

FIVE YEAR IDP
2017/2018-2021/2022
"FOURTH GENERATION IDP"

DMS 1252935

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CBO Community Based Organisation

CIF Capital Investment Framework

CIP Comprehensive Infrastructure Plan

COGTA Co-operative Governance and Traditional Affairs

CSIR Council for Scientific and Industrial Research

DMP Disaster Risk Management Plan

DWA Department of Water Affairs

DWAF Department of Water Affairs and Forestry

EAP Employee Assistance Programme

ECD Early Childhood Centres

EIA Environmental Impact Assessment

EMF Environmental Management Framework

EPWP Expanded Public Works Programme

ESMP Environmental Service Management Plan

GDP Gross Domestic Product

GIS Geographical Information Systems

GVA Gross Value Added

HDA Housing Development Agency

HSP Housing Development Plan

HIV/AIDS Human Immunodeficiency Virus/Acquired Immunodeficiency

Syndrome

HR Human Resources

ICT Information Communication Technology

IDZ Industrial Development Zone

IGR Intergovernmental Relations

IAMP Infrastructure asset management plan

IDP Integrated Development Plan

IWQMS Integrated Water Quality Management System

KPA Key Performance Area

KPI Key Performance Indicator

uMhlathuze Local Municipality: IDP 2017/2022

LED Local Economic Development

LUMF Land Use Management Framework

LUMS Land Use Management System

MFMA Municipal Finance Management Act

MIG Municipal Infrastructure Grant

MPAC Municipal Public Accounts Committee

MSA Municipal Systems Act

MTAS Municipal Turnaround Strategy

MTREF Medium-Term Revenue and Expenditure Framework

MTSF Medium-Term Strategic Framework

NDP National Development Plan

NGO Non-governmental organisation

NSP National Strategic Plan

OSS Operation Sukuma Sakhe

PMS Performance Management Systems

RDP Reconstruction and Development Programme

SANAS South African National Accreditation System

SCOA Standard Chart of Accounts

SCOPA Standing Committee on Public Accounts

SDBIP Service Delivery Budget Implementation Plan

SDF Spatial Development Framework

SEA Strategic Environmental Assessment

SEDA Small Enterprise Development Agency

SEZ Special Economic Zone

SMME Small, Medium and Micro Enterprise

SOE State-Owned Enterprise

SONA State of the Nation Address

STI Sexually Transmitted Infection

TB Tuberculosis

VIP Ventilated Improved Pit

WSB Water Services Backlog

uMhlathuze Local Municipality: IDP 2017/2022

WSDP Water Services Development Plan

WQMS Water Quality Monitoring Systems

KCD King Cetshwayo District

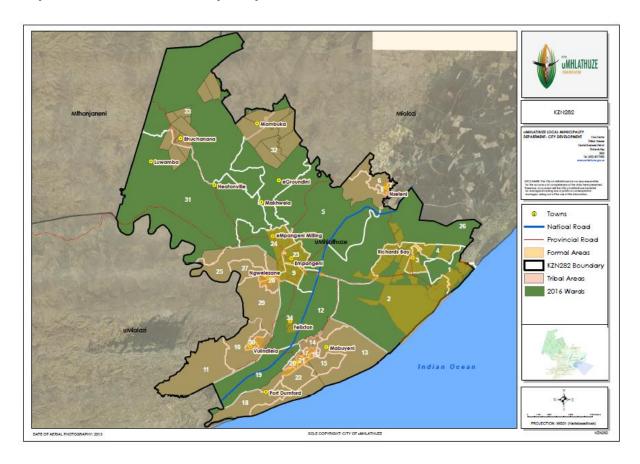
COU City of uMhlathuze

UCTO uMhlathuze Community Tourism Organisation

SECTION A: EXECUTIVE SUMMARY

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 land area covers 79 334 Ha to 123 325 Ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton ,Vulindlela, Bhuchanana and Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza (Bhejane), Zungu (Madlebe), Somopho (Mthembu), Obuka (Biyela) and Obizo (Cebekhulu). The population is estimated at 410 456 as per Community Survey 2016, although in terms of Census 2011 the total population was estimated at 334 459. The number of households increased from 67 127 in 2001 to 86 609 in 2011, the current number of households as per the recent community survey is estimated at 110 503. 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. Since its establishment the municipality in 2016 has been affected by the re-determination of municipal boundaries which changed its geographical setting to include areas which were previously under the then Ntambanana Municipality. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela, Felixton, Heatonville and Bhuchanana as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Zungu, Mthembu, Biyela and Cebekhulu. UMhlathuze Local Municipality has been divided into 34 municipal wards since 2016 local government elections.

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, Nsezi and Ntambanana.

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. uMhlathuze is contributing 48% towards GDP within the King Centshwayo District.

2. How was this plan developed

The fourth generation IDP was developed with special consideration to the following aspects:

- Development of new council strategic agenda for long term aligned to NDP and PGDS;
- Development and review of IDP core sector plans;
- Implementation of the Economic Transformation Roadmap for uMhlathuze Municipality;
- Alignment with Government Priorities e.g. State of the Nation Address, KZN State of the Province Address, NDP, PGDP, DGDP etc;
- Community inputs received during the community outreach programs (IDP Roadshows);

- MEC Letter with assessment comments on the Final IDP Review 2016/17;
- Self-Assessment;
- Different stakeholder comments and requirements; and
- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000

Council engaged with all relevant stakeholders to solicit views and inputs for the uMhlathuze Fourth Generation IDP (2017/2022). Below is council approved schedule for the public participation meetings held in November and December 2016, further engagements were held in April 2017 for the Draft IDP and Budget.

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

CLUSTER	WARDS	VENUE	DATE
Amakhosi	Traditional Councils	Executive Committee Room, Richards Bay Civic Centre	10 November 2016 (Thursday) Time: 11:00
Ntambanana	31, 32, 33	Macekane Sportsfield	12 November 2016 (Saturday) Time: 10:00
Richards Bay	1, 2, 3, 4, 5, 6, 7, 8, & 26	Nseleni-Mzuvukile Sports Ground	19 November 2016 (Saturday) Time: 10:00
Empangeni	5, 9, 23, 24, 25, 27, 28 & 29	Ngwelezane New Sportsfield	03 December 2016 (Saturday) Time: 13:00
ESikhaleni	10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 30 & 34	ESikhaleni TVET Sports Ground	04 December 2016 (Sunday) Time: 13:00

Table 2: Second Round IDP/Budget Roadshows

CLUSTER	WARDS	AREA	VENUE	PROPOSED	TIME
				DATES	
12	Stakeholders	Stakeholders	R/Bay Civic	04 April	17:00
			(Council	2017	
			Chambers)	(Tuesday)	
1	Ward Committees	Ward	eMpangen	06 April	17:00
		Committees	i Civic	2017	

CLUSTER	WARDS	AREA	VENUE	PROPOSED DATES	TIME
			Centre	(Thursday)	
			(Hall)	, ,,	
	Amakhosi	Amakhosi	R/Bay Civic	07 April	11:00
			Centre	2017	
			(Council		
			Chambers)		
6,10,&11	9,23,24,25,27,28,2	eMpangeni	Ngwelezan	09 April	13:00
	9,31,32,33	Ngwelezane	e New	2017	
		and	Field	(Sunday)	
		Ntambanana			
2,3 & 5	1,2,3,4,5,6,7,8 & 26	Richards Bay	Mzuvukile	23 April	13:00
		and Nseleni	Sportsfield	2017	
				(Sunday)	
4,7,8 & 9	10,11,12,13,14,15,	eSikhaleni and	eSikhaleni	30 April	13:00
	16,17,18,19,20,21,	Vulindlela	TVET	2017	
	22,30 & 34		(College)	(Sunday)	

3. What are our Key Challenges?

3.1 UMhlathuze Municipality Identified Challenges

uMhlathuze Municipality during the development of the Fourth Generation IDP embarked on an intensive strategic planning session wherein both the administration and council, as a collective, undertook a comprehensive situational analysis. Below are the challenges that were identified during the session held in April 2017.

Table 3: Municipal Challenges

Natio	National KPA: Municipal Transformation and Organisational Development			
Nr.	Key Challenge	Description		
1.	Low skills levels and limited skills development	The Municipality has a responsibility to facilitate the improvement of literacy levels of the community and to ensure adequate skills base to foster enterprise growth and job creation. Scarce skills need to be developed and transferred through partnership with industries and the different organizations that exist in the area.		

Natio	National KPA: Local Economic Development and Social Development				
Nr.	Key Challenge	Description			
2.	High rate of unemployment and sluggish 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 departments are engaging with different sector departments and agencies in search of sustainable economic development solutions that will assist in improving economic growth and creation of jobs.			
3.	High levels of poverty and inequalities	The current high levels of poverty and inequalities in the municipality reflect the national status quo. This is further exacerbated by lack of skills, unemployment and sluggish economic growth. It is therefore necessary to come up with strategic objectives that will enable job opportunities and economic development.			
4.	Increased incidents of HIV/AIDS prevalence and communicable diseases	HIV/AIDS is an epidemic which is increasing at an alarming rate and affects communities negatively. Interventions through Operation Sukuma Sakhe are essential 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.			
Natio	nal KPA: Basic Service Delivery and	Infrastructure Management			
Nr.	Key Challenge	Description			
5.	Aging municipal infrastructure	Aging municipal infrastructure results in continuous service failures and breakdowns thus affecting effective and efficient delivery of services to communities. It is therefore critical that			

		the municipality work towards managing
		useful life of assets, ensure life cycle
		management of infrastructure, and
		adequate repairs and maintenance.
6.	Lack of water security of supply	The growing demand for water by
		industries and residents coupled with
		limited water sources is a major challenge
		for the municipality. Lack of water supply
		is further aggravated by unprecedented
		drought affecting the municipality. It is
		therefore critical that the municipality
		implement alternative solutions as part of
		water conservation and water demand
		management. Alternative water sources
		such as desalination, water re-use,
		rainwater harvesting, etc. should be
		considered to improve water supply mix.

National KPA: Cross Cutting

Nr.	Key Challenge	Description
7.	Unsustainable development practices and human settlements	The Municipality faces a challenge of reacting to urban sprawl, which, in turn, results in increased informal settlement, overcrowded schools, ill health, marked spatial disparities, higher cost of providing infrastructure and services, disturbed ecosystems and environmental resources, changes in air quality, change in aesthetics and urban form, as well as loss of land for economic and agricultural services. Our spatial policies and development have not have not helped in the reconstruction and integration processes.
8.	Negative impact of 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 climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.
9.	High levels of crime	High levels of crime have a negative impact on

the municipality's quest to become an
investment destination of choice. Crime also
affects social wellbeing of communities.
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 and multifaceted
approach that includes working closely with
the different stakeholders such as communities,
National and Provincial Government, other
stakeholders and private security firms in all
areas of crime prevention.

National KPA: Financial Viability and Management

National KFA: Financial Viability and Mar		ugemem
Nr.	Key Challenge	Description
10.	Limited revenue sources and non-payment for services.	The growing demand for services and limited revenue sources as well as non-payment for services affects the municipality's ability to provide services in line with its developmental mandate. The unresolved issue of rural areas not paying for rates remains a serious threat to sustainable revenue collection and extension of basic services to rural areas. The municipality should maintain favourable credit balance, enhanced rate base by supporting high density developments and identify new revenue streams.
11.	Unsustainable municipal demarcation practices and escalating cost of extending basic services to the newly incorporated wards.	Continuous re-determination of municipal boundaries creates a challenge for the municipality in terms of escalating cost of extending basic services to newly incorporated areas. In most instances incorporated areas do not pay municipal rates thus affecting the ability of the municipality to extend basic services. Furthermore, there is no clear system of financial support by government for municipalities whose boundaries have been re-demarcated to incorporate additional wards.

4. What is our long term Vision?

The Vision

"The Port City of uMhlathuze offering a better quality of life for all its citizens through sustainable development and inclusive economic growth"

Mission Statement:

The City of uMhlathuze commits itself to:

- Job creation and inclusive economic growth through accelerated economic development and transformation;
- Enhancing industry based skills development and strategic support to education priority programmes;
- Community based initiatives to improve quality of citizens health and well-being;
- Creating safer city through integrated and community based public safety;
- o Planned and accelerated rural development interventions;
- o Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and ccommitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- o Good governance, capable and developmental municipality.

5. What are we going to do to unlock and address our key challenges?

5.1 UMhlathuze – Development Goals

NATIONAL KPA	UMhlathuze Development Goals
Good Governance and Public Participation	Goal 1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance
Basic Services and Infrastructure Provision	Goal 2 Integrated infrastructure and efficient services

NATIONAL KPA	UMhlathuze Development Goals
Local Economic and Social	Goal 3
Development	Viable Economic Growth And Development
	Goal 4
	Public Safety and Security
	Goal 5
	Safe and Healthy Living Environment
	Goal 6
	Social Cohesion
Municipal Institutional	Goal 7
Development and Transformation	A Municipality that is Resourced and Committed to
	attaining the vision and mission of the organisation
Municipal Financial Viability and	Goal 8
Management	Sound Financial And Supply Chain Management
Cross Cutting	Goal 9
	Integrated Urban and Rural Development
	Goal 10
	Immovable Property Management

5.2 Spatial Vision and Development

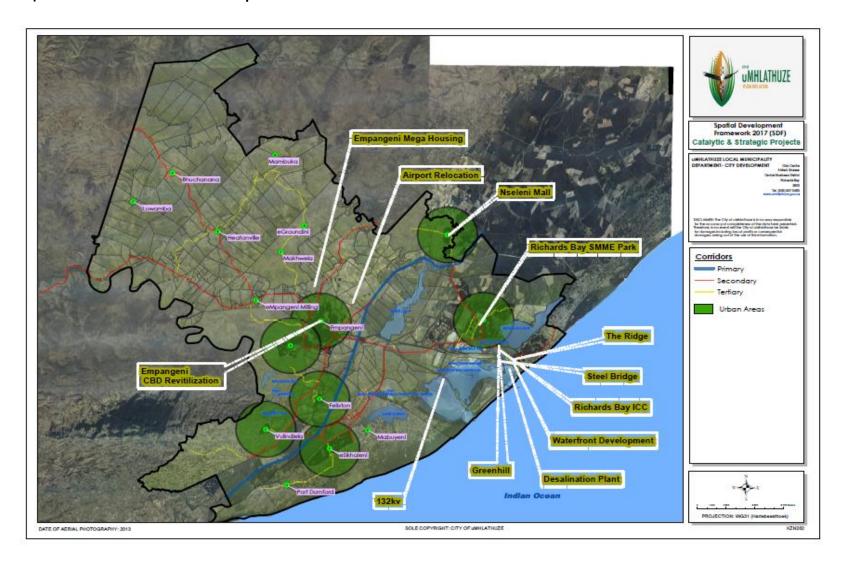
In Support of the above Municipal wide (IDP) vision, the uMhlathuze Municipal Spatial Development Framework Vision is:

"Progressive and sustained socio-economic transformation poised for equal distribution of opportunities to all citizens."

5.3 Development Interventions

The Municipality has identified key development interventions within its nodes. The main objective of these current and planned interventions is to address social, economic and infrastructure challenges. In the primary nodes, the main objectives to the revitalize the urban centres in order to attract investment.

Map 2: Interventions in the Municipal Nodes



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6. How will our progress be measured?

To measure and monitor our progress, a Performance Management Framework and Policy was developed and is in place and it is reviewed regularly (annual). Key performance indicators have been refined in support of the municipality's development priorities and objectives aligned with the organizational structure in line with the Integrated Development Plan framework (indexing) to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the Organisational Performance Management Scorecard attached to the Integrated Development Plan and is reviewed annually together with the Integrated Development Plan review. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

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

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

SECTION B1: PLANNING AND DEVELOPMENT PRINCIPLES

6.1 PGDS Spatial Planning Principles

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

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

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

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

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

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

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

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

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

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

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

6.2 SPLUMA principles

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

(a) The principle of **spatial justice**, whereby –

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

ground that the value of land or property is affected by the outcome of the application.

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

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

- i. land development optimises the use of existing resources and infrastructure;
- ii. decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
- iii. development application procedures are efficient and streamlined and timeframes are adhered to by all parties.
- (d) the principle of **spatial resilience**, whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

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

- i. all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ii. all government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;
- iii. the requirements of any law relating to land development and land use are met timeously;

- iv. the preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and
- v. policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

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

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

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

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

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

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

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

"address historical spatial imbalances in development"

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

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

manner. It provides an analysis of the spatial problems and provides strategies and programs to address the challenges.

SECTION B2: GOVERNMENT PRIORITIES

6.3 Sustainable Development Goals

Sustainable Development Goals offer major improvements on the Millennium Development Goals (MDGs). The SDG framework addresses key systemic barriers to sustainable development such as inequality, unsustainable consumption patterns, weak institutional capacity, and environmental degradation that the MDGs neglected.

The SDG framework provides an overall narrative articulating how the goals will lead to broader outcomes for people and the planet. The 17 goals provide a clearer means-to-end continuum and they also offer better coverage of, and balance between, the three dimensions of sustainable development – social, economic and environmental – and the institutional/governance aspects. The SDGs are embedded in the world's quest to ensure poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development. These are the overarching objectives and essential requirements for sustainable development.

To this end, the table below outlines the alignment between the SDGs and the uMhlathuze Strategic Framework

NO	SUSTAINALE DEVELOPMENT GOALS	ALIGNMENT THEREOF
1.	End Poverty in all its forms everywhere.	Viable Economic Growth And Development.
2.	End Hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Stimulate key sectors that promote economic growth and create jobs
3.	Ensure Healthy Lifestyles and promote well-being for all at all ages.	Safe and Healthy living environment
4.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Improving Citizens Skills levels and Education
5.	Achieve gender equality and empower all women and girls.	Promoting economic growth by providing employment opportunities for women and youth.

NO	SUSTAINALE DEVELOPMENT GOALS	ALIGNMENT THEREOF
6.7.	Ensure availability and sustainable management of water and sanitation for all. Ensure access to affordable, reliable	Integrated infrastructure and efficient services
	and modern energy for all.	
8.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Viable Economic Growth and Development
9.	Build resilient infrastructure promote inclusive and sustainable industrialization and foster innovation.	Integrated infrastructure and efficient services
10.	Reduce inequality within and among countries.	Viable economic growth and development
		Integrated Urban and Rural Development
11.	Make cities and human settlements inclusive, safe, resilient and sustainable.	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlement.
12.	Ensure sustainable consumption and production patters.	Safe and Healthy living environment
13.	Take urgent action to combat climate change and its impacts.	Optimal management of natural
14.	Conserve sustainably use of oceans, seas and marine resources for sustainable development.	resources and commitment to sustainable environmental management.
15.	Protect, restore and promote sustainable use of terrestrial ecosystem, sustainable manage forests, combat desertification and halt and reverser land degradation and halt biodiversity loss.	

NO	SUSTAINALE DEVELOPMENT GOALS	ALIGNMENT THEREOF
16.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.	Democratic responsible, transparent , objective and equitable municipal governance
17.	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Democratic responsible, transparent , objective and equitable municipal governance

6.4 Climate Change Resolution

In November and December 2015, the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCC COP21) took place in Paris. UNFCC is an international environmental agreement on climate change, of which there are 195 States Parties, including the South Africa.

The UN Intergovernmental Panel on Climate Change (IPCC) has warned of the consequences of failing to limit global temperature rises to at least 2 degrees Celsius (above pre-industrial times), highlighting that the impacts would pose a threat to humanity and could lead to irreversible climate change.

The meeting in Paris was hailed as a make-or-break opportunity to secure an international agreement on approaches to tacking climate change, a commitment to a longer-term goal of near zero net emissions in the second half of the century, and supporting a transition to a clean economy and low carbon society.

The key points of the Paris Agreement are summarised below. The agreement is due to come into force in 2020.

CLIMATE CHANGE RESOLUTIONS		
Nr.	Key Points	Resolution
1.	Mitigation: reducing emissions	 A long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels; To aim to limit the increase to 1.5°C, since this would significantly reduce risks and the impacts of climate change; On the need for global emissions to peak as soon as possible, recognising that this will take longer for developing countries; To undertake rapid reductions thereafter in accordance with the best available science.

CLIN	CLIMATE CHANGE RESOLUTIONS		
Nr.	Key Points	Resolution	
2.	Transparency and global stock take	 Come together every 5 years to set more ambitious targets as required by science; Report to each other and the public on how well they are doing to implement their targets; Track progress towards the long-term goal through a robust transparency and accountability system. 	
3.	Adaptation	 Strengthen societies' ability to deal with the impacts of climate change; Provide continued and enhanced international support for adaptation to developing countries. 	
4.	Loss and damage	 Recognises the importance of averting, minimising and addressing loss and damage associated with the adverse effects of climate change; Acknowledges the need to cooperate and enhance the understanding, action and support in different areas such as early warning systems, emergency preparedness and risk insurance. 	
5.	Support	 The EU and other developed countries will continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries. Other countries are encouraged to provide or continue to provide such support voluntarily. Developed countries intend to continue their existing collective goal to mobilise USD 100 billion per year until 2025 when a new collective goal will be set. 	

6.5 Habitat 3 human settlement new urban agenda

The United Nations Conference on Housing and Sustainable Urban Development held in Quito, led to delegations adopting the New Urban Agenda, which is a new framework that lays how cities should be planned and managed to best promote sustainable urbanisation.

It is now the responsibility of national government and local authorities to implement the agenda with technical and financial partnerships. Below is a summary of the world leaders' commitment to New Urban Agenda:

Table 4: New Urban Agenda

New	New Urban Agenda		
Nr.	Priority	Description	
1.	Provide basic services for all citizens	These services include: access to housing, safe drinking water and sanitation, nutritious food, healthcare and family planning, education, culture and access to communication technologies.	
2.	Ensure that all citizens have access to equal opportunities and face no discrimination	Everyone has the right to benefit from what their cities offer. The New Urban Agenda calls on city authorities to take into account the needs of women, youth and children, people with disabilities, marginalized groups, older persons, indigenous people, among other groups.	
3.	Promote measures that support cleaner cities	Tackling air pollution in cities is good both for people's health and for the planet. In the Agenda, leaders have committed to increase their use of renewable energy, provide better and greener public transport, and sustainably manage their natural resources.	
4.	Strengthen resilience in cities to reduce the risk and the impact of disasters	Many cities have felt the impact of natural disasters and leaders have now committed to implement mitigation and adaptation measures to minimize these impacts. Some of these measures include: better urban planning, quality infrastructure and improving local responses.	
5.	Take action to address climate change by reducing their greenhouse gas emissions	Leaders have committed to involve not just the local government but all actors of society to take climate action taking into account the Paris Agreement on climate change which seeks to limit the increase in global temperature to well below 2 degrees Celsius. Sustainable cities that reduce emissions from energy and build resilience can play a lead role.	
6.	Fully respect the rights of refugees, migrants and internally displaced persons regardless of their migration status	Leaders have recognized that migration poses challenges but it also brings significant contributions to urban life. Because of this, they have committed to establish measures that help migrants, refugees and IDPs make positive contributions to societies.	
7.	Improve connectivity and support innovative and green initiatives	This includes establishing partnerships with businesses and civil society to find sustainable solutions to urban challenges	

New	New Urban Agenda		
Nr.	Priority	Description	
8.	Promote safe, accessible and green public spaces	Human interaction should be facilitated by urban planning, which is why the Agenda calls for an increase in public spaces such as sidewalks, cycling lanes, gardens, squares and parks. Sustainable urban design plays a key role in ensuring the liveability and prosperity of a city	

6.6 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:

Table 5: National Plan Priorities

No.	National Plan Priorities	Strategic Alignment Thereof
1	Create jobs	Viable Economic growth and development
2	Expand infrastructure	Integrated Infrastructure and efficient services
3	Use resources properly	Democratic, responsible, transparent, objective and equitable Municipal Governance
4	Inclusive planning	Integrated Urban and Rural Development
5	Quality education	To improve citizens skills levels and education
6	Quality healthcare	Safe and Healthy living environment
7	Build a capable state	Democratic, responsible, transparent, objective and equitable municipal governance
8	Fight corruption	Safe and Healthy living environment
9	Unite the nation	Social Cohesion

6.7 14 National Outcomes

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

No.	National Outcome	Strategic Alignment Thereof
1	Improved Quality of basic education	To improve citizens skills levels and education
2	A long and healthy life for all South Africans	Safe and Healthy living environment
3	All people in South Africa are and feel safe	Public Safety and Security
4	Decent employment through	Viable economic growth and development
	inclusive economic growth	
5	Skilled and capable workforce	municipality resourced and committed to

No.	National Outcome	Strategic Alignment Thereof
	to support an inclusive growth path	Attaining the vision and mission of the organization
6	An efficient, competitive and responsive infrastructure network	Efficient and integrated infrastructure and services
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Viable economic growth and development
8	Sustainable human settlements and improved quality of household life	To promote the achievement of a non- racial, integrated society through the development of sustainable human settlements and quality housing
9	Responsive, accountable, effective and efficient local government system	Democratic, responsible, transparent, objective and equitable municipal governance
10	Protect and enhance our environmental assets and natural resources	To promote environmental; conservation and promotion
11	Create a better South Africa, a better Africa, and a better world	Promoting social cohesion
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Democratic, responsible, transparent, objective and equitable municipal governance
13	An inclusive and responsive Social protection system	Democratic, responsible, transparent, objective and equitable municipal governance
14	Nation building and social cohesion	

6.8 5 National Priorities

The Five National and Six Provincial Priorities include the following:

No.	Five National (Including 6 th Provincial) Priorities	Alignment
1	Job creation (Decent work and	Viable economic growth and
	Economic growth)	development
2	Education	To improve citizens skills levels and education
3	Health	Safe and healthy living environment
4	Rural development, food security and land reform	Integrated Urban and Rural Development
5	Fighting crime and corruption	Public Safety and Security
6	Nation-building and good governance	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion

6.9 Provincial Growth and Development Strategy (PGDS)

No.	PGDS Strategic Goal	Alignment thereof
1	Inclusive Economic Growth	Viable economic growth and development
2	Human Resource Development	Municipality that is resources and committed to attaining the vision and mission of the organisation.
3	Human and Community	Viable economic growth and
	Development	development
4	Strategic Infrastructure	Integrated infrastructure and efficient
		services
5	Environmental Sustainability	Optimal management of natural
		resources and commitment to
		sustainable environmental management
6	Governance and Policy	Democratic, Responsible, Transparent,
		Objective and Equitable Municipal
		Governance and Social Cohesion
7	Spatial Equity	Integrated urban and rural development

6.10 King Cetshwayo District Growth and Development Plan (DGDP)

No.	DGDP Goals	Alignment
1	Job Creation	Viable economic growth and development
2	Human Resource Development	Municipality that is resources and committed to attaining the vision and mission of the organisation.
3	Human and Community Development	Municipality that is resources and committed to attaining the vision and mission of the organisation.
4	Strategic Infrastructure	Integrated infrastructure and efficient services
5	Response to Climate Change	Optimal management of natural resources and commitment to sustainable environmental management
6	Governance and Policy	Democratic, responsible, transparent, objective and equitable municipal governance
7	Spatial Equity	Integrated Urban and Rural Development

6.11 Strategic Integrated Projects

The Presidential Infrastructure Coordinating Commission (PIC) identified 18 SIPs of which the following have direct relevance to the Municipality:

Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst	The rail capacity between Mpumalanga and Richards Bay is relevant in in this instance. The uMhlathuze Municipality has budgeted R100 million to spend on the electricity line to RBCT to avoid future failure of electricity supply to this large export facility. The Port expansion of Richards Bay is a permanent discussion item between the uMhlathuze Municipality and the Richards Bay Port (Transnet).
SIP 8 Green energy in support of the South African economy	Numerous green economy initiatives are either being pursued or supported by the uMhlathuze Municipality in its area of jurisdiction.

6.12 Alignment with Back to Basics

Following the national government elections of 2014, the national Department of Cooperative Governance and Traditional Affairs (CoGTA) embarked on a programme called "Back to basics – serving our communities better." The programme acknowledges local government as the primary site for service delivery and the programme seeks to assist local government to enforce its mandate for service delivery.

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

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

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

Key Performance Areas for the Back-to-Basics Approach

	Back to basics	Alignment		
1.	Basic Services: Creating decent living conditions	Integrated Urban and Rural Development		
2.				
3.	Public Participation :Putting People First	Democratic, responsible, transparent and objective and equitable municipal governance		
4.	Sound Financial Management	Sound financial and supply chain management		
5.	Building Capable Institutions and Administrations	Municipality that is resourced and committed to attaining the vision and mission of the organisation		

6.13 State of the Nation Address (SONA)

The State of the Nation Address is important for all South Africans because it outlines government's Programme of Actions for the year ahead. The Programme of Action is government's plans for the country and people of South Africa. This was President Zuma's fourth State of the Nation Address (SONA) to the joint sitting of the two houses of Parliament since he was re-elected in May 2014.

The theme for SONA 2017 was: "The Year of Oliver Reginald Tambo: Unity in Action Together Moving South Africa Forward." The president detailed the government's key areas of focus that included; university fees, corruption, crime, land reform and radical economic transformation. Below is the summary of Key Focus Areas by the President:-

- **Education:** 2017 declared the Oliver Reginald Tambo year: President OR Tambo was a Maths and Science teacher. Government will thus prioritise Maths and Science more than ever before this year, in his memory;
- Credit Ratings: "Government successfully avoided credit ratings downgrades which would have had significant impact on our economy."
- Basic Services Delivery: The president said the extension of basic services to the people continued in the past year as Government put efforts to pursue better life for all.
- **Eskom:** successful execution of the Eskom's build and maintenance programmes helped ensure stability and an end to load shedding. Eskom will sign the outstanding power purchase agreements for renewable energy in line with the procured rounds, said the President.
- Land reforms: the president said it would be "difficult, if not impossible"; to achieve true reconciliation until the land question was resolved. Arable land needed to be returned to black people, "Only eight million hectares of

- arable land have been transferred to black people, which is only 9.8% of the 82 million hectares of arable land in South Africa.
- Tertiary Education Fees: Government would look into the prospect of raising the NSFAS threshold to above R122 000 through a phased basis, while students from families earning below R600 000 would continue to have their increases covered, said Zuma.
- Corruption: the fight against corruption would continue. "Within the National Prosecuting Authority, the Asset Forfeiture Unit completed 389 forfeiture cases, to the value of R349m. A total of R13m was recovered in cases where government officials were involved in corruption and other related offences in the past year".
- Crime: three specialised units have been established, focusing on drugrelated crime, taxi violence and firearm violations. "The fight against crime is an apex priority. The police will increase visible policing, building on the successful pattern of deployments utilised during the Safer Festive Season Campaign."
- Drought in 2016: In terms of drought, the president acknowledged that 2016 was a difficult year for the country's farms and citizens. An estimated amount of R2.5bn was made available for the provision of livestock feed, water infrastructure, drilling, equipping and refurbishment of boreholes, auction sales and other interventions. R500m would also be made available to distressed farmers to manage their credit facilities and support with soft loans.
- Radical Economic Transformation: The President signaled the start of a period of socio economic transformation as fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans; especially the poor, the majority whom are African Male and female. "Only 10% of the top 100 JSE listed companies in South Africa were directly owned by black South Africans'" said the president

According to the President, government will continue to focus on the key areas in the nine-point plan to boost the economy and create jobs.

6.14 State of the Province Address (SOPA)

Kwa-Zulu Natal Premier Willies Mchunu delivered the State of the Province Address at the Olympia, Royal Agriculture Show Grounds in Pietermaritzburg on Wednesday 1 March 2017. The theme of the state of the province address for this year was "Through Unity in Action, we can move KwaZulu Natal to a prosperous future"

The Premier tabled his address of success strides that the province had achieved over the year and also some of the challenges. The Premier pleaded with government to prioritise the following strategic matters in order to take the province forward:-

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- Mobilisation with motive to destabilise
- Social cohesion and moral regeneration as imperatives for nation building
- Crime and corruption
- Land issues
- Capacity and State ability
- Radical Economic Transformation
 - Radical Agrarian Socio Economic Transformation (RASET)
 - The importance of partnership in growing a shared economy
 - Participation and advocacy of vulnerable groups is advanced by promoting youth, gender and disability advocacy and the advancement of women.
- The Health of KZN population is improved

Table 6: Municipal Intervention to government imperatives

National KPA	uMhlathuze Goals	uMhlathuze Mission	SDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals	Municipal Intervention / Programme
Good Governance and Public Participation	Democratic, responsible, Transparent, Objective and equitable Municipal Governance	Good governance, capable and developmental municipality	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Inclusive Plannning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy	Operation Clean Audit Customer Care Policy and Service Standards Anti-Fraud and Corruption Policy including whistle bower hotline
				Unite the Nation				
				Fight Corruption				
Basic Service Delivery and Infrastructure Provision	Integrated infrastructure and efficient services	Good governance, capable and developmental municipality	Ensure availability and sustainable management of water and sanitation for all; ensure access to affordable, reliable and modern energy for all	Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure	City of uMhlathuze 2030 Long Term Strategic Plan including infrstructure investment
			End hunger achieve food security and improved nutrition and promote sustainable agriculture		Vibrant, equitable, sustainable rural communities contributing towards food security for all			Strategic Roadmap for Economic Development Transformation and Job creation
	Integrated urban and rural development	Promotion and maintenance of spatial equity and transformation	Make cities and human settlement inclusive, safe , resilient and sustainable		Sustainable human settlements and improved quality of household life		Spatial Equity	Integrated Huma Settlemet Plan and Spatial Development Framework for 2017/2022
		Optimal management of natura resources and commitment to sustainable environmetal maangement	Take urgent action to combat climate change and its impacts.		Protect and enhance our environmental assets and natural resources		Environmental sustainability	City of uMhlathuze Climate Change Strategy and Action Plar
		1	1	 I	,	 I	·	
Local Economic Development	Viablle economic growth and development	Job Creation through and inclusive economic growth	promote sustained, inclusive and sustainable economic growth, full and production employment and decent work for all	Create Jobs		Job Creation	Inclusive economic growth	Strategic Roadmap for Economic Development Transformation and Job creation
		Enhancing industry based skills development and strategic support to education priority programs	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Quality Education	Skilled and capable workforce to support an inclusive growth path	Education		City of uMhlathuze Operation Sukuma Sakhe and War Rooms Strategic partnership with institutions of higher learning including SETAs
					Quality basic education			
	Safe and healthy living environment	Community based initiatives to improve quality of citizens health and well-being	Ensure healthy lifestyles and promote well-being for all at all ages	Quality Healthcare	A long and healthy life for all South Africans	Health		City of uMhlathuze Operation Sukuma Sakhe and War Rooms
			Reduce Child Mortality					
		Job Creation through and inclusive economic growth			Decent employment through inclusive economic growth	Rural development, food security and land reform		Strategic Roadmap for Economic Developmen Transformation and Job creation
	Public safety and security	Creating a safer city through integrated and community based public safety	Achieve gender equality and empower all women and girls		All people in South Africa are and feel safe	Fighting crime and corruption		City of uMhlathuze Crime Prevention Strategy
Municipal Institutional Development and Transformation	Municpality that is resources and committed toattaining the vision and mission of the organisation	Use of ICT to improve productivity and efficiences in line with Smart City principles		Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development	uMhlathuze Human
					An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship		Human and Community Development	Resources Development Strategy
Municipal Financial Viability and Management	Sound financial and supply chain management	Good governance, capable and developmental municipality		Use Resources Properly				Supply Chain Management Policy Revenue Enhancement Plan 15 Cataylytic Projects Capex Project Steering Committee Operation Clean Audit

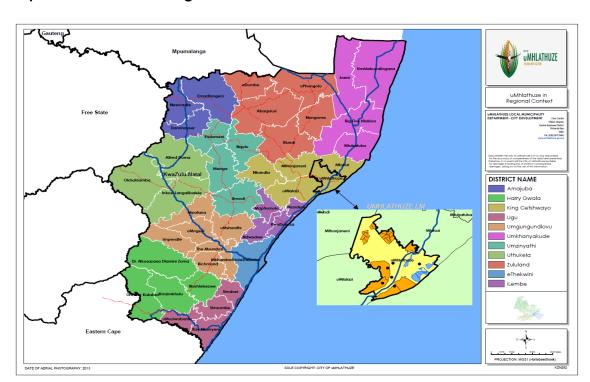
SECTION C: SITUATIONAL ANALYSIS

7. Spatial Analysis

7.1 Regional Context

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 land area currently covers 123 325 Ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton and Vulindlela, as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, Zungu (Madlebe), Somopho, Obizo and small portion of Obuka. The population is estimated at 410 456 as per Community Survey 2016. The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

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



Map 3: uMhlathuze in Regional Context

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

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

7.2 Administrative entities

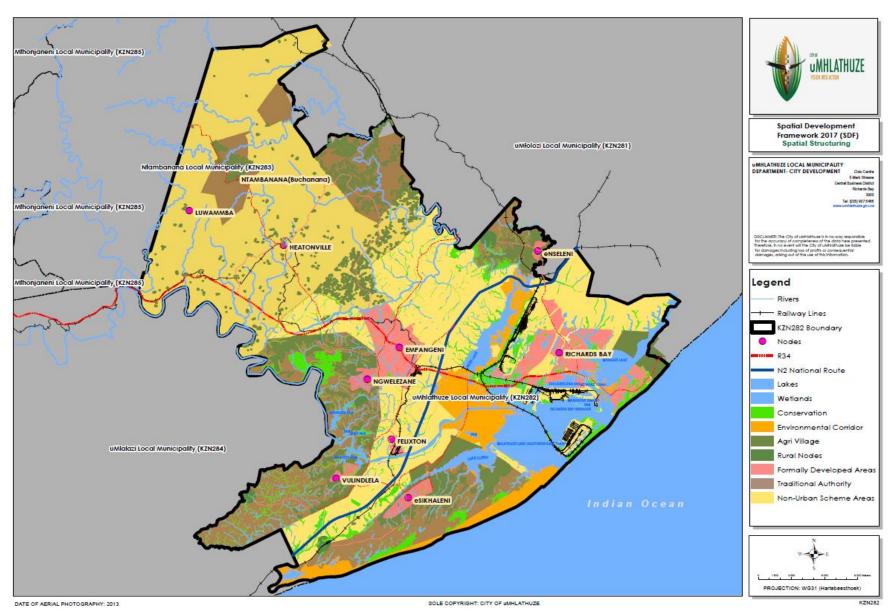
The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Zungu, Mthembu, Cebekhulu and small portions of Biyela (Obuka). The uMhlathuze Local Municipality has been divided into 34 municipal wards.

7.3 Structuring Elements

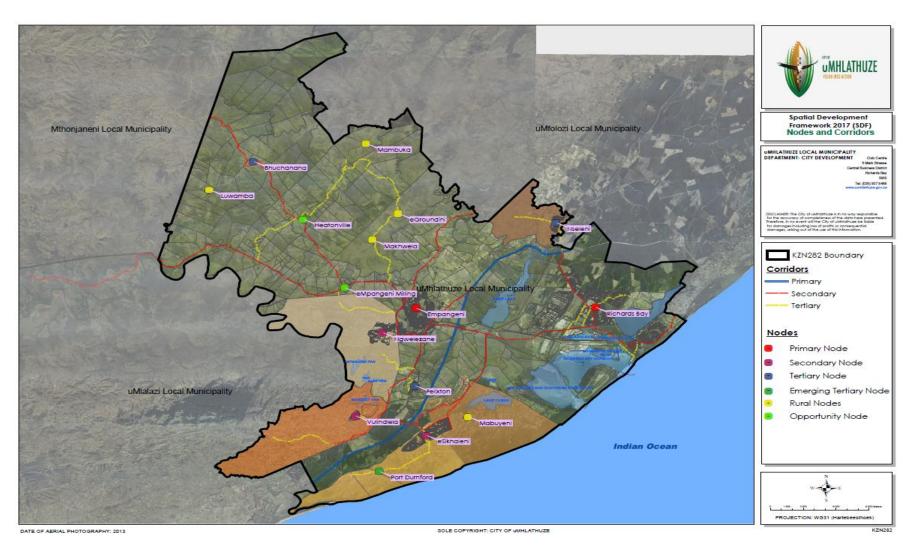
There are a number of natural and man-made phenomenons that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The main 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 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, Mthembu, Biyela, Cebekhulu and Zungu. Apart from the areas of natural significance, large tracts of land are under commercial agricultural production.

Map 4: Structuring Elements



Map 5: Nodes and Corridors



7.4 Existing Nodes and Corridors

The previous map inset provides more details in respect of the main nodes and corridors in the uMhlathuze Municipality. 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 and Bhuchanana have been classified as a tertiary node.

7.5 Land ownership

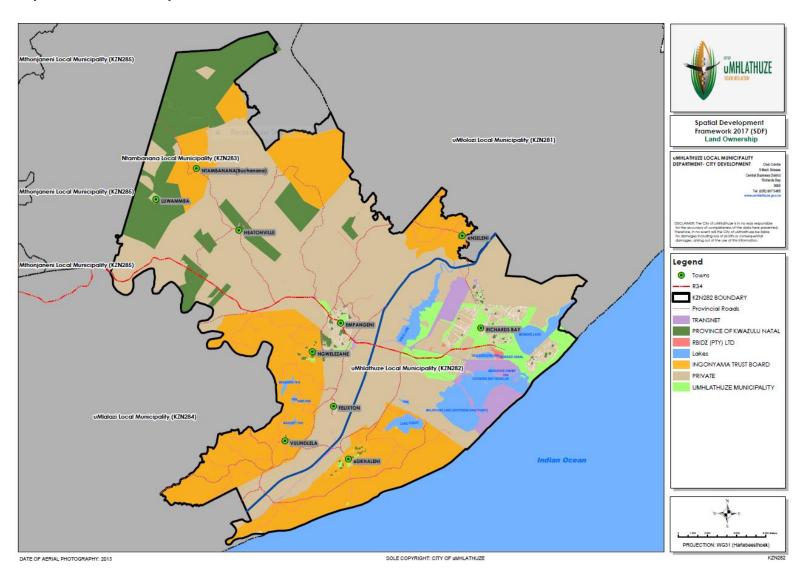
The following table provides a breakdown of the land ownership in terms of hectares

Table 7: Land Ownership Breakdown

Land Owners	Area(Hectares)
Province of KZN	14167
City of uMhlathuze	4259
Transnet	2989
IDZ	107
Ingonyama Trust Board	63795
Private	32467
Lakes	5541
Total	123325

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

Map 6: Land Ownership in uMhlathuze



7.6 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 Mondi. 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

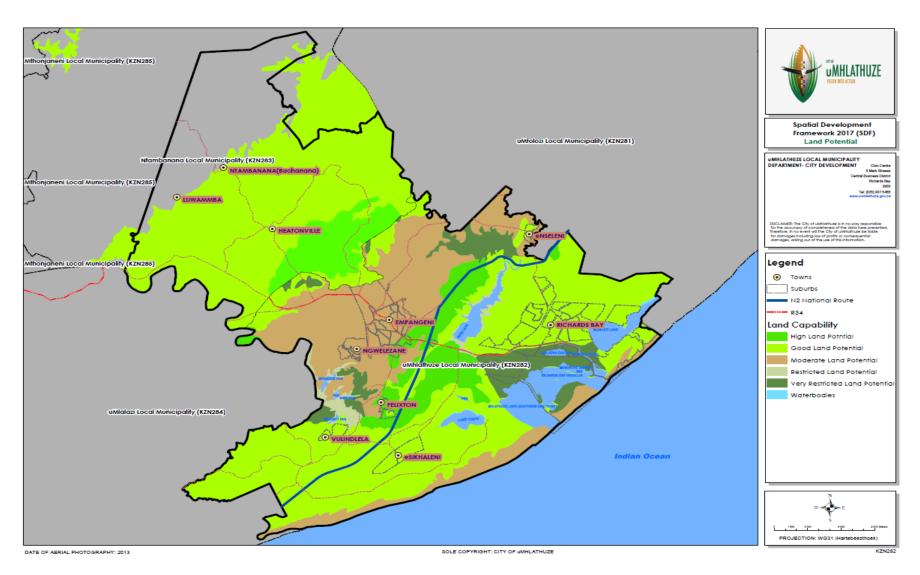
A claim related to the ESikhaleni residential area known as the "Mkhwanazi" claim has been ongoing from January 2004. The land claim affects the following properties:

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.

7.7 Land Capability

Map 7: Land Capability



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

Table 8: Land Capability Breakdown

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

7.8 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:

7.8.1 Zulti South

Tisand, Richards Bay Mining (RB Mining) and Richards Bay Titanium, trading as Richards Bay Minerals (RBM), is situated just north of Richards Bay in Zululand, KwaZulu-Natal. RBM processes the heavy minerals located in the coastal sands in the area and is a leading producer of titanium minerals, high purity iron and zircon. RBM has been in operation to the north of Richards Bay for approximately 30 years on two of its mining leases: Tisand and Zulti North. RBM is also in possession of a further mining lease, located along a 20 km stretch of coastline to the south of Richards Bay and the UMhlathuze River and north of Port Durnford, the Zulti South Mine Lease Area (ZSMLA). It is on land owned by the Ingonyama Trust and falls within the uMhlathuze Local and King Centshwayo District Municipalities' areas of jurisdiction. In order to sustain existing mining operations, RB Mining proposes to mine heavy minerals from ZSMLA as operations in the north reach the end of their lifespan.

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

7.8.2 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.

7.8.3 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 llocated 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.

7.8.4 Carsdale

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

7.9 Environmental Analysis

7.9.1 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.

7.9.2 Climate

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

7.9.3 Biodiversity

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

7.9.4 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.

7.9.5 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.

7.9.6 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.

7.9.7 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.

7.9.8 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:

- o To ensure legal compliance of environmental bylaws and legislative requirements by all (Council, Employees, Contractors)
- o 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
- o To ensure management of all water resources in a sustainable manner by adhering to lake management plans and water services bylaws
- o To ensure the management of soil and land resources in a sustainable manner through environmental and land use planning
- o To ensure the protection of habitats and natural resources that would contribute to conservation targets of the province
- o 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
- o 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
- o 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
- o To be prepared and anticipate disaster management within the municipality

- To ensure that the municipality maintains its environmental assets through environmental tools such as project specific EIA's, the EMF and the Environmental Framework of the SDF
- o To increase the knowledge and understanding, and prepare for vulnerability to environmental changes within the municipality

7.9.9 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 9: Competitive and Comparative Advantages

	LANDSCAPE FACTORS: LAND USE
Port and related infrastructure	As the main economic attraction of the area, the port is the overarching priority for stimulating the local economy. It is also a provincial priority in that it is the growth engine for one of the primary provincial growth nodes. Port and related infrastructure is classified as Strategic Important Developments and such is important for the national economy. Port expansion options are addressed in the Port Development Framework (2007) which has been integrated with the City's IDP and SDF and form parts of the City's Local Economic Development Strategy.
Transport	The City's Arterial Road Framework and Airport Framework Plan are under review (2009). The John Ross Parkway is currently being upgraded. Over the long-term it may need to be rebuilt to accommodate the proposed port layout plan, encroaching into land earmarked for development for the IDZ.
Rail infrastructure	Rail infrastructure links the port with the hinterland to ensure the flow of resources. The National Infrastructure Plan makes provision for expansion and upgrades of transport networks.
Industrial development	The Richards Bay Industrial Development Zone has been designated as a national priority for stimulating growth in the manufacturing sector. The manufacturing sector is important in the province (largest contributor to PGDP). The City promotes "competitiveness in the manufacturing sector whilst advancing downstream value-adding opportunities that are labour intensive".
Commercial activities	National Government: Promote Local Economic Development Initiatives
	The City's IDP promotes a diversity of economic activities and the Local Economic Development Plan makes provision for growth in the commercial sector by encouraging new initiatives for emerging businesses, the informal sector and SMMEs.

	LANDSCAPE FACTORS: LAND USE
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	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

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LANDSCAPE FACTORS: LAND USE water to sustain economic growth. The priorities for water and infrastructure sanitation provision are specified in the City's Water Services Management Plan (2008) where the focus is predominantly on the "provision of safe, sustainable and affordable water services, the right of access to basic water supply and sanitation". The Plan acknowledges the threats of diseases and environmental problems posed by water and sanitation backlogs in the rural areas. The Plan does not consider the supply of water to meet future growth demands nor ways to optimise use of existing water resources. LANDSCAPE FACTORS: SOCIAL Community Reducing poverty and unemployment and inequalities are national health and and provincial priorities. wellbeing 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. 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. 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. The health of all communities is a concern due to the prevailing air pollution levels but this is not acknowledged in local plans. Vulnerable Rural communities are vulnerable because of their economic status. Poor people must receive special attention in planning. The threat of communities diseases and environmental problems posed by water and sanitation backlogs in the rural areas are important.

7.9.10 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

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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:

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

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

IDP Infrastructure-related Socio-Economic-related Integrated Environmental sector plans Management Plan sector plans Water Services Environmental Services - Housing Plan Development Plan Management Plan Institutional Plan Energy/Electricity Sector Integrated Waste - Local Economic Management Plan Development/Poverty - Integrated Transport Plan - Air Quality Management Alleviation Disaster Management - Etc. - Catchment Management Plan Plan Etc. Coastal and Estuaries Management Plan Alien Vegetation Management Plan - Heritage Resources Etc.

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 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:

- o Beach
- Cemetery
- Electricity Supply
- Environmental Health
- o Flammable Liquids
- o 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 ElA'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 10: Tools for Measuring Environmental Performance

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

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
	Office)	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.

7.9.11 Environmental Services Management Plan

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

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

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

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

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

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

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

7.9.12 Air Quality

The National Environmental Management: Air Quality Act, 2004 which is referred as NEM:AQA provides an objective-based approach to the management of air quality at different government and operational levels. NEM:AQA distinctively shift from exclusively source-based air pollution control to holistic and integrated effects-based air quality management. It also focuses on adverse impacts of air pollution on the ambient environment.

The City of uMhlathuze is known to be one of the highly industrialized areas in the country, consisting of various types of industries including smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, cement, blasting, sugar cane and expanding industrial development zone (IDZ).

The harbour, also known as Port of Richards Bay, is considered to be the largest in South Africa. It is known to be one of the growing power houses for exporting and importing activities of different commodities. Apart from the array of industries, are residential areas both rural and urban, in which various domestic activities including burning of wood, tyres, imbawula, and agricultural are conducted.

The Medical Research Council in 2000 conducted a preliminary health study in Richards Bay driven by the public concern about the status of air quality within the City of uMhlathuze. The study found that there was a high level of public concern about air quality and the associated health impacts in the area. In 2006, the City of uMhlathuze through the lead of Environmental Planning Division, appointed the Airshed Planning Professionals (Pty) Ltd to conduct a study purposed to assess air quality within the municipality and use this as one of the tools to inform their Spatial Development Framework.

The Department Agriculture and Environmental Affairs in Kwa-Zulu Natal (DAEA) in partnership with the City of uMhlathuze in 2011, appointed Gondwana Environmental Solutions to conduct a study to describe the range of ambient exposures of criteria pollutants through ambient monitoring systems. This study aimed to assess the potential risks posed by such exposures through health risk assessment concerning the health of communities in the Richards Bay and ESikhaleni

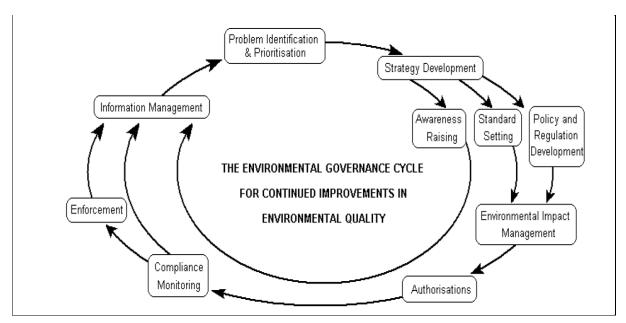
Considering previous studies that were conducted in the area, The City of uMhlathuze, with its limited budge prioritized amongst other community needs, purchasing of Ambient Air Quality Monitoring Stations to continually monitor and publicise the status of air quality within its boundaries.

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Approach to Air Quality Governance

The effective approach to air quality is highly dependent on eight (8) steps prescribed in the National Framework for Air Quality Management. The government cycle provides a useful framework for achieving continuous improvement over time as depicted in figure below:

Figure 3: Environmental Governance Cycle for Continued improvements in Environmental Quality



Awareness Raising

This is one of the strategies identified in the air quality governance cycle of the 2012 National Framework for Air Quality Management in the Republic of South Africa. This activity was initiated since 2012. The main purpose of awareness-raising is to bring about positive changes towards air quality. Sharing of knowledge, experiences and access to information can lead to sustainable voluntary changes than imposed legislation. These awareness-raising are targeting various stakeholders. The emphasis is on adverse impacts of air pollution, climate change, human health and the environment. Below are examples of awareness programme conducted in various sectors.

uMhlathuze Municipality continuously conduct the following awareness programmes targeted at different stakeholders

- School awareness raising
- Clinic awareness- raising
- o Awareness raising: Ward Committee Meetings
- Industries Environmental Awareness
- Formal Industries To discuss change in legislation
- Informal Industries

Bill Boards

Compliance Monitoring

Section 2 (12) of Chapter two (2) of NEM:AQA mandates the local municipalities to monitor the ambient air in order to determine the pollutants and their concentration and come up with strategies of reducing emissions. In response to NEM:AQA, the City of uMhlathuze purchased three (3) ambient monitoring stations and strategically placed them in three different areas of concern. These stations are located at eSikhaleni, Arboretum and Brackenham Cemetery. The data collected by these stations are continuous.

Eskhaleni Station

Image 2015 Ditytalique

Opati Arholis (Phy Ltd

Data Sio, NGAA U.S. Navy, NGA GEBEO

Google earth

Map 8: Location of Ambient Air Quality Monitoring Stations (highlighted Yellow Pins)

Table 11: Ambient Air Quality Monitoring Stations Co-ordinates

Stations	Station Name	S-Coordinates	E-Coordinates	
1	Arboretum	24°45'39,40''	32°04'42,40''	
2	2 Brackenham		32°02'05,20''	
3	3 eSikhaleni		31°54'35,10"	

The pollutants currently measured by these stations include sulphur dioxide (SO_2), nitrogen dioxide (NO_2), particulate matter with an aerodynamic diameter less than 10 microns (PM_{10}), particulate matter less than 2.5 microns ($PM_{2.5}$) and ozone (O_3). The stations also monitor meteorological data, including Wind direction (WD), Wind speed (WS), Temperature (T), Relative Humidity (RH) and Rain Fall (RF)

Table 12: Shows pollutants measured in each monitoring station

Station Name	SO2	NOx	PM10	PM2.5	O3
Arboretum	V	V	√	V	√
Brackenham	V	V	V	V	√
eSikhaleni	√	V	V	V	V

Table 13: Shows meteorological station and parameters that are monitored

Station	Int	Amp1	WD	WS	RH	RF
Name	Temp					
Arboretum	V	V	V	V	V	V
Brackenham	√	V	V	V	V	V
eSikhaleni	V	V	V	V	V	V

Enforcement

The City of uMhlathuze is currently in progress with air quality by-laws that will be enforceable to non-compliant facilities.

AIR Quality Management – Future Plan of Action

Table 14: Immediate Plan of Action

ITEM	ACTION
Air Quality Management Policy	To assess level of air pollution to areas where monitoring has not been conducted through Passive Sampling
Air Quality Management By- laws	Draft AQMB. Awaiting for adoption of charge sheet by the Magistrate completed

Table 15: Intermediate Action

The phase duration is two to three years. The roll-out of this phase is dependent on the availability of funds.

ITEM	ACTION
Baseline Studies- to	To assess level of air pollution to areas where
assist in the expansion	monitoring has not been conducted through
of air quality monitoring	Passive Sampling
network	

ITEM	ACTION		
Air Quality	To develop City of uMhlathuze Air Quality		
Management Plan	Management Plan to be in line with the IDP		
Dispersion Modeling	To be used for environmental impact assessments,		
	risk analysis and emergency planning and source		
	apportionment studies		
Stricter Air Quality	The development of these standards is dependent		
Management	on the status of air. Table 18 of National Air Quality		
Standards	Management Framework rated City of uMhlathuze		
	as the municipality with poor air		

Table 16: Long-Term Action

The phase duration is within two to three years. The roll-out of this phase is dependent on availability of funds.

ITEM	ACTION		
Vehicle Emission	To reducing the motor vehicle emissions		
Testing			
Health studies in	to determine relationship between air quality and		
relation to air quality	illnesses within the City of uMhlathuze		
Development of Air	To indicate status of air for the area of uMhlathuze		
Quality Index			

The implementation of afore-mentioned strategies has shown reduction in air pollution. The establishment of the Air Quality Management Unit enforces compliance to the stipulated legislation. It is therefore deduced that the introduction of Emission Reduction Plan has contributed positively in the reduction of pollution.

7.9.13 Coastal Issues

Coastal Management:

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

Coastal Erosion:

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

Coastal access:

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

7.9.14 Biodiversity and Development

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

Table 17: Biodiversity Significance

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

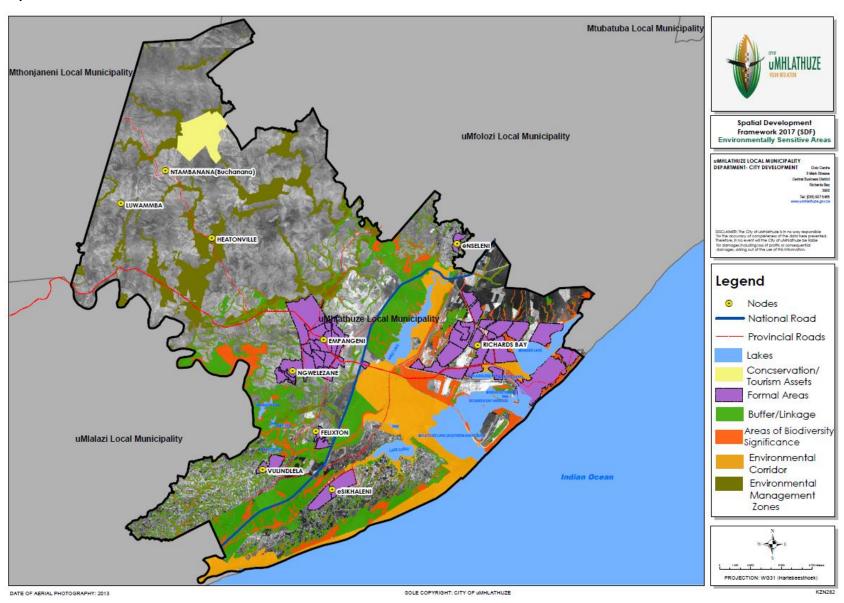
All of the remaining ecosystem types are important for supporting Red Data Species, implying that there is a direct conflict with future development imperatives. The Spatial Development Framework has identified such development opportunities for

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the area. Port expansion with associated industrial development is the single most significant opportunity in the area with tremendous potential to grow the local, regional and national economy. Existing planning approaches in the area also present opportunities to enhance conservation and hence tourism objectives. The limited space to accommodate the growth demand in the area reflects the realities of ecological risks that may arise and the anticipated conflict between conservation and development. The situation highlights the need for closer collaboration and coordinated planning between environmental stakeholders and prospective developers.

Environmental Sensitive areas as discussed are mapped at overleaf:

Map 9: Environmental Sensitive Areas



7.9.15 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).

INTEGRATION OF CLIMATE ADAPTATION INTO IDP Energy Efficiency & Cleaner Technology **CAPACITY BUILDING &** MUNICIPAL AWARENESS Technical and Scientific Research **PHASE II** ACTION III ACTION I ACTION II ACTION IV ACTION V Vulnerable Health & Resource Infrastructure **Access Routes** Research & Key Communities Disaster Conservation Adaptation & Transport Adaptation Management Assessment Water Coastal Zone Air Quality **Food Security** Resource Management Management Climate Retrofitting Resilient Design PHASE III **IMPLEMENTATION** Measures &

Figure 4: Phased Approach to Municipal Action Plan

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

Table 18: 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.

Phase 2

Appointment of a Climate "Champion"

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

- 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:

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

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

Resource Conservation

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

- The Municipality, in conjunction with UMhlathuze Water should evaluate the existing infrastructure to determine the sustainability of that infrastructure to supply water in an uncertain climatic future. The investigation should prepare a "Future's demand" profile for the city in terms of water requirements which should be evaluated in terms of climate influenced rainfall.
- The Municipality forming a partnership with the Catchment Management Forum to allow for reporting and assessment of water quality testing and management.
- Make improvements to urban drainage, the use of sustainable drainage systems, schemes that 'make space for water'
- Stormwater retention/detention ponds and constructed wetlands
- o 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 flood lines).

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
- o 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).
- o 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)

7.10 Spatial and Environmental SWOT Analysis

STREN	GTHS	WEAK	NESSES
0	Proximity of the municipal area to	0	Funding challenges to implement
	the N2 highway that traverses the		Alien Invasive and Greening
	Municipality in a north-east direction		Strategy.
	towards the Swaziland border and	0	The area is inundated with a system
	south-west towards Durban.		of wetlands and natural water
0	Good road accessibility		features such as Lakes Cubhu,
0	The municipality borders a coastline		Mzingazi, Nsezi and Nhlabane.
	that spans approximately 45		Major rivers include the uMhlathuze
	kilometres		and Nsezi. These water systems offer
0	The municipality borders a coastline		opportunities but also limit
	that spans approximately 45		development opportunities.
	kilometres	0	Gaps in availability of data on the
0	Linked to its coastal locality is the		local heritage.
	Richards Bay deep-water port that	0	A remarkable concentration of Red
	has been instrumental in the spatial		Data Species is one of the main
	development of the area in the past		reasons that the remaining
	and will definitely impact on the		percentage of the municipal
	areas' future spatial development.		surface area under indigenous
0	High level of species diversity.		cover is considered largely
0	The beaches are significant tourism		irreplaceable by KZN Wildlife for
	assets for the municipality.		meetings its conservation objectives
0	Alien Invasive and Greening		in the province.
	Strategy in place.		
0	Spatial Development Framework		
	has been developed and is in		
	place.		
0	Climate change Strategy in place.		

OPPORTUNITIES	TREATS
o There is one airport and a couple of	o Distance from major economic
land strips in the municipal area.	node in the province
o Economic node to the North-Eastern	 The low level coastal floodplain is
parts of the Province	subject to natural flooding, climate
 The R34 Provincial Main Road passes 	change and sea level rise, and may
through Empangeni towards	increase flood risks over time.
Melmoth.	 An increasing trend in the frequency
 There are two primary nodes in the 	of cyclonic activity has been
municipal area i.e. Richards Bay	observed.
and Felixton. ESikhaleni is an	o Coastal Dune areas are sensitive to
emerging primary node.	change and erosion remains a key
 Coastal Dunes contain heavy 	concern along a coastline that is

OPPORTUNITIES	TREATS
minerals that are sought after for mining.	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.

7.11 Disaster Management

7.11.1 Status of Municipal Institutional Capacity

Disaster Management Framework

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
- o Representatives of line function departments in the municipality
- Traditional leaders
- o Councilor responsible for disaster management
- Non-Governmental Organizations (NGOs)
- Community Based Organizations (CBOs)
- o 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:

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

7.11.2 Disaster Risk Assessment

Table 19: Priority Risks.

