184	193
Provincialisation of Libraries	2 784	5 846	6 080	6 289	6 289	6 289	6 947	7 224	7 514
Libraries	620	720	756	1 020	1 520	1 520	1 253	1 316	1 382
Housing	2 817	7 953	3 584	1 047	1 317	1 317	-	-	-
Primary Health	4 842	9 645	5 965	-	-	-	-	-	-
Corridor Development - New and Upgrading Informal Trading Stalls	4 000	-	-	-	-	-	-	-	-
Enhanced Extended Discount Benefit Scheme	-	128	21	-	-	-	-	-	-
Urban Development Framework Plan Tourism Development	-	-	1 000	-	-	-	-	-	-
Municipal Excellence Awards	-	-	1 000	-	-	-	-	-	-
District Municipality:	4 603	4 911	-	-	-	-	-	-	-
Environmental Health Subsidy	4 603	4 856	-	-	-	-	-	-	-
Beach Festival	-	55	-	-	-	-	-	-	-
Other grant providers:	105	657	623	-	-	-	-	-	-
Umhlathuze Village Beneficiaries Contribution	42	26	51	-	-	-	-	-	-
Standard Bank - LED Summit	-	-	-	-	-	-	-	-	-
Salga	-	400	-	-	-	-	-	-	-
Absa Bank - Mandela Day	3	-	-	-	-	-	-	-	-
Mayoral Golf Day - Various	60	-	-	-	-	-	-	-	-
Standard Bank - Wellness Day	-	20	-	-	-	-	-	-	-
RBCT - Mayoral	-	100	-	-	-	-	-	-	-
Standard Bank - Beach Festival	-	50	-	-	-	-	-	-	-
KZN Winter Air Show	-	62	-	-	-	-	-	-	-
Absa Bank - Budget Inserts	-	-	10	-	-	-	-	-	-
Saamwu	-	-	561	-	-	-	-	-	-
Total Operating Transfers and Grants	203 584	239 943	239 309	257 953	258 723	258 723	298 237	318 355	343 274

Table 92: Budgeted Financial Performance (revenue and expenditure)

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand									
Revenue By Source									
Property rates	239 617	279 679	338 166	361 500	374 178	374 178	402 140	428 181	449 879
Service charges - electricity revenue	1 091 706	1 311 519	1 336 447	1 386 603	1 336 170	1 336 170	1 424 840	1 505 505	1 581 210
Service charges - water revenue	158 637	176 552	200 460	281 565	268 270	268 270	265 520	284 520	299 100
Service charges - sanitation revenue	66 946	71 241	75 579	84 000	81 200	81 200	86 820	95 330	98 650
Service charges - refuse revenue	52 520	58 414	61 353	67 800	67 137	67 137	71 020	78 640	81 000
Rental of facilities and equipment	16 860	13 501	11 648	10 874	11 524	11 524	12 099	12 865	13 656
Interest earned - external investments	14 499	21 060	27 558	21 982	21 982	21 982	29 000	30 740	32 584
Interest earned - outstanding debtors	168	52	56	58	90	90	100	110	120
Fines	10 550	59 986	55 369	11 231	3 732	3 732	3 732	3 953	4 133
Licences and permits	1 933	1 744	1 777	1 765	3 607	3 607	3 631	3 847	3 986
Agency services	6 093	6 630	6 726	7 000	7 000	7 000	7 000	7 100	7 200
Transfers recognised - operational	202 114	232 086	245 789	257 953	258 723	258 723	298 237	318 355	343 274
Other revenue	126 783	67 453	140 258	31 970	28 965	28 965	31 697	33 673	35 929
Gains on disposal of PPE	569	7 530	21 371	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 988 995	2 307 447	2 522 558	2 524 301	2 462 577	2 462 577	2 635 836	2 802 820	2 950 721
Expenditure By Type									
Employee related costs	437 126	480 990	533 157	615 819	629 901	629 901	670 969	725 607	787 155
Remuneration of councillors	17 148	21 408	22 622	24 729	24 729	24 729	26 462	26 584	28 711
Debt impairment	3 647	67 969	78 710	3 050	3 064	3 064	6 950	7 339	7 745
Depreciation & asset impairment	345 315	244 340	339 935	205 014	205 014	205 014	252 373	298 616	325 244
Finance charges	79 985	71 145	71 171	79 806	79 806	79 806	80 335	80 611	73 634
Bulk purchases	937 247	1 051 626	1 100 661	1 134 058	1 063 124	1 063 124	1 128 615	1 173 760	1 220 711
Other materials	65 438	75 129	132 082	132 063	136 898	136 898	113 192	117 720	122 428
Contracted services	92 101	100 641	79 887	109 961	104 254	104 254	129 310	130 669	132 546
Transfers and grants	2 091	3 022	4 357	10 473	14 018	14 018	12 681	13 188	13 716
Other expenditure	111 507	180 094	225 873	204 390	214 064	214 064	208 451	222 228	236 182
Loss on disposal of PPE	470	43	315	-	-	-	-	-	-
Total Expenditure	2 092 076	2 296 407	2 588 772	2 519 364	2 474 871	2 474 871	2 629 337	2 796 321	2 948 073
Surplus/(Deficit)	(103 081)	11 040	(66 214)	4 937	(12 294)	(12 294)	6 500	6 499	2 649
Transfers recognised - capital	51 659	186 865	215 423	159 878	270 405	270 405	145 747	180 790	210 544
Surplus/(Deficit) for the year	(51 421)	197 906	149 209	164 815	258 111	258 111	152 247	187 289	213 192

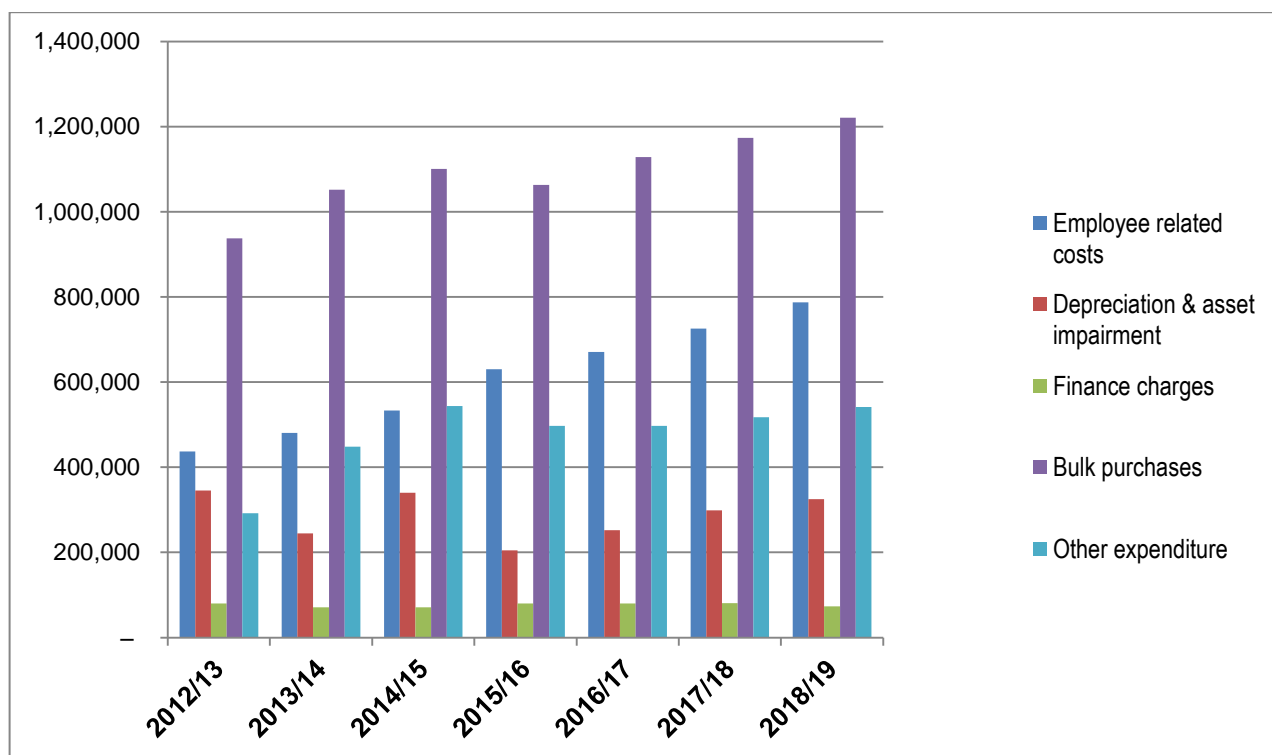
Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R2.6 billion in 2016/17 and escalates to R2.8 billion by 2017/18 and R2.9 billion by 2018/19. This represents a year-on-year increase of 7 per cent for the 2016/17 financial year and 6 per cent for the 2017/18 financial year and 5 per cent for the 2018/19 financial year.

