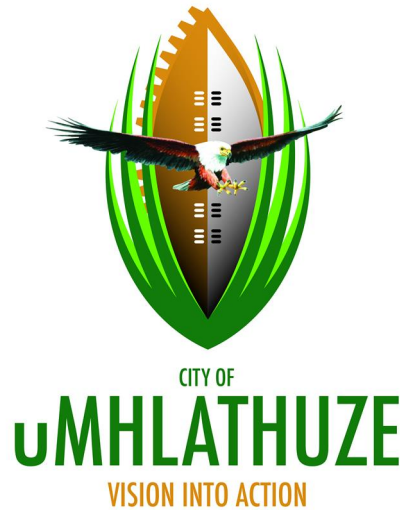


# **uMHLATHUZE MUNICIPALITY**



## **IDP REVIEW**

**2014/2015**

**FINAL**

**24 JUNE 2014**

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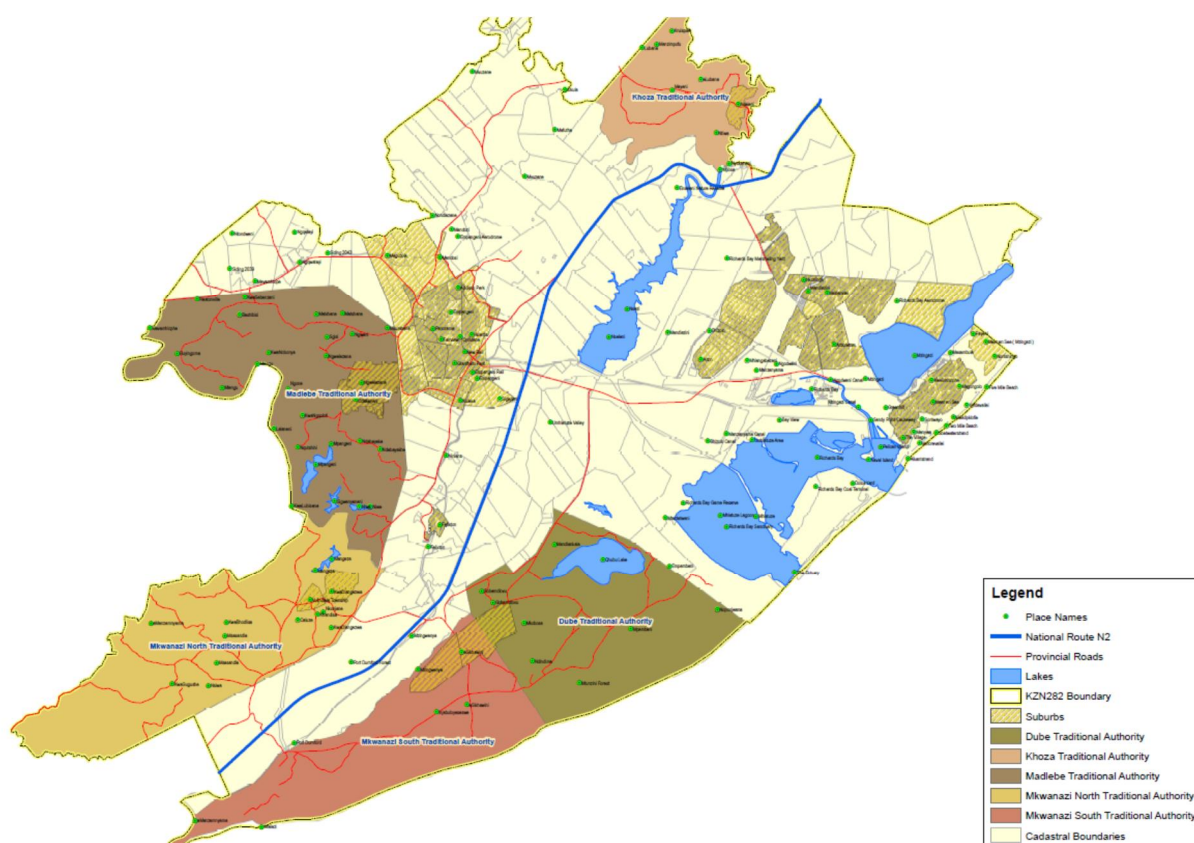
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## SECTION A: EXECUTIVE SUMMARY

### 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 km<sup>2</sup> 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. The uMhlathuze Local Municipality has been divided into 30 municipal wards.

There are a number of natural and man-made phenomenons 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.

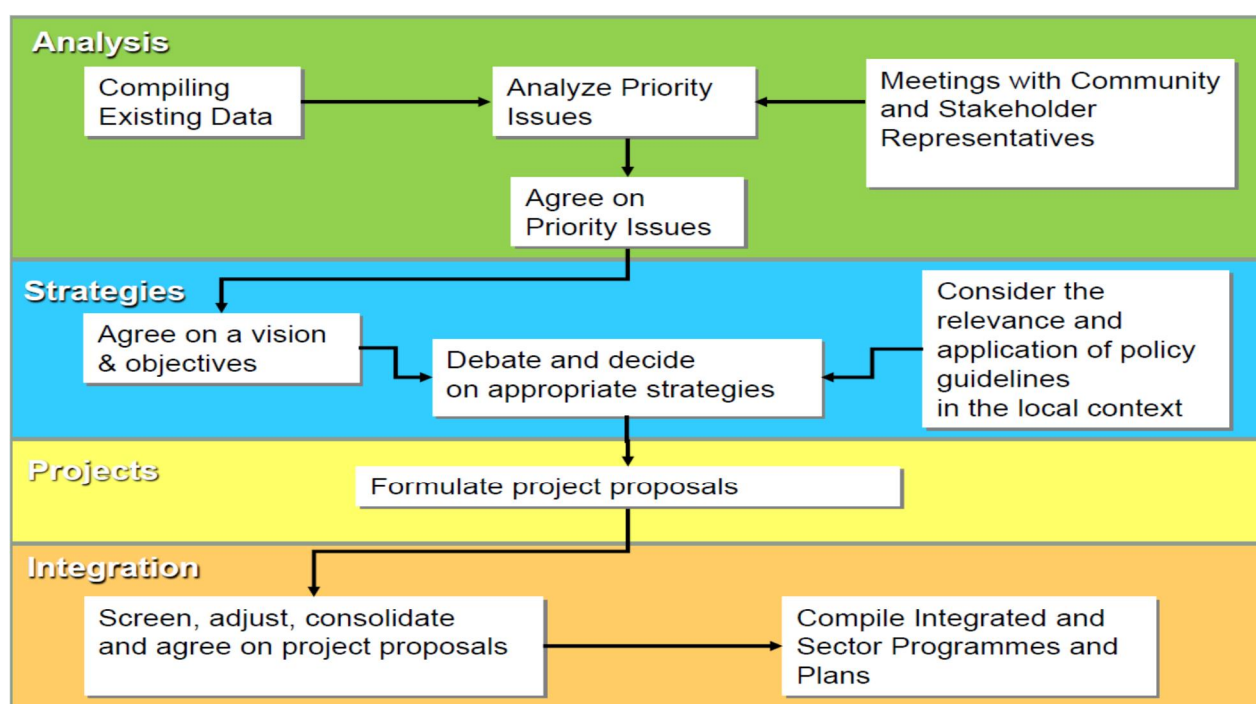
The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas future spatial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

The municipal 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.

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. How was this plan developed

The IDP Review 2014/2015 was developed according to the adopted 2014/2015 IDP Process plan and COGTA KZN IDP Guidelines. Findings on the Draft IDP 2014/2015 were also taken into consideration. The following is an overview of the process which was followed in the compilation of the IDP Review 2014/2015.



Further it is important to note that the City of uMhlathuze engaged in an extensive Public Participation sessions with the AmaKhosi, community at large and stakeholders. The first round of public meetings was held from September to December 2013 and the second round for budget was held in April and the schedules are as follows:-

## 2.1 IDP Process and Schedule for the Public Participation Meetings

CLUSTER	WARDS	VENUE	1 <sup>ST</sup> ROUND	2 <sup>ND</sup> ROUND
Amakhosi		Richards Bay Civic Centre (Auditorium)	12 Sept 2013 (Thursday)	2 April 2014 (Wednesday)
1	Ward Committees	Richards Bay Civic Centre (Auditorium)	13 September 2013 (Friday)	3 April 2014 (Thursday)
2&3	Portion of 5,6,7,8	eNseleni Community Hall emayini Sport Field	22 Sept 2013 (Sunday)	28 April 2014 (Monday)
6	Portion of 5, 9,23, portion of 24	Empangeni Amble Inn Empangeni Town Hall	18 Sept 2013 (Wednesday)	9 April 2014 (Wednesday)
5	1,2,3,4,26	R/Bay Civic Centre (Auditorium) Mandlazini Community Hall	26 Sept 2013 (Thursday)	10 April 2014 (Thursday)
4	10, 11, 30	Vulindlela Hall	29 Sept 2013 (Sunday)	13 April 2014 (Sunday)
10 & 11	Portion of 24, 25,27,28,29	Ngwelezane Community Hall	13 Oct 2013 (Sunday)	6 April 2014 (Sunday)
9	18, 19, 20	Hlanganani Community Hall	6 Oct 2013 (Sunday)	26 April 2014 (Saturday)
8	15, 16, 17, 21, 22	eSikhaleni FET (Hall)	20 Oct 2013 (Sunday)	23 April 2014 (Wednesday)
7	12, 13, 14	Mandlankala Community Hall Gobandlovu Community Hall	27 Oct 2013 Sunday	12 April 2014 (Saturday)
12	IDP FORUM (Stakeholders)	R/Bay Civic Centre (Auditorium)	14 Nov 2013 (Thursday)	14 May 2014 (Wednesday)

## 3. What are our 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.

Nr.	Key Challenge	Description
4	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.
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. 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 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



Nr.	Key Challenge	Description
		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, 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.

#### 4. What is our long term Vision?

*"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

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

### NATIONAL KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

#### GOAL 1: GOOD GOVERNANCE

OBJECTIVES	STRATEGIES
1.1. Democratic, responsible, transparent, objective and equitable municipal governance	1.1.1 Effective and efficient municipal structure that is resourced to fulfil roles and responsibilities 1.1.2 Implement Batho Pele+principles 1.1.3 Effective and efficient community participation mechanisms and processes
1.2 Compliance with relevant legislation and policies	1.2.1 Preparation of credible and implementable Integrated Development Plan 1.2.2 Compilation of SMART+ Organisational Performance Management 1.2.3 Records Management 1.2.4 Occupational health and safety processes and procedures in place 1.2.5 Develop required policies, procedures and registers 1.2.6 Legal vetting of contracts 1.2.7 Internal and External Audit
1.3 Uninterrupted service delivery	1.3.1 Improved relationship between management and labour 1.3.2 Provision for service delivery during industrial action
1.4 Public Safety and Security and protection of Council property	1.4.1 Provision of security, fire, rescue and traffic services 1.4.2 Provision of Disaster Management Services 1.4.3 Policy against fraud, corruption, theft, misuse and damage to Council property by members of the public and officials

<b>NATIONAL KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE PROVISION</b>	
<b>GOAL 2: SUSTAINABLE INFRASTRUCTURE AND SERVICE DELIVERY</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
2.1 Efficient and integrated infrastructure and services	2.1.1 Provision of water, sanitation, transport and electrical infrastructure 2.1.2 Ensure Quality control measures in respect of Municipal Services 2.1.3 Stormwater systems and management 2.1.4 Infrastructure Maintenance 2.1.5 Council Fleet and asset management 2.1.6 Promote development densification for efficient and cost effective provision of services 2.1.7 Improvements to Public Transport facilities and infrastructure 2.1.8 Promote pedestrian friendly environment
2.2 Compliance with legislation, policies and guidelines	2.2.1 Planning for provision of water, sanitation, transport and electrical infrastructure in line with relevant government legislation and policies 2.2.2 Development of asset registers for management and maintenance purposes
2.3 Integrated urban and rural development	2.3.1 Identify and plan areas for future development 2.3.2 Development of Integrated Human Settlements 2.3.3 Promote development densification for cost effective provision of services
2.4 Effective project management	2.4.1 Ensure completion of projects within time and budget constraints
2.5 Environmental Sustainability	2.5.1 Coastal management 2.5.2 Investigate alternative energy sources and the recycling of resources 2.5.3 Support environmental sustainable developments 2.5.4 Solid waste management 2.5.5 Develop a good relationship with relevant stakeholders in order to promote sustainable development 2.5.6 Implementation of relevant COP17/CMP 7 agreements

<b>NATIONAL KPA: LOCAL ECONOMIC DEVELOPMENT</b>	
<b>GOAL 3: SOCIAL AND ECONOMIC DEVELOPMENT</b>	
<b>OBJECTIVE</b>	<b>STRATEGIES</b>
3.1. Safe and Healthy Living Environment	3.1.1 Provision of health facilities and services 3.1.2 Provision of a safe and clean environment 3.1.3 Solid waste management 3.1.4 Horticultural management
3.2. Social Cohesion	3.2.1 Provision of community and sports facilities and services, arts and culture
3.3. Create environment conducive for economic growth and development	3.3.1 Implement LED plan/strategy 3.3.2 Land Use Management 3.3.3 Promotion of tourism 3.3.4 Support to informal economy and SMME sector 3.3.5 Identification and planning of priority nodes and corridors 3.3.6 Property evaluation and administration 3.3.7 Public Transport coordination 3.3.8 Review and implementation of Tourism strategy/plan

<b>NATIONAL KPA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>	
<b>GOAL 4: INSTITUTIONAL DEVELOPMENT</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
4.1 Municipality resourced and committed to attaining the vision and mission of the organization	4.1.1 Appropriate organizational climate to attract and retain appropriate skills 4.1.2 Development and appropriate training and assistance to employees 4.1.3 Clean and secure working environment 4.1.4 Improved relationship between management and labour
4.2 Appropriate communication and Technology Services	4.2.1 Improve inter-departmental communication and cooperation within Municipality 4.2.2 Improve external communication 4.2.3 Innovative Information Management Systems 4.2.4 Appropriate ICT infrastructure, processes and procedures
4.3 Manage ethnic and religious diversity	4.3.1 Implement Batho Pele principles 4.3.2 Promote synergistic partnership with relevant stakeholders

<b>NATIONAL KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>	
<b>GOAL 5: SOUND FINANCIAL MANAGEMENT</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
5.1 Compliance with financial legislation and policies	5.1.1 Ensure GRAP compliance 5.1.2 Ongoing review of SCM policies and procedures 5.1.3 Ongoing internal and external capacity building in Supply Chain Management and Budgeting Models
5.2 Sustainable Financial Management	5.2.1 Improve internal communication on budget matters 5.2.2 Maintenance of fixed asset register 5.2.3 Credit control and debt collection 5.2.4 Compliant internal controls 5.2.5 Compliant grant reporting 5.2.6 Obtain targeted cash-backed statutory reserves 5.2.7 Development and appropriate training and assistance to employees 5.2.8 Identify and redress water and electricity tampering

## **6. What could you expect from us?**

Our draft implementation plan is attached at overleaf.

PROJECT DESCRIPTION	WARD BENEFITTING	IDP STRATEGY	IDP PROG	PLANNED START DATE	PLANNED COMPLETION DATE	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT</b>								
CITY DEVELOPMENT	ALL WARDS	1	1.1.2	Sep-14	Jun-15	268 000	270 000	343 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES</b>								
<b>COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY</b>								
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	19,30,13,14,15,16,17,18,20,21,22	1	1.4.1	Aug-13	Jun-15	2 725 700		
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	19,30,13,14,15,16,17,18,20,21,22	1	1.4.1	Jul-14	Jun-16	6 800 000	2 000 000	
RICHARDS BAY FIRE STATION - PLAN AND CONSTRUCT PHASE ONE	ALL WARDS	1	1.4.1	Jul-14	Jun-16	327 700	5 000 000	3 000 000
ESTABLISHMENT TRANSFER STATION ENSELENI FOR RECYCLING	5,6,7,8	2	2.4.1	Sep-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION ESIKHALENI FOR RECYCLING	20	2	2.4.1	Sep-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION MZINGAZI AGR-VILLAGE	1	2	2.4.1	Aug-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION NGWELEZANE	28	2	2.4.1	Aug-13	Jun-17	500 000	700 000	
ALTON TRANSFER STATION - CAPPING	26	2	2.4.1	Jul-15	Jun-16			1 500 000
SKIPS	ALL WARDS	2	2.4.1	Jul-14	Jun-17	1 500 000	1 500 000	2 000 000
REFUSE TRUCKS	ALL WARDS	2	2.5.2	Jul-14	Jun-16	4 000 000	4 000 000	3 000 000
<b>RECREATION AND ENVIRONMENTAL SERVICES</b>								
R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	ALL WARDS	2	2.6.1.1	Jul-13	Jun-17	2 000 000	1 000 000	1 500 000
ESIKHALENI EXTENSION/DEVELOPMENT OF CEMETARY	ALL WARDS	2	2.6.1.1	Jul-13	Jun-14	100 000		2 000 000
ESIK LIBRARY - EXTENSION	17	2	2.6.3.1	Aug-13	Apr-14	805 000		
AQUADENE LIBRARY	26	2	2.6.3.1	Jul-14	Jun-15	4 500 000	1 500 000	
ENSELENI LIBRARY - EXTENSION	8	2	2.6.3.1	Jul-15	Jun-16			1 500 000
PARKS DEVELOPMENT	17, 8 & 27	2	2.6.2.2	Sep-13	Jun-17	1 000 000	1 000 000	1 800 000
ESIKHALENI COLLEGE COURTS UPGRADE	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17	450 000	450 000	500 000
FLOODLIGHTS - VARIOUS SPORTSFIELDS	ALL WARDS	2	2.6.2.2	Jul-15	Jun-17	1 000 000	5 600 000	10 000 000
SPORTS FACILITIES - EQUIPMENT	2,15	2	2.6.2.2	Jul-14	Jun-17		700 000	1 466 400
UPGRADING RURAL SPORTSFIELDS	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17	1 100 000	1 000 000	1 400 000
NEW FIELD COURTS - UPGRADE	27	2	2.6.2.2	Jul-14	Jun-17	250 000		390 000
REFURBISHMENT OF ABLUTION FACILITIES AT VULINDLELA	30	2	2.6.2.2	Jul-14	Jun-17	350 000		386 000
REPLACEMENT OF GUARD HOUSES AT VARIOUS SPORT FACILITIES	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17		400 000	450 000
UPGRADE ABLUTION FACILITIES AT SPORT COMPLEX	2	2	2.6.2.2	Jul-14	Jun-17		500 000	500 000
ABLUTION FACILITIES AT MANDLAZINI	4	2	2.6.2.2	Jul-14	Jun-17	200 000	300 000	540 000
SITTING AT MUZUVUKILE	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17			1 000 000
REPLACEMENT OF PERIMETER FENCE AT UMHLATHUZE STADIUM	2	2	2.6.2.2	Jul-14	Jun-17		1 000 000	1 100 000
INSTALLATION OF STADIUM PAVILLION ROOF	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17			5 800 000
CONSTRUCTION OF COMBI COURT AT MANDLAZINI	4	2	2.6.2.2	Jul-14	Jun-17	380 000		
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES</b>								
<b>ADMINISTRATION</b>								
NTUZE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	10,11 & 18	2	2.6.3.3	Oct-14	Nov-14		500 000	500 000
EMPANGENI HALL - UPGRADE	ALL WARDS	2	2.6.3.3	Jan-15	Feb-15	350 000		
MANDLA KALA HALL - REFURBISHMENT	12	2	2.6.3.3	Jul-14	Jul-14	250 000		
NHLANGENYUKA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	11	2	2.6.3.3	Sep-14	Nov-14	550 000	400 000	
UMSASANDLA THUSONG CENTRE - EXTENSION	10, 11 & 30	2	2.6.3.3	Aug-14	Oct-14	700 000	300 000	
VELDENVLEI HALL - REFURBISHMENT	2,3 & 4	2	2.6.3.3	Aug-14	Oct-14	600 000		
NGWELEZANE HALL - EXTENSION	24,25,27,28 & 29	2	2.6.3.3	Aug-14	Oct-14	900 000	300 000	
REVAMP - MZINGAZI HALL	1	2	2.6.3.3	Jul-15	Jun-16		600 000	600 000
HLANGANANI HALL - PARKING	18,19 & 20	2	2.6.3.3	Jul-15	Jun-17		-	1 400 000
ENSELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)	5,6,7 & 8	2	2.6.3.3	Jan-15	Mar-15	500 000	400 000	
VULINDLELA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	10, 11 & 30	2	2.6.3.3	Jul-15	Jun-17		900 000	
NEW HALL - EXTENSION	13,14,15,16,17,19, 20,21 & 22	2	2.6.3.3	Nov-14	Feb-15	500 000	900 000	300 000
AQUADENE HALL - REFURBISHMENT OF THE HALL	2	2	2.6.3.3	Jul-15	Jun-17		500 000	300 000
AQUADENE HALL - GREENFIELDS	2	2	2.6.3.3	Jul-16	Jun-17			1 100 000
CIVIC HALL - CONSTRUCTION	ALL WARDS	2	2.6.3.3	Nov-14	Jun-15	3 000 000	-	-
WESTERN SERVICES DEPOT - REFURBISHMENT	ALL WARDS	2	2.6.3.3	Aug-14	Aug-14	150 000	2 000 000	1 800 000
esIKHALENI SERVICES DEPOT - REFURBISHMENT	10,11,12,13,14,15,16,17,18,19, 20,21 & 22	2	2.6.3.3	Jul-15	Jun-17		1 000 000	1 800 000
AQUADENE GREENFIELDS SERVICE CENTRE	2	2	2.6.3.3	Jul-15	Jun-16		200 000	
BRACKENHAM COMPLEX	2	2	2.6.3.3	Aug-14	Oct-14		600 000	
NEW & REPLACEMENT OF IT RELATED EQUIPMENT	ALL WARDS	4	4.2	Jul-14	Jun-17	7 788 000	7 846 000	9 981 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER</b>								
RENOVATIONS BRANCH OFFICES	ALL WARDS	5	5.2	Jul-14	Jun-15			910 000
RENOVATIONS FINANCIAL SERVICES SECTION	ALL WARDS	5	5.1	Jul-13	Dec-13	4 916 900		
FINANCIAL SERVICES	ALL WARDS	5	5.1	Jul-14	Jun-15	547 000	1 207 000	3 054 000
FINANCIAL ERP SYSTEM	ALL WARDS	4	4.2	Jul-14	Jun-16	500 000	15 000 000	
FINANCIAL ERP SYSTEM	ALL WARDS	5	5.2	Jul-14	Jun-15			25 000 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES</b>								
<b>ELECTRICAL SUPPLY SERVICES</b>								
JOHN ROSS/EMPANGENI MAIN STREETLIGHTING	2,9,23,26	2	2.2.1	Jul-14	Jun-15	2 280 000		
EMPANGENI MAIN ROAD INTERSECTION	9 & 23	2	2.2.1	Jul-13	Sep-13	1 000 000		
MANDLA KALA/ MAHOLOHOLO STREETLIGHTING PROJECT	1,4,8,9,16,17,20,24,26,28	2	2.2.1	Jul-14	Jun-15	1 600 000		3 754 000
RURAL AREAS	15-19,30	2	2.2.1	Jul-14	Jun-15			2 500 000
JOHN ROSS/EMPANGENI MAIN STREETLIGHTING	ALL WARDS	2	2.2.1	Jul-14	Jun-15		4 917 000	
MUNICIPAL TRACKING SYSTEMS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-16	Jun-17			850 000
UPGRADE OF TELEMETRY	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-13	May-14			500 000

## uMhlathuze Local Municipality: Final IDP Review 2014/2015

PROJECT DESCRIPTION	WARD BENEFITTING	IDP STRATEGY	IDP PROG	PLANNED START DATE	PLANNED COMPLETION DATE	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
<b>ELECTRICAL SUPPLY SERVICES</b>								
UPGRADE RADIO SYSTEMS TO SUSTAIN NETWORK COVERAGE WITHIN THE CITY	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-15	Jun-16		850 000	1 000 000
TECHNICAL OPERATIONAL CENTRE	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-15	Jun-17		500 000	1 000 000
UPGRADE - ALL TRAFFIC INTERSECTIONS AND CONTROLLERS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.2	Jul-16	Jun-17		2 000 000	2 000 000
eSIKHALENI - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE	17,20	2	2.2	Jan-14	Jun-15	500 000	2 873 000	6 500 000
HYDRA SUBSTATION	2	2	2.2	Jan-14	Jun-15		2 000 000	
INSTALLATION OF POWER MONITORING EQUIPMENT	1,2,3,4,5,6,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22,24,26, 27,28,30	2	2.2	Jul-14	Jun-15		770 000	
REBUILDING CAPELLA SUBSTATION	26	2	2.2	Jul-14	Jun-15			2 530 000
CAPELLA SWITCHING STATION BUILDING	2	2	2.2	Jul-14	Jun-15			5 000 000
JOHN ROSS INTERCHANGE 132KV SUBSTATION AND CYGNUS AND NGOYE 132KV DOUBLE CIRCUIT OVERHEAD LINE	9 & 23	2	2.2	Jul-14	Oct-14	500 000		
INFRA RED SCANNER/CAMERA AND EQUIPMENT	1,2,3,4,6,8,9,10,12,14,15,16,17,19, 20,21,22,23,24,26,27,28,29,30	2	2.2	Jul-14	Jun-15			679 000
DUMISANI MAKHAYE VILLAGE ELECTRIFICATION	9	2	2.2	Jul-14	Oct-14		3 500 000	
HYDRA 132KV SUPPLY (APPOINTMENT OF CONSULTANT)	2	2	2.2	Jan-14	Jun-15	403 000		
ENERGY LOSSES PROJECT	1,2,3,4,6,8,9,10,12,14,15,16,17,19, 20,21,22,23,24,26,27,28,29,30	2	2.2	Jul-14	Jun-15	1 300 000		
CYGNUS MV SWITCHGEAR REPLACEMENT	14,15,16,17,18,20-24	2	2.2	Jan-14	Jun-15	14 000 000		
NGWELEZANE IDT RETICULATION MODIFICATION	27	2	2.2	Jul-14	Jan-15		2 000 000	
METERING OF 132KV AND 11KV FEEDERS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.2	Jul-14	Jun-15		2 000 000	
ELECTRIFICATION OF MANDLAZINI AREA	1,4,6,8,16,17,20,24,26,28	2	2.2	Jul-13	Jun-14	2 600 000	3 250 000	2 925 000
ELECTRIFICATION OF MZINGAZI AREA	1,4,6,8,16,17,20,24,26,28	2	2.2	Jul-13	Jun-14	1 200 000	1 500 000	1 350 000
DUMISANI MAKHAYE VILLAGE ELECTRIFICATION	9	2	2.2	Dec-13	Feb-14	4 200 000	5 250 000	4 725 000
<b>ENGINEERING SUPPORT SERVICES</b>								
RURAL SANITATION	12,13,14,15,22, 18	2	2.1	Jul-14	Jun-15	59 040 200	61 647 300	64 463 700
RURAL AREAS - MKHWANAZI NORTH PHASE 5 WATER SUPPLY (COUNTER FUNDING)	10,11 & 30	2	2.1	Sep-14	Oct-14	300 000	1 000 000	2 000 000
RURAL/SEMI-URBAN AREAS	RURAL WARDS	2	2.1	Jul-13	Jun-15	29 065 900	30 349 400	31 736 000
RURAL HOUSEHOLDS INFRASTRUCTURE	RURAL WARDS	2	2.1	Jul-13	Jun-14	4 500 000	5 000 000	
<b>TRANSPORT, ROADS AND STORMWATER</b>								
ROADS	2,9,17	2	2.3	Sep-14	Mar-15	443 700	107 000	115 000
ROADS	ALL WARDS	2	2.3	Sep-14	Apr-15	101 300	80 000	80 000
WALKWAYS URBAN AREAS	2,6,8,9,16,23,28,30	2	2.3	Oct-14	Mar-15	550 000	400 000	750 000
TRAFFIC CALMING	1, 2, 3, 4, 6, 7, 8, 9, 14, 16, 17, 19, 20, 21, 23, 27, 28, 30	2	2.3	Aug-14	Nov-14	150 000	100 000	250 000
BUS SHELTERS & LAYBYES - ALL AREAS	6,11,18,5,8,10	2	2.3	Oct-14	Apr-15	521 800	350 000	400 000
PROVISION OF RURAL ROADS	RURAL WARDS	2	2.3	Jul-14	Jun-15			722 800
CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN Esikhaleni	ALL WARDS	2	2.3	Jul-14	Jun-15			500 000
STREET REHABILITATION - TANNER ROAD	9	2	2.3	Jul-14	Oct-14	5 000 000	5 000 000	4 000 000
eSIKHALENI MALL ROAD SAFETY	20	2	2.3	Jul-14	Oct-14	1 000 000	1 600 000	3 050 000
CIVIL SERVICES - B1030 NGWELEZANE	27,28	2	2.3	Jul-14	Jun-15			1 000 000
COMPREHENSIVE INTEGRATED TRANSPORT PLAN (ITP) - COUNTER FUNDING	ALL WARDS	2	2.3	Jul-14	Jun-15		700 000	700 000
ANNUAL KERB REPLACEMENT CONTRACT	ALL WARDS	2	2.3	Jul-14	Jun-15			350 000
ANNUAL WALKWAY REHABILITATION	ALL WARDS	2	2.3	Jul-14	Jun-15			350 000
CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN NGWELEZANE	ALL WARDS	2	2.3	Jul-14	Jun-15			500 000
PEDESTRIAN BRIDGES RURAL AREAS	ALL WARDS	2	2.3	Oct-14	Mar-15	720 000	736 100	800 000
ROAD RECONSTRUCTION VARIOUS THAT FALL OUTSIDE THE RESEALING SCOPE - 7KM	ALL WARDS	2	2.3	Jul-14	Jun-15			1 000 000
UPGRADE & SIGNALISE OF 2 INTERSECTIONS WITHIN THE CITY OF UMHLATHUZE	ALL WARDS	2	2.3	Aug-14	Mar-15	325 000	350 000	
INDIGENOUS FOREST PLANTING	ALL WARDS	2	2.3	Jul-14	Jun-15		400 000	
<b>WATER AND SANITATION</b>								
RURAL SANITATION (COUNTER FUNDING)	RURAL WARDS	2	2.1	Jul-14	Jun-15	500 000	3 500 000	3 500 000
MZINGAZI VILLAGE SEWER PROJECT (COUNTER FUNDING)	1	2	2.1	Jul-14	Jun-15		200 000	600 000
REPLACEMENT SEWER (A NGWELEZANE)	28	2	2.1	Jul-14	Jul-15		2 000 000	3 000 000
IMPLEMENTATION OF UPGRADES TO EMPANGENI SEWER RETICULATION (ZIDEBELE, LOGANS, KILDARE AND GEMINI)	23	2	2.1	Aug-14	Jul-15	3 800 000		2 000 000
REPLACEMENT SEWER RETICULATION & UPGRADE MANHOLE	9	2	2.1	Aug-14	Jan-15	200 000	1 500 000	1 800 000
DOUBLING SECTION OF MAIN OUTFALL SEWER ARBORETUM MACERATOR	9	2	2.1	Jul-14	Jun-15	2 300 000	1 000 000	
UPGRADE - VULINDLELA SEWER PIPELINE	9	2	2.1	Jul-14	Jun-15	2 000 000	7 000 000	3 000 000
NEW WATER METERS (RURAL)	12,13,14,15	2	2.1	Aug-14	Jan-15	1 000 000	1 000 000	1 000 000
RURAL AREAS - DUBE TRIBAL AREA NORTH BULK WATER SUPPLY LINE (COUNTER FUNDING)	14 & 12	2	2.1	Oct-13	Jan-14			
BULK AND RETICULATION	10,11	2	2.1	Jul-14	Aug-14	300 000	1 000 000	2 000 000
INSTALLATION BULK METER	ALL WARDS	2	2.1.4	Jul-14	Jun-15		1 000 000	2 000 000
WATER LOSS INTERVENTION	ALL WARDS	2	2.1.4	Jul-14	Jun-15		500 000	800 000
UPGRADING OF TELEMETRY (RESERVOIRS)	ALL WARDS	2	2.5.3	Jul-15	Jun-16		1 000 000	1 500 000
VALVES UPGRADE (POTABLE WATER)	5,28,30	2	2.1	Jul-14	Jun-15		500 000	2 000 000
CONSTRUCTION OF 20ML RESERVOIR EMPANGENI (HILLTOP)	5,9	2	2.1	Jul-14	Jun-15	23 200 000	200 000	550 000
WATER INFRASTRUCTURE PROJECTS (MWIG)	ALL WARDS	2	2.1	Feb-14	Jun-16	18 850 000	50 882 000	7 921 000
MASSIFICATION GRANT	ALL WARDS	2	2.1	Jul-14	Jun-15			9 786 000
WATER QUALITY COMPLIANCE	ALL WARDS	2	2.1.3	Aug-14	Sep-14	1 300 000	1 510 000	2 000 000

**Table 1: Departmental Capital Budget Allocation**

DEPARTMENT	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
CITY DEVELOPMENT	268000	270000	343000
COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	23295600	20773600	13435800
COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	14834500	15982400	35793200
CORPORATE SERVICES - ADMINISTRATION	15455000	16613000	17860000
CORPORATE SERVICES - HUMAN RESOURCES	94000	50000	94000
FINANCIAL SERVICES	6238900	16923000	28964000
INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	29599000	31760000	36679000
INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	100694100	105842700	108180700
INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	13915000	14018000	17782000
INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES	55000000	86602000	61697000
OFFICE OF THE MUNICIPAL MANAGER	44000	44000	78000
	259438100	308878700	320906700

**Table 2: Strategy Budget Allocation**

IDP STRATEGY	Tabled 2014/2015	Tabled 2015/2016	Tabled 2016/2017
Good Governance	12 244 300	8 519 500	5 755 700
Sustainable Infrastructure & Services Provision	232 328 800	275 246 200	275 764 400
Social & Economic Development	44 000	44 000	72 000
Institutional Development	9 082 100	23 146 000	10 350 600
Sound Financial Management	5 738 900	1 923 000	28 964 000
<b>TOTAL</b>	<b>259 438 100</b>	<b>308 878 700</b>	<b>320 906 700</b>

## 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 and 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

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- Development / investment must only happen in locations that are sustainable (NSDP, SPLUMB)
- Balance between urban and rural land development in support of each other (DFA Principles)
- The discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst also promoting densification. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres (DFA Principles)
- The direction of new development towards logical infill areas (DFA Principles)
- Compact urban form is desirable (DFA Principles)
- Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner (DFA Principles, SPLUMB, CRDP, National Strategy on Sustainable Development)
- Basic services (water, sanitation, access and energy) must be provided to all households (NSDP)
- Development / investment should be focused on localities of economic growth and/or economic potential (NSDP)
- In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes (NSDP)
- Land development procedures must include provisions that accommodate access to secure tenure (SPLUMB)
- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised (SPLUMB)
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development (SPLUMB).
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity (Breaking New Ground: from Housing to Sustainable Human Settlements)
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development)
- Environmentally responsible behaviour must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS).
- The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each area's unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS)
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS)

## SECTION B2: GOVERNMENT PRIORITIES

### 7.1 MILLENNIUM DEVELOPMENT GOALS

The United Nations Millennium Development Goals (to meet set targets by 2015):

No.	Millennium Development Goals	Municipal Alignment Thereof
Goal 1	Eradicate extreme poverty and hunger	Goal 3 : Social and economic Development <ul style="list-style-type: none"> <li>Objective 3.3 : create environment conducive for economic growth and development</li> </ul>
Goal 2	Achieve universal primary education	Municipal Mission <ul style="list-style-type: none"> <li>Improve Citizens skills levels and education</li> </ul>
Goal 3	Promote gender equality and empower women	Goal 3 : Social and economic Development IDP Objective 3.1
Goal 4	Reduce child mortality	Department of Health's Functions
Goal 5	Improve maternal health	
Goal 6	Combat HIV/AIDS, malaria and other diseases	Goal 3 : Social and economic Development <ul style="list-style-type: none"> <li>Objective 3.1: Safe and healthy Living environment</li> </ul>
Goal 7	Ensure environmental sustainability	Goal 2 : Sustainable Infrastructure and Service Delivery <ul style="list-style-type: none"> <li>Objective 2.5 : Environmental Sustainability</li> </ul>
Goal 8	Develop a global partnership for development	Goal 3 : Social and economic Development <ul style="list-style-type: none"> <li>Objective 3.3: create an environment conducive for economic growth and development</li> </ul>

**Note:**

The elements of the Council's mission statement are designed to address the Millennium Development Goals, and also keeping in mind the set target for 2015.

### 7.2 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. (in no specific order)	National Plan Priorities	Alignment Thereof
1	Create jobs	Goal 3: Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.3 : create environment conducive for economic growth and development</li> </ul>
2	Expand infrastructure	Goal 2 : Sustainable Infrastructure and Service Delivery <ul style="list-style-type: none"> <li>Objective 2.1: efficient and integrated infrastructure and service s</li> </ul>
3	Use resources properly	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1 : Democratic, responsible, transparent, objective and equitable municipal governance</li> </ul>

4	Inclusive planning	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Strategy 1.2.1 Preparation of credible and implementable Integrated Development Plan</li> </ul> Goal 2 : Sustainable Infrastructure and Service Delivery <ul style="list-style-type: none"> <li>Objective 2.3: Integrated urban and Rural Development</li> </ul>
5	Quality education	Municipal Mission <ul style="list-style-type: none"> <li>Improve Citizens skills levels and education</li> </ul>
6	Quality healthcare	Goal 3 : Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.1: Safe and Healthy Living Environment</li> </ul>
7	Build a capable state	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1: Democratic, responsible, transparent, objective and equitable municipal governance</li> </ul>
8	Fight corruption	Mission <ul style="list-style-type: none"> <li>Creation of Secure and Friendly City Through Fighting Crime</li> </ul>
9	Unite the nation	Goal 3: Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.2 : Social Cohesion</li> </ul>

### 7.3 12 NATIONAL OUTCOMES

The 12 National Outcomes that all provincial governments must align to are:

No.	National Outcome	Alignment Thereof
1	Quality basic education	Mission : Improve Citizens Skills levels and Education
2	A long and healthy life for all South Africans	Mission : Improve Quality of Citizens health
3	All people in South Africa are and feel safe	Mission : Creation of Secure and Friendly City through Fighting Crime
4	Decent employment through inclusive economic growth	Mission : Job creation through Economic Growth
5	Skilled and capable workforce to support an inclusive growth path	Mission : Improve Citizens Skills levels and Education
6	An efficient, competitive and responsive infrastructure network	Goal 2 : Sustainable Infrastructure and Service Delivery
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Mission: Planned Rural Development Interventions
8	Sustainable human settlements and improved quality of household life	Goal 2 : Sustainable Infrastructure and Service Delivery  Objective 2.3 : Integrated Urban and rural development
9	Responsive, accountable, effective and efficient local government system	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1: Democratic, responsible, transparent, objective and equitable municipal governance</li> <li>Objective 1.2 : Compliance with relevant legislation and policies</li> </ul>

No.	National Outcome	Alignment Thereof
		<ul style="list-style-type: none"> <li>Objective 1.3 : Uninterrupted service delivery</li> <li>Objective 1.4: Public Safety and Security and protection of Council property</li> </ul>
10	Protect and enhance our environmental assets and natural resources	Goal 2 :- Sustainable Infrastructure and Service Delivery Objective 2. 5:Environmental Sustainability
11	Create a better South Africa, a better Africa, and a better world	Goal 3 : Social and Economic Development
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Goal 1 : Good Governance Goal 2 :Sustainable Infrastructure and Service Delivery Goal 3: Social and Economic Development Goal 4 : Institutional Development Goal 5 : Sound Financial Management

## 7.4 5 NATIONAL PRIORITIES

The Five National and Six Provincial Priorities include the following:

No.	Five National (Including 6 <sup>th</sup> Provincial) Priorities	Alignment
1	Job creation (Decent work and Economic growth)	Goal 3: Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.3: create environment conducive for economic growth and development</li> </ul> Municipal Mission : Job Creation Through Economic Growth
2	Education	Municipal Mission <ul style="list-style-type: none"> <li>Improve Citizens skills levels and education</li> </ul>
3	Health	Goal 3 : Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.1 : Safe and Healthy Living Environment</li> </ul> Municipal Mission : Improve Quality of Citizens Health
4	Rural development, food security and land reform	Goal 2 :Sustainable Infrastructure and Service Delivery <ul style="list-style-type: none"> <li>Objective 2.3 : Integrated urban and Rural development</li> </ul> Municipal Mission: Planned Rural Development Interventions
5	Fighting crime and corruption	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1 : Democratic, responsible, transparent, objective and equitable municipal governance</li> </ul> Municipal Mission : Creation of Secure and Friendly City through Fighting crime
6	Nation-building and good governance	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1 : Democratic, responsible, transparent, objective and equitable municipal governance</li> </ul> Goal 3 : Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3. 2 : Social Cohesion</li> </ul>

## 7.5 STATE OF THE NATION ADDRESS

The State of the Nation Address was delivered by His Excellency, Jacob G Zuma, President of the Republic of South Africa on the occasion of the joint sitting of Parliament in Cape Town on 13 February 2014. The State of the Nation's theme for the year 2014 is '20 Years of a Democratic Parliament' which reflects a milestone in the country's democracy. The theme aims to capture the essence of Parliament's focus in exercising its responsibilities. The President reported on progress made with the implementation of the National Plan and wherein he reported an account of what happened over the last five years and a summary of the last twenty years achievements. President Zuma reported that on average the economy had grown at 3.2 percent a year from 1994 to 2012, despite a global recession which had cost the country a million jobs.

President managed to soberly judge the situation by further acknowledging that the country still faced the triple challenge of poverty, inequality and unemployment. He did not shy away from the challenges facing South Africa such as high unemployment and the strength of the rand but highlighted plans that have been put in place to alleviate the situation. President Zuma said the National Development Plan (NDP) was a viable plan for driving South Africa's socio-economic development, eliminating poverty and reducing inequality by 2030.

## 7.6 STATE OF THE PROVINCE (KZN) ADDRESS

The State of the KwaZulu-Natal Province Address was delivered by the Honourable Premier of the Province, Mr. Senzo Mchunu on the 5<sup>th</sup> of March 2014 in Pietermaritzburg. He delivered his speech under a theme 'Moving forward with speed, ensuring a better quality of life for all'. Similarly to the President's approach during his State of the Nation Address, the KZN Premier gave a comprehensive report on what has been achieved by the province of KwaZulu Natal in the first twenty years of democracy as well as what needs to be done to move KZN and South Africa forward. KZN premier focused mainly on the achievements that have been made to improve health, education, infrastructure and the quality of life in the province. Some of the achievements The Premier listed include:

- Increasing access to clean water from 47.7 percent of the population who had access in 1994 to 85.1 percent by last year.
- Reduction of mother-to-child transmission of HIV from 20.8 percent in 2002 to 1.5 percent last year.
- Investing R13 billion in 3 500 education infrastructure projects since 2009, which included replacing 54 mud schools with modern infrastructure.
- 509 896 houses built and 887 629 service sites developed in the past five years.
- The number of clinics increased from 240 in 1994 to 644 last year at a total cost of R990 million.
- HIV prevalence stabilised from 39.5 percent in 2004 to 37.4 percent currently and reduced HIV prevalence among 15-24-year-olds from 31 percent to 25.5 percent.
- The malnutrition rate of children under 5 years was reduced from 9.5 per 1 000 persons to 6.7 per 1 000 persons.

In his address, Premier Mchunu admitted that much work still lay ahead for the new administration, which will take over after the May 7, 2014 elections. In moving forward the Premier emphasized the importance of the following Key priorities, in order for KZN to achieve its vision 2030 and to contribute to the National Development Plan.

- Fighting crime and corruption
- Health
- Education
- Land reform, rural development and Food security
- Job creation

## 7.7 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (PGDS) GOALS

No.	PGDS Strategic Goal	Alignment thereof
1	Job Creation	Goal 3: Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.3 : Create and environment conducive for economic growth and development</li> </ul> Municipal Mission: Job Creation through Economic Growth
2	Human Resource Development	Goal 4 : Institutional Development <ul style="list-style-type: none"> <li>Objective 4.4 : Human Resource Development</li> </ul>
3	Human and Community Development	Goal 4 : Institutional Development Strategy 4.4.2 : Capacitation of Community Members through Skills Programmes
4	Strategic Infrastructure	Goal 2 : Sustainable Infrastructure <ul style="list-style-type: none"> <li>Objective 2.1: Efficient and integrated infrastructure</li> </ul>
5	Responses to Climate Change	Goal 2 : Sustainable Infrastructure <ul style="list-style-type: none"> <li>Objective 2.5 : Environmental sustainability</li> </ul>
6	Governance and Policy	Goal 1 : Good Governance <ul style="list-style-type: none"> <li>Objective 1.1 Democratic , responsible, transparent, objective and equitable municipal governance</li> <li>Objective 1.2 : compliance with relevant legislation and policies</li> </ul>
7	Spatial Equity	Goal 3 : Social and Economic Development <ul style="list-style-type: none"> <li>Objective 3.3: Create and environment conducive for economic growth and development</li> </ul> Municipal Mission : Maintaining Consistent Spatial Development

Alignment with these goals occurs throughout the document and expansion in terms of objectives and programs is also given under Section D.

## 7.8 UMHLATHUZE MUNICIPAL TURN AROUND STRATEGY 2014/2015

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
<b>Improve relations between Council and Administration</b>	To empower councilors on their roles and responsibilities as well as Administration	Improved communication through inhouse workshop (MPAC training/Councilor oversight) for Councillors & officials (Departments information sharing)	Deputy Municipal Manager Corporate Services	30 June 2015	Budget	COGTA to fund the workshop.  SALGA to fund the workshop
		Workshop councilors on roles definition	Deputy Municipal Manager Corporate Services	30 December 2014	Budget limitations	COGTA to provide workshop
	Effective Delegation between political and administrative functions	Development of program to clearly define roles of council and administration	Deputy Municipal Manager Corporate Services	30 December 2014	None	None
		Reports on matters attended to in terms of delegated authority	Council  Municipal Manager  Deputy Municipal Managers	Ongoing to 30 June 2015	None	None

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
<b>To review the Public Participation strategy</b>	Public participation strategy	Develop public participation strategy and submit to Council for adoption.	Municipal Manager  Deputy Municipal Manager Corporate Services	31 January 2015	None	None
		Ensure participation of officials in Operation Sukuma Sakhe War rooms	Municipal Manager  Deputy Municipal Managers	Ongoing to 30 June 2015	None	None
<b>Construction and Maintenance of Rural and Urban roads</b>	To improve standard of Rural roads	Ensure adoption of the roads maintenance plan	Deputy Municipal Manager Infrastructure and Technical Services	31 July 2014	None	None
		Ensure construction of 108Km's of Rural roads in the next 3years.	Deputy Municipal Manager Infrastructure and Technical Services	31 July 2017	Limited Funding  Limited Road Building Plants	DoT to assist with funding  MIG funding to be allocated
	Maintenance of urban roads	Execution of Roads maintenance plan	Deputy Municipal Manager Infrastructure	31 July 2017	Limited Funding  Limited Road	DoT to assist with funding  MIG funding



MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
			and Technical Services		Building Plants	to be allocated
<b>Audit of water loss</b>	Refurbish of aging infrastructure	Conduct short term and long term investigation of Infra. Framework	Deputy Municipal Manager Infrastructure and Technical Services	30 June 2015	Limited Funding	MIG funding to be allocated
		Develop Infra. Asset Management plan	Deputy Municipal Manager Infrastructure and Technical Services	30 July 2015	Limited Funding	MIG funding to be allocated
		Replacement of asbestos cement(AC) pipes	Deputy Municipal Manager Infrastructure and Technical Services	30 June 2017	Limited Funding	MIG funding to be allocated
	Metering of rural areas	Installation of water meters in rural areas	Deputy Municipal Manager Infrastructure and Technical Services	30 June 2015	Limited Funding	MIG funding to be allocated
	Water awareness programmes	Conduct 4 water awareness	Deputy Municipal Manager	30 June 2015	Limited Funding	MIG funding to be allocated

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		campaigns per year	Infrastructure and Technical Services			
<b>Access to electricity (Infrastructure)</b>	Refurbish aging infrastructure	Upgraded main electrical lines and increased transformer carrying capacity	Deputy Municipal Manager Infrastructure and Technical Services	30 June 2018	Limited Funding	DBSA
	Electricity awareness programmes	Conduct two(2) electricity awareness campaigns per year	Deputy Municipal Manager Infrastructure and Technical Services	30 June 2015	Limited Funding	None
<b>Clean Audit</b>	Sustain Clean Audit	Implement Auditor General action plan  Monitor and evaluate action plan by making it a standing item in Audit Committee	Municipal Manager  Deputy Municipal Managers	30 June 2015	None	None
<b>Revenue Enhancement</b>	Documenting/formalising the revenue enhancement strategy	Consultation with all levels of Management  Review of Policy  Implementation of Finance new	Chief Financial Officer	30 March 2015	None	None

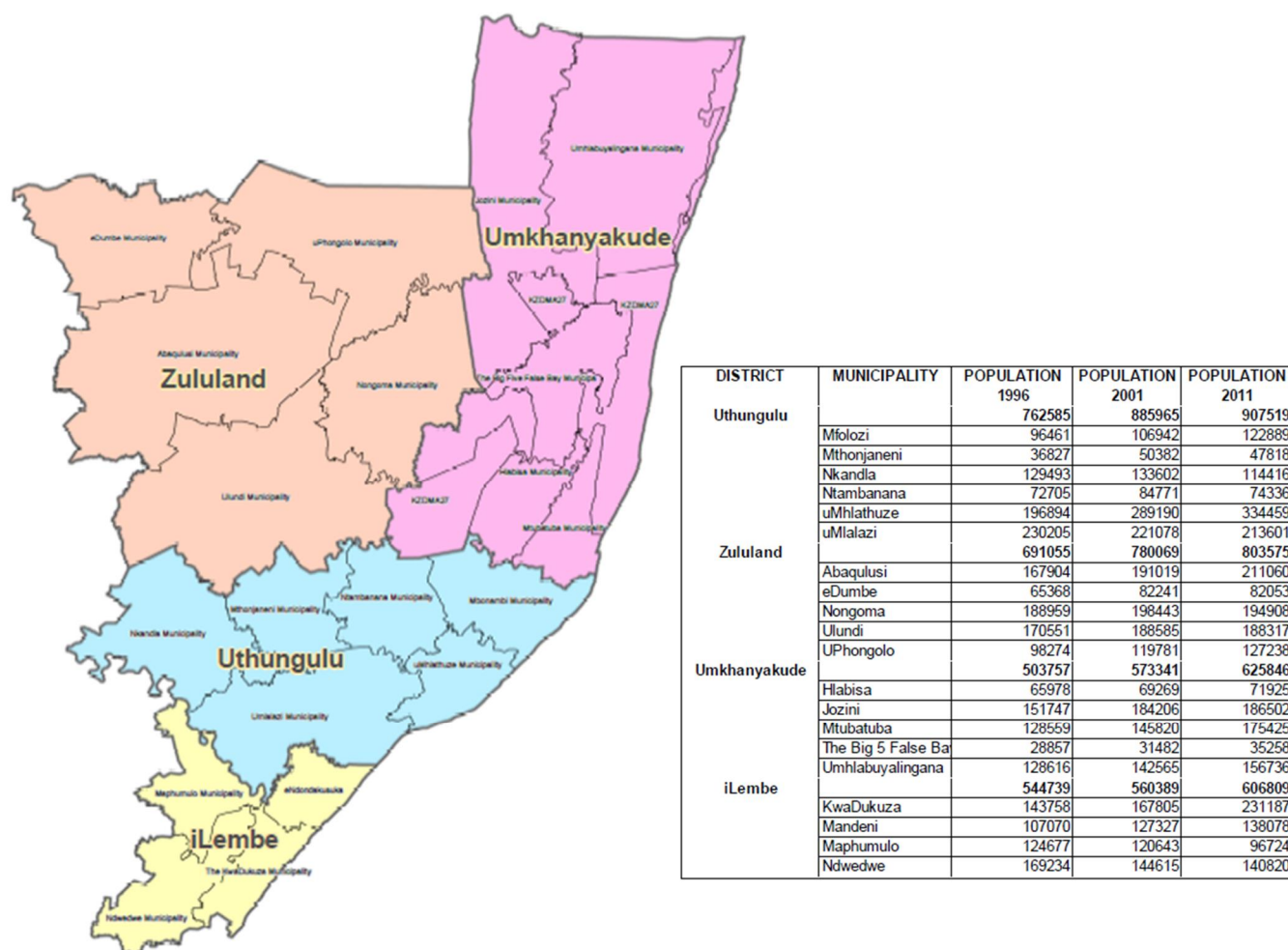
MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
		structure  Review of finance system				
<b>Capital Expenditure</b>	90% achievement of capital expenditure	Bundling of small projects: Appointment of consultants to plan and develop/prepare specifications	Municipal Manager  Deputy Municipal Managers	Ongoing to 30 June 2015	No. of Project managers vs No. of projects	In-service training students
		Community awareness on projects to be implemented (public participation process) [process flow diagram ]	Municipal Manager  Deputy Municipal Managers	Ongoing to 30 June 2015	Implementation of Public participation strategy	None
		Continuous Capacitation of the PMU	Municipal Manager  Deputy Municipal Managers	30 December 2014	Early involvement of PMU in project planning	Project Management training
		Proper allocation of capital funding to responsible/relevant departments	Municipal Manager  Deputy Municipal	30 June 2015	Strong participation in Budget steering committee	

MTAS PRIORITY	MILESTONE	DETAILED ACTIVITIES	RESPONSIBLE OFFICIAL	TARGET DATES	BLOCKAGES / CHALLENGES	SUPPORT NEEDED IN TERMS OF UNBLOCKING
			Managers			

## 8.1 REGIONAL CONTEXT

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

### Map 2: 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. 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 3: 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
<b>Total municipal land area</b>	<b>795,9707</b>	<b>100</b>

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

## 8.3 STRUCTURING ELEMENTS

There are a number of natural and man-made phenomenons 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.