Risks	Areas Of Occurrence	Frequency	Magnitude	Early Warning	Capacity	Level of Risk
Piet Fires	Ward1,3,4 plantation	Throughout the year	5% plantation	Uncontrolled burnings	82% fire services	
Veld Fires	pamaion	Once in a year, 2 or 3 days	60% open field and plantation	Weather services, wind speed, dry veld, fire danger index	82% fire services	
Structural Fires	Nseleni, ESikhaleni, Ndabayakhe, Ngwelezane,	Throughout the year	45% households and other buildings	Load shading, illegal electric connections, unmonitored	82% fire services	

Risks	Areas Of Occurrence	Frequency	Magnitude	Early Warning	Capacity	Level of Risk
	Dumsani Makhaye			used of candles		
Vehicle Accidents	N2 and John Ross Highway	Throughout the year		Over speeding, reckless driving, un-road worthy vehicles	Fire services, traffic officers, EMRS, SAPS	
Flooding	ESikhaleni, Nseleni, Mabuyeni, Matshane, Ngwelezane	During heavy rains		Weather services, blocked drains, uncleansed water drainage, water measuring poles	Fire and rescue, Environmental Health, SAPS, EMRS, Agriculture, storm water and rural roads, clinics	
Strong Winds	Matshane, Ndabayakhe, ESikhaleni, Nseleni, Niwe, Empangeni, Richards Bay		70%	Weather services		
Air Pollution	Richards Bay industries, Nseleni, Bay Stone, Felixton	Throughout the year	30%	Smoke, smell, dust		
Illegal Dumping	Richards Bay open velds, Esikhaleni, Nseleni. eMpangeni,	Throughout the year	40%	High grass and tree next to the settlements		
Draught	Entire uMhlathuze	Severe climate change	78%	Severe heat, dry rivers and dams, no rain		
Epidemics	Close to the rivers and contaminated foreigners with diseases from other countries	When there is an out-break	70%	News, number of casualties		
Crime	House breakings. Rape, Hijackings, Arm robbery	Throughout the year	55%	Level of unemployment and poverty, rate of school leavers and substance abuse, hide away places		

Map 10: Hazards Map



Legend
High Vulnerability
Low Resilience

Map 11 : Disaster Management Vulnerability Map

7.11.3 Disaster Risk Reduction

Hyogo framework of action as a planning tool

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

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

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

Table 20: Disaster Management Programmes

NATIONAL KPA	MUNICIPALITY'S AREA OF FOCUS	ROJECTS/ PROGRAMMES	RELEVANT HYOGO FRAMEWORK FOR ACTION	INDICATOR
	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	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 Conduct Disaster		Identified Community Members to which early warnings can be dispatched Number of
z	Promote Risk Reduction	Management Community Awareness		Communities/ people attended the awareness
MAXIMIZE DISASTER REDUCTION		Increment of Grant in Aid Budget Development of a Standardized Industrial Emergency guideline for Emergency Plans	Strengthen Disaster Preparedness for Effective Response	Relief Procured Document Presented to Industries and Submitted to Council for Approval
(IMIZE DIS		Review and Update Disaster Management Plan on quarterly basis		Updated plan with latest information
WAX		Coordinate Emergency Drills or Exercises		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	Promotional material dispatched and Number of people benefited including schools
		Commemoration of International Disaster Management		Communities, Schools, Private Sector, Government Departments, NGOs and all other stakeholders converging together and emergency services showcasing

7.11.4 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
- o The municipality has Fire stations in Richards Bay, eMpangeni. ESikhaleni Fire station is currently under construction.

7.11.5 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

7.11.6 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.

7.11.7 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.

7.12 Business Continuity Management

In the event of a material disruption to its critical activities, the City of uMhlathuze is committed to ensuring the continuity of the Municipality by:

- Ensuring the safety and wellbeing of its employees, contractors and visitors
- Protecting the wellbeing of the environment and society in which the Mmunicipality operates
- Minimising the adverse impact of the disruption to the Mmunicipality's operations
- Ensuring continuity of the critical processes to a predefined, acceptable level.

To achieve this, uMhlathuze has integrated Business Continuity Management (BCM) as an essential part of its day-to-day operations. The Municipal Manager has established a BCM policy to provide the framework around which uMhlathuze's BCM capability and programme are designed and built.

An overview of Business Continuity and when it comes into practice is depicted in the diagram below:

Business Emergency Continuity Management Response Crisis management · Business continuity OHS policy & policy and plan committee policy · Appointed of trained • CM team Recovery teams responders / ER Command centre • BCP and IT DRP team Media statements Recovery locations · ER plans · Next of kin comms and arrangements • Crisis management Invocation of BCP team alert Protect people and Protect the image of Enables the equipment during the company during business to recover and after an incident and after an after a disruption or incident incident TIME

Figure 5: BCM Overview

The objectives of uMhlathuze's BCM programme are to:

- Protect the Municipality, including its staff and stakeholders, by minimising the impact of a material disruption to critical activities, ensuring continuation of service delivery to the community
- Understand and communicate the recovery needs of the Municipality and ensure an appropriate recovery capability is provided
- Recover the Municipality in a planned and controlled manner, meeting the requirements of the municipality and complying with applicable laws, contracts, regulations etc.
- Ensure that Business Continuity is an essential part of municipal planning and development
- Maintain staff, customer and stakeholder contact and confidence.

A strategy to achieve policy objectives was approved by Council together with the policy, and it is within this architecture that Council undertook a two year project to establish a Business Continuity Plan for the Richards Bay Civic Centre as phase one of the roll out. The reasoning behind commencing with this building is that it is the main centre of engagement with the public as well as the management hub of the organisation.

In line with the International Standards Organisation (ISO) 22301 standard and the Business Continuity Institute's (BCI) Good Practice Guideline (GPG) 2013, the BCP Project structure assumed the following form:

Requirements Deliverables Reference **BCM** Policy and Programme management Section 2.1 Plan (Establish): Establish business continuity policy, objectives, targets, controls, processes and procedures relevant to improving business Understanding Section 2.2 continuity in order to deliver results that Establish align with the organisation's overall policies (Plan) and objectives BCM recovery Section 2.3 strategies ness continuity Do (Implement and Operate): Act) Implement and operate the business Business Continuity Plan Section 2.4 continuity policy, controls, processes and procedures Check (Monitor and Review): Monitor and review performance against Validation Section 2.5 business continuity policy and objectives Monitor & Review report the results to management for review, (Check) and determine and authorise actions for remediation and improvement n Vilunithoo esanieud jo Validation Section 2.5 Act (Maintain and Improve): Maintain and improve the BCMS by taking corrective action, based on the results of 6 Education and Awareness Section 2.6 management review and reappraising the scope of the BCMS and business continuity policy and objectives

Figure 6: BCM lifecyle (left) and project phases (right)

At the time of reporting, all Business Continuity Plans were in place and validated, and the project was nearing completion and at the stage of closeout. Due to the complex

nature and high level of involvement required to complete Business Continuity Plans for the Richards Bay Civic Centre as a point of departure, further project phases will include the establishment of plans for all Council Buildings, subject to resource availability.

7.12.1 Disaster Management: SWOT Analysis

STRENGTHS	WEAKNESSES
 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 	 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

o Existing disaster management o The location of the municipality or	OPPORTUNITIES	TREATS
centre located at the Fire Station Potential growth in terms of expanding and economical 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.	centre located at the Fire Station o Potential growth in terms	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

8. DEMOGRAPHIC CHARACTERISTICS

8.1 Demographic Indicators

8.1.1 Population and Household Numbers

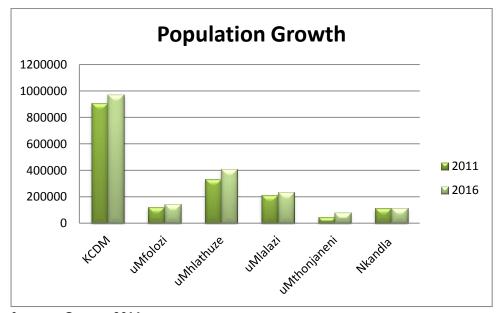
UMhlathuze Municipalities is located in King Centshwayo District. The population increase in King Centshwayo District, broken down per municipality is indicated in the table and explanatory figure herewith.

Table 21: Population Numbers

	KCDM	IMFOLOZI	UMHLATHU	UMLALAZI	MTHONJA	NKANDLA
			ZE		NENI	
2011	907519	122889	334459	213601	47818	114416
2016	971135	144363	410465	233140	78883	114284
%	7,01%	17,47%	22,73%	9,15%	64,97%	-0,12%
Growth						

Source: Census 2011 and Community Survey 2016

Figure 7: Population Numbers



the 2016 Community Survey indicates that population the uMhlathuze Municipality has increased by just over 22% between 2011 2016. and This increase is indicated in relation to the King Cetshwayo District Family Municipalities, as per table 9 and Figure 4.

Source: Census 2011

In context of the above, it has to be borne in mind that a portion of the population increase is the result of an enlarged municipal area following the inclusion of 3 wards from the former Ntambanana post the 2016 Local Government Elections.

Population growth scenarios have been applied to the base figure from the 2016 Community Survey. Adequate data and research is not available at this time to apply an historic growth trend as the composition of the municipality, in terms of boundaries

and wards, has changed post the Local Government Elections of 2016. The following base data has therefore been used:

- A baseline population in the uMhlathuze Municipality of 410 465 people in 2016 as per the Community Survey
- A calculated household size of 3.95 as derived from 2011 census data
- A total number of 103 915 households in the municipal area derived from the above

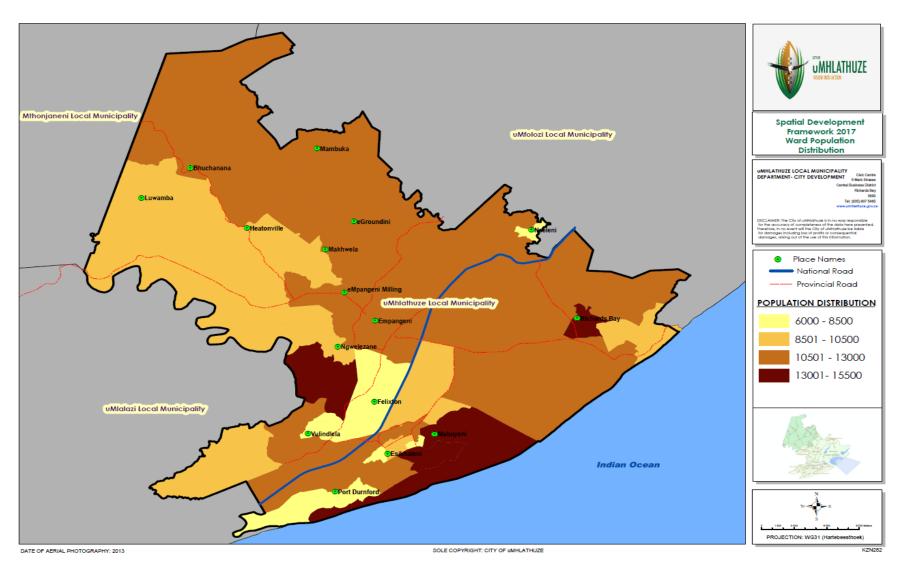
Apart from indicating population growth scenarios, an indication is also provided on the estimated land required to accommodate the increase in households in the municipal area. In this regard, the following base data (assumptions) has been applied:

- Household size of 3.95
- Residential land utilization of 15 units/hectare or 25 units/hectare

The increase in the population from 2011 to 2016 has been just above 22% per annum in the uMhlathuze Municipality as indicated in the following table that was part of the 20017 SDF Review of the uMhlathuze Municipality.

uMhlathuze Local Municipality: IDP 2017/2022

Map 12: Population Distribution



Source: uMhlathuze SDF 2017

Date: 28 March 2018 89

uMhlathuze Local Municipality: IDP 2017/2022

Table 22: Population Growth Scenarios from 2016 to 2030

	2 016	2 017	2 018	2 019	2 020	2 021	2 022	2 023	2 024	2 025	2 026	2 027	2 028	2 029	2 030
1.5% Increase	410 465	416 622	422 871	429 214	435 653	442 187	448 820	455 552	462 386	469 322	476 361	483 507	490 759	498 121	505 593
Households	103 915	105 474	107 056	108 662	110 292	111 946	113 625	115 330	117 060	118 816	120 598	122 407	124 243	126 107	127 998
2% Increase	410 465	418 674	427 048	435 589	444 301	453 187	462 250	471 495	480 925	490 544	500 355	510 362	520 569	530 980	541 600
Households	103 915	105 993	108 113	110 276	112 481	114 731	117 025	119 366	121 753	124 188	126 672	129 205	131 790	134 425	137 114
3% Increase	410 465	422 779	435 462	448 526	461 982	475 841	490 117	504 820	519 965	535 564	551 631	568 180	585 225	602 782	620 865
Households	103 915	107 033	110 244	113 551	116 957	120 466	124 080	127 803	131 637	135 586	139 653	143 843	148 158	152 603	157 181
4% Increase	410 465	426 884	443 959	461 717	480 186	499 393	519 369	540 144	561 750	584 220	607 588	631 892	657 168	683 454	710 793
Households	103 915	108 072	112 395	116 890	121 566	126 429	131 486	136 745	142 215	147 904	153 820	159 973	166 372	173 026	179 947
					·	·		·							
5% Increase	410 465	430 988	452 538	475 165	498 923	523 869	550 062	577 565	606 444	636 766	668 604	702 034	737 136	773 993	812 693
Households	103 915	109 111	114 566	120 295	126 310	132 625	139 256	146 219	153 530	161 207	169 267	177 730	186 617	195 948	205 745

From the above, the following is highlighted:

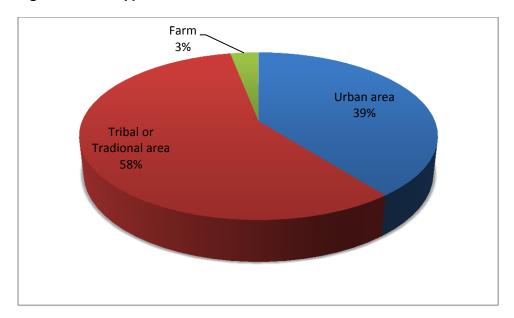
- o At a steady population increase of 1,5% per annum, the municipal population will surpass 500 000 people by 2030.
- o The municipality will reach a population of 500 000 before 2021 if a population growth rate of 5% takes place over the next few years.
- o At such a 5% per annum population growth rate the number of households in the municipality will double b

Table 23: Household Numbers and Sizes

Ward	Number	Households	Size
1	12146	3406	3.57
2	12255	3931	3.12
3	9058	2586	3.50
4	12473	2941	4.24
5	15564	3391	4.59
6	12544	3549	3.53
7	5895	2232	2.64
8	5136	1815	2.83
9	13558	4317	3.14
10	11311	2513	4.50
11	9130	1513	6.03
12	8574	1963	4.37
13	14928	2688	5.55
14	12316	3263	3.77
15	12251	3064	4.00
16	7801	1878	4.15
17	10462	3346	3.13
18	14887	2880	5.17
19	12019	2983	4.03
20	8551	2488	3.44
21	6950	1931	3.60
22	9181	1960	4.68
23	10704	3323	3.22
24	18332	4371	4.19
25	13870	3162	4.39
26	11524	2909	3.96
27	8874	2673	3.32
28	7441	2355	3.16
29	15368	3368	4.56
30	11360	3915	2.90
31	9820	2074	4.73
32	9474	1586	5.97
33	10707	1941	5.52
	364464	92315	3.95

Date: 28 March 2018 91

Figure 8: Geo Type



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

8.1.2 Population Gender BreakdownTable 24: 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
31	4767	5052	9819
32	4443	5031	9474
33	5022	5688	10710
TOTAL	177175	187287	364462

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. 187 287 females and 177175 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 9: Gender Breakdown per Ward 12000

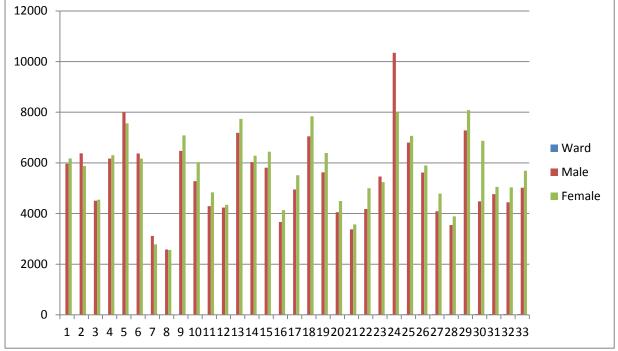
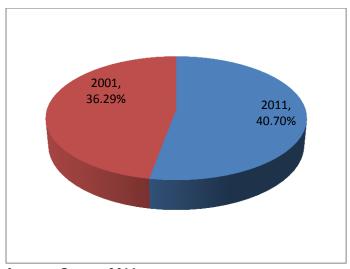


Figure 10: Female Headed Households



Source: Census 2011

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

4053 **Grand Total** 180 10 - 16 1965 17 - 21 Female 10 - 16 1677 17 - 21 0 500 1000 1500 2000 4000 4500 2500 3000 3500 Child HHH

Figure 11: Child Headed Households

About 5 % of uMhlathuze Households are Child and Adolescent Headed Households. The needs of these children are complex, many and diverse. Of importance are their rights that are compromised. According to Jacobs (2005)¹, Smart (2003)², and UNICEF (2003)³, these children are often found to be fulfilling parenting roles and tasks like household chores, helping siblings with homework, providing emotional support, taking care of ill parents and providing spiritual guidance to family and sibling. They are vulnerable to all types of abuse because the family environment that served as a safety net has been eroded. The children are at risk of contracting HIV/AIDS and suffer psychological instability. They are often poor; they live in poor conditions and are exposed to hard labour. They are at risk of poor education as they quite often lack money to pay for their schooling or that of their siblings. Other risks are unemployability because of poor education and lack of skills; disease; prostitution; crime; pregnancy; poor or no shelter and no knowledge about their rights. They are exposed to emotional trauma, as they may have to cope with multiple losses in the form of death, sibling dispersal, relocation and reconstitution of the family after the death of parents.

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

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

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

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

8.1.3 Age Breakdown

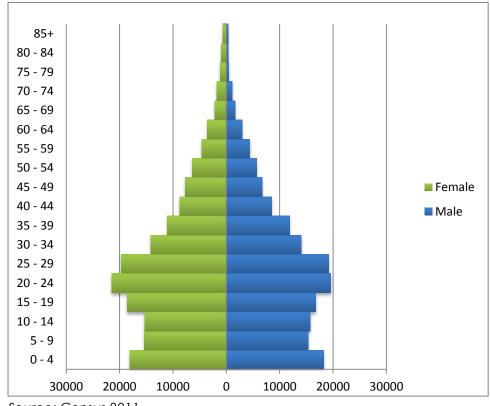
The population age cohort <15 has been declining at the district and uMhlathuze Local Municipality level while the population cohort for the 15-64 age group has shown an increase at both the district and local municipality level between 2001 and 2011. The latter could be indicative of increased perceptions 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 25: Population Age Structure

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

Source: Census 2011

Figure 12: Age in Completed Years by Gender



Source: Census 2011

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

8.1.4 Life Expectancy

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

8.1.5 Education

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

Table 26: Comparative Education Levels

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

Source: Census 2011

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

Mthonjaneni
uMlalazi
Ntambanana
Mfolozi
Nkandla
uMhlathuze
DC28: Uthungulu
South Africa

0.0 10.0 20.0 30.0 40.0 50.0 60.0

Figure 13: Persons with No Schooling

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.

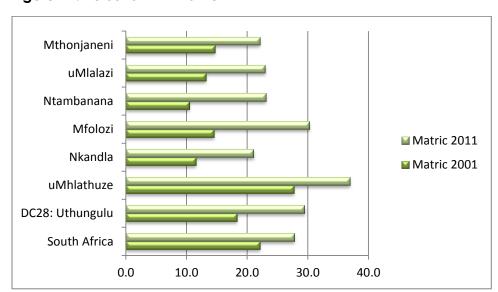
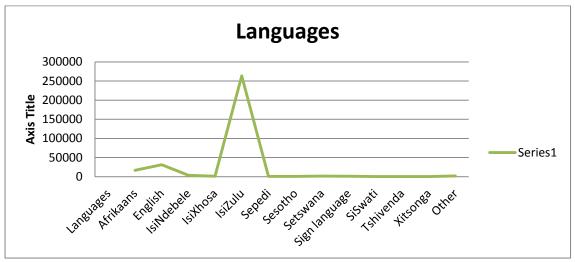


Figure 14: Persons with Matric

Source: Census 2011

8.1.6 Language

Figure 15: Language for Persons Weighted in uMhlathuze

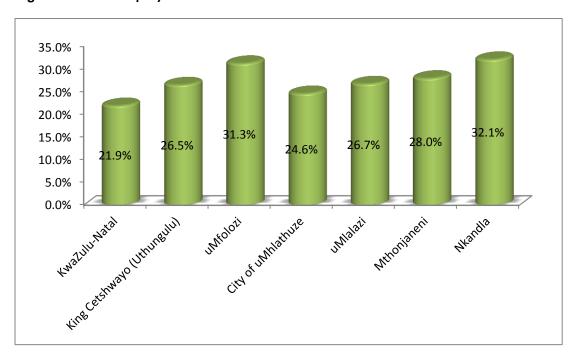


Source: Census 2011

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

8.1.7 Employment

Figure 16: Total Employment within KwaZulu Natal



60 50 40 30 10 1 2 3 4 5 6 7 8 9 101112131415161718192021222324252627282930

Figure 17: Percentage Employment per Ward

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

8.1.8 Income and Dependency

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

Table 27: Individual Monthly Income at Ward Level

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

Ward 33	9714	420	54	3	516
Ward 31	8277	945	63	3	531
Ward 32	8106	462	45	12	852
Total	26097	1827	162	18	1899

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

250000 200000 150000 50000 0 - R1600 R1601 - R12801 - > R102401 Unspecified R12800 R102400

Figure 18: Monthly Individual Income in uMhlathuze

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.

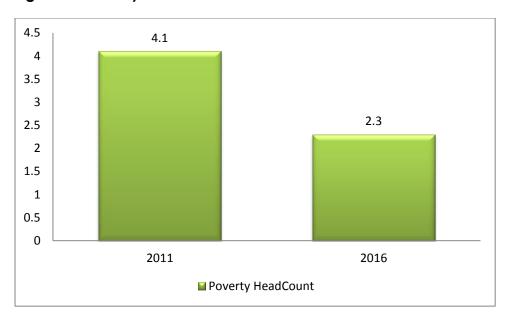
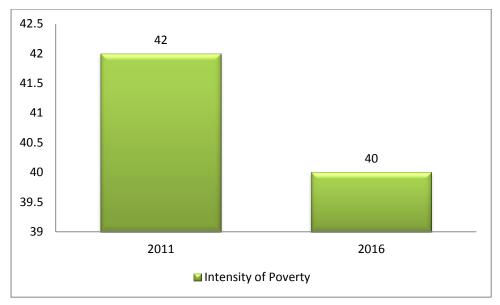


Figure 19: Poverty Head Count

Figure 20: Intensity of poverty



There is a noticeable decrease in poverty headcount, whereas the extent of intensity of poverty remains relatively high comparatively

Table 28: Comparative Dependency Ratio

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

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 (King Centshwayo) than in the province. The dependency in uMhlathuze is lower than that of the country.

8.1.9 Disability by Type

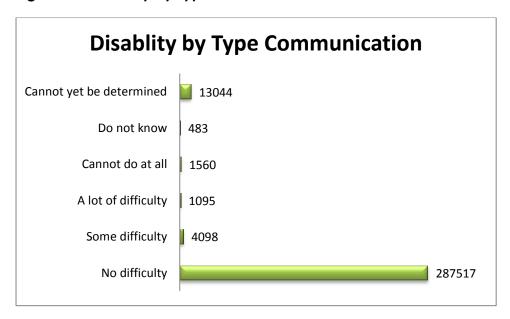
The following figures will indicate the number of people that live with different types of disabilities within in uMhlathuze Municipality.

Figure 21: Disability by Type Walking



Source: Census 2011

Figure 22: Disability by Type Communication



Source: Census 2011

Figure 23: Disability by Type Hearing

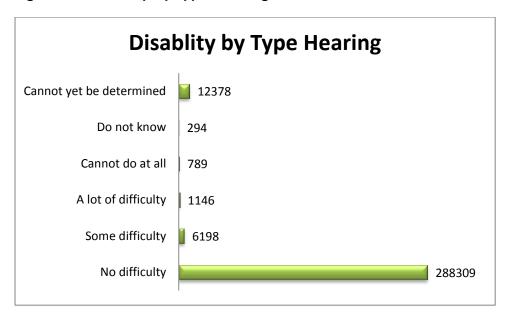
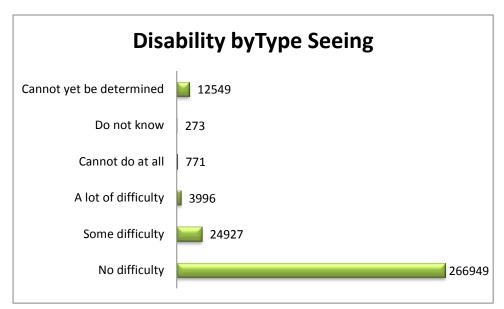


Figure 24 : Disability by Type Seeing



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

8.1.10 HIV/Aids

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

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.

8.1.11 Fertility Rates/Recorded Live Births

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

8.1.12 Mortality Rates

Table 29: Number of deaths by Age, Sex, Years of Dearth, 2009-2011

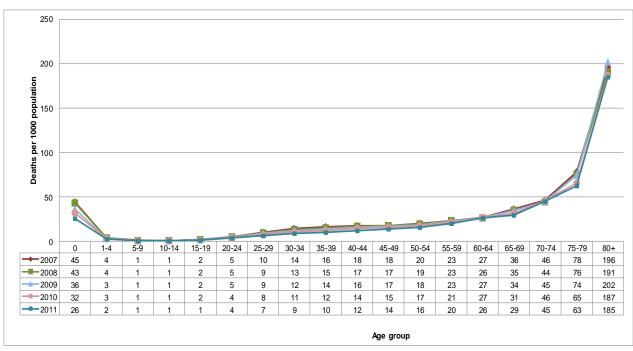
Age		2010)			2011		
group	Male	Female	Unsp.	Total	Male	Female	Unsp.	Total
0	18 235	16 045	376	34 656	14 637	12 956	492	28 085
1-4	6 978	6 070	43	13 091	5 217	4 662	46	9 925
5-9	2 538	2 089	5	4 632	2 299	1 983	7	4 289
10-14	2 420	2 112	3	4 535	2 064	1 776	5	3 845
15-19	4 397	3 955	18	8 370	4 054	3 496	25	7 575
20-24	9 400	10 640	33	20 073	8 433	8 767	80	17 280
25-29	16 440	19 397	61	35 898	14 682	15 850	141	30 673
30-34	22 321	21 352	67	43 740	19 251	17 498	133	36 882
35-39	24 680	20 314	46	45 040	22 061	17 175	104	39 340
40-44	23 246	17 573	44	40 863	20 559	15 247	93	35 899
45-49	22 836	16 305	56	39 197	20 607	14 683	58	35 348
50-54	21 910	15 164	30	37 104	20 754	14 117	66	34 937
55-59	20 874	14 274	33	35 181	20 039	14 024	47	34 110
60-64	20 017	14 744	26	34 787	20 079	14 707	57	34 843
65-69	17 224	14 560	21	31 805	16 725	14 061	24	30 810

Age		2010)			2011		
group	Male	Female	Unsp.	Total	Male	Female	Unsp.	Total
70-74	15 802	16 644	13	32 459	16 260	16 586	21	32 867
75-79	11 741	16 083	8	27 832	11 541	16 257	18	27 816
80-84	9 909	16 187	11	26 107	9 834	16 511	14	26 359
85-89	5 758	10 485	5	16 248	5 895	11 020	13	16 928
90+	4 078	10 713	8	14 799	4 325	11 259	7	15 591
Unspecifi	818	230	259	1 307	1 253	602	546	2 401
Total	281 622	264 936	1 166	547 724	260 569	243 237	1 997	505

Source: Statistics SA 2011

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

Figure 25: King Centshwayo District - Age Specific Dearth Rates by year of dearth 2007-2011



Source Census 2011

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

Table 30: The Ten leading underlying natural causes of deaths by district municipality of dearth occurrence, 2011

	King Centshwayo (uThungulu)	No.	%
1	Tuberculosis (A15-A19)**	1 270	14,5
2	Influenza and pneumonia (J09-J18)	501	5,7
3	Other viral diseases (B25-B34)	462	5,3
4	Cerebrovascular diseases (160-169)	442	5,0
5	Human immunodeficiency virus [HIV] disease	418	4,8
6	Other forms of heart disease (130-152)	397	4,5
7	Diabetes mellitus (E10-E14)	364	4,2
8	Intestinal infectious diseases (A00-A09)	330	3,8
9	Hypertensive diseases (110-115)	237	2,7
10	Certain disorders involving the immune	184	2,1
	Other natural causes	3 287	37,5
	Non-natural causes	866	9,9
	All causes	8 758	100,0

Source: Census 2011

8.2 Key Findings

- The uMhlathuze and uMfolozi Local Municipalities are the only municipalities in the King Centshwayo District that have experienced and 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
- o 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.
- o The uMhlathuze Local Municipalities 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.
- o 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.
- o 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.
- o 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.
- o 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
 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.

9. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT ANALYSIS

PGDS GOAL: HUMAN RESOURCE DEVELOPMENT

9.1 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
- o Municipal Health Services.

More specifically, the objectives of local government are:-

- o Air and Noise Pollution
- o Building, Trading Regulations, Liquor and Public, Nuisance Control
- Fire Fighting Services
- o Pounds
- Public Places
- Refuse Removal, Refuse Dumps and Solid Waste
- Street Trading
- Street Lighting
- Traffic and Parks
- o Electricity Reticulation
- o Cleansing and Trade Areas
- Beaches and Amusement Facilities
- o Billboards and Display of Advertisements in Public Places
- o Cemeteries, Funeral Parlours and Crematoria

- o Licensing, Facilities for Accommodation, Care and Burial of Animals
- Fencing and Fences
- Local Amenities
- o 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

9.2 Municipal Transformation

9.2.1 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 2017) is provided in the following table:

Figure 26: Designated and Non-Designated Employment Numbers and Levels

						MA	LE							FEN	IALE					ERSONS W			REIGN ONALS	_ ¥_0	PEB
OCCUPATIONAL LEVEL	LEVEL	L VACANT POSTS	AFF	RICAN	COLO	DURED	INE	DIAN	WI	HTE	AFR	ICAN	COL	DURED	INC	IAN	WH	IITE			NUM			TOTAL POSITION FILLED	TOTA
			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	FEMALE	GOAL PWD	MALE	FEMALE	04	TOTAL POSITIONS
	26	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOP MANAGEMENT	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23	1	4	2.52	0	0.12	0	0.42	0	0.18	2	2.28	0	0.12	0	0.24	0	0.12	0	0	0	0	0	6	6
TOTAL		1	5	3.52	0	0.12	0	0.42	0	0.18	2	2.28	0	0.12	0	0.24	0	0.12	0	0	0	0	0	7	7
	22	5	3	7	0	0	1	1	2	0	3	5	0	0	0	0	0	0	0	0	0	0	0	9	13
	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	14	19	22	0	0	0	6	8	0	8	20	0	0	0	3	5	0	0	0	0	1	0	41	51
	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		19	22	29	0	0	1	7	10	0	11	25	0	0	0	3	5	0	0	0	0	1	0	50	64
	17	7	12	13	0	0	2	2	1	1	2	9	0	0	0	1	0	0	0	0	0	1	0	18	26
PROFESSIONALLY QUALIFIED &	16	7	5	8	0	0	0	2	2	0	2	7	0	0	1	1	1	0	0	0	0	0	0	11	18
EXPERIENCED SPECIALISTS / MIDDLE MANAGEMENT	15	22	20	29	0	0	3	6	2	2	12	25	1	0	1	2	5	0	0	0	2	0	0	44	64
	14	0	1	2	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0	0	0	3	3
TOTAL		36	38	52	0	0	5	10	6	3	16	42	1	0	2	4	7	0	0	0	2	1	0	76	111
	13	2	2	4	0	0	1	1	2	0	1	3	0	0	0	0	0	0	0	0	0	0	0	6	8
SKILLED TECHNICAL &	12	16	18	24	0	0	0	4	2	2	13	20	0	0	4	2	1	1	0	0	1	0	0	38	53
ACADEMICALLY QUALIFIED / JUNIOR MANAGEMENT /	11	37	44	59	1	2	4	9	5	5	28	54	1	0	4	6	10	3	0	0	3	0	0	97	138
SUPERVISORS / FOREMAN / SUPERINTENDENTS	10	25	40	38	0	0	3	8	6	3	14	32	0	0	1	4	4	1	0	0	1	0	0	68	86
	9	41	59	76	0	1	6	13	10	6	39	68	1	1	4	8	16	4	2	0	6	0	0	137	177
TOTAL		121	163	201	1	3	14	35	25	16	95	177	2	1	13	20	31	9	2	0	11	0	0	346	462
	8	20	51	51	1	1	1	8	10	4	32	44	2	1	0	5	2	3	0	2	3	0	0	101	117
	7	19	28	38	0	1	3	6	4	2	24	32	1	0	4	4	2	1	0	1	1	0	0	67	84
SEMI-SKILLED & DISCRETIONAY DECISION MAKING	6	68	147	133	1	4	3	21	5	10	72	117	3	1	3	14	6	7	1	0	6	0	0	241	307
	5	56	115	104	1	3	3	19	4	7	67	95	2	3	3	11	10	5	0	0	5	0	0	205	247
	4	118	141	151	0	4	2	28	2	12	81	138	1	3	5	15	2	7	1	2	7	0	0	237	358
TOTAL		281	482	477	3	13	12	82	25	35	276	426	9	8	15	49	22	23	2	5	22	0	0	851	111
	3	143	293	268	1	8	0	45	5	21	193	242	0	5	1	28	0	14	2	1	13	0	0	496	631
UNSKILLED & DEFINED DECISION MAKING	2	13	23	19	0	1	0	4	0	1	8	17	0	0	0	2	0	0	0	0	- 1	0	0	31	44
	1	1	0	3	0	0	0	0	0	0	3	1	0	0	0	0	0	0	0	0	0	0	0	3	4
TOTAL		157	316	290	1	9	0	49	5	22	204	260	0	5	1	30	0	14	2	1	14	0	0	530	679
TEMPORARY WORKERS		18	149	0	0	0	1	0	2	0	114	0	2	0	2	0	2	0	0	0		0	0	272	
TOTAL PERMANENT EMPLOYEES		615	1026	1052.5	5	25.12	32	183.42	71	76.18	604	932.28	12	14.12	31	106.24	65	46.12	6	6	49	2	0	1860	247
TOTAL TEMPORARY EMPLOYEES		10	149	0	0	0	1	0	2	0	114	0	2	0	2	0	2	0	0	0	0	0	0	272	272
GRAND TOTAL		625	1175	1052.5	5	25.12	33	183.42	73	76.18	718	932.28	14	14.12	33	106.24	67	46.12	6	6	49	2	0	2132	2747

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

o Ensuring that the Employment Equity Act is being implemented.

9.2.2 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 18 known disabled employees. In order to attract people with disabilities, positions which are suitable for people with disabilities are to be identified and will be stated as such on the advertisements. The Municipality has a strategy on employment of people living with disabilities contained in (DMS1106399)

9.2.3 Labour Relations

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

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

The Labour Relations section is also responsible for the following:

- Facilitation of preparation meetings for Local Labour Forum (LLF prep);
- Attending of Local Labour Forum meetings;
- Workshop Supervisors/Superintends on best practices in areas of Performance management, disciplinary process and procedures, grievance handling and other Labour Relations matters;
- o Foster better relationships between management and Organised Labour;
- o Assist and advise line management and employees on good line management;
- Develop and implement Labour Policy;
- Ensure compliance with Collective Agreement and any other Labour Related Legislations;
- o Conduct Inductions of new employees on Labour Relations matters;
- o Advise and assist Supervisors about managing discipline in their sections.

9.3 Organisational Development

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

- Uniformity
- Security
- Accessibility
- Transparency

There are more than 15 Portfolio Committees which are scheduled to meet twice a month that feed into the two EXCO's per month. Thereafter EXCO recommendations and resolutions of the Executive Committee are submitted monthly to the full Council meeting for final approval. Numerous ad hoc and other departmental committees exist and are operational.

All reports are aligned to the IDP Objectives and approved by the Municipal Manager before they are placed on an agenda.

9.3.1 Institutional Arrangements

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

Table 31: Council Committees

		T
0	Bylaws	Section 79 Committees
0	Standing Orders	
0	uMhlathuze Public Transport Liaison	
	Committee	
0	Public Participation Committee	
0	Corporate Services	Section 80 Committees
0	Community Services	
	 Geographical Naming 	
	Committee	
0	Financial Services	
0	City Development	
	 Aesthetics 	
	 Mandlazini Trust 	
	 Mzingazi Joint Steering 	
	Committee	
	 Social Compact 	
	SPLUMA	
0	Infrastructure and Technical Services	
0	Municipal Public Accounts Committee	Established in terms of Municipal Structures
	(MPAC)	Act, Municipal Systems Act and Municipal
		Finance Management Act
0	Section 62 Appeals Committee	Established in terms of Local Government
		Municipal Systems Act, 32 of 2000.
0	Local Labour Forum	Established in terms of the Organisational
		Rights Agreement
0	Audit Committee	Performance Audit, Performance Evaluation
0	Performance Audit Committee	Panels
0	Performance Evaluation Panel (Section	
	57 Employees)	
0	Performance Evaluation Panel	
	(Municipal Manager)	
0	Board of Trustees	
0	Bid Specification	Supply Chain Management Committees
0	Bid Evaluation	
0	Bid Adjudication	
	Bra / rajoaroanon	

9.3.2 Organizational Structure

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

uMhlathuze workforce profile	figures	percentage
Total Positions	2528	100%
Filled Positions	1915	75.8%
Vacant Positions	613	24,2%

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

Table 32: Personnel Numbers

Summary of Personnel Numbers	Bu	Budget Year 2017/18					
Number	Positions	Permanent employees	Contract employees				
Municipal Council and Boards of Municipal Entities							
Councillors (Political Office Bearers plus Other Councillors)	67	67	-				
Board Members of municipal entities	_	_	_				
Municipal employees			_				
Municipal Manager and Senior Managers	7	7	_				
Other Managers	17	13	_				
Professionals	393	297	-				
Finance	46	32	_				
Spatial/town planning	33	29	_				
Information Technology	11	11	_				
Roads	22	19	_				
Electricity	40	32	_				
Water	16	12	_				
Sanitation	24	17	_				
Refuse	10	10	_				
Other	191	135	_				
Technicians	533	455	_				
Finance	31	22	_				
Spatial/town planning	26	23	_				
Information Technology	6	5	_				
Roads	48	42	_				
Electricity	60	49	_				
Water	34	37	_				
Sanitation	34	25	_				
Refuse	13	13	_				
Other	281	239	_				
Clerks (Clerical and administrative)	315	281	_				
Skilled agricultural and fishery workers	2	2	_				
Craft and related trades	3	3	_				
Plant and Machine Operators	87	82	_				
Elementary Occupations	1 592	1 420	_				
TOTAL PERSONNEL NUMBERS	3 016	2 627	_				
% increase	_	-	-				
Total municipal employees headcount	2 769	2 594	_				
Finance personnel headcount	235	185	_				
Human Resources personnel headcount	41	32	_				

Figure 27: Senior Management

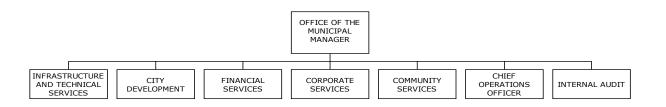


Figure 28: Office of the Municipal Manager

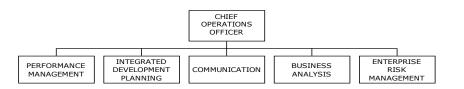


Figure 29: Corporate Services Department

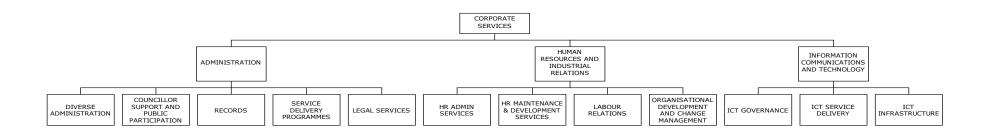


Figure 30: City Development Department

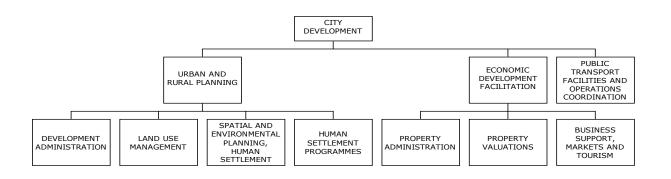


Figure 31: Financial Services

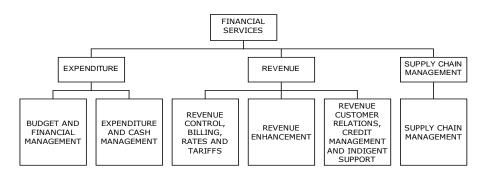


Figure 32: Community Services



9.3.3 Municipal Institutional Capacity and critical posts

10.3.3.1 Critical Posts

The posts of Municipal Manager, as well as all Section 56 posts, are considered as critical posts. All these posts are filled within uMhlathuze Municipal Organisation, with the exception of the posts of Deputy Municipal Manager: Infrastructure and Technical Services and Deputy Municipal Manager: Community Services.

10.3.3.2 Municipal Institutional Capacity

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

Municipal Departments	Departmental Functions
Office of the	Integrated Development Planning
Municipal Manager	Performance Management
	Communication and Marketing
	Internal Audit
	Specialised Services
	Enterprise Risk Management
Corporate Services	Diverse Administration
	 Legal Services
	• ICT
	 Councillor Support and Public Participation
	•
Community Services	 Public Safety and Security Services
	 Environmental Health /Health and Cleaning
	Recreation and Environmental Services
City Development	Property Administration
	Local Economic Development
	Urban and Rural Planning
Infrastructure and	Water and Sanitation
Technical Services	 Roads
	Electricity Services
	 Transports Roads and Storm Water
	Engineering Supply Services
Financial Services	• Income
	Expenditure
	Supply chain

9.3.4 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
- o Organisational Development and Change Management
- o Employee Assistance and
- SHE Risk Management

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

10.3.4.1 Training and Development [workplace skills plan]

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

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

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

The Training Programmes as indicated below have taken place during the period 1 July 2016 to 31 March 2017:

- Computer Induction;
- Induction Training for Interns;
- Induction Training for new employees;
- Hazard Identification and Risk Assessment (HIRA);
- Employment Equity Training;
- Gap skill Training;
- Internal Audit Training;
- Local Government Accounting Learnership;
- Basic Firefighting;
- SCM and Bid Committee Training;
- Electrical Trade test;
- Councillor Induction (Internal, SALGA and CoGTA);
- Financial Literacy Training;
- MFMP Training;
- Safety Representative Training;
- Assessor Training;
- Advanced switching training;
- Talent Management training;
- EAP Training for supervisors;
- Labour Relations Training for shop stewards;
- Performance Management training;
- SDF Training;
- Advanced Office Management Training;
- GCC 2015;
- BCP Workshop;
- SALGA Senior Management Induction Training;
- Report Writer Training;
- Diesel Mechanic Trade test Training;
- Traffic Officer Training;
- Records Management Training;
- HR Policy Workshop for Shop Stewards, and;
- MPAC Training for Councillors.

Work Integrated Learning

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

In the 2016/2017 financial year, Council hosted 133 learners on internships / apprenticeships / learnerships / Graduate Programmes and In-service Training.

Graduate Development Programme

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

Grant funded Training

During the 2017/2018 financial year, Council shall also be training employees in the electrical and bricklaying disciplines. The training interventions include; skills programmes, RPL Trade testing and apprenticeships. These interventions have been funded through the Chemical SETA (CHIETA).

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 recognized that employees are indeed the most valuable assets and resources.

The total wellbeing of employees adds up to the wellbeing of the municipality. EAP put focus and emphasis on four Health and Wellbeing spheres which are: Psychological/Emotional wellbeing, Physiological wellbeing, Spiritual Wellbeing and Social wellbeing. Thus, EAP came as a helping tool to the Municipality's commitment to assist employees to deal with their social and emotional pressures and also to remain productive. EAP is also playing a role through its programmes to enhance the municipality's profitability by

reducing absenteeism, turnover, tardiness, accidents, medical claims and 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 the section 5 year plan programs and events include the following:

Proactive Programmes

- EAP Supervisory and Managers Training
- Emotional Intelligence for the Executive
- Alcohol and Drug Abuse
- Financial management
- Stress Management
- Employee Wellness Day/S (Health Screening Day/S, Work and Play)
- Health Awareness Campaigns (as per South African Health Awareness calendar)
 together with Occupation clinic and Peer Education programme

Reactive Programmes

- o The section Practitioners also provide counselling on different concerns of life including but not limited to family issues, work related matters, social concerns and conducting trauma debriefing sessions to employees who get exposed to traumatic incidents.
- Other reactive programmes include making referrals to external Practitioners like Clinical Psychologists, Psychiatrists etc. and also referrals to the Rehabilitation centers.

Attending EAP is free of charge to all employees of uMhlathuze municipality and assistance is available during the working days. EAP section is also working together with other local resources like SANCA (to refer Alcohol and drug abuses cases), Lifeline and SABCOHA (South African Business Coalition against HIV/AIDS)

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 (on request by the University) where Employee Assistance programme content and other HR sections duties and functions are shared.

Table 33: Human Resource Policies

No.	Policy Name		Council Resolution
1.	Induction and Orientation of Staff	Procedures for Inducting new staff	5698
2.	Staff Training	Policy on Training of staff	5215
3.	Bursary Policy for Officials and their children	Bursary Processes and requirements for Bursary Applications	10747
4.	Staff Succession Planning Policy	Staff succession planning processes for Council	7444
5.	Anti – Nepotism Policy	Processes in place to ensure there is no nepotism in placements	6978
6.	Acting Arrangements Policy	Conditions for Acting arrangements	6979
7.	Recruitment and Selection of Temporary Staff Policy	Processes and criteria for recruitment and selection of temporary staff	6977
8.	Recruitment and Selection Policy (Amended)	Processes and criteria for recruitment and selection of staff	10110
9.	Intoxication on Duty	Procedures for dealing with and prevention of staff being intoxicated whilst on duty.	7445
10.	Employee Assistance Programme	Guidance and procedures regarding the enhancement of Health and wellbeing of all staff members.	6311
11.	In-house training for External students	Programme for students conducting in-service training	1243

No.	Policy Name		Council Resolution
12.	Policy on the Utilisation of Council Vehicles for Certain gatherings	Conditions for the Utilisation of Council Vehicles for Certain gatherings	8596
13.	Rapid Advancement Policy	Conditions for the Rapid advancement of Council employees in identified posts	8211
14.	Notch Increase Policy	Conditions for notch increases	8688
15.	Relocation and Moving Expense Policy	Processes and criteria for the relocation and moving expenses of the newly appointed employee.	8597
16.	Employment Equity Policy		9438
17.	Leave Policy		10244

OHS Policies

No	Document	Dms Number	Act Ref
1.1	OHS Policy	1055965	Section 7 (1)
1.2	Approved OHS Policy Guidelines	1088552	Section 7 (2)
1.3	Transportation Of Employees	602827	Section 8 (2) (A)
1.4	Intoxication On Duty	538499	Gsr 2 (A)
1.5	Personal Protective Equipment And Clothing	319523	Gsr 2 (3)
1.6	Smoking	415902	Трса
1.7	Heat Exhaustion	462132	Erw 2 (4)

9.3.5 ICT Governance Framework

In line with the National Corporate Governance of ICT Policy Framework, the uMhlathuze Municipality ICT Governance Policy (DMS 925194) was reviewed and approved by Council on 31 March 2016. The purpose of ICT Governance Policy is to provide a strategic direction for the ICT Services supported by the ICT Strategy and the Enterprise Architecture documents, to ensure that ICT goals are aligned with the IDP objectives, the risks are managed appropriately, and the ICT resources are used responsibly. In providing strategic direction, ICT Governance Policy enables the ICT team members to focus and contribute effectively towards the attainment of

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

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

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

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

- o uMhlathuze Municipality has a 5 year ICT Strategy reviewable at its anniversary, document number (**DMS 1062580**).
- o ICT maintains the ICT Risk Register in document number (DMS 1179812).
- ICT organisational structure indicating the roles and responsibilities. (DMS 725250).
- The ICT Services maintains an updated ICT contracts register in document number (DMS 831348).
- The ICT Service performance must be periodically reviewed against targets.
 Performance reports must be submitted to the ICT Steering Committee,
 Corporate Services Portfolio and the Audit Committee.
- ICT projects and acquisitions of ICT equipment are approved by the ICT
 Steering Committee through a formalised process.
- All ICT equipment acquisitions and contractor appointments are done in accordance with the approved City of uMhlathuze Supply Chain Management Policy.

Key ICT Projects for 2016/2017 Financial Years:

	Project Name	Project Info	Budget	Status
1	ERP – Enterprise Resource Planning Solution (Tender 8/2/1/UMH02- 15/16)	Enterprise Resource Planning System Phase 1: Feasibility Study in 2015/2016. Project implementation commences in April 2017.	R 15,162,000	In progress: Tender has been awarded and implementation partner appointed. Kick off meeting scheduled for April 2017. This is a multi-year project over a 5 year period
2	Fibre Link (Richards Bay to ENseleni Tender	Building of Fibre Route between Richards Bay and ENseleni Municipal	R 9 000 000	In Progress: Tender awarded and trenching started on 201 March 2017. The expected

	Project Name	Project Info	Budget	Status
	8/2/1/UMH09- 16/17)	offices and facilities		completion date is 30 June 2017.
3	IP Telephone System with Call Centre Module (PABX Tender 8/2/1/UMH65- 16/17)	Implementation of IP Telephone System with Call Centre Module.	R 7 900 000	In Progress: The expected date of the delivery of equipment is 18 April 2017. The installation will then commence.
4	Managed Print Solution (Tender 8/2/1/UMH86- 16/17)	Rental and roll-out of printers and management software for the entire Municipality through RT3- 2015 National Treasury Transversal Tender.	R 7 900 000	In Progress: Tender awarded. Project implementation in progress, expected to be completed on 30 April 2017.
5	Councillors Tools of the Trade (Tender 8/2/1/UMH59- 16/17)	Supply and delivery of councilor's laptops as part of the Tools of the Trade.	R 964 849.10	In Progress: Tender awarded. The delivery of laptops is expected on 15 April 2017.

9.3.6 Change Management

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

Finer adjustments are however continuously taking place, upon approval by Council. An organisational review is planned for the 2017/18 financial year.

One of the major challenges experienced by the Municipality was the lack of a job evaluation forum in order to determine post levels. The South African Local Government Association however initiated a process of getting a job evaluation done. Five Job Evaluation Units were established in the Province. The uMhlathuze Municipality falls within Region 4. Job evaluation is currently under way.

9.4 Municipal Transformation and Organisational Development: SWOT Analysis

STRENGTHS	WEAKNESSES
 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 	 Satisfactory attraction and employment of disabled personnel. Inadequate budget allocations for programs such as the EAP.
o Functional Local Labour Forum	

OPPO	RTUNITIES	TREATS	
0	Institutionalisation of Batho-Pele Principles	Staff Low MoralLack of proper impler	nentation of the
0	Implementation of the E-Council system, eliminating cost for paper used in agendas etc.	Succession Policy. o Lack of Job Evaluatio to determine post leve	els
0	Bursary Policy for councillors, employees and members of the public.	 Failure/slow process of Identified risks within the 	•
0	Graduate Development Programmes and off-the –job training is offered to graduates.		

10. SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

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

10.2 Water and Sanitation

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

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

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

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

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

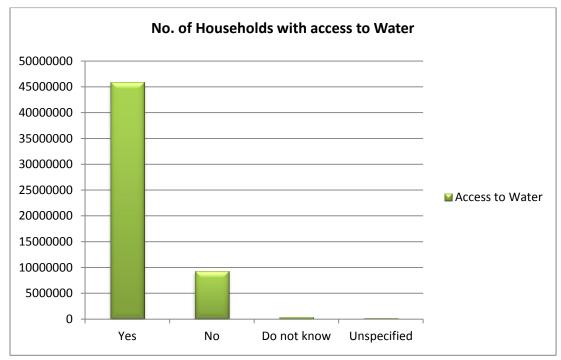


Figure 33: Access to Safe Drinking Water, Community Survey 2016

Source: Community Survey 2016

About 89% of households in uMhlathuze obtain water from the uMhlathuze Municipality. 3% households 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. Community Survey 2016 indicates that more than 45 000 households have access to safe drinking water in uMhlathuze Municipal. The Municipality continues to strive in an effort to ensure that all residents have access to clean water.

uMhlathuze Local Municipality: Final IDP 2017/2018

Figure 34: Main Source of Drinking

Main source of drinking water	No of HH
Piped (tap) water inside dwelling	47511
Piped (tap) water inside yard	53778
Piped water on communal stand	2591
Borehole in yard	100
Rain-water tank in yard	599
Neighbours tap	1232
Public/communal tap	817
Water-carrier/tanker	3476
Borehole outside yard	251
Flowing water/stream/river	94
Well	0
Spring	19
Other	35

Source: Community Survey 2016

Table 34: Water Backlogs

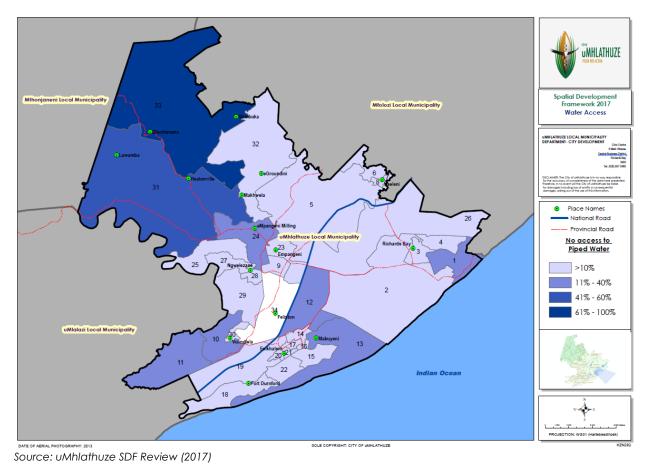
Service Level	Baseline (2015/2016) 2016/2017 Targe		Stats Ending March 2017
Total households = 86 609 (2011 Stats SA)	Households with access to water	Households with access to water	Household with access to water
ACCESS TO WATER	85 568	86 568	85 774
House connections	44 308	44 308	44 308
Yard Connections	41 260	42 260	41 466
Communal Supply > 200 m (Backlog) Supplied with JOJO Tanks	1 992	992	1 041
New Installations reducing Backlogs (Target)	951	1 000	Actual Q1 = 64 Actual Q2 = 41 Actual Q3 = 60

The Municipality currently receives funding through the Municipal Infrastructure Grant (MIG), of which **70%** is for water and **30%** for sanitation. It has been proven that such funding is not adequate to reduce backlogs for sanitation. The baseline information in the 2013/2014 Integrated Development Plan (IDP) with regards to basic services delivered were previously aligned with the most recent 2011 Census figures as recorded by National Statistics South Africa. A total of 96.75% households have access to the basic RDP level of water supply service as at 31 December 2016. The basic level for the provision of water is communal supply less than 200 metres from a household.

At commencement of the financial year a total of **98.80%** households had access to the basic RDP level of water supply service as at 30 June 2016. The basic level for the

provision of water is communal supply less than 200 metres from a household. The target for 2016/2017 on Water Provision is **99.95%**. The approved target for households to be upgraded to yard-taps for 2016/2017 financial year is set at **(1 000)**.

The following map is, based on the 2011 Census Data, it spatially depict areas of backlogs in respect of water,



Map 13: Access to Water

Access to water at 31 March 2017 is **99.04%** and the water backlog is **0.96%**. The challenge that needs to be dealt with is the constant supply of water with fewer interruptions therefore funding is required for future upgrades.

10.2.1 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. The two major sections of the Scientific Services is the laboratory and Water Quality Management section. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

Sample Management

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

SOURCE	SAMPLES
Surface Water (Industrial)	423
Surface Water (Pump station)	513
Surface Water (Urban/Rural Suburbs)	82
Surface Water (Rivers/Streams/Canal)	132
Industrial Effluent	483
Surface Water (Lakes)	900
Alton Landfill (Boreholes)	252
Coastal Water (Blue Flag)	104
External Service Provider (MW)	194
Richards Bay Cemetery (Boreholes)	24
GRAND TOTAL	3113

Total samples from July 2016 to Feb 2017

Drinking Water and Wastewater Systems

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

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

Water Pollution Management

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

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

Sample types being monitored by the WQMP

10.2.2 Blue and Green Drop Status

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

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

Blue Drop Status

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

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

Blue Drop Scores

The CRR for the municipal systems are as follows:

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

Green Drop Status

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

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

Green Drop Scores

The CRR for the municipal systems are as follows:

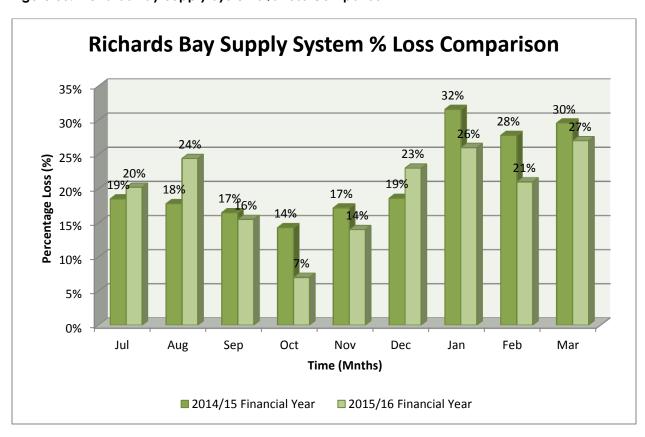
Green Drop Systems	2011 CRR Score	2012 CRR Score	2013 CRR Score	2014 CRR Score
Empangeni WWTW	35%	50%	54.55%	54.50%
eSikhaleni WWTW	52%	50%	50.00%	54.50%
Ngwelezane WWTW	48%	36%	40.91%	31.80%
eNseleni WWTW	33%	35%	29.41%	29.40%
Vulindlela WWTW	22%	35%	41.18%	23.50%
The Average Score	38.1%	41.4%	43.21%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

Green Drop CRR Scores

10.2.3 Water Loss

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

Figure 35: Richards Bay Supply Systems % Loss Comparison



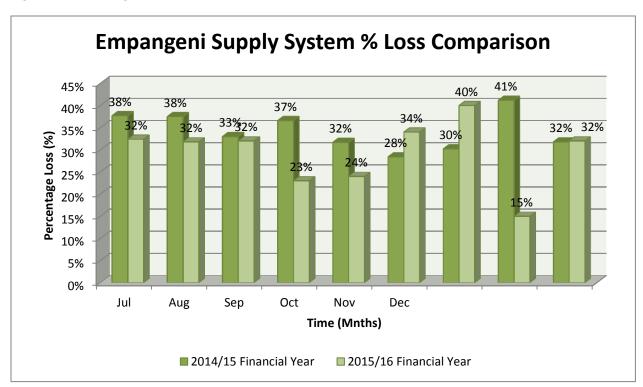


Figure 36: Empangeni Supply Systems % Loss Comparison



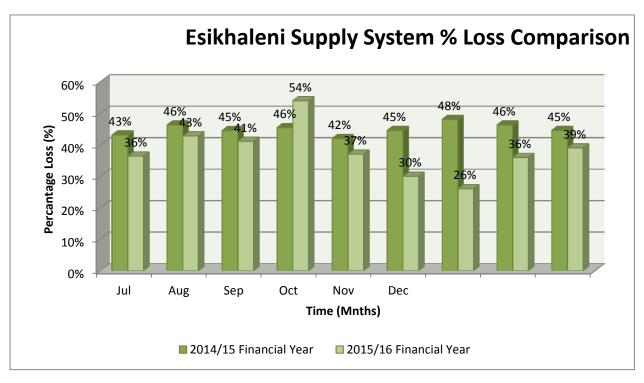


Figure 38: Ngwelezane Supply Systems % Loss Comparison

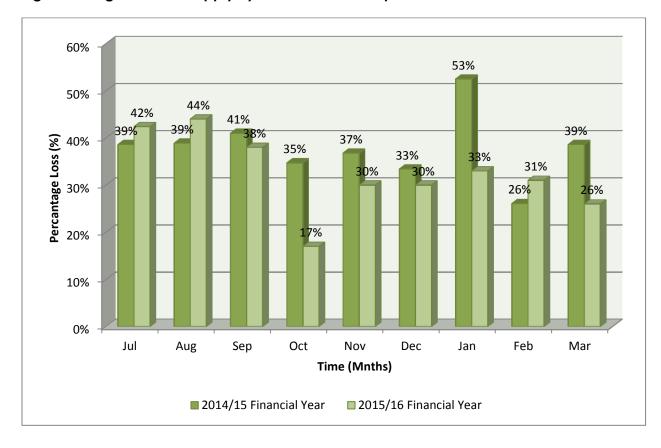


Table 35: March 2016 Water Balance Summary for City of uMhlathuze

Supply Area	SIV (kl/quarter)	Billed Metered Consumption (kl/quarter)	Billed Unmetered Consumption (kl/quarter)	Unbilled Metered Consumption (kl/quarter)	Unbilled Unmetered Consumption (kl/quarter)	Real Losses (kl/quarter)	Apparent Losses (kl/quarter)	Non- Revenue Water (kl/quarter
Richards Bay	2 561 310	2 114 436	3 319	59 323	52 171	298 523	33 538	443 555
ENseleni	415 933	180 849	98 395	10 483	18 479	45 891	56 845	136 689
Empangeni	1 949 321	1 616 112	85	4 750	10 249	286 305	31 821	333 124
Ngwelezane	586 493	310 343	95 790	-	18 898	84 287	77 175	180 360
eSikhaleni	2 189 714	1 151 646	227 436	65 538	36 219	427 981	280 893	810 632
Vulindlela	513 796	216 389	124 127	-	23 257	67 777	82 245	173 280
Total City of uMhlathuze	8 216 567	5 589 775	549 152	140 094	159 273	1 210 764	562 517	2 077 640

Operational Area

10.2.4 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 36: Design and Operating Capacities of Treatment Plants

Name	Design Capacity (ML/day)	Operating Capacity (ML/day)	Challenges
Mzingazi WTW	65	60	Increased rural demand for King Centshwayo
ESikhaleni WTW	36	31	 High demand compared to capacity No alternative power supply during Eskom power outages Night restrictions
Ngwelezane WTW	8	8	 Breakdown on raw water pumps due to sand in the river High raw turbidity when raining High demand and need Magazulu supplementary Flooding during summer season
ESikhaleni WWTW	12.5	6.5	-
Ngwelezane WWTW	5.8	2.9	 Community members are building houses on the ponds Aerators need to be replaced Flooding of the plant when it rains
Nseleni WWTW	3	1.2	-
Empangeni WWTW	14.5	9	 Degritter to be replaced Digesters to be repaired Drying beds to be rehabilitated Ponds to be rehabilitated
Vulindlela WWTW	2.8	1	o Flooding of the plant when it rains

Water Quality Achievements

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

Key Projects

Integrated Water Quality Management System (IWQMS)

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

Mobile GIS

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

Lake management

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

Landfill Site Project

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

Laboratory ISO 17025 accreditation

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

Online Instrumentation Management

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

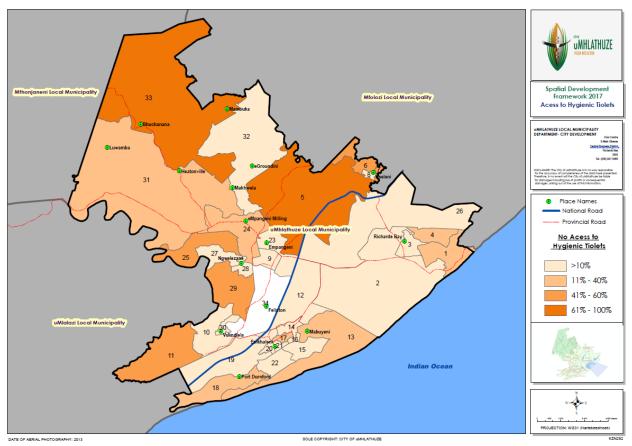
10.2.5 Sanitation
Table 37: Municipality Calculated Sanitation Backlogs

Service Level	Baseline (2015/2016)	2016/2017 Target	Stats Ending March 2017
Total households = 86 609 (2011 Stats SA)	Households with access to sanitation	Households with access to sanitation	Households with access to sanitation
ACCESS TO SANITATION	76 375	80 375	81 741
Waterborne Sewerage	43 068	43 068	43 068
VIP Toilets	33 307	37 307	38 673
Backlogs	10 234	6 234	8868
New Installations (VIP)	2 904	4 000	Actual Q1 = 731 Actual Q2 = 285 Actual Q3 = 350

At commencement of the financial year a total of **88.10%** households had access to the basic level of service for sanitation as at 30 June 2016. The basic (RDP) level is one VIP toilet per household. The target for 2016/2017 for basic RDP level of sanitation service is set at **92.80%**. The approved target for 2016/2017 financial year of VIP toilets to be constructed is **4 000**. The total number of new VIP toilets constructed for Q3=350 which was 450 units less than the quarter target of 800 units.

