RAY NKONYENI
MUNICIPALITY

2023/2024 FINAL INTEGRATED DEVELOPMENT PLAN



STRATEGIC PLANNING SECTION

10 CONNOR STREET

PORT SHEPSTONE

4260



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ACRONYMS

Acronym	Description	Acronym	Description
ABET	Adult Basic Education& Training	**DFA**	Development Facilitation Act, 1995 (Act no. 67 of 1995)
AIDS	Acquired Immune Deficiency Syndrome	**DM**	District Municipality
AFS	Annual Financial Statements	**DOH**	Department of Health
AG	Auditor-General	**DORA**	Division of Revenue Act
ANC	African National Congress	**DOT**	Department of Transport
APAC	Association of Public Accounts Committees	**DSB**	Development and Services Board
ARV	Antiretroviral(Treatment or Therapy)	**DTI**	Department of Trade and Industry
BAS	Basic Accounting System	**DWA**	Department of Water Affairs
BBBEE	Broad Based Black Economic Empowerment	**EAP**	Employee Assistance Programme
CAA	Civil Aviation Authority	**EIA**	Environmental Impact Assessment
CBD	Central Business District	**EMP**	Environmental Management Plan
CBO	Community Based Organisation	**EPWP**	Expanded Public Works Programme
CCDF	Consolidated Capital Development Fund	**EXCO**	Executive Committee
CCTV	Close Circuit Television	**FBS**	Free Basic Services
CFO	Chief Financial Officer	**FET**	Further Education and Training
Cllr	Councilor	**FMG**	Financial Management Grant
COOP	Cooperative	**FPA**	Fire Protection Association
CPF	Community Police Forum	**GAMAP**	Generally Accepted Municipal Accounting Practices
DA	Democratic Alliance	**GDP**	Gross Domestic Product
DAC	Department of Arts and Culture	**GDS**	Growth and Development Strategy
DBSA	Development Bank of Southern Africa	**GIS**	Geographical Information System
DAEA	Department of Agriculture and Environmental Affairs	**GRAP**	Generally Recognised Accounting Practice



DCS	Department of Corporate Services	**HCDA**	Hibiscus Coast Development Agency
DCOMMS	Department of Community Services		
DSPG	Department of Strategic Planning and Governance		
DDPS	Department Development Planning Services		
DTS	Department of Technical Services		
DTS	Department of Technical Services		
HCM	Hibiscus Coast Municipality	**KPA**	Key Performance Area
HDI	Historically Disadvantaged Individual	**KPI**	Key Performance Indicator
HEAC	Housing Evaluation Assessment Committee	**KZN**	KwaZulu-Natal
HIV	Human Immunodeficiency Virus	**LA**	Local Authority
HOD	Head of Department	**LAC**	Local AIDS Council
ICC	International Convention Centre	**LGSETA**	Local Government Sector Education Authority
ICT	Information Communication Technology	**LED**	Local Economic Development
IDC	Industrial Development Corporation	**LLF**	Local Labour Forum
IDMSA	Institute of Disaster Management of South Africa	**LM**	Local Municipality
		LUMS	Land Usage Management System
IDP	Integrated Development Plan	**MAMC**	Margate Airport Management Company
IEC	Independent Electoral Commission	**MCPF**	Municipal Councillors' Pension Fund
IFP	Inkatha Freedom Party	**MDB**	Municipal Demarcation Board
IGR	Inter-Governmental Relations	**MDG**	Millennium Development Goals



ILGM	Institute for Local Government Management of South Africa	**MEC**	Member of Executive Committee
IMATU	Independent Municipal and Allied TradeUnion	**MFMA**	Municipal Finance Management Act, 2003 (Act Nº 56 of 2003)
IMESA	Institute of Municipal Engineers of South Africa	**MIG**	Municipal Infrastructure Grant
IMFO	Institute for Municipal Financial Officers	**M&E**	Monitoring and Evaluation
ISRDP	Integrated Sustainable Rural DevelopmentProgramme	**MIIU**	Municipal Infrastructure Investment Unit
IT	Information Technology	**MINMEC**	(Meeting between the) Minister (of DPLG) and Members of the Executive Council responsible for local government
MIR	Municipal International Relations	**RNM**	Ray Nkonyeni Municipality
		SAMWU	South African Municipal Workers Union
MLB	Motor Licensing Bureau	**SAP**	South African Police
MM	Municipal Manager	**SANRAL**	South African National Roads Agency Ltd
MPCC	Multi-Purpose Community Centre (Thusongs)	**SCM**	Supply Chain Management
MPRA	Municipal Property Rates Act, 2004 (Act Nº6 of 2004)	**SDBIP**	Service Delivery and Budget Implementation Plan
MSA	Municipal Structures Act, 1998 (Act Nº 117 of 1998)	**SDF**	Spatial Development Framework
MSA	Municipal Systems Act, 2000 (Act Nº 32 of2000)	**SEA**	Strategic Environmental Assessment
MSIG	Municipal Systems Improvement Grant	**SEDA**	Small Enterprise Development Agency
MSP	Municipal Service Partnerships	**SMME**	Small, Medium and Micro Enterprise
MTAS	Municipal Turnaround Strategy	**STATSSA**	Statistics South Africa



MTEF	Medium Term Expenditure Framework	**STI**	Sexually Transmitted Infection
MTREF	Medium Term Revenue and Expenditure Framework		
NDP	National Development Plan	**TB**	Tuberculosis
NERSA	National Energy Regulator of South Africa	**UGU**	Ugu District Municipality
NGO	Non-Governmental Organization	**WSP**	Workplace Skills Plan
NHBRC	National Home Builders Registration Council	**WSSD**	Workplace Skills Plan
NSRI	National Sea rescue	**SOPA**	State of the Province Address
OHS	Occupational Health and Safety	**SONA**	State of the Nation Address
OPMS	Organizational Perfomance Management System	**SWOT**	Strength, Weaknesses, Organizational, Threats
PGDS	Provincial Growth and Development Strategy	**FLISP**	Finance Linked Individual Subsidy Programme
PMS	Perfomance Management System		
SALGA	South African Local Government		
SCDA	South Coast Development Agency		



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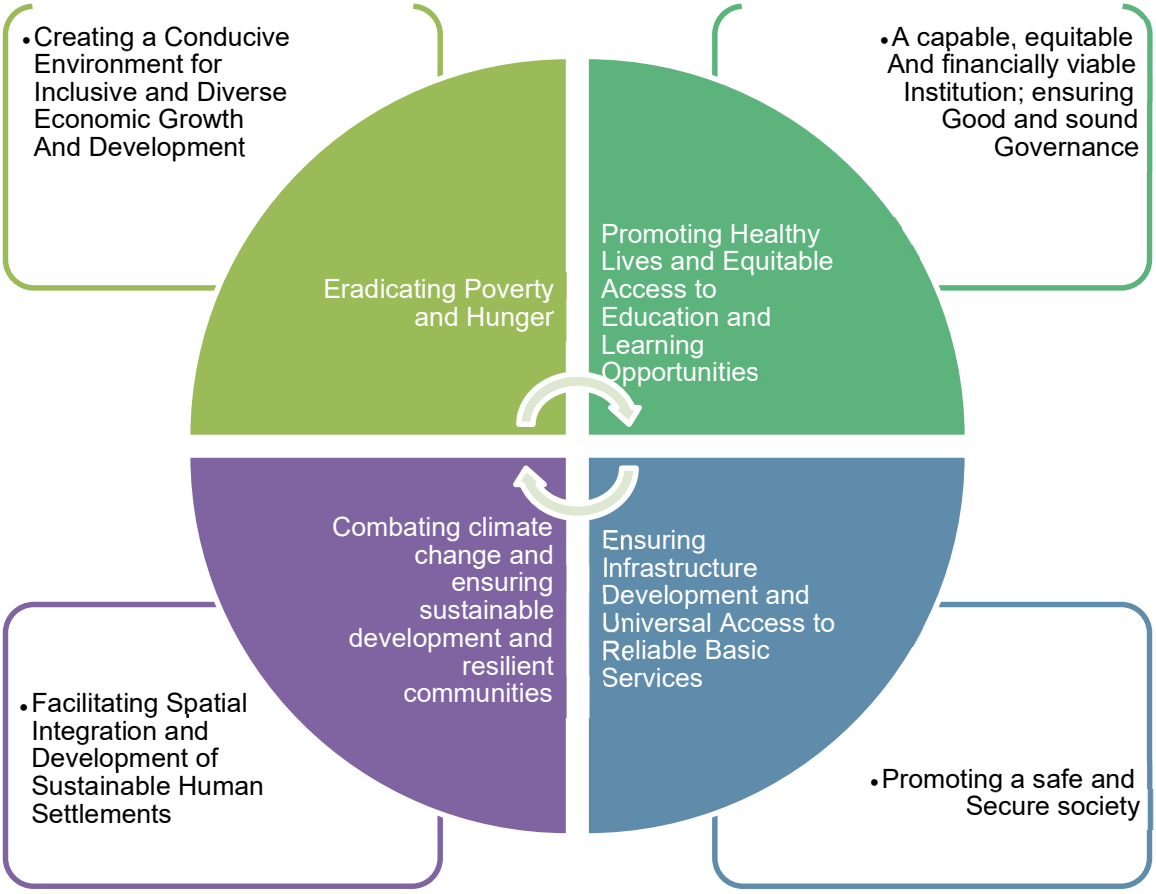


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What Ray Nkonyeni Municipality's IDP Seeks To Achieve

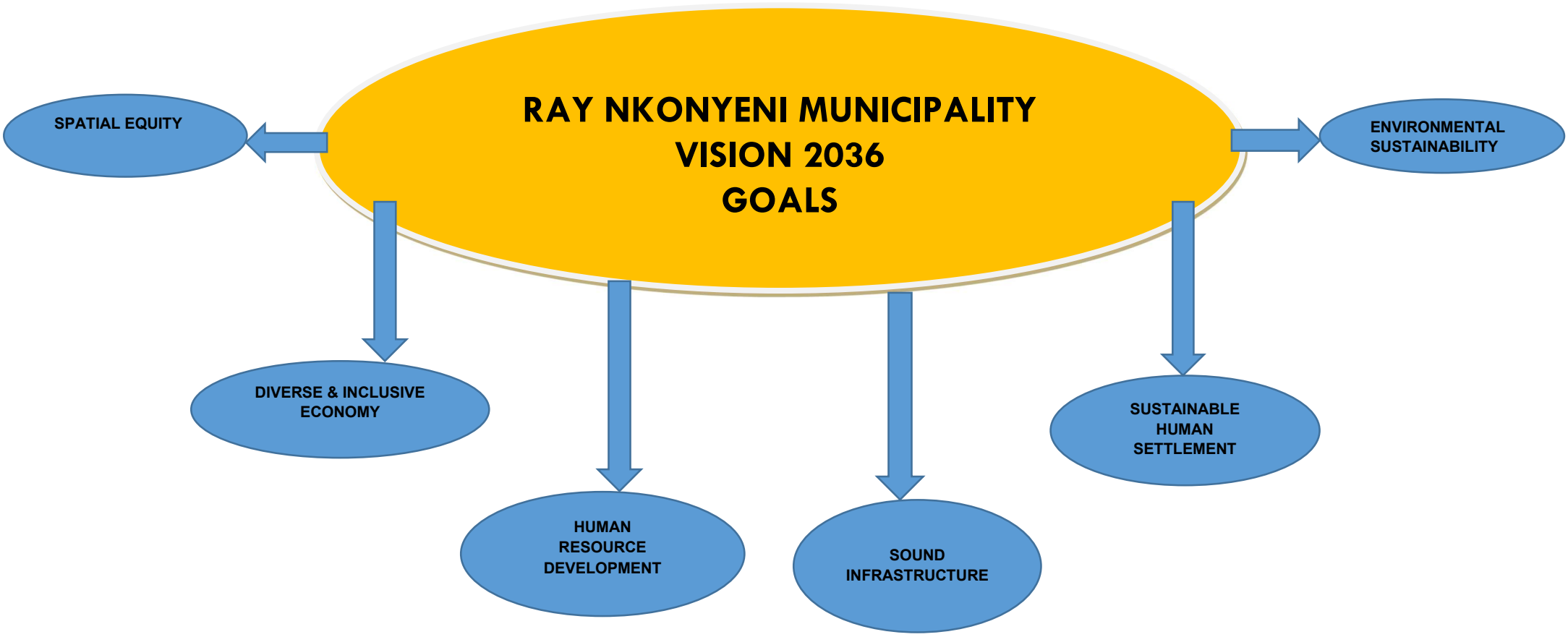


Landscape Character of the Municipality

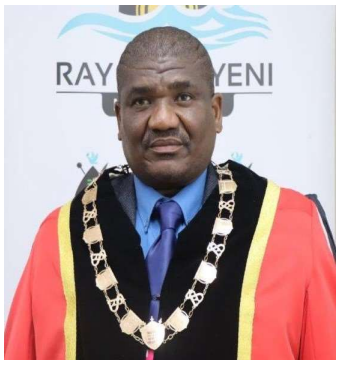




How Ray Nkonyeni Municipality seeks to be a game changer of the South Coast Development







FORWORD FROM THE MAYOR

Honorable Cllr IS Mqadi

The Ray Nkonyeni municipality's Integrated Development Plan (IDP) remains an enabling instrument for mutual accountability on the agreed priorities and allocation of resources which contribute to the long and short-term development of the municipality and the people of Ray Nkonyeni as a whole.

As the name suggests, our planning must be integrated both internally and externally for it to bear positive and sustainable change. In this regard we are pleased that external stakeholders not only welcomed our fifteen-point plan for improved service delivery which we committed to when we took the oath of office, but they have played an active role in its implementation. We enjoy productive partnerships with the private sector, the non-governmental sector as well as other public entities.

This cooperation and commitment to service delivery has been instrumental in the many successes we have enjoyed as the local authority. It is not a coincidence that our municipality has amongst others, been declared as a top performing entity in the province in so far as the IDP is concerned. We are also highly regarded for maintaining stability through efficient and community- focused governance systems.

Notwithstanding the positive contribution we continue to make, we must remain mindful of the distinct character of our municipality. As recently as 2016 statistics indicated that we are a "youth-driven" area, with rising levels of unemployment. This places upon us the responsibility to develop appropriate strategies, which we must integrate into the overarching developmental agenda of our municipality to address this and other challenges. We have every confidence that it is a goal we will achieve.

Our confidence is bolstered by the fact of our stringent management of the public purse. We have over the years succeeded in obtaining consistent positive audit outcomes, the highlight of which has been the clean audit outcome in the last financial year. It is an accomplishment which bears testament for our dedication to accountability and transparency, the core values of Batho Pele. We believe that it is indeed a solid foundation to build on towards the realisation of our vision for the future and the people of our locality.

The Ray Nkonyeni Municipality will continue to use the IDP as a roadmap to meet community needs while ensuring continued growth, equity, and empowerment of the poor and marginalised. The Municipality will continue to align itself with the National Development Plan (NDP), the Provincial Growth and Development Strategy, and other national and provincial instruments for development. Working together, we remain committed and focused to achieve the goals we have set for ourselves.

I trust that this document will seek to synergise and better coordinate our partnerships with colleagues in government and serve the interests of the people of Ray Nkonyeni municipality and all those who live, work, study and do business in our area.

Honourable Cllr IS Mqadi
Mayor



MESSAGE FROM THE MUNICIPAL MANAGER

I take pride in announcing that Ray Nkonyeni Municipality has remained amongst the top IDP achievers in the province for five consecutive years.. Ray Nkonyeni was credited for producing the best, and being ranked number 1 in the province for the 2022/2023 IDP, also boasting of the best KPA's in the provinvce as well. This is a notable milestone and an ode to the efficient functionality of the municipality that we hope to continue to fulfil as we embark on the 2023/2024 IDP. The 5 year IDP plan we have formulated was informed by the 2022/2023 IDP as well as Cogta guidelines and MEC comments. The IDP will be a commitment to address the challenges the municipality has faced.

In March 2023, a Managerial Strategic Planning Session was held with all the line managers of Ray Nkonyeni Municiaplity. The theme of this planning session was of re-engineering systems and processes to optimise delivery of municipal services within our Municipality. The municipality recognizes that the environment is forever changing and it has to source new ways of achieving its objectives and achieving optimal and efficient service delivery to its communities.I am proud to announce that the resolutions taken in that session shall improve the functionality of the municipality.

Accordingly, as a municipality, we had to respect and implement the participatory approach that we are mandated to follow. In line with that, a number of public engagements were held including Mayoral Roadshows, public notices in the local media and IDP Representative Forums to ensure we compile a comprehensive and credible IDP. The participatory approach always proves useful for the municipality, not only because it is mandated, but because it ensures that there is transparency and accountability to its communities at large. It therefore becomes an important platform where the municipality has an open engagement with its communities and stakeholders at a grass root level.

It is important to note that challenges still prevail in meeting the local government mandate, however, through hard work, dedication and focus by both the political leadership as well as administration, the municipality has managed to maintain its stability and prosperity.
The municipality further strives to meet the millennium development goals and align with all national and provincial policies and imperatives as well as the District Development Model. Thus, improvement is eveidence on infrastructure, health care, financial management, provision of basic services, and other municipal mandates

During the year under review the municipality developed the SDBIP which was informed by and aligned to the five year IDP and the municipal budget. The SDBIP translated the IDP objectives into operational plans with specific targets and budgets per quarter. The municipality is finally ready to kickstart the 2023/2024 Financial Year and is focused on aligning our projects with the District Development Model in order to achieve all our goals and objectives as a municipality.

In closing, I applaud the dedication being displayed by both the political leadership and administration, of working together to fullfill the mandate of local government, which is service delivery.

MR KJ ZULU
MUNICIPAL MANAGER



Vision

By 2036 Ray Nkonyeni will be a prime tourist- friendly- economically diversified, and smart municipality with equitable access to opportunities and services in a safe and healthy environment

Mission

The pality is committed to create an enabling environment for the establishment of agriculture; maritime; leading tourism and industrial hub to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholder



SECTION A: EXECUTIVE SUMMARY

Who are we?

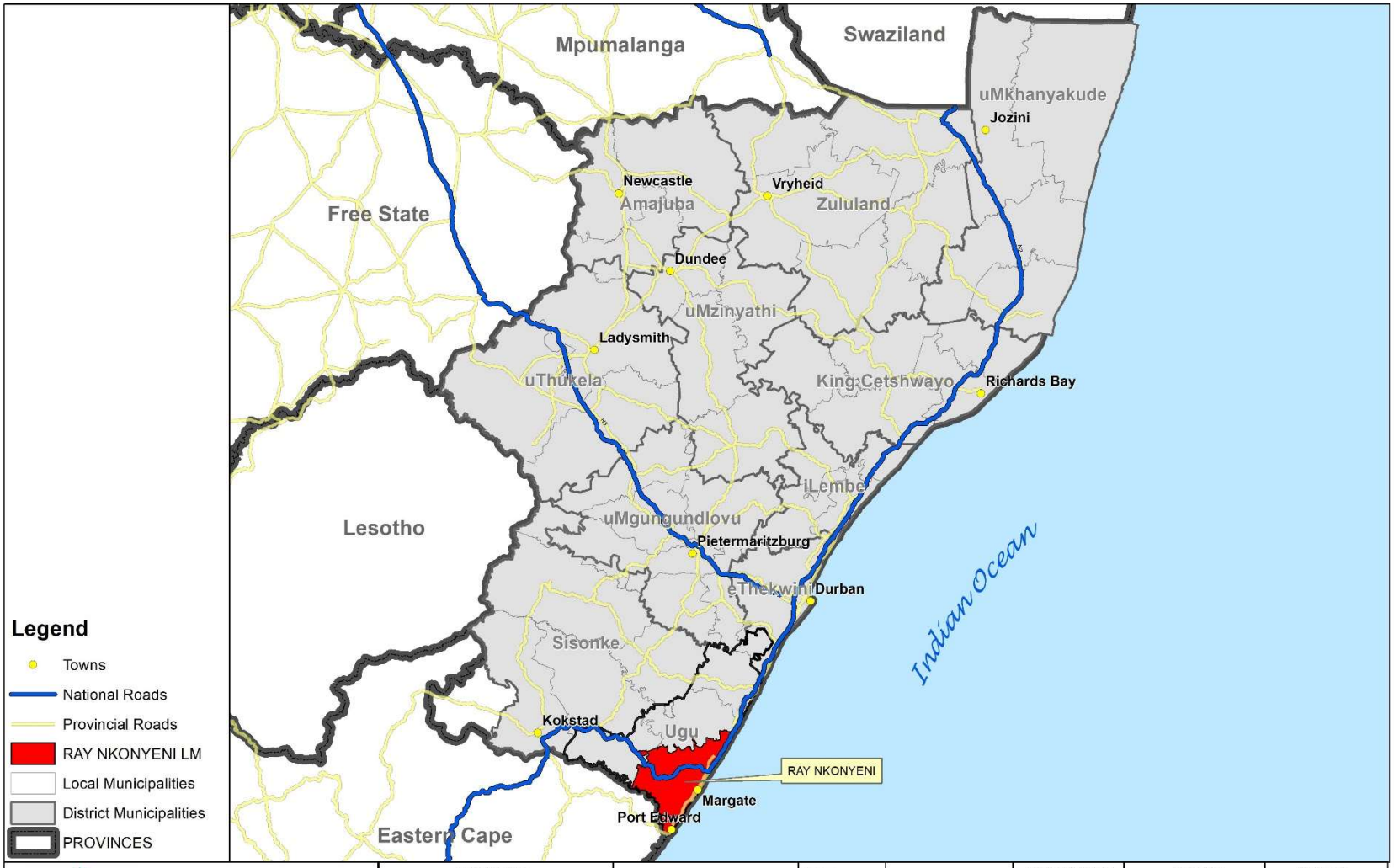
Ray Nkonyeni Local Municipality (RNM) is a category B Municipality within Ugu District (DC21), located on the south coast of KwaZulu-Natal and is ranked number five (5) in the Province in terms of size and population. It's administrative seat in Port Shepstone. The municipality was established after the August 2016 local elections by the merging of Ezinqoleni and Hibiscus Coast local municipalities. In total, there are thirty six wards, consisting of both urban and rural of which nine (9) are Traditional Authoritative areas.

The municipal area covers approximately 1594km² in geographic area. Privately owned land constitutes approximately 26 500 hectares. The municipality boarders the Indian Ocean on its eastern part while the far southern part of the municipality runs Umtamvuna River which is the boundary between Kwa-Zulu Natal (KZN) and the Eastern Cape. The north-western part is bordered by Umuziwabantu Municipality while Umzumbe municipality borders the northern part. Its boundary extends further to the hinterland which is basically rural and these areas are administered under traditional authority. The coastal belt stretches from Hibberden to Port Edward and covers approximately 72 km.

The spatial location of the municipality is an advantage as the National Road (N2) runs through it providing accessibility and linkage with both Ethekwini metropolitan area and beyond as well as the Eastern Cape. The distance from the City of Durban (Ethekwini Municipality head office) to Port Shepstone (RNM head office) is 120km. It must be noted that Durban is the main commercial centre of KZN and one of the seven metropolitan cities of the Republic of South Africa. Our municipality's close proximity to this sole metropolitan city of the province is a locational advantage.

The coastal belt is characterised by urban formal development and is more developed while the interior has sparsely populated housing typologies with less development. The hinterland is further characterized by steep topography which is one reason probably of less development and this has further affected the settlement patterns. It must be noted that in many parts of the country, there is very little or no development on steep topography as it is quite costly, so Ray Nkonyeni Municipality is no exception. The furthest northern part of the municipality is largely characterized by protected and conservation worthy areas. There are no economic nodes in the hinterland except for one small town, Izingolweni, with a few retail shops. Also in the hinterland is the breathtaking Oribi Gorge which serves as a tourist attraction as well as home to a number of rare species and indigenous forests. On the contrary, the coastal belt is completely dotted by economic nodes of different hierarchies. There are also conservation areas dotted along the coastal belt.

Map 1: Locality Map





1.1 Population

Ray Nkonyeni Municipality has a population of approximately 392 405 (according to the latest StatsSA release (2016 community survey), see below:

- Population under 15 : 34.4%
- Population 15 to 64 : 61.0%
- Population over 65 : 4.7%

The population within the municipality has been growing rapidly throughout the years due to a number of socio-economic factors. There has been a constant racial pattern as well, with Africans being dominant by a huge margin (82%) and followed by Whites (11%). The African population is distributed throughout the municipal 36 wards. Wards along the coastal belt are densely populated due to economic reasons. Compared to the other three sister local municipalities within the district, RNM has the highest population. Since 1996 to date, there has been a steady increase in the population mainly due to immigration given the better socio-economic opportunities in RNM compared to other place in the district and neighbouring northern part of Eastern Cape Province. Although there was overall increases across races, Indians fluctuated.

The highest population category of the municipality is young people between the ages of 14 and 35. The entire district youth population is 434 080, with RNM alone accounting for just over 50% of this figure.

Consistent with the national trend, the municipality has less males than females. This is attributed to socio-economic factors.

In as much as RNM has a thriving economy, due to the steady influx of people from other neighbouring municipalities and other areas over the years, there has been a steady rise of unemployment. This has resulted in many people migrating to in search of greener pastures. Another contributing factor of why the number of males is lower is the social factor.

1.2 Migration

According to findings from the Home Affairs Department, In-migration, out-migration and internal migration are the most common types of migrations within RNM and therefor, when planning takes place, this must also be taken into consideration. Trends and patterns of migration have changed over the years and it is therefore imperative to discuss the different types of migration the municipality has experienced over the years.

- In-Migrants (The number of people entering a geographical area)
- Out-Migrants (The number of people leaving a geographical area)
- Internal Migration (Country to City/town)
- International Migration (Voluntary Migration, and involuntary migration)
- Mobility (Temporary migrants as they do not have permanent residence).

Due to the economic activities within the municipality, more in-migration as well as more internal migration has been experienced as compared to the other Ugu sister municipalities.

In migrants come from neighbouring municipalities and the neighbouring Province, which is the Eastern Cape. In this regard, it is imperative that in the planning of the municipality, the influx of people must be considered. Internal migration is common as well. These are the people originally from within the municipality, who reside in rural areas and move to urban areas in search of job opportunities. The municipality has also experienced international migrants as well as mobility migration. In the case of international migrants within the

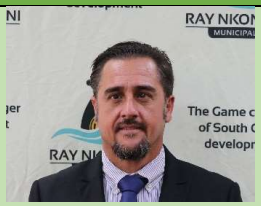
municipality, it is basically those migrants who provide different types of services and everyone benefits.

1.3 Municipal Governance

In total, Council consists of seventy one Councillors, of which twelve of these form the top executive Committee as shown below:elected by mixed-member proportional representation of which twelve of these form the top Executive Committee and it consists of His Worship: Honourable Mayor, Cllr IS Mqadi, the Speaker: Cllr PZ Mzindle, Deputy Mayor: Cllr GS Shange, Chief Whip: Cllr T.T.Hlophe, 4 ANC councillors , 1 EFF councillor, 1 IFP councillor and 2 DA councillors.

Executive Committee (EXCO) members)

Table 1: EXCO Members

		
Cllr IS Mqadi (Mayor) – ANC	**Cllr GS Shange (Deputy Mayor) – ANC**	**Cllr PZ Mzindle (Speaker)**
		
Cllr T Hlophe PR (Chief Whip)	**Cllr RP Gumbi – ANC**	**Cllr LV Ntanza – ANC**
		
Cllr MT Lubanyana – ANC	**Cllr ET Khanyase – ANC**	**Cllr LA Garbade – DA**
		
Cllr D Rawlins – DA	**Cllr ZB Ndwalane – IFP**	**Cllr NF Mqadi – EFF**

1.4 Municipal Administration

Administratively, RNM is headed by the Municipal Manager, assisted by seven heads of departments with forty three (43) line managers. The municipality comprises of seven portfolio committees providing oversight for each of the seven departments. The table below lists the departments and their portfolio committees as well as their respective Heads of Departments.

Administration Governance (Portfolio Committee and their Department Heads)

Table 2: Administration Governance

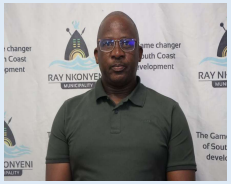
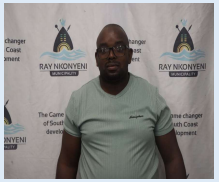
MUNICIPAL MANAGER	FUNCTIONS
 KJ ZULU	The Municipal Manager is the Accounting Officer of the Municipality and is responsible for ensuring that the administration is run effectively from top down. And as such ensures good governance within the institution through the assistance of the internal audit and risk management units and compliance with all legal services section.
HEADS OF DEPARTMENT	**FUNCTIONS**
 **Corporate Services: N Thabatha**	Provides leadership and guidance on human resource management, skills development, labour relations, IT, estates management, employee wellness initiatives, meetings administration and legal advisory services.
 **Community Services: Mr P Sithole *(Acting)***	Provides leadership and guidance to education and waste minimization, cleansing and waste management, aquatic safety and arts and culture.
 **Public Safety: SA Nzimande**	Provides leadership and guidance with regards to the Department for the achievement of Organisational Goals and IDP objectives which enhance service delivery achievements and better services delivered to community.
 **Technical Services: M Qwabe**	Provide leadership and strategic direction in regards to housing, roads & storm water, electricity, public works, facilities management, institutional & social development and project management administration. Provide guidance to the council, executive committee and local community with regards to provision of basic infrastructural services. Ensure compliance with legislative requirements.
 **Development Planning Services: R Naidoo *(Acting)***	To provide leadership and guidance with regards to Economic Development and Development Planning. Provide leadership and guidance on spatial and environmental management through town planning, building control, environmental management and signage control.
 **Strategic Planning & Governance:** SM April (Acting)	Provide leadership and guidance on mayoralty, communications, brand management, marketing, events, public participation, youth development, vulnerable groups' development and empowerment, occupational health and safety of the workplace environment, integrated development planning and organisational performance management.
 **Treasury CFO:A Zuma**	Provides leadership and guidance in overseeing all Treasury activities, ensuring compliance with all acts of legal prescripts required for accurate reporting to all stakeholders.

4.1 Line Managers

Within the seven Departments of the municipality are forty four (44) line managers. Managers report directly to their respective Heads of Department except for the Manager Internal Audit and Manager in the office of the MM who report to the municipal manager. The organogram was approved by Council in 2017

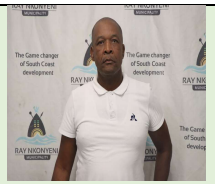
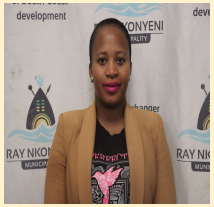
Below is a table of Line one Managers

Table 3: Line Managers

DEPARTMENT	MANAGER DESIGNATION	TOTAL
i. Office of the Municipal Manager	 Manager Internal Audit  Manager in the Municipal Office	2
1.Corporate Services	 Manager Human Resources  Manager IT Manager  Fleet Management  Manager Legal and Compliance	7

	 Manager Administration management  Manager Estates & Administration Manager Estates and Administration Manager Labour Relations and Wellness	
2.Development Planning Services	 Senior Manager Building Control  Manager Environmental Management and Signage Control  Manager Aviation Services  Manager Technology Hub  Manager Town Planning  Manager LED &Tourism	6
3. Public Safety		4

	 Superintendent Operations  Manager Fire, Rescue and Disaster  Superintendent PublicTransport and Administration  Manager Motor Licensing and Bureau	
4.Community Services	 Manager Arts and Culture  Manager Aquatic Safety  Manager Education and Waste Minimization	5

	 Manager Cleansing&Waste Management(Depo South)  Manager Cleansingn &Waste Management D(North)	
5.Strategic Planning and Governance	 Manager Mayoralty and Communications  Manager Speaker's Office  Manager Youth Development  Manager Stake Holder Relations and Customer Care  Senior Manager Strategic Planning  Manager Performing, Monitoring and Evaluating Manager Special Programmes	7

6.Treasury	 Manager Supply Chain Management  Manager Budgeting and Reporting  Manager Revenue Management  Manager Expenditure management  Manager Asset Management	5
7.Technical Services	 Manager Human Settlement  Manager Project Management  Manager Electrical Engineering  Manager Project Finance	7

	 Manager Roads and Storm Water Manager Facilities Management(OUTSTANDING) Manager Mechanical Engineering -Vacant	
TOTAL		**44**



1.5 Settlements

The main urban centres are found along the coastal belt. The inland region of the municipality as indicated earlier on has more land under the leadership of tribal authorities. Following is a table indicating towns and traditional settlements of the municipality.

Table 4: Town Centers

Town Centers	Total Population
Hibberdene	4464
Port Shepstone	36662
Shelly Beach	2577
Uvongo	4288
Margate	26785
Ramsgate	1080
South Broom	1615
Port Edward	4409
Ezinqoleni	76000

1.5.1 Wards

There are thirty six (36) in total, nine (9) of which are Traditional Authoritative areas. Wards are clustered into seven. The municipality boasts of both urban as well as traditional authoritative wards. Some wards are predominantly urban, while some are predominantly rural and some have a portion that cover both urban and, i.e. ward 1.This ward stretches from the coastal belt, which is urban into the hinterland, which is predominantly rural. Below are wards within the municipality.



Table 5: RNM Clusters & Wards

Cluster	Wards	Description
		Many households do not have access to tap water and sanitation
1	30, 31, 32, 33, 34, 35 and 36	• The cluster is located on the outer west of RNM, and has one town centre – Ezinqoleni. • Wards are mostly rural and land is under traditional authority. • Most of the facilities in the wards are located in the Southern part. • Oribi Gorge is located within the cluster. • Most dominant land use are grasslands, thickets, bushlands, water bodies and indigenous forests. • Main economic activities include mining and quarrying, commercial agriculture (sugar cane, sugar beans, nuts).
2.	7, 8, 9, and 29	• Located on the south east of the Municipality. The cluster extends from the coastal belt in the east into the coastal hinterland in the west. • The cluster is predominantly rural. • Dominant land use is high potential land. • Large proportion of households engage in subsistence vegetable and poultry farming.
3	1, 2, 6, 10, 11, and 19	• The cluster is located along the coastal strip of RNM and iss predominantly urban. • Three towns are located in the cluster - Margate, Umtamvuna and Port Edward. • Main economic activities include commercial agriculture, and some pockets of mining/quarrying activities on the south eastern parts. • Most dominant land use is high potential land. • Most households have access to tap water and waterborne sanitation.
4.	3, 5, 25, 26, 27, and 28	• Some parts of the cluster are located on the coastal strip, and extend into the coastal hinterland of RNM in the west. • Most dominant land use is high agricultural potential land. • Main economic activities include tourism, commercial and subsistence farming, mining and light industry. • Most households have access to water and sanitation
5.	21, 22, 23, and 24	• The cluster lies along the N2 corridor, and is predominantly rural. • The dominant land use is high agricultural land, low density residential and conservation. • Main economic activities include commercial and subsistence farming, small-scale mining and tourism. • The cluster is relatively well provided with infrastructure such as water and sanitation.
6.	4, 17, 18, and 20	• Located on the coastal belt with some wards extending to the coastal hinterland. • Predominantly urban, with the primary node (Port Shepstone) of RNM located in the cluster. • Main economic activities include industrial, commercial and subsistence farming, commercial activities and tourism.



		• Dominant land uses are urban residential, low density residential and high agricultural land. • Most households have access to water, sanitation and electricity.
7.	12, 13, 14, 15,and 16	• Located on the north eastern part of RNM, and is both rural and urban. • The cluster has one town (Hibberdene) and a range of smaller coastal areas. • Key economic activities in the cluster include commercial and subsistence farming, commercial activities and tourism. • Dominant land uses include urban residential, low density residential and high potential agricultural land. • Road infrastructure consists of tarred and gravel roads. • Most households have access to water, sanitation and electricity.

1.5.2 Traditional wards

Table 6: Traditional Wards

Traditional Settlements	Wards within the Traditional areas
KwaXolo	• Portion of ward 7 • Ward 8 • Portion of ward 9 & • Ward 32
KwaNzimakwe	• Portion of ward 1 • Ward 10 • Portion of ward 11
KwaNdwalane	• Portion of ward 20 • Ward 21 • Ward 22 • Ward 23 • Ward 24
KwaMadlala	• Ward 13 • Portion of ward 14 • Ward 15
KwaMavundla	• Ward 05 • Ward 25 • Ward 26 • Ward 27 • Ward 28
Oshabeni	• Ward 4 • Portion of ward 14
Kwa Nyuswa	• Ward 34 •
KwaMthimude	• Ward 35 • Portion of 36
KwaVukuzithathe	• Ward 30 • Ward 31 • Ward 33 • Portion of 36



1.1.1 (ii) Urban wards

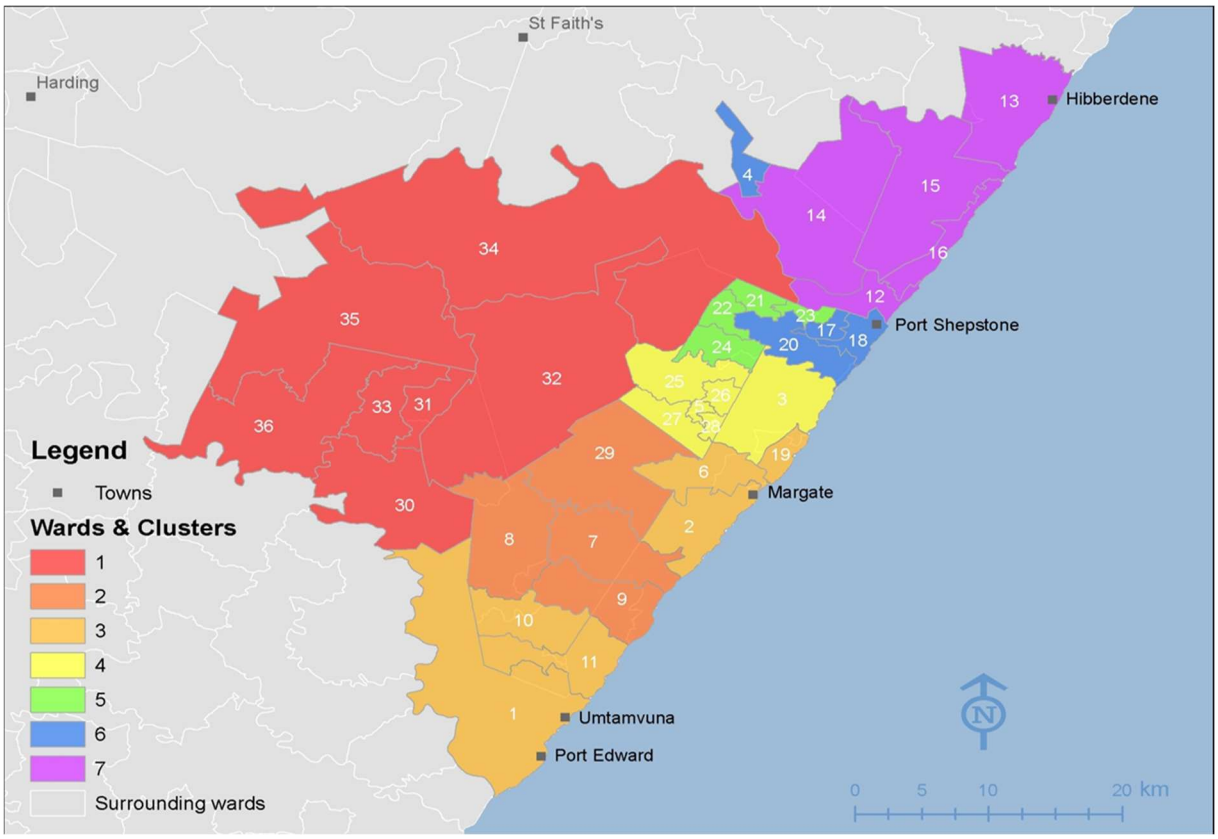
- Portion of ward 1
- Ward 2
- Ward 6
- Portion of ward 7
- Portion of ward
- Portion of ward 14
- Ward 16
- Ward 17
- Ward 18
- Ward 19
- Ward Portion of ward 20

Table 7: Cluster Wards

CLUSTER	WARDS
1	30,31,32,33,34,35 & 36
2	7,8,9 & 29
3	1,2,6,10,11&19
4	3,5,25,26,27& 28
5	21,22,23 &24
6	4,17,18,20
7	12,13,14,15,16

On the following page is a map indicating all the municipal ward boundaries. It should be noted the wards vary in population size. For an example, rural wards near urban areas have dense population as compared to those in furthest hinterland. This is due to the proximity of towns where people are either employed or seek job opportunities on daily basis. Wards around Port Shepstone have very high population densities due to the Industrial activities around.

Map 2: Wards & Clusters



Source:Community Survey 2016

1.6 Settlement Typology

Ugu District as a whole has an urban development bias. Its local municipalities whose boundaries stretch from the coastal belt into the hinterlands, development occurs along the coast and very little in the hinterland.

Ray Nkonyeni Municipality land area is characterized by developed urban coastal strip. Naturally, most of the dense human settlement typologies is along the coastal belt as this is where main economic activities take place and land competition has intensified in these areas which is contrary to urban formal settlement. Settlement typology in the hinterland vary per ward. Those wards that not very far from commercial activities have dense populations while those furthest have sparse settlement typologies which in most instances is due to steep topography. Settlements in rural areas are not yet controlled through land use management scheme (LUMS) and as a result there is a large disorderly settlement pattern.

1.7 Economic Development

Ray Nkonyeni is the ultimate economy booster of the entire district due to its location. Commercial agriculture and other numerous companies successfully export products to some of the exclusive areas around the country. The improvement of its infrastructure, education, health and recreational facilities contribute immensely to its appeal. Ray Nkonyeni is the most developed municipality as compared to the other three local municipalities within the District and thus functioning as a regional center. It is also the most densely populated municipality



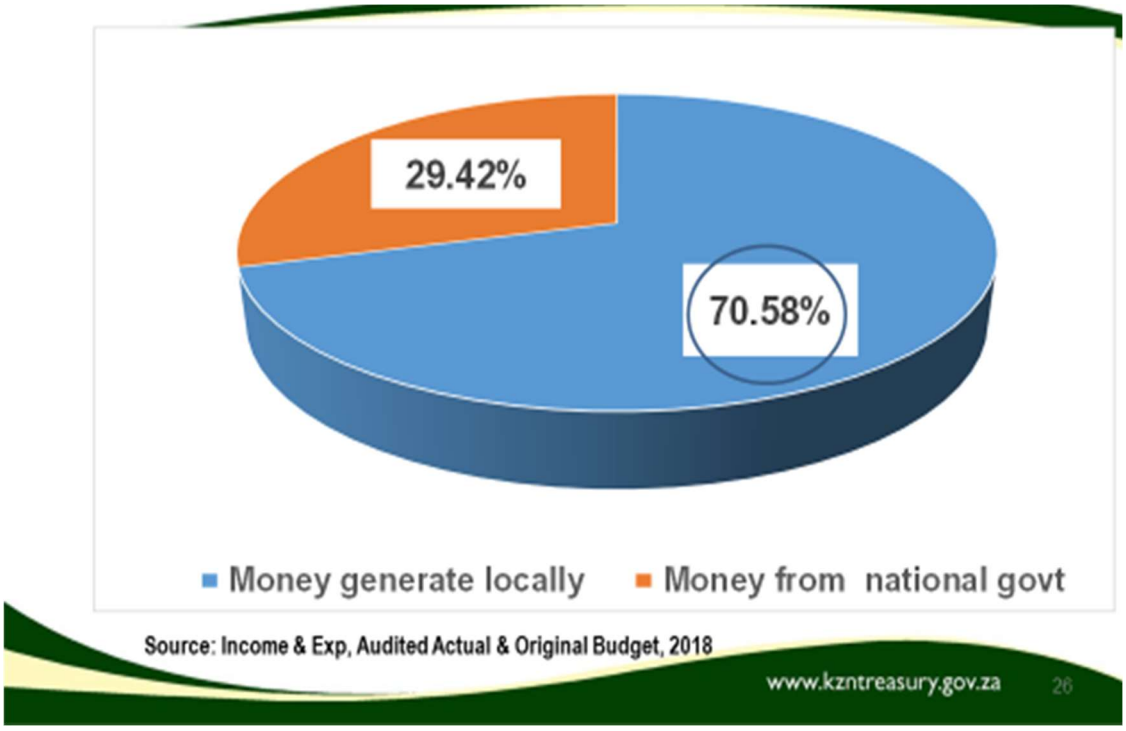
The Provincial Growth and Development Strategy and the National Spatial Development Frameworks how that one of the primary development corridors has extended from Durban into Ugu District, RNM specifically. The corridor recognizes existing economic activities and aims to enhance them. Further, it should be noted that most business activities take place along the coastal belt.

The main features of the local economy are:

- Finance and Business Services 21.5%
- Transport and communications 8.9%
- General Government Services 13.3%
- Whole sale and retail 18.7%
- Tourism TBC
- Mining TBC
- Agriculture and forestry 8.9%
- Some limited manufacturing 12.5.%

The municipality generates 70.58% from its various economic streams while National Government gives out 29%. This is a good indication that Ray Nkonyeni Municipality is performing very well with regards to economic development. Refer to the graph below for this information.

Graph 1: RNM's Revenue from June 2016 - July 2018



To grow the economy and broaden ownership, there is some concerted effort support of Small, Medium, Micro Enterprises (SMME's) and have recently supported establishment of their association. Through its Extended Public Works Programme (EPWP), the municipality



provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. The Previously Disadvantaged Individuals, the youth and disabled members of the municipality are given first preference in job opportunities as a way of redress and equity. The EPWP has projects focusing on street cleaning, verge cutting and refuse removal.

1.8 Opportunities and Development Strengths

Ray Nkonyeni Municipality provides an attractive destination with wide range of amenities facilities of good quality as well as public infrastructure making it attractive and conducive for its residents and tourists alike. However, like many areas in the country, the municipality is faced with a challenge of two-worlds in one community divided along rural/urban split. The urban part is where most good quality amenities, facilities, infrastructure and services is enjoyed with the rural portion still having at least facilities and infrastructure and only to a limited extent. As a result, yearly, the municipality strives to innovatively find a balance between keeping the existing urban infrastructure, facilities, amenities and services being of good quality and also expanding such to rural side. Great efforts are being made to reduce backlogs by prioritizing basic needs to improve the quality of life of the citizens as per the principles set out in the NDP.

Ray Nkonyeni Municipality's success lies in its currents table economic activities. Further economic opportunities and development can be explored through for example, economic development corridors, Izotsha economic corridor is one such example. There is potential for eco- tourism in both rural and urban areas due to the natural assets and beautiful scenery. For instance, there is the Red Dessert in Port Edward, Petrified Forest in Trafalgar, the ancient rock art at KwaXolo area which is an indication that this area was once inhabited by the Khoi-Sans, Impenjathi Resort, as well the rocks at Shelly Beach which are said to be from the volcanic eruption, brought to the beach from Antarctica. The Oribi Gorge on the North Eastern part of the municipality is another tourist attraction and serves as an eco-tourism corridor. Tourism is expanding on a large scale in the lower Oribi Flats area, specifically from D251 and this is here the only 5 star hotel in the region is located.

On mainstream economy, there is a growing potential for the growth of the economy judging by recent performance of Margate Airport which was reopened in November 2013. According to the airline operator, over the last years almost 5000 passengers have used the airline flying between OR Tambo International Airport in Johannesburg and Margate. While this was initiated as a one return flight scheduled for selected dates per week, this has grown tremendously. It started as one flight about three times a week to now having at least a flight daily. The redevelopment of the airport and related infrastructure therefore will give the area breath of fresh air.

1.8.1 Tourism Sector



Margate Beach



Oribi Gorge

Ray Nkonyeni Municipality is a strong tourist attraction place, boasting of well-developed products. Added to that is the climate which is humid and subtropical all year-round, thus a leading tourist destination in KZN. Margate and Port Shepstone are two main centres with public infrastructure, beautiful coastline with blue flag beaches and tourism, the latter mainly playing administrative role while the former is more of tourism attraction point with most tourism products developed in and around this town.

Margate is the main holiday resort throughout the year. The town is also the economic center for the strip of coastline almost completely made up of accommodation, holiday homes and tourist-related establishments. The regional airport is also located in Margate. The coastline of the municipality is also dotted with small towns, many of which serve as seasonal recreational hubs, such as Hibberdene, Shelly Beach, Uvongo, Ramsgate, Southbroom and Port Edward. These towns feature a wide range of tourist-oriented businesses, including restaurants, bars, clubs, movie houses, golf courses, clothing shops, museums and hotels, lodges and Bed and Breakfast.

Further inland of the municipality, an agri-tourism corridor has been identified and further investigated to include the entire P262 as it traverses the landscape. It is believed that this extended tourism corridor is vital for development in the northern portions of the municipality.

The municipality boasts of beaches with international standards accreditation called the blue flag beaches managed in South Africa by WESSA. This international recognition uses stringent criteria focusing on critical aspects such as excellence in terms of safety, amenities, cleanliness and environmental standards. The following beaches have been identified with Blue Flag Status along the Hibiscus Coastline:

- Hibberdene Beach
- Lucien Beach
- Marina Beach
- Southport Beach
- Trafalgar Beach
- Umzumbe Beach
- Ramsgate Beach



1.8.2 Agricultural Sector

The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. More commercial farming is along the coastal belt, however, in some areas in the hinterland, it can be found as well. Little subsistence farming activities take place in the hinterland. Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow for consumption. There is a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience.

The status quo depicts that much land in the interior is dedicated to sugar cane production within the service area of Sezela Mill situated next to the coast between Pennington and Bazely Beach.

The Umzimkulu Sugar Mill has permanently closed down leaving the Sezela Mill only in operation. Due to the closeness to the sea, and commercialization and urbanisation of the coastal belt, the growing area is now mainly inland from the mill, stretching as far as Harding and with some areas in the former Transkei (cane deliveries have dramatically reduced from this region).

Ugu District boasts of the following:

- Commercial Agriculture in the District produces 1/5 of all banana consumed in S.A.
- Export is growing on tea tree to Australia and Macadamia to other countries
- Employment is decreasing in the sector

1.8.3 Manufacturing and Retail Sector

Retail activity is concentrated in a ribbon development of small towns along the coastal strip that act as commercial and service centres for local residents and neighbouring rural communities. Port Shepstone is the main commercial centre and major source of employment. Shelley Beach is the fastest growing commercial centre. There has been a gradual change in rural settlement patterns, from a dispersed settlement pattern to a concentration of residential sites around the main access routes. Ray Nkonyeni is the major contributor with regards to retail and commercial services due to its location there are many commercial activities and uses that are concentrated within the municipality. However, in other local municipalities that are within Tribal land there are limited, or local convenient facilities and they occur in residential areas unlike with highly urbanised areas like Ray Nkonyeni LM there are town centres with large retail commercial centres. In Municipalities within rural areas, this takes the form of spaza shops and general dealers.

Manufacturing and retail sectors are main industry of employment within the municipality. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area it is important to note that a third of the manufacturing businesses also relate to Margate suggesting that this area should receive some prominence in terms of future industrial sector planning. The formal manufacturing sector is limited to the coastal strip and primarily the Marburg and Margate areas. It is not envisaged that the formal large scale manufacturing sector will expand into the rural areas (although development at Izotsha would provide easier access to job opportunities to the rural workforce). The secondary sector is fairly stable in both employment and investment terms.



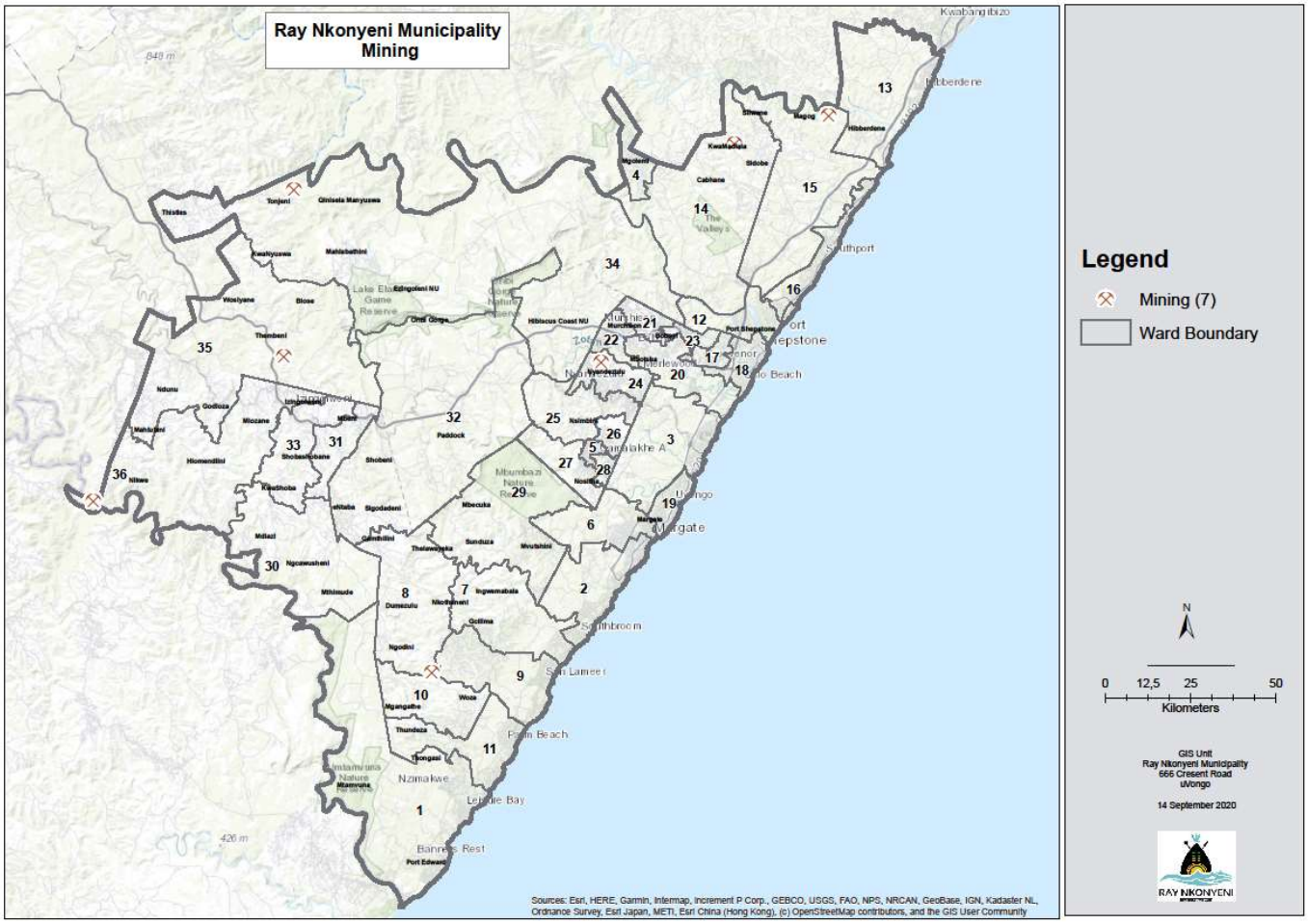
1.8.4 Mining Sector

RNM boasts of a number of small mining areas (7) within its jurisdiction. The mining and related processing of stone into various aggregates and crusher dust is essentially aimed at supplying the local construction industry and to boost the local economy. However, the Ugu GDS states that mining is one of the poorest performing sectors in terms of GVA growth. This is due to a number of factors. There is therefore a need to enhance and encourage investment in this sector, through ensuring market stability. One of the ways to do this is to enhance the formalisation of the sector. In the case of the Margate quarry of NPC, it is evident that a number of brick and block making yards has established on the "doorstep" of the quarry. The construction material industry appears to be benefiting from its location in relation to the quarry. Various other quarries are located throughout the area. The Idwala Carbonates facility in Ray Nkonyeni LM is the major employer in the District but receives limited attention in terms of strategic planning. There are also potentially open up mining opportunities on the coast (to the south of Ugu).

Table 8: Other Mines within Ray Nkonyeni Municipality

OTHER MINES WITHIN RAY NKONYENI MUNICIPALITY		
MINE	**MINED MINERAL**	**FINISHED PRODUCT**
Port Shepstone Quarries	Limestone	*Cement*
Margate NPC	Limestone	*Cement*
KuluCrete South Coast	Limestone	*Aggregate, Blocks, Cement bricks, Paving bricks, Precast kerbing, Retaining systems, Roof tiles*
Natal Portland Cement	Limestone	*Cement*

Map 3: Ray Nkonyeni Municipality Mines



RNM GIS 2020

1.8.5 Construction Sector

This sector is fast gaining momentum within the municipality, however, it must be noted that there are still constraints with regards to the small emerging contractors in terms of financial constraints.

1.8.6 Finances and Services Sector

Ray Nkonyeni Municipality offers a relatively diversified service sectors. Activities range from: legal, insurance, transport, engineering, household, small business, health, social to financial. Access to such services decreases in relation to distance from these nodes. The finance and insurance sector has been the second highest performing sector in terms of GVA growth in the service sector.

In particular, the commercial financial sector within the municipality is well represented with all the major banking institutions present within the main economic nodes. There is a challenge in facilitating access of rural communities to the formal commercial banks both in terms of the location of such facilities and prohibitive service charges. Capitec has made inroads into the lower end of the banking market as a result. There are many micro-lenders operating within the region, taking advantage of the high credit-risk rating of the rural poor, with unscrupulous lenders locking individuals into a perpetual cycle of poverty. Young people are often trapped through sms offers into taking large loans. The regulation of micro-loan lenders is weak.



1.9 Urbanization, Development and Upgrades

Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is line with the Ugu District Growth Strategy.

The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed. According to the 2018 State of the Nation Address, the president emphasized the need to partner with private companies to create job opportunities. Ray Nkonyeni Municipality is in line with this as a number of agreements have been made between the private sector and the municipality.

1.10 Investment Opportunities (Catalytic Projects)

The KZN Investment Strategy was developed as a tool to all stakeholders to assist in attracting and facilitating foreign and domestic investment in KwaZulu-Natal. The objective of the Strategy is to enable all stakeholders in the province to work together in promoting, attracting and facilitating foreign and domestic investment, both of a public and private sector nature, into productive industries (income and asset creation), driven by the comparative advantages of the province in order to stimulate job creation and income generation. In aligning with this strategy, the 2030 NDP, the Local Government policy outcome 9 which states that there should be locally driven public employment programmes as well as the municipality's 2030 long term vision, the municipality has attracted investment where by a number of catalytic projects have been identified which have potential to significantly alter the unemployment challenge faced by the area and grow the economy of the municipality.

These are projects seen as having potential irrespective of powers and functions and affordability of Council and only need and desirability/impact as the criteria. Furthermore, these projects are defined by their ability to have high impact in the economy in terms of the Gross Domestic Product (GDP) of the municipality and will have ability to create permanent and sustainable jobs. Listed below are projects that are regarded as catalytic projects, being and are in different stages of implementation.

The District Development Model (DDM) is a government approach to improve integrated planning and delivery across the three spheres of Government. This will be enabled by joint planning, budgeting and implementation process. As part of the process of strengthening the sector participation in the development of IDPs, Sector departments are expected to share their current and future projects and programmes. Below are the municipality's catalytic projects as well as those for sectors as per the One Plan One Budget.



Table 9: RNM Catalytic Projects

Project name	Project description	Responsible entity	Estimated Budget	Funding source	Current Status
1. RNM Intermodal Transport Facility	Provision of just uner 24 000m^2 Retail space, Public Transport Facility, Informal Traders	Private Developer (Port Shesptone Property Development (Pty) Ltd.	R550m (70M Public Transport, The Balance goes to retail facility)	RNM - Land Value DOT: KZN - R50m Private Developer	**Implementation** (Eartworks) - MC (Piling) - SC (Building Work) - ??
2. Port Shepstone CDB Precinct Plan	Old Harding Main Road Nelson Mandela Drive Reynold Street Electrical Infrastructure Upgrade	RNM (Neighbourhood Development Partnership Grant)	R180m	National Treasury	Implementation
3. Margate Airport	Upgrading of Terminal Building, Parking Areas, Runway, Taxiway and Development of Commercial Precint	RNM in partnership with DEDTEA		DEDTEA - R15m and ACSA/PPP	Terminal Building completed. The rest to be undertaken through ACSA/PPP
4. Technohub	**Phase 1** - Information Centre and Bulk Infrastructure	RNM	R55 million	European Union and KZN Treasury	Completed
	Phase 2: Internal Infrastructural Services		R61 million	RNM or DBSA	Conceptual Stage
	Phase 3: Estate Development and Investment Attraction (Technology and Innovation inclined)		R2.8 billion	Private Developer	Conceptual Stage
5. Small Craft Harbour	Creation of Small Craft Harbour in line with Operation Phakisa inclusive of Boat Launching Site, Fisheries and related facilities (Hibberdene, Port Shepstone and/or Port Edward)	RNM / Ugu DM and DPW	R1.041billion	Private Developer	Conceptual Stage
	Facilitation of declaration of the area as an Industrial Park - ultimately to be designated as Special Economic Zone	RNM	TBC	RNM / DTIC / DED: KZN	
6. RNM Energy Infrastructure Development	Installation of Smart meters (meter replacement & Mini-Substation) on existing customers - Revenue Enhancement	RNM & DBSA	R12 m	DBSA Loan	Completed Phase 1 - Commercial Sites (Phase 2 - Residential)
	Design of Bulk Interconnector	RNM & DBSA	R16 m	DBSA Grant	Feasibility Stage
	Pre-feasibility studies on Renewable Energy at Lot 19 & 20	RNM & DBSA	DBSA Grant/ RNM (Loan) / Independent Power Producers (Private)	DBSA Grant	Feasibility Stage
7. Oatlands Landfill Site	Creation of additional airspace for waste management. Exploration of generation of alternative and renewable energy from Landfill Site. Waste Management Technologies (Reduction, ReUse & Renewable)	RNM	R65m	RNM and PPP	Implementation
8. Port Shepstone Beachfront Redevelopment	Mixed-use beachfront development with both public & private investment - prominent public art features, craft centre, water features, beach hotel & apartments.	RNM	R180m	RNM / Treasury KZN / Private Investors	Conceptual Stage
9. UMzimkhulu Coastal River Park	River Park with promenade, picnic facilities, braai facilities, etc	RNM	R75m	RNM / Private Investor	Conceptual Stage
10. Port Shesptone Government Complex	Development of a One-Stop Shop Government Precinct in Port Shepstone	RNM	R500m	PPP	Conceptual Stage
11. St Michaels to Margate Promenade	Development of Beachfront Promenade with walking, running pathways, aesthetic lighting, parking areas, restaurants & public open space	RNM	R91.4 m	RNM / Private Investor	Conceptual Stage
12. South Coast Regional Conferencing Center	Conference facility to attract investment events & business tourism.	Ugu DM / RNM	R180m	PPP	Conceptual Stage
13.Resuscitation of Railway Line	The railway line between Durban and Port Shepstone is vital important to the proposed Industrial Development and rapid Eco-Tourism promotion in South Coast. The rehabilitation and its maintenance remains the primary responsibility of Transnet.	RNM, DOT and Transet	TBC	DoT and Transnet	Conceptual Stage
14. Dick King Parking	Construction of Guard House, Fencing and resurfacing of the existing area	RNM	R3 million	RNM	Completed
	Construction of Multi-Storey Parkade to support the Port Shepstone Inner City Rejuvenation Programme	RNM	R100m	PPP	Procurement Stage
15. Informal Trading Infrastructure	Construction of Stalls and Storage Facilities for Informal Traders	RNM in partnership with DEDTEA	R20m	DEDTEA	Implementation
16. KwaXolo Caves	Construction of Zipline over the Gorge to promote the identified potential of an Rural Eco-Tourism Adventure around Khoisan Rock-Art	SCTIE	R13m	RNM / SCTIE / Private Investor	Implementation



1.10.1 Development Priorities

Climate change is likely to cause a number of challenges for Ray Nkonyeni Municipality, linked to global impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. As such, climate change runs the risk of undoing all of the development gains of the last one and a half decades; climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

1.10.2 Investment Areas

According to municipality's LED Strategy, the Municipality has a long established, traditional industrial complex which is recognised provincially, similar traditional industrial complexes can be found in Mandeni, Ladysmith, Newcastle and Richards Bay. The Municipality is recognised provincially as a secondary city; this means both public and private sector investment must look to the Municipality as one of the priority investment areas in the province. So basically, the municipality stands a high potential of having it wholly being an invested area in the Province, but currently the hinterland s are being looked at for prioritization.



1.10.3. Sector Departments' Projects

1. DEPARTMENT OF SOCIAL DEVELOPMNENT

Table 10: Social Development Projects

PROGRAMME ONE	PROGRAMME TWO	PROGRAMME THREE	PROGRAMME FOUR	PROGRAMME FIVE
Sub-Programme: Office of the MEC	Management and Support	Management and Support	Management and Support	Management and Support
Sub-Programme Corporate Services	Services to older persons	Care and support services to families	Social crime prevention and support	Community mobilization
Sub-Programme District Management	Care and services to older persons	Child care and protection services	Victim empowerment	Institutional capacity building and support for NPOs
	Services to persons with disabilities	ECD and partial care	Substance abuse prevention, treatment and rehabilitation	Poverty alleviation and sustainable livelihoods
	HIV & AIDS	Child and youth care	Restoration services	Community Based Research and Planning
	Social Relief	Community based care and services to children	Management and support	Youth development
				Women Development



2. Department of Public Works

Table 11: Public Works Capital Projects

SUMMARY OF CAPITAL PROJECTS IMPLEMENTED BY PUBLIC WORKS AT RAY NKONYENI LOCAL MUNICIPALITY WITH THEIR VARIOUS PROJECT STAGES					
No	Client Department	No of Projects	Planning	Tender	On site
2	COGTA	1	1	0	0
3	Education	12	0	8	4
4	Health	3	2	0	1
	TOTAL	16	3	8	5



Table 12: Education Projects by DOPW

EDUCATION PROJECTS IMPLEMENTED BY DOPW			
	Stage	**Facility Name**	**Service Description**
	TENDER	BASHISE P – GIS latitude: -30.888829 GIS longitude: 30.314670	SANITATION PROGRAMME (PHASE 3) - UGU-17 Renovation of existing structures, construction of new (8G, 12B, 2M2F1D, 4R1T)
		BEAULAH P – GIS latitude: -30.621330 GIS longitude: 30.353219	SANITATION PROGRAMME (PHASE 3) - UGU-13 Renovate existing structure (2M1F) construction of new (6G, 6B, 2M2F1D, 3R1T)
		DUDUZILE S – GIS latitude: -30.637730 GIS longitude: 30.366139	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (10G, 10B, 1F1D & 2M2F1D).
		EZINQOLENI JS – GIS latitude: -30.789999 GIS longitude: 30.134380	SANITATION PROGRAMME (PHASE 3) - UGU-16 Demolition of existing structure, Renovate (3B, 6M6F,) construction of new (2x6G, 2B, 2M2F1D)
		MBAMBUYA P – GIS latitude: -30.523350 GIS longitude: 30.056850	SANITATION PROGRAMME (PHASE 3) - UGU-05 Demolition of existing structures, Construct new blocks (6G, 4B, 2M2F1D & 2R1T).
		MDULASHI JS – GIS latitude: -30.640620 GIS longitude: 29.899719	SANITATION PROGRAMME (PHASE 3) - UGU-03 Demolition and renovation of existing structures, Construct new block (1F1D).
		MHLABUHLANGENE JS – GIS latitude: -30.921370 GIS longitude: 30.186999	SANITATION PROGRAMME (PHASE 3) - UGU-13 Demolition of existing structure, construction of new (12G, 10B, 2M2F1D & 3R1T)
		SISTER JOANS H – GIS latitude: -30.724740 GIS longitude: 30.381710	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (6G & 2M2F1D).



Table 13: Health Projects Implemented by DOPW

HEALTH			
No	DESCRIPTION	FACILITY NAME	SERVICE DESCRIPTION
1	PLANNING	Murchison Hospital – GIS latitude: -30.727578 GIS longitude: 30.343592	Upgrade Theatre Conditioning Plant
		Port Shepstone Hospital – GIS latitude: -30.743500 GIS longitude: 30.450877	Conversion A Ward into 28 Bedded Psychiatric Unit

Table 14: KZN CoGTA Projects

KZN COGTA			
No	DESCRIPTION	FACILITY NAME	SERVICE DESCRIPTION
1	PLANNING	UGU LOCAL HOUSE AT NO 35 RIDGE ROAD PORT SHEPSTONE, WIMS 065202	UPGRADE & ADDITIONS OF AN EXISTING HOUSE AND CONVERTED TO OFFICE ACCOMODATION



Current and committed SLP projects

Table 15: Current and Committed SLP Projects

Project Name	Project description	Time frame	Budget alllocated
1. Mangquzuka High School	Construction of two (2) classrooms	November 2023	R500 000.00
2. Beaula Primary School	Construction of sports field	2024	R700 000.00
3. Mpongwane	Borehole	2024	R100 000

Table 16: Capital Projects by DOPW in Ray Nkonyeni

CAPITAL PROJECTS IMPLEMENTED BY PUBLIC WORKS AT RAY NKONYENI LOCAL MUNICIPALITY WITH THEIR VARIOUS PROJECT STAGES					
NO	**CLIENT DEPARTMENT**	**NO OF PROJECTS**	**PLANNING**	**TENDER**	**ON SITE**
	COGTA	**01**	**1**	**0**	**0**
	Education	**16**	**0**	**0**	**16**
	Health	**09**	**5**	**02**	**02**
	TOTAL	**19**	**7**	**2**	**10**



	TOTAL BUDGET				

Table 17: Education Projects by DOPW

EDUCATION				
FACILITY NAME	**SERVICE DESCRIPTION**	**ESTIMATED PROJECT BUDGET**	**LOCAL MUNICIPALITY**	**WARD**
BASHISE PS – GIS latitude: -30.888829 GIS longitude: 30.314670	SANITATION PROGRAMME (PHASE 3) - UGU-17 Renovation of existing structures, construction of new (8G, 12B, 2M2F1D, 4R1T)	R4 096 096,06	Ray Nkonyeni	Ward 29
BEAULAH PS – GIS latitude: -30.621330 GIS longitude: 30.363219	SANITATION PROGRAMME (PHASE 3) - UGU-13 Renovate existing structure (2M1F) construction of new (6G, 6B, 2M2F1D, 3R1T)	R3 341 459,55	Ray Nkonyeni	Ward 4
DUDUZILE SS – **GIS latitude:** -30.637730 GIS longitude: 30.366139	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (10G, 10B, 1F1D & 2M2F1D).	R3 641 396,80	Ray Nkonyeni	Ward 4
IKHWEZILOKUSA PS – **GIS latitude:** 30°51'05.72"S Longitude: 30°12'10.32"E	SANITATION PROGRAMME (PHASE 3) – Demolition Of Existing Structure, Construction Of New (6G, 6B, 2M2F1D, 3R1T)"	R3 016 600,08	Ray Nkonyeni	Ward 32
MBAMBUYA PS – GIS latitude: -30.523350 GIS longitude: 30.056850	SANITATION PROGRAMME (PHASE 3) - UGU-05 Demolition of existing structures, Construct new blocks (6G, 4B, 2M2F1D & 2R1T).	R2 833 520,85	Umuziwabantu	Ward 1
MHLABUHLANGENE JSS –	SANITATION PROGRAMME (PHASE 3) - UGU-13 Demolition of existing structure,	R2 402 594,38	Ray Nkonyeni	Ward 8



GIS latitude: -30.921370 GIS longitude: 30.186699	construction of new (12G, 10B, 2M2F1D & 3R1T)			
NOMBUSO HS – **GIS latitude:** 30°59'37.00"S Longitude:30°14'21.00"E	SANITATION PROGRAMME (PHASE 3) – Provision of sanitation services	R1 646 712,97	Ray Nkonyeni	Ward 1
SISTER JOANS HS – **GIS latitude:** -30.724740 GIS longitude: 30.381710	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (6G & 2M2F1D).	R2 299 635,86	Ray Nkonyeni	Ward 21

Table 18: Health Projects by DOPW

HEALTH				
FACILITY NAME	**SERVICE DESCRPTION**	**ESTIMATED PROJECT BUDGET**	**LOCAL MUNICIPALITY**	**WARD NO**
Murchison Hodpiyal	Asbestos Eradication	26 425 000	Ray Nkonyeni	Ward 22
St Andre Hospital	Asbestos Eradication	4 037 500	Ray Nkonyeni	Ward 3
Murchison Hospital	Upgrade Of Neonatal Nursey	7 000.000	Ray Nkonyeni	Ward 22
Port Shepstone Hospital	Construction Of 28 Bedded Unit	149 000.000	Ray Nkonyeni	Ward 18
Murchisonhosptal	72 Hours Water Storage	R 11 716 655,00	Ray Nkonyeni	Ward 22

Table 19: Justice Park by DOPW

Justice Park in Port Shepstone	**RNM**	**Port Shepstone. It is an essentially a development of a high court and more**	**Tender is out for the completion of the project**



		magistrate courts and office block to accommodate the Department of Justice needs.	**-Betwwen September and October work will commence -Anticipated completion time is between 12-18 months**

2. Idwala Carbonates

Idwala Carbonates: (2019 to 2023) - to be implemented from 2021 until 2025

Table 20: Projects to be Implemented by Idwala Carbonates

Programme/Project	Intervention	Location	Strategic Goal	Timeframe	Estimated Budget	Budget Availability	Funded / Not Funded	Funder/ Potential Funder	Supporting Partners	Status of Project
HRD	Skills Programs	4 LA's	Skills Dev	2021-2023	N/A	Yes	Funded	Idwala	N/A	DMRE Approval
HRD	Learnerships	National	Skills Dev	2023	N/A	Yes	Funded	Idwala	N/A	DMRE Approval
HRD	MIP	RNM	Skills Dev	2023-2025	N/A	Yes	Funded	Idwala	N/A	In Place
HRD	Internships	National	Skills Dev	2023-2025	N/A	Yes	Funded	Idwala	N/A	In Place
HRD	Bursaries	National	Skills Dev		N/A	Yes	Funded	Idwala	N/A	In Place
LED	Incubator	RNM	SMME Dev	2021 – Nov 2023	N/A	Yes	Funded	Idwala	Esayidi FET	DMRE Approval
LED	School	Ndwalane	Skills Dev	2021 – Nov 2023	N/A	Yes	Funded	Idwala	DoE	DMRE Approval
LED	Clinic	Oshabeni	Health	2021 – Nov 2023	N/A	Yes	Funded	Idwala	DOH	DMRE Approval
LED	Clinic	Nyuswa	Health	2021 – Nov 2023	N/A	Yes	Funded	Idwala	DOH	DMRE Approval



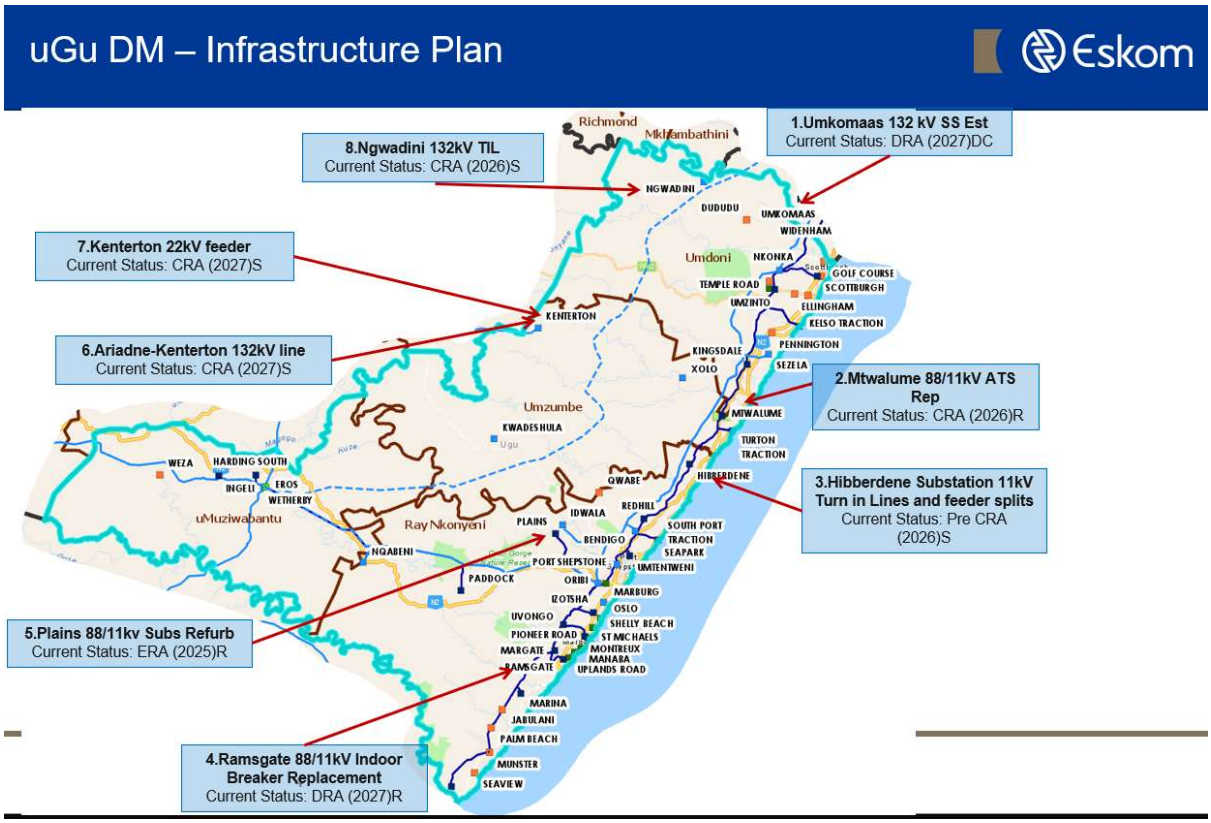
3. Rossmin Mine

Table 21: Projects by Rossmin Mines

Project Name	Project description	Time frame	Budget alllocated
1. Mangquzuka High School	Construction of two (2) classrooms	November 2023	R500 000.00
2. Beaula Primary School	Construction of sports field	2024	R700 000.00
3. Mpongwane	Borehole	2024	R100 000

4. Eskom

Map 4: UGU DM Infrastructure Plan by Eskom



Ugu DM-Infrastructure Plan and Progress Eskom

Table 22: UGU DM Infrastructure Plan

	Project name	Status	Panned completion date
1	Erasmus road switching station suite	Conceptual stage	Not funded
2	Nqabeni SS Upgrade	Design stage	2025



Table 23: 2022/2023 Planned Projects by Eskom

Municipality Code & Name	Project Name	Ward Number	Project Type	Estimated Conns	Status
KZN216_Ray Nkonyeni	KwaXaba Nsangwini Nkulu (ward 25) Extensions	25	Household	320	Design in progress
KZN216_Ray Nkonyeni	Ward 24 Bomela Extension	24	Household	409	Contractor on site – Re-design in progress



Table 24: 2023/2024 Planned Projects by Eskom

Municipality Code & Name	Project Name	Project Type	Ward Number	Estimated Conns
Ray Nkonyeni	Ward 28 Tintown extensions	Households	28	100
Ray Nkonyeni	Ward 14 KwaMadlala extensions	Households	14	150
Ray Nkonyeni	Ray Nkonyeni Ward 4 extensions	Households	4	168



1. Department of Agriculture and Rural development

Table 25: Department of Agriculture and Rural Development Projects

PROJECT NAME	FARM NAME / TRADITIONAL COUNCIL	CATEGORIES OF FARMERS	PROJECT DESCRIPTION	APPROVED BUDGET FOR 2021/22	APPROVED BUDGET FOR 2022/23	APPROVED BUDGET FOR 2023/24	APPROVED BUDGET FOR 2024/25	APPROVED BUDGET FOR 2025/26	TOTAL APPROVED BUDGET	PROJECT INTERVENTION ACTIVITIES
Real Quick Layers	Mavundla	Smallholder	Layers	R2 100 000,00	R 2 766 080,00	R -	R -	R -	R 4 866 080,00	• Construction of access road @ R 180 000.00 • Installation of electricity @ R 200 000.00 • Borehole drilling and equipping @ R 300 000.00 • Construction of storage and ablution facilities @ R 400 000.00 • Purchase of 4 000 point of lay pullets R 900 000.00 • Purchase of layer feed @ R 656 080.00 • Grading & wrapping machine @ R 130 000.00 • Medication @ 30 000.00
Ugu Piggery Value chain	Simbamabhele	Smallholder	Piggery	R1 000 000,00	R 1 500 000,00	R4 241 000,00	R-	R-	R 6 741 000,00	• Purchase of 2 x mobile chillers @ R 650 000.00 • Purchase of 1x refrigerated truck @ R 700 000.00 • Operational costs (fuel, gas & chemicals) @ R 150 000.00
Boston Farm	Boston Farm	Smallholder	Macadamia	R1 398 229,00	R 1 500 000,00	R3 500 000,00	R 728 066,00	R 600 000,00	R 7 726 295,00	• Clearing , ridging and Land preparation for 10ha @ 265 090 • Purchasing and Planting of 10ha macadamia seedlings @ R 334 910.00 • Purchase of fertilizer @ R 500 000,00 • Orchard maintenance @ 200 000,00 • Drilling and equipping of borehole@ R200 000.00



2. Department of Education

Table 26: Department of Education Projects

SCHOOL	WARD	SCOPE OF WORK	INFRASTRUCTURE PROGRAMME	TOTAL PROJECT COST R'000	ALLOCATION 2022-23 R'000	ALLOCATION 2023-24 R'000	ALLOCATION 2024-25 R'001
BASHISE PRIMARY SCHOOL	29	RENOVATION OF EXISTING STRUCTURES, CONSTRUCTION OF NEW (8G, 12B, 2M2F1D, 4R1T)	UPGRADES AND ADDITIONS	R5 189,200	R667,000	R-	R-
BEAULAH PRIMARY SCHOOL	4	STORM DAMAGE TO FRAR TOILET	REFURBISHMENT AND REHABILITATION	R5 154,000	R1 213,950	R514,020	R250,000
BEAULAH PRIMARY SCHOOL	4	RENOVATE EXISTING STRUCTURE (2M1F) CONSTRUCTION OF NEW (6G, 6B, 2M2F1D, 3R1T)	UPGRADES AND ADDITIONS	R4 132,059	R667,000	R102,000	R-
BHEKI SECONDARY SCHOOL	11	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
BUHLEBEZWE SENIOR PRIMARY SCHOOL	28	2 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 1 MEDIA CENTRE, 1 COMPUTER ROOM(S), 6 OFFICE(S), 5	UPGRADES AND ADDITIONS	R7 980,000	R208,499	R-	R-



		STOREROOM(S), 1 STRONGROOM, 2 TEACHER TOILET SEATS, 2 DISABLED TOILETS,					
BUHLEBEZWE SENIOR PRIMARY SCHOOL	28	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	R3 200,000	R474,724	R-	R-
CONISTON PRIMARY SCHOOL	30	2 ECD CLASSROOM	UPGRADES AND ADDITIONS	R4 231,006	R937,000	R102,000	R1 930,019
COPHELA PRIMARY SCHOOL	4	REPAIRS AND RENOVATIONS	REFURBISHMENT AND REHABILITATION	R1 922,000	R191,607	R-	R-
DELIHLAZO PRIMARY SCHOOL	9	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
DELIHLAZO PRIMARY SCHOOL	9	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R1 328,150	R-	R-	R-
DENVER ZOAR PRIMARY SCHOOL	14	REPAIRS AND RENOVATIONS	REFURBISHMENT AND REHABILITATION	R4 000,000	R-	R1 012,800	R426,743
DINGETON PRIMARY SCHOOL	29	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R1 922,815	R-	R102,000	R-
DUDUZILE JUNIOR SECONDARY SCHOOL	4	5 STANDARD CLASSROOM, 2 MULTIPURPOSE CLASSROOMS INCLUDING	UPGRADES AND ADDITIONS	R8 753,000	R-	R1 833,246	R985,898



		LABORATORIES AND SPECIALIST ROOMS, 1 MEDIA CENTRE, 1 COMPUTER ROOM(S), 6 OFFICE(S), 5 STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCKSHOP, 4 GIRLS' TOILET SEATS, 2 TEACHER TOILET SEATS, 1 DISABLED TOILETS, WATER PROVISIONING, ELECTRIFICATION PROVISIONING, FENCING,					
DUDUZILE JUNIOR SECONDARY SCHOOL	4	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-14 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW BLOCKS : 1F1D; 2M2F1D; 10B; 10G, RENOVATE EXISTING STRUCTURE	UPGRADES AND ADDITIONS	R4 522,945	R667,000	R-	R-
DUNYWA PRIMARY SCHOOL	32	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R5 778,970	R3 597,000	R-	R-



DUNYWA PRIMARY SCHOOL	32	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R942,942	R-	R149,435	R109,558
EBOMVINI PRIMARY SCHOOL	35	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
ENTABENI PRIMARY SCHOOL	10	6 STANDARD CLASSROOM, 3 GRADE R,4 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 1 MEDIA CENTRE, 5 OFFICE(S), 7 STOREROOM(S), 1 STRONGROOM, 4 TEACHER TOILET SEATS, 2 DISABLED TOILETS,	UPGRADES AND ADDITIONS	R4 000,000	R-	R1 128,000	R410,286
ENTABENI PRIMARY SCHOOL	10	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R8 556,337	R4 597,000	R-	R-
ENXOLOBENI PRIMARY SCHOOL	34	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R6 760,032	R168,216	R-	R-
ENXOLOBENI PRIMARY SCHOOL	34	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1	UPGRADES AND ADDITIONS	R3 062,944	R1 085,000	R102,000	R-



		URINALS, 1 FEMALE TOILET BLOCK					
ENYANISWENI PRIMARY SCHOOL	8	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	R4 250,000	R182,175	R-	R-
ENYANISWENI PRIMARY SCHOOL	8	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R3 964,746	R1 085,000	R102,000	R-
ETSHENILIKASHOBA PRIMARY SCHOOL	30	STORM DAMAGES TO SCHOOL	REFURBISHMENT AND REHABILITATION	R3 817,049	R139,703	R-	R-
EZINQOLENI SECONDARY SCHOOL	31	REPAIRS AND RENOVATIONS	REFURBISHMENT AND REHABILITATION	R6 850,000	R-	R1 572,672	R713,141
EZINQOLENI SECONDARY SCHOOL	31	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-16 DEMOLITION OF EXISTING STRUCTURE, RENOVATE (3B, 6M6F,) CONSTRUCTION OF NEW (2X6G, 2B, 2M2F1D)	UPGRADES AND ADDITIONS	R4 999,557	R766,947	R-	R3 899,553
FRANKLAND PRIMARY SCHOOL	14	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R647,049	R344,646	R582,750	R259,607



GABANGEZWE SECONDARY SCHOOL	35	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
GABANGEZWE SECONDARY SCHOOL	35	SANITATION PROGRAMME (PHASE 2), CLUSTER D CONSTRUCTION OF NEW STRUCTURES, 3S; 8B; 10G	UPGRADES AND ADDITIONS	R2 213,747	R179,750	R-	R-
GALENI HIGH SCHOOL	5	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R7 209,402	R4 664,000	R-	R-
GAMALAKHE COMM HIGH SCHOOL	5	REPLACE ROOF SHEET, CEILING, PAINTWORK, FLOOR & ELECTRICAL REPAIRS	REFURBISHMENT AND REHABILITATION	R5 818,863	R345,626	R-	R-
GCILIMA PRIMARY SCHOOL	7	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	R4 250,000	R149,709	R-	R-
GCILIMA PRIMARY SCHOOL	7	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R3 805,196	R-	R-	R-
GEM NTSHEBE JUNIOR PRIMARY SCHOOL	30	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R623,841	R-	R582,750	R259,607
GEORGE MBHELE HIGH SCHOOL	13	WATER AND SANITATION	UPGRADES AND ADDITIONS	R2 276,000	R138,000	R-	R-



IKHWEZILOKUSA PRIMARY SCHOOL	32	DEMOLITION EXISTING ABLUTION FACILITIES, CONSTRUCT NEW BLOCKS (6G, 6B, 2M 2F 1D & 3R 1T)	UPGRADES AND ADDITIONS	R3 741,957	R617,000	R102,000	R-
IMBIZANE PRIMARY SCHOOL	7	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R7 670,567	R2 214,759	R-	R1 071,743
INALA PRIMARY SCHOOL	13	REPAIRS AND RENOVATIONS	REFURBISHMENT AND REHABILITATION	R10 508,000	R471,678	R-	R-
INALA PRIMARY SCHOOL	13	CONSTRUCTION OF 2 BOYS, 1 URINALS, 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, 1 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R555,163	R-	R102,000	R-
INGWEMABALA COMP HIGH SCHOOL	3	2 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 1 MEDIA CENTRE, 6 OFFICE(S), 5 STOREROOM(S), 1 SNP KITCHEN/TUCKSHOP, 4 GIRLS' TOILET SEATS, 3 TEACHER TOILET SEATS, 1 DISABLED TOILETS,	UPGRADES AND ADDITIONS	R4 000,000	R-	R1 128,000	R410,286
INKULU PRIMARY SCHOOL	25	STORM DAMAGE REPAIRS INCLUDING	REFURBISHMENT AND REHABILITATION	R10 198,089	R1 698,694	R2 422,489	R724,188



		NEW CONSTRUCTION					
INKULU PRIMARY SCHOOL	25	CONSTRUCTION OF BOYS AND GIRLS TOILETS	UPGRADES AND ADDITIONS	R2 300,000	R1 377,000	R554,100	R249,414
INYANDEZULU PRIMARY SCHOOL	24	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	R4 250,000	R182,528	R-	R-
INYANDEZULU PRIMARY SCHOOL	24	CONSTRUCTION OF BOYS AND GIRLS TOILETS	UPGRADES AND ADDITIONS	R3 726,702	R1 085,000	R102,000	R-
ISIKHUTHALI PRIMARY SCHOOL	29	CONSTRUCTION OF BOYS AND GIRLS TOILETS	UPGRADES AND ADDITIONS	R1 458,410	R-	R726,000	R104,630
ITHONGASI PRIMARY SCHOOL	1	PROVISION OF SPECIALIZED LEARNER FACILITIES	UPGRADES AND ADDITIONS	R2 900,000	R-	R134,400	R393,080
ITHONGASI PRIMARY SCHOOL	1	CONSTRUCTION OF EARLYCHILDHOOD FACILITIES	UPGRADES AND ADDITIONS	R3 300,000	R208,694	R-	R-
ITHONGASI PRIMARY SCHOOL	1	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R2 900,000	R211,000	R-	R-
IZINGOLWENI PRIMARY SCHOOL	31	STORM DAMAGE TO ROOF TO 5 OFFICES	REFURBISHMENT AND REHABILITATION	R2 622,772	R-	R622,627	R231,920
KHABA SECONDARY SCHOOL	10	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R2 458,666	R341,125	R-	R-
KHABA SECONDARY SCHOOL	10	CONSTRUCTION OF BOYS AND GIRLS TOILETS	UPGRADES AND ADDITIONS	R2 900,000	R-	R726,000	R310,571
KHANDALESIZWE SECONDARY SCHOOL	33	STORM DAMAGES TO SCHOOL	REFURBISHMENT AND REHABILITATION	R2 900,000	R146,788	R-	R-
KWALUHLAZA PRIMARY SCHOOL	22	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R182,476



KWAMASOSHA HIGH SCHOOL	10	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R12 372,557	R387,750	R-	R-
KWAMASOSHA HIGH SCHOOL	10	7 STANDARD CLASSROOM, 4 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 7 OFFICE(S), 8 STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCKSHOP, 8 GIRLS' TOILET SEATS, 2 BOYS' TOILET SEATS AND URINAL SPACES, 2 TEACHER TOILET SEATS, 2 DISABLED TOILETS,	UPGRADES AND ADDITIONS	R4 000,000	R-	R1 128,000	R410,286
KWAMASOSHA HIGH SCHOOL	10	SANITATION PROGRAMME (PHASE 2), CLUSTER C CONSTRUCTION OF NEW STRUCTURES, 3S; 10B; 14G	UPGRADES AND ADDITIONS	R2 008,942	R153,875	R-	R-
KWAMPHELELWA COMBINED PRIMARY SCHOOL	8	WATER AND SANITATION	UPGRADES AND ADDITIONS	R1 423,617	R1 145,000	R102,000	R-



KWAMPHELELWA PRIMARY SCHOOL	8	STORM DAMAGES TO SCHOOL	REFURBISHMENT AND REHABILITATION	R5 138,554	R139,703	R-	R-
KWANDABEZINHLE PRIMARY SCHOOL	20	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R2 919,977	R341,125	R-	R-
KWANZIMAKWE PRIMARY SCHOOL	1	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R3 985,380	R183,109	R-	R-
KWANZIMAKWE PRIMARY SCHOOL	1	CHEMICAL TOILETS: CONSTRUCTION OF PERMANENT STRUCTURES	UPGRADES AND ADDITIONS	R2 400,000	R-	R618,750	R254,464
LOUISIANA PRIMARY SCHOOL	15	STORM DAMAGE TO 1 CLASSROOM	REFURBISHMENT AND REHABILITATION	R5 222,000	R-	R1 427,370	R542,090
MAGAYE PRIMARY SCHOOL	33	UPGRADING OF EXISTING SCHOOL	UPGRADES AND ADDITIONS	R36 906,034	R-	R35,100	R741,135
MAGAYE PRIMARY SCHOOL	33	STORM DAMAGE TO 1 CLASSROOM	REFURBISHMENT AND REHABILITATION	R5 228,000	R-	R1 264,819	R566,088
MAGOG PRIMARY SCHOOL	15	CONSTRUCTION OF BOYS AND GIRLS TOILETS	UPGRADES AND ADDITIONS	R2 425,000	R-	R589,913	R262,155
MARGATE MIDDLE SCHOOL	6	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
MARIS STELLA PRIMARY SCHOOL	14	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	R3 624,000	R-	R906,768	R388,176
MARIS STELLA PRIMARY SCHOOL	14	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R2 531,212	R368,375	R-	R-
MASHABA PRIMARY SCHOOL	14	BENEFITTED	UPGRADES AND ADDITIONS	R1 150,000	R135,375	R-	R-
MASHESHA SECONDARY SCHOOL	7	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
MASHESHA SECONDARY SCHOOL	7	SANITATION PROGRAMME	UPGRADES AND ADDITIONS	R3 765,422	R-	R-	R503,086



		(PHASE 3), CLUSTER UGU-10 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (6G,6B, 2M2F1D)					
MAVUNDLA PRIMARY SCHOOL	25	DEMOLITION OF EXISTING STRUCTURE. CONSTRUCTION OF 3 ABLUTION BLOCKS.DS =1S +1WHB + (ML= 1S +1U + 1WHB) + (FL= 2S + 1WHB) +[ED= (ME = 1S+1U+1WHB)	UPGRADES AND ADDITIONS	R1 977,565	R-	R445,481	R202,309
MBUSOMUSHA PRIMARY SCHOOL	14	DEMOLITION OF EXISTING STRUCTURE. CONSTRUCTION OF 3 ABLUTION BLOCKS.	UPGRADES AND ADDITIONS	R3 739,574	R-	R102,000	R-
MDLANGASWA HIGH SCHOOL	14	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	R59 663,726	R-	R4 423,434	R2 330,509
MDLANGASWA HIGH SCHOOL	14	2 PIT BOYS, 5 PIT GIRLS, 2 PIT GRADE R 2, 2 VIP M STAFF, 2 VIP F STAFF	UPGRADES AND ADDITIONS	R4 927,235	R1 085,000	R102,000	R-
MDLAZI PRIMARY SCHOOL	21	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R6 149,353	R193,683	R-	R-



MDLAZI PRIMARY SCHOOL	21	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	UPGRADES AND ADDITIONS	R2 400,000	R-	R-	R342,857
MERLEWOOD I	20	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	R43 390,917	R3 253,000	R250,000	R-
MGANKA PRIMARY SCHOOL	20	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
MGUDLWA HIGH SCHOOL	35	SANITATION PROGRAMME (PHASE 2), CLUSTER C CONSTRUCTION OF NEW STRUCTURES, 2S; 4B; 6G	UPGRADES AND ADDITIONS	R1 391,291	R140,508	R-	R-
MHLABUHLANGENE SECONDARY SCHOOL	8	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-9 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (12G, 10B, 2M2F1D & 3R1T)	UPGRADES AND ADDITIONS	R2 963,713	R637,000	R102,000	R-
MHLABULUNGILE PRIMARY SCHOOL	9	CHEMICAL TOILETS: CONSTRUCTION OF PERMANENT STRUCTURES	UPGRADES AND ADDITIONS	R2 400,000	R-	R-	R342,857
MLINGANISWA PRIMARY SCHOOL	35	REPAIRS AND RENOVATIONS	REFURBISHMENT AND REHABILITATION	R5 900,000	R343,546	R-	R-
MLONDE HIGH SCHOOL	29	STORM DAMAGES TO SCHOOL	REFURBISHMENT AND REHABILITATION	R10 136,877	R152,209	R-	R-



MTHIMUDE SECONDARY SCHOOL	36	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R3 754,871	R170,250	R-	R-
MTHIMUDE SECONDARY SCHOOL	36	SANITATION PROGRAMME (PHASE 2), CLUSTER C CONSTRUCTION OF NEW STRUCTURES, 2S; 4B; 4G	UPGRADES AND ADDITIONS	R1 220,240	R154,250	R-	R-
MTHOMBOTHI PRIMARY SCHOOL	29	DEMOLITION OF EXISTING STRUCTURE. CONSTRUCTION OF 3 ABLUTION BLOCKS	UPGRADES AND ADDITIONS	R4 859,891	R1 085,000	R102,000	R-
MTWANUNGAMIZIZWE HIGH SCHOOL	15	2 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 1 MEDIA CENTRE, 1 COMPUTER ROOM(S), 4 STOREROOM(S), 1 SNP KITCHEN/TUCKSHOP, 8 GIRLS' TOILET SEATS, 6 BOYS' TOILET SEATS AND URINAL SPACES, 4 TEACHER TOILET SEATS, 1 DISABLED TOILETS,	UPGRADES AND ADDITIONS	R35 569,000	R1 881,000	R-	R-



MTWANUNGAMIZIZWE HIGH SCHOOL	15	WATER AND SANITATION	UPGRADES AND ADDITIONS	R2 276,000	R138,000	R-	R-
MURCHISON PRIMARY SCHOOL	22	STORM DAMAGE TO 5 CLASSROOMS, LIBRARY AND ADMINISTARTIN BLOCK	REFURBISHMENT AND REHABILITATION	R5 254,000	R-	R1 203,378	R578,504
NKONKA HIGH SCHOOL	22	9 STANDARD CLASSROOM, 4 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 8 OFFICE(S), 8 STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCKSHOP, 11 GIRLS' TOILET SEATS, 10 BOYS' TOILET SEATS AND URINAL SPACES, 4 TEACHER TOILET SEATS, 2 DISABLED TOILETS,	UPGRADES AND ADDITIONS	R19 059,000	R-	R5 288,557	R1 952,920
NKONKA HIGH SCHOOL	22	DEMOLITION OF EXISTING STRUCTURE. CONSTRUCTION OF 3 ABLUTION BLOCKS.	UPGRADES AND ADDITIONS	R5 042,240	R1 085,000	R102,000	R-



NKUNSWANA PRIMARY SCHOOL	34	DEMOLITION OF EXISTING STRUCTURE. CONSTRUCTION OF 3 ABLUTION BLOCKS	UPGRADES AND ADDITIONS	R700,266	R-	R84,309	R85,335
NOBAMBA HIGH SCHOOL	21	SCHOOLS UPGRADES	UPGRADES AND ADDITIONS	R47 153,420	R-	R1 637,876	R923,931
NOMBUSO HIGH SCHOOL	1	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R1 488,627	R354,500	R-	R-
NOMBUSO HIGH SCHOOL	1	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-7 CONSTRUCTION OF NEW BLOCKS : 2M2F1D, RENOVATE EXISTING STRUCTURES	UPGRADES AND ADDITIONS	R2 138,388	R739,000	R-	R-
NONTSHUNTSHA PRIMARY SCHOOL	7	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
NONTSHUNTSHA PRIMARY SCHOOL	7	SANITATION PROGRAMME (PHASE 2), CLUSTER C CONSTRUCTION OF NEW STRUCTURES, 2S; 4B; 6G	UPGRADES AND ADDITIONS	R1 329,882	R161,875	R-	R-
NOSITHA PRIMARY SCHOOL	27	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-19 DEMOLITION OF	UPGRADES AND ADDITIONS	R1 900,000	R-	R-	R186,502



		EXISTING STRUCTURE, CONSTRUCTION OF NEW BLOCKS : 8G; 6B; 3M3F1D; 5R1T					
OHLANGENI PRIMARY SCHOOL	26	CONSTRUCTION OF 1 BOYS, 1 URINALS 2 GIRLS, 1 DISABLED, STAFF 1M, 1 URINALS, GRADE R 1 TOILET BLOCKS	UPGRADES AND ADDITIONS	R2 229,862	R1 085,000	R102,000	R-
OLWANDLE HIGH SCHOOL	5	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R207,740
PADDOCK PRIMARY SCHOOL	25	CONSTRUCTION OF 8 GIRLS' TOILET SEATS, 4 BOYS' TOILET SEATS AND 4 URINAL SPACES, 1M +1URINAL +2F TEACHER TOILET SEATS, 1 DISABLED TOILETS, GRADE R: 5 SEATS AND WATER PROVISIONING.	UPGRADES AND ADDITIONS	R1 704,661	R471,559	R370,554	R184,114
PHATHWA SECONDARY SCHOOL	7	CONSTRUCTION OF 2 BOYS, 4 URINALS, 6 GIRLS, 1 DISABLED, STAFF 1M, 2 URINALS, 2 FEMALE TOILET BLOCK	UPGRADES AND ADDITIONS	R3 057,055	R1 085,000	R102,000	R-
PORT SHEPSTONE SENIOR PRIMARY	18	STORM DAMAGE TO 1 CLASSROOM	REFURBISHMENT AND REHABILITATION	R5 272,000	R-	R1 408,828	R551,882



SCHOOL (MITCHELL DR)							
QHINQA HIGH SCHOOL	30	2 SEAT M STAFF, 2 SEAT F STAFF, 7 SEAT GIRLS, 4 SEATS BOYS, 2 SEATS GRADE R	UPGRADES AND ADDITIONS	R2 121,622	R767,000	R485,009	R224,834
R A ENGAR PRIMARY SCHOOL	17	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R5 276,000	R-	R1 387,690	R544,330
SHIBASE PRIMARY SCHOOL	32	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R2 712,727	R344,624	R-	R-
SIBHANGWANA PRIMARY SCHOOL	35	STORM DAMAGE REPAIRS	REFURBISHMENT AND REHABILITATION	R5 970,074	R1 738,621	R-	R3 025,449
SIBHANGWANA PRIMARY SCHOOL	35	3 MALE STAFF, 3 FEMALE STAFF, 2 GIRLS , 2 BOYS	UPGRADES AND ADDITIONS	R465,867	R-	R30,775	R60,187
SIDUMILE PRIMARY SCHOOL	23	COMPLETION CONTRACT TO REPAIRS PHASE 13 STORM DAMAGE	REFURBISHMENT AND REHABILITATION	R9 333,000	R465,891	R-	R-
SIKANISWENI SECONDARY SCHOOL	35	SANITATION PROGRAMME (PHASE 2), CLUSTER C CONSTRUCTION OF NEW STRUCTURES, 2S; 6B; 10G	UPGRADES AND ADDITIONS	R1 576,032	R175,625	R-	R-
SINEKE PRIMARY SCHOOL	34	STORM DAMAGE TO 1 CLASSROOM	REFURBISHMENT AND REHABILITATION	R5 292,000	R-	R1 192,290	R574,530
SISTER JOANS HIGH SCHOOL	21	SANITATION PROGRAMME (PHASE 3), CLUSTER UGU-19	UPGRADES AND ADDITIONS	R2 869,627	R739,000	R-	R-



		DEMOLITION OF EXISTING FACILITIES , CONSTRUCTION OF NEW BLOCKS : 2M2F1D; 6G , RENOVATIONS OF EXISTING ABLUTIONS					
SOZABE HIGH SCHOOL	14	CONSTRUCTION OF 6 GIRLS' TOILET SEATS, 2 BOYS' TOILET SEATS AND 4 URINAL SPACES, 1M +2URINAL+ 2F TEACHER TOILET SEATS, 1 DISABLED TOILETS, WATER PROVISIONING.	UPGRADES AND ADDITIONS	R2 026,240	R510,149	R458,280	R215,324
ST MARTIN DE PORRES LSEN SCHOOL	18	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R207,740
THOLIMFUNDO SECONDARY SCHOOL	8	STORM DAMAGE TO 5 CLASSROOMS	REFURBISHMENT AND REHABILITATION	R10 295,502	R4 664,000	R-	R-
THOLIMFUNDO SECONDARY SCHOOL	8	CONSTRUCTION OF 4 GIRLS' TOILET SEATS, 2 BOYS' TOILET SEATS AND 2 URINAL SPACES, 1M + 1URINAL + 1F TEACHER TOILET SEATS, 1 DISABLED TOILETS, GRADE R: 3	UPGRADES AND ADDITIONS	R2 038,972	R-	R461,819	R216,583



		SEATS AND WATER PROVISIONING.					
UMVOLOZI PRIMARY SCHOOL	35	STORM DAMAGE TO SCHOOL	REFURBISHMENT AND REHABILITATION	R1 600,000	R-	R137,100	R208,986
UMVOLOZI PRIMARY SCHOOL	35	SANITATION PROGRAMME (PHASE 2), CLUSTER D CONSTRUCTION OF NEW STRUCTURES, 2S; 6B; 8G	UPGRADES AND ADDITIONS	R2 049,983	R162,430	R-	R-
XHONYWA PRIMARY SCHOOL	10	STORM DAMAGE REPAIRS INCLUDING NEW CONSTRUCTION	REFURBISHMENT AND REHABILITATION	R9 951,200	R1 659,192	R2 289,383	R4 433,681
XHONYWA PRIMARY SCHOOL	10	CONSTRUCTION OF 8 GIRLS' TOILET SEATS, 4 BOYS' TOILET SEATS AND 4 URINAL SPACES, 1M +1URINAL +2F TEACHER TOILET SEATS, 1 DISABLED TOILETS, GRADE R: 5 SEATS AND WATER PROVISIONING.	UPGRADES AND ADDITIONS	R5 865,556	R1 085,000	R102,000	R-
ZAMUKUZAKHA PRIMARY SCHOOL	36	STORM DAMAGE REPAIRS INCLUDING NEW CONSTRUCTION	REFURBISHMENT AND REHABILITATION	R7 373,351	R2 131,538	R2 232,929	R3 741,812



3. Department of Human Settlements

Table 27: Department of Human Settlements Projects

Municipality	Intervention	HSS Project Desc	Total Annual No of Units	Total Annual Unit Budget
RAY NKONYENI LOCAL MUNICIPALITY	INCREMENTAL	K03110011 Masinenge Housing Project(New Annexure D) - Phase 1	110	R 18 800 300,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K13030023 Kwamadlala Rural Housing Project Phase 1 - Phase 1	20	R 3 170 300,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K13030026 Oshabeni Rural Housing Project(Annexure D) - Construction of 300 Top Structure	65	R 8 719 909,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K13040007 Kwanzimakwe Rural Housing Project (New Annexure D) - Phase 1	60	R 9 510 900,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K13120002 Kwandwalane Rural Housing Project Phase 2 - Phase 1	55	R 8 718 325,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14020017 OSS New Annxure D - OSS for 32 Ben in Ray Nkonyeni-Ugu	15	R 2 377 725,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14020017 OSS New Annxure D - OSS for 50 in Ugu(Ray Nkonyeni,Mzumbe,Umziwabantu)	30	R 4 755 450,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14030023 Vukuzithathe(Phase 3) Rural Housing Project - Phase 1	25	R 3 962 875,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14040004 Mthimudi Shibe (Phase 2) Rural Housing - Phase 1	25	R 3 962 875,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14040005 Kwanyuswa Rural Housing Project (phase 2) - Phase 1	25	R 3 962 875,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K14080008 Gamalakhe Insitu Uprade Devl. Project - New Annexure D	95	R 15 063 443,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K17090029 Mthimude Phase 2 Rhp (hlomendlini&bosiki) - Phase 1	25	R 3 962 875,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K20090011 Vukuzithathe Phase 3 Bandlana (1000) - Phase 1	25	R 3 962 875,00
RAY NKONYENI LOCAL MUNICIPALITY	RURAL	K20110014 Kwanyuswa(Woyisane&Nkulu) Ph2 Rural - Phase 1	15	R 2 633 798,00



No.	PROJECT NAME	WARD	PROJECT VALUE	NO. OF HOUSES BUILT	CURRENT STATUS
1	Oshabeni Phase 2 RHP **-300 Units**	4 & 12	R39 957 444.00	150	Project progress is behind the development program, due to delays have been experienced on non-performance from the contractors, 150 units has been completed
2	Merlewood Mixed Income **-228 Units** **Inclusive of Services**	17	R30 792 699.48	137	Project progress is behind the development program, the Contractor is currently busy with retaining walls.
3	KwaNdwalane Deep Rural Housing/ Phase 3 **1000 UNITS**	3 &24	R131 082 085	995	Project to be closed off at 955. Balance of 5 beneficieries will be allocated to Phase 2 KwaNdwalane peri urban project



No.	PROJECT NAME	WARD	PROJECT VALUE	NO. OF HOUSES BUILT	CURRENT STATUS
6	Gamalakhe Rectification of 273, Pre-1994 houses	5 & 28	R35 704 679.19	Nil	4 units to be demolished and re-built. DoHS has approve the funding for the 4 houses to be demolished, and rebuild. Waiting for Housing designs approval from RNM Planning.
7	KwaMadlala RHP **-1000 UNITS**	14	R126 954 730	992	Construction completed. Project to be closed out at 992. the balance cannot be constructed due to technical issues e.g inaccessible sites
8	Vukuzithathe Ngcawusheni Phase 2	30	R 48 513 054.00	Nil	Contract Section to finalize the contract agreement with the appointed IA.
9	Vukuzithathe Phase 3 - Bandlala	30,31 and 33	R 48 576 252.00	Nil	Contract Section to finalize the contract agreement with the appointed IA.



No.	PROJECT NAME	WARD	PROJECT VALUE	NO. OF HOUSES BUILT	CURRENT STATUS
10	Mthimude Phase 2-Shibe	35 and 36	R 48,530,289.00	Nil	Contract Section to finalize the contract agreement with the appointed IA.
11	Mthimude phase 2 - Hlomendlini	35 & 36	R 48 515 817.00	Nil	Contract Section to finalize the contract agreement with the appointed IA.
12	KwaNyuswa Phase 2 – Blose	34	R 48 721 290.00	Nil	Contract Section to finalize the contract agreement with the appointed IA.
13	KwaNyuswa Phase 2 – Wosiyane and Nkulu	34	R3 086 740.00	Nil	Plans and Specification are not approved by Building Control (Ray Nkonyeni Municipality). Project still awaiting Ingonyama Trust Board approval.



No.	PROJECT NAME	WARD	PROJECT VALUE	NO. OF HOUSES BUILT	CURRENT STATUS
14	22 OSS Beneficiaries under Ray Nkonyeni Municipality	various wards	R 2 903 025,52	Nil	The Project was delayed due to RNM housing designs approval, the Contractor is currently busy with site establishment.
15	32 OSS Beneficiaries under Ray Nkonyeni Municipality	07,08, 22 and 29	R 3 550 304,00	Nil	The Service Provide is currently busy with Beneficiary Administration, once the beneficiary admin is finalized they will start the process of construction on sites.
16	50 OSS Beneficiaries under Ray Nkonyeni Municipality	various wards	R 6 760 658,50	Nil	The Service Provide is currently busy with Beneficiary Administration, once the beneficiary admin is finalized they will start the process of construction on sites.



No.	PROJECT NAME	WARD	PROJECT VALUE	REASON FOR HALT	NO. OF HOUSES BUILT	COMMENT
1.	Bhobhoyi Phase 2 (Planning Stage) **-1098 Units and Services**	20	R3 326 610.00	Insufficient Bulk Infrastructure within the project area	NIL	All planning activities have been completed. Construction on hold due to insufficient bulk infrastructure. R3 326 610.00 spent
3.	Mkholombe Upgrade of Informal Settlements (Planning Stage) **-1000 Units**	20	R3 326 610.00	Insufficient Bulk Infrastructure within the project area	NIL	The settlement is part of UISP. Planning activities are 50% complete. RNM will resuscitate the project and complete the planning phase once the current Development of Upgrading Plans programme is complete.



4. Department of Transport

Table 28: Department of Transport Projects – Flood Related Projects

Road No.	Locality	Ward No.	Output Target (km)	Targeted No. of Work Opportunities	Awarded	Project Manager	Project Status
D2310	KwaXolo	32	0.84 km	Yes	Yes	Mr B Cele	100% Complete
D941	Assis	4,5,15	9.00 km	Yes	Yes	Mr B Cele	70% Complete
D901	KwaXolo	7	4.97 km	Yes	Yes	Mr B Cele	100% Complete
D1097	KwaNzimakwe	1,10,11	4.65 km	Yes	Yes	Mr S.M Kweyama	100% Complete
D916	Enkulu/ Kwamavundla	5,25	5.19 km	Yes	Yes	Mr B cele	90% Complete
D861	Eweza/ KwaNzimakwe	10	8.43 km	Yes	Yes	Mr B Cele	100% Complete
L1028	Manzamhlophe, KwaXolo	8,9,32	1.96 km	Yes	Yes	Mr B Cele	100% Complete
P68-2	Oshabeni	4,14	2 km	Yes	Yes	Mrs Nkonzo	100% Complete
P732	Gcilima/ KwaXolo	8, 9, 32	2351,27m²	Yes	Yes	Mr S Kweyama	50% Complete
D1092	KwaXolo	8, 7	6,75Km	Yes	Yes	Mr B Cele	95% Complete



Road No.	Locality	Ward No.	Output Target (km)	Targeted No. of Work Opportunities	Awarded	Projects Manager	Project Status
D1091	KwaXolo	29	7,8 km	Yes	Yes	Mr S.M Kweyama	100% Complete
D150	KwaMadlala	13,15	4 km	Yes	Yes	Mr Mgonandoda	95% In Progress
D365	KwaMadlala	15	5,72km	Yes	Yes	Mrs Nkonzo	75% in Progress
D686	KwaMadlala	15	7,3 km	Yes	Yes	Mr Mgonandoda	100% Complete
D903	KwaShoba	30	5,2 km	Yes	Yes	Mrs Nkonzo	90% in Progress
L1077	Elim KwaXolo	29	3,2 km	Yes	Yes	Mr S.M Kweyama	100% Complete
L170	Luisianna	15	2,15 km	Yes	Yes	Mrs Nkonzo	100% Complete
L1815	Ethekwini Kwaxolo	8	3 km	Yes	Yes	Mr S.M Kweyama	95% Complete
L2445	Emasele KwaMavundla	25, 26	4,3 km	Yes	Yes	Mr Mgonandoda	100% Complete
L2683	Oshabeni	4, 5	2,22km	Yes	Yes	Mr Mgonandoda	80% in Progress
D203	Gcilima	9	4,75 km	Yes	Yes	Mr S.M Kkweyama	100% Complete
P284	Port Edward, Ezingolweni	1, 30, 31,33	3573,29m²	Yes	Yes	Mr S.M Kweyama	100% In Complete



Road No.	Locality	Ward No.	Output Target (km)	Targeted No. of Work Opportunities	Awarded	Projects Manager	Project Status
D2126 & D2127(L1830)	KwaNdwalane	20	1,46 km	Yes	Yes	Mr Mgonandoda	35% in Progress
L1027	KwaNdwalane	21	3,7 km	Yes	Yes	Mr Mgonandoda	50% in Progress
D947	KwaMadlala	15	5,6km	Yes	Yes	Mrs Nkonzo	45% in Progress
D1084, D812 & D122	KwaNyuswa,KwaMthimude & Ellim	30,	3,4km,0,5km & 0,1Km	Yes	Yes	Mrs Nkonzo	40% in Progress
D902 & D1096	KwaXolo	8,10,32	10,56	Yes	Yes	Mr S.M Kweyama	85% in progress
P69,P200 & P262	KwaNzimakwe & KwaCele	8,9	6473,90m^2	Yes	Yes	Mr. S.M Kweyama	30% in progress
D440	Oslo	20	7107,32m^2	Yes	Yes	Mr. S.M Kweyama	30% in progress
L2900	KwaXolo	30	4,935km	Yes	Yes	Mr S.M Kweyama	80% in Progress
P198	KwaMadlala		11,00km	Yes	Yes	Mr. S.M Kweyama	60% in progress
D455	KwaMadlala		5,30	Yes	Yes	Mr S.M Kweyama	70% in progress
D413	Kwaxolo	29	12,50	Yes	Yes	Mr M Gumede	30% in progress
D1095	Kwaxolo	8	12,86	Yes	Yes	Mr B Cele	50% in progress
D1055	KwaNdwalane	24	6,952	Yes	Yes	Mr B Cele	50% in progress



Road No.	Locality	Ward No.	Output Target (km)	Targeted No. of Work Opportunities	Awarded	Projects Manager	Project Status
L1819	KwaCele	31	2,30	Yes	Yes	Mr B Cele	40% in progress
L2550	Kwacele	35	8,24	Yes	Yes	Mr B Cele	Awaiting SCM Processes
D2472	KwaMavundla	25, 26	5,8	Yes	Yes	Mr B Cele	50% in progress , contractor is working now.



Rehabilitation Projects

Activity	Total km/m	Location & Ward No	Budget / Project Award	% Project Progress	Project Duration	Status
• Reseal (Double Seal)	6km	3; 20	R 25 Million	70%	5 months	• P200 – Contract was terminated due to non performance and having completed the double seal for 6km. The abutment works will be done by CPG once the new contractor have been awarded. (New contract document at Tender Stage)
Upgrading of D365 to a blacktop surface	3km	14; 15	TBA	0%		Planning and Design done. Contractor to do construction is being outsourced through SCM processes.



Regravelling Projects

Road No.	Activity	Locality	Local Municipality	Ward No.	Output Target (km)	Foreman	Project Duration	Project Status
D1098 / D1116	Betterment and Re-gravelling	Madlala	Ray Nkonyeni	5,6,7		Shange	4 Weeks	Complete
D337 / L3480	Betterment and Re-gravelling	Nositha	Ray Nkonyeni	29		Zulu	4 Weeks	Started on the 06/03/2023.The progress is low due to breakdown of the excavator. To load the material they using TLB instead of Excavator
L3017	Betterment and Re-gravelling		Ray Nkonyeni			Zulu		Planning
D1094	Betterment and Re-gravelling		Ray Nkonyeni			Zulu		Planning
L1030	Betterment and Re-gravelling		Ray Nkonyeni	8		Zulu		Planning
D1089	Betterment and Re-gravelling		Ray Nkonyeni	27		Zulu		Planning
P520	Betterment and Re-gravelling		Ray Nkonyeni	29		Zulu		Planning
D1093	Betterment and Re-gravelling		Ray Nkonyeni	29		Zulu		Planning
D164	Betterment and Re-gravelling		Ray Nkonyeni	29		Zulu		Planning
D1104	Betterment and Re-gravelling		Ray Nkonyeni	8		Zulu		Planning
D1105	Betterment and Re-gravelling		Ray Nkonyeni	8		Zulu		Planning
L2247	Betterment and Re-gravelling		Ray Nkonyeni			Zulu		Planning
D2130	Betterment and Re-gravelling		Ray Nkonyeni	11		Zulu		Planning



8. UGU District Municipality Water & Sanitation

Table 29: UGU DM Water & Sanitation Projects

Project Description	Sector	Status of the project
Infrastructure Asset Management	Water & Sanitation	Service Provider carried out function for previous financial years and well versed with AG Requirements
Repairs and Refurbishment of Water Infrastructure	Water	Service Provider carried out infrastructure asset conditional assessment for Water Infrastructure from pervious appointment
Repairs and Refurbishment of Sanitation Infrastructure	Sanitation	Service Provider carried out infrastructure conditional assessment for Sanitation Infrastructure from previous appointment. The implementation stage will start in the 2022/2023 FY.
Upgrading of uMthamvuna Raw Water Abstraction and Water Treatment Works	Water	Service Provider appointed from previous panel and is currently already working on the planning stages of this project's life cycle.
Permanent Reinforced Concrete Salt Containment Berm across Umzimkhulu River	Water	Service Provider appointed from previous panel and currently working on the planning stages of this project's life cycle.
Umzimkhulu Bulk Water Augmentation Scheme - Phase 2	Water	Service Provider appointed from previous panel and currently working on the planning stages of this project's life cycle.
Drilling of New Boreholes and Refurbishment of Existing Boreholes and Spring Protection Systems	Water	The project is currently at tender stage



Project Description	Sector	Status of the project
Water Pipeline Replacement - Phase 2	Water	Project is currently at the stage of finalizing the Business Plan for Phase 2
Rural Household Ventilated Improved Pit (VIP) Sanitation	Sanitation	Service Providers appointed and the project is currently under implementation.
Upgrade of 5.5ML/d Extension of uMbango WWTW	Sanitation	New Project. A PSP has been appointed to start with the planning for the project.
Upgrade of 1.5ML/d Extension of Melville WWTW	Sanitation	New Project. A PSP has been appointed to start with the planning for the project.
KwaLatshoda Water and Sanitation Project	Water & Sanitation	New Project. A PSP has been appointed to start with the planning for the project.
Mkholombe Waterborne Sanitation Project	Water & Sanitation	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of Bulk Water Supply from Bhobhovi Water Treatment Works to Umzimkhulu Command Reservoir	Water	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of Umzimkhulu Northern Systems Bulk Water Supply to Fairview, Woodgrange and Hibberdene	Water	New Project. A PSP has been appointed to start with the planning for the project.



Project Description	Sector	Status of the project
Upgrading of uMthamvuna to Port Edward Bulk Water Supply	Water	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of KwaNyuswa Phase 2 Bulk Water Supply System and Water Reticulation	Water	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of Bulk Water Supply Infrastructure on the KwaNositha and Game Reserve Systems	Water	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of Ezingolweni Bulk Water Infrastructure	Water	New Project. A PSP has been appointed to start with the planning for the project.
Upgrading of Assisi Water Treatment Works and Refurbishment of Existing Infrastructure	Water	New Project. A PSP has been appointed to start with the planning for the project.
Umkomaas Dam	Water	The Department of Water and Sanitation is currently finalizing the planning of this project
Ocwabeni Dam	Water	The Department of Water and Sanitation is currently finalizing the planning of this project
Mhlabatshane Water Treatment Plant	Water	The Umgeni Water is currently busy with the planning for the project
Weza Regional Scheme	Water	New Project. A PSP has been appointed to start with the planning for the project.



9. PLANKONSULT : THYS BLOM Pr.Pln A/073/1985

i. NJABULO GAP HOUSING

1. Submit SPLUMA application – end of March 2022
2. Approval of SPLUMA application – Pending
5. Commence with civil infrastructure installation – On hold, pending SPLUMA approval
6. Commence with first dwelling house construction – On hold, pending SPLUMA approval

ii. SWEETVALE RETIREMENT VILLAGE

1. Submit application for environmental authorisation – March 2021
2. Submit SPLUMA application – August 2022
3. Approval of SPLUMA application – Pending
4. Commence with civil infrastructure installation – On hold, pending SPLUMA approval
5. Commence with first dwelling house construction – On hold, pending SPLUMA approval

10. Economic Development, Tourism & Environmnental Affairs (EDTEA)

Table 30: EDTEA Projects

Project name	Description	Funding	Progress
Margate Airport (Ugu)	Regional airport linkage to increase connectivity to KZN tourism sites. - Reconfiguration of Terminal Building at the Airport to create more space for departures and arrivals in compliance with CAA Regulations	R10m	Project was launched

11. Department of Health

Table 31: Department of Health Projects

Municipality Name	Project Name	Milestone Reached	Total Project Cost	Budget 2023/2024	Estimated Construction Start Date	Estimated Construction End Date
RNM	Port Shepstone Hospital-New 28 bedded Psychiatric Unit	Design	R317,196,000	R5,000,000	01/07/2023	30/06/2026
Ray Nkonyeni (KZN216)	Murchison Hospital-Alterations and Renovations to Staff Accommodation	Construction Started	R34,649,213	R21,500,000	14/09/2022	14/12/2023



1.11 Infrastructure

With regards to the Provincial Infrastructure Strategy which talks to providing an overarching operational plan with a long term vision to achieve and sustain infrastructure delivery as an enabler of the national economic strategy, Ray Nkonyeni Municipality's infrastructure projects fully align to it. The South African Government adopted a National Infrastructure Plan in 2012 with the plan it is aimed at transforming SA's economic landscape while simultaneously creating significant numbers of new jobs, and strengthen the delivery of basic services. To this plan, the municipality, through the infrastructure projects it runs, indicates another alignment.
Through the strategies in place, the municipality has ensured that implementation is in accordance. Below are the different types of infrastructure projects within the municipality:

i. Roads infrastructure

The Development Bank of South Africa (DBSA) currently made a provision of professional services to develop a Roads and Storm Water Masterplan in support of Ray Nkonyeni Municipality. The municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.

The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is that, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure all roads are in safe driving conditions are underway.

II. Air infrastructure:

The municipality has a running airport situated at Margate, opened in November 2013. Over the years, the airport had infrastructural upgrades due to its size and dilapidation state. Below is a summary of its status quo:

i. Airport Buildings

The airport terminal building in size does not accommodate increased passenger numbers during school holidays and seasonal periods. The layout of the facility is not ergonomically suitable for more than one airline operating from the terminal building itself. Features relating to the check-in of baggage and passengers for departure as well as baggage handling (carousel) for arriving passengers should be incorporated in the design of the terminal building. The control tower is currently not high enough and should be increased in height in order for air traffic control to be able to monitor the threshold of runway 23. Alternatively the installation of cameras close the runway to be installed for air traffic controllers to have a view of the runway for operational safety purposes.

The construction that is currently in progress at the airport addresses shortcomings in terms of opening the landside entrance and enlarging of the reception area. Car rental companies will be accommodated in a new building adjacent to the current terminal building. This will allow for the fluent management of passengers and visitors to the airport. The bathroom facilities will be extended to the northern side of the current terminal building.



ii. Runway

The asphalt runway at Margate Airport is sufficient to accommodate medium size turbine aircraft and smaller jet aircraft for which the condition of the runway is acceptable for a limited lifespan. There are surface cracks appearing along the length of the runway which can lead to deeper deterioration of the base of the runway. In the near future the runway would require to be resurfaced together with the resurfacing of the apron and taxi ways (movement areas). Currently the emergency exit roads leading from the movement areas is not paved according to the regulated requirements and should be considered when resurfacing of the movement areas are conducted. Noticeable damage to the base of the runway on the turning circles at both ends of the runway is concerning and non-compliant. A friction test should be conducted after resurfacing and repainting are conducted on the runway and movement areas.

iii. Rail Infrastructure

The railway infrastructure linking RNM with Umdoni is non-functional. Also the Banana express rail linking the southern part along the coastal belt with Ezinqoleni town is dysfunctional considering that this used to be a big tourist attraction more especially over the festive season, but proved very expensive to maintain.

iv. Telecommunications infrastructure

In terms of IT Infrastructure, the municipality does not have funds for IT implementation as encouraged by CoGTA in the 2018/19 IDP Review, however, there is quite good telecommunication network coverage although much still needs to be done to reach world class standards since the municipality is thriving to be the game changer of the South Coast Development by being a smart city. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the majority of people rely on cellular phones with poor network connections. Some key issues faced by the municipality is access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs.

v. Community facilities infrastructure

There are community facilities readily available for usage. These include Community halls and MPCCs. Each ward within the municipality boasts of its own community hall utilised for different activities, including IEC needs.

vi. Bulk water infrastructure

The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several of treatment plants owned by Ugu before being distributed. Ugu District Water Services Development Plan (WSDP) indicated that the rivers within the District Municipality have sufficient surplus flow to cater for the water demands for the foreseeable future. However some of the infrastructure needs to be upgraded to cater for the demand. The aging infrastructure and rising demands have resulted in Ugu District Municipality embarking on the Non-Revenue Water management programme to reduce water losses and new water project to meet the demand. The Umzimkhulu augmentation and South Coast bulk pipeline are now at implementation stage with other programmes provided for in the next year's indigents.