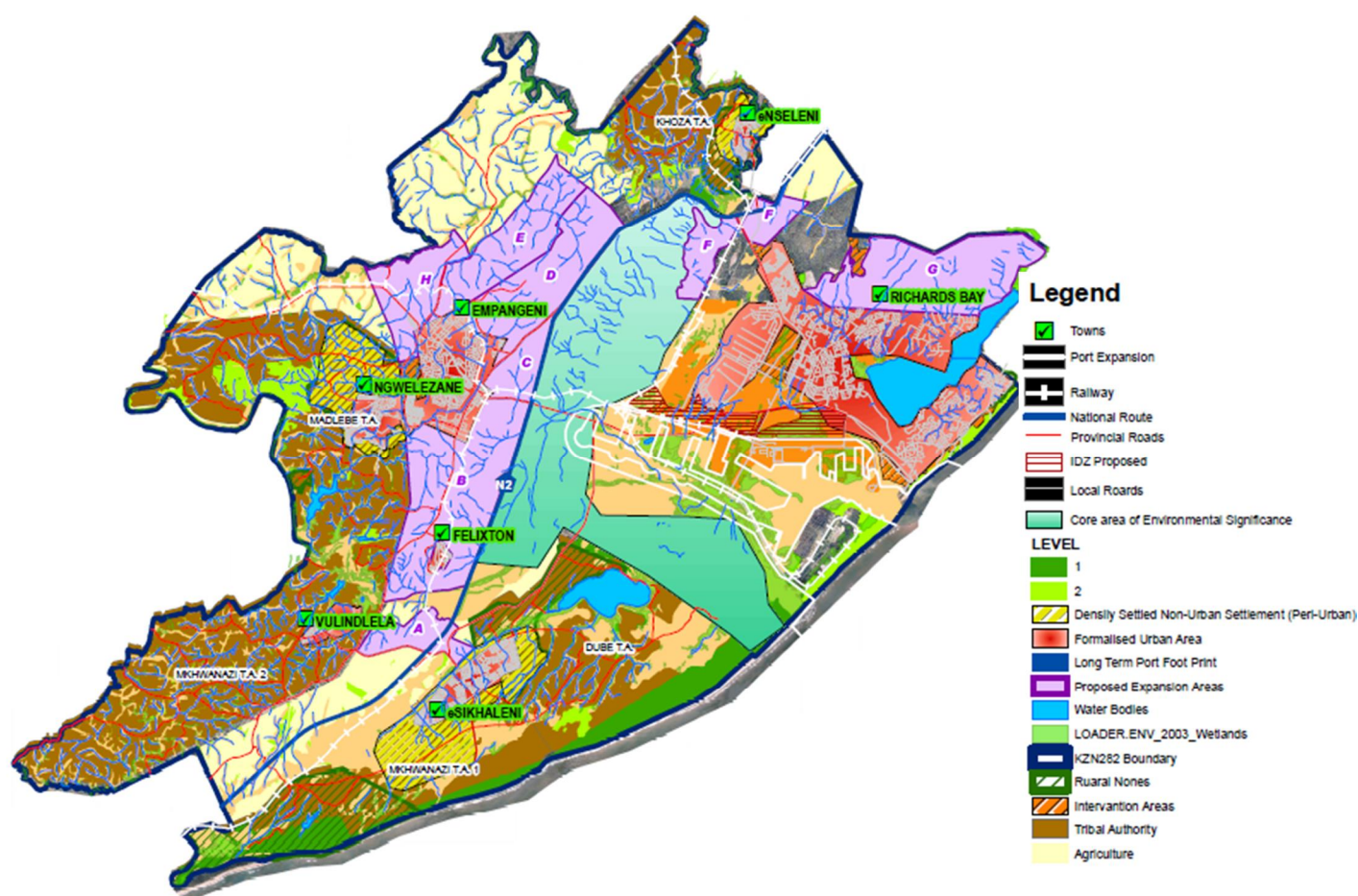
The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the 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.

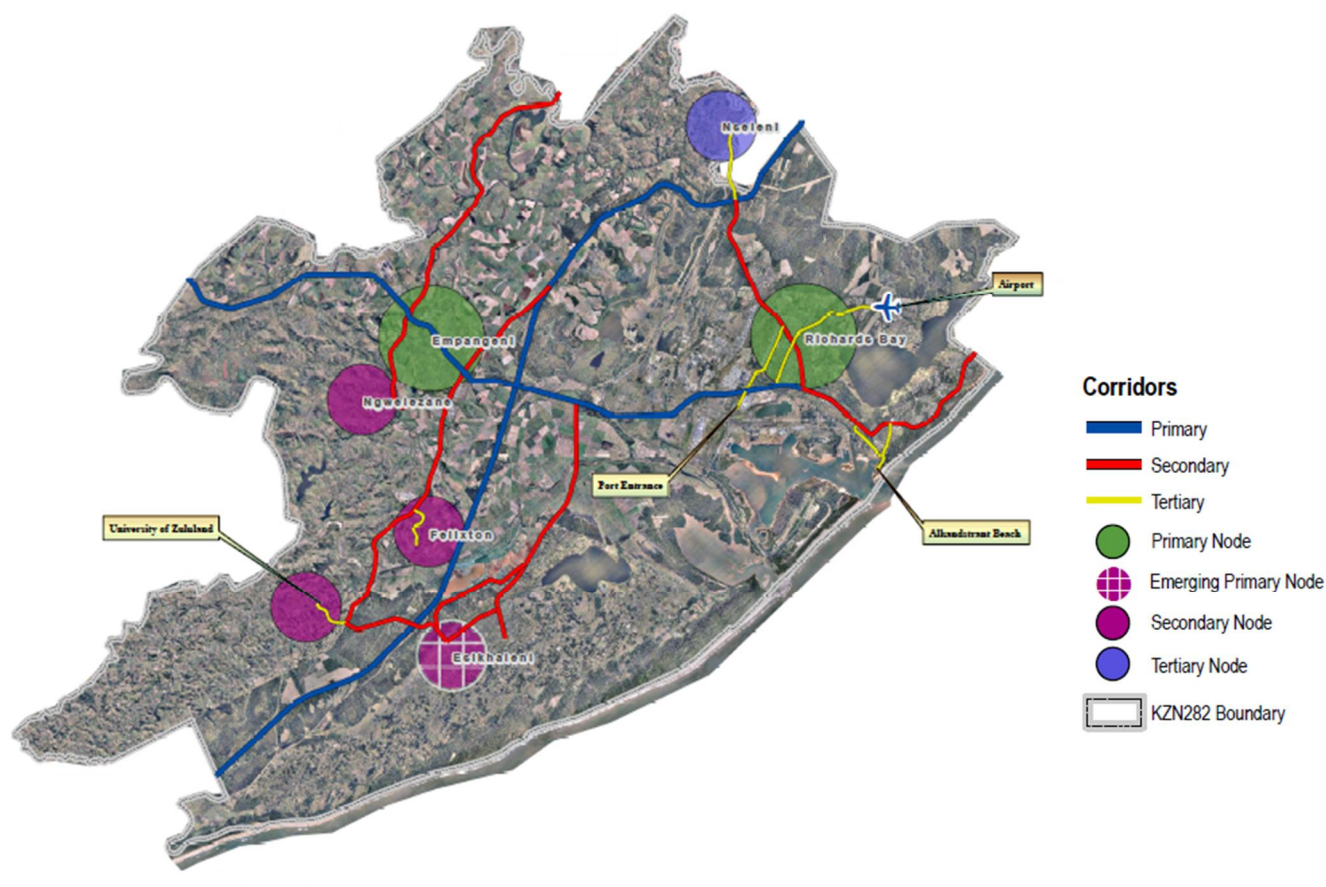
**Map 3: Structuring Elements**



## 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 4: Nodes and Corridors

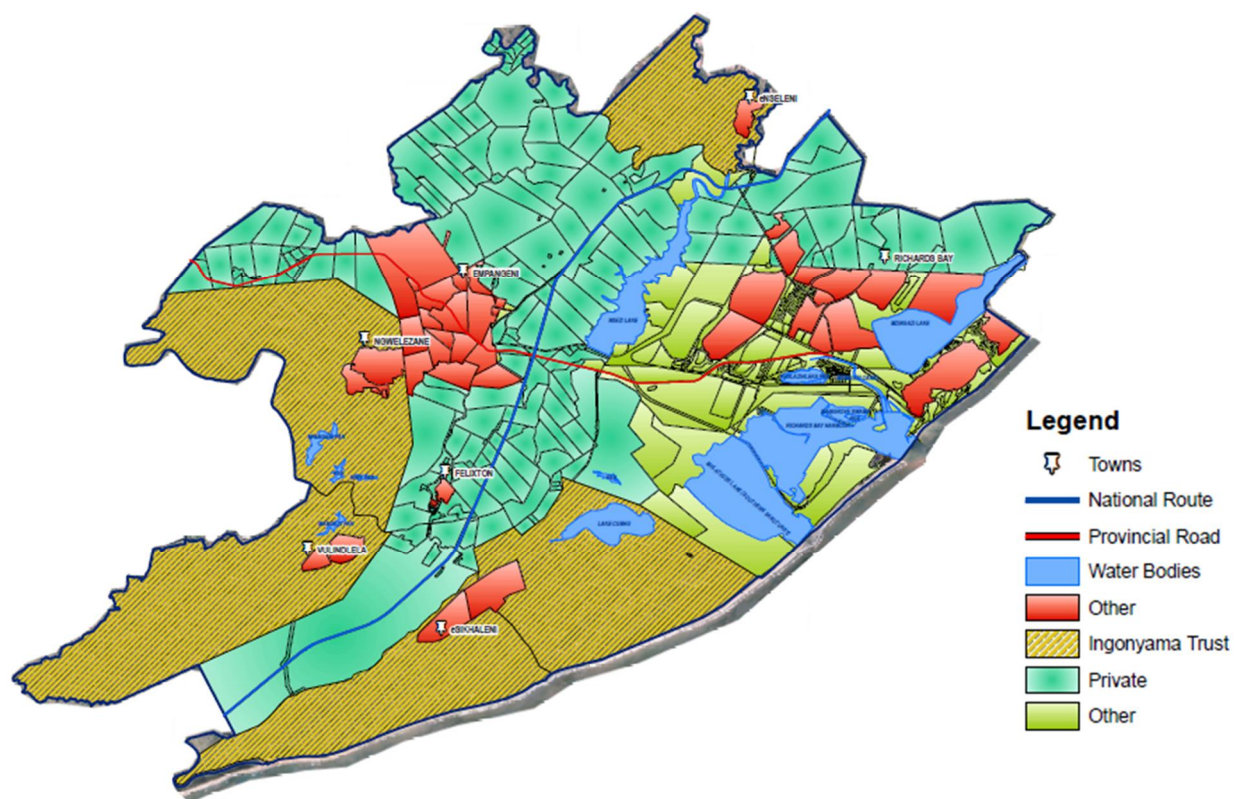


From the map it can be seen that the two primary nodes on the municipal area are Richards Bay and Felixton. Esikhaleni is an emerging primary node. The towns of Ngwelezane, Vulindlela and Felixton are primary nodes while ENSeleni has been classified as a tertiary node.



## 8.5 LAND OWNERSHIP

Map 5: Land Ownership in uMhlathuze



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

Table 4: Land Ownership Breakdown

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

## 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 Mondl. 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

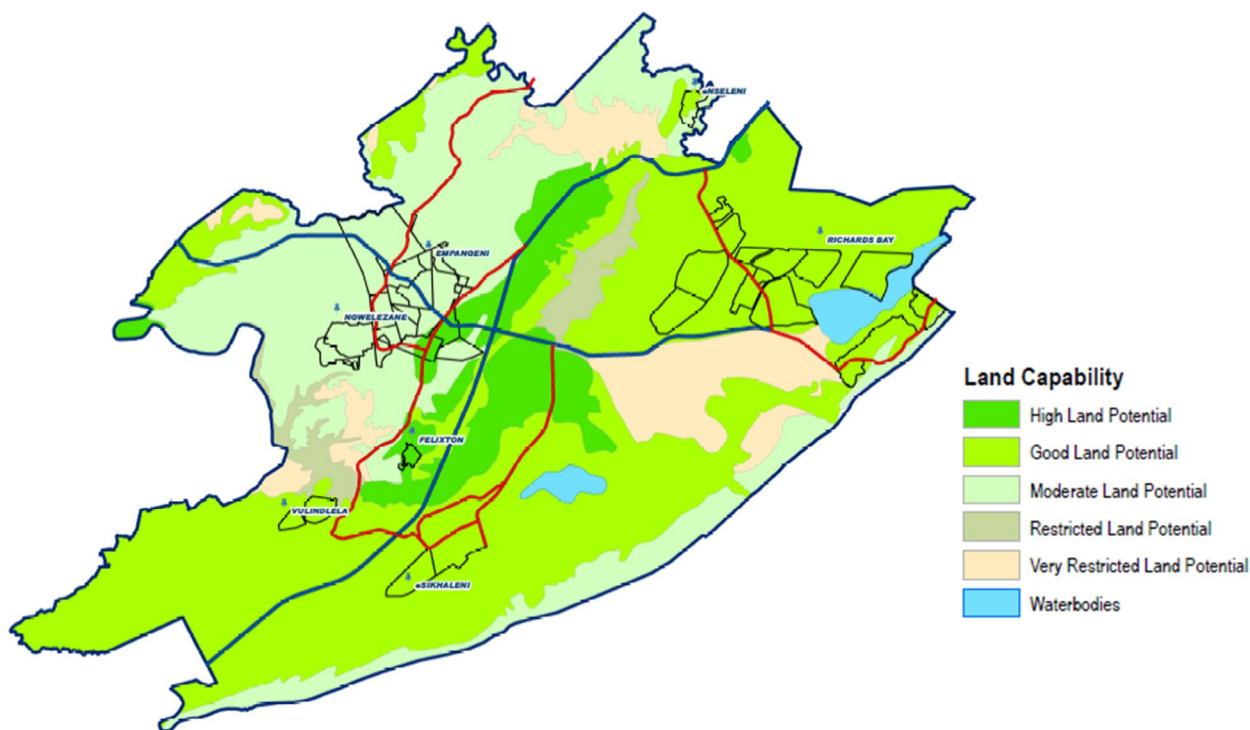
A claim related to the ESikhaleni residential area known as the Mkhwanazi+claim has been ongoing from January 2004. The land claim affects the following properties:

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 6: Land Capability**



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

**Table 5: 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%
<b>Total</b>	<b>79334ha</b>	<b>100%</b>

## 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 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 contactors 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

### **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 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.

### **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 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.

### **8.8.6 Waterstone 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. The following land uses are proposed:

Land Use	No of Erven	No of Units
Residential . min size 1250 m2 (Country Estate)	520	520
Residential . Clusters @ 15 units / ha (Country Estate)	11	212
Residential . min size 750 m2 (Detached) (Village)	396	396
Residential . min size 400 m2 (Semi-detached) (Village)	232	232
Activity node (Clubhouse, restaurant and conference centre, wellness centre & spa / offices)	1	-
Shopping Complex & Parking	2	
Retirement complex	1	650
Administration	2	-
Education	3	-
Community Facility	10	-
Community Sportsfield	2	-
Golf Course	1	-
Conservation	2	-
Agriculture	4	-
Public Open Space	63	-
Proposed Road	28	-
Existing Road	5	-
<b>TOTAL</b>	<b>1283</b>	<b>2030</b>

A positive environmental authorization has been obtained and final DFA judgement/approval is awaited.

It should be noted that:

- The final mix of land uses can still change following the finalization of the DFA; and
- A map of developments proposed/approved around Empangeni has been prepared that indicates the extent of the proposed Waterstone Lifestyle Estate.

## 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-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. 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 most (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 meeting 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 EIAs, 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 6: 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	<p>National Government: Promote Local Economic Development Initiatives</p> <p>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.</p>
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 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.
<b>LANDSCAPE FACTORS: SOCIAL</b>	
Community	Reducing poverty and unemployment and inequalities are national and provincial

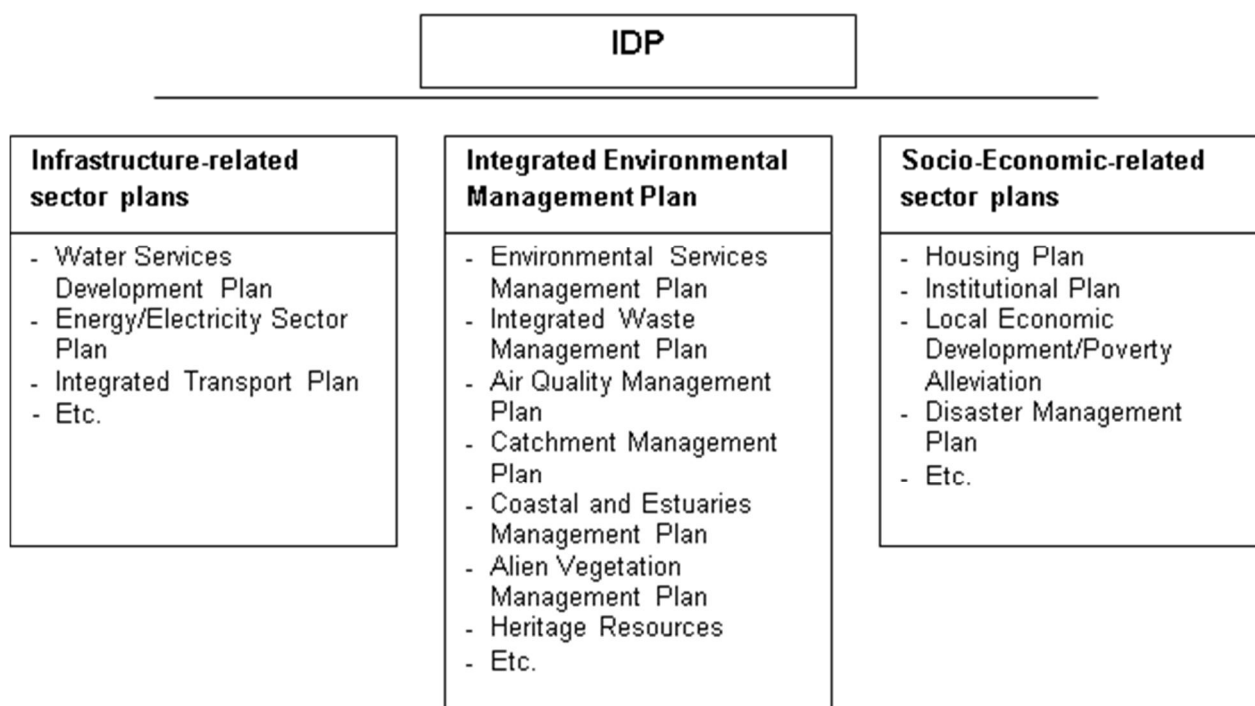
health and wellbeing	<p>priorities.</p> <p>The city's IDP defines the associated priorities based on the needs of urban vs. rural communities. Safety and security, employment creation, social welfare, community facilities, health, education, housing and agriculture is important to the communities in 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	<p>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.</p>

### 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 its 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 2014/2015 include:

- Schools cleanup campaigns, PHAST Training, Environmental awareness, Health and Hygiene Awareness at the following High Schools, old Mill, Mevamnhlophe, Nongweleza, Khombindlela, Ziphozonke and Thanduyise.
- Community cleanups involving ward members in various suburbs
- Recycling Project in Meerensee to emphasize the concept of kerbside recycling
- 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 7: Tools for Measuring Environmental Performance**

<b>Tools/Programmes for Measuring Environmental Performance</b>	<b>Status</b>	<b>Responsible Department/Section</b>
Permit Registers	Proposed	Community Services
EIA Registers (Internal & External applications)	Implemented	City Development

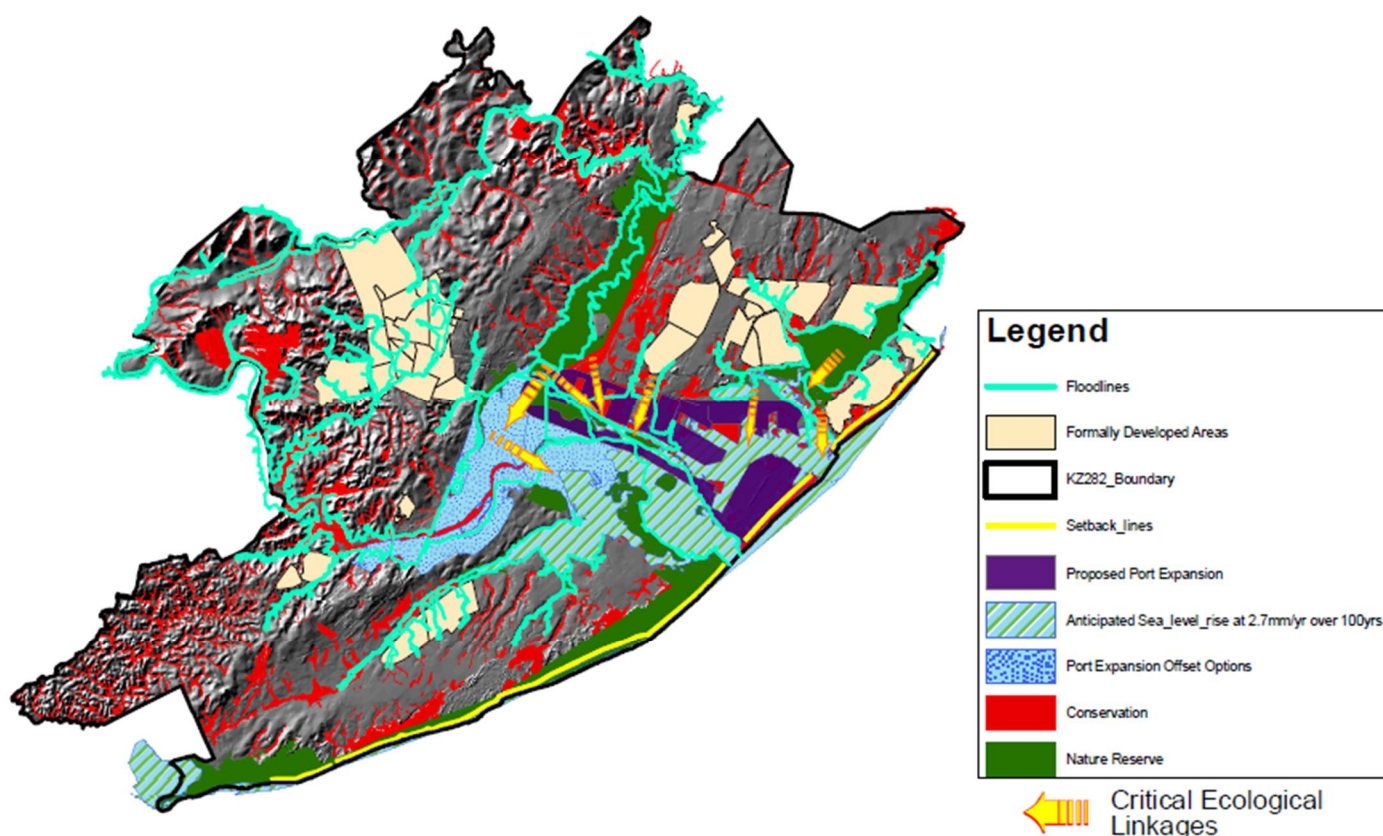
Air Quality Management Plan	Proposed,	Community Services
Wetland Management Plan	In Progress, Budgeted for	City Development, DWA, KZNWL, and DAEA
Biodiversity Sector Plan	Proposed	City Development, SANBI, KZNWL, and DAEA
Water Services Development Plan	Approved by Council, effective 1 January 2014	Infrastructure 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 Spatial Development Framework

Future development projections, would no doubt, change the landscape of the municipality. With such development pressure, sensitive areas will be impacted upon. It is therefore imperative that the City adopts a forward-planning approach to ensure that environmental impacts are minimized or taken cognizance of. Key elements of this plan reflect ecological and hydrological linkages that provide for corridors for conservation instead of isolated, disconnected systems. A further feature of the environmental framework plan is that it caters for future offset development, which requires extensive consultation with the relevant authorities and an enabling policy framework through which such negotiations are undertaken.

**Map 7: Draft Environmental Framework**



#### The Environmental Management Framework (EMF)

In accordance with *Council Resolution 4292* of December 2006, approval was granted to commission an Environmental Management Framework for the Richards Bay Port expansion area. The EMF was initiated by the Department of Agriculture and Environmental Affairs through the Danish Government funding agency (DANIDA), whilst the Municipality, Port and the IDZ were consulted extensively throughout the process. The study area was confined to the Port expansion area owing to environmental sensitivity (mainly hydrological and ecological) versus enhancement of socio-economic incentives that such development would foster.

Key findings of the EMF were:

#### Port Expansion

- The port and harbour area falls within environmental management zones of the EMF which both yield high levels of sensitivity in terms of biodiversity and geotechnical constraints.
- The Transnet Due Diligence Investigation for the acquisition of land for the proposed port development framework has however identified areas that are potentially suitable for offsetting the above environmental risks. These areas however, would first have to be accepted either prior to, or in the process of the EIA should Transnet be granted environmental authorization. It must be noted that in the absence of formal guidelines, there was reluctance on the part of the environmental authorities to pay attention to offset development in the EMF.
- The EMF identified a number of existing activities that render further constraints to the proposed expansion of the port:
  - The slimes dam from the mining operations at Hillendale (Exxarro) poses a risk to the hydrological and ecological integrity of the area. This is a concern in terms of this being a possible offset area should the Port proceed with its EIA application for the proposed Port expansion;
  - The Foskor Gypsum Stack or slimes dam between Bayside and the Papyrus Swamp is a contaminated site with potential to severely constrain future port expansion;
  - The location of Bayside Aluminium; and
  - The potential conflict between conservation and port/harbour expansion that would require strict development control.

#### IDZ Development

- The EMF sensitivity analysis points to areas that are of great concern for the IDZ and for particularly IDZ 1A which has geotechnical constraints. Further, the issue of Kwambonambi Grassland shall further hinder development on IDZ 1D (in the Pulp United area) as well as the IDZ 1C site.
- There are also a number of significant environmental management issues that would require strict management measures in terms of air quality.
- The high environmental risk rating for the IDZ is also a business risk and may discourage investors into the area.

#### The Environmental Services Management Plan

Whilst the EMF is relatively focused in terms of scope of area, the Municipality adopted an Environmental Services Management Plan (ESMP) as broader planning tool to guide spatial development.

The ESMP outlines a number of goals for Environmental Services Management. Two critical goals are:

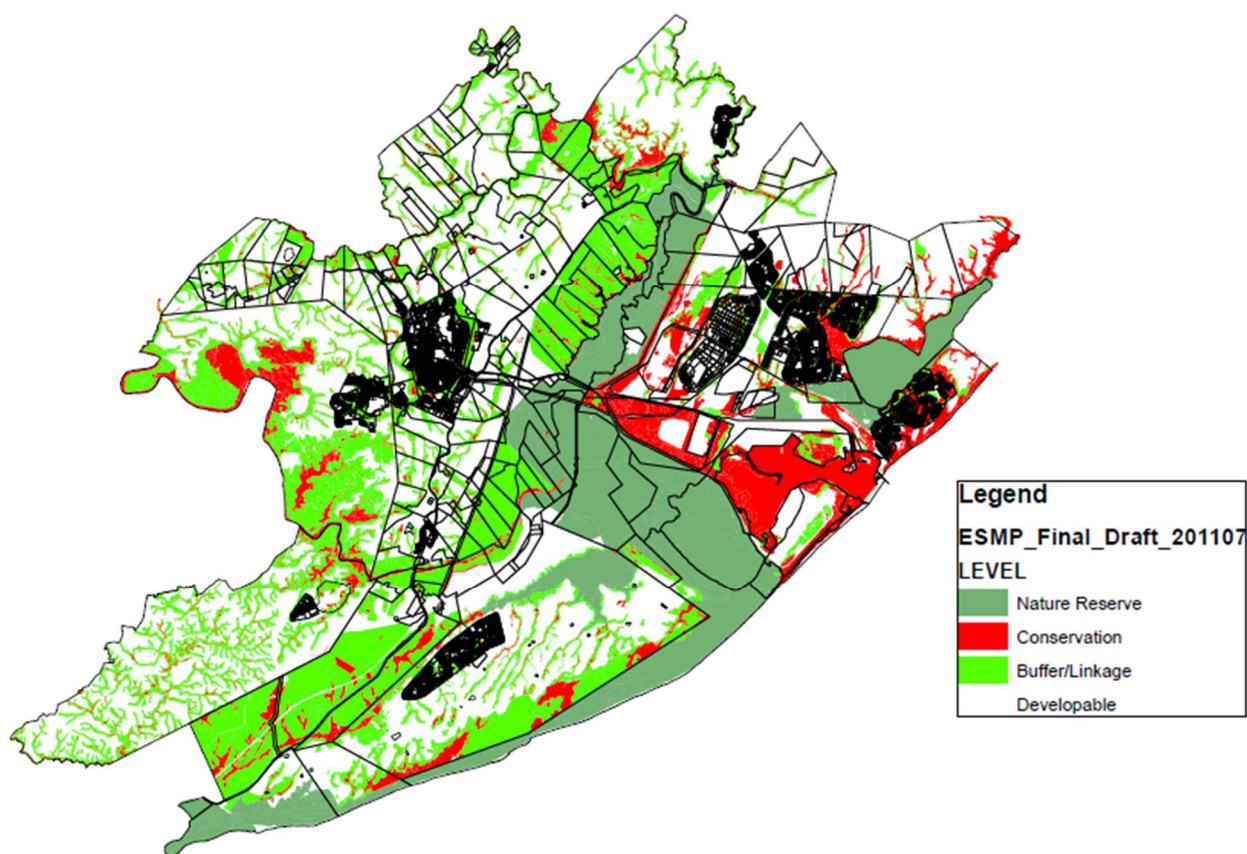
- *'To define cohesive and functional spatial management units within the municipal area that needs to be managed in order to optimise the delivery of environment services.'*
- *'To develop management plans for each management unit that identify the management activities required to secure environmental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

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

- **Nature Reserves (Level 1):** Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. Included are unique habitats or areas that are considered important at International, National or Provincial level; estuaries, lakes, major wetlands, natural forests, coastal buffers and critically endangered habitats that are protected in terms of international or national legislation and/or treaties. 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.



**Map 8: The Draft Municipal Environmental Services Management Plan Spatially Defined**



- **Conservation Zone (Level 2):** 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. Included are unique or regionally important natural habitats; wetland and forest areas that are protected in terms of national legislation; and all areas that fall within the 1:100 year flood line. 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.
- **Open Space Linkage Zone (Level 3):** 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.
- **Development Zone (Level 4):** 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. However, it is recognised that the development of these zones can impact on environmental services supply. As such, they should be developed in a manner that supports, or at least does not adversely impact on, the sustainability of environmental service supply in Level 1, 2 and 3 zones.

A significant feature of the ESMP is the economic value attached to environmental goods and services. These are outlined in the table herewith:

**Table 8: Economic Value of Environmental Goods and Services**

Environmental Services	Estimated annual value (millions)	Environmental services	Estimated annual value (millions)
Atmosphere regulation - CO <sub>2</sub> , etc	R 23,39	Pollination - legume and fruit crops	R 1,53
Climate regulation - urban heat sinks	Unknown	Disease and pest control	R 9,74
Flood and drought management	R 244,11	Refugia - for wildlife and nursery for fisheries	R 15,90
Water regulation - timing, rate	R 137,39	Food production	R 30,18
Water supply – volume	R 297,92	Raw materials - housing, medicinals, craft	R 20,90
Erosion control	R 16,10	Genetic resources – chemicals	R 2,33
Soil formation	R 0,65	Recreation	R 37,73
Nutrient cycling	R 714,90	Cultural	R 67,20
Waste treatment - assimilation and dilution	R 137,74	<b>Annual total value (millions)</b>	<b>R 1,757,72</b>

### 8.9.12 Air Quality

In 2006, the Environmental Planning Division of the City of uMhlathuze understood the integral part air quality management needs to play in land use planning and zoning. A study was initiated to assess air quality within the municipality and use this as one of the tools to inform their Spatial Development Framework. 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. This is in line with the City's vision and mission statements, which stress the improvement of quality of life through sustainable development.

Airshed Planning Professionals (Pty) Ltd was contracted by the City of uMhlathuze to conduct an air quality investigation for the local municipal area. Although Airshed represented the lead consultancy, Airshed conducted the project in partnership with Ecoserv (Pty) Ltd and the Richards Bay Clean Air Association (RBCAA) that was in support of the project.

In order to achieve the main objective of the study, the following steps were followed:

- 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.

Council adopted the outcomes of the study in November 2006.

#### **Air Quality Management Project Outline and Future Plans**

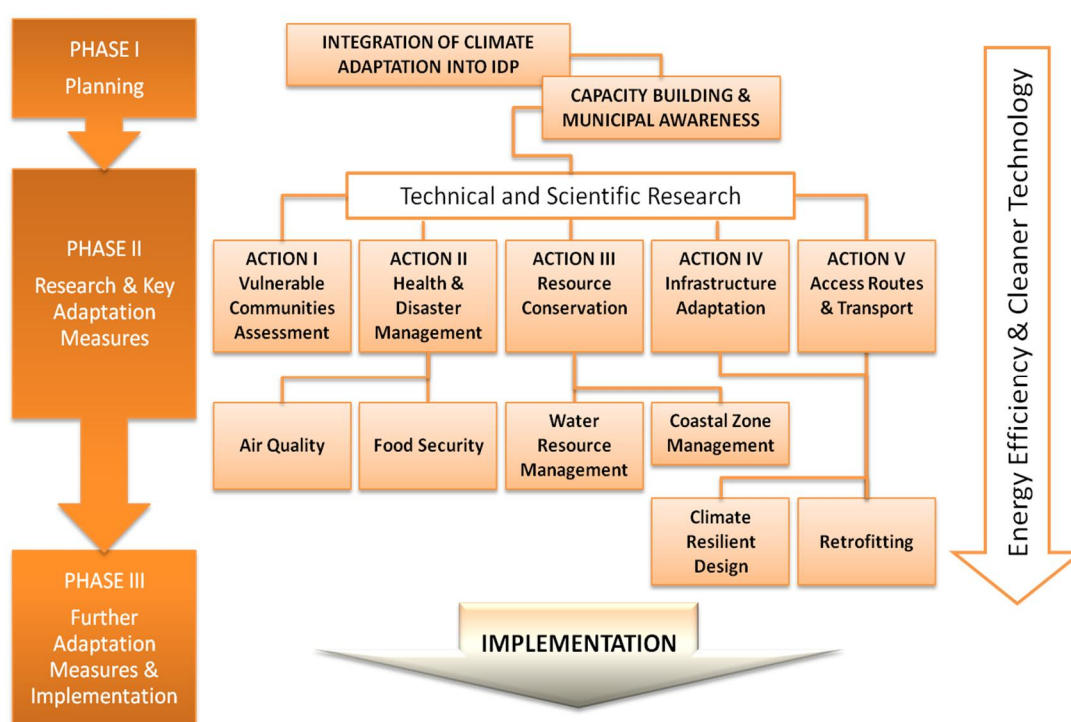
- Development of Air Quality Management Plan (AMQP) by March 2014
- Development of Air Quality Management Bylaws by May 2014
- Development of Air Quality Management Strategy by May 2014
- Development of Air Quality Management Policy by June 2014
- Establishment of Ambient Air Monitoring Stations by June 2014
- Ongoing Education & Awareness

### 8.9.13 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 9: 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

## Phase 2 Adaptation Actions

be included as a performance area of the Department: City Development, which would involve:

- 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 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"> <li>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.</li> <li>Good road accessibility</li> <li>The municipality borders a coastline that spans approximately 45 kilometres</li> <li>The municipality borders a coastline that spans approximately 45 kilometres</li> <li>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.</li> <li>High level of species diversity.</li> <li>The beaches are significant tourism assets for the municipality.</li> <li>Alien Invasive and Greening Strategy in place.</li> <li>Spatial Development Framework has been developed and is in place.</li> <li>Climate change Strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>Funding challenges to implement Alien Invasive and Greening Strategy.</li> <li>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.</li> <li>Gaps in availability of data on the local heritage.</li> <li>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.</li> </ul>
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>There is one airport and a couple of land strips in the municipal area.</li> <li>Economic node to the North-Eastern parts of the Province</li> <li>The R34 Provincial Main Road passes through Empangeni towards Melmoth.</li> <li>There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node.</li> <li>Coastal Dunes contain heavy minerals that are sought after for mining.</li> </ul>	<ul style="list-style-type: none"> <li>Distance from major economic node in the province</li> <li>The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time.</li> <li>An increasing trend in the frequency of cyclonic activity has been observed.</li> <li>Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.</li> <li>Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions.</li> <li>The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area.</li> </ul>

## **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, None-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

During 2009, a disaster risk profile for the uMhlathuze Municipality was as part of the review process of the Council's Disaster Management Plan. This project was adopted by Council during November 2009. Various risks were mapped, and the highest rated risk in the municipality was identified as **Human Health and Diseases**. This category includes diseases that can lead to rapid onset as well as slow onset disasters. Diseases and conditions included under this category include HIV/AIDS, Tuberculosis, Cholera, and Asthma. Other top rated risks in the City of uMhlathuze include:

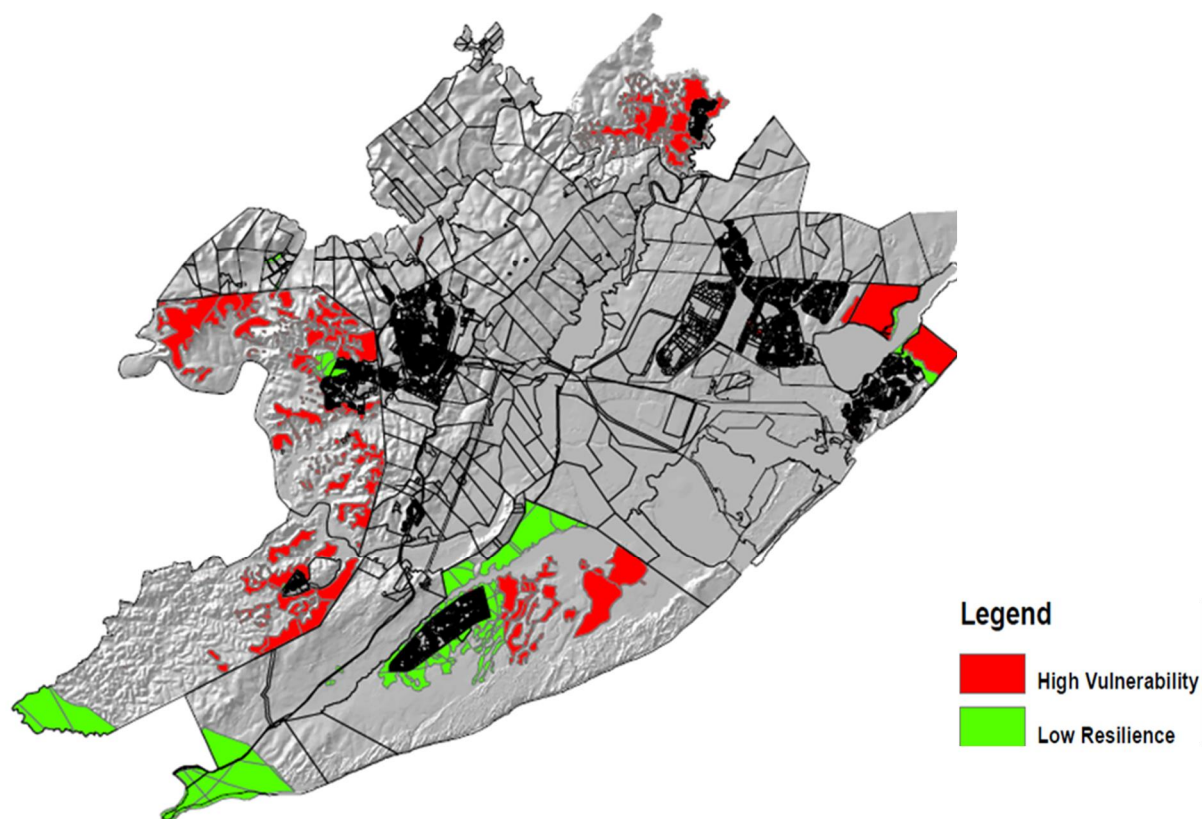
- **Hydro-meteorological hazards** such as Flooding and Severe storms;
- **Industrial Hazards** such as Hazardous Material Incidents;
- **Fire Hazards**, including urban, settlement, veld and forest fires; and
- **Civil Unrest Hazards**, including Demonstration, Riots and Xenophobic violence.

Furthermore, 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 areas also leads to chronic disaster vulnerability faced with recurrent natural and human induced threats that range from floods to repeated informal settlement fires. The most important primary responsibility for disaster management is that of saving lives and secondary saving property and infrastructure.

The map herewith represents the areas that were identified to have a high vulnerability to disasters, as well as areas where low resilience to disasters.

### Map 9 : 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 part of 2014/2015 Disaster Management programmes

**Table 10 : Disaster Management Programmes**

NATIONAL KPA	MUNICIPALITY'S AREA OF FOCUS	ROJECTS/ PROGRAMMES	RELEVANT HYOGO FRAMEWORK FOR ACTION	BUDGET	INDICATOR
<b>MAXIMIZE DISASTER REDUCTION</b>	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"> <li>○ Disaster Management Framework in place</li> <li>○ 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</li> <li>○ Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework.</li> <li>○ Disaster Management Advisory Forum in place</li> </ul>	<ul style="list-style-type: none"> <li>○ Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area</li> <li>○ lack of resources , Appointment of Support of staff and equipment</li> <li>○ Lack of capacity to adequately handle all kinds Disaster related incident.</li> <li>○ Insufficient funds allocated to the section.</li> </ul>
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>○ Existing disaster management centre located at the Fire Station</li> <li>○ Potential growth in terms of expanding and economical</li> </ul>	<ul style="list-style-type: none"> <li>○ The location of the municipality on the coastline and its proximity to shipping routes present numerous natural marine and coastal threats.</li> <li>○ 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.</li> <li>○ The settlement of communities in disaster high risk also leads to chronic disaster vulnerability threats that range from floods to repeated informal settlement fires</li> </ul>

## 9. DEMOGRAPHIC CHARACTERISTICS

### 9.1 DEMOGRAPHIC INDICATORS

#### 9.1.1 Population and Household Numbers

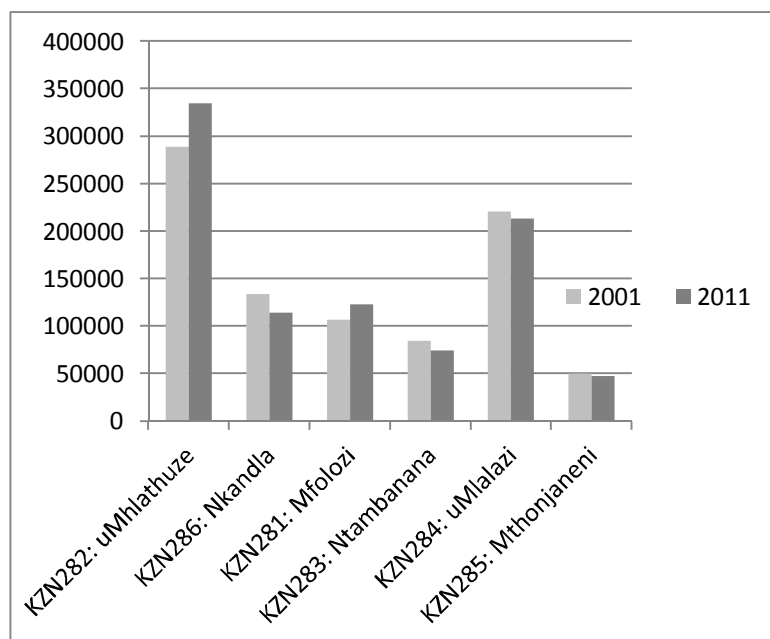
UMhlathuze is located in the uThungulu District. The population increase in the uThungulu District, broken down per municipality is indicated in the table and explanatory figure herewith.

**Table 11: 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

**Table 12: Population Growth over Census Periods**

	1996 - 2001	2001 -2011
<b>DC28: Uthungulu</b>	3.00	0.24
<b>KZN282: uMhlathuze</b>	7.69	1.45
<b>KZN286: Nkandla</b>	0.62	-1.55
<b>KZN281: Mfolozi</b>	2.06	1.39
<b>KZN283: Ntambanana</b>	3.07	-1.31
<b>KZN284: uMlalazi</b>	-0.81	-0.34
<b>KZN285: Mthonjaneni</b>	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 13: Annual Population Growth of 1.45% between 2001 and 2011 for uMhlathuze**

Census	Applied Annual Growth Rate of 1.45%				
<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
289,189	293,382	297,636	301,952	306,330	310,772
<b>Applied Annual Growth Rate of 1.45%</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
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 14: Projected Population Growth at 1.45%**

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

**Table 15: Projected Population Growth at 2%**

<b>2011</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2040</b>	<b>2050</b>
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 16: Projected Population Growth at 3%**

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

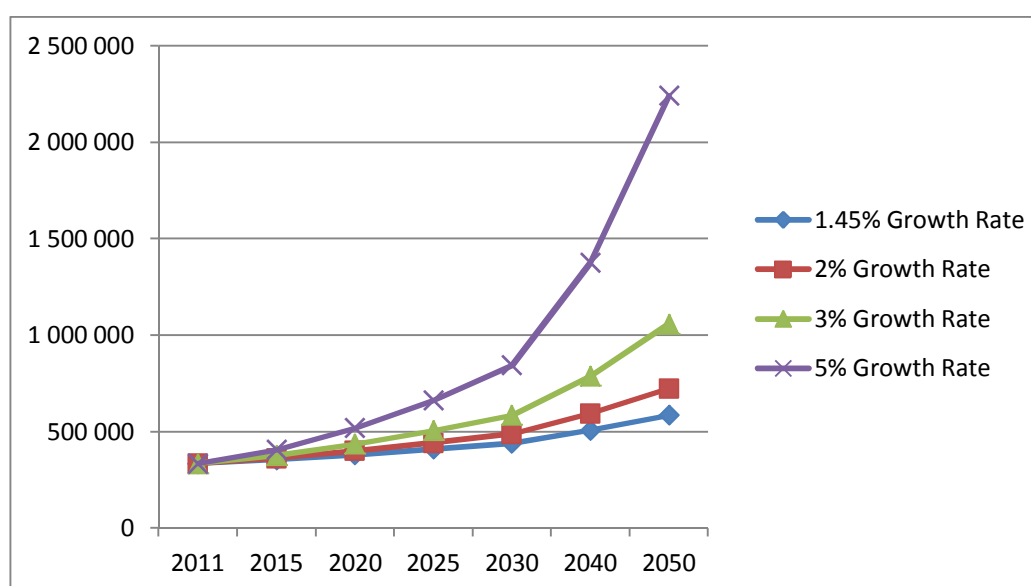
**Table 17: Projected Population Growth at 5%**

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

**Table 18: 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**


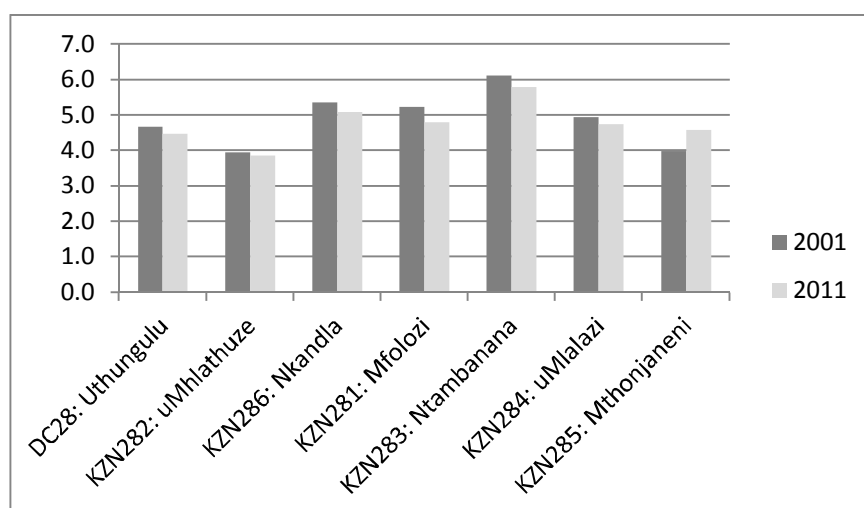
Comparative household numbers and sizes over the 2001 and 2011 census years are provided in the following table.

**Table 19: 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.

### 9.1.2 Population Gender Breakdown

**Table 20: Population and Gender per Ward**

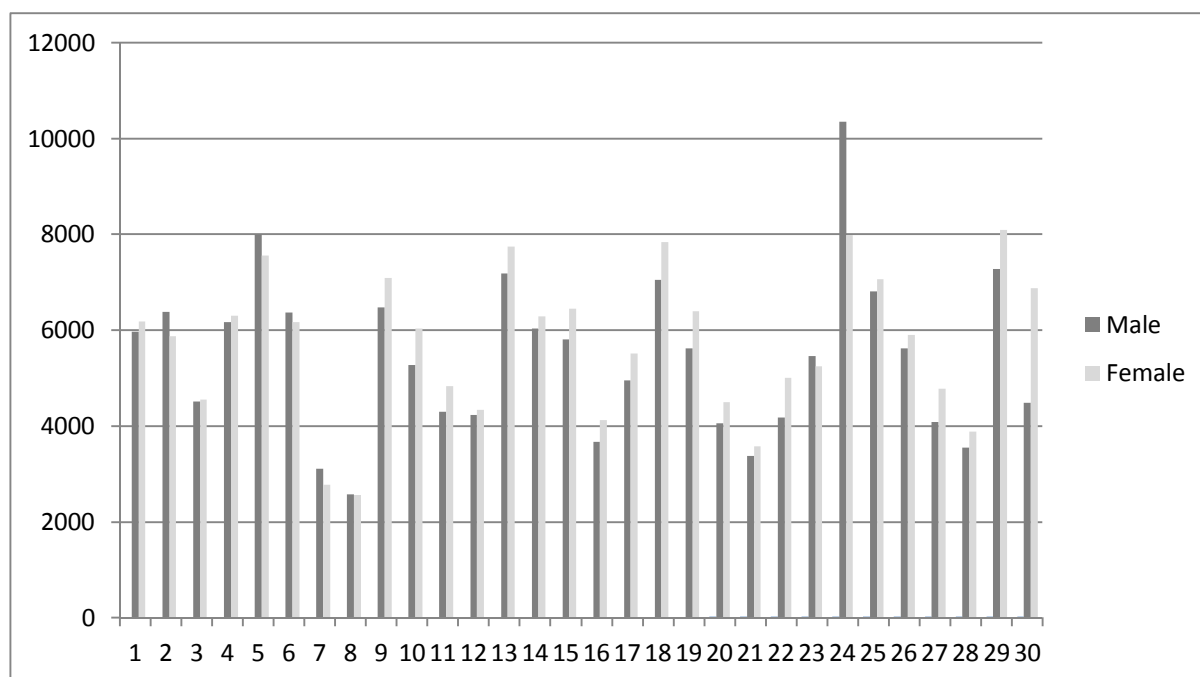
Ward	Male	Female	Grand Total
1	5966	6179	12145
2	6377	5877	12254
3	4510	4548	9058
4	6168	6304	12472
5	8003	7560	15564
6	6371	6173	12544
7	3116	2780	5896
8	2577	2559	5137
9	6473	7085	13558
10	5277	6033	11310
11	4295	4836	9131
12	4234	4341	8574
13	7190	7738	14928
14	6033	6283	12315
15	5808	6444	12252
16	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
<b>TOTAL</b>	<b>162943</b>	<b>171516</b>	<b>334459</b>

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.