Access to Sanitation as at 31 March 2016 is **94.38** % and the Sanitation backlog is **5.62**%. The targets for Quarter 3 have not been met due to the work being done on only two wards (ward 24&25); the current delay is due to the late award of tender.

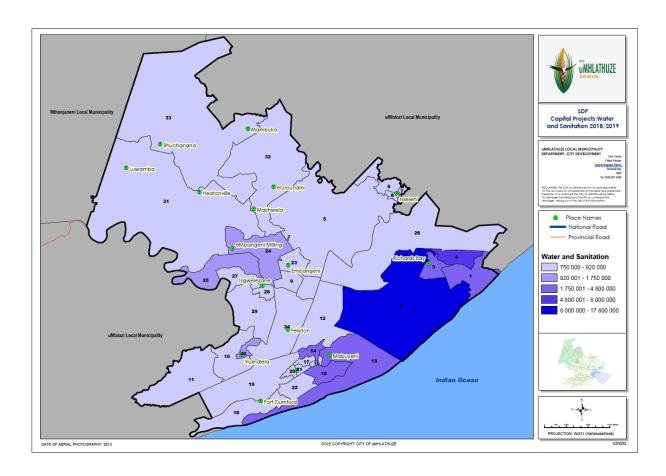
Map 14: Access to hygienic toilets



Source: uMhlathuze SDF Review 2017

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

10.2.6 Water and Sanitation projects for 2017/2018



10.2.7 Operations and Maintenance

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

10.3 Solid Waste Management

10.3.1 Waste Collection

The Constitution of South Africa, 1996 provides the foundation for environmental regulation and policy in South Africa. The right to environmental protection and to live in an environment that is not harmful to health or well-being is set out in the Bill of Rights (section 24 of Chapter 2). This fundamental right underpins environmental policy and law, in particular the framework environmental legislation established by the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA).

The Waste Act fundamentally reforms the law regulating waste management, and for the first time provides a coherent and integrated legislative framework addressing all the steps in the waste management hierarchy.

uMhlathuze Municipality has reviewed its Integrated Waste Management Plan for the Waste Management Division of the Municipality. The Plan has been tabled at and approved by Executive Committee on 07 March 2017 and will be tabled in Council on the 28 March 2017. While reviewing the plan, the current status of the waste collection system and existing disposal sites, the service delivery capacity and the needs were analysed.

10.3.2 Strategic Goals

The eight strategic goals around which the uMhlathuze Waste Management Strategy in line with National Waste Management Strategy (NWMS), are structured as follows:

- Goal 1: Promote waste minimisation, re-use, recycling and recovery of waste.
- Goal 2: Ensure the effective and efficient delivery of waste services.
- Goal 3: Grow the contribution of the waste sector to the green economy
- **Goal 4**: Ensure that people are aware of the impact of waste on their health, well-being and the environment.
- Goal 5: Achieve integrated waste management planning.
- Goal 6: Ensure sound budgeting and financial management for waste services.
- Goal 7: Provide measures to remediate contaminated land.
- Goal 8: Establish effective compliance with and enforcement of the Waste Act.

In terms of City of uMhlathuze Waste Management the following has been achieved, in line with its strategic goals,

GOAL 1:

Promote Waste Minimisation, Re-Use, Recycling And Recovery Of Waste.

Under this goal, several programes have been implemented in order to minimise waste that goes to landfill site, while at the same time benefiting the communities,

Recycling

Two Material Recovery Facilities (MRF) that have been built and operational, including drop off-points, such as Alton MRF, eNseleni MRF, Essenwood Drop Off, Meerensee Drop Off and 5 nodes in which recyclables are collected.

There currently a partnership with Wildlands Conservation Trust and other small scale recyclers in which the City is working with in order to optimise recycling.

Figure 39: Hierarchy

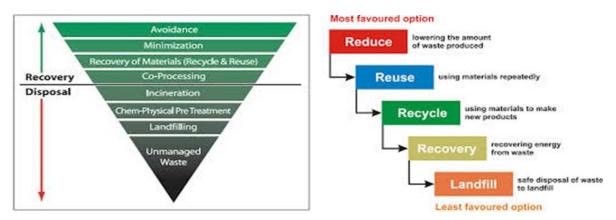


Table 38: different waste streams recycle in the year at hand

MONTH	RECYCLABLES IN TONS	% WASTE MIN
Quarter 1	2 659	19%
Quarter 2	3 230	22%
Quarter 3	3 280	23.%
Quarter 4	3 1 1 0	22%
TOTAL	12279	21.5% Average

The table above reflects that 21.5% of waste generated and landfilled within the City of uMhlathuze boundaries was recycled, or reused. This program has benefitted a number of individuals in the green economy, whom we refer to as Waste-prenuer.

City believes that Waste is a resource out of place. All this further contributes to **Goal 3**, which deals with contribution of waste sector to green economy.

GOAL 2

Ensure The Effective And Efficient Delivery Of Waste Services.

In terms of the Constitution the responsibility for waste management functions is to be devolved to the lowest level of government.

It is therefore clear that the City is responsible for Waste Management within its area of jurisdiction and has to ensure proper handling of waste thus preserving a health and safety environment.

The following are the core daily operations in achieving goal 2,

- ❖ Weekly waste collection and disposal thereof at an approved landfill site.
- Street and rank litter picking and public ablution facilities cleaning.
- * Recovery of re-usable and recyclable material from the main stream of waste.
- Clearing of illegal dumping within the City of UMhlathuze.
- Plans to eradicate backlog.

Table 39: Waste Disposal Statistics

QUARTER	NO OF TRIPS	TONAGE OF WASTE DISPOSED OF
1 ST Quarter	2 008	10 982
2 nd Quarter	2 059	10 327
3 rd Quarter	1 857	9 526
4 th Quarter	2 076	10 293
TOTAL		

uMhlathuze Municpality does have a land fil site, the Regional landfill site located in Empangeni Rail is utilised A total of 8000 **trips** were made to the King Centshwayo Regional Landfill Site and Alton Recycling Centre and 41128 tons of waste was disposed during 2014/2015 period.

A total of about **77%** (65102) on average of total households (86000) had access to the basic weekly solid waste removal service at the end of June 2016.

Table 40: Access to refuse Removal, Community Survey 2016

Refuse removal	No of HH
Local authority/Private/community	47598
members at least once a week	
Local authority/Private/community	1956
members less often than once a week	
Communal refuse dump	12946
Own refuse dump	46265
Dump or leave rubbish anywhere (no	1279
rubbish disposal)	
Other	459

Source, Stats SA CS2016

GOAL 4

Ensure that People are aware of the impact of Waste on Their Health, Well-Being and The Environment.

A number of Community Clean up campaigns carried out involving scholars from schools and community members. Waste Management has a partnership with National Department of Environmental Affairs under Youth Jobs in Waste Program in which youth members identified in the Community work with the section in educating communities on negative environmental effect of improper management of waste.

In 2016/2017 there were 26 waste management environmental awarenesses which took place in schools and communities in a form of clean up campaigns, school talks, and door to door campaigns. All this was aimed at ensuring that people start recycling, discourage illegal dumping so as to promote a healthy environment.

This program assist as they create a good impression of our Municipality in terms of cleanliness, hence we have been winning awards in this category.

GOAL 5

Achieve Integrated Waste Management Planning.

The City of uMhlathuze has finalized its updated Integrated Waste Management Plan (IWMP) which will be implemented in the next five years. One of the new exciting projects will be the alternative treatment of waste rather that landfilling. The City is currently busy with study on "Diversion of waste away from landfill site", which is funded by German Government through National Department of Environmental Affairs. This study is being implemented by GIZ and will be finalized in the next coming financial year.

GOAL 6

Ensure Sound Budgeting and Financial Management for Waste Services.

Within the limited budget the section has managed to expand service to rural areas, where service was never provider before. This is putting more pressure to the budget due to limited source of revenue. The Section has done survey with its current business so as to ensure that customers receive service they pay for at all times. The Section has stabilized expenditure on overtime, and currently the section only has planned and approved overtime, but still looking at other avenues so as to ensure that more is done with limited funding.

GOAL 7

Provide Measures to Remediate Contaminated Land.

UMhlathuze has developed a comprehensive plan on illegal dumping which outlines the role of each and everybody who is within our jurisdiction, ranging from business,

contractors, garden services, law enforcement and even media so as to deal with illegal dumping and land pollution.

This plan has yielded good results even before it is fully implemented. Communities are sending information and culprits are caught on the spot.

GOAL 8: Establish Effective Compliance with and enforcement of the Waste Act.

In terms of Waste Act, all handlers of waste should be registered with Waste Management Officer. Currently there are a number of waste handlers who have registered already, and that assist so that waste is properly profiled.

Table 41: Solid Waste Management

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

152 March 2018

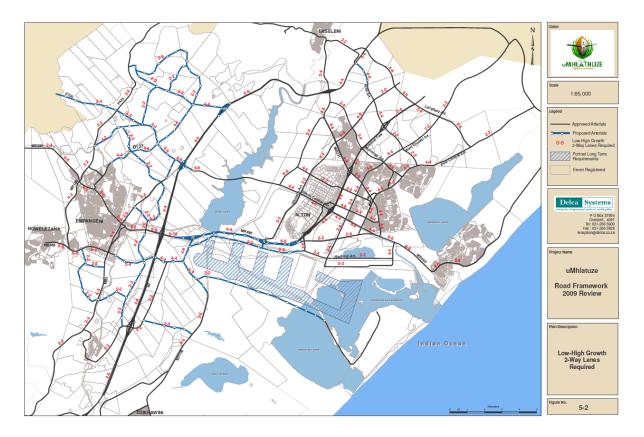
10.4 Transportation and Storm water Infrastructure

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
- o Rural Roads and Stormwater
- Stormwater Coastal Management

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

Map 15: Arterial Road Framework Plan



10.4.1 Urban Roads, Rail and Road Markings

The maintenance entails daily pothole repairs, repairs in roads where pipe bursts occurred. Major maintenance is done via the pavement management system. UMhlathuze MUNICIPALITY appointed private service provider for the development of a Pavement Management System (PMS). This PMS presents a network level proposal for

maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section.

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

The total length of the paved network is 560.4km (553.8km tar, 0.4km block paving and 6.2km concrete pavements) with an estimated replacement value of R1.85 billion. The average condition of the network can be rated as fair to poor, with 16% of the surfacing and 12% of the structure in the poor to very poor category. The following urban roads are maintained by the city uMhlathuze:

Table 42: Urban Maintenance Road lengths

Area	Suburb	Length of Road (km)
Richards Bay	Alton North	20.5
	Alton South	32.5
	Aquadene	9.8
	Arboreturm	51.7
	Birdswood	22.5
	Brackenham	24.3
	Meerensee	51.2
	Sports complex	0.839
	Veldenvlei	19.2
	Wildenweide	7.3
	Mandlazini	18.2
	Mzingazi	5.5
Empangeni	Central	11.6
	CBD	22
	Empangeni Rail	17
	Fairview	10.1
	Grantham Park	13.8
	Kildare	6.9
	Kuleka	11
	Noordsig	3.8
	Nyala park	13.3
	Richem	6.1
	uMhlathuze Village	10.1

Area	Suburb	Length of Road (km)
	ZSM Industrial	0.82
	Carsdale	0.4
	Hillview	2.7
	Panorama	6.5
	Zidedele Village	1.4
Ngwelezane	Unit A	17.8
	Unit B	15.1
ESikhaleni	Unit H	48.5
	Unit J	33.7
Felixton		9.8
Nseleni		22.2
Vulindlela		7.9
Not available		15.36
TOTAL		571.419

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

Figure 40: Condition of the Structure

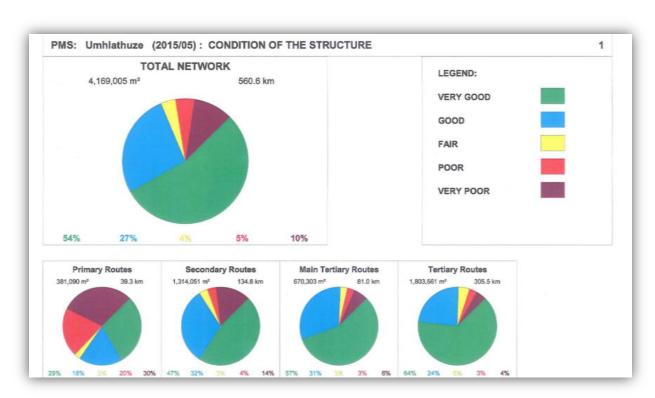


Figure 41: Condition of the Surfacing



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

10.4.2 Transportation Planning and Traffic Signals

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

- Transportation Plannina
- o Contract Maintenance
- o Traffic Signals

Transportation planning includes the following:

- Planning on the upgrading of existing road infrastructure
- o Planning of new roads infrastructure
- Road classification
- Integrated transport mode planning
- o Public transport infrastructure planning
- Heavy vehicles operations planning
- Airport framework plan
- Arterial Framework plan

Transport Planning Assistance includes the following:

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

Traffic Signals relates to the following:

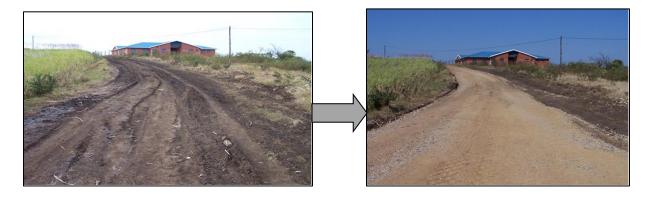
- o Maintenance of traffic signals
- Upgrading of traffic signals
- Improvement of technology

Projects and Activities in this section are summarized hereunder:

- o Rural Roads Development to source funding via a Business Plan for the upgrading and developing of the rural roads.
- o To develop a business plan for the sourcing of funding for the implementation of the Comprehensive Integrated Transport Plan (CITP).
- o 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).

10.4.3 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.



10.4.4 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:

- o 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:

- o 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 create flooding of streets and properties.
- Requirement of "peace officers" to address the issuing of fines to members of the community that engages in illegal dumping.

Projects and Activities of the section include:

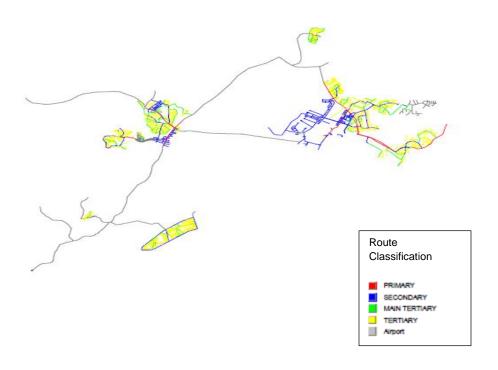
- Repair of Mzingazi River Salt Water Barrier Weir at John Ross Highway Bridge to prevent ingress of salt water through the weir into the fresh water course.
- o Community Awareness Project for a Stream Clean-up crossing Saligna Road between John Ross College and Via Cassiandra Road.
- Replacement of 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.

10.4.5 Sector Involvement

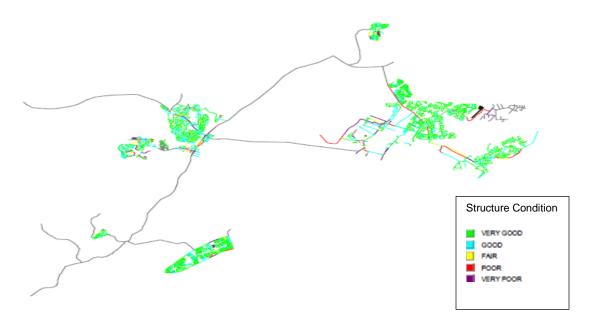
This department works closely with the Department of Transport, the Department of Cooperative Governance which through the Municipal Infrastructure grant has funded a number of capital projects.

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

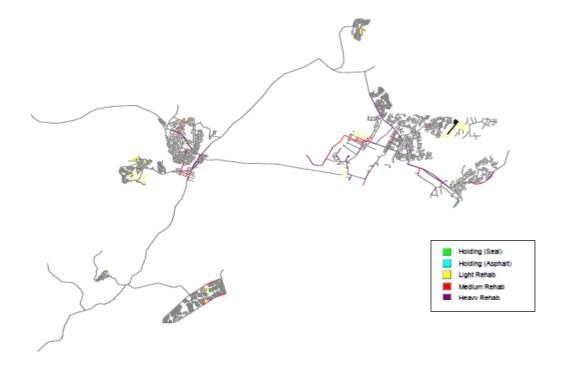
Map 16: Route Classification



Map 17: Structure Condition



Map 18: Rehabilitation Projects



Map 19: Resurfacing projects



Map 20: Transport Infrastructure

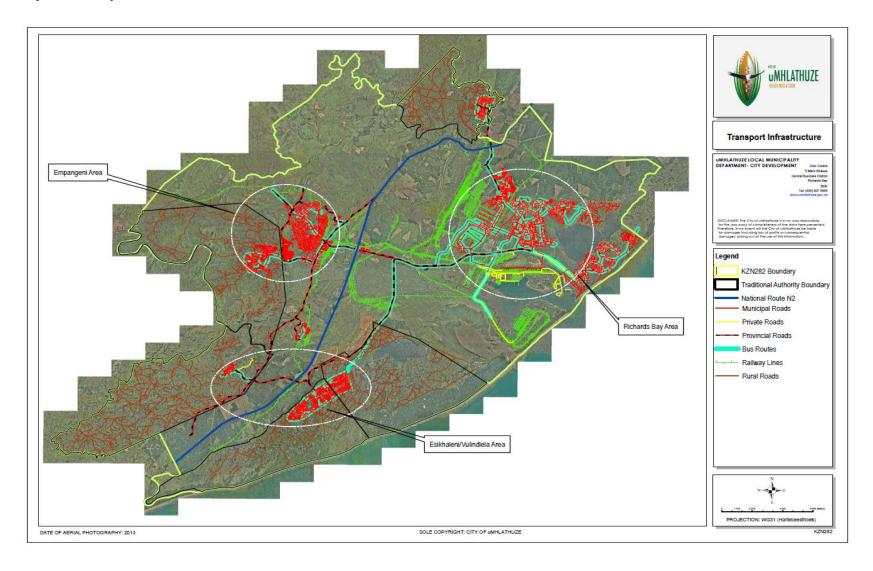
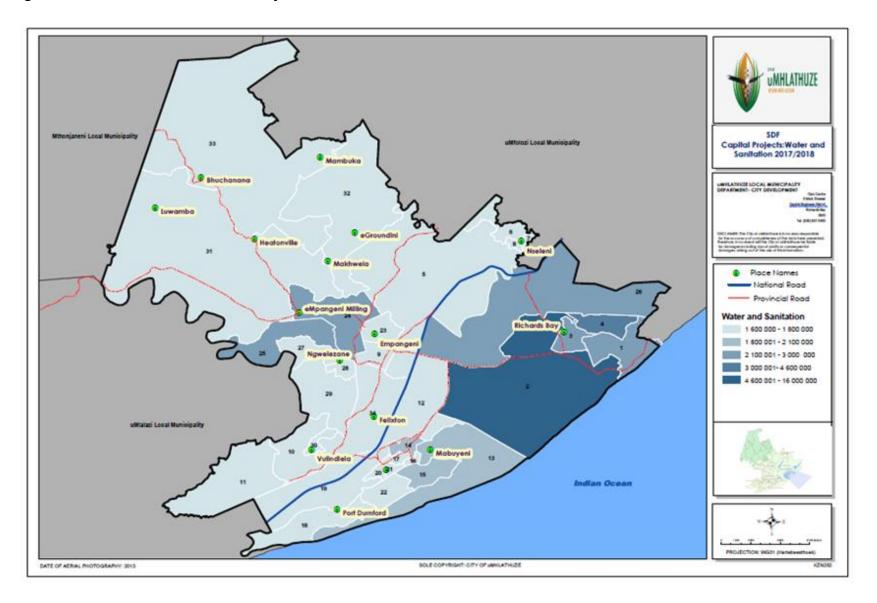


Figure 42: Roads and Storm water Projects



10.5 Energy

10.5.1 Introduction

uMhlathuze Municipality has developed an electricity master plan in 2016, which is currently in implementation. The city of uMhlathuze is a licensed electricity provider, however in rural areas electricity is still supplied by ESKOM. The Municipality COU submitted an application during 2015/16 to NERSA (National Electricity Regulator of South Africa) to cede license for the N2 buffer area (brown field) and the application was successful.

The main objective of Energy Sector Plan is to provide a background and basis for the development of an Energy and Climate Change Strategy for the City of uMhlathuze so as to provide and sustain bulk infrastructure services for anticipated development. This is achieved by delivering the following key outputs:

- A snapshot overview of energy supply and demand patterns within the boundaries of City of uMhlathuze supported by load forecast for capacity planning.
- Identification of Sustainability Priorities through IDP community engagement which then informs the capital budget for future planning. These include issues such as access to energy supplies, energy affordability, Climate Change, atmospheric pollution as a result of fossil fuel combustion, social welfare and employment

10.5.2 Access to Electricity

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

90000
80000
70000
60000
50000
40000
30000
20000
10000

Lipectricited Gas Parakiin availd... collat None

Candles Ind. a vaild... collat None

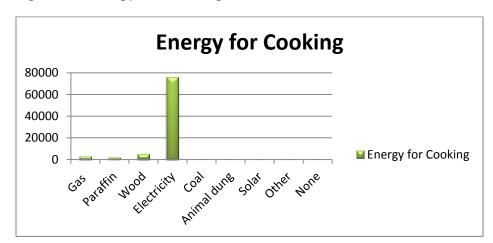
Candles Ind. a vaild... collat None

Figure 43: Energy for Lighting

Source Census 2011

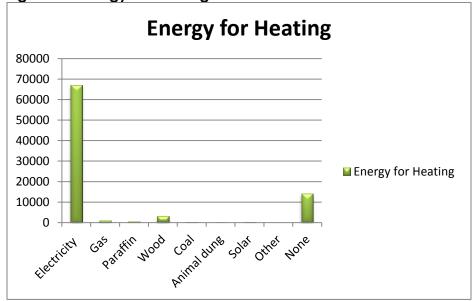
According to Census 2011. 93 % of households the in uMhlathuze Municipality use electricity for lighting. This is а great achievement the for municipality towards to realization the Millennium Development Goals. Only about 5% of households still use candles for lighting.

Figure 44: Energy for Cooking



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

Figure 45: Energy for Heating



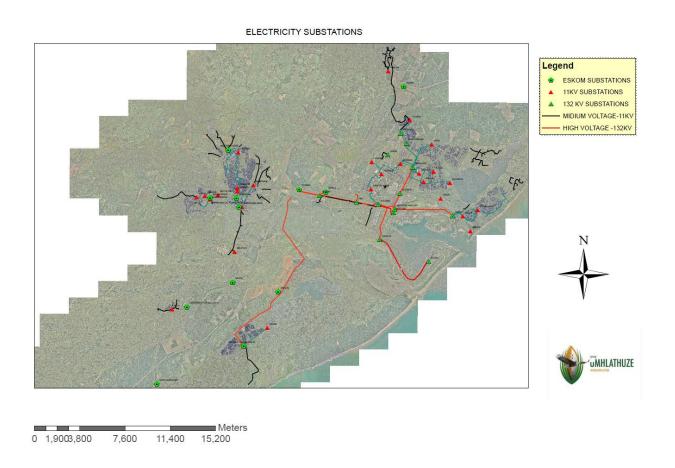
It is encouraging to note that some 78% of households indicated in 2011 that they use electricity for heating purposes. Surprisingly about 16% households indicated "none", which means that they do not have access to any of the heating sources either they opt not to use these sources for heating

10.5.3 Electrification Backlogs

The City of uMhlathuze has no electricity backlogs in its area of supply. The total backlogs of 5654 exist in the areas within the municipality which are directly serviced by Eskom. Municipality is only doing infills for new customers. The main focus of the municipality is on infrastructure provision and maintenance and also provision of public lighting in Traditional Areas.

10.5.4 Summary of Infrastructure

Map 21: Electricity Infrastructure



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

- The City has total of 43 Substations, of which 12 are 132 kV and 31 are 11 kV, 1.
 94.3 km of 132Kv over headlines.
- 109km of 11kV Overhead Line (OHL).
- 503km of 11kV underground cable (UGC).
- 850 Minisubs.
- 53 Ring Main Units.
- 136 Pole-mounted transformers.
- 7257 customer distribution kiosks
- 17423 Streetlight Poles and 87 Traffic Robots

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

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

Table 43: Notified Maximum Demand and Recorded Peak

Point of Delivery (PoD)	Installed Capacity (MVA)	Notified Maximum Demand (MVA)	Recorded Peak (MVA)
Richards Bay	320	230	197
Empangeni Main	20	20	11
Empangeni Western	20	20	21
Felixton	3	0.7	0.5
Vulindlela	3	1	0.86
ESikhaleni	20	16	19
Nseleni	3	2.7	2.65
Ngwelezane	10	7	6.43
TOTALS	399	297.4	258.4

10.5.5 Infrastructure Planning

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

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

Note: 11kV Western Main in Empangeni and ESikhaleni stations are operating above 95% of maximum installed capacity

The completed Electrical Master Plan outlines the network infrastructure reliability and sustainability for future load growth.

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.

10.5.6 Electrical Networks Operations and Maintenance

Operations & Maintenance constantly seek to deliver reliable electricity supply to customers by maintaining the network to avoid outages, and by responding promptly to outages when they occur. Hence, uMhlathuze's network reliability is measured by the frequency and duration of power interruptions in the network. Most of power interruptions that customers experience reflect faults or failures of the medium voltage (MV) network.

NRS 047-1:2005, section 4.5.3 recommends that after unplanned interruptions, power should be restored as follows:

- 30% within 1.5 h;
- 60% within 3.5 h;
- 90% within 7.5h;
- 98% within 24 h; and
- 100% within a week.

The City of UMhlathuze Operations and Maintenance department use the following key performance indicators (KPI) to monitor the network performance.

SAIDI => System Average Interruption Duration Index.

Definition: Average duration (in hours) in total that the customer was without supply.

Formula

$$SAIDI = \frac{Cust.Affected \times Duration}{Cust.Base}$$

SAIFI => System Average Interruption Frequency Index

Definition: Average frequency that the customers supply is interrupted

Formula

$$SAIFI = \frac{Cust.Affected \times Interruptions}{Cust.Base}$$

10.5.7 Technical Operations Centre

City of uMhlathuze operates an extensive telemetry network to monitor their water and sewer distribution infrastructure; electrical substations, and Analytical Instruments.

The system consists of a SCADA based master station, situated in the City of uMhlathuze Technical Operations Centre office, and approximately 180 Telemetry outstations for

monitoring pump stations, 43 electrical substations and reservoirs over the entire City of uMhlathuze.

Technical Operational current situation is as following:

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

10.5.8 Energy Efficient Demand Side Management and Renewable Energy

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

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

The initiative of conducting a feasibility study for exploring the Potential of Renewable Energy in The City of uMhlathuze is in progress, the following technologies would be explored:

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

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

- Green Buildings: solar water heating, energy efficient lighting, energy conservation sensors.
- Department of Energy is planning to roll out the Solar Water heaters program for the City of uMhlathuze
- Adoption of a reviewed Energy Strategy that will be an exclusive sector plan for the IDP

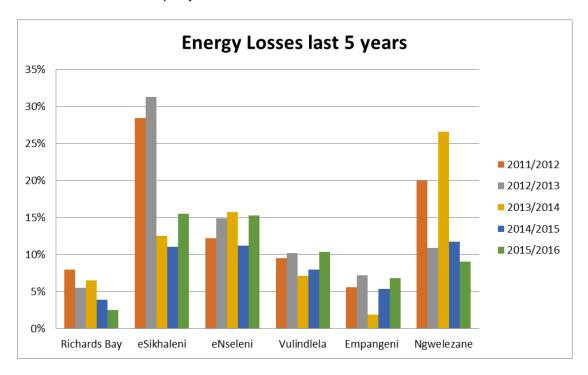
10.5.9 N2 Corridor and Non-Island Areas

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

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

10.5.10 Energy Losses

Although the national average is 12% and the overall average of the City is 7% it is a concern that some areas are exceeding the 12% national average.



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

Prepayment Meter Audits: All Areas	Annual
	Total
Houses Visited (general audits) EES	1017
Number of customers billed for Tampering:	114
Number of customers billed for Unpaid Elect Consumed (faulty meters):	10
Number of customers billed for Unmetered Elect Consumed:	9
Clearance certificate audits requested by CFO	1874

10.5.11 Electricity Maintenance Plan

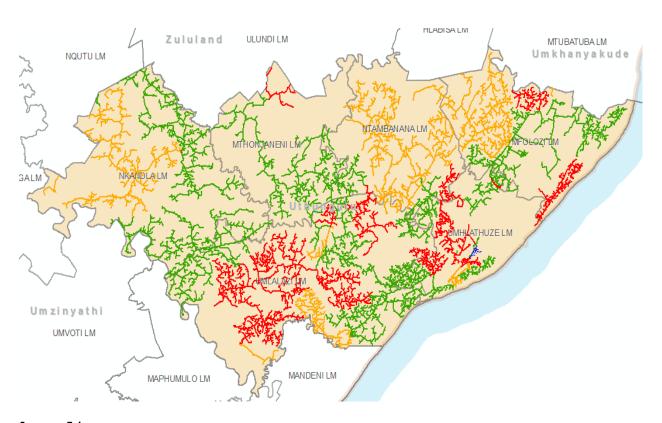
The City of uMhlathuze is a utility for distribution of electricity to an area of **825** km². To effectively and safely distribute electricity to residential, commercial and industrial customers, maintenance is critical, as it will always cost much more to replace equipment that is not properly maintained.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

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

Maintenance strategy

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

Map 22: Capacity Constrains – King Centshwayo District 2015



Source: Eskom

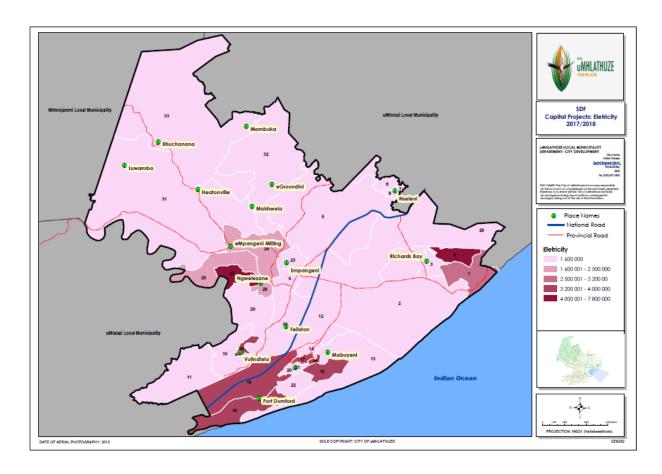
Sector Involvement

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.

10.5.12 Electricity Capital Investment

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

Map 23: Electricity Projects



The map above illustrates some of the major projects the municipality is undertaking in the 2017/2018 financial year.

10.6 Sector Involvement and Projects

Table 44: Capital Projects for Electricity, Water, Sanitation and Roads

Detailed project description (quantity & location - outputs & outcomes)	Ward location	Ward benefitting	adopted 2017/18
Mzingazi ohl upgrade	1	1	1,600,000
Upgrade & signalise of 1 intersection within the city of umhlathuze	1	1	1,000,000
Water projects	2	2	13,300,000
Upgrading of birdswood pump station capacity	2	4	2,000,000
Meerensee - garrick rise sewer line replacement 450mm	2	1,2	1,000,000
Veldenvlei pump station	2	1,2,3,4	1,000,000
Construction of a second meerensee reservoir (20ml)	2	1,2,3,4	100,000
Upgrade of 110mm water pipe in alton (behind zcbf to bus depo)	2	2,3	300,000
132kv oil filled cables in the south dunes between hydra and capella substations	2	Whole of municipality	3,800,000
Refuse trucks	2	Whole of municipality	8,000,000
2 x tlb 4 x 4 (urban water & sanitation) 1 x 4ton tipper truck with crane 1 x 10 ton truck 4x4 jetting machine - 4 x 1500 litre water tanker 4x4 truck 1 x 3ton 4x4 honeysucker 4 x double cab 4x4 with canopies and extra's (northern depot)	2	whole of municipality	2,500,000
Water quality equipment	2	Whole of municipality	3,500,000
Replacemnt of water pipe reticulation in meerensee	2	Whole of municipality	200,000
Replacement of water pipe reticulation in meerensee	2	Whole of municipality	500,000
Designs and construction of the city hall - richards bay	3	whole of municipality	444,000
Madlanzini ohl upgrade	4	4	700,000
Empangeni bulk services (sewer)	4	4	20,000,000
Roads projects - madlanzini road (tarring main road)	4	whole of municipality	20,772,000

Detailed project description (quantity & location - outputs & outcomes)	Ward location	Ward benefitting	adopted 2017/18
Empembeni reservoir	13	13,14,15	1,000,000
Dumisani makhaye village bulk services (water)	23	9,23,24	3,200,000
Hillview sewer pumpline upgrade	24	24,25	1,000,000
11kv lokoza switching switchgear replacement	26	Whole of municipality	7,000,000
Electrification of ngwelezane idt (newtown)	27	27	4,500,000
Ngwelezane waterworks 11kv overhead line replacement	28	Whole of municipality	300,000
Upgrade - vulindlela sewer pipeline	30	30	5,000,000
Reduction of non-revenue (wsig)	1 - 30	1 - 30	14,500,000
Roads resealing	1, 2, 4, 7, 9, 17,23, 28	1, 2, 3, 4, 6, 7, 8,9, 14,15,16, 17,18,19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 31	38,587,500
Planning and architechtural drawings for vacant deveopment of vacant land	1,18,24,25,29	1,18,24,25,29	700,000
Walkways and bridges	1,2,21,23	1,2,21,23	1,500,000
Rural sanitation (counter funding)	1,33	1,33	1,000,000
Electrification of mandlazini area (564 stands)	1,4,6,8,16,17,20,2 4,26,28	1,4,6,8,16,17,20,24, 26,28	2,100,000
Electrification of mzingazi area (209 stands)	1,4,6,8,16,17,20,2 4,26,28	1,4,6,8,16,17,20,24, 26,28	3,400,000
Rural/semi-urban areas	10,11,16,17,19,20,	10,11,16,17,19,20,2	31,132,500
New water meters (rural) - kwa-dube traditional areas	14,15,16	14,15,16	500,000
Esikhaleni intersection	14.16.21	14.16.21	10,000,000
High mast lighting installation (traditional areas)	15-19,30	15-19,30	14,192,000
Nseleni pipe replacement (wsig)	2, 3, 4	2, 3, 4	14,000,000
Air pollution equipment	2,17,26	Whole of municipality	739,900
Upgrade roads - empangeni & aquadene	23 & 26	23 & 26	12,000,000
New madlebe water meters	24,25,26	24,25,26	2,000,000

Detailed project description (quantity & location - outputs & outcomes)	Ward location	Ward benefitting	adopted 2017/18
Replacement of mv cables from substation to ngwelezane hospital	24,25,27,28	24,25,27,28	1,500,000
Ngwelezane main incomers	24,25,27,28	24,25,27,28	700,000
Ubhejane -satellite feeder	24,25,27,28	24,25,27,28	1,100,000
Traffic calming	3,7,16,19,23,26,27 ,28	3,7,16,19,23,26,27,2 8	1,000,000
Bus shelters & laybyes - all areas	4,5,7,8,18,23,27	4,5,7,8,18,23,27	1,500,000
Rural sanitation	5,12,13,14,15,22,1 6,18,19,20,22	5,12,13,14,15,22,16, 18,19,20,22	31,132,400
Pedestrian bridges rural areas	5,9,12,14,15,16,21 ,24	5,9,12,14,15,16,21,2	1,500,000
Dumisani makhaye village bulk services (sanitation)	9,24,23	9,24,23	5,005,900
Energy losses project	Whole of municipality	Whole of municipality	2,000,000
Electrical tools for operations and maintenance	Whole of municipality	Whole of municipality	500,000
Energy saving initiative	Whole of municipality	Whole of municipality	8,900,000
Lv electrical network refubishment	Whole of municipality	Whole of municipality	1,000,000
132kv structures /pylons refurbishment	Whole of municipality	Whole of municipality	2,000,000
Mv electrical network refubishment	Whole of municipality	Whole of municipality	750,000
Dc system replacement	Whole of municipality	Whole of municipality	3,000,000
132kv overhead line refurbishment	Whole of municipality	Whole of municipality	2,000,000
11kv formalhault switching switchgear replacement	Whole of municipality	Whole of municipality	8,000,000
Rtu's replacement	Whole of municipality	Whole of municipality	4,000,000
132 kv station refurbishment	Whole of municipality	Whole of municipality	2,500,000
Quality of supply	Whole of municipality	Whole of municipality	2,000,000
Replacement of 100 rotten poles	Whole of municipality	Whole of municipality	1,600,000
Replacement of 100 rusted poles	Whole of municipality	Whole of municipality	1,500,000
Annual kerb replacement contract	Whole of municipality	Whole of municipality	1,000,000

Detailed project description (quantity & location - outputs & outcomes)	Ward location	Ward benefitting	adopted 2017/18
Annual walkway rehabilation	Whole of	Whole of	1,000,000
,	municipality	municipality	1,000,000
Rural sanitation (wsig)	Whole of municipality	Whole of municipality	5,500,000
Standby pumps	Whole of municipality	whole of municipality	600,000
Upgrading of ms 2 pump station capacity	Whole of municipality	whole of municipality	5,000,000
Upgrade of ms9 pump station capacity	Whole of municipality	whole of municipality	2,000,000
Replacement of pumps	Whole of municipality	whole of municipality	2,000,000
Mzingazi sewer	Whole of municipality	Whole of municipality	4,000,000
9 water pumps 4inch	Whole of municipality	Whole of municipality	300,000
Upgrade of 110mm water pipe in alton (behind zcbf to bus depo)	Whole of municipality	Whole of municipality	500,000
200 jojo tanks	whole of municipality	whole of municipality	600,000
Water loss and drought relief project	whole of municipality	whole of municipality	1,000,000
Bulk master plan	Whole of municipality	Whole of municipality	1,200,000

10.7 Access to Community Facilities

Cemeteries

There are two fully operational cemeteries within the City of uMhlathuze, located in Richards Bay and eSikhaleni. There are also non-operational cemeteries at Empangeni, Nseleni and Vulindlela. There is also a District Cemetery located within the municipal boundaries. The average number of burials conducted per month ranged between 54 to 60 internments. The municipality in its long term strategy will investigate the establishment of a crematorium

Access to Community Facilities

The table below sets out the number of facilities per municipal ward

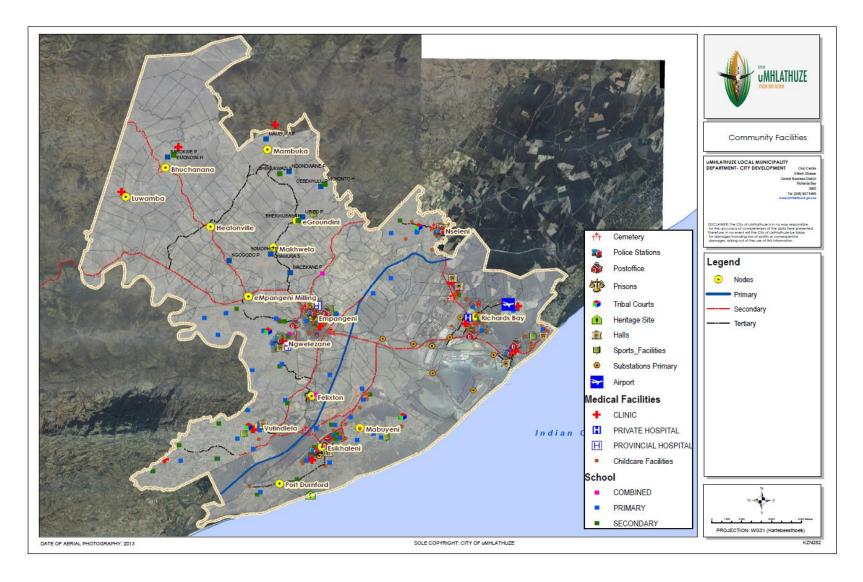
uMhlathuze Local Municipality: Final IDP 2017/2018

Table 45: Distribution of Community Facilities

Distribution of Community Facilities																																		
Community Facilities	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	31	32	33	34
Libraries		1	1	1		1	1										1									2		1			1			1
Community Hall	2										2	2	2				1		1				1	1		2		1		1	1	4	3	П
Thusong Centre										1								1																
Sport Fields		5	1	1	3	4	1	2	1		4	2	2	1	1		3	3	3	1			2	3	7		3	4	2	2	1	5	3	1
Cemeteries																							1			1								1
Museum																							1											
Swimming pools and	2	3																		1	1			2				1	1					

The map below indicate the number of facilities within the municipality

Map 24: Community Facilities



10.8 Human Settlements/Housing Chapter

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

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

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

The uMhlathuze Municipality developed a comprehensive Housing Chapter/Sector Plan that will be adopted by Council in May 2016. The Housing Chapter is a summarised version of the comprehensive Housing Chapter/Sector Plan and focuses on certain key areas for the purpose of the IDP (i.e. analysis of housing demand, strategy for the supply of housing demand, set of designed and prioritised housing projects integration of housing strategies and projects with other sectors). For more detailed information reference should be made to the draft Municipal Housing Sector Plan. The Final 2017/2018 Municipal Human Settlements Plan will be adopted by Council in May 2017 together with the Final IDP 2017/2018.

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.

10.8.1 National Priorities

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

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

MTSF in numbers

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

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

10.8.2 Housing Demand

Currently the municipality does not have credible data on the housing demand/needs of the citizens of the uMhlathuze municipality. The municipality relies mainly on the census statistics, and there are limitations to this method, data can be outdated.

The municipality is in the process of rolling out the National Housing Needs Register to ccreate a single integrated database of potential human settlements beneficiaries which will assist in obtaining a better understanding of the housing needs and backlog within the Municipality. It will serve as a reliable planning and budgeting tool to enable the delivery of housing based on identified need. The database will also become a tool to support a fair, equitable, transparent, and inclusive selection and approval process for all housing development projects undertaken through the Integrated Residential Development Programme (IRDP).

An action plan has been developed and it awaiting council approval. It is anticipated that the registration process will beginning in May up-to end of December 2017. The process will not end in December but people will still be able to come and register their needs and updated their information at the municipality offices.

Action Plan for NHNR

	Task Allocated		Responsible Person
	Step 1: Staff Training by National HS	Complete	KZN Provincial Dept. of HS
	Step 2: Councillor Workshop	Complete but ongoing	KZN Provincial Dept. of HS
	Step 3: Ward Committee Members Training	February 2017	KZN Provincial Dept. of HS & HS
1: Initiation	Step 4: Report to Council on Implementation	February 2017	Human Settlements Section
	Step 5: Formation of NHNR Committee in terms of implementation (Public Participation, Communication, Disaster, OHS, KZN Department of HS, uMhlathuze HS)	March 2017	Human Settlements Section
	Step 6: NHNR Launch	April 2017	Office of the Mayor & Steering Committee
	Step 7: Continuous public engagements at Ward Councillors' Meetings and Housing Consumer Education Platforms	April 2017	HS & Public Participation Sections, Councillors
	Step 1: Confirmation of funding availability	January 2017	Finance & HS Sections
	Step 2: Appointment of data capturers	March 2017	HS Section

	Task Allocated		Responsible Person
2: Preparation	Step 3: Training of data capturers (NHNR and OHS induction)	March/April 2017	HS Section & OHS Sections
	Step: 4 Acquisition of work equipment (stationary, PPE, questionnaires, set up office space)	April 2017	HS Section
	Step 1: Registration of respondents	May 2017	Data captures
	Step 2: Capturing on NHNR system	May 2017- ongoing	Municipal HS Officials
3: Implementation	Step 3: Filing of completed questionnaires	May 2017- ongoing	Municipal HS Officials
	Step 4: Hold monthly meetings to monitor progress	February 2017- ongoing	Steering committee
	Step 4: Quarterly Reporting	Ongoing	Municipal HS Section

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

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

• Slums clearance and Informal Settlements

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

Total estimated Social Housing/Community Residential Unit backlog is 5000, which led to an urgent need to prioritise the ESikhaleni Hostels upgrade due to the need identified and the establishment of rental housing units in Richards Bay and Empangeni has been prioritised by the Municipality. It is evident that the majoring of people living in the peri-

urban areas are workers who cannot afford formal private rent and students who with limited choice in respect of available student accommodation.

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

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

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

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

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

The Municipal housing backlog can be estimated as follows:

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

10.8.3 Strategy for the Supply of Housing Demand

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

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

Benefits of the NHNR include the follow:

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

10.8.4 Housing Affordability

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

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

The IDP Review outlines that low income earners that earn less than R1600 per month are concentrated in Wards 5, 6, 13, 15, 18, 25, 29 and between R1601 – R12800 per month in Wards 2, 9, 23, 24 and 26. In addition, middle to high income earners that earn between R12801 – R102400 are concentrated in Wards 1-4, 9, 22, 26. The income level analysis per ward guides the municipality in determining the distribution of human settlements instruments/programmes within a human settlements project. For example, where there is a high concentrated of low income earners within a specific ward or surrounding wards than the ratio of low cost/RDP houses or Community Residential Programme units can be higher.

10.8.5 Urbanization and Population Growth

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

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

Source: Stats SA, 1996, 2001, 2011

10.8.6 Human Settlement Programmes

Slums Clearance and Informal Settlements

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

10.8.7 National Upgrading Support Programme

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

- Mandlanzini Infill Areas (Open Spaces) and Mandlanzini –Airport Buffer Strip
 Area
- II. Mzingazi Village Infill Areas
- III. Nseleni/Bhejane Peri-Urban Settlements
- IV. Mzingwenya Settlement
- V. 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 Municipalities 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

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is challenging to the Municipality to control the allocation of land in unsuitable land. It is estimated that there are at least 700 households living in this area.

Mzingazi Informal Settlement

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

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

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 outskirt 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 be benefit from low income housing program.

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

10.8.8 ESikhaleni Hostel

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

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

Table 46: Hostel Refurbishment Progress

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

10.8.9 Identification of Land for Housing

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

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

- 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 47: 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	ENseleni Interchange	Private	Mixed Residential	No
Expansion Area H	Empangeni (Waterstone)	Private	Mixed Residential	Yes

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

Table 48: State Owned Land Suitable for Housing Development

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

10.8.10 Human Settlements Projects in uMhlathuze

Table 49: Municipal Human Settlements Current Projects

PRIORITY	PROJECT PROJECT TYPE		PROJECT	WARD	NO. OF SITES	DF SITES NO. OF HOUSES CONSTRUCTED		
	NAME		INSTRUMENT					
1	Dumisani	Urban Greenfield (Low	PLS	9	1191	1180	R46,36,416.50	
	Makhaye	Income housing)				Phase 1-3 completed and the		
	Village					balance of 11 houses moved to		
	Phase 1-3					phase 7. Eight houses have		
						been constructed out of the 11 that were moved to phase 7.		
						inal wele moved to phase 7.		
2	Dumisani	Urban Greenfield (Low	PLS	9 & 23	313	312	R18,596,588.26	
	Makhaye	Income housing)				The IA is looking at closing the		
	Phase 5					project at 312 and moving that		
						one house to phase 7		
3	Dumisani	Urban Greenfield (FLISP	PLS	9	1000	Planning Stage		
	Makhaye	and Social/CRU)						
	Phase 6							
4	Dumisani	Urban Greenfield (Low	PLS	23	585	501	R50,149,955.70	
	Phase 7	Income housing)			Due to the wetlands	(21/02/2014)		
					only 548 sites can be			
					constructed			
5	Dumisani	Urban Greenfield (Low	PLS	24	130	Planning Stage		
	Makhaye	Income housing)						
	Phase 8							
6	ESikhaleni	CRU	CRU/Brown field	20 & 21	360 (85% completed)	N/A	12,000,000.00	
	Hostel							
	Upgrade(C						20,000,000	
	RU's)							

PRIORITY	PROJECT	PROJECT TYPE	PROJECT	WARD	NO. OF SITES	NO. OF HOUSES CONSTRUCTED	PROJECT VALUE
	NAME		INSTRUMENT				
7	IDT Area	In-situ upgrade/Slums	EPHP	27	+-250	68	R1,789,309.04
	(People's	Clearance				But 138 sites were approved by	
	Housing					the Department of Human	
	Process) -					Settlements	
	Ngwelezan						
	е						
6	KwaDube	Rural Low income	Rural		1500	13 Houses outstanding houses	R3,663,525.00
	Rural	housing		12,13,14			(Stage 1)
	Housing			,15 &16			
							R110,723,490.00
							(Stage 2)
7	KI (DI :)	1000		D0 000 000 00
7	Khoza/Bhej	Rural Low income	Rural	Wards	1200	completed	R2,930,820.00
	ane Rural	housing		5,6,7 &			(Stage 1)
	Housing			8			
				040507	1000	10 11 1	DE0 505 050 00
8	Mkhwanazi	Rural Low income	Rural	24,25,27	1000	48 outstanding houses	R58, 535, 950.00
	Rural	housing		,28 & 29			(Stage 1)
	Housing						DE0 2/1 700 00
							R59, 361, 700.00
	A 4 II - I	Donal Law in	Demoil	10 11 17	1000		(Stage 2)
9	Madlebe	Rural Low income	Rural	10,11,17	1000	completed	R2, 442, 350.00
	Rural	housing		,18,19,2			(Stage 2)
	Housing			2 & 30			B70 50 / 000 00
							R73,506,880.00
							(Stage 2)

Summary of Planned Human Settlements Projects

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	OR PLANNED	COMPLETION DATE
			INSTRUMENT					IMPLEMENTATION DATE	DAIE
1	Aquadene	CRU/Social &	IRDP	26	615:low income	Installation of Bulk		TBD	TBD
	Housing	low income			(Council owned	Services Infrastructure			
					land)	(Water and Sewer)			
					1579: CRU/Social				
					Housing				
2	Dumisani	CRU/Social	IRDP	9 & 24	FLISP: 80	Installation of Bulk	R7 000 000 (Bulk)	TBD	TBD
	Makhaye				Social/CRU:1000	Services Infrastructure			
	Village Phase				PLS: 130	(water and sanitation)			
	6 and 8								
					Total: 1400				
3	SDF	CRU/Social	IRDP	17, 19 &	1300: Low	Pre-planning	Cost for partially	TBD	TBD
	Expansion	and low		20	income housing		cultivated, uneven land =		
	Area A	income			sites		R60 000/ha		
		housing			(Mzingwenya		-Cost for level, well		
					River Settlement)		planted areas = R100		
							000/ha		
					3636: CRU/Rental		000/110		
					Housing		-Estimated 50 ha @ R60		
							000 = R3 million		
							-Estimated 50 ha @ R100		
							000 = R5 million		
4	Empangeni	CRU/Social/	IRDP	5, small	10 000	Planning Stage	R55 000 000 (Internal Bulk)	TBD	TBD
	Mega	low income		portion		(Bulk Installation – Water	R40 000 000 (Bulk Sewer		
	Housing	housing and		of 23		and Sewer)	and Water)		
		FLISP		and 24					

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	OR PLANNED	COMPLETION DATE
								IMPLEMENTATION DATE	
4	Mandlazini	Urban In situ	Informal	4	Approximately	Planning stage	R1,800,000.00 for Planning	Planning process	TBD
	Village In-	Upgrade and	Settlement		750 sites. Informal		Stage (PDA process)	underway	
	Situ	partial	Upgrade		Settlements				
		relocation			Upgrade Plan				
	Upgrade	(Urban			has been				
		Greenfield)			completed.				
5	Mzingazi	Urban In situ	Informal	1	Approximately	Planning stage	R1,800,000.00 for Planning	Planning process	TBD
	Village In-	Upgrade and	Settlement		300 sites. Informal		Stage (PDA process)	underway	
	Situ	partial	Upgrade		Settlements				
		relocation			Upgrade Plan				
	Upgrade	(Urban			has been				
		Greenfield)			completed.				
	Vulindlela/Univ	In situ Upgrade	Rural/	30	To be	Planning stage	Household count to be	TBD	TBD
	ersity of Zulu-	(Urban	Informal		determined		conducted in order to		
	Land Informal	Edge/Peri-	Settlement		during project		determine the number of		
	Settlement	Urban) and	Upgrade		planning stage.		households to be		
		partial (Urban			Informal		relocated		
		Greenfield)			Settlements				
					Upgrade Plan				
					has been				
					completed.				
	Nseleni	In situ Upgrade	Informal	5,6,7 &	To be	Planning Stage	Household count to be	Planning/alternative	TBD
	Informal	(Urban	Settlement	8	determined		conducted in order to	process underway	
	Settlement	Edge/Peri-	Upgrade &		during project		determine the number of		
		Urban) and	Relocation		planning stage.		households to be		
		partial			Informal		relocated		
		relocation			Settlements				
		(Urban			Upgrade Plan				

PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT INSTRUMENT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	IMPLEMENTATION DATE OR PLANNED IMPLEMENTATION DATE	COMPLETION DATE
		Greenfield)			has been completed.				
	Ngwelezane Hospital: Erf 1241	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade & Relocation		To be determined during project planning stage. Informal Settlements Upgrade Plan has been completed.	Pre-planning	Household count to be conducted in order to determine the number of households to be relocated	TBD	TBD
	Mkhwanazi Rural Housing 2	Rural In-Situ upgrade	Rural	10, 11, 13, 15, 17, 18, 19, 20 & 22	1000	Pre-Planning	To be determined	TBD	TBD
	Madlebe Rural Housing 2	Rural In-Situ upgrade	Rural	24, 25, 27, 28 & 29	1000	Pre-Planning	To be determined	TBD	TBD
	Dube Rural Housing 2	Rural In-Situ upgrade	Rural	12, 13, 14, 15, 16 & 17	1000	Pre-Planning	To be determined	TBD	TBD
	Bhejane Rural Housing 2	Rural In-Situ upgrade	Rural	5, 6,7 & 8	1000	Pre-Planning	To be determined	TBD	TBD
	Mkhwanazi/D ube Traditional Authority Slums	Urban In situ Upgrade and partial relocation (Urban	Informal Settlement Upgrade	14, 17, 19 & 20	1000	Pre-Planning	Household count to be conducted in order to determine the number of	TBD	TBD

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PRIORITY	PROJECT NAME	PROJECT TYPE	PROJECT	WARD	NO. OF SITES	PROJECT STATUS	PROJECT VALUE	IMPLEMENTATION DATE	COMPLETION
			INSTRUMENT					OR PLANNED	DATE
								IMPLEMENTATION DATE	
	Clearance	Greenfield)					households to be		
							upgraded or relocated.		
							Informal Settlements		
							Upgrade Plan has been		
							completed.		
	Bhuchanana Rural Housing Project	Rural In-Situ upgrade	Rural	33	1500	Planning Stage	To be determined	To be determined	To be determined
	Luwamba Rural Housing Project	Rural In-Situ upgrade	Rural	31	1000	Planning State	To be determined	To be determined	To be determined

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

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

10.8.11 Projects Envisaged for Next 7 Years

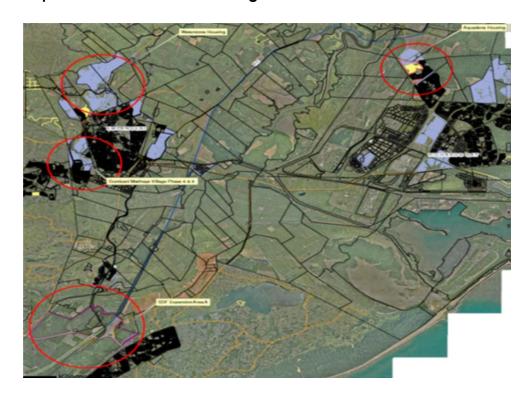
The following priority list (not in any order) is an extract from the Draft Municipal Human Settlements Plan:

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

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

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

Map 25: uMhlathuze Restructuring Zones



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

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

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

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

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

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

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

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

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

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

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

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

10.8.12 Municipal Accreditation

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

Level 1

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

Level 2

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

- Adoption of an updated Municipal Housing Sector Plan aligned to provincial and municipal strategic plans & frameworks
- Adopting infrastructure investment plans underpinning the MHSP

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- 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)

The following tables illustrate 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):

10.8.13 Structures in place for coordination

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

Key Performance Indicators

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

Medium Term Expenditure Framework: Human Settlements Development Grant Allocation

YEAR	PROJECT	PROPERTY	PLANNING	CAPACITY	TOTAL
	MANAGEMENT	MANAGEMENT		BUILDING	
2012/2013	R66 605 000.00	R2 110 000.00	R1 334	R2 802 000.00	R72 851
			000.00		00.00
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	R3 442 000.00	R89 493
			000.00		000.00

10.8.14 Institutional Arrangements

The Housing Section is staffed by a Manager: Human Settlements, 1 Chief Housing Officer, 1 Senior Housing Clerk, 1 Chief Housing Clerk and 3 Housing Clerks. The Housing Section reports to the Senior Manager: City Development. The Municipality, Human

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

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

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

Middle Income housing

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

10.8.15 Mixed Housing Development (Low-High Income Housing)

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

Mixed Housing Development (Low-High Income Housing)

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

Mixed Housing Development

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

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.

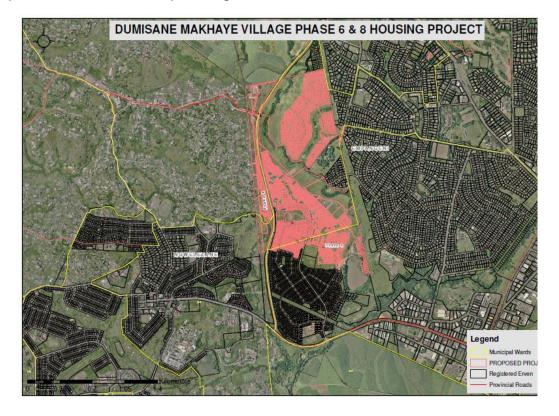
Municipality is optimistic that with experience gained and with co-operation and commitment of all stakeholders and by ensuring that we are adequately resourced the pace of housing delivery will be enhanced in the near future.

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.

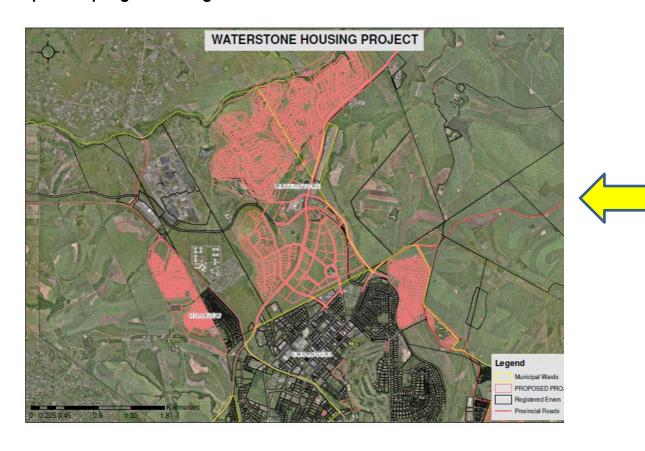
PROPOSED SUBDIVISION OF
PORTION A OF 1 OF ERF 11488 INTO 655 PORTIONS AND REMAINDER &
PORTION B OF 1 OF ERF 11488 INTO 2 PORTIONS AND REMAINDER
RICHARDS BAY - DIVISION GV
PROVINCE HONAZULU-MATAL

Map 26: Aquadene Amended Superblock

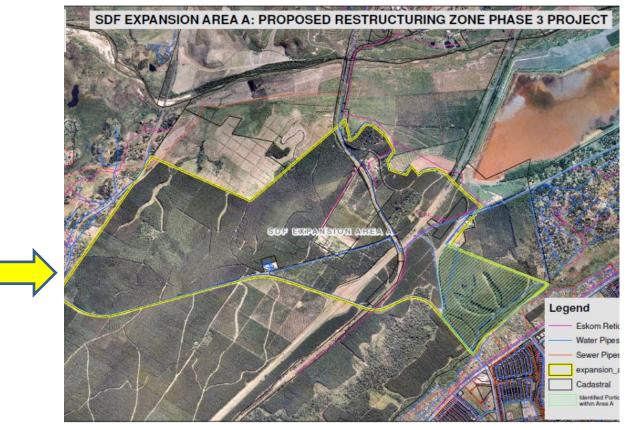
Map 27: Dumisani Makhaye Village Phase 6 & 8



Map 28: Empangeni Housing



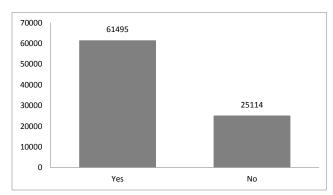
Map 29: SDF Expansion Area A



10.9 Telecommunications

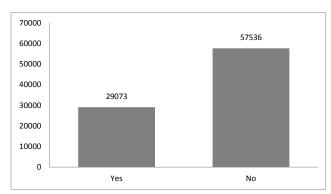
The 2011 census results indicate the following in respect of telecommunications.

Figure 46: Household Access to Radio



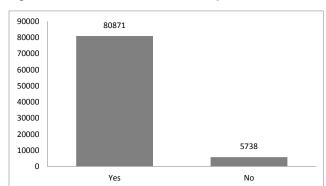
Source: 2011 Census

Figure 48: Household Access to Satellite Television



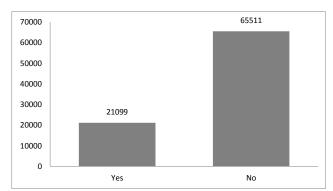
Source: 2011 Census

Figure 50: Household Access to Cellphone



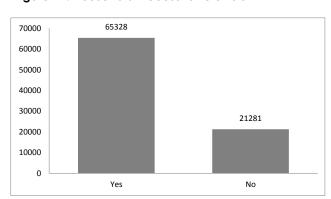
Source: 2011 Census

Figure 47: Household Access to Computer



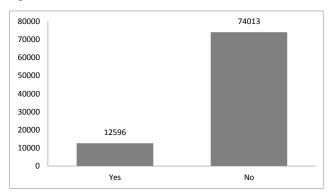
Source: 2011 Census

Figure 49: Household Access to Television



Source: 2011 Census

Figure 51: 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.