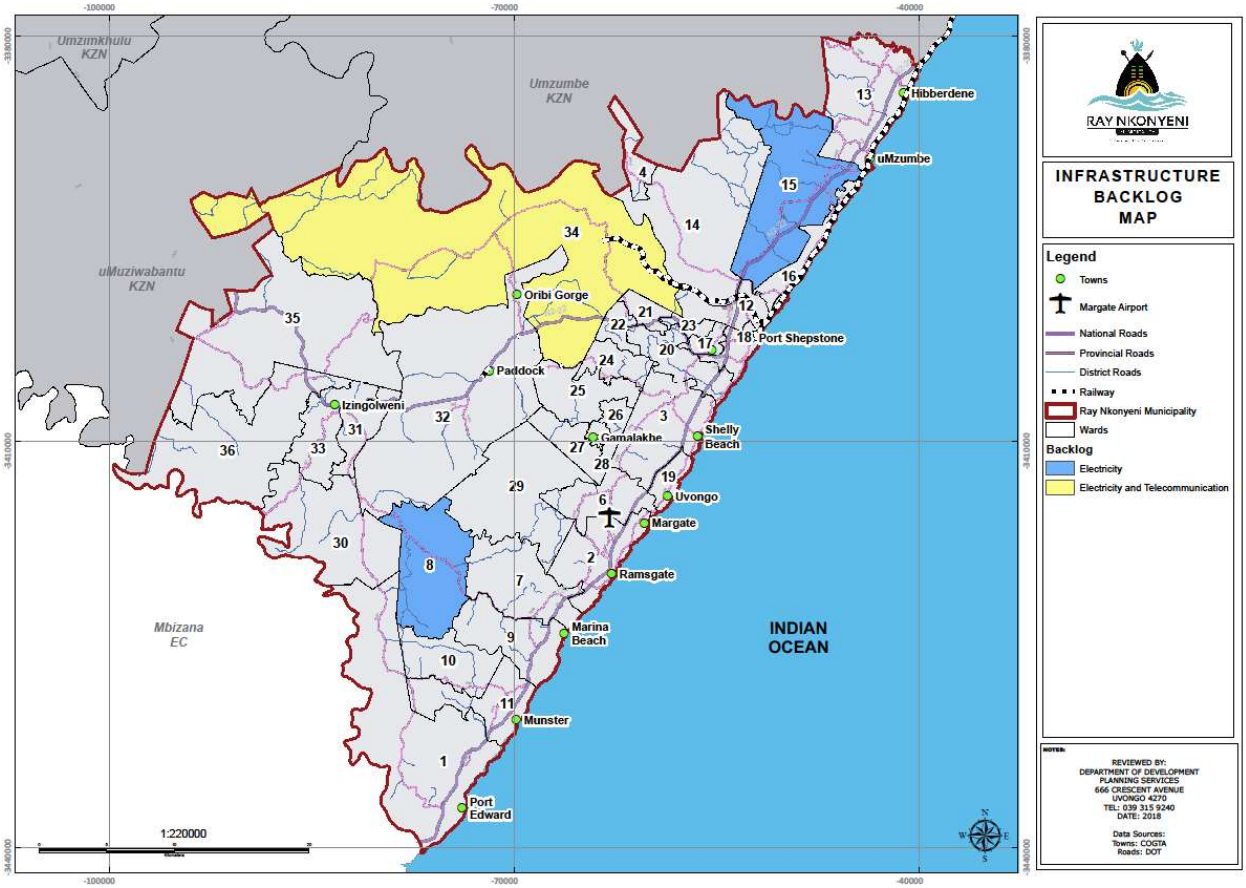
vii. Bulk sewer infrastructure

The provision of sanitation services is also the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip.

viii. Bulk Electricity Infrastructure

It is no surprise that the bulk electricity infrastructure is concentrated in areas that have the highest population densities which is mainly along the coastal strip as well as Murchison, Ezingolweni and Oribi George. There are also a number of HV and MV cables that originate from these substations which distribute electricity within different parts of the municipal area. This is further supported by the MV stations. The electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area

Map 5: Infrastructure Backlog



Source: RNM GIS 2021



1.12 Goals and Objectives

There are goals set to improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the Back to Basics Strategy. Ray Nkonyeni Municipality is in line with this programme as well as the strategy. The municipality has ensured that goals set are meant to take the municipality's communities to greater heights in terms of sustainable livelihoods by providing basic services to its level best not losing sight of its 6 strategic objectives as outlined in the 2036 Vision, which is its long term vision.

On the following page, are the eight goals the municipality wants to achieve, aligned to the 6 2036 vision strategic goals as well as the National Growth Development Strategy



Table 32: Goals, Relevant National KPAs and Strategic Objectives

GOAL	RNM LONG TERM GOAL (VISION 2036) STRATEGIC GOAL	RELEVANT KEY PERFOMANCE AREAS	STRATEGIC OBJECTIVES
1.Eradicating Poverty and Hunger	Goal no.2 Diverse and inclusive economy	Local Economic Development and Social Development	• To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly • To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes • To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a Conducive Environment for Inclusive and Diverse Economic Growth and Development	Goal no.2 Diverse and inclusive economy	Local Economic Development and Social Development	• To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector • To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community • To promote township and rural development through nodal developments • To promote RNM as a prime tourism and investment destination • To promote local economic development and the support of emerging enterprises and SMMEs • To promote • To promote strategic and transformative release of land to foster inclusive economic development
3.Promoting Healthy Lives and Equitable Access To Education and Learning Opportunities	Goal no.4 Human Resource Development	Good Governance & Public Participation	• To create a skilled and capable citizenry, that contributes to the growth of the local economy • To create a learning municipality • To create a healthy citizenry, that is capable of participating in growing local economy
4.Developing a capable, equitable and financially viable institution and ensuring good and sound governance	Goal no.4 Human Resource Development	1.Municipal Transformation and Organisational Development	• To foster effective and efficient Inter-Governmental Relations (IGR) • To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality



GOAL	RNM LONG TERM GOAL (VISION 2036) STRATEGIC GOAL	RELEVANT KEY PERFOMANCE AREAS	STRATEGIC OBJECTIVES
		2.Good Governance and Public Participation	• To improve the organisation's performance through enhanced productivity and achievement of service delivery • To enhance organizational development in line with community needs • To promote a culture of participatory planning and participatory democracy • To have updated organisational policies and modernised information and communication technologies for good governance • To develop an ethical organisation which is fraud, corruption and maladministration free • To promote and uphold principles of transparency, accountability, good governance and legal compliance • To ensure confidence of all stakeholders in municipal financial management
		3.Municipal Financial Viability and Management	• To ensure sound and effective financial management and compliance with policy and legislative requirements • To improve debt management, debt collection, ensure value for money and implement cost reduction measures • To grow and diversify revenue streams and implement free projects
5.Ensuring Infrastructure Development and Universal Access to Reliable Basic Services	Goal no.4 Infrastructure	Service Delivery and Infrastructure	• To ensure expenditure on long-term capital infrastructure project plans • To ensure effective and efficient management and utilisation of council owned properties and assets. • To ensure existing infrastructure is maintained and revitalised • To address infrastructure backlogs and extend access to basic services • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting a safe and secure society	Goal no.2. Diverse and inclusive economy	Local Economic Development and Social Development	• To ensure a safe and crime free municipality by reducing crime though law and by-law enforcement. • To galvanise and mobilise all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring	Goal no.6	Cross Cutting Issues	• To promote the sustainable utilisation of natural resources and compliance with environmental legislation



GOAL	RNM LONG TERM GOAL (VISION 2036) STRATEGIC GOAL	RELEVANT KEY PERFOMANCE AREAS	STRATEGIC OBJECTIVES
sustainable development and resilient communities	Environmental Sustainability		• To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating Spatial Integration and Development of Sustainable Human Settlements	Goal no.1 Spatial Equity	Cross Cutting Issues	• To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements



1.13 Core Values

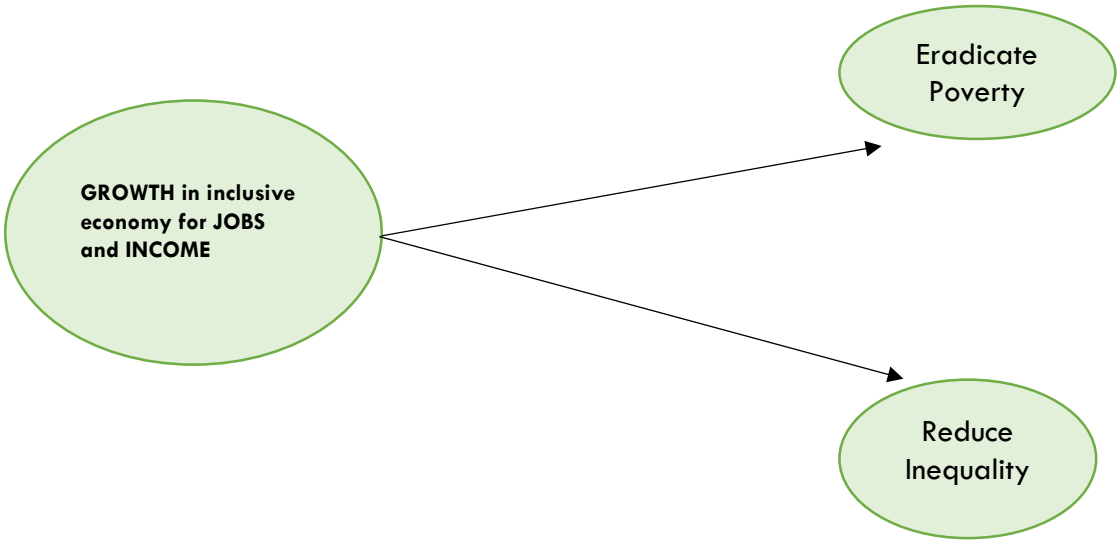
The municipality fully adheres to the eleven principles of Batho Pele and over the years displayed good governance to its citizens and has thrived on the following core values:

- Accountability
- Transparency and openness
- Responsiveness
- Ethical
- Integrity, honesty and pride
- Excellence
- Efficiency and effectiveness
- Professionalism

1.14 Key Challenges

Poverty and unemployment is very rife at RNM. One of the National Development Plan 2030 outcomes and mechanisms is on eradicating poverty and reducing inequality. This requires increasing growth in a more inclusive economy, which creates jobs and incomes. RNM'S long term vision formulated ensured that it aligns to this outcome to ensure that all its citizens are sustainable in terms of eradicating poverty by having an economy that is growing and job opportunities. This will be carried out by ensuring that its economy is inclusive and all programmes to enhance poverty alleviation are carried out effectively. The municipality is set at reducing its poverty by having inclusive growth which will create jobs and ensure sustainability. Following is a diagram illustrating the NDP 2030 outcomes and mechanism which RNM is fully aligning to it.

Illustration 1: 2030 Outcomes and Mechanisms





Challenges faced by the municipality are listed below:

Table 33: Municipal Key Challenges

• **Transformation of natural areas (unregulated developments, sand mining etc.),** • **The uncontrolled spread of invasive alien species, climate change, and pollution** • **No environmental By laws** • **Lack of funding for emerging farmers** • **Poor telecommunications in rural areas** • **Illegal dumping** • **Municipal powers and function** • **Vacancy rate is high** • **Poor attendance of Sector Departments in war-rooms** • **Highly deprived ward**	• **High population density along the coastal belt.** • **High level of social ills, i.e. teenage pregnancy, substance and alcohol abuse, etc.** • **Scarce and critical skills shortage** • **Skewed-dual economy** • **Backlogs on provision of basic service delivery i.e. sewage, water, electricity, roads, housing etc.** • **Stormwater backlog** • **Limited funding available to deal with huge backlogs** • **Inability of poor households to pay for services due to unemployment and poverty**
• **Ageing infrastructure** • **Strategic infrastructure** • **Backlog in electricity provision** • **Illegal waste dumping** • **Lack of market infrastructure** • **Lack of street trading licenses** • **The municipality still experiences triple challenges i.e. inequality, unemployment and poverty**	• Informal settlements enlarging • Emerging small commercial farmers with no capital and expertise • Urban biased development • Poor debt payment by residents • Poor disaster vehicle maintenance • Shortage of disaster manpower • Employee retention



1.14.1 Strategic intervention

The key challenges identified are unpacked in the table below alongside the relevant KPA. On the next column on the table, the municipality further shows how it intends to unlock each challenge. These challenges will be discussed in detail later in the document.

Table 34: Challenges and Interventions

NATIONAL KEY PERFORMANCE AREA	KEY DEVELOPMENT CHALLENGE	STRATEGY TO UNLOCK CHALLENGES
Basic Service Delivery	Strategic infrastructure Bulk water Electricity to unlock investment potential Backlog in electricity provision Poor maintenance of infrastructure Ageing infrastructure Illegal Waste Dumping Stormwater backlog	Using of MIG grants The maintenance of municipality assets Developing business plans, to attract potential funds or investors
Local Economic Development And Social Development	Unemployment, poverty and inequality Unsustainable LED projects in the hinterland Lack of monitoring and evaluation for cooperatives Very limited or no municipal land for urban expansion 6. Informal settlements 7.Emerging small commercial farmers with no capital and expertise Lack of market infrastructure Lack of street trading licenses High level of social ills Skewed-dual economy	Promoting economic development through trainings Monitoring and evaluation of LED projects Attracting investors Establishment of local LED forum



Good Governance and Public Participation	9. Poor participation of amakhosi Triple Challenges (Inequality, unemployment and poverty)	Conducted through mediums such as Mayoral Izimbizo, Operation Sukuma Sakhe and public meetings Liaise with KZN COGTA- traditional affairs unit to assist
Municipal Financial Viability And Management	10. Poor debt payment	Effective revenue enhancement strategy
Municipal Transformation And Institutional Development	11. Lack of office space 12. Employee retention 13. Few powers are not fully functional due to budget constraints. High Vacancy Rate	Budget for office space Increase capacity
Cross Cutting	14. Rural schemes and Environmental unresolved issues 15.Urban biased development Informal settlements enlarging Poor disaster vehicle maintenance Shortage of disaster manpower High population density along the coastal belt. No environmental By laws	Unlocking of land for development Developing policies Establish agreement with Amakhosi/Ingonyama Trust



1.15 Organizational Performance Management Framework

The municipality has developed its Service Delivery and Budget Implementation Plan (SDBIP) to fulfill both the requirements of the Municipal Systems Act and the Municipal Finance Management Act. The Framework provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

When formulating the 5 year IDP plan, the municipality took into account the performance from the previous IDP. It must further be noted that when doing quarterly reviews, the municipality reflects back to targets that had not been achieved in the previous quarter whereby reports on progress to date are made which are called Performance Improvement Plans (PIP)

1.16 How Will key Performance Areas Be Measured

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organizational Performance Management System (OPMS) must entail a framework that sets out how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.

The municipality will ensure that all section 57 employees sign performance contracts aligned to the municipal IDP and objectives. The municipality will also ensure that employees reporting directly to Heads of Departments have performance plan to enable a focused performance of the municipality.
In line with the said legal requirement, this framework should be seen as a policy document that sets out:

The requirements that RNM's OPMS will need to fulfill;

- The principles that must inform its development and subsequent implementation;
- The preferred performance management model of the municipality;
- The process by which the system will work;
- The delegation of responsibilities for different roles in the process; and
- A plan for the implementation of the system

1.17 How the IDP was formulated

A number of aspects, readings, policies, MEC comments for the 2022/2023 Final IDP and legislated documents were considered in formulating the 2023/2024 Final IDP.

The preparation of the 5 year IDP is a continuous process providing a framework for development planning activities in the district. The development and preparation of the IDP is to allow for a changed and renewed development outlook to be taken into account particularly new priorities and where development annually assessed in terms of delivery and the prevailing conditions in the municipality, but also improved upon each and every year. The MEC for CoGTA after all municipalities submit their respective IDPS, assesses them and provides feedback. This is then taken into account during an annual review by each municipality.



- Section 28 of the Municipal Systems Act of 2000 (MSA) stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. RNM adhered to this Act as its 2022/2023 IDP Process Plan was adopted in August 2022 by Council and submitted to Cogta and this process has informed the current IDP ***(See attachment 1: IDP Process Plan)***
- Invitations via the media for members of the public to register their interest to participate as different interest groups as well as give direction in terms of Institutional Arrangements, Mechanisms and Procedures for Participation and Alignment, IDP Review Action Programme and break down the Roles and Responsibilities were practiced
- The approach adopted in the preparation of the 2023/2024 Final IDP is strongly guided by the guidelines prepared by KZN COGTA as set out in the IDP guide packs and the IDP simplified format. The IDP is in line with the Department of Co-operative Government and Traditional Affairs Guideline for IDP's 2007 / 2008 and beyond
- The adjustment budget process took place in the month of February 2022 whereby all departments adjusted their individual budgets with the guidance of the Finance Department. The Draft IDP and Budget were submitted to Council for approval at the end of March 2023.
- MEC comments raised for the 2022/2023 Final IDP submitted in June 2022 were received and have been incorporated and addressed in the IDP.



2022/2023 MEC COMMENTS

Table 35: 2022/2023 MEC Comments

KPA	MEC COMMENTS	STATUS QUO
MUNICIPAL TRANSFORMATION	• The reviewed 2021/22 IDP recorded a vacancy rate of 24,7%. It increased to 27% in 2022/23. LM is encouraged to work towards reducing this rate to boost its capacity to effectively perform on Municipal powers and functions. • The Municipality is commended for ensuring the employment of 19 people living with disabilities, however the LM still need to continue recruiting people living with disabilities to attain the set target of 22 people. • Verify adoption status of ICT Policy Framework. • There should be a link and flow in discussions of challenges mentioned in Chapter A, the Mun Transformation status quo in the MT Chapter and the concluding MT SWOT Analysis and the identified MT challenges.	***SEE 3.3***
LOCAL ECONOMIC DEVELOPMENT	• LED Strategy implementation and annual review was not evident in the IDP, including the implementation of the M&E of projects and interventions as initially outlined in the LED Strategy. This will assist the LM in knowing what works and what should be improved upon. • The Municipality is encouraged to give focus to in-house research to benefit industries operating in the area, this include keeping databases of businesses in the area, their needs and performance. • Prioritise infrastructure investment on existing and new industrial parks/estates to attract and retain tenants in these industrial parks. • The LED Strategy should present information on the work done on **Red Tape Reduction/Ease of Doing Business**, this should also include implementation of the **Incentives Policy**.	. ***SEE 3.6***



	• The LED Strategy to include a comprehensive analysis to identify more **potential economic sectors** where jobs can be created. • The LM is encouraged to group the LED specific information in one section of IDP to ensure a smoother **flow** and understanding of the document.	
BASIC SERVICE DELIVERY	• LMs are required to reflect **information on water and sanitation** as obtained from the District through coordination between the District and Local Municipalities. • Include relevant water and sanitation **maps**. • Verify **Integrated Waste Management Plan** (IWMP) adoption status. • The LM is urged to include the correct and **updated electricity projects** as shared by Eskom during the IDP preparation process. • The Municipality is commended for the efforts made in prioritising the development of the **Local Integrated Transport Plan** (LITP). • Indicate how the municipality is addressing the **animal pound** function.	***SEE 3.2***
FINANCIAL VIABILITY AND MANAGEMENT	• The Municipality has produced comprehensive information aligned to the IDP Assessment Criteria, **all financial information was included**	**SEE 3.7**
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	• The Municipality is commended for the comprehensive coverage and detailed reporting on all aspects of this KPA ✓ • Continue pursuing differentiated approach in **communication with Sector Departments**, such as one-on-one engagements and District sector meetings, in order to improve their participation in IGR Forums. • Report on **functionality of DDM structures**.	***SEE 3.4***
CROSS CUTTING ISSUES	• **Compliance** with MSA Section 26(e) and SPLUMA Sections 12(1) and 20 wrt development and submission of the Spatial Development Framework (SDF)	***SEE 3.2***



	• The LM to **gazette** the SDF as required by SPLUMA. • The SDF should indicate spaces where planned location, inclusionary housing and densities for **future housing development** are to be located. • While the municipality has provided clear quantification of infrastructure, there is no indication of **infrastructural capacity** for both present and future development. • Prepare **Spatial Development Plan** (SDP) as part of SDF. • The Municipality is commended on the well-articulated **environmental analysis**, and inclusion of environmental status in the IDP • The municipality is applauded for considering **expanding the landfill site**, however, when such process commences, the environmental attributes are therefore to be integrated. • The municipality has environmental and waste management strategies in place, however, these strategies should be **implemented and managed properly** for a better environmental outlook of the Municipality. • The Municipality submitted all strategic documents as required by the legislation however disaster management information, which includes hazard mapping, was not properly **aligned to the IDP and SDF**. • The Municipality is advised to **review its organizational structure** to streamline its operations and ensure a **fully functional** Fire and Disaster Management Centre. **Capacity building** for disaster management and fire services must be prioritized. • The LM needs to prioritise **budget** to replace ageing fire engines and vehicles.	
OVERALL SCORE	**95.67**	



2022/2023 FINAL SCORE

Table 36: RNM 2022/2023 IDP KPA Scores

	Service Delivery (out of 5)	Municipal Transformation (out of 5)	Cross Cutting (out of 5)	LED (out of 5)	Financial Management (out of 5)	Good Governance (out of 5)	Overall Credibility
Ray Nkonyeni	**4.8**	**5**	**4**	**4.9**	**5**	**5**	**95.67**



- In preparing the IDP, the municipality took into consideration the MSCOA alignment. The importance of this link is that it:

  - Directly links the inputs per IDP objective to the outcomes and impact on service delivery
  - Would enable performance management and achievement of objectives
  - Will assist in monitoring of progress of projects
  - Will ensure proper management of financial resources
  - Reporting on projects would be easier (dashboard reporting)
  - Promotes the co-ordination between all spheres of government
  - Aids in attracting additional funding (clear prioritization of goals and transparency in funding thereby attracting investors in South Africa)

1.17.1 Aspects that were considered:

- Responding on the Outcome Delivery Agreement (Outcome: 09) and its seven (7) outputs, as signed by the Minister (COGTA);
- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2022/2023 IDP;
- Responding to issues identified as part of the Back to Basics;
- Formulating the current Vision, Mission, strategic objective, programmes and projects;
- Alignment of IDP, Budget and PMS activities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the district-wide priorities and service delivery programmes.

1.17.2 Government Policies Imperatives

The 2023/2024 Final IDP document will be informed and will align with the following strategic documents which will be unpacked in detail in Chapter 2 under planning and development principles :

1. Global Policy Directives

- Sustainable Development Goals
- The New Urban Agenda
- Sendai Framework For Disaster Risk Reduction 2015-2030

2. National Policy Frameworks

- National Development Plan
- State of the Nation Address
- 14 National Delivery Outcome Agreements **(especially outcome nine (9)** in relation to Local government)
- Back to Basics



3. Provincial Policies and Imperatives

- PGDS Nodes and Corridors
- State of the Province Address
- Provincial Growth and Development Strategy 2035
- Provincial Growth Development Strategy

4. Municipal Imperatives and Interventions

- Ugu District Growth Strategy
- Vision 2036
- Back to Basics
- District Development Growth Strategy
- Strategic Development
- Alignment Matrix
- SPLUMA Principles
- District Development Model which informs the One Plan One Budget
- MTSF
- OSS
- Ward Based Plan
- Catalytic projects
- The Municipal Planning and Tribunal
- Strategic Framework/Vision,Goals And Objectives

1.18 Auditor General Findings

The municipality made available an action plan to ensure a clean audit, as means to avert obtaining an unqualified audit.

For effective service delivery, the municipality further puts up an additional plan called operation bounce back for reconciliation to monitor performance per department on monthly basis. The plan has a timeframe which includes details of the issue which needs to be addressed, the person responsible for that corrective action and progress status. It must be noted that this plan is not for G findings, but set up to ensure departments are on track with major issues that need immediate attention.

1.19 Annual Report Performance

The IDP paid attention to the annual report for ensuring that findings reflected are addressed. This is done to enhance the performance of the municipality. The report identified a number of gaps which the municipality has since put corrective measures for.

1.20 The Municipal Strategies, Plans and Policies

The municipal departments' strategies, plans and policies are in place and reviewing of strategies has been ensured to enhance proper implementation of service delivery. Sector departments also presented their strategies to be utilized for the next 5 year term to ensure alignment with those of the municipality.



1.21 Ugu District Development Plan (DDM)

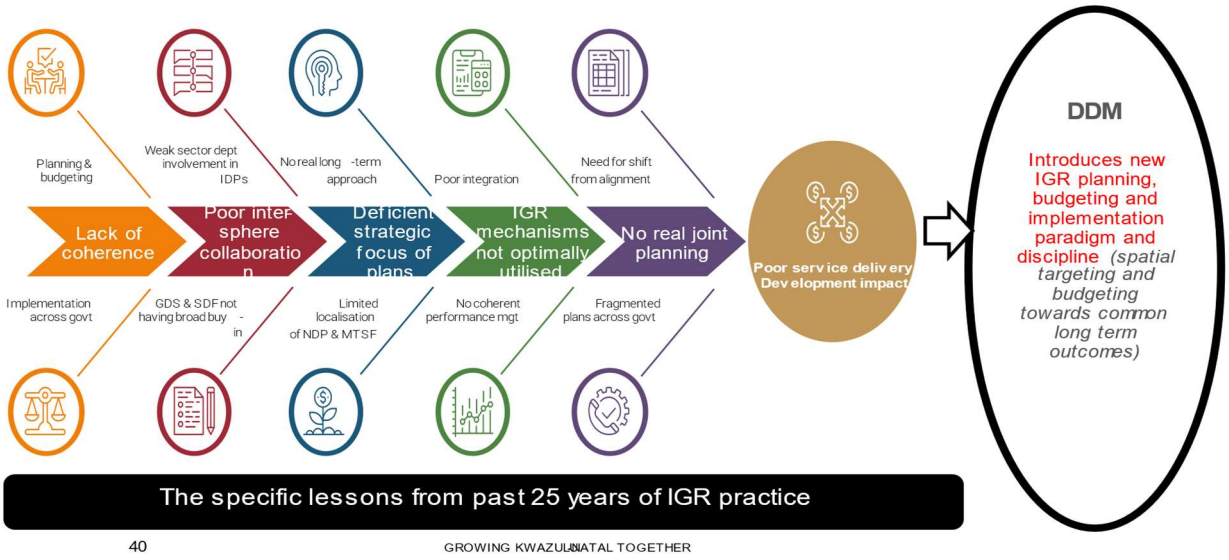
Ugu District has a Draft DDM adopted in June 2020. The DDM serves as a basis for discussion and engagements on the baseline and priorities for developing a ONE PLAN ONE BUDGET for Ugu District, through OSS, the newly established district hub and shared services. The model is a status quo analysis and a short term action plan identifying immediate service delivery actions, and catalytic activities aimed at unlocking development projects.

Illustration 2: What is the DDM?



What is the DDDM fixing?

Illustration 3: What is the DDM Fixing?





1.22 RNM's Fifteen Point-Plan

The Mayor of RNM in his summary during the Council Strategic Planning session held in February 2022, summarized a fifteen point-plan as a turnaround plan for the municipality to excel in its mandate as a service delivery entity. The municipality's departments were there for mandated to implement these points in their daily routines, on the other hand not forgetting to align with all legislated plans and policies. These points craft the way forward for the implementation of projects and good governance which of course forms the basis of any local government sphere. Furthermore, these points have form part of the formulation of the municipality's five year plan IDP. Below are the fifteen point plan:

1. Streets need to be clean, but also deal with the escalating illegal dumping
2. Waste must be collected on time and regularly
3. Grass or verges must be properly and regularly cut
4. Roads need to be maintained, be drivable with no potholes
5. Street lights and robots must be functional and working: Where we supply power, let's ensure that households and businesses have regular power supply
7. By-Laws must be enforced, and Crime Prevention prioritized
8. Traffic Management must be improved
9. Illegal structures and/or buildings should be dealt with accordingly
10. Turnaround times on attending to building plans and other related matters should be user friendly and encouraging development
11. Vulnerable communities, including the Youth, Women and people with Disabilities must be taken care of and provided with necessary support and opportunities
12. Communication with our communities and stakeholders must be regarded as a strategic process and must be orientated towards orchestration and synchronization of actions
13. There must be considerable investment, in terms of focus and resources to enable local economic development
14. We need to ensure that there are systems in place that will enable our municipality to be financially stable and sustainable, with good governance being the daily practice
15. We have to build cohesive communities that will enable people to coexist with each other

1.23 The Long Term Spatial Development Vision

Vision 2036, which is the long term vision of the municipality adopted in 2019 by Council is linked to its SDF vision, Vision 2036 has anchored its goals to the SDF as well as the IDP. The municipality's SDF has built on this vision and accordingly translates it into spatial terms stating that by '2036 RNM will be a spatially efficient, socially equitable, environmental sustainability and economic powerhouse of KwaZulu Natal with the unique tourism economy. This vision brings synergy in particular to the municipality's IDP as well as the IDP. The long term vision as well as the SDF is further linked in that in both documents the spatial equity, densification, spatial accessibility as well as spatial efficiency is discussed. ***(See attachment 2: RNM Vision 2036)***



1.24 Municipal Support And Intervention Plan (MSIP)

Refer to attachment 3: MSIP

1.25 Managerial Strategic Planning Session

Ray Nkonyeni Municipality held a Managerial Strategic Session from the 29th to the 31st of March 2023. The theme of this planning session was of re-engineering systems and processes to optimise delivery of municipal services within our Municipality. The municipality recognizes that the environment is forever changing and it has to source new ways of achieving its objectives and achieving optimal and efficient service delivery to its communities.

1.26 Swot Analysis

Central to key challenges mentioned earlier on in the document is the realization by the municipality and all stakeholders involved that although these have had negative effects on development within the municipality, a number of opportunities still exist. The municipality needs to strengthen its strategies and implementation framework to achieve its long term vision.

A SWOT analysis has been populated which will enable the municipality to measure its performance.

Table 37: SWOT Analysis

	SWOT ANALYSIS	
INTERNAL	**STRENGTHS**	**WEAKNESSES**
	Municipal insights into rural dynamics and livelihood strategies	Small business catchments due to dispersed settlements in the hinterland
	Upcoming Retail Development to create job opportunities and access to market for agricultural products produced locally	Low disposable incomes
	The N2 which traverses the municipal area provides opportunities for development in the form of passing thresholds	Under-representation of big business in the area
	Local FET(Ezinqoleni) College which can be used to enhance skills development for the youth (e.g. film making)	Low skills base
	Labour force readily available across the rural areas	Steep topography making service provision costly
	Oribi Gorge tourism attraction and other natural attractions	Lack of bulk infrastructure e.g. electricity
	Strong IGR - cordial relations between stakeholders	Limited funding to implement LED projects in deep rural
	Abundant wildlife (e.g. warthogs [bush pigs]) that could be harnessed to establish businesses such warthog abattoir & processing	Grant dependency
		Low debt recovery rate



	Abundant natural resources (e.g. catchments & water bodies) that could be utilized for the following: •Sand mining •Brick making •Glass factory • Fish farming	Lack or limited revenue generation
	Abundant under-utilized land	Lack of land for the expansion of Ezinqoleni CBD
	Cordial relations between the municipality and South Coast Tourism	Difficulty to attract investors
	Untapped agricultural potential	Brain drain (emigration of skills)
	LED officer post now filled	Lack of IT infrastructure
	Sound financial management as witnessed by the clean audit	Inadequate office space for the municipality
	100% expenditure of Grants in the previous financial year	Municipal officials working in silos
	Effective public participation programme	Limited employment opportunities within the municipal area
	Functional statutory and ad hoc committees	Privately owned land not available for development in some wards
	Skills Development Plan which meets LGSETA standards	Slow delivery rate of "approved" housing projects
	Adopted and implemented municipal policies	Limited community facilities and public social & recreational amenities
	Enhanced institutional capacity to spend grants	Lack of maintenance for the aforementioned facilities
	Almost 100% provision of VIP toilets	Lack of funding to provide all-weather local access roads e.g. tarred & gravel roads
	80% water provision	Lack of monitoring and evaluation for cooperatives
	Provision of free basic services to indigent households	Lack of skills development for cooperatives
	Disaster Management Plan in place & implemented e.g. Fire truck & ambulance on stand-by full time	Unsustainable LED projects
	Enhanced Institutional Capacity:	Lack of support infrastructure for informal businesses
	Decreased new HIV/AIDS infections	Poor workmanship ("project snags") in infrastructure project outputs
	Political tolerance	Lack of Agriculture Sector Plan
	Improved Job Creation through EPWP	
	Readiness of existing trained cooperatives to function efficiently	
EXTERNAL	**OPPORTUNITIES**	**THREATS**
	National Government resolves to grow rural economies	Natural disasters e.g. floods, veldfires
	Growing buying power of the African population in general	Hostile legislative framework to business



	Expansion of the social security net for vulnerable groups across the country	Crime and substance abuse
	Resilience of the informal markets, vibrant & complicated rural livelihoods which cannot be measured in traditional economic terms	Volatile economic conditions in the financial markets and the associated unpredictable inflation
	BEE legislation provides an opportunity of using government procurement spend to uplift SMMEs	



SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES & GOVERNMENT POLICIES & IMPERATIVES

In the 2023/2024 Final IDP formulation, RNM will take into consideration all the legislated planning and development principles, Government policies and imperatives. The municipality has aligned fully with them. Adopted strategies/policies and plans to assist achieve goals set are in place. Performance is measured by the service delivery and budget implementation plan (SDBIP) which sits quarterly. Below is a detailed analysis of planning imperatives as listed in the previous chapter that the municipality took into cognisance when developing its IDP. These planning imperatives are categorised as Global, National, Provincial and Municipal imperatives and interventions.

2.1 Global Policy Directives

2.1.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs), officially known as Transforming Our World: the 2030 Agenda for Sustainable Development is a set of seventeen goals with 169 targets between them. SDGs are replacing the Millennium Development Goals (MDGs). The Millennium Development Goals (MDGs) were the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. They were adopted at the United Nation's Millennium Summit in September 2000 by world leaders, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015. The SDGs are therefore acting as the Post 2015 Development Agenda (successor to the Millennium Development Goals). They are to guide the global action on sustainable development until 2030. The 17 SDGs are listed in the table below with a column showing how the Municipality's IDP is aligned to them.



Table 38: Sustainable Development Goals and Alignment

GOAL	Sustainable Development Goal	RNM's RESPONSE (INTERVENTION)
1	No poverty	Develop LED strategies to create jobs and incomes Increase access to women and other valuable groups to economics opportunities Increase participation in War Rooms and Sukuma Sakhe to identify poverty ridden households Develop networks of collaboration with NGOs and other stakeholders
2	Less hunger	Develop food security programs One home, one garden project Increase participation with merging farmers
3	Good health and wellbeing	Increase health awareness campaigns
4	Quality education	Mobile libraries that will provides access to learning to all University registration funding and bursary for scarce skills. Create an enabling environment to attract educational SETA programs and learner ships
5	Gender equality	Formulation of gender forum Create an enable environment for disadvantaged groups Gender forum to include the previously disadvantage LGBT
6	Clean water and sanitation	Populate all new households , so that sanitation facilities can be in place
7	Affordable and clean energy	Create awareness campaigns
8	Decent work and economic growth	Create jobs Unlock land for development Form partnership with the informal sector Attract foreign and local investors
9	Industry, innovation and infrastructure	Create an environment for investment Attract potential industries Zoning and unlocking of land for development Create business incentives , in attracting industries
10	Reduce inequalities	Support through the indigent support program SMME support and information sharing days
11	Sustainable cities and communities	Development of the land use management scheme Decrease service back logs
12	Responsible consumption and production	Shorten the supply chain system by employing companies in a close radius Create awareness for sustainable development
13	Climate action	Develop mitigation and adaption strategies Develop disaster awareness and prevention campaigns
14	Life below water	Create sustainable awareness campaigns in regards to rivers and streams, as rubbish thrown in pollutes the water endangering sea species
15	Life on land	Effective solid waste management system Conduct a Spatial Environmental Assessment
16	Peace, justice and strong institutions	Involve stakeholders such as Amakhosi, South African Police and the community in Operation Sukuma Sakhe
17	Partnerships for goals set	Strengthen IGRs



Table 39: Development Priorities

DEVELOPMENT PRIORITY	INVESTMENT AREA	PROGRAMME	NSSD STRATEGIC PRIORITY	FUNDING SOURCE
Preparation of a Strategic Environmental Assessment (SEA)	Entire Municipality	SIP 8	Strategic Priority 1	Internal
SERVICE AND SOCIAL INFASTRACTURE				
Water and Stormwater Services and Management	Fezile Mkhwanazi (Ward 28)/ Luisiana (Ward15)/ Acacia Road-Sea Park (Ward16)	SIP 6 , 18	Strategic Priority 4	MIG/ Internal
Sanitation	Bhobhoyi/ Municipal Depot-Phase 3	SIP 18		Internal
Sports Facilities	Ward 4, 24, 31 & 32	SIP 7		
Community Halls	Ward 3,5,9,15,20,28,30,33,34,35,36			
Beach Facilities	Margate Beach			
Parks and Open Spaces	White City, Protea Park			
SUSTAINABLE INTEGRATED SPATIAL PLANNING SYSTEM				
SPLUMA Implementation - appointment and gazetting	Entire Municipality	SIP 7	Strategic Priority 4	Internal
Creche database in Ray Nkonyeni Municipality				
Seapark / Southport Corridor Plan				
SDF Reviewed				
Murchison Rural Node				

2.1.2 The New Urban Agenda

The New Urban Agenda was adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador, on 20 October 2016. It highlights linkages between sustainable urbanization and job creation, livelihood opportunities and improved quality of life, and it insists on incorporation of all these sectors in every urban development or renewal policy and strategy. The New Urban Agenda represents a shared vision



for a better and more sustainable future. If well-planned and urbanization can be a powerful tool for sustainable development for both developing and developed countries.

By the middle of the 21st the century, four of every five people might be living in towns and cities. Urbanization and development are inextricably linked, and it is necessary to find a way of ensuring the sustainability of growth.

RNM'S response: The municipality's long term 2036 Vision, strategic goal No.1 (Spatial equity), addresses the new urban agenda. The objective talks to increase in physical connectivity between different land uses which the provision of public and private goods and services are utilised. Furthermore, the disparity of the growing population in peri-urban areas will continue to grow due to urbanization whereby people settle for employment and improved housing opportunities. There are currently identified development corridors which will contribute to physical integration of the different spaces.

2.1.3 Sendai Framework for disaster Risk Reduction 2015-203

The Sendai Framework was adopted in 2015, in Japan by the United Nations. Its aim was to build resilience of nations and communities to disaster. The Sendai Framework also articulates the following:

- The need for improved understanding of disaster risk in all its dimensions of exposure, vulnerability and hazard characteristics;
- The strengthening of disaster risk governance, including national platforms; accountability for disaster risk management; preparedness to "Build Back Better"; recognition of stakeholders and their roles;
- Mobilization of risk-sensitive investment to avoid the creation of new risk; resilience of health infrastructure, cultural heritage and work-places;
- Strengthening of international cooperation and global partnership, and
- Risk-informed donor policies and programs, including financial support and loans from international financial institutions

RNM's response: RNM's Vision 2036 Strategic goal no.6 Environmental Sustainability aligns with the above framework. The goal talks to climate change mitigation and adaptation strategies in order to strengthen disaster management and mitigate impacts through resilience planning.

2.2 National Policies Framework

2.2.1 National Development Plan (NDP): 2030

The NDP identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

- Too few people are employed;
- The quality of school education infrastructure is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides and hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and,
- South Africa remains a divided society.



RNM'S response: The municipality welcomed the diagnostic report as a frank, constructive assessment. Building on the diagnostic, the plan added four thematic areas: rural economy, social protection, regional and world affairs, and community safety. The National Development Plan aims to eliminate poverty and reduce inequality by 2030. The plan comes from the belief that South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. The municipality fully aligns with the NDP and has ensured that strategies in place do address the key issues raised in the Plan. These will be unpacked in detailed under the LED Analysis in the document.

2.2.2 Back to Basics

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialize. The Goal is to improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the B2B Programme. It is therefore important to understand where we are, where we could be and what needs to be done to improve performance. Back to Basics Programme recognizes that the core services that local government provides is about our Constitution and Bill of Rights. The country's vision of developmental local government was that it would be the building block on which the reconstruction and development of our country and society was built, a place in which the citizens of our country could engage in a meaningful and direct way with the institutions of the state.

The transformation of the local government sector remains a priority for the current administration. The goal of the Back to Basics Programme is to improve the functioning of municipalities to better serve communities by getting the basics right. It aims to achieve the developmental state of local government and ensure that each sphere of government commits itself to address the challenges faced by local government.

The programme recognizes that we need to do things differently if we want different solutions. It argues that we must change our paradigm to focus on serving the people rather than the extractive elites. To be noted is that the programme draws from the National Development Plan.

5 pillars of the Back to Basics approach which are principles for action are depicted below:

Illustration 4: Back to Basics Pillars





RNM's response: The municipality aims at aligning with the Back to Basics program and pillars by:

- ***Training and awareness of Ward committee members, about the program***
- ***Holding of public feedback session with Councilors or Mayor , report back to the public***
- ***Training of staff and councilors***
- ***Continuing of sound financial management and strengthen it, within the municipality***
- ***Continuing with the efficient structure of War rooms and Operation Sukuma Sakhe***
- ***Continuing with the roll out of essential government services***

2.2.3 State of the Nation Address

The President of South Africa in his 2023 key note address mentioned a number of key challenges faced by the country and how the Government is going to address them. RNM is set to address these key findings by not just for compliance but apply relevant strategies for implementation. Each key point raised by the State President as it also affects the municipality will be analysed in detail under each relevant KPA in the document and how the municipality will address it. To mention but a few of the comments raised by the State President:

1. Unemployment

South Africa must support the growth of its economy and curb unemployment by:

- Supporting SMMEs and making it easier for entrepreneurs to start businesses;
- Creating an enabling environment that supports Women-Owned Businesses;
- Focusing on Red Tape Reduction; and
- Promoting Skills for a Growing Economy by capacitating people with the relevant skills to enter the job market

RNM's Response

The Municipality and its various Sector Departments have ensured that RNM's communities are best serviced. The dedicated Local Economic Development (LED) office ensures that SMMEs are encouraged, assisted and empowered through various initiatives and programmes. RNM has a number of TVET Colleges that facilitate the capacitation of people with various skills they need to participate in the work sector or create their own work opportunities.

2. Building Better Lives

South Africa must lay the ground work for improving the lives of people by:

- Strengthening the link between the skills that we develop and the skills the workplace actually needs;
- Restructuring the requirements for early childhood learning and development centres as part of a long-term solution to reduce inequality;
- Focusing on Poverty Eradication;
- Expediting the issuing of title deeds for subsidised housing; and
- Ensuring Water Security for all communities within the Republic

RNM's Response

The Municipality has a dedicated Youth Forum that explores options on how to best strive for good education and employment opportunities by focusing on the youth development that aligns with the current needs of the current world. The Municipality also has functioning ECDs



throughout that align with the Provincial Offices vision of forming a long-term solution to the reduction of inequality.

3. Making Communities Safer

The safety of all South African Citizens is of paramount importance and must be strengthened through:

- Curbing Gender-Based Violence through improving accessibility and functioning of Sexual Offences Courts and establishing Care Centres for victims and survivors;
- Improving the effectiveness of our fight against crime, corruption and sabotage; and
- Increasing police visibility in communities

RNM's Response

The Municipality has functioning Police Stations situated throughout the municipality and in those places that do not have formal Police Stations, Satellite Stations have been established to create police visibility. The Municipality also operates with various private security entities who also work as peace officers in conjunction with SAPS and the Municipality's Law Enforcement.

4. Making Government Work

- Address failures at local government level;
- Improve Basic Service Delivery;
- Enhance the capacity of public representatives and officials; and
- Upgrade local infrastructure

RNM's Response

The Municipality is dedicated to providing efficient basic service delivery to its communities and also continuously improving it. The Department of Technical Services within the Municipality is dedicated in maintaining and improving the conditions of infrastructure, whilst also working with other Sector Departments to erect new infrastructure that will benefit communities.

2.2.4 The 14 National Outcomes

Outcome 9 talks specifically to Local Government, and below it has been broken down into seven (7) outputs:

- Output 1: Implement a differentiated approach to municipal financing, planning and support
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee model
- Output 6: Administrative and financial capability
- Output 7: Single window of coordination
- Our Municipality is proud to announce that the above seven outputs fully implements through its service delivery targets set out in the SDBIP.

RNM's response: ***The municipality fully adheres to the above National Outcome. This can be ascertained in the SDBIP where all the KPAs are measured.*** ***(See attachment 4: SDBIP)***



2.2.5 Nationals Spatial Development Framework (NSDF)

This *National Spatial Development Framework (NSDF),* the first of its kind, seeks to make a bold and decisive contribution to bringing about the peaceful, prosperous and truly transformed South Africa created by the apartheid system and its policies directed towards the separation of different ethnic or racial groups. Spatially, apartheid involved the physical separation of the four racial groups according to the Population Registration Act of 1950, into so-called "Group Areas". The stranglehold that the unjust national spatial development paradigms, logics and patterns of the past have placed on our many attempts at breaking the back of poverty, unemployment and inequality:

- The valuable, and often hard lessons we have learnt over the last twenty-four years in our pursuit of national reconstruction, inclusive economic growth and spatial transformation; and
- The necessity for decisive, collaborative and targeted state action in national space, to drive our country towards the shared, inclusive and sustainable future we desire and require.

RNM's Response: Ray Nkonyeni Municipality through its SDF, seeks to drive towards the shared, inclusive and sustainable future desired and required as per the Framework. Furthermore, the municipality adheres to the SPLUMA principles which guide the framework to ensure transformation takes place.

2.2.6 Integrated Urban Development Framework (IUDF)

The IUDF seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions for our people.

RNM's Response:

In response to the IUDF, the development of the RNM's Municipal Development Strategy has been a tool to harness the potential of urbanization and enables the municipality to develop in a coordinated and institutional framework to make the most of opportunities. Ray Nkonyeni Municipality's urban centres have experienced a sizeable amount of urbanization which amount to 41%, hence the municipality has planned for livable, economically viable and sustainable towns with infrastructure that is resilient enough to support inclusive growth. If properly managed, urbanization generates significant opportunities for economic growth and poverty reduction, which the municipality is striving for.

The urban areas of the municipality will continue to grow and should be treated as a priority for urban policy, increased investments and service delivery.

2.3 Provincial Policies and Imperatives

The Province has a set of policies and imperatives that are used as a basis for making decisions. Ray Nkonyeni Municipality is fully aligned to them, and below is a summary of some that the municipality draws its direction from:

2.3.1 PGDS Nodes and Corridors Hierarchy

The Provincial Government has developed its own Growth and Development Strategy which is closely aligned to both the Millennium Development Goals and national development goals. The PGDS is essentially a tool through which the provincial government can address the legacies of the apartheid space economy, promote sustainable development and ensure poverty eradication and employment creation (PSEDS;2007).A number of primary, secondary and existing corridors



have been established along the KwaZulu-Natal southern coast, a combination of which merge within Ray Nkonyeni Municipality. The corridors are complimented by a series of nodes identified as Primary, Secondary, Tertiary, Quaternary and 5th level nodes. The KwaZulu-Natal south coast contains a combination of these nodes. A single primary node is located within the Durban CBD, a secondary node is located within RNM at Port Shepstone, four tertiary nodes identified in Ixopo, Umzinto, Hibberdene and Margate, and seven quaternary nodes scattered throughout the south coast within one falling within the study area at Port Edward.

2.3.1.1 Recreational Node

In support of tourism development within the municipality and promoting it to be highly celebrated through efficient and sustainable infrastructural development, it is recommended that the Gamalakhe node, particularly the area surrounding the uGu Sports and Leisure Centre at the close vicinity of the intersection of road P200 and St Michaels road be promoted as a recreational node. This node is envisaged to provide multifunctional recreational and network of public open spaces that could provide in all the needs of the local community. This node is currently vacant however this area has the potential location of mixed development such as promotion of network of public open spaces supported by residential, commercial, offices and conference facilities.

2.3.1.2 Tourism Node

Oribi Flats are situated to the north of the Oribi Gorge, and represents the centre point of an agri-tourism, eco-tourism and adventure areas demarcated on the Spatial Development Framework. Any development within this area that may have adverse effects on the tourism industry needs to be discouraged. The area is situated centrally to the north-eastern parts of the Municipality, and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. As such no large scale development would be encouraged here.

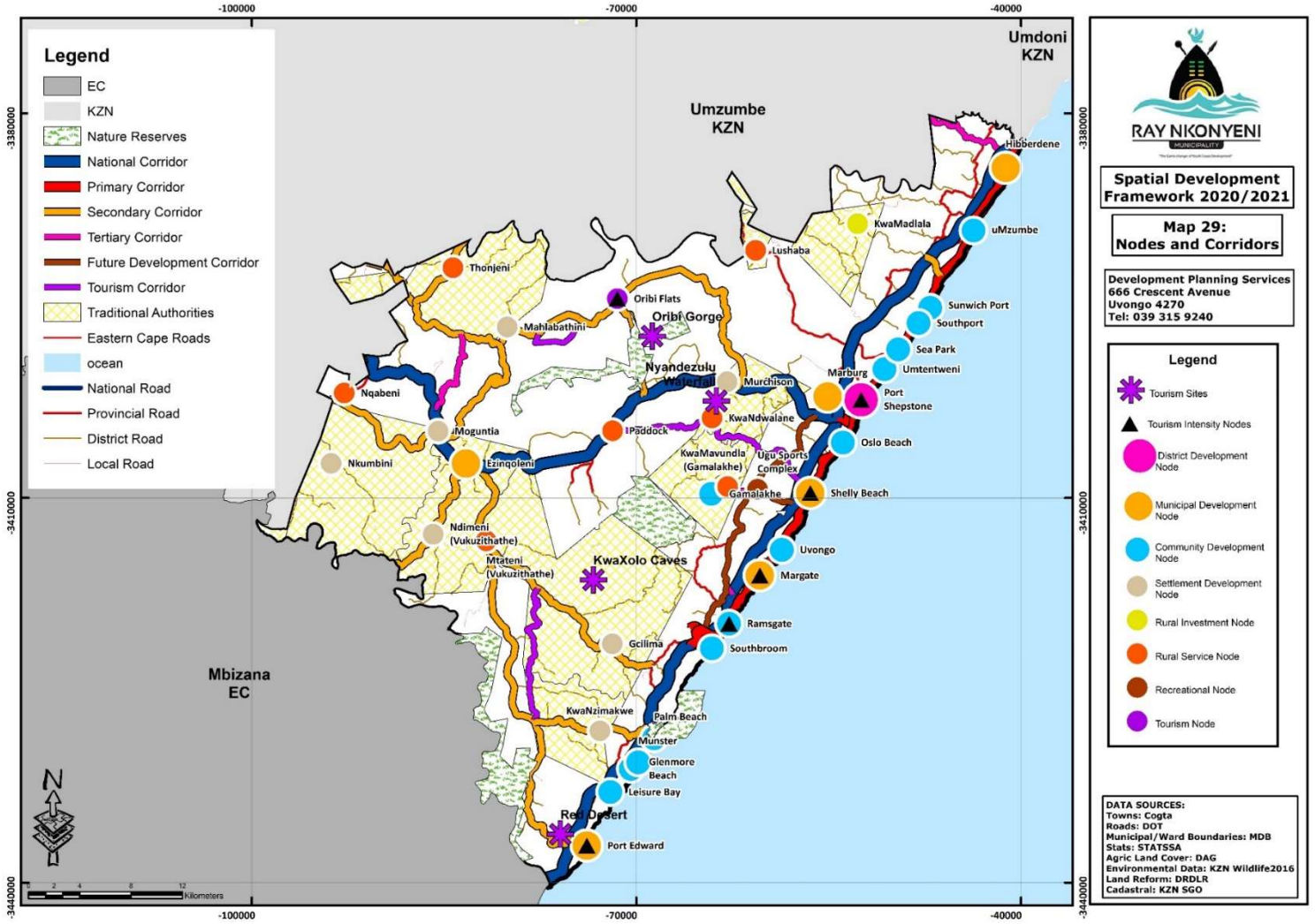
2.3.2 Provincial Growth Development Plan (PGDP 2035)

The KZN Provincial Executive Council tasked the KZN Provincial Planning Commission to prepare a long term vision a provincial growth and development strategy. This was adopted in in 2011 whereby it was resolved that the strategy will be reviewed every 55 years. By 2035, the Province should have maximized its position as a gateway to SA and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment. The rationale behind this strategy was to guide resources allocation, driving implementation in a coordinated and integrated manner, where progress can be measured against predetermined targets and where roles and responsibilities have been confirmed within established lines of accountability.

On the following page is a map showing the above mentioned corridors and nodes.



Map 6: PGDS Nodes



Source RNM GIS 2020



The 2011 KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province's commitment to achieving the vision of KwaZulu-Natal (KZN) as a "Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world". The PGDS aims to build this gateway by growing the economy for the development and the improvement of the quality of life of all people living in the Province. Below is a table highlighting alignment of PGDS goals and that of RNM IDP interventions.

Table 40: PGDS and RNM Alignment

PGDS Strategic Goal	Applicability to RNM
Job Creation	A substantial % of the total population currently lives in poverty.
Human Resource Development	Skills development identified as one of the key interventions
Human and Community Development	Skills development identified as one of the key interventions
Strategic Infrastructure	Provision of infrastructure to unlock investment potential identified
Responses to Climate Change	Environmental management
Governance and Policy	Skills development identified as one of the key interventions
Spatial Equity	More focus of land management issues



2.3.3 2023 State of the Province Address (SOPA)

During the 2023 State of the Province Address by KZN Premier, Ms Nomusa Dube-Ncube, the following points emanated as priority areas:

- Energy security plan for KwaZulu Natal;
- Strengthen job opportunities for young people and mass employment creation;
- Strengthen the fight against Crime, Fraud, Gender Based Violence and Corruption;
- Faster implementation of the Economic Recovery, Reconstruction and Transformation Plan;
- Delivering quality basic services and maintenance of infrastructure;
- Building a capable and agile state machinery to drive implementation.

2.3.4 Provincial Growth Development Plan

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. Ray Nkonyeni Municipality has fully responded to the below listed PGDP goals and will be further analysed in the document per KPA. Through its LED, the municipality is striving to ensure that poverty is eliminated and inequality addressed. This is done through the programmes and projects in place.

The core elements of a decent standard of living identified in the Plan are:

Table 41: RNM's Response to PGDP

PGDP	RNM's response
Housing, water, electricity and sanitation	The municipality has a dedicated department for the basic service delivery. Refer to Basic service delivery KPA. There is less than 13% of houses without clean water.
Safety and security	Public safety is the municipality's number one priority. Policing is visible in almost all the spaces, however, in rural areas it is still a concern as no policing is found. Crime is very high.
Quality health care	Ugu Department of Health has programmes I place responding to health care
Social protection	Every citizen has a right to be protected from any harmful situation. The SAPS as well as the municipality's safety and security ensure that every community member is protected
Employment	The private sector has been mobilized to ensure that it responds to job creation. On the other hand, the municipality is making leads in ensuring that job creation is prioritized through the SMMEs and lobbying investors who will also create jobs.
Recreation and leisure	RNM is a leading tourist destination in the province. Refer to tourism section in the document
Clean environment	The municipality's environmental and waste minimization sections have ensured that the landscape is clean. Awareness campaigns are conducted to ensure communities are trained on environmental issues
Adequate nutrition	This is mostly carried out by the department of education and Department of health. Programmes as listed in the social analysis for both departments respond to adequate nutrition



2.3.5. Provincial Spatial Development Framework (PSDF)

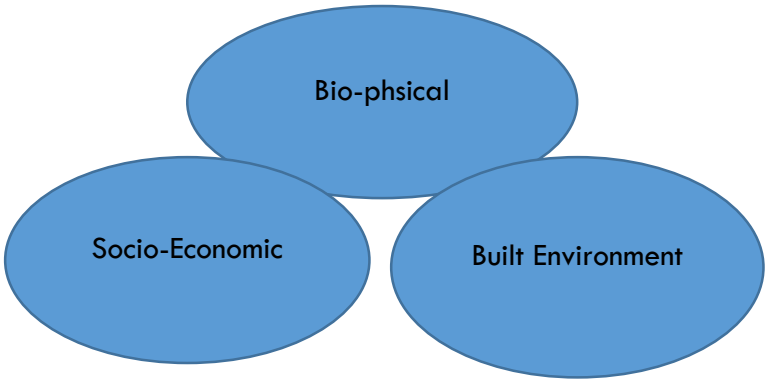
The Provincial Department of Cooperative Governance and Traditional Affairs (Cogta) adopted the Framework as per the SPLUMA requirement. The purpose of the Provincial Spatial Development Framework is to:

- provide a spatial representation of the land development policies, strategies and objectives of the province, which must include the province's growth and development strategy;
- indicate the desired and intended pattern of land use development in the province, including the delineation of areas in which development in general or development of a particular type would not be appropriate;
- coordinate and integrate the spatial expression of the sectoral plans of provincial departments;
- provide a framework for coordinating municipal spatial development frameworks with each other where they are contiguous;
- coordinate municipal spatial development frameworks with the provincial spatial development framework and any regional spatial development frameworks as they apply in the province; and
- Incorporate any spatial aspects of relevant national development strategies and programmes as they apply in the province.

RNM's response: Through the Municipality's SDF, the inclusion of all the provincial projects to ensure alignment has been done.

2.3.6. Provincial Spatial Economic Development Strategy (PSEDS)

The Strategy seeks to address the following:



RNM's response: The Provincial Spatial Economic Development Strategy (PSEDS) identifies Port Shepstone, which is RNM, as a Secondary Node in the Provinvial Context and eThekwini-Ugu Corridor as a primary corridor. This corridor is at the same level as the extremely strong and growing eThekwini-Umhlathuze and eThekwini-uMsunduzi Corridors. The PSEDS confirms the tourism potential in the South Coast Region as established in the Provincial Tourism Strategy.



2.4 The Municipal Imperatives and Interventions

2.4.1 Ugu District Growth and Development Plan

The Ugu Growth and Development Strategy (GDS) commits all stakeholders (public, private and civil society) to achieving a shared vision that by 2030 the Ugu district will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services. This intent is based on a shared understanding of the inter-relationships amongst communities and the challenges facing the district economy as a whole. It is based on a commitment to working collaboratively to achieve the most beneficial outcomes for all.

The vision of the Ugu's GDS is that "By 2030 the District will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services". It has six economic drivers which are:

- Strategic infrastructure investment
- Education & skills development
- Institutional development
- Strategic sector engagements
- Environmental Sustainability
- Safety Nets & Civic empowerment
- Ray Nkonyeni aligns itself to the District's vision as it sees itself as the Game changer of South Coast Development.

2.4.2 Strategic Development Alignment Matrix

Below is a summarised analysis of the strategic development alignment matrix. It addresses how the municipality's IDP is aligned to the National Vision 2030 (National Development Plan), the Provincial Growth and Development Plan and District Growth and Development Plan.

Table 42: Strategic Development Alignment Matrix

NDP PRIORITIES	PDGDP GOALS	UGU DGDP	RNM STRATEGIC GOALS
Job Creation	Job Creation	Sectoral Development and Support	Creating Employment Opportunities
			Establish a conducive environment to attractand grow businesses and cooperatives and ensure creation of jobs for local community
			Grow the economy of RNM by attracting investments and fostering partnerships with private and public sector
Expanding Infrastructure	Strategic Infrastructure	Strategic Infrastructure Development	Improve delivery of capital projects through investment in infrastructure development
Provision of Quality Health Care	Human and Community Development	Safety and Empowerment of Communities	Alleviate Poverty and Promote Socio Economic Development



			Promote and enhance the fight against poverty and ensuring support to child/female/elderly headed households

2.4.3 Spluma Principles

The current SDF of the municipality fully adheres to the SPLUMA principles. The SPLUMA BYLAWS were adopted by Council in 2016.

2.4.3.1 Preparation of SDF

I. The nation and provincial spheres of government and each municipality must prepare Spatial Development Frameworks that:

a) Interpret and represent the spatial development vision of the responsible sphere of government and competent authority)

b) Are informed by a long term spatial development vision statement and plan;

c) Represent the integration and trade-off of all relevant sector policies and plans

d) Guide planning and development decisions across all sectors of government;

e) Guide a provincial department or municipality in taking any decisions or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems;

f) Contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres;

g) Provide clear and accessible information to the public and private and provide direction for investment purposes;

h)Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and landholdings of state-owned enterprises and government agencies and address the inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;

i) Address historical spatial imbalances in development;

j) Identify the long term risks of particular spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;

k) Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;

l) Promote a rational and predictable and development environment to create trust and stimulate investment;

m) Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;

n) Give effect to national legislation and policies on mineral resources and sustainable utilization and protection of agricultural resources; and



o) Consider and, where necessary, incorporate the outcomes of substantial public engagements, including direct participation in the process through public meetings, public exhibition, public debate and discourses in the media and any other forum or mechanisms that promote such direct involvement

p) The national government, a provincial government and the municipality must participate in the spatial planning and land use management processes that impact on each other to ensure that the plans and programmes are coordinated, consistent and in harmony with each other.

q) S patial Development Framework adopted in terms of this Act must guide and inform the exercise of any discretion or of any decision taken in terms of this Act or any other law relating to land use and development of land by that sphere of government.

r) T h e National Spatial Development Framework must contribute to and give spatial expression to national development policy and plans emanating from the various sectors of national government and may include any regional spatial development framework

s) provincial spatial development framework must contribute to and express provincial development policy as well as integrate and spatially express policies and plans emanating from the various sectors of the provincial and national spheres of government as they apply at the geographic scale of the province

t) A municipal's SDF must assist in integrating, coordination, aligning and expressing development policies emanating from the various sectors of the spheres of government as they apply within the municipal area

u) SDFs must outline specific arrangements for prioritizing, mobilizing, sequencing and implementing public and private infrastructural and land developments investment in the priority spatial structuring areas identified in the SDFs.

2.4.4 Medium Term Strategic Framework (MTSF) 2020-2025

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities of investments. The aim is to ensure policy coherence, alignment and coordination across Government plans as well as alignment with budgeting processes. It further aims at achieving the radical socio-economic agenda and further identifies decent work, education and the capacity of the state as particularly important priorities. Ray Nkonyeni Municipality through its strategies mentioned earlier on in the document, has fully addressed the MTSF 2020-2025.

2.4.5 The Municipal Planning Tribunal

The municipality has established a Municipal Planning Tribunal (MPT/JMPT which processes land use application. The Tribunal does meet the requirements as per SPLUMA Guidelines and sits once a month. The head of department, Development Planning Services chairs the Tribunal. The Executive Council is the Appeal Authority.

2.4.6 Strategic Framework/Vision, Goals And Objectives

2.4.6.1 Strategic Framework

RNM held its Strategic Planning Session in February. Strategies were reviewed and more were added. The strategic objectives are aimed at helping to provide guidance on how an organization can fulfil or move towards its aimed goals. This chapter, there for, seeks to address how key problems mentioned in the situational analysis are being addressed using strategies identified during the Strategic Planning and how the IDP has been informed and aligned to the Strategies as well as National and Provincial Strategic objectives namely ;



- Provincial Growth and Development Strategy
- Municipal Turnaround Strategy
- National Delivery Outcome Agreements(especially outcome 9 in relation to local government and municipalities
- Millennium Development Goals

2.4.6.2 Organisational Goals, Vision and Mission Statement

The realisation of the municipality's vision and mission requires the setting of goals that need to be achieved. These give further to the vision. It must be noted that the municipality's goals are relevant to those of the Sustainable Development Goals (SDG) and those of the Provincial Growth and Development Strategy Goals (PDGS). In this regard, the municipality has fully aligned with the SDG as well the PGDS. Below are the eight preliminary goals identified by the municipality.



Table 43: Goals and Strategic Objectives

GOALS	Strategic Objectives
1.Eradicating poverty and hunger	• To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly • To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes • To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a conducive environment for inclusive and diverse economic growth and development	• To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector • To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community • To promote township and rural development through nodal developments • To promote RNM as a prime tourism and investment destination • To promote local economic development and the support of emerging enterprises and SMMEs • To promote strategic and transformative release of land to foster inclusive economic development
3.Promoting healthy lives and equitable access to educational and learning opportunities	• To create a skilled and capable citizenry, that contributes to the growth of the local economy • To create a learning municipality • To create a healthy citizenry, that is capable of participating in growing local economy • To improve access to social infrastructure
4.Developing a capable, equitable and financially viable institution	• To foster effective and efficient Inter-Governmental Relations (IGR) • To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality • To improve the organisation's performance through enhanced productivity and achievement of service delivery • To enhance organizational development in line with community needs • To promote a culture of participatory planning and participatory democracy • To have updated organizational policies and modernised information and communication technologies for good governance • To develop an ethical organisation which is fraud, corruption and maladministration free • To promote and uphold principles of transparency, accountability, good governance and legal compliance • To ensure confidence of all stakeholders in municipal financial management



	• To ensure sound and effective financial management and compliance with policy and legislative requirements • To improve debt management, debt collection, ensure value for money and implement cost reduction measures • To grow and diversify revenue streams and implement revenue enhancement projects • To ensure expenditure on long-term capital infrastructure project plans • To ensure effective and efficient management and utilisation of council owned properties and assets.
5.Ensuring universal access to reliable basic services	• To ensure existing infrastructure is maintained and revitalised • To address infrastructure backlogs and extend access to basic services • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting peaceful, tolerant, safe and inclusive society	• To ensure a safe and crime free municipality by reducing crime though law and by-law enforcement. • To galvanize and mobilize all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring sustainable development and resilient communities	• To promote the sustainable utilization of natural resources and compliance with environmental legislation • To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating spatial integration and development of sustainable and resilient settlement resilient	• To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements

The municipality has set the above listed strategic goals in the table to guide the process of moving progressively towards the attainment of the long-term vision stated above. The focus primarily is on tourism as the leading sector serving as the engine for our economic growth and development. On the provision of infrastructure and services, the municipality believes that it



should ensure that the existing infrastructure is maintained properly and improved and that basic services are accessed by all.

Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce poverty levels. Generally, RNM is the most concentrated economic hub within Ugu District Municipality with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has advantage of influencing the Ugu Regions economic potential, policies and development programmes.

2.4.6.3 Vision

"By 2036 Ray Nkonyeni Municipality will be a prime tourist-friendly; economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment"

2.4.6.4 Mission

"The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders"

2.4.6.5 Strategic Objectives

Ray Nkonyeni Municipality held its Strategic Planning Session in February 2022 for the new generation. The RNM Council and officials deliberated on the formulation of the Municipality's new goals and strategic objectives.

Below are the municipality's adopted the strategies and objectives :

1. Municipal Transformation and Organisational Development

i. To foster effective and efficient Inter-Governmental Relations (IGR);

ii. To ensure on-going human resource development;

iii. To attract and retain skilled employees;

iv. To be an innovative organization with improved performance.

2. Basic Service Delivery and Infrastructure

I. To ensure existing infrastructure is maintained and improved;

ii. To provide access to basic services;

iii. To extend the provision of basic services and infrastructure to rural areas;

iv. To improve delivery of capital projects through investment in infrastructure development;

v. To facilitate the provision of housing.

3. Local Economic Development



i. To grow the economy of the municipality through investment attraction and tourism development;

ii. To create an enabling environment to grow businesses, cooperatives and SMMEs;

iii. To drive job creation initiatives;

iv. To promote township and rural development through nodal developments especially for commerce and industries;

v.To promote sustainable livelihoods and enhance the fight against poverty;

vi.To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

i.To promote a culture of participatory democracy;

ii.To develop and review organizational policies to be in line with current national and provincial agenda;

iii.To develop an ethical organization which is fraud and corruption free;

iv.To promote and uphold principles of good governance and legal compliance;

v.To ensure a safe and crime free municipality;

vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need;

vii. To promote and safeguard the municipal brand.

5. Municipal Financial Viability and Management

i. To ensure efficient and effective management of council assets and properties;

ii. To improve revenue, cost reduction and management of debt;

iii.To ensure expenditure on long-term capital infrastructure project plans.

6. Cross Cutting Issues

i.To create sustainable and resilient settlements;

ii.To promote and enhance planned development and land administration;

iii.To promote green economy.

2.4.6.6 Long Term Vision

Ray Nkonyeni Municipality adopted its long term vision, Vision 2036 in 2019. The strategy is a product of in-depth process through engagements with various stakeholders, a study that is evidence based, and assisted in developing strategic goals for the municipality. The strategy is aimed at 5 year terms, which currently it is its second.

The municipality's 20 year growth strategic growth development strategy is based upon the current economic development trajectory of the municipality and the economic and social importance of the municipality and district. In the strategy,a high scenario growth path was presented which includes;



- Poverty gap
- Unemployment down below 10%
- Huge growth of middle class
- Sustainable human settlements
- South Coast tourism booming
- Crime low
- Youth are empowered to lead

2.4.7 District Development Model (DDM)

Ugu District has a Draft DDM adopted in June 2020. The DDM serves as a basis for discussion and engagements on the baseline and priorities for developing a ONE PLAN ONE BUDGET for Ugu District, through OSS, the newly established district hub and shared services. The model is a status quo analysis and a short term action plan identifying immediate service delivery actions, and catalytic activities aimed at unlocking development projects.

2.4.8 Ward Based Plan

For the 2022-2026 planning, Ray Nkonyeni has conducted its five (5) year Ward Based Planning whereby each ward was attended to respectively and outcomes were presented to the IDP Forum during its sitting at the beginning of May.

Ward based planning is a bottom up development planning process that is meant to promote grass roots participation in community spatial planning initiatives. Ward based planning in South Africa is informed by a number policies and legislations. These include the National Constitution, White Paper on Local Government, and the Municipal Systems Act. The Freedom Charter in Sections 152 and 195 notes that the people shall govern. The Municipality Systems Act and the White Paper on Local Government require that Municipalities Strengthen IDP participatory aspects. In this respect, ward based planning in South Africa takes participation beyond mere consultation to include community action. The aforementioned context is the setting in which Ray Nkonyeni Local Municipality took the initiative to formulate WBPs.

2.4.9 Operation Sukuma Sakhe (OSS)

OSS is fully functional in all the 36 wards within the municipality. The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards / areas. The programme was rolled out to all the wards of the municipal area.

FINDINGS

- Inequality
- Racial Imbalances
- Spatial and Other Development Imbalances/Inequalities
- Wealth Inequalities
- Income Inequalities
- Unemployment
- Poverty
- Covid-19 Pandemic And Its Consequences
- Funding
- Installation Of Internal Infrastructure
- Facilitation And Promotion Of Investment



SECTION C: SITUATIONAL ANALYSIS

This section will analyse the study of Ray Nkonyeni Municipality's population based on factors such as age, race and gender. It will further unpack the socio-economic information expressed statistically, including employment, education, income, marriage rates, birth and death rates, etc.

3.1 Demographic Analysis

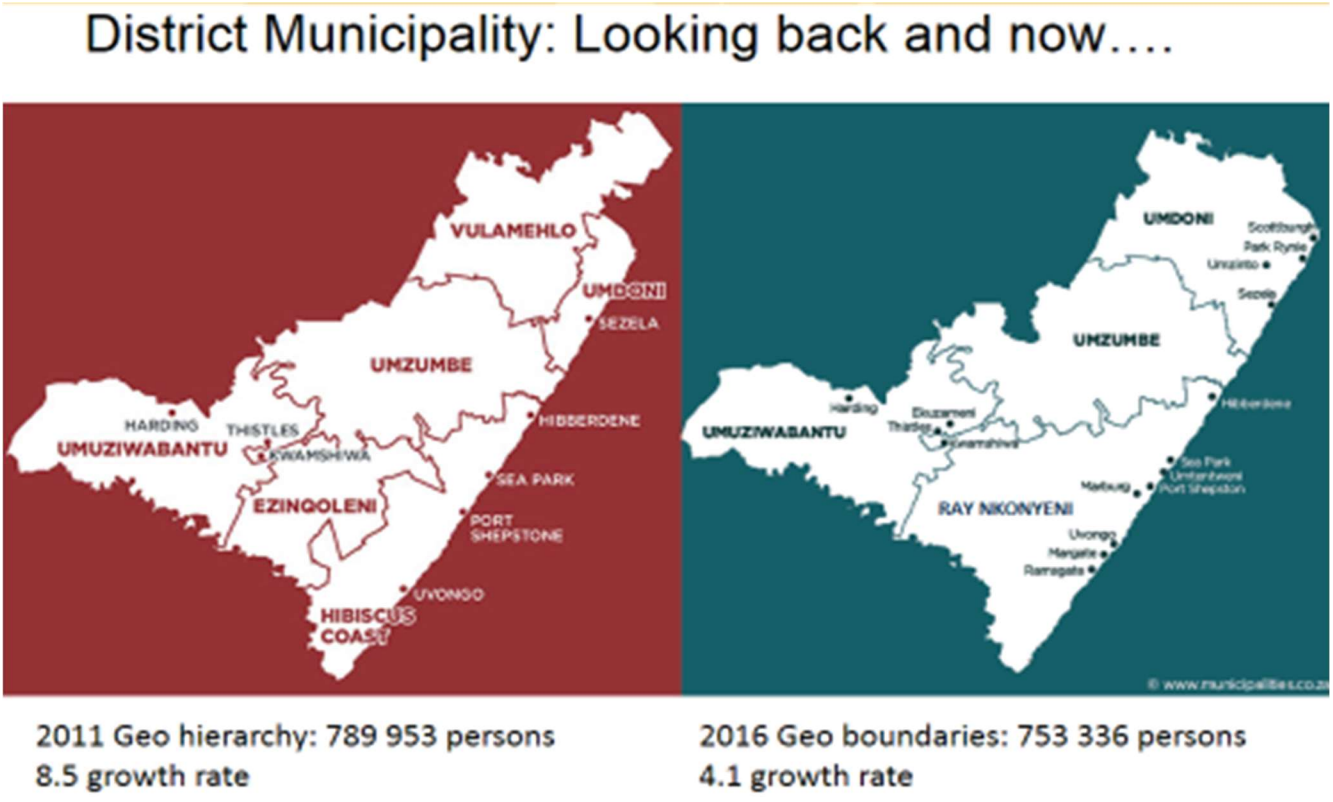
3.1.1 Boundaries

Most of Ugu's Local Municipalities' boundaries were affected after the demarcation, except for Umuziwabantu. After the disestablishment and incorporation of Vulamehlo into Umdoni Municipality, the boundary of the latter changed. Umzumbe municipality's boundary was also affected since a small portion in its northern part was demarcated to Harry Gwala District. Umuziwabantu Municipality remained the same.

Ezinqoleni and Hibiscus Municipalities merged and formed Ray Nkonyeni Municipality, with boundaries changing. The newly established municipality remained the largest local municipality in terms of square kilometres in the entire District. Below are two maps showing boundaries before and after the demarcation of the Ugu District Municipality and its local municipalities respectively. It must be noted that some local municipalities experienced a population growth in 2016 while some experienced a decline. Those with a population increase are Ray Nkonyeni, Umdoni and Umuziwabantu Local Municipalities while Umzumbe local municipality's population declined. The population growth was due to the amalgamation while the decline factor was due to the fact that a portion of Umzumbe was demarcated to Harry Gwala District Municipality. The two maps below show boundaries before amalgamation and after. Furthermore, the population growth before and after amalgamation is shown.

Below are maps showing the Ugu Local Municipalities' population estimates in 2011 and 2016

Map 7: Ugu LM Population Estimates



Source: Statistics South Africa 2016 Community Survey

3.1.2 Population Profile

The combined population of Ugu District is 753 336. Out of this total, Ray Nkonyeni Municipality's population is 392 405 according to the latest Stats release. With this population, RNM is the highest populated municipality in the District, making 45% of the entire district's population. The population within the municipality has been growing rapidly throughout the years due to a number of socio-economic factors. Trends for the past decade indicate that former RNM constantly experience a youth bulge.

The population pyramid below shows a trend of more baby boys (12%) born than baby girls. Between the ages of 0-14 years, the number of boys as compared to that of girls is high. As the male generation grows older, between the ages of 14-29 years, the number is still higher as compared to that of girls. However, there is a drop in the male generation between the ages of 30-39 years, with a significant further drop further between the ages of 40-85+.

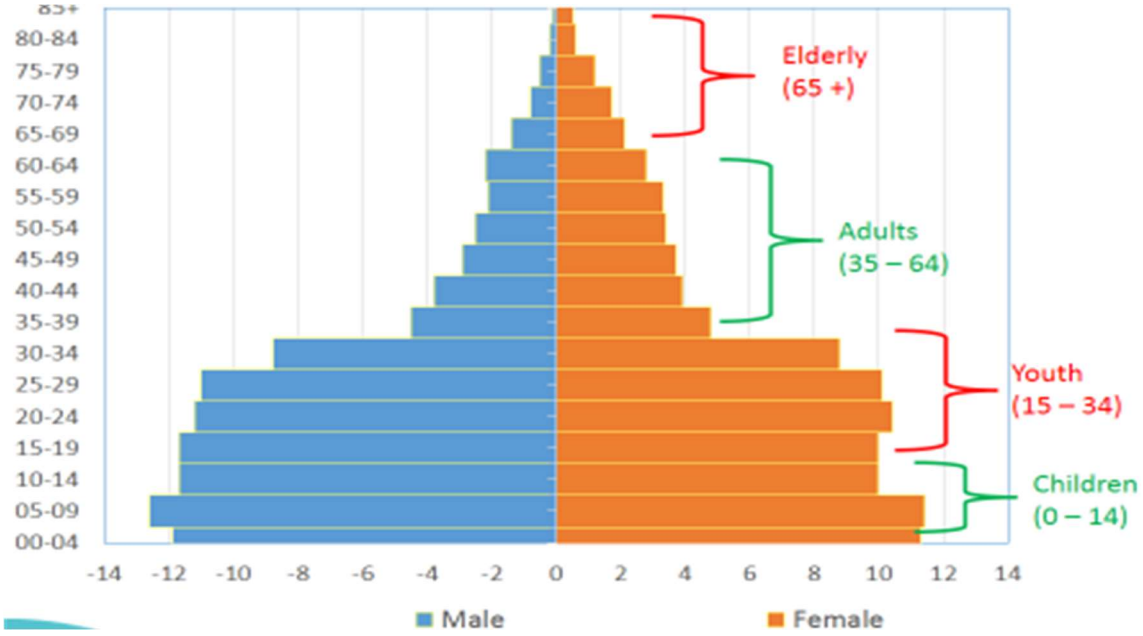
The dropping rate is quite high. On the other hand, the female population at birth is lower (11.8%). Between the ages of 14-19 years, the female population decreases, however, between the ages of 20-29 years, the number increases. Statistics further show that by the time the female generation is between the ages of 30-65+, they are more than males



A conclusion that can be drawn from these statistics is that the male population decrease between the ages of 35-65+ while the female population increases in this age category. This may be due to social ills and the fact that generally males tend to take longer to attend to illnesses and by the time they do, it is late and succumb to death. Another factor may be that of employment.

They leave for distant cities in other provinces for job opportunities. The municipality has a higher percentage (54%) of females as compared to the 46% of males. The lesser number of males as compared to females may be attributed to a number of socio-economic factors. Below is a population pyramid of the municipality.

Graph 2: Population Pyramid



Source: StatsSA Community survey 2016

3.1.3 Population Percentage Per Age Group

Ray Nkonyeni Municipality has a high percentage in the youth age group, while the elderly age group (65 +) is the lowest. Ages between 0-14 surprisingly is the second large percentage, but as people grow, the percentage decreases. From research, it has been ascertained that this is due to a number of social ills, resulting in high death rate. Ages between 35-64 years is 21% which may be due to outmigration in search of job opportunities or due to deaths.

Below are percentages per age group as explained above:

0-14 Years : 31.74%

15-34 Years : 38.61%

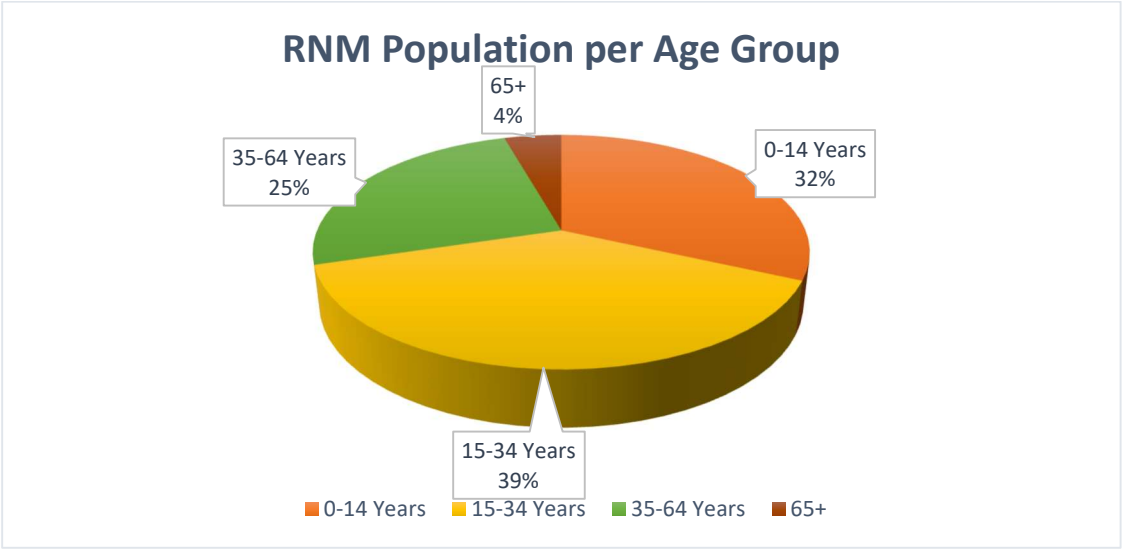
35-64 Years : 25.21%

65+ : 4.44%



The below graph shows the population of the municipality.

Graph 3: Population per Age Group

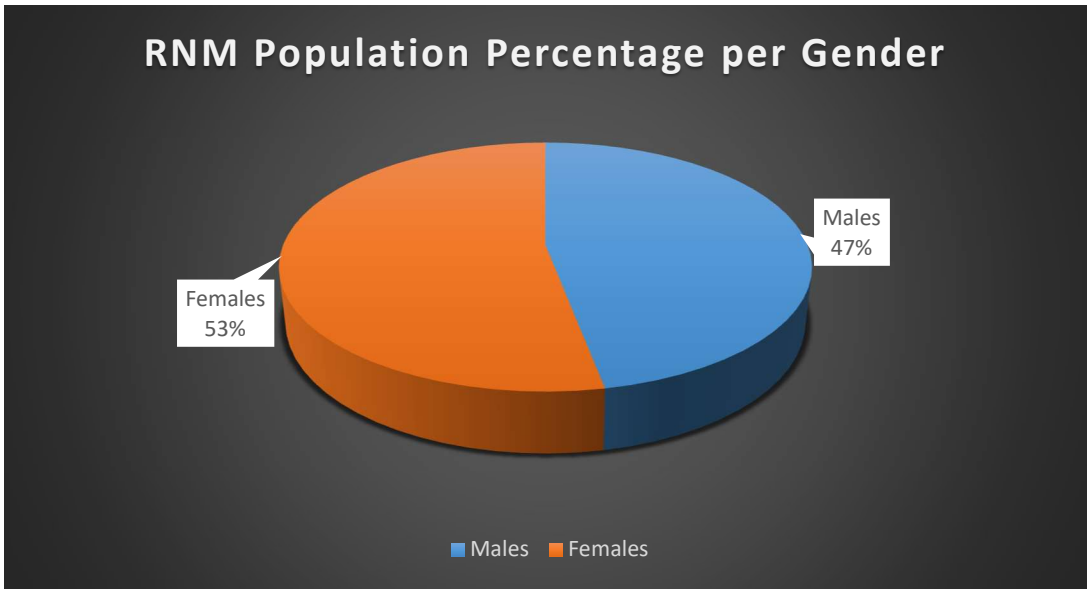


Source: Statistics South Africa 2016 Community Survey

3.1.4 Population Percentage Per Gender

Consistent with the national trend, the municipality has less males than females, see graph below. This is attributed to socio-economic factors. In as much as RNM has a thriving economy, due to the steady influx of people from other neighbouring municipalities and other areas over the years, there has been a steady rise of unemployment. This has resulted in many people migrating in search of greener pastures. Another contributing factor of why the number of males is lower is the social factor. According to the district's Department of Health, statistical information, many men succumb to diseases early in life compared to women.

Graph 4: RNM Population per Gender



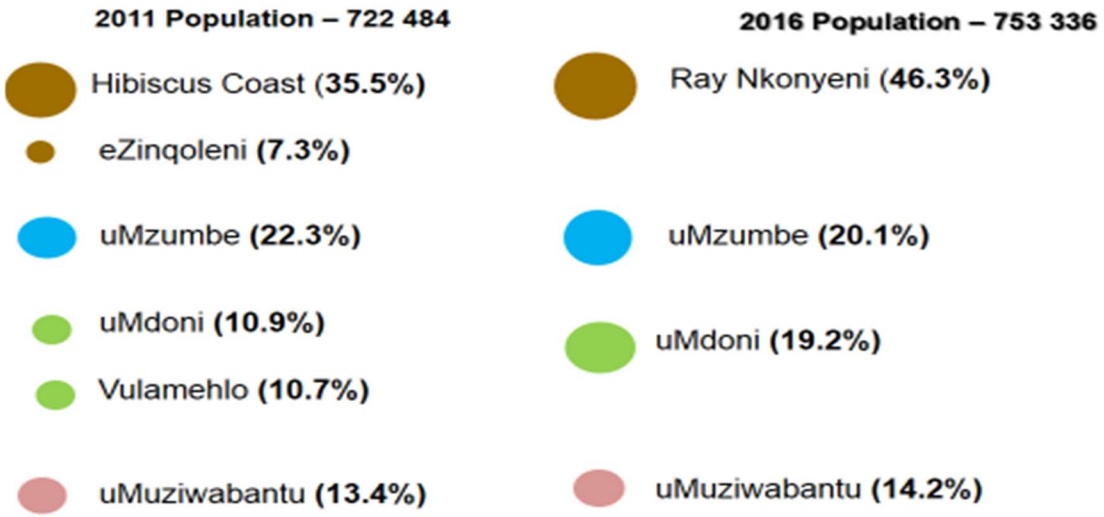
Source: Statistics South Africa 2016 Community Survey

3.1.5 Population Percentage per Ugu District Local Municipality

According to StatsSA 2016 release, Ray Nkonyeni Municipality's population was 46.3%, the highest within Ugu District. As mentioned in the executive summary, the municipality is an economic hub of the district, hence the high population percentage.

See on the following page for the entire Ugu district population percentage.

Graph 5: Population Percentage per Local Municipality



Source: Statistics South Africa 2016 Community Survey

3.1.6 RNM Population In Comparison With KZN Local Municipalities' Population

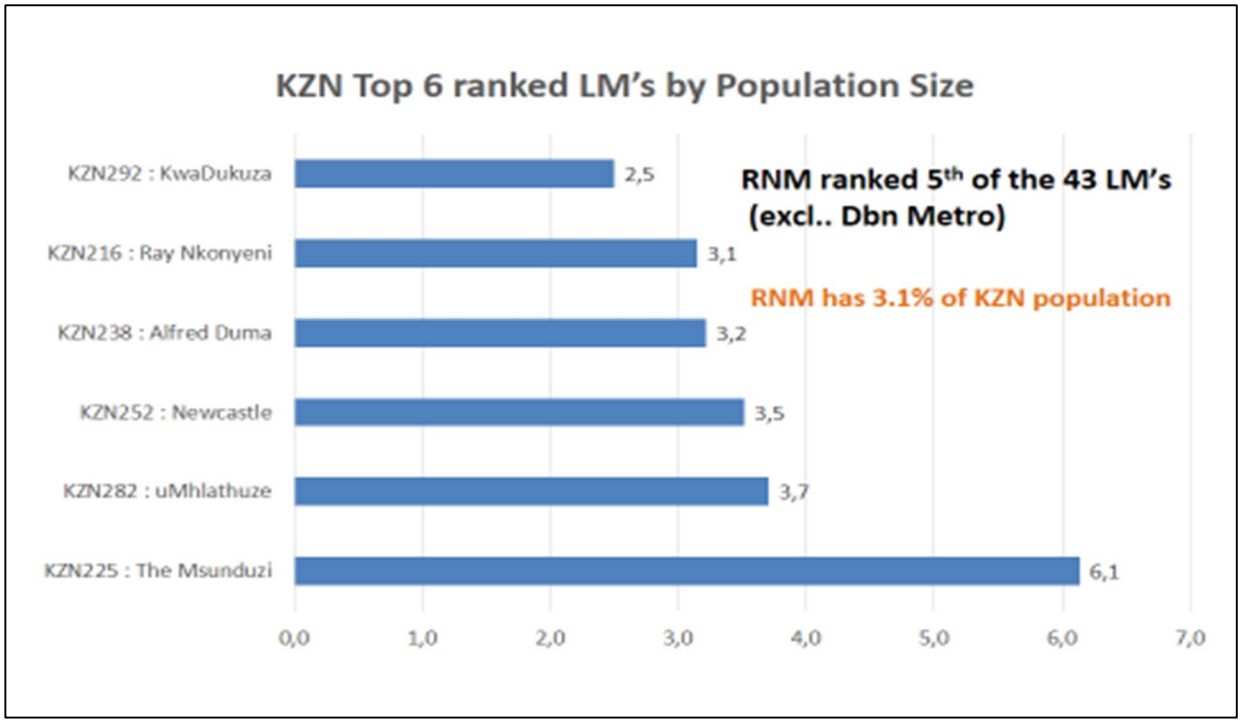
In terms of population, RNM is ranked number five out of the 43 local municipalities in KZN. The highest populated local municipality is Umsunduzi with a total population of 679 039, followed by Umhlathuze Local Municipality with a population of 410 465. There is a slight population difference between Alfred Nzo Municipality and Ray Nkonyeni Municipality. Alfred Nzo Municipality has a population of 3.2% of the KZN population and is ranked number four while Ray Nkonyeni Municipality has a population of 3.1% of KZN population. On the other hand, Impendle Local Municipality has the lowest, with a population of 29 526.

The other Ugu District Municipality locals are ranked as follows:

- Umzumbe Local Municipality is ranked number 18 with 151676 total population
- Umdoni Local Municipality is ranked number 19 with 144551 total population
- Umuziwabantu is ranked number 32 with 108576 total population.

On the following page are statistics of the top six KZN local municipalities in terms of population size.

Graph 6: Top 6 KZN LMs



Source: Statistics South Africa 2016 Community Survey

3.1.7 5 Year Population Growth Estimates

Section 21(e) of SPLUMA stipulates that the content of a municipal SDF framework must include population growths for the next five years. Ray Nkonyeni Municipality will see a very high population growth estimate due to it being the economic driver of Ugu District and also being the gateway of the Eastern Cape Province.

The table below provides population projections for the Municipality for the next 5 years and from it, it can be deduced that the population of the Municipality is expected to continue to grow at a rate of 1.6% and more. The expected population of the Municipality in the next 5 years if the rate in which it grows remains at 1.6% will be approximately 395 748.

Table 44: Ray Nkonyeni Population and Household Projections for the next 5 years

Projection Variable	Projected Population	Future Population	Future Households
Base Year: 2021 Base Population: 365 553 Growth Rate (%):1.6 Average: Household size (2016): 3.8	2022	371 402	97737
	2023	377 344	99301
	2024	383 382	100 890
	2025	389 516	102 504
	2026	395 748	104144

3.1.8 Population Distribution within RNM

Most rural areas in many parts of KZN areas are sparsely populated, and this is no exception to RNM. According to the recent community survey, the population is distributed unevenly across the 36 municipal wards. Since 1996 to date, there has been a steady increase in the population mainly due to immigration given the better socio-economic opportunities in RNM compared to other place in the district and neighbouring northern part of Eastern Cape

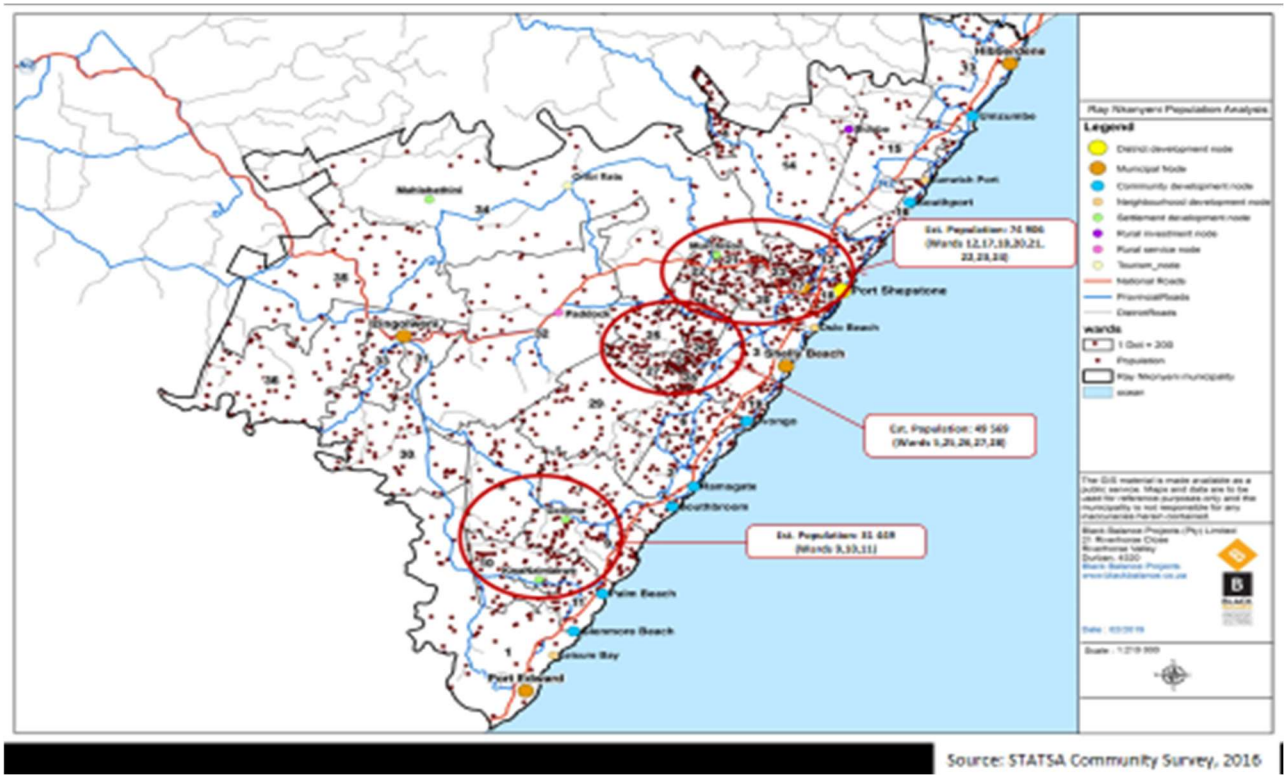


Province. Wards along the coastal belt are densely populated due to economic reasons as compared to those in the hinterland. Compared to the other three sister local municipalities within the district, RNM has the highest population. Ward 20 has a total of approximately 14 855 which makes it the most populated electoral ward within the municipality. Ward 19 accounts for the lowest population of about 5 805. Electoral wards located within the urban component of the municipality and along the main access roads have larger population numbers compared to rural and remote wards. This could also be attributed to a relatively high concentration of economic activities in these wards. This reflects differences in settlement density and typology and may require different approaches in terms of Human Settlements Planning and Development and other basic services. It must be noted that there is a new ward altogether which was formed after the amalgamation of both municipalities, and that is ward 5. The municipality has adopted a cluster approach and thus grouped electoral wards into seven clusters

It must be further noted that in rural wards inland, the population is denser on flat plains as public infrastructure including roads, health centres, schools, etc. tend to be. Therefore, the contributing factor to a fairly distributed population is mainly good topography as this tends to be associated with better access to public infrastructure.

The Population Density Map on the following page shows the population distribution throughout the municipality per square kilometre in each ward.

Map 8: Population Distribution



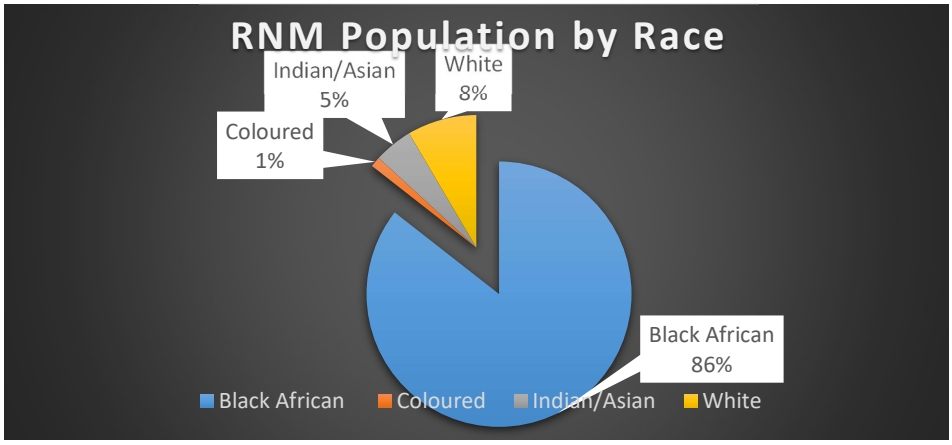
Source:RNM 2018 GIS

3.1.9 Population by Race

Ray Nkonyeni Municipality has a diverse population. There has been a constant racial pattern with Africans being dominant by a huge margin (82%) and followed by Whites (11%), followed by the Coloured population and lastly the Indian population, see graph below. The African population is distributed throughout the municipality's 36 wards, while the White, Indian and Coloured is along the coastal wards. Over the years, RNM has seen an overall increase across races, the Indian race, however saw a decline.

The graph on the following page summarizes RNM's population in terms of race.

Graph 7: Population By Race



Source: 2011 StatsSA

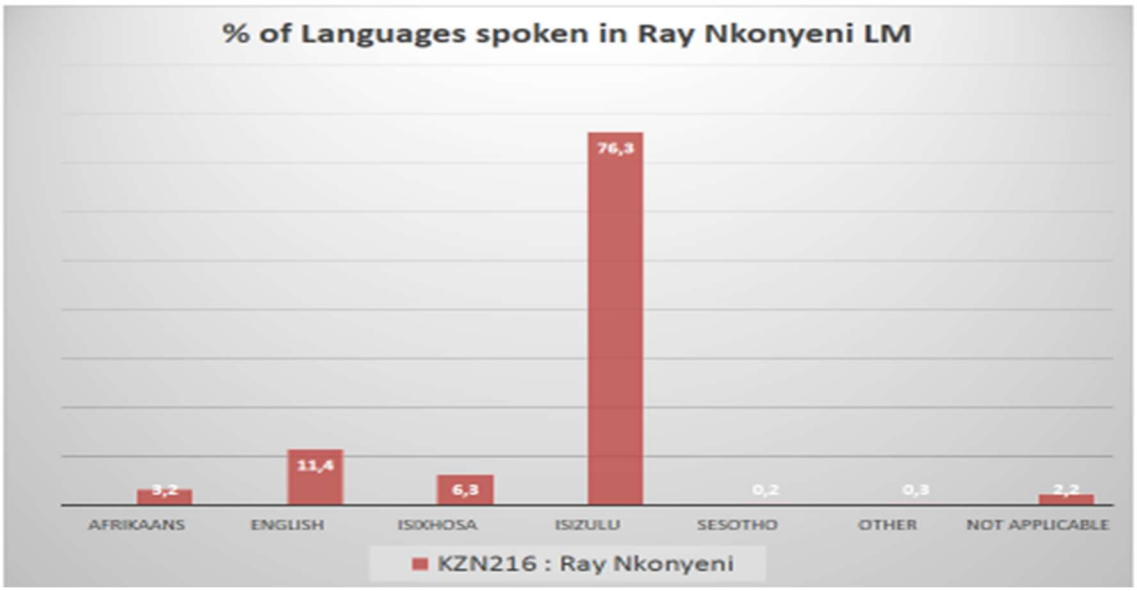
3.1.10 Population By Home Language

According to the KZN Provincial Language Policy, IsiZulu, English, Afrikaans and isiXhosa are already regarded as official languages in the province. Looking at the top five of the mostly spoken languages in the province, the findings are, in the eleven District Municipalities, isiZulu language is mostly spoken, hence in RNM isiZulu is the most spoken language (76%)

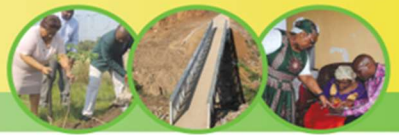
English is the second most popular spoken language, at 11.4% while IsiXhosa follows at 6.3%. Afrikaans is 3.2%. There are also other languages spoken by a very small minority.

The graph below details this information.

Graph 8: Home Language Percentage



Source: Statistics South Africa 2016 Community Survey



3.1.11 Youth percentage at Ugu District

In terms of youth percentage at Ugu District, Ray Nkonyeni Municipality has the highest (41%) followed by Umdoni Municipality with 39% while Umuziwabantu Municipality has the lowest (35.6%). Below is a graph showing the Ugu District's local municipalities youth population percentages.

Table 45: Youth Percentage per municipality

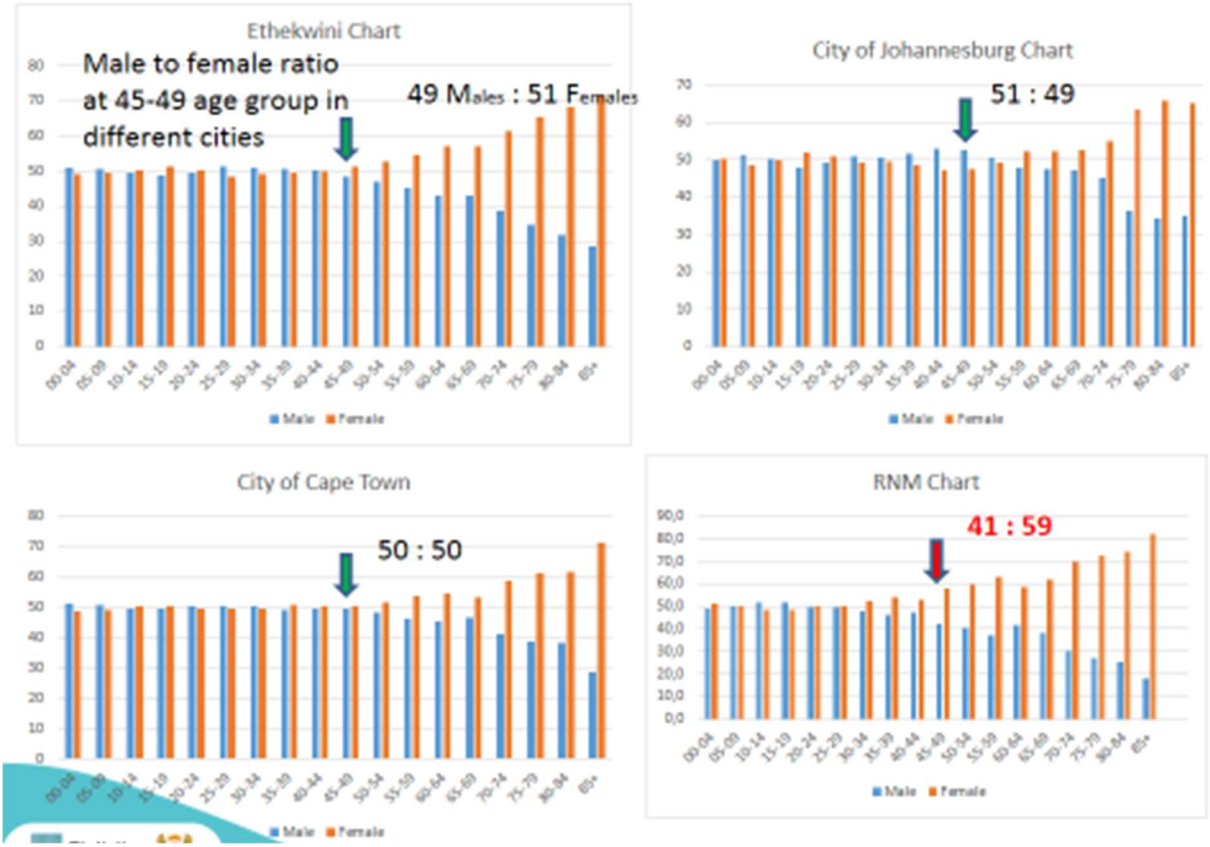
	Census 2011 Proportion	CS 2016 Proportion
Ray Nkonyeni	37.3%	40.9
uMdoni	≈ 35.5%	38.9
uMzumbe	33.7%	35.8
uMuziwabantu	34.2%	35.6
Ugu	**35.7**	**38.7**

*Source: Statistics South Africa 2016 Community Survey*opulation Distribution

3.1.12 Population Comparison between Five Year Age Category

The following graphs compare the male population versus the female population in five year categories between RNM and some metros within the country. As a biggest populated municipality as well as economic hub of Ugu, RNM's male population between the ages of 45-49 shows a decline while in these metros is the opposite. This comparison will assist in comparing our health and economic programmes against those of these metros. The rationale behind this comparison is to ensure that our economic programmes and health programmes are enough to uphold the number of males deteriorating. The significance of this age group is that at this age, most people are economic active with most holding stable jobs with families and other major responsibilities they attend to as compared to the other age groups. So as a municipality, is it vital to compare this category with that of Metros considering that the municipality is ranked amongst the top five local municipalities in the Province in terms of population.

Graph 9: Population in Five Year Age Group per Metro

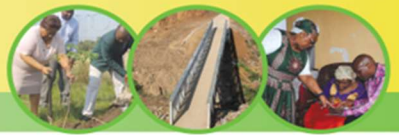


Source: Stats SA 2011

When looking at the male versus female population age group between the ages of 40-60 years from the above areas, one can conclude that there is not much of a difference in population between the two genders as compare to our municipality. It must be noted that these are large metros with plenty of job opportunities, and so Ray Nkonyeni as UGu's leading economic hub must ensure that it retains its male population by uplifting its economy to ensure plenty of job opportunities.

3.1.13 Race Population Distribution Per Ward

The African population is evenly distributed in almost all the wards. However, in the wards along the coastal belt, which are urban, ward 2, 16 and 19, have a higher concentration of white population as compared to the other races. Ward 17 consists of more Indian population than any of the other races within the municipality.



3.1.14 Population by Gender per Ward

The below analysis of the municipality's population distribution per ward (308373) was obtained from the 2016 StatsSA survey hence the population does not tally with the recent StatsSA release which shows an increase in the population (392 405).It must be noted that RNM as an economic hub of the District, immigration is high, hence the population increase from the released 2016 release.

Table 46: Population By Gender per Ward

Ward	Female	%		Male	%	Total	
Ward 1	4804	52		4435	48	9239	
Ward 2	4113	52		3796	48	7909	
Ward 3	2789	47		3145	53	5934	
Ward 4	4779	56		3755	44	8534	
Ward 5	4995	55		4087	45	9082	
Ward 6	5333	55		4364	45	9697	
Ward 7	4161	48		4508	52	8669	
Ward 8	3853	54		3283	46	7136	
Ward 9	6371	48		6902	52	13273	
Ward 10	5740	53		5090	47	10830	
Ward 11	4333	53		3843	47	8176	
Ward 12	3942	52		3638	48	7580	
Ward 13	2799	49		2914	51	5713	
Ward 14	5486	53		4864	47	10350	
Ward 15	2961	51		2844	49	5805	
Ward 16	3910	52		3609	48	7519	
Ward 17	5445	53		4829	47	10274	
Ward 18	4162	52		3842	48	8004	
Ward 19	3309	52		3054	48	6363	
Ward 20	6415	51		6163	49	12578	
Ward 21	3777	53		3349	47	7126	
Ward 22	4555	54		3881	46	8436	
Ward 23	3578	52		3303	48	6881	
Ward 24	5841	53		5179	47	11020	
Ward 25	4548	53		4033	47	8581	
Ward 26	3047	54		2596	46	5643	
Ward 27	4819	54		4105	46	8924	
Ward 28	3888	54		3311	46	7199	
Ward 29	5326	52		4917	48	10243	
Ward 30	4768	55		3901	45	8669	
Ward 31	4134	54		3521	46	7655	
Ward 32	4857	51		4666	49	9523	
Ward 33	4140	54		3527	46	7667	
Ward 34	4419	54		3764	46	8183	
Ward 35	5091	54		4337	46	9428	
Ward 36	5792	55		4738	45	10530	
Total						**308373**	

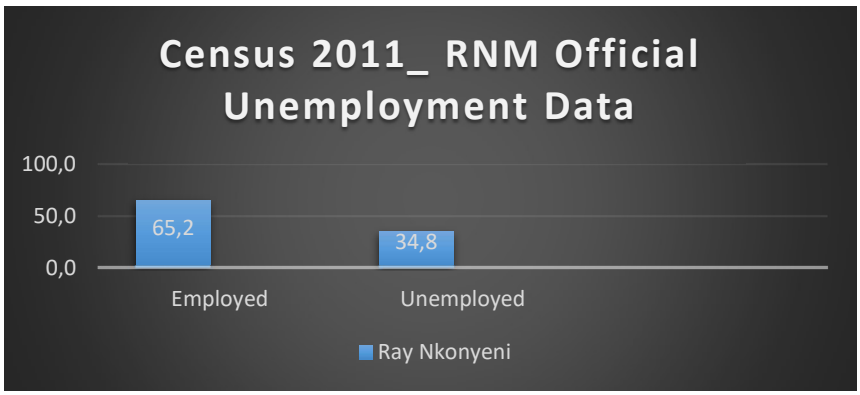
3.1.15 Employment Analysis

It can be argued that RNM is the most developed local municipality within the Ugu District, boasting an array of social, educational, economic and health facilities. This alone serves as an attraction for job seekers as all these facilities offer more job opportunities than the surrounding local municipalities, however, contrary, there is high unemployment more especially in the formal sector.

3.1.14.1 Employment versus unemployment

The fact that RNM is the economic hub of the Ugu District makes it an even better attraction for employment seekers, consisting of a number of successful economic sectors.

Graph 10: Employment vs Unemployment



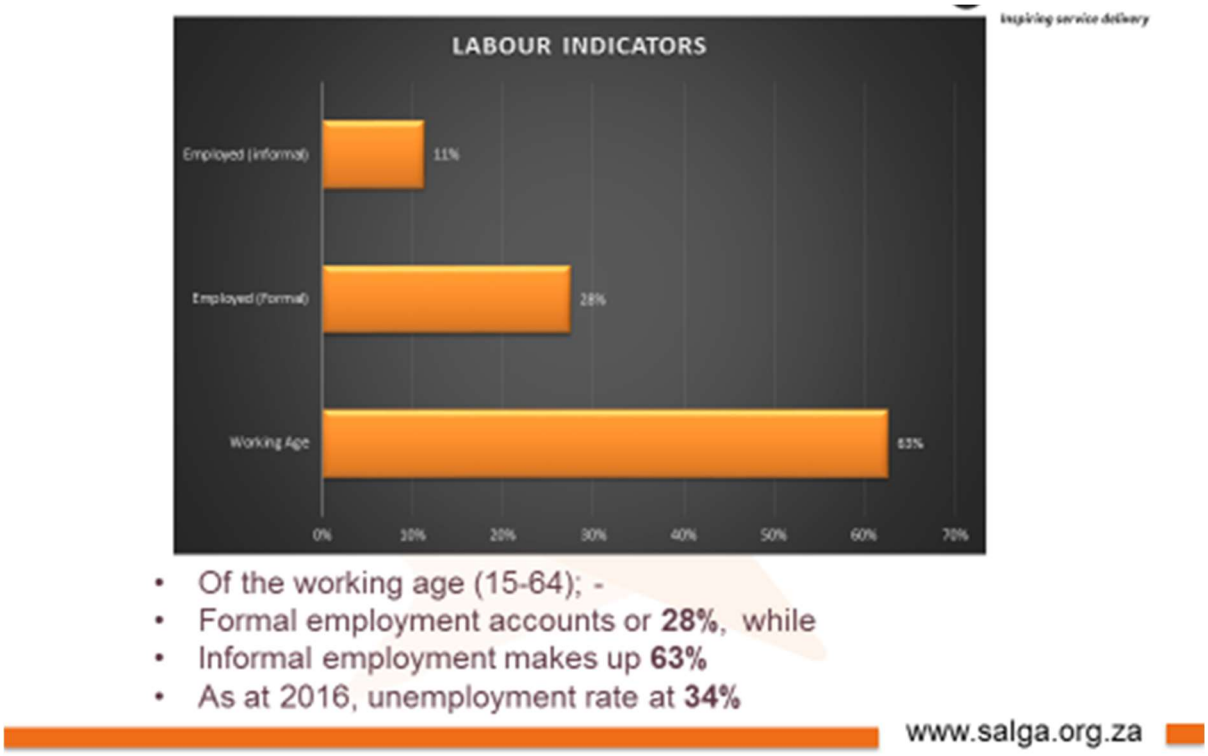
Source: Community survey 2016

According to the PGDS, unemployment remains chronic and rising and concentrated amongst Africans in rural areas, women and the youth. This is no exception at RNM. This further leads to a significant contribution to poverty. The municipality is faced with a high number of unemployment more especially the youth. Programmes to curb poverty and create job opportunities are in place.

The municipality has also ensured that it partners with stakeholders as well as the private sector in applying mechanisms with an effort to create employment opportunities, skills enhancement, effective and efficient governance etc. The KZN Small Business Development Agency and Ministry of Small Business Development are amongst many programmes the Province has implemented as a vehicle to refocus on small businesses. The municipality has also ensured that through its employment policies, small and medium businesses are created as they are the largest contributors to new employment opportunities.

Informal sector also plays a large part in the creation of jobs within the municipality. Ray Nkonyeni Municipality, through its Local economic Development, has ensured that bylaws have been formulated and implemented to enhance its growth as it shows that quite a large part of the population depends on it. The graph below shows the labour indicators within the municipality between the ages of 15-64.

Graph 11: RNM Labour Indicators

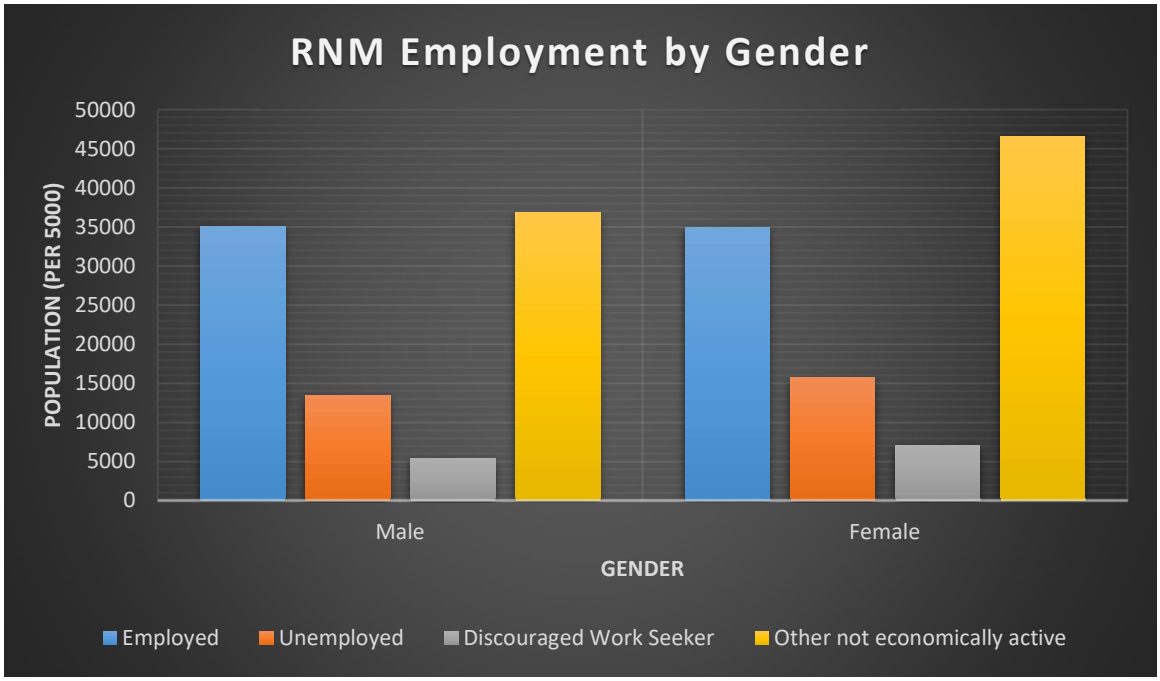


In 2016, statistics revealed that unemployment within the municipality stood at 34% of which is quite high. This therefore meant that the municipality had to have strategies that will address this, and have been discussed in 3.1. 63% of the population are those under the informal employment category. The Informal Sector will be detailed under the LED section in the document. The following percentage is 28%, which is formal employment

3.1.14.2 Employment by Gender

The female population of Ray Nkonyeni Municipality which is not economical active is higher as compared to the male population. In terms of discouraged work seeker, the female population is also higher as compared to that of males. With unemployment, again, the female population is higher than that of males. According to the recent survey, In terms of employment, both female and male gender are now equal, however, it must be mentioned that the number is much lower as compared to those not economically active.

Graph 12: RNM Employment by Gender



Community survey 2016

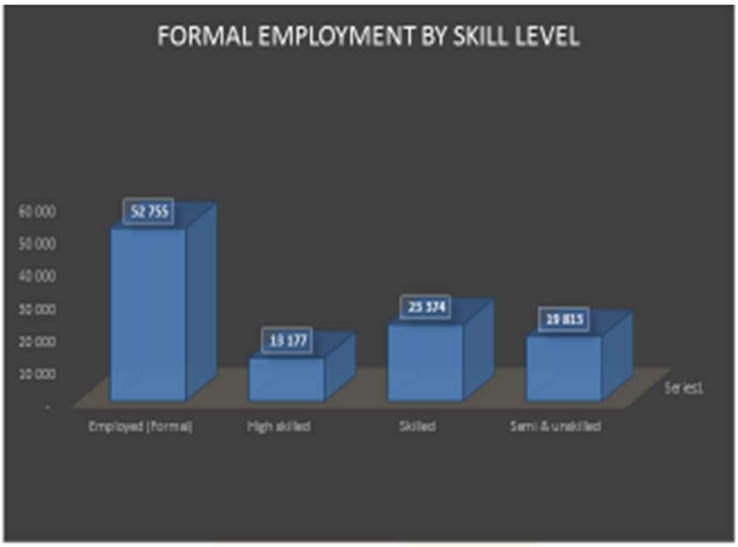
3.1.14.3 Employment type

It must be noted that within RNM, a large percentage of the working age consists of more males than women. This is due to the fact that in most instances more especially amongst the rural African communities, it is still a norm that females must stay at home tending to domestic issues while men leave their homes for employment purposes. When it comes to the employment type, a large percentage (74%) of the population is not applicable to any form of employment. This is a huge concern as the gap between the rich and poor is expanding drastically. Those employed in the formal sector only 18% of the entire population while 3% is privately employed. Below is a graph indicating these statistics. As per StatsSA 2011, it's been reported that 2300 people moved from neighbouring municipalities and Eastern Cape Province as well other Provinces to RNM because of job transfers – which include both the private and public sector. The relocation of a number of people has also been attributed to the formulation of new small business in RNM.

3.1.14.4 Formal Employment by Skills Level

The municipality has a reasonable number of skilled people employed under the formal sector. It shows that the number of people employed under the formal sector is 53255. Those with skills are more than those with high skills. This shows that the municipality has lesser number of people who are highly skilled. Below is a graph with this information.

Graph 13: Formal Employment by Skill Level



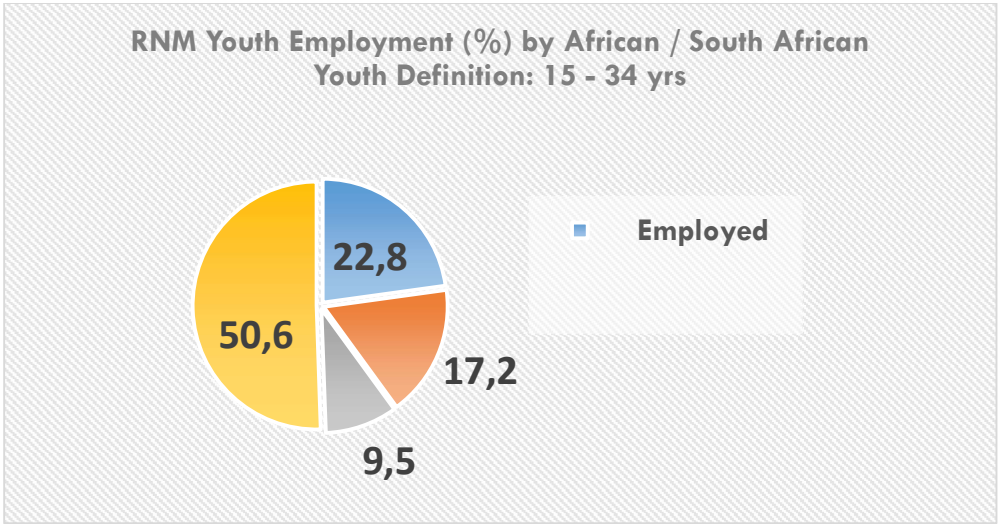
Source: www.Salga.org 2018

3.1.14.5 Youth Labour Statistics

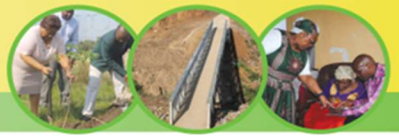
For every 100 young persons in age group 15 – 34 years: 23 persons were employed, 17 persons unemployed, 10 young persons have given up hope of ever finding a job and no longer looking for it. Half of the youth (51%) were in schools or in training and therefore could not be described as employed or unemployed. However, 27 young persons (unemployed and discouraged) are effectively not working. To sum this discussion, RNM has a high percentage of youth unemployment.

The following graph indicates the percentage of youth employment vs unemployment.

Graph 14: RNM Youth Employment (%)



Source: *Statistics South Africa* 2016



3.1.16 Estimates of Economic Cctivities and Employment Trends

According the municipality's Local Economic Development (LED) Strategy, the economy of the local municipality is well developed with Port Shepstone and Margate as its major towns having well-established and serviced areas for light-to-medium industries and commercial service centres. The municipality's Gross Domestic Product (GDP) was estimated at R 13 billion in 2016 accounting for 61 percent of the district GDP estimated at R 21.4 billion followed by Umzumbe municipality (20%), Umdoni municipality (13%) and Umuziwabantu municipality (6%).Thus, Ray Nkonyeni is the core contributor to the district's economy. Ray Nkonyeni municipality has had a steady increase since 2005 with a sharp drop experienced during the global crises in 2008/2009. Below is a summary of the economic activity showing the type of industry as well as employment trend within the municipality and location.



Table 47: Estimates of Employment Trends

AREA BASIC	DESCRIPTION	TYPE OF INDUSTRY	Employment trends
Marburg Industrial	This is the only major industrial zone in the District. It has been developed on the N2 to the south-west of the Port Shepstone CBD. Over the years, it has extended on what is referred to as Izotsha. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are located in the area.	Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants.	These are paid jobs comprising of • Semi-skilled • skilled labour -Both males and females are employed - There is a high number of job opportunities - Diversity in the workplace
Margate Quarry Industry	The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighbouring developments either by the N2 or vacant land.	The number of concrete block, brick and moulded concrete block manufacturers benefiting from the location in relation to the Quarry.	-Semi-skilled and skilled labourer force -High percentage of males employed -Safe work environment
Margate Airport Industrial	This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries.	Construction related and furniture manufacturing firms are located in the area.	-Safe work environment -semi skilled and skilled labour force -High technology
Tourism	Ray Nkonyeni Municipality is a strong tourist attraction place, boasting of well-developed products. Added to that is the climate which is humid and	The Coastal belt is mostly tourism.	



	subtropical all year-round, thus a leading tourist destination in KZN		
Agriculture	The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. More commercial farming is along the coastal belt, however, in some areas in the hinterland,it can be found as well. Little subsistence farming activities take placein the hinterland	Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in gare in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow for consumption. There is a small scale growth of sugarcane farming in the interior	-Semi skilled and skilled labour force



3.1.17 Household Analysis

Ray Nkonyeni Municipality has approximately 90 409 households (hh) which makes it the leading municipality amongst the other Ugu local municipalities. Many households are child headed as most parents are either dead or in distant cities for job opportunities. The result of absent elderly people in a home result in a disorientated household with no supervision. Children are not cared for and do as they please and end up dropping out of school. Many people do not have a matric certificates. In as much as it has been stated the municipality experiences a high dropout rate, it must be noted that its matric results are the best when compared to the other sister local municipalities. This is due to the programmes in place that aid in ensuring that the culture of learning is not lost. These include the Saturday and Winter class programmes. Dedicated Educators over the years have ensured that they run these programmes and results speak for themselves.

3.1.18 Migration Pattern

In-migration, outmigration and internal migration are the highest types of migration within RNM and therefor, when planning takes place, this must also be taken into consideration. Trends and patterns of migration have changed over the years and it is therefore imperative to discuss the different types of migration the municipality has experienced over the years.

- In-Migrants (The number of people entering a geographical area)
- Out-Migrants (The number of people leaving a geographical area)
- Internal Migration (Country to City/town)
- International Migration (Voluntary Migration, and involuntary migration)
- Mobility (Temporary migrants as they do not have permanent residence).

Due to the economic activities within the municipality, more in-migration as well as more internal migration has been experienced as compared to the other Ugu sister municipalities.

In migrants come from neighbouring municipalities and the neighbouring Province, which is the Eastern Cape. In this regard, it is imperative that in the planning of the municipality, the influx of people must be considered. Internal migration is common as well. These are the people originally from within the municipality, who reside in rural areas and move to urban areas in search of job opportunities. The municipality has also experienced international migrants as well as mobility migration. In the case of international migrants within the municipality, it is basically those migrants who provide different types of services and everyone benefits. The municipality is in possession of all the different types of migrations within its jurisdiction, obtained from StatsSA.

3.1.19 Social Development Analysis

Social issues pertaining to deprived and semi deprived communities, education analysis, as well as health and safety and security issues will be analysed in this section as it forms part of the demographics. The rationale behind this analysis is to enable planning of programmes within the municipality be planned with these aspects in the picture. Proper planning cannot be effective if social analysis has not been undertaken.

3.1.19.1 Overview of RNM in Terms of Poverty

Poverty remains a leading social concern in South Africa, and KwaZulu-Natal and bears substantial part of the national burden of poverty. RNM has not escaped the clutches of poverty. Poverty can be measured in various means, but for the municipality, poverty has been measured



in terms of salary gaps, type of employment, job opportunities as well as human settlement typologies, and health issues. The gap between the rich and the poor is too wide. This is evident amongst the Black majority in rural areas. Most families still live below the poverty line, which is below R1500 monthly income. This is evident from the number of people who depend on Government. Many people within the municipality have no other choices but pushed into the informal (second) economy which is notorious for its unpredictable income streams.

3.1.19.2 Level of Development

The spatial development concept starts by understanding the movement networks of people, goods, and services which are channelled along specific routes that describes a network of interaction. Ray Nkonyeni Municipality's spatial development is concentrated along the coastal belt, while much of the hinterland is not developed. In terms of nodal development, a future Development Corridor is proposed to facilitate the expansion of Port Shepstone and Margate towards the south-west of the municipal area. It adjoins Izotsha Corridor and it is positioned in close proximity to Gamalakhe Township. Another, Potential Tourism Corridor Route is located along the Port Edward to Ezingolweni east/ west link.

3.1.19.3 Priority Projects Per Deprived/Semi Deprived Ward

RNM consists of both rural and urban wards, and their basic needs vary. According to in depth analysis, it has been discovered that most wards which are rural, are highly deprived as compared to those along the coastal belt which are urban. However, it must be noted that even though findings have shown that these rural wards are categorised as deprived, it is not the entire ward that is so, but certain areas within it. Below is a list of the wards with areas within them which are categorised as deprived. Information on how wards are deprived and partially deprived was obtained from war rooms. Through war rooms and ward based planning consultations, this information of deprived areas was obtained from there and three (3) priorities per ward were selected.

- Highly deprived wards are:7, 8,29,30,31,32,33,34,35 and 36
- Medium deprived are: 4,5,7,10,11,14,15 and 21
- Semi deprived 1,13,14,14,16,21,22,23,24,25,26,27,28
- Least deprived: 2,3,6,12,17,18,12

Ray Nkonyeni Municipality as mentioned earlier on in the document, is a diverse municipality, with both urban and rural settlements. Needs vary per ward, and through Operation Sukuma Sakhe, wards have been identified that are highly deprived. Such information is obtained in War rooms where ward issues are deliberated extensively. Areas in sixteen wards which mainly are in deep hinterland, were identified. Each ward identified has three main needs as shown below.