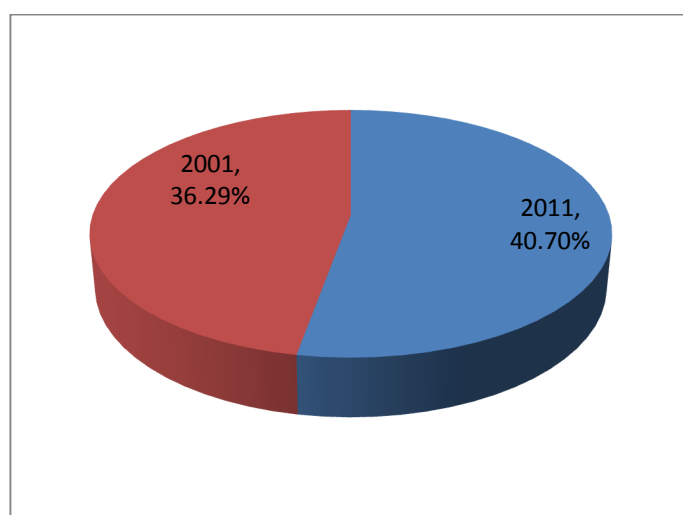
Source: Census 2011

**Figure 7: Gender Breakdown per Ward**



Source: Census 2011

**Figure 8: Female Headed Households**



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.

### 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
<b>DC28: Uthungulu</b>	885965	907519	38.3	34.8	57.3	60.7	4.4	4.5
<b>KZN282: uMhlathuze</b>	289190	334459	33.0	29.3	64.2	67.5	2.8	3.2

Source: Census 2011

## 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.

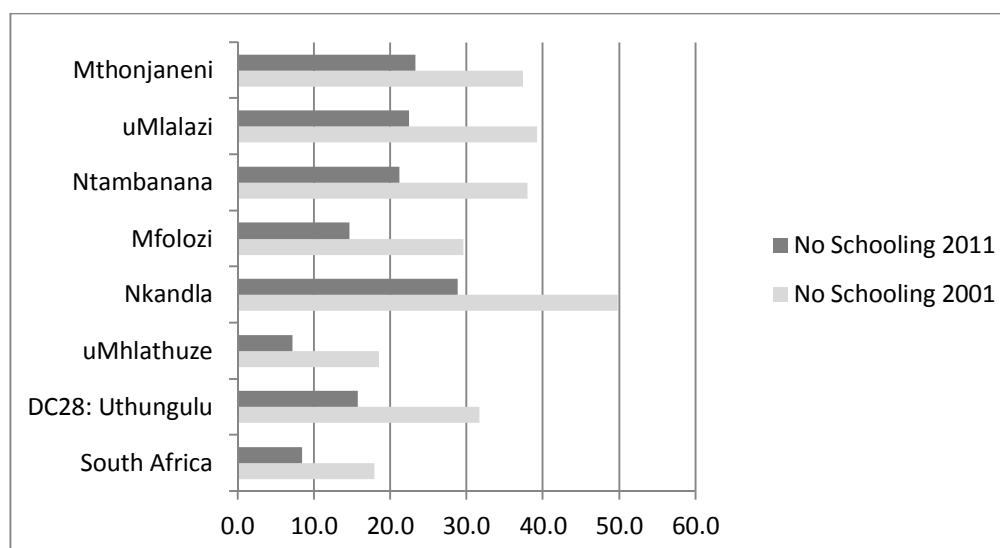
**Table 22: Comparative Education Levels**

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

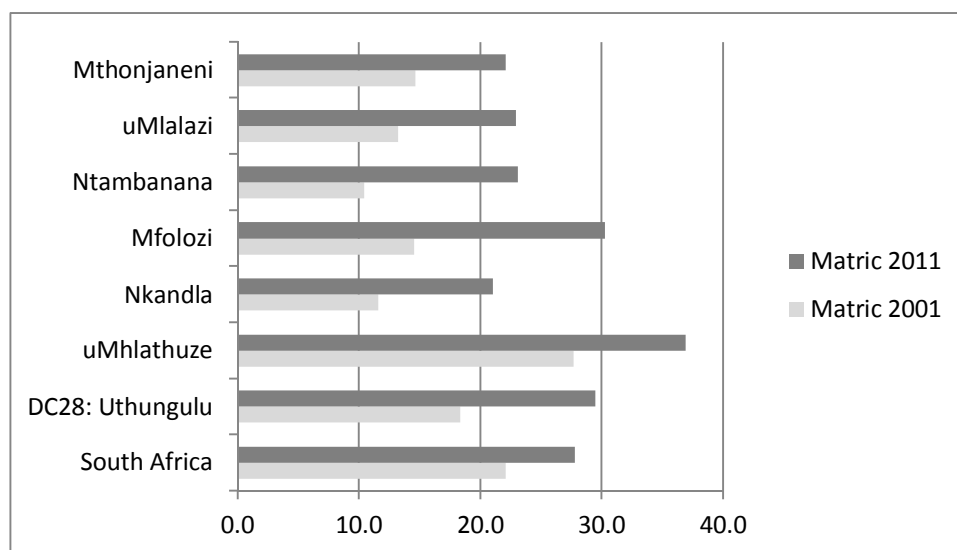
**Figure 9: Persons with No Schooling**



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.

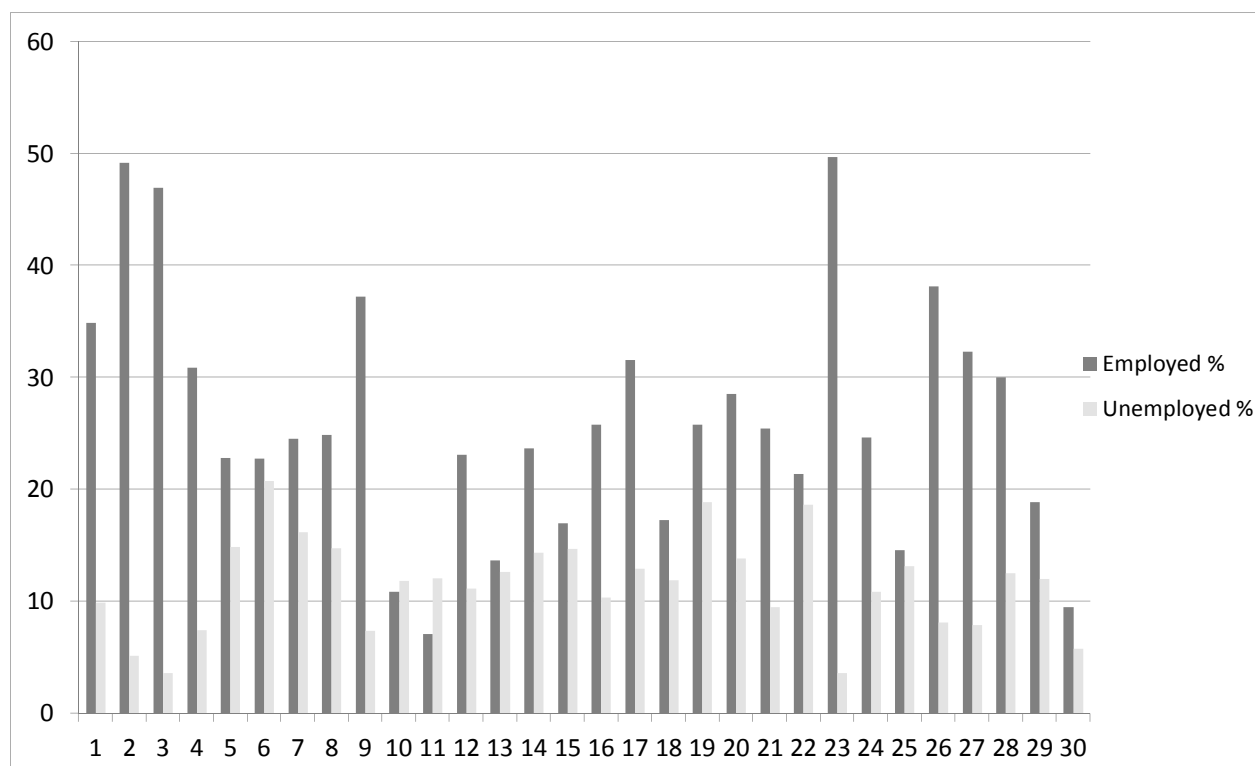
**Figure 10: Persons with Matric**



Source: Census 2011

## 9.1.4 Employment

**Figure 11: Percentage Employment per Ward**



Source: Census 2011

The above figure 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.

## 9.1.5 Income and Dependency

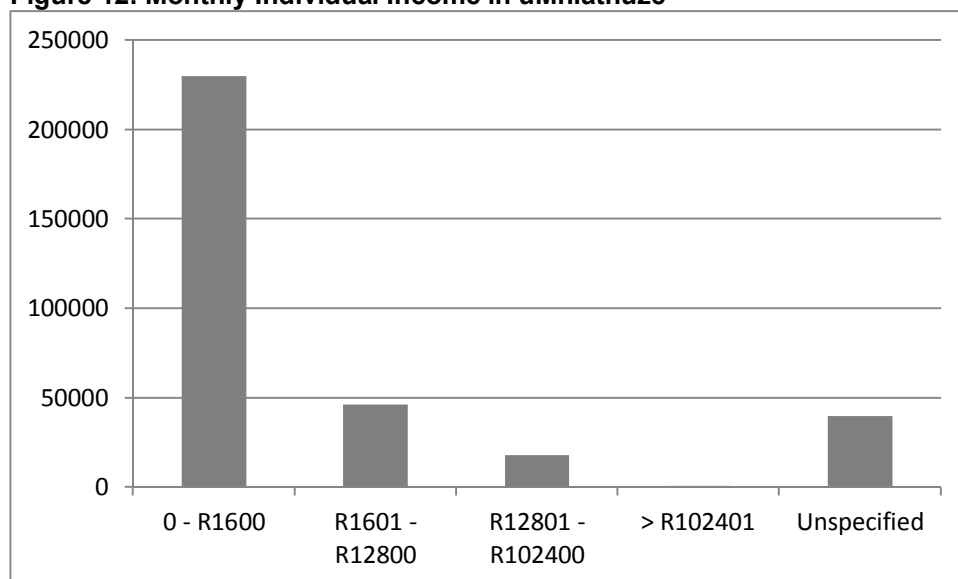
Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents. The following table does indicate monthly individual income levels for all 30 wards in uMhlathuze.

**Table 23: Individual Monthly Income at Ward Level**

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

Source: Census 2011

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 12: 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 24: Comparative Dependency Ratio**

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

### 9.1.6 HIV/Aids

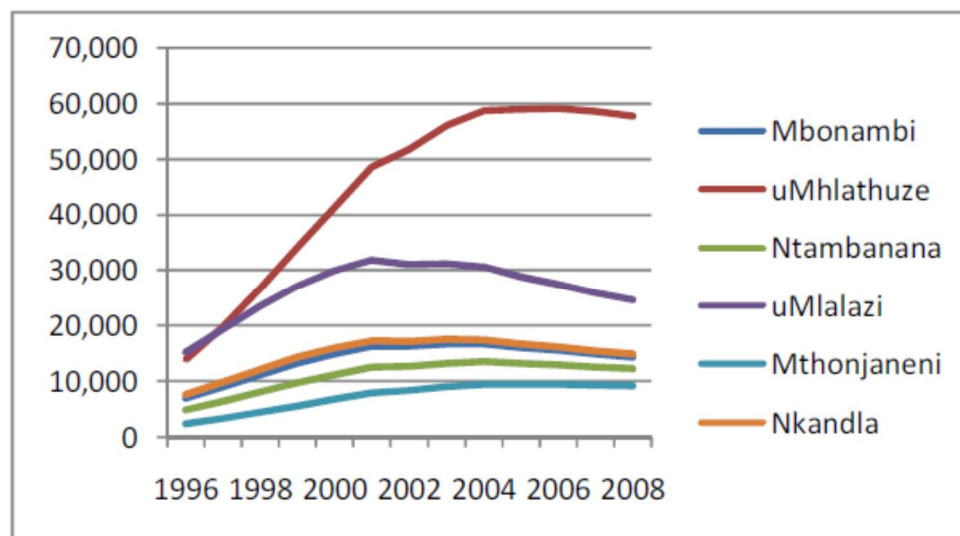
It is difficult to quantify the impact of HIV/AIDS on population growth. Local conditions inform a number of assumptions in this regard. In addition to infectious diseases, a high number of deaths are attributed to diseases of lifestyle with leading causes of death linked to hypertension, diabetes, cancer, epilepsy and asthma. Tuberculosis is recognised as the leading opportunistic infection amongst HIV positive persons with approximately two thirds of HIV infected persons co-infected with TB. In South Africa, including the uMhlathuze municipal area is one of the few countries where mortality rates have increased in children less than five years of age due to HIV and AIDS.

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 13: Incidence of HIV/Aids**



Source: Global Insight 2008

## 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:

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

More specifically, the objectives of local government are:-

- Air and Noise Pollution
- Building, Trading Regulations, Liquor and Public, Nuisance Control
- Fire Fighting Services
- Pounds
- Public Places
- Refuse Removal, Refuse Dumps and Solid Waste
- Street Trading
- Street Lighting
- Traffic and Parks
- Electricity Reticulation
- Cleansing and Trade Areas
- Beaches and Amusement Facilities
- Billboards and Display of Advertisements in Public Places
- Cemeteries, Funeral Parlors and Crematoria
- Licensing, Facilities for Accommodation, Care and Burial of Animals
- Fencing and Fences
- Local Amenities
- Local Tourism
- Municipal Airports
- Municipal Planning
- Municipal Public Transport
- Storm Water Management
- Local Sport Facilities
- Markets Stalls / Trade Areas
- Municipal Abattoirs
- 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 2014) is provided in the following table:

**Figure 14: Designated and Non-Designated Employment Numbers and Levels**

OCCUPATIONAL LEVELS	LEVEL	DESIGNATED														NON-DESIGNATED				TOTAL POSITIONS FILLED	NUMERIC GOAL PER OCC LEVEL	
		MALE						FEMALE								WHITE MALE		FOREIGN NATIONALS				
		AFRICAN		COLOURED		INDIAN		AFRICAN		COLOURED		INDIAN		WHITE								
		CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL			MALE
TOP MANAGEMENT	23	5	5	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	6	6
	TOTAL	5	5	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	6	6
SENIOR MANAGEMENT	22	3	7	0	0	1	1	3	6	0	0	0	0	0	0	0	2	0	0	0	9	9
	21	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
	19	13	10	0	0	0	3	6	9	0	0	0	2	2	1	8	0	1	0	30	30	
	TOTAL	16	17	0	0	1	4	9	15	0	0	0	2	2	1	10	0	1	0	39	39	
MIDDLE MANAGEMENT, PROF QUALIFIED AND EXP SPECIALISTS	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	17	11	9	0	1	2	3	2	6	0	0	0	1	2	1	1	0	1	0	19	19	
	16	8	7	0	1	0	2	3	6	0	0	1	1	2	1	3	0	0	0	17	17	
	15	19	17	0	1	3	6	17	17	1	0	1	4	8	2	2	2	0	0	51	51	
	TOTAL	38	33	0	3	5	11	22	29	1	0	2	6	12	4	6	2	1	0	87	88	
JUNIOR MANAGEMENT, SUPERVISORS, FOREMEN, SUPERINTENDENTS, SKILLED TECH AND ACADEMIC QUALIFIED WORKERS	14	1	2	0	0	0	0	0	2	0	0	0	0	1	0	1	0	0	0	3	3	
	13	1	2	0	0	0	1	1	3	0	0	0	0	0	0	4	0	0	0	6	6	
	12	13	11	0	1	0	2	5	7	0	0	3	2	1	2	4	2	0	0	26	26	
	11	38	45	1	1	1	14	37	51	1	2	6	8	12	3	14	5	0	0	110	110	
	10	38	35	0	0	3	4	11	26	0	1	0	3	4	3	6	2	0	0	62	62	
	9	56	58	0	0	9	13	34	49	1	2	7	9	14	5	14	8	0	0	135	135	
	TOTAL	147	153	1	2	13	34	88	138	2	5	16	22	32	13	43	17	0	0	342	384	
SEM-SKILLED AND DISCRETIONARY DECISION MAKING -	8	41	42	1	1	1	8	30	34	3	1	1	4	2	3	11	2	0	0	90	90	
	7	23	25	0	1	4	4	20	23	0	0	4	5	3	3	5	1	0	0	59	59	
	6	140	100	1	2	3	18	65	73	2	2	3	9	8	4	6	6	0	0	228	228	
	5	100	95	1	1	4	10	62	69	1	2	5	6	14	6	4	9	0	0	191	191	
	4	147	110	0	4	2	15	85	93	0	2	5	9	3	5	3	10	0	0	245	245	
	TOTAL	451	372	3	9	14	55	262	292	6	7	18	33	30	21	29	28	0	0	813	817	
UNSKILLED AND DEFINED DECISION MAKING	3	282	150	0	5	1	23	202	194	0	2	1	14	1	4	6	13	0	0	493	493	
	2	22	21	0	2	0	2	6	8	0	0	0	1	0	0	0	0	0	0	28	28	
	1	0	1	0	0	0	0	4	3	0	0	0	0	0	0	0	0	0	0	4	4	
TOTAL	304	172	0	7	1	25	212	205	0	2	1	15	1	4	6	13	0	0	525	443		
GRAND TOTAL		961	752	4	21	34	129	594	680	9	14	37	78	77	43	94	60	2	0	1812	1777	

An Employment Equity Committee has been established and will be 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.

### **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 appears 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 EXCOs 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 25: Council Committees**

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

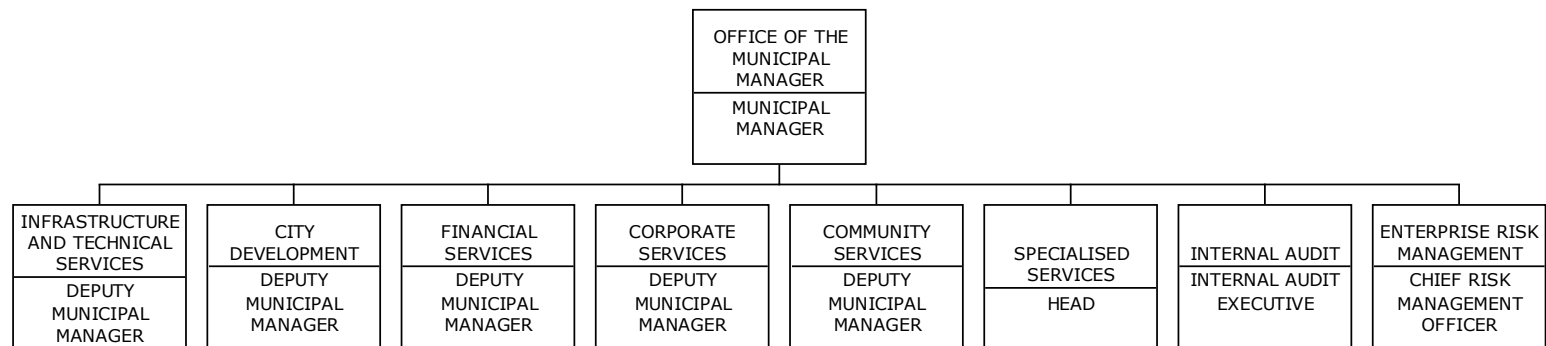
### 10.3.2 Organizational Structure

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. About 101 vacant positions have been advertised in February and in May 2014 to reduce the vacancy rate shown below.

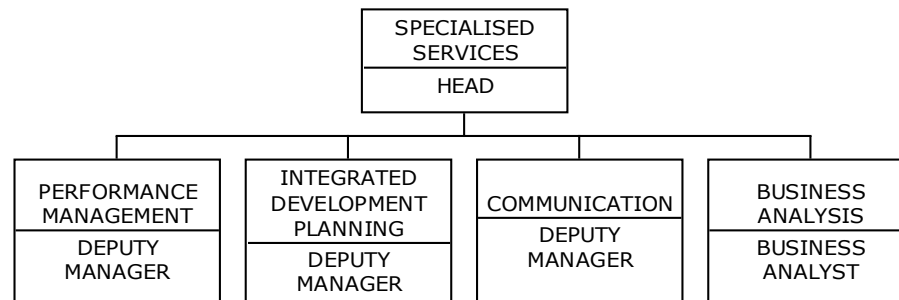
uMHLATHUZE WORKFORCE PROFILE	FIGURES	PERCENTAGE
Total Positions	2423	100%
Filled Positions	1774	73,2%
Vacant Positions	649	26,7%

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 pages.

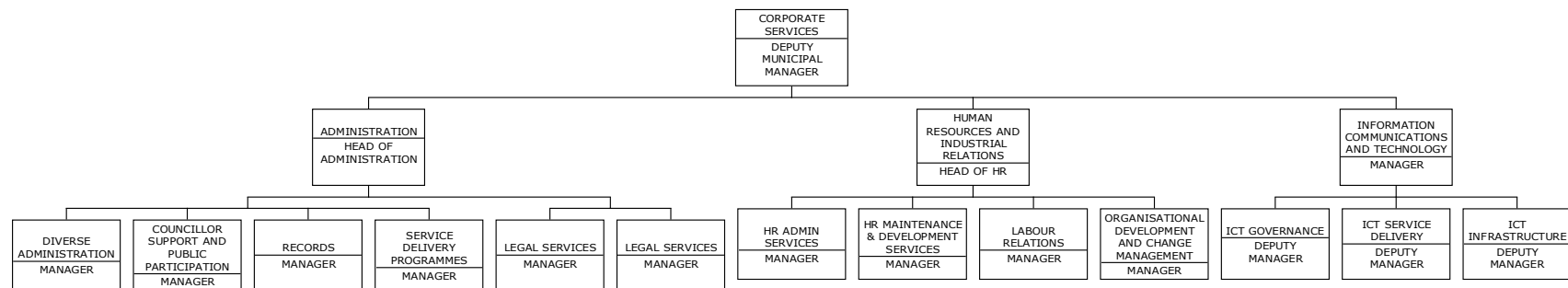
**Figure 15: Top Management Organogram**



**Figure 16: Specialized Services**

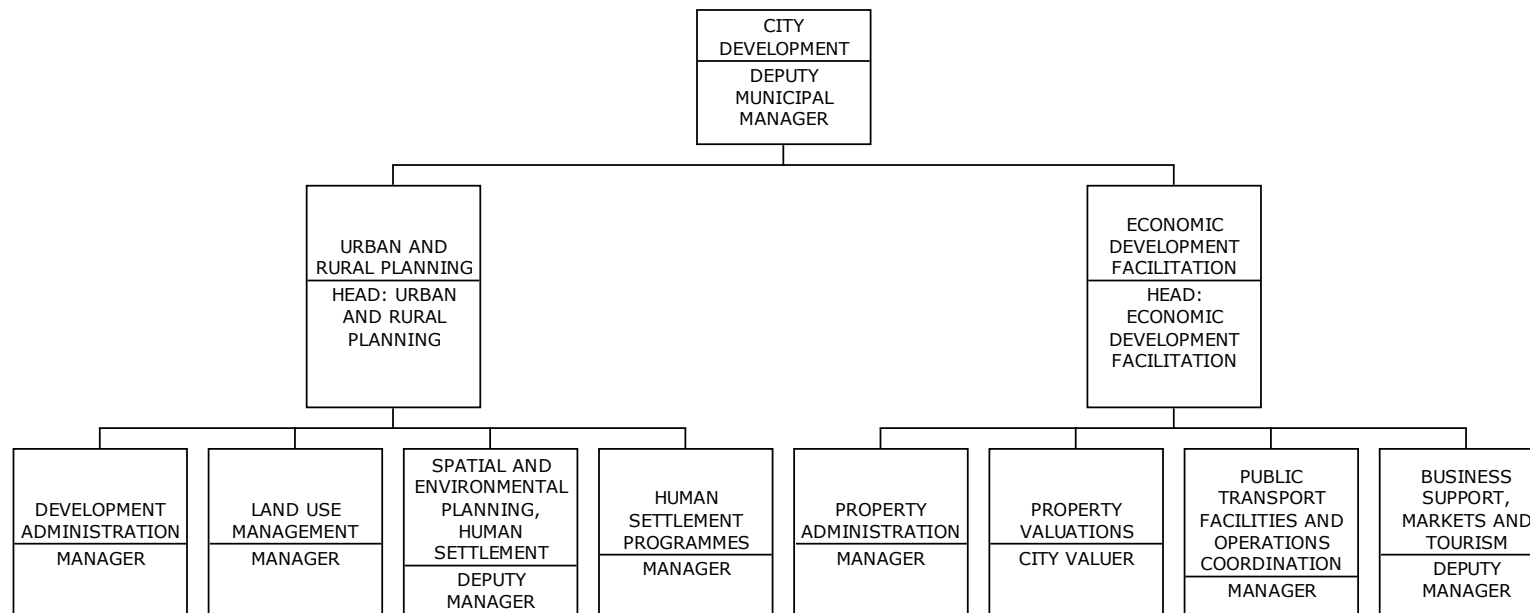


**Figure 17: Corporate Services Department**

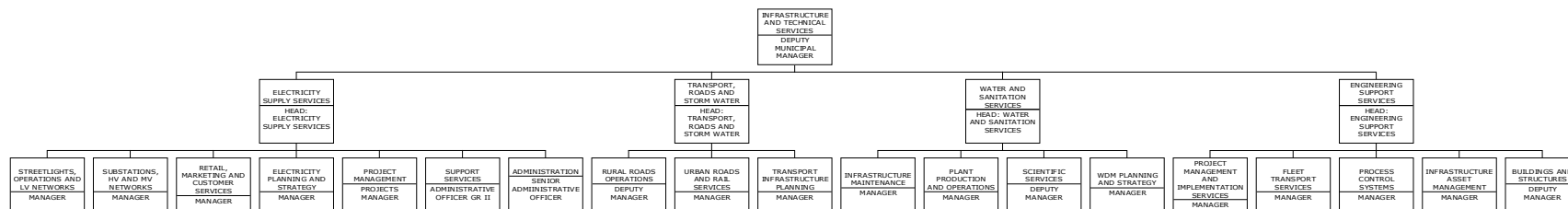




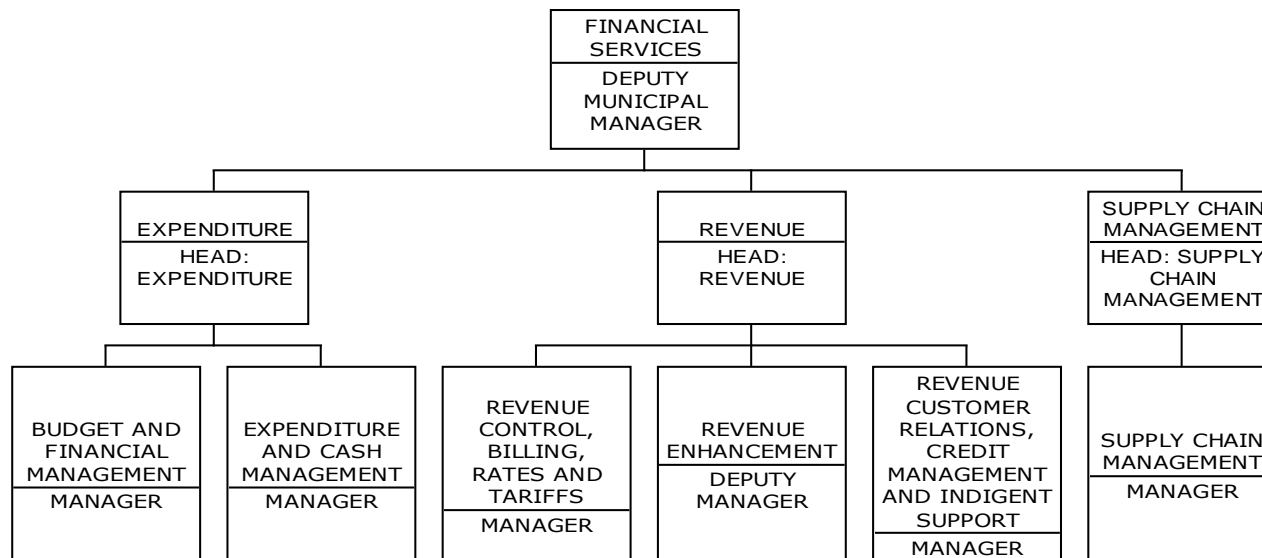
**Figure 18: City Development Department**



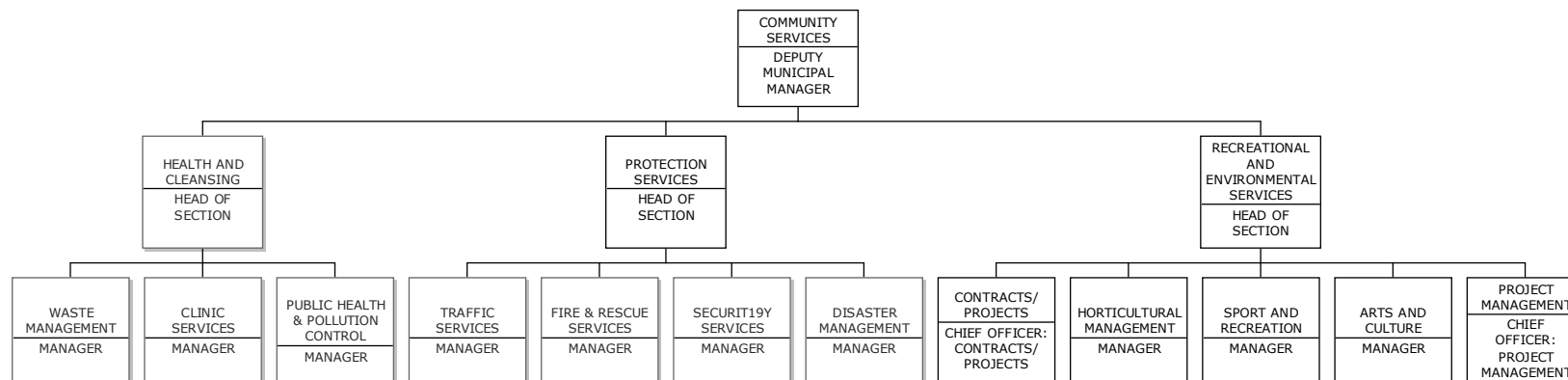
**Figure 19: Infrastructure and Technical Services**



**Figure 20: Financial Services**



**Figure 21: 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, with the exception of the Deputy Municipal Manager Infrastructure and Technical Services who recently resigned in March 2014, are filled within uMhlathuze Municipal Organisation. In the interim there is an official acting in the position of the Deputy Municipal Manager: Technical Services while the post has been advertised and appointment will be made upon completion of the recruitment process.

#### 10.3.3.2 Municipal Institutional Capacity

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

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

### 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 Training and Development 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 initiatives to Council 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 by form strategic partnerships and alliances 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, their children and members of the Community (Community Achievement Bursaries).

During the current financial year (2013/2014), Council employees were trained on the following;

- Induction Training;
- Computer Induction;
- Sport Turf Marking
- Training for Bid Committee Members by KZN Provincial Treasury;
- Brush Cutter;
- Ride on Mowers;
- Minimum Competency;
- Inspiring through Integrity Ethics Workshop . Office of the Premier . KZN;
- ICSM Call Center Training;
- Introduction to PC;
- Time Management, and;
- Waste Management Training.

During the current financial year 2013/2014, Councillors were trained on the following;

- Oversight role of Councillors in SCM process by KZN Provincial Treasury;
- MPAC Training, and;
- Cogta - Legislation, structures, functions & Good Governance.

### **Graduate Development Programme**

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

At the beginning of the 2013/2014 financial year Council hosted 9 learners from Umfolozi FET College on an internship programme in conjunction with the Services Seta. Learners were placed for 6 months and were paid a stipend monthly for the duration of the Internship Programme. On 4 November 2013, Council placed a further 27 Interns from the Umfolozi FET College on another Internship Programme in collaboration with the Services Seta. 20 learners shall be placed at Council for 18 months and 7 learners shall be placed for 12 months. Learners are paid a stipend of R 2500 per month by the Services Seta.

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 three year 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.

The graduates were chosen from applications received by the City in response to an advertisement, with preference given to graduates from KwaZulu-Natal. Categories of study included Electrical Engineering, Mechanical Engineering, Civil Engineering, Project Management, Scientists (Chemistry), Scientists (Microbiology), Environmental Planning, Computer Science and Town and Regional Planning.

In addition, Council is also hosting 4 learners on an Internship in collaboration with the office of the Premier KZN. The duration of this Internship is 6 months.

#### **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 achievements are noted hereunder:

- EAP Supervisory and Managers Training
- Employee Wellness Day/S (Health Screening Day/S)
- Emotional Intelligence for the Executive
- Health and Wellness Service Providers' 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.

The current challenge is inadequate budget allocations to perform all the proactive programmes to assist employees as per the section's work plan.



**Table 26: Human Resource Policies**

<b>No.</b>	<b>Policy Name</b>		<b>Approved By Council</b>	<b>Council Resolution</b>
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 arrangements	02 Nov 2010	6979
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	06 Oct 2009	6311

No.	Policy Name		Approved By Council	Council Resolution
		health and well-being of all employees.		
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 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.

### **10.3.6 Safety, Health and Environmental (SHE) Risk Management**

The vision of the SHE risk management is to create a work environment where hazards and associated risks are eliminated and/ or mitigated through our OHS solutions, support and training, thereby ensuring that all employees and contractors are equipped to work together in order to achieve a safe and healthy working environment for all. The following are strategic priorities for the SHE Risk Management

- To build "Sensible Health and Safety" in to Council's health and safety culture.
- To ensure that Council is a "learning" organisation by improving the way health and safety incidents are recorded, investigated and how lessons learnt from internal and external organisations are communicated.
- To improve the way that health and safety performance is measured and monitored.
- To develop leadership skills for managers to improve health and safety performance.
- To ensure that all people involved in delivery of Council services have the appropriate levels of competency to address their health and safety responsibilities.
- To ensure that where Council contracts out work to other organisations or works in partnership with other organisations the occupational health and safety risks are properly and satisfactorily addressed.

A new SHE Committee structure was adopted in July 2011 to improve the management of Safety, Health and Environmental risks in the workplace throughout the organization. Four Safety Officers were appointed to the section to assist departments and the organization as a whole to ensure compliance with the OHS Act and other safety standards and regulations.

Weekly safety messages are disseminated to all employees via the GroupWise system to foster the ideology of "Safety being a Way of Life". These topics are utilized by SHE Reps and Supervisors in sections as toolbox talk topics, ensuring ongoing awareness and communication in health and safety.

A comprehensive Hazard Identification Risk Assessment (HIRA) exercise has commenced with the aim of identifying each section's top five risks and establishes control measures to reduce, or eliminate the risk levels.

The Chief HR Officer is a founding member of the Zululand Health and Safety Forum, representing the City of uMhlathuze as one of the sponsors of the forum. The deliverables of the forum are as follows:

- Sharing best practice within the Zululand region in respect of:
  - Legal Compliance
  - System compliance and application
  - Management systems compliance and application
  - Behavioural Change and Company Culture Change
- External best practice- promoting good initiatives identified nationally and internationally
- Shaping Safety Culture
- Building the capacity of Health and Safety Practitioners

## 10.4 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

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

## **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 four versions of the WSDP since it was designated as a WSA. The first draft was prepared in 2006; the second version in 2008, the third in 2009 and the fourth was in 2010. The fifth version prepared in June 2013 and adopted by Council thereafter, 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 following table is a summary of the water backlogs in the municipal area providing a comparison of the estimated backlog in 2004 to the backlog in December 2013. Thereafter the details obtained from the 2011 census 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.

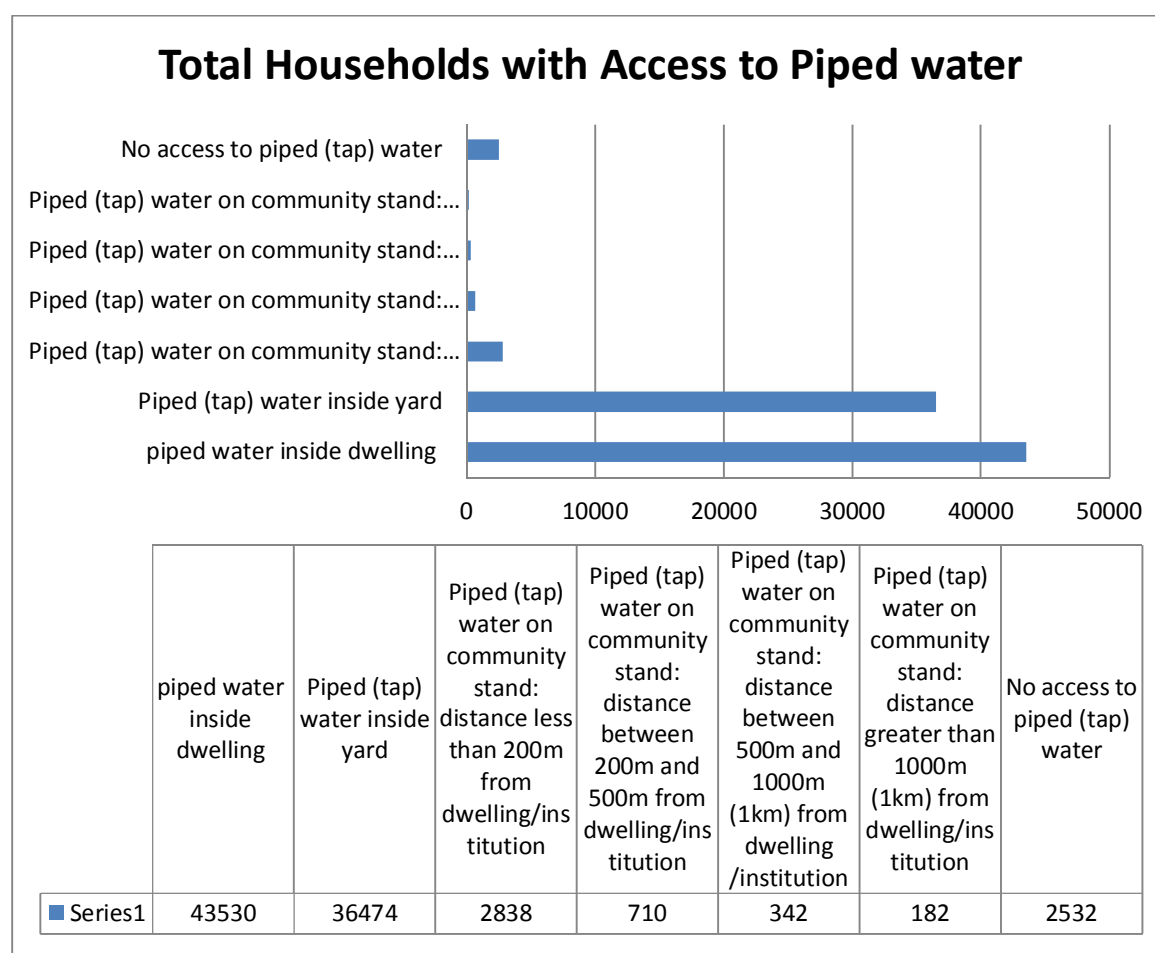
The City of uMhlathuze has formulated a Level of Service Policy for Sanitation in rural and urban areas. In formalised urban areas a waterborne system will be implemented and in rural areas Ventilated Improved Pit (VIP) Latrines will be installed.

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.

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. According to the previous OPMS scorecard figures the total numbers of households was amended from 82972 to 86609 to align with the 2011 Census figures by Statistics South Africa.

The amended figures pertaining to households with access to basic water resulted in amendment of the target from **87.57%** to **96.23%** households with access to the basic RDP level of water supply service. The basic level for the provision of water is communal and supply less than 200 metres from a household

**Figure 22: Access to Piped Water 2011**

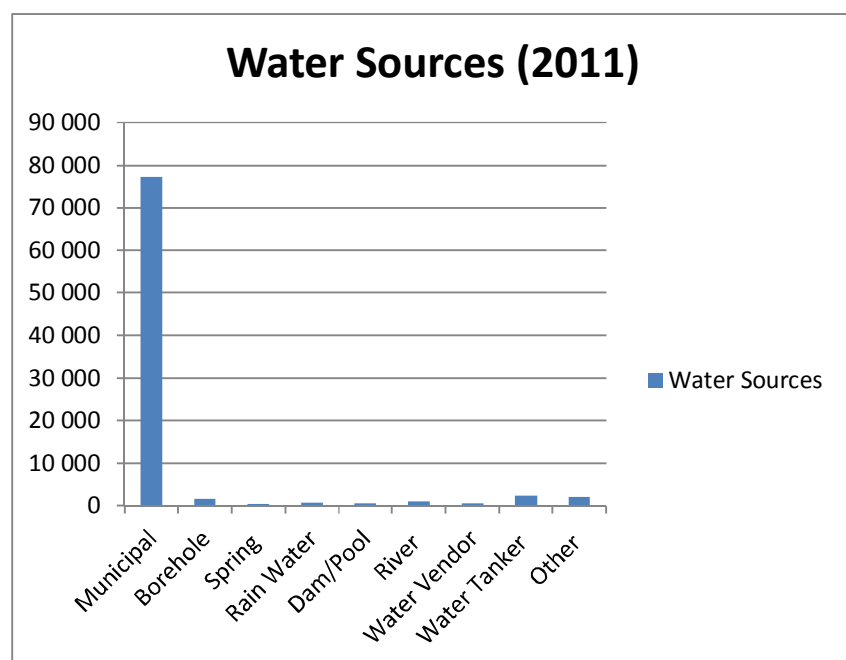


Source Census 2011

**Table 27 : Water Sources**

Source of Water 2011	Total	%
Municipal	77,363	89
Borehole	1,618	2
Spring	403	0
Rain Water	763	1
Dam/Pool	610	1
River/Stream	1,051	1
Water Vendor	499	1
Water Tanker	2,298	3
Other	2,005	2
Total	86,609	100

**Figure 23: Water Sources**



Source Census 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.

**Table 28: Water Backlogs**

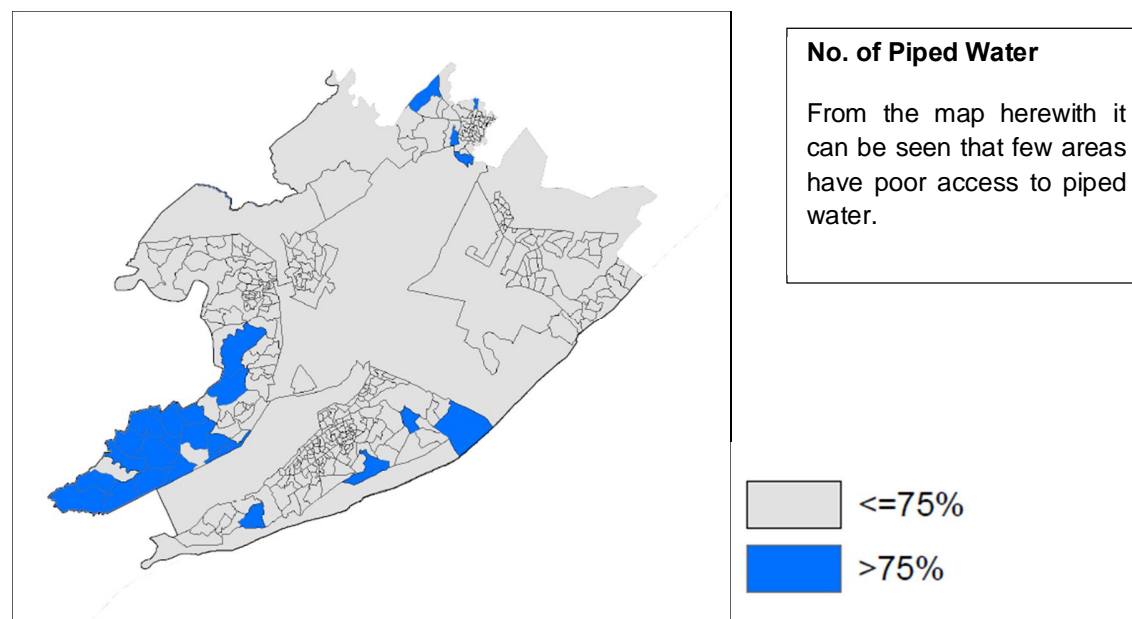
TOTAL HOUSEHOLDS SENSUS 2011 = 86609 Service Level	ACCESS ENDING JUNE 2013	SENSUS 2011 (NEW BASELINE JUNE 2013)	2013/2014 TARGET	2014/2015 TARGET	2015/2016 TARGET
House connections	35 984	43 530	43 530	43 530	43 530
Yard Connections	35 619	36 474	38 474	40 474	42 474
Communal Supply < 200 m	1 810	2 838	1 338	0	0
New Installations	1 953		2 000	2 000	2 000
Access to Basic Water	73 613	82 842	83 342	84 004	86 004
Communal Supply > 200 m #		1 234	1 234	1 234	605
No Piped water #		2 533	2 033	1 371	0
Total Backlog #	13 196	3 767	3 267	2 605	605

Access to Water as of 30 June 2013 is (73 613 households or 84.99%) and the basic water backlog is (12 996 households or 15.01%) as per OPMS Scorecard. The challenge that needs to be dealt with is the constant supply of water with fewer interruptions, therefore funding must be provided for future upgrades.

The new baseline for the 2013/2014 financial year will be (82 842 households or 95.65%) access to basic water and (3 767 households or 4.35%) backlog as indicated in the table above.

The following map is, based on the 2001 Census Data (2001), it spatially depict areas of backlogs in respect of water,

**Map 10: Water Backlogs**



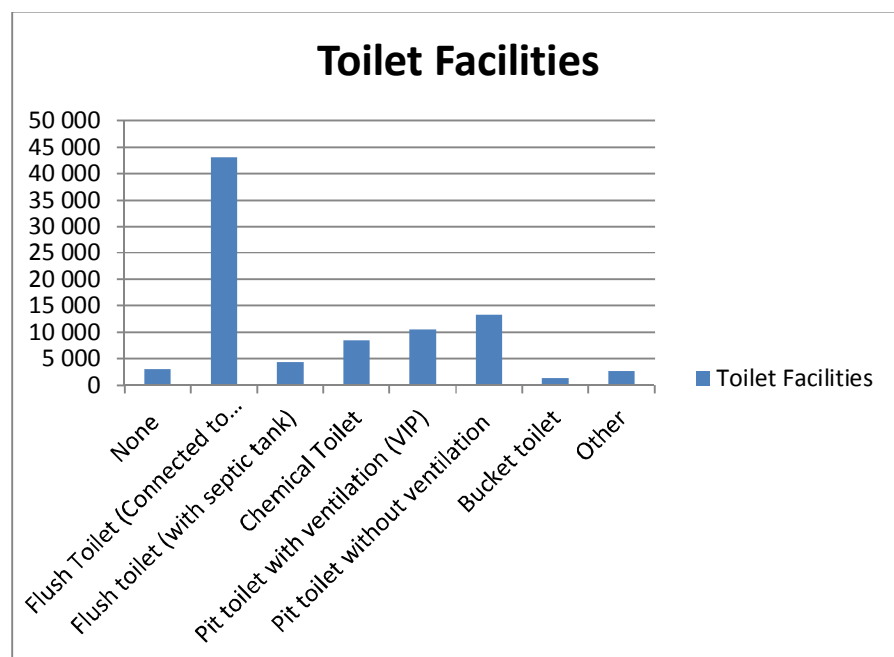
Source : uMhlathuze SDF (2013)



**Table 29: Access to Sanitation Facilities**

Types of Facilities	Total	%
None	2,979	3.44%
Flush Toilet (Connected to sewerage system)	43,068	49.73%
Flush toilet (with septic tank)	4,310	4.98%
Chemical Toilet	8,408	9.71%
Pit toilet with ventilation (VIP)	10,508	12.13%
Pit toilet without ventilation	13,246	15.29%
Bucket toilet	1,395	1.61%
Other	2,696	3.11%
Grand Total	86,609	100%

**Figure 24: Access to Sanitation facilities**



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.

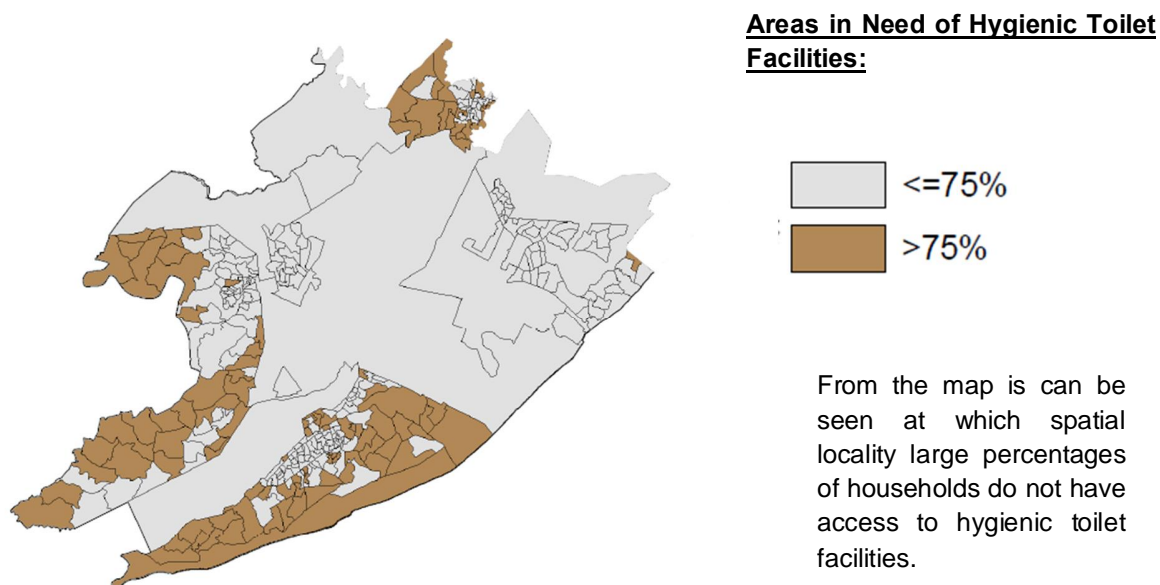
**Table 30: Municipality Calculated Sanitation Backlogs**

TOTAL HOUSEHOLDS SENSUS 2011 = 86609 Service Level	ACCESS ENDING JUNE 2013	SENSUS 2011 (NEW BASELINE JUNE 2013)	2013/2014 TARGET	2014/2015 TARGET	2015/2016 TARGET
Waterborne Sewerage	32 605	43 068	43 068	45 078	47 088
VIPs	21 062	23 754	28 754	33 754	38 754
New Installations	5 617		5 000	7 010	7 010
Access to Basic Sanitation	53 667	66 822	71 822	78 832	85 842
No formal Service (Bucket, Chemical, septic tank, other, none) Backlog	32 942	19 787	14 787	7 777	767
<b>Total Backlog #</b>	<b>32 942</b>	<b>19 787</b>	<b>14 787</b>	<b>7 777</b>	<b>767</b>

A total of **61.96%** households have access to the basic level of service for sanitation. The basic (RDP) level is one VIP per household. The amended figures pertaining to households with access to basic sanitation service resulted in change of the target from **63%** to **60.1%** households. The target for 2012/2013 for basic RDP level of sanitation service was to construct **4000** VIP toilets. For quarter 3, **577** VIP toilets have been constructed and for the full year **5 617** VIP toilets were constructed as result of a carry-over project from 2011/2012 financial year. The funding received from the Municipal Infrastructure Grant is not sufficient to satisfactorily accelerate the provision of VIP toilets.

The new baseline for the 2013/2014 financial year will be (66 822 households or 77.15%) access to basic sanitation services and (19 787 households or 22.85%) backlog as indicated in the table above.

**Map 11: Sanitation Backlogs**



Source: uMhlathuze SDF (2013)

### 11.2.1 Water Quality Assurance

The City of uMhlathuze in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services act 107 of 1997 and National Water act 36 of 1998 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. The Scientific Services section is responsible for the effective management of this function within the Water Services Authority Division.

Various key functional areas within the Scientific Services contribute to the reliability and credibility of an effective water quality management system.

#### **Sample Management**

Samples from various sources are collected for analysis of key parameters to determine water quality. Onsite testing for pH, free chlorine, temperature and dissolved oxygen are conducted as per prescribed procedure. The following table indicated the total samples from July 2011 to June 2012.

**Table 31: Total Samples from July 2011 to June 2012**

<b>SOURCE</b>	<b>SAMPLES</b>
Surface Water (Industrial)	78
Surface Water (Urban-Pumpstation)	153
Surface Water (Urban/Rural Suburbs)	42
Surface Water (Rivers/Streams/Canal)	44
Industrial Effluent	296
External Service Provider (Sampling Only)	47
<b>GRAND TOTAL</b>	<b>613</b>

#### **Online Instrumentation Management**

The technical section provides for the maintenance of online instrumentation at 14 sewage pumpstations, 3 water treatment plants and 1 wastewater treatment plant to effectively monitor quality of these vulnerable sites on a continual basis.

**Table 32: Online Instrumentation**

<b>Site Location</b>	<b>Total Instrumentation</b>
Waste Water Treatment Works (pH, Conductivity, Chlorine)	5
Water Treatment Works (pH, Conductivity, Chlorine And Turbidity)	12
Sewage Pump station (pH)	12

The aforementioned instrumentation records information on an on-going basis to ensure that quality standards are been maintained.