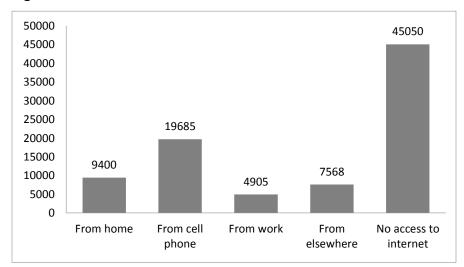
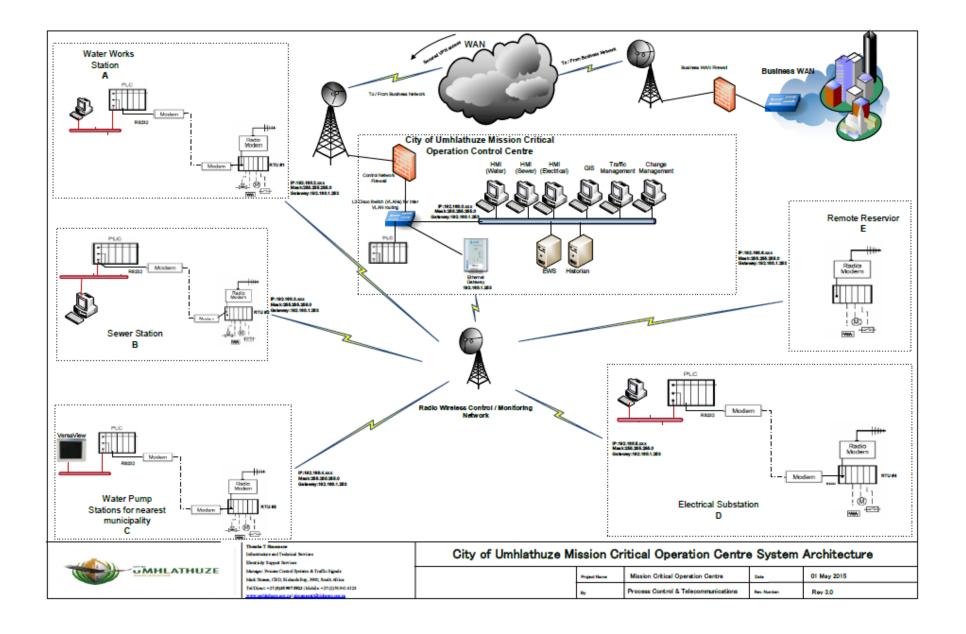


Figure 52: Household Access to Internet

Source: 2011 Census

10.9.1 Broadband

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



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10.10 Service Delivery and Infrastructure: SWOT analysis

STRENG	GTHS	WEAKI	NESSES
0	Very high level of access to water in the	0	No electricity supply to the ESikhaleni
	uMhlathuze municipal area.		WTW during Eskom outages and
0	Well-functioning Scientific Services section		evening restrictions.
	to ensure that the quality of the city's water	0	The Municipality is running a recycling
	resources, portable water and wastewater		project with the goal of increasing
	systems are continually monitored in an		recyclable materials recovered from
	endeavour to maintain quality and		the suburbs. At present, only Meerensee
	evaluate against set		suburb is involved in the project.
	standards/specifications/guidelines.		
0	Well-structured organogram to attend to	0	Indiscriminate dumping by residents of
	range of responsibilities and needs in		garden waste and builder's rubble.
	respect of infrastructure and service		
	provision.	0	Illegal dumping of waste within streets
0	The most important aspect of the backlogs		and stormwater servitudes by the
	is that figures re reducing – from 42 000 in		community causes overflows through
	2004 to 30 000 currently.		blockages that create flooding of
0	Level 2 Accreditation has been granted to		streets and properties.
	the uMhlathuze Municipality in respect of		
	Human Settlements.		
0	Continual improvement of the Blue Drop		
	score for the Municipality		
0	Continual improvement of the Green Drop		
	score for the Municipality		

OPPORTUNITIES

- Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories.
- o 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.
- o The acquisitions 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.
- o 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.
- o 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.
- o Access to additional forms of housing support from government in respect of income groups earning above R3 500 per month.

TREATS

- 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.
- o 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
- o Influx and settlement along urban boundaries.
- Access to appropriate land for human settlement purposes.

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11. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

11.1 Introduction

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

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

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

UMhlathuze Municipality developed adopted an LED Plan which is regarded as the Roadmap for economic growth and transformation in uMhlathuze. Council adopted the plan in 2016 with clear timelines of projects and programs to be implemented within a period of five years.

11.2 Local Economic Development Analysis

LED is intended to maximize the economic potential of municipal jurisdictions throughout the country and, within the context of sustainable development, to spur macro-economic growth through economic growth, employment creation, and development initiatives at the local level. The "local" in local economic development underscores the belief that a local jurisdiction is often the most appropriate arena for economic intervention as local

government enjoys legitimacy deriving from its being a democratically elected body accountable to the local community.

11.2.1 uMhlathuze's Economic Profile

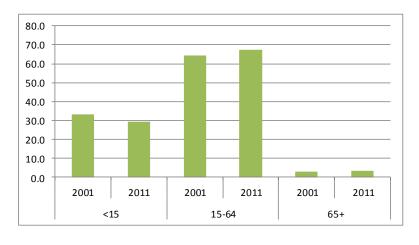
Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years. The following tables provide a comparison between the 2001 and 2011 census years in respect of the 0-14, 15-64 and 65+ population age cohorts for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

Table 50: Economic Population

	Popu	lation	Age Structure						
			\	15	15	-64	65+		
	2001	2011	2001	2011	2001	2011	2001	2011	
DC28: Uthungulu	885965	907519	38.3	34.8	57.3	60.7	4.4	4.5	
KZN282: uMhlathuz	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: Ntambana	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: Mthonjane	50382	47818	39.1	38.3	56.1	56.9	4.8	4.7	

Source: 2011 Census

Figure 53: Economic Population



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

Source: 2011 Census

11.2.2 Economic Realities

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 GDP (it is the third largest economy in KwaZulu-Natal). It's most important industries are BHP Billiton Aluminum, Mondi, SAPPI, RBCT, Tata Steel and Bell Equipment.

The following bar chart indicates the GDP contribution by uMhlathuze Municipality comparing to other local municipalities within King Cetshwayo District. It is evident that uMhlathuze remain the strong contributor to the district GDP, with 48% contribution.

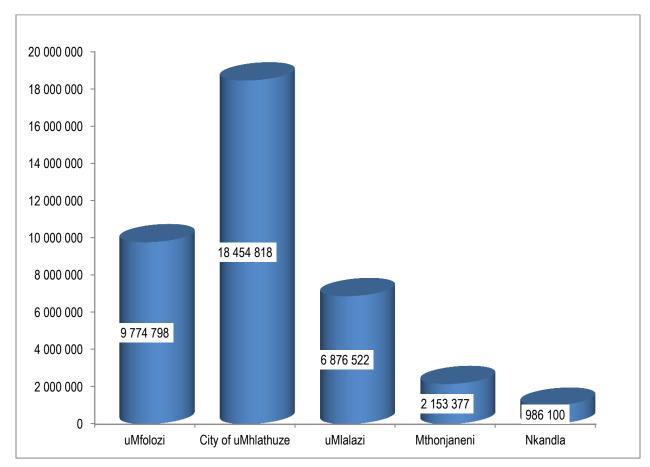


Figure 54: GDP Contributions

Source: Global Insight 2015

Mthonjaneni
6%

UMfolozi
25%

City of uMhlathuze
48%

Figure 55: % GDP Contribution

Source: Global Insights 2015

Human Development Index and Gini Coefficient

Measuring the life expectancy, literacy rates and income levels as proxy of quality of living, the Human Development Index (HDI) of uMhlathuze Municipality has remained the same since 2009 to 2015, at 0.63.

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 the HDI for uMhlathuze Local Municipality over a given period of time.

Table 51: Human Development Index (HDI)

	HDI	Gini coefficient
2009	0.56	0.63
2010	0.57	0.63

2011	0.59	0.63
2012	0.60	0.63
2013	0.63	0.63
2014	0.64	0.63
2015	0.64	0.63

Source: Global Insight 2015

It is noted from the figures above that the HDI for uMhlathuze Municipality has increased from 0.56 in 2009 to 0.64 in 2015. This is a good indicator, when translated it means the standard of living for the citizens of uMhlathuze has improved over the period.

■ HDI ■ Gini coefficient 1.40 1.20 1.00 0.63 0.63 0.63 0.63 0.63 0.63 0.63 0.80 0.60 0.40 0.64 0.64 0.63 0.59 0.60 0.57 0.56 0.20 0.00 2009 2010 2011 2012 2013 2014 2015

Figure 56: Human Development Index and Gini Coefficient

Source: Global insight 2015 (Provincial Treasury)

Income inequality is indicated by the Gini-coefficient. Income inequality in the King Centshwayo District and Province has become less equal over time – from 0.67 in 2008 and decreased to 0.63 in 2009 up to 2015 in uMhlathuze Municipality.

11.2.3 Employment and Income Levels

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 figure above indicates percentage of unemployment in King Centshwayo District. The City of uMhlathuze

is seating at 24.6% with regards to unemployment as per the recent Global insight statistics. The picture is better if compared with other municipalities within the region; however it is still relatively higher when compared with 21.9% of the province.

Job creation is not the core competency of the municipality however City of uMhlathuze is committed to radical economic transformation which entails making the environment conducive for investors.

35.0% 30.0% 25.0% 20.0% 32.1% 31.3% 15.0% 28.0% 26.7% 26.5% 24.6% 21.9% 10.0% 5.0% 0.0% Micrigreni

Figure 57: Regional Unemployment

Source: Global insight 2015

■ Male ■ Female 70.0% 60.0% 50.0% 30.1% 35.2% 28.2% 27.3% 40.0% 28.5% 27.2% 23.4% 30.0% 20.0% 34.7% 28.3% 27.8% 26.3% 24.9% 22.6% 20.7% 10.0% 0.0% Mal.. Man.i. Kild.. Mito... Cita...

Figure 58: Unemployment by Gender

Source: Global Insight 2015

The figure above indicates that the majority of employed within the district are males. This leaves a challenge for uMhlathuze Municipality that through its projects and programs women must be develop and empowered to stand a better equal that that of males when it comes to job opportunities.

Table 52: Formal and Informal Sector Employment

	Formal employment	Informal employment	Total employment	% share of King Cetshwayo's formal employment	% share of King Cetshwayo's informal employment
King Cetshwayo (uThungulu)	155,150	37,965	193,114	100	100
uMfolozi	31,984	8,579	40,563	20.6	22.6
City of uMhlathuze	76,488	17,158	93,646	49.3	45.2
uMlalazi	27,721	7,631	35,352	17.9	20.1
Mthonjaneni	11,213	2,729	13,941	7.2	7.2
Nkandla	7,744	1,868	9,612	5.0	4.9

Source: Global Insight 2015

uMhlathuze is contributing 49.3% towards formal employment within the King Centshwayo District and about 45.2% of informal employment. Because of the economic position uMhlathuze is contributing more to the regional employment.

11.2.4 Performance of Broad Economic Sectors

	2005	2010	2015
Primary sector	14.4	13.3	15.4
Agriculture	3.3	3.7	3.9
Mining	11.1	9.7	11.5
Secondary sector	38.3	37.4	36.2
Manufacturing	32.5	31.3	30.5
Electricity	2.1	1.8	1.6
Construction	3.8	4.2	4
Tertiary sector	47.3	49.2	48.4
Trade	9.4	9.7	9.7
Transport	11.7	12.6	12.9
Finance	10.5	11.3	14.8
Community services	15.6	15.6	28.2

Source: Global Insight 2015

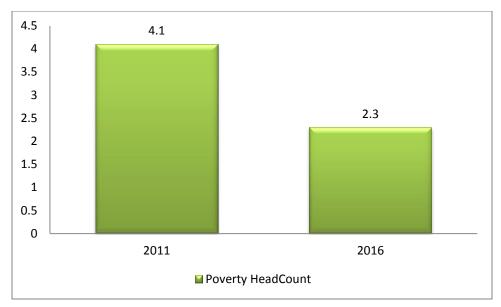
To be noted in 2010 there was a decline in the mining sector; however we are noting an increase within the year 2015. Manufacturing is not doing well; this is confirmed by the declining trend seen over the years from 32.5 in 2005 and 30.5 in 2015. There is almost a double increase within the community services sector from 15.6% in 2005 to 28.2% in 2015.

11.2.5 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.

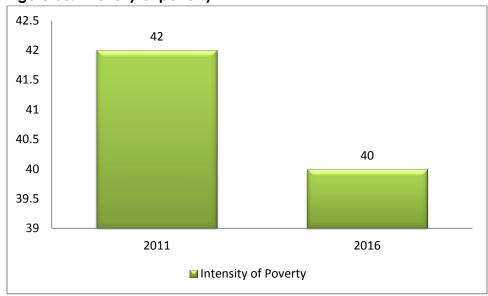
The number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the official Census 2011 dependency ratios for South Africa, KwaZulu-Natal, King Cetshwayo District as well as the Local Municipalities in the King Cetshwayo District.

Figure 59: Poverty Head Count



Source Global Insight 2015

Figure 60: Intensity of poverty



Source: Global insight 2015

There is a noticeable decrease in poverty headcount, whereas the extent of intensity of poverty remains relatively high comparatively

uMhlathuze Local Municipality: IDP 2017/2022

Table 53: Comparative Dependency Ratio

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

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 (King Centshwayo) than in the province. The dependency in uMhlathuze is lower than that of the country.

Source: Census 2011

11.3 National Development Plan

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.
- o The NDP further requires an improvement of the Gini-coefficient from 0.69 to 0.6. The figure for uMhlathuze was 0.63 in 2015,
- o 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.

11.4 LED Strategic Focus Areas aligned to NDP, PDGS and DGDP

Objective 1:

Create an enabling environment to attract investment that generates economic growth and job creation

a. City of uMhlathuze economic development partnership program

Lead, coordinate and drive the economic growth, development and inclusion agenda for the entire North Coast Region

- Producing economic and market intelligence
- Formulating economic visions and strategies
- Creating a common business brand
- Reforming the city and region's business environment
- b. City of uMhlathuze Events Program

The City will position itself as the events capital in the entire North Coast of KZN, promoting iconic and strategic events by actively developing, inter alia, the following events segments:

- Sports events, such as the National Teacher's games to be owned by the Municipality
- Business events, exhibitions and conventions PAHTC
- Cultural events, such as the Nyus'ivolume from Ukhozi FM
- Music events, such as the Last Dance and Beach Festival, Tuzigazi Beer Festival and Whisky and Wine Festival
- c. Identification and Promotion of catalytic sectors such as maritime and gas

In order to stimulate the growth and development of the local economy, development in the following catalytic sectors has been identified as critical:

- Marine, ship repair and boatbuilding
- Agro-processing
- Health and medical technology
- The green economy, including energy from gas and waste
- Tourism and events

Possible development in these sectors will be investigated in partnership with Province and the private sector to determine how and when it will be rolled out in the city. The city will also establish economic clusters to support private sector initiatives:

Craft Cluster

The City will establish Craft Production cluster to encourage interaction amongst entrepreneurs who are in the business of producing craft work either for domestic or

international market. The City will provide a better working environment for this cluster in a form of an Exhibition Centre.

Agri-business Cluster

The City will establish the Agri-Business Cluster to encourage interaction amongst groups (traders, farmers, NPOs and academic institutions). The City has allocated 12 ha of land for the development of this cluster.

Manufacturing Cluster

The City will establish a Manufacturing Cluster to encourage interaction between the municipal official and companies that trade in this sector. The City will work with the private sector to develop manufacturing plants in the following projects

- Gas to Power Project
- Ship Repair Project
- Airport Relocation Project
- Beneficiation of existing minerals resources, e.g. aluminium and titanium
- Manufacturing of automotive components

The City will explore mechanisms to improve business opportunities around Port Durnford and, in partnership with Transnet, will work towards the improvement of Richards Bay Port.

Services Cluster

The City of uMhlathuze Technology Park aims to establish a health technology hub, accommodating firms, government and academia in the healthcare industry. The City has already identified land for the development of the Techno Park which will be developed through partnership agreements with EDTEA, UMfolozi TVET, University of Zululand and National Department of Science and Technology

d. Small Business Centre Program

The City has availed one of its buildings to house the SME One-Stop-Shop-All that will make it easy for entrepreneurs and individuals looking for employment support to navigate and make use of service organisations and practitioners' services and resources.

The objectives of establishing an SME One-Stop-Shop-All in the City are:

- stimulate the creation of locally-owned businesses by linking entrepreneurs with resources, capital, skills and opportunities;
- develop human capital, addressing the needs of the business community (e.g. innovation support, small-business skills development, career support and placement programmes); and
- make the City of uMhlathuze a more competitive business environment by providing better support to incubate and grow local business and attract others.

The multi-stakeholder network will draw services from the public sector (local, provincial and national), the private sector (business development, associations, financiers, and so forth) and academia (the Cape Higher Education Consortium or CHEC, universities, colleges, and the like).

Objective 2

Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development

The City will act as catalyst by investing in suitable economic and social infrastructure to support and further stimulate economic development. This will happen by means of the following key programmes:

a) Fibre-optic network programme

The broadband fibre-optic network programme will construct a fibre-optic communication network within the City of uMhlathuze to realise service delivery as well as social and economic benefits by providing access to affordable telecommunication infrastructure on an open-access basis.

In addition to providing enhanced services, more bandwidth will allow new services to be rolled out to areas that previously did not have access to these due to the lack of connectivity. Ultimately, the network is intended to cover the entire city.

Objective 3

Provide social protection through the creation of job

a) Expanded Public Works Program (EPWP)

The programme's mandate is "to contribute to development by providing work opportunities to poor and unemployed people in the labour-intensive delivery of public and community assets and services"

The City will leverage on programmes and projects in all line departments with a view to mainstreaming the EPWP within Council's planning and budgeting processes. The City has confirmed its commitment to the EPWP by amending its SCM policy to ensure the following:

- the institutionalisation of the EPWP and its alignment with the City's Supply Chain Management Policy and Economic Development Road Map respectively;
- each line directorate's obligation to participate in the implementation of the EPWP;
- compliance monitoring in line with the requirements of DPW and the Auditor General (AG);
- the focus on targeting designated groups such as youth, women and people living with disabilities: and
- the establishment of a corporate EPWP Office.

11.4.1 Local Economic Development Plan [Economic Transformation Roadmap]

uMhlathuze Municipality in 2016 outsourced a reputable company to develop the LED Plan which is regarded as council's roadmap to economic transformation. This plan is in line with the NDP, PGDS and DGDP. The plan was adopted in October 2016 and it is currently in implementation.

As a hub of industrial development and investment, the City is positioning itself as a strategic driver and champion of economic development and transformation for the benefit of local enterprises and aspirant entrepreneurs.

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

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

This plan has been developed by focusing on key sectors of the current and future economies of uMhlathuze.

11.4.2 Stakeholder and Focus Group engagements

The following key stakeholders were specifically interviewed:

- King Cetshwayo District Municipality
- Tourism KZN
- Richard's Bay Port Manager
- Productivity SA
- EThekwini Maritime Cluster
- SALGA
- RB IDZ
- Trade and Investment KZN
- Transnet

The following key focus group discussion took place:

Date	Details of Engagement
16 October 2015	Conversation on Emerging City of uMhlathuze Municipality (introduction
	as SP and participation)
22 October 2015	Planning meeting with uMhlathuze COO (Mr Nathi Mthethwa)
30 November	Focus group discussion 1 (business focus)
2015	
30 November	Focus group discussion 2 (tourism focus)
2015	
01 December	Focus group discussion 3 (youth focus)
2015	
01 December	One on one meeting with Richards Bay IDZ CEO (Mr Pumi Mosoahae)
2015	
20 January 2016	Focus group discussion 4 (persons with disabilities)
20 January 2016	Focus group discussion 5 (women)
12 February 2016	Focus group discussion 6 (Critical Thinking Dialogue with uMhlathuze
•	Municipality staff)

11.4.3 Implementation Plan - Local Economic Development plan

Implementing this roadmap will assist in stimulating the output of the local economy of uMhlathuze above the planned growth rate of 1.2% (as per the 2016/17 Municipal budget) for the area. Growing the economy will ensure the municipality will have additional revenue

to support its service delivery mandate. The current estimated GDP for uMhlathuze is R29.7billion. At the proposed growth rate of 1.2%, the economy will grow by approximately R1.9billion over the next 5 years. Prioritising the roadmap and its implementation will help to improve the economic growth rate. If the growth rates were increased by 0.5% (to 1.7%), the incremental growth in the economy over the next 5 years would be R2.7billion (this would mean an additional R791million of additional economic activity as a result of the increased growth rate).

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

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

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

The key industries identified are:

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

Tabulated below is the Roadmap - Local Economic Development implementation plan, with clear targets

Sector-Wide Priority Projects
KCD DGDP Goal: Job Creation

PGDS Goal: Inclusive Economic Growth Strategic Objective: 1.2

Perfo	Performance Indicator		Annual targets (2016-2020)				Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Busin	ess/ Enterprise Development							
1.	One-stop shop establishment			Х				
2.	Completion of local fund business			Х				
	case in partnership with SOEs and							
	private sector							
3.	Commodity resource plan		Х					
4.	MOU with Productivity SA		Х					
5.	MOU with PUM			Х				
6.	Review Policy Framework for	Х						
	procurement							
7.	Establish Youth in Business Forum	Х						
	and Support Desk/Centre							

Sector-Wide Priority Pro	ojects							
KCD - DGDP Goal : Jol PDG\$ Goal: Inclusive E								
Performance Indicator	1	Annual to	argets (201	6-2020)		Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	21/25	26/30	
Knowledge Managem	nent							
1.	Establishment of centralised knowledge repository			X				
Spatial Planning								
1.	Set targets and implement land banking of strategic land parcels including privately owned land in line with SDF			X				
Investment Promotion								
1.	Customized Incentives Toolkit for investment attraction		X					
2.	Integrated Investment Promotion Plan		X					
3.	Implementation of Investment Promotion Plan		Х					
Green Economy								
1.	Green Economic Strategic Package for City of uMhlathuze				X			
2.	Water Relief Program and Alternative Sources					Х		

PGDS Goal: Envir Performance Ind	-		Objective : argets (201		.3	Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030	
1.	Pre-feasibility/ concept for IPTS		X					
2.	Localized climate change, mitigation and adaption strategy and phased implementation			X				
3.	Revenue generation, cost- saving and diversification strategic projects	X						
4.	Integrated Public Safety Plan in partnership with private sector		X					
5.	Feasibility for Long term Infrastructure Development Fund			X				
6.	Creation of centralised database for unemployed		Х					

Sector-Wide Priority Projec								
KCD - DGDP Goal: Job Cre	eation							
PGDS Goal : Inclusive Eco	nomic Growth	itrategic Ol	ojective :	1.2 and 1	.4			
PGDS Goal: Environmental	Sustainability	trategic Ob	jective :	5.2 and 5.	3			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress	
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030	
7.	Long-term investment plan for catalytic projects			х				

Agriculture and agro-	Agriculture and agro-processing								
KCD - DGDP Goal: Jok	Creation								
PGDS Goal : Inclusive	Economic Growth	Strategi	c Object	ive:1.1,	1.2 , 1.4 , 1	.5 and 1.	6		
Performance Indicator		Annual	Annual targets (2016-2020) Up 2025				Up to 2030	Quarterly Progress	
		16/17	17/18	18/19	19/20	2021- 2025	2026-2030		
Farmer Development/	Enterprise Development								
1.	Farmer Enterprise Development Model		Х						
2.	Implement Farmer Enterprise Development Model				Х				

Agriculture and o	agro-processing							
KCD - DGDP God PGDS Goal : Inclu	ıl: Job Creation usive Economic Growth	Strategi	c Object	ive: 1.1 ,	1.2, 1.4, 1	.5 and 1.	6	
Performance Ind	icator	Annual	targets ((2016-202	20)	Up to 2025	Up to 2030	Quarterly Progress
			17/18	18/19	19/20	2021- 2025	2026-2030	
3.	One-stop business support shop for farming				Х			
4.	Partnership with Department of Agriculture for the establishment agri-parks in the City			х				
Aggregation/ ac	ccess to markets							
1.	Collaborative partnerships (public & private sectors)			X				
2.	Pilot urban farmer model to promote and support urban agriculture			x				
3.	Feasibility for commercial goat farming in partnership with Department of Agriculture		х					
4.	Feasibility for honey production			X				

Agriculture and agro-	processing							
KCD - DGDP Goal: Job								
PGDS Goal : Inclusive Performance Indicator			c Object targets (.5 and 1. Up to 2025		Quarterly Progress
		16/17	17/18	18/19	19/20	2021- 2025	2026-2030	
5.	Feasibility for charcoal manufacture			Х				
6.	Development and implementation of poultry aggregation project				x			
7.	Negotiated supplier agreements with strategic partners				X			
Climate-resilient agric	ulture							
1.	Research-based model for waterless farming				X			
2.	Benchmarking to operationalise model					Х		
Access to finance								
1.	Set up agricultural fund with SOEs and Private Sector				x			

Agriculture and agro-processing									
KCD - DGDP Goal: Job Creation									
PGDS Goal : Inclusive Economic Growth Strategic Objective : 1.1 ,1.2, 1.4, 1.5 and 1.6									
Performance Indicator Annual targets (2016-2020) Up to Up to 2030 2025							Quarterly Progress		
16/17 17/18 18/19 19/20 2021- 2026-2030									

Agriculture and	agro-processing							
KCD -DGDP Go	al: Job Creation							
PGDS Goal : Inc	clusive Economic Growth Stro	itegic Objecti	ve : 1.1 ,1	.2, 1.4, 1.5	and 1.6			
Performance In	Performance Indicator		ets (2016-	2020)	Up to 2025	Up to 2030	Quarterly Progress	
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030	
Public-private p	partnerships							
1.	Establishment of local agri-forum		Х					
Agri-processing								
1. Feasibility study for pineapple waste processing and other products based on national and international demand				Х				

Tourism	Tourism									
KCD - DGDP Goal: Job PGDS Goal : Inclusive		Strategic	Objectiv	e : 1.2						
Performance Indicator		Annual	targets (2	2016-2020))	Up to 2025	Up to 2030	Quarterly Progress		
	16/17	17/18	18/19	19/20	2021- 2025	2026- 2030				
Enterprise Developme	nt									
1.	Single-window tourism business support portal			X						
Access to markets										
1.	Marketing plan for tourism promotion		Х							
2.	Eventing Business Case and Implementation Model			X						
Tourism Infrastructure [
1.	Establishment of Task Team or remodelling existing structures		Х							
2.	Heritage infrastructure audit and integration into the tourism mix		Х							
Product Packaging										
1.	Customized tourism packages		Х							
Institutional strengther	ing									
1.	Capacity build CTO		Х							
2.	Capacity-build tourism forum		Х							

Mariti	me							
	DGDP Goal: Job Creation Goal : Inclusive Economic Growth	Stratos	jic Objective	1 2				
	ormance Indicator		rgets (2016-			Up to 2025	Up to 2030	Quarterly Progress
			17/18	18/19	19/20	2021- 2025	2026- 2030	
Indus	try Collaboration							
1.	Establishment of local maritime forum in line with the Maritime Strategy	Х						
2.	MOU with eThekwini Maritime Cluster		Х					
3.	Plan of action for PCN		Х					
4.	One-stop shop for business support – maritime				Х			
5.	Local economic plan for proactive identification of opportunities for commodities and other products		x					
Enterp	orise Development							
1.	Feasibility study for local owner driver program to support local logistics and transport industry			Х				
Mariti	me skills development							
1.	Detailed maritime skills profile		Х					

Mar	itime							
KCD	- DGDP Goal: Job Creation							
PGD	S Goal : Inclusive Economic Growth	Strategic	Objective	: 1.2				
-Per	formance Indicator	Annual targ	ets (2016-20	020)		Up to 2030	Quarterly Progress	
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030	
2.	Support establishment of maritime school	х						

Manufacturing								
KCD - DGDP Goal : Jo PGDS Goal : Inclusive		ctive 1.2						
Performance Indicate		1	rgets (201	6-2020)		Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021- 2025	2026-2030	
Business/ Enterprise [Development							
1.	One-stop shop business support shop - manufacturing				Х			
2.	Customised Manufacturing and other Sectors Incentive Toolkit for uMhlathuze		Х					
Investment Promotion	n Support							
1.	Investment Promotion Plan & Programme of Action		Х					
2.	Early Warning System to identify, track and trace strategic projects in the pipeline			X				
Export Development								
1.	Export enhancement implementation plan			X				

Townshi	p Economy							
_	GDP Goal: Job Creation oal: Inclusive Economic Growth	Strategic	Objective :	: 1.2 , 1.3,	and 1.5			
Perform	ance Indicator		argets (201			Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030	
Econom	ic Development							
1.	Tailored made township economy revitalisation and modernisation plan with clearly defined annual deliverables and outcomes		X					
2.	Township growth index and economic profile			Х				
3.	Township chamber forum			Х				
Enterpri :	se development							
1.	Business support hubs				Χ			
2.	Township Enterprise /Supplier Development Program				X			
3.	Implementation of township experience - entertainment/leisure precinct and township economic corridors					Х		
Infrastru	cture Development							
1.	Broadband roll out and last mile connectivity					Х		
Access	to markets							
1.	Localisation campaign		Х					
2.	Local market development				X			

Mining bene	Mining beneficiation									
DGDP Goal:	DGDP Goal: Job Creation									
PGDS Goal:	PGDS Goal: Inclusive Economic Growth Strategic Objective : 1.2									
Performanc	Annual	targets (20	16-2020)		Up to 2025	Up to 2030	Quarterly Progress			
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030			
Localisation	of mining value chain									
1.	Develop and implement support mechanism for priority mining & expansion projects				Х					
2.	One-stop shop for business support					Х				
3.	Conclude partnership with Department of Mineral Resources and other stakeholders on key minerals exported/imported for beneficiation				X					

ICT ar	nd Innovation									
	DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth Strategic Objective : 1.4									
Perfor	mance Indicator	Annual	targets (2	016-2020)		Up to 2025	Up to 2030	Quarterly Progress		
		16/17	17/18	18/19	19/20	2021- 2025	2026- 2030			
Infras	ructure Development									
1.	ICT Industry based Strategic Team to drive ICT investment, advancement and innovation		х							
Skills	Development									
1.	Virtual Economic Options and Priority Areas for the City				Х					
ICT as	an enabler for innovation									
1.	Innovation and implementation strategy			Х						

Whole	Wholesale, retail, trade and services								
	DGDP Goal: Job Creation Goal: Inclusive Economic Growth	Strategic obi	ective : 1.2	1 3 and	1.5				
	nance Indicator		gets (2016-20		Up to 2025	Up to 2030	Quarterly Progress		
			17/18	18/19	19/20	2021- 2025	2026-2030		
Acces	s to markets								
1.	Nodal Development of strategic economic nodes and other growth areas				X				
1.	Set targets for former marginalised communities (new retail space) and access model			Х					
2.	Set targets for localising retail mall ownership and conclude partnership with other spheres of government and SOEs			X					
3.	Local sourcing commitment charter				Х				
Inform	al trading								
1.	Master plan for informal sector growth, support and transformation with annual deliverables and outcomes			X					

DGDP Goal: \$	trategic Infrastructure	Strategic C	Objective : 4	.4 and 4.5	;			
Performance Indicator		Annual targets (2016-2020)			Up to 2025	Up to 2030	Quarterly Progress	
		16/17	17/18	18/19	19/20	2021- 2025	2026-2030	
	d incremental implementation of ernative energy supply							
1.	Develop alternative energy supply resource plan			X				
2.	Implement alternative energy supply resource plan					X		
Water Security								
1.	Feasibility for sea water desalination and water reuse						x	

11.4.4 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

SMMEs

The primary role of the uMhlathuze Municipality in local economic development is to coordinate, facilitate and stimulate sustainable economic development within its jurisdiction through appropriate mechanisms; Strategy and policy development; Programme development and co-ordination and Strategic liaison and networking

The Municipality is in possession of LED Plan which also detail programs aimed at SMME support and development. The municipality has proactively prioritized LED projects that are aimed at assisting SMMEs in various ways (see end of section). At the core of the municipality's strategy it is to build capacity of SMME's, hence uMhlathuze Municipality has a database with more than 136 SMMES within uMhlathuze that are registered. This database also provides the level of skills that each SMMEs has. UMhlathuze Municipality in ensuring that SMMEs are supported has revised its procurement policy to include a clause in all tenders that:"25% of work for big tenders is subcontracted to local SMMEs.

Informal Trading

uMhlathuze Municipality has an informal trading policy adopted by council in 2013 (attached as an annexure to the IDP).

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 coordinates an Informal Traders Working Group which constitute of representatives from a number of sections. The responsibility for permit issue and renewal lies within Business Support, Markets and Tourism Section

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:

o 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.
- o 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:

- o that support for the informal economy is reflected in their IDP
- o 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
- o make provision for regular contact with informal economy organizations and actors
- o 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
- o specify the roles and responsibilities of traders and of the municipality
- o respect the rights of foreigners
- o register all informal traders
- o provide basic infrastructure and services for informal traders
- o take account of informal trader interests in the context of approving new developments

11.4.5 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,

- o Infrastructure,
- o Environment and

- Culture
- o Social.

The programme targets the indigent, unemployed and unskilled members of the community. The EPWP National Performance target for 2016/2017 is 890 work opportunities to be created. uMhlathuze Municipality has created an maintained 1098 employment opportunities as of April 2016 to March 2017 The following is the OVERALL PERFORMANCE ON THE EPWP, as at 30 MARCH 2017

GROUP	ACHIEVED		
Adult Men	294		
Adult Women	160		
Youth Men	471		
Youth Women	168		
Cumulative			
Total Work	1098		
Opportunities			

Table 54: Q3 Performance against EPWP National Targets

GROUP	Performance Target	Achieved %	Comments
Women	55%	29%	Includes Youth
			and adult
Youth	55%	58%	Includes male
			and female
People Living	8%	0	Attention be
with			given to the
Disabilities			inclusion of this
			group

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.

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

uMhlathuze Municipality is implemented the Vukúphile Learnership Programme where ten (10) contractors with their supervisors are participating in the programme. The programme is a partnership with the National Department of Public Works. The total value of contracted works amounts to 6, 284 945 .82 as at 30 March 2017.

The municipality has not yet adopted and approved a policy that will assist the municipality in dealing with recruitment, retention and graduation of EPWP participants. Various

initiatives will be considered during the 2017/2018 financial year including amongst others absorption into permanent council employment, co-operatives and small enterprises.

11.4.6 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.
- o Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- o Failure to realize the potential for value adding through agro-processing.
- Volatile world markets which affect prices for some agricultural commodities, for example, sugar.
- o 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:

- o Food security and food sovereignty should be promoted.
- o 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.
- o 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.
- o Small-scale farmers should be encouraged to add value to their produce.

11.4.7 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 economic growth" 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 was adopted by Council in January 2014.

Tourism Sites

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

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

Tourism Trends in uMhlathuze

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

160 000 146 280 138 299 135 285 132 305 140 000 120 000 100 000 80 000 59 437 60 110 58 896 58 066 60 000 43 585 40 111 40 678 39 751 39 476 37 505 35 356 31 201 40 000 20 000 0 2012 2013 2014 2015 ■ Leisure / Holiday ■ Business ■ Visits to friends and relatives ■ Other (Medical, Religious, etc)

Figure 61: Tourist Visits in uMhlathuze

Source Global Insight 2015

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

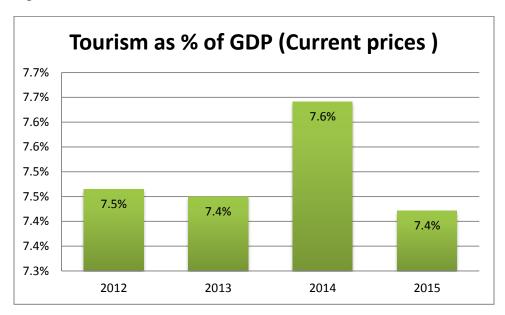
Tourism Spend

Tourism spending patterns in uMhlathuze are slowly declining. An increase was seen during year 2013 where more tourism spend was experienced. This could be attributed by many factors. It could be the economic climate which is affecting not only uMhlathuze but the rest of the country. It could also be lacks of facilities for tourist spend, lack of marketing and many other factors may contribute to such patterns.

Figure 62: Tourism Spend



Figure 63: Tourism as % of GDP



uMhlathuze Community Tourism Organisation (UCTO)

uMhlathuze Community Tourism Organisation (UCTO) is working tirelessly to improve tourism industry within the City of uMhlathuze. There are many initiatives established by the UCTO which are aimed at marketing the city as the Tourism destination. Amongst other activities the UCTO is responsible for:

Partner in marketing the area as a Tourism Destination,

- Partner in providing training to product owners; and
- Partner in packaging Tourism Routes as per the recommendation of the Tourism Strategy.

Pan African Health Tourism Congress

The Congress will bring together experts from around the world who will give presentations linking medicine and tourism, and build a business case for the viability of the industry. Poised for significant growth with South Africa in particular, Health Tourism in Africa is currently being positioned to play a significant role within the global framework, given its pioneering role in the medical field, highly-skilled doctors, exceptional medical care, supported by state-of-the-art facilities, along with one of the world's fastest growing tourism industries in the

uMhlathuze Municipality is honored to host the Pan African Health Tourism Congress which will be held from 08-09 June 2017.

Proposed Tourism Projects and Programs

Strategy	Programme	Project	Project Type	Expenditure	Budget	Outcomes
Spatio-Tourism Integration	Development of Routes	King Cetshwayo Monument upgrade A business plan has been prepared	Contractors: Construction	CAPITAL	R 5 600 000.00 (2 financial years) Possible MIG project in partnership with I&TS Possible Working for the Coast programme project in partnership with Environmental section	Rural Tourism Development Marketing of township tourism
Local Community Benefits	Capacity Building of Product owners	Training of Product owners	SMME Development	OPERATIONAL Venue Catering Facilitator/Training material	R75 000.00 Municipal infrastructure/donation R15 000.00 R60 000.00	Increased competitiveness of our SMME's
	Assistance with Grading of Tourism Establishments	Grading	SMME Development	OPERATIONAL	R60 000.00	Ensure international competitiveness Guarantee a certain standard amongst establishments which gives product owners leverage Compliance with standards as set out by Government and Tourism South Africa
Institutional Review	Assistance to the uMhlathuze Community Tourism Association	50% allocation given to the uCTO	Marketing & Publicity	OPERATIONAL	R120 000.00	As per council resolution 9693 of 25 November 2014
Research and Marketing	Profiling uMhlathuze as a preferred coastal destination in Northern KZN	1. Adverts in publica tions 2. Advert orials 3. Attend ance of Travel exhibiti ons/sh ows 4. Tourism Aware	Advertising, Marketing & Publicity	OPERATIONAL	1. R 60 000.00 3. R300 000.00 (Stand space and stand design included) 4. R100 000.00 2017/2018 Financial year	Customer awareness of region Marketing uMhlathuze brand and tourism offering

		ness/M edia Tour 5. Townshi p Brochur e				
	Hosting of events	Easter Music Festival Beach Festival Tourism Month Celebrations	Advertising, Marketing & Publicity	OPERATIONAL	R1 000 000.00	Strengthening the uMhlathuze brand Raise the profile of the City of uMhlathuze Generate income for the City of uMhlathuze SMME opportunities Fill up accommodation establishments Entertainment
Infrastructure and Upgrade Development	Phase 3: Alkantstrand Expansion		Contractors: Construction	CAPITAL	R4 000 000.00 2017/2018	Upgrade of the Beach Node
	Port Durnford Upgrade	Feasibility study Construction A business plan has been prepared	Consultant & Professional Fees Contractors: Construction	OPERATIONAL CAPITAL	R200 000.00 2016/2017 R2 000 000.00 (SHARK NETS) R4 200 000.00 - 7 KM road construction (2017/2018) R29 800 000.00 2018/2019 Possible funders: Rural Development fund Working for the coast	Township Tourism Development Installation of Shark Nets will be done in partnership with Recreation section

11.4.8 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.
- o 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:

- o 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.

11.4.9 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.

The benefits to industries located in the IDZ include:

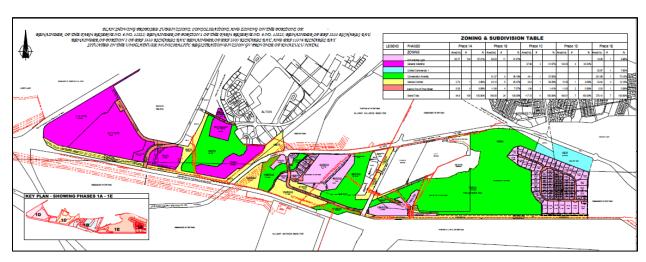
- Existing efficient deep-water port
- o Suited to export-orientated production
- o Customs controlled area
- VAT and import duty exemption
- Same time zone as Europe
- Strategic location to access world markets
- Allowance for 100% foreign ownership
- Established local and service industries
- Down-streaming opportunities with respect to: Aluminium, Heavy Metals,
- o Chemicals, Wood, Paper, Pulp and various agricultural products

National government's initiative to establish Special Economic Zones is potentially a serious threat to the long term feasibility and viability of IDZ's for the following two reasons:

- 2 Unlike an IDZ, an SEZ may be established in any area. The area does not necessarily need to be adjacent to, or in proximity to a port or harbour or airport.
- 3 Secondly, in contrast to an IDZ, an SEZ is not required to focus on production for export, and may also provide services.

As such, SEZ's can be established anywhere, and for any purpose and would compete with existing IDZs for funding and support, particularly from national government.

The footprint of the IDZ for Richards Bay as it was designed prior to the transfer of land back to the uMhlathuze Municipality is shown herewith.

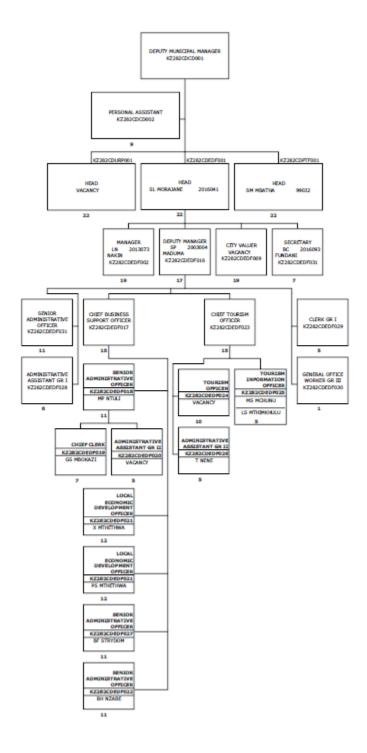


Map 30: IDZ Footprint

Capacity Analysis for LED Programmes

The uMhlathuze Municipality's organogram provides for an LED Unit, the LED Unit is housed with other functions that incudes Tourism under HOS: Economic Development. The LED Unit for the purposes of uMhlathuze Municipality is named Business Support and Markets. The staff compliment include, Deputy Manager Business Support and Markets, Chief Tourism Officer, Chief Business Support Officer, X2 LED Officers and other supporting staff. About 98% of the approved LED posts in the organogram are filled. LED and Tourism reports are served before the City Development portfolio committee. LED Unit is fully capacitated with no constraints to in assuming its functions.

Figure 64: Economic Development Orgonogram



Resourceful Partnerships Established

The Municipality has partnership agreements with the following partners:

- University of Zululand Research
- SEDA
- EDTEA
- NYDA

The following are the stakeholders that the municipality is partnering with in developing SMMEs and improving the informal trading sector within the city:

- Foskor
- Mondi
- iThala Bank
- SEDA
- EDTEA
- COGTA
- NYDA
- University of Zululand

The following are projects resulting from the strategic partnerships with above stakeholders:

- SMME Park construction, MERSETA and UMfolozi TVET to come on board;
- Esikhaleni Construction Incubator establishment in partnership with SEDA Construction;
- eSikhaleni Automotive Hub feasibility in partnership with EDTEA and
- Empangeni SMME One-Stop-Shop in partnership with NYDA, ABSA, SEDA and Ithala Bank

Table 55: LED Budgeted Projects

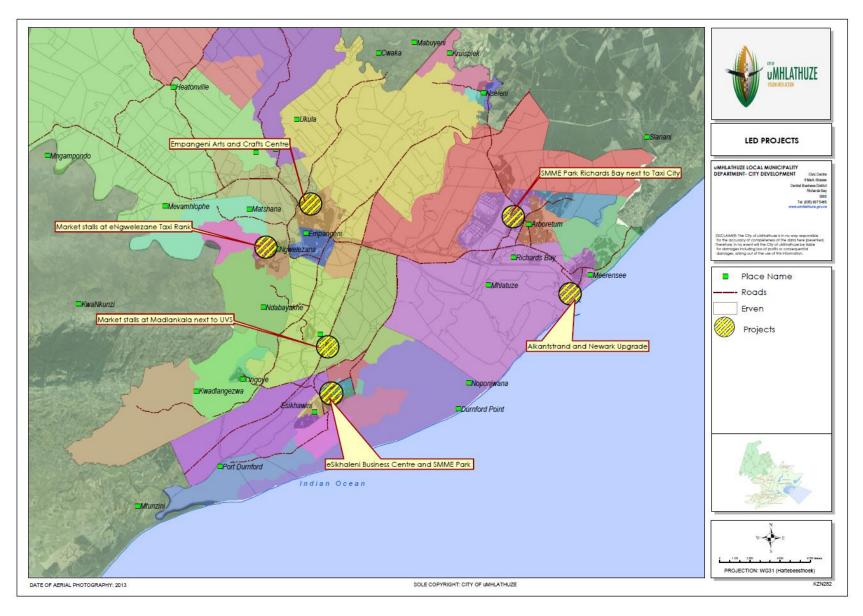
Project Name	2017/2018 Budget			
1. SMME Park Richards Bay next to Taxi City	R1.8 million			
(construction)				
2. Market stalls at eNgwelezane Taxi Rank (at				
tender stage)	R3.5 million			
3. Market stalls at Madlankala next to UVS				
both sides of the road (at tender stage)				
4. Alkantstrand and Newark Upgrade	Phase 1 completed			
(construction)				
5. eSikhaleni Business Centre and SMME Park	R3.5 million			
(Post office site at design stage)				

Established Structures

The following structures have been established and are fully functional:-

- uMhlathuze Community Toursim Organisation (UCTO)
- Zululand Chamber of Commerce and Industry (ZCCI)
- Informal Traders Forum

Map 31: LED Projects



11.5 Social Development Analysis

11.5.1 KwaZulu Natal Poverty Eradication Master Plan

It is government's mission to ensure that communities living under conditions of poverty are helped to rise above their current condition. "Poverty is a human rights issue and government has a mandate to do everything possible to ensure that communities that are faced with poverty are given a chance to better their lives.

Census 2011, revealed that poverty headcount for uMhlathuze was at 4.1% and its intensity at 41.6%. With the recent statistics obtained from Global Insight it is noted that there is a decrease in poverty headcount when compared with 2011 statistics, which is now at 2.3%, although it's still relatively high but intensity is now at 40%. The reality is that within the City of uMhlathuze there are still communities living in absolute poverty.

uMhlathuze Municipality is striving through meaningful and holistic interventions to restore the dignity of those affected by poverty.

The following are initiatives by uMhlathuze in responding to the Poverty Eradication Master Plan:

Table 56: Poverty Eradication Initiatives

Poverty eradication Pillars	City of uMhlathuze's Initiatives
Social Protection	Operation Sukuma Sakhe which focuses on ward based war rooms targeting vulnerable and destitute communities.
	 Through OSS the city is in partnership with Department of Social Development (SASSA) and Department of Health to improve access to social security and health services for example Monitoring of Phila Mntwana Clinics within uMhlathuze and registration of people qualifying for various government grants as well as facilitating the construction of OSS houses.
	 The City has established a Special Programmes Unit focusing on People With Disabilities (PWDs), Women, Senior Citizens. The strategic intent of this unit is to implement municipal programmes aimed at addressing

Poverty eradication	City of uMhlathuze's Initiatives
Pillars	
	challenges faced by vulnerable groups.
	 The city has adopted an Indigent Policy to ensure provision of services such as water, electricity and waste removal to poor households who are unable to pay for such services.
	 The city has adopted an Indigent Burial Assistance Policy to assist poor households with burial of people living in the city.
Agriculture Deepened	The city has completed auditing of land owned by the municipality in order to re-distribute arable land to previously disadvantaged communities for agricultural and commercial purposes.
	 The city has prioritised agriculture and agro processing as one of the priority sectors for economic transformation and job creation.
	 The city's long term plan is to develop an Agricultural Hub in the newly incorporated wards from former Ntambanana Municipality. This initiative is currently at a planning stage.
	 The city has concluded a Memorandum of Cooperation with the University of Zululand to promote skills development and improve research on rural development with specific focus to the city's agricultural potential.
Enterprise Development	The city has adopted a new Land Disposal Policy which prioritises disposal of land to previously disadvantaged communities for local economic development.
	The city is currently developing a Supplier Development Model to ensure focused and integrated supplier development in-line with industry requirements. The

Poverty eradication Pillars	City of uMhlathuze's Initiatives					
i ilidis						
	Model will include incubation of SMMEs.					
	 The city has a comprehensive programme to support SMMEs in terms of access to capital, skills enhancement, access to markets, registration on the city's supplier database, provide start up implements etc. 					
	The Mayor has established a Mayoral Advisory Panel made of independent advisors from various sectors to provide the city with knowledge, skills and strategies on enterprise development and support.					
Employment Creation	 The city has adopted a new Supply Chain Management Policy with set asides for Youth (40%), Women (40%) and People with Disabilities (20%) targeting local rural and township enterprises. The policy also makes provision for established contractors to sub-contract 25% of awarded big tenders to small local contractors. 					
	The city has concluded a Memorandum of Agreement with NYDA for the establishment of a local office to support young entrepreneurs and provide business support services.					
	 The city together with Richards Bay Industrial Zone (IDZ) and Transnet National Ports Authority (TNPA) has established a tripartite committee focusing on strategic investments and job creation within the city of uMhlathuze. 					
	The City has a fully operational EPWP which provides job and skills development opportunities for unemployed people.					
	The city is an active participant in the KwaZulu Natal Growth Coalition which was set up as a platform to foster frank and robust engagements between government and business to remove development obstacles, fast- track key economic projects, unlock growth opportunities					

Poverty eradication Pillars	City of uMhlathuze's Initiatives
	 The city has adopted a fifteen (15) catalytic and strategic projects at various stage of implementation aimed at accelerated investment and job creation. These projects include development of Richards Bay ICC, Establishment of a Business Support Park in eSikhaleni, development of the Richards Bay Waterfront etc.
Skills Development	 The City has a Memorandum of Agreement with uMfolozi TVET for the development of priority skills required by industry. The city offers internships for graduates to acquire on-job skills development and training. The Mayor has a Mayoral Bursary Fund to support previously disadvantaged matric students with outstanding results from the city who want to pursue tertiary education. The city has a partnership with Foskor to train the youth and young entrepreneurs on scare skills and business management. The city is implementing a comprehensive skills development programme targeting SMMEs and this includes development of facilities to support SMMEs i.e. Richards Bay SMME Park. The programme includes Tourism Learnerships in partnership with EDTEA, training by various SETAs, business retention etc.

11.5.2 Broad Based Community Needs

Ward based plans have been developed for 34 wards, in consultation with the community and all affected stakeholders. These plans inform the municipalities budgeting and ensuring that the budget is highly influenced by the needs of the community. In preparation of the

fourth generation IDP a series of ward meetings/engagements took place to confirm wards based community needs. The Public Participation Report based on the outcomes of these wards meetings/engagements is provided as annexure to the IDP. Summary of the report is provided below:

Table 57: Summary of Community Needs

														Wo	ards																				
Needs/Issues	1	2	3	4	5	6	7	8	9	10	11	12	13		15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	Total
Beatification		ऻ			Ť	Ť																	*												
Boundary Issues																																			
Broadband/Internet																																			
Bus shelters/Laybyes											*							*						*										*	
By-Laws enforcement																																			
Cemetery																																			
Clinic	*				*				*		*	*			*	*			*					*	*	*				*		*	*		
Community Gardens and Fencing																																			
Community Halls/ Multi purpose							*		*		*			*								*		*	*	*	*		*			*	*	*	
ECD Centres							*		*	*	*		*		*						*	*					*				*			*	
Electrical (Connections /upgrades)				*	*	*	*	*		*	*		*	*	*	*	*			*		*		*	*		*	*	*	*	*	*	*		
Fire Station				1									\vdash																						
Housing		\vdash	1		1	1	-				*		*		*																				
Informal trade facilities											\vdash																								
Investment attraction						\vdash	\vdash	\vdash			\vdash																								
Jobs Opportunities									\vdash	*	*										H			H								H		H	
Library		\vdash		\vdash	\vdash	\vdash			\vdash	\vdash	*		Н								H						*					H			
		\vdash	H										H						Ė					H											
Old Age facilities Paved Walkways		\vdash			\vdash													\vdash								H		H							
	*																										*								
Paypoint Printers	Ť				-	*									*									*			_							*	
Pedestrian Bridges				-	-	Ť									Ť									Ť										Ť	
Police Station		-	_	-	-	-																													
Refuse Removal issues and dumping	*	*	-	*	*	*	*	*	*	*	*		*	*	*	*	*	*	*			*	*	*	*		*	*	*	*	*	*	*		
Roads (New/Upgrades/Repairs)	*	*	-	Ť	*	*	*	*	*	•	*		*	*	*	*	•	*	*		*	*	•	*	•	*	*	•	-	*	*	*	•	*	
Safety and Security	•		-	-	1								-	•		•		•	•		•	•		•		-	-			•		•		•	
Sanitation Matters		-	-						*		-		\vdash									*											*		
Schools and Related issues		-	-	-					*		-		\vdash			*						*			*								*		
Shopping Mall			_	*	*	*	*		*					*	*	*			*		*	*	*		*		*								
Skips , refuse bins			-	*	*	*	*		*					*	*	*			*		*	*	*				*								
SMME's Development			-	-	*	-	-			_																									
Solar System			_	-	-	-							_																						
Speedhumps			_	_	-	*			*				_			*	*	*				*					*							*	
Sports Field/floodlights				*	*	*	*	*	*	*	*				*			*	*			*	*	*	*	*				*	*			*	
Street Name/Signage/Markings		<u> </u>		<u> </u>													Ш	*									Ш								
Streetlights	*			*	1	<u> </u>								*	*	*	*					*	*	Ш								*		Ш	
Strom Water		<u> </u>	1	<u> </u>		<u> </u>								_	_																				
Student Bursaries and Skills development		<u> </u>		<u> </u>		<u> </u>			<u> </u>	*													<u> </u>												
Swimming Pools					_	<u> </u>					Ш									Ш										Ш					
Taxi Rank							<u> </u>																												
Tittle deeds																									*										
Tourism Development																																			
Traffic Management																																			
Transport System				L	L	L	L								oxdot																				
Truck Stop																																			
Water /Pipes			*	*	*	*	*	*	*	*	*		*	*	*	*	*		*			*		*					*	*	*	*	*		
Youth Development																																			
Swimming Pools																									*										

11.5.3 Education

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

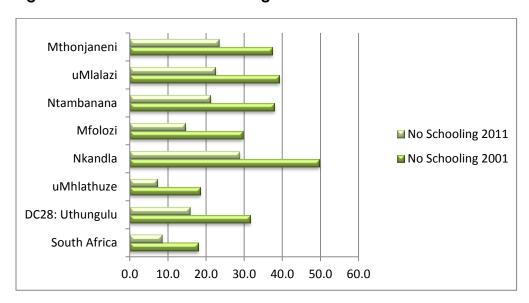
Table 58: Comparative Education Levels

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

Source: Census 2011

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

Figure 65: 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.

Mthonjaneni
uMlalazi
Ntambanana
Mfolozi
Nkandla
uMhlathuze
DC28: Uthungulu
South Africa
0.0 10.0 20.0 30.0 40.0

Figure 66: Persons with Matric

Source: Census 2011

Matric Pass rates – King Cetshwayo District

	2014	2015	2016
Matric Pass Rate	64.03%	54.60	63.42

Schools classification within uMhlathuze Municipality

School Type	No
Primary School	81
Secondary School	47
Combined School	4
Total	132

Within uMhlathuze Municipality there are **about 132 schools** that are fully operational. The population of UMhlathuze is characterised by young people that are still school going. During IDP Roadshows uMhlathuze Municipality receives number of requests and concerns regarding the shortage of schools within the jurisdiction. Parents are forced to take their kids out of the district in order to find space for schooling in other schools. The main challenge cited by the department, in some areas where they qualify for new school there is no land available for building schools. The other challenge that needs to be addressed is the mindset of the community, that schools in urban areas are better than schools in townships, hence more students from townships seek space at previously multi-racial schools in the urban areas.

There is a dire need for schools that cater for students with disabilities. Only two popular schools that are within uMhlathuze that caters for kids with special needs. UMhlathuze Municipality trough the OSS platform is lobbying for the construction of the Centre for kids with disabilities.

The following are project to be undertaken by the Department of Education during 2017/2018 Financial Year. All the schools listed below are within uMhlathuze Municipal jurisdiction.