2. Revenue to be generated from Property Rates is R 402 million in the 2016/17 financial year and increases to R 428 million by 2017/18 which represents 15 per cent of the operating revenue base of the City and therefore remains significant short of funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 15 per cent for both of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R1.8 billion for the 2016/17 financial year and increasing to R1.9 billion by 2017/18. For the 2016/17 financial year services charges amount to 70 per cent of the total revenue base, however no economic growth has been built into these revenue figures. The growth that is reflected here is mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real term the grants receipts from national government having only increased marginally over the MTREF by 6.7 per cent and 7.8 per cent for the two outer years.
5. The following graph illustrates the major expenditure items per type.

The following graph illustrates the major expenditure items per type.

Figure 82: Expenditure by major type



23. SUMMARY OF BUDGET POLICIES

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

23.1.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was reviewed and approved by Council in July 2012 and is still in place and very effective. The Tabled policy is credible, sustainable, and manageable and informed by affordability and value for money, hence there is no need to review any components of the policy.

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96.8 per cent on current billings.

No amendments are proposed for this policy in the 2016/17 financial year.

23.1.2 Asset Management, Infrastructure Investment and Funding Policy

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

No amendments are proposed for this policy in the 2016/17 financial year.

23.1.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

No amendments are proposed for this policy in the 2016/17 financial year.

23.1.4 Supply Chain Management Policy

The Supply Chain Management Policy was Tabled by Council on the 4 October 2005. The Fourth amendment of the Supply Chain Management Policy was done in terms of Supply Chain Management Regulations clause 3(1)(b) and was Tabled by Council on 31 July 2013. **The SCM Policy will be reviewed in line with MFMA Circular no. 77 and will be tabled before Council in May 2016.**

23.1.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system

of delegations. The Virement Policy was approved by Council via resolution 6737 on 6 July 2010 and was subsequently amended on 4 October 2011 and again on 28 May 2013.

No amendments are proposed for this policy in the 2016/17 financial year

23.1.6 Investment, Working Capital and Capital Replacement Reserves Policy

The City's Investment, Working Capital and Capital Replacement Reserves Policy was amended by Council on 10 October 2013. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

No amendments are proposed for this policy in the 2016/17 financial year.

23.1.7 Tariff of Charges Policy

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is amended and approved annually with the MTREF.

All the above policies are available on the City's website, as well as the following budget related policies:

- Property Rates Policy; and
- Fraud Prevention policy.

24. ALIGNMENT OF IDP WITH BUDGET

This is the fourth review of the IDP as Tabled by Council in May 2012. It started in September 2015 after the tabling of the IDP Process Plan for the 2016/17 MTREF on 28 September 2015 (**DMS 1064198**).

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

uMhlathuze's Integrated Development Plan is a super plan for the organisation which gives an overall framework for development, it's a strategic tool that guides and informs planning, budgeting and managing. Our IDP aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in our jurisdiction. It takes into account the existing conditions and problems and resources available for development. The plan looks at economic and social development for the area as a whole. Amongst other things it also sets a framework for how land should be used (SDF), what infrastructure and services are needed and provided. This is the last IDP Review in the third cycle of IDP Generations. This IDP Review is outcome based and built on the foundations of Government Priorities which includes national Development Plan, Provincial Development Plan, Cabinet Legotla, State of the Nation Address, State of the Province Address and other important government priorities.

Through the IDP these priorities are translated in our STRATEGIC FRAMEWORK and escalated to Strategic Goals, Strategic Objectives, Strategies, Key Performance indicators, which are then further developed into programs and projects. This directly informs the municipal Service Delivery and Budget Implementation Plan.

Key issues to be addressed in the Last IDP Review includes:-

- Re- Determination of Municipal Boundaries
- Overall Summary of key achievements since the adoption of the five year IDP IN 2012,
- Alignment of Municipal Framework with Back to Basics program.
- Comments from MEC on 2015/2016 IDP Review
- Economic Growth and Job Creation Roadmap
- Financial Planning and Budgeting
- Public Participation, Needs analysis

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2015/16 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

The 2016/17 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 93: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Good Governance and Public Participation</u>										
Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote and foster sound internal and external communication	32 810	98 850	102 667	10 921	21 406	21 406	78 788	83 582	89 395
Risk Governance		–	2 704	2 683	1 246	3 934	3 934	2 533	2 703	2 917
<u>Basic Services and Infrastructure Provision</u>										
Efficient and integrated infrastructure and services										
	Eradicate water services backlogs through provision of basic water services	388 880	246 485	386 005	401 881	391 367	391 367	401 911	430 658	452 292
	Eradicate Sanitation services backlogs through provision of basic sanitation services	124 936	143 301	166 645	156 259	160 085	160 085	174 289	189 879	201 792
	Eradicate electricity supply backlogs through provision of basic electricity supply services	985 136	1 076 728	1 089 779	1 241 610	1 176 754	1 176 754	1 231 959	1 291 469	1 342 012
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	177 393	163 999	183 350	188 624	193 947	193 947	199 900	212 555	226 692
	Provision of public transport facilities and infrastructure in the rural areas	1 790	1 134	2 904	1 562	1 569	1 569	2 768	3 050	3 259
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	7 614	6 256	8 971	16 491	16 388	16 388	17 168	18 582	20 036
	To ensure effective Fleet Management	13 766	50 750	62 730	3 732	4 646	4 646	(11 049)	(11 338)	(14 049)
	Maintenance of Municipal fixed assets	21 677	31 754	36 644	19 954	20 469	20 469	24 439	28 470	32 322
<u>Local Economic Development</u>										
Viable Economic Growth And Development		31 911	31 900	36 872	45 833	49 245	49 245	49 810	53 047	56 713
Public Safety and Security		75 334	117 955	124 926	121 060	117 535	117 535	118 980	130 040	141 487
		97 396	73 283	81 616	124 828	123 920	123 920	127 481	136 888	148 930
Safe and Healthy Living Environment										
Social Cohesion		139 318	120 993	136 711	171 791	170 728	170 728	173 529	187 408	202 032
<u>Municipal Institutional Development and Transformation</u>		–	–	–	–	–	–	–	–	–
Municipality Resourced and Committed to attaining the vision and mission of the organisation		5 015	20 710	23 626	3 320	2 456	2 456	6 388	6 819	7 310
<u>Municipal Financial Viability and Management</u>		–	–	–	–	–	–	–	–	–
Sound Financial And Supply Chain Management		(15 129)	82 985	102 642	4 371	11 416	11 416	6 189	6 477	6 733
<u>Cross Cutting</u>		–	–	–	–	–	–	–	–	–
Immovable Property Management		–	–	–	1 452	1 494	1 494	1 840	1 952	2 083
Disaster Management		742	340	777	1 317	1 903	1 903	2 075	2 418	2 790
Total Expenditure		2 092 076	2 296 407	2 588 772	2 519 364	2 474 871	2 474 871	2 629 337	2 796 321	2 948 073

Table 94: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Good Governance and Public Participation</u>										
Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance		32 810	98 850	102 667	10 921	21 406	21 406	78 788	83 582	89 395
	To promote and foster sound internal and external communication	3 488	26 281 2 704	39 225 2 683	3 111 1 246	5 608 3 934	5 608 3 934	2 533 20 340	2 703 21 664	2 917 23 327
<u>Basic Services and Infrastructure Provision</u>										
Efficient and integrated infrastructure and services										
	Eradicate water services backlogs through provision of basic water services	388 880	246 485	386 005	401 881	391 367	391 367	401 911	430 658	452 292
	Eradicate Sanitation services backlogs through provision of basic sanitation services	124 936	143 301	166 645	156 259	160 085	160 085	174 289	189 879	201 792
	Eradicate electricity supply backlogs through provision of basic electricity supply services	985 136	1 076 728	1 089 779	1 241 610	1 176 754	1 176 754	1 231 959	1 291 469	1 342 012
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	177 393	163 999	183 350	188 624	193 947	193 947	199 900	212 555	226 692
	Provision of public transport facilities and infrastructure in the rural areas	1 790	1 134	2 904	1 562	1 569	1 569	2 768	3 050	3 259
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	7 614	6 256	8 971	16 491	16 388	16 388	17 168	18 582	20 036
	To ensure effective Fleet Management	13 766	50 750	62 730	3 732	4 646	4 646	(11 049)	(11 338)	(14 049)
	Maintenance of Municipal fixed assets	21 677	31 754	36 644	19 954	20 469	20 469	24 439	28 470	32 322
	<u>Local Economic Development</u>									
Viable Economic Growth And Development		31 911	31 900	36 872	45 833	49 245	49 245	49 810	53 047	56 713
Public Safety and Security		75 334	117 955	124 926	121 060	117 535	117 535	118 980	130 040	141 487
		97 396	73 283	81 616	124 828	123 920	123 920	127 481	136 888	148 930
Safe and Healthy Living Environment										
Social Cohesion		139 318	120 993	136 711	171 791	170 728	170 728	173 529	187 408	202 032
<u>Municipal Institutional Development and Transformation</u>										
Municipality Resourced and Committed to attaining the vision and mission of the organisation		5 015	20 710	23 626	3 320	2 456	2 456	6 388	6 819	7 310
<u>Municipal Financial Viability and Management</u>										
Sound Financial And Supply Chain Management		(15 129)	82 985	102 642	4 371	11 416	11 416	6 189	6 477	6 733
<u>Cross Cutting</u>										
Immovable Property Management		–	–	–	1 452	1 494	1 494	1 840	1 952	2 083
Disaster Management		742	340	777	1 317	1 903	1 903	2 075	2 418	2 790
Total Expenditure		2 092 076	2 296 407	2 588 772	2 519 364	2 474 871	2 474 871	2 629 337	2 796 321	2 948 073