#### **Laboratory Testing Services (Chemistry & Microbiology)**

The laboratory comprises three sections namely Chemistry, Microbiology and Technical. These sections analyse samples on various water types:

**Table 33: Total Number of Tests per Sample Type from July 2012 2011 to June 2013**

<b>SAMPLE TYPE</b>	<b>TOTAL NUMBER OF ANALYSIS</b>
Lakes (Cubhu & Mzingazi)	5175
Surface Water	5685
Sewage	3687
Drinking Water	00
Ground Water	1820
Adhoc Analysis	219
<b>Grand Total of analysis per sample type</b>	<b>16 586</b>

Formal recognition that laboratories are competent to carry out specific tasks/tests given by the South African National Accreditation System (SANAS) presents challenges. In response to this, DWA with sector partners developed a strategy to ensure Institutions use laboratories deemed competent and produce credible results to manage and report on their drinking and wastewater quality. To this end, DWA shall approve the use of laboratories competent to analyse drinking- and wastewater samples.

The laboratory is currently undergoing method development and verification as well as phased implementation of ISO 17025. The laboratory is also participating in Proficiency Testing schemes for Chemistry and Microbiology in order to continually improve accuracy and precision when compared to other laboratories.

As a prelude to ISO 17025 accreditation, the municipal laboratory currently meets the requirements to register for DWA-approval per method.

Future plans for the laboratory include:

- Development of laboratory methods and method verification.
- Completion of the Method Validation/Verification process
- Introduction of new methodology
- Introduction of new tests
- Inter-laboratory studies
- Accreditation to Department of Water Affairs (DWA) Laboratory Strategy
- Application for ISO 17205 accreditation
- Accreditation to ISO17025

Achievements include:

- Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories.
- Second phase development of laboratory information management system (LIMS). It is a database where all laboratory information, including test results is kept.
- Participation into the Proficiency Testing Scheme. Proficiency testing is a quality procedure for monitoring the validity of the tests undertaken by the laboratory. It involves a group of laboratories or analysts performing the same analyses on the same samples and comparing results. Scientific Services laboratory is ranked as a lab that produces accurate and precise results.
- Completion of the Method Validation/Verification process for the Chemistry Laboratory.

### **Water Quality Management**

Functions in respect of the above include:

- Water and wastewater quality monitoring as per the Water Quality Monitoring Program (WQMP)
- Drinking Water Quality Management (including consumer complaint management)
- Industrial Effluent Permit Management
- Industrial Pollution Management
- Water pollution incident investigations

### **Drinking Water and Wastewater Systems**

There are currently two Water Service Providers (WSP) who are contractually 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 two WSPs are:

- Water and Sanitation Services of South Africa (WSSA) for the Northern; Southern and some part of Western region; and
- Mhlathuze Water for Empangeni (Western Region)

Their monitoring program contains the following:

- Water Treatment Works at Esikhaleni Water Treatment Works, Mzingazi Water Treatment Works and Ngwelezane Water Treatment Works
- Drinking Water Reticulation monitoring

Regarding the above, there are a number of test points along the water networks that serve to ensure that the quality of potable water (to the consumer) complies with national standards (SANS 241:2011). There are 42 samples tested per week/month by WSSA and 8 sample points by Mhlathuze Water.

Waste Water Treatment works are as follow:

- Alton Macerator Station
- Arboretum Macerator Station
- Nseleni Wastewater Treatment Works
- Esikhaleni Wastewater Treatment Works
- Empangeni Wastewater Treatment Works
- Ngwelazane Wastewater Treatment Works
- Vulindela Wastewater Treatment Works

Wastewater Treatment monitoring is undertaken at 7 test points at the wastewater treatment works and macerator stations, which ensure that the final effluent quality complies with national standards before discharge. Additional monitoring from the council's own laboratory adds credibility to the monitoring program.

Department of Water affairs drinking water quality status for the past 12 months ending May 2012, in comparison with provincial and national statistics for the City of uMhlathuze is shown in the following table:

**Table 34: Drinking Water Quality Statistics from July 2012 to June 2013**

Area	Overall Score	Drinking Water Quality Score	Appropriate Parameters Score	Appropriate Number of Samples Score	Frequency of Monitoring Score
	%	%	%	%	%
South Africa	8.5	6.4	8.2	13.7	9.0
KwaZulu-Natal	36.9	27.7	36.4	55.7	35
City of uMhlathuze	100	100	100	100	100

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.

### **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 WQMP will not only be utilised as a tool in decision making on water resource management but will also be an invaluable database of reference data of individual sample locations. The programme has been developed taking into consideration work currently being performed in other departments. The following areas are being monitored for possible pollution:

**Table 35: Sample Types being monitored by WQMP**

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
Groundwater	Municipal Cemetery Landfill Site
Sewage	Industrial Effluent (sewage network)

### **11.2.2 Water Pollution Control**

Water pollution control includes monitoring of Waste Water Treatment Works, streams and rivers, water bodies and borehole monitoring. These all are influenced by industrial waste, pump station- and sewer overflows and non-compliances of industry and WSP to national effluent standards. The WQMP is the monitoring programme that the laboratory follows to conduct its testing. The WQMP comprises the standards/guidelines and regulations that are required to effectively and efficiently monitor all of the city's water sources. Trend analyses will in future assist the council to detect from early on the water quality status of the water sources and timeously put in mitigation measures.



### 11.2.3 Blue and Green Drop Incentive Based Programmes

The Minister of Water Affairs introduced the concept of Incentive Based Regulation on 11 September 2008 to the water sector at the National Municipal Indaba held in Johannesburg. The concept was defined by two programmes: the Blue Drop Certification Programme for Drinking Water Quality Management Regulation and the Green Drop Certification Programme for Wastewater Quality Management Regulation.

#### Blue Drop Incentive Based Program

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.

**Table 36: Comparative Results for Blue Drop Status from June 2011 to June 2012**

Blue Drop Systems	2010 Score	2011 Score	2012 Score
Mzingazi WTW	81.25%	89.28%	89.91%
Esikhaleni WTW	79.75%	90.07%	92.35%
Ngwelezane WTW 	79.75%	91.35%	96.37%
Nsezi WTW 	NA	88.90%	98.39%
<b>Average Score</b>	80.4%	89.26%	92.94%

#### Green Drop Incentive Based Program

The Green Drop process measures and compares the results of the performance of Water Service Authorities and their Providers, and subsequently rewards (or penalizes) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined.

Green Drop Certification seeks to improve Municipal Wastewater Services through the effective and efficient management of wastewater treatment and effluent discharge while promoting transparency and subsequent accountability.

**Table 37: Green Drop Scores for uMhlathuze Municipality**

Green Drop Systems	2010 Score	2011 Score
Empangeni WWTW	72%	82.6%
Esikhaleni WWTW	72%	84.3%
Ngwelezane WWTW	72%	83.2%
Nseleni WWTW	72%	86.1%
Vulindlela WWTW	72%	83.2%
<b>The Average Score</b>	72%	83.3%

**Future plans for water quality include:**

- Complete Lakes Cubhu management plans.
- Improved efficiency of permit management system by initiating an online application process
- Initiate a risk-based approach to monitoring of wastewater systems
- Introduction of Water Safety and Risk-abatement Plans for the city
- Introduction of Tariff based Trade Effluent permit management system.
- Development of Document Control Management system as per ISO 9001.

**Achievements include:**

- Water pollution control 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.

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



### 11.2.5 Operations and Maintenance

In the past the City of uMhlathuze relied heavily on various national subsidies for capital income. Mainly DWAF and the Consolidated Municipal Infrastructure Programme (CMIP). SINCE 2005/2006 Financial Year, the major capital sources of income have been consolidated into the Municipal Infrastructure Grant (MIG). The MIG includes all funding that was previously allocated through the DWAF Community water Supply Programme, the Public Works Programme and CMIP. Currently uMhlathuze municipality obtains the bulk of its funding for capital infrastructure from the MIG, supplemented by the municipal equitable share.

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 is impractical to include it in IDP. However table below indicate the summary of operating cost /budget for water and sanitation services over the next two years

**Table 39: Water Services Operating Budget Provision**

Component	Amount (Rand x1000)	
	2013/2014	2014/2015
Sewage Network	59 710	77 093
WWTW	38243	40 690
Sewage Pump stations	17 662	19 287
Water Rural Areas	37 203	42 043
Water and Sanitation Infrastructure Planning	4 627	4 831
WTW	123 997	141835
Water Distribution	113 119	144 230
Clarified Water Supply	16 626	18 158
Scientific Services	8 458	8587
Industrial Effluent Pipeline	83	83
Water and Sewage Distribution Account	36	25
Sewage Pump stations Distribution Account	0	0
<b>Total</b>	<b>419 764</b>	<b>496 862</b>

### 11.2.6 Sector Involvement and Projects

**Table 40: Water and Sanitation Budgeted Projects**

Component	Amount (Rand x1000)		
	Adopted 2012/2013	Adopted 2013/2014	Adopted 2014/2015
Scientific Building Alterations	400	0	0
Emergency pipeline to Lake Cubhu	101	0	0
Rural Sanitation	58 114	48 090	50 870
Mzingazi Village Sewer Project	1 200	0	0
VARIOUS Sanitation Projects	3 400	6 000	3 300
Sanitation- UMhlathuze Village Internal Services	2 400	0	0
Sewerage Pumpstations . Replacement of hoists and pumps	1 209	0	0
Rural water	32 048	10 000	10 000

Component	Amount (Rand x1000)		
	Adopted 2012/2013	Adopted 2013/2014	Adopted 2014/2015
Dube traditional area bulk water supply	500	0	0
Mkhwanazi north phase 5 water supply	2 500	29 655	31 370
Water meters . traditional authority areas	1 500	1 000	1 000
Esikhaleni WWTW Highlift Pump station	125	0	0
Water- uMhlathuze Village Internal Services	1 840	0	0
Bulk WATR Master Plan and Water Services Development Plan	1500	0	0
Water Quality Compliance	387	500	1 750
Water and Sanitation Distribution . New Staff Furniture	502	600	600
WATER AND Sanitation Distribution PLUMBERS TOOLS	1 301	1 00	1 00
Sewage Pump station . Telemetry	767	1 000	1 000
WATER Pump stations Telemetry	767	1 000	1 000
WATER Projects	0	1 000	1 000

## 11.3 SOLID WASTE MANAGEMENT

### 11.3.1 Waste Collection

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 831cm<sup>3</sup> 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.

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.

Apart from industries and commercial businesses, the municipality services 58 894 households, emptying 61 924 trolley bins. Free basic service is also rendered to 12 633 low income (indigent) households. There are 130 skips currently dedicated to rural communities under 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 71% when communal skips servicing rural communities and rural schools are considered.

**Table 41: Solid Waste Management**

TOTAL HOUSEHOLDS SENSUS 2011 = 86609 Service Level	ACCESS ENDING JUNE 2013	CENSUS 2011 (NEW BASELINE JUNE 2013)	2013/2014 TARGET	2014/2015 TARGET	2015/2016 TARGET
Weekly 240 L bins	46 326	46 326	46 326	46 326	46 326
Communal Skips	12 882	13 500	15 500	17 500	19 500
Additional Skips (sensitive areas not included in total)	3 000	NA	3 000	3 000	3 000
Access to Basic Sanitation	59 494	59 826	61 826	63 826	65 826
No formal Service Backlog	27 401	26 783	24 783	22 783	20 783
Total Backlog #	27 401	26 783	24 783	22 783	20 783

A total of **68.40%** (59 494) households have access to the basic weekly solid waste removal service at the end of June 2013, 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 been aligned with the Census 2011 figures, therefore total access amended 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.

### 11.3.2 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 the design stage and environmental compliance is being pursued. Construction will follow soon and expected to be completed end of June 2012. This is a major achievement considering the economic situation.

**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

### 11.3.3 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

### 11.4.1 Urban Roads, Rail and Road Markings

This maintenance entails daily pothole repairs, repairs in roads where pipe bursts occurred. Major maintenance is done via the pavement management system.

The following lengths of urban roads are maintained by this section:

**Table 42: Urban Maintenance Road lengths**

Area	Suburb	Length of Road (km)
<b>Richards Bay</b>	Alton North	20.5
	Alton South	32.5
	Aquadene	9.8
	Arboretum	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
<b>Empangeni</b>	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
<b>Ngwelezane</b>	Unit A	17.8
	Unit B	15.1
<b>Esikhaleni</b>	Unit H	48.5
	Unit J	33.7
<b>Felixton</b>		9.8
<b>Nseleni</b>		22.2
<b>Vulindlela</b>		7.9
<b>Not available</b>		15.36
<b>TOTAL</b>		<b>571.419</b>

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.

The road markings and traffic signs section is hampered by staff shortages.

The main project of this section revolves around the PMS (Pavement Management System). The PMS is a system that was developed to inform the user of all future major maintenance work required on the roads such as mill and fill activities, seals such as chip-and-spray as well as slurry seals and asphalt overlays. It informs the user of estimated costs and assist in the preparation of maintenance tenders. The PMS is reviewed and updated every three years after an intensive assessment to determine the condition of the roads.

### **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:

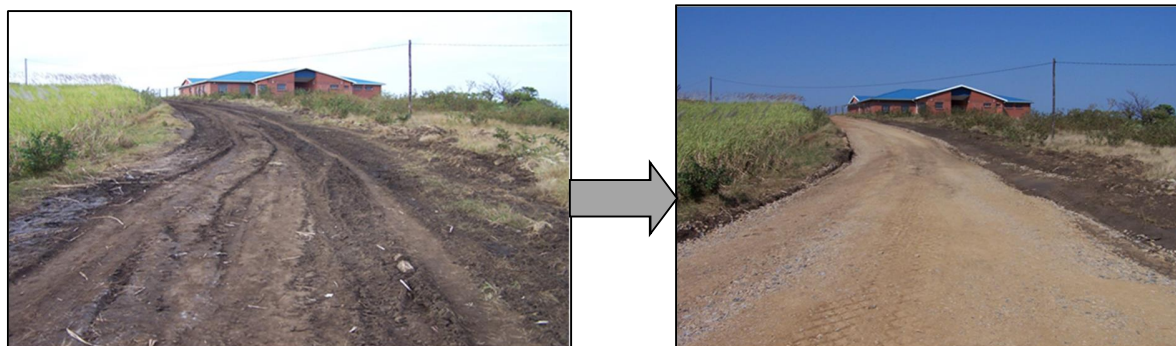
- Maintenance of traffic signals
- Upgrading of traffic signals
- Improvement of technology

**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 police 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.

## 11.5 ENERGY

### 11.5.1 Introduction

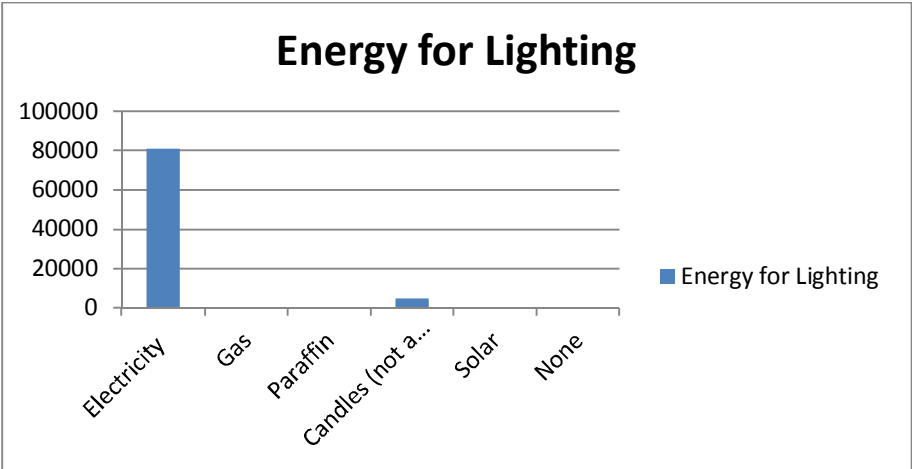
The city of uMhlathuze is the electricity provider, however in rural areas electricity is still supplied by ESKOM. The Energy Sector Plan was prepared in 2009, and is due for revision. Below are the sustainability objectives as provided in the Municipal Energy Sector.

#### Energy Sector Plan: Sustainability Objectives

	Demand Side Sectors				Supply Side Sectors			
	Residential	Municipal	Industry	Transport	Electricity	Coal	L&GF	Renewable
<b>Environmental</b>								
1. Increase the uptake of energy efficient practices and renewable alternatives	✓	✓	✓	✓				✓
2. Reduce the use of dirty and inappropriate fuels	✓							✓
3. Mitigate the emission of Greenhouse Gases at National level	✓	✓	✓	✓	✓	✓	✓	✓
4. Minimise the emission of Local atmospheric pollutants	✓	✓	✓	✓		✓	✓	✓
<b>Economic</b>								
1. Increase the affordability of clean and safe energy sources	✓				✓		✓	✓
2. Ensure a secure and efficient energy supply infrastructure		✓		✓	✓		✓	✓
3. Maintain and improve financial viability and sustainability within the business sector			✓					
4. Development of novel finance initiatives, and other instruments, to encourage uptake of RE and EE technologies		✓						✓
<b>Social</b>								
1. Reduce the incidence of fire	✓						✓	
2. Reduce the incidence of respiratory disease	✓	✓	✓	✓		✓	✓	
3. Improve living standards	✓			✓				
4. Enhance public safety and security on the roads and on public transport systems		✓		✓				
<b>Institutional</b>								
1. Improve access to appliances for use with clean and appropriate fuels	✓	✓						
2. Enhance public education, awareness and participation in green practices associated with energy		✓						
3. Improve mechanisms to encourage uptake of renewable energy sources		✓						✓
4. Introduce formalised data collection protocols		✓			✓	✓	✓	✓



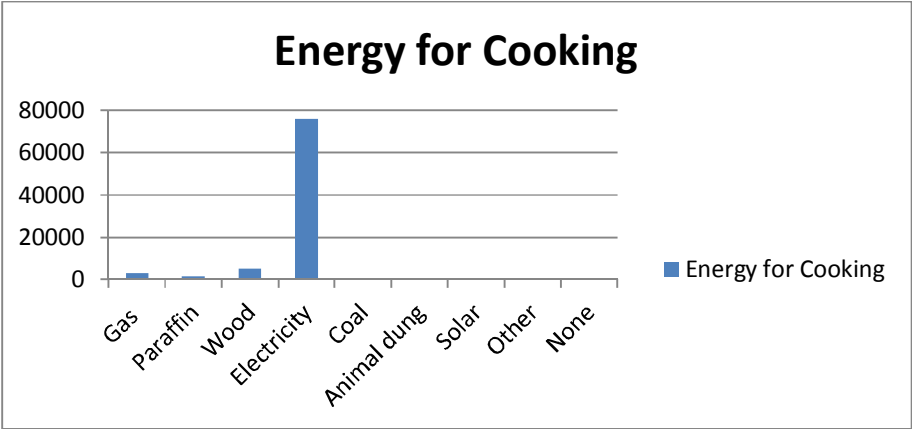
Figure 25: Energy for Lighting



Source Census 2011

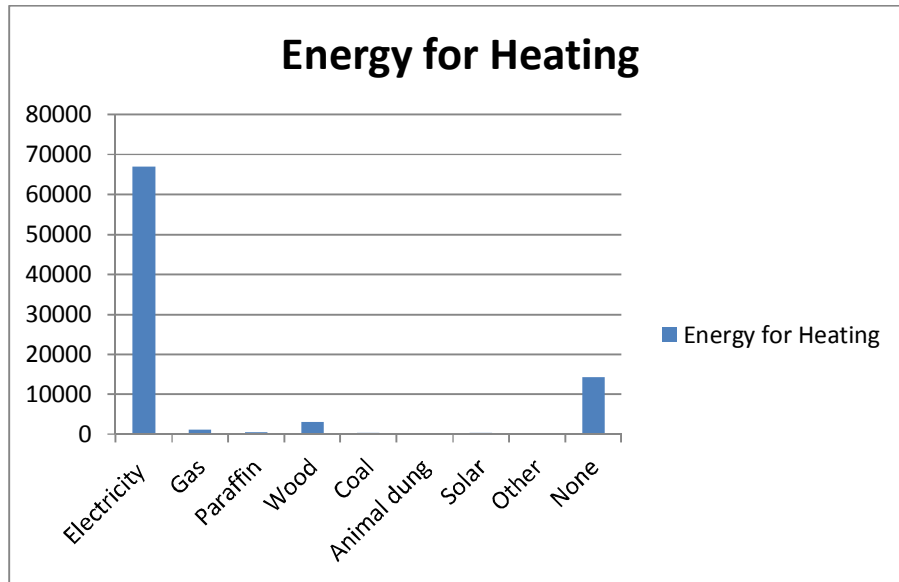
According to Census 2011, 93 % of households in the uMhlathuze Municipality use electricity for lighting. This is a great achievement for the municipality towards to realization of the Millennium Development Goals. Only about 5% of households still use candles for lighting.

Figure 26: 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 27: 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

### 11.5.2 Summary of Infrastructure

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

- 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 39 782 customers, including Industrial, Commercial and Residential.

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

**Table 43: Notified Maximum Demand and Recorded Peak**

Point of Delivery (PoD)	Notified Maximum Demand (MVA)	Recorded Peak (MVA)
Impala/Polaris	230	226.72
Impala/Cygnus	16	9.41
Empangeni Main/ Empangeni Municipality	20	18.55
Logal/Empangeni Municipality	20	18.77
Ngwelezane/Ngwelezane	7	6.35
Avior/ Nseleni	2.5	2.76
Ngoye/Felixton	0.7	0.7
<b>Total</b>	<b>296.20</b>	<b>283.26</b>

### 11.5.3 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.

### 11.5.4 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.

### **11.5.5 Energy Efficient Demand Side Management and Renewable Energy**

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

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

### **11.5.6 Power Purchase Agreements and Energy Buy Back**

Mondi entered into a PPA with Eskom that is valid until 2016. Phase 1 is initially for self-generation and Phase 2 entails wheeling power back into the Eskom grid via the municipal grid, as there is not direct physical connection between Mondi and Eskom. Tata Steel entered into an Energy Buy Back agreement with Eskom for a period of 6 months.

### **11.5.7 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

### 11.5.8 Electrification and Backlogs

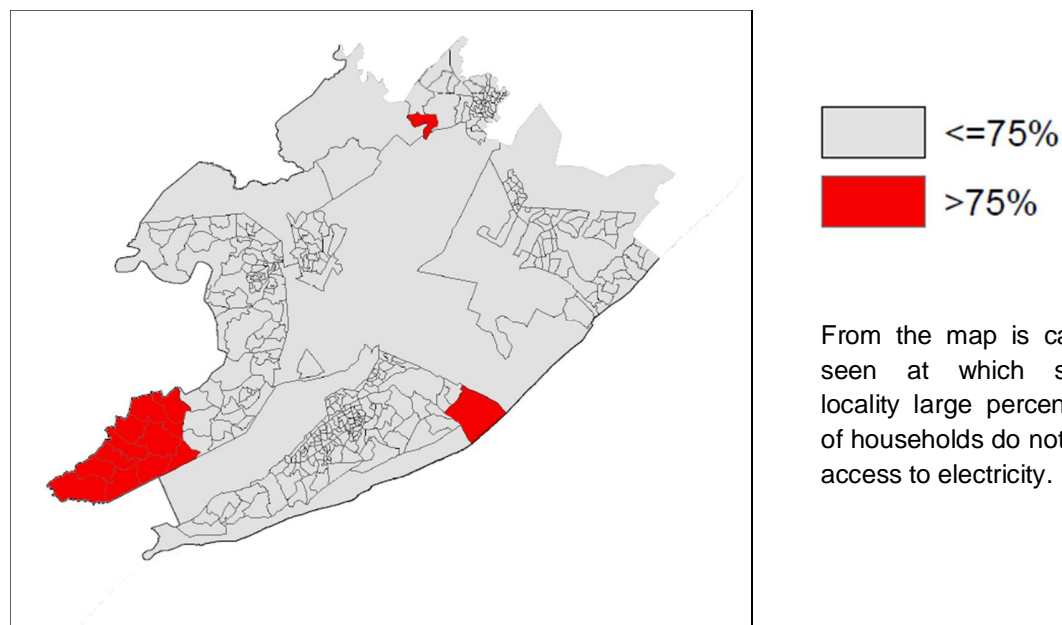
The following is a summary of the electrification projects and backlogs in the municipal area:

**Table 44: Electrification and Backlogs**

uMhlathuze Village Phase 7	<ul style="list-style-type: none"> <li>○ Application submitted to DoE (Department of Energy) for 700 units</li> <li>○ R3m allocated for 2013/2014 for estimated 206 units</li> </ul>
Esikhaleni H and J Sections	<ul style="list-style-type: none"> <li>○ Require 65 units (8 completed to date, 57 outstanding to date. <b>Network is completed at J section. Connections are done as and when customers come in to apply. H is still to go to Council for designs approval.</b></li> <li>○ Project underway to install backbone</li> </ul>
Ngwelezane B1030	<ul style="list-style-type: none"> <li>○ 53 units <b>(24 connections has been done to date and completed). The rest of consumers are done as and when they come in.</b></li> <li>○ Project completed to install backbone</li> </ul>
Mandlazini	<ul style="list-style-type: none"> <li>○ 800 requests received</li> <li>○ R11,6 million required to electrify areas</li> <li>○ Awaiting finalisation of geotech report</li> </ul>
Mzingazi	<ul style="list-style-type: none"> <li>○ 300 requests received</li> <li>○ R4,35 million required to electrify areas</li> <li>○ Awaiting finalisation of geotech report</li> </ul>
Eskom supply areas	<ul style="list-style-type: none"> <li>○ Reported backlog of estimated 8986</li> <li>○ Planned installation for 2013/2014 estimated 4958</li> </ul>
RBIDZ (Richards Bay Industrial Development Zone)	<ul style="list-style-type: none"> <li>○ Applied for 10MVA . Phase 1</li> <li>○ Later amended SoW, in terms of switching station location</li> <li>○ R6.2m short of payment</li> <li>○ SCM process underway</li> <li>○ Phase 2 application to be submitted soon</li> <li>○ Submitted the internal reticulation design</li> <li>○ City of uMhlathuze has responded with a few amendments</li> </ul>

The following map, based on the 2001 Census Data (2001), spatially depict areas of backlogs in respect of electricity

## Map 12: Electricity Backlogs



### 11.5.9 Energy Losses

The value of Energy losses in the Municipality for the two last quarters of 2013 are provided hereunder:

	July – Sept 2013 (Rm)	Oct – Dec 2013 (Rm)	Total (Rm)
<b>Richards Bay</b>	R11.58 m	R9.32	<b>R20.90m</b>
<b>Empangeni/Felixton</b>	R2.96m	R5.09m	<b>R8.05m</b>
<b>Ngwelezane</b>	R1.64m	R1.50m	<b>R3.15m</b>
<b>Esikhaleni</b>	R0.83m	R1.04m	<b>R1.87m</b>
<b>Nseleni</b>	R0.54m	R0.52m	<b>R1.06m</b>
<b>Vulindlela</b>	R2.20m	R0.11m	<b>R2.31m</b>
<b>TOTAL</b>	<b>R19.75m</b>	<b>R17.59m</b>	<b>R37.34m</b>

Comparison with 2012 last two quarters . Total amounted to R40.60 , difference . R3.26

It is noticed that there was a slight drop in Energy losses when comparing with the last two quarters from 2012.

The following initiatives are pursued to address energy losses:

- 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 will be 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.

## Planned Projects

- Auditing of remaining Complex Prepaid Meter installations,
- Auditing of all 400 Volt Post Paid CT Operated meters - due to start mid March 2014.
- Auditing of all Resflex Post Paid meters - approximately 1 100 customers.

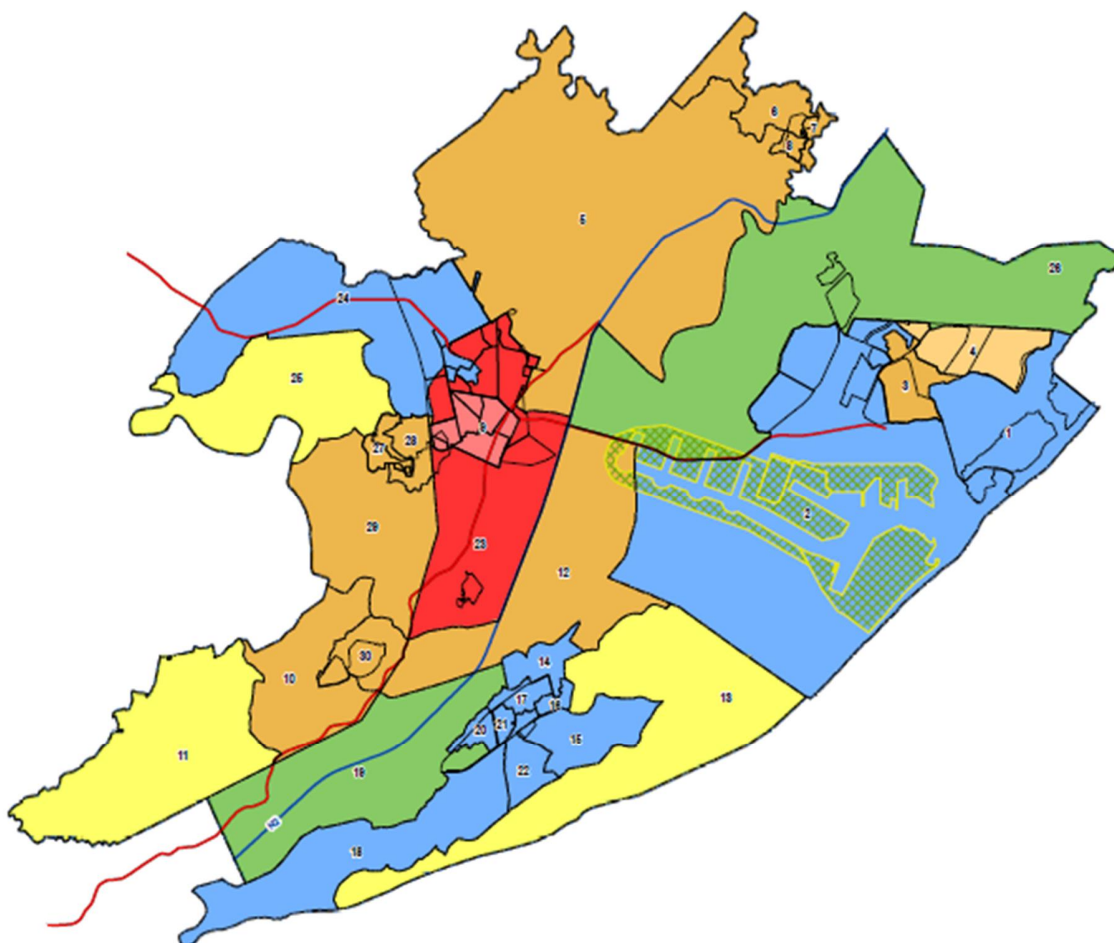
## Sector Involvement

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.

### 11.5.10 Electricity Capital Investment

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

**Map 13 : Electricity (proposed capital 14/15)**



## 11.6 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

### Electricity Supply Services

	0 - 50,000
	50 000 -500 000
	500 000 - 1m
	1m - 2m
	2m - 3m
	3m - 4m
	4m - 5m

### 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 45: 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
<b>TOTAL</b>	<b>15</b>	<b>22</b>	<b>15</b>	<b>18</b>	<b>70</b>

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 46: 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		
<b>DUBE TA TOTALS (2001)</b>			
TOTAL POPULATION	58245		
TOTAL <5YRS	8060		
TOTAL >64YRS	1474		

**Table 47: 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		
<b>KHOZA TA TOTALS (2001)</b>			
TOTAL POPULATION	37699		
TOTAL <5YRS	4708		
TOTAL >64YRS	888		

**Table 48: 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		
<b>MADLEBE TA TOTALS (2001)</b>			
TOTAL POPULATION	48968		
TOTAL <5YRS	5716		
TOTAL >64YRS	1673		

**Table 49: 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		
<b>MKHWANAZI TA TOTALS (2001)</b>			
TOTAL POPULATION	77751		
TOTAL <5YRS	8496		
TOTAL >64YRS	2257		

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

**Table 50: uMhlathuze Municipality Access to Community Facilities**

			% OF TOTAL POPULATION PER TRAVEL TIME RANGE			
FACILITY	TOTAL NO FACILITIES	TOTAL POPULATION (2001)*	<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%

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

			% OF POPULATION >64 YEARS PER TRAVEL TIME RANGE			
FACILITY	TOTAL NO FACILITIES	POPULATION >64 YEARS (2001)*	<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.

## **11.7 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 this project are the following:

In terms of Sections 26, 27 and 29 of Chapter 2 - Bill of Rights - everyone has the right to access to adequate housing, health care services, social security and education.

In terms of Schedules 4 and 5, 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).

The National Housing Code 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. The aim of this plan is to assist the municipality in fulfilling the abovementioned role assigned to it in terms of the National Housing Code.

The Umhlathuze Municipality developed a comprehensive Housing Sector Plan that was adopted by Council in May 2012. The Housing Chapter is a summarised version of the Housing Sector Plan and focuses on certain key areas for the purpose of the IDP. For more detailed information reference should be made to the adopted Municipal Housing Sector Plan. The 2014/2015 Municipal Human Settlements Plan Review is underway.

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.

### **11.7.1 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 as per the 2013/2014 Municipal Human Settlements Plan Review.

Urban Greenfield low income housing: **10000** including Mandlazini and Mzingazi housing backlog  
Social/Rental and Community Residential Units: **5000** Units  
Rural Housing: **6622** including slums clearance estimated at 2800  
**Total Housing demand: 21 622**

The Umhlathuze municipal area is characterized by a shortage of suitably well-located land for housing development. It is noted that the removal of slums and informal settlements is a priority to the National and Provincial Department of Human Settlements. The municipal housing plan was compiled using the 2001 census data that identified 5812 informal dwellings, with 53,22% located in Khoza and 19,48% in Dube. Also, in 2001 there was a total of 10 034 traditional dwellings, with Dube (27%), Zungu/Madlebe (21%) and Khoza (14%) identified as the areas of greatest need in terms of rural housing.

### 11.7.2 Housing Affordability

Currently persons who fall under the gap market category (i.e. R7501-R15000) have a challenged 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.

### 11.7.3 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

### 11.7.4 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**.

### **11.7.5 National Upgrading Support Programme**

The following six informal settlements were identified by the uMhlathuze Municipality as priority areas for the National Upgrading Support Programme:

- I. Mandlazini Infill Areas (Open Spaces) and Mandlazini-Airport Buffer Strip Area
- II. Mzingazi Village Infill Areas
- III. Nseleni/Bhejane Peri-Urban Settlements
- IV. Mzingwenya Settlement
- V. Ngwelezane 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 1900s, 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 1990s. 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.

#### Mandlazini-Airport Buffer Strip Informal Settlement

The Mandlazini-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.

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.

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. The project is envisaged that it will be completed in March 2015.

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.

Informal Settlements Upgrade: The Municipality will ensure that it fulfil the objectives of the Outcome 8, to upgrade 76 200 households in well located informal settlements. The Municipality will also fulfil the requirements of the National Upgrading of Informal Settlements Programme (UISP).

### **11.7.6 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 four roomed houses. The Esikhaleni Hostel Refurbishment Programme has been in existence since 2002 and as part of the process. To date, a total of 15 hostel blocks (out of 20) that represents 6 hostels have been refurbished. The remaining 5 blocks to be refurbished form part of the following hostel/s:

É H396 5 blocks

15 Blocks (180 units) have been upgraded and about 270 families/households have been re-allocated to the refurbished units. About 300 people have been relocated to uMhlathuze Village low income housing project.

The Council has awarded the tender for the refurbishment of first 2 blocks of H396 (Bhambatha Hostel) and the remaining 3 blocks will be refurbished once the first 2 blocks has been completed.

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

**Table 51: Hostel Refurbishment Progress**

HOSTEL NAME	STATUS
H862 (2 blocks)	Refurbished
H395 (3 blocks)	Refurbished
H396 (5 blocks)	Refurbishment underway
J1169 (2 blocks)	Refurbished
J1083 (4 blocks)	Refurbished
J223 (2 blocks)	Refurbished
J464 (2 blocks)	Refurbished

### **11.7.7 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

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

**Table 52: 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 53: 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
<b>Total</b>	-	<b>2042</b>



### 11.7.8 Human Settlements Projects in uMhlathuze

**Table 54: 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 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
4	Esikhaleni Hostel Upgrade(CRU)	CRU	CRU/Brown field	20 & 21	360 (60% completed)	N/A	12,000,000.00  20,000,000
5	IDT Area (People's Housing Process)	In-situ upgrade/Slums	EPHP	27	+/-250	68	R1,789,309.04

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	NO. OF HOUSES CONSTRUCTED	PROJECT VALUE
	Ngwelezane	Clearance				But 138 sites were approved by the Department of Human Settlements	
6 7	KwaDube Rural Housing  Khoza/Bhejane Rural Housing	Rural Low income housing  Rural Low income housing	Rural  Rural	12,13,14,15 & 16  Wards 5,6,7 & 8	1500  1200	441 (21/02/2014)  Construction still on progress  1 (March 2014)	R3,663,525.00  (Stage 1)  R110,723,490.00  (Stage 2)  R2,930,820.00  (Stage 1)
8	Mkhwanazi Rural Housing	Rural Low income housing	Rural	24,25,27,28 & 29	1000	952 (March 2014)	R58, 535, 950.00  (Stage 1)  R59, 361, 700.00  (Stage 2)

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	NO. OF HOUSES CONSTRUCTED	PROJECT VALUE
9	Madlebe Rural Housing	Rural Low income housing	Rural	10,11,17,18,19,22 & 30	1000	992 (March 2014)	R2, 442, 350.00 (Stage 2)  R73,506,880.00 (Stage 2)

The Provincial Department of Human Settlements expects each Implementing Agent (IA) to construct at least 40 houses per month for rural and urban - low cost housing as outlined in the Tri-Partite Agreement (between the Province, Municipality and IA).

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
<b>Total</b>	<b>317</b>	

### 11.7.9 Projects Envisaged for Next 7 Years

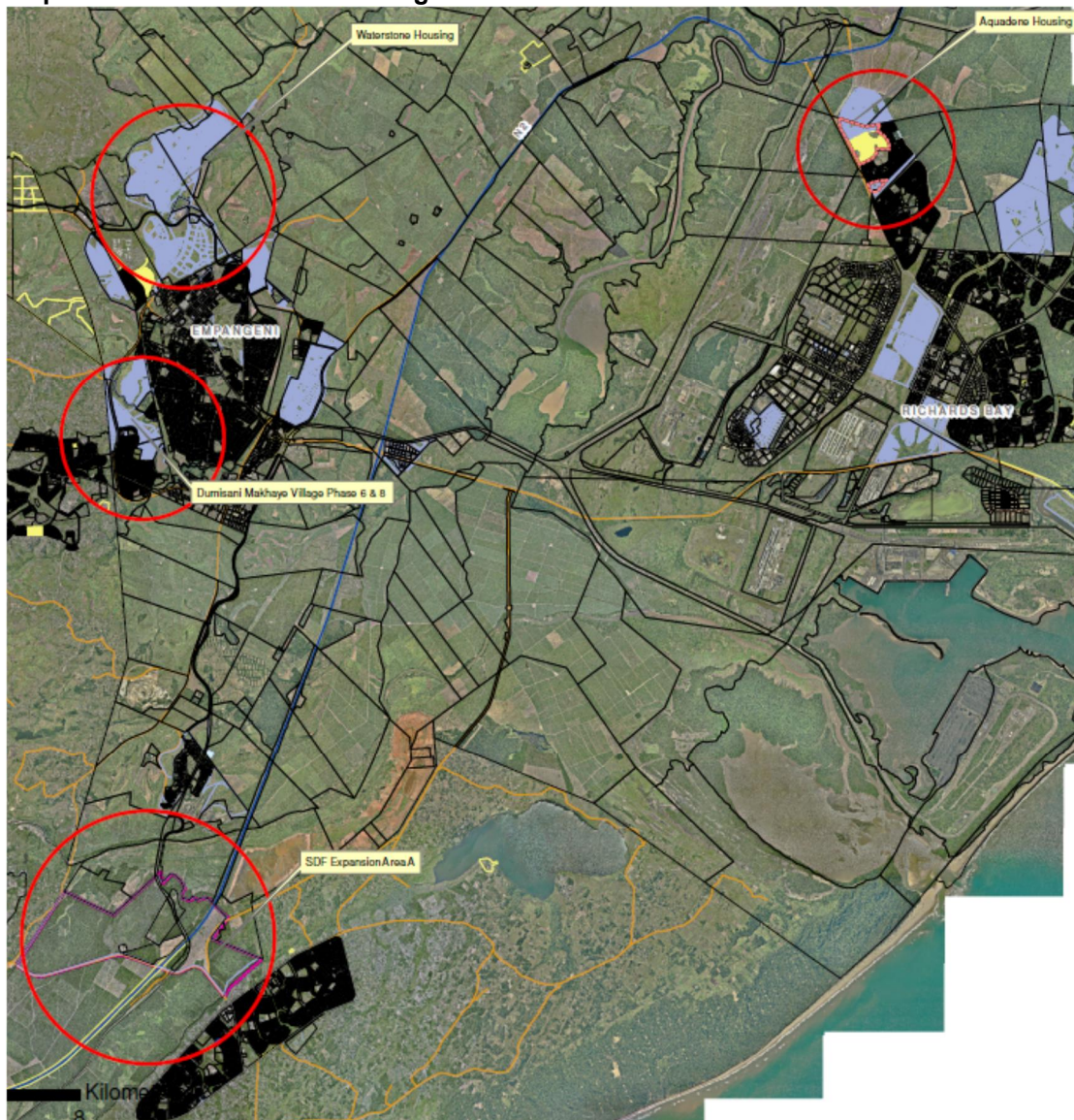
The following priority list (not in any order) is an extract from the Draft Municipal Human Settlements Plan:

**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 14: uMhlathuze Restructuring Zones**



**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 m<sup>2</sup> . 42 m<sup>2</sup> consisting of 2 bedrooms. Preliminary indications are that this type of development will cover 35% 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 m<sup>2</sup> . 50 m<sup>2</sup> which can consist of 1,2 or 3 bedrooms.

**Community Residential Units (CRUs):** The programme facilitates the provision of secure, stable rental tenure for the lowest income persons (e.g. income less than R3 500 per month) who cannot be accommodated in the formal private rental and social housing market. The unit's size can range from 40 m<sup>2</sup> . 45 m<sup>2</sup> which consist of 2 or 3 bedrooms.

Preliminary indications are that the above three types of subsidy programmes (FLISP, Social Housing and CRUs) will cover 35% of the proposed development.

**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.

### **11.7.10 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):

## Key Performance Indicators

<b>OUTCOME: Meet Infrastructure &amp; Household Service Needs &amp; Address Backlogs</b>			
<b>OUTPUT 1:</b>	Targets 2012/2013	Targets 2013/2014	Targets 2014/2015
Indicator			
Project Management			
Number of subsidy houses built	720	1440	1080
<b>OUTPUT 2:</b>			
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
<b>OUTPUT 3:</b>			
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

<b>YEAR</b>	<b>PROJECT MANAGEMENT</b>	<b>PROPERTY MANAGEMENT</b>	<b>PLANNING</b>	<b>CAPACITY BUILDING</b>	<b>TOTAL</b>
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

### 11.7.11 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.

**Table 55: Summary of Planned Human Settlements Projects**

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE
1	Aquadene Housing	CRU/Social & low income	IRDP	26	639: low income (Council owned land)  1800: CRU/Social Housing	EIA & Engineering designs underway	
2	Dumisani Makhaye Village Phase 6 and 8	CRU/Social	IRDP	9, 23 & 24	FLISP: 70  CRU: 1000  PLS: 60  Social: 270  Total: 1400	Stage 1 application pack: Planning & Design submitted to the Department of Human Settlements.	Planning & Design: R4,200,840.00
3	SDF Expansion Area A	CRU/Social and low income housing	IRDP	17, 19 & 20	1300: Low income housing sites (Mzingwenya River Settlement)	Pre-planning	Cost for partially cultivated, uneven land = R60 000/ha  -Cost for level, well planted areas =



PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE
					3636: CRU/Rental Housing		R100 000/ha  -Estimated 50 ha @ R60 000 = R3 million  -Estimated 50 ha @ R100 000 = R5 million
4	Waterstone Housing	CRU/Social/ low income housing and FLISP	IRDP	5, portion of 23 and 24	10 000	Planning Stage	
4	Mandlazini Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	4	Approximately 750 sites	Planning stage	R1,800,000.00 for Planning Stage (PDA process)
5	Mzingazi Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	1	Approximately 300 sites	Planning stage	R1,800,000.00 for Planning Stage (PDA process)
	Vulindlela/University of Zulu-Land Informal	In situ Upgrade (Urban Edge/Peri-Urban) and	Rural/ Informal Settlement Upgrade	30	To be determined during project planning stage	Planning stage	Household count to be conducted in order to determine the number of

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE
	Settlement	partial (Urban Greenfield)					households to be relocated
	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		Household count to be conducted in order to determine the number of households to be relocated

### 11.7.12 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
<b>TOTAL SITES</b>	<b>3036</b>	

### 11.7.1 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)

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#### 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

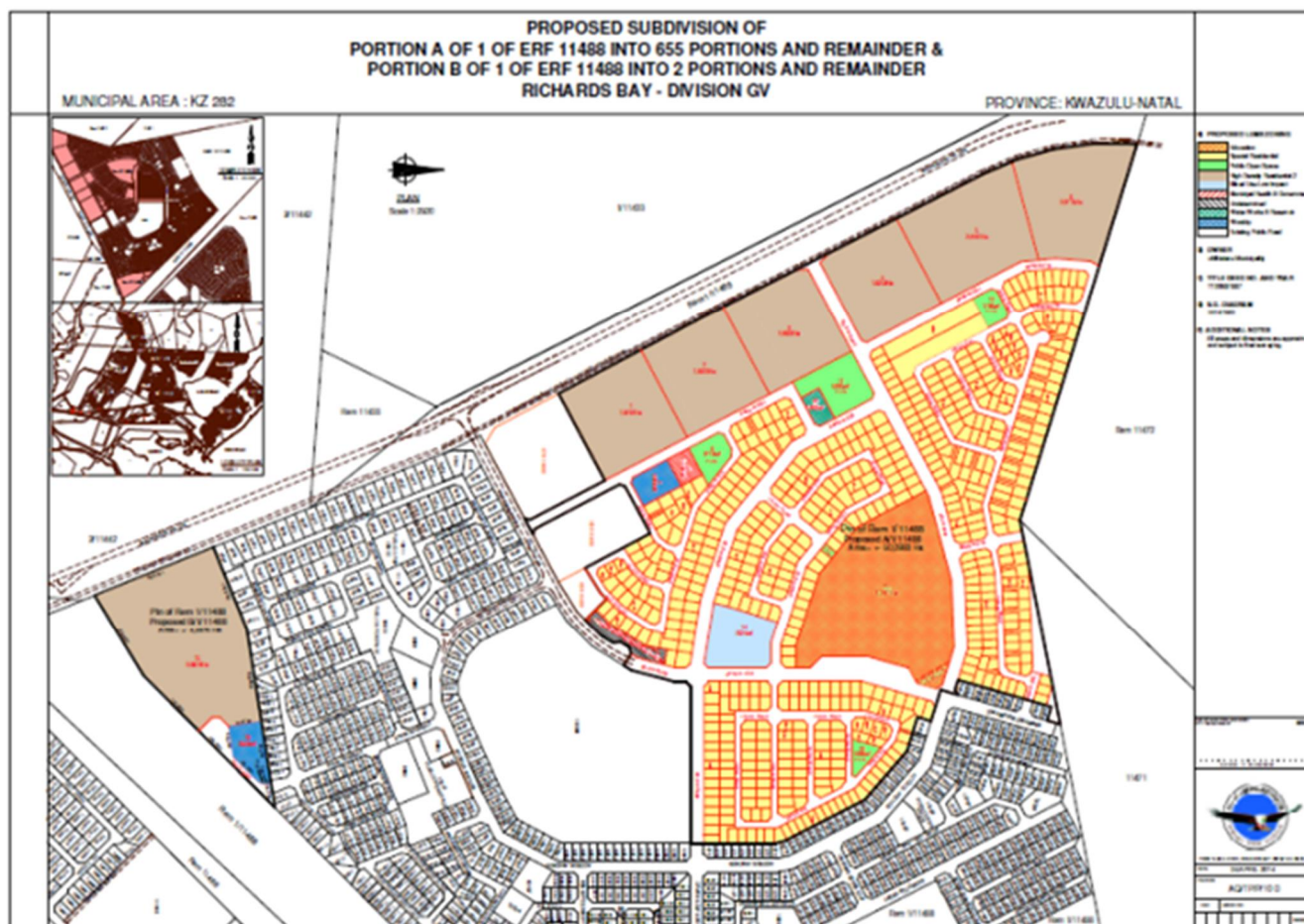
We are pleased to report that good progress has been made with regard to implementing the current Umhlathuze Municipal Human Settlements Plan. At present, four rural housing project at varying stages of completion and the pre-feasibility of second round of these will commence soon, while one urban Greenfield 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.

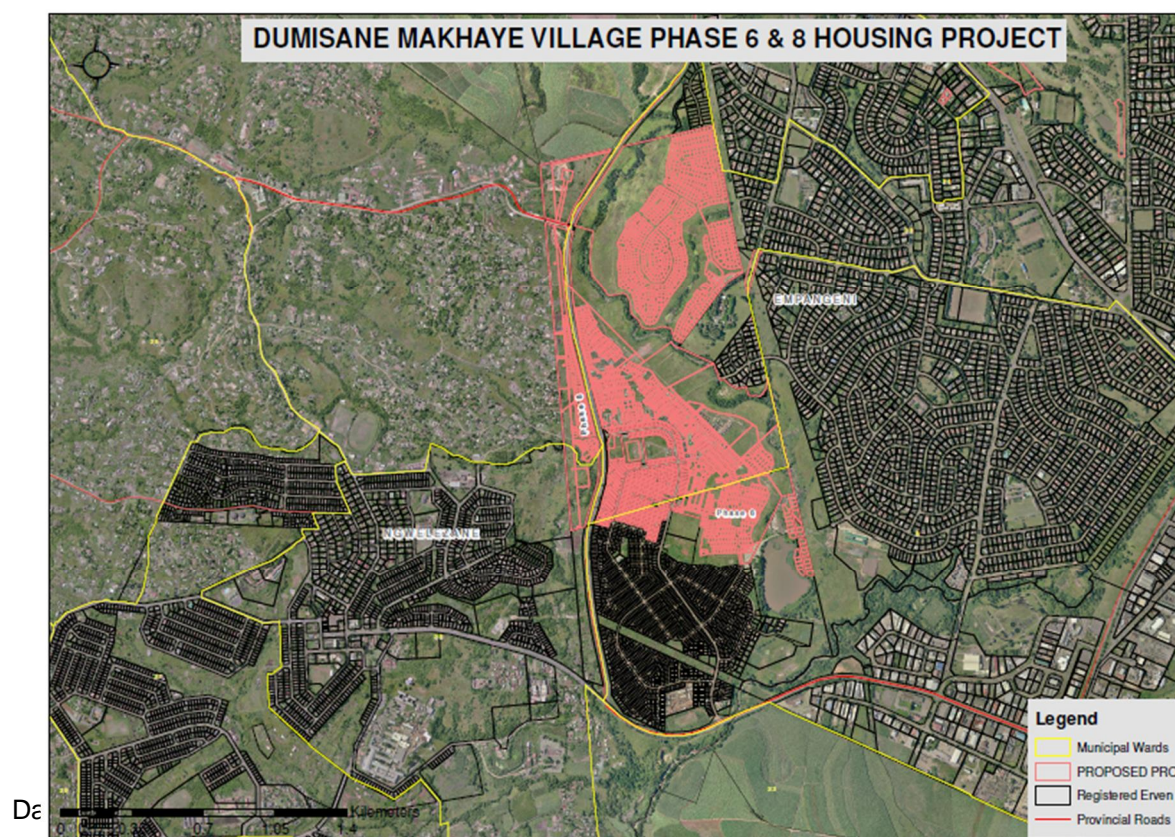
We are optimistic that with experience gained and with co-operation and commitment of all stakeholders and by ensuring that we are adequately resourced the pace of housing delivery will be enhanced in the near future.

