



INTEGRATED DEVELOPMENT PLAN

1ST REVIEW

2023/2024

DRAFT – MARCH 2023

DM\$1583533

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LIST OF ACRONYMS

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

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

WQMS	Water Quality Monitoring Systems
KCD	King Cetshwayo District
COU	City of uMhlathuze
UCTO	uMhlathuze Community Tourism Organisation

WHAT IS THE INTEGRATED DEVELOPMENT PLAN?

The Integrated Development Plan (IDP) is the central strategy of the City uMhlathuze. The IDP communicates to residents, businesses and investors the City's long-term vision, and how the City plans to achieve it.

It is required in terms of the Municipal Systems Act 32 of 2000, which defines the IDP as a municipality's principal strategic planning instrument that guides all municipal planning.

The IDP is made up many components as per section 26 of the Municipal Systems Acts of 2000. It also follows an IDP Guide by KZN COGTA. Critical components includes a strategic plan, financial plan and an implementation plan. The strategic plan is informed by community needs, stakeholder inputs, a contextual analysis, and an evaluation of the existing state of uMhlathuze Municipality, all of which help identify the challenges that the City needs to address to achieve its vision. Priorities and objectives provide focus in addressing the most critical strategic challenges.

The implementation plan, in turn, focuses key strategic programmes, projects and initiatives that are critical to support the achievement of the strategic priorities during the current five-year term of office.

VISION

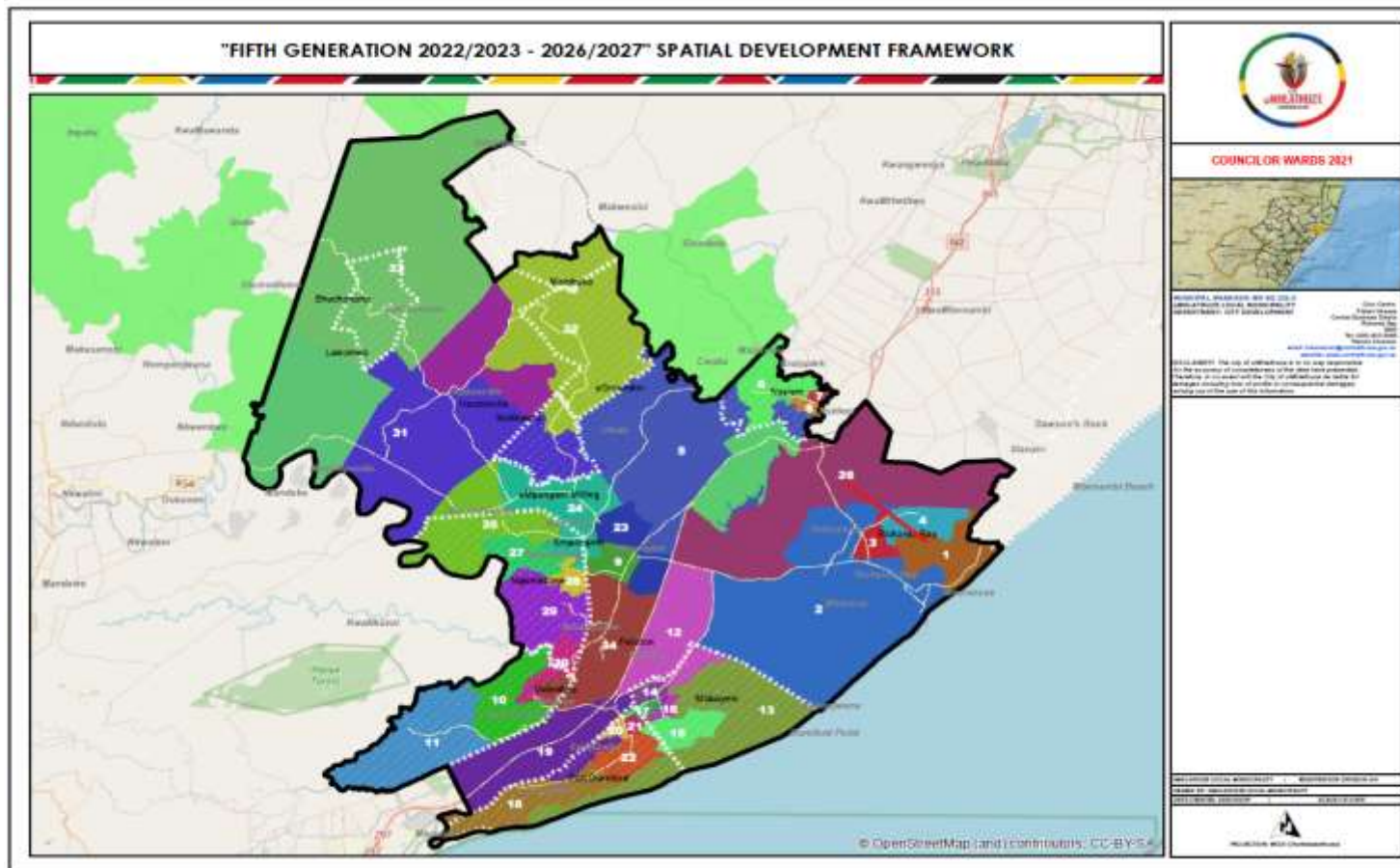
“An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector”

- *Aspirant Metropolitan*
 - *Port City*
- *Quality Infrastructure*
 - *Service Delivery*
- *Partnership with Traditional Councils,*
 - *Communities, and*
 - *Private Sector*

SECTION A: EXECUTIVE SUMMARY

1. Who are we?

Map 1: uMhlathuze Locality Map



DEMOGRAPHIC PROFILE OF THE CITY OF UMHLATHUZE

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 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana 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 86 609 in 2011 to 110 503 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 uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze, Nsezi and Ntambanana.

ECONOMIC PROFILE

UMhlathuze has many infrastructure assets that give its economy a comparative advantage. These include the Richards Bay deep-water port that has been instrumental in the spatial development of the area. There is one regional airport and a couple of land strips in the municipal area. The Municipality is expanding on the Information and Technology connectivity, with fiber installation projects in key economic areas. The City's road network includes the N2 which is the main access into the municipal area from a north south direction, other significant roads includes 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 providing commercial/industrial service only.

GDP, UNEMPLOYMENT, HDI The Richards Port, is one of the major container port in South Africa and serves a growing international import and export market on one of the world's busiest trade routes. 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) with 48% contribution towards the District GDP. 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. In terms of the Human Development Index, uMhlathuze has remained the same since 2009 to 2015, at 0.63, whilst the income inequality depicted by the Gini co-efficient has decreased from 0.64 in 2007 to 0.63 in 2012 up to 2017 in uMhlathuze Municipality.

Main Economic Sectors: Manufacturing (45.9%), mining and quarrying (11.6%), financial, real estate and business (10.7%), community, social and personal services (10.4%), transport and communication (9.1%), trade (6.3%), agriculture, forestry and fishing (3.2%). Unemployment is at 24.6% as per 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. uMhlathuze is contributing 49.3% towards formal employment within the King Cetshwayo District and about 45.2% of informal employment. Because of the economic position uMhlathuze is contributing more to the regional employment.

2. How was this plan developed?

The internal evaluation of previous municipal performance and a variety of other factors, such as the MEC's comments on the Fifth Generation 2022–2027, all contribute to the Draft IDP Review 2023–2024. Municipal actions taken in response to the issues raised by the MEC are shown in the following table:

MEC Comment/	Municipal Intervention
Municipal Transformation and Institutional Development	
<ul style="list-style-type: none"> • Employment of People with Disabilities • Adoption dates for the Human Resource Strategy and Recruitment and Selection Policy • Adoption of the Retention Policy 	<ul style="list-style-type: none"> • Attracting of People living with disabilities is continuously considered as part of the EEP • Adoption dates are including in the Draft IDP Review 2023/2024
Local Economic Development	
<ul style="list-style-type: none"> • Development /Review of the LED Strategy to include deliverables for the Ease of Doing Business /Red Tape Reduction 	<ul style="list-style-type: none"> • Action considered as part of the Review 2023/2024, however an LED Plan cannot be reviewed on an annually basis at least a review needs to be in three years to allow time for implementation.
Basic Service Delivery	
<ul style="list-style-type: none"> • Include Eskom bulk infrastructure projects 	<ul style="list-style-type: none"> • Projects included in the Draft IDP Review 2023/2024
Good Governance	
<ul style="list-style-type: none"> • Indication if report from IGR Structures are tabled at Council • Include SWOT analysis and challenges at the end of each KPA Chapter 	<ul style="list-style-type: none"> • Information on IGR function and reporting is included in the Draft IDP Review 2023/2024

	<ul style="list-style-type: none"> SWOT Analysis and Challenges captured at the end of each KPA Chapter
Cross Cutting	
<ul style="list-style-type: none"> Public Notice for 60 days before adoption of the SDF Undertake a separate SDF public participation process separate from IDP Roadshows SDF to show an understanding of current and previous trends to determine future trends in relation to population estimates Align with Regional/District Objectives and Strategies Create an Infrastructure Master Plan Develop and SDP (Spatial Development Plan) Speed up review action plan for climate change; air quality management plan; biodiversity plan plan to stop severe coastal erosion; 	<ul style="list-style-type: none"> Public Notice will be issues and indication of such will be included both on the IDP and SDF Review. We have an integrated approach to Public Participation which includes IDP, SDF and Human Settlement, the City cannot have a separate public participation process for the SDF alone Current and Previous trends are covered as part of the SDF Review Alignment with the District Objectives and Strategies covered fairly on the SDF Climate Action Plan review underway Air quality review is also in the process Due to budget constraints unable to develop a biodiversity plan in 2023 Strategies responding to severe coastal erosion included on the SDF Review.

Amongst the interventions above, the focus of the Draft IDP Review 2023/2024 is also on the following:

- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000;
- MEC Letter with assessment comments on the Fifth Generation IDP 2022/2027 ;
- Self-Assessment, based on past organisational performance outcomes
- Development and review of the IDP core sector plans;
- Revised COGTA IDP Guidelines and assessment criteria
- Alignment with Government Priorities E.g. State of the Nation Address, KZN State of the Province Address and State of the City Address;
- Community inputs received during the community outreach programs (IDP Roadshows);
- Different stakeholder comments and requirements;
- District Development Model

Public Participation on the 2023/2024 Integrated Development Plan Review

UMhlathuze Municipality gave notice to the local community of the particulars of the process it intends to follow. The community had to be consulted on its development needs and priorities. The local community and organs of state, including traditional authorities, and other role players were consulted during the public participation period.

Below is council approved schedule for the public participation meetings held during the month of September and November 2022

Table 1: IDP and Budget Public Participation Meetings

SESSION NO	WARDS	VENUE	DATE	TIME
1	Ward Committees	eMpangeni Civic Centre Town Hall	8 September 2022 (Thursday)	09:00
3	Amakhosi	Council Chambers, Richards Bay Civic Centre	8 September 2022 (Thursday)	14:00
4	31, 32, 33	Mquzankunzi Sportsground	25 September 2022 (Sunday)	13:00
7	10, 11, 30, and 34	Ntuze Sports Ground (Kwa Green)	14 October 2022 (Friday)	12:00
	ALL WARDS	Kwa- Dlangezwa Sports Ground	19 October 2022 (Wednesday)	09:00
10	1, 2, 3, 4, 5, 6, 7, 8 and 26	KwaTsheka Sports Ground (eNseleni)	20 October 2022 (Thursday)	12h00
10	15, 16, 17, 18, 19, 20, 21 and 22	eSikhaleni TVET Sports Ground	22 October 2022 (Saturday)	13:00
5	9, 23, 24, 25, 27, 28 and 29	Isigisi Sports Ground	27 October 2022 (Thursday)	12h00
9	12, 13, 14	Esikhaleni TVET College (Indesheni Cluster)	2 November 2022 (Wednesday)	13:00
6	Stakeholders	Richards Bay Civic Centre (Council Chambers)	12 November 2022 (Thursday)	15h00

It is suggested based on the common issues raised by majority of community members across the clusters that the following are the very most major concerns of the communities as raised during the 2023/2024 IDP Roadshows as per the schedule above:

Needs as presented below are not in order of priority, but are as per frequency of requests across clusters: -

- Roads maintenance and upgrading of existing roads and new rural roads;
- Boreholes and water pipes replacements to replace water tankers which are not reliable;
- Electricity supply in Eskom supply areas;
- High Mast lighting
- Gravel Roads
- Houses
- Agricultural Assistance
- Construction of Dams
- Pedestrian bridges and bus shelters;
- Provision of community sportfields;
- Streetlights in high crime areas;
- Provision of speed humps and traffic calming measures;
- Building of new clinics and libraries;
- Cleaning of greenbelts to improve security and reduce crime;
- Fresh produce markets for community to sell;
- Increase the number of water tankers deployed in the rural areas;
- Market shelters for street vendors; and
- Public Wi-Fi in rural areas
- Skips
- SMME Support
- Art Centre
- And more

Priorities are not limited to the above listed issues, however the above mentioned are the most prominent across clusters. The following non-core functions were also raised:

- Clinics
- Old Age Home
- Crèches/ Early Childhood development
- Schools'
- Public Safety and Security
- Libraries

For a complete list of needs per cluster, An IDP Public Participation Report 2023/2024 is attached as an annexure to the IDP Review 2023/2024.

3. What are our Key Challenges?

3.1 UMhlathuze Municipality Identified Challenges

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.
National KPA: Good Governance and Public Participation		
Nr.	Key Challenge	Description
2.	Violent Community Unrests	Intermittent delivery of services has led to a number of community protests. This is a challenge as the community does not only exercise their right, however they go as far as destroying existing infrastructure, like burning of community halls. Restoring of infrastructure has cost the municipality huge amount of money budgeted for other projects, thus delaying service delivery further. The municipality is working with the community through various established structures to consistently communicate issues of service delivery.
National KPA: Local Economic Development and Social Development		
Nr.	Key Challenge	Description
3.	High rate of unemployment	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.
4.	Sluggish economic growth	Economic growth means an increase in national income/national output. If we have a slower rate of economic growth as it is currently happening – living standards are increasing at a slower rate. As a result the City of uMhlathuze is experiencing multiple effects as

		<p>a results of slow economic growth, effects such as :</p> <ul style="list-style-type: none"> • Rise in unemployment • Pressure on service delivery • Effects on living standards
5.	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.
6.	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.
7.	COVID 19 pandemic and its associated social and economic effects	COVID-19 has the city operating in a context of radical uncertainty, local impact of the COVID-19 crisis is highly heterogeneous, with significant implications for crisis management and policy responses.
8.	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: Basic Service Delivery and Infrastructure Management		
Nr.	Key Challenge	Description
9.	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.
10.	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
11.	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 helped in the reconstruction and integration processes.
12.	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.

National KPA: Financial Viability and Management

Nr.	Key Challenge	Description
13.	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.
14.	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?

Vision

“An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector”

Spatial Vision and Development

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

“An agile institution that fosters spatial sustainability, resilience, equity and compact growth, supported by appropriate ICT solutions”

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 citizen's health and well-being;
- Creating safer city through integrated and community based public safety;
- Planned and accelerated rural development interventions;
- Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and commitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- Good governance, capable and developmental municipality.

Brand Promise

Vision into Action

Values

In order to achieve Customer Service Excellence, uMhlathuze Municipality will continually remind its staff of the core values that should guide all interaction with customers, with special emphasis on Front Line Staff to display a common set of values which include *inter alia*:

- Efficiency
- Professionalism
- Commitment

- Respect
- Good governance, integrity and transparency
- Innovation
- Equity, Equality and fairness
- Unity in diversity
- Compassion and dignity
- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

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

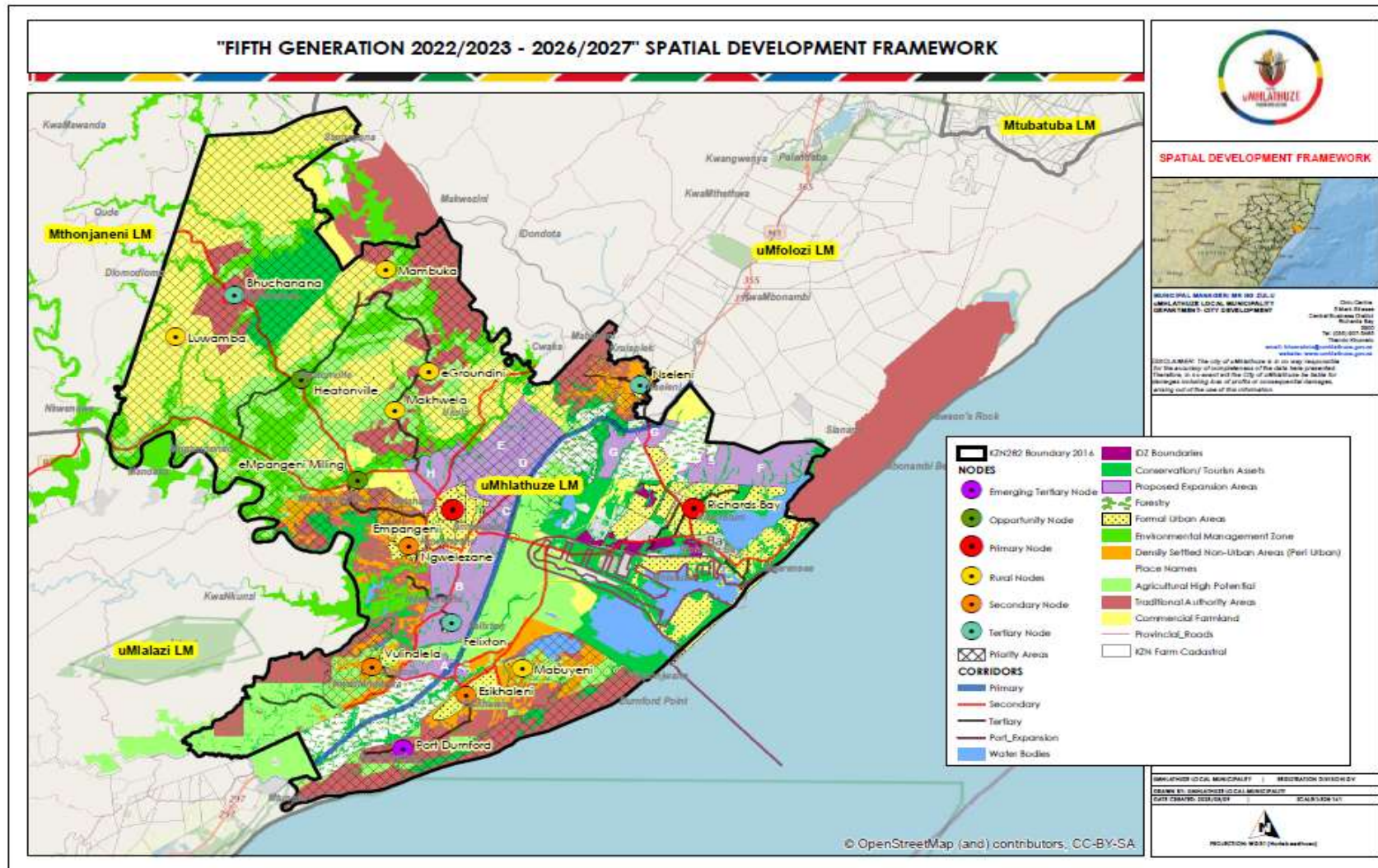
5.1 UMhlathuze – Development Goals

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
Local Economic and Social Development	Goal 3 Viable Economic Growth and Development
	Goal 4 Public Safety and Security
	Goal 5 Safe and Healthy Living Environment
	Goal 6 Social Cohesion
Municipal Institutional Development and Transformation	Goal 7 A municipality that is resourced and committed to attaining the vision and mission of the organisation
Municipal Financial Viability and Management	Goal 8 Sound Financial and Supply Chain Management
Cross Cutting	Goal 9 Integrated Urban and Rural Development
	Goal 10 Immovable Property Management
	Goal 11 Disaster Management

5.2 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



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 (annually). 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.

Below is a table, which summarises previous performance of the organisation and corrective measures where targets have not been met.

Table 2: Corrective measures on the Non-achievement on performance targets for the 2022/2023 financial year.

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																	
Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2022/2023	Mid year				Q3	Q4	
							(mid-year) Annual Target 2021/2022 Output	Actual 2021/2022			Output Target	Output Actual	% achievement against target	Corrective action for target not met / remarks	Output Target	Output Target	
KPA1: Good Governance and Public Participation																	
T1.3	1.1.4.1		Deepen democracy through a refined Ward Committee model	Putting People first	To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitate the Functionality of Ward Committees through continuous capacitation	Percentage of wards that have held at least one councilor-convened community meeting	70%	70%		90%	90%	88%	98%	Ward Councillors are reminded through the Office of the Speaker about the importance of holding Ward Community meetings. SMS was sent on 13 December reminding Councillors to sit community meetings. The Unit will keep reminding the Councillors.	90%	90%
KPA2: Basic Service Delivery and Infrastructure Development																	
T2.3	2.1.1.1		Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic	Eradicate water services backlogs through provision of basic water services	Number of new water connections meeting minimum standard	360	360	3146	250	100	65	65%	There are no new development occurring around the City and therefore relying on walk-in applications. (infills)	50	100
T2.10	2.1.1.3					Eradicate Sanitation services backlogs through provision of basic sanitation services	Number of new sewer connections meeting minimum standard	800	1084	20579	280	50	0	0%	The initial tender that was prepared end up being cancelled due to legal issues. The user Department is finalising the new appointments. We will provide the update on the next quarter.	100	130
T2.13	2.1.1						Wastewater Quality compliance of ≥90% as per Green Drop standard	≥90%	48,99%		≥90%	≥90%	52%	58%	eSikhaleni A budget of R5.4M has been made available for addressing the non functioning equipment The hubber screen was installed and serviced however cannot be commissioned due to lack of portable water Install tank stands and secure 2 x 10 000L tanks which will be filled up by water tankers to enable Chlorination/disinfection Contractor currently on site fixing the gear box as well as the motor of the clarifier. The plant is experiencing Electrical supply difficulties however the matter is being attended to Empangeni Degritter system installed however not commissioned Gear box and motors for the bridge of the primary settling tank has been serviced but not yet commissioned . The settling tank must be emptied to ascertain as to whether the scrappers are in a good condition Rotor no.3 has been installed and is now operational A new pump has been installed and will replace the screw conveyer but not yet commissioned. The pump will be commissioned once consistant flows to the clarifier have been achieved A contractor currently on-site revitalising the Chlorine room. A clear view fence has been installed around the Chlorine room An alarm system will be installed to alert security in case intruders	≥90%	≥90%

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UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																
ndicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2022/2023	Mid year				Q3	Q4
							(mid-year) Annual Target 2021/2022 Output	Actual 2021/2022			Output Target	Output Actual	% achievement t against target	Corrective action for target not met / remarks	Output Target	Output Target
PA2: Basic Service Delivery and Infrastructure Development																
T2.18	2.1.1	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate electricity supply backlogs through provision of basic electricity supply services	Electricity losses kept within 8%.	0%	0%	1%	8%	8%	9%	89%	The increase of load curtailment and load shedding stages has negatively affected our losses for that quarter since we had lot of down times from stage 2 to stage 6	8%	8%
T2.23	2.1.1.4				Provide a weekly domestic solid waste removal service to the community	Number of new Households with access to waste removal	718	718	28893	2000	1000	22	2%	No Skips were available for distribution during the 2nd quarter. All skips procured against the 2021/22 Capital Budget have been distributed. Delivery of Skips against the 2022/2023 Tender is expected towards the end of the 3rd Quarter after which it will be distributed immediately. It is expected that the annual target against this achievement will still be met during Q4.	500	500
T2.31	2.1.1.6				Provision and maintenance of storm water and costal engineering	Number of manholes maintained (Incl kerb inlets)	0	0		2223	500	319	64%	There was additional grant funded EPWP contractors provided to execute day to day maintenance.	250	334
T2.32	2.1.1.5				Provision of public transport infrastructure facilities	Maintenance on municipal owned railway sidings resulting from monthly inspections	3 320 873 / 151 771 =21,88	<45%		100%	100%	93%	93%	Target is not met: Major rail rehabilitation works identified during Q2 inspections need to be undertaken and it will be too over then the contractors scope and the awarded value Three-year tender 8/21/UMH930 - 21/22 for major rail rehabilitation is at the evaluation stage with SCM. Tender closed on the 29 November 2022.	100%	100%
PA 5: Financial Viability and Financial Management																
T5.2	5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Sound Financial Management	Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Cost coverage ratio (cumulative) (Excluding Unspent Conditional Grants) <i>(DMS 1513248 for Formula: T5,2)</i>	0	0		2	2	1	50%	The actual output is slightly below the target as a result of accelerated spending on capital projects that are loan funded whilst the municipality is yet to finalize the taking of the loan. This resulted in cash reserves being utilized for these projects however when the loan is finalized the reserves will be replenished. The loan approval report will serve in the next Council meeting	2	2
T5.4	5.2.1.6			Sustainable Financial and supply chain Management		Percentage Capital Budget spent on Capital project i.t.o. IDP <i>(DMS 1513248 for Formula: T5,4)</i>	0,00	0%		100%	52%	45%	86%	Target not achieved As part of Capital spending monitoring initiative, CAPEX is a standing item at EMCO Agenda. Also as part of Project monitoring, there is standing item on all Infrastructure related Projects at EMCO	71%	100%

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.

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 Defying

SECTION B2: GOVERNMENT PRIORITIES

6.3 Sustainable Development Goals

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.

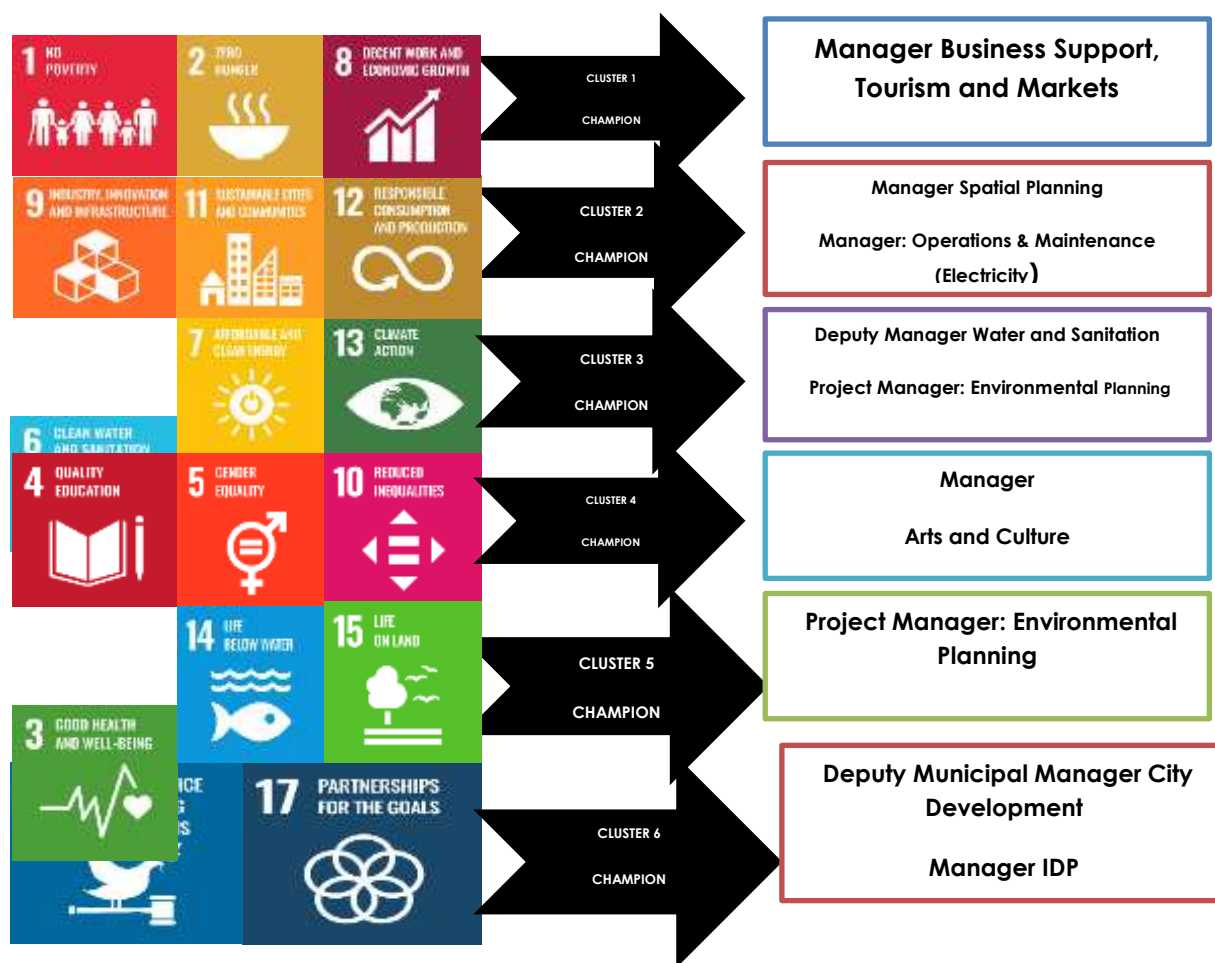
The SDG framework provides an overall narrative articulating how the goals will lead to broader outcomes for people and the planet. The 17 goals provide a clearer means-to-end continuum and they also offer better coverage of, and balance between, the three dimensions of sustainable development – social, 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.

6.4 Institutionalization of Sustainable Development Goals

Local governments have a crucial role to play in the process of localizing the SDGs. As policymakers, catalysts for change and key actors in development, they have a unique capacity to implement and monitor sustainable development, prosperity and well-being at the local level. In order to fulfil their role in achieving the SDGs, local governments need sufficient support from all levels of government and adequate financial resources. Moreover, it will be essential for them to increase their capacities using appropriate methods and knowledge platforms.



uMhlathuze Municipality is working towards the localisation of SDG's with an ultimate aim of using the SDGs as an enabling framework, to support integrated planning and to realize sustainable development at a project and community level. Further, in institutionalizing the SDGs, the Municipality is strategically poised to engage diverse stakeholders to achieve the SDGs in a leave no-one behind approach. The Municipality is already achieving this, to a large extent, through a diverse range of initiatives, but in many instances existing work is not explicitly linked to the SDGs or seen as directly contributing due to a lack of awareness and understanding.






Progressively the city has clustered SDG's and nominated champions for each cluster who would be responsible for driving and monitoring the activities across the municipality as they relate to that cluster specifically. Further, the City will be establishing an Internal SDG structure, which will be made up of champions and other relevant officials. The structure will ensure that there is progress in the process of localising SDG's in uMhlathuze. Below is figure showing uMhlathuze SDG's cluster approach:











6.4.1 Municipal Response and Vision on SDGs

In order to track progress with the localisation of the SDG's in uMhlathuze, the City had developed a reporting framework below:







SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
1 NO POVERTY 	Creating a concessive environment for investors, this in turn will lead to the creation of employment opportunities for local communities.	By 2030, we should have created an environment that is conclusive for employment and efficient livelihoods.
2 ZERO HUNGER 	Within the broader economic development imperative: by using agriculture to include communities in the economy can result in an agriculture support plan.	The municipality should ensure that local communities have an opportunity to participate in the municipality's economy through the agricultural industry.











SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Co-ordinate with the Department of Health and various stakeholders.</p> <p>The Operation Sukuma Sakhe, provides access to housing and healthcare.</p> <p>Promoting healthier lifestyles through sport and recreational facilities.</p> <p>Promoting good nutrition through urban gardening.</p>	<p>By 2035, HIV/AIDS and lifestyle diseases (i.e. heart disease, obesity and diabetes) statistics should be reduced by 50%.</p>
 <p>4 QUALITY EDUCATION</p>	<p>Local Economic Development (LED) will result in achieving achieve social and economic development.</p> <p>Forming partnerships with educational, training institutions and industries to create living labs of learning.</p> <p>Local government should be restricted to a facilitation role.</p>	<p>A city attracting citizens for quality educational institutions promoting inclusive and equitable learning opportunities for all through partnerships with institutions and industries.</p>
 <p>5 GENDER EQUALITY</p>	<p>Empowerment through:</p> <ul style="list-style-type: none"> Education and skills development Employment SCM processes Leadership Mentorship 	<p>Attaining gender equality by promoting that women and girls have the same opportunities.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Conserve water resources such as lakes and rivers</p> <p>Provide basic sanitation (i.e. VIP toilets).</p>	<p>By 2030, all households should have access to basic services such as potable water and sanitation.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Building sustainable energy generation infrastructure:</p> <ul style="list-style-type: none"> Solar energy Gas to power energy Waste to energy Wind energy <p>Public participation exercises are required for community's investment.</p>	<p>By reducing the dependency on coal for electricity generation by 30%.</p>








SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
8 DECENT WORK AND ECONOMIC GROWTH 	Promote and incentivise investments.	To promote and incentivise investments.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	By upgrading the municipality's infrastructure as the agenda for smart cities.	By 2030, increase/expand municipal areas (inclusive of marginalised) with contemporary and innovative infrastructure.
10 REDUCED INEQUALITIES 	Identify community members in need of employment opportunities to alleviate poverty and increase skills development training programs (Operation Sukuma Sakhe).	Reduce inequality within the municipality
11 SUSTAINABLE CITIES AND COMMUNITIES 	Planning integrated human settlements Incorporate functional recreational spaces within human settlements Create catalytic economic activities outside of core urban areas.	Ensure integrated and inclusive planning for human settlements
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Reduce consumption of non-renewable resources through introduction of waste usage (By Product)	Moving away from using of non-renewable resources Minimization of waste to by product (feedstock)
13 CLIMATE ACTION 	Reduce emissions by enforcing the By-law to industries and introduce against idling stationary vehicles. Recycling program: Every household and Municipal building should have bins for recyclable and non-recyclable waste bins Recycle water	Reduce greenhouse gases while adapting to climate change









SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
	<p>To sustainably deliver services to communities.</p> <p>Master drainage plan</p> <p>Regulate urban renewal</p> <p>Efficient management by Environmental Department</p> <p>Partnerships with TNPA/ Municipalities/ Environmental Awareness</p> <p>Involvement in a operation Phakisa</p>	<p>To conserve the marine life by sustainably using resources provided by the ocean.</p> <p>Effective partnerships, awareness campaigns and enforcing Bylaws.</p>
	<p>Identify conservation areas in the Spatial Development Framework (SDF).</p> <p>Partnerships with environmental authorities, civil society and businesses.</p> <p>Promote tourism opportunities with natural assets.</p>	<p>No net loss of sensitive ecosystems (to be declined).</p>

6.4.2 Strategic and Catalytic Projects Aligned to SDGs

PROJECT NAME	STATUS
1. Airport Relocation   	<p>The strategic positioning of uMhlathuze has necessitated long term plans to relocate/ upgrade the current airport. A pre-feasibility study for the relocation of the Richards Bay Airport has been finalized. The study investigated the various criteria for relocation including tenure, economic imperatives, spatial and land use considerations, environmental risks etc. The project has been registered as a PPP and a Transaction Advisor has been appointed to undertake the Feasibility Study.</p>
2. Waterfront Development   	<p>The Municipality intends to develop the Waterfront Area that will delivers a space for the maritime economy, education and businesses, local and international port activities. The following is already in place:</p> <ol style="list-style-type: none"> 1. An Urban Design for Alkantstrand/Newark Beach adopted by Council; and 2. A Master Plan for the extended waterfront area.

PROJECT NAME	STATUS
	A service provider has been appointed to undertake detailed planning and prepare preliminary engineering designs for the Waterfront area.
3. The Ridge  	The proposed Ridge development is to accommodate a Hotel, High Density Residential units and ancillary land uses. The design reflects a "sense of place", "human scale" and possesses a distinct theme that will take cognisance of the location of the area. Tender for the Ridge development has been awarded and project is at an advanced stage of detailed planning.
4. Green Hill 	Greenhill is situated on a Portion of the Remainder of Erf 5333, Greenhill, and is 22 758 m ² in extent. An Expression of Interest (EOI) for the development of a mixed use development with a health care centre as an anchor has been awarded. Documentation outstanding to conclude the lease agreement.
5. Richards Bay Multi-Modal Facility Precinct   	A number of processes have been completed and further work is underway for the development of the area from the Richards Bay Public Transport Facility, through the Central Industrial Area (CIA), to IDZ 1D in the Alton Industrial Area. Investment from public and private sources is being applied to create the precinct that has various facets, i.e. roads and bulk infrastructure, public transport facility upgrade, SMME support, commercial development as well as industrial development.
6. Expression of Interest for the Remainder of Erf 2627  	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.
7. Hydra Capella 132 kV  	Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.

PROJECT NAME	STATUS
<p>8. Steel Bridge (Mzingazi Bridge)</p> 	<p>The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalized and outlined:</p> <ul style="list-style-type: none"> ○ Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items. ○ Undertaking a topographical survey and other specialist studies required to inform the processes identified. ○ Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction. <p>The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.</p>
<p>9. Comprehensive Integrated Transport Plan (CITP)</p>   	<p>A Comprehensive Integrated Transport Plan (CITP) for the whole municipal area has been prepared. The CITP is a tool that links transports planning elements with related infrastructure in relation to the spatial development framework. It gives attention to measures to promote public transport, the needs of learners and people with disabilities, non-motorised transport, private transport and travel demand estimation.</p> <p>The CITP responds to transformative levers of the Integrated Urban Development Framework and implementation of the SDF. Given that the transport sector is a significant contributor of Greenhouse Gas emissions, the CITP (Non-motorized transport; efficient transport corridors; public transport etc.) is a key intervention area on the Municipal Climate Change Action Plan.</p>
<p>10. Empangeni CBD Revitalization Plan</p>   	<p>Empangeni developed beyond its planned framework and there is increasing pressure for land for housing and interrelated land use components, including transport related requirements. The town suffers substantial urban decay with associated (1) deteriorating ecological infrastructure, (2) hardened urban form and building inefficiencies and (2) spatial and land use inefficiency. A suite of plans has been developed or are under implementation for more efficient transport, stormwater management, energy efficiency as well as greening and landscaping etc. The Revitalization of the Empangeni CBD</p>

PROJECT NAME	STATUS
	has further been earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).
11. Empangeni Mega Housing 	<p>Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced.</p> <p>The project has the following proposed housing typologies:</p> <ul style="list-style-type: none"> - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster
12. Feasibility Study into wastewater and associated by-products re-use    	<p>The City of uMhlathuze (CoU) seeks to secure an adequate water supply to underpin its planned growth. As such, the CoU has undertaken a comprehensive feasibility study and identified the most viable solution for dealing with wastewater and associated by-products re-use generated within the City, in accordance with Section 120 of the Municipal Finance Management Act, 56 of 2003, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007). Phase 1, the Feasibility Study, has been finalised and Phase 2, the Procurement, is being initiated.</p>
13. Esikhaleni Fitness Centre 	<p>Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. Support was also provided for designs and Specifications. The project has three main phases and an estimated cost of R165 million. Phase 1 is under implementation, i.e. fencing, relocation of services, earthworks, main entrance, guardhouse and combo courts.</p>
14. Desalination Plan  	<p>Plant was developed by Department of Water Service - DWS (completed February 2017) at a 10ML/day capacity. As part of the handover, it was agreed that DWS would cover all costs relating to the plant until transferred.</p>

6.5 Municipal Strategic Framework aligned with key provincial imperatives

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
KPA 1	1.1 Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance	1.1.1 To ensure effective and efficient administration complying with its Legal Mandates	1.1.1.1 Provide administrative support for all Council Committees			<ul style="list-style-type: none"> • Pillar 3: Good Governance – Council meetings 	6.4. Promote participative, facilitative and accountable governance
			1.1.1.2 Strengthening Council Oversight through training on Legislation and Policies			<ul style="list-style-type: none"> • Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR) • Pillar 3: Good Governance – Anti-corruption measures 	6.4. Promote participative, facilitative and accountable governance
			1.1.1.3 Development and review of policies that will lead to improved service delivery and legislative compliance		- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 1: Putting people first – Public Participation programmes • Pillar 3: Good Governance – Compliance with legislation and by-laws 	6.4. Promote participative, facilitative and accountable governance
			1.1.1.4 Compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases		- Aging municipal infrastructure - Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 1: Putting people first – Functionality of Ward Committees • Pillar 5: Building Capacity – HR Development and Management 	3.2. Enhance health of communities and citizens
		1.1.2 To maintain an organizational	1.1.2.1 Monitor evaluate measure and review the			<ul style="list-style-type: none"> • Pillar 5: Building Capacity – 	6.4. Promote participative, facilitative

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		performance management system as a tool to monitor progress of service delivery	performance of the municipality against indicators and targets set in the IDP			Implementation of Performance Management Systems	and accountable governance
		1.1.3 Ensure Institutionalisation of Batho Pele Culture	1.1.3.1 Implement a Service Charter to meet set standards			• Pillar 1: Putting people first – Public Participation programmes	6.4. Promote participative, facilitative and accountable governance
		1.1.4 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.1 Capacitate Ward Committees to improve their effectiveness	Inconsistent?		<ul style="list-style-type: none"> • Pillar 1: Putting people first – Functionality of Ward Committees • Pillar 1: Putting people first – Ward Committee grant expenditure % 	6.4. Promote participative, facilitative and accountable governance
			1.1.4.2 Development of an Integrated Development Plan within prescribed legislative guidelines			<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 3: Good Governance – Compliance with legislation and by-laws 	6.1. Strengthen policy, strategy coordination and IGR
			1.1.4.3 Facilitation of Stakeholder and		Violent Community Unrests	• Pillar 1: Putting people first – Public Participation programmes	6.4. Promote participative, facilitative

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			Community participation in policy making				and accountable governance
			1.1.4.4 Implementation of effective communication strategy		Violent Community Unrests	<ul style="list-style-type: none"> • Pillar 3: Good Governance – Regular Engagement with Communities 	6.4. Promote participative, facilitative and accountable governance
		1.1.5 To promote Access to Information and Accountability	1.1.5.1 Ensure access information in line with relevant legal prescripts			<ul style="list-style-type: none"> • Pillar 3: Good Governance – Compliance with legislation and by-laws 	4.3. Develop ICT infrastructure
		1.1.6 To bring the organisation to an enabled risk maturity level	1.1.6.1 Implementation and maintenance of an efficient Enterprise Risk Management system and Business Continuity			<ul style="list-style-type: none"> • Pillar 5: Building Capacity – Establish, Resilient systems, ie. Billing • Pillar 5: Building Capacity – Adequate Experience and Institutional Memory 	6.4. Promote participative, facilitative and accountable governance
		1.1.7 Ensure reliability and maintain independence of internal audit activity	1.1.7.1 Effective Audit Committee			<ul style="list-style-type: none"> • Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR) 	6.4. Promote participative, facilitative and accountable governance
			1.1.7.2 Effective and value adding internal audit activity			<ul style="list-style-type: none"> • Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR) 	6.4. Promote participative, facilitative and accountable governance

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
KPA 2	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 economic development	2.1.1.1 Eradicate water services backlogs through provision of basic water services			<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Water and Sanitation 	4.4. Ensure availability and sustainable management of water and sanitation for all
			2.1.1.2 Eradicate sanitation services backlogs through provision of basic sanitation services	Incorrect ref no in SDBIP?	- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Water and Sanitation 	4.4. Ensure availability and sustainable management of water and sanitation for all
			2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services	Incorrect ref no in SDBIP?	- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Electricity 	4.5. Ensure access to affordable, reliable, sustainable and modern energy for all
			2.1.1.4 Eradicate refuse removal backlogs through provision of basic waste management services	Inconsistent?	- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management 	4.6. Enhance KZN waste management capacity
			2.1.1.5 Provision and maintenance of access roads	Inconsistent?	- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services - Infrastructure Delivery and maintenance wrt Roads 	4.2. Develop road and rail networks

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			2.1.1.6 Provision of public transport infrastructure facilities	2.1.1.5 in SDBIP	- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Public Transportation	4.2. Develop road and rail networks
			2.1.1.7 Provision and Maintenance of storm water and coastal engineering infrastructure	2.1.1.6 in SDBIP	- Aging municipal infrastructure		5.1. Enhance resilience of ecosystem services
			2.1.1.8 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets	2.1.1.7 in SDBIP	- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services – Response to Service Delivery Outages	6.4. Promote participative, facilitative and accountable governance
		2.1.2 To maintain quality of services as per standard and legal prescripts	2.1.2.1 Provide a weekly domestic solid waste removal service to the community	2.1.1.4 in SDBIP		• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management	4.6. Enhance KZN waste management capacity
			2.1.2.2 provision of environmental safe, effluent that meets the requirements of standards and prescripts			• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Water and Sanitation	4.6. Enhance KZN waste management capacity
			2.1.2.3 Implementation of energy efficiency, and		- Negative impact of climate change	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and	4.5. Ensure access to affordable, reliable,

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			renewable energy technologies			reduced losses wrt Electricity	sustainable and modern energy for all 5.2. Expand the application of green technologies 5.3. Adapt and respond climate change
			2.1.2.4 provision of electricity supply as per NERSA standards		- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Electricity • Pillar 4: Sound Financial Management – Cut Wasteful Expenditure (UIFW) 	3.4. Promote sustainable human settlements 4.5. Ensure access to affordable, reliable, sustainable and modern energy for all
		2.1.3 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.1 Improve community standard of living through accelerated development of Integrated Human settlement	2.1.2.1 in SDBIP	- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements 	7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		2.1.4 To ensure effective Fleet Management	2.1.4.1. Review and Implement Fleet management Plan				
KPA 3	3.1 Viable Economic Growth and Development	3.1.1 To promote the agricultural potential	3.1.1.1 Review and Implement Agricultural Support Plan		<ul style="list-style-type: none"> - High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities 		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security
			3.1.1.2 Package council land to facilitate agricultural programs		<ul style="list-style-type: none"> - High rate of unemployment - Sluggish economic growth 		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security
			3.1.1.3 Provide support for prioritised agricultural sectors		<ul style="list-style-type: none"> - High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities 		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		3.1.2 Enhanced sectoral development through trade investment and business retention	3.1.2.1 Review and implement Economic Development Sector Plans		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.3. Enhance spatial economic development
			3.1.2.2 Develop investment promotion and facilitation plan		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.2. Enhance sectoral development through trade Investment and business retention
			3.1.2.3 Package council land to facilitate economic growth		- High rate of unemployment - Sluggish economic growth		1.3. Enhance spatial economic development
		3.1.3 To create an enabling environment for the informal economy	3.1.3.1 Review and implement Informal Economy Bylaw and Policy		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements • Pillar 3: Good Governance – Compliance with legislation and by-laws 	1.5. Promote SMME and entrepreneurial development
		3.1.4 Clear City identity	3.1.4.1 To promote the city as destination of choice				7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
							access to resources, social and economic opportunities
			3.1.4.2 Review and Implement Tourism Marketing Strategy				7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
		3.1.5 To Improve the efficiency, innovation and variety of government-led jobs	3.1.5.1 Promoting economic growth by providing employment opportunities for Women, Youth and People Living with Disabilities			<ul style="list-style-type: none"> Pillar 2: Delivering Basic Services – Community Works Program (& EPWP) 	<p>1.4. Improve the efficiency, innovation and variety of government-led Job creation programmes</p> <p>2.3. Enhance youth and adult skills development and life-long learning</p> <p>3.7. Promote youth, gender and disability advocacy and the advancement of women</p>

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			3.1.5.2 Promote economic growth by successful implementation of EPWP and CWP community based projects	3.1.5.1 in SDBIP		<ul style="list-style-type: none"> Pillar 2: Delivering Basic Services – Community Works Program (& EPWP) 	1.4. Improve the efficiency, innovation and variety of government-led Job creation programmes
		3.1.6 Promote SMME and Entrepreneurial development	3.1.6.1 Facilitate SMMEs access to finance, markets, trading facilities and infrastructure with linked services				1.5. Promote SMME and entrepreneurial development
			3.1.6.2 Implementation of the emerging contractor development programme				1.5. Promote SMME and entrepreneurial development
	3.2 Public Safety and Security	3.2.1 Provision of efficient and effective law enforcement, registration, licensing and security services	3.2.1.1 Development and implementation of a crime prevention and safer city strategy		- High levels of crime	<ul style="list-style-type: none"> Pillar 2: Delivering Basic Services – Improved Policing & high mast lighting 	3.5. Enhance safety and security

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Develop and Implement a fire prevention strategy				3.5. Enhance safety and security
	3.3 Safe and Healthy Living Environment	3.3.1 Efficient an effective waste management services	3.3.1.1 Review and Implementation of Integrated Waste Management Plan		- Aging municipal infrastructure	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management 	
		3.3.2 Provision of a dignified burial and crematorium facilities Cater for alternate future burial option	3.3.2.1 provision of cemetery maintenance and management Provision of cemeteries				7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			3.3.4 Provision of dignified indigent burial service			<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Free Basic Services and Indigent Register 	7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
	3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development and maintenance of community facilities		- Aging municipal infrastructure		7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			3.4.1.2 Review and implement of Arts and Culture Strategy		- COVID 19 pandemic and its associated social and economic effects		3.6. Advance social cohesion and social capital
			3.4.1.3 Development of sports and recreation programs		- COVID 19 pandemic and its associated social and economic effects		
			3.4.1.4 Develop and maintain parks facilities				3.6. Advance social cohesion and social capital 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
							7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
	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 Review and implement the attraction, recruitment and retention strategies.		- Low skills levels and limited skills development	<ul style="list-style-type: none"> • Pillar 5: Building Capacity – Filling of Senior Management Posts • Pillar 5: Building Capacity – Adequate Experience and Institutional Memory 	6.2. Build government capacity 6.4. Promote participative, facilitative and accountable governance
			4.1.1.2 Review and implement Employment Equity Policy			<ul style="list-style-type: none"> • Pillar 5: Building Capacity – HR Development and Management 	3.7. Promote youth, gender and disability advocacy and the advancement of women
			4.1.1.3 Review and Implement EAP Policy and plans			<ul style="list-style-type: none"> • Pillar 5: Building Capacity – HR Development and Management 	6.4. Promote participative, facilitative and accountable governance
			4.1.1.4 Develop an effective training and		Low skills levels and limited skills development	<ul style="list-style-type: none"> • Pillar 5: Building Capacity – HR 	6.2. Build government capacity

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			development strategy and programs			Development and Management	
			4.1.1.5 Create and maintain sound labour relations between employer and employees			<ul style="list-style-type: none"> Pillar 5: Building Capacity – Organised Labour engagements 	6.4. Promote participative, facilitative and accountable governance
			4.1.1.6 Maintenance of an organisational structure in line with organisational objectives			<ul style="list-style-type: none"> Pillar 5: Building Capacity – Municipal Organograms 	6.4. Promote participative, facilitative and accountable governance
	5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant			<ul style="list-style-type: none"> Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls 	6.4. Promote participative, facilitative and accountable governance
			5.1.1.2 mSCOA compliant			<ul style="list-style-type: none"> Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls 	6.4. Promote participative, facilitative and accountable governance
			5.1.1.3 Review of all financial related policies		- Limited revenue sources and non-payment for services.	<ul style="list-style-type: none"> Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls 	6.4. Promote participative, facilitative and accountable governance

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			5.1.1.4 Compliance with all MFMA and relevant local government financial legislation		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
		5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support on Budget and Financial Management matters			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.2.1.2 Asset Accounting Management			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.2.1.3 Accurate and timeous billing and receipting of revenue		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Percentage Revenue Collected	6.4. Promote participative, facilitative and accountable governance
			5.2.1.4 Apply Adequate Internal controls			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.2.1.5 Accurate and timeous payments of creditors			• Pillar 4: Sound Financial Management – Extent to which Debt is Serviced	1.5. Promote SMME and entrepreneurial development

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			5.2.1.6 Apply adequate financial management methodologies		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
		5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management			• Pillar 4: Sound Financial Management – Efficiency and Functionality of Supply Chain Management.	6.4. Promote participative, facilitative and accountable governance
			5.3.1.2 Accurate contracts and logistics management				6.4. Promote participative, facilitative and accountable governance
			5.3.1.3 Apply adequate financial management methodologies			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
	6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development in a sustainable manner	6.1.1.1 Review and Implement Spatial Development Framework		- Unsustainable development practices and human settlements - Negative impact of climate change		5.3. Adapt and respond climate change 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources,

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
							<p>social and economic opportunities</p> <p>7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment</p>
			6.1.1.2 Development of a hierarchy of plans (i.e. precinct, nodal, concept etc.)		- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements 	<p>7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities</p> <p>7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment</p>

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			6.1.1.3 Review and implement Human Settlement Sector Plan		- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements • Pillar 2: Delivering Basic Services – Township Establishment 	3.4. Promote sustainable human settlements
			6.1.1.4 Review and Implement uMhlathuze Land Use Scheme		- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements 	7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.5 Compliance with national SPLUMA, SPLUM Bylaw, National Building Regulations and Municipal Building Control Bylaw.		- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans 	7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.6 Efficient processing of development application and building plans		- Unsustainable development practices and human settlements	<ul style="list-style-type: none"> • Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements 	7.2. Ensure integrated land management use across the Province, ensuring equitable

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
							access to goods and services, attracting social and financial investment
			6.1.1.7 Review and implement Aesthetics Bylaw		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements	3.4. Promote sustainable human settlements
		6.1.2 to ensure effective Environmental Management in compliance with legislation	6.1.2.1 Incremental development of strategic environmental assessment for the entire municipal area		- Negative impact of climate change		5.1. Enhance resilience of ecosystem services 5.3. Adapt and respond climate change 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			6.1.2.2 Review and implement Climate Change Action Plan		- Negative impact of climate change		5.3. Adapt and respond climate change

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			6.1.2.3 Air quality monitoring and implementation of the Air Quality Management Plan		- Negative impact of climate change		5.2. Expand the application of green technologies 5.3. Adapt and respond climate change
			6.1.2.4 Efficient processing of environmental applications		- Negative impact of climate change		7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
	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.		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Culture of Payment for Services Campaigns	6.4. Promote participative, facilitative and accountable governance
		6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			6.2.2.2 management of leased municipal properties		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial	7.1. Enhance the resilience of new and existing cities, towns and rural nodes,

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						Management System and Rigorous Controls	ensuring equitable access to resources, social and economic opportunities
	6.3 Disaster Management	6.2.3 To prevent and mitigate disaster incidents	6.2.3.1 Review and Implement Disaster Management Plan		- Negative impact of climate change		5.3. Adapt and respond climate change

6.6 Strategic Integrated Projects



<p>The Presidential Infrastructure Coordinating Commission (PIC) identified 18 SIPs of which the following have direct relevance to the Municipality:</p> <p>SIP 1</p> <p>Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst</p>	<p>The rail capacity between Mpumalanga and Richards Bay is relevant in this instance. The Port expansion of Richards Bay is a permanent discussion item between the uMhlathuze Municipality and the Richards Bay Port (Transnet).</p>
<p>SIP 8</p> <p>Green energy in support of the South African economy</p>	<p>Numerous green economy initiatives are either being pursued or supported by the uMhlathuze Municipality in its area of jurisdiction.</p>

6.7 MEDIUM TERM STRATEGIC FRAMEWORK (2019 – 2024)

The 2019-2024 Medium Term Strategic Framework (MTSF) is the second 5-year implementation plan for the NDP. The MTSF sets out the package of interventions and programmes that will advance the seven priorities adopted by government as illustrated hereunder.

The following table details the alignment of some initiatives of the Municipality in relation to the MTSF priorities:

Figure 1: Alignment of uMhlathuze Initiatives with MTSF Priorities

MTSF 2019-2024	MUNICIPAL INITIATIVES
	<ul style="list-style-type: none"> Internalization of SDGs Land Use Management Challenges in Rural areas Effective JMPT Alignment with SOE by way of an Memorandum of Understanding Hierarchy of Plans in place Council Codes of Ethics Consultation approach Improved Business Processes (SAP) Youth Desk Women's Forum
	<ul style="list-style-type: none"> Ease of Doing Business Green Economy: Materials Recovery & Waste Management Comprehensive Integrated Transport Plan Securing Water Supply Energy Sector Plan & Alternatives Biodiversity Economic Opportunities Agricultural Support Plan Informal Economy Support Ongoing business (including SMME) support

<p>3. Education, Skills & Health</p>	<ul style="list-style-type: none"> ○ Public Wi-Fi ○ Proposed Maritime TVET (Operation Phakisa) ○ Target areas of known educational backlogs ○ Operation Sukuma Sakhe War Rooms to assist with Community Health ○ Completion of ECD (Early Childhood Development) Centres
<p>4. Consolidating the Social Wage Reliance & Quality Basic Services</p>	<ul style="list-style-type: none"> ○ Batho Pele Committee ○ Target Areas of Poverty as per socio-economic indicators ○ Target assistance to known Child Head Households and Indigents (OSS) ○ Support for EPWP ○ Pursue Food Security (Agricultural Support Plan) ○ Food Bank ○ Water, Sanitation, Electricity & Waste Removal
<p>5. Spatial Integration, Human Settlement & Local Government</p>	<ul style="list-style-type: none"> ○ Settlement patterns, Nodes & Corridors ○ Spatial Transformation Agenda ○ Priority Housing Development Areas (PHDAs) process ○ Green House Gas Inventory ○ Green Building Guideline ○ Rural Planning & Agrarian Support ○ Infrastructure Sector Plans ○ Water Re-use PPP ○ Public Transport Planning & Investment ○ Land Reform Task Team
<p>6. Social Cohesion & Safer Communities</p>	<ul style="list-style-type: none"> ○ Disaster Management Plan (Level 2) ○ Arts & Culture Events ○ Functionality of OSS & War Rooms ○ Grant-in-Aid ○ Special Programmes
<p>7. A Better Africa & World</p>	<ul style="list-style-type: none"> ○ National & International Collaboration & Coordination ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services ○ Climate Action

6.8 Integrated Urban Development Framework (IUDF)

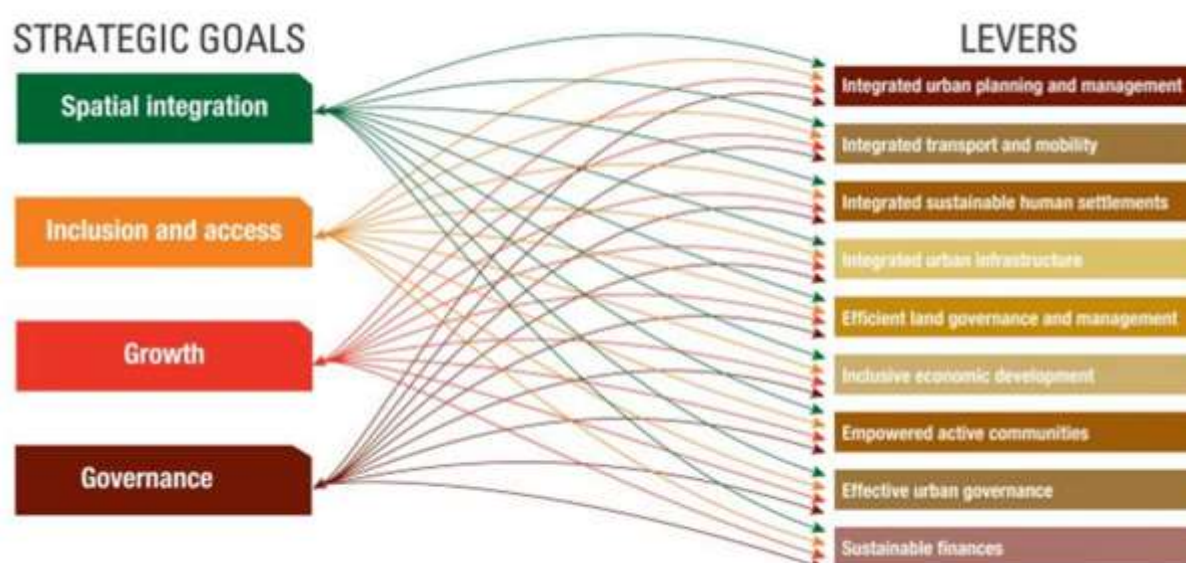
The Integrated Urban Development Framework (IUDF) is a policy framework guiding the reorganization of the urban system of South Africa so that cities and towns can become inclusive, resource efficient and adequate places to live, as per the vision outlined in Chapter 8 of the National Development Plan (NDP). The overall outcome of the IUDF is spatial transformation. This new focus for South Africa steers urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns. The IUDF implementation plan identifies a number of short term proposals to achieve spatial transformation.

The overall objective of the IUDF is to transform urban spaces by:

- Reducing travel costs and distances
- Aligning land use, transport planning and housing
- Preventing development of housing in marginal areas
- Increasing urban densities and reducing sprawl
- Shifting jobs and investment toward dense peripheral townships
- Improving public transport and the coordination between transport modes

The IUDF objective conforms to the New Urban Agenda (NUA) vision of “cities for all”. The NUA is a global commitment to sustainable urban development at all levels (global, regional, national, subnational and local), and encourages agencies and role-players to provide practical guidance for the implementation of the New Urban Agenda and the urban dimensions of the Sustainable Development Goals. In South Africa, more than 60% of the population lives in urban areas. The IUDF, which is South Africa’s urban policy, articulates how South Africa will transform urban areas to overcome both historical and prevailing challenges, while working together to ensure more integrated, sustainable and equitable human settlements.

The IUDF has its premise on the following nine levers:



These listed levers relate very specifically to the pillar of spatial transformation and both are embraced by the Municipality. The Municipality is planning and implementing for improved public transport, investment is aimed at aiding the Township Economy and a number of processes are underway to establish integrated human settlements in the area. Specific projects are identified in the SDF Implementation Plan (Section 12) in support of spatial transformation and in line with the listed levers.

6.9 District Development Model (DDM)

The District Development Model was initiated by President Cyril Ramaphosa in his Budget Speech in 2019. Subsequently, the District Development Model was discussed

and adopted by Cabinet, the 2019 Presidential Coordinating Council (PCC), the March 2020 extended PCC and various MINMECs.

The President in the 2019 Presidency Budget Speech (2019) identified the “pattern of operating in silos” as a challenge which led to “to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult”. The consequence has been non optimal delivery of services and diminished impact on the triple challenges of poverty, inequality and employment.

The rolling out of “a new integrated district based approach to addressing service delivery challenges [and] localise[d] procurement and job creation, that promotes and supports local businesses, and that involves communities is one of the objectives of the DDM. ” This requires an approach where “National departments that have district-level delivery capacity together with the provinces ... provide implementation plans in line with priorities identified in the State of the Nation address”.

The District Development Model builds on the White Paper on Local Government (1998), which seeks to ensure that “local government is capacitated and transformed to play a developmental role”. The White Paper says developmental local government “is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”.

King Cetshwayo District Development Model

The King Cetshwayo District Municipality, is one of the district in the province of Kwa Zulu Natal with a significant contribution to the provincial and national economy and is required to be a conducive environment for job creation through local and foreign investment, and for addressing such challenges as poverty, inequality and spatial transformation.

The following structures have been established, and in operation:

- The DMM Political Hub
- District Development Model (ECONOMIC & INFRASTRUCTURE CLUSTER)
- Social Cluster
- Technical Hub
- Governance State Capacity & Institutional Development Cluster

KCDM Family First Generation One Plan

The development of the first generation of One Plan is a collaborative process that requires inputs from national sector departments, provinces, municipalities, and the private sector. In that regard, the first generation of One Plan for KCDM focuses on the following areas:

- Few key economic infrastructure projects that require unblocking actions.

- Key catalytic projects (catalytic projects in the context of the One Plan refers large scale spatial transformation projects of greater investment value and is projected to make substantial contribution towards economic growth, job creation and skills revolution).
- Key projects that are aimed at stimulating and diversifying the economy.
- Short term service delivery improvement actions and
- Immediate LG stabilization and institutional strengthening actions.

All existing DDM processes initiated in the district and various at provincial and national departments, need to be aligned to the approach outlined in the developed DDM framework to enable the DDM intent to be properly and fully realised. Success of the DDM framework will come to fruition upon cooperation and commitment by different spheres of government, by ensuring that programs and plans included in the DDM Framework are implemented and progress is continuously reported on at the different structures established.

6.10 Back to Basics aligned with Area Based Management

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

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

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

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

Key Performance Areas for the Back-to-Basics Approach

	Back to basics	Alignment
1.	Basic Services: Creating decent living conditions	Integrated Urban and Rural Development
2.	Good Governance	Democratic, responsible, transparent and objective and equitable municipal governance

3.	Public Participation :Putting People First	Democratic, responsible, transparent and objective and equitable municipal governance
4.	Sound Financial Management	Sound financial and supply chain management
5.	Building Capable Institutions and Administrations	Municipality that is resourced and committed to attaining the vision and mission of the organisation

Back to Basics Implementation Programmes

The municipality is implementing targeted programmes as part of enhancing Back to Basics initiatives. These initiatives are continuously being implemented and add value to service delivery, driven by management and political office bearers. A dedicated senior official has been appointed to coordinate B2B in the municipality. The following are some of the interventions:

Number	Intervention	Target
1.	EPWP/CWP	Day to day basic services such as; Waste Management, Grass cutting and Parks maintenance
2.	Road rehabilitation: Area based	Potholes, maintenance of sidewalks, cleaning of storm water channels
3.	Clean up campaigns and special operations	Illegal Dumping, Grass cutting, removal of illegal connections, fixing dysfunctional streetlights
4.	Civic Education	Save Water Campaign

Area Based Management

The City of uMhlathuze has embarked on a programme that seeks to improve day to day management and maintenance of the urban environment including addressing service delivery failures, this programme is implemented to supplement the Back to Basics program. The objectives of this programme are indicated below: -

Integrated service delivery operations and urban management aims to achieve service delivery excellence by ensuring that the city is responsive to the needs of the community; through coordination, integration, monitoring and achievement of service delivery standards at grass-roots level thus ensuring well serviced urban environment towards the achievement of a "Liveable and Sustainable City" and to foster citizen centric ethos through service excellence.

Integrated service delivery operations seek to ensure a well-governed, managed and developed City, with enhanced levels of accountability, quality services and prompt response to service delivery failures. To that end, the following are medium and long term strategic objectives: -

- a) *To bring service delivery and customer service closer to the residents / citizens, so as to address service delivery failures by providing a citizen-interface*

channel to coordinate; monitor, evaluate and enforce efforts by the City and its service delivery machinery to realize the objectives of quality and efficiency, sustainability, impact and customer satisfaction;

- b) To respond to people's needs not only through communication, but through the actual delivery of services;*
- c) To develop effective solutions to local problems and improve customer satisfaction;*
- d) To effectively deal with community complaints and dissatisfaction on service delivery related issues by facilitating well integrated service delivery response solutions;*
- e) To work with other spheres and agents of government to deliver effective services;*
- f) To coordinate, monitor and enforce the delivery of all municipal services in all zones; and*
- g) To contribute to the physical, social and mental wellbeing and development of communities - building "liveable and sustainable communities.*

The City seeks to contribute through "pro-active interventions in the City's service delivery value chain to create an environment for accelerated and integrated service delivery that is sustainable and ensures that the benefits are equitably shared by all its citizens thus improving the levels of citizen satisfaction".

Anticipated outcomes

- Reduction in service failures
- Clean environment
- Multi-disciplinary response to urban management challenges
- Improve day to day maintenance of the urban environment and services
- Improved civic education
- Arrest systematic urban decay

6.11 State of the Nation Address (SONA) 2023 and State of the Province Address (SOPA KZN) 2023

The following table provides a summary of the alignment between key elements of the SOPA and SONA, their relationship with the MTSF priorities as well as the practical application thereof in the uMhlathuze context

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
1. Capable, Ethical, Developmental State	<ul style="list-style-type: none"> o Cutting Red Tape o Making and buying Local Goods o Improving Education o Reducing inequality o Establishment of State – owned Holding Company. o Public Service Reform o Appointment of qualified public Servants o Address failures at local government level and improve basic service delivery. o Presidency and National Treasury will work together to rationalize government departments and entities. o Investment in Green Economy o Finalise SOE Shareholder Management Bill to ensure effective oversight of SOEs o Amend legislation and strengthen Public Service Commission o Introduction of Integrity Assessments as a mandatory Requirement. 	<ul style="list-style-type: none"> o Energy security plan for the province o Building a capable and agile state machinery o Black Industrialist programme o Newcastle and Ladysmith Special Economic Zones o A decisive Action to grow and transform KZN Economy. o Enterprise the province into the fourth industrial Revolution. o Establishment of Coastal Smart Cities and Realising Vision 2030 o Industrialization through Special Economic Zones o Operation Pay –on-time o Recovery from floods o Resettlement of flood victims o Progress on schools damaged by floods o Rehabilitation of infrastructure (Roads and Bridges) o Building Good Governance, Ethical and Developmental State o Operation Clean Audit o Investing in Human Resource Development to Build Professional Civil Servants 	<ul style="list-style-type: none"> o Internalization of SDGs o Land Use Management Challenges in Rural areas o Effective JMPT o Alignment with SOE by way of a Memorandum of Understanding o Hierarchy of Plans in place o Council Codes of Ethics o Consultation approach o Improved Business Processes (SAP) o Smart City Initiatives (enterprise Resource planning, broadband connectivity, Richards techno hub o Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project) o Industrialisation through special economic zones (RIDZ) and Port Expansion

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> ○ Introduce entry exams to ensure high competency standards. ○ Enhance the capacity of public representatives and officials. ○ Turning around local government ○ Maintain and upgrade local infrastructure. ○ Maintain and Upgrade Local Infrastructure. ○ Develop a proposal for rationalisation of departments and entities. ○ Improving Access to water and sanitation ○ Infrastructure rehabilitation 	<ul style="list-style-type: none"> ○ Maintenance and construction ○ Operation Clean Audit ○ 	
2. Economic Transformation & Job Creation	<ul style="list-style-type: none"> ○ Presidential Employment Stimulus ○ Freeing Small business ○ Fund to support SMME growth ○ Supporting women –owned businesses ○ Cutting Red Tape ○ Making and buying local ○ Cultivation of hemp and cannabis ○ Structural Reforms ○ Transnet and private sector companies will conclude partnerships. 	<ul style="list-style-type: none"> ○ Job opportunities for young people ○ Mass employment creation ○ Faster implementation of the economic recovery, reconstruction and transformation plan. ○ KZN Maritime University ○ Wealth Fund ○ Rationalisation of entities ○ Transformed and Sustainable Human Settlements ○ Introduction of amendments to the Business Act. ○ Strengthen the bounce-back loan scheme to assist SMMEs 	<ul style="list-style-type: none"> ○ Economy Recovery Plan ○ Ease of Doing Business ○ Green Economy: Materials Recovery & Waste Management ○ Comprehensive Integrated Transport Plan ○ Securing Water Supply ○ Energy Sector Plan & Alternatives ○ Biodiversity Economic Opportunities ○ Agricultural Support Plan ○ Informal Economy Support ○ Ongoing business (including SMME) support ○ King Cetshwayo District Fresh Produce

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> Completion of the spectrum Auction in the telecommunications sector. Skills for a growing economy Skills for growing economy Flexible points based system to attract skilled immigration. Implementation of a trusted employer scheme. Processing the backlog of title deeds. Water security Investing in major infrastructure projects Lack of technical skills and project management capacity. Umzimvubu water project. Construction of Ntabelanga Dam Lesotho Highlands phase two Rural and under-resourced areas. Development of the Cannabis Industry Investment Attraction Futurelife food processing facility. LM Diapers expansion of personal care manufacturing plans. Synergy blenders processing plant. 	<ul style="list-style-type: none"> Provide financing to SMMEs through SEFA. Establish SMME growth fund with SA SMMEs Fund. Support Women entrepreneurs Access to Funds earmarked by development finance institutions. Reduce red tape in priority areas. Changes to the policy and regulatory framework for hemp and cannabis Finalise awards to preferred bidders for container terminals. Migrate the remaining households to digital television signal. Capacitate people with relevant skills to enter the job market. Work Visa Review High Growth Start-ups. Title deeds for subsidized housing 	<ul style="list-style-type: none"> Investment in strategic economic Implementation of catalytic projects "game changers" Preferential procurement Policy

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> o Readiness of Agrizone 2 o Solving Youth Unemployment o Ithala Development Finance Corporation o 		
3. Education, Skills & Health	<ul style="list-style-type: none"> o Simplify requirements for ECD Centres o Building The Sanitation Appropriate for Education(Initiative). • Accelerated School Infrastructure Delivery Initiative(ASIDI) 	<ul style="list-style-type: none"> o E-health programme o Make me look like a hospital programe o Education and Skills Development o Building a healthy society o Establishment of KZN Maritime University. o Social Relief programme 	<ul style="list-style-type: none"> o District Demand Council o District Joint Operations Committee o Local Joint Operations Committee o uMhlathuze COVID 19 Task team o Approved Work from Home Policy o Public Wi-Fi o Proposed Maritime TVET (Operation Phakisa) o Target areas of known educational backlogs o Operation Sukuma Sakhe (OSS) War Rooms to assist with Community Health o Completion of ECD (Early Childhood Development) Centres o Internships prioritizing young girls o Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards bay Techno hub) o Strategic Partnerships with Institutions of higher learning (Signed MoU) o Mayoral Bursary Fund and Back to school fund. o Parneship with Private Sector /Public entities _ Phelo Phepha campaign

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			<ul style="list-style-type: none"> ○ Established HIV/AIDS Council ○ Support and Promotion of Senior Citizens sporting activities ○
4. Consolidating the Social Wage Reliance & Quality Basic Services	<ul style="list-style-type: none"> ○ Addressing Load shedding ○ Exempt critical infrastructure such as hospitals and water treatment plants from load shedding. ○ Improve smooth running and to improve the reliability of the power stations. ○ Fighting hunger and poverty ○ Address poverty and counter the rising cost of living ○ Implementation of National State of Disaster. ○ Appointment of Minister of Electricity. ○ Addition of new generation capacity. ○ Improve the performance of Eskom's existing power stations. ○ Roll out solar panels. ○ Invest in new transmission lines and substations in arrears of concern. ○ Expedite the leasing of Solar panels to the clients. ○ Deploy people and resources. ○ Finalise a debt solution 	<ul style="list-style-type: none"> • Delivering quality basic services • Maintenance of infrastructure • Fixing Potholes • Progress on catalytic infrastructure • Curbing Road Carnage ○ Social relief of distress grant ○ Cushion the poor against rising inflation ○ Targeted basic income support. ○ KZN Energy war room ○ Panel of energy experts ○ Rollout of rooftop solar panelsPlans for government departments to save energy ○ Ocean Economy ○ Tidal Wave ○ Hydrogen and renewables. ○ Battery Energy Storage systems ○ Stimulating townships and Rural Economies ○ 	<ul style="list-style-type: none"> ○

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> Start operating the National Transmission Company. 		
5. Spatial Integration, Human Settlement & Local Government	<ul style="list-style-type: none"> Just transition to a low – carbon economy. Amendment Bill to transform the energy sector Establish a competitive electricity market. Develop and undertake an implementation plan for the JET Investment Plan Table the Electricity Regulation Amendment Bill. Provincial Government Precinct Radical Agrarian and socio-economic Transformation 	<ul style="list-style-type: none"> State Land for Housing Development Airport Development Master Plan KZN Film industry Biodiversity Economy Support of emerging wildlife Business Ecosystem Restoration and Job Creation 	<ul style="list-style-type: none"> Settlement patterns, Nodes & Corridors Spatial Transformation Agenda Priority Housing Development Areas (PHDAs) process Green House Gas Inventory Green Building Guideline Rural Planning & Agrarian Support Infrastructure Sector Plans Water Re-use PPP Public Transport Planning & Investment Land Reform Task Team Climate Change Adaptation and Mitigation Programme Accelerated low emission development Urban Air Quality Management
6. Social Cohesion & Safer Communities	<ul style="list-style-type: none"> fighting crime and corruption; Combating Gender Based Violence Strengthen the criminal Justice system Functional of Sexual Offences Court Expand the network of of Thuthuzela Care Centres 	<ul style="list-style-type: none"> Identify and targets crime hotspots. Permanent Investigating Directorate. Overhaul and strengthen anti-corruption Curbing the proliferation of guns Identify and targets crime hotspots. Permanent Investigating Directorate. 	<ul style="list-style-type: none"> Disaster Management Plan (Level 2) Arts & Culture Events Functionality of OSS & War Rooms Grant-in-Aid Special Programme One stop shop for youth development CoU Crime Prevention Strategy Community Policing Forums

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> ○ Provide Financial Support for Various programmes that address GBVF. ○ Improve the effectiveness of our fight against crime, corruption and sabotage. ○ Undertake reforms in safety and security using the Operation Vulindlela Approach. ○ Continue to tackle Economic sabotage and related crimes through multi-disciplinary economic infrastructure task teams. ○ Government to increase police presence on the streets. ○ Finalization of Draft Public Procurement Bill to close policy gaps in procurement as a measure to prevent corruption. ○ Introduction of amendments to the Protected Disclosures Act and Witness Protection Act. ○ Improve Access to the witness protection programme. 	<ul style="list-style-type: none"> ○ Overhaul and strengthen anti-corruption ○ Curbing the proliferation of guns ○ Community safety intervention unit ○ The role of community in the fight against crime. ○ Five-year plan to tackle Gender Based Violence and femicide ○ Refurbishment of shelters ○ 50 victims friendly Rooms ○ Developing Gender Based Violence and femicide App with panic button. ○ 	<ul style="list-style-type: none"> ○ .

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	<ul style="list-style-type: none"> ○ Introduction of Procurement Bill to improve efficiency. ○ Recruit an additional 10 000 new personnel. ○ The National Anti-Advisory Corruption Advisory Council to Stem Corruption. ○ Creating a gender-based violence and femicide free society. ○ Enrol unemployed graduates to be placed in community organizations. ○ GBFV programmes through R10 million funding from the gaming and betting board. ○ War on drugs ○ Tackling Fraud, maladministration and corruption ○ Freezing and recovery of money and assets linked to crime 		
7. A Better Africa & World			<ul style="list-style-type: none"> ○ Host international delegations and diplomats ○ Membership of international organisations ○ National & International Collaboration & Coordination

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			<ul style="list-style-type: none"> ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services ○ Climate Action

SECTION C: SITUATIONAL ANALYSIS

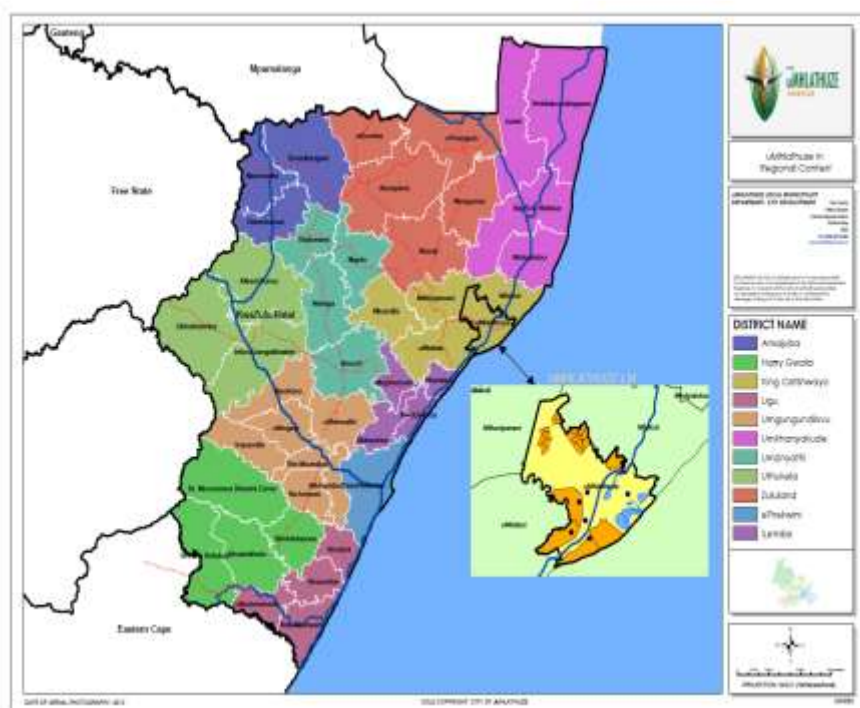
7. Spatial Analysis

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 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana, Heatonville 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. 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

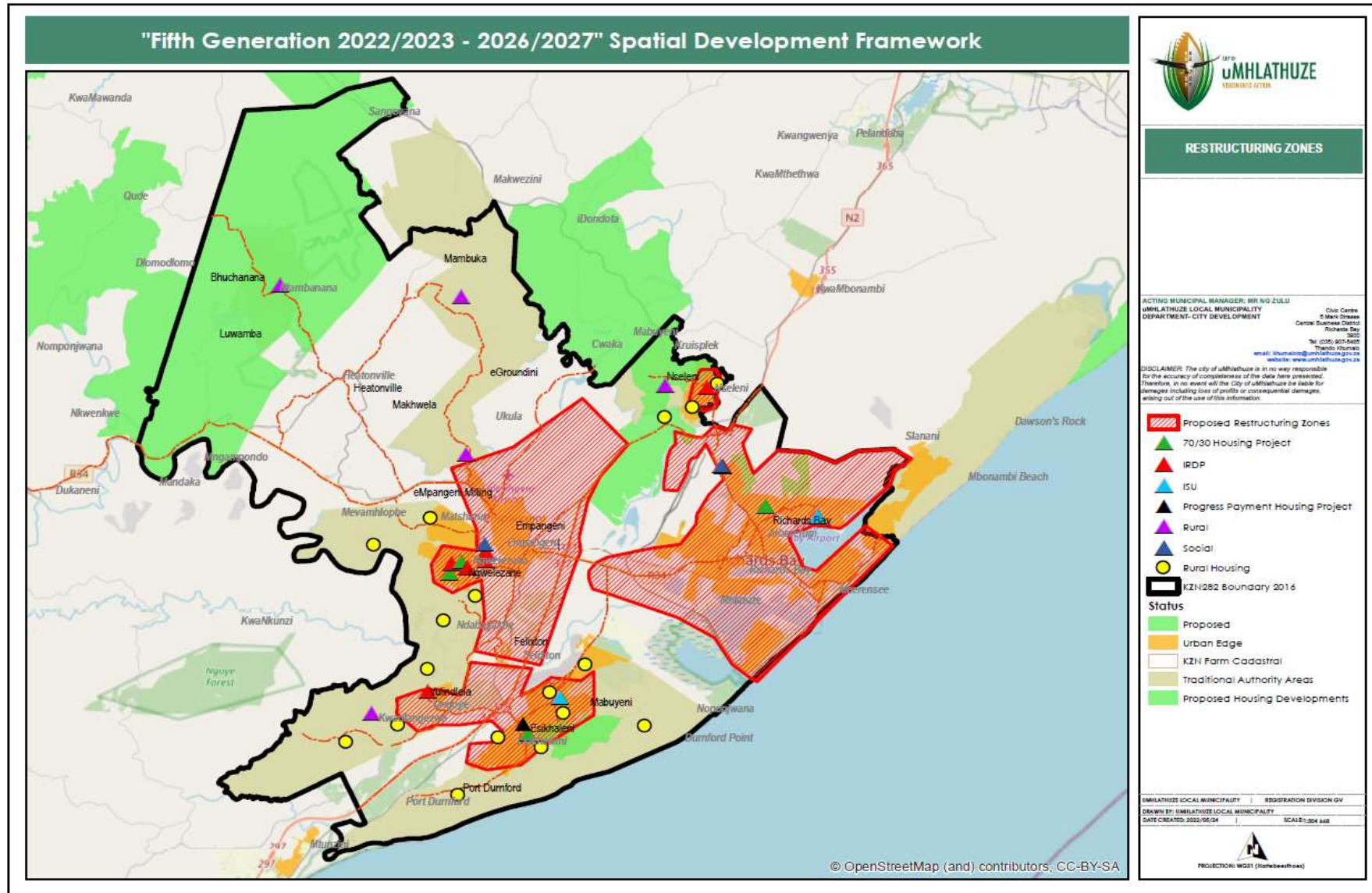
The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas 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

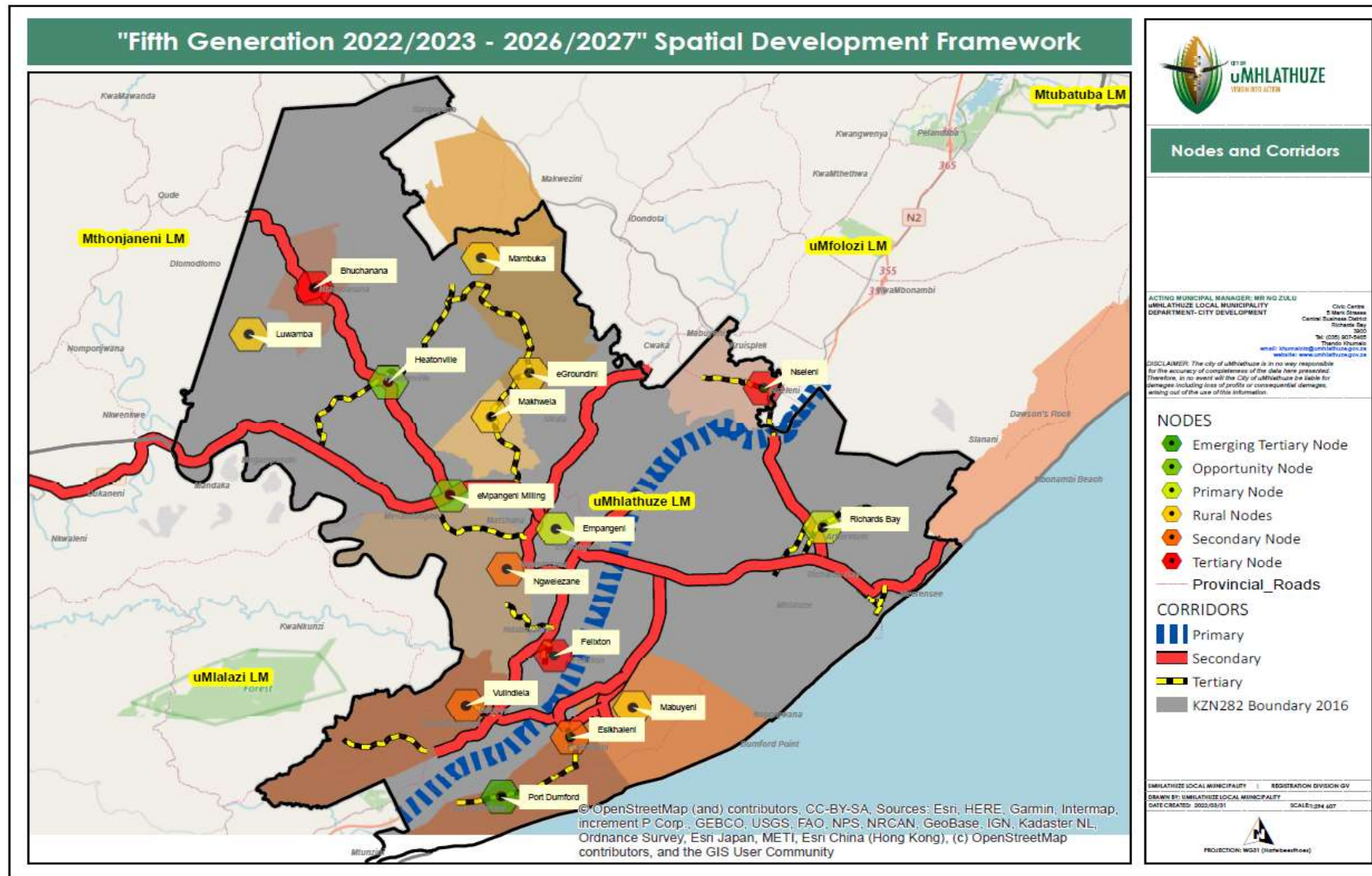
There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. The municipal 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 City of uMhlathuze has identified various nodes within its area of jurisdiction. These nodes were identified by their spatial characteristics, primary land use characteristics, roles as well as the functions of the node to the Municipality and the larger region. The identified nodes are classified as Primary, Secondary, Tertiary, Opportunity and Rural nodes. Each identified node contains a number of opportunities for development and constraints to development. The map above shows the Nodes and corridors within uMhlathuze more details on the Nodes and corridors is found on the Municipal Spatial Development Framework as attached to the main IDP. Below is a summary of the Nodes

Analysis of the uMhlathuze Municipal Nodal Areas

- **Empangeni Node:** Empangeni is located approximately 160 kilometres north of Durban.
- **Richards Bay Node:** Richards Bay is located approximately 180 kilometres north of Durban.
- **Esikhaleni Node:** Esikhaleni is classified as a Secondary Node based on the type of facilities and services it currently offers to the local people and the rest of uMhlathuze inhabitants. Although the node still functions primarily as a dormitory town it has the potential to develop into a primary node if the local economy becomes more sustainable, specifically in respect of growth and employment opportunities. It is located approximately 10 km from Vulindlela/Dlangezwa and accessible via the N2. Esikhaleni is located approximately 15 km from Empangeni and 20 km from Richards Bay primary nodes.
- **Ngwelezane Node:** Ngwelezane is located approximately 10 km from Empangeni and 24 km from Richards Bay Primary Node.
- **Felixton Node:** Felixton is located approximately 15 km from Empangeni and 30 km from the Richards Bay Node, 20 km from Esikhaleni and 10 km from the Vulindlela/Dlangezwa Node.
- **Vulindlela/Dlangezwa Node:** Located approximately 10 km from Esikhaleni and 20 km from Empangeni.
- **Nseleni Node:** Located approximately 15 km from Richards Bay and 15 km from Empangeni
- **Buchanana Node** is located in the former Ntambanana Municipal area.

Rural/Neighbouring Nodes: The main objective of these identified nodes is to provide both commercial, social facilities and infrastructure closer to the people. Specific planning and development interventions are required to identify community services that are to be encouraged at these nodes. An analysis of some of these nodes is provided herewith. Additional assessments and planning on newly identified rural nodes is ongoing.

- Bhejane Node: Bhejane is located in the outskirts of Nseleni Township (Tertiary Node), approximately 30km from Empangeni and 10 km from Richards Bay primary nodes.
- Mkhwanazi North Node is located in the outskirts of Vulindlela Township (secondary node) approximately 20 km from Esikhaleni secondary node, 25 km from Felixton secondary node, 30 km from Empangeni and 38 km from Richards Bay Primary Nodes.
- Mkhwanazi South Node is located in the outskirts of Esikhaleni Township (secondary node) approximately 20 km from Vulindlela, 30 km from Felixton secondary nodes; 45 km from Empangeni and 35 km from Richards Bay Primary Nodes.
- Madlebe Node: Madlebe is located in the outskirts of Ngwelezane Township (Secondary Node), approximately 20km from Empangeni and 40 km from Richards Bay primary nodes.
- Dube Node: Dube is located in the outskirts of Esikhaleni Township, approximately 30 km from Empangeni, 20 km from Richards Bay primary nodes; 15 km from Vulindlela/Dlangezwa and 25 km from Felixton secondary nodes.

Corridors : Local Context

Transport networks (corridors) are to be promoted as they are the 'veins' of economic growth and a catalyst in economic development. Areas that are highly accessible have better opportunities for economic growth by increasing their market threshold. Good transport systems ensure reliable transport of goods - increasing investor confidence. Diverse goods and services located along the transport network allows for the generation of income by taking advantage of passing traffic.

Primary Corridors

N2, John Ross Highway, P230 and MR496 are classified as Primary Corridors based on their strategic connectivity i.e. economic growth and development.

- N2: Links uMhlathuze with Durban, Mtubatuba, Hluhluwe, Mkuze, Pongola and Mpumalanga Province.
- John Ross Highway, P230 and MR496: Links UMhlathuze with Eshowe, Melmoth, Ulundi and Buchanana (in former Ntambanana).

Secondary Corridors

- SP231, MR166, P425, P2-4, P2-5, P535, P106, Part of John Ross Highway (from Mzingazi Canal
- to Meerensee Suburb sections), North Central Arterial and Anglers Rod are classified as Secondary
- Corridors as they provide access and linkages between the nodes the surroundings.
- P231/ North Central Arterial/Part of John Ross Highway: From N2 and John Ross Highway it links
- Richards Bay with Nseleni, IDZ and Port of Richards Bay other areas around Richards Bay.

- P425: Links Empangeni, Nseleni and surrounding traditional authority areas.
- P2-4 & P2-5: Links Empangeni, Felixton, Esikhaleni and Vulindlela.
- P535 & P106: Links Empangeni, Richards Bay, Vulindlela and Esikhaleni.
- Anglers Rod: Links Richards Bay and its surrounding with Meerensee Suburb, beach front and harbour.

Tertiary Corridors

- The P517, P343, Part of P2-4, Felixton High Street, East Central Arterial, West Central Arterial,
- Bayview Boulevard, Davidson lane, Krewelkring, Nkoninga and Fish Eagle Flight are classified as
- Tertiary Corridors as they provide access to a specify point of interest (POI).
- P517: Provides access to access to Nseleni and its surroundings.
- P343/Felixton High Street: Provides access to Felixton (Residential, Educational, Mondiiindustry/ manufacturing).

7.5 Land ownership

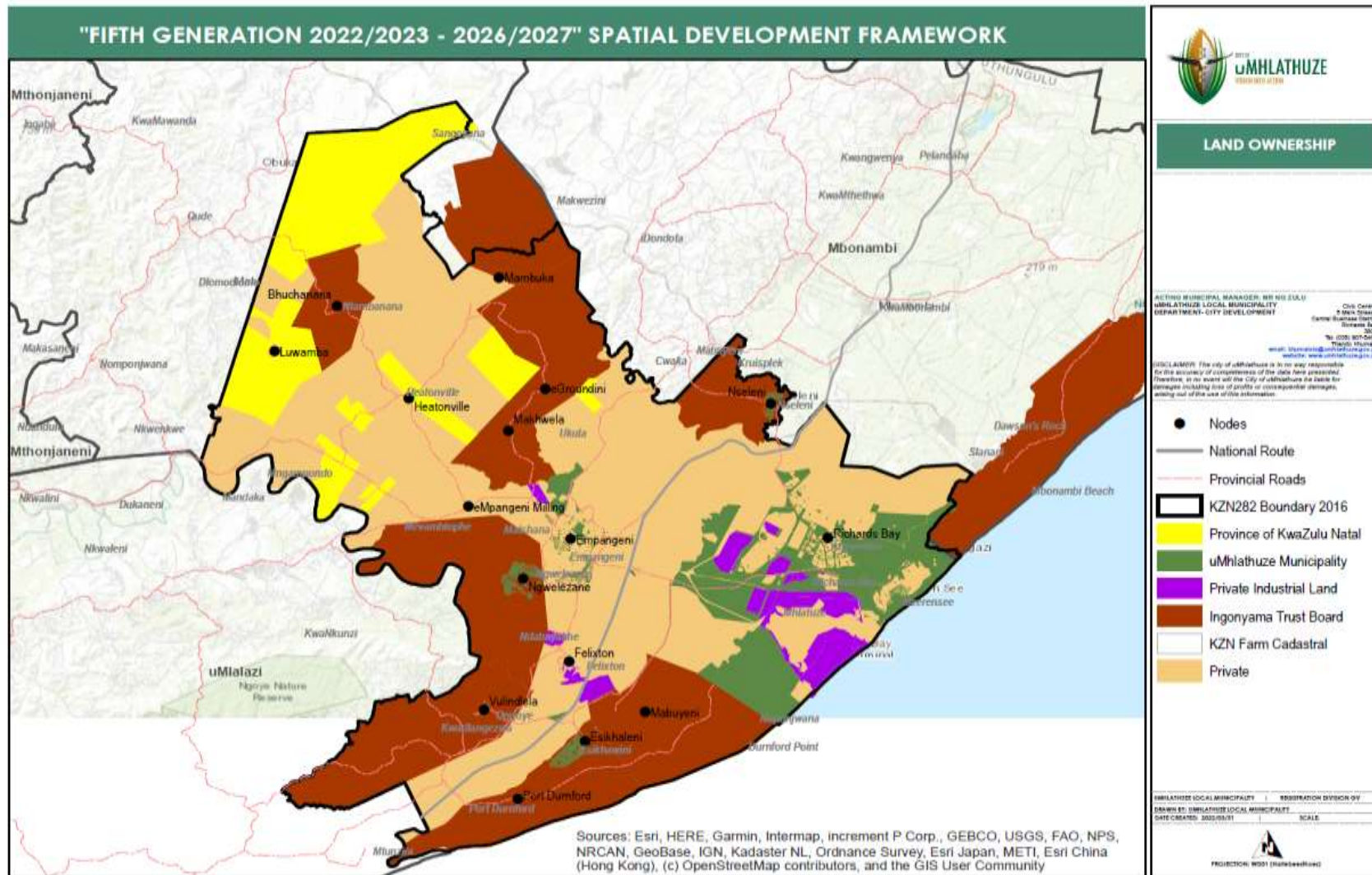
The following table provides a breakdown of the land ownership in terms of hectares

Table 3: 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

The above table indicates that 26% of land within uMhlathuze Municipality is under private ownership and 51% under Ingonyama Trust Board which is administered by Traditional Authorities. One of the biggest Municipal challenges in relation to land ownership is the distribution and allocation of land in the Ingonyama Trust Board land which is mainly administered by Traditional Authorities. Such distribution is common in the peri-urban and infill areas. This situation has led to the formation of unplanned settlements which put pressure to the Municipality from services provision perspective. The summary of challenges that are associated with settlements within Peri-Urban and Infill Areas (nonformalised settlements) can be further explained in detail in the Municipal SDF. Below is a map showing Land Ownership in uMhlathuze

Map 6: Land Ownership in uMhlathuze



7.6 Land Claims

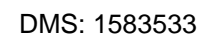
Land claims are made against the State in terms of the Restitution of Land Rights Act (No. 22 of 1994) and are resolved by way of physical land redistribution or other appropriate/practical means, e.g. financial compensation. Following the commencement of the Restitution of Land Rights Amendment Act (Act No. 15 of 2014), people who missed the 31 December 1998 deadline to lodge land claims now have an opportunity to lodge claims until 30 June 2019. It is important to note that the intention of land claims is not to stop development.

The Municipality is constantly engaging with the Land Claims Commission to attend to matters relating to land claims in the municipal area.

It has been determined that the following land claims in the municipality are being attended to:

- Mandlazini / Mambuka Land Claim (Ref No Krn6/2/2/E/21/0/0/3)
- Mambuka Amendment Claim (Amendment Notice 255 Of 2017)
- Mbonambi Land Claim (Ref No Krn6/2/2/E/21/0/0/67)
- Mndaba Group Land Claim (Ref No Krn6/2/2/E/21/0/0/53)

The relation of the Mambuka claim in relation to developments is also indicated. Land claims in respect of Mkhwanazi and Obizo (Cebhekulu) are understood to have been finalised and, once detailed information is available, such will be included into this document. Since 2020 significant progress has been made with the resolution of the Mandlazini/Mambuka Land Claim to the extent that the Council resolved during September 2021 to accept the offer to purchase by the Regional Land Claims Commission in respect of 5 properties for the purpose of resolving the matter











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










Table 4: Land Capability Breakdown


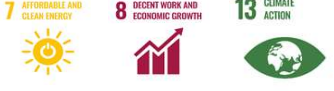

	Size(hectares)	Percentage(%)
High Land Potential	11548ha	9.89%
Good land Potential	73062ha	62.55%
Moderate Land Potential	21565ha	18.46%
Restricted Land Potential	2258ha	1.93%
Very Restricted Land Potential	6975ha	5.97%
Waterbodies	1400ha	1.20%
Total	116808ha	100%




7.8 Private Sector Developments /Catalytic Projects

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 and internal catalytic projects aligned to the SDGs are listed hereunder:

PROJECT NAME	STATUS
1. Airport Relocation   	<p>The strategic positioning of uMhlathuze has necessitated long term plans to relocate/ upgrade the current airport. A pre-feasibility study for the relocation of the Richards Bay Airport has been finalized. The study investigated the various criteria for relocation including tenure, economic imperatives, spatial and land use considerations, environmental risks etc. The project has been registered as a PPP and a Transaction Advisor has been appointed to undertake the Feasibility Study.</p>
2. Waterfront Development   	<p>The Municipality intends to develop the Waterfront Area that will delivers a space for the maritime economy, education and businesses, local and international port activities. The following is already in place:</p> <ol style="list-style-type: none"> 3. An Urban Design for Alkantstrand/Newark Beach adopted by Council; and 4. A Master Plan for the extended waterfront area. <p>A service provider has been appointed to undertaken detailed planning and prepare preliminary engineering designs for the Waterfront area.</p>
3. The Ridge  	<p>The proposed Ridge development is to accommodate a Hotel, High Density Residential units and ancillary land uses. The design reflects a "sense of place", "human scale" and possesses a distinct theme that will take cognisance of the location of the area. Tender for the Ridge development</p>

PROJECT NAME	STATUS
	has been awarded and project is at an advanced stage of detailed planning.
4. Green Hill 	Greenhill is situated on a Portion of the Remainder of Erf 5333, Greenhill, and is 22 758 m ² in extent. An Expression of Interest (EOI) for the development of a mixed use development with a health care centre as an anchor has been awarded. Documentation outstanding to conclude the lease agreement.
5. Richards Bay Multi-Modal Facility Precinct   	A number of processes have been completed and further work is underway for the development of the area from the Richards Bay Public Transport Facility, through the Central Industrial Area (CIA), to IDZ 1D in the Alton Industrial Area. Investment from public and private sources is being applied to create the precinct that has various facets, i.e. roads and bulk infrastructure, public transport facility upgrade, SMME support, commercial development as well as industrial development.
6. Expression of Interest for the Remainder of Erf 2627  	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.
7. Hydra Capella 132 kV  	Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.
8. Steel Bridge (Mzingazi Bridge) 	<p>The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalized and outlined:</p> <ul style="list-style-type: none"> o Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items. o Undertaking a topographical survey and other specialist studies required to inform the processes identified. o Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction. <p>The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.</p>

PROJECT NAME	STATUS
<p>9. Comprehensive Integrated Transport Plan (CITP)</p> 	<p>A Comprehensive Integrated Transport Plan (CITP) for the whole municipal area has been prepared. The CITP is a tool that links transports planning elements with related infrastructure in relation to the spatial development framework. It gives attention to measures to promote public transport, the needs of learners and people with disabilities, non-motorised transport, private transport and travel demand estimation.</p> <p>The CITP responds to transformative levers of the Integrated Urban Development Framework and implementation of the SDF. Given that the transport sector is a significant contributor of Greenhouse Gas emissions, the CITP (Non-motorized transport; efficient transport corridors; public transport etc.) is a key intervention area on the Municipal Climate Change Action Plan.</p>
<p>10. Empangeni CBD Revitalization Plan</p> 	<p>Empangeni developed beyond its planned framework and there is increasing pressure for land for housing and interrelated land use components, including transport related requirements. The town suffers substantial urban decay with associated (1) deteriorating ecological infrastructure, (2) hardened urban form and building inefficiencies and (2) spatial and land use inefficiency. A suite of plans has been developed or are under implementation for more efficient transport, stormwater management, energy efficiency as well as greening and landscaping etc. The Revitalization of the Empangeni CBD has further been earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).</p>
<p>11. Empangeni Mega Housing</p> 	<p>Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced.</p> <p>The project has the following proposed housing typologies:</p> <ul style="list-style-type: none"> - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster
<p>12. Feasibility Study into wastewater and associated by-products re-use</p> 	<p>The City of uMhlathuze (CoU) seeks to secure an adequate water supply to underpin its planned growth. As such, the CoU has undertaken a comprehensive feasibility study and identified the most viable solution for dealing with wastewater and associated by-products re-use generated within the City, in accordance with Section 120 of the Municipal Finance Management Act, 56 of 2003, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007). Phase 1, the Feasibility Study, has</p>

PROJECT NAME	STATUS
	been finalised and Phase 2, the Procurement, is being initiated.
13. Esikhaleni Fitness Centre 	Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. Support was also provided for designs and Specifications. The project has three main phases and an estimated cost of R165 million. Phase 1 is under implementation, i.e. fencing, relocation of services, earthworks, main entrance, guardhouse and combo courts.
14. Desalination Plan  	Plant was developed by Department of Water Service - DWS (completed February 2017) at a 10ML/day capacity. As part of the handover, it was agreed that DWS would cover all costs relating to the plant until transferred.

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 GEOTECHNICAL CONDITIONS

The uMhlathuze area is characterized by hydrological and geotechnical constraints. The following provided outlines the following categories:

- Developable with minor constraints
- Developable with costlier constraints
- Developed
- No Development recommended

7.9.3 Climate

The City of uMhlathuze is characterized by a warm to hot and humid subtropical climate, with warm moist winters. Average daily maximum temperatures range from 29°C in January to 23°C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1228mm and most (80 %) of the rainfall occurs in the summer, from October to March. Extreme rainfall and thundershowers has occurred on several occasions in the Zululand Region, resulting in extensive flooding with loss of

life, property and infrastructure. An increasing trend in the frequency of cyclonic activity has been observed, which needs to be considered in future planning of the region.

7.9.4 Water Resource Management

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 Biodiversity

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

7.9.6 Heritage

The City of uMhlathuze has high potential for archaeological heritage resources of different classes of significance. Although a considerable amount of sites has 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.

7.9.7 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 Nseze) are important water resources for the municipality. The development of Richards Bay in particular, with its industrial development, has seen a significant increase in the abstraction rates of these lakes over the past 20 years.

Ecological Features:

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

7.9.8 Environmental Services Management Plan

The Municipality compiled an Environmental Services Management Plan (ESMP) as broader planning tool to guide spatial development. The ESMP outlines a number of goals for Environmental Services Management. Two critical goals are:

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

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

- Nature Reserves (Level 1): Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. Included are unique habitats or areas that are considered important at International, National or Provincial level; estuaries, lakes, major wetlands, natural forests, coastal buffers and critically endangered habitats that are protected in terms of international or national legislation and/or treaties. It is recommended that these areas be proclaimed as nature reserves in terms of relevant legislation such as the National Environmental Management Protected Areas Act.
- Conservation Zone (Level 2): Included in the conservation zone are areas of biodiversity / environmental significance, which are not viable for proclamation as nature reserves, but that require some form of legal protection. Included are unique or regionally important natural habitats; wetland and forest areas that are protected in terms of national legislation; and all areas that fall within the 1:100-year flood line. No transformation of the natural assets or the development of land for purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

- **Open Space Linkage Zone (Level 3):** Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.
- **Development Zone (Level 4):** Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply. However, it is recognized that the development of these zones can impact on environmental services supply. As such, they should be developed in a manner that supports, or at least does not adversely impact on, the sustainability of environmental service supply in Level 1, 2 and 3 zones.

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

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.

7.9.9 Environmental Priorities and Objectives

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

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

7.9.10 Comparative and Competitive Advantages of the Municipality

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

Table 5: Competitive and Comparative Advantages

LANDSCAPE FACTORS: LAND USE	
Port and related infrastructure	As the main economic attraction of the area, the port is the overarching priority for stimulating the local economy. It is also a provincial priority in that it is the growth engine for one of the primary provincial growth nodes. Port and related infrastructure is classified as Strategic Important Developments and such is important for the national economy. Port expansion options are addressed in the Port Development Framework (2007) which has been integrated with the City's IDP and SDF and form parts of the City's Local Economic Development Strategy.
Transport	The City's Arterial Road Framework and Airport Framework Plan are under review. 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 (Economic Roadmap) makes provision for growth in the commercial sector by encouraging new initiatives for emerging businesses, the informal sector and SMMEs.
Agriculture	Agriculture is a provincial development priority (food security). The focus of the City's Agricultural Development Strategy and Plan is on traditional authority areas and addressed emerging farmers. There are no local priorities for agriculture expansion within the study area.
Tourism	The region within which the study area is located has been identified as a provincial tourism priority. The City's IDP

LANDSCAPE FACTORS: LAND USE	
	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 adopted Energy Sector Plan (2020) and an adopted Electricity Master Plan (2020) 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
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 (2020) to “protect natural resources by managing and minimising waste streams” in the study area. In view of future potential industrial expansion the Plan may need to be reviewed and strategies need to be devised, in cooperation with the District Municipality who is responsible for addressing the inadequate landfill capacity to serve the area over the short-term.
Water and sanitation services and infrastructure	The uMhlathuze Municipal area is supplied with potable water from Lake Mzingazi, Lake Cubhu, Nseleni river (Nsezi Lake) and Mhlathuze river. There are concerns about the long-term sustainable supply of water to sustain economic growth. The priorities for water and sanitation provision are specified in the City's Water Services Management Plan (2018) 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

LANDSCAPE FACTORS: LAND USE	
	threats of diseases and environmental problems posed by water and sanitation backlogs in the rural areas.
LANDSCAPE FACTORS: SOCIAL	
Community health and wellbeing	Reducing poverty and unemployment and inequalities are national and provincial priorities. 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.
Vulnerable communities	Rural communities are vulnerable because of their economic status. Poor people must receive special attention in planning. The threat of diseases and environmental problems posed by water and sanitation backlogs in the rural areas are important.

7.9.11 Environmental Governance

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

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

The overarching plan that enables Council to perform these functions in terms of the abovementioned two roles is the IDP, and its associated Sector Plans, as prescribed in legislation.

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:

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

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

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

Accountability towards Environmental Performance

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

Table 6: Tools for Measuring Environmental Performance

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
Permit Registers	Proposed	Community Services
EIA Registers (Internal & External applications)	Implemented	City Development
Air Quality Management Plan	Development of the plan is underway	Community Services
Wetland Management Plan	In Progress, Budgeted for	City Development, DWA, KZNWL, and DARD
Biodiversity Sector Plan	Prioritised	City Development, SANBI, KZNWL, and
Water Services Development Plan	Approved 2018	Infrastructure and Technical Services
Lake Management Plans	In progress, Draft available	Infrastructure and Technical Services
Alien Weed Control Programme	Commenced	Community Services
Estuary Management Plan	In Progress	Community Services
Heritage Management Plan	Proposed	City Development, King Cetshwayo District Municipality, DARD and KZNWL
Waste Management Plan	Adopted 2022	Community Services
Climate Change Strategy	Priority Plan	City Development
Energy Sector Plan	Adopted by Council (2020)	Infrastructure Services
Health / Air Quality Study	Adopted by Council. Implementation phase	Community Services
Low Emissions Development Strategy	Commissioned by DARD (CEDARA/Head Office)	Community Services, King Cetshwayo District Municipality,

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
	Commenced: Partnership with ICLEI	

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

7.9.12 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.

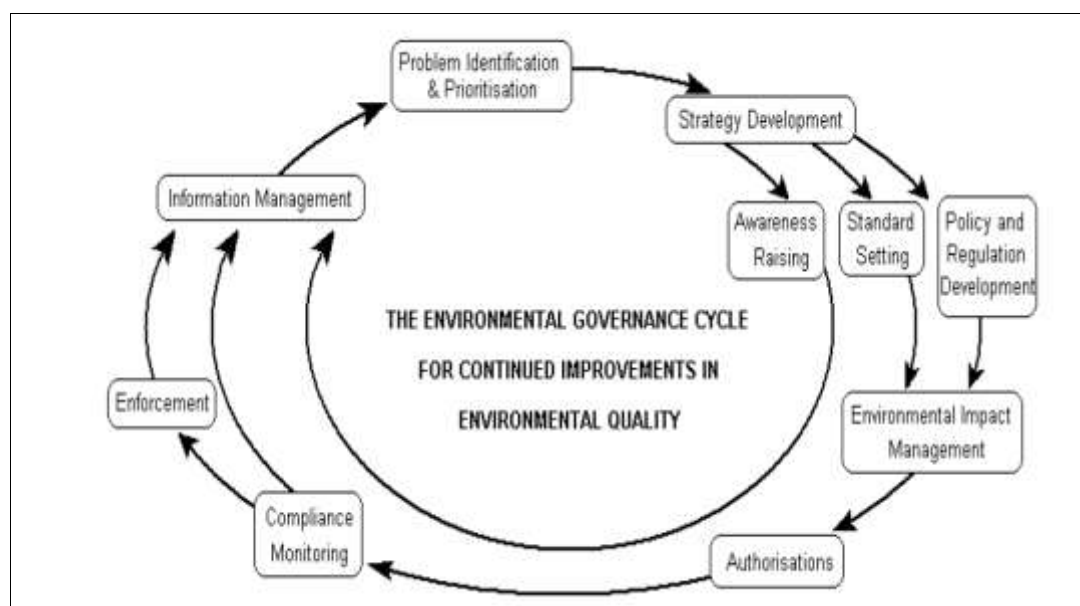
The City of uMhlathuze is known to be one of the highly industrialized areas in the country, consisting of various types of industries including smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, cement, blasting, sugar cane and expanding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

Considering previous studies that were conducted in the area, The City of uMhlathuze, with its limited budget 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.

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 2: Environmental Governance Cycle for Continued improvements in Environmental Quality



Awareness Raising

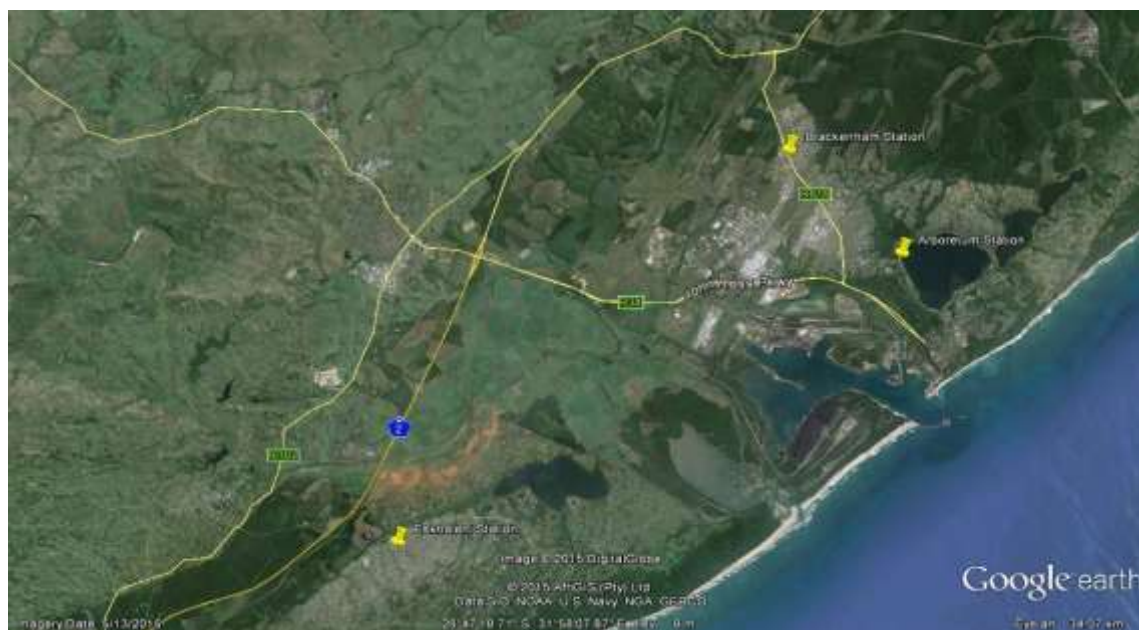
This is one of the strategies identified in the air quality governance cycle of the 2012 National Framework for Air Quality Management in the Republic of South Africa. The main purpose of awareness-raising is to bring about positive changes towards air quality. Sharing of knowledge, experiences and access 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
- 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 Brackenhams Cemetery. The data collected by these stations are continuously updated.

Map 8: Location of Ambient Air Quality Monitoring Stations (highlighted Yellow Pins)**Table 7: 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	Brackenham	28°43'48,90"	32°02'05,20"
3	eSikhaleni	28°52'08,50"	31°54'35,10"

The pollutants currently measured by these stations include sulphur dioxide (SO₂), nitrogen dioxide (NO₂), particulate matter with an aerodynamic diameter less than 10 microns (PM₁₀), particulate matter less than 2.5 microns (PM_{2.5}) and ozone (O₃). The stations also monitor meteorological data, including Wind direction (WD), Wind speed (WS), Temperature (T), Relative Humidity (RH) and Rain Fall (RF)

Table 8: Shows pollutants measured in each monitoring station

Station Name	SO ₂	NO _x	PM ₁₀	PM _{2.5}	O ₃
Arboretum	√	√	√	√	√
Brackenham	√	√	√	√	√
eSikhaleni	√	√	√	√	√

Table 9: Shows meteorological station and parameters that are monitored

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

Enforcement

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

AIR Quality Management – Future Plan of Action**Table 10: 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. Discussion of admission of guilt fines with the Chief Magistrate is in progress

Table 11: 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 assist in the expansion of air quality monitoring network	Passive sampling devices were deployed at seven (7) different sites within the jurisdiction of uMhlathuze. These seven sites include eNseleni, eMpangeni, Dlangezwa, Alton CoU Clinic, ZCBF, Melomed Hospital and vicinity of Harbour.
Air Quality Management Plan	Underway (2022)
Dispersion Modeling	Requested funding
Stricter Air Quality Management Standards	To be developed after implementation of by-laws

Table 12: 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 Testing	To reducing the motor vehicle emissions: To be implemented after intermediate stage
Health studies in relation to air quality	to determine relationship between air quality and illnesses within the City of uMhlathuze
Development of Air Quality Index	To indicate status of air for the area of uMhlathuze: To be developed after intermediate stage

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.

The City of UMhlathuze is working very close with the Transnet Ports Authority - TNPA, to address the coastal erosion matters along the City's coastline, in particular what is referred to as the northern beaches above alongside Alkantstrand. Over the years as an interim strategy a sand bypass system established by Transnet has been implemented, that which pumps dredged sand material from the dedicated sandtrap area onto the beach. More recently the City has collaborated with the TNPA into a more formal agreement to address these coastal erosion issues, through the establishment of an MOU (Memorandum of Understanding) agreement, which will clearly outline the roles and responsibilities of either party, and hold them both accountable. The finalization of this agreement is still in progress. However, in the more recent intervention measures, the City and TNPA are currently busy with a sand distribution project, which is currently within its environmental approval stages, and will address the immediate replenishment of these beaches with sand during the latter part of the current year

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 Impact of Biodiversity on Spatial Development

It is important to note that this impact has only been determined for the pre-2016 LGE portion of the municipality, and, as such, has to be expanded upon to include the whole post-2016 LGE municipal area. This section assesses the state and condition of

biodiversity assets within the jurisdiction of the uMhlathuze Municipality and implications thereof in terms of future development potential. The Biodiversity assets are mapped out and represented by, amongst others, the vegetation types within catchments.

The assessment is based on the functionality of geographically defined units rather than on individual vegetation types because the former implicitly includes the importance of spatial patterning and inter-connectedness. Functionality is defined here as the perceived ability of a landscape unit to maintain biodiversity. This must not be confused with the commonly used notion of the role of diversity in ecosystem functioning (supply of goods and services), which is addressed in the Environmental Services Management Plan of the municipality (KZ 282).