2017/2018 Infrastructure Planning needs

Project Name	Programme Implemeter	Nature Of Investment	Total Project Cost	Alloca tion 2016- 2017	2017- 2018	2018- 2019	2019- 2020
Nguluzana Primary School	KZNDoE	Upgrades and Additions	6,178	0	84	2,467	822
Mzingwenya Primary School	KZNDoE	Upgrades and Additions	32,183	0	0	3,218	14,272
Richem Secondary School	Independent Development Trust	New Infrastructure Assets	14,512	15	4,000	0	0
Ngamana Junior Secondary School	DoPW	Upgrades and Additions	500	68	150	0	0
Kwamondi Primary School	DoPW	Upgrades and Additions	2,000	0	600	0	50
Nkwelo Primary School	DoPW	Upgrades and Additions	2,000	0	600	0	50

Below is the table indicating infrastructure backlog for each school within uMhlathuze Municipality:

Table 59: Education Infrastructure Backlogs

Name of School	Ward	Level	Lowest Grade	Highest Grade	Standard Permanent Classroom S	Grade R Classroom s	Multipurpo se Classroom s including Laboratori es and Specialist Rooms	M edia Centres	Computer Rooms	Offices	Storeroom s	Strongroo ms	SNP Kitchen/ Tuckshop	Girls' Toilet Seats	Boys' Toilet Seats and Urinal Spaces	Teacher Toilet Seats	Disabled Toilets	Water Required Yes = 1 No = 1	Electrificat ion Required Yes = 1 No = 0	Fencing Required Yes = 1 No = 0
AMABUYES	13	s	8	12	0	0	3	1	1	2	5	0	1	8	6	2	1	0	0	0
AMANDOSI P	22	Р	R	7	2	1	2	1	1	6	5	0	1	10	8	6	2	0	0	0
AMANGWE H	24	s	8	12	0	0	1	0	0.5	2	4	0	1	6	4	2	1	0	0	0
BAJABULILE P	16	Р	R	7	9	2	4	1	1	3	7	0	1	14	14	3	2	0	0	0
BINGOMA P	31	Р	R	7	1	1	2	1	1	4	4	0	1	8	6	4	1	0	0	0
DLAMVUZO S	20	s	8	12	0	0	4	1	0	6	6	0	1	14	10	4	2	0	0	0
DLANGEZWA H	30	s	8	12	0	0	2	0	0	0	8	0	1	14	10	6	2	0	0	0
DOVER C	5	С	R	12	2	0	3	1	0	4	6	0	1	10	8	0	2	0	0	0
MATAMZANA DUBES	14	s	8	12	3	0	6	1	1	4	8	0	1	14	14	6	2	0	0	0
EMPANGENI H	23	s	8	12	0	0	6	0	0	0	0	0	1	14	14	0	2	0	0	0
EMPANGENI PREP	23	Р	R	7	0	1	2	0	0	0	4	1	1	14	10	3	2	0	0	0
MATSHANA SP (prev. EMPANGENI SP)	25	SP	5	7	5	0	2	1	1	4	5	0	1	8	6	2	0	0	0	0
EMPEMBENI P	13	Р	R	7	0	2	2	1	1	6	5	0	1	8	6	0	1	0	0	0
ENIWE P	29	Р	R	7	3	0	1	1	1	3	4	0	1	6	4	0	1	0	0	0
ESIKHA WINI P	20	Р	R	7	0	2	1	1	1	2	4	0	1	6	4	4	1	0	0	0
ETHAKASANI P	21	Р	R	7	3	3	3	1	0	5	5	0	1	14	10	6	2	0	0	0
EXHAPHOZINI P	20	Р	R	7	8	1	4	1	1	5	7	0	1	14	14	4	2	0	0	0
GOBANDLOVU P	14	Р	R	7	0	0	4	1	1	0	7	0	1	14	14	5	2	0	0	0
GRANTHAM PARK P	9	Р	R	7	0	2	3	0	0	0	7	0	1	14	14	1	2	0	0	0
HLAMVANA S	17	s	8	12	0	0	3	0	0	0	6	0	1	14	10	3	2	0	0	0
ILEMBE P	17	Р	R	7	6	4	4	1	0	7	7	0	1	14	14	3	2	0	0	0
IMIZIKAYIFANI P	19	Р	R	7	10	3	4	1	0	6	7	0	1	14	14	0	2	0	0	0
INGWENI P	27	Р	R	7	3	6	4	1	1	5	7	1	1	14	14	4	2	0	0	0
INIWE S	29	s	8	12	0	0	2	1	1	4	4	1	1	6	4	4	1	0	0	0
INJABULOYESIZWE P	18	Р	R	7	0	1	1	0	0	5	5	0	1	10	8	0	2	0	0	0
ISIKHALA SENKOSI JS	18	S	8	12	0	0	0	0	0	1	4	0	1	6	4	0	1	0	1	0
KANGIKHO P	25	Р	R	5	4	4	3	1	1	6	6	1	1	14	10	4	2	0	0	0
KHANDISA P	30	Р	R	7	3	2	3	1	1	0	6	0	1	14	10	3	2	0	0	0
KHOMBINDELA H	28	S	8	12	13	0	4	0	0	8	8	1	1	14	14	0	2	0	0	0
KHULA H	17	S	8	12	4	0	4	0	0	0	8	0	1	14	14	3	2	0	0	0

Name of School	Ward	Level	Lowest Grade	Highest Grade	Standard Permanent Classroom S	Grade R Classroom s	Multipurpo se Classroom s including Laboratori es and Specialist Rooms	M edia Centres	Computer Rooms	Offices	Storeroom s	Strongroo ms	SNP Kitchen/ Tuckshop	Girls' Toilet Seats	Boys' Toilet Seats and Urinal Spaces	Teacher Toilet Seats	Disabled Toilets	Water Required Yes = 1 No = 1	Electrificat ion Required Yes = 1 No = 0	Fencing Required Yes = 1 No = 0
KWAVULINDLELA P	30	Р	R	7	0	1	1	0	0	0	3	0	1	4	4	2	1	0	0	0
MA SAKHANE H	29	s	8	12	0	0	4	1	1	7	6	1	1	10	8	6	2	0	0	0
MA SHANANDANE S	22	s	8	12	0	0	2	1	1	2	4	0	1	6	4	0	1	0	0	0
MATSHANGULE P	30	Р	R	7	0	0	3	1	1	6	5	0	1	10	8	2	2	0	0	0
MBUYISENI H	10	s	8	12	0	0	2	0.5	0.5	0	4	0	1	6	4	4	1	0	0	0
MEVAMHLOPHE H	25	s	8	12	2	0	4	1	1	6	5	0	1	10	8	0	2	0	0	0
MHLANGA P	18	Р	R	7	4	2	3	1	1	1	5	0	1	14	10	4	2	0	0	0
MKHOBOSA P	13	Р	R	7	0	1	4	1	1	3	7	0	1	14	14	2	2	0	0	0
MUNTONOKUDLA S	11	s	8	12	1	0	4	1	0	3	6	0	1	10	8	6	2	0	0	0
MUSI P	19	Р	R	7	0	0	1	0.5	0.5	3	3	0	1	4	4	3	1	0	0	0
MZINGWENYA P	19	Р	R	7	7	4	4	1	0	4	7	0	1	14	14	4	2	0	0	0
NDABAYAKHE P	29	Р	R	7	0	1	3	1	1	7	6	1	1	14	10	6	2	0	0	0
NGWELEZANA P	28	Р	R	7	0	0	1	0	0	1	1	1	#VALUE!	0	0	2	1	0	0	0
NHLANGENY UKE P	11	Р	R	7	0	1	3	1	0	6	5	0	1	10	8	4	2	0	0	0
NKOSAZANA P	25	Р	R	7	3	1	1	0	0	2	3	1	1	4	4	2	1	0	0	0
NONGWELEZA H	27	s	8	12	7	0	6	1	0	8	8	1	1	14	14	6	2	0	0	0
NQUTSHINI P	29	Р	R	7	0	2	0	0	1	4	4	1	1	6	4	4	1	0	0	0
NSIWA P	11	Р	R	7	0	2	2	1	1	5	5	0	1	10	8	3	2	0	0	0
THEMBELIHLE P	28	Р	R	7	0	3	2	0	1	4	5	0	1	10	8	3	2	0	0	0
OLD MILL H	23	s	8	12	9	0	6	1	0	7	8	0	1	14	14	6	2	0	0	0
ONGOYE P	11	Р	R	7	0	0	1	0.5	0.5	2	3	0	1	4	4	3	1	0	0	0
ONGOYE S	30	s	8	12	0	0	3	0	1	1	8	0	1	14	10	3	2	0	0	0
PHALANE P (KWADLANGEZWA)	10	Р	R	7	0	2	1	1	1	2	4	0	1	6	4	1	1	0	0	0
PHESHEYA P	27	Р	R	7	14	5	4	1	1	3	7	0	1	14	14	3	2	0	0	0
HEUWELLAND P	23	Р	R	7	0	1	3	0	1	0	5	1	1	10	8	0	2	0	0	0
QAMBOKWETHU P	10	Р	R	7	0	1	0	0	1	0	4	0	1	6	4	0	1	0	0	0
QANTAYIH	18	s	8	12	0	0	3	1	0	6	5	1	1	0	0	4	1	0	0	0
QHAKAZA S	30	s	8	12	4	0	3	0	0	1	8	0	1	14	10	3	2	0	0	0
QHUBANDABA P	25	Р	R	7	0	2	2	1	1	2	5	0	1	8	6	0	1	0	0	0
SIGISI P	27	Р	R	7	0	1	1	1	1	4	4	1	1	6	4	4	1	0	0	0

Name of School	Ward	Level	Lowest Grade	Highest Grade	Standard Permanent Classroom S	Grade R Classroom S	Multipurpo se Classroom s including Laboratori es and Specialist Rooms	Media Centres	Computer Rooms	Offices	Storeroom S	Strongroo ms	SNP Kitchen/ Tuckshop	Girls' To ilet Seats	Boys' Toilet Seats and Urinal Spaces	Teacher Toilet Seats	Disabled Toilets	Water Required Yes = 1 No = 1	Electrificat ion Required Yes = 1 No = 0	Fencing Required Yes = 1 No = 0
SIKHULANGEMFUNDO P	19	S	8	12	0	0	4	1	0	4	5	1	1	2	0	6	2	0	0	0
SIYABONGA S (KWADLANGEZWA)	11	S	8	12	0	0	0	0	0	0	1	0	#VALUE!	4	4	2	1	0	0	0
SIYAKHANYISA P	23	Р	R	7	9	1	4	1	0	6	7	1	1	0	0	6	2	0	0	0
THANDUYISE H	28	S	8	12	0	0	1	1	1	7	6	1	1	10	8	6	2	0	0	0
THUTHUKANI SPECIAL SCHOOL	5	L	L	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TISAND TECH H	17	S	8	12	0	0	0	0	0	0	2	0	1	10	8	0	2	0	0	0
THAMBOLINI P	21	S	8	12	0	0	4	1	1	1	5	0	1	10	8	4	2	0	0	0
UMDLAMFE S	19	S	8	12	0	0	3	1	1	3	6	0	1	10	8	1	2	0	0	0
WOOD AND RAW P	9	Р	R	7	2	0	1	0	0	7	7	1	1	14	14	6	2	0	0	1
ZIPHOZONKE H	24	S	8	12	0	0	3	0	1	6	5	1	1	10	8	6	2	0	0	0
ZULULAND REMEDIAL CENTRE	23	L	L	L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MNTOKHONA P	18	Р	R	7	1	3	2	1	1	4	5	0	1	8	6	2	1	0	0	0
NCOMBO P	15	Р	R	7	0	2	2	1	1	5	5	0	1	8	6	0	1	0	0	0
ZENZELENI MASHAMASE S	11	S	8	12	0	0	3	1	1	2	5	0	1	8	6	4	1	0	0	0
MVUZEMVUZE P	10	Р	R	7	0	2	1	1	1	3	4	0	1	6	4	2	1	0	0	0
ENGALANGALA P	15	Р	R	7	5	2	3	1	1	3	5	1	1	14	10	4	2	0	0	0
IKHANDLELA S	21	S	8	12	6	0	4	0	0	3	8	0	1	14	14	1	2	0	0	0
MADLANKALA P	14	Р	R	7	0	1	3	1	1	6	6	1	1	14	10	4	2	0	0	0
ZICABANGELE P (KWADLANGEZWA)	11	Р	R	7	0	1	1	1	1	3	4	0	1	6	4	0	1	0	0	0
PHEMBOKUHLE P	11	Р	R	7	0	1	1	0	0	1	3	0	1	4	4	0	1	0	1	0
NTABENI P	15	Р	R	7	0	0	2	1	1	4	5	0	1	8	6	0	1	0	0	0
MJABULISENI S	15	S	8	12	6	0	3	1	1	3	5	0	1	8	6	2	1	0	0	0
RICHEM H	9	S	8	12	25	0	6	1	1	8	8	1	1	14	10	6	2	1	1	1
QALAKABUSHA S	24	SS	10	12	10	0	2	1	1	4	4	1	1	6	4	4	1	1	1	1
AQUADENE P		Р	R	7	21	4	3	1	1	7	6	1	1	14	10	6	2	1	1	1
WATERSTONE S		S	8	12	25	0	6	1	1	8	8	1	1	14	10	6	2	1	1	1

11.5.4 Health

Primary Health Care Facilities (PHC)

The total population increased from 347 844 (2014/15) to 352 003 (2015/16). The sub-district has 13 fixed clinics, 1 Nseleni CHC, 4 mobile clinic teams and no district hospital. The population to fixed PHC clinics decreased from 38 649 (2014/15) to 27 077.20 (2015/16). The decrease is due to additional clinics that have been added in uMhlathuze, which is Meerensee clinic and Bracken ham clinic. This has slightly reduced the burden on the population to PHC facilities but still the highest when compared to the rest of the district. The population to CHC has increased from 347 844.00(2014/15) to 352003.00 (2015/16) and the population to mobile clinics has also increased from 86961.00(2014/15) to 88 000.80 (2015/16). The total PHC headcount decreased from 1187206 (2014/15) to 1113 700(2015/16), the district has a lot of car hijackings that have hindered service delivery especially outreach programmes.

Maternal, Child, Women Health and Nutrition

uThungulu District Health's maternal mortality in facility ratio decreased from 186.9/100k in 2014/15 to 153.8/100k in 2015/16. The district will be implementing plans that are aimed at preventing maternal deaths due to Post-Partum haemorrhages, anaesthetic complications, hypertension and other high risks pregnancy induced complications. The 90-90-90 District Implementation Plan will be implemented and monitored. This will reduce the possibility of having HIV related maternal deaths. Phila Mntwana centres for the early detection and management of childhood malnutrition, to be continued. (Source, uThungulu District Health)

HIV and AIDS, STI, TB (HAST) Services

UThungulu District Health office working together with municipalities in the King Cetshwayo District municipality will continue improving on initiating ARTs to all eligible clients and the Implementation of Universal Test and Treat (UTT). Male Circumcision programme is also implemented. The district to continue implementing and monitoring the 90-90-90 DIP. The district is doing well on TB management with the TB (new pulmonary) cure rate of 96.7% in 2015/16 and the district target being 98% in 2017/18. (Source, uThungulu District Health)

Table 60: HIV Prevalence

2011	2012	2013
33.4%	38.5%	38.9%

Prevalence is derived from old and new tested pregnant women. The latest HIV survey was conducted in 2013. Notable there is an increase in HIV Prevalence. Through OSS more interventions are needed to fight this pandemic. The district is working closely with municipalities in implementing initiatives that are aimed at fighting this pandemic.

King Cetshwayo district disease profile 2.00% 4.00% 6.00% 8.00% 10.00% 12.00% 14.00% 16.00% HIV/AIDS 14.76% **Tuberculosis** 12.32% Lower respiratory infections 7.12% Diarrhoeal diseases 6.88% Road injuries 4.48% Cerebrovascular diseases 4.42% Hypertensive diseases 3.84% Preterm birth complications 3.70% Diabetes 2.22%

2.04%

Figure 67: Disease Profile

Source: uThungulu Health District

Meningitis/encapalitis

Table 61: Health Priorities

MDG	Target	Indicator			
Goal 1: Eradicate Extreme	Halve, between 1990 and 2015, the proportion of	Prevalence of underweight children under 5 years of age			
Poverty And Hunger	people who suffer from hunger	Severe malnutrition under 5 years incidence)			
Goal 4: Reduce Child Mortality	Reduce by two-thirds, between 1990 and 2015,	Under-five mortality rate – use proxy "Inpatient death under 5 years rate"			
	the under-five mortality rate	Infant mortality rate – use proxy "Child under 1 year mortality in facility rate"			
Goal 4:	Reduce by two-thirds,	Measles 2 nd Dose coverage			
Reduce Child Mortality	between 1990 and 2015, the under-five mortality rate	Immunisation coverage under 1 year			
Goal 5:	Reduce by three-quarters,	Maternal mortality ratio (only facility			

Improve Maternal	between 1990 and 2015,	mortality ratio)		
Health	the maternal mortality rate	Proportion of births attended by skilled health personnel (Use delivery in facility as proxy indicator)		
Goal 6:	Have halted by 2015, and	HIV prevalence among 15-49-year-		
Combat HIV and AIDS,	begin to reverse the	old pregnant women		
malaria and other diseases	spread of HIV and AIDS	HIV prevalence among 20- 24-year- old pregnant women		

11.5.5 Safety and Security

Crime Prevention Strategy

UMhlathuze Municipality has developed and adopted a Crime Prevention Strategy which is aimed at reducing crime rates in the area. The strategy is in line with National and Provincial framework for crime reduction. It therefore based on the following four National pillars:

	Framework for the National Crime Prevention Strategy										
Criminal	Community Values and	Environmental	Transnational Crime								
Justice Process	Education	Design	Regional co-operation,								
Certain and	Community pressure	Limit Opportunities	stability and address								
Rapid and public participation		and Maximise	cross-border crime								
Deterrence	in crime prevention	Constraints									

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.

Traffic Management

The City of uMhlathuze has a fully established traffic Section (Traffic Services Operations and Administration). The section consists of three main sub-sections / sub-divisions namely:

- The Traffic Services Operations made up of Traffic Officers, Traffic Wardens and Bylaw Inspectors (Law Enforcement Officers);
- The Administration Sub-division (Admin Section) which is made up of a team of admin staff of clerks; and
- The (Traffic) Communications Centre / Control Room made up of a team of control room operators.

Traffic management services in uMhlathuze municipality include planning and executing law enforcement operations daily. The functions range from enforcement duties, the patrol function, directing and controlling traffic (point duty), setting up and conducting roadblocks, traffic stops, vehicle checkpoint (VCP) inspections and speeding vehicle detections for purposes of road safety compliance and instituting enforcement measures against offenders.

Fire and Rescue

The City of uMhlathuze has a fully established Fire and Rescue Service unit within the Community Services Department. The City has established two fire stations serving a population of 410 000 people. With the rising demand for fire and rescue services the City is establishing an additional fire station at eSikhaleni which will service a quarter of uMhlathuze's population.

The municipality strives to provide a safer environment for all its citizens by creating awareness of the dangers associated with fire in communities.

Fire and rescue services unit deals with all types of fires, ranging from structural fires, mountain and veld fires to small vessel and motor vehicle fires. The unit also extends its work to medical emergencies and rescues including diving, motor vehicle extrications and high angle incidents, as well as hazardous material emergencies.

11.5.6 Nation Building and Social Cohesion

Public Libraries

Public libraries are considered fundamental to the development and upliftment of communities. Access to libraries creates and sustains a reading culture. The value of libraries in terms of support of literacy, education, and the principle of lifelong learning forms an integral part of the modern democracy. To ensure the provision of these services, uMhlathuze Municipality is committed to improving public library access in all communities, developing and sustaining a culture of reading and the provision of access to information for all. Hence uMhlathuze has nine libraries which located in different areas, namely

- Richards Bay Library,
- Empangeni Library
- Ngwelezane Library
- Felixton Library
- ESikhaleni Library [with a facility of People with disabilities, e.g. library for the blind)
- ENseleni Library
- Brackenham Library
- Ntambanana Library
- Aquadene Library

uMhlathuze Municipality have a cooperative partnership with the KZN Provincial Department of Arts and Culture. The department provides services and support to all libraries within uMhlathuze Municipality. The services received from provincial department includes but not limited to, library material in all formats (books, music, audio books, DVDs, videos, posters, gaming, toys and magazines), ICT and Information services and promotional items and projects. The Department also funds the employment of "cybercadets" (library computer assistants) to develop ICT skills in computer users and to manage the internet facilities in libraries. Gaming facilities have recently been introduced into some of the libraries within uMhlathuze, mainly targeting the youth. This is part of the Department's aim to address social ills and provide facilities for the constructive use of leisure time among young people in the safe and stimulating environment of the library.

Empangeni Museum

uMhlathuze Municipality has one Museum which is situated in Empangeni town. This museum is the storehouse of the heritage of our city and its peoples. It also serves as the educational and cultural awareness centre for youth and for all that has interest. The main aim of the established museum it is to protect and preserve uMhlathuze's heritage for future generations.

The museum 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. Artwork is also purchased and added to the municipal assets, the value of which increases every year. Trough combined efforts with arts and culture initiatives local artists are encouraged to make use of the museum, hence there are small crafters selling craft and art work within the premises of the Empangeni Museum.

Sports and Recreation

Various Sports events and programmes are hosted by the Sport and Recreation Section including the following:

- o Indigenous Games
- Mini Olympics
- Women's Sport Festivals
- o Fun Days
- o Golden Games
- o Healthy Lifestyle Programs
- Councillors in Action

Sport Development programs hosted annually hosted by the Municipality include:

- Ward Elimination Games
- uMhlathuze Sports Indaba
- o uMhlathuze Beach Games (Annual event)

Sports facilities are continually being upgraded and provision of new sports grounds is made in the municipal budget for 2017/2018.

11.5.7 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.

OSS Structures

The following structures starting from Districts to Wards have different responsibilities to discharge in relation to Operation Sukuma Sakhe and they have been established and functional

uMhlathuze Local Municipality: IDP 2017/2022

- 1. King Cetshwayo District Task Team
- 2. King Cetshwayo District AIDS Council
- 3. uMhlathuze Local Task Team (LTT)
- 4. uMhlathuze Local AIDS Council
- 5. War Rooms
- 6. Ward AIDS Council

OSS-uMhlathuze Local Task Team (LTT)

For Operation Sukuma Sakhe to operate it needs the existence of the following core group of stakeholders, uMhlathuze LTT comprise of the following stakeholders:

- Business Sector
- o Traditional Leadership Sector
- NGO Sector
- o Religious Sector
- Sporting Fraternity
- o Women
- o Children
- Youth
- People with disability
- Senior Citizens

Some of the critical success factors to ensure the effective functioning of OSS in the uMhlathuze Municipality are noted hereunder:

- o Inclusion of community structures that include civil society, business and development partners and other key stakeholders.
- o Institutional arrangement linkages and integrated development planning.
- o Integrating Operational Plans with Governmental Department plans.
- o Establishing of a permanent "War Room."
- o Allocating cadres to conduct Household Profiling to identify needs.
- Ensuring that different Departments sit in the LTT.
- o 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

- o Joint reporting to the communities
- o Coordinated approach for identifying and resolving issues
- o Employment and Skills development opportunities through participation in task teams

The following provide tables with key achievements and activity plan for the Operation Sukuma Sakhe.

Table 62: Summary of Key OSS Achievements

Number of people reached with different kinds of campaigns mainly meant for behavioural change	4094
Number of people who received different services after intervention, services such as ID documents, birth certificates, learner ships and agricultural services.	2698
Report writing workshop conducted for Ward Task Teams Office Bearers	87 WTT members were trained
Workshop for People living with HIV/AIDS forum was conducted	15 members were trained
2 Local AIDS Council Meetings were held	
Hosted the District World AIDS Day where:	100 males were circumcised 50 inmates were circumcised 3200 were reached with the HIV/AIDS message on testing and prevention delivered by the Premier of KwaZulu Natal Mr ES Mchunu
Youth Ambassadors trained on behavioural change	87 Ambassadors were trained Survey on intergenerational relationships was conducted School youth camps was held at ENseleni Anti-Sugar Daddy material developed for both print and electronic media
During the Mandela Day	450 000 was disbursed to three ECD centres as well as other working tools
Hosted Transnet Phelophepha train for two weeks where health services were provided	2179 patients were treated for different ailments 1749 patients received eye services 858 patients received dental services 54 patients received psychological services 1480 people were reached through community outreach programs 1688 people received diabetic education 1461 learners were screened for different diseases 13185 pharmacy items were dispensed

Table 63: OSS LTT Programme of Action

ACTIVITY	PURPOSE	RESPONSIBILTY
LTT meeting	To receive reports from different war rooms &Departments	LTT, Government departments and relevant organisations
Local Aids Council meeting	Discuss HIV/AIDS programs and the reports from uppers structures	LAC, Governments departments and relevant organisations
Visits of War Rooms	To revive WAC's / War Rooms	LTT plus Broad reach
Revival of WAC	To revive the WAC structure	Ward 29 WAC & LAC
Revival of WAC	To revive the WAC structure	War 14 WAC & LAC
HIV Awareness Day	Promote safe sex, screening & referral	Ward 06 WAC & LAC
Revival of WAC	To pay visit to revive the WAC	LAC & Broad reach
Local Task Team Meeting	To receive reports from Wards & Departments	LTT Members
Training of War Room Mentors	Training of Mentors on War Room mentoring tool	LTT & Broad reach
Local Task Team Meeting	To receive reports from Wards & Departments	LTT Members
Youth Development Day	To present different youth development programmes to Madlankala Youth	LTT, Youth Council, WTT & Special Programmes
Humans Rights awareness Day	To create awareness on Human Rights for Women	LTT & Government Institutions
LTT Meeting	To receive reports from different war rooms &Departments	LTT Members
HCT Campaign	To screen people and refer them for HIV, TB & other chronic illnesses	LAC & Department of Health
LAC Meeting	To receive reports from WAC's.	LAC Members
Revival of War Rooms	To pay visits to War Rooms to assess their functionality	LAC Members & Broad reach
LTT Meeting	To receive reports from War Rooms & Departments	LTT Members

ACTIVITY	PURPOSE	RESPONSIBILTY
LTT Meeting	To receive reports from War Rooms & Departments	LTT Members
Drug & Substance Abuse awareness campaign	To fight against social ills affecting youth	LTT and relevant organizations & Departments
LTT Meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LTT Meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LAC meeting	Receive reports from WAC's	LAC, Governments departments and relevant organisations
LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LAC meeting	To receive reports from WAC's	LAC, Governments departments and relevant organisations
LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations
LTT meeting	To receive reports from War Rooms & Departments	LTT, Government departments and relevant organisations

11.5.8 Special programs

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of youth, children senior citizens (older persons), people with disabilities, people with HIV/ AIDS, women and men.

A. Youth and Children

Municipality in its budget for 2017/2018 has set aside 40% of the total capex budget for youth. The municipality in 2014 adopted Youth Development Policy and its Programme of Action. More than R500 000 per year is budgeted for University Registrations to assist youth from poor background access tertiary education. About 219 students have benefited from this programme since its inception in 2015.

B. Children

Provincial departments provide technical support while national departments are responsible for dissemination of relevant information on the Children's Act to all spheres of Government and to strengthen implementation competencies at the three spheres of Government. Although the municipality has not yet establish a framework for children. The following are standing programmes that are meant to benefit children:

Sanitary Towels Distribution

This is an on-going programme championed by the Office of the Deputy Mayor as an intervention to assist young girls from poor backgrounds with intention of keeping them at school during their menstrual periods. The programme was in initiated in 2013 as a result of schools reporting absenteeism of girls due to unavailability of sanitary towels and fear of embarrassment in a case of mishaps at school. The conclusion was that non-attendance by female learners had negative impact towards their education thus theme, "Breaking Barriers Building A Future" was adopted for Sanitary Towels Distribution project.

School Uniform Handover

Special Programmes Office in partnership with the Office of the Deputy Mayor continues to visit schools in various areas of the municipality to identify challenged children and areas of intervention. About R30 000 from municipal budget is utilised for this activity per year but most of what get to donated to school is lobbied for from local business sector.

Child Protection Awareness Campaign

This is done in partnership with the Department of Education through school visits. The intention is raise awareness about children's rights and challenges of abuse and steps to be taken in case of child suffering abuse.

C. Senior Citizens

The municipality established the forum but is not functional due to lack of support. There are no establishments at ward as per requirement. Elderly Abuse Awareness Campaigns and Active Ageing programmes have been started in few areas with intention to spread throughout the municipality. Luncheon Clubs are launched at various wards.

D. People with Disabilities

UMhlathuze Municipality established a Disability Forum. The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs of people with disabilities and ensure that they benefit from development initiatives.

The municipality has employed twenty eight (28) temporary research fieldworkers and two (2) teamleaders to assist with Profiling of People with Disabillities residing within the jurisdiction of the municipality. The aim of the study is to gather information on the number of people with disabilities in uMhlathuze Municipality in order to guide planning of programmes and the delivery of services to households of people with disabilities, as well as inform formulation of municipal policy on people with disabilities. Final results are expected to be available by June 2018.

Conference is held in every five years, linked to term of council office. uMhlathuze will host its conference on the first and second of June 2017, which will provide a platform for the nomination of the forum members. Annual general meetings will be held annually. The municipality has set **aside 20% of the total Capex budget** for the People living with Disabilities.

E. HIV/AIDS

Prevalence of HIV/ AIDS is still very high in KwaZulu-Natal. uMhlathuze Municipality has a big number of orphans and children made vulnerable by HV/AIDS. The Municipality has been able to established Local AIDS Council but emphasis is needed for ward based establishments.

The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs HIV/AIDS infected as well as the affected people and ensure that they benefit from development initiatives.

F. Gender

UMhlathuze Municipality has got a responsibility a responsibility of developing municipal gender plans as well as municipal strategies to implement them. The process of formulating a Policy on Women Empowerment and Gender Equality has begun. It is envisaged that the

municipality will have policy adopted before the end of 2016/2017 financial year. Programmes successfully conducted include

Women Business Workshop

Women were work-shopped on new development on the Municipal Supply Chain Policy which allows 40% of Municipal Supply Chain to women business.

Dialogues on Gender-Based Violence

This was conducted in a form of izimbizo with various sectors of the community. The aim was to get to the root causes of violence and propose possible solutions. The ideal situation will be having both men and women forums at ward level and ensuring that discussions on Gender Based violence are always part of the agenda of all Ward meetings. UMhlathuze Municipality has got a responsibility of developing municipal gender plans as well as municipal strategies to implement them.

Table 64: Special Programmes Initiatives

Program	Objective	Brief description	Impact
Youth entrepreneurship awareness workshop	To develop entrepreneurial skills among young people in business and enhance their business management ability	The workshop was conducted by National Youth Development Agencies and attended by local young people in business	It has assisted young people within the municipality to develop necessary confidence and the knowhow in the management of the business. It has also assisted them in identifying business opportunities
Intercultural & intergenerational dialogue	To develop the understanding amongst people of different generational groups on how each generation view some 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	The launch was held at Hlanganani hall and it was attended by 40 people living	Through presentations people living with disability managed to know about different govt. programs

Program	Objective	Brief description	Impact
	with an intention to develop the program and structure that will deal with their issues	with disability representing different organizations	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	to effect some changes on the draft strategy and paved the way forward

11.6 LED and Social Development: SWOT analysis

STRENGTHS	WEAKNESSES	
 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 Sukuma Sakhe Unit in the Municipality 	 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 	

OPPORTUNITIES		TREATS	
0	There is a branch of SEDA in Richards Bay which provides support to SMMEs,	0	Many discouraged work seekers, about 9% of population.
	and Richards Bay Minerals has a	0	Increase in functional age group
	Business Development Programme, but		between 2001 and 2011 indicate of
	the Municipality could also contribute		increased pressure for employment
	to SMME development in a number of		opportunities.
	ways	0	Economic stagnation due to unresolved
0	Harbour development has provided the		or unprocessed land claims and failed
	impetus for large-scale industrial growth.		redistribution projects
		0	Volatile world markets which affect
			prices for some agricultural
			commodities, for example, sugar.
		0	The demise of the South African Sugar
			Association's credit facility for small-
			scale cane growers.
		0	Nearly 10% of children of school going
			age are not attending school.
		0	There has been a decline in the
			percentage (%) of persons with a higher
			education.
		0	Sexual Transmitted infections remain a
			growing concern.

12. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

12.1 Capability of the Municipality to execute Capital Projects

Procurement plans are in place to expedite the implementation of the procurement process for the 2017/18MTREF. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team. Below is the capital expenditure for the previous years.

Table 65: Capital Expenditure for the Previous Years

FIN YEAR	YEAR	BUDGET	ACTUAL		% SPENT
2016/2017 Adjustment	0	0 .0 020 / 00	222 754 991 (as at 31 March 17)		40.61%
2015/2016 Adjustment Budaet	1	501 161 000	393 502 000	107 658 000	78%
2014/2015 Adjustment Budaet	2	489, 307 400	454 373 000	43 635 000	91%
2013/2014	3	467, 889 900	254 716 481	213 267 119	54%
2012/2013	4	233, 547 400	115, 036 477	118, 510 923	49%
2011/2012	5	178, 777 000	87, 042 060	91, 734 940	49%
2010/2011	6	169, 441 400	86, 176 117	83, 265 283	51%

12.1.1 Free Basic Services and Indigent Support.

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 indigent and poor or face other circumstances that limit their ability to pay for services.

The existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Litres and less per day for a month or the first 6 000 litres of water per month.
- When a consumer use more than the 200 Litres per day for a month then they pay for all water consumed
- Free rates if property value is less than R120 000.
- Free refuse charge if property is valued less than R120 000.
- Free sewer charge if property is valued less than R 120 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal.
- Targeted indigent support for very poor and child run households.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach.

It bears noting that the limitation of the Municipal Property Rates Act on Traditional Areas reduces the ability of the Municipality to generate revenue required for the provision of services in general.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

Table 66: 2017/18 Cross subsidization versus Free Basic Services

Source	Free	Subsidy	Total
Waste	14 943 068	1 192 275	16 135 343
Sanitation	21 536 614	5 829 619	27 366 233
Rates	0	23 870 053	23 870 053
Rates	0	19 967 121	19 967 121
Water	102 055 031	121 226 224	223 281 255

Source	Free	Subsidy	Total
Electricity	921 197	4 775 517	5 696 714
Total	139 455 911	176 860 809	316 316 720

The municipality is receiving equitable share of R 292 million in 2017/18 while the municipal social package is R 316.3 million. The municipality uses some of its internally generated funds to bridge the shortfall.

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 67: Free Basic Services and Indigent Costs

Description	Description		2017/18 Medium Term Revenue & Expenditure Framework			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
Household service targets						
Water:						
Piped water inside dwelling		44 308	44 308	44 308		
Piped water inside yard (but not in dwelling)		41 403	41 403	41 403		
Using public tap (at least min.service level)		498	498	498		
Other water supply (at least min.service level)		_	-	-		
M	inimum Service Level and Above sub-total	86 209	86 209	86 209		
Using public tap (< min.service level)		-	-	-		
Other water supply (< min.service level)		400	400	400		
No water supply		_	-	_		
	Below Minimum Service Level sub-total	400	400	400		
Total number of households		86 609	86 609	86 609		
Sanitation/sewerage:						
Flush toilet (connected to sewerage)		43 608	43 608	43 608		
Flush toilet (with septic tank)		-	-	-		
Chemical toilet		_	-	-		
Pit toilet (ventilated)		38 063	38 063	38 063		
Other toilet provisions (> min.service level)		_	-	-		
M	inimum Service Level and Above sub-total	81 671	81 671	81 671		
Bucket toilet		-	-	-		
Other toilet provisions (< min.service level)		4 938	4 938	4 938		
No toilet provisions		_	-	-		
	Below Minimum Service Level sub-total	4 938	4 938	4 938		
Total number of households		86 609	86 609	86 609		
Energy:						
Electricity (at least min.service level)		-	-	-		
Electricity - prepaid (min.service level)		97 285	100 985	105 685		
M	inimum Service Level and Above sub-total	97 285	100 985	105 685		
Electricity (< min.service level)		-	-	-		
Electricity - prepaid (< min. service level)		510	510	510		
Other energy sources		_	-	-		
	Below Minimum Service Level sub-total	510	510	510		
Total number of households		97 795	101 495	106 195		
Refuse:						
Removed at least once a week		70 000	72 000	74 000		
M	inimum Service Level and Above sub-total	70 000	72 000	74 000		
Removed less frequently than once a week		-	-	-		
Using communal refuse dump		-	-	-		
Using own refuse dump		_	-	-		
Other rubbish disposal		-	-	-		
No rubbish disposal		16 609	14 609	12 609		
	Below Minimum Service Level sub-total	16 609	14 609	12 609		
Total number of households		86 609	86 609	86 609		

Description	2017/18 Mediun	n Term Revenue Framework	& Expenditure
	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Households receiving Free Basic Service			
Water (6 kilolitres per household per month)	50 835	51 105	52 300
Sanitation (free minimum level service)	40 695	41 101	42 195
Electricity/other energy (50kwh per household per month)	518	522	533
Refuse (removed at least once a week)	18 594	19 210	19 775
Cost of Free Basic Services provided - Formal Settlements (R'000)			
Water (6 kilolitres per indigent household per month)	102 055	107 158	112 516
Sanitation (free sanitation service to indigent households)	21 537	22 613	23 744
Electricity/other energy (50kwh per indigent household per month)	921	967	1 016
Refuse (removed once a week for indigent households)	14 943	15 690	16 475
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	_	_	_
Total cost of FBS provided	139 456	146 429	153 750

Highest level of free service provided per household			
Property rates (R value threshold)	120 000	120 000	120 000
Water (kilolitres per household per month)	6	6	6
Sanitation (kilolitres per household per month)	20	20	20
Sanitation (Rand per household per month)	154	154	154
Electricity (kwh per household per month)	50	50	50
Refuse (average litres per week)	240	240	240
Revenue cost of subsidised services provided (R'000)			
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA) Property rates exemptions, reductions and rebates and impermissable values in excess of	3 993	4 193	4 402
section 17 of MPRA)	50 915	53 461	56 134
Water (in excess of 6 kilolitres per indigent household per month)	121 226	127 288	133 652
Sanitation (in excess of free sanitation service to indigent households)	5 830	6 121	6 427
Electricity/other energy (in excess of 50 kwh per indigent household per month)	4 776	5 014	5 265
Refuse (in excess of one removal a week for indigent households)	1 192	1 252	1 314
Municipal Housing - rental rebates	_	_	_
Housing - top structure subsidies	_	_	_
Other	_	_	_
Total revenue cost of subsidised services provided	187 932	197 328	207 195

Explanatory Notes: Basic Service Delivery Measurement

- o Table above provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- o The City continues to make progress with the eradication of backlogs.

- o The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2017/18 MTREF.
- o This Municipality is of the view that following the strict Indigent route of frees basic services for indigent consumers only and ignoring the plight of the poor and less wealthy is not the correct approach in the application of the Equitable Share and the equitable distribution that arises from tiered or block tariffs. The cost of free basic services amounts to R 139.4 million. It needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.
- Cost of Free Basic Services provided Informal Formal Settlements After an internal consultation with the Management of the Revenue Section it has been agreed that the cost of Free Basic Services provided for Informal Formal Settlements will be extracted from the Financial System in preparation for the 2018/19 MTREF.

12.1.2 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.

12.1.3 Municipal Consumer Debt Position

Outstanding consumer debtors as at 30 June 2015 were R360 million (2014: R 316 million). The total provision for impairment increased from R86 million to R 110 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R110 million, which represents 27, 91% of the total outstanding consumer debtors. Included in the provision is R43, 8 million for traffic fines. This is as a result of the implementation of IGRAP1.

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

Table 68: Debt Payment Rate

Year	Payment Rate
2007/2008	98.74 %
2008/2009	98.56 %
2009/2010	98.67 %
2010/2011	100.11 %
2011/2012	99.49 %
2012/2013	99.17%
2013/2014	100.93%
2014/2015	99.08%

More specifically, the following is the assessment for the financial year ending 30 June 2015.

Table 69: Debt Payment Ratio for 2014

Suburb	Debt Collect Ratio - In Days	rion Debtors Rate - %	Turnover Average Rate - %	•
Richards Bay	29	7.92	99.82	
Vulindlela	95	26.25	89.81	
eNseleni	138	37.89	92.51	
eSikhaleni	132	36.27	89.49	
Sundry Debtors	57	16.58	107.62	
Empangeni	42	11.57	99.58	
Ngwelezane	189	51.93	86.20	
Combined	40.35	11.05	99.08	

The debt collection ratio is for the 12-month period preceding 30 June 2015. The debtor's turnover rate represents the outstanding debtors' amount expressed as a percentage of the last 12 months billed revenue.

The payment rate is the average of the 12 months proceeding 30 June 2015

12.1.4 Debtors age analysis by category

Information below is at March 2016

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Government	5 407 520	113 597	-163 322	3 210 568	8 568 363
Business	200 621 912	5 974 114	3 948 199	70 297 665	280 841 890
Households	49 448 651	3 054 148	3 405 669	52 926 668	108 835 136
Other	7 598 770	798 981	656 085	15 749 041	24 802 877
Total	263 076 853	9 940 840	7 846 631	142 183 942	423 048 266
%	62.19%	2.35%	1.85%	33.61%	

Row Labels	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Electricity	51,952,386. 56	2,769,755.7 4	544,292.82	2,764,097.1 4	2,558,048.2 1	2,586,686.2 1	37,462,273. 58	4,542,673.4 5	105,180,21 3.71
Other	451,792.96	1,049,951.9 3	-90,765.42	919,760.73	176,453.51	813,551.15	4,779,825.4 7	20,200,336. 82	28,300,907. 15
Rates	26,732,427. 31	1,264,173.6 6	903,592.48	843,890.43	695,728.51	1,075,370.9 0	3,080,591.1 2	2,990,371.9 9	37,586,146. 40
Refuse	5,512,068.8 6	286,602.85	186,158.44	169,344.19	155,335.02	130,287.00	545,891.22	882,881.28	7,868,568.8 6
Rentals	947,356.36	330,733.70	322,380.46	315,064.15	311,376.08	310,408.47	958,806.96	3,629,960.2 6	7,126,086.4 4
Sewer	6,997,966.3 1	418,357.41	293,156.87	227,518.86	202,912.43	176,016.51	763,739.43	2,593,987.6 4	11,673,655. 46
Water	23,136,080. 47	2,693,624.3 3	3,070,584.9 5	2,221,026.6 7	2,336,187.1 1	2,280,346.1 4	10,661,153. 13	35,496,903. 78	81,895,906. 58
Interest	329,308.32	125,216.99	110,481.64	92,986.87	82,101.65	75,565.60	295,661.30	970,379.77	2,081,702.1 4
Grand Total	116,059,38 7.15	8,938,416. 61	5,339,882. 24	7,553,689. 04	6,518,142. 52	7,448,231. 98	58,547,942 .21	71,307,494 .99	281,713,18 6.74

12.1.5 Grants and Subsidies

Operating grants and transfers totals R326 million in the 2017/18 financial year, steadily increases to R354 million in 2018/19 and to R385 million in 2019/20. Local Government Equitable Share will grow at an average annual rate of above 9 percent over the MTREF; this is as a result of funds that will be added in 2018/19 and 2019/20 to offset the cost

pressures of water and sanitation and security services which continued to grow faster than inflation.

The table below provides a description of the capital grants received by uMhlathuze Municipality for the tabled 2017/2018 Draft budget report.

Table 70: Capital transfers and grant receipts

Description	2017/18 Mediur	2017/18 Medium Term Revenue & Expenditure Framework			
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20		
RECEIPTS:					
Operating Transfers and Grants					
National Government:	314 163	341 327	371 510		
Local Government Equitable Share	292 009	326 318	355 898		
Finance Management	2 650	2 650	2 650		
EPWP Incentive	4 143	_	_		
Project Management Unit	5 437	5 759	6 098		
Infrastructure Skills Development Grant	6 500	6 600	6 864		
Municipal Demarcation Transitional Grant	3 424	-	-		
Municipal Infrastructure Grant (Roll-Over)		_	_		
Provincial Government:	12 196	12 671	13 135		
	_	-	_		
Museums	183	192	202		
Provincialisation of Libraries	7 881	8 275	8 689		
Libraries	1 504	1 576	1 616		
Housing	2 628	2 628	2 628		
Total Operating Transfers and Grants	326 359	353 998	384 645		

12.1.6 Municipal Infrastructure Assets and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, for the 2017/18 budget and MTREF the Chief Financial Officer has ensured that Repairs and Maintenance provisions are within best practice parameters of 8 per cent of Asset Cost and 13 per cent of Operating Expenditure. The weakness however is that there is no Municipal wide asset repairs and maintenance plan. Repairs and Maintenance is done in silo's hence it lacks in synergistic benefit of ensuring budget allocations are used efficiently and effectively;

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 71: Operational repairs and maintenance

Description	2017/18 Medium Term Revenue & Expenditure Framework			
Description	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand				
Repairs and Maintenance by Expenditure Item				
Employee related costs	373 892	401 955	429 666	
Other materials	67 995	78 847	82 825	
Contracted Services	92 409	93 864	98 696	
Total Repairs and Maintenance Expenditure	534 296	574 665	611 188	

During the compilation of the 2017/18 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was increased marginally by 25 per cent in the 2017/18 financial year, from R 427 million to R 534 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **18.5**; **19.9 and 20.2 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **10.2**; **11 and 11.4 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 72: Repairs and maintenance per asset class

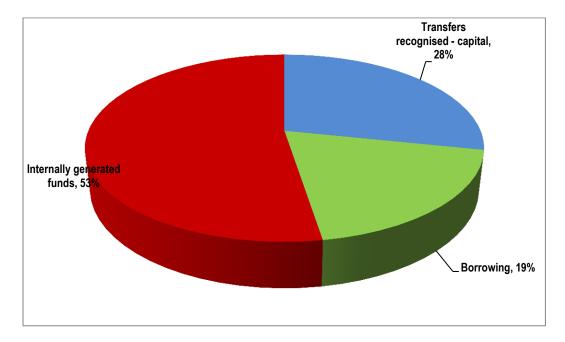
Description	2017/18 Mediur	n Term Revenue Framework	& Expenditure
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Clas	s/Sub-class		
<u>Infrastructure</u>	394 413	425 616	452 784
Roads Infrastructure	91 356	96 177	101 362
Storm water Infrastructure	30 794	28 787	30 314
Electrical Infrastructure	122 835	139 810	149 543
Water Supply Infrastructure	91 027	99 138	106 014
Sanitation Infrastructure	54 242	57 339	60 968
Rail Infrastructure	1 117	1 171	1 227
Information and Communication Infrastructure	3 043	3 195	3 355
Community Assets	69 734	74 074	78 842
Other assets	17 663	19 337	20 646
Computer Equipment	798	838	880
Furniture and Office Equipment	28	29	32
Machinery and Equipment	17 956	18 986	19 980
Transport Assets	33 705	35 787	38 025
Total Repairs and Maintenance Expenditure	534 296	574 665	611 188
R&M as a % of PPE	10.2%	11.0%	11.4%
R&M as % Operating Expenditure	18.5%	19.9%	20.2%

For the 2017/18 financial year, 74 per cent or R 394 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling at 23 per cent (R 122 million) followed by road transport infrastructure at 17 per cent (R 91.4 million), then water infrastructure also at 17 per cent (R 91 million) and sanitation at 10 per cent (R54 million). Community assets have been allocated R 70 million of total repairs and maintenance equating to 13 per cent. Transport assets has been allocated R 34 million (6 per cent).

12.1.7 Sources of capital revenue over the MTREF

Capital grants and receipts equates to 28 per cent of the total funding source which represents R147 million for the 2017/18 financial year and increase to R 165 million or 29 per cent by 2018/19. Dependency on borrowing is slowly being reduced, with its use been confined to ad-hoc infrastructure projects.





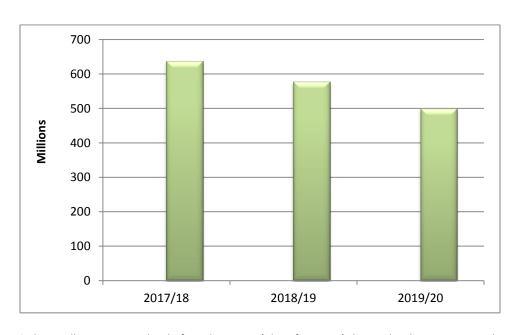
The following table is a detailed analysis of the City's borrowing liability.

Table 73: Detail of Borrowings

Borrowing - Categorised by type	2017/18 Medium Term Revenue & Expendit Framework		& Expenditure
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Parent municipality			
Annuity and Bullet Loans	637 036	577 671	499 140
Municipality sub-total	637 036	577 671	499 140
Total Borrowing	637 036	577 671	499 140
Unspent Borrowing - Categorised by type			
Parent municipality			
Long-Term Loans (annuity/reducing balance)	40 000	20 000	20 000
Municipality sub-total	40 000	20 000	20 000
Total Unspent Borrowing	40 000	20 000	20 000

The following graph illustrates the growth in outstanding borrowing for the 2012/13 to 2018/19 period

Figure 68: Growth in outstanding borrowing (long-term liabilities)



Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed

below. Internally generated funds consist of R274 million in 2017/18, R301 million in 2018/19 and R352 million in 2019/20.

12.1.8 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
- o Continued improvement of income and expenditure management
- o Continued increasing levels of cash reserves through sound cash management
- o Maintenance of a good collection rate by focusing on both old and current debt.

12.1.9 Employee Related Costs

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

Table 74: Summary of Employee and Councilor Related Costs

Summary of Employee and Councillor remuneration	2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Councillors (Political Office Bearers plus Other)			
Basic Salaries and Wages	19 517	20 884	22 242
Pension and UIF Contributions	2 928	3 133	3 337
Medical Aid Contributions	1 734	1 856	1 977
Motor Vehicle Allowance	2 763	2 956	3 149
Cellphone Allowance	1 921	2 056	2 190
Housing Allowances	284	304	323
Other benefits and allowances	_	_	_
Sub Total - Councillors	29 147	31 188	33 218
% increase	8.2%	7.0%	6.5%
Senior Managers of the Municipality			
Basic Salaries and Wages	9 419	10 078	10 734
Pension and UIF Contributions	688	737	784
Medical Aid Contributions	157	169	179
Performance Bonus	1 703	1 823	1 942
Motor Vehicle Allowance	1 226	1 312	1 397
Cellphone Allowance	210	224	239
Other benefits and allowances	707	757	806
Payments in lieu of leave	467	500	533
Sub Total - Senior Managers of Municipality	14 577	15 599	16 613
% increase	5.5%	7.0%	6.5%
Other Municipal Staff			
Basic Salaries and Wages	414 817	449 338	493 111
Pension and UIF Contributions	83 883	89 762	95 605
Medical Aid Contributions	38 852	41 576	44 282
Overtime	46 424	49 676	52 658
Performance Bonus			
Motor Vehicle Allowance	41 940	44 859	47 779
Cellphone Allowance	3 543	3 793	4 043
Housing Allowances	4 383	4 697	5 006
Other benefits and allowances	48 926	52 355	55 741
Payments in lieu of leave	25 124	26 886	28 637
Long service awards	95	100	106
Post-retirement benefit obligations	5 694	6 092	6 488
Sub Total - Other Municipal Staff	713 680	769 133	833 456
% increase	7.6%	7.8%	8.4%
Total Parent Municipality	757 404	815 920	883 287
	7.6%	7.7%	8.3%
TOTAL SALARY, ALLOWANCES & BENEFITS	757 404	815 920	883 287
% increase	7.6%	7.7%	8.3%
TOTAL MANAGERS AND STAFF	728 257	784 732	850 069

Table 75: Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.		Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum	No.		1.				2.
Councillors							
Speaker	1	644 000	149 000	34 900			827 900
Chief Whip	1	646 400	97 000	28 400			771 800
Executive Mayor	1	788 800	202 400	318 600			1 309 800
Deputy Executive Mayor	1	643 000	150 000	34 900			827 900
Executive Committee	8	4 122 900	894 400	1 156 300			6 173 600
Total for all other councillors	55	12 672 000	3 169 000	3 394 500			19 235 500
Total Councillors	67	19 517 100	4 661 800	4 967 600			29 146 500
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 311 600	236 200	440 700	273 700		2 262 200
Chief Finance Officer	1	1 384 700	_	351 800	238 200		1 974 700
Deputy Municipal Manager	5	6 722 800	596 900	1 362 800	1 191 000		9 873 500
Total Senior Managers of the Municipality	7	9 419 100	833 100	2 155 300	1 702 900		14 110 400
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	74	28 936 200	5 494 900	7 122 900	1 702 900		43 256 900

The budgeted allocation for **employee related costs** for the 2017/18 financial year totals R 728 million, which equals 25 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7.5 per cent for the 2017/18 financial year. An annual increase of 7 and 6.5 per cent has been included in the two outer years of the MTREF.

The challenge with the organizational structure is that it is designed for that of an aspirant metro and hence has many vacancies (R122m worth) which cannot be filled as there is no corresponding increase in the economy i.e. in the tax base. Consequently the associated risk is that there may be many organizational and municipal service delivery activities, which pre-restructuring were performed by one official and with the current vacuum of vacancies some of those functions may now not be performed.

The possible risk in the total Human Resource structure is if one adds both contracted services and employee related costs together, this figure amounts to 31 per cent of the operating budget, which although the 33 per cent norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource.

One of the overriding solutions here is that of a Municipal Grading in the first instance and an organogram suited for such grading for the administration. Since 2000 the structure of the organogram is dictated by the influences of the different Councils over the years and different managers, hence no collectively and best practice structured staff structure. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

Senior management has agreed in principle that no provision would be made in the 2017/18 and the subsequent two outer years for previously unfunded posts until such time the impact of the Job evaluation exercise and the subsequent implementation of the Wage Curve agreement is known.

The cost associated with the **remuneration of councillors** is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of 7.5 per cent has been budgeted for the 2017/18 financial year.

The provision of debt impairment was determined based on an annual collection rate of 96 per cent and the Debt Write-off Policy of the City. For the 2017/18 financial year this amount is R26.4 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The accounting requirement of not writing bad debt to the provision but rather depicting an actual expense in the year of the write off may cause the City to review the estimates upwards in line with actual consumer trends at period reviews of the debtors. The amounts budgeted for also do not include the subsequent measure of Traffic fines which was a material impairment with the implementation of iGRAP 1.

Provision for depreciation and asset impairment has been informed by the Municipality's Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R377 million for the 2017/18 financial and equates to 13 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 3 per cent (R73 million) of operating expenditure excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Mhlathuze Water Board. The annual price increases have been factored into the budget appropriations. Of the R1 075 million total electricity comprises R 955 million and water R120 million. The expenditure includes distribution losses.

Other materials comprise the purchase, of materials for maintenance. In line with the City's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. The appropriation against this group of expenditure has grown, however further effort will be made in the outer years to increase this appropriation over and above the inflationary boundaries.

Contracted Services has increased by 15 per cent and needs to be looked at critically, but in conjunction with Employee Related Costs. Contracted services together with Employee Related Costs amount to 30% (25 % + 5%) of total operating cost. There is a direct relationship between the efficiency and effectiveness of personnel versus that of the private sector, with the common fact between both sectors lying with level of management of resources they have at their disposal.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Minimum growth has been allowed here for the 2017/18 year with a 2 per cent allowed.

The following figure gives a breakdown of the main expenditure categories for the 2017/18 financial year.

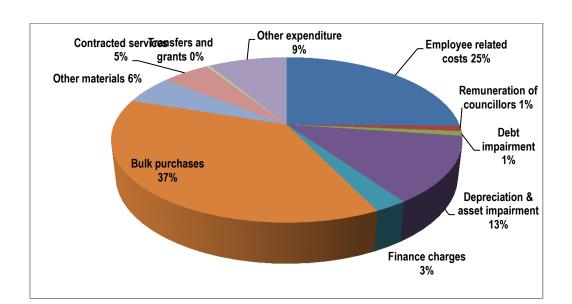


Figure 69: Main operational expenditure categories for the 2017/18 financial year

12.1.10 Supply Chain Management

The City of uMhlathuze has a fully functional Supply Chain Management Unit guided by SCM Policy. Council approved the amended Supply Chain Management Policy on 13 July 2016. The amendment of the policy included the following new clause:

- o To spend a minimum of 40% (forty percent) of its annual procurement budget with Historically Disadvantaged Individuals (HDIs) [youth, women, people disabilities within the jurisdiction of the City of uMhlathuze, through the application of Preferential Procurement Policy and relevant policies]
 - 40% Youth
 - 40% Women
 - 20% People living with disabilities
- Sub-contracting to a maximum of 25% on contracts of the approved budget per department. The 25% would be allocated to local black emerging contractor(s), local youth emerging contractor(s) inclusive of women and contractors of people with disabilities and co-operatives.

Monthly reports are submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. **Bid** committee meetings have been recorded and submitted on a monthly basis.

Appointment letters were served to all members of the different bid committees stating their roles and responsibilities and their acceptance as member on the respective committees. Training of all bid committee members on their roles and responsibilities was done by Provincial Treasury. Training on oversight role of Council was conducted with Councilors by Provincial Treasury.

In terms of Government Gazette No 34350, the Preferential Procurement Regulations 2001 was repealed and replaced with the Preferential Procurement Regulations 2011 and the Preferential Procurement Policy was amended and approved by Council.

In order to ensure that all contractors are afforded the opportunity to participate in Council's SCM process, all works related orders in excess of R2 000 are advertised on all Council notice boards around the City. This has proven to be highly successful as several new contractors are now afforded an opportunity to perform work for Council. All quotations from R30 000 and above are advertised on Council's website.

The Supply Chain Management Unity (SCMU) scrutinizes all Requisitions for material and verifies that the correct Budget as per the SDBIP is utilized for the procurement of materials

and services. It will be noticed that compared to previous years, the value of orders placed by the Supply Chain Management Unit has increased substantially which indicates growth in the orders processed by SCMU.

2009/2010 total transactions: R104 221 294.00

o 2010/2011 total transactions: R166 969 064.00

o 2011/2012 total transactions: R 256 852 052.24

2012/2013 total transactions: R 435 584 919.73

o 2013/2014 total transactions: R 878 899 965.76

o 2014/2015 total transactions: R 822 316 543.30

2015/2016 total transactions: R1 133 255 526,53

2015/2016 Financial Year end report on stock take

Total shortages	R1 500 987,53
Total surpluses	R1 524 490,57
Net gain	R 23 503,04

12.1.11 Standard Chart of Accounts (SCOA)

uMhlathuze Municipality is performing a pilot exercise for the National Treasury on the new Municipal Standard Chart of Accounts. Such are governed by regulations which will become effective Nation-wide on 1 July 2017.

In short the change is resulting in some positive business reforms:

- 1. Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
- 2. Ensuring that municipalities can budget per objective or project based, not on items or products. This entire budget is now Project Based in terms of the mSCOA regulations

The Project commenced on the 1 September 2014 and Council "went live" on 7 July 2015.

There are many challenges at this stage, however most relate to the effect the new chart has on its existing business processes. Council had to change the Supply Chain and Expenditure side of the existing financial system to accommodate such changes using the existing service providers.

Governance and Change Management:

- o Both the Executive and Senior Management are supporting the initiative which greatly assists the rolling out of the project.
- o Reporting continues on a monthly basis both to Council and the National Treasury.

Primary Challenges:

- Due to the unexpected time taken in developing the financial system whilst in the live environment, the Finance Team has spent a lot more time than expected in ensuring transaction integrity, than the Team should have in reviewing the mSCOA structure itself. The National Treasury has a very structured "Questions and Answers platform which the Technical members of the Finance Team are not interrogating /exploiting sufficiently. The system now is a lot more stable than 20 months ago, therefore, allowing the core project team to interrogate the chart itself more critically going forward;
- o In the absence of a MSCOA Budget module within the current system, it is extremely difficult for the Finance budget staff to put together the 17/18 MTREF in the format that the National Treasury requires. They are however confident that, by end of March 2017, the approved Council budget will be in a format suitable for upload.
- o There are still supplier payment delays and some procurement delays with reasons found in most cases lying with the officials not following correct procedure and not that of the mSCOA initiative or the Financial System itself;

Some critical processes are only working partial:

- Discount facility;
- Retentions;
- Cessions;
- Costing module;
- Project based accounting and budgeting;
- Management Accounting;
- Payroll interface/link to the General Ledger; and
- Billing interface /link to the General Ledger.
- Some installed and commissioned management processes are not been used at all or only partially. The specific functionality that is not used currently is the:

- The Bids Module Currently Bids are only captured at the end of the Bid Committee Process. Whereas to ensure proper control, the Process should commence at Bid Specifications;
- Some un-commissioned processes / functionality that according to the project plan should have been functional by 30 June 2016 are not. These will hopefully be accommodated in the imminent ERP solution recently approved by the Bid Committees
 - Budget Model;
 - Assets Module;
 - Fleet Module;
 - Works Orders/Costing Module;
 - General Financial Enquiries Module for Expenditure and SCM; and
 - Statutory Reporting Module.
- Given that the Municipality is pursuing a complete Enterprise Resource Planning solution, it may not be prudent to pursue these uncommission modules at this stage until the project team is exactly certain which direction the Administration taking going forward.
- The National Treasury has now finally settled with their final version of the chart itself Version 6.1 which will be the legal version for implementation on 1 July 2017. The municipal current chart is a hybridised version of 5.3, 5.4 and 5.5 as we were piloting the chart.

The CFO is currently managing the contractual obligations through an annual SLA. With exact dates of the new ERP solution not yet at hand at date of this report, it is envisaged that the SLA with the existing system will be extended for another year.

12.2 Financial Viability and Management: SWOT analysis

STRENGTHS	WEAKNESSES
 Council has an adopted Indigent Policy. 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 	 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.

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
- Financial reporting and financial statements are developed in-house

OPPORTUNITIES TREATS o The Municipality has obtained The challenges or delays relating to disputes or objections during the tender average debt collection ratio of 99.49%. process, claims as well as the rejecting or o The City obtained Clean Audit for three declining the award of a tender by the consecutive years since 2012/2013 awarded tenderer have been pivotal in the financial year slow capital budget expenditure. o Pilot mSCOA o The Council is limited in its leverage to borrow money externally. Limited resources provided in capital refurbishment and replacement programs.

13. GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

13.1 Provincial Programmes/Priorities rolled-out at Municipal Level

13.1.1 Operation Sukuma Sakhe

OSS is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB.

Operation Sukuma Sakhe has a "whole of Government approach" as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore delivery of services is required through partnership with the community, stakeholders and government.



Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve 12 National Outcomes. It encourages social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

It is the KwaZulu-Natal Provincial Government flagship programme that seeks to combat all kinds of ills affecting the society. It calls for joint efforts from all sectors to contribute towards sustainable upliftment of the standard of living for the people of KZN at the National Government level and is called "war on poverty".

Operation Sukuma Sakhe (OSS) was established in the uMhlathuze Municipality during 2011. Ongoing activities and strategies planning are increasing the effectiveness of the structure.

The Municipality has 10 CDWs (Community Development Workers) that provide a foundation for at least 10 wards. The deployment of managers to war rooms is being pursued and managers are to act as mentors for the war rooms. In addition, all Departments sit in the LTT. More details in respect of OSS are provided in section 5 of this report.

Batho -Pele Principles

Batho Pele principles are a Government's initiative to improve the delivery of public services. Batho Pele means people first and the name was chosen specifically to emphasize that it is the foremost duty of those in the Public Service to serve all citizens of South Africa.

The City of uMhlathuze is in a process of institutionalizing Batho Pele. The Batho Pele Committee was established which constituted of both councilors and senior officials. The following are committee members as appointed by Council:

Members	
Chairperson	Cllr Mbokazi
Deputy Chair	Cllr Zikhali
Coordinator	T.M Phahla
Secretary	N Zulu
Member	N.P Mdluli
Member	BM Dladla
Member	N Khumalo
Member	T Mdumela
Member	M Nzimande
Member	N Mthethwa
Member	T Dlamini
Member	B Khanyile
Member	T Gumede
Member	M Ncalane

Council adopted an Action plan in ensuring that institutionalisation is achieved. The following documents have been drafted and considered by Council,

- Customer Care Policy (Batho Pele Policy)
- Service Delivery Standards
- Service Delivery Charter

Service Improvement Plan

The following are top ten services that uMhlathuze Municipality has identified for improvement. These services are taken from the latest Customer Survey Report which was done in 2015/2016 The Next Customer Satisfaction Survey will be conducted in June 2017. These are the services:

No	Service Identified	Intervention
1.	Operating hours of Revenue Offices	 Implementation of digital payment

		portal to allow customers to pay online currently being implemented
2.	Roads maintenance including fixing of potholes	 Budget allocation road resealing has been increased (see section F, 2017/2018 Capital budget)
3.	Low water pressure affecting households	 Pipe replacement project currently underway to improve water pressure management and replace old pipes.
4.	Functionality of ward councillors and ward committees	 Monitoring and evaluation of ward structures functionality has been introduced through the Public Participation Committee chaired by the Speaker, which considers reports of ward councillors and ward committees in terms legislative requirements.
5.	Water supply to rural areas including water tanks	 Rural water scheme projects are at various stages of implementation and a new water scheme design for former Ntambanana wards will be completed in 2017/2018 (refer to 2017/2018 Capital Budget, section F)
6.	Basic services to rural communities	 A package of basic services such as water (water tanks), waste removal skips, rehabilitation of municipal gravel roads and electricity (100% coverage of municipal licenced area) is accessed by all rural within uMhlathuze.
7.	Electricity accounts	The indigent policy has been reviewed in May 2017 to accommodate different type of customers who are unable to pay for services such as electricity. The policy includes roll out of comprehensive civic education on electricity and

		water consumption. Free electricity is 50khw
8.	Communication between the municipality and the residents	New Communication Policy has been adopted to improve interface between the city and its customers/residents.
9.	Sanitation and sewerage in rural areas	 Rural sanitation projects currently underway and pilots for waterborne sewer in rural areas being implemented at Mandlanzini and uMzingazi respectively. (refer to 2017/2018 Capital Budget, Section F)
10.	Waste Management especially street sweeping and illegal	In 2017/2018 additional waste management staff to be appointed and new street sweepers to be acquired. Public Education on illegal dumping and anti-littering campaigns are ongoing.

Over and above the services identified for improvement, an internal assessment of key assets used for service delivery was conducted and the list of top twenty assets requiring maintenance within the next 12 months (January to December 2017) was compiled. Maintenance of these assets is currently at various stages of implementation. Where necessary budget provision has been made in the 2017/2018 MTREF.

13.1.1 IGR

King Cetshwayo District Mayors Forum

King Cetshwayo is one of the critical IGR Structures that this municipality is a member of. The object of the Forum is to promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities, including to seek unity of purpose and coordination of effort around the District's development priorities; and to ensure effective and efficient service delivery unhampered by jurisdictional boundaries.

MUNIMEC

It is one the provincial structures that our municipality participates in. The City Manager and the Mayor are members of the technical committee. This is a platform for the City of uMhlathuze to engage at a high level with regards to provincial priorities and implementation of provincial functions and initiatives. At length the issues of Disaster Management, Back to Basics and all other important issues are deliberated and resolutions are taken.

UMhlathuze IGR Co-ordination Role

uMhlathuze Municipality has a dedicated official responsible for IGR Co-ordination. The incumbent is based in the office of Mayor for effective coordination. 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.

13.1.2 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:

o 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;

- o 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;
- o 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
- o 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).

13.1.3 Participation of Traditional Leadership in Municipal Council

The Constitution of the Republic of South Africa, 1996 (Act no 108 of 1996) places an obligation on Local Government to encourage the involvement of communities and community organizations in the matters of Local Government. And Section 81 of the Municipal Structures Act states that; Traditional authorities that traditionally observe a system of customary law in the area of a municipality, may participate through their leaders, identified in terms of <u>subsection (2)</u>, in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.

In ensuring unity and cohesion between the two houses, Council after their appointment conduct visits to Traditional Leadership to introduce themselves as a signal of willingness to work together with Traditional Leaders. Political Office Bearers visited all Traditional Leaders or the Houses of Traditional Leaders within uMhlathuze Municipal jurisdiction. There are six Traditional Leaders within the area of jurisdiction of uMhlathuze Municipality namely Inkosi

Khoza of kwaBhejane Traditional Authority, Inkosi Mthembu of KwaSomopho Traditional Authority, Inkosi Mkhwanazi of kwaMkhwanazi Traditional Authority, Inkosi Zungu of kwaMadlebe Traditional Authority, Inkosi Dube of KwaDube Traditional Authority and Inkosi Cebekhulu of Obizo Traditional Authority, and small portions of land within our jurisdiction falls under Inkosi Biyela of Obuka Traditional Authority and Inkosi Mthiyane of Mambuka Traditional Authority. Under each Traditional Leader or tribal Authority there are wards that are under Tribal Communities and the synergy between the two houses is paramount. As section 81 regulates the sitting of Traditional Leaders in Municipal Councils likewise with Councillors who are within tribal communities they in turn should attend and participate in the tribal authority meetings. There is consistent consultation and engagement with Traditional Leaders on issues of development and service delivery.

uMhlathuze municipality always avail administrative support to Amakhosi when necessary, this done in the spirt of strengthening relations and their participation in Council meetings and its committees.

There are five Traditional Leaders who seat in Council meetings and committees as per their nomination by the Department of Corporative Governance and Traditional Affairs, Inkosi Mkhwanazi of kwaMkhwanazi Traditional Authority and Inkosi Zungu of kwaMadlebe Traditional Authority, Inkosi Mthembu of KwaSomopho Traditional Authority, Inkosi Khoza of kwaBhejane Traditional Authority and Inkosi Dube of KwaDube Traditional Authority.