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 15: Aquadene Amended Superblock**

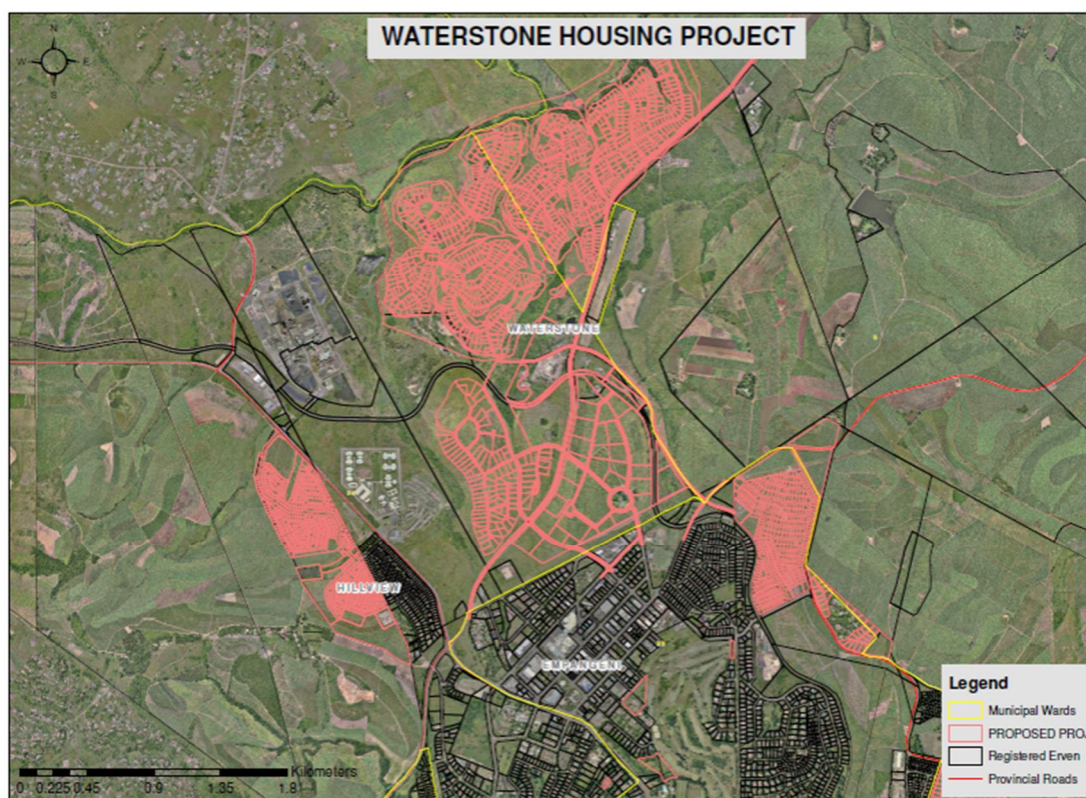


**Map 16: Dumisane Makhaye Village Phase 6 & 8**

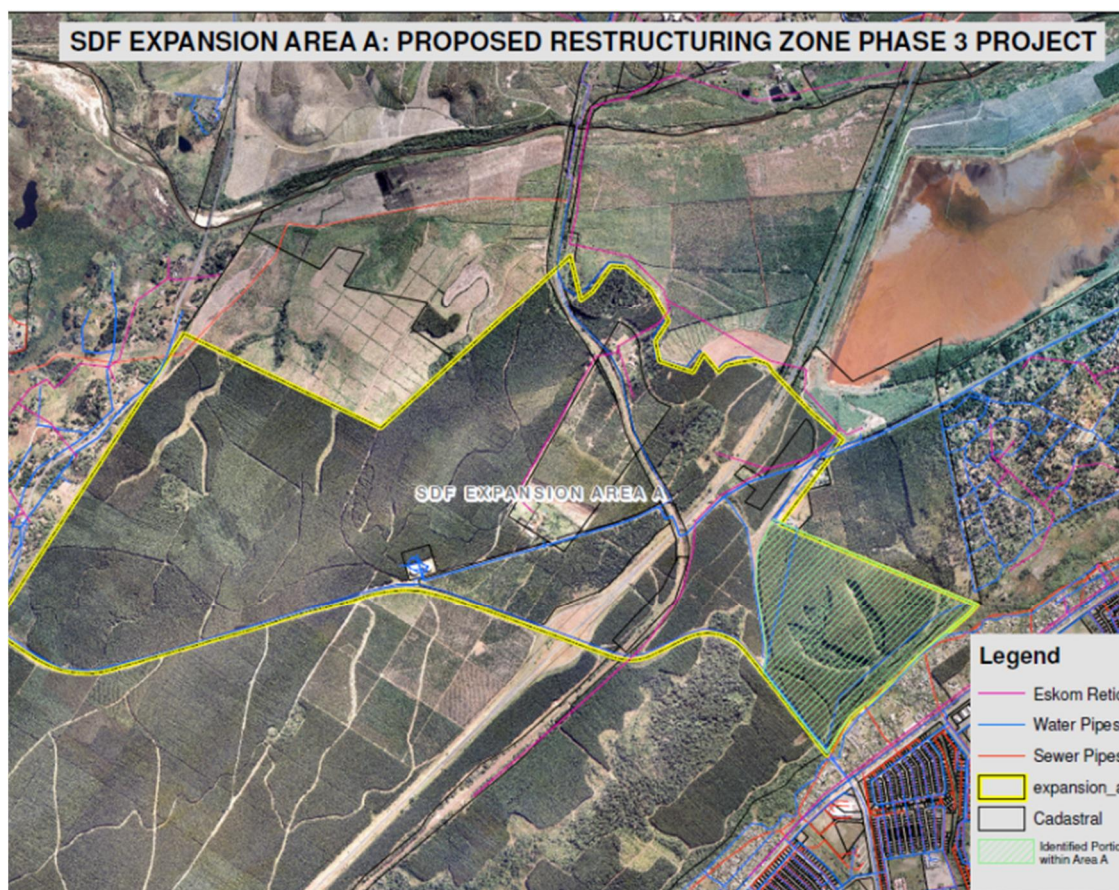




**Map 17: Waterstone Housing**



**Map 18: SDF Expansion Area A**

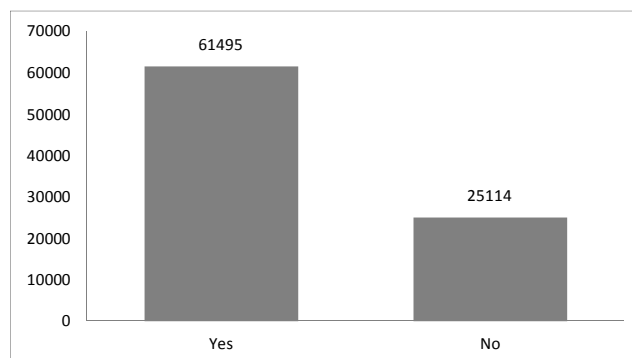


Date: 24 June 2014

## 11.8 TELECOMMUNICATIONS

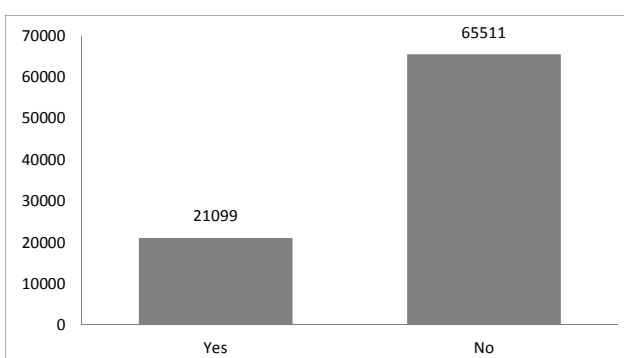
The 2011 census results indicate the following in respect of telecommunications.

**Figure 28: Household Access to Radio**



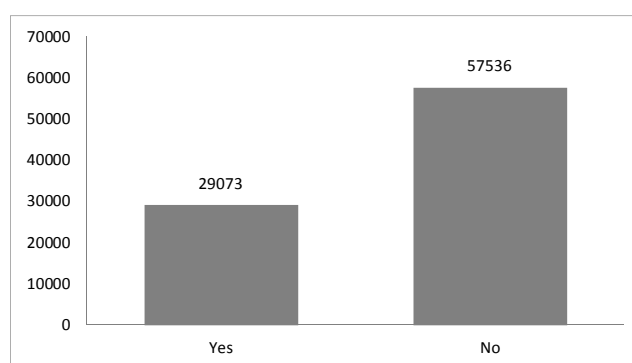
Source: 2011 Census

**Figure 29: Household Access to Computer**



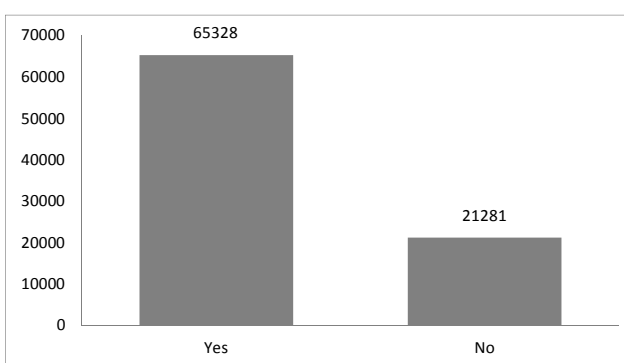
Source: 2011 Census

**Figure 30: Household Access to Satellite Television**



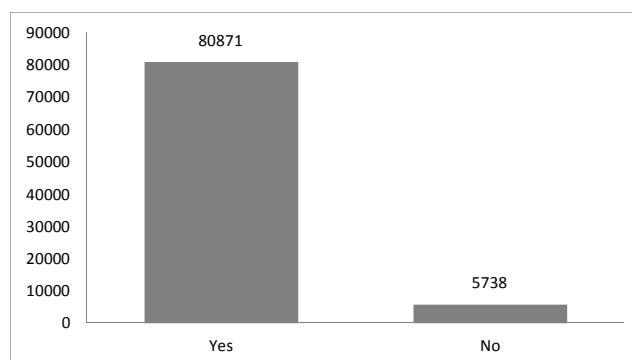
Source: 2011 Census

**Figure 31: Household Access to Television**



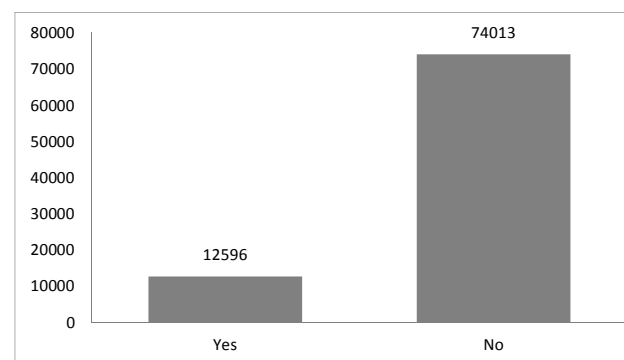
Source: 2011 Census

**Figure 32: Household Access to Cellphone**



Source: 2011 Census

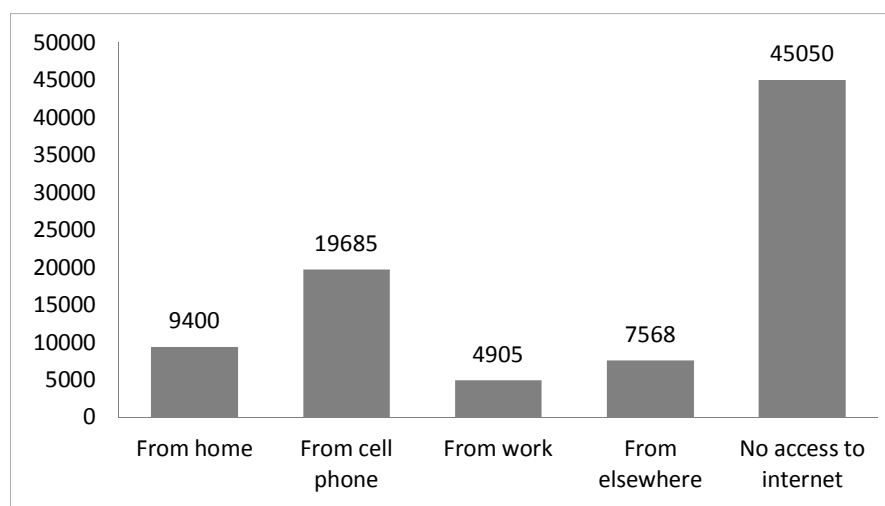
**Figure 33: Household Access to Landline**



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 34: Household Access to Internet**



Source: 2011 Census

## 11.9 SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>○ Very high level of access to water in the uMhlathuze municipal area.</li> <li>○ 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.</li> <li>○ Well-structured organogram to attend to range of responsibilities and needs in respect of infrastructure and service provision.</li> <li>○ The most important aspect of the backlogs is that figures re reducing . from 42 000 in 2004 to 30 000 currently.</li> <li>○ Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements.</li> <li>○ Continual improvement of the Blue Drop score for the Municipality</li> <li>○ Continual improvement of the Green Drop score for the Municipality</li> </ul>	<ul style="list-style-type: none"> <li>○ No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions.</li> <li>○ 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.</li> <li>○ Indiscriminate dumping by residents of garden waste and builders rubble.</li> <li>○ Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that creates flooding of streets and properties.</li> </ul>



OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>○ Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ A number of human settlement programmes are in progress.</li> <li>○ 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.</li> <li>○ Access to additional forms of housing support from government in respect of income groups earning above R3 500 per month.</li> </ul>	<ul style="list-style-type: none"> <li>○ No electricity supply to the Esikhaleni WTW during Eskom outages and evening restrictions.</li> <li>○ High cost of much needed maintenance at WTW and WWTW</li> <li>○ Short to no supply of permanent staff to carry out daily functions.</li> <li>○ Increased water demand for rural reticulation at the Mzingazi WTW</li> <li>○ Community members are building houses on the ponds at the Ngwelezane WWTW</li> <li>○ High cost of much needed maintenance at WTW and WWTW</li> <li>○ Influx and settlement along urban boundaries.</li> <li>○ Access to appropriate land for human settlement purposes.</li> </ul>

## 12. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

### 12.1 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:

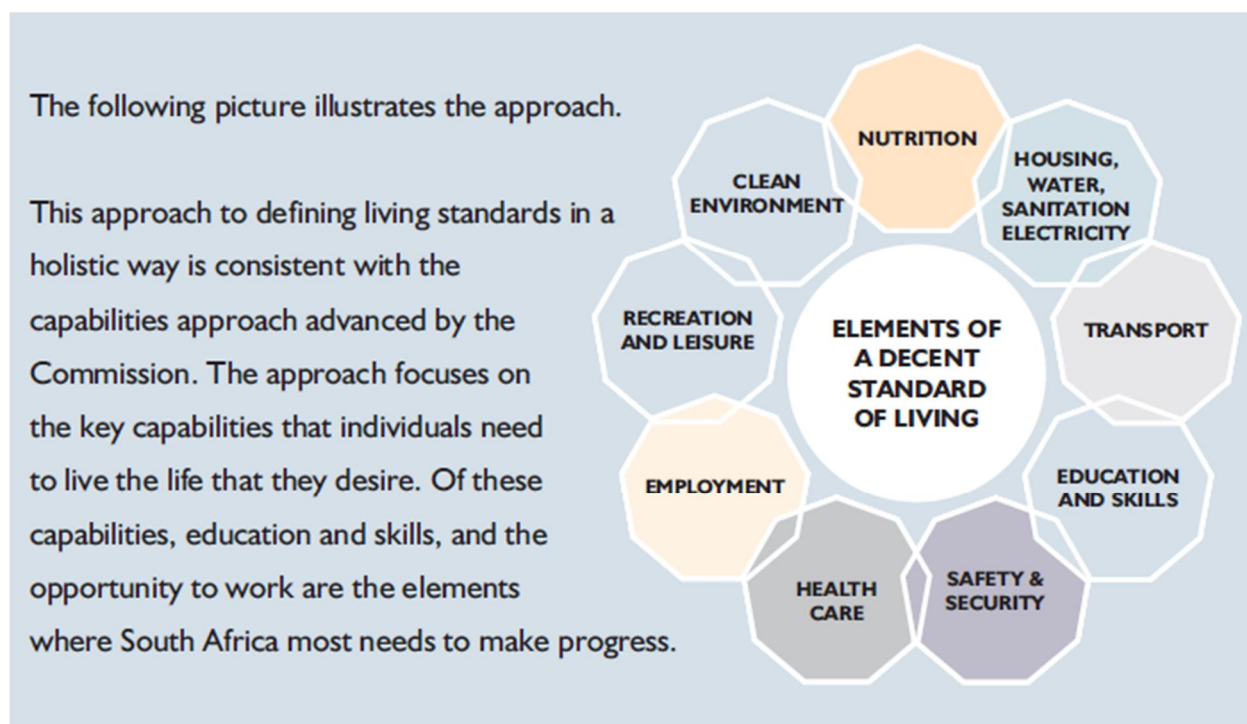
- According to STATSSA, uMhlathuze had a population of 338,000 and the country 51,700,000 in 2011. This equates to uMhlathuze having a 0.65% of the country's population. Given that uMhlathuze is a centre of employment and economic activity it can be expected that the area should be providing at least 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 56: Summary of National Development Plan**

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

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

**Figure 35: Elements of a Decent Standard of Living**



## 12.2 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

### 12.2.1 Economic Profile of Community

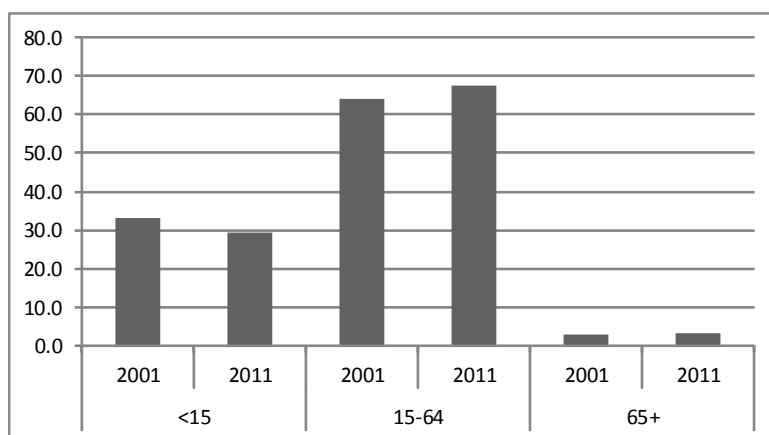
Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years. The following tables provide a comparison between the 2001 and 2011 census years in respect of the 0-14, 15-64 and 65+ population age cohorts for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

**Table 57: Economic Population**

	Population		Age Structure					
			<15		15-64		65+	
	2001	2011	2001	2011	2001	2011	2001	2011
<b>DC28: Uthungulu</b>	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 36: 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

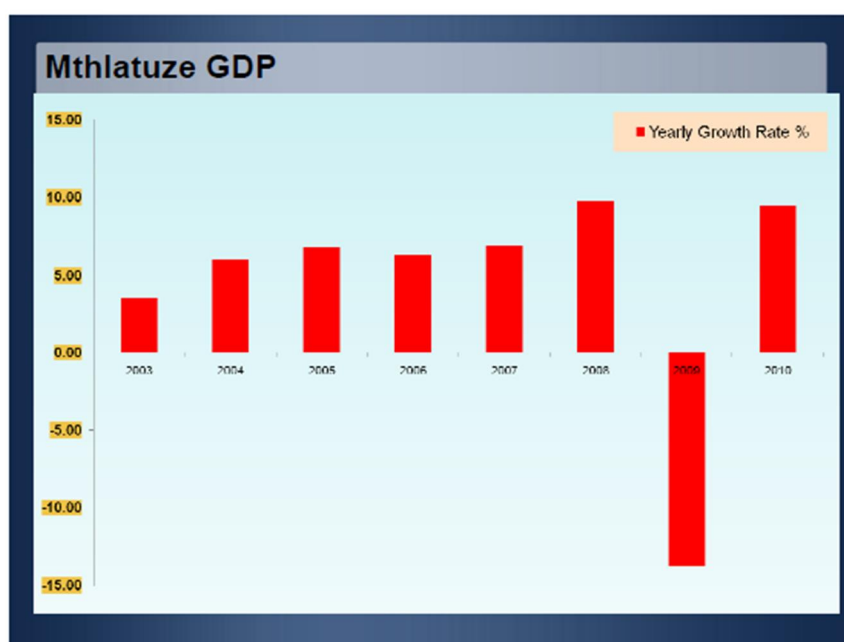
### 12.2.2 Economic Realities

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 37: uMhlathuze GDP**



Source: Clive Coetzee, KZN Treasury

## 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.*

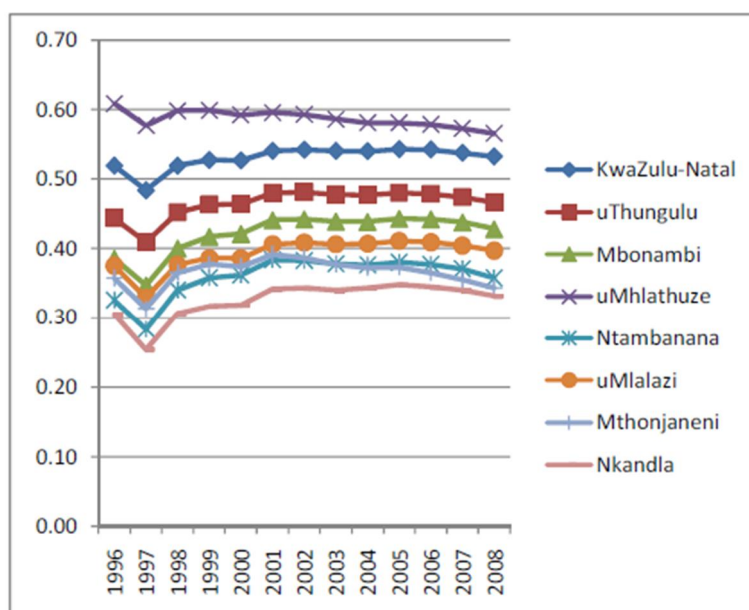
The following table and figure provides a comparison of the HDI for KwaZulu-Natal, the uThungulu District and the uMhlathuze Local Municipality over a given period of time.

**Table 58: 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 38: 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.

## **12.2.3 Employment and Income Levels**

### **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.

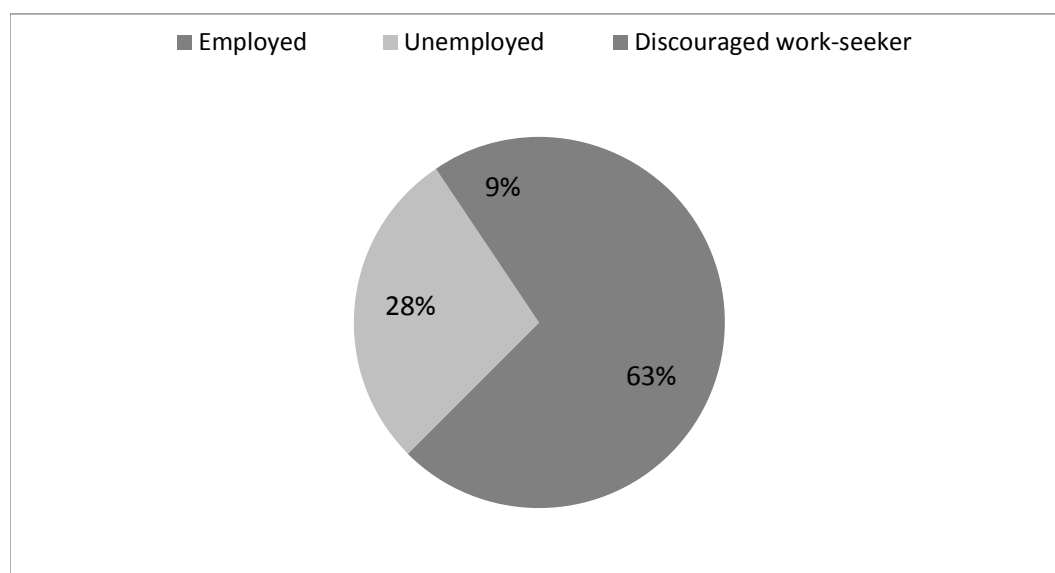
**Table 59: Labour Market Indicators**

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

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 39: Labour Market Indicators**



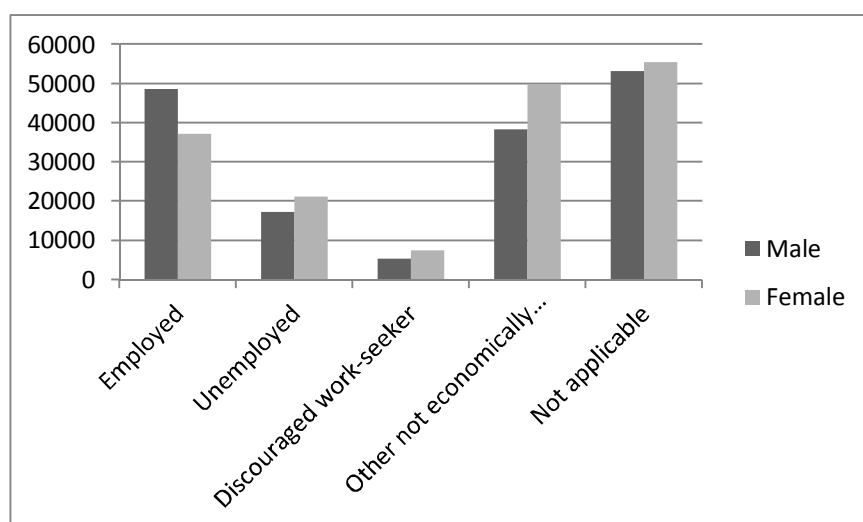
Source: 2011 Census



**Table 60: Employment by Gender**

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

**Figure 40: Employment by Gender**



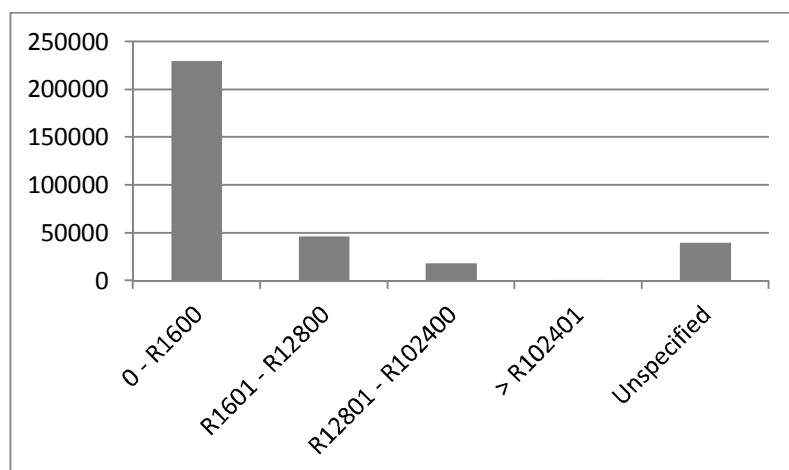
The table and figure herewith depicts that employment levels in the municipality are higher for males than for females. Also, the unemployed, discouraged and not economically-active counts are higher for females.

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 41: 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 61: Comparative Dependency Ratio**

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

#### 12.2.4 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

### 12.2.5 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 Programme has created **more than 740 work opportunities for the period 1 April 2013 and 30 March 2014**. 65% of the work opportunities created is youth and 27 % is women.

The municipality has spent more than R6 791 220 on wages for the EPWP programme. 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.

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

During the 2014/2015 financial year, uMhlathuze Municipality will be implementing the Vukúphile Learnership Programme where about 10 contractors with their supervisors will participate in the programme. The programme is a partnership with the National Department of Public Works.

#### OVERALL PERFORMANCE ON THE EPWP PHASE 2: 2009-2014(Q2)

The tables below reflect the overall performance of the municipality during the EPWP Phase 2. EPWP Phase 2 is coming to an end by 31 March 2014. The EPWP Phase 3 Business Plan was approved by Cabinet on 20 November 2013 and six million work opportunities have to be created during Phase 3 of the programme.

**Table 62: EPWP phase 2 work opportunities and full time equivalent targets for uMhlathuze Municipality:**

<b>WO/FTE Targets (2009/10 - 2013/14)</b>						<b>Target</b>
<b>Years</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>	<b>FY 2011/12</b>	<b>FY 2012/13</b>	<b>FY 2013/4</b>	<b>5 Year</b>
<b>WO</b>	806	921	1 185	1 540	1 939	6 391
<b>FTE</b>	276	332	434	560	697	2 299

<b>WO/FTE Performance (2009/10 - 2013/14)</b>						<b>Performance</b>
<b>Years</b>	<b>FY 2009/10</b>	<b>FY 2010/11</b>	<b>FY 2011/12</b>	<b>FY 2012/13</b>	<b>Q1/Q2 FY 2013/4</b>	<b>5 Year</b>
<b>WO</b>	0	73	138	637	Q3 633	1481
<b>FTE</b>	0	7	52	187	Q3 212	458

<b>Performance Against Targets (2009/10 - 2013/14)</b>				
	<b>Target</b>	<b>Performance</b>	<b>Variance</b>	<b>Percentage</b>
<b>WO</b>	6 391	1 481	4910	23%
<b>FTE</b>	2 299	458	1841	19%

## 12.2.6 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:

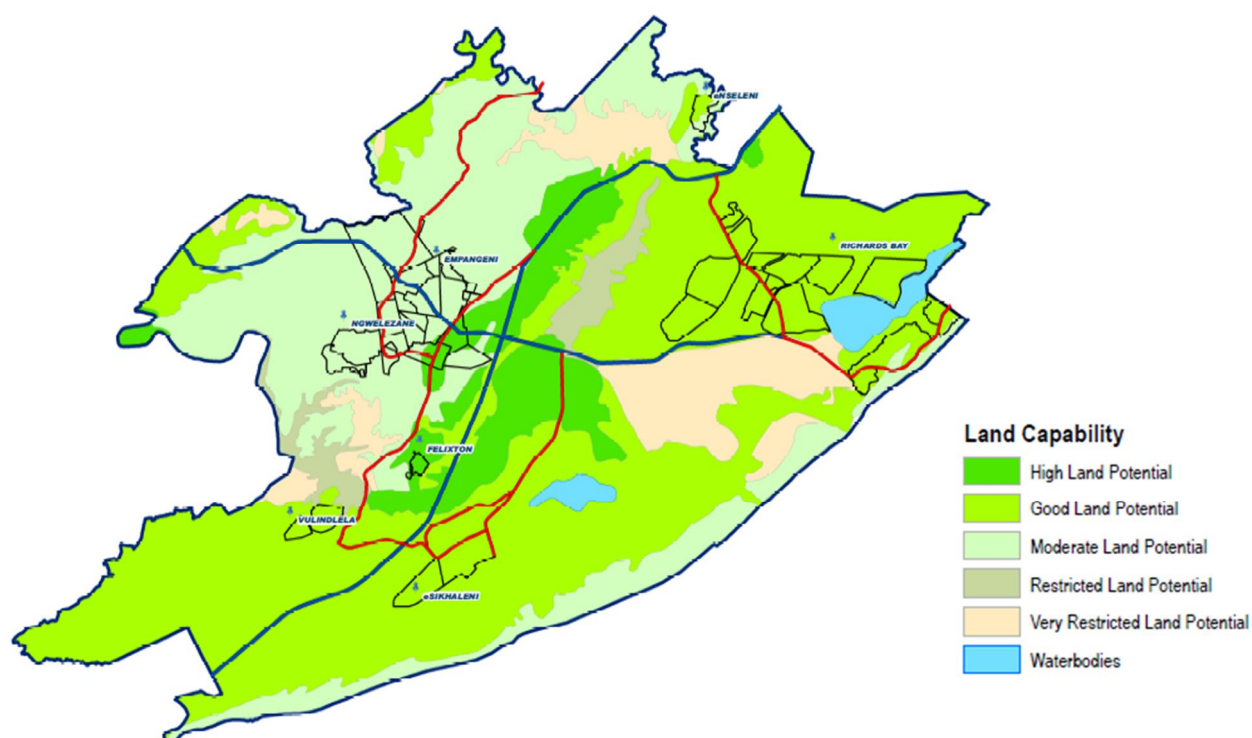
- Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects.
- Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- Failure to realize the potential 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 19: Land Capability



### 12.2.7 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

Between 2001 and 2012, a total of 3 601 271 tourists visited uMhlathuze Municipality. This is equivalent to EThekweni Municipality's entire population, or Cape Town's metropolitan population. A look at the trend points to the fact that earlier in the decade tourism visitors more than doubled from 154,000 in 2001 to 344,254 in 2004. The numbers then stabilised, averaging 320,033 per year. A negligible decline is notable between 2007 and 2008, suggesting the impact of the global economic crisis. This is shown below

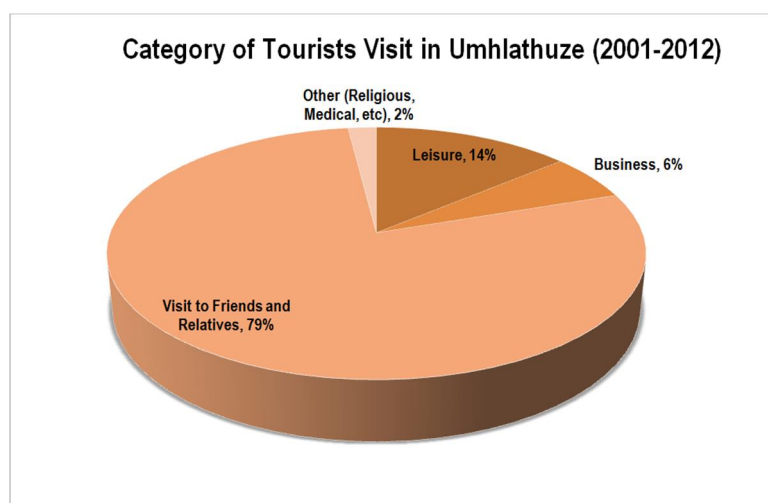
**Figure 42: Tourist Visits in uMhlathuze**



Source Global Insight 2013

When this trend is broken down into various tourism categories, evidently, visits to friends and relatives took the lion share over the decade totalling to upwards of three quarters of all tourists in uMhlathuze. Leisure tourism occupied second place, contributing 14% of all tourists over the decade. Business tourism occupied a paltry 6% while religious/medical tourism made the least contribution to the number of tourists through the decade. These percentages are illustrated in the following chart.

**Figure 43: Category of Tourists Visits in uMhlathuze**



Source : Global insight 2013

When the economics of the tourism trends are considered, the past decade records a steady growth of Tourism Spend (in current prices) from R332 million in 2001 to R1.3 billion in 2012. Although inflation rate does play an important factor, the expansion of tourism spend is significant. In 2001 each of the tourists who visited uMhlathuze spend R2161, half as much as every tourist who visited the Municipality in 2012 (R4260). The growth of tourism spend per capita has been steady, dipping briefly in 2009 before picking up in 2010, and has been upward since then.

As a percentage of the Municipality's Gross Domestic product (GDP), tourism has made some important contribution to the overall economy, although not significant enough. Rising from 5% in 2001 to 8% in 2003, the GDP contribution has remained somewhat stagnant, averaging 8% from 2003 to 2012.

### **12.2.8 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.

### **12.2.9 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





**Table 63: 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 Bursaries & 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	

### 12.3.2 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.

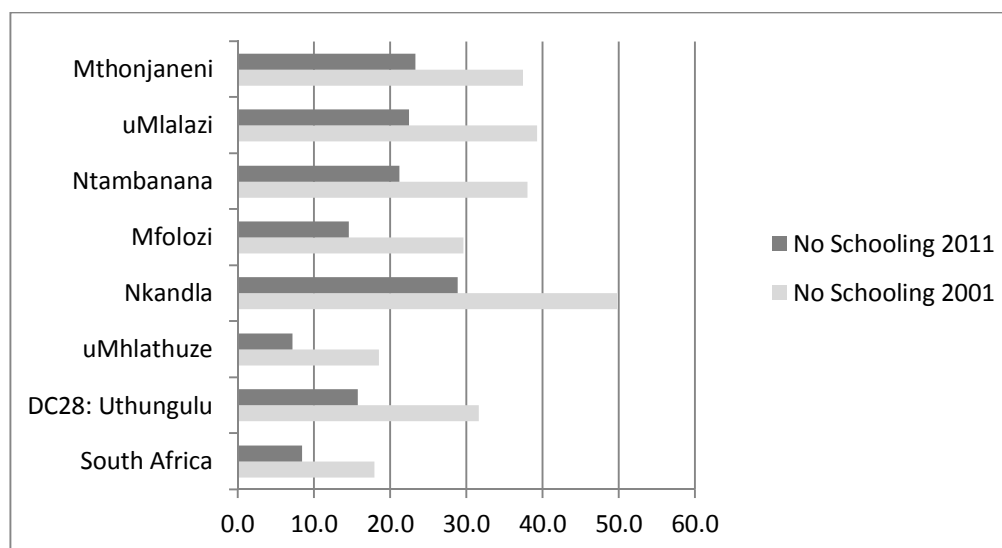
**Table 64 : Comparative Education Levels**

	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 indicated in the figure herewith.

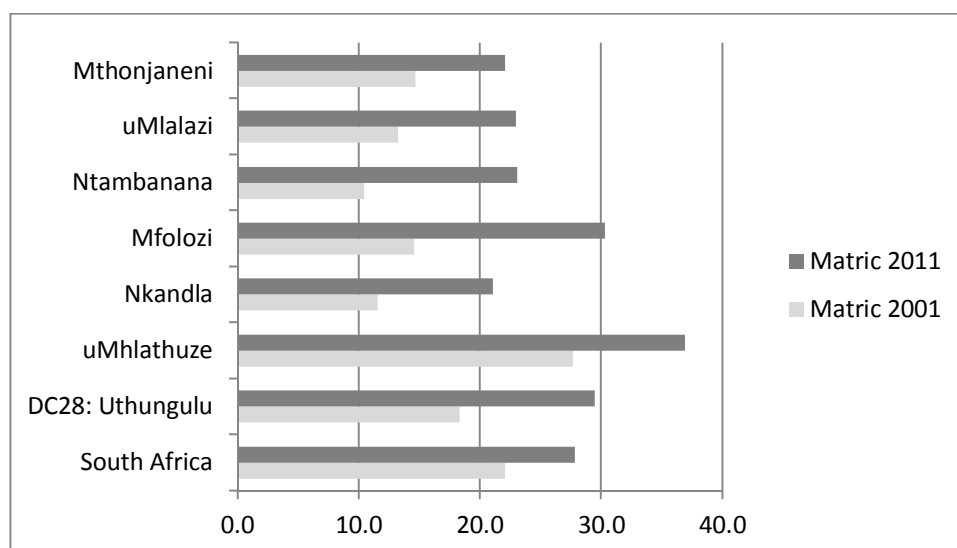
**Figure 44: Persons with no Schooling**



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 45: Persons with Matric**



Source: Census 2011

### 12.3.3 Health

The uMhlathuze Municipality **Primary Health Care Services** are provided from two main Clinics, being Richards Bay and Empangeni with 6 satellite Clinics as indicated in the table below:

**Table 65: Attendees at Primary Health Care Facilities (July 2013 to January 2014)**

<b>FACILITY NAME</b>	<b>TOTAL</b>
Aquadene	1 678
Baptist Church	2 385
Brackenham	7 011
Civic: Empangeni	61 374
Civic: Richards Bay	66 956
Felixton	1 213
Zidedele	1 025
Meerensee	9 397
<b>TOTAL</b>	<b>151 039</b>

The main disease conditions for which the clinics were visited were Hypertension and Diabetes follow up visits as well as Tuberculosis. Sexual Transmitted infections remain a growing concern.

In prevention, more 37 990 immunizations was 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 in March 2014 will 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. About 336 males during year 2013 were circumcised in local clinics as part of the Medical Male Circumsision programme.

The **Environmental Health Services** perform numerous functions some of which are incorporated under Municipal Health Services, which in terms of the National Health Act No. 61 of 2003, including:

- i. water quality monitoring;
- ii. food control;
- iii. waste management;
- iv. health surveillance of premises;
- v. surveillance and prevention of communicable diseases;
- vi. vector control;
- vii. environmental pollution control;
- viii. disposal of the dead; and
- ix. chemical safety,

The Environmental Health Service is involved in the following campaigns:

- Bilharzia Survey and Awareness
- Communicable Disease education and training
- Rabies Vaccinations
- Malaria

### 12.3.4 Safety and Security

UMhlathuze Municipality is in a process of completing its draft 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.

### 12.3.5 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 66: Usage of Libraries in uMhlathuze**

Library	Circulation	Visitors	Active Members
<b>Richards Bay</b>	133201	206584	7069
<b>Empangeni</b>	76179	196029	4601
<b>Esikhaleni</b>	12643	99278	3551
<b>Brackenham</b>	10174	33096	353
<b>Enseleni</b>	8094	99784	1846
<b>Felixton</b>	6927	26449	553
<b>Ngwelezane</b>	5417	113240	625
<b>TOTAL</b>	<b>252635</b>	<b>774460</b>	<b>18598</b>

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 between June 2013 to March 2014 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 2014/2015.

### **12.3.6 Special Programmes: 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 table provides a summary of the some of the successful initiatives hosted by the Special Programmes Unit under the auspices of Operation Sukuma Sakhe.

**Table 67: Special Programmes Initiatives**

<b>Program</b>	<b>Objective</b>	<b>Brief description</b>	<b>Impact</b>
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 moral topical issues	The dialogue was conducted in partnership with Dept. of Arts and Culture it was held at R/Bay Auditorium it was attended by 150 school children and 50 adults	It managed to create an understanding on how different generations viewed different moral topical issues and in the 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



## 12.4 LED AND SOCIAL DEVELOPMENT: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>○ Increase in functional age group between 2001 and 2011.</li> <li>○ 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</li> <li>○ The dependency ratio in uMhlathuze is lower than that of the country.</li> <li>○ Libraries in the municipality provide internet access at no charge to users. Study facilities are provided at the libraries and are very well utilized.</li> <li>○ Functional Operation Sukume Sakhe Unit in the Municipality</li> </ul>	<ul style="list-style-type: none"> <li>○ A matter of great concern is that 56% of informal traders operating without a licence</li> <li>○ Underutilization of good agricultural land in the traditional council areas.</li> <li>○ Loss of good agricultural land in the traditional council areas to unplanned settlement.</li> <li>○ Failure to realize the potential for value adding through agro-processing.</li> <li>○ Funding to assist Operation Sukume Sakhe</li> </ul>
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>○ 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</li> <li>○ Harbour development has provided the impetus for large-scale industrial growth.</li> </ul>	<ul style="list-style-type: none"> <li>○ Many discouraged work seekers, about 9% of population.</li> <li>○ Increase in functional age group between 2001 and 2011 indicate of increased pressure for employment opportunities.</li> <li>○ Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects</li> <li>○ Volatile world markets which affect prices for some agricultural commodities, for example, sugar.</li> <li>○ The demise of the South African Sugar Association's credit facility for small-scale cane growers.</li> <li>○ Nearly 10% of children of school going age, are not attending school.</li> <li>○ There has been a decline in the percentage (%) of persons with a higher education.</li> <li>○ Sexual Transmitted infections remain a growing concern.</li> </ul>

## 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

A number of challenges have been identified regarding slow expenditure of conditional grants. A significant challenge on slow spending could be the weakness of planning phase of capital projects, thus management must have developed a readiness plan for execution upon approval of the adopted budget. Below is the capital expenditure for the previous years.

**Table 68: Capital Expenditure for the Previous Years**

FIN YEAR	YEAR	BUDGET	ACTUAL	AVAILABLE	% SPENT
2013/2014	0	467, 889 900	91, 133 796	376, 756 104	19%
2012/2013	1	233, 547 400	115, 036 477	118, 510 923	49%
2011/2012	2	178, 777 000	87, 042 060	91, 734 940	49%
2010/2011	3	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.

- The Indigent Policy
- The Rates Policy
- The Credit Control Policy
- 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 Liters 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 Liters per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R110 000.
- Free refuse charge if property is valued less than R100 000.
- Free sewer charge if property is valued less than R100 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 targeted approach is where individual customers are found that despite the universal approach still cannot afford their accounts. These customers' accounts are then written off. 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.

**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 69: Free Basic Services and Indigent Costs**

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Households receiving Free Basic Service</u></b>	7									
Water (6 kilolitres per household per month)		74,269	74,269	86,609	86,609	86,609	86,609	86,609	86,609	86,609
Sanitation (free minimum level service)		11,908	15,445	20,852	20,852	20,852	20,852	20,852	20,852	20,852
Electricity/other energy (50kwh per household per month)		2,600	–	–	2,200	2,200	2,200	2,200	2,200	2,200
Refuse (removed at least once a week)		12	–	12	12	12	12	–	–	–
<b><u>Cost of Free Basic Services provided (R'000)</u></b>	8									
Water (6 kilolitres per household per month)		–	–	41,032	44,963	44,963	44,963	44,963	44,963	44,963
Sanitation (free sanitation service)		–	–	1,173	12,849	12,849	12,849	12,849	12,849	12,849
Electricity/other energy (50kwh per household per month)		–	–	7,192	7,511	7,511	7,511	7,511	7,511	7,511
Refuse (removed once a week)		7,791	–	12,486	13,672	13,672	13,672	15,122	16,846	16,846
<b>Total cost of FBS provided (minimum social package)</b>		<b>7,791</b>	<b>–</b>	<b>61,883</b>	<b>78,995</b>	<b>78,995</b>	<b>78,995</b>	<b>80,445</b>	<b>82,169</b>	<b>82,169</b>
<b><u>Highest level of free service provided</u></b>										
Property rates (R value threshold)		–	–	75,000	110,000	110,000	110,000	110,000	110,000	110,000
Water (kilolitres per household per month)		–	–	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	20	20	20	20	20	20	20
Sanitation (Rand per household per month)		–	–	116	125	125	125	125	125	125
Electricity (kwh per household per month)		50	–	50	50	50	50	50	50	50
Refuse (average litres per week)		2,916	–	240	240	240	240	240	240	240

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		-	-	3,000	3,150	3,150	3,150	3,308	3,308	3,308
Property rates (other exemptions, reductions and rebates)		-	-	3,309	18,944	18,944	18,944	18,944	18,944	18,944
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		7,791	-	3,349	3,516	3,516	3,516	3,692	3,877	3,877
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>		<b>7,791</b>	<b>-</b>	<b>9,658</b>	<b>25,610</b>	<b>25,610</b>	<b>25,610</b>	<b>25,944</b>	<b>26,129</b>	<b>26,129</b>

### 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

Electricity and water meters readings are read, processed and posted monthly to ensure that all account holders receive accurate accounts and that a high payment rate is maintained. The collection of monies remains a challenge. However, the department has obtained an average debt collection ratio of **99.17%**.

The overall payment rate for the past seven years is illustrated below:

**Table 70: Debt Payment Rate**

<b>Year</b>	<b>Payment Rate</b>
2005/2006	99.34 %
2006/2007	101.81 %
2007/2008	98.74 %
2008/2009	98.56 %
2009/2010	98.67 %
2010/2011	100.11 %
2011/2012	99.49 %
2012/2013	<b>99.17%</b>

More specifically, the following is the assessment for the financial year ending 30 June 2013.

**Table 71: Debt Payment Ratio for 2013**

<b>Suburb</b>	<b>Debt Collection Ratio – In Days</b>	<b>Debtors Turnover Rate - %</b>	<b>Average Payment Rate - %</b>
Richards Bay	30 days	8.23%	100.06
Vulindlela	136 days	37.39%	93.13
eNseleni	126 days	34.52%	95.01
eSikhaleni	127 days	34.83%	92.95
Sundry Debtors	196 days	53.71%	65.93
Empangeni	51 days	14.08%	98.99
Ngwelezane	187 days	51.34%	102.93
<b>Average</b>	<b>44.15 days</b>	<b>12.10%</b>	<b>99.49</b>

- The debtors 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 2013

### **13.1.5 Grants and Subsidies**

The table below provides a description of the capital grants received by uMhlathuze Municipality for the tabled 2014/2015 budget report.

**Table 72: Capital transfers and grant receipts**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>22 614</b>	<b>66 531</b>	<b>93 492</b>	<b>83 697</b>	<b>194 730</b>	<b>194 730</b>	<b>119 456</b>	<b>157 879</b>	<b>113 121</b>
Municipal Infrastructure Grant (MIG)	21 614	69 481	84 492	83 697	148 461	148 461	88 106	91 997	96 200
Municipal Systems Improvement	-	-	-	-	-	-	-	-	-
Electrification Projects	-	(3 950)	-	-	20 430	20 430	8 000	10 000	9 000
Electricity Demand Site	-	-	8 000	-	6 683	6 683	-	-	-
Extended Public Works Programme	-	-	1 000	-	-	-	-	-	-
Water Conservation and Demand Management	1 000	1 000	-	-	-	-	-	-	-
Infrastructure Water Projects	-	-	-	-	17 547	17 547	18 850	50 882	7 921
Rural Households Infrastructure	-	-	-	-	1 609	1 609	4 500	5 000	-
<b>Provincial Government:</b>	<b>12 287</b>	<b>10 170</b>	<b>28 011</b>	<b>10 000</b>	<b>47 922</b>	<b>47 922</b>	<b>-</b>	<b>-</b>	<b>9 786</b>
Housing	8 382	562	20 748	-	27 638	27 638	-	-	-
Sport and Recreation	-	-	3 500	10 000	17 344	17 344	-	-	-
Libraries	147	136	-	-	-	-	-	-	-
Massification Grant	-	-	2 000	-	-	-	-	-	9 786
Urban Development Framework plan	3 758	-	-	-	2 940	2 940	-	-	-
Upgrade of Airport	-	9 472	1 764	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bus Shelters and laybys	-	-	207	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>489</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foskor - Water pipeline replament	489	-	-	-	-	-	-	-	-
Dischem - Camera	-	7	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>35 390</b>	<b>76 708</b>	<b>121 710</b>	<b>93 697</b>	<b>242 652</b>	<b>242 652</b>	<b>119 456</b>	<b>157 879</b>	<b>122 907</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>192 553</b>	<b>261 905</b>	<b>325 295</b>	<b>313 332</b>	<b>479 646</b>	<b>479 646</b>	<b>379 965</b>	<b>429 946</b>	<b>409 917</b>

Capital grants and receipts equates to 37 per cent of the total funding source which represents R158 million for the 2014/15 financial year and steadily increase to R158 million or 51 per cent by 2015/16. Growth relating to grant receipts is 43, 32 and decrease 22 per cent over the medium-term.

### 13.1.6 Municipal Infrastructure Assets and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2014/15 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 73: Operational repairs and maintenance**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>									
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	146 334	153 900	193 041	235 450	234 828	234 828	252 353	269 246	288 321
Other materials	50 407	43 312	21 145	24 033	26 943	26 943	34 702	37 158	39 973
Contracted Services	5 152	19 319	44 293	33 687	42 087	42 087	57 725	61 628	65 792
<b>Total Repairs and Maintenance Expenditure</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 858</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>

During the compilation of the 2014/15 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 substantially increased by 13,5 per cent in the 2014/15 financial year, from R 304 million to R 345 million. In relation to the total operating expenditure, **repairs and**

**maintenance** as a percentage of Total operating expenditure comprises the following **14,6; 14,5 and 14,4 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **8,1; 8,6 and 9 per cent** of the respective financial years MTREF

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 74: Repairs and maintenance per asset class**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	139 427	145 192	177 319	205 060	215 991	215 991	240 963	257 526	275 816
Infrastructure - Road transport	41 550	41 967	58 242	71 075	75 576	75 576	88 799	94 952	101 974
Infrastructure - Electricity	35 920	39 211	42 715	60 251	60 715	60 715	66 048	70 572	75 487
Infrastructure - Water	36 286	39 004	46 869	45 078	48 213	48 213	51 156	54 599	58 343
Infrastructure - Sanitation	24 401	23 588	25 976	27 459	30 223	30 223	33 744	36 098	38 606
Infrastructure - Other	1 270	1 421	3 517	1 197	1 265	1 265	1 216	1 305	1 406
<b>Community</b>	38 022	43 195	50 821	53 633	53 749	53 749	60 930	65 865	69 694
<b>Other assets</b>	24 444	28 144	30 340	34 477	34 118	34 068	42 888	44 641	48 576
<b>Total Repairs and Maintenance Expenditure</b>	<b>201 893</b>	<b>216 531</b>	<b>258 480</b>	<b>293 170</b>	<b>303 858</b>	<b>303 808</b>	<b>344 780</b>	<b>368 032</b>	<b>394 086</b>
<b>R&amp;M as a % of PPE</b>	4.5%	5.0%	6.3%	6.7%	6.8%	6.8%	8.1%	8.6%	9.0%
<b>R&amp;M as % Operating Expenditure</b>	14.2%	13.2%	13.9%	14.7%	14.0%	14.0%	14.6%	14.5%	14.4%

For the 2014/15 financial year, 70 per cent or R241 million of total repairs and maintenance will be spent on infrastructure assets. Road Transport infrastructure has received a significant proportion of this allocation totaling 26 per cent (R89 million), followed by electricity infrastructure at 19 per cent (R66 million), water at 15 per cent (R51 million) and sanitation at 10 per cent (R34 million). Community assets has been allocated R61 million of total repairs and maintenance equating to 18 per cent.

Repairs and Maintenance Strategies are in place in the Municipality. It be noted that a Pavement Management System is in place for tarred road resealing. Regarding water and sanitation, pipe replacement are a priority as more than 50% of the water and sewer lines are AC (asbestos cement) that are replaced by UPVC, HDPE etc. A Maintenance Management System is in place for electrical related maintenance.

### 13.1.7 Current and Planned Borrowings

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R359,7 million, to be raised for each of the respective financial years. This includes a rollover borrowing amount of R 59,2 million thus reducing the borrowing required for the 2014/15 financial year to R 300,5 million. Totalling 34, 29 and 39 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF.