Table 48: RNM Main Needs per Ward

WARDS	AREAS	MAIN NEEDS
7	Ngwemabala	• Community hall to be built • Road concrete topping • Request for electricity • Bridge for Kwalini Road, Ngodini
	Gcilima	• Road concrete topping from Mangeleka to Nkoncweni • Request for water pipes and taps • Request for street lights • Regraveling and addition of concrete at Dwayisa Road
	Nkampini	• Request for electricity • Mbambi Road needs concrete • Water crisis • Concrete at Mkhobe Road 2 • Regraveling of Mkhobe Road 3
	Chatsworth	• Zama Zulu Road needs gravelling • Water issue • Request for electricity
	Katangweni Mkhobe	• Electricity needed • Water crisis • Road concrete topping
	Nontshuntsha	• Request for a community hall • Request for electricity • Concrete topping near Mteshane bottle store
	Melika	• No water • No electricity • Melika Road need gravelling
	Qombe	• No electricity • No water • Access road needed from Seventeen to Nondaba Road • Bridge at Seventeenth Road
	Gogogweni	• No water • No electricity • Concrete topping at Bheneza Road
	Vulindlela	• No electricity • No water • Concrete needed at Valindlela Roadi
	Thokothe	• Concrete needed from Thokothe ground to Mbhele • No electricity • No water
8	Nyanisweni Nkothaneni Dumezulu Mphelelwa Entire ward Bhazabhaza	• Skills center • Hall Qamela bridge • Extension of hall • Hall • Water scarcity • Electrification
9	Koloni	• No water • Regravelling of Mahhal aRoad



	Mhlabuhlangene	• Maso Dlamini Road need gravelling • No water
	Khushwini	• Delihlazo Road need gravelling • Water pipes and taps needed
	Sodoma	• Bhaselona Road need gravelling • Sikobi Road need topping
29	Mankuntshana	• Rehabilitation of roads • Water connections • Hall to be built
	Sambulo	• Steep hill paving • New hall needed • New gym facility
30	Gogozi	• No sports field • No pedestrian brigde • No creche
	Mdlazi	• Request for Khumbuza Community hall • Rehabilation roadof Khumbuza to Lonjani
	Ngcawusheni	• Nduna Cele Road to be regarvelled • Qhinqa High to Sjoti road needs gravelling
	Bandlana	• Phongokazi to Malanga Road to e rehabilitated
31	Dlovinga	• Request for community hall • Concrete slab from to KwaNdlela
	Mbeni	• Concrete slab from Phuthumani to Katangweni road • No library
	Magidigidi	• Request for sports field • Concrete slab from Bobeni to Khalweni • Request for a library
32	Sgodaneni	• Access road rehabilitation • No electricity infills • Request for a sports field
	Mgawulwane	• Access road to be rehabilitated • Electricity infills needed • Mgawulane crèche furniture needed
	Paddock	• No VIP toilets • No Electricity infills
	Mthini	• Community Hall
33	Mbeni/Munga VD	• Regravel and concrete of Qhashela road • Zihlabathini to Bubule Road to be regravelled and concrete • Vehicular bridge needed and Makhanya to Ncumuse road to be rehabilitated
	Nkulu/Vukuzithathe VD	• Concrete slab and regravellig of Makhanya Road • Concrete slab and regravel of Siqedukoma Road • Pedistrian Bridge at Bhayiya and regravelling



	Shobashobane/Magaye VD	• Khomo to Gambushe road to be regravelled and concrete • VIP toilets needed • Ezinqoleni Road to be regravelled
	Shoba/Khandalesizwe VD	• Khandalesizwe Road to be regravelled and concrete slab • Sdudla road to be regavelled and bridge needed
34	Thonjeni	• No access road at Mbuyiseni • Wwater crisis
	Inkulu	• Access road needed at Ngodini • Sports field needed at Mshiwa • Access road needed at Mashimane
	Wosiyane	• Qili Road to be rehabilitated • Regravelling of Mzenge access road • No Sports field
	Blose	• Request for a pre school
	Nkunswana	• Water crisis
	Mahlabathini	• Mhlabunzima Community hall needs rehabilitation
35	Hlomendlini	• No electricity installation • Berea to kwaMajiya road needs gravelling • Cebisa store to kwaMhlungu road need gravelling
	Shibe	• Road concrete topping needed at kwa Mthuli to Pola • Electricity installation • Crosini Road need concrete
	Ndunu	• KwaNdunu Hall road need gravelling and concrete • Smakadeni Road need concrete • Electricity installation
	Godloza	• From Bomvini to Dingindawo road need gravelling • Electricity installation • Gravelling at White House to Mkhize Road
	Celebane	• Electricity installation • Bhobheni needs gravelling • Nxeko Road need gravelling
	Sbhangwane	• Electricity installation • Athenjini Road need gravelling • Sbhangwana Road need concrete
36		• Mthamvuna Bridge (Urgent) • Regravelling of Khuzwayo Road • Regravelling of Ace Road • Building of a hall in eChibini • Resuscitation of Moguntia Sports Field • Reconstruction of Mvolozi Bridge



3.1.19.4 Education Analysis

The education levels are improving as more learners are enrolled and reach secondary level (Stats SA 2016). In the past, secondary school was the dominant level of education and it has remained as such, and now it is also showing great improvement as the number of people at secondary school level has tripled the 2001 figures. Primary schooling has also shown great improvements as more learners are enrolled. This is in line with the 2018 SOPA whereby the Premier stated that every child must have a basic education. There are some challenges however, that are experienced within the Education Sector. A number of urban schools experience a high influx as more learners abandon rural schools. This has resulted in many rural schools with very little enrolment which may result in some being closed down. The exodus is cited as lack of proper education infrastructure and long walking distances.

Enrolment in Grade Rs has also seen a steady rise over the years. This is due to the fact that the National Department of Education has made it compulsory for all learners to be enrolled at preparatory school before starting Grade 1. It must be noted that the municipality boasts preschools in almost all its Primary schools. There are also crèches that are privately run as well.

There is a high dropout rate at high school level due to a number of socio-economic ills. Teenage pregnancy, orphans and the abuse of substances are some contributing factors. Ray Nkonyeni Municipality experiences the highest number of teenage pregnancy as compared to the other sister municipalities. Ray Nkonyeni also has special schools that cater for children with special needs and are fully equipped with resources. The department of education provides special support to these schools to;

- Provide curriculum delivery support to LSEN schools for purposes of improving learner attainment in line with White Paper 6 (Inclusive Education)
- Improve the performance of learners in special schools especially at the level of National Senior Certificate through teacher capacity and learner support

3.1.19.5 Education Levels

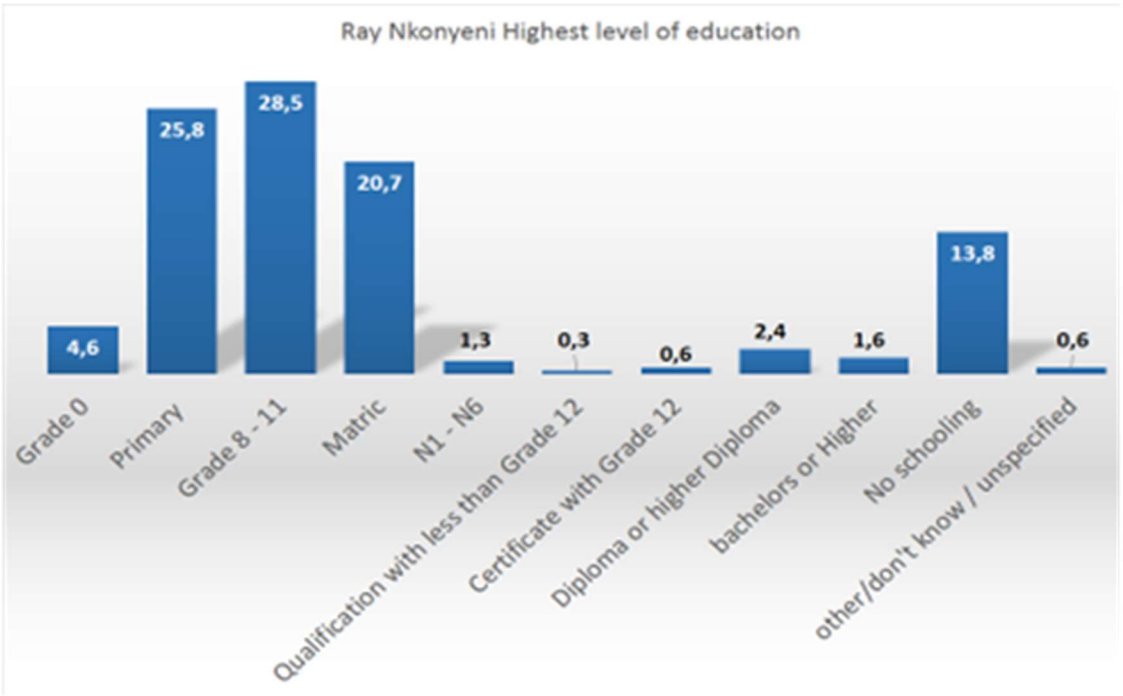
Ray Nkonyeni has four TVET colleges, at KwaNzimakwe, Oslo Beach Gamalakhe and Port Shepstone. Different courses are offered and the highest certificate obtained is the N6 which is equivalent to a college diploma.

The municipality does not have a university, but has since signed an MOU with the University of South Africa to develop a university within its jurisdiction.

Higher education levels (tertiary) holders within the municipality is low. This may be attributed to by a number of social factors. School dropout rate is high. Other learners are heads of their families since parents have passed on

The following graph shows the different types of education levels within RNM.

Graph 15: RNM Education Levels



Source: Stats SA, 2021

An overall summary that can be drawn from the above graph is that RNM has a high primary entry number as compared to Matric certificate holders, 20.7%. This may be attributed to school dropouts, (to find means to provide for their families and themselves, or teenage pregnancy with no one to look after the child), social ills (Pandemic diseases etc.) All of these aspects feed into the low level of people with a higher education within the municipality. According to the graph above, only 1.6% of the population hold bachelors or higher education as compared to the 25.8 primary entry. The drastic drop between the two percentages may be due to the fact that in most instances, most teenagers by now have taken the roles of being household heads and the burden weighs them down to an extent of failing to cope at school and end up dropping out. Some have left homes to seek employment to fend for the family. Another reason may be due to the high intake of intoxicating substances. Many learners come from dysfunctional homes and do not cope well at school resulting in dropping out In terms of no schooling, the municipality stands at 13.8% which is quite high. Factors contributing to this may be that in some African homes, the need to attend school is still viewed as a waste of time. Another factor may be that most children have already taken a role of being a household head since parents have died leaving them to be taken care of by their frail elderly parents.

3.1.19.5.1 2022 RNM Matric Pass Rate

There was a 6.8% increase in the matric pass rate at RNM in 2022. 48.6% of the total 91.5% achieved a Bachelor's Pass. UGU is ranked the No. 1 District in the Province and No.8 District in South Africa. The table below details the pass rate.

Table 49: RNM Matric Pass Rate

2021 Pass	2022 pass
80.84%	91.5%



3.1.19.5.2 Teacher Learner Ratio

The current ratio for Teacher Learner is 1 : 32 inclusive of all teaching staff

3.1.19.5.3 Early Childhood Development

The below information is for the entire Ugu District.

- Number of centres: 450 centres
- Number of learners: 12400
- Learner / Teacher ratio: 1 : 30
- Permanent employees: 90 state paid educators
- Temporary employees: 326 contract educators

The municipality plays a very important role in ECDs. It has over the years ensured that they are registered and in partnership with the Network Action Group (NAG) whose role is to ensure that all ECD Educators reskilled. Furthermore, the municipality provides ECDs with educational toys and other learning equipment and furniture. According to the municipality's long term vision, strategic goal 3, no region can achieve true growth and development without significant investment into the education of its people. In this regard, the municipality is creating awareness about the importance of pre-school childcare and providing the relevant support to ensure ECD is being prioritized.

3.1.19.5.4 (AET)

AET previously known as ABET, in UGU District is managed from Esayidi TVET College, no longer managed from the DBE and has been transferred to HED. This programme promotes a culture of learning to read and write to the Illiterate persons and elderly people. Ray Nkonyeni Municipality, according to StatsSA 2016 survey, indicates a high number of illiterate people, therefor this programme has addressed this issue extensively. Learning is undertaken in the evenings to afford the working people time. Most schools are centres of AET, with qualified Educators .Response to the programme over the years has been positive.

3.1.19.5.5 Challenges within Schools

i. Challenges affecting performance within schools

- Service delivery protests
- Covid 19 and its impact: on timetabling choices…
- Underqualified teachers teaching gateway subjects
- Support staff shortages (eg FET= 14 vacancies; GET= 26 vacancies)
- Clerical staff shortages
- Substitute posts of 30 days take long to be filled due to the lengthy processes of appointing such teachers
- Non-viable public schools are above 100
- Tools of trade in short supply
- Small schools with a low PPN often results in Multi-grading
- Social ills
- Shortage of learner transport



ii. Urban schools infrastructure versus rural schools Infrastructure

Table 50: Urban vs Rural Schools' Infrastructure

INFRASTRUCTURE	
URBAN	RURAL
SANITATION	
Flushing toilets:	Chemical toilets:
	Pit Laterines:
WATER	
Piped portable water:	Water tanks and community stands:
INFRASTRUCTURE	
Brick and block built classrooms with tiled roofs:	Block built classrooms with tiled roofs:
	Mobile classrooms:
SPORTING FACILTIES	
Well built sports fields	Undeveloped sports fields

iii. Overall problems faced by the department of basic education

- Migration of families from rural to urban
- Lack of development in rural areas and poor infrastructure facilities
- School girl pregnancies
- Substance abuse

3.1.19.5.6 Schools 'Infrastructure Projects

Table 51: Schools' Infrastructure Projects

EDUCATION				
FACILITY NAME	**SERVICE DESCRIPTION**	**ESTIMATED PROJECT BUDGET**	**LOCAL MUNICIPALITY**	**WARD**
BASHISE PS – GIS latitude: -30.888829 GIS longitude: 30.314670	SANITATION PROGRAMME (PHASE 3) - UGU-17 Renovation of existing structures, construction of new (8G, 12B, 2M2F1D, 4R1T)	R4 096 096,06	Ray Nkonyeni	Ward 29
BEAULAH PS – GIS latitude: -30.621330 GIS longitude: 30.363219	SANITATION PROGRAMME (PHASE 3) - UGU-13 Renovate existing structure (2M1F) construction of new (6G, 6B, 2M2F1D, 3R1T)	R3 341 459,55	Ray Nkonyeni	Ward 4
DUDUZILE SS – **GIS latitude:** -30.637730 GIS longitude: 30.366139	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (10G, 10B, 1F1D & 2M2F1D).	R3 641 396,80	Ray Nkonyeni	Ward 4



IKHWEZILOKUSA PS – **GIS latitude:** 30°51'05.72"S Longitude: 30°12'10.32"E	SANITATION PROGRAMME (PHASE 3) – Demolition Of Existing Structure, Construction Of New (6G, 6B, 2M2F1D, 3R1T)"	R3 016 600,08	Ray Nkonyeni	Ward 32
MBAMBUYA PS – GIS latitude: -30.523350 GIS longitude: 30.056850	SANITATION PROGRAMME (PHASE 3) - UGU-05 Demolition of existing structures, Construct new blocks (6G, 4B, 2M2F1D & 2R1T).	R2 833 520,85	Umuziwabantu	Ward 1
MHLABUHLANGENE JSS – GIS latitude: -30.921370 GIS longitude: 30.186699	SANITATION PROGRAMME (PHASE 3) - UGU-13 Demolition of existing structure, construction of new (12G, 10B, 2M2F1D & 3R1T)	R2 402 594,38	Ray Nkonyeni	Ward 8
NOMBUSO HS – **GIS latitude:** 30°59'37.00"S Longitude:30°14'21.00"E	SANITATION PROGRAMME (PHASE 3) – Provision of sanitation services	R1 646 712,97	Ray Nkonyeni	Ward 1
SISTER JOANS HS – **GIS latitude:** -30.724740 GIS longitude: 30.381710	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures. Construct new blocks (6G & 2M2F1D).	R2 299 635,86	Ray Nkonyeni	Ward 21



3.1.19.5.7 Interventions

i. Ugu District Improvement Plan/Turn Around Strategy

The rationale behind the turnaround strategy as detailed below is to improve the pass rate and bring back the culture of teaching and learning in schools.

Table 52: UGU District Improvement Plan

FOCUS ARES	IMPROVEMENT ISSUE	OBJECTIVES
FOCUS AREA ONE	Teacher orientation and of target setting	1. To provide feedback to the system on the performance of the matric "Class of 2020" and to identify content, knowledge and skills gaps 2. To provide guidance/orientation on the 2021 Annual Teaching Programmes and to set performance targets for province, districts, circuits and schools
FOCUS AREA TWO	Accountability sessions	1. To allow the Provincial Curriculum Delivery Chief Directorate to account for the subject under performance 2. To allow the Provincial District Operations Chief Director to account for the district underperformance and district decline in pass rates 3. To allow the District Managers to account for subject underperformance, subject decline, school underperformance, school decline in pass rates, circuit underperformance and circuit decline in pass rates
FOCUS AREA THREE	Total school functionality and productivity	1. To ensure that all schools start working on the first day of schooling in 2021 2. To confirm that all required human and physical resources are available for productive teaching 3. To confirm the usability of the time tabling option of the school for effective curriculum coverage
FOCUS AREA FOUR	Provision of human resources	1. To identify all vacant posts created by by promotions, retirements, comorbidities and COVID-19 mortality in schools, circuits, CMCs, Districts and Head Office 2. To recruit staff to fill in vacant posts in schools, circuits, CMCs, Districts and Head Office
FOCUS AREA FIVE	Provision of physical resources	1. To identify and repair all vandalised schools and storm damaged schools in the 12 education districts 2. To audit the availability of classrooms space and furniture in all schools and provide where there are shortages 3. To audit the availability of Learner Support Material in schools and provide where there are shortages 4. To audit the availability of water and sanitation facilities and provide where there are shortages
FOCUS AREA SIX	Improvement of the quality teaching and learning	1. To identify the subjects in districts which have underperformed in the 2021 NSC examination 2. To develop specific programmes to support Subject Advisors and Teachers in districts where the subjects have been underperformed
FOCUS AREA SEVEN	Strengthening the supportive role of assessment and examination components	1. To provide support to curriculum delivery through quality assessment practices and sound assessment principles 2. To improve the quality of School Based Assessment and provision of feedback 3. To strengthen the formative, pedagogic and bureaucratic functions of assessment 4. To facilitate the printing and distribution of curriculum support and assessment material 5. To improve the study and examination skills of learners



FOCUS ARES	IMPROVEMENT ISSUE	OBJECTIVES
FOCUS ARE EIGHT	Teacher development for improvement of teaching and learning	1. To provide training workshops for subjects in districts which have underperformed in the 2021 NSC examination 2. To link the subject which have underperformed with the learning areas in the General Education and Training (GET) band 3. To improve quality in the development of assessment instruments and the quality assurance measures
FOCUS AREA NINE	Special support of ELSEN schools	1. To provide curriculum delivery support to LSEN schools for purposes of improving learner attainment in line with White Paper 6 (Inclusive Education) 2. To improve the performance of learners in special schools especially at the level of National Senior Certificate through teacher capacitation and learner support
FOCUS AREA TEN	Promotion of reading	1. To support the implementation of the KwaZulu Natal Reading Strategy in the 12 Education Districts and surrounding communities 2. To use reading as a strategy to improve teaching and learning in class, parental support and community participation in education

ii. Food and Nutrition

The Government ensures that the culture of learning takes place in safe environments as well as its effectiveness will bear fruits if minds are healthy and well fed bodies, hence the Food and nutrition programme was introduced. The food and nutrition programme has been rolled out to schools all (primary and high schools) within the municipality. This is a government funded programme, aimed at feeding learners with healthy and nutritious meals on daily basis in all schools throughout the country. The municipality is proud to announce that all schools in its jurisdiction participate in this programme.

iii. Municipality's Programmes

To ensure that no learners from the previously disadvantaged schools and poverty stricken families pursue their studies at tertiary, Ray Nkonyeni Municipality has a fund annually rolled out to first year tertiary entries. This programme is known as the Mayoral Bursary. Funds are given out to students who meet the bursary requirements and above all, who have been admitted to a tertiary of their choice. This initiative has produced tremendous results as statistics reveal that more students are enrolled at tertiaries and the number keeps increasing each year. It must be noted that in the past RNM had a high number of learners with matric, very few with tertiary qualifications due to poor family backgrounds.

There are also funds given out to scarce skills qualifications such as Engineering and Town Planning. Due to limited funds, qualifying criteria is very steep, only the very best are awarded. Full tertiary fees are covered under this programme. After completion at tertiary, the student is offered an internship within the municipality.

There are local business people who have over the years taken initiatives of giving out funds to well deserving students to enrol at tertiary institutions of their choice. A highlight of this is in ward 35 whereby a local businessman does not only fully funds top students' tertiary fees from the ward, but ensures that each of these students in their third year of study sits for a driver's learners and practise driving. The driving licence is paid for by the business man. Full tertiary fees are covered.



iv. How the municipality has responded to the Strategic Goal no.2 of PGDP 2035

Strategic goal no 2 of the PGDP talks to the Human Resource Development. It basically touches the improvement of early childhood development, Primary and Secondary Education. In response to this objective, Ray Nkonyeni Municipality' Department of Education fully aligns and has ensured that strategic interventions have been directed to schools more in the rural areas, and townships schools due to the imbalances of the past.

The strategic intervention identified seek to impact on provision and focus on educators, governance and logistical support for equipment an10d books in these schools. Early childhood is administered through the Department of Social Development. In as much as the municipality is producing good matric results as compared to the other 3 sister municipalities, it must be mentioned that schools in rural areas still lack in many resources. Renewed focus is required to accommodate the provision for special needs in some schools in rural areas.

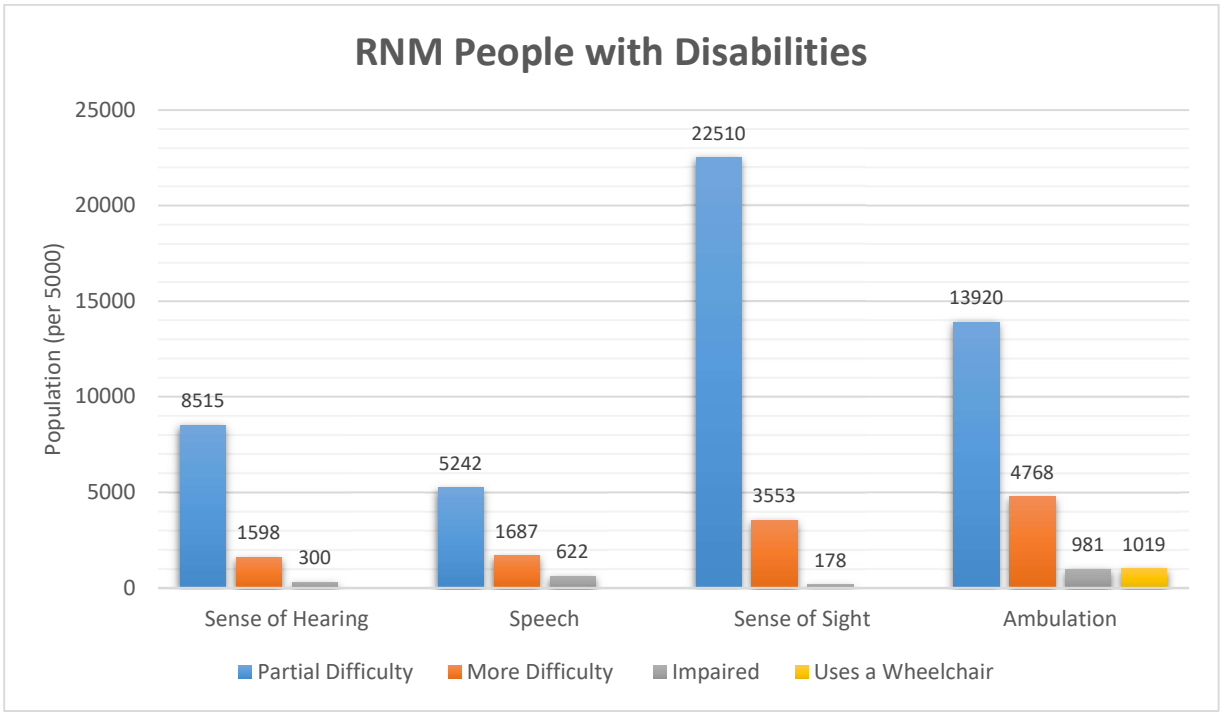
Major interventions have been made by the Department to drive early childhood development and basic education. Almost all schools within the municipality have the basis services such as clean water. Effective governance and management at schools as well as at District level has improved. Performance is closely monitored by various subject advisors who ensure that the syllabus is adhered to by constantly visiting schools. To ensure that the culture of teaching and learning takes place, the district has managers who monitor and visit the schools occasionally.

The use of modern technology however is still in urban schools with very few in rural areas. In terms of supporting skills, the TVET colleges ensure that these take place. Graduates from TVET colleges are sent to various fields for internship purposes, and we must announce that big numbers graduate.

3.1.19.6 Disability Status

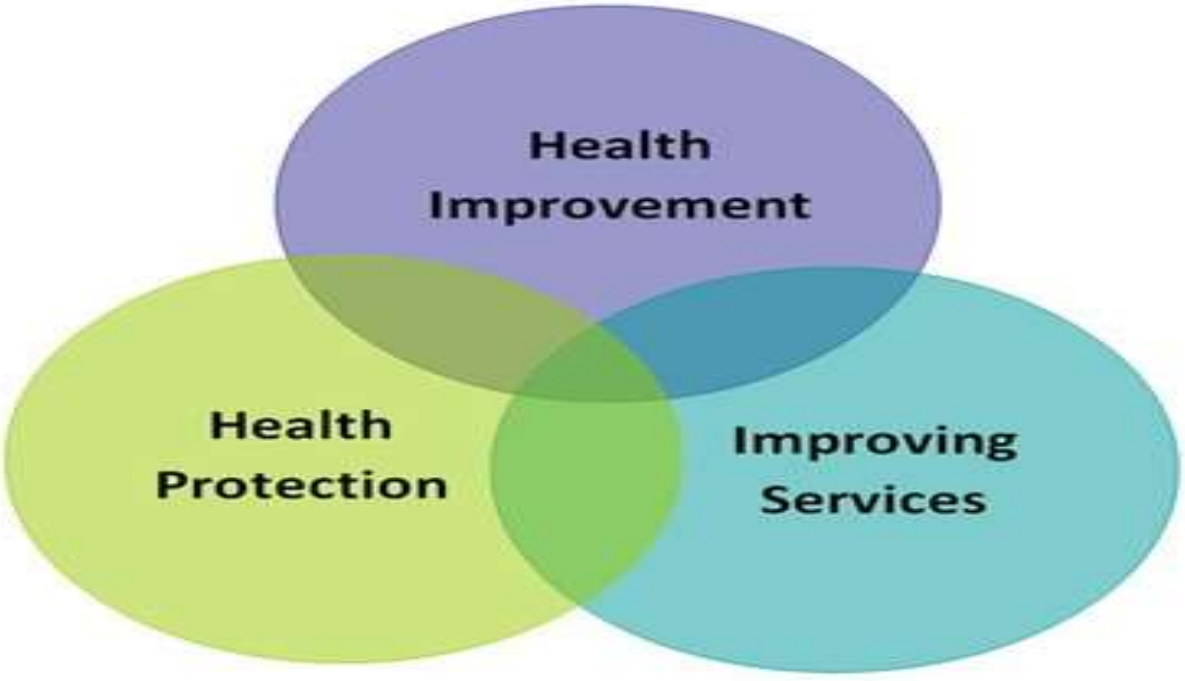
The National Disability Policy talks to ensuring that all people th disabilities, vulnerable and marginalised receive adequate economic and social protection, attain access to social welfare programs which will promote development and enhance their social functioning. Ray Nkonyeni Municipality has people living with different disabilities as indicated in the graph below, and fully adheres to the policy. The total number of people living with disability within the municipality as obtained from StatsSA is 54 480. The number of people who are partially blind is the highest followed by those who can partially walk and lastly those who can partially hear. The municipality has a high number of those who cannot walk at all followed by those who have difficulty in seeing. In responding to this, the municipality has identified skills programmes aimed at assisting all those living with disability, as highlighted in the outreach programmes under section 4.1.2.7.1. With the assistance of both the Social Development and Home Affairs Departments, the municipality has succeeded in populating a data base of all people living with disabilities and this is a great stride in ensuring that these people receive the attention needed as stipulated in the NDP. The data base has also assisted in locating them for the relief programmes (Covid 19) and when disaster strikes they are easily located. Furthermore, the municipality also ensures that it does not discriminate when it comes to job opportunities to those living with disability if they deserve. The municipality has also government facilities (schools and centres) with fully trained staff that cater for disabled people.

Graph 16: People Living with Disabilities



3.1.19.7 Health Analysis

Illustration 5: Health Analysis





Ray Nkonyeni Municipality has a fully-fledged labour relations and wellness centre solely for its employees, comprising of 3 units, namely; Employee Assistance Programme, Occupational Health and Safety and lastly, Occupational nurse. All these units are headed by a Manager. The professional occupational nurse administers medication and if needs be, make referrals to hospitals, while the senior occupational health and safety practitioner sees to the safety of employees at their working stations, ensures there is safety compliance and conducts internal and external safety related programs, finally, the employee assistance programme practitioner deals with stress related issues. It must be mentioned that Ray Nkonyeni Municipality is the only local municipality with this centre within the Province.

The Department of Health promotes public health and protects the health of people and the communities where they live, learn, work and play. The department also promotes wellness by encouraging healthy behaviours. The public health of the municipality is guided by the District's Public Health By-Laws which is made of nineteen chapters. The Health Department has ensured that it promotes the health of the citizens of RNM by encouraging behaviours amongst communities that will produce better health which include anti-smoking campaigns, healthy lifestyles and promote better nutrition. It has also protected the communities by preventing the development and spread of diseases and illness.

Health Facilities within the municipality

There are also public and private health care facilities as well as clinics within RNM, being:

- Margate Netcare, Hibiscus Hospital (Private Hospitals)
- Shelley Day care Hospital & Hibiscus Private Hospital (Private Day Care Hospitals)
- 45 Mobile clinics

Table 53: RNM Health Facilities

Clinics	21	See next slide
Regional Hospital	1	Port Shepstone Hospital
District Hospital	1	Murchison Hospital
Community health centres	1	Gamalakhe
Ward based outreach teams	3	Factories, Ntabeni and Gcilima
School health teams	5	Marburg/Margate/Gcilima/Ntaben and Izingowelweni
Fixed HTA site	1	Marburg Truck Stop
Mobile Clinics	7	PS mobile1,3,5,6,7,8,9
Health posts	2	Bhokodisa/Khanysizwe
Health promoting schools	10	



Clinics within the Municipality.

Table 54: Clinics within RNM

Izingolweni Clinic	Mthimude Clinic
Thembalesizwe Clinic	Thonjeni Clinic
Bhobhoyi Clinic	Bhomela Clinic
Braemer Clinic	Gcilima Clinic
KwaMbunde Clinic	Ludimala Clinic
Madlala Clinic	Marburg Clinic
Margate Clinic	Mvutshini Clinic
Ntabeni Clinic	P Shepstone Clinic
Port Edward Clinic	Shelly Beach Clinic
Southport Clinic	Umtentweni Clinic
Port Shepstone Gateway Clinic	

Some of the primary health prevention and care initiatives implemented by the department include:

- NIP sites in partnership with the Department of Social Development;
- Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226 MMC, school health teams, 30 MMC mobilisers);
- Happy hour in clinics to prioritize service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with backlogs on health facilities, Ray Nkonyeni sub district planning process 2019/2020 includes the following facilities:

- Murchison Hospital
- Port Shepstone Hospital
- Gamalakhe Community Health Centre
- Clinics

Phila Mntwana

Diarrheal disease is the main contributory factor for most deaths of children under the age of five. It is reported that the incidence of diarrheal cases were in fact on the rise in the previous two years. The causes are multi-factorial but the importance of hygienic food practices, rotavirus immunization and early treatment with Oral rehydration solutions right from home will ensure reduction in motility and mortality associated with diarrheal diseases. Breastfeeding, proper hygiene and up to date immunization can help reduce the mortality rate as well. Also, there is a programme that the Health Department has embarked on, known as Phila Mntwana. It educates mothers on how to ensure that their babies are hygienically cared for. This initiative has proved a success as the child mortality is decreasing.



Also there is a programme that the Health Department has embarked on, known as Phila Mntwana. This is because in these areas the rate of diarrhoea and malnutrition is too high. Below is a list of the Phila Mtwana Centres:

Table 55: Phila Mntwana Sites

Phila Mntwana Sites
Mkholombe
Masinenge
Manzamhlope
Oshabeni Traditional Authority Court
Braemar Mobile Library and Community Hall
Thembalesizwe

Infrastructure

Service Transformational Plan (STP)– 10 year plan:

- Marburg Community Health Centre
- Hibberdene
- Ntabeni
- Mphelelwa
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabatini
- KwaNikwe

Last clinic built in 2006. However, investigations continue to be conducted for new requests

Emergency Medical Services

The entire Ugu District has fifteen ambulances, of which seven of these fall under for RNM. Seven ambulances in RNM. Response times are still far below the acceptable norm in both urban and rural areas due to insufficient funding for additional vehicles and staff. Ambulances are placed at these strategic points in order to improve response time by reducing drive time from the main EMS Base /Station:

- Glenmore Service Station - catchment population is KwaXolo and KwaNzimakwe communities as well as coastal areas of Port Edward
- Paddock Service Station – catchment population is Paddock and Ezinqoleni community

Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The improvement of response times is achievable only if the number of staffed rostered ambulances



is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

Teenage pregnancy is above 10% which is a cause for concern. It should be noted that this high percentage is not for RNM residents only, but for the entire Ugu District as people from the other sister municipalities make use of the two Provincial hospitals and clinics within the municipality.

i. Rolling out of ARVs

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal area with highest HIV prevalence especially amongst pregnant women visiting public health facilities. The Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening.

The World AIDS Day is commemorated on an annual basis. Furthermore, the HIV and Aids jointly with the special programmes unit purchase and deliver school uniforms to vulnerable children in schools. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes / awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Ray Nkonyeni Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. The following clinics offer follow up treatment: Margate, Gamalakhe, Bhobhoyi, and Ntabeni. Other clinics refer clients to one of the two hospitals for ARV treatment. All clinics however provide screening, counselling and taking blood samples as part of the ARV roll-out programme.

Given the limited resources and strained health system, the demand for ARV's is outstripping the capacity to deliver. Of concern is the long term sustainability and equitable distribution of the roll-out programme. Pressure to meet target numbers must be tempered by the need for rational drug use by dispensers, providers and consumers.

ii. Rolling out of Sukuma Sakhe

The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards / areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards.



Ray Nkonyeni Municipality's Health Aspirations:

- Reduce maternal mortality
- Reduce neonatal mortality
- Reduce under 5 years child mortality
- Manage HIV prevalence
- Improve TB outcomes
- Reduce mortality and morbidity of non-communicable diseases
- Health system strengthening
- Reduction of maternal mortality
- Reduce avoidable maternal mortality
- Monitor pregnancy testing by Community Health Workers in the community
- Marketing services e.g. campaigns within the community, community health workers and Traditional Health Practitioners, community dialogues
- Improve quality of care – high risk clinic operating hours extended from Monday to Friday

iii. Decrease delivery in 10 to 19 years in facility rate

- Conduct outreach services to schools
- Train school health teams on long term contraceptives.
- Implement youth friendly services at clinics

iv. Couple Year Protection rate

- Provide mentoring to all clinicians
- Monitor condom distribution, Intra Uterine Contraceptive Device and implants insertion on weekly nerve centre meetings
- Conduct community surveys on choices of family planning

v. Reduce Neonatal Mortality

- Antenatal care, Counselling AYFS (youth friendly)
- Community dialogues
- Adherence to guidelines, Ensure clinical audits are performed
- Book 1st antenatal visit before 20 weeks
- Counselling of mums

vi. Reduce under 5 mortality

- Revive and monitor functionality of Philamntwana centres
- Linking of CHW's with Care givers
- On-going Mentoring of integrated Management of Childhood Illness (IMCI) nurses
- Increase under 1 year immunization coverage

vii. Manage HIV Prevalence

viii. Increase Male Condom Distribution

- Identify areas of need to supply more condo cans e.g. areas with high sex workers, farms and taverns
- Pack condoms in treatment packs from consulting rooms in PHC settings
- Bin cards for condom distribution to be sent to all PHC facilities



ix. Increase people living with HIV/AIDS with completion viral loads to 90%

- Improve Supervision of staff
- Counselling to patients

x. Increase Positivity yield (testing)

- Plan outreach activities to HTA's
- Follow up of index contacts for testing

xi. Improve TB outcomes

- Decrease the TB client lost to follow up
- Improve health education
- Implement tracing tool and monitor
- Print and monitor early and late missed appointment list from tier.net system

xii. Decrease TB death rate

- Write TB contact at the back of clinical charts.
- Provide with sufficient number of contacts to trace

xiii. Reduce mortality and morbidity of non-communicable diseases

- Reduce the incidence diabetes and hypertension
- Screen all clients who are not on diabetic and hypertension treatment
- Planned training of Community health Care workers
- Conduct campaigns and awareness

xiv. Increase cataract surgery rate

- Increase mass screening of target groups e.g. >50s
- Train community health workers on screening.
- Keep a list of transferred clients to Port Shepstone Hospital and do follow up.

xv. Decrease cataract operation backlog

- To eradicate the current backlog in cataract operation.
- Create public awareness and education on eye care, targeting the young and old
- Conduct mass eye care to primary school children and elderly citizens
- Develop measures to prevent cataract before it is too late.
- Provide free eye glasses for refractive error.
- Procurement of equipment

xvi. Health system strengthening

- Coordination of community based services capacity building.
- Ward based outreach teams
- School health teams
- Tracer teams
- Conducts clinical audits
- Align to the Provincial Department of Community Safety and Liaison's Safety Strategy.



Conclusion

The Department of Health within the municipality has not been in a position to develop new facilities since 2006 due to financial constraints, however, it must be noted that some current structures that are operational do get a facelift now and again, and some as indicated earlier, get extensions. To improve ethical professional behaviour, the department has established amongst other strategies:

- monitoring tool whereby its staff is orientated on the public regulation
- Regular clinical audits
- Continuous Professional development
- Supervision
- Identify accredited person to train others
- Consequence management

3.1.20 Municipal Interventions

(i) How the municipality has responded to Strategic Goal no.3 of the PGDP 2035

In response to goal no.3, which talks to Human and community development, Ray Nkonyeni Municipality through its Department of Health has fully aligned to it and has ensured that the provision of social relief of distress and social grants to the most vulnerable, care and support, substance abuse programmes, treatment and rehabilitation programmes are effectively rolled out. Food insecurity leads to poor nutrition and is at risk factor to health.

There is effective communication by the Department in this respect. The provision of counselling and guidance services to curb drug abuse and develop resilience against drug use for an example are rolled out in all the clinics.

There is very little child poverty and malnutrition within the municipality. This is monitored ta ward level through the Sukuma Sakhe Flagship Programme.

The health financing system is managed effectively to ensure efficient utilization of financial resources and value for money. KZN currently accounts for more than 53% of the triple HIV, TB and STIS burden, Ray Nkonyeni Municipality through its community mobilization, using Operation Sukuma Sakhe as implementation platform, will remain the primary strategy to increase awareness, effect social behaviour change, increase uptake of prevention and treatment as well address the stigma and discrimination.

3.1.21 Vulnerable and Disabled Groups

The municipality has a designated unit, (the Special Programmes Unit) tasked with ensuring that programmes aimed at addressing the needs of the vulnerable groups are in place. Programmes are prioritized and budget is set aside annually and appear in the municipality's SDBIP. There are a number of programmes that specifically address all the issues for this group in particular and annually, a summit is held with a special focus on addressing issues faced by this group. These programmes include:



- The Mayor of the municipality specifically doing visits to schools, elderly centers and other institutions with an aim of ensuring that projects rolled out by the municipality reaches these people and are sustainable.
- Capacitation in terms of skills and other uplifting projects are conducted. The elderly and the disabled, gender across, participate in this programme. They are empowered with skills to bead and weave.

The table below details programmes and projects carried out by the municipality in response to the needs of the vulnerable groups.

Table 56: RNM Vulnerable Groups Programmes/Projects

PROGRAMME	ACTIVITIES
GENDER	Women empowerments Workshop
	16 Days of Activism
	Women's Day Commemoration
DISABILITY	Hand craft trainings
	Disability Sports Day
CHILDREN'S RIGHT	Back to school Campaign
	Dress a child Campaign
	Sanitary Dignity Campaign
	Take a Child to Work
	ECD Educational Toys
SENIOR CITIZENS	Healthy Life style
	Golden Games
	Intergenerational Dialogue
	Senior Citizen thanks giving
HIV/ AIDS	HIV/Aids Awareness
	Wold Ads day
FARM WORKERS	Farm workers wellness Awareness
	Farm Workers sports day

3.1.22 Safety and Security

Safety and security is a major priority after service delivery of the municipality. The crime predicament is due to many economic and social factors which include poverty and unemployment. In Ray Nkonyeni, over 168 521 people have reported feeling unsafe at night whilst over 38 173 people become victims of crime on an annual basis. Some of the major places of concern include Gamalakhe Township, Margate, Albersville and Murchison. Murchison and Gamalakhe report a high rate of robbery and theft both during the day and night, with Albersville reporting high home burglary incidents. These statistics indicate the visible and lingering problem of crime within the municipality. Crime is also rife in rural areas, as there are no police stations, let alone satellite ones visible. Stock theft, rape as well as burglary are part



of common crimes in these area. Due to the steep topography of many parts of the rural areas, it is often difficult to access assistance in the form of police vehicle. When a crime has been reported, it takes more than a day to be assisted. It has been mentioned that the Department of Public Works does not have funds to set up new police stations in rural areas, which is quite a concern. It is only in urban areas where there is police visibility. To this, the SAPS works closely with the municipality's Safety and Security Department in ensuring that crime is combatted but above all. Some areas such as Sunwich Port, Southport and Umtentweni have Crime Watch Units that have long and working relationship with their respective community police stations

There are nine (9) police stations within the municipality, being:

- Ramsgate
- Gamalakhe
- Mellvile
- Hibberdene
- Ezingolweni
- Sea Park
- Port Shepstone
- Paddock and
- Margate

There is a high concern of the lack of visible policing in rural areas. Communities have requested to have at least satellite police stations put in their areas. Crime is very rife in these areas simply because even if an incident has been reported, there is delayed response from the SAPS or none at all in some instances. Communities further complain that in most remote areas, there is absolutely no response from the SAPS probably due to their sloppy terrains make reaching there by any form of transport is difficult.

Dotted in some urban centres where crime is very rife, the municipality has its safety and security personnel placed on full time basis. There is also visible policing in all major towns within the municipality. The Safety and Security Department ensures that traffic by laws are enforced. This is done in conjunction with the Provincial Safety and Security Department.

The provincial planning standards suggests that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017. It fully addresses the national safety objectives and to further



3.1.23 Social Development Key Findings

- Walking long distances to access these facilities
- Due to steep topography, most communities do not access such facilities
- There are no 24 hour health care facilities
- No appropriate and sufficient medication available
- Insufficient Health care practitioners resulting in people turned back
- Some current facilities are dilapidated
- The demarcation by the Health Department poses difficulties to most communities

Below are key findings on the entire situational analysis AND how the municipality has addressed these findings, (*Refer to table 34*)

- High rate of income and wealth inequality;
- High poverty levels;
- High crime rate;
- Urbanization challenge with RNM being urban center of the district;
- High number of child/female and elderly headed families;
- High Dependency ratio;
- High unemployment rate amongst the youth; and
- Backlog on basic services and infrastructure



3.2 CROSS CUTTING ISSUES ANALYSIS



Mr R Naidoo
HoD responsible for Cross Cutting Analysis

2023/2024 MEC Comments	RNM Response	
• Compliance with MSA Section 26(e) and SPLUMA Sections 12(1) and 20 with development and submission of the Spatial Development Framework (SDF)	• Yes. IDP adopted same day as SDF 30 May 2023. Compliant. See attahed resolution.	80%
• The LM to gazette the SDF as required by SPLUMA.	• Yes, SDF adopted by council (30 May 2023) and gazetting process began 5 June 2023.	
• The SDF should indicate spaces where planned location, inclusionary housing and densities for future housing development are to be located.	• The matter has been addressed. See 4.3.4.6 in the SDF	
• While the municipality has provided clear quantification of infrastructure, there is no indication of infrastructural capacity for both present and future development.	• The matter has been addressed. Refer to 4.3.4.6 in the SDF	
• Prepare Spatial Development Plan (SDP) as part of SDF.	• The SDF contains a narrative and lacks map work. Refer to Page 135 to 181 of the SDF. The full mapwork of the SDP will be inserted in the 2024/2025 SDF Review.	
• The municipality has environmental and waste management strategies in place, however, these strategies should be implemented and managed properly for a better environmental outlook of the Municipality.	• Refer to 3.2.14.2	
• The Municipality submitted all strategic documents as required by the legislation however disaster management information, which includes	• The hazard mapping have been updated. Refer to 3.2.16.7	

hazard mapping, was not properly aligned to the IDP and SDF.		
• The Municipality is advised to review its organizational structure to streamline its operations and ensure a fully functional Fire and Disaster Management Centre. Capacity building for disaster management and fire services must be prioritized.	• Fire & Disaster Management Center is now fully capacitated. See Organogram	
• The LM needs to prioritise budget to replace ageing fire engines and vehicles.	• The budget has been set aside in the tune of R100 000 for maintaining water tankers. Provisions will be made in the next financial year for aging engines.	

This section addresses land use, environmental as well as disaster issues. In place is the SDF prepared by Sbuko Pty Ltd a local service provider and the Disaster Management Plan which is reviewed every 5 years. Under this section is also a detailed environmental analysis. The Municipality is rich in numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean.

3.2.1 Land Use Analysis





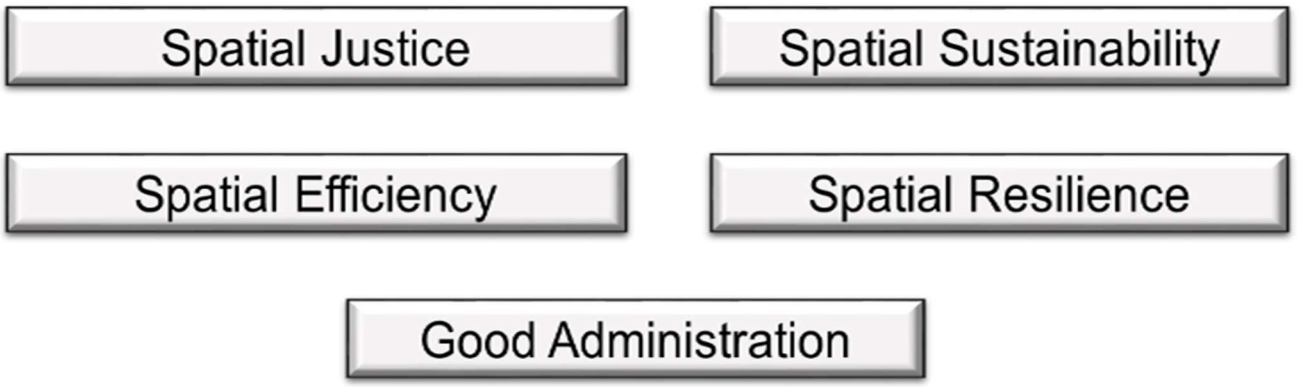
The municipality has a diversity of settlements given the fact that it entails urban and rural character while it is also within a very active tourism region. These broad characteristics imply that over the years the area has evolved with a need to provide formal urban settlements for different income groups within the area.

The municipality has a dedicated disaster management centre which is responsible for the management of disasters within its jurisdiction area.

The municipality is located within a region that has been characterised as being highly dependent upon agricultural practises and tourism. It has significant portions of land that have been identified as having a high agricultural potential. Being a rural environment with limited alternative opportunities to economic development, the majority of the households invariably rely on agriculture for both livelihood and economic requirements. There are functional structures within the municipality for the cross-cutting issues below is an in-depth analysis of the three components under cross cutting.

Ray Nkonyeni Municipality is guided by the following 5 major SPLUMA principles:

Illustration 6: 5 SPLUMA Principles



3.2.1.1 Spatial Development Vision and Mission

Ray Nkonyeni Spatial Vision has been developed to guide the direction and growth of the Municipality. The key underlying themes for the development of this vision are uGu District Development Vision as captured in the district IDP as well as the principles that emanated from SPLUMA. Below is the municipality's Spatial Development Vision and Mission.

Spatial Vision

"By 2036 Ray Nkonyeni will be a spatially efficient, socially equitable, environmentally sustainability and economic powerhouse of Kwa Zulu Natal with the unique tourism economy".

Spatial Mission

"By 2036 Ray Nkonyeni will be a prime tourist destination, economically viable smart city with equitable opportunities and services".

3.2.1.2 Spatial Planning

3.2.12.1 Provincial and Regional Context



The KwaZulu-Natal province is well-known and characterised by its undulating topography. The coast-line along both the northern and southern coast together with the river systems have defined the primary catchments for the development of towns and cities throughout the province. A second major structuring element along the KwaZulu-Natal south coast is the national mobility route, the N2. The N2 provides the only direct north/south link between KwaZulu-Natal and the Eastern Cape. The KwaZulu-Natal south coast is a case in point to this theory – a town is located every 10/15 kilometres along the N2. The N2 can be seen as the main contributor of the organic growth and development within the Ray Nkonyeni Municipality.

Ray Nkonyeni Municipality covers an area which is approximately 1 594km² in extent. The municipality's coastline runs from Hibberdene to Port Edward, covering approximately 72km. The municipality is situated along the coastline in the southern portion of KwaZulu-Natal. RNM is locked between the Indian Ocean on the Eastern part while Umdoni local municipality boarders the North Eastern part, Umzumbe local municipality boarders the Northern part and Umuziwabantu Local municipality boarders the Western part. South of the municipality lies the Imbizana local municipality (Eastern Cape Province). The municipality consists of eight urban nodes and six traditional authority areas as indicated in the Situational analysis. The towns are located along the urban strip while the traditional authority lands are located in the hinterland of the municipality. The region has an extensive range of natural assets, particularly the coastline, which have attracted a range of development opportunities into the area overtime.

RNM is experiencing continuing urbanization. Along the coastal belt, the infrastructure is well developed, and the economic growth is relatively well developed. However, the hinterland is characterised by poor infrastructure provision and a large number of formal and informal settlements not well connected to the coastal settlements where economic activities and infrastructure is concentrated. The SDF that is being developed, highlights this linkage challenge and prioritizes the creation of opportunity for the people that shadow the coastal corridor. According to the Integrated Development Framework Draft Discussion, 2014, the projected urbanization and population growth showed that by 2030 the majority (70%) of South Africans will be living in cities and towns as urban centres provide job creation and great opportunities for addressing the challenges of poverty, inequality and the ability to achieve the required social and economic transformation. In this regard therefore, there needs to be a coherent strategy that seeks to achieve the goals of economic development, job creation and improved conditions for all citizens.

Population growth within the municipality has substantially increased over the years. Based on the 2011 census data, RNM has the highest population concentration within the uGu District Municipality. The dominance of RNM in terms of population is undoubtedly due to its role as the economic hub of the district which also attracts the labour force. The population group breakdown in terms of racial groups, has been made and it was found that, it is a general representative of the trend in rural KwaZulu-Natal where African population group represents more than 91% in the uGu District and 82% in Ray Nkonyeni Municipality of the total population, and also the majority of residents within the study area indicated that IsiZulu is their home language, with a minor number of residents also speaking English, Xhosa and Sesotho. The municipality consists of 36 wards, nine town centres and 9 traditional authority areas. The 9 town centres are:

- Hibberdene
- Port Shepstone
- Shelly Beach



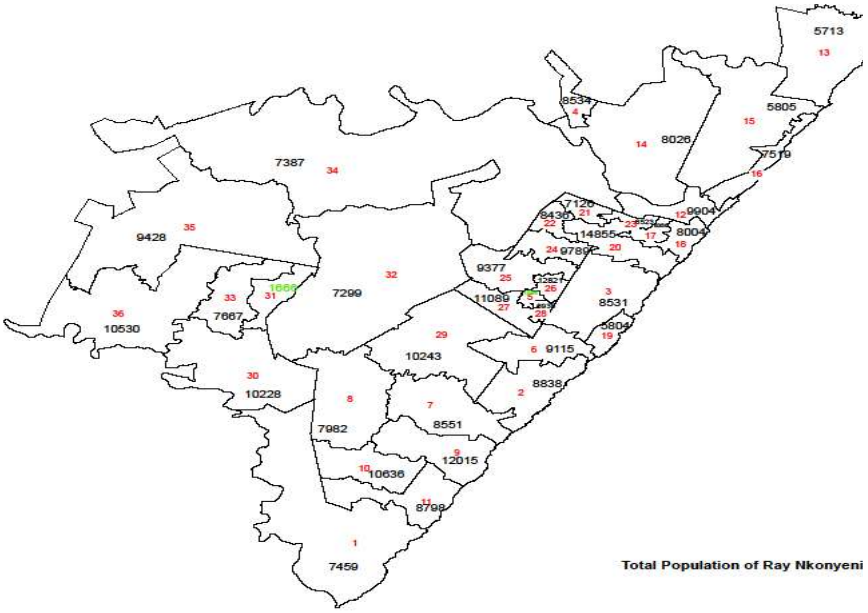
- Uvongo
- Margate
- Ramsgate
- Southbroom
- Port Edward
- Ezinqoleni

The Traditional Authority areas are:

- KwaXolo
- KwaNzimakwe
- KwaNdwalane
- KwaMadlala
- KwaMavundla
- Oshabeni
- KwaMthimude
- KwaVukuzithathe
- KwaNyuswa

The municipality wards vary according to size and population. The highly concentrated wards in terms of population are along the Coastal belt due to economic factors while the sparsely populated wards are in the hinterland because of little or no economic activity taking place.

Map 9: Population Density



Source:Ugu District GIS 2016



3.2.1.3 Structuring Elements

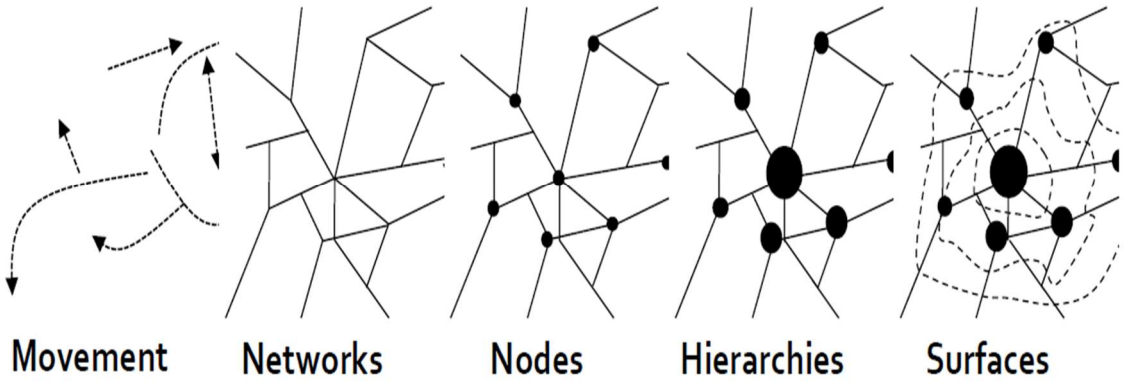
The N2 running along the coast linking the coastal towns is a major structuring element within the municipality. This link provides the primary north/ south movement lattice through the municipal area. Secondary but still critical north/south links are the R102, R602 and R61.

The N2 runs from Hibberdene to Port Shepstone inland and away from the built-up area. R102 runs in the same area but along the sea and through the built-up area from Port Shepstone all the way to Southbroom about 40 km down the coast. From Port Shepstone, the R61 and R602 play the same role as N2 and R102 respectively. P200 is the only north-south link inland of N2 and is only about 30km long. This road links Marburg (i.e. Port Shepstone industrial area to Southbroom). Therefore, there are no developed, well-functioning link roads beyond about 10-15 km from the sea.

In the east/ west direction, the N2 between Port Shepstone and Harding outside the municipality's area) is the primary link with a number of supporting secondary routes. This is the main east-west corridor. Other east-west links are P68, P55, and D202/P482 and P284. There is a proposed inland activity route which will run parallel the N2. This route will run from Hibberdene and links the connector route from Port Edward to Izingolweni. This is in line with SPLUMA.

The spatial framework is developed though an interrelated set of nodes, networks and surfaces. The essence of development in this system is the movement of people, goods and services that produces the basic impetus for developing functional relationships between otherwise independent and unrelated elements. The first structuring element is the development and reinforcement of a system of varied activity nodes. This will enable greater access to city-wide opportunities, as well as equitable access to a system of local opportunities.

Illustration 7: Spatial Restructuring Models



3.2.1.4 Land Scape Character and Built Form

Ray Nkonyeni Municipal area can be segregated into four categories which are as follows:

Coastal Strip – Ray Nkonyeni area is also referred to as the South Coast due to its popular scenic beaches. This part is characterized by outstanding landscape character and built form. It is developed with medium to high density buildings that boasts modern and ambitious architectural styles. The municipality has a responsibility to enhance and maintain this landscape and built form (i.e. this part can be considered to be the jewel of the municipality).

Land scape character of the municipality



Urban (Inland) – this includes formal suburbs and townships within close proximity to main routes. These areas are characterized by formal low-rise and uniform structures.

Farmlands (Inland) – the inland are also occupied by farms which deal with sugar cane or Banana production, along with the recent rise of Macadamia nut production and processing. The farms present a rather natural landscape which is less clouded by built form.

Rural (Inland) – the rural areas lack aggressive architectural styles nor built form. However, there are signature buildings that exist within different parts of it and these include social facilities such as clinics, community halls and Thusong Centres.

3.2.1.5 Land Cover and Broad Land Use

3.2.1.5.1 Broad Land Use Pattern

i. Coastal Tourism Towns and Surrounding Suburbs

There are a number of coastal tourism towns that are located along Marine Drive, Ocean Drive and Finnis Road. These towns are also surrounded by associated formal suburbs. These towns have a number of commercial and entertainment activities within it which were introduced in order to embolden this tourism environment.

ii. Urban Towns and Surrounding Suburbs

The main urban centres within the area are Port Shepstone, Hibberdene, Margate and Port Edward. These serve as the main towns for the municipal area with the highest agglomeration of commercial activities. These towns are surrounded by the associated formal suburbs including Gamalakhe.



iii. Rural Town and Surrounding Peri-Urban Settlements

Ezinqoleni is the main rural town that is found within the municipal area. It is surrounded by the densely populated rural settlements which have grown around it over the years.

iv. Rural Villages and Settlements

The majority of the inland area is occupied by rural villages and settlements. These are spread within different parts of the administrative boundaries of traditional authorities. These villages and settlements have a number of commercial and social activities within it. The kind of commercial activities are limited to small local convenient shops, taverns as well as scale manufacturing activities (block making) and personnel services such as salons and subsistence agricultural activities (ploughing field and food gardens).

v. Agriculture

Ray Nkonyeni Municipality has an abundant amount of agricultural land which is geographically located between the urban and rural areas in the form of commercial agricultural farms. The agricultural pattern within the area is primarily due to the undulating topography, which prescribes the available land parcels out of the valley lines and along other major structuring elements.

Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable growing are on the rise.

The agricultural industry is a prominent feature within the KwaZulu-Natal south coast, and therefore becomes a predominant land use within the area. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produces such as sugar, bananas, pawpaw, coffee, tea and exotic nuts along the coast, maize, legumes, cattle rearing, vast pine, wattle and eucalyptus plantations.

Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow for consumption. There is a small-scale growth of sugarcane farming in the interior.

There is a small-scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience.

The status quo depicts that much land in the interior is dedicated to sugar cane production within the service area of Sezela Mill situated next to the coast between Pennington and Bazely Beach.

The Umzimkulu Sugar Mill has permanently closed down leaving only the Sezela Mill in operation. Due to the closeness to the sea, and commercialization and urbanisation of the coastal belt, the growing area is now mainly inland from the mill, stretching as far as Harding and with some areas in the former Transkei (cane deliveries have dramatically reduced from this region). Employment is decreasing in the sector.



uGu District boasts of the following agricultural milestones:

- Commercial Agriculture in the District produces 1/5 of all banana consumed in S.A.
- Export is growing on tea tree to Australia and Macadamia to other countries.

vi. Environmental Sensitive Areas

There are six declared formal conservation areas, namely; Umtamvuna, Mbubazi, Mpenjati, Skyline, Oribi Gorge and Umzimkhulu river valley Nature Reserves. There are also a number of unprotected environmental areas within the area which are undeveloped /untransformed and consist of grassland, dense bush and forests. High biodiversity areas represent a substantial fraction of the area. High biodiversity areas occur in discrete pockets within the municipal landscape, with larger portions located in the southern part of the municipality. The intrinsic value of these areas lies in its ecological and tourism development potential.

3.2.1.6 Land Legal Issues

3.2.1.6.1 Land Ownership

Land ownership within Ray Nkonyeni Municipality is diverse but the dominant owner within the inland is Ingonyama Trust. Most of the land is privately owned within the coastal urban areas and the farms are either privately or owned by corporation. The remaining intermediate pockets are under the ownership of the state, association, trust or church owned.

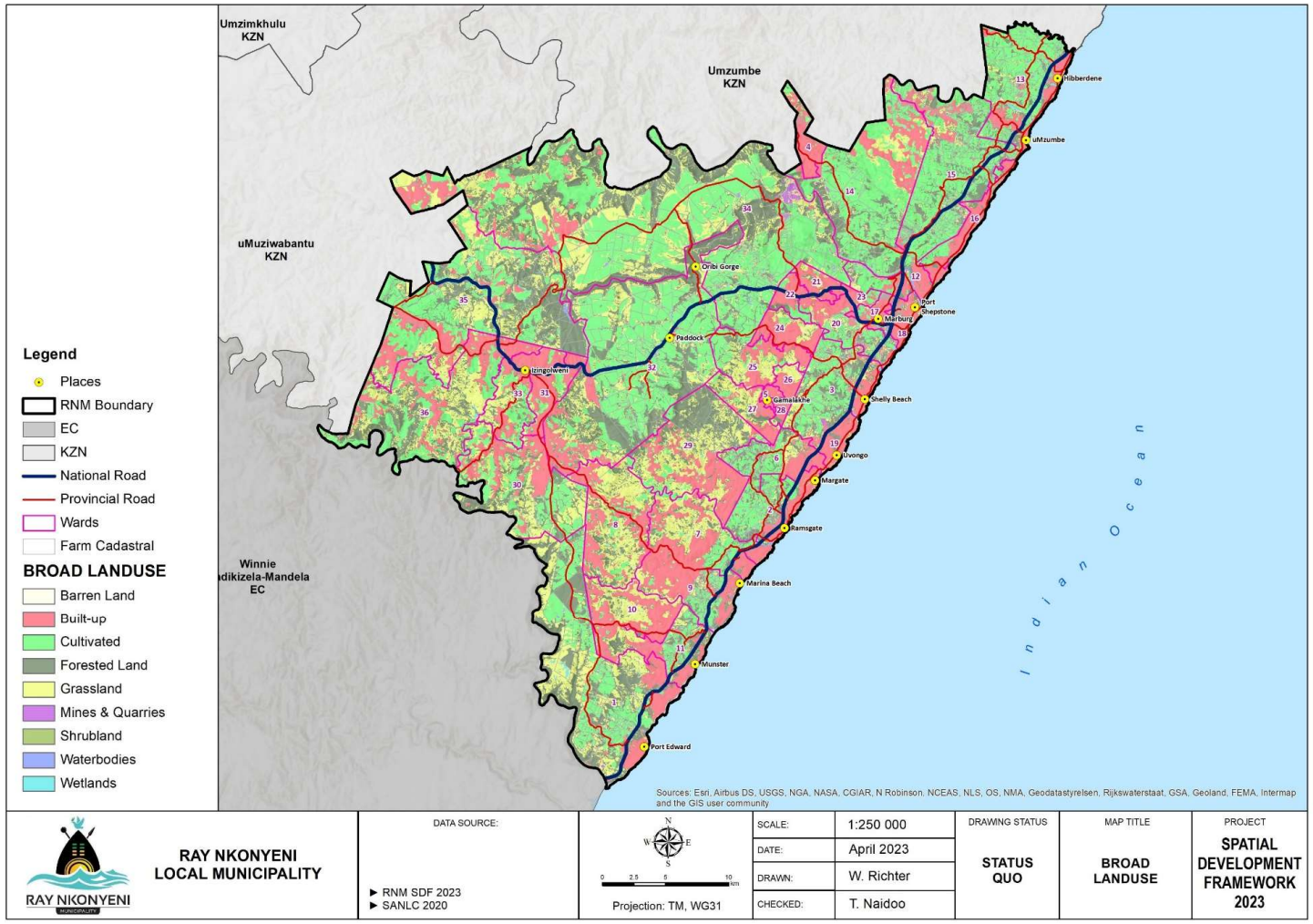
3.2.1.6.2 Land Reform

There are a number of land claims that were lodged within Ray Nkonyeni Municipality. However, few of these claims were transferred into projects. There are also a number of gazetted restitution claims within the area. According to the IDP, there are two programmes that are currently running namely, the Land Restitution Programme and Land Re-distribution Programme.

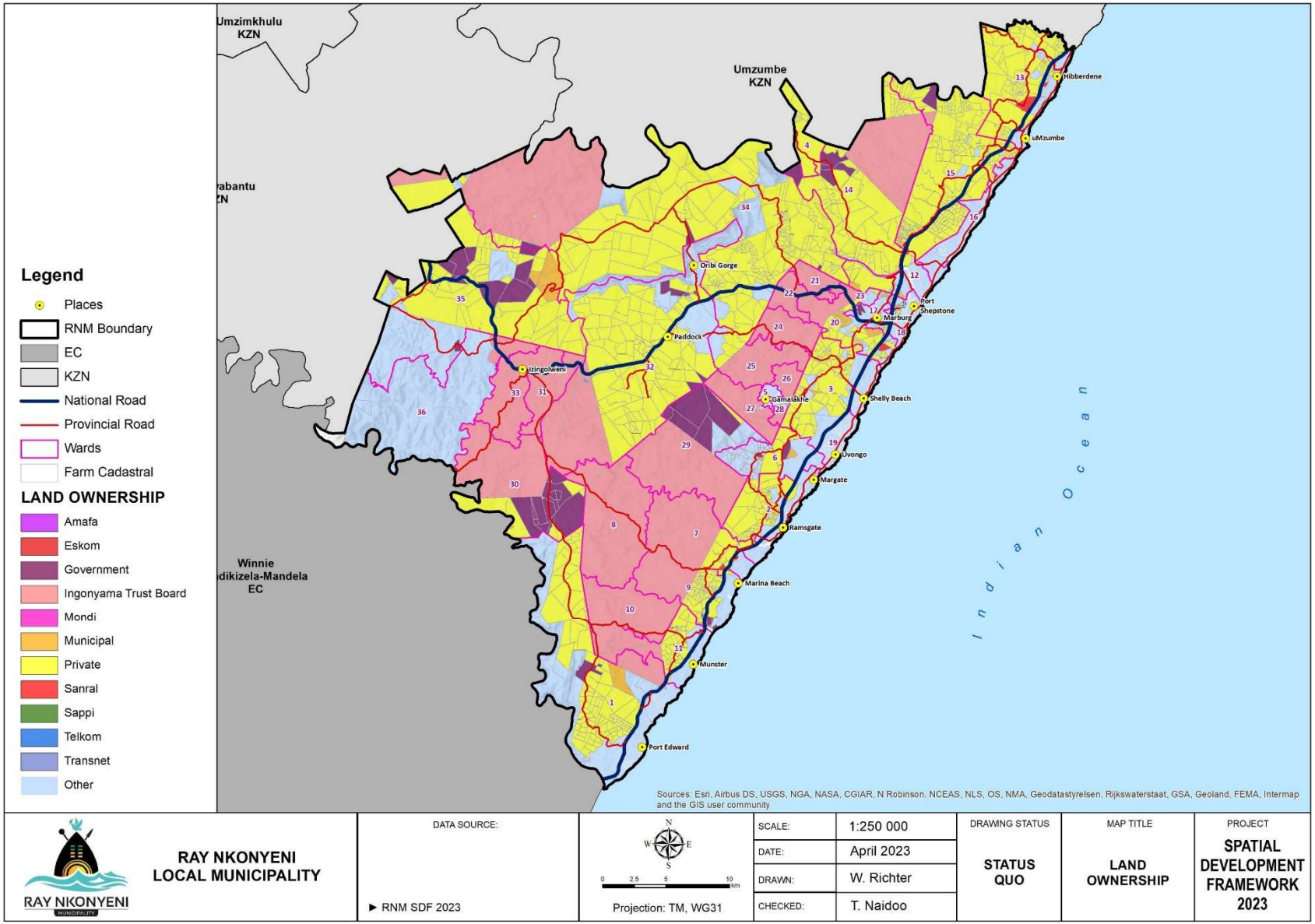
On the following pages are the following maps:

- Broad Land Use Patterns
- Land Ownership
- Land Reform

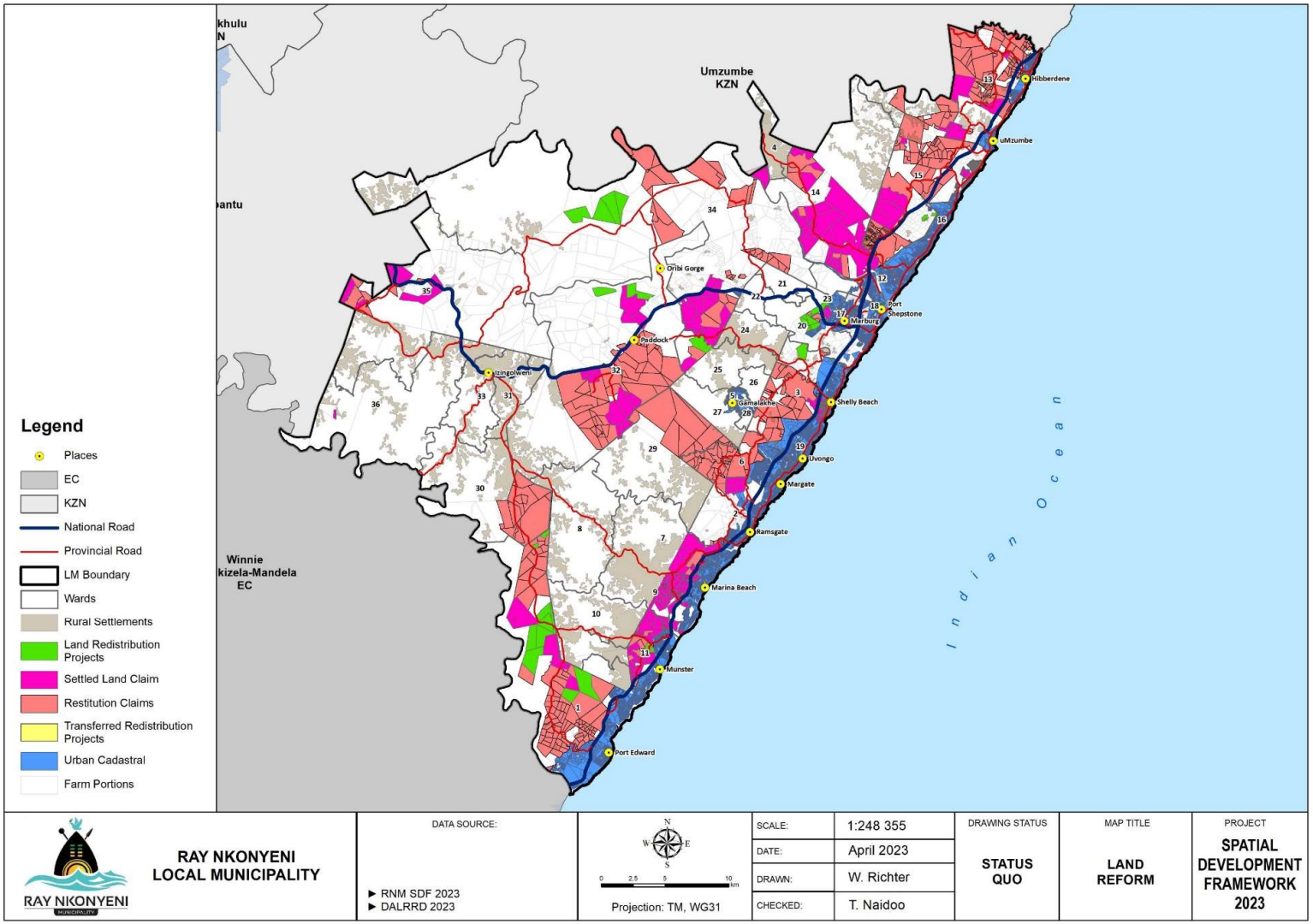
Map 10: Broad Land Use Patterns



Map 11: Land Ownership



Map 12: Land Reform





3.2.1.7 Land Use Management

SPLUMA requires all municipalities across the country to develop and adopt Wall-to-Wall Schemes throughout their area of jurisdiction. This must take place within 5 years from the commencement of the Act. In addition, SPLUMA requires that the wall-to-wall scheme be reviewed every after 5 years in order to achieve consistency within the Municipal SDF. RNM has adopted the Wall-to-Wall Scheme with the Traditional Settlement Master Plan (TSMP's).

The development of the wall-to-wall scheme required participation of municipal officials in all, traditional councils, local communities in Ray Nkonyeni and other structures responsible for spatial planning and land allocation.

3.2.1.7.1 Transport Networks

An extensive road network exists within Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition, the quality of district and local roads is poor. This is mainly because these roads are gravel they require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements.

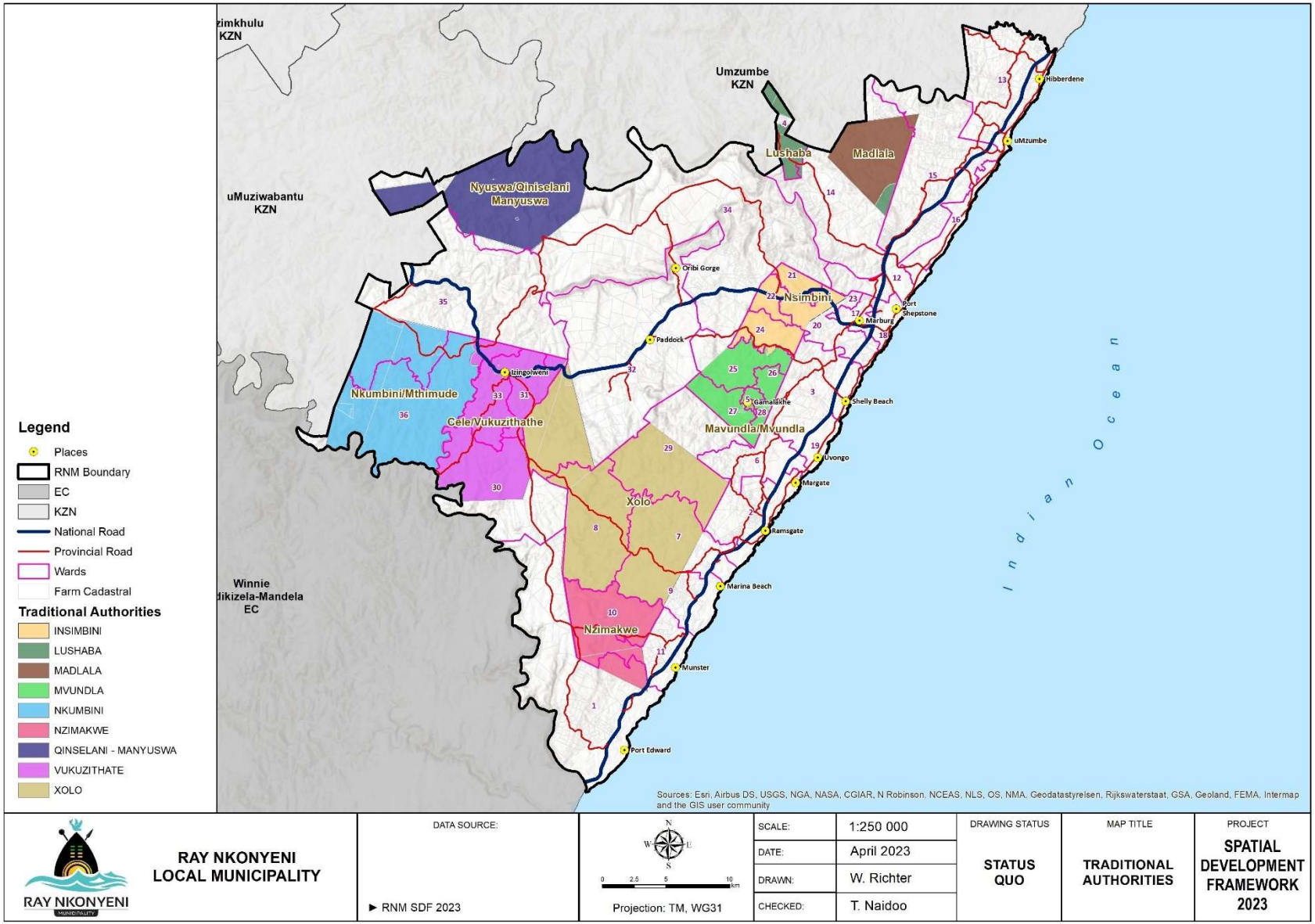
3.2.1.7.2 Regional Network

The N2 is the primary north-south regional linkage route. It links Port Shepstone in the South with Durban in the North. The N2 also links Port Shepstone with Kokstad as an east-west linkage.

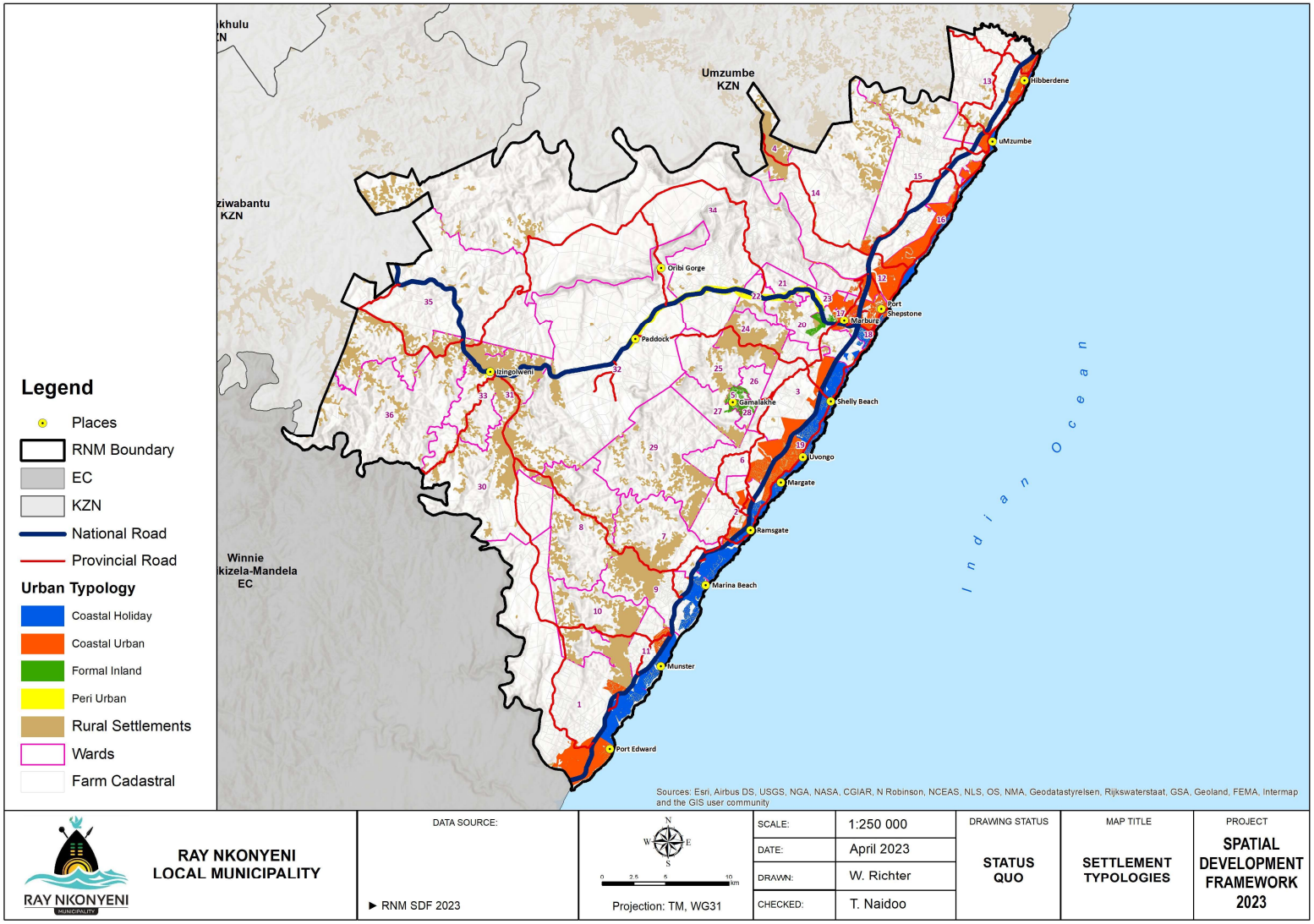
3.2.1.7.3 Primary Road Networks

Some of the main provincial roads within RNM include the R102, R61, R612 and the R56. R102/R61: The R102/R61 is termed the 'beach road' and it runs in the north-south direction along the coast, linking the various coastal towns.

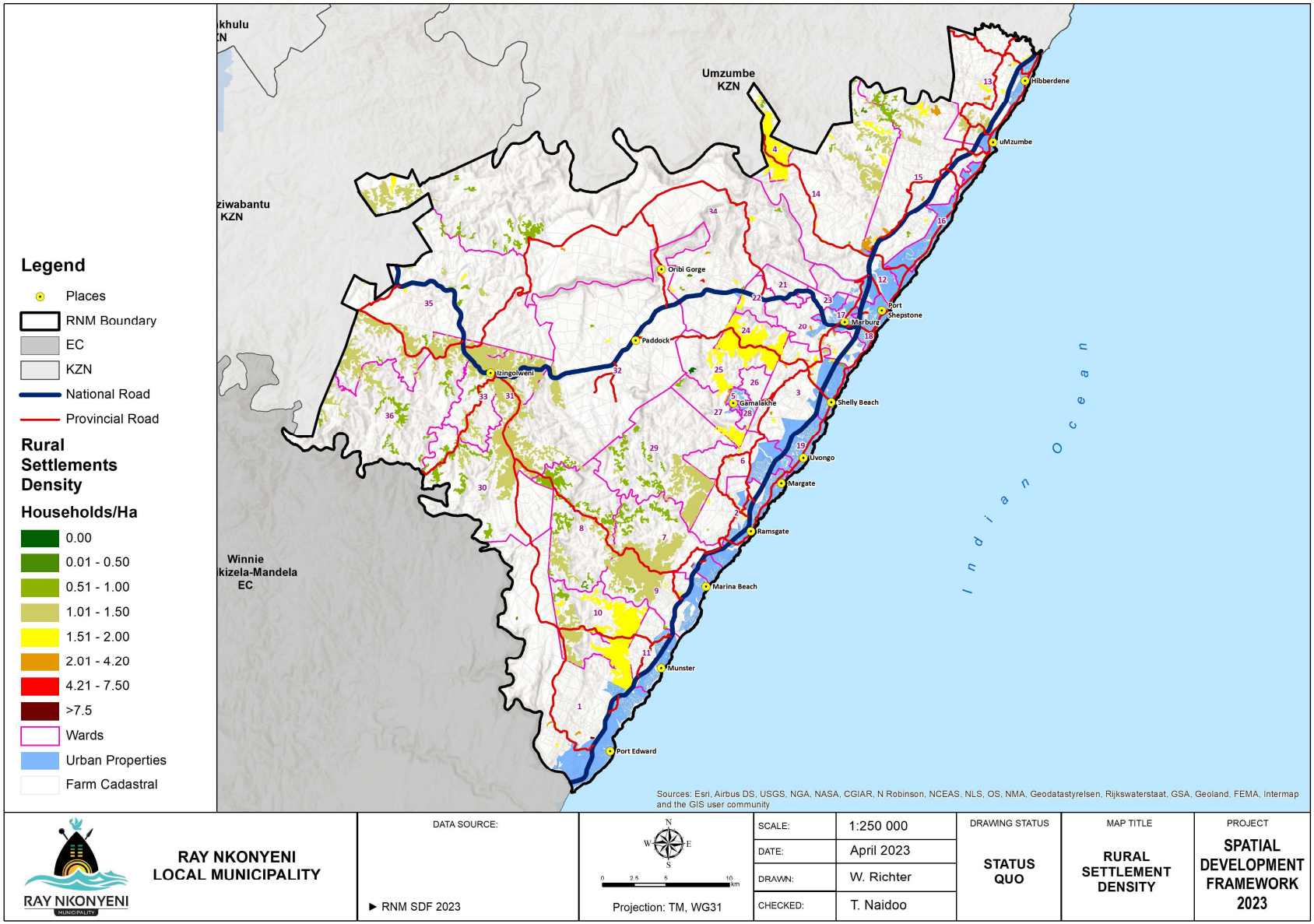
Map 13: Land Use (Traditional Authorities)



Map 14: Land Use (Settlement Typologies)



Map 15: Land Use (Settlement Density)





3.2.1.8 Municipal Nodes

3.2.1.8.1 District Node

Port Shepstone town has been identified as a District Node as it is the main urban centre within the Ray Nkonyeni and uGu District Municipality area of jurisdiction. The town is strategically located at the central parts of the district and it plays an important role as a regional centre for the district. It functions as a district centre, and it qualifies to have its local justice system through a Magistrate Court. It is the primary area for investment promotion and centre of supply of services in the district. Port Shepstone is the main commercial centre and the major location of employment.

3.2.1.8.2 Development Nodes

There are six (6) Municipal Development Nodes identified which provide medium order goods and services to surrounding settlements. These nodes are:

- Shelly Beach
- Margate
- Hibberdene
- Port Edward
- Marburg; and
- Izingolweni

The municipal Development Nodes would be physically linked to each other and to urban centres outside their regions (districts) by frequent and reliable transportation and all-weather roads. They offer diversified commercial, financial, professional and administrative services. They accommodate sub-regional offices of national government departments and branch offices of provincial government department.

3.2.1.8.3 Community Development Node

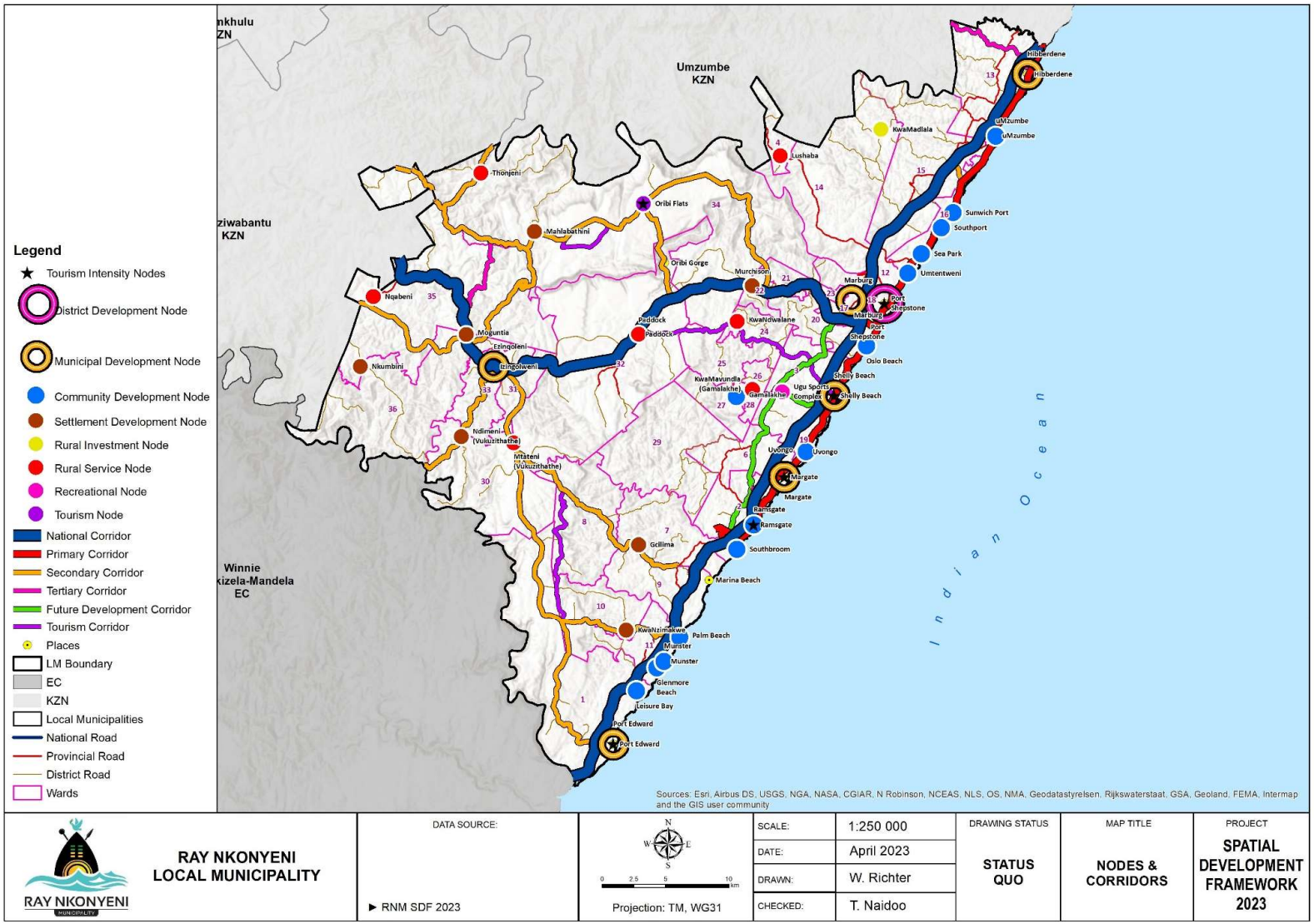
While the District and Municipal Development Nodes serve as a regional and sub-regional centre, at least fourteen (14) other areas present an opportunity for the development of the Community Development Nodes with much less threshold/ sphere of influence, namely:

- Umzumbe
- Glenmore Beach
- Leisure Bay
- Oslo Beach
- Umtentweni
- Ramsgate
- Uvongo
- Southport
- Sea Park
- Palm Beach
- Munster
- Gamalakhe
- Southbroom; and
- Munster.



The map on the following page shows the hierarchy of development corridors within the municipality. The municipality is urban biased developed currently and the current SDF has addressed this imbalance. Corridors will be developed in the hinterlands. Port Shepstone is the highest developed corridor within the municipality.

Map 16: Nodes and Corridors





3.2.1.8.4 Settlement Development Nodes

Settlement Development Node serves specific geographical area and social network. Its service area would be limited to the surrounding cluster of settlements within a specific neighbourhood and would include low order public, shopping and small business enterprise facilities. It serves as a link between the local communities and the major towns as such they should locate in accessible areas along or at the intersection of public transport routes. These seven (7) nodes have been identified as follows:

- KwaNzimakwe
- Gcilima
- Murchison
- Ndimeni (Vukuzithathe)
- Moguntia
- Nkumbini; and
- Mahlabathini

3.2.1.8.5 Rural Investment Nodes

KwaMadlala has been identified as the Rural Investment Node. It is strategically located to serve rural settlements. Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. This node will serve as major rural centre and serve as location points for community facilities serving the local communities. This is a rural area with a lot of potential for local economic centres and manufacturing activities. The most basic facilities for this type of node include Secondary/ Primary Schools, Crèches, a Mobile Police Station, Traditional Court, Satellite pension pay points, Mobile Clinic, Community hall and Sports Fields.

3.2.1.8.6 Rural Services Nodes

In addition to the Rural Investment Nodes, the vision for the future spatial development of Ray Nkonyeni makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Primary and secondary schools, Clinics including mobile clinics, Pension pay points and Community halls and other community facilities. There are no facilities that operate as Rural Service Centres at this stage, but some activity could be upgraded to perform this role. The location of these nodes is usually the most accessible location within an acceptable walking distance of a community. These were identified as:-

- Mtateni (Vukuzithathe)
- Nqabeni
- Thonjeni
- Paddock
- KwaMavundla (Gamalakhe)
- KwaNdwalane; and
- Lushaba.

3.2.1.8.7 Tourism Node

Oribi Flats is situated to the north of the Oribi Gorge and represents the centre point of an agri-tourism, eco-tourism and adventure area. Any development within this area that may have adverse effects on the tourism industry and needs to be discouraged. The area is situated



centrally to the north-eastern parts of the Municipality and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. Therefore, no large-scale development would be encouraged here.

3.2.1.8.8 Other: Tourism Intensity Nodes

There are five nodes within the municipality that have a tourism character over and above the role and function that has been listed above. These are:-

- Port Shepstone
- Margate
- Ramsgate
- Port Edward; and
- Shelly Beach

3.2.1.8.9 Hierarchy of Development Corridors

The system of development corridors in Ray Nkonyeni Municipality are developed on the following fundamental aspects: -

- Levels of Mobility
- Levels of Access
- Land use intensity and role in the spatial economy; and
- Functionality of the corridor

3.2.1.8.10 National Corridor: N2 and R61

The N2 is the primary north-south linkage and it links Port Shepstone in the South with Durban in the North. R61 is the provincial routes that link Ray Nkonyeni with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, this route serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province.

3.2.1.8.11 Primary Tourism Corridor: R102 and R602

The R602 is termed the 'beach road' (better known as Marine Drive) and it runs in the north-south direction along the coast, linking the various coastal towns.

3.2.1.8.12 Secondary Corridors

The Municipality is characterised by poor corridor development linking urban and rural settlements. This may be due to the lack of economic activities located along these routes. The secondary corridors are P69, P732, P482, P344, D686, D0165, P0860, P0262, P0354, P0284, P0057 and P0058. There are a number of corridors serving areas of high poverty levels with good economic development potential within one or two sectors.



3.2.1.8.13 Tertiary Corridors

These corridors are mainly envisaged for movement purposes with direct access to properties permitted and high pedestrianized activity.

The following roads have been identified as the tertiary corridors:

- Road from Hibberdene to Msinsini
- Road from St Michaels to Gamalakhe
- a route that runs from Nkuswana-(D0920) via Thonjeni-Nkulu (D1085)-N2-Sunshine to Nqabeni
- a route that runs from Moguntia to Maryland; and
- Road from Margate to Gamalakhe.

Map 17: Ray Nkonyeni Spatial Development Framework

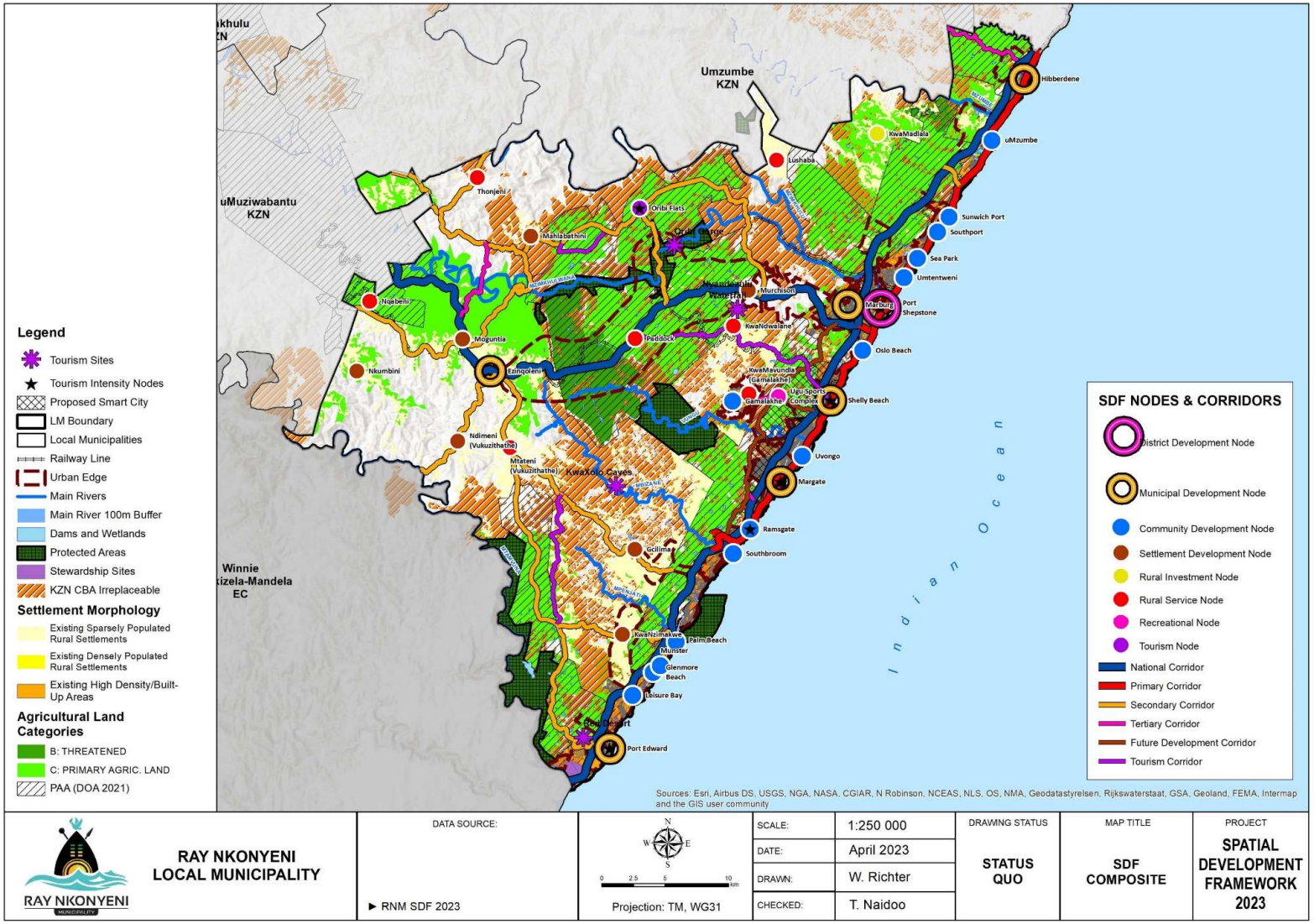
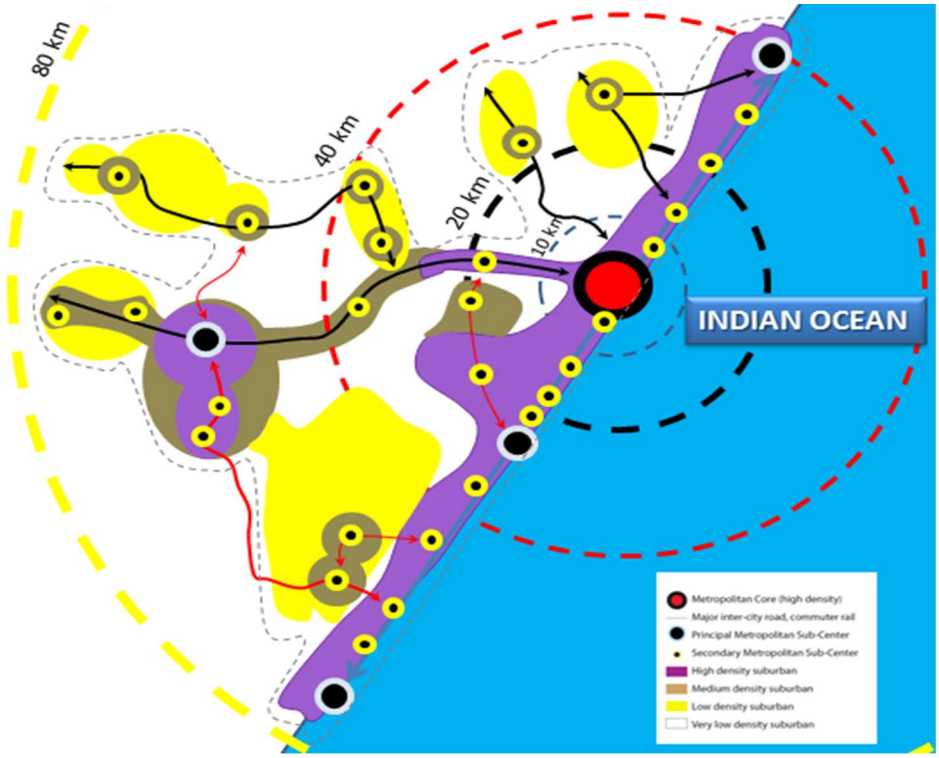

Legend
Tourism Sites
Tourism Intensity Nodes
Proposed Smart City
LM Boundary
Local Municipalities
Railway Line
Urban Edge
Main Rivers
Main River 100m Buffer
Dams and Wetlands
Protected Areas
Stewardship Sites
KZN CBA Irreplaceable
Settlement Morphology
Existing Sparsely Populated Rural Settlements
Existing Densely Populated Rural Settlements
Existing High Density/Built-Up Areas
Agricultural Land Categories
B: THREATENED
C: PRIMARY AGRIC. LAND
PAA (DOA 2021)
Umzumbe KZN
uMuziwabantu KZN
Winnie Mandela EC
Indian Ocean
Hibberdene
uMzumbe
KwaMadlala
Lushaba
Thonjeni
Oribi Flats
Oribi Gorge
Mahlabathini
Sunwich Port
Southport
Sea Park
Umtentweni
Murchison
Port Shepstone
Marburg
Nyaleni
Nqabeni
Kwafidwaliane
Paddock
Oslo Beach
Moguntia
Nkumbini
Ezingoleni
KwaMavundla (Gamalakhe)
Gamalakhe
Uju Sports Complex
Shelly Beach
Ndimeni (Vukuzithathe)
Mkhomazi
Mkhomazi
Mkhomazi

Illustration 8: Future Spatial Form of Ray Nkonyeni



The future polycentric Ray Nkonyeni will bring jobs to residential areas and housing opportunities to job centres rather than merely transporting people between the two. It will create complete nodes where people can live work and play that are efficiently connected by public transport. It will bridge spatial and social barriers and build a framework for a spatially just municipal area.



3.2.1.8.14 Tourism Development Corridors

Corridor aims at promoting and facilitating tourism development. The identified tourism development corridors include:

- P69 linking Munster and KwaNzimakwe TC
- P262
- D251
- P732 linking Southbroom and KwaXolo TC
- P55 linking Murchison, Nyandezulu Waterfalls and Oribi Gorge; and
- D1095 linking Port Edward, Izingolweni and passing through Red Dessert

Another, potential tourism corridor route is located along the Port Edward to Izingolweni east/ west link. The Route consists of a number of Cultural and Tourism opportunities such as the Red Desert, the Umtamvuna Nature Reserve, the Space Centre and KwaXolo Caves.

3.2.1.8.15 Izotsha Corridor

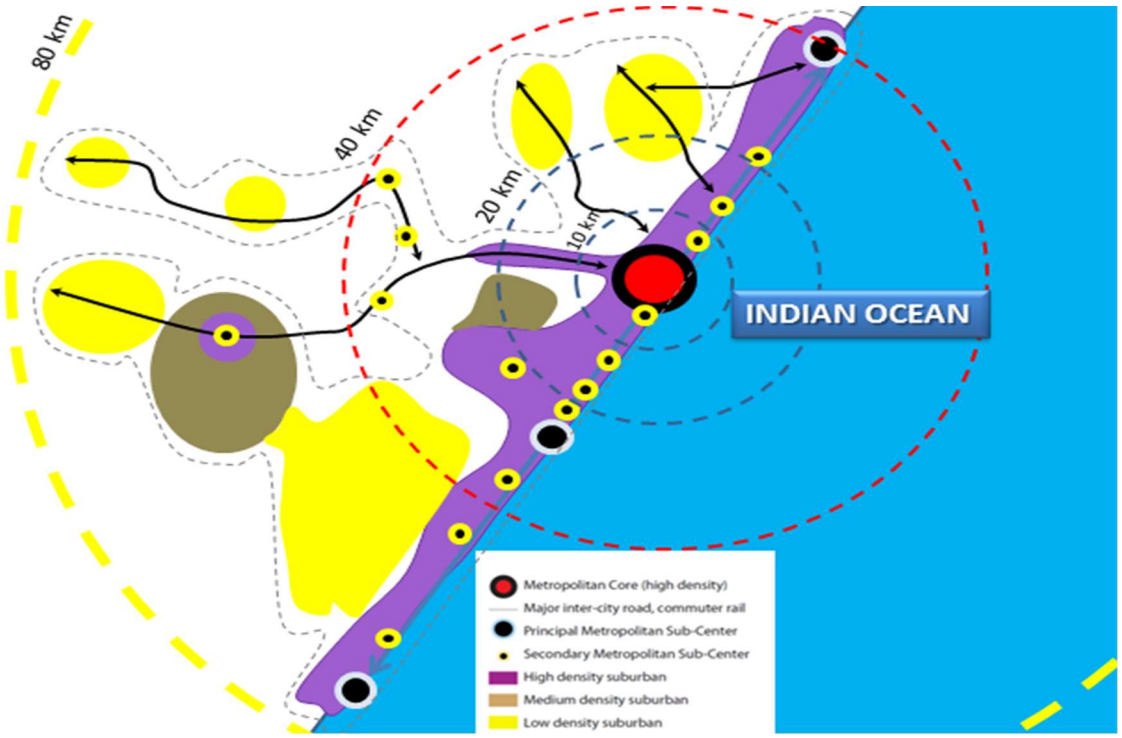
This corridor is located on the west-southern part of Port Shepstone. It is intended to facilitate the expansion of the town through industrial, commercial and residential developments.

***Industrial Hubs*:** Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute to the economic growth of the municipality. The municipality has identified land along Izotsha Corridor and Hibberdene and Margate for future industrial development.



3.2.1.8.16 Future Development Corridor

Illustration 9: Future Development Corridor





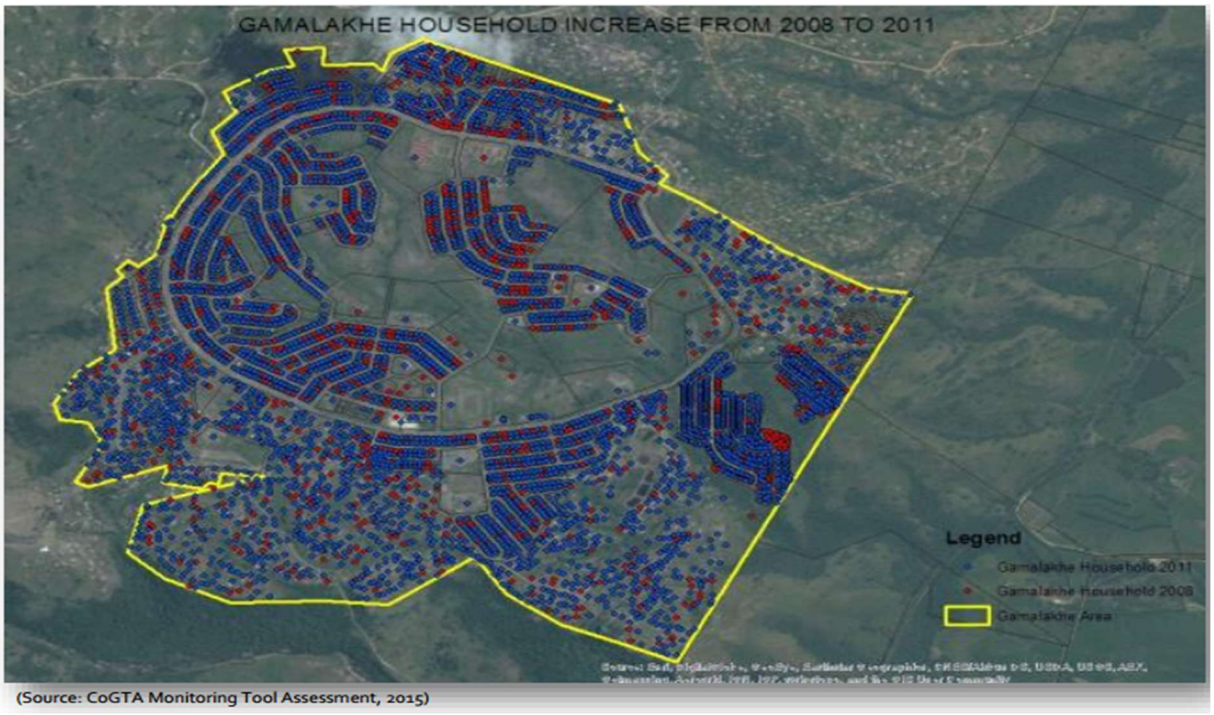
3.2.1.9 Densification

Densification is a spatial structuring tool that can positively contribute to sustainable urban growth, should it be applied accordingly.

3.2.1.9.1 Gamalakhe Densification Monitoring

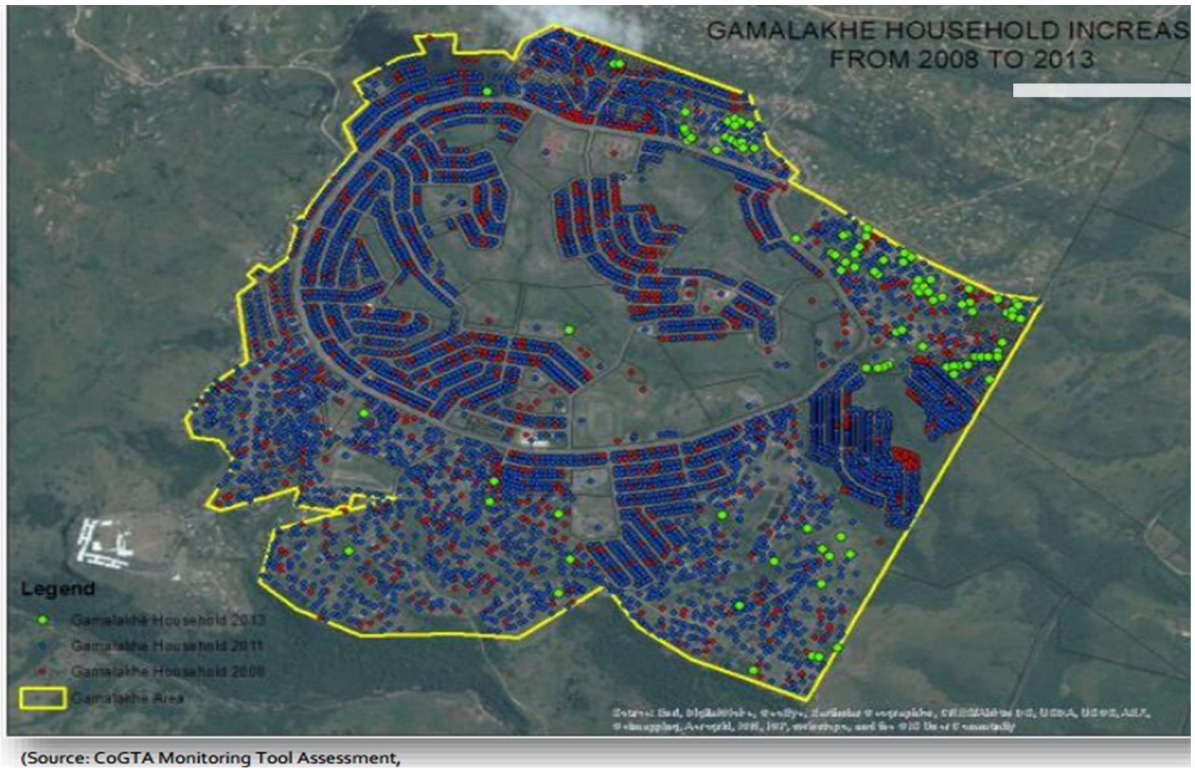
Gamalakhe Township was used as an example for the use of densification monitoring tool. This involved mapping and showing household increase between 2008, 2011 and up to 2013. The two illustrations bellow show the densification of the township.

Illustration 10: Gamalakhe Density 1



(Source: CoGTA Monitoring Tool Assessment, 2015)

Illustration 11: Gamalakhe Density 2



(Source: CoGTA Monitoring Tool Assessment,

3.2.1.10 Cross-Border Alignment Issues

As per the National and Provincial policies and legislation (MSA-S26 (d), MSA Regs S2 (4) (h), municipalities are required to provide a clear indication of how the SDF is aligned with the planning of neighbouring municipalities. Ray Nkonyeni Local Municipality has a mandate to ensure that its IDP is in compliance with the planning legislation and policies to give effect to the development of a SDF as the spatial representation of the IDP. There is a structure of planners that was established to ensure continuous alignment through the District Development Model where planning is down with all relevant stakeholders, rather than in silos.

3.2.1.10.1 Umuziwabantu Local SDF

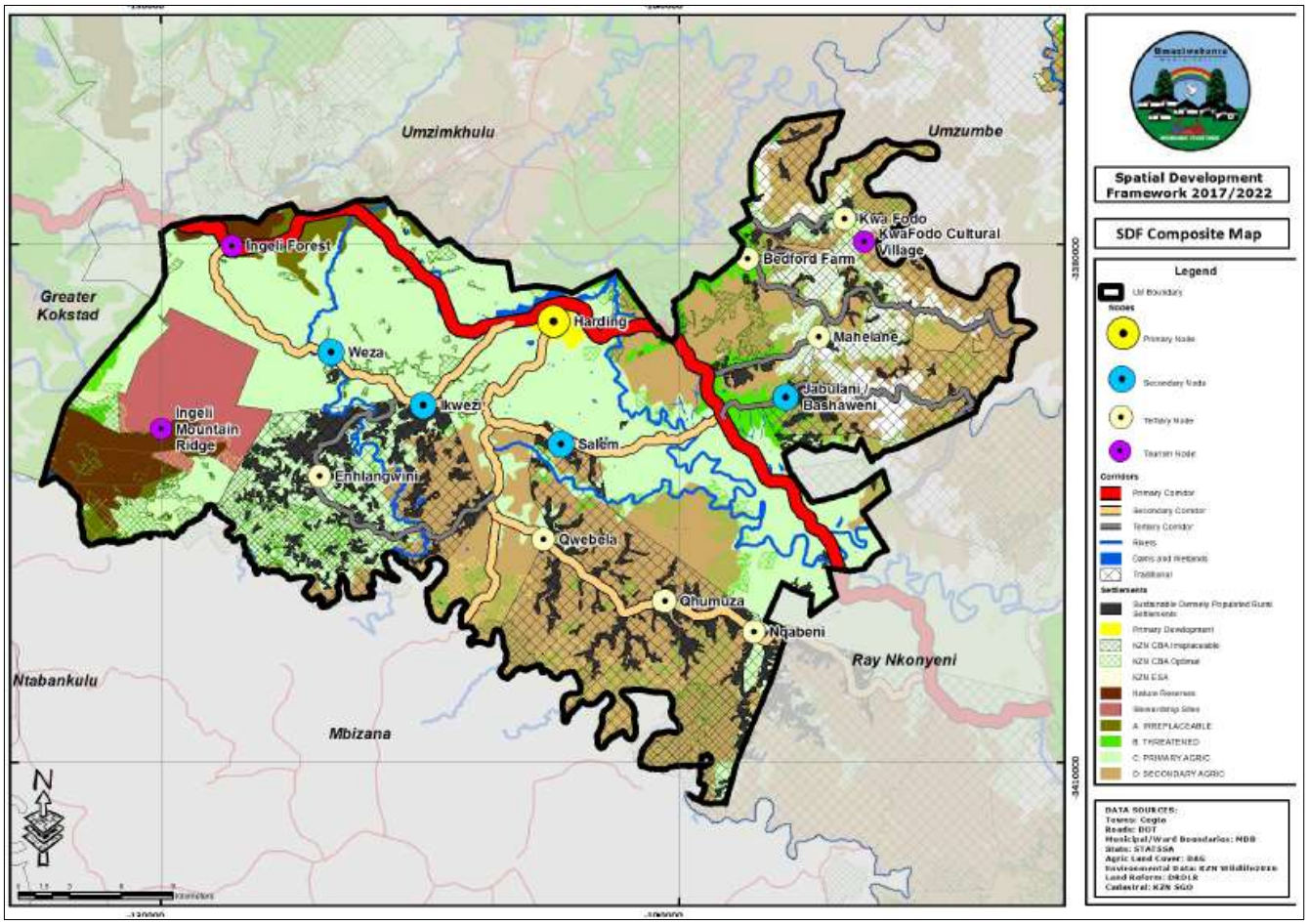
The following alignment issues between Ray Nkonyeni and Umuziwabantu will need to be taken into consideration: -

- Primary Corridor: Umuziwabantu SDF identifies the N2 which traverses both Municipalities. This serves as both the activity and economic corridor for the three municipalities.
- Primary Agriculture: Umuziwabantu Municipality identifies the opportunity for agriculture which borders the municipality. This aspect is acknowledged by both Ray Nkonyeni and Umuziwabantu.
- Environmental Conservation and/or Conservation Corridor: there is also environmental conservation uses bordering the Umuziwabantu Local Municipality which should be

considered through the use of buffering around the environmentally sensitive environments.

- Landscape corridors linking the coast and the berg occur from Ray Nkonyeni to Umziwabantu and beyond.

Map 18: uMuziwabantu SDF Map



3.2.1.10.2 Umzumbe Local SDF

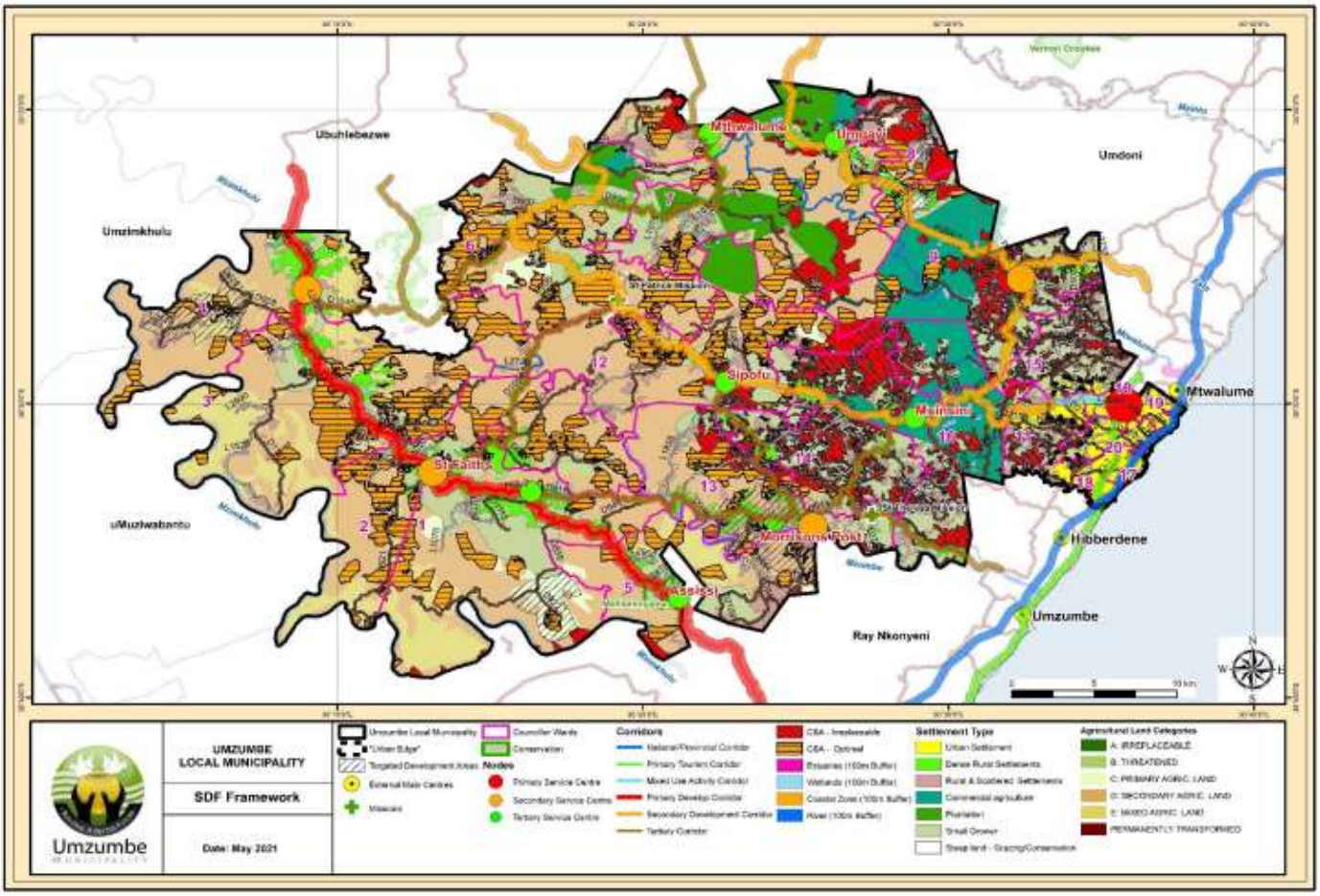
Umzumbe Municipality is located northeast of Ray Nkonyeni Municipality. It is a predominantly rural municipality which is also considered to be peripheral to the economy of Ray Nkonyeni Municipality. The key alignment issues include the following:

- The N2 route linking both municipalities is identified as a primary corridor.
- Primary east-west corridors link the coast to St Faith's in Umzumbe LM. This takes on the form of the P68, which connects St Faiths, Dweshula and Assissi in Umzumbe, to Port Shepstone. In addition, the P286 (which forms an important route through the central part of Umzumbe to the north) connects Msinsini in Umzumbe to Hibberdene in Ray Nkonyeni.
- Specific attention should be drawn to the proper management of the coastal strip and associated development along the coast. The linkage and coordination of tourism activities along coastal tourism is also a matter of importance.



- The urban part of Umzumbe is Mtwalume which stretches down to the Hibberdene urban area in Ray Nkonyeni. This may pose a conflict with Ray Nkonyeni's spatial landscape because the adjoining settlements are very different between this part of the boundary.
- The other bordering areas have identified small growers (subsistence agriculture), biodiversity priority 1 area and rural settlements. These will need to be harmonized with the areas that are found within the cross border of Ray Nkonyeni.
- The Mehlomnyana NR occurs on the border of the Ray Nkonyeni LM and Umzumbe. Protection of this area is required from both Municipalities.

Map 19: Umzumbe Municipality SDF

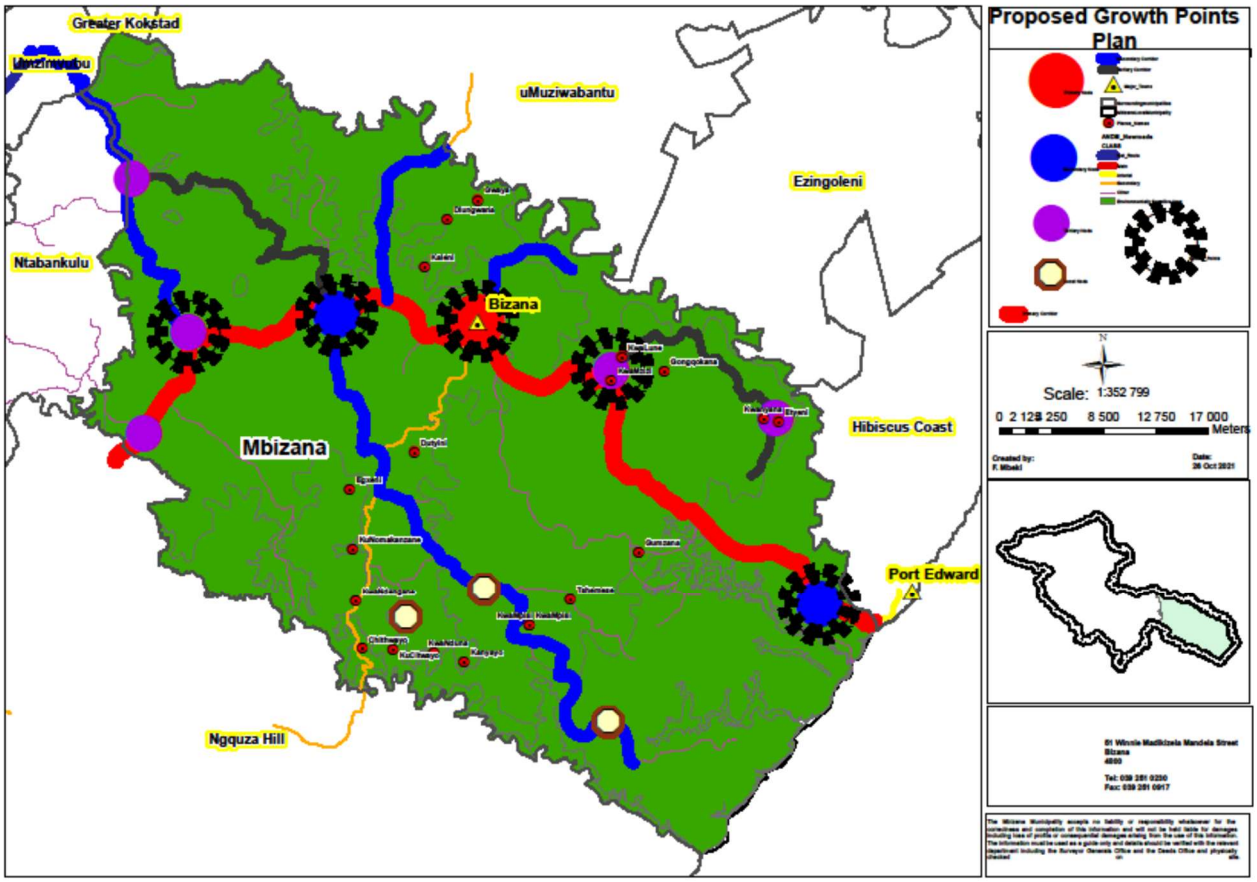




3.2.1.10.3 Winnie Madikizela-Mandela Local SDF

Winnie Madikizela-Mandela (previously Mbizana LM) Local Municipality is predominantly rural and comprises Bizana town as a centre. It is one of the areas that heavily depend on Ray Nkonyeni for the agglomeration of commercial and social facilities which are found within it. These include the nearby Port Edward and Port Shepstone. Winnie Madikizela-Mandela Municipality exists within the administrative boundaries of Alfred Nzo District Municipality, Eastern Cape Province. According to the income leakage study that was undertaken by Alfred Nzo District Municipality many rural areas and small towns within the northern Eastern Cape depend on Ray Nkonyeni LM for commercial services.

Map 20: Mbizana Municipality SD





3.2.1.11 How the municipality has responded to Goal 7 of the PGDP 2035: Spatial Equity

The PGDP 2035 states that the Integrated Spatial Planning is subsequently the single most important tool utilised to co-ordinate the distribution of population, land uses, existing resources, and proposed initiatives in relation to each other in order to create an improved sustainability to such uses of scarce land resources. Ray Nkonyeni fully aligns to this goal. The various spatial interventions of the municipality have an opportunity to utilise the land while having equitable access to social service standards and development opportunities.

The municipality has developed a robust and representative methodology which will be reviewed on an annual basis to assess progress in achieving its spatial equity. As mentioned in the strategy that the spatial equity should enhance the resilience of new and existing cities, the municipality is in line with this. It has not only concentrated on public investments, but also private investments on the basis of their developmental potential. The LUMS cuts across the municipality. The municipality has further responded by establishing nodes, formalising strategic rural nodes, in this case, it is Ezinqoleni town.

The promotion and development of Ward Based Plans, LUMS, Spatial Planning Systems is another response by Ray Nkonyeni Municipality to the objective. Furthermore, the municipality has developed specific corridor plans to coordinate interventions around provincial corridors. There has been a response also to the densification strategy. Gamalakhe densification is one such example, which shows future projections of the then township. The municipality's SDF is aligned to the provincial development framework as expected.

The municipality has a fully functional GIS unit, which too is a response to the objective of the strategy. Catalytic projects also form a large integral part of the municipality. Ray Nkonyeni has identified these and fully adheres to the PGDP in this regard.

Table 57: Cross Cutting Issues

Strengths	Weaknesses
• Being able to develop a sound vision statement that talks to both urban and rural developments • SDF is aligned to all the planning principles • Corridors with vibrant economic activities have been identified • Being able to plan with communities at large • RNM makes provision for the development of community centres within a cluster of settlements • Cross Boundary Potential Networks	• The need to develop the full suite of plans for the municipality • Key spatial plans have not been fully developed



Opportunities	Threats
• Meeting land use needs and identification of economic development potentials through • Job opportunities in the newly developed nodes and economic corridors • An extensive range of natural assets for preserving the biodiversity for the future	• Slow development in the hinterland Organic and illegal thus a great need for the implementation of the SDF • Slow development of a wall-to-wall scheme as per the PDA regulations

3.2.2 Environmental Analysis





Ray Nkonyeni Municipality has a fully-fledged Environmental Management Section, see organogram. The municipality undertakes a thorough assessment of its environment, paying attention to its hydrology, coastal management, biodiversity and undertaking an in-depth analysis of its climate change. The long-term vision of the municipality recently adopted, states how the municipality will adapt and be resilient to climate change. The vision further outlines how the municipality will promote sustainable use of natural resources while complying to the Environmental legislation, however, the management of bio-diversity is threatened by alien invasion species which triggered the need to prepare a municipal invasive species monitoring and eradication plan which was adopted in 2018.