13.1.4 Municipal Structures

Table 76: Section 79 Committees of Council

Committee	Chairperson
Executive Committee	Cllr M G Mhlongo
Bylaws Integration Committee	Cllr P T Mbatha
Standing Orders and Disciplinary Committee	Cllr M Mthenjana
uMhlathuze Public Transport Liaison Committee	Cllr MS C Mpungose
uMhlathuze Transport and Taxi Liaison Forum	
Public Participation Committee	Cllr M Mthenjana
Municipal Public Accounts (MPAC)	Cllr D J Ndimande

Table 77: Section 80 Committees of Council

Committee	Chairperson
Financial Services	Cllr M G Mhlongo
Corporate Services	Cllr \$ G Mkhize
Community Services	Cllr R M Zikhali
City Development	Cllr M Sookroo

Infrastructure and Technical Services	Cllr K D Sibiya
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Table 78 Good Governance, Performance Audit and Performance Evaluation Panels

Committee				Chairperson/Panel	
Section 62 Appeals Committee				Cllr M Lourens	
Audit Committee				Mr. S Nkonzombi	
Performance Audit Committee				Mrs. J Ndlovu	
Performance	Evaluation	Panel	(Heads of	Dr. N J Sibeko (Chair), Mrs. J Ndlovu (Chair	
Department)			Performance Audit), Mr. K E Gamede (UMfolozi		
				M/ty MM), Cllr S G Mkhize (Deputy Mayor)	
Performance	Evaluation	Panel	(Municipal	Cllr M G Mhlongo (Chair), Cllr S G Mkhize	
Manager)				(Deputy Mayor), Mrs. J Ndlovu (Chair	
				Performance Audit), Cllr W S Mgenge (Mayor	
				UMfolozi) Mr. E S Luthuli (Ward Representative)	

Table 79: Bid Committees

Bid Committee	Legislative Reference	Members of Bid Committee	
Bid Specification Committee	The Accounting Officer appoints officials to serve on the Bid	<u>As at 20 March 2017</u>	
	Specification Committee in terms of	MS N Ndonga -	
	Section 27 (3) (a) of the Supply Chain Management Policy	chairperson	
	(DMS 868603) which reads as follows:	Ms P Gumbi	
	"(3) (a) the bid specification committee must be composed of at	Mr B Khanyile	
	least one or more officials of the	Mr Z Masango	
	municipality or municipal entity, preferably the manager responsible	Mr S Morajane	
	for the function involved, and may,	Ms Z Ngcobo	
	when appropriate, include internal or external specialist advisors"	Mr BV Nzuza	
Bid Evaluation	The Accounting Officer appoints	<u>As at 20 March 2017</u>	
Committee	officials to serve on the Bid Evaluation Committee in terms of Section 28 (2) (a), (b) and (c) of the Supply Chain Management Policy (DMS 868603) which reads as follows:	Mr S Mhlongo - chairperson Mrs N Dlamini Ms G Gazu Mr T Gumede	
	"(2) The bid evaluation committee must be appointed and composed as follows:	Mr B Khumalo Mr N Khumalo Ms S Maduma Mr R Mbatha	
	(a) officials from departments requiring the goods or services;	Ms N Ndwandwa	

- (b) at least one supply chain management practitioner of the municipality or municipal entity and
- (c) the accounting officer must appoint the members of the committee in terms of clause 26(b) of this policy and the chairperson of the bid specification committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

13.1.5 Ward Committees

The role of ward committee members is the facilitation of local community participation in decisions which affect the local community and the municipality as a whole, the articulation of local community interest and the representation of this interest within the government system. Ward Committees represent a different sector in the ward depending on the ward diversity, thus they can play a critical role in the following but not limited to, the preparation, implementation and review of Integrated Development Planning (IDP).

uMhlathuze Municipality is a category B Municipality with a collective executive system that is linked with a ward participatory system. There are 34 wards, 34 fully functional ward committees with 340 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.

13.1.6 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 are 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:

- o 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.
- o Obtain outside legal or other professional advice within the scope of its responsibilities and allocated budget provision.

Audit Committee Report

The Audit Committee had five formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year.

For purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Committee Charter, the Audit Committee relies on the work done by internal audit. The internal audit function is overseen and coordinated by the Chief Audit Executive who is a Council employee. In executing her mandate, the Chief Audit Executive was assisted by the following contracted firms of professional service providers:

SAB & T Business Innovations Group.

In order to be able to rely on the work performed by internal audit, the Audit Committee has to satisfy itself that the quality and scope of the work performed by internal audit is sufficient to be able to place the necessary reliance thereon. This requires that the internal auditors should be able to do their work without any restrictions and that the internal auditors are, at all times, fully independent. It is the view of the Audit Committee that the work performed by internal audit is of a high standard, that it is properly planned and controlled and that the reporting is detailed and comprehensive. There is also sufficient evidence that internal audit findings are discussed with the responsible officials and that implementation of corrective measures that have been agreed upon, is followed up regularly. Consequently we have no hesitation in relying on the work performed by internal audit for purposes of executing our mandate. We are therefore in a position to advise Council that as far as matters relating to internal financial control, the adequacy, reliability and accuracy of financial reporting, performance management and evaluation, effective governance and compliance with the MFMA and other relevant legislation are concerned, the internal audit reports considered by the Committee have not revealed any material issues that may compromise any of these functions or responsibilities. This comment should however be read with our concerns and recommendations which are dealt with in paragraph 10.

Section 166(2)(b) of the MFMA requires the Audit Committee to "review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation". For these purposes, the Audit Committee relies on the work performed by the Auditor-General during its audit of the financial statements of the municipality.

The members of the Audit Committee reviewed the financial statements and the report of the Auditor General for the year ended 30 June 2016 and can report as follows:

Auditor General's report on the financial statements

- The Auditor-General's report on the financial statements has been noted. In this regard it is pleasing to note that the Auditor-General expressed an unqualified audit opinion on the financial statements for the year ended 30 June 2016.
- An overview of the financial performance of Council for the year ended 30 June 2016 is set out in the table below.

Financial performance for the year ended 30 June 2016

	Comment	2016 R000	2015 R000
1	Financial performance Total income Total expenditure Surplus for the year Surplus for the year slightly decreased compared to the previous year as a result of a decrease in total revenue against an increase in expenditure.	2 723 951 2 599 686 124 266	2 737 981 2 588 772 149 209
	Comment	2016 R000	2015 R000
2	Positive cash flow from operating activities Council achieved positive cash generation from operating activities after the removal of non-cash items (primarily depreciation).	507 270	620 092
3	Revenue from property rates and service charges Percentage increase	2 084 147 3.59%	2 012 006 5.7%
4	Revenue from government grants Percentage increase	492 508 7.79%	456 923 21.7%
5	Employee costs Percentage increase	592 773 9.30%	542 327 9.8%
6	Bulk purchases Percentage decrease	1 047 811 4.8%	1 100 661 4.5%
	Comment	2016 R000	2015 R000
1	Net assets Increase as a result of the surplus for the year	4 549 985	4 425 719
2	Cash and cash equivalents Increase primarily due to positive cash flow from operating activities	462 406	421 637
3	Trade receivables before provision for bad debts Percentage increase	389 847	361 011
4	Provision for bad debts There seems to have been a deterioration in collections	(101 785)	(109 661)

	Comment	2016 R000	2015 R000
	which is evidenced by the increase in trade receivables (see 3 above) which required an increase in the bad debt provision		
5	Ratio of current assets to current liabilities This ratio, which is an indicator of liquidity, is almost equivalent to prior year.	1.3:1	1.3:1
6	Percentage overspending of final approved operating expenditure budget	5.04%	15.4%
7	Percentage under-spending of final approved capital expenditure budget	21.5%	36.2%
8	Percentage under-spending of conditional grants received	29.47%	25.4%

Insofar as the provisions of section 166(2)(c) of the MFMA are concerned, there were no issues raised by the Auditor General in the audit report that required Council's specific attention.

Internal audit issues

The main function of the Audit Committee is to receive and consider reports from Internal Audit in which their findings on work done in terms of the approved Internal Audit Plan are recorded. For purposes of completeness, the process which is typically followed when a specific area is selected for audit is as follows:

- A pre-scoping meeting is held with the HOD and other senior officials of the relevant department in which the audit objectives and outcomes are discussed;
- A scoping document is then prepared which is approved by the relevant HOD;
- Fieldwork commences. During this process regular interaction with relevant officials takes place;

After completion of the fieldwork a draft report is prepared for discussion with the HoD and senior officials. The purpose of this discussion is to iron out any errors or differences of opinion and to obtain managements' comments and implementation commitments;

- These reports are collated on a quarterly basis and presented to the Municipal Manager and other senior officials for discussion and final approval;
- These approved reports are then tabled at the next Audit Committee meeting for discussion.

13.1.7 Enterprise RISK Management Committee

The Enterprise Risk Management Committee was established in terms of the Public Sector Risk Management Framework and trained by National Treasury Risk Management Support unit in August 2012. Its membership comprises the Municipal Manager, his 5 Deputy Municipal Managers, The Chief Operations Officer, specialists in the high risk business areas of the Municipality and it is chaired by an external Chairperson- the CFO of the district municipality under which the municipality resides. Subject specialists and risk owners are also invited on an ad hoc basis when required to present on matters tabled before the committee.

The Risk Committee functions under an approved Charter and meets every quarter. The primary objective of the committee is to assist the Municipal Manager and Council in discharging his/ its accountability for risk management by reviewing the effectiveness of the Municipality's risk management systems, practices and procedures, and providing recommendations for improvement. One of the main focuses of the committee is the quarterly review of the Strategic Risk Register which ensures that risk treatment plans are strategically aligned and implemented within required timeframes in order to address the mitigation of risk to acceptable levels in line with the organisational policy and strategy.

13.1.8 IDP Steering Committee

uMhlathuze Municipality has an established IDP Steering committee which is functional. This committee consisting of senior managers representing each municipal department has a huge role in ensuring that the IDP process is adhered to. They serve as a technical team responsible for various functions including but not limited to the following:

- The development and implementation of IDP process plan
- Planning of IDP roadshows
- Coordinate the development review of Sector Plans
- Ensure credibility of reports/plans in the Integrated development plan
- Attend to MEC comments on the IDP
- Ensuring alignment between the IDP and Budget
- Proofreading the document before submission to other committees

The Chief Operations Officer of the Municipality chairs the meeting and monitors its performance; the following are members of the IDP Steering Committee, which seats on a monthly basis:

Table 80: IDP Steering Committee

Name	Designation	Department	
Mr. I. N Mthethwa	Chief Operations Officer	Municipal Municipal Managers	
		Office al Managers Office	
Mrs NP Mdluli	Manager IDP	Municipal Managers Office	
Mr D Myburg	Manager PMS	Municipal Managers Office	
Mrs S Adonis	Chief Enterprise Risk Officer	Municipal Managers Office	
Mr B Khanyile	Manager Customer Relations :	Infrastructure and Technical	
	Electricity	Services	
Mr J Naidoo	Head of Section : Roads	Infrastructure and Technical	
		Services	
Ms D Ngidi	Manager Sports and Recreation	Community Services	
Mr Z Masango	Manager Waste	Community Services	
Mrs F Zungu	Chief Occupational Health	Corporate Services	
	Practitioner		
Mr. C Koekermoer	Manager Records	Corporate Services	
Mr S Mhlongo	Deputy Manager SCM	Financial Services	
Mr S Mngomezulu	Accountant	Financial Services	

13.1.9 IDP Representative Forum

The IDP Forum was established by Council of uMhlathuze. The Forum proved not to be functional. A strategic decision was taken by the District IDP Planners Forum, that since in the district all municipalities had a concern of dysfunctional of IDP Forums due to non-attendance by relevant senior government officials and other stokeholds. It was seen fit to use the District Planners Forum in replacement of local forums until the problem is solved. uMhlathuze Municipality is using the OSS platform as a great platform to discuss and conclude on matters of integrated development planning. So far the current set-up has proven to be effective for the municipality. The integrated approach assists in avoiding duplication of structures and also saves time for government officials. This co-ordination also complies with the OSS requirements which indicate that all OSS activities must be aligned to the IDP Activities. This forum seats on a monthly basis. The agenda is integrated. Forum consist of Municipal Councilors, Senior Government Officials, Municipal Officials, NGO's and all other relevant stakeholders,

13.1.10 Executive Management Committee

The Executive Management Committee (EMCO) is the highest strategic committee of management made up of the Municipal Manager, Chief Operations Officer and Deputy Municipal Managers (Heads of Departments). EMCO meets every Monday of the month to consider and process reports from various departments before such reports are submitted to various committees of Council. EMCO is the highest decision making body on administrative, strategic and operational matters in line with Council Delegations to Senior Management.

13.1.11 Management Committee

The Management Committee (MANCO) is an extended management meeting which includes EMCO, middle management and other strategic managers. The strategic intent of this committee is to ensure synergy, integrated and coherent approach to municipal operations, policy implementation and service delivery.

13.1.12 Status of Municipal Policies

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

Table 81: Status of Municipal Policies

Policy Name	Description
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.
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.
SHEQ Policy	Continual provision of quality services to all stakeholders in a healthy, safe and environmentally responsible manner
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
HIV/AIDS Policy for Employees	

Policy Name	Description
Tariff of Charges	DMS 873147
Investment and Cash Management Policy	RPT 141398 DMS 454662 DMS 458007 Review
Supply Chain Management Policy	RPT 137944 RPT 145110 DMS 439330 (review)
Credit Management Policy (Credit Control, Debt Collection and Indigent Support)	DMS 438088 DMS 716354
Tariff Policy	DMS 418186
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)
Fraud Prevention Policy	RPT 143608 DMS 497798
Fraud Risk Register (DMS 1126293) Virement Policy (transfers of funds)	RPT 147986 DMS 635065
Fixed Asset Management Policy	RPT 145981 DMS 562968

13.1.13 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, as well as maximizing opportunities available to the organisation. 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 annually reviewing its 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;
- o innovation;
- o reduced waste;
- prevention of fraud and corruption;
- o better value for money through more efficient use of resources;
- o better outputs and outcomes through improved project and programme management;
- aligning risk tolerance and strategy;
- pursuing institutional objectives through transparent identification and management of acceptable risk;
- o providing an opportunity to prioritise the risk management activity;
- o enhancing risk response decisions;
- o reducing operational surprises and losses;
- o identifying and managing multiple and cross-enterprise risks;
- seizing opportunities; and
- o increasing the probability of achieving objectives.

Enterprise Risk Management involves:

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

The functional key performance areas of the Enterprise Risk Management unit include:

- o Enterprise Risk Management;
- Project Risk Management;
- Fraud Risk Management;

- Business Continuity Management; and
- Legal Compliance Risk Management

The City has in place an Enterprise Risk Management Committee reporting to the Audit Committee, Council and the Municipal Public Accounts Committee (MPAC) as oversight. The 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 and co-ordinate risk management activities in their respective business units. 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 through performance management throughout the organization.

Figure 70: 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.

13.1.14 Municipal By-Laws

uMhlathuze Municipality has passed a number of By-laws including the following:

BYLAWS	RESPONSIBLE DEPT
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BYLAWS	RESPONSIBLE DEPT
Keeping of Animals Bylaws	DCSH
Solid Waste Bylaws	DCSH
Water Services Bylaws	CE
Advertising Sign Bylaws	MM
Street Trading Bylaws	CD
Bylaws Relating to Public Amenities	CS
Credit Control and Debt Collection Bylaws	CFO
Funeral Undertakers Bylaws	DCSH
Cemetery Bylaws	DCSH
Bylaws Relating to Flammable Liquids	DCSH
Bylaws Relating to the Lease of Halls and Conference Facilities	CS
Bylaws Relating to the Control of Parking Attendants/Car Guards	DCSH
Bylaws Relating to Public Libraries	DCSH
Bylaws Relating to Municipal Swimming Pools	DCSH
Bylaws Relating to Childcare Services	
Electricity Supply Bylaws	I&TS
Standing Orders for the Council and its committees	CS
Nuisance Bylaws	DCSH
Environmental Health Bylaws	DCSH
Bed and Breakfast Bylaws	CD
Beach Bylaws	DCSH
Rates Bylaws	CFO
Possession and discharge of fireworks Bylaws	DCSH
Air Quality Management By-Laws	DCSH

The process of passing By-laws is done through the By-Laws Committee which was put in place to facilitate the development and review of the above mentioned Council By-Laws. They are then adopted by Council and gazette accordingly. The implementation thereof is done by specific departments that oversee compliance.

13.2 Public Participation Analysis

13.2.1 Taking Council to the Community

In ensuring an unfading sense of connection with its community, the municipality annually stages an unprecedented "Taking Council to the Community" Program. The program is rotated in all the wards. This initiative involves taking both the Executive Committee as well as Council meetings to the selected venues/areas and thus providing the community with an opportunity to witness how such meetings are conducted. About 1700 people (the public) participated in the previous seating's.

During these meetings induces the climax following a series of preceding activities which, amongst others, saw the handing over of wheel chairs, school visits, clean up campaigns,

repainting of the roads etc. Councillors led by the His Worship the Mayor take part throughout these activities thereby demonstrating Council's seriousness about service delivery and being closer to the community in pushing developmental objectives. The next seating will be held in the month of June 2016, an overall report to the community by the Mayor will highlight some of the key service delivery achievements made the municipality over the past four years since local government elections.

13.2.2 IDP Process and Public Participation

Participatory mechanisms that take place throughout the IDP process help the project to ensure that the process, plans, goals, and implementation of the planned intervention is inclusive, and importantly address the needs of marginalized groups and minorities to ensure nondiscrimination and equality. Participation has built up ownership and partnerships which have made the projects that have been implemented within the community more sustainable.

During the IDP process, participation is implemented during the assessment and planning phase to help gather relevant data to define development challenges and to identify vulnerable groups, map out root causes, and set priorities

The integrated development planning process provides a forum for identifying, discussing and resolving the issues specifically aimed at upliftment and improvement of conditions in the under-developed parts of the municipality area. In order to ensure certain minimum quality standards of the IDP, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal Systems Act (2000). Municipal Departments participate throughout the process by contributing relevant aspects of their sections.

The objective of the IDP process is to facilitate deliberations resulting in decisions being made on the strategic development direction of the municipality and includes issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. The IDP, however, will not only inform municipal management; it is intended to guide the activities of any agency from other spheres of government, corporate service providers, NGOs and the private sector within uThungulu district.

13.2.3 Communication Plan

uMhlathuze Municipality's communication strategy with specific reference to the IDP Process entails that:

- Ward Committee members and Councillors are part of the preparation of ward meetings
- o IDP community sessions are held in venues closest to the community
- Release of print media press when required to local and provincial newspapers are in Zulu and English
- SMS's, flyers and loud hailing are also used as a strategy to sensitise the community to attend the IDP meetings
- o Monthly internal and external newsletters are used to publish IDP/Budget news
- o Council provides transport for community members to respective venues

13.3 Good Governance and Public Participation: SWOT Analysis

STRENGTHS	WEAKNESSES	
 Operation Sukuma Sakhe (OSS) established in the uMhlathuze Municipality Ongoing activities and strategies planning are increasing the effectiveness of the structure. 	 Resourcing, human and financial, to ensure efficient operation of OSS structures is challenging in some areas. Ward Committees have to remain functional. 	
 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. 		
o uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.		
o 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. 		

OPPORTUNITIES	TREATS
o 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.	o IGR and Good Governance in general is dependent on the support from various institutions and organs of state to ensure success.

14. UMHLATHUZE: COMBINED SWOT ANALYSIS

14.1 Strengths

- o 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
- o The municipality borders a coastline that spans approximately 45 kilometres
- o The municipality borders a coastline that spans approximately 45 kilometres
- Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development.
- o High level of species diversity.
- o The beaches are significant tourism assets for the municipality.
- Alien Invasive and Greening Strategy in place.
- o Spatial Development Framework has been developed and is in place.
- o 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.
- o Disaster Management Advisory Forum in place
- o Municipal Organogram is in place.
- o Section 79, 80 and other Council Committees established and are operational.
- o A reliable ICT system for effective functioning and efficient service delivery.
- o Human Resource Policies in Place
- Employment Assistance Programme
- o 24 hours operational Call Centred with toll free
- Fully functional ward committees
- o 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.
- o 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.
- o Continual improvement of the Blue Drop score for the Municipality
- o Continual improvement of the Green Drop score for the Municipality
- o 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
- o 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.
- o Functional Operation Sukuma 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.
- o 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).
- o Functional section 79 and Section 80 committees.
- o Ward committees established for all 30 wards.
- o uMhlathuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003.
- o Range of municipal policies in place.
- o 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 socioeconomic impact of the pandemic on its citizenry.
- o "Taking Council to the Community" Program ongoing in the Municipality.
- o Communication strategy in place.

14.2 Weaknesses

- o 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.

- o Gaps in availability of data on the local heritage.
- A remarkable concentration of Red Data Species is one of the main reasons that the remaining percentage of the municipal surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife for meetings its conservation objectives in the province.
- Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area
- o lack of resources, Appointment of Support of staff and equipment
- o Lack of capacity to adequately handle all kinds Disaster related incident.
- o Insufficient funds allocated to the section.
- o Satisfactory attraction and employment of disabled personnel.
- o 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.
- o Indiscriminate dumping by residents of garden waste and builder's rubble.
- o Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that creates flooding of streets and properties.
- o A matter of great concern is that 56% of informal traders operating without a licence
- o Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- o Failure to realize the potential for value adding through agro-processing.
- o Funding to assist Operation Sukuma Sakhe
- o Ongoing challenges to spend internal and grant funds.
- o The current credit score of the Municipality is BBB.
- o Absence of financial implementation plan approved by Council for new organizational structure.
- o Resourcing, human and financial, to ensure efficient operation of OSS structures is challenging in some areas.
- Ward Committees have to remain functional.

14.3 Opportunities

- o There is one airport and a couple of land strips in the municipal area.
- o Economic node to the North-Eastern parts of the Province
- o The R34 Provincial Main Road passes through Empangeni towards Melmoth.
- o There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node.
- o Coastal Dunes contain heavy minerals that are sought after for mining.
- o Existing disaster management centre located at the Fire Station
- o Potential growth in terms of expanding and economical
- o Institutionalisation of Batho-Pele Principles
- o Implementation of the E-Council system, eliminating cost for paper used in agendas etc.

- o Bursary Policy for councillors, employees and members of the public.
- o 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.
- o 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.
- o 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.
- o 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
- o Harbour development has provided the impetus for large-scale industrial growth.
- The Municipality has obtained an average debt collection ratio of 99.49%.
- o 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.

14.4 Threats

- o 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.
- o 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.
- o The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area.

- o 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.
- o 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
- o Lack of proper implementation of the Succession Policy.
- Lack of Job Evaluation forum in order to determine post levels
- o 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.
- o Increased water demand for rural reticulation at the Mzingazi WTW
- o Community members are building houses on the ponds at the Ngwelezane WWTW
- High cost of much needed maintenance at WTW and WWTW
- o Influx and settlement along urban boundaries.
- Access to appropriate land for human settlement purposes.
- o Many discouraged work seekers, about 9% of population.
- o 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.
- o There has been a decline in the percentage (%) of persons with a higher education.
- o Sexual Transmitted infections remain a growing concern.
- o 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.
- o The Council is limited in its leverage to borrow money externally.
- o Limited resources provided in capital refurbishment and replacement programs.
- o IGR and Good Governance in general is dependent on the support from various institutions and organs of state to ensure success.

SECTION D: VISION, STRATEGIES, GOALS AND OBJECTIVES

15. VISION AND MISSION OF THE UMHLATHUZE MUNICIPALITY

The Vision:

"The Port City of uMhlathuze offering a better quality of life for all its citizens through sustainable development and Inclusive Economic Growth"

Mission Statement:

The City of uMhlathuze commits itself to:

- Job creation and inclusive economic growth through accelerated economic development and transformation;
- Enhancing industry based skills development and strategic support to education priority programmes;
- Community based initiatives to improve quality of citizens health and wellbeing;
- Creating safer city through integrated and community based public safety;
- o Planned and accelerated rural development interventions;
- o Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and ccommitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- o Good governance, capable and developmental municipality

16. 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 between the municipality, provincial and national government.

Table 82: uMhlathuze Strategies, Goals and Objectives

TIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION			
S	OBJECTIVES	STRATEGIES	
ac	1.1.1 To ensure effective and efficient administration complying with its Legal	1.1.1.1 Provide administrative support for all Council Committees	
	Mandates	1.1.1.2 Strengthening Council Oversight trough training on Legislation and Policies	
		1.1.1.3 Development of a Corporate Strategy	
		1.1.1.4 Development and review of policies that will lead to improved service delivery and legislative compliance	
		1.1.1.5 Compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	
	1.1.2 To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2.1 Monitor evaluate measure and review the performance of the municipality against indicators and targets set in the IDP	
	1.1.3 Ensure Institutionalisation of Batho Pele	1.1.3.1 Implement a Service Charter	
	Culture	1.1.3.2 Increase sensitivity of municipal stakeholders to the aspirations of citizens	
	1.1.4 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.1 Facilitate the Functionality of Ward Committees through continuous capacitation 1.1.4.2 Development of a Credible Integrated Development plan within prescribed legislative guidelines	
		1.1.4.3 Facilitation of Stakeholder and Community participation in policy making	
		1.1.4.4 Implementation of communications strategy to help the organisation to communicate effectively	
		1.1.4.5 Effective and efficient ICT Systems that enable Informed decision making and communication	
и	1.1.5 To promote Access to Information and Accountability	1.1.5.1 Ensure effective information and accountability prescripts	
	•	1.1.6.1 Implement and maintenance of a sound enterprise risk management	
		1.1.6.2 Implement and maintenance of a sound fraud risk management system	
		1.1.6.3 Implement and maintenance of business continuity management	
	1.1.7 Ensure reliability and maintain independence of internal audit activity	1.1.7.1 Effective Audit Committee 1.1.7.2 Effective and value adding internal	
		audit activity	

NATIONAL KPA 2 : BAS	ATIONAL KPA 2: BASIC SERVICES AND INFRASTRUCTURE PROVISION			
GOALS	OBJECTIVES	STRATEGIES		
2.1 Integrated infrastructure and efficient services	2.1.1 To expand and maintain infrastructure in order to improve access to basic services and promote local	2.1.1.1 Eradicate water services backlogs through provision of basic water services		
	economic development	2.1.1.2 Eradicate sanitation services backlogs through provision of basic sanitation services		
		2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services		
		2.1.1.4 Provide a weekly domestic solid waste removal service to the community		
		2.1.1.5 Provision of public transport infrastructure facilities		
		2.1.1.6 Provision and Maintenance of storm water and coastal engineering infrastructure		
		2.1.1.7 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets		
	2.1.2 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2.1 Improve community standard of living through accelerated development of Integrated Human settlement		
	2.1.3 To ensure effective Fleet Management	2.1.3.1. Review and Implement Fleet management Plan		

NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT			
GOALS	OBJECTIVES	STRATEGIES	
3.1 Viable Economic Growth And Development	3.1.1 To promote and facilitate investment	3.1.1.1 Develop investment promotion and facilitation plan 3.1.1.2 Develop township economy 3.1.1.3 Package council land to facilitate economic growth	
	3.1.2 Stimulate key sectors that promote economic growth and create jobs	3.1.2.1 Provide support for prioritised sectors 3.1.2.2 Developing and implement economic development sector plan	
	3.1.3 To create enabling environment for the informal economy	3.1.3.1 Review and implement informal economy policy	
	3.1.4 Clear City identity	3.1.4.1 To promote the city as destination of choice	
	3.1.5 To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	3.1.5.1 Promote economic growth by successful implementation of EPWP community based projects	
		3.1.5.2 Promoting economic growth by providing employment opportunities for Women and Youth	
		3.1.5.3 Promoting economic growth by providing skills empowerment to the unemployed	
3.2 Public Safety and Security	3.2.1 Provision of efficient and effective security services	3.2.1.1 Review and implementation of crime prevention strategy	
	3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Review and Implementation of a fire prevention strategy	
3.3 Safe and Healthy Living	3.3.1 Efficient an effective waste management services	3.3.1.1 Review and Implementation of Integrated	

NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT			
GOALS	OBJECTIVES	STRATEGIES	
Environment		Waste Management Plan	
	3.3.2 To ensure air quality management	3.3.2.1 Implementation of Air Quality Management Strategy	
	3.3.3 Cater for alternate future burial option	3.3.3.1 Provision of cemeteries	
3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development of sports and recreation programmes	
		3.4.1.2 Development of community facilities	
		3.4.1.3 Development of Arts and Culture Strategy	

NATIONAL KPA 4: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION			
GOALS	OBJECTIVES	STRATEGIES	
4.1 A Municipality that is Resourced and Committed to attaining the vision and mission of the organisation	4.1.1 To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1.1 Implement the talent management strategy 4.1.1.2 Compliancy with Employment Equity Act	
		4.1.1.3 Implement EAP programs that promote and support health and well-being of employees	
		4.1.1.4 Improve Citizens Skills levels and Education	
		4.1.1.5 Create and maintain sound Relationship between management and labour	
		4.1.1.6 Maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	

NATIONAL KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT			
GOALS	OBJECTIVES	STRATEGIES	
5.1 Sound Financial And Supply Chain	5.1.1 Compliance with financial legislation and	5.1.1.1 GRAP compliance	
Management	policies	5.1.1.2 mSCOA compliant	
		5.1.1.3 Review of all financial related policies	
		5.1.1.4 Compliance with all MFMA and related local government financial legislation	
	5.2.1 Sustainable Financial and supply chain Management	5.2.1.1 Provide continuous Internal Communication on Budget and Financial Management matters	
		5.2.1.2 Asset Accounting Management	
		5.2.1.3 Accurate and timeous billing and receipting of revenue	
		5.2.1.4 Apply Adequate Internal controls	
		5.2.1.5 Demand and acquisition management	
		5.2.1.6 Contracts and Logistics management	
		5.2.1.7 Apply adequate financial management methodologies	

NATIONAL KPA 6 : CROSS CUTTING				
GOALS	OBJECTIVES	STRATEGIES		
6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development	6.1.1.1 Review and Implement Spatial Development Plan		
		6.1.1.2 Develop precinct framework plans		
		6.1.1.3 Review of Human Settlement Sector Plan		
		6.1.1.4 Incremental development of strategic environmental assessment for the entire municipal area		
		6.1.1.5 Implementation of uMhlathuze Land Use Scheme		
		6.1.1.6 Compliance with national Spluma by-law and national building act.		
		6.1.1.7 Efficient processing of development application and building plans		
6.2 Immovable Property Management	6.2.1 To ensure fair valuation of properties	6.2.1.1 Development and maintenance of valuation roll in line with municipal property rates act.		
	6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register		
6.3 Disaster Management	6.2.3 To prevent and mitigate disaster incidents	6.2.3.1 Review and Implement Disaster Management Plan		

Table 83: Local, Provincial and National Alignment

National KPA	uMhlathuze Goals	uMhlathuze Mission	SDG	National Plan Priorities	12 National Outcomes	5 National Priorities	PGDS Goals	Municipal Intervention / Programme
Good Governance and Public Participation	Democratic, responsible, Transparent, Objective and equitable Municipal Governance	Good governance, capable and developmental municipality	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels	Inclusive Plannning	Responsive, accountable, effective and efficient local government system	Nation Building and Good Governance	Governance and Policy	Operation Clean Audit Customer Care Policy and Service Standards Anti-Fraud and Corruption Policy including whistle bower hotline
				Unite the Nation Fight Corruption				
Basic Service Delivery and Infrastructure Provision	Integrated infrastructure and efficient services	Good governance, capable and developmental municipality	Ensure availability and sustainable management of water and sanitation for all; ensure access to affordable, reliable and modern energy for all	Expand Infrastructure	An efficient, competitive and responsive infrastructure network		Strategic Infrastructure	City of uMhlathuze 2030 Long Term Strategic Plan including infrstructure investment
			End hunger achieve food security and improved nutrition and promote sustainable agriculture		Vibrant, equitable, sustainable rural communities contributing towards food security for all			Strategic Roadmap for Economic Development, Transformation and Job creation
	Integrated urban and rural development	Promotion and maintenance of spatial equity and transformation	Make cities and human settlement inclusive, safe , resilient and sustainable		Sustainable human settlements and improved quality of household life		Spatial Equity	Integrated Huma Settlemet Plan and Spatial Development Framework for 2017/2022
		Optimal management of natura resources and commitment to sustainable environmetal maangement	Take urgent action to combat climate change and its impacts.		Protect and enhance our environmental assets and natural resources		Environmental sustainability	City of uMhlathuze Climate Change Strategy and Action Plan
Local Economic Development	Viablle economic growth and development	Job Creation through and inclusive economic growth	promote sustained, inclusive and sustainable economic growth, full and production employment and decent work for all	Create Jobs		Job Creation	Inclusive economic growth	Strategic Roadmap for Economic Development, Transformation and Job creation
		Enhancing industry based skills development and strategic support to education priority programs	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Quality Education	Skilled and capable workforce to support an inclusive growth path	Education		City of uMhlathuze Operation Sukuma Sakhe and War Rooms Strategic partnership with institutions of higher learning including SETAs
					Quality basic education			
	Safe and healthy living environment	Community based initiatives to improve quality of citizens health and well-being	Ensure healthy lifestyles and promote well-being for all at all ages	Quality Healthcare	A long and healthy life for all South Africans	Health		City of uMhlathuze Operation Sukuma Sakhe and War Rooms
		Job Creation through and inclusive economic growth	Reduce Child Mortality		Decent employment through inclusive economic growth	Rural development, food security and land reform		Strategic Roadmap for Economic Development, Transformation and Job creation
	Public safety and security	Creating a safer city through integrated and community based public safety	Achieve gender equality and empower all women and girls		All people in South Africa are and feel safe	Fighting crime and corruption		City of uMhlathuze Crime Prevention Strategy
Municipal Institutional Development and Transformation	Municpality that is resources and committed toattaining the vision and mission of the organisation	Use of ICT to improve productivity and efficiences in line with Smart City principles		Build a Capable State	Create a better South Africa, a better Africa, and a better world		Human Resource Development	uMhlathuze Human Resources Development Strategy
					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 and supply chain management	Good governance, capable and developmental municipality		Use Resources Properly				Supply Chain Management Policy Revenue Enhancement Plan 15 Cataylytic Projects Capex Project Steering Committee Operation Clean Audit

SECTION E: STRATEGIC MAPPING (SDF CHAPTER)

PGDS GOAL: SPATIAL EQUITY PGDS OBJECTIVE: 7.1 AND 7.2

DGDP GOAL: SPATIAL EQUITY

DATA DISCLAIMER

- Post 2016, the uMhlathuze Municipality consists of 34 Wards and has increased in size by approximately 50% from 79 334 Ha to 123 325 Ha
- Only official population data was available for the newly demarcated municipal area
- All other analysis in respect of infrastructure and socio-economic issues had to be based on a combination of the pre 2016 LGE municipal ward data from the uMhlathuze and former Ntambanana Municipalities respectively
- There are gaps in the spatial representation of data as there is no seamless alignment of 2011 and 2014 wards with the new municipal boundary of uMhlathuze

This chapter represents an extract of the uMhlathuze Spatial Development Framework and should be read in conjunction with the comprehensive Spatial Development Framework of the uMhlathuze Municipality. This chapter also makes reference to the Municipal Human Settlement Plan and should therefore also be read in conjunction with the comprehensive Municipal Human Settlements Plan of the uMhlathuze Municipality.

The Spatial Development Framework (SDF) can be considered as a visual presentation that seeks to guide the overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goal and objectives of the municipal IDP, in keeping with the principles for land development. As such, it should guide spatial growth, conservation of the natural and built environment as well as the correction of past imbalances. It should also indicate areas where strategic intervention is required and should act as marketing tool to indicate where development could be promoted.

16.1 Spatial Development Vision

The current long term vision of the Municipality is:

"The Port City of uMhlathuze offering a better quality of life for all its citizens through sustainable development and Inclusive Economic Growth"

The above municipal vision underpins the following mission elements:

- Job creation and inclusive economic growth through accelerated economic development and transformation;
- Enhancing industry based skills development and strategic support to education priority programmes;
- Community based initiatives to improve quality of citizens health and wellbeing;
- o Creating safer city through integrated and community based public safety;
- Planned and accelerated rural development interventions;
- o Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and ccommitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- o Good governance, capable and developmental municipality

In Support of the above Municipal wide (IDP) vision and mission, the current uMhlathuze Municipal Spatial Development Framework vision is:

"Progressive and sustained socio-economic transformation poised for equitable distribution of opportunities to all citizens."

16.2 Alignment with Policies, Plans and Legislation

Due cognisance is taken of a number of National and Provincial policies and plans as well as legislation when preparing a municipal SDF. A short summary of the key policies, plans and legislation is provided hereunder:

16.2.1 Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs): 2020-2030 Vision. The following three SDGs are emphasized given their relevance to the context in which the uMhlathuze Municipality is functioning. Sustainability and integration issues are at the focus of the spatial transformation program being pursued by the municipality.

SDG	Goal Description	Application to uMhlathuze		
6	Ensure available and sustainable management of water and sanitation for all.	 The uMhlathuze Municipality is a Water Services Authority (WSA) and the Water Service Provider (WSP). Backlog eradication is a priority. In context of the revised municipal boundaries, exact backlogs have to be confirmed. The municipality aims to achieve universal coverage of water and sanitation services over its whole area. 		

SDG	Goal Description	Application to uMhlathuze
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	 The establishment of a Techno Hub in Richards Bay is being pursued, on a codevelopment principle, between the Richards Bay IDZ (Industrial Development Zone) and the uMhlathuze Municipality. During 2002, the Downstream Aluminum Centre for Technology (DACT) was launched with support from the DTI. The Centre is an incubator that assists potential entrepreneurs from local and emerging
11	Make cities and human settlements inclusive, safe, resilient and sustainable. Goal 11.1 that citizens have access to adequate, safe and affordable housing and basic services, and upgrade slums. Goal 11.3 that all countries must enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management Goal 11.a countries must support positive economic, social and environmental links between urban, peri-urban and rural areas Goal 11.b requires that by 2020 all countries must increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters etc.	The uMhlathuze Municipality has resolved to establish Human Settlement Restructuring Zones. These restructuring zones are intended as an instrument (among others) to pursue restructuring of South African cities. This is essentially about integration: economic, racial and social. Restructuring is largely about moving away from housing interventions that entrench/enforce or in any way maintain the spatial status quo, which reinforces certain social and economic disparities. In line with the above, two Human Settlement projects have been initiated within these identified restructuring zones namely the Aquadene Integrated Human Settlements Project (bulk services under construction) and Phase 6 and 8 of the Dumisani Makhaye Village project.

16.2.2 National Development Plan:

This is the S.A. Government's plan to eliminate poverty and reduce inequality by 2030. The uMhlathuze Municipality has embarked on the preparation of a Municipal Economic Development Transformation Roadmap. Also, particular attention is

being given to the upliftment and revitalization of the Township Economy. The roadmap has the following objectives:

- o To guide the City of uMhlathuze on practical interventions and programmes
- o To embed the culture of business unusual across departments in order to stimulate inclusive growth in the City
- o To implement a coherent plan that will achieve desired results progressively
- o To remove red tape and business unfriendly processes
- o To enforce paradigm shift and change management
- o To improve strategic partnerships with key stakeholders
- o To induce a culture of long term planning and investment

16.2.3 Strategic Integrated Projects (SIPs): Presidential Infrastructure Coordinating Commission.

	T	
Unlocking the northern mineral belt with Primary Mineral Reserves with the Waterberg as the catalyst	The rail capacity between Mpumalanga and Richards Bay is relevant in in this instance. The uMhlathuze Municipality has budgeted R100 million to spend on the electricity line to RBCT to avoid future failure of electricity supply to this large export facility. The Port expansion of Richards Bay is a permanent discussion item between the uMhlathuze Municipality and the Richards Bay Port (Transnet).	
SIP 2 Durban-Free State- Gauteng logistics and industrial corridor	A logistics and industrial corridor is in place between Durban and Richards Bay. Issues relating to access to ports as well as the development of airport precincts are relevant in the context of uMhlathuze.	
SIP 6	Although the uMhlathuze Municipality is	
Integrated municipal infrastructure project	not one of the 23 least resourced districts in the country, the principle of addressing maintenance backlogs and upgrades in water, electricity and sanitation bulk infrastructure applies to the uMhlathuze municipal area. Also, road maintenance is imperative to enhance service delivery.	
SIP 8	Numerous green economy initiatives are	
Green energy in support of the South African economy	either being pursued or supported by the uMhlathuze Municipality in its area of jurisdiction.	

SIP 18	Universal backlog eradication in respect
Water and sanitation infrastructure	of water and sanitation. To achieve this, new infrastructure, rehabilitation as well as improved management of infrastructure is required.

- Provincial Growth and Development Strategy: KZN Province Strategy to promote KZN to be a prosperous Province with a healthy, secure and skilled population, gateway to Africa and the world by 2030
- N2 Corridor Plan: From Durban (EThekwini) to Richards Bay and Kwambonambi: To develop a clear 25 year strategic plan for the development, land usage and transport mobility of the affected area.
- UMhlathuze-Ulundi-Vryheid Secondary Corridor Plan: To develop a 25 year strategic framework that identifies spatial issues and opportunities.
- Former uThungulu (now King Cetshwayo District) Growth and Development Strategy

There is significant alignment between the above outlines key policies and plans. For example, the SDG goal to significantly access to adequate, safe and affordable housing; support social, economic and environmental links as well as increasing human settlements which mitigate and adapt to climate is of particular relevance to the Municipality and is addressed in the National Housing Code; National Upgrading Support Programme; National Development Plan; Provincial Growth and Development Strategy and Outcome 8 strategic objectives.

The National Development Plan 2030 makes a strong statement about the need to "address the challenge of apartheid geography" which is defined in terms of living, working and environmental sustainability. To this end, the following 5 pillar of Spatial Transformation are noted:

Pillars of the Spatial Transformation:

- 1. Land Distribution and Development (Brown and Green fields)
- 2. Public Transport Planning
- 3. Economic Development and Economic Opportunities
- 4. Social Development
- 5. Integrated Human Settlement

Figure 71: Pillars of Spatial Transformation



The Spatial Land Use Management Act (SPLUMA) has been proposed as a possible tool to effect spatial transformation. To this end, the main objective of the uMhlathuze Municipal Spatial Transformation Concept is as follow:

To address integrated development, city compacting, structural elements, equal access to land and create sustainable economic development opportunities which will contribute to job opportunities.

The following table provides an explanation of spatial development principles that are applied in the preparation of the uMhlathuze SDF and their relation to the SPLUMA Development Principles.

Table 84: Summary of Core Spatial Planning Principles

SPLUMA Development Principles	Core Spatial Development Principles	
Spatial Justice	 Redress the spatial legacy 	
	 Integrated human settlement development 	
	 Redress spatial and other development 	
	imbalances through improved access to	
	and use of land	
Spatial Sustainability	 Encourage sustainable development, promote densification, discourage urban 	
	sprawl	
	o Integration of all physical aspects of	
	land/economic development	
	 Optimize the use of existing resources 	
	 Strategic environmental assessment 	

SPLUMA Development Principles	Core Spatial Development Principles		
Spatial Efficiency	Nodes and corridorsUrban development edge		
Spatial Resilience	Urban and rural integrationPromote mixed use development		
Good Administration	 Capital investment framework, priority spending areas Cross boundary developments 		

16.2.4 Spatial Structuring Elements

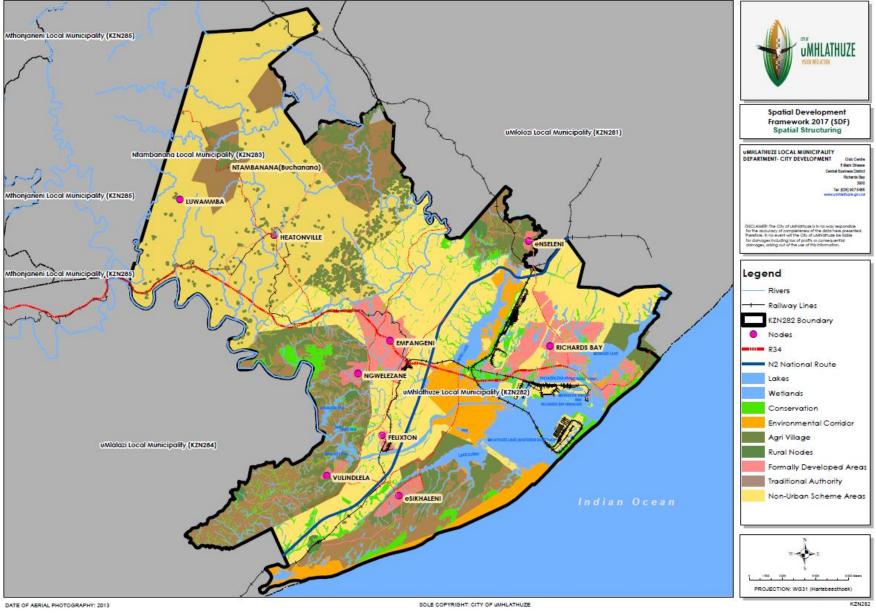
There are a number of existing natural and man-made phenomenon that have shaped and continue to shape the uMhlathuze Municipality spatial landscape. The area to the east of the Municipality is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. 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. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the N2 on its inland. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of landing strips in the municipal area. The municipality has vast areas of commercial farmlands as well as a number of areas that are significant from an environmental perspective.

The municipal area includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton. Rural settlements include Bhuchanana, Luwamba, Makwela, Mambuka, Hluma, Matshana and Mabuyeni.

uMhlathuze Local Municipality: IDP 2017/2022



Map 32: Spatial
Structuring
Elements

16.2.5 Environmental Characteristics

The geomorphology of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relieve terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations.

The municipal area falls within an area 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 more than 170 Red Data species, which has been reported as amongst the highest in the country for an area of its size.

The geology and geomorphology of the area controls the transport and storage of water and influences the hydraulic functions of the ground water system. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands.

Environmental Assets

The environmental assets of the areas are briefly described hereunder:

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

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

More toward the inland, there are a number of game ranches and lodges that attracts a significant number of visitors annually.

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.

Environmental Services Management Plan

An ESMP has been prepared for the pre 2016 uMhlathuze area of the Municipality that outlines, amongst others, the following critical goals Environmental Services Management:

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

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

Level 1: Environmental Corridors: Included in this zone are areas of high biodiversity and environmental significance that require a high level of legal protection.

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

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

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

16.2.6 Air Quality

Air quality management plays an integral part in land use planning and zoning. A study was initiated to assess air quality within the pre 2016 uMhlathuze Municipality. The main objective of the air quality investigation was to inform the Spatial Development Framework for the City of uMhlathuze to ensure all environmental aspects were considered for current and future planning.

The study had the following focus areas and it is now opportune that the study be extended to include the extended municipal area:

- 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;
- o 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.

16.2.7 Coastal Issues

Coastal Management:

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

Coastal Erosion:

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

Coastal access:

Sanctioned by the National Environmental a Management: Integrated Coastal Management Act, Act 24 of 2008, a number of coastal access points is being

considered. These access areas are strategically important as they aim to create safe, equitable beach access, as well as improved recreational and tourism opportunities.

16.2.8 CLIMATE CHANGE

Climate change strategies are drafted on the basis of two fundamental principles, i.e. mitigation and adaptation. To this end, a Climate Change Municipal Action Plan is in place that also has to be extended/reviewed to include the enlarged municipal area. The areas that were added to the Municipality experience climate change in a different manner and are generally more vulnerable. The Municipal Action plan adopts a phased approach to allow for a systematic and realistic response to potential climate impacts.

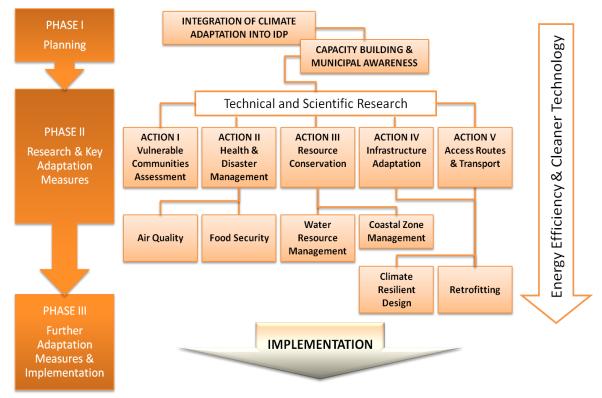


Figure 72: Phased Approach to Municipal Action Plan

16.2.9 Biodiversity and Development

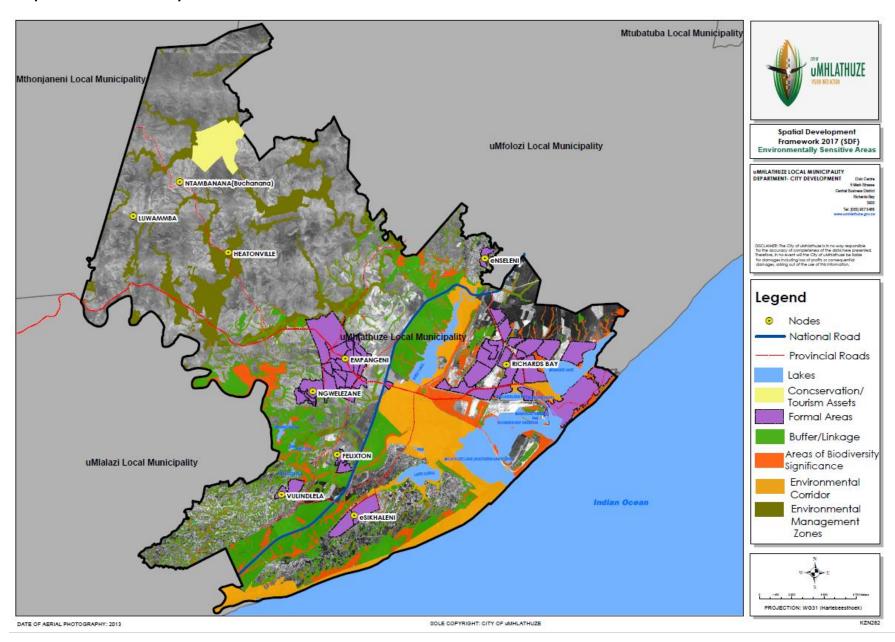
The greater uMhlathuze Municipal Are supports more than 170 Data species, which according to the South African National Biodiversity Institute, ranks amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

Table 85: Biodiversity Significance

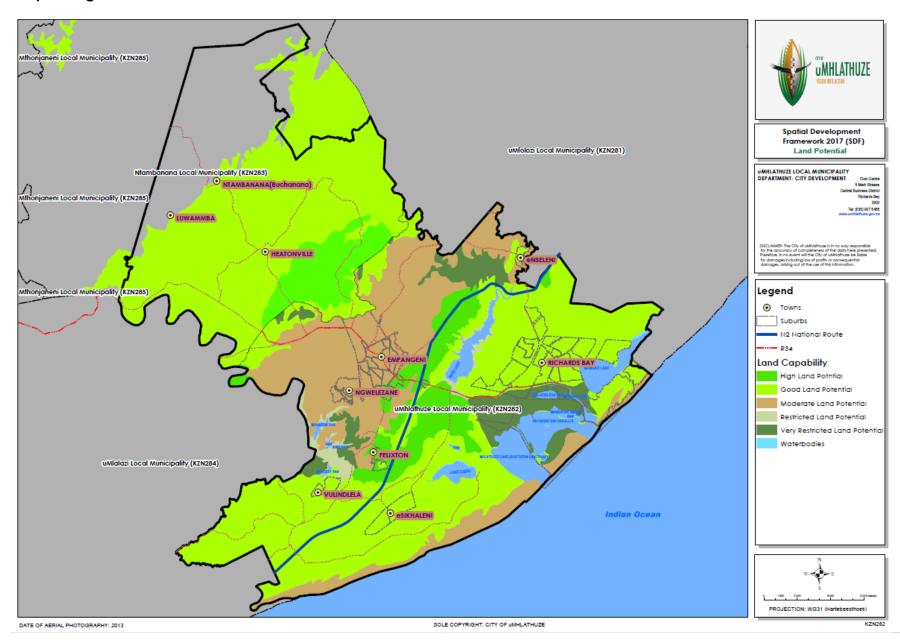
Vegetation Type	Red Data Specie (Significance)	es Conservation Target
Grasslands	124	
Forests	90	
Nseleni River_Lake Nsezi	70	100 % following a detailed
System		survey. Conservation of a
Large Wetlands	55	substantial portion of the
Estaries	28	remaining natural asset in
Lakes	18	the region is required if
Mhlathuze River System	11	conservation objectives are to be pursued
Swamp Forests	9	3

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

Map 33: Environmentally Sensitive Areas



Map 34: Agricultural Land Potential



16.2.10 Socio-Economic Indicators

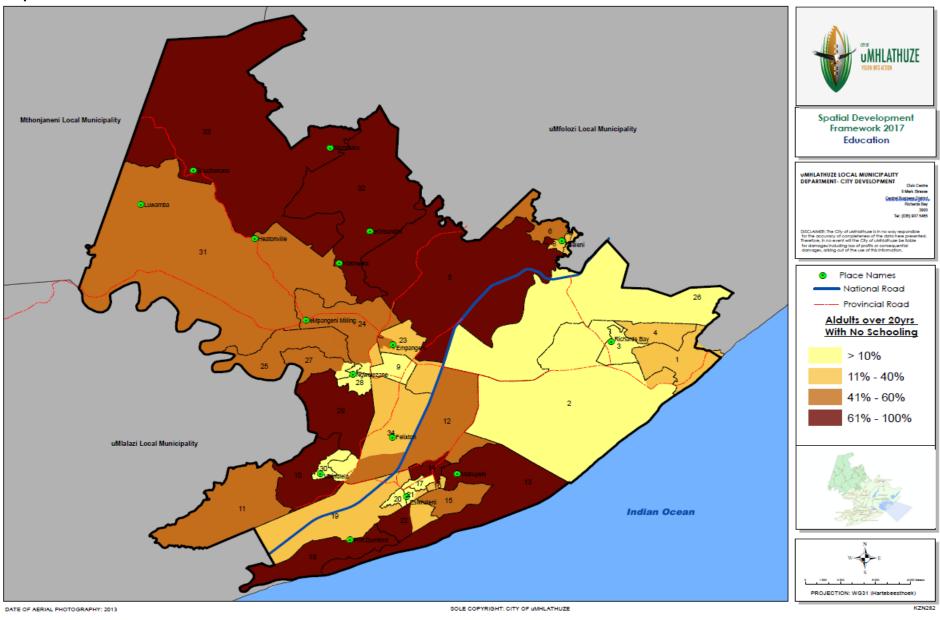
The following series of maps provides information pertaining to:

- Adult education levels
- o Household income levels below R1600 per month
- o Unemployment levels
- o Households access to piped water
- o Household access to hygienic toilets

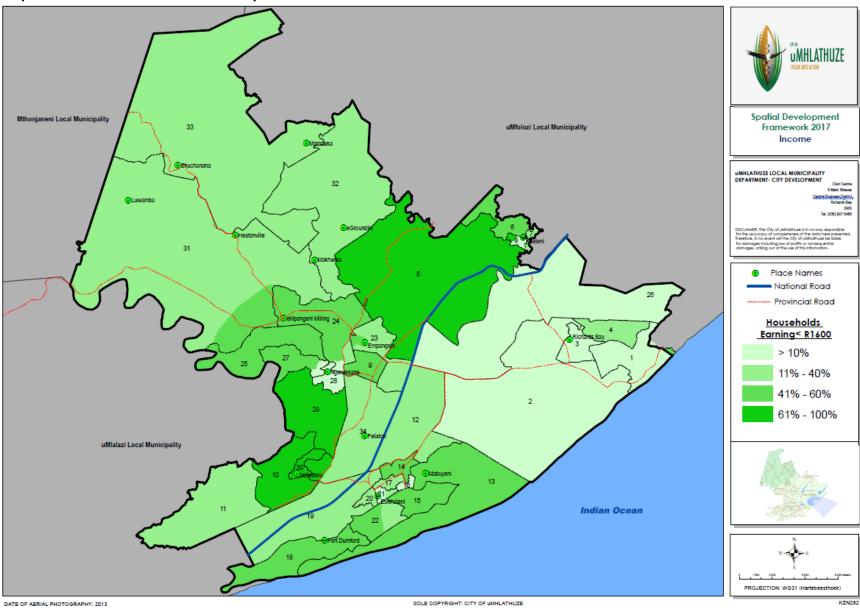
The following is summarised from the mapping provided:

- Map 3 indicates the comparative percentage of adults over the age of 20 years that do not have schooling. The incidence of this is highest (more than 61%) in Wards 5, 10, 13, 14, 18, 25, 32 and 33. This are largely coincides with Traditional Authority areas.
- Map 4 illustrates income levels as a percentage of households that earn less than R1600 per month. In this regard, Wards 5, 10 and 29 are the most impoverished in this regard.
- o Map 5 outlines unemployment levels and the wards with the highest percentage of unemployed individuals are 4, 5, 12, 18, 24 and 28.
- Access to piped water is illustrated on Map 6 and wards 31 and 33 have high percentages of households – more than 61% - that do not have access to piped water.
- Access to hygienic toilets is indicated on Map 7 and it is noted that wards 5 and 33 have more than 61% of their households without access to hygienic toilets.

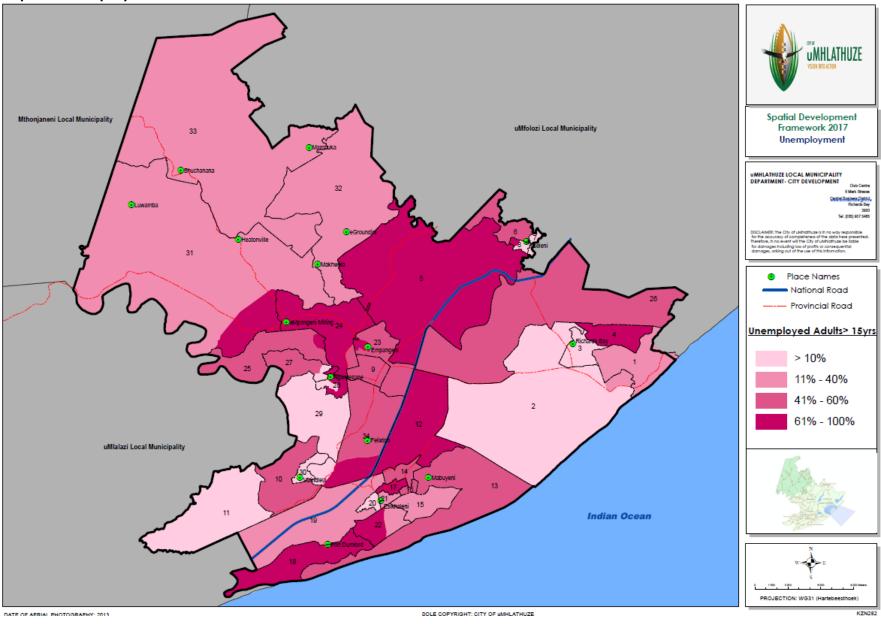
Map 35: Level of Education



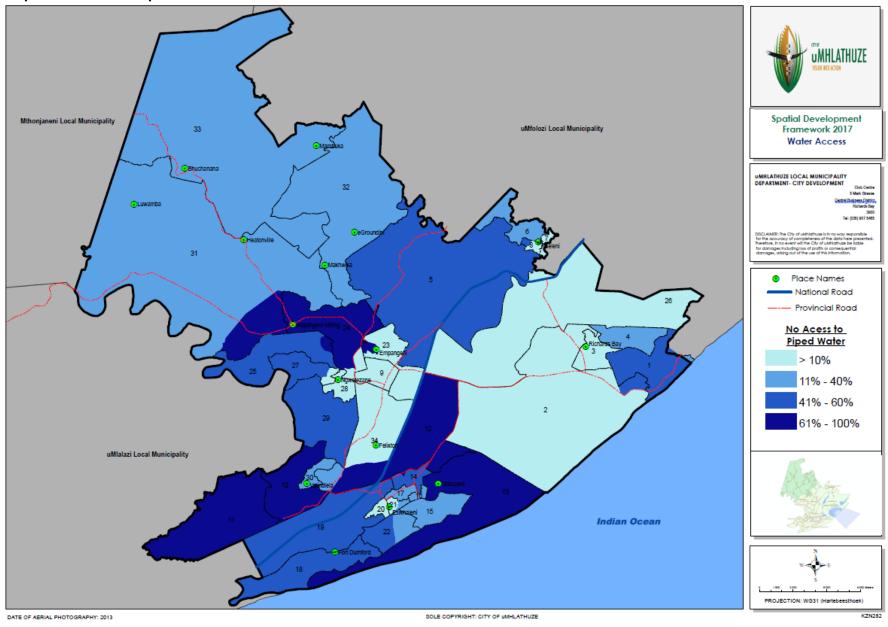
Map 36: Income Level below R1600 per month



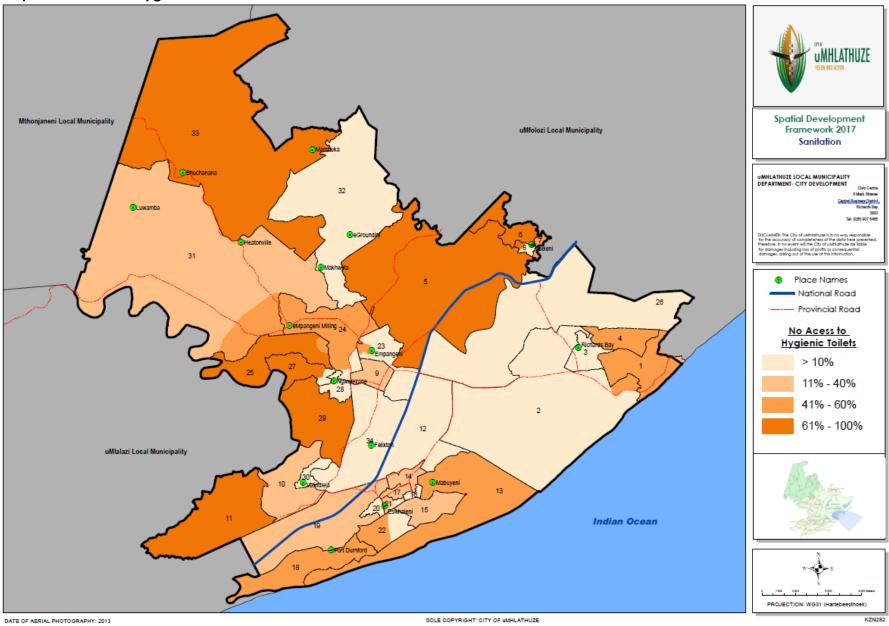
Map 37: Unemployment Levels



Map 38: Access to Piped Water



Map 39: Access to Hygienic Toilets



16.2.11 UMhlathuze Spatial Development Framework

The KwaZulu-Natal province (through the PGDP) has set itself up as the gateway to the country and the Africa continent. The provincial focus is on job creation aimed at bringing down unemployment through job creation. Agriculture is one of the sectors that need to be revived as well as tourism as KZN has the highest domestic tourism numbers in the country.

One of the driving sectors in the province's economy is its ports. The province has the biggest ports in Africa and with more expansion at the ports planned. Richards Bay is strategically located close to the Port of Maputo and is also strategically located in respect of SIP 1: Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst with regard to the rail link improvements between Mpumalanga and Richards Bay.

The uMhlathuze SDF is a tool to guide future development (investment, decisions etc.) and interventions in context of the aforementioned and local conditions. Amongst others, it encompasses the following:

- Long term development trajectory, even beyond 50 years
- o Alignment with International, National, Provincial and Local Plans
- Alignment with long term future Port Development Framework and Richards Bay IDZ Plans
- The municipal SDF contains spatial structuring elements that have been informed by a technical analysis of trends and considers a number of development scenarios
- Nodes and corridors are identified for investment responses
- Integrated Human Settlements is a core feature of the spatial development framework
- Effect is given to Spatial Transformation by way of focussing and channelling investment in line with the Pillars of Spatial Transformation.