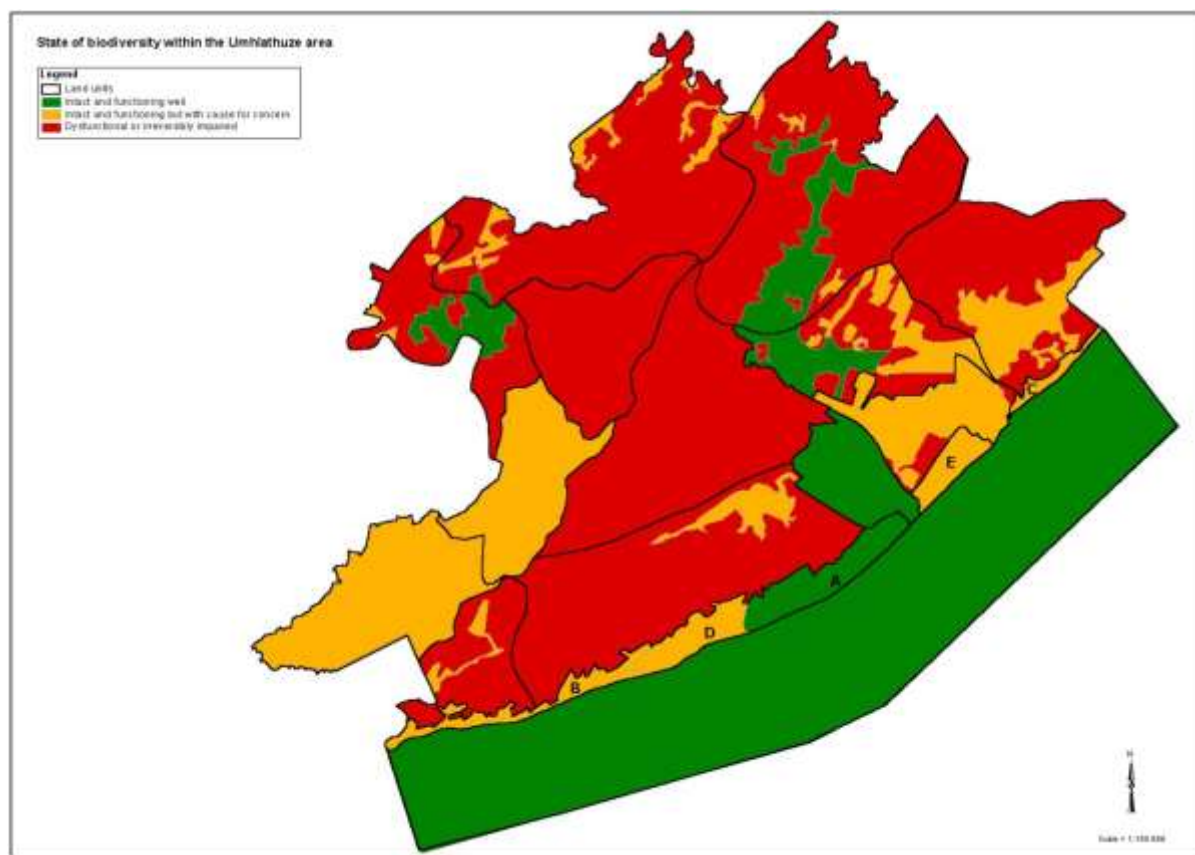
Other biodiversity assets of significance include the following:

- Estuary (landscape 6) and Lake Cubhu
- Nseleni valley (landscape 10), with fragmented extension into landscape 12 (upstream)
- An east-west corridor within Richards Bay (landscape 9)
- Grasslands, savanna and thicket of the upper
- Portion of the Mhlathuze catchment within KZ282 (landscape 13)
- Lake Mzingazi and environs (landscape 8)

The functionality assessment of biodiversity units is graphically summarized in the following figure, in which the ranks are simplified into a three colour code:

- Green for intact and functioning well
- Orange for intact and functioning but with cause for concern (e.g. Fragmentation is continuing apace or pronounced pollution inputs)
- Red for dysfunctional or irreversibly impaired

Map 9: State of Biodiversity Based on Functional Units

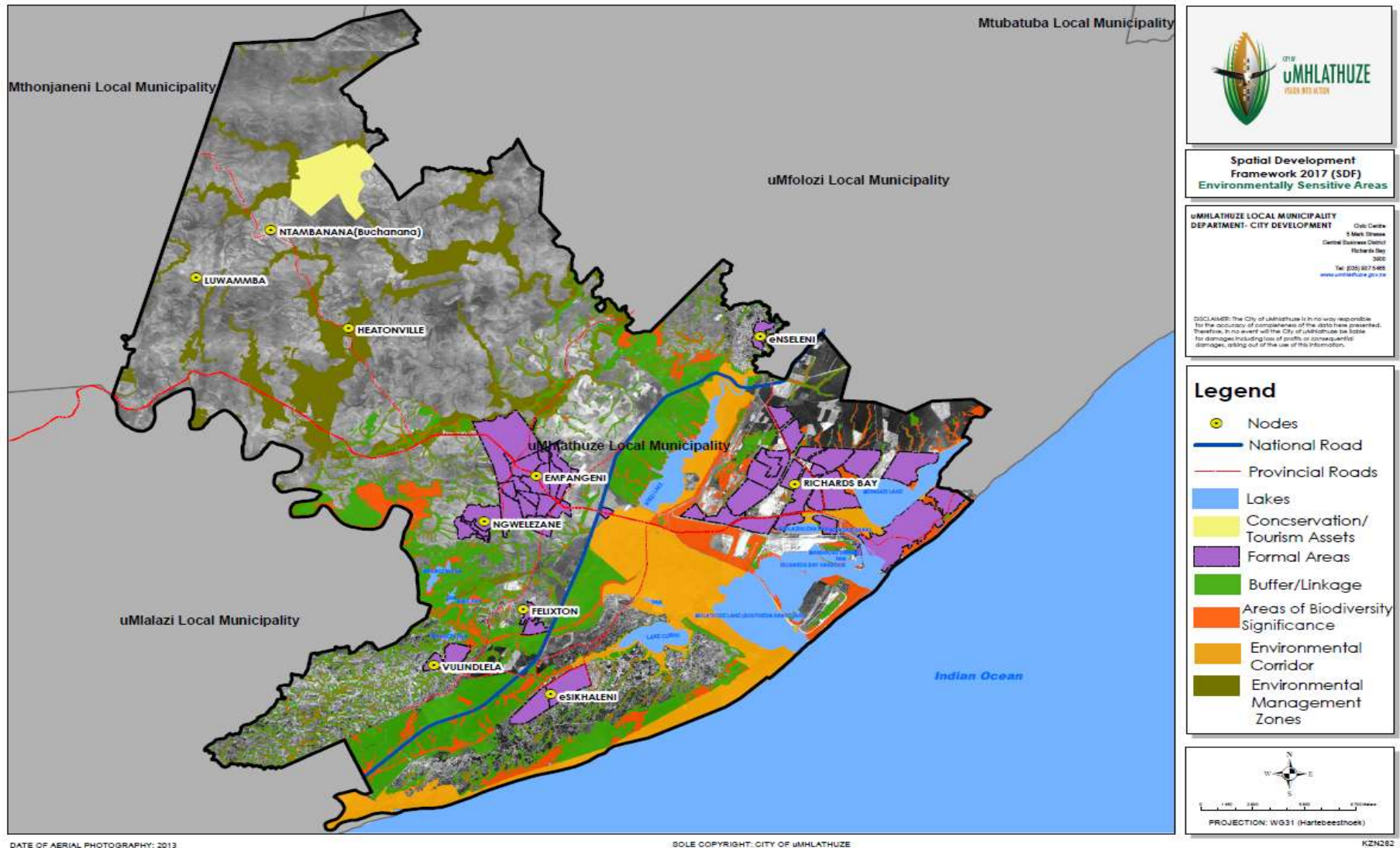


The ranking of each landscape is provided WITH the scale for ranking of functionality as follows:

- | | |
|---|------------------------|
| 1 | High functionality |
| 2 | Moderate functionality |
| 3 | Low functionality |
| 4 | Dysfunctional |
| 5 | Irreversibly impaired |

The greater uMhlathuze Municipal Area 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 of the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

Map 10: Environmental Sensitive Areas

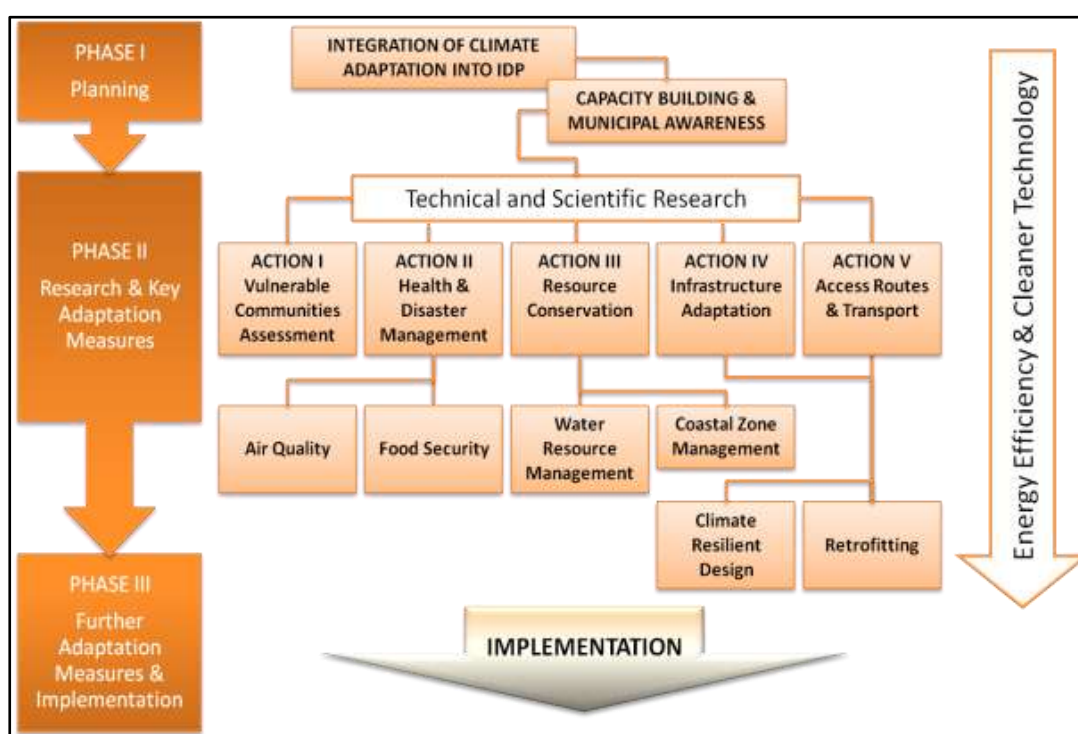


7.9.15 Response to Climate Change

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).

Figure 3: Phased Approach to Municipal Action Plan



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

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

7.11 Disaster Management

7.11.1 Status of Municipal Institutional Capacity

Disaster Management Framework

The City of uMhlatuze 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 Plan

The City of uMhlatuze has developed and completed and adopted a Disaster Management Plan in 2020 with annual reviews, 2021 and 2022. The Municipal Disaster Risk Management Plan is designed to establish the framework for implementation of the provisions of the Disaster Management Act, 57 of 2002, as well as the related provisions of the Municipal Systems Act, 32 of 2000.

The main objective of the Disaster Risk Assessment is to provide relevant information to enable and support the required disaster risk reduction planning and activities to be undertaken by the Municipality. Given their spatial relevance, the issues of overall vulnerability and resilience are briefly expanded upon:

Vulnerability can be described as the degree to which an individual, a household, a community, an area or a development may be adversely affected by the impact of a hazard. Conditions of vulnerability and susceptibility to the impact of hazards are determined by physical, social, economic and environmental factors or processes. It is also important to remember that vulnerability is dynamic, not static, as the vulnerability of communities change due to improvements or degradation of social, environmental and economic conditions, as well as interventions specifically aimed at reducing vulnerability, such as disaster mitigating actions.

Resilience characteristics relate to the capacity within the uMhlatuze area to counter the effects of hazards and vulnerabilities. Resilience levels consist of Manageability and Capacity values. Manageability is defined as the combination of all the strengths and resources available within the government departments and line-functions that can reduce the level of risk or the effects of a disaster. This includes the level of staff or human resources, available expertise, suitable experience, available vehicles, equipment, funding or budget allocations, facilities and risk reduction and response plans. Capacity is defined as the combination of all the strengths and resources

The Disaster Management Act (Act 57 of 2002) as well as the National Disaster Management Framework, requires that Municipalities conduct disaster risk assessments for

their area of jurisdiction. uMhlathuze Municipality has adopted a Disaster Management Plan (Level 2) in May 2020.

As part of the compilation of the plan, amongst others, the following was interrogated:

- The Legal Framework
- The Profile of the City of uMhlathuze, including population dynamics, topographical conditions and climatological conditions
- Institutional capacity
- Disaster Risk Assessment
- Disaster Risk Reduction
- Generic protocols, procedure and considerations for the establishment of a Joint Operations Centre (JOC)
- Information Management and Communication
- Recommended funding arrangements

In terms of the adopted plan, the preventative, risk-reduction and preparedness elements of the Municipal Disaster Management Plan (DMP) must be implemented and maintained on a continuous basis. The emergency response or re-active elements of the DMP will be implemented whenever a major incident or disaster occurs or is threatening to occur in the municipal area.

The three levels of planning are broken into critical outcomes and a series of action steps as summarized hereunder:

Table 13: Three levels of Disaster Risk Management

Level	Critical Outcomes
1	1. Establish foundational institutional arrangements for disaster risk management 2. Develop the capability to generate a Level 2 Disaster Risk Management Plan 3. Development and implement contingency plans for known priority risks
2	1. Establish processes for comprehensive disaster risk assessments 2. Identify and establish consultative mechanisms for specific priority disaster risk reduction projects 3. Develop a supportive information management system 4. Develop emergency communication capabilities
3	1. Establish specific institutional arrangements for coordinating and aligning disaster risk management plans 2. Establish mechanisms to ensure informed and ongoing disaster risk assessments 3. Institute mechanisms to ensure ongoing relevance of disaster risk management policy frameworks and plans

The following indicates the City of uMhlathuze Risk Rating.

Table 14: List of Priority Risks (Hazards)

RISKS	AREAS OF OCCURRENCE	FREQUENCY	MAGNITUDE/ IMPACT	EARLY WARNING	CAPACITY
Epidemic (Cholera) (COVID 19)	Close to the rivers and contaminated foreigners with diseases from other countries. In different areas depending on the nature epidemic.	When there is an out-break COVID 19 – 2020 to date (It's a global pandemic)	70% Killed more than half a million South African	Media, number of casualties Symptoms of dry cough, struggling to breathe, chest pains, body pains, headache, fatigue, etc.	80% (Declared state of Disaster, lockdown and enforcement of its regulations, awareness's, Hospitals, law Enforcement Agencies)
Civil unrest and Strikes	Esikhaleni, Dlangezwa, Port Durnford, Mabuyeni, Macekane, Gobandlovu	During service interruptions and grievances	Damaging of infrastructure, Economical	Unpredictable	SAPS, Fire and Rescue, Waste Management, Councillors, Municipality
Veld Fires		Once in a year, 2 or 3 days	60% open field and plantation	SA Weather services, wind speed, dry veld, fire danger index	82% fire services
Structural Fires	Nseleni, Esikhaleni, Ndabayakhe, Ngwelezane, Dumsani Makhaye	Throughout the year	45% households and other buildings	Load shading, illegal electric connections, unmonitored used of candles	82% fire services
Vehicle Accidents	N2 and John Ross Highway	Throughout the year		Over speeding, reckless driving, un-road worthy vehicles	Fire services, traffic officers, EMRS, SAPS
Flooding	Esikhaleni, Nseleni, Mabuyeni, Matshane, Ngwelezane	During heavy rains		Weather services, blocked drains, uncleaned water drainage, water measuring poles	Fire and rescue, Environmental Health, SAPS, EMRS, Agriculture, storm water and rural roads, clinics
Strong Winds	Matshane, Ndabayakhe, Esikhaleni, Nseleni, Niwe, Empangeni, Richards Bay		70%	Weather services	
Air Pollution	Richards Bay industries, Nseleni, Bay Stone, Filixston	Throughout the year	30%	Smoke, smell, dust	

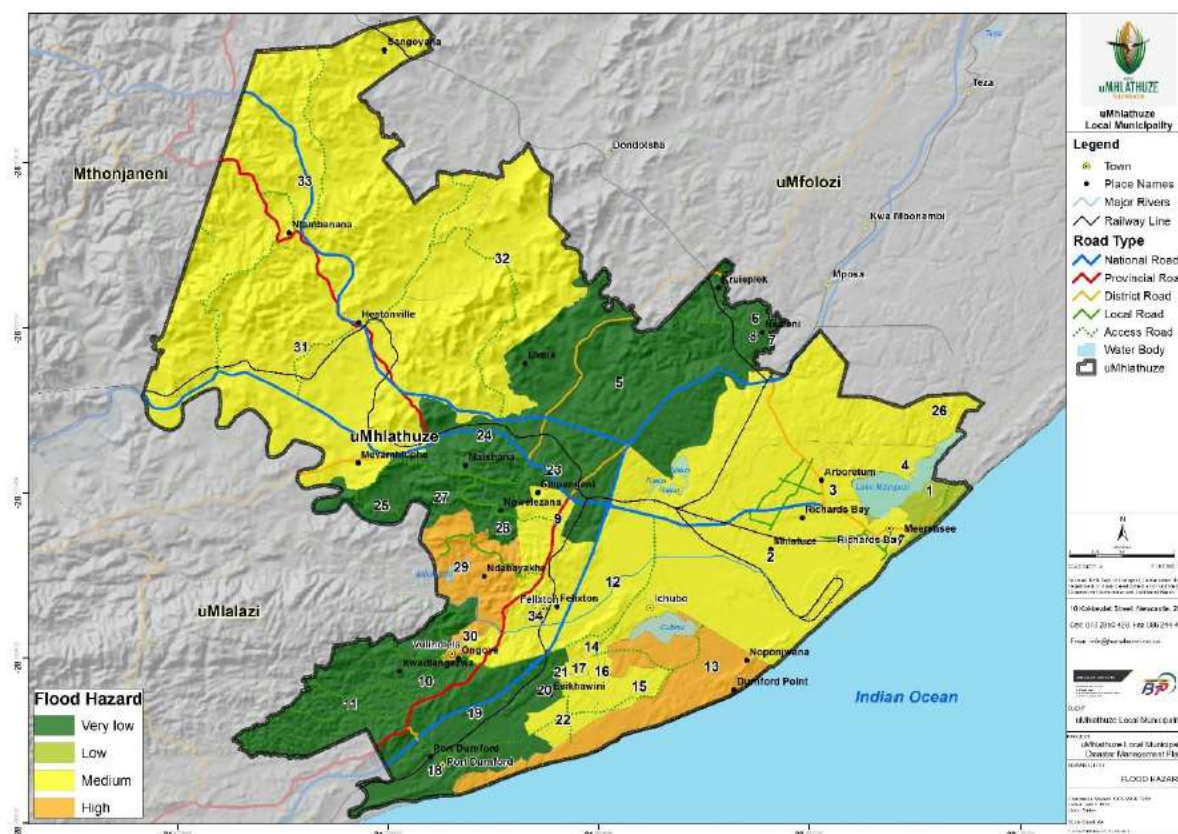
Illegal Dumping	Richards Bay open velds, Esikhawini, Nseleni, eMpangeni,	Throughout the year	40%	High grass and tree next to the settlements	
Draught	Entire uMhlathuze	Severe climate change	78%	Severe heat, dry rivers and dams, no rain	
Crime	House breakings. Rape, Hijackings, Arm robbery	Throughout the year	55%	Level of unemployment and poverty, rate of school leavers and substance abuse, hide away places	

Table 15: Risk Rating

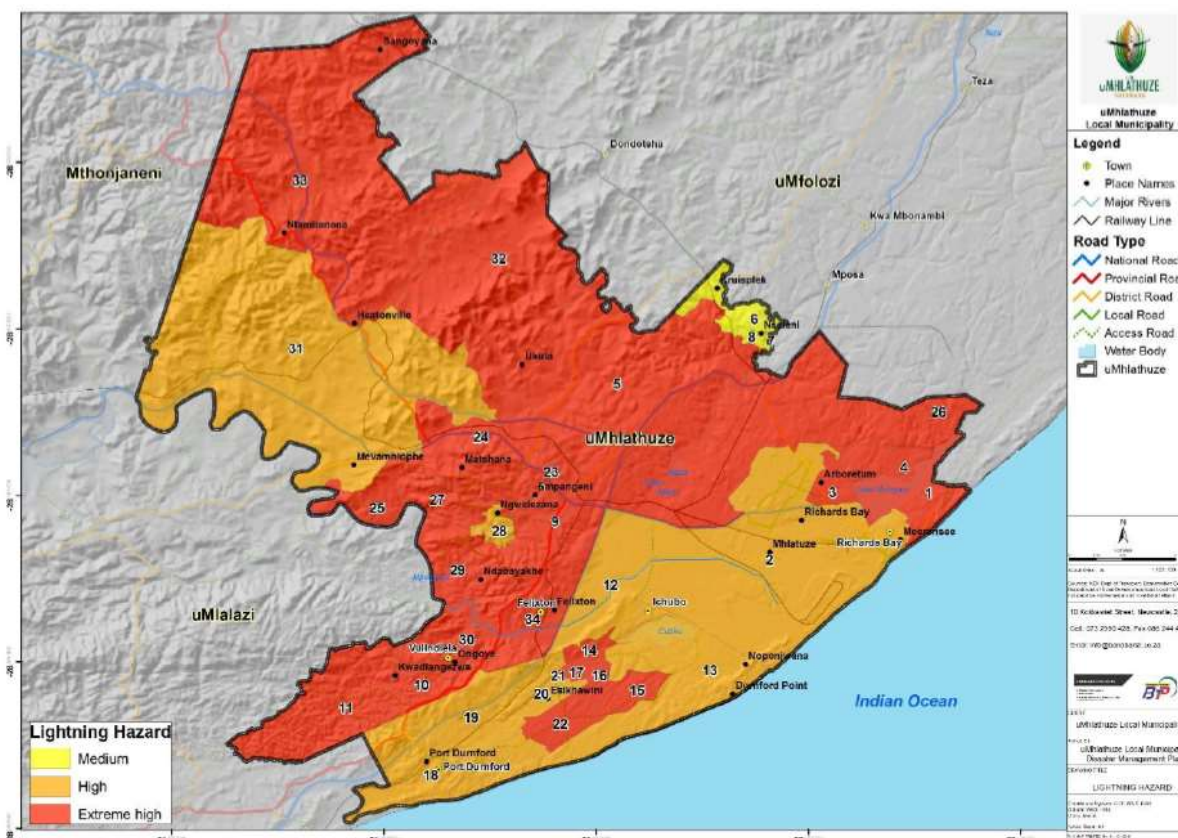
Main Category (CITY RISK RATING)	RISK (City)
Hydro-meteorological Hazards - Severe Storms (Lightning)	0.90
Hydro-meteorological Hazards - Severe Storms (Heavy Rainfall)	0.86
Hydro-meteorological Hazards - Floods (River)	0.83
Fire Hazards - Veld/Forest Fires	0.77
Hydro-meteorological Hazards - Severe Storms (Wind, Hail)	0.75
Fire Hazards - Formal & Informal Settlements / Urban Area	0.75
Hydro-meteorological Hazards - Severe Storms (Snow)	0.72
Transport Hazards - Road Transportation	0.71
Geological Hazards - Rock-fall	0.71
Hydro-meteorological - Drought	0.70
Pollution - Air Pollution	0.70
Transport Hazards - Air Transportation	0.69
Transport Hazards - Rail Transportation	0.67
Environmental Degradation - Erosion	0.66
Pollution - Water Pollution	0.65
Disease / Health - Disease: Animal	0.61
Hazardous Material - Hazmat: Spill/Release/Fire/Explosion (Storage & Transportation)	0.59
Pollution - Land Pollution	0.57
Environmental Degradation	0.57
Geological Hazards - Earthquake	0.55
Structural Failure - Dam failure	0.52
Infrastructure Failure / Service Delivery Failure - Information Technology	0.52
Major Event Hazards (Cultural, Religious, Political, Recreational, Commercial, Sport)	0.51
Disease / Health - Disease: Plants	0.46
Civil Unrest - Terrorism	0.45
Civil Unrest - Xenophobic Violence	0.44
Hydro-meteorological Hazards - Extreme Temperatures	0.38
Civil Unrest - Refugees / Displaced People	0.37

The following series of mapping spatially depicts an analysis of veld fire hazard, structural fire, flood hazard, lighting and drought hazards.

Map 13: Flood Hazard Assessment



Map 14: Lighting Hazard Assessment



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 District Disaster Management Center (The designated head of Disaster Management Centre was appointed as per the Act)
- Representatives of line function departments in the municipality
- Traditional leaders
- Councilors responsible for disaster management
- Non-Governmental Organizations (NGOs)
- Community Based Organizations (CBOs)
- Private Sector E.g. Chamber of Business
- Institutions that can provide scientific and technological advice

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

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

7.11.2 Disaster Response and Recovery

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

7.11.3 Training and Awareness

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

The City of uMhlathuze is committed in ensuring that, during risk 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,

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

7.11.4 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.

7.11.5 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

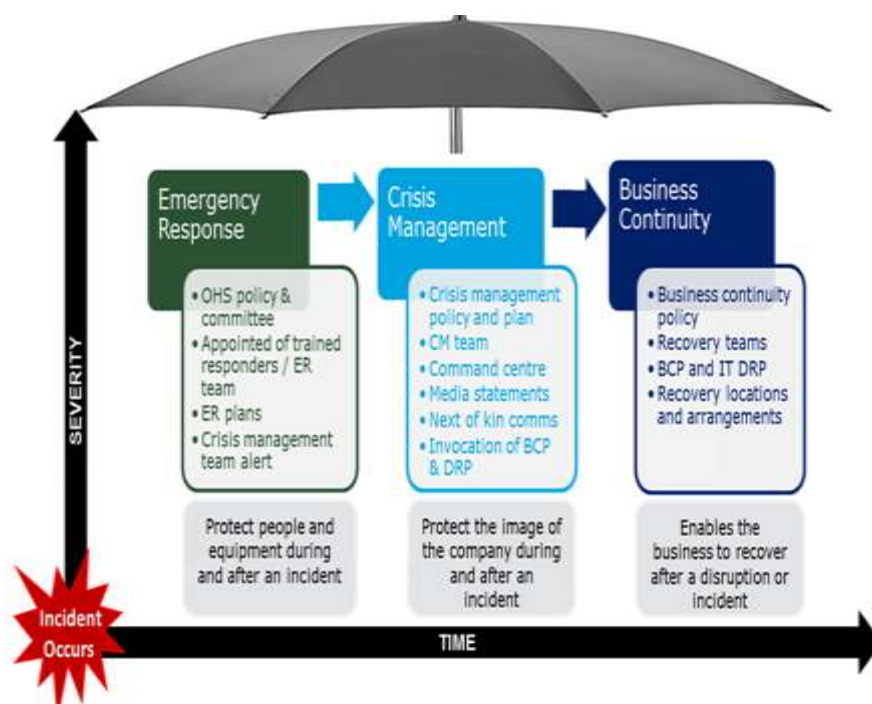
In the event of a material disruption to its critical activities, the City of uMhlathuze is committed to ensuring the continuity of the Municipality by:

- Ensuring the safety and wellbeing of its employees, contractors and visitors
- Protecting the wellbeing of the environment and society in which the Municipality operates
- Minimising the adverse impact of the disruption to the Municipality'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:

Figure 4: 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:

Figure 5: BCM lifecycle (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
<ul style="list-style-type: none"> Disaster Management Framework in place Disaster Management Plan in place Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework. Disaster Management Advisory Forum in place 	<ul style="list-style-type: none"> Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area lack of resources such as appointment of support of staff and equipment Lack of capacity to adequately handle all kinds disaster related incidents Poor coordination between departments to respond to disaster situations Inadequate communication platforms for disaster alerts and responses
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Existing disaster management center located at the Fire Station Potential growth in terms of expanding and economical Collaboration with the private sector and government departments Training and activation of community based disaster management volunteers Improving human settlement planning in collaboration with traditional institutions Fully functional disaster management center Institutionalization of business continuity –disaster recovery plan 	<ul style="list-style-type: none"> The location of the municipality on the coastline and its proximity to shipping routes present numerous natural marine and coastal threats. Due to the deep-water port in Richards Bay, the City is a choice location for heavy industries that inevitably present a range of human-induced disaster risks. The settlement of communities in disaster high risk areas Draught and inclement weather

8. DEMOGRAPHIC CHARACTERISTICS

8.1 Demographic Indicators

8.1.1 Population and Household Numbers

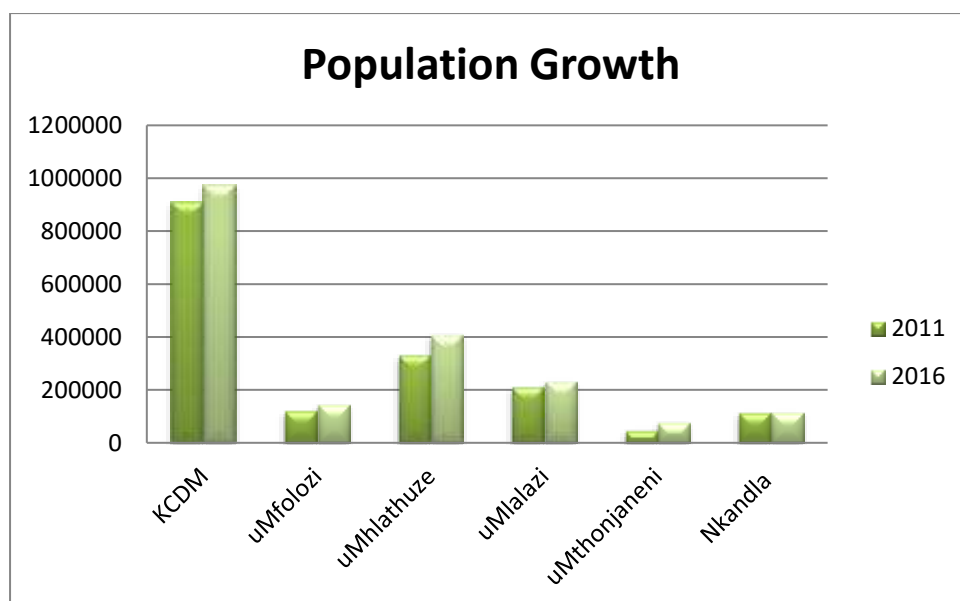
UMhlathuze Municipalities is located in King Cetshwayo District. The population increase in King Cetshwayo District, broken down per municipality is indicated in the table and explanatory figure herewith.

Table 16: Population Numbers

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

Source: Statistics SA, Census 2011 and Community Survey 2016

Figure 6: Population Growth



Source: Statistics SA, Census 2011 and Community Survey 2016

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, as per table 9 and Figure 4.

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 three (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 a 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 Community Survey.

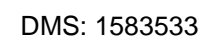


Table 17: Population Growth Scenarios from 2016 to 2030

	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

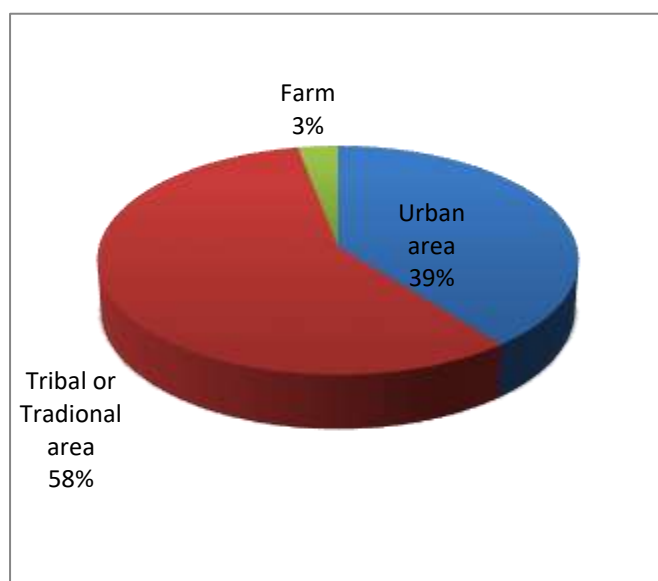
From the above, the following is highlighted:

- At a steady population increase of 1,5% per annum, the municipal population will surpass 500 000 people by 2030.
- 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.
- At such a 5% per annum population growth rate the number of households in the municipality will double by 2030.

Table 18: 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

Source: Statistics SA (Census 2011)

Figure 7: Geo Type

Source: Statistics SA (Census 2011)

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

8.1.2 Population Gender Breakdown

Table 19: Population and Gender per Ward

Ward	Male	Female	Grand Total
1	5966	6179	12145
2	6377	5877	12254
3	4510	4548	9058
4	6168	6304	12472
5	8003	7560	15564
6	6371	6173	12544
7	3116	2780	5896
8	2577	2559	5137
9	6473	7085	13558
10	5277	6033	11310
11	4295	4836	9131
12	4234	4341	8574
13	7190	7738	14928
14	6033	6283	12315
15	5808	6444	12252
16	3669	4132	7801
17	4949	5514	10463
18	7050	7837	14887
19	5626	6394	12020
20	4055	4497	8552
21	3377	3573	6950
22	4180	5001	9181
23	5461	5242	10703
24	10346	7985	18331
25	6804	7067	13871
26	5622	5901	11523
27	4090	4783	8873
28	3550	3890	7440
29	7281	8086	15367
30	4485	6874	11359
31	4767	5052	9819
32	4443	5031	9474
33	5022	5688	10710
TOTAL	177175	187287	364462

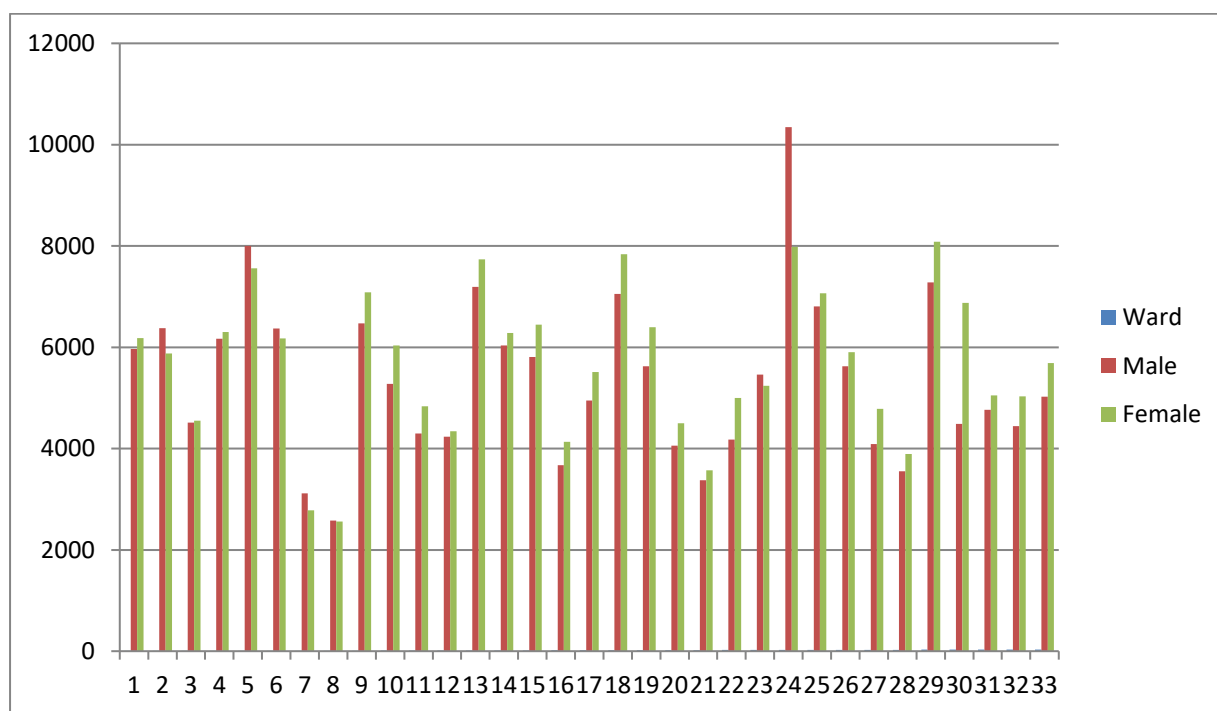
The municipal wards that have the highest population numbers above 10 000 are wards 1,,2 4, 5, 6,9,10 13, 14,15,17, 18, 19, 23, 24, 25 ,26, 29, 30 and 33.

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, 6, 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.

There is a challenge with Ward 33 population statistics, it is a new ward formed and officiated after the re-determination of municipal boundaries. At this state the municipality has used old statistics of combined boundaries, until the next census 2021.

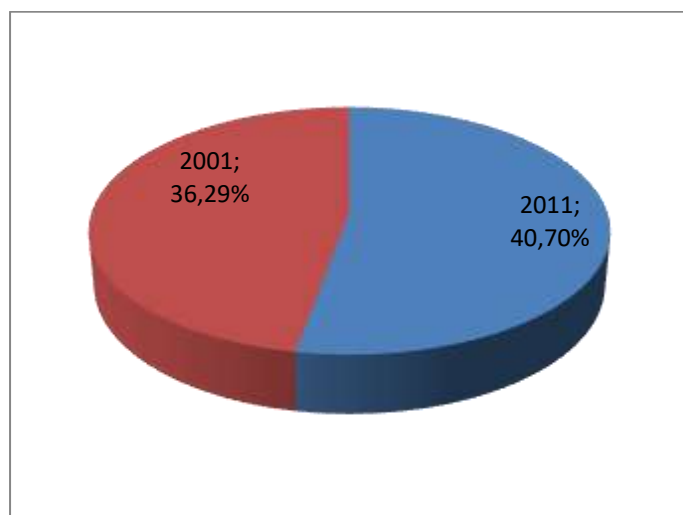
As this affects the municipal planning, the City is in engagements with the Statistics SA to assist with a methodology for conducting own survey and a validation criteria of outcomes. **Source: Statistics SA, (Census 2011)**

Figure 8: Gender Breakdown per Ward



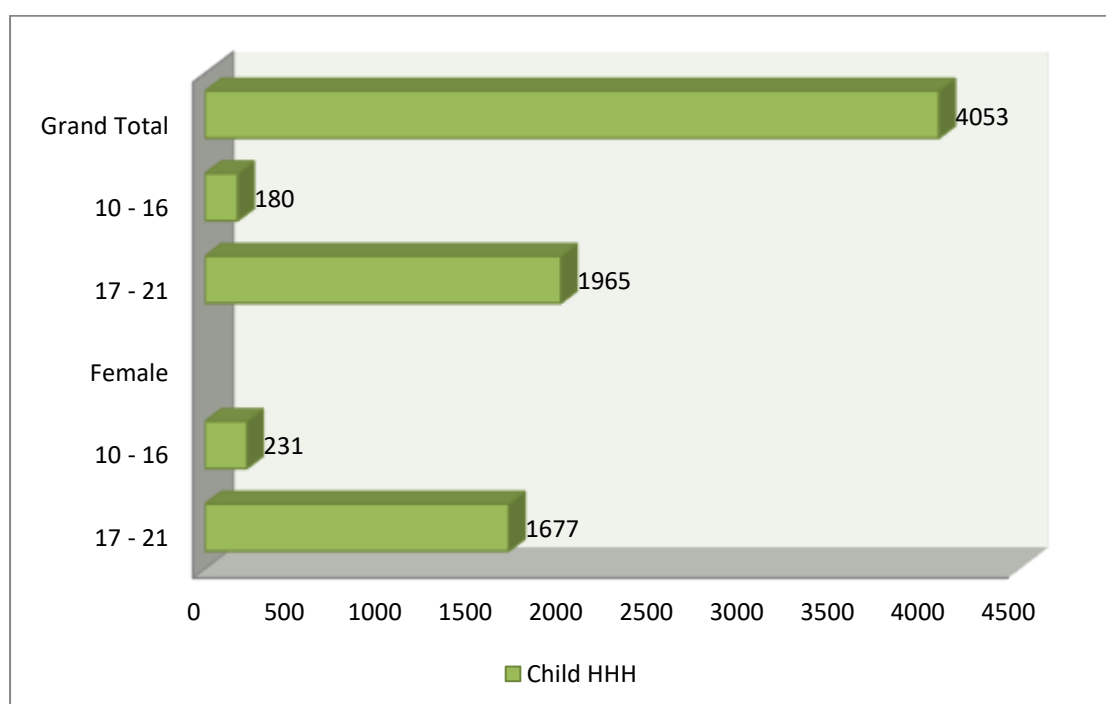
Source: Statistics SA, (Census 2011)

Figure 9: Female Headed Households



Source: Statistics SA, (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.

Figure 10: Child Headed Households

Source: Statistics SA, (Census 2011)

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. 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.

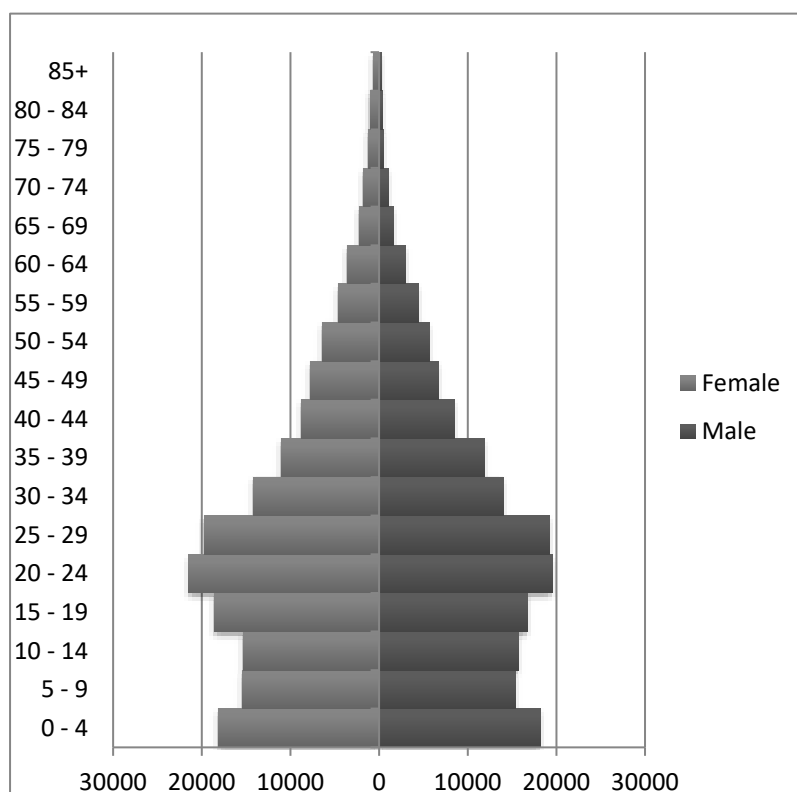
8.1.3 Age Breakdown

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 20: Population Age Structure

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

Source: Statistics SA, (Census 2011)

Figure 11: Age in Completed Years by Gender

Source: Statistics SA, (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 Demographic Dividend

The demographic dividend is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older).

From the figure above it shows that uMhlathuze has more population falling with the 0-4 and 15-29 age groups. This means about 60 percent of the population in the least in uMhlathuze is under age 24, these rising numbers of young people, accompanied by steady fertility rates, offer a critical window of economic opportunity in uMhlathuze. This means the City had a potential for economic gains which could be enormous, hence the plan is to put more focus on developing relevant policies in order to strategically invest in human capital, particularly among young people in the municipality. Such policies include improving access to quality education and jobs, as well as investing in the health, particularly the sexual and reproductive health, of young people in the City of

uMhlathuze. These plans further expanded on the following chapters as well as in the implementation plan. The City is committed into improving demographic dividend by:

- Improving the quality of and access to education to adequately respond to labor market needs;
- Ensuring the right of young people to decent work through effective policies that generate stable, safe, secure, non-discriminatory employment, especially in regard to gender;
- Developing youth capacity for interaction and building healthy social relations, prevent social isolation, promote conscious sexual and reproductive health awareness;
- Committing to prioritizing the creation of jobs and skilled work force by increased investment that foster youth entrepreneurship and provide capacity building to young people;
- Actively involving young people in policies and national and regional programs;
- Enabling effective participation of young people as volunteers and leaders of social change without being subjected to exploitation, violence or deprivation of rights;
- Activating various mechanisms and joint Arab institutions dealing with youth issues for enhanced networking in support of greater efficacy and feasibility.

8.1.5 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)

8.1.6 Education

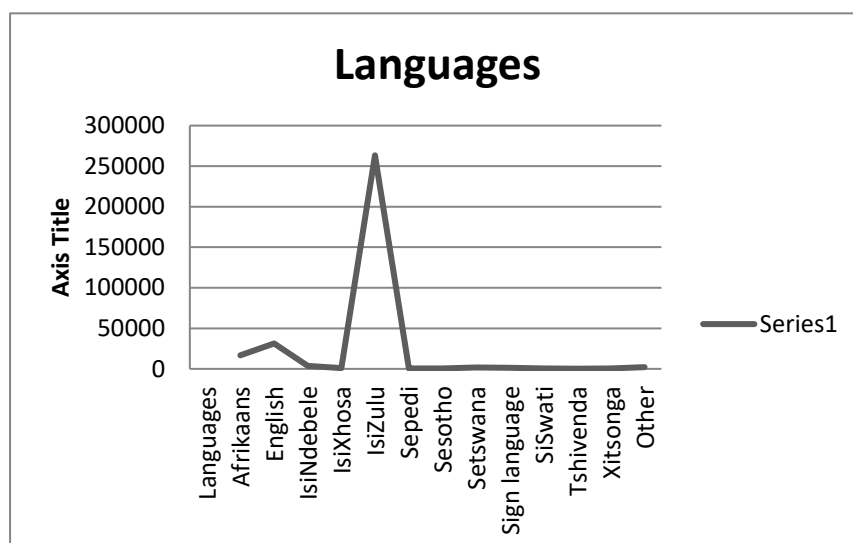
Education levels are provided for the 2001 and 2011 census years. Comparisons are made with the levels in the country, the uThungulu District (now King Cetshwayo district) as well as the local municipalities in the uThungulu district. The following table provides a summary of the situation while more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

Table 21: 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: Statistics SA, Census 2011

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

Figure 12: Language for Persons Weighted in uMhlathuze

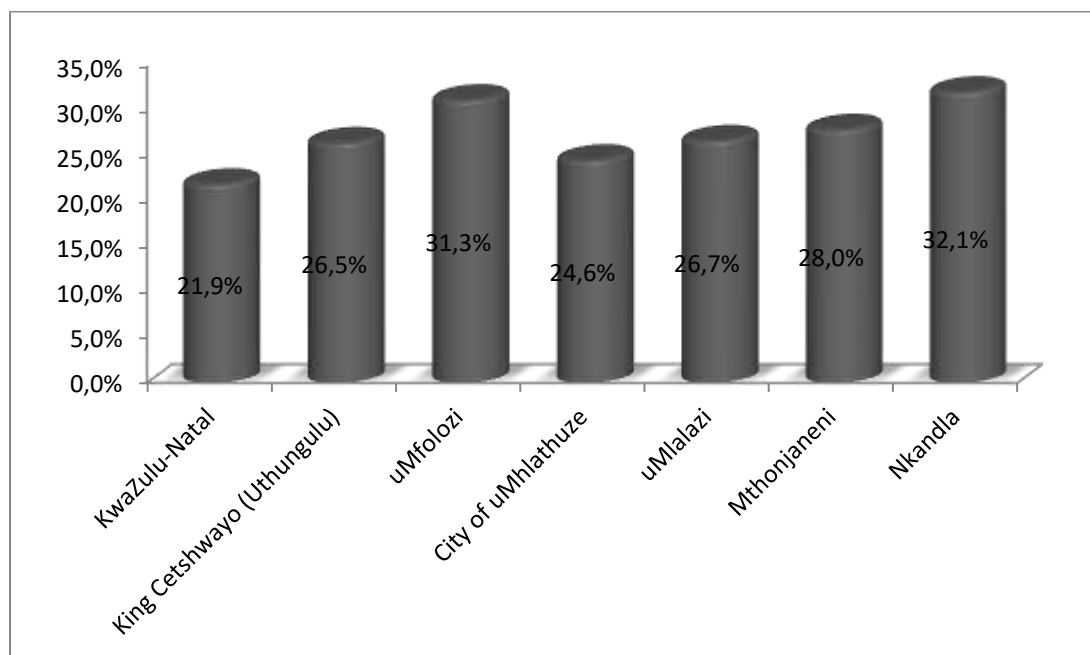
Source: Statistics SA, Census 2011

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.

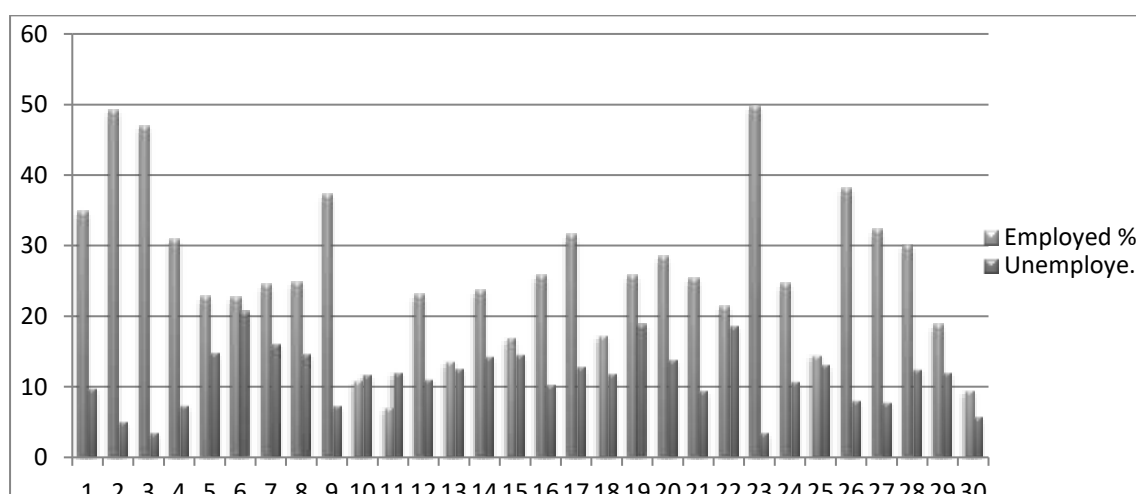
8.1.7 Employment

Figure 13: Total Employment within KwaZulu Natal



Source: Global Insights 2017

Figure 14: Percentage Employment per Ward



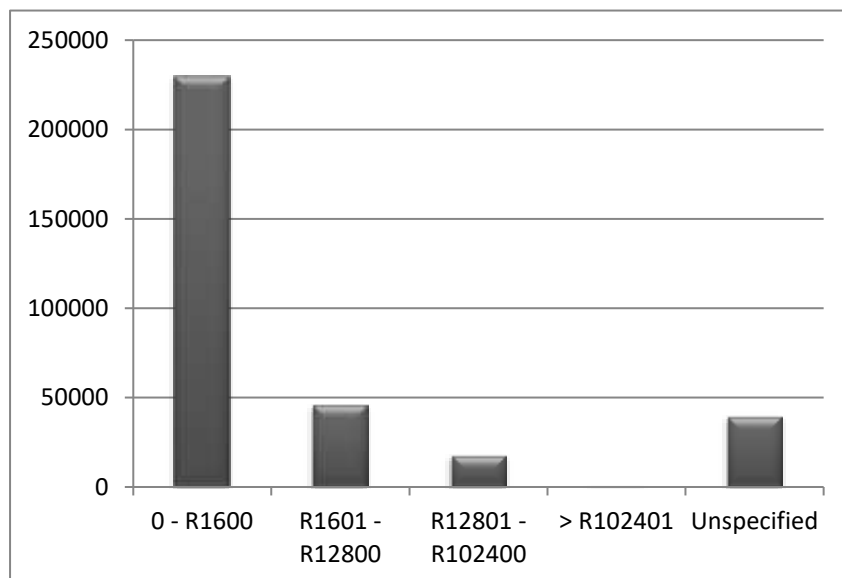
Source: Statistics SA, (Census 2011)

The above figure shows the percentage of persons in the respective municipal wards that are employed and unemployed. The highest percentage employment is in Ward 1, 2, 3, 9, 23 and 29. These wards largely correlate with the developed urban areas of Richards Bay and Empangeni. Unemployment levels seem to be highest (as a percentage) in Wards 6, 19 and 22. These wards largely correlate with areas that are developing (densifying) on the urban periphery of ESikhaleni and Nseleni. 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 is 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. Although the above table does not indicate percentage (%) but numbers only, it still provides a clear indication of the magnitude of poverty (in respect of income levels) in the respective wards. Very high numbers of persons in Wards 5, 6, 13, 15, 18, 25 and 29 earn less than R1600 per month.

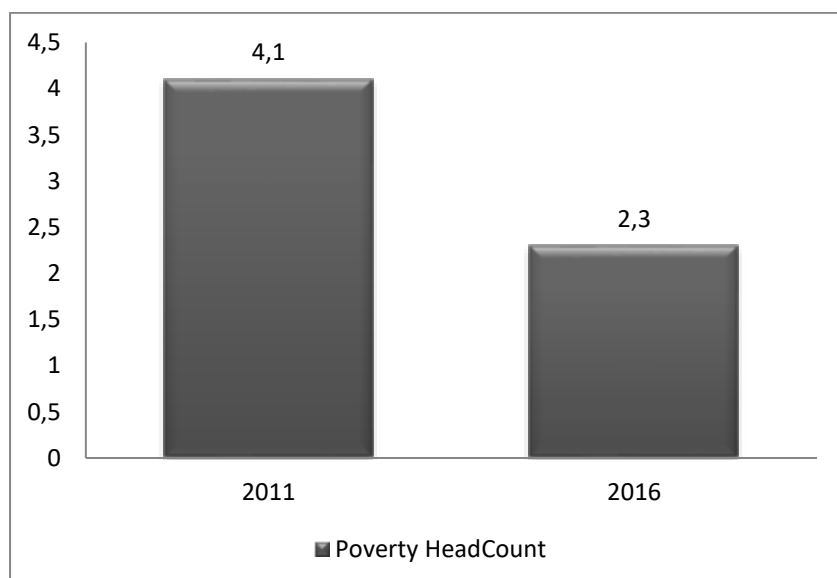
Figure 15: Monthly Individual Income in uMhlathuze



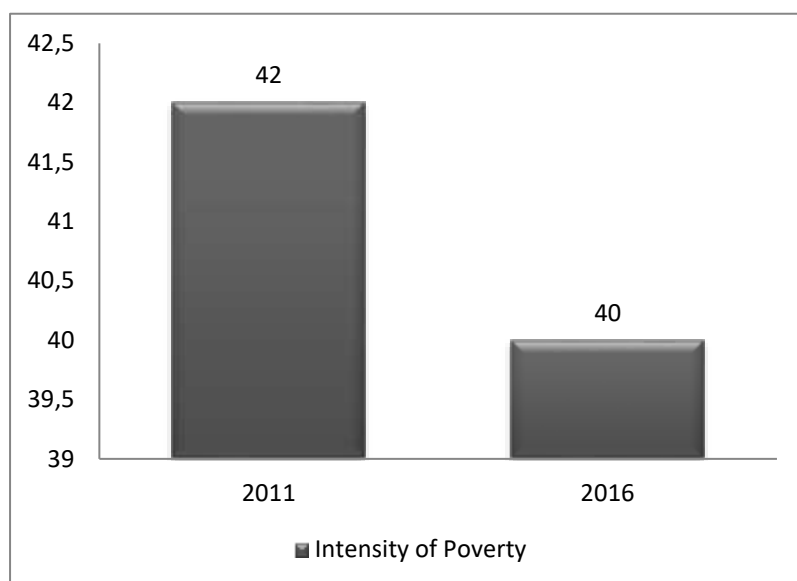
Source: Statistics SA, Census 2011

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

Figure 16: Poverty Head Count



Source: Statistics SA, Census 2011 and Community Survey 2016

Figure 17: Intensity of poverty

Source: Statistics SA, Census 2011 and Community Survey 2016

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

Table 22: Comparative Dependency Ratio

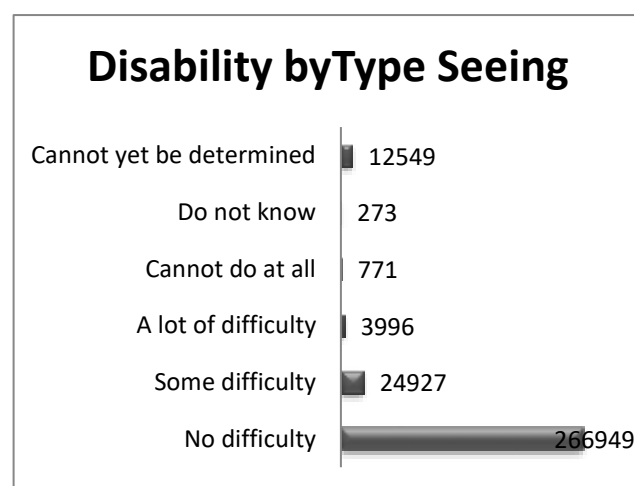
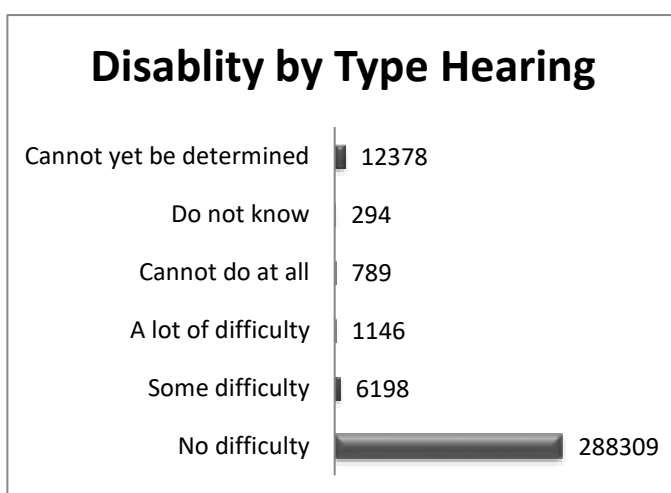
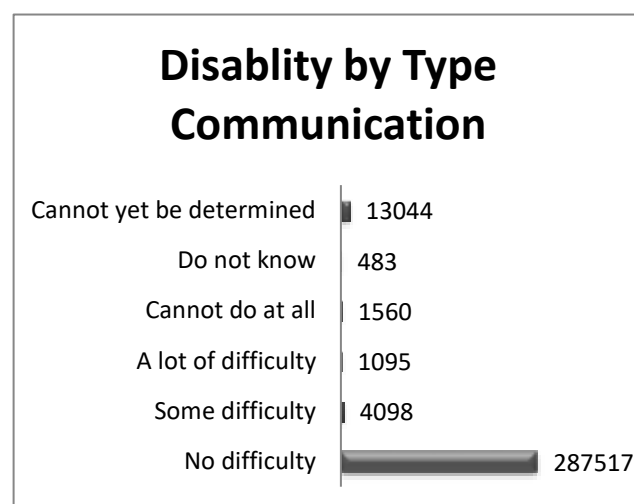
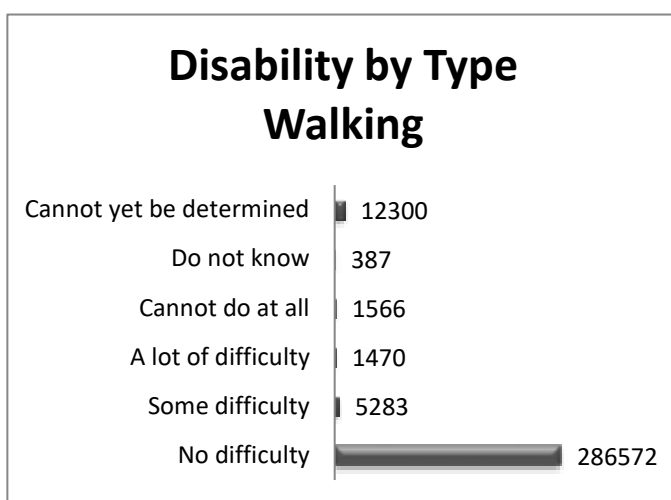
	Dependency Ratio	
	per 100 (15-64)	
	2001	2011
SOUTH AFRICA	58.7	52.7
KWAZULU-NATAL	65.4	58.5
DC28: Uthungulu	74.5	64.7
KZN282: uMhlathuze	55.8	48.2
KZN286: Nkandla	99.2	86.6
KZN281: Mfolozi	80.2	68.2
KZN283: Ntambanana	85.7	79.3
KZN284: uMlalazi	81.5	74.9

Source: Statistics SA, 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 Cetshwayo) 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.



Source: Statistics SA, Census 2011

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

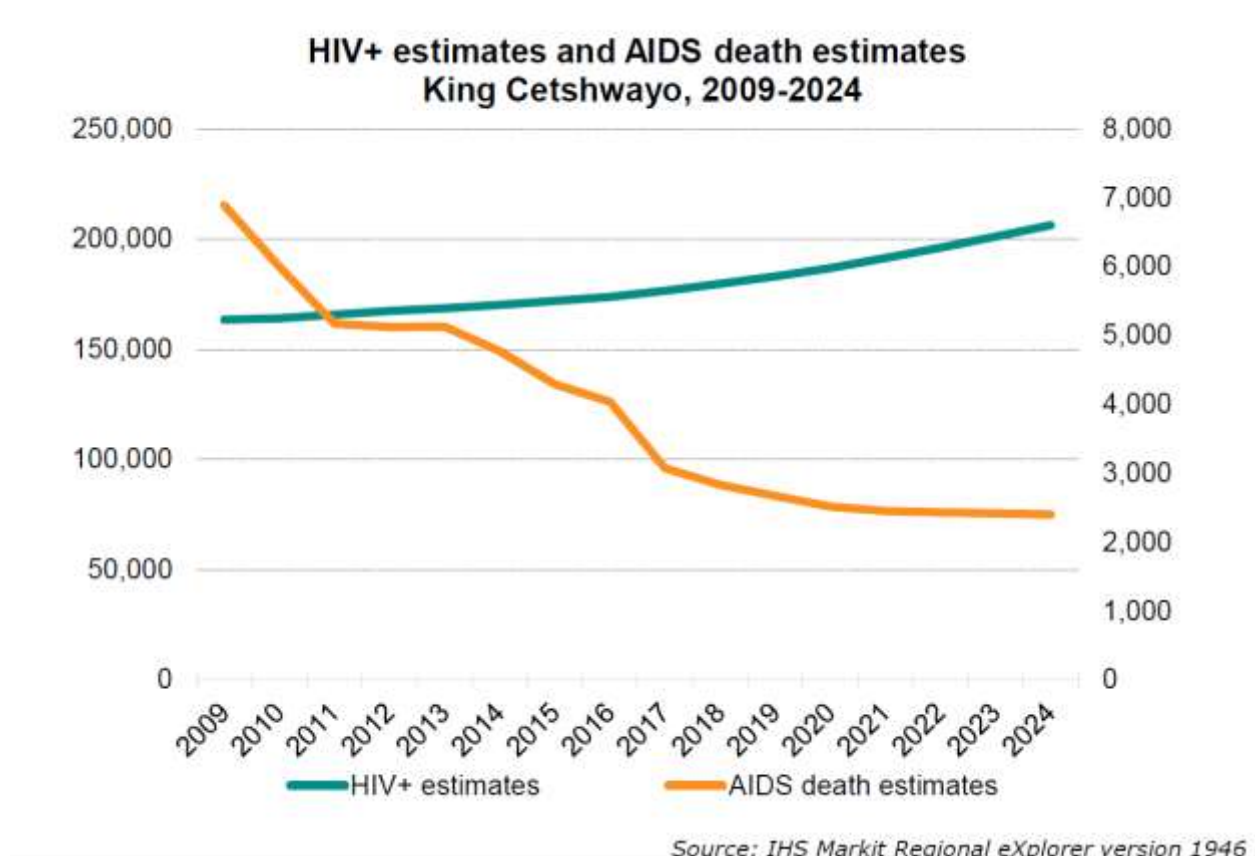
uMhlathuze is providing resources to the Premier's Sukuma Sakhe Programme and the District Command Council which seeks to reduce HIV and AIDS which is also prevalent amongst young people through awareness programmes. Typical impacts of AIDS include decreased productivity of workers, increased absenteeism 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.

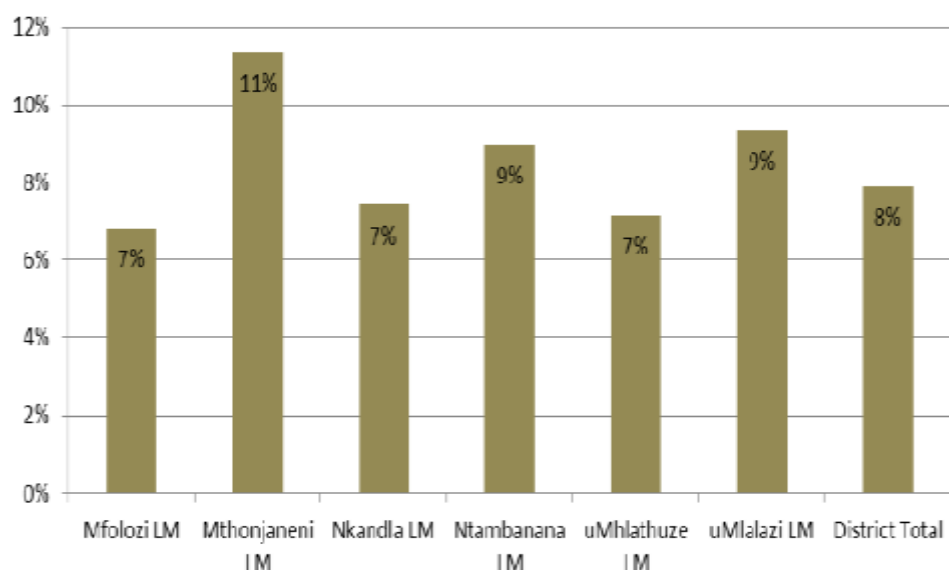
In 2019, 183 000 people in the King Cetshwayo District were infected with HIV. This reflects an increase at an average annual rate of 1.14% since 2009, and in 2019 represented 18.62% of the district's total population. The KwaZulu-Natal Province had an average annual growth rate of 1.72% from 2009 to 2019 in the number of people infected with HIV, which is higher than that of the KCD. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2009 to 2019 with an average annual growth rate of 2.32%. *[to be updated with stats from the department of health]*

Below are recent statistics on HIV and estimates

Figure 18 : HIV/AIDS Estimates and AIDS death estimates – King Cetshwayo District



8.1.11 Fertility Rates/Recorded Live Births



Source: 2017/2018 King Cetshwayo District IDP

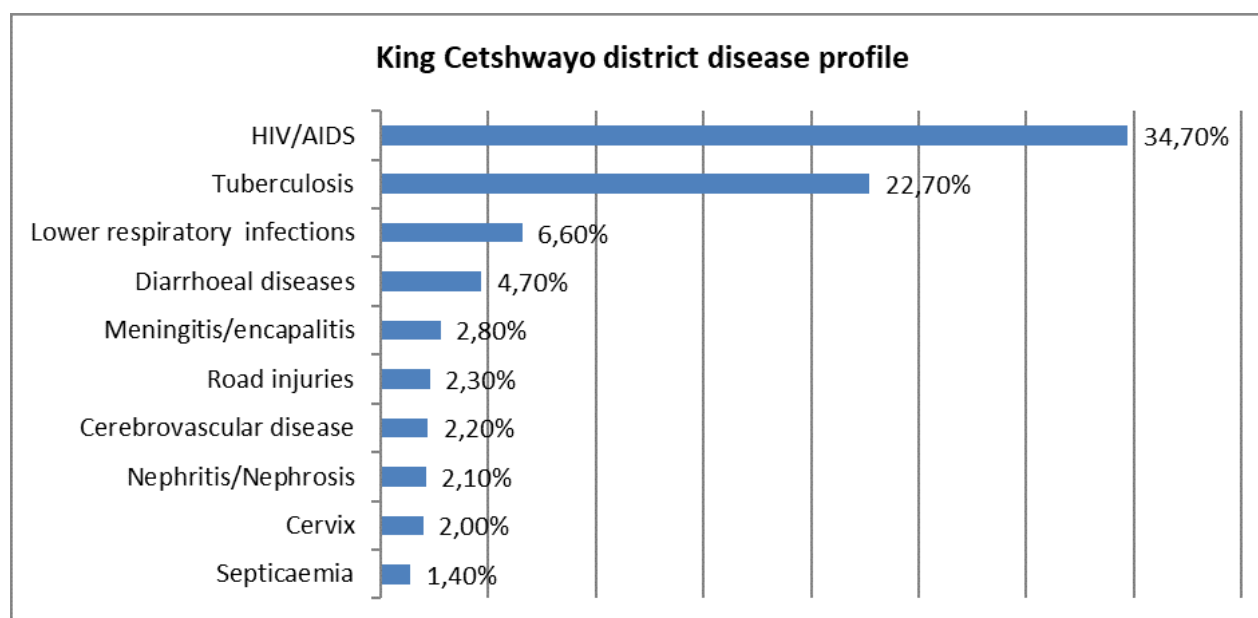
KwaZulu Natal recorded a total fertility rate (TFR) of 2.9 children per woman in 2006 - 2011 (among the highest in the country); the second worst life expectancy (50.6 years) in the same period and the worst under-five mortality rate in

2007 (93 deaths per 1,000 live births).

The National target is 8.4%. Anything above this indicates high teenage pregnancy.

8.1.12 Mortality Rates

The leading causes of mortality in the district are HIV/AIDS (34.70%), Tuberculosis (22.70%) and Lower Respiratory Infections (6.60%). The diarrhoeal diseases (22.5%) are the leading causes of death for under 5 year's age group.



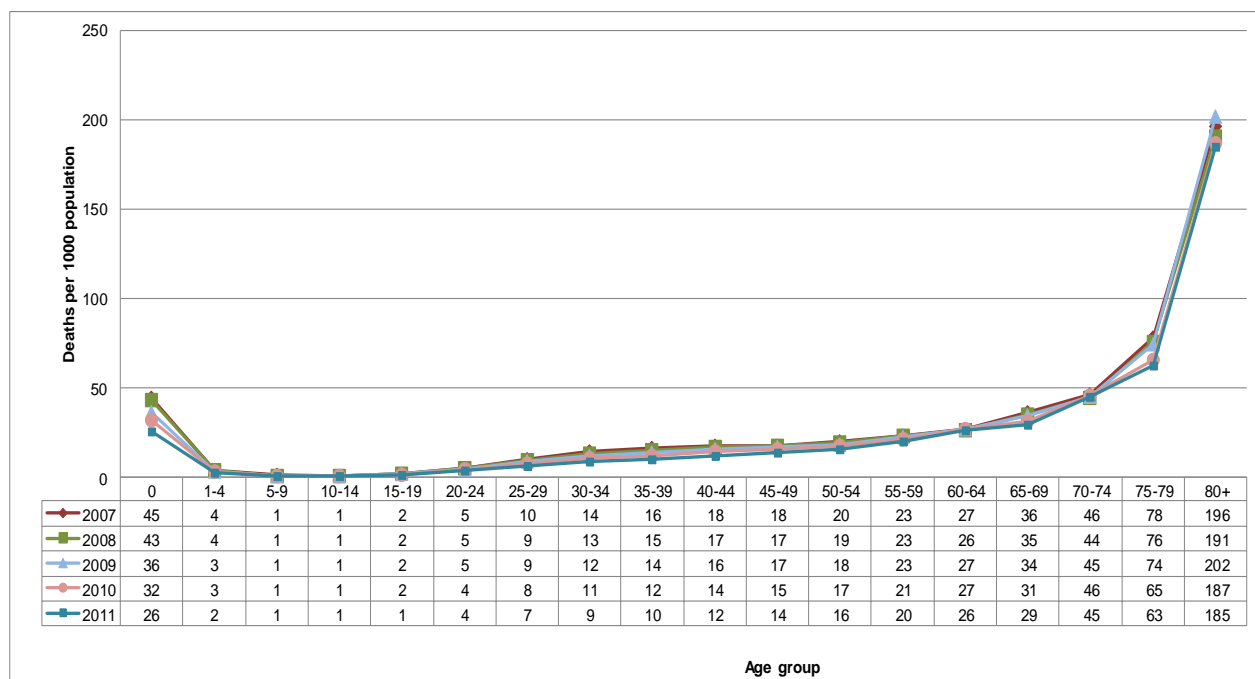
Source: King Cetshwayo District Profile 2020

The figure above provide statistics on the leading causes of deaths occurrences within King Cetshwayo District Municipality.

The District has a 430 bedded Tertiary hospital (Ngwelezane), one Regional hospital (Queen Nandi), six District Hospitals (Catherine Booth, Ekhombe, Mbongolwane, Nkandla,

Eshowe and KwaMagwaza), 63 fixed Clinics, 1 CHC and 19 mobile clinic teams. UMfolozi and uMhlathuze sub districts do not have district hospitals and they use Ngwelezana Hospital for district hospital services. **[to be updated with recent statistics)**

Figure 19: King Cetshwayo District - Age Specific Death Rates by year of death 2007-2011



Source: Census 2011

8.2 Key Findings

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

8.3 SWOT ANALYSIS

8.4 CHALLENGES

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT ANALYSIS

PGDS GOAL: HUMAN RESOURCE DEVELOPMENT

8.5 Municipal Powers and Functions

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

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

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

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

More specifically, the objectives of local government are: -

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

- Municipal Public Transport
- Storm Water Management
- Local Sport Facilities
- Markets Stalls / Trade Areas
- Municipal Abattoirs
- Municipal Parks and Recreation

8.6 Municipal Transformation

8.6.1 Employment Equity Plan

uMhlathuze Municipality has an Employment Equity Plan which was Adopted in 2018 November and will be in implementation until the **YEAR 2023** (*attached as an annexure to the IDP*). 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 2022) is provided in the following table:

Figure 20: Designated and Non-Designated Employment Numbers and Levels as at February 2022

OCCUPATIONAL LEVEL	LEVEL	MALE								FEMALE								PERSONS WITH DISABILITIES			FOREIGN NATIONALS		TOTAL POSITIONS FILLED	TOTAL POSITIONS PER LEVEL
		AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE		MALE	FEMALE	NUM GOAL PWD	MALE	FEMALE		
		CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL							
TOP MANAGEMENT	26	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
	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23	2	2,52	0	0,12	0	0,42	0	0,18	4	2,28	0	0,12	0	0,24	0	0,12	0	0	0	0	0	6	6
TOTAL		3	3,52	0	0,12	0	0,42	0	0,18	4	2,28	0	0,12	0	0,24	0	0,12	0	0	0	0	7	7	
SENIOR MANAGEMENT	22	11	7	0	0	0	1	1	0	1	5	0	0	0	0	0	0	0	0	0	0	13	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
	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	16	22	1	0	0	6	4	0	7	20	0	0	0	3	3	0	0	0	0	0	31	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
TOTAL		27	29	1	0	0	7	5	0	8	25	0	0	0	3	4	0	0	0	0	0	44	64	
PROFESSIONALLY QUALIFIED & EXPERIENCED SPECIALISTS / MIDDLE MANAGEMENT	17	15	13	0	0	1	2	1	1	4	9	1	0	0	1	0	0	0	0	0	1	0	23	26
	16	9	8	0	0	0	2	1	0	2	7	1	0	0	1	0	0	0	0	0	0	13	18	
	15	25	29	0	0	3	6	3	2	16	25	0	0	1	2	6	0	0	0	2	0	0	54	64
	14	2	2	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	2	3	
TOTAL		51	52	0	0	4	10	5	3	22	42	2	0	1	4	6	0	0	0	2	1	0	92	111
SKILLED TECHNICAL & ACADEMICALLY QUALIFIED / JUNIOR MANAGEMENT / SUPERVISORS / FOREMAN / SUPERINTENDENTS	13	6	4	0	0	2	1	3	0	1	3	0	0	0	0	1	0	0	0	0	0	13	8	
	12	35	24	0	0	3	4	0	2	38	20	1	0	6	2	2	1	0	0	1	0	0	85	53
	11	50	59	2	2	3	9	6	5	41	54	1	0	3	6	5	3	0	0	3	0	0	111	138
	10	92	38	0	0	5	8	10	3	38	32	0	0	3	4	4	1	0	0	1	0	0	152	86
	9	87	76	0	1	3	13	6	6	51	68	2	1	2	8	3	4	0	0	6	0	0	154	177
TOTAL		270	201	2	3	16	35	25	16	169	177	4	1	14	20	15	9	0	0	11	0	0	515	462
SEMI-SKILLED & DISCRETIONAY DECISION MAKING	8	16	51	0	1	0	8	1	4	21	44	1	1	1	5	2	3	0	0	3	0	0	42	117
	7	159	38	1	1	3	6	2	2	83	32	1	0	5	4	6	1	0	0	1	0	0	260	84
	6	78	133	0	4	1	21	2	10	98	117	2	1	6	14	1	7	0	0	6	0	0	188	307
	5	108	104	0	3	1	19	2	7	17	95	0	3	0	11	1	5	0	0	5	0	0	129	247
	4	153	151	1	4	1	28	0	12	64	138	1	3	0	15	0	7	0	0	7	0	0	220	358
TOTAL		514	477	2	13	6	82	7	35	283	426	5	8	12	49	10	23	0	0	22	1	0	839	1113
UNSKILLED & DEFINED DECISION MAKING	3	318	268	0	8	0	45	3	21	237	242	0	5	1	28	0	14	0	0	13	0	0	559	631
	2	0	19	0	1	0	4	0	1	0	17	0	0	0	2	0	0	0	0	1	0	0	0	44
	1	0	3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4
TOTAL		318	290	0	9	0	49	3	22	237	260	0	5	1	30	0	14	0	0	14	0	0	559	679
TEMPORARY WORKERS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
TOTAL PERMANENT EMPLOYEES		1183	1052,5	5	25,12	26	183,42	45	76,18	723	932,28	11	14,12	28	106,24	35	46,12	0	0	49	2	0	2056	2671
TOTAL TEMPORARY EMPLOYEES		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL		1183	1052,5	5	25,12	26	183,42	45	76,18	723	932,28	11	14,12	28	106,24	35	46,12	0	0	49	2	0	2056	2671

An Employment Equity Committee has been established and is responsible for ensuring that the Employment Equity Act is being implemented.

8.6.2 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 eleven (21) permanently employed and 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.

8.6.3 Labour Relations

Labour Relations section primarily deals with managing and strengthening relations between Organised Labour and Management and all employees of Council irrespective of their Union affiliation. The principle of freedom of association is encouraged by Labour Relations to ensure that no employee is victimized for being a member of a trade union and the rights of those who are non-members are protected. The section is also responsible for workshops/ training for supervisors and shop stewards to ensure relations are continuously maintained at a workplace level.

All disciplinary processes and grievance processes are dealt with in terms of the Collective Agreements agreed upon at the South African Local Government Bargaining Council (SALGBC). The above mentioned agreements as well as substantive agreements are continuously negotiated between parties to the SALGBC, i.e., the South African Local Government Association (SALGA) and Organised Labour (SAMWU and IMATU). Appeals are also dealt with in terms of the same Collective Agreement until cases are referred to the Bargaining Council for Conciliation and Arbitration. Labour Relations also represents Council with cases that appear before the Bargaining Council and the CCMA, as well as those referred to Labour Court.

The Labour Relations section is also responsible for the following:

- Facilitation of and preparation meetings for the Local Labour Forum (LLF) in conjunction with the Committee Section;
- Ensuring that the Local Labour Forum meetings are attended by all parties (Councilors nominated to represent Council at the forum, Management representatives as well as union representatives);
- Workshop Supervisors/Superintendents/Managers on best practices in areas of leadership and management, disciplinary processes and procedures, grievance handling and all other Labour Relations matters in line with relevant legislation. The section also assists with training of shop stewards on labour law, disciplinary and grievance handling processes;
- Foster better relationships between management and Organised Labour at all levels of the organisation;
- Assist and advise line management and employees on good governance principles;
- Develop and implement Labour Policy and all other labour related policies;
- Advise the Municipal Manager and Senior Management on all labour related matters;
- Ensure compliance with Collective Agreement and any other Labour Related Legislation;
- Conduct Inductions of new employees on Labour Relations matters;
- Advise and assist Supervisors in managing discipline in their sections.

8.7 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.

8.7.1 Institutional Arrangements

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

Table 23: Council Committees

<ul style="list-style-type: none"> ○ Bylaws ○ Standing Orders ○ uMhlathuze Public Transport Liaison Committee ○ Public Participation Committee 	Section 79 Committees
<ul style="list-style-type: none"> ○ Corporate Services ○ Community Services <ul style="list-style-type: none"> ○ Geographical Naming Committee ○ Financial Services ○ City Development <ul style="list-style-type: none"> ○ Aesthetics ○ Mandlazini Trust ○ Mzingazi Joint Steering Committee ○ Social Compact ○ SPLUMA ○ Infrastructure and Technical Services ○ Energy and Electrical Services 	Section 80 Committees
<ul style="list-style-type: none"> ○ Municipal Public Accounts Committee (MPAC) 	Established in terms of Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act
<ul style="list-style-type: none"> ○ Section 62 Appeals Committee 	Established in terms of Local Government Municipal Systems Act, 32 of 2000.
<ul style="list-style-type: none"> ○ Local Labour Forum 	Established in terms of the Organisational Rights Agreement
<ul style="list-style-type: none"> ○ Audit Committee ○ Performance Audit Committee 	Performance Audit, Performance Evaluation Panels

<ul style="list-style-type: none"> ○ Performance Evaluation Panel (Section 57 Employees) ○ Performance Evaluation Panel (Municipal Manager) 	
○ Board of Trustees	
<ul style="list-style-type: none"> ○ Bid Specification ○ Bid Evaluation ○ Bid Adjudication 	Supply Chain Management Committees

8.7.2 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

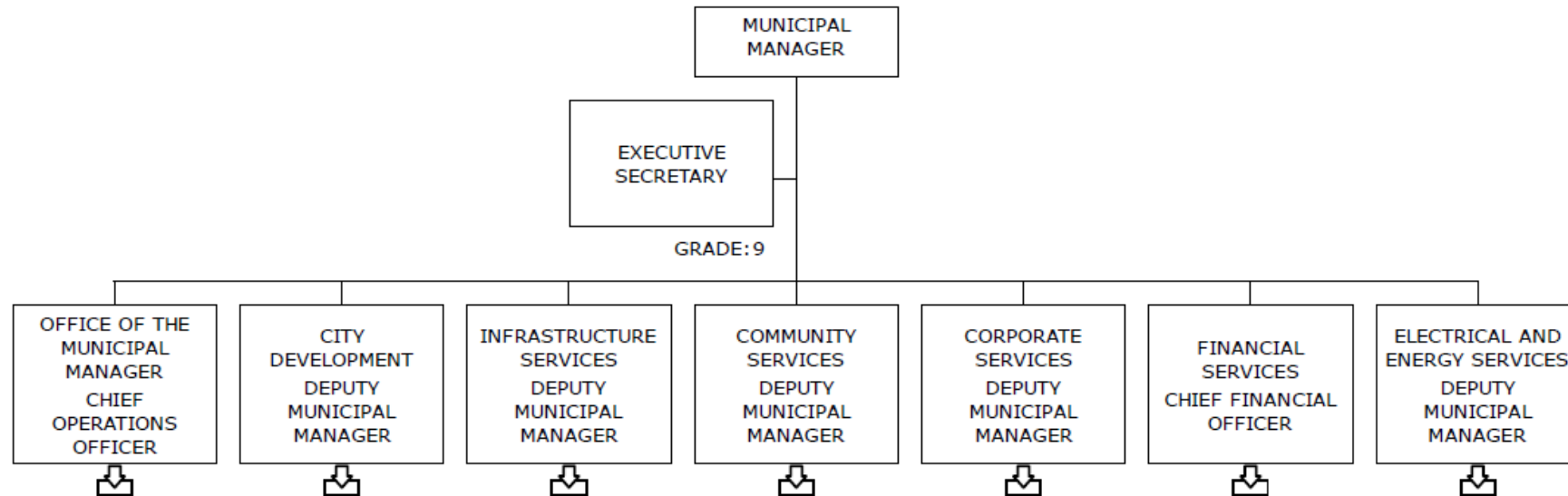
UMhlathuze Workforce Profile	Figures	Percentage
Total Positions	2939 (which include 1 grant funded post; 34 EPWP posts; 80 seasonal posts)	100%
Total Vacancies funded	176	
Total Vacancies unfunded	584	
Total Vacancy ratio		25.86%
Funded vacancy ration		5.99%

The organizational structure of the Municipality was adopted by **Council on 20 June 2017 and reviewed in November 2019**, it 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 24: Personnel Numbers

Summary of Personnel Numbers Number	2018/19			Current Year 2019/20			Budget Year 2020/21		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	67	67	-	67	67	-	67	67	-
Municipal employees	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	8	8	-	8	8	-	8	8	-
Other Managers	17	15	-	17	12	-	18	12	-
Professionals	394	304	-	394	346	-	394	355	-
Finance	46	32	-	46	42	-	46	48	-
Spatial/town planning	33	29	-	33	23	-	33	23	-
Information Technology	11	10	-	11	11	-	11	11	-
Roads	22	19	-	22	20	-	22	19	-
Electricity	41	32	-	41	31	-	41	33	-
Water	16	12	-	16	10	-	16	10	-
Sanitation	24	17	-	24	12	-	24	14	-
Refuse	10	10	-	10	8	-	10	9	-
Other	191	143	-	191	189	-	191	188	-
Technicians	533	455	-	533	457	-	545	474	-
Finance	31	22	-	31	19	-	31	20	-
Spatial/town planning	26	23	-	26	22	-	26	22	-
Information Technology	6	5	-	6	5	-	6	5	-
Roads	48	42	-	48	40	-	48	41	-
Electricity	60	49	-	60	53	-	60	53	-
Water	34	37	-	34	34	-	40	40	-
Sanitation	34	25	-	34	23	-	40	31	-
Refuse	13	13	-	13	13	-	13	13	-
Other	281	239	-	281	248	-	281	249	-
Clerks (Clerical and administrative)	315	285	-	315	289	-	320	292	-
Skilled agricultural and fishery workers	2	2	-	2	2	-	2	2	-
Craft and related trades	3	3	-	3	3	-	3	3	-
Plant and Machine Operators	87	82	-	87	81	-	131	106	-
Elementary Occupations	1 592	1 437	-	1 592	1 478	-	1 708	1 587	-
TOTAL PERSONNEL NUMBERS	3 018	2 658	-	3 018	2 743	-	3 196	2 906	-
% increase				-	3.2%	-	5.9%	5.9%	-
Total municipal employees headcount	2 951	2 591	-	2 951	2 676	-	3 129	2 839	-
Finance personnel headcount	237	173	-	237	192	-	237	188	-
Human Resources personnel headcount	42	33	-	42	29	-	42	34	-

Figure 21: Senior Management (Adopted 2019)



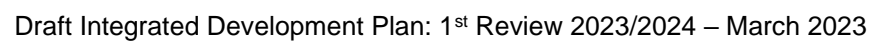


Figure 23: Corporate Services Department (Adopted 2019)

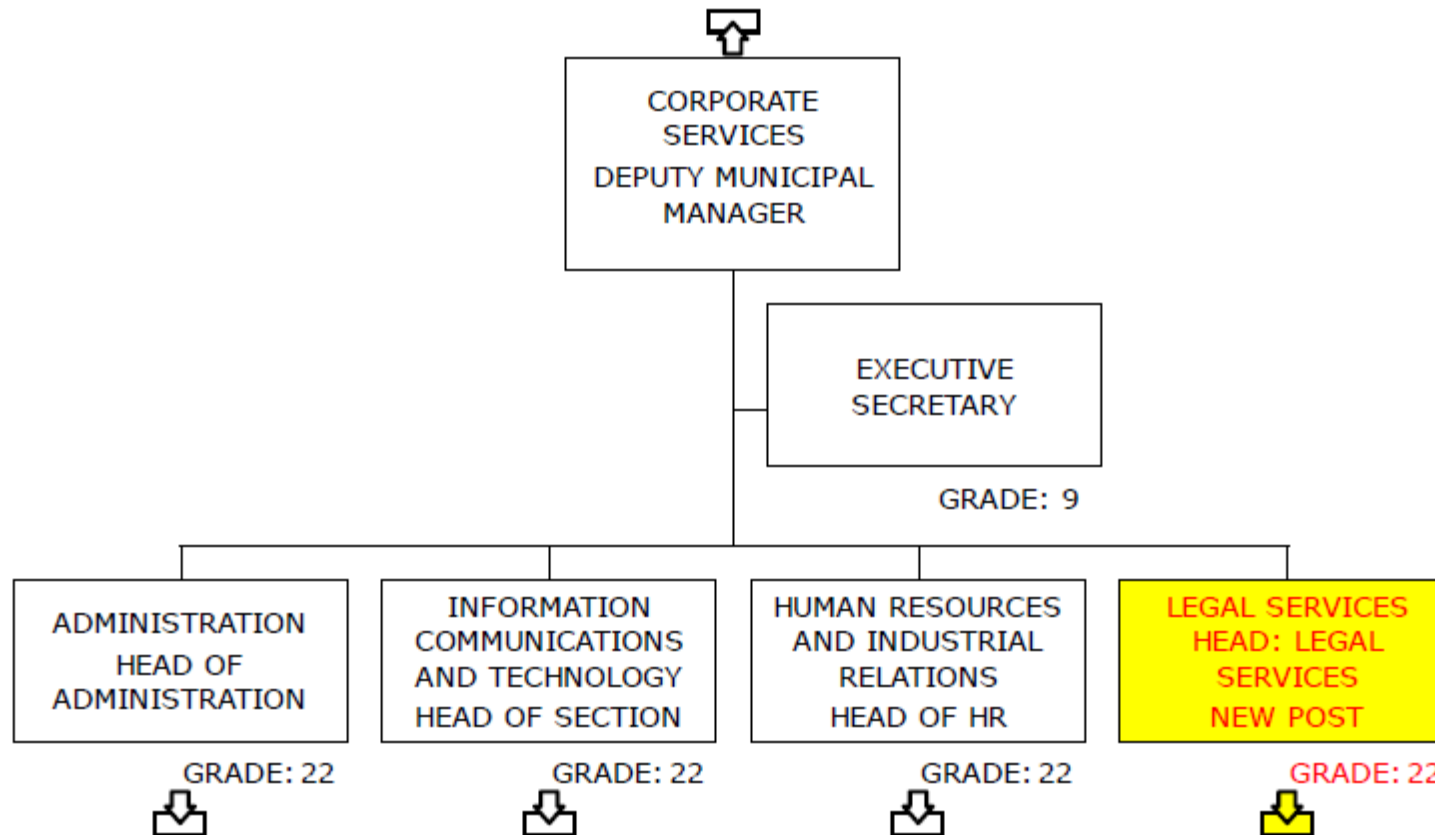


Figure 24: City Development Department (Adopted 2019)

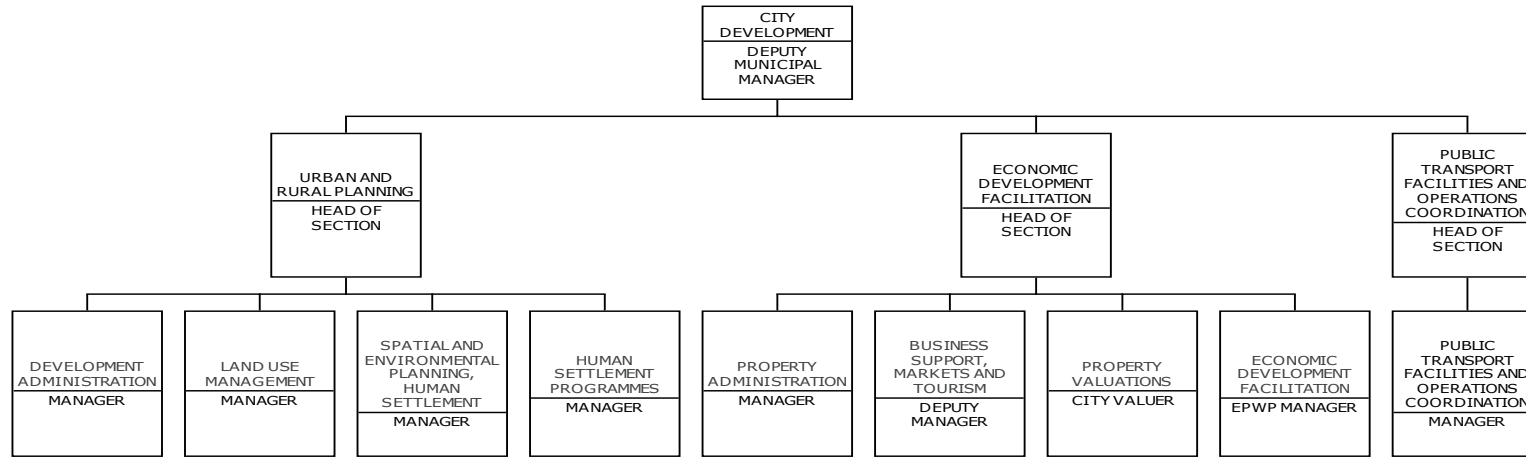


Figure 25: Financial Services (Adopted 2019)

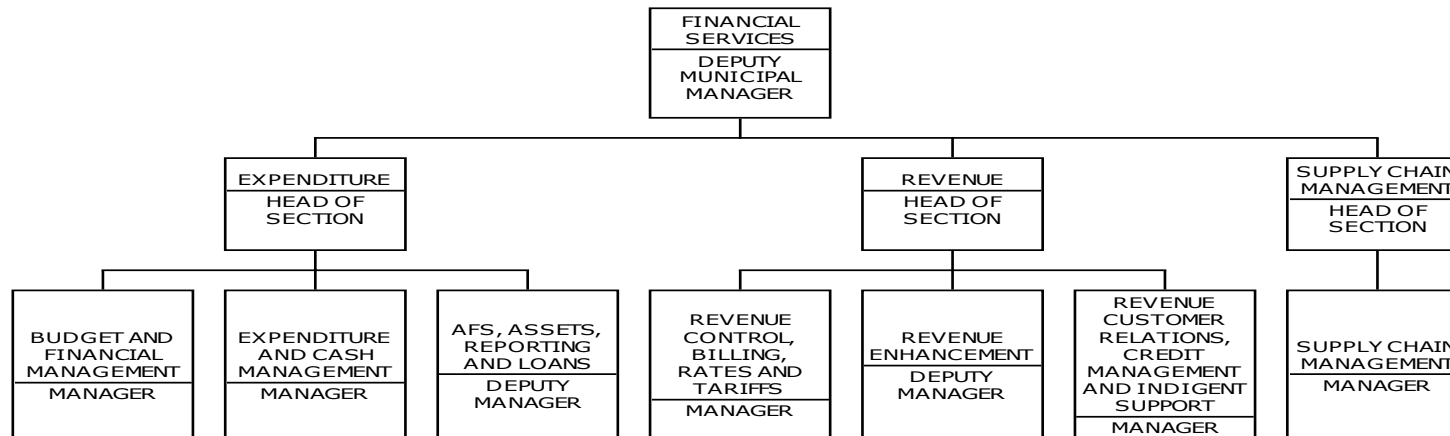


Figure 26: Community Services (Adopted 2019)

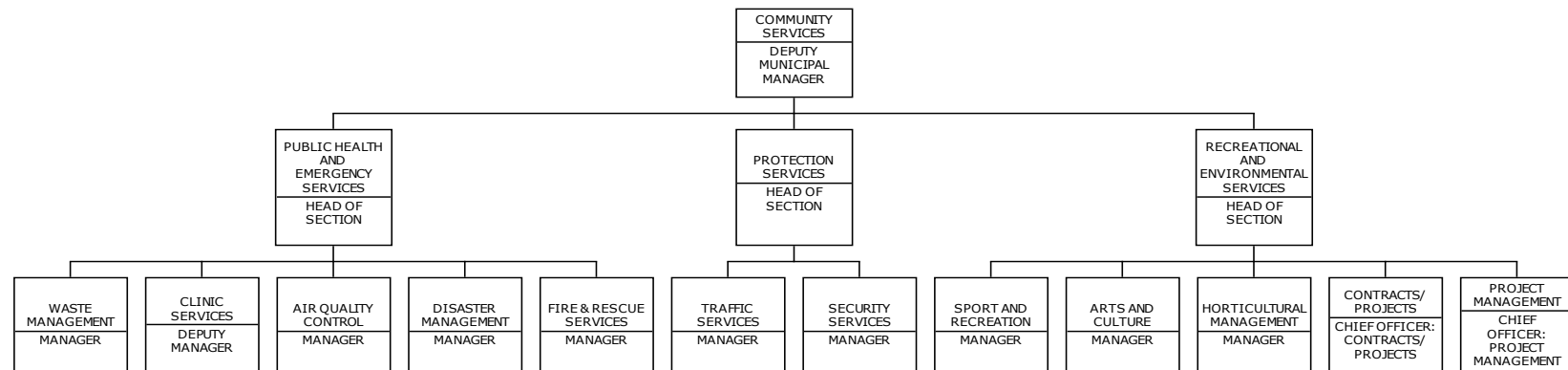


Figure 27: Electrical and Energy Services (Adopted 2019)

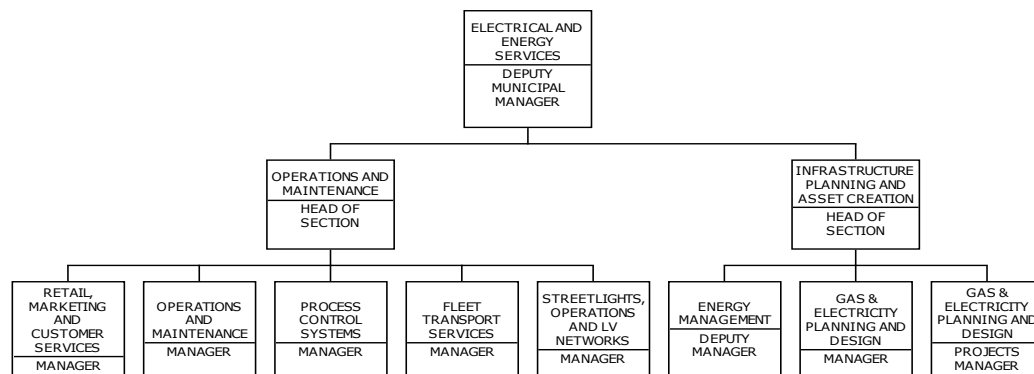
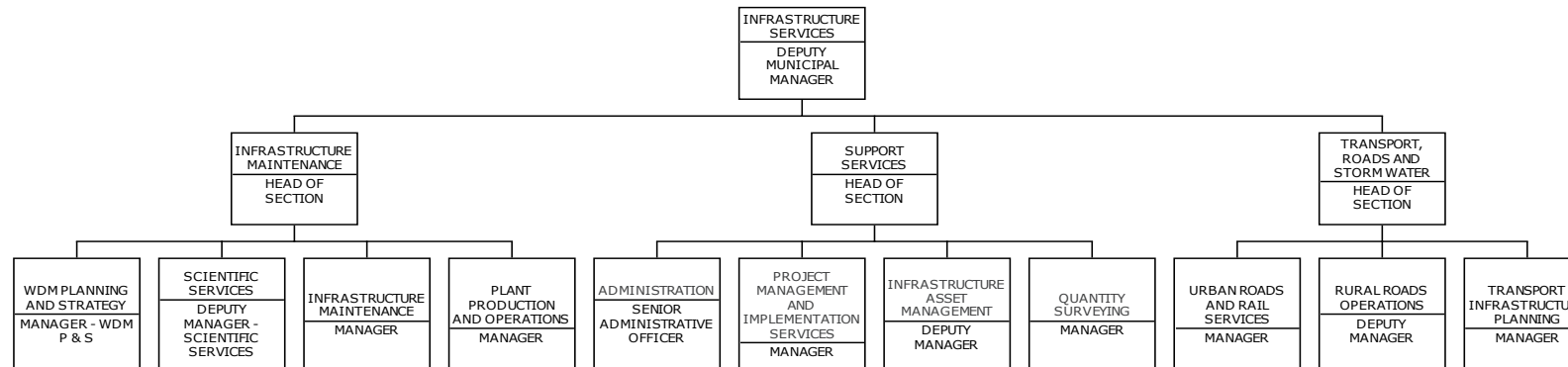


Figure 28: Infrastructure Services (Adopted 2019)



8.7.3 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. Critical positions have been filled by council, except for the post of the Municipal Manager which became vacant from the 1st of April 2021. Recruitment process is underway to fill the position. Currently Council has since appointment an Acting Municipal Manager.

10.3.3.2 Municipal Institutional Capacity

uMhlathuze Municipality has seven departments which are aligned to the National Key Performance Areas. Below an overview is given in terms of each department's functions:

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

8.7.4 Human Resource Strategy

uMhlathuze Municipality has an adopted Human Resource Strategy (DMS 717671), which is the foundation of the Human Resources function and which supports the Integrated Development Plan of the municipality. The plan addresses the following:

- Training and development
- Labour Relations
- Personnel Administration
- Organisational Development and Change Management

- Employee Assistance and
- SHE Risk Management

10.3.4.1 Workplace Skills Plan - Training and Development

The vision of the Training and Development Unit 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 the co-ordination and provision of quality assured skills development interventions for Council employees to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

Skilling of Council employees, Interns and Councillors 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 to training and development within the Municipality. The WSP is aligned to the National Skills Development Strategy, the Skills Development Act No. 97 of 1998 as well as the Skills Levies Act No. 09 of 1999. The WSP and Annual Training Report are submitted annually to the LGSETA. Submission of these reports ensures that the Municipality receives its Mandatory Grant.

During the period July 2021 to March 2022, Council employees were trained on the following interventions

Training Interventions for Employees	Number of Sessions	Number of Employees
Employee Induction	12	144
Employee Induction (Interns)	4	25
SAP BPC Training (Finance/Budgets)	9	167
SAP Plants Maintenance/ Support Sessions	50	93
SAP Project Systems	1	1
Lift and Move a load Using Mechanical lifting Equipment	2	9
National Treasury Financial Misconduct Training	1	2
Computer Induction	9	51
Assessment for Electricians	9	18
Training for Shop Stewards	1	26
Firearm Training for the responsible person	1	1
Competent Project Management	1	5
SAP Rates Clearance	1	2
Waste Management Training	1	9
SAP Navigation Training	2	14
Economic and Development Policy Induction	1	5
Economic and Development Policy	4	7

SALGA Main Collective Agreement Training	1	2
Disciplinary Board Training (KZN Treasury)	1	5
Stress Management Training	1	75
SAP HCM Organisational Management Training	5	32
SAP HCM Personnel Administration Training	2	9
Plumbing Training	2	7
Psychological Effect- Post-Covid 19	3	84
Date Change Performance Check	1	6
SAP PM Support Release and Decommission	2	10
SAP PM Support for Fleet	1	8
SAP PM GMS Processes Electrical and Energy services	1	5
SAP PM Support Processes Explanation and Creation of Fleet Object	2	6
SAP PM Support Fleet Preventative Maintenance Orders VM04	2	5
SAP PM Support Fleet Maintenance Order Process	1	5
UM-SAP PM Confirmation and Closing of Orders	17	22
SAP -RM User Training	7	38
EAP- The Art of Becoming a Solution Focused Therapist	1	2
SALGA National Seminar and Local Government Leadership Development Masterclass	1	2
SALGA Talent Management Seminar	1	6
Certificate in Business Administration Services	1	7
Dealing with Robberies Training	3	43
SAP ESS Training	2	10
SAP HCM Time Management Training	2	7
TOTAL NUMBER OF SESSIONS	169	
TOTAL NUMBER OF EMPLOYEES TRAINED IN ALL SESSIONS		975

During the period July 2021 to March 2022, Councillors were trained on the following interventions;

Training Interventions for Councillors	Number of Sessions	Number of Councillors
Internal Councillor Induction Programme	1	38
Safety Auditors Course	1	1
SALGA Councillor Induction	1	58

Councillor MSCOA Training	1	17
TOTAL NUMBER OF SESSIONS	4	
TOTAL NUMBER OF COUNCILLORS TRAINED IN ALL SESSIONS		114

WORK INTEGRATED LEARNING (WIL) (IN-SERVICE TRAINING / INTERNSHIPS)

During the current financial year, the number of learners that were placed at Council on the WIL Programme is detailed below:

Total No. of Learners placed at Council: 80

Demographics of Learners: African Male: 29 African Female: 51

Learners stipends funded by: National Treasury, CoGTA, SETA's and Mangosuthu University of Technology (MUT).

8.7.5 Recruitment and Selection

The City has developed recruitment and selection policy, which is implemented to ensure that a transparent and unbiased **recruitment and selection process** is followed; further it allows for the appointment of the best candidate, based solely on merit and best-fit with uMhlathuze's organisational values, culture and goals.

8.7.6 Talent Management Strategy

8.7.6.1 Retention Strategy

The municipality has a draft review retention strategy, there are many other strategies that the municipality currently implements for the purposes of employee retention, amongst others are the following strategies:

- Scarce skills allowance to certain positions
- Training and development of employees
- Scarce skills paid at a top notch level
- University Bursaries for Employees' children
- Tertiary Education Bursaries for employees
- Level 15 and above gets fringe benefits including cell phone and car allowance
- Employee Assistance Programs for Employees
- Implementation of Performance Management System from level 15 and above

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

- 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 25: Human Resource Policies

No.	Policy Name		Council Resolution
1.	Induction and Orientation of Staff	Procedures for Inducting new staff	5698
2.	Human Resources Strategy		DMS (717671)
3.	Staff Training	Policy on Training of staff	5215
4.	Bursary Policy for Officials and their children	Bursary Processes and requirements for Bursary Applications	10747
5.	Staff Succession Planning Policy	Staff succession planning processes for Council	7444
6.	Anti – Nepotism Policy	Processes in place to ensure there is no nepotism in placements	6978
7.	Acting Arrangements Policy	Conditions for Acting arrangements	6979
8.	Recruitment and Selection of Temporary Staff Policy	Processes and criteria for recruitment and selection of temporary staff	6977
9.	Recruitment and Selection Policy (Amended)	Processes and criteria for recruitment and selection of staff	10110
10.	Intoxication on Duty	Procedures for dealing with and prevention of staff being intoxicated whilst on duty.	7445
11.	Employee Assistance Programme	Guidance and procedures regarding the enhancement of Health and wellbeing of all staff members.	6311
12.	In-house training for External students	Programme for students conducting in-service training	1243
13.	Policy on the Utilisation of Council Vehicles for Certain gatherings	Conditions for the Utilisation of Council Vehicles for Certain gatherings	8596
14.	Rapid Advancement Policy	Conditions for the Rapid advancement of Council employees in identified posts	8211
15.	Notch Increase Policy	Conditions for notch increases	8688
16.	Relocation and Moving Expense Policy	Processes and criteria for the relocation and moving expenses of the newly appointed employee.	8597
17.	Employment Equity Plan		9665

No.	Policy Name		Council Resolution
			(DMS 785445)
18.	Employment Equity Policy		9438
19.	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	Tpca
1.7	Heat Exhaustion	462132	Erw 2 (4)

ICT Policies

No.	Policy Name	DESCRIPTION	Council Resolution
1.	Corporate Governance of ICT Policy	Policy governing the alignment, implementation and the use of ICT in support of Municipal objectives based on the National Government Policy framework passed by the cabinet on 21 November 2012. The National Policy to which the Municipal policy is adapted places accountability for ICT on Council (Leadership).	CR10702 (RPT 159157)
2.	ICT Security Policy	The policy outlines the ICT controls and regulatory framework that must be adhered to for the ICT hardware, software and all data assets.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
3.	Computer Utilisation Policy	Regulates and outlines the rules for proper and responsible use of the ICT for the benefit of the organisation, (the do's and don'ts).	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
4.	Network Password Policy	The policy guides the users on the creation, safeguarding and the utilisation of their ICT passwords.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
5.	Change Control Policy	Change Control Policy in ICT aims to improve stability and reduce system downtime, ensuring all changes are	Same resolution as above. Policies were approved under one (1)

No.	Policy Name	DESCRIPTION	Council Resolution
		tracked and there is a formalised change control practice in place with rollback procedures.	comprehensive report : CR10702 (RPT 159157)
6.	Disaster Recovery and ICT Service Continuity Plan	The policy guides the process of recovery and service continuity in the event of a disaster, ensuring that the efforts are co-ordinated and the recovery process unfolds in an orderly, timely and efficient manner.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)

8.7.7 ICT Governance Framework

In line with the National Corporate Governance of ICT Policy Framework, the uMhlathuze Municipality ICT Governance Policy (DMS 925194) was 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, ensuring that ICT goals are aligned with the Municipal objectives as outlined in the IDP, 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 in turn contributes towards the attainment of Municipal goals. The purpose of ICT Governance as per COBIT Governance Framework is to ensure the following:

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

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

- uMhlathuze Municipality has an approved 5-year ICT Strategy document
- ICT maintains the ICT Risk Register in document number as part of Enterprise Risk Management.
- ICT organisational structure indicating the roles and responsibilities.
- 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 are approved by the ICT Steering Committee through a formalised process.
- All ICT equipment acquisitions and contractor appointments are conducted in accordance with the approved City of uMhlathuze Supply Chain Management Policy.

Table 26: ICT Capital Projects

Description of goods / works / services	Ward	Project value
New & Replacement of ICT related equipment	ALL WARDS	2 386 000,00
I/BKBDA1.102: Network Infrastructure Upgrade	ALL WARDS	3 150 000,00
I/BKBDA1.103: Public Wifi	ALL WARDS	250 000,00
PayDay software licenses, including monthly support	ALL WARDS	681 200,00
ProMIS - Fujitsu (Progress Annual license - Income)	ALL WARDS	740 000,00
SAP ERP License Renewal	ALL WARDS	3 800 000,00
SAP ERP Support Maintenance and new implementations Tender	ALL WARDS	50 000 000,00
Articpoint - Civil Designer	ALL WARDS	344 710,89
IMQS Asset Maintenance System	ALL WARDS	2 450 300,00
ESRI GIS System	ALL WARDS	1 241 947,00
SITA - Micro Focus/ Suse	ALL WARDS	5 969 339,00
Veeam Backup License (SITA Panel Advert)	ALL WARDS	250 000,00
MICROSOFT / including CloudWare & eSignature & LED sig pads software/ MS Teams/ GoGlobal subscriptions	ALL WARDS	4 542 500,00
Systems integration (SAP/IMQS/etc.)	ALL WARDS	1 506 000,00
ONTEC (Itron) 3E hosting	ALL WARDS	1 152 300,00
SITA CONSULTING DAYS	ALL WARDS	444 700,00
Urban CCTV feasibility due-diligence	ALL WARDS	300 000,00
SAP Capacitation/ GRADUATE	ALL WARDS	5 150 000,00
HPE Hardware License and Maintenance	ALL WARDS	2 575 000,00
Tender: Legal Practitioners	ALL WARDS	6 600 000,00
Tender: Legal Subscription	ALL WARDS	365 000,00

8.7.8 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. 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 four (4). Job evaluation is currently under way.

8.8 Municipal Transformation and Organisational Development: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Section 79, 80 and other Council Committees established and are operational ○ A reliable ICT system for effective functioning and efficient service delivery ○ Employee Assistance Programme ○ Cascading of PMS ○ 24 hours operational Call Centre with toll free ○ Functional Local Labour Forum ○ Progressive Employment Equity Plan ○ Critical senior management vacancies filled ○ Stable labour relations 	<ul style="list-style-type: none"> ○ poor implementation of Employment Equity Plan pertaining to Women and People with Disabilities.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Institutionalisation of Batho-Pele Principles ○ Implementation of the E-Government system, ○ Bursary Policy for-employees and their dependants ○ Graduate Development Programmes and on the –job training is offered to graduates ○ Improving diversity management 	<ul style="list-style-type: none"> ○ Staff low moral ○ Lack of proper implementation of the Succession Policy ○ Failure/slow process of addressing Identified risks within the organisation ○ Staff turn-over in critical and scarce skills positions ○ Limited investment in ICT infrastructure upgrades

8.9 Challenges

SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

8.11 Introduction

In accordance with the Municipal Structures Act (No 117 of 1998), uMhlathuze Local Municipality 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 municipality 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;

The Municipality has reviewed the WSDP which is a supporting sector plan to the IDP, It was adopted together with the Final IDP Review 2019/2020 accordingly. The Water Services Development Plan (WSDP) is a key tool in achieving the objectives as mentioned above. The City is also currently undertaking another review of the WSDP which completion is expected in the next financial year.

The Municipality has a link to the WSDP website; <http://ws.dwa.gov.za/wsdp/Login.aspx?ReturnUrl=%2fWSDP%2f>. The link provides information on the uMhlathuze WSDP. The current information as it appears on the website will be updated continuously when necessary.

8.12 Water and Sanitation

The City of uMhlathuze has a Service Level Policy that defines acceptable levels of water and sanitation infrastructure. Council approved the the following service levels:

“1. Water Service Level Policy

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.

2. Sanitation Service Level Policy

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

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

Water and sanitation backlogs have been monitored and are reported on a quarterly basis to the Council structures by the Infrastructure Services Department. The City of uMhlathuze has formulated a level of service policy for Water and Sanitation, and this is defined in the Free Basic Water (FBW) policy. The policy identifies and deals with the following levels of water services:

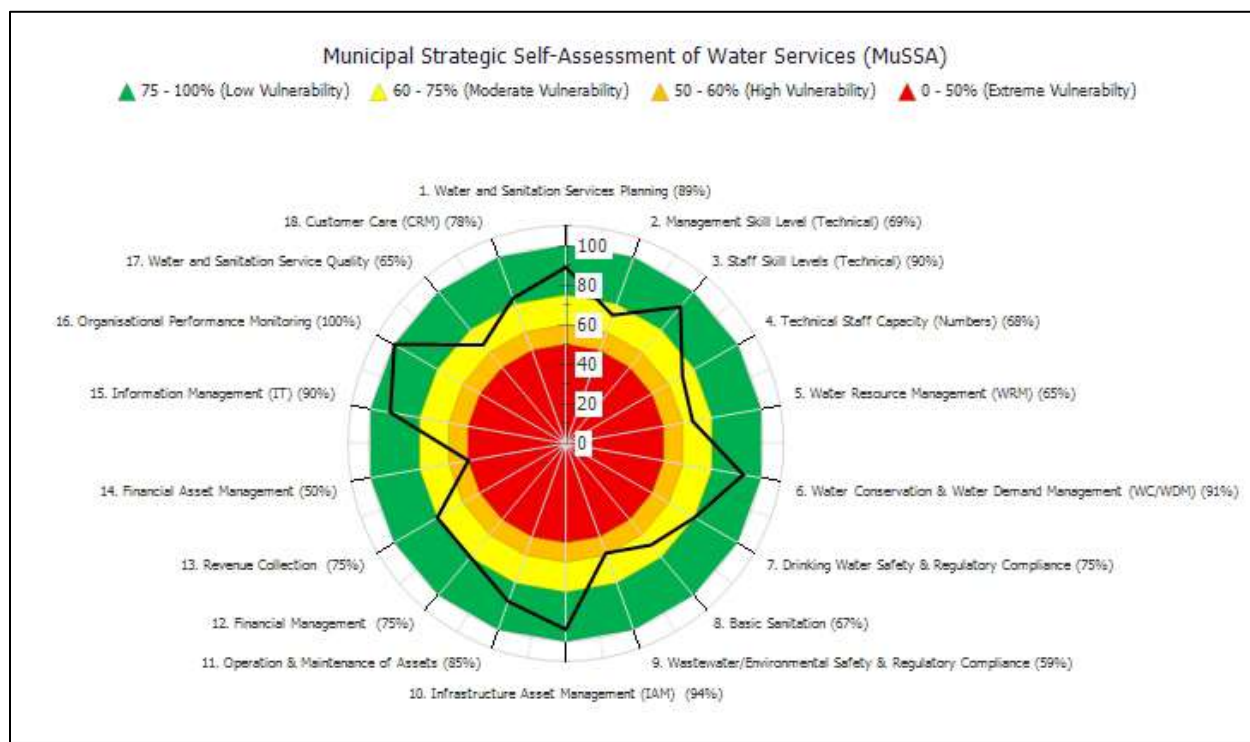
- (a) Supply of water through communal water services i.e. Standpipe.
- (b) Supply of uncontrolled volume of water to a household where a water meter is installed.

In formalised urban areas a waterborne system is implemented and in rural areas Ventilated Improved Pit (VIP) Latrines are installed. In peri-urban areas or dense settlements adjacent to urban areas, which are close to a Water Resource, the municipality promotes the installation of shallow sewers to protect a water resource.

8.12.1 Municipal Strategic Self-Assessment of Water Service (MuSSA)

The municipality participated in the 2020 Municipal Strategic Self-Assessment (MuSSA) Survey. The purpose of the MuSSA is to survey and assess the overall business health of a municipality when fulfilling its water service function. Below is a spider diagram illustrating the vulnerability levels across key areas:

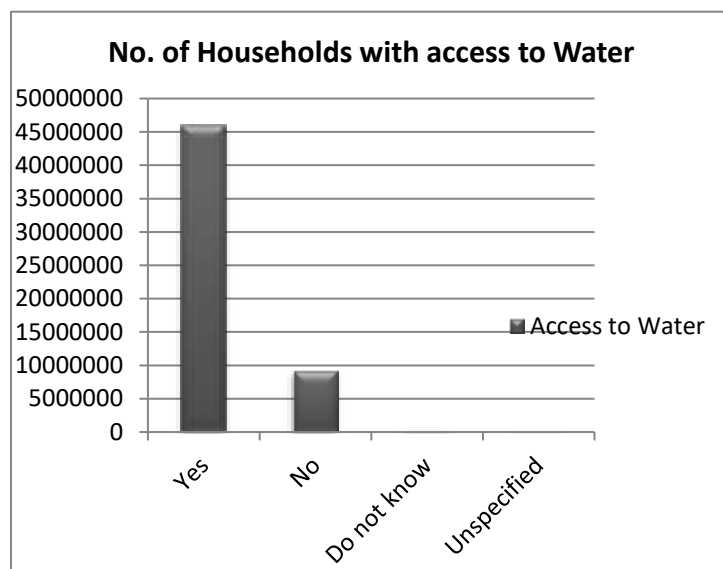
Figure 29: Institutional Vulnerability Assessment



To note from the diagram above is a concerning vulnerability to the Department are:

- Financial Asset Management (50.0%)
- Wastewater/Environmental Safety & Regulatory Compliance (59.0%)

Figure 30: Access to Safe Drinking Water, Community Survey 2016



Source: Community Survey 2016

According to Community Survey, 2016 about 89% of households in uMhlathuze obtain water from the uMhlathuze Municipality. 3% households obtain water from Water tankers. Very few households 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.

Figure 31: 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: Statistics SA, Community Survey 2016

8.12.2 Water Backlogs

WATER AND SANITATION ACCESS / BACKLOGS

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. The total percentage of households with basic level of service changed in 2017/18 due to the municipality inheriting 3 wards from Ntambanana Municipality.

At commencement of the financial year a total of **96.43%** households had access to the basic RDP level of water supply service as at 30 June 2021. The basic level for the provision of water is communal supply less than 200 metres from a household. The approved target for households to be upgraded to yard-taps for the 2021/2022 financial year is set at **630**.