Ray Nkonyeni Municipality is blessed with abundance of natural resources though threatened by transformation of land use and cover due to a number of activities. The municipality has a wave energy potential in terms of using its currents and thermal in the sea to generate energy as well as a possibility to produce biofuels from sugar cane and sweet sorghum waste materials.

The municipality has a number of sector plans dealing with the environmental management of its jurisdiction. The Strategic Environmental Assessment (adopted in May 2019) is the superior environmental analysis document, which is review every 5 years. This document was prepared by SiVEST Environmental Division, a local service provider dealing with environmental management.



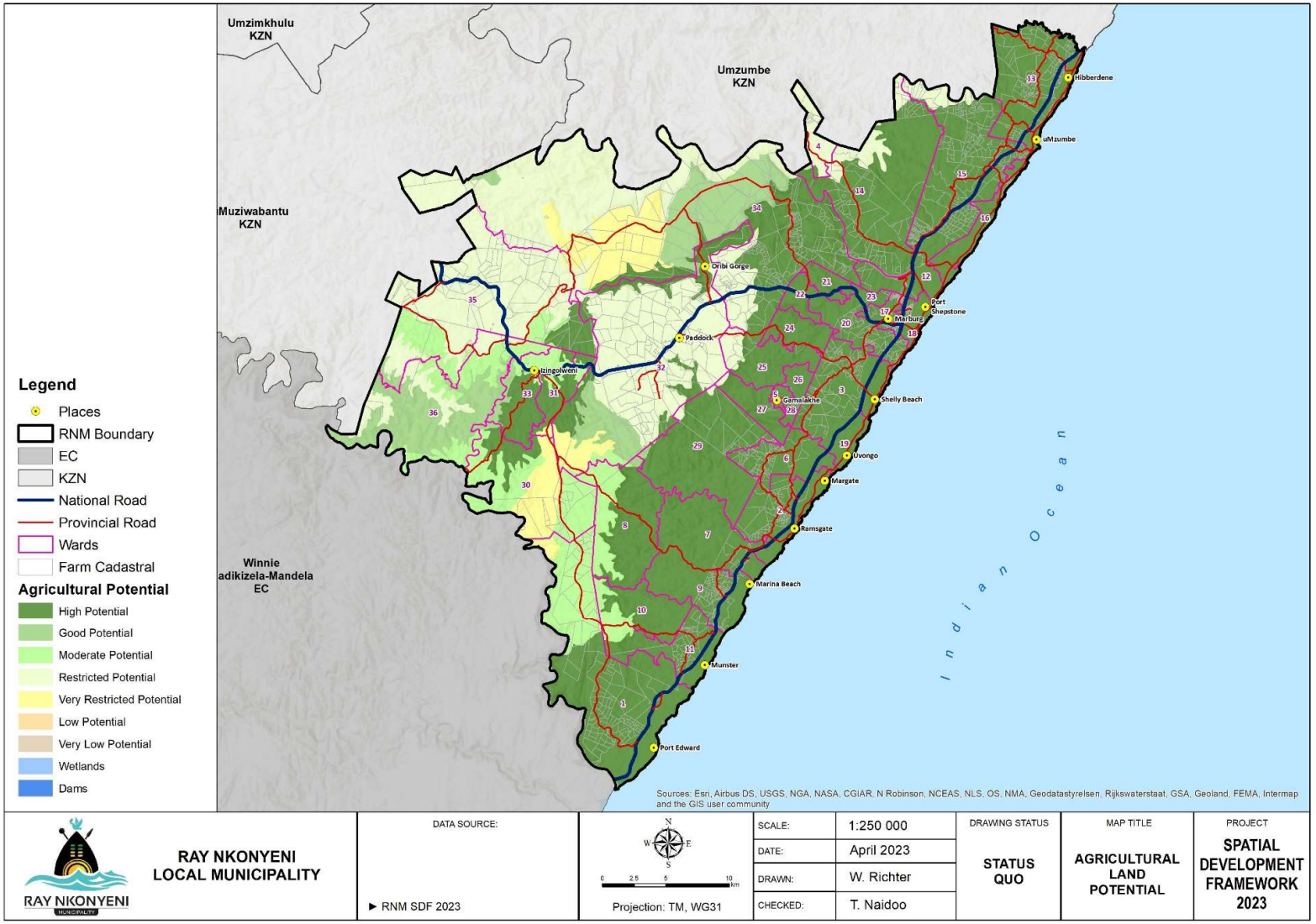
3.2.2.1 Environmental Features

Environmental features means land of the natural environment, including but not limited to, significant habitat of endangered species of threatened species, wetlands, life science areas of natural & scientific interest, signicant valleylands, significant, woodlands & significant wildlife habitats. Below is a summary of environmnental features.

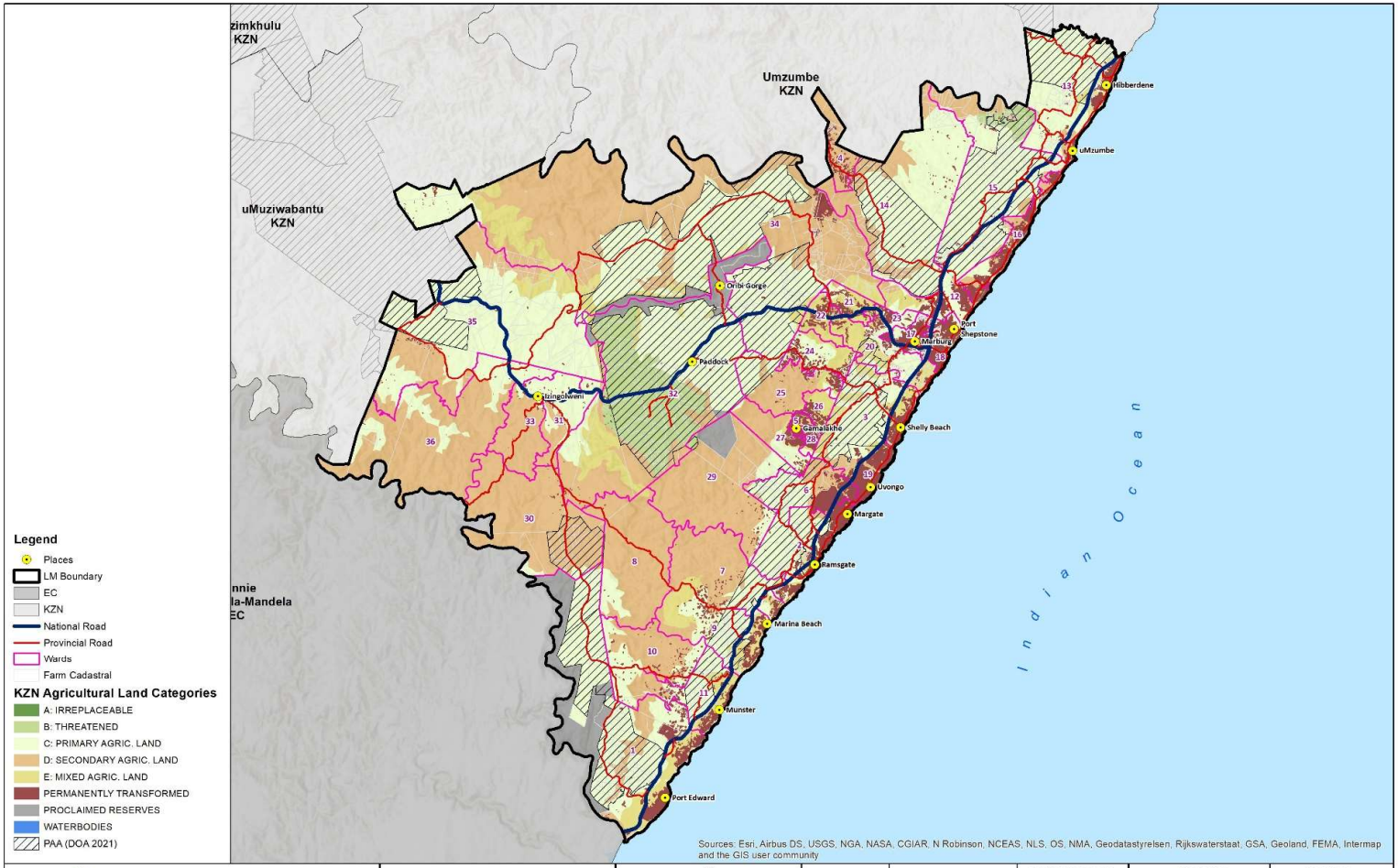
3.2.2.11 Agriculture Potential Areas

The overall area within the municipality has a high agricultural potential, as majority of the land is scattered with sections of structured upland clays becoming waterlogged during rainy conditions. This suggests that that flora and fauna can really flourish in this environment with plenty of water, resulting in high vegetation. The map below shows the agricultural potential areas within the municipality. It is clear to deduce that there exists large pockets of Primary, Secondary and Mixed Agricultural land as one moves inland away from the coastline. The inland area shows great potential for agriculture and thus, majority of the farms in the municipality are located in the middle part of the entire municipality.

Map 21: Agricultural Potential



Map 22: Agricultrural Land Categories



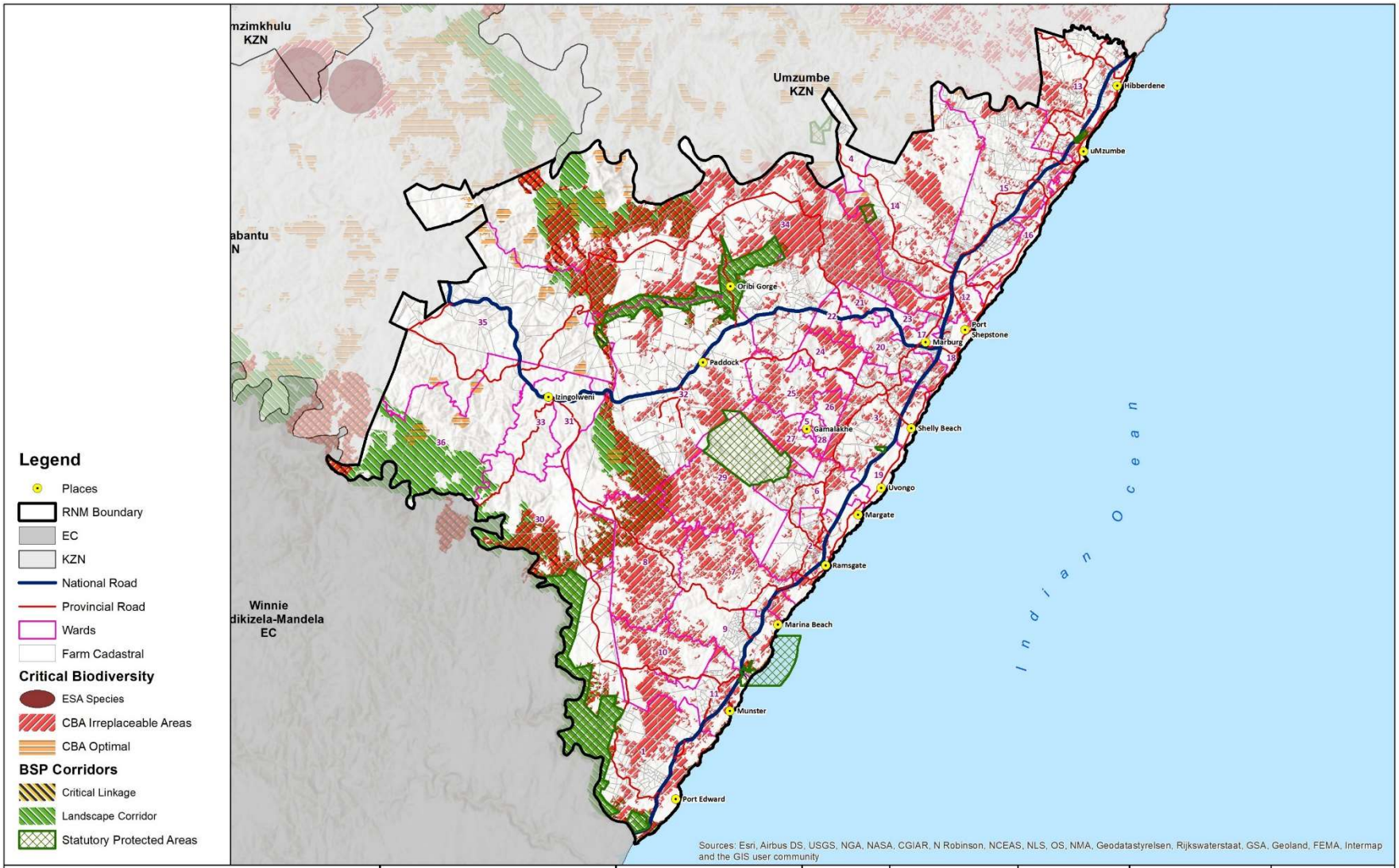


3.2.14.1.2 Environmental Sensitive Areas

Ray Nkonyeni has six declared formal conservation areas which are Umtamvuna, Mbubazi, Mpenjati, Skyline, Oribi Gorge and Umzimkhulu river valley Nature Reserves. In 2009, Ezemvelo KZN Wildlife developed a marine conservation plan which identified the best sites for marine protected areas based species, habitats and threat data. As shown below, there are several sites of conservation significance on the coast of the municipality, particularly between Pumula and Uvongo, near Hibberdene, and approximately 10 kilometres off the coast of Shelly Beach (i.e. Protea Banks). The implications for development are that certain activities are prohibited or restricted within these marine areas of high conservation value. In addition, there should be careful management of on-shore activities which can potentially impact negatively on the biodiversity of these areas.

Moreover, there are also a number of unprotected environmental areas within the areas which are undeveloped /untransformed and consist of grassland, dense bush and forests. High biodiversity areas represent a substantial fraction of the area under the municipality. High biodiversity areas occur in discrete pockets within the municipal landscape, with larger portions located in the southern part of the municipality. The intrinsic value of these areas lies in its ecological and tourism development potential.

Map 23: Environmnetal Sensitive Areas





3.2.14.1.3 Biodiversity

Ray Nkonyeni contains several sensitive vegetation types or areas of conservation significance. These areas have been identified as being of conservation value as they are necessary to maintain a representative sample of biodiversity and to sustain the functioning of particular ecosystems. From a national perspective, the municipality contains several Critically Endangered (CE) ecosystems, namely Interior South Coast Grasslands, Margate Pondoland Ugu Sourveld, Southern Coastal Grasslands, and Endangered (E) ecosystem types, namely Oribi-Port Edward Pondoland-Ugu Sourveld vegetation types.

Therefore, development within these areas require environmental authorisation from the relevant environmental authorities. The municipality contains large natural areas which are classified as irreplaceable in terms of their conservation value. As with the above, certain activities within these areas may require environmental authorisation and an offset.

3.2.14.1.4 Rivers, Hydrological Water Features and Ecosystem

The Municipality is richly blessed with numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean. Most rivers run in an easterly direction from high altitudes and finally channelling into the warm Indian Ocean. In total, the municipality boasts twenty-seven (27) rivers in total. The most important rivers in the context of the municipality are:

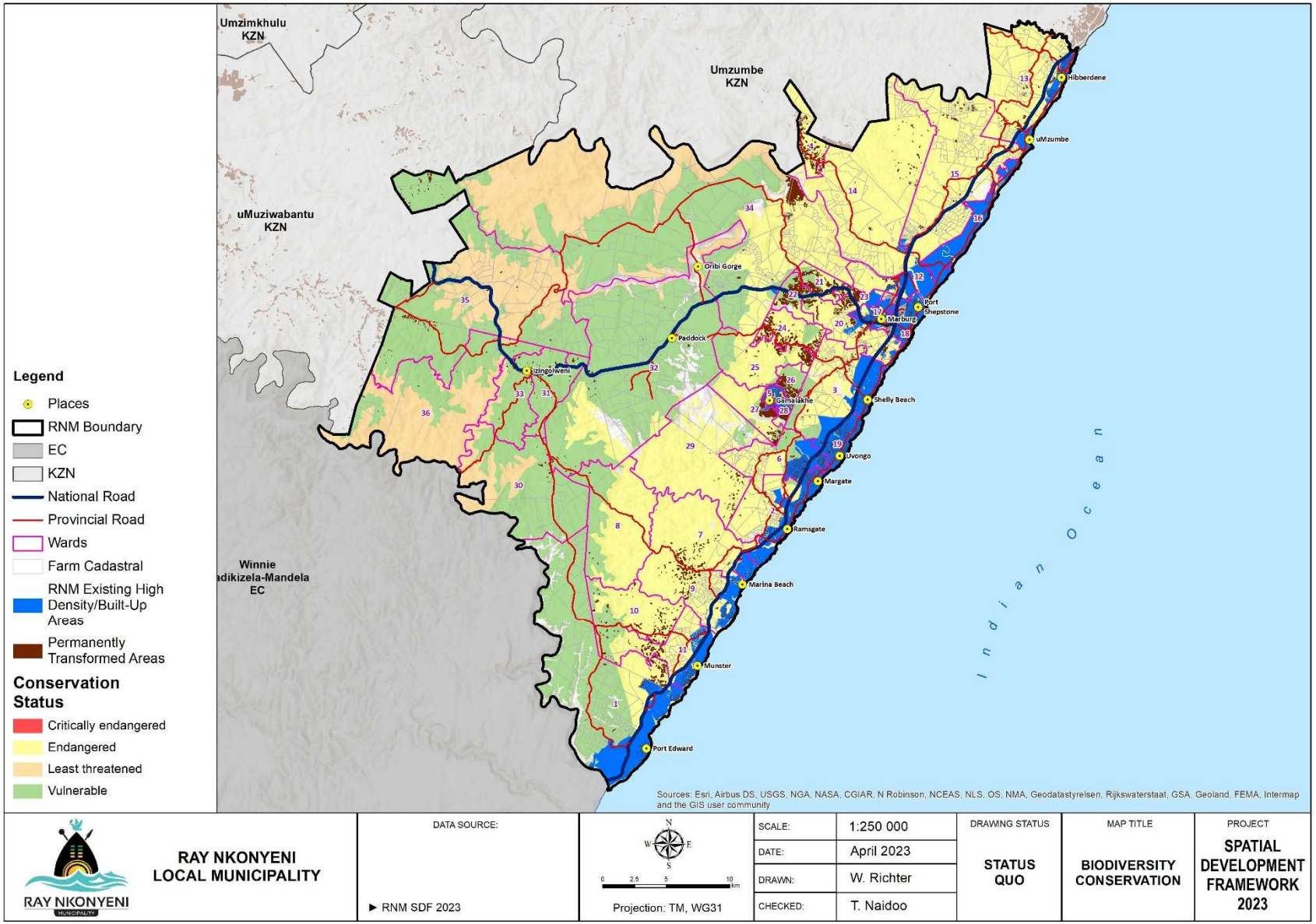
- Mzimkhulu River
- Mtamvuna River
- Mbizana River
- Vungu River
- Mzumbe River; and
- Mzikhulwane River

3.2.14.1.5 Coastal Issues

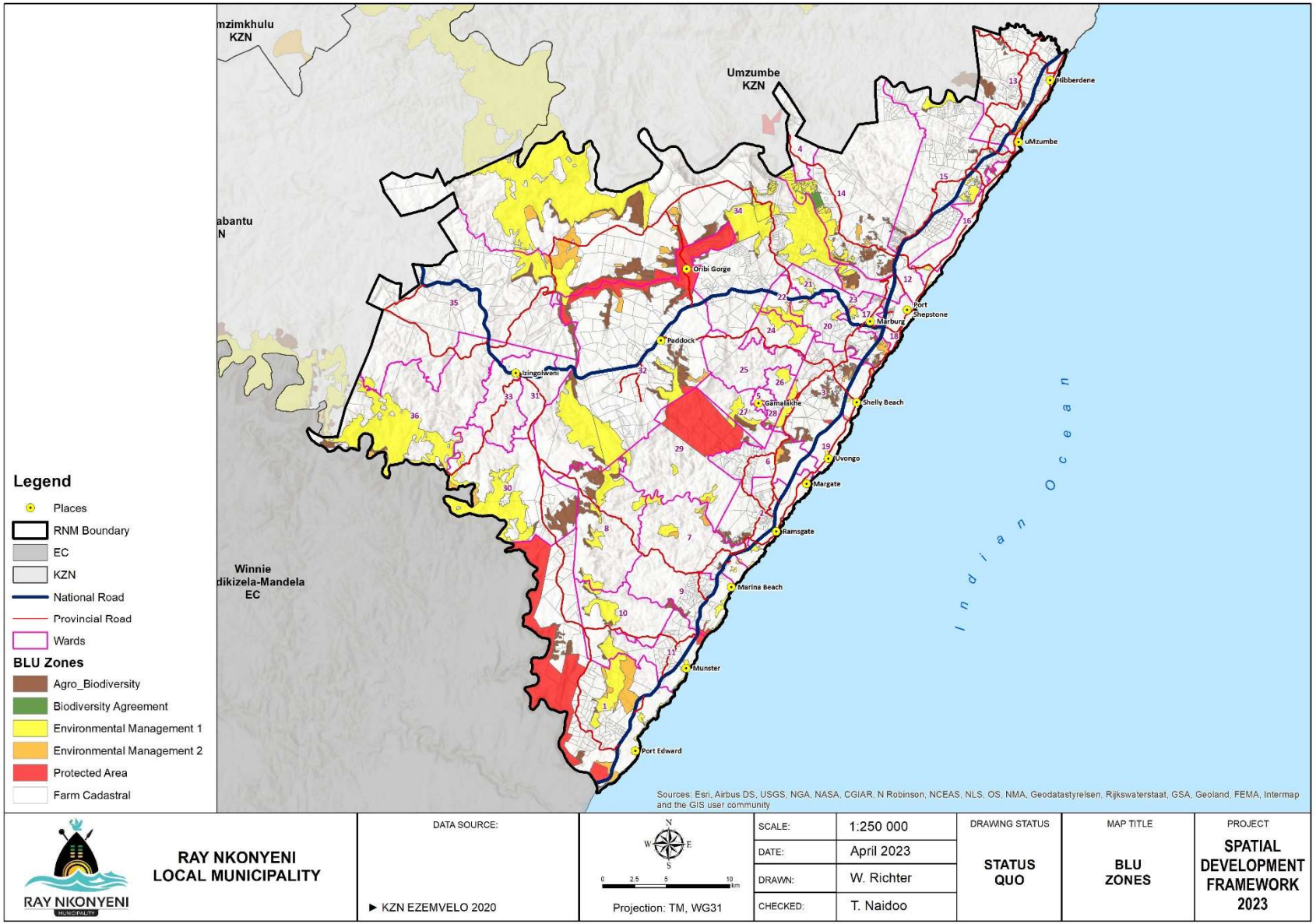
With Climate change (discussed in section below) on the rise, the coastline within Ray Nkonyeni Municipality has experienced higher rainfall levels along with flash floods causing rapid flooding in the Urban part of the municipality. The map below shows the increase in rainfall levels moving from inland towards the coastline. The municipality aught to intervene with strategic mitigation methods in order to reduce the risk to infrastructure and crucial buildings within the CBD and built-up areas.

On the following pages are maps showing Biodiversity, Hydrology & Mean Annual Rainfall.

Map 24: Biodiveristy Conservation

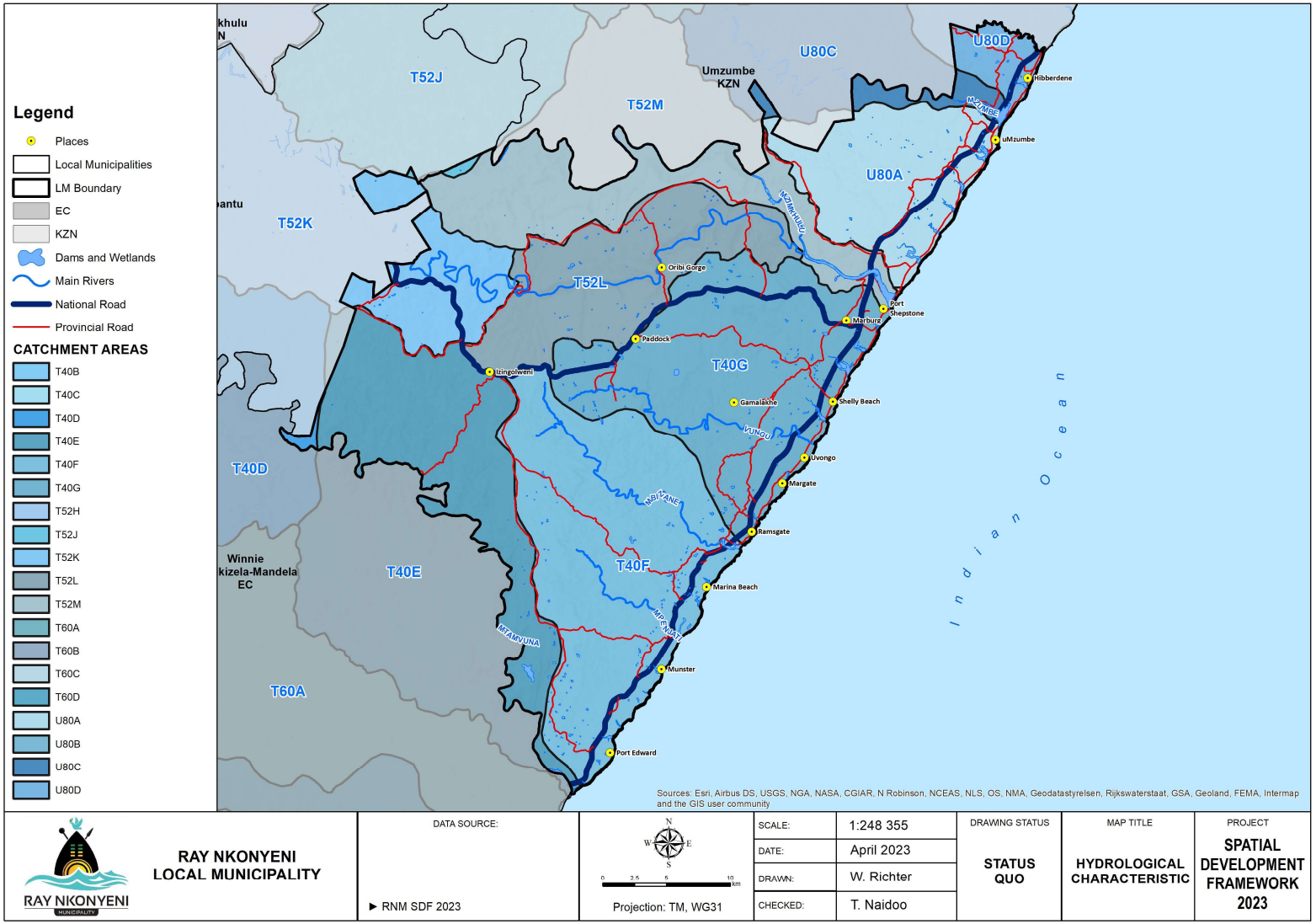


Map 25: Biodiversity Land Coverage

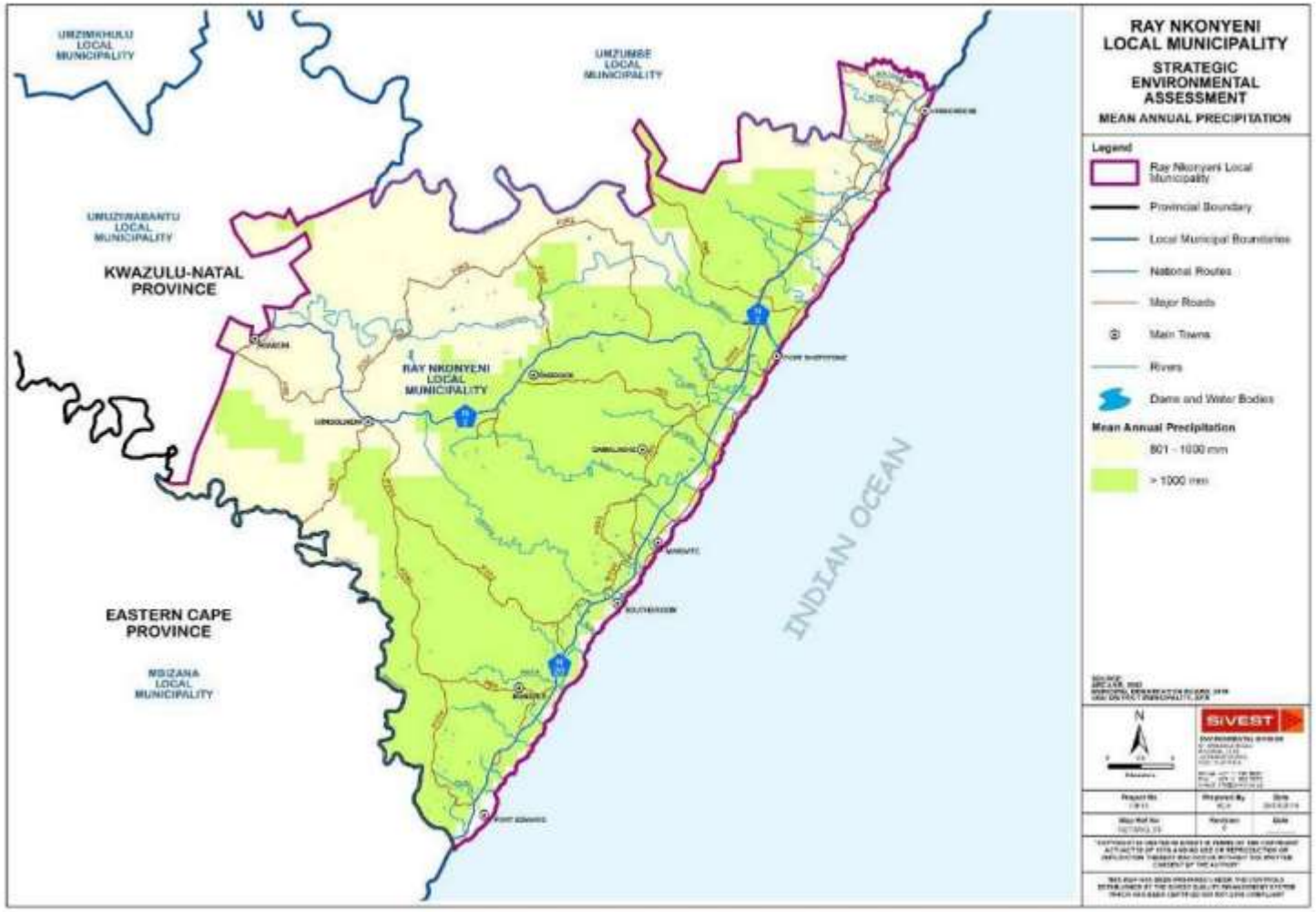




Map 26: RNM Hydrological Features



Map 27: Mean Rainfall





3.2.1.4.1.3 Key Challenges

Key Challenges	Mitigation method
Soil Erosion (loss of arable land)	• Plant vegetation (especially indigenous trees) on soil prone to soil erosion
Lack of reliable agricultural data	• Form strategic partnerships with research institutions and other environmental management Institutions (e.g. CSIR)
Underdeveloped inland area	• Develop the inland area with regards to infrastructure and not just social facilities. Thus, more catalytic projects.
Climate change (unpredictable weather patterns and more extreme storms lead to loss of commodity, rising sea levels, higher and unpredictable rainfall and warmer temperatures alter natural ecosystems)	• Raise awareness about climate change • Develop a climate change strategy • Build institutional capacity required to address climate change • Integrate relevant climate change information into planning, policies and decision making process • Improve the adaptive capacity of human, natural and built systems • Establish or strengthen partnerships that enhances climate change response capacity
Good Environmental Legislation, but poor enforcement resulting in environmental mismanagement (e.g. illegal dumping and building on floodplains)	• Employment environmental officers to undertake enforcement of bylaws and legislation. • Charge environmental fines onto rates • Assist Traditional Councils with basic township establishments for subdivision purposes, in order to leave land vacant between plots for the provision of engineering services
Inland areas do not have a refuse removal system, resulting in illegal dumping	• Establishment of inland refuse removal scheme (municipality can partner with strategic players in the community) • Establishment of a new landfill inland to service the inland population • Raise awareness in the hinterland at schools and community halls on the dangers of illegal dumping/ inadequate waste removal



3.2.2.2 Environmental Sector Plans

The Strategic Environmental Assessment (adopted in May 2019) is the superior environmental analysis document, which is reviewed every 5 years. The following Environmnetal Sector Plans are developed with the Strategic Environmnetal Assessment in mind. These Environmnetal Sector Plans ensure that the Strategic Environmnetal Assessment is being implemented and managed properly.

3.2.2.2.1 Environmental Management Programme (EMP)

The EMP will support decision-making in the RNM area in order to facilitate appropriate and sustainable development. The EMP must:

- Identify the geographical area to which the EMP applies; specify attributes of the environment the area including the sensitivity, extent interrelationship and significance of those attributes; identify any parts in the EMP area to which the specified attributes relate;
- state the conservation status of the area and/or its relevant parts;
- state the environmental management priorities in the area;
- indicate the kind of activities that would have a significant impact on the attributes in the area and those that would not;
- indicate activities that would be undesirable in the area or in specific parts of the area; and
- meet any other requirement specified by the Minister or MEC

The effective implementation of this plan will ensure that all environmental impacts are avoided or minimized. All possible alternatives must be assessed during the designing and planning phase of any development no matter its magnitude. The development must take three (3) things into consideration during any phase of the development and these are:

(i)Engineering- the practicality of the development from an engineering point of view;

(ii)Environment- the impacts associated with the development on the receiving environment; and

(iii)Socio- Economics- the impact which the development is likely to have on the receiving community both on social and economic perspective.



The objectives of the EMP are to:

- Provide a pro - active, feasible and practical working tool to enable the measurement and monitoring of environmental performance by the Municipality;
- Identify geographical areas in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- Ensure that the construction and operational phases of any development continue within the principles of Integrated Environmental Management.
- Encourage minimum disturbance of all natural environment;
- Provide generic actions deemed necessary to assist in mitigating the environmental impact of developments in general;
- Comply with all applicable laws, regulations, standards and guidelines for the protection of the environment; and
- Encourage sustainable development.

The municipality has developed and adopted a number of Environmental Plans. These include:

3.2.2.2.2 Coastal Management Programme

The Programme aims to facilitate the coordinated, collaborative and participatory management of the municipality's coastal zone by the RNM, Ugu District Municipality (DM), National and Provincial organs of state including parastatals, the private sector, key coastal communities, civil society organisations, and the public as a whole. The ultimate purpose of the Programme is to ensure that the coastal zone is sustainably managed, that the benefits thereof are maximised, existing and potential conflicts and harmful effects are minimised, and access to this precious resource is enabled for all citizens of South Africa and the municipality.

3.2.2.2.3 Greening Plan

The result of high population densities is environmental degradation, especially in areas where no planning of parks and tree planting in streets and open spaces. It is a fact that rapid urban development is characterised by lack of environmental planning. Effective environmental planning, including urban and rural greening, can assist greatly in improving the quality of the environment and the livelihoods of the people who live in these areas.

Against this background, there is a clear need for practical and aggressive action plan, which will enable the municipality to assist in the pressing issues of environmental sensitivity, reduce the municipality's carbon footprint and make positive contribution to increasing the quality of environment for the municipality and effectively the World.

Thus, in response to this, the municipality has developed a Greening Plan which aims at enhancing the quality of environment to the municipality in the economic, social and environmental aspects.



3.2.2.2.4 Estuarine Management Plans

The combined Estuarine Management Plan for seven (7) out of twenty seven (27) estuaries, will:

- Fulfil the requirements of Section 34 of the ICM Act, which includes the facilitation of public participation;
- Be consistent and aligned with the Protocol, the National Coastal Management Programme and any other applicable coastal management programmes, including the Ugu and Ray Nkonyeni Municipal Coastal Management Programmes;
- Seek to achieve the National Vision and Strategic Objectives for estuarine management; and

Contain/meet the minimum requirements stipulated in the Protocol which provides the Framework for Estuarine Management in South Africa.

3.2.2.2.5 Strategic Environmental Assessment (SEA)

The main objective of the SEA is to strengthen and streamline Environmental Impact Assessments by addressing a broader range of alternatives like; addressing cumulative effects through the identification of limits of acceptable change for a particular area. It will further facilitate the maintenance and enhancement of a chosen level of environmental quality, which can provide a context for EIAs within the Municipality. An amount of one million has been set aside for the SEA for the 2018/19 financial year.

3.2.2.2.6 Alien Invasive Management/ Control Plan

The Control Plan has been developed following the guidelines for the development of Invasive Species Monitoring, Control and Eradication Plans ('the Guidelines") which were published in September 2015.It will be adopted in this current financial year. A total of 131 invasive alien species (IAS) have been identified on the municipality's properties. Five items have been identified for successful planning and implementation of the Control Plan:

- coordination
- resourcing
- prevent the introduction of emerging IAS and extirpate where possible
- Control of established IAS and awareness.

A number of organizations' and departments implement invasive species projects within municipality and focus on various species.

3.2.2.2.7 Wetland Assessment

Ray Nkonyeni Municipality (RNM), identified the need to identify, assess and map wetlands within its area of jurisdiction. This exercise is to ensure that the entire area of the municipality is covered within all its geographical area. The size of the entire municipality is 1487km². Even though wetlands have many benefits to society including, purifying water, controlling erosion and providing habitat for wetland dependent species, they continue to be destroyed and poorly managed. This is usually because the benefits are poorly understood, or they benefit people distant from the wetland. In order to begin improving the management and protection of wetlands, one needs to have a better understanding of how wetlands function. Virtually all ecological processes that occur in wetlands are influenced by the water that flows to, from, and within these wetlands.



3.2.2.3.8 Functional Environmental Structures within the Municipality

The municipality has active Environmental structures. Below is the list of these and functionality:

- **Municipal Environmental Sub Committee** -sits on a quarterly bases
  All environmental issues within the municipality are discussed by this committee

- **Invasive Alien forum**-Sits quarterly
  The Forum discusses progress on alien invasive control plans developed by the municipality, control of new weeds that may have grown

- **Coastal Management forum**- sits on a quarterly bases
  Issues discussed in this Forum entail encroachments, illegal development, and progress on estuarine as well as health status on estuaries

- **Working for the Coast forum**- sits on a quarterly bases
  Update on progress with regards to the municipality deliverables as well as issues experienced on site are key discussions in this forum

- **Environmental Education and awareness forum**-sits monthly
  Report back on all events that may have taken place as well as support from other sector departments who deal with environmental issues are some of the issues discussed in this forum

- **Ugu District pollution and waste management Forum.** The Forum sits once in a quarter. Regulations from National as well as information session on how other municipalities manage their waste is part of discussion in the Forum

3.2.2.3 Climate Change

The effects of climate change in South Africa are not limited to increased water scarcity in some parts of the country and drastic qualitative changes in the water supply, but extend to losses in biodiversity and rangelands, which impacts in the farming and agricultural sector, as well as possible increases in infectious and respiratory diseases. Climate change will have a significant impact on food availability, food accessibility and food systems stability. Climate change affects the large proportion of South Africa's population who have a low resilience to extreme climate events due to poverty, inadequate housing infrastructure and location.

Climate change affects the decision making processes of the vulnerable poor people in South African communities, such as; where they choose to live and which areas are sustainable for their livelihoods. In some households people survive on subsistence farming as they may not have the opportunities to access formal employment channels neither are they close to any public facilities which could enable them to access employment opportunities. Therefore in such cases subsistence farming becomes a way of life and survival.

However because of climate change, this form of livelihood is mostly threatened leaving subsistence farmers vulnerable to drought or forced to relocate from one area to another, where there is rainfall or access to water in order to survive. In some cases the inability to access potable water forces people to relocate into other areas where water is available. These patterns then directly affect settlement patterns, in terms of where most informal settlements tend to



conglomerate within a Municipal area. Furthermore they determine which parts of municipal areas have the most sporadic development of informal settlements despite efforts by planners and local authorities to curb housing backlog and demand. Climate change may also influence the switch from subsistence farming as a form of livelihood to people moving closer to areas in which they can access public facilities or areas of mobility such that they have access to economic opportunities in the market.

Cities are also required to deal with the rising threats of climate change and dwindling resources. These constraints mean that cities that do not plan adequately will face higher costs to residents, a decline in welfare, and reduced economic competitiveness. Preparations for these circumstances typically require decades of forward-thinking development guidance.

The effects of climate change has been experienced in the municipal area both inland and coastal areas over the past few years. The 2008 floods destroying many houses mainly at Murchison/ Bhobhoyi area which happened together with the tidal surge destroying a lot of public infrastructure and private property along our beaches. The response on the inland has been to rebuild most of the destroyed houses and on the coast restoring public infrastructure with latest (soft) engineering requirements. Ever since 2008 almost every year the municipalities more than one flash floods affecting some of its communities. Damage private property and public infrastructure is experienced. Climate change is recognized as the major environmental problem facing the globe. 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. Climate change embraces far more than temperature change and may include changes in rainfall patterns, sea level rise, and the spread of infectious disease such as malaria, increase alien vegetation invasion and loss of biodiversity.

Climate change is likely to cause a number of challenges for Ray Nkonyeni Municipality, linked to global impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. As such, climate change runs the risk of undoing all of the development gains of the last one and a half decades; climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

Temperatures in the Ray Nkonyeni are likely to increase by 1.5ºC and 2.5ºC by 2065 and by 3.0ºC and 5.0ºC by 2100. Projected annual rainfall changes are likely to include an increase in aggregated rainfall by 2065 with an increase of up to 500 mm by 2100. This increase is likely to be manifested as an increase in extreme rainfall events and stream flow intensity across the municipal area with prolonged dry spells between rainfall events. Sea level rise along Municipality's coastline is already occurring at 2.7 cm per decade and may accelerate into the future. (Source: http://www.epa.gov/ climate change/science/future.html - 20 March 2015)

Climate change impacts for the Ray Nkonyeni may include:

- An increase in the frequency and intensity of floods and droughts;
- A decrease in water availability due to changed rainfall patterns and increased evaporation; this will affect subsistence dry land farmers the most.
- An increase in erosional capacity of river courses, resulting in the loss of more top soil, thus decreasing the agricultural value of land and increasing siltation in dams.
- Infrastructural damage as a result of extreme weather events causing flooding, affecting human wellbeing and safety as well as insurance costs;
- An increase in erosion of coastal areas due to sea-level rise;



- Higher energy consumption due to increased residential cooling load;
- An increase in economic losses due to property damage and decreased tourism revenue;
- An increase in heat-related vector-borne (e.g. malaria) and water-borne (e.g. cholera) illnesses;
- An increase in heat stress, leading to dehydration, particularly for those that reside in the urban areas, as well as children and the elderly;
- Changes in the geographical distribution of plants and animals with extinction of species that are unable to move and an increase in the prevalence of alien invasive species. This will negatively affect the biodiversity of the Municipal Area and the associated goods and services;
- Further loss of critically endangered grassland habitats as they are outcompeted by woody species able to utilize the higher concentrations of CO2 in the atmosphere.
- A reduction in yield of staple food crops, such as maize;
- Changes in the optimal planting and harvesting dates for crops as well as land suitable for crop production;
- Heat stress increasing livestock and poultry mortality rates;
- An increase in respiratory problems in the city due to a decrease in air quality (e.g. changes in the concentration and distribution of near-surface ozone) and increased dampness; and
- Deterioration of foods leading to increased incidents of food-borne diseases.

The areas particularly vulnerable to sea-level rise are coastal wetland and dune ecosystems. Shoreline Management Plans are required to determine what adaptation interventions if any are required now or in the future. To respond to these changes the Ray Nkonyeni has to develop a similar approach that was initiated by the EThekwini Municipality, by initiating the Municipal Climate Protection Programme (MCPP) in 2004. This was a phased programme, which has focused on climate change adaptation and enhancing the city's ability to cope with climate change impacts. The likely climate change impacts have been assessed and plans, programmes and projects have been developed to assist the Municipality in dealing with these impacts.

The mitigation and adaptation work streams of the MCPP are located in the Energy Office and the Environmental Planning and Climate Protection Department respectively. The issue of energy challenges and demand to reduce use of traditional electricity thereby reducing our emissions as the country is also on the agenda for the municipality. In this regard Eskom has offered second round of distributing energy efficiency globes. The municipality is also exploring ways to switch to energy saving alternatives in its traffic and streetlights as well as all public infrastructures in the municipal area. The use of solar for heating water and lighting is being considered. A total of seven projects have been submitted as applications to the Green Fund's window that opened towards the end of 2012 and the results are awaited.

Ugu has developed a Climate Change response which states that SDF's provide key entry points for addressing pressing climate change related issues and climate change responsive spatial development planning will be critical to the long terms sustainability of the Ugu DM. Apart from support climate resilient development, failure to take climate change impacts into account



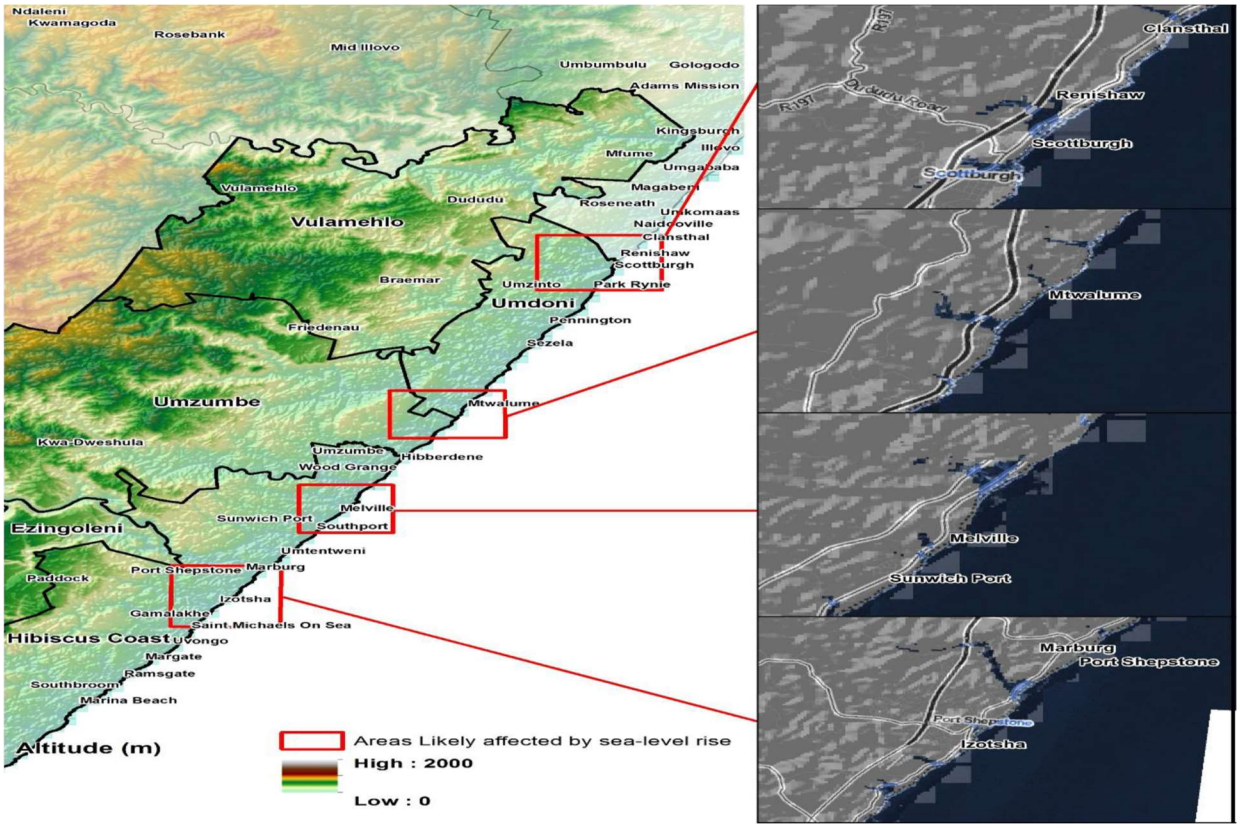
could deem municipalities liable for damage and losses resulting from negligent planning decisions. The municipal SDF should consider climate change impacts on the following areas:

- Sensitive, vulnerable, highly dynamic and stressed ecosystems in the municipal area
- Vulnerable neighborhoods;
- Desertification;
- Soil loss;
- Ecologically sensitive areas;
- Drought vulnerable areas;
- Flood risk areas or low-lying areas;
- Estuaries;
- Infrastructure and facilities in close proximity to the ocean;
- Impact of deforestation and the land use changes that may result from climate change and migration;

Response Options are identified as follows:

- Map vulnerable areas (flood lines, etc.) and implement development bans in highly vulnerable zones;
- Implement land use planning and zoning to avoid building and development infrastructure in hazard prone areas;
- Relocate existing development away from areas of high risks;
- Strengthen building code requirements according to increased risks of flooding, heat waves,
- intense storms on building and infrastructure development projects;
- Maintain and upgrade drainage systems;
- Consider permeable pavements, green roofs and rain tanks to increase on-site retention of storm water;
- Building regulation to ensure efficiency in all new buildings – monitor and enforce and encourage best practice development;
- Densification of land use through zoning regulations to support high density living and work and mixed use;
- Development preference given to developments on priority nodes;
- Ensure thorough planning reduces incidence of unplanned population and economic growth and ensure contingency for unplanned settlements/growth; and
- "Smart growth" planning—a strategy that highlights high-density, mixed-use, transit-oriented development— also has other goals, such as maintaining open space, farmlands, and other natural areas and directing city resources toward existing communities rather than diverting them to new development in outlying areas.

Map 28: Areas likely to be affected by Sea Level Rise



Source: RNM GIS 2017

Sea level will increase the inundation and saline intrusion risk to low-lying coastal areas. Also at risk are estuaries and river mouth areas. The increase in ocean storms that is projected to take place in the Indian Ocean will drive heightened storm surges that when exacerbated by rising sea level could damage areas of lower elevation and rivers. The damage caused may result in loss of land as well as ecological damage and risk to community livelihoods. The above map indicates areas and infrastructure that are at particular risk from the impacts of sea-level rise. (Source: Ugu Draft Climate Change Response Strategy- 2016).

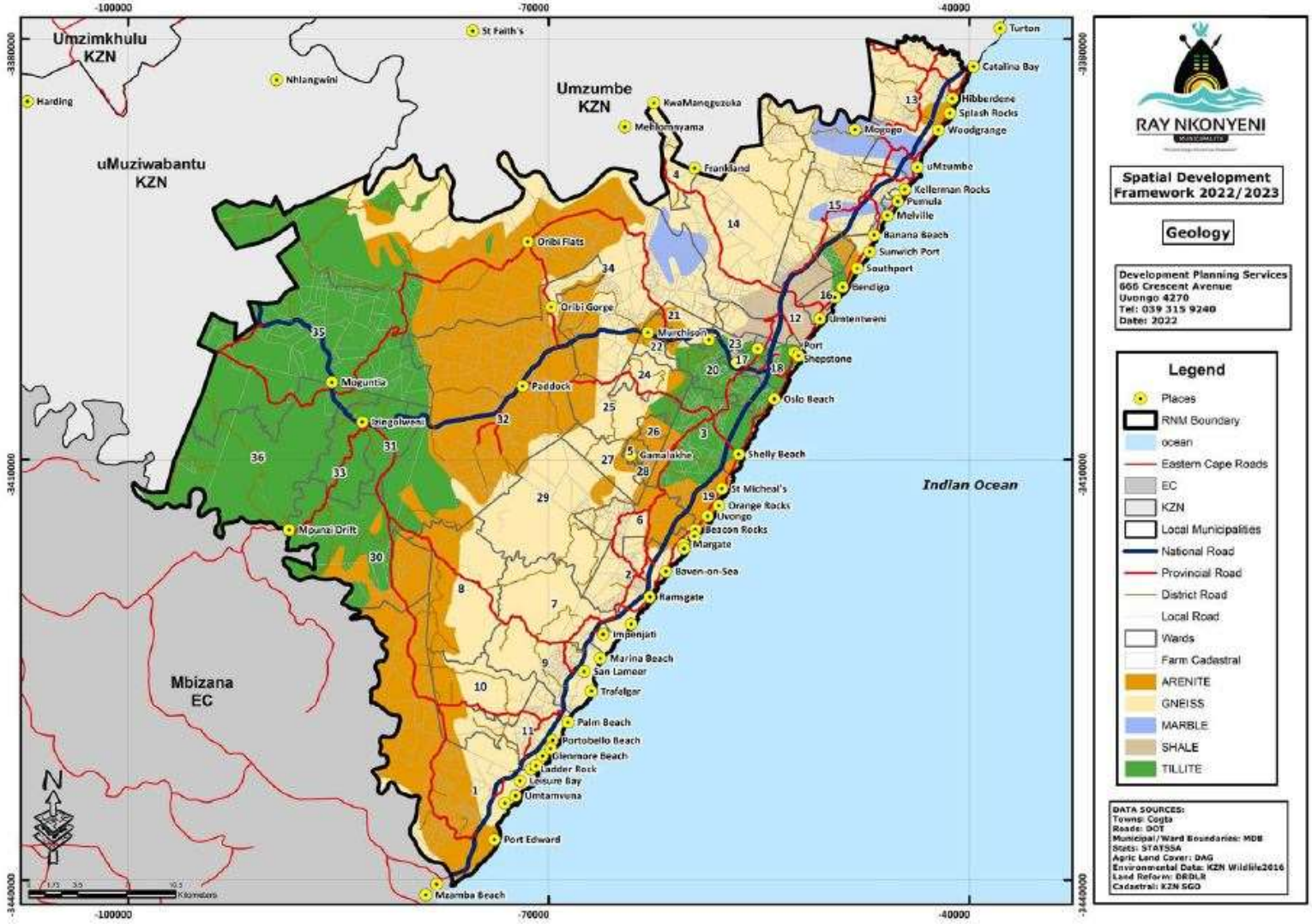
3.2.2.3.1 Climate Change Resilience and Adaptation

Ray Nkonyeni currently does not have funds to formulate Climate Change Reduction Strategies and to conduct programmes, however, UGU District Municipality does have a District Climate Response Strategy that is in place and services the entire family district.

3.2.2.4 Geology

The soil geology of the municipality is covered by seven geological formations, with the predominant being the Margate gneiss, followed by Msikaba Arenites, Gneiss, Tillete, Shale, Marble and Natal Group Arenite. Margate gneiss originates from a high grade metamorphic rock which implies that it has been subjected to higher temperatures and pressures. It is formed by the metamorphosis of granite or sedimentary rock. Gneiss displays distinct foliation, representing alternating layers composed of different minerals. Below is the illustration of the geology of the municipality.

Map 29: Geology





3.2.2.5 Soil Type

Soil is a natural body consisting of layers (soil horizons) of minerals of variable thicknesses, which differ from the parent materials in their morphological, physical, chemical, and mineralogical characteristics. It is composed of particles of broken rock that have been altered by chemical and environmental processes that include weathering and erosion. Soil differs from its parent rock due to interactions between the lithosphere, hydrosphere, atmosphere, and the biosphere. It is a mixture of mineral and organic elements that are in solid, gaseous and aqueous states.

3.2.2.6 Air Quality

Air quality in RNM is regulated via the Ugu Air Quality Management Plan which acts as a guide for air quality management activities and ensure that air quality meets the requirements of the National Environmental Management Act which basically relates to the provision of air that is not harmful to health and wellbeing. The UGu Districts vision in respect of air quality management is as follows: Air quality in UGu District continues to be the envy of South Africa". As such, the municipality has developed four goals to assist in achieving the vision. The four goals are described as follows:

- Goal 1: Air quality governance which meets all legislative requirements;
- Goal 2: The establishment of tools and systems to effectively manage air quality
- Goal 3: Provision of air quality management with participatory systems as an integral component
- Goal 4: Ensure sufficient capacity requirements are met in order to carry out air quality management functions

According to the UGu District Air Quality Management Plan (2012), the following activities are indicated as the main sources of air pollution in UGu, namely:-

- Industrial and mining activities;
- Motor vehicle traffic on main roads and in popular coastal towns;
- Residential areas where wood is used for cooking and heating; and
- Sugar cane burning and other agricultural burning.

3.2.2.6.1 Emissions From Industry And Manufacturing

Ray Nkonyeni Municipality has a high number of industrial and manufacturing activities which produce toxic emissions in comparison to the other municipalities in the District. This is mainly due to the fact there is relatively much industrial activities in Municipality, with the location of two major industrial basins in Uvongo and Marburg and limited activity in the areas of Hibberden and Margate. (Source: UGu DM Air Quality Management Plan, 2012).

The environmentally sensitive areas were identified during the situational analysis. . Essentially, the key goal is to promote conservation related land usage within these areas. The formally protected areas within Ray Nkonyeni Municipality are as follows:



Table 58: Protected Areas

Site	Date Proclaimed	Extent (Ha)
Oribi Gorge Nature Reserve	1950	1745,7
Skyline Nature Reserve	1986	17,1
Mbubazi Nature Reserve	1986	2022,9
Mehlomnyama Nature Reserve	1908	160,6
Umtamvuna Nature Reserve	1971	2653
Mpenjanti Nature Reserve	1985	94,9
Trafalgar Marine Reserve	1979	552

Source: Ugu Bio-diversity Sector Plan (2014)

Table 59: Environmental Buffers

Ecological Support Areas		Requirement
Freshwater Systematic Conservation Assessment (FSCA) Wetlands		100m
CBA Perennial Rivers, KZN Flagship Rivers and National Flagship Rivers		70m
Non Perennial Rivers		70m
Freshwater Ecosystem Priority Areas (FEPA) Priority Wetlands and KZN Priority Wetlands		500m

Source: Ugu Bio-diversity Sector Plan (2014)



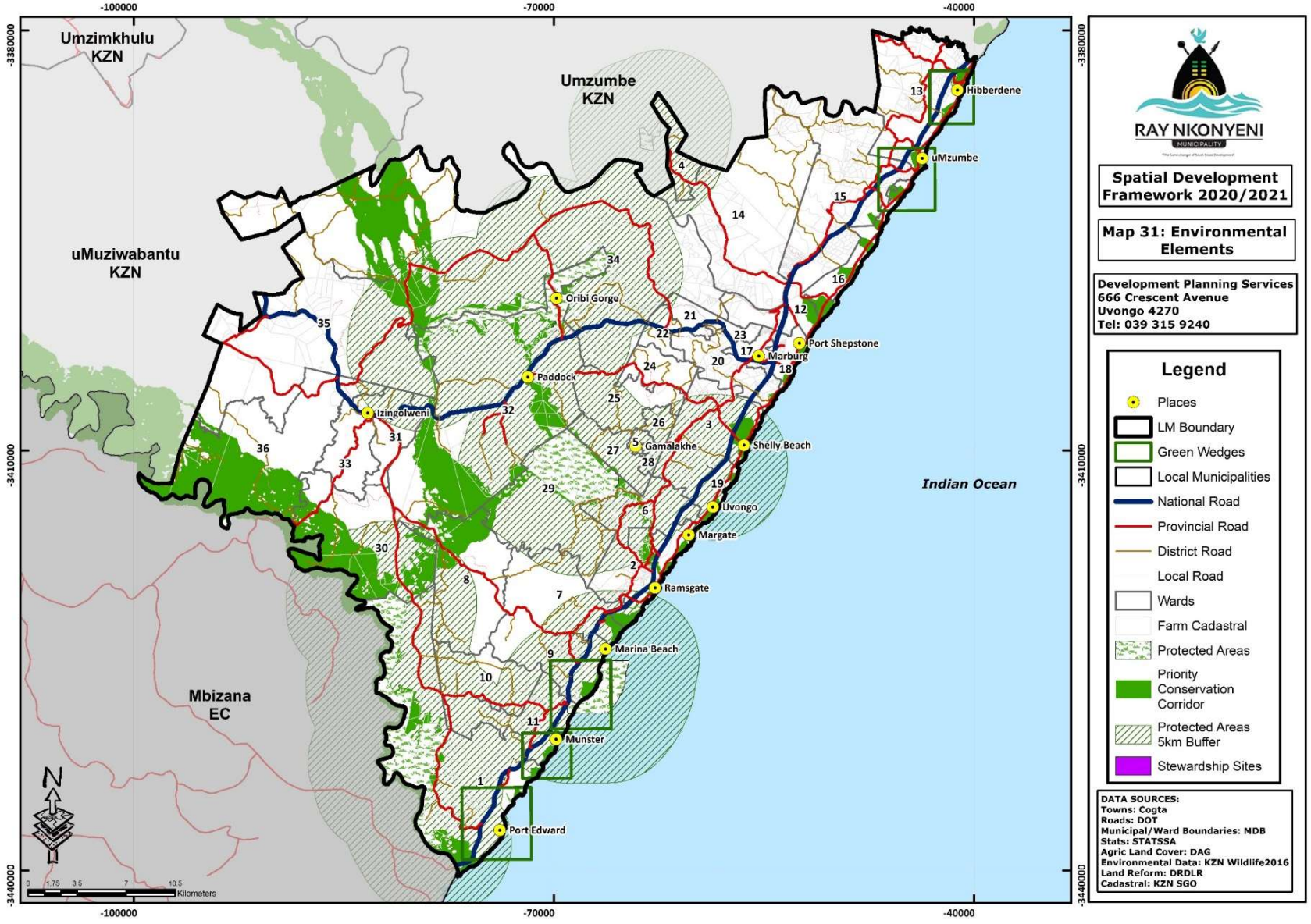
3.2.2.6.2 Programs Aimed at Protecting the Environment

Table 60: Programs Aimed at Protecting the Environment

Programme	Description
Arbour day	Arbour day is celebrated annually where environmental awareness is presented to communities, schools and households, Indegenouse as well as fruit trees are distributed.
Wetlands Audit	Wetlands are first identified within the municipality. Communities/ schools near identified wetlands are encouraged to adopt and manage them. The municipality currently faces financial constrains in te4rms of funding this programme.
Red Dessert Stewardship program	The municipality together with private land owners identified environmental sensitive land and partnered to proclaim it a protected area. This area has bio-diversity species. People are encouraged to visit this area to learn about the importance of nature preservation.

Communities, schools and business sector are capacitated on environmental issues through environmental awareness campaigns, school competitions and clean up campaigns (rivers, streams and waste). Environmental days are celebrated in collaboration with the District Municipality and Provincial Department of Environmental Affairs. Communities are educated on recycling and re use. There are also recycling competitions held with schools.

Map 30: Environmental Elements





3.2.2.7 Agriculture and Environmental SWOT Analysis

Agriculture SWOT Analysis

Strengths	**Weaknesses**
• Vast tracts of land available (Ingonyama Trust) • Overall area has high agricultural potential (good soil) • Good climate (warm temperatures and adequate rainfall) • Strategic location between eThekwini Metro Municipality (Durban Harbour) and EC • Margate Airport allows for fast access to National and International Markets	• Lack of reliable agricultural data • Weak inland infrastructure and transport routes • Underdeveloped inland area • Unreliable water sources (UGU water shortages) • Lack of Finance for machinery and operational costs
Opportunities	**Threats**
• New booming commodities (Macadamia nuts and Tea Tree) • High unemployment (huge labour reserves) • Growing demand for food • Farming biproducts can be used as biofuels (renewable energy) • Value addition (farming brings other ancillary jobs like food processing, packaging and transportation)	• Soil Erosion (loss of arable land) • Loadshedding (processing delays lead to loss of commodity due to power outage) • Climate change (unpredictable weather patterns and more extreme storms lead to loss of commodity)



Table 61: Environmental SWOT Analysis

Strengths	**Weaknesses**
• Soil suitable for foundations of buildings • Soil suitable for grazing, agriculture and urban development • Geology rich in natural minerals (e.g. limestone used for cement and other aggregates production) • Rich in Biodiversity – boosts tourism sector • Substantial indigenous vegetation in the area that is used as medicinal plants (traditional and western medicine)	• Soil has a high potential of eroding • Mostly clay type soil with low potential for underground water supplies • Lack of awareness on environmental management (e.g. alien plants management) • Understaffed • No environmental Bylaws • Budget Constraints
Opportunities	**Threats**
• Vast water bodies for water infrastructure projects such as reservoirs and dams • Potential to produce some imported goods locally • The establishment of Public-Private-Partnerships for more innovative and efficient environmental management (especially with regards to data sharing between institutions and conservation) • The development of processing plants for the 7 mines in the municipality (this will positively impact economic growth through job creation and boosting the local formal and informal markets around the mines – thus creating mini economic nodes)	• Climate change (rising sea levels, higher and unpredictable rainfall and warmer temperatures alter natural ecosystems) • Good Environmental Legislation, but poor enforcement resulting in environmental mismanagement (e.g. illegal dumping and building on floodplains) • Inland areas do not have a refuse removal system, resulting in illegal dumping



Key Challenges

Key Challenges	Mitigation method
Soil Erosion (loss of arable land)	• Plant vegetation (especially indigenous trees) on soil prone to soil erosion
Lack of reliable agricultural data	• Form strategic partnerships with research institutions and other environmental management Institutions (e.g. CSIR)
Underdeveloped inland area	• Develop the inland area with regards to infrastructure and not just social facilities. Thus, more catalytic projects.
Climate change (unpredictable weather patterns and more extreme storms lead to loss of commodity, rising sea levels, higher and unpredictable rainfall and warmer temperatures alter natural ecosystems)	• Raise awareness about climate change • Develop a climate change strategy • Build institutional capacity required to address climate change • Integrate relevant climate change information into planning, policies and decision making process • Improve the adaptive capacity of human, natural and built systems • Establish or strengthen partnerships that enhances climate change response capacity
Good Environmental Legislation, but poor enforcement resulting in environmental mismanagement (e.g. illegal dumping and building on floodplains)	• Employment environmental officers to undertake enforcement of bylaws and legislation. • Charge environmental fines onto rates • Assist Traditional Councils with basic township establishments for subdivision purposes, in order to leave land vacant between plots for the provision of engineering services
Inland areas do not have a refuse removal system, resulting in illegal dumping	• Establishment of inland refuse removal scheme (municipality can partner with strategic players in the community) • Establishment of a new landfill inland to service the inland population • Raise awareness in the hinterland at schools and community halls on the dangers of illegal dumping/ inadequate waste removal

3.2.3 Disaster Management Analysis



Disaster Management can be defined as the organization and management of resources and responsibilities for dealing with all humanitarian aspects of emergencies, in particular preparedness, response and recovery in order to lessen the impact of disasters. See below for detailed disaster management for Ray Nkonyeni Municipality.

3.2.3.1 Disaster Management Budget & Programmes

i. Breakdown of available budget for Disaster management and fire services

Table 62: Disaster Management Budget

UNITS	BUDGET	PURPOSE
DISASTER MANAGEMENT (Response and Recovery)	R 439 000	Procurement of emergency relief material
FIRE SERVICES	R10 million	Operational budget for fire and rescue
Water Tankers	R100 000	For maintenance

Ii. Grant Funding Allocated For Post Disaster Recovery

RNM allocated R 439 000 in the 2023/2024 operational budget for emergency relief in a form of blanket and mattresses.

iii. Disaster Management Programmes & Projects

Name of Project	Budget	Target Areas	Year
Department of Education / Public Works			
Rehabilitation of schools	R 8 000 000	Ray Nkonyeni	2023 -2024
Human Settlement			



Construction of 40m2 house plan and repair of houses that were affected by Storms	R 23 466 956	Ray Nkonyeni	2023-2024
	INFRASTRUCTURE		
Grading, stormwater, and kerbs Phase 1 grant	R 8 100 000	Ray Nkonyeni	2022-2023
Grading, stormwater, and kerbs Phase 2 grant	R11 000 000	Ray Nkonyeni	2022-2023



3.2.3.2 Disaster Management Legislative Mandate

As per Section 42(1) of Chapter 5 of the Disaster Management Act (Act no. 57 of 2002), each metropolitan and each district municipality must establish and implement a framework for disaster management in the municipality, aimed at ensuring an integrated and uniform approach to disaster management in its area.

According to Section 43(1) of Chapter 5 of the Disaster Management Act (Act no. 57 of 2002), each metropolitan and each district municipality must establish, in its administration, a disaster management centre in its municipal area.

Furthermore Section 53(1)(a) and Section 53(1)(e) of Chapter 5 of the DMA (Act no. 57 of 2002), each municipality must, within the applicable municipal disaster management framework, prepare a disaster management plan for its area according to the circumstances prevailing in the area and also regularly review and update its plan. Ray Nkonyeni Municipality has fully adhered to the Disaster Management Legislative Mandate, ***(see Sector Plan)***

3.2.3.3 Centre for Disaster Management

There is a Disaster Management Center based within the Fire station at Port Shepstone. There are also three Satellte Stations for Distaster Mnagment which are located respectfully, at the Seaslopes Fire Station; Margate Airport;and at Izingolweni Fire Station. These Satellite Stations work in correspondence with the main station.

The Disaster Management has a practitioner's forum at a district and Municipal level. The municipality has a developed disaster management plan to comply with Section 26 (g) of the Municipal Systems Act No 32 of 2000. This is a review process to the existing plan. The comprehensive disaster management plan shall be suitable to the area and shall incorporate comments received from the Honorable MEC of the Department of Cooperative Governance and Traditional Affairs on the 2022/2023 IDP comments.

i. Brief overview on the Municipality's Disaster Management Department

It must be noted that the municipality prides itself with having all the required Sector Plans developed as regulated. It has also fully complied with Section 43(3) of DM Amendment Act of 2015.

Below is a brief overview of the Sector Plan

- The Municipality has a Disaster Management Sector Plan that is reviewed annually and also has a Disaster Risk Management Plan that is reviewed every 5 years;
- The Disaster Risk Management Plan expired in 2018 and it only has former Hibiscus Coast Municipality information. A Service provider was appointed to enhance the quality of disaster risk profiling mapping and new Disaster Management Sector Plan was completed in November and is awaiting approval from council. The new Sector Plan is a consolidated plan of Ray Nkonyeni Municipality, which includes former Hibiscus Coast Municipality and Ezinqoleni Municipality information. However, the municipality also does its own risk profiling;
- In terms of reflecting on Disaster Management and fire and rescue service programmes, the municipality has awareness and educational programmes in vulnerable communities, schools, informal settlements, taxi ranks and traditional council areas;That will be detailed in the analysis later.
- There is an internal operations budget and dedicated disaster management vote to attend to emergency relief items



- The Unit complies with Section 43(3) of DM Amendment Act of 2015 by having the following:

  - Disaster Management Centre with 3 staff members and 36 fire fighters
  - Dedicated Budget and adequate resources for Fire and Rescue services
  - Dedicated disaster management vote and operations budget
  - Disaster Management Plans and Risk Reduction programs

i. Disaster Management Sector Plan

The Disaster management Sector Plan was adopted in 2013 and is reviewed annually, which has taken place already to update the risks and include new geographical areas. ***(See attachment 5: Disaster Management Sector Plan)***

ii. Disaster Management Plan

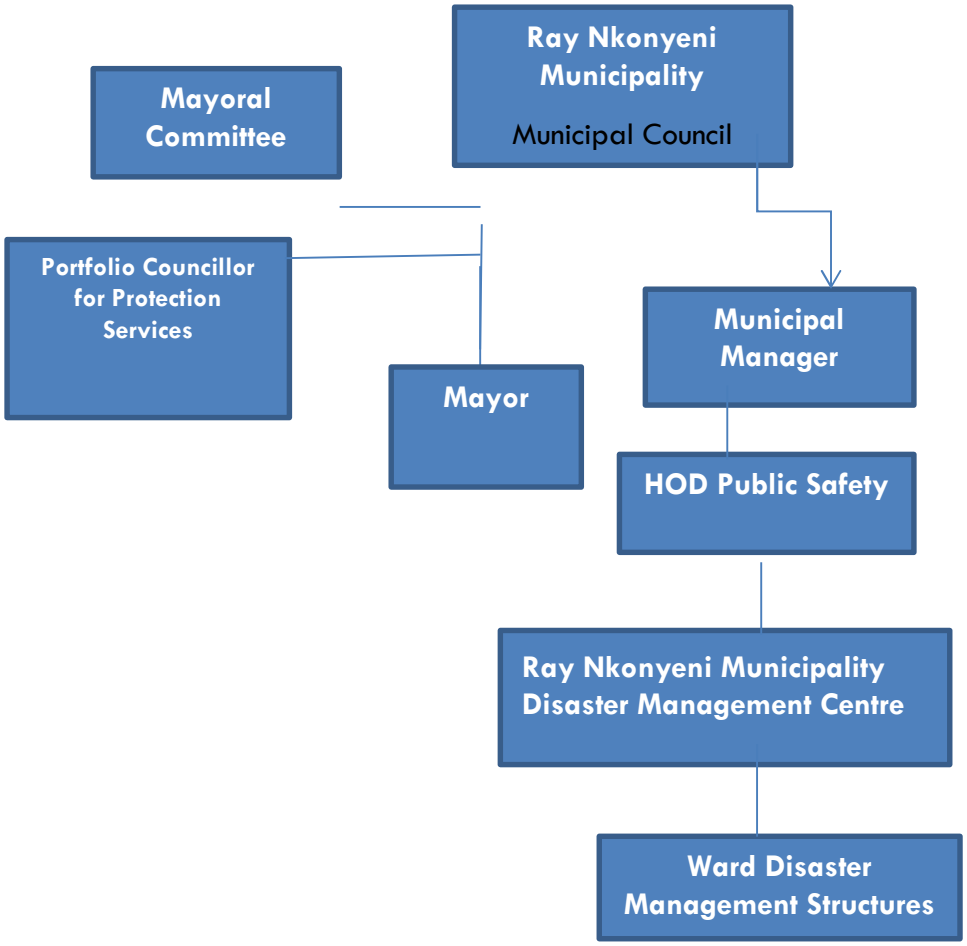
In terms of section 45(1) (b) of the Act, the District disaster management centre exercises its powers and performs its duties in accordance with the directions of Council and in accordance with the administrative instructions of the Municipal Manager. The line function of disaster management will remain under the Public Safety Department and the plan has been incorporated strategically in the IDP as per the Cogta guidelines as an important plan for the municipality, this was done through the alignment with the SDF and service delivery plans. Currently there is a Plan for both former municipalities and was consolidated and reviewed in July 2018. ***(See attachment 6: Disaster Management Plan)***

iii. Disaster Center

The current location of the centre is within Council's administration and reporting lines for direction and administrative purposes are illustrated in the chart that follows.



Illustration 12: Hierachy of the Disaster Management Structure



The Municipality has a centre with regards to communications and a 24-hour call centre and CCTV centre. The municipality ic currently in aprocess of facelifting both the call center and the CCTV centre. The current location of the centre within Council's administration and reporting lines for direction and administrative purposes are illustrated in the chart on the following page.

Ray Nkonyeni Municipality envisages the following disaster management centres and fire stations in order to increase capacity and response in term of disasters and firefighting:

- Gamalakhe fire station
- Hibberdene fire station
- Ezingolweni firestation
- Hibberdene disaster management centre and
- Margate disaster management centre



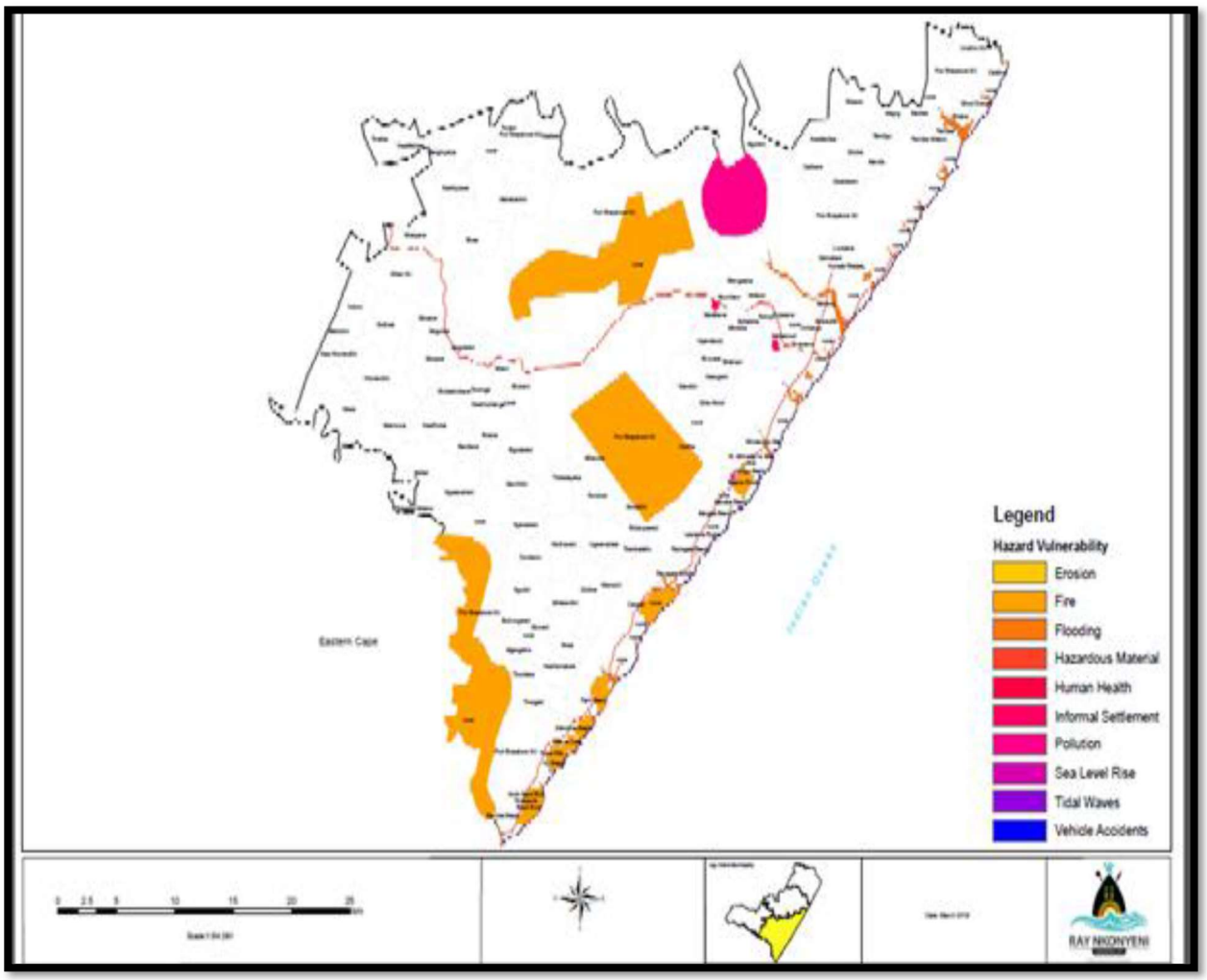
3.2.3.4 Disaster Risk Profile

Disaster risk is dynamic. It is driven by a combination of hazard and vulnerability processes, including changing patterns of land-use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations, and maybe undertaken once during a 20-year period. The municipality is engaging with 300 volunteers from all Wards.

Hazard Profile List

HAZARD/ HAZARDOUS EVENTS	VULNERABILITY	LIKELYHOOD	IMPACT
Strong winds	medium	likely	low
Lightning	low	rare	low
Environmental degradation along coastline	low	rare	low
Structural fire	high	Likely	moderate
Veld fires	medium	likely	moderate
Drought	low	rare	moderate
Snake bites	medium	likely	moderate
Low level bridges	medium	likely	moderate
Overgrown vegetation	medium	likely	moderate
Rabies	medium	likely	moderate
Illegal electricity connections	medium	likely	moderate
Motor vehicle accidents	high	likely	high
Flooding	high	likely	high
Mudslides	medium	rare	high
Crime	high	likely	high
Unemployment	high	likely	high
Water outages	high	likely	high
Sewage leaks	high	likely	high

Hazard Map



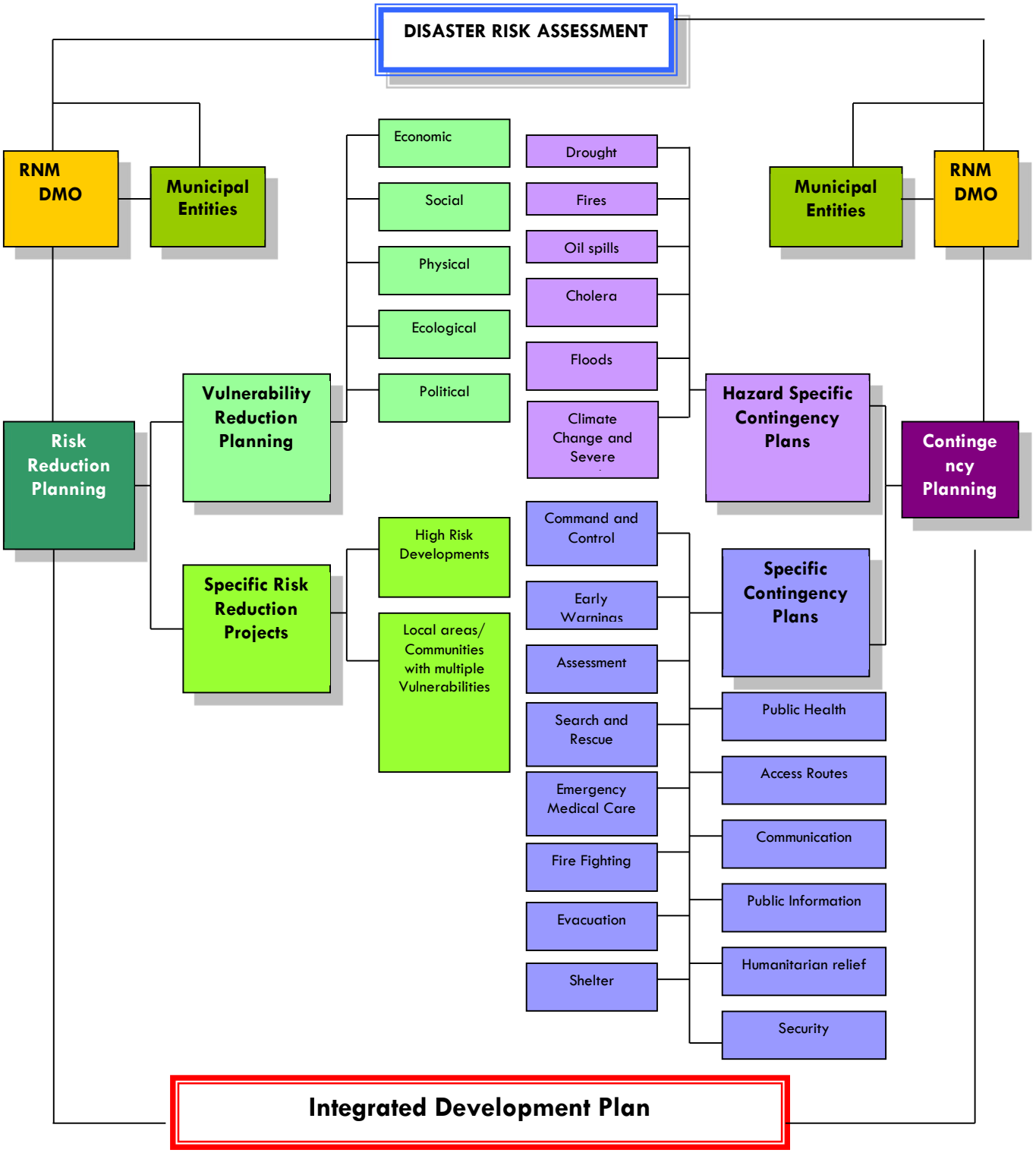
3.2.3.5 Risk Assesment

Risk Assessment must be undertaken to:

- Ensure that development initiatives maximize their vulnerability reduction outcomes; and Anticipate and plan for known risks or disasters to prevent losses and limit endangering impacts.
- The design and methodology adopted for conducting disaster risk assessment for RNM is consistent with the national guideline and standard.
- The Disaster risk assessment must determine the level of risk in RNM by;
  Identifying potential hazards and/or threats assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);
- Assessing impact and coping capacity
- Determining the level of risk for different situation and conditions setting priorities for action after prioritizing the hazards according to their risk factor; and
- Continuously monitoring capabilities, risk maps and risk scenarios



Illustration 13: Disaster Management Planning and Climate Change Framework





There are many different methods of carrying out risk assessments. In essence, the disaster risk assessment for the municipality was based on the following methodology:

- in future assessments, it may however be necessary to deviate, amend or adapt the methodology depending on the type of hazard being assessed:
- characteristics of the area, infrastructure, service or business concerned
- The urgency of the assessment and,
- The availability of relevant hazard and vulnerability information.

- Is the risk becoming progressively greater;
- Is the risk undermining development progress in the areas, communities and households it affects and if so,
- Is the management of the risk a development priority

Aim of the assessment is to establish:

- which hazards are the most prevalent in RNM area;
- the frequency with which a significant event or disaster is likely to occur;
- which areas, communities or households are most at risk;
- which hazards (of certain intensities) are likely to have the most profound impact on RNM;
- what is the probability of the identified hazards impacting on RNM within a given time frame;
- what are the existing conditions of vulnerability and capacity (physical, social, economic and environmental) in the RNM area;
- which vulnerabilities could be exploited by the identified hazards (of different intensity);
- what capabilities or resources exist to manage the risk;
- what are the risk priorities of RNM;
- how are vulnerabilities being addressed through the Integrated Development Plan projects and other developmental initiatives;
- what other developmental initiatives are necessary to reduce vulnerability and therefore risk in RNM;



3.2.3.6 Climate Change Risk Analysis

The effects of climate change have been experienced in the municipal area both inland and coastal areas over the past few years. The two highlights of such impact were the 2019 and 2022 floods destroying many houses mainly at Ward 15 KwaMadlala area, Ward 25 Goso area, Ward 23 at Bhobhoyi area and Ward 35 at Izingolweni area as well as the tidal surge destroying a lot of public infrastructure and private property along our beaches. The response on the inland has been to re-build most of the destroyed houses and on the coast restoring public infrastructure with latest (soft) engineering requirements. The issue of energy challenges and demand to reduce use of traditional electricity thereby reducing gas emissions as the country is also on the agenda for the municipality. In this regard Eskom has offered second round of distributing energy efficiency globes. The municipality is also exploring ways to switch to energy saving alternatives in its traffic and streetlights as well as all public infrastructures in the municipal area. The use of solar for heating water and lighting is being explored.

Table 63: Climate Risks and Impacts

Climate Risk	Likely Climate Change Impacts
Higher annual temperatures	• Increased evaporation and decreased water balance. • Reduced crop quality and food security.
Higher maximum temperatures, more hot days and more heat waves	• Increased heat stress on humans and livestock. • Increased incidence of heat-related illnesses. • Increased mortality and serious illness, particularly in older age groups. • Increased heat stress in livestock and wildlife. • Decreased crop yields and rangeland productivity. • Extended range and activity of some pests and disease vectors, specifically malaria. • Increased threat to infrastructure exceeding design specifications relating to temperature (e.g., road surfaces, electrical equipment, etc.); • Increased electric cooling demand increasing pressure on already stretched energy supply reliability; and • Exacerbation of urban heat island effect.
Higher minimum temperatures, fewer cold days and frost days	• Decreased risk of damage to some crops and increased risk to others such as deciduous fruits that rely on cooling periods. • Reduced heating energy demand. • Extended range and activity of some pests and disease vectors; and
Increased rainfall variability and subsequent drought potential	• Decreased average runoff, stream flow, groundwater recharge. • Decreased water security and potential increases in cost of water resources. • Decreased water quality.

Climate Risk	Likely Climate Change Impacts
	• Decrease in shoulder season length threatening sensitive crops. • Increased fire danger (drying factor); and • Impacts on rivers and wetland ecosystems.
Intensification of rainfall events	• Increased flooding. • Increased challenge to storm water systems in settlements. • Increased soil erosion. • Increased riverbank erosion and demands for protective structures. • Increased pressure on disaster management systems and response. • Increased risk to human lives and health; and • Negative impact on agriculture such as lower productivity levels and loss of harvest which could lead to food insecurity.
Increased mean sea level and associated storm surges	• Saltwater intrusion into groundwater and coastal wetlands. • Increased storm surges leading to coastal flooding, coastal erosion, and damage to coastal infrastructure; and • Increased impact on estuaries and associated impacts on fish and other marine species.

Map 31: Environmental Vulnerability

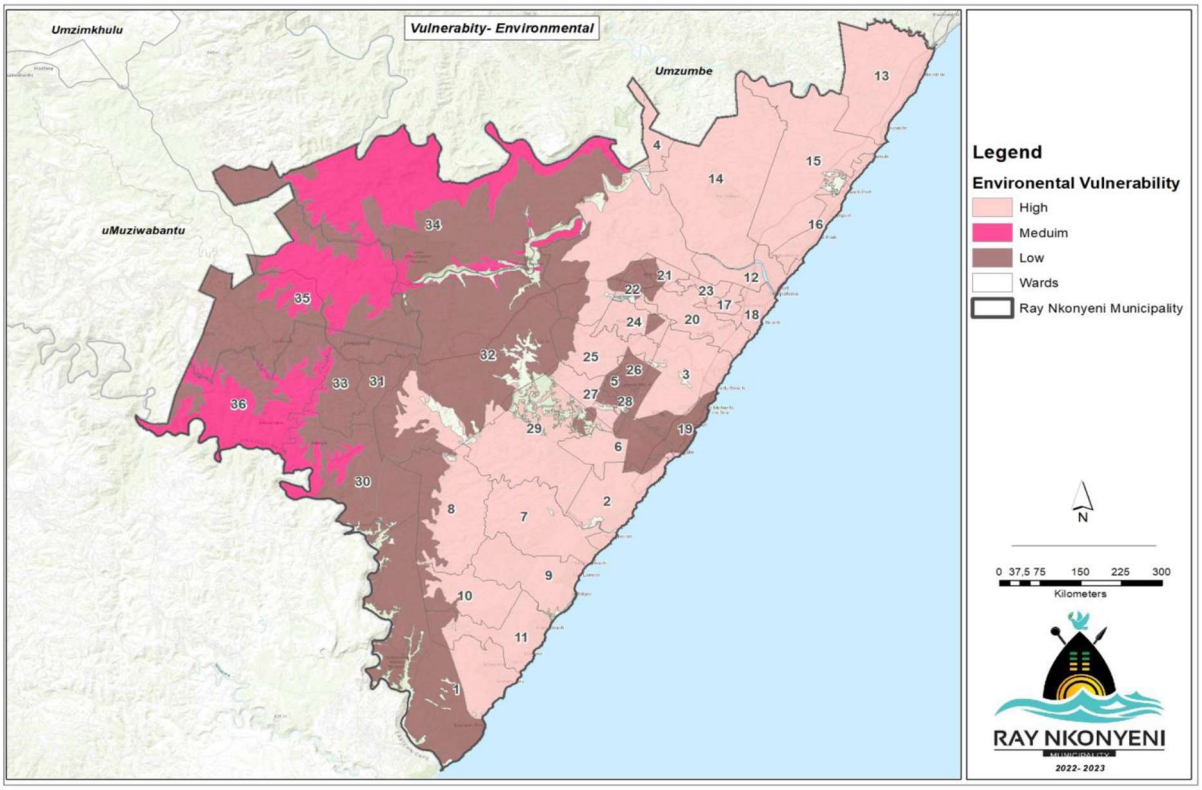




Table 64: Climate Adaptation Programme(s)

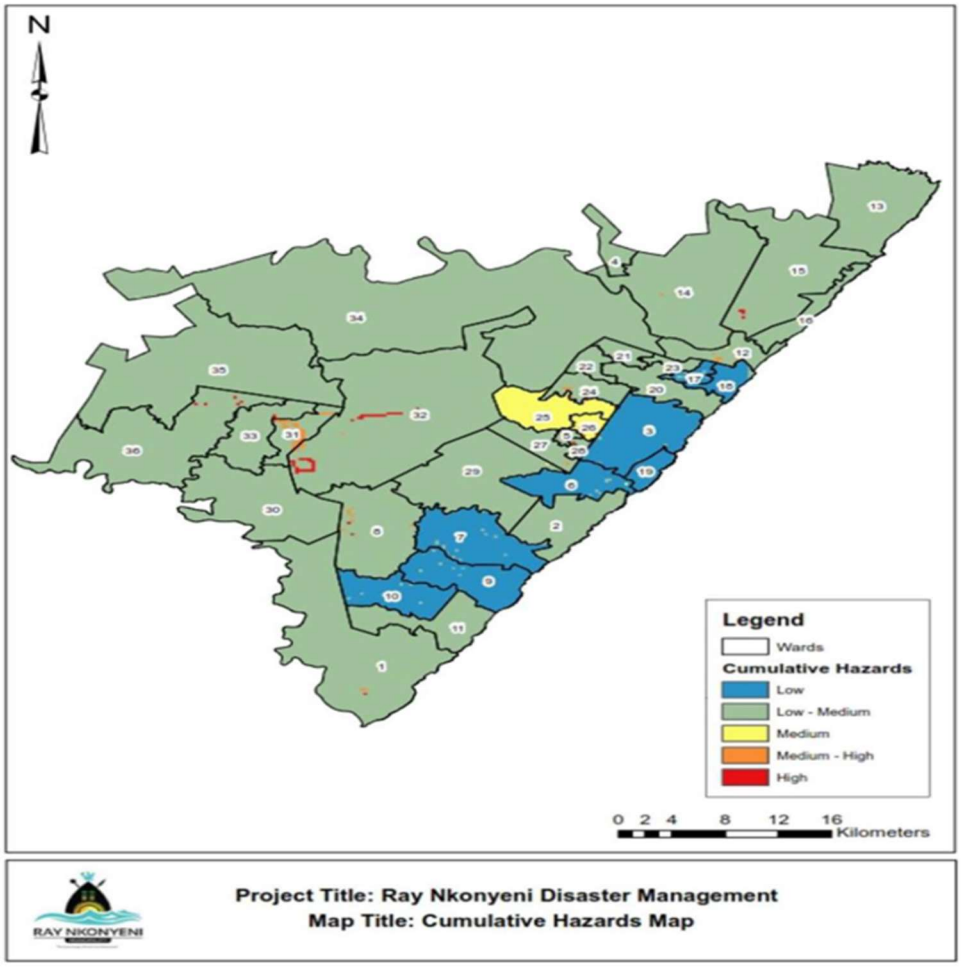
NAME OF PROJECT	BUGDET	TARGET AREA	YEAR
Invasive Alien plants control plan (Ray Nkonyeni Municipality – address fire risk)	R200, 000	Ray Nkonyeni	2023-2024

3.2.3.7 Hazardous Areas

The process of identifying hazards within RNM was a collective process between community members and RNM team including gathering of indigenous information. The more significant hazards identified by communities is social economic challenges and unem-ployment levels followed by crime and substance abuse. Communities are also faced with water and electricity shortages. The common natural hazards are mainly, fires, and heavy winds. There are impacts of flooding at lower-level bridges and access to school roads.

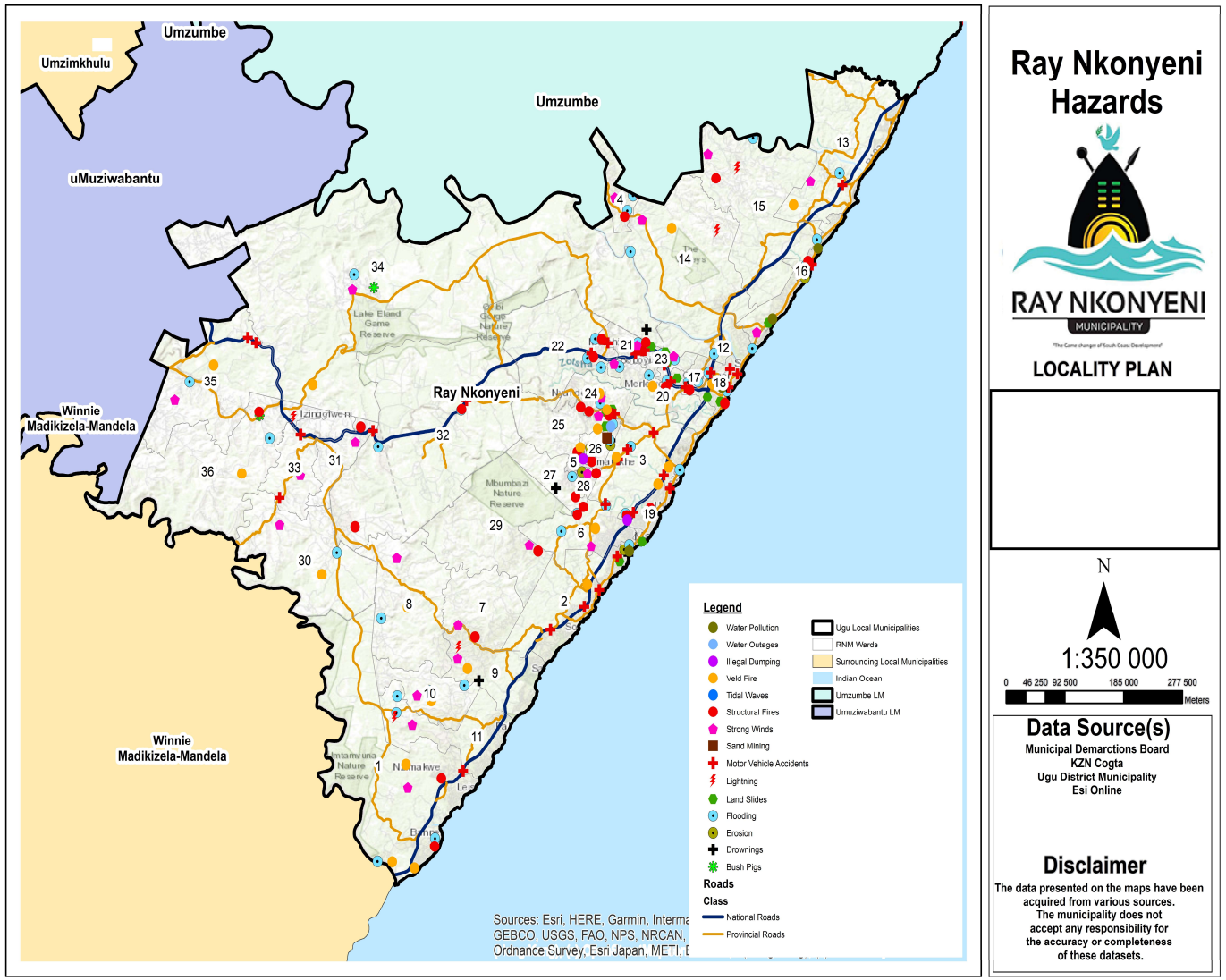
Most structural fires are caused by use of candles due illegal connections and loadshedding. There are continuous awareness campaigns addressing these issues. Further hazards are traffic management related eg: Traffic lights, speed humps and speed cameras to be located at high ac-cident zones. Covid 19, rabies and snake bites are further hazards risks.

Map 32: RNM Cumulative Hazards



Source: RNM Disaster Management Sector Plan (2022)

Map 33: RNM Hazards





3.2.3.8 Risk Reduction and Prevention

In order to ensure disaster risk reduction in Ray Nkonyeni Municipality the DMC must: monitor, assess, and co-ordinate Council's disaster risk management arrangements, placing particular focus on risk reduction strategies;

- collaborate, coordinate and monitor progress on joint projects and programmes and their integration into the IDP process; support the municipal Disaster Management Satellite Centre in its activities;
- review the disaster management plan of the municipality; review departmental disaster management plans and the plans of other municipal entities in Council's area annually to ensure that the plans are integrated, current, and consistent with Council's Disaster Management Framework;
- promote joint standards of practice across all municipality entities and line functions; monitor progress on the implementation of priority projects aimed *at risk reduction; and*
- Promote and support disaster risk awareness campaigns within the municipality as well as within communities.

3.2.3.9 Prevention and Mitigation

In order to ensure disaster prevention and mitigation in Ray Nkonyeni Municipality the DMC must:

- provide the Disaster Management Satellite Centre with timely information and advice on disaster management related issues;
- ensure the application and enforcement of laws and by-laws by municipality entities relating to disaster management within their jurisdiction;
- promote structural and non-structural mitigation measures;
- develop appropriate prevention and mitigation strategies for the known hazard threat of Ray Nkonyeni Municipality; and
- Assist in the development of appropriate early warning systems for the municipal area.

3.2.3.10 Emergency Preparedness

- In order to ensure emergency preparedness, the DMC must:
- ensure that all departments engage in contingency planning for all priority risks; plan for all residual risk after the disaster risk reduction initiatives had been taken into consideration;
- ensure and participate in desk top exercises on a bi-annual basis in order to keep up to date on roles and responsibilities in the activation and operation of the Disaster Management Centre;
- ensure a rapid and efficient response and recovery in the event a disaster threatens to occur or occurs in Ray Nkonyeni Municipality area;
- make recommendations to Council regarding disaster management matters; and
- Make recommendations to Council on the declaration of a local state of disaster (see section 54 and 55 of the Disaster Management Act 57 of 2002)

With respect to the implementation of the Act, a risk assessment must be undertaken when one or more of the vulnerability reduction criteria (reflected in the table below) are considered priorities in any project or programme initiated by RNM.



Table 65: Maximising vulnerability reduction outcomes

Key Vulnerability Criteria	Examples of where risk assessments must be done
Increased sustainability of a development project or programme to support vulnerable households.	As part of the planning for an infrastructural development, for example, assessing the likelihood of weather, flooding, subsidence and other threats damaging the structure, so that these can be factored into the construction specifications.
Reduction of potential harmful consequences associated with industrial, commercial or other developments	As part of environmental impact assessments for large-scale developments, including industrial, commercial and other enterprises that may increase disaster risk.
Increased understanding of a rapidly changing risk for improved risk management planning	In a flood-prone area that experiences considerable population growth and is facing increased land erosion.
Increased robustness of development initiatives in poor communities and areas	In an informal settlement characterised by recurrent 'small 'and 'medium-size' disaster losses that undermine assets and livelihoods.
Management of high-risk periods and conditions to ensure service and/or business continuity	Electricity transmission lines and rail infrastructure, as well as health and emergency services, to ensure these essential services do not 'fail 'under expected high-risk conditions.
Provision of appropriate support for at-risk activities, services, areas, communities and households following an 'alert '.	Following a drought warning or cholera alert in rural areas, to identify communities and households most at risk and to focus or target preparedness and response actions.

3.2.3.11 Disaster Risk Reduction Planning

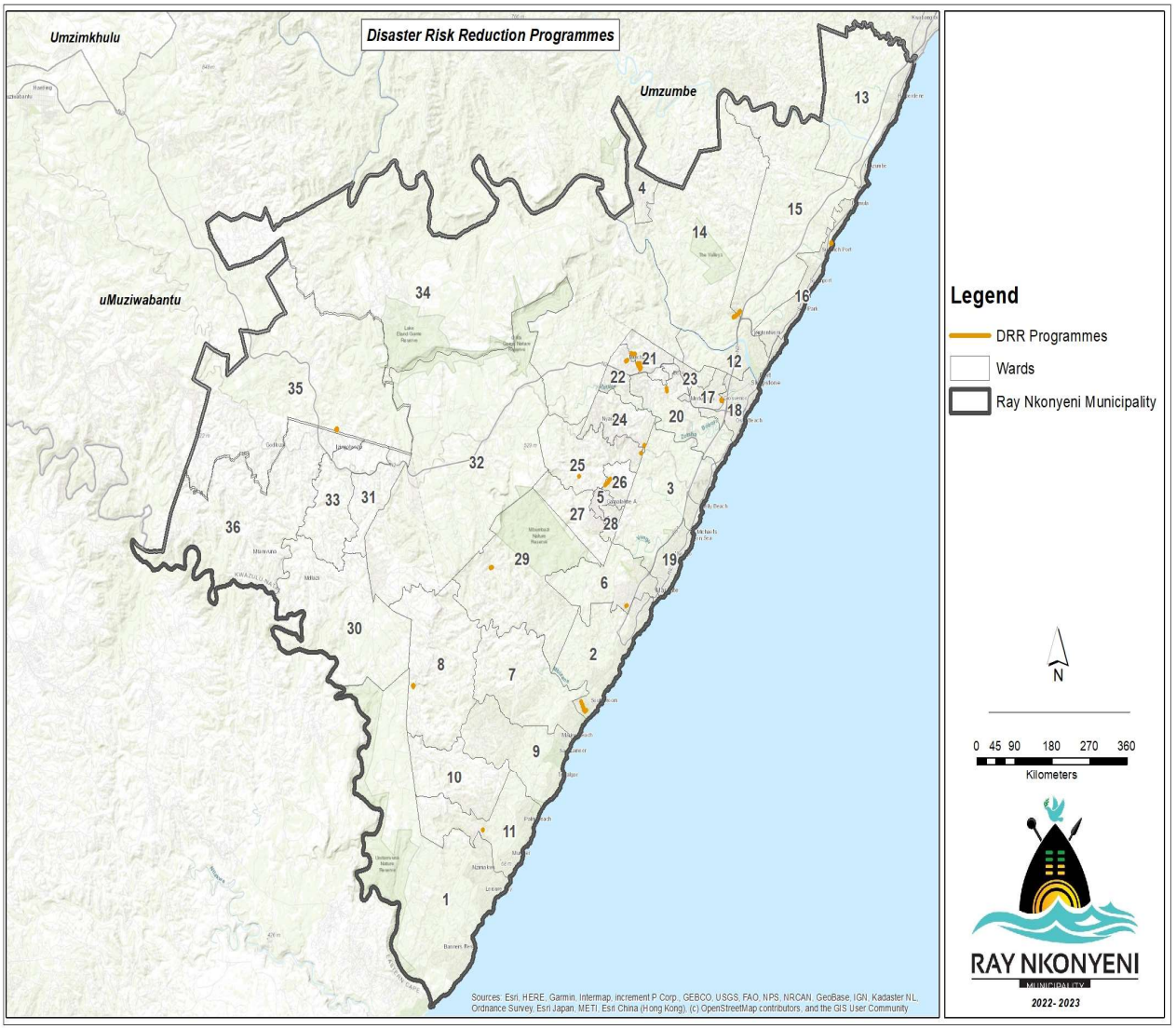
On the left-hand side of the framework, 'Disaster Risk Reduction Planning', consist of Vulnerability Reduction that are present in the municipality as a whole. The Specific Risk Reduction Projects include on one hand future developments (planned for though the IDP) that should be assessed and on the other hand any area where a combination of vulnerabilities, hazards and/or a lack of capacities pose a specific (or combination of) high risk(s) to the population, infrastructure and environment. Fire and Rescue does have a budget of R23m.



Table 66: Disaster Management Programmes/Projects by the Municipality

NAME OF THE PROJECT	BUDGET	TARGETED AREAS	YEAR
School fire awareness campaigns	R12 000	Ray Nkonyeni	July 2023- June 2024
Settlements and Taxi ranks public education on fire safety	R16 000	Ray Nkonyeni	July 2023- June 2024
Traditional Leaders and Traditional Councils community fire safety education	R16 000	Ray Nkonyeni	July 2023- June 2024
Fire risks prevention and reduction	R12 000	Ray Nkonyeni	July 2023- June 2024
TOTAL			
DISASTER MANAGEMENT RISK REDUCTION PROGRAMMES			
Community Awareness campaigns	R11 000	Ward level	July 2023- June 20234
Basic Disaster Management Training	R 6 000	Ward level	July 2023- June 2024
DRM workshops	R 6 000	Ward level	July 2023- June 2024
Establishment of ward-based structures	R 4 000	Ward level	July 2023- June 2024
Monitor low levels bridges	R 7 000	Ward level	July 2023- June 2024
Floods awareness	R 9 000	Ward level	July 2023- June 2024
Operational Budget	R10 M	Ward level	July 2023- June 2024
CCTV cameras	R 3 000 000	Ward level	July 2023- June 2024
-grading, stormwater, kerbs PHASE1 grant	R 8 100 000	Ward level	July 2022- Feb. 2023
P grading, stormwater, kerbs PHASE 2 grant	R11 000 000	Ward level	July 2022- Feb. 2023

Map 34: Disaster Risk Reduction Programmme



3.2.3.12 Contingency Planning

The right-hand side of the framework focuses on contingency planning. This type of planning has two components: for the most prevalent hazards, the municipality should have a contingency plans in place that can be activated before or during the impact of a specific hazard ('Hazard Specific Contingency Plans').

As it is impossible to plan for every hazard, the contingency planning should also include generic plans. For the purpose of drawing up such plans, the most important issues have been listed in the framework (public health, command and control, shelter etc.)

Risk of a certain hazard can change over time. It is therefore necessary that all aspects of the framework are adapted accordingly. Continuous assessment is necessary for sound disaster risk management planning which will therefore assist in the prevention and reduction of disaster incidents.



3.2.3.13 Response and Recovery

i. Disaster Response, Recovery, Rehabilitation and Reconstruction

In order to achieve the requirements of the Act calling for an integrated and co-ordinated policy that will provide for rapid and effective response to disasters and to post disaster recovery, it is imperative that mechanisms are put in place which leaves no room for confusion when a significant event or disaster occurs or is threatening to occur in council's area. This requires clear allocation of roles and responsibilities and concisely defined procedures and protocols for all operational personnel, other relevant role players, communities at risk, and the public in general. This key performance area seeks to ensure that disaster response and recovery planning for the municipality achieves these objectives.

ii. Preparedness and early warning

Objectives

- To establish effective early warning systems in the RNM that will ensure rapid and effective actions by essential and emergency services;
- that households, communities and areas at risk are able to respond timeously and appropriately; and
- in order to avert or reduce the potential impacts on people in terms of health, personal injury, loss of life, damage to property, infrastructure or environments

The RNM DMO is primarily responsible to ensure that it has the technical capacity to identify and monitor hazards and must ensure that mechanisms are in place for the receipt, dissemination and appropriate responses to standard early warnings issued by organs of state tasked with primary responsibility for a specific hazard.

DMO is responsible to prepare and issue hazard warnings of significance for the municipal area in a timely and effective manner and to ensure that the warnings are disseminated to those communities known to be most at risk to the hazard including those in isolated and/or remote areas. Warnings must include information and guidance that will enable those at risk to increase their safety and take risk avoidance measures to reduce losses.

iii. Operational plans for disaster response and recovery

DMO is responsible to ensure the development of operational plans for disaster response and recovery when a disaster occurs or threatens to occur in the RNM area of jurisdiction and the facilitation of rehabilitation and reconstruction programmes and projects.

Such plans must be prepared consistent with the national guidelines. The RNM DMO must ensure effective *strategic* co-ordination and management of response and recovery operations for its area.

iv. The RNM DMO has primary responsibility to facilitate:

The development of a standard operational guide for the establishment of Joint Operations Centres (JOCs) to:

- Ensure the effective tactical co-ordination and management of response and recovery operations for major incidents and significant events which occur or threaten to occur in the area and



- Ensure that each response agency identified which can contribute to the response and recovery efforts – whether it be an essential service; an emergency service; community volunteer; a non-governmental organisation;
- a community based organisation; or a private sector agent – prepares and submits an operational plan applicable to their particular functional area which is in accordance with the national field operation guidelines (FOGs).

v. Training and Awareness objectives

- To promote and facilitate non-accredited and accredited education and training opportunities for all disaster risk management stakeholders:
- To identify and implement appropriate disaster risk management training programs for schools in the area to increase knowledge and capacity.
- To identify and implement appropriate disaster risk management training programs for the communities to increase knowledge and capacity.
- To ensure that traditional knowledge and coping strategies are included in the training programs where appropriate.

vi. Schools Programs

Disaster risk management training programs for the purposes of disseminating information on disaster risk management are in place in most schools. The creation of programs relating to disaster management in schools, focus on relevant and appropriate aspects of disaster risk management, have also been encouraged.

vii. Dissemination and use of traditional knowledge

All training and awareness programmes undertaken within the municipality must take into account indigenous knowledge relating to disaster risk management, as per section 7(2).

viii. Community training programmes

Education and training programmes for communities must focus on risk awareness, risk reduction and preparedness. Where appropriate, communities must be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disaster and disaster risk management. Cognisance of the risk assessment for the area must be taken when such programmes are developed.

ix. Government Officials and relevant role players

Training programmes for government officials and policy makers must include modules on planning, hazards, prevention, risk reduction and preparedness.

x. Public Awareness Policy

An integrated public awareness strategy to promote a culture of risk avoidance among all role players and across all departments must be developed and implemented. Such a strategy is necessary for the promotion of an informed, alert and self-reliant society capable of playing its part in supporting and co-operating with the municipality in all aspects of risk and vulnerability reduction.

The ability of the public to understand the nature of commonly encountered hazards in their communities to manage and reduce risks; to develop risk avoidance behaviour patterns; and to



respond appropriately and timeously when disasters occur or are threatening to occur, is dependent on knowledge and access to reliable information. In order to inculcate

Risk-avoidance behaviour by all stakeholders, public awareness campaigns aimed at raising consciousness about disaster risks must provide information on how to reduce vulnerability and exposure to hazards. Public information should be disseminated through the media, schools, public gatherings and through any other suitable network.

xi. Media involvement

The local print and radio media are involved in community awareness programmes.

xii. Policy Directives and Legislative Mandates

The IDP review is guided by binding and nonbinding national and provincial legislations including policies, programmes and strategies that need to be considered in the municipal planning and development processes.

The Non-attendance of provincial department poses the following challenges and limitations for the municipality:

- Limited level of engagement and knowledge sharing
- Department budget for projects that are not urgent to communities
- Departments' projects do not have impact
- Some sectors are neglected and some remain unfunded
- No proper alignment, Duplication of funding and Fiscal Dumping



3.2.3.14 Disaster Management and Fire Services SWOT Analysis

Table 67: Disaster and Fire Rescue SWOT Analysis

Disaster Management

Strengths	Weakness
• Disaster Management Plan is in place • Public awareness disaster programmes are in place • School programmes are also in place • The risk reduction plan is in place . Disaster management Framework is in place . Have adequate disaster relief items . Good working relationship with Ugu District Disaster Management . Member of FPA . Disaster management Advisory Forum . Ward profiles were done	• Shortage of disaster staff • Shortage of heavy-duty fire engines • Do not have reservists • Shortage of disaster vehicles • Coordination of Local Disaster Management Forum • Abnormal weather pattens due to Climate Change • No volunteers • Inadequate budget for grading, stormwater and kerbs
Opportunities	**Threats**
• Have adequate Expertise • To expand on disaster programmes • To increase CCTV operations to monitor disaster • To expand on GIS information	• Shortage of staff • RNM have old vehicles • Staff turnover • Extension of informal settlement • Time delays to call outs

Fire Services

Strengths	Weakness
• 24 Hour shift operation • 24 Hour Control Room operation • Enormous fire expertise qualified personnel • 3 satellite stations	• Need more staff • Shortage of Fire Engines • Poor two-way radio communication • Control room hunting lines • Do not have a generator



• Fire safety section backup to neighboring Municipalities • 2 x CCTV Rooms • Have protective clothing • Member of District Fire Forum	
Opportunities	**Threats**
• Service providers in place to deal with repairs to vehicles • Staff back up for disaster issues • Member of FPA • To expand fire safety • To expand on the ranking structure • Service provider to supply disaster relief	• Managing of Veld fire season • Water cut offs in all wards • Extension on informal settlement • Frequent vehicles break down • Load shedding

3.2.3.15 Key Findings

Table: Key Findings

KEY CHALLANGES	DESCRIPTION
1. No reliable heavy duty Fire Engines	Fire engines are constantly requiring repairs-1984 models
2. Urbanised Coastal Zones	The coastal strip is very urbanised and developed
3. Manufacturing Sector is limited to the coastal strip	All the economic development is centralised along the urban areas.
4.Climate Change	Due to climate change that the municipality occasionally experiences, flood occur leaving behind distraction.
5.Impoverished rural interior	There is absolutely no development in the hinterland


ENGINE
FIRE AMBULANCE



3.3 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT ANALYSIS



Ms N Thabatha
HoD responsible for Municipal Transformation & Organizational Development

2022/2023 MEC Comments	Corrective measure	2022/23 Overall Scoring
• LM is encouraged to work towards reducing the vacancy rate	New posts to be filled have been identified in the Organogram, which was adopyted on 30 May 2023.	100%
• The municipality was encouraged to recruite more people living with disabilities	The number of people living with disabilities employed by the municipality has deteriorated due to retirement. Currently the municipality is in a process of filling up those posts. Furthermore, there are new employees living with disability which are currently being populated in the organogram which was adopted on 30 May 2023 .These statistics will be shared in the next Financial year.	
• Verify adoption of ICT Policy Framework	It was adopted on 30 May 2023	

3.3.1 Organizational Development

Section 51 of the Municipality System Act 32 of 2000 stipulates that a municipality must establish and organize its administration in a manner that will enable it to:

- Be performance-oriented and focused on the objectives of local Government
- Perform its functions:Through operationally effective and appropriate administrative units and mechanism and /or When necessary on a decentralized basis; and Maximize efficiency of communication and decision-making within the administration
- Be responsive to the needs of the Local Communities;
- Facilitate a culture of public service and accountability amongst its staff, and
- Be performance-orientated and focused on the objects of local government as set out in Section 152 of the Constitution and its developmental duties as required by Section 153 of the Constitution.

The Back to Basics Policy further emphasizes a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. It further details the basic requirements that needs to be monitored which include critical positions to be filled with competent and qualified persons, municipal organograms be realistic etc. Also, one of the five pillars of the Back to Basics approach talks to building an institutional and administrative capabilities.Ray Nkonyeni Municipality has fully adhered to the Back to Basics talking to filling up critical positions



as well as having a realistic organogram.With regards to the principle of building institutional and administrative capabilities, as well aas adhereing to the Back to Basics Policy, the municipality can undoubtedly confirm that, yes, it has aligned itself accordingly.

3.3.1.1 Municipal Transformation and Organisational Development Strategies

Ray Nkonyeni Municipality has developed and adopted goals and objectives that talk to the municipal transformation and organizational development to enhance service delivery.and address key challenges. The adopted goals are are fully aligned to the KZN PGDS. Below are the municipality's adopted strategic goals:

i. To foster effective and efficient Inter-Governmental Relations (IGR)
ii. To ensure on-going human resource development
iii. To attract and retain skilled employees
iv. To be an innovative organisation with improved performance

3.3.2 Institutional Arrangements

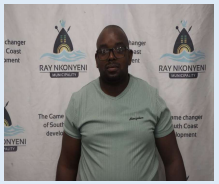
Addressing the building of a strong municipal system Back to Basics pillar,Ray Nkonyeni Municipality has the following institutional arrangements:

- **Municipal Governance(Council)**
  His Worship Mr Mayor, Councillor I.S. Mqadi, is chair for Council which comprises of seventy (70) Councillors. Council sits once a month or when an urgency arises. Its main duty is to deliberate on issues brought forward bt the Executive Committee and other issues thereof, and then adopt.
  The municipality is diverse in terms of political representation, and is run in a very democratic manner,which is transparent.Political parties represented in the Council are six (6) in total, being the ANC, DA,IFP,EFF,AIC &VFPLUS. There are thirty six (36) ward councillors and thirty five (34) Party Representatives representatives (PR).

- **Executive Committee (EXCO)**
  The Executive Committee is the top decision making structure in the municipality. It consists of twelve (12) councillors), consisting of the Mayor, Deputy Mayor, Speaker, Chief Whip and eight other members representing the ANC, DA and IFP. The ANC members in the committee are the seven portfolio chairpersons. The Exco committee is chaired by the Mayor and sits twice a month, deliberating and noting issues raised in the different municipal portfolio committes. The issues are then sent to Council for adoption. Further more, this committee is a day-to- day committee of Council, which means, they are full time office bearers in the municipality. Council is chaired by the Speaker, and sits once every month.

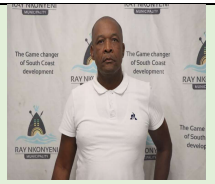
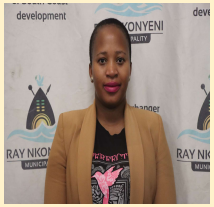
- **Portfolio Commitees**
  The municipality consists of seven (7) subject specialization portfolio committees with eleven (11) politicians each as members,and some members sit in two different portfolios.Each committee sits once a month to deliberate on departmental issues with regards to administration and service delivery issues,and chaired by an Exco Member. Departmental managers, headed by their HoD sit in these meetings to account where possible. These portfolio committees are:

Table 68: RNM Portfolio Committees

DEPARTMENT	MANAGER DESIGNATION	TOTAL
i. Office of the Municipal Manager	 Manager Internal Audit  Manager in the Municipal Office	2
1.Corporate Services	 Manager Human Resources  Manager IT Manager  Fleet Management  Manager Legal and Compliance	7

	 Manager Administration management  Manager Estates & Administration Manager Labour Relations and Wellness (Outstanding Picture)	
2.Development Planning Services	 Senior Manager Building Control  Manager Environmental Management and Signage Control  Manager Aviation Services  Manager Technology Hub  Manager Town Planning  Manager LED &Tourism	6
3. Public Safety		4

	 Superintendent Operations  Manager Fire, Rescue and Disaster  Superintendent PublicTransport and Administration  Manager Motor Licensing and Bureau	
4.Community Services	 Manager Arts and Culture  Manager Aquatic Safety  Manager Education and Waste Minimization	5

	 Manager Cleansing&Waste Management(Depo South)  Manager Cleansingn &Waste Management D(North)	
5.Strategic Planning and Governance	 Manager Mayoralty and Communications  Manager Speaker's Office  Manager Youth Development  Manager Stake Holder Relations and Customer Care  Senior Manager Strategic Planning	7

	 Manager Performing, Monitoring and Evaluating Manager Special Programmes	
6.Treasury	 Manager Supply Chain Management  Manager Budgeting and Reporting  Manager Revenue Management  Manager Expenditure management  Manager Asset Management	5

7.Technical Services	 Manager Human Settlement  Manager Project Management  Manager Electrical Engineering  Manager Project Finance  Manager Roads and Storm Water Manager Facilities Management(OUTSTANDING) Manager Mechanical Engineering -Vacant	7
TOTAL		**44**



- **Traditional Authorities**

Section 81 of the Municipal Structures Act No 117 of 1998, stipulates that Traditional Authorities (Amakhosi) may participate through their leaders in the proceedings of the Council of that municipality. As per Cogta public participation directive, each municipal council is to have 2 Amakhosi participating. Ray Nkonyeni Municipality has fully adhered to that. In terms of Amakhosi participating in the formulation of the Draft IDP, it must be noted that the participation is not very satisfactory due to some valid reasons, however, the municipality has since made inroads interms of being slotted in their calender for the next financial year:

- Chosen municipal dates to present to Amakhosi in most instances clash with their tight Local House schedules
- Amakhosi in most instances are engaged in their calender scheduled weekly Traditional Council business whereby only the Council sits

- **Municipal Administration**

The administration is headed by the Municipal Manager, Mr KJ Zulu. The administration is structured in to seven operational departments, being:

- Department of Community Services (DCOMMS)
- Department of Corporate Services (DCS
- Department of Strategic Planning (DSPG)
- Department of Technical Services (DTS)
- Department Development Planning Services (DDPS) &
- Department of Public Safety (DPS)

3.3.3 Organogram

The municipality developed a new organogram which was adopted by Council in August 2016 reviewed annually,and has since been reviewed. The transformation process commenced in 2004 whereby the system of Section 57 Managers was adopted. Due to municipal grading as regulated by organized local government structures, the municipality over the years has faced challenges in retaining employees attributed to a number of reasons such as the institutions which often offer more attractive packages. Ray Nkonyeni Municipality has since addressed this by having more attractive packages and other benefits to ensure its employees are retained.

Ray Nkonyeni municipality has a total staff compliment of 1083. As per the Back to Basics pillar which talks to local government ensuring that the top six posts (Municipal Manager, Finance, Infrastructure and Corporate Services, Community development and Development Planning and Gorvenance are filled by competent and qualified persons, Ray Nkonyeni Municipality has adhered to that by having these posts filled. The municipality has seven designated depatments as mentioned in the executive summary, and all these have been filled with qualified Section 57 Managerial positions.

In terms of women empowerment, the municipality has since started prioritizing more deserving females to management positisions, ***(see attachment 7: Organogram)***. With regards to employees living with disability, there are eleven (11) out of 1083 (Current permanent status) = 1 %. Below is a summarized table of employees living with disability.



Table 69: Employees Living with Disability

	DESIGNATION	TG	RACE	GENDER	DEPARTMENT	DISABILITY
1	General Assistant	3	A	M	Community Services	Artificial leg
2	General Assistant	3	A	M	Community Services	Limping
3	Supervisor Stormwater	10	A	M	Technical Services	Crutches
4	General Assistant	3	A	M	Community Services	Partially blind
5	General Assistant	3	A	M	Community Services	Limping
6	CCTV Operator	7	W	M	Public Safety	Wheelchair bound
7	Control room Operator	7	A	F	Public Safety	Crutches
8	Control room Operator	7	I	M	Public Safety	Wheelchair bound
9	Traffic Warden	6	A	F	Public Safety	Limping
10	Machine Operator	3	A	M	Community Services	Limping
11	Machine Operator	3	A	M	Community Services	left hand not working
12	Clerical Assistant	4	A	M	Corporate Services	Limping
13	General Assistant	3	A	M	Technical Services	Limping
14	Handyman (Bricklayer)	7	A	M	Technical Services	Limping
15	Librarian	11	W	F	Community Services	Uses Hearing Aid
16	Librarian	11	A	F	Community Services	loss of sight in one eye

Table 70: Vacancy Rate

The municipality is currently reviewing its organogram to ascertain posts that need to be filled. It must be noted that there are a number of posts that have been in the organogram but not budgeted for,so, budget has been set aside for the new financial year. There has been one percent increased of the vacancy rate from the 2022 financial year.

VACANCY RATE			
DEPARTMENT	TOTAL POSTS	VACANCIES	VACANCY RATE ON APPROVED POSTS
OFFICE OF THE MM	11	0	0%
CORPORATE SERVICES	64	3	5%
DEVELOPMENT PLANNING SERVICES	81	33	41%
PUBLIC SAFETY	289	82	28%
COMMUNITY SERVICES	636	182	29%
STRATEGIC PLANNING AND GOVERNANCE	42	8	19%



TREASURY	89	15	17%
TECHNICAL SERVICES	262	92	35%
TOTAL POSTS	**1474**	**415**	28%
VACANCY RATE			**28%**

3.3.5 Municipal Powers and Functions

The significance of integrating sector plans into the IDP is to provide a demonstration of how they relate to one another. It also outlines a sector plan integration process which will guide our municipality as we integrate various sector plans in our IDP to ensure the realization of integrated development and alignment. The following table illustrates the functions that are undertaken by Ray Nkonyeni Municipality, Ugu as a District as well as by other Sectors within the District as priority function per COGTA.



Table 71: Municipal Powers and Functions

	Powers and Functions of the Municipality	Ugu DM	Shared with other services	Ray Nkonyeni LM	KPA
1	Air pollution	X			Cross-Cutting
2	Building regulations			x	Basic Service Delivery
3	Electricity and gas reticulation		X		Basic Service Delivery
4	Firefighting services			x	Basic Service Delivery
5	Local tourism		X		Local Economic Development
6	Municipal airports			x	Cross cutting
7	Municipal planning			x	Cross cutting
8	Municipal health services	X			Basic Service Delivery
9	Municipal public transport			x	Basic Service Delivery
10	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to the m under this Constitution or any other law			x	Basic Service Delivery
11	Control of undertakings that sell liquor To the public			x	Basic Service Delivery
12	Facilities for the accommodation-area And burial of animals			x	Basic Service Delivery
13	Fencing and fences			x	Basic Service Delivery
14	Licensing of dogs			x	Basic Service Delivery
15	Licensing and control of undertakings that sell food to the public			x	Basic Service Delivery



16	Local amenities			x	**Basic Service Delivery**
17	Local sport facilities			X	**Basic Service Delivery**
18	Markets			x	**LED**
19	Municipal abattoirs			x	**LED**
20	Municipal parks and recreation			x	**Basic Service Delivery**
21	Municipal roads			x	**Basic Service Delivery**
22	Noise pollution			x	**Basic Service Delivery**
23	Pounds			x	**Basic Service Delivery**
24	Public places			x	**Basic Service Delivery**
25	Refuse removal, refuse dumps & solid waste disposal			x	**Basic Service Delivery**
26	Street trading			x	**Basic Service Delivery**
27	Street lighting			x	**Basic Service Delivery**
28	**Traffic and parking**			**x**	**Basic Service Delivery**

3.3.6 Institutional Capacity and Human Resource Development

In response to building institutions and municipal capabilities as per the Back to Basics, pillar no.5, the municipality has responded by ensuring that strategies, policies and plans that talk to these are developed and implemented. Further more, in ensuring that the main core for skills development, meeting equity targets and ensuring that the institution responds to its constitutional mandate responsive, the Human Resource Strategy has been developed. Vison 2036 of the municipality recently adopted by Council clearly stipulates the importance of developing a sound human resource as itbroadens growth and development and this requires an educated, safe,healthy and a happy population. For the municipality to achieve this, adopted plans do not talk to empowering the municipal staff only, but the entire community of RNM by ensuring that community members are equipped with resources to enable a society that is better capacitated interms of skills and knowledge.