Table 95: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Good Governance and Public Participation</u>										
Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance		3	210	96	110	—	—	—	600	600
	To promote and foster sound internal and external communication	11 372	8 590	23 342	4 868	21 716	21 716	33 000	24 900	24 900
Risk Governance		70	220	1 046	—	—	—	—	100	100
	Ensuring compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	—	—	—	3 439	3 167	3 167	—	100	100
<u>Basic Services and Infrastructure Provision</u>										
Efficient and integrated infrastructure and services										
	Eradicate water services backlogs through provision of basic water services	15 469	80 738	157 019	128 429	117 204	117 204	103 043	122 308	145 830
	Eradicate Sanitation services backlogs through provision of basic sanitation services	36 132	61 535	74 703	77 590	50 376	50 376	44 122	58 671	60 730
	Eradicate electricity supply backlogs through provision of basic electricity supply services	19 542	69 475	55 386	34 188	34 074	34 074	128 900	43 200	45 200
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	7 023	31 872	19 919	42 909	46 967	46 967	97 108	77 560	80 719
	Provision of public transport facilities and infrastructure in the rural areas	—	5 380	2 563	7 000	4 000	4 000	14 000	—	—
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	6 046	5 756	7 144	18 000	104 212	104 212	—	200	200
	To ensure effective Fleet Management	7 493	16 085	59 074	37 967	43 216	43 216	9 500	9 900	9 900
	Maintenance of Municipal fixed assets	1 389	2 869	3 708	15 176	9 598	9 598	11 000	300	300
<u>Local Economic Development</u>										
Viable Economic Growth And Development		3 433	2 852	72	5 100	1 376	1 376	5 000	300	300
		989	2 645	5 886	13 630	11 829	11 829	500	16 900	16 900
Public Safety and Security		976	2 020	7 268	5 223	3 604	3 604	3 500	16 000	16 000
Safe and Healthy Living Environment										
Social Cohesion		4 839	13 960	37 021	55 118	49 051	49 051	29 724	44 538	45 482
<u>Municipal Institutional Development and Transformation</u>										
Municipality Resourced and Committed to attaining the vision and mission of the organisation		16	17	82	18	—	—	—	200	200
		—	—	—	—	—	—	—	—	—
<u>Municipal Financial Viability and Management</u>										
Sound Financial And Supply Chain Management		246	151	43	15	772	772	—	500	500
<u>Cross Cutting</u>		—	—	—	—	—	—	—	—	—
Integrated Urban and Rural Development		—	—	—	—	—	—	—	—	—
Immovable Property Management		—	—	—	—	—	—	—	—	—
Disaster Management		—	—	—	—	—	—	—	—	—
Total Capital Expenditure		115 036	304 375	454 373	448 778	501 161	501 161	479 397	416 277	447 961

25. SOCIAL INITIATIVES SUMMARY

Free Basic Services: Basic Social Services Package

The social package assists households that are indigent and poor or face other circumstances that limit their ability to pay for services.

The existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Litres and less per day for a month **or** the first 6 000 litres of water per month.
- When a consumer use **more** than the 200 Litres per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R120 000.
- Free refuse charge if property is valued less than R120 000.
- Free sewer charge if property is valued less than R 120 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal.
- Targeted indigent support for very poor and child run households.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 34 MBRR A10 (Basic Service Delivery Measurement) on page 88. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach. It bears noting that the limitation of the Municipal Property Rates Act on Traditional Areas reduces the ability of the Municipality to generate revenue required for the provision of services in general. The Municipality estimates that of the 86 609 households the traditional households can be assumed to be 55 915 when excluding properties in the Valuation Rolls which are 30 694.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

Source	Free	Subsidy	Total
Waste	16 271 399	1 419 836	17 691 235
Sanitation	18 697 974	5 571 733	24 269 706
Rates	0	9 815 610	9 815 610
Rates	0	21 122 682	21 122 682
Water	69 858 101	70 179 820	140 037 922
Elec	921 197	52 799 604	53 720 801
	105 748 671	160 909 286	266 657 957

The municipality is receiving equitable share of R 263.5 million in 2016/17 while the municipal social package is R 266.6 million. The municipality has requested National Treasury to amended Table A10 in the 2014/15 bench marking exercise to ensure that details as per above table can be displayed.

This Municipality is of the view that following the strict Indigent route of frees basic services for indigent consumers only and ignoring the plight of the poor and less wealthy is not the correct approach in the application of the Equitable Share and the equitable distribution that arises from tiered or block tariffs. The cost of free basic services amounts to R 105.7 million. It needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values

reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table

26. FUNDED PROJECTS

There are a number of projects being planned and implemented in the municipal area that are funded by non-public funding sources. Notably, in uMhlathuze many projects are underway as part of capital investments by corporates. The details of projects being planned and implemented by RBM are noted in this report and further details from other corporates are included.

26.1 LIST OF MAJOR CAPITAL PROJECTS

26.1.1 NTABANANA 2016/2017 INFRASTRUCTURE PROJECTS FOR THE WARDS TO BE INCORPORATED BY UMHLATHUZE

NAME OF PROJECT	BUDGET	WARD	FINANCIAL YEAR
Mancence Community Hall	2 810 145,6	5	2016/2017
Bambanani Creche	1 418 923, 8	7	2016/2017
Ndondwane Creche	1 4 18 923 8	8	2016/2017

26.1.2 DEPARTMENT OF EDUCATION

Name_of_School	Education_District	Local Municipality	Category	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017
ISIKHALASENKOSI JS SCHOOL (PHASE 1)	uThungulu	uMhlathuze	Upgrades and Additions	10,319,339	8,725,395	154,250	1,403,702	34,193
IZIBUKO SP	uThungulu	uMhlathuze	Upgrades and Additions	9,556,928	7,366,000	0	2,136,155	54,773
KANGIKHO P	uThungulu	uMhlathuze	Upgrades and Additions	3,210,795	2,599,725	0	611,070	0
MADLANKALA P	uThungulu	uMhlathuze	Upgrades and Additions	3,235,785	2,410,145	0	825,640	0
MBUYISENI S	uThungulu	uMhlathuze	Water and Sanitation	1,260,015	1,136,652	0	123,363	0
MKHOBOSA P	uThungulu	uMhlathuze	Upgrades and Additions	3,057,508	2,263,661	0	793,847	0
OLD MILL H	uThungulu	uMhlathuze	Upgrades and Additions	16,680,350	10,155,943	1,024,947	4,170,424	1,262,584
WOOD AND RAW P	uThungulu	uMhlathuze	Upgrades and Additions	33,751,892	31,755,449	68,736	1,879,514	45,783
BAGIBILE H	uThungulu	uMhlathuze	Upgrades and Additions	944,766	751,826	0	192,940	0
ONGOYE PRIMARY SCHOOL	uThungulu	uMhlathuze	Refurbishment and Rehabilitation	0	0	3,578,200	0	0
NQUTSHINI PS	uThungulu	uMhlathuze	Upgrades and Additions	1,490,427	514,970	185,218	790,239	0
RICHEM SEC SCHOOL - PHASE 2	uThungulu	uMhlathuze	Upgrades and Additions	2,309,000	1,337,000	0	972,000	0
BIRDSWOOD SCHOOL - PHASE 2	uThungulu	uMhlathuze	Upgrades and Additions	619,000	0	0	619,000	0
HAWINI	uThungulu	uMhlathuze	New Infrastructure Assets	29,321,411	0	0	6,670,621	9,958,284
MZINGWENYA P	uThungulu	uMhlathuze	Upgrades and Additions	25,976,000	0	0	5,909,540	10,130,640