Table 27: Water Backlogs

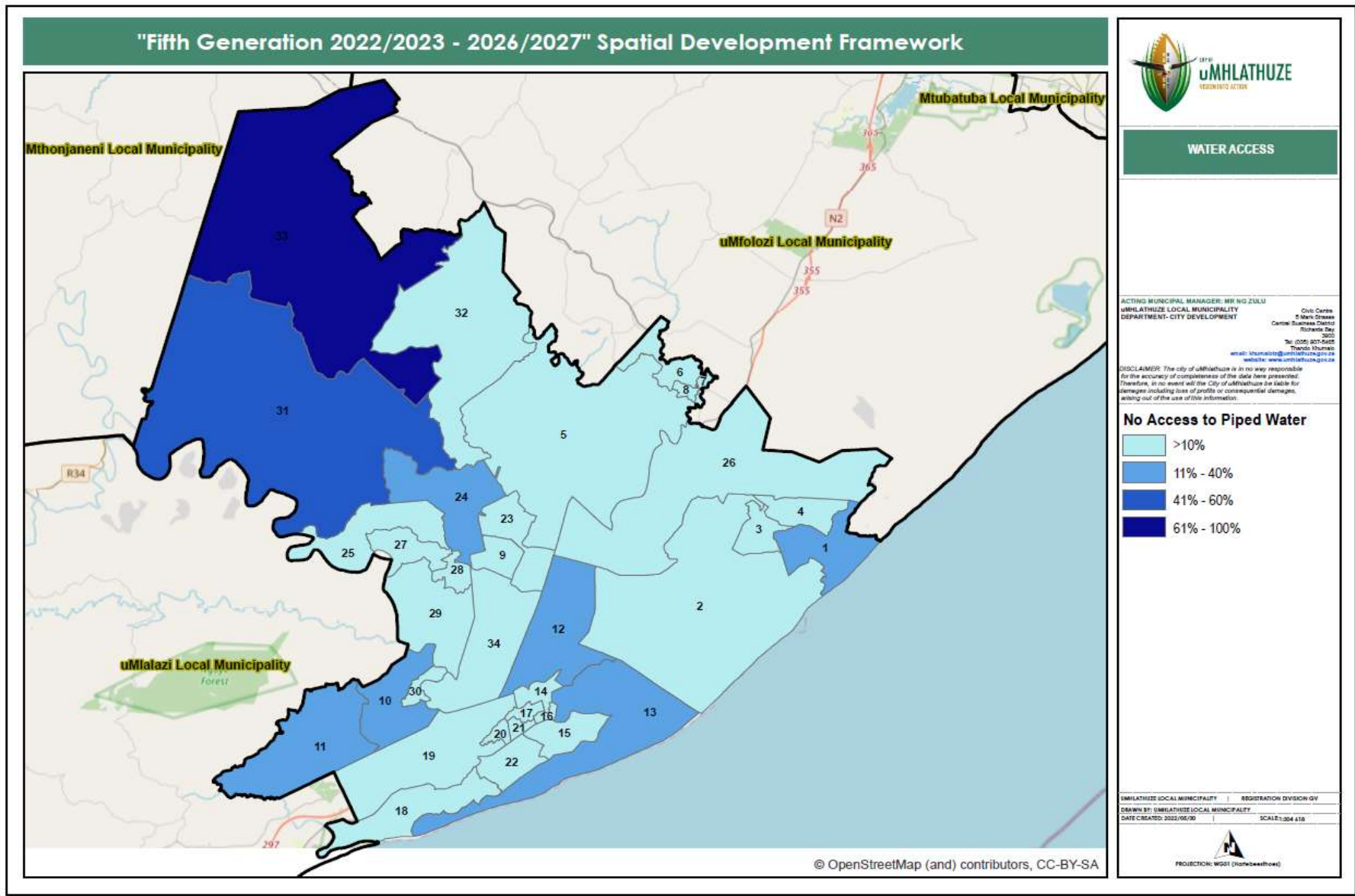
Service Level	Baseline (2020/2021) (Audited)	2021/2022 Target	Stats Ending December 2021
Total households = 110 503 (2011 Stats SA) Revised Stat	Households with access to water	Targets	Household with access to water
ACCESS TO WATER	107 044	107 674	107 125

House connections	47 511	47 511	47 511
Yard Connections	57 533	58 163	57 614
Communal Supply < 200 m (Backlog) Supplied with JOJO Tanks	2 000	2 000	2 000
Communal Supply > 200 m (Backlog) Supplied with JOJO Tanks	3 459	2 829	2 910
New Installations reducing Backlogs (Target)	400	630	Actual Q1 = 12 Actual Q2 = 52 Actual Q3 = 17

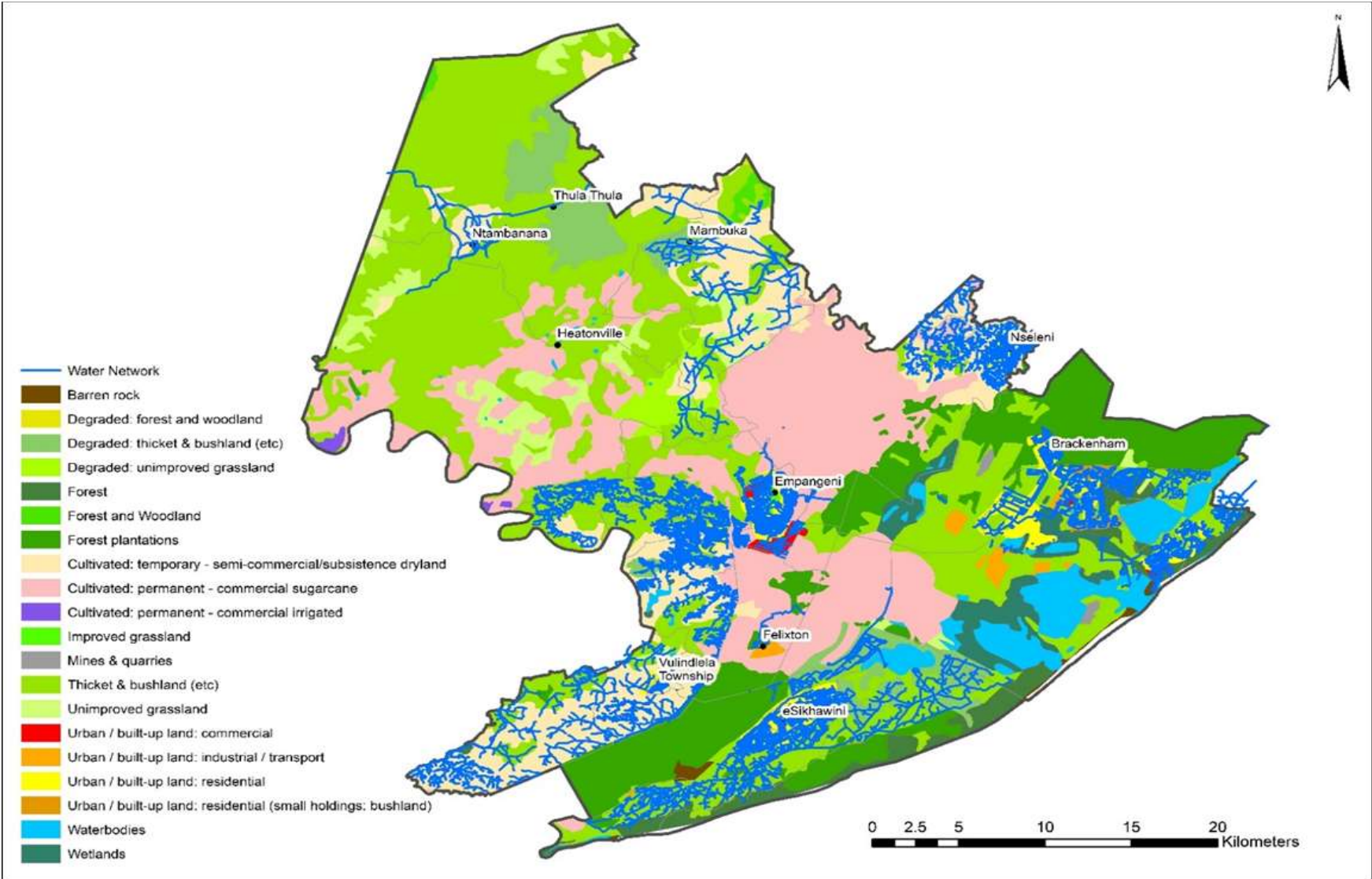
Access to water at 30 September 2021 is **96,88%** and the water backlog is **3,12%**. The target for the quarter was not met. There are reticulation Projects for areas such as Ntambanana, Mkhwanazi South, eSikhaleni and kwaDube which are ready to be implemented however there is a lack of funds.

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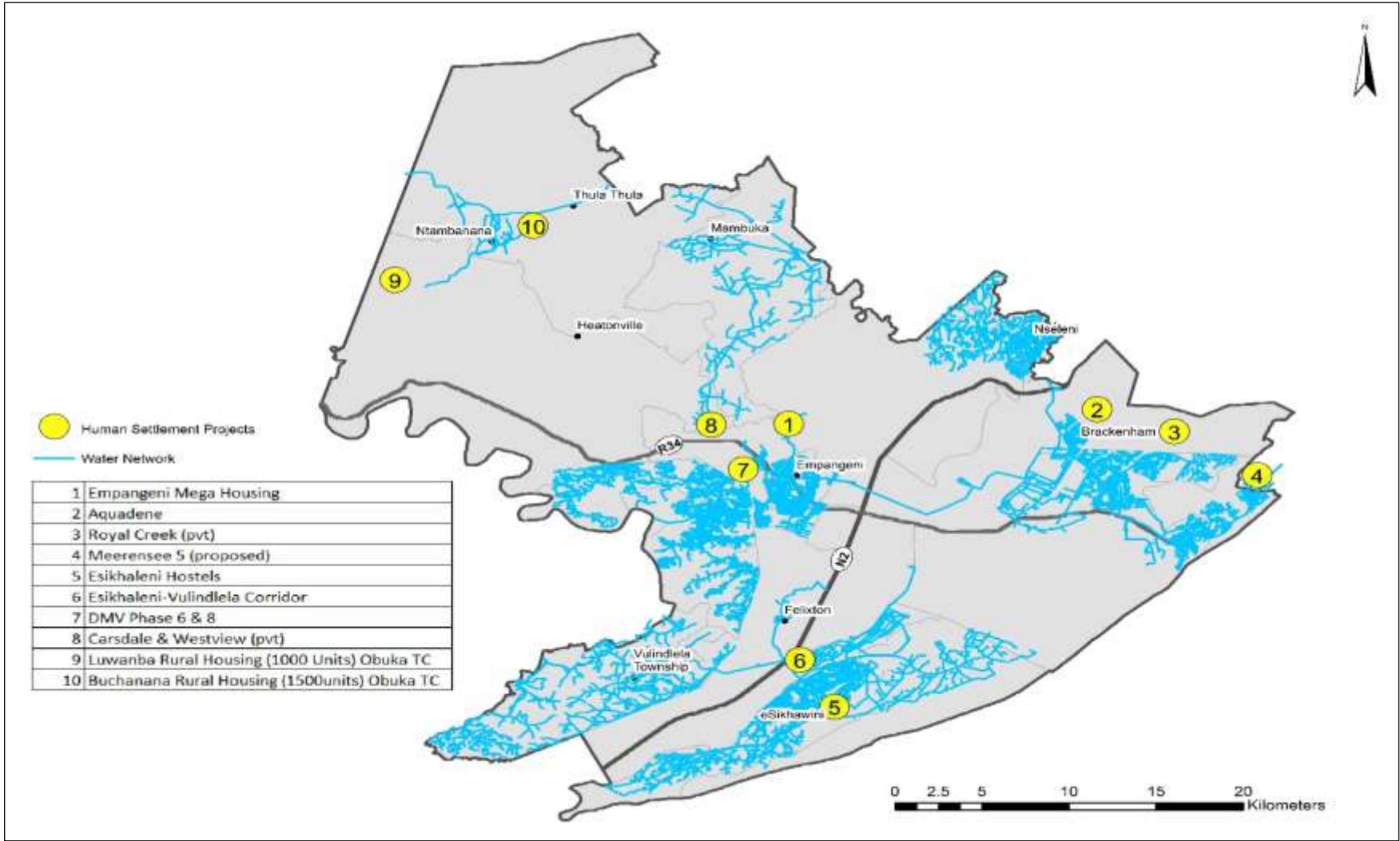
Map 17: Access to Water



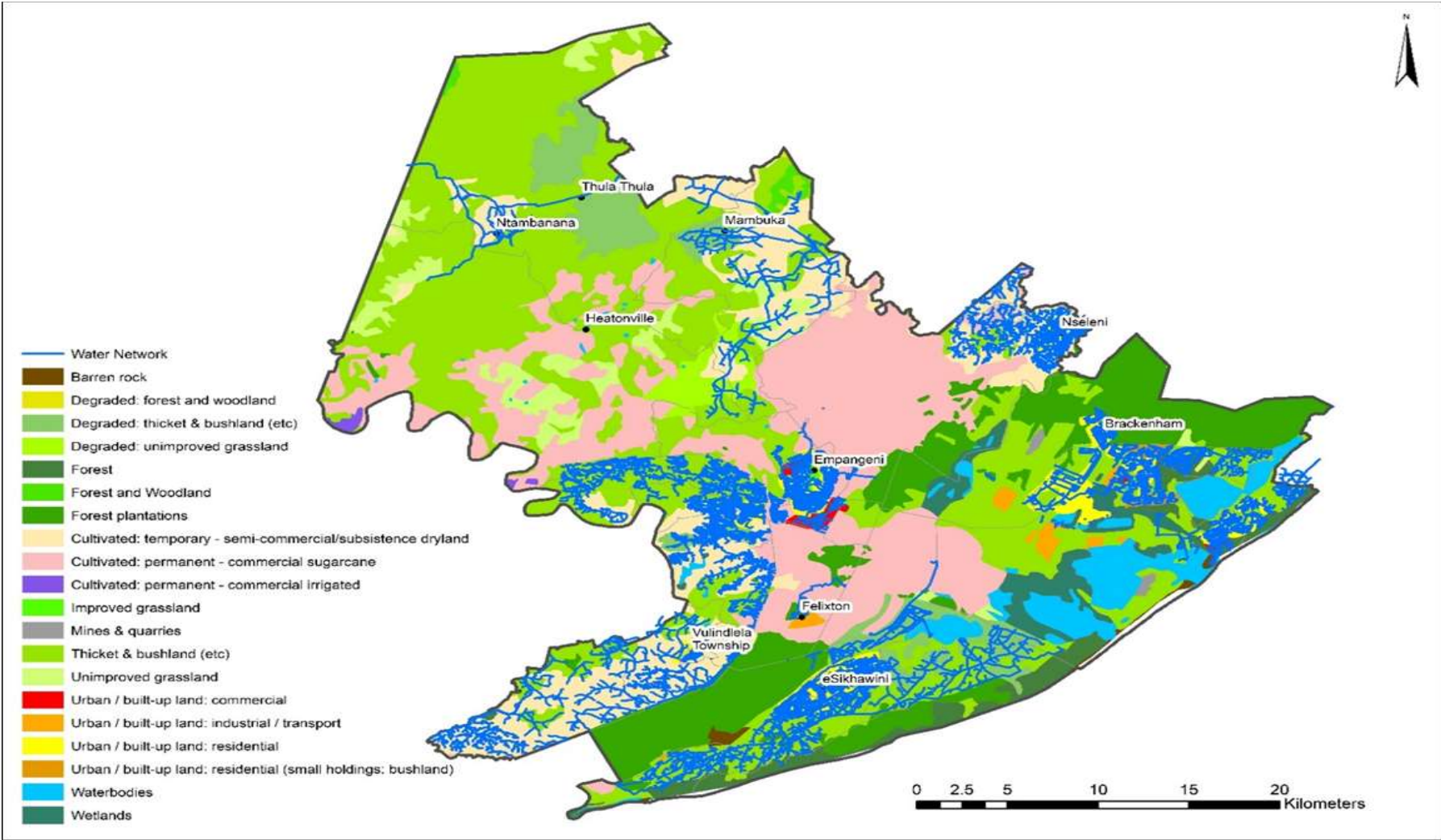
Map 18: Water Networks



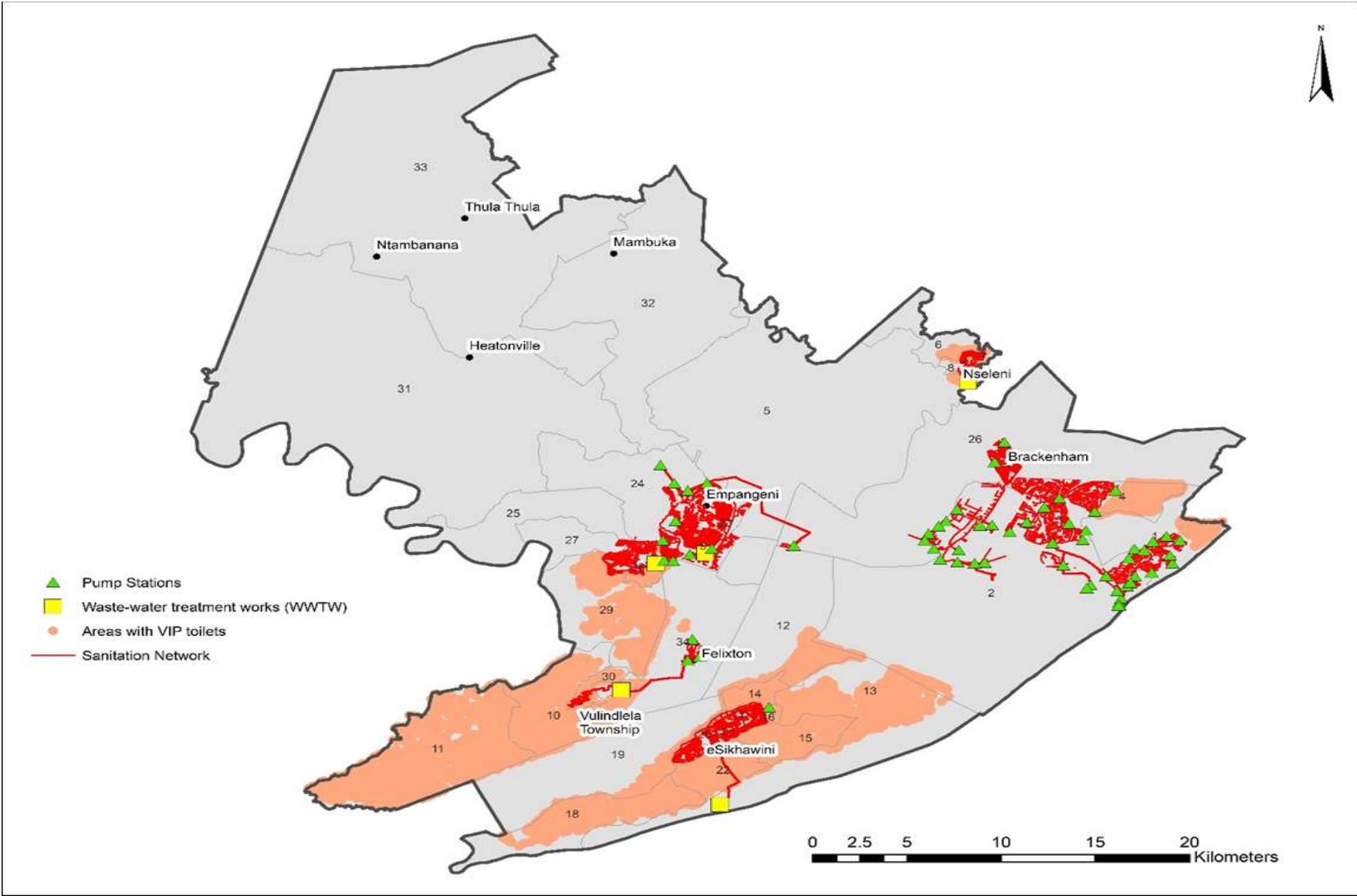
Map 19: Water Network for Human Settlement Projects



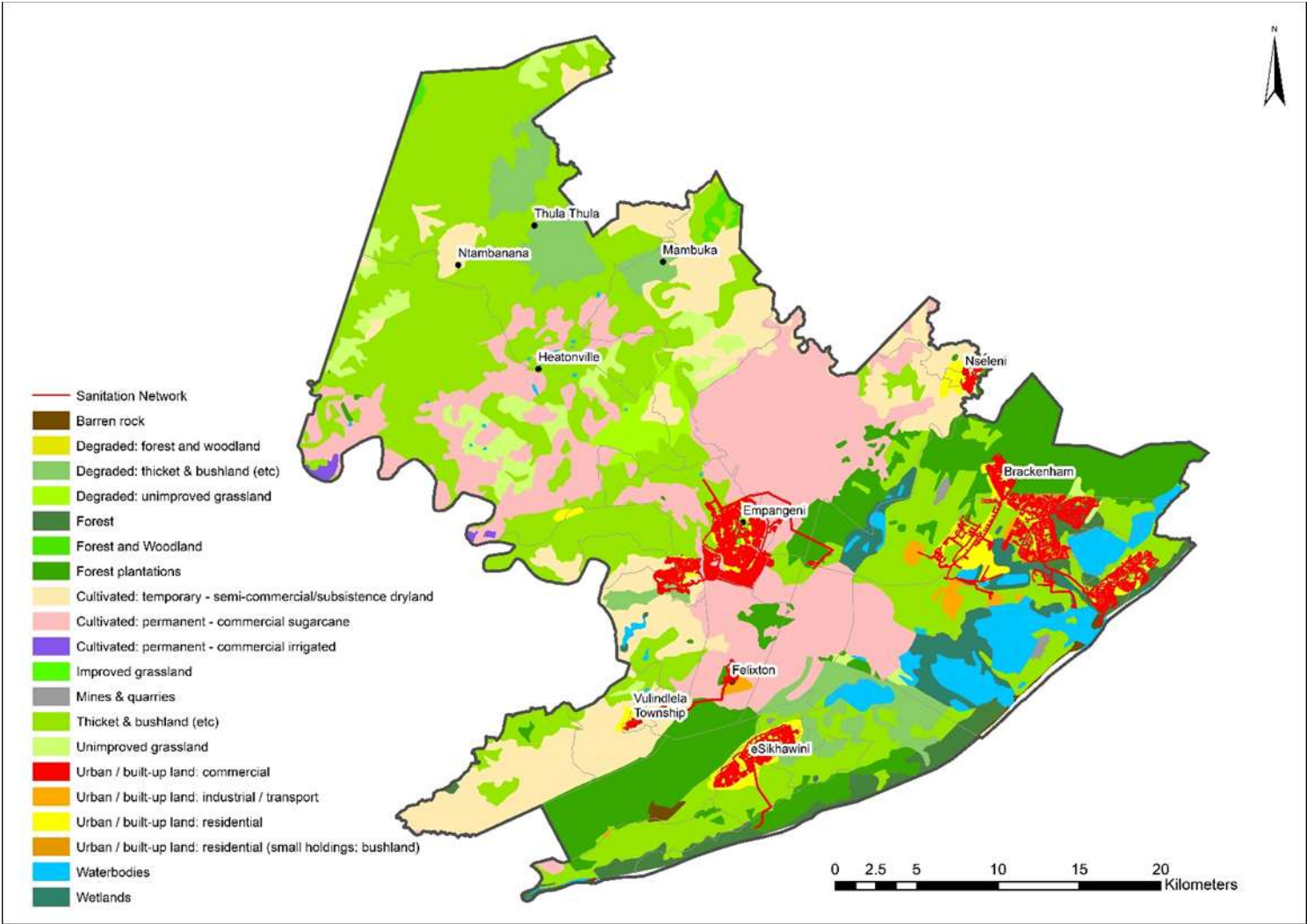
Map 20: Water Networks



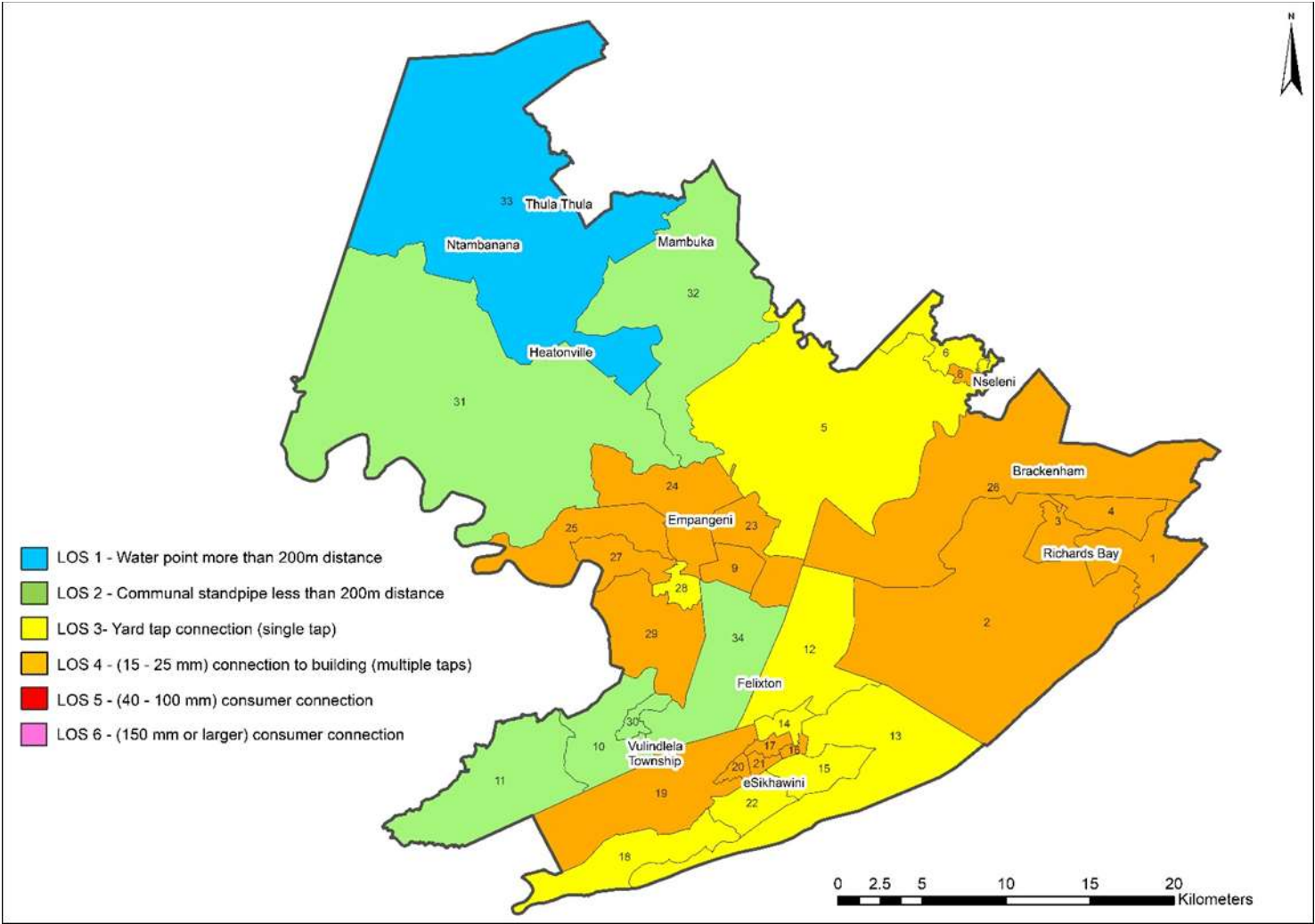
Map 21: Pump Stations



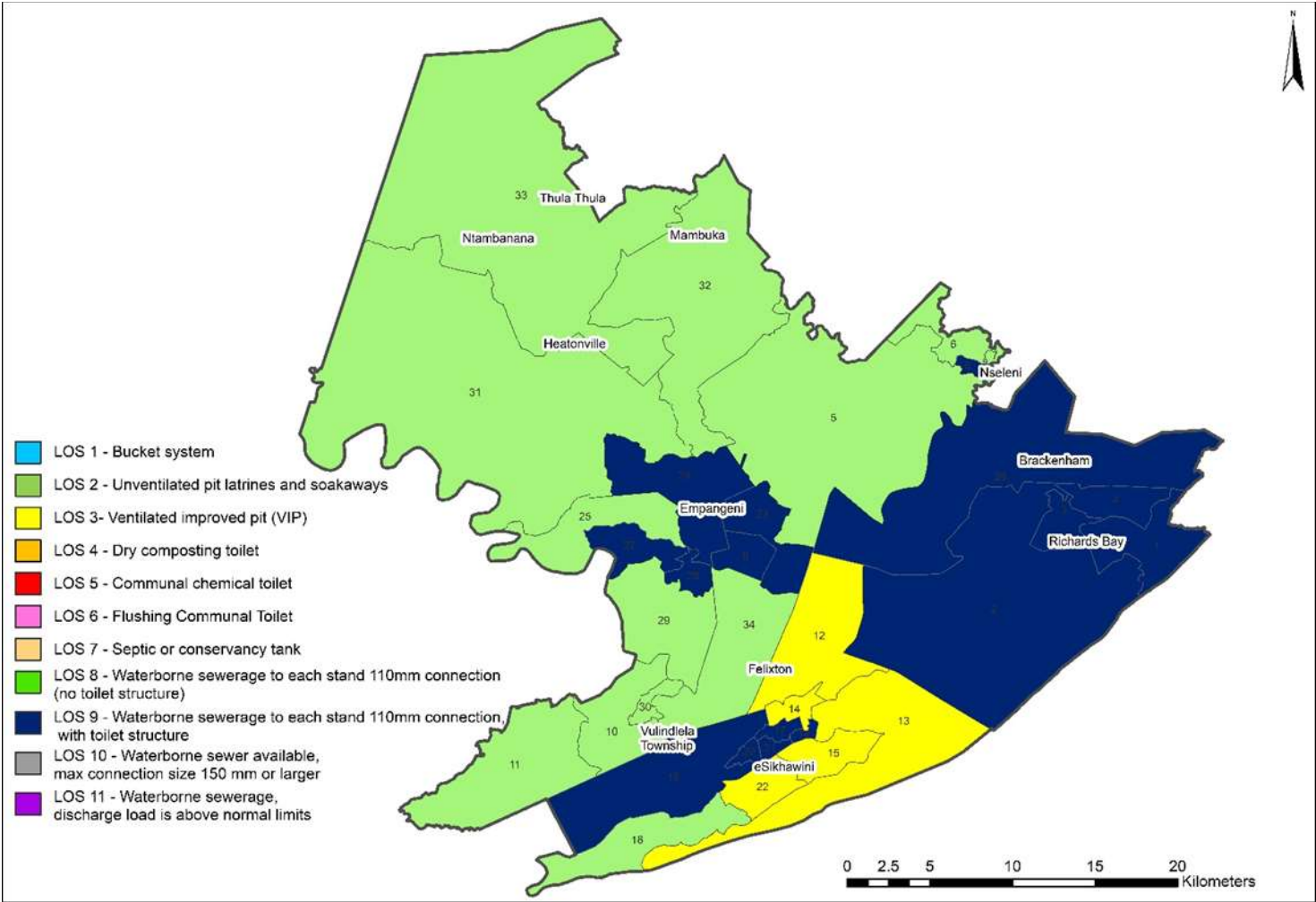
Map 22: Sanitation Networks



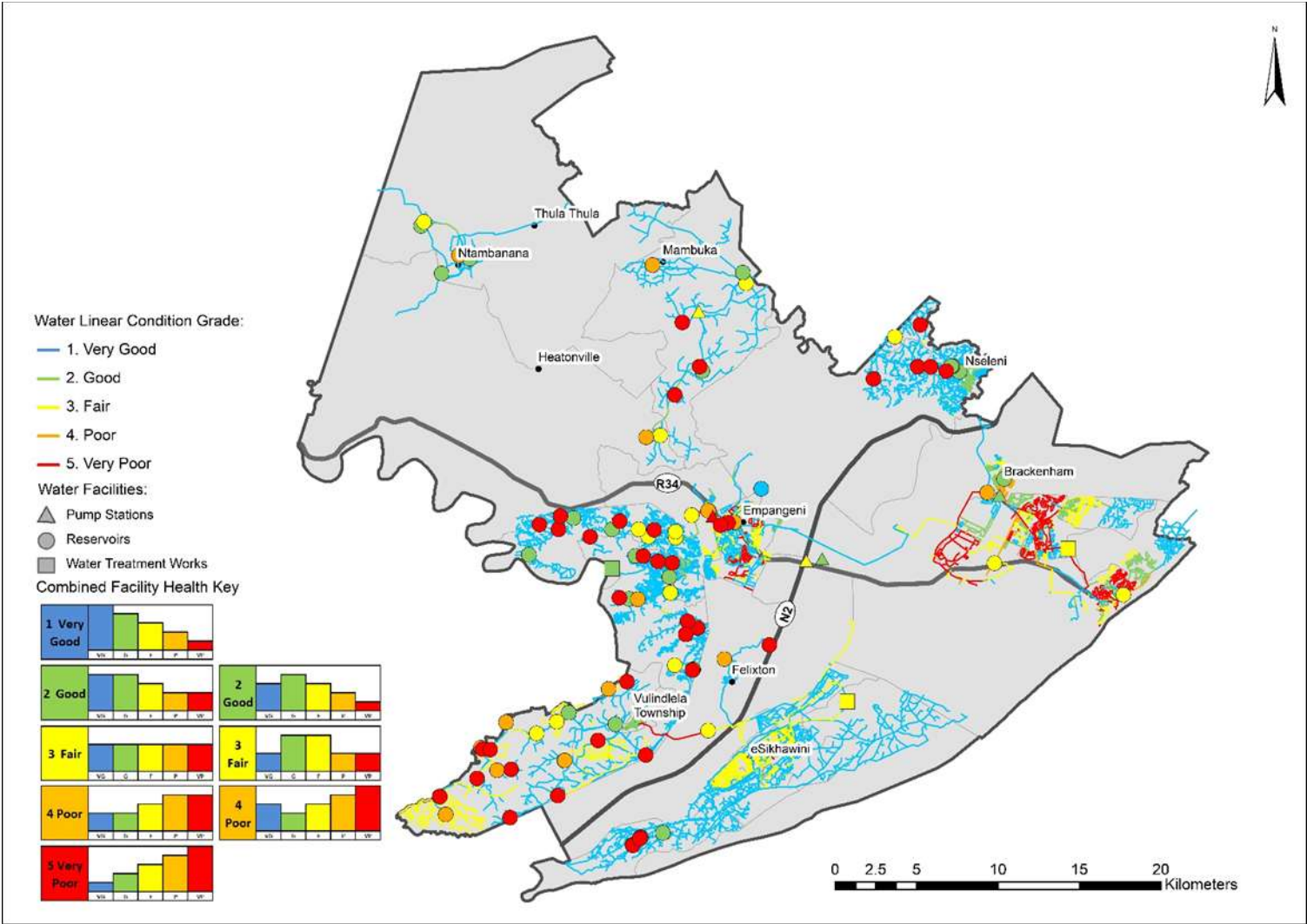
Map 23: Domestic Water Supply



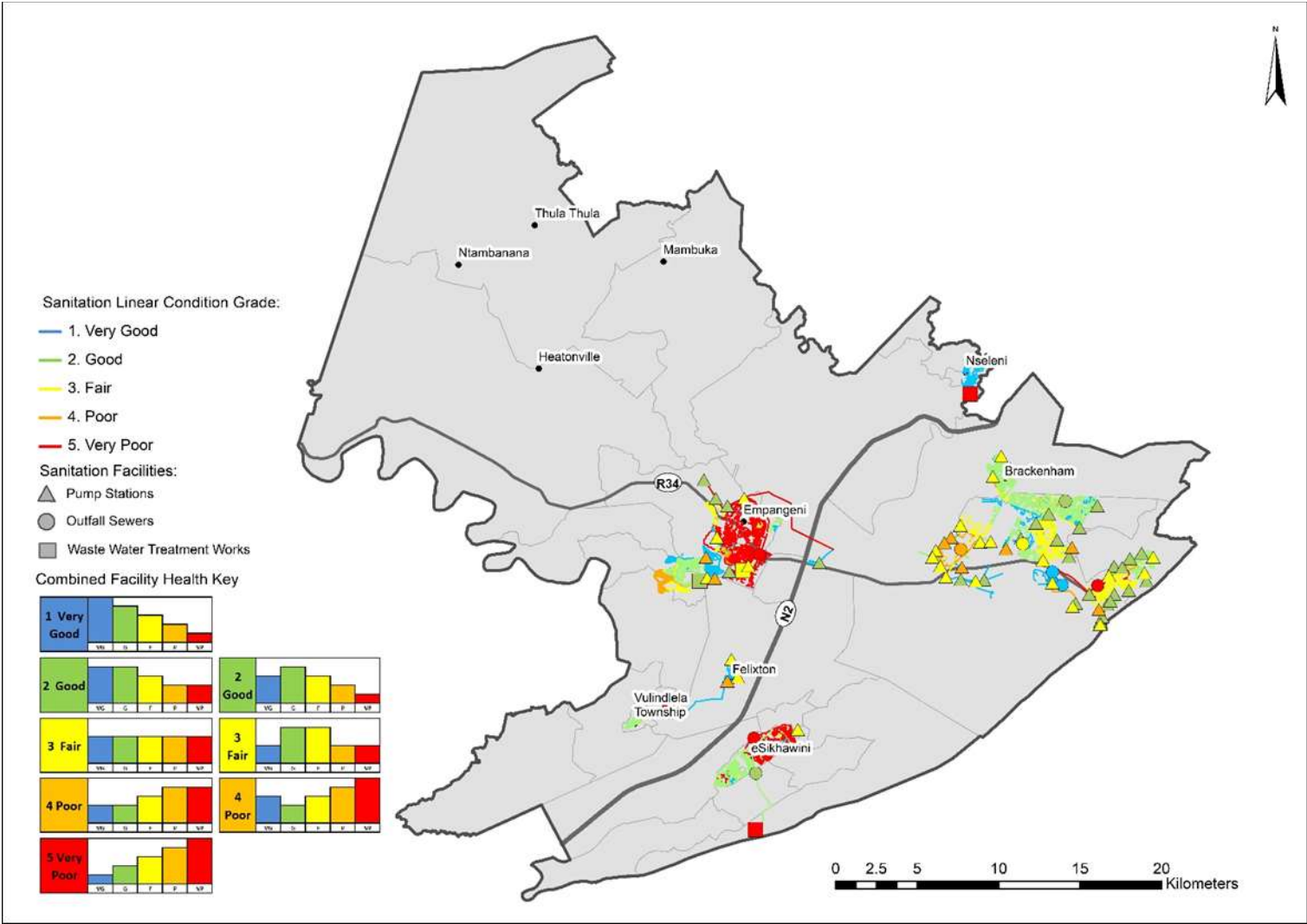
Map 24 : Sanitation Supply



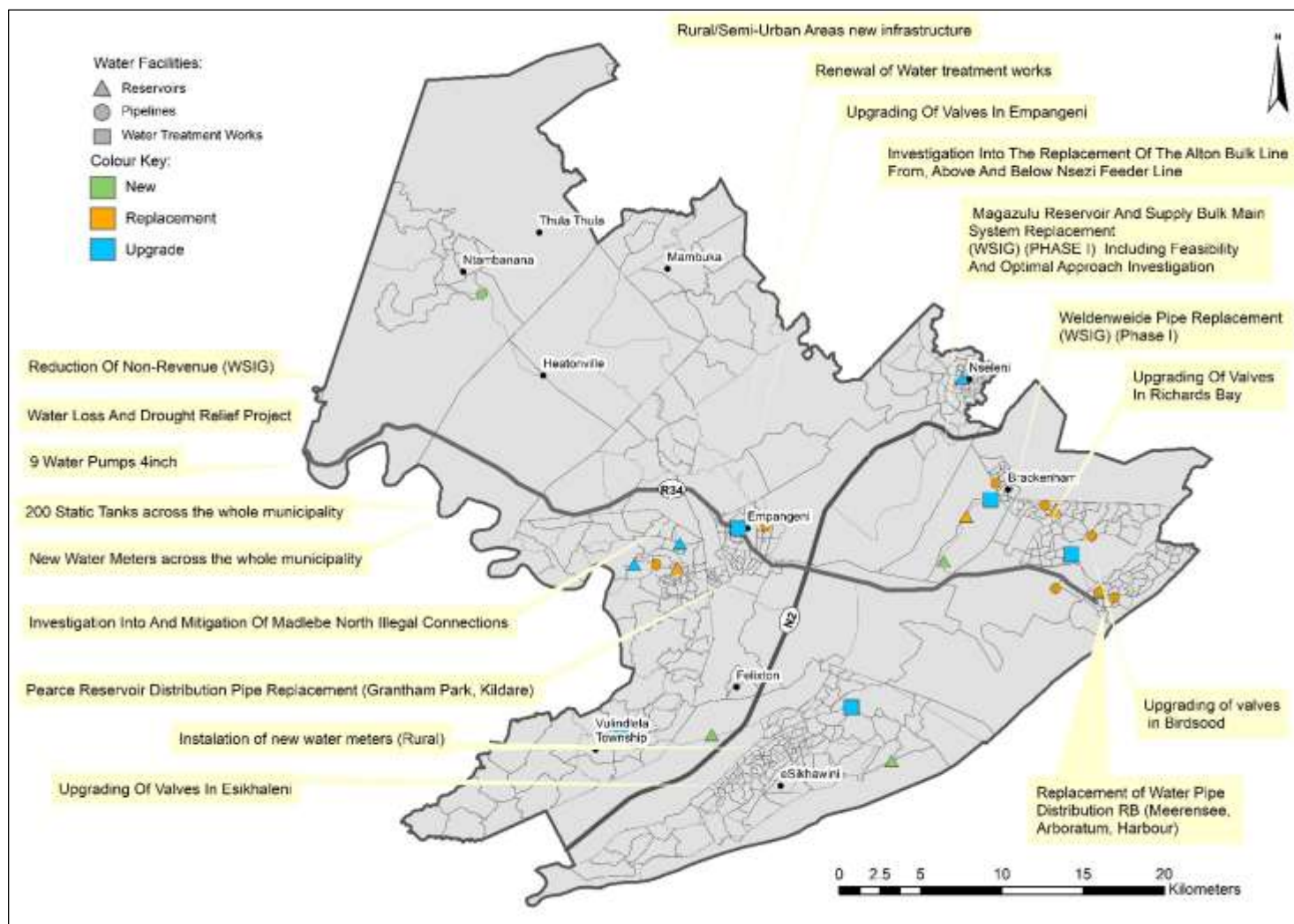
Map 25: Water linear Condition



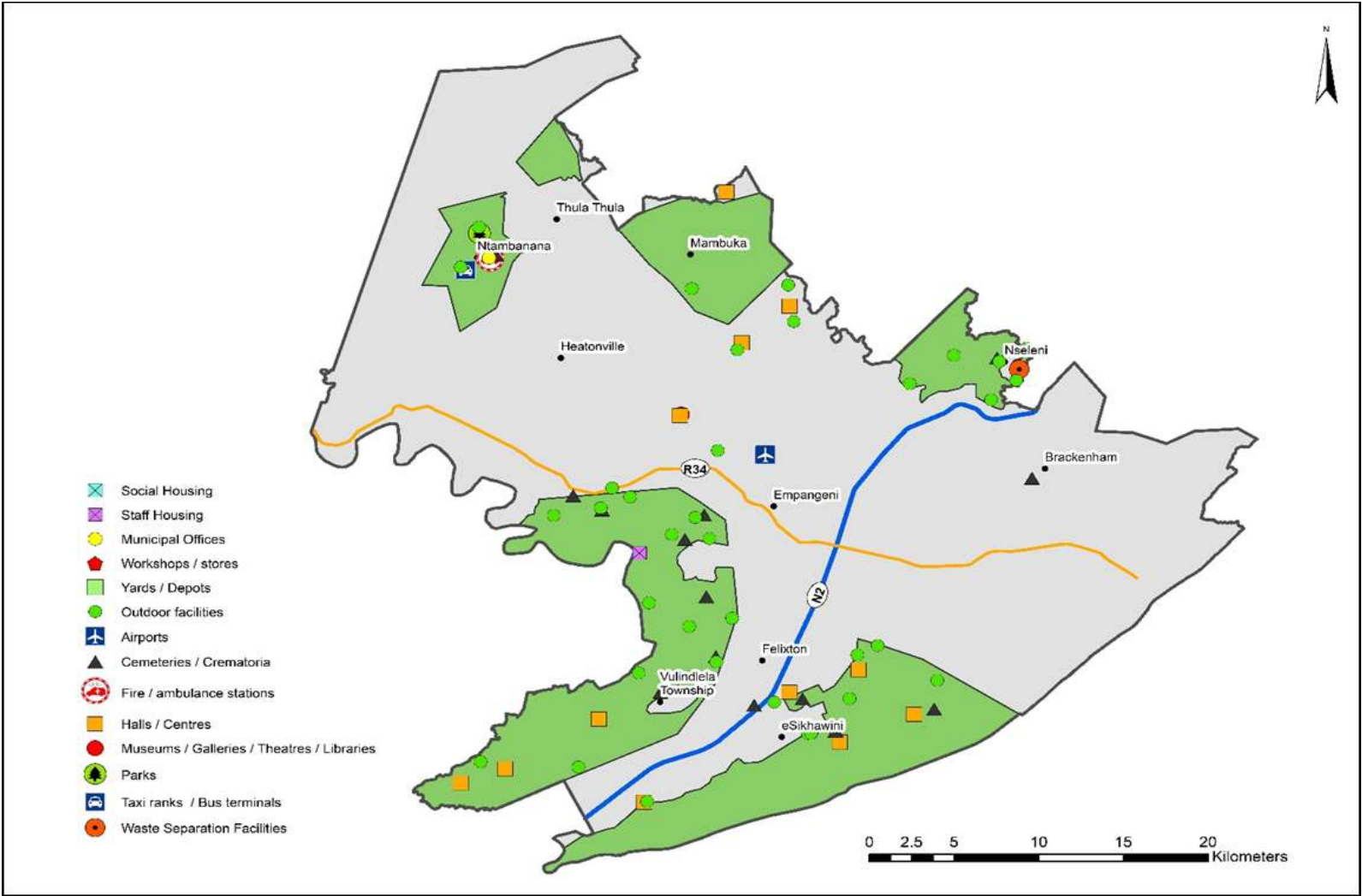
Map 26: Sanitation Linear Conditions



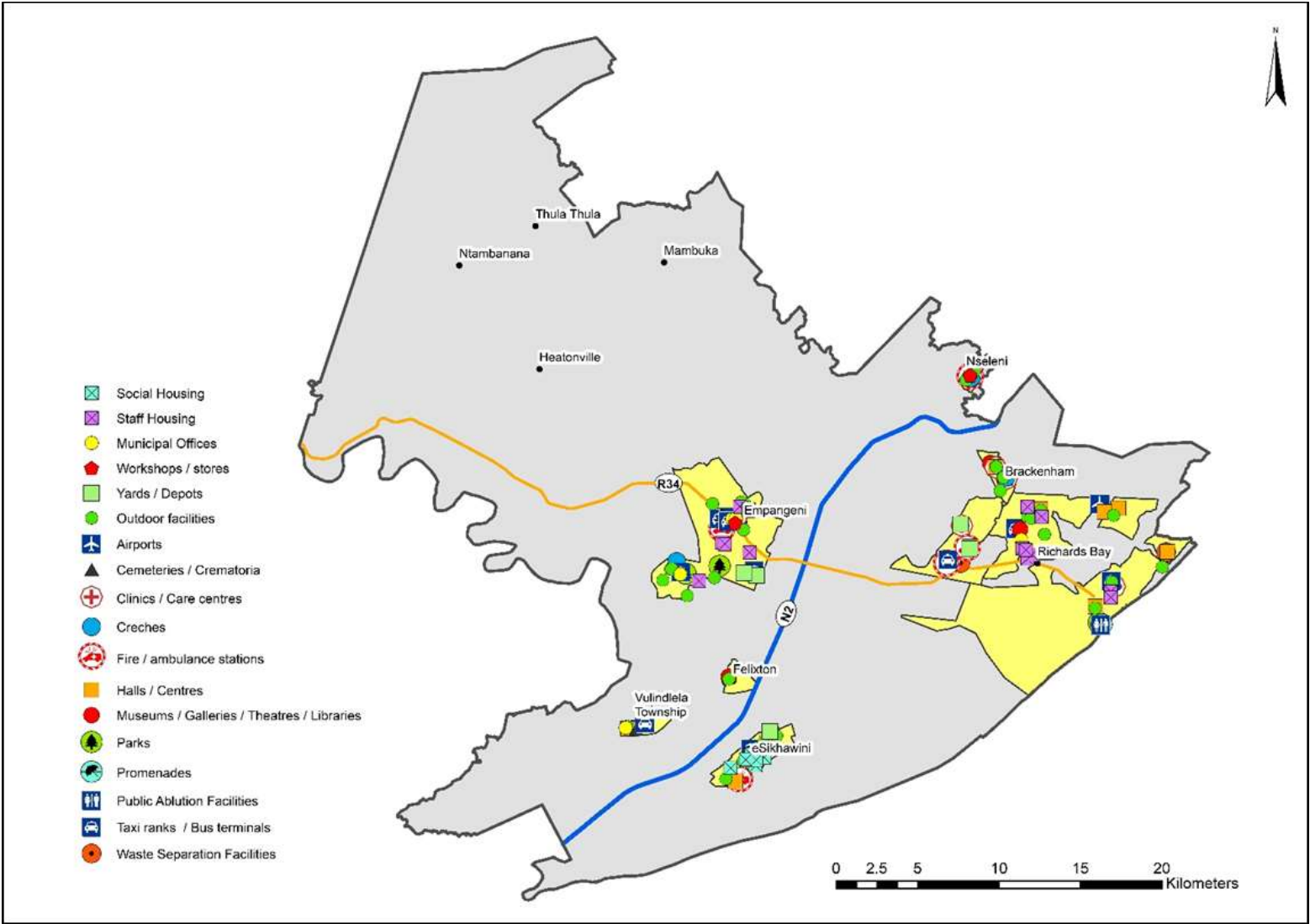
Map 27: Water Facilities



Map 28: Backlogs



Map 29: Public Facilities



8.12.3 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: Laboratory and Water Quality Management. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

○ **Drinking Water and Wastewater Systems**

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

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

○ **Water Pollution Management**

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

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

Sample types being monitored by the WQMP

8.12.4 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.

Since 2013 DWS has not conducted any assessment but nevertheless the municipality has adopted the Blue and Green drop framework and utilise it to benchmark its services.

8.12.5 Water Loss

The Water Loss report is based on the IWA standard of reporting as it is a requirement from the Department of Water and Sanitation for Municipalities to report their Water Losses in that format. The Department of Water and Sanitation (DWS) has introduced the new format of reporting water losses and they have given each Water Services Authority (WSA) a New Template that the WSA must report on.

The Water Demand Management (WDM) Section is currently looking at procuring the services of a GIS Specialist who will assist with billing data analysis to report the losses per zone. This will assist the Council in planning as well as prioritising the areas that need special attention based on the result of each zone. The Reduction of Non-Revenue contract created a number of discrete zones, whereby the area is divided into small discrete zones with its water meter and a pressure reducing valve. That lead to a total of 48 Pressure Reducing Valves being installed in the Urban and Rural areas of the City of uMhlathuze. Tables below each area indicates the number of zones that have been created and in future the Section will be reporting based on those zones where a clear picture will be portrayed as to how the water usage is consumed per zone.

The levels of Council's water source for the last quarter are as follows:

- Goedertrouw Dam 53.00%.
- Mzingazi Lake 97%.
- Cubhu Lake 95%.

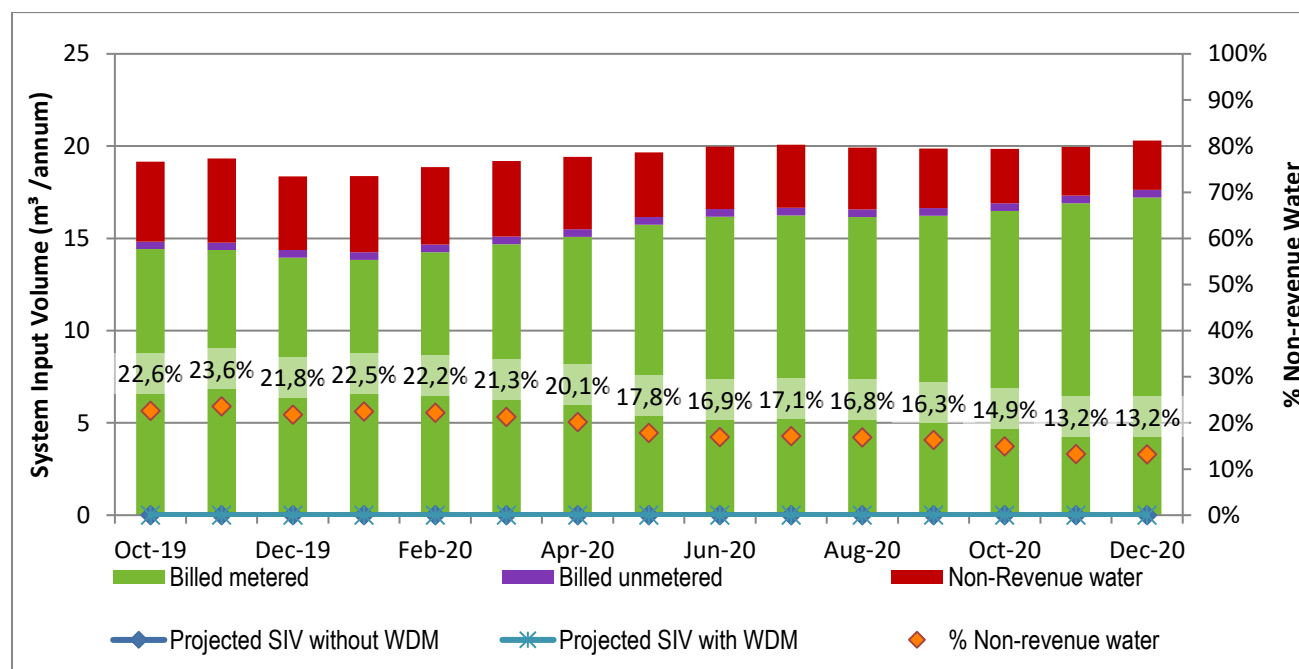
It can be reported that Mzingazi Water Treatment Works (WTW) has been fully operational since June 2019, daily production rate of over 35 ML.

- **Richards Bay Supply System**

The System Input Volume (SIV) for Richards Bay Supply System is derived from the bulk meters listed in the table below:

Richards Bay Zone Meters	
Arboretum	Veldenvlei
Arboretum 2 (Telkom)	Wildenweide
Arboretum Ext	Aquadene
Mandlazini	Brackenham
Birdswood	Alton
Birdswood - Zone 2 (Wagtail)	eNseleni LL

Richards Bay CBD	eNseleni HL
Richards Bay Remainder	KwaKhoza
Meerensee	Mzingazi Village
uThungulu (Dondotha, Hlaza and Mbonambi)	

Table 28: Richards Bay - Water Balance

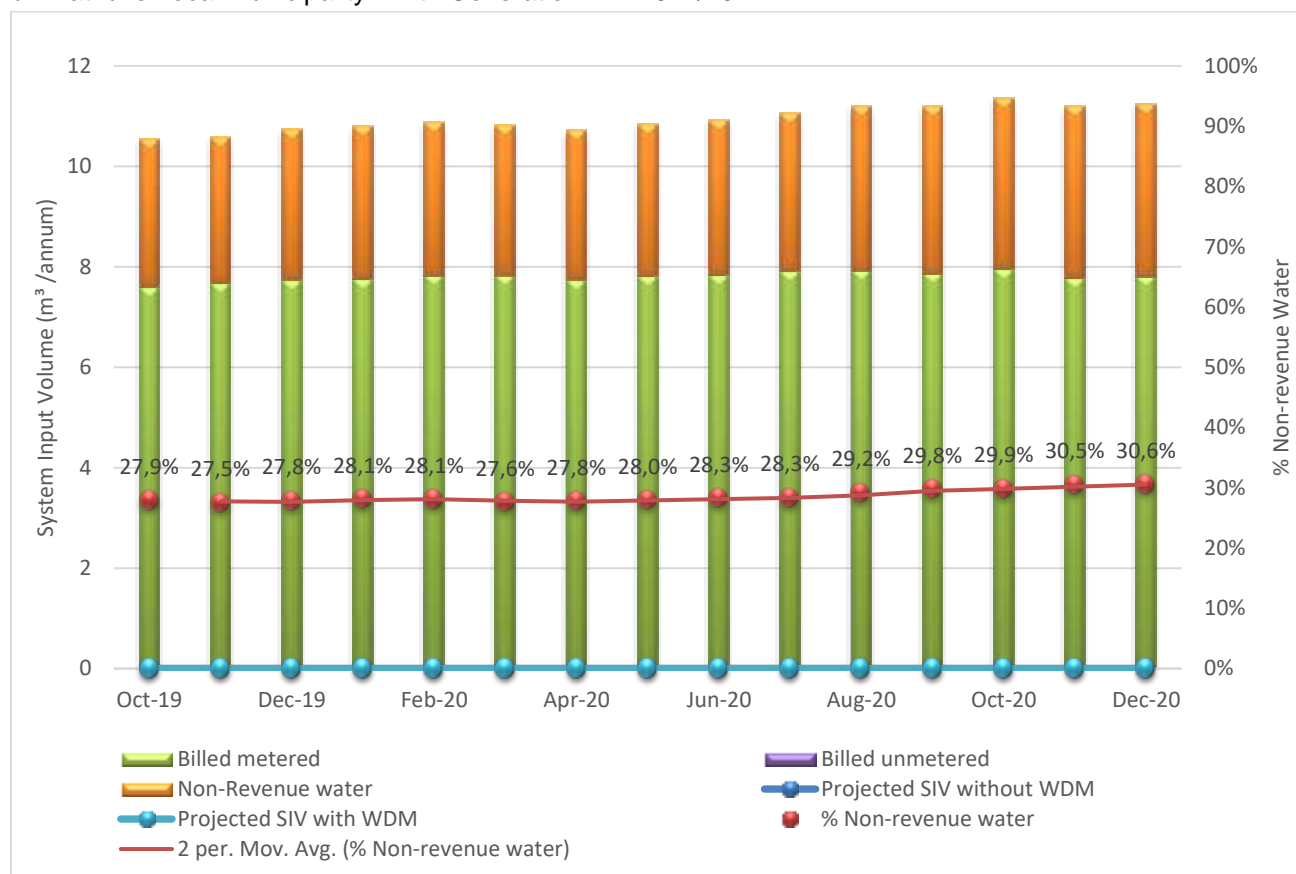
It can be reported that the system supplying Richards Bay is operating well. The trend indicates a reduction in losses when compared to the same period of the previous year.

- eSikhaleni Supply System**

The System Input Volume (SIV) for eSikhaleni Supply System is derived from the bulk meters listed in the table below:

eSikhaleni Zone Meters	
Felixton Town	Gobandlovu / Madlankala
Mtunzini	Gobandlovu 80 mm Zone Meter
Dlamvuzo	Vulindlela Township and Mkhwanazi
J Section	Reservoir U
Dube Traditional Area	Reservoir G
H Section	University of Zululand

Table 29: eSikhaleni - Water Balance



In eSikhaleni zone, the challenge has been the inconsistency in sustaining the reservoir levels. Pressure management has proved to be a success but due to high demand in the zone and the continuous pipe burst in the mainline supplying the reservoirs, the water supply has been a challenge. The WDM team is working with a professional team that is assisting with a long term alternative to solving the challenge. The study has been approved by EMCO, the award of contracts to install a dedicated line to Empembeni is at an advance stage.

- **Interventions on the eSikhaleni Water Supply**

eSikhaleni Water Supply System footprint includes the following areas: KwaDube, Mkhwanazi (South and North), eSikhaleni, Vulindlela, Felixton Suburbs and Mtunzini. The eSikhaleni Water Treatment Works as the water source for all these areas, has a design capacity of thirty-six mega litre per day (36 ML/d) and the demand is about fifty mega litre per day (50 ML/d). This shows that there is a deficit of about fifteen mega litre per day (15 ML/d) in terms of supply vs demand. The unfavourable intervention that has been adopted to try to ensure water supply only during peak hours is through water rationing (restrictions). The intervention has had a negative impact on the system and wellbeing of the community supplied through EWSS especially in these trying times of the COVID-19 pandemic. Rationing of water supply results in airlocks especially in high lying areas which causes intermittent or/and no water supply even during peak hours. The aforementioned challenges have resulted in the community losing trust in the Council's

service delivery. This has been witnessed through occasional service delivery protests that are occurring throughout the city.

To improve the City's reputation and restore trust in service delivery rendered by the Municipality, the following interventions have been considered by council :

Table 30: ESikhaleni Water Supply - Short term intervention - 2020/2021

Short term interventions		
Item	Financial Implication	Implementation
New Five Water tankers (16 000L)	R10 000 000	RT57 National Treasury Tender
Reservoir U Pump station	R7 000 000	Tender 8/2/1/UMH348
Reservoir B (2ML) & C (1ML)	R11 000 000	Tender 8/2/1/UMH348
Ward 12 & 14 Package Plant and 2x3ML Reservoirs	R65 000 000	Mhlathuze Water
Ward 18 & 22 Reticulation	R50 000 000	Tender 8/2/1/UMH348
Forest Reservoir Pump Station	R12 000 000	Tender 8/2/1/UMH348
Total	R155 000 000	

Table 31: ESikhaleni Water Supply - Medium Term Interventions 2021/2022

Medium term interventions		
Item	Financial Implication	Implementation
Nsezi WTW to Forest Reservoir Bulk Supply	R228 000 000	Mhlathuze Water
Total	R228 000 000	

Table 32: Long Term Interventions

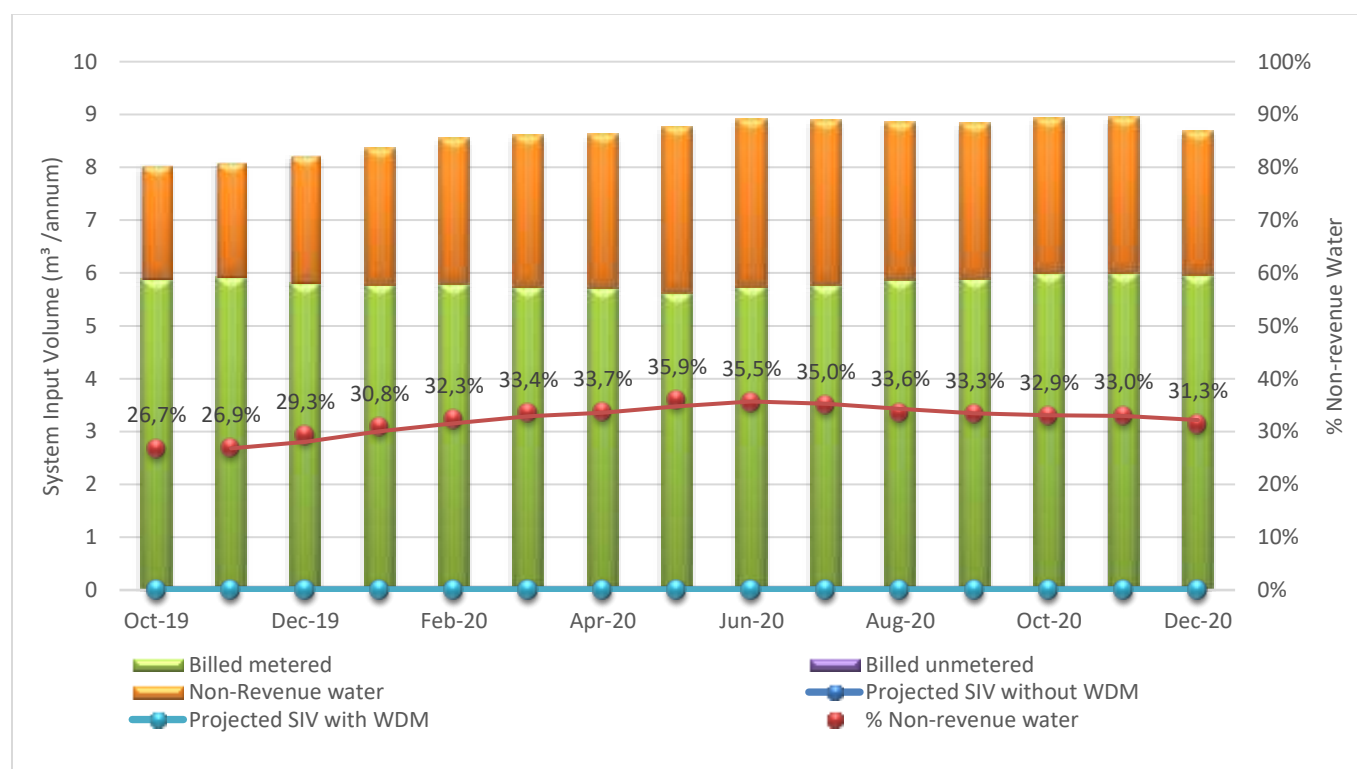
Long term interventions	
Item	Financial Implication
Upgrade eSikhaleni WTW (Cubhu) to 60 MLD	R449 000 000
Total	R449 000 000

- **Empangeni Supply System**

The System Input Volume (SIV) for Empangeni Supply System is derived from the bulk meters listed in the table below:

Empangeni Zone Meters
Grantham Park
Empangeni Rail
Exxaro
Prison
Dumisani Makhaye Village
Nyala Park
Kildare
Empangeni CBD
Magazulu Remainder
Ntambanana – through water tankers (3 by 15kl/d per ward)

Table 33: Empangeni - Water Balance



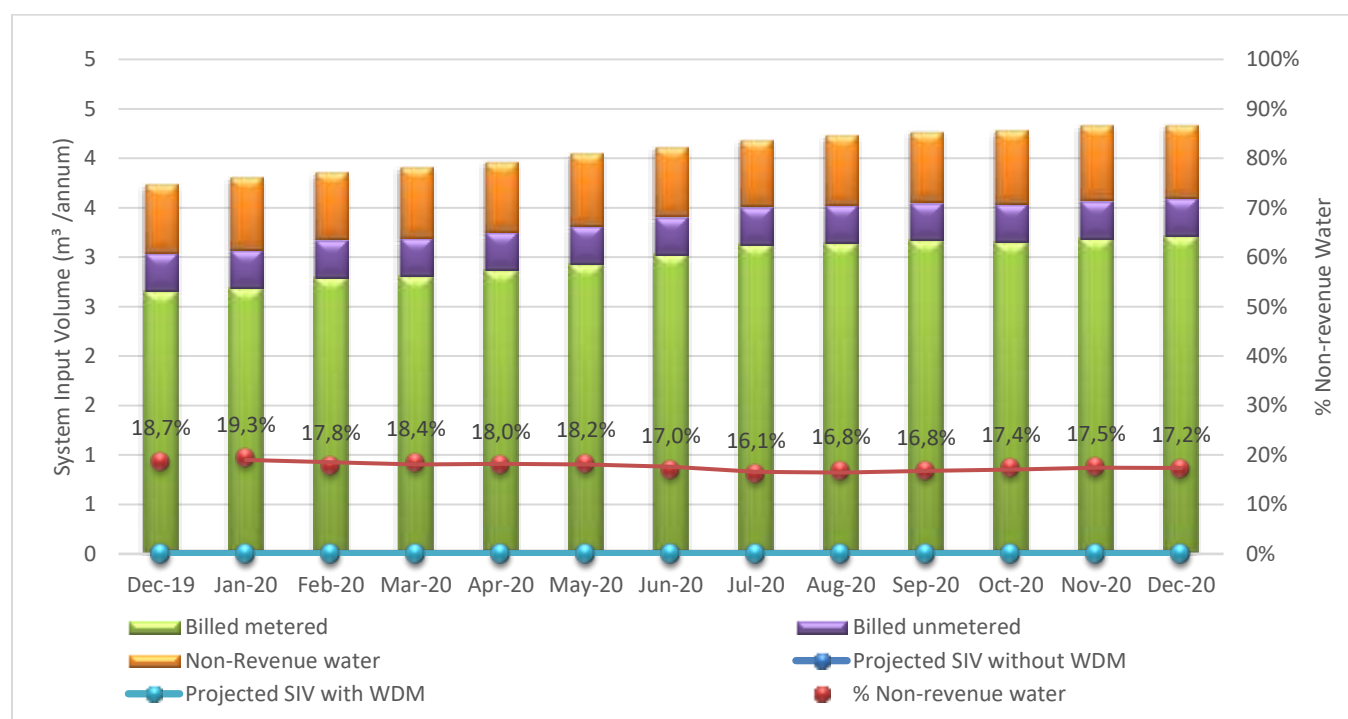
The system is operating well and there has been few pressure complaints reported in the last quarter. The challenge in Empangeni zone has been the issue of unidentified leak around Kuleka Area. Step test has been conducted the result have indicated the area that needs to be zoomed in, it is a continuous exercise.

- Ngwelezane Supply System**

The System Input Volume (SIV) for Ngwelezane Supply System is derived from the bulk meters listed in the table below:

Ngwelezane Zone Meters
Newtown
B Section
Hospital
Ngwelezane Zone Meters
Madlebe North
Madlebe South
A Section

Table 34: Ngwelezane - Water Balance



In the Ngwelezane zone, not much has changed since the last report. Team is awaiting budget to implement more pressure control zones in the suburb of Ngwelezane.

8.12.6 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.

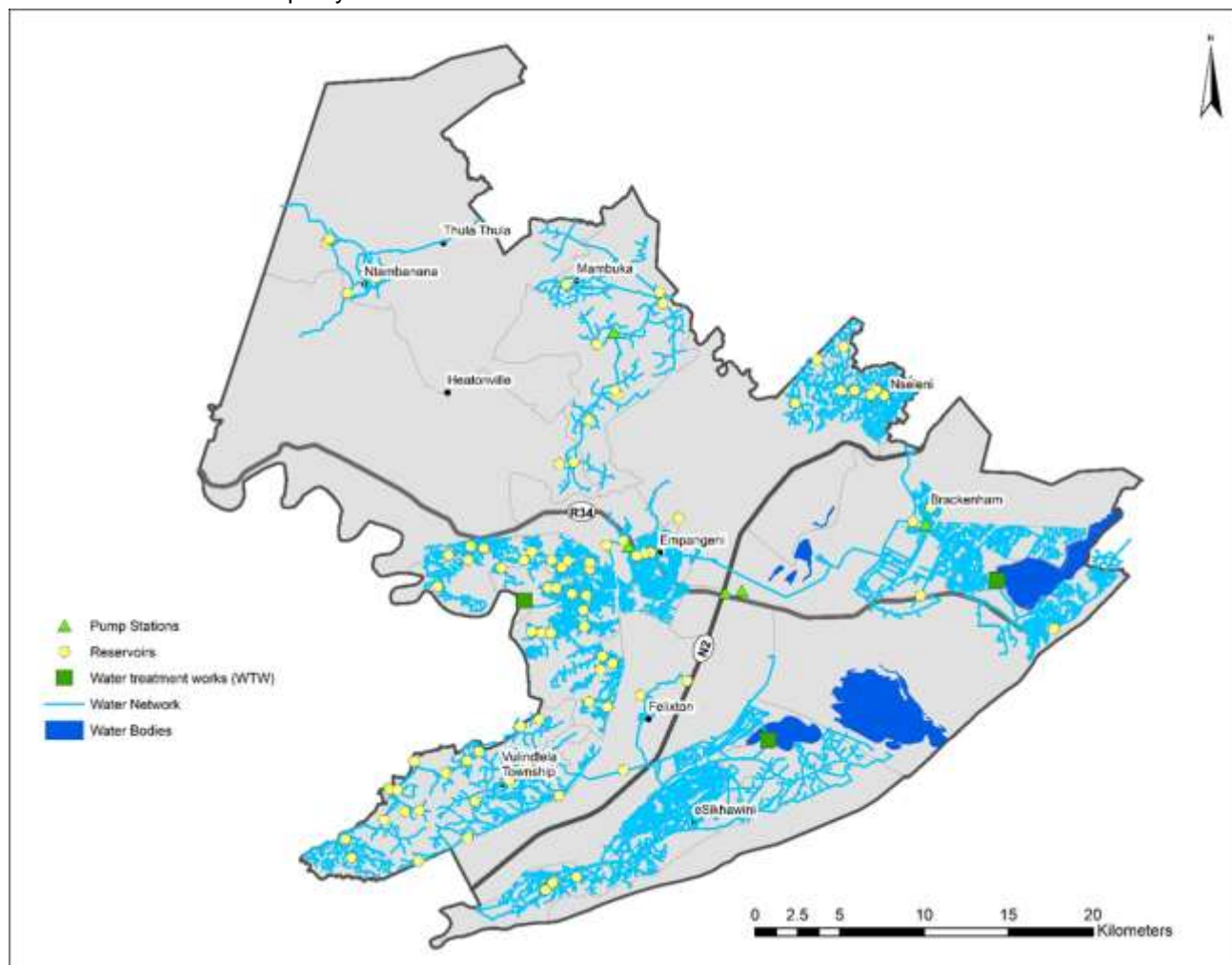
Table 35: Design and Operating Capacities of Treatment Plants

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

8.12.7 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.
- Review of drinking water and wastewater Incident and Failure Response Management Protocols
- Review of Water Safety Plan and Wastewater Risk Abatement Plan

Map 30: The Raw Water Abstraction Points, Water Treatment Plants; The Pipelines, Reservoirs And Pump Station



8.12.8 Key Projects

Laboratory Information Management System (LIMS)

Laboratory Information Management System (LIMS) is a software that is used for creation, processing and storage of laboratory information according to ISO 17025 and customer requirements. By use of a LIMS, the laboratory can automate workflows, integrate instruments, and manage samples, analytical results and associated information for reporting purposes. The Scientific Services is in the process of implementing Labware LIMS which will allow for effective management of data to improve laboratory efficiency and reliability.

Trade Effluent Management System

The sewage disposal system in the City of uMhlathuze has been developed in response to requirements to protect public health and minimize the environmental impact of wastewater discharges. Over time, the industrial and commercial base of the city has expanded and industrial effluent from these activities has been accepted into the Sewerage System as a service to business.

The operation and performance of municipal wastewater treatment works and the resultant final treated effluent and waste discharge is fully dependent on:

- a) the nature of the activities in the wastewater treatment works catchment area
- b) the proportions of domestic and industrial effluents in the inflow
- c) the overall volume of effluent received; and
- d) the concentration of the effluent received

The Municipality ensures that all the contributors connected to the sewer system adhere to the required stipulations of the Water Services By-Laws. To ensure adherence of trade/industrial effluent discharged into the Municipal sewer system in accordance with Section 86 (1) and Section 88 (1) of the Water Services Bylaws

Permit Management System

The permit management system will be implemented to manage effluent disposal permits in terms of Sections 86 & 88 of the Water Service By-laws. Not only must the control measures and revenue collection be controlled more efficiently, the system must be implemented to protect the council from penalties and validate cost recoveries.

The requirements to detect fraudulent acquisition of effluent disposal permits were discussed during the initial workshops in 2015. The significance of electronic management of permits; web based application and issuing of permits to contributors were identified. Currently the threat of fraudulent use of permits is also a high risk matter.

Council requires a publicly accessible system to allow its clients to apply for effluent disposal permits. The clients should be able to apply for a new, or look up their existing permits and either: renew, amend, transfer or cancel the permit(s). The permit system should provide the Council staff the ability to validate and approve permits; in addition to keeping track of all water quality tests performed for the allocated permit.

Cost recoveries do not only concern the cost of remedying the effects thereof, but also all costs related to tracing the source of the non-compliant effluent discharged. The full cost recovered in terms of the current bylaws would also include the recovery of costs incurred to repair damages to the environment. This ensures that the "polluter-pays" principle is fully applied to whoever may have caused the pollution incident.

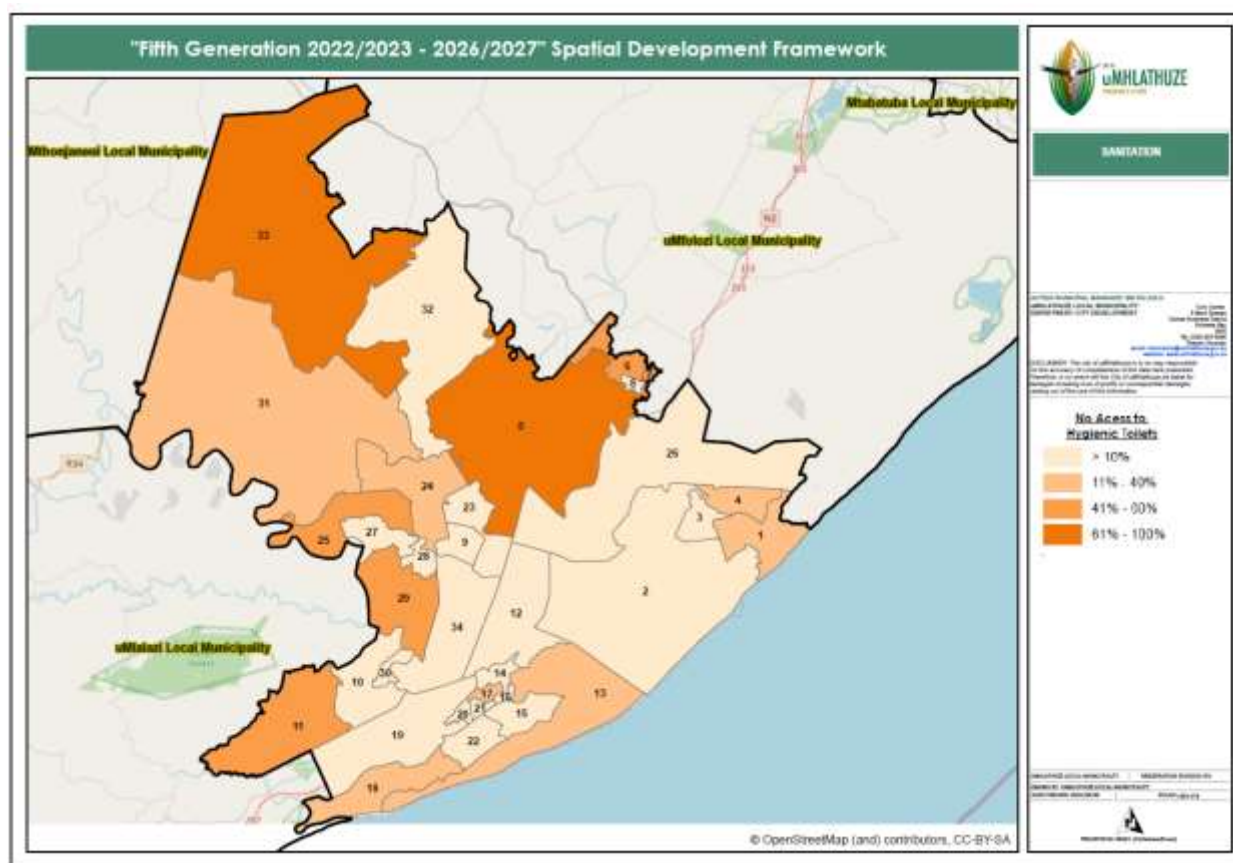
8.13 Sanitation

At commencement of the financial year a total of **80.94%** households had access to the basic level of service for sanitation as at 30 June 2019. The basic (RDP) level is one VIP toilet per household. The target for 2020/2021 for basic RDP level of sanitation service is set at **81.12%**. The approved target for 2021/2022 financial year of VIP toilets to be constructed is **200**.

Access to Sanitation as at 30 June 2021 is **80.94%** and the Sanitation backlog is **19.06%**.

Table 36: Municipality Calculated Sanitation Backlogs

Service Level	Baseline (2020/2021) (Audited)	2020/2021 Target	2021/2022 Mid-Year adjusted Target	Stats Ending September 2021
Total households = 110 503 (2016 Stats SA)	Households with access to sanitation	Targets		Households with access to sanitation
ACCESS TO SANITATION	89 444	89 644	89 444	89 444
Waterborne Sewerage	43 068	43 068	43 068	43 068
VIP Toilets	46 376	48 176	46 376	46 376
Backlogs	21 059	19 259	21 059	21 059
New Installations (VIP)	0	200	0	Actual Q1 = 0

Map 31: Access to hygienic toilets


Source: uMhlathuze SDF 2022

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

8.13.1 Asset Management Plan for water and sanitation

CoU is the Water Services Authority (WSA) and the Water Services Provider (WSP). As the WSA, it is responsible for ensuring that infrastructure is developed, operated and maintained. It has developed and adopted an Asset Management Plan for Water and Sanitation in 2019 adopted in 2020. The plan is developed to plan effective and efficient infrastructure-based service delivery for the City of uMhlathuze, utilising available resources. **Attached as annexure to the IDP**

8.13.2 Operations and Maintenance

The municipality has adopted operations and maintenance plans for water and sanitation; included as an annexure to the IDP.

8.13.3 Water and Sanitation Plans

Plan	Status
Asset Register for Water and Sanitation, Audited as June 2020	Available as Audited in June 2020 Annexure AS
Water and Sanitation Year Ended Report, 2019/2020	Annexure AT
Draft Asset Management Plan for Roads & Stormwater 2018-2028 (signed-off version);	DMS 1451741
Draft Asset Management Plan for Electricity & Energy Services 2019-2028.	DMS 1451820
Draft Asset Management Plan for Water & Sanitation 2018-2028 (signed-off version);	DMS 1451745 Annexure AP
Draft Asset Management Plan for Buildings, Facilities & Waste Management 2018-2028 (signed-off version);	DMS 1451734
Draft Maintenance & Renewal Strategy for Roads & Stormwater Services;	DMS 1451809
b) Maintenance and Renewal strategy for Building and Facilities;	DMS 1451750
Maintenance & Renewal Strategy for Electricity & Energy Services.	DMS 1451827
Draft Maintenance & Renewal Strategy for Water & Sanitation Services;	DMS 1451721 Annexure AV
Bulk Sewer Master Plan	Annexure U

Operations and Maintenance Plan for Water and Sanitation	Annexure L
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8.13.4 Water and Sanitation Projects

All water and sanitation projects are reflected on **Section F, under Major Funded Project Sub-Section and** on the Municipal Capital Expenditure Framework 2022 “Annexure AC”

8.14 SOLID WASTE MANAGEMENT

8.14.1 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.

8.14.2 Strategic Goals

There are eight strategic goals around which the uMhlathuze Waste Management Strategy was developed, in line with National Strategy for Waste Management. They 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.

As a way of achieving this goal certain activities should be promoted by the Municipality in line with its Integrated Waste Management Plan. The following activities are being implemented:

- Increase re-use and recycling rates of products;
- Reduce the percentage of recyclable material to landfill;
- Ensure separation at source in our Municipality;
- Encourage the establishment of Material Recovery Facilities (MRFs);
- Encourage alternative treatment of waste; and
- Support the diversion of high calorific waste from landfill to recovery options.

Ensure Separation at Source in our Municipality (Kerb Recycling)

There are currently five areas where separation at source is taking place, which are Meerensee, Birdswood, Felixton, Brackenheim, Esikhaleni J1 Section and some parts of Empangeni. In these areas each household gets a yellow plastic bag for recyclables over and above the trolley bin service. Recyclables from Meerensee and Birdswood are collected by a bush truck to Material Recovery Facilities on the day of removal for further sorting. Recyclables from Felixton, Brackenheim and Esikhaleni J1 Section are collected by three separate waste-preneurs, under a six (6) month trial, with their own transport, on the day of removal and sort at their recycling sites. Recyclables from Empangeni are collected by informal waste-pickers who sell recyclables collected from trolley bins in order to sustain their livelihoods. This practice further minimizes waste going to the landfill while benefitting green economy.

Uninterrupted operations were carried out also at the Meerensee drop off point next to the bus rank, which complements kerb recycling in this area. A lot of recyclables were recovered in this system called Kerb Recycling.

Figure 32: Hierarchy

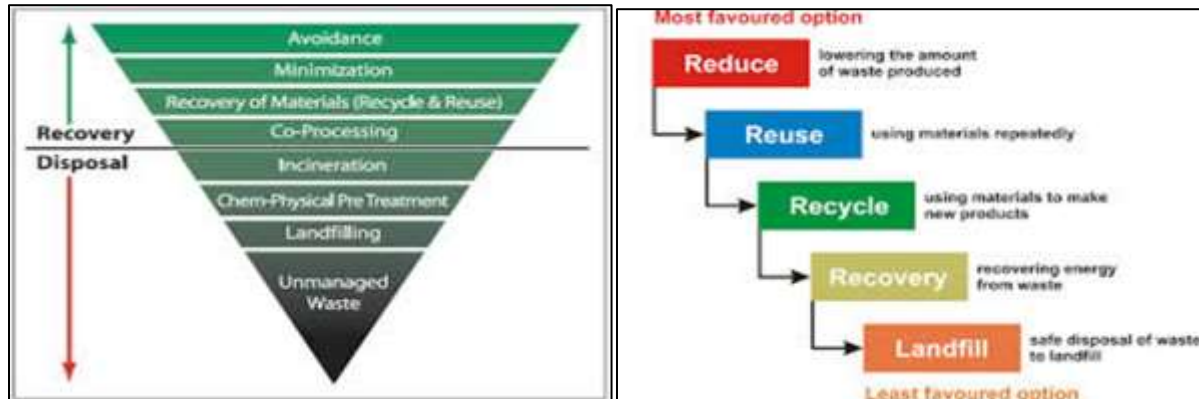


Table 37: different waste streams recycled as at February 2019

MONTH	RECYCLABLES IN TONS	% WASTE MINIMISATION
Quarter 1	2 343 09	24.00
Quarter 2	3 101 68	29.00
Quarter 3	4 589 77	25.01
Quarter 4	4 056 66	35.62
TOTAL	14 091 20	28.41% Average

This reflects that an average of 28 % of the total 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, referred to as “Wastepreneurs”.

The Municipality is still looking at ways of diverting waste away from landfill site, and recycling is just one part of it. 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.

8.14.3 Material Recovery Facilities

Two Material Recovery Facilities have been constructed, and are already operating, contributing to the community directly.

- **Mzingazi Material Recovery Facility (MRF)**

This was an initiative fully funded by the Municipality to assist towards using waste to benefit communities. This has just been finalized, even though there are some areas of improvement in terms of infrastructure, such as shelter for those sorting and machinery. This contributes a lot to green economy and empowering communities.

- **eNseleni Material Recovery Facility (MRF)**

This is also a great initiative towards using waste to benefit communities. The service in this centre has started but has a room for improvement. This centre receives recyclables emanating from kerb recycling and community members then sort it on site, they then sell it to different buy back centres. This site still needs a shelter and bailing equipment so as to ensure smooth and protective environment for those sorting. The work carried out is nevertheless not at full capacity operation.

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 healthy environment.

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

- ❖ Weekly waste collection from all 34 wards, both rural and urban, and dispose 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.

In this year all the operational services stated above were achieved according to plan, while at the same time looking at total eradication of backlog in rural areas.

A total of about 68 % (74 856) on average of total households (110 503) had access to the basic weekly solid waste removal service at the end of June 2018, and it should be noted that all wards have access to Waste Management Service.

Goal 3: Grow the Contribution of the Waste Sector to the Green Economy

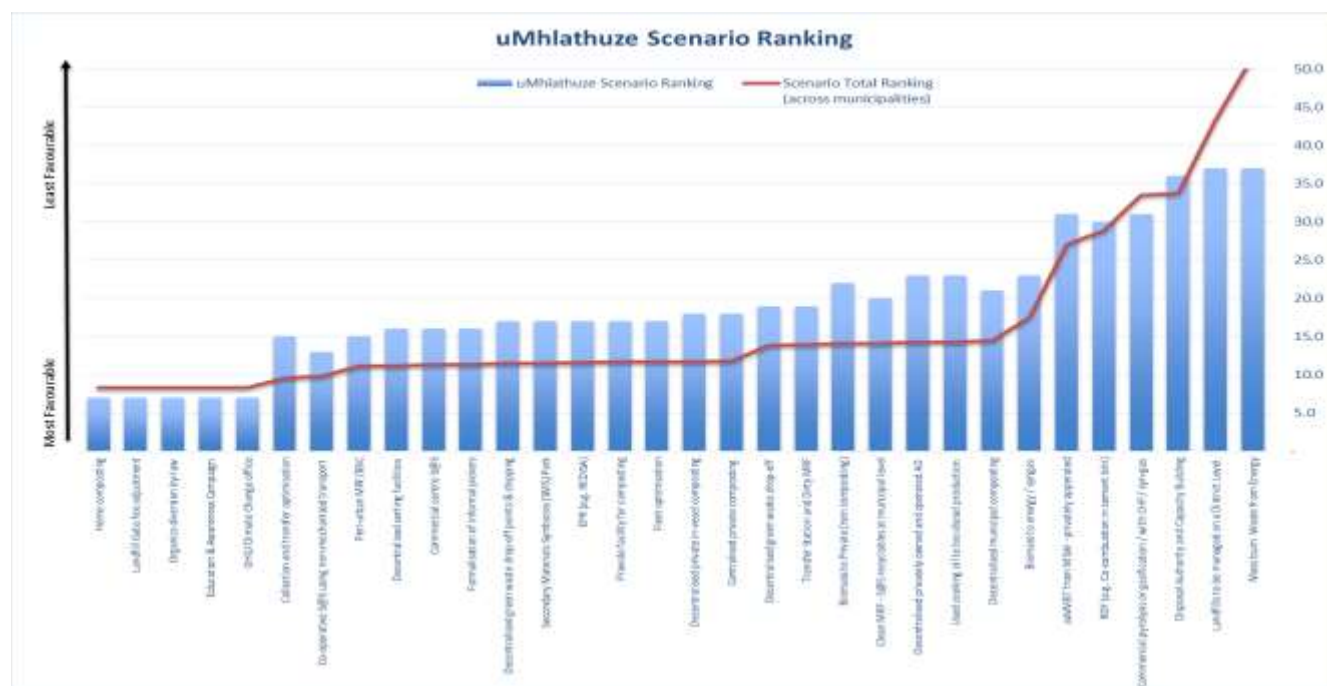
The City of uMhlathuze has conducted a feasibility study on alternative treatment of waste in partnership with National Department of Environmental Affairs. The pre-feasibility has been approved by Council which is looking at food waste as the best option to for soil enhancement.

Currently funding is still awaited for from the department and funders to do a full feasibility study, and the aim is also to use this stream of waste to create jobs, thus contributing to economy, while at the same time preserving environment.

Further studies still need to be explored so as to ensure that all streams of waste are actually used to benefit communities, rather than dumping valuable resources. Different scenarios had to be investigated in order to achieve this.

Scenario Ranking Comparison shown below compares the identified interventions within the municipality. This provides a comparison between the various municipalities and highlights the interventions that are more obviously preferred.

Figure 33: Scenario Ranking



Home composting, the economisation of municipal waste collection, co-operative involvement in separation at source, and various low tech sorting, material recovery, and "buy-back" centres prevailed, with waste to energy being the least preferred/ worse option. It is imperative that any investment and intervention in terms of diverting waste away from landfill site be in line with the scenario stated above.

More study will be conducted in this field to fine tune information so that implementation yields the environmental friendly results, while at the same time contribute to green economy.

Goal 4: Ensure that People are aware of the impact of Waste on their Health, Well-Being and the Environment.

More environmental awareness and clean-ups are needed in order to educate communities on activities that people do which have negative impact to environment. A number of Community Clean up campaigns were carried out involving scholars and community members. Waste Management is currently looking at another partnership with National Department of Environmental Affairs, which will assist in terms of resources needed for environmental education and awareness.

The Municipality alone conducted 19 waste management environmental awareness campaigns which took place in schools and communities in a form of clean up campaigns, school talks, door to door campaigns, etc.

All these were aimed at ensuring that people start recycling, discourage illegal dumping, anti-litter, so as to promote a healthy environment.

This programme provides assistance as it provides an opportunity for environmental protection.

Goal 5: Achieve Integrated Waste Management Planning.

The City of uMhlathuze has finalized its updated integrated waste management plan (IWMP) and is currently being implemented.

One of the new exciting projects will be the alternative treatment of waste rather than 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 pre-feasibility study has been finalized and approved by Council. This contributes a lot towards alternative treatment of waste.

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 provided before.

Refuse removal is now provided to all 34 wards of the City of uMhlathuze, even though service is not 100% currently.

The service in rural areas is currently provided as a free basic service, and therefore no income is generated, which means the Municipality should ensure that revenue is enhanced through all possible ways.

The Section continuously survey existing business, as main contributors to revenue, so as to ensure that they 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.

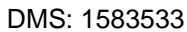
Goal 7: Provide Measures to Remediate Contaminated Land.

Section has developed a comprehensive plan on illegal dumping which outlines the role of each stakeholder within the municipality's 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. Two Superintendents over and above Law Enforcement Officer have been trained as Peace Officer in order to ensure that those caught dumping are charged accordingly.

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 more than 72 waste handlers who have registered already, and that assist so that waste is properly profiled. Furthermore, Waste management Bylaws are being reviewed to be in line with IWMP.

DMS: 1583533



DMS: 1583533

Table 38: Solid Waste Management Indicators and targets

CITY OF UMHLATHUZE REFUSE REMOVAL									
Objective	Strategies	Performance Indicator	2017/2018	2018/2019	2019/2020	2019/2020	2020/2021	2021/2022	2022/2023
			Actual 2017/2018 Baseline	Actual 2018/2019 Baseline	Amended Annual Target incl. 2016 Survey	Actual 2019/2020 Baseline	Annual Target	Annual Target	Annual Target
To improve access to domestic solid waste removal services to the community	Provide a weekly domestic solid waste removal service to the community	% Households with access to waste disposal	67.74%	69.71%	71.52%	71,55%	73.36%	75.17%	76.98%
		Number of Households with access to waste disposal	74856	77028	79028	79060	81060	83060	85060
		Number of new Households with access to waste disposal	1500	2172	2000	2032	2000	2000	2000
		Number of Household with access to free waste removal	31391	33563	35563	35595	37595	39595	41595

Table 39: status of waste disposal site and transferee stations

Name	Permit / Licence / Registration	Auditing	Lifespan	Engineering
King Cetshwayo Landfill (District Municipality)	Permit: 16/2/7/W1/D1/Z1/P485 Waste Management Licence: DC 28/WML/0002/2012	Annual External Auditing	63 years remaining	Class B Landfill Lining
Alton Material Recovery Facility	Registration: KZN/waste/sorting/084	Bi-annual Internal Auditing	N/A	N/A
Mzingazi Material Recovery Facility	Registration: KZN/waste/sorting/085	Bi-annual Internal Auditing	N/A	N/A
eNseleni Material Recovery Facility	Registration: KZN/waste/sorting/086	Bi-annual Internal Auditing	N/A	N/A

8.15 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
- 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.

8.15.1 Integrated Transport Plan

The Development of the public transport plan and policies are a strategic move aimed at ensuring focused approach towards public transport in recognizing and providing for the City's growth. The Municipality is in a process of developing the CIP, the study is underway with data collection from various affected parties, including buses, taxis, etc. Working with the National Department it was realized that a priority should rather be the development of the CIP first than the IPTN.

Map 33: Arterial Road Framework Plan



8.15.2 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 40: Urban Maintenance Road lengths

Area	Suburb	Length of Road (km)
Richards Bay	Alton North	20.5
	Alton South	32.5
	Aquadene	9.8
	Arboreturm	51.7
	Birdswood	22.5
	Brackenham	24.3
	Meerensee	51.2
	Sports complex	0.839
	Veldenvlei	19.2
	Wildenweide	7.3
	Mandlazini	18.2
	Mzingazi	5.5
Empangeni	Central	11.6
	CBD	22
	Empangeni Rail	17
	Fairview	10.1
	Grantham Park	13.8
	Kildare	6.9
	Kuleka	11
	Noordsig	3.8
	Nyala park	13.3
	Richem	6.1
	uMhlathuze Village	10.1
	ZSM Industrial	0.82
	Carsdale	0.4
	Hillview	2.7
	Panorama	6.5
	Zidedele Village	1.4
Ngwelezane	Unit A	17.8

Area	Suburb	Length of Road (km)
	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 34: Condition of the Structure

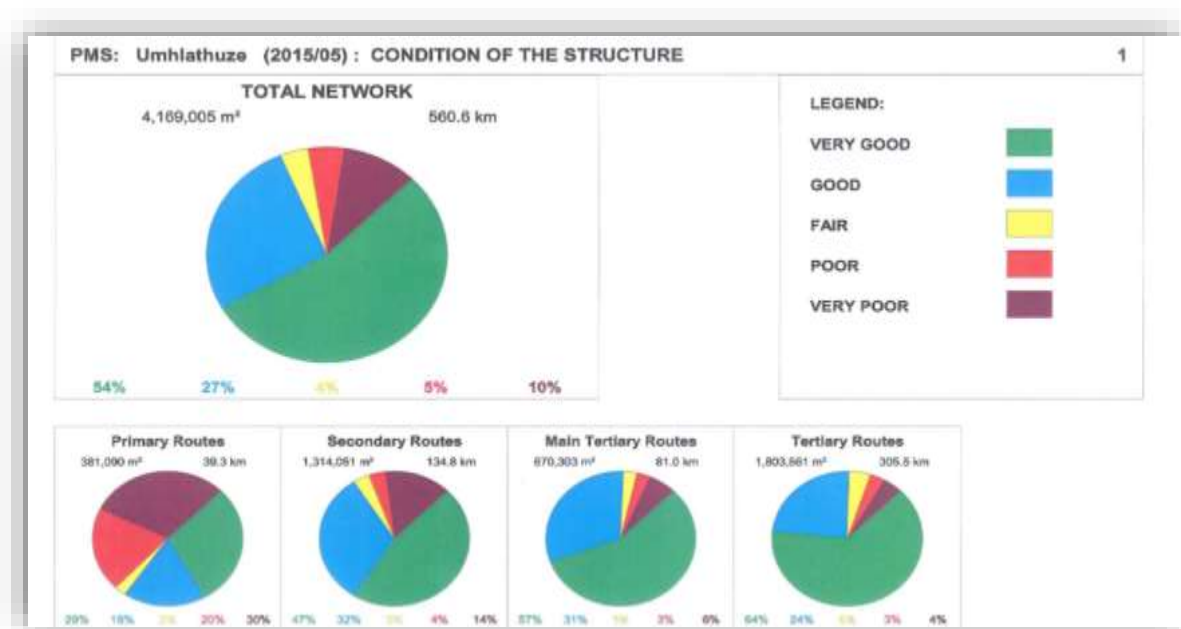
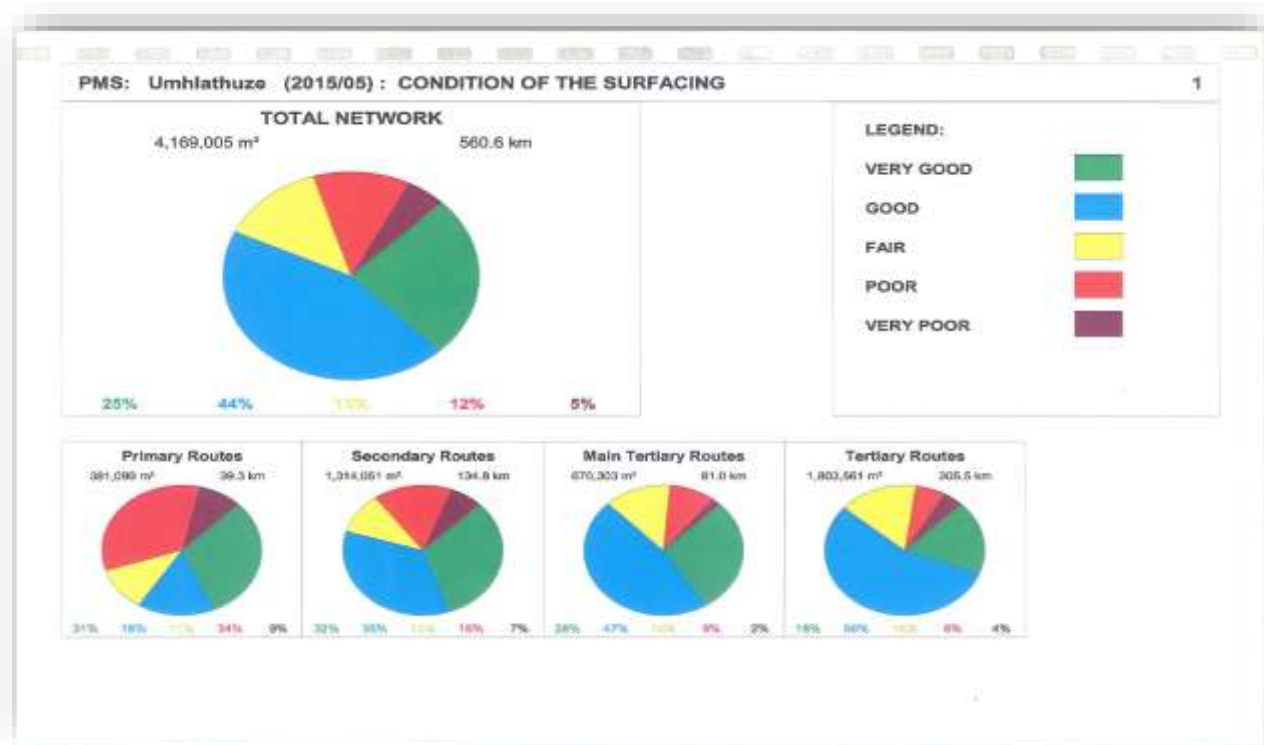


Figure 35: Condition of the Surfacing



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.

8.15.3 Transportation Planning and Traffic Signals

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

- Transportation Planning
- Contract Maintenance
- Traffic Signals

Transportation planning includes the following:

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

Transport Planning Assistance includes the following:

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

- Upgrading of Traffic signals
- Design and Implementation of new Traffic Signals

Traffic Signals relates to the following:

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

Projects and Activities in this section are summarized hereunder:

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

8.15.4 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.

8.15.5 Stormwater Systems and Coastal Management

The Stormwater Systems and Coastal Planning section deals with the overall stormwater management and operations functions throughout the City, as well as the Coastal management functions through liaison and coordination of meetings with various stakeholders involved in all activities and functions along the City's coastline.

Priorities for this section include:

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

Challenges include the following:

- Short to no supply of permanent staff to carry out daily functions.
- Currently section is almost 100% reliant on outsourcing of work to undertake its functions which results in delays when having to execute emergency functions

- Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that 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.
- Community Awareness Project for a Stream Clean-up crossing Saligna Road between John Ross College and Via Cassandra 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.

8.15.6 Sector Involvement

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

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



- The overall condition of this road is fair
- Some sections riding quality is not good at all
- Storm water drainage are not always cleaned and opened for water to flow freely (Only notice that if there are heavy rains water standing on the road surface)
- Grass cutting and maintenance of vegetation also not done regularly
- Line markings and road signage are still an issue in some other sections

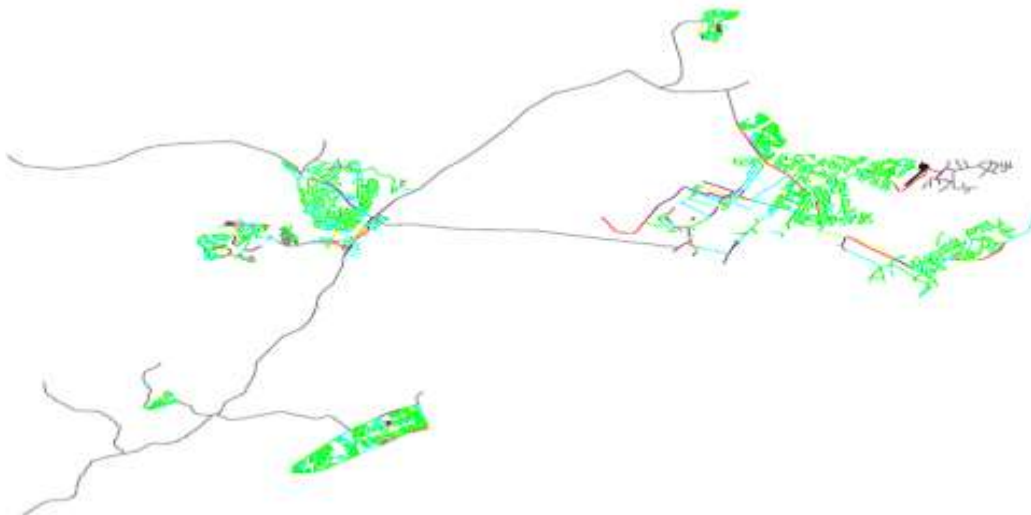
- Overall maintenance is not done at all (Poor Condition)
- Potholes are all over the area
- Most roads have faded line markings
- Most roads guardrails need to be replaced/fixed
- Most road signage needs to be replaced/fixed
- Grass cutting and maintenance of vegetation are not done regularly
- Storm water drainage are not always cleaned and opened for water to flow freely
- Speed humps are required in some of the roads
- Most roads are long overdue for road rehabilitation

Map 35: Route Classification



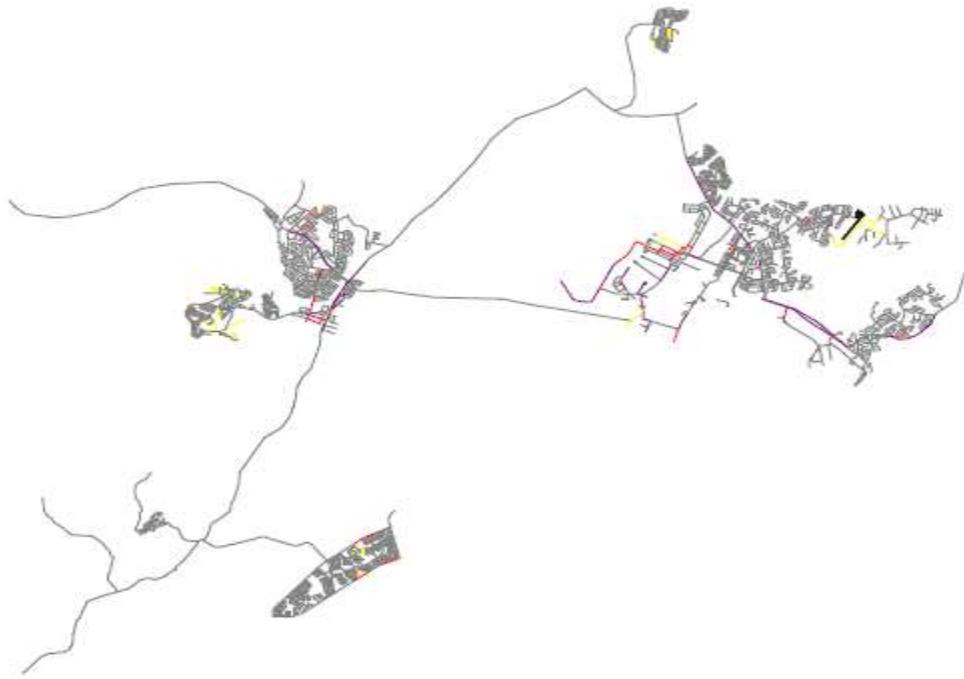
Source: uMhlathuze PMS 2017

Map 36: Structure Condition



Source: uMhlathuze PMS 2017

Map 37: Rehabilitation Projects



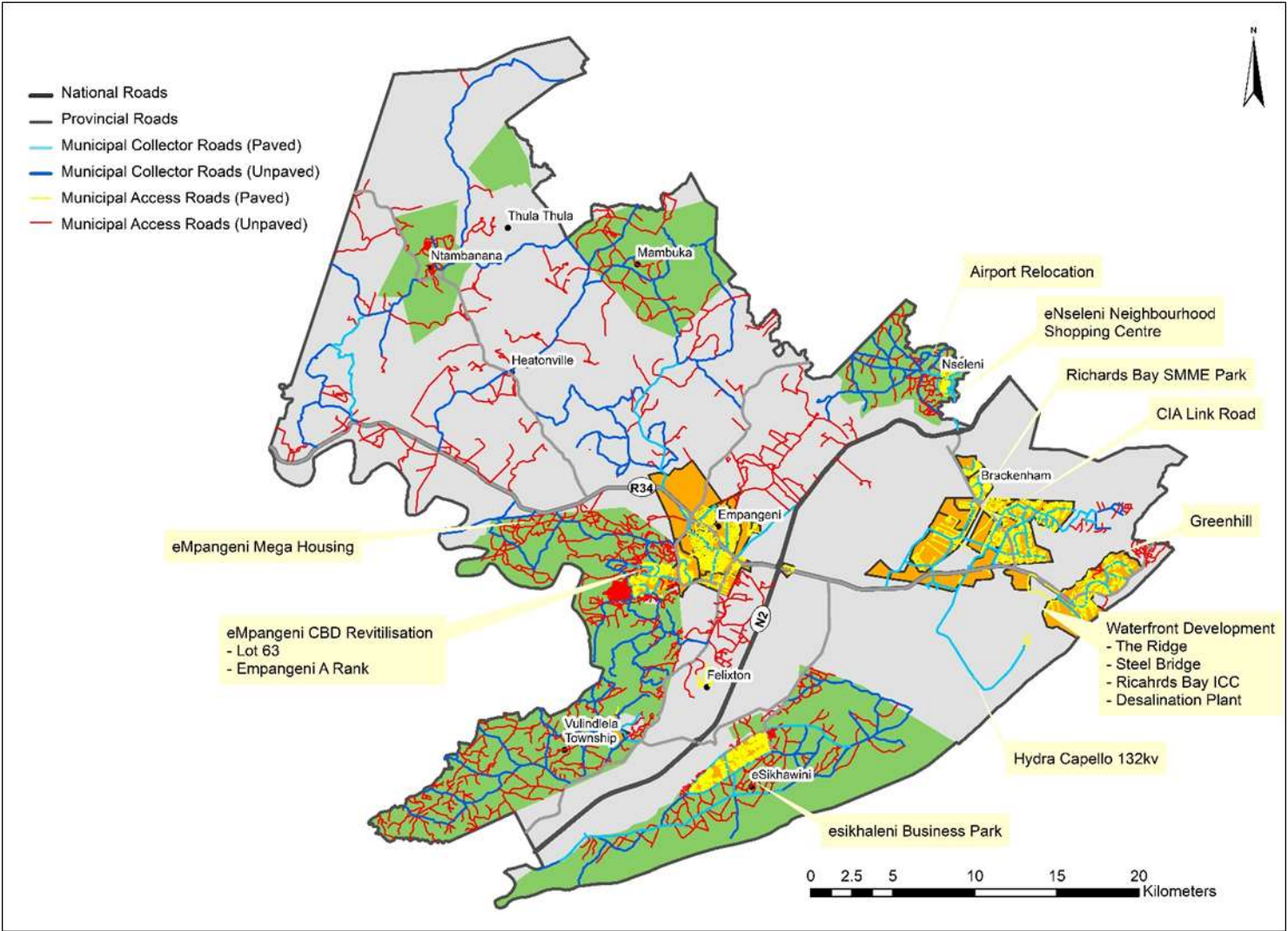
Source: uMhlathuze PMS 2017

Map 38: Resurfacing projects

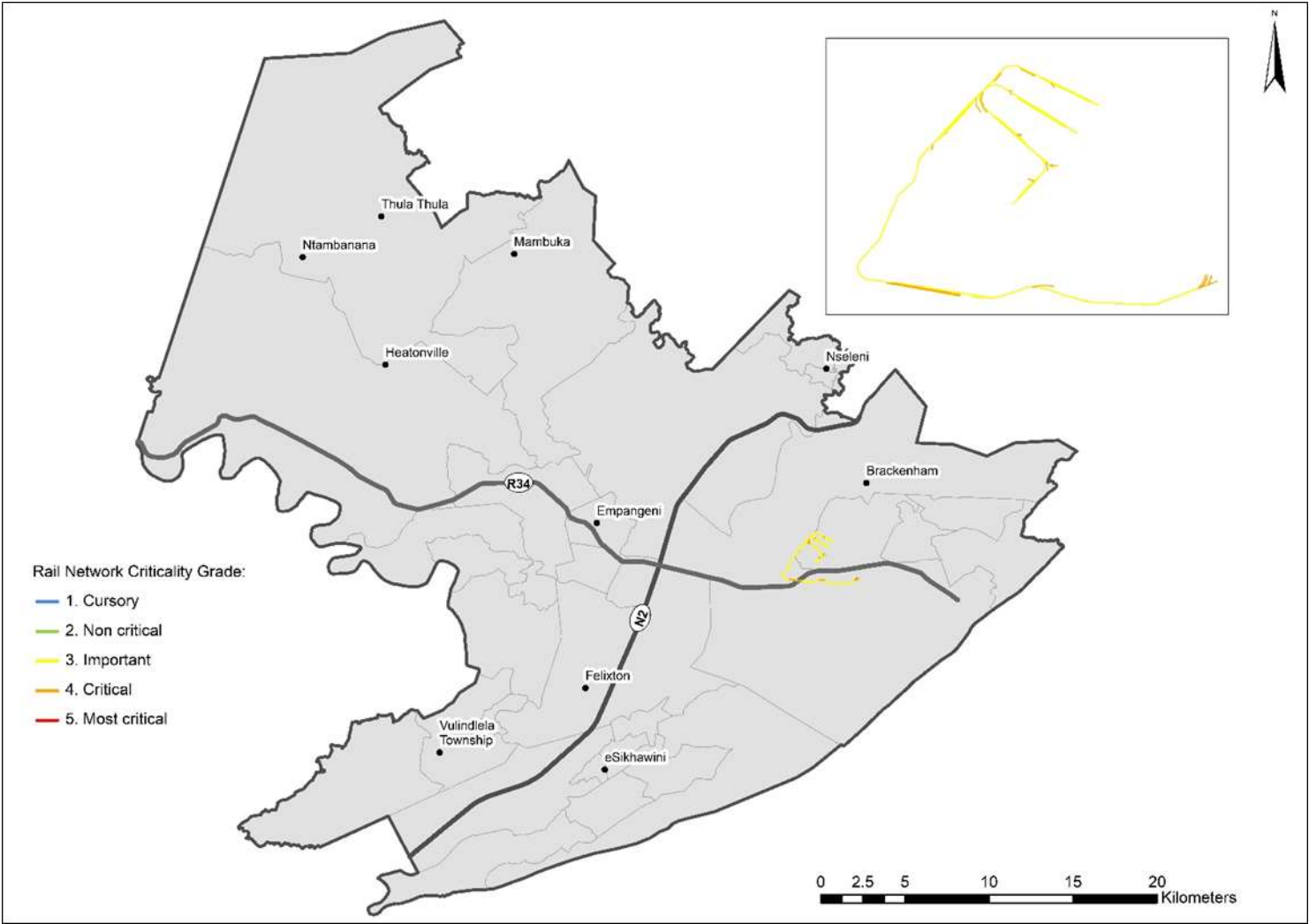


Source: uMhlathuze PMS 2017

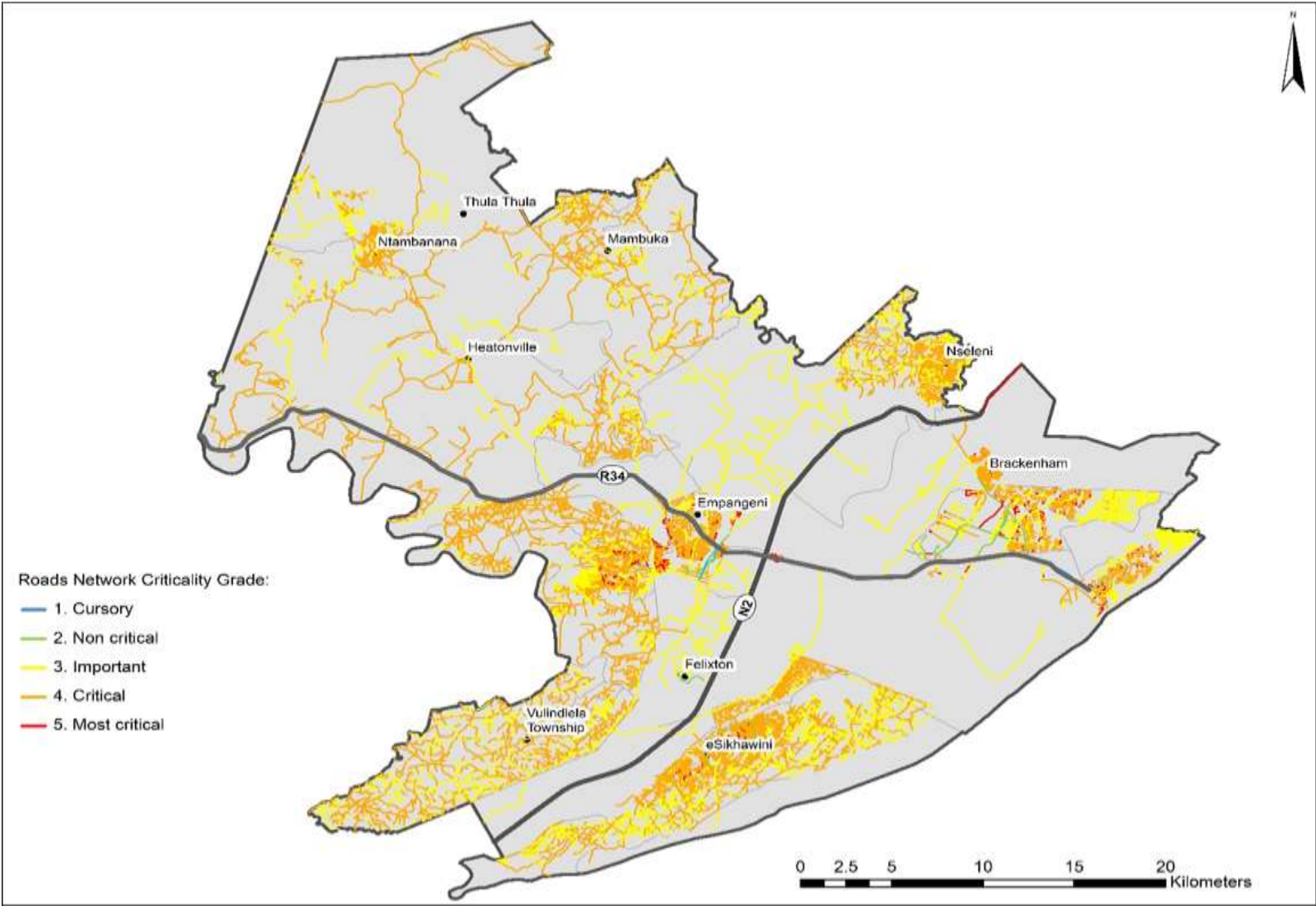
Map 39: Roads Classification



Map 40: Rail Network Critical Grade



Map 41: Roads Network Criticality Grade



Budget for Roads Projects – Refer to section 24.1 for a list of all capital funded projects.

8.16 Energy

8.16.1 Introduction

uMhlathuze Municipality has developed an electricity master plan, recently reviewed and adopted by council together with the Final IDP Review 2020/2021. Further the Energy Sector Plan has been developed and adopted by Council in 2020. The city of uMhlathuze is a licensed electricity provider, however in rural areas electricity is still supplied by ESKOM. The main objective of Electricity Master Plan is to therefore:

- To ensure the best possible technical solution;
- To provide input to the bulk energy supplier on future bulk energy needs,
- To avoid unnecessary refurbishment costs on equipment which could be made redundant in the future
- To avoid constriction of economic growth in the region due to infrastructure constraints

The Energy Sector Plan 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

8.16.2 Access to Electricity

The City of uMhlathuze has no electricity backlogs in its area of supply. The total backlogs of 6429 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.

Map 42: Electrical Supply System

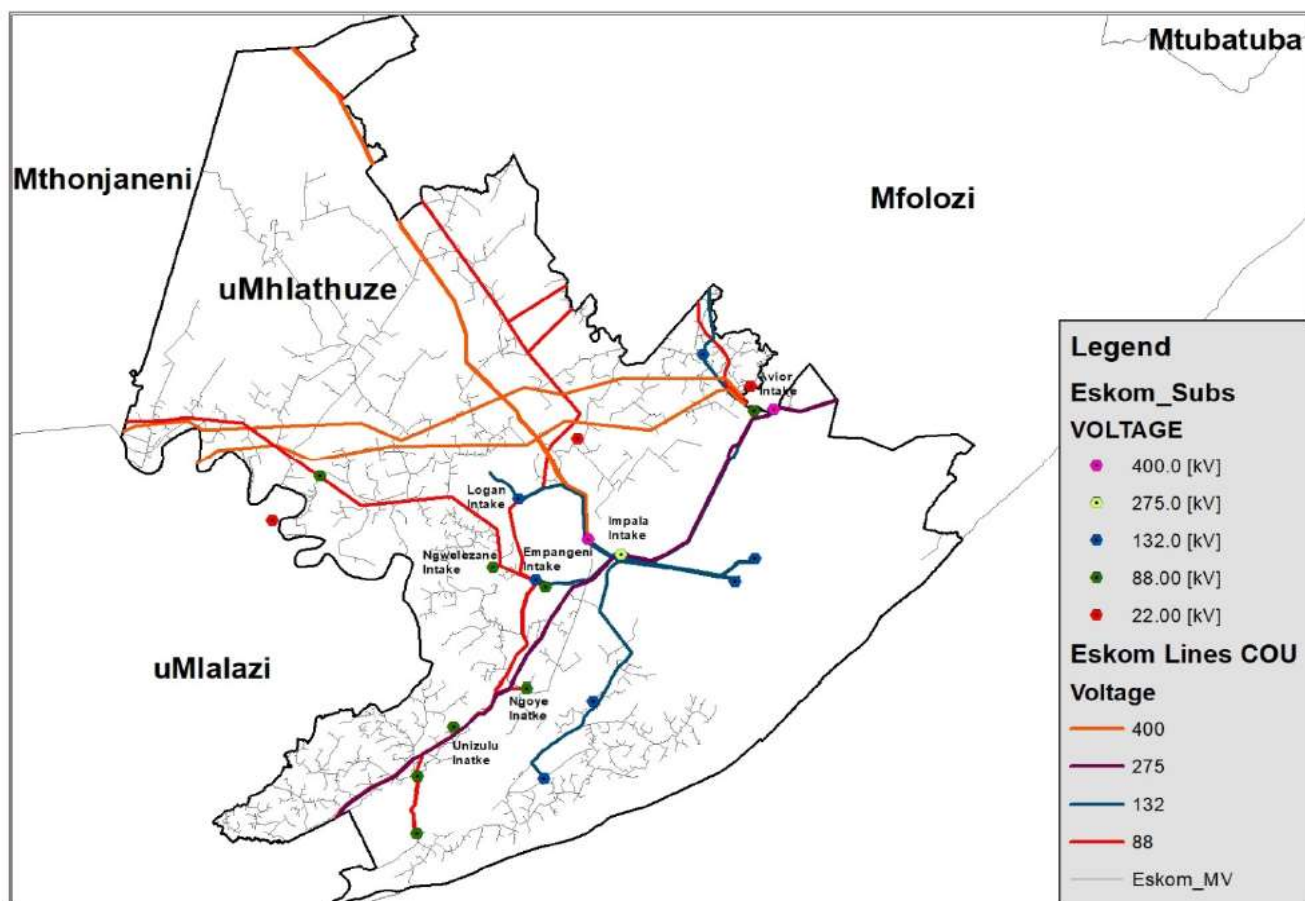


Figure 5: Eskom Substation & Lines within CoU Municipal Boundary

Source: uMhlathuze Electricity Master Plan, 2020

The City of uMhlathuze has two licence distributors, namely Eskom and the City of uMhlathuze Local Municipality. Most parts of the municipality is supplied by ESKOM in terms of footprints as the figure above which illustrates the Eskom networks and substations within the City of uMhlathuze boundary. Seven of these sub-stations are intake points to CoU as shown on the schematic.