For Human Resource and capacity development, the municipality has adopted all required strategies and policies, listed and briefly summarised below:



3.3.6.1 Human Resource and Management Strategy

The Human Resource Strategy is in place ***(See attachment 8: HR Strategy)***, five year strategy, reviewed and adopted in 2017, ,and has since been. The Strategy's aim is to assist the municipality in the career development of its existing staff, maximise productivity by the optimum implementation of relevant legislations, collective agreements with special emphasis of the Employment Equity Policy. The municipality has major objectives that it seeks to achieve through the strategy as listed below:

- Attract and retain competent staff
- Retain key staff members whose services are regarded as critical
- Identify individual's potential for assuming a higher degree of responsibility
- Help develop a skills base for succession planning
- Ensure career development for staff

The HR strategy is informed by the IDP and SDBIP. The departments would identify their human capacity needs that shall enable them to achieve their annualized targets in the form of SDBIP as well as medium term targets which takes the form of the IDP, and all this is done with the ultimate goal of realizing the vision of the municipalit. HR policies are crafted with the strategy in mind. Below is a list of all the adopted Policies as per the HR Strategy:

3.3.6.2 Human Resource Plan

The municipality has never developed a Human Resource Plan and has since requested the assistance of Cogta to give full clarity on what this plan is all about since there is a Human Resource Strategy in place. However, it is clear that this plan should be more detailed and more focused on the short term to ensure the strategic plan is achieved.This will hopefully be done with the assistance of Cogta in the next IDP.

3.3.6.3 Employment Equity Policy

The Employment Equity Policy (EEP) is a five year plan, in place, adopted by Council in 2017, reviewed after five years or ***when need arises***. With the EEP, the RNM has not seen any need to review it as the living document still adapts with the municipality.

The purpose of the Employment Equity Policy is to provide:

- A framework for implementing the principles of the Employment Equity Act.
- A framework for implementing and monitoring Affirmative Action Programmes.
- Basis whereby in 2022, which the municipality has already done, promoted equality, diversity and transformation through elimination of unfair discrimination and the empowerment of designated groups which will reflect RNM demographics.

To this extent, RNM shall have an Employment Equity structure that is transparent, diverse and shall ensure empowerment through multi-skilling; and Commit itself to recruitment and selection process that is fair, non-discriminatory, culture free and accessible, thereby enabling a representative workforce. Deserving females are considered first than males.

The policy redresses the imbalances of the past in terms of the designated groups (black female, Coloured women and Indian Women). RNM can proudly pronounce that it has adhered to the 2023 SONA whereby the President mentioned that SA must build a society where the injustices of the past no longer define the lives of the present. In responding, RNM developed the Empoyment Equity Policy which clearly outlines how the municipality intends to undertake the processes of employment to address the past injustices to those deserving, which includes;



- On the gender part when shortlisting, a black female is scored higher than either a black/white male
- The disabled are given preferential attention in terms of employment if they qualify

iii. Employment Equity Plan

Section 20 requires that a designated employer prepares and implements an Employment Equity Plan which will achieve reasonable progress towards employment equity. Ray Nkonyeni Municipality as a designated employer / municipality, in terms of section 20 of the Employment Equity Act No 55 of 1995, has prepared and implemented an employment equity plan which will achieve reasonable progress towards employment equity. The duration of this plan is three (3) years which is effective from:-27 JUNE 2020-30 JUNE 2023. The municipality is currently working on the suuccesive plan which will be in effect on 1 July 2023. The below 2 tables summarise employment equity numerical targets including people with disabilities and disabilities only for the current financial year.

Table 72: Employment Equity targets

Numerical targets: Year 3		
Start date:	01 JULY 2022	End date: 30 JUNE 2023

Occupational Levels	**Male**				**Female**				**Foreign Nationals**		**Total**
	A	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management	4	0	0	0	2	0	1	0	0	0	7
Professionally qualified and experienced specialists and mid-management	23	1	2	1	18	0	2	2	0	0	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	110	5	24	11	97	3	12	4	0	0	266
Semi-skilled and discretionary decision making	227	7	21	8	179	3	20	12	0	0	477
Unskilled and defined decision making	195	6	9	6	158	3	8	5	0	0	390
TOTAL PERMANENT	560	19	56	26	456	9	43	23	0	0	1190
Temporary employees											
GRAND TOTAL	560	19	56	26	456	9	43	23	0	0	1190



Table 73: Numerical targets for people with disabilities only

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	1	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	1	1	2	2	0	1	1	0	0	10
Semi-skilled and discretionary decision making	2	2	1	0	2	0	1	2	0	0	10
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	4	0	2	2	5	0	2	4	0	0	22
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	4	0	2	2	5	0	2	4	0	0	22



Table 74: Current Workforce Profile

Occupational Levels	Male				Female				F
	A	C	I	W	A	C	I	W	
Top management (Section 54)	1	0	0	0	0	0	0	0	
Senior management (Section 56)	2	0	0	0	2	0	0	0	
Professionally qualified and experienced specialists and mid-management (T14 - T18)	18	1	3	2	18	0	2	2	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (T9 - T13)	117	5	22	6	98	4	5	2	
Semi-skilled and discretionary decision making (T4 - T8)	215	0	13	3	178	4	15	5	
Unskilled and defined decision making (T1 - T3)	171	0	2	0	139	0	0	0	
TOTAL PERMANENT	524	6	40	11	435	8	22	9	
Non permanent employees	36	0	0	1	30	1	1	0	
GRAND TOTAL	560	6	40	12	465	9	23	9	

Table 75: Employees Living with Disabilities Withing Ray Nkonyeni Muncipality Only

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Section 54)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Section 56)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (T14 - T18)	0	0	0	0	0	0	0	0	0	0	0



Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (T9 - T13)	1	0	0	0	0	0	0	1	0	0	2
Semi-skilled and discretionary decision making (T4 - T8)	3	0	1	1	2	0	0	0	0	0	7
Unskilled and defined decision making (T1 - T3)	7	0	0	0	0	0	0	0	0	0	7
TOTAL PERMANENT	11	0	1	1	2	0	0	1	0	0	16
Non- permanent employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	12	0	1	1	3	0	0	2	0	0	16

3.3.6.4 Work Place Skills Plan

The Work place Skills Plan (WSP) is in place, reviewed annualy (March and submitted to the LGSETA annualy as required. For 2022/23 WSP, the municipality submitted in April 2023. This plan is informed by the Employment Equity. The employment equity guidelines form an integral part of planning for training as prescribed in the Skills Development Act. The Plan is aligned to the WSP. It must be noted however, that in as much as the Plan is effective, there are constraints that come with budget. Projects not budgeted for get recommended for implementation during a financial year thus compromising the programme on the WSP.

The employment equity profile illustrates progress made towards achieving the transformation targets. The Plan reflects the progress the municipality has achieved thus far and actions to address challenges relating to enhanced demographic spread, skills development, fast-tracking, diversity management and organizational culture assessment. This plan is being implemented effectively by amongst other things, putting emphasis on job adverts as well as scoring criteria for short listing and interviews. In this regard, there are special points allocated based on race and gender. The plan amongst other things has ensured that the municipality's employees are capacitated in terms of skills training.New recruits in terms of interns are also capacitated through this plan.

Each financial year a budget is allocated to ensure a smooth plan for all allocated beneficiaries. In terms of trainings, these are conducted internally and if need be beneficiaries are allocated funding to be trained or be skilled in their field of choice in any institution. In total, there are 333 beneficiaries and budget is set aside for each financial year.

Following is a table summarizing the number of beneficiaries in the plan for the current financial year.



Table 76: Occupational Category(beneficiaries)

Occupation category	No of beneficiaries
Councillors	32
Management	8
Professionals	52
Technicians & Associate professionals	24
Clerical support workers	83
Plant & machine operators & assembles	11
Elementary occupations	25
Service and sale workers	98
TOTAL	333

3.3.6.5 Recruitment and Selection Policy

The Recruitment and Selection Policy was adopted in 2017, reviewed annually. The recruitment and selection policy sets out the process of recruiting the suitable candidates for the vacant posts. It starts with the department concerned identifying the vacant post and informing the Corporate Services Department to advertise the same. The Corporate Services would confirm if the post is indeed in the organisational structure as approved by council, and whether the said post is budgeted for in the current financial year. The Municipal Manager is informed through the memorandum of the request and advised whether there are funds available to fill in that position. The Municipal Manager would then authorize the filling of the said post. The panel responsible for the shortlisting and interviews is chaired by the Head of the Department in which the vacant post has been identified and manager to whom the incumbent shall be reporting forms part of the panel and an official from HR is present throughout the process. Once the successful candidate has been identified, references as they appear in their CV are then contacted. If positive reference is received the memo seeking MM's approval of the recommended candidate is sent to him. Once MM approves the successful candidate is informed.

3.3.6.6 Staff Secondment Policy

Ray Nkonyeni Municipality is committed to fair and transparent Human Resources practices. The aim of this policy is to outline principles underpinning secondment of employees, and to clarify procedures to be followed in respect of transfers applicable to all employees.

3.3.6.7 Leave Management Policy

The main purpose of this policy is to regulate taking of leave by employees of Ray Nkonyeni Municipality, having regard of the relevant statutory provisions regarding leave. The objective of this policy is to simplify the rules and regulations contained in the following agreements and legislative documents.



3.3.6.8 Talent Management & Succession Planning Policy

The approved talent management strategy provides a strategic framework for the management of talent with Ray Nkonyeni Municipality. Ray Nkonyeni Municipality recognizes the strategic imperative to attract, develop, engage and retain scarce and critical skills into the Municipality. The Municipality endeavours to develop deliberate talent management strategies and policies that will ensure a sustained supply of competent and stable talent pipeline through succession plans that meet the objectives of the Integrated Development Plan.

3.3.6.9 Staff Transfer Policy

To outline principles underpinning transfer of employees, and to clarify procedures to be followed in respect of transfers.

3.3.6.10 Acting Policy

To outline principles underpinning transfer of employees, and to clarify procedures to be followed in respect of transfers.

3.3.6.11 Induction Policy

The Municipality believes that all new employees MUST be given timely induction training. This training is regarded as a vital part of staff recruitment and integration into the working environment. This policy, associated procedures and guidelines define the Company's commitment to ensure that all staff are supported during the period of induction, to the benefit of the employee and municipality alike

3.3.6.12 Individual Performance Management Systems

The development of the Municipality's IPMS is informed by the need to enhance the effectiveness of the OPMS already established within the organization. The IPMS will allow for the PM system processes in place to be cascaded to other levels of employees apart from Sec. 54/56 managers. The municipality is required to develop a PMS which is commensurate with its resources, best suited to its circumstances, and in line with the priorities, objectives, indicators and targets contained in the IDP; and the PMS seeks to promote a performance management culture among political structures, political office bearers and Councillors and in its administration as well as also administer its affairs in an economical, effective, efficient and accountable manner.



3.3.6.12.1 Probation Policy

1.1 This policy sets out the Municipality's approach to probation for new employees aiming to ensure the municipality meets its commitment to the fair, equal and consistent treatment of employees within a supportive framework and in line with employment legislation requirements with regards to the probation period.

1.2 To ensure the municipality is provided with an opportunity to assess skills, conduct, capability and attendance of the new employee before deciding whether or not to confirm their appointment.

1.3 To identify the link between induction, probation and developmental processes and emphasize the need for all to underpin the support and development of a newly appointed employee.

3.3.6.13 Information Technology Strategy (IT)

There is a fully designated section within the municipality that is responsible for all IT related matters. IT Strategy was adopted in March 2017 and is a 5 year Strategy ***(see attachment 9: IT Strategy)*** which is reviewed annualy, and it has since been reviewed and adopted by Council in *March 2022*. The purpose of the strategy is to give a focus and framework for future IT Investments and projects linking these into the priorities of the IDP. It is also aimed at raising the profile and awareness of the importance of IT investments and the governance which surrounds these and associated benefits realization. It also provides an effective technology architecture which not only provides robust and reliable underpinning to municipal services but is an architecture which acts as an enabler and catalyst for service delivery both within the municipality and across our strategic partners. Basically, the strategy addresses the long term vision of the municipality.The implementation of the strategy reports are submitted to Corporate Management on quarterly basis as indicated in the municipality's Service and Delivery Budget Implementation Plan. There are a number of policies crafted with the strategy in mind, and was reviewed & adopted on 30 May 2023, *see below:*

i. Business Continuity Plan (BCP)
ii. Firewall Management And Procedures Policy
iii. ICT Usage & Security Policy
iv. Change Control Management Procedure
v. ICT Backup Policy
vi. IT Disaster Recovery Plan (DRP)
vii. ICT Governance Charter
viii. Governance Framework :
ix. Governance Implementation Plan :
x. User Account Management Procedure Policy

3.3.7 Inter-Governmental Relations Structures (District)

Ray Nkonyeni municipality actively participates in a number of IGR forums. The municipality has a dedicated IGR officer, the Stake holder Relations and Customer Care Manager. However, the official is not specifically labelled as IGR officer but is within the organogram and has the specific responsibility of IGR within their job description.



The IGR consists of a number of structures/forums tasked with certain roles as mentioned above.These structures/Forums on their meetings need to come up with solutions to problems. All sector departments within the municipality are fully represented in the IGR Forums. In terms of monitoring discussiions and implementation, each designated forum has a monitoring tool to check progress on each issue that needed attention. All findings are tabled to the Mayor's Forum who then report to their respective Councils. Ray Nkonyeni Municipality further has a committee calle Rapid Response Team which looks into urgent matters arising pertaining service delivery in wards.Once such a matter is reported to the municipality, the task team assemblies and go to that particular ward/area affected and discuss it with the members of the community. Such a matter is then dealt with immediately. In terms of National and Provincial strategic pronouncements, the IGR does adhere to them.Issues that are pronounced by these 2 spheres of government, are deliberated in all the IGR Forums.

Following are brief summaries of each forum:

i. The Premier's Coordination Forum (PCF)

The objective of the PCF is to promote and facilitate intergovernmental relations and cooperative government between provincial government and municipalities to ensure integrated, effective and efficient service delivery. Amongst the many issues discussed in this Forum,this is the main core to ensure if municipalities are inline with the Provincial pronouncement.

In accordance with the Inter-Governmental Relations (IGR) Act (2005), RNM's Mayor participates in the PCF coordinated by the Office of the Premier.

- The forum discusses mainly issues that affect local Government.
- It sits four times a year. The Premier chairs the forum
- MEC Cogta is the co-host
- Other than Municipal Mayors, the Province invites Municipal Managers, CFOs and Deputy Mayors to sit in this Forum.

ii. Mayor's Forum (Political Command)

In accordance with the IGR Act (2005), a Mayor's Forum was established in 2006 for the District. The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including (a) draft national and provincial policy and legislation relating to matters Ugu District's Mayor's Forum is fully functional and all its local mayors fully participate. The District Mayor's Forum fulfill its mandate in as far as intergovernmental responsibilities are concerned. Matters discussed in the forum always take priority as the district does not want to lose sight of its mission:

- meets on a regular basis
- The District Mayor chairs this forum
- It discusses issues around service delivery and challenges affecting Locals as well as resolutions taken at Provincial level.

Iii Speaker's Forum

The Speakers' Forum sets the direction for the sector and is the highest decision making-body of the sector that oversees the management and coordination of sector programmes. This Forum draws up the policy framework that guides the work of the sector.The Ugu District has an established Speakers Forum with all local municipalities' speakers



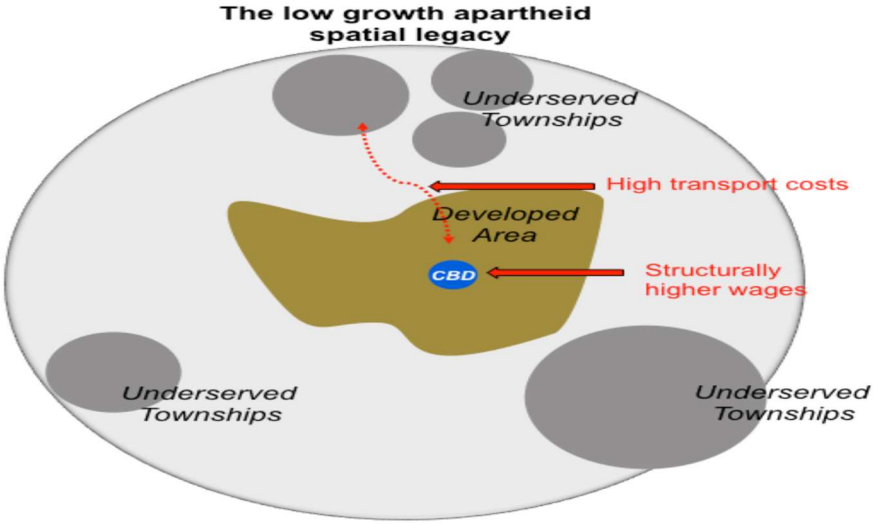
participating. Programmes discussed in the forum are fully monitored to ensure communities are served with diligence in as far as basic services is concerned.
The purpose of the establishment of the Speakers forum is therefore to ensure that:

- There is uniformity and consistency in the management and operation of the Offices of the Speakers of the Ugu District Municipality,
- To facilitate and oversee that the programmes and initiatives of Speakers at local municipalities are implemented,
- To identify and implement programmes aimed at realizing one of the key objectives of local government ,i.e. deepen democracy,
- To coordinate and ensure active participation of communities in matters of local governance,
- To ensure coordination and streamlining at all the member municipalities,
- To initiate and implement training and capacity building programs for councilors.

The Speakers forum has one ordinary meeting per quarter, provided that the other members may request a special meeting by making a written submission to the chairperson. The Chairperson of the Forum is the Speaker of the District Municipality. Meetings of the Speakers Forum rotates among member municipalities.One of the core duties of this forum is to table to full council all that was discussed in all the IGR structures for comments.

iv. The Municipal Manager's Forum (Technical Command)
The state's capacity is weakest where socio-economic pressures are the greatest. This is the result of the planning imbalances of the past.The diagram below illustrates what most municipalities currently face, but not limited to it alone. The municipal Managers' forum is a platform to discuss them.

Illustration 14: The Low Growth Apartheid Spatial Legacy



The Municipal Manager's Forum was also established in 2005 by Ugu District and meets on regular basis, with all four local municipalities fully participating. Issues raised at this forum are discussed at Corporate Management meetings in all the locals. Amongst other issues discussed, the Forum sees to it that resolutions taken at Mayors forum are being implemented. It also discusses challenges experienced at each local municipality as explained in the diagram. Munimec, which is a technical support for PCF discusses issues affecting at both local and District levels and so these issues are further discussed at the Managers' Forum and seek way forward.



v. Chief Financial Officer's Forum

This Forum is a platform for the various local municipalities within the district to discuss issues on finance. Forum members provide feedback during formulation of their local budget and regularly receive information regarding budget pressures.

Within the Ugu District, there is a functionality of CFO Forums and are held on a quarterly basis to discuss financial management issues. All locals within the district are full members of this Forum. The Chairperson for this Forum is the CFO of the District. This Forum also deliberates on Audit opinions.It fully adheres to the National Treasury requirements on how to conduct finances.

vi. Planners Forum

A Planners' Forum offers a unique opportunity to talk informally about local issues, to share ideas and to receive updates from sthe Government and sector departments whose work may impact land use. The Planners' Forum also satisfies requirements for credentialed planners towards professional development through advanced-level presentations provided by professionals on an array of timely and relevant planning subjects. Othe issues discussed include coordinating IDPs to:

- Ensure horizontal alignment between the district and local municipalities IDP's,
- Ensure vertical alignment between the district and local municipalities, National and Provincial spheres.

In this regard, the Forum fully aligns to the SPLUMA principles. The planners' forum meetings are held on a monthly basis. Meetings are chaired by the district IDP Manager. The Planning Development Unit renders secretarial services; The Forum consists of the four local municipalities. IDP Managers and town Planners coordinate technical submissions.

vii. District Batho Pele Forum

This is an approach to get public servants committed to serving people and to find ways to improve service delivery.Ugu district has a dedicated forum to address such issues and information is escalated to other levels if need be or if findings are there, they are immediately addressed.

This Forum sits once per quarter, chaired by the District Champion. Representatives in the Forum consist of the District champion, the four local municipalities' champions and Sector Departments. Issues discussed are mainly on complaints management and Batho Pele programme.

3.3.8 Institutional Structures

For any institution to be fully functional, it needs to have functional structures inplace. Ray Nkonyeni Municipality has its institutional structures in place and comprise of:

i. IDP Steering Committee

- Develops terms of reference for various planning activities
- Provides guidance on planning matters
- Monitors IDP and review progress on a quarterly basis
- Make recommendations to the IDP Forum
- Takes decisions on administrative matters in line with legislations, policies and COGTA guidelines
- Give strategic support and give guidance to the IDP unit



- Ensures that information is provided to the IDP unit in time and communicates IDP issues with staff members and ensures that Strategic Planning manager does not end up thumb sucking information
- Overall Management including appointments of consultants
- Refers matters to relevant committees for further investigations, research and alignment
- Closely monitors and evaluates consultants' progress and performance
- Considers inputs from all stakeholders and make amendments accordingly.

ii. IDP Cluster Meetings Commitee

- It is chaired by a Political Head
- Provide technical assistance on Planning matters
- Make recommendations to the Steering committee
- Provide departmental issues that have influence on planning
- Consider inputs from sub committees
- Assists in developing terms of reference for consultants

iii. Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. Members of this committee do not sit in any portfolio within the municipality. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

The MPAC committee is made up of seven councilors represented by all the political parties represented in Council. It is chaired by the ruling party and makes recommendations to Council on monthly basis. Amongst other duties, the committee oversees the work of Exco, portfolio committee, OPMS, does special investigations and other adhoc assignments.

The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- Unforeseen and unavoidable expenditure (Section 29)
- Unauthorized, irregular or fruitless and wasteful expenditure (Section 32)
- Quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d)
- Monthly budget statements (Section 71)
- Mid-year budget and performance assessment (Section 72)
- Mid-year budget and performance assessment of municipal entities (Section 88)
- Reports to Council as mandated by the Legislation

iv. Tribunal

- The Tribunal (MPT/JMPT processes land use applications.
- Sits once a month
- The head of department, Development Planning Services chairs the Tribunal



- The Executive Council is the Appeal Authority

v. IDP Representative Forum

- Sits quarterly
- Chaired by the Deputy Mayoy
- Make inputs and comments on the IDP
- Heads of Departments, Sector Departments, Stakeholders and Councilors participate

vi. LED Forum

- Sits quarterly
- Stakeholders and Sector Departments participate
- The Forum is chaired by a politician
- Forum aimed at unlocking LED issues

vii. TROIKA

This is a team of the municipality's top leadership politicians, chaired by the Mayor. It consists of the Mayor, Deputy Mayor, Speaker and Chief Whip. It meets once a month and deliberate on administration and political issues.

viii. Internal Audit Committee

- Reports directly to the municipal Manager and further reports it's functionally directly to an Audit Committee which consists only of external members and sits on onthly basis
- The Unit has a fully fledged staff which comprises of a manager, Senior Auditor and and three (3) officers
- Internal Audit Activity s the Accounting Officer and Senior Management in achieving their objectives and to discharge their responsibilities by providing an independent, objective assurance and consulting services designed to add value and improve the municipality's operations
- Internal Audit also helps the municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal audit is an appraisal function established within the municipality to independently examine and evaluate the activities of the municipality as a service to the Council in particular and to management in general.



ix.Bid Committees

The municipality has fully fledged Bid Committees. Each Bid Committee comprises of 5 members of which 1 member being from the Procurement Section and the Bid Adjudication Committee is chaired by the Chief Financial Officer.

In accordance with Chapter 11 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) delegated authority had been bestowed to the Bid Specification Committee to approve tenders and tender notices whereas the Bid Adjudication can adjudicate all tenders up to the value of R5million. Any value over and above will be awarded by the Municipal Manager at his discretion.

In accordance with the Supply Chain Management Regulations and Section 17 of the municipality's Supply Chain Management Policy, all awards made by the Bid Adjudication Committee are submitted to Council monthly as part of the oversight role.

3.3.9 Key Challenges

Table 77: Key Challenges

Key Challenges	Description
1.Employee retention	The municipality faces challenges in retaining employees more especially those in strategic positions.
2 . Municipal powers and function	Some powers are not fully functional due to budget constraints.
3. Lack of office space	Budget for office space is insufficient, as there is not much office space to accommodate all employees
4.Insufficient budget	Vacant posts cannot be filled



3.3.10 SWOT Analysis

Table 78: Municipal Transformation and Organizational Development SWOT Analysis

Strengths	Weaknesses
• Institutional Structures in place • Governmental Structures in place • Organogram adopted • Portfolio Committees fully functional • All managerial posts have been filled • Effective portfolio committees • Diverse representation of political parties in Council (ANC, DA, IFP, COPE and EFF, VF, ATM, AIC, JEP, ACDP) • All 7 Departments are fully operational • The Labour Forum is well functional • Line 1 Managers are fully capacitated • 2 of the 7 Heads of Departments,section 56/57 is female	• Budget constraints to supply sufficient office space and fill vacant posts
Opportunities	**Threats**
• Room for improvement in terms of equity	• Failure to retain employees • Budget constraints

3.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

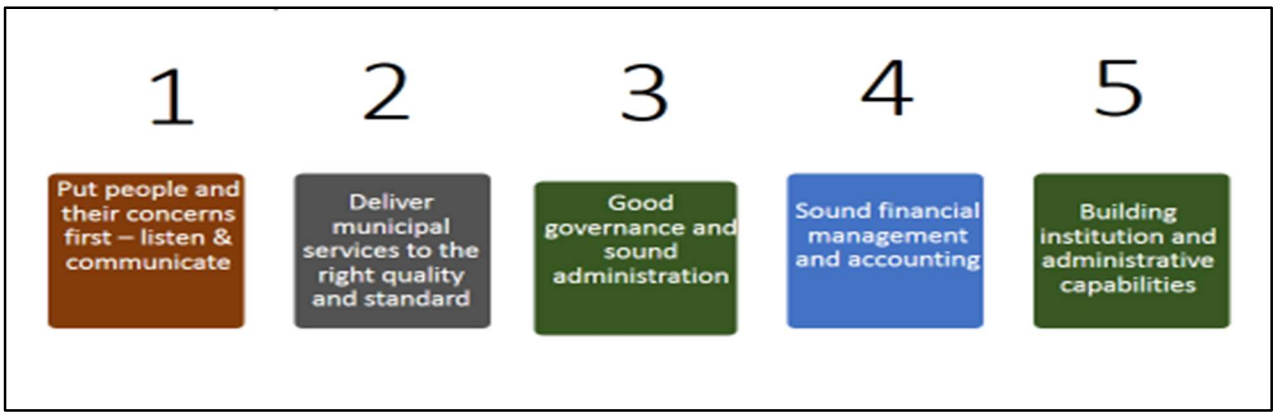


Mr SM April
Acting HoD: Strategic Planning & Governance

2022/2023 MEC Comments	Corrective measure	
• The Municipality is commended for the comprehensive coverage and detailed reporting on all aspects of this KPA	Noted.	**100%**
• Continue pursuing differentiated approach in communication with Sector Departments, such as one-on-one engagements and District sector meetings, in order to improve their participation in IGR Forums	Noted. Sector departments are engaged during IDP Forums and also one on one sessions.	
• Report on functionality of DDM structures.	Refer to 3.4.14.4.1	

One of the goals of taking Local Government forward is to improve the functions of municipalities to better serve communities by getting the basics right as per the NDP and through the Back to Basics Pillar no.3 as per the illustration below.

Illustration 15: Back to Basics Pillars





It is essential to practice good governance and sound administration for stability, sustainable development and growth within an organization.The Provincial government has ensured that there is good financial management, proper budgeting and investigation of fraud and corruption. Ray Nkonyeni Municipality has good efficiency in terms of good governance and public participation. All systems and structures are in place and fully functional.

The Audit and Risk management for an example, are fully functional and bring assurance and consulting activity designed to add value and improve an organization's operations. These two units also assist the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3.4.1 Governance

The municipality has transparency in its governance. This is ascertained from all the public engagements whereby information is made public. The Batho Pele principles are the backbone of gthe municipality's governance. Furthermore, the open door policy from political heads down to the municipal manager and his team of HoDs. Engagemenets with members of the public, from Stakeholders, ratepayers, ordinary community members etc is a very flexible one.The Mayor and Deputy Mayor have monthly schedules whereby communities are engaged on Council matters. Members of the public are welcome to sit in Council meetings as well.

3.4.1.1 Budget Transparency

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communitiesWhilst the municipality's budget is closely monitored on a monthly basis by the relevant oversight structures of the council, no overspent or underspending of the operational budget was experienced in the previous financial year. The municipality has managed to spend 100% spending of its capital budget and currently has loans with DBSA and Standard Bank that are being paid but does not anticipate in making future loans since it does not afford loans because of an adverse cash coverage. When budget has been adopted by Council, the Mayor makes public notice to all the municipality's citizens, which is in line with the Batho Pele Principles.

3.4.1.2 Audits and Qualifications

The municipality's commitment to national targets of clean audit and that corrective action plan to address all the findings raised by the AG are always in place and closely monitored by Finance portfolio, Executive Committee (EXCO), MPAC and Audit Committee. The municipality obtained an unqualified Audit Report in the current financial year and an action plan with corrective measures is in place to address findings by the AG. The plan is closely monitored by the Internal Audit manager and reported to the Municipal Manager.

The municipality further has an Operation Bounce back action plan which started on 30 June 2020 established to fastrack service delivery and departments are expected to report on monthly basis on their status qou.

3.4.2 Portfolio Committees

The municipality's seven departments have fully functional Portfolio Committees chaired by an Executive Committee Member, from the ruling party. Portfolio Committees sit once a month on different scheduled dates as per the municipal Calender to get reports on progress of that particular Department. Line Managers compile their monthly reports which comprise of their weekly plans. These are submitted to the Head of Department for confirmation who inturn submit the respective Portfolio Committee. Each portfolio committee These committes do not adopt any issue discussed, but findings made are reported to EXCO.

Below are the portfolio chairs.

Table 79: RNM Portfolio Chairs

Portfolio Chairperson	Portfolio Committee
 Cllr GS Shange	Good Governance and Public Participation
 Cllr IS Mqadi	Finance
 Cllr RP Gumbi	Development Planning Services
 Cllr MT Lubanyana	Public Safety and Community Services
 Cllr VL Ntanza	Technical Services
 Cllr ET Khanyase	Corporate Services



3.4.3 Inter-Governmental Relations

Ray Nkonyeni municipality actively participates in a number of IGR forums. The municipality has a dedicated IGR officer, the Stake holder Relations and Customer Care Manager. However, the official is not specifically labelled as IGR officer but is within the organogram and has the specific responsibility of IGR within their job description.

The District IGR consists of a number of structures/forums tasked with certain roles, as detailed .These structures/Forums on their meetings need to come up with solutions to problems. All sector departments within the municipality are fully represented in the IGR Forums. In terms of monitoring discussiions and implementation, each designated forum has a monitoring tool to check progress on each issue that needed attention. All findings are tabled to the Mayor's Forum who then report to their respective Councils. Ray Nkonyeni Municipality further has a committee calle Rapid Response Team which looks into urgent matters arising pertaining service delivery in wards.Once such a matter is reported to the municipality, the task team assemblies and go to that particular ward/area affected and discuss it with the members of the community. Such a matter is then dealt with immediately. In terms of National and Provincial strategic pronouncements, the IGR does adhere to them.Issues that are pronounced by these 2 spheres of government, are deliberated in all the IGR Forums.
In a every Council sitting (once per month), IGR reports are fully tabled.

3.4.3.1 IGR Strategic Agenda

Refer to 3.3.8

3.4.3.2 Strategic Pronouncements

The municipality's IGR sits and deliberates on both National and Provincial pronouncements. Issues pertaining development planning to facilitate to facilitate coherent planning, strategic and Performance plans, matters to avoid legal proceedings, provision of effective transparent, accountable coherent government are some of the deliberations undertaken in the sittings. Oce issues have been dealt with, a team (rapid response team) headed by the local mayor, ensures that it is addressed with immediate effect and progress is monitored.

3.4.3.3 IGR Action Plan

Ray Nkonyeni Municipality has a focused plan of action as indicated on the following page



Table 80: Intergovernmental Relations

Back to Basics	Milestone	Detailed Activities	Responsible Official/ Department	Blockages/ Challenges	Support Needed in Terms of Unblocking
Roads infrastructure provision and maintenance	Comprehensive infrastructure plan	Development of the infrastructure plan	MR Qwabe Technical Services (DTS)		KZN Transport, Housing, Public works, COGTA
Municipal buildings maintenance	Maintenance plan	Develop and communicate the plan with Council and management	MR Qwabe Technical Services (DTS)		Liaising with HoDs
Housing provision	Construction of units	Facilitate housing provision and liaise withprovincial Housing department	MR Qwabe Technical Services (DTS)	Red tape in application approval and delays	Department of Housing to fast track application approval and proper management of consultants
Electrification	Provide infrastructure and cover in-fills	Develop an electrification masterplan Align with Eskom	MR Qwabe Technical Services (DTS)	Eskom does not plan with the municipality	Eskom to align with municipal plansand advise planning ProcessesTechnical Isupport
Solid waste Services	Effective collection and extend services to un-serviced areas	Implementation of the Integrated Waste Manage- ment Plan (IWMP)	Mr P Sithole (DCS)		Nil
Effective municipal by-laws	Develop And enforce municipal wide by-laws	Fine and prosecute	MR SA Nzimande (DPS)	Co-operation from other departments	Nil
Debt recovery	Recover outstanding debt	Correct customer billing Review the revenue enhancement strategy	Miss A Zuma (CFO)	Correct billing	Nil



Develop a financial plan	Adoption of the credible financial plan	Development of the financial plan incompliant with the MSA & MFMA	Miss A Zuma (CFO)		Treasury
IT Governance strategy	Development and implementation	Development and implementation	Ms NB Thabatha (Corporate Services)		NIL
Improve LED	Improve economic growth	Implement LED strategies Contained in the IDP Develop an incentive scheme	Mr R Naidoo (DDPS)		NIL
Effective ward committee	Support ward committees	Provide necessary training, stipend, ensure departments action issues coming from ward committee meetings, etc.	Mr S April (DSPG)	Political support	COGTA



3.4.4 Good Governance and Public Participation Strategies and Policies

This section will briefly analyse the main strategies and policies under the Good Governance and Public Participation KPA.

- The fundamental reasons why organisations should adopt good governance practises include: and
- To preserve and strengthen stakeholder confidence – nothing distracts an organisation more than having to deal with a disgruntled stakeholder group caused by a lack of confidence in the governing body. Implementing changes in governance and launching new projects is extremely difficult. However, by developing implementation strategies, drawing on new technology, communicating with stakeholders and monitoring progress, the rollout of new policies, strategies and pland can be made smoother.

3.4.4.1 Communications Strategy

Ray Nkonyeni Municipality has a communication strategy in place ***(See attachment 10: Communitions Strategy).*** The municipality shall review the Communication Strategy in every Local Government Elections Cycle, hence its strategyy was reviewed and adopted by Council in March 2023. The strategy is intended to serve as the spring board for the municipality to improve effective communication with the citizens and all relevant stakeholders on municipal services and on local issues. The Council or the Executive Committee can go through a special resolution and call for an earliest review of the Strategy.

In order for Ray Nkonyeni to achieve the stated strategic emphasis, this strategy:-

- Subjects councilors and employees to communicate information which is aligned to municipality's vision and mission and other government legislation
- Displays the belief that communication is a fundamental factor in the achievement of the goals of accountable, open, transparent and responsive local government
- Commits itself to compliance with all relevant statutory prescripts regarding the making available of information held by the municipality.

Research has shown that communication has in modern times become a fundamental tool used by organizations to remain in touch with their clientele. In this context, the objectives of the municipality's strategy are:

- To ensure that the municipality does not lose touch with its constituency by ensuring that the principles of Batho Pele are advanced and promoted at all times.
- To comply with the legal obligations as prescribed in the Constitution and the other relevant Acts of Government in the upholding of democratic values and principles
- To provide a mechanism of communication between the Ray Nkonyeni, the community and the other sector departments and stakeholders
- To proactively provide the public with timely, accurate, relevant, understandable and complete information about Ray Nkonyeni vision, policies programmes, services and initiatives using recognised language.



3.4.4.2 HIV & AIDS Strategy

The Strategy was reviewed in 2017 for a period of 5 years, and is currently under review to be adopted in September. Municipalities are expected to adhere to the National and Provincial principles set to guide them in the HIV/AIDS Implementation Plan, and Ray Nkonyeni Municipality's strategy adheres to this of which the following is addressed in the strategy:

- Social and Structural Drivers of HAST Prevention Care and Impact.
- Prevention of HIV, STI and TB infections
- Sustaining Health and Wellness
- Ensuring Protection of Human Rights and Improving Access to Justice
- Coordination, Monitoring and Evaluation

3.4.4.3 Youth Development Strategy

RNM adopted a five year plan Youth Development Strategy in 2019 which serves as the pillar of Youth Development within Ray Nkonyeni Municipality. The strategy will be reviewed in 2024.One of the objectives of this strategy is to ensure that young people take full responsibility of their livelihoods and serve as leaders within their communities. Youth development unit has identified a need of grooming young people within its structures and ensuring that they understand their role as leaders and to provide them with soft skills aimed at training young people to be able to adapt,survive and succeed in a constantly changing environment.

3.4.4.4 Anti-Fraud and Anti-Corruption Strategy

The municipality has athree year anti-fraud and anti- corruption in place, adopted in November 2018, to be reviewed annually, which it has been. Anti-Corruption has been a priority in the programme of government for many years and the municipality took a stance to stamp it out. RNM's main objective of formulating the strategy is to detect and prevent fraud.

3.4.4.5 Public Participation Strategy

The strategy was adopted in 2016 and is reviewed as and when needed. The rationale behind its formulation is to create a conducive legislative environment and provide practical guidelines for the involvement and participation of local communities in matters of RNM governance and service delivery thus contributing towards a responsive, accountable, effective and people centered municipality ***(See attachment 11: Public Participation Strategy)***

3.4.4.6 Batho Pele Strategy

The Municipality adopted the Batho Pele Strategy in June 2018, to be reviewed when need arises. It must be noted that the implementation of the principles are in line with the KZN Cabinet Lekgotla Resolution of 2016. The municipality fully adheres to the eleven principles of Batho Pele as it has over the years displayed good governance to its communities. ***(See attachment 12: Batho Pele Strategy)***

3.4.4.7 Risk Management Strategy

The Risk Management Strategy was adopted in 2017 and reviewed annually, which it hasThe purpose of this strategy is to provide a risk management framework and guidelines to be followed and applies to all personnel within the municipality. Its objectives being:

- Promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities to benefits the organisation in encouraged;
- Provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- Establish a culture of Risk Management within the Municipality;



- Effectively manage specific risks within the Municipality such as security and fraud and corruption;
- Ensure that the Municipality complies with legislation, policies, and regulatory requirements Embed risk management into the culture and language of the Ray Nkonyeni Municipality;
- Define boundaries regarding risk management within the Ray Nkonyeni Municipalit

3.4.5 Bid Committees

The municipality has fully fledged Bid Committees. Each Bid Committee comprises of a number of members of which 1 member being from the Procurement Section.

i.Bid Evaluation Committee(BEC)

The BEC is responsible for the evaluation of bids submitted in response to a public invitation for bids. The committee must, as far as possible, consist of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality or municipal entity This committee comprises of 5 members, chaired by the Head of Department Public Safety. Members comprise of:

- Head of Department Community Services
- Senior Manager Technology Hub
- Officer Supply Chain
- Manager Budget

ii.Bid Adjudication Committee(BAC)

In accordance with Chapter 11 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) delegated authority had been bestowed to the Bid Specification Committee to approve tenders and tender notices whereas the Bid Adjudication can adjudicate all tenders up to the value of R5million. Any value over and above will be awarded by the Municipal Manager at his discretion.

In accordance with the Supply Chain Management Regulations and Section 17 of the municipality's Supply Chain Management Policy, all awards made by the Bid Adjudication Committee are submitted to Council monthly as part of the oversight role.

The BAC committee comprises of 6 members, chaired by the Chief Financial Officer.The membeers being:

- Head of Development Planning
- Head of Corporate Services
- Manager Supply Chain
- Senior Manager Mayoralty and Communications
- Senior Manager Building Control



3.4.6 Municipal Structures

Table 81: Municipal Structures

No.	Role Players	Roles And Responsibilities
1.	Ugu District Municipality	• Horizontal alignment of IDP' s between local and the district; • Vertical alignment between district and local municipalities, National, Provincial as well as other district municipalities • Formulates the district process plan based on the district's framework plan; • Formulates, manage and approve districts IDP; • Monitors and evaluate the district IDP process plan; • Ensures that draft process plans are compiled by the local municipalities with Ugu District; • Ensures that the process plans adhere to the framework as agreed; • Ensures that all local municipalities under the district adhere to the timeframes in the framework plan as agreed; • Coordinates the alignment of the district's budget process with the district IDP Process and local IDP processes; • Facilitates vertical alignment of IDP's with other spheres of government and sector departments and the preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists; • Gives financial support in line with its financial policy; • Gives institutional support to develop expertise.
2.	Ray Nkonyeni Municipality	• Guides provincial sector departments participation in their contribution to the municipal planning processes; • Guides departments in assessing draft IDP's and to align their sectoral programmes and budget with the IDP's; • Assists in accessing financial grants for IDP process; • Monitors the progress of the IDP processes through the district and IDP Managers Forum; • Facilitates resolution of disputes related to the IDP; • Organizes IDP-related training when required; and • Co-ordinates and manage the MEC's assessments and comments with regards to IDP's. • Orientation of councilors on IDP.



3.	Ugu District Planners Forum	Meetings to be chaired by the district IDP Manager; • Planning Development Unit render secretarial services; • Consists of the four local municipalities IDP Managers; • IDP Forums to be held quarterly to: Coordinates technical submissions and the compilation of the respective IDP documents Ensures horizontal alignment between the district and local municipalities IDP's, and Ensures vertical alignment between the district and local municipalities, National and Provincial spheres
4.	Co-operative Governance and Traditional Affairs	• Coordinates participation and cooperation of all other key sector departments. • Monitors and advice the municipalities on the drafting, review and implementation of the IDP. • Ensures that sector department's planning is informed by Ray Nkonyeni plans and IDP • Closely monitor sector departments performance in terms of fulfilling their core functions and support Ray Nkonyeni
5.	Sector Departments	Identify an IDP Coordinator in the sector departments • Contribute knowledge and ideas about planning issues in the province and sectors; • Contribute relevant information on the provincial sector departments plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner; • Ensure that their objectives and strategies and projects take various IDP's into consideration and adjust their budgets as informed by the various IDP's into consideration and adjust their budget as inform by the various IDP's; Engage in a process of alignment with district municipalities, and participate in the provincial management system and co-ordination; • Ensure active participation in IDP Representative Forum and Task Teams



6.	Ugu District Development Planning Unit	Development Planning Unit provided the following function: • Provide methodological guidance and support to local municipality during the IDP implementation and review and well other planning processes; • Support the planning and implementation management process of local municipalities and district municipality • Establish and maintain close links with public and private service providers for proper programme alignment in municipal; • Provide information to municipalities relevant national and provincial policy and legislation frameworks; • Organize/conduct relevant training events for municipalities to build their planning and implementation management capacity; and • Liaise with Donors and other state agencies for municipalities to build their planning and implementation management capacity; • Liaise with Donors and other state agencies for funding to the municipalities; and • Render secretarial services to all district communication and sub-committee.

3.4.7 Ugu District IDP Forum

The Ugu District Municipality's IDP forum meetings are held on a monthly basis. There is a lso a Planners forum committee which was established to assist with capacitation and empowerment of the local municipalities that fall within the District. The committee comprise of Ugu District Municipality IDP unit, IDP managers and town planners from the four local municipalities and COGTA. The committee also ensures that the Integrated Development Plans of municipalities are aligned. The committee also ensures local municipalities align with the district municipality, provincial departments and get advice and assistance required prior to the IDP assessments. Meetings rotate amongst all the municipalities. The Provincial department fully participates in the IDP Forum meetings and provided technical support in the IDP development process. The municipality also attends all the IDP Indabas organized by the Provincial department. The department also provides financial and technical support to municipal development and planning initiatives.

3.4.8 Task Teams

The municipality uses a task team approach for management to the development agenda in an integrated manner and ensuring ownership at corporate management level. The rationale behind this approach is to ensure management take full control of the IDP given the recognition of the IDP as the master strategic plan of the municipality.

The task teams are led by Heads of Departments looking at strategic position of each department, cross cutting matters, how departments can support and assist each other to fast track and ensure implementation plans. IDP task team focuses on the following IDP Review key focus areas:



- Infrastructure provision and maintenance
- Budget aligned to the IDP priorities
- Development and implementation of Strategic Sector plans
- Good Governance and accountabili8ty
- Financial viability and value for money
- Spatial planning and rural planning development
- Youth development and skills development
- Job creation, economic growth and transformation
- Safe and healthy environment
- Effective supervision of service providers
- Knowledgeable communities
- Tourism industry support
- Promoting sports and recreation and cultural diversity

3.4.9 Internal and External Forums

The municipality consists of both internal and external forums that contribute and inform the IDP Review, and these are detailed in the table below.

Table 82: Process Plan and Internal Structures

Role Player	Purpose	Date
Council	• Adopt IDP Process Plan • Consider draft IDP • Consider public comments • Adopt final IDP	August 2023 March 2024 April – May 2024 May 2024
EXCO	• Consideration of process plan • Confirmation of key issues and consideration of IDP Cluster Meetings recommendations • Confirmation of resources allocation per key issue • Consider vision statement • Consider IDP prior Council approval	August 2023 February 2024 March 2024 May 2024 May 2024
IDP Representative Forum	Input on vision, objectives and strategies Input on priorities and projects Consider and recommend IDP document for council approval Final inputs into the IDP Process Plan	February 2024 March 2024 May 2024 August 2023
IDP Cluster Meetings	Provide strategic direction Advise Provide departmental support	March 2024 May 2024



Steering Committee	• Consider process plan • Revision of strategic framework • Compilation of preliminary project list • Planning of project planning phase, setting up of project teams and determining terms of reference for project teams • Review progress made with project plans • Screening of all project plans • Consider comments and objections received to the revised IDP	August 2023 March 2024 March 2024 April 2024 May 2024 May 2024 May 2024
COGTA	Alignment of projects and programmes by Sector Departments and Municipalities	November 2023
Public Participation	• Community needs • Budget • Community consultations and participation	March 2024 April 2024 April 2024
LED Forum	An oversight of programs inclusive of all sector departments	Sits once per quarter
Joint municipal planning tribunal	Decide on development applications	Once per month

3.4.10 Audit and Risk Management

Both the Internal Audit unit as well as Risk Management unit operates under the Office of the Municipal Manager with the latter regarded as an independent unit. The objective of both units with different roles and responsibilities or areas of focus is to bring assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Both units report to the municipal Manager. The Internal Audit unit further reports it's functionally directly to an Audit Committee which consists only of external members and sits on onthly basis.

3.4.10.1 Internal Audit Functions on Governance

Ray Nkonyeni Municipality has an established Internal Audit Unit within the office of the Municipal Manager in terms of Section 165 (1) of the Municipal Finance Management Act, Act 56 of 2003, and (MFMA), and responsible to the Chairperson of the Audit Committee and for administrative purposes, reports to the Accounting Officer via the Manager:

The Unit has a fully fledged staff which comprises of a manager, Senior Auditor and three (3) officers.The purpose of the Internal Audit Activity is to assist the Accounting officer and Senior Management in achieving their objectives and to discharge their responsibilities by providing an independent, objective assurance and consulting services designed to add value and improve the municipality's operations. Internal Audit asists the municipality to accomplish its objectives



by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal audit is an appraisal function established within the Municipality to independently examine and evaluate the activities of the Municipality as a service to the Council in particular and to Management in general. It is a control function which functions by examining and evaluating the adequacy and effectiveness of internal controls and furnish Management with analyses, appraisals and recommendations concerning the activities reviewed.

Internal audit has an independent status within the municipality and is not involved in the day-to-day internal checking of systems within the municipality nor involved in the implementation of internal control systems. In discharging its responsibilities, internal audit:

- review systems and operations to assess the extent to which Municipal objectives are achieved, and the adequacy of controls over activities leading to such achievement;
- evaluate the relevance, reliability and integrity of management and financial information;
- appraise utilisation of resources with regard to economy, efficiency and effectiveness;
- assess the means of safeguarding assets and verify their existence;
- ascertain the extent of compliance with established policies, procedures and instructions;
- recommend improvements in procedures and systems to prevent waste, extravagance and fraud;
- advise on appropriate systems of controls and other accounting and operational matters in a consulting capacity;
- draw attention to any failure to take remedial action;
- carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by the Audit Committee or by the Accounting Officer; and
- To maintain a professional internal audit staff with sufficient skills, knowledge, experience and qualifications.

3.4.10.2 External Audit Committee

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. In terms of section 62(1) (c) of the Municipal Finance Management Act (MFMA), No.56 of 2003, the Municipal Manager is the Accounting Officer and is responsible from managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. This committee reports to Council and does presentations to Council once a quarter. It is afforded wide powers and statutory obligations in terms of Section 166 of the Municipal Finance Management Act. Audit Committee meetings and Performance Audit Committee meetings take place at least four times a year.

3.4.10.3 Municipal Public Accounts Committee (MPAC)

The municipality has an established MPAC Committee that sits once a quarter. It consists of seven(7) members, with all political parties within Council being represented.. The committee is chaired by a member from the ruling party. The Committee reports to EXCO then Council. Its main function is to look at financial reports, suspicion of fraud and then investigate, and report



back to Council. Depending on the findings reported to council, either Council takes decisions itself or cascade the matter to Cogta or report to the the SAPS for further investigation.

3.4.11 Risk Management

RNM has a risk unit, under the Internal Audit Section. The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives. The risk committee of the municipality meets quarterly. The Risk and Fraud Management officer constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.
The committee comprises of five member with teir designation listed below.

Table 83: Risk and Fraud Management Committee

MEMBER	POSITION
Chief Financial Officer	CHAIR PERSON
HOD Strategic Planning and Governance	MEMBER
HOD Corporate Services	MEMBER
Risk and Fraud Officer	STANDING INVITEE
Internal Audit	STANDING INVITEE

3.4.11.1 Risk Assessment and Register

For an effective free risk organization, there need to be sound strategies in place to enhance a smooth running on daily basis. It is in this regard therefore the municipality has strategies to manage risks. The process starts with the risk assessment session where management identify the currently existing risks and as well as possible risks. Once these risks have been identified management comes up with future action plans to mitigate the identified risks and the target dates for implementation of the future action. Once the risk assessment has been finalized, the Risk and Fraud Management Officer develops a risk register. The risk register is submitted to the Risk Management Committee, Corporate Management Committee and to the Audit Committee. The rationale behind the submission amongst others is to monitor risks facing the municipality and how best to mitigate those identified. Ther are certain aspects that any risk register should monitor and ensure that they are addressed properly. Ray Nkonyeni Municipality's risk register looks at a number of fraud risks and some are listed below:

- Payment to incorrect Service Provider
- Duplication of invoices
- Fraudulent payments
- Suppliers claiming for Vat yet they are not vetted
- Ghost suppliers created in the system

The Risk and Fraud Management officer constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.



3.4.12 Public Participation Analysis

The purpose of this section is to discuss public participation as an integral part of the IDP development and implementation process. The section also outlines principles, processes and structures to ensure effective public participation in the development and implementation of an IDP.

This function falls under the Office of the Speaker and the Manager reports direct to the HoD Strategic Planning and Governance. Public participation is encouraged through the Mayoral Izimbizo and Budget Road shows. Ray Nkonyeni has a Community Participation Strategy that is reviewed when a need arises. The strategy commits itself to use community bnning to ensure communities even the marginalized are involved in the development from the initial phases of development projects. A public participation forum has been established to effectively deal with public participation structures and issues thereof.

As per the Back to Basics approach, municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward Committees;
- The number of effective public participation programmes conducted by Councils
- The regularity of community satisfaction surveys carried out.

To the above mentioned, Ray Nkonyeni Municipality takes pride in announcing that it fully adheres to the Back to Basics approach, all is in place and fully functional.

Ray Nkonyeni encourages public participation of local communities through various mechanisms including but not limited to ward committees. Ward committees have been established in all 36 wards and are fully functional with a 100% rating. A number of community report back meetings are held every month.

i. Public Participation Cluster Meetings

The municipality introduced cluster meetings that sit quarterly to ensure that all issues received from communities are responded to timeously.These cluster meetings are chaired by Portfolio Committee Chairs (Political Champions). HoDs are Administrative Champions. All Stakeholders participate in these meetings. Amongst other responsibilities these committees undertake, they deliberate on SDBIP progress, responses on service delivery issues raised during the previous quarter, deliberate on new issues if any and report on Ward Committee functionality.

Public participation by various stakeholders e.g. Traditional Authorities have also been involved. It must be further noted that public participation reports are submitted to Council on regular basis. The Mayor ensures that she meets at least once quarterly with Amakhosi and Council resolved that Amakhosi should sit on all council meetings as per Section 81.

3.4.12.1 Participation Analysis

The mechanisms that the municipality uses for its public participation are as follows:

- **IDP Representative Forum (IDP Rep Forum)**

This forum represents all stakeholders and is as inclusive as possible. Efforts have been made to bring additional organisations into the Representative Forum and ensure their continued participation throughout the process.



- **Media**

Local newspapers are used to inform the community of the progress of the IDP Review.

- **Information Sheets**

This will be prepared in English and IsiZulu and be distributed via the Representative Forum; Council and Ward Committees.

- **Road Shows / Izimbizo**

Road shows are held twice a year, April and November in all the wards within the municipality.

- **Radio Slots**

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise. A budget of R1.550M has been set aside for radio slots for this current financial year.

3.4.12.2 Ward Committee Functionality

A budget of R3.6 M has been set aside for Ward Committees out of pocket expenses/stipend. Ward committees are paid on monthly basis based on the following:

- The Ward Committee members sit in ward committee meetings three times a month
- Sit in Community meeting 3 times a quarter
- They submit a monthly comprehensive report detailing activitiesof the month to the office pf the Speaker
- Councilors submit comprehensive quarterly reports to the Speaker

Participation takes place in different forums, meetings and gatherings. The IDP Representative Forum is the main forum where external stakeholders including provincial departments, Traditional Leaders/Amakhosi, Ugu district municipality, business, entities and parastatals are invited to discuss developmental challenges facing the municipality and means of overcoming developmental challenges.

This review process also had an advantage of a ward planning process that happened parallel and meant to inform the IDP Five year plan. Also the fully functional ward committee strengthens the participation process. The Mayoral Izimbizo in October 2021 once again formed the cornerstone of public participation for this process.

All ward committees are committed to serve their communities and are fully functional. The municipality is currently conducting workshops to capacitate the newly elected ward committee components to ensure the ward committees are fully functional and effective. Furthermore the municipality has set resources aside to assist with the operational costs of the ward committee structures to enrich public participation and therefore the IDP.

Systems have also been put in place to effectively and efficiently deal with ward committee issues. The municipality has delegated Committee Clerks to serve as secretariats at ward committee meetings to provide more support and ensure that issues that are deliberated at these meetings are service delivery based and that Council effectively addresses the issues raised at the ward committee meetings. The municipality in partnership with IDASA in capacitating ward committees.



The non-attendance of Sector Departments poses a number of challenges and limitations for the municipality such as:

- Limit level of engagement and knowledge sharing
- No proper alignment
- Duplication of funding
- Department projects that are not urgent to communities
- Some sectors are neglected some remain unfunded

3.4.12.3 Ward Based Planning

The municipality has undertaken Ward Based Planning Sessions to formulate the new generation 5 year plan IDP which has already been adopted by Council. Ward/Community Based Planning (WBP) programme forms a major component of the Good Governance and Public Participation KPA. Ward Based Planning prioritizes needs are formulated for five years and reviewed annually. Further to this, for a more effective planning, the municipality has undertaken this exercise, planning was prepared by the residents of the ward, owned by the community and will be supported by discretionary ward funds provided by the municipality and where possible, a sector department and provide useful information in guiding the IDP. The Ward Based Plan will be reviewed annually for the next five years. Participants include, Stake holders, ward committee members, CDWs and Amakhosi/representatives from traditional authorities who jointly plan and prioritize for their respective wards and vision for each ward. Ward Based Plans are currently under review, to be adopted by Council inline with the IDP.

3.4.13 Putting People First (Batho Pele)

i. Customer Service Delivery Charter and Standards

The Customer Service Delivery Charter and Standards of the municipality was reviewed and adopted in 2018.The charter serves as an expressed commitment by the municipality to its end users as an effort towards building a customer driven organization where the requirements of the customer comes first, within the limits of available resources. The municipality has over the years undertaken to consult all its customers on the level and quality of services provided as well as development required, to continue to improve the living conditions of its communities. Further to this, the municipality has committed to serve its customers as envisaged by the Batho Pele Principles in the White Paper on the transformation of the Public Service (1997) as follows:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress
- Value for Money
- Encouraging Innovation and Rewarding Excellence
- Customer Impact
- Leadership and Strategic Direction



ii. Procedure Manual

The municipality has designed a procedure manual to regulate all major decisions, actions and principles to be undertaken. It must be noted that the document has since been presented to Corporate body of the municipality for comments and additions which thereafter will be then presented to Executive body and finally to Council for adoption. This document sits in the stakeholder Relations and will be reviewed if need arises. The manual provides authority and necessary guidance to the entire municipality and has been made available to all employees of the municipality as well as communities at large. The following have been incorporated in the manual:

- Employment Procedures
- Work from home policies
- Organization culture
- Communication policies
- Payment Procedures
- Workplace guidelines
- Employee code of conduct
- Technology usage procedure

iii. Service Delivery Improvement Plan

Ray Nkonyeni Municipality has developed a Municipal Service Improvement Plan. ***(See attachment 3: MSIP)***. Local Municipalities under Ugu District have since requested assistance from Cogta with regards to formulating the Service Delivery Improvement Plan, and there has not been any response as yet.

The municipality has identified services to be improved in the next three (3) years and they appear in the table below:

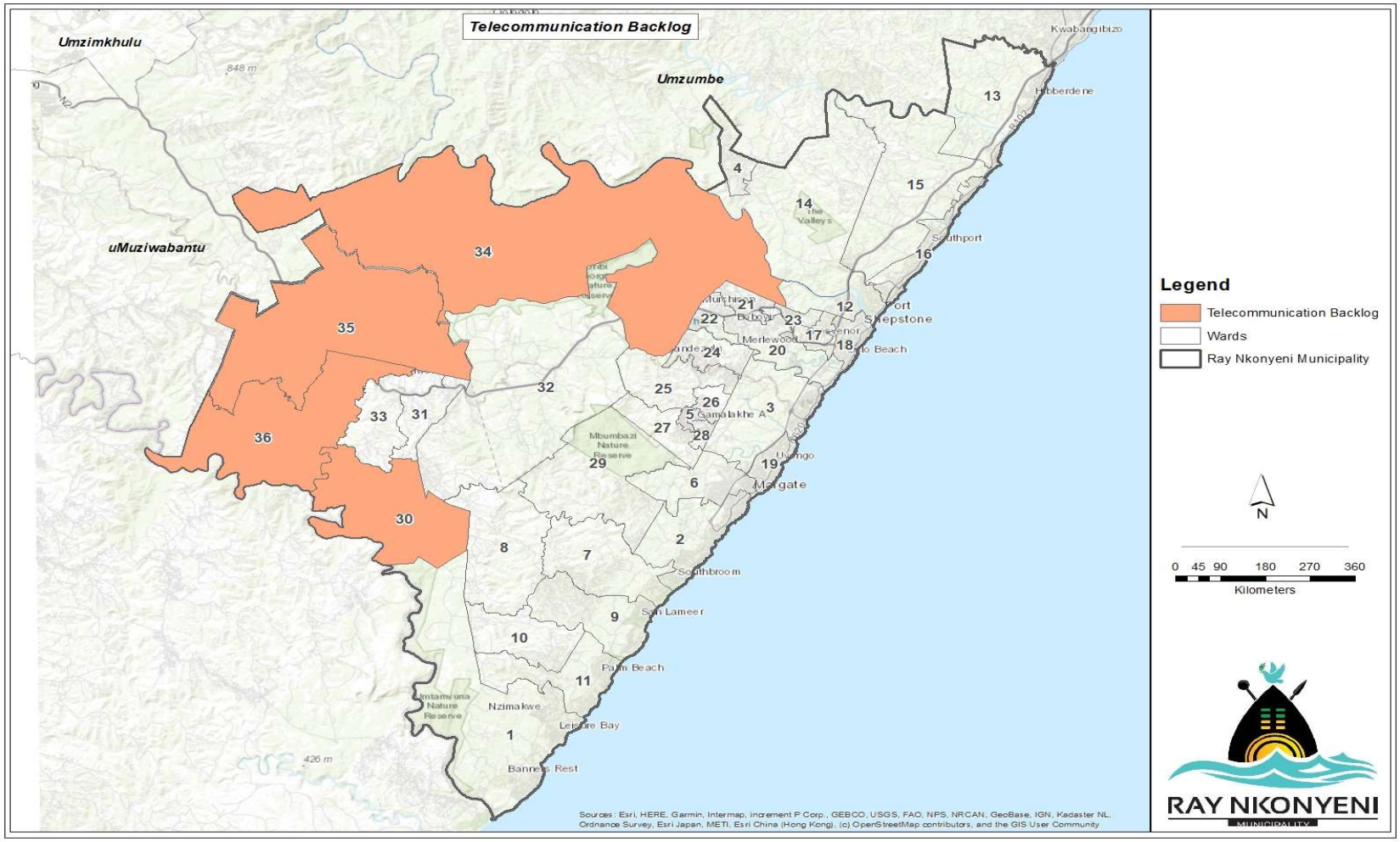
Table 84: Service Delivery Improvement Plan

PROJECT	IMPROVEMENT PLAN
Refuse removal	The municipality has extended its refuse removal to areas previously not receiving this service (rural). Skips have been provided where refuse is stored until collection time. In some areas identified, refuse is collected once a week
Motor licensing	The municipality needs to improve its customer care and minimize complains from the public
Electrical services	The Electrical Master Plan has been developed and is in place. This plan seeks to address those areas that have a backlog in electricity and also it addresses concerns in areas where other types of energy need to be utilized.

iii. Telecommunication

There is quite good telecommunication network coverage in urban areas, while the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the majority of people rely on cellular phones. Some key issues faced by the Municipality access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs.

Map 35: Areas with Poor Telecommunication Coverage



Source: RNM GIS 2021



iv. Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP is in place and the six Key Performance Areas are listed. Performance Indicators are clearly outlined per KPA as well as the framework. The municipality has adopted Strategic Objectives to measure performance which is reported on quarterly basis where by portfolio of evidence is then produced, and if targets have not been met due to challenges encountered, corrective measures must be made to enable a smooth flow of action.

3.4.14 Operation Sukuma Sakhe (OSS)

The rationale behind OSS is to align with the National startegies that guide OSS. RNM has a fully fledged OSS programme and meetings in all wards are held once or twice a month.

3.4.14.1. Functionality of OSS

Operation Sukuma Sakhe within Ray Nkonyeni Municipality is fully functional. Community Care Givers (CCG) and representatives from the local tribal authority form part of the OSS. The chairperson is elected by the stakeholders. CCGs are foot soldiers in the community who collect information based on challenges. Once information has been gathered, it is then reported back to the war room. OSS is made up of:

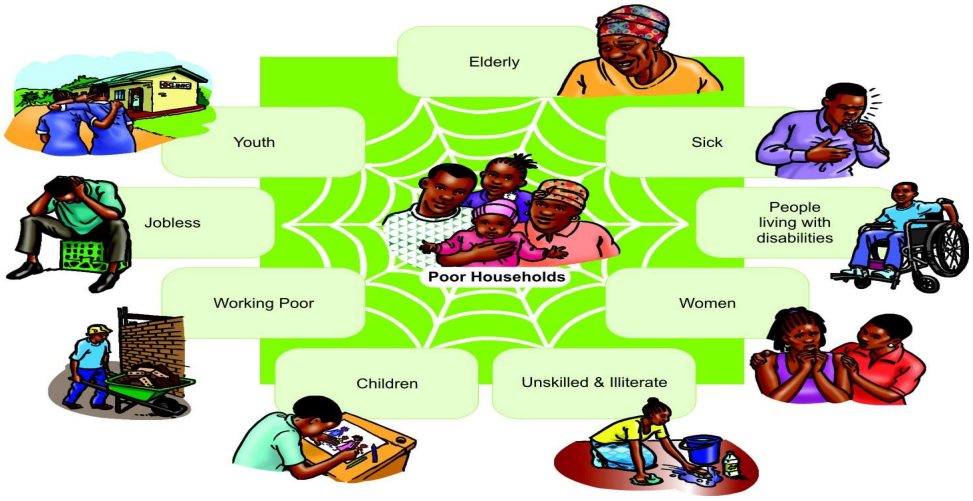
- Local Task Team (LTT)
- War room Champions and mentors
- War room champions secretary
- CDWs
- NGOs

The municipality has partnered with the Ugu District Municipality as well as Provincial Departments in implementing the Sukuma Sakhe flagship programme which is aimed at creating sustainable livelihoods through the provision of integrated services to communities.

3.4.14.2 OSS Programmes

Each department would then pick up issues relevant to it and address them, then report back to the war room. It is then that these issues are escalated to the Local Task Team (LTT) who will then cascade them to the District Task Team (DTT). RNM has recently appointed its management with the task of sitting in war rooms with an intention of guiding and assisting with skills where need be.Managers will be in a position to identify performance gaps. Below is an illustration of how war room operates. The primary clients of OSS are the most vulnerable groups within poor households. OSS defines the most vulnerable groups as women, children, youth, unemployed adults who either are jobless or earn below minimum wage, unskilled and illiterate adults, the chronically sick, persons living with disabilities and the elderly (see illustration below).

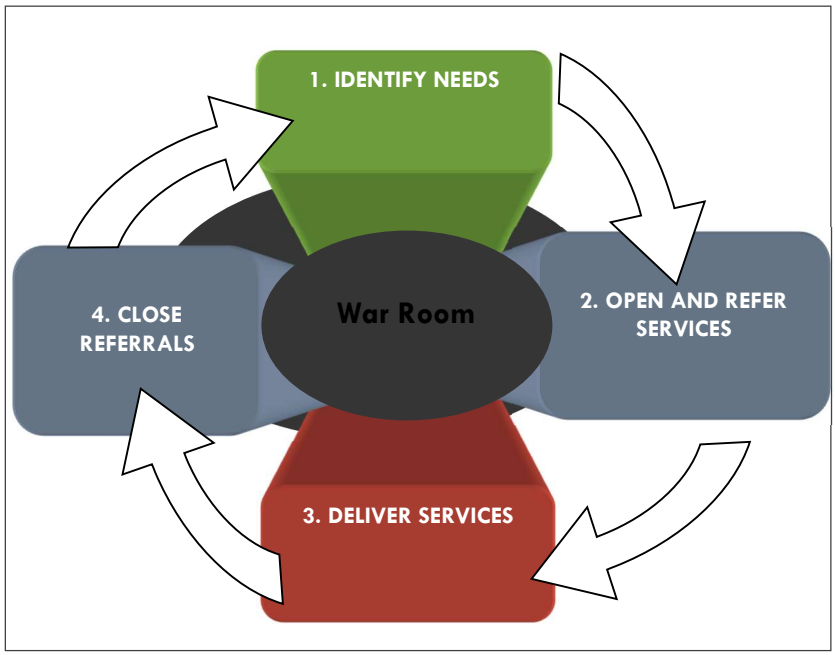
Illustration 16: Operation Sukuma Sakhe Target Groups



3.4.14.3 War Rooms

War rooms are intended for the mostly deprived wards, so in as much as it was mentioned earlier on that OSS is fully functional in all wards, it must be noted that in urban wards there are no war rooms, but meetings are held on monthly basis to obtain the needed information to be cascaded to relevant sector departments.

Illustration 17: War Room Process





3.4.14.3.1 War Room Challenges

It must further be mentioned that even though war rooms are functional , there are no suffient tools of trade to function effectively. Below are the obstacles that hinder effective functioning of these war rooms:

- Non-attendance by Sector Departments
- Lack of proper training tools on the programme
- No resources e.g. stationery and other equipment since CDW's are not in all wards
- Poor response and non – submission of referral forms to Sector Departments
- High volume of unresolved issues raised in war rooms and non-intervention by the Sector Department

3.4.14.4. District Development Model Implementation

RNM fully aligns with the DDM in rolling out of OSS. Functional tasks teams at both Provincial and District level have been created to deliver intergrated services to individuals, house holds as well as communities. The municipality has set its objective through the DDM in creating a fully efficient OSS human capital structures across all levels of the OSS implementation package. Accoerding to the DDM, profiling of individuals, households at ward level and the building of a database for different services required must be done, so has RNM.

3.4.14.4.1 DDM Functionality

- The cluster convenes once a month
- The members include (both District & Local)
  - Municipal Managers
  - Development Planning Managers
  - IDP Managers
  - Town Planning Specialists
  - PMS Officials
  - Sector Departments
- The matters of discussion in the forum pertain the alignment of projects between district and local, and also to check the efficiency of Operation Sukuma Sakhe Structures

3.4.15 Amakhosi

The Municipal Structures Act, Section 81 stipulates that Traditional Authorities may participate in the proceedings of the Council. This is carried out to enable the traditional leaders to partake in development issues or any facing their jurisdiction. Ray Nkonyeni Municipality has adhered to this section of the Act. There are two Traditional Authoritatives in Council who represent all traditional leaders within the municipality.

3.4.16 Back to Basics

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.



3.4.17 Municipal Sector Plans/Policies/Strategies

To ensure good governance and achieve goals and targets set, the municipality has policies, strategies, plans as well as By Laws in place that have been adopted by Council as listed below:

Table 85: Municipal Sector Policies/Strategies and Plans

STRATEGIES

NO.	DEPARTMENT	STRATEGY	DATE OF LAST ADOPTION	DATE OF REVIEW & NEXT ADOPTION
1.	STRATEGIC PLANNING & GOVERNANCE	Communications Strategy	2017	Was adopted in March 2023
		Batho Pele Strategy	2019	To be reviewed when necessary
		Youth Strategy	2019	Will be adopted 2024
		HIV/AIDS Strategy	2017	The province is still yet to formulate a new strategy whereby municipalities will customise theirs.
2.	DEVELOPMENT PLANNING SERVICES	Port Shepstone Urban Renewal (Precinct Plan) strategy	2021	Reviewed when need arises
		Margate Urban Renewal strategy	2018	Reviewed when need arises
		GIS Strategy	2018	To November 2023



		Urban Development Planning Framework for Shelley Beach, Uvongo & Margate strategy	2016	Was adopted in 2021, reviewed when need arises
		Urban Development Planning Framework for Hibberdene & Port Edward	2017	Reviewed when need arises
		Wall to Wall Scheme	2019	Next review & adoption, November 2023
		LED Strategy	2018	Next review & adoption, November 2023
3.	CORPORATE SERVICES	IT Strategy	2017	Adopted in 30 May 2023
		Human Resource Strategy	2017	Will be adopted in June 2023
		ICT Firewall Management & Procedure strategy	2020	Adopted in 30 May 2023
4.	COMMUNITY SERVICES	Halls	2010	TO BE REVIEWED in 2023/24 Financial year
	MZIMELA	Plot &Clearance strategy	2008	Amended & reviewed when need arises

POLICIES

NO.	DEPARTMENT	STRATEGY	DATE OF ADOPTION	DATE OF REVIEW & ADOPTION



1.	STRATEGIC PLANNING & GOVERNANCE	OPMS/Procedural manual Policy	2017	To be adopted in June 2023
		Ward Committee Payment Policy	2021	Adopted in May 2023
		Ward Committee Elections	2023	Will be reviewed after the 2026 elections
		Risk Management Policy	2017	Reviewed annually
2.	DEVELOPMENT PLANNING SERVICES	Informal Trading Policy & Management Framework	2018	To be adopted November 2023
		Investment Incentives Policy	2020	To be adopted November 2023
		Investment Protocol	2018	To be adopted June 2024
		SDF Framework	2017	To be adopted in May 2023
		GIS Policy	2020	Reviewed when need arises
		Business Licensing	2020	To be reviewed and adopted in 2025
		Container Policy	2018	Under review
		Telecommunications Infrastructure Policy	2018	Under review
3.	CORPORATE SERVICES	Firewall Management and Procedures Policy	2020	To be adopted 30 May 2023
		Business Continuity Plan (BCP)	2021	Adopted 30 May 2023



Governance Implementation Plan		Adopted 30 May 2023
ICT Governance Framework	March 2021	Adopted 30 May 2023
ICT Governance Charter	March 2021	Adopted 30 May 2023
IT Disaster Recovery Plan (DRP)	March 2020	Adopted 30 May 2023
ICT Backup Policy	2019	Adopted 30 May 2023
ICT Change Control Management Procedure	June 2020	Adopted 30 May 2023
ICT Usage & Security Policy	March 2020	Adopted 30 May 2023
User Account Management Policy	June 2020	Adopted 30 May 2023
Recruitment & selection Policy	2017	Adopted 30 May 2023
Employment Equity Policy	December 2016	Adopted 30 May 2023
Leave Management Policy	May 2017	Adopted 30 May 2023
Cell phone Policy	March 2019	Adopted 30 May 2023
Fleet Policy	June 2017	Currently under review, to be adopted in June 2023
Land disposal Policy	June 2020	Currently under review, to be adopted in June 2023
Acting Policy	September 2017	To be adopted in September 2023



4.	TREASURY	Cost containment Policy	July 2021	Currently under review, to be adopted in June 2023
		Creditors & Staff payment policy	June 2018	Currently under review, to be adopted in June 2023
		Consumer care credit control and debt collection Policy	June 2018	Currently under review, to be adopted in June 2023
		Indigent Policy	June 2018	Currently under review, to be adopted in June 2023
		Property rates policy	June 2018	Currently under review, to be adopted in June 2023
		Funding & Reserve Policy	June 2018	Currently under review, to be adopted in June 2023
		Supply Chain Policy	June 2017	Currently under review, to be adopted in June 2023
		Procurement Policy	July 2021	Currently under review, to be adopted in June 2023

PLANS

NO.	DEPARTMENT	PLAN	DATE OF ADOPTION	DATE OF REVIEW
1.	STRATEGIC PLANNING & GOVERNANCE	Ward Based Plans	2019	Adopted in May 2023



2	DEVELOPMENT PLANNING SERVICES	Alamein Precinct Plan	30 June 2016	Reviewed when need arises
		Gcilima – Gamalakhe Local Area Plan	30 June 2016	Reviewed when need arises
		Margate Airport Master Plan	30 June 2016	Once off plan, no review
		Poverty alleviation Plan	November 2018	Currently under review, to be adopted in November 2023
3	TECHNICAL SERVICES	Electrification Master Plan	2018	Currently under review, will be adopted in June 2023
		Human Settlement Sector Plan	2018	Adopted in May 2023
		Road Master Plan	June 2021	Currently under review, to be adopted in June 2023
		Storm Water Master Plan	August 2021	Reviewed when need arises

BY-LAWS

No.	DEPARTMENT	BYLAW	DATE OF ADOPTION	DATE OF REVIEW
1.	COMMUNITY SERVICES	Waste Minimization By Law	November 2018 Provincial Gazette No.2046 of 21 February 2019	To be amended when need arises



		Beach and Launch site by law	February 2019	Amended when need arises
		Libraries, & Museums		To develop new policies
		Cemetery & Crematorium By law	27 November 2018 (Provincial Gazette No.2036 of January 2019)	Amended when need arises
		Film By Law	29 August 2019	To be adopted in August 2024
2.	DEVELOPMENT PLANNING SERVICES	Informal Trading By Law	26 March 2018	Currently under review, to be adopted in June 2023
		Signage By Law	2006	Currently nder review, to be adopted in November 2023
3	TECHNICAL SERVICES	Electricity Supply By Law	June 2018	Currently under review, to be adopted in June 2023



In addition, in terms of Schedule 4B and 5B of the Constitution, the municipality has also adopted a number of promulgated bylaws and have been reviewed. These include:

- Credit Control by law,
- Fire by law, Beach by laws
- Rates by laws
- Solid Waste bylaws
- Informal Trading bylaws,
- Hiring of halls by laws and
- Environmental Conservative bylaw.

3.4.18 How The Municipality Has Responded to PGDP 2035 Goal 6: Governance and Policy

In response to the Governance and Policy under the following objectives:

- Strengthen policy, strategy coordination and IGR
- Build government capacity
- Eradicate fraud and corruption
- Promote participative, facilitative and accountable governance

Ray Nkonyeni Municipality has ensured that it fully adheres to it. Its policies and strategies talk to the national and provincial levels. The municipality has developed a strong fora for engagement between itself and Government as well as its social partners. Furthermore, the municipality has developed a credible mechanisms to regularly measure the level of alignment between its municipal budget and the PGDP and district and development plans. There are functional IGR Forums, MuniMEC. According to the PGDP 2035, the need to build government capacity to implement policies, strategies and programmes remains one of the most critical priorities of KZN and the country.

Ray Nkonyeni Municipality is proud to announce that all its strategies and policies formulated have been fully implemented. The public is satisfied with the level of service delivery it gets from the municipality, hence no public riots have taken place thus far.. All critical posts have been filled and the municipality received an unqualified audit. The conditional grant the municipality obtained was fully spent in accordance with the business plans in place. The eradication of fraud and corruption is an especially critical objective of the PGDS, and the municipality treats it with a no nonsense stance.

The municipality's governance is run in transparent, fair and accountable manner The anti-fraud and corruption strategy has been adopted. Ethic presentations have been presented by the relevant unit.. There is a hotline running and cases reported are investigated. The municipality also ensures that it fast tracks disciplinary processes for effective consequences of engaging in fraudulent and corrupt activities. The municipality further releases statistics for fraudulent cases.

It must be mentioned that RNM has over the years ensured a swift, fair and efficient action is being taken to conclude all investigations into alleged fraudulent and corrupt activities. The SCM is run in a very transparent and effective manner. The monitoring and auctioning of irregular and unauthorised expenditure has been improved.

As a service delivery entity, RNM aligns to objective 6 which talks to promoting participative, facilitate and accountable governance. The municipality fully accounts to its communities and engages in various platforms as listed earlier in the KPA.

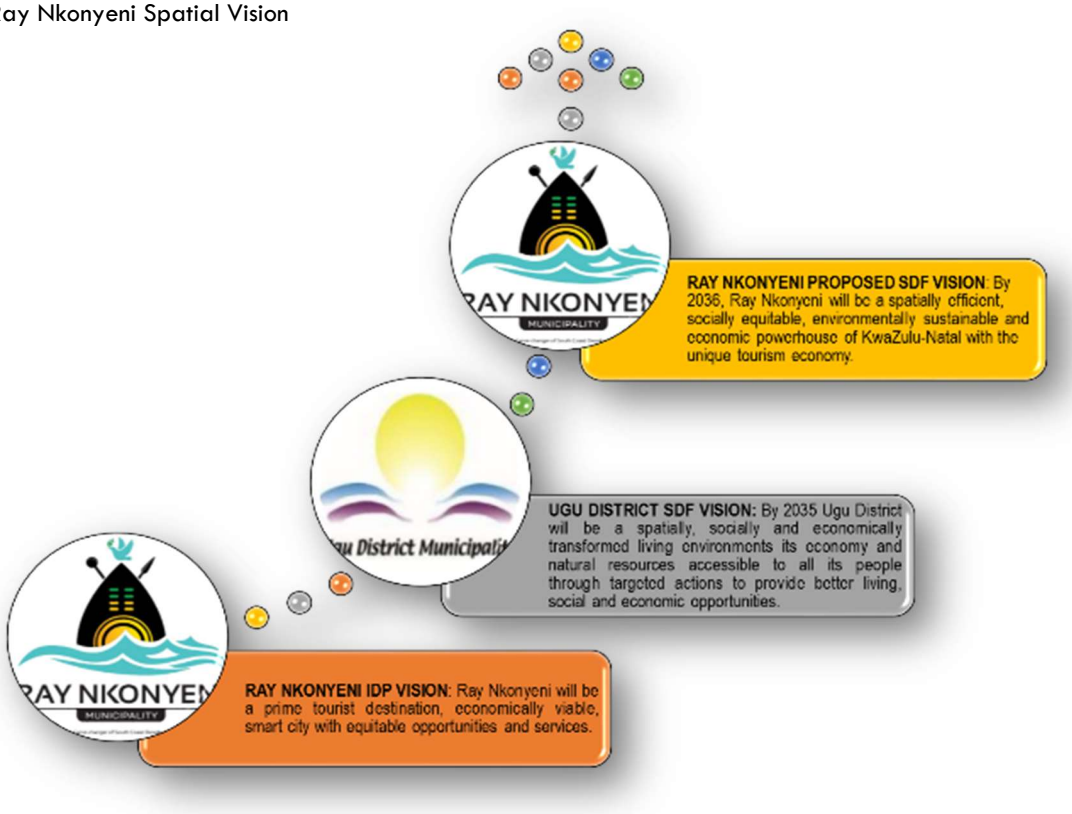
In the case of local economic development being cascaded down, the municipality has leveraged social partnerships in the form of forums where stakeholders and sector departments engage on economic development issues. Ward commitees are full functional and report on monthly basis on community deliberations. The Ugu District has a centralised developmet agency which is fully functional. The agency is promoting a more conducive environment for existing business and potential to realise the economic potential of each of the four local municipalities.

3.4.19 Land Use Management

Ray Nkonyeni spatial vision has been developed to guide the direction and growth of the Municipality. The key underlying themes for the development of this vision are Ugu District Development Vision as captured in the district IDP as well as the principles that emanated from SPLUMA. Ugu DM vision promotes equity and accessibility to the entire spectrum of economic opportunities that the district has to offer.

Illustration 18: RNM Spatial Vision

Ray Nkonyeni Spatial Vision





3.4.19.1 Tribunal

RNM has a Tribunal MPT/JMPT Committee, which comprises of 6members, and sits once a month. The appointed Municipal Planning Authorised Officer is the Head of Department, who also chairs the Tribunal RNM fully adheres to Regulation 14 of SPLUMA, which talks to the submission of land development and land use applications. The tribunal, amongst other procedures, processes land use application and also conducts site inspections for pending land use applictions and/or land developments. The Executive Council is the Appeal Authority within Ray Nkonyeni Municipality.

3.4.20 SWOT ANALYSIS

Table 86: Good Governance and Public Participation SWOT Analysis

Strengths	Weaknesses
• Ward committees are fully functional • Effective Municipal structures\IGR structures fully funtional • Excellent task team Management •Internal audit and Risk Management in place • Excellent good governance • Strategies and policies adopted • Budget transparency • Functional Portfolio Committes • Operation Sukuma Sakhe fully functional • Amakhosi participate in Council • Ugu District Development Agency fully functional • Fully responds to PGDP 2035 goal 6	• Poor attendance of Sector Departments in War Rooms • Deprived Wards • Poor attendance of Amakhosi
Opportunities	**Threats**
• Improved flagship program • Improved functionality of the District's Planners Forum • Excellent Public participation mechanisms • Municipal Structures in place	• Some wards are deprived and other semi deprived • Service Delivery Improvement Plan not in place

3.4.21 Key Challenges

The municipality has identified the following key challenges within this KPA9:

- **Poor attendance of Sector Departments in War Rooms:** There is poor participation os Sector departments in War rooms resulting in not having communities engaging meaningful interms of their needs from departments. This has led to poor service delivery resulting in protests.
- **Deprived Wards:** Rural wards as compared to their urban counter parts are deprived of service delivery. One of the contributing factors is the non showing up of sector departments in war rooms as well as steep toporgraphy being another factor.
- **Poor Attendance of Amakhosi:** Amakhosi have been appointed



3.5 BASIC SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS



Mr M Qwabe
HoD responsible for Basic Service Delivery & Infrastructure Analysis

2022/2023 MEC Comments	Corrective measure	
• LMs are required to reflect **information on water and sanitation** as obtained from the District through coordination between the District and Local Municipalities.	Upon liaising with the District Municipality, there still are no plans for water except for the Water & Sanitation Master Plan	**96%**
• Include relevant water and sanitation **maps**.	Refer to 3.5.1 & 3.5.2	
• Verify **Integrated Waste Management Plan** (IWMP) adoption status.	The adoption date has been verified, refer to 3.5.3.2	
• The LM is urged to include the correct and **updated electricity projects** as shared by Eskom during the IDP preparation process.	The projects have been updated accordingly. Refer to 1.10.3	
• Indicate how the municipality is addressing the **animal pound** function.	Refer to 3.5.10	

3.5.1 Water

The provision of water services is the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip. The District does not have the WSDP hence there is no Operations and Maintenance Plan for water and sanitation, however the district has in place a comprehensive Water Services and sanitation Master Plan.

In South Africa as a whole, water and sanitization related problems are major causes of hospital admissions and deaths. These diseases include dysentery, cholera, typhoid and acute diarrhea



as well as bilharzia. The Ugu District's Environmental Health Department ensures that its waters are not contaminated and closely monitored.

3.5.1.1 UGU District Water and Sanitation Master Plan

The UGU District Water and Sanitation Master Plan for the financial periods 2020/2021 – 2049/2050 is a comprehensive technical report that provides information on the organisation's current infrastructure and on its future infrastructure development plans. This Master Plan replaces the last comprehensive Infrastructure Master Plan that was compiled in 2006. In the context of water services, Ugu District Municipality needs to overcome several challenges relating to capacity, planning, performance monitoring of projects, basic services backlogs, inadequate services leading to sewer blockages amongst others, meter reading challenges resulting in cash flow shortages, ageing infrastructure and the need to provide more serviced residential stands as well as the poor blue- and green drop compliance. ***(See attachment 13: Water & Sanitation Master Plan)***

3.5.1.2 Water Delivery Standards

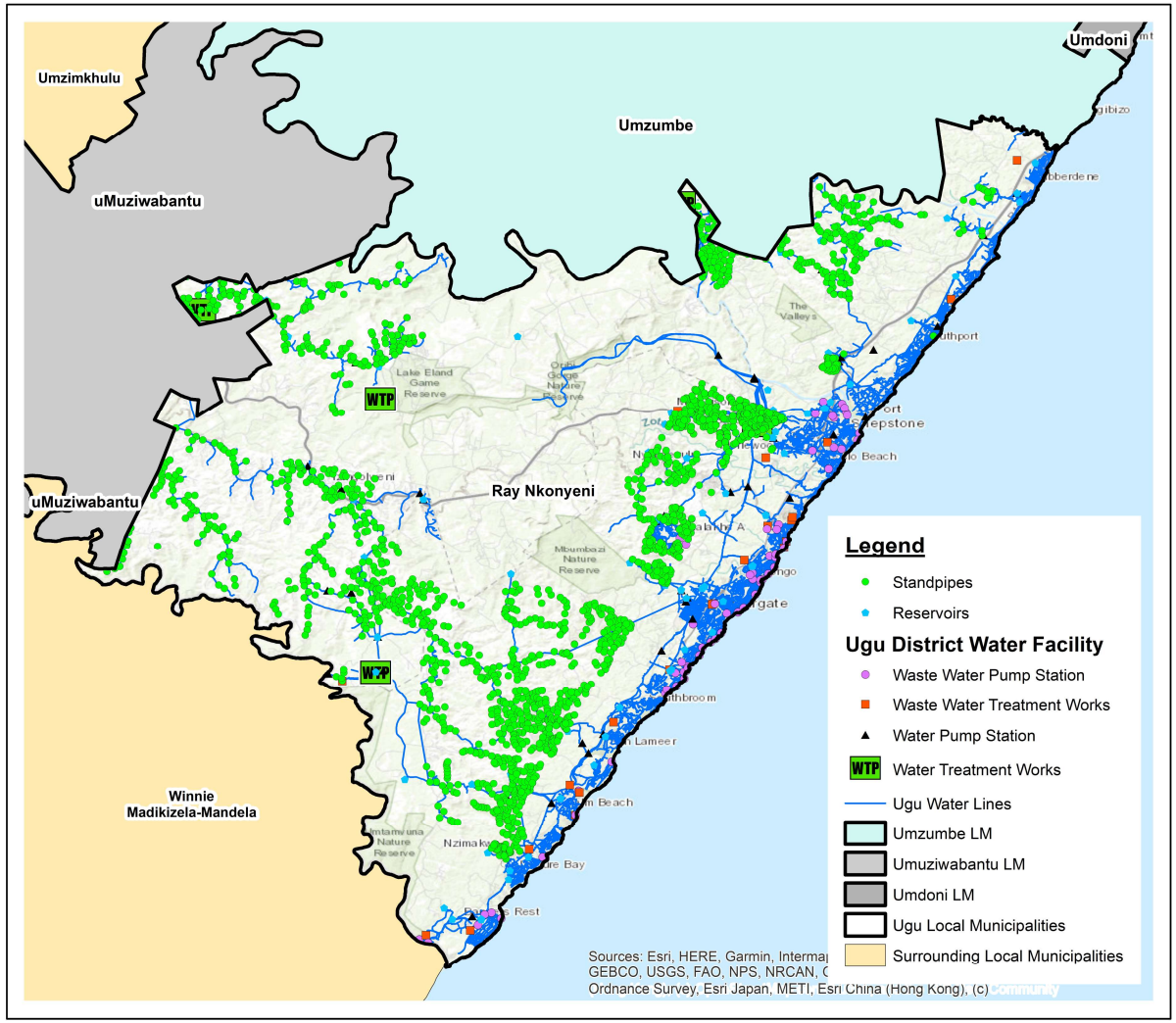
The water supply to the District is derived from dams, rivers, ground water and bulk purchases from eThekwini and Umgeni Water. The water is then treated at several treatment plants, owned by Ugu before being distributed to households.There are 4 UGU Water Treatment Plants located within RNM. They are situated in Ward 4, Ward 30, two (2) in Ward 34, with one of them bordering Ward 32. There are several waste water treatment works in the municipality. These waste water plants use physical, biological, and chemical methods to break down organic matter and stabilize the wastewater. They ensure that the treated wastewater can be safely returned to the environment and meets the safety and discharge regulations.

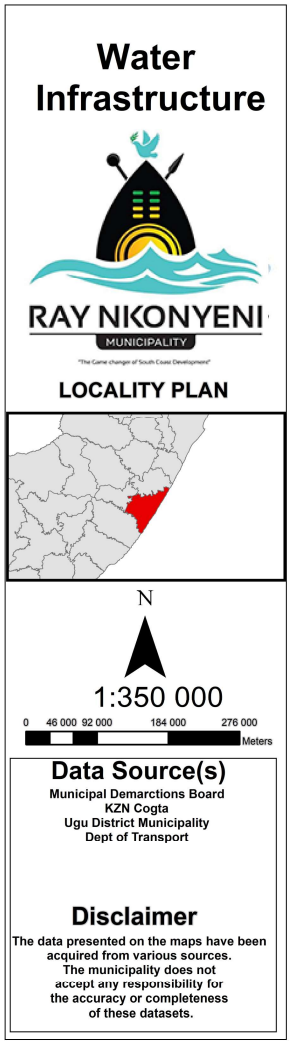
There are numerous water pump stations situated across the municipality to help provide water to as many households as possible.

On the following page is a map showing Water Delivery & Treatment

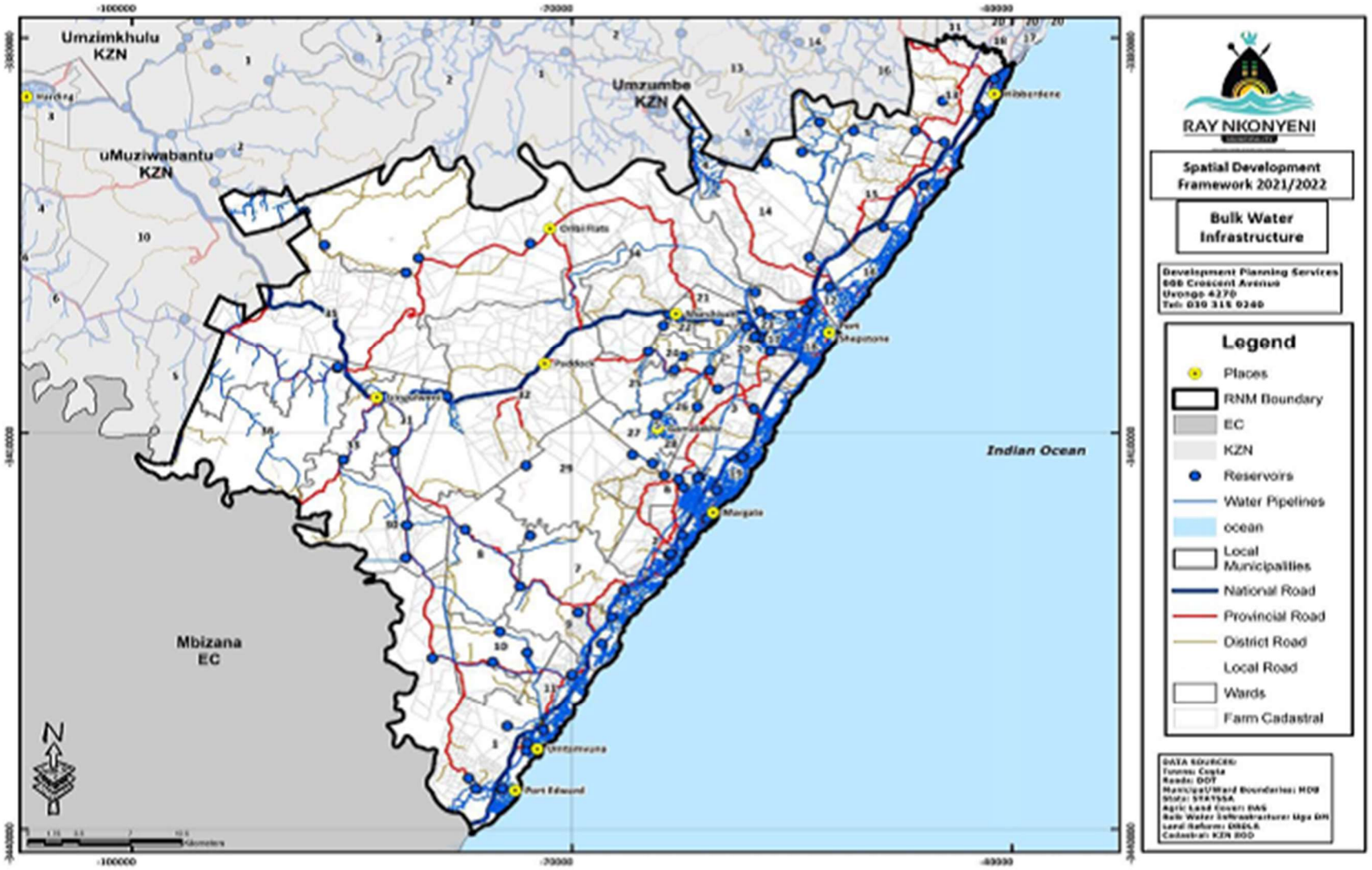


Map 36: Water Delivery & Treatment

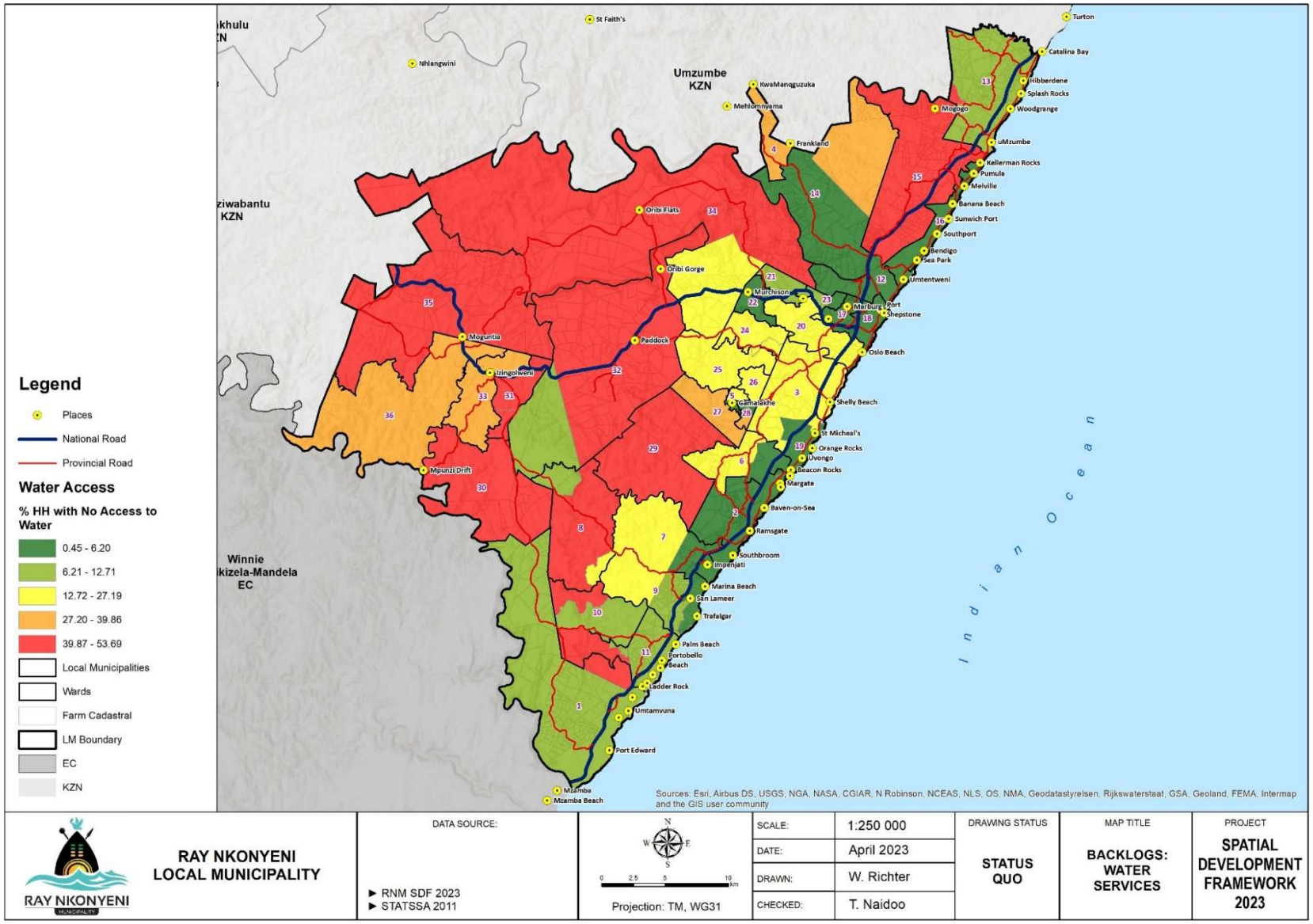




Map 37: RNM Bulk Water Infrastructure



Map 38: RNM Households With no Access to Water





3.5.1.3 Areas That Lack Access To Water

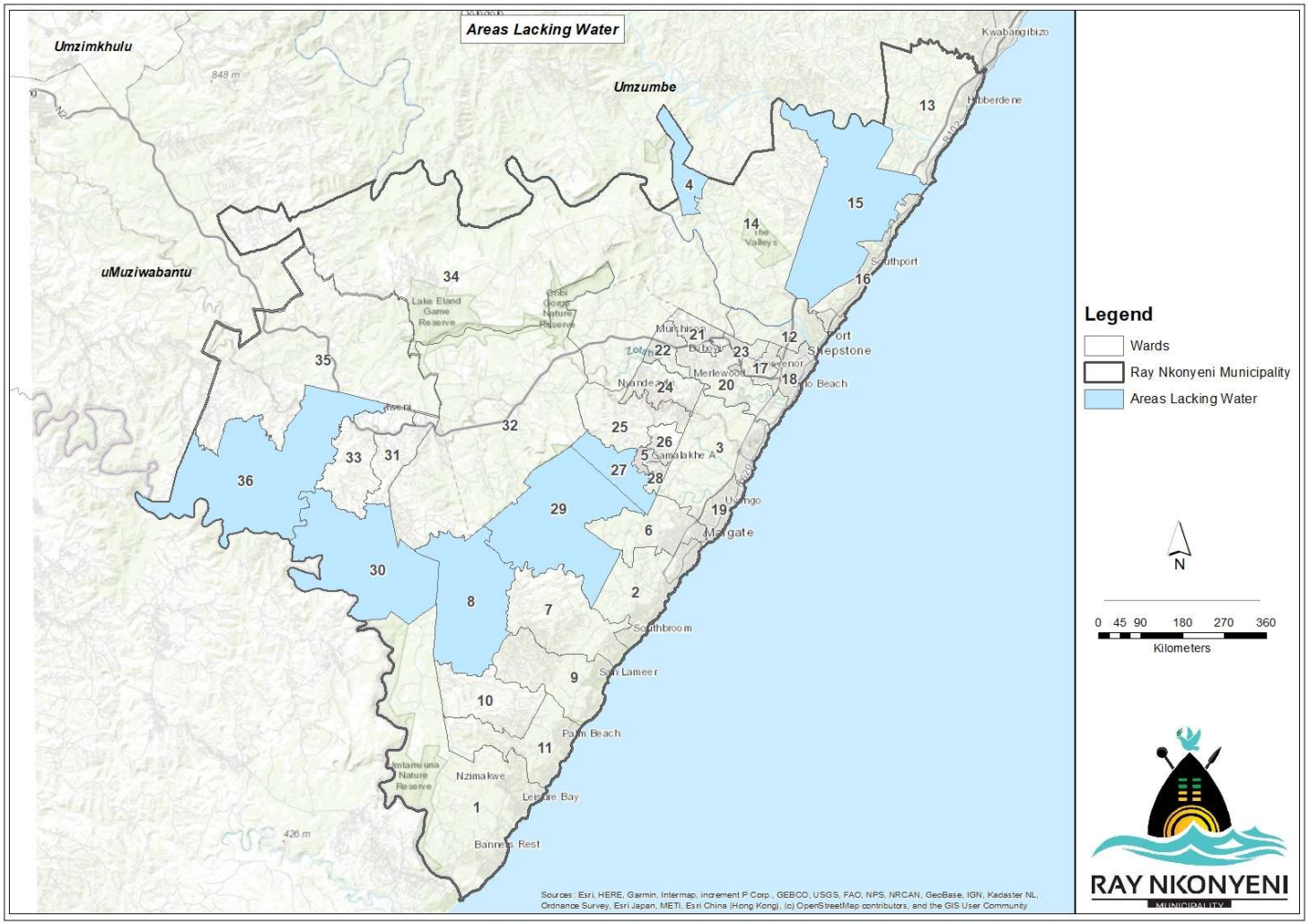
On the previous page is a map depicting households within RNM with no access to Water. Out of the 90 409 hh within RNM, 10 873 hh (13%) are estimated to be without access to water.The municipality noted that there are still backlogs in terms of clean water provision to some areas in many parts in the rural hinterland. Water access in the hinterland vary per ward. Some have better access connections while some have dry infrastructure connection. Wwrads that have the most poor water connection include ward 4,8,15,27, 29, 30, 31, 32, 34 35,36. More than 50% of hh source their water from springs, dams and rivers and are prone to a number of water borne diseases. The Ugu District Municipality has since made provision of water tankers to supply water to these communities but not sufficient as supposedly. Communities complain of dirty water supplied by the tankers and inconsistent service from the municipality, this is evident from the recent community unrests.

3.5.1.4 Areas With Clean Water

It is essential that the water made available for different uses meets the quality standards relevant to that use, either human consumption, industrial purposes or for the maintenance of ecosystems.Ray Nkonyeni Municipality's coastal belt and a few areas in the peri-pheri wards have clean water supply connections inside houses, outside taps and community taps. Areas in the hinterland face a huge challenge in terms of clean water supply. In this context, Ugu District Municipality needs to overcome several challenges relating to capacity, planning, performance monitoring of projects, basic services backlogs, inadequate services leading meter reading challenges resulting in cash flow shortages, ageing infrastructure and the need to provide more serviced residential stands as well as the poor blue- and green drop compliance.

On the following page is a map depicting areas within RNM that lack clean water.

Map 39: Areas Lacking Clean Water



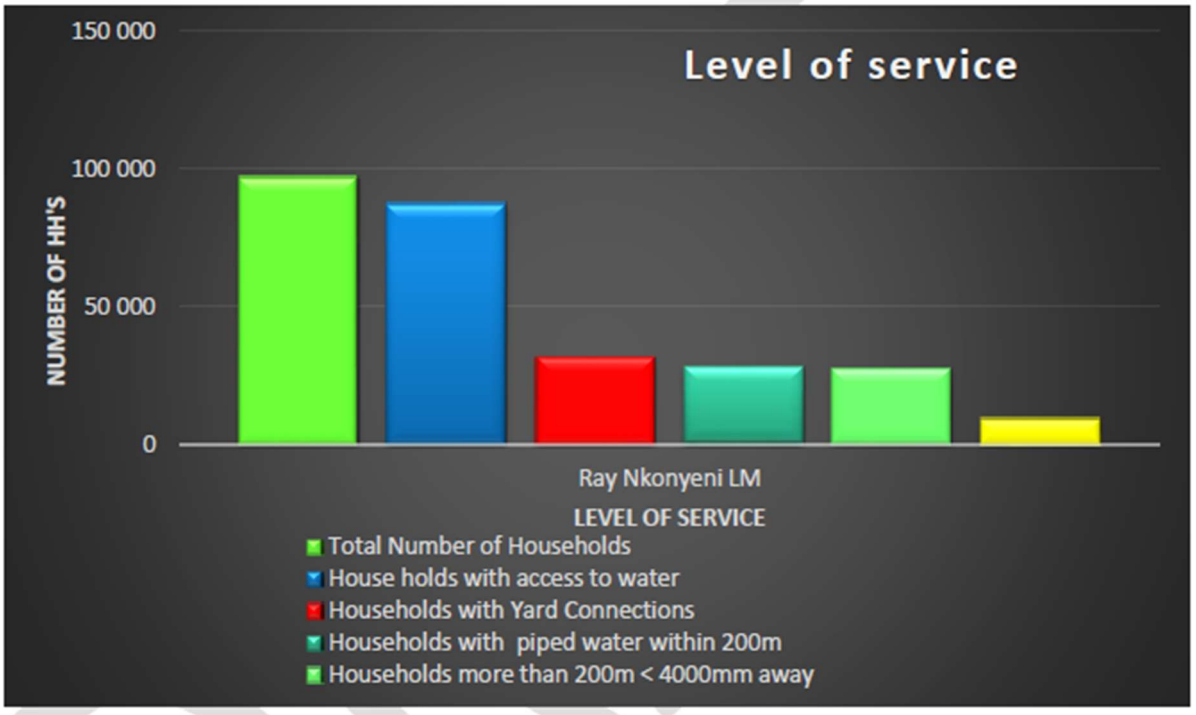
Source: RNM GIS 2021



3.5.1.5 RNM Level of Service

Ray Nkonyeni Municipality (RNM) has on average a higher level of service than the other municipalities in the district because it has the largest urbanised and semi-urbanised areas. This places a higher demand on services and it also places a larger burden on the maintenance of these services. Aged infrastructure in RNM is a serious challenge. Areas such as Shelly beach experiences regular water outages due to pie brakes. The pressure reduction program brought some temporary relieve but breakages are on the increase again and the only solution is to replace all the aged pipes.

Graph 17: Ray Nkonyeni Municipality Level of Service





3.5.1.6 Level of service per household

Table 87: Ray Nkonyeni Municipality Level of Service per Household

Municipality	Ward	Total Number of HH's	HH's with access to water	HH's with Yard Connections	HH's with piped water within 200m	HH's > 200m < 4000mm away	HH's > 4km from existing infra-structure
RAY NKONYENI		96 963 HH	87 336 HH	31 666 HH	28 098 HH	27 572 HH	9 627 HH
	1	2743	2729	1509	1097	123	14
	2	2699	2686	1484	1080	121	13
	3	2742	2728	1508	1097	123	14
	4	2799	2379	140	840	1400	420
	5	2763	2349	138	829	1382	414
	6	2675	2662	1471	1070	120	13
	7	2611	2585	1958	522	104	26
	8	2691	2664	2018	538	108	27
	9	2729	2715	1501	1092	123	14
	10	2621	2595	1966	524	105	26
	11	2705	2691	1488	1082	122	14
	12	2711	2697	1491	1084	122	14
	13	2752	2738	1514	1101	124	14
	14	2676	2275	134	803	1338	401
	15	2611	2219	131	783	1306	392
	16	2678	2678	2651	27	0	0
	17	2620	2227	131	786	1310	393
	18	2726	2726	2699	27	0	0
	19	2775	2775	2747	28	0	0
	20	2683	2670	1476	1073	121	13
	21	2600	2210	130	780	1300	390
	22	2611	2219	131	783	1306	392
	23	2727	2713	1500	1091	123	14



	24	2670	2270	134	801	1335	401
	25	2635	2240	132	791	1318	395
	26	2756	2343	138	827	1378	413
	27	2713	2306	136	814	1357	407
	28	2609	2218	130	783	1305	391
	29	2671	2270	134	801	1336	401
	30	2716	951	136	272	543	1765
	31	2752	2339	138	826	1376	413
	32	2614	2222	131	784	1307	392
	33	2789	2371	139	837	1395	418
	34	2702	2297	135	811	1351	405
	35	2662	2263	133	799	1331	399
	36	2726	2317	136	818	1363	409

3.5.2 Sanitation

Approximately 14 493 households within RNM do not have access to sanitation facilities within the appropriate standards. This makes up to 17% of the total populationof the Municipality.

3.5.2.1 Main type of toilet facility used

Communities throughout the municipality have access to different types of sanitations. However, the flush toilet system is the most dominant in urban areas. Amongst the Ugu District Local Municipalities, Ray Nkonyeni Municipality has more households with flush toilet systems (32.9 %) followed by Umdoni ,Municipality with 28.1 %. It must be noted that both municipality have large areas which are urban and the demand is extremely high. Umzumbe has only got just 2.7% households with the flush type of sanitation which may be attributed by the steep topography factor which is costly to construct water connections. The entire Ugu district has a very high number of pit toilets and these are mostly rural wards. The Ugu Water Master Plan does talk to this issue.The below graph shows this information in the entire Ugu District.

On the following page is a map showing the bulk sanitation infrastructure.

Map 40: Bulk Sanitation Infrastructure

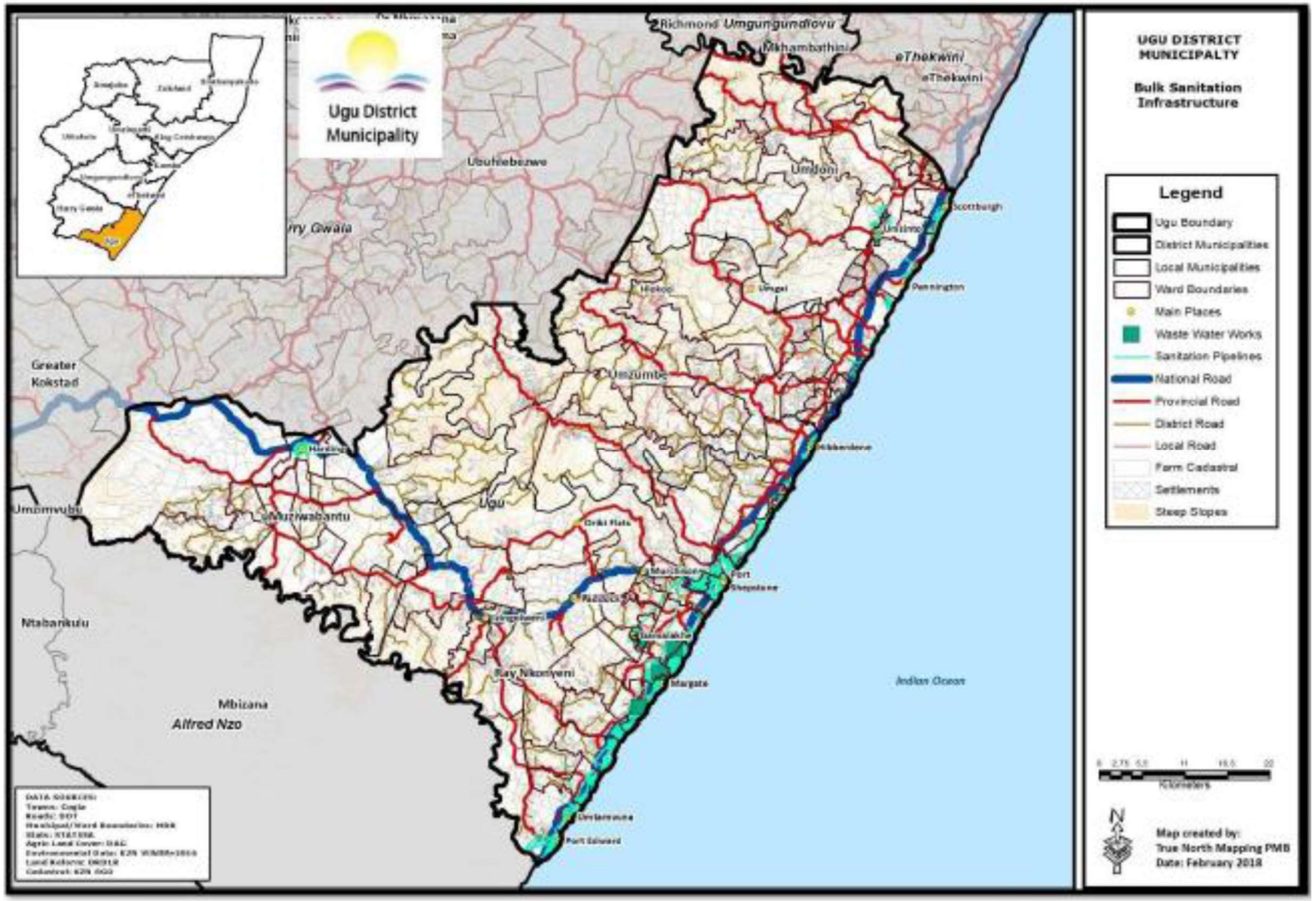


Table 88: Main Type of Toilet Facility

Main type of toilet facility used	Flush	Chemical	Pit / Other	None
Local municipality 2016				
KZN212 : Umdoni	28.1	15.8	51	5
KZN213 : Umzumbe	2.7	15.3	79.4	2.4
KZN214 : uMuziwabantu	9.2	11	78.4	1.5
KZN216 : Ray Nkonyeni	32.9	2.6	59.1	5.3
Ugu	**24.3**	**8.3**	**63.2**	**4.3**

Source: Statistics South Africa Community Survey 2016

3.5.2.2 Types of sanitation

Rural RNM sanitation has more than 80% of its VIP's older than five years and have reached the end of their lifespan.The standard for a basic level of rural sanitation in Ugu is a ventilated, improved pit latrine (VIP) comprising pre-cast concrete "C" sections as reflected in the photograph below



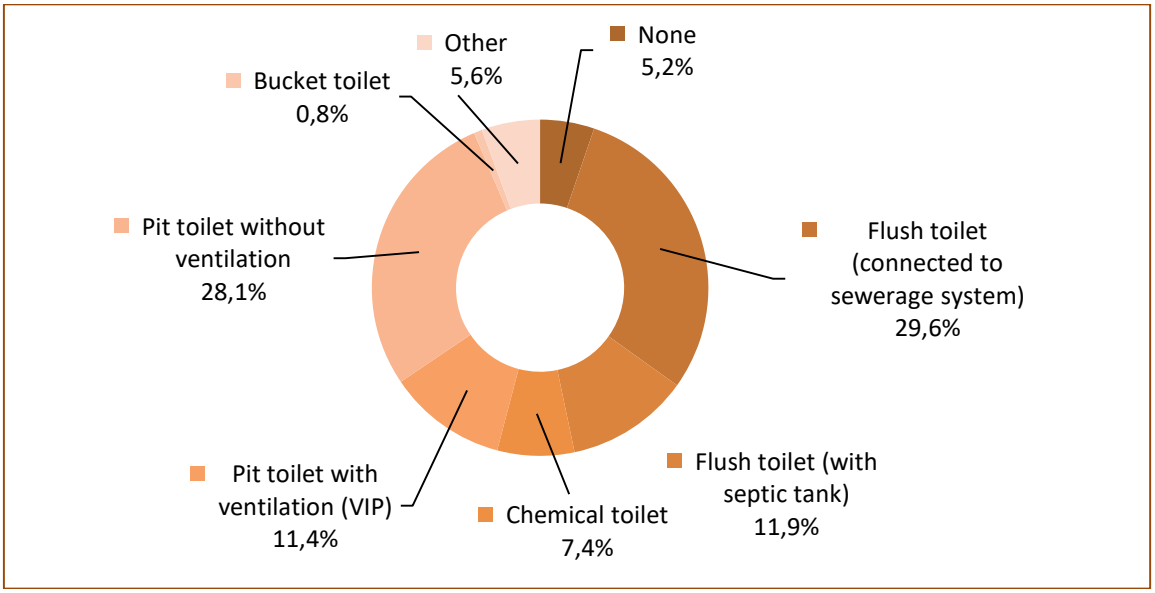
Sewer infrastructure in the urban part of RNM is also in need of upgrading to cater for an incrasing urban population. Considering that the ±90% of the pits are older than 5 years



suggests that major challenges lie ahead in ensuring the sustainability of the rural sanitation programme. Getting access to the VIP's is a major challenge, it makes maintenance extremely difficult and very costly. It is easier and more cost effective to install a new VIP.

The graph indicates the % of types of sanitation within RNM.

Graph 18: Types of Sanitation



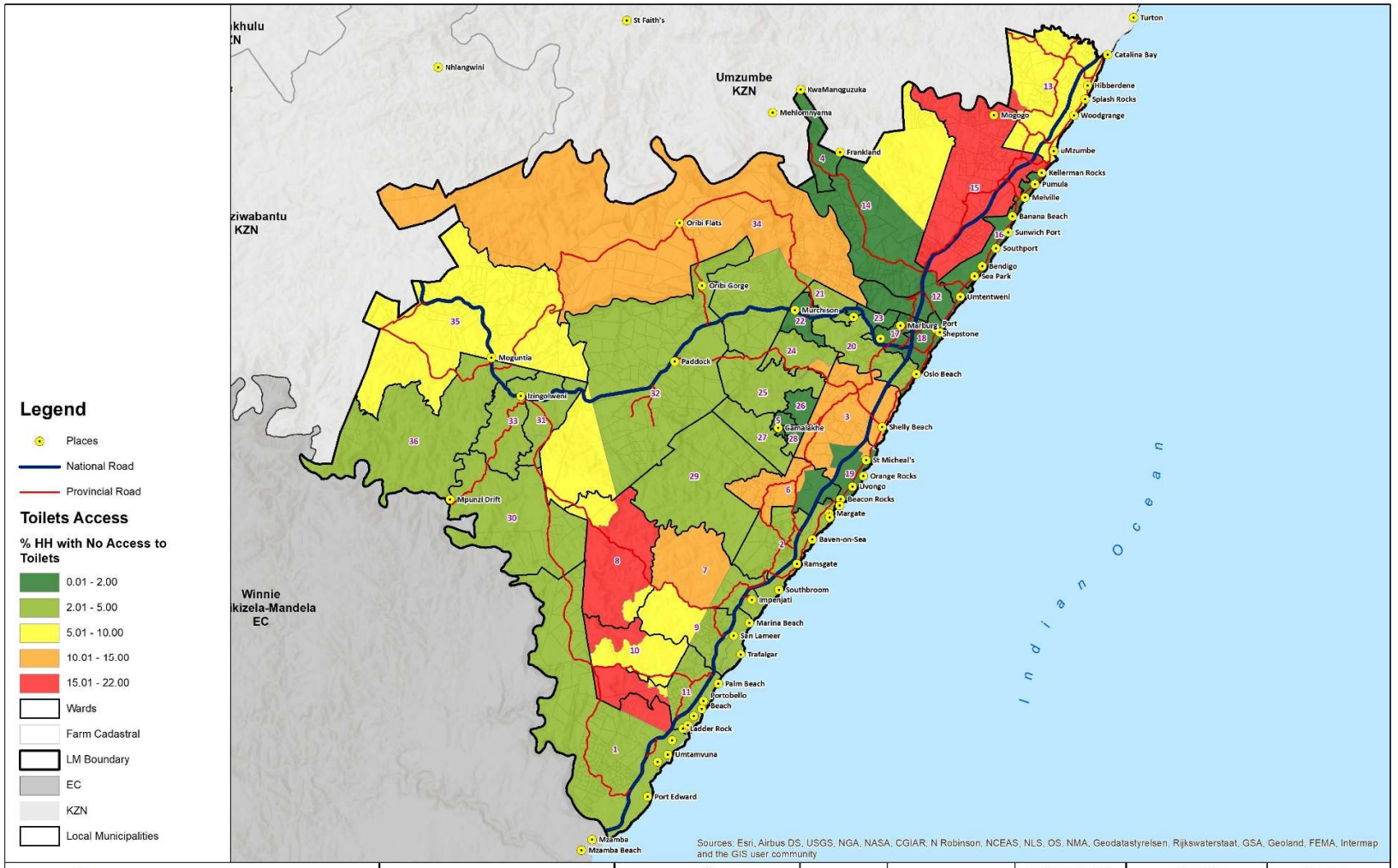
Statistics South Africa Community Survey 2016

Ugu Water Services Development Plan estimates that R 2, 1 billion is required to meet the waterborne sanitation backlog between Sezela, Umtentweni, Southbroom and Port Edward. The existing sewerage reticulation, pump stations and treatment works infrastructure was assessed in 2004/2005 to be in need of refurbishment requiring R120 Million. To date a total of R 30 Million has been invested in this area resulting in a number of the beaches retaining their Blue Flag status. The water borne sanitation programme was assessed and a master plan developed for the whole district. The first phase of prioritise areas will be undertaken in the next two years against a R100m loan facility.

3.5.2.3 Areas lacking sanitation

Approximately 14 493 households do not have access to sanitation facilities within the appropriate standards. This makes up 17% of the total population within Ray Nkonyeni Municipality. Ward 8 and 15 have the highest sanitation backlogs. These are followed by ward 3, 6, 7 and 34.

Map 41: Areas With No Access to Sanitation





3.5.2.4 Sanitation Services

Other than maintenance issues and upgrades/extensions of existing sewerage schemes it stands to reason that formal township development requires the provision of adequate water and sanitation and as such there are in effect very few backlogs other than those "informal urban upgrade" areas adjoining the coastal, urban strip which by nature of their density should be provided with reticulated, waterborne sewerage as opposed to a basic level of service.

The municipality has allowed residents to construct septic tanks in wetland areas resulting in serious pollution in many areas. Replacing the septic tanks with water borne sanitation will be very costly and difficult because the area is built up with well-established gardens and boundary walls. Cost recovery and affordability is also an Settlement Categories Sub-Category Flow Formal Urban Residential 70% of water consumption Industrial/Commercial/ high density residential 90% of water consumption issue. Most residents are pensioners that cannot afford the exorbitant high cost to install water borne sanitation.

Below is a table showing all the waste water treatment works in UGU

Table 89: Wastewater Treatment Works

WASTEWATER TREATMENT WORKS	CAPACITY Ml/d	PEAK FLOW	REQUIRED FUTURE CAPACITY	SHORT FALL
Mbango	12,0	23,0	20,0	-8,0
Margate	7,0	15,0	12,0	-5,0
Uvongo	2,4	8,0	8,0	-5,6
Mellville	0,2	0,5	1,0	-0,8
Pennington	2,0	4,0	6,0	-4,0
Scottburgh	2,3	4,0	6,0	-3,7
Hibberdene	0,3	0,3	0,3	0,0
Ramsgate	0,7	2,0	2,0	-1,3
Munster	0,2	0,2	0,5	-0,3
Palm Beach	0,2	1,0	1,0	-0,8
Southbroom	0,2	1,0	1,0	-0,8
Red Dessert	0,2	1,0	1,0	-0,8
Eden Wilds	1,0	2,0	2,0	-1,0
Harding	4,5	6,0	6,0	-1,5
Kwambonwa	2,4	3,0	3,0	-0,6
Umzinto	3,0	5,0	6,0	-3,0
Shelly Beach	2,0	4,0	6,0	-4,0
Malangeni	1,0	2,0	4,0	-3,0
Total	**41,6**	**82**	**85,8**	**-44,2**

3.5.2.5. Conclusion

It must be made clear from the outset that Ugu District municipality will not be able to finance all the projects required to provide adequate water and sanitation to all its people. External grant funding must be sought to finance most of the projects. When it comes to bulk infrastructure, Ugu District municipality will have to consider partnerships with external organisations that has the financial capability to provide these services.

3.5.3 Solid Waste Management

RNM has a fully fledged education and waste minimization section, which comprises of a Manager, 2 waste management officers and one horticulturalist and 9 EPWP employees shared between the 2 officers. Waste minimization is important because it helps protect the environment and makes good business sense.In fact, businesses can simultaneously manage



both business and environmental objectives by focusing on waste minimization.For waste collection, the municipality is fully responsible for that.

The National Environmental Management: Waste Act of 2008 requires each municipality to implement the Waste Management hierarchy which categorically states the following:-

- Reduce, Reuse, Recycle, Treat and Dispose

The waste management system being implemented by the municipality is aligned to the requirements of the Act and further elaborated details are provided in the sector plan.

3.5.3.1 Integrated Waste Management Plan

Ray Nkonyeni has an implemented Integrated Waste Management Plan was reviewed and adopted in 2017, ***(See attachment 14: Integrated Waste Management Plan).*** It will be reviewed when and if necessary. Since the plan is outdated, the need to review has risen, hence the review will start in the next financial year, and will be finalized by May 2024. The plan focuses on the management of general waste generated by the major centres of the municipality.The municipality is responsible for waste collection.The Integrated Waste Management Plan (IWMP) focuses on waste recycling and refuse removal of household solid waste, business and industrial waste, as well as development and management of garden refuse stations.

The current status is as follows:

- The coastal strip residential areas receive a weekly collection service of household refuse ;
- Businesses and flats within the coastal strip and CDB receive a collection twice to seven times a week depending on the amount of waste generated and type of operation done by a specific business.
- Industrial areas have skips in place and are cleared daily and based on the need to do so.
- Some rural areas benefit through level 1 service of national domestic waste collection standards of 2011, through which the municipality conducts ongoing waste awareness and educational programs.
- Informal settlements have skips and are serviced once weekly.

Only the urban formal settlements receive waste removal and if looking only on that population the service covers 100% of the households. It is envisaged that the majority (approx 62%) of the population have their refuse removed by the municipality at least once a week and (approx 28%) make use of their own refuse dumps.

The IWMP further investigates the number of registered landfill sites and their lifespan, need for new sites, extension of service and rehabilitation. The plan will expose other means of extending the service to rural communities in a cost effective and coordinated manner.

Waste minimization, promotion of environmentally friendly waste management practices, efficient waste management and improved service delivery mechanisms are also practised. The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The IWMP is partially being implemented with the available budget.

There are (6) six garden transfer stations located throughout the municipality.In some instances, the geographical landscape poses challenges with service provision. It is a challenge to provide services to sparsely populated communities and in areas with steep terrain thus the cost of



service provision is too high and therefore serviced as level 1 of national domestic waste collection standards of 2011. The Integrated Waste Management Plan focuses on the following objectives:

- To decrease waste deposited at municipal landfills.
- To build capacity through information sharing.
- To improve, develop & maintain infrastructure to comply with legislative requirements & Ray Nkonyeni Municipality needs.
- To provide effective waste collection services for the municipality.
- To provide effective waste management services for the municipality
- To provide cost effective waste management services.
- To create, implement & enforce the necessary legal regulatory & policy framework to support waste management service throughout Ray Nkonyeni Municipality.
- To minimize illegal dumping the municipality will embark on awareness campaigns, increase accessibility to disposal facilities, monitor and follow up where the dumper can be identified and implemented a penalty system for offenders.

The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The listed garden and drop-off faculties in the IWMP do not trigger a listed activity therefore no EIA will need to be done.