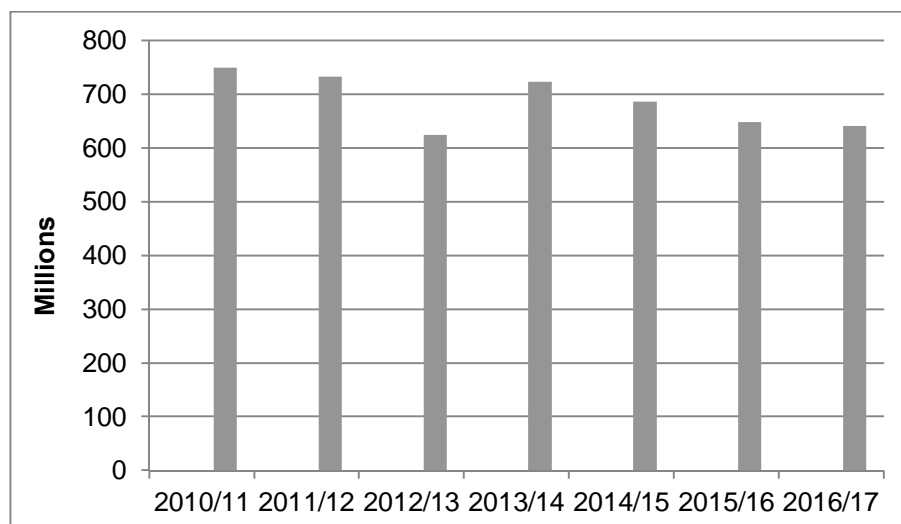
The following table is a detailed analysis of the City's borrowing liability.

**Table 75: Current Municipal Borrowings (Balance Outstanding)**

Borrowing - Categorised by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	750 237	732 522	625 250	722 333	724 032	724 032	686 593	648 320	641 704
<b>Municipality sub-total</b>	<b>750 237</b>	<b>732 522</b>	<b>625 250</b>	<b>722 333</b>	<b>724 032</b>	<b>724 032</b>	<b>686 593</b>	<b>648 320</b>	<b>641 704</b>
<b>Total Borrowing</b>	<b>750 237</b>	<b>732 522</b>	<b>625 250</b>	<b>722 333</b>	<b>724 032</b>	<b>724 032</b>	<b>686 593</b>	<b>648 320</b>	<b>641 704</b>

<b>Unspent Borrowing - Categorised by type</b>									
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	59 238	-	-	-
<b>Municipality sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59 238</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unspent Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59 238</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.

**Figure 46: 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. Internally generated funds consist of R107 million in 2014/15, R61 million in 2015/16 and R73 million in 2016/17.

### 13.1.8 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.



### 13.1.9 Employee Related Costs

Employee related costs, including Councilor Allowances and provided for in the MTREF is summarized hereunder.

**Table 76: Summary of Employee and Councilor Related Costs**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Employee related costs	361,199	395,706	437,126	508,764	499,490	499,490	583,141	623,840	670,647
Remuneration of councillors	14,587	15,863	17,148	21,529	21,529	21,529	23,176	24,799	26,660

The budgeted allocation for **employee related costs** for the 2014/15 financial year totals R583 million, which equals 24,6 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 7 per cent for the 2014/15 financial year. An annual increase of 7 and 7.5 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 (R104m 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.

A further risk in the current situation is the possibility of the Municipality not been able to attract and retain fully qualified and experienced personnel, hence the escalation in contracted services from R147m in 2013/14 to R160 in 2014/15. If one adds both contracted services and employee related costs together, this figure amounts to 31% of the operating budget, which although with the 33% norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource.

One of the solutions here may appear contradictory on face value, but will no doubt have the long term desired effect and that is of Municipal Grading for the administration. The correct grading will result in higher salaries for middle to senior management staff, but in the medium to long term will result in the employment and retention of suitably qualified and experienced personnel.

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). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

### 13.1.10 Supply Chain Management

The City of uMhlathuze has a fully functional Supply Chain Management Unit. Supply Chain Management in the Municipality is guided by the SCM Policy prepared, adopted and reviewed by Council when required. The Council's Preferential Procurement Policy has also been aligned to the 2011 Procurement Regulations of Government Gazette 34350 Regulation 502.

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 Unit (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: R256 852 052.24
- 2012/2013 total transactions: R435 584 919.73

Total discrepancies for 2012/2013 were as follows:

- Shortages - R35 718.50 (here the major component was attributable to fuel, which are subject to various environmental factors), thus this discrepancy was not due to maladministration.
- Surpluses - R4192.43

## 13.2 FINANCIAL VIABILITY AND MANAGEMENT: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>○ 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.</li> <li>○ The City of uMhlathuze has a fully functional Supply Chain Management Unit.</li> <li>○ 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</li> </ul>	<ul style="list-style-type: none"> <li>○ Ongoing challenges to spend internal and grant funds.</li> <li>○ The current credit score of the Municipality is BBB.</li> <li>○ Absence of financial implementation plan approved by Council for new organizational structure.</li> </ul>
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>○ The Municipality has obtained an average debt collection ratio of <b>99.49%</b>.</li> <li>○ The City obtained Clean Audit for the 2012/2013 Financial Year</li> </ul>	<ul style="list-style-type: none"> <li>○ 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.</li> <li>○ The Council is limited in its leverage to borrow money externally.</li> <li>○ Limited resources provided in capital refurbishment and replacement programs.</li> </ul>

## 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** 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** are a Government 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 at an infant stage in as far as complying with Legislation on the implementation of Batho-Pele principles. There is a plan that the municipality is currently working on in order to fully institutionalize Batho . Pele Principles. This is a work in Progress, starting with the development of the Service Charter.

#### 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.

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 Municipal Structures

**Table 77: Section 79 Committees of Council**

Committee	Chairperson
Executive Committee	Cllr EF Mbatha
Bylaws Integration Committee	Cllr SN Hlope
Standing Orders and Disciplinary Committee	Cllr MS Mngayi
uMhlathuze Public Transport Liaison Committee	Cllr SB Xaba
uMhlathuze Transport and Taxi Liaison Forum	
Community Safety Forum	Cllr K Sukreben
Public Participation Committee	Cllr MS Mngayi
Standing Committee on Municipal Public Accounts (SCOPA)	Cllr AS Dawood

**Table 78: Section 80 Committees of Council**

<b>Committee</b>	<b>Chairperson</b>
Financial Services	Cllr EF Mbatha
Corporate Services	Cllr NV Gumbi
Community Services	Cllr AH Mthembu
City Development	Cllr M Sookroo
Infrastructure and Technical Services	Cllr SG Mkhize

**Table 79 Good Governance, Performance Audit and Performance Evaluation Panels**

<b>Committee</b>	<b>Chairperson/Panel</b>
Section 62 Appeals Committee	Cllr A Viljoen
Audit Committee	Mr JH de Wet
Performance Audit Committee	Mr P C Oosthuizen
Performance Evaluation Panel (Heads of Department)	Dr NJ Sibeko, Mr P C Oosthuizen, Cllr EF Mbatha, Mr M Khozi, Cllr NV Gumbi
Performance Evaluation Panel (Municipal Manager)	Cllr EF Mbatha, Cllr NV Gumbi, Mr P C Oosthuizen, Mrs T Mchunu

### 14.1.5 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.

### 14.1.6 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.

#### 14.1.7 Status of Municipal Policies

Herewith a summary of municipal human resource and budget policies already reported on in separate sections:

**Table 80: 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
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

Policy Name	Description	Approved by Council
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.
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.

#### 14.1.8 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:

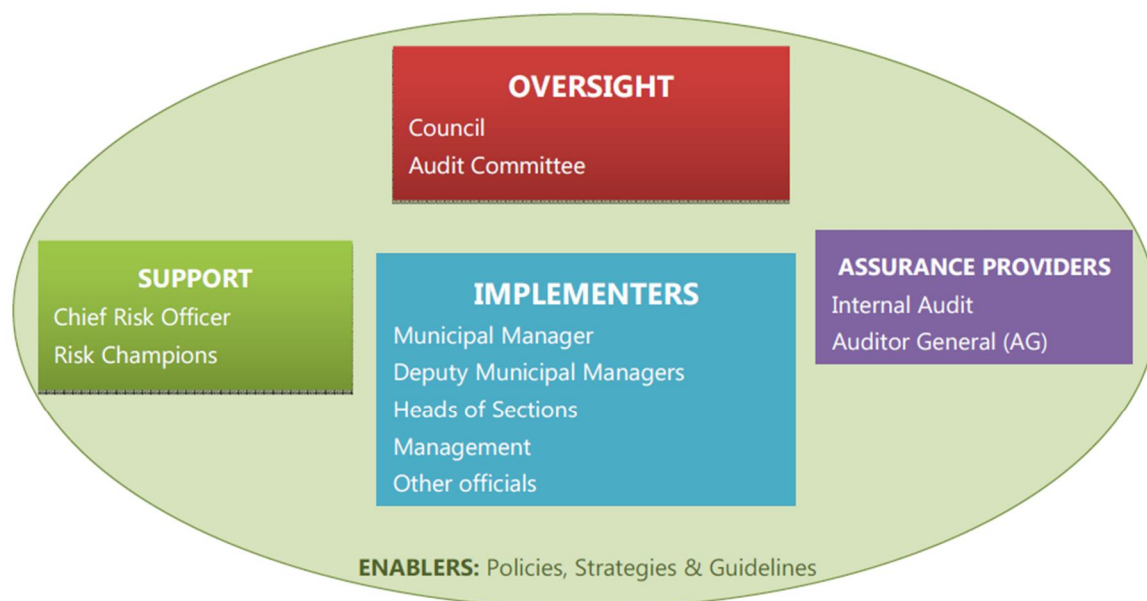
- Objective setting
- Risk Identification
- Risk Assessment
- Risk Response
- Communication and reporting
- Monitoring and review

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 47: 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.

#### 14.1.9 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	DCFM
Street Trading Bylaws	DCFM
Bylaws Relating to Public Amenities	DCS
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	DCS
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	CEE
Standing Orders for the Council and its committees	DCS
Nuisance Bylaws	DCSH
Environmental Health Bylaws	DCSH
Bed and Breakfast Bylaws	DPSD
Beach Bylaws	DCSH
Rates Bylaws	CT
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.

#### **14.1.10 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**

- |                          |   |
|--------------------------|---|
| <b>Sub-objective 1.1</b> | To reduce new HIV infections to less than half by 2016                                  |
| <b>Sub-objective 1.2</b> | To reduce new STI incidence to less than 0.5% by 2016                                   |
| <b>Sub-objective 1.3</b> | To reduce new smear positive TB infections to less than 1000/100 000 population by 2016 |

#### **STRATEGIC OBJECTIVE 2: SUSTAINING HEALTH AND WELLNESS**

- |                          |  |
|--------------------------|--|
| <b>Sub-objective 2.1</b> | To reduce disability and death resulting from HIV, STIs and TB through universal access to HIV, STIs and TB screening, diagnosis, care and treatment           |
| <b>Sub-objective 2.2</b> | 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 |
| <b>Sub-objective 2.3</b> | 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**

- |                          |  |
|--------------------------|--|
| <b>Sub-objective 3.1</b> | To halve the stigma related to HIV and TB by 2016  |
| <b>Sub-objective 3.2</b> | 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**

- |                          |   |
|--------------------------|---|
| <b>Sub-objective 4.1</b> | To reduce vulnerability to HIV, STIs and TB due to poverty, socio-cultural norms and gender imbalance by 2016 |
| <b>Sub-objective 4.2</b> | To address social, economic and behavioural drivers of HIV, STIs & TB   |
| <b>Sub-objective 4.3</b> | 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) were participated in the previous seating.

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 2014.

### 14.2.2 Communication Strategy

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.

uMhlathuze Municipality's communication strategy 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, 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"> <li>○ Operation Sukuma Sakhe (OSS) established in the uMhlathuze Municipality Ongoing activities and strategies planning are increasing the effectiveness of the structure.</li> <li>○ Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA).</li> <li>○ Functional section 79 and Section 80 committees.</li> <li>○ Ward committees established for all 30 wards.</li> <li>○ uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.</li> <li>○ Range of municipal policies in place.</li> <li>○ 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.</li> <li>○ <i>“Taking Council to the Community”</i> Program ongoing in the Municipality.</li> <li>○ Communication strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resourcing, human and financial, to ensure efficient operation of OSS structures is challenging in some areas.</li> <li>○ Ward Committees have to remain functional.</li> </ul>
OPPORTUNITIES	TREATS
<ul style="list-style-type: none"> <li>○ 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.</li> </ul>	<ul style="list-style-type: none"> <li>○ IGR and Good Governance in general is dependent on the support from various institutions and organs of state to ensure success.</li> </ul>

## 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 area's 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 Sukuma 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 81: 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. 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

Nr.	Key Challenge	Description
		aesthetics and urban form, as well as loss of land for economic and agricultural services. Our spatial policies and development 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, 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

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### 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.

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**Table 82: uMhlathuze Strategies, Goals and Objectives**

<b>NATIONAL KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>	
<b>GOAL 1: GOOD GOVERNANCE</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
1.1 Democratic, responsible, transparent, objective and equitable municipal governance	1.1.1 Effective and efficient municipal structure that is resourced to fulfil roles and responsibilities 1.1.2 Implement Batho Pele+principles 1.1.3 Effective and efficient community participation mechanisms and processes
1.2 Compliance with relevant legislation and policies	1.2.1 Preparation of credible and implementable Integrated Development Plan 1.2.2 Compilation of SMART+Organisational Performance Management 1.2.3 Records Management 1.2.4 Occupational health and safety processes and procedures in place 1.2.5 Develop required policies, procedures and registers 1.2.6 Legal vetting of contracts 1.2.7 Internal and External Audit
1.3 Uninterrupted service delivery	1.3.1 Improved relationship between management and labour 1.3.2 Provision for service delivery during industrial action
1.4 Public Safety and Security and protection of Council property	1.4.1 Provision of security, fire, rescue and traffic services 1.4.2 Provision of Disaster Management Services 1.4.3 Policy against fraud, corruption, theft, misuse and damage to Council property by members of the public and officials

<b>NATIONAL KPA: BASIC SERVICE DELIVERY AND INFRASTRUCTURE PROVISION</b>	
<b>GOAL 2: SUSTAINABLE INFRASTRUCTURE AND SERVICE DELIVERY</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
2.1 Efficient and integrated infrastructure and services	2.1.1. Provision of water, sanitation, transport and electrical infrastructure 2.1.2. Ensure Quality control measures in respect of Municipal Services 2.1.3. Stormwater systems and management 2.1.4. Infrastructure Maintenance 2.1.5. Council Fleet and asset management 2.1.6. Promote development densification for efficient and cost effective provision of services 2.1.7. Improvements to Public Transport facilities and infrastructure 2.1.8. Promote pedestrian friendly environment
2.2 Compliance with legislation, policies and guidelines	2.2.1. Planning for provision of water, sanitation, transport and electrical infrastructure in line with relevant government legislation and policies 2.2.2. Development of asset registers for management and maintenance purposes
2.3 Integrated urban and rural development	2.3.1. Identify and plan areas for future development 2.3.2. Development of Integrated Human Settlements 2.3.3. Promote development densification for cost effective provision of services
2.4 Effective project management	2.4.1. Ensure completion of projects within time and budget constraints
2.5 Environmental Sustainability	2.5.1. Coastal management 2.5.2. Investigate alternative energy sources and the recycling of resources 2.5.3. Support environmental sustainable developments 2.5.4. Solid waste management 2.5.5. Develop a good relationship with relevant stakeholders in order to promote sustainable development 2.5.6. Implementation of relevant COP17/CMP 7 agreements

<b>NATIONAL KPA: LOCAL ECONOMIC DEVELOPMENT</b>	
<b>GOAL 3: SOCIAL AND ECONOMIC DEVELOPMENT</b>	
<b>OBJECTIVE</b>	<b>STRATEGIES</b>
3.1. Safe and Healthy Living Environment	3.1.1. Provision of health facilities and services 3.1.2. Provision of a safe and clean environment 3.1.3. Solid waste management 3.1.4. Horticultural management
3.2. Social Cohesion	3.2.1. Provision of community and sports facilities and services, arts and culture
3.3. Create environment conducive for economic growth and development	3.3.1 Implement LED plan/strategy 3.3.2 Land Use Management 3.3.3 Promotion of tourism 3.3.4 Support to informal economy and SMME sector 3.3.5 Identification and planning of priority nodes and corridors 3.3.6 Property evaluation and administration 3.3.7 Public Transport coordination 3.3.8 Review and implementation of Tourism strategy/plan

<b>NATIONAL KPA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>	
<b>GOAL 4: INSTITUTIONAL DEVELOPMENT</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
4.1. Municipality resourced and committed to attaining the vision and mission of the organization	4.1.1. Appropriate organizational climate to attract and retain appropriate skills 4.1.2. Development and appropriate training and assistance to employees 4.1.3. Clean and secure working environment 4.1.4. Improved relationship between management and labour

<b>NATIONAL KPA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>	
<b>GOAL 4: INSTITUTIONAL DEVELOPMENT</b>	
4.2. Appropriate communication and Technology Services	4.1.5. Improve inter-departmental communication and cooperation within Municipality 4.1.6. Improve external communication 4.1.7. Innovative Information Management Systems 4.1.8. Appropriate ICT infrastructure, processes and procedures
4.3. Manage ethnic and religious diversity	4.3.1. Implement Batho Pele+principles 4.3.2. Promote synergistic partnership with relevant stakeholders

<b>NATIONAL KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>	
<b>GOAL 5: SOUND FINANCIAL MANAGEMENT</b>	
<b>OBJECTIVES</b>	<b>STRATEGIES</b>
5.1. Compliance with financial legislation and policies	5.1.1. Ensure GRAP compliance 5.1.2. Ongoing review of SCM policies and procedures 5.1.3. Ongoing internal and external capacity building in Supply Chain Management and Budgeting Models
5.2. Sustainable Financial Management	5.2.1. Improve internal communication on budget matters 5.2.2. Maintenance of fixed asset register 5.2.3. Credit control and debt collection 5.2.4. Compliant internal controls 5.2.5. Compliant grant reporting 5.2.6. Obtain targeted cash-backed statutory reserves 5.2.7. Development and appropriate training and assistance to employees 5.2.8. Identify and redress water and electricity tampering

## 19.IDP FRAMEWORK

The municipal vision, goals, objectives and Strategies are linked to municipal functions and departments as indicated herewith. Importantly, the relation between the IDP objectives, programmes, sub-programmes and projects is established.

No	National Key Performance Area	Development Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
1	Good Governance & Public Participation	Good Governance	1.1	Office of the Municipal Manager				
					1.1.1	Risk Management (Internal Audit)		
							1.1.1.1	Municipal Public Accounts
					1.1.2	Integrated Development Planning		
							1.1.2.1	Strategic Planning, Business Planning, City Development Strategies
					1.1.3	Performance Management		
							1.1.3.1	Organisational Performance
							1.1.3.2	Individual Performance
							1.1.3.3	Community Satisfaction
					1.1.4	Public Communications		
					1.1.5	Special Projects		
			1.2	Corporate Services				
					1.2.1	Diverse Administration Services		
							1.2.1.1	Secretariat Services
							1.2.1.2	Facilities Management
					1.2.2	Legal Support Services		
					1.2.3	Records Management		
							1.2.3.1	Central Registry and Switchbord
			1.3	Councillors				
					1.3.1	Councillor Support and Public Participation Services		
							1.3.1.1	Office of the Mayor
							1.3.1.2	Office of the Speaker
							1.3.1.3	Special Programmes
			1.4	Public Safety and Security Services (Public Safety)				
					1.4.1	Fire & Rescue Services		
							1.4.1.1	Fire Prevention
							1.4.1.2	Fire Training
							1.4.1.3	Fire and Rescue Operations
							1.4.1.4	Fire and Rescue Administration
					1.4.2	Traffic Services		
							1.4.2.1	Crime Prevention
							1.4.2.2	Licensing (Vehicles)
							1.4.2.3	Traffic Operations and Administration
							1.4.2.4	Traffic Control Room
					1.4.3	Security Services (Crime Prevention and CCTV System)		
					1.4.4	Disaster Management		



No	National Key Performance Area	Development Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
2	Basic Service Delivery & Infrastructure Development	Sustainable Infrastructure and Service Provision	2.1	Water and Sanitation				
					2.1.1	Plant Production and Operations		
							2.1.1.1	Plant Availability (Water and Wastewater Treatment Plants)
							2.1.1.2	Plant Availability (Pumpstations)
							2.1.1.3	Wastewater Final Effluent Quality Compliance (General Authorization March 2004 and General Standard 9225 May 1984 )
							2.1.1.4	Water Treatment Final Portable Water Compliance (SANS241-2011)
					2.1.2	Infrastructure Maintenance		
							2.1.2.1	Water and Wastewater Network Reliability Program
							2.1.2.2	Planned Maintenance Program for all Pumpstations
							2.1.2.3	Planned Maintenance Program for all Network Pipelines
							2.1.2.4	Planned Maintenance Program for all Water Meters
					2.1.3	Scientific Services		
							2.1.3.1	Blue and Green Incentive Based Program
							2.1.3.2	Surface Water Monitoring Program (DWA Guidelines 1996)
							2.1.3.3	Wastewater Quality Monitoring Program (General Authorization)
							2.1.3.4	Water Services Bylaw Compliance Program
							2.1.3.5	Online Water Quality Monitoring Program
					2.1.4	Water Demand Management and Strategy		
							2.1.4.1	Water Loss Management Program
							2.1.4.2	Water and Wastewater Demand Management Program
							2.1.4.3	Water Services Development Plan Annual review
							2.1.4.4	Water Services Bylaws Annual review
							2.1.4.5	Water Safety and Risk Abatement Annual Review
							2.1.4.6	Bulk Water and Wastewater Master Plan Development and Review
							2.1.4.7	Wastewater Effluent Re-Use Program
			2.2	Electricity Supply Services				
					2.2.1	Streetlights, Operations and LV Networks		
							2.2.1.1	Electrical Planned Maintenance
							2.2.1.2	Reticulation, Operations and Maintenance

No	National Key Performance Area	Developmental Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
2	Basic Service Delivery & Infrastructure Development	Sustainable Infrastructure and Service Provision (continue)			2.2.2	Substations, HV and MV Networks		
							2.2.2.1	Electrical Protection
							2.2.2.2	Electrical Cable Faults
							2.2.2.3	Electrical Network Switching
							2.2.2.4	Electrical Light Current
					2.2.3	Electricity Retail, Marketing and Customer Services		
							2.2.3.1	Electricity Retail and Auditing
							2.2.3.2	Electricity Marketing and Customer Services
					2.2.4	Electrical Planning and Strategy Services		
							2.2.4.1	Electrical Planning
							2.2.4.2	System Reinforcement
							2.2.4.3	Electricity Contracts
			2.3	Transport, Roads and Stormwater				
					2.3.1	Rural Roads Operations		
							2.3.1.1	Planned Rural Road Maintenance Program for Kwa Madlebe
							2.3.1.2	Planned Rural Road Maintenance Program for Kwa Dube
							2.3.1.3	Planned Rural Road Maintenance Program for Kwa Mkhwanazi
							2.3.1.4	Planned Rural Road Maintenance Program for Kwa Khoza
							2.3.1.5	Planned Maintenance Program for all Pedestrian Bridges
							2.3.1.6	Construction of New Culverts and Bridges
							2.3.1.7	Management and Monitoring Program for all Rural Road Mining Operations
					2.3.2	Urban Roads and Railway Services		
							2.3.2.1	Planned Urban Road Maintenance Program (North)
							2.3.2.2	Planned Urban Road Maintenance Program (South)
							2.3.2.3	Planned Urban Road Maintenance Program (West)
							2.3.2.4	Planned Rail Maintenance Program for all Urban Areas
							2.3.2.5	Planned Urban Road Maintenance Resealing Program for all Urban Areas
							2.3.2.6	Planned Urban Road Marking & Signage Program(All Areas)

No	National Key Performance Area	Developmental Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
2	Basic Service Delivery & Infrastructure Development	Sustainable Infrastructure and Service Provision (continue)			2.3.3	Transport Infrastructure Planning and Strategy		
							2.3.3.1	Transport Infrastructure Plan Development and/or Annual Review
							2.3.3.2	Traffic Management Studies Program (All Areas)
							2.3.3.3	Transport Master Plan (Urban, Rural and Rail)
					2.3.4	Storm Water Systems , Catchment and Coastal Management		
							2.3.4.1	Stormwater Management Bylaw Annual Review
							2.3.4.2	Stormwater Drains Planned Maintenance Program
							2.3.4.3	Catchment Management Program
							2.3.4.4	Coastal Management Program
					2.3.5	Public Transport Operations		
							2.3.5.1	Road Side Furniture Development Program
							2.3.5.2	Public Transport Integration Program
							2.3.5.3	Public Transport Master Plan Program
			2.4	Health and Cleansing				
					2.4.1	Solid Waste Management		
							2.4.1.1	Waste Management Inland
							2.4.1.2	Waste Management Coastal
							2.4.1.3	Waste Management Administration
					2.4.2	Primary Health (Clinic Services)		
							2.4.2.1	Clinic Services - Empangeni
							2.4.2.2	Clinic Services - Richards Bay
							2.4.2.3	Occupational Health
					2.4.3	Public Health and Pollution Control		
							2.4.3.1	Environmental Health Coastal
							2.4.3.2	Environmental Health Inland
							2.4.3.3	Air Pollution Control and Environmental Impact
			2.5	Engineering Support Services				
					2.5.1	Engineering Projects Management and Implementation		
							2.5.1.1	Electrical Projects Implementation Program
							2.5.1.2	Civil Engineering Projects Implementation Program
							2.5.1.3	Mechanical Projects Implementation Program
							2.5.1.4	Capital Project Funding Program

No	National Key Performance Area	Developmental Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
2	Basic Service Delivery & Infrastructure Development (continue)	Sustainable Infrastructure and Service Provision (continue)			2.5.2	Fleet Management Services		
							2.5.2.1	Fleet Planned Maintenance Program
							2.5.2.2	Equipment and Small Plant Planned Maintenance Program
							2.5.2.3	Vehicle Utilization and Optimization Program
							2.5.2.4	Vehicle Replacement Program
					2.5.3	Process Control Systems		
							2.5.3.1	Planned Maintenance Program (Telemetry and Scada Systems)
							2.5.3.2	Planned Maintenance Program (Instrumentation)
							2.5.3.3	Planned Maintenance Program (Radio Engineering)
							2.5.3.4	Master Plan Development and/or Review (Process Control Systems)
					2.5.4	Municipal Infrastructure Asset Management		
							2.5.4.1	GIS Management Program
							2.5.4.2	Integrated Infrastructure Plan Program (Development & Review)
							2.5.4.3	Maintenance Plans Program Management
							2.5.4.4	Technical Operations Center Management Program
							2.5.4.5	Engineering Document Management Program
					2.5.5	Municipal Buildings and Structures		
							2.5.5.1	Planned Building Maintenance Program (Civils)
							2.5.5.2	Planned Building Maintenance Program (Electrical)
							2.5.5.3	Planned Building Maintenance Program (Mechanical)
							2.5.5.4	Planned Structures Maintenance
							2.5.5.5	Building Construction and New Works Program
			2.6	Recreation and Environmental Services				
					2.6.1	Horticultural Management		
							2.6.1.1	Biodiversity (Cemeteries) and Conservation
							2.6.1.2	Operations management
					2.6.2	Sport & Recreation		
							2.6.2.1	Recreational Facilities Management
							2.6.2.2	Sport and Recreation Development
					2.6.3	Arts and Culture		
							2.6.3.1	Public Libraries
							2.6.3.2	Museum
							2.6.3.3	Community Halls and Thusong Centres
					2.6.4	Recreational Projects Management		
					2.6.5	Horticultural Contracts Management		

No	National Key Performance Area	Developmental Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
3	Local Economic Development	Social and Economic Development	3.1	Local Economic Development				
					3.1.1	Community Capacity Building & Training		
					3.1.2	Business Support		
					3.1.3	Development & Support of markets		
					3.1.4	Economic Facilitation		
					3.1.5	Marketing & Tourism Development		
			3.2	Urban and Rural Planning				
					3.2.1	Land Use Management (LUMS)		
							3.2.1.1	Building Management and Control
							3.2.1.2	Planning and Development Evaluation
							3.2.1.3	Development Control, Appeals and Consent use
							3.2.1.4	Surveys, Analysis, Data, Research and GIS information
					3.2.2	Spatial and Environmental Planning		
					3.2.3	Development Administration		
					3.2.4	Human Settlement Programmes		
			3.3	Economic Development Facilitation				
					3.3.1	Property Administration		
					3.3.2	Property Evaluations		
					3.3.3	Business Support, Markets and Tourism		
							3.3.3.1	Tourism
							3.3.3.2	Business Support and Markets
							3.3.3.3	Investment Promotion
					3.3.4	Public Transport Facilities and Operations Coordination		

No	National Key Performance Area	Developmental Goals	IDP No	Strategic Objectives	IDP No	Strategies	IDP No	Programmes/Projects
4	Municipal Institutional Development & Transformation	Institutional Development	4.1	Human Resource and Industrial Relations Services				
					4.1.1	Personnel Administration, Recruitment and Placement		
					4.1.2	Personnel Maintenance and Development		
							4.4.2.1	SHE Risk Management
							4.4.2.2	Training Development and Education
							4.4.2.3	Employee wellness
					4.1.3	Labour Relations Management		
					4.1.4	Organisation Development and Change Management		
			4.2	Information, Communications and Technology Services				
					4.2.1	ICT Governance		
					4.2.2	ICT Service Delivery		
					4.2.3	ICT Infrastructure		
5	Municipal Financial Viability & Management	Sound Financial Management	5.1	Expenditure				
					5.1.1	Budget and Financial Management		
							5.1.1.1	Budget and Financial Control
							5.1.1.2	Annual Financial Statements, Assets, Reporting and Loans
					5.1.2	Expenditure and Cash Management		
							5.1.2.1	Creditors Management
							5.1.2.2	Payroll and Policy Management
			5.2	Revenue				
					5.2.1	Revenue Control, Billing, Rates and Tariffs		
							5.2.1.1	Rates, Non-Metered Services, Cash Control
							5.2.1.2	Revenue Control, Tariff Design, Budget and Reporting
							5.2.1.3	Billing, Metered Services, System Tariff Administration and Reporting
					5.2.2	Revenue Enhancement		
							5.2.2.1	Metered Services
							5.2.2.2	Sundry Services
					5.2.3	Revenue Customer Relations, Credit Management and Indigent Support		
							5.2.3.1	Branch Management and Community Liaison
							5.2.3.2	Customer Relations and Indigent Support
			5.3	Supply Chain Management				
					5.3.1	Demand and Acquisitions		
					5.3.2	Stores Control		
					5.3.3	Logistics and Supply Chain Management Risk		

**Table 83: Local, Provincial and National Alignment**

National KPA	uMhlathuze Goals	uMhlathuze Mission	MDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals
Good Governance and Public Participation	Good 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
				Unite the Nation			
				Fight Corruption			
Basic Service Delivery and Infrastructure Provision	Sustainable Infrastructure and Service Delivery			Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure
		Planned Rural Development Interventions			Vibrant, equitable, sustainable rural communities contributing towards food security for all		
		Maintaining Consistent Spatial Development			Sustainable human settlements and improved quality of household life		Spatial Equity
		Commitment to Sustainable Environmental Management	Ensure environmental sustainability		Protect and enhance our environmental assets and natural resources		Response to Climate Change
Local Economic Development	Social and Economic Development	Job Creation through Economic Development	Eradicate extreme Poverty and Hunger	Create Jobs		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		
		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				
		Planned Rural Development Interventions			Decent employment through inclusive economic growth	Rural development, food security and land reform	
		Creation of Secure and Friendly City through Fighting Crime	Promote Gender Equality and Empower Women		All people in South Africa are and feel safe	Fighting crime and corruption	
Municipal Institutional Development and Transformation	Institutional Development			Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development
					An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		Human and Community Development
Municipal Financial Viability and Management	Sound Financial Management			Use Resources Properly			

# SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

## 20. STRATEGIC DEVELOPMENT MAPPING

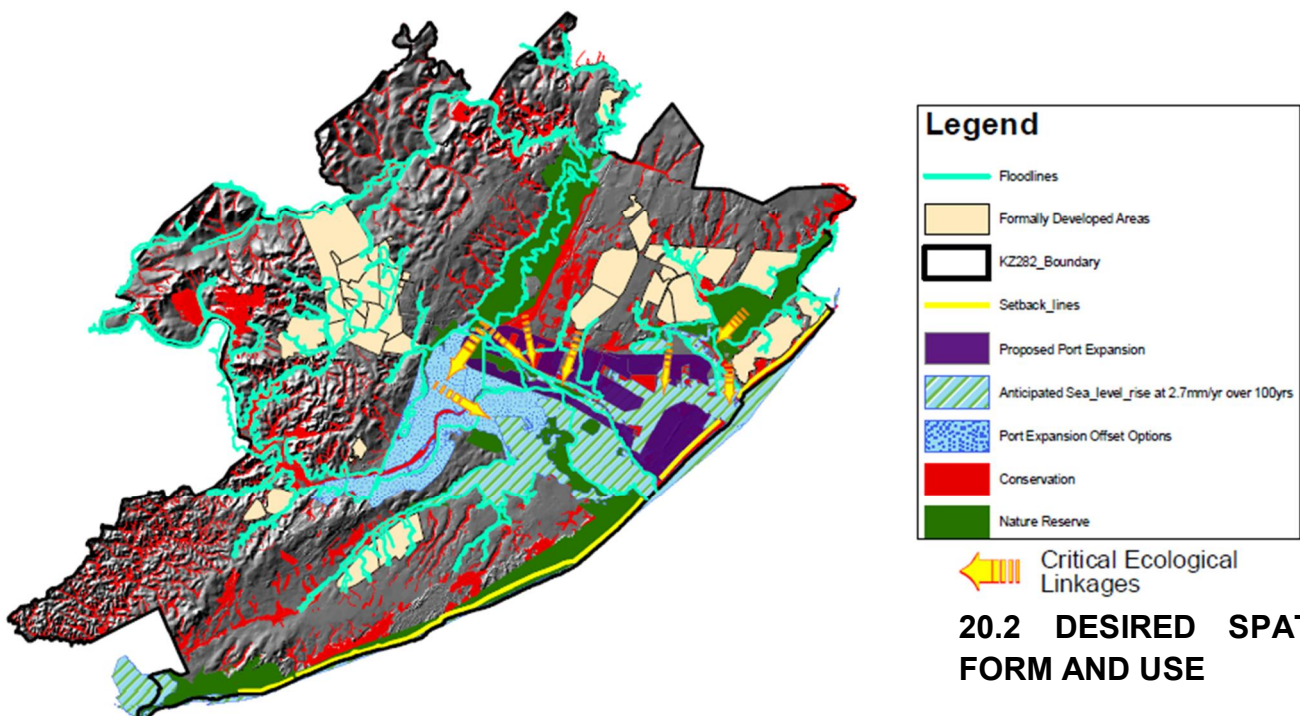
This section essentially provides a summary of components of the Municipal SDF (Spatial Development Framework) and provides some indication of where development interventions are required, where development potential is limited, where development is proposed to take place etc. As such, the following information is provided herewith:

- Environmentally sensitive areas
- Desired spatial form and use
- Spatial reconstruction
- Strategic guidance in respect of the location and nature of development within the Municipality
- Areas where strategic interventions is required
- Areas where priority spending is required

### 20.1 ENVIRONMENTALLY SENSITIVE AREAS

As noted in previous sections of this report, the municipal area has significant environmental features. These features have been unpacked in detail in ESMP (Environmental Services Management Plan) and the EMF (Environmental Management Framework). Apart from the ESMP, the Port of Richards Bay undertook a Due Diligence Investigation (DDI) into Future Port Expansion. The inputs from the Port DDI have been considered by Council and amendments to the Municipal SDF made accordingly. As can be seen from the inset mapping herewith, potential Port Expansion offsets as well as critical ecological linkages have been considered.

**Figure 48: Spatial Environmental Considerations**

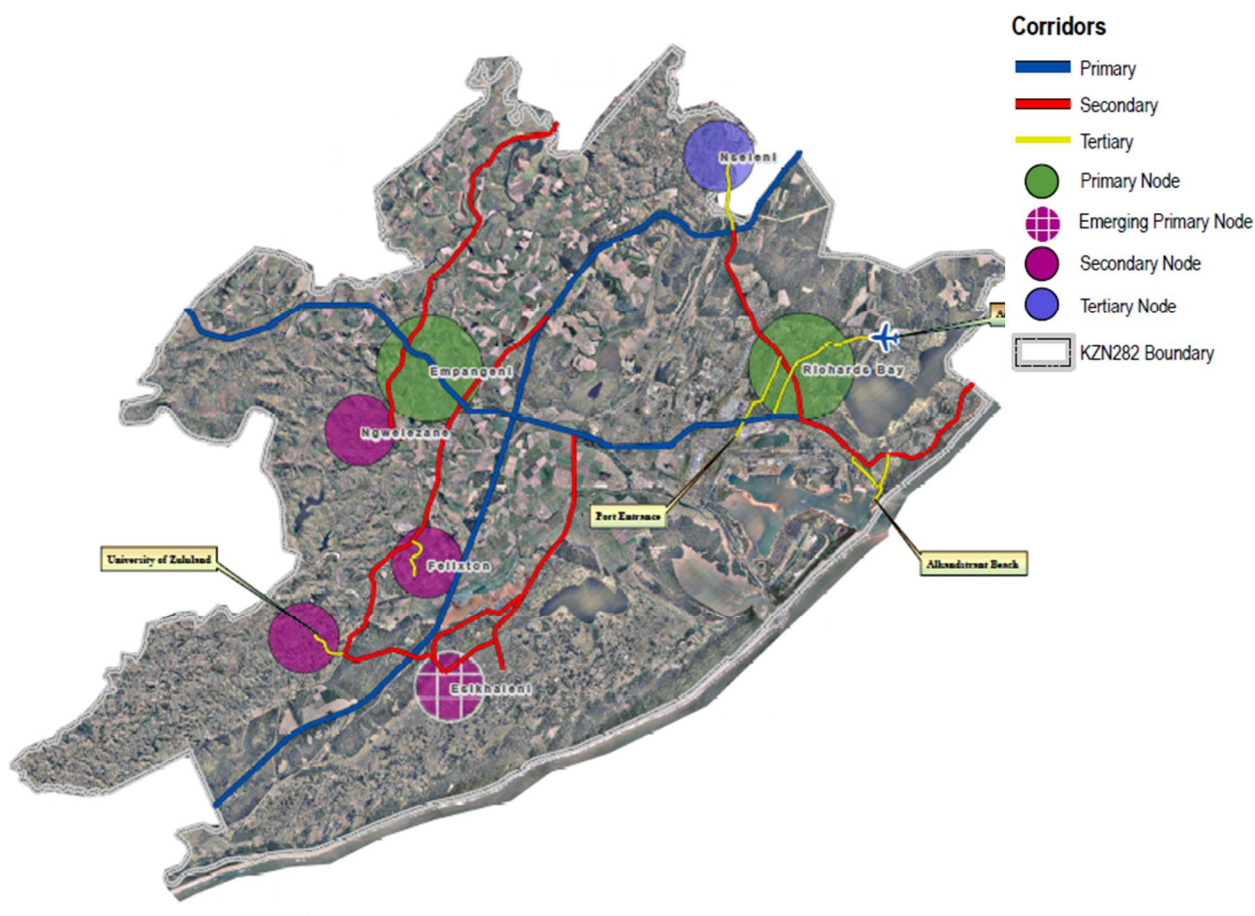




As part of the SDF process, a number of issues that impact on spatial form and land use have been considered, notably:

- Nodes and Corridors
- Urban Compaction
- Urban Densification

The municipal nodes and corridors are reflected (as extracted from the SDF) in the following map inset. Certain responses and proactive actions are required in respect of these nodes and corridors regarding the provision and maintenance of infrastructure and services as well as land use management guidelines.

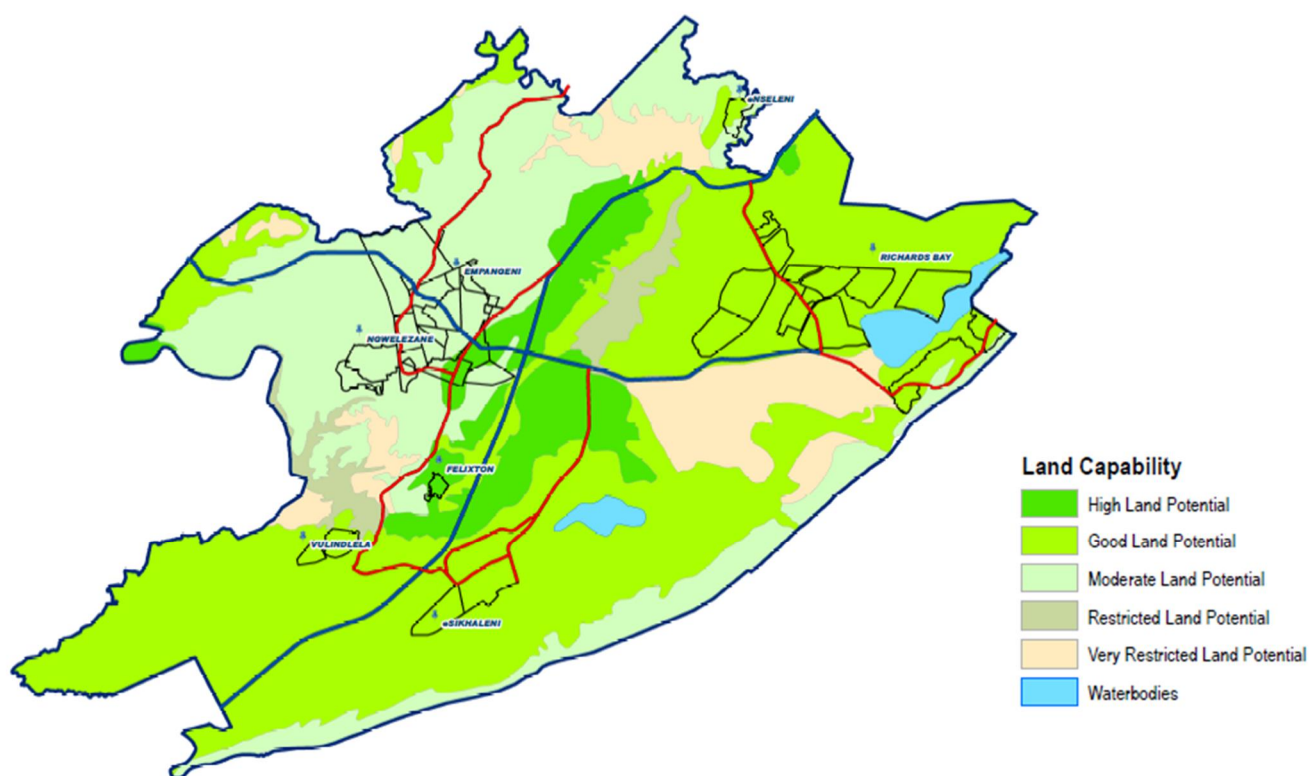


The nodes and corridors have a very important role to play in respect of creating a more efficient urban economy. A case in point is Esikhaleni that is developing into an emerging primary node with increasing services and utilities being available to the community.

Closely linked to the nodes and corridors are the proposed municipal expansion areas. The criteria applied to identify them focused on increase efficiencies, spatial integration, service provision and environmental sustainability. More detail regarding the municipal spatial expansion areas is provided in a following sub-section.

Apart from the environmental issues already alluded to the use of land is critical, specifically with regard to agricultural and urban related uses. Apart from Act 70 of 1970 and Land Use Management processes underway, cognizance has to be taken of the agricultural potential of land in the municipality as reflected in the following map.

**Figure 49: Land Capability**



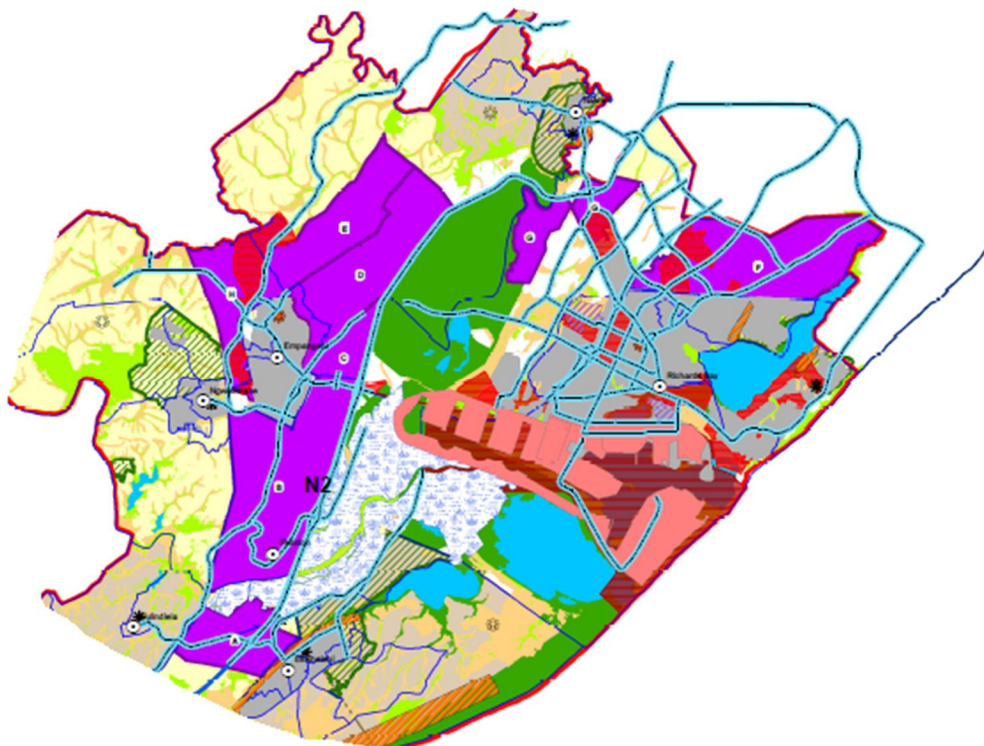
## 20.3 STRATEGIC GUIDANCE IN RESPECT OF THE LOCATION AND NATURE OF DEVELOPMENT WITHIN THE MUNICIPALITY

As part of the municipal SDF process, expansion areas were identified giving due consideration to environmental, geotechnical, air quality, slope and other developmental informants. A process is currently underway to refine the planning of these expansion areas and to determine their suitability for development purposes.

A total of 8 expansion areas (A-H) have been identified and preliminary planning completed for 6 of them (A-F). The total area available for the suite of land uses in these expansion areas have been determined and land requirements have been related to anticipated population increase. In addition, consideration has also been given to private and publicly funded initiatives in Municipality that could alleviate development pressures, i.e. Waterstone, Carsdale, SAPPI Housing as well as the Aquadene government funded housing project.

Apart from considering the development potential in the municipal identified expansion areas, an infrastructure limit is also being determined, i.e. %urban edge+. This delineation is of importance considering the provision of urban services and infrastructure to the areas beyond the current formal urban boundaries. A map indicating the proposed Expansion Areas (A-H) is provided herewith.

**Figure 50: Proposed Municipal Expansion Areas**



## **20.4 AREAS WHERE STRATEGIC INTERVENTIONS IS REQUIRED**

As noted in an earlier comment, pro-active action is preferable although in some instances, interventions are required to redress a situation. Two instances are elaborated for the purpose of this report. In the first instance, the Council has been pro-active in defining restructuring zones in terms of the guidelines from the Department of Human Settlement where integrated, government supported and funded, housing development should be focused. These restructuring zones are indicated on the following map inset.

These restructuring zones are located at:

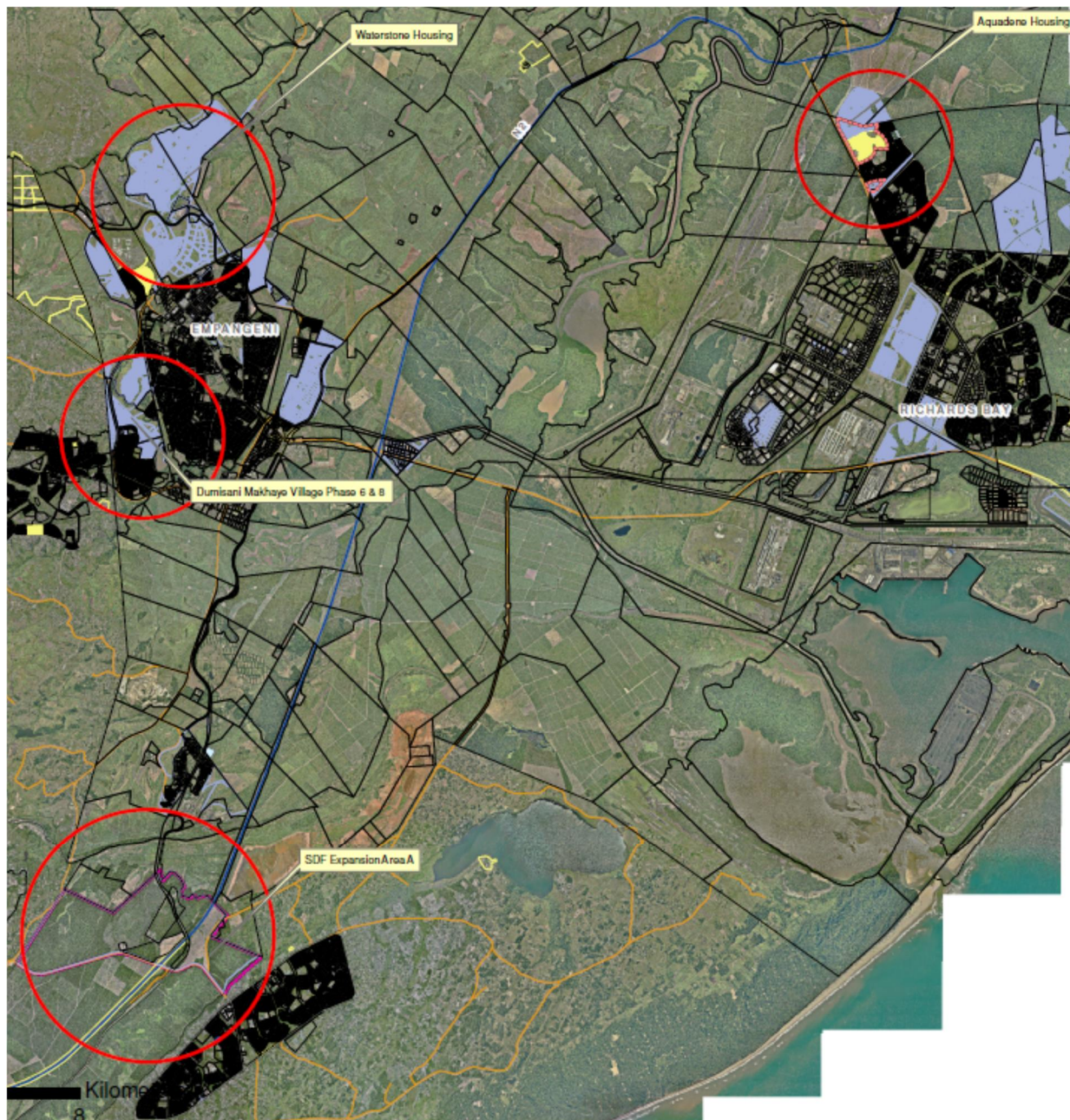
- Aquadene
- uMhlathuze Village Phase 6
- uMzingwenya Informal Settlement

Apart from the above restructuring zones, areas that require intervention have also been identified where a conflict exists between human settlement and the environment or disaster prone areas. Examples of these areas are:

- uMzingwenya Informal Settlement
- Mandlazini . Airport Buffer Strip
- Areas settled in low lying flood prone areas in Mzingazi specifically



## Map 21: Municipal Restructuring Zones



### 20.5 AREAS WHERE PRIORITY SPENDING IS REQUIRED

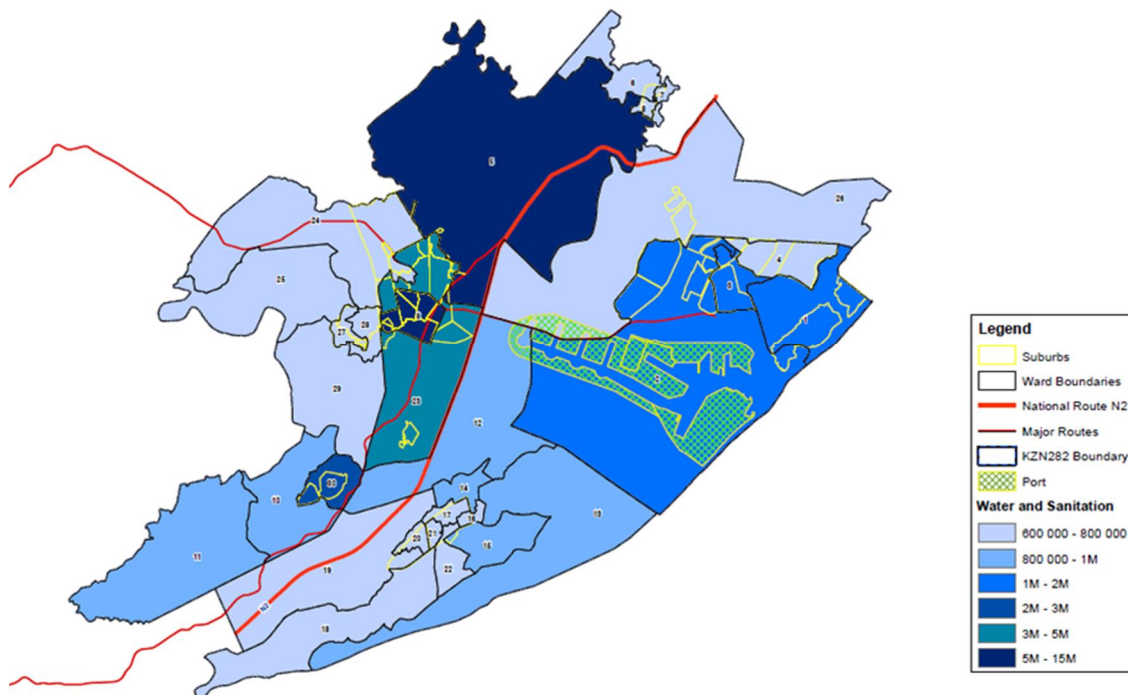
At the district level, spatial development mapping has been done that can strategically inform responses from the respective local municipalities. The following strategic mapping has been compiled at the district level that is of relevance to the uMhlathuze Municipality:

- Poverty in relation to population density
- Poverty in relation to agricultural potential
- Population density in relation to areas of highest infrastructure needs
- Population density in relation to areas of highest socio-economic needs

## 20.6 PROPOSED 2014/2015 CAPITAL INVESTMENT

In response to the analysis of infrastructure backlogs, the following mapping has been prepared to indicate the response from Council, by way of capital budget allocation, to the areas of backlogs.