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

- The above supplies a total of 35 131 municipal customers, including Industrial, Commercial and Residential.

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

8.16.3 Electrical Supply System (Electrical Demand Summary)

The load growth in CoU AOS has decreased in recent years due to the decreasing economic activity within the region. There has been a marginal increase in the EMPangeni areas and smaller areas such as Ngwelezane and Nseleni. The table below show the historical and current actual maximum demand measured at the Eskom intakes.

Table 41: Historical Load Summary

Description	2010 Actual (kVA) Maximum Demand	Notified Maximum Demand (kVA)	2012 Actual (kVA) Maximum Demand	Notified Maximum Demand (kVA)	2015 Actual (kVA) Maximum Demand	Notified Maximum Demand (kVA)
Nseleni	2369.2	2700	2643.47	2700	2365.11	2700
Felixton	586.05	700	707.26	700	586.68	700
Richards Bay	216147.93	206000	226723.56	230000	202487.34	230000
eSikhaleni	9165.41	16000	10518.37	16000	13665.27	16000
Western	17241.37	20000	17910.46	20000	20595.95	20000
Empangeni	17745.65	20000	20355.45	20000	20455.33	20000
Ngwelezane	6088.03	7000	6351.37	7000	6578.26	7000
Description	2017 Actual (kVA) Maximum Demand	Notified Maximum Demand (kVA)	2018 Actual (kVA) Maximum Demand	Notified Maximum Demand (kVA)	2019 Calibrated (kVA) Maximum Demand	Notified Maximum Demand (kVA)
Nseleni	1956.9	2700	2105.88	2700	2574	2700
Felixton	671.05	700	649.36	700	650	700
Richards Bay	175806.08	230000	144329.84	230000	152380	153000
eSikhaleni	8991.17	16000	8425.92	16000	10.128	16000
Western	19984.96	20000	18794.62	20000	18305	20000
Empangeni	18038.45	20000	17214.24	20000	13094	20000
Ngwelezane	6272.14	7000	7455.21	7000	7420	8500

8.16.4 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.

8.16.5 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 reflects 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

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

SAIFI => System Average Interruption Frequency Index

Definition: Average frequency that the customers supply is interrupted

Formula

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

Note: Operations and Maintenance plan is attached as an annexure to the IDP

8.16.6 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

8.16.7 Energy Efficient Demand Side Management and Renewable Energy

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

Energy Audit for all Municipal Buildings are being done in phases, the Richards Bay civic centre old high consumption building lights are being changed in 2017/2018 (Appointment has been made local company is doing the Retrofitting) into LED building lights which are low energy consumption.

eSikhaleni Suburbs has more than 1700 old HPS Streetlights Luminaries and first phase of 400 HPS Streetlights Luminaries are being changed in 2017/2018 (Appointment has been made) into LED which are low energy consumption and are a requirement by Government.

Renewable Energy

Study on exploring Gas as the source of Energy within City of uMhlathuze has been made and the recommendations are being investigated for future usage.

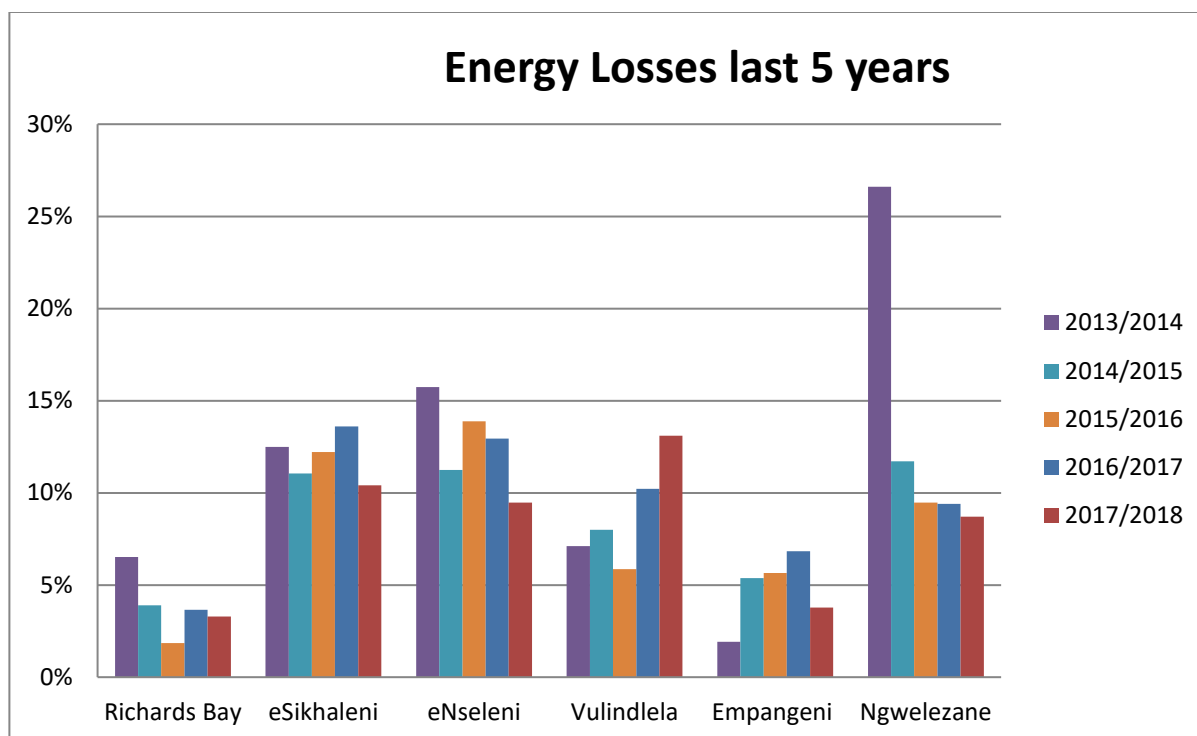
8.16.8 N2 Corridor and Non-Island Areas

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

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

8.16.9 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	2 511
Number of customers billed for Tampering:	432
Number of customers billed for Unpaid Elect Consumed (faulty meters):	37
Number of customers billed for Unmetered Elect Consumed:	11
Clearance certificate audits requested by CFO	1 309
Total Audits over the year:	4 300

8.16.10 Electricity Maintenance Plan

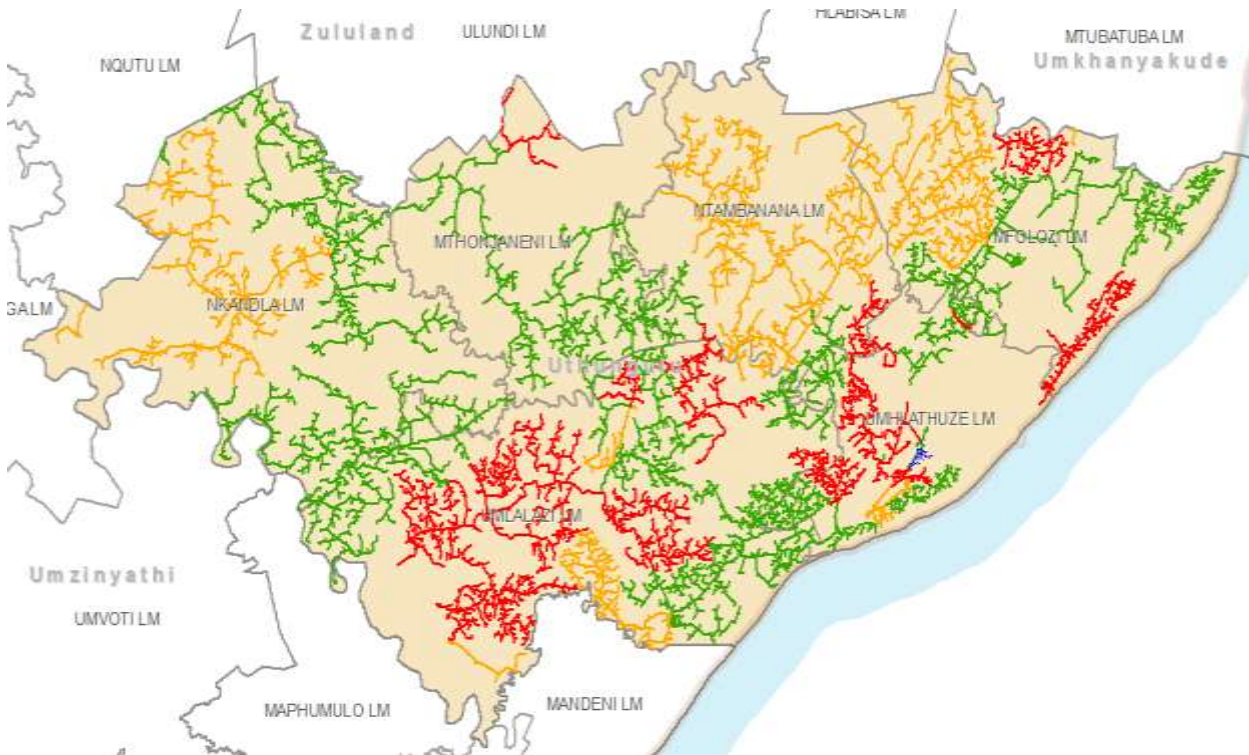
The City of uMhlathuze is a utility for distribution of electricity to an area of **825** km². To effectively and safely distribute electricity to residential, commercial and industrial customers, maintenance is critical, as it will always cost much more to replace equipment that is not properly maintained. 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** => **S**ystem **A**verage **I**nterruption **D**uration **I**ndex
- **Definition:** Average duration (in hours) in total that the customer must be without supply.
- **SAIFI** => **S**ystem **A**verage **I**nterruption **F**requency **I**ndex
- **Definition:** Average frequency that the customers supply is interrupted
- **SLI** => **S**upply **L**oss **I**ndex (*RSLI if on Reticulation network*)
- **Definition:** The total duration the system was out of supply. SLI is an internal measure of transformer availability

Map 44: Capacity Constrains – King Cetshwayo District



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. Eskom is funding 200 household connections at Portdunford for the 2020/2021 financial years.

8.16.11 Electricity Projects

8.17 Access to Community Facilities

Cemeteries

UMhlathuze Municipality has six (6) registered cemeteries within its jurisdiction (5 municipal cemeteries and 1 district municipality cemetery- King Cetshwayo). All cemeteries are established, managed in line with legislative and policy prescripts. Two cemeteries in Richards Bay and eSikhaleni are fully functional while those at Empangeni, Nseleni and Vulindlela had reached their burial handling capacity, the only burials that are accommodated in these cemeteries are for those families who had graves reserved and those whose family members were buried on double depth graves. The average number of burials conducted per month at our cemeteries ranged between 54 to 60 interments. The municipality in its long term strategy will investigate the establishment of a Crematorium to cater for cremations as an alternative burial method and also the identification and the upgrading of unregistered cemeteries established in rural areas under Traditional leadership land.

Museum

uMhlathuze Municipality has one Museum 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 bi - month. Some of the main events in the past year included the Empangeni High School Artwork, Local Artist displays and the Mondl Eisteddfod. Not only are schools and private artists invited to display their work but corporate institutions and groups like the Rotarians and the Woman's Institute also utilize the venue for displays. 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.

Access to Community Facilities

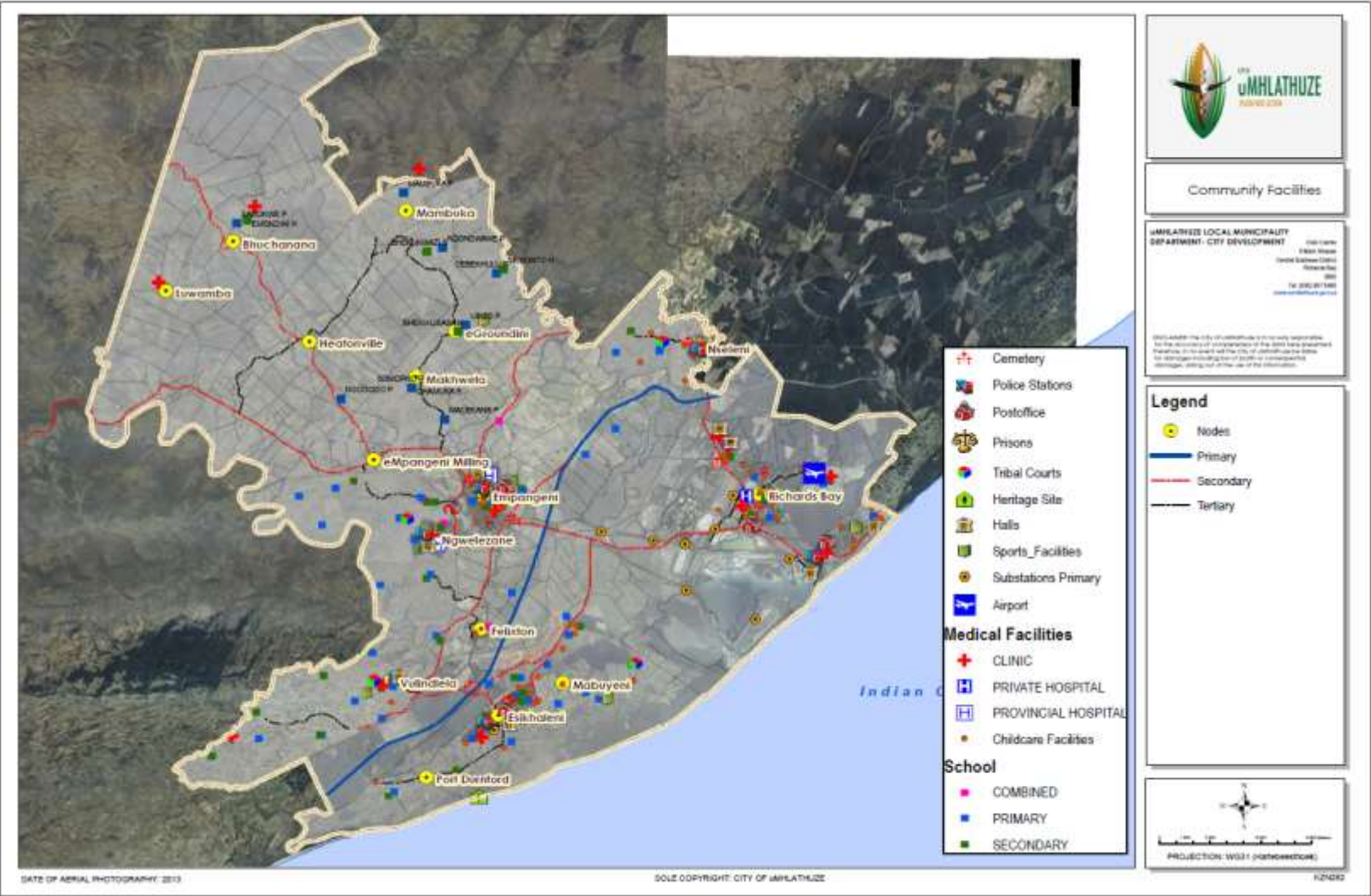
The table below sets out the number of facilities per municipal ward

Table 42: 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	1		1				2	1	2	1	1		1		1				1	1		2		1		1	1	2	2		
Thusong Centre										1								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						
Pension Paypoint																																1			
Total Distribution per Ward	4	9	2	4	4	5	3	2	1	1	6	3	4	2	2	0	5	4	4	2	1	0	5	6	7	5	3	7	3	3	4	8	5	3	

The map below indicates the number of facilities within the municipality

Map 45: Community Facilities



HUMAN SETTLEMENTS/HOUSING CHAPTER

8.18 Housing Chapter

The uMhlathuze Human Settlements Sector Plan is a strategic management tool developed to assist the Municipality to ensure that all activities in the human settlements sector plan are working towards the goal of housing delivery. The human settlements sector plan is aimed at achieving the following objectives:

- to integrate housing development plans into the municipality plans.
- to develop a comprehensive human settlement plan for City of uMhlathuze providing strategic direction and guidance.
- to develop a single shared vision and housing development plan between City of uMhlathuze and KZN department of Human Settlements.

The Human Settlements Sector plan for the City of uMhlathuze is founded or guided in the context of National, Provincial and Municipal directives. All the three spheres of government have their own vision, mission and strategies.

The municipality has aligned its priorities in accordance with its competencies. Below are the three spheres of government Human Settlements priorities for the Medium Term Strategic Framework 2019/20-2024/25

The National strategic priorities for the 2019/20- 2024/25 MTSF are as follows:

- Work closely with the private sector to develop major development projects that bring together economic nodes, human settlements, smart technologies and public transportation that impact on spatial transformation. These include building at least one new South Africa city of the future;
- Transform the property market to promote access to urban opportunity and social integration through access to well-located, affordable housing and decent shelter, thereby reversing urban fragmentation and highly inefficient sprawl;
- Improve the alignment of housing provision with other public investments and service provision, including schools and health facilities and transport networks, complementing more integrated residential, industrial and commercial development;
- Release land at the disposal of the state for site and service to afford households the opportunity to build and own their own home;
- Transform the composition and functioning of the property industry and accelerate legislative measures to eliminate speculative behaviour, including the establishment of a Property Sector Ombudsman;
- Address the title deeds backlog, along with associated institutional and capacity gaps, to ensure that the transfer of title deeds move with higher speed;
- Develop a more coherent and inclusive approach to land by developing overarching principles for spatial development; and
- Revise the regulations and incentives for housing and land use management.

The KZN Department of Human Settlements priorities in accordance with its provincial competencies. This is inclusive of amongst others:

- Investing in Priority Development Areas (PDA's);
- The continued implementation of Integrated Residential Development Programme (IRDP) projects
- Implementing programmes that support affordable rental, implement various programmes that support home ownership; for both the subsidy & the gap market;
- Providing homeowners with title deeds or an alternative form of land ownership registration;
- Strengthening home ownership education; and
- Identify and upgrade informal settlements in well-located land.

8.19 CITY OF UMHLATHUZE'S STRATEGIC APPROACH TO HOUSING DELIVERY

Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
Goals	Objectives	Strategies
2.1 Integrated infrastructure and efficient services	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

NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
Goals	Objectives	Strategies
6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development	6.1.1.3 Review of Human Settlement Sector Plan

The uMhlathuze Municipality priorities aligned to strategic outputs of Outcome 8 by:

- Promoting a variety of Housing Typologies and Densities to provide for all Demand Categories;
- Formalising emerging urban settlements to provide formal housing;
- Improving the living environment of households in the informal settlements through incremental access to basic services and structured in situ upgrading (where suitable);
- Creating other forms of tenure through Social Housing/Rental and building new Community Residential Units whilst upgrading the existing hostel blocks;
- Pursuing all available options for the release of suitable, well located state owned land for sustainable human settlements; and

- Enabling opportunities in the GAP market for households earning between R3501-R15000 per month.
- Providing security of tenure.

It is important that the housing delivery be planned and implemented in conjunction with other facilities and services including economic opportunities, education, health, water and sanitation provision, etc. The delivery of human settlements is aligned to the municipal IDP (Integrated Development Plan) and the SDF (Spatial Development Framework). Integrated human settlement is one of the pillars to attaining spatial transformation. The delivery of human settlements is also intertwined with the delivery of infrastructure as outlined in more detail herewith. This is in line with the Provincial Human Settlements Master Spatial Plan.

8.20 MUNICIPAL RESTRUCTURING ZONES

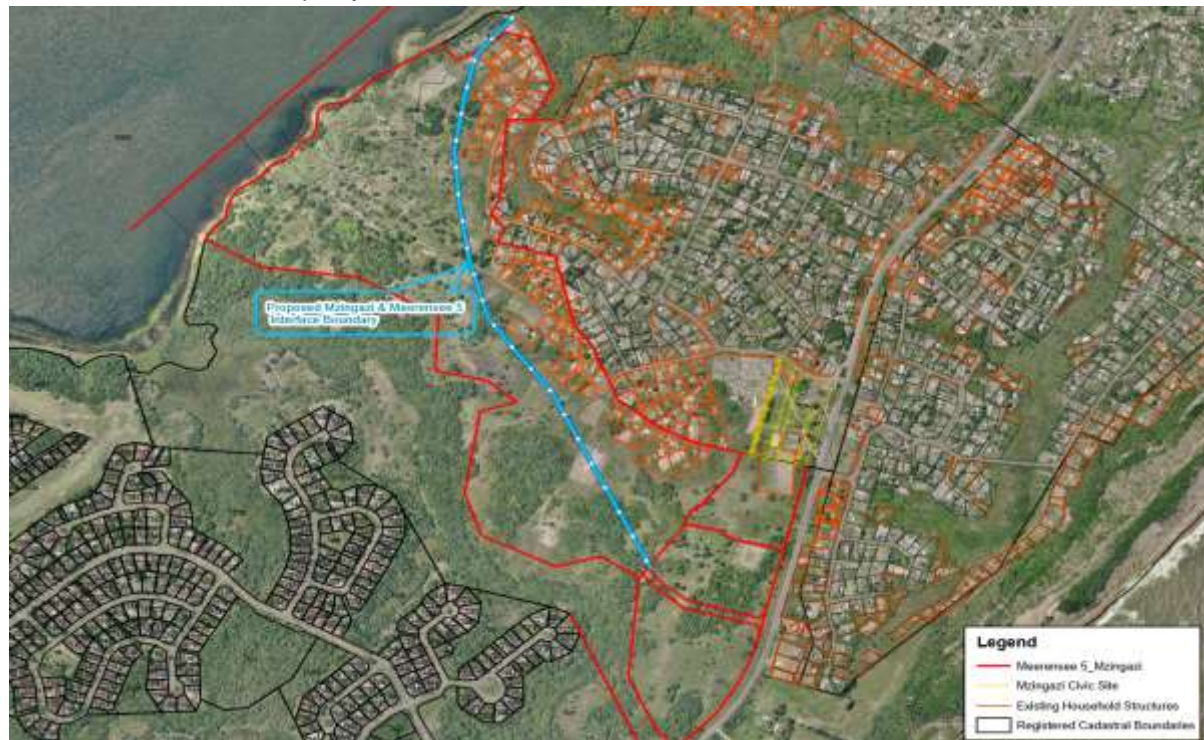
The uMhlathuze Municipality has identified two restructuring Zones called Aquadene and uMhlathuze Restructuring Zones. These restructuring zones have been approved by the National Human Settlements Department and they were Gazeted on the

Theses RZ cover the following IRDP projects:

- Aquadene Housing Project
- Dumisani Makhaye Village
- Empangeni Mega Housing Project

The Municipality has also considered to declare the Meerensee-Mzingazi Interface area (also known as Meerensee 5) as a restructuring zone. The locality of this area is as per the map inset hereunder:

Map 46: Locality of proposed Meerensee Mzingazi Restructuring Zone



8.21 PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS (PHDAs)

The Minister of Human Settlements, Water and Sanitation, Lindiwe Sisulu has declared 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) across the entire country. They were gazetted on the 15 May 2020 gazette number 43316.

The PHSHDAs intends to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalise towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms.

They are underpinned by the principles of the National Development Plan (NDP) and allied objectives on the National Spatial Development Framework (NSDF) and the Integrated Urban Development Framework (IUDF) which includes:

- Spatial Justice: reversing segregated development and creation of poverty pockets in the peripheral areas, integrate previously excluded groups and resuscitate declining areas;
- Spatial Efficiency: consolidating spaces and promoting densification and efficient communication patterns;
- Access to connectivity, economic and social infrastructure: ensure the attainment of basic services, job opportunities, transport networks, education, recreation, health and welfare to facilitate and catalyse increased investment and productivity;
- Access to adequate accommodation: emphasis is on the provision of affordable and fiscally sustainable shelter in areas of high need; and

- Provision of quality housing options: ensure that different housing typologies are delivered to attract different market segments of appropriate quality and innovation

Significant portion of public funding to the PHSHDAs with the intention of attracting private sector investments and each shall be underpinned with an implementation protocol as per the Intergovernmental Relations Framework Act, 2005.

List of Priority Human Settlements Development and Housing Development Areas (PHSDHAs) within the municipality

District	Local Municipality	PHSHDA	Main Places	Ward numbers
King Cetshwayo	uMhlathuze	Empangeni	Empangeni Ngwelezana	5,9,23,24,25,27,28,29 & 34
King Cetshwayo	uMhlathuze	eSikhaleni Vulindlela Corridor	Esikhaleni Vulindlela	10,12,13,14,15,16,17,18,19,20,21,22 & 30
King Cetshwayo	uMhlathuze	Richards Bay	Richards Bay, Nseleni	1,2,3,4,5,6,7,8 & 26

8.21.1 WAYS OF DETERMINING HOUSING DEMAND/NEED

It is vitally important that due to limited budget and economic challenges the country is faced with, the housing projects should be delivered primary in areas where there is a greatest need. Housing Demand can be calculated in a number of different ways/methods as expanded upon hereunder.

WAITING LIST

Housing waiting list have a number of short coming including, including applicants putting their names down on more than one municipality waiting list and the problems related to maintenance of such large waiting list. Also many potential beneficiaries do not place their names on this list.

CENSUS

The current preferred method of calculating housing demand is through the use of statistical data collected in census 2001-2011. Census data on household income levels can be used to determine areas of greatest need based on poverty levels while census data on housing typologies which indicate the number of informal dwellings per ward can be used to determine greatest need based on housing backlog.

8.21.2 NATIONAL HOUSING NEEDS REGISTER

The National Housing Needs Register (NHNR) is a web based application that contains records related to the need of households for adequate shelter based on captured housing needs questionnaires. The records captured on the NHNR is one of the main sources that is to be used by Provinces and Municipalities for planning and budgeting processes related to Human Settlements Development Grants.

The purpose is to create a single integrated database of potential human settlements beneficiaries. It is 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).

Benefits of the NHNR can be summarised as 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 enable 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.

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 implementing/rolling out the National Housing Needs Register (NHNR). The municipality was one of the nine municipalities that showed interest in piloting implementation of the NHNR programme in KZN.

8.21.3 HOUSING DEMAND/NEED IN UMHLATHUZE

The municipality use the 2016 community survey and 2011 census to determine the housing demand and to try and provide the closest estimates. The approach uses the Type of dwelling and the income levels to try and determine the housing demand. The housing backlog estimates based on census data takes into account both the population residing in informal settlements, and the creation of housing opportunities for those in inadequate shelter, such as traditional homestead or under conditions of over-crowding. There are two main limitations to this method, first the data may be considered outdated. Second, this approach does not take into account the housing need in formal dwellings.

8.21.4 Housing Demand based on Type of Dwelling

According to 2016 Community Survey there are approximately 104 335 households in eMhlathuze municipal area, out of that 92 812 households are formal dwellings, 6697 are traditional dwellings, 4315 are informal, and 511 other. Data from community survey does not indicate the quality of these households but from the statistics it is clear that a substantial number of households are substandard (i.e. informal & traditional).

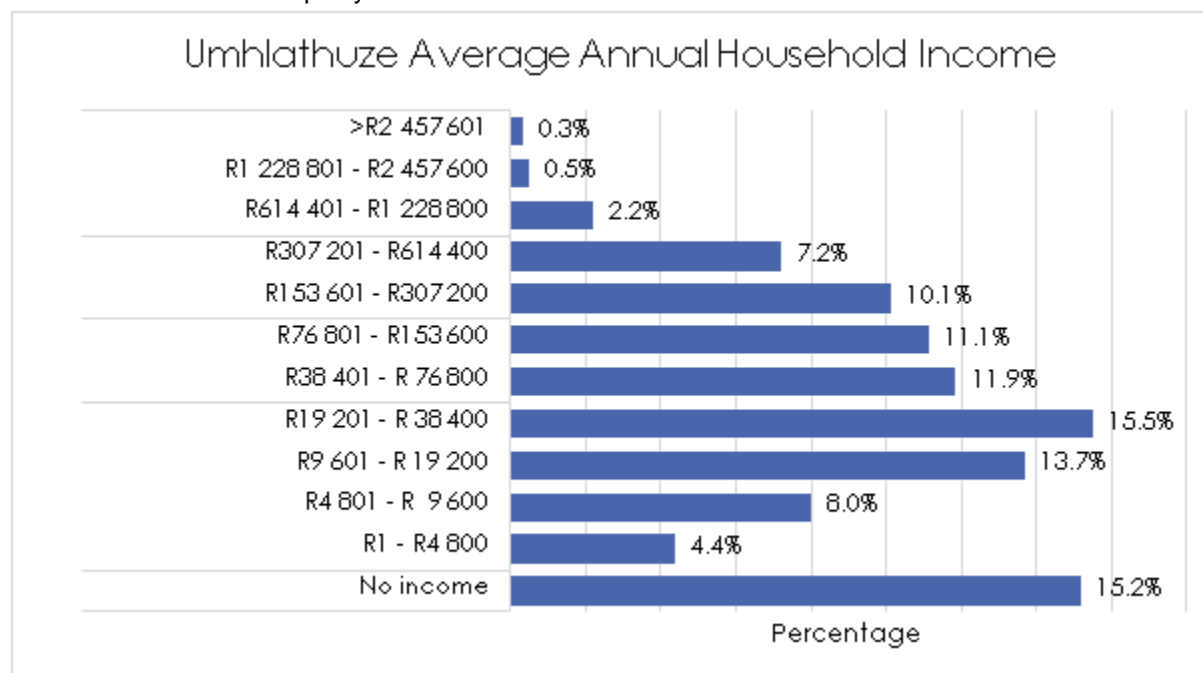
From the 104 335 households in the municipal area, 92 812 are formal. Based on the dwelling types therefore, it can be assumed that 11 523 of the households are in need of housing. The majority of these informal settlements are located in Khoza/Bhejane, Dube and Mkhwanazi Traditional Authorities and these areas are therefore the areas of greatest need in relation to informal settlements upgrade and slums clearance projects. Also from Buchanana 1349 households and Luwamba 467 households have been identified by the feasibility study as in need of houses.

	Main dwelling							
	2011				2016			
	Formal	Traditional	Informal	Other	Formal	Traditional	Informal	Other
Local municipality								
KZN282: uMhlathuze	76 478	6 836	2 568	727	92 812	6 697	4 315	511

Source: Community Survey 2016

Housing Demand based on Income Level

Monthly Individual Income in uMhlathuze



Source: Calculations based on data from the 2011 Census

To determine the housing market segment, the following section analyses the annual household income profile of the population residing within uMhlathuze Municipality. This will provide the perspective in terms of housing demand and need in the municipality from the different segment of the market. The annual household income group reflects categories that qualify for the open housing markets, social housing, finance linked subsidy programme or low cost housing subsidies.

Most of the households in uMhlathuze fall within the lower income segment with 15,5% of the households earning between R19,201 – R38,400 per annum followed by 13,7% of households earning between R9,601 – R19,200 per annum. The high-income category (>R 2,457,601 per annum) makes up only 0, 3% of all households. It is estimated that in 2020, the average household income in this region is R13, 078 per month or R156, 941 per annum.

Households that earn below R3 500 per month qualify for low cost housing, whereas those earning between R3 501 to R15 000 qualify for social housing and R3 501 to R22 000 for Finance Linked Individual Subsidy Programme (FLISP).

8.21.5 MUNICIPAL HOUSING DELIVERY PRIORITY PROGRAMMES

In this regard, the key priority programmes recommended in the Housing Sector Plan include the following;

1. Priority programme one: upgrading of informal settlements
2. Priority programme two: integrated residential development programme (greenfield development)
3. Priority programme three: community residential units and social housing
4. Priority programme four: finance linked individual Subsidy programme

(flisp)

1994)

5. Priority programme five: eradication of title Deeds back log (pre and post
6. Priority programme six: operation sukuma sakhe (oss)
7. Priority programme seven: rural housing projects
8. Priority programme eight: private housing developments
9. Priority programme nine: emergency housing programme.

Draft Integrated Development Plan: 1st Review 2023/2024 – March 2023



URBAN PROJECTS (Greenfield and Brownfield) COMPLETED PROJECTS OR MILESTONES

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES/UNITS	STATUS
Dumisani Makhaye Village Phase 1	K199900054	9	1191	Completed in 1997/1998 financial year
Dumisani Makhaye Village Phase 5	K199900054	24	313	Completed in 2009/2010 financial year
Dumisani Makhaye Village Phase 7	K11010002	24	547	Completed in 2018/19 Financial year
Dumisani Makhaye Village Phase 6 & 8 (Internal services)	K14050025	9 and 24	133 low income 1020 Social Housing 82 Flisp	Bulk water & sewer has been completed it ready for construction of top structures.
Aquadene Housing *Internal Services)	K16030010	26	615 low income 1579 CRU/Social	The internal services (water, sewer and roads) has been completed. Bulk storm water and water has been completed while sewer is at 98% overall progress.
Empangeni Mega Housing Project		5, 24 and portion of 23	10061	Phase 1: Internal bulks services (water, sewer, roads and storm water) have been completed. External bulk water is at 100% and upgrade of outfall sewer has been completed. Phase 1 is ready for top structures. Phase 2 has started with installation of bulk internal services and it is sitting at 71%.
Esikhaleni Hostel Upgrade(CRU's) (Roof replacement)	8/2/1/UMH608-19/20	20	360	The roof replacement at Esinqobile and Impala Flats/hostel has been completed.

RURAL HOUSING PROJECTS COMPLETED PROJECTS OR MILESTONES

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES	STATUS
Mkhwanazi Rural Housing	K09090003	10,11,18,19,22 & 30	1000	The project was closed at 952 houses built and 48 outstanding are currently built under OSS programme
Madlebe Rural Housing	K10080001	24,25,27,28 & 29	1000	Completed in 2012/13 financial year
Dube Rural Housing	K11030015	12,13,14,15,16 & 17	1500	The project was closed at 1487 house built and 13 house outstanding are currently built under OSS programme
Bhejane/Khoza Rural Housing	K09090002	5,6,7 & 8	1200	Completed in 205/16 financial year
Buchanana Rural Housing		33	1500	Stage 1 activities have been completed. The feasibility study identified 1347 households that need houses. The application pack submitted to the Department for stage 2 funding which is the construction of top structures. The municipality is awaiting the finding approval from the Department.
Luwamba Rural Housing	K14050027	31	1000	Stage 1 activities have been completed. The feasibility study identified 467 households that need houses. The application pack submitted to the Department for stage 2 funding which is the construction of top structures. The municipality is awaiting the finding approval from the Department.
Mkhwanazi and Dube Rural Housing Project (OSS)	K19010001/1	10,11,12,13,14,15,16,19,22 & 30	61	49 houses have been completed and 13 houses are outstanding. The constructor appointed by the Department withdrew from the project citing funding problems as the subsidy quantum they were using was the old one.
OSS houses	K14020017/27	11, 13, 22 & 29	41	Construction of all 41 houses completed

OSS houses		26, 31 & 33	3	Completed
Emergency Houses	K19030003/12	1, 5, 6, 11, 18,19, 20, 31 & 33	37	Construction of 37 temporal emergency houses completed.

HOUSING DELIVERY/IMPLEMENTATION PLAN

The Table below indicate current and planned projects

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
1.	Dumisani Makhaye Village Phase 6 & 8	IRDP	FLISP	9	FLISP: 78	The IA has started building FLISP houses and 22 have been completed, while 9 have been approved by banks and will commence with construction.	TBD	October 2021	March 2023
			Low income houses	24	133	The IA is also ready to commence with Phase 8 which is low income houses and most beneficiaries have been approved on the HSS. Platforms have been cut.	BNG/Low income houses R22 219 262.48	Anticipated date April 2023	September 2023

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
			Social Housing	9	1020	The Social Housing Institute (SHI) for social housing has been appointed and the project has been endorsed by the Provincial PSC. The SHI is busy with packaging of the project to submit to SHRA for funding approval.	TBD	TBD	TBD
2.	Aquadene Housing Project	IRDP	Low income houses	26	615	Finalise bulk services and to meet the conditions of establishment. Beneficiaries identification process has commenced.	TBD	Anticipated Date October 2023	TBD
		IRDP	Social Housing	26	1000	The SHI has been appointed and the project endorsed by the Provincial PSC. The SHI is busy with project packaging for SHRA approval.	TBD	TBD	TBD
3.	Empangeni Mega Housing Project Phase 1	IRDP Approx. 1745 units Phase 1A:488 units Phase 1B:592 units	Low income houses	24	146 houses	Low income houses: Funding for 146 RDP houses has been approved. The IA is busy finalising township establishment and has commenced with beneficiary registration.	R 24 446 481.20	Anticipated Date May 2023	December 2023

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
		Phase 1C: 665 units	Serviced sites	24	405 sites	Serviced sites: Municipality to finalise the service sites disposal process.	TBD	Anticipated Date August 2022	TBD
			Social Housing	24	Estimated 1400 units	Social Housing: The municipality is in the process of appointing the SHI.	TBD.	TBD	TBD
			FLISP	24	136 Free standing 400 HRD	FLISP: The IA is busy with preparation to implement the programme.	TBD	Anticipated Date September 2022	TBD
4.	Empangeni Mega Housing Project Phase 2 (Internal Bulk Services)	CRU/Social/ low income housing and FLISP	IRDP	5	Phase 2: 8316 units	The contractor for internal bulks services (water, sewer, roads) is sitting at 96%.	R69 021 855.76 for internal bulk services.	Internal services October 2020.	Internal services July 2022.
5.	Empangeni Mega Housing Project Phase 2 (Internal Bulk Services)	Mixed use development	IRDP	5	Phase 2B & D	The contractor for internal reticulation (water, sewer, roads & stormwater).			
6.	Mzingazi Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	1	Approximately 2500 sites	Planning stage: EIA has been done. WULA ready for submission and preparing for SPLUMA Application. We need to confirm if we should wait for WULA in order to proceed with SPLUMA	R1,800,000 for Planning Stage (PDA process)	2019/20	2022/23
7.	Operation Sukuma Sakhe project	Rural Low income housing	Rural	31,32 & 33	238 houses	IA to commence with construction of top structures. Beneficiary	R39 570 317.92	April 2023	2022/2023

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
						registration has commenced.			
8.	Buchanana Rural Housing	Rural Low income housing	Rural	33	1347	Construction of houses in phases. Awaiting the Department of Human Settlements approval for funding.	TBD	TBD	TBD
7	Luwamba Rural Housing	Rural Low income housing	Rural	33	467	Construction of houses. Awaiting the Department of Human Settlements approval for funding.	TBD	TBD	TBD

MUNICIPAL EXTERNAL INFRASTRUCTURE PROJECTS TO SUPPORT IRDP HOUSING PROJECTS

No	Project Name	Task	Duration	Project Value	Progress (%)	Implementation Date/ Planned Implementation Date	Completion Date
1.	Aquadene Housing	Access Intersection	8 months	Estimated R 9 Million	0%	Anticipated Date September 2022	April 2023
2.	Aquadene Housing	Storm water Transnet channel	12 months	TBD	0%	TBD	TBD

DELIVERY OF TITLE DEEDS

	Total Backlog	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total Delivered to date.	Current Total Backlog
Pre-1994 (EEDBS)	405	105	92	87	21	24		34	353	76
Post-1994 (DMV)	627		65	159	108	146	24	33	535	125
Total	1032	105	157	246	129	170	24	67	898	134

Land Suitable for Housing Development - SDF Expansion Areas

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

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

Table 43: 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

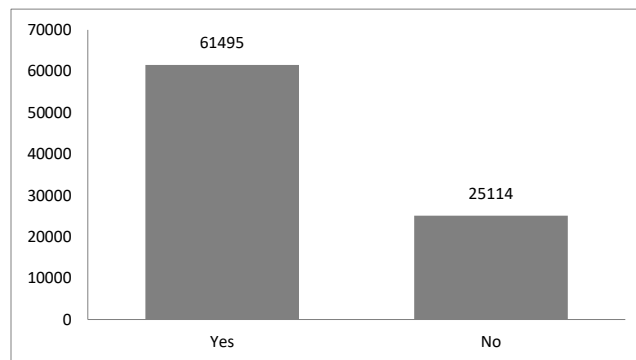
Summary of Human Settlements Issues

- Funding challenges internal and external especially on some of the projects bulk services.
- Limited land for housing projects especially government land.
- Urbanisation resulting in increased housing demand and mushrooming of informal settlements.
- Lack of housing needs database or register might result in the provision of programmes that are not needed by the community.

8.22 Telecommunications

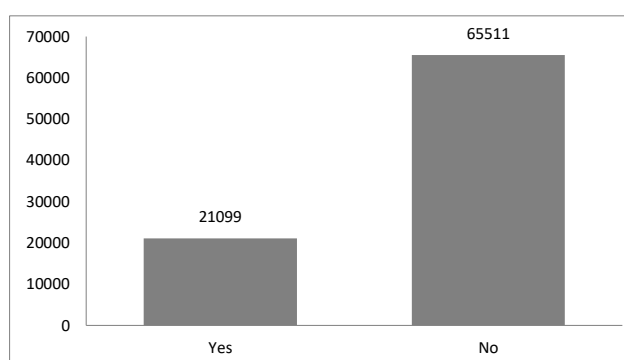
The 2011 census results indicate the following in respect of telecommunications.

Figure 36: Household Access to Radio



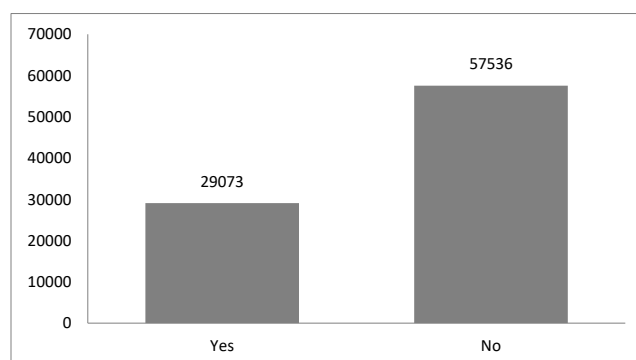
Source: 2011 Census

Figure 37: Household Access to Computer



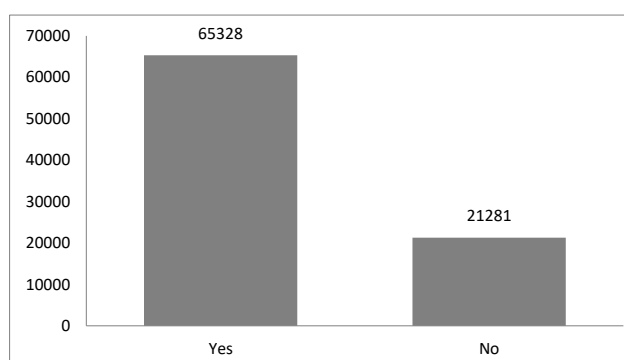
Source: 2011 Census

Figure 38: Household Access to Satellite Television



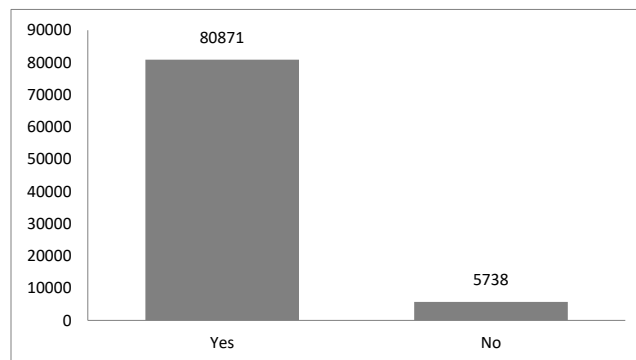
Source: 2011 Census

Figure 39: Household Access to Television



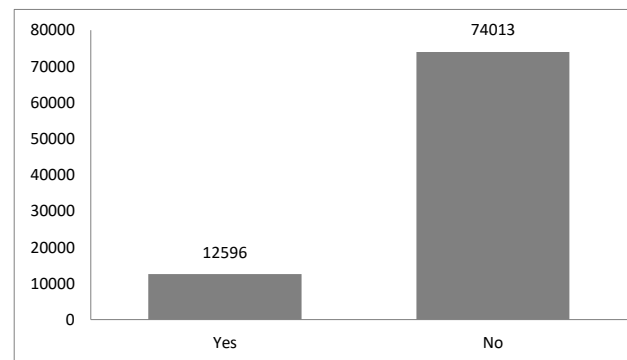
Source: 2011 Census

Figure 40: Household Access to Cellphone



Source: 2011 Census

Figure 41: Household Access to Landline

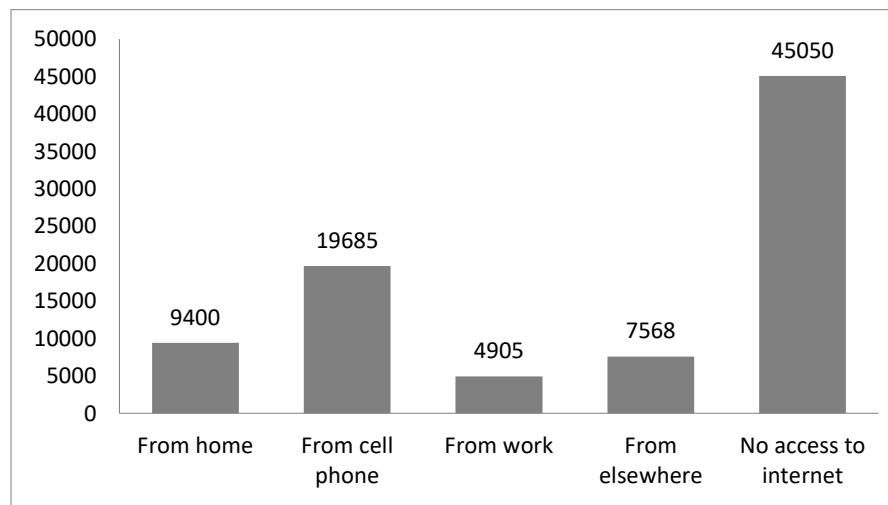


Source: 2011 Census

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.

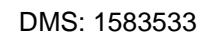
Figure 42: Household Access to Internet



Source: 2011 Census

8.22.1 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



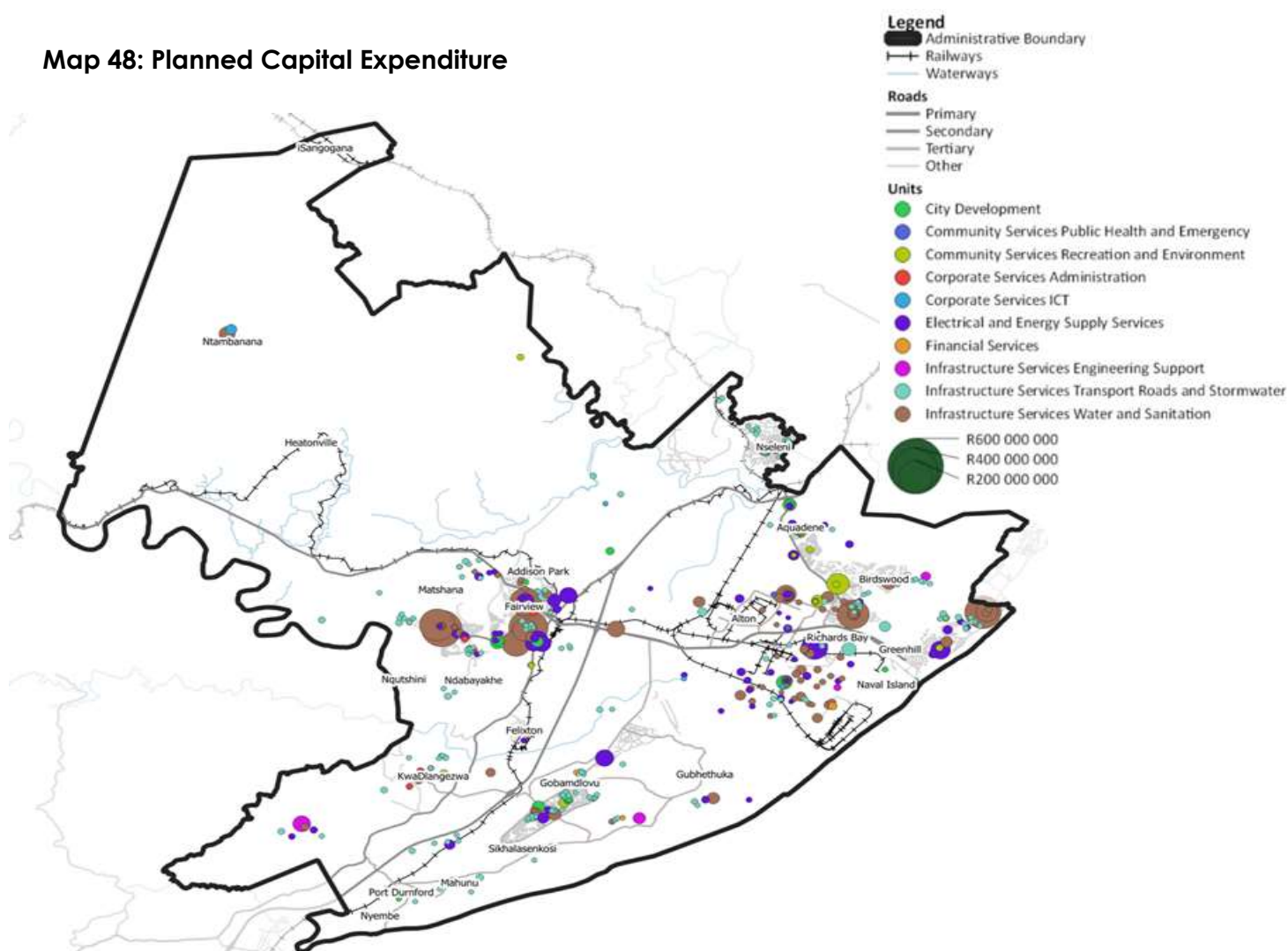
8.23 PLANNED CAPITAL EXPENDITURE

Amongst others, the following sector and master plans have informed the determination of planned capital expenditure for the first uMhlathuze CEF:

- Bulk Sewer Master Plan – 2016
- Bulk Water Master plan – 2014
- Electricity Network Master Plan – 2020
- Electricity and Energy 5-year budget Presentation
- Human Settlements Programme – IDP Input
- Roads 20-year Master Plan (indicating period between 2013 – 2020)
- Water Services Development Plan – IDP Input
- Sports and Recreation 10-year Plan Project List
- Solid Waste 10-year Plan Project List

It should be noted that since the preparation of the CEF in 2019, a number of the above sector and master plans have been reviewed as outlined in previous sections of this report. The updated project specifics will be considered during the review of the CEF.

Map 48: Planned Capital Expenditure



The reality is that the municipal affordability – funding envelope, as indicated in the Long Term Financial Plan (LTFP), is less than the capital demand as indicated in the following tables:

Table 44: Planned Capital vs Funding Envelope

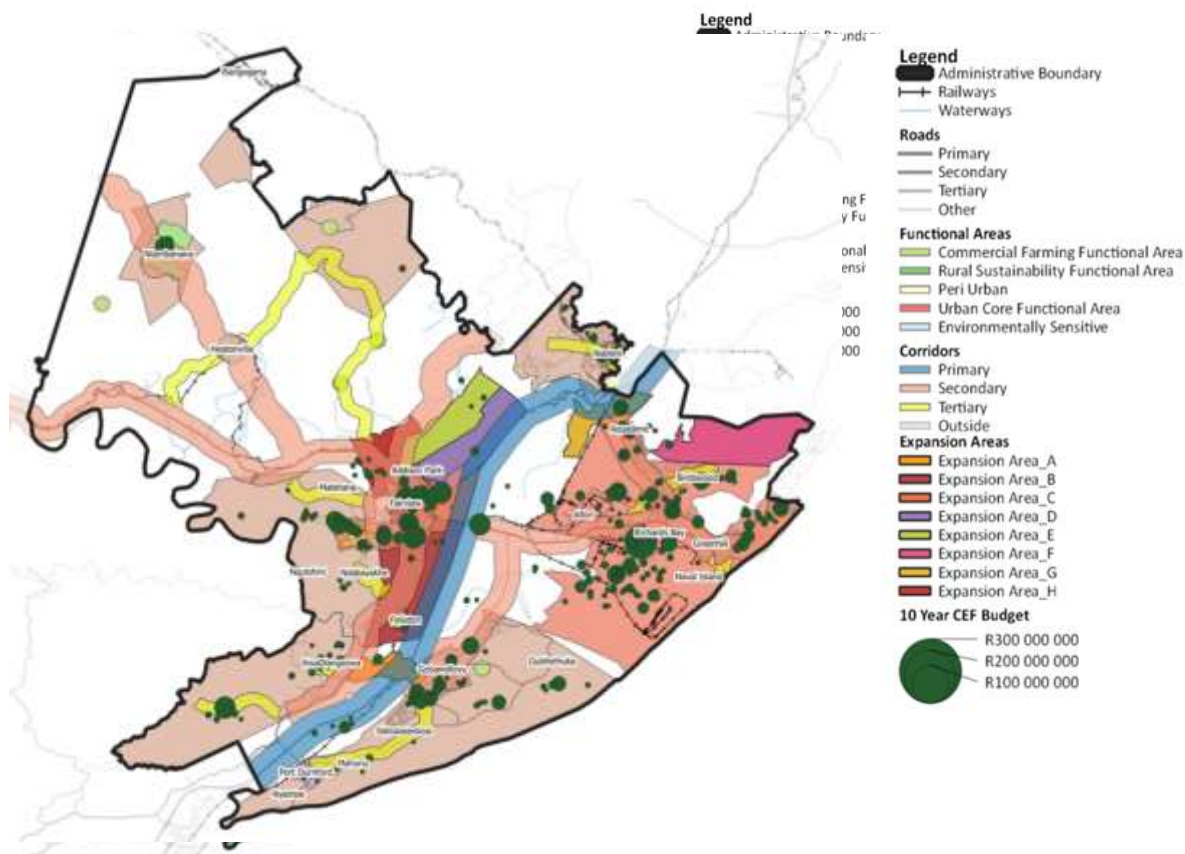
Year	Total Planned Capital	Funding Envelope
2019/2020	R1 823 196 907	R531 998 700
2020/2021	R1 224 439 065	R550 771 500
2021/2022	R2 465 662 841	R500 000 000
2022/2023	R818 262 746	R515 000 000
2023/2024	R638 957 000	R540 750 000
2024/2025	R1 309 178 225	R567 787 500
2025/2026	R68 100 000	R596 176 875
2026/2027	R74 300 000	R625 985 719
2027/2028	R3 419 397 570	R657 285 005
2028/2029	R-	R690 149 255
Total	R11 841 494 355	R5 775 844 553

Table 45: Programme Totals per Functional Area

Year	Administrative HQ	City Wide	No Intersect	Not Mapped	Rural Sustainability Functional Area	Urban Core Functional Area
2019/2020	R44 502 300	R79 865 000	R103 252 247	R97 116 200	R63 000 000	R209 797 253
2020/2021	R38 498 400	R147 313 000	R146 301 774	R76 859 500	R15 000 000	R173 899 026
2021/2022	R36 791 700	R100 342 100	R132 663 612	R78 083 000	R15 000 000	R242 076 188
2022/2023	R6 053 000	R132 194 713	R68 704 098	R-	R839	R308 043 384
2023/2024	R4 518 300	R176 218 785	R11 177 482	R10 000 000	R33 000 000	R305 835 246
2024/2025	R13 019 300	R82 752 815	R103 038 909	R2 361 401	R4 726 067	R361 893 713
2025/2026	R30 000	R68 534 700	R50 733 924	R148 837 305	R-	R328 040 958
2026/2027	R-	R58 096 100	R31 472 447	R76 328 742	R-	R460 098 188
2027/2028	R16 435 000	R86 037 700	R18 142 314	R4 000 000	R-	R532 601 034
2028/2029	R44 218 200	R66 916 900	R59 650 000	R126 379 771	R-	R365 000 000
Percentage	3%	17%	12%	10%	2%	55%

From the above it is noted that 55% of the draft capital budget over the 10-year horizon period is focused on the Urban Core Functional Areas, which are areas centred around the primary economic centres of the municipality, i.e. the primary nodes as per the SDF.

Map 49: 10 Year CEF Budget – Functional Areas



Map 50: 10 Year CEF Budget – Priority Development Areas

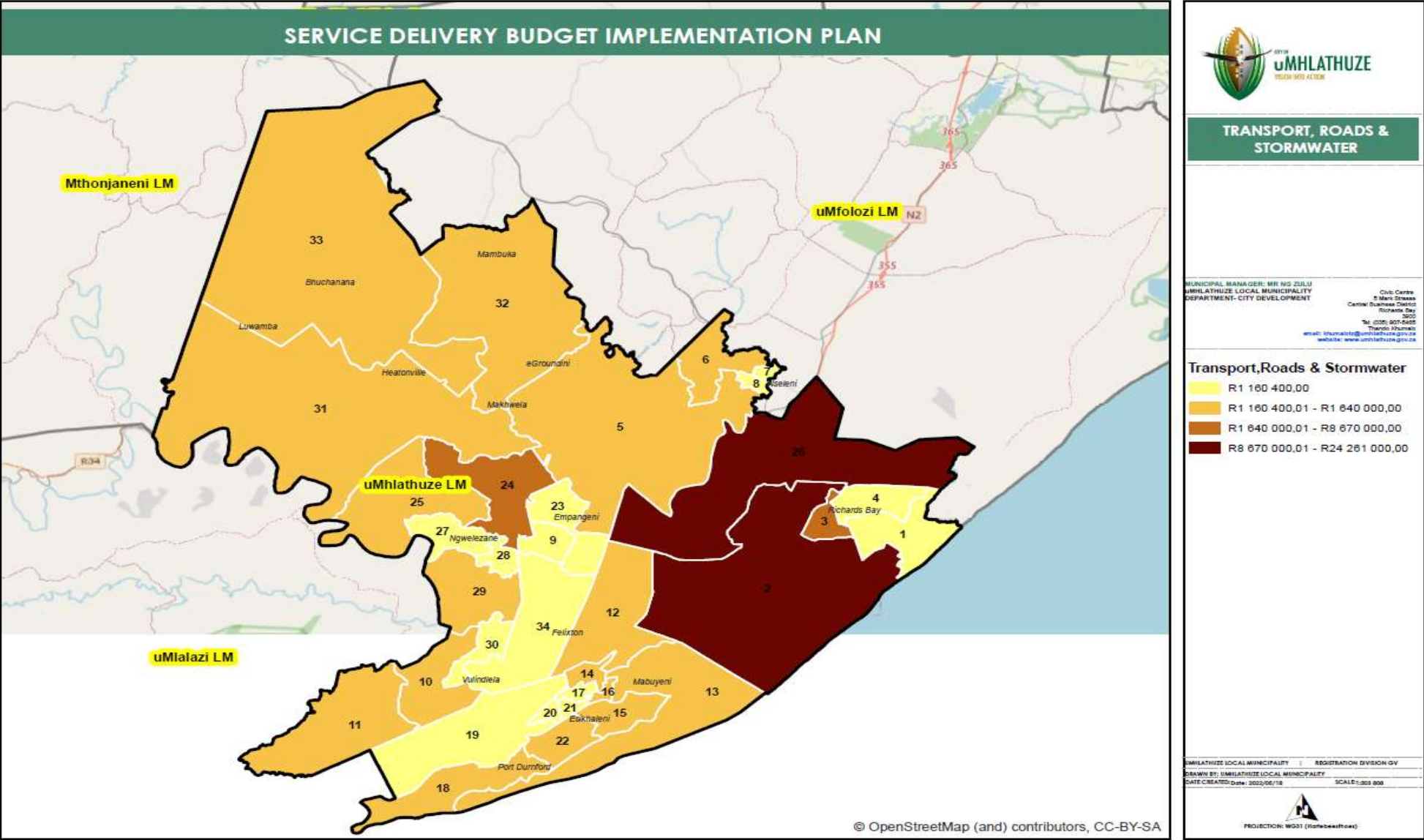
• POOR VS NON-POOR CAPITAL EXPENDITURE RATIO

As per the following, the Poor: Non Poor capital expenditure ratio is lower than 1 in year 5 and year 7, which means that in year 5 and 7 more money is spent on the poor population with respect to the current spatial population distribution and the capital expenditure spent in the municipality excluding capital expenditure allocated to City Wide, Administrative HQ areas and projects that are not mapped. The average ratio across the analysis timeframe is 1:1,3. This means that on average, for each Rand spent on the poor, 1,3 are spent on the non-poor.

Table 46: Poor: Non Poor Capital Expenditure Ratio

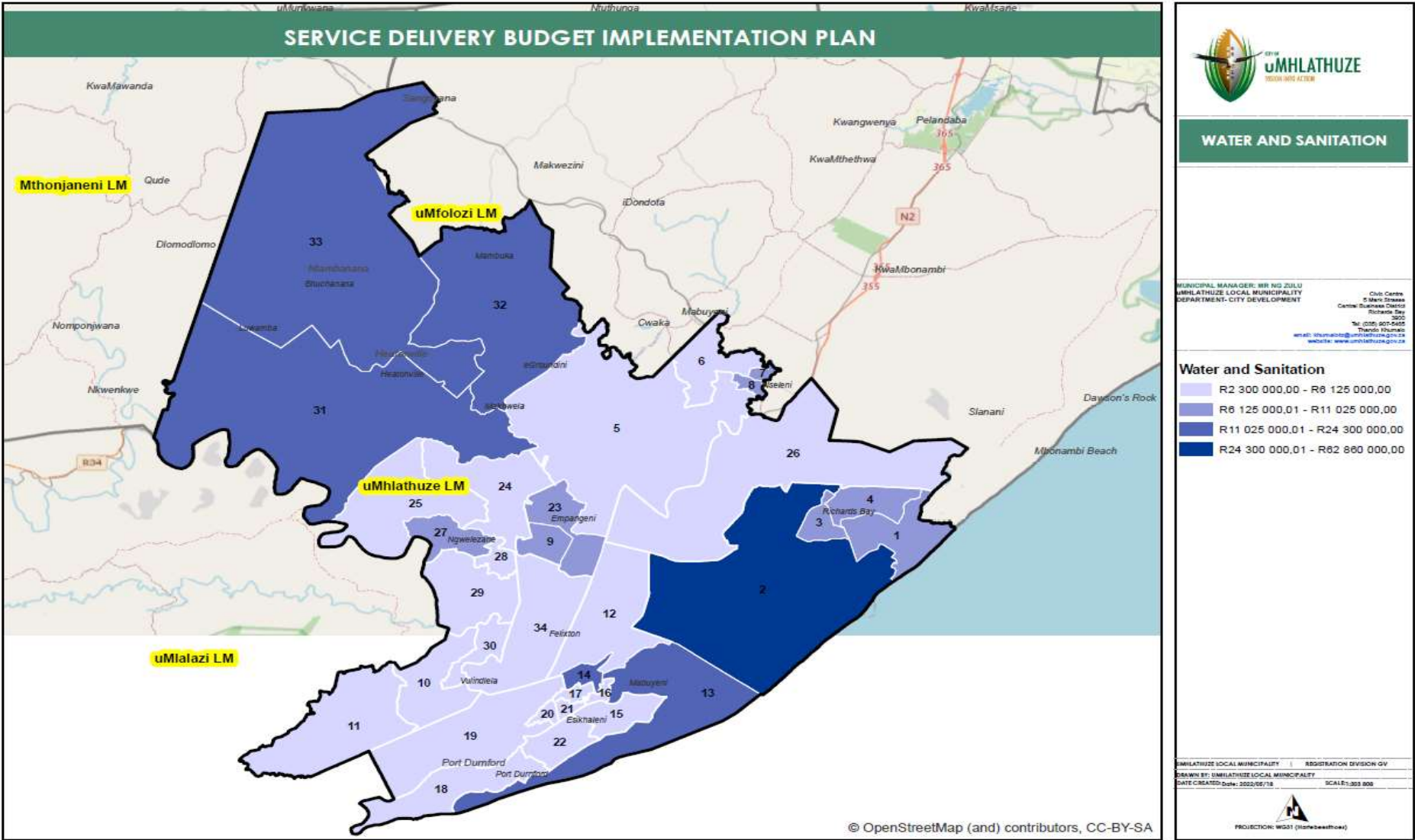
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Administrative HQ	44 502 300	38 498 400	36 791 700	6 053 000	4 518 300	13 019 300
City Wide	79 865 000	147 313 000	100 342 100	132 194 713	176 218 785	82 752 815
No Intersect	6	7	9	3	2	7
Not Mapped	97 116 200	76 859 500	78 083 000	-	10 000 000	2 361 401
Non Poor	132 964 279	159 813 523	164 575 780	179 985 171	195 284 698	179 222 859
Poor	243 085 215	175 387 272	225 164 011	196 763 154	154 728 031	290 435 832
Total	597 533 000	597 871 702	604 956 600	514 996 040	540 749 816	567 792 214
Poor : Non Poor	1 : 1,8	1 : 1,1	1 : 1,4	1 : 1,1	1 : 0,8	1 : 1,6
	2025/26	2026/27	2027/28	2028/29	Total	%
Administrative HQ	30 000	-	16 435 000	13 971 000	173 819 000	3%
City Wide	68 534 700	58 096 100	86 037 700	35 220 000	966 574 913	16%
No Intersect	0	1	0	-	36	0%
Not Mapped	151 830 526	76 328 742	4 000 000	10 000 000	506 579 370	8%
Non Poor	222 665 227	252 457 482	254 633 315	188 482 828	1 930 085 163	32%
Poor	53 116 449	239 113 154	296 110 037	502 373 515	2 476 276 671	41%
Total	596 176 902	625 995 480	657 216 053	750 047 344	6 053 335 153	100%
Poor : Non Poor	1 : 0,7	1 : 0,9	1 : 1,2	1 : 2,7	1 : 1,3	

Map 51: Transport, Roads and Stormwater Capital Expenditure Distribution (Budget 2022/2023)





Map 53: Water and Sanitation Capital Expenditure Distribution (Budget 2022/2023)





8.24 SWOT analysis: Service Delivery and Infrastructure:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ 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 ○ Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements ○ Continual improvement of the Blue Drop score for the Municipality ○ Continual improvement of the Green Drop score for the Municipality ○ Licence Service provider of electricity services in the industrial and domestic customers ○ No electricity backlog in the municipal area of supply ○ Energy and Electricity Master Plan developed ○ Electricity supply is provided accordingly to NERSA 	<ul style="list-style-type: none"> ○ Service interruptions due to ageing infrastructure ○ Indiscriminate dumping by residents of garden waste and builder's rubble ○ Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that create flooding of streets and properties. ○ Inadequate investment in waste management equipment including trucks ○ Poor Planning ○ Poor succession planning ○ Lack of fleet availability ○ Lack of infrastructure asset protection ○ Lack of sustainable water supply
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories ○ Maintenance of acceptable standards of water quality ○ Progressive acquisition of yellow plant and other equipment ○ Waste recycling, reduce and reuse initiatives ○ Implementation of mega human settlement projects ○ Progressive and transformational supply chain management policy for capital projects execution ○ Investment in alternative water supply such as desalination, waste water reuse, underground water. ○ Energy mix 	<ul style="list-style-type: none"> ○ Illegal connections ○ Ageing infrastructure: electricity, water and roads ○ Poor capital expenditure ○ Non-payment for services ○ Theft and vandalism of Infrastructure ○ Changing municipal boundaries thus impacting on municipal infrastructure backlogs ○ Continuous demand for waterborne sewer in rural areas

8.25 Challenges

LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

8.26 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, peri-urban, and rural. The main urban centres are Richards Bay and Empangeni. Empangeni is an important commercial and service centre for the sub-region. Richards Bay is, however, rapidly becoming of similar standing as a commercial node. Within the urban fabric of these main urban centres there are formal residential areas (including high-rise flats), former R293 towns (the old townships), and recently constructed low-income residential areas. Felixton, Ngwelezane, 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, and 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 has a new LED Strategy adopted by Council together with the Fifth Generation IDP on 25 May 2022. The plan was developed with the help of a service provider, it comes with clear timelines of projects and programs to be implemented within a period of five years.

8.27 UMhlathuze's Economic Profile

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.

8.27.1 Economic Population

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 2007, 2012 and 2017 in respect to economic active population in uMhlathuze and the other municipalities in the King Cetshwayo District.

Table 47: Economic Population

	Total Economically Active population			EAP growth rate			Average annual growth (2007-2017)
	2007	2012	2017	2007	2012	2017	
South Africa	18 007 069	18 739 171	21 839 604	2,8	2,2	2,5	1,95
KwaZulu-Natal	3 296 129	3 027 883	3 473 626	1,1	1,8	2,8	0,53
King Cetshwayo	258 037	226 303	273 446	0,4	1,9	2,9	0,58
uMfolozi	32 477	29 595	37 115	1,8	2,5	3,6	1,34
uMhlathuze	142 413	131 468	156 315	0,9	1,8	2,8	0,94
uMlalazi	44 316	37 266	45 957	0,1	1,7	2,9	0,36
Mthonjaneni	22 044	16 339	19 483	-1,9	1,2	2,5	-1,23
Nkandla	16 787	11 635	14 576	-2,8	2,6	3,9	-1,40

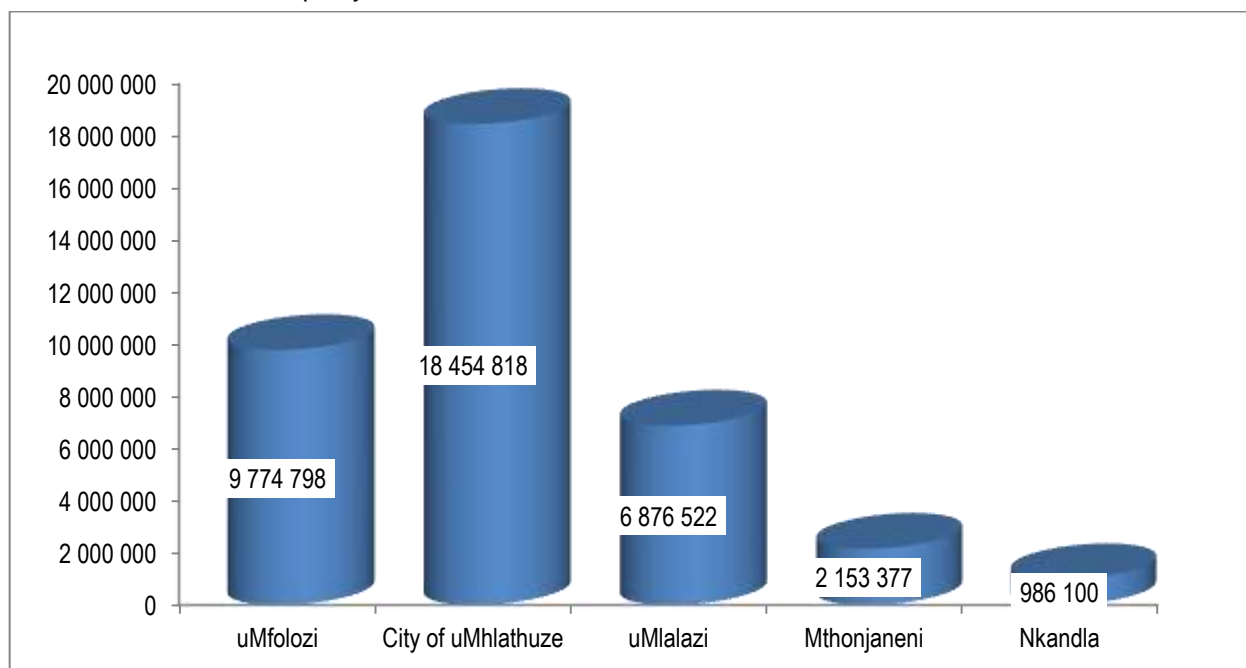
Source: IHS Markit, 2018

8.27.2 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 deep-water 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, and Bell Equipment.

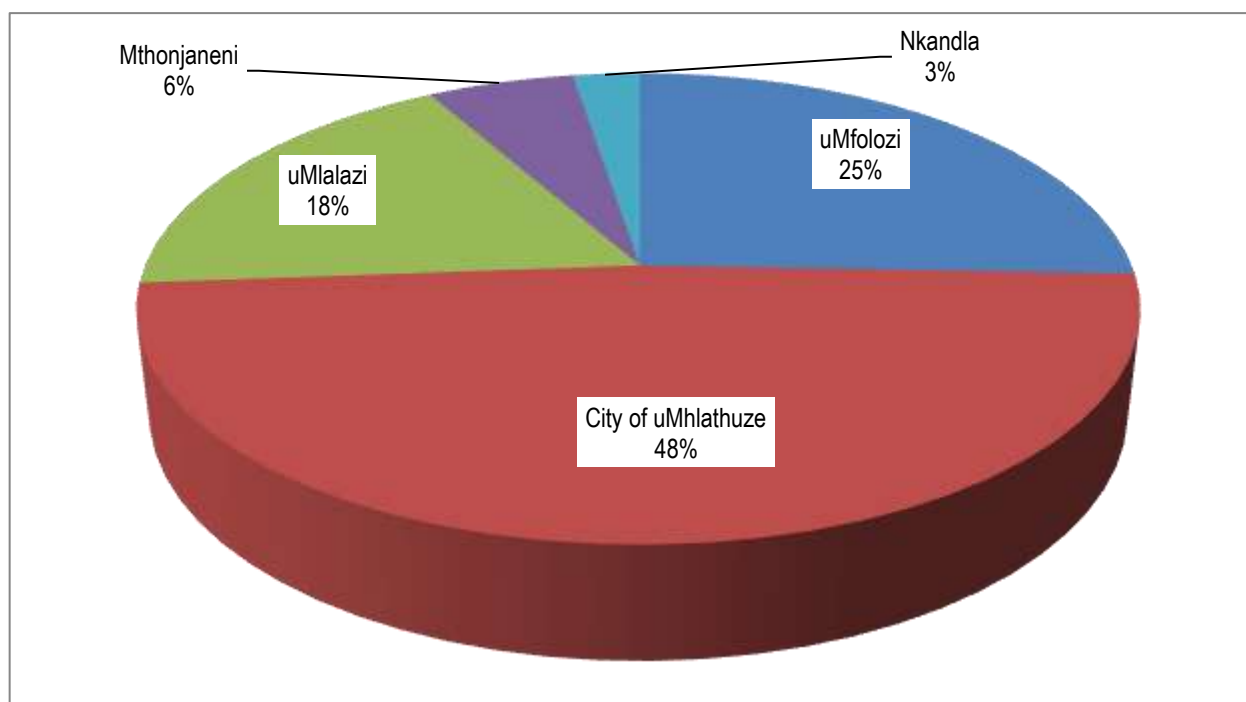
The following bar chart indicates the GDP contribution by uMhlathuze Municipality comparing to other local municipalities within King Cetshwayo District. It is evident that uMhlathuze remain the strong contributor to the district GDP, with 48% contribution.

Figure 43: GDP Contributions



Source: Global Insight 2015

Figure 44: % GDP Contribution



Source: Global Insights 2015

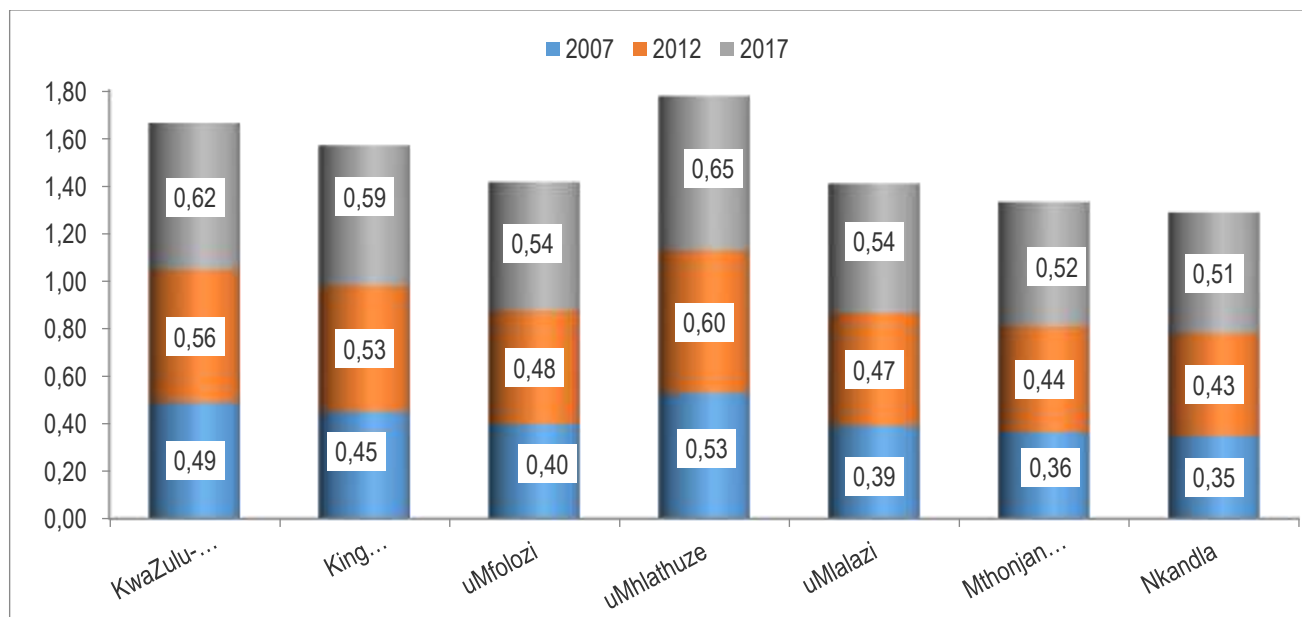
8.27.3 Human Development Index and Gini Coefficient

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.

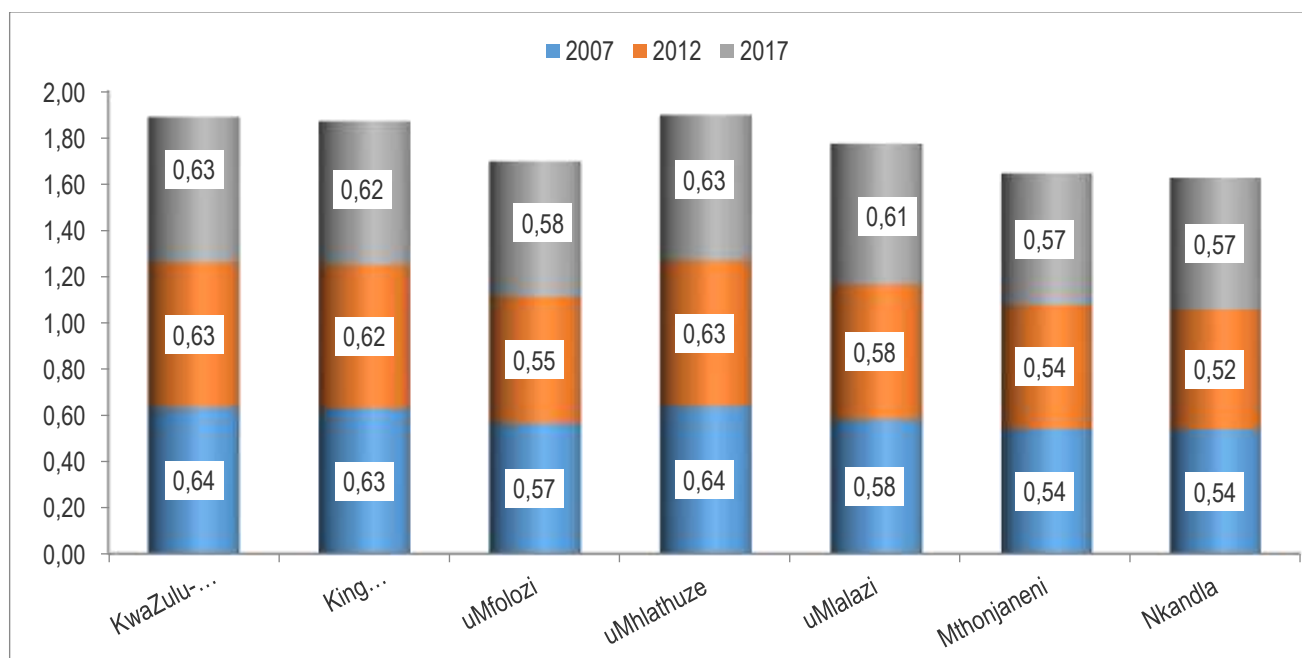
The following table and figure provides the HDI for uMhlathuze Local Municipality over a given period of time.

Figure 45: Human Development Index



Source: IHS Markit, 2018

Figure 46: Gini Coefficient



Source: IHS Markit, 2018

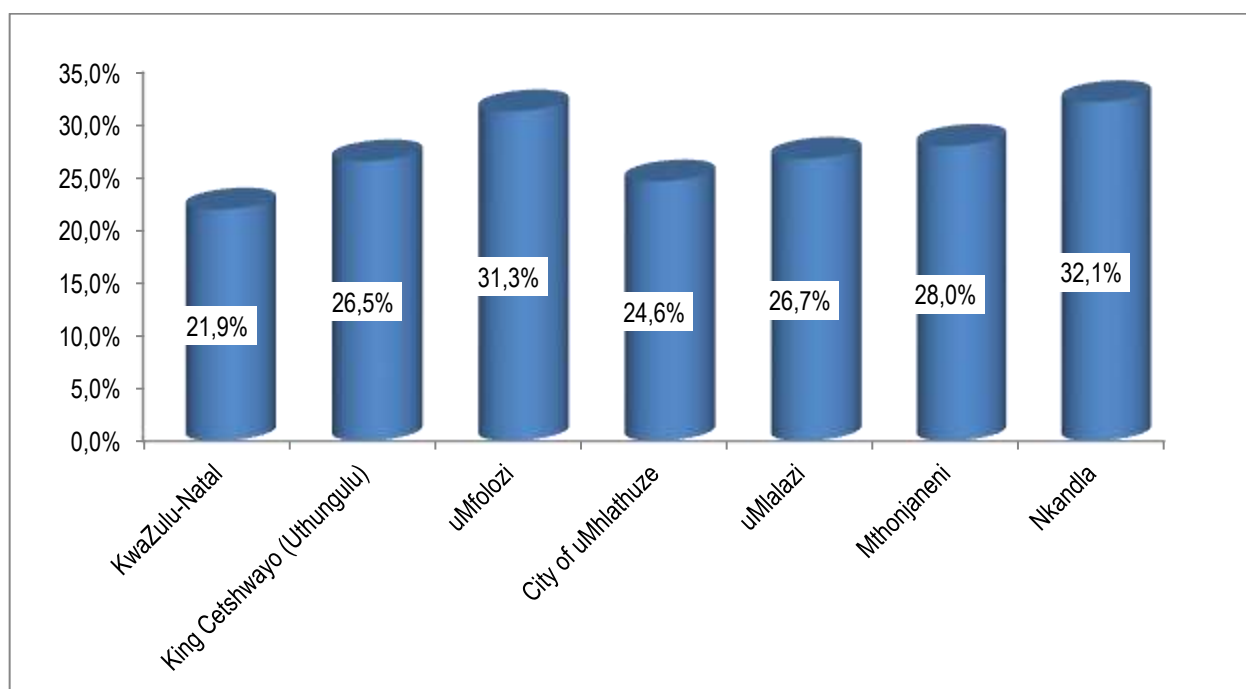
Income inequality is indicated by the Gini-coefficient. Income inequality in the King Cetshwayo District and Province has become less equal over time – from 0.64 in 2007 and decreased to 0.63 in 2012 up to 2017 in uMhlathuze Municipality.

8.27.4 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 Cetshwayo 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.

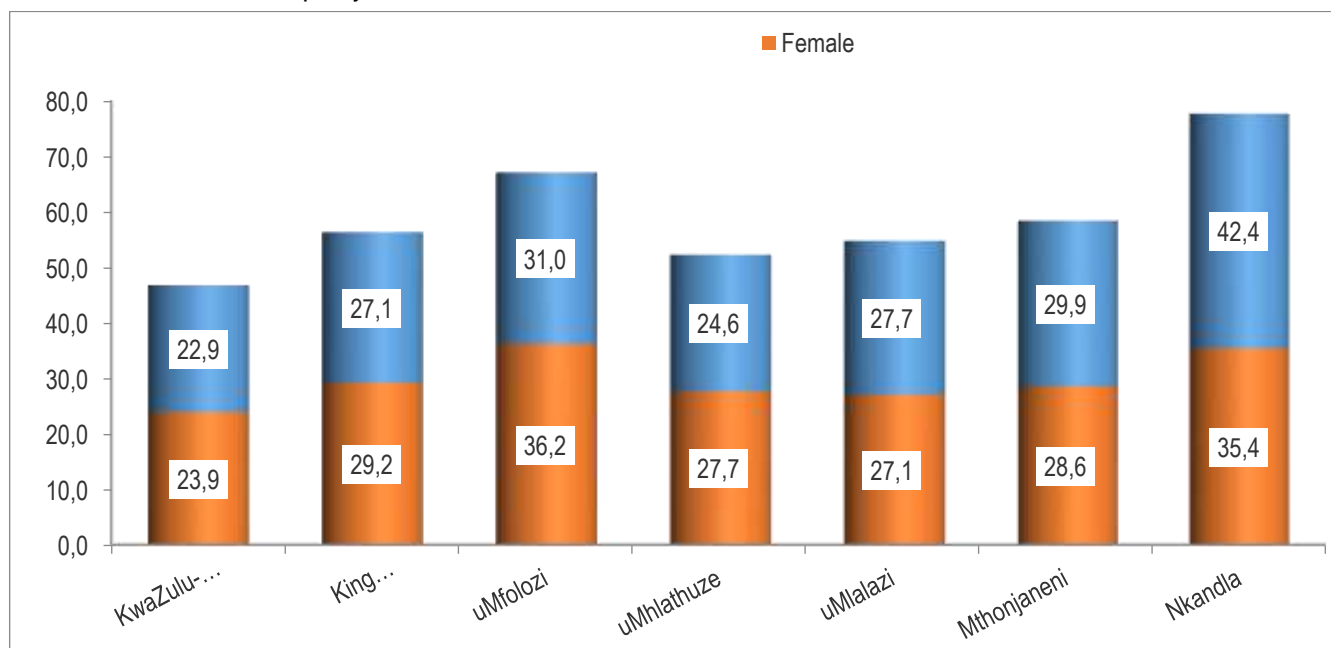
Job creation is not the core competency of the municipality however City of uMhlathuze is committed to radical economic transformation which entails making the environment conducive for investors.

Figure 47: Regional Unemployment



Source: Global insight 2015

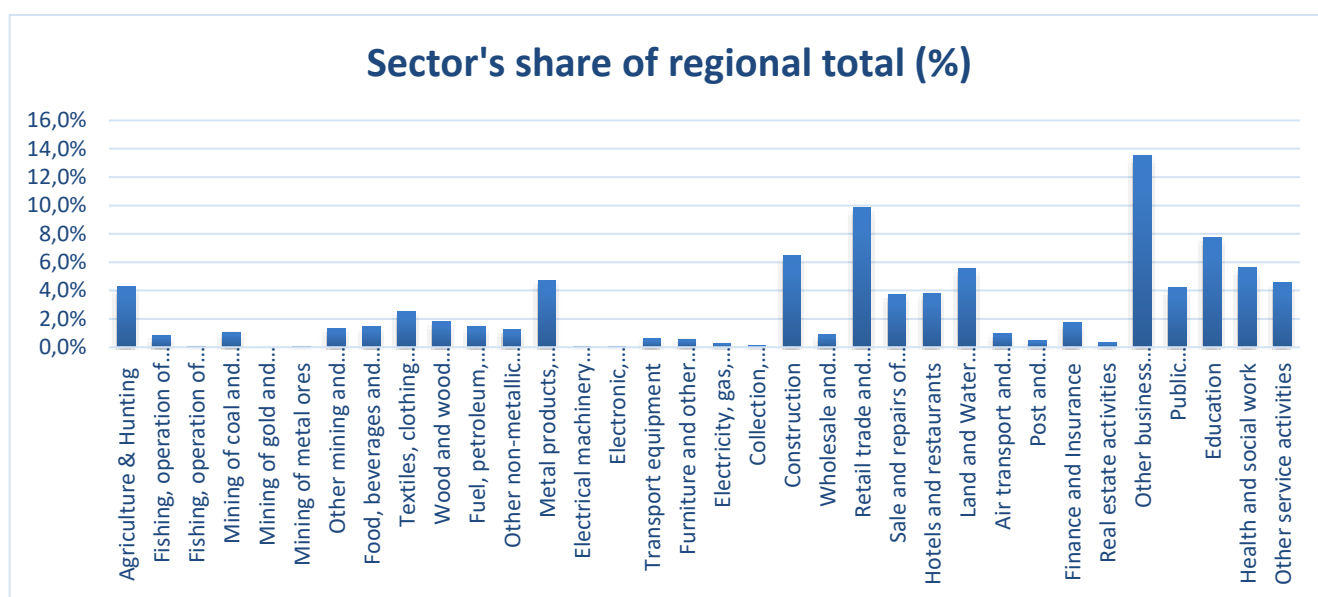
Figure 48: Unemployment by Gender



Source: IHS Markit, 2018

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.

Figure 49: Employment by Sector



Source: IHS Markit, 2018

Table 48: Formal and Informal Sector Employment

	Formal employmen †	Informal employmen †	Total employmen †	% share of King Cetshwayo formal employmen †	% share of King Cetshwayo informal employmen †
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

IHS Markit, 2018

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

Figure 50: Formal and Informal Employment per Sector

	KwaZulu-Natal	King Cetshwayo	uMhlathuze
Primary sector	8,4	5,1	9,3
Agriculture	5,4	4,8	7,6
Mining	3,0	0,4	1,7
Secondary sector	18,5	20,7	24,2
Manufacturing	10,3	12,2	12,4
Electricity	0,6	0,4	0,2
Construction	7,6	8,1	11,5
Tertiary sector	73,2	74,2	66,6
Trade	21,5	22,1	18,8
Transport	5,3	6,0	7,0
Finance	16,8	13,5	13,3
Community services	21,5	23,6	20,3
Households	8,1	8,9	7,1

Source: IHS Markit, 2018

8.27.5 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

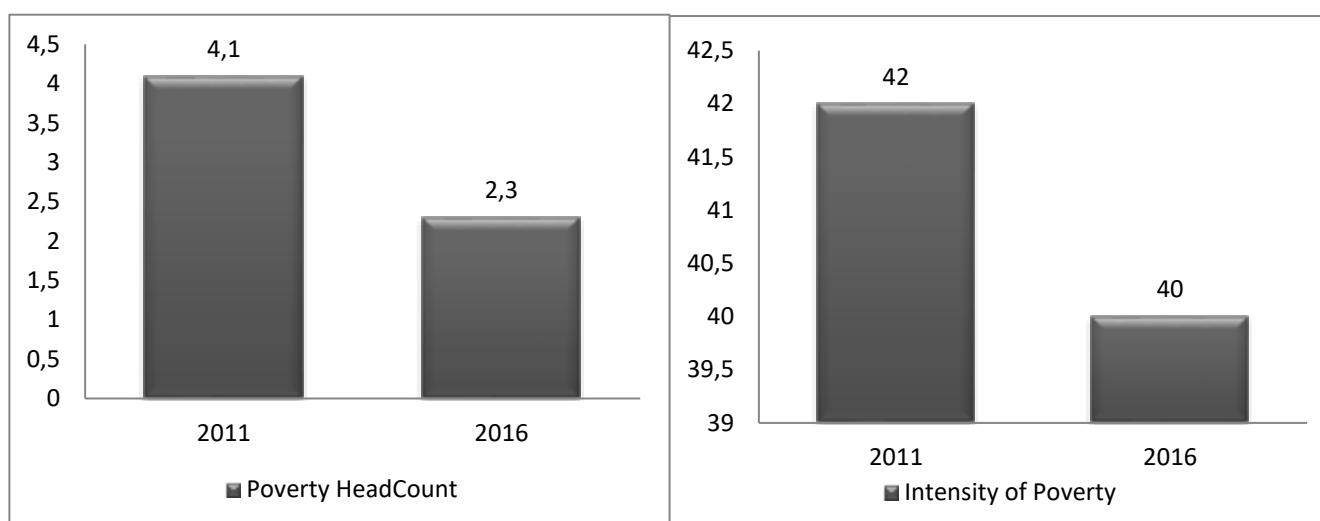
Source: IHS Markit, 2018

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.

8.27.6 Income and Dependency

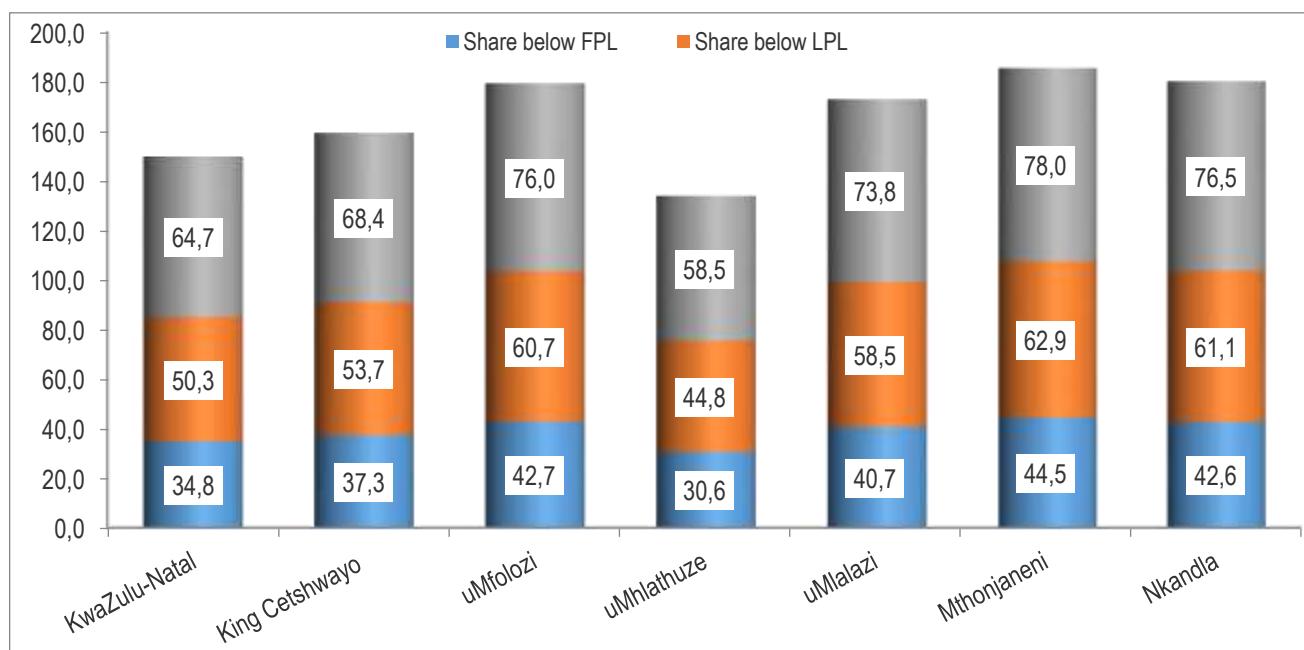
Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents. The number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the 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 51: Poverty Head Count and 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.

Figure 52: Poverty Development Indicators

Source: IHS Markit, 2018

Table 49: 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

8.28 Local Economic Development Analysis

8.28.1 Strategic Drivers

From the challenges affecting the local uMhlathuze economy as well as the directives emerging from the analysis of policy and socio-economic factors, 12 strategic drivers are developed. These 12 drivers are the foremost strategies and thrusts behind local economic development in uMhlathuze. From these, the subsequent high impact programmes and projects for implementation are drawn out.

The following figure gives the 12 Strategic Drivers of local economic development for uMhlathuze municipality, these strategic drivers are further expanded on the LED Strategy as attached in the IDP.

Figure 53: Strategic Drivers


8.28.2 Focus Areas and Principles emerging from the policy review aligned to NDP, PDGS and DGDP

Table 50: LED Focus Areas

ECONOMIC AREAS OF FOCUS	PRINCIPLES FROM POLICY
Transformation of spatial-economic equity	<ul style="list-style-type: none"> Universal access to facilities and services. Rural nodes and corridors of potential economic development. Small town and townships development. Driving a strong and inclusive economy. Integrated human settlement development linked to migration trends to urban areas. New and emerging nodes and town development
Agriculture and agri-processing	<ul style="list-style-type: none"> Agri-parks /hubs, industrialisation and agri-processing. Farmer production services centres – service centres, logistic points and community commercial nodes. High potential agricultural land areas. Coastal areas – transformation of the sugar cane grower areas. Forestry areas – small growers; access to infrastructure especially local road networks. Livestock areas – emerging small-scale farmers Grain areas – agri-processing. Sustainable food production for national food security.
Rural development and land transformation	<ul style="list-style-type: none"> Land ownership transformation. Access to productive land in townships. Township proclamations and land title transformation. Small scale industrialisation and provision of facilities and services. Protection of environmental sensitive areas.
SEZ and industrial development	<ul style="list-style-type: none"> SEZ development supported with infrastructure and logistical networking. Revitalisation of existing industrial estates.

ECONOMIC AREAS OF FOCUS	PRINCIPLES FROM POLICY
	<ul style="list-style-type: none"> • Incubator and SMME development support in towns and smaller towns and settlements. • Rural industrialisation. • Black industrialist development support
Green and Blue economic development inclusive of renewable energy and recycle economies	<ul style="list-style-type: none"> • Maritime and marine areas. • Harbours and small-scale harbours development – linking to back-stream infrastructure. • Coastal area development and protection. • Environmentally sustainable mining and natural resource use. • Supporting eco-production and eco-entrepreneurs
Innovation and the digital economies	<ul style="list-style-type: none"> • Distribution of digital infrastructure in small towns and rural areas (agri-hubs and farmer support service centres. • Support to establish smart towns and cities. • Access to digital infrastructure along the main corridors.
Tourism development	<ul style="list-style-type: none"> • Business tourism (bleisure) • Significant cultural and heritage areas. • Adventure tourism. • Nature and game reserves • Coastal areas and beaches. • Urban and town areas: retail and commerce.
Rural and township revitalisation	<ul style="list-style-type: none"> • Revitalisation of high priority rural areas and townships

8.28.3 Agriculture and Agro processing

Council has an adopted an Agricultural Support plan developed with an assistance of an outsourced company. The plan is informed by prioritisation of agriculture as a sector to contribute to enterprise development, agriculture and agro-processing. Agriculture has been identified as a top sector with the greatest job-creating/ labour absorption potential. Forestry, wood, and wood products provide a far more sustainable presence since this industry operates with a renewable commodity with Mondi being the biggest player. The sugar industry was one of the first commercial undertakings in the area. Large tracts of fertile river valley land as well as the undulating hills on both sides of the current N2 have for decades been under sugar cane. Most producers provide cane for the mill at Felixton.

The major strengths of the uMhlathuze are its beautiful natural resources. There are perennial rivers, deep soils and the warm climate which are basic requirements for good agricultural production. uMhlathuze climate is very suitable for most used commodities and in the coastal areas the temperature does not go below 12 degrees thus can plant throughout the year. This climate also presents an opportunity for faster growth in plants as cold factor inhibit growth. uMhlathuze has very deep soils in the coastal areas which makes it suitable not only for vegetables but also for tree plants like macadamia. Shallow soils start appearing inner around Mevamhlophe area and disappear to deep soils in the Heatonville area. The uMhlathuze has perennial rivers that have been underutilized by the previously disadvantaged communities. The Ntuzi, Mangezi, Mhlathuze, Nseleni etc. are not effectively used by these communities for agricultural purposes. There are no irrigation schemes for these communities. Water security is a strength of the municipality to sustainable agricultural production. (City of uMhlathuze Agricultural Support Plan).

Key projects in this sector includes National School Nutrition Programme (NSNP), agri-parks, goat farming, poultry farming and incubation programs for farmers in partnership with

district, province, and national departments. However, drought has significantly impacted the job creation potential of this industry, as well as absorbing fewer jobs in the past year or so. Under-utilisation of arable land is a key challenge for uMhlathuze. The agro-processing potential of uMhlathuze has not yet been fully explored. Emerging farmers appear to be stagnant and are not growing their enterprises and creating scalable businesses. There appear to be few new entries into the agricultural value chain. Farming is not attractive to youth, which represent 72% of the populous of uMhlathuze.

Some weaknesses include poor market linkages. The disadvantaged farmers in commodities other than cane are not properly linked to existing markets. The vegetable farmers are affected by the inactivity of the King Cetshwayo District Municipality's Fresh Produce Market which has placed further strain. The retail and hospitality industry are not promoting sourcing from the district and the public institutions have not effectively promoted development of local farmers. Livestock farmers have no proper auctioning facilities and stalls for goats. There is no value adding facilities available for beef producers and poultry.

There is also a lack of production infrastructure. The production infrastructure requirements for both plant and animal production is the basis for sustainable production. Plant production requires irrigation, pack houses, refrigerated trucks, sheds for fertilizer storage. Livestock requires water, feedlots, camps, livestock trucks, auctioning facilities and implements. There is not enough land for commercial veld beef production.

In terms of skills the uMhlathuze agricultural development has been skewed to cane production. This lack of diversified production has resulted in skills training related to cane growing. Any promotion of other commodities needs detailed training of beneficiaries. Current challenges being experienced in the sector relate to the following:

- Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects.
- Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- In the traditional council areas where the land falls under the Ingonyama Trust, and where land is held under communal tenure, subsistence agriculture prevails, except for small-scale farming in the sugar and timber.
- Failure to realize the potential for value adding through agro-processing.
- Volatile world markets which affect prices for some agricultural commodities, for example, sugar.
- The demise of the South African Sugar Association's credit facility for small-scale cane growers.
- The disadvantaged farmers in commodities other than cane are not properly linked to existing markets.
- Emerging farmers appear to be stagnant and are not growing their enterprises and creating scalable businesses
- There appear to be few new entries into the agricultural value chain
- Farming is not attractive to youth, which represent 72% of the populous of uMhlathuze
- lack of production infrastructure such as irrigation, pack houses, refrigerated trucks, sheds for fertilizer storage, water, feedlots, camps, livestock trucks, auctioning facilities and implements etc.
- skills development in the uMhlathuze agricultural development has been skewed to cane production due to lack of diversified production
- Poor market linkages
- Drought (climate change) has significantly impacted the job creation potential of this industry, as well as absorbing fewer jobs

The City of uMhlathuze presents various opportunities not fully utilized for the benefit of agri-business value chain. The natural resources, marketing infrastructure, logistics infrastructure, Radical Agrarian Socio-Economic Transformation and Social Plans funding.

Based on the findings outlined in the uMhlathuze SDF, much of the communal land falls under 'good land potential' category. Currently there is a lot of primary agriculture activities taking place in the communal areas in the form of crop production, egg production, broiler production and livestock (goats and piggeries), small scale fisheries, aquaponics, and seedling production. There exists a lot of potential within the communal areas to build on these opportunities further. There needs to be a detailed situational analysis conducted on agricultural activities taking place in communal lands combined with well-coordinated efforts from developmental agencies and government departments including private and public partnerships.

Other opportunities include the King Cetshwayo Fresh Produce Market housed in uMhlathuze. However, the market has not been fully utilized by local farmers and is currently no longer functional. Possible plans are to use the space for the District Development Agency program in future. The Richards Bay and Empangeni towns have various retail and hospitality companies that are sourcing their vegetables and meat outside this district. The public institutions which include hospitals, correctional facilities, tertiary institutions also provide an opportunity for marketing agricultural products. The uMhlathuze proposed container city will also provide space for marketing agricultural goods.

The City of uMhlathuze has a positive profile of necessary infrastructure needed in the agricultural products value chain. There local areas are linked to district roads which are gravelled; the district roads are linked to regional roads which are tarred. The regional roads link directly with National Toll Road (N2). The municipality is also home to Richards Bay harbour, which can be a proper gateway for agricultural produce export. The municipality also is planning to expand the airport to also include airfreight infrastructure. This infrastructure is an opportunity underutilized and available for moving agricultural goods to markets.

RASET is a low hanging fruit which the municipality can take advantage of. The programme aims to stimulate linking disadvantaged black farmer communities with both public and private markets. This was adopted by KZN Cabinet and is now chaired by Premier office and championed through Operation Vula of Economic Development Tourism and Environmental Affairs Department. This aims to ensure that government uses its buying power to source directly from black farming communities. In addition, the Department of Rural Development and Land Reform is establishing a FPSU in Ngwelezane area at a cost of R20 million. The municipality could establish its own to service the south side of the municipality. The areas that can be serviced are KwaDlangezwa, Esikhaleni, Vulindlela, Port Dunford etc.

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

- Food security and food sovereignty should be promoted.
- Various opportunities not fully utilized for the benefit of agri-business value chain include the natural resources, marketing infrastructure, logistics infrastructure, Radical Agrarian Socio-Economic Transformation and Social Plans funding
- An Agribusiness Development Agency has been established in KwaZulu-Natal under the auspices of the Department of Economic Development and Tourism. The primary aim of this institution is to identify failed land redistribution projects that have some potential for revitalization. The Agency puts in place the appropriate mechanisms to assist the land reform beneficiaries of these projects to turn projects around so that they become viable farming enterprises.

- Small-scale farmers should be encouraged to add value to their produce.
- Key projects in this sector includes National School Nutrition Programme (NSNP), agri-parks, goat farming, poultry farming and incubation programs for farmers in partnership with district, province, and national departments
- Much of the communal land falls under 'good land potential' category
- Currently there is a lot of primary agriculture activities taking place in the communal areas in the form of crop production, egg production, broiler production and livestock (goats and piggeries), small scale fisheries, aquaponics, and seedling production. There exists a lot of potential within the communal areas to build on these opportunities further
- Infrastructure needed in the agricultural products value chain including good road linkages, Richards Bay port which can be a proper gateway for agricultural produce export and airport expansion to also include airfreight infrastructure. This infrastructure is an opportunity underutilized and available for moving agricultural goods to markets.
- The Department of Rural Development and Land Reform is establishing a FPSU in Ngwelezane

8.28.4 Tourism

uMhlathuze Municipality has an adopted **Tourism Market strategy**, adopted by Council in 2018. The City of uMhlathuze is one of the primary driving forces in the tourism sector in KwaZulu-Natal. The municipality offers a rich diversity of tourism offerings making it an ideal holiday destination for local and international visitors. Tourism in uMhlathuze is largely dominated by the domestic market with minimal visits from the international market. The city is well known for its sports and business activities. Due to its warm Indian Ocean adjacent to Richards Bay and the Industrial Hub located inland, the city receives tourists all year round. However, the footfall numbers fluctuate in each month. Furthermore, there is a dearth of tourism specific research conducted on uMhlathuze and the demand for such is high. uMhlathuze generally has a good climate and is well endowed with natural resources whose comparative advantages are, a good climate creates avenues for productive agricultural tourism development. Agriculture with irrigation infrastructure is in place and a scenic environment and the coastal terrain thus creating more opportunities for tourism development. uMhlathuze Municipality has a high potential for tourism, however, this potential has not been optimised due to poor coordination, and poor documentation. Tourism awareness in uMhlathuze is relatively low and the poor integration in the tourism products also adds to the problem. An example of such includes the poorly developed and uncoordinated Cultural heritage tourism in the municipal area. The highly undeveloped Religious heritage is also no exception.

The cost of flights to and from Richards Bay is highly expensive which therefore makes family trips unaffordable and consequently, not viable. uMhlathuze's tourism industry is the gateway to Zululand whether the historical Eshowe, or the culturally rich Ulundi Municipality. uMhlathuze Municipality is also well linked to eThekweni Municipality through the N2 freeway. uMhlathuze is a growing city, and therefore possesses great potential to expand the tourism sector with the available extensive land for development. The city lies in close proximity to some of the KZN province's most popular eco-tourism attractions such as Hluhluwe-Umfolozi, Sodwana, the Isimangaliso Wetland Park and also close proximity to cultural and historical attractions such as the battlefields of Ulundi as well as Gingindlovu and the Shakaland Cultural Centre.

However, the mentioned poor coordination and the lack of formalised linkages form a barrier for tourism growth within this city. The city's tourism marketing efforts also date far back and are minimal. Despite this lack of maintained marketing efforts, there is a visible

change in tourist behavioural patterns within the area. The decline in international tourist arrivals to South Africa did not have an impact on total share of international arrivals in the uMhlathuze area

I. Market Assessment

The core tourist market of uMhlathuze comprises of largely the **corporate market**. This is significantly due to the high concentration of large industries located within Richards Bay which, consequently, generate profuse investment and business opportunities. uMhlathuze is also known as the Playground area for its frequent sporting activities and miscellaneous events. Thus, **the leisure market** and the **Sports market** are also at the forefront. With the varied number of Events hosted in this area, the **Entertainment market** appears to be the largest market one can tap into. The city does not consist of the biggest shopping centres in the province; however, with effective marketing tools implemented the available retail outlets may have potential to draw in a pool of individuals who travel from the nearby countries such as Mozambique just for shopping. With the warm beaches and ideal facilities for family vacations, the city has the potential to become the home for the Family Holiday seekers.

The Industrial Zone also has enormous potential to draw in large school groups for educational tours. uMhlathuze is now essentially the home of the Big 4 which ultimately also has an added advantage in strengthening the growth of tourist markets in the region. Foreseen potential growth in international tourist visits will not only boost tourism in uMhlathuze but also have a positive impact on the City's economy. The potential market should inevitably become the target market for uMhlathuze.

II. Tourism Sites

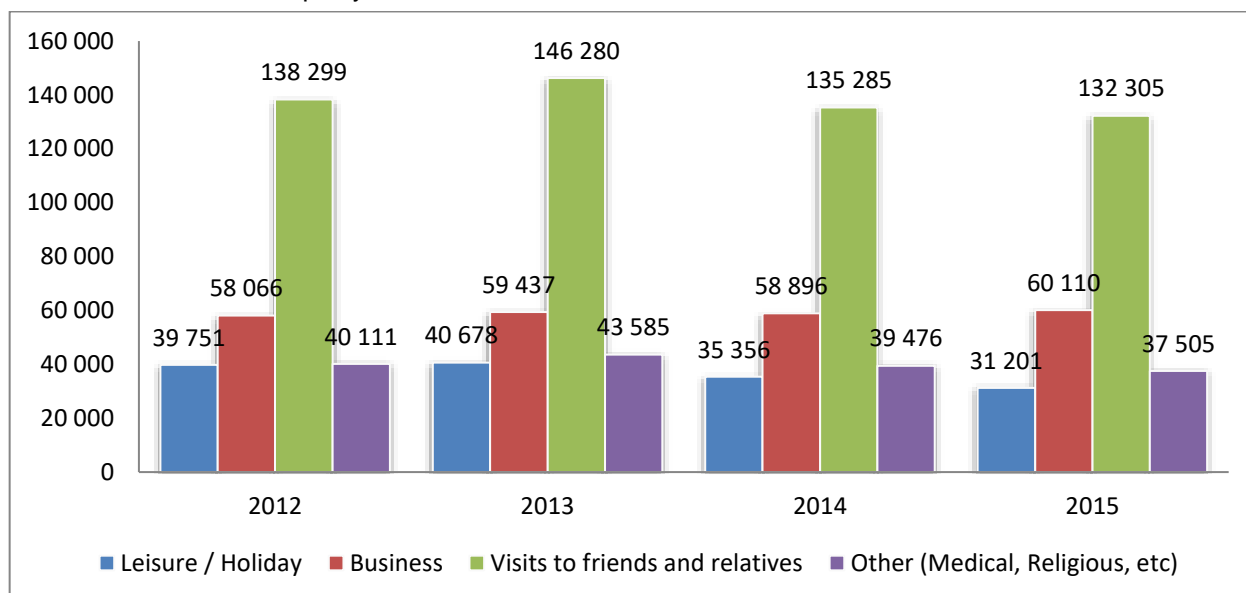
The city of uMhlathuze has amongst others the following key tourism areas:

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

III. 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.

Figure 54: Tourist Visits in uMhlathuze



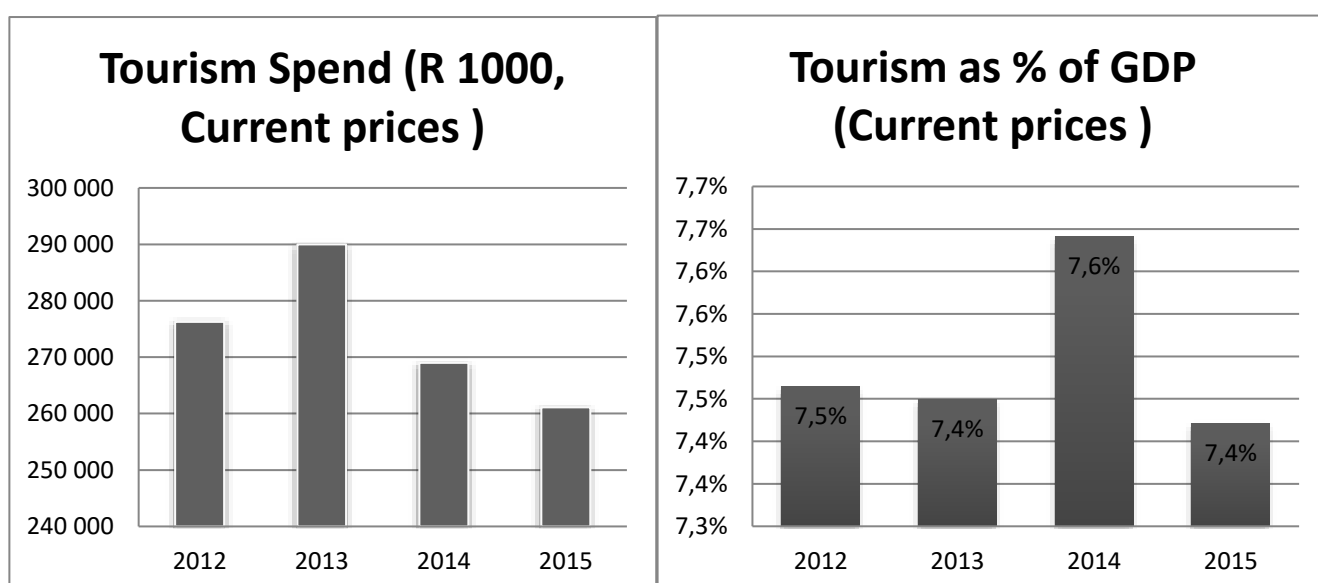
Source Global Insight 2015

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

IV. 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 55: Tourism Spend and Tourism % of GDP

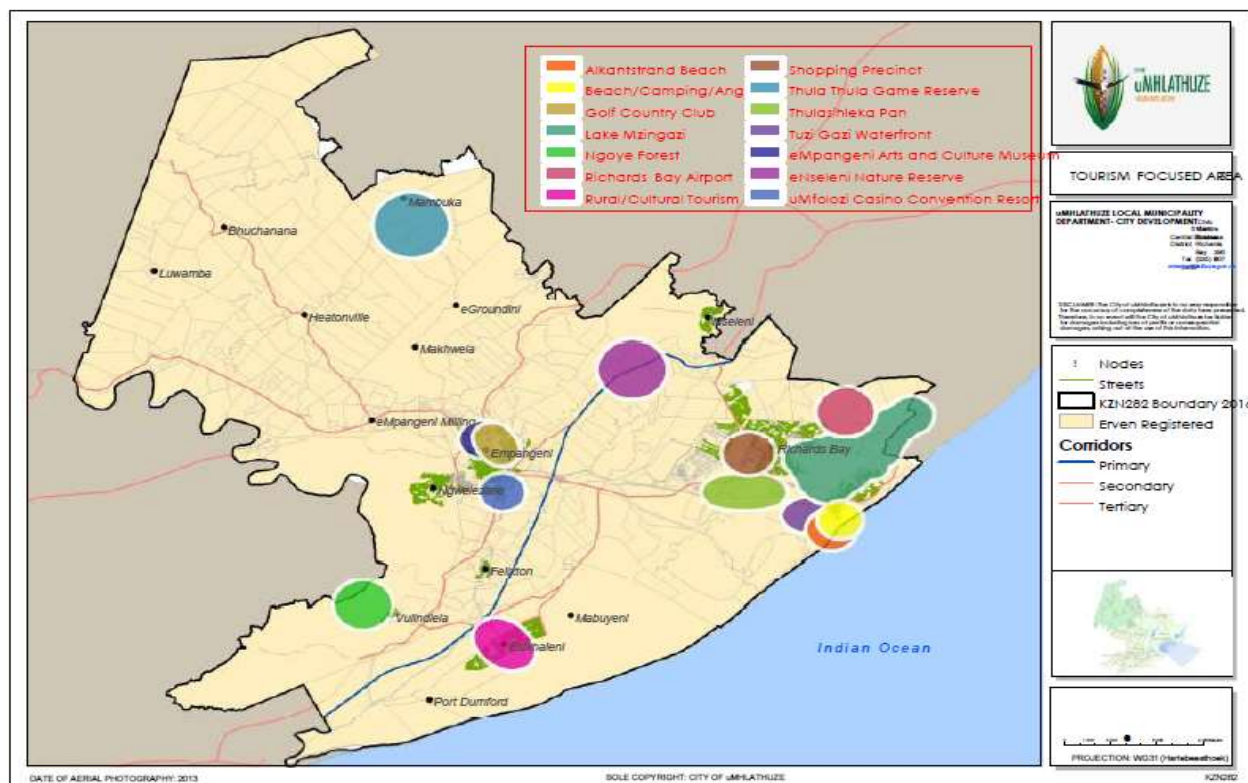


Alignment with Strategies and Policies							
	National Tourism Sector Strategy	Domestic Tourism Strategy	KZN Tourism Master Plan	TKZN Tourism Strategic Plan	King Cetshwayo District Tourism Strategy	uMhlathuze Tourism Strategy	uMhlathuze Tourism Marketing Strategy
Strategy	To position South Africa as a globally recognised tourism destination brand	Increased domestic Tourism Expenditure	Managing strategic direction, product offering and investment opportunities	Increase the number of business, sports and leisure events in the Province.	Encourage Cruise Ship Tourism in Richards Bay	Prioritise research and marketing in the tourism sector to realise maximum benefits	To provide coordinated guidance to the economic role players and stakeholders for the future marketing of the tourism products to ensure economic development of the municipal area that will lead to local employment creation, income generation and investment into economic assets
Vision	To be a top 20 tourism destination in the world by 2027.	Growing domestic tourism for a sustainable tourism economy	To be a top 20 tourism destination in the world by 2027.	To position the province of KwaZulu-Natal as Africa's leading tourism destination, nationally and internationally.	To develop and market holistic tourism products that utilise the competitive advantages that uThungulu (King Cetshwayo) District enjoys in ecological/wildlife and cultural/heritage attractions in such a way as to appeal to a broad, and international in scope, tourism market, creating new flows of tourists in the region and also capturing a substantial share of the existing tourism trade which currently passes through the district and to ensure that tourism contributes toward local economic development through the active involvement of communities in tourism projects and the strengthening of linkages with the SMME Sector.	To build partnerships within uMhlathuze's Tourism sector in order to develop and implement innovative and effective programs and initiatives which will expand tourism and increase economic impact and jobs within a responsible environmental management framework.	To place uMhlathuze as the front runner for Tourism in Northern KwaZulu-Natal.

Mission	To grow a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships.	Promote domestic tourism growth based on a culture of travel; innovation; stakeholder participation; offering authentic, affordable experiences and packages which meet the needs of all existing and potential local travellers.	Geographically spreading the benefits of tourism throughout the province, growing the visitor numbers and visitor yields, public and private sector collaboration.	To initiate, facilitate, co-ordinate and implement: •Strategic tourism marketing, and •Demand-driven tourism development programmes	Enhance linkages with established tourism attractions in the region	Identify strategic as well as programme areas which would guide future development of tourism in uMhlathuze	To develop long term and short term development plans that will underpin the growth and promotion of uMhlathuze as a tourist destination
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The Map below highlights the tourism offering that uMhlathuze has as well as possible areas of tourism development and expansion:

Map 55: Tourism Focused Areas



V. uMhlathuze Community Tourism Organisation (UCTO)

Currently, uMhlathuze has a functional Community Tourism Organisation (UCTO) which comprises of local tourism stakeholders whose role is to ensure that all tourism activities and implementation processes run smoothly. The UCTO also has the responsibility of ensuring growth and expansion in the tourism's current status quo. Tourism sites located within the Municipality, including events, beaches, entertainment hubs and different aspects of nature tourism are identified in this report.