3.5.3.2 Landfill/Waste Disposal Site

Oatlands Landfill site is owned by the municipality and is the only licenced and registered site within the municipality. It has an estimated twelve (12) years airspace remaining. All collected waste within the municipality is disposed off at Oatlands. Waste collection zones are in Hibberden, Port Shepstone, Margate, Ezinqoleni, Sea Park, Port Edward, Sunwhich Port South Port and other coastal settlements.

The existing landfill is projected to be filled in year 2035 and the plan for a new site will start in the year 2025. Waste disposal methods are alternatives and will be explored and working for waste programmes. Currently, there is a temporary cell for stock-piling waste, while the construction of Cell-4C is underway. The landfill has a total of 6 Cells, which means only Cells 5 & 6 will be available after Cell-4C is operational.

The municipality is currently sourcing funds to extend the waste removal service to rural areas .

The municipality has a team of Engineers, 3 internal and 1 external. They audit the landfill site management focusing on the issue of compliance with the landfill site certificate.

Operational Budget allocated for 2023/24 for Oatlands Landfill Site is R7 200 000 to be utilised as follows on monthly basis

- The budget is spent on internal and external audits,
- Landfilling and cover material,
- Producing monthly reports on operations,
- Scheduling monitoring committee meetings,
- Water sampling,
- Site Inspections and travel



3.5.3.3 Refuse Removal

The current status is as follows:

- The coastal strip residential areas receive a weekly collection service of household refuse;
- Businesses and flats within the coastal strip and CDB receive a collection twice to seven times a week depending on the amount of waste generated and type of operation done by a specific business.
- Industrial areas have skips in place and are cleared daily and based on the need to do so.
- Some rural areas benefit through level 1 service of national domestic waste collection standards of 2011, through which the municipality conducts ongoing waste awareness and educational programs.
- Informal settlements have skips and are serviced once weekly.

Only the urban formal settlements receive waste removal and if looking only on that population the service covers 100% of the households. It is envisaged that the majority (approx 62%) of the population have their refuse removed by the municipality at least once a week and (approx 28%) make use of their own refuse dumps.

3.5.3.4 Status Of Waste Collection Services

The municipality conducts a level 4 service for the coastal areas and level 3-1 in 21 other wards that are densely populated areas/townships. The combined level of service comprises both awareness campaigns, supervision and provision of refuse bags with recyclable waste collected. Up liftment frequencies range from weekly to quarterly. The coverage of service delivery is thus 69.4% of the municipality. The map on the following page show the level of waste collection in different parts of the municipality.

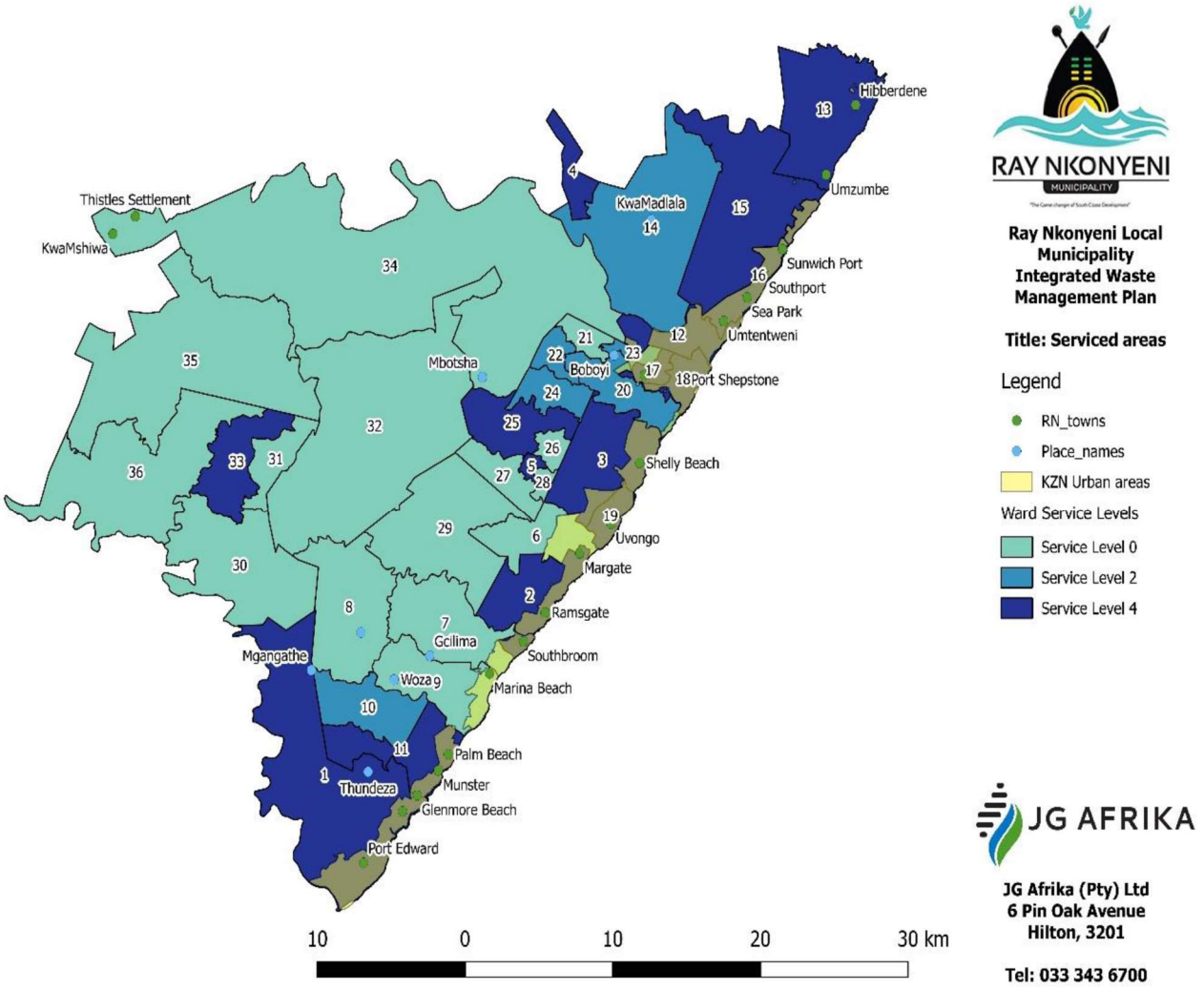
3.5.3.5 Free Basic Refuse Removal Service

The Free Basic Refuse Removal Policy give guidance on collection of refuse for households in the jurisdiction of the municipality. It should be noted that on-site disposal is an option where travelling distances and the resulting costs may render regular waste collection services impractical hence all households with no access to refuse collection services are serviced as level 1-2 of national domestic waste collection standards of 2011 this is well addressed through EPWP and CWP programmes.

3.5.3.6 Waste Collection In Rural Areas

In rural areas of the municipality, waste and dumping in not controlled and when heavy rains come, the refuse is washed into rivers resulting in diseases for those communities drinking the running water. The municipality is conducting education and Waste campaigns as well as establishing waste management committees in rural areas. This suggests that in-migration is not only from rural to urban, but population growth is rural areas as well.

Map 42: Waste Collection In Rural Areas





3.5.3.7 Waste Collection Backlog And *Needs*

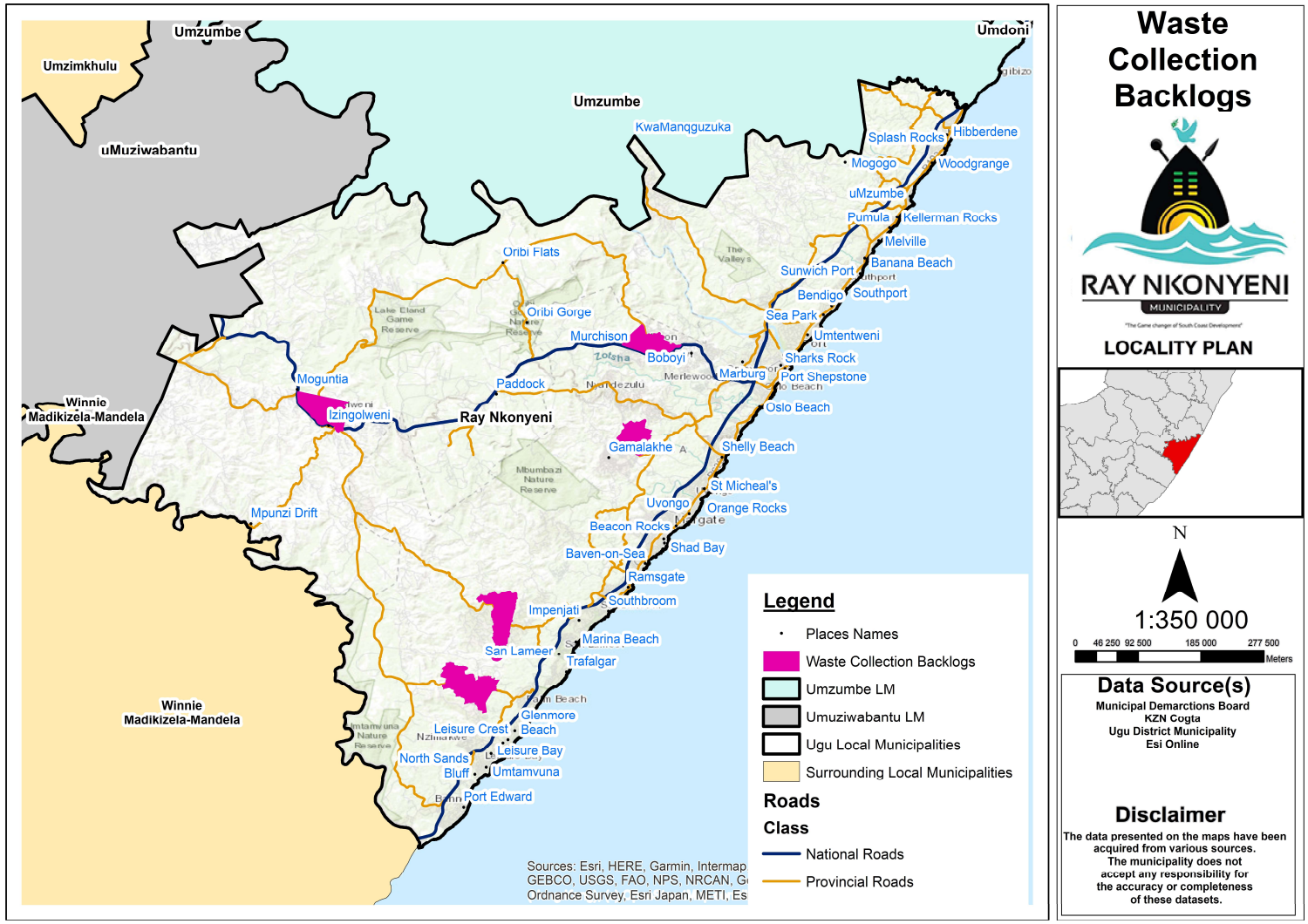
Almost all rural wards within the municipality have a backlog in the collection of waste due to lack of capacity and budgetary constraints. There areas, however, have an urgent need to have solid waste removal programme implemented. These areas are semi-rural and currently do not have the programme. Inability to extend level 3 service to other areas because of resource limitations. These areas include;

- Bhobhoyi
- Murchison
- Qina bout and Kwa Xaba
- Gcilima
- Izingolweni (residential area)
- KwaNzimakwe

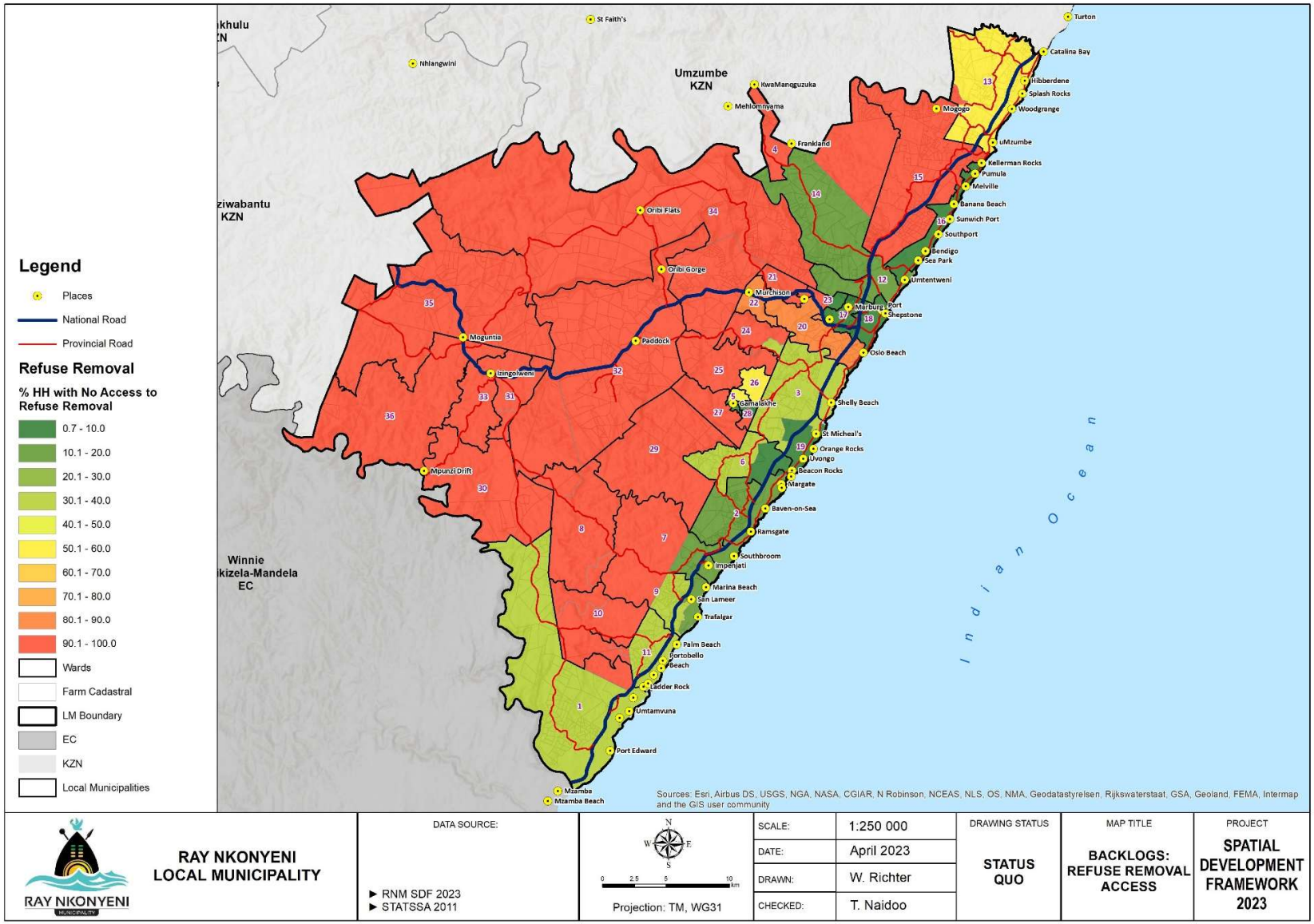
Although the municipality is currently not uplifting waste in rural areas, however, there is a section dealing with Education and Waste programs as well as waste minimization initiatives. Some of the initiatives/study include ongoing waste education on illegal dumping/littering to communities and schools, advocating transformed attitudes in matters of waste management, school awareness programmes such as recycling, waste reduction to landfill site, Cost efficiency to rendering of services, Route Optimization for waste trucks. These are ongoing initiatives and strategic plans for sustainable waste management which also include participating in exchange program with other municipalities to learn best practices with regards to waste collection in rural areas.

The following map depicts areas with waste collection backlogs:

Map 43: Waste Collection Backlogs



Map 44: Areas With No Access to Sanitation





3.5.3.8 Waste Types And Quantities

A study conducted in 2012 at the Oatlands weighbridge data show that:

- Domestic/Commercial waste was 61% of the total waste collected;
- The total recyclable content is 11.6%;
- Industrial waste was highly recoverable at ~22%;
- Industrial waste was dominated by polystyrene, polypropylene nets and K4-cardboard (packaging materials).
- Paper and plastic recyclables dominated the recyclable composition
- Commercial centres have room for improvement (e.g. The South Coast Shopping Centre yielded 100% recoverable waste material

3.5.3.9 Waste Recycling, Treatment And Disposal

There is an appointed service provider for recycling of waste in RNM, which is Ravine Lane Recycling Facility. They were originally appointed in 2020, however their contract was amended and renewed in 2021. The facility is used to assist SMME's and small business, as some are working with the appointed service provider in operating the Ravine Lane Recycling Facility.

Recycling programmes have been developed by the municipality using a separation at source program and voluntary drop-off centres. The process begins with a two-bag system for kerbside collection. Recyclables are placed in clear bags and collected separately from black non-recyclable bags. Clear bags are sent to Ravine Lane Recycling/Buy-Back Centre where further separation / baling is carried out by a private enterprise. Additionally, seven drop off centres are available for the public to NWMS goals for waste management in South Africa state that waste can be reusable. Ray Nkonyeni fully adheres to these goals.

Re-use of a "waste" removes it from the waste stream for use in a similar or different purpose without changing its form or properties. After re-use comes the recycling of waste, which involves processing them as products or raw materials.

It results in the diversion of materials that still have useful physical or chemical properties, out of the waste stream. These can then be used to replace raw, or virgin materials in product manufacturing. The objective of recycling is to save resources and reduce the environmental impact, by reducing the amount of waste disposed at landfills.

Illustration 19: Waste Recycling, Treatmeny and Disposal Process



How the municipality has expanded the recycling programme

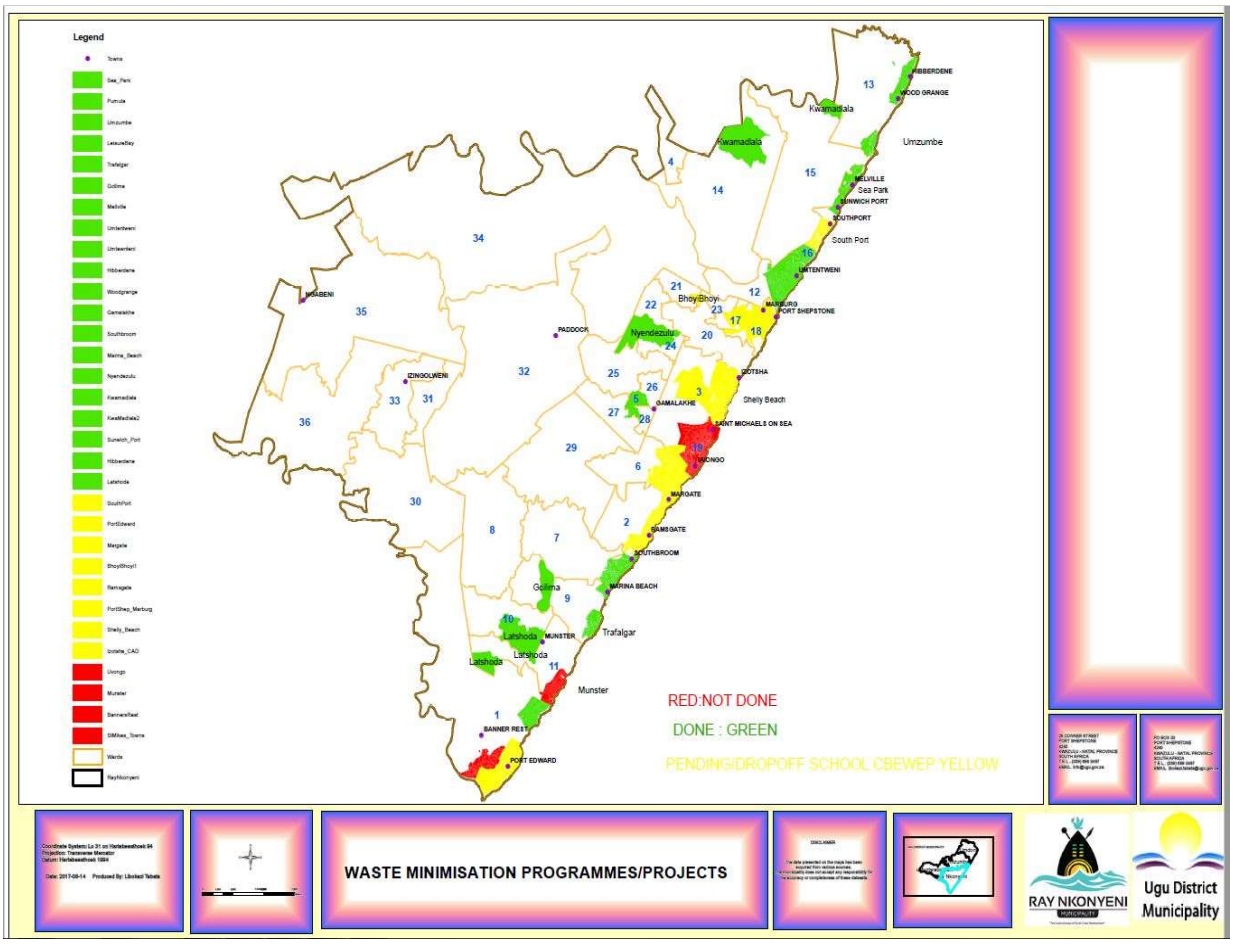
The municipality has expanded on the recycling programme through the Kerbside recycling, called two bag project. It is is implemented in 11 formal residential dwellings with a minimum of 900 houses each. All areas are supplied with two bags (black bag for general waste and Clear Bag for recyclable waste). The municipality is responsible for collecting waste in those areas on weekly basis. The amount of waste recycled is reported to South African Waste Information Systems as tonnages of diverted waste.

- The development of drop off facilities
- Central collection: The municipality deploys skips to various commercial/business areas to facilitate collection of business waste. In total, the Municipality deploys up to 147 skips *ex* Depot 2.

Wheelie bins are owned by the municipality and are distributed to companies for use. No information has been provided as to the number or placement thereof. A component of this is an education program that relates to controlled disposal and collection.

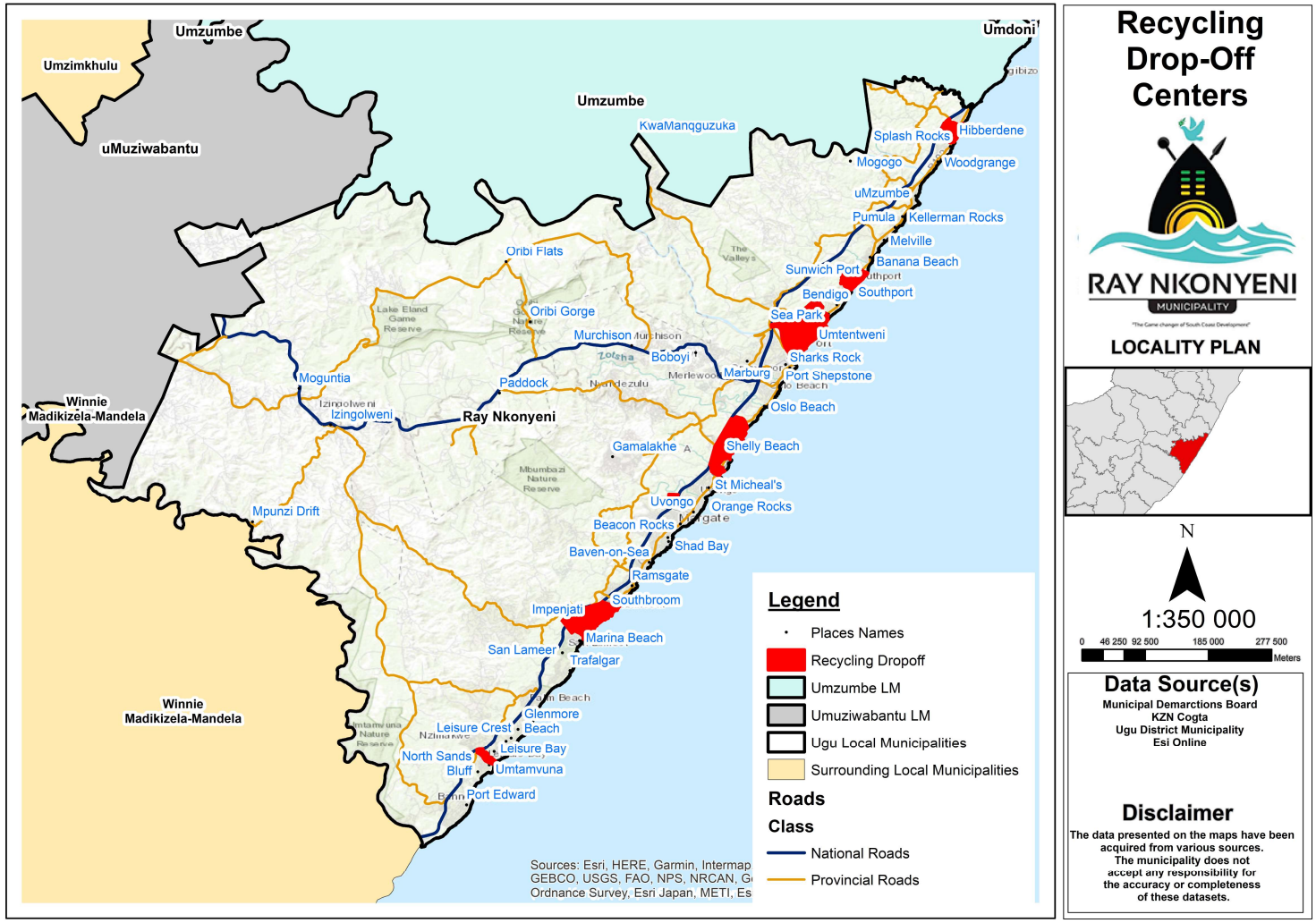
It should be noted that there are seven drop off facilities to cater for areas that do not have bag projects. New recycling initiatives within industrial sector and composting are still under investigation. Below is a map indicating the location of bag project and drop off facility..

Below is the Bag project and Drop off facility map (Waste Minimisation Projects)



Map 45: Waste Minimization Projects

Map 46: Recycling Drop-Off Centres





3.5.3.10 Recycling Drop Off Centers

RNM has established recycling drop-off centres as an implementation of its waste management strategy which is reduce, reuse and recyle.These centers are located in the following areas:

- Umtentweni
- South Broom
- Hibberdene
- Shelly beach
- South Port
- Leisure Bay and
- Masinenge

3.5.3.11 Green Economy

The municipality conducted a physibility study on waste minimisation in 2018 to ensure that communities are educated on waste minimization and importance of recycling to protect the environment,however, the exercise was never completed due to budget constraints.Rural communities in the physibility study were included since these areas do not have any waste disposal sites, and it was felt not much has been done in terms of educating them on waste management. In the study, the municipality amongst other programms was to establish centralised waste sites and educate communities on waste minimization.Collection and recycling, the municipality aimed at giving a sort of an incentive to any peson undertaking this exercise.

In the municipality's Vision 2036, the issue of Green economy is discussed extensively, under strategic Goal 6 which talks to environmental sustainability. The municipality details how the green energy should be seen as an alternative energy. Currently the recycling initiative benefits the municipality by preserving its environment and the economy because recycling of waste conserves natural resources such as trees and extends the lifespan of the landfill site and saves energy and water. The municipality is sourcing funds to continue with the Physibility study so as to enable the implementation of the Green economy.



3.5.3.12 Solid Waste Management SWOT Analysis

Table 90: Solid Waste Management SWOT Analysis

STRENGTHS	WEAKNESSES
• Integrated Waste Management Plan aligned to National Waste Act, 2008. • Structure set up to promote the implementation of the waste hierarchy: Appointed two qualified Waste Management Officers with degree in environmental management. • Well – structured education and awareness campaigns targeting both educational and community sector. • Partnerships with the District and Provincial departments enable integration and a concerted effort in rendering services to the community. • Properly structured and implemented recycling program.	• Limited number of staff and vehicles to implement wastes recycling throughout Ray Nkonyeni Municipality. • Limited buy – in from outside stakeholders like business to take responsibility / own their environment
OPPORTUNITIES	**THREATS**
• Employment opportunities in recycling sector. • Outsourcing fully the operation and management of landfill site through a PPP model. • Appointment of green Scorpions (Peace Officers) to limit expenditure on illegal dumping clearing. • Extension of waste services to rural areas through EPWP. • PPP to develop recreational areas like parks. • Full exploitation of "Adopt a spot" concept.	• Price drop of commodities that are recyclable lead to job losses. • Inability to extend services to rural areas will lead to non-compliance with environmental regulations and constitutional mandate.



3.5.4 Human Settlement

Human Settlement could be denfied as: *the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.*

Over the years, this concept has developed further into a strategic framework for overall socio-economic development. The physical components of human settlements comprise of shelter (a house); basic services such as water and sanitation, electricity and refuse removal; security of land tenure rights; access to social facilities and services; economic development opportunities and improved amenity. Human settlements are the spatial dimension as well as the physical expression of economic and social activity. The creation of sustainable human settlements is inevitably an objective for social development. It defines and conditions the relationship between where people live, play and work on one hand, and how this occurs within the confines of the natural environment. It is one of the most visible and quantifiable indicators of the society's ability to meet one of its basic needs – shelter, and a pre-requisite for sustainable human development and economic growth.

In terms of the National Development Plan, by 2050 visible outcomes from effectively coordinated spatial planning systems will have transformed Human Settlements in South Africa into equitable and efficient spaces with citizens living in close proximity to work with access to social facilities and essential infrastructure.

By 2030 most South Africans will have affordable access to services and quality environment. New developments will break away from old patterns and significant progress is to be made in retrofitting existing settlements. In rural areas targeted investment and institutional reform will need to drive a revival of rural South Africa towards:

- Thus by 2030, measurable progress must be made towards breaking apartheid spatial patterns.
- That the majority of South Africans shall have access to adequate housing, affordable services in better living environment.
- Equitable and functional residential property market.

The vision within KZN Human Settlement Master Spatial Plan is also by 2030 KwaZulu – Natal is recongnised for its compact , connected and integrated human settlement pattern across different scales reflecting successful spatial transformation, founded on the values of sustainability , collabration, choice and value creation. The human Settlement spaital plan states that the strategic trust of the Housing Needs, Research, and Planning Programme is to ensure that housing development is undertaken in an intergrated and sustainable manner by ensuring that there is a fully functional project pipline that is aligned to National and Provincial Priorities.

The Municipal Vision (2036) has reflected three strategic objectives in the implementation of sustainable human settlements which are as follows:

- <u>Strategic Objective 1</u>:
  - New Housing Funding Model
  - Funding for Gap housing, social housing;
  - Transformation of informal settlements,
  - Density and green human settlement patterns.



- Strategic Objective 2: Mixed Housing Typologies
- Strategic Objective 3: Regional Bulk Infrastructure

3.5.4.1 Estimated Housing Need / Backlog

According to Stats SA (2011) approximately 90408 of households in Ray Nkonyeni Municipality are eligible for low cost housing subsidies based on income criteria. This includes about 30 494 of households who do not have access to disposable income and are therefore regarded as destitute. Approximately, 22 190 could be eligible for social housing and Finance Linked Individual Subsidy Programme (FLISP)/other While social housing caters for those in need of rental accommodation, FLISP requires an individual beneficiary to access mortgage bond from a financial institution or pay the balance of the value of the house themselves. It targets first-time homebuyers earning R3 501 to R22 000 per month.

Table 91: Estimated Housing Needs

CATEGORY (According to STATS SA)	ESTIMATED HOUSING NEED
Residing in traditional dwellings	7086
Residing in back yard shack dwellers within informal settlements	1285
Residing in Informal settlements	2691
Residing in crowded conditions in formal housing	1567
Sub total (low income housing)	**12629**
Social housing / flips (municipal workers/ govt / banks/ industry)	16904
Estimated total	**29 533**

3.5.4.1.1 National Housing Needs Register

However the actual need for housing opportunities within the Municipal area falling within the income bands R0 – R22 000/ plus can only be determined accurately once the National Housing Need Register has been becomes fully operational. Through the support of the PDoHS, a Service Provider has been appointed to assist RNM is undertaking the process which commenced in January 2023 after engagement with all Ward Councillor. The registration process is expected to be completed at the end of 2023.

3.5.4.2 Instititutional Arrangements

3.5.4.2.1 Municipal Housing Accreditation

With regard to the National Accreditation Framework (2012), the Municipality is accredited in terms of level 1 housing function (subsidy budget planning and allocation) with a three year Implementation Protocol Agreement which was concluded in October 2020 - ending 2023. The National Accreditation Framework (2017) is being revised by proposing a shift to a programmatic approach towards accreditation that responds to the redesign and complexity of National Housing Programmes.



The aim of the Municipality is to have a project pipe line to roll out housing projects to meet its housing need and ensure the creation of integrated, sustainable human settlement development. In terms of the Implementation Protocol agreement (level 1) concluded between the Provincial Department of Human Settlements and Ray Nkonyeni Municipality, the Municipality is implementing the following housing programmes:

- Rural housing programme,
- Greenfield / Informal Settlement Upgrading Programme
- Finance Linked Individual Subsidy Programme,
- Housing Rectification Programme.
- Social Housing Programme

The Municipality is also required to get involved on other human settlement activities, such as:

- Assistance of Military Veterans
- Emergency Assistance (Sukumasakhe / Disaster related housing)
- Community Residential Units
- Catalytic Projects
- Prevention of Land Invasions & emergence of new informal settlements.
- Rental Information Office.

The roll out of housing programmes/ project is largely, dependent on the provision of Human Settlement Grant funding from the Provincial Department of Human Settlement, performance of Implementing Agents, Contractors, developable land & bulk Infrastructure availability. Whilst developable raw land becomes available within the Urban Environment for Social Housing, Integrated Residential Development, and Finance Linked Institutional Housing Programme to enable integrated sustainable human settlement development, however one of the key challenges faced by the Ugu District Municipality is bulk water and sanitation constraints, sewerage treatment plants requiring upgrading with major funding.

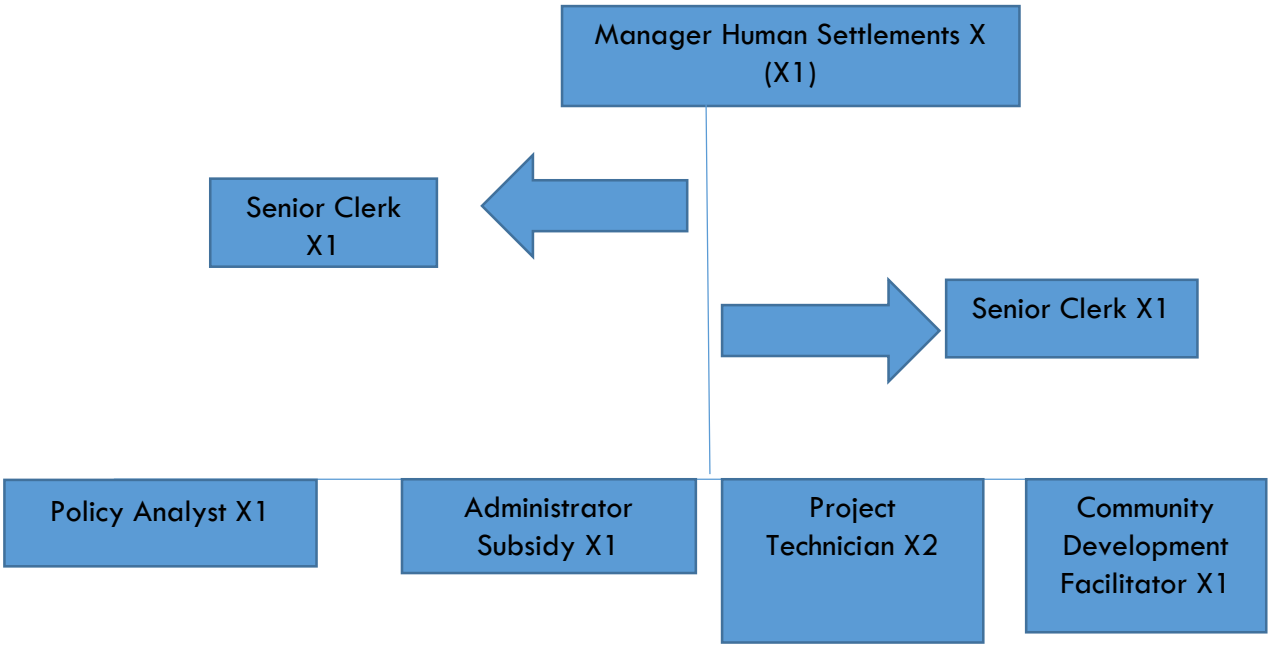
Arising from recent policy directives from the Provincial Department due to fiscal challenges all housing projects approved for implementation will be phased at 500 units at a time (per project). The Implementation of this policy directive will result in increased number of projects and thus benefiting more contractors i.e. set targets from both National and Provincial Spheres with regard to Youth, Women and Military Veterans, emerging entrepreneurs would be relatively achieved.

Its terms of monitoring and evaluation of human settlement projects the following meetings takes place:

- Monthly service delivery meetings with Implementing Agents/ PDoHS. /NDoHS officials.
- Quarterly Housing Accreditation meetings with Provincial and National Human Settlement Officials.
- Quarterly Social Housing Programme meetings with Provincial and National Human Settlement Officials/ Consumer Education workshops and Project Steering Committee Meetings.

3.5.4.2.2 Human Settlement Organogram

The Human Settlement Unit falls under the Technical Services Department. The Unit is headed by a Manager and seven (7) staff. The unit basically ensures that all human settlement projects within the Municipality are undertaken to meet the legislation requirement which stipulates that all people have a right to shelter. Below is the organogram of the Unit.



3.5.4.3 Policy And Planning

Ray Nkonyeni Municipality has both a duty and an obligation to undertake a developmentally oriented spatial plan which subscribes to the principles of spatial justice, sustainability, efficiency, resilience and good land use management and administration. In recognizing its duties and functions as stipulated in Section 9 of the Housing Act, Chapter 5 of the Municipal Systems Act (Act 32 of 2000) and Sections 5(1) and 21 of the Spatial Planning and Land Use Management Act, and the Municipality has adopted a Human Settlements Sector Plan which epitomizes its 2036 vision.

i. Municipal Housing Aloocation Policy For The Intergrated Housing Development Programme

The Municipality has an approved Housing Allocation Policy following the Integrated Residential Housing Programme. Its objective is to facilitate a fair, equitable, transparent, and inclusive selection of applicants leading to approval for all housing development projects aimed at creating sustainable human settlements. This is achieved through determining housing needs with accurate data for planning /budgetary purposes and meeting such needs (*housing needs register*), prioritize beneficiaries with special needs *(quota allocation) , housing for Military Veterans and* a uniform and consistent approach when allocation housing opportunities that promotes good governance *(housing allocation committee).*

ii. Municipal Social Housing Policy

Arising from the National Social Housing Policy, the Municipality has an approved Social Housing Policy to address rental housing provision to those earning between R3 500 to R22 000 per month thereby identifying developable land, appointing Social Housing Institutions/ delivery agents and providing various incentives.



iii. Human Settlement Sector Plan

The Municipal Human Settlement Sector Plan is a 13-year plan (2017-2030). The Human settlement Plan is reviewed / updated annually, which is aligned to the Provincial Human Settlement Spatial Master Plan. It reflects on the policy framework, the democratic profile, and the spatial and environmental context, institutional assessments, housing needs and supply, human settlement development strategy and implementation. ***(See attachment 15: Human Settlement Sector Plan)***

iv. Establishing Priority Housing Development Areas

Ray Nkonyeni Municipality has both a duty and an obligation to undertake a developmentally oriented spatial plan which subscribes to the principles of spatial justice, sustainability, efficiency, resilience and good land use management and administration. In recognizing its duties and functions as stipulated in Section 9 of the Housing Act, Chapter 5 of the Municipal Systems Act (Act 32 of 2000) and Sections 5(1) and 21 of the Spatial Planning and Land Use Management Act, Ray Nkonyeni Municipality has adopted a Human Settlements Sector Plan which epitomizes its 2030 vision. The vision within spatial framework of RNM, is to provide affordable housing at strategic locations within the Municipality which will integrate into the Urban fabric, thus providing access to ancillary uses and amenities that will aim to achieve integrated sustainable human settlements. Furthermore, it is important to note that the conceptual development framework recognises the planned key focal points of such intensions will involve movement, infrastructure, economic growth, and tourism.

The RNM -Municipal Council supported the identification of Priority Development Areas and the four (4) identified areas were communicated to the Provincial / National Department of Human Settlements and the Housing Development Agency for gazetting. (know as PHSHDA)

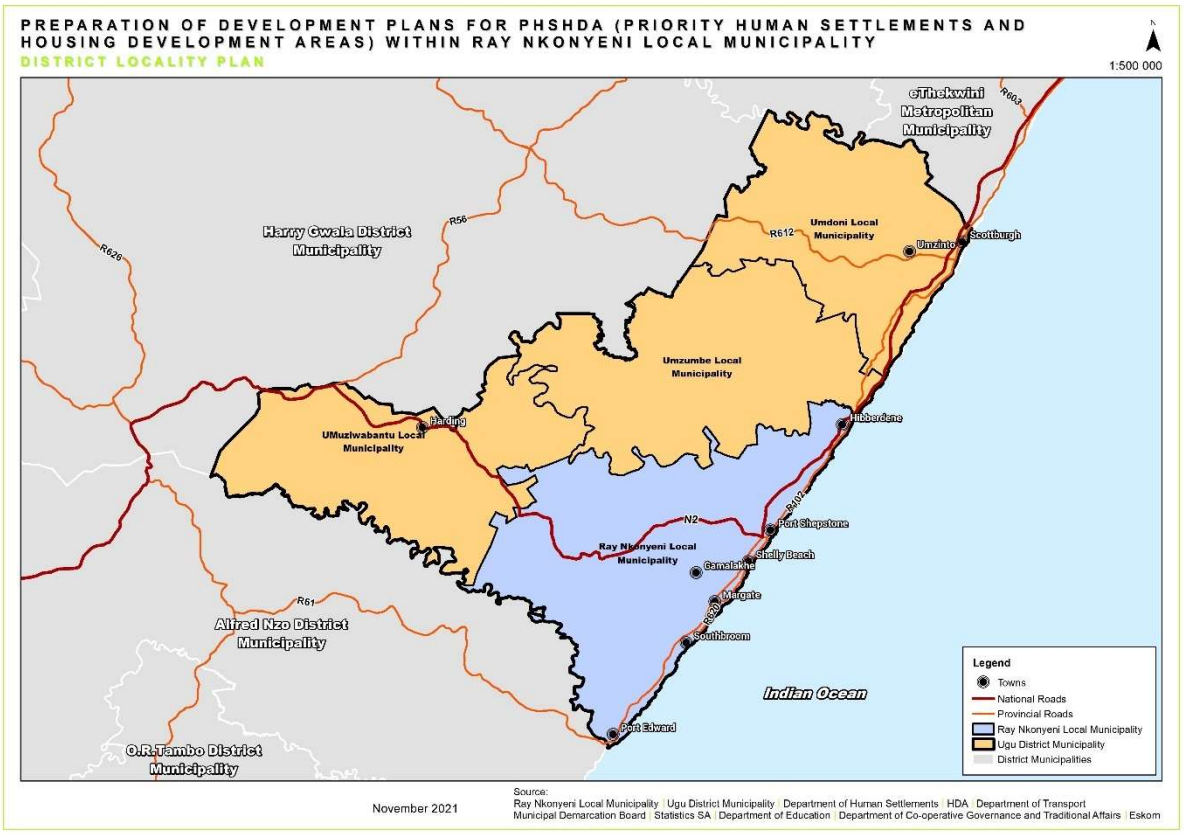
The priority Human Settlement Housing Development Areas (PHSHDA) are aligned with its IDP, Human Settlements Sector Plan and its Spatial Development Framework as Priority Housing Development Areas. Within the four (4) Priority Housing Human Settlement Development Areas various potential sites (land parcels) for development purposes were identified with an Implementation Framework with the aim of ensuring the creation of integrated sustainable human settlements. This was undertaken by the Housing Development Agency via their appointed Service Provider in consultation with various sector depts of Provincial Dept and the Municipality.

It is envisaged that over the next 20-30 years, Ray Nkonyeni Municipality (LM) will be a prominent Municipality which is built upon the vision set forth in the Ray Nkonyeni SDF and the PHSHDA supported by the Municipal IDP. The proposals will be realised through key interventions by development strong infrastructure linkages with the neighbouring towns and local municipalities.

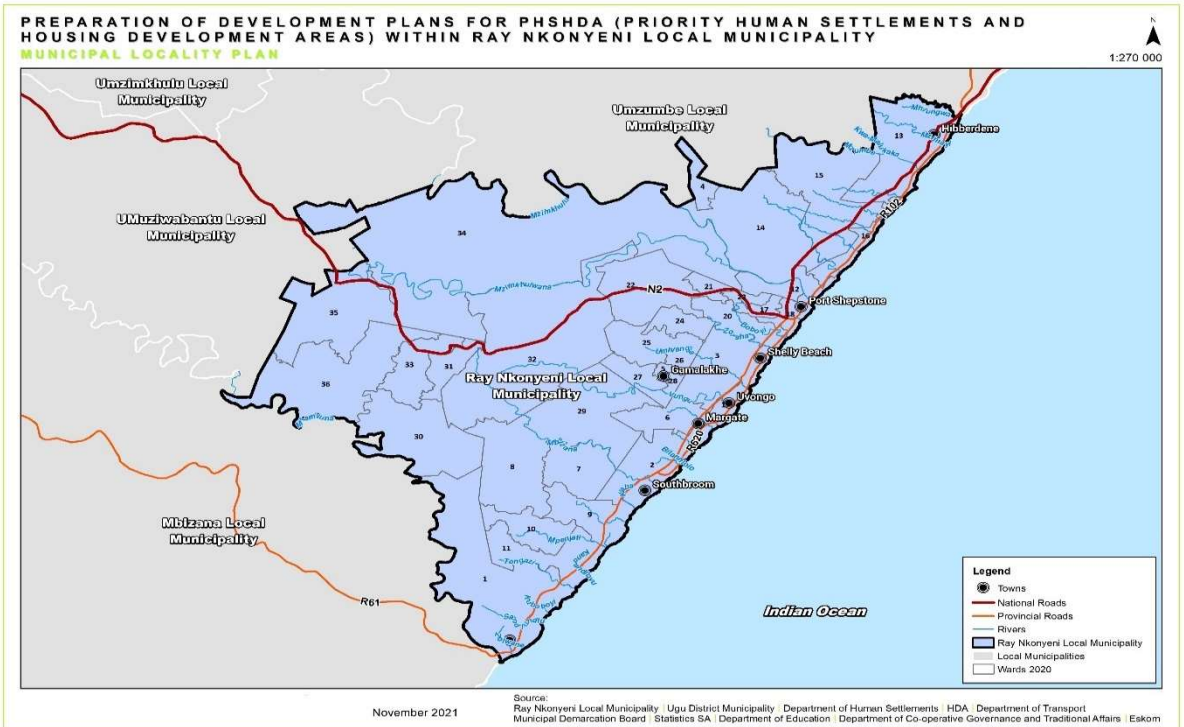
The four approved priority human settlement housing develeopment areas are as follows:

a) *Greater Port Shepstone…….. (Wards 12,14,15,16,17,18,20,21,22,23,24)*
b) *Gamalakhe -Nositha…….... (Wards 3,5,6,25,26,27,28)*
c) *Uvongo- Margate…… (Wards 3,19)*
d) *Shelly Beach…… (Ward 3)*

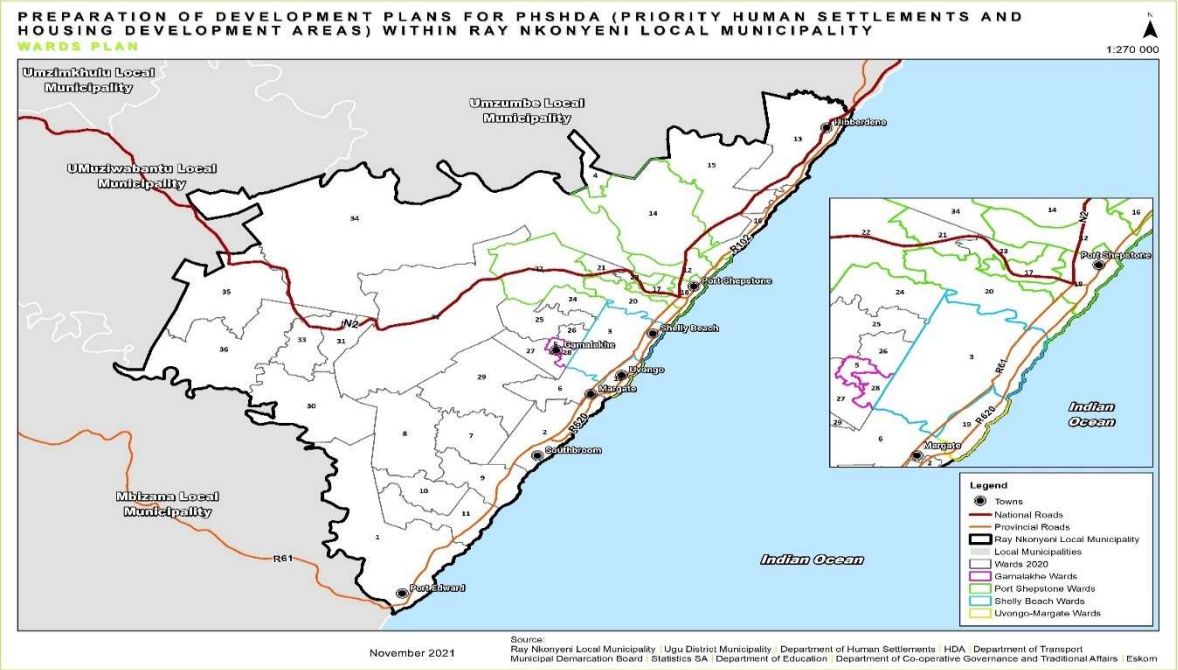
Map 47: UGU Municipality Locality



Map 48: Ray Nkonyeni Local Municipality



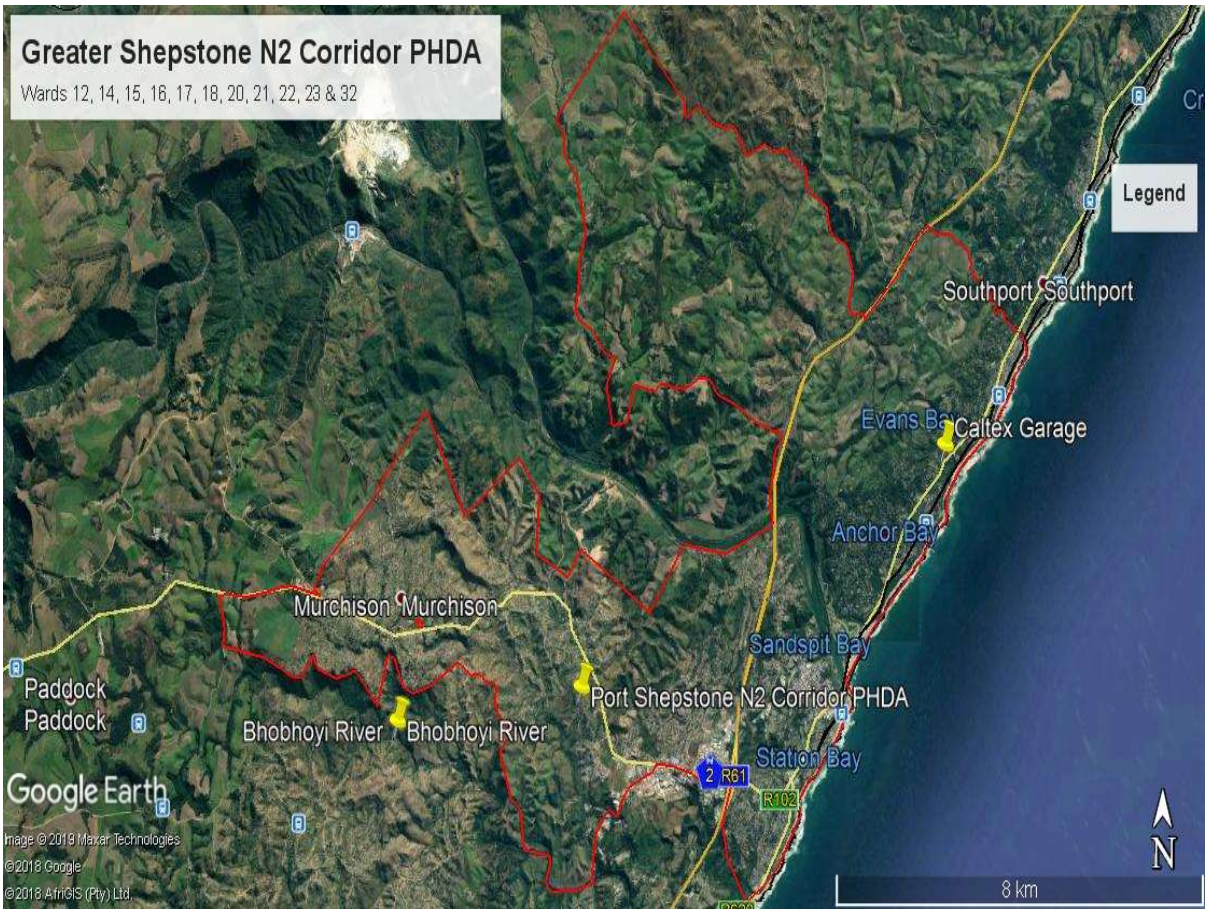
Map 49: Ward Plan of the Four PHSHDA Areas



a) Greater Port Shepstone N2/R102 Corridor

This area is described in the North by the water course separating Southport and Sea Park (Ward 16) till National Road (N2), coming South along N2 (towards Louisiana) till Umtentweni river and move along inland (North East direction) on the centre of the Umtentweni river (Ward 15 Louisiana) excluding Cabhane in KwaMadlala Traditional Area but including privately owned properties and the Maristella Church properties on the south of Umtentweni river joining St Faith Road. St Faith Road towards Louisiana township coming across the Umzimkhulu river covering part of Wards 12, 18, 17, 23, 21, 22 and portions of 32, 20 and 3.

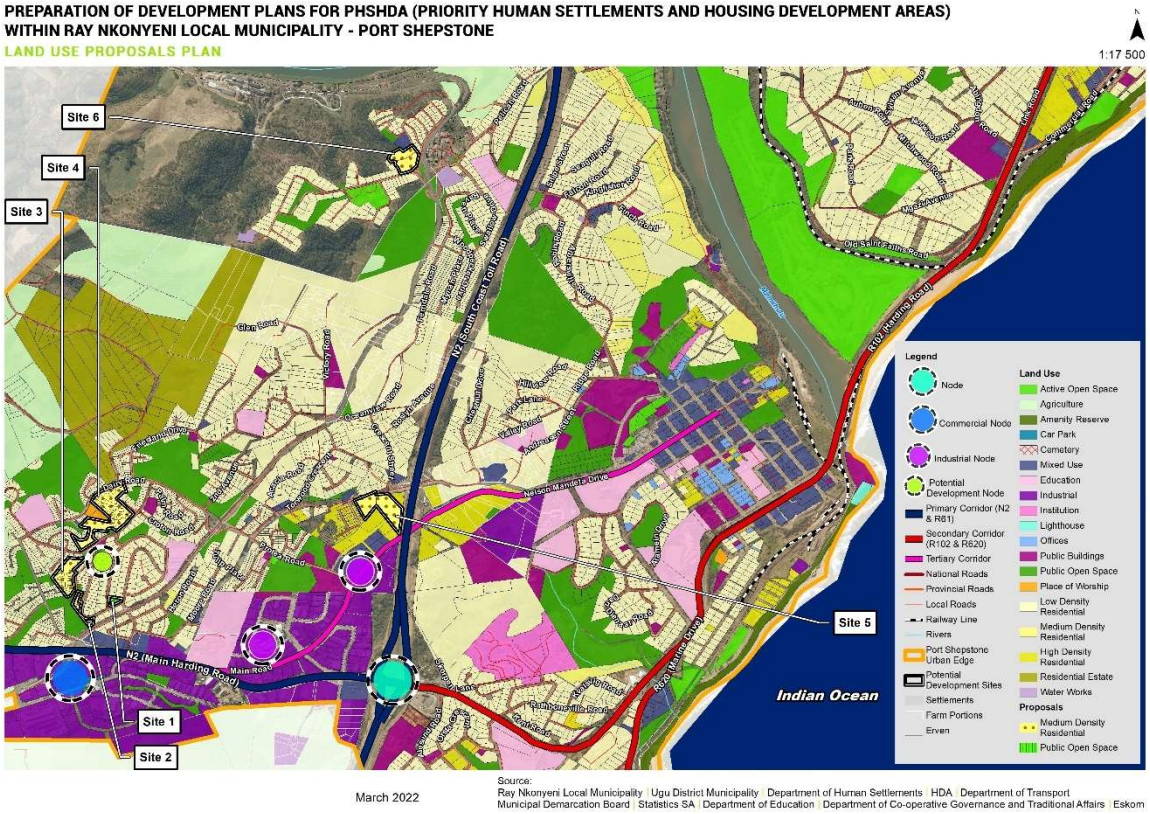
Map 50: Greater N2 Corridor PHDA



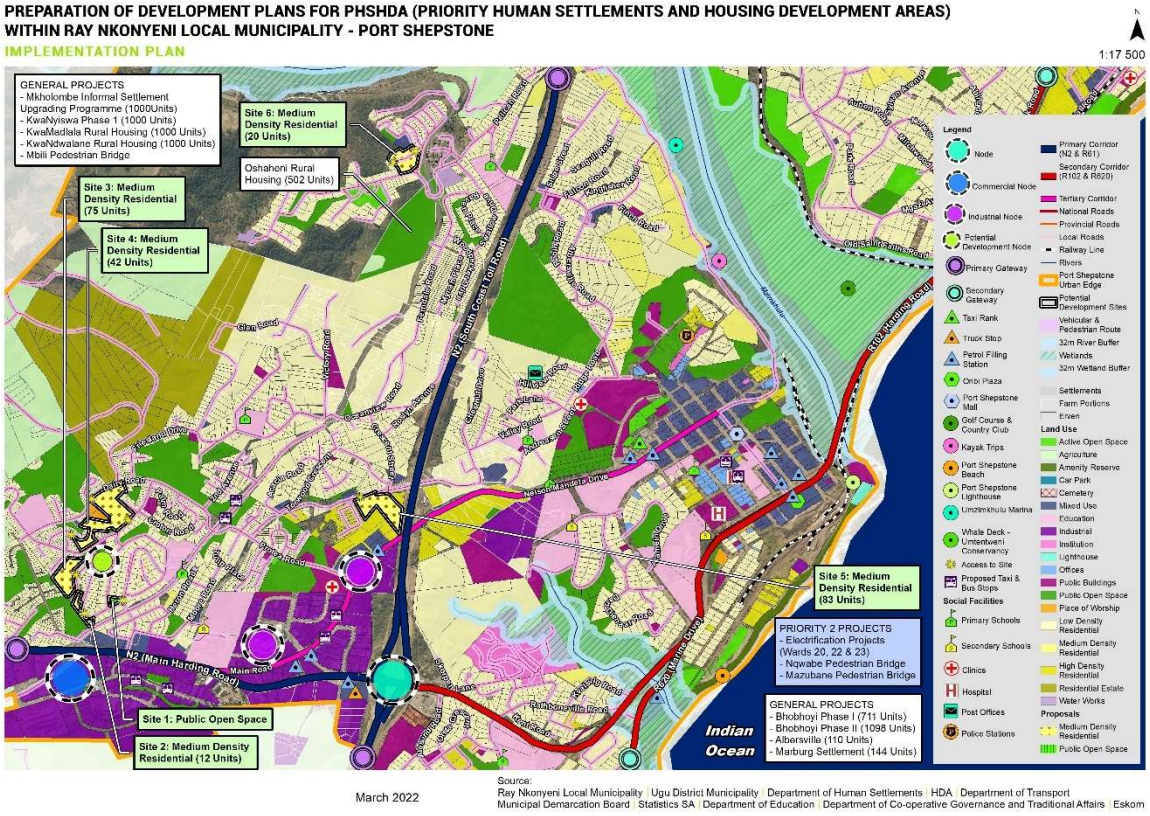
Sites / land parcels identified for development purposes within the greater N2 corridor:

i. Erf 1302-1309 & Erf 2542-2549 (Marburg Ext 3- Phase 1)
ii. Erf 2514-2537 (Marburg Ext 34)
iii. Erf 2565-2616 (Marburg Ext 34 Phase 2)
iv. Erf 2554 & 2319 (Marburg Ext 34 Phase 2)
v. Erf 2686 (Protea Park)

Map 51: Land Use Proposals Plan



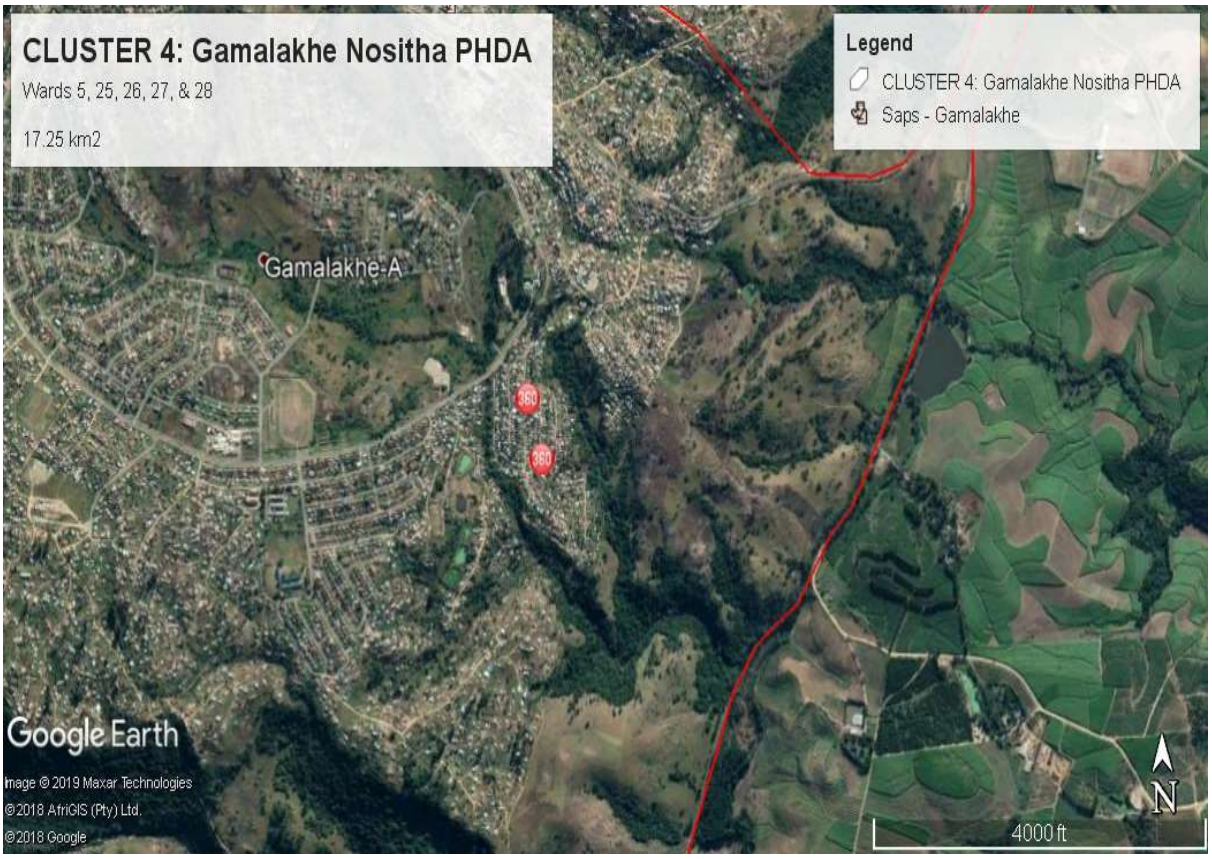
Map 52: Implementation Plan



b) Cluster 4: Gamalakhe Nositha

This area which starts at P200/Ray Nkonyeni road intersection towards Gamalakhe township. In Ward 26 to include Thembalihle, Mpovuza area towards Masimula area. In Ward 25 to include Masimula area. Wards 5, 27 and 28 areas included up till intersection of Oatlands and Nositha Road coming east towards P200. Oatlands Road and P200 intersection back to Ray Nkonyeni/P200 intersection.

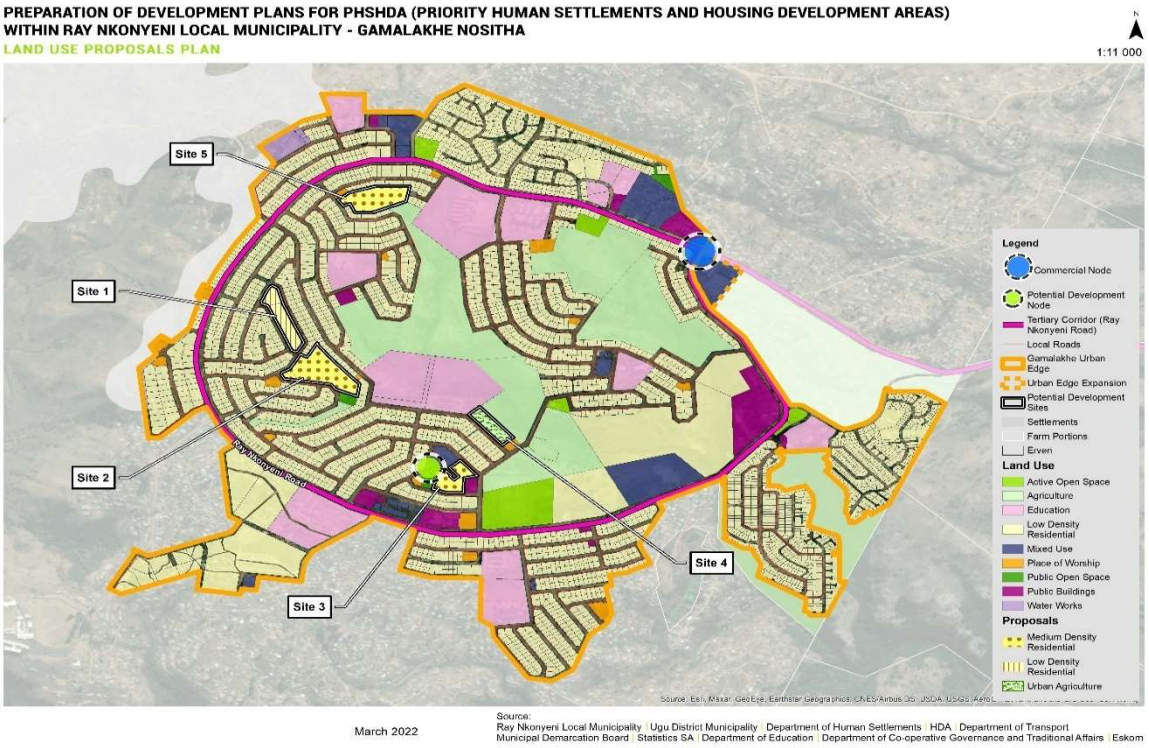
Map 53: Cluster 4 - Gamalakhe Nositha PHDA



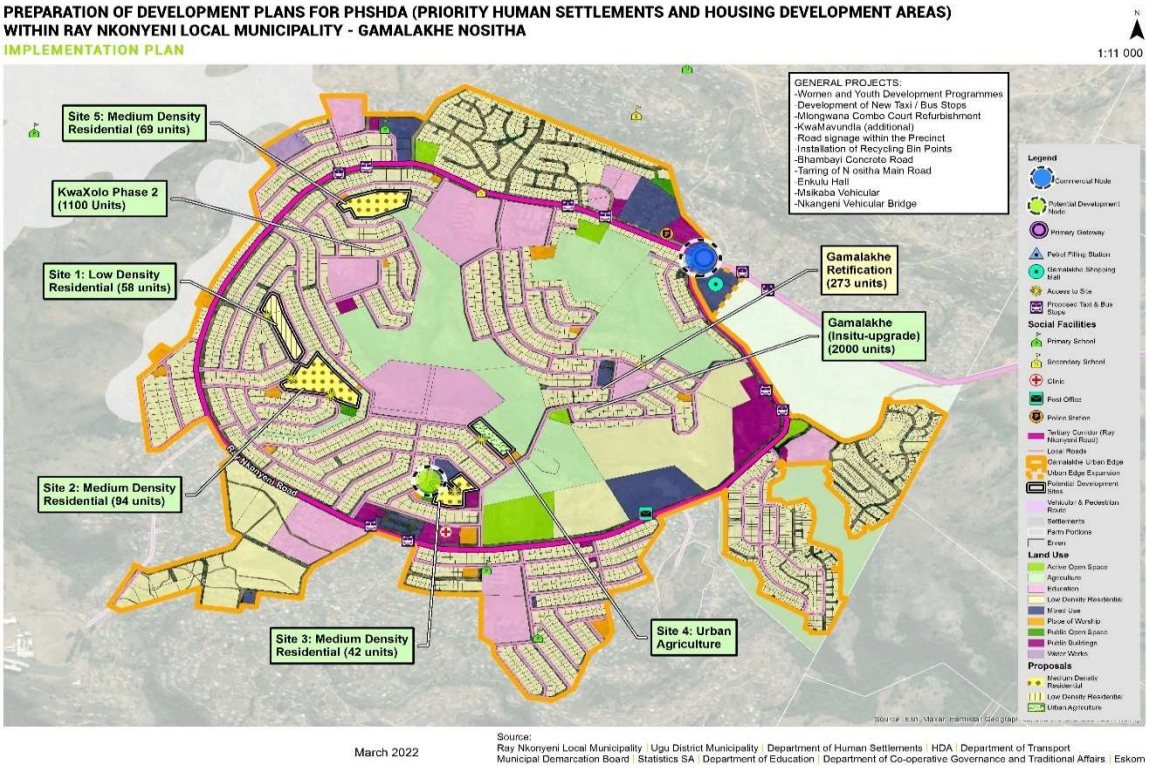
Sites / land parcels identified within Gamalakhe-Nosithia for development purposes:

i. Erf 1595 Gamalakhe A & Erf 1596 Gamalakhe A
ii. Erf 1791 Gamalakhe A & Portion 2 of Erf 1781 Gamalakhe A
iii. Erf 458 Gamalakhe A & Portion of Erf 2044 Gamalakhe A
iv. Erf 969 Gamalakhe A
v. Erf 993 Gamalakhe A

Map 54: Gamalakhe Nositha Land Use Proposals Plan



Map 55: Gamalakhe Nositha Implementation Plan



c) Uvongo-Margate

This area is bounded on the East by the Provincial Road Marine Drive, Uvongo river on the North and using Masinenge west boundary as its Northwest and Western boundary and Westgate and Sea Slope Roads as its South West and South boundary. It includes Ward 19 and 3.

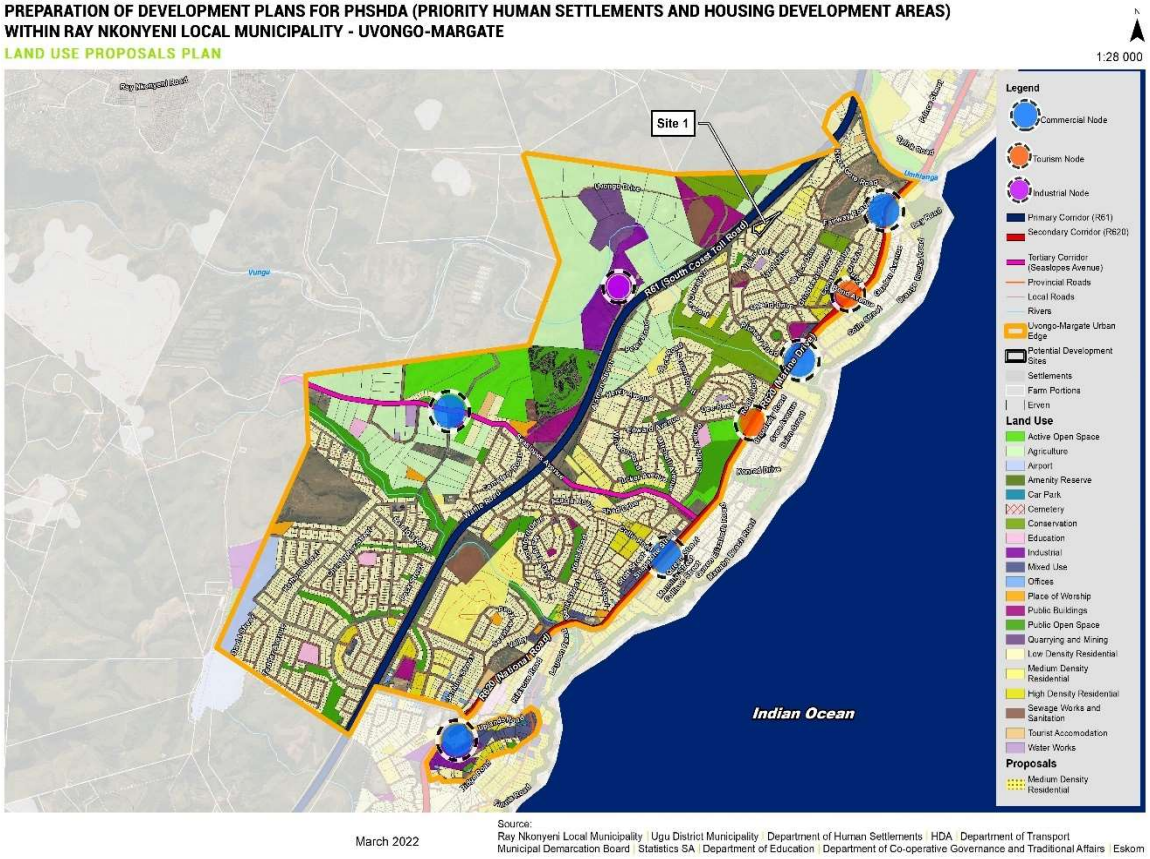
Map 56: Uvongo - Margate PHDA



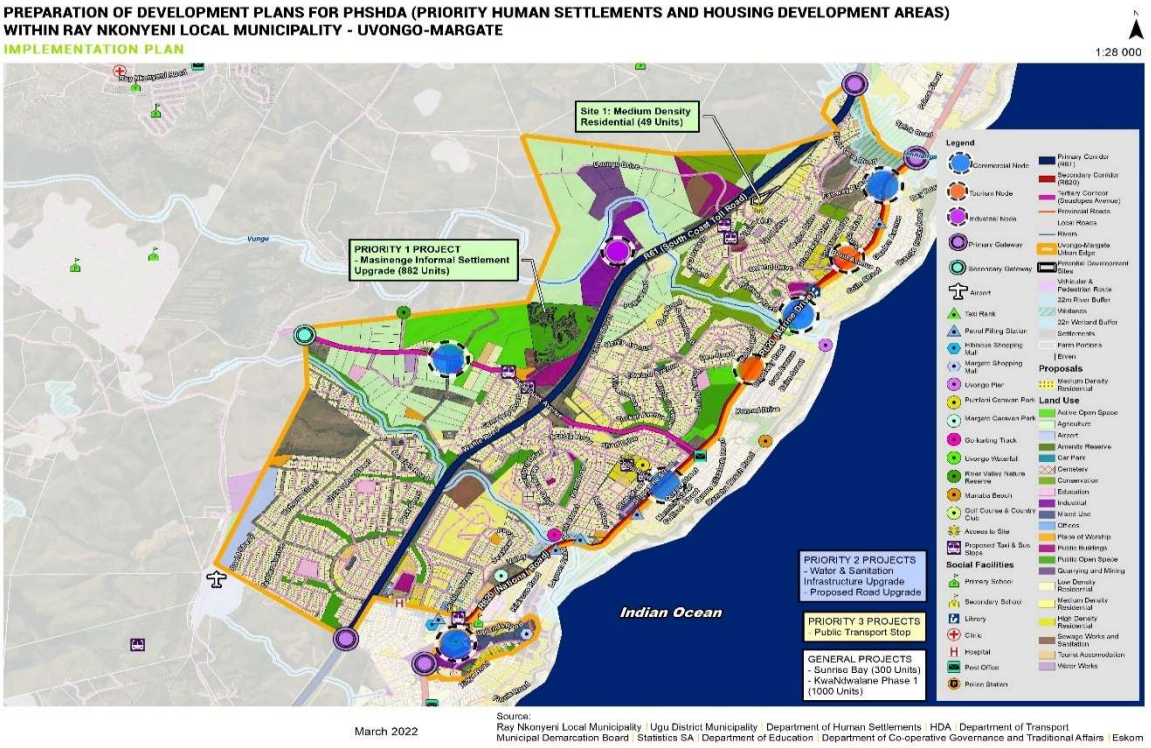
Sites / land parcels identified within Uvongo- Margate for development purposes:

i. Erf 1675 Uvongo Ext 2 (site 1)-Medium Density Residential

Map 57: Uvongo - Margate Land Use Propoasls Plan



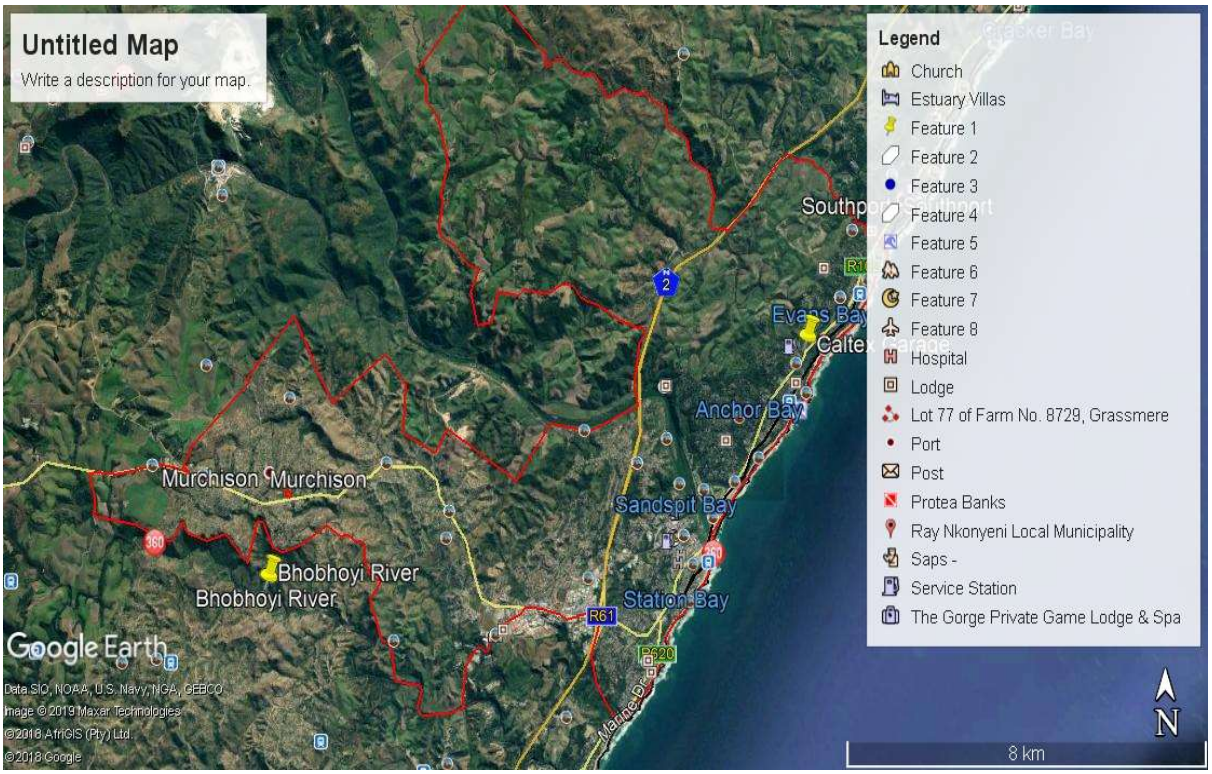
Map 58: Uvongo - Margate Implementation Plan



d) Shelly Beach

This area is bounded on the North by the Bhobhoyi river until it abut P200 on the North West, then moves South West through P200 until the intersection with Izotsha Road. Then it moves on Izotsha Road towards South Coast Mall as its Western and South West boundary until it intersect with Marine Drive. On the Eastern side, it then moves North on Marine Drive until Somers Road and moves East towards the Beach and joins the Bhobhoyi river mouth on the North. It is part of Ward 3.

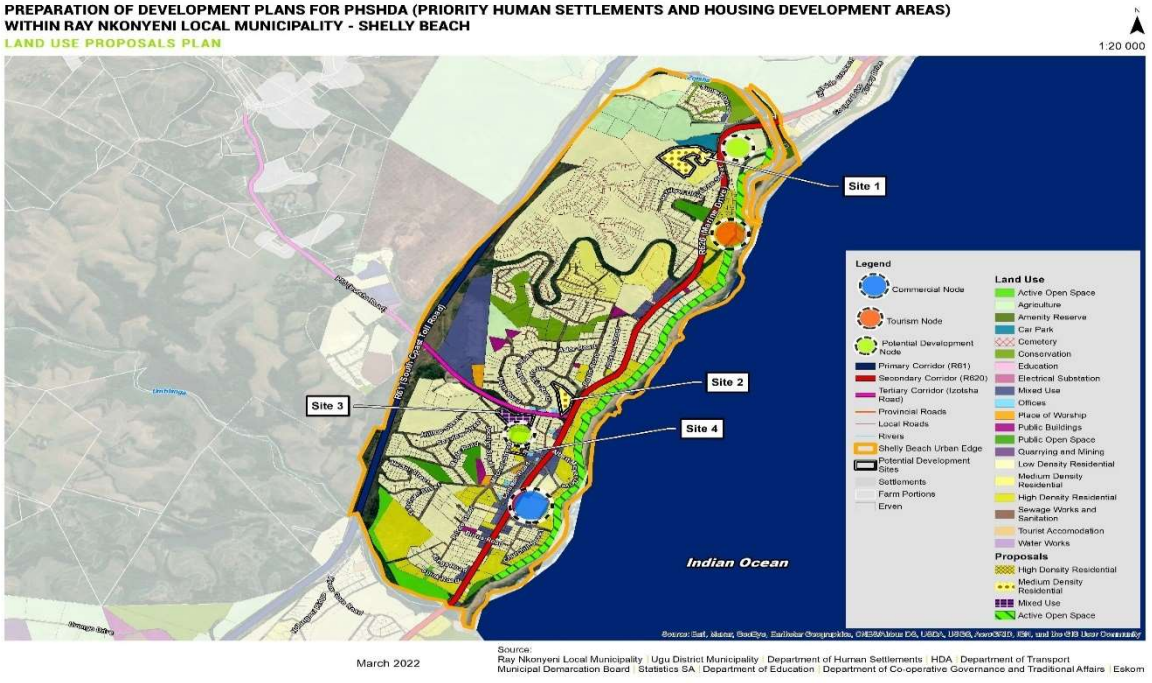
Map 59: Shelly Beach Locality



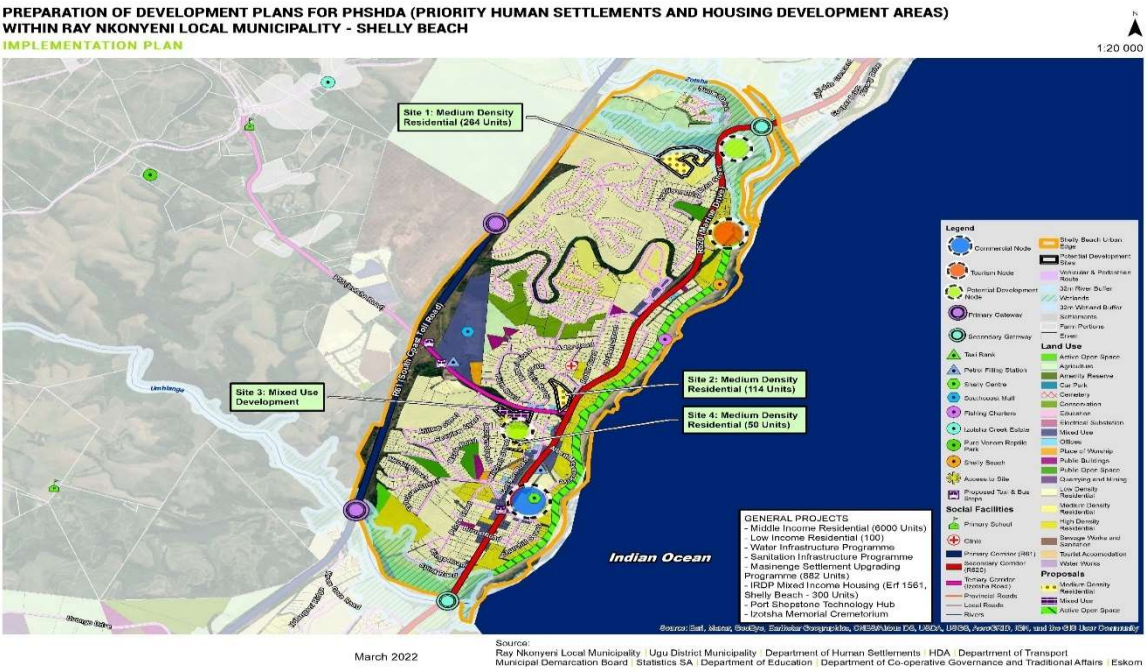
Sites / land parcels identified within Shelly Beach for development purposes:

i. Erf 1564 Social Housing – Shelly Beach
ii. Site 2 Erf 505 Shelly Beach
iii. Portion 3 of Erf 2094 Shelly Beach for Medium Density Residential

Map 60: Shelly Beach land Use Proposals Plan



Map 61: Shelly Beach Implementation Plan



3.5.4.4 Climate Change – Consequences For Human Settlements

The Municipal area is diverse not just in terms of population and biodiversity, but also in terms of its human settlements. Urban rural and costal human settlements face particular environmental and social challenges. The projected impacts of climate change on settlements are complex and diverse.

Table 92: Key Impacts on Human Settlements

Climate Change Phenomenon	Consequences for Human Settlements
Heat waves and drought	Increase water demand, water quality problems, increase risk of heat related morality especially for the elderly , chronic sick for young and poor, reduction in quality of life for people without appropriate housing
Intense precipitation events and severe storms	Adverse effects on quality of surface and ground water, contamination of water supply, Increase risk of death, injury, loss of property, and diseases. Displacement of families and migration to urban areas. Pressure on urban and rural infrastructure, disruption of water supplies including transportation.
Sea level rise and storm surges	Decrease in freshwater availability due to salt –water intrusion. Loss of property and livelihood, and challenges with risk cover to property.



- Impact on Urban Settlements

  Increased risk of lack of water delivery as a result of increased demand because of higher temperatures and drying conditions. Increased population size in urban and peri-urban areas, leading to increased pressure on service delivery and competition for resources, as a result of migration from rural areas affected by climate change. Increased disruptions to transport infrastructure (roads, rails, bridges, airports,) as a result of extreme weather events. Increased risk of extreme weather events to already vulnerable informal settlements, that are often unplanned, and without extensive service or infrastructure.

- Impact on Rural Settlements

  Reduced productivity of subsistence farmlands as a result of rising temperatures, unreliable rainfall, and water scarcity. Increased vulnerability to water shortages because of increased evaporation, changes in rainfall, damage to infrastructure from floods and storm surges, and reduction in groundwater recharge. Reduced availability of natural resources on which many rural communities depend, because of diminished biodiversity in already degraded ecosystems. Physical isolation of rural communities as a result poor rural roads and increased flooding and erosion. Reduced food security, particularly of subsistence farmers, and resultant increase in malnutrition. Increased migration from rural settlements to urban and peri-urban settlements

- Impact on Coastal Settlements

  Increased loss of property and damage to infrastructure. Increased disruptions to basic services as increasing groundwater salinity accelerates leeching of toxins from landfills threatening drinking water, and rising seas and storm surges result in backwash" though sewage and wastewater systems causing damage and hazardous pollution. Increased groundwater salinity threatening smallholder and families who depend on vulnerable aquifers for irrigation of coastal farmlands. Reduced income from tourism as a result of reduced marine recreational opportunities and increased impact on tourism supporting infrastructure, such as beach access roads.

- Impact on Human Migration and Conflict

  Large flows of people both from rural areas to urban, and between urban (or peri-urban) areas. Climate-related food insecurity, service incapacity, extreme weather events and water security could lead to increased migration. Migration is likely to be experienced from both other Municipal areas and Provinces. Climate change will accentuate the existing trend towards urbanization due to the negative impacts of climate change on rural livelihoods. Increased costs of water, liquid fuels and electricity as industry inputs.

Therefore spatial planning, design and funding for Human Settlement Programmes & Projects should be guided by environmental constraints created by climate change.

3.5.4.5 Municipal Social Housing Programme

The National Social Housing Programme primary objective is to spatially transform South African urban centres to create greater economic, integration and provide access to low and



moderate incomes to areas of urban space from which they were previously excluded. It is also to provide low-moderate income household's easier access to the socio- economic resources of development to towns and cities by the provision of good quality well managed formal rental housing stock that is affordable to households;

The task of the Municipality in ensuring the Social Housing Programme achieve their socio - economic and spatial restructuring objectives, by ensuring the release of appropriate land and buildings in the right location and at the right price or rental to ensure sustainable properties to accredited delivery agents. Municipalities must ensure by making land and buildings to housing delivery agents is used for the intended purpose in the longer term, .i.e. the provision of well-located and managed rental housing stock which are affordable to low and moderate income earners;

In October 2020, the Municipal Council of RNM approved its Municipal Social Housing Policy which has taken the following into consideration:

1. *RESTRUCTURING ZONES (AREA BASE)*

   The Municipality is to have an approved restructuring zone that will facilitate the provision of Social Housing for its citizens who are in need of rental housing opportunities within its area of jurisdiction.

2. *RENTAL HOUSING NEED / DEMAND*

   The Municipality determines its housing need for Social Rental Housing by means of the National Housing Needs Register or a Demand Survey. The implementation of this programme will be based on a clear understanding of the target market that is in need of rental accommodation.

3. *DEVELOPABLE LAND AND UNUSED BUILDINGS*

   The Municipality undertakes to identify vacant developable land or unused building within the approved Restructuring Zones and to be sold or leased following the conditions as per the Municipal Policy on the Management and Disposal of Immovable Properties to Social Housing Institutions or Housing Delivery Agents for Social Rental Housing.

4. *MUNICIPAL REBATES OR OTHER FORM OF INCENTIVIES*

   On vacant developable land being sold or leased to Social Housing Institutions or Housing Delivery Agents that the Municipality undertakes to provide rebates or other form of incentives to such Institutions, e.g. planning fees, building approval fees, inspection fees, and rates to ensure sustainability of the delivery Institutions.

5. *LAND DISPOSAL TO SOCIAL HOUSING INSTITUTIONS OR HOUSING DELIVERY AGENTS*

   The Municipality undertakes to dispose of its developable land within the Restructuring Zones to Social Housing Institutions or Housing Delivery Agents who are on the Municipal Data Base for Social Housing Institutions either through:



6. FREEHOLD

Being outright transfer of ownership following the conditions of the Municipal Policy on the Management and Disposal of Immovable Properties, or

7. LEASE HOLD

In compliance with Council's approved Policy on the Management and disposal of Immovable Properties on lease agreement of more than 9 years, that consideration should be given for long term lease of a minimum of 30 years for Social Housing Institutions or Housing Delivery Agent as per the requirements of the Social Housing Regulatory Authority, with prior written approval being obtain from the Municipal Council in the form of a resolution.

8. PROVISION OF BULK INFRASTRUCTURE SERVICES FOR SOCIAL HOUSING DEVELOPMENT

Ugu District Municipality, is both the water services authority and provider within the Municipal area. That UGU District Municipality undertakes to provide bulk infrastructure services (water and sanitation) to the various land parcels identified for Social Rental Housing within the approved Restructuring Zones.

9. ESTABLISHMENT OF A DATA BASE FOR SOCIAL HOUSING INSTITUTIONS

The Municipality undertakes to establish a Data Base for Accredited Social Housing Institutions / Housing Delivery Agents by calling for expression of interest from accredited Social Housing Institutions through its Supply Chain Management processes.

10. APPOINTMENTS OF SOCIAL HOUSING INSTITUTIONS OR HOUSING DELIVERY AGENTS.

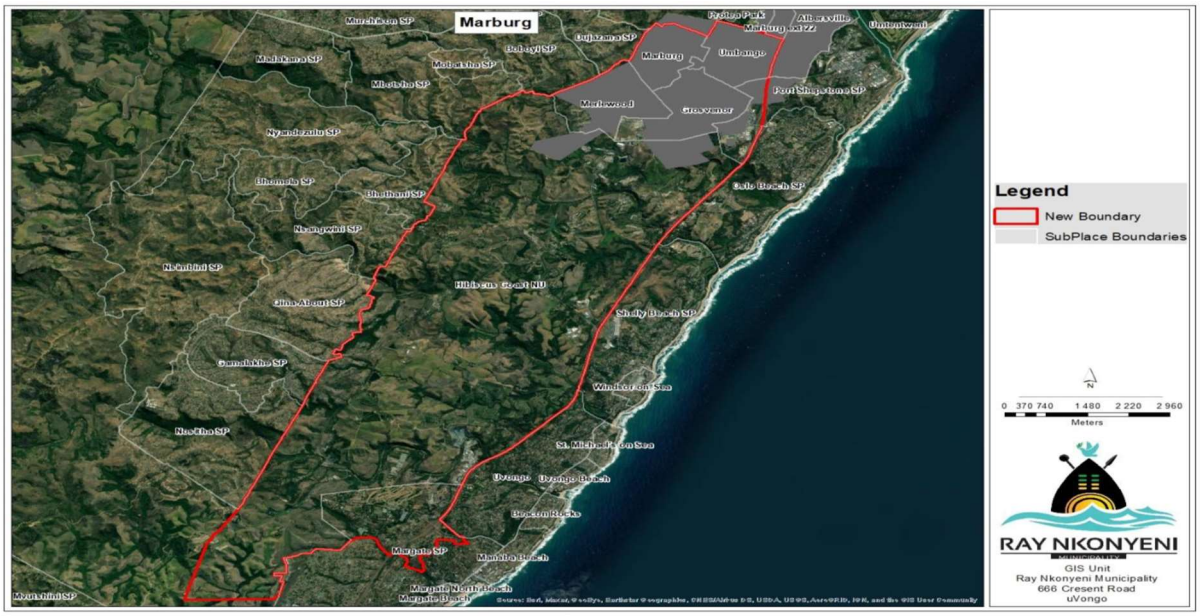
That the Municipality undertakes to appoint Social Housing Institutions or Housing Delivery Agents from its approved Data Base. Land parcels / unused Buildings identified within the Restructuring Zones be allocated to such delivery Institutions following Municipal Council process and regulations.

11. SOCIAL HOUSING: RESTRUCTURING ZONES

The Municipal Council granted approval for the extended boundary demarcation regarding the already approved Restructuring Zones of Marburg, Protea Park and Uvongo. The extended boundaries will now include areas such as:

- **Marburg**: uMbango, Marburg, Merlewood, Portion of Port Shepstone, portion of Margate and non- urban areas.
- **Protea Park**: Albersville, Umtentweni, Port Shepstone CDB, and Sea Park.
- **uVongo**: Portion of Port Shepstone, Oslo Beach, Shelly Beach and uVongo.

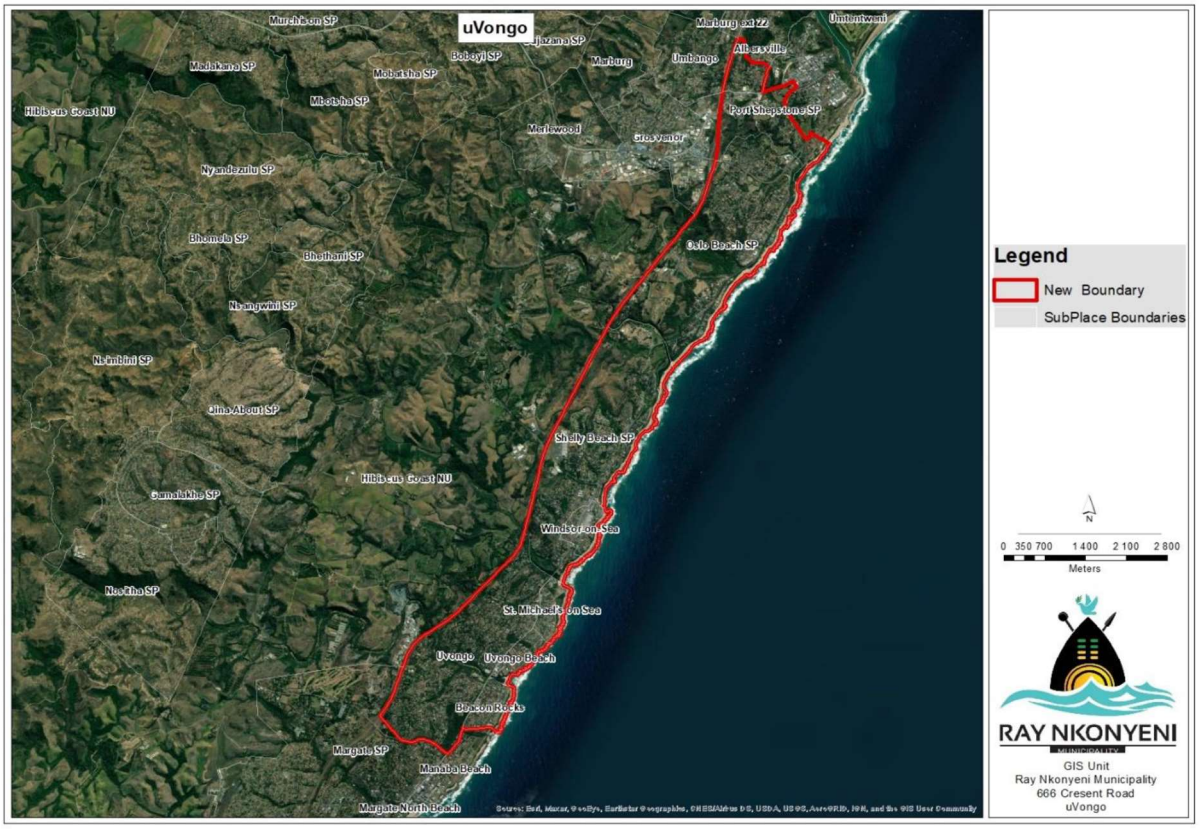
Map 62: Municipal Restructuring Zones (Marburg)



Map 63: Municipal Restructuring Zones (Protea Park)



Map 64: Municipal Restructuring Zones (Uvongo)

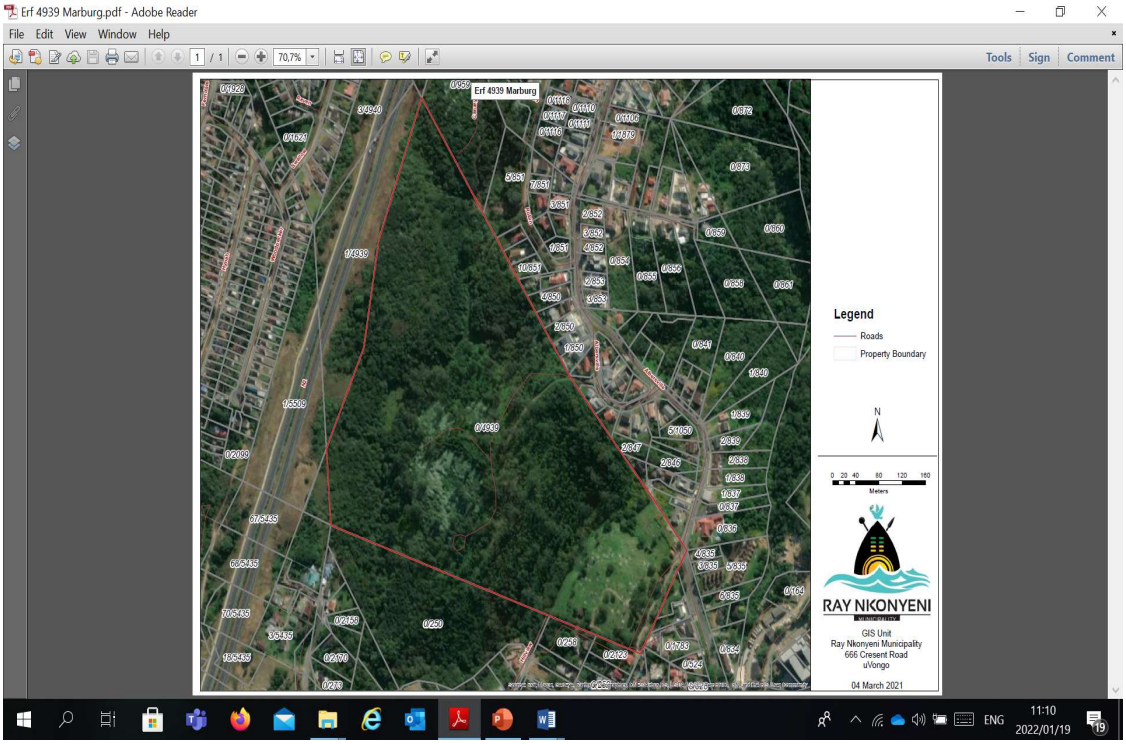


The following sites were identified within the Restructuring Zones for Social Housing (Rental) within the 5 year Provincial Department of Human Settlements Roll Out Programme:

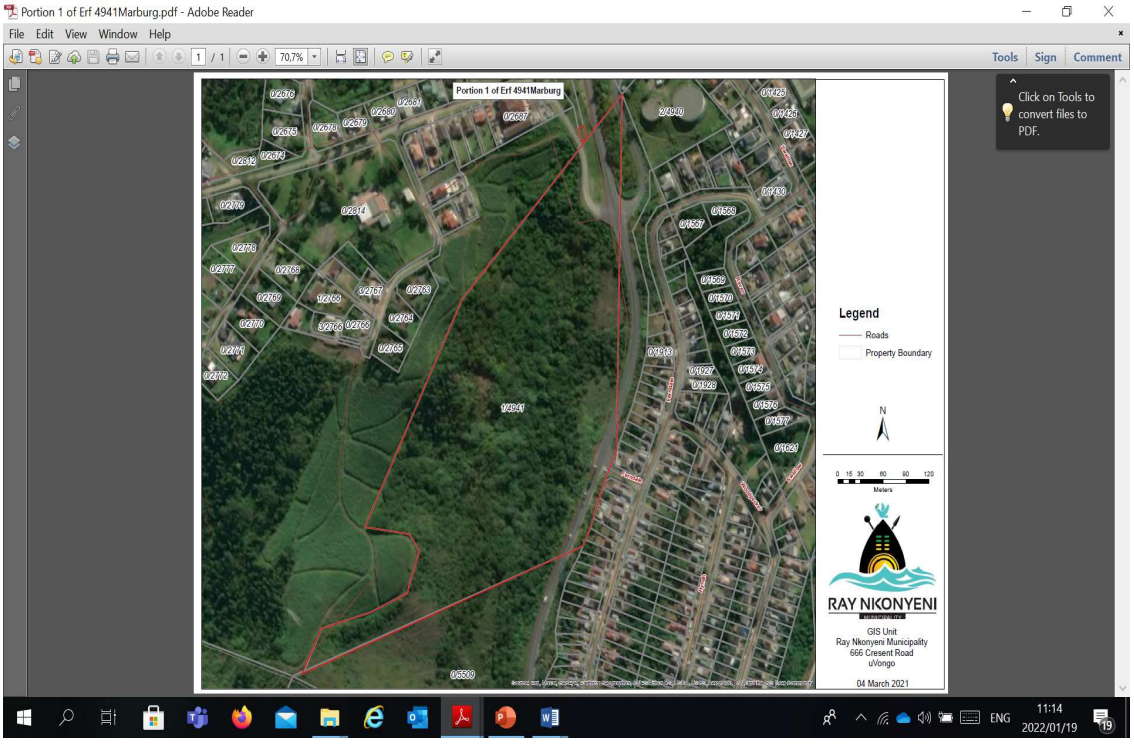
Table 93: Human Settlements Roll-Out Programme

PROPERTY DESCIPTION	EXTENT	CURRENT ZONING	INTENDED REZONING	POTENTIAL YIELD
Lot 26 of 4939 , Marburg	24.264 ha	Residential only 5	Residential High Impact 3	1213 units
Lot 29 of 4941, Marburg	11,234 ha	Residential only 5	Residential High Impact 3	936 units
Erf 1675. Uvongo	1.4925 ha	Residential only 5	Residential High Impact 3	124 units
Total				2273 housing opportunities

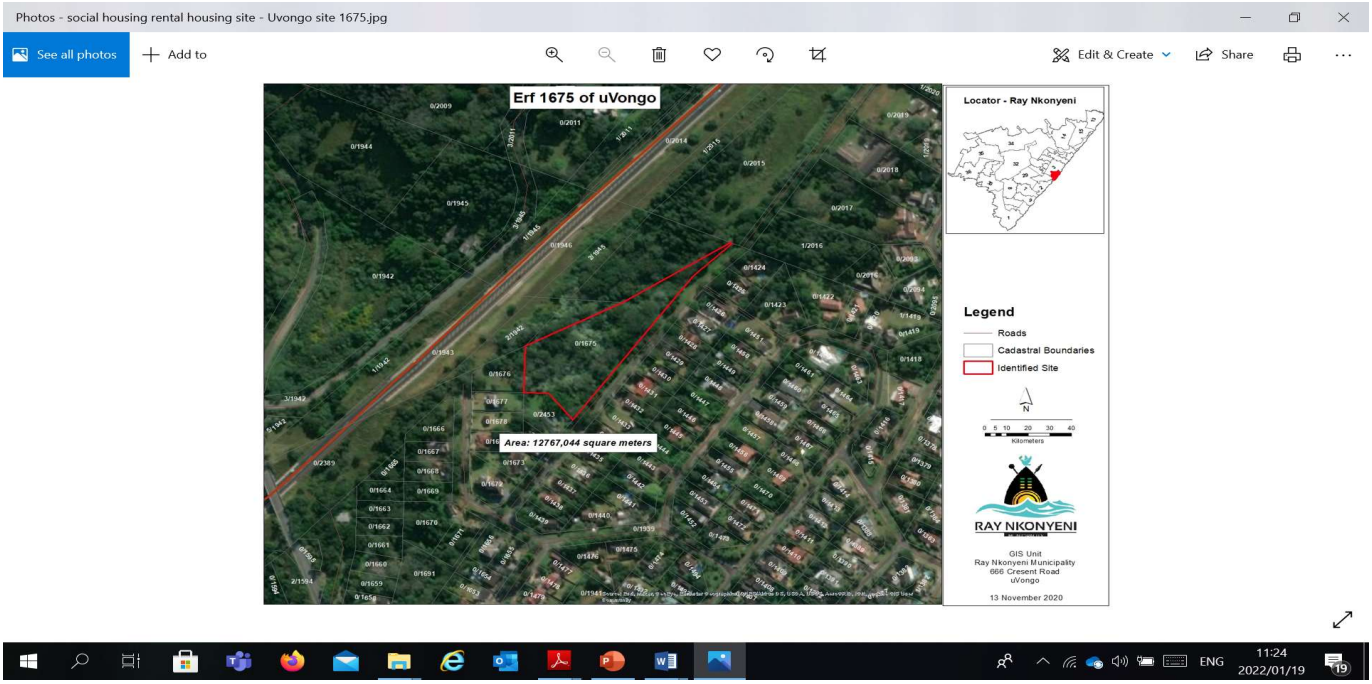
Map 65: Social Renting Housing - Marburg Site (Lot 26 of 4939)



Map 66: Social Rental Housing - Marburg Site (Lot 29 of 4941)



Map 67: Social Rental Housing - Uvongo (Lot 1675)

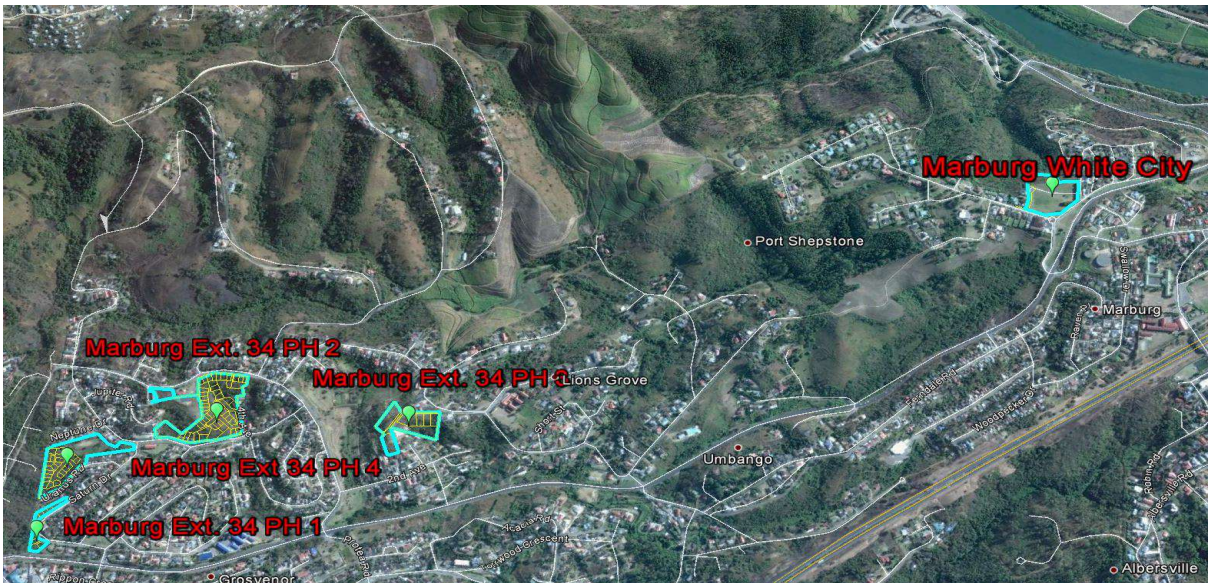


The following sites within the Restructuring Zones were identified for Social Housing (Rental / other) on Municipal Owned Properties with an Appointed Implementing Agent:

Map 68: Identified Sites for Social Housing

PROTEA PARK (WHITE CITY) – RESTRUCTURING ZONE		
AREA	PROPERTY DESCRIPTION	POTENTIAL YIELD
ERF 2686	Marburg (Area 1)	150 units
Erven 2560-2564	Area 2A	15 units
Erven 2565-2625	Area 2B	166 units
Erven Remainder of 2377, 2439 and PTs 0-6 of 2440	Area 3A	257 units
Erven 2514 -2537, Marburg (Merlewood)	Area 4	120 units
Ervens 2542 – 2549, Marburg (Merlewood)	Area 5	55 units

Map 69: Social Rental Housing and FLIP Housing (Identified Sites)



3.5.4.6 Municipal Informal Settlements Upgrading Programme

Conventional informal settlements ('in-situ) upgrading entails the re-development of an informal settlement in a comprehensive and relatively complete fashion in respect of housing, tenure and infrastructural services. Relocations may affect only a portion of settlements or the entire settlements and may be temporary (e.g. to a temporary relocation area) or permanent (i.e. to another green-fields project site). Whilst temporary relocations of the settlement may be inevitable, and permanent relocations of some residents might also be inevitable, the relocation of entire settlements, should be undertaken as a last resort and in special circumstances (e.g. material health and safety risks to residents) given the significant negative impact on residents typically flow from such wholesale relocations.

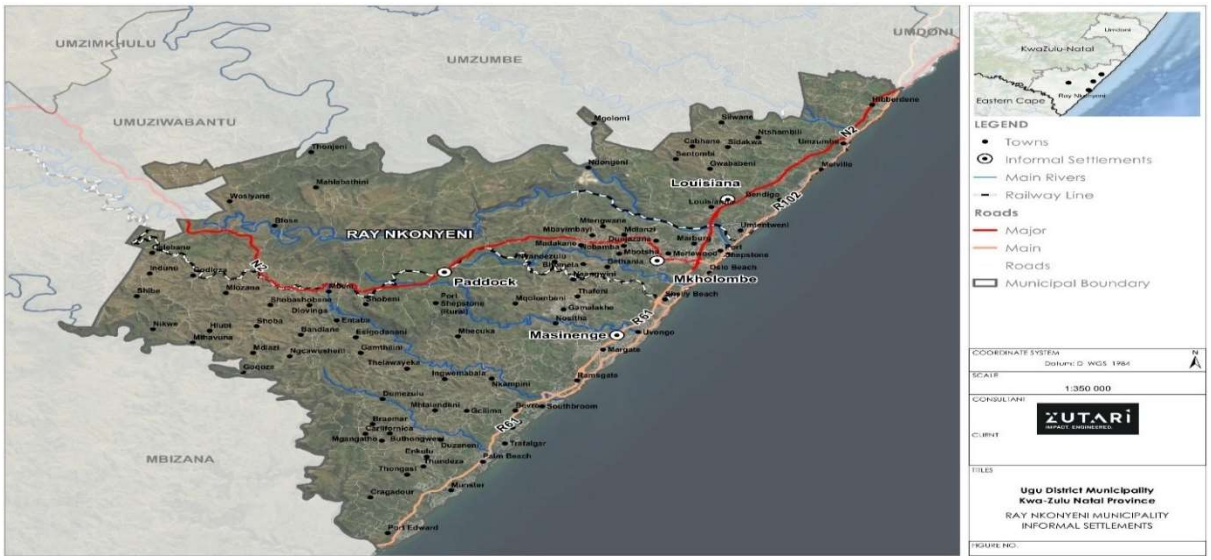
The table below outlines the informal settlements in the RNM, together with the total area and estimated number of structures. The actual number of structures was based on fieldwork exercise that was undertaken.

Table 94: RNM Informal Settlements

MUNICIPALITY	SETTLEMENT NAME	AREA (HA)	STRUCTURES (RFQ ESTIMATE)	STRUCTURES (ACTUAL)*
Ray Nkonyeni	Louisiana	7,60	190	416
	Masinenge	14,76	650	1 557
	Mkholombe	33,78	939	2 400
	Paddock	0,93	51	101
SUBTOTAL		57,07	1 830	4 474

* Actual number of structures based on fieldwork.

Map 70: Location of RNM Informal Settlements



In terms of the approach a set of principles for informal settlement upgrading was developed as part of the National Upgrading Settlement Programme (NUSP). These principles are aligned with the intent of the NDoHS to facilitate the Structured Upgrading of Informal Settlements focusing on Sustainable Human Settlements, and the need for In-Situ Upgrading Strategies. The principles outlined are as follows:

- **Sense of place**: *Existing elements of community organisation, such as the placement of private and semi-private space within communities;*
- **Integration and inclusion**: *Social and spatial connectivity and the building of community;*
- **Community involvement and engagement**: *Ensuring that meaningful engagement and participation takes place during the upgrading process;*
- **Spatial integration**: *The integration of informal settlements into the urban fabric;*
- **Practicality**: *Ensuring strategic development decisions and that in situ upgrading takes place when it is the most technically and socially responsible option for the communities concerned;*
- **Flexibility**: *The development of contextually appropriate strategies;*
- **Quality**: *The development of quality, sustainable upgrading solutions; and*
- **Efficiency**: *The efficient utilization of land, resources and efficient service provision to achieve maximum benefits for the urban poor across spatial and temporal scales.*



Table 95: NUSP Informal Settlement Categories

CATEGORY	EXPLANATION
A	Full upgrade in terms of services, top structures and tenure is appropriate, affordable, and viable; i.e. where full upgrading can take place in the short term. Typically no interim service provision since full upgrading is imminent.
B1	These settlements are those which are viable for full upgrading in the longer term but where it is not imminent. Interim basic services provided as a precursor to an eventual full upgrade.
B2	This refers to settlements where long-term upgrading is not appropriate or viable, but relocation is not urgent. Interim basic services should ideally be provided until relocation can take place.
C	Informal settlements which have to be relocated as a matter of urgency because they face significant risks (health, environmental or any associated harmful situations) in their current location. No interim service provision.

Table 96: Synthesis of Informal Settlements Categorization

SETTLEMENT NAME	CATEGORY	RESPONSE
Louisiana	B2	• Site is too steep for in situ upgrade but no imminent safety threat necessitating relocation. • Provision of interim basic services with eventual relocation to suitable site. • Interim basic services upgrading plan and relocation strategy formulated.
Masinenge	B1 and C	• Some sections of the site are prone to flooding and would have to be relocated. • Approved layout plan for a portion of the site is already in place and construction of multi-storey units has already commenced. • Provision of interim basic services in developable areas as a precursor to eventual full upgrade. • Land for relocation of overflow households and those situated in flood prone areas is yet to be identified. A relocation strategy has been developed.
Mkholombe	B1 and C	• Large sections of the site are too steep for in situ upgrade or prone to flooding. • Approved layout plan for a portion of the site is already in place. • Provision of interim basic services in developable areas as a precursor to eventual full upgrade.



		• Land for relocation of overflow households and those situated in flood prone areas is yet to be identified. A relocation strategy has been developed.
Paddock	B2	• Site is isolated from urban fabric. • Provision of interim basic services with eventual relocation to suitable site. • Interim basic services upgrading plan formulated. • Land for relocation is yet to be identified. A relocation strategy has been developed.

3.5.4.7 Schematic Infrastructure Layouts

The two settlements that are eligible for in-situ upgrading – Masinenge and Mkholombe – have approved layout plans in place. Where in-situ upgrading is neither viable nor appropriate, relocation strategies have been developed. The engineering responses of interim basic services provision include provision of the following services:

- Communal standpipes
- Communal toilets
- Provision of septic tanks
- Provision of skip bin for solid waste

The engineering responses as part of in situ upgrading plans typically include the provision of the following services:

- Roads and associated storm water networks;
- Roads and ducts at road crossings (data and electrical sleeves);
- Water reticulation networks and water house connections;
- Foul sewer drainage networks and sewer house connections;
- Street lighting, area lighting (where applicable), electrical reticulation and electrical house connections;
- Electrical MV cabling for connection to existing MV networks surrounding the different sites; and
- Allowances for site clearance and bulk earthworks within road reserves.

3.5.4.8 Enabling Factors for Upgrading and Development

3.5.4.8.1 Land Acquisition

Land acquisition can include the purchasing of land, land swop arrangements and acquisition by means of expropriation. Regulatory processes to unlock and enable development include environmental studies (such as basic environmental screenings or full Environmental Impact Assessments (EIA)), planning approvals, land surveying and final infrastructure design and approvals.

3.5.4.8.2 Infrastructure Requirements

Upgrading of an informal settlement is dependent on sufficient bulk infrastructure being available, both in terms of utilities distribution capacity (pipelines, distribution networks) and



treatment capacity (water and wastewater treatment works). Without sufficient bulk capacity in place, a settlement will not be adequately serviced. As such, the following enabling elements have been identified to highlight current shortfalls in bulk capacity and what options can be pursued in the event where such bulk is currently not available.

Table 97: Enabling Factors for Development (Water)

WATER		
Current Situation		
• The rivers within the region have sufficient surplus flow to cater for the water demands for the foreseeable future. Bulk water supply and reticulation infrastructure are under pressure due to growing demand. Pipe systems are old and in need of maintenance and upgrading		
Bulk Infrastructure Requirements		
• It is envisaged that bulk water supply and reticulation infrastructure will need to be upgraded to cater for the demand. Old pipe systems and increasing capacity of water treatment plants will require strengthening to meet future water demand. • It is proposed that the following systems within RNM need strengthening: o Umzimkhulu water augmentation project; o Mtwalume bulk water project; o South Coast Bulk pipeline; o Umtamvuna bulk water project; o Port Edward and Ezinqoleni; and o Rural Water Supply		
Reticulation Options		
Short-term	*Medium-Term*	*Long-Term*
Shared standpipes	• Sites and services (with slower take-up) • Sites and services with valve restrictors	Sites and services with conventional erf connections

3.5.4.8.3 Sewer

Table 98: Enabling Factors for Development (Sewer)

SEWER
Current Situation
• There are several pump stations in the reticulated areas, whilst wastewater treatment plants are generally located in-land, off the coastal strip. Waterborne sanitation is largely confined to the coastal, densely populated areas of the Municipality. Inland and rural areas rely on rudimentary forms of sanitation such as Ventilated Improved Pits (VIPs)
Bulk Infrastructure Requirements
• It is envisaged that sewer infrastructure in the urban part of the Municipality will have to be upgraded to cater for an increasing urban population. Bulk network to be extended further inland where required and in line with the Municipality's desired future spatial form to serve the growing population

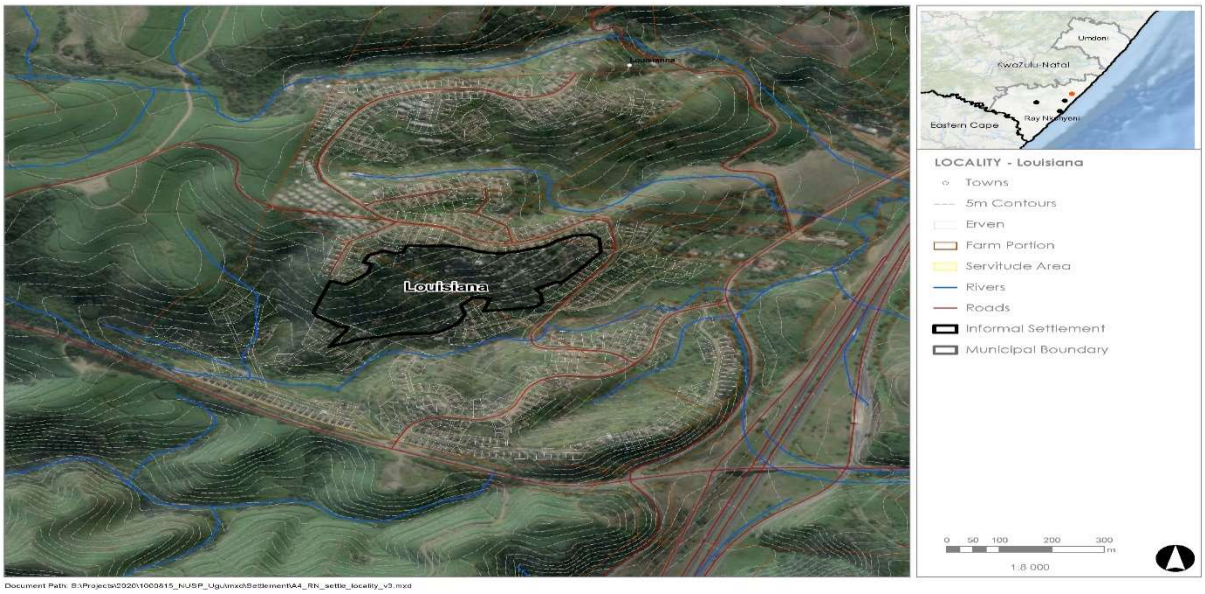


Reticulation Options		
Short-term	*Medium-Term*	*Long-Term*
Alternative sanitation options to be considered (e.g. conservancy tanks and dry sanitation options)	Connect settlements to conventional waterborne networks as sewer outfalls are upgraded	Connect all settlements as sewer outfalls and WWTW are upgraded

3.5.4.9 Proposed Upgrading Plans With Relocation Strategies

3.5.4.9.1 Louisiana Informal Settlement

Map 71: Louisiana Informal Settlement



Updated Aerial Image of the Louisiana Informal Settlement

Settlement size: 76,049.69 m^2 (7.60 ha)

Number of households: 416

Assessment and Categorisation Synthesis

The Louisiana informal settlement is located on a very steep slope. There are no hydrological or critical biodiversity affecting or constraining the developability of the settlement. Although the settlement is considered upgradeable from a geotechnical desk study perspective, it should be noted that the shales of the Pietermaritzburg Formation on which the settlement is located are known to be unstable, particularly where the slopes face towards the east / south-east (as is the case of this site) and where cut excavations are made into the natural slope.

Approximately half of Louisiana is already zoned as residential and the other half zoned as Agriculture 1, which will necessitate partial rezoning of the land. The settlement also currently falls on land owned by Illovo Sugar SA Ltd and Ray Nkonyeni Municipality , which will impact the overall development feasibility and associated timeframes as a land acquisition process would need to be embarked upon.

The settlement is located directly adjacent a serviced area, which will allow for potential service connection. However, due to the steepness of the slope and lack of a formal/informal road network within the settlement boundary, this will likely give rise to increased costs of providing link services, reticulation services and a road network. In addition, there also currently no sewer network within the settlement or surrounding areas. This will would therefore require significant investment in both bulk and reticulation infrastructure to provide connectivity.

Based on the above, the Louisiana informal settlement has been categorised as B2. The development response entails the provision of emergency basic services as an immediate response with eventual relocation to site fit for human settlement development.

B2
Interim basic services upgrading plan and relocation strategy to be formulated

Site Constraints and Developable Areas

The following map depicts the site constraints detailed above, and provide clarity on why the Louisiana informal settlement is not fit for in-situ upgrading.

Map 72: Site Constraints & Development Areas (Louisiana)





Louisiana Informal Settlement Constrained Areas

The entire settlement is located on a very steep slope which exceeds a gradient of 1:8. While it is primarily due to the topography that the settlement is not viable for in-situ upgrading, a large portion of the settlement is located on privately owned land. Furthermore, a Gazetted land claim covers the entire extent of the settlement, while a restitution claim covers the eastern portion of the settlement. The constraints areas (areas not fit for development) comprise 76,049.69 m^2, which is 100% of the overall settlement.

Development Need

The greater Louisiana informal settlement underwent upgrading in 2013. 697 sites were serviced with 564 housing units built. The balance of housing units (133 units) could not be constructed due to terrain difficulties. The entire settlement could therefore not be accommodated in-situ at the time, and the settlement continued to grow informally ever since. Based on the fact that the settlement is not fit for in-situ upgrading, a relocation action plan and strategy will be required to support the need for eventual full relocation of the settlement. The provision of interim basic services is proposed to support the community until relocation. Based on the household survey data collected, the settlement is home to 416 households. 416 households therefore need to be relocated to a site fit for human settlement development.

Minimum Level Of Service Standards

Potable water: A maximum of 150 people per water point for communal water provision according to the CSIR Red Book (2019). The responsible department will be Ugu District Department of Water and Sanitation.

Sewer: A maximum of 20 people per ablution point for communal sanitation provision according to guidelines taken from The Sphere Project – Humanitarian Charter and Minimum Standards in Humanitarian Response. The responsible department will be Ugu District Department of Water and Sanitation.

Table 99: Interim Services Construction Cost Estimate (Louisiana)

Basic Service	Type	No.	Construction Cost
Potable water	Communal water point	8	R 750,000.00
Sewer	Ablution, basin and conservancy tank	63	R 1,890,000.00
		Total Estimated Cost	**R2,640,000.00**



Site Specific Requirements

The existing water main supplying the formalised houses within the vicinity of the settlement will be used to provide water for the standpipes and ablution blocks. Owing to the lack of waterborne sanitation in the area, conservancy tanks will need to be used, requiring emptying and servicing on a regular basis.

Relocation Strategy

Due to environmental and land and legal constraints the settlement is deemed unfit for in-situ upgrading, and eventual relocation of all 416 enumerated households is required. As such, a relocation strategy is proposed to ensure that the informal dwellers can be moved to an alternative site which is able to accommodate all affected households. It is important to note that the settlement continues to grow, and that the number of households to be relocated will change over time.

The following high-level relocation actions is being proposed for the overflow households from Louisiana settlement.

Generic Relocation Strategy

Table 100: Generic Relocation Strategy

PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 1: Land availability	Determination of area/extent of land required and appropriate infrastructure level of service to be provided.	1. Identify suitable land for human settlement development. 2. Conduct technical assessment of identified land (site feasibility) 3. Produce proposed layout plan to determine yield	RNM with support from Ugu DM and KZN-DoHS
Phase 2: Community engagement	Participatory planning process and identification of willing and qualifying beneficiaries	1. Identify settlement leadership structures. 2. Establish project committee which includes community leadership structure. 3. Determine if residents are willing to relocate to identified land. 4. Determine number of beneficiaries to be relocated	RNM with support from DHS and KZN-DoHS through NUSP
Phase 3: Relocation preparation/ development	Council approval to acquire/release land and securing of finance	1. Identify suitable finance mechanism(s) 2. Secure funding	KZN-DoHS in collaboration with RNM, Ugu DM, Eskom through NUSP



PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
		3. Commence land acquisition if needed 4. Finalise layout plan in consultation with community. 5. Obtain statutory approvals (environmental and town planning) 6. Develop contingency plans for residents that cannot be relocated. 7. Develop land in line with approved layout plan (including installation of services; transfer of stands; *optional development of top structures*)	
Phase 4: Allocation of beneficiaries	Relocation of beneficiaries to new development	1. Allocate stands/ houses to qualifying beneficiaries based on Housing Needs Register 2. Provide relocation assistance (transportation, relocation kits (if applicable), social service support, sustenance) *3. Provide emergency assistance at transit site to households who cannot be moved to developed land*	RNM with support from KZN-DoHS
Phase 5: Risk mitigation	Ensure that invaded land/ settlement is not reoccupied.	1. Remove informal structure as soon as household is relocated. 2. Fence off land and install lighting and signage as a deterrent to re-occupation. 3. Activate land as per intended land use where feasible. 4. Commence/ continue land invasion monitoring.	RNM



3.5.4.9.2 Masinenge Informal Settlement

Map 73: Masinenge Informal Settlement



Updated Aerial Image of the Masinenge Informal Settlement

Settlement size: 147,559.37 m^2 (14.76 ha)

Number of households: 1 557

Assessment and Categorisation Synthesis

The Masinenge informal settlement is located on a fairly gradual slope which results in areas of the settlement that are developable and areas of the settlement which are not developable. There is a watercourse to the north of the settlement and a small area of Irreplaceable Critical Biodiversity Area in the south of the settlement. The existence of the watercourse and the Irreplaceable Critical Biodiversity Area poses development restrictions. There is also a servitude which runs along the eastern boundary of the settlement which also poses further development restrictions. The settlement is located on land owned by the Department of Education and is to be transferred to the Municipality. The settlement is located directly adjacent to a serviced area, as well as ongoing housing projects, which allows for potential service connection. The existing formal road network surrounding the settlement will allow for access points to be easily upgraded. Due to the gradual slope and an informal road network found within the settlement boundary, the cost of providing link services, reticulation services and a road network will be relatively low. An approved layout plan exists for the Masinenge informal settlement.