The following elements relevant to uMhlathuze's spatial development are expanded upon to indicate how investment and development is guided by the municipal SDF:

- Nodes & Corridors
- SDF Expansion Areas
- Integrated Human Settlement (Restructuring Zones & NUSP)
- Urban Renewal & Precinct Planning
- Public Transport Facilities
- Catalytic Projects

16.2.12 Corridors and Nodes

Corridors:

The 2007 PSEDS (Provincial Spatial Economic Development Strategy) has been updated to enhance the original nodes and corridors. In particular, the updated study aims to provide guidance on what types of interventions are needed and which localities. More specifically, it has a rural development focus to address poverty issues and represents a move away from a hierarchical tiered structure to a balanced and integrated network of towns and cities.

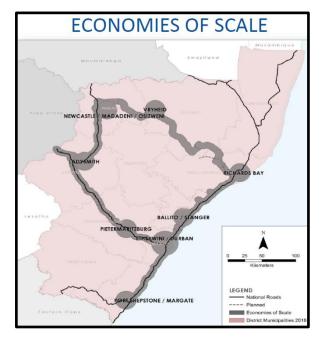
The PSEDS has been undertaken in line with the comparative advantage approach as summarized hereunder:

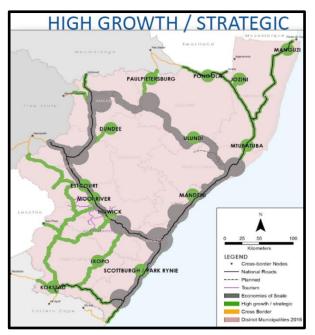
- 1. Focusing on what type of development should take place in difference regions/districts helps to overcome some challenges of spatial prioritization.
- 2. Investment should occur in the sectors which provide the greatest socioeconomic return to investment.
- 3. It is important to know what each district does best, specifically comparatively best.

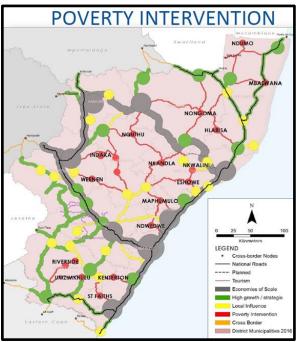
To this end, the following set of new criteria was applied for the identification of nodes:

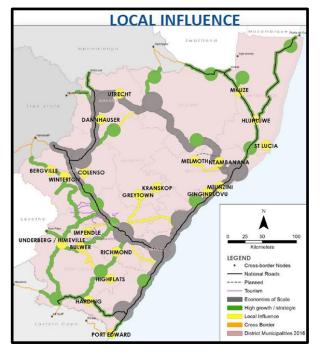
- Economies of Scale factors as informed by population density contribution to GDP and diverse services to international, national and provincial clients.
- o Strategic factors relating to medium population density areas with high economic growth or high potential for future economic growth.
- Local influence factors such as centres that are significant as district and municipal centres providing services to the district and local municipality.
- o Poverty alleviation factors relating to high levels of poverty, low unemployment and spatial isolation.

In context of the above, the following set of provincial mapping has been prepared:

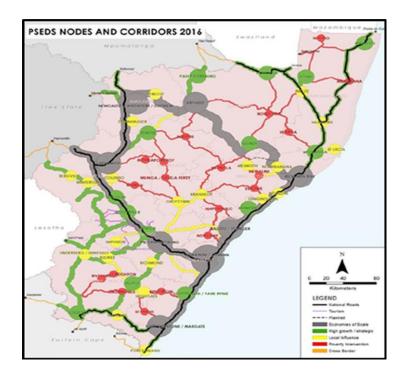








Composite mapping as follow:



The Presidential Infrastructure Commission (PIC) launched the National Infrastructure Development Plan which consists of 18 Strategic Integrated Projects (SIPs). KZN COGTA has embarked on a phased approach towards the development of Corridor Plans, with the first plan being the Development of a Strategic Corridor Plan for the SIP 2 (Durban Free State - Gauteng) Logistics and Industrial Corridor followed by the N2 Corridor Plan from EThekwini through Richards Bay to the uMfolozi Municipality. The "N2 Corridor" (from Durban - Richards Bay to KwaMbonambi) is proposed to provide a clear 25 year period strategic plan for the development, land usage and transport mobility of the affected area. The plan will be used to inform, integrate and coordinate strategic growth and development along the "N2 Corridor" over the next 25 years by exploiting KZN's key competitive and comparative advantages.

The P700 and P701 is part of the KZN Transport Department's African Renaissance Roads Upgrading Programme (ARRUP). The P700 is a provincial route, which originates from the R66 to Hluhluwe-UMfolozi Park. It provides a shorter and more direct link to the Park from Mpumalanga and Gauteng. The P701 is in extent of about 62km running from the P700 and joins the R34 to Empangeni. It bisects two Local Municipal areas namely, the Ntambanana Local Municipality and the uMhlathuze Local Municipality. The development of this strategic corridor seeks to facilitate the distribution of benefits arising from tourism and other economic activities. In economic and conservation terms, the tourism sector is regarded as one of the key development catalysts in the area.

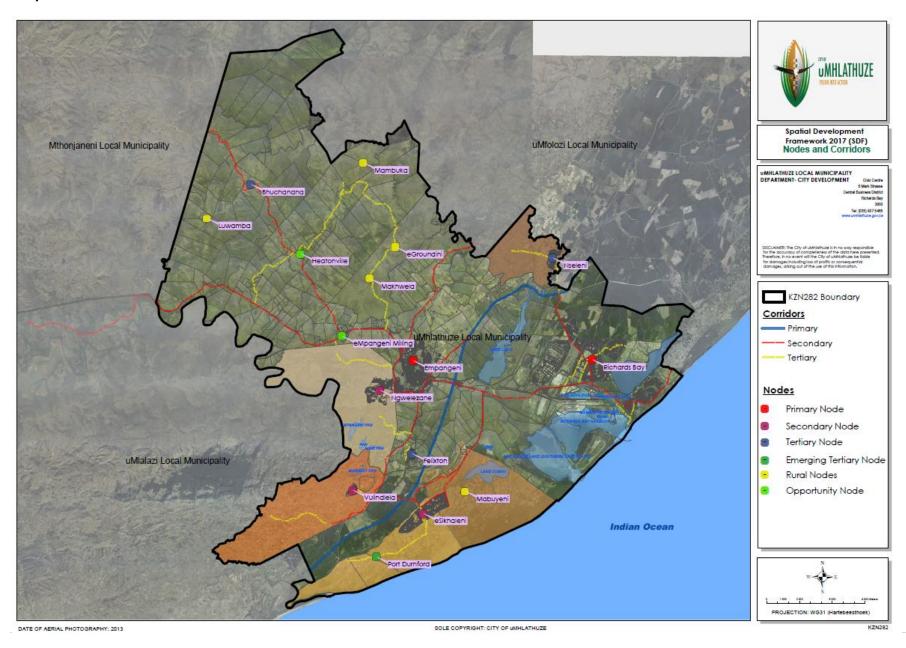
Apart from the above listed strategic, provincial, corridors, local corridors have also been identified for the uMhlathuze Municipal area as indicated on the mapping provided.

Nodes: The following table provides a summary the uMhlathuze Nodal Hierarchy:

Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live, i.e. work-play-trade environment.	o Empangenio Richards Bay
Secondary A socio-economic and/or institutional node that offers sustainable economic and social opportunities to the benefit of its inhabitants and visitors based on a human scale principle. In time, secondary nodes should evolve into primary nodes.	 ESikhaleni Ngwelezane Vulindlela Felixton
Tertiary A socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle. Emerging Tertiary A node that is already fulfilling a local need and has the potential to further develop, or is moving toward,	FelixtonNseleniBhuchananaPort Durnford
Being a tertiary node. Rural Nodes Socio-economic nodes that offer tailor made mixed use development opportunities closer to their surrounding communities.	 Hluma Matshana Mabuyeni Luwamba Makwela eGroundini Mambuka
Opportunity Nodes By virtue of their location at a major intersection or significant passing trade, these areas offer opportunities that not necessarily of a residential nature.	Empangeni MillingHeatonville

The above eighteen (19) nodes were identified by their spatial characteristics, primary land use characteristics, roles and functions to city and the region. The identified nodes are classified as Primary, Secondary, Tertiary, Emerging Tertiary, Rural Nodes and Opportunity Nodes.

Map 40: uMhlathuze Nodes and Corridors



16.2.13 SDF Expansion Areas

A future development scenario has been prepared for the uMhlathuze Municipality based on the following practical and realistic assumptions:

- 1. Further Port Expansion/development will take place
- 2. There will be an increase in economic activity
- 3. There will be population increase

With regard to the latter, population increases, the 2016 Community Survey indicates that the population of uMhlathuze Municipality has increased by just over 22% between 2011 and 2016. This increase is indicated in relation to the King Cetshwayo District Family of Municipalities hereunder.

	KCDM	IMFOLOZI	UMHLATHU ZE	UMLALAZI	MTHONJA NENI	NKANDLA
2011	907519	122889	334459	213601	47818	114416
2016	971135	144363	410465	233140	78883	114284
%	7,01%	17,47%	22,73%	9,15%	64,97%	-0,12%
Growth						

In context of the above, it has to be borne in mind that a portion of the population increase is the result of an enlarged municipal area following the inclusion of 3 wards from the former Ntambanana post the 2016 Local Government Elections.

Population growth scenarios have been applied to the base figure from the 2016 Community Survey. Adequate data and research is not available at this time to apply an historic growth trend as the composition of the municipality, in terms of boundaries and wards, has changed post the Local Government Elections of 2016. The following base data has therefore been used:

- A baseline population in the uMhlathuze Municipality of 410 465 people in 2016 as per the Community Survey
- A calculated household size of 3.95 as derived from 2011 census data
- A total number of 103 915 households in the municipal area derived from the above

Apart from indicating population growth scenarios, an indication is also provided on the estimated land required to accommodate the increase in households in the municipal area. In this regard, the following base data (assumptions) has been applied:

- Household size of 3.95
- Residential land utilization of 15 units/hectare or 25 units/hectare

375

Table 86: Population Growth Scenarios from 2016 to 2030

	2 016	2 017	2 018	2 019	2 020	2 021	2 022	2 023	2 024	2 025	2 026	2 027	2 028	2 029	2 030
1.5% Increase	410 465	416 622	422 871	429 214	435 653	442 187	448 820	455 552	462 386	469 322	476 361	483 507	490 759	498 121	505 593
Households	103 915	105 474	107 056	108 662	110 292	111 946	113 625	115 330	117 060	118 816	120 598	122 407	124 243	126 107	127 998
2% Increase	410 465	418 674	427 048	435 589	444 301	453 187	462 250	471 495	480 925	490 544	500 355	510 362	520 569	530 980	541 600
Households	103 915	105 993	108 113	110 276	112 481	114 731	117 025	119 366	121 753	124 188	126 672	129 205	131 790	134 425	137 114
3% Increase	410 465	422 779	435 462	448 526	461 982	475 841	490 117	504 820	519 965	535 564	551 631	568 180	585 225	602 782	620 865
Households	103 915	107 033	110 244	113 551	116 957	120 466	124 080	127 803	131 637	135 586	139 653	143 843	148 158	152 603	157 181
4% Increase	410 465	426 884	443 959	461 717	480 186	499 393	519 369	540 144	561 750	584 220	607 588	631 892	657 168	683 454	710 793
Households	103 915	108 072	112 395	116 890	121 566	126 429	131 486	136 745	142 215	147 904	153 820	159 973	166 372	173 026	179 947
5% Increase	410 465	430 988	452 538	475 165	498 923	523 869	550 062	577 565	606 444	636 766	668 604	702 034	737 136	773 993	812 693
Households	103 915	109 111	114 566	120 295	126 310	132 625	139 256	146 219	153 530	161 207	169 267	177 730	186 617	195 948	205 745

From the above, the following is highlighted:

- o At a steady population increase of 1, 5% per annum, the municipal population will surpass 500 000 people by 2030.
- o The municipality will reach a population of 500 000 before 2021 if a population growth rate of 5% takes place over the next few years.
- o At such a 5% per annum population growth rate the number of households in the municipality will double by 2030.

Table 87: Corresponding Residential Land Requirements from 2016 to 2023

rainte ett e enterprinaing in															1
	2 016	Increase	2 017	Increase	2 018	Increase	2 019	Increase	2 020	Increase	2 021	Increase	2 022	Increase	2 023
1.5% Increase	410 465	6 157	416 622	6 249	422 871	6 343	429 214	6 438	435 653	6 535	442 187	6 633	448 820	6 732	455 552
Households	103 915	1 559	105 474	1 582	107 056	1 606	108 662	1 630	110 292	1 654	111 946	1 679	113 625	1 704	115 330
Urban Residential Land @ 15 units/ha	6 928	104	7 032	105	7 137	107	7 244	109	7 353	110	7 463	112	7 575	114	7 689
Urban ResidentialLand @ 25 units/ha	4 157	62	4 219	63	4 282	64	4 346	65	4 412	66	4 478	67	4 545	68	4 613
2% Increase	410 465	8 209	418 674	8 373	427 048	8 541	435 589	8 712	444 301	8 886	453 187	9 064	462 250	9 245	471 495
Households	103 915	2 078	105 993	2 120	108 113	2 162	110 276	2 206	112 481	2 250	114 731	2 295	117 025	2 341	119 366
Urban Residential Land @ 15 units/ha	6 928	139	7 066	141	7 208	144	7 352	147	7 499	150	7 649	153	7 802	156	7 958
Urban ResidentialLand @ 25 units/ha	4 157	83	4 240	85	4 325	86	4 411	88	4 499	90	4 589	92	4 681	94	4 775
3% Increase	410 465	12 314	422 779	12 683	435 462	13 064	448 526	13 456	461 982	13 859	475 841	14 275	490 117	14 704	504 820
Households	103 915	3 117	107 033	3 211	110 244	3 307	113 551	3 407	116 957	3 509	120 466	3 614	124 080	3 722	127 803
Urban Residential Land @ 15 units/ha	6 928	208	7 136	214	7 350	220	7 570	227	7 797	234	8 031	241	8 272	248	8 520
Urban ResidentialLand @ 25 units/ha	4 157	125	4 281	128	4 410	132	4 542	136	4 678	140	4 819	145	4 963	149	5 112
4% Increase	410 465	16 419	426 884	17 075	443 959	17 758	461 717	18 469	480 186	19 207	499 393	19 976	519 369	20 775	540 144
Households	103 915	4 157	108 072	4 323	112 395	4 496	116 890	4 676	121 566	4 863	126 429	5 057	131 486	5 259	136 745
Urban Residential Land @ 15 units/ha	6 928	277	7 205	288	7 493	300	7 793	312	8 104	324	8 429	337	8 766	351	9 116
Urban ResidentialLand @ 25 units/ha	4 157	166	4 323	173	4 496	180	4 676	187	4 863	195	5 057	202	5 259	210	5 470
5% Increase	410 465	20 523	430 988	21 549	452 538	22 627	475 165	23 758	498 923	24 946	523 869	26 193	550 062	27 503	577 565
Households	103 915	5 196	109 111	5 456	114 566	5 728	120 295	6 015	126 310	6 315	132 625	6 631	139 256	6 963	146 219
Urban Residential Land @ 15 units/ha	6 928	346	7 274	364	7 638	382	8 020	401	8 421	421	8 842	442	9 284	464	9 748
Urban ResidentialLand @ 25 units/ha	4 157	208	4 364	218	4 583	229	4 812	241	5 052	253	5 305	265	5 570	279	5 849

From the above, the following is noted:

- o An estimated additional 1300 ha of land may be needed from 2016 to 2023 to accommodate a 1, 5% population increase at a development density of 15 units per hectare.
- o An estimated additional 600 ha of land may be needed from 2016 to 2023 to accommodate a 1,5% population increase at a development density of 25 units per hectare

Table 88: Corresponding Residential Land Requirements from 2023 to 2030

		Increase	2 024	Increase	2 025	Increase	2 026	Increase	2 027	Increase	2 028	Increase	2 029	Increase	2 030
1.5% Increase	455 552	6 833	462 386	6 936	469 322	7 040	476 361	7 145	483 507	7 253	490 759	7 361	498 121	7 472	505 593
Households	115 330	1 730	117 060	1 756	118 816		120 598		122 407	1 836	124 243	1 864	126 107	1 892	127 998
Urban Residential Land @ 15 units/ha	7 689	115	7 804	117	7 921	119	8 040	121	8 160	122	8 283	124	8 407	126	8 533
Urban ResidentialLand @ 25 units/ha	4 613	69	4 682	70	4 753	71	4 824	72	4 896	73	4 970	75	5 044	76	5 120
2% Increase	471 495	9 430	480 925	9 619	490 544	9 811	500 355	10 007	510 362	10 207	520 569	10 411	530 980	10 620	541 600
Households	119 366	2 387	121 753	2 435	124 188	2 484	126 672	2 533	129 205	2 584	131 790	2 636	134 425	2 689	137 114
Urban Residential Land @ 15 units/ha	7 958	159	8 117	162	8 279	166	8 445	169	8 614	172	8 786	176	8 962	179	9 141
Urban ResidentialLand @ 25 units/ha	4 775	95	4 870	97	4 968	99	5 067	101	5 168	103	5 272	105	5 377	108	5 485
3% Increase	504 820	15 145	519 965	15 599	535 564	16 067	551 631	16 549	568 180	17 045	585 225	17 557	602 782	18 083	620 865
Households	127 803	3 834	131 637	3 949	135 586	4 068	139 653	4 190	143 843	4 315	148 158	4 445	152 603	4 578	157 181
Urban Residential Land @ 15 units/ha	8 520	256	8 776	263	9 039	271	9 310	279	9 590	288	9 877	296	10 174	305	10 479
Urban ResidentialLand @ 25 units/ha	5 112	153	5 265	158	5 423	163	5 586	168	5 754	173	5 926	178	6 104	183	6 287
4% Increase	540 144	21 606	561 750	22 470	584 220	23 369	607 588	24 304	631 892	25 276	657 168	26 287	683 454	27 338	710 793
Households	136 745	5 470	142 215	5 689	147 904	5 916	153 820	6 153	159 973	6 399	166 372	6 655	173 026	6 921	179 947
Urban Residential Land @ 15 units/ha	9 116	365	9 481	379	9 860	394	10 255	410	10 665	427	11 091	444	11 535	461	11 996
Urban ResidentialLand @ 25 units/ha	5 470	219	5 689	228	5 916	237	6 153	246	6 399	256	6 655	266	6 921	277	7 198
5% Increase	577 565	28 878	606 444	30 322	636 766	31 838	668 604	33 430	702 034	35 102	737 136	36 857	773 993	38 700	812 693
Households	146 219	7 311	153 530	7 677	161 207	8 060	169 267	8 463	177 730	8 887	186 617	9 331	195 948	9 797	205 745
Urban Residential Land @ 15 units/ha	9 748	487	10 235	512	10 747	537	11 284	564	11 849	592	12 441	622	13 063	653	13 716
Urban ResidentialLand @ 25 units/ha	5 849	292	6 141	307	6 448	322	6 771	339	7 109	355	7 465	373	7 838	392	8 230

From the above, the following is noted:

- o An estimated additional 6800 ha of land may be needed from 2016 to 2030 to accommodate a 1, 5% population increase at a development density of 15 units per hectare.
- o An estimated additional 4000 ha of land may be needed from 2016 to 2030 to accommodate a 1,5% population increase at a development density of 25 units per hectare

In context of the aforementioned, the municipal spatial development perspective also focuses on the following:

- 1. The identification of land to accommodate the expected growth, i.e. expansion areas
- 2. The identification of areas for densification
- 3, Revision of the Town Planning controls

Expansion areas were identified by applying spatial planning principles, i.e. integration and concentration together with a technical analysis of air quality, founding conditions, the environmental etc. The location of a possible development application in the expansion area does not provide adequate information for Council to support the proposed development in principle. Site specific specialist studies and approvals that address all environmental issues and requirements, land ownership, detailed services design and use issues etc. are still required. Council can only make an informed decision upon consideration of the specialist studies as part of the development application processes.

The following expansion areas have been identified for the municipal area with the following size and developable characteristics.

Table 89: Extent of Expansion Areas

Expansion Area	Size (Ha)	Land Developable (Ha)
Α	593	363
В	2 982	2 214
С	512	437
D	1 756	356
Е	2 306	1 958
F	2 344	1 699
G	971	407
Н	1 163	780
TOTAL	12 629	8 214

A further land use analysis has already been undertaken for the municipal area indicating the current proportionate land use zonings in the municipal area:

Table 90: Current zoned land use Percentages

Zoning	На	% Against Total
Commercial	114.02	1.46%
Industrial	1695	21.70%
General Residential	115.752	1.48
Special Residential	1496.475	19.16
Intermediate Residential	15.87	0.2
Public/Private Open Spaces	540	6.92
Transportation Infrastructure	28.4	0.4
Undetermined	16.686	0.21
Social	535.8	6.86
Other Zonings	3248.997	41.616
Total	7807	100

The above determined land use percentages were applied to the land area of the proposed expansion areas to provide an indication of the anticipated land usages in the expansion areas as indicated hereunder.

Table 91: Anticipated land usages in Expansion Areas

Zoning	На
Commercial	119.93
Industrial	1782.50
General Residential	121.57
Special Residential	1573.86
Intermediate Residential	16.43
Public/Private Open Spaces	568.43
Transportation Infrastructure	32.86
Undetermined	17.25
Social	563.50
Other Zonings	3418.46
Total	8214.30

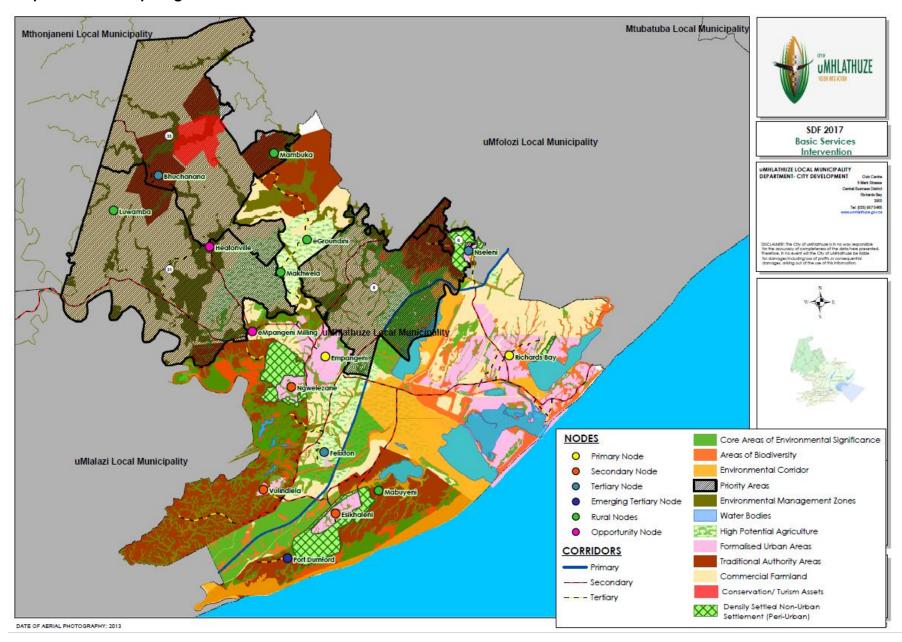
It is important to note the above findings have informed the WSDP/Water Master Plan as well as the Bulk Sewer Master Plan preparation for a portion of the municipal area. These identified strategic plans will have to be reviewed/updated in line with the extended municipal area post the 2016 Local Government Elections.

At overleaf, the following series of spatial intervention mapping for uMhlathuze Municipality is shown.

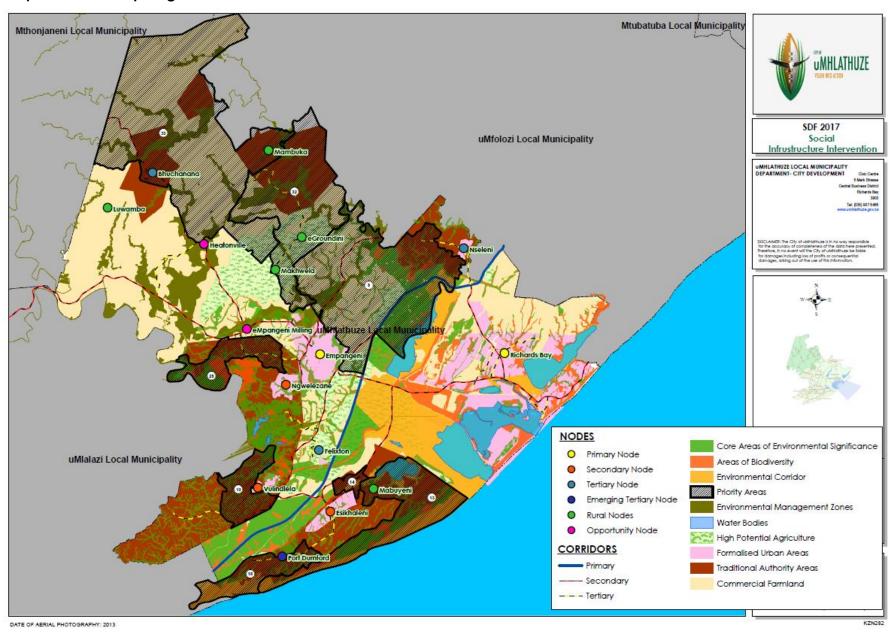
- o Areas of Social Infrastructure Intervention
- Areas Basic Services Intervention
- Interventions at Settlements
- Areas of Economic Growth and Development

380

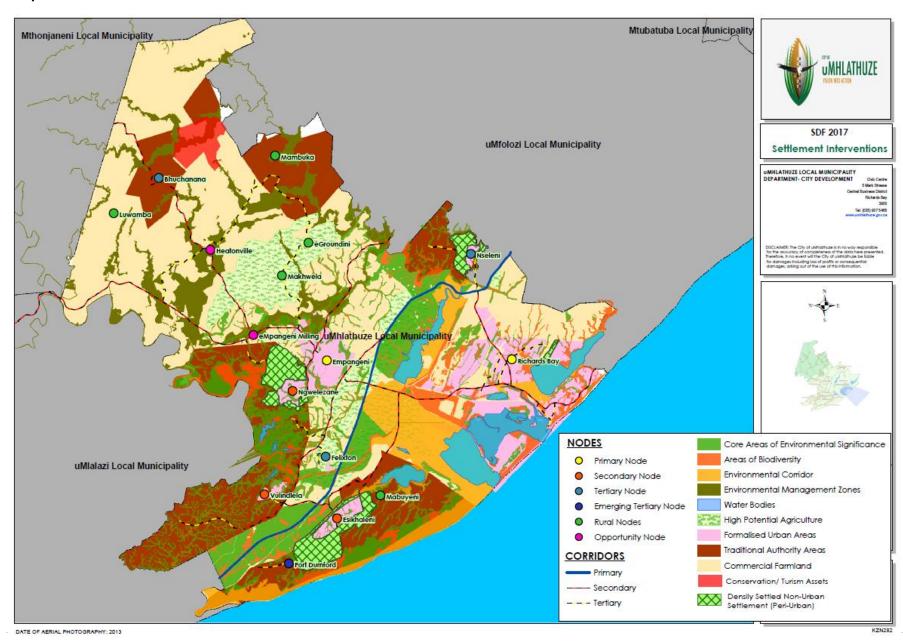
Map 41: Areas Requiring Infrastructure Intervention



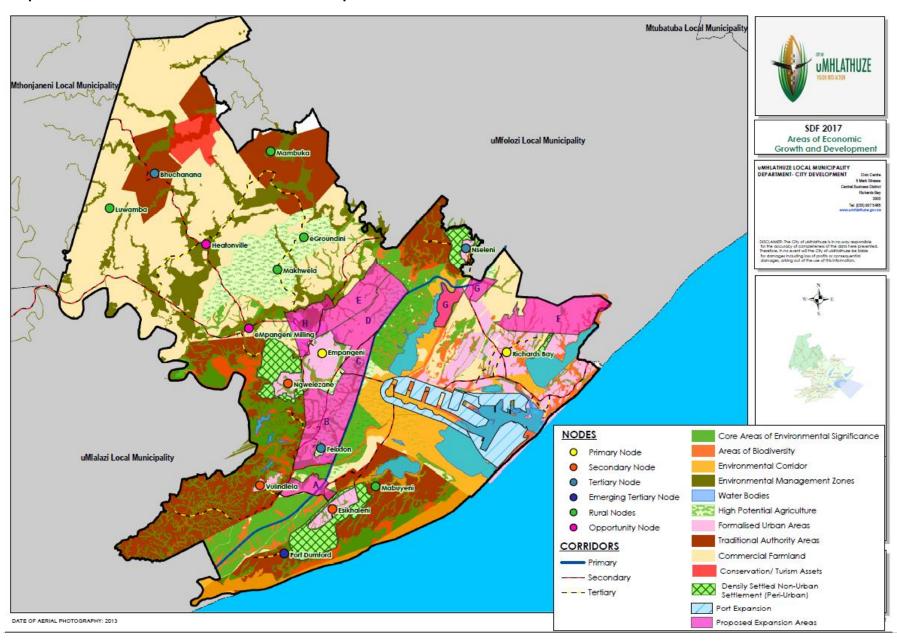
Map 42: Areas Requiring Services Intervention



Map 43: Interventions at Settlements



Map 44: Areas of Economic Growth and Development



6.3 SDF IMPLEMENTATION PLAN

	IMILLIMENTATION LEAN	YEAR 1	YEAR 2	YEAR 3+	BUDGET	FUNDING
NO.	DESCRIPTION	ILAKI	ILAN 2	ILAK 5	REQUIRED	SOURCE
STRA	TEGIC PLANNING		•	-	-	
1	Extension of uMhlathuze Spatial Development Framework to incorporate wards inherited from Ntambanana.	2016/2017	-	-	CoGTA support	CoGTA CoU
2	Extension of uMhlathuze Land Use Scheme to incorporate wards inherited from Ntambanana.	2016/2017		-	CoGTA support	CoGTA CoU
3	Investigate feasibility of relocating Richards Bay Airport and evaluation of site alternatives.	2016/2017	2017/2018	-	R3 500 000	EDTEA CoU
4	CoGTA Densification Framework study in Mzingazi area	2016/2017	-		CoGTA support	CoGTA CoU
5	CoGTA Population Density Monitoring Framework in Port Durnford area	2016/2017	-	-	CoGTA support	CoGTA CoU
6	Opportunities pertaining to areas of natural beauty and tourism to be investigated in more detail in order to provide more detailed planning guidelines.	-	2017/2018	-	R500 000	CoGTA CoU
7	Implementation of NUSP project	2016/2017	2017/2018	2018/2019	To be determined	DHS CoU
8	Investigation of the area including and in the vicinity of the Thulazihleka Pan to guide future land use decisions.	-	2017/2018	-	To be determined	CoU
9	Investigate future land requirements for provision of suite of municipal services (including recreational, municipal purposes, infrastructure etc.) to reserve land for such purposes.	-	2017/2018	-	R100 000	CoU
10	Intermodal Transportation Plan	-	2017/2018	2018/2019	R800 000	CoU DoT
11	Agreement with National Department of Agriculture in respect of SDF Review proposed Expansion Areas development roll-out.		2017/2018	-	Operational	N/A
12	Steel Bridge Pre-feasibility and feasibility	2016/2017	_	-	R1 000 000	CoU

uMhlathuze Local Municipality: IDP 2017/2022

diviriat	nuze Local Municipality. TDP 2017/2022	YEAR 1	YEAR 2	YEAR 3+	BUDGET	FUNDING
NO.	DESCRIPTION				REQUIRED	SOURCE
STRA	TEGIC PLANNING					
13	Agreement with Department of Minerals in respect of SDF Review proposed Expansion Areas development roll-out.		2017/2018	-	Operational	N/A
14	Integrated ground, surface and stormwater (catchment) management plan.	2016/2017	2017/2018	2018/2019	R10 500 000	CoU (MoU with external)
15	Biodiversity Plan for whole municipal area		2017/2018	2018/2019	R1 000 000	CoU
16	Update/Review ESMP for whole municipal area		2017/2018	2018/2019	R500 000	CoU
17	Update/Review Disaster Management Plan for whole municipal area		2017/2018	2018/2019	R1000 000	CoU
PREC	CINCT/CONCEPT PLANS	•	•		•	
18	Richards Bay Convention Centre Concept Expression of Interest	2016/2017	-	-	N/A	N/A
19	The Ridge Development Concept	2016/2017	-	-	R400 000	CoU
20	Richards Bay and Empangeni Civic Precinct Plans	-	2017/2018	-	R600 000	CoU
21	Richards Bay CBD Framework Plan Review	2016/2017	-	-	R500 000	CoGTA
22	Richards Bay Waterfront Detailed Development Concept	-	2017/2018	-	R800 000	CoU External
23	Further detailed planning of intersection/opportunity nodes in terms of phasing and development guidelines. Includes Heatonville, Empangeni Milling.	-	2017/2018	2018/2019	R400 000	CoU External
24	Preparation of Rural Settlement/Framework Plans for five identified Traditional Settlement Areas.	2016/2017	2017/2018	2018/2019	R480 000	CoU DRDLR External
25	Urban Regeneration projects for the commercial precincts of ESikhaleni, Nseleni, Ngwelezane, Vulindlela (KwaDlangezwa) and Empangeni Rail.	-	2017/2018	2018/2019	R400 000	CoU External
26	Review densification and residential infill study and expand current project scope of work to include all urban areas of the Municipality.	-	2017/2018	2018/2019	Operational	N/A

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INFR	ASTRUCTURE AND SERVICES PLANNING					
27	Update/Review Bulk Water Master Plan to		2017/2018	2018/2019	Operational	CoU
	incorporate all wards					
28	Update/Review Bulk Sewer Master Plan to		2017/2018	2018/2019	Operations	CoU
	incorporate all wards					
29	Update of Rail Framework Planning given SDF	-	-	2018/2019	To be	CoU
	Review and proposed Expansion Areas.				determined	
30	Alternative and Renewable Energy Network	2016/2017	2017/2018	-	To be	CoU
	Strategy/Plan				determined	DoE
31	Investigate site options for long term Cemetery	-	2017/2018	-	R50 000	CoU
	development in uMhlathuze					

16.2.14 Integrated Human Settlements

The following inset provides an indication of the locality of public (and private) human settlement interventions in the Municipality.

Map 45: Human Settlement Projects Empangeni Mega Housing 2 Aquadene 3 Royal Creek (pvt) Meerensee 5 (proposed) 5 Esikhaleni Hostels Esikhaleni-Vulindlela Corridor DMV Phase 6 & 8 Carsdale & Westview (pvt) Luwanba Rural Housing 4 (1000 units) Obuka TC Buchanana Rural Housing (1500 units) Obuka TC

Apart from human settlement projects that are under implementation or that have attained development rights as listed above, the Municipality has prepared the following Municipal Informal Settlement Upgrade and Relocation Plans for seven identified settlements as part of the National Upgrading Support Programme (NUSP):

- o uMzingwenya River Settlement Plan
- o Mzingazi Village Settlement Plan
- Mandlazini Village Infill Areas Plan
- Mandlazini-Airport Settlement Plan
- Vulindlela/UniZulu Settlement Plan
- o Nawelezane Hospital Settlement Plan
- o Nseleni Settlement Plan

The National Upgrade Support Programme (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The

National Upgrade Support Programme is an important initiative which works closely with government at all levels in achieving Output 1 of Outcome 8, i.e. Sustainable human settlements and improved quality of household life.

16.2.15 Urban Renewal and Precinct Planning

The following table provides details of urban renewal and precinct plans have either been completed, are underway of have been prioritized for compilation with the uMhlathuze Municipality:

PLAN	STATUS				
Empangeni CBD Revitalization Plan	Completed 2013				
KwaDlangezwa Revitalisation Plan	Completed 2014				
Precinct Plans for ESikhaleni, Nseleni and Ngwelezane Townships	Still to be prepared				
Review of the 2006 Richards Bay CBD Framework Plan	Still to be prepared				
Richards Bay CBD South Ext. Urban Design Concept	Completed 2013				
Alkantstrand Beach and Newark Beach Development Concept	Completed 2013				
ESikhaleni Business Support Centre Urban Design Concept	Completed 2016				
Richards Bay SMME Park Urban Design Concept	Completed 2016				
The Ridge Development	Completed 2017				
Proposed Richards Bay International Conventional	Service provider to be				
Centre	appointed				
Rural Settlement Plans	Underway				
Central Waterfront and Waterfront Park Precincts	Still to be prepared				

Selected extracts of some of the above plans are provided herewith as well as an indication of implementation funding that has been committed to implement the said plans.

16.2.16 Public Transport Facilities

The following table provides details of interventions that are either under implementation of imminent at selected public transport facilities in the municipality:

PLAN	STATUS
LOT 63, Empangeni Upgrade	Under Construction
Richards Bay Taxi Rank Upgrade	Adjudication process underway(Detailed
	Design stage)

Selected extracts of some of the above plans are provided herewith.

Figure 73: Lot 63 Upgrade Plan



Figure 74: Richards Bay Taxi Rank Upgrade



16.2.17 Catalytic Projects

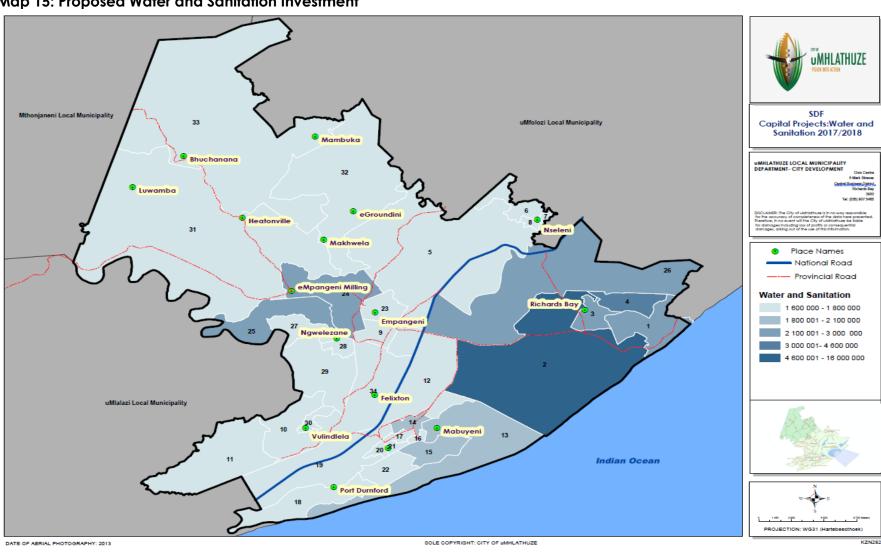
A catalytic project promotes cross-cutting sustainability outcomes that mirror goals and targets to promote the overall sustainability of a plan or area. The uMhlathuze Municipality is pursuing a number of catalytic projects/interventions as per the summary hereunder.

PROJECT NAME	STATUS
1. Airport Relocation	Service Provider appointed to prepare Feasibility Study. Project co-funded by uMhlathuze Municipality and DEDTEA. Project completion end of December 2017. Project budget R2 600 000.
2. Richards Bay ICC	Environmental Authorisation (RoD) for ICC site has been extended. Expression of Interest for the Development and Long Term Lease of Portion 83 of Erf 5333 for an International Convention Centre prepared.
3. Steel Bridge	Tender awarded for Feasibility for Implementation of Richards Bay Steel Bridge Re-Design. Project completion end of December 2017. Project Budget R1 000 000.
4. The Ridge	Urban Design Concept noted by City Development Portfolio and on agenda for adoption by EXCO/Council. Tender 8/2/1/UMH122-16/17: Alienation and Leasing of Land for the Development of "The Ridge" closes mid May 2017.
5. Waterfront Development	Detailed planning underway for identified precincts to be consolidated into a Richards Bay Waterfront Master Plan.
6. Richards Bay SMME Park	Contractor on site.
7. Nseleni Mall	Bulk contributions paid Transfer completed Construction expected to commence in June/July 2017
8. Empangeni CBD Revitilization Plan	Lot 63 pilot for implementation of Empangeni CBD Revitalization Plan
9. Desalination Plant	Under construction with planned operational capacity of 10MI/day.
10. Feasibility Study into wastewater and associated by-products re-use	Tender 8/2/1/UMH116-15/16 for the Appointment of a Transaction Advisor, to conduct a Feasibility Study for wastewater and associated by-products re-use for the City of uMhlathuze and conclude the procurement of the public private partnership

PROJECT NAME	STATUS
	agreement, if applicable. Feasibility Study underway and completion date – December 2017
11. Green Hill	Tender 8/2/1/UMHL90-16/17 for the Expression of Interest for the Development and Long-Term Lease of Greenhill is in process.
12. 132 kV between CAPELLA and HYDRA	Replacement of two oil filled cables between CAPELLA and HYDRA substations feeding RBCT under implementation.

16.2.18 Capital Investment Framework

The following series of mapping provides an indication of the capital investment proposed by the uMhlathuze Municipality for the 2017/2018 financial year. Mapping for the outer years of the MTREF is provided in the SDF document.



Map 15: Proposed Water and Sanitation Investment

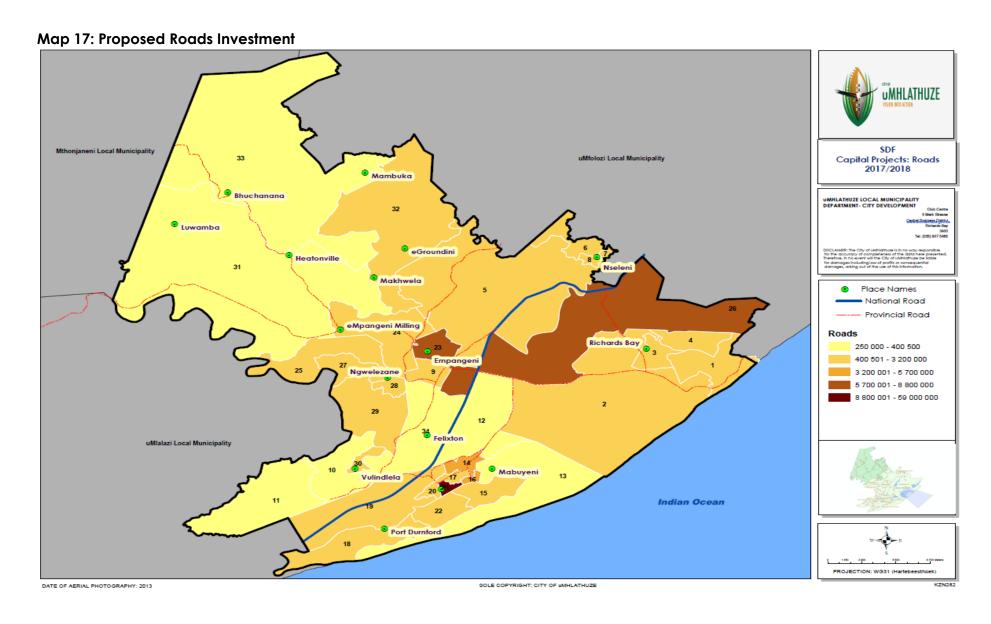
DATE OF AERIAL PHOTOGRAPHY: 2013

Map 16: Proposed Electricity Investment Mthonjaneni Local Municipality Capital Projects: Eletricity 2017/2018 uMfolozi Local Municipality UMHLATHUZE LOCAL MUNICIPALITY DEPARTMENT - CITY DEVELOPMENT Heatonville Makhwela Place Names Provincial Road eMpangeni Milling Eletricity 1 600 000 1 600 001 - 2 500 000 2 500 001 - 3 200 00 3 200 001 - 4 000 000 4 000 001 - 7 800 000 uMlalazi Local Municipality Indian Ocean PROJECTION: WG31 (Hartebeesthoek

Date: May 2017 DMS: 1197374

SOLE COPYRIGHT: CITY OF uMHLATHUZE

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SDF Capital Projects:Infrastructure 2017/2018 Place Names National Road Provincial Road Infrasturcture 7 000 001 - 10 000 000 16 000 001 - 36 000 000 36 000 001 - 80 000 000 Indian Ocean SOLE COPYRIGHT: CITY OF UMHLATHUZE DATE OF AERIAL PHOTOGRAPHY: 2013

Map 18: Combined Capital Investment

17. IMPLEMENTATION PLAN

								UMHL	THUZE MUNICIPALITY										
									NTATION PLAN 2017/201	18									
						Annual					Five Year Targets								
NATIONAL KEY PERFORMANCE AREAS	STRATEGIC GOALS	OBJECTIVE	STRATEGY	PERFORMANCE INDICATORS	Demand	Baseline	Backlog	BUDGET	AUDIT VERIFICATION	Year 1 2017/2018	Quarter 1	Quarter 2	Mid-Year	Quarter 3	Quarter 4	Year 2	Year 3	Year 4	Year 5
AREAS								2017/2018	DOCUMENT	Target	Target	Target	Target	Target	Target	Teal 2	Teal 3	16814	Teal 3
		To ensure effective and efficient administration	Provide aministrative support for for all Council Commitees	No. of EXCO Meetings held	22				Minutes of Meeting	22	6	5	11	4	6	22	22	22	22
		complying with its Legal	ioi dii Godiioii Goiiiiiilees	No. of COUNCIL Meetings held	12				Minutes of Meeting	12	3	3	6	3	3	12	12	12	12
	<u> </u>	Mandates		No. of Portfolio Meetings held	150				Minutes of Meeting	150	45	30	30	45	150	150	150	150	150
GOVERNANCE		Strenghthen Council Oversight through training on Legislation and Policies	No. of MPAC Meetings held																
	AL GC			To. of the year modelings had	4				Minutes of Meeting	4	1	1	2	1	1	4	4	4	4
PARTICIPATION	E MUNICIP	Organisational Performan Management System as a	al Performance review the performance of the System as a Municipality against indicators or the progress and targets set in the IDP	Number of S57 Performance Agreements signed	7				Signed Agreements	7	7	0	7	0	0	7	7	7	7
	_ H	tool to monitor the progress of service delivery		Number of Performance Audit Committee meetings	4				Minutes of Meeting	4	1	1	2	1	1	4	4	4	4
TIGE	EQUITA			Date of aproval of Performance Management framework					Council Resolution for Aproval of Framework	30-Jun	0	0	0	Draft	30-Jun	30-Jun		30-Jun	
PUBLIC	JECTIVE AND	Batho Pele Culture and Principles To promote a municipal governance system that	Increase sensitivity of government administrators to the aspirations o citizens through bi-annually awareness sessions on BP	No of Awareness / Knowledge Sharing f Session of Batho Pele	2				Attendance register	2	0	1	1	0	1	2	2	2	2
CE AND	r, obje		Facilitate the Functionality of Ward Committees through continues capacitation	Number of Ward Committee Management meetings	748				Minutes of Meeting	748	204	170	374	170	204	748	748	748	748
NAN.	VREN.	enhances and embraces the system of participatory		Number of Ward community meetings	340				Minutes of Meeting	340	102	68	170	68	102	340	340	340	340
GOOD GOVERNANCE	LE, TRANSPARI	Governance	Development of a Credible Integrated Development plan within prescribed legislative guidelines	Adopted Integrated Development by Council	30-Jun				Council Resolution for Aproval of Framework	30-May	0	0	0	Draft	30-May	30-Jun	30-Jun	30-Jun	30-Jun
8	RESPONSIBI		Facilitation of Stakeholder and Community participation in policy making	Number of IDP/Budget Community Meetings held	22					22	0	11	11	3	8	22	22	22	22
	RATIC,	To promote and foster sound internal and external communication (this is a	al and external enables efficient decision making tion (this is a and communication to support a		100%						100%	100%	100%	100%	100%	100%	100%	100%	100%
	DEMOCRAT	new objective)		Percent of completed projects meeting identified Organisational priorities and IT standards	100%											100%	100%	100%	100%
		Develop a common understanding of risk	Ensure Risk Education and awareness through training,	Number of Enterprise Risk Management Committee meetings	4				Minutes of Meeting	4	1	1	2	1	1	4	4	4	4

uMhlathuze Local Municipality: IDP 2017/2022

									THUZE MUNICIPALITY											
	IMPLEMENTATION PLAN 2017/2018																			
						Annual	1							Five Yea	r Targets					
NATIONAL KEY PERFORMANCE	STRATEGIC GOALS	OBJECTIVE	STRATEGY	PERFORMANCE INDICATORS	Demand	Baseline	Backlog	BUDGET	AUDIT VERIFICATION	Year 1 2017/2018	Quarter 1	Quarter 2	Mid-Year	Quarter 3	Quarter 4					
AREAS							Ţ	2017/2018	DOCUMENT	Target	Target	Target	Target	Target	Target	Year 2	Year 3	Year 4	Year 5	
INFRAS	83	To expand and maintain infrastructure in order to	through provision of basic water	% of Household with access to water	100%	85%	15.00%			85.90%	85.00%	85.10%	85.10%	85.45%	85.90%	86.81%	87.71%	88.62%	89.52%	
AND	*ATED	Improve access to Basic Services to the community	services	Number of Household with access to water	110503	93928	16575	2 000 000		94928	93928	94128	94128	94428	94928	95928	96928	97928	98928	
DELIVERY	ND S		Reduction of water losses	%reduction in water losses	18%	20%		1 000 000		18%	20%	20%	20%	18%	18%	16%	16%	14%	14%	
ă l	D IN		Eradicate Sanitation services backlogs through provision of	% of Household with access to Sanitation Number of Household with access to	100.00%	68.17%	31.83%			69.00%	68.00%	68.00%	68.00%	69.00%	69.00%	93.00%	73.00%	75.00%	77.00%	
CE DE	ENT ANI		basic sanitation services Eradicate electricity supply	Number of Household with access to Sanitation Number of Household with access to	110503	75325	35178			77325	75575	76075	76075	76325	77325	79325	81325	83325	85325	
SERVI	EFFICIENT AND INTEGRATED INFRASTRUCTURE AND SERVICE		backlogs through provision of basic electricity supply services	Electricity (Municipal Area) Number new Electricity connections					Number of Applications	34316	34166	34216	34216	34266	34316	34173	34673	35173	35673	
BASIC SERVICE	Z			(Municipal Area)					received Signed of Job cards	100	10	30	40	20	40	100	250	250	200	
ELOPMENT		To expand and maintain infrastructure in order to	waste removal service to the	% of Household with access to weekly waste disposal	100%	73.00%	27.00%			73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	74.00%	75.00%	76.00%	77.00%	
		Improve access to Basic Services to the community To expand and maintain	community	Number of Household with access to weekly waste disposal	110503	80698	19662	1 000 000		81698	80698	80998	80998	81498	81698	82698	83698	84698	85698	
		Road infrastructure in order to improve access and	Road infrastructure in order far	Provision of public transport facilities and infrastructure	Kilometres of rural gravel roads established		48km			Signed Job cards	48km	12km	12km	24km	12km	12km	48Km	48Km	48Km	48Km
	ICES	promote Local Economic development		Kilometres of rural gravel roads maintained (grading) Kilometres of tarred roads established		600km			Signed Job cards	600km	150km	150km	300km	150km	150km	600Km	600Km	600Km	600Km	
E DEV	D SERVICES	development		Kilometres of tarred roads established Kilometres of tarred roads rehabilitated				20 772 000		2.2km	0	0	0	0	2.2km	2.2km	5km	3km	4km	
CTUR	JRE AND			Kilometres of urban gravel roads				38 587 500		16km	9km	7km	16km	0	0	9km	15km	20km	10km	
INFRASTRUCTURE DEVEL	INFRASTRUCTURE			maintained (gravelling) m2 of repairs to potholes and patching on		40km				40km	10Km	10km	20km	10km	10km	40Km	40Km	40Km	40Km	
OINFR				urban tarred road Constraction of Bus shelters and laybyes		11184m²				11184m²	2796m²	2796m²	5592m²	2796m²	2796m²	11184m²	11184m²	11184m²	11184m²	
Y AND	ANDINTEGRATED			Constraction of Pedestrian Bridges				1 500 000		15Bus shelters 10	0	15 Bus shelters 5	15 Bus shelters 5	5	0	1	1	1	1	
DELIVERY	INTEG		Maintainance of stormwater	Kilometres of Stormwater open drains				1 500 000		10	23km	23km	5 46km	23km	23km	92Km	92Km	92Km	92Km	
	NT AN		facilities	maintained Number of kerb inlets maintained							769	769	1538	769	769	3077	3078	3079	3080	
BASIC SERVICE	EFICIENT,	To promote the achievement of a non-racial, integrated society, through the development of	Improve community standard of living through accelerated development of houses in rural areas	Number of Houses completed												180	180	180	180	
ш		sustainable human settlements and quality	To provide housing for vulnerable groups	Number of Houses completed												10	10	10	10	
		housing	To provide low-cost Houses (Urban)	Number of Houses completed												500	500	500	500	
			To upgrade public sector hostels	Number of Hostel Units upgraded																
DEVEL	ROWTH	To create an environment that will create jobs and	Capacitate community through training in scarce skills	Number of people to provide training to.																
ECONOMIC	VIABLE ECONOMIC GROW AND DEVELOPMENT	alleviate poverty.	Facilitate and grow SMME's	Constraction of SMME Retail Parks				8 570 000		1	0	0	0	0	1	0	50	50	50	
	E ECON ND DEVI			Construction of Market Stalls						2	0	0	0	1	1	1	1	1	1	
LOCA	VIABL		Promoting economic growth by successfully delivery of capital	% of Capital Projects completed	100%					100%	5%	30%	35%	75%	100%	100%	100%	100%	100%	
ECONON LOCAL	COHESI	To promote social cohesion	Development and upgrader of sports facilities	No. of upgrades /developments				780 000		6	0	0	0	3	3	4	6	6	6	
OCAL E	SOCIAL		Development of community facilities	No of facilities upgraded / hand over certification				3 000 000		3	0	0	0	1	2	3	3	4	7	

SECTION F: FINANCIAL PLAN

18. BUDGET SUMMARY

Table 92: Consolidated Overview of the 2017/18 MTREF

Description	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework						
R thousands	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20				
Total Operating Revenue	2 822 497	2 895 441	3 042 996	3 261 361				
Total Operating Expenditure	2 842 746	2 882 744	3 026 497	3 242 848				
Surplus/ (Deficit) for the year	(20 249)	12 697	16 499	18 513				
Total Capital Expenditure	548 524	521 255	566 774	548 154				

Total operating revenue has grown by 2.6 per cent or R73 million for the 2017/18 financial year when compared to the 2016/17 Adjusted Budget. For the two outer years, operational revenue will increase by 5.1 and 7.2 per cent respectively, equating to a total revenue growth of R439 million over the MTREF when compared to the 2016/17 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R2.9 billion and translates into a budgeted surplus of R12.7 million. When compared to the 2016/17 Adjusted Budget, operational expenditure has grown by 1.4 per cent in the 2017/18 budget and by 5 and 7.1 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years remains constant at R 16.5 million and then increases slightly to R 18.5 million.

The tabled capital budget of R521 million for 2017/18 is 5 per cent less when compared to the 2016/17 Adjusted Budget.

19. CAPITAL BUDGET SUMMARY

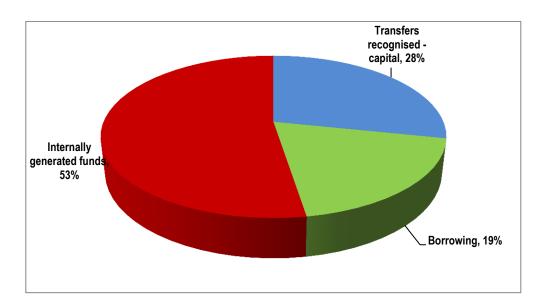
The following table below is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

Table: Proposed Capital Funding

Vote Description	2017/18 Mediu	2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20				
Funded by:							
National Government	147 305	165 414	195 862				
Provincial Government		_	_				
Transfers recognised - capital	147 305	165 414	195 862				
Public contributions & donations	-	_	_				
Borrowing	100 000	100 000	-				
Internally generated funds	273 950	301 360	352 292				
Total Capital Funding	521 255	566 774	548 154				

The capital programme increases to R 567 million in the 2018/19 financial year and decreases to R 548 million in 2019/20. A portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R100 million in 2018/19 of the MTREF. Borrowing will contribute 19, 18 and 0 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 above table is graphically represented as follows for the 2017/18 financial year

Figure 75: Sources of Capital Revenue



Capital grants and receipts equates to 28 per cent of the total funding source which represents R147 million for the 2017/18 financial year and increase to R 165 million or 29 per cent by 2018/19.

Dependency on borrowing is slowly being reduced, with its use been confined to ad-hoc infrastructure projects.

Table 93: Budgeted Capital Expenditure by vote, standard classification and funding.

Vote Description	2017/18 Mediu	n Term Revenue Framework	& Expenditure
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Municipal Vote			
Single-year expenditure appropriation			
Vote 1 - CITY DEVELOPMENT	-	890	940
1.6 - FX010001005 - Economic Development/Planning (Planning and Development)	-	890	940
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	2 015	1 200	1 210
2.2 - FX003001003 - Pollution Control (Environmental Protection)	740	200	210
2.5 - FX011001005 - Fire Fighting and Protection (Public Safety)	275	-	-
2.9 - FX014001003 - Solid Waste Removal (Waste Management)	1 000	1 000	1 000
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	18 928	23 876	24 692
3.1 - FX013001003 -Cemeteries, Funeral Parlours and Crematoriums (Community and Social Services)	900	945	1 100
3.2 - FX001001005002 - Halls (Community and Social Services)	3 700	2 840	2 100
3.3 - FX001001006001- Libraries and Archives (Community and Social Services)	1 560	2 450	2 802
3.6 - FX013001001- Beaches and Jetties (Community and Social Services)	150	158	165
3.7 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	950	600	650
3.10 - FX013002003003 - Recreational Facilities - Swimming Pools (Sport and Recreation)	900	945	992
3.11 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	10 768	15 938	16 882
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	23 023	8 492	5 550
4.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	11 720	4 550	1 050
4.4 - FX005001007 - Information Technology (Finance and Administration)	11 303	3 942	4 500
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	13 200	8 900	8 900
7.3 - FX002001001004 - Electricity and Gas Distribution and Planning (Energy Sources)	13 200	8 900	8 900
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	18 900	26 500	28 527
8.3 - FX015001002003 - Sewerage - Sewerage Network (Waste Water Management)	4 000	13 000	13 000
8.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	14 900	13 500	15 527
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	21 772	23 502	23 305
9.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	1 000	1 500	-
9.3 - FX012001004003 - Roads - Rural Roads (Road Transport)	20 772	22 002	23 305
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	44 096	36 178	34 485
10.2 - FX005001005 - Fleet Management (Finanace and Adminstration)	44 096	36 178	34 485
Vote 11 - OFFICE OF THE MUNICIPAL MANAGER	180	-	-
11.9 - FX005001011 - Risk Management (Finance and Administration)	180		
Capital single-year expenditure sub-total	142 114	129 537	127 609
Total Capital Expenditure	521 255	566 774	548 154

Vote Description	2017/18 Mediur	2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20				
Capital expenditure - Municipal Vote							
Multi-year expenditure appropriation							
Vote 1 - CITY DEVELOPMENT	4 797	1 812	1 902				
1.4 - FX010001002 - Corporate Wide Strategic Planning (IDPs, LEDs) (Planning and Development)	1 297	1 812	1 902				
1.6 - FX010001005 - Economic Development/Planning (Planning and Development)	3 500	-	_				
Vote 2 - COMMUNITY SERVICES - HEALTH AND PUBLIC SAFETY	3 210	1 200	780				
2.3 - FX005001006003 - Occupational Clinic (Finance and Administration)	1 110	700	700				
2.8 - FX012002001 - Non-Road and Traffic Regulation (Road Transport)	600	-	_				
2.9 - FX014001003 - Solid Waste Removal (Waste Management)	1 500	500	80				
Vote 3 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	2 780	9 701	9 886				
3.7 - FX013001002 - Community Parks (including Nurseries) (Sport and Recreation)	2 000	3 000	3 000				
3.11 - FX013002004001 - Sport Development and Sportfields (Sport and Recreation)	780	6 701	6 886				
Vote 4 - CORPORATE SERVICES - ADMINISTRATION	63 463	89 915	19 101				
4.1 - FX001001005003 - Municipal Buildings (Community and Social Services)	30 894	13 295	10 156				
4.2 - FX004001001001 - Mayor and Council (Executive and Council)	119	220	182				
4.4 - FX005001007 - Information Technology (Finance and Administration)	32 450	76 400	8 763				
Vote 5 - CORPORATE SERVICES - HUMAN RESOURCES	_	200	_				
5.1 - FX005001006001 - Human Resources (Finance and Administration)	_	200	_				
Vote 6 - FINANCIAL SERVICES	441	467	494				
6.2 - FX005001003002 - Revenue and Expenditure (Finance and Administration)	441	467	494				
Vote 7 - INFRASTRUCTURE AND TECHNICAL SERVICES - ELECTRICAL SUPPLY SERVICES	68 942	80 588	114 583				
7.3 - FX002001001004 - Electricity and Gas Distribution and Planning (Energy Sources)	50 150	68 588	98 583				
7.5 - FX002001002001 - Street Lighting (Energy Sources)	17 292	12 000	16 000				
7.6 - FX002001002002 - Process Control Systems (Energy Sources)	1 500	_	_				
Vote 8 - INFRASTRUCTURE AND TECHNICAL SERVICES - WATER AND SANITATION	155 771	160 154	159 799				
8.2 - FX015001002002 - Sewerage - Pumpstations (Waste Water Management)	17 100	15 700	12 876				
8.3 - FX015001002003 - Sewerage - Sewerage Network (Waste Water Management)	65 438	45 037	49 337				
8.7 - FX016001001003 - Water Treatment - Scientific Services (Water Management)	3 500	1 500	3 000				
8.8 - FX016001002001 - Water Distribution - Rural Water (Water Management)	31 633	36 037	38 638				
8.9 - FX016001002002 - Water Distribution - Urban Water (Water Management)	33 800	41 380	36 448				
8.10 - FX016001002003 - Water Distribution - Water Demand Management (Water Management)	4 300	20 500	19 500				
Vote 9 - INFRASTRUCTURE AND TECHNICAL SERVICES - TRANSPORT, ROADS AND STORMWATER	68 438	84 200	105 000				
9.2 - FX012001004002 - Roads - Urban Roads (Road Transport)	68 438	84 200	105 000				
Vote 10 - INFRASTRUCTURE AND TECHNICAL SERVICES - ENGINEERING SUPPORT SERVICES	11 300	9 000	9 000				
10.2 - FX005001005 - Fleet Management (Finanace and Adminstration)	11 300	9 000	9 000				
Capital multi-year expenditure sub-total	379 141	437 237	420 545				

Vote Description	2017/18 Mediu	2017/18 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year	Budget Year	Budget Year				
T CHOUSENIE	2017/18	+1 2018/19	+2 2019/20				
Capital Expenditure - Functional							
Governance and administration	100 299	126 907	58 125				
Executive and council	119	220	182				
Finance and administration	100 180	126 687	57 943				
Internal audit	-	-	-				
Community and public safety	66 037	51 822	45 993				
Community and social services	48 774	24 280	17 208				
Sport and recreation	16 248	27 342	28 575				
Public safety	275	_	-				
Housing	-	_	-				
Health	740	200	210				
Economic and environmental services	95 607	110 404	131 147				
Planning and development	4 797	9 702	17 842				
Road transport	90 810	100 702	113 305				
Environmental protection							
Trading services	259 313	277 642	312 889				
Energy sources	82 142	89 488	123 483				
Water management	88 133	112 917	113 112				
Waste water management	86 538	73 737	75 214				
Waste management	2 500	1 500	1 080				
Other	_	-	-				
Total Capital Expenditure - Functional	521 255	566 774	548 154				
Funded by:							
National Government	147 305	165 414	195 862				
Provincial Government	-	_	-				
District Municipality	-	-	-				
Other transfers and grants		_	-				
Transfers recognised - capital	147 305	165 414	195 862				
Public contributions & donations	-	_	-				
Borrowing	100 000	100 000	-				
Internally generated funds	273 950	301 360	352 292				
Total Capital Funding	521 255	566 774	548 154				

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

- 2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2017/18 R379.1 million has been allocated of the total R521.2 million capital budget, which totals 73 per cent. This allocation increases to R 437.2 million in 2018/19 and then decreases to R 420.5 million in 2019/20.
- 3. Single-year capital expenditure has been appropriated at R 142.1 million for the 2017/18 financial year and reduces slightly over the MTREF to levels of R 129.5 million and R 127.6 million respectively for the two outer years.
- 4. 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.
- 5. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2017/18, capital transfers totals R 147 million (28 per cent) and increases to R 165.4 million in the 2018/19 financial year (29 per cent). Borrowing has been provided at R 200 million over the MTREF with internally generated funding totaling R 273.5 million, R 301.3 million and R 352.3 million for each of the respective financial years of the MTREF.