VI. Institutional Arrangements

The strategy provides recommendations on the organisational structure that would best facilitate the optimal growth of Tourism in uMhlathuze Local Municipality. It acknowledged that without a clear institutional framework in place, tourism marketing programmes and projects will be implemented in an uncoordinated fashion that might sometimes lead to duplication and a waste of scarce resources. Therefore, the following suggested institutional framework is crucial for an optimal growth of Tourism in uMhlathuze.

The Existing Internal organisational structure consists of the following key personnel:

- Deputy Municipal Manager: City Development
- Head of Section: Economic Development Facilitation
- Secretary to the Head of Section
- Deputy Manager: Business Support, Markets and Tourism
- Chief Tourism Officer
- 2 x Tourism Information Officers

IMPLEMENTATION PLAN						
Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Term	Priority
Product Knowledge	The Development of a Tourist Centre and Curio Shop	<ul style="list-style-type: none"> Establish a theme and inspired tourism information office in Port Durnford area, inclusive of a curio shop. Develop an arts and craft centre for training local people interested in arts and craft making. Establish an outdoor entertainment area with cultural themed activities such as music, dance, poetry and storytelling. Establish a tourism business support service kiosk inside the information centre for general enquiries and requests relating to tourism. Establish a Restaurant in Port Durnford to sell Local cuisine and food outlets, focused on fresh seafood sales. Ensure that Tour guides and Tour operators are always readily available to assist walk-in tourists at the information centre. 	ULM, KCDM, UCTO, EDTEA DAC, EDTEA, ULM DAC, EDTEA, ULM ULM, KCDM, UCTO, EDTEA UCTO, ULM UCTO	R1,5m	Long - term Long - term Long - term Short-term Long - term Short-term	HIGH
	The Development of a Suitable Tourist Signage	<ul style="list-style-type: none"> Develop proper tourism signage in and around the identified tourist sites within the proposed uMhlathuze Tourism Route. 	EDTEA, KCDM, ULM	R0,5m	Short-term	
	Tourism Route Development	<ul style="list-style-type: none"> Establish a formal Tourism Route Committee for the planning, coordination and implementation phases of the Route. Conduct solid market research internally (tourism unit within the municipality) that identifies key target markets and their needs - this must be done on an ongoing basis to be responsive to trends and shifts in markets. Use in-house resources and capacity (within the tourism unit) to scrutinise the assets to determine the unique selling features of the area and then develop a macro level strategic plan to consolidate tourism planning for the area. Determine the size of the membership base for suppliers on the route - the buy-in of these 	ULM, KCDM, UCTO, EDTEA ULM ULM, UCTO, KDCM UCTO, ULM	R0,2m	Short-term Long - term Long - term Short-term	MEDIUM

	<p>members is critical to the success of the route for they are the ultimate delivery agents of the experience. It is important to ensure the product mix is diverse and does not over-represent any of the sectors (i.e. accommodations) as visitors will expect that all aspects of their experience will be available.</p> <ul style="list-style-type: none"> Establish a clear brand identity for the route and then market this according to the targets identified. 	UCTO, ULM, TKZN		Short-term	
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Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Term	Priority
Market Development	Market Research Strategy and Tactics	<ul style="list-style-type: none"> Conduct a semi-annual perceptual tracking study (Brand Image Study). 	ULM	R0,3m	Short-term	MEDIUM
		<ul style="list-style-type: none"> Conduct the Visitor Intercept Interview Program at sites throughout uMhlathuze on an annual basis. 	ULM		Short-term	
		<ul style="list-style-type: none"> Conduct annual inquiry conversion study. This study will explore the effect of advertising in stimulating both inquiries and visitation in uMhlathuze. 	ULM		Short-term	
		<ul style="list-style-type: none"> Conduct semi-annual economic impact study. 	ULM		Long-term	
Marketing Mechanisms	The recreation of the tourist/visitor guide	<ul style="list-style-type: none"> Distribute the tourist guide to the key visible areas of uMhlathuze such as the Petrol Stations, the Richards Bay Airport, Tourist Information Centres and Shopping Centres. Distribute the guide at the trade and exhibitions (such as the Tourism Indaba). Ensure usage of guide during roadshows and familiarisation tours. Recreate the visitor information Guide and ensure that it comprehensively covers all the towns within the uMhlathuze region with specific emphasis on the attractions and the uniqueness of each destination 	ULM, UCTO ULM, UCTO ULM, UCTO UCTO	R0,1m	Short-term	HIGH
	The Mobile Tourism Application	<ul style="list-style-type: none"> Develop a Mobile Tourism Application for uMhlathuze 	ULM		Short-term	

		<ul style="list-style-type: none"> • Provide updated information on existing routes and tourism products or authentic experiences found in uMhlathuze. • Create a monitoring and evaluation system of the application • Ensure that the application software is constantly managed and updated. • Create a link for the App to be accessible through all marketing channels such as (the uMhlathuze website, social media platforms, the visitor guide etc.) for easy application download. • Create the application user guidelines • Create an awareness campaign in local shopping centres to promote the application in all identified destination marketing platforms. 	<p>ULM, UCTO</p> <p>ULM</p> <p>ULM</p> <p>ULM</p> <p>ULM</p> <p>UCTO, ULM, KCDM</p>		<p>Short-term</p> <p>Short-term</p> <p>Short-term</p> <p>Short-term</p> <p>Short-term</p> <p>Short-term</p>	MEDIUM
The Online Strategy	Website Design	<ul style="list-style-type: none"> • Redesign uMhlathuze's Tourism website to feature "interest channels" devoted to the arts, history, entertainment, events, family fun, rest and relaxation and outdoor recreation and a "What's On" section in the website to include events, specials and getaways and add an interactive map. 	UCTO	R0,1m	Short-term	HIGH
	Social Media Campaign	<ul style="list-style-type: none"> • Request users on Twitter, Facebook, Instagram and WhatsApp to interact with social media posts. Invite users to ask questions, take polls, provide reviews, enter contests and join mailing lists. 	UCTO	R0m	Short-term	HIGH

Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Priority
	Blogging	<ul style="list-style-type: none"> Establish creative skills writing competitions to identify suitable potential bloggers with the potential to draw in large fan base. Encourage the youth to participate in creative writing competitions. Identify a suitable candidate to manage and facilitate the Blog on behalf of uMhlathuze. Use the blog to promote upcoming local events Promote the Blog on other social media platforms and on the website Create an easily accessible link that leads directly to the Blog Use the Blog to promote holiday specials and provide historical, cultural and general information about uMhlathuze. Keep the content on the blog constantly updated and organised. 	UCTO	R0,1m	MEDIUM
	Exhibition and trade show	<ul style="list-style-type: none"> Pre- Show Planning for the Exhibition or Trade Show Pre-Show Publicity preparations for an Exhibition or Trade Show Training (SMMEs) Post- Show Evaluation: Debrief 	TKZN, ULM, UCTO, KCDM	R0.05m	MEDIUM
	Conferencing and events	<ul style="list-style-type: none"> Establish an Annual 2-day Jazz Festival in Richards Bay to draw in more visitors. Establish an Annual Tourism Conferences that will target both international and national groups Use the key marketing platforms to promote upcoming Events and Conferences 	UCTO UCTO UCTO	R5,0m	HIGH
	Branding	<ul style="list-style-type: none"> Create a brand image for uMhlathuze that represents all products currently offered. Ensure that all advertising material are appropriately branded before they are utilised 	UCTO	R0,2m	HIGH
	Advertising	<ul style="list-style-type: none"> Exploit television and cinema's visual and emotional qualities to build uMhlathuze's brand image as a great getaway destination with as many people as possible. Use these high-profile mediums to inspire uMhlathuze residents to be tourism ambassadors with visiting friends and family. 	UCTO UCTO	R1,0m	HIGH

		<ul style="list-style-type: none"> Support with print, outdoor and airport advertising and radio. Direct viewers to the uMhlathuze website for more information. Use a mix of innovative advertising platforms e.g. Mall media, Buses, In flight meal packs, etc. Use digital advertising for interactivity and lead generation. Tourism Districts to produce and place point-of-visitation advertising materials. Develop an email database of all existing and potential tourist market. This database can be used to send recipients coupons or invite them to special events happening in or around uMhlathuze. 	UCTO UCTO UCTO UCTO KCDM, UCTO, ULM UCTO		
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Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Term	Priority
	Domestic Marketing	<ul style="list-style-type: none"> Conduct Tourism Activations in all shopping centres found in uMhlathuze Create a domestic tourism campaign that is aligned to the existing TKZN domestic tourism campaign (Do KZN). Encourage domestic tourism in all marketing media channels (especially social media, radio and television). Form partnership with the local tourism enterprises to create incentives for the local people (such as free getaway trips, free spa vouchers and free Accommodation for specific days), to encourage local travelling. Facilitate a local tour (twice a year) which includes providing free transportation and free entrance to various areas within the established uMhlathuze Tourism Route for the selected group of local people which may include Tourism Students and Graduates from the University of Zululand. Create a tourism awareness programme which will target specific groups within the local areas with the potential and financial means to travel. This may include conducting presentations to possibly the following target groups: School groups which offer 	UCTO UCTO UCTO UCTO UCTO UCTO	R1,0m	Medium Term	HIGH

		tourism as a subject, Church groups, Tourism Students (Tertiary), Taxi Associations.				
	International Marketing	<ul style="list-style-type: none"> Create an international music festival which will feature a few international tourists to attract the international market. Municipal Tourism Personnel must attend a minimum of 1 International Tourism conference to represent and promote uMhlathuze as a tourist destination and to also gain sufficient information. Develop a needs analysis study using the Municipal resources and capacity to identify what the international market's needs and expectations are and how uMhlathuze can meet them. Create a marketing campaign aligned to the South African Tourism's "We Do Tourism" campaign that will specifically target the international market (Let's DO the SIZZLE CITY and #Escape Winter) 	<p>UCTO</p> <p>ULM</p> <p>ULM</p> <p>UCTO</p>	R0,5m	Short-term	LOW

8.28.5 Manufacturing, Industry and logistics

The City of uMhlathuze promotes "competitiveness in the manufacturing sector whilst advancing downstream value-adding opportunities that are labour intensive". (KZN TopBusiness). The manufacturing sector is important in the province (largest contributor to PGDP) (KZN TopBusiness). One of the key advantages in the manufacturing, Industry and Logistics realm in uMhlathuze is the Richards Bay Industrial Development Zone (RBIDZ). The RBIDZ has been designated as special economic zone and is a national priority for stimulating growth in the manufacturing sector.

The potential of the RBIDZ is key in considering the development of industry and manufacturing in uMhlathuze. 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
- Suited to export-orientated production
- Customs controlled area
- VAT and import duty exemption
- Same time zone as Europe
- Strategic location to access world markets
- Allowance for 100% foreign ownership
- Established local and service industries
- Down-streaming opportunities with respect to: Aluminium, Heavy Metals,
- Chemicals, Wood, Paper, Pulp and various agricultural products

The positioning of RBIDZ is of critical importance in stimulating and attracting investment opportunities, building local industrial capabilities, creating commodities for local and foreign trade, boosting employment, and providing platforms for small and large business development in the City. This Strategy recognises that harmonised planning and facilitation of current and future opportunities between the City and RBIDZ is vital towards unleashing the City's potential.

The scope of opportunities facilitated by RBIDZ has been identified as follows:

- Metals beneficiation: Aluminium, Titanium, Iron ore
- Agro-processing: Pulp, Horticulture and meat production
- Port optimization: Containerization, Ship/rig building and repair, Oil and Gas
- Renewable and Clean energy: Solar, Fuel cells, Biomass, Liquefied Natural Gas
- Information and Communications Technology: Techno-parks, Innovation Hub

There are various committed private sector projects that provide the platform to generate economic growth, transformation, and job creation within the Manufacturing sector. Currently, there is not a dedicated focus on end- to- end investment promotion championed by local businesspeople. Skills development for new industries is not well understood and supported. The skills development initiatives need to be aligned to the provincial skills

programs. There is not a dedicated focus on small business development with regards to manufacturing within uMhlathuze, which creates barriers to entry by local SMMEs and entrepreneurs.

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.

8.28.6 Wholesale and Retail Trade

uMhlathuze has the potential to be a trade gateway of choice, in particular for the surrounding rural areas. The main urban centres Empangeni and Richards Bay attract many people from surrounding rural areas even as far as Jozini providing retail and trading services. For example, Empangeni's role mainly as a commercial and service centre to the settlements of Esikhaleni, Eshowe, Nkandla, Buchanana and other rural settlements attracts many people to the range of higher order services available in the town. There are also a large number of small to large retail centres that provide services. However, the recession has had a negative impact on trade business in the main centres of the Municipality as is evident from the number of businesses that have closed down in the area.

Further, this sector has few linkages with the township/rural economy where a number of small-scale retail spaza shops and local convenient stores are located. As a result, there are severe leakages of resources and people from rural areas to larger urban centres in uMhlathuze. Additionally, marginalized individuals (women, youth, people with disabilities) occupy a very small percentage of mainstream retail, wholesale, trade, and services real estate.

Some of the principles to support the Wholesale and Retail Trade sector relate to the following:

- Local government needs to commit to facilitating the retention and growth of business within its area of jurisdiction.
- Once issues that negatively impact on businesses are identified, the Municipality should follow through by addressing these, where possible and appropriate.
- 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

The City does not consist of the biggest shopping centres in the province; however, with effective marketing tools implemented the available retail outlets may have potential to draw in a pool of individuals who travel from the nearby countries such as Mozambique just for shopping.

8.28.7 Mining

Mining of mineral resources is an important economic activity in the region. The 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. It is the second largest sector in uMhlathuze's economy making up about 11% of the municipality's economy and bringing in billions annually. Mining companies are also very important for the uMhlathuze economy in terms of their corporate social responsibility often assisting communities with social aid, food, and education grants. Major mining companies include Richards Bay Minerals, South32, Fokso, Tronox, Richards bay Coal among others.

Lower global commodity prices will have/ is having a negative impact on the micro economy of uMhlathuze. Even with the global downturn in commodity prices, there are still some key expansion projects in the local mining sector. For example, Richards Bay Minerals is expanding with a further mining lease, located along a 20km 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). However, this initiative has been temporarily halted following security threats and civil unrest incidents in the area.

The launch of a R4 billion titanium beneficiation project for the manufacturing of titanium pigment at the RBIDZ is a significant milestone in South Africa's mineral beneficiation and industrialisation paths. The project saw Nyanza Light Metals, a South African company, establishing a plant to extract titanium from waste steel slag and beneficiating it to produce titanium dioxide pigment which is a critical ingredient in paint manufacturing. The project is the largest single investment in the Richards Bay IDZ.

Diversified miner South32 has also invested R74-million in a seawater desalination plant to supply the Hillside Smelter with water. Hillside is the largest aluminium smelter in the southern hemisphere with a capacity of 720 kilo tons of aluminium per annum. The plant uses membrane technology to produce cooling process water for its smelter. The desalination plant will remove minerals from seawater extracted from the Richards Bay harbour. However the impact of beneficiation, especially with respect to exported materials and imported input for local industries, is not fully understood.

Additionally, the contribution of mining in employment terms is very small at only 1.6% of uMhathuze's total employment. The capital-intensive corporate companies dominate the

local economy but provide few employment opportunities because of their capital-intensive nature. In addition, there are few meaningful linkages between major industry and the development of local businesses. A report by University of Stellenbosch also documented “limited, if any, community consultation and participation” in the planning of initiatives.¹ Environmental sensitivity is of concern in relation to spatial planning and development relating to mining and beneficiation.

8.28.8 Informal Sector

The Municipality has conducted several surveys and has a register for Informal traders in a form of a database. According to the updated database the total number of Informal Traders stands at 2254 and only 1445 of these have informal trading permits.

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 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. 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 City recognizes that the informal sector is here to stay in both urban and rural contexts. Since 2011 the City has provided substantial support to the informal traders. The Municipality needs to strengthen the 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:

- Limited access to training,
- Limited access to finance, funding, and capital owing in part to the informal nature of their operations
- Lack of necessary support infrastructure including storage facilities, ablution facilities, water, and electricity 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:
- Support for the informal economy is reflected in Municipal planning documents such as the IDP.
- Facilitate the smooth operation of the informal actors' chamber as a means of engaging with informal economy actors.
- Continue regular contact with informal economy organizations and actors

- Register all informal traders.
- Continue to provide basic infrastructure and services for informal traders.
- Take account of informal trader interests in the context of approving new developments.
- It is important that the following measures to promote the informal sector be designed by the City of uMhlathuze be introduced:
- Putting in place policies that make it easier for informal businesses to thrive such as informal trade grant funding;
- Reduction of licence fees; and licences.
- Construction of trading centres in the cities, towns and rural areas (prioritise improving the informal trading conditions in the CBD of Richards Bay and Empangeni and the municipality to prioritise the implementation of Empangeni revitalisation project
- Incentivise the sector.
- Opportunity awareness and assistance with accessing those opportunities
- Encourage the informal sector to comply with relevant regulations
- Facilitate business management and other skills development program for the sector
- Create an enabling environment for the informal traders as well as other businesses to co-exist thus providing opportunities for small businesses to operate within the space of mainstream economy.

8.28.9 SMALL to Medium Enterprises

Small- and medium-sized businesses are an important source of dynamism and employment, as well as opportunity for new entrants. Yet their share of output, employment, and exports in uMhlathuze has diminished further worsened by the impact of Covid19 on the local economy. Attention is required to:

- Stimulate entrepreneurship especially in historically disadvantaged communities.
- Strengthen support mechanisms for SMEs, including business and skills development.
- Ensure the regulatory regime is conducive to small business needs and abilities.

SMMEs in uMhlathuze are involved in many business ventures across the following activities: tourism, catering & accommodation, retail trade, construction, manufacturing, restaurant & tavern, general dealer, supermarket, butcher, financial services, bricks/ blocks manufacture, burial services, liquor retail, consumer sales, motor repairs, beauty salon, arts and crafts, bakery, cleaning services, computer repairs, electrical appliance, hardware retail, laundry services, light engineering services, radio & TV repairs, clothing and textile, and security services.

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 to 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 municipality has proactively prioritized LED projects that are aimed at assisting SMMEs in various ways. 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 also revised its procurement policy to include a clause in all tenders that:25% of work for big tenders is subcontracted to local SMMEs.

The municipality should introduce a special entrepreneurship program that will help with the identification, development and profiling of young entrepreneurs that are running businesses (small and informal) that have a potential to create jobs in the townships and rural areas.

Focused support should be given to small businesses, in particular Spaza Shops & Informal Sector. Spaza shops are particularly important, as they are in themselves offer self-employment and job creation at economic entry level whilst also improving the circulation of money within townships and rural areas. They also serve as a market for locally produced goods, and they provide convenience shopping for the local community.

8.28.10 Rural Economy

The urban areas are surrounded by large tracts of land under traditional authorities namely rural areas, of KwaDube (Inkosi Dube), KwaDlangezwa (Inkosi Mkhwanazi), KwaBhejane (Inkosi Khoza), KwaMadlebe, (Inkosi Zungu), Buchanan (Inkosi Mthiyane and Inkosi Biyela), Obizo (Inkosi Cebekhulu), Somopho (Inkosi Mthembu in Macekane), Luwamba and Fatima (Inkosi Biyela). Traditional authority areas are characterized by dense unplanned settlement, particularly on the borders of towns, driven by ad hoc land allocation through the Amakhosi.

The agricultural sector is of major importance for rural economies. The main economic activity in rural areas is farming and agriculture. However, this is mainly traditional agriculture with much of the production being for subsistence purposes. Agricultural supply chains need improvement and reform to move from traditional to modern methods of agricultural production are needed. Improved access and ownership regarding agricultural land in rural areas, is critical for rural development.

Although rural towns are considered potential growth points for development, the perception is that rural areas and rural towns have been neglected when compared with urban and metropolitan areas in uMhlathuze. Rural uMhlathuze has deteriorated consistently over the last few decades and rural areas, including rural towns, are experiencing an economic decline. Rural towns are struggling to provide the basic level of service delivery required, and there are limited efforts to provide an enabling local economic development environment by local government. As a result there are severe leakages of resources and people from rural areas to larger urban centres in uMhlathuze. For example, Empangeni's role mainly as a commercial and service centre to the settlements of Esikhaleni, Eshowe,

Nkandla, Buchanana and other rural settlements attracts many people to the range of higher order services available in the town.

Rural areas generally lag on economic performance indicators, such as economic growth, labour force participation rates, unemployment, education attainment and life expectancy at birth. Challenges include insufficient skills and educational performance, socio-spatial inequalities, infrastructure deficits, housing backlogs, environmental issues, an ageing population and health disparities.

There are also issues such as the underutilisation and sustainable use of local natural resources; poor access to socio-economic facilities, public services, infrastructure and other essential services; the low levels of skills; unresolved land reform and land ownership issues; and the unexploited opportunities in labour intensive industries such as agriculture, tourism, mining and manufacturing. Other challenges exist in terms of establishing small businesses as communities often rely on social services for support and to provide for their own basic needs. Poor infrastructure and low availability of government services limit the type of manufacturing activities that can be conducted which is also exacerbated by the lack of viable markets to participate in the economy.

As a result of the above identified characteristics the cost of living in rural areas is high due to accessibility challenges to goods and services. This poses major challenges to service delivery agents and policy makers. Another major challenge of these settlements is that some of the households and /or public facilities developed on land that is not suitable for development. Resource challenges have led to development challenges or low levels of development in rural areas.

Rural areas are competing with larger cities such as Richards Bay and Empangeni, with comparative and competitive advantages, identified as engines of growth due to skewed resource allocation.

8.28.11 Township Economy

Transforming the uMhlathuze economy relies on promoting and securing the full participation of township and rural economies within the mainstream economy. The “township economy” generally refers to all the economic activities occurring in formally promulgated urban areas known as townships.

Township enterprises are diverse, with high rate of informality and provide a range of goods and services to meet the needs of township communities. The township economy in uMhlathuze is characterised by small-scale, labour-intensive, largely unregulated and unregistered wide and diverse economic activities, ranging from spaza shops, street vending, hair salons, shebeens, minibus taxis, to mechanical services, manufacturing, burial societies, stokvels, waste pickers and recyclers and childcare services.

These are largely micro-enterprises with low capital and low skills base. The main township economic activities include agriculture, manufacturing, retail, personal and household services, business services, transportation and tourism. Economic activity of many townships is generally limited to retail trade (frequently informal trade), transportation, and government services. Growth in these sectors is often stifled by lack of access to land, funding, economic infrastructure, low skills and educational levels and poor transport systems.

The entrepreneurs in this sector are often not registered, do not pay taxes, have no trading license and thus are not included in mainstream economy; and as such they are not able to benefit from the support programmes of government. It is however labour-intensive sector often completed by individuals or cooperatives. For example, the waste picking business in uMhlathuze is listed amongst informal activities that could create many jobs if formalized. In KCDM there are approximately 277 waste pickers working in various sites, of which the majority is in the City of uMhlathuze, and most have IDs and contact numbers but no bank accounts and informal trading permits; therefore, making it difficult for government agencies to assist with relevant interventions.

Township businesses are not graduating from small and survivalist businesses into sustainable SMMEs that can compete in the formal marketplace. New entrants require support to grow and strengthen their businesses to fully access the mainstream economy, especially marginalised groups. There is little Enterprise Development/ Supplier Development spend in the township economy. There are no buy local campaigns underway to encourage civic pride and consumerism. The township economy is not being measured and evaluated on a continuous basis.

The municipality working in partnership with the Department of Small Business Development's has been working on the formalisation of township and rural economies for the purposes of improved traceability, support, government planning and budgeting across the sector. Formalisation allows for improved accuracy in measuring the contribution of township SMMEs to South Africa's economy. Formalisation will be promoted for informal and micro businesses including spazas and general dealers, newly launched personal care facilities (hair and beauty salons, massage parlours), informal and micro restaurants and shisanyamas, and fruit and vegetable vendors. More than 500 informal businesses were assisted to register on the database of SMMEs in 2020 November.

The KZN Department of Economic Development, Tourism, and Environment Affairs through Operation Vula also approved numerous township and rural programmes to promote local competitiveness, through the production of goods and services in effective sectoral value chains. These are segmented across the following categories:

- Panel beaters, motor mechanics, auto, auto-fitment centres
- Small scale bakeries, confectionaries
- Clothing, leather and textiles
- Butcheries

- Markets
- Trading spaces
- Release of land

8.28.12 Digital Economy, ICT, and Innovation: City of uMhlathuze as a Smart City

Over the past several decades, the world has undergone a transition from a traditional economy (e.g., agriculture or industrial based) to a digital economy that is based on digital technologies. Key critical ICT infrastructure projects such as broadband roll out and the RBIDZ Techno hub have been planned but have not yet been realised. 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

ICT infrastructure is needed to allow the City to roll out its Smart city concept, which is central to the municipal Vision. 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.

8.28.13 Green Economy and Sustainability

The Green economy in uMhlathuze has been identified by the IDP as a niche sector with tremendous opportunities for growth for the local economy. Preliminary investigations have begun into water re-use initiatives and a possible desalination plant. There are opportunities to invest in alternative energy generation. For example, electricity co-generation through Felixton Sugar Mill. The municipality is also blessed with abundant sugar and timber resources, all located in rural areas, which via waste to energy programmes, could produce energy for local consumption and create jobs.

The smart city and green city concepts have much in common in terms of their origins and mutual influence on progress. Waste management is an important element in the concepts of both smart and green cities in order to solve problems such as adapting to climatic change in terms of intelligent security systems and protecting and conserving the urban ecosystem.

To ensure alignment of the two the following projects are recommended and some are already in implementation:

- Provide support to informal recycling by assisting those that are participating with PPE, trolleys and land.

- Create space for green economy through training of young people on clean energy and its associated businesses.
- Establish partnership with stakeholders that are in Research and Development to unlock economic opportunities that are in both green and blue economy.
- Circular economy
- Food security
- Green energy initiatives

The City of uMhlathuze considers the green economy to be an important sector that could lead to new jobs and local economic development. The Municipality continues to aggressively pursue funding opportunities from National and Provincial Departments for the implementation of these initiatives.

8.28.14 Maritime and Blue Economy

A sustainable blue economy can support the municipality's goals on poverty, hunger, jobs, gender equality, partnerships, resilient communities, and climate change. It drives economic growth and development, while supporting livelihoods and the health of the ocean. The municipality has the benefit of bordering a coastline that spans approximately 45 kilometres of which about 80% is in its natural state.

Linked to its coastal locality are several opportunities in the Blue economy including:

- Richards Bay deep-water port. Richards Bay is the largest deepwater port in Africa and handles the bulk of South Africa's exports
- Coastal mining. Coastal dunes contain heavy minerals that are sought after for mining.
- Offshore gas to power
- Coastal beach tourism. Beach tourism was identified as a priority niche that uMhlathuze needs to capitalise and focus on.
- Fishing, fisheries, and aquaculture. These have huge potential, but deep changes are needed for these industries to become sustainable.
- Marine, ship repair and boatbuilding
- Maritime school

The port is a flagship asset for uMhlathuze and complements the other geographic specific advantages of being the economic gateway to the province and the country. Port efficiency and productivity are critical ingredients to increase utilisation and volume of the port. Currently, the Port has spare capacity and is handling less cargo than it has in past years. This is largely driven by the commodities slump being experienced globally.

Another boost is the proposed Gas to Power plant to be located in the RBIDZ which boasts an estimated investment value in the region of R47-billion. The RBIDZ has been allocated 2000 megawatts of the 3126 megawatts allocated to the Gas to Power programme as part of the gas Independent Power Project. The allocation will result in a multi-billion-rand investment in Richards Bay, in both a gas fired power station, as well as gas infrastructure to gasify liquefied natural gas brought into the harbour by ship and piped into the power plant and other uses.²

² KZN TopBusiness. City of uMhlathuze Profile. Online. Available: <https://kzntopbusiness.co.za/site/umhlathuze-municipality>.

This plant will create the opportunity for new and existing industries in the Richards Bay to make use of an alternative energy.

The land along the coast has high potential for Aquaculture and Mariculture and this does not exclude fishing activities taking place on Lake Mangezi, Lake Cubhu, Mpangeni River and Lake uMhlathuze. These freshwater bodies are located within the highly economically vulnerable rural areas within uMhlathuze and have the potential to change the socioeconomic condition of the rural communities in uMhlathuze. Developing a vibrant blue economy is feasible. Collaboration is the secret to success. Regional solutions exist, and when linked to global cooperation, it is a clear win-win, for the ocean, the economy, gender equality and social inclusion. But to move from commitment to action, governments and the private sector need clear incentives to take sustainability seriously.

8.28.15 Expanded Public Works Programme (EPWP)

Section 152 (1c) of Chapter 7 of the Constitution of South Africa mandates the local spheres of government to promote social and economic development. It stipulates that these development efforts should address the basic needs of the community and promote employment creation for local people. Fulfilling this obligation requires high levels of service delivery, infrastructure provision, education and business support by government institutions. The City of uMhlathuze has therefore identified the EPWP as a critical tool for poverty alleviation and improving the employability of marginalized residents in the community. EPWP is part of the national government's short to medium-term strategy to reduce unemployment and poverty.

The City of uMhlathuze adopted an EPWP Policy Framework in May 2018. The policy framework was prepared in-house and draws its legal mandate from laws and regulations as amended from time to time. *(EPWP Policy Attached)*. Though the City of uMhlathuze has successfully implemented the Expanded Public Works Program (EPWP) since its introduction in 2010, The EPWP is in its Fourth phase which is implemented over the five-year period from the 2019/20 to 2023/24 financial years with the aim of creating 5 million work opportunities and 2.5 million Full time Equivalents (FTE) by the end of the period. The National Department of Public Works and Infrastructure have set targets for National, provincial departments and local government to assist in achieving this goal.

I. PHASE IV EPWP TARGETS

The following targets have been set for UMhlathuze Municipality by the National Department of Public Works

Table 51: Total EPWP Targets for all sectors

Municipality		2019/20	2020/21	2021/22	2022/23	2023/24	Total
City of uMhlathuze	WO	705	712	718	720	725	3 580

	FTE	246	249	251	252	254	1 250
INFRASTRUCTURE SECTOR	WO	569	574	575	575	575	
	FTE	188	190	190	190	190	
ENVIRONMENT AND CULTURE SECTOR	WO	113	116	120	123	127	
	FTE	49	50	52	54	55	
SOCIAL SECTOR	WO	22	22	22	22	22	
	FTE	9	9	9	9	9	

Table 52: Overview of Past Performance against Targets Vs EPWP Grant Allocation

FINANCIAL YEAR	TARGETS WO	ACHIEVED WO	TARGETS FTE	ACHIEVED FTE	GRANT RECEIVED
2019	705	906	246	317	R 4 492 000
2020	712	688	249	223	R 4 278 000
2021	718	745	251	340	R 3 417 000

8.28.16 Red tape reduction/ease of doing business

uMhlathuze has emerged as a regional economic hub within its district and in the province. However in order to remain a preferred location for business and to attract new investment, the municipality needs to reconsider its business processes, in particular the development approval processes. The speed at which development is approved will amongst others determine the competitiveness of the municipality as an investment destination. It becomes critical therefore red tape reduction and the ease of doing business in uMhlathuze becomes a major consideration.

Responding to the growing demand for practical approaches to address Red Tape, the municipality has developed a facilitation model for Red Tape reduction. The model aims at supporting property developers and investors in the reduction and avoidance of bureaucratic costs by facilitating a multi-stakeholder discussion and a joint action process through a Multi-Stakeholder Engagement Framework.

Key recommendations:

- Develop a bold investment incentive strategy that should help with the retention of business and development of new economic precincts.

- Establish a municipal Real Estate Company to manage the land assets and future partnerships on behalf of the municipality.
- Establish dedicated committees working on applications to prioritise strategic infrastructure development and business development projects.
- Collaboration with other government departments to coordinate the statutory approval processes.

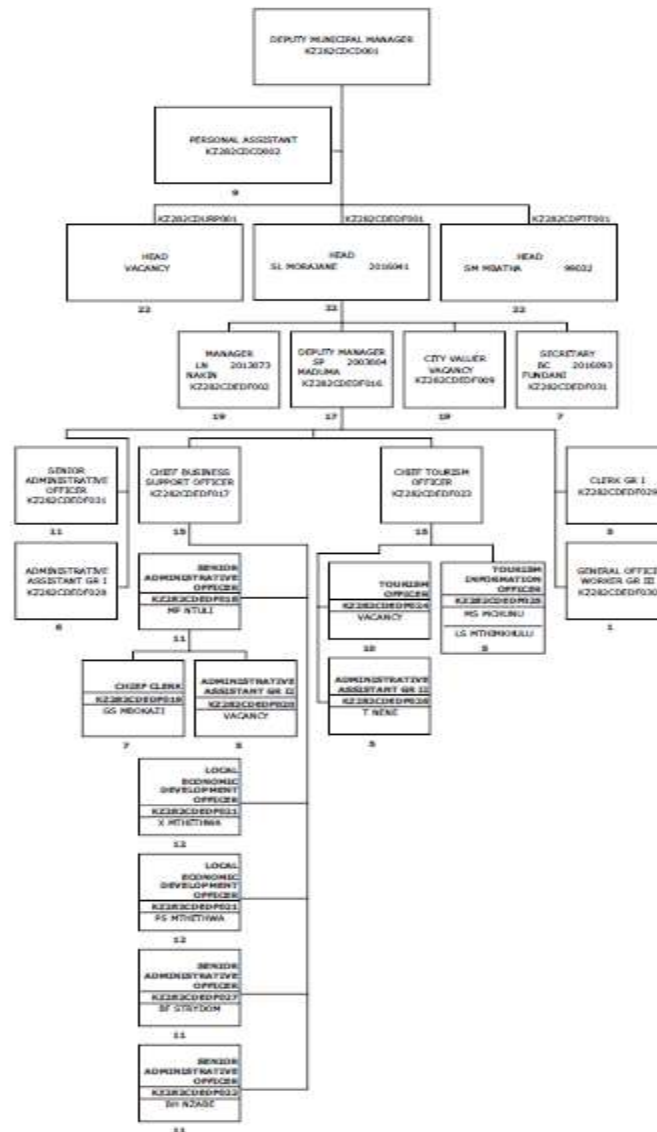
The programmes/projects under this strategy are:

1. Targeted reduction of red-tape and municipal administrative processing times
2. Provide preferential treatment for local enterprises to benefit from such as informal trade grants funding, licensing incentives
3. Enhance the Council's website to ensure that the public has access to approved policies, bylaws and all required application forms
4. Implement non-financial incentives
5. Payment to Suppliers / SMME's within the 30 days period

8.28.17 Institutional Arrangements for LED

The uMhlathuze Municipality's organogram provides for an LED Unit, the LED Unit is housed with other functions that includes Tourism under HOS: Economic Development. The LED Unit for the purposes of uMhlathuze Municipality is named Business Support and Markets. The staff compliment includes, 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 56: Economic Development Organogram



8.28.18 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

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

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

Table 53: Local Economic Development Plan - Five Year Implementation Plan

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
ENTERPRISE AND SUPPLIER DEVELOPMENT							
1	SEDA construction incubator	Incubation of up and coming contractors	3 000 000	3 500 000	4 000 000	4 500 000	5 000 000
	Esikhaleni SMME Business Centre	Business incubation	29 169 865	33 289 459			
	Support to Downstream Aluminium Centre for Technology (DACT)	Support to the Aluminium incubation center (DACT)- Grant in Aid	1000 000	1000 000	1000 000	1000 000	1000 000
	Establishment of the sewing hub	For production of PPE Provision of machinery and operating space	1000 000	200 000	200 000	200 000	200 000
	Automotive Sector Incubation	Construction of a 2 nd phase of a workshop for informal mechanics Incubation of informal mechanics, especially young females	500 000	5 500 000	600 000	700 000	800 000
	One Stop shop SMME support	Maintenance of the roof and toilets	1 000 000	500 000	200 000	100 000	100 000
	Food delivery chain	Subsidize 20 young people on transport and logistics business Motorbikes and Incubation Fee	1000 000	300 000	400 000	500 000	600 000

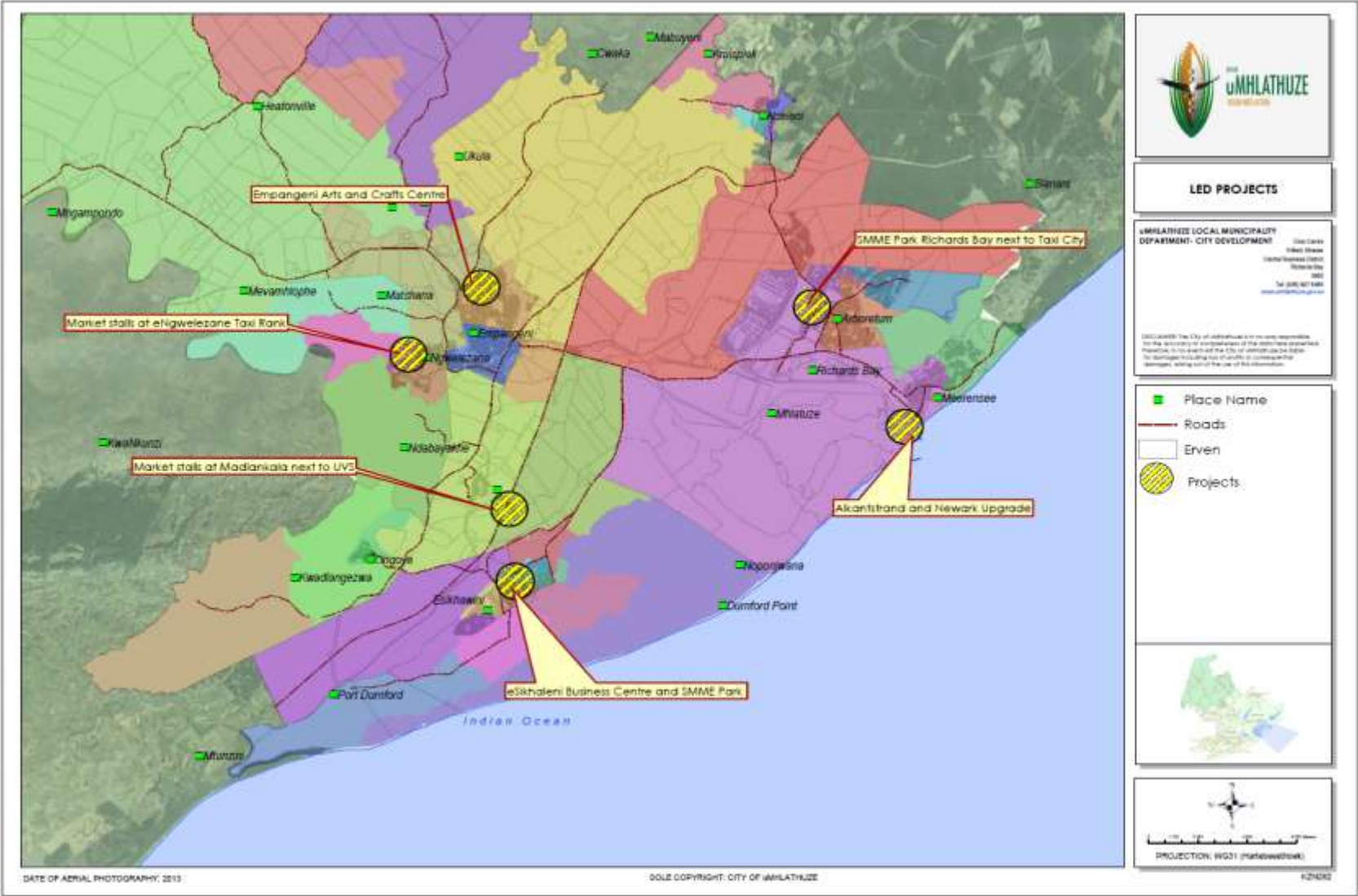
	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
		Partner with YES(Youth Employment Service)					
	Host Annual Events to ensure access to market for SMMEs	Business Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		Construction Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		ICT Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		Cooperative Summit	1000 000	1000 000	1000 000	1000 000	1000 000
	Funding for SMMEs	Issue annual grants to SMMEs	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
	Incubation program for 20 Cooperatives	Appointment of a service provider to incubate cooperatives for a 3 year period	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
SUB-TOTAL			OPX R22 000 000 CPX R29 669 865	OPX R20 000 000 CPX R38 789 459	OPX R20 800 000 CPX R600 000	OPX R21 300 000 CPX R700 000	OP R21 900 000 CPX R700 000
GREEN ECONOMY INITIATIVES							
2	Waste Management: Upgrading of Material Recovery Facilities	Construction of Material Recovery Facilities in the townships and rural areas	2 000 000	1000 000	1000 000		

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
	Support for informal waste pickers	Branded bicycles and trolleys for 70 Trolley Pushers	300 000	300 000	200 000	100 000	100 000
		Reflective Vests, Masks, Safety Shoes and Gloves for Trolley Pushers					
		Ten (10) Active Glass Crushers		1000 000			
SUB-TOTAL			CPX R2 300 000	CPX R2 300 000	CPX R1 300 000	CPX R100 000	CPX R100 000
INFORMATION TECHNOLOGY AND DIGITAL ECONOMY							
3	Support 4IR Programs	Establish 10 satellite techno hubs in rural and township areas	300 000	400 000	500 000	600 000	700 000
		Establish ICT centres for job seekers	500 000	200 000	200 000	200 000	200 000
SUB-TOTAL			CPX 800 000	CPX 600 000	CPX 700 000	CPX 800 000	CPX 900 000
Tourism							
4	Tourism Marketing	Quarterly Tourism Activations in 4 provinces	500 000	600 000	650 000	700 000	800 000
	Support to the UCTO	Enable UCTO to market the city through events, advertising and hosting of media tours	3 000 000	3 500 000	4 000 000	4 500 000	5 000 000
	King Cetshwayo Monument upgrade	Develop King Cetshwayo Monument into a tourism product in partnership with KCDM and Amakhosi	5 000 000	5 000 000	5 000 000	5 000 000	5 000 000

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
SUB-TOTAL			OPX R3 500 000 CPX R5 000 000	OPX R3 500 000 CPX 5 000 000	OPX R3 500 000 CPX 5 000 000	OPX R3 500 000 CPX 5 000 000	OPX R3 500 000 CPX 5 000 000
AGRICULTURAL SUPPORT							
6	Vegetable enterprise development	Primary Infrastructure Grant Funding	5 000 000	5000 000	5000 000	5000 000	5000 000
		- Fencing - Irrigation - Construction of greenhouses					
		Buy 3 agricultural tractors to support crop farmers	1000 000		1000 000		1000 000
		Establish 3 permanent vegetable market	1000 000		1000 000		1000 000
	Livestock production enterprise development	Construction of stalls for auctioning of goats and cows in ward 31 and 33	3 500 000	500 000	500 000	500 000	500 000
		- Host monthly auctions					
		Buying of a livestock truck to support auctions	1 000 000				1 000 000
Acquaculture enterprise development	Establish 2 fish markets to support fishermen	1 000 000		1 000 000			
	- Richards Bay Alkantstrand - eSkhaleni						
SUB-TOTAL			OPX R5000 000 CPX R7 500 000	OPX R5000 000 CPX R500 000	OPX R5000 000 CPX R3 500 000	OPX R5000 000 CPX R500 000	OPX R5000 000 CPX R3 500 000
INFORMAL TRADING							
7	Development of informal trading infrastructure	Construction of market stalls	7 000 000	8 000 000	7 000 000	8 000 000	7 000 000

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
		<ul style="list-style-type: none"> - Richards Bay CBD - eSkhaleni - KwaDlangezwa - Port Dunford - Macekane - Empangeni B/Rank - Mzingazi 					
		Formalize flee market areas	1 000 000		1 000 000		1 000 000
		<ul style="list-style-type: none"> - eSkhaleni - Mzingazi - Richards Bay 					
SUB-TOTAL			CPX R8 000 000	CPX R8 000 000	CPX R8 000 000	CPX R8000 000	CPX R8 000 000
TOTAL BUDGET			OPX R30 500 000	OPX R28 500 000	OPX R29 300 000	OPX R29 800 000	OPX R30 400 000
			CPX R53 69 865	CPX R55 189 459	CPX R19 100 000	CPX R15 100 000	CPX R18 200 000

Map 56 : LED Projects



8.29 Social Development Analysis

8.29.1 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 54: Poverty Eradication Initiatives

Poverty eradication Pillars	City of uMhlathuze's Initiatives
Social Protection	<ul style="list-style-type: none"> • 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 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	<ul style="list-style-type: none"> • The city has completed auditing of land owned by the municipality in order to re-distribute arable land to

Poverty eradication Pillars	City of uMhlathuze's Initiatives
	<p>previously disadvantaged communities for agricultural and commercial purposes.</p> <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 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	<ul style="list-style-type: none"> • 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.

Poverty eradication Pillars	City of uMhlathuze's Initiatives
	<ul style="list-style-type: none"> • 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 and leverage investment. • 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 eSikheleni, development of the Richards Bay Waterfront etc.
Skills Development	<ul style="list-style-type: none"> • 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 scarce 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.

8.29.2 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 55: Summary of Community Needs

	Wards																																		
Needs/Issues	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	Total
Beatification																							*												
Boundary Issues																																			
Broadband/Internet																																			
Bus shelters/Laybys											*							*					*											*	
By-Laws enforcement																																			
Cemetery																																			
Clinic	*				*				*		*	*			*	*			*					*	*	*				*		*	*		
Community Gardens and Fencing																																			
Community Halls/ Multi purpose							*		*		*			*								*		*	*	*	*		*			*	*	*	*
ECD Centres							*		*	*	*	*		*		*					*	*					*				*			*	
Electrical [Connections /upgrades]				*	*	*	*	*		*	*		*	*	*	*	*			*		*		*	*	*	*	*	*	*	*	*	*	*	
Fire Station																																			
Housing											*		*		*																				
Informal trade facilities																																			
Investment attraction																																			
Jobs Opportunities										*	*																								
Library											*																*								
Old Age facilities																																			
Paved Walkways																																			
Paypoint	*																										*								
Pedestrian Bridges						*									*									*										*	
Police Station																																			
Refuse Removal issues and dumping																																			
Roads (New/Upgrades/Repairs)	*	*		*	*	*	*	*	*	*	*		*	*	*	*	*	*	*	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*
Safety and Security	*	*		*	*	*	*	*	*	*	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Sanitation Matters																																			
Schools and Related issues									*							*						*											*		
Shopping Mall																									*										
Skips , refuse bins				*	*	*	*		*					*	*	*		*		*	*	*	*				*								
SMMEs Development					*																														
Solar System																																			
Speedhumps					*				*							*	*	*				*				*								*	
Sports Field/floodlights				*	*	*	*	*	*	*	*				*		*	*	*	*		*	*	*	*	*			*	*				*	
Street Name/Signage/Markings																									*										
Streetlights	*			*										*	*	*	*					*	*									*			
Strom Water																																			
Student Bursaries and Skills development															*																				
Swimming Pools																																			
Taxi Rank																																			
Title deeds																									*										
Tourism Development																																			
Traffic Management																																			
Transport System																																			
Truck Stop																																			
Water /Pipes			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Youth Development																																			
Swimming Pools																									*										

8.29.3 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.

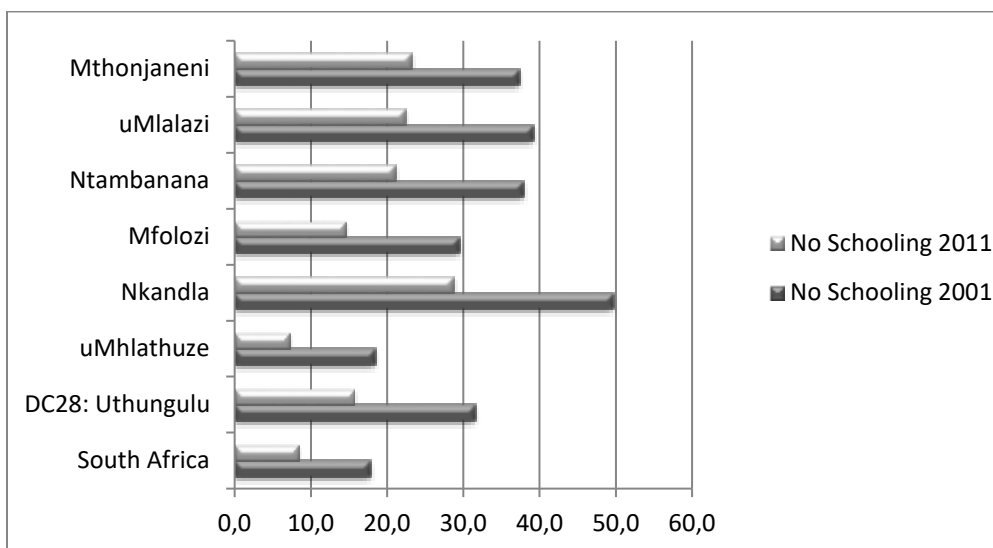
Table 56 : Comparative Education Levels

	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 below.

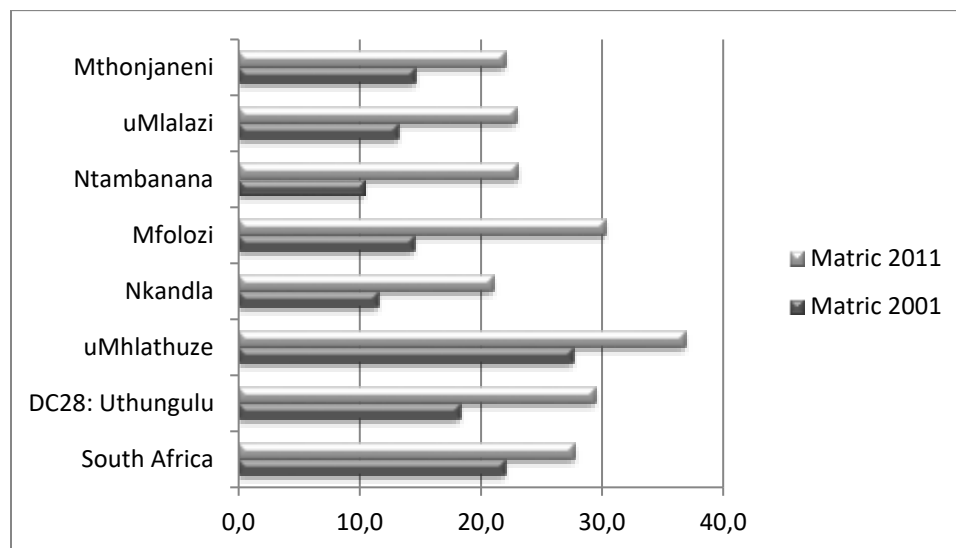
Figure 57: Persons with no Schooling



Source: Census 2011

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

Figure 58: Persons with Matric



Source: Census 2011

Matric Pass rates – King Cetshwayo District

	2015	2016	2017	2018	2019	2020
Matric Pass Rate	54.60	63.42	71.64%	73.8%	79.3%	74.8

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 through the OSS platform is lobbying for the construction of the Centre for kids with disabilities.

School Nutrition Program

The National School Nutrition Programme is a poverty alleviation strategy introduced in 1994 by government as part of the Reconstruction and Development Programme of the newly founded **democratic** Republic of South Africa.

The programme targets schools in the poorest communities and benefit multitude of learners. The NSNP has since been earmarked as one of the government strategies to alleviate hunger and poverty in the communities.

The programme thus contributes to the economic development of local people through co-operatives and small enterprises as service providers. The programme also contributes to economic development of local people through employment of Volunteer Food Handlers (Cooks) who prepare meals for the learners.

The ratio of 1 (food handler):200 (learners) up to maximum of 8 food handlers per school is applied to allocate food handlers in participating schools

All schools in the King Cetshwayo District receive the NSNP with the exception of schools in quantile 4 and 5. The table below indicate the number of schools and learners benefiting from the NSNP:

Department of Education - King Cetshwayo District				
	Number Of PRIMARY SCHOOLS	Number Of Special Schools	Number Of Sec. School	Total
Schools Participating in NSNP	428	5	176	609
Number of Learners benefiting from NSNP	163268	1199	88223	252690

Table 57: Department of Education Projects

Project Name	Ward Number	Scope Of Works	Implementing Agent	Total Project Cost R'000	Allocation 2022-23 R'000	Allocation 2023-24 R'000	Allocation 2024-25 R'001
Amabuye Secondary School	13	Storm Damages (Phase 17)	Dbsa	R 5 202,618	R -	R 1 313,148	R 533,274
Amandosi Primary School	22	Removal And Replacement Of Roof Structures . Repairs And Renovations To The Entire School	Dbsa	R 9 686,528	R -	R 300,000	R 978,373
Amandosi Primary School	22	Phase 2:Water And Sanitation Phase 2: Replacement All Existing Temporary Toilets To Be Removed, All Construction Work To Be In Full Compliance With All National Building Regulations & Sans 10400	Dopw	R 11 164,925	R 836,000	R 102,000	R 3 810,207
Amangwe High School	24	Storm Damages (Phase 17)	Dbsa	R 6 094,460	R 160,377	R 270,000	R -
Amangwe High School	24	Phase 2:Demolish Two (2) Existing Pit Toilet Blocks And Make Good. Clear The Site And Construct: Two (2) Girls Learners Pit Toilet Blocks -A & B, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks Each, Walkways, And Stormwater Channels. One (1) Staff, Boys Learners And Paraplegic Pit Toilet Block- C, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways And Stormwater Channels. Incl Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .	Dopw	R 4 661,344	R 619,000	R 102,000	R -
Aquadene Secondary School	26	Storm Damage To 3 Classrooms	Dbsa	R 3 188,216	R -	R 622,025	R 352,105
Bhejane Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

Bhekikusasa High School	32	Replacing Roof Structures , Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainage Improvement	Dbsa	R 4 450,292	R 141,539	R -	R -
Bhekukwazi Secondary School	32	2 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 1 Media Centre, 1 Computer Room(S), 4 Office(S), 4 Storeroom(S), 1 Strongroom, 1 Snp Kitchen/Tuckshop, 6 Girls' Toilet Seats, 4 Boys' Toilet Seats And Urinal Spaces, 4 Teacher Toilet Seats, 1 Disabled Toilets,	Dopw	R 36 377,030	R 1 751,356	R -	R 901,451
Bhekukwazi Secondary School	32	Construction Of Boys And Girls Toilet Block,	Dopw	R 1 150,000	R 162,573	R -	R -
Bingoma Primary School	31	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Brackenham Primary School	26	Construction Of 1 Boys, 2 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 0 Female Toilet Block	Dbsa	R 4 693,132	R 139,250	R -	R -
Dlamvuzo Secondary School	20	Storm Damage To 6 Classrooms	Dbsa	R 8 911,507	R -	R 2 331,856	R 903,807
Dlamvuzo Secondary School	20	Construction Of New Ablutions Facilities And Repairs To Existing Vip Toilets	Dbsa	R 8 765,371	R -	R 2 391,872	R 903,241
Dlangezwa High School	30	Storm Damage To 1 Classroom	Dbsa	R 21 214,773	R -	R 5 711,938	R 2 017,919
Dover Combined School	5	Storm Damage To 6 Classrooms And Administration Block	Dbsa	R 4 503,569	R -	R 1 117,207	R 441,388
Dover Combined School	5	Demolish One (1) Existing Flushing Toilet Block And Make Good, Renovate Two (2) Existing Flushing Toilet Blocks. Clear The Site And Construct: One (1) Grade R Staff, Grade R, And Paraplegic Flushing Toilet With Septic Tank Block- A, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks, Walkways And Stormwater Channels. One (1) Learners And Paraplegic Flushing Toilet With Septic Tank Block-B, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways, And	Dopw	R 2 000,000	R 507,000	R -	R 1 512,888

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

		Stormwater Channels. Incl Berm, Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .					
Empangeni High School	23	Storm Damage	Dbsa	R 3 730,000	R 890,246	R -	R -
Empembeni Primary School	13	Storm Damages To School	Dopw	R 3 097,000	R -	R 758,154	R 334,121
Empembeni Primary School	13	Construction Of Boys And Girls Toilets	Dopw	R 2 000,000	R 507,000	R -	R 1 011,027
Esikhawini Primary School	20	Storm Damage To 4 Classrooms	Dbsa	R 5 686,001	R 367,000	R -	R -
Ethakasani Primary School	21	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Exhaphozini Primary School	20	Storm Damage To 2 Classrooms	Dbsa	R 9 933,770	R -	R 2 101,028	R 1 073,744
Exhaphozini Primary School	20	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 000,000	R -	R -	R 218,153
Ezishabeni Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Floraton Primary School	26	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 000,000	R 507,000	R -	R 590,191
Gobandlovu Primary School	14	Upgrades And Additions	Kzndoe	R 9 560,000	R -	R -	R 400,000
Grantham Park Primary School	9	Storm Damage To 6 Classrooms	Dbsa	R 14 929,787	R -	R 3 489,654	R 1 281,865
Gubhethuka Primary School	13	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Gwejobomvu Secondary School	8	Storm Damage To Administration Block	Dbsa	R 12 885,883	R -	R 1 017,453	R 487,394

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Heuwelland Primary School	23	Storm Damage To 7 Classrooms	Dbsa	R 79 930,767	R -	R 1 246,920	R 642,156
Hlamvana Secondary School	17	Storm Damage To 7 Classrooms And Toilets Block	Dbsa	R 13 029,239	R -	R 2 992,932	R 1 380,572
Ilembe Primary School	17	Storm Damage To 10 Classrooms	Dbsa	R 8 278,004	R -	R 1 652,918	R 568,741
Imizikayifani Primary School	19	Storm Damage To 3 Classrooms	Dbsa	R 9 343,842	R 232,203	R -	R -
Injabuloyesizwe Primary School	18	Storm Damage To 3 Classrooms	Dbsa	R 14 431,857	R -	R 3 345,297	R 1 519,685
Izibuko Secondary School	5	Storm Damages To School	Dbsa	R 2 900,000	R 186,000	R -	R -
Kangikho Primary School	25	Storm Damage To 3 Classrooms	Dbsa	R 6 240,885	R 237,622	R -	R -
Kangikho Primary School	25	Construction Of Boys And Girls Toilet Block,	Dbsa	R 1 083,014	R -	R 170,931	R 117,553
Kati Primary School	4	Storm Damages To School	Dbsa	R 2 900,000	R 144,875	R -	R -
Khandisa Primary School	30	Upgrade And Additions	Dbsa	R 29 902,250	R 1 567,000	R 3 833,910	R 2 256,547
Khombindela High School	28	Storm Damage To 2 Classrooms	Dbsa	R 8 989,175	R -	R 1 844,342	R 981,035
Khula High School	17	Upgrade And Additions	Coega	R 13 445,774	R -	R 1 240,660	R 84,777
Khula High School	17	Storm Damage To 4 Classrooms	Dbsa	R 17 164,113	R -	R 4 137,662	R 1 803,666
Lizwi Secondary School	4	Storm Damaged Phase 18	Idt	R 2 900,000	R 501,300	R 668,400	R 318,800

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Macekane Primary	32	Storm Damages (Phase 17)	Kzndoe	R 1 600,000	R -	R 137,100	R 208,986
Macekane Primary School	32	Replacing Roof Structures , Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainage Improvement	Dbsa	R 3 796,060	R -	R 784,175	R 412,789
Madlankala Primary School	14	Storm Damage To 5 Classrooms	Dbsa	R 6 518,354	R -	R 1 536,975	R 683,019
Mambuka Primary School	33	Storm Damage To 4 Classrooms	Dbsa	R 7 601,724	R -	R 1 911,524	R 779,547
Manzimpofu Primary School	6	Construction Of 1 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 0 Female Toilet Block	Dbsa/Sa fe	R 2 640,343	R -	R 102,000	R -
Maqhama Primary School	12	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Matamzana Dube Secondary School	14	Storm Damage To 3 Classrooms	Dbsa	R 9 560,933	R -	R 1 589,000	R 859,311
Matamzana Dube Secondary School	14	Construction Of 2 Boys, 4 Urinals, 6 Girls, 1 Disabled, Staff 1m, 2 Urinals, 2 Female Toilet Block	Dbsa	R 1 275,427	R 1 000,000	R 102,000	R -
Matshangule Primary School	30	Storm Damage To 4 Classrooms	Dbsa	R 5 400,347	R -	R 1 316,279	R 562,378
Mbuyiseni High School	10	Storm Damage To 16 Classrooms	Dbsa	R 3 070,771	R -	R 643,739	R 289,988
Mbuyiseni High School	10	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 314,200	R 275,250	R -	R -
Mevamhlophe High School	25	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 400,000	R -	R -	R 342,857
Mkhobosa Primary School	13	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 14 643,413	R -	R 3 881,577	R 1 445,230
Mkhobosa Primary School	13	Renovate Three (3) Existing Pit Toilet Blocks. Clear The Site And Construct: One (1) Female Staff, Girls Learners And Paraplegic Pit Toilet Block- A, Incl All Necessary Plumbing & Drainage,	Dopw	R 8 747,865	R 839,000	R 102,000	R 1 024,596

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		Two (2) Rainwater Tanks, Walkways And Stormwater Channels. Incl Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .					
Mkhonto High School	32	Repairs , Renovations And Refurbishment Of Existing School Buildings	Dbsa	R 10 877,486	R -	R 2 860,377	R 1 098,759
Mntokhona Primary School	18	Storm Damage To The Carport	Dbsa	R 3 760,629	R -	R 848,778	R 398,326
Muntonokudla Secondary School	11	Storm Damage To 5 Classrooms	Dbsa	R 7 751,363	R 246,440	R -	R -
Muntonokudla Secondary School	11	Demolish Four (4) Existing Toilet Blocks And Make Good. Clear The Site And Construct: Three (3) Staff, Learners, And Paraplegic Flushing Toilets With Septic Tanks, Blocks - A, B & C, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks Each, Walkways, And Stormwater Channels. Incl Hoarding Of The Site And Clean The Site After Completion Of All The Construction Works .	Dopw	R 8 897,983	R 839,000	R 102,000	R 1 071,192
Mvuzemvuze Primary School	10	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Mzingwenya Primary School	19	4 Multi Purpose Classroom	Kzndoe	R 14 604,695	R -	R -	R 2 255,851
Mzingwenya Primary School	19	Storm Damage To 4 Classrooms	Dbsa	R 9 252,500	R -	R 70,962	R 1 228,912
Mzuvukile Primary School	6	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Ncombo Primary School	15	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 4 932,895	R -	R 1 170,567	R 513,246
Ncombo Primary School	15	Construction Of Boys And Girls Toilets	Idt	R 4 866,470	R 443,750	R -	R -
Ncombo Primary School	15	Water And Sanitation	Dbsa	R 4 807,933	R 139,228	R -	R -

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Ndabayakhe Primary School	29	Storm Damage To Toilet	Dbsa	R 7 002,618	R -	R 1 749,071	R 704,569
Ndesheni High School	13	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 205,425
Nguluzana Primary School	8	4 Ecd Classrooms And 6 Toilet Seats	Dbsa	R 9 504,735	R 783,000	R 102,000	R 703,976
Nhlangenyuke Primary School	11	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 3 278,156	R -	R 724,154	R 344,795
Nkosazana Primary School	25	Storm Damage To 5 Classrooms (Windows Panes)	Dbsa	R 2 923,046	R -	R 614,917	R 313,797
Nkosazana Primary School	25	Demolish Two (2) Existing Pit Toilet Blocks And Make Good. Clear The Site And Construct: One (1) Grade R & Grade R Staff Pit Toilet Block- A, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks, Walkways And Stormwater Channels. One (1) Staff, Learners And Paraplegic Pit Toilet Block-B, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways, And Stormwater Channels. Incl Berm, Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works.	Dopw	R 1 900,000	R 495,000	R -	R 468,386
Nongweleza High School	27	Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Dbsa	R 2 531,285	R -	R 392,954	R 450,000
Nqutshini Primary School	29	1 Ecd Classroom And 4 Toiltes, 01 Jungle Jim And Fencing	Dopw	R 2 742,460	R 101,338	R -	R -
Nsezi Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Nsiwa Primary School	11	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Nsiwa Primary School	11	Storm Damage	Dbsa	R 8 715,950	R -	R 250,000	R 571,429

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Ntabeni Primary School	15	Storm Damage To 3 Classrooms	Dbsa	R 12 127,813	R -	R 1 344,594	R 532,000
Ongoye Primary School	11	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 400,000	R -	R -	R 257,143
Ongoye Secondary School	30	Storm Damage To 3 Classrooms	Dbsa	R 12 724,581	R -	R 3 359,960	R 1 285,368
Phalane Primary School (Dlangezwa)	10	Construction Of New Ablutions Facilities And Repairs To Existing Vip Toilets	Dbsa/Sa fe	R 2 132,717	R -	R 102,000	R -
Phembokuhle Junior Primary School	11	Water And Sanitation	Dbsa	R 1 972,223	R 503,667	R 500,000	R 253,714
Phembokuhle Primary School	11	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 206,312
Phesheya Primary School	27	Storm Damage To 4 Classrooms	Dbsa	R 10 090,018	R -	R 2 597,007	R 1 027,506
Qantayi High School	18	Upgrades & Additions To School	Idt	R 42 348,744	R 1 722,500	R -	R -
Qhamuka Secondary School	31	Construction Of 1 Computer Room,1 Media Centre,2multipurpose Classroom And Science Lab	Idt	R 6 380,000	R 1 374,000	R -	R -
Qhamuka Secondary School	31	Storm Damages To School	Dbsa	R 8 430,770	R 166,625	R -	R -
Qhubandaba Primary School	25	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 38 043,410	R -	R 2 814,155	R 1 081,947
Richards Bay Secondary School	26	Upgrade Exsting School Building	Dbsa	R 20 869,280	R 233,625	R -	R -
Sabokwe Primary School	33	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 5 302,642	R -	R 1 175,041	R 586,514
Sigisi Primary School	27	Storm Damage To 3 Classrooms	Dbsa	R 5 255,407	R 232,203	R -	R -

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Sinaye Primary School	6	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Siphumelele Secondary School (Meer-En-See)	1	14 Standard Classroom, 1 Media Centre, 1 Computer Room(S),	Idt	R 122 414,000	R 17 972,000	R -	R -
Sitholinhlanhla Primary School	1	Construction Of New Grade R Facilities And Ablutions	Kzndoe	R 2 000,000	R -	R 375,000	R 232,143
Sitholinhlanhla Primary School	1	Storm Damage To 7 Classrooms	Dopw	R 11 368,335	R 227,000	R -	R -
Siyabonga Secondary School (Kwadlangezwa)	11	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 2 869,014	R -	R 670,106	R 308,383
Siyabonga Secondary School (Kwadlangezwa)	11	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 1 329,315	R -	R 264,592	R 146,415
Siyakhanyisa Primary School	23	Upgrades And Additions	Coega	R 23 248,080	R 6 110,000	R 6 247,550	R 2 276,659
Somopho Primary School	31	Repairs And Renovations	Dopw	R 10 583,000	R -	R 2 869,206	R 1 101,971
Somopho Primary School	31	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 5 826,800	R -	R 896,900	R 676,197
Thambolini Secondary School	21	Storm Damage To 4 Classrooms	Dbsa	R 6 735,128	R -	R 1 660,610	R 696,780
Thanduyise High School	28	Storm Damage To 3 Classrooms	Dbsa	R 5 590,288	R -	R 1 354,322	R 580,596

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Thembelihle Primary School	28	Storm Damage To 8 Classrooms	Dbsa	R 4 387,596	R -	R 1 034,037	R 459,080
Tholokuhle Secondary School	8	Upgrading Of Existing School Infrastructure To Meet The Dbe Norms And Standards	Dbsa	R 11 984,441	R -	R 5 309,288	R 2 330,886
Thuthukani Lsen School	5	Replacement Of Asbestos Roof System To Existing 1 Classroom Block, Admin Block, 2 Clinic Blocks And A Hall. Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Dbsa	R 9 611,387	R 340,101	R -	R -
Ubizo Primary School	32	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 208,578
Ubizo Primary School	32	Sanitation Phase 3 Programme	Dopw	R 2 500,000	R 467,000	R -	R 1 353,590
Vondlo Primary School	8	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 1 142,795	R 275,250	R 102,000	R -
Umdlamfe Secondary School	19	Storm Damage To 4 Classrooms	Dbsa	R 5 370,719	R 263,413	R -	R -
Wood And Raw Primary School	9	2 Standard Classroom, 1 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 7 Office(S), 7 Storeroom(S), 1 Strongroom, 1 Snp Kitchen/Tuckshop, 14 Girls' Toilet Seats, 14 Boys' Toilet Seats And Urinal Spaces, 6 Teacher Toilet Seats, 2 Disabled Toilets, Fencing,	Dopw	R 33 752,000	R 231,766	R -	R -
Wood And Raw Primary School	9	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 7 011,304	R -	R 1 817,993	R 716,186
Zenzeleni Mashamase Secondary School	11	Storm Damage To 2 Classrooms	Dbsa	R 3 788,808	R 234,561	R -	R -
Zicabangele Primary School	11	Storm Damage	Dbsa	R 14 893,359	R -	R 250,000	R 571,429

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Zicabangele Primary School (Kwadlangezwa)	11	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 2 400,000	R -	R 826,500	R 1 856,500
Ziphozonke High School	24	Storm Damage	Dbsa	R 7 810,590	R -	R 1 991,306	R 794,574

8.29.4 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

King Cetshwayo 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

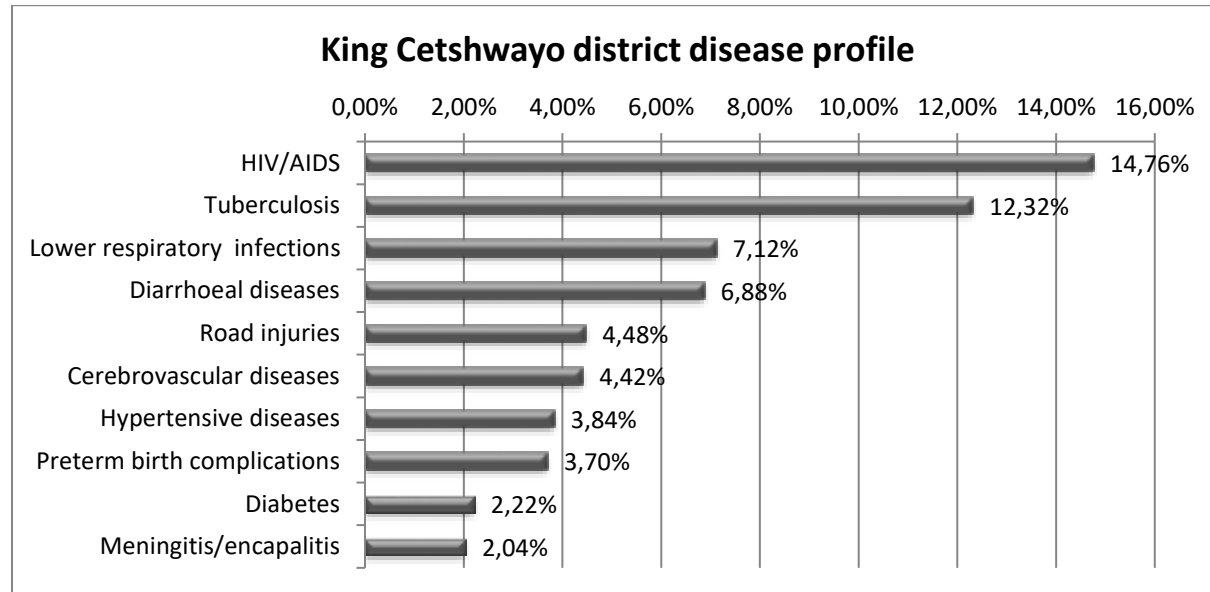
King Cetshwayo District Health office working together with municipalities in the King Cetshwayo District municipality will continue improving on initiating ARTs to all eligible clients and the Implementation of Universal Test and Treat (UTT). Male Circumcision programme is also implemented. The district to continue implementing and monitoring the 90-90-90 DIP. The district is doing well on TB management with the TB (new pulmonary).

Table 58: HIV/AIDS Statistics

	Number of people living with HIV			Proportion of people living with HIV as the total size of population			Number of AIDS Deaths estimates		
	2007	2012	2017	2007	2012	2017	2007	2012	2017
KwaZulu-Natal	1 565 260	1 641 759	1 814 099	15,7	15,7	16,3	86 320	65 084	34 009
King Cetshwayo	147 802	146 893	158 200	16,3	16,0	16,5	8 158	5 813	2 970
uMhlathuze	62 371	63 135	70 275	17,2	16,9	17,2	3 335	2 453	1 296

Notable there is an increase in HIV Prevalence and a decrease in the number of deaths. The district is working closely with municipalities in implementing initiatives that are aimed at fighting this pandemic.

Figure 59: Disease Profile



Source: King Cetshwayo Health District

Table 59: Health Priorities

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

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

Environmental Health By-Law

Environmental Health and Health services are a function of the District Municipality and they are responsible for development and enforcement of health by-laws. However before the function was transferred to the district municipality, uMhlathuze municipality had an existing health bylaw, **Refer to 13.1.7 for a list of municipal by-laws.**

8.29.5 Safety and Security

Integrated Public Safety Strategy

uMhlathuze Municipality has an adopted an Integrated Public Safety Plan. The plan is attached to the IDP.

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 By-law 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.

Priorities

- Establishment of a Drivers Licence Testing Centre - Grade A

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.

8.29.6 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 [**with a facility for People with disabilities, e.g. library for the blind)**
- 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 “cyber cadets” (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.

Advancements in Information Communications Technologies (ICT), has also compelled the local libraries to catch on, and this has resulted in local libraries offering electronic books

(eBooks), for the registered library users. Another technological breakthrough for local libraries is the ability to allow library users to access the library catalogue from the comfort of their own home with the use of their internet enabled mobile phone, iPad, tablet or desktop computer.

To further make sure that the libraries stay relevant as community Centre's, Council approved strategy has been developed to serve as a guiding document with set targets to ensure that services are optimized and catered to the needs of the community.

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 Mondl Eisteddfod. Artwork is also purchased and added to the municipal assets, the value of which increases every year. Through 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 Recreational events and programmes are hosted by the Sport and Recreation Section including the following:

- Indigenous Games
- Mini Olympics/Learn and Play
- Fun Days
- Senior Citizens Golden Games
- Healthy Lifestyle Programs
- Councillors and Officials in Action

Sport Development programs annually hosted by the Municipality include:

- Ward Elimination Games
- Cluster Elimination Games
- Mayoral Sport Day
- SALGA Games
- Learn to Swim
- Industrial League
- Capacity building workshops for Sport Administrators and Technical Officials
- uMhlathuze Beach Games (Annual event)

Sports facilities are continually being upgraded and provision of sport facilities to be upgraded is made in the municipal budget.

8.29.7 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

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
- Traditional Leadership Sector
- NGO Sector
- Religious Sector
- Sporting Fraternity
- Women
- 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:

- Inclusion of community structures that include civil society, business and development partners and other key stakeholders.
- Institutional arrangement linkages and integrated development planning.
- Integrating Operational Plans with Governmental Department plans.
- Establishing of a permanent “War Room.”
- Allocating cadres to conduct Household Profiling to identify needs.
- Ensuring that different Departments sit in the LTT.
- Constantly building capacity of Managers through presentations on OSS reporting.

- Managers assisting war rooms in building capacity.

Benefits of OSS to Civil Society

- Networking and partnerships with Government Departments
- “One stop shop” approach at ward level
- Pooling of resources to maximize outputs
- Shared information gauge performance
- Joint reporting to the communities
- Coordinated approach for identifying and resolving issues
- Employment and Skills development opportunities through participation in task teams

8.29.8 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 continues to 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 established 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 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 employed twenty-eight (28) temporary research fieldworkers and two (2) team leaders to assist with Profiling of People With Disabilities residing within the jurisdiction of the municipality. The aim of the study was 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. Conference is held in every five years, linked to term of council office. uMhlathuze hosted its conference on the first and second of June 2017, which provided 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. 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 60: 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 Councilors 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

Program	Objective	Brief description	Impact
Launch of people living with disability forum	To create a platform where people living with disability can sit and share their experiences with an intention to develop the program and structure that will deal with their issues	The launch was held at Hlanganani hall and it was attended by 40 people living with disability representing different organizations	Through presentations people living with disability managed to know about different govt. programs targeting them and their rights. They also managed to develop a program and the structure
Multi-stakeholder HIV/AIDS workshop	To discuss the five year draft strategy for HIV/AIDS and adopt it, to pave the way forward on the establishment of the Local AIDS Council	It was attended by Councilors led by Mayor, business, traditional healers, civil society, academics and labour	The workshop managed to effect some changes on the draft strategy and paved the way forward on the establishment of Local AIDS Council

8.30 SWOT analysis: LED and Social Development:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> o Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports o Libraries in the municipality provide internet access at no charge to users. o Functional Operation Sukuma Sakhe Unit in the Municipality o Existence of Industries thus creating opportunities for SMME's o Investment in broadband (Public WiFi at select public spaces) o Existence of University and TVET colleges as part of knowledge creation o Increased investment in LED opportunities• Improved infrastructure to support LED o 	<ul style="list-style-type: none"> 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 o 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 Access to markets by SMME's o Underdeveloped tourism attraction sites and products o Ageing fleet o Limited human and financial resources o Poor maintenance of community facilities o Ageing infrastructure o Implementation of LED programmes take long o Shortage of skills and entrepreneurial models o Over reliance to the municipality to provide the LED Opportunities LED opportunities centered in the urban areas o Limited opportunities for LED in Rural Areas
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> o 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 o Partnership with Industrial Development Zone o Investment in township economy o Industry based skills development o Empowerment of ward based war rooms o Cross boarder collaboration in investment facilitation and attraction o Progressive implementation of agricultural support plan 	<ul style="list-style-type: none"> o Growing trend of discouraged work seekers o Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects o 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 o 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

<ul style="list-style-type: none"> ○ Increased unemployment ○ Food insecurity Increase in crime, grime and poverty ○ Poor investor confidence ○ Competing priorities of sustaining the natural environment and economic development ○ Uncoordinated economic development programs across National, Provincial and Local Government 	<ul style="list-style-type: none"> ○ Harsh sea conditions ○ Beach erosion ○ Service delivery protests ○ Business and workers Forums ○ Challenges with regard to agriculture production ○ Uneven spatial development ○ Development opportunities in Traditional Areas are limited ○ Climate change and impacts on the receiving environment ○ Natural disasters ○ Expanding rural densities in Traditionally Owned land without services ○ High cost of seeking employment and jobs due to sprawling spatial pattern
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8.31 Challenges

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

8.32 Capability of the Municipality to execute Capital Projects

Procurement plans to expedite the implementation of the procurement process for the 2023/2024 MTREF are prepared upon adoption of the SDBIP by Council in 14 days after budget adoption. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team. Below is the capital expenditure for the previous years.

The project team has been established to expedite the capital expenditure and to ensure any challenges for example delays are addressed and resolved.

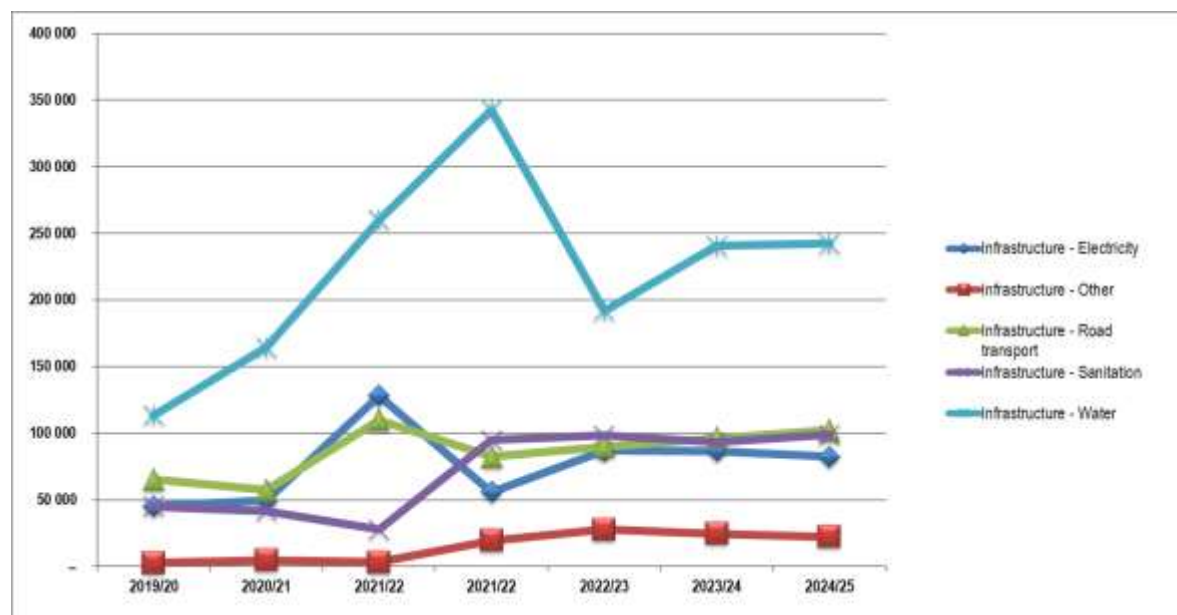
Table 61: Capital Expenditure for the Previous Years

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional									
<u>Governance and administration</u>	56 201	80 110	79 665	52 068	113 489	113 489	84 291	87 874	92 024
Executive and council	–	20	–	141	106	106	118	134	132
Finance and administration	56 201	80 090	79 665	51 927	113 383	113 383	84 173	87 740	91 892
Internal audit	–	–	–	–	–	–	–	–	–
<u>Community and public safety</u>	35 010	33 691	46 713	91 645	264 399	264 399	99 478	83 367	74 442
Community and social services	30 093	9 383	11 897	47 503	41 933	41 933	75 324	54 753	54 012
Sport and recreation	4 916	21 923	34 586	41 805	220 066	220 066	22 370	26 222	18 185
Public safety	–	603	230	2 337	2 400	2 400	1 785	2 392	2 245
Housing	–	1 783	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<u>Economic and environmental services</u>	67 718	63 411	110 897	183 240	167 604	167 604	147 815	121 852	118 754
Planning and development	2 066	1 514	227	48 603	50 421	50 421	22 127	5 332	622
Road transport	65 212	61 473	110 671	132 137	112 433	112 433	124 440	115 887	117 501
Environmental protection	440	424	–	2 500	4 750	4 750	1 248	633	631
<u>Trading services</u>	208 595	260 726	431 591	496 623	521 317	521 317	430 718	465 521	467 510
Energy sources	48 219	49 620	129 162	51 602	56 265	56 265	90 740	92 065	87 464
Water management	112 374	185 693	263 240	311 419	350 769	350 769	202 482	216 549	253 757
Waste water management	46 180	22 793	38 476	121 800	103 410	103 410	125 266	145 514	113 468
Waste management	1 822	2 620	713	11 802	10 873	10 873	12 230	11 393	12 821
<u>Other</u>	–	(0)	–	11 500	14 800	14 800	5 444	6 176	6 078
Total Capital Expenditure - Functional	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807
<u>Funded by:</u>									
National Government	130 140	169 403	114 973	194 114	212 414	212 414	218 836	199 536	204 022
Provincial Government	2 281	5 962	7 516	10 944	11 444	11 444	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total Capital Funding	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

For 2023/24 an amount of R492 million has been appropriated for the development of infrastructure which represents 64 per cent of the total capital budget. In the outer years this amount totals R534 million, 70 per cent and R 546 million, 72 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 202 million in 2023/24 which equates to 26 per cent followed by road transport infrastructure at 16 per cent, R124 million, R125 million waste water infrastructure at 16 per cent, and then R90 million electricity infrastructure at 12 per cent.

Total new assets represent 54 per cent or R 418 million of the total capital budget, asset renewal equates to 25 per cent or R 195 million and upgrade of existing assets 20 per cent or R 152 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 33 MBRR A9 (Asset Management) on pages 88 to 94. In addition to the MBRR Table A9, MBRR Tables 65 – 69 MBRR SA34a, b, c, d and e provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 177 to 191). **(Batho Pele Budget attached for ease of reference on page numbers and budget tables)**

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



8.33 Indigent Support

8.33.1 Free Basic Services: basic social services package for indigent households

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. These are done in a universal and targeted approach. The universal approach is through the tariff structures and provides for 10kl free water and 50 kWh electricity free for users below a threshold. In addition, no rates and no refuse removal and no sewer are debited against consumers that have a property valued below the prescribed threshold.

The targeted approach is applied as well where individual customers are found destitute completely that despite the universal approach still cannot afford their accounts. These customers' accounts are administered on a dedicated personal basis and then written off according to the Credit Control and Debt Collection Policy.

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.

The only weakness in the current service charge can be found in the residential Water and Electricity Tiered (Block) Tariff structure, where medium to upper income consumers are paying below cost tariffs for the bottom scales. A solution here has been proposed to the National Treasury through a Policy document on Free & Subsidized Services, project of which appears to be on hold at National level.

Table 62: Free Basic Services and Indigent Costs

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511
Piped water inside yard (but not in dwelling)	55 276	55 276	57 276	57 776	57 776	57 776	57 776	57 776	57 776
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	102 787	102 787	104 787	105 287	105 287	105 287	105 287	105 287	105 287
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	102 787	102 787	104 787	105 287	105 287	105 287	105 287	105 287	105 287
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	49 397	49 397	60 631	47 376	47 376	47 376	47 376	47 376	47 376
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	92 465	92 465	103 699	90 444	90 444	90 444	90 444	90 444	90 444
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	92 465	92 465	103 699	90 444	90 444	90 444	90 444	90 444	90 444

Table 63: Basic Service Delivery Measurement (continued)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets									
<u>Energy:</u>									
Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)	35 316	35 316	35 543	35 543	35 543	35 543	37 626	37 706	37 786
<i>Minimum Service Level and Above sub-total</i>	35 316	35 316	35 543	35 543	35 543	35 543	37 626	37 706	37 786
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	35 316	35 316	35 543	35 543	35 543	35 543	37 626	37 706	37 786
<u>Refuse:</u>									
Removed at least once a week	74 856	77 028	79 028	81 060	79 000	79 000	81 060	83 000	86 000
<i>Minimum Service Level and Above sub-total</i>	74 856	77 028	79 028	81 060	79 000	79 000	81 060	83 000	86 000
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	74 856	77 028	79 028	81 060	79 000	79 000	81 060	83 000	86 000

Table 64: Basic Service Delivery Measurement (continued)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	55 743	60 843	71 200	48 454	48 454	48 454	37 600	37 600	37 600
Sanitation (free minimum level service)	41 201	46 301	50 200	2 949	2 949	2 949	3 000	3 200	3 789
Electricity/other energy (50kwh per household per month)	475	521	530	620	620	620	1 207	1 210	1 300
Refuse (removed at least once a week)	29 049	34 149	35 822	2 976	2 976	2 976	3 000	3 200	3 789
Informal Settlements	77 078	81 638	85 048	4 387	4 387	4 387	4 900	4 930	5 200
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>									
Water (6 kilolitres per indigent household per month)	–	–	(113 308)	(116 044)	(116 044)	(116 044)	(51 253)	(56 094)	(60 211)
Sanitation (free sanitation service to indigent households)	–	–	(23 301)	(39 990)	(39 990)	(39 990)	(110 370)	(120 795)	(129 662)
Electricity/other energy (50kwh per indigent household per month)	–	–	(7 154)	(14 639)	(14 639)	(14 639)	(49 482)	(54 155)	(58 131)
Refuse (removed once a week for indigent households)	–	–	(58 800)	(61 498)	(61 498)	(61 498)	(100 005)	(109 451)	(117 485)
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>	–	12 011	13 686	13 910	13 910	13 910	79 081	85 487	91 880
Total cost of FBS provided	–	12 011	(188 878)	(218 262)	(218 262)	(218 262)	(232 029)	(255 008)	(273 608)

Table 65: Basic Service Delivery Measurement (continued)

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Highest level of free service provided per household</u>									
Property rates (R value threshold)	120	120 000	120 000	130 000	130 000	130 000	160 000	160 000	160 000
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	20	20	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	177	177	177	185	185	185	252	259	267
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
<u>Revenue cost of subsidised services provided (R'000)</u>									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	4 219	4 219	4 219	4 346	4 346	4 346	4 563	5 019	5 521
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	(44 926)	(40 838)	(13 931)	(7 925)	(22 202)	(22 202)	(261 662)	(284 069)	(304 462)
Water (in excess of 6 kilolitres per indigent household per month)	(3 442)	(494)	(95 192)	(79 545)	(79 545)	(79 545)	(91 679)	(98 097)	(105 945)
Sanitation (in excess of free sanitation service to indigent households)	(1 631)	49	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	(2 243)	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	(48 023)	(37 065)	(104 904)	(83 125)	(97 401)	(97 401)	(348 778)	(377 146)	(404 886)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City continues to make progress with the eradication of backlogs.
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2023/24 MTREF.

4. This Municipality is of the view that following the strict Indigent route of free 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. Instead equitable distribution that arises from a dual tiered or block tariffs structure accommodating seamless both indigent and poor households, but not providing subsidized (below cost) service tariffs to the middle to higher income consumers would be the fairest and equitable approach.
5. 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 2023/24 MTREF (Tabled).
6. City of uMhlathuze does not at the present moment have a system that automates the reporting of the Cost of Free Basic Services.

8.34 Revenue Enhancement

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 95 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 i.e. ensuring that functional areas are fully costed with all municipal expenses that are applicable to such service;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this overall tariff then adjusted per different strategy per different consumer category. In uMhlathuze referred to as the Universal Tariff approach.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue enhancement, investment and cash management;
- Pricing risk strategy to ensure that rates and general grows to a level that can sustain the municipality;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City which has been extensively reviewed to ensure that customer are clear on how the municipality will raise revenue

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R 2.9 billion for the 2023/24 financial year.

Operational grants and subsidies amount to R550 million, R596 million and R638 million for each of the respective financial years of the MTREF, or 11.2, 11.2 and 11.0 per cent of operating revenue.

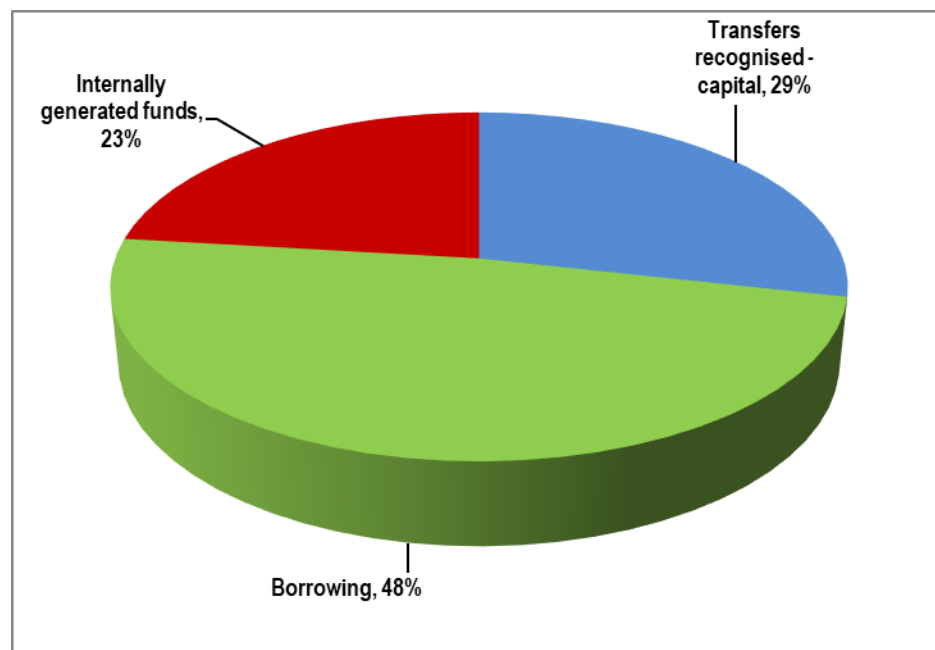
Investment revenue contributes significantly to the revenue base of the City with a budget allocation of R64.5 million, R67.0 million and R68.9 million for the respective three financial years of the 2023/24 MTREF. It needs to be noted that whilst a healthy working capital is important for a Municipality, the practise in this Municipality comes from a historical trend of utilising cash reserves to fund service delivery initiatives instead of generating interest returns.

Table 66: Sources of Capital Revenue over the MTREF

The following table is a breakdown of the funding composition of the 2022/23 medium-term capital programme:

Vote Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funded by:									
National Government	130 140	169 403	114 973	194 114	212 414	212 414	218 836	199 536	204 022
Provincial Government	2 281	5 962	7 516	10 944	11 444	11 444	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total Capital Funding	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

The above table is graphically represented as follows for the 2023/24 financial year.



Capital grants and receipts equates to 29 per cent of the total funding source which represents R 218 million for the 2023/24 financial year and decrease to R 199.5 million or 9 per cent by 2024/25.

8.34.1 Revenue Enhancement and Protection Strategies

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

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 95 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 i.e. ensuring that functional areas are fully costed with all municipal expenses that are applicable to such service;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this overall tariff then adjusted per different strategy per different consumer category. In uMhlathuze referred to as the Universal Tariff approach.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue enhancement, investment and cash management;
- Pricing risk strategy to ensure that rates and general grows to a level that can sustain the municipality;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City which has been extensively reviewed to ensure that customer are clear on how the municipality will raise revenue

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2023/24 MTREF on the different revenue categories are:

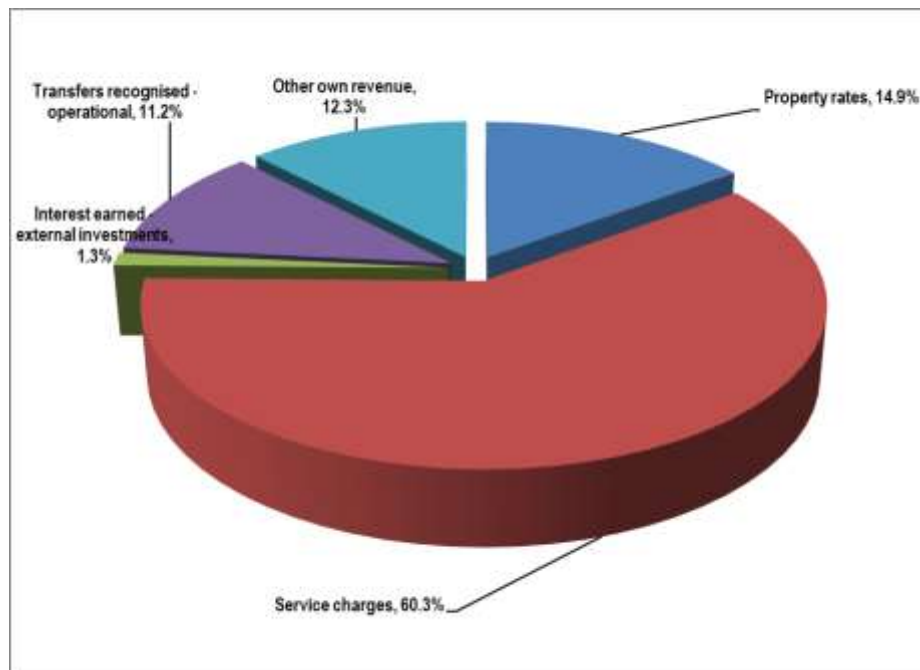
Table 67 Proposed tariff increases over the medium-term

Categories	Percentage increase (%) (Average) 2023/24	Percentage increase (%) (Average) 2024/25	Percentage increase (%) (Average) 2025/26
Property rates	9.00%	5.00%	7.00%
Electricity	15.50%	10.00%	10.00%
Water	15.00%	7.00%	8.00%
Refuse	9.00%	6.00%	8.00%
Sewer	15.00%	10.00%	26.00%

Table 68: Breakdown of the operating revenue over the medium-term

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
<u>Revenue By Source</u>						
Property rates	736 829	14.9%	773 671	14.5%	823 959	14.3%
Service charges	2 973 769	60.3%	3 248 885	61.1%	3 579 799	62.0%
Interest earned - external	64 500	1.3%	67 000	1.3%	68 900	1.2%
Transfers recognised - operational	550 648	11.2%	596 371	11.2%	638 075	11.0%
Other own revenue	604 526	12.3%	632 536	11.9%	665 658	11.5%
Total Operating Revenue	4 930 272	100.0%	5 318 463	100.0%	5 776 391	100.0%
Total Operating Expenditure	4 935 845		5 295 145		5 754 648	
Surplus/(Deficit)	(5 573)		23 318		21 743	

Table 69: Breakdown of operating revenue over the 2023/24 MTREF



Detail Investment Information

The tables below provide detail investment information and investment particulars by maturity.

Table 70: Detail Investment Information

Investment type	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Parent municipality									
Deposits - Bank	490 000	630 000	550 432	623 186	402 087	402 087	612 374	826 497	1 008 261
Municipality sub-total	490 000	630 000	550 432	623 186	402 087	402 087	612 374	826 497	1 008 261
Consolidated total:	490 000	630 000	550 432	623 186	402 087	402 087	612 374	826 497	1 008 261

Note: Investment register attached

Table 71 : Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission on Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality													
Unknown	Unknown	Fixed	No	Fixed	Unknown	0	0	Unknown	-	-	-	612 374	612 374
Municipality sub-total									-	-	-	612 374	612 374
TOTAL INVESTMENTS AND INTEREST									-	-	-	612 374	612 374

8.34.2 Municipal Consumer Debt Position

Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable the National Treasury to introduce uniform Treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71

Debt Collection Rate

The Ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the circular:

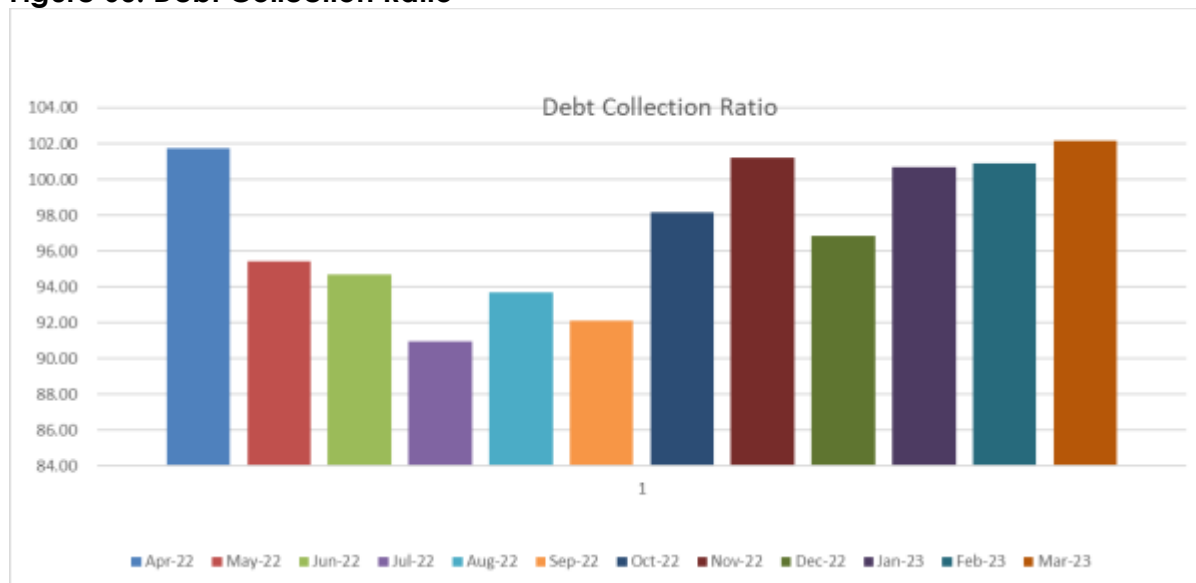
Formula (As per circular 71)	Norm
Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	The norm is 95%

PAYMENT RATIO					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
1 Collection Rate - Rolling 12 Months	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	95%		101%	Please refer to page 5 of MFMA Circular No. 71
			Gross Debtors closing balance February 2023	906 221 038	
			Gross Debtors opening balance March 2022	964 977 609	
			Bad debts written Off February 2022 to January 2023	29 739 962	
			Billed Revenue March 2022 - February 2023	3 205 587 648	

Table 72: Debt Collection Rate

Month	Debt Collection Ratio
Apr-22	101.73
May-22	95.40
Jun-22	94.67
Jul-22	90.95

Aug-22	93.71
Sep-22	92.12
Oct-22	98.17
Nov-22	101.23
Dec-22	96.84
Jan-23	100.70
Feb-23	100.91
Mar-23	102.15

Figure 60: Debt Collection Ratio**Net Debtors - Days**

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its consumers for bills/invoices issued to them for services.

The Ratio excludes balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of

credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts:

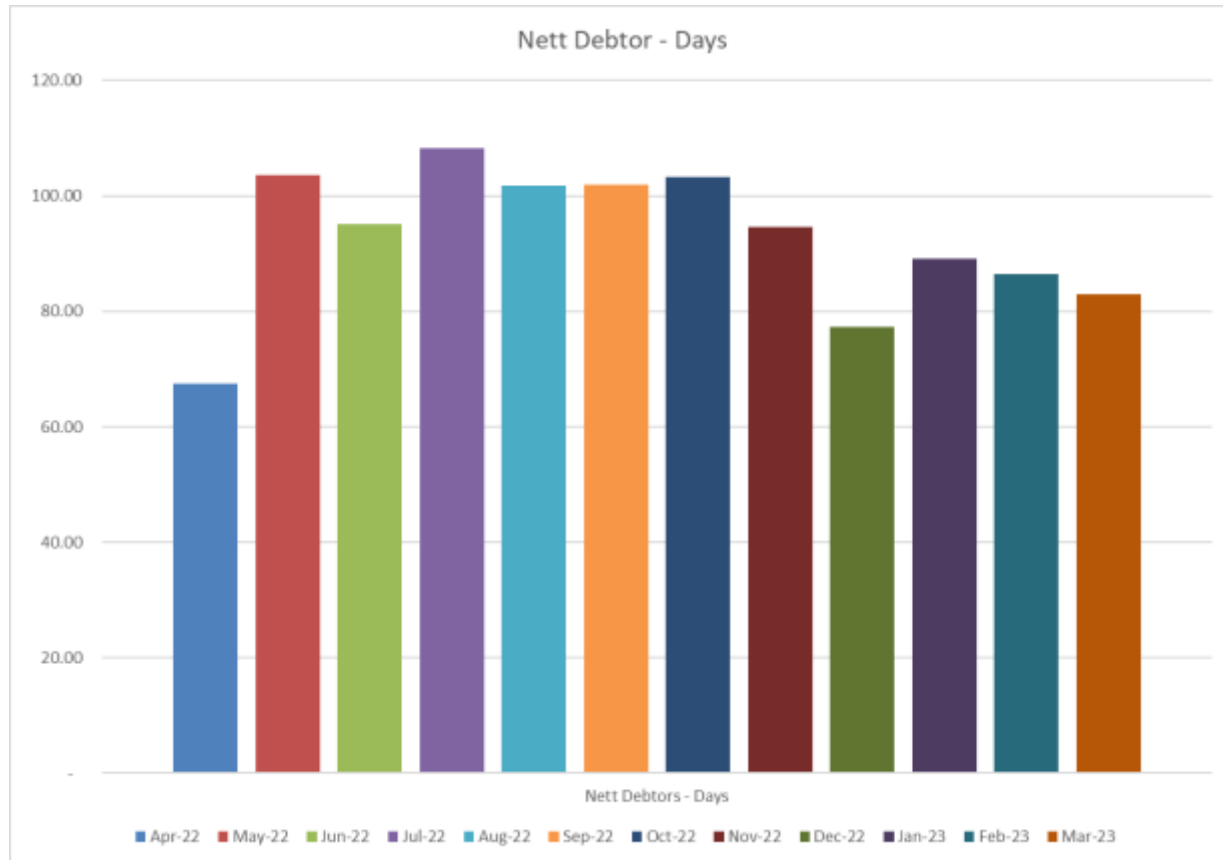
Formula (As per circular 71)	Norm
$((\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue}) \times 365$	The norm is 30 Days

NETT DEBTORS IN DAYS					
RATIO	FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
2	Net Debtors Days	30 days		86,46 days	Please refer to page 6 of MFMA Circular No. 71
			Gross Debtors closing balance February 2023	906 221 038	
			Bad debts Provision 2022 / 2023	146 879 700	
			Billed Revenue March 2022 - February 2023	3 205 587 648	

Month	Nett Debtors - Days
Apr-22	67.51
May-22	103.64
Jun-22	95.04
Jul-22	108.18
Aug-22	101.83
Sep-22	102.01
Oct-22	103.34
Nov-22	94.67
Dec-22	77.37
Jan-23	89.08
Feb-23	86.46

Mar-23	83.00
--------	-------

Figure 61:

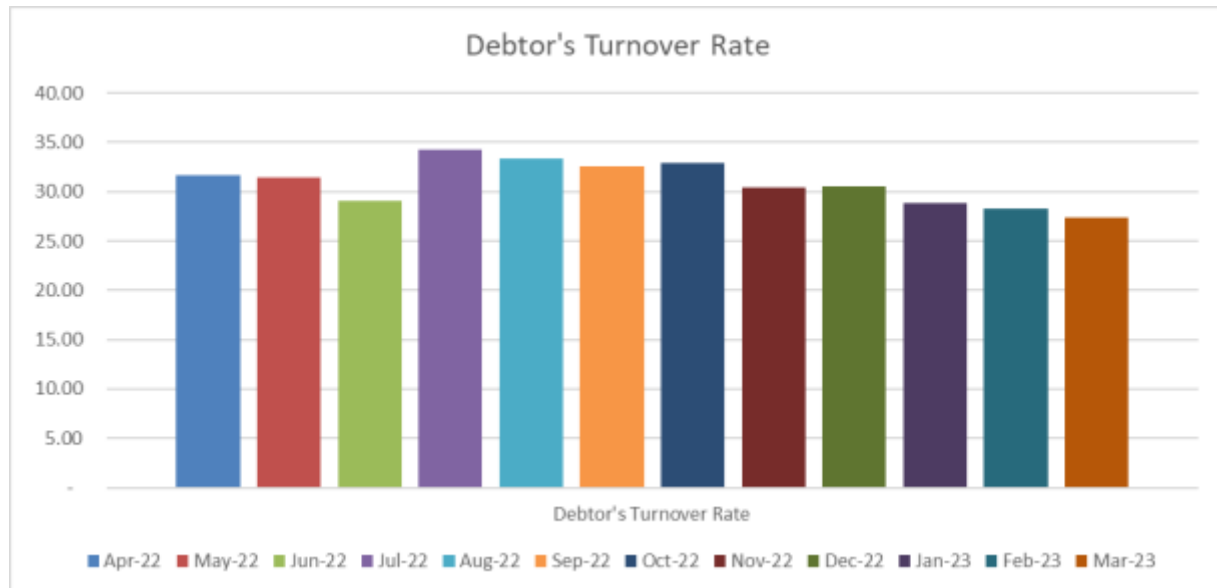


Debtor's Turnover Rate

The norm is to be below 20%:

Month	Debtor's Turnover Rate
Apr-22	31.71
May-22	31.39
Jun-22	29.01
Jul-22	34.27
Aug-22	33.38
Sep-22	32.57
Oct-22	32.85
Nov-22	30.44
Dec-22	30.55
Jan-23	28.88
Feb-23	28.27

Mar-23	27.31
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**Table 73 : Top Ten Debtors**

TOP TEN DEBTORS FROM ALL CATEGORIES							
Account No	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121 days +	Total
1088329	STATE OWNED ENTITIES	13 631 140	5 941 026	5 247 965	6 468 349	82 421 596	113 710 075
501543	STATE OWNED ENTITIES	7 945 746	3 620 224	4 495 652	-	71 942 851	88 004 473
1854904	PRIVATE BUSINESS	-	-	-	-	22 377 590	22 377 590
551583	STATE OWNED ENTITIES	1 105 822	2 117 450	1 002 236	-	12 097 369	16 322 877
1610626	PRIVATE BUSINESS	-	-	-	-	6 106 823	6 106 823
1632348	STATE OWNED ENTITIES	1 081 624	203 323	1 004 989	-	5 650 751	7 940 687
416383	PRIVATE BUSINESS	227 664	151 776	-	-	5 289 370	5 668 809
2289941	PRIVATE BUSINESS	214	-	-	-	5 044 907	5 045 121
2328365	STATE OWNED ENTITIES	-	-	-	-	4 615 650	4 615 650
2273109	STATE OWNED ENTITIES	36 733	-	-	-	3 853 332	3 890 064
		24 028 942	12 033 798	11 750 841	6 468 349	219 400 238	273 682 169

DEBTORS' AGE ANALYSIS

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	147 682 279	14 994 114	33 132 901	207 956 545	403 765 840
Business	145 793 864	5 435 491	3 891 197	78 595 704	233 716 256
Households	44 857 445	7 298 793	5 897 081	204 955 256	263 008 575
Other	1 015 526	361 384	350 287	4 554 419	6 281 616
Total	339 349 114	28 089 783	43 271 467	496 061 924	906 772 287
%	37,42%	3,10%	4,77%	54,71%	

Table 74 : Top Ten Debtors

TOP TEN DEBTORS FROM ALL CATEGORIES							
Account No	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121 days +	Total
1088329	MUNICIPAL	11 188 990	6 468 349	5 529 719	6 684 084	70 207 793	100 078 935
501543	MUNICIPAL	3 620 224	4 495 652	2 284 845	4 503 801	66 267 215	81 171 737
1854904	BUSINESS	-	-	-	-	22 377 590	22 377 590
551583	MUNICIPAL	100 290	1 002 236	1 100 021	1 088 143	10 974 851	14 265 542
1610626	BUSINESS	-	-	-	-	6 106 823	6 106 823
416383	BUSINESS	75 888	75 888	75 888	75 888	5 213 482	5 517 033
2289941	BUSINESS	-	-	-	-	5 044 907	5 044 907
2328365	STATE OWNED	-	-	-	-	4 615 650	4 615 650
1632348	MUNICIPAL	1 208 312	-	1 056 147	402 725	4 291 068	6 958 251
2273109	GOVERNMENT	700	-	-	-	3 853 332	3 854 032
TOTAL		16 194 404	12 042 125	10 046 620	12 754 641	198 952 710	249 990 500

8.34.3 Grants and Subsidies

Capital grants and receipts equates to 29 per cent of the total funding source which represents R 218 million for the 2023/24 financial year and decrease to R 199.5 million or 9 per cent by 2024/25.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 75: Capital transfers and grant receipts

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:									
Capital Transfers and Grants									
National Government:	157 634	175 255	174 051	194 114	194 614	194 614	218 836	199 536	204 022
Municipal Infrastructure Grant (MIG)	–	(7 000)	–	–	–	–	–	–	–
Integrated Urban Development Grant	132 634	152 755	130 146	139 814	139 814	139 814	145 536	127 377	133 289
Integrated National Electrification Programme Grant	–	–	–	–	–	–	14 000	8 359	8 733
Water Service Infrastructure Grant	25 000	25 000	40 000	50 000	50 000	50 000	55 000	59 500	62 000
Energy Efficiency and Demand Management	–	4 500	3 906	4 300	4 300	4 300	4 300	4 300	–
Municipal Excellence Award	–	–	–	–	500	500	–	–	–
Provincial Government:	8 480	–	9 604	10 944	29 244	29 244	–	–	–
Cogta (Static Tanks)	–	–	1 302	–	–	–	–	–	–
Arts and Culture (Generators and Boreholes)	–	–	325	–	–	–	–	–	–
Mpembeni Modular Library	–	–	682 000	–	–	–	–	–	–
Sport and Recreation	8 243	–	7 295	10 944	10 944	10 944	–	–	–
Dept of Arts and Culture	–	–	–	–	–	–	–	–	–
Municipal Disaster Recovery Grant	–	–	–	–	18 300	18 300	–	–	–
Dept of Human Settlements	237	–	–	–	–	–	–	–	–
Other grant providers:	64	–	–	–	–	–	–	–	–
Esquire Technologies - Computer equipment	64	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	166 178	175 255	183 656	205 058	223 858	223 858	218 836	199 536	204 022
TOTAL RECEIPTS OF TRANSFERS & GRANTS	557 502	667 122	619 614	709 520	749 203	749 203	769 484	795 907	842 097

The integrated urban development grant (IUDG) is allocated to selected urban local municipalities in place of the municipal infrastructure grant. The grant recognises that municipalities differ in terms of their context and introduces a differentiated approach to encourage integrated development in cities. It is intended to:

- Support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces;
- Enable and incentivise municipalities to invest more non-grant funding in infrastructure projects in intermediate cities.

The grant extends some of the fiscal reforms already implemented in metropolitan municipalities to non-metropolitan cities and is administered by the Department of Cooperative Governance.

Municipalities must meet certain criteria and apply to receive the integrated urban development grant instead of the municipal infrastructure grant in terms of a process set out in section 27 (5) of the Division of Revenue Act. The qualification criteria cover the following areas:

- Management stability (low vacancy rates among senior management)
- Audit findings

- Unauthorised, irregular, fruitless and wasteful expenditure
- Capital expenditure
- Reporting in terms of the MFMA

To remain in the grant, cities must continue to meet or exceed the entry criteria. If they do not do so, they will be placed on a performance improvement plan. If they still do not meet the criteria in the subsequent year, they will shift back to receiving grant transfers through the municipal infrastructure grant, which comes with closer oversight and support from National and Provincial departments.

In addition to the basic formula based allocation, municipalities participating in the IUDG are also eligible to receive a performance-based incentive component, which is based on performance against weighted indicators as determined by CoGTA.

Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

Table 76: Operational repairs and maintenance

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Repairs and Maintenance									
by Expenditure Item									
Employee related costs	512 292	206 323	220 438	576 214	576 214	576 214	238 025	249 830	262 220
Inventory Consumed (Project Maintenance)	58 729	76 080	74 449	96 921	111 160	111 160	95 173	98 504	102 406
Contracted Services	72 348	84 361	131 383	131 454	124 074	124 074	130 365	135 706	141 165
Other Expenditure	–	2 239	207	1 349	10 055	10 055	1 409	1 441	1 493
Total Repairs and Maintenance Expenditure	643 369	369 002	426 478	805 938	821 503	821 503	464 972	485 481	507 283

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic

deferred maintenance. The labour and transport component of the repairs and maintenance was decreased significantly by 59 per cent in the 2023/24 financial year, from R 576 million to R 238 million. This decrease is due to an adjustment based on prior years actuals and not merely a percentage increase from year to year. The materials and contracted services component combined has increased slightly by 2%. Departments are encouraged to utilise internal labour and transport instead of reliance on contracted services. There is a clear indication here that in the Repairs and Maintenance environment internal resources are not being deployed. If additional funding on the material component is required based on actual spending as at Mid-year, this will be considered in the 2023/24 Adjusted Budget.

In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **9.4; 9.2 and 8.8 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **6.2; 6.1 and 6.0 per cent** of the respective financial years MTREF. Even though the percentage of PPE equates to 6.2 per cent, which is below the National norm it is augmented by a higher amount allocated for renewing and upgrading existing infrastructure.

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

Table 77: Repairs and maintenance per asset class

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	442 703	279 307	301 476	569 649	584 942	584 942	318 669	332 697	347 704
Roads Infrastructure	102 677	64 252	62 247	139 783	159 406	159 406	78 235	81 819	85 614
Storm water Infrastructure	47 654	7 846	2 447	33 240	33 983	33 983	13 583	14 193	14 842
Electrical Infrastructure	127 841	55 323	77 197	176 991	176 851	176 851	86 414	89 962	94 089
Water Supply Infrastructure	101 463	107 326	117 126	132 998	135 944	135 944	87 784	91 727	95 701
Sanitation Infrastructure	60 310	44 290	41 781	84 281	77 399	77 399	50 190	52 425	54 772
Rail Infrastructure	2 016	271	677	1 267	1 270	1 270	1 326	1 384	1 446
Coastal Infrastructure	743	–	–	1 089	89	89	1 137	1 187	1 241
Community Assets	75 754	27 933	45 625	106 380	106 560	106 560	50 905	53 361	55 944
Community Facilities	66 904	26 510	44 364	97 540	97 540	97 540	48 525	50 872	53 338
Sport and Recreation Facilities	8 850	1 424	1 262	8 839	9 019	9 019	2 380	2 490	2 606
Heritage assets	83	–	20	131	131	131	26	27	28
Other assets	26 600	7 527	9 003	28 847	29 166	29 166	11 597	12 125	12 683
Operational Buildings	26 139	7 210	8 929	28 120	28 439	28 439	11 515	12 039	12 592
Housing	460	316	74	727	727	727	82	86	90
Computer Equipment	11 958	1 740	4 861	8 280	8 280	8 280	8 115	8 450	8 806
Furniture and Office Equipment	58	–	–	77	77	77	80	84	88
Machinery and Equipment	36 065	16 080	28 313	22 949	22 723	22 723	24 496	25 474	26 506
Transport Assets	50 147	36 415	37 182	69 625	69 625	69 625	51 085	53 262	55 526
Total Repairs and Maintenance Expenditure	643 369	369 002	426 478	805 938	821 503	821 503	464 972	485 481	507 283
R&M as a % of PPE	10.4%	6.2%	6.8%	11.7%	11.7%	11.7%	6.2%	6.1%	6.0%
R&M as % Operating Expenditure	19.4%	8.8%	9.4%	17.4%	17.7%	28.8%	9.4%	9.2%	8.8%

For the 2023/24 financial year, 68.5 per cent or R 319 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling at 27.5 per cent (R 87.7 million) followed by Electrical infrastructure at 27.1 per cent (R 86.4 million), road transport infrastructure at 24.6 per cent (R 78.2 million), sanitation at 15.7 per cent (R50 million) and storm water infrastructure at 4.3 per cent (R 13.5 million). Community assets has been allocated R 50.9 million of total repairs and maintenance equating to 10.9 per cent. Transport assets has been allocated R 51 million (11 per cent).

As alluded to in the observations of the organizational structure , the skills available in that structure and the extent to which outsourced work can be managed efficiently and effectively, will dictate whether assets management improves or deteriorates service delivery going forward.

8.34.4 Borrowing /Loans

Table 78: Details of borrowing

Borrowing - Categorised by type	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality									
Annuity and Bullet Loans	616 854	630 858	916 085	1 169 022	1 382 892	1 382 892	1 604 960	1 806 872	1 950 187
Municipality sub-total	616 854	630 858	916 085	1 169 022	1 382 892	1 382 892	1 604 960	1 806 872	1 950 187
Total Borrowing	616 854	630 858	916 085	1 169 022	1 382 892	1 382 892	1 604 960	1 806 872	1 950 187

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2025/26 period.

Figure 62: Growth in outstanding borrowing (long-term liabilities)

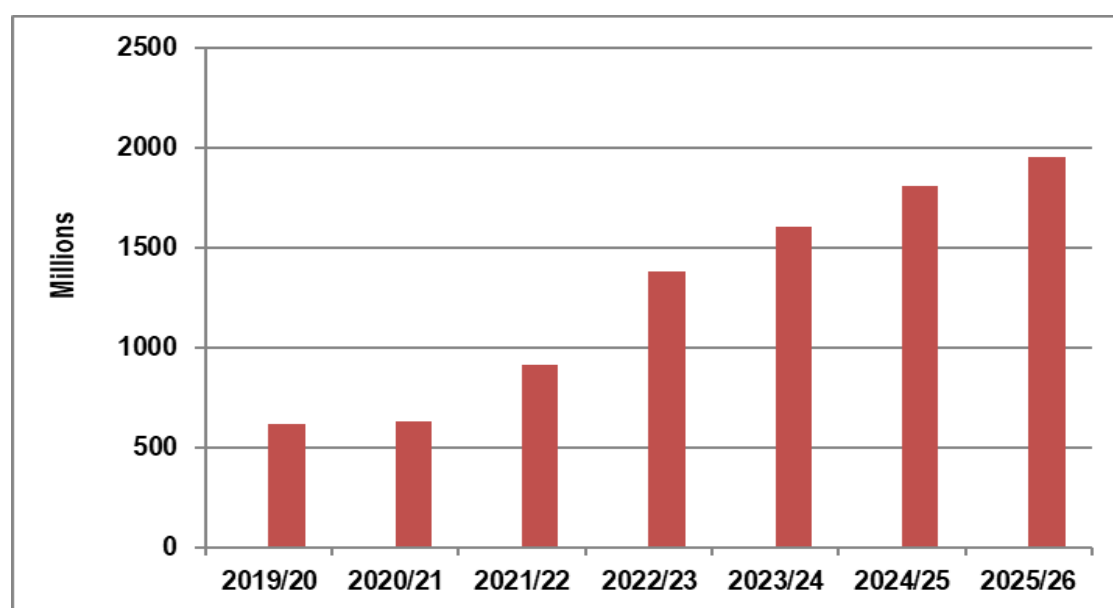


Figure: Growth in outstanding borrowing (long-term liabilities)

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 R240 million in 2022/23, R177 million in 2023/24 and R163 million in 2024/25.