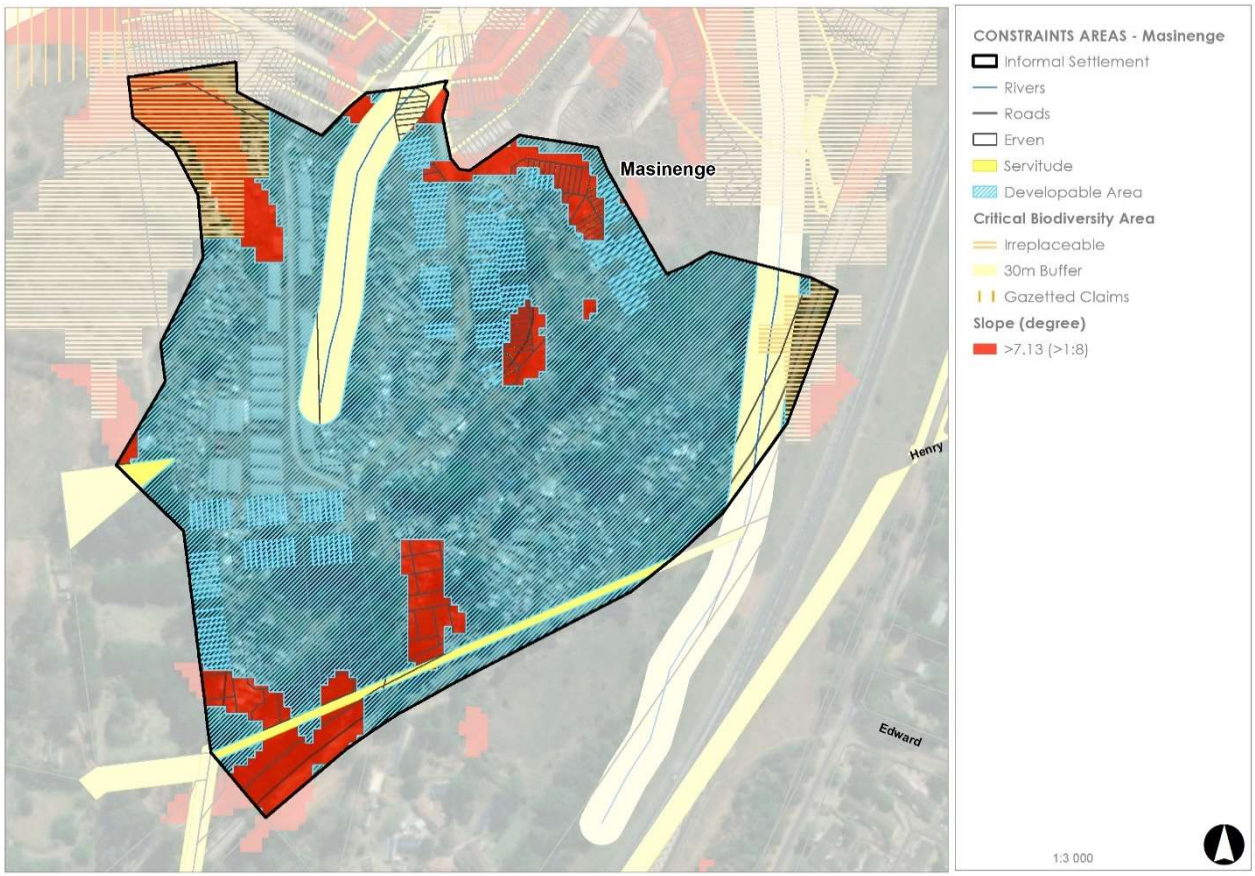
Based on the above, the Masinenge informal settlement has been categorised as B1 and C. The development response entails the provision of interim basic services as a precursor to an eventual full upgrade in developable areas in line with the approved layout plan which is already in place, coupled with the urgent relocation of households from flood prone areas. If possible, these households should be accommodated within the upgraded Masinenge township. Alternatively, a suitable relocation site should be identified.

B1and C
In situ upgrade for areas that are developable, in line with approved layout plan. Relocation strategy to be developed to cater for households in flood prone areas (preferably insitu, else on alternative relocation site).

Site Constraints and Developable Areas

The following maps showcase the site constraints described above, and outline the areas of the Masinenge informal settlement which are fit for human settlement development.

Map 74: Site Constraints (Masinenge)



Masinenge Informal Settlement Constraints Areas

From the map it is clear that pockets of steep topography where the gradient exceeds 1:8 pose development constraints. Moreover, the occurrence of Critical Biodiversity Areas prevents development in the north-western and north-eastern extents of the settlement. A watercourse runs through a portion of the northern extents of the settlement; the associated 30m buffer areas restricts development. Finally, a servitude encumbers the southern extents of the settlement. The constrained areas (areas not fit for development) comprise 37,717.99 m^2, which is 26% of

the overall settlement. The settlement footprint is 147 559,37m^2 in extent. The figure below outlines the portions of the settlement which are suitable for development.

Map 75: Developable Areas (Masinenge)



Map 76: Approved Layout Plan (Masinenge)



Development Need

The approved in-situ upgrading layout plan provides for 882 stands. Construction of multi-storey top structures has commenced. The settlement experiences influx of informal structures in the project area. It is to be noted that not all households can be accommodated, and that relocation of the overflow households to an alternative location would be required. Alternative land is still to be identified.

Based on the enumeration recently completed, the settlement is home to 1 557 households. Based on the current layout, a total of 882 housing opportunities will become available. These



are reserved for Masinenge residents only. The overflow of approx 675 households will have to be relocated. A relocation action plan and strategy is a requirement to support the need for partial relocation of the settlement.

Upgrading Plan Content and Interventions

Since an approved layout plan is already in place, no in-situ layout plan has been formulated. The approved layout plan for Masinenge provides for the following land uses:

Table 101: Masinenge Land Uses

LAND USE	ERVEN	HECTARES	PERCENTAGE
Special Zone Residential (250m^2)	118	3.2	11.5
Special Zone Residential (70m^2)	764	7	25.1
Limited Commercial	1	0.1	0.4
Administration	1	0.1	0.4
Worship	1	0.2	0.7
Primary School	1	3.0	10.7
Creche	1	0.1	0.4
Public Open Space	7	9.9	35.5
Public Roads	8	4.3	15.4
TOTAL	**902**	**27.9**	**100**

Relocation Strategy

Partial relocation is required since not all households who reside in the settlement can be accommodated in-situ (i.e. the approved layout plan is unable to cater for the entire settlement). Suitable land for the overflow households is to be identified and secured.

Propose - Relocation Strategy

Table 102: Proposed Relocation Strategy

PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 1: Land availability	Determination of area/extent of land required and appropriate infrastructure level of service to be provided	1. Identify suitable land for human settlement development. 2. Conduct technical assessment of identified land (site feasibility) 3. Produce proposed layout plan to determine yield	RNM with support from Ugu DM and KZN-DoHS
Phase 2: Community engagement	Participatory planning process and identification of	1. Identify settlement leadership structures.	RNM with support from DHS and KZN-DoHS through NUSP



PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
	willing and qualifying beneficiaries	2. Establish project committee which includes community leadership structure. 3. Determine if residents are willing to relocate to identified land. 4. Determine number of beneficiaries to be relocated	
Phase 3: Relocation preparation/ development	Council approval to acquire/release land and securing of finance.	1. Identify suitable finance mechanism(s) 2. Secure funding 3. Commence land acquisition if needed. 4. Finalise layout plan in consultation with community. 5. Obtain statutory approvals (environmental and town planning) 6. Develop contingency plans for residents that cannot be relocated. 7. Develop land in line with approved layout plan (including installation of services; transfer of stands; *optional development of top structures*)	KZN-DoHS in collaboration with RNM, Ugu DM, Eskom through NUSP
Phase 4: Allocation of beneficiaries	Relocation of beneficiaries to new development	1. Allocate stands/ houses to qualifying beneficiaries based on Housing Needs Register 2. Provide relocation assistance (transportation, relocation kits (if applicable), social service support, sustenance) *3. Provide emergency assistance at transit site to households who cannot be moved to developed land*	RNM with support from KZN-DoHS

PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 5: Risk mitigation	Ensure that invaded land/ settlement is not reoccupied.	1. Remove informal structure as soon as household is relocated. 2. Fence off land and install lighting and signage as a deterrent to re-occupation. 3. Activate land as per intended land use where feasible. 4. Commence/ continue land invasion monitoring	RNM

3.5.4.9.3 Mkholombe Informal Settlement

Map 77: Mkhoolombe Informal Settlement



Updated Aerial Image of the Mkholombe Informal Settlement

Settlement size: 337,846.70 m^2 (33.78 ha)

Number of households: 2 400

Assessment and Categorisation Synthesis

The Mkholombe informal settlement is located on steep slopes. Two watercourses can be found in the southern and western area of the settlement. There is also a 1:100-year floodline which is situated along the south western border of the settlement. A small area of Irreplaceable Critical Biodiversity is located in the south western area of the settlement. There are undevelopable portions of the settlement due to the floodline, watercourse buffers and the Irreplaceable Critical Biodiversity Area within Mkholombe.

Connectivity to existing bulk infrastructure is possible, however bulk infrastructure upgrading will be required. Access to the settlement is possible via a formal road. The road network has a high

possibility to be upgraded as there is access to an existing network. There is an existing road network connecting the area which could potentially be used to provide connectivity to the settlement. The steepness of the slope will likely give rise to increased costs of providing link services, reticulation services and a road network.

An approved layout plan exists for the Mkholombe informal settlement.

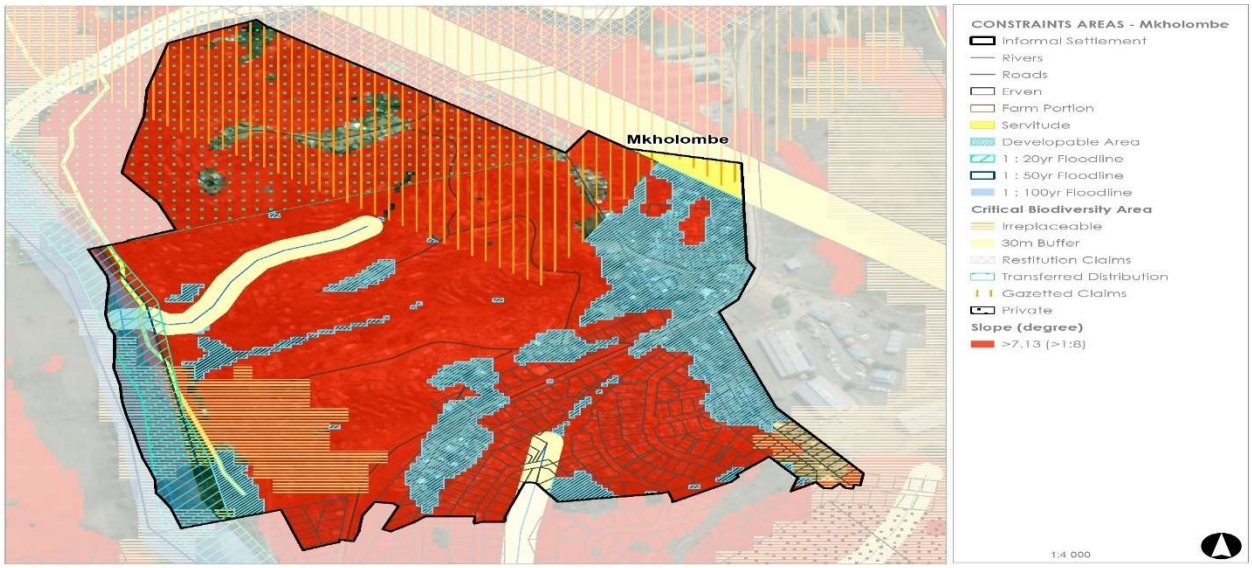
Based on the above, the Mkholombe informal settlement has been categorised as B1 and C. The development response entails the provision of interim basic services as a precursor to an eventual full upgrade in developable areas in line with the approved layout plan which is already in place, and the urgent relocation of households from flood prone areas. Where possible, relocated households should be accommodated within the settlement footprint.

B1 and C
Upgrading of developable areas in line with approved layout plan. Relocation strategy to be developed for households situated on steep slopes and otherwise undevelopable land.

Developable Areas and Site Constraints

The following maps depict the site constraints of the Mkholombe settlement as well as the areas that are fit for development.

Map 78: Constraint Areas (Mkholombe)



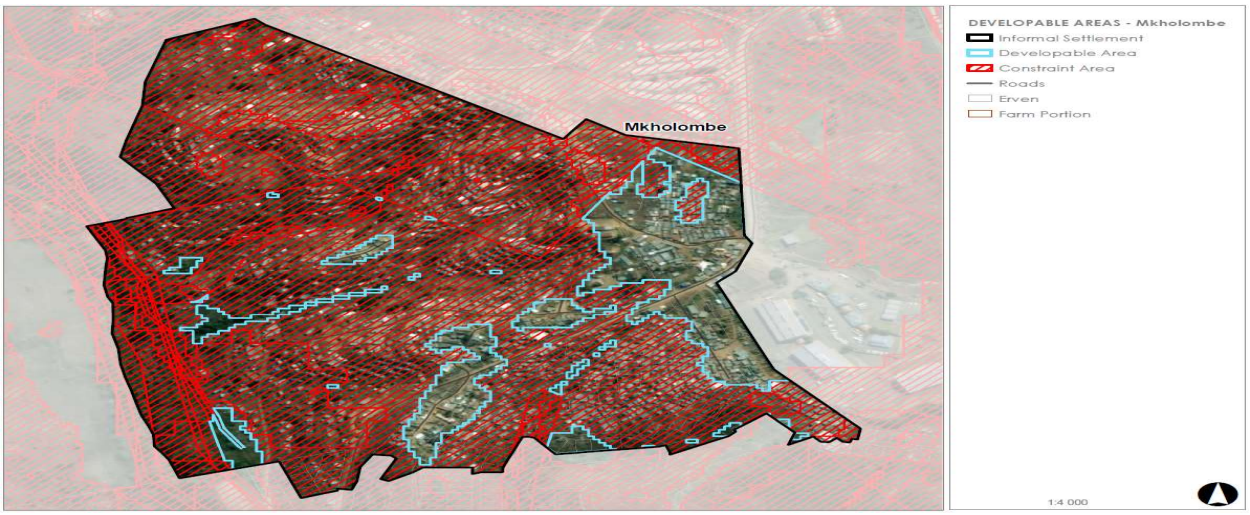
Mkholombe Informal Settlement Constraints Areas

It can be gathered that a very large part of the settlement is located on steep slopes that exceed a gradient of 1:8. Critical Biodiversity Areas further limit development in the south-western and far south-eastern extents of the settlement, while a servitudes, two watercourses river tributaries (and associated 30m buffer areas) also restrict development.

Lastly, a Gazetted land claim covers the northern extent of the settlement, and a transferred distribution claim covers the northern and north-western portions of the settlement.

The constrained areas (areas not fit for development) comprise 285,651.52 m^2 – 85% of the overall settlement (which is 337,846.70 m^2 in extent). The map below f outlines the portions of the settlement which are suitable for development.

Map 79: Developable Areas (Mkholombe)



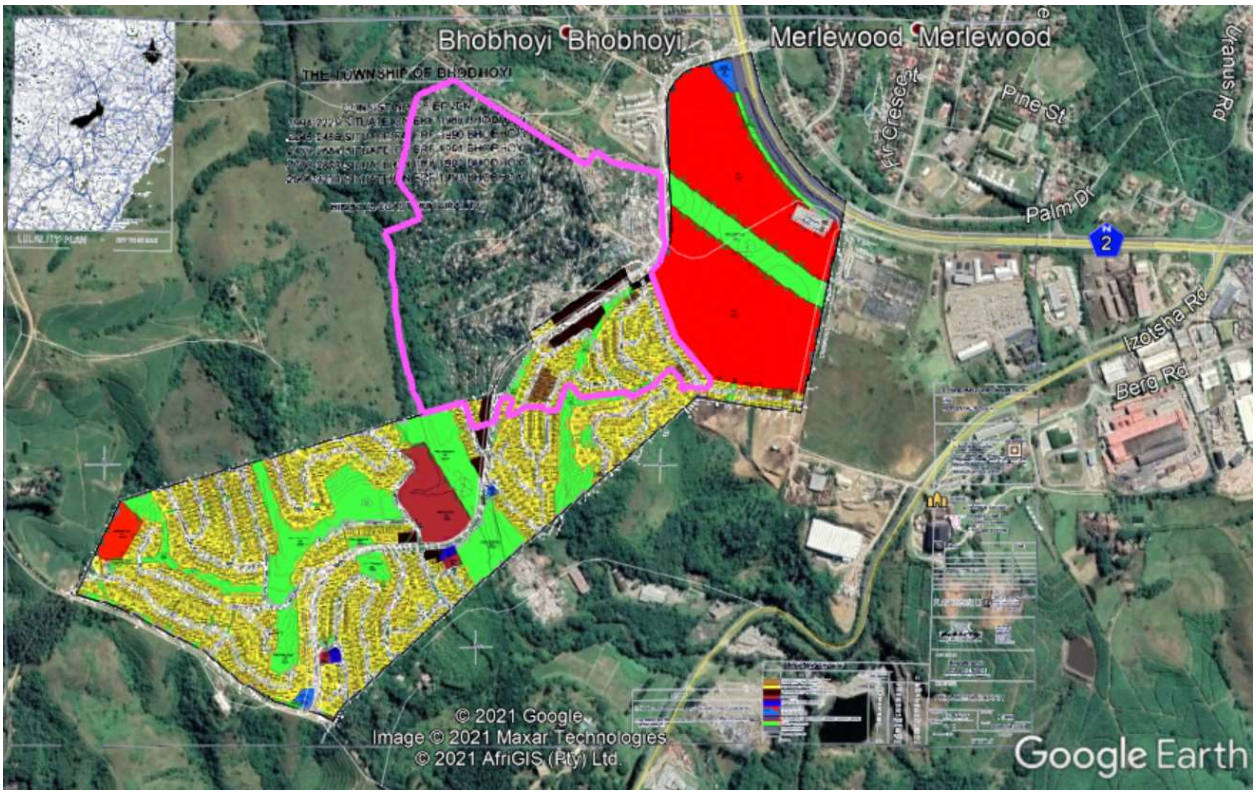
Mkholombe Informal Settlement Developable Areas

The Bhobhoyi Phase II project covers a portion of the Mkholombe informal settlement. The approved layout plan is illustrated below, followed by an overlay to illustrate the overlap.

Map 80: Approved Layout Plan 1 (Mkholombe)



Map 81: Approved Layout Plan 2 (Mkholombe)



Approved Layout Plan for Mkholombe

Development Need

An approved layout is already in place which provides for partial in-situ upgrading. According to the planning report a concept layout plan was conditionally approved in 2004. A further plan was prepared and submitted in 2005, but the project was stopped until 2008 as a consequence of, inter alia, problems with the land assembly process which resulted in an amended plan which also included an inclusionary housing component. The intention was to sell erven for a market-related fee to cross-subsidise physical project infrastructure delivery and associated costs. This concept was rejected by Council and the plan was revised once again in 2009. During this revision the need existed to identify wetland areas and wetland buffers. A detailed geotechnical evaluation was carried out to substitute the previous desktop analysis, identifying unstable slopes and areas with soil conditions not conducive to low-income housing development. This is because special design considerations and construction methods (such as the use of raft foundations) are required.

The findings of the detailed geotechnical study and wetland identification process made it apparent that there are substantial constraints. Stands on the areas deemed developable had to be reduced to accommodate semi-detached dwellings (single or double storey).

Other preliminary studies completed include engineering services report, land audit report and planning report. It is to be noted that the Mkholombe informal settlement is rapidly growing.

Based on the household survey data collected, the settlement is home to 2 400 households. If Mkholombe households are only to be accommodated, the remaining 1 302 households will have to be relocated to suitable land.



A relocation action plan and strategy are required for partial relocation of the settlement. These areas are classified as C, urgent relocation. However, a destination site has not yet been identified or secured.

Infrastructure Response

Since an approved layout plan is in place for a portion of Mkholombe, the bulk outline scheme report and/or detailed infrastructure designs needs to be ascertained. Upon receipt, the construction cost estimate for the project area can be generated. Since urgent relocation has been proposed, the provision of interim basic services is discouraged, and the focus should instead be on prioritising land identification and acquisition.

Upgrading Plan Content and Interventions

Since an approved layout plan is already in place, no in-situ layout plan has been formulated. The approved layout plan for Mkholombe provides for the following land uses:

Map 82: Upgrading Plan Content & Interventions

LAND USE	ERVEN	HECTARES	PERCENTAGE
Residential Only 4 (180m^2)	26	0.50	0.7
Residential Only 5 (200m^2)	1 028	28.52	37.7
Special Zone 15 (Mixed Residential)	44	1.29	1.7
Education	3	1.29	1.7
Health and Social Services	2	0.14	0.2
Administration	1	0.69	0.9
Multi Use Retail 1	3	0.40	0.5
Special Zone 17 (Industrial/Commercial/Agriculture)	2	15.62	20.7
Public Open Space	34	14.65	19.4
National Road	1	1.92	2.5
Proposed Roads		10.59	14
TOTAL	**1 144**	**75.61**	**100**

Relocation Strategy

Partial relocation is required since many of the households (at least 1 302) that reside in the settlement cannot be accommodated in-situ (i.e. the approved layout plan is unable to cater for the entire settlement). Since it is an urgent relocation, the provision of interim basic services is not proposed.

Since not all of the affected households can be catered for in the current approved in-situ layout plan, strategically located land must be identified and acquired. The proposal below is recommended as a way forward.



Table 103: General Relocation Strategy (Mkholombe)

PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 1: Land availability	Determination of area/extent of land required and appropriate infrastructure level of service to be provided.	1. Identify suitable land for human settlement development. 2. Conduct technical assessment of identified land (site feasibility) 3. Produce proposed layout plan to determine yield	RNM with support from Ugu DM and KZN-DoHS
Phase 2: Community	Participatory planning process and identification of willing and qualifying beneficiaries	1. Identify settlement leadership structures. 2. Establish project committee which includes community leadership structure. 3. Determine if residents are willing to relocate to identified land. 4. Determine number of beneficiaries to be relocated	RNM with support from DHS and KZN-DoHS through NUSP
Phase 3: Relocation preparation/ development	Council approval to acquire/release land and securing of finance.	1. Identify suitable finance mechanism(s) 2. Secure funding 3. Commence land acquisition if needed. 4. Finalise layout plan in consultation with community. 5. Obtain statutory approvals (environmental and town planning) 6. Develop contingency plans for residents that cannot be relocated. 7. Develop land in line with approved layout plan (including installation of services; transfer of stands; *optional development of top structures*)	KZN-DoHS in collaboration with RNM, Ugu DM, Eskom through NUSP



PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 4: Allocation of beneficiaries	Relocation of beneficiaries to new development	1. Allocate stands/ houses to qualifying beneficiaries based on Housing Needs Register 2. Provide relocation assistance (transportation, relocation kits (if applicable), social service support, sustenance) *3. Provide emergency assistance at transit site to households who cannot be moved to developed land*	RNM with support from KZN-DoHS
Phase 5: Risk mitigation	Ensure that invaded land/ settlement is not reoccupied.	1. Remove informal structure as soon as household is relocated. 2. Fence off land and install lighting and signage as a deterrent to re-occupation. 3. Activate land as per intended land use where feasible. 4. Commence/ continue land invasion monitoring	RNM



3.5.4.9.4 Paddock Informal Settlement

Map 83: Paddock Informal Settlement



Aerial Image of the Paddock Informal Settlement

Settlement size: 9,256.18 m^2 (0.93 ha) **Number of households:** 101

Assessment and Categorisation Synthesis

The Paddock informal settlement is located in the rural agricultural region of the RNM and has inadequate access to education, healthcare and community facilities. The settlement is located on land with a gradual slope and is not affected by any watercourses, floodlines or Critical Biodiversity Areas. There are also no servitudes affecting the settlement.

The settlement is located on land owned by Transnet Ltd which will necessitate a land acquisition process. From an access perspective, the settlement will require road link infrastructure to be upgraded, and although connectivity is possible, the design requirements of the N2 connection would need to be catered for.

There is no existing potable water or sewer network within proximity, and the settlement is isolated from any existing electricity network. With no existing electrical network in the area, connectivity would be onerously expensive and significant investment would be required to bring potable water and sanitation to the settlement.

Based on the above, the Paddock informal settlement has been categorised as B2. Since there is no imminent danger, the development response entails the provision of interim basic services and eventual relocation to a well-located site closer to social amenities and where bulk services are available.



B2
Interim basic services and long term relocation. Relocation strategy to be formulated.

Paddock Informal Settlement Constraints Areas

The greatest challenge is the settlement's isolated location, and the resultant lack of nearby engineering infrastructure and social amenities. The settlement is located outside the municipal urban edge, indicating that the provision of future services is unlikely.

Development Need

A relocation strategy is required for the entire Paddock settlement. Suitable land has to be identified and secured; it is proposed that interim basic services be installed.

Minimum level of service standards

Potable water: A maximum of 150 people per water point for communal water provision according to the CSIR Red Book (2019). The responsible department will be Ugu District Department of Water and Sanitation.

Sewer: A maximum of 20 people per ablution point for communal sanitation provision according to guidelines taken from The Sphere Project – Humanitarian Charter and Minimum Standards in Humanitarian Response. The responsible department will be Ugu District Department of Water and Sanitation.

Table 104: Interim Services Construction Cost Estimate (Paddock)

Interim Services Construction Cost Estimate			
Basic Service	**Type**	**No.**	**Construction Cost**
Potable water	Communal water point	3	R 450,000.00
Sewer	Ablution, basin, and conservancy tank	16	R 480,000.00
		Total Cost	**R 930,000.00**

Site Specific Requirements

Given the lack of a municipal water supply within the vicinity of the settlement, the interim water solution will need to consist of a combination of jojo tanks, provided at elevation, which will need to be filled on a regular basis by the municipality. Owing to the lack of waterborne sanitation in the area, conservancy tanks will need to be used, requiring emptying and servicing on a regular basis.



Relocation Strategy

Due to the settlement's isolated spatial location, the fact that the land was never intended for human settlement development, and the excessive costs which would be required to install the necessary infrastructure, the settlement is deemed unfit for in-situ upgrading. Full relocation is therefore required, and a relocation strategy is proposed to ensure that the affected households can be moved to an alternative site.

During community engagement sessions and the remuneration survey, it has been made clear that the residents work within a two-kilometre radius of the settlement. The majority of the residents of Paddock are farm labourers and have chosen to reside in Paddock to access employment opportunities at the surrounding farms. This will need to be taken into consideration when identifying a relocation site for the settlement.

Strategically located land needs to be identified and acquired to accommodate the informal settlement. The following high-level relocation actions need to be undertaken:

Table 105: General Relocation Strategy (Paddock)

PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 1: Land availability	Determination of area/extent of land required and appropriate infrastructure level of service to be provided.	1. Identify suitable land for human settlement development. 2. Conduct technical assessment of identified land (site feasibility) 3. Produce proposed layout plan to determine yield	RNM with support from Ugu DM and KZN-DoHS
Phase 2: Community engagement	Participatory planning process and identification of willing and qualifying beneficiaries	1. Identify settlement leadership structures. 2. Establish project committee which includes community leadership structure 3. Determine if residents are willing to relocate to identified land. 4. Determine number of beneficiaries to be relocated	RNM with support from DHS and KZN-DoHS through NUSP



PHASE	OUTCOMES	ACTIONS	RESPONSIBLE ENTITY
Phase 3: Relocation preparation/ development	Council approval to acquire/release land and securing of finance.	1. Identify suitable finance mechanism(s) 2. Secure funding 3. Commence land acquisition if needed. 4. Finalise layout plan in consultation with community. 5. Obtain statutory approvals (environmental and town planning) 6. Develop contingency plans for residents that cannot be relocated. 7. Develop land in line with approved layout plan (including installation of services; transfer of stands; *optional development of top structures*)	KZN-DoHS in collaboration with RNM, Ugu DM, Eskom through NUSP
Phase 4: Allocation of beneficiaries	Relocation of beneficiaries to new development	1. Allocate stands/ houses to qualifying beneficiaries based on Housing Needs Register 2. Provide relocation assistance (transportation, relocation kits (if applicable), social service support, sustenance) *3. Provide emergency assistance at transit site to households who cannot be moved to developed land*	RNM with support from KZN-DoHS
Phase 5: Risk mitigation	Ensure that invaded land/ settlement is not reoccupied.	1. Remove informal structure as soon as household is relocated 2. Fence off land and install lighting and signage as a deterrent to re-occupation. 3. Activate land as per intended land use where feasible. 4. Commence/ continue land invasion monitoring	RNM



3.5.4.10 Rural Housing Programme

The Municipality has initiated various rural housing projects in terms of the rural housing programme both planning and Implementation . Rural housing projects are implemented mainly on communal land and are based on functional land tenure rights. Implementing Agents are appointed to undertake the project. The policy states that one household to one house which means that each rural household qualifies for one house irrespective of the number of people that qualifies for a housing subsidy. It must be noted the projects are being phased from 1000 units to 500 units per project as the PDoHS policy.

3.5.4.10.1 Human Settlement Programmes And Projects- Housing Supply

Table 106: Number of Projects in terms of Different Housing Programmes

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	23 projects	11- Completed 1- Planning stage 11- Implementation stage
Informal Settlement Upgrading	4 projects	1-Completed 2-Planning stage 1- implementation stage
Greenfield Housing Programme	2 projects	1- Planning stage 1- Implementation stage
Social Housing Programme	3 projects	3 - Planning stage
Social Housing / Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2- Planning stage
Rectification Programme	1 project	1- Implementation stage
Title Deed Restoraton Programme	3 project	3- Implementation stage
Integrated Residential Development Programme /other	3 land parcel	Conceptual stage- Identified land parcels for further development
Institutional Subsidy Programme (Old age home upgrading)	1 project	Under planning / Implmentation stage

Table 107: Housing Opportunities Provided/ Under Construction/ Planning within RNM

PROGRAMMES	SITES SERVICED	UNITS ALREADY CONSTRUCTED	UNITS UNDER CONSTRUCTION	UNITS UNDER PLANNING
Rural Housing Programme	0	13 855	2249	8000
Informal Settlement Upgrading	867	734	712	1060
Greenfield Housing	2524	1299	0	1325
Rectification Programme	0	269	0	0
Insitu Upgrading	0	367	300	1333



Social Housing Programme (rental)	0	0	0	2424
Social Housing / Financed linked individual Subsidy Programme (FLIPS/Gap market), IRDP	0	0	0	612
Institutional Subsidy Programme	0	0	0	220 (upgrade old age home)
Total	3391	16 524	3261	14 994

Table 108: Human Settlements Programmes & Projects

COMPLETED PROJECTS								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	SITES SERVICED	TOP STRUCTURES BUILT	TITLE DEED TO BE ACHIEVED	STATUS
Rural Housing Programme	Vukuzitharhe Phase 1 (Nkulu & Mbeni)	33& 36	1	1116	0	1116	n/a	Completed with 1116 top structures built
Rural Housing Programme	Vukuzithanthe Phsae2 (Dlovinga)	3,33 &36	1	1000	0	1000	n/a	Completed with 1000 top structures built
Rural Housing Programme	KwaNyuswa Phase1- (Mahlabathini & Thonjeni)	34	1	1000	0	1000	n/a	Completed with 1000 top structures built
Rural Housing Programme	KwanNzimakwe (Phase 1)	1.10 and 11	2 & 3	500	0	500	n/a	Completed with 500 top structures built
Rural Housing Programme	Oshabeni (Phase (1)	4 and 12	2	502	0	502	n/a	502 top structures completed.
Rural Housing Programme	KwaXolo Phase 2.	7, 8, 29 and 32	6	1100	0	1087	0	Completed - Project closed off 1087 units due to challenges with remaining sites
Rural Housing Programme	KwaNdwalene (Phase 2A)	20,21, 22 and 23	5	500	0	500	n/a	Project completed with 500 units.
Rural Housing Programme	KwaMadlala	14	2	1000	0	992	0	922 top structures completed.
Rural Housing Programme	Mthimude Phase 1	36	**1**	1000	0	989	n/a	989 top structures completed.11 sites could not be built on due to various development challenges. The project is taken as complete



Informal Settlement Upgrade (urban)	Louisiana	15	1	697	697	564	564	697 - sites serviced 564- top structures built. To initiate title deed process. Waiting finalisation of all land parcel transfer to the Municipality to enable land consolidation, and opening of township register. Also to undertake Traffic Impact Assessment. PDoHS has committed additional funding to the project
Greenfield Housing Programme Urban)	Bhobhoyi Phase 1	20	3	711	711	699	699	711- sites serviced 699- top structures built. To initiate title deed process for 711sites. Addressing funding shortfall with PDoHS.
Greenfield Housing Programme	KwaNzimakwe (PHP) KwaLatshoda	1	7	1 813	1813	600	600	1813 sites serviced. 600- top structures built. Remaining units cannot be built due to bulk sanitation challenges /road expansion (R61). To initiate title deed process (600 sites) PDoHS Addressing budget challenges with the PDoHS.
Rectification Pre 1994	Gamalakhe	2,26 and 28	4	273	0	273	0	266 top structures have been rectified. The remaining 4 units to be demolished and rebuilt , which has been moved to phase 2
Rural Housing Programme	KwaMavundla	17,20, 25.26 and 27	6&4	1104	0	1104	0	1104 top structures completed.
Rural Housing Programme	Kwa-Xolo (Phase1)	7 & 9	2	1000	0	977	0	977 top structures have been completed. and closed off. 23 sites with challenges were repackaged under Sukuma Sakhe Programme



Table 109: Projects in Construction Phase

PROJECTS IN CONSTRUCTION PHASE								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE				STATUS
					SERVICE SITES	TOP STRUCTURE	TITLE DEED	
Informal settlement upgrading (urban)	Masinenge (urban)	3	4	882	882	882	882	Provision of internal services ongoing. 170 top structures completed to date. Previous contractor services terminated. PDOHS took over the project and appointed an Implementing Agent. Contractor is on site. Anticipated completion of the project between 2023-2024
Rural Housing Programme	KwaMadlala	14	2	1000	0	1000	0	933 top structures completed. Project duration March 2016-November 2023
Rural Housing Programme	KwaNdwalane (deep rural)	24 and portions of wards 3, 20, 21, 22, and 23	4and 5	1 000	0	1000	0	995 top structures completed. Balance of 5 top structures still to be completed. Anticipated project completion, being financial year ending 2023.
In-situ Upgrading	Gamalakhe (insitu-upgrading) 2000 units) – Phase 1	25, 26, 27, and 28	4	0	0	500 units	0	Construction for Phase 1 approved (500 units) out of 2000 units. 367 units have be upgraded. Balance still to be undertaken. Anticipated project completion (phase 1) being financial year ending 2023.
In-situ Upgrading	Gamalakhe (insitu-upgrading Phase 2	25,26, 27 and 28	4	0	0	300 units	0	PDoHS has approved the construction of 300 units in Phase 2 in the current financial year. Implementing Agent busy is beneficiary administration. Anticipated completion year 2024.
Rural Housing Programme	KwaMavundla	17, 20, 25, 26 & 27	6 & 4	1104	0	1104	0	1102- top structures built. Balance of 4 top structures still to be undertaken. Anticipated project completion, being financial year ending 2022
Rural Housing Programme	KwaXolo (Phase 1)	7 and 9	2	1000	0	1000	0	977 top structures completed. 23 sites with challenges which is being addressed. Project duration 2016-December 2022. Anticipated project completion is year ending 2022.



Rural Housing Programme	Oshabeni (Phase 2)	4 & 12	6 & 7	500	0	500	0	PDoHS has approved Tranche 2 (construction) for only 300 units. 149 units have been completed. Project duration December 2020- November 2024
Rectification - Pre- 1994	Gamalakhe Rectification	5, 26 and 28	4	273	0	273	0	269 top structures have been rectified to date. . Anticipated project completion being end of 2023
Mixed income housing	Merlewood	17	6	228	228	228	228	137 top structures have been completed. 37sites unbuildable. Funding challenges being addressed between PDOHS, and the Municipality. Anticipated completion being end of 2023 financial year.
Rural Housing Programme	KwaNdwalane Phase 2 B	20.21, 22 &23	3	500	0	500	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025
Rural Housing Programme	KwanNzimakwe Phase 2	1.10 and 11	3	500	0	500	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025
Rural Housing Programme	KwaNyuswa Phase 2- (Blose)	35	1	1000	0	1000	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025
Rural Housing Programme	Mtimude Phase 2 (Hlomandlini/ Bhosiki)	35	1	1000	0	1000	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025
Rural Housing Programme	Mtimude Phase 2 (Shibe)	35	1	1000	0	1000	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025.
Rural Housing Programme	Vukuzithathe Phase 3 (Ngcawusheni/ Bdlazi)	30	1	1000	0	1000	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025.
Rural Housing Programme	Vukuzithathe Phase 3 (Bandlana/ Shobashabene)	30,31 &33	1	1000	0	1000	0	The PDoHS approved for the construction 300 units in the current financial year. Implementing Agent appointed. Expected completion 2024/2025.



Table 110: Projects in Planning Phase

PROJECTS IN THE PLANNING PHASE						
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	PHASED APPROACH	STATUS
Informal settlement upgrading (urban)	Mkholombe	20	6	1000	Phase 1 (500 units) Phase 2 (500 units)	In terms of the National- USDP programme detailed studies have been carried in the 2021/2022 financial year. Have challenges with bulk infrastructure and also to review the appointment of the Implementing Agent.
Rural Housing Programme	KwaNyuswa Phase 2 - WoSiyane /Nkulu	34	**1**	**1000**	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent Appointed. Planning Activities are at 80% completion. DRA between ITB and RNM still be finalised.
Informal Settlement Upgrading	Paddock (transnet Ltd)	31	**1**	**60**	60	In terms of the National- USDP programme detailed studies have been carried out in the 2021/2022 financial year. Development is subject to relocation of affected families on sourcing land.
Greenfield housing programme	Merlewood middle income housing	17	2	187	187	Provision of mixed income housing opportunities with different housing typologies and densities. Still under planning.
Greenfield housing programme	Bhobhoyi Phase 2	20	6	1098	1098	Project implementation stalled. Awaiting bulk infrastructure provision by Ugu District Municipality. Planning funds approved by the PDoHS Detailed Planning studies have been carried (NUSP) in the 2021/2022 financial year. Ugu District Municipality acknowledges bulk infrastructure challenges. Infrastructure funding will be required to upgrade treatment works
Greenfield housing Programme	Lots7 Abersville	12	7	40	40	Challenges with local community and land ownership. Project is on hold due to landowners challenges with beneficiary community
IRDP- Mixed Income Housing	Marburg settlement (Portion 1 of Lot 7-5344)- Mr Frik Pieterse)	20	**6**	**144**	144	Provision of mixed income housing with 20 sites reserved for Military Veteran. Land parcel to be transferred from PDoHS to RNM in the 2023/2024 financial year for development purposes.
FLIP/ Social Housing /individual subsidy programme	Disposal of Council owned Serviced Sites in various areas (Marburg/ White City)	12,17 and 18	**6 & 7**	**612**	612	Provision of mixed income housing opportunities with different housing typologies and densities. Municipal Council has appointed an Implementing to do detailed planning with project implementation. IA has submitted Activity Plan. Bulk Infrastructure challenges by UGu District Municipality. Bulk Infrastructure funding will be required to address challenges of upgrading treatment plan.
IRDP Mixed income Housing	Portion 15 (of 17) Portion 16 (of7)and the remainder of 7 of the farm Success no 7108	22	**5**	**281**	281	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDoHS for the Municipality. Land is in ownership of the Municipality. Still to undertake detailed planning with project implementation.
IRDP Mixed income Housing	Portion 8 (of 4), Portion 46 (of7) of the farm Louisiana Sanderstead no	22	**5**	**Still to be determined**	Still to be determined	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDoHS for the Municipality. Land is in ownership of

	15566 – Mr Chetty)					the PDoHS. Still to undertake detailed planning with project implementation. Land is to be transferred to the Municipality for development purposes
Social and Rental Housing	Marburg (erven 4939 & 4941). Uvongo (erf 1675)	12,17,18 &19	**2**	**2424**	2424	The project is part of the Social Housing Rental Housing Prograrmme Bulk Infrastructure challenges by Ugu District Municipality.
Institutional Subsidy Programme	Gamalakhe-Zibambeleni Old Age Home (upgrade)	26	**4**	**220**	n/a	The upgrading of the project is being undertaken by the. PDoHS



Rural Housing



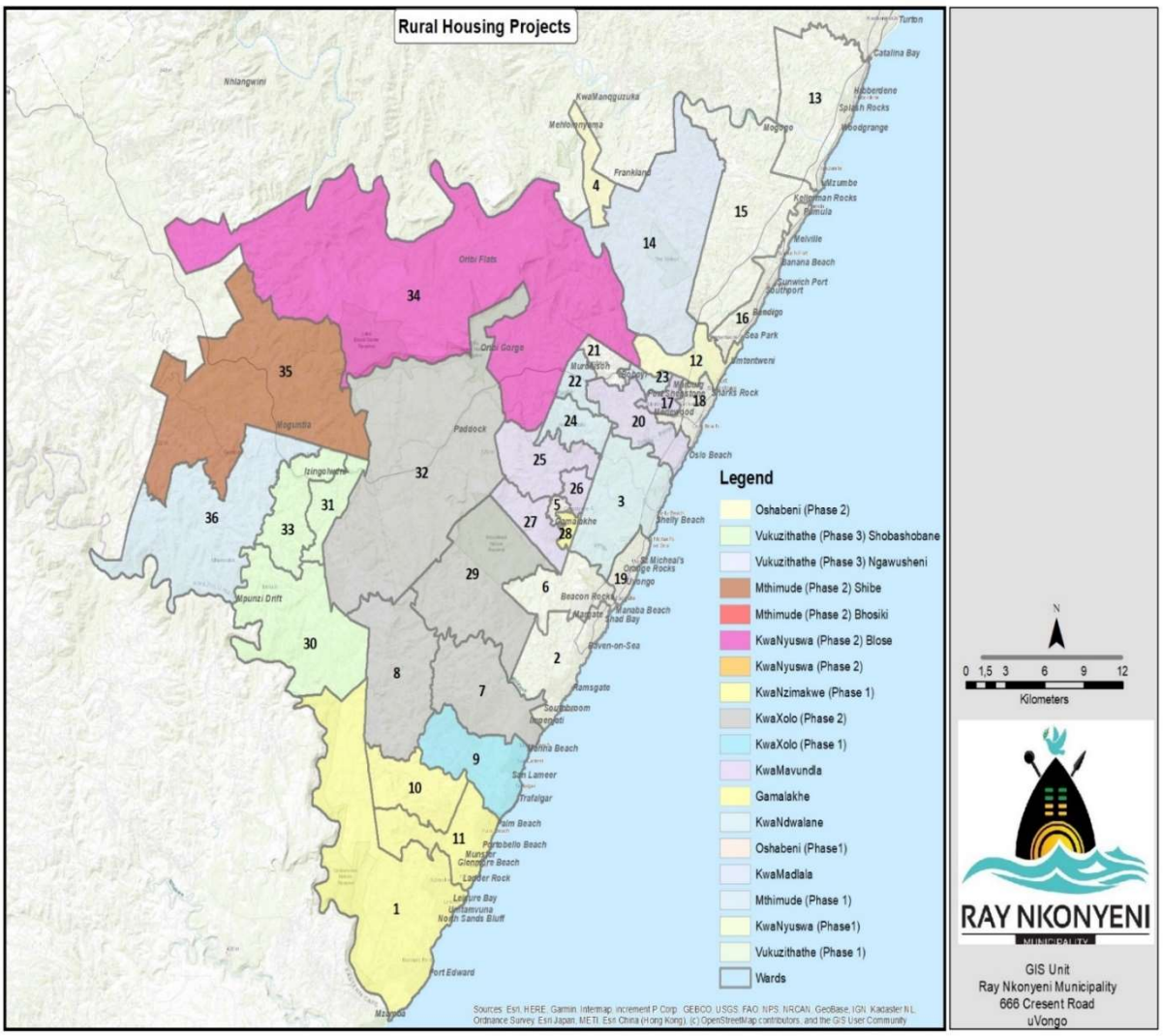
Informal Settlement Upgrading Programme conversion from informal dwellings to formal housing.



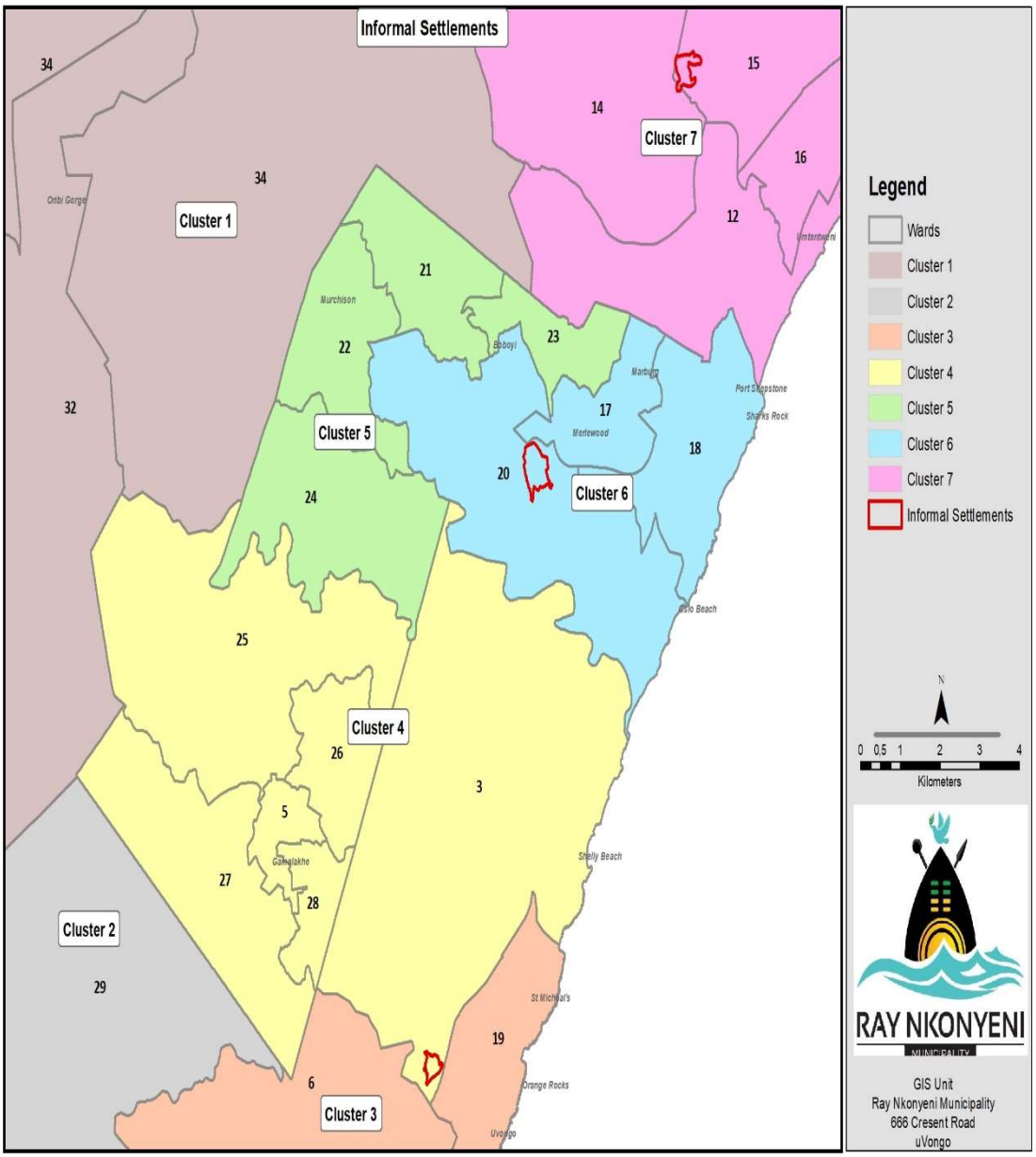
Insitu Upgrading: Low Income Housing Provision (High Density Option) _

3.5.4.10.2 Housing Programmes And Project Location

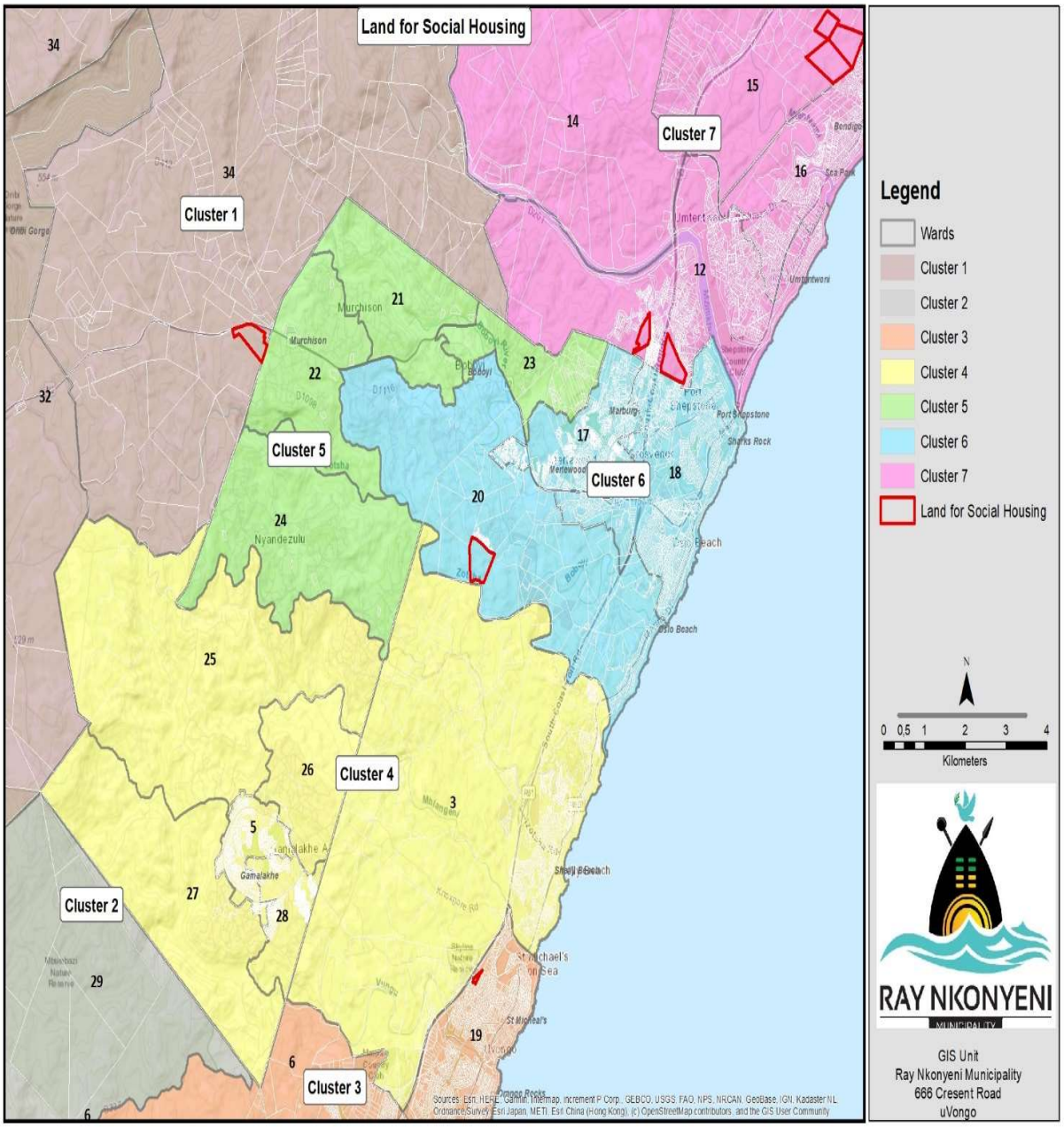
Map 84: Housing Programmes & Project Location



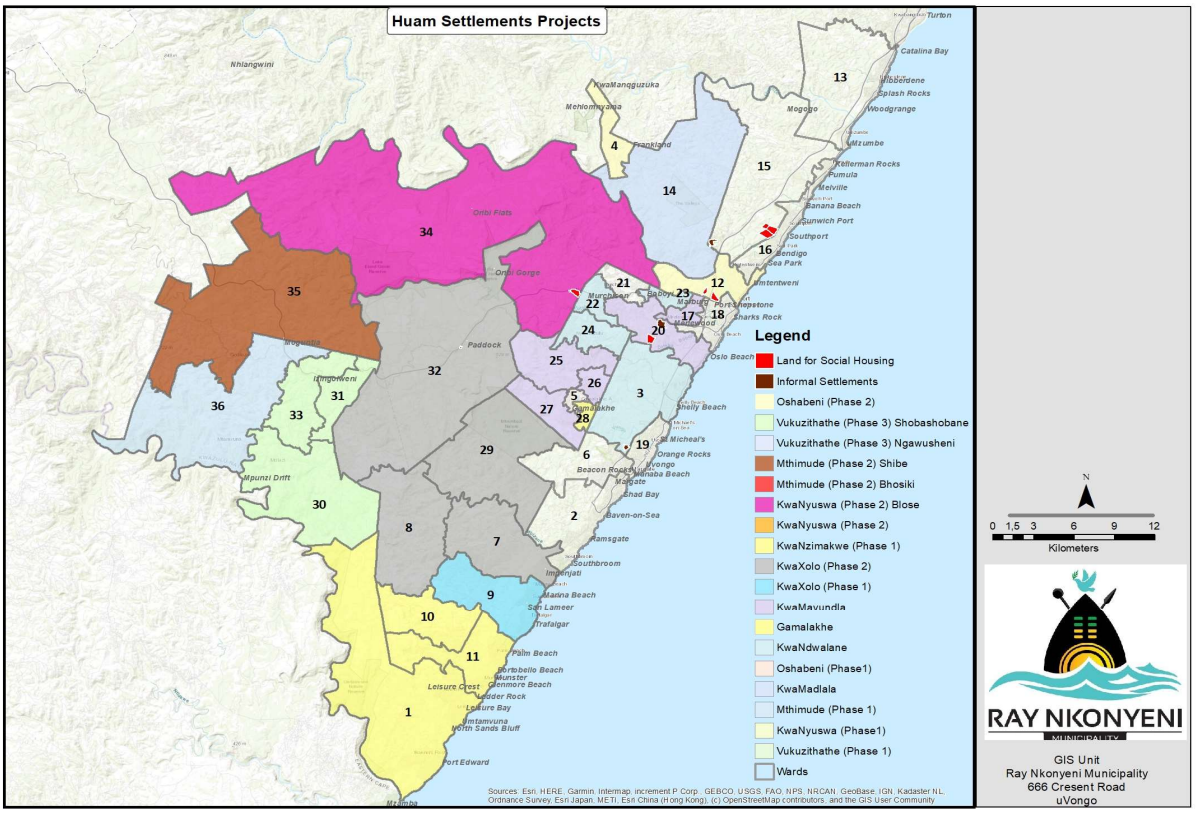
Map 85: Informal Settlements



Map 86: Land for Social Housing



Map 87: Human Settlements Projects



3.5.4.11 Key Challenges

Implementation of projects with regard to Informal Settlement Upgrading, Social Housing, and Mixed Income Housing is affected by the availability of bulk infrastructure services (water & sanitation). Ugu District Municipality acknowledges that it has a constitutional responsibility to provide bulk water and sanitation infrastructure to support RNM's Human Settlements Service Delivery targets. The District Municipality has commissioned a study and has drafted its Water Services Master Plan (2021-2050). The Municipality has indicated that the master plan places extreme financial challenges to meet its demand and supply and thus require external funding, partnerships with external organizations. However Ugu District have commenced with planning purposes with the intention of upgrading the affected sewer treatment plants to address such key projects for development.

3.5.5 Energy

Ray Nkonyeni Municipality holds an electricity distribution licence, number NER/D/KZ216 from NERSA. There has been a sectoral alignment between the municipality and Eskom as the National Service Provider was achieved. Eskom supplies electricity to most areas within the municipal jurisdiction and Ray Nkonyeni Municipality is licensed distributor in areas of Port Shepstone, Albersville, Oslo Beach, Marburg Industrial, Mbango, Newtown and Mbango Valley. Census data reveals that approximately 96% of the municipality's population has access to electricity. Other sources of energy include bio-ethanol gel, lamp oils, candles, paraffin, solar and gas.



KwaZulu Natal has thirty municipalities who are licensed electricity distributors, and Ray Nkonyeni Municipality is one of them. There are two Eskom bulk supply points at the Eskom Marburg switching station located in Marburg and the Eskom Port Shepstone 1X20MVA 132/11kV substation located in Albersville; with a total installed capacity of 29 MVA – 16.5MVA from Port Shepstone substation and 12,5MVA from Marburg substation.

In order to cater for load growth and to facilitate supply redundancy and increased electricity reliability within the 11kV networks it is critical to establish a new substation within Ray Nkonyeni to offer additional capacity and allow for load shifting from the Port Shepstone substation

The budget for 2023/2024 is as follows:

- Operations is R156 024 151
- Capital is R1 538 0195

3.5.5.1 Electricity Infrastructure Master Plan

The Council Meeting of 27 March 2018 adopted the Electricity Master Plan, which details the implementation of the short-term to medium-term projects. At the time of adoption, the municipality had outstanding information, hence it was only for 5 years yet such plan is expected to be a long term (10 years) and no need to review it. Since the municipality has a 5 year term plan, it is to be reviewed in 2023.The electricity infrastructure master plan contains the technical and financial findings of the status quo of the electricity network operations and condition assessment of the network infrastructure. The short to medium term master plan was the formulated. For the long-term, municipal SDF vs. environmental sensitive information – works involved and costs involved should take into consideration increase the municipal areas of supply, engagements to take place between all relevant stakeholders, including NERSA, Eskom and Ray Nkonyeni. ***(See attachment 16: Electrification Master Plan)***

3.5.5.2 Electricity Revenue Enhancement Programme (Adopted in 2021, to be reviewed 2024)

Ray Nkonyeni Municipality has secured funding from the Development Bank of Southern Africa (DBSA) to undertake a Revenue Enhancement with special focus on the electricity meters and land use and zoning audits, meter management and the tariffs review and recommendations on electricity tariffs restructuring. The DBSA provides financial support to municipalities across Southern Africa and seeks to assist RNM to resolve the challenges it is facing with revenue challenges, ageing electricity distribution network and service delivery issues. DBSA has therefore partnered with RNM with the intent to assist with the creation of operational efficiencies, identify and implement the quick wins/low hanging fruits on immediate achievable benefits for the municipalities.

The bank further seeks to develop and implement a Revenue Enhancement program with the aim to strengthen the municipality revenue streams.
The focus of the revenue enhancement programme is on electricity meters and land use audits, meter management and tariffs review and recommendations on restructuring. The program focuses on financial sustainability of the electricity service.



3.5.5.3 Overview of Electricity Network Infrastructure

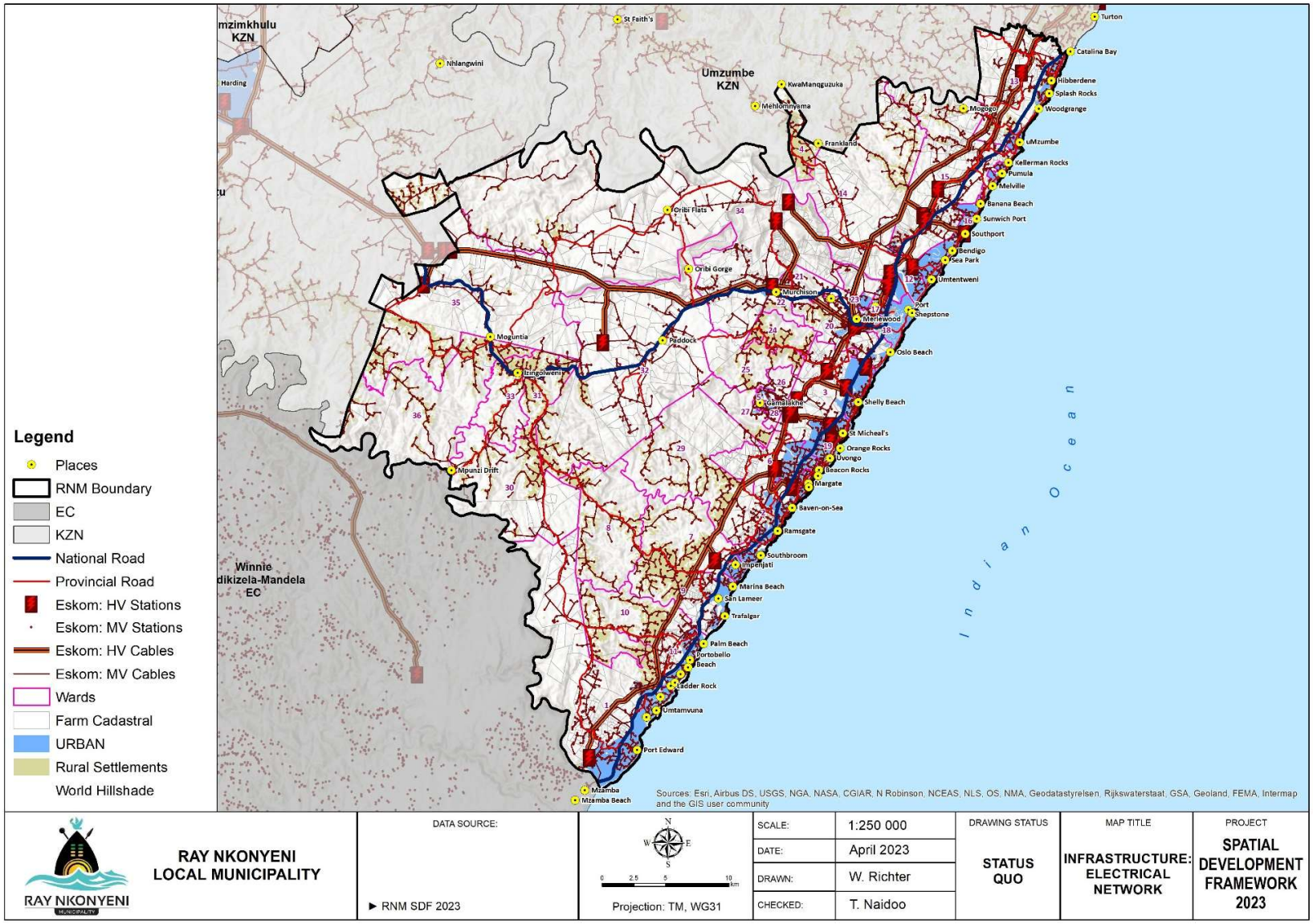
Ray Nkonyeni Local Municipality's electrical reticulation network consists of the following infrastructure :

- Two major 11kV switch stations, that is, Reynolds and Memorial switch stations housing 11kV switchboard and switchgear equipment, power factor equipment, DC batteries and battery tripping units.
- Medium-voltage network is mainly underground cabling network
- 11kV built substations buildings
- 11kV/400V mini-substations
- Low-voltage cabling network
- Interconnector between Port Shepstone Substation and Marburg Switching Station is currently not operational, this link is required to provide redundancy on the distribution network and allow for back feeding.

3.5.5.4 Bulk Electric Infrastructure

On the following Page is a Bulk Infrastructure Map.

Map 88: RNM Bulk Infrastructure





3.5.5.5 Electricity supply points to Ray Nkonyeni distribution network

Ray Nkonyeni Municipality purchases electricity in bulk from Eskom at supply voltage of 11kV, there are two Eskom supply points, at Port Shepstone Substation and Marburg. The Port Shepstone electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly; as a result, new office and commercial developments that are taking place in the area. New customer applications and new developments within the Port Shepstone distribution areas require additional capacity up to 10MVA in the short to medium-term.

3.5.5.6 Sources of energy within RNM

Table 111: Sources of Energy

Source of energy	Cooking	%	Heating	%
Electricity	55008	76..2	45041	62.4
Gas	2996	4.2	1264	1.8
Parrafin	7095	9.8	3335	4.6
Wood	6431	8.9	8457	11.7
Coal	117	0.2	315	0.4
Animal dung	41	0.1	190	0.3
Solar	171	0.2	299	0.4
other	182	0.3	15	0.0
None	135	0.2	13258	18.4
	72176	100	72174	100

Stats SA Census 2016

3.5.5.7 Short-term to Medium-term Projects Implementation

The electricity master plan identified projects for short-term to medium-term implementation, as follows:

i. Notified maximum demand increase at the Port Shepstone Substation
   The project objectives and benefits of increasing the notified maximum demand at the Port Shepstone substation is to eliminate Eskom penalties due to exceedance of the actual maximum demand. In the medium-term, to supply electricity to new developments that are underway in Port Shepstone.
ii. Memorial and Reynolds Switching Stations Refurbishments
   The project objective is to refurbish the ageing electricity infrastructure assets, the main switching stations.
iii. Re-instatement of Power Factor Correction on network
   The objective of this project is to design and re-instate the power factor correction equipment, to introduce capacitance in order to correct the power factor to be within acceptable range of 0,96.
iv. Electricity Tariff Re-design
   The aims of this project will be to optimize the electricity tariff structure for the municipality to be aligned to Nersa benchmark tariffs.
v. Electricity Meters audit and Land-Use Audit
   The project objectives will be to decrease non-technical system losses and result in increased revenue for the municipality.



vi. Memorial and Reynolds Switch-board Refurbishment
The project objectives is the replacement of old, obsolete switchboard at Memorial and Reynolds switching stations with new technology switchboards and switchgear.

vii. Establish 11kV Interconnector between Marburg Switching Station and Port Shepstone Substation and Replacement
The project objectives is to link the two points of supply on 11kV side, this will create redundancy in supply and thus increase reliability of electricity supply for municipal customers. The interconnector can also allow for switching of loads between the two substations.

viii. Billing Audit
The objectives of this project will be to ensure that each consumer is classified by consumer type and the correct electricity tariff can be applied, thus likely to result in increased revenue.

ix. Electricity network infrastructure replacement
The objectives of this project is to replace old, ageing network infrastructure with new equipment, to ensure reliability of supply.

x. Electricity metering system replacement
The objectives is to replace old, obsolete meters with a smart meters for efficient and accurate metering and billing to enhance revenue.

xi. Centralized Network Control Centre
The objectives of this project is to establish a centralized control room for electrical network control and monitoring. The benefit is faster faults finding and location.

xii. Electrification Projects Implementation
The project objective is to eliminate the electrification backlog within the municipal wards.

3.5.5.8 Operations and Electricity Infrastructure Routine/Preventative Maintenance Plan

The Municipality is in a process of developing a Maintenance Management Policy which is inline with electricity assets in alignment with ISO 55001. The policy directs that maintenance plans must be developed in compliance with the ISO 55001 for renewal and upgrade of assets. Ray Nkonyeni Municipality aims to maintain public lighting infrastructure in a manner so as to provide efficient lighting or illumination of public areas in all the municipal areas. That is, streetlights in built-up and urban area; high masts lights in rural areas and illuminated robot intersections.

Ray Nkonyeni Municipality currently maintains streetlights; high masts lights and traffic lights intersections in the various Wards within the municipal boundaries. Conducts preventative maintenance of electricity infrastructure within the municipality: public lighting infrastructure, distribution network equipment, standby generators and the electrical installations at Council offices, buildings and facilities.

The electricity infrastructure to be maintained consists of the following:

- Public Lighting Infrastructure – Street Lights, High Masts, Traffic Lights, Airport Lighting



- Distribution Network Infrastructure – Substations, Transformers, Switchgear, Cables, Meter Kiosks Electrical Installations at Council Building and Generators

The infrastructure spans the whole Ray Nkonyeni Municipality areas all 36 municipal wards and areas:

- Streetlights and robots are installed in the various municipal wards;
- Highmasts lighting are installed in various Municipal Wards;
- Transformers, switchgear and mini-subs are within the Municipality's distribution network: Port Shepstone, Oslo Beach, Marburg, Mbango, Albersville, Newtown;
- The generators are located in the Margate Airport, Treasury Offices, IT Server Rooms in Port Shepstone; and Council buildings and facilities.

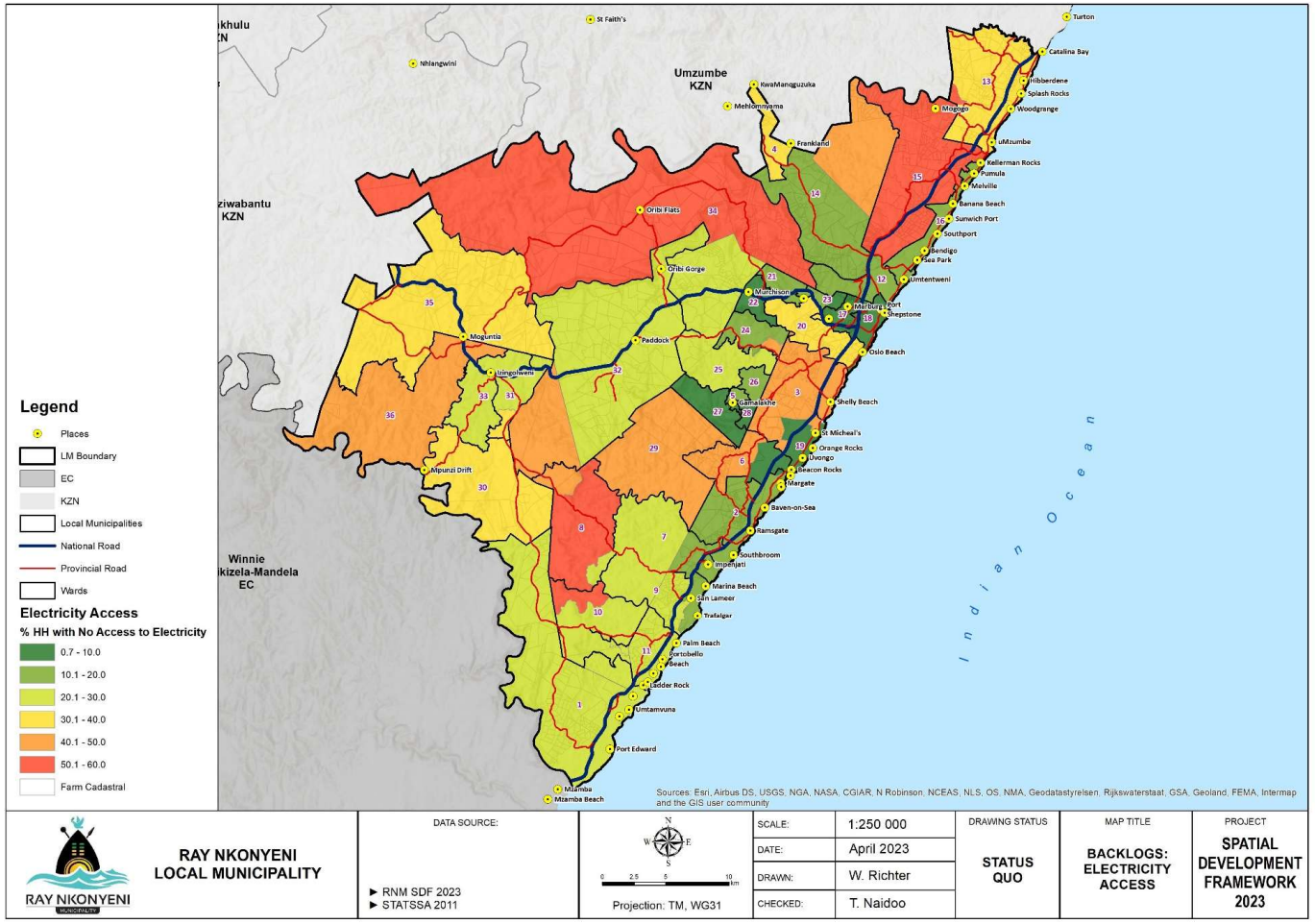
When it comes to schedule 5B projects, the municipality's area of supply is fully connected, except for new housing and commercial development. Some rural areas are still not yet connected, so the municipality liaises with those communities to determine the number of households that need electricity. If Eskom has network capacity, the municipality is given a go ahead to design and implement electrification projects; of which is coordinated with Eskom as well contractors and service providers hired by the municipality.

3.5.5.9 Electricity Plan and Backlog

The municipality has a municipal wide electricity master plan which aims at eliminating the electrification backlog.Some rural communities still have an infrastructure backlog and there is an Infills backlog. The municipality has rolled out a plan to ensure that all wards with backlog infills are attended to. There has been a budget allocated for projects implementation from pre-engineering up to project construction. There is a backlog of 8 772 connections in all rural wards.



Map 89: % Households with No Access to Electricity





Below is a list of wards and an indication of projects under planning and design and those under construction. Electrification is funded via the Integrated National Electrification Programme (INEP) Grant Funding from the National Department of Energy which is a capital subsidy to address the electrification backlog. The grant funding allocation for 2023/24 is R7 026 000

Pre-marketing and site investigations have been completed and it was identified that there is a total backlog of 8 772 Infills and new electricity connections for households within the Ray Nkonyeni Municipality wards. Of these, 691 connections are on constrained networks and depend on Eskom network upgrades and strengthening projects, and these have been handed over to Eskom for implementation. Designs have been completed and are approved for a total of 2 355 connections, and projects are ready for construction. Electrification projects are under construction for 2049 connections. Below is a list of wards with the total number of connections, and it must be noted that RNM has electrification backlogs in rural areas only.

Table 112: Electrification Plan and Backlog

WARD NO.		AREAS	TOTAL NO. CONNECTIONS	PROJECT STATUS
3		Masinenge Phase 1	354	Under construction by Eskom
3		Masinenge Phase 2	535	To be implemented by Eskom
4		Oshabeni	293	Design stage
5		KwaNzimakwe	267	Ready for construction
7		Gcilima	144	Ready for construction
8		Enkuthameni, Emphelele, Ibhazabhaza. Okhalweni, Bulalinja	442	Ready for construction
9		Various areas	175	Ready for construction
10		Braemar, Nompondo, Enkulu, Woza, Enkomeni, Dozameli	210	Ready for construction
11		Califonia , Ebuthongweni , Umgangathi, Thundeza, Ithongasi	188	Ready for construction
12		Various areas	28	Design stage
13		Stickfarm, Fairview	257	Ready for construction



14		KwaSilwane	250	Ready for construction
14		Denver, KwaMadlala	321	Ready for construction
15		Various areas (Chibini)	100	Ready for construction
		Louisiana	300	S1 connections by Eskom
17		Merlewood Phase	359	On hold – houses not ready
20		Bhobhoyi	176	Network constrained
21		Mdlanzi	113	Network constrained
22		Murchison	51	Network constrained
23		Dujazana	351	Network constrained
24		Bhomela	63	Network constrained
25		Qinabout , Madwaleni , Goso , Mavundla, Msikaba, Mveveni, Nsangwini, Nkulu, KwaXaba Okhalweni	700	Under construction
26		Ethangeni Ezitendeni Mthini Sideni	155	Under construction
27		Mqolombeni Mbhoshongweni College KwaXaba Nositha Sgedleni	280	Under construction
28		Tintown Besters	16	Planning stage
29		Mlonde, Bhashise, Mthombothi, Thelawayeka, Dingeton , Sunduza	244	Under construction
30		Mdlazii, Bandlane, Mdlazi, Goqosi Shoba, Dlovinga	551	Design stage
31		Mshweshwe, Izingolweni, Mbeni, Magidigidi	440	Design stage
32		Shibase Manzamhlophe Kwezi Phezulu Shobeni Sgundaneni Phansi Mgawulane Mthini Kheni	395	Design stage
33		Mbeni, Nkulu, KwaShoba, Shobashobane	276	Design stage



34		kwaNyuswa	131	Design stage
35		Shibe, Ndunu, Godloza, Celebane, Thuvukezi, Maromeni, Nteleni, Hlomendlini	312	Design stage
36		Mnikwe, Mlozane, Mthavuna, Phosheni, Mahlubini	295	Design stage
		TOTAL NO. CONNECTIONS	8 772	

Source: RNM Electricity unit

3.5.5.10 Planned Electricity Projects

Table 113: UGU District Infrastructure Plan (Eskom)

	Project name	Status	Panned completion date
1	Nqabeni SS Upgrade	Design stage	2025

Table 114: RNM Electrification Projects

PROJECT	LOCATION	BUDGET	PHASE
Fairview Mission Electrification	Ward 13	R3.8 Million	Construction phase until end of June 2023.
Ward 30 Electrification	Ward 30	R6 Million	Construction phase unyil end of May 2023.
Ethangeni Village Electrification	Ward 26	R2 Million	Planning Phase until end of May 2023. Construction stage to be completed end of June 2023.
Ncukeni Village Electrification	Ward 1	R3.4 Million	Planning Phase until end of May 2023. Construction stage to be completed end of June 2023.
Bhazabhaza Village Electrification	Ward 8	R1.5 Million	Planning Phase until end of May. Construction stage to be completed end of June.



Table 115: 2022/2023 Eskom Projects

Municipality Code & Name	Project Name	Ward Number	Project Type	Estimated Conns	Status
KZN216_Ray Nkonyeni	KwaXaba Nsangwini Nkulu (ward 25) Extensions	25	Household	320	Design in progress
KZN216_Ray Nkonyeni	Ward 24 Bomela Extension	24	Household	409	Contractor on site – Re-design in progress

Table 116: 2023/2024 Eskom Projects

Municipality Code & Name	Project Name	Project Type	Ward Number	Estimated Conns
Ray Nkonyeni	Ward 28 Tintown extensions	Households	28	100
Ray Nkonyeni	Ward 14 KwaMadlala extensions	Households	14	150
Ray Nkonyeni	Ray Nkonyeni Ward 4 extensions	Households	4	168

3.5.5.11 Free Basic Electricity (FBE)

The Municipal Systems Act 32 of 2003 states that a municipality must ensure that all communities have access to at least minimal basic services, that is, receive free basic electricity subsidised to a maximum of 50 kWh per month. As per MOU agreement, Eskom co-ordinates and administers the prepaid free basic electricity (FBE) benefit packages to indigent households within Ray Nkonyeni Municipal jurisdiction.

Ray Nkonyeni Municipality has 1934 households who are registered on the FBE programme; of which an average of only ±2560 indigent beneficiaries purchase electricity tokens and receive free electricity up to 50kWh on a monthly basis benefit packages to indigent households within Ray Nkonyeni municipal jurisdiction.



3.5.5.12 Free Basic Alternative Energy (FBAE)

The objectives of the Free Basic Alternative Electricity, FBAE programme is to help indigent households in non-electrified areas by providing them with free basic alternative energy, for purposes of cooking and basic lighting. The intervention is aimed at alleviating some of the difficulties associated with access to energy in these households whilst the Municipality together with Eskom implement rural electrification programme.

The intervention has assisted the Municipality to address a whole suite of socio-economic issues that arise from inadequate provision of energy to households within the community of Ray Nkonyeni Municipality. Free basic alternative energy in the form of bio-ethanol gel for stoves and oil for lamps is used for households' cooking and lighting purposes, is distributed on a quarterly basis to 2932 households in 27 Wards.

Table 117: Free Basic Alternative Energy (FBAE) Programme

WARD NO.	TWO PLATE GEL STOVE	LAMP OIL	BIOETHANOL	OIL LAMP
35	103	103	103	103
34	103	103	103	103
15	141	141	141	141
14	182	182	182	182
26	130	130	130	130
10	80	80	80	80
7	80	80	80	80
9	159	159	159	159
8	105	105	105	105
27	48	48	48	48
29	156	156	156	156
32	147	147	147	147
30	105	105	105	105
31	144	144	144	144
25	48	48	48	48
1	63	63	63	63
24	48	48	48	48
3	290	290	290	290
5	17	17	17	17
22	48	48	48	48
21	48	48	48	48
23	48	48	48	48
13	48	48	48	48
11	95	95	95	95
36	103	103	103	103
33	310	310	310	310
4	83	83	83	83



3.5.5.13 Small-Scale Embedded Generation (SSEG)

Steep increases in the price of electricity, elevated environmental awareness, rapidly decreasing costs of photovoltaic (PV) panels, and the high risk of load shedding and national power blackouts have all resulted in electricity distributors around the country receiving numerous requests to allow electricity consumers to connect PV and other Small-Scale Embedded Generators (SSEGs) to the electricity grid. Such SSEGs are intended to be connected to the wiring on the consumer's premises which is in turn connected to, and supplied by, the Municipality's electricity network. Such generators are hence considered to be 'embedded' in the local municipal electricity grid.

The parallel (or embedded) connection of any generator to the electrical grid, however powered, has numerous implications for Ray Nkonyeni Municipality as the local electricity utility. The most significant implications are the safety of the utility staff, the public and the user of the generator. Further implications include the impact on the quality of the local electrical supply, and metering and billing issues. In terms of the Municipal Structures Act, No. 117 of 1998, municipalities are therefore obliged to regulate the installation of SSEGs to uphold responsible management of the distribution network, as well as for the general benefit and protection of citizens.

The Municipal Council adopted an SSEG policy document which provides a framework for the approval and registration of Small-Scale Embedded Generators of electricity as well as the regulation thereof relative to the requirements of the Municipality and By-laws. The policy is applicable to all customers wishing to install systems categorized as Small-Scale Embedded Generators. This policy facilitates the inclusion of Small-Scale Embedded Generation (SSEG) onto the electricity distribution network of Ray Nkonyeni Local Municipality, so that safety, power quality, grid operation and municipal revenue issues are adequately addressed, and that the local renewable energy industry and green economy is promoted at the same time, supporting job creation. The municipality intends to apply for Nersa approval of small-scale embedded generation tariffs.

3.5.5.14 Energy Efficiency Demand Side Management (EEDSM)

Ray Nkonyeni Municipality energy efficiency demand side programme has to-date retrofitted 2 789 LED streetlights. The decrease in electricity consumption helps to reduce CO2 emissions and helps with climate change. Future EEDSM interventions includes retrofits of municipal buildings and facilities with photo voltaic (PV) solar panels to generate on-site electricity directly from the sun, without environmental harm, pollution, or depletion of resources. Other proposed EEDSM intervention is installation of remote monitoring system for streetlights, traffic lights and high mast floodlights in the municipality. Remote monitoring system for streetlights will help the municipalities to reduce the manpower and the money spent on street light maintenance services.

Future proposed EEDSM intervention is installation of an energy management system for the municipal buildings. Adopting an ISO 50001 standard energy management system can yield significant benefits in cost reduction, operational efficiencies and risk management.



3.5.5.15 Smart Metering

Electricity meter audit recommendation is migrating the electricity consumers within Ray Nkonyeni distribution area from conventional to a smart metering system and the residential consumers to a smart prepaid metering system.

3.5.5.16 Alternative Energy

Vision 2036 strategic goal is to explore innovation in clean renewable and alternative energy sources. The strategic focus is to generate own electricity using clean renewable and alternative energy sources and to reduce reliance on coal-based electricity grid. In October 16th, 2020, the Minister of Mineral Resources and Energy published amendments to the Electricity Regulations on New Generation Capacity (2011) of the Electricity Regulation Act of 2006 that authorize municipalities to apply to the Minister to generate or procure new generation capacity in accordance with the Integrated Resource Plan (IRP, 2019). The municipality aims to develop a renewable energy policy and strategy, subject to a feasibility study and compliance with provisions of the Municipal Finance Management Act (2003) and the Municipal Public Private Partnership Regulations.

Pre-feasibility study has been conducted and identified potential renewable energy sources within the municipality determined appropriate energy mix and technologies including solar PV plant in the municipality.



3.5.5.17 Electrification Programmes & Projects

Table 118: RNM Electrification Projects & Programmes

PROJECT / PROGRAMME	BRIEF DESCRIPTION
1. Energy efficiency demand side management programme	Implementation of energy saving technologies within municipal infrastructure to reduce electricity consumption & costs – all Wards.
2. Solar streetlighting & highmasts lighting project in all Wards	Installation of solar streetlights and highmasts lighting with reduce reliance on Eskom supply and to minimize impact of load shedding.
3. Backup generators for critical municipal infrastructure	Installation of backup generators at municipal buildings and facilities which support critical operations – IT servers, networks, etc.
4. Solar PV energy generation programme	Install grid-tied solar PV systems with battery storage and inverters for municipal buildings and facilities affected by load shedding.
5. Small-scale embedded generation (SSEG) programme	Establishment of framework and processes for municipal electricity customers with own-generation systems within Wards 12, 17, 18
6. Free basic electricity (FBE) programme in all municipal Wards	Review and update of FBE indigent beneficiaries list to allow for qualifying indigents complying to indigent criteria and policy.
7. Free basic alternative energy (FBAE) programme	Provision of non-grid energy for indigents within 27 municipal wards (1,3,4,7,8,9,10,11,12, 13,14,15,21, 22,23,24,25,26,27,29,30,31,32, 33,34,35,36).
8. Electrification programme	Electrification of households with no electricity connections with the aim to achieve universal access within various municipal wards.
9. Power factor correction equipment for Memorial subs.	Install filtered capacitor banks to improve power factor and provide harmonic filtering to assist to eliminate violations of limitations.
10. Smart meter replacement	Replace old, obsolete technology and faulty meters which are out of specifications.
11. Establish new 132/11kV 2x40MVA substation	To cater for existing and future growth in residential, commercial, industrial and tourism with licensed distribution areas – 12,17,18.
12. New 43MWp solar PV plant sized up to peak power	To reduce Eskom load demand within electricity network to result in annual costs savings for the municipality.



13. Establish a centralized electricity network control centre	To remotely control distribution substations via centralized control centre and allow for safe operation and switching in Ward 18.
14. Bulk electricity network infrastructure upgrades	To upgrade medium-voltage equipment and refurbish switchgear at Memorial and Reynolds substations in Ward 18.
15. Electrical infrastructure asset care programme	A 1st generation asset management plan was developed for electricity infrastructure assets within Wards 12, 17, 18.
16. Electricity revenue enhancement programme	Project identified 10 key recommendations to be implemented by to improve the electricity revenue stream within Wards 12, 17, 18.
17. Prepaid electricity metering within Wards 12, 17, 18	Introduce prepaid electricity for RNM electricity customers within licensed area subject to Nersa approval of prepaid tariffs.
18. Cost of supply studies for electricity supply in Wards 12, 17, 18 – compliance project	Nersa requires that municipalities to conduct cost of supply studies every 5 years in compliance with COS framework.
19. Traffic lights infrastructure upgrades and refurbishment	To upgrade old (technology) robot controllers, replace robot heads with LED lights, and replace old robot controller cards in all Wards.



3.5.6 Community Facilities

Community facilities are public places where members of a community gather for recreational, educational, artistic, social or cultural activities. The facilities are all user friendly as mentioned earlier in the document.

The municipality boasts of the following community facilities which are fully functional:

- **Community halls**
  There are 36 functional halls

- **Sports Fields**
  There are 35 Sports fields and 4 Sports Complexes: The municipality has ensured that these sports fields have facilities, (changing rooms), disability user friendlt and fenced.

- **MPCCs Thusong centers**
  There are 10 MPCCs

- **Libraries**
  The municipality has 12 Operational Libraries in the urban areas including Gamalakhe Township, one (1) library at Kwa-Ndwalane Traditional Authority and five in land of the municipality are five mobile libraries with one fully fledged library at Kwa Ndwalane Tribal Authority and one at Izingolweni and Vukuzithathe Tribal Authority. Ther are also5 Mobile libraries

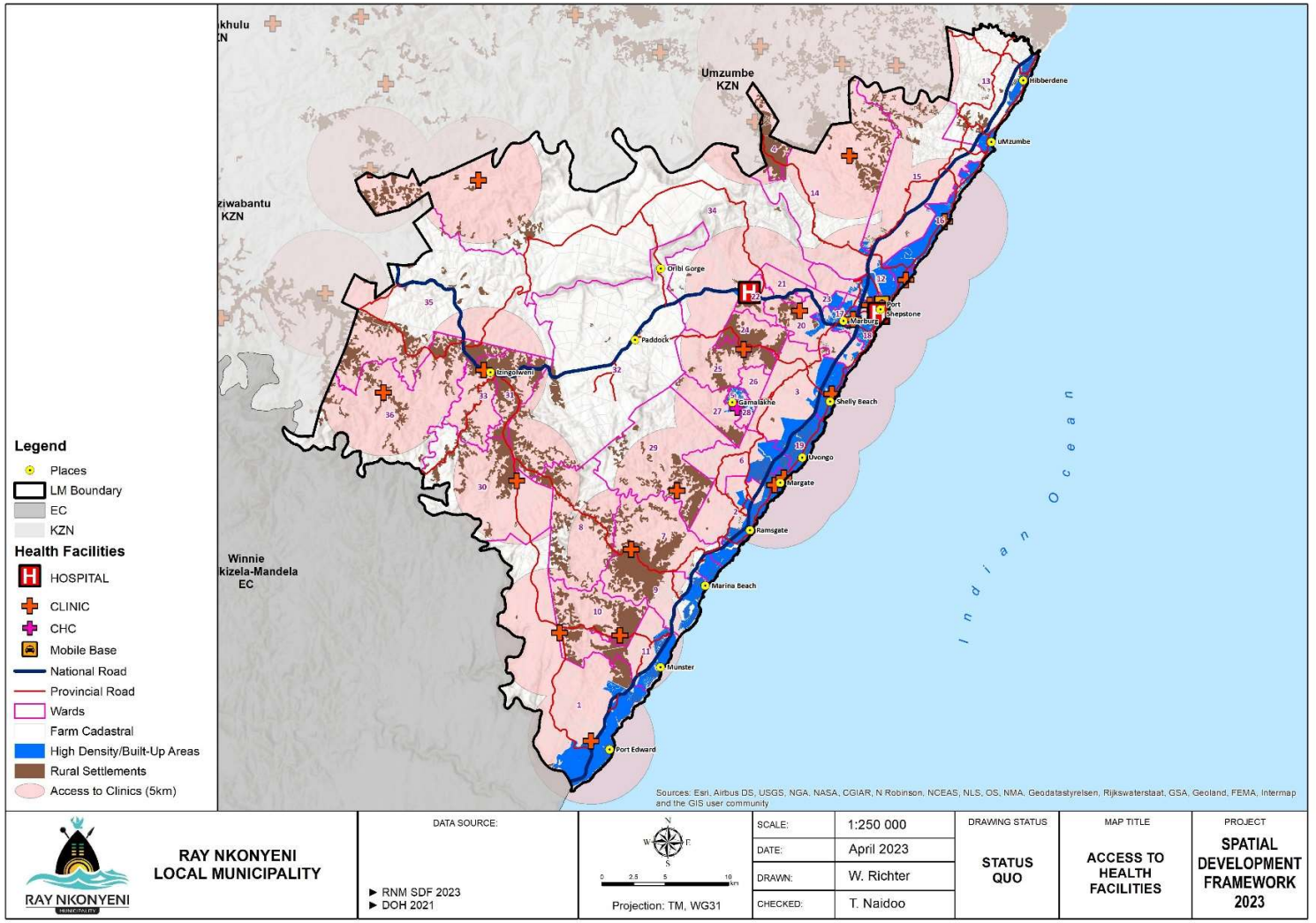
- **Recreational Parks**
  The municipality consists of 17 recreational parks, however, most of these are in the urban areas and one at Gamalkhe and Gcilima.

- **Authorised Cemetries**
  -One private cemetery
  -Four public cemeteries, namely
    - Oslo Beach Cemetery
    - Port Shepstone Cemetery
    - Kwa Nositha Cemetery and
    - Margate Cemetery

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. There is one private Cemetery within the municipality at Izotsha. There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in the rural areas in line with the principle of environmental sustainability. The municipality does not have land to provide for more public cemeteries.

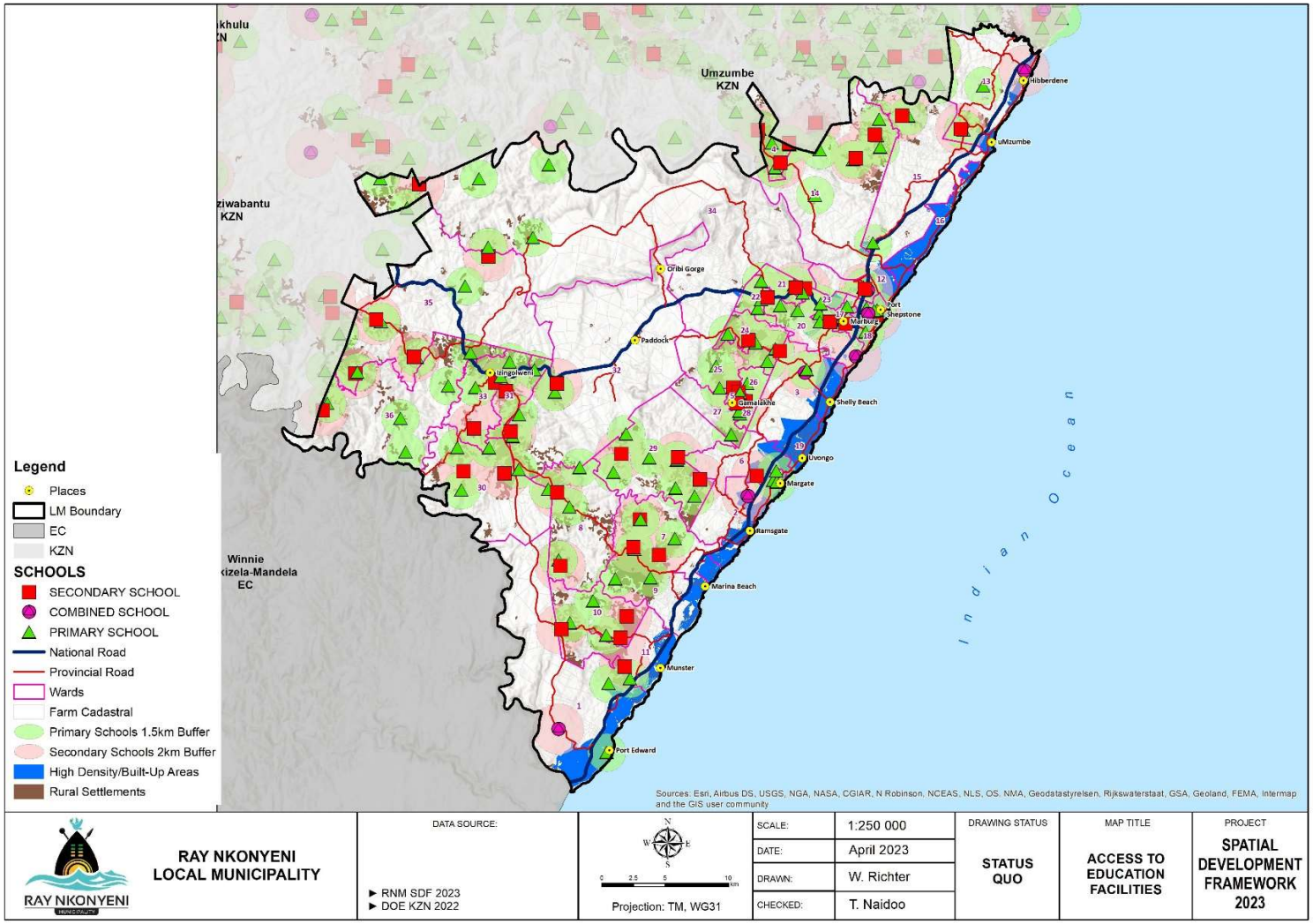
On the following pages are maps illustrating these facilities within the municipality:

Map 90: Health facilities



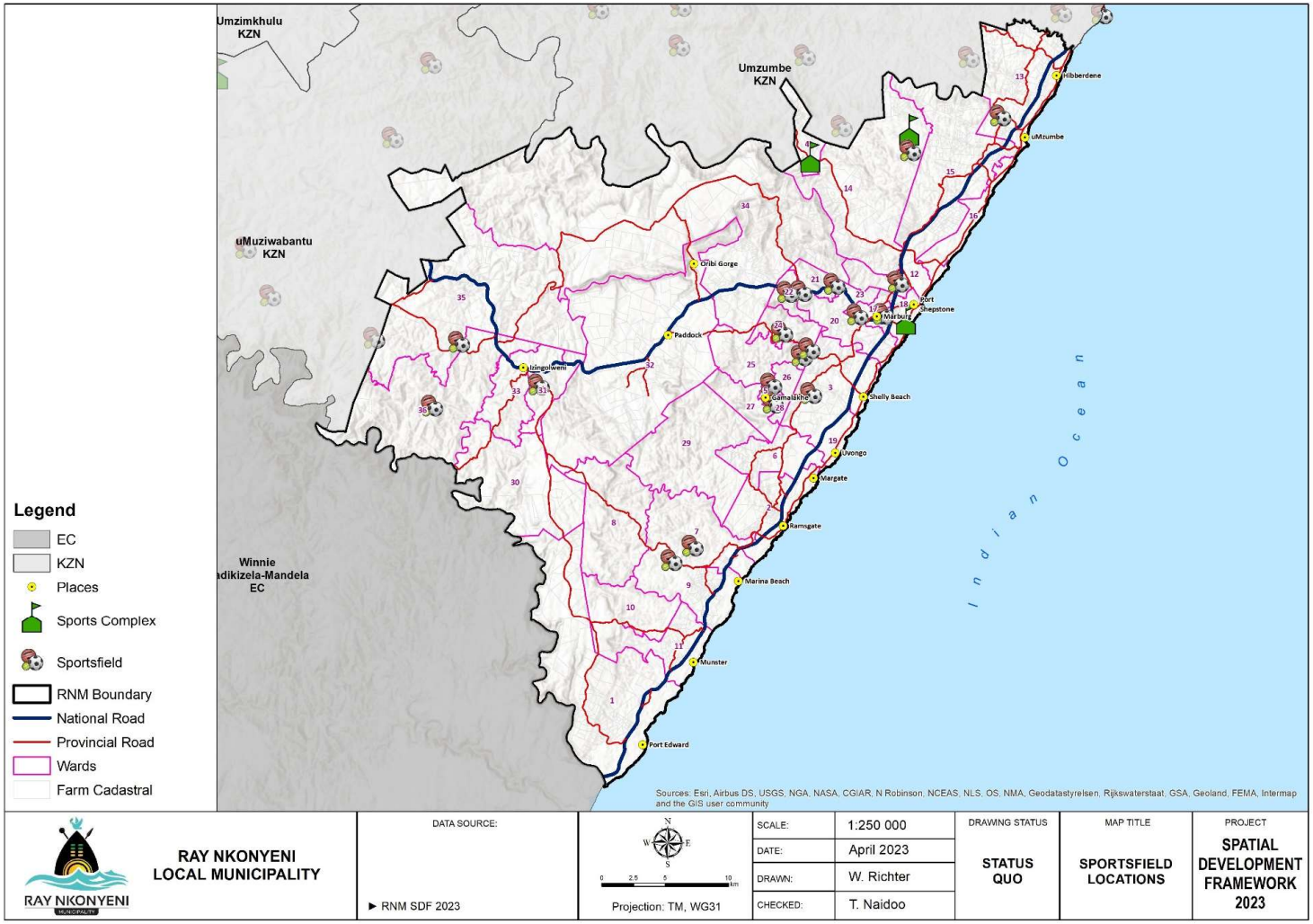


Map 91: Schools





Map 92: Sports





3.5.7 Coordination with Sector Departments

The municipality has engaged the Land and Rural Development Reform Department in accessing land required for cemeteries. In terms of MPCCs and community halls, Amakhosi were engaged in outsourcing land required for those developments.The department of Transport and Department of Electricity as well as Ugu District for water and sanitation were involved to acquire electricity and have roads developed leading to these facilities.

3.5.8 Transport Infrastructure

Transport infrastructure refers to the framework that supports our transport system. This includes roads, railways, ports and airports. National and local government are responsible for the development of our transport infrastructure. An extensive transport network exists in Ray Nkonyeni, which includes, road,rail and air infrastructure. Following is a brief summary of each:

3.5.8.1 Air infrastructure

The municipality has a vibrant air infrastructure situated at Margate. The airport was reopened in November 2013 and is fully operational. Due to the need for expansion, It recently underwent a revamp that created employment for 50 job opportunities for the local community. KZN Economic Development Tourism and Environmental Affairs (EDTEA) funded the project with an investment of R 11 000 000,00.

The capacity of the newly revamped Margate Airport is as follows:

- **Construction of new external Rental Office Space –** this entails moving the car rentals and airline offices from inside the terminal to a new facility freeing up internal space for passenger movement. The new rental offices also generate income for airport.
- **External Ablution adjacent to Rental Offices –** these toilet and shower facilities are designed for staff members and use by rental offices. The area also houses the generator and water storage tanks during water outages.
- **New Internal Ablutions –** to serve both departure lounge and general public in foyer. The previous ablutions were inadequate serving only one occupant at a time.
- **Internal Terminal Works –** Demolition of internal walls, re-tiling, painting, fixing shop fronts and encasing entrance lobby into the terminal.
- **External Works –** trench excavation, paving, kerbing, footing and plastering.
- **Airport Masterplan –** finalization of the airport masterplan to identify and prioritize projects.

i. Future Planned Upgrades

As part of Phase two (2) of upgrade of airport infrastructure the following priority projects have been identified as the short-term infrastructural and pre-existing capacity and maintenance challenges for future development at the Airport:



- Improvement of Airport Rescue and Fire Fighting Capability and Facility / Infrastructure - R 30 000 000,00 (estimate)
- Airside Terminal re-configuration and passenger terminal extension design and construction - R 50 000 000,00 (estimate)
- Improvement and re-structuring of fuel dispensing facilities / infrastructure – R 6 000 000,00 (estimate)
- Security Fence compliance pertaining to lighting and security features - R 10 000 000,00 (estimate)
- Runway Resurfacing and Lengthening with inclusion of the enlargement of the apron to accommodate bigger aircraft - R 120 000 000,00 (estimate)
- Vehicle Parking Area resurfacing and reconfiguration with inclusion of pay-parking system - R 7 000 000,00 (estimate).

Margate Airport currently has a budget of R 6 000 000,00 for 2023/2024, for the upgrade of the airport perimeter security office. This budget was funded by KZN Economic Development Tourism and Environmental Affairs (EDTEA)

3.5.8.2 Rail way Line infrastructure

The railway infrastructure has aged and being the second major transportation infrastructure to road infrastructure within the municipality, talks between the municipality and PRASSA has commenced to pave ways on how best to address the issue. The railway infrastructure linking RNM to Umdoni is non-functional due to its dilapidated state. Also the Banana express rail linking the southern part with Ezinqoleni town is dysfunctional as well.

3.5.8.3 Road Infrastructure

Ray Nkonyeni Municipality secured funding of R3.5 million from the Development Bank of South Africa (DBSA) for the development of roads and storm water master plan (RSWDMP) which will enable the municipality to compile an implementation strategy with goals and objectives. The adoption of the Plan was September 2021 and has since been incorporated into the IDP.The masterplan includes a programme for the implementation of all projects identified and prioritized. Evaluation of long term viability of existing infrastructure to cope with identified auhmentation needs and expansion will be done. New infrastructure needs will be identified and proposed timelines for the implementation in the plan.

While the national and provincial roads are in a generally good condition state, the quality of district and local roads is poor.

Ray Nkonyeni Municipality's mandate when it comes to road infrastructure is to maintain the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan, However, there is an adopted Operational and Maintanance plan for the existing public transport facilities.. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depends on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP. For 2023/2024, the maintenance budget for roads is as follows:



Table 119: RNM Transport Insfrastructure Maintenance Budget (2023/2024)

Wet Fuel	**R4 850 000,00**
Maintenance of Equipment	R370 000,00
Overtime:Non Structured	R380 000,00
Overtime:Night Shift	R18 000,00
Roads Safety Equipment, Stationery, Materials, Stores	R50 000,00
Hire Charges	R5 000 000,00
Roads Street Signs	R1 503 210,00
Pothole Maintenance	R25 862 270,00
Pavements: Storm water repairs	R3 754 910,00
Fleet Repairs & Oil (700)	R3 650 000,00
RoadsSafety EquipStationery Materials Stores	R179 990,00
Roads Uniform & Protective Clothing	R500 010,00
TOTAL	**R46 118 390**

The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure that all roads are in safe driving conditions and are carried out appear in the SDBIP.

3.5.8.4 Roads and Storm Water Master Plan

The Plan was adopted in September 2021 and addresses conditions of both urban and rural roads within the municipality. It further addresses critical bridges that need upgrading, storm water drainage that need to be attended to as well as upgrade prioritised roads.

3.5.8.5 Local Integrated Transport Plan

The municipality, along with the Department of Transport, are currently developing the Local Integrated Transport Plan and it is at a draft phase. The plan was anticipated to be tabled to Council at the end of July 2022 for adoption, however, the Department of Transport requested an extension as the conception of the plan requires more funds to acquire specialists to conduct the necessary and required assessments and research.

The Local Integrated Transport Plan's purpose is to provide Ray Nkonyeni Municipality with a guide to plan on overcoming the challenges identified within the transport system of the Municipality. Part of the Integrated Transport Plan process is data collection of the current transport system through surveying, data analysis, recommending strategies and prioritising projects.



3.5.8.6 Road Networks

i. National Corridor: N2 and R61

The N2 is the primary north-south linkage and it links Port Shepstone in the South with Durban in the North. R61 is the provincial routes that link Ray Nkonyeni with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, this route serve as a main link between the Eastern Cape Province and KwaZulu-Natal Province.

Primary Tourism Corridor: R102 and R602

The R602 is termed the beach road'(better known as—Marine Drive) and it runs in the north-south direction along the coast, linking the various coastal towns.



ii. Secondary Corridors

The Municipality is characterised by poor corridor development linking urban and rural settlements. This may be due to the lack of economic activities located along these routes. The secondary corridors are P69, P732, P482, P344, D686, D0165, P0860, P0262, P0354, P0284, P0057 and P0058. A corridor serving areas of high poverty levels with good economic development potential within one or two sectors

iii. Tertiary Corridors

These corridors are mainly envisaged for movement purposes with direct access to properties permitted and high pedestrianized activity.

The following roads have been identified as tertiary corridors:

- Road from Hibberdene to Msinsini
- Road from St Michaels to Gamalakhe
- A route that runs from Nkuswana-(D0920) via Thonjeni-Nkulu (D1085)-N2-Sunshine to Nqabeni
- A route that runs from Maguntia to Maryland; and Road from Margate to Gamalakhe.

iv. Arterial Roads

There are arterial roads within the municipality that feed the main roads and mostly are predominately surfaced (black-top). From Port Shepstone to Margate along the sea is the Marine Drive road and it also runs parallel the R61 which runs down to Port Edward. A number of arterial roads link the coast to the hinterlands as well. Three arterial roads join the R102 before Port Shepstone, and the rest join the R61 and Marine Drive after Port Shepstone respectively. There are no arterial roads that join the N2. Following is a summary of main arterial roads that link the hinterland and the coastal towns.

- -The Station Road cuts through the hilly inland through Umzumbe, and join the R102 above the Umzumbe River
- The Rathman Drive road runs from hilly inland and joins the R102 at Ntwentweni.
- Stephen Road cuts through KwaMadlala and joins R102 just before Mayville.
- The Izotsha road runs from St Michaels through the Izotsha corridor up through KwaNdwalane and further inland
- P200 road offramps from the N2 at Marburg past Gamalakhe into South Broom. This road is also a link to a number of farms doted along that area.
- Louis Botha Avenue road off ramps from the R61 at Mpenjati through Kwa Nzimakwe tribal authority joining D869 further up.
- D 869 runs from Port Edward to Izingolweni



Roads along the Coast belt are in a good state as compared to those in the interior, however, the biggest challenge is potholes, but they are currently being addressed. The rail road is dysfunctional. Modes of transport consist of public mini taxis, which are very dominant and highly used by the public; there are also buses which ferry commuters from their residential areas which are predominantly in rural area to towns where many are employed. Another mode of transport is the small cabs which operate between towns and the urban edge areas.

Most roads are in a deteriorating state both provincial and local roads, this can be contributed to lifespan of the existing road networks and somehow can be contributed to the lack of regular maintenance of the road network and the original substandard designs of these roads especially access roads.

Ray Nkonyeni Municipality talks to the SPLUMA principle of efficiency. There is optimization of the existing infrastructure resources. Inland is a proposed activity route that will run parallel the N2 from inland Hibberdene, cuts across the hinterland and join the connector route from Port Edward to Ezinqoleni

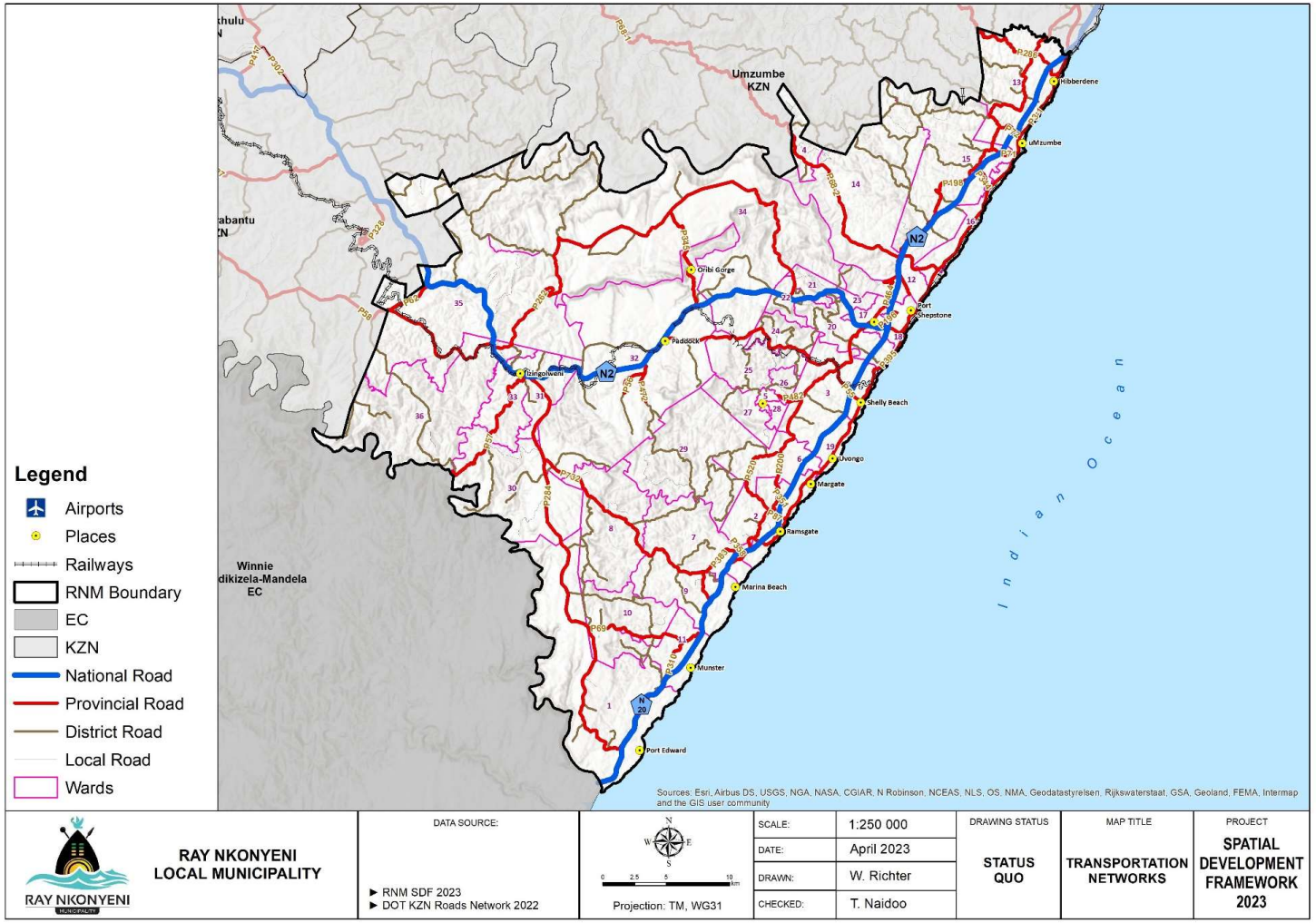
Most roads in the interior are gravel and make 1200km.There are very few tarred roads there. The gravel roads are timeously maintained by being graded though it has proven very costly for the Municipality. It should be noted that the Lower South Coast is prone to flooding, so during the rainy seasons most low level bridges are washed away and big pot holes appear on the roads, and this is quite expensive to repair.

All Tarred roads make 750km altogether throughout the municipality, and most of these roads are found along the Coastal belt. New roads and bridges in rural areas need to be constructed and those that already exist need maintenance as most of them are in undesirable conditions and some are inaccessible during rainy days.

The map on the following page illustrates the existing road infrastructure within Ray Nkonyeni Municipality



Map 93: Existing Road Infrastructure





3.5.8.6 How the municipality has responded to Goal 4 of the PDGP 2035

Goal 4 of the PGDS 2035 talks to strategic infrastructure with reference to:

- Development of airports and seaports
- Development of road and rail networks
- Develop ICT Infrastructure
- Ensure availability and sustainability of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Enhance KZN Waste management capacity

Below is how RNM has responded to the above goal:

i. Development of airports and seaports

In terms of developing seaports, the municipality is looking at Hiberdene as potential future harbour to create an environment conducive for the development of small craft harbour.The municipality being the second largest tourist attraction in the province ater Ethekwini, it needs to promote a seaport that is desirable for international cruise liners, as in Durban. Margate airport is in full swing with a number of scheduled domestic connection flights. The airport opened its doors in November 2013 and has seen more connecting routes as far a Plattenbergbay. The municipality's road infrastructure is sound though the rail infrastructure has aged and closed down. Future intervention talks on this issue are at hand.

ii. Development of road and rail networks

The increasing connectivity by road, rail, airport and harbours is fundamental to the realization of provincial industrial hubs, agri parks, new urban spaces etc. There is a need for the municipality to develop multi modal facillities that cater for fast moving consumer goods as well as bulk minerals and lighter manufactured goods. In the case of RNM, road has provided job opportunities through its EPWP programme, this should continue to provide at least temporary employment for youth and female headed households.

iii. Development of ICT Infrastructure

The municipality has developed an ICT Infrastructure for sufficient information and communications for the growth and development of its citizens. However, it must be mentioned the broad band coverage is limited to rural areas.

The municipality needs to expand the number of public wi-fi hotspots and expand the community access to broadband services.

iv. Sustainability of Water and Sanitation for all

Ray Nkonyeni has more than 95% of households with clean water and sanitation. In as much there are backlogs in some areas in the hinterland, the district as the entity for both has plans in place on how to address the issue. It still needs to develop policies that will talk to these and also develop programmes for water resources as mentioned in the 2035 strategy. Ray Nkonyeni still needs to develop strategies that talk to adaptation and response to climate change. According to the PGDP, KZN is able to effectively anticipate, respond and mitigate the effects of climate change. There is a need to assess the mainstreaming of climate change adaptations strategies in local planning, such as the IDP reporting and



Sector Plans, so the strategy mentions. These relate to inter alia and strategies need to address both the immediate and longer term threats to the health and well-being of communities.

v. Access to affordable, reliable, sustainable and modern energy

According the PGDP 2035, there must be sufficient electricity available for the growth and development needs of KZN. Ray Nkonyeni Municipality has 85% of households with electricity supply. The recently adopted electrification Master Plan details how the backlogs will be addressed. The municipality has a light industry and so there are no harmful emitions.

vi. Waste management capacity

Ray Nkonyeni Municipality has an updated Disaster Management plan and the centers are fully functional. There is a capacitated dedicated disaster management team. The indicators listed under this sectoin in the strategy, the municipality fully adheres to it.

3.5.9 Telecommunications

According to Ugu SDF, telecommunication services within the district is provided by Telkom and a licenced cellular phone companies in the country.Telecommunication infrastructure remains one of the major challenges in all municipal areas, information on infrastructure is difficult to access from the various service providers due to competition. In formal urban settlements, the majority of the people have access to Telkom services, while on rural area most people rely on cellular phones. Ray Nkonyeni Municipality is faced with infrastructure information and a lack of co-ordinated planning to meet the district's needs.

3.5.10 Animal Pound

Animal pound is a function of the municipality, however, there is a 3 year Service Level Agreement (SLA) with the local SPCA, which carries out the function. The first agreement was signed in 2019 and expired in October 2022. It has since been renewed for another 3 years, ending in October 2025. The agreement includes:

- The SPCA collects dead animals and buries them at a fee
- The SPCA Collects stray animals and charges the municipality per animal
- Members of the public are allowed to bring in stray animals which if not claimed by owners, are sent to the municipal pound at a fee.



3.5.11 SWOT Analysis

Table 120: Basic Service Delivery and Infrastructure SWOT Analysis

Strengths	Weaknesses
• The municipal area is generally covered with well-developed bulk infrastructure and networks • Relative high levels of service provision with relatively low backlogs to RDP standards. • Partnering with Government in enhancing EPWP and CWP • The implementation of the IWMPAvailability os the Storm Water Master Plan	• Staff and skills shortages in key positions. • Overstretched technical services / PMU • An ageing fleet of vehicles • An ageing infrastructure • Absence of a multi-wide building maintenance plan in line with the asset register • Backlog is electricity provision in some areas (peripheries) • Rural areas have poor telecommunication coverage
Opportunities	**Threats**
• The existence of a number of sector plans. • Ensuring there lease of public land for low and affordable housing. • Reviving the Airport through LED projects. • Proximity to the N2 corridor. • Vast undeveloped land in urban corridor as well as rural hinterland	• The need to reduce electricity revenue losses due to technical losses, illegal connections, tampering leading to unbilled usage. • Backlog in accessibility to roads by the general public in the rural areas of the municipality. • Storm water backlog caused by densities not considered original infrastructure layout • Most roads are in a deteriorating state, provincial and local • Illegal waste dumping



3.5.12 Key Challenges

An ageing fleet of vehicles: The municipality is faced with a challenge on ageing fleet. Heavy vehicles for waste collections, TLBs as well as trucks for road maintenance have aged, however, budget has been set aside to address this issue.

- .
- :

KEY CHALLENGE	DESCRIPTION
An ageing infrastructure	Most roads are in a deteriorating state, provincial and local.
Illegal waste dumping	Waste minimization education is one of the programmes being utilised to address illegal dumping.
Electricity	Backlog is electricity provision in some areas (peripheries)
Backlogs on provision of basic service delivery i.e. sewage, water , roads, housing etc	there is a programme currently in place that talk to rodas and housing backlogs. In terms of watervand sanitation, Ugu District is in a process top have plans in place to adreess these issues.
Stormwater backlog	The Storm water Master Plan in place is addressing this issue.
ICT Infrastructure	



3.6 LOCAL ECONOMIC DEVELOPMENT ANALYSIS



Mr R Naidoo
HoD responsible for LED Analysis

2022/2023 MEC Comments	RNM's Response	Overall 2022/23 score
LED Implementation and annual review not evident in the IDP as well as M&E of projects & interventions	For LED Implementation and annual review, refer to 3.6.4 For M&E, refer to 3.6.21	98%
Give focus to In-house Research	Refer to 3.6.27	
Prioritise infrastructure investment	Refer to 3.6.7	
To present information on Red Tape	Refer to 3.6.24	
LED Strategy to include a comprehensive analysis to identify more potential economic sectors	To be included in the soon to be reviewed strategy	
The LED Strategy does not integrate Social Labour Plan projects (mining & quarry sectors)	Refer to 3.6.9 Also: The current LED Strategy does highlight importance of mining in driving economic development – see pg.49 of the LED Strategy. Also, RNM does participate in SLPs of various RNM-based mining houses..	



3.6.1 Introduction

The South African legislative framework envisages South Africa being a developmental state and as a result its local government sector also being positioned to be a critical element of the developmental state. The National Development Plan makes a case for this focus arguing that it is fundamental to ensure social cohesion. In other words, the social stability of the country is at risk unless there is some meaningful transformation and growth of the economy. Ray Nkonyeni Municipality respects this mandate recognizing the nobility of its objectives. The municipality is mandated by law to develop a Local Economic Development Strategy to support the development of sustainable, robust and inclusive local economies through the exploitation of local opportunities, potential and competitive advantages as well as addressing local needs and contributing to Provincial and National development objectives.

The processes of planning and implementation of development programs to create a platform for economic development throughout the country remains a challenge. Part of the challenge, is the ongoing quest by the three spheres of government to find innovative ways to align strategies and report key planning programs and project based information in a meaningful manner to one another. Furthermore, the increasing pressure on the economy to create jobs and the seeming failure of government macro-economic policy to address unemployment and inequality further exacerbate the problem for government.

Ray Nkonyeni municipality works closely with the Department of Rural Development, Department of Economic Development, SALGA, South Coast Tourism, SMMEs, Coops, Business people and Department of agriculture.Communities are represented by Stakeholders. The municipality has an active LED Forum. The mentioned sector Departments and stakeholders form the LED Forum.
Poverty remains one of the leading social concerns for Ray Nkonyeni Municipality. This is reflected in various municipal strategies and plans that have recently been developed, with the overall aim of creating job opportunities and reducing the poverty levels within the local area. Further more, in response to LED projects, Vision 2036, which is the long term vision of the municipality adopted in 2020, Strategic goal 2, which talks to the Diverse and Inclusive Economy, the municipality seeks to have a diverse economy and inclusive economic growth by2030- Expand traditional sectors, Unlock potential growth sectors, Stimulate enterprise development and drive township and rural economies. There a various in house budgeted for projects to combat the scourge of poverty.

3.6.2 LED functionality and capacity

This is an approach towards economic development which allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area. For LED to function, there must be both human resource capacity as well as financial resource. Below is a detailed analysis of both.

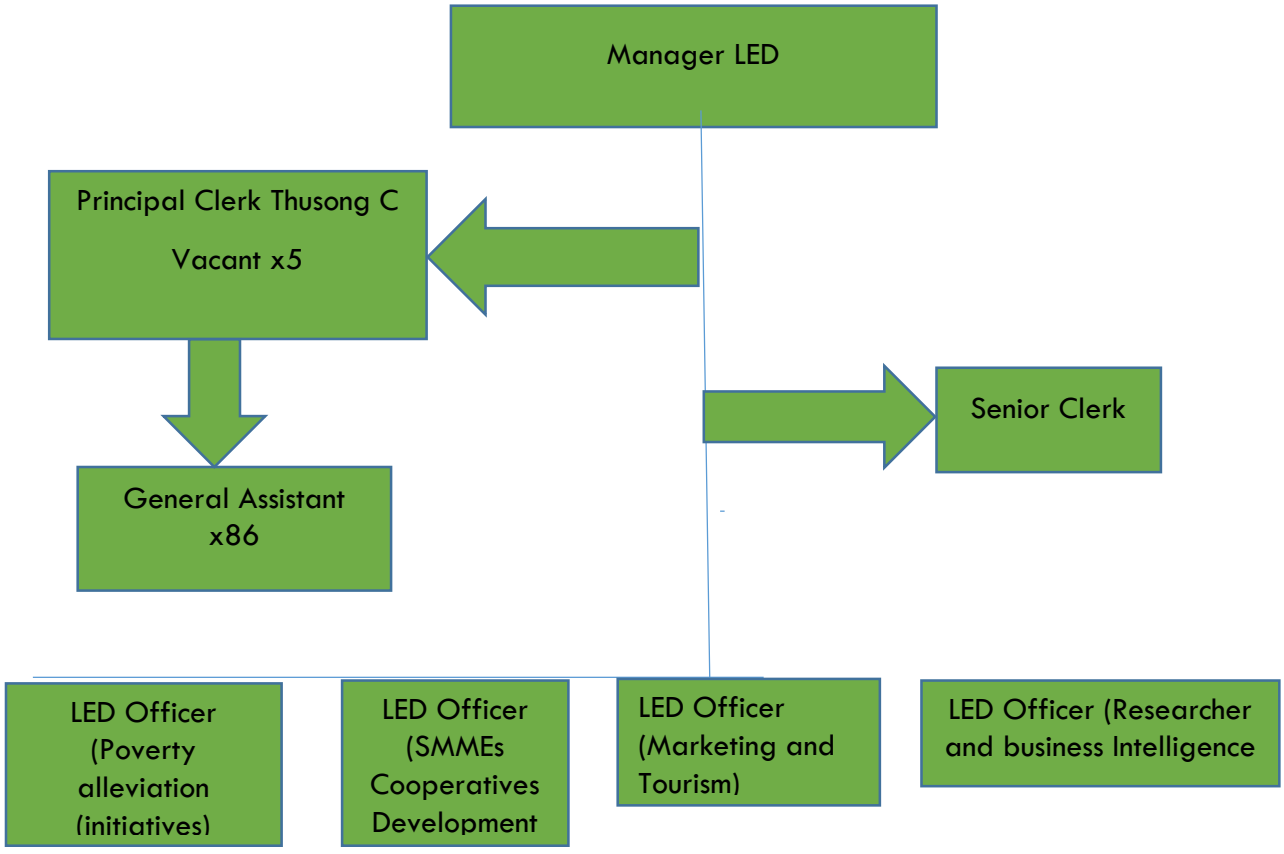


3.6.2.1 LED Unit Organogram

The municipality has a designated LED Section, see diagram below, however, there are human resource constraints within the section, due to lack of budget. The LED programme is implemented by specialists in individual sub-sectors. The trend Nationaly, seeks to suggest that by having specialists from various sectors of the economy, leading and implementing LED programmes, it is likely to see efficiency and productivity, therefore as it is, lack of industry specialists within the LED Unit is seen as a challenge.

Below is the LED unit's organogram as adopted by Council

Illustration 20: LED Organogram





3.6.2.2 LED Forum and Hierarchy of Reporting

The municipality's LED Forum sits once a quarter to deliberate on local economic development issues and is chaired by a councilor. Further more, the municipality participates in the District's LED Forum that also sits once per quarter.The Forum facilitates an inclusive local economic development as to ensure that the local economy grows and in the process creates jobs, particularly for the previously disadvantaged groups.