**Map 22: Areas of Water and Sanitation Capital Investment**



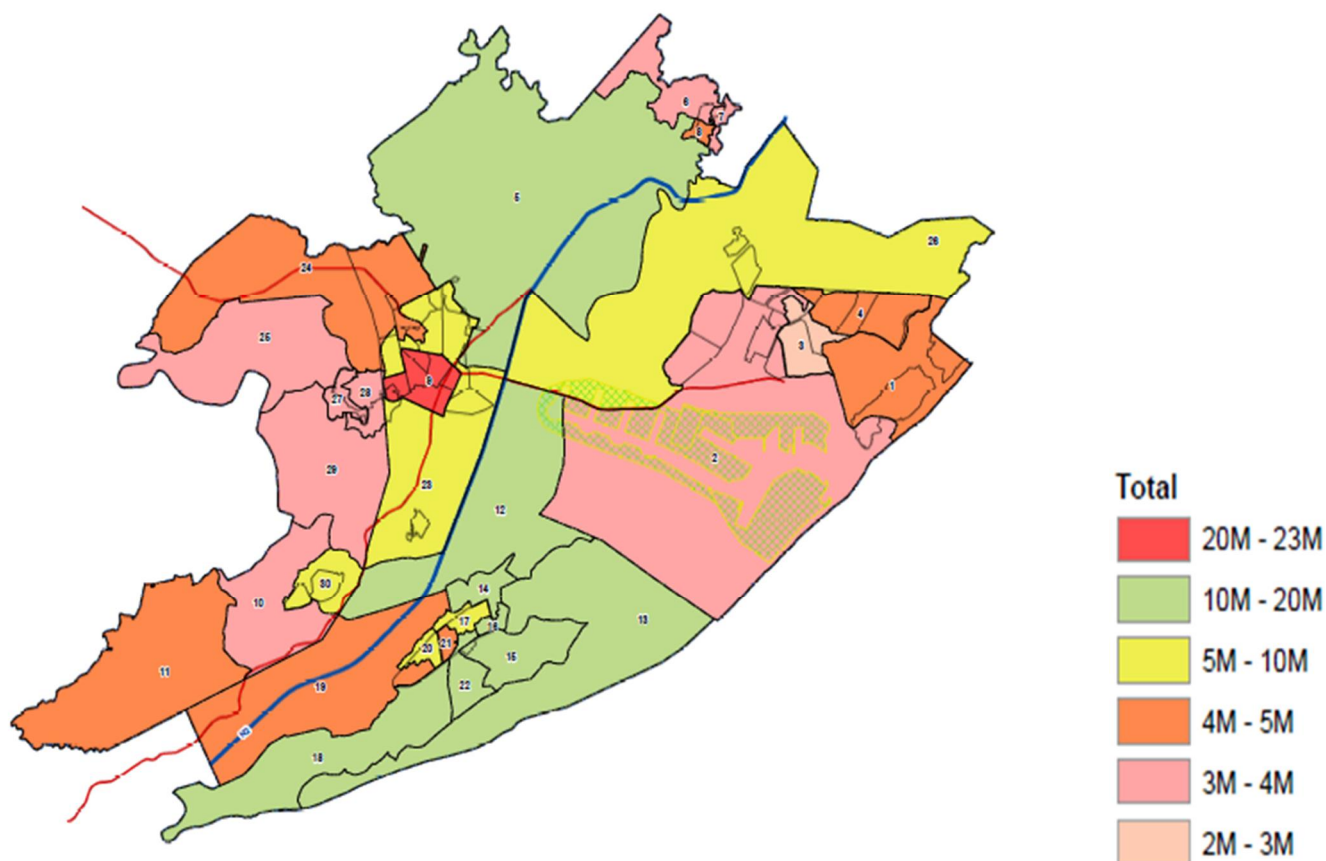
A brief analysis of the above capital investment map is provided herewith:

- From the above it is noted that the bulk of the investment in water and sanitation is in ward 5 as well as in the Empangeni (Dumisani Makhaya Village) as well as Expansion Area A.
- Significant investment in a new reservoir at Hilltop has contributed to this situation.
- Other areas of significant investment are around Vulindlela town while investment in the Mzingazi area has increased the total investment in ward 1.

Note: The spatial format in which the census 2011 data is available poses limitations on the functionality thereof in terms of mapping capital investment.

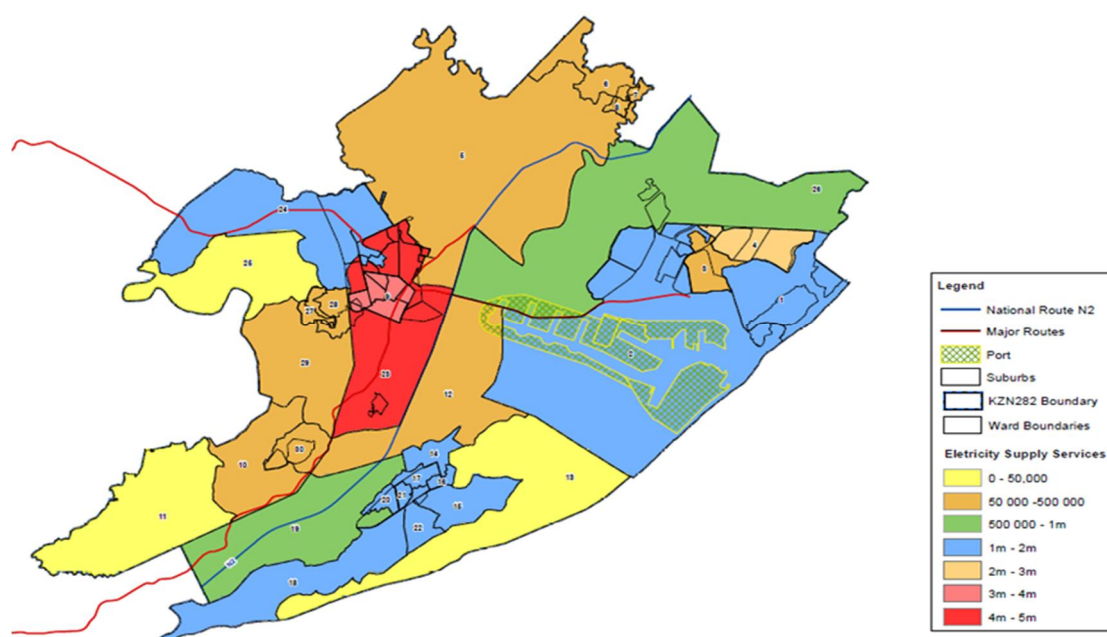


**Map 23 : Proposed 2014/2015 Total Capital Investment**



The Map above depicts areas of priority and capital spending within the 2014/2015 financial year.

**Map 24: Areas of Electricity Capital Investment**

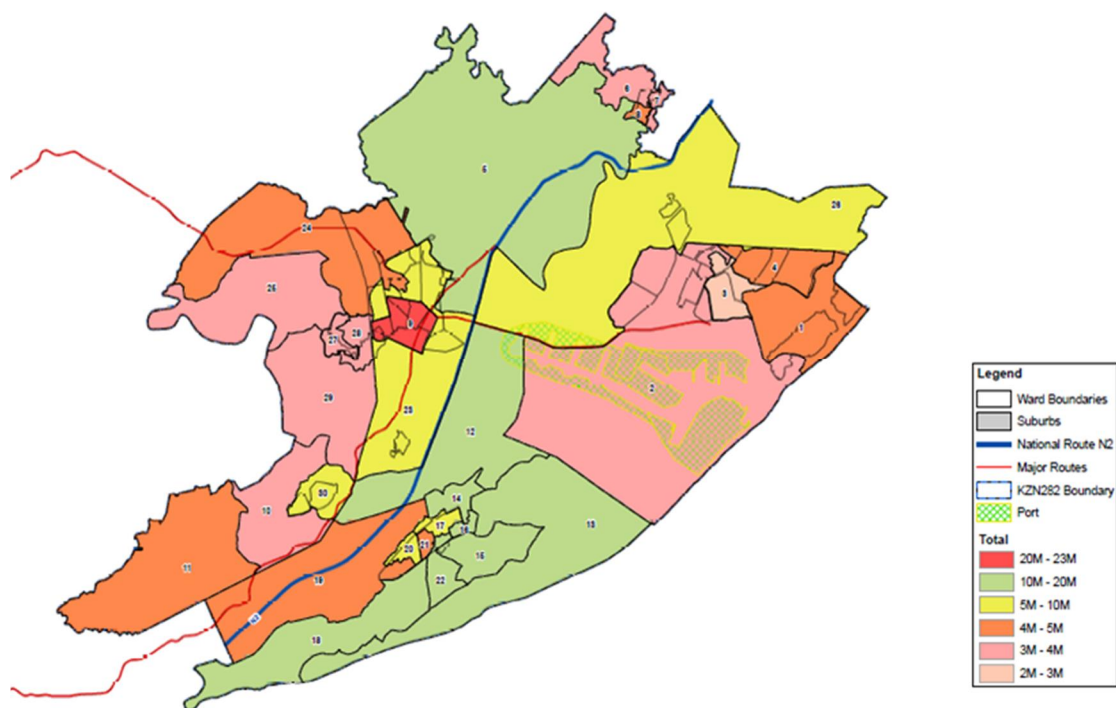


A brief analysis of the above capital investment map is provided herewith:

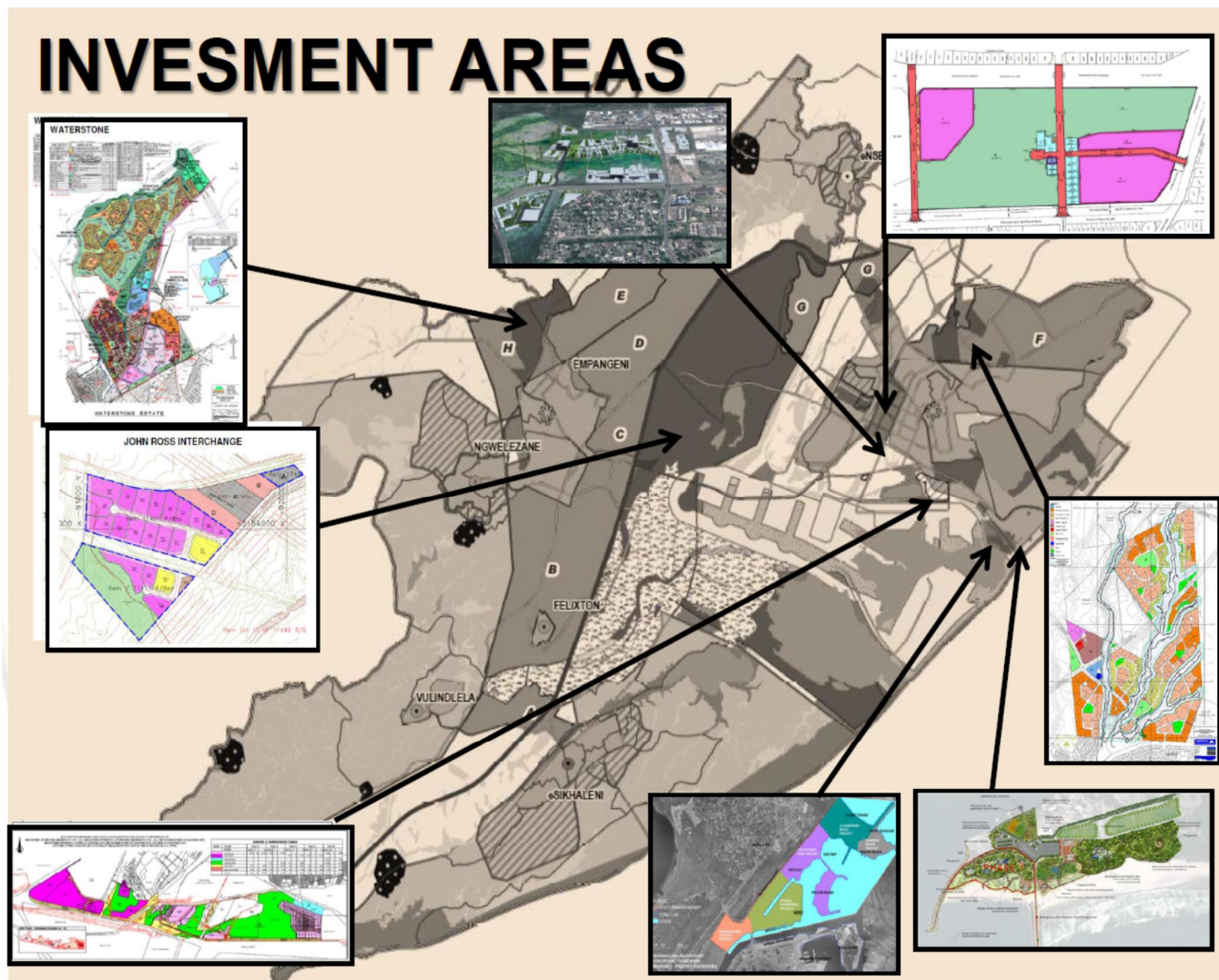
- i. From the above it is noted that the bulk of the investment in electricity is in Expansion Area B as well as the areas around Empangeni town.
- ii. There is also significant investment in Empangeni town.
- iii. Investment in the Mandlazini (ward 4) is also apparent from the mapping.

Note: The spatial format in which the census 2011 data is available poses limitations on the functionality thereof in terms of mapping capital investment.

**Map 25: Combined Infrastructure Capital Investment**



## 20.7 PUBLIC AND PRIVATE INVESTMENT AREAS



The figure above indicates the physical allocation of private investment projects. More elaboration on the above projects is provided under Section C, on Spatial Analysis as well as on the attached Spatial Development Framework (SDF)

The figure above indicates the physical allocation of private investment projects. More elaboration on the above projects is provided under Section C, on Spatial Analysis as well as on the attached Spatial Development Framework (SDF)



## 21. IMPLEMENTATION PLAN

PROJECT DESCRIPTION	WARD BENEFITTING	IDP STRATEGY	IDP PROG	PLANNED START DATE	PLANNED COMPLETION DATE	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT</b>								
CITY DEVELOPMENT	ALL WARDS	1	1.1.2	Sep-14	Jun-15	268 000	270 000	343 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES</b>								
<b>COMMUNITY SERVICES, HEALTH AND PUBLIC SAFETY</b>								
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	19,30,13,14,15,16,17,18,20,21,22	1	1.4.1	Aug-13	Jun-15	2 725 700		
ESIKHALENI FIRE STATION - PLAN AND CONSTRUCT	19,30,13,14,15,16,17,18,20,21,22	1	1.4.1	Jul-14	Jun-16	6 800 000	2 000 000	
RICHARDS BAY FIRE STATION - PLAN AND CONSTRUCT PHASE ONE	ALL WARDS	1	1.4.1	Jul-14	Jun-16	327 700	5 000 000	3 000 000
ESTABLISHMENT TRANSFER STATION EISELENI FOR RECYCLING	5,6,7,8	2	2.4.1	Sep-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION ESKHALENI FOR RECYCLING	20	2	2.4.1	Sep-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION MZINGAZI AGRICULTURE VILLAGE	1	2	2.4.1	Aug-13	Jun-17	500 000	700 000	
ESTABLISHMENT TRANSFER STATION NGWELEZANE	28	2	2.4.1	Aug-13	Jun-17	500 000	700 000	
ALTON TRANSFER STATION - CAPPING	26	2	2.4.1	Jul-15	Jun-16			1 500 000
SKIPS	ALL WARDS	2	2.4.1	Jul-14	Jun-17	1 500 000	1 500 000	2 000 000
REFUSE TRUCKS	ALL WARDS	2	2.5.2	Jul-14	Jun-16	4 000 000	4 000 000	3 000 000
<b>RECREATION AND ENVIRONMENTAL SERVICES</b>								
R/BAY EXTENSION/DEVELOPMENT OF CEMETARY	ALL WARDS	2	2.6.1.1	Jul-13	Jun-17	2 000 000	1 000 000	1 500 000
ESIKHALENI EXTENSION/DEVELOPMENT OF CEMETARY	ALL WARDS	2	2.6.1.1	Jul-13	Jun-14	100 000		2 000 000
ESK LIBRARY - EXTENSION	17	2	2.6.3.1	Aug-13	Apr-14	805 000		
AQUADENE LIBRARY	26	2	2.6.3.1	Jul-14	Jun-15	4 500 000	1 500 000	
EISELENI LIBRARY - EXTENSION	8	2	2.6.3.1	Jul-15	Jun-16			1 500 000
PARKS DEVELOPMENT	17, 8 & 27	2	2.6.2.2	Sep-13	Jun-17	1 000 000	1 000 000	1 800 000
ESIKHALENI COLLEGE COURTS UPGRADE	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17	450 000	450 000	500 000
FLOODLIGHTS - VARIOUS SPORTSFIELDS	ALL WARDS	2	2.6.2.2	Jul-15	Jun-17	1 000 000	5 600 000	10 000 000
SPORTS FACILITIES - EQUIPMENT	2,15	2	2.6.2.2	Jul-14	Jun-17		700 000	1 466 400
UPGRADING RURAL SPORTSFIELDS	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17	1 100 000	1 000 000	1 400 000
NEW FIELD COURTS - UPGRADE	27	2	2.6.2.2	Jul-14	Jun-17	250 000		390 000
REFURBISHMENT OF ABLUTION FACILITIES AT VULINDLELA	30	2	2.6.2.2	Jul-14	Jun-17	350 000		386 000
REPLACEMENT OF GUARD HOUSES AT VARIOUS SPORT FACILITIES	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17		400 000	450 000
UPGRADE ABLUTION FACILITIES AT SPORT COMPLEX	2	2	2.6.2.2	Jul-14	Jun-17		500 000	500 000
ABLUTION FACILITIES AT MANDLAZINI	4	2	2.6.2.2	Jul-14	Jun-17	200 000	300 000	540 000
SITTING AT MUZUVUKILE	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17			1 000 000
REPLACEMENT OF PERIMETER FENCE AT UMHLATHUZE STADIUM	2	2	2.6.2.2	Jul-14	Jun-17		1 000 000	1 100 000
INSTALLATION OF STADIUM PAVILLION ROOF	ALL WARDS	2	2.6.2.2	Jul-14	Jun-17			5 800 000
CONSTRUCTION OF COMBI COURT AT MANDLAZINI	4	2	2.6.2.2	Jul-14	Jun-17	380 000		
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES</b>								
<b>ADMINISTRATION</b>								
NTUZE HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	10,11 & 18	2	2.6.3.3	Oct-14	Nov-14		500 000	500 000
EMPANGENI HALL - UPGRADE	ALL WARDS	2	2.6.3.3	Jan-15	Feb-15	350 000		
MANDLA KALA HALL - REFURBISHMENT	12	2	2.6.3.3	Jul-14	Jul-14	250 000		
NHLANGENYUKA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	11	2	2.6.3.3	Sep-14	Nov-14	550 000	400 000	
UMSANDLA THUSONG CENTRE - EXTENSION	10, 11 & 30	2	2.6.3.3	Aug-14	Oct-14	700 000	300 000	
VULDENLEI HALL - REFURBISHMENT	2,3 & 4	2	2.6.3.3	Aug-14	Oct-14	600 000		
NGWELEZANE HALL - EXTENSION	24,25,27,28 & 29	2	2.6.3.3	Aug-14	Oct-14	900 000	300 000	
REVAMP - MZINGAZI HALL	1	2	2.6.3.3	Jul-15	Jun-16		600 000	600 000
HLANGANANI HALL - PARKING	18,19 & 20	2	2.6.3.3	Jul-15	Jun-17		-	1 400 000
EISELENI HALL - UPGRADE (CONSTRUCT FENCING AND LIFT FOR DISABLED)	5,6,7 & 8	2	2.6.3.3	Jan-15	Mar-15	500 000	400 000	
VULINDLELA HALL - UPGRADE (CONSTRUCT GUARD HOUSE, FENCING AND LIFT DISABLED)	10, 11 & 30	2	2.6.3.3	Jul-15	Jun-17		900 000	
NEW HALL - EXTENSION	13,14,15,16,17,19, 20,21 & 22	2	2.6.3.3	Nov-14	Feb-15	500 000	900 000	300 000
AQUADENE HALL - REFURBISHMENT OF THE HALL	2	2	2.6.3.3	Jul-15	Jun-17		500 000	300 000
AQUADENE HALL - GREENFIELDS	2	2	2.6.3.3	Jul-16	Jun-17			1 100 000
CIVIC HALL - CONSTRUCTION	ALL WARDS	2	2.6.3.3	Nov-14	Jun-15	3 000 000	-	-
WESTERN SERVICES DEPOT - REFURBISHMENT	ALL WARDS	2	2.6.3.3	Aug-14	Aug-14	150 000	2 000 000	1 800 000
ESIKHALENI SERVICES DEPOT - REFURBISHMENT	10,11,12,13,14,15,16,17,18,19, 20,21 & 22	2	2.6.3.3	Jul-15	Jun-17		1 000 000	1 800 000
AQUADENE GREENFIELDS SERVICE CENTRE	2	2	2.6.3.3	Jul-15	Jun-16		200 000	
BRACKENHAM COMPLEX	2	2	2.6.3.3	Aug-14	Oct-14		600 000	
NEW & REPLACEMENT OF IT RELATED EQUIPMENT	ALL WARDS	4	4.2	Jul-14	Jun-17	7 788 000	7 846 000	9 981 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER</b>								
RENOVATIONS BRANCH OFFICES	ALL WARDS	5	5.2	Jul-14	Jun-15			910 000
RENOVATIONS FINANCIAL SERVICES SECTION	ALL WARDS	5	5.1	Jul-13	Dec-13	4 916 900		
FINANCIAL SERVICES	ALL WARDS	5	5.1	Jul-14	Jun-15	547 000	1 207 000	3 054 000
FINANCIAL ERP SYSTEM	ALL WARDS	4	4.2	Jul-14	Jun-16	500 000	15 000 000	
FINANCIAL ERP SYSTEM	ALL WARDS	5	5.2	Jul-14	Jun-15			25 000 000
<b>PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES</b>								
<b>ELECTRICAL SUPPLY SERVICES</b>								
JOHN ROSS/EMPANGENI MAIN STREETLIGHTING	2,9,23,26	2	2.2.1	Jul-14	Jun-15	2 280 000		
EMPANGENI MAIN ROAD INTERSECTION	9 & 23	2	2.2.1	Jul-13	Sep-13	1 000 000		
MANDLA KALA/ MAHOLOHOLO STREETLIGHTING PROJECT	1,4,8,9,16,17,20,24,26,28	2	2.2.1	Jul-14	Jun-15	1 600 000		3 754 000
RURAL AREAS	15-19,30	2	2.2.1	Jul-14	Jun-15			2 500 000
JOHN ROSS/EMPANGENI MAIN STREETLIGHTING	ALL WARDS	2	2.2.1	Jul-14	Jun-15		4 917 000	
MUNICIPAL TRACKING SYSTEMS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-16	Jun-17			850 000
UPGRADE OF TELEMETRY	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-13	May-14			500 000

PROJECT DESCRIPTION	WARD BENEFITTING	IDP STRATEGY	IDP PROG	PLANNED START DATE	PLANNED COMPLETION DATE	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
<b>ELECTRICAL SUPPLY SERVICES</b>								
UPGRADE RADIO SYSTEMS TO SUSTAIN NETWORK COVERAGE WITHIN THE CITY	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-15	Jun-16		850 000	1 000 000
TECHNICAL OPERATIONAL CENTRE	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.5.3	Jul-15	Jun-17		500 000	1 000 000
UPGRADE - ALL TRAFFIC INTERSECTIONS AND CONTROLLERS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.2	Jul-16	Jun-17		2 000 000	2 000 000
eSikhaleni - REPLACE XLPE MEDIUM VOLTAGE CABLE WITH PAPER INSULATED CABLE	17,20	2	2.2	Jan-14	Jun-15	500 000	2 873 000	6 500 000
HYDRA SUBSTATION	2	2	2.2	Jan-14	Jun-15		2 000 000	
INSTALLATION OF POWER MONITORING EQUIPMENT	1,2,3,4,5,6,7,8,9,10,11,12,13, 14,15,16,17,18,19,20,21,22,24,26, 27,28,30	2	2.2	Jul-14	Jun-15		770 000	
REBUILDING CAPELLA SUBSTATION	26	2	2.2	Jul-14	Jun-15			2 530 000
CAPELLA SWITCHING STATION BUILDING	2	2	2.2	Jul-14	Jun-15			5 000 000
JOHN ROSS INTERCHANGE 132KV SUBSTATION AND CYGNUS AND NGOYE 132KV DOUBLE CIRCUIT OVERHEAD LINE	9 & 23	2	2.2	Jul-14	Oct-14	500 000		
INFRA RED SCANNER/CAMERA AND EQUIPMENT	1,2,3,4,6,8,9,10,12,14,15,16,17,19, 20,21,22,23,24,26,27,28,29,30	2	2.2	Jul-14	Jun-15			679 000
DUMISANI MAKHAYE VILLAGE ELECTRIFICATION	9	2	2.2	Jul-14	Oct-14		3 500 000	
HYDRA 132KV SUPPLY (APPOINTMENT OF CONSULTANT)	2	2	2.2	Jan-14	Jun-15	403 000		
ENERGY LOSSES PROJECT	1,2,3,4,6,8,9,10,12,14,15,16,17,19, 20,21,22,23,24,26,27,28,29,30	2	2.2	Jul-14	Jun-15	1 300 000		
CYGNUS MV SWITCHGEAR REPLACEMENT	14,15,16,17,18,20-24	2	2.2	Jan-14	Jun-15	14 000 000		
NGWELEZANE IDT RETICULATION MODIFICATION	27	2	2.2	Jul-14	Jan-15		2 000 000	
METERING OF 132KV AND 11KV FEEDERS	1, 2, 3, 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 30	2	2.2	Jul-14	Jun-15		2 000 000	
ELECTRIFICATION OF MANDLAZINI AREA	1,4,6,8,16,17,20,24,26,28	2	2.2	Jul-13	Jun-14	2 600 000	3 250 000	2 925 000
ELECTRIFICATION OF MZINGAZI AREA	1,4,6,8,16,17,20,24,26,28	2	2.2	Jul-13	Jun-14	1 200 000	1 500 000	1 350 000
DUMISANI MAKHAYE VILLAGE ELECTRIFICATION	9	2	2.2	Dec-13	Feb-14	4 200 000	5 250 000	4 725 000
<b>ENGINEERING SUPPORT SERVICES</b>								
RURAL SANITATION	12,13,14,15,22, 18	2	2.1	Jul-14	Jun-15	59 040 200	61 647 300	64 463 700
RURAL AREAS - MKHWANAZI NORTH PHASE 5 WATER SUPPLY (COUNTER FUNDING)	10,11 & 30	2	2.1	Sep-14	Oct-14	300 000	1 000 000	2 000 000
RURAL/SEMI-URBAN AREAS	RURAL WARDS	2	2.1	Jul-13	Jun-15	29 065 900	30 349 400	31 736 000
RURAL HOUSEHOLDS INFRA STRUCTURE	RURAL WARDS	2	2.1	Jul-13	Jun-14	4 500 000	5 000 000	
<b>TRANSPORT, ROADS AND STORMWATER</b>								
ROADS	2,9,17	2	2.3	Sep-14	Mar-15	443 700	107 000	115 000
ROADS	ALL WARDS	2	2.3	Sep-14	Apr-15	101 300	80 000	80 000
WALKWAYS URBAN AREAS	2,6,8,9,16,23,28,30	2	2.3	Oct-14	Mar-15	550 000	400 000	750 000
TRAFFIC CALMING	1, 2, 3, 4, 6, 7, 8, 9, 14, 16, 17, 19, 20, 21, 23, 27, 28, 30	2	2.3	Aug-14	Nov-14	150 000	100 000	250 000
BUS SHELTERS & LAYBYES - ALL AREAS	6,11,18,5,8,10	2	2.3	Oct-14	Apr-15	521 800	350 000	400 000
PROVISION OF RURAL ROADS	RURAL WARDS	2	2.3	Jul-14	Jun-15			722 800
CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN Esikhaleni	ALL WARDS	2	2.3	Jul-14	Jun-15			500 000
STREET REHABILITATION - TANNER ROAD	9	2	2.3	Jul-14	Oct-14	5 000 000	5 000 000	4 000 000
eSikhaleni MALL ROAD SAFETY	20	2	2.3	Jul-14	Oct-14	1 000 000	1 600 000	3 050 000
CIVIL SERVICES - B1030 NGWELEZANE	27,28	2	2.3	Jul-14	Jun-15			1 000 000
COMPREHENSIVE INTEGRATED TRANSPORT PLAN (CITP) - COUNTER FUNDING	ALL WARDS	2	2.3	Jul-14	Jun-15		700 000	700 000
ANNUAL KERB REPLACEMENT CONTRACT	ALL WARDS	2	2.3	Jul-14	Jun-15			350 000
ANNUAL WALKWAY REHABILITATION	ALL WARDS	2	2.3	Jul-14	Jun-15			350 000
CONCRETE LINING OF OPEN STORM WATER SYSTEMS IN NGWELEZANE	ALL WARDS	2	2.3	Jul-14	Jun-15			500 000
PEDESTRIAN BRIDGES RURAL AREAS	ALL WARDS	2	2.3	Oct-14	Mar-15	720 000	736 100	800 000
ROAD RECONSTRUCTION VARIOUS THAT FALL OUTSIDE THE RESEALING SCOPE - 7KM	ALL WARDS	2	2.3	Jul-14	Jun-15			1 000 000
UPGRADE & SIGNALISE OF 2 INTERSECTIONS WITHIN THE CITY OF UMHLATHUZE	ALL WARDS	2	2.3	Aug-14	Mar-15	325 000	350 000	
INDIGENOUS FOREST PLANTING	ALL WARDS	2	2.3	Jul-14	Jun-15		400 000	
<b>WATER AND SANITATION</b>								
RURAL SANITATION (COUNTER FUNDING)	RURAL WARDS	2	2.1	Jul-14	Jun-15	500 000	3 500 000	3 500 000
MZINGAZI VILLAGE SEWER PROJECT (COUNTER FUNDING)	1	2	2.1	Jul-14	Jun-15		200 000	600 000
REPLACEMENT SEWER (A NGWELEZANE)	28	2	2.1	Jul-14	Jul-15		2 000 000	3 000 000
IMPLEMENTATION OF UPGRADES TO EMPANGENI SEWR RETICULATION (ZIDEDELE, LOGANS, KILDARE AND GEMINI)	23	2	2.1	Aug-14	Jul-15	3 800 000		2 000 000
REPLACEMENT SEWER RETICULATION & UPGRADE MANHOLE	9	2	2.1	Aug-14	Jan-15	200 000	1 500 000	1 800 000
DOUBLING SECTION OF MAIN OUTFALL SEWER ARBORETUM MACERATOR	9	2	2.1	Jul-14	Jun-15	2 300 000	1 000 000	
UPGRADE - VULINDLELA SEWER PIPELINE	9	2	2.1	Jul-14	Jun-15	2 000 000	7 000 000	3 000 000
NEW WATER METERS (RURAL)	12,13,14,15	2	2.1	Aug-14	Jan-15	1 000 000	1 000 000	1 000 000
RURAL AREAS - DUBE TRIBAL AREA NORTH BULK WATER SUPPLY LINE (COUNTER FUNDING)	14 & 12	2	2.1	Oct-13	Jan-14			
BULK AND RETICULATION	10,11	2	2.1	Jul-14	Aug-14	300 000	1 000 000	2 000 000
INSTALLATION BULK METER	ALL WARDS	2	2.1.4	Jul-14	Jun-15		1 000 000	2 000 000
WATER LOSS INTERVENTION	ALL WARDS	2	2.1.4	Jul-14	Jun-15		500 000	800 000
UPGRADING OF TELEMETRY (RESERVOIRS)	ALL WARDS	2	2.5.3	Jul-15	Jun-16		1 000 000	1 500 000
VALVES UPGRADE (POTABLE WATER)	5,28,30	2	2.1	Jul-14	Jun-15		500 000	2 000 000
CONSTRUCTION OF 20ML RESERVOIR EMPANGENI (HILLTOP)	5,9	2	2.1	Jul-14	Jun-15	23 200 000	200 000	550 000
WATER INFRASTRUCTURE PROJECTS (MMIG)	ALL WARDS	2	2.1	Feb-14	Jun-16	18 850 000	50 882 000	7 921 000
MASSIFICATION GRANT	ALL WARDS	2	2.1	Jul-14	Jun-15			9 786 000
WATER QUALITY COMPLIANCE	ALL WARDS	2	2.1.3	Aug-14	Sep-14	1 300 000	1 510 000	2 000 000

### Departmental Capital Budget Allocation

DEPARTMENT	TABLED 2014/2015	TABLED 2015/2016	TABLED 2016/2017
CITY DEVELOPMENT	268000	270000	343000
COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	23295600	20773600	13435800
COMMUNITY SERVICES - RECREATION AND ENVIRONMENTAL SERVICES	14834500	15982400	35793200
CORPORATE SERVICES - ADMINISTRATION	15455000	16613000	17860000
CORPORATE SERVICES - HUMAN RESOURCES	94000	50000	94000
FINANCIAL SERVICES	6238900	16923000	28964000
INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	29599000	31760000	36679000
INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	100694100	105842700	108180700
INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	13915000	14018000	17782000
INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION SERVICES	55000000	86602000	61697000
OFFICE OF THE MUNICIPAL MANAGER	44000	44000	78000
	259438100	308878700	320906700

### Strategy Budget Allocation

IDP GOAL	Tabled 2014/2015	Tabled 2015/2016	Tabled 2016/2017
Good Governance	12 244 300	8 519 500	5 755 700
Sustainable Infrastructure & Services Provision	232 328 800	275 246 200	275 764 400
Social & Economic Development	44 000	44 000	72 000
Institutional Development	9 082 100	23 146 000	10 350 600
Sound Financial Management	5 738 900	1 923 000	28 964 000
TOTAL	259 438 100	308 878 700	320 906 700

## SECTION F: FINANCIAL PLAN

### 22. BUDGET SUMMARY

Table 84: Budget Summary

R thousand	Adjusted Budget 2013/2014	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Operating Revenue	2 178 852	2 370 559	2 558 251	2 764 176
Total Operating Expenditure	2 173 799	2 363 247	2 535 196	2 739 449
<b>Surplus/ (Deficit) for the year</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
<b>Total Capital Expenditure</b>	<b>467 984</b>	<b>259 438</b>	<b>308 804</b>	<b>320 872</b>

Total operating revenue has grown by 9 per cent or R192 million for the 2014/15 financial year when compared to the 2013/14 Adjusted Budget. For the two outer years, operational revenue will increase by 8 per cent for both years respectively, equating to a total revenue growth of R585 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2014/15 financial year has been appropriated at R2 363 million and translates into a budgeted surplus of R7,3 million. When compared to the 2013/14 Adjusted Budget, operational expenditure has grown by 9 per cent in the 2014/15 budget and by 7 and 8 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R23 million and then stabilises at R25 million.

### 23. CAPITAL BUDGET SUMMARY

The following table below is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 85: Proposed Capital Funding

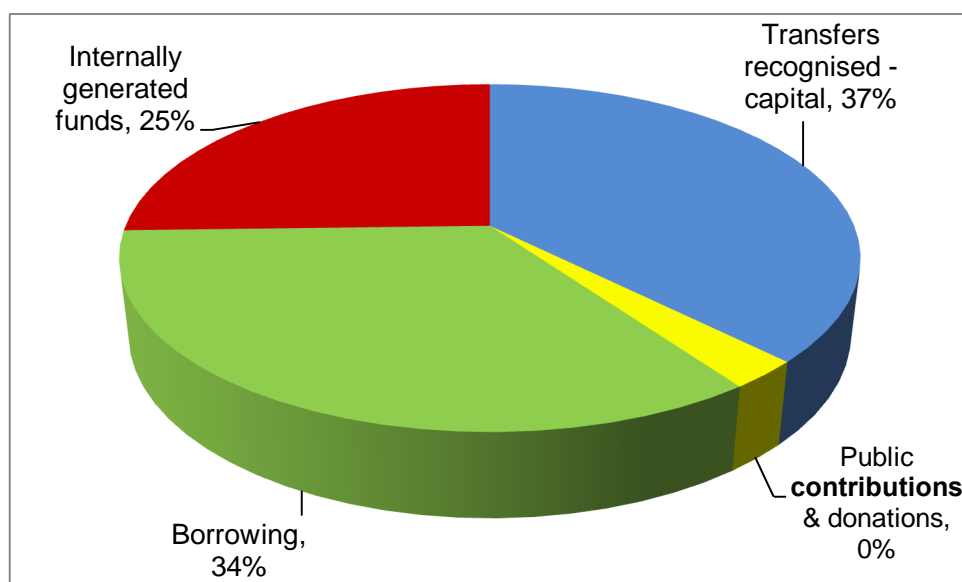
Vote Description R thousand	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework				
	Adjusted Budget	Tabled 2014/15	Rolled over/ additional projects	Adopted 2014/15	Adopted 2015/16	Adopted 2016/17
<b>Funded by:</b>						
National Government	194 730	119 456	–	119 456	157 879	122 907
Provincial Government	47 922	–	37 765	37 765	–	–
<b>Transfers recognised - capital</b>	<b>242 652</b>	<b>119 456</b>	<b>37 765</b>	<b>157 221</b>	<b>157 879</b>	<b>122 907</b>
<b>Public contributions &amp; donations</b>	16 237	–	–	–	–	–
<b>Borrowing</b>	122 772	85 500	59 238	144 738	90 000	125 000
<b>Internally generated funds</b>	86 229	54 482	63 421	117 903	61 000	73 000
<b>Total Capital Funding</b>	<b>467 890</b>	<b>259 438</b>	<b>160 424</b>	<b>419 862</b>	<b>308 879</b>	<b>320 907</b>

Unspent conditional grants that are subject to National Treasury retraction at year end have not been rolled over to the 2014/15 financial year but will be incorporated into the 2014/15 Adjusted Budget once approval from NT has been received.

The capital programme increases to R309 million in the 2015/16 financial year and then increases in 2016/17 to R 321 million. A portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R85,5 million (excluding the rolled over borrowings from the 2013/14 financial year) in 2014/15 and R 90 million in 2015/16 of the MTREF. Borrowing will contribute 33 (Tabled), 35 (Adopted), 29 and 39 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.

The slow spend on the 2013/14 Adjusted Capital Budget is of serious concern to Administration, however a plan has been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF.

**Figure 51: Sources of Capital Revenue**



Capital grants and receipts equates to 37 per cent of the total funding source which represents R158 million for the 2014/15 financial year and steadily increase to R158 million or 51 per cent by 2015/16. Growth relating to grant receipts is 43, 32 and decrease 22 per cent over the medium-term.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R359,7 million, to be raised for each of the respective financial years. This includes a rollover borrowing amount of R 59,2 million thus reducing the borrowing required for the 2014/15 financial year to R 300,5 million. Totalling 34, 29 and 39 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF.

**Table 86: Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Expenditure - Standard</b>								
<i>Governance and administration</i>	2 955	18 909	22 235	42 153	45 879	53 162	54 236	70 940
Executive and council	20	—	—	375	450	211	88	157
Budget and treasury office	152	269	195	4 751	104	5 464	1 207	3 054
Corporate services	2 784	18 640	22 040	37 027	45 325	47 487	52 941	67 729
<i>Community and public safety</i>	2 952	2 216	15 937	61 156	93 638	117 319	41 342	57 138
Community and social services	3 191	593	4 470	16 572	19 444	26 938	13 289	14 951
Sport and recreation	923	895	2 276	24 693	27 369	32 162	12 742	30 298
Public safety	20	89	2 920	13 697	14 742	27 663	12 700	11 282
Housing	(1 181)	623	6 046	—	26 244	22 442	—	—
Health	—	17	225	6 193	5 838	8 115	2 611	608
<i>Economic and environmental services</i>	8 760	2 509	7 247	37 935	29 117	20 775	10 409	15 227
Planning and development	191	271	219	156	112	168	270	343
Road transport	8 569	2 237	7 028	37 780	29 005	20 607	10 139	14 884
<i>Trading services</i>	71 509	55 100	67 359	197 470	299 257	228 605	202 892	177 602
Electricity	17 019	8 277	15 544	58 818	81 306	56 031	23 493	23 875
Water	16 489	4 747	15 048	55 372	153 668	88 125	92 661	61 828
Waste water management	38 001	42 023	36 584	72 259	58 079	79 452	82 337	88 399
Waste management	—	53	183	11 021	6 203	4 998	4 400	3 500
<b>Total Capital Expenditure - Standard</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>419 862</b>	<b>308 879</b>	<b>320 907</b>
<b>Funded by:</b>								
National Government	43 927	39 679	40 345	83 697	194 730	119 456	157 879	122 907
Provincial Government	1 964	9 452	11 087	10 000	47 922	37 765	—	—
District Municipality	19	—	97	—	—	—	—	—
Other transfers and grants	808	7	131	—	—	—	—	—
<b>Transfers recognised - capital</b>	<b>46 719</b>	<b>49 138</b>	<b>51 659</b>	<b>93 697</b>	<b>242 652</b>	<b>157 221</b>	<b>157 879</b>	<b>122 907</b>
<b>Public contributions &amp; donations</b>	<b>4 393</b>	<b>3 165</b>	<b>4 531</b>	<b>16 237</b>	<b>16 237</b>	<b>11 182</b>	<b>—</b>	<b>—</b>
<b>Borrowing</b>	<b>17 195</b>	<b>22 907</b>	<b>33 829</b>	<b>136 119</b>	<b>122 772</b>	<b>144 738</b>	<b>90 000</b>	<b>125 000</b>
<b>Internally generated funds</b>	<b>17 869</b>	<b>11 833</b>	<b>25 017</b>	<b>92 661</b>	<b>86 229</b>	<b>106 721</b>	<b>61 000</b>	<b>73 000</b>
<b>Total Capital Funding</b>	<b>86 176</b>	<b>87 042</b>	<b>115 036</b>	<b>338 714</b>	<b>467 890</b>	<b>419 862</b>	<b>308 879</b>	<b>320 907</b>

- Table 86 above 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 2014/15 R332 million has been allocated of the total R419 million capital budget, which totals 79 per cent. This allocation escalates to R 295 million in 2015/16 and then to R 308 million in 2016/17.
- Single-year capital expenditure has been appropriated at R 88 million for the 2014/15 financial year and reduces considerably over the MTREF to levels of R 14 million and R 13 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 2014/15, capital transfers totals R 157 million (37 per cent) and escalates to R 158 million in the 2015/16 financial year (51 per cent). Borrowing has been provided at R 300,5 million over the MTREF with internally generated funding totaling R 107 million, R 61 million and R 73 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

## 23.1 Capital projects to be undertaken over the 2014/15 MTREF

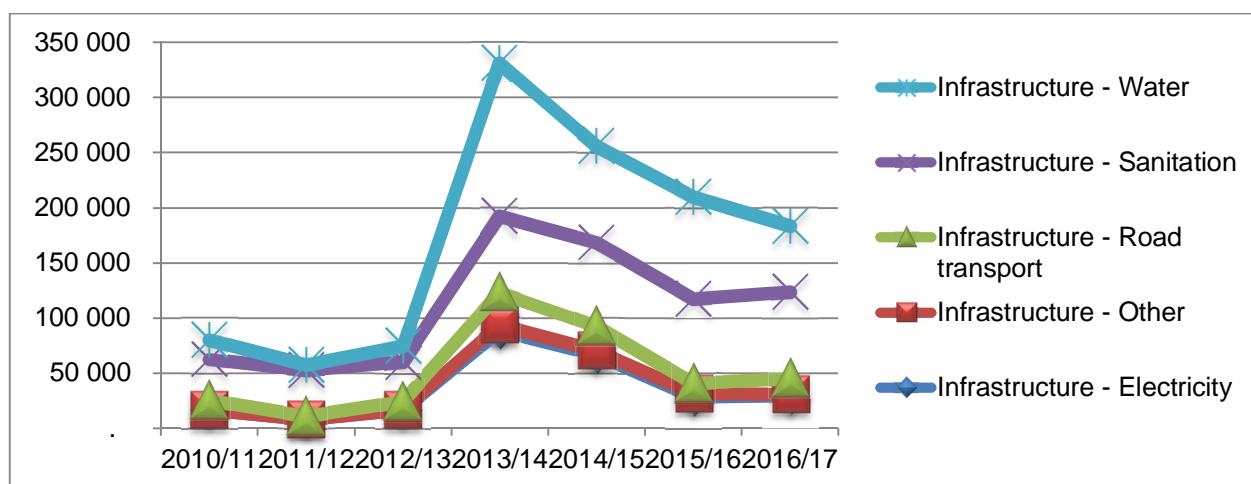
For 2014/15 an amount of R256 million has been appropriated for the development of infrastructure which represents 61 per cent of the total capital budget. In the outer years this amount totals R209 million, 68 per cent and R 183 million, 57 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R87,8 million in 2014/15 which equates to 34 per cent followed by waste water infrastructure at 30 per cent, R76 million, electricity infrastructure at 26 per cent, R66,7 million and then road transport at 9 per cent, R22 million.

Total new assets represent 57 per cent or R241,2 million of the total capital budget while asset renewal equates to 43 per cent or R 179 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 31 MBRR A9 (Asset Management) on page 60 of the approved 2014/2015 Municipal Budget. Some of the salient projects to be undertaken over the 2014/15 MTREF includes, amongst others:

- É Rural Sanitation . R 59 million;
- É Water . Rural/Semi-Urban . R29 million;
- É Construction of reservoir Empangeni (Hilltop) . R 27,5 million
- É Rural Household Infrastructure Grant . R 4,5 million;
- É Upgrades of Sewer . R 14,4 million;
- É Water improvements . R 4,4 million;
- É Municipal Water Infrastructure Grant Projects . R 18,8 million;
- É eSikhaleni Fire Station . R 14 million;
- É Air Pollution equipment . R 4,5 million;
- É Aquadene Library . R 6,9 million;
- É eSikhaleni Library extension . R 2,2 million;
- É Richards Bay Cemetery . R 2 million;
- É Upgrades at various sportsfields . R 5 million;
- É Floodlights at various sportsfields . R 6,2 million;
- É Floodlights at Central Sports ground . R 3,2 million;
- É IT Equipment . R 9 million;
- É Upgrades at various halls . R 6,7 million;
- É Civic Hall (Planning) . R 3 million;
- É Renovations . Offices (Financial Services ) . R 5,5 million;
- É Cygnus MV Switchgear . R 14 million;
- É Hydra Substation . R 4,4 million;
- É Dumisani Makhaye Electrification . R 8 million;
- É Mzingazi Electrification . R 2,6 million;
- É Mandlazini Electrification . R1,3 million;
- É Substations . Electricity supply . R 9,1 million;
- É Street lighting . R 11 million;
- É IDZ Supply . R 11 million;
- É Refuse Trucks . R 11 million;
- É Water Tankers . R 5,8 million;
- É Replacement of vehicles and plant . R 7,8 million;
- É Water Tankers . R 1,5 million;
- É Tanner Road rehabilitation . R 9,9 million;
- É Tourism development . R 9 million;
- É eSikhaleni Hostels refurbishment . R 22 million;
- É Informal trading stalls . R 3,5 million;
- É CBD South Extension . R 2,7 million;
- É Transfer stations . R 3,2 million

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

**Figure 52: Capital Budget for Infrastructure Projects**



## 24. OPERATIONAL BUDGET SUMMARY

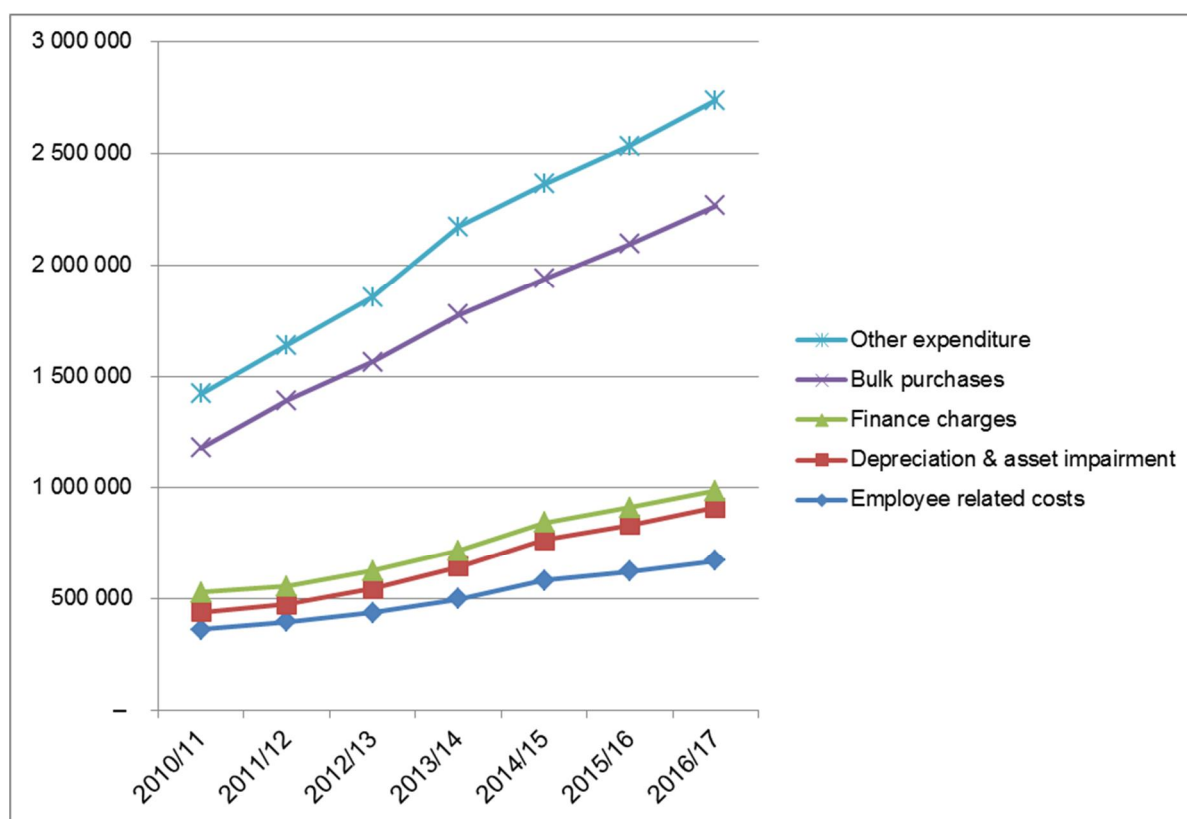
**Table 87: Budgeted Financial Performance (revenue and expenditure)**



Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>									
Property rates	178 078	204 614	238 007	275 000	280 000	280 000	314 000	345 400	379 940
Service charges - electricity revenue	766 601	966 962	1 091 706	1 141 500	1 288 622	1 288 622	1 385 000	1 495 800	1 615 464
Service charges - water revenue	128 360	134 008	158 637	166 853	174 681	174 681	204 600	222 922	242 887
Service charges - sanitation revenue	54 755	59 702	66 946	74 241	72 841	72 841	78 000	84 240	90 979
Service charges - refuse revenue	39 044	46 088	52 520	57 050	58 390	58 390	62 000	66 960	72 317
Service charges - other	14 516	18 483	18 468	12 472	12 934	12 934	12 561	13 440	14 380
Rental of facilities and equipment	10 901	16 133	16 860	10 878	9 086	9 086	8 234	8 810	9 426
Interest earned - external investments	2 565	4 012	14 499	4 152	10 100	10 100	10 605	11 135	11 692
Interest earned - outstanding debtors	1 284	1 639	1 778	1 597	1 673	1 673	1 542	1 650	1 766
Dividends received	-	-	-	-	-	-	-	-	-
Fines	1 645	3 005	10 550	10 102	9 302	9 302	8 877	9 499	10 163
Licences and permits	1 867	1 831	1 933	2 747	1 846	1 846	1 728	1 849	1 986
Agency services	4 603	5 922	6 093	5 800	6 200	6 200	6 350	6 795	7 270
Transfers recognised - operational	157 427	183 050	202 114	219 635	236 994	236 994	260 509	272 068	287 010
Other revenue	27 011	13 129	108 315	15 729	16 183	16 183	16 553	17 685	18 896
Gains on disposal of PPE	2 350	5 857	569	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 391 008</b>	<b>1 664 435</b>	<b>1 988 995</b>	<b>1 997 756</b>	<b>2 178 852</b>	<b>2 178 852</b>	<b>2 370 559</b>	<b>2 558 251</b>	<b>2 764 176</b>
<b>Expenditure By Type</b>									
Employee related costs	361 199	395 706	437 126	508 764	499 490	499 490	583 141	623 840	670 647
Remuneration of councillors	14 587	15 863	17 148	21 529	21 529	21 529	23 176	24 799	26 660
Debt impairment	2 310	3 000	3 647	2 075	2 075	2 075	3 050	3 264	3 508
Depreciation & asset impairment	79 050	78 242	108 389	145 218	145 218	145 218	182 390	207 970	239 935
Finance charges	88 508	82 481	79 985	75 538	73 038	73 038	77 614	78 455	76 574
Bulk purchases	649 531	834 060	937 247	928 881	1 057 967	1 057 967	1 096 502	1 184 766	1 280 238
Other materials	50 407	43 312	21 145	24 033	26 943	26 943	34 702	37 158	39 973
Contracted services	87 889	100 102	136 837	129 661	147 463	147 463	159 669	170 707	183 021
Transfers and grants	6 349	5 543	7 178	9 904	10 216	10 216	13 749	14 705	15 800
Other expenditure	82 228	79 886	105 977	143 811	189 860	189 860	189 254	189 533	203 095
Loss on disposal of PPE	-	-	470	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1 422 058</b>	<b>1 638 196</b>	<b>1 855 148</b>	<b>1 989 414</b>	<b>2 173 799</b>	<b>2 173 799</b>	<b>2 363 247</b>	<b>2 535 196</b>	<b>2 739 449</b>
<b>Surplus/(Deficit)</b>	<b>(31 050)</b>	<b>26 239</b>	<b>133 847</b>	<b>8 342</b>	<b>5 054</b>	<b>5 054</b>	<b>7 311</b>	<b>23 055</b>	<b>24 726</b>
Transfers recognised - capital	46 719	49 138	51 659	93 697	242 652	242 652	119 456	157 879	122 907
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>
<b>Surplus/(Deficit) for the year</b>	<b>15 668</b>	<b>75 377</b>	<b>185 507</b>	<b>102 040</b>	<b>247 706</b>	<b>247 706</b>	<b>126 767</b>	<b>180 934</b>	<b>147 633</b>

### Explanatory notes to Table - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R2,37 billion in 2014/15 and escalates to R2,6 billion by 2015/16 and R2,8 billion by 2016/17. This represents a year-on-year increase of 9 per cent for the 2014/15 financial year and 8 per cent for the 2015/16 financial year and 17 per cent for the 2016/17 financial year.
2. Revenue to be generated from Property Rates is R 314 million in the 2014/15 financial year and increases to R 345 million by 2015/16 which represents 10 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 10 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 R1,7 billion for the 2014/15 financial year and increasing to R1,8 billion by 2015/16. For the 2014/15 financial year services charges amount to 74 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 attributed to the increase in the bulk prices of electricity and water.
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 terms the grants receipts from national government are growing rapidly over the MTREF by 4,2 per cent and 5,5 per cent for the two outer years.
5. The following graph illustrates the major expenditure items per type.