8.34.5 Financial Viability and Sustainability

Figure 63: Performance Indicators and Benchmarking

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Borrowing Management</u>										
Credit Rating		Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.6%	3.7%	3.5%	4.4%	4.8%	4.8%	5.7%	6.0%	6.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.8%	3.8%	3.4%	4.5%	4.9%	4.9%	5.7%	5.9%	6.3%
Borrowed funding of 'own n' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	34.3%	68.7%	62.0%	70.0%	70.0%	67.6%	67.6%	66.5%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	10.3%	10.4%	12.9%	18.4%	19.5%	19.5%	21.8%	23.4%	24.9%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.6	2.2	1.8	1.6	1.5	1.5	1.5	1.4	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	2.2	1.5	1.2	1.0	1.0	1.0	0.9	0.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.9	1.4	1.3	1.2	1.2	1.2	1.1	1.0
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Pay ment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	99.9%	99.3%	99.7%	120.0%	120.0%	120.0%	133.0%	132.1%	131.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.3%	99.5%	99.7%	120.0%	120.0%	120.0%	133.0%	132.1%	131.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.7%	8.3%	9.8%	7.1%	9.3%	9.3%	8.4%	7.7%	7.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		95.6%	60.7%	151.1%	73.7%	132.9%	132.9%	113.8%	101.1%	97.4%

Figure 64: Performance Indicators and Benchmarking (continued)

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	62 428	68 342	86 724	65 803	65 803	65 803	86 724	86 724	86 724
	Total Volume Losses (kW) non technical									
	Total Cost of Losses (Rand '000)	55 268	68 342	104 069	76 965	76 965	76 965	104 069	104 069	104 069
	% Volume (units purchased and generated less units sold)/units purchased and generated	6%	6.0%	9.0%	7.0%	7.0%	7.0%	6.0%	6.0%	6.0%
Water Volume System input	Bulk Purchase	16 679	24 260	20 691	26 868	26 868	26 868	29 102	29 578	30 064
	Water treatment works	31 790	30 102	29 909	27 422	27 422	27 422	30 294	30 900	31 518
	Natural sources	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Volume Losses (kℓ)	9 119	20 756	19 361	8 088	8 088	8 088	29 821	30 407	31 005
	Total Cost of Losses (Rand '000)	60 734	278 437	260 004	58 474	58 474	58 474	343 610	357 690	373 894
	% Volume (units purchased and generated less units sold)/units purchased and generated	23.0%	45.0%	38.0%	23.0%	23.0%	23.0%	54.0%	54.2%	54.2%
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.5%	26.7%	24.2%	26.1%	25.5%	25.5%	24.6%	24.1%	23.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.5%	27.4%	24.9%	26.9%	26.4%	26.4%	25.3%	24.8%	24.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	20.1%	10.3%	10.0%	18.0%	18.4%	18.4%	9.4%	9.1%	8.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.2%	11.4%	9.1%	8.9%	9.6%	9.6%	9.1%	8.5%	7.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	30.0	28.3	22.1	22.5	22.5	22.5	20.0	18.1	19.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Av available cash + Investments)/monthly fixed operational expenditure	2.9	3.9	2.0	3.1	2.0	2.0	2.3	2.5	2.5

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of uMhlathuze's borrowing strategy is primarily informed by the Finance charges to Operating Expenditure (Max 10%) and Debt to Equity ratio (Max 30%), Debt to Operating Expenditure (Max 45%) and the status of its Capital Replacement Reserves (Max 80% of Cash Backed Reserves). The structure of the City's debt portfolio is dominated by vanilla annuity loans. The following financial performance indicators have formed part of the compilation of the 2023/24 MTREF:

- Finance Charges and redemption to Operating Expenditure and to own Revenue is a measure of the cost of borrowing in relation to the operating expenditure and own revenue. It can be seen that the cost of borrowing is 5 per cent in 2022/23 and increasing to 5.9 per cent in 2024/25. In addition the mix of capital funding for the MTREF is remaining constant whereby borrowed funds over capital expenditure

excluding grant expenditure, remains at an average level of 68 per cent over the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development such funding will be confined to assets with a useful life exceeding 10 years as well as limiting such financing to assets that generate revenue.

Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. Between 2018/19 and 2021/22 the gearing ratio peaked at 56.5 per cent. This was primarily a result of the increased borrowing levels and decreasing funds and reserves. While the gearing ratio increases to 62 per cent in the 2022/23 financial year, the medium term strategy is to steadily reduce the gearing ratio to a level that does not exceed 50 per cent as a prudential limit.

Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 1.5:1 and 1.2:1 and 1.3:1 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to meet its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio was 0.5 and as part of the financial planning strategy this ratio has been maintained and increase slightly in the 2022/23 financial year to 1.5. This slight increase is mainly due to the decision to use borrowings to fund capital expenditure in the 2022/23 financial year. As the debtors' collection rate is at 95.5 per cent it is envisaged that cash will be available to meet its monthly current liabilities. The outlook for the outer years 2023/24 and beyond is however not looking good due to increased expenditure but a deteriorating recovery from debtors. Exact strategies to remedy this negative trend are as at time of compiling this report not formalized yet

Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring

accurate billing, customer service, and credit control and debt collection with specific focus in the “traditional areas”.

Creditors Management

- *The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. By maintaining stringent cash flow recovery interventions introduced in 2009/10, the Municipality has managed to this legislative obligation. It is anticipated that with the ERP system, the management of creditors will become easier.*

Other Indicators

- *Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 26.1 per cent for the 2022/23 MTREF, this may appear favourable however needs to be read in conjunction with the comments under section 1.6 – Operating Expenditure Framework as well as the comments under the Executive Summary.*
- *Repairs and maintenance as percentage of operating revenue remains constant over the MTREF owing directly to continued effort to ensure that resources in the repairs and maintenance cost centres are maximised.*

Table 79: SA 10 - Funding compliance measurement

National Treasury requires that the municipality to assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table.

Description	MFMA section	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	599 918	820 790	684 764	830 915	536 117	536 117	662 060	787 467	863 656
Cash + investments at the yr end less applications - R'000	18(1)b	(277 315)	(23 650)	57 700	384 748	160 825	160 825	199 605	244 148	164 854
Cash year end/monthly employee/supplier payments	18(1)b	2.9	3.9	3.0	3.1	2.0	2.0	2.3	2.5	2.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	41 738	131 410	240 865	131 403	67 949	67 949	213 263	222 854	225 765
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	3.0%	0.3%	0.9%	(6.5%)	(6.0%)	9.1%	3.3%	4.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	114.4%	113.8%	110.7%	138.4%	138.6%	138.6%	134.6%	133.6%	132.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.6%	1.6%	(5.6%)	6.6%	6.7%	6.7%	5.8%	5.8%	5.7%
Capital payments % of capital expenditure	18(1)c;19	100.0%	101.1%	109.6%	100.0%	100.0%	100.0%	115.0%	115.0%	115.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	18(1)c	0.0%	0.0%	68.7%	62.0%	70.0%	70.0%	67.6%	67.6%	66.5%
Grants % of Govt legislated/gazetted allocations	18(1)a							29.0%	25.6%	24.7%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	48.2%	150.4%	(59.7%)	114.0%	0.0%	(5.2%)	(5.7%)	(6.1%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	10.4%	6.2%	6.8%	11.7%	11.7%	11.7%	6.2%	6.1%	6.0%
Asset renewal % of capital budget	20(1)(vi)	13.1%	19.8%	27.6%	18.9%	19.8%	19.8%	28.5%	30.5%	25.3%
High Level Outcome of Funding Compliance										
Total Operating Revenue		3 204 253	3 577 766	4 274 472	4 468 276	4 473 675	4 473 675	4 930 272	5 318 463	5 776 391
Total Operating Expenditure		3 316 202	3 634 573	4 216 802	4 541 932	4 629 584	4 629 584	4 935 845	5 295 145	5 754 648
Surplus/(Deficit) Budgeted Operating Statement		(111 949)	(56 807)	57 670	(73 656)	(155 909)	(155 909)	(5 573)	23 318	21 743
Surplus/(Deficit) Considering Reserves and Cash Backing		(277 315)	(23 650)	57 700	384 748	160 825	160 825	199 605	244 148	164 854
MTREF Funded (1) / Unfunded (0)		0	0	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded ü		x	x	✓	✓	✓	✓	✓	✓	✓

8.34.5.1 Cash/cash equivalent position

The forecasted cash and cash equivalents for the 2023/24 MTREF shows R 662, million, R 787 million and R 863 million for each respective financial year.

8.34.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

8.34.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Notably, the ratio has marginally improved for the period 2023/24 MTREF the municipality's improving cash position sets the ratio at 2.3 and then increases to 2.5 for the 2024/25 and 2025/26 financial years. As indicated above the City the Investment, Working Capital and Capital Replacement Reserves Policy requires a ratio of two months' coverage.

8.34.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year.

For the 2023/24 MTREF the indicative outcome is a surplus R213 million then R 222 million and R 225 million. This however is **not a true reflection** of the Operating performance as this figure includes capital revenues (Transfers recognised – capital).

8.34.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 5.4 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage increases to 9.1% for the respective financial year of the 2023/24 MTREF. This is not a reflection of economic growth in the area but rather a reflection of cost drives which have increased more than inflation targets such as bulk water and electricity and employee related costs.

8.34.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 134.6 per cent for 2023/24 MTREF. This percentage is however inflated by the output VAT component that is included in the cash receipts amount on the cash flow table. Given that the assumed collection rate was based on a 95 per cent performance target, it either implies that the Municipality must either increase its' credit control endeavours in the Rural Areas or alternatively lower its collection rate target of 95 per cent to be more realistic. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

8.34.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 5.8 per cent over the MTREF which is a reflection of the high standard of credit and debt control for the City. Given the comments mentioned above regarding the debtors' situation within the rural environment these provisions may need to be reviewed in the next budget cycle.

Council has performed an assessment of the Debt impairment and revised its method of calculating the budgeted outstanding debtors. In terms of the debt impairment, the municipality is of the view that the provision that it currently has is sufficient to cover the risk of non-payment. Included in the debtors outstanding is the portion that will have not reached 90 days and therefore may still be recoverable. The trend is that about 50% of the outstanding debt is between current and 60 days.

8.34.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. This indicator clearly illustrates that the municipality plans to spend 100% of its capital budget. The amount shown in the indicator includes the input VAT portion, hence it is reflected at 115% as per the cash flow table.

8.34.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing is constantly at 67 percent of own funded capital throughout MTREF.

8.34.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

8.34.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Only one indicator is reflected above which illustrates a stable trend in that debtors are decreasing mainly by the increase in debt impairment provision as well as the increase in collection rate.

8.34.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

8.34.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset

sustainability. The indicator in this regard is showing a significant increase and also in line with the justification on the repairs and maintenance budget.

8.34.6 Auditor General's Opinion

For 2021/2022 there are no issues or matters from the Audit report. The Municipality received an Unqualified Audit opinion with no findings.

8.34.7 Employee Related Costs

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

Table 80: Summary of Employee and Councilor Related Costs

Summary of Employee and Councilor remuneration	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	19 668	19 264	21 427	24 293	24 293	24 293	25 905	27 200	28 561
Pension and UIF Contributions	2 889	2 821	3 005	3 507	3 507	3 507	3 654	3 837	4 029
Medical Aid Contributions	1 941	2 061	1 207	1 953	1 953	1 953	781	820	861
Motor Vehicle Allowance	4 028	4 154	2 176	3 767	3 767	3 767	1 928	2 024	2 126
Cellphone Allowance	2 953	2 904	2 713	3 770	3 770	3 770	3 243	3 405	3 576
Sub Total - Councillors	31 478	31 204	30 528	37 291	37 291	37 291	35 510	37 287	39 152
% increase	-	(0.9%)	(2.2%)	22.2%	-	-	(4.8%)	5.0%	5.0%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	10 405	9 330	10 912	13 033	13 033	13 033	12 277	12 891	13 536
Pension and UIF Contributions	594	673	681	1 105	1 124	1 124	742	780	820
Medical Aid Contributions	251	202	179	253	253	253	119	125	131
Performance Bonus	1 464	545	235	2 430	2 430	2 430	2 176	2 286	2 400
Motor Vehicle Allowance	1 333	1 327	1 551	1 902	1 902	1 902	1 721	1 808	1 898
Cellphone Allowance	237	277	316	335	335	335	318	334	351
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	160	781	777	1 078	1 078	1 078	700	735	772
Payments in lieu of leave	332	507	149	827	827	827	1 041	1 254	1 317
Sub Total - Senior Managers of Municipality	14 777	13 642	14 801	20 963	20 982	20 982	19 094	20 212	21 225
% increase	0.0%	(7.7%)	8.5%	41.6%	0.1%	0.0%	(9.0%)	5.9%	5.0%

Table 81: Summary of councillor and staff benefits (Senior Managers)

Summary of Employee and Councillor remuneration	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
	A	B	C	D	E	F	G	H	I
Other Municipal Staff									
Basic Salaries and Wages	467 673	510 278	553 940	614 327	615 326	615 326	653 892	683 880	718 059
Pension and UIF Contributions	84 277	92 010	97 305	127 139	109 130	109 130	134 460	141 158	148 223
Medical Aid Contributions	41 888	45 033	46 598	62 723	51 284	51 284	63 523	66 703	70 041
Overtime	59 988	69 189	80 234	79 157	87 706	87 706	81 857	96 486	101 945
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	48 687	51 569	55 185	66 131	64 770	64 770	71 143	74 703	78 442
Cellphone Allowance	3 893	5 800	6 123	8 322	5 537	5 537	7 569	7 951	8 352
Housing Allowances	4 067	4 046	3 987	5 941	4 060	4 060	4 981	5 239	5 505
Other benefits and allowances	74 583	82 372	87 150	94 428	92 885	92 885	100 204	105 217	110 468
Payments in lieu of leave	20 054	30 896	23 295	38 460	44 538	44 538	39 660	41 593	43 676
Long service awards	2 884	4 862	23 224	950	646	646	992	1 092	1 201
Post-retirement benefit obligations	26 530	40 953	40 452	46 068	45 784	45 784	35 259	39 435	44 111
Sub Total - Other Municipal Staff	834 523	937 007	1 017 494	1 143 646	1 121 667	1 121 667	1 193 538	1 263 456	1 330 023
% increase	–	12.3%	8.6%	12.4%	(1.9%)	–	6.4%	5.9%	5.3%
Total Parent Municipality	880 778	981 853	1 062 823	1 201 899	1 179 939	1 179 939	1 248 142	1 320 955	1 390 401
TOTAL SALARY, ALLOWANCES & BENEFITS	880 778	981 853	1 062 823	1 201 899	1 179 939	1 179 939	1 248 142	1 320 955	1 390 401
% increase	–	11.5%	8.2%	13.1%	(1.8%)	–	5.8%	5.8%	5.3%
TOTAL MANAGERS AND STAFF	849 300	950 649	1 032 294	1 164 608	1 142 648	1 142 648	1 212 632	1 283 668	1 351 248

Table 82: Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	786	152	48			986
Chief Whip	1	764	115	48			928
Executive Mayor	1	925	248	48			1 221
Deputy Executive Mayor	1	815	122	48			986
Executive Committee	8	5 065	1 089	1 266			7 420
Total for all other councillors	55	17 550	2 709	3 711			23 969
Total Councillors	67	25 905	4 434	5 171			35 510
Senior Managers of the Municipality							
City Manager (MM)	1	1 977	2	261	297		2 538
Chief Finance Officer	1	1 581	2	513	269		2 365
Deputy City Manager - Infrastructure and Technical Services	1	1 534	2	561	269		2 365
Deputy City Manager - Corporate Services	1	1 640	26	444	269		2 378
Deputy City Manager - City Development	1	1 525	106	466	269		2 365
Deputy City Manager - Community Services	1	1 358	247	492	269		2 365
Deputy City Manager - Chief Operations Officer	1	1 304	237	556	269		2 365
Deputy City Manager - Energy and Electrical Services	1	1 358	329	410	269		2 365
Total Senior Managers of the Municipality	8	12 277	952	3 702	2 176		19 107
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	75	38 181	5 386	8 873	2 176		54 617

The budgeted allocation for **employee related costs** for the 2023/24 financial year totals R 1 212 million, which equals 24.6% per cent of the total operating expenditure. The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024. For Councillors allowances a similar situation is unfolding, therefore a 5% increase for them has been provided for.

Table 83: Summary of personnel numbers

Summary of Personnel Numbers	2021/22			Current Year 2022/23			Budget Year 2023/24		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	67	67	-	67	67	-	67	67	-
Municipal employees	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	8	8	-	8	8	-	8	8	-
Other Managers	18	16	-	19	15	-	19	18	-
Professionals	426	364	-	367	336	-	367	342	-
Finance	55	51	-	47	47	-	47	47	-
Spatial/town planning	33	24	-	26	21	-	26	25	-
Information Technology	32	11	-	13	11	-	13	13	-
Roads	22	21	-	21	13	-	21	14	-
Electricity	41	34	-	39	39	-	39	39	-
Water	18	12	-	14	10	-	14	10	-
Sanitation	24	16	-	21	14	-	21	14	-
Refuse	10	8	-	8	7	-	8	7	-
Other	191	187	-	178	174	-	178	173	-
Technicians	556	476	-	554	537	-	554	547	-
Finance	31	23	-	35	32	-	35	35	-
Spatial/town planning	31	27	-	30	27	-	30	30	-
Information Technology	10	5	-	7	7	-	7	7	-
Roads	48	45	-	49	47	-	49	49	-
Electricity	60	51	-	46	45	-	46	45	-
Water	42	38	-	46	45	-	46	45	-
Sanitation	40	34	-	35	34	-	35	34	-
Refuse	13	10	-	8	8	-	8	8	-
Other	281	243	-	298	292	-	298	294	-
Clerks (Clerical and administrative)	311	289	-	353	347	-	353	351	-
Skilled agricultural and fishery workers	2	2	-	2	2	-	2	2	-
Craft and related trades	3	3	-	2	2	-	2	2	-
Plant and Machine Operators	131	113	-	75	69	-	75	68	-
Elementary Occupations	1 681	1 606	-	962	936	-	962	954	-
TOTAL PERSONNEL NUMBERS	3 203	2 944	-	2 409	2 319	-	2 409	2 359	-
% increase	6.6%	1.3%	-	(24.8%)	(21.2%)	-	(24.8%)	(19.8%)	-
Total municipal employees headcount	3 136	2 877	-	2 342	2 252	-	2 342	2 292	-
Finance personnel headcount	269	219	-	208	208	-	208	208	-
Human Resources personnel headcount	46	35	-	37	35	-	37	36	-

The challenge with the organizational structure is that it has no grading structure since 2000. For the size of the organisation required in this environment, this anomaly is a very serious risk. Consequently, over the years, positions which require highly skilled and competent officials will never be filled or retained appropriately i.e. at the mercy of an antiquated grading system. To exacerbate this situation even further Job Evaluation processes are embarked

upon but are done out of context. The risk of this from a financial and service delivery perspective is that the municipality is forced to employ officials who don't have the requisite skills to perform tasks appropriately this has a knock on effect on productivity and the standard of service delivery.

A further knock on effect is that basic maintenance is outsourced due to the inability of the Municipality been able to employ appropriate skills. As well known, emergency maintenance can never be scoped properly and therefore subject to commercial abuse both wittingly and unwittingly. These inefficiencies and potential fraud and corruption cost the Council many millions of rands. This mainly due to the lack of quality assurance, which is a management responsibility. Evidence of the above risk can also be clearly observed in the extent to which basic service delivery functions are performed by contractors. This financial burden on consumers and ratepayers is clearly evident when adding the cost of contracted services to the employees related benefits. For the 2023/24 year this makes up 32.9 per cent of the budget or R 1 621m. This is an indication that the Municipality may lack the requisite skills for service delivery, therefore seeking relief through outsourcing.

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 organizational structure is necessarily in place for proper service delivery. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

8.34.8 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:

To spend a minimum of 40% (forty percent) of its annual procurement budget with Historically Disadvantaged Individuals (HDIs), **in terms of PPPFA Regulations of 2017, clauses 4 and 9** through the application of Preferential Procurement Policy and **other** relevant policies.

The intention to allocation 40% to include the military veterans in a targeted distribution as follows:

- **30%** Black Youth.
- **30%** Black Women.
- **20%** Disabled People.
- **20%** Black military veterans.

- 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.
- Council utilises Section 71 reports as a monitoring tool to determine adherence to the above mentioned set aside targets.

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.**

Preferential Procurement Regulations

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. As Council's amended and approved Supply Chain Management Policy whose objective is to spend a minimum of forty percent (40%) of its annual procurement budget with historically disadvantaged individuals (HDIs), youth, women, People living Disabilities.

Bid Committees

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.

Table 84: Bid Committees

Bid Committee	Legislative Reference	Composition
Bid Specification Committee	The Accounting Officer appoints officials to serve on the Bid Specification Committee in terms of Section 27 (3) (a) of the Supply Chain Management Policy which reads as follows: “(3) (a) the bid specification committee must be composed of at least one or more officials of the municipality or municipal entity, preferably the manager responsible for the function involved, and	MR S MBATHA - CHAIRPERSON MS G GAZU MR J GUMEDE MR T KUBHEKA MRS Z MDLULI MRS B STRACHAN

	may, when appropriate, include internal or external specialist advisors"	
Bid Evaluation Committee	<p>The Accounting Officer appoints officials to serve on the Bid Evaluation Committee in terms of Section 28 (2) (a), (b) and (c) of the Supply Chain Management Policy which reads as follows:</p> <p>"(2) The bid evaluation committee must be appointed and composed as follows:</p> <p>(a) officials from departments requiring the goods or services;</p> <p>(b) at least one supply chain management practitioner of the municipality or municipal entity and</p> <p>(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.</p>	<p>MR E S NGCOBO - CHAIRPERSON MR N MAHARAJ MR D MOHAPI MS W MTHEMBU MR W MTHIMKHULU MS S XULU</p>
Bid Adjudication		<p>MR M KUNENE - CHAIRPERSON MS L KAYWOOD MS T KHUMALO MR W N KHUMALO MS N NDONGA MR N H KHUMALO MR B MBHAMALI</p>

SCM Challenges

The financial year under review was also the year for the SAP ERP implementation. SAP modules, were SRM – Supplier Relationship Management and MM – Material Management. SRM facilitates the procurement of goods via a web-based platform from procurement to payment. MM deals with Material Management and Inventory Management, Procurement Process, Master Data (Material and Vendor Master), Inventory Management, Valuation of Material Requirement Planning, Invoice Verification, etc. Once these modules are fully integrated with other SAP modules, most of the procurement transactions will be automated, where even the RFQ is completed online through SAP module called SUS - Supplier Self-Services.

The biggest work had started 18 months prior to the implementation financial year. The implementation had technical glitches that were reported during the year, in other reports. The first quarter was the difficult one, as the system did not function the way it was supposed to, which resulted in the organisation relying on manual processes in order to create requisitions to purchase and pay suppliers. The second quarter also had its own glitches, which was manageable. Below are some challenges experienced by SCM:

Bid process

- Objections - On expiry of existing contract, delays on commencement of work by the new contractor due to dispute and objection by the current contractor. This create a 6 to 12 months' delay while the current contractor is benefiting.

Implementation of the contract

- Not all contract related documents are saved on shared electronic system (DMS). There also delays in loading contract as a result of user department not providing relevant documents on time. Delays may also result from long BOQ and too many lines.
- Tender document (GCC, JBC, NEC, etc.) which are deemed to be contracts against signing of SLA dichotomy
- Receipt of invoices by supply chain before physical goods have been received
- Poor planning including insufficient budget / funding which results to delays in requisition
- Non adherence to 30 days' payment terms
- Commencement of work by the supplier before SLA is exchanged or letter of acceptance issued.

Management of contracts:

- Delays in involving SCM on contractor disputes on site
- Delays receiving in close out reports

Measures

Council has established a bid administration unit to enhance bid administration and contract management this is one major achievement for the City to improve delivery of services in an efficient manner.

ALIGNMENT BETWEEN SDBIP AND PROCUMENT PLANS

Refer to annexure SDBIP, component 5, Colum AD to AK

8.34.9 Standard Chart of Accounts (mSCOA)

uMhlathuze Municipality was a pilot site for National Treasury on the new Municipal Standard Chart of Accounts. Such are governed by regulations which became effective Nation-wide on 1 July 2017.

In short the change is resulting in some positive business reforms:

- Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
- 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

Progress with mSCOA implementation

- The City has been transacting in the financial system since 1 July 2017, across the 7 segments of MSCOA and reporting on the MSCOA data string as required.
- On 1 July 2020, COU went live with ERP system (SAP).
- However, we are still implementing modules of the SAP system, which in turn has an impact on the complete roll out of the MSCOA reform.
- The Revenue Module (ISU MODULE) went live on SAP with effect from 1 January 2022 and it is expected that the Human Resources Module (HCM) of SAP is expected to go live with effect from 1 June 2022. This delay however forces manual intervention for the production of monthly Journals from legacy HR systems to SAP and the manual intervention for the production of cash flow figures.

8.34.10 Financial consultants

Council utilises the services of a service provider to perform due diligence on the annual financial statements. The annual cost for this consultant is +/- R 100 000.

In the meantime, for all tenders/bids relating to local content, the Municipality will be specifying on the advert the requirement as recommended by the Auditor-General although the Municipality disagrees because of interpretation of Regulation 9(1) of 2011.

8.35 SWOT analysis: Financial Viability and Management:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Council has an adopted Indigent Policy. ○ fully functional Supply Chain Management Unit ○ Positive liquidity ratios ○ Financial reporting and financial statements are compiled in-house ○ funded, credible and sustainable budget ○ Alignment of budget with IDP ○ Full adherence to financial management prerequisites ○ Long-Term financial planning 	<ul style="list-style-type: none"> ○ organisational structure not fully funded ○ In-adequate contract management ○ Succession Planning ○ Turnaround time to assist departments
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ The Municipality has obtained an average debt collection ratio of 95%. ○ The City obtained Clean Audit ○ mSCOA implementation ○ ERP implementation ○ Diversification of revenue base ○ Borrowing to invest in economic infrastructure ○ Reduction in cost of doing business 	<ul style="list-style-type: none"> ○ The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure. ○ Limited revenue base ○ Unfunded mandates ○ Growing indigent register ○ No rateable areas under traditional authorities ○ Growing of rural debts ○ Non-payment for services ○ Deviations

8.36 Challenges

CHALLENGES	DEFINATION
Tender Objections	<ul style="list-style-type: none"> ○ The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure.
Limited Revenue Base	<ul style="list-style-type: none"> • The majority of residential households in uMhlathuze are not levied Property Rates. This because the individual properties are within the Ingonyama Trust land are not separately valued and not subject to the Municipal Property Rates Act. This despite the same communities enjoying most of the municipal services that are funded by Property Rates Revenue. This flaw in the current legislation is also applicable to those commercial and business activities taking place within the Ingonyama Trust area. There is a rapid increase in demand for services in these areas – roads, water, refuse, electricity, sanitation but no commensurate revenue;
Unfunded Mandates	<ul style="list-style-type: none"> •
Non-Payment of Services	<ul style="list-style-type: none"> •
Growing Indigent Register	<ul style="list-style-type: none"> • There has been a sharp increase on the number of the Indigents registering for Indigent support from the municipality. This could be attributed to a number factors, one being the high unemployment rate and the economic climate where more people are losing their jobs. This is putting a strain on the municipal fiscus as the Equitable share is not

	sufficient for the bulk supply of services given to indigents by the municipality
Urban- Rural Migration	<ul style="list-style-type: none"> • There is trend of people moving from urban areas to settle in the rural areas, on the basis that it's less costly to live in the traditional areas as most of the services are not paid for, further on reasons that properties are not valuated and Ingonyama Trust Land remains unrated • The type of development in traditional areas (Primarily Ingonyama Trust areas) pose the largest challenge in terms of recovering the revenue for the service provided in these arrears. The majority of the outstanding residential consumer debt is owed by the consumers from the traditional arrears for water consumed;

GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

8.37 Provincial Programmes/Priorities rolled-out at Municipal Level

13.1.1 Operation Sukuma Sakhe

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 Resigned
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 Delivery Improvement Plan

Council has adopted a revised SDIP together with the Fifth Generation IDP 2022/. The Plan list three-priority areas which the municipality wish to improve on in the 2022/2023. The SDIP is an annexure to the IDP

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 financial year 2022/2023 was compiled. Maintenance of these assets

is currently at various stages of implementation. Where necessary budget provision has been made in the 2022/2023 MTREF.

8.37.1 Intergovernmental Governmental Relations (IGR)

King Cetshwayo District IGR Structures

King Cetshwayo is one of the critical IGR Structures that this municipality is a member to. 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. The table below list various IGR/Technical committees in which the municipality is participating on:

Table 85: King Cetshwayo District IGR Structures

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
Technical Support Forum (Municipal Managers Forum)	To ensure coordination and alignment of municipal strategic issues and governance issues affecting the district and family of municipalities.	The Committee consists of – (a) the Municipal Manager of the KCDM; (b) members of the management from all municipalities; and (c) the Municipal Managers of Local Municipalities in the District	The Committee is responsible for – (a) Providing technical support to the Forum; and (b) implementing the decisions of the Forum.	The meeting shall be held quarterly provided that it is held one week before the District Mayors Coordinating Forum
Infrastructure forum	To ensure coordination and alignment of infrastrucure planning and development across the district family of municipalities	Technical Services and Planning and Economic Development Managers /Directors in the local municipalities and relevant provincial and national line function departments with the District Planning and Deputy Municipal Manager Infrastructure Planning and Technical Services as the Chairperson	shall discuss and make recommendations on matters of water and sanitation; roads and transport; electricity; waste management • Shall coordinate the development of Water Services Development Plan in accordance with the Water Services Act Shall coordinate the development of the Integrated Energy Plan in accordance with Energy White Paper • Shall coordinate Shall coordinate the development of an Integrated Transport Plan in accordance with the National Land Transport Bill, White Paper on Transport and Moving South Strategy and Action Plan • Shall coordinate the compilation of an Integrated Infrastructure Plan	The meeting shall be held quarterly if it is held one week before the Municipal Managers Forum.
Planning and Development Forum	To ensure coordination and alignment of spatial planning, environmental and development initiatives	Technical Services and Planning and Economic Development Managers /Deputy Municipal Managers in the local municipalities and relevant provincial and national line function departments with the District Planning and Economic Development Deputy Municipal Manager as the Chairperson	• Shall discuss and make recommendations on matters of agriculture, mining, tourism, SMMEs, land use management, spatial development, land reform, housing issues. • Shall coordinate the development of the Integrated Spatial Development Framework in accordance with the planning and performance management regulations • Shall coordinate the development of a Land Use Management scheme in accordance with the White Paper on Spatial Planning and Land Use Management Bill • Shall deal with	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
			<p>issues of land use and land management in tribal areas in accordance with the Communal Land Rights Bill and Land Reform Processes • Shall coordinate the development of the Integrated Environmental Management Plan</p> <p>• Shall coordinate the development and implementation of the Local Economic Development Plans • Shall deal with the development of Housing Strategy and Targets</p>	
Corporate Services Forum	To ensure uniform norms and standards in terms of human capital management	The composition shall be all Corporate Services Managers, Chief Financial Officer, Managers for Strategic Management and relevant at provincial and national line function departments and meetings shall be chaired by the Deputy Municipal Manager Corporate Services for the district	<p>shall deal with the development of institutional and human resource policies with accordance with the Municipal Systems Act • Shall deal with the development of by-laws • Shall deal with issues of training and capacity building for councilors, officials and ward committees • Shall deal with issues of co-ordinated administration between the District Municipality and Local Municipalities • Shall deal with matters of financial management • Shall deal with matters of good governance • Shall deal with matters of performance management system.</p>	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
District Communications Forum	To ensure effective communication and sharing of best practices in the district	The District Communication and Public Relations Managers and Communication Managers of the district family of municipalities The District Communication Manager is the Chairperson of this forum	Promote synergies through periodic and structured inter-department and inter-stakeholder communications efforts; and Seek opportunities to assist the district and district family of municipalities by extension, its partners realise both its vision and its strategic objectives.	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
Community and Social Services Forum	To ensure coordination and alignment of community and social services within the district	The Deputy Municipal Manager of Community Services from the district and district family of municipalities	<p>• the development of an Integrated Waste Management Plan in accordance with White Paper on Integrated Waste Management Plans Shall discuss</p>	The meeting shall be held quarterly if it is held one week before the Municipal Managers Forum.

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
			and make recommendations with all issues of health, youth, disabled, women development, and disaster management. • Shall deal with the development an Integrated HIV/AIDS Programme • Shall deal with the development of an Integrated District Health Strategy • Shall deal with the development of a Disaster Management Plan • Shall deal with issues of youth, women and disabled development • Shall deal with issues of Skills Development Strategy	
District Area Financial (CFO) Forum	To ensure and promote efficient and sound financial management	Chief Financial Officers from the District family of Municipalities The KCDM CFO, is the chairperson of the forum	Here the District Treasury, the CFO's of local municipalities and other relevant stakeholders engage with senior municipal officials about financial management and governance arrangements in the local government arena.	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
District Speakers Forum	Provide political guidance in the determination of policy objectives. • Make decision regarding community participation and consultations. • Consult with social partners on Government Flagship Programmes such as CDWs, Ward Committees and Multi-purpose Community Centres. • Monitor the implementation of CDWs, Ward Committees and public participation policy framework.	The DSF consists of all speakers in the district and the District Speaker presides on all the meetings.	it is aimed at increasing public participation, oversight and law, making within the district family of municipalities	The DSF convenes its routine meetings at least once a quarter. Special meetings can be staged when they are deemed essential.
Mayor's Coordinating Forum	(a)To promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities; (b) seek unity of purpose and coordination of effort around the District's development priorities; and	the Mayor of the KCDM Executive Committee Members Traditional Leaders sitting at District Council the Mayors of local municipalities in the District. The KCDM Mayor is the Chairperson	The functions of the Forum is to discuss and consult each other on matters of mutual interest, including – (a) draft national and provincial policy and legislation relating to matters affecting local government interests in the District; (b) implementation of national and provincial policy and	The Forum must meet at least six times per calendar year at such times and places as the District Mayor may determine

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
	(c) ensure effective and efficient service delivery unhampered by jurisdictional boundaries.		legislation with respect to matters affecting local government in the District; (c) matters arising in the Premier's intergovernmental Forum; (d) mutual support in terms of section 88 of the Municipal Structures Act, 1998 (Act 117 of 1998); (e) service delivery in the District; and (f) coherent planning and development in the District.	
Planners Forum	To discuss matters of mutual concerns on Integrated development planning, and to share best practices.	The Planners of the family of municipalities, regional, provincial and national department's representatives and other key stakeholders. The District Manager Planning Chairs the forum.	To discuss planning and development issues To coordinate and align spatial development framework To give support	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
DDM Technical Committee				

MUNIMEC

It is one of the provincial structures that our municipality participates in. The City Manager and the Mayor are members of the technical committee. This is a platform for the City of uMhlathuze to engage at a high level with regards to provincial priorities and implementation of provincial functions and initiatives. At length the issues of Disaster Management, Back to Basics and all other important issues are deliberated and resolutions are taken.

UMhlathuze IGR Co-ordination Role

UMhlathuze Council has initiated a number of programmes and actions to improve good governance and relations with external role-players but also to improve internal efficiencies. Municipal venues (within the Council complexes and inclusive of the Auditorium and Restaurant) host numerous departmental award ceremonies, Independent Electoral Commission meetings and training sessions, Human Resources Relationship Building Programmes, sports meetings, budget meetings with the public and Traditional Councils and many more. A great number of events by external organisations ranging from the Youth Ambassador Conference by the Premiers Office, the Women's Day Summit, Statistics South Africa Census Programme, uThungulu District Municipality sessions, Small Town Rehabilitation and Corridor Development Programme by the Department of Cooperative Governance and Traditional Affairs, BEE Training Workshop as well as various Tourism Workshops by the Department of Economic Affairs and Tourism, Hospice, National Prosecution Authority Workshop, Annual Spelling Bee and numerous seminars and exhibitions have been hosted in the Auditorium.

8.37.2 Municipal Structures

- **MPAC**

Guidelines for the Establishment of Municipal Public Accounts Committees were issued jointly by Cooperative Governance and Traditional Affairs and National Treasury Departments during August 2011.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

The primary functions of the Municipal Public Accounts Committees are as follows:

- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and Annual Reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous

statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;

- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The MPAC reports to Council, at least quarterly, on the activities of the Committee which includes a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report. Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA).

• **Participation of Traditional Leadership in Municipal Council**

The Constitution of the Republic of South Africa, 1996 (Act no 108 of 1996) places an obligation on Local Government to encourage the involvement of communities and community organizations in the matters of Local Government. And Section 81 of the Municipal Structures Act states that; Traditional authorities that traditionally observe a system of customary law in the area of a municipality, may participate through their leaders, identified in terms of [subsection \(2\)](#), in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.

In ensuring unity and cohesion between the two houses, Council after their appointment conduct visits to Traditional Leadership to introduce themselves as a signal of willingness to work together with Traditional Leaders. Political Office Bearers visited all Traditional Leaders or the Houses of Traditional Leaders within uMhlathuze Municipal jurisdiction. There are 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 spirit of strengthening relations and their participation in Council meetings and its committees.

There are two Traditional Leaders who seat in Council meetings and committees as per their nomination by the Department of Corporative Governance and Traditional Affairs, Inkosi

Mthembu of KwaSomopho Traditional Authority, Inkosi Khoza of kwaBhejane Traditional Authority.

- **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 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

- **IDP Steering Committee**

uMhlathuze Municipality has an established IDP Steering committee which is functional. This committee consisting of executive 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 Municipal Manager of the Municipality chairs the meeting and monitors its performance.

8.37.3 IDP Representative Forum

The IDP Forum was established by Council of uMhlathuze, and was dysfunctional for some time due to non-attendance. However during the 2021/2022 Council resuscitated the IDP Forum and it has been functional. The forum seats once in a quarter and chaired by the Mayor. Members of the Executive, the Speaker, Stakeholders, representatives of government departments, community stakeholders, business, private sector compose the IDP Forum.

- **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.

- **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.

Table 86: Section 79 Committees of Council

Committee
Executive Committee
Bylaws Integration Committee
Standing Orders and Disciplinary Committee
uMhlathuze Public Transport Liaison Committee
uMhlathuze Transport and Taxi Liaison Forum
Public Participation Committee
Municipal Public Accounts (MPAC)

Table 87: Section 80 Committees of Council

Committee
Financial Services
Corporate Services
Community Services
City Development
Infrastructure and Technical Services

Table 88 Good Governance, Performance Audit and Performance Evaluation Panels

Committee
Section 62 Appeals Committee

Audit Committee
Performance Audit Committee
Performance Evaluation Panel (Heads of Department)
Performance Evaluation Panel (Municipal Manager)

8.37.4 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:

- Communicate with the Council, Municipal Manager or the internal and external auditors of the municipality.
- Have access to municipal records containing information that is needed to perform its duties or exercise its powers.
- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the Audit Committee.
- Conduct investigations into the financial affairs of the municipality, as may be requested by the Council.
- Obtain outside legal or other professional advice within the scope of its responsibilities and allocated budget provision.

Audit Committee report

Legislative requirements

The purpose of this communication is to report to the Council the work done by Audit Committee during the financial ended 30 June 2022 in carrying out its oversight responsibilities in terms of section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with MFMA circular 65 published by the National Treasury for the year ended 30 June 2022.

The MFMA obliges every municipality to establish an independent Audit Committee, which must advise the municipal Council, political office-bearers, accounting officer and management staff of the municipality, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality. The Audit Committee is governed by formal terms of reference (the Audit Committee Charter), which are regularly reviewed and approved by the Council. The committee is pleased to present its report for the financial year ended 30 June 2022.

2. Audit Committee members and attendance

The Audit Committee was established in accordance with section 166 of the MFMA read with MFMA Circular 65 issued by the National Treasury. The Audit Committee Charter requires that the Audit Committee comprises a maximum of four (4) members, who must not be in the employ of the municipality or municipal entity. The Audit Committee comprises four (4) independent members, including the Chairperson. In terms of section 166(4)(b) of the MFMA, the Audit Committee must meet at least four (4) times a year. During the financial year ended 30 June 2022, the Audit Committee met on five (5) occasions as follows:

- 27 August 2021;
- 03 September 2021;
- 03 December 2021;
- 18 March 2022; and
- 4 June 2022.

The members of the Audit Committee held meetings with the municipal manager as the accounting officer, senior management of the municipality, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the municipality, throughout the reporting period. The Chairperson of the MPAC, COGTA and National Treasury have a standing invitation to all the meetings of the Audit Committee.

The table below sets forth the particulars of the current Audit Committee members and their dates of their appointment:

Table 89: Audit Committee Meetings for 2020/2021 Financial Year.

Name of Member	Date Appointed	Meeting attended
Mr H Mpungose (Chairperson)	1 February 2019	5/5
Dr N.J Ndlovu	1 February 2019	5/5
Ms N.H Thungo	1 February 2019	2/5
Ms Neo Shabalala	1 July 2020	5/5
Mr A Gonzalves	1 July 2021	5/5

- Mr A Gonzalves was appointed as the member with effect from 01 July 2021.
- Ms NH Thungo`s contract was terminated since she was employed by another organ of the State.
-

Audit Committee's responsibility

The Audit Committee has complied with its responsibilities arising from section 166 of the MFMA read with MFMA Circular 65 and hereby reports that it operated in terms of the Audit Committee charter read in conjunction with the internal audit charter.

Effectiveness of internal control

The Internal Audit Unit has rated the overall internal control environment of the Municipality effective. The audit committee acknowledges the management's effort towards strengthening internal controls of the municipality and their commitment to ensuring that effective corrective action is implemented in respect of internal control weaknesses identified and reported by the internal and external auditors. During the period under review the reports submitted by the internal auditors highlighted weaknesses in the Supply Chain Management and Contract Management processes of the municipality. The audit committee concurs with the recommendations of the internal auditors and has recommended that these recommendations must be implemented.

Since the commencement of the mordenization of the ICT System, the outcomes of the internal audit reviews and follow up reviews have highlighted shortcomings in ICT

Governance, ICT Security Management; ICT User Access Management and Cyber Security Strategy. Due to the strategic importance of the information and communication technology (ICT) to the municipality, the audit committee recommends that the Municipality must speed up the implementation of the recommendations made by the internal auditors and emphasized by the Auditor General.

The internal auditors and the audit committee will continue to monitor the progress in this regard on a regular basis.

The quality of monthly and quarterly reports submitted in terms of the MFMA and DORA

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. The finance committee of the municipality reviews these reports on quarterly basis and engage with management to remedy shortcomings identified. Furthermore these reports are submitted to the Audit Committee for consideration.

No exceptions have come to the attention of the Audit Committee regarding the reports submitted to National Treasury and the Transferring Officer in terms of the Division of Revenue Act. The Audit Committee is also satisfied that the Municipality is meeting its obligation in terms of DORA and has recognised revenue to the extent that conditions have been met.

Internal audit function

The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has internal audit unit which is controlled and directed by the Audit Committee. The internal audit capacity has been enhanced through co-sourcing parts of the internal audit function to independent external service providers on the panel of internal auditors. The audit committee supports this model since it provides the municipality with the necessary skills and agility required by this unit to respond effectively to the demands of various departments of the municipality.

The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review. As at 30 June 2022 the internal audit function had completed thirty five (35) projects of the forty-two (42) planned projects. Of the remaining seven (07), two (02) were in progress, two (02) to be departmentally monitored, one (01) deferred since the department was not ready for auditing (legal compliance checklist) and two (02) were rolled forward and will be performed during the 2022/23 financial period.

The internal audit function found that the control environment as a whole was effective, however, some control weaknesses were identified in certain areas and recommendations

for correction or improvement have been presented to the management. The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity. The Audit Committee would like to commend the internal audit unit for the commitment and diligence they have demonstrated in performing their duties throughout the year.

Risk management function

The Audit Committee is responsible for the oversight of the risk management function. On a quarterly basis, the committee reviews the risk registers and the reports prepared by the risk committee and make recommendations to the committee where necessary. During the 2021/22 financial period, with the assistance of the external service provider, Internal Audit performed the assessment of the maturity of the municipality's risk management processes. The overall assessment indicated that there is evidence that policies and standards are being implemented by management, however, the implementation guidelines and embedding processes require some enhancement. Furthermore the report highlighted that the City of uMhlathuze is halfway through (1.50) towards achieving the desired maturity level of three (3.0) which is in line with most organizations. The maturity level of the City of Umhlathuze was therefore rated as "Sustainable".

Performance management

The municipality has a separate committee which is responsible for the Performance Management. To ensure that this committee understands the requirements of the Audit Committee, a member of the Audit Committee serves as a member of the Performance Management Committee. The performance reports of the municipality are submitted to the Audit Committee for review. In performing these reviews, the Audit Committee focuses on the following:

- 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, budget, service delivery and budget implementation plan and Performance agreements.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the municipality and its entities.
- Review of compliance with in-year reporting requirements.
- Review of the quarterly performance reports submitted by the internal audit function.
- Review and comment on the municipality's performance management system and making recommendations for its improvement.

The audit committee hereby draws attention of the Council, the Accounting Officer and the Management of the Municipality to the matters which were reported by the Auditor

General as follows:

- The improvement of the reliability of the performance information reporting;
- applying due care and diligence when reviewing the IDP, SDBIP and
- coordinating plans to ensure all indicators related to core functions are included; and refining indicators in such a manner that they are outcome and impact orientated to drive accountability in the manner that is transparent and understandable.
- The Audit Committee hereby acknowledges the commitment to effect improvements which has been pledged by the Accounting Officer.

Fraud and irregular activities

During the period under review, two investigations were performed. In both instances, independent consultants from a panel of internal auditors were appointed to conduct the investigations. The first assignment entailed the investigation of the tenders on the construction of the Municipal Housing. In the case of this investigation the Audit Committee recommended that the Accounting Officer must ensure that all the recommendations on the report of the consultant are implemented. Furthermore Audit Committee requested to be updated on the progress of such implementation until the matter is concluded.

The second assignment entailed an audit to determine value for money on the tender for the development of the Esikhaleni Fitness Centre. At the date of this report this audit was still in progress.

Evaluation of the finance function

The Audit Committee is satisfied with the performance of the municipality's finance function during the year under review.

Evaluation of the annual financial statements

The Audit Committee is responsible for reviewing the annual financial statements of the municipality and focuses on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements.
- Clarity and completeness of disclosures and whether disclosures made have been set properly in context.

Quality and acceptability of, and any changes in, accounting policies and practices.

- Compliance with accounting standards and legal requirements.
- Significant adjustments and/or unadjusted differences resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations.
- Asset valuations and revaluations.
- Calculation and levels of general and specific provisions.
- Write-offs and reserve transfers.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The Audit Committee reviewed the annual financial statements prior to submission to the Auditor General and provided management with its comments and areas to be corrected.

External auditor's report

The audit committee congratulates the Municipal Council, the Accounting Officer, the Chief Finance Officer and the Management of the municipality for attaining an Unqualified Audit Opinion with no material findings for three (3) consecutive financial years.

The audit committee hereby draws attention of the Council to the following matters which were reported by the Auditor General as follows:

- Significant water distribution losses;
- Material impairment of receivables from exchange transactions and statutory receivables; and
- The need to improve the reliability of the performance information reporting.
- The audit committee confirms that it has been adequately appraised of the issues which informed the opinion of the external auditors and that the final report was also presented to the committee.

The audit committee concurs with the recommendations of the Auditor General regarding these matters and hereby recommends that the Council and the Management of the Municipality must implement the these recommendations.

Conclusion

The Committee hereby unreservedly affirms its commitment to serving and supporting the Council in the execution of its mandate.

On behalf of the Audit Committee

Mr Hopewell Mpungose

Chairperson of the Audit Committee

31 January 2023

8.37.5 Status of Municipal Policies

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

Table 90: 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	
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)

Policy Name	Description
	DMS 701131 (2011/2012) DMS 789516 (2012/2013) DMS 873351 (2013/2014)
Fraud Prevention Policy Fraud Risk Register	RPT 143608 DMS 497798 DMS 1126293
Whistleblowing Policy	DMS 1226268
Virement Policy (transfers of funds)	RPT 147986 DMS 635065
Fixed Asset Management Policy	RPT 145981 DMS 562968

8.37.6 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;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- better value for money through more efficient use of resources;
- better outputs and outcomes through improved project and programme management;
- aligning risk tolerance and strategy;
- pursuing institutional objectives through transparent identification and management of acceptable risk;
- providing an opportunity to prioritise the risk management activity;
- enhancing risk response decisions;
- reducing operational surprises and losses;

- identifying and managing multiple and cross-enterprise risks;
- seizing opportunities; and
- increasing the probability of achieving objectives.

Enterprise Risk Management involves:

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

The functional key performance areas of the Enterprise Risk Management unit include:

- 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 65: Enterprise Risk Management Role Players



There are varying levels of risk maturity in local government, and the City of uMhlathuze is at an advanced stage in this regard.

8.37.7 Municipal By-Laws

uMhlathuze Municipality has passed a number of By-laws including the following:

BYLAWS	RESPONSIBLE DEPT	ADOPTION DATE AND DMS NO
Keeping of Animals Bylaws	DCSH	7 November 2006 (DMS 317566)
Solid Waste Bylaws	DCSH	4 May 2010 (DMS 257680)
Water Services Bylaws	CE	24 June 2014 (DMS 671197)
Advertising Sign Bylaws	MM	4 December 2007 (DMS 208404)
Street Trading Bylaws	CD	3 November 2015 (DMS 223474)
Bylaws Relating to Public Amenities	CS	7 March 2017 (DMS 200389)
Credit Control and Debt Collection Bylaws	CFO	24 June 2014 (DMS 483437)
Funeral Undertakers Bylaws	DCSH	29 November 2011 (DMS 151821)
Cemetery Bylaws	DCSH	8 May 2012 (DMS 198460)
Bylaws Relating to Flammable Liquids	DCSH	8 May 2012 (DMS 198503)
Bylaws Relating to the Lease of Halls and Conference Facilities	CS	3 November 2015 (DMS 199361)
Bylaws Relating to the Control of Parking Attendants/Car Guards	DCSH	16 July 2013 (DMS 199419)
Bylaws Relating to Public Libraries	DCSH	24 June 2014 (DMS 201461)
Bylaws Relating to Municipal Swimming Pools	DCSH	9 October 2012 (DMS 203400)
Bylaws Relating to Childcare Services		9 October 2012 (DMS 264484)
Electricity Supply Bylaws	I&TS	28 October 2014 (DMS 261528)
Standing Orders for the Council and its committees	CS	14 September 2016 (DMS189747)
Nuisance Bylaws	DCSH	16 July 2013 (DMS 242138)
Environmental Health Bylaws	DCSH	5 June 2007 (DMS 388199)

BYLAWS	RESPONSIBLE DEPT	ADOPTION DATE AND DMS NO
Bed and Breakfast Bylaws	CD	28 October 2014 (DMS 393311)
Beach Bylaws	DCSH	26 February 2013 (DMS 518186)
Rates Bylaws	CFO	3 November 2015 (DMS 510627)
Possession and discharge of fireworks Bylaws	DCSH	28 October 2014 (DMS 582429)
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.

8.38 Public Participation Analysis

8.38.1 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.

8.38.2 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 King Cetshwayo District.

8.38.3 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
- IDP community sessions are held in venues closest to the community
- Release of print media press when required to local and provincial newspapers are in Zulu and English
- SMS's, flyers and loud hailing are also used as a strategy to sensitise the community to attend the IDP meetings
- Monthly internal and external newsletters are used to publish IDP/Budget news
- Council provides transport for community members to respective venues
- Consistent use of Social Media platforms and any innovative methods to mobilise community participation to the IDP process and to encourage two-way communication feedback

8.39 SWOT Analysis: Good Governance and Public Participation:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Operation Sukuma Sakhe (OSS) functional ○ Municipal Public Accounts Committee (MPAC) is established and functional ○ Functional section 79 and Section 80 committees ○ Ward committees established for all 34 wards ○ Effective Audit, Performance Audit and Enterprise Risk Management Committees ○ Range of municipal policies in place ○ Functional and effective Bid Committees ○ Unqualified audit outcome ○ Stable Municipal Council ○ Functional whistle blowing facility ○ Credible IDP for 9 consecutive years ○ Established Multi Stakeholders Forum ○ AG Placing reliance on Internal Audit work 	<ul style="list-style-type: none"> ○ Poor resourcing of OSS structures ○ Lack of capacity to facilitate IGR ○ Poor enforcement of Council By-Laws ○ Poor internal communication
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Further strengthening of good governance ○ Enhancing IGR structures ○ Collaborations with institutions of higher learning to enhance good governance ○ Improving relationship with traditional institutions ○ Enhance public participation platforms and methodologies ○ Capacitation of ward committees ○ Partnership with private sector in support of community development initiatives 	<ul style="list-style-type: none"> ○ Non-attendance of Sector Departments to IGR structures ○ Redetermination of municipal boundaries ○ Service delivery protests ○ Security of councillors ○ Non-compliance with Supply Chain Management Prescripts ○ Poor customer service ○ Maladministration ○ Land claims against municipal owned land ○

8.40 Challenges

9. UMHLATHUZE: COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Disaster Management Framework in place All role players in the disaster management arena (including Government, None-Government Organizations, Traditional Authorities and the Private Sector) work together to prevent and or mitigate the occurrence of disasters Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework. Disaster Management Advisory Forum in place Proximity of the municipal area to the N2 highway that traverses the Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. Good road accessibility The municipality borders a coastline that spans approximately 45 kilometres The municipality borders a coastline that spans approximately 45 kilometres Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. High level of species diversity. The beaches are significant tourism assets for the municipality. Alien Invasive and Greening Strategy in place 	<ul style="list-style-type: none"> Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area lack of resources such as appointment of support of staff and equipment Lack of capacity to adequately handle all kinds disaster related incidents Poor coordination between departments to respond to disaster situations Inadequate communication platforms for disaster alerts and responses Funding challenges to implement Alien Invasive and Greening Strategy. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the uMhlathuze and Nsezi. These water systems offer opportunities but also limit development opportunities. Gaps in availability of data on the local heritage.
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Spatial Development Framework has been developed and is in place. Climate change Strategy in place Municipal Organogram is in place Section 79, 80 and other Council Committees established and are operational A reliable ICT system for effective functioning and efficient service delivery Human Resource Policies in Place 	<ul style="list-style-type: none"> 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 Unsatisfactory attraction and employment of disabled personnel

<ul style="list-style-type: none"> o Employment Assistance Programme o 24 hours operational Call Centred with toll free o Fully functional ward committees o Functional Local Labour Forum o Progressive Employment Equity Plan o Critical senior management vacancies filled o Stable labour relations o Very high level of access to water and electricity in the uMhlathuze municipal area o 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 o Clear division of duties between water and electrical services as a result of unbundling purposes o 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 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 o 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 o Existence of Industries thus creating opportunities for SMME's o Investment in broadband o Existence of University and TVET colleges as part of knowledge creation o Fresh produce market supporting agriculture o Council has an adopted Indigent Policy. 	<ul style="list-style-type: none"> o Inadequate budget allocations for programs such as the EAP o Inadequate skills development resources o Organisational structure not aligned to long term strategy o Poor change management initiatives o Misplaced professionals o Service interruptions due to ageing infrastructure 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 create flooding of streets and properties. o Infrastructure vandalism o Inadequate investment in waste management equipment including trucks o Ageing personnel especially in waste management section 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 o 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 Access to markets by SMME's o Underdeveloped tourism attraction sites and products o The current credit score of the Municipality is BBB. o organisational structure not fully funded o Poor capital expenditure o Lack of long term financial planning o Investment of borrowings in non-revenue projects o Impact of engineering contributions on investment o In-adequate contract management o Poor resourcing, of OSS structures o Inconsistent functionality of Ward Committees o Ineffective IGR structures
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<ul style="list-style-type: none"> ○ The City of uMhlathuze has a fully functional Supply Chain Management Unit ○ 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 ○ Fully funded budget ○ Alignment of budget with IDP ○ Full adherence to financial management prerequisites ○ Operation Sukuma Sakhe (OSS) fully functional ○ Municipal Public Accounts Committee (MPAC) is established ○ Functional section 79 and Section 80 committees ○ Ward committees established for all 34 wards ○ Effective Audit, Performance Audit and Enterprise Risk Management Committees ○ Range of municipal policies in place ○ Fully functional and effective Bid Committees ○ The municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society organisations and government departments ○ "Taking Council to the Community" initiative enhances public participation ○ Unqualified audit outcomes with no matters of emphasis for five consecutive years ○ Stable Municipal Council ○ Establishment of whistle blowing facility 	<ul style="list-style-type: none"> ○ Poor defined relationship between ward councillors and traditional authority structures ○ Poor alignment of municipal and district programs ○ Vastness of rural wards ○ Poor enforcement of Council By-Laws ○
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ There is one airport and a couple of land strips in the municipal area. ○ Economic node to the North-Eastern parts of the Province ○ The R34 Provincial Main Road passes through Empangeni towards Melmoth. ○ There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node. 	<ul style="list-style-type: none"> ○ Distance from major economic node in the province ○ The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time. ○ An increasing trend in the frequency of cyclonic activity has been observed. ○ Coastal Dune areas are sensitive to change and erosion remains a key

<ul style="list-style-type: none"> o Coastal Dunes contain heavy minerals that are sought after for mining. o Existing disaster management center located at the Fire Station o Potential growth in terms of expanding and economical o Collaboration with the private sector and government departments o Training and activation of community based disaster management volunteers o Improving human settlement planning in collaboration with traditional institutions o Fully functional disaster management center o Institutionalization of business continuity – disaster recovery plan 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 o Improving diversity management o Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories o Maintenance of acceptable standards of water quality o Progressive acquisition of yellow plant and other equipment o Waste recycling, reduce and reuse initiatives o Implementation of mega human settlement projects o Progressive and transformational supply chain management policy for capital projects execution o Investment in alternative water supply such as desalination, waste water reuse, underground water. o 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 	<p>concern along a coastline that is susceptible to the sea level rise.</p> <ul style="list-style-type: none"> o 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. o 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 areas o Draught and inclement weather o Staff low moral o Lack of proper implementation of the Succession Policy o Delays in finalising job evaluations o Failure/slow process of addressing Identified risks within the organisation o Staff turn-over in critical and scarce skills positions o Limited investment in ICT infrastructure upgrades o Lack of comprehensive skills audit o Illegal connections o Ageing infrastructure: electricity, water and roads o Poor capital expenditure o Non-payment for services o Lack of asset maintenance plan o Cost of water tankering o Cost of maintaining rural roads o Changing municipal boundaries thus impacting on municipal infrastructure backlogs o Continuous demand for waterborne sewer in rural areas o seekers o Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects o Volatile world markets which affect prices for some agricultural commodities, for example, sugar
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<ul style="list-style-type: none"> ○ Harbour development has provided the impetus for large-scale industrial growth ○ Partnership with Industrial Development Zone ○ Investment in township economy ○ Industry based skills development ○ Empowerment of ward based war rooms ○ Cross boarder collaboration in investment facilitation and attraction ○ Progressive implementation of agricultural support plan ○ The Municipality has obtained an average debt collection ratio of 99.49%. ○ The City obtained Clean Audit for five consecutive years since 2012/2013 financial year ○ Pilot mSCOA ○ ERP implementation ○ Diversification of revenue base ○ Borrowing to invest in economic infrastructure ○ Establishment of a municipal owned entity ○ Reduction in cost of doing business ○ Further strengthening of good governance ○ Enhancing IGR structures ○ Collaborations with institutions of higher learning to enhance good governance ○ Improving relationship with traditional institutions ○ Enhance public participation platforms and methodologies ○ Capacitation of ward committees ○ Partnership with private sector in support of community development initiatives 	<ul style="list-style-type: none"> ○ The demise of the South African Sugar Association's credit facility for small-scale cane growers ○ Nearly 10% of children of school going age are not attending school ○ There has been a decline in the percentage (%) of persons with a higher education. ○ Sexual Transmitted infections remain a growing concern. ○ Beach erosion ○ Persistent draught ○ Lack of collaboration between municipality and traditional authorities ○ Growing trend of discouraged work The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure. ○ The Council is limited in its leverage to borrow money externally. ○ Limited resources provided in capital refurbishment and replacement programs. ○ Limited revenue base ○ Unfunded mandates ○ Growing indigent register ○ No rateable areas under traditional authorities ○ Growing of rural debts ○ Non-payment for services <ul style="list-style-type: none"> ○ Dysfunctionality of IGR structures ○ Redetermination of municipal boundaries ○ Service delivery protests ○ Security of concillors ○ Non-compliance with Supply Chain Management Prescripts ○ Poor customer service ○ Lack of participation by minority groups (WIC) in municipal programmes ○ Maladministration ○ Land claims against municipal owned land
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SECTION D: VISION, STRATEGIES, GOALS AND OBJECTIVES

10. VISION, MISSION AND VALUES OF THE UMHLATHUZE MUNICIPALITY

The Vision:

“An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector”

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 citizen's health and well-being;
- Creating safer city through integrated and community based public safety;
- Planned and accelerated rural development interventions;
- Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and commitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- Good governance, capable and developmental municipality

Brand Promise

Vision into Action

Values

In order to achieve Customer Service Excellence, uMhlathuze Municipality will continually remind its staff of the core values that should guide all interaction with customers, with special emphasis on Front Line Staff to display a common set of values which include *inter alia*:

- Efficiency
- Professionalism
- Commitment
- Respect
- Good governance, integrity and transparency
- Innovation
- Equity, Equality and fairness

- Unity in diversity
- Compassion and dignity
- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

11. 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 91: uMhlathuze Strategies, Goals and Objectives

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
1.1 Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance	1.1.1 To ensure effective and efficient administration complying with its Legal Mandates	1.1.1.1 Provide administrative support for all Council Committees
		1.1.1.2 Strengthening Council Oversight through training on Legislation and Policies
		1.1.1.3 Development and review of policies that will lead to improved service delivery and legislative compliance
		1.1.1.4 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 Culture	1.1.3.1 Implement a Service Charter to meet set standards
	1.1.4 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.1 Capacitate Ward Committees to improve their effectiveness
		1.1.4.2 Development of an 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 effective communication strategy
		1.1.4.5 Effective and efficient ICT Systems enabling Informed decision making and communication
	1.1.5 To promote Access to Information and Accountability	1.1.5.1 Ensure access information in line with relevant legal prescripts
	1.1.6 To bring the organisation to an enabled risk maturity level	1.1.6.1 Implementation and maintenance of an efficient Enterprise Risk Management system and Business Continuity
	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 : 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 economic development	2.1.1.1 Eradicate water services backlogs through provision of basic water services
		2.1.1.2 Eradicate sanitation services backlogs through provision of basic sanitation services
		2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services
		2.1.1.4 Eradicate refuse removal backlogs through provision of basic waste management services
		2.1.1.5 Provision and maintenance of access roads
		2.1.1.6 Provision of public transport infrastructure facilities
		2.1.1.7 Provision and Maintenance of storm water and coastal engineering infrastructure
		2.1.1.8 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets
	2.1.2 To maintain quality of services as per standard and legal prescripts	2.1.2.1 Provide a weekly domestic solid waste removal service to the community
		2.1.2.2 provision of environmental safe, effluent that meets the requirements of standards and prescripts
		2.1.2.3 Implementation of energy efficiency, and renewable energy technologies
		2.1.2.4 provision of electricity supply as per NERSA standards
	2.1.3 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.1 Improve community standard of living through accelerated development of Integrated Human settlement
	2.1.4 To ensure effective Fleet Management	2.1.4.1. 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 the agricultural potential	3.1.1.1 Review and Implement Agricultural Support Plan
		3.1.1.2 Package council land to facilitate agricultural programs
		3.1.1.3 Provide support for prioritised agricultural sectors
	3.1.2 Enhanced sectoral development through trade investment and business retention	3.1.2.1 Review and implement Economic Development Sector Plans
		3.1.2.2 Develop investment promotion and facilitation plan
		3.1.2.3 Package council land to facilitate economic growth
	3.1.3 To create an enabling environment for the informal economy	3.1.3.1 Review and implement Informal Economy Bylaw and Policy
	3.1.4 Clear City identity	3.1.4.1 To promote the city as destination of choice
		3.1.4.2 Review and Implement Tourism Marketing Strategy
	3.1.5 To Improve the efficiency, innovation and variety of government-led jobs	3.1.5.1 Promoting economic growth by providing employment opportunities for Women, Youth and People Living with Disabilities
		3.1.5.2 Promote economic growth by successful implementation of EPWP and CWP community based projects
3.2 Public Safety and Security	3.1.6 Promote SMME and Entrepreneurial development	3.1.6.1 Facilitate SMMEs access to finance , markets, trading facilities and infrastructure with linked services
		3.1.6.2 Implementation of the emerging contractor development programme
3.3 Safe and Healthy Living Environment	3.2.1 Provision of efficient and effective law enforcement, registration, licensing and security services	3.2.1.1 Development and implementation of a crime prevention and safer city strategy
	3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Develop and Implement a fire prevention strategy
3.3 Safe and Healthy Living Environment	3.3.1 Efficient and effective waste management services	3.3.1.1 Review and Implementation of Integrated Waste Management Plan
	3.3.2 Provision of a dignified burial and crematorium facilities Cater for alternate future burial option	3.3.2.1 provision of cemetery maintenance and management Provision of cemeteries

		3.3.4 Provision of dignified indigent burial service
3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development and maintenance of community facilities
		3.4.1.2 Review and implement of Arts and Culture Strategy
		3.4.1.3 Development of sports and recreation programs
		3.4.1.4 Develop and maintain parks facilities

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 Review and implement the attraction, recruitment and retention strategies.
		4.1.1.2 Review and implement Employment Equity Policy
		4.1.1.3 Review and Implement EAP Policy and plans
		4.1.1.4 Develop an effective training and development strategy and programs
		4.1.1.5 Create and maintain sound labour relations between employer and employees
		4.1.1.6 Maintenance of an organisational structure in line with organisational objectives

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant
		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 relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support 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 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 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 in a sustainable manner	6.1.1.1 Review and Implement Spatial Development Framework
		6.1.1.2 Development of a hierarchy of plans (i.e. precinct, nodal, concept etc.)
		6.1.1.3 Review and implement Human Settlement Sector Plan
		6.1.1.4 Review and Implement uMhlathuze Land Use Scheme
		6.1.1.5 Compliance with national SPLUMA, SPLUM Bylaw, National Building Regulations and Municipal Building Control Bylaw.
		6.1.1.6 Efficient processing of development application and building plans
		6.1.1.7 Review and implement Aesthetics Bylaw
	6.1.2 to ensure effective Environmental Management in compliance with legislation	6.1.2.1 Incremental development of strategic environmental assessment for the entire municipal area
		6.1.2.2 Review and implement Climate Change Action Plan
		6.1.2.3 Air quality monitoring and implementation of the Air Quality Management Plan
		6.1.2.4 Efficient processing of environmental applications
6.2 Immovable Property Management	6.2.1 To ensure fair valuation of properties	6.2.1.1 Development and maintenance of Valuation Roll in line with Municipal Property Rates Act.
	6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register
		6.2.2.2 management of leased municipal properties
6.3 Disaster Management	6.2.3 To prevent and mitigate disaster incidents	6.2.3.1 Review and Implement Disaster Management Plan

SECTION E: STRATEGIC MAPPING

11.1 SDF CHAPTER

PGDS GOAL: SPATIAL EQUITY

PGDS OBJECTIVE: 7.1 AND 7.2

DGDP GOAL: SPATIAL EQUITY

Chapter 5 of the Municipal Systems Act (Act No. 32 of 2000) provides for the development of an Integrated Development Plan (IDP), i.e. a five-year strategic development plan. According to Section 26 of the Systems Act (MSA):

“An integrated development plan must reflect—

(e) a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;”

A Spatial Development Framework (SDF) is 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. The MSA (Municipal Systems Act) Regulations (Act 32 of 2000) outlines the following specific objectives of an SDF:

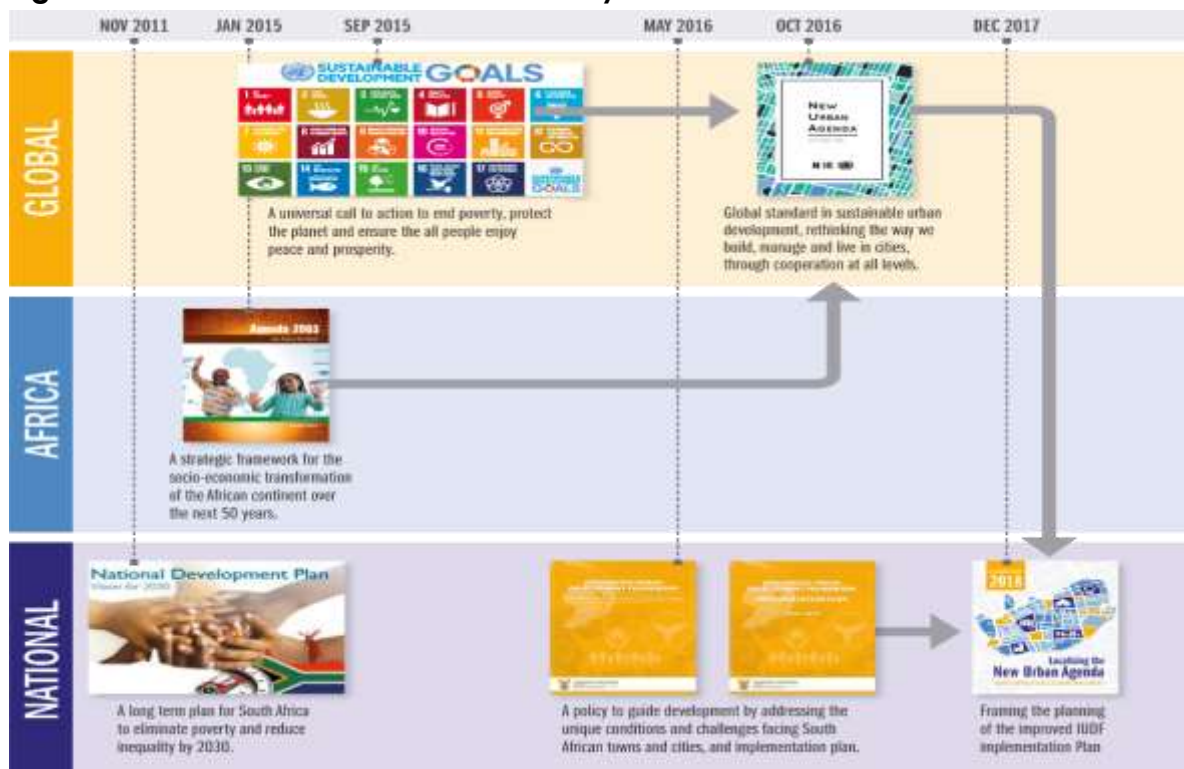
- Strategic guidance on the location and nature of development
- Set out basic guidelines for land use management
- Discourage low-density urban sprawl
- Generate social and economic opportunities
- Promote access to opportunities
- Maximize resource efficiency by: (1) protecting sensitive environments, (2) protecting productive agricultural land and (3) enhancing the regional identity and character

Section 21 of the Spatial Planning and Land Use Management Act (Act No 16 of 2013) further outlines requirements of a municipal spatial development framework.

11.2 POLICY CONTEXT

The global agenda and policy principles underlying planning for efficient use of land and planning for choice and quality of life are indicated hereunder. At the provincial level, KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) principles have also been aligned with national and provincial legislation, policies and strategies.

Figure 66: International and National Policy Context



Sustainability and integration issues are at the focus of the spatial transformation agenda being pursued by the municipality. In collaboration with its social partners, the Municipality has embarked on a process of localising the Sustainable Development Goals (SDGs) in the uMhlathuze context. Although this process is at its infancy stage, a localisation framework has been agreed to. Broader consultation with various stakeholders and role-players is being pursued. Also, the importance of the municipal spatial strategy in relation to the National Development Plan (NDP) as well as its implementation plan, the Medium Term Strategic Framework – MTSF (2019-2024) has to be noted.

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 pillars of Spatial Transformation are prominent for the uMhlathuze Municipality:

Figure 67: uMhlathuze Spatial Transformation Pillars

Land Banking and Development
Public Transport Facilities and Planning
Economic Development and Economic Opportunities
Social Development
Integrated Human Settlement

The **Spatial Land Use Management Act (SPLUMA)** is an important tool to give effect to spatial transformation.

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 92: Summary of Core Spatial Planning Principles

SPLUMA Development Principles	uMhlathuze Spatial Development Principles
Spatial Justice	<ul style="list-style-type: none"> o Redress the spatial legacy o Integrated human settlement development o Redress spatial and other development imbalances through improved access to and use of land
Spatial Sustainability	<ul style="list-style-type: none"> o Encourage sustainable development, promote densification, discourage urban sprawl o Integration of all physical aspects of land/economic development o Optimize the use of existing resources o Strategic environmental assessment
Spatial Efficiency	<ul style="list-style-type: none"> o Nodes and corridors o Urban development edge
Spatial Resilience	<ul style="list-style-type: none"> o Urban and rural integration o Promote mixed use development
Good Administration	<ul style="list-style-type: none"> o Capital investment framework, priority spending areas o Cross boundary developments

11.3 SPATIAL DEVELOPMENT VISION

The Spatial Planning and Land Use Management Act (SPLUMA) requires municipalities to have long term Spatial Development Frameworks (SDFs) that are reviewed annually and for these SDFs to have long term spatial visions. The following spatial vision for the City of uMhlathuze was prepared following a consultative process.

“An agile institution that fosters spatial sustainability, resilience, equity and compact growth, supported by appropriate ICT solutions”

The following principles underpin the spatial vision:

- | | | |
|-----------------|-----------------------------|--------------|
| ➤ Diversity | ➤ Sustainability | ➤ Choice |
| ➤ Accessibility | ➤ Quality of Life | ➤ Mobility |
| ➤ Affordability | ➤ Shared societal dividends | ➤ Equality |
| ➤ Inclusivity | ➤ Avant garde | ➤ Democratic |
| | ➤ Efficiency | |

The foundation of the vision is the following:

- An area that supports both **COMPACT URBAN** and **SUSTAINABLE RURAL LIVING**.
- **STRENGTHEN CONNECTIONS** between different parts of the municipal area.
- Supporting **BUSINESS HUBS** in Richards Bay, Nseleni, Esikhaleni, Ntambanana, Empangeni, Ngwelezane.
- Agriculture, tourism, mining, freight and logistics anchor the **ECONOMY**.
- New airport to further promote existing **FREIGHT AND LOGISTICS**.
- Work environments that **ALLOW FLEXIBILITY**, work from home, pop ups, etc.
- **INVESTMENT IN PUBLIC REALM**, public spaces being places of interaction, recreation, expression and enough space for public facilities to be set aside.
- An institution that **FOSTERS PARTNERSHIP**, noting that it will take more than government to deliver this vision.

11.4 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. Portions 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 side. 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 development of the area in the past and will definitely impact on the areas' future spatial development and configuration. There is one airport and a couple of landing strips in the municipal area. The municipal area includes vast areas of commercial farmlands as well as a number of areas that are significant from an environmental conservation perspective.

The municipal area includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton. Rural settlements include Buchanana, Luwamba, Makwela, Mambuka, Hluma, Matshana and Mabuyela.

11.5 SETTLEMENT HIERARCHY

The following table provides a summary the uMhlathuze Settlement/Nodal Hierarchy:

Table 93: uMhlathuze Settlement/Nodal Hierarchy

Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique sense of place and belonging, i.e. the live-work-play environment.	<ul style="list-style-type: none"> o Empangeni o 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 the human scale principle. In time, secondary nodes should evolve into primary nodes.	<ul style="list-style-type: none"> o Esikhaleni o Ngwelezane o Vulindlela o Felixton
Tertiary A socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle.	<ul style="list-style-type: none"> o Felixton o Nseleni o Buchanana
Emerging Tertiary	<ul style="list-style-type: none"> o Port Durnford

A node that is already fulfilling a local need and has the potential to further develop, or is moving toward, being a tertiary node.	
Rural Nodes Socio-economic nodes that offer tailor made mixed use development opportunities in close proximity for their surrounding communities.	<ul style="list-style-type: none"> o Hluma o Matshana o Mabuyela o Luwamba o Makwela o eGroundini o Mambuka
Opportunity Nodes By virtue of their location at a major intersection or given significant passing trade, these areas offer opportunities that are not necessarily of a residential nature.	<ul style="list-style-type: none"> o Empangeni Milling o Heatonville

The above eighteen (19) nodes were identified given their spatial characteristics, primary land use characteristics, roles and functions to city and the region.

Corridors provide access/connectivity to the various nodes or specific points of interest listed above. To this end, corridors as transport routes have to be maintained, and, interventions are needed to make them accessible as well. With the latter it is implied that routes, such as pedestrian routes, should be created and facilities provided, i.e. gathering points (public transport points) under cover. Importantly, the levels of interventions for corridors are informed by the function and status of the corridor.

The nodal and corridor hierarchy for uMhlathuze is indicated on the map at overleaf.



11.6 LAND GOVERNANCE

The following table provides a breakdown of the land ownership in terms of hectares (Ha) and percentages (%) for the whole municipal area.

Table 94: Land Governance Breakdown

Land Owners	Area (Hectares)	Percentage (%)
Province of KwaZulu-Natal	14 167	11,49
City of uMhlathuze	4 259	3,45
Transnet	2 989	2,42
Industrial Development Zones (IDZ)	107	0,09
Ingonyama Trust Board (ITB)	63 795	51,73
Private	32 467	26,33
Lakes / Waterbodies	5 541	4,49
Total	123325	100,00

The above table indicates that 26% of land within uMhlathuze Municipality is under private ownership and 51% under the Ingonyama Trust Board which is administered by Traditional Authorities. One of the biggest municipal challenges in relation to the above is the distribution and allocation of land in the Ingonyama Trust Board land. Such land allocation is common in the peri-urban and infill areas. This situation has led to the formation of unplanned settlements which put pressure to the Municipality from services provision perspective. The main challenges associated with this type settlement pattern are:

- lack of proper planning
- limited basic services
- settlement in high risk areas
- undesirable impact on food security
- undesirable impact on prime land for grazing
- insufficient land for future social and economic facilities due to random distribution of land

The following inset provides images of the peri-urban settlement increase between 2006, 2013 and 2019 adjoining Ngwelezane.

Figure 68: Peri-urban Development adjoining Ngwelezane



11.7 INFRASTRUCTURE AND SERVICES

11.7.1 WATER AND SANITATION

During 2019, the uMhlathuze Bulk Water Master Plan was reviewed. The Bulk Water Master Plan has taken cognizance of planned developments as captured in the IDP, SDF and Human Settlements Plan within the municipal area to inform bulk water/sanitation needs in future. These planned developments have been grouped by locality into the listed schemes whereby the expected demand is quantified in relation to the supply.

Various surface water sources are investigated, i.e. surface water, ground water sources, desalination and effluent re-use and the available water is compared to the water allocations and calculated current and future demands. The Department of Water and Sanitation (DWS) undertook a Reconciliation Study in context of the above and recommends a number of interventions to resolve the water sources deficit for the CoU as outlined hereunder:

- Increase capacity of the Thukela-Mhlathuze Transfer Scheme
- Kwesibomvu Dam on the Mfolozi River / Off-channel transfer scheme from the Mfolozi River
- Coastal pipeline from the lower Thukela River
- Desalination of seawater
- Effluent re-use
- Dam on the Nseleni River
- Urban Bulk industrial water efficiently
- Raising of the Goedertrouw Dam

Various interventions for every supply scheme were identified as per the summary hereunder:

Table 95: Costed Summary of Planned Interventions

Scheme Name	Estimated Cost (Escalated to 2019)
Northern Scheme	336 355 335
Empangeni Scheme	912 826 268
Western Scheme	50 126 399
Southern Scheme	265 330 641
Ntambanana Scheme	17 875 000
Nseleni Scheme	119 000 000
TOTAL	1 701 513 643

The Review of the uMhlathuze Water Services Development Plan (WSDP) took place during 2018. As part of the plan preparation the current infrastructure components were assessed and estimates of replacement and operation and maintenance costs determined as provided herewith:

Figure 69: Replacement Cost

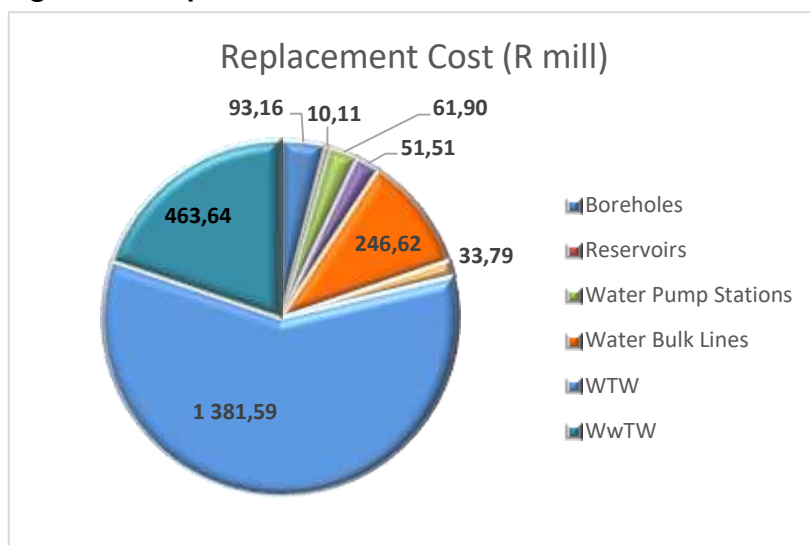
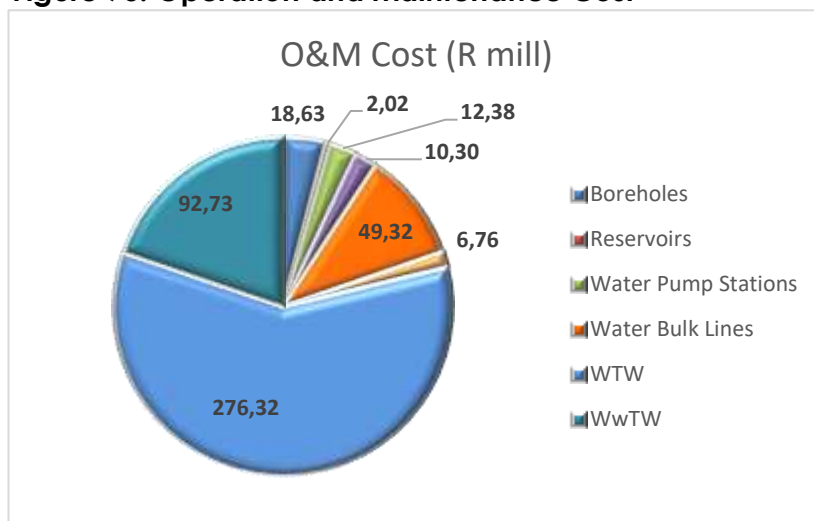


Figure 70: Operation and Maintenance Cost



The quantum of expenditure is significant and the prioritization of capital expenditure has to be informed by the Capital Expenditure Framework (CEF).

The Scientific Services Section is responsible for the effective management of continually monitoring and maintaining the quality of water within the CoU. Samples from various sources are collected for analysis to determine water quality. An extensive water quality monitoring programme for drinking water has been implemented. The monitoring programme includes the following:

- Water Treatment Works;
- Drinking Water Reticulation monitoring; and
- Wastewater Treatment Works.

A Water Quality Monitoring Programme (WQMP) has been developed and implemented. The following areas are monitored for possible pollution:

- Surface water – Lakes Cubhu & Mzingazi, Rural/urban suburbs (stormwater streams), rivers/streams/canals, industrial (stormwater streams), pumpstations (streams close to pumpstations);

- Coastal water – Alkantstrand 1 & 2;
- Groundwater – Municipal cemetery, landfill site; and
- Sewage – Industrial effluent (sewage network).

For the purposes of the (Bulk Sewer Master Plan (BSMP), the bulk sewerage system has been taken as sewers 200 mm in diameter and larger, pump stations and pumping mains associated with such sewers and sewage/wastewater treatment facilities. A population growth rate of 2% per annum was adopted, which is the same as the average annual population growth rate adopted for the BWMP. The IDP, SDF and Human Settlements Plan contain proposals for human settlement projects, private sector projects and expansion areas designated A to H.

Expansion areas A to H are significant and the initial concept is that they would contain mixed land uses. The potential would be some 102 000 residential units accommodating between 255 000 and 460 000 people.

Proposed and approved developments together with an allowance for the development of expansion area C (east of Empangeni) contain some 35 000 residential units. At an annual average population growth rate of 2%, the human settlements and private sector projects of some 35 000 new units would meet the requirements to some-time between 2025 and 2030.

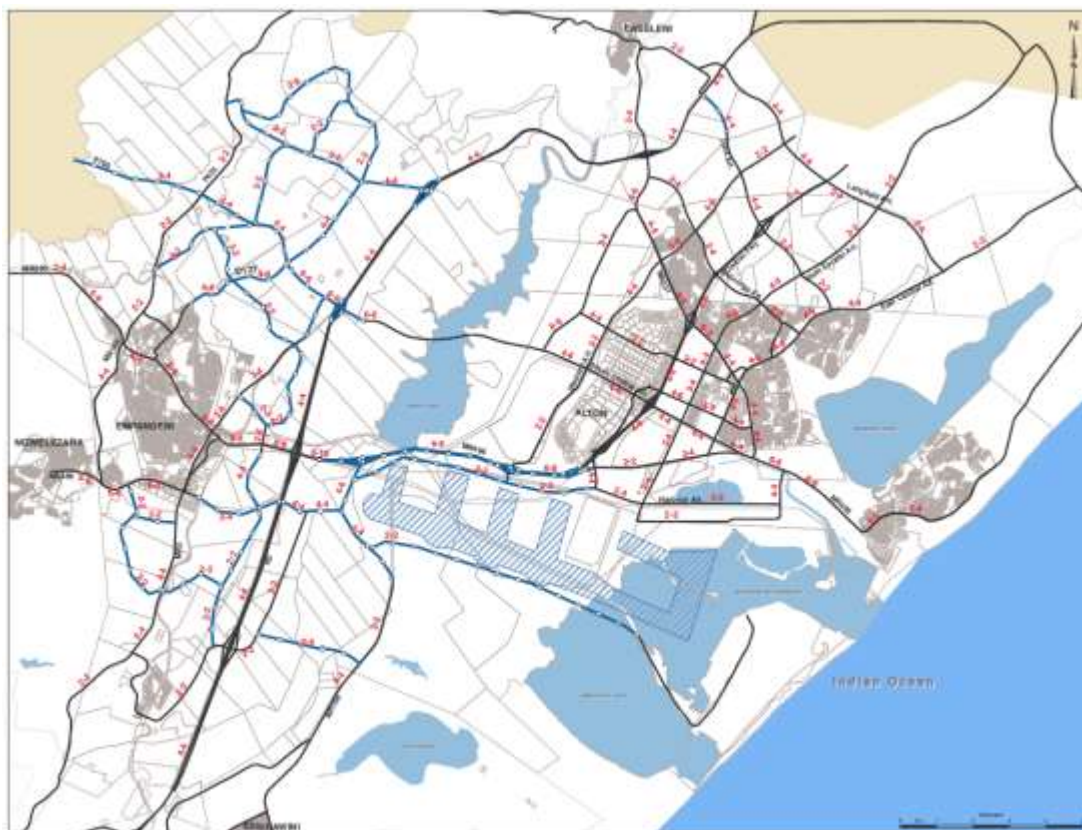
The CoU has undertaken a study into the potential for the re-use of wastewater currently being discharged to the Alton/Arboretum marine outfall.

The City of uMhlathuze is implementing a water management programme through a five-year strategic management plan for **water conservation and water demand management**.

11.7.2 ROADS AND PORTS

The Municipality has an **Arterial Road Framework Plan** in place that proposes additional arterial routes. Also, a **Public Transport Amenities** study has been completed.

Map 58: Arterial Framework Plan



uMhlathuze Municipality has prepared a **Comprehensive Integrated Transport Plan (CITP)** with the assistance of the Department of Transport.

Apart from road transport planning outlined above, planning for the future development of the Richards Bay Port has been undertaken by Transnet National Ports Authority.

In 2010, an update of the Airport Master Plan was completed and the future footprint of the current Richards Bay Airport. The current Richards Bay Airport is nestled in the middle of residential areas, including Birdswood and Mandlazini Village. The current situation does pose challenges in terms of airport operations and future expansions.

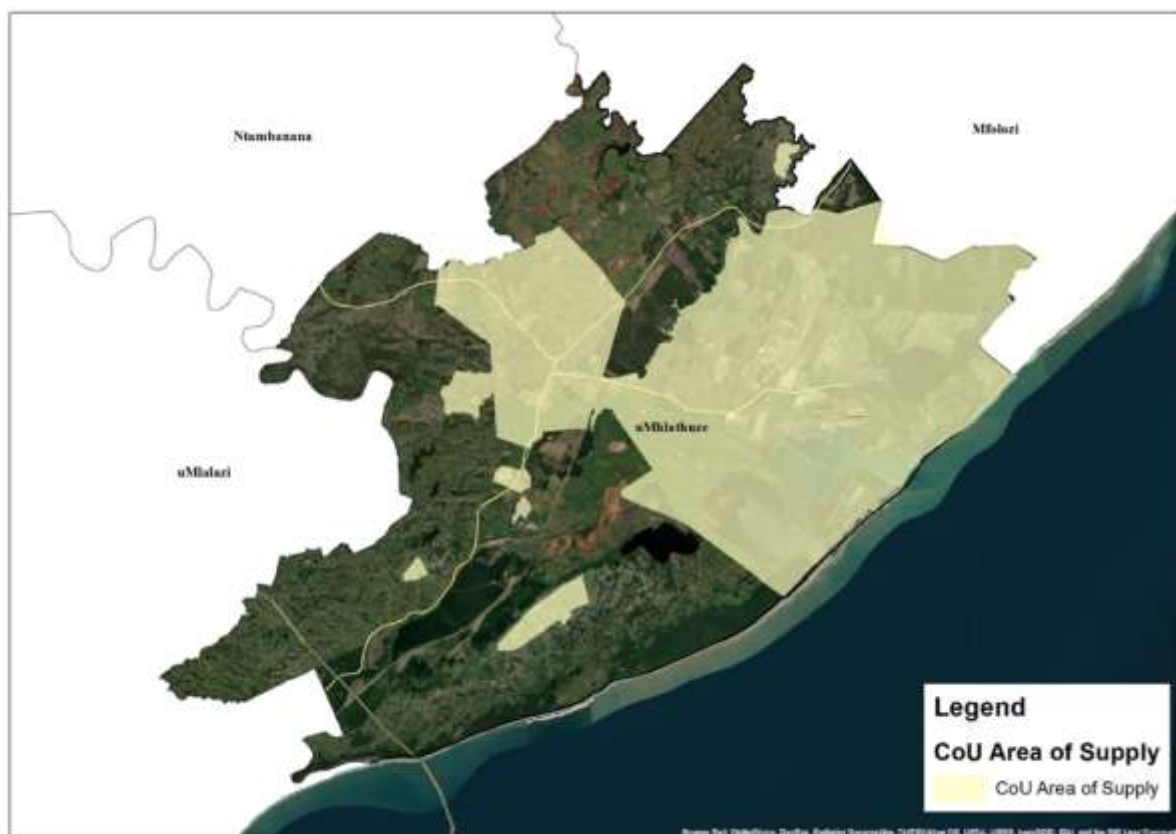
The Spatial Development Framework (SDF) of the Municipality has identified, at a high level, a favourable corridor for a future airport precinct which has been the focus on an ongoing study dealing with investigating the proposed site based on aviation criteria, the Aerotropolis concept, transportation planning as well as spatial and land use elements.

The potential airport relocation pre-feasibility study has provided guidance regarding the required statutory procedures and further studies that would need to be attended to in the near future. The outcome of the pre-feasibility study warrants that the project now proceeds into the next stage, i.e. a fully-fledged feasibility investigation.

11.7.3 ELECTRICITY PROVISION

During 2019, the uMhlathuze Municipality undertook the Review of its Electricity Master Plan to plan for the electricity needs within the licensed area of supply and prepare a 20-year plan aligned to the SDF as per the municipal area of supply.

Map 59: uMhlathuze Area of Electricity Supply



The study identified where new infrastructure should be located as well as refurbishment and renewal requirements, i.e.:

- Electricity Demand Forecast for the 20-year horizon in support of the development perspective.
- Refurbishment Assessment to gain an overall impression of the network considering the design age of the network, the prioritization of replacement and refurbishment etc.
- Distribution Network model representing the electrical networks with the CoU supply network to review the adequacy of the network.
- Recommendations for Expansion and Strengthening Requirements.
- Capital Program that allows for distribution network development and optimization; reliability requirements and refurbishment requirements.

The Municipality also prepared an Energy Sector Plan to provide a well-considered and structured approach to the delivery of energy services, considering an alternative energy future and long-term sustainability for the Municipality. The plan contains an analysis that informs possible energy solutions and concludes with suggestions and strategies for the CoU to transition to a sustainable energy future.

Traditionally the consumption patterns of distribution utilities are relatively predictable and static depending on the consumer mix and nature of the load. With the introduction of modern technologies and alternative energy options, the predictability of the demand is no longer as easy to determine.

The Energy Sector Plan concludes with an implementation roadmap as a workable way forward that is structured per category of focus, supported by the rationale for the sustainability driver and proposed actions with short, medium and long-term focus.

11.7.4 WASTE MANAGEMENT

The Municipality has finalized the Review of its Integrated Waste Management Plan. As part of the review the current status of the waste collection systems and existing disposal sites, the service delivery capacity and the needs were analyzed.

As part of the plan, the Municipality has identified the following five focus points:

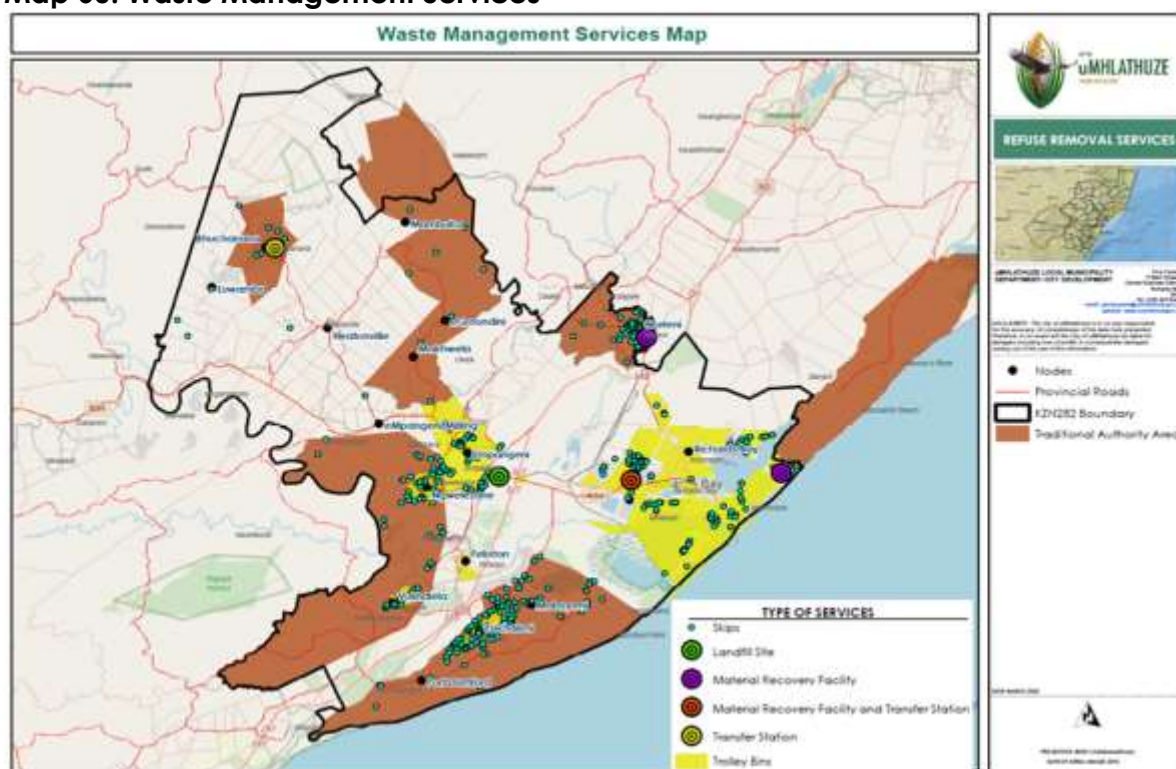
1. Illegal dumping
2. Human Resource of Waste Management Section
3. Waste Minimization (including Climate Change)
4. Waste Management Infrastructure; and
5. Recycling

In the Municipality, 81 106 households are serviced (2 046 additional households since the last assessment). A free basic service is also rendered to 37 641 low-income (indigent) households. There are more than 285 skips currently dedicated to rural communities. Service delivery is accessible to at least 73.36 % when communal skips servicing rural communities and rural schools are considered.

The following categories of waste are collected:

- Household
- Health Care Risk Waste
- Schools Waste
- Building Rubble
- Industrial Waste
- Mining Waste
- Commercial Waste
- Garden Waste
- Illegal Dumped Waste
- Recyclable Materials
- Hazardous Waste
- Street Cleaning Waste

Map 60: Waste Management Services



The City of uMhlathuze Municipality has a Recycling Program that responds to the implementation of waste hierarchy and to promote waste minimization, re-use, recycling and recovery of waste. To achieve this program, the following activities are promoted and are being implemented by the Municipality:

- Increase the recycling rates of products
- Reduce the percentage of recyclable material to landfill
- Ensure separation at source in our Municipality
- Encourage the establishment of Material Recovery Facilities (MRFs)
- Encourage alternative treatment of waste
- Support the diversion of high calorific waste from landfill to recovery options

Separation of waste at source (also called Kerb Recycling) is an approach that has been demonstrated worldwide to improve the recycling rate.

In addition to the Alton Material Recovery Facility and Transfer Station, the Municipality has further developed two Material Recovery Facilities and renovated the Transfer Station that was inherited from the former Ntambanana Municipality as per the IWMP implementation plan. These are:

- eNseleni Material Recovery Facility;
- Mzingazi Material Recovery Facility; and
- Ntambanana Material Recovery Facility and Transfer Station.

Garden refuse is also used for the creation of composite sites especially in rural tribal areas and farms.

11.8 ENVIRONMENTAL ASSESSMENT

The South African sustainable development model requires that a healthy environment is necessary for social well-being which is a prerequisite for economic prosperity. The economic system, social system and ecological systems are integrated via the governance system that holds all the other system together within a legitimate regulatory framework. The uMhlathuze Integrated Development Plan (IDP) and Spatial Development Framework (SDF) hence takes credence from various policies of development that enhance the principles enshrined by the National Environmental Management Act and further, Chapter 5 of the National Development Plan.

The **geomorphology** of the municipal 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.

11.8.1 ENVIRONMENTAL ASSETS

The environmental assets of the areas are briefly described hereunder:

Economic Development:

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

Tourism:

The coast/beaches are significant tourism assets for the municipality 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 as well as 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 area. More toward the inland, there are a number of game ranches and lodges that attract a significant number of visitors annually.

Water Resources:

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

Ecological Features:

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

11.8.2 ENVIRONMENTAL SERVICES MANAGEMENT PLAN

An Environmental Services Management Plan (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.
- 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.

The table below shows the estimated value (at the time of preparation) of ecosystem services in uMhlathuze.

Table 96: Ecosystems Services in uMhlathuze

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

11.8.3 AIR QUALITY

Air quality management plays an integral part in land use planning and zoning. A study was initiated to assess air quality within the 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;
- 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.

At present, the preparation of an Air Quality Management Plan is underway for the municipal area.

11.8.4 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.

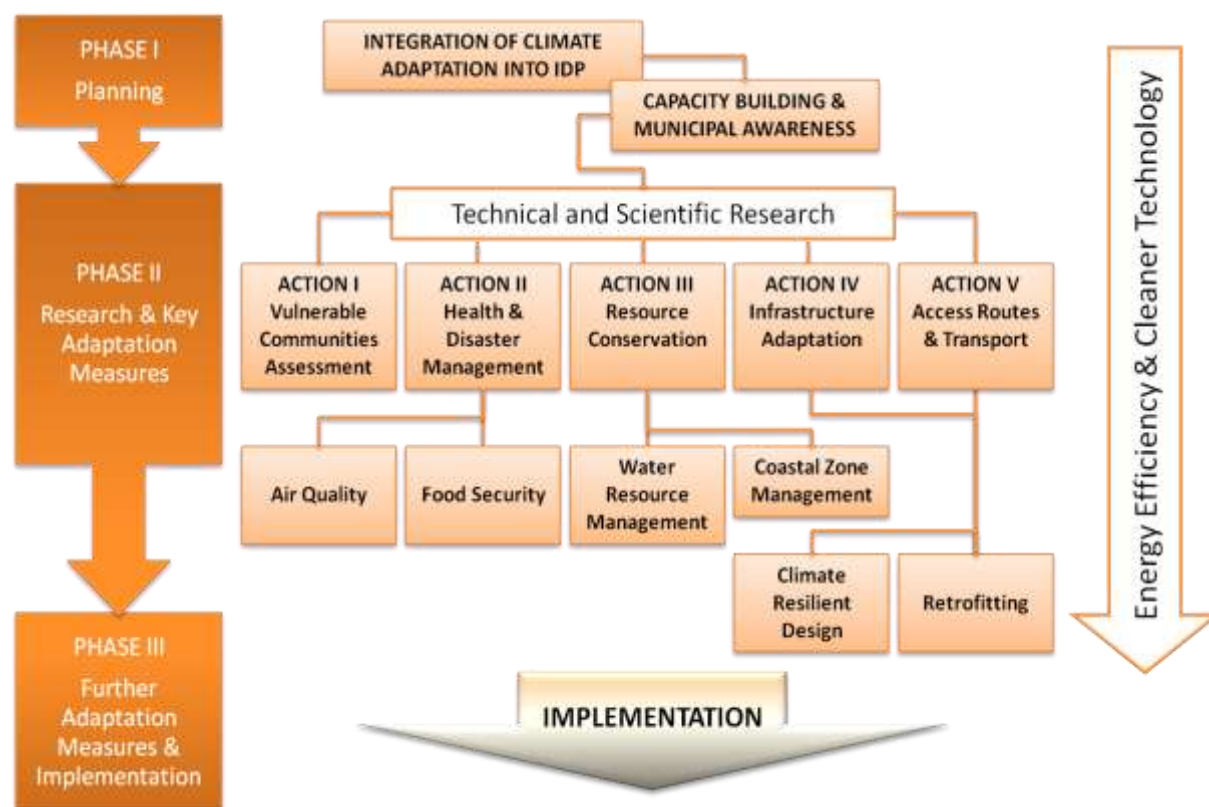
Coastal access:

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.

11.8.5 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 Strategy 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 71: Phased Approach to Municipal Action Plan



Since 2010, the Climate Change Strategy was integrated into the Integrated Development Plan of the Municipality. The implementation and reporting thereof was admittedly not as vigorous as it should have been, with outputs coinciding with the various functions within the organization that deal with the Environment. These units include Waste Management, Air Quality Management, Biodiversity and Horticulture Management, Water Quality Management; Energy Management and Environmental Planning. Climate change related actions dove-tailed with the operations of these units.

With a growing impetus to scale up on climate change responses for internal reporting requirements, and also reporting to organizations like the Global Compact of Mayors on Climate and Energy, it hence became imperative to improve certain institutional aspects on how the Municipality is currently dealing with Climate Change. To this end, Council adopted a Climate Change Action Plan in October 2018 that set out the following objectives:

1. An outline of the institutional framework for Climate Change linking global policy with national, provincial and local imperatives;
2. An overview of the uMhlathuze climate risk profile and associated vulnerability for the Municipality;
3. A presentation of the adopted Climate Change and Energy strategies as a basis for prioritising actions/projects for implementation of the Climate Change Action Plan;
4. Development of a Climate Change Action Plan which focuses on priority climate adaptation and mitigation interventions;

5. Strategic Partners and Global affiliations to scale up on climate actions; and
6. Institutional arrangements, which talks to the establishment of a formally constituted committee to implement and report on the climate change action plan.

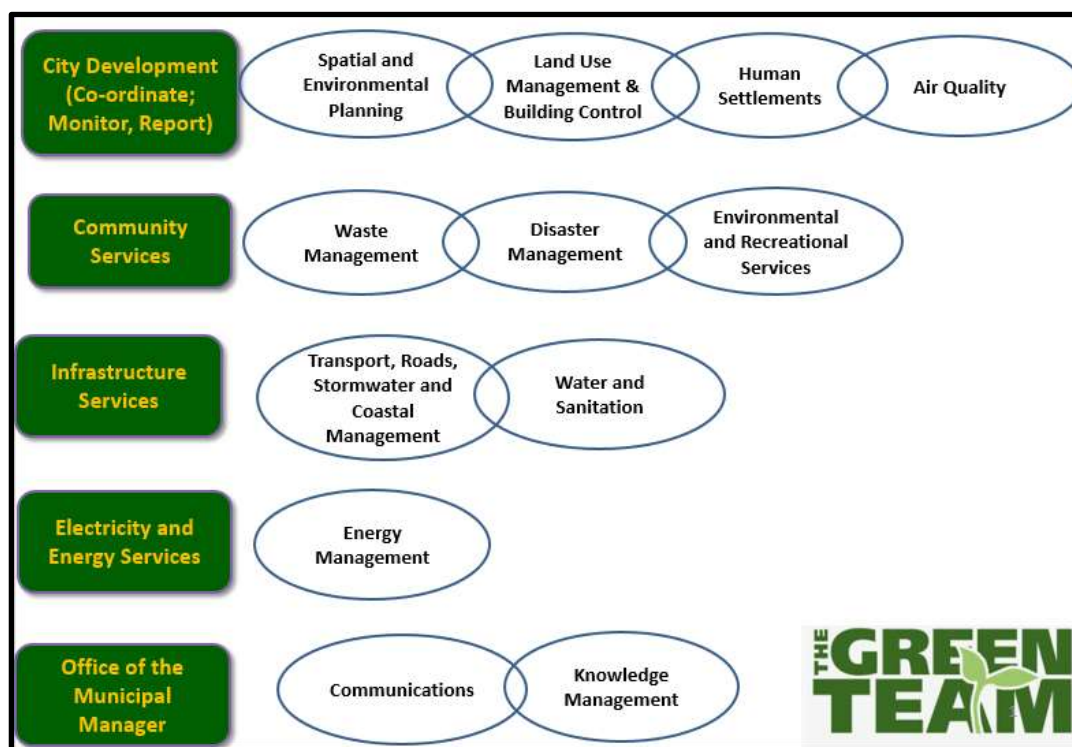
The Climate Change Action Plan (CCAP) is essentially the implementing arm of the Climate Change and Energy Strategies. The objective is to prioritize selected interventions in accordance with the following sectors:

- Coastal Management
- Water Resources Management
- Stormwater Management
- Open Space and Biodiversity Management
- Waste Management
- Energy Management
- Integrated Transport Planning
- Spatial Planning, Land Use and Designing for sustainability
- Human Settlement Planning
- Disaster Management Responses
- Air Quality Management

In the course of preparing the Climate Change Action Plan, it became quite apparent that the cross-cutting nature of the plan requires a formally constituted team to report on the various interventions. The City of uMhlathuze has, in other instances such the Greenest Municipality Competition, constituted a reference group dealing with environmental functions. It was therefore seen as appropriate to utilize the same committee referred to as the name "Green Team" to implement the climate change strategy and implementation plan, and report accordingly for purposes of good governance.

The Climate Change Action Plan projects a 5-year snapshot, and will remain a live document.

Figure 72: Composition of the uMhlathuze Green Team



11.8.6 THE IMPACT OF BIODIVERSITY ON DEVELOPMENT

It is important to note that this impact has only been determined for the pre-2016 LGE portion of the municipality, and, as such, has to be expanded upon to include the whole post-2016 LGE municipal area. This section assesses the state and condition of biodiversity assets within the jurisdiction of the uMhlathuze Municipality and implications thereof in terms of future development potential. The Biodiversity assets are mapped out and represented by, amongst others, the vegetation types within catchments.

The assessment is based on the functionality of geographically defined units rather than on individual vegetation types because the former implicitly includes the importance of spatial patterning and inter-connectedness. Functionality is defined here as the perceived ability of a landscape unit to maintain biodiversity. This must not be confused with the commonly used notion of the role of diversity in ecosystem functioning (supply of goods and services), which is addressed in the Environmental Services Management Plan (ESMP) of the municipality (KZ 282).

Other biodiversity assets of significance include the following:

- Estuary (landscape 6) and Lake Cubhu
- Nseleni valley (landscape 10), with fragmented extension into landscape 12 (upstream)
- An east-west corridor within Richards Bay (landscape 9)
- Grasslands, savanna and thicket of the upper
- Portion of the Mhlathuze catchment within KZ282 (landscape 13)
- Lake Mzingazi and environs (landscape 8)

The greater uMhlathuze Municipal Area supports more than 170 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 97: Biodiversity Significance

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

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

At overleaf, mapping of the Environmental Sensitive areas in the municipality as derived from the King Cetshwayo District Municipality (KCDM) Strategic Environmental Assessment (SEA) has been provided.



11.9 UMHLATHUZE SPATIAL DEVELOPMENT FRAMEWORK

Uncertainty and rapid change has become the norm in the World. Natural disasters are more frequent and intense and the 2020/21 Pandemic has changed the essence of life – the way we work, the way we play and that way we live. Planning has the ability to improve the readiness of communities and households to respond to this in pre-empting situations and ensuring the impacts are mitigated and human responses facilitated.

11.9.1 SPATIAL DEVELOPMENT ISSUES

The following provides a consolidation of the sectoral key development issues/consolidated themes that have been extracted from the various analysis undertaken during the preparation of the SDF Review.

Access to Services

- i. The municipal area of uMhlathuze has increased by roughly 50% following the 2016 Local Government Elections. The levels of services in the newly added Wards are generally lower than in wards that were formerly part of uMhlathuze. Also, the newly added wards are predominantly rural with comparatively high poverty rates, comparatively low economic activity and lower levels of service provision. This has placed additional pressure on the uMhlathuze Municipality's budget to provide services in line with policy and standards.
- ii. The highest percentage of adults over the age of 20 years that do not have schooling, are in Wards 5, 10, 13, 14, 18, 25, 32 and 33. These areas largely coincide with Traditional Authority areas and are an indicator for specific interventions needed in these listed areas. Also, the highest percentages of households that earn less than R1600 per month reside in Wards 5, 10 and 29. Wards 4, 5, 12, 18, 24 and 28 also have the highest percentage of unemployed persons.
- iii. Wards 31 and 33 have high percentages of households that do not have access to piped water (61%) while Wards 5 and 33 have more than 61% of their households without access to hygienic toilets. The above two points confirm that certain wards are experiencing low levels of service provision coupled with other indicators of poverty, i.e. low income, low education and low employment.
- iv. Various sector plans have been updated to inform the provision of infrastructure and services in the municipal area. At present, the Municipality has five wastewater treatment works (WWTW) and a marine outfall and a PPP (Public-Private-Partnership process) is underway for wastewater re-use. A further two sewerage sub-systems and possibly a third new sub-system within the identified SDF Expansion Areas may be required.
- v. An annual maintenance and refurbishment/replacement budget is required in addition to the capital budget. This is estimated at 4% of the estimated capital cost of the infrastructure per annum; and refurbishment/replacement is estimated at 2% of the estimated capital cost.
- vi. The City of uMhlathuze is implementing a strategic management plan for water conservation and water demand management.
- vii. 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. Although a plan for the development of arterial roads is in place, it has not been implemented nor expanded for the new municipal area. Failure of any one of the above routes renders a concern for the Municipality in the event of a disaster that requires evacuation and/or response.

Governance and Partnerships

- viii. More than 50% of the municipal area is under the jurisdiction of Ingonyama Trust Board (ITB). Whereas the Municipality has extended its Land Use Scheme (LUS) to cover the whole municipal area, challenges with the management of rural land remain from a development control perspective.
- ix. Extensive land claims over portions of the municipal area and institutional procedures, in cooperation with the Department of Rural Development and Land Reform, are being put into place toward the resolution of these land claims.
- x. Cooperation between the Municipality and SOE's (State Owned Enterprises) is being pursued in the interest of economic development but also the conservation of natural assets, notably the need for sand replenishment by Transnet along the Northern Beaches that are experiencing severe coastal erosion. Apart from Transnet, the Richards Bay Industrial Development Zone has the potential to create many opportunities in the Municipality.
- xi. Strong partnerships are also in place with various government departments in attaining goals of mutual interest, i.e. assistance from the Department of Transport with the uMhlathuze Comprehensive Integrated Transport Plan (CITP). Also, increasing and improved alignment is needed to ensure the integrated implementation of human settlement projects.

Spatial Form and Disaster Management

- xii. The Municipality has a disjointed spatial form. Travelling distances to places of employment and economic opportunity are unsustainable and unnecessary. Interventions are needed to improve access to services and opportunities in former Township and other marginal areas.
- xiii. Linkages between areas of opportunity and densely populated areas need to be improved by way of improved roads/routes and public transport facilities.
- xiv. Richards Bay and Empangeni are the most significant economic centres in the larger District while Esikhaleni has the potential to develop into a primary node if the local economy becomes more sustainable and diversified, specifically in respect of growth and employment opportunities.
- xv. Aquadene, Brackenham, Esikhaleni and Nseleni have the highest residential densities in the municipal area. High population densities are also found in the peri-urban areas.
- xvi. Existing bulk infrastructure capacities will have to be increased at all nodes and growth areas to accommodate increased densities and expansion/development.
- xvii. The spatial locality of hazards or hazard prone areas identified in the Disaster Management Plan largely correlate with areas where the most vulnerable communities reside.
- xviii. Hazards associated with industry need to be further investigated and response plans developed/shared. The potential disaster implications of new

developments have to be evaluated and provided for during the planning stage of such a development.

- xix. Disaster responses and readiness need to be more pro-active, i.e. proposals have to be in place to facilitate the multi-use of spaces when needed in disaster situations, i.e. the recent COVID-19 pandemic.
- xx. Increasing densities is an objective of the IUDF. Densities can be maintained during a pandemic such as COVID as long as appropriate services are available to create a safe environment for residents of densely developed areas to maintain social distancing and other measures that may be needed.

Environment and Climate Change

- xxi. Vast peri-urban settlements lack proper planning and are often located in environmental high risk areas compromising their sustainability.
- xxii. The complex hydrology of the area, whilst attributing to unique natural features, poses challenges for development. This is particularly the case to east of the Municipality that 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.
- xxiii. The impacts of Climate Change are experienced locally, i.e. the abstraction of water from the various Coastal Lakes have reached ecological reserve limits during periods of extended drought, severe flood events have yielded disaster implications for unplanned settlements with flood prone/ flood risk areas and the Richards Bay northern beaches in particular have been confronted with severe coastal erosion.
- xxiv. The disjointed spatial structure of the Municipality is adding to the vulnerability of communities and hampering the Climate Change response of the Municipality.

Human Settlement

- xxv. A number of population growth scenarios have informed the need for land for human settlements, at varying densities, and ancillary land uses over the planning horizon to which suitable planning responses and provision of infrastructure is needed.
- xxvi. The uMhlathuze Municipality has Restructuring zones and Priority Housing Development Areas have also been gazetted.
- xxvii. Informal Settlement Upgrade and Relocation Plans for seven identified informal settlements is in place, i.e. Mzingazi Infills, Mzingazi Informal Settlement, Mandlazini-Airport Buffer Strip, Mandlazini Infills, uMzingwenya, Vulindlela, Nseleni Peri-Urban Settlement and the Ngwelezane Hospital Settlement.

Economic Growth and Development

- xxviii. The municipality has the benefit of about 45km of coastline that renders a range of economic/tourism opportunities and linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area.
- xxix. The location of the current Richards Bay airport poses challenges in terms of operations and future development. A pre-feasibility study for the proposed relocation of the Richards Bay airport has been completed for its redevelopment as part of a larger airport city and a fully-fledged feasibility (as a PPP process) is underway.

- xxx. The need to move towards being a SMART city has been expedited by the COVID-19 pandemic in all sectors, i.e. commercial, education, government etc.

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:

- o Long term development trajectory, even beyond 50 years
- o Alignment with International, National, Provincial and Local Plans
- o Alignment with long term future Port Development Framework and Richards Bay IDZ Plans
- o The municipal SDF contains spatial structuring elements that have been informed by a technical analysis of trends and considers a number of development scenarios
- o Nodes and corridors are identified for investment responses
- o Integrated Human Settlements is a core feature of the spatial development framework
- o 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:

- o Spatial Development Vision
- o Settlement and Corridor Hierarchy
- o SDF Expansion Areas
- o Intervention Areas
- o Integrated Human Settlement (Restructuring Zones & NUSP)
- o The Suite of Plans
- o Strategic and Catalytic Projects

11.9.2 SPATIAL DEVELOPMENT VISION

The Municipality embarked on a consultative process for derive a spatial development vision. As part of the process, the following key **principles** were identified:

Diversity:	Nurturing, encouraging and enabling diversity on all fronts, such as cultural, traditional, religious, gender, ability, etc.
Sustainability:	Institutional, ecological, social and financial.
Choice:	An area where people are able to exercise free will and have access to choice and opportunity.
Accessibility:	Enabling upward mobility.
Quality of life:	Quality shared public spaces.
Mobility:	ability to progress and an adaptable environment.
Affordability:	For all, especially public services.
Shared societal dividends:	Happiness, hope, health, safety and well being
Equality:	An administration that regards all residents as equal.

Equity:	An administration that seeks to improve equity. One that is fair and just.
Inclusivity:	An administration that deliberates seeks to include the marginalized (gender, age, race, ability).
Avant garde:	Taking a long term view, forward thinking and thinking outside the box.
Democratic:	Meaningful consultative processes.
Efficiency:	Judicious use of public resources

Key **indicators** that form the foundation of the vision are:

- An area that supports both **COMPACT URBAN** and **SUSTAINABLE RURAL LIVING**.
- **STRENGTHEN CONNECTIONS** between different parts of the municipal area. Nodes play differentiated but complementary roles.
- Business hubs in Richards Bay, Nseleni, Esikhaleni, Ntambanana, Empangeni, Ngwelezane.
- Agriculture, tourism, mining, freight and logistics anchor the economy.
- New airport to anchor freight and logistics, **SEZ/IDZ CONSOLIDATION (AIR, WATER AND LAND)**
- Work environments that **ALLOW FLEXIBILITY**, work from home, pop ups, etc.
- **INVESTMENT IN PUBLIC REALM**, Public spaces are places of interaction, recreation, expression and enough space for public facilities to be set aside.
- Institution that **FOSTERS PARTNERSHIP**, it will take more than government to deliver this vision.

The following spatial vision statement for the Municipality was subsequently approved:

“An agile institution that fosters spatial sustainability, resilience, equity and compact growth, supported by appropriate ICT solutions”

11.9.3 SETTLEMENT AND CORRIDOR HIERARCHY

A settlement hierarchy directs specific resource based responses in respect of spatial development and investment. The detailed Settlement/Nodal Hierarchy for the municipal area is discussed erewith:

Table 98: Summary of uMhlathuze Settlement Hierarchy

PRIMARY SETTLEMENTS	RICHARDS BAY AND EMPANGENI
<ul style="list-style-type: none"> ○ Centres of employment, industrial and commercial activity. ○ Continue to serve as main municipal administrative centres. ○ Main public transportation nodes (Richards Bay Taxi City and Empangeni A and B-Ranks). ○ A range of specialized services and facilities are available to a larger hinterland. 	
SECONDARY AND TERTIARY SETTLEMENTS	ESIKHALENI, NSELENI, VULINDLELA, NGWELEZANE AND FELIXTON
<ul style="list-style-type: none"> ○ Formalized towns, mainly residential in nature. ○ Most community facilities are available at these locations, and therefore provide their resident communities with basic commercial and recreational facilities. 	