Name_of_School	Education_District	Local Municipality	Category	Contract Amount / Estimate	Previous Years Expenditure	Expenditure 2015-2016 as at end of July 2015	Cashflow 2015-2016	2016-2017
KHULA HS	uThungulu	uMhlathuze	Upgrades and Additions	4,216,280	0	0	0	400,547
MEVAMHLOPHE H	uThungulu	uMhlathuze	Refurbishment and Rehabilitation	3,458,024	0	0	0	0
AMANGWE H	uThungulu	uMhlathuze	Upgrades and Additions	718,000	0	0	71,800	613,890
DOVER C	uThungulu	uMhlathuze	Upgrades and Additions	1,324,300	0	0	132,430	1,132,277
EMPEMBENI P	uThungulu	uMhlathuze	Upgrades and Additions	1,171,500	0	0	117,150	1,001,633
EXHAPHOZINI P	uThungulu	uMhlathuze	Upgrades and Additions	1,475,300	0	0	147,530	1,261,382
FLORATON P	uThungulu	uMhlathuze	Upgrades and Additions	1,324,300	0	0	132,430	1,132,277
JOHN ROSS COLLEGE	uThungulu	uMhlathuze	Upgrades and Additions	400,000	0	0	40,000	342,000
MKHOBOSA P	uThungulu	uMhlathuze	Upgrades and Additions	1,675,800	0	0	167,580	1,432,809
MUNTONOKUDLA S	uThungulu	uMhlathuze	Upgrades and Additions	1,173,300	0	0	117,330	1,003,172
NKOSAZANA P	uThungulu	uMhlathuze	Upgrades and Additions	767,300	0	0	0	72,894
PHANDAPHANSI P	uThungulu	uMhlathuze	Upgrades and Additions	400,000	0	0	40,000	342,000
VUMUKUKHANYA JP	uThungulu	uMhlathuze	Upgrades and Additions	400,000	0	0	0	0
VELANGAYE H	uThungulu	uMhlathuze	Upgrades and Additions	30,000,000	0	0	0	0
ZULULAND SPECIAL PROJECTS, COTTAGES	uThungulu	uMhlathuze	Upgrades and Additions	30,000,000	0	0	3,000,000	1,750,000
SIPHUMELELE S (MEER-EN-SEE)	uThungulu	uMhlathuze	New Infrastructure Assets	50,000,000	0	1,950,421	0	4,804,958

26.1.3 DEPARTMENT OF TRANSPORT PROJECTS

Activities	Contract name	Unit	Output	Budget 2016-2017
Betterment & Regravelling	A2168	km	2.6	1,100,000
	D1581	km	3.5	1,030,000
	D1591	km	1.0	450,000
	Eshowe - Betterment & Regravel Programme	km	22.2	12,000,000
	Hluhluwe - Betterment & Regravel Programme	km	19.1	10,300,000
	L1703	km	2.0	1,020,000
	L2746 (Mgqomo)	km	1.5	1,000,000
	OL00995	km	3.5	1,600,000
	Ulundi - Betterment & Regravel Programme	km	10.6	5,750,000
	Vryheid - Betterment & Regravel Programme	km	10.6	5,750,000
Blacktop Patching	Blacktop Patching - Annual Contract	m2	3,076.9	2,000,000
Blading	Blading fuel & oil (internal)	km	1,117.6	950,000
	Blading Plant (external)	km	1,538.5	2,000,000
	Blading plant (external) - CC Eshowe	km	3,961.5	5,150,000
	Blading plant (external) - CC Hluhluwe	km	3,846.2	5,000,000
	Blading plant (external) - CC Ulundi	km	1,923.1	2,500,000
	Blading plant (external) - CC Vryheid	km	1,923.1	2,500,000
Drain clearing & Verge Maintenance	Drain Clearing & verge maint (labour contract 1)	km	22.2	200,000
	Drain Clearing & verge maint (labour contract 2)	km	22.2	200,000
	Drain Clearing & verge maint (labour contract 3) - Quotation	km	55.6	500,000
	Drain Clearing & verge maint (Noxious weed clearing) - Quotation	km	24.4	220,000
	Drain Clearing & verge maint (pipe desilting)	km	22.2	200,000
Gabion protection	Gabion Protection - Annual Contract	m3	307.7	600,000
Guardrail new installation	Guardrail (material) - Quotation	m		240,000
	Guardrail installation & repair (labour contract) - Quotation	m	870.4	230,000
Maintenance of fence & km posts	Maintenance of km posts (labour contract)	km	221.6	200,000
	Maintenance of km posts (material) - Annual Contract	km		210,000

Activities	Contract name	Unit	Output	Budget 2016-2017
Maintenance of information/guidance signs	Maintenance of Info signs (labour contract)	m2	84.0	200,000
	Maintenance of Info signs (material) - Quotation	m2		220,000
Maintenance of regulatory/warning signs	Regulatory & Warning signs (labour contract) - Quotation	Number	148.3	210,000
	Regulatory & Warning signs (material) - Quotation	Number		220,000
Major & Minor Works	Buildings Constuction	0		5,000,000
New Gravel Road	Ezinsimbini (L1203) Road	km	1.5	900,000
Patch Gravelling	Patch Gravelling plant (external)	m2	32,558.1	1,400,000
Pipes & Headwalls	Pipe installation & headwalls - Annual Contract	Number	54.5	1,200,000
Road Marking & Studs	Roadstuds (labour contract)	km	40.0	190,000
	Roadstuds (material) - Quotation	km		210,000
Zibambele tools	Zibambele Replacement Tools - Quotation	0		600,000

26.1.4 UMhlathuze Capital Projects

Municipal Vote/Capital project R thousand	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CITY DEVELOPMENT				
ACQUISITION OF LAND	82 500	–	–	–
AQUADENE BULK SERVICES (SANITATION)	15 000	5 000	–	–
AQUADENE BULK SERVICES (WATER)	15 000	5 000	–	–
BHAMBATHA HOSTELS ROOF REFURBISHMENT	3 900		200	200
FURNITURE AND OTHER OFFICE EQUIPMENT - CITY DEVELOPMENT	18	–	–	–
CONSTRUCTION OF MARKET STALLS (NSELENI & EMPANGENI)	–	7 000	–	–
CONSTRUCTION OF SMME RETAIL PARKS	900	5 000	–	–
CONSTRUCTION OF STEEL BRIDGE	–	1 000	–	–
CONSTRUCTION OF TAXI RANKS (BUILDINGS AND SURROUNDING) - LOT 63, RICHARDS BAY AND A RANK)	4 000	7 000	–	–
DIGITAL RECORDER FOR CITY DEVELOPMENT	–	–	–	–
ESIKHALENI REFURBISH HOSTELS	17 812	–	–	–
FENCING - VARIOUS AGRICULTURAL PROJECTS	450	–	–	–
IT EQUIPMENT FOR CITY DEVELOPMENT	–	–	–	–
LAPTOP AND DOCKING STATION	18	–	–	–
MAYORAL RESIDENCE	300	–	–	–
NKOSI MQEDI MONUMENT	8	–	–	–
PLANNING PROJECTS	–	–	300	300
RE-DESIGNING OFFICE SPACE	170	–	–	–
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES				
1 x DOUBLE CAB 4X4 WITH RAISED BODY	372	–	–	–
6 X AIRCONDITIONERS FIRE STATIONS (R/BAY, VULINDLELA, ENELENI)	20	–	–	–
AIR POLLUTION EQUIPMENT	1 290	–	–	–
AIRCONDITIONER FOR ALTON CLINIC	8	–	–	–
ALTERATIONS IN WASTE MANAGEMENT - PHASE 2	99	–	–	–
CONSTRUCTION OF MUNICIPAL POUND	–	1 000	–	–
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	1 533	–	–	–
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	6 886	–	–	–
ESTABLISHMENT TRANSFER STATION ENELENI FOR RECYCLING	1 530	–	–	–
ESTABLISHMENT TRANSFER STATION ESIKHALENI FINANCE AND ADMIN (OCCUPATIONAL CLINIC) PROJECTS	–	1 500	–	–
FURNITURE FOR NEW OCCUPATIONAL HEALTH CLINIC	134	–	100	100
GALVANISED CAGES - TB CLINIC	9	–	–	–
OCCUPATIONAL HEALTH CLINIC	2 034	–	–	–
OCCUPATIONAL HEALTH CLINIC	1 000	–	–	–
POLLUTION CONTROL (HEALTH) PROJECTS	–	–	100	100
PUBLIC SAFETY (FIRE AND TRAFFIC) PROJECTS	–	–	16 800	16 800
REFUSE TRUCKS	–	5 500	–	–
REFUSE TRUCKS	624	–	–	–