**Figure 53: Expenditure by major type**

6. Bulk purchases have significantly increased over the 2010/11 to 2014/15 period escalating from R650 million to R1,1 billion. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from uMhlathuze Water including the investment of Tata Steel in the City in 2011/12.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 88: Description of Operating Grants**

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>149 523</b>	<b>169 022</b>	<b>186 964</b>	<b>208 070</b>	<b>211 070</b>	<b>211 070</b>	<b>233 951</b>	<b>247 988</b>	<b>262 684</b>
Local Government Equitable Share	145 629	161 782	179 139	190 384	190 384	190 384	204 800	227 883	241 990
Finance Management	1 227	1 117	1 268	1 550	1 550	1 550	1 600	1 650	1 700
Municipal Systems Improvement	144	999	190	890	890	890	930	960	1 019
Department of Water Affairs	762	3 202	561	7 210	7 210	7 210	14 000	2 650	3 000
Restructuring Grant	566	—	—	—	—	—	—	—	—
Project Mangement Unit	1 195	1 923	2 125	3 036	3 036	3 036	2 725	2 845	2 975
Infrastructure Skills Development Grant	—	—	3 505	4 000	7 000	7 000	8 000	12 000	12 000
Extended Public Works Programme	—	—	—	1 000	1 000	1 000	1 896	—	—
Electricity Demand Site	—	—	176	—	—	—	—	—	—
<b>Provincial Government:</b>	<b>6 022</b>	<b>9 018</b>	<b>10 263</b>	<b>6 709</b>	<b>19 552</b>	<b>19 552</b>	<b>21 701</b>	<b>19 223</b>	<b>19 470</b>
Housing	714	289	1 498	—	5 966	5 966	7 276	3 937	3 099
Community Development Workers Program	—	—	—	—	—	—	—	—	—
Recycling project	6	3	—	—	—	—	—	—	—
GIS Support	20	—	—	—	—	—	—	—	—
Technical Support and WSDP	55	—	—	—	—	—	—	—	—
Sport and Recreation	—	—	17	—	—	—	—	—	—
Cleanest Town Award	30	386	345	—	—	—	—	—	—
Museums	74	125	134	143	143	143	299	314	331
Provincialisaton of Libraries	562	2 651	2 784	5 846	5 846	5 846	6 080	6 450	6 792
Libraries	—	603	531	720	720	720	756	794	1 056
Land Use Management	35	—	—	—	—	—	—	—	—
Corridor Development	—	157	113	—	—	—	—	—	—
Primary Health	4 527	4 804	4 842	—	6 878	6 878	7 290	7 728	8 192
<b>District Municipality:</b>	<b>1 320</b>	<b>4 372</b>	<b>4 774</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>	<b>4 856</b>
Environmental Health Subsidy	1 319	4 343	4 603	4 856	4 856	4 856	4 856	4 856	4 856
SMME Fair	1	—	49	—	—	—	—	—	—
Zulu Dance Competition	—	20	—	—	—	—	—	—	—
Capacity Building	—	9	122	—	—	—	—	—	—
<b>Other grant providers:</b>	<b>562</b>	<b>637</b>	<b>113</b>	<b>—</b>	<b>400</b>	<b>400</b>	<b>—</b>	<b>—</b>	<b>—</b>
BHP Billiton (HIV/Aids Mens revention Prog	2	8	—	—	—	—	—	—	—
Development Bank - Aids Prevention	—	8	24	—	—	—	—	—	—
ABSA Sponsorship - Budget Insert	—	—	20	—	—	—	—	—	—
ABSA Sponsorship - Beach Festival	5	—	0	—	—	—	—	—	—
Business Against Crime - CCTV	529	381	—	—	—	—	—	—	—
FNB - SCM Indaba	19	2	—	—	—	—	—	—	—
FNB & Raizecorp - SMME Fair	—	21	2	—	—	—	—	—	—
Foskor - Launch Disaster Management Ad	8	—	—	—	—	—	—	—	—
Tourism Association	—	7	—	—	—	—	—	—	—
Salga	—	200	—	—	400	400	—	—	—
Total SA	—	10	—	—	—	—	—	—	—
Absa bank - Mandela Day	—	—	3	—	—	—	—	—	—
Mayoral Golf Day - Various	—	—	60	—	—	—	—	—	—
Other	—	—	3	—	—	—	—	—	—
<b>Total operating expenditure of Transfers and</b>	<b>157 427</b>	<b>183 050</b>	<b>202 114</b>	<b>219 635</b>	<b>235 878</b>	<b>235 878</b>	<b>260 509</b>	<b>272 068</b>	<b>287 010</b>

## 25. SUMMARY OF BUDGET POLICIES

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### 25.1.1 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 adopted 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 2014/15 MTREF has been prepared on the basis of achieving an average debtors collection rate of 98 per cent on current billings.

### **25.1.2 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).

### **25.1.3 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.

### **25.1.4 Supply Chain Management Policy**

The Supply Chain Management Policy was adopted 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 adopted by Council on 31 July 2013.

The slow spend on the 2013/14 Adjusted Capital Budget is of serious concern to Administration, however a plan has been prepared to expedite the implementation of the procurement process for the 2014/15 MTREF. Such procurement plans will be included in the 2014/15 Adopted MTREF report.

### **25.1.5 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.

### **25.1.6 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.

### **25.1.7 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:

É Property Rates Policy; and  
É Fraud Prevention policy.

## 26. ALIGNMENT OF IDP WITH BUDGET

**Table 89: Budget allocation per IDP GOAL**

IDP GOAL	Tabled 2014/2015	Tabled 2015/2016	Tabled 2016/2017
Good Governance	133 940 200	129 746 900	133 005 800
Sustainable Infrastructure & Services Provision	2 520 979 600	2 614 093 000	2 808 366 200
Social & Economic Development	99 689 700	63 242 700	66 935 500
Institutional Development	19 743 600	18 475 900	21 376 900
Sound Financial Management	8 756 000	18 516 000	30 671 700
<b>TOTAL</b>	<b>2 783 109 100</b>	<b>2 844 074 500</b>	<b>3 060 356 100</b>

The table above shows the link, in terms of total allocated Capital and Operating budget for each IDP Goal.

## 27. 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 Liters 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 Liters per day for a month then they **pay for all water consumed**
- Free rates if property value is less than R110 000.
- Free refuse charge if property is valued less than R110 000.
- Free sewer charge if property is valued less than R110 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.

**Table 90: Social Initiatives Summary**

Description	Ref	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Households receiving Free Basic Service</u></b>	7						
Water (6 kilolitres per household per month)		86,609	86,609	86,609	86,609	86,609	86,609
Sanitation (free minimum level service)		20,852	20,852	20,852	20,852	20,852	20,852
Electricity/other energy (50kwh per household per month)		2,200	2,200	2,200	2,200	2,200	2,200
Refuse (removed at least once a week)		12	12	12	–	–	–
<b><u>Cost of Free Basic Services provided (R'000)</u></b>	8						
Water (6 kilolitres per household per month)		44,963	44,963	44,963	44,963	44,963	44,963
Sanitation (free sanitation service)		12,849	12,849	12,849	12,849	12,849	12,849
Electricity/other energy (50kwh per household per month)		7,511	7,511	7,511	7,511	7,511	7,511
Refuse (removed once a week)		13,672	13,672	13,672	15,122	16,846	16,846
<b>Total cost of FBS provided (minimum social package)</b>		<b>78,995</b>	<b>78,995</b>	<b>78,995</b>	<b>80,445</b>	<b>82,169</b>	<b>82,169</b>
<b><u>Highest level of free service provided</u></b>							
Property rates (R value threshold)		110,000	110,000	110,000	110,000	110,000	110,000
Water (kilolitres per household per month)		6	6	6	6	6	6
Sanitation (kilolitres per household per month)		20	20	20	20	20	20
Sanitation (Rand per household per month)		125	125	125	125	125	125
Electricity (kwh per household per month)		50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240

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. The municipality is receiving equitable share of **R 204 800 000** in 2014/215 while the municipal social package is **R 249 784 413**.

## 28. MUNICIPAL PROJECT PRIORITISATION

There are a large number, and a wide range of projects that have been identified through technical analysis and community consultation processes of the IDP. Many of these projects are reliant on grant funding while other projects are likely to be funded from loans and other reserves as outlined in the financial sections of this report. However, due to resource constraints, not all projects can be funded and it is therefore very important to determine which the priority projects are.

Apart from determining project priorities, emergency situations arise and funding has to be channeled toward such project or actions.

A Project Prioritization Model is a technical tool to assist decision makers in prioritizing projects. However, some components thereof remain open to subjective interpretation.

Over time, a numerical project prioritization model has been developed and applied to assist the municipality with the prioritization and scheduling of projects.

How does the Model Work?

Each project that has been identified through the IDP or which is currently on the municipality's wish list is assessed in terms of Project Assessment Criteria. A 'Yes' answer to a question posed in terms of the Assessment Criteria scores the corresponding score. A 'No' answer scores zero. The Score sheet is depicted below:

Criteria	Description	Score
Direct Health Risks	Will the postponement of the project lead to a considerable direct negative impact with regard to health?	9.55
Direct Safety Hazard	Will the postponement of the project lead to a considerable direct negative impact with regard to safety?	9.18
Direct Commercial Risks	Will the postponement of the project lead to a considerable direct negative impact with regard to commercial risk?	7.18
Legal Requirement	Is the project both critical and required by legislation?	8.95
Basic Service	Is the project providing or assisting in providing a basic service (water, sanitation) . particularly in those areas where such a service is non-existent or lacking?	8.64
Crime Reduction	Will the project contribute towards a reduction in crime?	7.27
Grant Funding & Sustainability	Is 100% grant funding available for the project, and will the project be sustainable or self-sufficient?	7.09
Effect on Operating Budget	Will the project result in a decrease in the net operating budget?	5.59
Usage of Asset	Will the immovable asset be used throughout the year?	5.95
	Is the movable asset required to be available at all times?	6.00
Economic Development	Will the project create economic development opportunities within a community?	7.64
	Will the project encourage capital investment by the public or private sector?	7.14
Permanent Job Creation	Will the project have a considerable positive impact on the socio-economic situation with the Municipality through the creation of permanent direct jobs?	7.14
Community Facilities	Is the project a community facility, which is also linked to community needs as expressed in the IDP?	6.09
Spatial Framework	Does the project comply with or reinforce the proposed municipal spatial framework?	5.59

Criteria	Description	Score
Environmental	Will the project have a positive impact on the Environment?	6.86
	Will the project have no diverse impact on the Environment?	5.27

Each Project Assessment Rating is then multiplied by a Project Category weighting, which provides a project's final score. The Project Categories and Weightings were reviewed during 2012 and are depicted in the table below:

PROJECT CATEGORY	WEIGHT
Water	100%
Sanitation	95%
Electricity	80%%
Human Settlements	70%
Roads and Stormwater	80%
Solid Waste	73%
Strategic Planning	73%
Land Use Management	61%

## 29. EXTERNALLY 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 will be included in the final IDP report.

### 29.1 Investment Projects

#### 29.1.1 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



### **29.1.2 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.

### **29.1.3 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.

### **29.1.4 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.

### **29.1.5 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.

### **29.1.6 Waterstone 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.

### **29.1.7 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.

### 29.1.8 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.

## 29.2 Other Projects

### 29.2.1 RBM PROJECTS

Name of Project	Project Description	Funding	Responsible Department/Company	Timeframe and Project Status
Tisend and Mkhayideni Technical Schools	Resources from the teaching of technical subjects	7,500,000	RMB	2013/2014(Completed)
Housing for Destitute	Building of 5 room houses from destitute families in host communities.	25,000,000	RBM	2013/2014  11 houses in Mbonambi. Additional houses will be completed in 2014.
Port Dunford Thusong Centre	Build infrastructure where communities can access social and commercial service closer to where they live.	4, 000,000	RBM	2013-2015
Mpembeni Road	Build /Refurbish sections of Mpembeni . Esikhawini Road D887	43,000,000	RBM	2013-2014
Community Owned Business	Different Projects identified including block making, chicken abattoir, and hydroponic farming.	7, 500, 000	RBM	
Subsistence to Small Scale Farming	Training of community farmers, registration of farmers as coops, assistance in securing markets, gravel road and improvement and irrigation. farmers planting in line with production plan.	3, 300,000	RBM	2013/2014

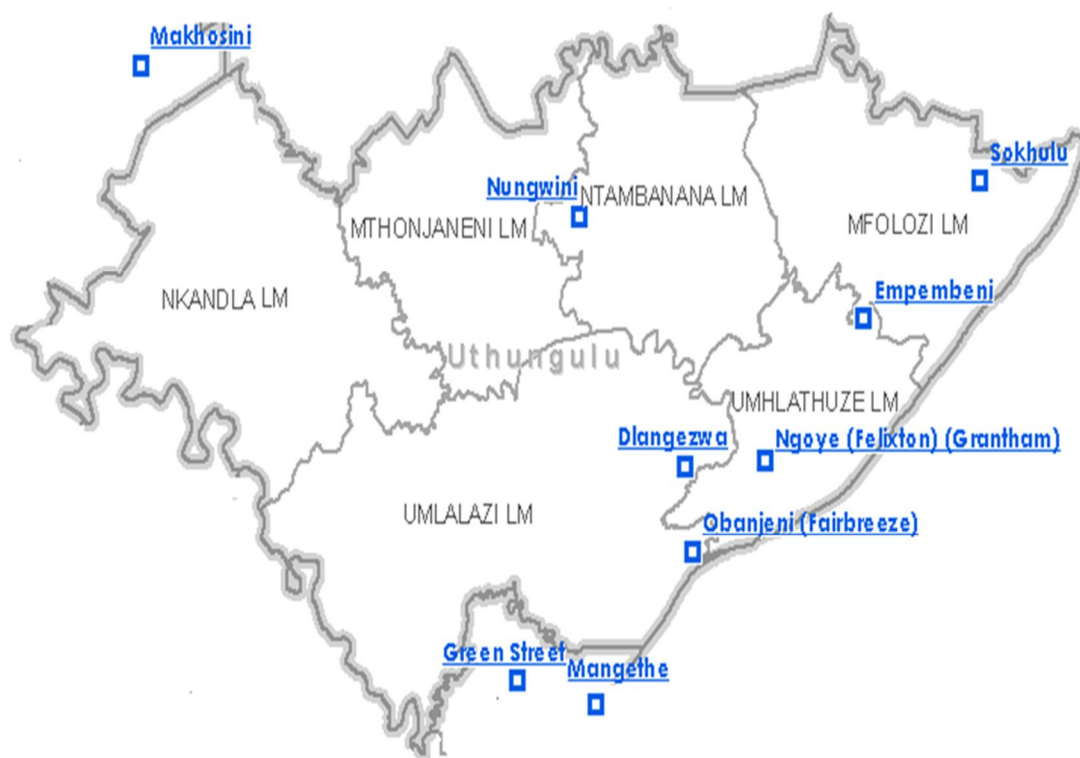
**29.2.2 Department of Education Projects**

Facility Description	WIMS Service Description	Nature of Investment	Total Project Budget Revised as on <b>end 30 May 2013</b>	Total Project Budget Spent From previous Financial Years upto 31 March 2013	Total Budget Allocation 2013/14	PROJECT COMMENTS - end Sep 2013
Empangeni Edu & Cul Regional Office	Construction Of Covered Carports & Walkways	Renovations, Rehabilitation or Refurbishments	R 986	R 818	<b>R 168</b>	busy with final account
Empangeni Primary School	General Repairs And Renovations	Renovations, Rehabilitation or Refurbishments	R 2 200	R 2 120	<b>R 80</b>	QS delays in finalising the final account
Imizikayifani Primary School	Construct 4 Classrooms, Five, One (1) Admin Block & Two (2) O	Upgrades and Additions	R 1 551	R 131	<b>R 1 320</b>	Practical completion taken works completion anticipated end August 2013 awaiting weeks completion certificate.
Imizikayifani Primary School	General Repairs And Renovations	Renovations, Rehabilitation or Refurbishments	R 2 030	R 1 803	<b>R 227</b>	Project complete contractor busy with Snags.
Ongoye Primary School	General Repairs And Renovations	Renovations, Rehabilitation or Refurbishments	R 10 567	R 1 107	<b>R 1 000</b>	Tender ready project to be advertised in the month of September 2013 awaiting confirmation of additional funding as the is shortfall in the estimate
Phoziphazi Primary School	General Repairs And Renovations	Renovations, Rehabilitation or Refurbishments	R 4 123	R 4 023	<b>R 100</b>	Busy with Final account
Umfolozzi Primary School	General Repairs And Renovations	Renovations, Rehabilitation or Refurbishments	R 7 157	R 366	<b>R 1 000</b>	Tender ready project to be advertised in the month of September 2013 awaiting confirmation of additional funding as the is shortfall in the estimate <b>30 October 2013</b>
Wood And Raw Primary School	Upgrade And Addition Existing Classroom, Toilets And Media Centres Blocks	Upgrades and Additions	R 32 000	R 16 392	<b>R 12 948</b>	Project slightly behind schedule. Anticipate practical completion date is 28 October 2013

### 29.2.3 Department of Health

Project Name	Description	Duration (Months)	Local Municipality	Ward No.
Ngwelezane Clinic	Repairs & Renovations	10	uMhlathuze	27

### 29.2.4 Eskom Projects



- Empembeni
- Dlangenzwa
- Ngoye(Felixton) (Grantham)

### 29.2.5 Department of Arts and Culture

INTERVENTIONS	ACTIVITIES	BENEFICIARIES	LOCAL MUNICIPALITY	WARD	BUDGET
War Room Intervention Package	Distribution of musical instruments Train Artists Branding of war rooms	Artists Community	All Local Municipalities	All Wards	<b>R29m (Entire Province)</b>
Beautification of public spaces programme	Identification of spaces in consultation with municipalities, identification of visual artists, provision of stipend	Artists Community	All Local Municipalities	All wards	
Mobile Library unit Project (MLU)	Implement and Monitor Mobile Library Units in the Most Deprived Wards as Job creation Intervention	Leaners and community at large	Ntambanana uMfolozi uMhlathuze umlalazi Nkandla Mthonjaneni		18 000

INTERVENTIONS	ACTIVITIES	BENEFICIARIES	LOCAL MUNICIPALITY	WARD	BUDGET
Provide accredited & non accredited training for artists	Performing Arts Skills Development,	Performing artists	All Local Municipalities	All Wards	R70 000
	Visual Arts and Craft Skills Development	Crafters			
	Theatre and Drama Skills Development	Performing Artists			
	Arts Business Management	Artists			
	Performing Arts & Visual Arts and Craft Skills Development (People with Disabilities)	People with disabilities			
	Choral	Choristers			R10 000
	Recycled Material	Crafters			
	Inmates Performing Arts Skills Development	Inmates & Parolees	Jozini Qalakabusha	Ward 3 Ward 25	R35 000
	Inmates Visual Arts and Craft skills development	Inmates & Parolees	Jozini Qalakabusha	Ward 3 Ward 25	
Develop and implement programmes that promote norms and behaviors that create an enabling environment for successful community level institutions.	Disbursement of grant (Grants-in aid provided through Arts & Culture Council), organisation s apply using forms	Artists and arts & culture organisations	All Local Municipalities	All Wards	R1.6 Million (Entire Province) Minimum of R50 000 per organisation is granted
	Coordinate meetings, conduct work shops, support to Matrons/ Maidens Forums	Artists Matrons Maidens Izinduna			
	Establish and support Provincial and District Arts and Culture forums,	Artists and arts & culture organisations			
Promote and accelerate roll out of Operation Sukuma Sakhe (OSS)	Participate in Operation Sukuma Sakhe :	Community	All Local Municipalities	All Wards	R20 000
Develop and implement programmes		community	All Local Municipalities	All Wards	R254 000
Arts Centre Projects	Building of Arts Centre	Artists Community	UThungulu Arts Centre		(Phase two) R29,3 Million
Language Services	Translation and Editing services of official documents	Municipalities Departments and Statutory bodies	ALL Wards	All Wards	

### 29.2.6 Department of Transport Projects

Programme	Project No.	Activities	2014/2015	2015/2016	2016/2017
<b>Construction</b>	stc 3906 d1555 single barrel box culvert	Culvert	3 950 000		
<b>LIGHT REHAB 14/15</b>	<a href="#">P106</a>	Overlay	17 712 000		
	P2-4	Overlay	1 800 000		
	P2-4	Overlay	24 000 000		
	<a href="#">P456</a>	Overlay	2 419 200		
<b>LIGHT REHAB 15/16</b>	P2-4	Overlay		3 600 000	
	<a href="#">P243</a>	Overlay		2 198 400	
	<a href="#">P2-5</a>	Overlay		4 591 200	
	<a href="#">P496</a>	Overlay	2 952 000		
	P496	Overlay		6 885 600	
	<a href="#">P517</a>	Overlay		1 387 116	
	<a href="#">P535</a>	Overlay		6 593 436	
	<a href="#">P743</a>	Overlay		1 465 464	
	<a href="#">P744</a>	Overlay		354 744	
<b>OK</b>	<a href="#">D887</a>	UPGRADE	21 000 000	22 050 000	23 152 500
	<a href="#">P494</a>	UPGRADE	10 500 000		
<b>OK VEHICLE BRIDGE</b>	3522 P525 NTUZE RIVER BRIDGE (AT KM 5.49)	VEHICLE BRIDGE	3 000 000		
<b>REHAB 14/15</b>	P2-4	REHAB	69 750 000		
	P343	REHAB	10 670 400		
	P496	REHAB	11 858 400		
<b>REHAB 15/16</b>	<a href="#">P106</a>	REHAB		5 580 900	
	P496	REHAB		31 680 000	
<b>REHAB 16/17</b>	<a href="#">D1597</a>	REHAB			4 847 850
<b>RESEAL 14/15</b>	<a href="#">P438</a>	Reseal	409 071		
	P496	Reseal	5 576 000		
	P517	Reseal	1 462 000		
	P744	Reseal	1 198 330		
<b>RNI</b>	<a href="#">P231</a>	UPGRADE	0	20 000 000	25 000 000
<b>LIGHT REHAB 14/15</b>	P231	Overlay	2 310 000		
		UPGRADE	47 250 000		
<b>uMhlathuze Municipality Total</b>			<b>237 817 401</b>	<b>106 386 860</b>	<b>53 000 350</b>

### 29.2.7 SANRAL Project

- Upgrading between Empangeni and Khangela Language Services for **6, 967,115**

### 29.2.8 Catalytic Projects as per uThungulu Service Delivery Plan (SDP)

Project Name	Required Funding	Funding Available	Starting Financial Year	Progress
Enseleni, Ngwelezane, Esikhaleni Urban Regeneration	R4 000 000	None	2014/2015	No Funding is available for this project
Agricultural Support Plan for uMhlathuze	R500 000	None	2013/2014	No funding is available for this project, training Assistance is received from Owen Sithole, Agricultural College
Expansion and Upgrade of Alkastrand Beach Precinct	R 40,000,000	R10 500 000 approved by COGTA	2013/2014	Phase 1 complete, contractor appointed. EIA Process Started and Public Participation.
Umzingazi Water Borne Sewerage	R50 000 000	R400,000	2013/2014	This project is Funded by MIG

## 30. REPORT OF THE AUDITOR GENERAL ON 2012/2013 FINANCIAL STATEMENTS

### 30.1 Summary of Auditor General's Report on 2012/2013 Financial Statements

The Auditor general has expressed a Clean Audit opinion with emphasis on matters relating to:

- Restatement of Corresponding figures
- Material loss
- Unauthorised expenditure
- Material underspending of Municipal Infrastructure grant
- Achievement of planned targets (additional matter)

With regard to a challenge of under expenditure of capital budget which, impacts negatively on the service delivery, drastic measures has been taken by Council and Management to rectify this behavior. From all levels of management efforts are required in order to sustain the Clean Audit achievement. Full Audit Report is attached within the Annual Report.

### 30.2 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: RESTATEMENT OF CORRESPONDING FIGURES**

This matter was as a result of correction of amounts which affected the prior year results.

## **PARAGRAPH 9 and 10: MATERIAL LOSSES**

### **Water losses**

JOAT consultants appointed to do a 5 year strategic plan for the reduction of non-revenue water. About R36 million is needed in 5 years to reduce non-revenue water. Other actions to be taken include:

- Installation of meters in rural areas - 7 contractors appointed to install 1600 meter installations
- Pressure management at strategic areas to reduce pipe burst and leaks.
- Water education programs in schools

### **Electricity losses**

The Electricity Services Supply Section has embarked on the following initiatives to try and establish the sources for losses, as well as to eventually be able to classify them accurately.

- The installation of meters on all LV sides of mini sub-stations.
- The installation of meters on all HV sides of mini sub-stations and associated RMU's, along the ring network.
- The installation of meters on all 11kV feeders, which are incomers into other secondary sub-stations, as well as incomers into the mini sub stations.
- The installation of meters on all 132kV feeders that feed into all the secondary sub-stations, usually with transformation.
- By metering at all points across the network, as outlined above, the abovementioned losses will be detected very accurately

## **PARAGRAPH 11: UNAUTHORISED EXPENDITURE**

This material difference cannot be a charge against Rates and Service Charges as per Municipal Financial Management Act Circular number 58 Section 4.3 read together with Directive 7 for GRAP 17. Therefore it cannot be budgeted cost, but instead is a charge against the Statement of Financial Performance which in effect reduces "Surplus" which is a charge against Revaluation Reserve that is accounted for in Net Assets. This will also be taken up with the ASB for them to consider this entry to be posted on the Statement on Changes in Net Assets.

## **PARAGRAPH 12: MATERIAL UNDER-SPENDING OF THE MUNICIPAL INFRASTRUCTURE GRANT**

- The KZN Provincial Treasury crack team has been requested to provide support to the municipality in order to facilitate expenditure of capital funding.
- Projects have been identified and fast tracked. A number of projects are at awarding stage.
- Internal and external management meetings have been initiated to closely monitor progress and expenditure and implement contingency plans should the need arise.
- Procurement procedures are being received and where necessary will be stream line

## **PARAGRAPH 19: ACHIEVEMENT OF PLANNED TARGETS**

The approach going forward is that an additional column will be included for each quarter in the 2013/2014 OPMS Scorecard as an early warning indicator for non-achievement of a target.



## **SECTION G: ANNUAL OPERATIONAL PLAN –SDBIP**

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Provided as an annexure to the main report.

## SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

### 31. ANNUAL PERFORMANCE REPORT

#### 31.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

##### 31.1.1 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."***

##### 31.1.2 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 review for the 2012/2013 financial year was adopted by Council per item RPT 152031 and Council resolution 8593 and is available on Councils official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the %Performance Management+quick link).

### 31.1.3 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 2012/2013 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 newly 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:

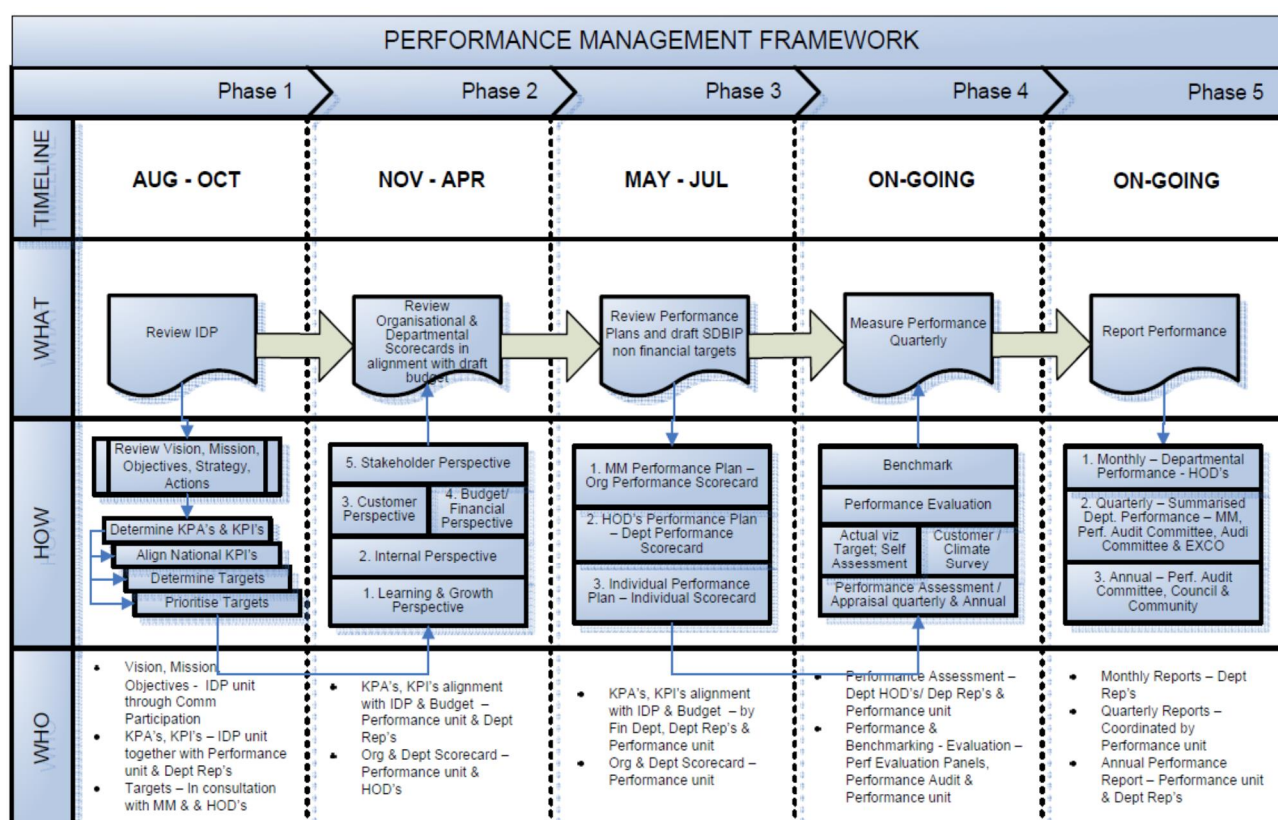


Figure 54: uMhlathuze Performance Management Framework diagram

### **31.1.4 Performance Audit Committee**

The Performance Audit Committee for the 2012/2013 financial year was re-affirmed in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 per Council item RPT 152029, Resolution 8010 dated 07 August 2012 and the members are as follow:

Mr S W Kunene . Chairperson (external member)

Dr E M S Ntombela (external member)

Ms J J Sithole (external member)

Cllr E F Mbatha (Mayor)

Cllr N V Gumbi (Deputy Mayor)

Mr D Govender (PWC Observer)

The chairperson Mr S W Kunene sadly passed away in December 2012 and was subsequently replaced by Mr P C Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

The Performance Audit Committee has met quarterly on 16 August 2012, 15 November 2012, 28 March 2013 and 27 June 2013 and finally on 29 August 2013 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2012/2013 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

### **31.1.5 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 again confirmed during 2011/2012 financial year by Council per item RPT 150133, Resolution 7331 on 14 June 2011 and subsequently to the passing of Mr S W Kunene, the appointment of Mr P C Oosthuizen per Council item RPT 153287, Resolution 8377, dated 26 February 2013.

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons was established -

- (i) Executive Mayor or Mayor;
- (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;
- (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 E F Mbatha	Mayor/Chairperson
Clr N V Gumbi	Deputy Mayor
Mr S W Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Clr T Mchunu	A Mayor from another Municipality (uThungulu)
Mr V N Khuzwayo	Ward Committee member (nominated by the Mayor)

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 E F Mbatha	Mayor
Clr N V Gumbi	Deputy Mayor
Mr S W Kunene	Chairperson of the Performance Audit Committee (until December 2012)
Mr PC Oosthuizen	Chairperson of the Performance Audit Committee (since February 2013)
Mr M Nkosi	A Municipal Manager from another Municipality (uThungulu)

Performance Evaluation sessions were performed on 01 and 02 November 2012 covering the first quarter of the 2012/2013 financial year on progress over the first three months from 1 July 2012 to 30 September 2012. Formal Evaluation sessions covering the first six month period of the covering the period 01 October 2012 to 31 December 2012 were held on 24 and 25 April 2013. An informal performance evaluation was again performed on 6 June 2013 on progress on performance over the third quarter covering the period 1 January 2013 to 31 March 2013 of the 2012/2013 financial year. The final and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the completed 2012/2013 financial year were performed on 19 and 20 November 2013 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 2012/2013 Annual Financial Statements and the 2012/2013 Annual Report.

### 31.1.6 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).

PriceWaterHouseCoopers previously performed the internal audit function to uMhlathuze municipality and their contract subsequently expired in August 2012. 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. uMnotho Business Consulting has been appointed by uMhlathuze municipality as the Internal Auditors commencing their services on 01 December 2012. As part of their scope, auditing of the Performance Management System and Audit of Performance Information was performed and reports received for each quarter in terms of the following:

Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Performance score verification (Municipal Manager and Deputy Municipal Managers);</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 4 (Annual Report)	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>

The Auditor General performed a complete auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard.

### 31.1.7 Customer Satisfaction

Council has appointed Urban Econ Development Economists to conduct the 2013 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was received in November 2013. The results were communicated to Council via the Performance Audit Committee per Council Resolution 9014, RPT 155166 dated 3 December 2013. The comprehensive analysis feedback report is available on the document management system, **DMS 915605 (Refer to annexure 5)** and on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the Performance Management+quick link

### **31.1.8 Annual Organisational Performance Information**

The annual performance reporting on the 2012/2013 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 30 August 2012.

This 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 2012/2013.

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2013/2014 financial year in cases of under achievement:

The number of households served with basic services as reflected in the table below also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the uMhlathuze Water Board. Electricity is distributed to communities by uMhlathuze municipality through purchasing electricity from ESKOM. The remainder of basic services to communities, i.e. solid waste removal (refuse collection) and sanitation is delivered in-house by the uMhlathuze municipality. The uMhlathuze municipality is fortunate not to be reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The information reflected below has been subjected to the Internal Auditing process (in line with Umnotho Business Consulting and the Municipal Public Accounts Committee) *(as well as Audited by the Auditor General)* and reported via the Performance Audit Committee on 29 August 2013, the Executive Committee on 31 July 2013 and Council on 27 August 2013. Reports are available for inspection.

## 32. DRAFT ORGANIZATIONAL PERFORMANCE SCORECARD

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2013/2014												
IDP Ref	Outcome 9	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Actual (Baseline for 2013/2014)	SENSUS 2011 and/or 2012 ACTUAL NEW BASELINE (for 2013/2014 where applicable)	2013/2014			2013/2014	2014/2015
								Annual			1/2 Yearly	Annual
								Target	Amended Target	Actual	Actual YTD	Target
1.3.1		Good Governance, Community Participation and Ward Committee Systems	Effective and efficient community participation mechanisms and processes	Public meetings (IDP and Budget meetings)	Number of meetings	140	N/A	27	22		11	TBA
1.3.1				Number of ward committee management meetings held	Number of meetings	362	N/A	330	330		167	TBA
1.3.1				Number of community meetings per ward	Number of meetings	new	N/A	120	120		76	TBA
1.1.4				Stakeholder liaison meetings	Number of meetings	17	N/A	17	17		7	TBA
1.2.1.1			Effective and efficient decision making	Executive Committee meetings	Number of meetings	26	N/A	24	24		12	TBA
1.2.1.1				Council meetings	Number of meetings	15	N/A	12	12		10	TBA
2.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Provision of Water infrastructure	% Households with access to basic water	% Households with access to basic water (82972 revised in Jan 2013 to 86609)	84.99%	95.65%	96.23%	96.23%		95.65%	TBA
2.1				Households with access to basic water	Total number of Households (82972 revised in Jan 2013 to 86609)	73613	82842	83342	83342		82842	TBA
2.1					Number of House Connections	35984	43530	43530	43530		43530	TBA
2.1					Number of Yard Connections	35619	36474	38474	38474		36675	TBA
2.1					Number of Communal Supply (Standpipes) <200m	1810	2838	1338	1338		2637	TBA
2.1				Households without Basic Water services (BACKLOG)	Number of Households (Backlog) Communal Supply >200m and no formal service	12996	3767	3267	3267		3767	TBA
2.1				New Water Connections	Number of new connections	1953	N/A	2000	2001		201	TBA
2.1			Provision of Sanitation infrastructure	% Households with access to basic sanitation	% Households of with access to basic sanitation (82972 revised in Jan 2013 to 86609)	61.96%	77.15%	82.93%	82.93%		77.15%	TBA
2.1				Households with access to basic sanitation	Total number of Households (82972 revised in Jan 2013 to 86609)	53667	66822	71822	71822		66822	TBA
2.1					Number of Waterborne Sewerage	32605	43068	43068	43068		43068	TBA
2.1					Number of VIP's	21062	23754	28754	28754		23754	TBA
2.1				Households without Basic Sanitation services (BACKLOG)	Number of Households (82972 revised in Jan 2013 to 86609)	32942	19787	14787	14787		19787	TBA
2.1				New sanitation connections	Number of new VIP's	5617	N/A	5000	5000		0	TBA
2.1					Number of new waterborne toilets	0	N/A	0	0		0	TBA



## uMhlathuze Local Municipality: Final IDP Review 2014/2015

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2013/2014												
IDP Ref	Outcome 9	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Actual (Baseline for 2013/2014)	SENSUS 2011 and/or 2012 ACTUAL	2013/2014			2013/2014	2014/2015
							NEW BASELINE (for 2013/2014 where applicable)	Annual			1/2 Yearly	Annual
								Target	Amended Target	Actual	Actual YTD	Target
2.2	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Provision of Electricity infrastructure	Households with access to electricity (uMhlathuze municipal supply)	Number of Households	31667	31667	32367	33067		31849	TBA
2.2				Households without Electricity services - uMhlathuze supply (BACKLOG)	Number of Households (Backlog at Jun 2013 = 1918) IDP Pg 92	1918	1918	1594	1594		1736	TBA
2.2				Households without Electricity services - ESKOM supply (BACKLOG)	Number of Households (Backlog at Jun 2013 = 8986) IDP Pg 92	8986	8986	4958	4958		8986	TBA
2.2				New Electrical Connections (Domestic)	Number of new connections	247	247	700	700		182	TBA
2.4.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Provision of Solid Waste infrastructure	% Households with access to waste disposal services	% Households (82972 revised in Jan 2013 to 86609)	68.7%	69.08%	71.39%	71.39%		69.08%	TBA
2.4.1				Households with access to waste disposal services	Number of Households (82972 revised in Jan 2013 to 86609)	59494	59826	61826	61826		59826	TBA
2.4.1					Weekly 240 litre bins	46326	46326	46326	46326		46326	TBA
2.4.1					Communal Skips	12882	13500	15500	15500		13500	TBA
2.4.1			Households without Solid Waste Removal services (BACKLOG)	Number of Households (82972 revised in Jan 2013 to 86609)	27401	26783	24783	24783		26783	TBA	
2.4.1			New households with access to weekly waste disposal services	Number of new households	600	N/A	2000	2000		0	TBA	
2.1			Free Basic Services	Households with access to free basic water	Number of Households	73613	82842	83342	83342		82842	TBA
2.1	Households with access to free basic sanitation	Number of Households			21061	23754	28754	28754		23754	TBA	
2.2		Households with access to free electricity			Number of Households (Municipal supply)	573	N/A	N/A	N/A		545	TBA
2.2	Number of Households (Eskom supply)				1472	N/A	N/A	N/A		1411	TBA	
	Households with access to free Waste removal	Number of Households			12882	13500	15500	15501		13500	TBA	
2.3	Improving access to basic	Basic Service Delivery and	Provision and Improvement to Public transport facilities and infrastructure	Kilometres of tarred roads established	Number of km	0	600	0	0		0	TBA
2.3				Kilometres of rural gravel roads established	Number of km	50	137.9	36	36		16.2	TBA
2.3				Kilometres of rural gravel roads maintained (grading)	Number of km	609	120	600	600		154	TBA
2.3				Kilometres of urban gravel roads maintained (gravelling)	Number of km	new	20	40	15		13	TBA
2.3				Kilometres of tarred roads maintained	Number of km	600	600	600	600		872	TBA

## uMhlathuze Local Municipality: Final IDP Review 2014/2015

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2013/2014												
IDP Ref	Outcome 9	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Actual (Baseline for 2013/2014)	SENSUS 2011 and/or 2012 ACTUAL  NEW BASELINE (for 2013/2014 where applicable)	2013/2014			2013/2014	2014/2015
								Annual			1/2 Yearly	Annual
								Target	Amended Target	Actual	Actual YTD	Target
2.3	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Promote pedestrian friendly environment	Pedestrian bridges	Number of bridges	new	150	0	0		0	TBA
2.3			Stormwater systems and management	Kilometres of Stormwater open drains maintained	Number of Km's	new	92	92	92		174	TBA
2.3				Kilometres of Stormwater pipelines maintained	Number of Km's	new	300	300	300		3.07	TBA
2.3				Number of kerb inlets maintained	Number of kerbs	new	3076	3076	3076		5817	TBA
2.5.5			Provision of community and sports facilities and services, arts and culture	New facilities provided	Number of facilities	0	0	4	4		0	TBA
2.5.5				Upgraded facilities provided	Number of facilities	4	4	2	2		1 in progress	TBA
3.2.4	Implementation of Community Works Programme Actions supportive of the human settlement outcome	Local Economic Development	Human Settlements	Number of Hostel units refurbished	Number of units	36	NA	90	90		0	TBA
3.2.4				Number of new low-cost Houses build (Dumisane Makhaye Village and Rural housing projects)	Number of units	2200	1448	1050	1050		714	TBA
3.1.1			Development of Prioritised Groups	Capacity Building Initiatives undertaken	Number of Initiatives	2	2	1	1		1	TBA
3.1			Promotion of Local Economy	Jobs created through the municipality's LED initiatives and Capital Projects (EPWP)	Number of jobs (cumulative)	1201	922	669	669		1339	TBA

## uMhlathuze Local Municipality: Final IDP Review 2014/2015

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2013/2014												
IDP Ref	Outcome 9	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure	Actual (Baseline for 2013/2014)	SENSUS 2011 and/or 2012 ACTUAL NEW BASELINE (for 2013/2014 where applicable)	2013/2014			2013/2014	2014/2015
								Annual			1/2 Yearly	Annual
								Target	Amended Target	Actual	Actual YTD	Target
2.3	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Promote pedestrian friendly environment	Pedestrian bridges	Number of bridges	new	150	0	0		0	TBA
2.3			Stormwater systems and management	Kilometres of Stormwater open drains maintained	Number of Km's	new	92	92	92		174	TBA
2.3				Kilometres of Stormwater pipelines maintained	Number of Km's	new	300	300	300		3.07	TBA
4.1	Deepen democracy through a refined Ward Committee model	Municipal Transformation and Institutional Development	Human Resources Management	Number of black staff employed in management (level 15 >)	Number of black staff	87	N/A	103	103		6	TBA
4.1				Number of Women employed in the Top Four Management positions (Level 19 >)	Number of women	new	N/A	4	4		2	TBA
4.1				Women employed by the municipality	Number of women	703	N/A	723	723		22	TBA
4.1				Number of Youth Employed in the Management positions (level 15 >)	Number of youth	new	N/A	4	4		5	TBA
4.1				Youth employed by the municipality	Number of youth	655	N/A	679	695		33	TBA
4.1				People with Disability employed by the municipality	Number of staff	10	N/A	12	12		2	TBA
4.1				Number of EAP programmes implemented	Number of programmes	new	N/A	4	4		4	TBA
4.1			Development and appropriate training and assistance to employees	Workplace Skills training programs conducted	Number of trainings	new	N/A	22	22		21	TBA
4.1				Budget Spent on Workplace Skills Plan (cumulative)	Percentage Spent on budgeted amount	698622.25/ 897500 =78%	N/A	100%	100%		47.51%	TBA
4.1				% Operating Budget spent on implementing Workplace Skills Plan	Skills levy / Salaries budget x 100 = percentage (Target 1.00% p.a.)	3686647 / 448465000 = 0.82%	N/A	3704400/ 505363800 = 0.73%	3704400/ 505363800 = 0.73%		1 037 331/ 126 340 950 = 0.82%	TBA
4.4.2.1			Clean and secure working environment	Occupational health and safety initiatives implemented	Number of Initiatives	new	N/A	4	5		2	TBA
4.1.3			Improved relationship between management and Labour	Labour Relations disciplinary cases	Percentage Reduction in outstanding disciplinary cases	95%	N/A	95%	195%		50%	TBA
4.1.3				Facilitation and preparation of Labour Forum meetings	Number of meetings	11	N/A	11	11		4	TBA
4.1.3				Joint team building exercise with organised labour	Number of team building exercises	new	N/A	4	4		0	TBA
1.1.3.3			Batho Pele Principles	Community Surveys conducted	Number of surveys	1	N/A	0	0		1	TBA
1.1.3.2			Performance Management Systems	S57 Performance Agreements	Number of agreements	6	N/A	6	6		6	TBA
1.1.3			Municipal Turnaround Strategy	Implementation of the National Municipal Turnaround Strategy	% Implemented	100%	N/A	100%	200%		100%	TBA

## uMhlathuze Local Municipality: Final IDP Review 2014/2015

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2013/2014												
IDP Ref	Outcome 9	National KPA	Strategic Objective	Measurable Objective/Output	Performance Measure / Unit of Measure		SENSUS 2011 and/or 2012 ACTUAL  NEW BASELINE (for 2013/2014 where applicable)	2013/2014			2013/2014	2014/2015
								Annual			1/2 Yearly	Annual
						Actual (Baseline for 2013/2014)	Target	Amended Target	Actual	Actual YTD	Target	
5.2	Differentiated approach to Municipal financing, planning and support	Financial Viability and Financial Management	Revenue Enhancement	Cash collected from customers	R value of revenue collected	1,656,139,524	N/A	1,669,068,380	1,669,068,380		1,011,405,863	TBA
5.2				Amount invoiced/billed to customers	R value of invoices raised	1,683,349,716	N/A	1,703,131,000	1,703,131,000		1,058,710,654	TBA
5.1.2			Financial management	Debt service payments	R value (non-cumulative)	176,643,000	N/A	184,629,000	184,629,000		88,302,000	TBA
5.2				Total revenue received from grants and subsidies	R value Cumulative	321,429,027	N/A	313,332,400	313,332,400		221,801,400	TBA
5.1.2				Total of grants and subsidies spent	Total grants and subsidies spent / Total grants and subsidies received x 100 = Percentage spent	79%	N/A	100%	200%		63%	TBA
5.1.1.2		Financial Viability and Financial Management	Debt Control	Debt coverage ratio (cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000)	<u>1904060-195157000</u> 177237 = 9.64	N/A	9.63	10.63		(1150004000-104708000) 184630000 = 5.66	TBA
5.2.1.2				Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	<u>154843895/</u> 1647668296 = 0.094	N/A	<u>159,761,024/</u> 1,669,068,380 = 10%	<u>159,761,024/</u> 1,669,068,380 = 10%		<u>157258341/</u> 864891546 =18%	TBA
5.1.2.1				Cost coverage ratio (cumulative)	(Available cash at particular time + Investments) / Monthly fixed operating expenditure	<u>280396000/</u> 150278000 = 1.87	N/A	2.13	2.13		<u>408143000</u> 152118000 = 2.68	TBA
5.1.1.2			Budgeting and reporting	Total operating budget (revenue)	R value YTD	2,040,074,844	N/A	2,091,453,700	2,091,453,700		1,150,003,890	TBA
5.1.2.2				Total Salaries and Wages budget (including benefits)	R value YTD	437,125,880	N/A	508,764,400	508,764,400		239,148,232	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	<u>115 037 000 /</u> 233 547 000 = 49,26%	N/A	338,713,300 =100%	338,713,300 =100%		<u>53434000/</u> 338714000 = 15.78%	TBA
5.1.2				Total Operating expenditure	R value YTD	2,092,074,844	N/A	1,989,414,100	1,989,414,101		1,033,898,170	TBA

**KEY FOR THE MEASURABLE OBJECTIVES:**

**Priority**

**Vuna**

**Additional /Departmental**

<b><u>Comments:</u></b>
<b><u>Access to electricity(New connections):</u></b> The Quarterly targets and achievements for this KPI are dependent on the number on applications received.
<b><u>Free basic Service(Households with access to free electricity):</u></b> The Quarterly targets and achievements for this KPI are dependent on the number on applications received.
<b><u>Basic Services Backlogs:</u></b> New KPI's added for Households without access to basic water, sanitation and refuse removal services as from March 2013
<b><u>Total number of households:</u></b> The annual targets as reflected in the approved IDP have been revised to adjust the total number of households previously reported from 74269 to the total of 82972 in 2011/2012 aligned with KZN CoGTA statistics and revised in Feb 2013 to 86609 based on Stats SA figures.

## SECTION I: ANNEXURES

### 32.1 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	Currently due for review
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 System	Yes	No	To be adopted	2016
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	

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review
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

### 32.2 IDP ANNEXURES

ANNEXURES		COMMENTS
I.1	Spatial Development Framework	Hard and Electronic copy
I.2	Disaster Management Plan	Electronic Copy
I.3	Public Participation Report 2013/2014( <b>DMS 926784</b> )	Electronic Copy
I.4	SDBIP	Hard and Electronic Copy
I.5	Customer Satisfaction Survey Report ( <b>DMS 915605</b> )	Electronic Copy
I.6	Water Service Development Plan	Electronic Copy
I.7	LED Plan	Electronic Copy
I.8	Annual Report and Annual Performance Report 2012/2013	Electronic Copy