<p>More specialized services and facilities are obtained from the primary settlements.</p> <ul style="list-style-type: none"> o Opportunity to formalize better employment opportunities at all secondary settlements. 	
PERI-URBAN AREAS	UNFORMALIZED AREAS MAINLY ADJACENT TO THE FORMALIZED SECONDARY NODES OF ESIKHALENI, VULINDLELA, NSELENI AND INCLUDES MZINGAZI AND PORTIONS OF MANDLAZINI
<ul style="list-style-type: none"> o Characterized by dense population; small stands not necessarily able to support agricultural activities; Continuous infill-development takes place; pressure for connections to municipal infrastructure (individual connections) and possible health impacts as a result of over-crowding and lack of community services. o In-situ rural housing projects not necessarily viable as a result of high densities. o Opportunities for formalization for some of these areas. o Township establishment possible on municipal land but limitations exist on Ingonyama Trust Board (ITB) land. <p>(<u>Note</u>: The Mandlazini and Mzingazi area, albeit considered part of the Richards Bay formal area, are in the process of formalization)</p>	
OPPORTUNITY NODES	HIGHLY ACCESSIBLE AREAS WITH UNTAPPED POTENTIAL
<ul style="list-style-type: none"> o Characterized by good accessibility but very limited development economic opportunities. o Potential to provide services and economic opportunities to surrounding hinterland 	
RURAL SETTLEMENTS	DENSER SETTLEMENTS WITHIN THE TRADITIONAL COUNCIL AREAS
<ul style="list-style-type: none"> o Identified in line with the uMhlathuze Rural Housing Projects. o Accessible locations for community services and infrastructure. o Specific planning and development interventions are required to identify community services that are to be encouraged at these nodes. 	
SCATTERED SETTLEMENT	
<ul style="list-style-type: none"> o Remainder of the Municipal Area. o Potentially viable for in-situ rural housing projects if not too far removed from Secondary or Rural Settlements. 	

Apart from the above nodal areas that define the settlements, the linkages between settlements are further defined in terms of a corridor hierarchy. Volumes, speed and type of traffic as well as the reason for travel define corridors or transport routes as primary, secondary or tertiary.

Transport networks (corridors) are to be promoted as they are the 'veins' of economic growth and a catalyst in economic development. Areas that are highly accessible have better opportunities for economic growth by increasing their market threshold. Good transport systems ensure reliable transport of goods - increasing investor

confidence. Diverse goods and services located along the transport network allows for the generation of income by taking advantage of passing traffic.

Primary Corridors:

N2, John Ross Highway, P230 and MR496 are classified as **Primary Corridors** based on their strategic connectivity i.e. economic growth and development.

- N2: Links UMhlathuze with Durban, Mtubatuba, Hluhluwe, Mkuze, Pongola and Mpumalanga Province.
- John Ross Highway, P230 and MR496: Links UMhlathuze with Eshowe, Melmoth, Ulundi and Buchanana (in former Ntambanana).

Secondary Corridors:

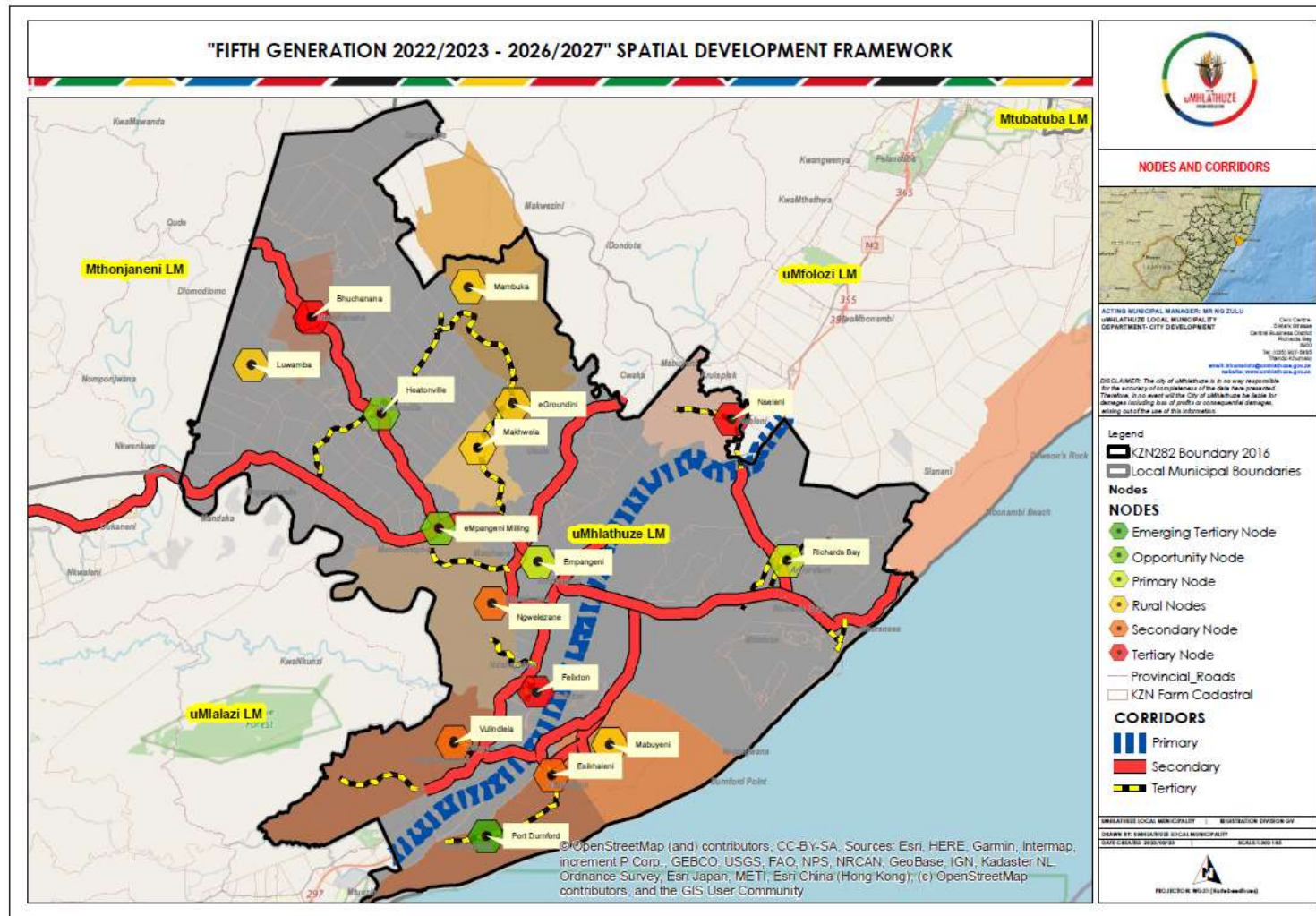
- SP231, MR166, P425, P2-4, P2-5, P535, P106, Part of John Ross Highway (from Mzingazi Canal to Meerensee Suburb sections), North Central Arterial and Anglers Rod are classified as Secondary Corridors as they provide access and linkages between the nodes the surroundings.
- P231/ North Central Arterial/Part of John Ross Highway: From N2 and John Ross Highway it links Richards Bay with Nseleni, IDZ and Port of Richards Bay other areas around Richards Bay.
- P425: Links Empangeni, Nseleni and surrounding traditional authority areas.
- P2-4 & P2-5: Links Empangeni, Felixton, Esikhaleni and Vulindlela.
- P535 & P106: Links Empangeni, Richards Bay, Vulindlela and Esikhaleni.
- Anglers Rod: Links Richards Bay and its surrounding with Meerensee Suburb, beach front and harbour.

Tertiary Corridors:

- The P517, P343, Part of P2-4, Felixton High Street, East Central Arterial, West Central Arterial, Bayview Boulevard, Davidson lane, Krewelkring, Nkoninga and Fish Eagle Flight are classified as Tertiary Corridors as they provide access to a specify point of interest (POI).
- P517: Provides access to access to Nseleni and its surroundings.
- P343/Felixton High Street: Provides access to Felixton (Residential, Educational, Mondi-industry/manufacturing).
- Part of P2-4: Provides access to Vulindlela/Dlangezwa and the University of Zululand.
- Nkoninga/Fish Eagle Flight: Provides access to the Richards Bay Airport and Birdwood residential suburb.
- Davidson/Krewelkring: Provides access to Alkantstrand beach and Newark beach.
- Bayview Boulevard: Provides access to Alkantstrand beach, Newark beach, recreational & Sport facilities.
- West Central Arterial: Provides access to the Port of Richards Bay and the Richards Bay CBD.
- East Central Arterial: Provides access to Richards Bay CBD.

At overleaf, the municipal nodal and corridor hierarchy is indicated.

Map 6: Nodes and Corridors in uMhlathuze



11.9.4 SDF EXPANSION AREAS

A future development scenario has been quantified for the Municipality based on the following premise that there will be an increase in economic activity as well as an increase in population.

Expansion areas were identified by considering various spatial informants and approaches, 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 (in line with legislative requirements) 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 99: Extent of Expansion Areas

Expansion Area	Size (Ha)	Land Developable (Ha)
A	593	363
B	2 982	2 214
C	512	437
D	1 756	356
E	2 306	1 958
F	2 344	1 699
G	971	407
H	1 163	780
TOTAL	12 629	8 214

11.9.5 INTERVENTION AREAS

Spatial intervention areas refer to specific areas where deliberate actions from either the district/local municipality or any other tier of government can improve on a situation that prevails in the area. A number of open spaces in the municipal area have been settled in an informal manner, i.e. without formal approval of building plans and appropriate zoning with the result that service provision to such areas has not been planned and a reactive response instead of a proactive planning approach is followed. Examples are school sites, sites for infrastructure, public open spaces as well as environmentally sensitive areas.

The identification of spatial intervention areas, for remedial action, is working toward achieving the desired spatial pattern. The following intervention areas are proposed in the uMhlathuze Municipality:

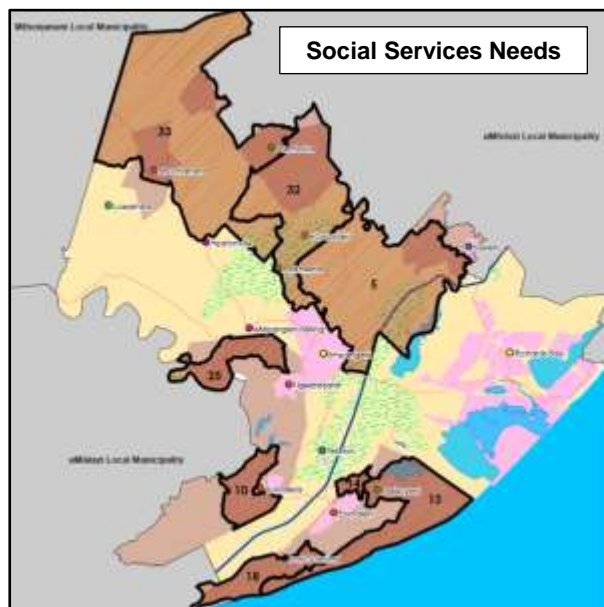
- a) As identified as part of the Nodal/Settlement Hierarchy of the Municipality, **peri-urban** areas are characterized by dense populations, small stands not necessarily able to support agricultural activities, continuous infill-development, pressure for connection to municipal services (individual connections) and possible health impacts as a result of over-crowding. An opportunity therefore exists to improve the living conditions of these residents by formalizing (and if required de-densifying in some way), these densely populated areas. Such opportunity, however, needs to be carefully planned and workshopped with the landowner (Ingonyama Trust) and affected residents.
- b) In terms of planning for peri-urban nodes, the principle of **“work where you live”** should be promoted. Typical examples of such densely populated peri-urban areas are areas surround Esikhaleni, specifically the uMzingwenya area as well as peri-urban areas around other former R293 towns.
- c) In view of the applicable environmental issues such as the high water table and potential pollution of the nearby Mzingazi Lake, special consideration has to be given to areas of **Mzingazi and Mandlazini** in respect of, amongst others, water borne sewer installation and discouraging communities from practicing yard burials.

Analysis indicated and confirmed that the municipal poverty pockets correlate to the rural, predominantly Traditional Authority areas. As per the inset hereunder the poverty pockets, based on access to basic services and access to social infrastructure.

Inset 1: Municipal Poverty Pockets



The portions of the municipality for Basic Services Intervention that have been identified as priority areas represent those wards in the municipality that have the highest need in terms of access to basic water and hygienic toilet facilities. The specific Wards are 5, 6, 31 and 33.



The portions of the municipality that have been identified as priority areas for Social Infrastructure Intervention represent those wards in the municipality that have the highest need in terms of low education levels, high unemployment and low income levels. The specific Wards are 5, 10, 13, 14, 18, 25, 32 and 33. Specific interventions in these areas will require a coordinated effort to address adult literacy, accessibility to social services such as pension and the overall investment in human capital.

The municipality has responded to the above situation with prioritizing significant infrastructure investment in specifically water and sanitation. Other measures are also being pursued and mooted to facilitate development and the delivery of projects in rural areas. Amongst others, partnerships are important to assist where municipal resources cannot meet the required needs. Access remains critical and where social type services cannot be established on a permanent basis in rural areas, mobile services should be considered. Also, improved economic access via public transport, should be considered to assist rural communities to access higher order services in more urban areas.

In order to facilitate feasible service provision, Rural Development Framework Plans have to be developed and adopted, to be used as a guiding tool when land allocations are effected. The municipality has a five phase plan for the preparation of Rural Development Framework Plans and the implementation of proposals has to be prioritized.

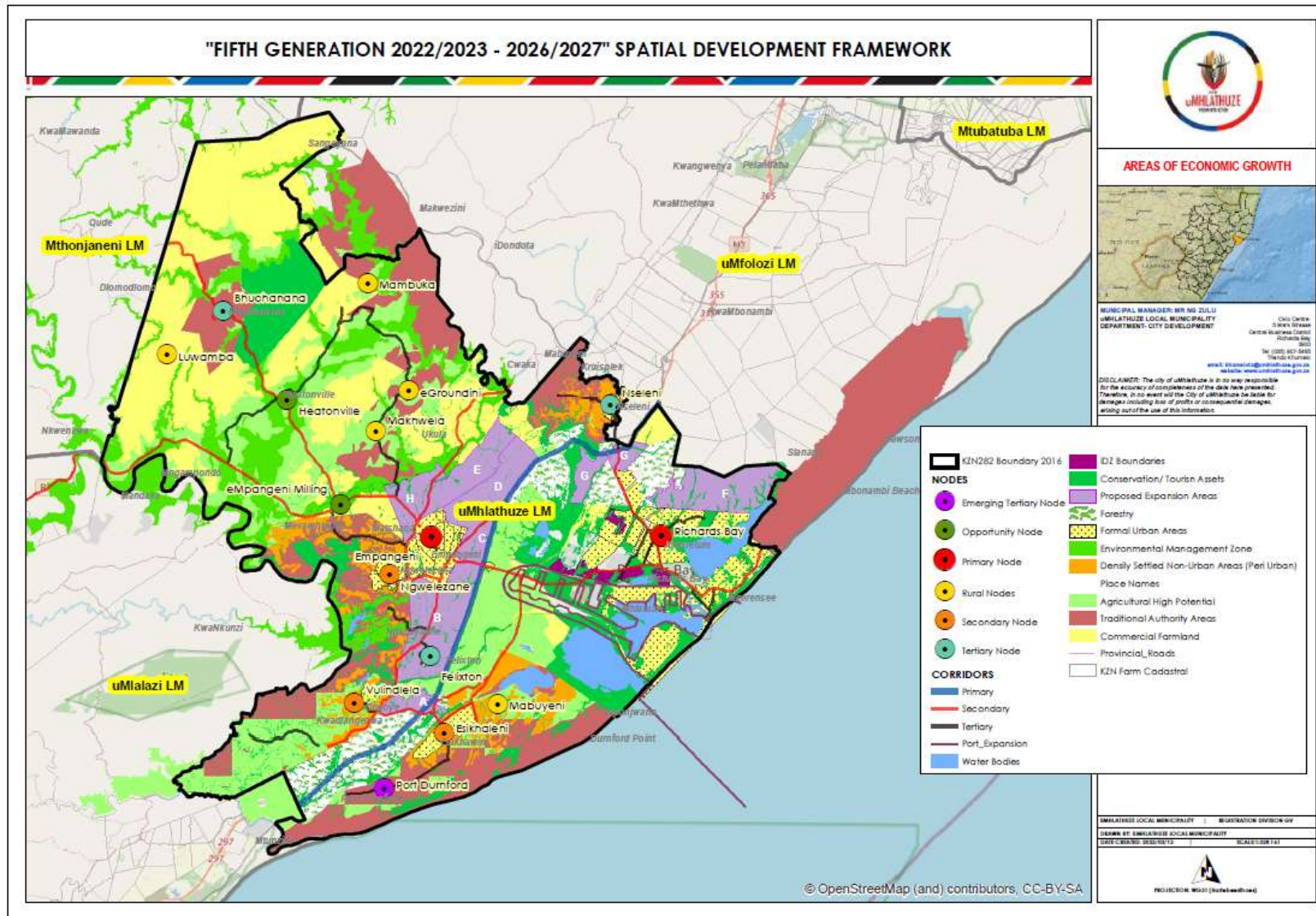
The following table illustrates the complete phasing approach for the preparation of the proposed Rural Development Framework Plans.

Table 100: Phasing of Rural Development Framework Plans

Phase	Project Name
1	Port Dunford Rural Development Framework Plan-Mkhwanazi Traditional Authority - completed
2	Buchanana Rural Development Framework Plan-Obuka Traditional Authority – completed
3	Hluma Rural Development Framework Plan-KwaBhejane Traditional Authority – completed
4	Mabuyeni Rural Development Framework Plan-Madlebe Traditional Authority
5	Matshana Rural Development Framework Plan-Dube Traditional Authority

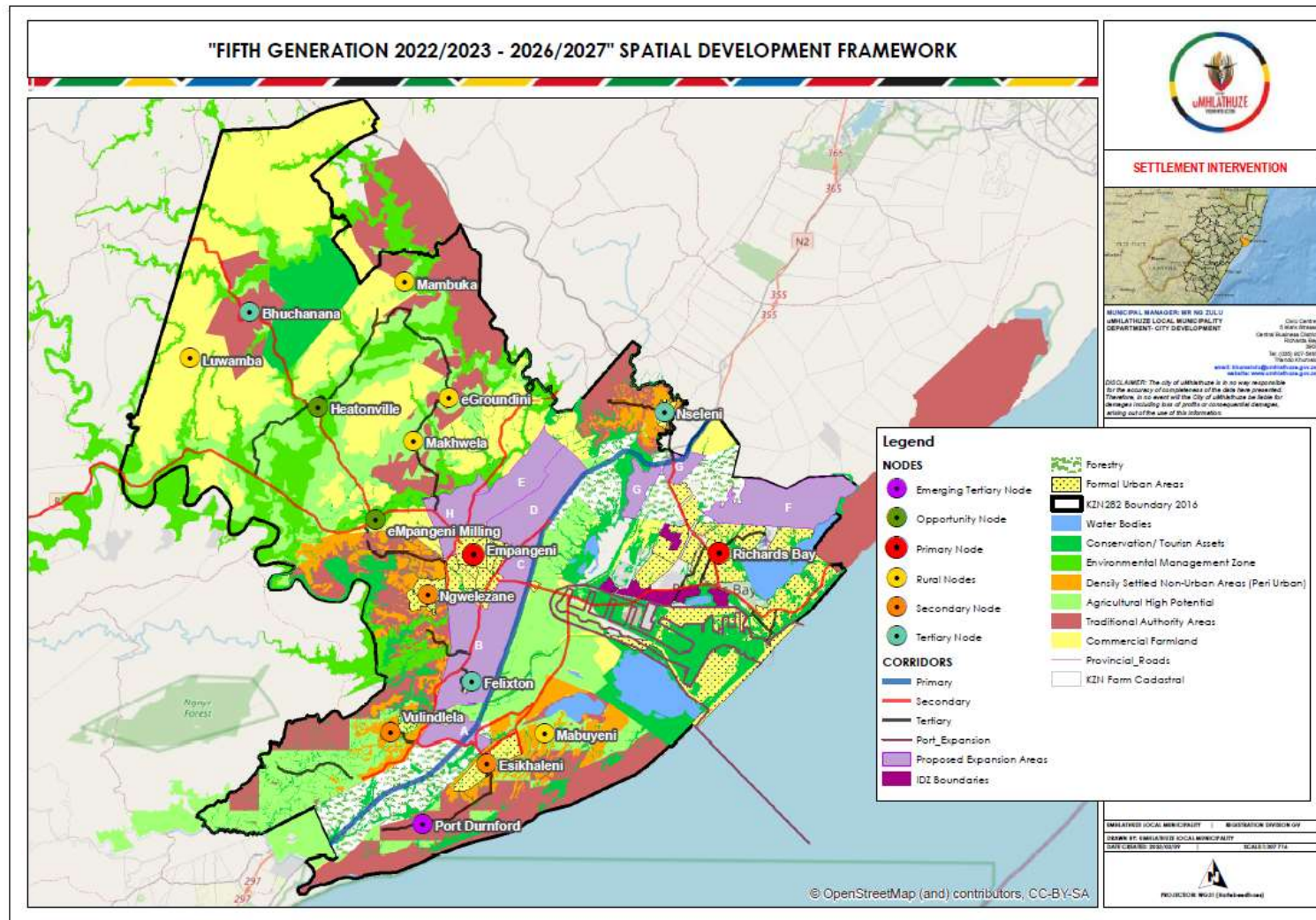
A series of spatial intervention mapping for uMhlathuze Municipality is shown at overleaf, notably areas of economic growth and development as well as settlement intervention areas.

Map 62: Areas of Economic Growth and Development



- The need to consolidate all environmental studies undertaken independently for the respective former municipal areas.
- The protection of strategic agricultural resources but also the initiation of interventions aimed at achieving maximum poverty alleviation and economic growth.
- Rural Framework Plans are being rolled out in the rural areas to guide land and decision making and thereby providing guidance and confidence to investors and residents.
- Conservation/Tourism Assets are prevalent in the whole municipal area.
- Interventions around densely settled peri-urban areas is of an incremental nature. As such, land use management responses in terms of guidelines are required. In addition, the implementation of the NUSP.
- A total of eight expansion areas have been identified to absorb growth and development in the municipality. Planning and budgeting for the provision of bulk infrastructure (roads, electricity, water and sewer) to these areas are required to that the development of these areas can be enabled.

Map 63: Settlement Interventions



Primary Nodes

Review of 2006 Richards Bay CBD Framework for Richards Bay was finalized in 2019; Implementation of the CBD Revitalization Plan; Development of the CIA (Central Industrial Area) in line with IUDF principles and climate resilient development; Empangeni Mega Housing development IRDP. Further Development of Dumisani Makhaye Village (DMV) as an IRDP.

Secondary Nodes

Development of Precinct Plans to provide development vision for the area and provide possible solutions to the development, densification, land use management and economic challenges. Interventions aimed at fostering the Township Economy.

Tertiary Nodes

Development of Precinct Plans to provide development vision for the area and provide possible solutions to the development, densification, land use management and economic challenges.

Opportunity Nodes

Development of Precinct Plans to provide development vision for the area and provide guidance for the development, land use management and economic growth.

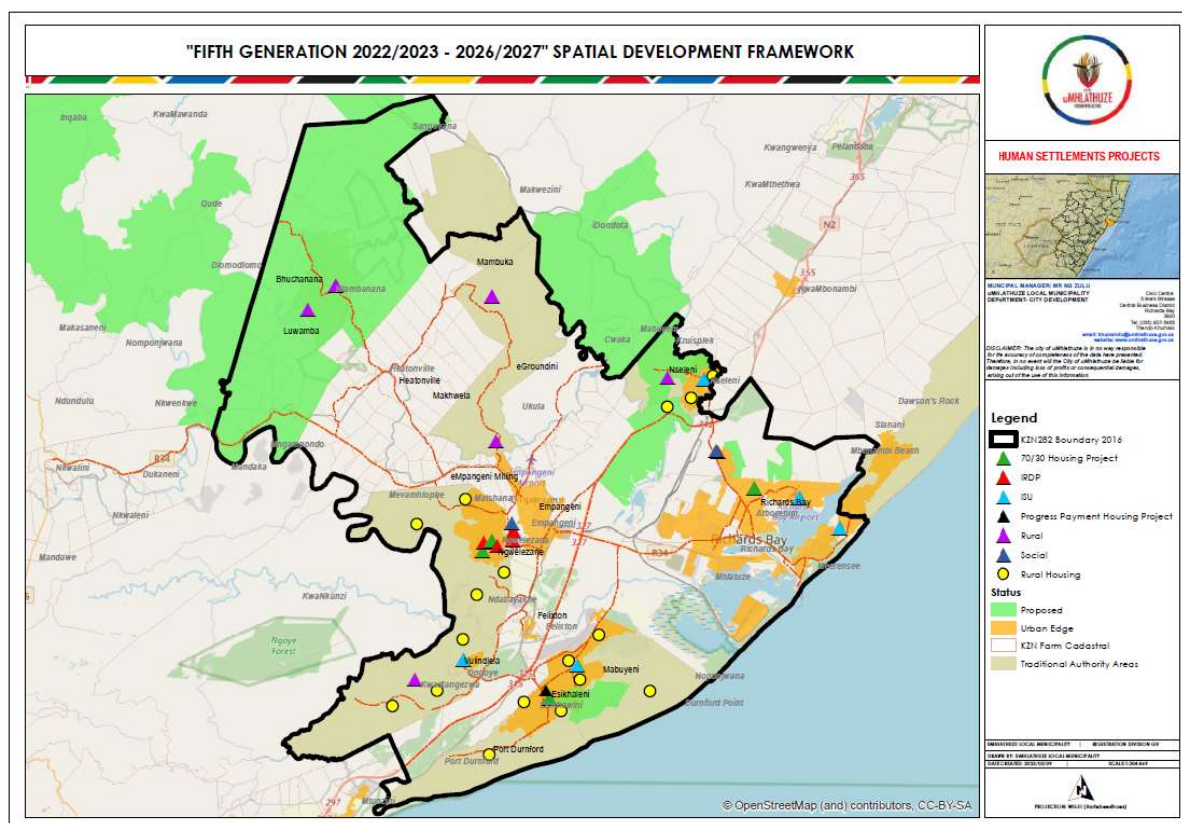
Rural Nodes

Development of Development Framework Plans which will provide guidelines for translation of Spatial Development Intentions into Land Use, Transport, Environmental, Infrastructure developments.

11.9.6 INTEGRATED HUMAN SETTLEMENTS

The following inset provides an indication of the locality of public (and private) human settlement interventions in the Municipality.

Map 64: Human Settlement Projects



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):

- uMzingwenya River Settlement Plan
- Mzingazi Village Settlement Plan
- Mandlazini Village Infill Areas Plan
- Mandlazini-Airport Settlement Plan
- Vulindlela/UniZulu Settlement Plan
- Ngwelezane Hospital Settlement Plan
- Nseleni Settlement Plan

The National Upgrade Support Programme (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The National Upgrade Support Programme is an important initiative which works closely with government at all levels in achieving Output 1 of Outcome 8, i.e. Sustainable human settlements and improved quality of household life.

PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS

The former Minister of Human Settlements, Water and Sanitation declared 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) across the entire country. These were gazetted on 15 May 2020 gazette number 43316. The PHSHDAs intend to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalize towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms.

This is underpinned by the principles of the National Development Plan (NDP) and allied objectives on the National Spatial Development Framework (NSDF) and the Integrated Urban Development Framework (IUDF) which includes:

- Spatial Justice: reversing segregated development and creation of poverty pockets in the peripheral areas, integrate previously excluded groups and resuscitate declining areas;
- Spatial Efficiency: consolidating spaces and promoting densification and efficient communication patterns;
- Access to connectivity, economic and social infrastructure: ensure the attainment of basic services, job opportunities, transport networks, education, recreation, health and welfare to facilitate and catalyse increased investment and productivity;
- Access to adequate accommodation: emphasis is on the provision of affordable and fiscally sustainable shelter in areas of high need; and
- Provision of quality housing options: ensure that different housing typologies are delivered to attract different market segments of appropriate quality and innovation

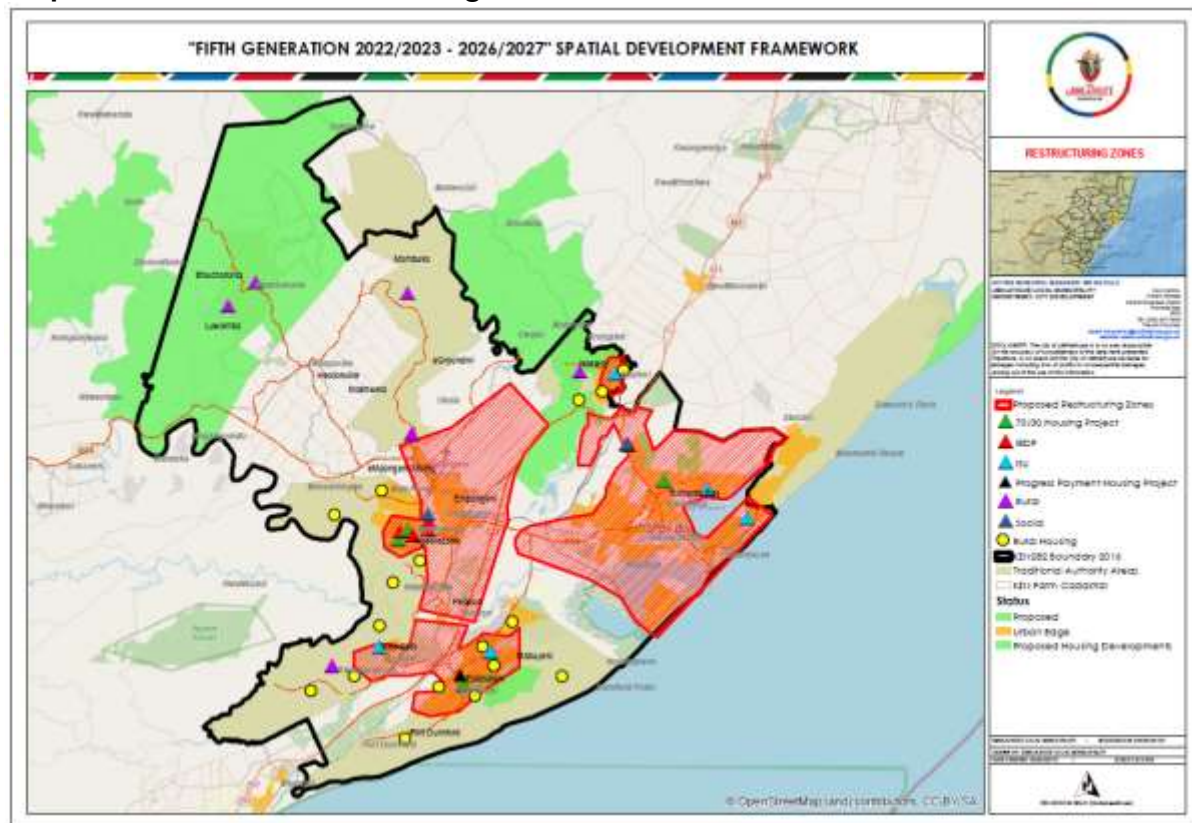
The following table details the identified PHSHDAs in the uMhlathuze Local Municipality.

Table 101: Priority Human Settlements Development and Housing Development Areas (PHSDHAs) in uMhlathuze

District	Local Municipality	PHSHDA	Main Places	Ward numbers
King Cetshwayo	uMhlathuze	Empangeni	Empangeni Ngwelezana	5,9,23,24,25,27,28,29 & 34
King Cetshwayo	uMhlathuze	eSikhaleni Vulindlela Corridor	Esikhaleni Vulindlela	10,12,13,14,15,16,17,18,19,20,21,22 & 30
King Cetshwayo	uMhlathuze	Richards Bay	Richards Bay, Nseleni	1,2,3,4,5,6,7,8 & 26

The above areas are all restructuring zones within the Municipality as indicated hereunder:

Map 65: uMhlathuze Restructuring Zones



More general information relating to the rationale for identifying the above areas is provided herewith.

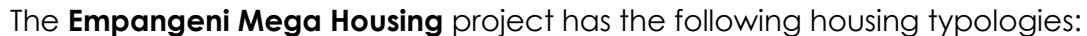
Empangeni:

The Empangeni PHDA includes the towns of Empangeni, Ngwelezane, the Dumisani Makhaye Village (DMV) Human Settlement project as well as the Empangeni Mega Housing project. Empangeni per se is a primary node in terms of the uMhlathuze Municipal SDF and it regarded as a major service and retail centre of uMhlathuze Municipality. It provides a centre of employment, industrial, residential, offices and commercial activity.

At present, there are two human settlements underway in the area, notably **Dumisani Makhaye Village Phase 6 and 8** as well as Empangeni Mega Housing. Both these projects are now integrated residential projects (IRDPs) that offer a suite of opportunities to various income cohorts. The Dumisani Makhaye Village was historically an RDP project but the scope has widened to include social housing and also CRUs and the following is noted:

RDP Houses (Phase 8)	: 130
FLISP	: 82
Social Housing/CRU	: 1270

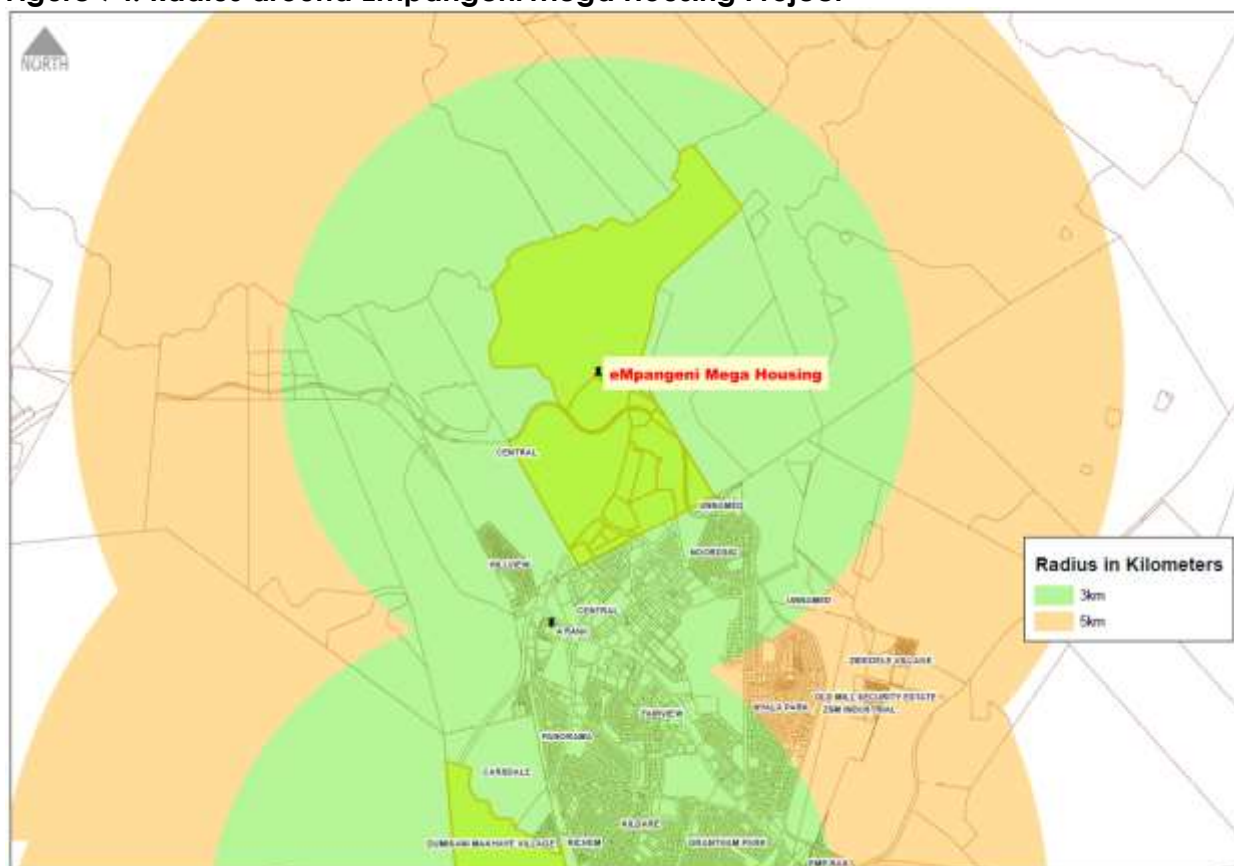
The Dumisani Makhaye can be considered as an infill project in its own right. The following plan indicates the proximity of the Dumisani Makhaye Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.



- RDP & Finance Linked Individual Subsidy Programme: 2065
- Social Housing: 1200
- Bonded Houses: 5791
- Serviced Sites: 578
- Mixed Use Residential: 304
- Medium Density Residential Cluster: 83

The following plan indicates the proximity of the Empangeni Mega Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.

Figure 74: Radius around Empangeni Mega Housing Project



In recent years, an Informal Settlement Upgrade and Relocation Plan was prepared for a portion of **Ngwelezane** in terms of the NUSP (National Upgrading and Support Programme). Ngwelezane offers a combination of mixed used development such as commercial, medical, educational, mixed density and mixed income (urban and urban peri-urban living) and small scale commercial facilities. The area is surrounded by dense peri-urban development which in turn emphasizes the importance of the area as a suburb but also as a service centre to the surrounding community. Ngwelezane is well located to offer student accommodation given its accessibility and proximity to the University of Zululand main campus.

Richards Bay:

The Richards Bay PHDA includes the towns of Richards Bay, its suburbs, as well as Mandlazini and Mzingazi Agri-Villages. Richards Bay is a primary node in terms of the uMhlathuze Municipal SDF and is a prominent developing industrial centre of in South Africa that provides a centres of employment, industrial, residential, mining, offices, eco-tourism, nature reserve and commercial activity. The town is well positioned to take full advantage of the export of manufactured goods and raw materials by virtue of the Richards Bay Harbour. It is also regarded as an eco-tourism and nature reserve gateway and plays a dominant role in the provincial commercial and industrial sector.

At present, **Aquadene** is the main human settlement intervention in Richards Bay. The Aquadene project is also an IRDP. The project provides for the following housing typologies:

RDP Houses : 837
 FLISP : 130
 Social houses/CRU : 1579

The following plan indicates the proximity of the Aquadene Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.

Figure 75: Radius around Aquadene Human Settlement Project



In recent years, an Informal Settlement Upgrade and Relocation Plan was prepared for both the **Mzingazi and Mandlazini Agri-Villages** in terms of the NUSP (National Upgrading and Support Programme). This plan is addressing the urgent need for informal settlement upgrade (in-situ) within these Agri-Villages that are located in close proximity to formal urban suburbs of Birdswood and Meerensee respectively. The said suburbs offer places of employment, commercial and social facilities and peri-urban development has also taken place along the periphery.

A further area that requires priority housing intervention is the area **between Mzingazi and Meerensee**. A project in this area would have a multi-purpose of being an infill project and a catalyst to integrate the adjoining communities. Furthermore, the suitable development of this area could provide in much needed social and recreation facilities that are lacking in the Mzingazi area specifically.

Esikhaleni-Vulindlela Corridor:

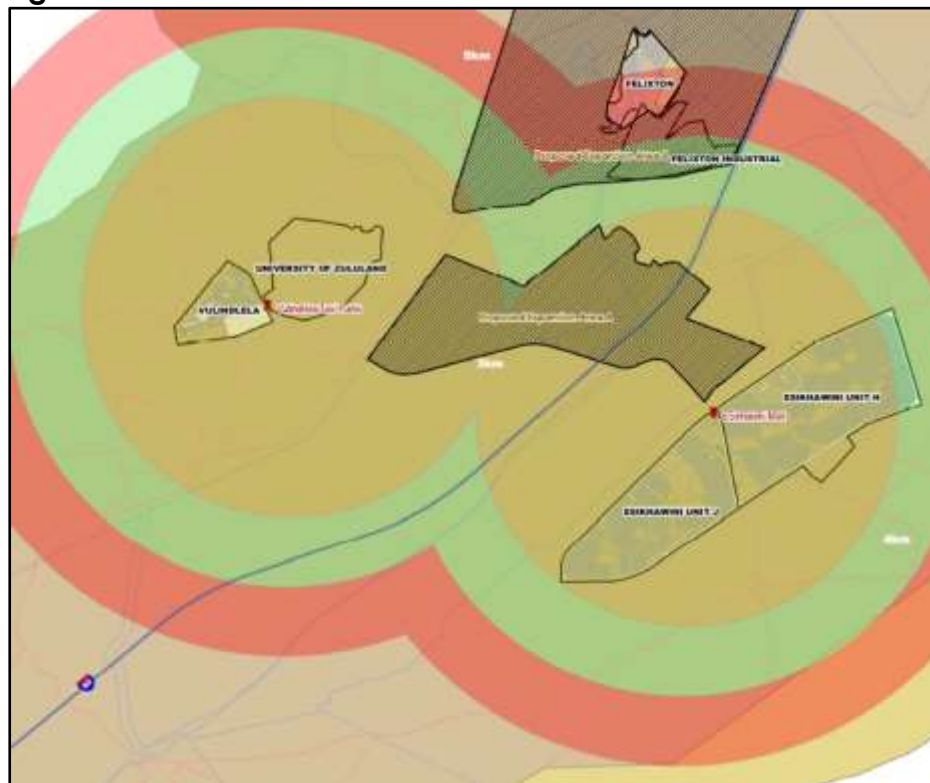
The Esikhaleni Vulindlela PHDA includes the towns of Esikhaleni and Vulindlela as well as the corridor in between. This area is a priority expansion area of the municipality in terms of the SDF. **Esikhaleni** has historically been a dormitory suburb but is in the process of involving into a dominant node. At present it is a secondary node in the municipal area and offers a combination of mixed used development such as commercial, educational, mixed density and mixed income urban living. It is also surrounded by dense peri-urban development creating the need for in-situ upgrade. The node has the potential to be considered as primary node in future.

In recent years, the hostel upgrading programme has been completed in Esikhaleni and 20 blocks were successfully upgraded. The main focus is now on the **uMzingwenya** settlement where more than 4000 households live on the urban periphery and more than half within flood prone areas. The Municipality has also prioritized the uMzingwenya Slums Clearance project and foresee at least partial resettlement of the affected community into the Esikhaleni Vulindlela Corridor.

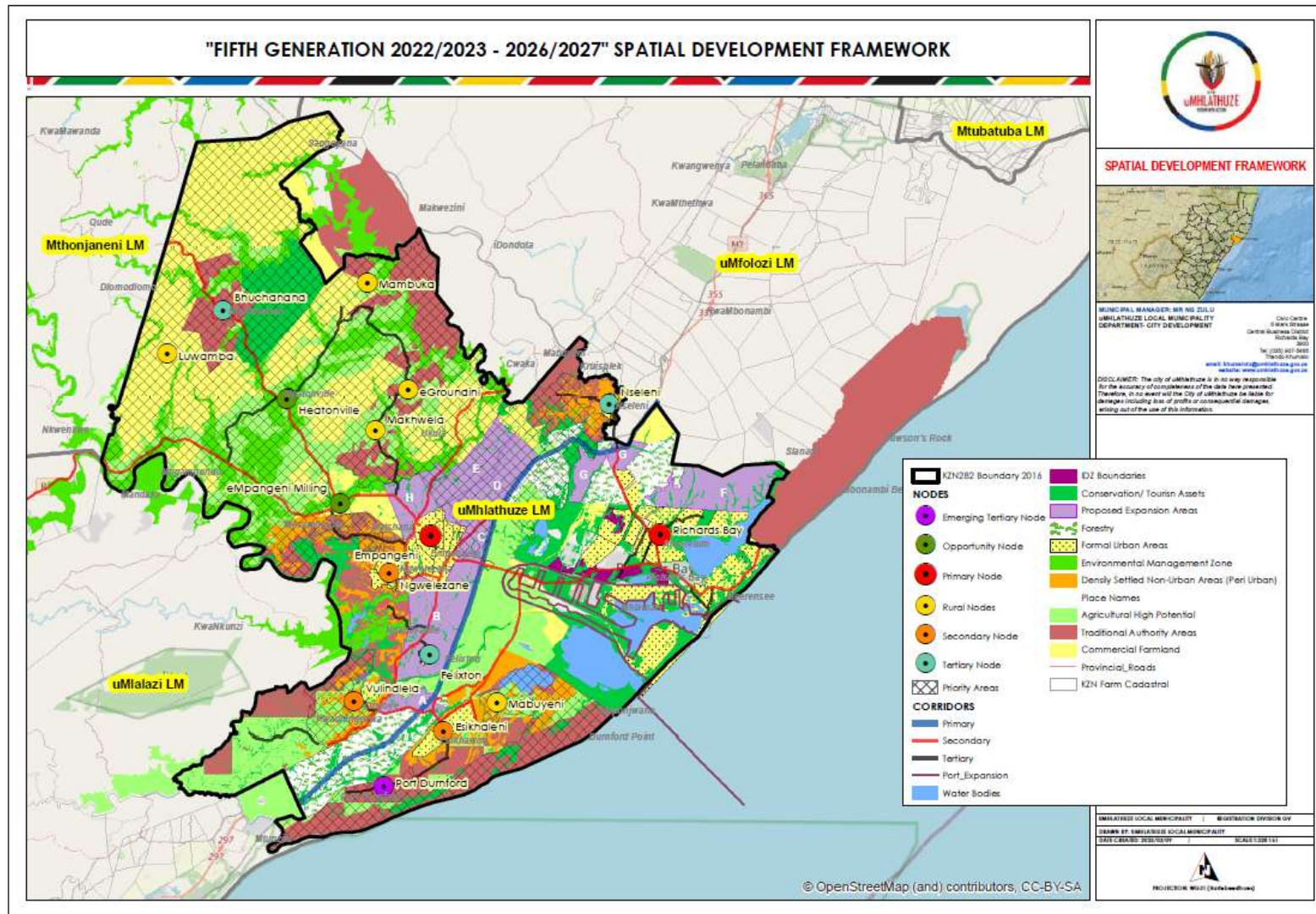
The town of **Vulindlela** was also investigated and an Informal Settlement Upgrade and Relocation Plan was prepared for a portion thereof prepared in terms of the NUSP (National Upgrading and Support Programme).

The following plan provides an indication of the radii around the Esikhaleni and Vulindlela nodes and how any development within these radii will provide integration and improved access to the provided urban facilities.

Figure 76: Radius around Vulindlela and Esikhaleni



Map 66: Consolidated SDF



11.10 ALIGNMENT WITH THE LAND USE SCHEME

The preparation of the single Land Use Scheme (LUS) is regarded as an incremental process of the Municipality which intends to encourage and assist citizens, investors and developers to apply and obtain business rights or any other intended rights which protects their investments.

The following zoning categories in the uMhlathuze LUS and the uMhlathuze SDF are expanded herewith, i.e. environmental, residential, agricultural and mixed use.

11.10.1 Zone Category: Environmental

The SDF indicates the following environmental type areas/categories, i.e. Forestry, Conservation/Tourism Assets, Water Bodies and Environmental Management.

The listed zones for the environmental land use category respond to the essence of the SDF in respect of the environment. The importance of maintaining environmental linkages/corridors is emphasized as well as the need to protect legally proclaimed nature reserves and coastal areas. Very importantly, the LUS is providing for recreational activities in certain environmental zones that can be beneficial to residents as well as the environment. A synergy between tourism and the environment, again for the benefit of the environment and land users, is also fostered in the environmental nature and culture-based tourism zone. From the above, a balance between environmental conservation and controlled development in sensitive areas can be achieved.

11.10.2 Zone Category: Residential

The SDF indicates the following areas/categories relevant to residential, i.e. Nodes, Expansion Areas, Formal Urban Areas, Densely Settled Non-Urban Areas (Peri-Urban) and Traditional Authority Areas.

The listed zones for the residential land use category are supporting the incremental planning approach. Provision is made for detached residential with the provision of more than one dwelling thereby supporting densification. A range of minimum property sizes that reflects the reality on the ground is also provided for. In addition, a range of higher impact residential development options are available and in particular these are relevant to the various human settlement processes of the Municipality, notably in the municipal restructuring zones. In support of attracting economic development, including tourism, zonings to accommodate a range of resort type development is provided. It is further critical that mixed uses along development corridors are provided for as such areas are Priority Development Areas in the Municipality.

11.10.3 Zone Category: Agriculture

The SDF indicates the following areas/categories relevant to agriculture, i.e. Agriculture High Potential and Commercial Farmland and Traditional Authority Areas.

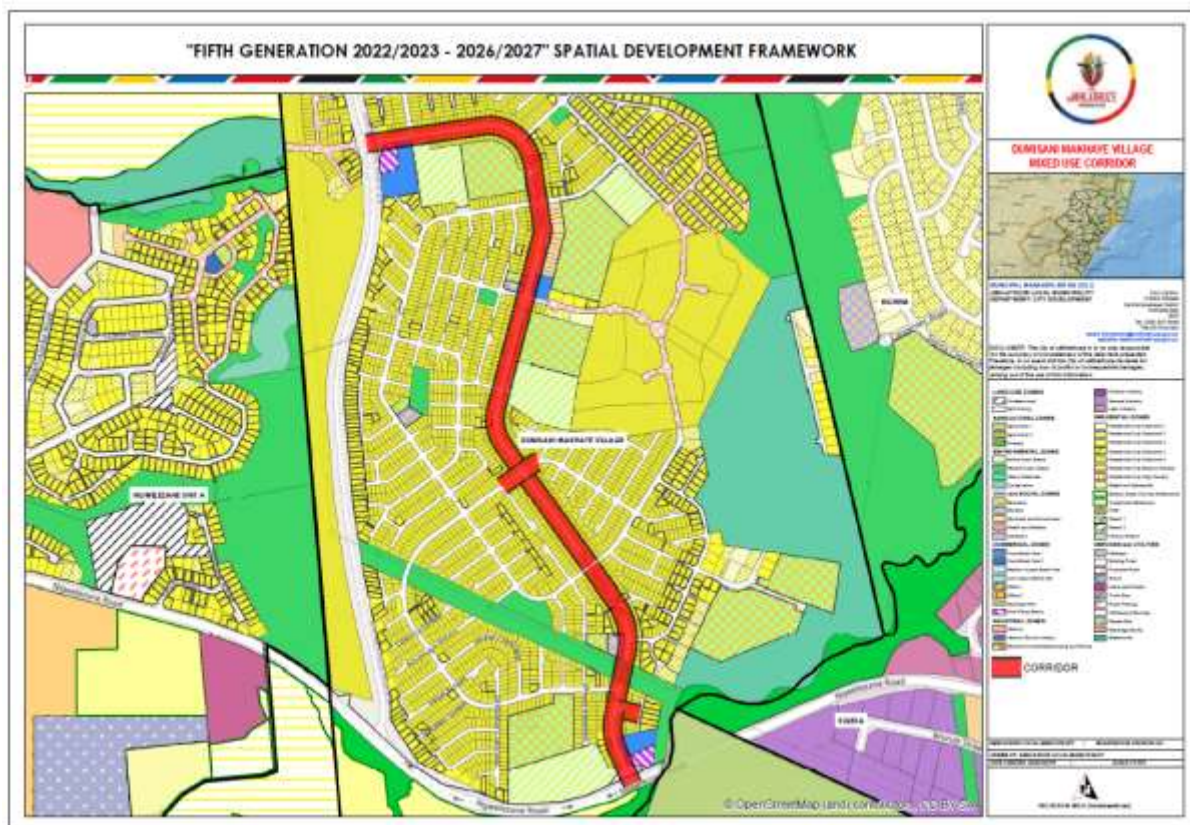
The listed zones for the agricultural land use category are supporting agriculture in a variety of ways. Agriculture is provided for subsistence purposes, in harmony with the environment and also for more commercial purposes. In line with more efficient practices and greener economies, consideration has also been given to greenhouses and windfarms on agricultural land. The very importance of urban agriculture is also elevated by way of appropriate zoning provisions in the LUS.

11.10.4 Zone Category: Mixed Use

The listed zones for the mixed use land use category are supporting the incremental planning approach and socio-economic spatial transformation of the Municipality. Provision is made for the use of retail, personal services, entertainment, offices, residential, public facilities and related commercial uses at high to low intensities. In addition, a range of higher to low impact mixed use development options are available and in particular these are relevant to the various human settlement processes of the Municipality, notably in the municipal restructuring zones, agri-villages, Traditional Authority Areas and former Townships. In support of attracting economic development, including rural and township economy, zonings to accommodate a range of mixed use type development is provided for by way of a very informal procedural system, shortened land use procedures and low or no applications fees. The process assists the Municipality to keep records of all development applications to ensure bulk infrastructure requirements can be met. It is further critical that mixed uses along development corridors are provided for as such areas are Priority Development Areas in the Municipality.

The Municipal Land Use Scheme has identified such mixed use zones in Vulindlela, DMV, eSikhaleni, Ngwelezane and Nseleni and hereunder, the identified zone for DMV has been inserted.

Map 67: DMV Mixed Use Corridor



11.11 UMHLATHUZE SUITE OF PLANS

In certain areas of the Municipality, land usage is more complex than in other area. As such, it is necessary to prepare a Land Use Framework (LUF) as a linkage “step to translate the SDF into more detailed broad land use areas”, to inform the detailed formulation of zones. Where additional and more detailed land use management, beyond that stipulated in the Scheme and Map/s is required, Management Overlays and Management Plans are applied/used.

The Management Overlay identifies the boundary of the area or precinct for which additional regulations or guidelines pertain. The Management Overlay redirects the user to the “informant” or “plan” that contains the additional information and this is a parallel or coordinating plan. The Management Overlay also redirects the user to the source (date) of the plan concerned. The Municipality is in an ongoing process of preparing a “suite of plans” to bridge the gap between the SDF and the detailed land use scheme Details of the current municipal suite of plans is indicated in the following diagram:

Figure 77: uMhlathuze Suite of Plans












UMHLATHUZE DEVELOPMENT BLUEPRINT						
RURAL PLANNING	1. Economic Transformation Roadmap 2. Integrated Development Plan 3. Spatial Development Framework					
	LOCAL AREA PLANS					
	Existing 1. NUSP Plans completed (Mzingazi, Mandlazi, Ngwelezane, uMzingwenya, Nseleni) 2. Rural Planning Initiative	Proposed 1. uMzingwenya Slums Clearance 2. Traditional Council Plan	Existing 1. Empangeni CBD Revitalization Plan 2. Richards Bay CBD Framework Plan 3. Alkantstrand Urban Design 4. Richards Bay CBD Framework Plan Review 5. Waterfront Master Plan	Proposed 1. Esikhaleni Local Area Plan 2. Intermodal Transport Plans	URBAN PLANNING	
	PRECINCT PLANS					
	Existing 1. Port Dunford Rural Development Framework Plan 2. Buchanan Rural Development Framework Plan 3. Hluma Rural Development Framework Plan	Proposed 1. Isigodi Plans 2. Matshana Rural Development Framework Plan 3. Mabuyeni Rural Development Framework Plan	Existing 1. Kwadlangezwa Plan 2. Richards Bay CBD South Extension 3. Airport Relocation pre-feasibility study 4. Richards Bay Civic Centre Precinct Plan 5. Port Dunford Beach Precinct 6. John Ross Precinct Planning and Urban Design Concept 7. Richards Bay Civic Centre Urban Design	Proposed 1. Ngwelezane CBD 2. Nseleni CBD 3. Esikhaleni Intersection and Corridor 4. Nseleni Interchange Precinct 5. Empangeni Milling Opportunity Node 6. Heatonville Opportunity Node 7. Anglers Rod Precinct Plan 8. Alkantstrand Detailed Planning and Preliminary Engineering Designs (underway) 9. Airport Relocation and Redevelopment Feasibility study (underway)		
	CONCEPT PLANS					
	Existing 1. Mzingazi Commercial Nodes 2. Mandlazi Commercial Node 3. Port Dunford Beach Precinct Plan	Proposed	Existing 1. The Ridge Urban Design 2. Steel Bridge Urban Design and Feasibility Study 3. Luvumba 4. Richards Bay SMME Park 5. Esikhaleni Business Support Centre	Proposed 1. Richards Bay ICC Urban Design 2. Empangeni Civic Centre		


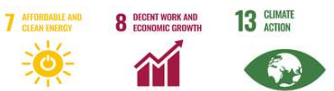

11.11.1 STRATEGIC AND CATALYTIC PROJECTS








A catalytic/strategic project promotes cross-cutting sustainability outcomes that mirror goals and targets to promote the overall sustainability of an area. The uMhlathuze Municipality is pursuing a number of catalytic projects/interventions at present as summarized hereunder. The broad alignment of these projects to the SDGs (Sustainable Development Goals) as discussed in this document is also indicated.

Table 102: Strategic and Catalytic Projects Aligned to SDGs

PROJECT NAME	STATUS
1. Airport Relocation   	The strategic positioning of uMhlathuze has necessitated long term plans to relocate/upgrade the current airport. A pre-feasibility study for the relocation of the Richards Bay Airport has been finalized. The study investigated the various criteria for relocation, including tenure, economic imperatives, spatial and land use considerations, environmental risks, etc. The project has been registered as a PPP and a Transaction Advisor has been appointed to undertake the Feasibility Study.
2. Waterfront Development   	The Municipality intends to develop the Waterfront Area that will delivers a space for the maritime economy, education and businesses, local and international port activities. The following is already in place: 5. An Urban Design for Alkantstrand/Newark Beach adopted by Council; and 6. A Master Plan for the extended waterfront area.

PROJECT NAME	STATUS
	A service provider has been appointed to undertake detailed planning and prepare preliminary engineering designs for the Waterfront area.
3. The Ridge  	The proposed Ridge development is to accommodate a Hotel, High Density Residential units and ancillary land uses. The design reflects a "sense of place", "human scale" and possesses a distinct theme that will take cognizance of the location of the area. A Tender for the Ridge development has been awarded for the project development.
4. Green Hill 	Green Hills is situated on a Portion of the Remainder of Erf 5333, Greenhill, and is 22 758 m ² in extent. An Expression of Interest (EOI) for the development of a mixed use development with a health care centre as an anchor was awarded but has subsequently been cancelled. The project does, however, remain a priority given its potential for catalytic/strategic development.
5. Richards Bay Multi-Modal Facility Precinct   	A number of processes have been completed and further work is underway for the development of the area from the Richards Bay Public Transport Facility, through the Central Industrial Area (CIA), to IDZ 1D in the Alton Industrial Area. Investment from public and private sources is being applied to create the precinct that has various facets, i.e. roads and bulk infrastructure, public transport facility upgrade, SMME support, commercial development as well as industrial development.
6. Expression of Interest for the Remainder of Erf 2627  	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.
7. Hydra Capella 132 kV  	Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.
8. Steel Bridge (Mzingazi Bridge) 	<p>The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalized and outlined:</p> <ul style="list-style-type: none"> o Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items. o Undertaking a topographical survey and other specialist studies required to inform the processes identified.

PROJECT NAME	STATUS
	<p>○ Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction.</p> <p>The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.</p>
<p>9. Comprehensive Integrated Transport Plan (CITP)</p> 	<p>A Comprehensive Integrated Transport Plan (CITP) for the whole municipal area has been prepared. The CITP is a tool that links transports planning elements with related infrastructure in relation to the spatial development framework. It gives attention to measures to promote public transport, the needs of learners and people with disabilities, non-motorised transport, private transport and travel demand estimation.</p> <p>The CITP responds to transformative levers of the Integrated Urban Development Framework and implementation of the SDF. Given that the transport sector is a significant contributor of Greenhouse Gas emissions, the CITP (Non-motorized transport; efficient transport corridors; public transport etc.) is a key intervention area on the Municipal Climate Change Action Plan.</p>
<p>10. Empangeni CBD Revitalization Plan</p> 	<p>Empangeni developed beyond its planned framework and there is increasing pressure for land for housing and interrelated land use components, including transport related requirements. The town suffers substantial urban decay with associated (1) deteriorating ecological infrastructure, (2) hardened urban form and building inefficiencies and (2) spatial and land use inefficiency. A suite of plans has been developed or are under implementation for more efficient transport, stormwater management, energy efficiency as well as greening and landscaping etc. The Revitalization of the Empangeni CBD has further been earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).</p>
<p>11. Empangeni Mega Housing</p> 	<p>Human Settlement project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced.</p> <p>The project has the following proposed housing typologies:</p> <ul style="list-style-type: none"> - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster

PROJECT NAME	STATUS
<p>12. Feasibility Study into wastewater and associated by-products re-use</p>    	<p>The City of uMhlathuze (CoU) seeks to secure an adequate water supply to underpin its planned growth. As such, the CoU has undertaken a comprehensive feasibility study and identified the most viable solution for dealing with wastewater and associated by-products re-use generated within the City, in accordance with Section 120 of the Municipal Finance Management Act, 56 of 2003, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007). Phase 1, the Feasibility Study, has been finalized and Phase 2, the Procurement, is being initiated.</p>
<p>13. Esikhaleni Fitness Centre</p> 	<p>Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. The project has three (3) main phases and an estimated cost of R165 million.</p>
<p>14. Desalination Plan</p>  	<p>Plant was developed by Department of Water Service - DWS (completed February 2017) at a 10ML/day capacity. As part of the handover, it was agreed that DWS would cover all costs relating to the plant until transferred.</p>

A map has been inserted herewith providing the locality (where relevant) of the above listed projects in relation to significant investment being proposed by, amongst others, the Richards Bay Industrial Development Zone (RBIDZ).



11.12 CAPITAL EXPENDITURE FRAMEWORK

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long-term (10 years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward.

Guide to preparing an Infrastructure Investment Framework, SALGA, 2017, page 2

The role of a Capital Expenditure Framework (CEF) is to frame the outcomes of a multitude of planning documents within the municipality to ensure that implementation is guided by a strategic, spatial, financial, and socio-economic logic.

The primary outputs of the CEF are summarised below:

- The Spatial Development Framework (SDF) informs the identification of functional areas and priority development areas for the municipality to prepare a socio-economic and developmental profile for the municipality.
- The socio-economic and developmental profiling informs the demand quantification activity of the CEF process and the setting of long-term infrastructure investment targets required realise the spatial development vision of the municipality.
- The consolidated capital demand/needs, irrespective of whether the capital demand stems from local, provincial or national spheres of government, represents the Integrated Infrastructure Investment Framework (IIIF) or Capital Investment Framework (CIF) and aims to gather the long-term capital demand required for the municipality to function optimally.
- The spatial development vision of the municipality, along with other strategic, financial, policy, socio-economic and technical objectives are used to prepare a prioritisation model in order to rank/ score capital demand (projects) based on their alignment to the spatial, strategic, financial, policy, socio-economic and technical objectives of the municipality.
- The process of setting up a budget for the CEF draws from the outcomes of the long-term financial plan - whereby the affordability envelope and the optimal funding mix for capital investment for the municipal is modelled based on key socio-economic and population growth projections. Once the affordability envelope is known, the 10-year capital budget can be prepared with inputs from the project prioritisation results.
- The final step in preparing the CEF is to define an implementation programme for the medium term – in line with the Medium-Term Expenditure Framework (MTEF). The medium-term implementation plan of the CEF is known as the Capital Expenditure Implementation Programme (CEIP) which is essentially the first three budget years of the 10-year Capital Expenditure Framework.

11.12.1 FUNCTIONAL AREAS

A Functional Area (FA) is a region with similar characteristics from a development and service demand perspective. Various indexes and modelled in the determination of

Over the past two decades, the emphasis has been on extending services to poor households. At the same time, major population shifts have occurred, through accelerated urbanization and decreased growth and even population decline in rural areas. Extending access to services is regarded as one of the following three major investment areas that require attention in order to sustain or accelerate development in any municipality:

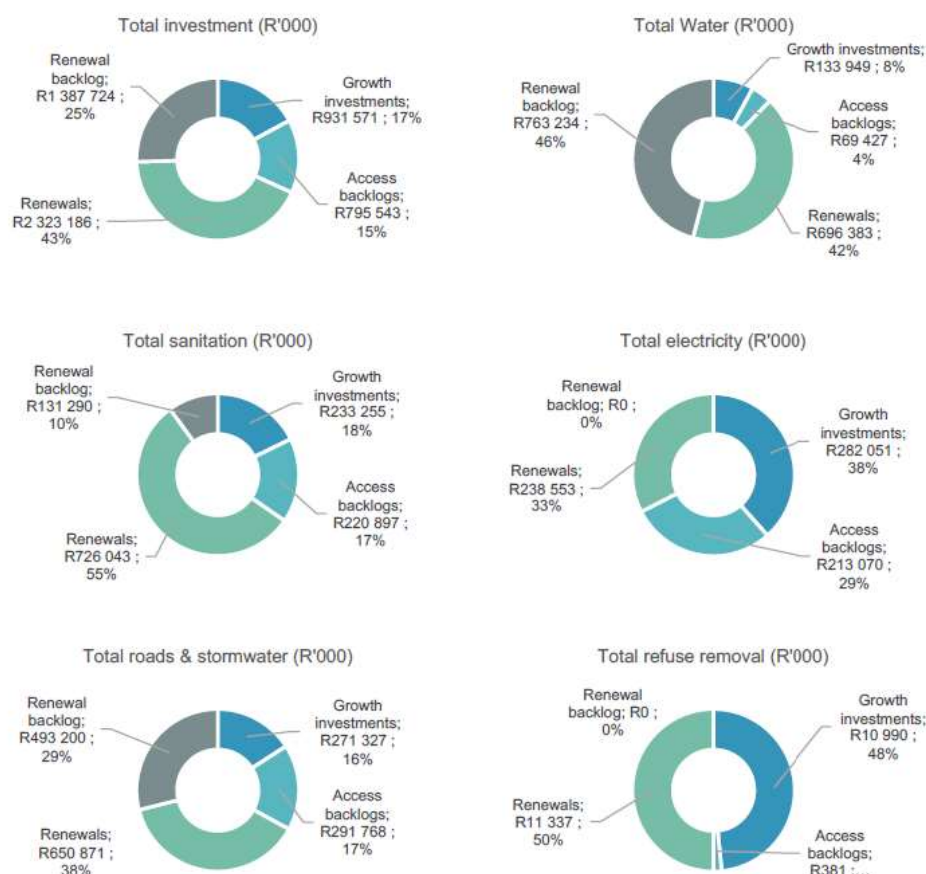
- The first investment challenge is existing households without access to services
- The second is investment required to renew (rehabilitate and maintain) existing infrastructure
- The third is the growth in households and the economy

Long term investment demand is quantified by considering:

- i. Population-based demand: Population change and characteristics determine the current and future customer base served by the Council and thus what the quantum of the services to be delivered should be;
- ii. Level of Service (LOS) choices: The LOS offered by the Council for each infrastructure component varies but has a significant effect on the affordability of services; and,
- iii. The land use requirements and the resulting capital and operating expenditure consequences of investment demand in the context of the service delivery policies and choices of the Council.

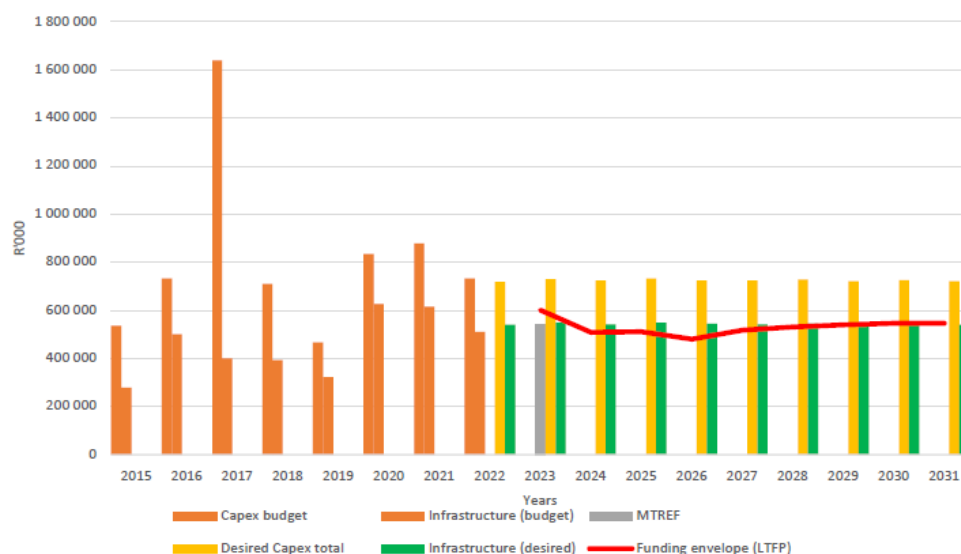
In context of the above a detailed analysis is undertaken access to various services over time, asset renewals and renewal backlogs, growth demand as well as population growth. In addition, a land use budget is determined and level of services (LOS) options considered. The following graphs depict some of the outcomes of the above process:

Figure 13: Contribution of each investment demand component to each of the infrastructure asset groups



The capital requirements to address growth, access backlogs and asset renewal will average more than R543 million per annum. The Council will require about R91 million per annum to accommodate new growth and a further R80 million per annum to address service backlogs. The challenge lies with asset renewal and renewal backlogs. Based on the current replacement cost (CRC), renewal backlogs will require a further R138.7 million per annum and asset renewal a further R232 million per annum. This total is an average capex requirement of R544 million per annum. The capex budget for the past five years averaged R443 million per annum, and the planned expenditure for the MTREF years averaged R534 million per annum.

The desired capex exceeds the Council's funding capacity. This implies that adjustments will have to be made in service delivery policies and strategies, allowing for lower demand for capex. The desired capex exceeds the funding capabilities with about R1.7 billion over the next ten years.

Figure 14: Capex Relationships

11.12.3 PLANNED CAPITAL EXPENDITURE

The Integrated Infrastructure Investment Framework (IIIF) also referred to as the Capital Investment Framework (CIF), outlines the demand identified for capital projects within the uMhlathuze local municipality's jurisdiction and, as such, it represents all capital projects identified across various sectors by various departments.

The IIIF should therefore not only show capital investment projects identified by the municipality but also the capital investment projects from other spheres of government operating within the jurisdiction of the municipality.

Various data sources were utilized to consolidate details of the planning capital expenditure including various asset management plans, bulk master plans, sector plans, renewal strategies etc. and the result is contained in the following table:

Table 11: 2022/2023 – 2031/32 Total Planned Capital Expenditure per Year

Financial Year	Budget	Budget %
2022/23	R 10 937 785 268,94	24%
2023/24	R 6 142 739 813,34	14%
2024/25	R 5 724 443 415,34	13%
2025/26	R 4 887 061 807,34	11%
2026/27	R 3 302 617 219,34	7%
2027/28	R 3 199 661 706,34	7%
2028/29	R 3 310 757 219,34	7%
2029/30	R 2 636 465 505,05	6%
2030/31	R 2 641 023 505,05	6%
2031/32	R 2 075 264 727,28	5%
Grand total	R 44 857 820 187,36	100%

The results were further analysed per unit and department, nature of investment, MSCOA types etc. From the analysis the following was observed:

- i. Under Water Supply Infrastructure, the dominant asset subtype is distribution of the planned capital expenditure per asset type. The uMhlathuze Bulk Water Master has taken cognizance of the planned development to mitigate the water supply issues and distribute to the households that do not have access to water supply.
- ii. Under Roads Infrastructure, the dominant asset subtype is Roads at 80% of the planned capital expenditure and this is indicative that the municipality proposes a focus on additional arterial routes to provide access to the main urban centre thus the need for planned capital expenditure for the roads asset.
- iii. Under Electrical Infrastructure, the dominant asset subtype is LV Networks (43%) and HV Substations (34%) of the planned capital expenditure per asset type. The demand on the asset subtypes can be linked to the deteriorating condition of the municipal substations.
- iv. Under Sanitation Infrastructure, the dominant asset subtype is Outfall Sewers at 45% of the planned capital expenditure per asset type. The demand coincides with the intention to extend sewerage systems within the identified SDF Expansion Areas.
- v. Under Community assets, the dominant asset subtypes are Community Facilities (60%) such as community halls, Libraries, Cemeteries and Sport and Recreation Facilities such as sport fields and parks (40%). Both Community Facilities and Sport and Recreation Facilities are important within the municipality for the health and welfare of the citizens.

Further analysis of the data is available and presented as planned capital expenditure per Functional Area (FA) as well as per ward.

11.12.4 PRIORITISATION

The reality is that the municipal affordability, i.e. the funding envelope, as determined in the Long Term Financial Plan (LTFP), is less than the capital demand as outlined in the previous section.

The prioritisation rationale has been informed by the following criteria grouping:

- o Economic Alignment: Revenue generating assets, economic activity index, population density, priority portfolio (catalytic projects)
- o Financial Alignment: Monetary impact, co-funding, affordability
- o Social Alignment: Social facilities and responsible units, priority programmes, social facilities index
- o Technical Alignment: Services, urban morphology index, service based priority index, ruggedness index, population index
- o Strategic Alignment: Functional area, priority development area, specific development area, urban development boundary

Various strategic documents/strategies/plans and frameworks informed the above criteria.

The outcome of the above process is that spatial inputs are used to prioritise projects. Spatial prioritisation and budget alignment is not only a prerequisite in terms of

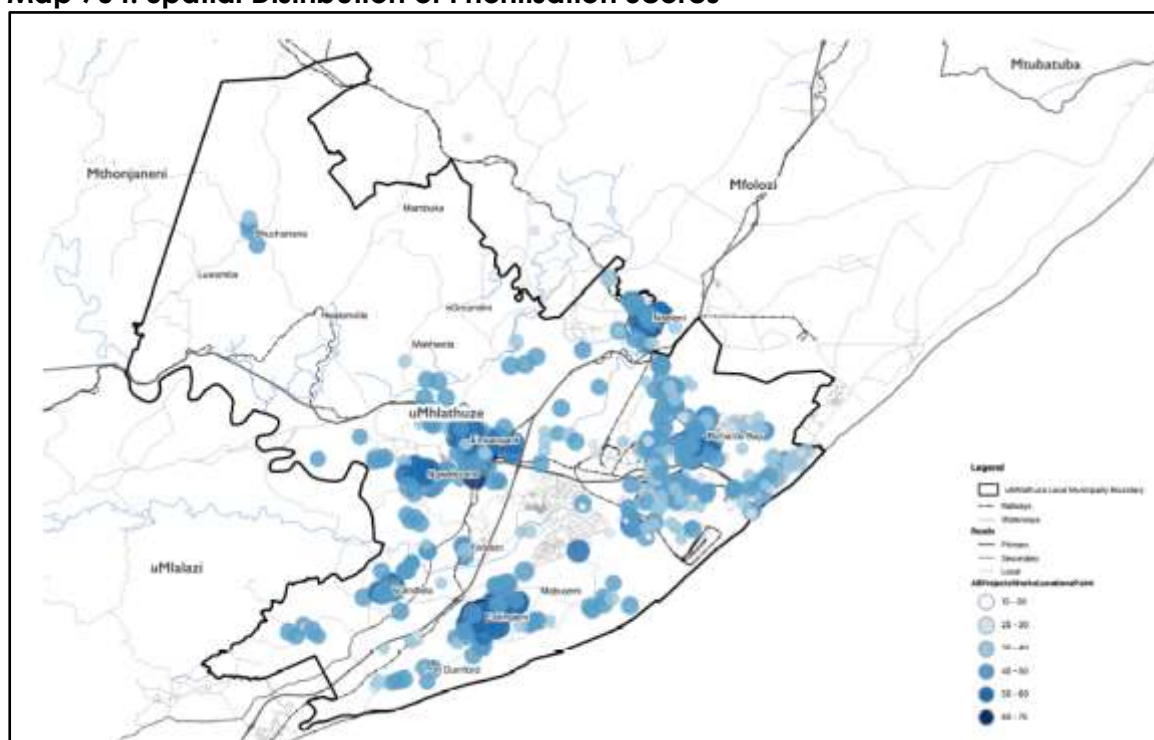
SPLUMA, but it is also a policy imperative for the IUDF – therefore, spatially-based prioritisation enables true spatial targeting.

It is important to take note of the following when interpreting the spatial distribution of project prioritisation scores:

- Projects geo-referenced locations are captured as either a point, line or polygon geometry;
- Project geo-referenced locations were reduced to the centroid of each project location for aggregation and displaying purposes, and;
- Project score distribution locations are therefore an approximation of a project's location, and not an absolute indication of the project's location or implementation area.

Hereunder the spatial distribution of projects in uMhlathuze is shown.

Map 704: Spatial Distribution of Prioritisation Scores



From the above it is evident that that priority areas influence the total score of the projects, i.e. the secondary and tertiary nodes of Empangeni, Ngwelezane, Nseleni and Esikhaleni – all areas within the urban edge – received higher score values when compared to the other nodes. Likewise, Richards Bay and the secondary corridor from Richard's Bay to Nseleni, are hosts of some of the highest concentration of scoring projects. It is worth noting that the nodes like Buchanana, Felixton and Nseleni received good scoring during the prioritisation model, indicating that these projects have sufficient information and readiness to be considered. Port Dunford which falls into the proposed expansion also has a moderate concentration of projects, which indicates that the model distributed scoring sufficiently.

Informed by the above the budget scenario outcome per Functional Area was analyzed. The outcomes thereof are indicated in the following tables and map. Outcomes and results are also available per electrical ward, mSCOA project type, asset type etc.

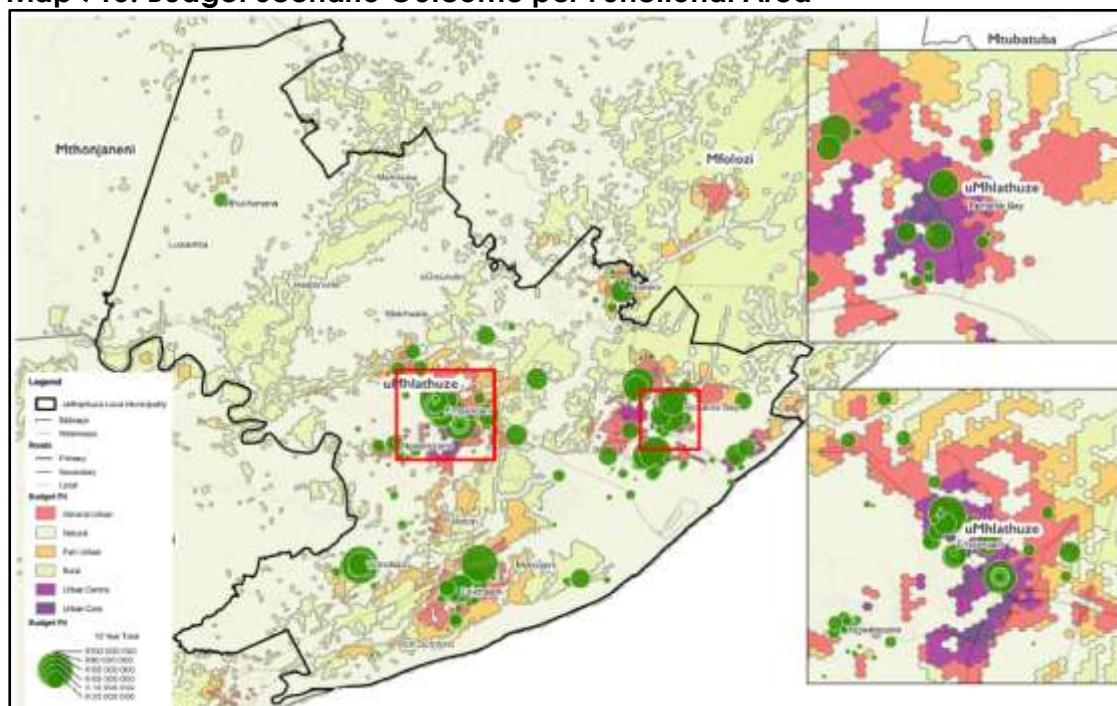
Table 12: Budget Scenario Outcome Functional Area analysis (part 1)

	No Intersect	Rural	Administrative HQ	General Urban
2022 / 2023	R2	R47 054 374	R1 043 000	R161 115 606
2023 / 2024	R120	R104 184 971	R2 862 000	R191 635 778
2024 / 2025	R5	R29 747 382	R2 583 000	R251 968 592
2025 / 2026	R57	R62 035 090	R114 000	R205 919 754
2026 / 2027	R109	R79 172 764	R137 000	R71 665 092
2027 / 2028	R0	R531 836	R599 000	R40 626 638
2028 / 2029	R0	R1 243 206	R14 093 000	R19 136 558
2029 / 2030	R0	R1 214 184	R12 156 000	R8 063 409
2030 / 2031	R0	R679 599	R7 595 000	R9 235 100
2031 / 2032	R0	R49 889	R30 000	R19 247 947
Total	R292	R325 913 296	R41 212 000	R978 614 473
%	0%	6%	1%	19%

Table 13: Budget Scenario Outcome Functional Area analysis (part 2)

	Peri-Urban	Urban Centre	Urban Core	City Wide
2022 / 2023	R26 345 353	R191 777 029	R78 722 468	R2 606 535
2023 / 2024	R88 454 408	R66 678 170	R57 454 500	R15 974
2024 / 2025	R60 569 527	R71 596 934	R64 985 418	R20 330
2025 / 2026	R41 746 216	R185 892 129	R19 130 718	R47 588
2026 / 2027	R68 775 853	R84 496 654	R115 412 005	R62 044 000
2027 / 2028	R2 990 034	R77 054 851	R45 031 226	R365 479 200
2028 / 2029	R2 001 107	R28 070 159	R7 330 769	R473 969 505
2029 / 2030	R 0	R20 549 253	R22 162 847	R483 082 544
2030 / 2031	R1 863 873	R -0	R 0	R426 715 944
2031 / 2032	R450 111	R11 329 055	R6 663 000	R508 091 526
Total	R293 196 481	R737 444 233	R416 892 951	R2 322 073 148
%	6%	14%	8%	45%

Map 715: Budget Scenario Outcome per Functional Area

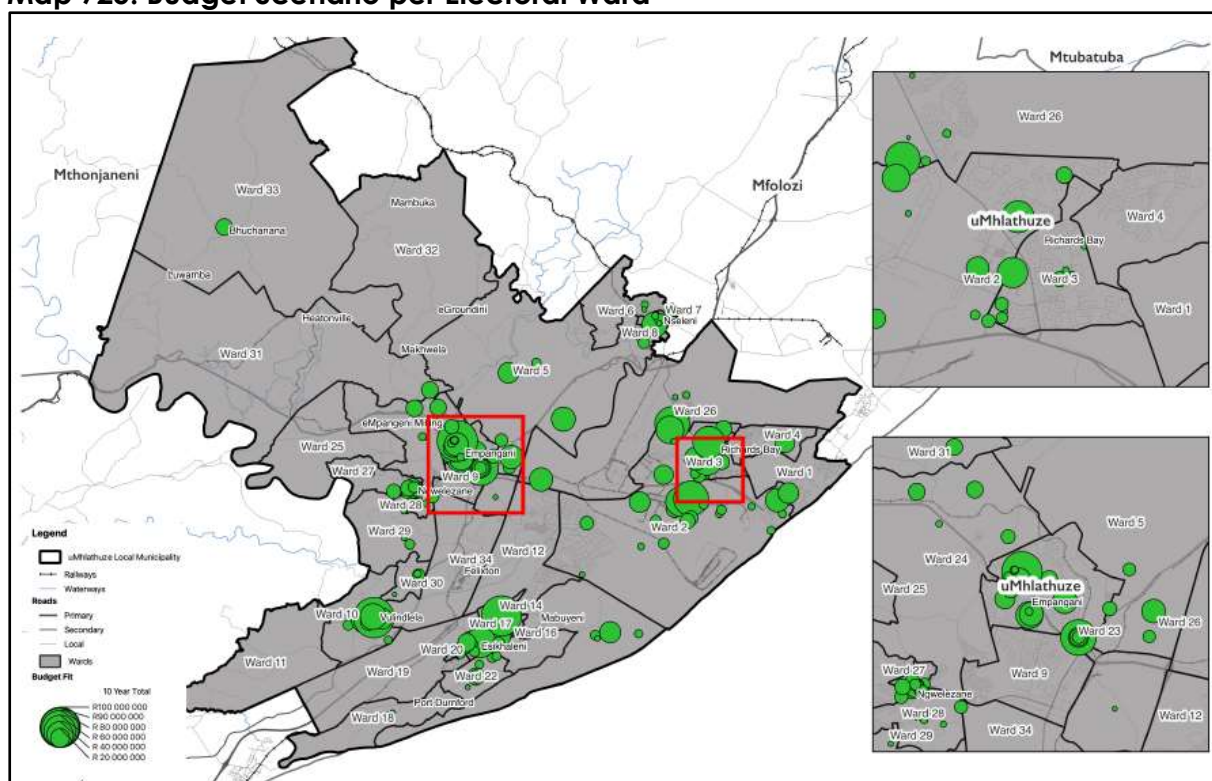


11.12.5 CAPITAL EXPENDITURE IMPLEMENTATION PLAN

Amongst others, the budget scenario outcome as per the capital investment plan for 2023/2024 has been stated in Wards over a 10-year horizon. Its purpose is to determine the level of spatial targeting used by the municipality within the defined Wards. City Wide and Administrative HQ do not necessarily benefit any specific ward and might benefit more than one service area. Projects without any spatial location are classified as "Not Intersect".

The following map indicates that 54% of the capital is distributed over 33 wards within the municipality and a total of 46% of the capital expenditure is at a City-Wide level and not spatially targeted to a specific ward – but rather all the wards. The top five wards within this budget scenario are Wards 23, 2, 30, 21, and 28. These wards include Empangeni, Ngwelezane, Esikhaleni and Richards Bay which fall within the municipality's Urban areas. The Budget Scenario outcome further indicate planned capital expenditure within the Peri-urban and Rural wards. This aligns with the municipality's plans to invest in the upgrading of infrastructure within these areas particularly roads and water infrastructure.

Map 725: Budget Scenario per Electoral Ward



Further analysis is also provided of the outcomes, for example, with regard to the mSCOA asset classification Water Supply Infrastructure (57%), Roads Infrastructure (23%) and Sanitation Infrastructure (12%) make up the largest capital spending of the municipality within the MTREF while Community and Electrical Infrastructure make up the least. The MTREF analysis depicts a similar outcome when compared to the 10-year analysis. Under the Water Supply Infrastructure, the dominant asset sub-type is Distribution. This is evidence of the uMhlathuze Bulk Water Master Plans that seek to mitigate the water supply issues within the municipality. Under the Roads

Infrastructure, the dominant asset subtype is Roads. The budget scenario outcome speaks to the municipality's plans to add arterial routes for better access to the main urban centre. Under the Sanitation Infrastructure, the dominant asset subtype is Outfall Sewers. The above is illustrated in the following figure.

Figure 14: MTREF Budget Scenario Outcome per Asset Type and Subtype



SECTION E2: IMPLEMENTATION PLAN

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																										
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	2022/2023				Year 2 Output Target	Year 3 Output Target	Year 4 Output Target	Year 5 Output Target	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility		
										Q1 Target	Q2 Target	Q3 Target	Q4 Target													
KPA1: Good Governance and Public Participation																										
T1.1	1.1.4.3	Deepen democracy through a refined Ward Committee model	To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitation of Stakeholder and Community participation in policy making	Number of IDP/PMS and Budget Public participation meetings (forums)	13	9		13	0	6	0	7	13	13	13	13							Office of Municipal Manager		
T1.2	1.1.4.1			Facilitate the Functionality of Ward Committees through continuous capacitation	Percentage of Ward Committees with 6 or more Ward Committee members (excluding Ward Councillor)	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%							Office of Municipal Manager			
T1.3	1.1.4.1				Percentage of wards that have held at least one councillor-convened community meeting	80%	0%		90%	90%	90%	90%	90%	90%	90%	90%									Office of Municipal Manager	
T1.4	1.1.4.2			Development of a Credible Integrated Development plan within prescribed legislative guidelines	Approval of IDP by 31 May	100%	75,00%		31-May	-	-	-	31-May	31-May	31-May	31-May	31-May									Office of Municipal Manager
T1.5	1.1.4	Implement diff approach Municipal financial, planning and support		Improve Council functionality	Number of agenda items deferred to the next council meeting	0	0		0	0	0	0	0	0	0	0								Corporate Services		
KPA2: Basic Service Delivery and Infrastructure Development																										
T2.3	2.1.1.1	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate water services backlogs through provision of basic water services	Number of new water connections meeting minimum standard	500	80		250	50	50	50	100	250	250	250	250							Infrastructure Services		
T2.7	2.1.1.1				Quality of drinking water complying with the South African national standards at latest SANS 241 >95%	>95%	99,0%		>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%	>95%							Infrastructure Services		
T2.10	2.1.1.3			Eradicate Sanitation services backlogs through provision of basic sanitation services	Number of new sewer connections meeting minimum standard	0	0		280	0	50	100	130	250	280	300	300								Infrastructure Services	
T2.13	2.1.1				Wastewater Quality compliance of >90% as per Green Drop standard	≥90%	46,50%		≥90%	≥90%	≥90%	≥90%	≥90%	≥90%	≥90%	≥90%	≥90%							Infrastructure Services		
T2.15	2.1.1.2			Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of new dwellings provided with connections to the mains Electricity supply by the Municipality	80	59		80	20	20	20	20	80	80	80	80									Electrical and Energy Services
T2.19	2.1.1				Percentage of general street lighting faults are restored within 72 hours (excluding cable faults or stolen equipment)	70%	89%		70%	70%	70%	70%	70%	70%	75%	75%	80%	80%								

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	2022/2023				Year 2	Year 3	Year 4	Year 5	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
										Q1 Target	Q2 Target	Q3 Target	Q4 Target											
KPA2: Basic Service Delivery and Infrastructure Development																								
T2.23	2.1.1.4	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provide a weekly domestic solid waste removal service to the community	Number of new Households with access to waste disposal	400	417		2000	500	500	500	500	2000	2000	2000	2000	R1 500 000	R2 000 000	R2 000 000	R2 000 000	R2 000 000	Capital Replacement Reserves	Community services
T2.25	2.1.1.5			Provision of public transport infrastructure facilities	Kilometres of gravel roads maintained (Both regravelling and grading)	360	322.44		360	90	90	90	90	360	360	360	360	R28 929 500	R31 822 500	R35 004 800	R38 505 300	R42 355 800	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.26	2.1.1.5				Kilometres of gravel roads upgraded to surfaced road (New tarred roads)	1.06	1.057		1.0	-	-	-	1.0	2.0	2.0	3.0	3.0	R14 000 000	R20 037 000	R30 000 000	R39 199 000	R50 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.27	2.1.1.5				Kilometres of paved municipal road which has been resurfaced and resealed	3.00	0.0		3.0	-	-	-	3.0	5.0	5.0	6.0	6.0	R14 000 000	R40 000 000	R50 000 000	R40 000 000	R50 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.28	2.1.1.5				Percentage of reported potholes fixed within standard Municipal response time	80%	65.30%		80%	80%	80%	80%	80%	85.00%	85%	90%							Borrowing Capital Replacement Reserves	Infrastructure Services
T2.29	2.1.1.7		To promote the achievement of a non-racial, integrated society through the development of sustainable human settlement and quality housing	Strive to improve reliability and service life of Municipal Infrastructure, facilities and assets	Construction of Pedestrian Bridges	8	0		5	0	0	2	3	5	7	8	8	R8 509 000	R8 000 000	R12 000 000	R15 000 000	R15 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.30	2.1.1.6			Provision and maintenance of storm water and costal engineering infrastructure	Kilometres of Stormwater open drains maintained	28.74	24.93		25	5	5	5	10	25	30	30	35	R4 902 000	R5 049 060	R5 200 532	R5 356 548	R5 517 244	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.31	2.1.1.6				Number of manholes maintained (Incl kerb inlets)	1084	906		1084	250	250	250	334	1084	1084	1084	1084	R977 768	R1 007 101	R1 037 314	R1 068 434	R1 100 488	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.32	2.1.1.5			Provision of public transport infrastructure facilities	Maintenance on municipal owned railway sidings resulting from monthly inspections	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	R123 800	R1 274	R1 312	R1 352	R1 392	Capital Replacement Reserves	Infrastructure Services
T2.33	2.1.2.1				Number of subsidised housing units completed	0	0		130	0	20	50	60	130	50	50	100							City Development
T2.34	2.1.2.1				Number of Pre 1994 Old Housing stock transferred	71	0		71	0	15	15	41	0	0	0	0							City Development
T2.35	2.1.2.2				Number of Post 1994 Old Housing stock transferred	43	10	20.00	20	0	0	10	10	50	50	50	50							City Development

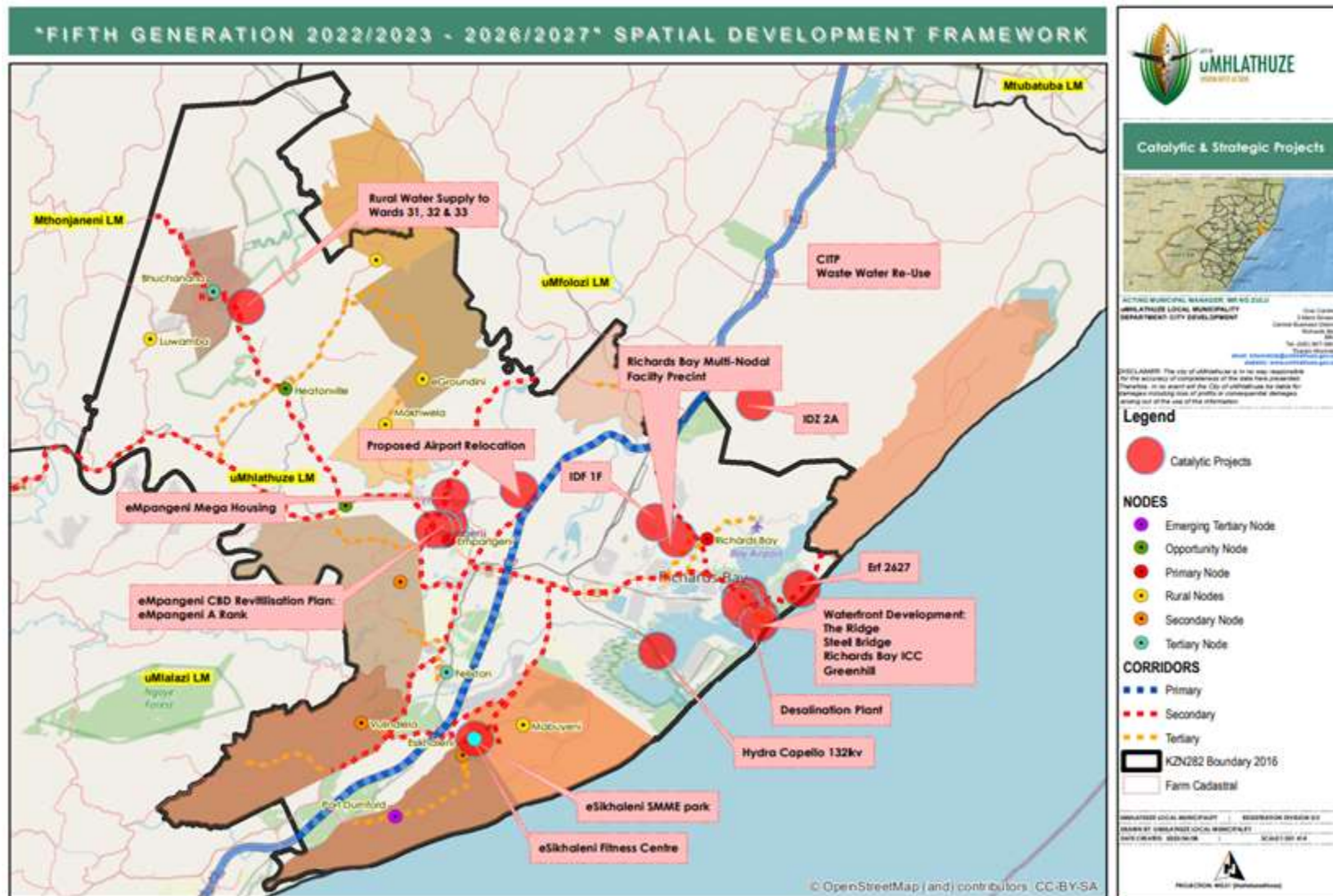
uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	2022/2023				Year 2	Year 3	Year 4	Year 5	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
										Q1 Target	Q2 Target	Q3 Target	Q4 Target	Output Target	Output Target	Output Target	Output Target							
KPA 3: Local Economic Development																								
T3.1	3.4.1.2	Actions supportive of the human settlement outcome	To promote social cohesion	Development of community facilities	Number of sport field upgraded/constructed	5	0		3	-	-	-	3	1	1	0	0	R7 894 400	R20 341 000	R10 000 000	R0	R0	Borrowing	Community Services
T3.2	3.1.5.3				Number of community facilities i.e. halls/museum/library upgraded	4	0		0	-	-	-	-	1	1	2	1	R0	R5 200 000	R4 136 900	R10 000 000	R5 000 000	Capital Replacement Reserves	Community Services
T3.3	3.1.5.3		To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	Promoting economic growth by providing skills empowerment to the unemployed	Number of unemployed youth re-skilled	80	120		80	20	20	20	20	80	80	80	80							City Development
T3.4	3.1.5.1			Promote economic growth by successful implementation of EPWP community based projects	Number of jobs created through EPWP and other related programmes (Infrastructure, Environment and Culture; Social and Non State Sectors)	718	794		720	100	300	500	720	725	730	735	740							City Development
KPA 4: Municipal Transformation and Institutional Development																								
T4.1	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Number of women employed by the municipality (Number of new appointments)	20	23		20	5	5	5	5	20	20	20	20							Corporate Services
T4.2	4.1.1.2				Number of Youth employed by the municipality (Number of new appointments)	40	33		30	5	5	10	10	30	40	40	40							Corporate Services
T4.3	4.1.1.2				Disability related programmes (workshops/awareness campaigns) Redefined indicator	2	0		4	1	1	1	1	4	4	4	4							Corporate Services
T4.4	4.1.1				Top Management stability (% of days in a year that all S56 positions are filled by full-time, appointed staff not in an acting capacity).	95%	88%		100%	100%	100%	100%	100%	100%	100%	100%	100%							Corporate Services
T4.5	4.1.1.4		Improved municipal capital capability	Workplace Skills training programmes/courses enrolled for by staff and councillors	155	166	90		10	20	30	30	90	90	90	90							Corporate Services	
T4.6	4.1.1.1			Percentage Budget Spent on Workplace Skills Plan (cumulative)	95,00%	64%	95%		25%	50%	75%	95%	95%	95%	95%	95%							Corporate Services	
T4.7	4.1.1.1			Percentage Operating Budget spent on implementing Workplace Skills Plan	1%	1%	1%		1%	1%	1%	1%	1%	1%	1%	1%							Corporate Services	

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	2022/2023				Year 2	Year 3	Year 4	Year 5	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
										Q1 Target	Q2 Target	Q3 Target	Q4 Target	Output Target	Output Target	Output Target	Output Target							
KPA 5: Financial Viability and Financial Management																								
T5.1	5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Debt coverage ratio (cumulative)	<45%	23%		<45%	<45%	<45%	<45%	<45%	<45%	<45%	<45%							Financial Services	
T5.2	5.1.1.4				Cost coverage ratio (cumulative) (Excluding Unspent Conditional Grants)	2	2,17		2	2	2	2	2	2	2							Financial Services		
T5.3	5.1.1.4				Collection Rate	95%	109%		95%	95%	95%	95%	95%	95%	95%							Financial Services		
T5.4	5.2.1.6		Sustainable Financial and supply chain Management	Compliance with all MFMA and related local government financial legislation	Remuneration (Employee Related Costs and Councilors Remuneration) as % of Total Operating Expenditure)	834 530 300 834 530 300 = 100%	50%		100%	15%	45%	70%	100%	100%	100%	100%							Financial Services	
T5.5	5.1.1.4				Compliance with financial legislation and policies	Remuneration (Employee Related Costs and Councilors Remuneration) as % of Total Operating Expenditure)	25% - 40%		26%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%	25% - 40%							Financial Services

Map 73: Catalytic and Strategic Projects



SECTION F: FINANCIAL PLAN

12. BUDGET

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

In the process of compiling the Tabled 2023/24 MTREF as well as the Adopted 2023/24 MTREF, the submissions received from the Departments which were all project based could be broken down into the following categories:

Scenario	Capital		
	2023/24	2024/25	2025/26
	R 000	R 000	R 000
Departmental Allocations as per Budget Policy	743 968	756 315	743 731
Initial Departmental Submissions	739 633	764 197	751 077
Final Departmental Submissions	767 746	764 790	758 807
TABLED BUDGET	767 746	764 790	758 807

Scenario	Operating Budget		
	Revenue	Expenditure	Deficit
	R 000	R 000	R 000
First (excl tariff increases)	4 423 170	5 055 628	(632 458)
Second (excl tariff increases)	4 431 697	5 016 149	(584 452)
Third (incl tariff increases)	4 930 272	4 935 845	(5 573)
TABLED BUDGET	4 930 272	4 935 845	(5 573)

A critical review was undertaken of expenditure on non-core and non-priority spending items in line with NT's Cost containment measures outlined in NT's MFMA circular number 82 and as endorsed in the Cost Containment Regulations (**DMS 1348572**). The latter read together with the requirements of MFMA Budget circulars 122 and 123 issued in December 2022 and March 2023 respectively highlight the following main challenges in compiling this Tabled 2023/24 MTREF. They can be summarized as follows:

- Between all the services by far the greatest concern here lies with all the services financed by Property Tax (Rates). This Adopted budget has the Rates Services sitting with a R 187 million deficit for 2023/24 and R168 m and R147m deficit for the outer years;
- The majority of residential households in uMhlathuze are not levied Property Rates. This because the individual properties are within the Ingonyama Trust land are not separately valued and not subject to the Municipal Property Rates Act. This despite the same communities enjoying most of the municipal services that are funded by Property Rates Revenue. This flaw in the current legislation is also applicable to those commercial and business activities taking place within the Ingonyama Trust area. There is a rapid increase in demand for services in these areas – roads, water, refuse, electricity, sanitation but no commensurate revenue;
- The Constitutional mandate for uMhlathuze is to provide basic municipal services in the Ingonyama Trust area, however the deployment of those services without formal town planning and engineering protocol is not only ineffective and inefficient, but the extent thereof and demand for services on such a large scale without order is simply unsustainable from a service delivery perspective;
- There is no Equitable Share allocation for properties that do not pay Property Rates. The significance here is that the delivery of basic services is very dependent on Property Rates in yet there is zero allocation from the National Equitable Share allocation for Property Rates itself. This weakness in the financial structure of the Municipal MTREF needs to be addressed

at a National level as it cannot be resolved at a local level. This is a National Policy matter. As an interim measure National Treasury has been requested over the years to increase Equitable Share to the equal extent that the Municipal Property Rates Act cannot be applied to the residents of the Ingonyama Trust land as the residents there hold no legal title to the land. Indirectly, the National Treasury has assisted by increasing it's the ES marginally above inflation over the last few years which has certainly helped;

- Due to a community's perceived poor quality of water quality and supply from the municipality, many residents who can afford alternative sources such as boreholes, are doing so without permission which is putting resident's health at risk and reducing the municipality's revenue streams which are required to cater for the water infrastructure;
- As from the 2021/22 year to the annualized 2022/23 financial year Water sales volumes for commercial business and outside boarder water service (water sold to KCDM) have decreased by 18 percent. This is a cause for concern and is exacerbated by the current economic conditions;
- It appears that the Water Losses in uMhlathuze is deteriorating. From 2021/22 the gross loss was 40%, as at the end of February 2023 the Gross water loss is sitting at 54%. The projected water loss in financial terms for the 2023/24 MTREF is R340 million.
- Although Council has received Level II Accreditation, the subsidisation of Housing services which is not a Constitutional mandate can be construed as an "unfunded" mandate due to the fact the Property Rates must now fund the deficit of R24.7m – refer to **Table 26** for details;
- Waste Water Management Service shows a deficit of R 99.7 million (R13m deficit for Adjusted 2022/23), this is a concern and efforts will need to be made to reduce this deficit in the coming MTREF by reducing costs therefore the introduction of more efficient and effective operations;
- Although Employee related costs as a percentage of total Expenditure amounts to 24,6% and appears to be below the 30% industry standard, it is not realistic for specifically uMhlathuze Municipality to be comfortable with this figure because of the high electricity purchase cost which distorts Council's budget figures when compared to other secondary cities. Without a properly researched formula in place, it is difficult to guide Council to a specific benchmark, but in COU situation that figure should be no more than the current 24.6% given the distortion in COU budget caused by the high Electricity Turnover. More significantly with a number of services outsourced, a more conservative approach would be to add the Contracted Services costs (8,3%) together with Employee related Costs. This figure amounts to 32.9% (24.6% + 8,3%). As can be seen this cost is over the 30% norm;
- Although extensive effort was made during the budgeting process to retain Repairs and Maintenance of Infrastructure at 8% of Property Plant and Equipment, this internationally accepted norm was not achieved in this budget and now sits at 6.2% of PPE. It appears that the primary reason is due to the reduction of internal labour resources towards this activity.
- The great dependency of the Refuse Service (Solid Waste Management) of Equitable Share to the tune of almost 50% of the revenue is a risk for the Municipality. It does however appear

promising that the Senior Management are working on a Revenue Enhancement Strategy which will be applied in the coming financial year

The main positives that come out of compilation of the 2023/24 MTREF can be summarised as follows:

- The 23/24 MTREF has a marginal deficit of R5,5m from an Adjusted 22/23 deficit of R155,9m;
- The Finance has continued with the strategy of ensuring that tariffs are **unit cost reflective** and that the **corresponding Revenue Tariffs** are **more equitable and affordable** across the various consumer and ratepayer categories;
- It is noted with appreciation that for the 2023/24 MTREF Equitable Share was increased by 10 % over the 2022/23 MTREF – R472m to R520m;
- Although all services funded by Rates are running at a deficit, Rates revenue is now greater than the gross contribution made by electricity to the municipality's income base, which trend points in the right direction of lowering dependency on the electricity services which is a significant risk to the financial stability of this municipality.

The following budget principles, guidelines and assumptions directly informed the compilation of the 2023/24 MTREF:

- Revenue does include a projected 2% local economic growth with effect from each of the 2023/24 and outer years;
- Revenue cash flow assumes a 95.5% recovery;
- All Revenue Tariffs are based on a cost reflective unit cost per all trading services;
- Capital from own funding (Capital Replacement Reserve and Borrowing) allocated on a prioritised model between Functions using asset values and Income generating ability;
- The internal capital funding mix for the 2023/24 MTREF is based on a 70% to 30% weighting towards borrowing and capital replacement reserve respectively;
- The above weighting is going to require Council to consider approving a Section 46 loan of R750 million in the 23/24 year which will have two drawdowns of R370m and R380m in the 24/25 financial year accordingly;
- The basket of municipal services tariffs collectively has been kept below 14% despite the 20.7% increase by NERSA for electricity purchases;
- There will be no budget allocated to National and Provincial funded projects unless the necessary grants to the municipality are reflected in the National and Provincial budget and have been gazetted as required by the annual Division of Revenue Act; and

National Treasury's MFMA Circular No. 122 and 123 were used to guide the compilation of the 2023/24 MTREF.

Following the tabling of the MTREF, National Treasury will review and make comments on the Adopted budget. This assists the Municipality in ensuring quality when preparing the budget in terms of MFMA.

National Treasury will normally, from a quality perspective, assess the budget against the following three criteria:

- Credibility;
- Relevance; and
- Sustainability.

18.1 Main Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2023/24 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the following page

Table 103: Budget Summary – Table MBRR A1

Description	2019/20	2021/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	508 159	551 173	567 444	681 140	675 990	675 990	736 829	773 671	823 959
Service charges	2 094 653	2 283 720	2 428 566	2 596 874	2 583 286	2 583 286	2 973 769	3 248 885	3 579 799
Investment revenue	46 358	32 646	34 735	66 700	66 700	66 700	64 500	67 000	68 900
Transfers and subsidies - Operational	391 456	491 484	437 070	504 462	525 345	525 345	550 648	596 371	638 075
Other own revenue	163 627	218 743	806 659	619 100	622 353	622 353	604 526	632 536	665 658
Total Revenue (excluding capital transfers and contributions)	3 204 253	3 577 766	4 274 472	4 468 276	4 473 675	4 473 675	4 930 272	5 318 463	5 776 391
Employee costs	849 300	956 520	1 032 294	1 164 608	1 142 648	1 142 648	1 212 632	1 283 668	1 351 248
Remuneration of councillors	31 478	31 204	30 528	37 291	37 291	37 291	35 510	37 287	39 152
Depreciation and amortisation	355 478	349 123	332 220	326 552	340 537	340 537	320 160	315 234	310 573
Finance charges	66 790	59 021	57 200	72 865	88 222	88 222	130 491	136 358	138 620
Inventory Consumed and bulk purchases	1 148 019	1 320 192	1 698 852	1 815 696	1 809 477	1 809 477	1 953 107	2 190 680	2 514 132
Transfers and subsidies	13 382	9 787	9 279	14 217	9 528	9 528	14 759	13 250	13 781
Other expenditure	851 756	908 726	1 056 428	1 110 703	1 201 881	1 201 881	1 269 187	1 318 669	1 387 141
Total Expenditure	3 316 202	3 634 573	4 216 802	4 541 932	4 629 584	4 629 584	4 935 845	5 295 145	5 754 648
Surplus/(Deficit)	(111 949)	(56 807)	57 670	(73 656)	(155 909)	(155 909)	(5 573)	23 318	21 743
Transfers and subsidies - capital (monetary allocations)	153 386	188 217	181 567	205 058	223 858	223 858	218 836	199 536	204 022
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	41 738	131 410	240 865	131 403	67 949	67 949	213 263	222 854	225 765
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	41 738	131 410	240 865	131 403	67 949	67 949	213 263	222 854	225 765

Table 104: Budget Summary (continued)

Description R thousands	2019/20	2021/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Capital expenditure & funds sources</u>									
Capital expenditure	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total sources of capital funds	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807
<u>Financial position</u>									
Total current assets	1 160 430	1 445 130	1 700 935	1 267 649	1 492 254	1 492 254	1 541 949	1 588 478	1 584 500
Total non current assets	6 396 330	6 227 519	6 575 155	7 178 307	7 316 227	7 316 227	7 763 814	8 213 371	8 661 605
Total current liabilities	735 283	654 984	946 939	786 377	964 063	964 063	1 057 170	1 174 086	1 235 277
Total non current liabilities	860 782	952 504	1 060 669	1 409 173	1 507 987	1 507 987	1 698 900	1 855 215	2 012 516
Community wealth/Equity	5 960 695	6 065 161	6 268 482	6 250 406	6 336 431	6 336 431	6 549 694	6 772 548	6 998 313
<u>Cash flows</u>									
Net cash from (used) operating	575 614	556 618	312 964	686 345	465 191	465 191	786 784	803 003	805 502
Net cash from (used) investing	(351 071)	(349 679)	(733 399)	(835 076)	(1 081 609)	(1 081 609)	(882 908)	(879 509)	(872 628)
Net cash from (used) financing	(85 780)	13 933	284 409	263 833	467 770	467 770	222 068	201 912	143 315
Cash/cash equivalents at the year end	599 918	820 790	684 764	830 915	536 117	536 117	662 060	787 467	863 656
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	616 014	820 790	684 764	830 915	536 117	536 117	662 060	787 467	863 656
Application of cash and investments	893 330	844 440	627 064	446 167	375 292	375 292	462 455	543 318	698 802
Balance - surplus (shortfall)	(277 315)	(23 650)	57 700	384 748	160 825	160 825	199 605	244 148	164 854

Table 105: Budget Summary (continued)

Description R thousands	2019/20	2021/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Asset management</u>									
Asset register summary (WDV)	6 380 234	6 227 519	6 575 155	7 178 307	7 316 227	7 316 227	7 763 814	8 213 371	8 661 605
Depreciation	355 478	349 123	332 220	326 552	340 537	340 537	320 160	315 234	310 573
Renewal and Upgrading of Existing Assets	66 281	189 331	257 003	314 886	405 824	405 824	373 565	380 574	352 937
Repairs and Maintenance	643 369	369 002	426 478	805 938	821 503	821 503	464 972	485 481	507 283
<u>Free services</u>									
Cost of Free Basic Services provided	–	12 011	(188 878)	(218 262)	(218 262)	(218 262)	(232 029)	(255 008)	(273 608)
Revenue cost of free services provided	(48 023)	(37 065)	(104 904)	(83 125)	(97 401)	(97 401)	(348 778)	(377 146)	(404 886)
<u>Households below minimum service level</u>									
Water:	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–

Explanatory notes to Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the municipality has been paying attention to managing this aspect of its finances, and consequently its obligations are cash-backed. This places the municipality in a very positive financial position. To strengthen this favourable position, Council has Tabled an Investment, Working Capital and Capital Replacement Reserves Policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however 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, plus the fact the Free Basic Services cannot be delivered in the absence of all the services financed by Rates. In addition, the municipality continues to make progress in addressing service delivery backlogs.

18.2 Cost Containment Measures

Cost containment policy approved by Council on 26 May 2021. The object of the Policy, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures. The Policy applies to all officials and political office bearers in municipality and any entities as defined in the Act. Policy attached as an annexure.

For the 2022/2023 MTREF a critical review was undertaken of expenditure on non-core and non-priority spending items in line with NT's Cost containment measures outlined in NT's MFMA circular number 82 and as endorsed in the Cost Containment Regulations issued on 07 June 2019. Emphasis was placed on providing of funds for the repairs and maintenance expenditure line items. These regulations were adopted by Council in terms of CR 14091 dated 26 August 2020.

13. CAPITAL BUDGET SUMMARY

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

13.1.1 Table 106 : Medium-term outlook: capital revenue

Vote Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funded by:									
National Government	130 140	169 403	114 973	194 114	212 414	212 414	218 836	199 536	204 022
Provincial Government	2 281	5 962	7 516	10 944	11 444	11 444	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total Capital Funding	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

The above table is graphically represented as follows for the 2023/24 financial year.

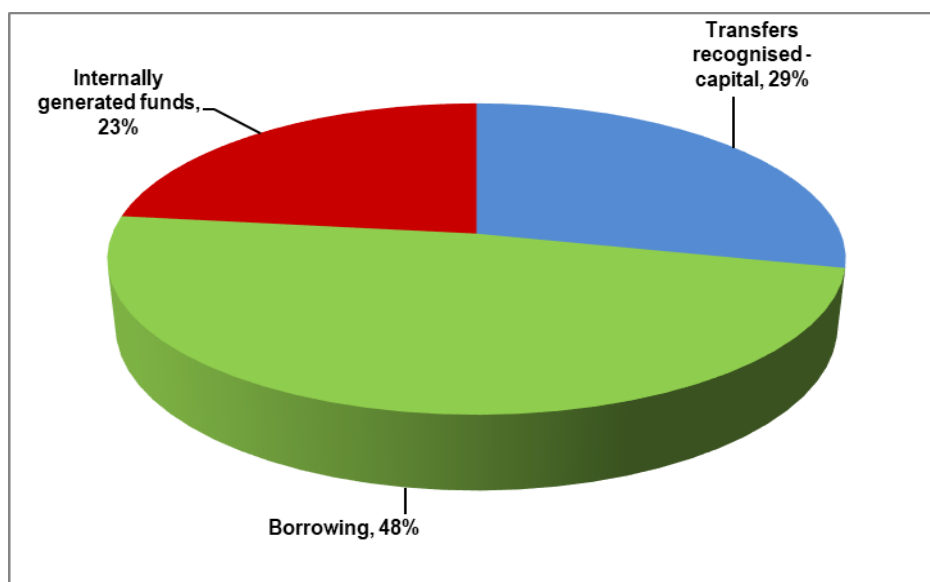


Figure 78 Sources of capital revenue for the 2023/24 financial year

Capital grants and receipts equates to 29 per cent of the total funding source which represents R 218 million for the 2023/24 financial year and decrease to R 199.5 million or 9 per cent by 2024/25.

13.1.2 Capital Projects

Note 1: The projects for 2022/2023 MTREF are listed under section 18.1 as Municipal Funded Projects, also on Annexure B1 SDBIP Component 5, all municipal funded projects are listed there.

Note 2: A Map of Catalytic projects and Strategic Projects is attached under section 18.1

Note 3: A Map of Intergovernmental Projects is also attached under Section 18.1 of the IDP.

Table 107: Budgeted Capital Expenditure by vote, standard classification and funding.

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	1 829	1 514	227	48 499	50 657	50 657	22 033	5 226	517
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	10 581	(338)	713	35 652	35 003	35 003	40 315	25 886	21 451
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	-	(0)	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	8 070	14 414	36 051	38 230	214 966	214 966	23 000	27 930	17 111
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	11 516	5 220	8 033	51 703	42 724	42 724	64 208	41 513	38 935
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	25 890	54 595	41 073	5 349	43 816	43 816	8 015	4 527	3 680
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	-	(0)	-	-	-	-	-	-	-
Vote 8 - FINANCIAL SERVICES	-	3	51	250	251	251	194	217	217
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	41 689	50 423	131 026	60 302	69 792	69 792	104 710	103 858	85 605
Vote 10 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE AND FACILITIES MANAGEMENT SERVICES	-	-	17	-	-	-	-	-	-
Vote 11 - INFRASTRUCTURE SERVICES - CIVIL ENGINEERING SERVICES	194 582	235 345	350 167	442 819	476 761	476 761	379 638	396 102	389 733
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SERVICES	-	(0)	-	-	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	(1)	24	36	36	36	48	56	55
Vote 14 - CORPORATE SERVICES - LEGAL SERVICES	-	-	-	25	25	25	1	2	2
Vote 15 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE SUPPORT SERVICES	180	28 703	58 777	78 000	56 439	56 439	21 000	31 668	52 000
Capital multi-year expenditure sub-total	294 336	389 879	626 159	760 865	990 470	990 470	663 162	636 985	609 306

Table 108: Budgeted Capital Expenditure by vote, functional classification and funding source (continued)

Vote Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Capital expenditure - Vote									
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	237	1 783	-	1 000	2 910	2 910	117	133	131
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	1 822	3 332	229	3 600	3 081	3 081	2 980	4 247	4 618
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	7	455	41	309	331	331	280	318	313
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	4 150	9 453	1 832	3 575	5 100	5 100	15 572	14 168	17 167
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	37	1 855	550	7 055	14 055	14 055	326	3 029	5 029
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	706	7 722	5 169	8 338	10 349	10 349	8 697	13 984	15 077
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	1 475	164	-	397	335	335	358	408	402
Vote 8 - FINANCIAL SERVICES	1 511	-	187	199	-	-	213	242	238
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	33 798	16 762	31 256	28 500	44 900	44 900	52 597	56 421	73 991
Vote 10 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE AND FACILITIES MANAGEMENT SERVICES	-	-	-	-	-	-	-	-	-
Vote 11 - INFRASTRUCTURE SERVICES - CIVIL ENGINEERING SERVICES	24 988	(678)	471	6 500	4 200	4 200	20 256	23 642	20 825
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SERVICES	-	-	-	104	104	104	94	106	105
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	-	21	-	134	99	99	95	107	106
Vote 14 - CORPORATE SERVICES - LEGAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 15 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE SUPPORT SERVICES	4 456	7 192	2 972	14 500	5 675	5 675	3 000	11 000	11 500
Capital single-year expenditure sub-total	73 187	48 060	42 708	74 211	91 139	91 139	104 584	127 805	149 502
Total Capital Expenditure - Vote	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

Vote Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional									
<u>Governance and administration</u>	56 201	80 110	79 665	52 068	113 489	113 489	84 291	87 874	92 024
Executive and council	–	20	–	141	106	106	118	134	132
Finance and administration	56 201	80 090	79 665	51 927	113 383	113 383	84 173	87 740	91 892
Internal audit	–	–	–	–	–	–	–	–	–
<u>Community and public safety</u>	35 010	33 691	46 713	91 645	264 399	264 399	99 478	83 367	74 442
Community and social services	30 093	9 383	11 897	47 503	41 933	41 933	75 324	54 753	54 012
Sport and recreation	4 916	21 923	34 586	41 805	220 066	220 066	22 370	26 222	18 185
Public safety	–	603	230	2 337	2 400	2 400	1 785	2 392	2 245
Housing	–	1 783	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<u>Economic and environmental services</u>	67 718	63 411	110 897	183 240	167 604	167 604	147 815	121 852	118 754
Planning and development	2 066	1 514	227	48 603	50 421	50 421	22 127	5 332	622
Road transport	65 212	61 473	110 671	132 137	112 433	112 433	124 440	115 887	117 501
Environmental protection	440	424	–	2 500	4 750	4 750	1 248	633	631
<u>Trading services</u>	208 595	260 726	431 591	496 623	521 317	521 317	430 718	465 521	467 510
Energy sources	48 219	49 620	129 162	51 602	56 265	56 265	90 740	92 065	87 464
Water management	112 374	185 693	263 240	311 419	350 769	350 769	202 482	216 549	253 757
Waste water management	46 180	22 793	38 476	121 800	103 410	103 410	125 266	145 514	113 468
Waste management	1 822	2 620	713	11 802	10 873	10 873	12 230	11 393	12 821
<u>Other</u>	–	(0)	–	11 500	14 800	14 800	5 444	6 176	6 078
Total Capital Expenditure - Functional	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807
<u>Funded by:</u>									
National Government	130 140	169 403	114 973	194 114	212 414	212 414	218 836	199 536	204 022
Provincial Government	2 281	5 962	7 516	10 944	11 444	11 444	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total Capital Funding	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

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 functional 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 2023/24 R663.1 million has been allocated of the total R768 million capital budget, which totals 86 per cent. This allocation decreases slightly to R 636.9 million in 2024/25 and decreases further to R 609 million in 2025/26.
3. Single-year capital expenditure has been appropriated at R 104.5 million for the 2023/24 financial year and increases over the MTREF to levels of R 127.8 million and to R 149.5 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.