Municipal Vote/Capital project R thousand	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES				
RICHARDS BAY FIRE STATION - PLAN AND CONSTRUCT PHASE ONE	888	—	—	—
ROAD TRANSPORT (LICENSING) PROJECTS	—	—	100	100
SECURITY BICYCLE PROJECT	2 000	500	—	—
SKIPS	—	2 000	—	—
STANDBY GENERATOR FOR RICHARDS BAY FIRE STATION	522	—	—	—
TRAFFIC ENFORCEMENT VEHICLES	1 100	4 000	—	—
WASTE MANAGEMENT PROJECTS	—	—	2 100	2 100
WASTE MANAGEMENT PROJECTS	—	—	13 800	13 800
COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES				
AIRCONDITIONERS FOR PARK OFFICES IN ALTON PARKS	37	—	—	—
1 x DOUBLE CAB 4X4 WITH RAISED BODY	120	—	—	—
2 x TRAILERS WITH RAMPS	21	—	—	—
ADDITIONS TO ATHLETICS TRACK	702	—	—	—
AQUADENE LIBRARY	1 096	—	—	—
BEACH EROSION PROJECT	6 594	—	—	—
BEAUTIFICATION (ALL AREAS)	1 587	3 000	—	—
BHEJANE HALL - GUARD HOUSE, HALL BOOKINGS AND COUNCILLOR'S OFFICES AND REFURBISHMENT OF ABLUTION FACILITIES	802	—	—	—
COMMUNITY AND SOCIAL SERVICES PROJECTS	—	—	14 000	14 000
CONSTRUCTION OF COMBI COURT AT MANDLAZINI	688	—	—	—
EMPANGENI PARKS DEPT ABLUTIONS - REFURBISHMENT	157	—	—	—
ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)	520	—	—	—
ESIK LIBRARY - EXTENSION	579	—	—	—
ESIKHALENI COLLEGE COURTS UPGRADE	773	—	—	—
ESIKHALENI PARK (POOL AREA)	1 000	—	—	—
FLOODLIGHTS - VARIOUS SPORTSFIELDS	795	6 000	—	—
FLOODLIGHTS - VARIOUS SPORTSFIELDS	570	—	—	—
FLOODLIGHTS -CENTRAL SPORTSFIELDS	6 560	—	—	—
HALLS	1 711	4 000	—	—
LIGHTING SPORTS GROUND	445	—	—	—
MANDLAZINI HALL (INSURANCE)	1 470	—	—	—
MZINGAZI SPORTSFIELD	423	—	—	—
NEW FIELD COURTS - UPGRADE	525	—	—	—
NGWELEZANE HALL - EXTENSION	514	—	—	—
NGWELEZANE STADIUM	150	—	—	—
NTUZE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	1 787	—	—	—
PAVING - NSELENI HALL	1 832	—	—	—
R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	784	—	—	—
REPLACEMENT RIDE-ON MOWERS	64	—	—	—
SPORTFIELDS - SIGISI FIELD LOTTO FUNDING	1 115	—	—	—
SPORTS, PARKS AND RECREATION PROJECTS	—	—	14 600	14 600
STAFF REST ROOMS - VARIOUS POOLS	24	—	—	—
UPGRADE IRRIGATION SYSTEM AT MANDLANZINI	75	—	—	—
UPGRADE OF ELECTRICITY SUPPLY	357	—	—	—
UPGRADING RURAL SPORTSFIELDS	845	—	—	—
UPGRADING RURAL SPORTSFIELDS	59	2 500	—	—

Municipal Vote/Capital project R thousand	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CORPORATE SERVICES - ADMINISTRATION				
ACQUISITION OF CALL CENTRE MODULE AND USSD CODE FOR INCIDENT REPORTING	3 500	—	—	—
CIVIC CENTRE	400	—	—	—
CLOUDWARE	92	—	—	—
FIBRE LINK TO ESIKHALENI	15 332	18 000	—	—
FINANCE AND ADMIN (ADMIN) PROJECTS	—	—	500	500
FINANCE AND ADMIN (IT) PROJECTS	—	—	9 900	9 900
MAYOR AND COUNCIL PROJECTS	—	—	100	100
NEW & REPLACEMENT OF IT RELATED EQUIPMENT	2 179	—	—	—
RENOVATIONS - CIVIC CENTRE	—	3 000	—	—
REPLACE 3 x 132 COLUMN IMPACT PRINTERS	18	—	—	—
SATELLITE OFFICES REFURBISHMENT	1 500	—	—	—
VMWARE PRODUCTION SUPPORT	243	—	—	—
WEBSITE FOR AIRPORT	84	—	—	—
FINANCE AND ADMIN (HUMAN RESOURCES) PROJECTS	—	—	200	200
FINANCIAL SERVICES				
2 X AIRCONDITIONERS AT EMPANGENI OFFICE	6	—	—	—
2 X LAPTOPS FOR FINANCIAL SERVICES	35	—	—	—
4 x SERVICE KIOSK	410	—	—	—
5 TON FORKLIFT	350	—	—	—
5 WORKSTATIONS FOR INCOME	3	—	—	—
CAMERA ENTRANCE DOOR	9	—	—	—
DOUBLE CAB 4 X 4 (EXPENDITURE - ASSETS)	280	—	—	—
FINANCE AND ADMIN (REVENUE & EXPENDITURE & SCM) PROJECTS	—	—	500	500
FINANCIAL ERP SYSTEM	162	15 000	15 000	15 000
IMPROVED SECURITY SATELLITE OFFICES	32	—	—	—
INSTALLATION OF NETWORK POINTS & FIBRE OPTIC AT EMP DEPOT FOR PUMP STATION	36	—	—	—
RENOVATIONS AND IMPROVED SECURITY ACCESS EXPENDITURE SECTION	400	—	—	—
INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY				
132KV BREAKERS REPLACEMENT AT POLARIS SUBSTATION	415	—	—	—
132KV OIL FILLED CABLES IN THE SOUTH DUNES BETWEEN HYDRA AND CAPELLA SUBSTATIONS	—	100 000	—	—
A1275 NGWELEZANE ELECTRIFICATION	4 000	—	—	—
BUILDING OF NEW 132/11KV 120MVA SUBSTATION ON N2 SOUTH CORRIDOR SUBSTATION	1 000	—	—	—
CYGNUS MV SWITCHGEAR REPLACEMENT	7 000	—	—	—
ELECTRICAL TOOLS	14	—	—	—
ELECTRICITY (INCL STREETLIGHTING AND PROCESS CONTROL) PROJECTS	—	—	24 300	24 300
ELECTRIFICATION AQUADENE	—	9 000	—	—
ELECTRIFICATION OF MANDLAZINI AREA (564 STANDS)	2 300	—	3 300	4 000

Municipal Vote/Capital project R thousand	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY				
ELECTRIFICATION OF MZINGAZI AREA (209 STANDS)	2 700	–	3 300	4 000
ELECTRIFICATION OF NGWELEZANE IDT (NEWTOWN)	4 000	–	3 400	4 000
ENERGY LOSSES PROJECT	1 590	–	–	–
ENERGY SAVING INITIATIVE	–	8 900	8 900	8 900
eSIKHALENI - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE	525	–	–	–
HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	200	11 000	–	–
HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	2 800	–	–	–
I&TS DMM BOARD ROOM TELECONFERENCE EQUIPMENTS	21	–	–	–
JOHN ROSS/EMPANGENI MAIN STREETLIGHTING INSTALLATION	1 100	–	–	–
MANDLANKALA/ MAHOLOHOLO STREETLIGHTING INSTALLATION	2 222	–	–	–
MANDLANKALA/ MAHOLOHOLO STREETLIGHTING INSTALLATION	209	–	–	–
NETWORK MASTER PLAN	1 500	–	–	–
SCORPIO SUBSTATION 132/11KV 20MVA TRANSFORMER REFURBISHMENT	2 500	–	–	–
STANDBY QUARTERS AT SERVICES CENTRE ELECTRICITY	2 841	–	–	–
INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SERVICE				
3 x 4 DOOR HATCH BACK SEDANS	508	–	–	–
3 x MAYORAL FLEET	331	–	–	–
ABLUTION FACILITIES AT NAVAL ISLAND	200	–	–	–
ASSET MAINTENANCE MANAGEMENT SYSTEM	–	7 000	–	–
CIVIC CENTRE - ROOFING AND WATER PROOFING	435	–	–	–
CIVIC CENTRE CENTRAL COOLING UNIT	550	–	–	–
CIVIC CENTRE EMP 1 & 2 CENTRAL COOLING UNIT	150	–	–	–
FINANCE AND ADMIN (FLEET) PROJECTS	–	–	9 900	9 900
HYDRAULIC PLATFORM FIRE ENGINE	9 100	–	–	–
MAYORAL FLEET (X3)	2 500	–	–	–
PMU/GIS & ENGINEERING SERVICES	–	–	300	300
REPLACEMENT OF CENTRAL PLANT AIR CONDITIONER CIVIC CENTRE R/BAY UNIT B001	280	–	–	–
REPLACEMENT OF YELLOW PLANT	20 000	–	–	–
REPLACEMENT VEHICLES	8 195	–	–	–
ROADS PROJECTS - MADLANZINI ROAD (TARRING MAIN ROAD)	15 000	16 358	20 772	22 002
RURAL HOUSEHOLDS INFRASTRUCTURE	532	–	–	–
RURAL HOUSEHOLDS INFRASTRUCTURE	3 968	–	–	–
RURAL SANITATION	29 248	32 122	34 771	36 830
RURAL/SEMI-URBAN AREAS	29 248	32 122	34 771	36 830
SPORTS PROJECTS	15 000	14 224	15 938	16 882
STRUCTURAL INSPECTION OF MUNICIPAL BUILDINGS	2 300	–	–	–
VEHICLES (INSURANCE)	87	–	–	–