Table 94: Budgeted Financial Position

ASSETS Current assets Cash 127 936 99 612 62 841 Call investment deposits 400 000 350 000 350 000 Consumer debtors 409 030 427 245 449 378 Current portion of long-term receivables 44 44 45 18 18 18 18 18 18 18 18 18 18 18 18 18	Description	2017/18 Medium Term Revenue & Expenditure Framework							
Current assets Cash	R thousand	_		_					
Cash 127 936 99 612 62 841 Call investment deposits 400 000 350 000 350 000 Consumer debtors 409 030 427 245 449 378 Other debtors 32 81 32 640 32 934 Current portion of long-term receivables 44 44 44 Inventory 76 583 81 469 86 666 Total current assets 1 045 974 991 010 981 864 Non current assets 1 17 126 136 Investments - - - Investments - - - Investments - - - Investment in Associate - - - Property, plant and equipment 5 217 753 5 362 272 5 480 165 Agricultural - - - - Intensifie 32 730 53 427 5 5 86 Other non-current assets 2 767 2 767 2 767 Total non current assets 5 378 415	ASSETS								
Call investment deposits	Current assets								
Consumer debitors 409 030 427 245 449 378 Other debitors 32 381 32 640 32 934 Current portion of long-term receivables 44 44 45 Inventory 76 583 81 469 86 666 Total current assets 1 045 974 991 010 981 864 Non current assets 117 126 136 Investments - - - - Investments - - - - - Investment in Associate -	Cash	127 936	99 612	62 841					
Direct debtors 32 381 32 640 32 934 Current portion of long-term receivables 44	Call investment deposits	400 000	350 000	350 000					
Current portion of long-term receivables 144	Consumer debtors	409 030	427 245	449 378					
Inventory 76 583	Other debtors	32 381	32 640	32 934					
Total current assets	Current portion of long-term receivables	44	44	45					
Non current assets	Inventory	76 583	81 469	86 666					
Ling-term receivables	Total current assets	1 045 974	991 010	981 864					
Ling-term receivables									
Investments	Non current assets								
Investment property	Long-term receivables	117	126	136					
Investment in Associate	Investments	_	-	-					
Property, plant and equipment	Investment property	125 047	124 969	124 891					
Agricultural	Investment in Associate	-	-	-					
Biological	Property, plant and equipment	5 217 753	5 362 272	5 480 165					
Intangible	Agricultural	-	-	-					
Other non-current assets 2 767 2 767 2 767 Total non current assets 5 378 415 5 543 562 5 663 825 TOTAL ASSETS 6 424 389 6 534 572 6 645 689 LIABILITIES Current liabilities Bank overdraft - <t< td=""><td>Biological</td><td>-</td><td>-</td><td>-</td></t<>	Biological	-	-	-					
Total non current assets 5 378 415 5 543 562 5 663 825 TOTAL ASSETS 6 424 389 6 534 572 6 645 689 LIABILITIES Current liabilities Bank overdraft - - - - Borrowing 159 365 78 531 68 971 C0 975 52 934 Consumer deposits 46 591 49 759 52 934 759 52 934 Trade and other payables 378 920 399 405 422 631 Provisions 24 185 25 970 27 886 Total current liabilities 609 060 553 665 572 422 Non current liabilities 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181	Intangible	32 730	53 427	55 866					
TOTAL ASSETS 6 424 389 6 534 572 6 645 689 LIABILITIES Current liabilities Bank overdraft	Other non-current assets	2 767	2 767	2 767					
LIABILITIES Current liabilities — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — — —	Total non current assets	5 378 415	5 543 562	5 663 825					
Current liabilities Bank overdraft - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	TOTAL ASSETS	6 424 389	6 534 572	6 645 689					
Current liabilities Bank overdraft - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -									
Bank overdraft									
Borrowing 159 365 78 531 68 971 Consumer deposits 46 591 49 759 52 934 Trade and other payables 378 920 399 405 422 631 Provisions 24 185 25 970 27 886 Total current liabilities 609 060 553 665 572 422 Non current liabilities Borrowing 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669									
Consumer deposits 46 591 49 759 52 934 Trade and other payables 378 920 399 405 422 631 Provisions 24 185 25 970 27 886 Total current liabilities 609 060 553 665 572 422 Non current liabilities 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	Bank overdraft	-	-	-					
Trade and other payables 378 920 399 405 422 631 Provisions 24 185 25 970 27 886 Total current liabilities 609 060 553 665 572 422 Non current liabilities 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	Borrowing								
Provisions 24 185 25 970 27 886 Total current liabilities 609 060 553 665 572 422 Non current liabilities 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	·								
Total current liabilities 609 060 553 665 572 422 Non current liabilities 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	, ,								
Non current liabilities									
Borrowing 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	Total current liabilities	609 060	553 665	572 422					
Borrowing 477 671 499 140 430 169 Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669									
Provisions 315 343 338 615 363 605 Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669		477.074	400 440	100 100					
Total non current liabilities 793 014 837 755 793 774 TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	-								
TOTAL LIABILITIES 1 402 075 1 391 420 1 366 197 NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669									
NET ASSETS 5 022 314 5 143 151 5 279 492 COMMUNITY WEALTH/EQUITY Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669									
COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	IVIAL LIABILITIES	1 402 0/5	1 397 420	1 300 197					
COMMUNITY WEALTH/EQUITY 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	NET ASSETS	5 022 314	5 143 151	5 279 492					
Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	- 2=	2 722 714	27.0.01	2 2.0 .02					
Accumulated Surplus/(Deficit) 4 661 837 4 727 970 4 837 823 Reserves 360 477 415 181 441 669	COMMUNITY WEALTH/EQUITY								
Reserves 360 477 415 181 441 669		4 661 837	4 727 970	4 837 823					
TOTAL COMMUNITY WEALTH/EQUITY 5 022 314 5 143 151 5 279 492									
	TOTAL COMMUNITY WEALTH/EQUITY	5 022 314	5 143 151	5 279 492					

Explanatory notes - Budgeted Financial Position

- 1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- 2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- 3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 162 providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors:
 - o Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
- 4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

19.1 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

Table 95: 2017/18 Medium-term capital budget per vote

Vote Description	2017/18 Me	dium	Term Revenue Framework	& Expenditure
R thousand	Budget Ye 2017/18	ar	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional				
Governance and administration	100 2	99	126 907	58 125
Executive and council	1	19	220	182
Finance and administration	100 1	80	126 687	57 943
Internal audit		-	_	_
Community and public safety	66 0	37	51 822	45 993
Community and social services	48 7	74	24 280	17 208
Sport and recreation	16 2	48	27 342	28 575
Public safety	2	75	-	_
Housing		-	-	_
Health	7	40	200	210
Economic and environmental services	95 6	07	110 404	131 147
Planning and development	4 7	97	9 702	17 842
Road transport	90 8	10	100 702	113 305
Environmental protection				
Trading services	259 3	13	277 642	312 889
Energy sources	82 1	42	89 488	123 483
Water management	88 1	33	112 917	113 112
Waste water management	86 5	38	73 737	75 214
Waste management	2.5	00	1 500	1 080
Other		-	-	-
Total Capital Expenditure - Functional	521 2	:55	566 774	548 154
Funded by:				
National Government	147 3	05	165 414	195 862
Provincial Government	•	_	_	_
District Municipality		_	_	_
Other transfers and grants		_	_	_
Transfers recognised - capital	147 3	05	165 414	195 862
Public contributions & donations		_	_	_
Borrowing	100 0	000	100 000	_
Internally generated funds	273 9		301 360	352 292
Total Capital Funding	521 2	-	566 774	548 154

For 2017/18 an amount of R343 million has been appropriated for the development of infrastructure which represents 66 per cent of the total capital budget. In the outer years this

amount totals R388 million, 68 per cent and R 445 million, 81 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R90 million in 2017/18 which equates to 26 per cent followed by road transport at 26 per cent, R88 million, waste water infrastructure at 23 per cent, R80 million and then electricity infrastructure at 23 per cent, R80 million. Total new assets represent 37 per cent or R 192 million of the total capital budget, asset renewal equates to 21 per cent or R 111 million and upgrade of existing assets 8 per cent or R 40 million.

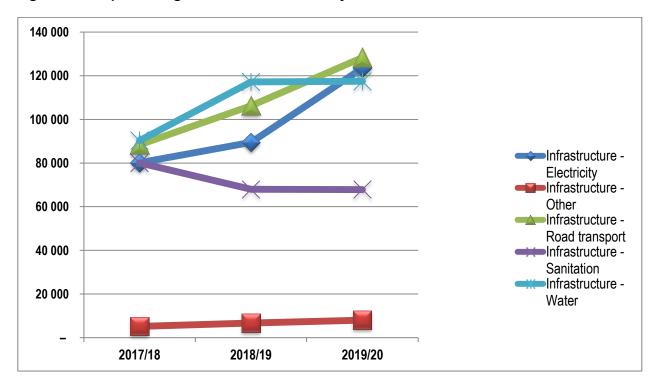


Figure 76: Capital Budget for Infrastructure Projects

20. OPERATIONAL BUDGET SUMMARY

20.1 Operating Revenue Framework

The City of uMhlathuze requires sustainable revenue streams in order to improve the lives of its citizens. The City must continuously review revenue management processes to ensure that revenue is protected and the municipality has an ability to maximize the revenue generating potential of all revenue sources through adequate and effective controls and allow for investment opportunities that will accelerate economic growth in the city.

In comparison with the previous year, there are more favourable trends for the coming year, where it is observed that commodity prices have stabilised, drought conditions have improved across the country, electricity supply capacity has improved, giving less- burden to the consumer on tariff hikes due to infrastructure upgrades by Eskom.

The GDP is projected to increase from 0.5% in 2016 to 1.3% in 2017 with a moderate growth over the medium term with 2 per cent in 2018 and 2.2 per cent in 2019 (Source - NT 2017/18 Budget Circular No. 86 - Annexure L2 - DMS 1192320). There is a slight improvement in the economy. However, the economy is still constrained which compels projected revenue growth to be more consecutive which also impact on the collection level of the generated revenue.

The city is introducing the smart city concept by providing more digital solutions in terms of efficient services that are easy to access and use by consumers through the introduction of technological platforms in terms of consumer account enquiries, digital statements and user friendly online payment solutions.

In 2017/18 the City will be applying Tariff of Charges (TOC) for water trading service in two folds, drought tariffs will be charged until weather conditions have improved to an acceptable level and charge normal tariffs once the drought epidemic is over.

uMhlathuze Water Board introduced a penalty system that charges effluent non- compliance of water that gets discharged into the sea. The city has since developed an implementation plan to manage all industrial effluent discharge into the municipal sewage system by charging industries penalty fees in cases of non-compliance depending on the severity of the non-compliance. These charges will be incorporated in the 2017/18 tariff of Charges.

It is important to note that although the Trade Effluent Policy is included as **Annexure D4 – DMS 1194879**, the final policy will be submitted to Council for approval before the end of June 2017.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 96 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- Increase ability to extend new services and recover costs where economically possible;
- The municipality's Indigent Policy and rendering of free basic services and subsidized services to both the destitute and poor consumers.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Figure 77: Summary of revenue classified by main revenue source

Description	Current Year 2016/17		Revenue & ework	
R thousand	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source				
Property rates	409 880	452 872	474 533	507 317
Service charges - electricity revenue	1 551 300	1 534 316	1 607 695	1 718 763
Service charges - water revenue	306 100	309 982	324 809	347 247
Service charges - sanitation revenue	85 320	92 006	96 409	103 072
Service charges - refuse revenue	71 820	76 575	80 236	85 780
Service charges - other	-	-	-	-
Rental of facilities and equipment	13 580	8 008	7 350	7 852
Interest earned - external investments	32 511	41 942	42 040	47 181
Interest earned - outstanding debtors	50	53	55	58
Dividends received	-	_	-	-
Fines, penalties and forfeits	2 232	7 563	7 929	8 424
Licences and permits	3 611	3 609	3 789	3 978
Agency services	7 000	7 390	7 755	8 142
Transfers and subsidies	296 993	326 359	353 998	384 645
Other revenue	42 101	34 764	36 398	38 902
Gains on disposal of PPE	_	_	-	_
Total Revenue (excluding capital transfers and contributions)	2 822 497	2 895 441	3 042 996	3 261 361

uMhlathuze Local Municipality: IDP 2017/2022

Figure 78: Percentage growth in revenue by main revenue source

Description	Current Year	2016/17	2017/18 N	ledium ⁻	Term Revenue &	k Expend	iture Framewor	k
R thousand	Adjusted Budget	%	Budget Year 2017/18	%	Budget Year +1 2018/19	%	Budget Year +2 2019/20	%
Revenue By Source								
Property rates	409 880	14.5%	452 872	15.6%	474 533	15.6%	507 317	15.6%
Service charges - electricity revenue	1 551 300	55.0%	1 534 316	53.0%	1 607 695	52.8%	1 718 763	52.7%
Service charges - water revenue	306 100	10.8%	309 982	10.7%	324 809	10.7%	347 247	10.6%
Service charges - sanitation revenue	85 320	3.0%	92 006	3.2%	96 409	3.2%	103 072	3.2%
Service charges - refuse revenue	71 820	2.5%	76 575	2.6%	80 236	2.6%	85 780	2.6%
Rental of facilities and equipment	13 580	0.5%	8 008	0.3%	7 350	0.2%	7 852	0.2%
Interest earned - external investments	32 511	1.2%	41 942	1.4%	42 040	1.4%	47 181	1.4%
Interest earned - outstanding debtors	50	0.0%	53	0.0%	55	0.0%	58	0.0%
Fines, penalties and forfeits	2 232	0.1%	7 563	0.3%	7 929	0.3%	8 424	0.3%
Licences and permits	3 611	0.1%	3 609	0.1%	3 789	0.1%	3 978	0.1%
Agency services	7 000	0.2%	7 390	0.3%	7 755	0.3%	8 142	0.2%
Transfers and subsidies	296 993	10.5%	326 359	11.3%	353 998	11.6%	384 645	11.8%
Other revenue	42 101	1.5%	34 764	1.2%	36 398	1.2%	38 902	1.2%
Total Revenue (excluding capital transfers and contributions)	2 822 497	100%	2 895 441	100%	3 042 996	100%	3 261 361	100%
Total revenue from rates and service charges	2 424 420	85.9%	2 465 752	85.2%	2 583 682	84.9%	2 762 178	84.7%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 11 per cent. Rates and service charges revenue comprise of 85 per cent of total operating revenue mix. In 2016/17, revenue from rates and service charges totalled R2.4 billion and is projected to increase to R2.5 billion in 2017/18 and steadily increase to R2.6 billion and R2.85 billion in 2018/19 and 2019/20 respectively.

Electricity service charges are the largest contributor towards municipal revenue in terms of turnover amounting to an average of 53 per cent over the MTREF. However, it needs to be noted that the actual revenue contributed by Electricity Service to municipal service delivery is the gross profit of Electricity Turnover less Bulk purchase cost this amounts to R 579 million in the 2017/18 financial year. There is a tangible growth in terms of a single new customer (Richards Bay Alloy Company). The tariffs were increased by 2.2 per cent for Electricity. Details in this regard are contained in Table 74 MBRR SA1 (see pages 157 to 160).

The second largest revenue source in the City is Property rates at a constant 15 per cent over the MTREF. Strategic turn is pivotal towards expanding rates base of the city and the rural arrears

regulations need to be explored. The municipality is still prejudiced by the Traditional Authorities not yet forming part of the MPRA while geographically representing 47 per cent of the municipal jurisdiction.

The municipality is significantly dependent on electricity to cross subsidise Rates and General services. The revenue from Property Rates however has closed the gap and almost equals the gross profit that is made by the electricity trading service. This in essence now places the municipality in a better position towards sustainability as every rand raised in the rates and general environment contributes more than the rand earned in sales of a service mainly because one is exchange revenue while the other is non-exchange revenue.

The trading service water is downsized by R3 million in 2017/18 when compared with the 2015/16 adjusted budget. This is attributed by the severe drought in the country and the patterns of consumptions have been forced to change downwards by both the households and industries in the area. The challenge here is that based on the fact that the bulk of the costs are fixed, the Water Service which is a trading service and meant to be making a surplus is now making a deficit. The Administration has to look at cutting costs in this service to make it self-sustaining

An insignificant source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. The item segment Revenue classification of mSCOA has done away with the "other revenue" as a category and therefore specific detail will be provided going forward due to the financial reform. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related. Yet the tariffs have in practice just been escalated by the inflation index as guided by the circular.

Operating grants and transfers totals R326 million in the 2017/18 financial year, steadily increases to R354 million in 2018/19 and to R385 million in 2019/20. Local Government Equitable Share will grow at an average annual rate of above 9 percent over the MTREF; this is as a result of funds that will be added in 2018/19 and 2019/20 to offset the cost pressures of water and sanitation and security services which continued to grow faster than inflation.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

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Figure 79: Operating Transfers and Grant Receipts

Description	2017/18 Mediur	2017/18 Medium Term Revenue & Expenditure Framework						
R thousand	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20					
RECEIPTS:								
Operating Transfers and Grants								
National Government:	314 163	341 327	371 510					
Local Government Equitable Share	292 009	326 318	355 898					
Finance Management	2 650	2 650	2 650					
EPWP Incentive	4 143	_	_					
Project Management Unit	5 437	5 759	6 098					
Infrastructure Skills Development Grant	6 500	6 600	6 864					
Municipal Demarcation Transitional Grant	3 424	-	-					
Municipal Infrastructure Grant (Roll-Over)	_	-	-					
Provincial Government:	12 196	12 671	13 135					
	-	-	-					
Museums	183	192	202					
Provincialisation of Libraries	7 881	8 275	8 689					
Libraries	1 504	1 576	1 616					
Housing	2 628	2 628	2 628					
Total Operating Transfers and Grants	326 359	353 998	384 645					

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The City has strived to ensure that affordability takes preference over the just achieving the desired income from a tariff increases which would be counterproductive. The level of debt collection for the municipality has remained relatively consistent throughout the years and continuous improvement in this area is continuously sort.

The "traditional area customer base" has a notable outstanding debt increase which has been accumulative over the years. Indigent Support effective from 2017/18 will be rolled out to target those who cannot afford services who meet the requirements of an indigent consumer.

NERSA has approved 2.2 per cent increase for Eskom tariff charges which will result in less costs being transferred to the consumer as the bulk purchases incurred by the municipality will decrease significantly when compared to the previous year's average increase of 8 per cent on bulk purchases.

Mhlathuze Water bulk tariffs have increase by an average of 9.2 per cent which is far beyond the inflation target of 6.4 per cent. The drought and capital infrastructure planned upgrades by the

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Water board, has resulted in the tariff hike beyond CPI. This means consumer will continue to pay more on water if water conservations are not applied by the consumers.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Table 96: Budgeted Financial Performance (revenue and expenditure)

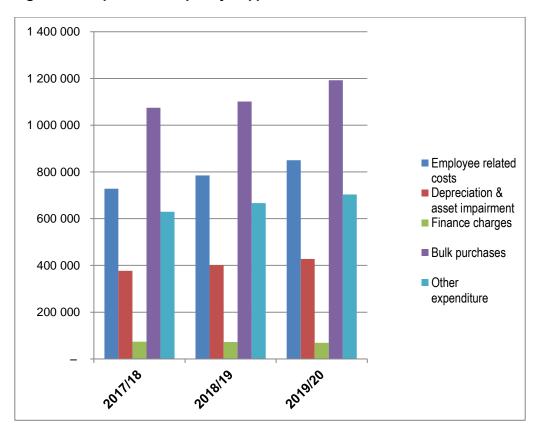
Description	2017/18 Medium Term Revenue & Expenditur Framework				
R thousand	Budget Year				
Revenue By Source					
Property rates	452 872	474 533	507 317		
Service charges - electricity revenue	1 534 316	1 607 695	1 718 763		
Service charges - water revenue	309 982	324 809	347 247		
Service charges - sanitation revenue	92 006	96 409	103 072		
Service charges - refuse revenue	76 575	80 236	85 780		
Rental of facilities and equipment	8 008	7 350	7 852		
Interest earned - external investments	41 942	42 040	47 181		
Interest earned - outstanding debtors	53	55	58		
Fines, penalties and forfeits	7 563	7 929	8 424		
Licences and permits	3 609	3 789	3 978		
Agency services	7 390	7 755	8 142		
Transfers and subsidies	326 359	353 998	384 645		
Other revenue	34 764	36 398	38 902		
Total Revenue (excluding capital transfers and contributions)	2 895 441	3 042 996	3 261 361		
Expenditure By Type					
Employee related costs	728 269	784 743	850 081		
Remuneration of councillors	29 147	31 188	33 218		
Debt impairment	26 388	27 707	29 092		
Depreciation & asset impairment	376 848	401 636	427 900		
Finance charges	73 401	72 194	69 073		
Bulk purchases	1 074 886	1 101 637	1 192 238		
Other materials	160 405	172 710	181 522		
Contracted services	151 897	158 112	167 141		
Transfers and subsidies	11 729	12 323	12 808		
Other expenditure	249 775	264 245	279 776		
Total Expenditure	2 882 744	3 026 496	3 242 848		
Surplus/(Deficit) Transfers and subsidies - capital (monetary allocations)	12 697	16 500	18 513		
(National / Provincial and District)	147 305	165 414	195 862		
Surplus/(Deficit) after capital transfers & contributions	160 002	181 914	214 375		
Surplus/(Deficit) for the year	160 002	181 914	214 375		

Explanatory notes to Table 84 - Budgeted Financial Performance (revenue and expenditure)

- 1. Total revenue is R2.9 billion in 2017/18 and escalates to R3 billion by 2018/19 and R3.3 billion by 2019/20. This represents a year-on-year increase of only 3 per cent for the 2017/18 financial year from the 2016/17 Adjusted Budget and 5 per cent for the 2018/19 financial year and 7 per cent for the 2018/19 financial year.
- 2. Revenue to be generated from Property Rates is R 453 million in the 2017/18 financial year and increases to R 475 million by 2018/19 which represents 16 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 16 per cent and 17 per cent for 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 totaling R2 billion for the 2017/18 financial year and increasing to R2.1 billion by 2018/19. For the 2017/18 financial year services charges amount to 70 per cent of the total revenue base, however no economic growth has been built into these revenue figures. The growth that is reflected here is mainly be attributed to the increase in the bulk prices of electricity.
- 4. Transfers recognised operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real term the grants receipts from national government having only increased marginally over the MTREF by 8 per cent and 9 per cent for the two outer years.

5. The following graph illustrates the major expenditure items per type.

Figure 80: Expenditure by major type



21. SUMMARY OF BUDGET POLICIES

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

21.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was last reviewed and approved by Council in July 2012. A new Credit Control Policy has been developed available in **DMS 1158108** which will serve before Council before the start of the budget year.

A major change to the policy is the policy principle where, the municipality will enter into service agreement with owners of the property and have personal surety-ships with business owners. This will assist the municipality with recoverability of outstanding debtors.

The 2017/18 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96 per cent on current billings.

21.2 Asset Management, Infrastructure Investment and Funding Policy

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

No amendments are proposed for this policy in the 2017/18 financial year.

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21.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

No amendments are proposed for this policy in the 2017/18 financial year.

21.3.1 Indigent Policy

The Indigent policy has always been incorporated into the credit control policy; however municipality has developed an indigent policy separate from the credit control policy document. The indigent policy was adopted by Council together with MTREF 2017/2018 in MAY 2017. There is a database as well for all citizens that qualify as indigent and they receive the social package benefits.

21.3.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council on the 4 October 2005. The fifth 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 13 July 2016 in terms of CR 11022 and incorporates most of the requirements of the Preferential Procurement Regulations.

21.3.3 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.

The policy has been amended to include reference to mSCOA.

21.3.4 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

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certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

No amendments are proposed for this policy in the 2017/18 financial year.

21.3.5 Tariff of Charges Policy

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy is amended and approved annually with the MTREF.

All the above policies are available on the City's website, as well as the following budget related policies:

- Property Rates Policy;
- Trade Effluent Management Policy and
- Fraud Prevention policy.

22. ALIGNMENT OF IDP WITH BUDGET

In 2012, Council adopted its 2012/2017 IDP which intended to provide strategic direction and operational planning for the City for the current term of office. In line with the provisions of the legislation as discussed below and to address emerging developments as they relate to the approved 2012/2017, the 2016/2017 IDP revision is submitted to the Executive Committee for recommendation to Council for approval.

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

uMhlathuze's Integrated Development Plan is a super plan for the organisation which gives an overall framework for development, it's a strategic tool that guides and informs planning, budgeting and managing. Our IDP aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in our jurisdiction. It takes into account the existing conditions and problems and resources available for development. The plan looks at economic and social development for the area as a whole. Amongst other things it also sets a framework for how land should be used (SDF), what infrastructure and services are needed and provided.

2016/2017 Final IDP was the last review of the 2012/2017 Five year IDP. Council is in a process of drafting the 2017/2021 Fourth Generation IDP which will come into effect after its adoption by Council in May 2017. Like the third generation IDP, the Fourth Generation is outcome based and built on the foundations of Government Priorities which includes national Development Plan,

Provincial Development Plan, State of the Nation Address, State of the Province Address and other important government priorities.

Through the IDP, Government priorities are translated in our strategic framework and escalated to Strategic Goals, Strategic Objectives, Strategies, Key Performance indicators, which are then further developed into programs and projects. This directly informs the municipal Service Delivery and Budget Implementation Plan. This fair alignment between IDP and Government priorities is confirmed through our budgeting, which takes into serious consideration the strategic objectives when budgeting. That is consistent confirmation that uMhlathuze is fully respond to the NDP, PDGP, DGDS and national priorities.

Special consideration to the IDP Review 2016/2017 was given to the following:

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

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2016/17 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Table 97: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal 2017/18 Medium Term Revenue & Expendi			& Expenditure
,		Code Framework		5 1 1V	
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 1: Good Governance and Public Participation			2017/10	11 2010/13	12 2013/20
1.1 Democratic, Responsible, Transparent , Objective And					
Equitable Municipal Governance					
	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	3 605	190	203
	To maintain a SMART Organisational Performance Management System to ensure Planning, Monitoring reporting and evaluation of municipal performance	1.1.2	-	-	-
	Ensure Institutionalisation of Batho Pele Culture and Principles	1.1.3	-	-	-
	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	-	-	-
	To promote and foster sound internal and external communication	1.1.5	335	351	375
	To Promote Access to Information and Accountability	1.1.6	3 576	3 749	4 000
	To develop and review policies that will lead to improved service delivery and legislative compliance	1.1.7	-	-	-
1.2 Risk Governance	To ensure that the risk maturity of the organisation is at an enabled level (risk management and internal control fully embedded into the operations of the organisation, high level understanding of risk, effective risk management system)	1.2.1	-	-	-
	Ensure reliable, and maintain independence of internal and external audit	1.2.2	_	-	-
	Ensure Compliance with Relevant legislation	1.2.3	13	14	15
	Ensuring compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	1.2.4	-	-	-
National KPA 2: Basic Services and Infrastructure Provision					
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to Improve access to Basic Services to the community	2.1.1	2 304 905	2 442 152	2 635 779
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	2.1.2	30 013	31 668	33 438
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3	4 131	4 199	4 290
	To ensure effective Fleet Management	2.1.4	276	290	310
	Maintenance of Municipal fixed assets	2.1.5	2 929	2 035	2 176

Strategic Objective	Goal	Goal Code			& Expenditure
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 3: Local Economic Development			-	-	-
3.1 Viable Economic Growth And Development	To create an environment that will create jobs and alleviate poverty.	3.1.1	2 101	2 207	2 351
	To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	3.1.2	4 143	-	-
	To promote Local tourism	3.1.3	697	730	781
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	2 768	2 905	3 056
	To ensure Provision of fire – and rescue services	3.2.2	844	875	924
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	135 006	145 530	156 991
	To ensure air quality management	3.3.2	9	9	10
	Development of Cemeteries	3.3.3	549	568	600
3.4 Social Cohesion	To promote social cohesion	3.4.1	21 435	22 636	24 031
	To promote arts and cultural services	3.4.2	9 958	10 454	10 946
National KPA 4: Municipal Institutional Development and Transfo	rmation				
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an Appropriate organisational climate that will attract and retain appropriate skills	4.1.1	6 513	6 613	6 878
	To Improve Citizens Skills levels and Education	4.1.2	-	-	-
	To ensure Sound Relationship between management and labour	4.1.3	-	-	-
	To ensure maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	4.1.4	-	-	-
National KPA 5: Municipal Financial Viability and Management					
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	506 547	528 734	567 395
	Sustainable Financial and supply chain Management	5.1.2	767	798	854

Strategic Objective	Goal		2017/18 Medium Term Revenue & Expenditure		
Strategic objective	Goal	Code	e Framework		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 6: Cross Cutting					
6.1 Integrated Urban and Rural Development	To plan areas for future development and formalisation	6.1.1	-	-	-
	To promote environmental conservation and protection	6.1.2	-	-	-
	To ensure effective Land Use Management and Building Management	6.1.3	-	-	-
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	-	-	-
	Effective Management of Council owned Immovable properties.	6.2.2	1 626	1 704	1 822
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	-	-	-
Allocations to other priorities					
Total Revenue (including capital transfers and contributions)			3 042 745	3 208 410	3 457 223

Table 98: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code			& Expenditure
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 1: Good Governance and Public Participation					
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance					
	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	27 552	25 762	27 431
	To maintain a SMART Organisational Performance Management System to ensure Planning, Monitoring reporting and evaluation of municipal performance	1.1.2	-	-	-
	Ensure Institutionalisation of Batho Pele Culture and Principles	1.1.3	-	-	-
	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	-	-	-
	To promote and foster sound internal and external communication	1.1.5	3 881	4 182	4 495
	To Promote Access to Information and Accountability	1.1.6	12 332	13 277	14 245
	To develop and review policies that will lead to improved service delivery and legislative compliance	1.1.7	-	-	-
1.2 Risk Governance	To ensure that the risk maturity of the organisation is at an enabled level (risk management and internal control fully embedded into the operations of the organisation, high level understanding of risk, effective risk management system)	1.2.1	1 319	1 407	1 496
	Ensure reliable, and maintain independence of internal and external audit	1.2.2	13	14	16
	Ensure Compliance with Relevant legislation	1.2.3	1 491	1 593	1 696
	Ensuring compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	1.2.4	-	-	-
National KPA 2: Basic Services and Infrastructure Provision					
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to Improve access to Basic Services to the community	2.1.1	1 964 240	2 054 062	2 202 286
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	2.1.2	261 727	273 374	288 615
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3	19 319	20 578	22 028
	To ensure effective Fleet Management	2.1.4	(190)	369	703
	Maintenance of Municipal fixed assets	2.1.5	51 545	56 323	61 438

Strategic Objective	Goal	Goal Code	2017/18 Medium Term Revenue & Exp Framework		& Expenditure
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 3: Local Economic Development					
3.1 Viable Economic Growth And Development	To create an environment that will create jobs and alleviate poverty.	3.1.1	52 315	54 656	58 431
	To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and	3.1.2	4 143	-	-
	entrepreneurship To promote Local tourism	3.1.3	6 740	7 125	7 490
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	55 848	60 049	64 371
our rusino ouroly and occurry	To ensure Provision of fire – and rescue services	3.2.2	63 537	69 174	74 937
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	129 154	138 665	148 409
, ,		3.3.1	9 481	10 385	11 317
	To ensure air quality management		11 118	11 841	12 589
	Development of Cemeteries	3.3.3	142 190	154 334	166 806
3.4 Social Cohesion	To promote social cohesion	3.4.1			
	To promote arts and cultural services	3.4.2	28 567	30 828	33 131
National KPA 4: Municipal Institutional Development and Transfo	rmation				
, ,	To create an Appropriate organisational climate that will attract and retain appropriate skills	4.1.1	11 589	12 052	12 691
	To Improve Citizens Skills levels and Education	4.1.2	-	-	-
	To ensure Sound Relationship between management and labour	4.1.3	-	-	-
	To ensure maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	4.1.4	-	-	-
National KPA 5: Municipal Financial Viability and Management					
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	15 338	16 075	16 944
	Sustainable Financial and supply chain Management	5.1.2	2 129	2 277	2 427

Strategic Objective	Goal		2017/18 Medium Term Revenue & Expenditure Framework		
g.		Code	5 1 ()	5 1 17	
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 5: Municipal Financial Viability and Management					
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	15 338	16 075	16 944
	Sustainable Financial and supply chain Management	5.1.2	2 129	2 277	2 427
National KPA 6: Cross Cutting	к				
6.1 Integrated Urban and Rural Development	To plan areas for future development and formalisation	6.1.1	-	-	-
	To promote environmental conservation and protection	6.1.2	-	-	-
	To ensure effective Land Use Management and Building Management	6.1.3	-	-	-
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	3 365	3 575	3 793
	Effective Management of Council owned Immovable properties.	6.2.2	1 742	1 891	2 045
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	2 258	2 629	3 022
Allocations to other priorities					
Total Expenditure			2 882 744	3 026 497	3 242 848

Table 99: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Goal 2017/18 Medium Term Revenue & E		& Expenditure	
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 1: Good Governance and Public Participation					
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance					
	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	119	220	182
	To maintain a SMART Organisational Performance Management System to ensure Planning, Monitoring reporting and evaluation of municipal performance	1.1.2	-	-	-
	Ensure Institutionalisation of Batho Pele Culture and Principles	1.1.3	-	-	-
	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	-	-	-
	To promote and foster sound internal and external communication	1.1.5	43 453	80 342	13 263
	To Promote Access to Information and Accountability	1.1.6	-	-	-
	To develop and review policies that will lead to improved service delivery and legislative compliance	1.1.7	600	-	-
1.2 Risk Governance	To ensure that the risk maturity of the organisation is at an enabled level (risk management and internal control fully embedded into the operations of the organisation, high level understanding of risk, effective risk management system)	1.2.1	180	-	-
	Ensure reliable, and maintain independence of internal and external audit	1.2.2	-	-	-
	Ensure Compliance with Relevant legislation	1.2.3	-	-	-
	Ensuring compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases	1.2.4	1 110	700	700
National KPA 2: Basic Services and Infrastructure Provision					
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to Improve access to Basic Services to the community	2.1.1	256 013	275 842	311 009
	To expand and maintain Road infrastructure in order to improve access and promote Local Economic development	2.1.2	94 210	100 702	113 305
	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3	-	-	-
	To ensure effective Fleet Management	2.1.4	55 896	45 478	44 285
	Maintenance of Municipal fixed assets	2.1.5	35 035	22 512	27 270

Strategic Objective			n Term Revenue & Expenditu Framework		
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 3: Local Economic Development					
3.1 Viable Economic Growth And Development	To create an environment that will create jobs and alleviate poverty.	3.1.1	9 867	5 312	1 902
	To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	3.1.2	-	-	-
	To promote Local tourism	3.1.3	-	-	-
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	-	-	-
	To ensure Provision of fire – and rescue services	3.2.2	275	-	-
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	3 000	1 600	1 160
	To ensure air quality management	3.3.2	740	200	210
	Development of Cemeteries	3.3.3	900	945	1 100
3.4 Social Cohesion	To promote social cohesion	3.4.1	14 598	26 742	27 925
	To promote arts and cultural services	3.4.2	5 260	5 290	4 902
National KPA 4 : Municipal Institutional Development and Transfo	ormation				
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an Appropriate organisational climate that will attract and retain appropriate skills	4.1.1	-	-	-
	To Improve Citizens Skills levels and Education	4.1.2	-	-	-
	To ensure Sound Relationship between management and labour	4.1.3	-	-	-
	To ensure maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery	4.1.4	-	-	-
National KPA 5: Municipal Financial Viability and Management					
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	-	-	-
	Sustainable Financial and supply chain Management	5.1.2	-	-	-

Strategic Objective	Goal	Goal Code			& Expenditure
R thousand			Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
National KPA 6: Cross Cutting					
6.1 Integrated Urban and Rural Development	To plan areas for future development and formalisation	6.1.1	-	890	940
	To promote environmental conservation and protection	6.1.2	-	_	-
	To ensure effective Land Use Management and Building Management	6.1.3	-	-	-
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	-	_	-
	Effective Management of Council owned Immovable properties.	6.2.2	-	-	-
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	-	-	-
			-	-	-
Allocations to other priorities	<i>L</i>				
Total Capital Expenditure			521 255	566 774	548 154

23. SOCIAL INITIATIVES SUMMARY

Free Basic Services: Basic Social Services Package

The social package assists households that are indigent and poor or face other circumstances that limit their ability to pay for services.

The existing relief measures employed for our indigent and poor, handicapped and pension consumer relief are as follows:

- 50 KWH (units) of electricity free for applicants whose usage of electricity amounts to an average of no more than 1 800 units per annum.
- Free water for consumers that consume 200 Litres and less per day for a month or the first 6 000 litres of water per month.
- When a consumer use more than the 200 Litres per day for a month then they pay for all water consumed
- Free rates if property value is less than R120 000.
- Free refuse charge if property is valued less than R120 000.
- Free sewer charge if property is valued less than R 120 000.
- All rural communities have strategically placed refuse skips wherein refuse can be placed free of charge.
- By implication the very nature of property valuation allows rates payable by communities living in less formal area to be minimal for very poor and child run households.

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 34 MBRR A10 (Basic Service Delivery Measurement) on page 74.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act together with the tiered tariff approach.

It bears noting that the limitation of the Municipal Property Rates Act on Traditional Areas reduces the ability of the Municipality to generate revenue required for the provision of services in general.

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

The tiered municipal tariffs also provide for an element of cross subsidisation on the tariffs themselves as per the below table:

uMhlathuze Local Municipality: IDP 2017/2022

Summary

Source	Free	Subsidy	Total
Waste	14 943 068	1 192 275	16 135 343
Sanitation	21 536 614	5 829 619	27 366 233
Rates	0	23 870 053	23 870 053
Rates	0	19 967 121	19 967 121
Water	102 055 031	121 226 224	223 281 255
Electricity	921 197	4 775 517	5 696 714
Total	139 455 911	176 860 809	316 316 720

The municipality is receiving equitable share of R 292 million in 2017/18 while the municipal social package is R 316.3 million. The municipality uses some of its internally generated funds to bridge the shortfall.

24. FUNDED PROJECTS

24.1 List of Major Capital Projects

DETAILED PROJECT DESCRIPTION	DRAFT 2017/18
HALLS	3,700,000
MUNICIPAL BUILDINGS	42,841,000
VARIOUS LIBRARIES	1,560,000
ELECTRICITY PROJECTS	64,850,000
STREET LIGHTING	17,292,000
AIR POLLUTION EQUIPMENT	739,900
VEHICLES	55,396,000
OCCUPATIONAL HEALTH CLINIC	1,110,000
ICT PROJECTS	43,526,000
ECONOMIC DEVELOPMENT - SMME PROJECTS	4,797,000
WALKWAYS AND BRIDGES	1,500,000
TRAFFIC CALMING	1,000,000
ESIKHALENI INTERSECTION	10,000,000
ROADS RESEALING	38,587,500
UPGRADE ROADS - EMPANGENI & AQUADENE	12,000,000
EMPANGENI "A" TAXI RANK	350,000
ANNUAL KERB REPLACEMENT CONTRACT	1,000,000
ANNUAL WALKWAY REHABILATION	1,000,000
UPGRADE & SIGNALISE OF 1 INTERSECTION WITHIN THE CITY OF UMHLATHUZE	1,000,000
PEDESTRIAN BRIDGES RURAL AREAS	1,500,000
BUS SHELTERS & LAYBYES - ALL AREAS	1,500,000
URBAN ROAD	69,437,500
ROADS PROJECTS - MADLANZINI ROAD (TARRING MAIN ROAD)	20,772,000
BEAUTIFICATION (ALL AREAS)	2,000,000
NEW CEMETERY DEVELOPMENT	900,000
SWIMMING POOLS	900,000
SPORTS PROJECTS	11,547,900
RENOVATION OF NTAMBANANA TRANSFER STATION	1,500,000
SKIPS	1,000,000
SWERAGE - PUMPSTATIONS	17,100,000
SEWERAGE NETWORK	69,438,300
WATER PROJECTS	88,132,500

24.2 IDZ Signed Investment

No	Investment	Investment	Job (C)	Job (P)
		Value		
1.	Logistics and Heavy Equipment moving	R20 m	10	7
2.	Manufacturing of plastic piping for bulk water	R300m	110	87
	transportation			
	Paint manufacturing company	R16 m	50	50
4.	Chemical plant	R500m	300	100
5.	Generation of 60 MW electricity from biomass an	R2 Billion/9.4	260	70
	2000 MW from LNG	billion		
6.	Chemical Plan	R250m	250	58
7.	Titanium Dioxide Pigment	R4.5 Billion	800	300
8.	Manufacturing of solar panels	R650 m	200	600
9.	Manufacturing of MGRP pipes for water , gas, oil	R400 m	100	100
	distribution			
10.	Manufacturing of aluminum canisters	R260 m	tbd	126
11.	Manufacturing of Energy system and LED Light	R150 m	200	100
12.	Manufacturing of low to medium voltage cables	R150 m	200	100
13.	Manufacturing Kraft paper	R1.2 billion	600	239

24.3 South 32 (Hillside Aluminum)

Name of the Projects	2016/2017	2017/2018
Ngoye Forest Carbon Sink Project	1,100,000	1,500,000
CASME	500,000	500,000
Chess Supreme	1,300,000	1,300,000
Ethembeni Care Centre	300,000	300,000
Phoenix Zululand Restorative Justice	300,000	300,000
UThungulu Community Foundation	438,802	438,802
Mange Women Empowerment	850,000	850,000
UniZulu Science Centre Educ program	500,000	500,000
Blue Flag	550,000	550,000
Red Cross HIV/Aids Caregiver project	1,000,000	1,000,000
Nawe Zifundzi Job creation for Disabled	1,400,000	1,400,000
Wildlands Treepreneurs	500,000	500,000
	8,738,802.00	9,138,802.00

24.4 Department of Agriculture and Rural Development

Project Name	Project Type	Intervention	2017/2018 Budget
Ziyagezana layers	Poultry	Layer unit	R 1000 000
Mazulu layers	Poultry	Layer unit	R 1000 000
Umzamowethu	Vegetables	tunnels	R 495 000
Born green	20 jobs	Alien plants	R 543 700
	created		
Umzamowethu Youth	10 Jobs	Junior land	R 605 000
	created	care	

24.5 Department of Arts and Culture

Intervention	Budget	Description
Beautification of public spaces programme	R30 000.00	All LMs within King
(WRIP)		Cetshwayo District
Mobilization & support of cooperatives,	-	Cooperative in
support to cooperatives-funding, training,		UMhlathuze Local
registration, link to markets and relevant		Municipality
structures		
Choral Music Development	R50 000	2 Choirs from
		UMhlathuze LM and 1
		from UMfolozi LM
Youth Camps	R50 000	All LM's
Moral regeneration and Behavioral	R80 000	
Change Campaign (Operation Siyaya		
Emhlangeni)		
Community Festival	R120 000.00	
Dolosfees	R100 000.00	

24.6 Department of Education

Project Name	Programme Implementer	Nature of Investment	Total Project Cost	2017- 2018	2018 - 2019	2019 - 2020
Nguluzana Primary School	KZNDoE	Upgrades and Additions	6,178	84	2,467	822
Mzingwenya Primary School	KZNDoE	Upgrades and Additions	32,183	0	3,218	14,27 2
Richem Secondary School	Independent Development Trust	New Infrastructure Assets	14,512	4,000	0	0
Naamana Junior Secondary School	DoPW	Upgrades and Additions	500	150	0	0
Kwamondi Primary School	DoPW	Upgrades and	2,000	600	0	50

Project Name	Programme Implementer	Nature of Investment	Total Project Cost	2017- 2018	2018 - 2019	2019 - 2020
		Additions				
Nkwelo Primary School	DoPW	Upgrades and Additions	2,000	600	0	50

24.7 Eskom Projects

Project Name	Total Planned Capex VAT Inclusive	Total Planned Connections	
Nsimbakazi –Luwamba	R3 885 718.31	200	
Ntambanana #3	R2 744 205.18	144	

24.8 Private Investment Projects

24.8.1 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

24.8.2 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.

24.8.3 SAPPI Housing Development

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

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

24.8.4 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.

24.8.5 Carsdale

The development proposes to establish a mixed residential development consisting of 671 single residential erven, 2 commercial erven, and 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.

24.8.6 Empangeni Lifestyle Estate

Thanda Group has applied for development approval for the proposed Waterstone Country Lifestyle Estate. The proposed development is situated on Sub 1 of Lot 197, Sub 2 of Lot 197 and Portion 6 of Wilton Park Farm No. 11484, being approximately 464 hectares in extent, to the north of Empangeni. The proposed development conforms to Spatial Development Framework Plan and consists of 14 Phases.

24.8.7 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.

24.8.8 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.

25. REPORT OF THE AUDITOR GENERAL

25.1 Previous Auditor General's Opinion on uMhlathuze's annual financial statements

	2012/2013		2013/2014	2014/2015
uMhlathuze Municipality	Clean Audit emphasis of matter	with	Clean Audit emphasis of matter	Clean Audit emphasis of matter

25.2 Summary of Auditor General's Report on 2015/2016 Financial Statements

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

Restatement of corresponding figures

1. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error discovered in the financial statements of the City of uMhlathuze during the year ended 30 June 2016

Events after reporting date

2. As disclosed in note 32 to the financial statements, City of uMhlathuze incorporated three wards from Ntambanana Municipality after the local government elections. This arose due to a redetermination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act of South Africa, 1998 (Act No. 27 of 1998). Consequently, Ntambanana Municipality ceased to exist from 10 August 2016.

Additional matter paragraph

3. The following additional matter paragraph will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

Unaudited disclosure notes

4. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

25.3 Management Responses to Auditor General's Report

The Municipality had two issues highlighted by the Auditor-General in the audit report, namely restatement of corresponding figures and also the issue around the investigation. Responses on the highlighted issues are as follows:

Restatement of corresponding figures

The restatement was a result of prior year adjustments done on the assets useful lives review as well as reclassification of other items. This is permitted in terms of a GRAP Standard (GRAP 3) and it is not practical to have an action plan for restatements as a change in accounting policy can occur or prior year error be discovered during the year.

Investigation

The investigation was conducted by the KwaZulu-Natal Department of Cooperative Governance in the period 1 July 2013 to 30 June 2014. The Municipality has not received the outcome of the report and a number of letters have been sent to the Department by the Municipality requesting the report on the investigation.

SECTION G: ANNUAL OPERATIONAL PLAN -SDBIP

DRAFT SDBIP FOR 2017/2018 IS AN ANNEXURE TO THE IDP

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

26. ANNUAL PERFORMANCE REPORT

26.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

26.1.1 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."

26.1.2 Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2012/2013 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 framework/policy was again reviewed in May 2015 to address the Auditor General finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

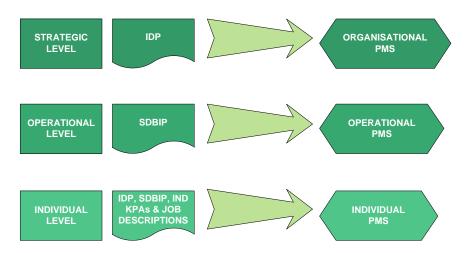
The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 21 of 17 January 2014) were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

The approved and adopted Performance Management Framework/Policy has been adopted in June 2016, per item on RPT 160112 and framework/policy document on DMS 1122026 together with the newly established Standard Operating Procedure (DMS 1077198) to clarify the processes to collect, collate, verify and store of performance information and documents are available on Councils official website (www.umhlathuze.gov.za under the "Performance Management" link).

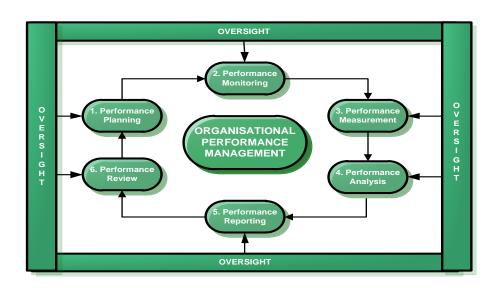
The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

26.1.3 Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:



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 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 2015/2016 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 (No 56 of 2003)

The following diagram illustrates a summary of the reviewed 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:

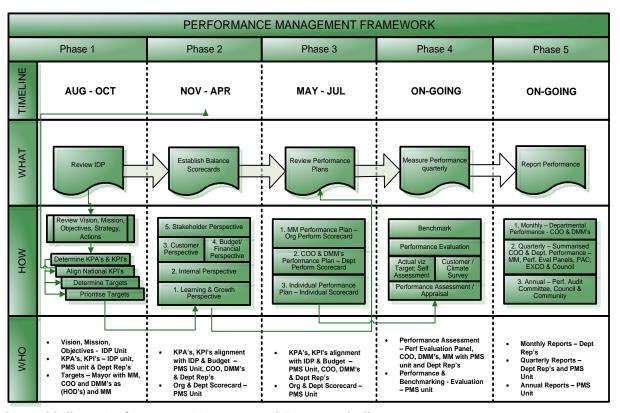


Figure 81: uMhlathuze Performance Management Framework diagram

26.1.4 Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The Performance Audit Committee for the 2016/2017 financial year was re-affirmed on 7 March 2017, by Council Resolution 111367, Item on RPT 161834, for the re-appointment of external members to serve on the performance audit committee for the 2016/2017 financial year. The appointment of the following members will lapse at the end of January 2018 after the annual report is adopted by the Council:

Dr M J Ndlovu – Chairperson (external member)

Ms R de Waal (external member)

Mr. B S Ndaba (external member)

Cllr M G Mhlongo (Mayor)

Cllr S G Mkize (Deputy Mayor)

The Performance Audit Committee is meeting on a quarterly basis for each financial to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan.

26.1.5 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 on 7 March 2017, by Council Resolution 111367, Item on RPT 161834 for the 2017/2017 financial year. 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 (section 54A), an evaluation panel constituting of the following persons was established –

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Cllr M G Mhlongo Mayor/Chairperson

Cllr S G Mkize Member of the Executive Committee

Ms. M J Ndlovu Chairperson of the Performance Audit Committee

Cllr S W Mgenge Mayor from another Municipality (uMfolozi)

Mr. E S Luthuli Ward Committee member

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

Cllr S G Mkize Member of the Executive Committee

Ms. M J Ndlovu Chairperson of the Performance Audit Committee

Mr. K E Gamede Municipal Manager from another Municipality (uMfolozi)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of

information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

26.1.6 Auditing of Performance Information

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committee to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.

The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee charter and receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measureable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.
- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system the Performance Audit Committee focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Executive within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality. A Panel of service providers (SekeleXabiso, PriceWaterHouseCoopers and Deloitte & Touche) has been appointed by uMhlathuze municipality for a three year period to deliver the Internal Audit function.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	 Consistency in reporting; Measurability and reliability; Performance reports reviews; Performance score verification (Municipal Manager and Deputy Municipal Managers); Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	 Consistency in reporting; Measurability and reliability; Performance reports reviews; Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	 Consistency in reporting; Measurability and reliability; Performance reports reviews; Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Performance Report)	 Consistency in reporting; Measurability and reliability; Performance reports reviews; Compliance with relevant laws and regulations

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

26.1.7 Customer Satisfaction

Council has appointed Siloam People Development Agency to conduct the 2015 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was received in June 2015. The results were reported to Council via the Performance Audit Committee per Council Resolution

10335, RPT 158509 on 28 August 2015. The comprehensive analysis feedback report is available on Council's official website. (www.umhlathuze.gov.za under the "Performance Management" link. A customer satisfaction survey is currently in process during May/June/July 2017.

26.1.8 Annual Organisational Performance Information

The annual performance reporting on the 2015/2016 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Organisational Performance report, has been presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2016 and the validated information will be included in the 2015/2016 Annual Report. The same process is performed for each financial year.

The Annual Performance Report 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 each financial year and forms the baseline for the following financial year.

The Organisational Performance Scorecard for 2017/2022 (following table) will be finalized in July 2017, once the actual achievements for the completed 2016/2017 financial year has been reported, which is forming the baseline for the following term of the Integrated Development Plan.

27. ORGANIZATIONAL PERFORMANCE SCORECARD (2017/2022) (REVIEWED MID-YEAR 2017/2018)

					FINAL REVIEW UMHLATHUZE ORGAN	ISATIONAL PERFORM	IANCE SCORECARD	2017/2022							
DP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2016/: Amended Annual Target	Actual 2016/2017	2017/2018 Annual Target	2017/2018 Amended mid-year 2017/2018 Verified	2018/2019 Annual Target	2019/2020 Annual Target	2020/2021 Annual Target	2021/2022 Annual Target		
1.1.4.3	through a model	Good Governance,	Increase community particpation and awareness	Conduct regular Strategic Public participation meetings	Number of Public Meetings (IDP/PMS and budget meetings)	10	10	10	10	10	10	10	10		
1.1.4.1	y throu I se mod	Participation and	mechanisms and processes	Host Ward Committee Management meetings	Number of Ward Committee Management meetings held	248	223	374	374	374	374	374	374		
1.1.4.1	democracy t refined committee	Ward Committee Systems		Facilitate Community meetings in all wards	Number of community meetings per ward	70	73	136	136	136	136	136	136		
1.1.4.2	Deepen democracy througl refined Ward Committee model		To improve integrated development in order to enhance sustainable development	Preparation of credible and implementable Integrated Development Plan	Date of IDP approval	42916	25-May-17	31-May-18	31-May-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22		
2.1.1.1		Basic Service Delivery and	Improve access to Basic services to the community	Eradicate water services backlogs through provision of basic water	% Households with access to basic water	99.95%	99.43%	78.83%	94.91%	95.82%	96.72%	97.63%	98.53%		
2.1.1.1	ses	Infrastructure Development		services	Total number of Households with access to potable water (Piped)	86568	86113	87113	104880	105880	106880	107880	108880		
2.1.1.1	access to basic services						Number of Water connections upgraded to households (upgrade service to yard connections)	1000	545	1000	1000	1000	1000	1000	1000
2.1.1.1	s to ba				Number of Households with access to free water service	10559	10323	10323	10323	10323	10323	10323	10323		
2.1.1.2	seco			Eradicate Sanitation services backlogs through provision of	% Households with access to sanitation	92.80%	91.13%	73.69%	77.73%	79.99%	82.25%	84.52%	86.78%		
2.1.1.2				basic sanitation services	Number of Household with access to Sanitation	80375	78928	81428	85892	88392	90892	93392	95892		
2.1.1.2	Improving				Number of new VIP toilets provided to households	4000	2553	2500	2500	2500	2500	2500	2500		
2.1.1.2					Number of Households with access to free sanitation (VIP's) service & Indigent	37307	38791	41291	46889	46889	46889	46889	46889		
2.1.1.3	ş	Basic Service Delivery and	Improve access to Basic services to the community	Eradicate electricity supply backlogs through provision of	Number of Households with access to Electricity (Municipal Area)	34240	34247	34367	35301	35421	35541	35661	35781		
2.1.1.3	services	Infrastructure Development				basic electricity supply services	Number of new households provided with new Electricity connections	100	145	120	120	120	120	120	120
2.1.1.3	basic				Number of Households with access to free Electricity (Municipal Area)	500	509	509	509	509	509	509	509		
2.1.1.4	ess to		To improve access to domestic solid waste	Provide a weekly domestic solid waste removal service to the	% Households with access to waste disposal	79.61%	81.90%	65.07%	67.29%	68.19%	69.10%	70.00%	70.91%		
2.1.1.4	лд асс	rer		removal services to the community	community	Number of Households with access to waste disposal	68947	70934	71907	74356	75356	76356	77356	78356	
2.1.1.4	Improving access				Number of new Households with access to waste disposal	2000	3987	1000	1000	1000	1000	1000	1000		
2.1.1.4	<u>=</u>				Number of Household with access to free waste removal	22549	27469	30000	30891	30891	30891	30891	30891		
2.1.1.5	ss to	Basic Service Delivery and	To improve access to roads	Provision of public transport facilities and infrastructure in the	Kilometres of rural gravel roads established	48	45.2	26	26	15	10	10	10		
2.1.1.5	acce ervic	Infrastructure Development		urban areas	Kilometres of tarred roads established	2.2	2.26	3	3	2	3	2	3		
2.1.1.7	nproving access t basic services		To ensure provision of recreational facilties and	Provision and upgrade of Sport and Recreational facilities	Number of sport field upgraded	5	0	10	10	6	5	5	6		
2.1.1.7	mpra ps		environmental services to the community	To provide and upgrade community Halls	Number of community Halls upgraded	3	2	5	2	4	2	3	4		

					FINAL REVIEW UMHLATHUZE ORGAN	ISATIONAL PERFORI	MANCE SCORECARD	2017/2022					
DP 2017 Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2016/ Amended Annual Target	Actual 2016/2017	2017/2018 Annual Target	2017/2018 Amended mid-year 2017/2018 Verified	2018/2019 Annual Target	2019/2020 Annual Target	2020/2021 Annual Target	2021/2022 Annual Target
6.1.1.3	Actions supportive of the human settlement outcome	Development		To review and implementation of human settlements sector plan (New IDP Strategy for 2017/2018)	Number of Pre 1994 Old - Housing stock transferred (To amend to construction of housing units from 2019 onwards)	NEW	N/A	400	400	300	89	0	0
3.1.5.3	s sup		To create an environment conducive to economic	Capacitate community through training in scarce skills	Number of trainings provided	3	5	4	4	4	4	4	4
3.1.5.1	Action		growth and development	Jobs created through the municipality's Capital Projects (EPWP)	Number of jobs (Cumulative quarterly)	840	2079	1000	1000	1000	1000	1000	1000
4.1.1.2	cipal	Transformation	and fair treatment in	Implementation of Employment Equity Plan	Number of women employed by the municipality	826	762	776	776	776	776	776	776
4.1.1.2	Municipal oort	Development	employment through the elimination of unfair		Number of Youth employed by the municipality	750	594	624	624	624	624	624	624
4.1.1.2	ent differentiated approach to Mu financing, planning and support		discrimination		Number of people with Disablility employed by the municipality (Target additional to baseline)	17	16	20	20	20	20	20	20
4.1.1.4	ted ap			Development and appropriate training and assistance to	Workplace Skills training programs conducted	60	103	100	100	80	100	80	80
4.1.1.4	erentia ng, pla			employees	% Budget Spent on Workplace Skills Plan (cumulative)	95.00%	96.38%	95%	95%	95%	95%	95%	95%
4.1.1.4	ent diff financi				% Operating Budget spent on implementing Workplace Skills Plan	0.80%	0.81%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
1.1.2	Implement differentiated financing, planni		To ensure monitoring and evaluation of municipal performance	Implementation of Individual Performance Management System	Number of S57 Performance Agreements signed	7	5	8	8	8	8	8	8
5.1.1.4	Municipal	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)	2 574 844/ 228 873 =11.25	2 833 711 / 242 517 =11.68	2 569 081 / 223 897 =11.47	2 569 081 / 223 897 = 11.47	2 698 236 / 224 028 = 12.04	2 854 248 / 155 172 = 18.39	3 047 619 / 164 113 = 18.57	ТВА
5.1.1.4	approach to Municipal ng and support			Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	337 531 960 / 2 160 326 400 = 15.62	288 525 129 / 2 447 382 911 = 11.79	351 360 431 / 2 356 682 784 = 14.91	350 101 300/ 2 334 008 664 = 0.15	398 452 364 / 2 468 949 600 = 0.16	421 529 569 / 2 611 944 000 = 0.16	450 480 402 / 2 791 333 440 = 0.16	473 004 422 / 2 930 900 112 = 0.16
5.1.1.4	Implement differentiated app financing, planning a			Cost coverage ratio (cumulative)	[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly fixed operating expediture excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets]	551 252/ 209197 =2.64	543 144 / 209 197 =2.60	592 178 / 206 626 = 2.87	499 248 / 206 251 = 2.42	638 788 / 217 827 = 2.93	6322 064 / 230 946 = 2.69	946 619 / 247 168 = 3.83	TBA
5.2.1.6	Implem		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	521 097 515/ 548 523 700 =95%	504 641 804 / 548 523 700 = 92%	495 192 345 / 521 255 100 = 95 %	495 192 345 / 521 255 100 = 95 %	498 902 760 / 525 160 800 = 95%	506 462 762 / 531 998 700 = 95.2%	527 030 905 / 550 711 500 = 95.7%	565 101 591 / 589 261 305 = 95.9%
	KEN EOD TUT	MEASURABLE O	B IECTIVES.										
	Priority (Gen		DJECTIVES:										
	CoGTA (Indic	ators) Departmental											

SECTION I: STATUS OF SECTOR PLANS & ANNEXURES

27.1 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 master plan (reviewed annually)	March 2018
2.	Water Service Delivery Plan	Yes	Yes	Adopted in Principle by Council in 2013	May 2018
3.	Energy Sector Plan	Yes	Yes	30 May 2009 DMS637608	2015
4.	LED Strategy [Economic Transformation roadmap]	Yes	Yes	October 2016	2019
5.	Tourism Strategy	Yes	Yes	DMS 925775 22 April 2014 2014-2018	2019
6.	Pavement Management System	Yes	No	To be adopted	2016
7.	Integrated Human Settlement Plan	Yes	Yes	31 May 2017	2018
8.	Air Quality Management Plan	Yes (Draft)	No		
9.	Spatial Development Framework	Yes	Yes	31 May 2017	
10.	Land Use Scheme	Yes	Yes		
11.	Electricity Network Plan	Yes (2016)	No		
12.	Integrated Waste Management Plan	Yes	Yes	March 2017	

o An effort will be made by the municipality to review its sector plans, this is necessary for inclusion of information of newly incorporated wards.

27.2 IDP ANNEXURES

Annexure	Document Description	Hard Copy	Electronic
"A"	Disaster Management Plan	Yes	
"B"	Spatial Development Framework	Yes	Yes
"C"	LED Plan [Road Map]		Yes
"D"	Water Service Delivery Plan		Yes
"E"	Service Delivery and Implementation Plan (SDBIP)	Yes	
"F"	Electricity Master Plan		Yes
"G"	Integrated Waste Management Plan		Yes
"H"	Informal Trading Policy		Yes
"["	Indigent Policy		Yes
"J"	Electricity Maintenance Plan		Yes
"K"	Roads Maintenance Plan		Yes
"L"	Full Municipal Orgonogram		Yes
'M'	Community Priorities		Yes
"N"	Ward Based Plans		Yes
"O"	Batho Pele Customer Care Policy , Service Charter and Standards		Yes
"P"	Revenue Raising Strategy		Yes