- The capital programme is funded from national and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2023/24, capital transfers totals R 218 million (29 per cent) and decreases to R 204 million in the 2025/26 financial year (27 per cent). Borrowing has been provided at R 371 million for 2023/24, R 382 million for 2024/25 and R 369 million for 2025/26. Internally generated funding totaling R 178 million, R 183 million and R 185 million for each of the respective financial years of the MTREF.

13.2 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

Table 109: Medium-Term Capital Budget per Vote

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional									
Governance and administration	56 201	80 110	79 665	52 068	113 489	113 489	84 291	87 874	92 024
Executive and council	–	20	–	141	106	106	118	134	132
Finance and administration	56 201	80 090	79 665	51 927	113 383	113 383	84 173	87 740	91 892
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	35 010	33 691	46 713	91 645	264 399	264 399	99 478	83 367	74 442
Community and social services	30 093	9 383	11 897	47 503	41 933	41 933	75 324	54 753	54 012
Sport and recreation	4 916	21 923	34 586	41 805	220 066	220 066	22 370	26 222	18 185
Public safety	–	603	230	2 337	2 400	2 400	1 785	2 392	2 245
Housing	–	1 783	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	67 718	63 411	110 897	183 240	167 604	167 604	147 815	121 852	118 754
Planning and development	2 066	1 514	227	48 603	50 421	50 421	22 127	5 332	622
Road transport	65 212	61 473	110 671	132 137	112 433	112 433	124 440	115 887	117 501
Environmental protection	440	424	–	2 500	4 750	4 750	1 248	633	631
Trading services	208 595	260 726	431 591	496 623	521 317	521 317	430 718	465 521	467 510
Energy sources	48 219	49 620	129 162	51 602	56 265	56 265	90 740	92 065	87 464
Water management	112 374	185 693	263 240	311 419	350 769	350 769	202 482	216 549	253 757
Waste water management	46 180	22 793	38 476	121 800	103 410	103 410	125 266	145 514	113 468
Waste management	1 822	2 620	713	11 802	10 873	10 873	12 230	11 393	12 821
Other	–	(0)	–	11 500	14 800	14 800	5 444	6 176	6 078
Total Capital Expenditure - Functional	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807
Funded by:									
National Government	130 140	169 403	114 973	194 114	212 414	212 414	218 836	199 536	204 022
Provincial Government	2 281	5 962	7 516	10 944	11 444	11 444	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)	301	–	1 627	–	–	–	–	–	–
Transfers recognised - capital	132 722	175 365	124 116	205 058	223 858	223 858	218 836	199 536	204 022
Borrowing	16 979	86 942	368 000	390 000	598 387	598 387	371 374	382 629	369 600
Internally generated funds	217 822	175 632	176 750	240 018	259 364	259 364	177 536	182 626	185 186
Total Capital Funding	367 523	437 939	668 866	835 076	1 081 609	1 081 609	767 746	764 790	758 807

For 2023/24 an amount of R492 million has been appropriated for the development of infrastructure which represents 64 per cent of the total capital budget. In the outer years this amount totals R534 million, 70 per cent and R 546 million, 72 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 202 million in 2023/24 which equates to 26 per

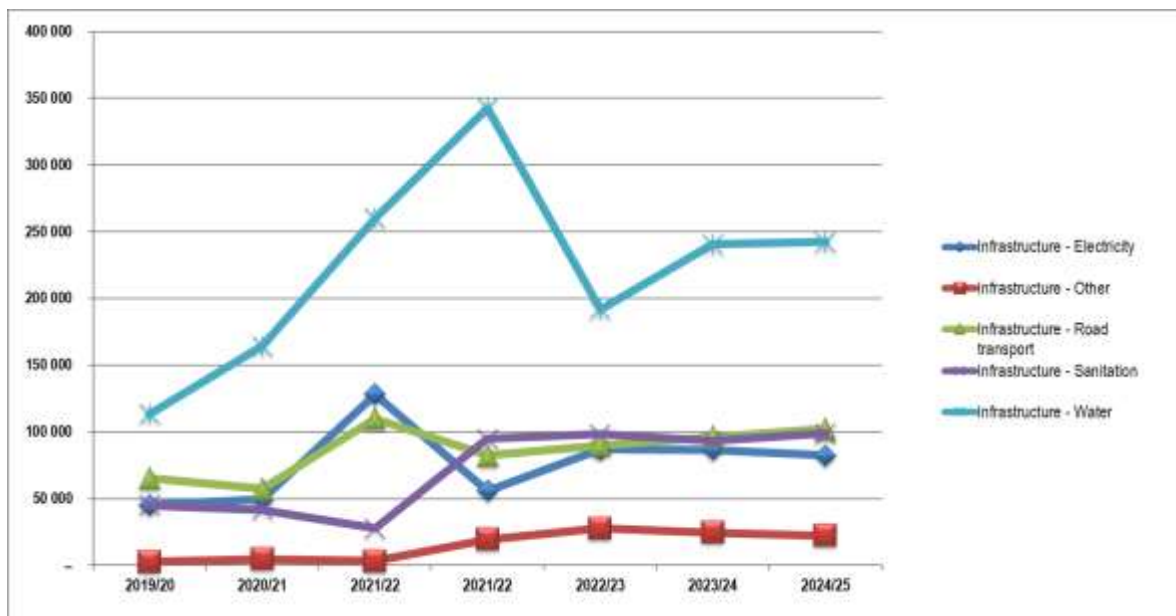
cent followed by road transport infrastructure at 16 per cent, R124 million, R125 million waste water infrastructure at 16 per cent, and then R90 million electricity infrastructure at 12 per cent.

Total new assets represent 54 per cent or R 418 million of the total capital budget, asset renewal equates to 25 per cent or R 195 million and upgrade of existing assets 20 per cent or R 152 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 33 MBRR A9 (Asset Management) on pages 88 to 94. In addition to the MBRR Table A9, MBRR Tables 65 – 69 MBRR SA34a, b, c, d and e provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 177 to 191).). **(see Batho Pele Budget attached in the IDP)**

Furthermore, pages 195 to 235 contain a detail breakdown of the capital budget per project over the medium-term.). **(see Batho Pele Budget attached in the IDP)**

Figure 79: Capital Budget for Infrastructure Projects



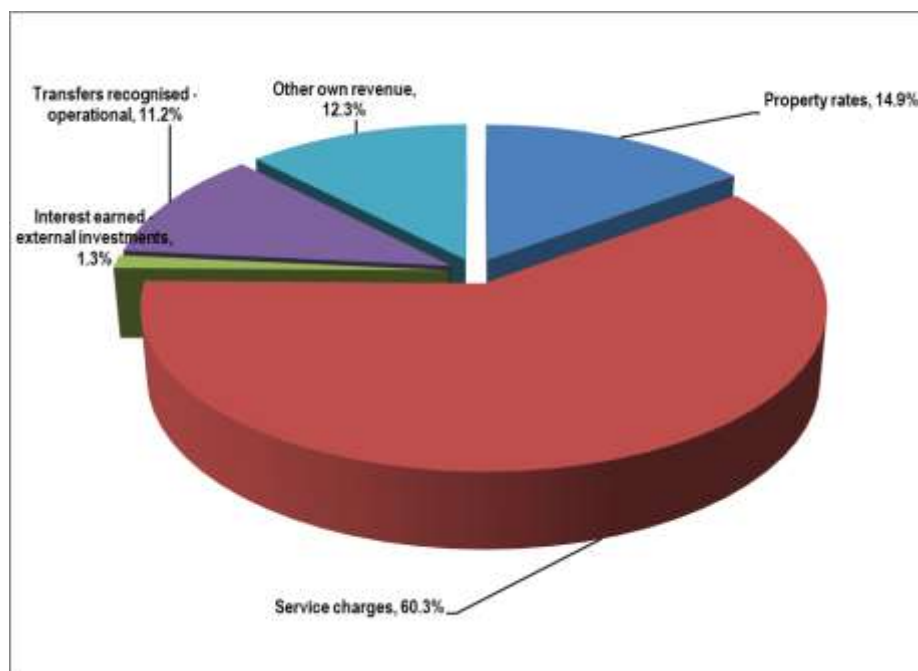
14. OPERATIONAL BUDGET SUMMARY

14.1 Operating Revenue Framework

Table 110: Breakdown of the operating revenue over the medium-term

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework					
	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue By Source						
Property rates	736 829	14.9%	773 671	14.5%	823 959	14.3%
Service charges	2 973 769	60.3%	3 248 885	61.1%	3 579 799	62.0%
Interest earned - external	64 500	1.3%	67 000	1.3%	68 900	1.2%
Transfers recognised - operational	550 648	11.2%	596 371	11.2%	638 075	11.0%
Other own revenue	604 526	12.3%	632 536	11.9%	665 658	11.5%
Total Operating Revenue	4 930 272	100.0%	5 318 463	100.0%	5 776 391	100.0%
Total Operating Expenditure	4 935 845		5 295 145		5 754 648	
Surplus/(Deficit)	(5 573)		23 318		21 743	

The following graph is a breakdown of the operational revenue per main category for the 2023/24 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

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 95 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 i.e. ensuring that functional areas are fully costed with all municipal expenses that are applicable to such service;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this overall tariff then adjusted per different strategy per different consumer category. In uMhlathuze referred to as the Universal Tariff approach.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs where economically possible;
- Revenue enhancement, investment and cash management;
- Pricing risk strategy to ensure that rates and general grows to a level that can sustain the municipality;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City which has been extensively reviewed to ensure that customer are clear on how the municipality will raise revenue

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2023/24 MTREF on the different revenue categories are:

Categories	Percentage increase (%) (Average) 2023/24	Percentage increase (%) (Average) 2024/25	Percentage increase (%) (Average) 2025/26
Property rates	9.00%	5.00%	7.00%
Electricity	15.50%	10.00%	10.00%
Water	15.00%	7.00%	8.00%
Refuse	9.00%	6.00%	8.00%
Sewer	15.00%	10.00%	26.00%

Table 111: Household Bill

The following table shows the overall expected impact of the tariff increases on a medium and an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 14 per cent including indigent households, excluding electricity tariffs.

Middle income household range is defined as:

- *property value of R700 000;*
- *1 000 kWh electricity; and*
- *30kl water.*

Affordable household range is defined as:

- *property value of R500 000;*
- *500 kWh electricity; and*
- *25kl water*

Indigent household is defined as:

- *property value of R 300 000;*
- *350 kWh electricity; and*
- *20kl water (50 kWh electricity and 10 kl water free).*

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	587.96	530.88	559.42	593.67	593.67	593.67	9%	645.04	677.29	724.70
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	1 619.20	1 682.57	1 748.36	1 838.36	1 838.36	1 838.36	15%	2 121.28	2 333.41	2 566.75
Water: Basic levy	23.21	24.60	29.45	44.00	44.00	44.00	15%	50.60	54.14	58.47
Water: Consumption	375.58	398.12	347.70	366.95	366.95	366.95	15%	437.07	467.66	505.07
Sanitation	185.40	196.60	206.40	218.80	218.80	218.80	15%	251.60	276.76	304.44
Refuse removal	148.69	157.61	165.49	175.42	175.42	175.42	9%	191.21	202.68	218.90
Other	–	–	–	–	–	–	–	–	–	–
sub-total	2 940.04	2 990.38	3 056.81	3 237.19	3 237.19	3 237.19	14.2%	3 696.80	4 011.94	4 378.33
VAT on Services	352.81	368.92	374.61	396.53	396.53	396.53		455.50	497.78	545.43
Total large household bill:	3 292.85	3 359.30	3 431.42	3 633.72	3 633.72	3 633.72	14.3%	4 152.30	4 509.72	4 923.76
% increase/-decrease	–	2.0%	2.1%	5.9%	–	–	14.3%	8.6%	9.2%	
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	416.29	375.88	396.08	420.33	420.33	420.33	9%	456.71	479.54	513.11
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	874.00	908.09	942.00	990.64	990.64	990.64	15%	1 142.96	1 257.26	1 382.98
Water: Basic levy	23.21	24.60	29.45	44.00	44.00	44.00	15%	50.60	54.14	58.47
Water: Consumption	286.08	303.24	268.40	278.13	278.13	278.13	15%	334.93	358.37	387.04
Sanitation	185.40	196.60	206.40	218.80	218.80	218.80	15%	251.60	276.76	304.44
Refuse removal	146.74	155.54	163.32	173.12	173.12	173.12	9%	188.70	200.02	216.02
Other	–	–	–	–	–	–	–	–	–	–
sub-total	1 931.72	1 963.95	2 005.64	2 125.03	2 125.03	2 125.03	14.1%	2 425.50	2 626.09	2 862.06
VAT on Services	227.31	238.21	241.43	255.70	255.70	255.70		293.06	319.56	349.73
Total small household bill:	2 159.03	2 202.16	2 247.08	2 380.73	2 380.73	2 380.73	14.2%	2 718.56	2 945.65	3 211.79
% increase/-decrease	–	2.0%	2.0%	5.9%	–	–	14.2%	8.4%	9.0%	
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	145.92	131.75	114.33	121.33	121.33	121.33	9%	131.83	138.43	148.11
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	12.62	13.11	13.57	14.27	14.27	14.27	15%	16.46	18.11	19.92
Water: Basic levy	23.21	24.60	29.45	44.00	44.00	44.00	15%	50.60	54.14	58.47
Water: Consumption	158.33	167.83	149.88	156.32	156.32	156.32	15%	189.89	203.18	219.44
Sanitation	185.40	196.60	206.40	218.80	218.80	218.80	15%	251.60	276.76	304.44
Refuse removal	144.80	153.49	161.16	170.83	170.83	170.83	9%	186.20	197.37	213.16
sub-total	670.28	687.38	674.79	725.55	725.55	725.55	14%	826.59	887.99	963.54
VAT on Services	78.65	83.35	84.07	90.63	90.63	90.63		102.69	110.81	120.56
Total small household bill:	748.93	770.73	758.86	816.18	816.18	816.18	14%	929.28	998.80	1 084.10
% increase/-decrease	–	2.9%	(1.5%)	7.6%	–	–	13.9%	7.5%	8.5%	

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R 2.9 billion for the 2023/24 financial year.

Operational grants and subsidies amount to R550 million, R596 million and R638 million for each of the respective financial years of the MTREF, or 11.2, 11.2 and 11.0 per cent of operating revenue.

Investment revenue contributes significantly to the revenue base of the City with a budget allocation of R64.5 million, R67.0 million and R68.9 million for the respective three financial years of the 2023/24 MTREF. It needs to be noted that whilst a healthy working capital is important for a Municipality, the practise in this Municipality comes from a historical trend of utilising cash reserves to fund service delivery initiatives instead of generating interest returns.

14.2 Operating Expenditure Framework

The City's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases within the inflationary envelope of 5 per cent, expenditure allocations in excess of the 2022/23 Adjustments budget are very limited;
- Drivers that are beyond the Administrations control are the Electricity price increase of 20.7% and the perennial unfunded service delivery mandates like housing and the delivery of services in non-rateable areas of the Municipality;
- Drivers above the 5% target, that are within the Administrations control that need to be managed lie in the ineffective and inefficient use of resources like PPE and labour, resulting in additional costs for contracted services, fuel and oil, and increased water losses;
- Repairs and maintenance as a percentage of PPE equates to 6.2 per cent, which is below the National norm of 8% but it is augmented by a higher capital amount allocated for renewing and upgrading existing infrastructure.
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA and Circulars 122 and 123 released in December 22 and March 2023;

The following table is a high level summary of the 2023/24 MTREF (classified per main type of operating expenditure):

Table 112 Summary of operating expenditure by standard classification item

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure By Type									
Employee related costs	849 300	956 520	1 032 294	1 164 608	1 142 648	1 142 648	1 212 632	1 283 668	1 351 248
Remuneration of councillors	31 478	31 204	30 528	37 291	37 291	37 291	35 510	37 287	39 152
Bulk purchases - electricity	937 915	1 072 631	1 151 971	1 258 204	1 236 242	1 236 242	1 492 128	1 711 471	2 014 401
Inventory Consumed	210 104	247 560	546 881	557 492	573 235	573 235	460 979	479 209	499 731
Debt impairment	223 028	37 410	(136 019)	172 510	172 510	172 510	173 883	187 668	203 996
Depreciation and amortisation	355 478	349 123	332 220	326 552	340 537	340 537	320 160	315 234	310 573
Interest	66 790	59 021	57 200	72 865	88 222	88 222	130 491	136 358	138 620
Contracted services	342 651	247 868	453 658	395 567	464 066	464 066	408 514	413 793	431 169
Transfers and subsidies	13 382	9 787	9 279	14 217	9 528	9 528	14 759	13 250	13 781
Irrecoverable debts written off	7 023	165 172	119 892	–	–	–	–	–	–
Operational costs	257 562	274 287	333 965	327 827	350 507	350 507	343 181	359 518	378 082
Losses on disposal of Assets	19 930	183 448	23 430	–	–	–	–	–	–
Other Losses	1 563	542	261 503	214 798	214 798	214 798	343 610	357 690	373 894
Total Expenditure	3 316 202	3 634 573	4 216 802	4 541 932	4 629 584	4 629 584	4 935 845	5 295 145	5 754 648

The budgeted allocation for **employee related costs** for the 2023/24 financial year totals R 1 212 million, which equals 24.6% per cent of the total operating expenditure.

The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 (**DMS 1489744**). For budget purposes a 5 per cent increase has been utilised. For Councillors allowances a similar situation is unfolding, therefore a 5% increase for them has been provided for.

The provision of debt impairment was determined based on an annual collection rate of 95.5 per cent and the Credit Control and Debt Management Policy of the City. For the 2023/24 financial year this amount is R173,8 million (R172,5 m 2022/23 and R 128,6m Adjusted 2021/22). These increases being a clear indication of the effects of the current economic conditions and the partial implementation of credit control policy in the Traditional areas.

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 at which an asset is consumed. Budget appropriations in this regard total R320,1 million for the 2023/24 financial and equates to 6.5 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 2.6 per cent (R130 million) of operating expenditure excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom. This is budgeted for the 2023/24 to be R1 492 million.

Water Inventory. A significant improvement in change to the version 6.5 of mSCOA is the treatment of bulk purchase of water, which is no longer reflected as an expense, but rather as inventory item. The expenses are reflected as both that that is lost and that that is sold plus that that is consumed for municipal purposes, as from 1 July 2021.

Materials Inventory. Similarly, to Water Inventory, Materials and Suppliers, Consumable Stores and Finished Goods are only reflected as expenses when consumed. This business reform was always in place and does not alter municipal processes.

Contracted Services has increased by 3 per cent from the Original 2022/2023 and administration needs to place lesser reliance on contracted services. Contracted services together with Employee Related Costs amount to 32.9% (24.6% + 8.3%) 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 factor 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.

Losses comprises of the water losses that have arisen as a results of Inventory – Water.

The following figure gives a breakdown of the main expenditure categories for the 2023/24 financial year.

Figure 80 Main operational expenditure categories for the 2023/24 financial year

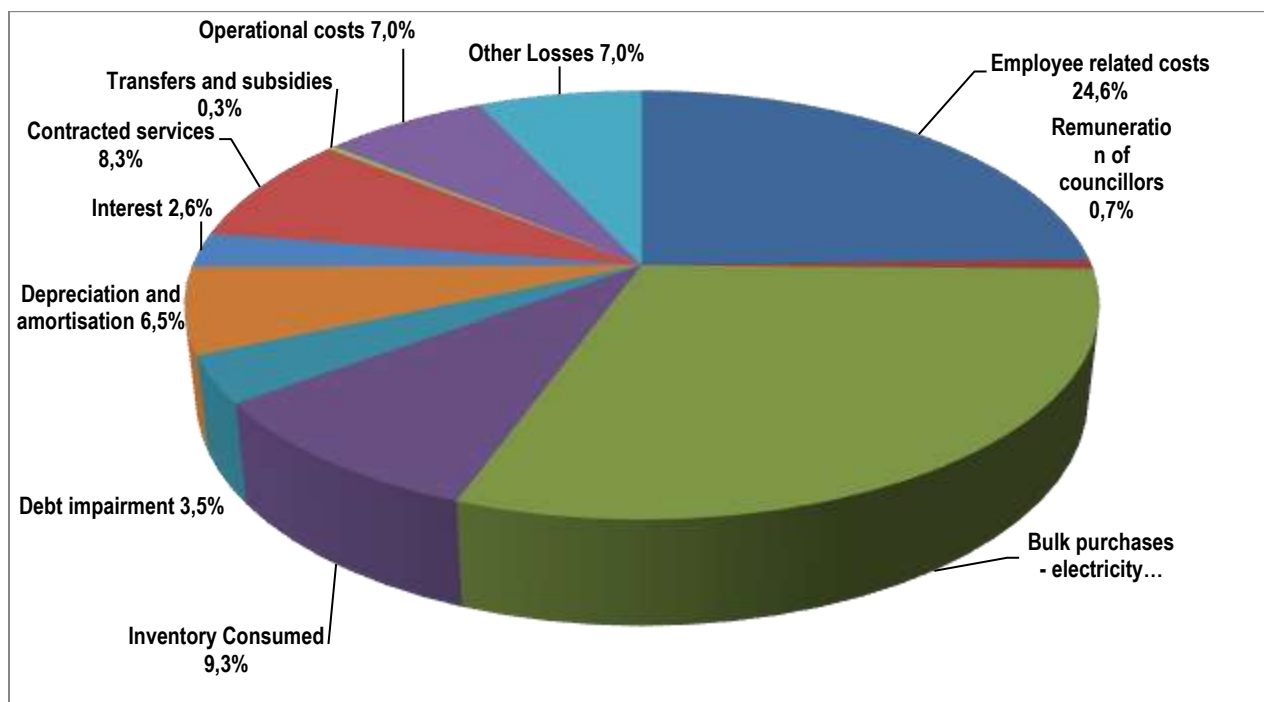


Table 113: Operational repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2023/24 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	512 292	206 323	220 438	576 214	576 214	576 214	238 025	249 830	262 220
Inventory Consumed (Project Maintenance)	58 729	76 080	74 449	96 921	111 160	111 160	95 173	98 504	102 406
Contracted Services	72 348	84 361	131 383	131 454	124 074	124 074	130 365	135 706	141 165
Other Expenditure	–	2 239	207	1 349	10 055	10 055	1 409	1 441	1 493
Total Repairs and Maintenance Expenditure	643 369	369 002	426 478	805 938	821 503	821 503	464 972	485 481	507 283

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. The labour and transport component of the repairs and maintenance was decreased significantly by 59 per cent in the 2023/24 financial year, from R 576 million to R 238 million. This decrease is due to an adjustment based on prior years actuals and not merely a percentage increase from year to year. The materials and contracted services component combined has increased slightly by 2%. Departments are encouraged to utilise internal labour and transport instead of reliance on contracted services. There is a clear indication here that in the Repairs and Maintenance environment internal resources are not being deployed. If additional funding on the material component is required based on actual spending as at Mid-year, this will be considered in the 2023/24 Adjusted Budget.

In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **9.4; 9.2 and 8.8 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **6.2; 6.1 and 6.0 per cent** of the respective financial years MTREF. Even though the percentage of PPE equates to 6.2 per cent, which is below the National norm it is augmented by a higher amount allocated for renewing and upgrading existing infrastructure.

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

Repairs and maintenance per asset class

Description R thousand	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	442 703	279 307	301 476	569 649	584 942	584 942	318 669	332 697	347 704
Roads Infrastructure	102 677	64 252	62 247	139 783	159 406	159 406	78 235	81 819	85 614
Storm water Infrastructure	47 654	7 846	2 447	33 240	33 983	33 983	13 583	14 193	14 842
Electrical Infrastructure	127 841	55 323	77 197	176 991	176 851	176 851	86 414	89 962	94 089
Water Supply Infrastructure	101 463	107 326	117 126	132 998	135 944	135 944	87 784	91 727	95 701
Sanitation Infrastructure	60 310	44 290	41 781	84 281	77 399	77 399	50 190	52 425	54 772
Rail Infrastructure	2 016	271	677	1 267	1 270	1 270	1 326	1 384	1 446
Coastal Infrastructure	743	–	–	1 089	89	89	1 137	1 187	1 241
Community Assets	75 754	27 933	45 625	106 380	106 560	106 560	50 905	53 361	55 944
Community Facilities	66 904	26 510	44 364	97 540	97 540	97 540	48 525	50 872	53 338
Sport and Recreation Facilities	8 850	1 424	1 262	8 839	9 019	9 019	2 380	2 490	2 606
Heritage assets	83	–	20	131	131	131	26	27	28
Other assets	26 600	7 527	9 003	28 847	29 166	29 166	11 597	12 125	12 683
Operational Buildings	26 139	7 210	8 929	28 120	28 439	28 439	11 515	12 039	12 592
Housing	460	316	74	727	727	727	82	86	90
Computer Equipment	11 958	1 740	4 861	8 280	8 280	8 280	8 115	8 450	8 806
Furniture and Office Equipment	58	–	–	77	77	77	80	84	88
Machinery and Equipment	36 065	16 080	28 313	22 949	22 723	22 723	24 496	25 474	26 506
Transport Assets	50 147	36 415	37 182	69 625	69 625	69 625	51 085	53 262	55 526
Total Repairs and Maintenance Expenditure	643 369	369 002	426 478	805 938	821 503	821 503	464 972	485 481	507 283
R&M as a % of PPE	10.4%	6.2%	6.8%	11.7%	11.7%	11.7%	6.2%	6.1%	6.0%
R&M as % Operating Expenditure	19.4%	8.8%	9.4%	17.4%	17.7%	28.8%	9.4%	9.2%	8.8%

For the 2023/24 financial year, 68.5 per cent or R 319 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling at 27.5 per cent (R 87.7 million) followed by Electrical infrastructure at 27.1 per cent (R 86.4 million), road transport infrastructure at 24.6 per cent (R 78.2 million), sanitation at 15.7 per cent (R50 million) and storm water infrastructure at 4.3 per cent (R 13.5 million). Community assets has been allocated R 50.9 million of total repairs and maintenance equating to 10.9 per cent. Transport assets has been allocated R 51 million (11 per cent).

15. SUMMARY OF BUDGET POLICIES

15.1 Overview of budget related-policies

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. Below is a summary of budget policies

15.1.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was last reviewed and approved by Council during the 2017/18 budget year in terms of Council Resolution number 11979 dated 21 November 2017 and is attached as annexure to the IDP. The policy itself is functioning very well which is evident from the relative high collection rates that are still being achieved. The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95.5 percent on current billings for the 2023/24 financial year and remaining at 95,5 per cent for the two outer years.

15.1.2 Asset Management, Infrastructure Investment and Funding Policy

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

The policy is currently being reviewed in order to ensure alignment with GRAP updates as well as other business processes.

15.1.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment

budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

No amendments are necessary for this policy in the 2023/24 financial year due to the fact that Budget Adjustments are governed by the respective legislation.

15.1.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council on the 4 October 2005. The sixth 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 19 September 2017 in terms of Council Resolution number 11867 and incorporates the relevant Code of Conduct to the Supply Chain Management.

15.1.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council via resolution 6737 on 6 July 2010 and was subsequently amended on 4 October 2011 and again on 28 May 2013. A further amendment was necessary in the 2017/18 Budget year to ensure compliance with mSCOA regulations. The revised policy was approved in terms of Council resolution number 11645 dated 31 May 2017.

There are a number of challenges which the Virement Policy brings about. It allows room for funds from very important Repairs and Maintenance projects to be moved around, simply because of no proper maintenance plans informing the very generous allocation of resources to this activity in the first instance. It generally allows the too liberal movement of funds from one project to another where there is no proper mandate/planning but emergency/ad hoc perceived needs/wants arise.

No amendments are proposed for this policy in the 2023/24 financial year.

15.1.6 Investment, Working Capital and Capital Replacement Reserves Policy

The City's Investment, Working Capital and Capital Replacement Reserves Policy was amended by Council on 10 October 2013. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

No amendments are proposed for this policy in the 2023/24 financial year.

15.1.7 Tariff of Charges Policy

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. **The policy is amended and approved annually with the MTREF.**

All the above policies are available on the City's website, as well as the following budget related policies:

- Property Rates Policy;
- Trade Effluent Management Policy;
- Fraud Prevention policy and
- Cost Containment policy

15.2 Overview of budget assumptions

15.2.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances. This comment may appear contradictory to the very clear improvement in Cash Flows overall, however that is simply due to the accumulations for the Capital Replacement Reserves (Capital Funds), funds of which disguise the very tight situation the Municipality finds itself with the Operating Budget.

15.2.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2023/24 MTREF:

- National Government macro-economic targets as per MFMA circular 122 and 123;
- The general inflationary outlook and the impact on City's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 24.6 per cent of total operating expenditure in the 2023/24 MTREF.

15.2.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2023/24 MTREF is based on the assumption that all borrowings are undertaken using both variable and fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

15.2.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (95.5 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

15.2.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

15.2.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 **(DMS 1489744)**.

In terms of the agreement, the increase for 2023/24 will be determined as follows:

"1.2.1 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 3 an increase based on the projected average CPI percentage for 2023.

1.2.2 The forecasts of the Reserve Bank, in terms of the January 2023 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.6 of the agreement."

For budget purposes a 5per cent increase has been utilised.

However, based on the January 2023 Monetary Policy Committee Statement, the Reserve Bank has projected an average CPI of 5.4%. Any shortfall from this percentage difference will be funded from any vacancies that arise due to normal staff movements.

15.2.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. See relevant section in the Integrated Development Plan.

15.2.8 Ability of the municipality to spend and deliver on the programmes

The slow spend on the 2022/23 Adjusted Capital Budget was of serious concern to Administration, however procurement plan will be prepared to expedite the implementation of the procurement process for the 2023/24 MTREF. Despite a monthly monitoring of the procurement plan being undertaken through the Capital Spend Project Team, spending in the 2022/23 financial year still remains a challenge. Executive Management Committee (EMCO) is investigating mechanisms to try to resolve numerous internal and external factors hindering performance here.

16. ALIGNMENT OF IDP WITH BUDGET

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.

Section 25(1) of the MSA specifically require a municipal council to within a prescribed period after the start of the electoral term adopt a single, inclusive, and strategic plan for the development of the municipality. Furthermore, the Act requires IDPs to "link, integrate and coordinate plans", as well as "take into account proposals for the development of the municipality". (read with Section 24 (1) of the MFMA 56 of 2003). **In May 2022, Council adopted the Fifth Generation IDP 2022-2027 bearing a five year strategic framework for the City.**

Section 34 of the MSA makes provision for the annual amendment/revision of the approved municipal IDP together with its sector plans, accordingly the City is in the process of revising the Fifth Generation IDP, with Draft IDP Review 2023/2024 being considered by council in March together with the Draft MTREF 2023/2024.

The Fifth Generation IDP 2022/2027 which currently in implementation until the review is considered and approved by Council in May 2023 is outcome based and built on the foundations of Government Priorities. During the IDP development process, Government priorities are incorporated into the municipal strategic framework which directly informs the municipal Service Delivery and Budget Implementation Plan. This fair alignment between IDP and Government priorities is confirmed through the municipal budgeting.

The uMhlathuze's Fifth Generation IDP as per the DPLG guidelines is developed with special consideration to the following primary policy developments:

- The National Development Plan (NDP) (2012)

- KZN Provincial Growth and Development Strategy (PGDS) - reviews
- The Back to Basics (B2B) Programme for municipalities (2014)
- The Integrated Urban Development Framework IUDF) (2016)
- The District Growth and Development Plan (DGDP) 2012/2013
- The District Development Model (DDM) (2019)

Some of the important legislative developments include:

- Spatial Planning Land Use Management Act No. 16 of 2013, (SPLUMA)
- National Land Transport Act No. 5 of 2009.
- Department of Planning Monitoring and Evaluation (DPME)'s Draft Planning Framework Bill.

On the international front, important developments include the following:

- The African Union launched Africa 2063 in 2014;
- The Sustainable Development Goals (SDGs) replaced the Millennium Development Goals (MDGs)
- National Urban Agenda; and
- The Paris Accord Addressing climate change.

Sector Planning

While the IDP is the municipal's main planning document, it draws on, and is informed by a large number of other plans and strategic frameworks developed by the other spheres of Government and various Departments, inter alia:

- Spatial Development Framework
- Integrated Human Settlement Plan
- Local Economic Development Plan
- Water Services Development Plan
- Integrated Waste Management Strategy
- Electricity Master Plan
- Financial Plan
- Air Quality Plan;
- Disaster Management Plan
- Electricity Mater Plan

Each of these plans offer comprehensive information and data that informs the IDP to a large extent.

uMhlathuze Municipality gave notice to the local community of the particulars of the process it intended to follow, when reviewing its Fifth Generation IDP 2022/2027. The community had to be consulted on its development needs and priorities. The local community and organs of state, including traditional authorities, and other role players were consulted during the public participation period. The following mechanisms were used effectively to ensure maximum attendance and fruitful engagements

- Local Radio Slots
- Television Broadcast
- City's Official Social Network Platforms (Facebook, Twitter, Whatsapp)
- Municipal Website

- Virtual Meetings
- Newspaper
- Physical meetings (hybrid approach)

During the public participation engagements, the ultimate aim was for council to:

- Identify the real needs of all communities in the uMhlathuze
- Prioritize such needs and development challenges
- Collective development of appropriate solutions to address such needs
- Empower local communities to take ownership for their own development

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 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 2023/24 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 2022/2023 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 114: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	181	180	6 388	2 571	2 591	2 591	1 609	1 809	2 035
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	-	-	182	61	61	61	43	49	56
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	-	-	-	-	-	-	-	-	-
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	65	63	1 658	985	985	985	894	981	1 077
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	2 058	2 773	2 558	2 832	2 832	2 832	2 870	2 966	3 066
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	-	-	249	75	75	75	56	64	73
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	-	-	333	-	-	-	74	85	97
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 and promote local economic development	2.1.1	2 648 416	2 968 312	3 622 001	3 774 818	3 802 665	3 802 665	4 042 844	4 356 140	4 747 956
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2	2 906	4 326	83 210	5 367	5 584	5 584	5 224	5 318	5 420
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	552	3 271	2 053	3 262	3 262	3 262	3 275	3 537	3 821

Table 115: Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlatuze Municipality	3.1.1	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Enhanced sectoral development through trade investment and business retention)	3.1.2	15 265	100 667	9 616	14 911	14 517	14 517	16 082	13 387	10 985
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	-	-	280	89	89	89	64	73	84
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	4 492	4 278	3 417	3 213	3 213	3 213	3 089	-	-
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	-	-	-	-	-	-	-	-	-
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	75 987	65 257	29 748	53 187	53 192	53 192	13 959	14 577	15 238
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	609	544	7 947	2 965	2 965	2 965	2 285	2 545	2 836
3.3 Safe and Healthy Living Environment	Efficient and effective waste management services	3.3.1	-	-	156	31	31	31	28	31	36
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	-	-	334	116	116	116	89	100	113
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	480	733	1 223	978	978	978	912	954	999
3.4 Social Cohesion	To promote social cohesion	3.4.1	17 505	20 520	45 333	41 745	41 526	41 526	30 034	29 755	30 840
National KPA 4 : Municipal Institutional Development and Transformation											
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 ensure retention of staff	4.1.1	166	1 021	4 581	1 930	2 041	2 041	1 858	1 980	2 119

Table 116: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	587 620	591 484	625 226	761 949	758 561	758 561	1 022 135	1 081 810	1 151 558
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1.	1 593	2 537	9 749	1 739	1 739	1 739	1 354	1 461	1 579
National KPA 6: Cross Cutting											
6.1 Integrated Urban and Rural Development	To plan and manage existing and future development	6.1.1	-	-	-	-	-	-	-	-	-
6.2 Immovable Property Management	To ensure fair valuation of properties	6.2.1	-	-	195	68	68	68	41	47	54
	Effective Management of Council owned Immoveable properties.	6.2.2	44	17	1 109	401	401	401	261	296	336
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	-	-	122	43	43	43	29	33	38
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			3 357 940	3 765 983	4 457 666	4 673 334	4 697 533	4 697 533	5 149 108	5 517 999	5 980 413

Table 117: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
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	23 225	10 905	14 285	46 006	46 442	46 442	48 059	50 150	52 483
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	3 329	3 695	3 810	4 249	4 207	4 207	4 500	4 698	4 921
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	-	-	-	-	-	-	-	-	-
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	15 093	11 981	56 365	11 657	32 658	32 658	42 392	43 344	45 263
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	6 437	7 690	7 881	8 075	8 013	8 013	9 629	8 466	8 830
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	1 901	2 401	2 936	5 192	5 074	5 074	5 500	5 727	5 919
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	298	3 980	1 977	67	135	135	68	71	75
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 and promote local economic development	2.1.1	2 624 463	2 812 731	3 469 900	3 767 621	3 766 279	3 766 279	4 025 920	4 345 206	4 763 029
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society , through the development of sustainable human settlements and quality housing	2.1.2	28 772	31 128	104 537	31 778	29 237	29 237	29 964	30 182	30 291
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	1 880	68 603	58 339	4 894	13 551	13 551	69 245	77 722	80 625

Table 118: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	81 433	242 128	78 288	86 819	85 168	85 168	95 704	97 551	101 914
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	5 944	5 614	5 894	5 473	5 670	5 670	5 519	5 712	5 974
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	4 492	4 278	3 417	3 213	3 213	3 213	3 089	-	-
3.1 Viable Economic Growth And Development	To Improve the efficiency , innovation and variety of government-led jobs	3.1.5	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	-	-	-	-	-	-	-	-	-
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	140 881	124 492	113 305	138 083	135 162	135 162	129 603	134 408	140 730
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	80 865	77 923	87 458	101 421	103 270	103 270	109 385	119 361	125 339
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	-	2 024	2 798	2 897	4 493	4 493	5 786	6 053	6 332
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	10 848	9 580	8 596	8 635	8 647	8 647	8 511	8 853	9 261
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	14 184	11 835	14 971	19 290	19 606	19 606	18 067	18 763	19 657
3.4 Social Cohesion	To promote social cohesion	3.4.1	209 024	203 812	232 719	257 200	255 893	255 893	278 447	290 374	302 334

17. FUNDED MUNICIPAL CAPITAL PROJECTS

17.1 List of Capital Projects for 2023/2024

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: CITY DEVELOPMENT													
1	Vote 1	CC	REPLACEMENT OF FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	CD	R	S	152 000	163 000	517 000	554 000	581 000
2	Vote 1	AR	INSTALLATION OF AIR QUALITY MONITORING EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	CD	R	M	117 000	133 000	131 000	140 000	147 000
2	Vote 1	AD	CONSTRUCTION OF ESIKHALENI BUSINESS CENTRE - PHASE 1	1002011800	BORROWING	CD	N	M	30 724 500	-	-	-	-
3	Vote 1	CP	RICHARDS BAY TAXI RANK - PHASE 2	1002012100	BORROWING	CD	U	M	2 500 000	-	-	-	-
3	Vote 1	CC	DESIGNS AND PLANS FOR WATERFRONT AREA	1001080200	INTEGRATED URBAN DEVELOPMENT GRANT	CD	N	M	5 000 000	3 000 000	-	-	-
4	Vote 1	BF	TRACTORS FOR SMMEs	1003050100	CAPITAL REPLACEMENT RESERVES	CD	N	S	1 206 500	-	-	-	-
4	Vote 1	CC	EMPANGENI CBD MARKET STALLS	1002011800	BORROWING	CD	U	M	16 881 000	2 063 000	-	-	-
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: COMMUNITY SERVICES													
PUBLIC HEALTH AND EMERGENCY SERVICES													
6	Vote 2	AH	GENERATOR: DISASTER CENTRE	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	35 000	40 000	40 000	40 000	40 000
7	Vote 2	AD	DISASTER MANAGEMENT BUILDING RENOVATIONS	1003010100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	1 000 000	-	-	-	-
8	Vote 2	AH	DISASTER MANAGEMENT BUILDING FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	23 000	500 000	22 000	36 000	39 000
9	Vote 2	CK	UPGRADING OF TRAINING YARD	1003010500	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	200 000	500 000	500 000	500 000	500 000
10	Vote 2	CK	GENERATOR: EMPANGENI FIRE STATION	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	200 000	200 000	200 000	200 000	200 000
11	Vote 2	CK	FIRE FIGHTING EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	1 216 000	1 500 000	1 356 000	1 456 000	1 536 000
12	Vote 2	DE	REPLACEMENT FURNITURE FOR WASTE DEPOTS	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	6 000	7 000	-	8 000	8 000
13	Vote 2	BF	REFUSE TRUCKS	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	8 000 000	11 000 000	17 000 000	19 000 000	20 000 000
14	Vote 2	DC	SKIPS	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	M	1 500 000	2 000 000	3 000 000	2 000 000	3 500 000

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027
Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
15	Vote 3	BP	21 X 9MM PISTOLS (OVER MTREF YEARS)	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	77 000	88 000	86 000	92 000	97 000
16	Vote 3	BK	NEW IT EQUIPMENT FOR SAFER CITY CCTV CENTRE	1003020100	BORROWING	DCSH	N	M	2 000 000	2 000 000	2 500 000	2 500 000	2 500 000
17	Vote 3	CQ	DIGITAL RADIOS: TRAFFIC PATROL VEHICLES	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	20 000	5 000	40 000	-	32 000
18	Vote 3	CQ	FURNITURE FOR TRAFFIC	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	75 000	100 000	9 000	80 000	75 000
19	Vote 3	CQ	REPLACEMENT OF SPEED LASER	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	19 000	80 000	80 000	100 000	55 000
20	Vote 3	CQ	EQUIPMENT FOR TRAFFIC	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	45 000	2 000	50 000	15 000	25 000
21	Vote 3	CQ	CAMERAS FOR EVIDENCE COLLECTION	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	10 000	5 000	10 000	7 000	25 000
22	Vote 3	CR	EQUIPMENT FOR TRAFFIC LICENSING	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	34 000	38 000	38 000	40 000	42 000
23	Vote 4	AA	COMPACTION - RICHARDS BAY AND ESIKHALENI CEMETERY	1002011100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	2 000 000	2 000 000	4 800 000	4 000 000	4 000 000
25	Vote 4	AC	PH 1 CONST DUMISANE MAKHAYE VILLAGE HALL	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	N	M	2 000 000	3 000 000	-	-	-
26	Vote 4	AC	PH 1 CONST DUMISANE MAKHAYE VILLAGE HALL	1002010100	BORROWING	DCSH	N	M	1 500 000	1 500 000	5 000 000	5 000 000	5 000 000
27	Vote 4	AC	LIGHTN PROTECT-HALLS & THUSONG CENTRES	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	600 000	-	-	-	-
28	Vote 4	AC	REFURBISHMENT OF AQUADENE HALL	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	2 000 000	-	-	-	-
30	Vote 4	AC	REFURBISHMENT OF NEW HALL (WARD 17)	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	2 000 000	1 000 000	-	-	-
31	Vote 4	AC	UMSASANDLA THUSONG CENTRE FENCING	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	R	M	400 000	-	-	-	-
32	Vote 4	AC	REFURBISHMENT OF EMPANGENI CIVIC HALL	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	U	M	500 000	-	-	1 000 000	2 000 000
35	Vote 4	AC	REPLACEMENT OF WATER PUMP: RURAL HALL	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	100 000	-	-	-	-
36	Vote 4	AC	RENOVATIONS TO HLANGANANI HALL	1002010100	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	3 000 000	3 000 000	1 500 000	-	-

Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR	TABLED 2023/25	TABLED 2024/26	TABLED 2025/27	TABLED 2026/28	TABLED 2027/29
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: CITY DEVELOPMENT													
2	Vote 1	CC	REPLACEMENT OF FURNITURE	1002994922	CAPITAL REPLACEMENT RESERVES	CD	R	S	152 000	163 000	517 000	554 000	581 000
40	Vote 4	AE	ALL LIBRARIES STAFF CHAIRS	1002011000	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	50 000	100 000	100 000	-	-
41	Vote 4	AE	LIBRARIES - DIGITAL CAMERA	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	10 000	15 000	20 000	25 000	30 000
42	Vote 4	AE	ALL LIBRARIES - CASH REGISTERS	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	30 000	35 000	45 000	55 000	65 000
45	Vote 4	AE	RICHARDS BAY LIBRARY RFID SECURITY SYST	1002011000	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	250 000	-	-	290 000	300 000
47	Vote 4	AG	170L REFRIGERATOR FOR MUSEUM	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	20 000	-	-	-	-
49	Vote 4	CS	BEACHES: OFFICE FURNITURE & EQUIPMENT	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	170 000	161 000	99 000	101 000	90 000
50	Vote 4	CS	ALKANTSTRAND: UPGRADE RECREATIONAL AREA	1002020200	CAPITAL REPLACEMENT RESERVES	DCSH	U	M	300 000	200 000	200 000	500 000	100 000
51	Vote 4	CS	BEACHES: MACHINERY AD EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	300 000	400 000	500 000	600 000	700 000
52	Vote 4	CT	REPLACEMENT OF SLASHERS	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	250 000	200 000	200 000	200 000	-
53	Vote 4	CT	RIDE ON MOWERS (PARKS)	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	1 500 000	1 000 000	1 500 000	2 000 000	2 300 000
54	Vote 4	CT	PARKS SECTION - OFFICE FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	100 000	80 000	-	140 000	-
57	Vote 4	CT	VARIOUS SMALL MACHINERY (HORTICULTURE)	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	450 000	600 000	1 500 000	1 500 000	2 000 000
NO	MSC	mSCOA FUNCTION (FX)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR	TABLED 2023/26	TABLED 2024/27	TABLED 2025/28	TABLED 2026/29	TABLED 2027/30
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: CITY DEVELOPMENT													
62	Vote 1	CC	REPLACEMENT OF FURNITURE	1002994923	CAPITAL REPLACEMENT RESERVES	CD	R	S	152 000	163 000	517 000	554 000	581 000
63	Vote 4	AE	ALL LIBRARIES STAFF CHAIRS	1002011000	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	419 673	667 690	1 108 105	1 538 693	1 619 150
65	Vote 4	AE	LIBRARIES - DIGITAL CAMERA	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	443 791	707 173	1 183 689	1 643 409	1 731 190
67	Vote 4	AE	ALL LIBRARIES - CASH REGISTERS	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	467 908	746 657	1 259 273	1 748 125	1 843 229
70	Vote 4	AE	MICROWAVES: VARIOUS LIBRARIES	1003030100	CAPITAL REPLACEMENT RESERVES	DCSH	R	S	516 144	825 624	1 410 441	1 957 558	2 067 307

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027
Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
66	Vote 4	CY	LANE REELS	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	500 000	500 000	500 000	200 000	500 000
67	Vote 4	CY	IMPROVEMENTS / RENOVATIONS TO EMPANGENI POOL	1002020200	CAPITAL REPLACEMENT RESERVES	DCSH	U	M	1 000 000	500 000	-	-	500 000
68	Vote 4	CY	IMPROVEMENTS / RENOVATIONS TO BRACKENHAM POOL	1002020200	CAPITAL REPLACEMENT RESERVES	DCSH	U	M	200 000	-	361 000	2 500 000	-
70	Vote 4	CZ	CONSTRUCTION OF ASTRO TURF FOR NTAMBANANA	1002020200	BORROWING	DCSH	N	M	2 000 000	2 000 000	-	-	-
72	Vote 4	CZ	REFURB KHAYALETHU SPORTS FACILITY - ABLUTION FACILITY	1002011600	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	1 000 000	1 500 000	1 000 000	-	-
73	Vote 4	CZ	UPGRADE OF RECREATIONAL FACILITIES	1002020200	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	1 500 000	1 500 000	-	2 000 000	5 000 000
74	Vote 4	CZ	UPGRADE OF BHUCACANA INDOOR SPORT FACILITY	1002020100	CAPITAL REPLACEMENT RESERVES	DCSH	U	S	1 000 000	2 000 000	1 500 000	1 000 000	-
77	Vote 4	CZ	MACHINERY FOR SPORT FACILITIES MAINTENANCE	1003050100	CAPITAL REPLACEMENT RESERVES	DCSH	N	S	300 000	300 000	2 500 000	1 500 000	1 000 000
79	Vote 4	DB	FENCING UMLATHUZE STADIUM	1002020200	CAPITAL REPLACEMENT RESERVES	DCSH	N	M	3 000 000	2 000 000	-	-	-
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: CORPORATE SERVICES										#REF!	#REF!	#REF!	#REF!
ADMINISTRATION													
80	Vote 5	BB	REPLACEMENT OF OFFICE EQUIPMENT	1003030100	CAPITAL REPLACEMENT RESERVES	DCS	R	S	26 000	29 000	29 000	31 000	32 000
81	Vote 5	AD	RICHARDS BAY CIVIC - STRUCTURAL REPAIRS (PHASE 1)	1003010100	BORROWING	DCS	U	S	11 739 000	14 662 000	12 819 300	13 396 200	13 999 000
82	Vote 5	AD	CONSTRUCTION OF VULINDELA CUSTOMER CARE CENTRE	1003010100	BORROWING	DCS	U	M	6 000 000	6 270 000	7 209 600	8 269 600	8 759 800
83	Vote 5	AD	DESIGNS FOR NEW WESTERN SERVICES DEPOT	1003011000	CAPITAL REPLACEMENT RESERVES	DCS	N	M	1 000 000	1 045 000	1 092 000	1 141 100	1 192 400
84	Vote 5	AD	DESIGNS FOR NEW SOUTHERN SERVICES DEPOT	1003011000	CAPITAL REPLACEMENT RESERVES	DCS	N	M	1 000 000	1 045 000	1 092 000	1 141 100	1 192 400
85	Vote 5	AD	DISASTER BUILDING FENCING	1003010100	CAPITAL REPLACEMENT RESERVES	DCS	N	M	1 000 000	1 045 000	1 092 000	1 141 100	1 192 400
86	Vote 5	AD	DESIGN OF NSELENI FIRE STATION	1002010500	CAPITAL REPLACEMENT RESERVES	DCS	U	M	5 000 000	5 225 000	5 460 100	5 705 800	5 962 600
87	Vote 5	AD	ESIKHALENI BACKUP SYSTEM (ALTERNATIVE ELECTRICITY SOURCE)	1003010100	CAPITAL REPLACEMENT RESERVES	DCS	N	S	1 000 000	1 045 000	1 092 000	1 141 100	1 192 400
88	Vote 5	BV	AIRPORT FENCING	1006000100	CAPITAL REPLACEMENT RESERVES	DCS	U	M	5 444 000	6 176 000	6 078 000	6 501 000	6 818 000
HUMAN RESOURCES													
90	Vote 7	BG	HCM: OFFICE FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	DCS	R	S	3 000	4 000	4 000	4 000	4 000
91	Vote 7	BH	MNGMT SERVICES: OFFICE FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	DCS	R	S	1 000	2 000	2 000	2 000	2 000
92	Vote 7	BI	OCCUPATIONAL HEALTH CLINIC EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	DCS	R	S	161 000	193 500	190 500	202 500	213 500
93	Vote 7	BI	OFFICE FURNITURE FOR OCCUPATIONAL CLINIC	1003030100	CAPITAL REPLACEMENT RESERVES	DCS	N	S	180 000	193 500	190 500	204 500	213 500
94	Vote 7	BJ	HUMAN RESOURCES TRAINING AND INDUSTRIAL RELATIONS OFFICE FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	DCS	N	S	13 000	15 000	15 000	16 000	17 000
INFORMATION, COMMUNICATION AND TECHNOLOGY													
96	Vote 6	BK	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	1003020100	CAPITAL REPLACEMENT RESERVES	DCS	R	S	3 097 000	2 380 000	2 468 000	2 542 000	2 600 000
98	Vote 6	BK	ICT RESEARCH & DEVELOPMENT	1003020100	CAPITAL REPLACEMENT RESERVES	DCS	N	M	15 000	265 200	273 200	281 400	300 900
99	Vote 6	BK	ESS - FIRE SYSTEM	1007000500	CAPITAL REPLACEMENT RESERVES	DCS	N	S	100 000	-	-	-	-
100	Vote 6	BK	AUDIO VISUAL SYSTEMS AND EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	DCS	R	M	7 500 000	-	-	-	-
101	Vote 6	BK	NETWORK INFRASTRUCTURE UPGRADE	1001090100	CAPITAL REPLACEMENT RESERVES	DCS	N	S	3 400 000	6 500 000	7 000 000	5 000 000	5 000 000

Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER													
103	Vote 8	DS	REPLACEMENT EQUIPMENT ALL DEPARTMENTS	1003030100	CAPITAL REPLACEMENT RESERVES	FS	R	S	213 000	242 000	238 000	255 000	267 000
105	Vote 8	BQ	SCM FURNITURE AND OFFICE EQUIPMENT	1003030100	CAPITAL REPLACEMENT RESERVES	FS	N	S	194 000	217 400	217 000	232 000	243 000
107	Vote 8	DN	INSTALLATION OF PREPAID WATER METERS	1001030800	CAPITAL REPLACEMENT RESERVES	FS	R	M	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: ELECTRICAL AND ENERGY SOURCES													
ELECTRICAL SUPPLY SERVICES													
116	Vote 9	AL	AQUADENE DEVELOPMENT (INTERNAL RETICULATION)	1001010700	INTEGRATED URBAN DEVELOPMENT GRANT	ESS	N	M	10 724 000	9 386 000	9 821 000	9 821 000	9 821 000
118	Vote 9	AL	AQUADENE DEVELOPMENT (INTERNAL RETICULATION)	1001010700	BORROWING	ESS	N	M	8 947 000	12 344 000	3 000 000	9 492 000	10 663 000
119	Vote 9	AL	132/11KV 30MVA CYGNUS TRANSFORMER INSTALLATION	1001010300	BORROWING	ESS	R	M	9 550 000	-		-	-
120	Vote 9	AL	132/11KV SCORPIO SUBSTATION REFURBISHMENT	1001010200	BORROWING	ESS	R	M	8 000 000	3 000 000	-	-	-
121	Vote 9	AL	ANDROS 11KV SWITCHING STATION	1001010700	BORROWING	ESS	R	M	5 000 000	10 596 000	-	-	-
122	Vote 9	AL	DMV PHASE 6 & 8 DEVELOPMENT	1001010700	BORROWING	ESS	N	M	500 000	500 000	500 000	500 000	500 000
124	Vote 9	AL	ESTABLISHMENT OF SECOND 132KV SUPPLY AT CYGNUS SUBSTATION	1001010200	BORROWING	ESS	N	M	2 000 000	4 000 000	26 720 000	29 796 000	-
130	Vote 9	AL	POLARIS - PEGASUS SUBSTATIONS MV CABLE REPLACEMENT	1001010700	BORROWING	ESS	R	M	7 000 000	5 000 000		-	-
131	Vote 9	AL	ARIES SWITCHING STATION MV SWITCHGEARS RE-TROFIT	1001010700	CAPITAL REPLACEMENT RESERVES	ESS	R	M	318 500	-	-	-	-
132	Vote 9	AL	ARIES SWITCHING STATION MV SWITCHGEARS RE-TROFIT	1001010700	BORROWING	ESS	R	M	3 181 500	-	-	-	-
133	Vote 9	AL	132KV OVERHEAD LINE REFURBISHMENT FROM IMPALA TO SCORPIO, NEPTUNE, CYGNUS AND CARINA	1001010400	CAPITAL REPLACEMENT RESERVES	ESS	R	M	3 500 000	4 000 000		-	-
134	Vote 9	AP	JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION	1001010800	CAPITAL REPLACEMENT RESERVES	ESS	R	S	2 738 000	3 106 000		-	-
135	Vote 9	AP	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	1001010800	BORROWING	ESS	N	M	4 000 000	4 000 000	4 000 000	4 000 000	4 000 000
137	Vote 9	AL	ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	1001010700	BORROWING	ESS	N	M	3 000 000	3 000 000	3 000 000	12 142 000	52 080 000

Significant Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
138	Vote 9	AI	TOOLS FOR ELECTRICAL METER SERVICES	1003050100	CAPITAL REPLACEMENT RESERVES	ESS	R	M	8 000	9 000	8 000	9 000	9 000
139	Vote 9	AJ	REPLACEMENT OF FURNITURE	1003030100	CAPITAL REPLACEMENT RESERVES	ESS	R	S	1 000	1 000	1 000	1 000	1 000
140	Vote 9	AQ	INSTALLATION OF APN CONNECTIVITY SYSTEM	1007000500	CAPITAL REPLACEMENT RESERVES	ESS	R	S	1 290 000	1 464 000		1 541 000	1 616 000
141	Vote 9	AQ	SCADA DEPLOYMENT FOR 132KV SUBSTATIONS	1007000500	BORROWING	ESS	R	M	2 682 000	3 500 000	5 000 000	5 000 000	5 000 000
142	Vote 9	AL	132/11KV CORVUS SWITCHING STATION REFURBISHMENT	1001010700	GOVERNMENT - NATIONAL	ESS	R	M	14 000 000	8 359 000	8 733 000	8 733 000	8 733 000
145	Vote 9	AP	REPLACEMENT OF STREETLIGHTS - VELDENVLEI	1001010800	GOVERNMENT - NATIONAL	ESS	R	M	3 000 000	-	-	-	-
146	Vote 9	AP	REPLACEMENT OF STREETLIGHTS - DMV	1001010800	GOVERNMENT - NATIONAL	ESS	R	M	1 300 000	-	-	-	-
2	Vote 1	CC	REPLACEMENT OF FURNITURE	1002994922	CAPITAL REPLACEMENT RESERVES	CD	R	S	152 000	163 000	517 000	554 000	581 000
3	Vote 1	AR	INSTALLATION OF AIR QUALITY MONITORING EQUIPMENT	1003044041	CAPITAL REPLACEMENT RESERVES	CD	R	M	117 000	2 131 000	(43 667)	(46 667)	(49 000)
4	Vote 9	BF	REPLACEMENT MINIBUS	1003060100	BORROWING	DCSH	N	S	1 100 000	-	-	-	-
5	Vote 9	BF	REPLACEMENT PERSONNEL CARRIERS	1003060100	BORROWING	ESS	N	S	1 760 000	-		-	-
6	Vote 9	BF	REPLACEMENT SEDANS	1003060100	BORROWING	ESS	N	S	5 984 000	-		-	-
7	Vote 9	BF	REPLACEMENT SINGLE CABS 4X2	1003060100	BORROWING	ESS	N	S	1 617 000	1 320 000	-	-	-
11	Vote 9	BF	REPLACEMENT WATER TANKERS	1003050100	BORROWING	ESS	N	S	4 400 000	6 600 000	-	-	-
12	Vote 9	BF	REPLACEMENT COMPACTORS	1003050100	BORROWING	ESS	N	S	5 940 000	6 480 000	-	-	-
13	Vote 9	BF	REPLACEMENT TRACTORS	1003050100	BORROWING	ESS	N	S	682 000	-	-	-	-
14	Vote 9	BF	REPLACEMENT 3 TON TRUCKS	1003050100	BORROWING	ESS	N	S	572 000	-	-	-	-
16	Vote 9	BF	REPLACEMENT CHERRY PICKER	1003050100	BORROWING	ESS	N	S	1 540 000	-	-	-	-
17	Vote 9	BF	REPLACEMENT PANEL VANS	1003060100	BORROWING	ESS	N	S	407 000	-	-	-	-
18	Vote 9	BF	REPLACEMENT 7 SEATERS	1003060100	BORROWING	ESS	N	S	1 188 000	-	-	-	-

Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: INFRASTRUCTURE SERVICES													
ENGINEERING SUPPORT SERVICES													
25	Vote 12	CN	NORTH CENTRAL ARTERIAL DOUBLING	1001020100	INTEGRATED URBAN DEVELOPMENT GRANT	IS	U	M	5 000 000	7 765 000	15 000 000	14 407 000	14 407 000
26	Vote 12	CO	MANDLAZINI - PHASE 1B	1001020100	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	18 006 000	7 000 000	-	-	-
29	Vote 12	CP	EMPANGENI B TAXI RANK - PHASE 1	1002012100	INTEGRATED URBAN DEVELOPMENT GRANT	IS	U	M	11 391 000	15 000 000	6 780 000	6 780 000	6 780 000
30	Vote 12	CP	RICHARDS BAY TAXI RANK - PHASE 2	1002012100	INTEGRATED URBAN DEVELOPMENT GRANT	IS	U	M	13 500 000	-	-	-	-
31	Vote 12	DC	UPGRADE ALTON TRANSFER STATION (PHASE 1 & 2)	1001060200	INTEGRATED URBAN DEVELOPMENT GRANT	IS	U	M	4 724 000	4 886 000	-	9 821 000	9 821 000
32	Vote 12	DC	ESTABLISHMENT OF EMPANGENI MATERIAL RECOVERY FACILITIES	1001060200	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	4 000 000	-	-	-	-
33	Vote 12	DC	ESTABLISHMENT OF NGEWELEZANE MATERIAL RECOVERY FACILITIES	1001060200	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	2 000 000	-	-	-	-
39	Vote 12	DI	RURAL SANITATION - VIP	1001050200	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	30 000 000	37 839 900	43 428 000	49 852 000	55 624 000
40	Vote 12	DI	MZINGAZI SEWER	1001050400	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	26 191 200	-	15 000 000		198 800
43	Vote 12	DM	MKHWANAZI NORTH - ZONE G	1001030700	INTEGRATED URBAN DEVELOPMENT GRANT	IS	N	M	10 000 000	-	-	-	-
47	Vote 12	CE	REPLACEMENT OF FURNITURE FOR ENGINEERING SERVICES	1003030100	CAPITAL REPLACEMENT RESERVES	IS	R	S	94 000	106 000	105 000	112 000	117 000

Capital Projects for 2023/2024 (continued)

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: INFRASTRUCTURE SERVICES													
ENGINEERING SUPPORT SERVICES													
TRANSPORT, ROADS AND STORMWATER													
48	Vote 11	AD	RURAL ROADS OFFICES	1003010100	BORROWING	IS	N	S	300 000	5 000 000	3 000 000		5 000 000
49	Vote 11	AD	UPGRADE AND RENOVATE ABLUTION FACILITIES AT DEPOTS	1003010100	CAPITAL REPLACEMENT RESERVES	IS	U	S	300 000	3 000 000	5 000 000	5 000 000	3 000 000
50	Vote 11	BF	3 X 10 TON TIPPER TRUCK	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	5 000 000	5 000 000	3 000 000	5 000 000	5 000 000
51	Vote 11	BF	WATER TANKER AND JETTING MACHINE	1003050100	BORROWING	IS	N	S	5 000 000	5 000 000	5 000 000	5 000 000	5 000 000
52	Vote 11	BF	10M3 TIPPER TRUCK (URBAN ROADS)	1003050100	BORROWING	IS	N	S	2 000 000	3 000 000	2 500 000	3 000 000	3 000 000
53	Vote 11	BF	2 X 22 SEATER PASSENGER CARRIER (URBAN ROADS)	1003060100	BORROWING	IS	N	S	4 500 000	2 500 000	3 000 000	2 500 000	2 500 000
54	Vote 11	CN	ROADS RESEALING (DUNE ROUTE - MEERENSEE)	1001020100	BORROWING	IS	R	M	15 000 000	10 000 000	8 000 000	10 000 000	8 000 000
55	Vote 11	CN	ROADS RESEALING (MONDI ROAD - ALTON)	1001020100	BORROWING	IS	R	M	6 000 000	5 000 000	400 000	5 000 000	400 000
57	Vote 11	CN	MZINGAZI/TUZI GAZI STEEL BRIDGE	1001020200	BORROWING	IS	R	M	3 000 000	5 000 000	13 000 000	5 000 000	3 000 000
58	Vote 11	CN	NORTH CENTRAL ARTERIAL DOUBLING	1001020100	BORROWING	IS	U	M	5 869 000	10 000 000	3 000 000	10 000 000	3 000 000
59	Vote 11	CN	AQUADENE HOUSING ACCESS ROADS	1001020100	BORROWING	IS	N	S	10 000 000	5 000 000	5 000 000	5 484 000	5 000 000
60	Vote 11	CN	UPGRADE & SIGNALISE OF INTERSECTION WITHIN THE CITY OF UMWHLATHUZE KNORHAAN BAAI AND ANGLERS ROD	1001020100	CAPITAL REPLACEMENT RESERVES	IS	U	S	1 000 000	500 000	500 000	500 000	500 000
61	Vote 11	CN	ARTERIAL FRAMEWORK PLAN RENEWAL	1001020100	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 000 000	500 000	500 000	500 000	500 000
62	Vote 11	CN	BUS SHELTERS & LAYBYES - ALL AREAS	1001020200	CAPITAL REPLACEMENT RESERVES	IS	N	M	500 000	5 000 000	5 000 000	5 000 000	5 000 000
63	Vote 11	CN	COASTAL EROSION PROTECTION	1001080100	CAPITAL REPLACEMENT RESERVES	IS	N	M	3 000 000	3 000 000	3 000 000	3 000 000	3 000 000
64	Vote 11	CN	PEDESTRIAN BRIDGES	1001020200	BORROWING	IS	N	M	6 000 000	5 000 000	8 000 000	5 000 000	8 000 000
65	Vote 11	CN	TRAFFIC CALMING	1001020200	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 000 000	149 200	2 000 000	2 000 000	2 000 000
67	Vote 11	CN	WALKWAYS	1001020200	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
68	Vote 11	CN	ANNUAL KERB REPLACEMENT CONTRACT	1001020200	CAPITAL REPLACEMENT RESERVES	IS	R	M	2 000 000	3 000 000	5 000 000	3 000 000	3 000 000
69	Vote 11	CN	ANNUAL WALKWAY REHABILITATION	1001020200	CAPITAL REPLACEMENT RESERVES	IS	R	M	2 000 000	3 000 000	5 000 000	3 000 000	3 000 000
70	Vote 11	CP	EMPANGENI "A" TAXI RANK	1002012100	CAPITAL REPLACEMENT RESERVES	IS	U	M	2 000 000	1 000 000	1 350 000	7 000 000	1 000 000
71	Vote 11	CO	SUSTAINABLE RURAL ROADS (NGAMLA ROAD ENIWE)	1001020100	BORROWING	IS	N	M	7 640 000	8 484 000	8 000 000	10 483 000	8 000 000
75	Vote 11	DJ	BULK STORMWATER INFRASTRUCTURE (AQUADENE)	1001040200	BORROWING	IS	N	M	4 000 000	1 000 000	1 000 000	1 000 000	1 000 000
76	Vote 11	DJ	DURNFORD CULVERT REHABILITATION	1001040100	BORROWING	IS	N	M	500 000	1 000 000	1 000 000	1 000 000	1 000 000
77	Vote 11	DU	DETAIL DESIGN OF ALKANTSTRAND STAIRCASE	1001080200	CAPITAL REPLACEMENT RESERVES	IS	R	S	1 131 000	500 000	500 000	500 000	500 000
78	Vote 11	CN	MACHINERY AND EQUIPMENT - ROADS	1003050100	BORROWING	IS	R	S	1 500 000	300 000	500 000	300 000	300 000
79	Vote 11	CN	FURNITURE - ROADS DEPOTS	1003030100	CAPITAL REPLACEMENT RESERVES	IS	R	S	500 000	300 000	500 000	300 000	300 000

Capital Projects for 2023/2023 (continued)

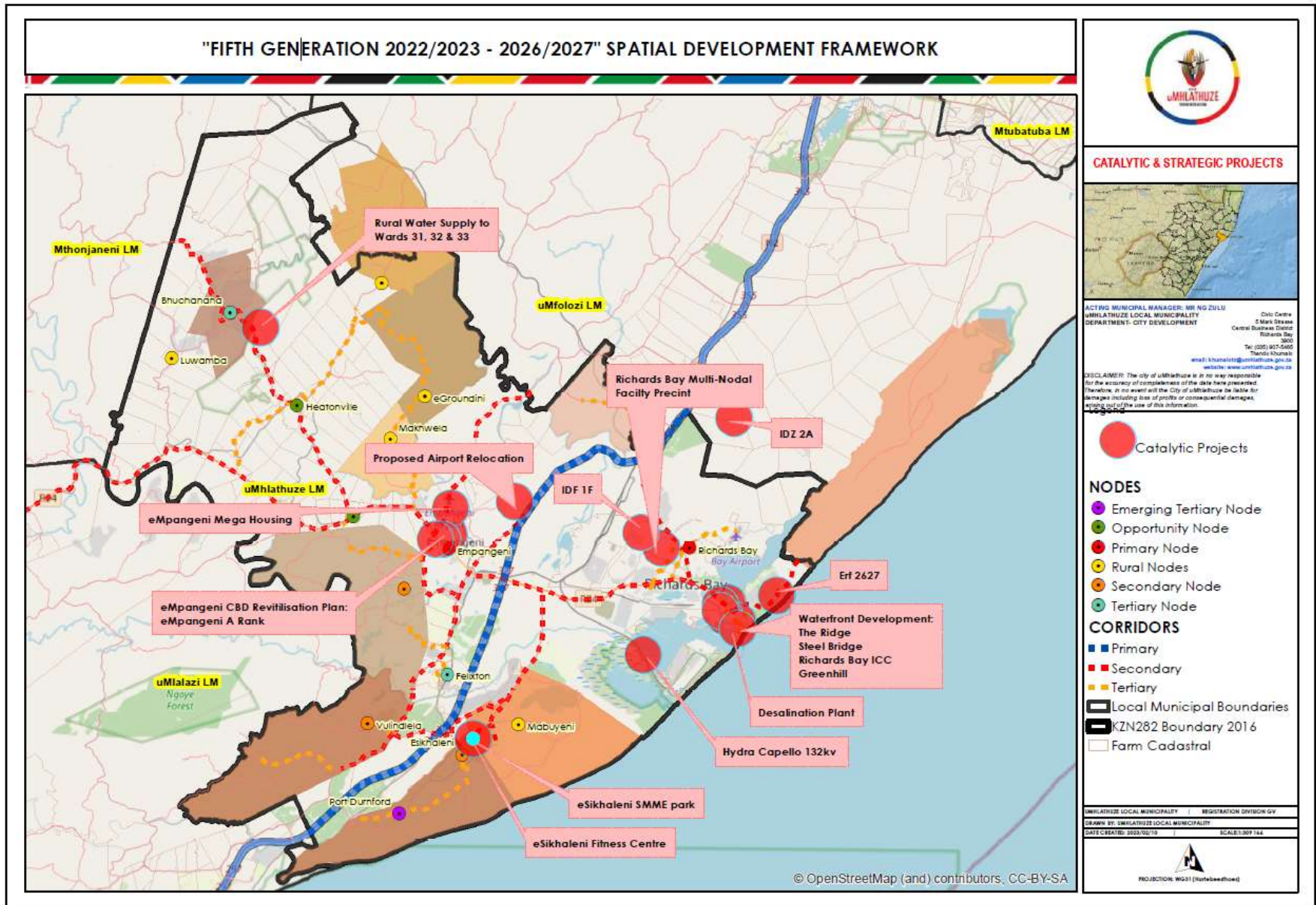
NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: INFRASTRUCTURE SERVICES													
WATER AND SANITATION													
80	Vote 10	BF	4 X TLB 4X4 (URBAN WATER & SANITATION)	1003050100	BORROWING	IS	N	S	4 000 000	2 000 000	-	-	-
81	Vote 10	BF	TRUCK MOUNTED JETTING MACHINE WITH 5000L TANKER X 3	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	4 000 000	-	-	-	-
84	Vote 10	BF	TRAILER MOUNTED 6 INCH WATER PUMP	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	500 000	-	-	-	-
85	Vote 10	BK	COMPUTER EQUIPMENT FOR WATER AND SANITATION	1003020100	CAPITAL REPLACEMENT RESERVES	IS	R	S	200 000	500 000	500 000	500 000	500 000
86	Vote 10	BK	ICT RELATED EQUIPMENT FOR WWTW FACILITIES	1003020100	CAPITAL REPLACEMENT RESERVES	IS	R	M	200 000	-	-	-	-
87	Vote 10	BK	ICT RELATED EQUIPMENT FOR WTW FACILITIES	1003020100	CAPITAL REPLACEMENT RESERVES	IS	R	M	200 000	-	-	-	-
88	Vote 10	DH	MECHANICAL EQUIPMENT UPGRADE - ESKHAWINI WTW	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
89	Vote 10	DH	MECHANICAL EQUIPMENT UPGRADE - MZINGAZI WTW	1003050100	BORROWING	IS	N	M	4 000 000	6 832 000	2 000 000	4 000 000	4 000 000
90	Vote 10	DH	MECHANICAL EQUIPMENT UPGRADE - NGWELEZANE WTW	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	M	3 000 000	1 000 000	1 000 000	1 000 000	1 000 000
91	Vote 10	DH	REPLACEMENT OF PUMPS	1001050100	BORROWING	IS	R	S	9 100 000	10 000 000	7 000 000	5 000 000	5 000 000
92	Vote 10	DH	UPGRADE OF NKONINGA PUMPSTATION	1001050100	BORROWING	IS	N	M	3 000 000	20 000 000	7 000 000	7 000 000	7 000 000
93	Vote 10	DH	UPGRADING OF BIRDSWOOD PUMP STATION CAPACITY	1001050100	BORROWING	IS	N	M	1 000 000	15 000 000	5 000 000	5 000 000	5 000 000
95	Vote 10	DI	FURNITURE FOR WATER AND SANITATION SECTION	1003030100	CAPITAL REPLACEMENT RESERVES	IS	R	S	125 000	642 000	640 000	650 000	657 000
96	Vote 10	DI	SEWER MASTER PLAN	1001050200	BORROWING	IS	N	S	4 000 000	2 000 000		4 000 000	4 000 000
97	Vote 10	DI	UPGRADE - ESIKHALENI SEWER	1001050400	CAPITAL REPLACEMENT RESERVES	IS	U	M	1 324 800	-	-	-	-
98	Vote 10	DI	UPGRADE - EMPANGENI SEWER	1001050400	CAPITAL REPLACEMENT RESERVES	IS	U	M	1 324 800	-	-	-	-
99	Vote 10	DI	UPGRADE - NSELENI SEWER	1001050400	BORROWING	IS	U	M	8 000 000	20 000 000	10 000 000	10 000 000	10 000 000
100	Vote 10	DI	UPGRADE - VULINDELELA SEWER PIPELINE	1001050200	BORROWING	IS	U	M	5 000 000	-	-	-	-
101	Vote 10	DK	EMPANGENI UPGRADE OF WASTE WATER TREATMENT PLANT	1001050400	BORROWING	IS	U	M	5 000 000	3 000 000	3 000 000	3 000 000	3 000 000
102	Vote 10	DK	GENERATORS FOR WASTE WATER TREATMENT FACILITIES	1003050100	BORROWING	IS	N	S	10 000 000	8 000 000	6 000 000	6 000 000	6 000 000

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027
Significant Capital Projects for 2022/2023 (continued)

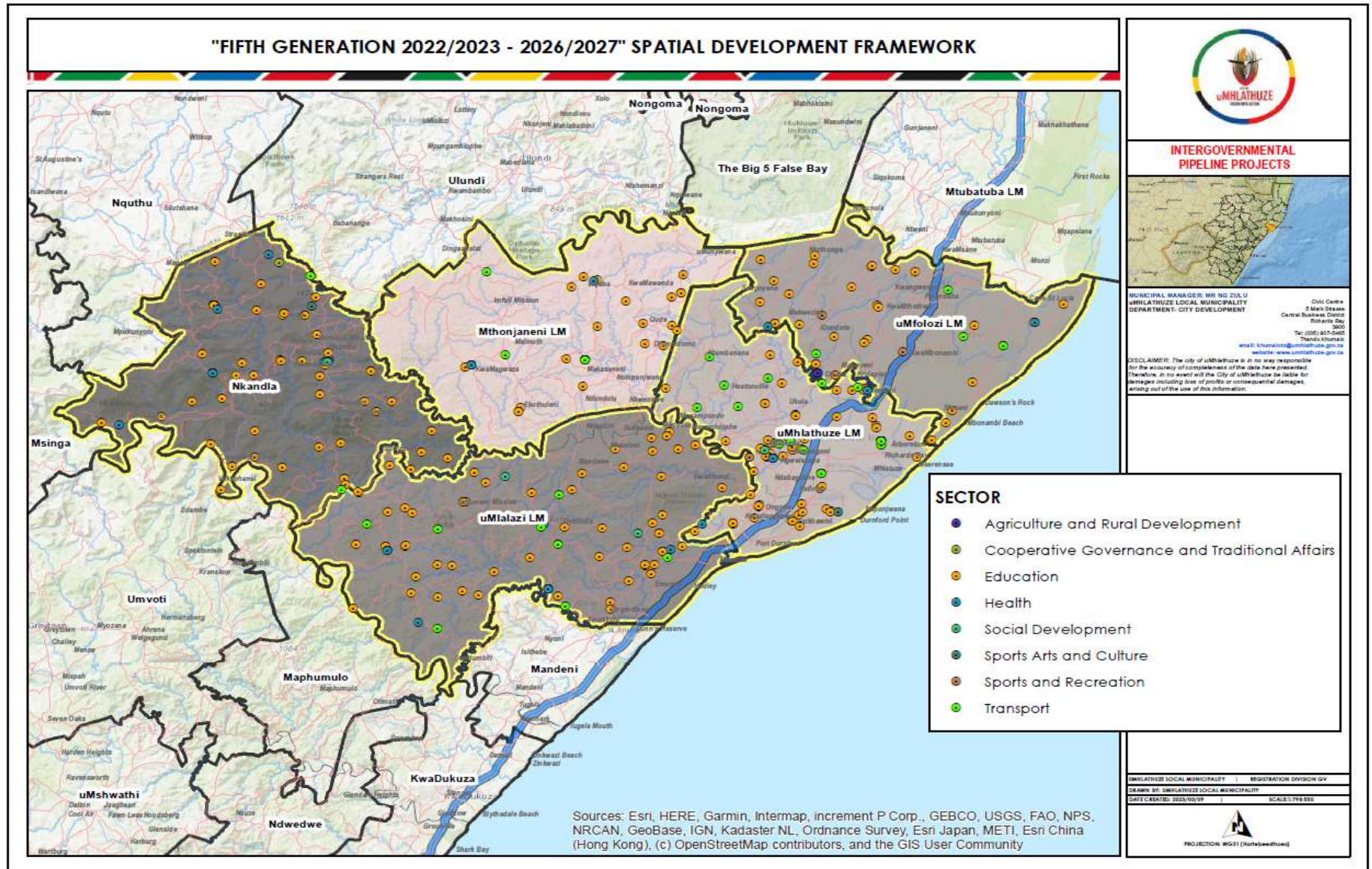
NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: INFRASTRUCTURE SERVICES													
103	Vote 10	DK	SECURITY FENCE FOR WASTE WATER TREATMENT WORKS	1003010100	CAPITAL REPLACEMENT RESERVES	IS	N	M	500 000	-	-	-	-
104	Vote 10	DN	SECURITY FENCE FOR WATER TREATMENT WORKS	1003010100	CAPITAL REPLACEMENT RESERVES	IS	N	M	2 500 000	-	3 000 000	1 500 000	1 500 000
105	Vote 10	DK	UPGRADE OF WASTE WATER PUMP AT ALTON MACERATOR	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 000 000	500 000	500 000	500 000	500 000
106	Vote 10	DK	UPGRADE OF WASTE WATER PUMP AT ARBORETUM MACERATOR TREATMENT WORKS	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 500 000	1 000 000	500 000	500 000	500 000
107	Vote 10	DK	UPGRADE OF WASTE WATER PUMP AT ESIKHALENI WASTE WATER TREATMENT WORKS	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	2 000 000	1 000 000	1 000 000	1 000 000	1 000 000
108	Vote 10	DK	UPGRADE OF WASTE WATER PUMP AT NGWELEZANE WASTE WATER TREATMENT WORKS	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	500 000	500 000	500 000	500 000	500 000
109	Vote 10	DK	UPGRADE OF WASTE WATER PUMP AT NSELEN WASTE WATER TREATMENT WORKS	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	700 000	700 000	700 000	700 000	700 000
110	Vote 10	DK	WASTE WATER TREATMENT PLANTS AUTOMATION	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	2 000 000	4 000 000	4 800 000	2 000 000	2 000 000
111	Vote 10	DK	WASTE WATER TREATMENT WORKS VULINDLELA	1001050300	CAPITAL REPLACEMENT RESERVES	IS	N	M	500 000	500 000	500 000	500 000	500 000
112	Vote 10	DL	WATER QUALITY EQUIPMENT	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	500 000	-	-	-	-
114	Vote 10	DL	LABORATORY EQUIPMENT	1003050100	BORROWING	IS	N	S	1 000 000	3 000 000	5 000 000	5 000 000	5 000 000
116	Vote 10	DM	NGWELEZANE A PIPE REPLACEMENT	1001030700	CAPITAL REPLACEMENT RESERVES	IS	R	M	4 000 000	4 000 000	400 000	4 000 000	4 000 000
117	Vote 10	DM	NTAMBANANA BOREHOLES	1001030200	BORROWING	IS	N	M	4 000 000	5 000 000	5 000 000	3 000 000	3 000 000
119	Vote 10	DN	200 STATIC TANKS	1001030700	CAPITAL REPLACEMENT RESERVES	IS	N	S	500 000	500 000	2 000 000	2 000 000	2 000 000
121	Vote 10	DN	DATA LOGGERS	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	3 000 000	3 000 000	500 000	500 000	500 000
123	Vote 10	DN	LOFTHEIM RESERVOIR UPGRADE	1001030300	CAPITAL REPLACEMENT RESERVES	IS	U	M	2 982 400	-	2 000 000	1 500 000	1 500 000
127	Vote 10	DN	NTAMBANANA WATER RETICULATION	1001030700	BORROWING	IS	N	M	25 000 000	15 000 000	20 000 000	-	-

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

NO	MSC	mSCOA FUNCTION (FX) (SAP)	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM	FUNDING	DEPT	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: INFRASTRUCTURE SERVICES													
131	Vote 10	DN	REPLACEMENT OF KHOZA PUMPING LINE	1001030700	BORROWING	IS	R	M	3 000 000	5 000 000	5 000 000	-	-
133	Vote 10	DN	TOOLS FOR WATER AND SANITATION	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	500 000	-	-	-	-
135	Vote 10	DN	UPGRADING OF VALVES IN ESIKHALENI	1001030700	CAPITAL REPLACEMENT RESERVES	IS	N	S	4 000 000	500 000		-	-
136	Vote 10	DN	UPGRADING OF VALVES IN RICHARDS BAY	1001030700	CAPITAL REPLACEMENT RESERVES	IS	N	S	1 500 000	-	-	-	11 693 000
138	Vote 10	DO	BULK WATER MASTER PLAN	1001030700	CAPITAL REPLACEMENT RESERVES	IS	N	M	500 000	-	-	4 000 000	4 000 000
140	Vote 10	DO	EMPEMBENI BULK AND RETICULATION	1001030700	BORROWING	IS	N	M	10 000 000	15 000 000	40 000 000	27 200 000	27 200 000
141	Vote 10	DO	MADLEBE (BOMVINI) RESERVOIR 6 UPGRADE	1001030300	CAPITAL REPLACEMENT RESERVES	IS	N	S	1 500 000	5 000 000	1 500 000	1 500 000	1 500 000
142	Vote 10	DO	MADLEBE (INIWE) RESERVOIR UPGRADE	1001030300	CAPITAL REPLACEMENT RESERVES	IS	N	M	1 500 000	5 000 000	2 000 000	2 000 000	2 000 000
143	Vote 10	DO	NEW WATER METERS	1001030800	BORROWING	IS	N	M	5 000 000	5 000 000	5 000 000	19 000 000	19 000 000
144	Vote 10	DO	REPLACEMENT BULK WATER METERS	1001030800	BORROWING	IS	R	M	4 000 000	6 668 000	5 000 000	10 800 000	10 800 000
145	Vote 10	DQ	GENERATORS FOR WATER TREATMENT FACILITIES	1003050100	CAPITAL REPLACEMENT RESERVES	IS	N	S	7 100 000	-	-	-	-
146	Vote 10	DQ	GENERATORS FOR WATER TREATMENT FACILITIES	1003050100	BORROWING	IS	N	S	13 900 000	-	-	-	-
147	Vote 10	DQ	REFURBISHMENT OF WATER TREATMENT WORKS	1001030500	CAPITAL REPLACEMENT RESERVES	IS	U	M	4 000 000	7 881 000	5 000 000	14 000 000	14 000 000
148	Vote 10	DQ	WATER TREATMENT PLANTS AUTOMATION	1001030500	CAPITAL REPLACEMENT RESERVES	IS	R	M	2 000 000	4 000 000	4 800 000	5 000 000	5 000 000
149	Vote 10	DN	PIPE REPLACEMENT FOR VARIOUS AREAS	1001030700	BORROWING	IS	U	M	15 000 000	5 000 000	11 366 000	10 000 000	10 000 000
150	Vote 10	DN	ALTON NORTH AND SOUTH WATER PIPE REPLACEMENT (WSIG)	1001030700	GOVERNMENT - NATIONAL	IS	R	M	15 000 000	9 500 000	12 000 000	12 000 000	12 000 000
151	Vote 10	DN	AQUADENE PIPE REPLACEMENT (WSIG)	1001030700	GOVERNMENT - NATIONAL	IS	R	M	10 000 000	10 000 000	14 000 000	-	-
152	Vote 10	DN	BIRDSWOOD PIPE REPLACEMENT (WSIG)	1001030700	GOVERNMENT - NATIONAL	IS	R	M	10 000 000	10 000 000	10 000 000	15 000 000	15 000 000
154	Vote 10	DN	VELDENVLEI PIPE REPLACEMENT (WSIG) (PHASE I)	1001030700	GOVERNMENT - NATIONAL	IS	R	M	20 000 000	10 000 000	11 000 000	10 000 000	10 000 000
157	Vote 10	DM	PUMPSTATION - FOREST RESERVOIR TO VULINDLELA RESERVOIR	1001030700	BORROWING	IS	N	M	3 000 000				510
158	Vote 10	DM	PUMPSTATION - FOREST RESERVOIR TO VULINDLELA RESERVOIR	1001030700	CAPITAL REPLACEMENT RESERVES	IS	N	M	7 500 000				



Map 75: Intergovernmental Pipeline Projects



17.2 IDZ Signed Investment

No	Investment	Investment Value	Job (C)	Job (P)
1.	Logistics and Heavy Equipment moving	R20 m	10	7
2.	Manufacturing of plastic piping for bulk water transportation	R300m	110	87
	Paint manufacturing company	R16 m	50	50
4.	Chemical plant	R500m	300	100
5.	Generation of 60 MW electricity from biomass and 2000 MW from LNG	R2 Billion/9.4 billion	260	70
6.	Chemical Plant	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 distribution	R400 m	100	100
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

17.3 ESKOM Project Status and Budget projects for 2022/2023

Name	Project type	DoE TOTAL Planned CAPEX Excl VAT 2022/2023	DoE TOTAL Planned CAPEX Incl VAT 2022/2023	DoE TOTAL Planned Connections 2022
Mazimazane Reserve ward 6 extension- phase 2	Households	R 1 724 801.13	R 1 983 521.30	100
Ezikhaleni Reserve /eNseleni - (ward 7 & 8) extensions	Households	R 360 655.97	R 414 754.36	22
Umhlathuze ward 31	Households	R 2 849 086.72	R 3 276 449.73	182
Umhlathuze ward 11 (Ntuze)	Households	R 2 944 934.70	R 3 386 674.90	176
Umhlathuze Ward 7 Extensions	Households	R 379 786.40	R 436 754.36	22
Umhlathuze ward 11 (Link line)	Infrastructure Link Line	R 1 424 180.16	R 1 637 807.18	0
Umhlathuze ward 31 (Link Line)	Infrastructure Link Line	R 2 601 032.93	R 2 991 187.88	0
Port Durnford NB10-VR	Electrification Infrastructure	R 2 194 961.05	R 2 524 205.21	0
Umhlathuze ward 33	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Bhejane Reserve ward 5 extensions -Umhlathuze ward 5 and 6 Extensions(remove Bhejane)	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Esikhaleni	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Mandlankala ward 12 infills	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Mzingwenya Reserve ward 14 infills	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0

Ngoye ward 10 infills	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Emabuyeni/Empembeni ward 13	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
eEsikhawini (PD)Nyembe ward 18	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Mhlathuze ward 19	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Enseleni-Mathunzi /Mkhombe ward 8	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Ngoye/Vulindlela ward 30	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Bomvini ward 28	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Mpembeni ward 15	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Ntambanana ward 32	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Iniwe ward 29	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Mevamhlophe ward 25	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Madaka /Mabuyeni ward 13	Pre- engineering (Households)	R 260 869.57	R 300 000.00	0
Umhlathuze ward 33 (Link Line)	Pre-Engineering (Infrastructure Link Line)	R 260 869.57	R 300 000.00	0

17.4 Department of Education Projects

Municipality	Name	Allocation year	Estimated project cost	Total
uMhlathuze	Ehawini S	2022/23	R29 321 000	

18.5 Department of Agriculture

PROJECT NAME	ACTIVITY	WARD	BUDGET	JOBS TO BE CREATED
Nkwali layers for Disabled	3 x 1000 layers units	11	R 2253928	4
Macekane dip tank	New dip tank	31	R610 192,01	
Portdunford dip tank	New dip tank, boreholeand wind mill	18	R1 142 191,20	

Mancence dam	Dam rehabilitation & access road	33	R910 341,00	
Mzini-Hlaza	Alien plant control on 50ha, and Contours	32	R490 000	15

2022//23 KING CETSHWAYO DISTRICT PLANTING SEASON PROGRAMME PER COMMODITY

	Maize	Beans	Vegetables	Total HA	Budget
uMfolozi	50	70	40	160	R897500
uMhlathuze	50	80	40	170	R982 000

17.5 Private Investment Projects

17.5.1 BHP E-Village

The BHP E-Village project is an initiative of the Hillside aluminum smelter. The Project was initiated in 2011 and is intended to provide offices and workshops from where various contractors can operate. The site is positioned entirely within the Hillside property boundary, which is zoned for industrial use.

The E-Village is designed to accommodate 1 100 contractors and will be constructed in two phases. There is already construction activity in terms of access to the site, which will be off Bullion Boulevard. A key feature of the project is the introduction of energy and resource efficient building criteria in terms of the Green Building Council of South Africa

17.5.2 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.

17.5.3 SAPPI Housing Development

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

The residential components contain 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.

17.5.4 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.

17.5.5 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.

17.5.6 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.

17.5.7 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.

17.5.8 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.

18. REPORT OF THE AUDITOR GENERAL

18.1.1 AG Opinion and Management Plan

2017/018 Y4	2018/2019 Y5	2019/2020	2020/2021	2021/2022
Unqualified Audit Opinion with a matter	Unqualified Audit Opinion with a matter	Unqualified Audit Opinion with no matter Clean AUDIT	Clean Audit (unqualified Audit opinion)	Clean Audit (Unqualified Audit opinion)

18.2 Summary of Auditor General's Report on 2020/2021 Financial Statements

The Auditor general has expressed an unqualified opinion with no matter.

Opinion

1. I have audited the financial statements of the City of UMhlathuze set out on pagesto.... which comprise the statement of financial position as at 30 June 2021, the statement of financial

performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statement, including a summary of significant accounting policies.

2. In my opinion the financial statements present fairly, in all material respects, the financial position of the City of uMhlathuze as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (DORA)

SECTION G: ANNUAL OPERATIONAL PLAN –SDBIP

DRAFT SDBIP FOR 2023/2024 IS AN ANNEXURE TO THE IDP

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

19. ANNUAL PERFORMANCE REPORT

19.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

19.1.1 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."***

19.1.2 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.

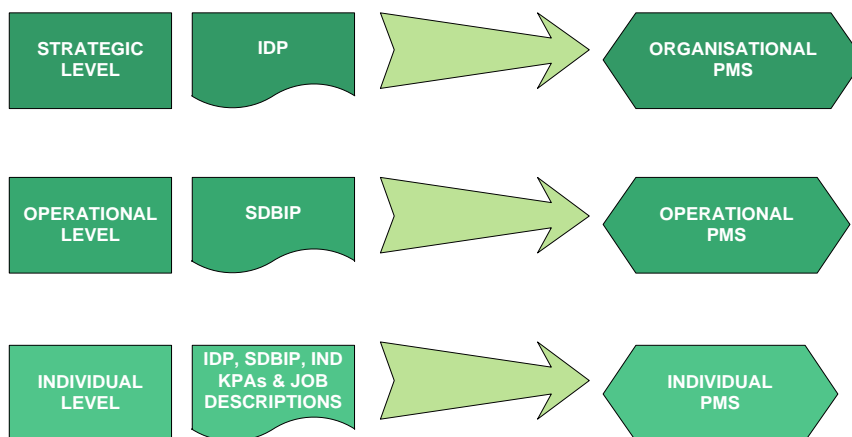
The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 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).

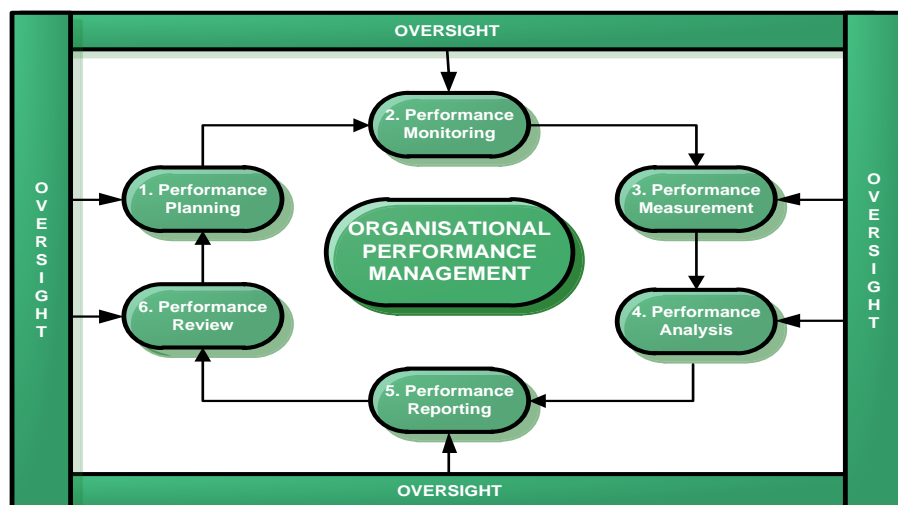
The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

19.1.3 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:

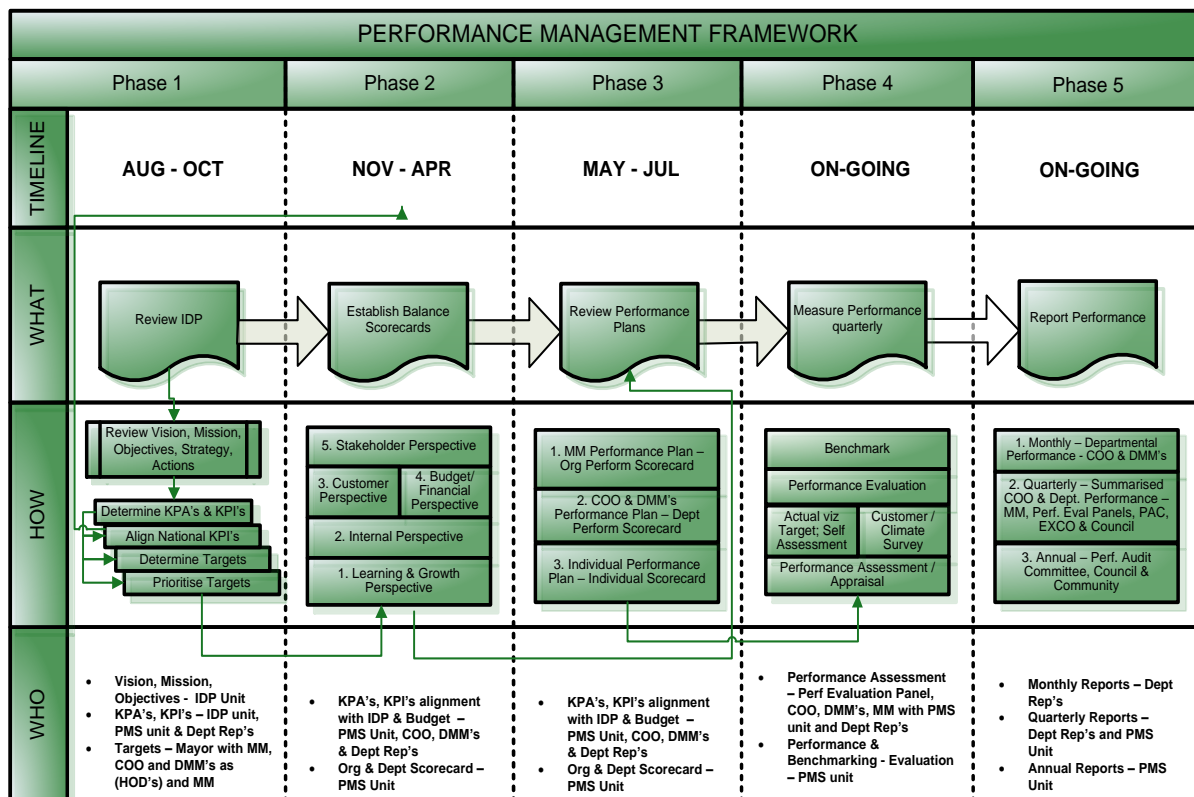


Figure 81: uMhlathuze Performance Management Framework diagram

19.1.4 Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The appointment of Performance Audit Committee for the period 1 July 2022 to 30 June 2025 was tabled to Council on the 29 June 2022, Council Resolution 15423 (Item on RPT 173172).

- Mr R M J Baloyi – Chairperson (external member);
- Mrs S X Khanyile (external member);
- Cllr X Ngwezi (Mayor) or;
- Cllr N N Ngubane (Deputy Mayor in the event of possible non-availability by Councillor X Ngwezi)

The Performance Audit Committee is meeting on a quarterly basis for each financial year to consider the reported quarterly performance achievements reported on the OPMS Scorecard (Top Layer of the Service Delivery Budget Implementation Plan) as well as the Non-Financial Performance Achievements reported in terms of the Departmental Service Delivery Budget Implementation Plans (Component 3).

19.1.5 Performance Evaluation Panels

Performance Evaluation Panels was established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager. Performance Assessment Panels for the assessment of Section 56 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."

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."

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.

19.1.6 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 Unit within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality.

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:

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	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Performance score verification (Municipal Manager and Deputy Municipal Managers); • Compliance with relevant laws and regulations.

Audit Project	Focus Area
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

19.1.7 Customer Satisfaction

The most recent Customer Satisfaction Survey was conducted in August 2017. The comprehensive analysis feedback report was reported to Council on 17 October 2017 and is available in the GroupWise document management system as well as on Council's official website. (www.umhlathuze.gov.za) under the "Performance Management" link. A new Customer Satisfaction Survey 2023 has been initiated and funds provided for in the 2022/2023 financial year with the aim to have the Customer Satisfaction Survey completed by 31 July 2023.

19.1.8 Annual Organisational Performance Information

The annual Organisational Performance Targets are compiled in a table format (as prescribed by KZN CoGTA) and reported on a quarterly basis to track performance. The Organisational Performance report is presented to the Auditor General for auditing together with the Annual Financial Statements by 31 August of each year.

The Organisational Performance Scorecard (Tables) once finalized and approved is 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.

The number of households served with basic services as reflected in the table also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze Municipality in the municipal licensed area, through purchasing electricity from ESKOM. Also other Basic Services delivered by uMhlathuze Municipality include, solid waste removal (refuse collection) and sanitation. The

uMhlathuze municipality is fortunate not to become reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The Organisational Performance Scorecard for 2023/2024 (following table) will be finalized in July 2023, once the actual achievements for the completed 2022/2023 financial year has been reported, which is forming the baseline for the following term of the Integrated Development Plan.

21.1.9 Circular 88

The Municipal Finance Management Act (MFMA) Circular No. 88 of 30 November 2017 provided guidance to metropolitan municipalities on a common set of performance indicators applied from the 2018/19 planning and reporting cycle onwards. The 1st addendum to MFMA Circular No. 88 of 4 December 2019 provided further guidance and clarity to metropolitan municipalities on the preparation of statutory planning and reporting documents required for the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF). The 2nd addendum to MFMA Circular No. 88 of 17 December 2020 expanded the reform in four respects: 1) it more closely integrated and guided planning, budgeting and reporting reforms; 2) it significantly expanded and revised the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expanded the application of these reforms and the indicators to all municipalities differentially applied per category of municipality in a piloting phase; and 4) it introduced evaluations in the context of these reforms.

The piloting process commenced in the categories of Intermediary Cities, District Municipalities and local municipalities, and municipalities were requested to first provide the planning information in terms of the baselines and targets for the indicators applicable to them, and to start reporting on these on a quarterly basis.

Due to the continuing pilot process, for intermediate cities, district and local municipalities, it is not compulsory at this point to incorporate the indicators in their existing performance indicator tables in the IDP and in the SDBIP. Instead, these indicators should find expression in a dedicated Annexure to the IDP and SDBIP which clearly indicates the MFMA Circular No. 88 indicators applicable to the municipality at the Tier 1 and 2 levels of readiness.

20. DRAFT ORGANIZATIONAL PERFORMANCE SCORECARD (2023/2024)

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																
Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2022/2023	Mid-year Amended Target	Mid year				Annual Target 2023/2024
							Amended (mid-year) Annual Target 2021/2022 Output	Actual 2021/2022				Output Target	Output Actual	% achievement against target	Corrective action for target not met / remarks	
KPA1: Good Governance and Public Participation																
T1.1	1.1.4.3	Deepen democracy through a refined Ward Committee model	Putting People first	To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitation of Stakeholder and Community participation in policy making	Number of IDP/PMS and Budget Public participation meetings	13	20		13	15	6	6	100%	Target achieved	15
T1.2	1.1.4.1				Facilitate the Functionality of Ward Committees through continuous capacitation	Percentage of Ward Committees with 6 or more Ward Committee members (excluding Ward Councillor)	100%	100%		100%	100%	100%	100%	100%	Target achieved	100%
T1.3	1.1.4.1					Percentage of wards that have held at least one councillor-convened community meeting	80%	21%		90%	90%	90%	88%	98%	Ward Councillors are reminded through the Office of the Speaker about the importance of holding Ward Community meetings. SMS was sent on 13 December reminding Councillors to sit community meetings. The Unit will keep reminding the Councillors.	90%
T1.4	1.1.4.2				Development of a Credible Integrated Development plan within prescribed legislative guidelines	Approval of IDP by 31 May	100%	100%		31-May	31-May	-	-		Tartget in future	31-May
T1.5	1.1.4				Improve Council functionality	Number of agenda items deferred to the next council meeting	0	0		0	0	0	0	100%	Target achieved	0
KPA2: Basic Service Delivery and Infrastructure Development																
T2.1	2.1.1.1	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate water services backlogs through provision of basic water services	Number of new water connections meeting minimum standard	500	96	3146	250	25	100	65	65%	There are no new development occurring around the City and therefore relying on walk-in applications. (infills) Reticulation Projects for areas such as Ntambanana, Mkhwanazi South, eSikhaleni and kwaDube are currently being Implemented.	TBA
T2.2	2.1.1.1					Reduction of water losses (cumulative)	24%	27%	5%	22%	22%	24%	21%	114%	Target achieved	TBA
T2.3	2.1.1.1					Quality of drinking water complying with the South African national standards at latest SANS 241 >95%	>95%	95,8%		>95%	>95%	>95%	96%	101%	Target achieved	>95%
T2.4	2.1.1.3				Eradicate Sanitation services backlogs through provision of basic sanitation services	Number of new sewer connections meeting minimum standard	0	0	20579	280	0	50	0	0%	The initial tender that was prepared end up being cancelled due to legal issues.	TBA
T2.5	2.1.1					Wastewater Quality compliance of ≥90% as per Green Drop standard	≥90%	48,99%		≥90%	≥90%	≥90%	52%	58%	eSikhaleni A budget of R5.4M has been made available for addressing the non functioning equipment The hubber screen was installed and serviced however cannot be commissioned due to lack of portable water Install tank stands and secure 2 x 10 000L tanks which will be filled up by water tankers to enable Chlorination/disinfection Contractor currently on site fixing the gear box as well as the motor of the clarifier. The plant is experiencing Electrical supply difficulties however the matter is being attended to Empangeni Degritter system installed however not commissioned Gear box and motors for the bridge of the primary settling tank has been serviced but not yet commissioned . The settling tank must be emptied to ascertain as to whether the scrappers are in a good condition Rotor no.3 has been installed and is now operational A new pump has been installed and will replace the screw conveyer but not yet commissioned. The pump will be commissioned once consistant flows to the clarifier have been achieved A contractor currently on-site revitalising the Chlorine	≥90%

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																
Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2023/2023	Mid-year Amended Target	Mid year				Annual Target 2023/2024
							Amended (mid-year) Annual Target 2021/2022 Output	Actual 2021/2022				Output Target	Output Actual	% achievement against target	Corrective action for target not met / remarks	
KPA2: Basic Service Delivery and Infrastructure Development																
T2.6	2.1.1.2	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of <u>new</u> dwellings provided with connections to the mains Electricity supply by the Municipality	80	84		80	80	25	73	292%	Target achieved	TBA
T2.7	2.1.1					Electricity losses kept within 8%.	8%	9%	1%	8%	8%	8%	9%	89%	The increase of load curtailment and load shedding stages has negatively affected our losses for that quarter since we had lot of down times from stage 2 to stage 6	8%
T2.8	2.1.1					Percentage of general street lighting faults are restored within 72 hours (excluding cable faults or stolen equipment)	70%	83%		70%	70%	70%	77%	110%	Target achieved	70%
T2.9	2.1.1					Percentage of planned maintenance performed					100%					100%
T2.10	2.1.1.4			To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provide a weekly domestic solid waste removal service to the community	Number of <u>new</u> Households with access to waste removal	81506	81610	28893	2000	22	1000	22	2%	No Skips were available for distribution during the 2nd quarter. All skips procured against the 2021/22 Capital Budget have been distributed. Delivery of Skips against the 2022/2023 Tender is expected towards the end of the 3rd Quarter after which it will be distributed immediately. It is expected that the annual target against this achievement will still be met during Q4.	TBA
T2.11	2.1.1.5			To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision of public transport infrastructure facilities	Kilometres of gravel roads maintained (Both regravelling and grading)	360	508,66		360	360	180	231	128%	Target achieved	TBA
T2.12	2.1.1.5					Kilometres of gravel roads upgraded to surfaced road (<u>New tarred roads</u>)	1,06	1,06		1,0	1,0	-	-		No mid-year target The project is planned for quarter 4	TBA
T2.13	2.1.1.5					Kilometres of paved municipal road which has been resurfaced and resealed	3,0	0,0		3,0	3,0	-	-		No Mid-year target The project is planned for quarter 4	TBA
T2.14	2.1.1.5					Percentage of reported potholes fixed within standard Municipal response time	80%	84%		80%	80%	80%	95%	119%	Target achieved	80%
T2.15	2.1.1.7			Strive to improve reliability and service life of Municipal Infrastructure, facilities and assets	Provision and maintenance of storm water and costal engineering infrastructure	Construction of Pedestrian Bridges	8	0	8	5	5	-	-		No Mid-year target The project is planned for quarter 4	TBA
T2.16	2.1.1.6					Kilometres of Stormwater open drains maintained	28,74	26,42		25	57	10	41,6	416%	Target achieved	TBA
T2.17	2.1.1.6					Number of manholes maintained (Incl kerb inlets)	1084	1303		1084	1084	500	319	64%	There was additional grant funded EPWP contractors provided to execute day to day maintenance.	TBA
T2.18	2.1.1.5			Provision of public transport infrastructure facilities	Maintenance on municipal owned railway sidings resulting from monthly inspections		100%	100%		100%	100%	100%	93%	93%	Target is not met: Major rail rehabilitation works identified during Q2 inspections need to be undertaken and it will be too over then the contractors scope and the awarded value Three-year tender 8/21/UMH930 - 21/22 for major rail rehabilitation is at the evaluation stage with SCM. Tender closed on the 29 November 2022.	100%
T2.19	2.1.2.1			To promote the achievement of a non-racial, integrated society through the development of sustainable human settlement and quality housing	Improve community standard of living through accelerated development of integrated human settlement	Number of subsidised housing units completed	0	0		133	20	0	0		No Mid-year target The project is planned for quarter 3 and quarter 4	TBA
T2.20	2.1.2.1					Percentage of Pre 1994 Old Housing stock transferred	71	34	38	38	100%	0	0		No Mid-year target The project is planned for quarter 3 and quarter 4	TBA
T2.21	2.1.2.2					Number of Post 1994 Old Housing stock transferred	43	33	46	46	46	26	34	131%	Target achieved	TBA

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																	
Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2022/2023	Mid-year Amended Target	Mid year				Annual Target 2023/2024	
							Amended (mid-year) Annual Target 2021/2022 Output	Actual 2021/2022				Output Target	Output Actual	% achievement against target	Corrective action for target not met / remarks		
KPA 3: Local Economic Development																	
T3.1	3.4.1.2	Actions supportive of the human settlement outcome		To promote social cohesion	Development of community facilities	Number of sport field upgraded/constructed	5	5		2	0	-	-		No Mid-year target The project is planned for quarter 4	TBA	
T3.2	3.1.5.3					Number of community facilities i.e. halls/museum/library upgraded	4	1	3	0	0	-	-		No projects Budgeted for this financial year	TBA	
T3.3	3.1.5.3			To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	Promoting economic growth by providing skills empowerment to the unemployed	Number of unemployed youth re-skilled	80	186		80	80	40	47	117%	Target achieved	TBA	
T3.4	3.1.5.1					Promote economic growth by successful implementation of EPWP community based projects	Number of jobs created through EPWP and other related programmes (Infrastructure; Environment and Culture; Social and Non State Sectors)	718	1027		720	720	400	782	195%	Target achieved	TBA
KPA 4: Municipal Transformation and Institutional Development																	
T4.1	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	Building Capable Local Government Institutions	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Number of women employed by the municipality (Number of new appointments)	20	31		20	38	10	28	280%	Target achieved	TBA	
T4.2	4.1.1.2					Number of Youth employed by the municipality (Number of new appointments)	40	44		30	54	10	34	340%	Target achieved	TBA	
T4.3	4.1.1.2					Disability related programmes (workshops/awareness campaigns)	2	0	2	4	4	2	2	100%	Target achieved	TBA	
T4.4	4.1.1					Top Management stability (% of days in a year that all S56 positions are filled by full-time, appointed staff not in an acting capacity).	95%	88%		99%	99%	100%	100%	100%	Target achieved	100%	
T4.5	4.1.1.4				Improved municipal capital capability	Workplace Skills training programmes/courses enrolled for by staff and councillors	Workplace Skills training programmes/courses enrolled for by staff and councillors	155	219		60	60	30	62	207%	Target achieved	TBA
T4.6	4.1.1.1						Percentage Budget Spent on Workplace Skills Plan (cumulative)	95%	96,4%		95%	95%	50%	53%	106%	Target achieved	TBA
T4.7	4.1.1.1						Percentage Operating Budget spent on implementing Workplace Skills Plan	1%	1%		1%	1%	1%	1%	100%	Target achieved	1%
KPA 5: Financial Viability and Financial Management																	
T5.1	5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Sound Financial Management	Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Debt coverage ratio (cumulative)	<45%	916 084 979 / 3 421 336 707 = 27%		<45%	<45%	<45%	22,27%	202%	Target achieved	<45%	
T5.2	5.1.1.4					Cost coverage ratio (cumulative) (Excluding Unspent Conditional Grants) <i>(DMS 1513248 for Formula: T5.2)</i>	2	665 071 621 / 277 319 825 = 2.4		2	2	2	1	50%	The actual output is slightly below the target as a result of accelerated spending on capital projects that are loan funded whilst the municipality is yet to finalize the taking of the loan. This resulted in cash reserves being utilized for these projects however when the loan is finalized the reserves will be replenished. The loan approval report will serve in the next Council meeting	2	
T5.3	5.1.1.4					Collection Rate <i>(DMS 1513248 for Formula: T5.3)</i>	95%	95%		95%	95%	95%	97%	102%	Target achieved	95%	
T5.4	5.2.1.6			Sustainable Financial and supply chain Management		Percentage Capital Budget spent on Capital project i.l.o. IDP <i>(DMS 1513248 for Formula: T5.4)</i>	834 530 300 834 530 300 = 100%	81%		100%	100%	52%	45%	86%	Target not achieved As part of Capital spending monitoring initiative, CAPEX is a standing item at EMCO Agenda. Also as part of Project monitoring, there is standing item on all Infrastructure related Projects at EMCO	100%	
T5.5	5.1.1.4					Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)	25% - 40%	1 009 016 836 / 3 666 926 481 = 28%		25% - 40%	25% - 40%	25% - 40%	26,80%	100%	Target achieved

uMhlathuze Local Municipality: Fifth Generation IDP 2022/2023 – 2026/2027

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2023																
Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline		Backlog	Annual Target 2022/2023	Mid-year Amended Target	Mid year				Annual Target 2023/2024
							Amended (mid-year) Annual Target 2021/2022 Output	Actual 2021/2022				Output Target	Output Actual	% achievement against target	Corrective action for target not met / remarks	
REPORTING INDICATORS																
*Note that these indicators are for reporting purpose, no targets set to them.																
T1	2.1.1.1	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate water services backlogs through provision of basic water services	Percentage Households with access to basic water	97,32%	96,93%					96,98%			
T2	2.1.1.1					Total number of Households with access to basic water	107544	107107					107172			
T3	2.1.1.1					Number of Households with access to free water service	10031	11422					26867			
T4	2.1.1.3				Eradicate Sanitation services backlogs through provision of basic sanitation services	Percentage Households with access to sanitation	80,94%	80,94%					81%			
T5	2.1.1.3					Number of Household with access to Sanitation	89444	89444					89 444			
T6	2.1.1.3					Number of Households with access to free sanitation (VIP's) service & Indigent	60260	60948					60984			
T7	2.1.1.2				Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of dwellings provided with connections to the mains Electricity supply by the Municipality	35 702	35 663					35 736			
T8	2.1.1					Number of dwellings with access to free Electricity (Municipal supply area)	581	584					589			
T9	2.1.1.4				Provide a weekly domestic solid waste removal service to the community	Percentage Households with access to waste disposal	73,8%	73,7%					74%			
T10	2.1.1.4					Number of Households with access to waste disposal	81 506	81610					81 413			
T11	2.1.1.4				Eradicate water services backlogs through provision of basic water services	Number of Households with access to free waste disposal	35 108	37958					38 211			
T12	2.1.1.1					Total volume of water delivered by water trucks	New indicator									

SECTION I: STATUS OF SECTOR PLANS & ANNEXURES

20.1 STATUS OF SECTOR PLANS AND OTHER MUNICIPAL PLANS

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review	DMS NUMBER
1.	Disaster Management Plan Disaster Management Framework	Yes	Yes	25 May 2022	Annual Reviews	DMS1530875
2.	Water Service Delivery Plan	Yes	Yes	29 May 2019	Under review	DMS1333998
3.	Energy Sector Plan	Yes	Yes	27 May 2020	Annual Reviews	DMS 1390340
4.	LED Strategy [Economic Transformation roadmap]	Yes	Yes	25 May 2022	Annual Reviews	DMS1518167
5.	Tourism Strategy Marketing Strategy	Yes	Yes	31 March 2018	Bi-Annually	DMS925775
6.	Integrated Human Settlement Plan	Yes	Yes	25 May 2022	Annually	DMS1530238
7.	Air Quality Management Plan	Yes (Draft)	No		Under review, at a tender stage.	
8.	Spatial Development Framework	Yes	Yes	31 May 2020 (Five Years)	Annually	DMS1533571
9.	Land Use Scheme	Yes	Yes	31 April 2021	Annually	DMS1462229
10.	Electricity Master Plan	Yes	Yes	27 May 2020	-Bi-annually	DMS 1389485
11.	Integrated Waste Management Plan	Yes	Yes	25 May 2022	Annually	DMS1530736

20.2 IDP ANNEXURES

Annexure	Document Description	Hard Copy	Electronic
"A"	Disaster Management Framework and Disaster Management Plan 2022/2023		Yes
"B"	Spatial Development Framework 2022/2023	Yes	Yes

'C'	Service Delivery and Budget Implementation Plan 2022/2023	Yes	YES
"D"	LED Strategy 2022/2027		Yes
"E"	Water Service Delivery Plan 2018		Yes
"F"	Electricity Master Plan 2020		Yes
"G"	Integrated Waste Management Plan 2022/2023		Yes
"H"	Informal Economy Policy		Yes
"I"	Indigent Policy		Yes
"J"	Integrated Human Settlement Plan 2022/2023		Yes
"K"	Roads Maintenance Plan		Yes
"L"	Water and Sanitation Maintenance Plan		Yes
"M"	Full Municipal Organogram		Yes
'N'	Public Participation Report 2022/2023		Yes
"O"	Ward Based Plans	Saved on separate disc	
"P"	Batho Pele Customer Care Policy , Service Charter and Standards		Yes
"Q"	Revenue Raising Strategy		Yes
"R"	Agricultural Support Plan		Yes
'S'	Tourism Marketing Strategy		Yes
"T"	Expanded Public Works (EPWP) Policy		Yes
"U"	UMhlathuze Bulk Water Master Plan		Yes

"V"	UMhlathuze Bulk Sewer Master Plan		Yes
"W"	Electricity Operations and Maintenance Plan		Yes
"X"	Supply Chain Management Policy		Yes
"Y"	Indigent Register		Yes
"Z"	Investment Register		Yes
"AA"	Batho Pele Service Delivery Plan		Yes
ÄB	Audit Improvement Plan 2021		Yes
"AC"	Capital Expenditure Framework		Yes
"AD"	Employment Equity Plan		Yes
AE	ICT Policy		Yes
AF	Batho Pele Budget – MTREF 2022-2023		Yes
AG	Service Commitment Charter		Yes
AH	Integrated Public Safety Plan		Yes
AI	Self-Assessment Template		no
AJ	UMhlathuze Draft Asset Management Plan		Yes
AK	Energy Sector Plan 2020		Yes
AL	Asset Management Plan for Electricity		YES
AM	Work Place Skills Plan		Yes
AN	Cost Containments Policy		Yes
AO	Council Resolution	Yes	NO

AP	Draft Asset Management Plan for Water & Sanitation 2018-2028 (signed-off version);		Yes
AQ	Draft Asset Management Plan for Roads & Stormwater 2018-2028 (signed-off version);		Yes
AR	Draft Asset Management Plan for Electricity & Energy Services 2019-2028.		Yes
AS	Asset Register for Water and Sanitation		Yes
AT	Year End Report for Water and Sanitation		Yes
AU	Procumbent Plan for Water and Sanitation		Yes
AV	Maintenance & Renewal Strategy for Water & Sanitation Services;		Yes
AW	Maintenance & Renewal Strategy for Electricity & Energy Services.		Yes
AX	Maintenance and Renewal strategy for Building and Facilities;		Yes
AY	Maintenance & Renewal Strategy for Roads & Stormwater Services;		Yes
AZ	uMhlathuze OPMS Framework and Policy		Yes
AAA	uMhlathuze Municipal Support and Intervention Plan		Yes