Municipal Vote/Capital project R thousand	Prior year outcomes	2016/17 Medium Term Revenue & Expenditure Framework		
	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER				
		-	-	-
BUS SHELTERS & LAYBYES - ALL AREAS	184	2 000	-	-
CIVIC SERVICES INFILL AREAS (J1 & H3 AREA)	1 766	-	-	-
DOUBLING OF NORTH CENTRAL ARTERIAL	755	-	-	-
ESIKHALENI INTERSECTION	10 000	18 000	-	-
IT EQUIPMENT (ROADS)	18	-	-	-
PEDESTRIAN BRIDGES RURAL AREAS	-	3 000	-	-
REHABILITATION OF EMBANKMENT AT MZINGAZI				
BLIND CANAL	573	-	-	-
ROAD TRANSPORT PROJECTS	-	-	18 200	18 200
ROADS RESEALING	782	-	-	-
ROADS RESEALING	-	36 750	38 588	40 517
ROADS RESEALING	14 218	-	-	-
STREET REHABILITATION - TANNER ROAD	122	-	-	-
TRAFFIC CALMING	1 000	-	-	-
UPGRADE OF INTERSECTIONS	567	-	-	-
UPGRADE ROADS - EMPANGENI & AQUADENE	-	5 500	-	-
UPGRADE ROADS - EMPANGENI & AQUADENE	-	14 500	-	-
WALKWAYS AND BRIDGES	2 000	-	-	-
INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION				
AIRCONDITIONER - 6 NGWELEZANE OFFICE				
WESTERN DEPOT	50	-	-	-
BULK MASTER PLAN	295	-	-	-
CONSTRUCTION OF 20ML RESERVOIR EMPANGENI (HILLTOP)	2 528	-	-	-
EMPANGENI PIPE REPLACEMENT (MWIG)	15 000	-	-	-
EMPANGENI WATER NETWORK IMPROVEMENTS	-	10 000	10 000	10 000
ESIKHALENI WASTE WATER TREATMENT WORKS	4 988	5 921	6 000	4 000
ESIKHALENI WATER TREATMENT WORKS	1 733	-	-	-
KWA DUBE RETICULATION	-	5 000	5 000	15 000
KWA MADLEBE RETICULATION	-	5 000	10 000	10 000
LEAK DETECTOR	1 400	-	-	-
MKHWANAZI NORTH BULK WATER SUPPLY PHASE 5	6 883	-	-	-
MZINGAZI SEWER	-	7 000	-	-
NGWELEZANE PIPE REPLACEMENT (MWIG)	8 000	5 000	6 100	8 000
NGWELEZANE WATER TREATMENT WORKS - WSOG	279	-	-	-
NSELENI PIPE REPLACEMENT (MWIG)	10 000	-	-	-
REDUCTION OF NON-REVENUE	7 000	15 000	20 000	25 000
RICHARDS BAY PIPE REPLACEMENT (MWIG)	10 882	5 000	7 437	14 000
RURAL SANITATION (COUNTER FUNDING)	595	-	-	-
VELDENVLEI PUMP STATION	5 000	-	-	-
WASTE WATER MANAGEMENT (SANITATION) PROJECTS	-	-	23 900	23 900
WATER LOSS AND DROUGHT RELIEF PROJECT	-	15 000	-	-
WATER PROJECTS	-	-	23 000	23 000
OFFICE OF THE MUNICIPAL MANAGER				
FINANCE AND ADMIN (OFFICE OF THE MUNICIPAL MANAGER) PROJECTS	-	-	80	80
FURNITURE - INTERNAL AUDIT SECTION	-	-	20	20
Parent Capital expenditure		479 397	416 277	447 961

26.2 PRIVATE INVESTMENT PROJECTS

26.2.1 BHP E-Village

The BHP E-Village project is an initiative of the Hillside aluminum smelter. The Project was initiated in 2011 and is intended to provide offices and workshops from where various contractors can operate. The site is positioned entirely within the Hillside property boundary, which is zoned for industrial use.

The E-Village is designed to accommodate 1 100 contractors and will be constructed in two phases. There is already construction activity in terms of access to the site, which will be off Bullion Boulevard. A key feature of the project is the introduction of energy and resource efficient building criteria in terms of the Green Building Council of South Africa

26.2.2 CBD North

DFA approval for “Town Square/Northern Edge Lifestyle Centre” was obtained during Oct 2008. Latest reports indicate that a R600-million upmarket Lifestyle Centre and four-star hotel are to be developed on the site although plan submissions are still awaited.

26.2.3 SAPPI Housing Development

Sappi Manufacturing/MDC is proposing to establish an integrated residential township to the north of Birdwood. Proposed land uses include Commercial, Office, Filling Station, Community Facilities, Hospital, Frail care, Worship and Pre-School, High School, Primary Schools, Retirement village.

The residential components contains a proposed 262 single residential erven, medium density residential stands for about 2400 units (at 30 units per hectare) as well as high density residential stands for about 3100 units (at 60 units per hectare). It is understood that the EIA for the above project has been submitted and the submission of the PDA for planning approval is awaited.

26.2.4 Westview Residential

The proposed development provides for about 540 single residential erven, 1 commercial erven, 3 high-density residential erven, 4 open space erven, 2 conservation erven, 1 Erf to be reserved for the construction of electrical works, 1 worship Erf and 1 primary school Erf.

The total extent of the development is about 61 Ha and it is located to the east of the western outskirts of Empangeni town and abuts the existing residential suburb of Hillview. Commercial farmland is located to the west and south of the site while the Empangeni Prison is located to the east of the site. Tronox mining industry is located to the north-east of the site, across the R34.

26.2.5 Casdale

The development proposes to establish a mixed residential development consisting of 671 single residential erven, 2 commercial erven, 1 group housing erf, 3 open space erven and 3 conservation erven. The property is situated on the western outskirts of Empangeni and abuts the existing residential suburb of Panorama. The property is traversed by the Mkhumbane River on the west, as well as Main Road P166 between Ngwelezane and the R34.

26.2.6 Empangeni Lifestyle Estate

Thanda Group has applied for development approval for the proposed Waterstone Country Lifestyle Estate. The proposed development is situated on Sub 1 of Lot 197, Sub 2 of Lot 197 and Portion 6 of Wilton Park Farm No. 11484, being approximately 464 hectares in extent, to the north of Empangeni. The proposed development conforms to Spatial Development Framework Plan and consists of 14 Phases.

26.2.7 RBM Zulti South Mining and Resettlement Action Plan (RAP)

A number of households' assets are located within the proposed mining area and/or within the exclusion zone and due to mining activities may face economic or physical displacement. As a result, RBM has appointed a service provider to prepare a Resettlement Action Plan (RAP) that aims to guide an internationally compliant resettlement process. An approved budget of 9, 000,000 has been allocated for this project.

26.2.8 RBM RBM Road

The extension of the East Central Arterial in a northerly direction to provide an alternative access to and from the RBM northern mining areas and headquarters. The options being investigated by RBM are indicated in the following map inset.

27. REPORT OF THE AUDITOR GENERAL ON 2014/2015 FINANCIAL STATEMENTS

27.1 Summary of Auditor General's Report on 2014/2015 Financial Statements

The Auditor general has expressed a Clean Audit opinion with emphasis on matter relating to:

- Material loss

As disclosed in note 26 to the financial statements, material water losses amounting to R36,74 million (16,33 million kilolitres) (2014: R25,09 million – 17,50 million kilolitres) were incurred due to both technical and non-technical reasons.

27.2 Management Responses to Auditor General's Report

Management comments and corrective action to be instituted on the matters raised in the report of the Auditor General to the Council on the Financial Statements of the City of uMhlathuze for the year ended 30 June 2012 in terms of Section 121(3)(g) of the Municipal Finance Management Act, no 56 of 2003.

The unqualified audit report contains certain issues for which comments are provided below, where relevant. The paragraph references correspond with the reference in the Audit Report. Paragraphs, for which no comments required, were noted.

PARAGRAPH 8: MATERIAL LOSSES

A plan for the reduction of non-revenue water for the City of uMhlathuze has been completed and submitted to Water Affairs.

The plan was approved and funding of R29 567 501 allocated by Department of Water Affairs.

A service provider was appointed in June 2014 to deal with non-revenue water. This project will run until 30 June 2017.

SECTION G: ANNUAL OPERATIONAL PLAN –SDBIP

Provided as an annexure to the main report.

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

28. ANNUAL PERFORMANCE REPORT

28.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

28.1.1 Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates 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” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

"Annual performance reports

46. (1) A municipality must prepare for each financial year a performance report *reflecting* -
- (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) *measures taken to improve performance.*
- (2) ***An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."***

28.1.2 Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2006/2007 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal.

The Performance Management function of uMhlathuze Municipality was previously outsourced to an external service provider and Council resolved during the 2009/2010 financial year to create an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit was capacitated during the 2010/2011 financial year as from 1 October 2010 by the appointment of two permanent employees, i.e. one post of

Manager: Performance Management and one post of Performance Management Specialist. During the 2010/2011 Financial year, the Performance Management Unit prepared a new Performance Management Framework and Policy which was adopted for 2011/2012 financial year by Council item RPT 150202 and policy on DMS 692062.

The Performance Management Framework and Policy was reviewed in May/June 2015 and is available on Councils official website (www.umhlathuze.gov.za under the “Performance Management” quick link).

28.1.3 Organisational Performance Management Process

Key performance indicators have been refined in support of the municipality’s development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council’s priorities) for the new five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2016/2017 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act.

The following diagram illustrates a summary of the developed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

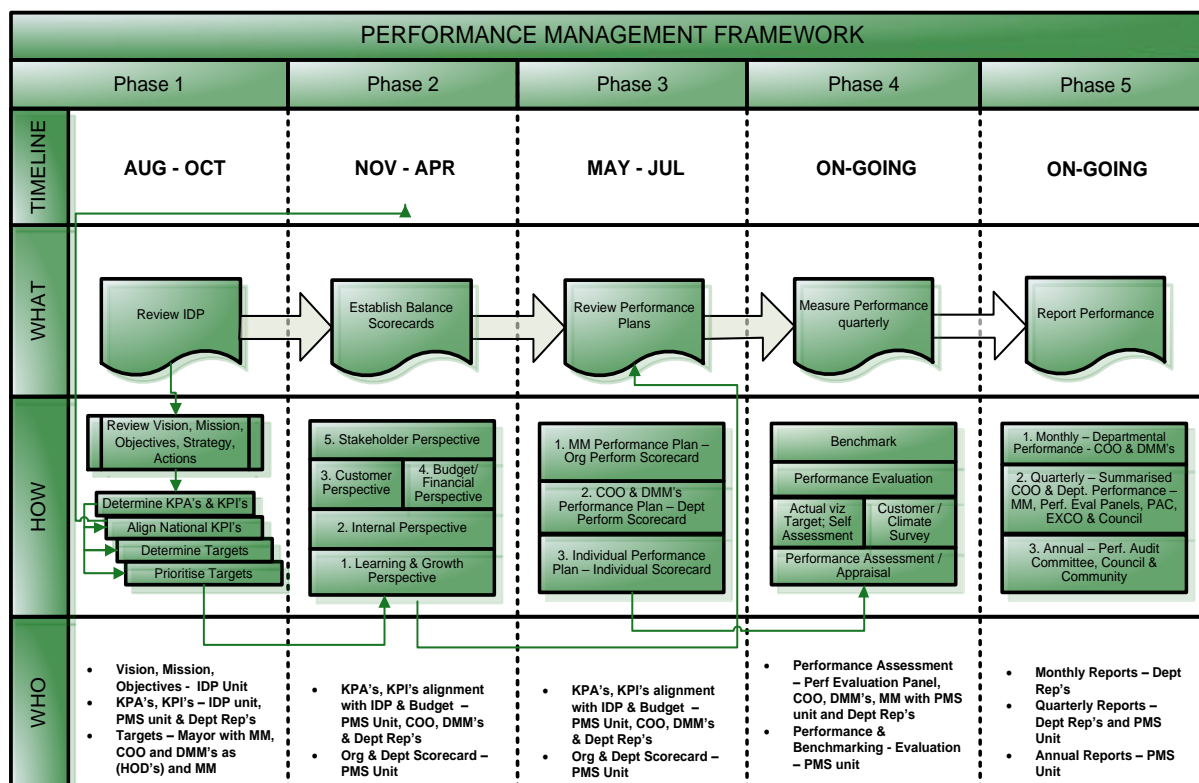


Figure 83: uMhlathuze Performance Management Framework diagram

28.1.4 Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed of time. The Performance Audit Committee for the 2015/2016 financial year was re-affirmed on 24 February 2016, by Council Resolution 10664 (Item on RPT 159661). The appointment of the following members will lapse at the end of January 2017 after the annual report is adopted by the Council:

Ms M J Ndlovu – Chairperson (external member)

Ms R de Waal (external member)

Mr B S Ndaba (external member)

Cllr M G Mhlongo (Mayor)

Cllr N V Gumbi (Deputy Mayor)

The Performance Audit Committee is meeting on a quarterly basis for each financial to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan. The minutes of meetings are available on the GroupWise electronic document management system.

28.1.5 Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were re-affirmed over time and subsequently again for the 2015/2016 financial year on 3 November 2015, by Council Resolution 10431 (Item on RPT 159161).

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

- A) For purposes of evaluating the annual performance of the municipal manager (section 54A), an evaluation panel constituting of the following persons was established -
 - (i) Executive Mayor or Mayor;
 - (ii) Chairperson of the Performance Audit Committee;
 - (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
 - (iv) Mayor and/or Municipal Manager from another Municipality; and
 - (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Clr M G Mhlongo	Mayor/Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Clr S W Mgenge	Mayor from another Municipality (uMfolozi)
Mr E S Luthuli	Ward Committee member

B) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality.”

Dr N J Sibeko	Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Mr K E Gamede	Municipal Manager from another Municipality (uMfolozi)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the 2015/2016 Annual Report.

28.1.6 Auditing of Performance Information

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001 (Regulation 796).

Council has during 2012 created an internal post of Internal Audit Executive within the office of the Municipal Manager to coordinate and manage the Internal Audit function within the municipality. A Panel of service providers has been appointed by uMhlathuze municipality for a three year period as the Internal Auditors. As part of their scope, auditing of the Performance Management System and Audit of Performance Information is performed and reports received for each quarter.

As part of their scope, auditing of the Performance Management System and Audit of Performance Information is performed for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Performance score verification (Municipal Manager and Deputy Municipal Managers);

Audit Project	Focus Area
	<ul style="list-style-type: none"> • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

28.1.7 Customer Satisfaction

Council has appointed a service provider (Siloam People Development Agency) who conducted a customer satisfaction survey for 2015. The previous survey was done in 2013 by Urban Urban Econ Development Economists. The Comprehensive feedback and analysis report served before the Council in August 2015 the Performance Audit Committee. Provision has been made on the 2016/2017 budget to conduct the next bi-annual customer satisfaction survey.

28.1.8 Annual Organisational Performance Information

The annual performance reporting on the 2014/2015 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Organisational Performance report, has been presented to the Auditor General for auditing together with the Annual Financial Statements on 30 August 2015 and validated information included in the 2015/2015 Annual Report. The same process will be performed for the completed 2015/2016 financial year..

The Annual Performance Report (Tables) once finalized and approved should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information for 2015/2016 and will form the baseline for the 2016/2017 financial year.

29. ORGANIZATIONAL PERFORMANCE SCORECARD (2016/2017)

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016										
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016		2016/2017
								Amended Annual Target	Actual YTD at Q3	Annual Target
1.3.1	Deepen democracy through a refined Ward Committee model	Good Governance, Community Participation and Ward Committee Systems	Increase community participation and awareness mechanisms and processes	Conduct regular Strategic Public participation meetings	Number of Public Meetings (IDP/PMS and budget meetings)	18		8	4	8
1.3.1				Host Ward Committee Management meetings	Number of Ward Committee Management meetings held	350		180	255	360
1.3.1				Facilitate Community meetings in all wards	Number of community meetings per ward	141		60	97	120
1.1.2			To improve integrated development in order to	Preparation of credible and implementable Integrated	Date of IDP approval	26-May-15		30-Jun-16	In progress	30-Jun-17
2.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate water services backlogs through provision of basic water services	% Households with access to basic water	97.79%	2.21%	98.85%	97.90%	99%
2.1					Number of Household with access to water	84698	1911	85617	84859	85859
					Upgrade of service to house connection	44308		44308	44308	44308
2.1					Upgrade of service to yard connection	40309		41309	40551	41551
2.1					Number of Water connections to households (upgrade service to yard connection)	0		1000 (upgrade of service)	263	1000
2.1					Number of Households with access to free water	8323		8323	8449	TBA
2.1			Eradicate Sanitation services backlogs through provision of basic sanitation services		% Households with access to sanitation	84.83%	15.17%	90.62%	87%	95.52%
2.1					Number of Household with access to Sanitation	73471	13138	78100	75325	82730
2.1					Number of new VIP toilets provided to households	6649	13138	4200	1854	4630
2.1					Number of Households with access to free sanitation (VIP's)	30403	13138	34603	32257	39233

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016										
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016		2016/2017
								Amended Annual Target	Actual YTD at Q3	Annual Target
2.2	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of Households with access to Electricity (Municipal Area)	33974	0	34224	34116	TBA
2.2					Number of new households provided with new Electricity connections	2059	559+941 (infills)	250	142	TBA
2.2					Number of Households with access to free Electricity (Municipal Area)	537		N/A	558	TBA
2.4.1			To improve access to domestic solid waste removal services to the community	Provide a weekly domestic solid waste removal service to the community	% Households with access to waste disposal	75%	25.01%	75%	77%	TBA
2.2					Number of Households with access to waste disposal	64952	21657	65152	66947	TBA
2.4.1					Number of new Households with access to waste disposal	3008		1995	1995	TBA
2.4.1					Number of Household with access to free waste removal	18554		18754	20549	TBA
2.3.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	To improve access to roads	Provision of public transport facilities and infrastructure in the urban areas	Kilometres of rural gravel roads established	47	N/A	48	47	TBA
2.3.2					Kilometres of tarred roads established	0.557	0	3	0	TBA
2.3.2					Kilometres of tarred roads rehabilitated	3.98	0	9	0	TBA
2.3.2					Kilometres of tarred roads maintained Amended to read : m2 of repairs to potholes and patching on urban tarred road	11184.32m2	N/A	11184m2	10573	TBA
2.6.2.1			To ensure provision of recreational facilities and environmental services to the community	Provision and upgrade of Sport and Recreational facilities	Number of sport field upgraded	4	N/A	4	0	TBA
2.6.3.3				To provide and upgrade community Halls	Number of community Halls upgraded	4	N/A	6	3	TBA

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016										
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016		2016/2017
								Amended Annual Target	Actual YTD at Q3	Annual Target
3.2.4	Actions supportive of the human settlement outcome	Local Economic Development	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	To upgrade public sector hostels	Number of Hostel Units upgraded	36	90	0	0	TBA
3.2.4				To provide low-cost Houses (Urban)	Number of Houses completed	31	N/A	0	0	TBA
3.2.4				To accelerate development of houses in rural areas	Number of Houses completed	729	N/A	766	766	TBA
3.1.1			To create an environment conducive to economic growth and development	Capacitate community through training in scarce skills	Number of trainings provided	3	N/A	3	5	TBA
3.1				Jobs created through the municipality's Capital Projects (EPWP)	Number of jobs (Cumulative)	436	N/A	734	821	TBA
4.1.1	Implement differentiated approach to Municipal financing, planning and support	Municipal Transformation and Institutional Development	Promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination	Implementation of Employment Equity Plan	Number of women employed by the municipality	765	N/A	785	792	TBA
4.1.1					Number of Youth employed by the municipality	645	N/A	665	709	TBA
4.1.1					Number of people with Disability employed by the municipality (Target additional to baseline)	5	N/A	9	8	TBA
4.1.2.2			Improve the performance of employees.	Development and appropriate training and assistance to employees	Workplace Skills training programs conducted	84	N/A	60	51	TBA
4.1.2.2					% Budget Spent on Workplace Skills Plan (cumulative)	85.25%	N/A	90%	83%	TBA
4.1.2.2					% Operating Budget spent on implementing Workplace Skills Plan	0.77%	N/A	0.75%	0.79%	TBA
1.1.3.2			To ensure monitoring and evaluation of municipal performance	Implementation of Individual Performance Management System	Number of S57 Performance Agreements signed	6	N/A	7	7	TBA

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016										
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016		2016/2017
								Amended Annual Target	Actual YTD at Q3	Annual Target
5.2.1	Implement differentiated approach to Municipal financing, planning and support	Financial Viability and Financial Management	Revenue Enhancement	Cash collected from customers	R value of revenue collected	2 163 930 365	N/A	2 075 753 356	1 578 395 422	TBA
5.2.1				Amount invoiced/billed to customers	R value of invoices raised	2 210 458 769	N/A	2 118 115 669	1 581 925 218	TBA
5.2.1			Financial management	Total of grants and subsidies spent	Total grants and subsidies spent / Total grants and subsidies received x 100 = Percentage spent	492711170 / 400960560 = 123%	N/A	520 028 100 / 520 028 100 = 100%	81.79%	TBA
5.2.1			Debt Control	Debt coverage ratio (cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000)	2171335 / 195729 = 11.09	N/A	2 203 854 / 220 425 = 10.00	1 718 821 / 220 425 = 7.80	TBA
5.2.1				Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	216853546 / 2113623368 (x100) = 10.26%	N/A	275 000 000 / 2 075 753 356 = 13.25%	285 136 920 / 1565062947 = 18.21%	TBA
5.1.2.1				Cost coverage ratio (cumulative)	[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly fixed operating expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	370716 / 181483 = 2.04	N/A	515 881 / 188 899 = 2.73	5356 375 / 188 899 = 2.95	TBA
5.1.1.2			Budgeting and reporting	Total operating budget (revenue)	R value YTD	2 735 663 416	N/A	2 723 882 800	1 908 010 501	TBA
5.1.2.2				Total Salaries and Wages budget (including benefits)	R value YTD	533 156 686	N/A	629 900 700	434 617 510	TBA
5.1.2			Expenditure control	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	92.10%	N/A	451 044 450 / 501 160 500 = 90%	250.2 M / 501.1 M = 49.93%	TBA
5.1.2				Total Operating expenditure	R value YTD	2 588 456 889	N/A	2 474 870 700	1 869 935 834	TBA

KEY FOR THE MEASURABLE OBJECTIVES:

Priority

KZN Excellence awards

Additional /Departmental

SECTION I: ANNEXURES

29.1 STATUS OF SECTOR PLANS AND OTHER MUNICIPAL PLANS

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review
1.	Disaster Management Plan	Yes	Yes	01/12/2009	Draft will be submitted to Council in MAY 2016
2.	Water Service Delivery Plan	Yes	Yes	Adopted in Principle by Council in 2013	
3.	Energy Sector Plan	Yes	Yes	30 May 2009 DMS637608	2015
4.	Climate Change Strategy	Yes	Yes	06/07/2010 DMS 6078332	2014/2015
5.	LED Strategy	Yes	Yes	25 June 2013 Strategy on DMS 816103	2018
6.	Tourism Strategy	Yes	Yes	DMS 925775 22 April 2014 2014-2018	2019
7.	Road Framework Plan	Yes	Yes		2015
8.	Rail Framework Plan	Yes	Yes	29 /02 2000	NA
9.	Public Transport Framework Plan	No	No		
10.	Airport Master Plan	Yes	Yes	10/08/2010 update	
11	Storm water Management Plan	No	No		
12	Pavement Management	Yes	No	To be	2016

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review
	System			adopted	
13	Housing Plan	Yes (draft)			
14	Community Facilities Plan (Sport and Recreation Sector Plan)	Yes	Yes	CR 6080 of 23/03/2009	Due for review
15	Environmental Services Management Plan	Yes	Yes	2008	2017
16	Vegetation Mapping	Yes	Yes	2002	2016
17	Environmental Management Framework	Yes	Provincial Competency		
18	Geotechnical Constraints	Yes	Yes	2008	2018
19	Floodlines	Yes (GIS) Mapping	Yes	04 /07/2006	2018
20	Air Quality Management Plan	Yes (Draft)	No	Will be adopted in June 2014	2019
21	Spatial Development Framework	Yes	Yes	2013	
22	Land Use Scheme	Yes	Yes	2013	2014
23	Electricity Framework Plan	No	No		Consultant to be appointed see RPT 153860
24	Water Services Framework Plan	Yes	Yes		
25	Integrated Waste Management Plan	Yes	Yes		Due for review
26	Cemeteries Framework Plan	N	N	N/A	Plan to be finalized and submitted for approval during 2014/2015 financial year

29.2 IDP ANNEXURES

ANNEXURES		COMMENTS
1.1	Spatial Development Framework	Hard and Electronic copy
1.2	Disaster Management Plan	Electronic Copy
1.3	Public Participation Report 2015/2016	Electronic Copy
1.4	SDBIP	Hard and Electronic Copy
1.5	Customer Satisfaction Survey Report (DMS 915605)	Electronic Copy (2013 report)
1.6	Water Service Development Plan	Electronic Copy
1.7	LED Plan	Electronic Copy
1.8	Annual Report and Annual Performance Report 2014/2015	Electronic Copy