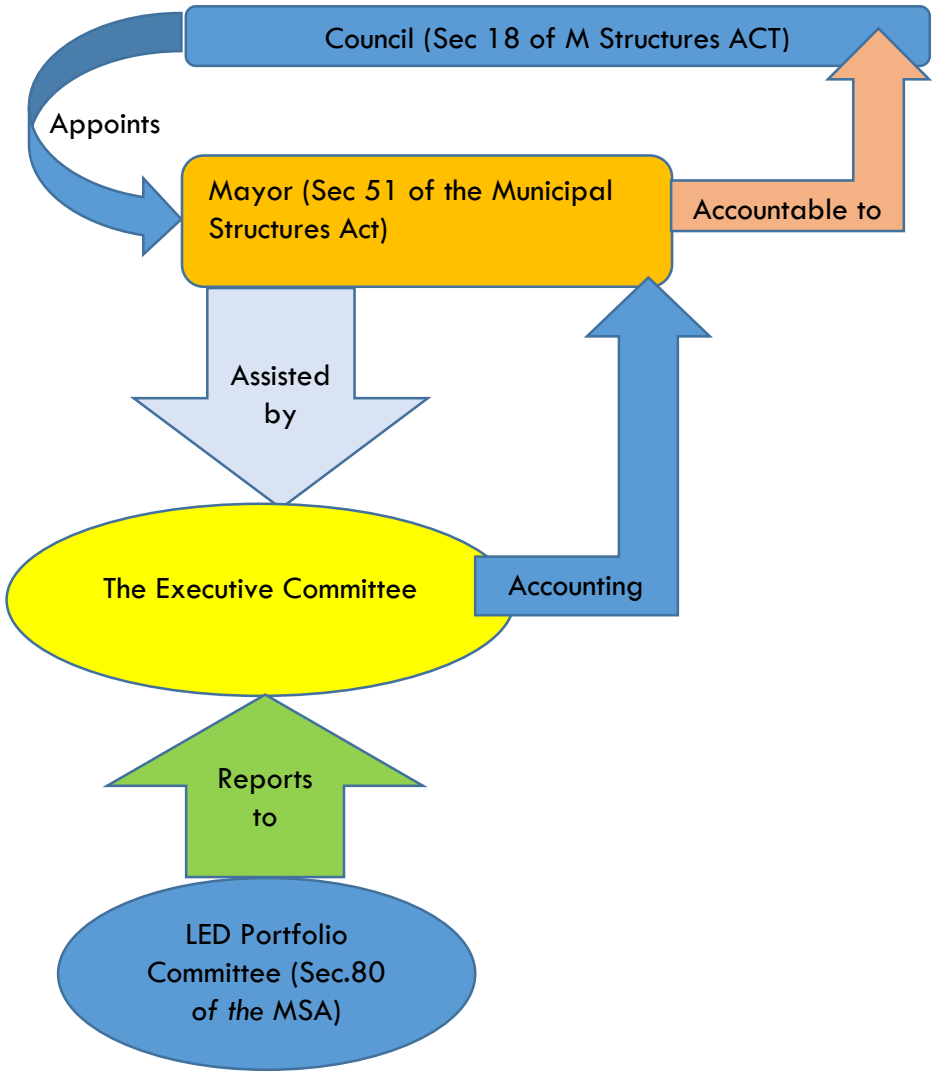
It must be mentioned that the AG did not raise any issues pertaining the LED, hence there is no action plan in place to address any issues that might have been raised. Ray Nkonyeni Municipality's LED fully adheres to the PGDS which talk to:

- Human resource development
- Human and community development
- Strategic infrastructure
- Responses to climate change
- Governance and policy
- Spatial equity



Below is the hierarchy of reporting by the LED Unit within RNM.

Illustration 21: LED Hierachy of Reporting



3.6.3 Policy/Regulatory Environment And Alignment

To regulate the environment, RNM has adopted an LED Strategy which informs a number of policies to guide its implementation. Below is a brief of the Strategy and policies.



3.6.4 National Framework on LED

The National Framework on LED in South Africa (2006 to 2011) directs that a credible approach to LED in any municipality should include a commitment to invest in the capacity of a municipality to manage its affairs in a manner that inspires confidence to both its constituents and the private sector. It must also provide signposting for domestic and external investors, indicating on the basis of objective and empirical analysis, where opportunities for growth lie. In that regard, Ray Nkonyeni Municipality has clearly outlined the core enabling pillars of the National Framework, which are discussed in the Strategy.

RNMs Economic Development Strategy serves as a refinement of the municipal strategic intent outlined in the IDP and a consolidation of local municipalities' economic development vision into a coordinated and integrated regional development plan. RNM as 'the economic engine room' of the lower south coast has goals that talk to:

- Infrastructure development
- Functional linkages
- Entrepreneurship
- Job Creation
- SMME Support
- Rural Development
- Tourism development
- Innovation and ICT
- Integrated Development

3.6.5 LED Strategy

Ray Nkonyeni Municipality has an LED strategy, adopted by Council in April 2018, reviewed annually and has aligned with the Ugu District Municipality's Growth and Development Strategy, ***(See attachment 17: LED Strategy).*** For the 2023/24 financial year, services of a consultant have been outsourced to review the strategy. Proper processes in terms of consultations were followed communities were engaged and other sector departments' inputs were utilised.

Local economic development is one of the municipality's priorities in line with the national key priorities. Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce the poverty levels.Generally, RNM Is the most concentrated economic hub within Ugu District with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has an advantage of influencing the Ugu Region's economic potential, policies and development programs. Port Shepstone is the major economic hub in the south coast and serves as the administrative centre for both RNM and Ugu District.

RNM's LED is intended to maximize the economic potential of the municipality and to enhance the resilience of the macro- economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. As such, the need for an LED Plan in the Municipality goes beyond meeting the constitutional and legal obligations, and encompasses the practical implementation programs designed to stimulate economic development, economic transformation and social up liftment.



The LED strategy addresses the following:

- Grow the economy of the municipality by attracting investments and fostering partnerships with the public private sector
- Create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community
- Promote township and rural development through nodal developments
- Promote RNM as a prime tourism and investment destination
- Promote local economic development and the support of emerging enterprises and SMMEs as well as Micro Enterprises
- Promote strategic and transformative release of land to foster inclusive economic development
- Accelerate fight against poverty and prioritize support to vulnerable groups such as children, females and the elderly
- Promote sustainable livelihoods
- Promote pro-poor economic growth and lessen social and income inequalities

In essence, the LED Strategy for Ray Nkonyeni municipality seeks to seize the opportunities the environment and its people presents. It reflects learning from other municipalities as a means to avoid common mistakes, and reposition the area on a sustainable economic development path as per the PGDP and DGDP. This includes removing blockages and obstacles, identifying economic development opportunities, area marketing and promotion, and providing support (technical and otherwise) to local businesses. The implementation plan is inline with the LED Strategy which will be adopted in June 2023. Through the LED Strategy, a number of policies, plans and strategies have been crafted, *See below :*

i.Informal trading policy and management framework

The policy was adopted in 2017, and is currently under review. The policy looks at regulating (permits, zoning) for street vendors. Further more, the municipality has gazette informal trading By-Laws which further aid the implementation of the informal trading policy.The survey of the Informal Trading sector within Ray Nkonyeni Municipality, which was done in 2017, revealed that the majority of traders had chosen to engage in informal trading as a result unemployment. This indicates the significant role that Informal Trading plays in absorbing the unemployed. Also significant was the fact that majority of the traders were female; this form of business activity is increasing because of its flexible working hours as well as the opportunity it provides for additional income generation for the poor.

ii. Investment Attraction Strategy

However, given the changing environment, in April 2018, the municipality adopted an Investment Attraction Strategy. The municipality then approved the Investment Protocol which guides investment processes within the municipality. The municipality in March 2019 approved the Investment Prospectus which seeks to showcase the investment opportunities that exist within the municipality.



The Provincial Spatial Economic Development Strategy (PSEDS) identifies Port Shepstone as a Secondary Node in the provincial context and the eThekwini –Ugu Corridor as a primary corridor. This corridor is at the same level as the extremely strong and growing eThekwini–Umhlatuze and eThekwini–Msunduzi Corridors. PSEDS confirms the tourism potential of the South Coast Region as established in the Provincial Tourism Strategy.

iii. Investment Incentives Policy

Ray Nkonyeni Municipality's Investment Incentives Policy was adopted in 2020 and is currently under review. It is aimed at promoting investment and boosting the economy of the municipality. The municipality recently pronounced and adoptedan exemption not only for developers' applications but others as well such as the Informal Traders site applications for the current financial year as the world is facing economic hardships due to the covid 19 pandemic. Teams established in departments designated for these ensure fast facilitation of these applications.The purpose of the Ray Nkonyeni Municipality's Investment Incentives Policy includes the following:

- To attract development to the municipality by offering incentives;
- Creating an attractive and investor friendly environment;
- Create a platform for inclusive investment;
- Stimulate local employment and local procurement;
- Establish processes and procedures for incentives;

3.6.6 LED Strategy alignment with the DDM

The LED Strategy was adopted in April 2018 and the District Development Plan is still yet to be approved, hence there would be no alignment. Such will be attended to when revising LED Strategy. However, it must be noted that the DDM as well as RNM's LED Strategy mention poverty, inequality, under-development and unemployment as primary focused areas. Objectives listed in the DDM, four of them touch base with RNM's LED Strategy and they are:

3.6.7 Infrastructure Investment & Initiatives

Currently the municipality is driving / at the forefront of various infrastructure related projects – namely catalytic projects, which transcends across different sectors. Two of such projects are the Port Shepstone Intermodal Facility and Technology Hub. There are also initiatives around ocean economy that are being pursued.

3.6.8 Industrial Parks

Currently, the municipality is in talks with the private sector to solicit funding to enable development of more parks which will boost the economy and provide job opportunities. Investors are also being scouted to uplift the existing industrial parks in terms of either investing of being business partners. It must be noted that so far the municipality is fairing exceptionally well along the coastal belt in terms of industrial parks. There is booming economic activity along the Izotsha corridor, which according to the SDF, will spread in land as land has been identified.

Ray Nkonyeni Municipality has plans in place to mobilse the private sector through its Growth Coalition as indicated earlier on.Through the Investment Attraction Strategy and its processes, there are clear plans to attract investment, also through the SLA that the municipality has with Ugu South Coast Development Agency's operations are catalysed through funding availed by the municipality and also the agency is provided with a list of mandated projects and its task is to ensure the implementation of these projects takes place.



3.6.9 Enterprise Development

The municipality has started engaging the local mining houses such as Idwala, Rossmin and NPC in determining their Social Labour Plans. The intention of the municipality is to incorporate such SLPs into the LED programme, particularly focusing on enterprise development.Furher, the municipality has also held discussion with the Deapartment of Mineral Resources in this regard.

3.6.10 Investment protocol and investment opportunities profile

The municipality further has an Investment protocol and investment opportunities profile which serves as a guide to the business and investors pertaining to investment and processes involved in investing within the municipality, with a focus on the ease and cost of doing business with both local and foreign investors.The profile further contains up to date facts and figures and has been tailor made to make navigating the business and investment environment easier yo understandin the municipality.

3.6.11 Strategic Economic Analysis And Interventions

The goal of strategic economic analysis is to assess the influence of factors determining the organization's activities in the present and future on its development strategy. Following is the analysis of RNM's analysis and interventions.

3.6.11.1 Economic drivers within Ray Nkonyeni Municipality

In response to identifying the potential economic sectors where jobs can be created, the Municipality's LED does mention that all sectors have the potential for further creation of employment opportunities. However, what is needed is a thorough analysis, which is research backed for each and every sector. Once that is done, it should be clearer which sector promises a better return in terms of job creation.

Addressing fundamental LED issues requires the municipality to adopt a strategy for the local economy. During the analysis, the performance of each sector was done. It was noted that the value rich Macadamia nut industry was taking over rapidly replacing the sugar cane industry. Further, as per the National norm, the tourism industry has been resilient despite the economic challenges. The Tourism industry continues to be a pillar of strength for the local economy, which is further assisting other industries, for an example, the retail industry is continuously benefiting from the tourism industry. The Economic Sectors are continuously engaged through the quarterly LED Forums and other Adhoc forums in order to continuously shape LED matters and contribute to enhancing the LED programme within the municipality.The municipality further participates in the Growth Coalition Programme which is being implemented across all districts and the Metro in KZN. RNM as a secondary is also implementing and participating as the municipality.



3.6.11.2 Economic Sectors include the following:

- Tourism (Coastal strip) major potential in rural areas) (Tertiary sector)
- Agriculture (vast arable land in rural areas) (Primary sector)
- Manufacturing (Marburg) (Secondary sector)
- Transport sector(Tertiary sector)
- Mining/ quarrying (Primary sector)
- Financial and Services sector(Tertiary sector)

3.6.11.2.1 Tourism Sector

The municipality has an established a stable tourism sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few.

Tourism is one of the key economic drivers in the municipality. Consequently, more than 67% of the tourist attractions in the Ugu District are located in Ray Nkonyeni Municipality. The entire coast line of the Municipality is a primary attraction and the Tourism KwaZulu-Natal website lists no fewer than 29 beaches for this part of the Province. A series of coastal villages each with its own character and interspersed by beaches,rocky coves, tidal pools and lagoons set amongst indigenous bushes are the main features of the municipality. It is viewed by some as just a popular holiday destination for domestic tourists, but it is also a preferred retirement location for many people.

In terms of job opportunities, tourism within the municipality has provided plenty of jobs. There are, for example, hotels that have been recently opened to the public, namely Mthunzi Hotel in Ntentweni outside Port Shepstone. Other tourism attractions such as tour guides, scuba diving and sea trips have too provided employment as well. Since the South Coast is viewed as a holiday destination attraction, there are many accommodation outlets that have provided plenty of jobs.Below is a summary of the segments under the tourism sector:

i.Events Tourism

Popular events such as the Margate Air Show, the Lions South Coast Show and the Ugu Jazz Festival all now form part of the Sardine Festival. These events take place once a year in different seasons. The sardine Festival comprises of many events such as the Golf Challenges. Golf Tourism is probably the second largest tourism product on offer in the municipality and the South Coast is also branded as the Golf Coast of South Africa. This is due to a comprehensive selection of 11 (nine 18-hole and two nine hole) golf courses situated in the southern part of the municipality, at San Lameer. The event is held annually and the Mayor of RNM graces it. This event includes a women's tournament and attracts international players. Three of these courses are rated amongst the top ten courses in the country. Also, the municipality has added another category where by young school going girls from disadvantaged communities are invited yearly to participate in a mini golf tournament. This is aimed at both promoting the sport and teaching the girls the sports' skills. Popular annual events that take place during other periods include the:

- South Coast Bike Festival
- Hibberdene Couta Classic Fishing competition
- The Port Edward Ski Boat Festival
- SA Women Open (European Ladies Tour)
- Ugu Jazz and Arts Festival
- RNM Ultra Marathon
- State of Inland Tourism

Tourism activities inland is only concentrated along the Oribi Gorge corridor with few product owners taking the lead. Observations from within the sector indicate that there is substantial work to be done if the sector is going to deliver any level of growth beyond the Oribi Gorge corridor. The Oribi Gorge in the eastern part of the municipality provides better organised, marketed and committed products. There is general limited comparative advantage beyond the Oribi Gorge. The Shobashobane Heritage project is yet to be conceptualised to become one of the tourism icons on the south coast. This may improve cultural tourism, eco-tourism and community based tourism for most areas of the municipality.



ii.Beaches

South Africa currently has 36 accredited BlueFlag Beaches and therefore Ray Nkonyeni municipality claims almost a quarter of all blue flags in the country.



Margate Beach



The municipality has a total of 21 beaches which are classified as swimming beaches. Out of the 21, a total of 07 are accredited Blue flag Beaches status.

The following municipal beaches have the world renowned Blue Flag status:

- Hibberdene Beach
- South Port Beach
- Umzumbe Beach
- Lucien Beach
- Ramsgate Beach
- Marina Beach
- Trafalgar Beach

The municipal beaches offer an ultimate beach holiday destination with all year round friendly weather even during winter months. All the beaches offer a safe swimming environment with shark nets, which are serviced regularly by the Natal Sharks Board personnel and in addition life guards are on duty at swimming beaches and in peak holiday periods. In addition to this, surfers can indulge their passion to find that perfect wave while patient fishermen are sure to take home a fine catch. The municipality has partnered with the Natal Sharks Board in ensuring that bylaws are implemented at all its beaches and that the municipality plays an active role in ensuring that the status of the beaches is at its best and security personnel visible.

iii.Historical / Nature / Mission Tourism

The municipal area has numerous historical, religious and cultural assets that have potential to be further developed as tourism products. There is a proposal for the Kwa Xolo Caves Project aimed at attracting tourists to the area. Another important draw card for tourist visiting the area is the natural environment the municipality has. There is a next ensivearray of botanical features and wilderness areas attracting visitors for bird watching, hiking, walking, picnics and other related outdoor activities. There are two existing conservation areas within the municipal area, namely, Umtamvuna Nature Reserve and Trafalgar Marine Reserve. There are however approximately nine declared and protected nature reserves of which the majority falls under management of Ezemvelo KZN Wildlife.

The municipality has various religious assets such as the Albersville Community Church in Port Shepstone that was built in 1959, The Assisi Convert that was built in 1922 and was named in honor of St Francis from Italy; the German Church in Port Shepstone that was built by early German immigrants; The Norwegian Church in Port Shepstone that was built by early Norwegian immigrants, most whom arrived in the area during the 1880's; and the Enxolobeni CP School that is built in the area which used to be the American Board Mission. The mission house and the associated graveyard are still in the area.

iv.Accommodation and Competitive Advantages

The major concentration of tourism accommodation is in Margate (16%), Ramsgate (10%), Uvongo (9%), Shelley Beach (8%) areas, but areas such as Port Edward, Oribi and Hiberdene make a substantial contribution. All these places are found along the coastal strip except for Oribi which is situated about 45 km into the hinterland.



The implementations of the Port Shepstone Beach Front as well as tourism and eco- tourism development are areas identified as growth potential tourism. Tourism products have been developed over many years and the area is one of the Premier tourism destinations in KwaZulu-Natal. The list of competitive advantages includes:

- Blue Flag Beaches
- Wild life conservation with Ezemvelo reserves
- Major events such as Ugu Jazz Arts Festival, SA Women Open (European Ladies Tour), Africa Bike Week, Maidens Ceremony at KwaNyuswa. Beach Festival and Easter Adrenalin;
- Sea and water events
- Operating airport with OR Tambo,Plattenbergbay/ Margate route
- Historical, Religious and cultural assets which provide opportunities
- Sports and adventure tourism including golf and other sport codes
- Golf estates
  Competitively priced accommodation

3.6.11.2.2 Agricultural Sector

The agricultural sector that was once dominant in the hinterland in terms of both employment and investment has lost its competitiveness. Commercial agriculture is dominated by two agricultural commodities, largely sugarcane and timber. Both these commodities are impacted by international competition. Sugar cane is impacted by the relative unsuitability of the local climate, that is, the distance from the equator in comparison to other international production areas. The restrained and non-formalised support for additional demand drivers in the sector like renewable energy production at the mills and other by-products equates to constraints demand growth for domestic growers. There is also limited tariff protection for local production; the uncertainties around land tenure and the labour input costs are rising faster relative to other international producers and increases risk factors for the sector.

i. Agricultural Categories

The municipality has three types of agricultural categories, namely, primary, secondary and small holder farmers categories.

- ***Primary category (****Commercial Agriculture****)***

Commercial agriculture is still highly dominated by a few minority Agriculture is the second largest followed by financial sector within the municipality. The most significant shift in the economic profile of the municipality has been the decline of the primary sector giving way to the tertiary sector that is now the leading sector. This is due to recent reports outlining that agriculture has declined to a point where KZN as a whole has become effectively a net importer of agricultural products. This has affected the municipality in terms of its GDP Nationally. This clearly points to the diminishing agricultural production and food security. Commodities that are directly linked to the primary sector commodities, i.e. timber manufacturing are experiencing decline. Food, beverages and tobacco are the biggest contributors of employment in manufacturing in the province.



The range of agricultural products points to the great agricultural potential of this region, attributed to good climate conditions, soil potential and the entrepreneurial spirit of the people. Following are some of the outstanding features of the agricultural sector at RNM and these are practiced at a large scale more especially along the coastal belt:

- A fifth of all bananas eaten in South Africa are produced at RNM;
- Sugar cane growing and milling has taken place in the region since the 1890s;
- A range of niche market products, such as cut flowers, nuts and vegetables are also produced here;
- Livestock farming and poultry farming are extensive together with crocodile breeding; and,
- Timber farming sector produces Pine, Gum and wattle which are processed by some saw mills
- Macadamia nuts are now taking charge replacing sugar cane growing

➢ ***Small holder farmers (Black farmers)***

These farmers practise at a lower scale than commercial farmers. Their turnover per annum is not above a R1m.

Black small sugar cane growers (SSG) farmers in the hinterland faces a number of challenges which includes amongst others, steep topography, no irrigation systems, less mechanisation, poor yields and lack of financial backup. Land is also another challenge as well as their small farm holdings are not fenced. RNM soils are shallow, and this limits plantation as most products need deep soil to enable good growth. A majority of Black farmers do not have codes for their yields at the sugar mills and rely on big sugar cane growers and this has proved to be a failure. Some Black farmers have leased their land for sugar cane growing but end up with next to nothing in terms of profit.

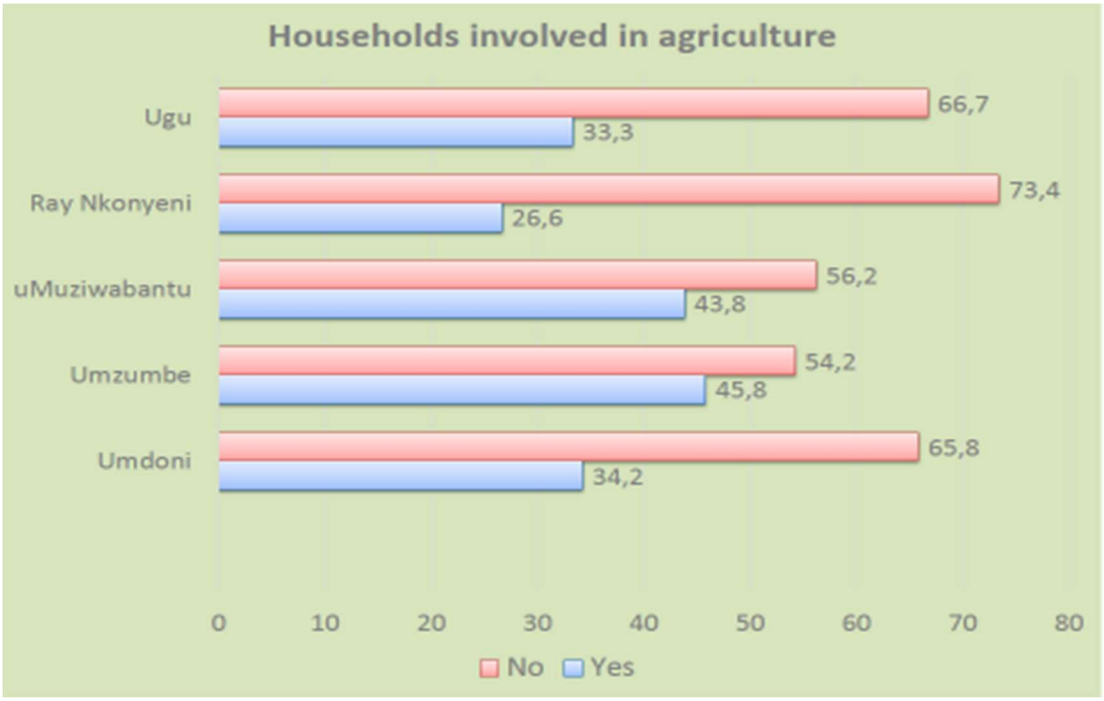
With the current political climate regarding land issues, land ownership and land rights commercial farming is negatively affected. If people are uncertain of their rights, they simply stop to invest in land, as they are unsure of the financial returns they will receive. The closure of the Umzimkulu Mill will increase the input costs, as delivery distances to the Sezela mill will increase on average fourfold putting more financial pressure on the inland farming community, as well as on welfare grants that will be needed to counter the loss in income when the mill closes down.

➢ ***Subsistence Agriculture*** *(Produce for home consumption)*

Subsistence farmers within the municipality is practised at a very small scale. Most of the produce is for home consumption and is mainly practised in the hinterland of the municipality Produce include growing of vegetables, dry beans, sweet potatoes and amadumbe..

The graph on the following page indicates the number of households engaged in agricultural practices. It is noted that a very small number of households (26.6 %) participate in this practice. Females are the most active participants in subsistence farming. The percentage is practically very little and this is due to the reluctance of households who want to plough.

Graph 19: Households Involved in Agriculture



Source: Statistics South Africa Community Survey 2016

ii. Interventions by the Department

Specific approaches to identifying and secure land for agricultural development should receive attention. The department has taken big strides in assisting and supervising co-operatives within the municipality with a number of projects. Below is a list of small commercial farmers' by co-ops, and it must be noted that these projects have proved a huge success in terms of job creation and poverty alleviation.

Further to assisting with funds to co-ops by proving implements and funding, the Department also issues bursaries to students pursuing agricultural studies. The Department has also ensured that other types of farming are practiced such as animal farming, and poultry farming. This is mostly practiced in the hinterland of the municipality.

The Department is also looking at developing a horseshoe farm into an Agripark. Famers will bring their yields to this point which will be then exported to other parts of the country.

The following projects within the municipality are still awaiting funding;

- Qhubekani Sugar farmers
- Khoshwana Sugar cane growers
- Sinekhono Poultry production (broiler)
- Lavenga Banana farm

The entire Ugu District's commercial agricultural produces 1/5 of all bananas consumed in the country. Export from RNM is growing on tea tree to Australia and macadamia to other countries.The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. Commercial



farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in gare in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow in small scales for consumption. There is also a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience. It must be noted that employment is decreasing in the sector due to a number of socio-political factors such as farmers are ageing and the young generation is not very keen on taking up the reigns. The issue of land claims also contributes to the degenerating of the sector.

iii. Specific Agricultural Programs

The municipality runs Provincial-driven programmes and projects aimed at assisting emerging farmers.These projects includes but not limited to:Agri-Hubs,Agri-Parks whose mandate is to assist emerging farmers to participate in the mainstream agricultural economy.On a smaller scale, the municipality also assists the subsistence farmer, which is inline with the Strategic Focus Area- Agricultural development as outlined in the municipality's LED Strategy.

There are challenges that emerging farmers are encountering and the Department of Agriculture is responding to this by provining seedlings and other working tools to some sectors of farmers for sugar bean growing and vegetable growing. There are also other initiatives the department has in place to address the challenges faced by emerging Farmers as well as Cooperatives. These include :

- Fencing of rural gardens and trainings
- Assisting farmers in exporting their produce to other parts of the country is also another initiative by the department
- Local grown vegetables by cooperatives are supplied to big food chain shops such as Spar and Shoprite Checkers
- Livestock farming is also encouraged where by breeding of cattle and poultry farming programmes are run

To further enhance the growth of the Agricultural sector within the municipality, there are trainings conducted by RNM LED practitioners to farmers on new scientific farming methods. It must be mentioned though that there is a major concern onemerging sugar cane growers in terms of limited funds that are there to assist them.

Currently, the municipality has few emerging Black stock farmers. Over the past few years, land has been provided for the farming of moringa plants.

There are also food security programs that are in place meant to sustain the livelihoods of our communities



lv. Food Securityand Projects Summary

Food security is one of the major challenges the municipality faces. Communities have been encouraged to have community gardens each home which is termed 'one house one garden', for home consumption. The Department of Agriculture is currently making provision of seedlings to communities promoting the one house one garde. The LED section also assists communities in terms of agricultural trainings and workshops. The PGDP 2035 states that there should be a safe guarding and enhancement of sustainable livelihoods and food security, which Ray Nkonyeni Municipality fully aligns through its variouspoverty eradication flagship programmes.

The department further works along side the municipality in ensuring that household gardens thrive.The rationale behind this initiative is to ensure that each household has a garden to improve their livelihoods and combat poverty.

The department of Agriculture does not invest in commercial agriculture only, but on livestock agriculture as well. Projects include indegenouse goat and indigenous chicken farming. These products are practiced at a medium scale and produce is sold to local retailers.

Conclusion

There is a very healthy partnership between the municipality and the Department of Agriculture and Rural Development. The department of Agriculture and rural development within Ray Nkonyeni Municipality is committed to ensuring that programmes talking to food security are implemented and communities are given the necessary tools and knowledge with regards to agricultural matters. The department further commits into ensuring that these implemented programmes and projects fully align to the DGDP as well as the PGDP. Further it fully aligns with both the SONA and SOPA of 2021 which talks to communities having enough food surpluss by participating in agricultural programmes for sustainability. Operation Sukuma Sakhe, One house one Garden, EPWP are amongst many projects, that respond to food food security and the municipality is proud to announce that these are effectively rolled out. In response to the youth being fully involved in agricultural programs, the Department is committed into ensuring that the programmes running they are prioritized and fully participate.The strides the department has made into ensuring that the small black emerging commercial farmers do receive assistance in the form of funding,as well as communities receiving agricultural tools and seedlings is acknowledged by the municipality. However, inspite of all the positive moves into ensuring good crop yields, there are a few challenges encountered such as:

- Bird flu
- Banana bunch top virus
- Fall army work
- Foot and mouth disease



3.6.11.2.3 Transport Sector

The transport sector fulfils an important role in the development of RNM. This sector has a number of distinct components for consideration in future economic development planning for municipality. The key components are:

- Air transport
- Road freight transport
- Rail transport

The location of the municipality along N2, proximity to the city of Durban, operational airport with functional route to OR Tambo International Airport and other parts of SA and railway infrastructure (though currently only used for cargo) augers well for accessibility of the municipality.

3.6.11.2.4 Mining/ Quarrying

- *National Portland and Idwala Carbonates (KULU)* :This industrial area is located on the Eastern side of the N2 as you pass Marburg up North.
- *NPC:* The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land.
- *Rossmin Mine*: This is a small mining house basically for limestone mining operation, Port Shepstone quarries as well as Umzumbe mining.It is situated in Ward 4 of RNM

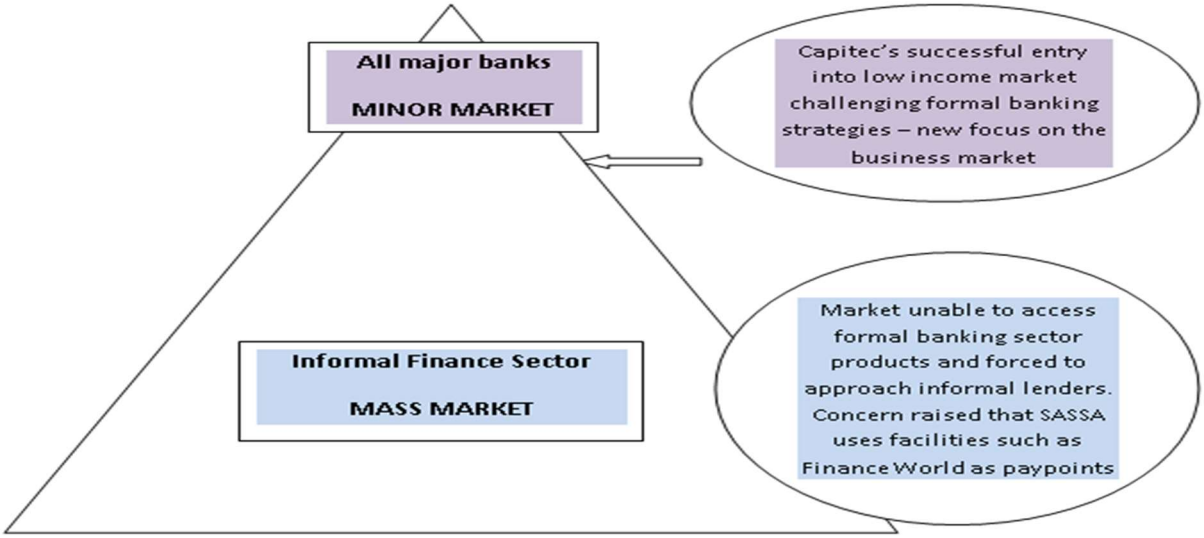
3.6.11.2.5 Financial and Services Sector

The main economic nodes within the Ugu region offer relatively diversified service sectors. Activities range from: legal, insurance, transport, engineering, household, small business, health, social to financial. Access to such services decreases in relation to distance from these nodes. The communications sector has been the top performing service sector with regards to GVA growth over the previous 10 years with 8.8% growth. In particular, the commercial financial sector within the Ugu district is well represented with all the major banking institutions present within the main economic nodes. The perception from the business community, however, is that "banks are not interested in the South Coast". There is a challenge in facilitating access of rural communities to the formal commercial banks both in terms of the location of such facilities and prohibitive service charges. Capitec has made inroads into the lower end of the banking market as a result. There are many micro-lenders operating within the region, taking advantage of the high credit-risk rating of the rural poor, with unscrupulous lenders locking individuals into a perpetual cycle of poverty.



Below is an illustration of the Finance Sector Structure within RNM

Illustration 22: RNM Finance Sector Structure



3.6.11.2.6 Manufacturing and Retail (Secondary Sector)

Manufacturing and retail sectors are main industry of employment within the municipality. Mining and quarrying is the lowest industry. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate suggesting that this area should receive some prominence in terms of future industrial sector planning. The formal manufacturing sector is limited to the coastal strip and primarily the Marburg and Margate areas. It is not envisaged that the formal large scale manufacturing sector will expand into the rural areas (although development at Izotsha would provide easier access to job opportunities to the rural workforce).

The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

- Whole sale and retail 18.7 %
- Finance and Business Services 21.5%
- Manufacturing 12,3%
- General Government Services 13.3%
- Agriculture and Forestry 8.9%
- Transport and communication 8,9%

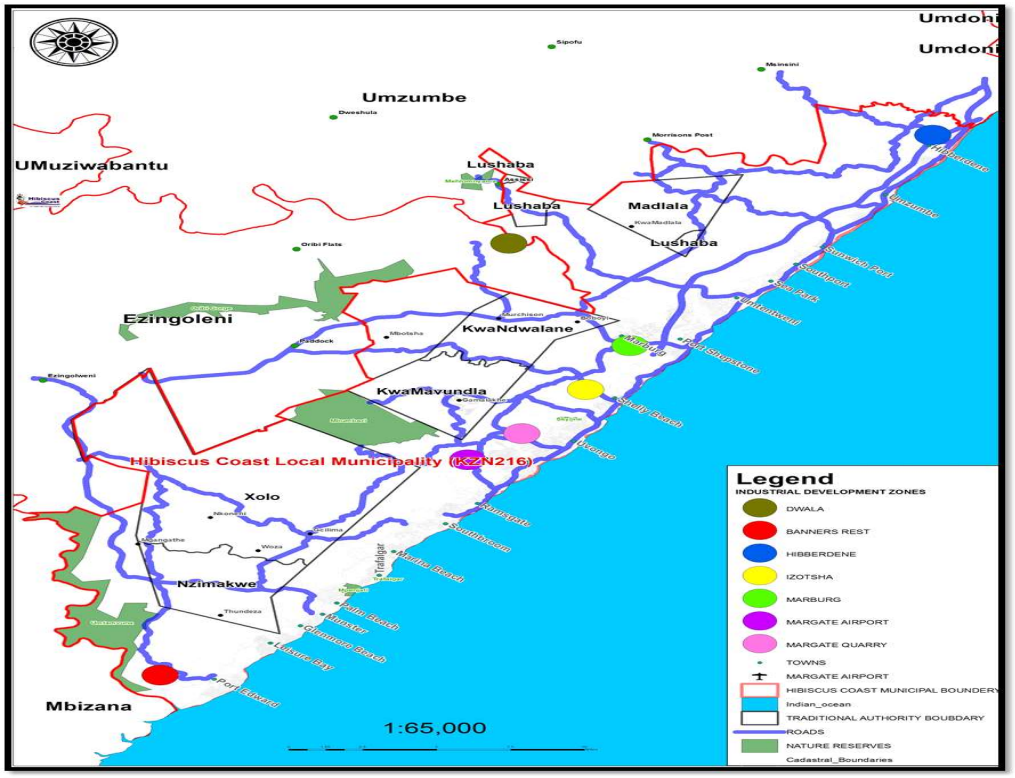


Table 121: Industrial Areas

Area	Basic Description	Type of industry
Marburg Industrial	This is the only major industrial zone in the District. It has been developed on the N2 to the south-west of the Port Shepstone CBD. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are located in the area.	Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants.
Margate Quarry Industry	The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land	The number of concrete block, brick and molded concrete block manufacturers benefiting from the location in relation to the Quarry is clearly noticeable. Furniture manufacturers and a church are also housed in industrial buildings.
Margate Airport Industrial	This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries	Construction related and furniture manufacturing firms are located in the area.
National Portland and Idwala Carbonates (KULU)	This industrial area is located on the Eastern side of the N2 as you pass Marburg up North.	Mining Industry

The map below shows industrial areas within RNM as indicated in the above table. It must be noted that all industrial areas are within former HCM, hence the map below.

Map 94: Industrial Development Zones



Source: Statistics South Africa Community Survey 2016

Manufacturing and retail sectors are main industry of employment within the municipality. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate. Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has result in making very little impact in regional economies.

- ***The Marburg Industrial Complex:*** It has shown that it is not sufficient as some Manufacturing Businesses have relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses.
- ***Izotsha Industrial Development Corridor:*** is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The



municipality has identified land along Izontsha Corridor and Hibberdene and Margate for future industrial development.

- ***Margate Airport Industrial Park*** :This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries

3.6.11.2.7 Property Market

Many people find the coastal belt of the municipality very attractive due to its beautiful scenery and beaches. Properties found along this area are both privately owned as well as municipality owned. Part of the capital generated by the municipality comes from these rented properties. Most properties are rented out during the peak season, which is November to January where most people take vacations. Due to the active residential and business development of property taking place in the municipality, there are plenty job opportunities as well.

There is a booming residential developments along the coast even though in recent years developers were finding it difficult to sell existing developments. The number of properties on the market, however, is starting to rise. Some developers have voiced concerns in terms of slow sales due to traffic congestion on the Marine drive between Shelly Center and Margate during peak holiday periods and the fact that a number of people see the image of the South Coast as a retirement area and see no point in investing. Attraction of further government services and offices into the municipality has potential to stimulate residential and office markets.

3.6.12 Green Economy

The municipality's long term vision (Vison 2036) adopted in December 2020, under strategic goal 2 outlines extensively its strategic growth and development.The municipality details on how it intends carrying out its Green economy aiming at driving circular and alternative energy initiatives and supports research into new circular eceonomy value chains in key sectors.The vision further investigates biomass and bio-refinery opportunities and have received funding to do a feasibility study for forestry by-products and bio-energy production**.** To further address the green economy, one of the projects it is currently undertaking is looking into how the amount of waste produced and the amount of resources utilized by the fashion industry can be minimised as this will lead to a great deal on innovation within this industry that encourages the diversion of waste from landfill back into manufacturing process techniques to minimize waste during production and to further reduce resource usage. For an example, 35% of all materials in the supply chain end up as waste before the garment product reaches the consumer. A number of industries within the municipality are actively finding solutions to tackle the environmental impact of the clothing industry to eliminate more use of waterand chemicals.



3.6.13 LED interventions

Despite being the most developed municipality within Ugu District Municipality (UDM), poverty remains one of the leading social concerns for Ray Nkonyeni Municipality (RNM). This is reflected in various municipal strategies and plans that have recently been developed, with the overall aim of creating job opportunities and reducing the poverty levels within the local area. In order to address this, the RNM LED Strategy (2018-23) has identified the need for the formulation of a Poverty Alleviation Plan for RNM. It is intended that this Plan will provide strategic guidance and direction to the Municipality in undertaking specific ward-based interventions in order to alleviate and reduce poverty within the locality. In response to the 3 identified poverty stricken wards that have been identified with specific LED interventions, Portfolio recently approved RNM-wide Poverty Alleviation Plan, which will be going to Council for approval and adoption. The Poverty Alleviation Plan is a sub-plan of the broader LED Strategy, thus alignment will be ensured & there are specific interventions for each and every ward in that plan.

To address poverty in general within the Municipality's 36 ward, analysis was conducted at a municipal and ward-based level; and was based on a thorough review of relevant national, provincial, district and local strategies and plans; as well as the most recently available statistics sourced from the Policy and Planning Unit within the KZN Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA), and from Statistics SA. Strategic objects have been identified that will cut across to enable the implementation of poverty alleviation projects. The municipality has further engaged with all units with red tape problems whereby recommendations have been put in the report. Ray Nkonyeni Municipalityis in a process to develop a masterplan where under utilised LED infrastructure as Operation Vula was specific about them will be identified. In terms of Land Use Management requirements, the LED has made considerations for interventions. The SPLUMA states that the private and public sector are by law required to use SPLUMA for all land development applications. The development community, both public and private must be sensitised by the Municipality in terms of key requirements for land development applications beforehand and assisted to comply with such requirements in order to achieve seamless development applications approvals. In this regard, the municipality has fully adhered to these considerations as all land developed and still to be developed must meet the requirements.

3.6.14 Strategic Programmes Responses

The LED Strategy does identify mechanisms that can directly or indirectly contribute to employment opportunities. Perhaps in the next review of the Strategy, a detailed focus will be conducted,however, it needs to be noted that thorough research not just focusing on secondary data will be required and the municiupality through its research unit will undertake it.

In response to responsive programmes that will bring sustainability to the municipality, the municipality has responsive programmes which will promote rural tourism and these programmes seek to transform local tourism, see below listed programmes.



3.6.14.1 The Hinterland Has Tourism Potential

It must be noted that RNM is ranked number two in the Province in terms of tourism. Tourism is more thriving along the coastal belt as compared to the rural hinterland, however,the municipality has identified areas with potential tourism attractions such as the KwaXolo Caves, Nzimakwe trail and Nyandezulu water fall. The Oribi Gorge, which is also in the interior has started to be a huge tourist attraction.

3.6.14.2 South Coast Tourism & Investment Enterprise (SCTIE)

Ugu South Coast Tourism & Investment Enterprise is a representative agency for all Ugu local municipalities for tourism development issues. The tourism agency has an approved Tourism Strategy, whereby the tourism transformation is outlined focusing mainly on broadening participation and ownership.

Below are some of the responsive programmes by the South Coast Tourism & Investment Enterprise. Budget has not been confirmed as yet, however, a sum of R1.67 M has been given to the agency by the municipality to enable continuity with the programmes.

i. John Mason Park

- Mixed Use Development (hotel, residential and commercial) based in Umtentweni
- Developer has been appointed having followed SCM processes
- Initially RNM indicated they own the property but it emerged at contracting stage with the prospective developer that Public Works is the owner
- USCDA has since applied for a lease with DPW which was finalized at the end of July 2019, public meeting with Tweni ratepayers was on 14/05 & officials from DPW attended
- The project has been in the pipeline for more that 15 years from then HCDA but is now approaching implementation

ii. Southcoast Film Studios

- Project entails construction of upmarket film studios inland of the South coast mall
- US based developer Mr Dexter Davis has been appointed
- RNM Council resolved on a long term lease with the developer and further gave incentives
- The developer is to submit a project plan on 30 July as a basis for monitoring implementation

iii. KwaXolo Caves Adventure Centre

- Adventure centre anchored around Khoisan rock art in a cave at the bottom of a 40m gorge
- The project was handed over to USCDA by RNM due to serious social issues that could not be solved at the time
- USCDA managed to attend to the issues and the project is now at implementation
- Contractor has been appointed and completion anticipated at the end of August 2019



iv. Umzumbe River Trail

- A 74km trail (horse riding, bird watching, cycling, jogging) traversing 7 Amakhosi areas – R36m is needed to enable implementation
- Connects Phumula beach in RNM with Mhlabashane dam in Umzumbe
- Funding applications have been submitted to Rural Development, Tourism, Cogta, EDTEA and a host of private sector companies – CSI allocations

v. ***Hibberdene Commercial Centre***

- Commercial centre to be located at the northern entrance to Hibberdene from the N2 (next to the railway line)
- Prospective developer appointed & the delay is with the verification of land ownership
- RNM Estates working with USCDA to finalize all outstanding issues

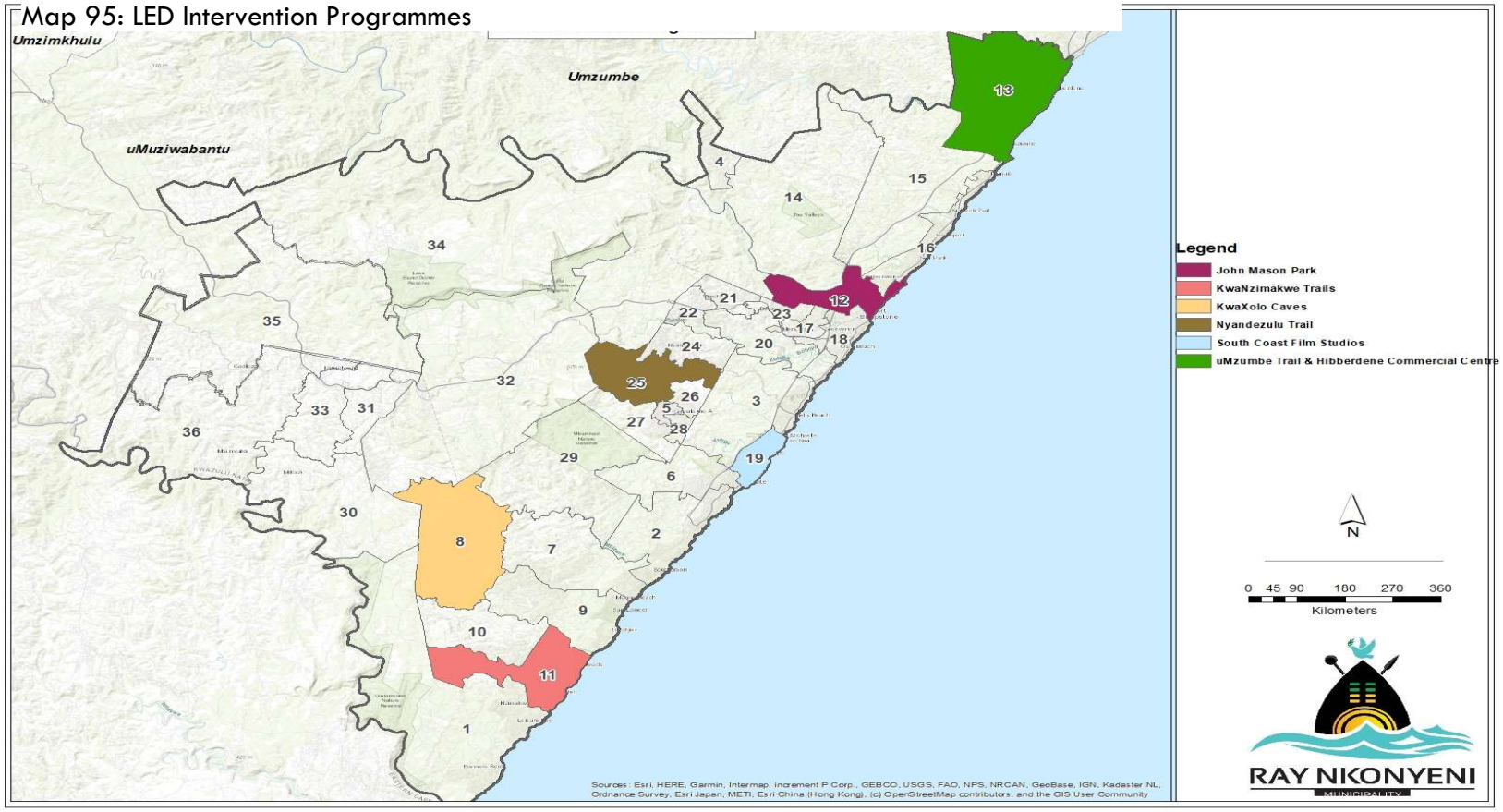
3.6.15 Rural Tourism

Following are the specific programmes in the hinterland that seek to transform tourism:

- KwaNzimakwe route
- Nyandezulu route

On the following page is a map highlighting LED Intervention Programmes

Map 95: LED Intervention Programmes





3.6.16 Monitoring and Evaluation Plan for LED

There is a monitoring and evaluation mechanism for the implementation of all LED programmes and targets. LED programs and projects are outlined and reported in the SDBIP as outlined in the Strategy. Monitoring is carried out on quarterly basis. Engagements in the form of LED Forums are conducted on quarterly basis where integration between the municipality and sector plans are deliberated and if need be, evaluation is done to ensure alignment.

- Any effective food security campaign should:
- Improve agricultural production
- Improve food diversification
- An improved household well being
- Improved food utilization and health status of target group

3.6.17 Funding and Implementation

The Ugu District State of the Economy 2022 talks to the Economic contextualization, which includes RNM. The GDP R-Value for the Ugu District remains lower than what it was in 2018. It is however, predicted to increase in 2023. This is not surprising as the Ugu District's GDP sharply declined in 2020, and provincially it was one of the district economies most affected by the pandemic and related-responses.In response to this, RNM has undertaken an initiative of getting an indepth analysis of all the economic sectors within its jurisdictgion in order to ascertain the status core of job opportunities.

3.6.17.1 Research and Development

An indepth analysis of potential economic sectors within the municipality is one of the research topics undertaken to ascertain the number of job opportunities created and those that can be created. The Ugu District State of the Economy 2022, aims at assisting LED management and administration touches base with the drive to know the core economic sectors. A service Provider is still yet to be appointed who will undertake this task.

3.6.17.2 Implementation Budget

Table 122: LED Implementation Budget

PROGRAMME	BUDGET (R)
Business Retention	260,004.00
Crafter Development Programme	399,996.00
Economic Development: Cooperatives Development	500,004.00
Economic Development: Poverty Alleviation Projects	500,004.00
Economic Development: Poverty Eradication Plan	249,996.00
Economic Sector analysis	249,996.00
Film Development Programme	200,004.00
Informal Traders Development	500,004.00
Lot 19 and 20 Environmental Impact Assessment and Specialist	399,996.00
Mayoral Fair	699,996.00



SMME Development	**3,000,000.00**
Tourism and Marketing Events	**200,004.00**
Tourism Development Plan	**249,996.00**

3.6.16.3 Non Governmental funding

There is also a once-off budget provided by KZN EDTEA and KZN COGTA to fund one programme and one project within Ray Nkonyeni Municipality. Refer to the table below:

Table 123: External Implementation Budget

ORGANISATION	PROGRAMME/PROJECT	BUDGET (R)
KZN EDTEA	Izingolweni Informal Traders Relief	R 817 000
KZN COGTA	Informal Trading Stalls	R 8 000 000

Pertaining to non-governatal sources of funding, there is funding that has been ploughed in, for example by Idwala Carbonates and NPC, which funds approved projects directly. However, such funding does not come to Ray Nkonyeni Municipality.

3.6.18 Potential Employment/Job Creation

3.6.18.1 Job Creation

PGDP 2035 talks to inclusive growth, which includes:

- Increase employment within the agricultural sector
- Increase in commercial farmers
- Increase in emerging commercial farmers
- Increase in hectares of land under irrigation
- Real value of output of the agricultural sector

3.6.19 Mobilization of Private Sector Resources

The municipality has partnered with the South Coast Business Chamber of Commerce. Meetings take place quarterly to discuss issues pertaining local businesses. Issues discussed also include ways and means of attracting more development into the municipality and how best to create more jobs. The Forum also looks at the interest of their businesses on ways of for sustainability and also municipal policies are discussed such as Strategies. Since the Forum membes are Business people, they are also ambassadors of their own business and so this platform is set for showcasing them and further on how best to attract investors into the municipality. These Sector partners include:

- Ugu Association of business
- Margate Business Association
- Port Shepstone Business Forum
- Ezinqoleni Business Forum
- Kwanzimakwe and
- Gamalakhe Business Forum

3.6.20 Investment Opportunities (Catalytic Projects)

The municipality has key projects aimed at unlocking job opportunities.These are projects regarded as having significant development impact. It is the projects that go beyond the



powers and functions and affordability of Council and only use need and desirability/impact as the criteria. A catalytic project displays the following characteristics:

- It makes a substantial impact
- It provides leverage and/or creates multiplier effects
- It has power to radically activate development (social , economic or both)
- It significantly impacts spatial form
- It creates jobs, and increase land value and
- Contributes to the achievement of the vision and goals of a mununipality.

It must be recognised that these projects are in different categories. Some are government projects driven through social need and demand, whilst others are largely private sector driven to capitalise on economic development opportunities. In this context, three types of catalytic projects have been identified at Ray Nkonyeni Municipality, and they are

- Game changers
- Major enablers and
- Major needs

Game changers and major enablers are inherently considered catalytic projects because they act to catalyse upstream and downstream economic and social activities. The significance of a project being awarde 'catalytic' status is that it will confirm that such a project had been subjected to a screening and prioritisation process and will receive preferential facilitation support and guidance. It must be mentioned that Ray Nkonyeni Municipality in selecting its catalytic projects has been in line with the PGDP, therefor these projects form an integral part of it.

The projects listed below are regarded as catalytic projects being at different stages of implementation. These catalytic projects are:



Table 124: RNM Catalytic Projects

RAY NKONYENI MUNICIPALITY

CATALYTIC PROJECTS

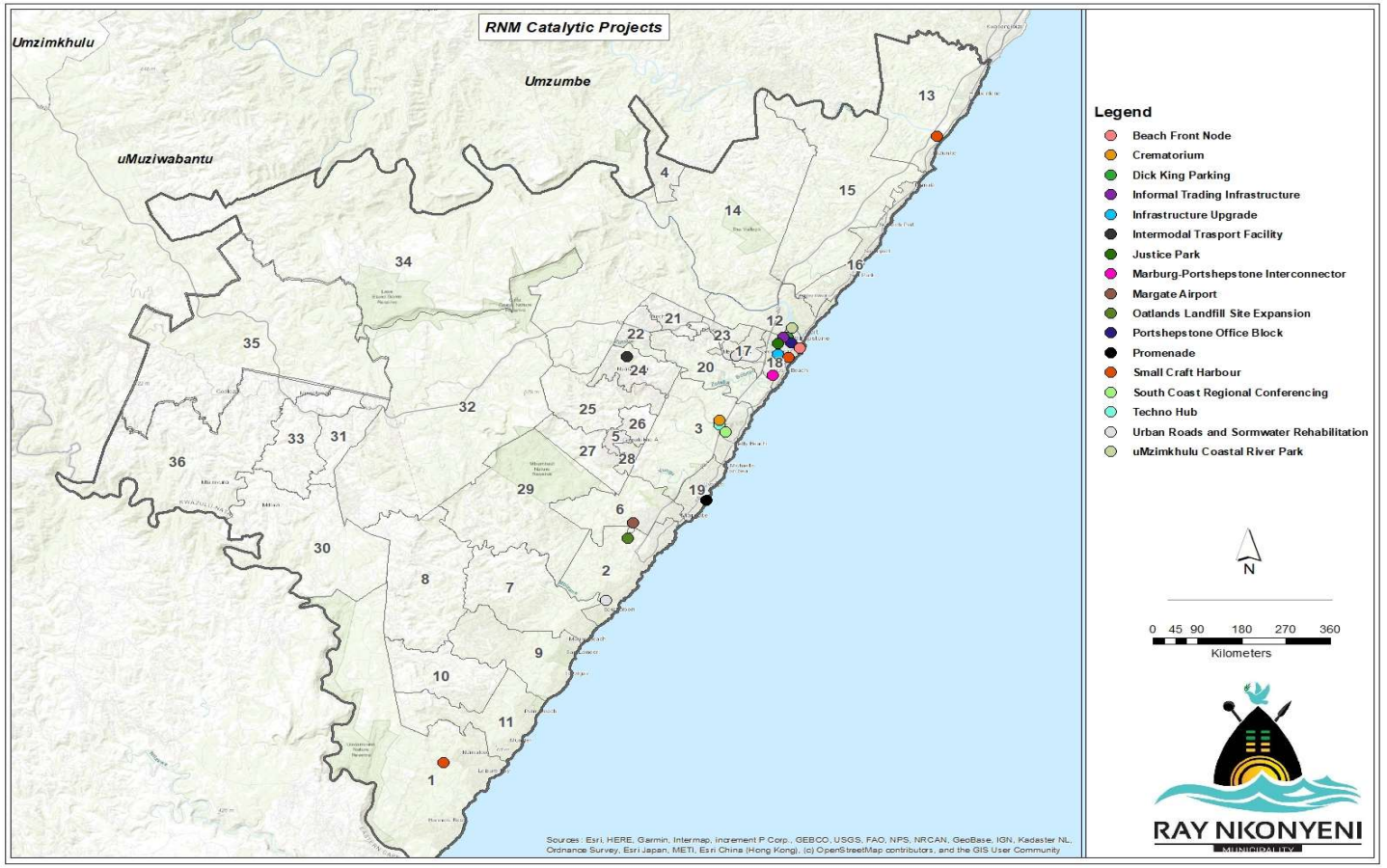
Project name	Project description	Responsible entity	Estimated Budget	Funding source	Current Status
1. RNM Intermodal Transport Facility	Provision of just uner 24 000m^2 Retail space, Public Transport Facility, Informal Traders	Private Developer (Port Shepstone Property Development (Pty) Ltd.	R550m (70M Public Transport, The Balance goes to retail facility)	RNM - Land Value DOT: KZN - R50m Private Developer	**Implementation** (Eartworks) - MC (Piling) - SC (Building Work) - ??
2. Port Shepstone CDB Precinct Plan	Old Harding Main Road Nelson Mandela Drive Reynold Street Electrical Infrastructure Upgrade	RNM (Neighbourhood Development Partnership Grant)	R180m	National Treasury	Implementation
3. Margate Airport	Upgrading of Terminal Building, Parking Areas, Runway, Taxiway and Development of Commercial Precint	RNM in partnership with DEDTEA		DEDTEA - R15m and ACSA/PPP	Terminal Building completed. The rest to be undertaken through ACSA/PPP
4. Technohub	**Phase 1** - Information Centre and Bulk Infrastructure	RNM	R55 million	European Union and KZN Treasury	Completed
	Phase 2: Internal Infrastructural Services		R61 million	RNM or DBSA	Conceptual Stage
	Phase 3: Estate Development and Investment Attraction (Technology and Innovation inclined)		R2.8 billion	Private Developer	Conceptual Stage
5. Small Craft Harbour	Creation of Small Craft Harbour in line with Operation Phakisa inclusive of Boat Launching Site, Fisheries and related facilities (Hibberdene, Port Shepstone and/or Port Edward)	RNM / Ugu DM and DPW	R1.041billion	Private Developer	Conceptual Stage
	Facilitation of declaration of the area as an Industrial Park - ultimately to be designated as Special Economic Zone	RNM	TBC	RNM / DTIC / DED: KZN	
6. RNM Energy Infrastructure Development	Installation of Smart meters (meter replacement & Mini-Substation) on existing customers - Revenue Enhancement	RNM & DBSA	R12 m	DBSA Loan	Completed Phase 1 - Commercial Sites (Phase 2 - Residential)
	Design of Bulk Interconnector	RNM & DBSA	R16 m	DBSA Grant	Feasibility Stage
	Pre-feasibility studies on Renewable Energy at Lot 19 & 20	RNM & DBSA	DBSA Grant/ RNM (Loan) / Independent Power Producers (Private)	DBSA Grant	Feasibility Stage



CATALYTIC PROJECTS

7. Oatlands Landfill Site	Creation of additional airspace for waste management. Exploration of generation of alternative and renewable energy from Landfill Site. Waste Management Technologies (Reduction, ReUse & Renewable)	RNM	R65m	RNM and PPP	Implementation
8. Port Shepstone Beachfront Redevelopment	Mixed-use beachfront development with both public & private investment - prominent public art features, craft centre, water features, beach hotel & apartments.	RNM	R180m	RNM / Treasury KZN / Private Investors	Conceptual Stage
9. UMzimkhulu Coastal River Park	River Park with promenade, picnic facilities, braai facilities, etc	RNM	R75m	RNM / Private Investor	Conceptual Stage
10. Port Shesptone Government Complex	Development of a One-Stop Shop Government Precinct in Port Shepstone	RNM	R500m	PPP	Conceptual Stage
11. St Michaels to Margate Promenade	Development of Beachfront Promenade with walking, running pathways, aesthetic lighting, parking areas, restaurants & public open space	RNM	R91.4 m	RNM / Private Investor	Conceptual Stage
12. South Coast Regional Conferencing Center	Conference facility to attract investment events & business tourism.	Ugu DM / RNM	R180m	PPP	Conceptual Stage
13.Resuscitation of Railway Line	The railway line between Durban and Port Shepstone is vital important to the proposed Industrial Development and rapid Eco-Tourism promotion in South Coast. The rehabilitation and its maintenance remains the primary responsibility of Transnet.	RNM, DOT and Transet	TBC	DoT and Transnet	Conceptual Stage
14. Dick King Parking	Construction of Guard House, Fencing and resurfacing of the existing area	RNM	R3 million	RNM	Completed
	Construction of Multi-Storey Parkade to support the Port Shepstone Inner City Rejuvenation Programme	RNM	R100m	PPP	Procurement Stage
15. Informal Trading Infrastructure	Construction of Stalls and Storage Facilities for Informal Traders	RNM in partnership with DEDTEA	R20m	DEDTEA	Implementation
16. KwaXolo Caves	Construction of Zipline over the Gorge to promote the identified potential of an Rural Eco-Tourism Adventure around Khoisan Rock-Art	SCTIE	R13m	RNM / SCTIE / Private Investor	Implementation

Map 96: RNM Catalytic Projects



Source: RNM GIS 2021



Idwala Carbonates: (2019 to 2023) - to be implemented from 2021 until 2023

Table 125: Projects to be Implemented by Idwala Carbonates

Programme/ Project	Intervention	Location	Strategic Goal	Timeframe	Budget Availability	Funded / Not Funded	Funder/ Potential Funder	Supporting Partners	Status of Project
HRD	Skills Programs	4 LA's	Skills Dev	2021-2023	Yes	Funded	Idwala	N/A	DMRE Approval
HRD	Learnerships	National	Skills Dev	**2023**	Yes	Funded	Idwala	N/A	DMRE Approval
HRD	MIP	RNM	Skills Dev	2023-2025	Yes	Funded	Idwala	N/A	In Place
HRD	Internships	National	Skills Dev	2023-2025	Yes	Funded	Idwala	N/A	In Place
HRD	Bursaries	National	Skills Dev		Yes	Funded	Idwala	N/A	In Place
LED	Incubator	RNM	SMME Dev	2021 – Nov 2023	Yes	Funded	Idwala	Esayidi FET	DMRE Approval
LED	School	Ndwalane	Skills Dev	2021 – Nov 2023	Yes	Funded	Idwala	DoE	DMRE Approval
LED	Clinic	Oshabeni	Health	2021 – Nov 2023	Yes	Funded	Idwala	DOH	DMRE Approval
LED	Clinic	Nyuswa	Health	2021 – Nov 2023	Yes	Funded	Idwala	DOH	DMRE Approval

3.6.21 LED projects Monitoring and Evaluation

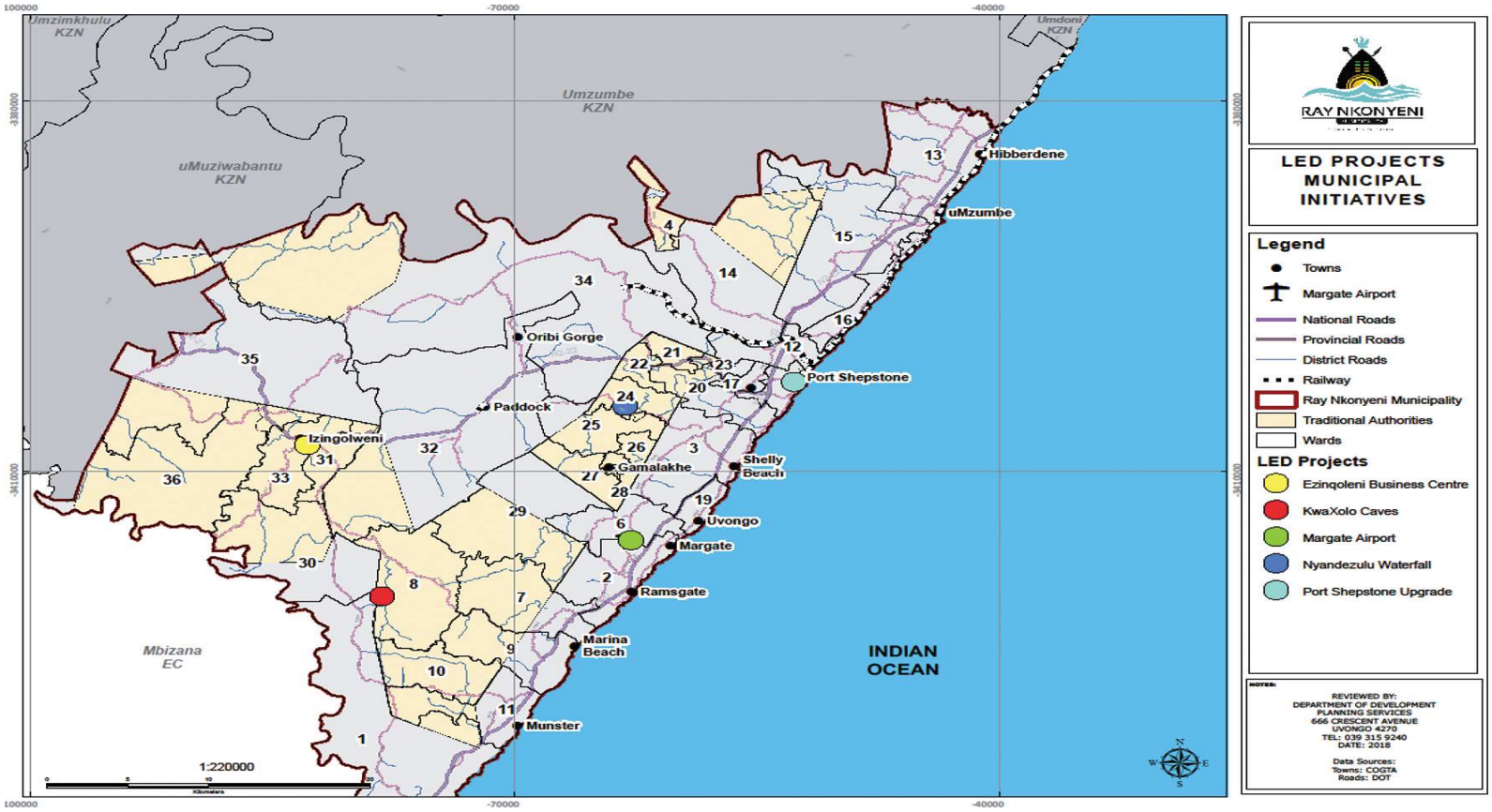
In terms of monitoring and evaluating programs on the ground, the municipality uses various tools such as

- The Service Delivery and Budget Implementation Plan (SDBIP) which is a quarterly assessment
- Site inspections
- All funded projects by the municipality are subjected to M&E
- Mentorships & guide to already existing business funded projects
- Re-visits are made to implemented projects to check if the peurpse is still being served
- For SMMEs, there is an independent M&E Evaluator, in most instances this is subject to budget availability

Following are some of the **Catalytic LED Projects** in various parts of the municipality.



Map 97: LED Projects





3.6.22 Natural Assets/Resources

Ray Nkonyeni boasts of a number of natural resources that have provided job opportunies. To mention some:

- the ocean for an example and its alignment to tourism
- The Red dessert
- The KwaXolo Caves and Nyandezulu trail which are rural cultural rich
- The Oribi Gorge which is the largest tourist attraction,is also one of the assets the municipality lists under its natural resorce

Below are current initiatives for the municipality. They include but are not limited to the following:

Table 126: Municipal Initiatives

➢ Co-operatives and SMME development and advancement ➢ Second economy advancement ➢ One house one garden ➢ Rural tourism facilitation (tourism development)	➢ Job creation ➢ Margate Airport as a macro project ➢ Port Shepstone upgrade ➢ Business licensing ➢ Thusong service centres ➢ Ultra-marathon ➢ Cycling classic ➢ KwaXolo Rock Art caves project ➢ Training of SMMEs ➢ Business information days ➢ Distribution of seeds	➢ Establishing Izingolweni Business chamber ➢ Construction of Agri park at horseshoe farm ➢ Developing Conference centre ➢ Developing Nyandezulu water fall ➢ Developing Arts and craft market ➢ Developing Ndongeni/Dick King tourism route



3.6.23 Amakhosi Fallow Field Cultivation With Niche Crops

Ugu South Coast Development Agency (USCDA) currently working with National Cabinet's Economic cluster to access funding to pilot macadamia cultivation in Amakhosi areas

- The engagements are ongoing and some Amakhosi have already pledged land for this purpose – KwaNzimakhwe and KwaXolo
- KZN Department of Agric, Cogta and EDTEA have also endorsed the initiative as well
- Ugu South Coast Development Agency (USCDA) currently working with National Cabinet's Economic cluster to access funding to pilot macadamia cultivation in Amakhosi areas
- The engagements are ongoing and some Amakhosi have already pledged land for this purpose – KwaNzimakhwe and KwaXolo
- KZN Department of Agric, Cogta and EDTEA have also endorsed the initiative as well

In terms of the LED Strategy aligning to programs undertaken by Traditional Councils,the Local House has since liased with the municipality in terms of sending programs undertaken by Amakhosi so that they are incorporated into the LED Strategy for alignment.

Urbanisation

- Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is line with the Ugu District Growth Strategy.
- The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making it significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs.
- The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed.

3.6.24 Reducing The Red Tape

Currently RNM is one of 4 municipalities wherein Pilot Administrative Simplification Programme (PASP) programme is being piloted. PASP is simply a red tape reduction programme, focusing in 8 Units / Sections in RNM.

Reducing The Red tape is seen as a strategic intervention by the municipality. RNM is being piloted under the Pilot Administration Programme

The municipality has identified interventions to challenges posed by the red tape in terms of unlocking business potential. It has engaged with all units withij the municipality with red tape problems whereby recommendations have been put in a report to utilize when developing measures of reducing it. Business licence processes is one example that is a big challenge for



businesses to operate, and this is being looked at to identify the red tape and eliminate it to improve processes. The municipality wants to ensure that it will expedite and expand an incubation programme for small businesses, do its best to reduce "red tape" for small business and support access to funding through soft loans and grants.

3.6.24.1. Ease of Doing Business Initiatives

Ray Nkonyeni Municipality was selected as one of four (04) municipalities to participate in the PASP (Pilot Administrative Simplification Programme), which is a Red Tape Reduction Programme, led by the National Department of Small Business Development. The focus of the programme is on ensuring that municipalities come up with innovative ideas towards ease of doing business. The programme involves various sub-units within the municipality. All units have been assessed, and report generated by national. The report proposes a number of sub-initiatives / sub-projects that need to be implemented to further enhance ease of doing business within RNM. Furthermore, an IT system will soon be procured by National Department of Small Business Development and be implemented across all 4 participating municipalities. Such system will provide real time assessment for ease of doing business within RNM – focusing on all units / sections that are involved.

The municipality has signed up for the KZN Automated Business licencing and information management system (2019), however, and has trained all approval processes from different departments, however, there are challenges. Some departments still want to make use of the manual system and state that the new system is not user friendly.

3.6.25 In-House Research (Business Database, Sector Performance Etc)

The Ugu District State of the Economy 2022, aims at assisting LED management and administration, touches base with the drive to know the core economic sectors within the district. A service Provider will be appointed to undertake this task. There has to a data base for all businesses within the municipality.The current budget that is available will be utilized for the research and tabling of the data base. Overall, the department will be conducting research on annual basis in order to assist businesses whilst also assisting decision makers within Council in terms of providing information and statistics to enable informed decision making.

3.6.26 Key Issues

The municipality is faced with a number of issues in terms of implementing some LED programmes effectively,however, through the LED strategy, the following key issues have been in a position to be addressed:

- Economic governance
- Institutional alignment and coordination
- Economic spatial integration
- Land release for economic development
- Youth and gender empowerment
- Sectoral integration
- Sustainability of LED municipal projects
- Seasonality of key economic sectors
- Infrastructure supporting economic development



3.6.27 Township & Rural Economic Development

The Municipality's LED Strategy was adopted by Council on 24 April 2018 and TRERS was approved by KZN Cabinet in November 2022. For obvious reasons there would be no alignment, however, the intention is to infuse TRERS-proposed initiatives in the soon-to-be revised LED Strategy.
However, the LED Strategy adresses Interventions for Township & Rural Economic development as they also form basis of TRERS. There are also programmes both in TRERS and the Strategy that address agriculture, tourism, manufacturing,integrated support of existing businesses as well as informal economy.

The issue of Township & Rural Economic development is a crucial and long over due development instrument to meet the triple challenges of poverty,unemployment and inequality in the entire country. In as much as both documents were adopted simultaneously, both touch base with the following seven pillars, namely:

Access to commercial property and transformation

- Infrastructure development
- Access to digital innovation
- Informal economy
- Agriculture
- Tourism and creative industry
- Integrated support of existing businesses and manufacturing

Effective implementation of projects are of significant requirement not only by RNM, but the department of COGTA, Agriculture Rural Development, Economic development,Tourismand Environmental Affairs. With that mentioned, for the current financial year, the municipality has, with the assistance of funding from various sources, have planned for projects that address all the seven pillars as mentioned above.

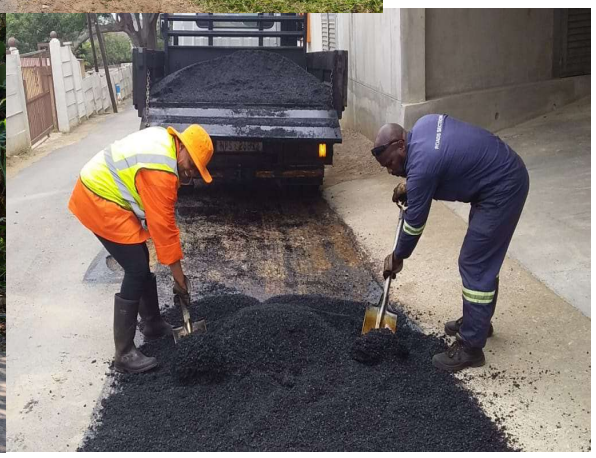
Further more, addressing the Township and Rural economic development, Vision 2036 which is the long term vision of the municipality adopted in 2020, Strategic goal 2, which is the Diverse and Inclusive Economy, the municipality seeks to have a diverse economy and inclusive economic growth by2030- Expand traditional sectors, Unlock potential growth sectors, Stimulate enterprise development and drive township and rural economies.

3.6.28 EPWP

EXPANDED PUBLIC WORKS PROGRAMME









EPWP is a response to poverty alleviation by creating jobs for the underprivileged. In response to employment by gender, the number of males employed is higher as compared to females.Number of jobs created in this sector totals up to 1097. Recruitment occurs every end of each financial year through councillors and the Speaker's office. Employmet is in a rotational basis to enable every deserving member of the community to get a chance.

Ray Nkonyeni has a dedicated EPWP section. The section reports directly to the Head of Departmet; Community services. For the 2022/2023 financial year, a grant of R5084000-00 was received and the municipality made a top up of R4334000-00 which all amounted to R9418000-00.

Through the EPWP, the municipality provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. The Previously Disadvantaged Individuals, the youth and disabled members of the municipality are given first preference in job opportunities as a way of redress and equity. In terms of reporting, monthly reports are populated by the service NPO and submitted to the municipality for payment. In terms of skills, the EPWP workers through the Skills Development Unit recieve acredited training in different skills.

3.6.28.1 EPWP Phase 4 Policy

The municipality has commenced with the preparation and formulation of the EPWP Phase 4 Policy for the 2023/2024 Financial Year and shall be adopted by Council in June 2023.
(See attachment 18: EPWP Phase 4 Policy)

3.6.28.2 EPWP Policy 3

The municipality is fully aligned to the EPWP3 policy and has made positive interventions in terms of adressing job scarcity and promoting programmes that talk to poverty alleviation. The LED policies developed by the municipality fully adheres to the EPWP 3 Policy ***See table below*** whereby chapter one of the Policy talks to the introduction of the EPWP Non-State Sector Programme which will have the following characteristics:

- large numbers of locals, unemployed but willing to work
- Large % of the overall project costs are paid out in wages to the EPWP target group
- The group provides service to the community
- Projects should not result in the displacement of existing workers or in the downgrade of existiong workers' employment conditions

Chapter 3 of the policy further talks to non- state Sector EPW subsidy works, which means all employed under EPWP must be South Africans, oncemore the municipality adheres to this.The programme as a whole is closely monitored and fully audited. The EPWP wage subsidy within the municipality is a transparent one.



Table 127: EPWP Performance

2023/2024 EPWP PERFORMANCE				
Work Opportunities				
MALES	FEMALES	YOUTH	DISSABLED	TOTAL
99	594	540	09	1242

The below table illustratrates the different sectors of EPW targeted and achieved work within the Municipality from June 2022 to June 2023.

Table 128: EPWP Sectors

Financial Year	WO Targets	Achieved WO	FTEs Targets	Achieved FTEs	WO Deficit	FTE Deficit
2019/2020	835	969	318	488	134	170
2020/2021	846	845	323	524	- 1	201
2021/2022	857	1 098	327	522	241	194
2022/2023	866	1 242	332	498	376	166
2023/2024	877	0	336	0	0	0
Total	4 281	4 154	1 636	2 032	- 127	396

Municipality	Allocated (R'000)	Transferred to date	Transfers as % allocation	Expenditure to date	Expenditure as % allocation	Expenditure as % transferred
Ray Nkonyeni Local Municipality	R6,076 000	R6,076 000	100%	R3,937 000	65%	65%

3.6.28.3 Community Works Programme(CWP)

The municipality also has the CWP which is a South African government programme that provides employment safety net. It supplements livelihood strategies by providing basic level of income security through work. This includes fixing community assets like school roads and parks and setting up food gardens. The municipality is formed of 36 wards and all participate in this programme. This serves the purpose of EPWP to strengthen the economic conditions of



the most poor in rural areas providing work experience enancing dignity and promoting social and economic inclusion

- **Agriculture**: Participants plant vegetable gardens and after harvestare donate to the most vulnerable familiesas well as child headed familiesidentified through war rooms
- **Education**: Participants assist with school support, cleaning premises, patrol premisesand clean local creches
- **Health:** Participants fetch chronic medication for clients
- **Community services**: Paticipants clean and cut overgrown grass and trees near access roads

3.6.29 SMMEs

The LED unit has a database for all active/ registered SMMEs and Cooperatives and is available on request. The municipality created a data base that shows all services offered by the SMMEs. Furthermore, the municipality is working on a new database in terms of adding new members.Following the adoption of the revised Procurement Policy, the municipality has focused on enhancing the capacity of SMMEs, particularly focusing on emerging contractors.The municipality has then created a datanase for the purposes of sub-contracting. All municipal projects valued at R2.5 M and above are subjected to mandatory sub contracting which benefits locally based emerging contractors from Grade 1-4.

RNM has been proactive in establishing Small Medium Micro Enterprises SMMEs to enable people to be economic active. Successful businesses (SMMEs) must emerge as they are the largest contributors to new employment opportunities. The SMMEs sector represents an important component of the economy of the municipality and plays a major role in the job creation, economic growth and poverty alleviation. SMME sector is also recognized nationally and world-wide as a major player in economic development and growth especially for the developing world. As such, Ray Nkonyeni Municipality has identified the need to support the development of the SMMEs across the economic sectors through the creation of opportunities for growth and development. The municipality sees its intervention area to improve efficiency of this sector as improved governance, improved public infrastructure development, improved access to information, and ensuring that our regulatory environment is responsive to the sector. SMME development strategy for the municipality acknowledges that SMMEs area to different levels of development, with some still being at a survivalist stage while others have reached an advanced level of development and ready to graduate into formal business entities.The strategy is to deal with these in a differentiated manner taking into account differences in challenges. The strategy specifically targets the following:

- Informal Sector
- Small formal business the majority of whom operate from the development node
- Emerging contractors involved in construction and infrastructure development.
- Artists and crafters (creative industries) spread throughout the area.
- Small scale farmers including cane growers, community gardens, etc.

Although no permanent solution is provided, the following was determined to be the main causes for failure when addressing the second economy:



- ***Failure to Disaggregate and quantify***: For Example, measures were implemented to empower black farmers, but no distinction was made between subsistence farmers who depend on farming for food, and farmers who farm but have a separate source of income. The same measures can therefore not be implemented.
- ***Neglect of what is there***: There is a tendency to focus on activities that are more marketable than what the entrepreneurs/farmers are used to and as such start afresh with no experience.
- ***Failure to understand real constraints***: The tendency to implement what is more implementable instead of addressing the real needs. Therefore misidentifying the real issues.
- ***Neglect of lessons from the past***: New programmes are implemented to correct failures of previous programmes without understanding the real issues.

The municipality has a funding for SMME and Cooperative Support programme.In this financial year, a budget of R5M has been set aside for this purpose. The municipality has an agrrement with Absa bank for the Enteprise Development initiative.The bank is approached for funding by a person who resides within the jurisdiction of the municipality, who has been awarded an official purchase order by the municipality. ABSA bank would then loan the person half of the requested amount. The condition would then be to open up an ABSA bank account so that payment by the municipality is made in it, and the bank would then deduct what was loaned by the person and leave the interest

The KZN Premier in his February 2023 State of the Province Address, Priority Intervention 6: 'Unlocking SMMEs and co-operatives potential, mentioned that "shared growth targets can best be achieved by creating an environment for small business to grow. A high participation rate in our economy is much needed and this can be best achieved by getting more business entities that can help create the jobs we need." RNM commits to create a better supportive environment for this initiative and best improve on what is on the ground currently.

As mentioned before, the municipality seeks to support the development of SMMEs across the economic sectors through the creation of opportunities for growth and development. Currently, there are more than twenty SMMEs that the municipality has assisted in growing enabling job opportunities, but must mention that the number is small and still hopes that in the future the number will grow.

There is a database set up by the municipality for both active registered SMMEs and cooperatives. The municipality wants to ensure that it will expedite and expand an incubation programme for small businesses, do its best to reduce "red tape" for small business and support access to funding through soft loans and grants. The same will apply to the informal sector. It is detailed in the Strategy how the municipality has set up support access to funding through soft loans and grants. Further, an SMME & Co-operatives Strategy is also in place, which specifies exactly what needs to be done in terms of SMME and Cooperatives development.



3.6.29.1 SMMES and Cooperatives

For SMMEs and cooperatives, programmes are in place aimed at improving them.

- There is capacity building that the municipality runs jointly with Ithala Bank known as Ithala Business Indaba Programme. Furthermore
- SMMEs are assisted with material support programme.

The municipality has an Informal Policy which was adopted by Council in July 2017. The policy is aimed at addressing issues pertaining the informal economy. Also, By-Laws have been gazetted and these were adopted in March 2018 by Council. Further is the Informal Micro Enterprise Development Programmme.

3.6.29.2 Municipal Intervention on SMMEs

To regulate street vendors, the municipality has developed an Informal Trading Policy and By-Laws. These were adopted by Council in 2016. Further, the municipality is working closely with KZN Department of Economic Development, Tourism & Environmental Affairs in expediting and elevating informal trading. In-house capacity building initiatives are currently being implemented. There is also a budget of R5m set aside for this financial year to assist SMMEs.

3.6.30 Informal Sector

The municipality acknowledges the relevance and contribution of the informal economy and social life of its existing economic towns. Informal or street trading has become a feature of contemporary urban environment in most South African cities and towns. It symbolizes the changing nature of both spatial and economic environments, with the small and emerging business operating side-by-side with established business entities. Street vendor's area major source of provisioning for poor urban households, and form a vital part of any emerging economy.

As per the Ugu District Growth and Development Strategy, informal economy contributes 6% of employment and the figure is steadily growing throughout the District. Within RNM, Informal trading is prevalent in urban centres, particularly in the vicinity of taxi ranks and market areas. There is informal trading outside of public facilities such as clinics, schools and pension pay points. However, it must be noted that the municipality is working tirelessly to come up with a strategy to be implemented which will amongst other issues ensure that this sector is well provided for as it provides for a number of employment opportunities. A survey of informal traders undertaken revealed the following:

- Provision of suitable facilities is critical. The majority of informal traders are involved in small operations which involve a relatively small number of people.
- Most traders are not authorized to undertake street trading and do not belong to a formal structure but would like to be part of one.
- High concentrations of informal traders in places such as taxi ranks create pressure on the available infrastructure and causes chaos. The operators who try to work within the rules are becoming frustrated at the lack of regulation.

There is a general lack of market infrastructure (i.e.safe and secure trading sites) and general infrastructure (i.e. roads, electricity, water, sewerage). The municipality further lacks a policy regulating zoning for street vendors but there are Bylaws controlling this system.



Informal Trader in Port Shepstone CBD

3.6.31 One Home One Garden

The One home One Garden campaign has been successfully implemented in the entire municipality. The campaign is to initiate an integrated approach to food security demonstrating in practice the principle of coordinated government service delivery with respect to addressing the most vulnerable within the municipality. Crrently the municipality does not have specific economic pragrammes targeting the vulnerable groups, however, the LED focuses on everyone irrespective of gender, race and creed. However, these groups' needs are addressed under the Special Programmes Unit and the Youth section Unit within the municipality.

One home one garden campaign is a key aspect of RNM food security. Health issues cannot be addressed if poverty is not vigorously tackled as it is a major driver of the diseases and it a known fact that the biggest enemy of health in the developing countries is poverty. The objective of the municipality is to reduce the percentage of households that have gone hungry. According to the National Development Plan on human development report, poverty and hunger must be eradicated. This is line with RNM policies, thus the one home one garden programme was implemented and is very successful judging by the number of households with gardens.

3.6.32 Women Focused Initiatives

Initiatives to develop the economic potential of women are becoming a staple of corporate activity in many parts of the world. Economic empowerment is to be sure a crucial aspect of any significant push to make women full and equal participants in their communities. Strengthening the economic role of women is also critical to reducing poverty, improving health and education outcomes, and achieving other broad development goals Below is a summary of some of the municipality's women initiatives in partnership with Ithala Bank and the Department of Agriculture and Rural Affairs.

3.6.32.1 Women in Business

The local Ithala Bank focuses on women empowerment workshops. Women are skilled in different programs aimed at uplifting their standard of living. Its sole existence is to nurture women in Business as well as those aspiring to be in business.



3.6.32.2 Community Garden Programme

This programme consists of women only. Women are being assisted with agricultural inputs by the municipality. They farm for home consumption and this programme is aimed at alleviating poverty and sustain livelihoods. Below is a picture taken within the municipality at one of rural women projects.

Below is one of the Department of Agriculture's initiatives to sustain women's livelihoods



3.6.33 Economically Active Population

A large part of the population within RNM is economically active through the Local Economic Development initiatives. Many programmes are currently running aimed at developing skills to equip its local communities. Workshops aimed at enhancing the youth in various sectors of businesses are also in place. The President, in his State of the Nation Address, (February 2021), stated that in order to have an economic active population, the youth must be encouraged to participate in strategic sectors of the economy. The municipality is in line with this initiative.

Emerging Farmers

Specific programmes targeting emerging farmers to unleash agricultural potential are in place. These programmes have been cascaded down to municipalities by the Province. These programmes include the Radical Agrarian Social Economic Transformation (Horse-Shoe farming). This is a vegetable farming initiative allocated to Cooperatives.

3.6.34 Auditor General's Opinion

Refer to attachment 19: AG Opinion



3.6.35 Conclusion

In conclusion, the municipality is set to attract more investors through its vibrant growing economy, and through its LED Strategy, the economy will grow even bigger and better benefitting all communities inspite of gender and creed.

LED programmes are budgeted for annually, however, the challenge is that the budget is still less than 1% of the entire municipal budget which is a challenge in terms of implementation. It should further be noted that the annual Service Delivery and Implementation Plan (SDBIP) is an effective monitoring and evaluation tool tracing the implementation of programmes.

Traditional Authority Leaders have come on board in terms of aleviating poverty in their respective areas. The Municipality being a mentor, has been pro-active in ensuring that the projects implemented are in line with the strategy and reach objectives stipulated. Being a municipality with both urban and rural wards, it must be mentioned that needs in the wards vary. There are wards that are highly deprived and urent attention has been focused on them, however, due to limited human resource capacity within the municipality, there is more scope that has not been covered, such as identifying underutilised infrastructures for revival, but recently services of Researcher have been sought who will undertake an indepth research.

3.6.36 Local Economy SWOT Analysis

There are a number of advantages and disadvantages that impact upon the current economic initiatives and its development within Ray Nkonyeni Municipality. These have been highlighted in a number of preceding reports that have been produced such as the Integrated Development Plan (IDP), The Spatial Development Framework etc. This includes some of the challenges that need to be addressed and opportunities, which need to be undertaken advantage off. The following represents a SWOT analysis, which assesses these favourable and unfavourable issues in the context of developing Ray Nkonyeni Municipality as an economically functional Municipality. These are outlined as follows



LED SWOT ANALYSIS

Table 129: LED SWOT Anlaysis

STRENGHS	WEAKNESSES
▪ The Municipality boasts of vast lands of relatively good agricultural potential. ▪ The Municipality generally has a well-established agricultural sector which produces a diverse range of products (Vegetables, Nuts, Sugar Cane, Livestock, Poultry and some speciality products such as the moringa plant and freshly cut flowers), the sector also caters for a range of markets; some of the products produced in the Municipality are exported to international markets. ▪ The timber plantations and cane farming of the RNM are some of the largest of the commercial agricultural enterprises of the province. These enterprises constitute the pillars of the agriculture sector of the RNM. ▪ Ray Nkonyeni Municipality is the regional economic powerhouse of the UGU District Municipality, with more than 75% of the UGU District Municipality's registered businesses located in the Municipality; this puts the Municipality in position to shape the economy of the District and make an impact in the provincial economy. ▪ The Municipality has a long established, traditional industrial complex which is recognised provincially, similar traditional industrial complexes can be found in Mandeni, Ladysmith, Newcastle and Richards Bay. ▪ The Municipality is recognised provincially as a secondary city; this means both public and private sector investment must look to the Municipality as one of	▪ The Municipality's agricultural sector faces many constraints such as, decreasing investment, rising production costs, a change of land use from agriculture to other land uses. Climate change poses a significant risk to the agricultural sector, primarily linked to increased rainfall variability and water security. ▪ There is limited land and very little technical, financial and business support for emerging farmers in the Municipality. ▪ International competition may cause some farming enterprises to experience pressure. ▪ The infrastructure in the Marburg Industrial Complex was laid many decades ago and may not be able to handle large, new and technologically advanced industrial development that the Municipality wishes to attract. ▪ There a very few sites which are readily available and serviced for large infrastructure development, as envisaged in the LED Strategy. ▪ Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has resulted in making very little impact in regional economies. ▪ Infrastructure maintenance and provision of new infrastructure for business (water, electricity, roads, storm water ect) has been lagging behind and this must be rectified in order to achieve investor confidence. ▪ The Manufacturing, Commercial and to some extent tourism sectors are still urban biased and there is little evidence of these economic sectors have presence in the rural areas of the Municipality, particularly in Traditional Authority Areas ▪ Inadequate packaged development land ▪ Capacity Gap in LED section ▪ Inadequate support for the business sector



the priority investment areas in the province. - The Municipality has an established and stable tourism sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few. - Political Stability - Blue Flag Beaches	
OPPORTUNITIES	**THREATSS**
- Agri-Tourism: The Municipality has both agriculture and tourism as key sectors and this presents an opportunity for the establishment of agri-tourism enterprises, it must be noted there are many existing Agri-tourism enterprises already in existence in the Municipality which set precedence for new agri-tourism businesses - Proposed UGU Agri-Park: The Municipality does not have a well-established, regional processing facility for agricultural products and the establishment of the Agri Park in Ezinqoleni will provide an opportunity for all famers to access processing opportunities' - Diversification of tourism products, the Municipality is a tourism magnet, yet has a very tight competition in the form of Zululand, the Elephant Coast and others, especially when it comes to foreign tourism, this is because these areas have game reserves and the Municipality, albeit at a District and even in Partnership with Neighbouring Municipalities, must explore the establishment of a Game Reserve. - Township and rural tourism is another sub-sector of the Tourism	- Macro-economic instability - Poor reliability in infrastructure provision(water, electricity) - Pollution of the beaches - Little assistance for small commercial farmers



sector which present an opportunity for new establishments. The LED proposes that township and rural tourism be facilitated as the Municipality has a lot to offer in this regard. - The Marburg Industrial Complex has shown that it is not sufficient as some Manufacturing Business has relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses - The Municipality is well positioned to take advantage a number of key strategic government programmes, it has been identified as one of the Municipalities to implement the operation Phakisa Programme, key catalytic projects and is one of the key regional economies of the province thereby attracting national and provincial infrastructure programmes. - Opportunity for SMME activity on beaches. The Emerging Film making industry - Aquaculture programmes - Operation Phakisa opportunities	

3.6.37 Socio-Economic Profile Analysis

This section is an indepth analysis of the socio-economic profile of the municipality. It provides data and information which will assist in planning, budgeting and prioritization of municipal services.

3.6.37.1 Economic Profile

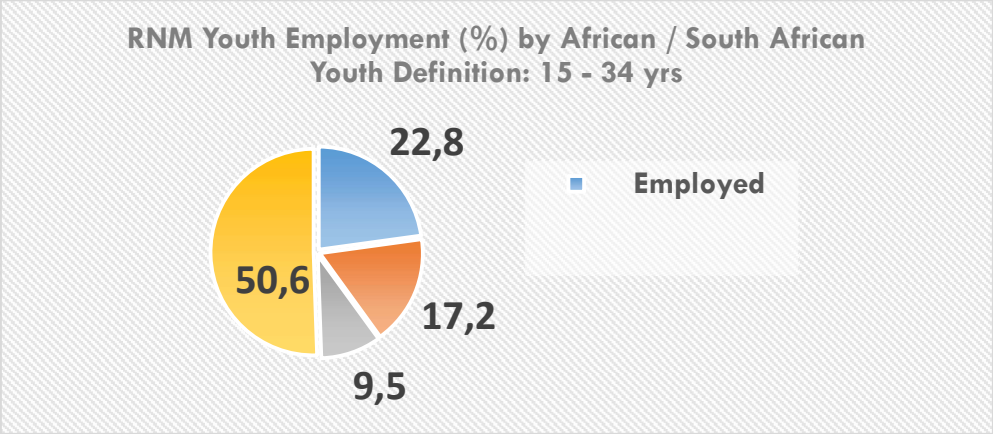
i. Employment

RNM has a high percentage of unemployment, which the majority is the youth, and this impacts negatively in the society at large. Unemployment has led to family disintegration as well as other social ills. Statistics show a large number of young people as either school dropouts, and few with higher education qualification.

For every 100 young persons in age group 15 – 34 years: 23 persons were employed, 17 persons unemployed, 10 young persons have given up hope of ever finding a job and no longer looking for it. Half of the youth (51%) were in schools or in training and therefore could not be described as employed or unemployed. However, 27 young persons (unemployed and discouraged) are effectively not working. To sum this discussion, RNM has a high percentage of youth unemployment.

The following graph indicates the percentage of youth employment vs unemployment.

Graph 20: RNM Youth Employment (%)



Source: StatsSA 2016

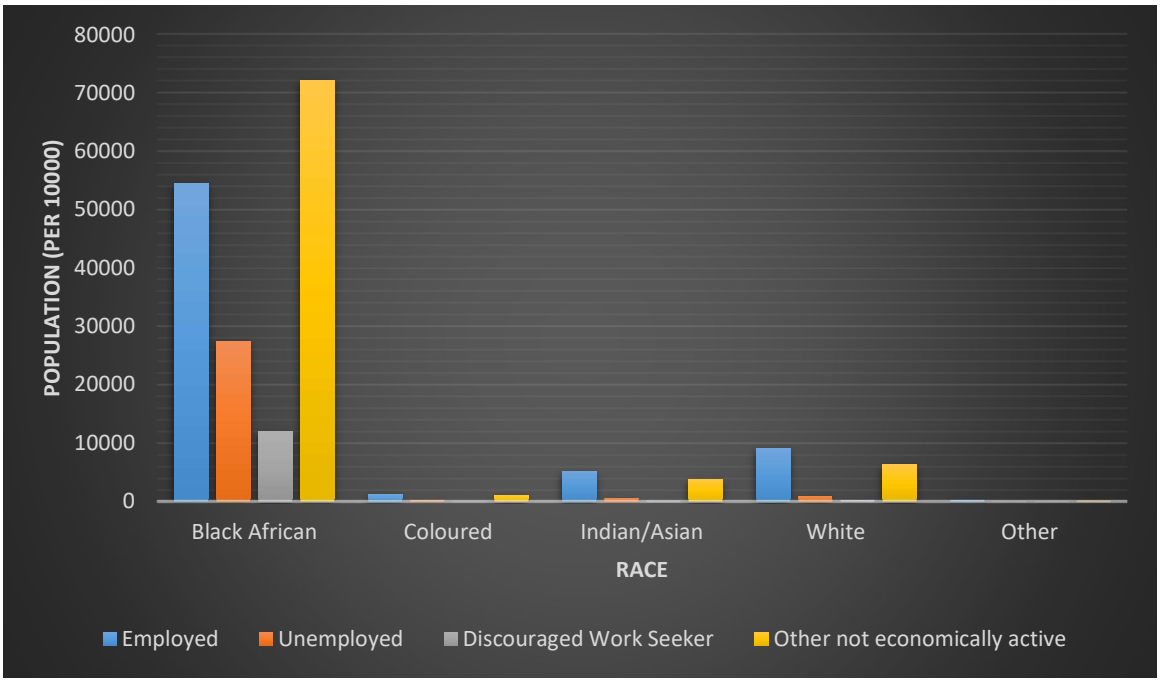
According to the 2021 State of the Nation Address on unemployment, the president talked to the impacts of inequality and poverty which needs to be halved by 2030 and jobs should be created through various programmes and projects. In response to this, RNM through its Vision 2036, strategic goal no.2, this will be achieved by enteeprise developmentensuring a more diversified and inclusive economy.foreign investment through economic growth can have a significant impact of new employment opportunitie. The municipality has a number of projects and programmes currently being implemented in rural areas where unemployment is rife. Also these initiatives are aimed at establishing a conducive environment to attract and grow businesses and cooperatives as per the municipality's Local Economic Development's strategy.

The Municipality further adheres to the State of the Province Address 2021, which talks to youth unemployment and being empowered.The municipality has responded to this by increasing an intake of youth in the public and private employment equity programmes and there has been an expansion of learning and skills development opportunities for the youth aimed at equipping

them with job skills. RNM's Vision 2036 talks to SMMEs being critical for youth employment and rural development.

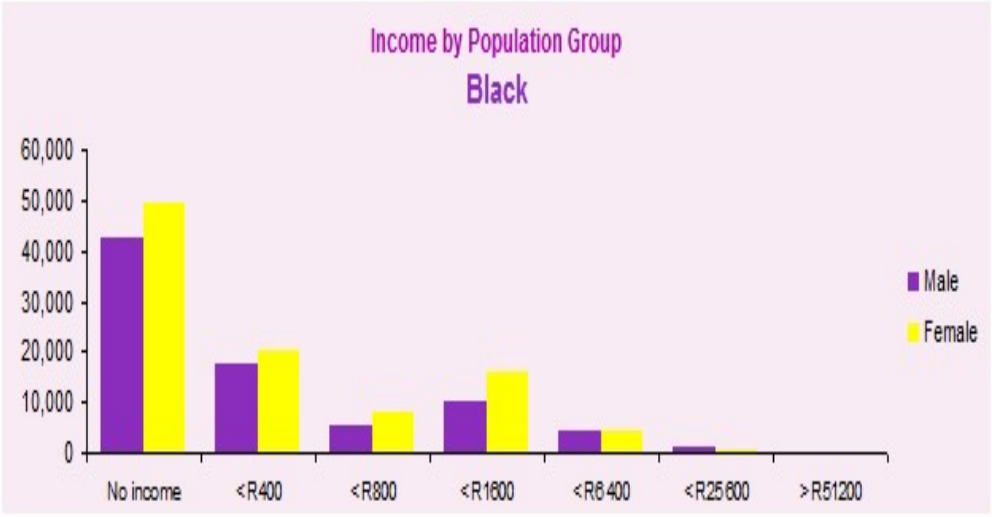
ii. Employment by Race

Graph 21: Employment by Race



iii. Income Levels by gender

Graph 22: Income levels by Race breakdown



Source: Statistics South Africa 2011



The above bar graph indicates income levels by the Black population within the municipality.The overall picture that can be drawn is that income levels are very low, which means the vast form of employment offered need unskilled labour, which may have been contributed by low education levels and lack of skills. Also, another picture that is drawn from the above is that females earn more than males. The bar graphs further shows that a large number of people with no income are females.In the bracket of R400.00 earnings, there are more females than males. This may be attributed by that most employment types in this bracket consists of domestic work, where most females turn to.Interestingly, there are more males than females who earn R25 600. This is an indication that the municipality has more males who are skilled and educated as compared to females.

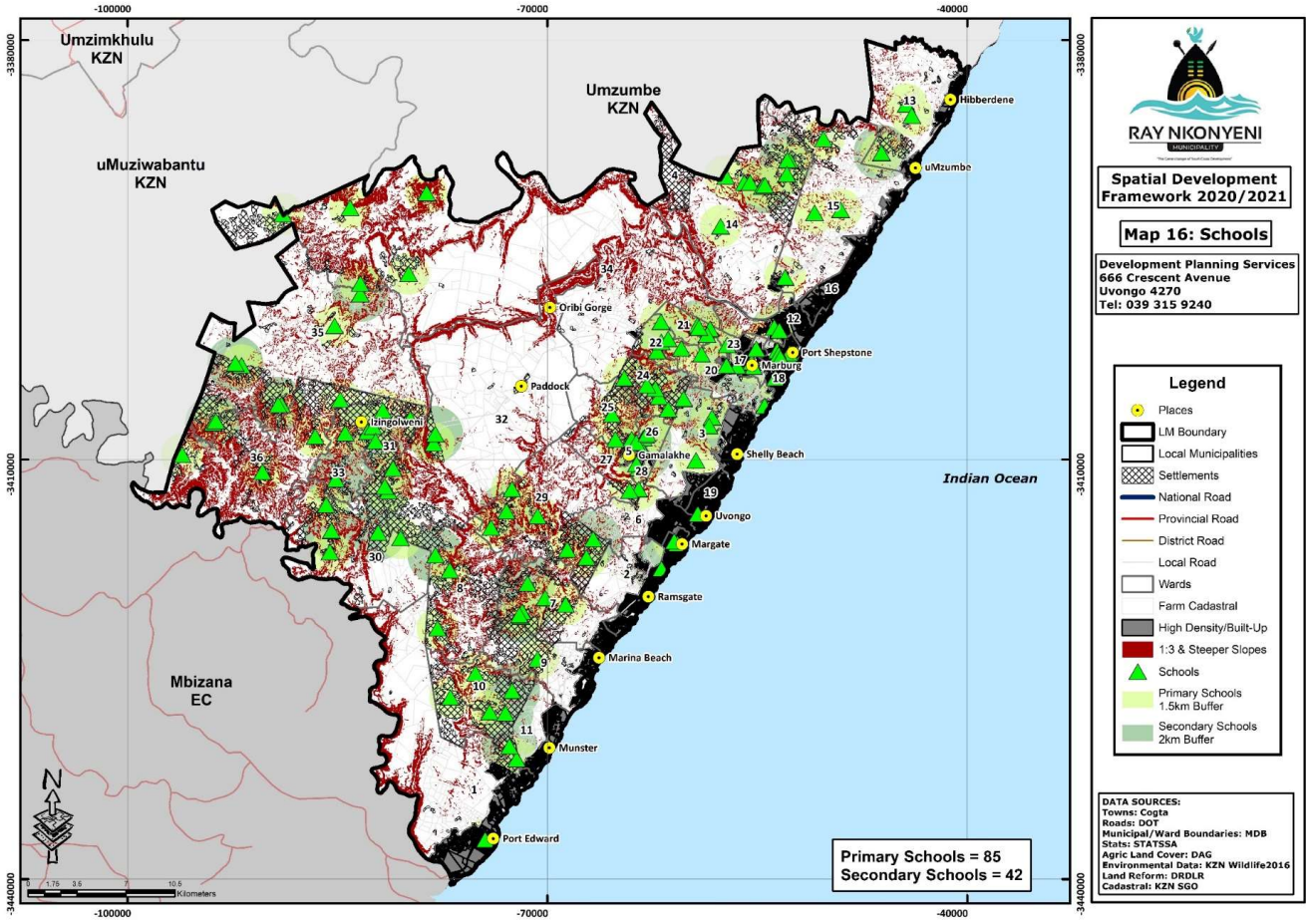
3.6.35.2 Social Analysis

i. Education

The municipality consists of 85 primary schools and 42 Secondary Schools. Accessibility to most schools in rural areas is not within the KwaZulu-Natal Draft Norms and Standards of primary schools which should be within 1,5km and secondary schools be within a 2km traveling distance. The department of Education has since addressed this issue by providing learner transport, though in some areas this programme has never been implemented due to budget constraints etc.The population catchment threshold differs on the basis on the density requirements whereby the lowest density settlements can be provided with a Micro Primary School for every 60 households while the population catchment which warrants the small Secondary School is 200 households.

A number of critical issues relating to poor performance in Education in the Province were raised by the the Premier of KZN during his 2021 State of the Province Address. He mentioned a need to develop human strategy capacity, increase enrolment rate in TVET colleges and that there should be a seamless transition of learners from early childhood development to adult literacy. RNM prides itself by that it has managed to address these issues because more students are now recorded to be registered in the TVET colleges within the municipality. There has also been an increase in the Grade 1 enrolment which also is in line with the Premier's 2021 education goal that there should be an increase and maintaining of enrolment in Primary schools. On the following page is a map showing schools within the municipality.

Map 98: Schools within the municipality





Urban schools are better equipped within the municipality as compared to those in deep rural areas. Wards 34, 35 and 36 have a shortage of schools such that learners walk more than 5km. Within the municipality also, it has emerged that a number of rural communities have a shortage of pre-schools as well as primary schools as compared to urban areas. There are no facilities such as libraries in rural schools. Furthermore, most schools in rural areas have no proper teaching facilities such as laboratories. The teacher-learner ratio is too high, resulting in poor matric results. Where there are no bridges, crossing is often dangerous and learners are often forced to wade through flooded rivers during rainy seasons subjecting themselves to being swept away or being eaten by crocodiles.

Survey has showed that there is normally poor performance amongst the affected students because they are often forced to stay at home in fear of their lives. This results in school dropouts or poor matric results.

Structures in some schools are not suitable for learning purposes. Make shifts are too hot in summer and very cold in winter. Some structures are made of mud and when it rains, they collapse. Some schools in rural areas do not have access to clean water and sanitation. But have access to electricity.There is a large exodus of pupils from rural areas enrolling in urban schools. This has had a negative impact in that:

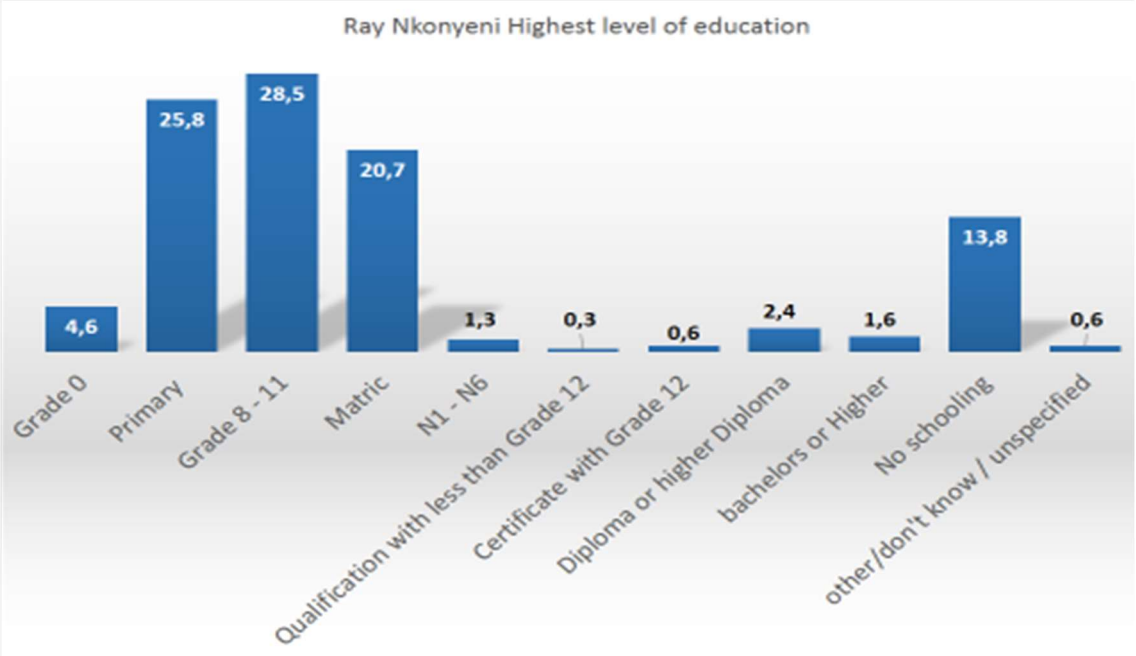
- those schools in rural areas with little enrolment are closed down
- Educators are relocated to schools with higher enrolments, in most instances far from their residential areas, which is a social problem
- schools in urban areas are overcrowded

A large proportion of the population of Ugu District has limited skills and low education levels. Ray Nkonyeni Municipality is striving to be a municipality that ensures a seamless transition of learners from early child hood development to adult literacy. According to the Millennium Development Goals Strategy (MDGS), literacy rate in South Africa is improving, so our municipality is in line with this. On the issue of Education, Ugu District Growth and Development Strategy (DGDS) mentions amongst many findings that there is glaring urban/rural divide and that the state of education is poor. Further to this, the District highlights that programmes for maths and science need to be strengthened and promote public-private partnership and enhance the quality and relevance of TVETs.

The National Development Plan (NDP) in its 2030 vision states that, in order to achieve that all schools provide all learners with an excellent education, the education system needs to improve constantly by ensuring early childhood development, schooling, skills development as well as higher education. The municipality works closely with the Department of the District's Education to ensure policy implementation so as to be in line with the NDP.

Below is a graph showing Ray Nkonyeni's education's attainment. There is a decline of learners in Matric and further a very small number in higher learning institutes. The enrolment in Grade o is very low as well, and this is not in line with the National Education Policy which aims at ensuring that the number of preparatory schools learners increase. It must be further noted that the municipality is highly concerned about the percentage of non-school going children.

Graph 23: Levels of Education



Source: Statistics South Africa Community Survey 2016

An overall summary that can be drawn from the above graph is that RNM has a high primary entry number as compared to Matric certificate holders, 20.7%. This may be attributed to school dropouts, (to find means to provide for their families and themselves, or teenage pregnancy with no one to look after the child), social ills (Pandemic diseases etc.) All of these aspects feed into the low level of people with a higher education within the municipality. According to the graph above, only 1.6% of the population hold bachelors or higher education as compared to the 25.8 primary entry. The drastic drop between the two percentages may be due to the fact that in most instances, most teenagers by now have taken the roles of being household heads or have left homes to seek employment to fend for the family. Another reason may be due to the high intake of intoxicating substances. In terms of no schooling, the municipality stands at 13.8% which is quite high. Factors contributing to this may be that in some African homes, the need to attend school is still viewed as a waste of time. Another factor may be that most children have already taken a role of being a household head since parents have died leaving them to be taken care of by their frail elderly parents.
90% of schools within the municipality are fee exempted, which is a positive intervention by National government to improve access to basic education, however, such a huge percentage of exempted schools is also an indicator that the level of poverty is high.

ii. Literacy Rate

According to the recent community surveys, it was established that more females than males are school. This is opposite the 2011 survey which showed that there were fewer female school going learners as compared to male learners. The perception of girls being groomed to stay at home not attending school seem to be a thing of the past. Such augers well with the government policies to empower women in terms of education is concerned. Statistics also further show that RNM has a lower literacy rate as compared to the other local municipalities of Ugu.



iii. Matric Pass Rate

Out of the four local municipalities under Ugu district, RNM has the highest matric pass rate. The Department of Education has more programmes currently running to enhance better results. Winter classes, for an example, are such programmes being implemented and also student exchange with foreign countries.

iv. Higher Education

The last conducted census revealed that few people within the municipality have higher degree qualifications as compared to those with secondary education, (***refer to 3.6.3.2***).

v. Ealry childhood development (ECD)
The below information is for the entire Ugu District.

- Number of centres: 450 centres
- Number of learners: 12400
- Learner / Teacher ratio: 1 : 30
- Permanent employees: 90 state paid educators
- Temporary employees: 326 contract educators

A. Intervention programmes

i.School Nutrition Programme
As mentioned in the situational analysis, the municipality boasts of a fully-fledged food and nutrition programme in all its schools.
B. The municipality plays a very important role in ECDs. It has over the years ensured that they are registered and in partnership with the Network Action Group (NAG) whose role is to ensure that all ECD Educators reskilled. Further more, the municipality provides ECDs with educational toys and other learning equipment and furniture. According to the municipality's long term vision, strategic goal 3, no region can achieve true growth and development without significant investment into the education of its people. In this regard, the municipality is creating awareness about the importance of pre-school childcare and providing the relevant support to ensure ECD is being prioritized

ii. Health
The entire Ugu District has fifteen ambulances, seven of these operate under RNM. Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The improvement of response times is achievable only if the number of staffed rostered ambulances is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

Delivery in facility rate under 18 years is 11.5% and is still above target of 9.2%. Due to school health teams not allowed family planning within schools, the Department of Health plans to improve uptake of clinic serious via youth friendly clinic projects.

Teenagers from neighboring municipalities make use of the two public hospitals within RNM as not all LMs have hospitals so this stats includes teens from all LMs.



Diarrheal disease is the main contributory factor for most deaths of children under the age of five. It is reported that the incidence of diarrheal cases were in fact on the rise in the previous two years. The causes are multi-factorial but the importance of hygienic food practices, rotavirus immunization and early treatment with Oral rehydration solutions right from home will ensure reduction in morbidity and mortality associated with diarrheal diseases. Breastfeeding, proper hygiene and up to date immunization can help reduce the mortality rate as well. Also, there is a programme that the Health Department has embarked on, known as Phila Mntwana. It educates mothers on how to ensure that their babies are hygienically cared for. This initiative has proved a success as the child mortality is decreasing.

Below is a list of the Phila Mtwana Centres:

- Mkholombe
- Masinenge
- Manzamhlophe
- Oshabeni Traditional Authority court
- Breamer Mobile Library & Community Hall and
- Thembalesizwe Clinic

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal has the highest HIV prevalence especially amongst pregnant women. Murchison hospital and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. All clinics initiate clients on ARVs. New UTT campaign (Universal Test and Treat) increases number of clients accessing treatment.

Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening. The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards/areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards. The World AIDS Day is commemorated on anannual basis at RNM. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes/awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

The Private Sector plays a vital role in purchasing school uniforms for vulnerable children in schools within the municipality. The Mayor then ensures that all recipients receive the packages and are treated to a special day.

It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

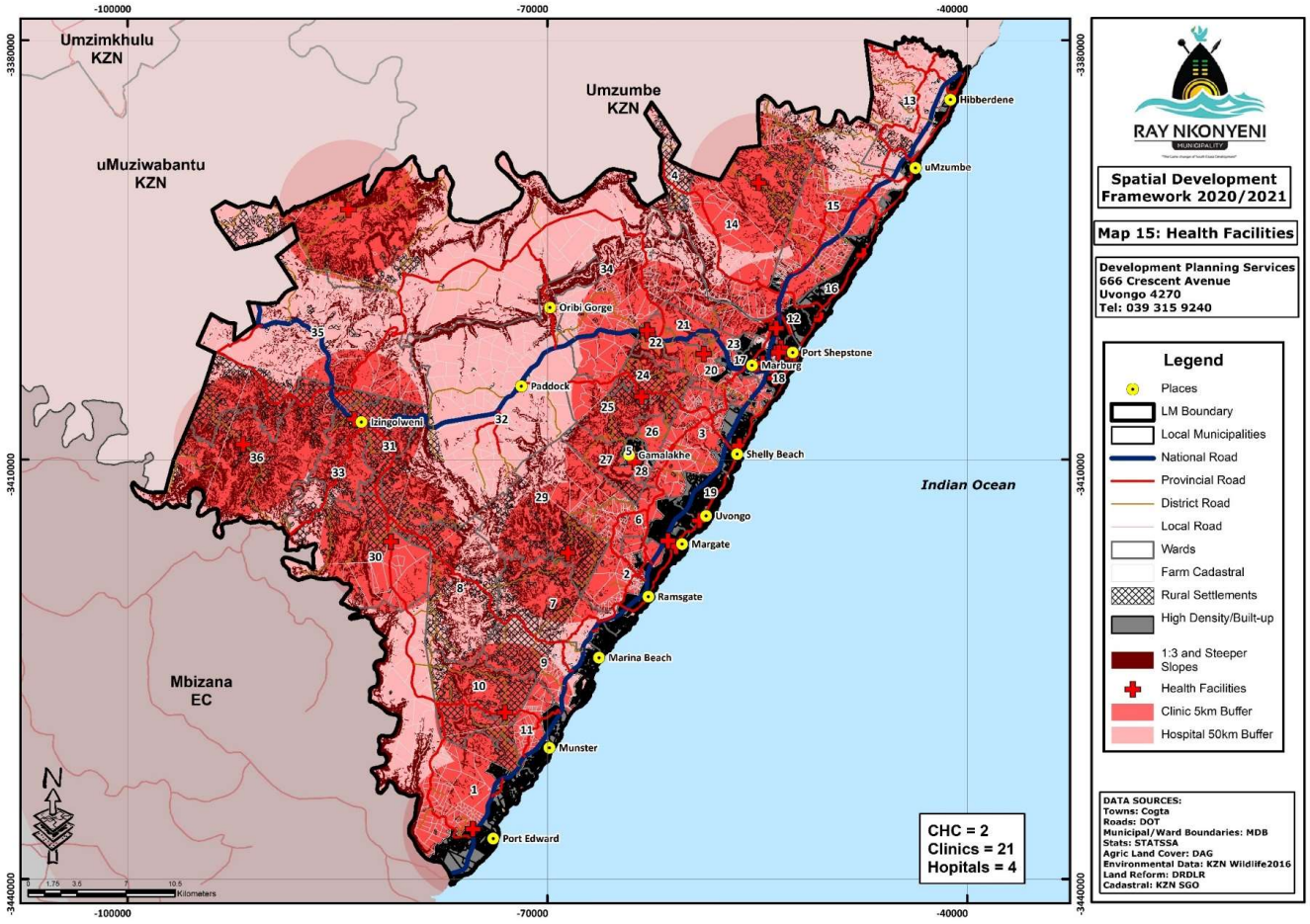


Currently, RNM has two public hospitals, namely (Port Shepstone and Murchison) and two private hospitals, namely (Hibiscus and Margate).The municipality has a total of 20 clinics, 7 mobile clinics and one health care center. The Shelley Beach Hospital with is currently being extended is another private hospital within the municipality.

All the clinics within the municipality have access to electricity, clean water and sanitation. In as much as the District Health Department states that RNM has enough clinics, it must be noted that most rural communities have a backlog these services. During the Mayoral Izimbizo road shows, most communities list clinics amongst their priority needs. Those communities with these facilities however, raise concerns in terms of staff attitude and the poor level of services rendered. For full details, refer to the situational analysis.

The map on the following page details the health facilities within the municipality.

Map 99: Health facilities





Some of the primary health prevention and care initiatives implemented by the department include;

- NIP sites in partnership with the Department of Social Development; Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226MMC, school health teams, 30MMCmobilisers);
- Happy hour in clinics to prioritise service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with back logs on health facilities, the Department plans on extending how the following clinics:

- Marburg Clinic
- Hibberdene clinic
- eNtabeni clinic

It must be noted that due to limited funding, all projects are on hold across the Province.

Proposed new clinics within RNM are going to be developed in the following areas when funding is available.

- Hibberdene
- Mphelelwa
- Bhokodisa
- Qinabout
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabathini
- KwaNikwe

B. Municipal Health Services By-laws

There are no health services are under the supervision of the municipality, hence there are no bylaws. Previously there were but were handed over to the Department of Health, however, the municipality has a fully fledged labour relations and wellness center solely for its employees, comprising of 3 units,which are ; Employee Assistance Programme, Occupational Health and Safety and lastly, Occupational nurse. All these units are headed by a Manager. The professional occupational nurse administers medication and if needs be, make referrals to hospitals,while the senior occupational health and safety practioner sees to the safety of employees at their working stations,ensures there is safety compliance and conducts internal and external safety related programs, finally, the employee assistance programme practitioner deals with stress related issues. Ray Nkonyeni Municipality is the only local municipality within the entire Provincenthat has a Wellness facility.



iii. Youth Development

The youth make the highest percentage of the population at RNM, which over the years it has had economic implications. In that regard, the municipality aims to impact on its youth through the following objectives:

- To ensure that the youth are given an opportunity to participate in the mainstream economy and to entrench the need for stakeholders to prioritize and support youth economic empowerment;
- To address challenges of youth unemployment and poverty by, among other things developing mechanisms to create markets for young entrepreneurs in RNM including development in sports and arts;
- To develop mechanisms to address the economic needs of the youth in terms of their geographic demographics i.e. urban or rural;
- To encourage young people to actively participate in development issues; and,
- To address moral regeneration needs.

The main youth concerns can be summarised as follows:

- High unemployment rate;
- Lack of skills;
- Lack of information/ communication measures at rural areas;
- High levels of crime; and,
- Exposure to alcohol and drug abuse.
- Vulnerable to HIV/AIDS
- In response to the PGDP 2035 objective 3 which states that there should be a promotion of youth, gender and disability advocacy and the advancement of women, the municipality is proud to announce that it is in line with the strategy. There are active programmes and projects in place that talk to the empowerment of youth, advancement of women as well as the disabled. Funds have been set aside for these programmes, see SDBIP.

To address the listed concerns, the municipality runs a number of programmes which are budgeted for in the SDBIP with timeframes shown. Following are the programmes:

- **Youth Forums and Youth Council are fully functional**

Local Youth Council is an independent civil society organisation and a vehicle and custodians of youth development programmes. It has an executive committee, which has consultative powers with the Youth Development Unit and is a structure that is a custodian of programmes emanating from the statutory body. Annually, youth council is expected to develop its programme of action basing it on the resolutions taken by the summit. Youth Council is also expected to implement its programme of action using the budget allocated within the youth development unit.

- **Youth Summit**

Part of the mandate for the Youth Development Unit, is to ensure that there is active participation of young people in youth matters administered by the council and to ensure that proper consultation with the youth structure to solicit ideas is done, so that youth programmes and policies of council are informed by the updated views and aspirations of the youth on the ground. Youth Development Unit annually hosts Youth Development Summit to provide as a means such platforms.



- **Career Guidance/ Exhibitions**

These programmes are aimed at ensuring various consultations with young people in wards and to fill gaps that has been identified through research, such as lack of extensive academic support, career guidance and motivation, inadequate information about tertiary and application process, access to financial aid and bursaries.

- **Youth Empowerment Business EXPO**

This programme is aimed at ensuring the ongoing business and entrepreneurship support and interactive way of instilling business and personal development in township and rural entrepreneurs. Also, to encourage bigger businesses to consider partnerships with small businesses, as there are many opportunities for growth in these areas. Business Expo also give young entrepreneurs a platform to showcase and exhibit their work to the public.

- **Matric Excellency Awards**

Matric Excellency Awards are aimed at awarding leaners and schools who did extremely well on their matric examinations from all RNM schools. This programme helps in encouraging are leaners still in school to focus on their leaners and increase their pass marks.

- **Community Outreach Programmes**

The aim of these programmes is to disseminate information and programmes targeting young people within different spheres of government as well as the private sector. Outreach programme are also aimed at promoting scarce skills and to expose grade 12 leaners on different careers they may choose from when furthering their studies, after completing matric.

- **Leadership and life skills**

RNM has adopted theYouth Development Strategy which serves as the pillar of Youth Development within Ray Nkonyeni Municipality.One of the objectives of this strategy is to ensure that young people take full responsibility of their livelihoods and serve as leaders within their communities. Youth development unit has identified a need of grooming young people within its structures and ensuring that they understand their role as leaders and to provide them with soft skills aimed at training young people to be able to adapt ,survive and succeed in a constantly changing environment.

- **Mayoral Bursaries targeting 100 students for registration each year**

RNM through its Youth Development Unit has introduced Mayoral Registration Fee programme. This programme is aimed at assisting young people who wish to enrol with tertiary instructions with registration fee. This programme targets young people who did not get NSFAS and other busaries for various reasons.

- **Internships and In-service trainings**

RNM has identified a number of learners whose qualifications did not require any practical work module and have already qualified are unable to secure employment because of lack of the necessary experience required by the highly competitive job market. Also, there is a wide spectrum of post-matric learners some of whom are interested in serving as voluntary workers for the purposes of gaining experience before they can proceed with their studies. Therefore, in addressing the challenge of skills shortage by building capacity through the In-service Training and Internship Programme and realizes that the approach of In-service Training and Internships is being adopted by the majority of institutions. It also enhances student's ability to link their theoretical /academic learning with the practical application of their theoretical foundations to the real world of business.



- **Youth SMMEs funding assistance**

The aim of this programme is to assist young social and generic entrepreneurs with funding for their business adventures. This programme also assist with startup capital for youth owned SMME's

- **Ward Based Computer trainings**

In line with Youth Development strategy which promotes programmes in line with 4IR. Youth development unit will be enrolling advanced computer trainings ,targeting unemployed young people.This programme will aimed at ensuring that most young people are exposed in technology and are qualified in computer skills.

- **Maritime and Oceans economy**

Developing partnership in promoting and encouraging youth emancipation in key sectors of the economy particularly oceans economy. Different workshops and trainings to be been implemented i.e Maritime Incubation Programme, accredited Maritime and Tourism trainings

iv. Outreach Programmes

There is an outreach programme placed at the Special programmes section within the municipality. The programme is aimed at ensuring that the needs of the elderly, vulnerable children,farm workers and people living with HIV/AIDS needs are met. The unit further seeks to ensure that senior citizens, people living with disabilities are able to cope in their communities. Enhancement programs vary per category as listed below.

I. Farm Workers

The municipality has put in place annualy a dedicated sports day for farm workers. Further more, there is also a wellness day whereby fitness exercises are done and health awareness is conducted. Workshop in farming is also done.The municipality has partnered with the department of publics Works in trainings that are relevant farm workers' field of work so as to get certificates for future endevours or in the event an individual wants to venture into their own. business. Farm workers are also encouraged to register for the ABET, while some are exposed to TVET so as to further their studies.

Ii. Senior Citizens

- Local Golden Games (250 senior citizens participate from all wards)
- Provincial Golden Games (100 senior citizens participate from all wards)
- senior citizens' forum(social issues are mostly deliberated on)
- Senior Citizens' thanks giving

iii. Children

- Child care
- Dress a school child campaign; school children benefit from the programme
- Sanitary dignity campaign
- Take a child to school



Iv. People Living With Disability

- Disability parliament
- Skills training
- Disabled care
- Caine weaving workshop
- Jewellery making workshop
- Life Skills Workshop

v. Women

- Women capacity building and skills training
- Workshop on Gender Based Violence
- Workshop in farming

There are also initiatives targeting awareness around women and child abuse which ensures that communities are well informed and empowered regarding their rights and how to act in such instances of abuse

vi. People living with HIV/AIDS

- HIV/AIDS programmes
- Commemoration of World AIDS Day

Further more, the municipality reaches out to other groups of the societ which includes men and Early Childhood Development centers (ECD). For men, the municipality conducts a 16 days of activism where there is an inter-generational dialogue.There are also men empowerement workshops conducted once a year. For ECDs, the municipality hands out educational equipments

v. Public Amenities

Ray Nkonyeni Municipality's public amenities are of very high standards in terms of complying with being user friendly. Services for people with disabilities have been created in these facilities. Entrances that are accessible by disabled persons are clearly identified and are up to International Symbol of accessibility.There are also directional signs indicating the location of the nearest accessible entrance.



For RNM,disabled-friendly features include the following:

Table 130: RNM Disabled-Friendly Features

Features	RNM public amenities
Ramps	Ramps have been built to allow wheelchair users and people pushing prams or other wheeled objects to access the building easily.
Hand rails	Ramps have also been created for people who find it difficult to move unaided rely on handrails when using stairs
Wheel chair or platform lifts	Wheelchair users can access the buildings
Walking surfaces	There are hard surfaces made to assist people with disabilities, the walking surfaces:
Recreational Parks	All recreational parks are environmental friendly

i. Cemeteries

The municipality has four private cemeteries and one public cemetry, namely:

- Oslo Beach Cemetery
- Port Shepstone Cemetery
- Kwa Nositha Cemetery and
- Margate Cemetery
- KwaNositha (Publc cemetery)
- Izotsha cemetery (Private cemetery)

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. Izotsha cemetery is leased out on a long term lease which is about to expire. The burial grounds are sufficient to conduct burials and on the crematorium part, the municipality recently recieived funding from Human Settlement for construction. Plans have since been approved and construction is at its final stage.

There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in rural areas in line with the principle of environmental sustainability. The municipality does not have land to provide for more public cemeteries.

ii. Access to Libraries

There are twelve (12) operational libraries in the urban areas including Gamalakhe Township, one (1) library at Kwa-Ndwalane Traditional Authority and five in land of the municipality are five mobile libraries with one fully fledged library at KwaNdwalane Tribal Authority and one at Izingolweni and Vukuzithathe Tribal Authority. There are three cyber cadets in three of these libraries who train patrons on the use of computers. Tertiary books as well as school projects books are some of the facilities the libraries have.



On the other hand, a majority of communities within the municipality do not have libraries. Ward Based Planning sessions conducted recently in the municipal communities revealed. In order for people to access information from libraries, they travel to urban areas where these facilities are found. The municipality together with the Department of Education in the District have engagements on how to address this issue.

iii. Access to recreational facilities

The municipality has a number of recreational facilities, however, these are only concentrated in urban areas.

- Recreational Parks

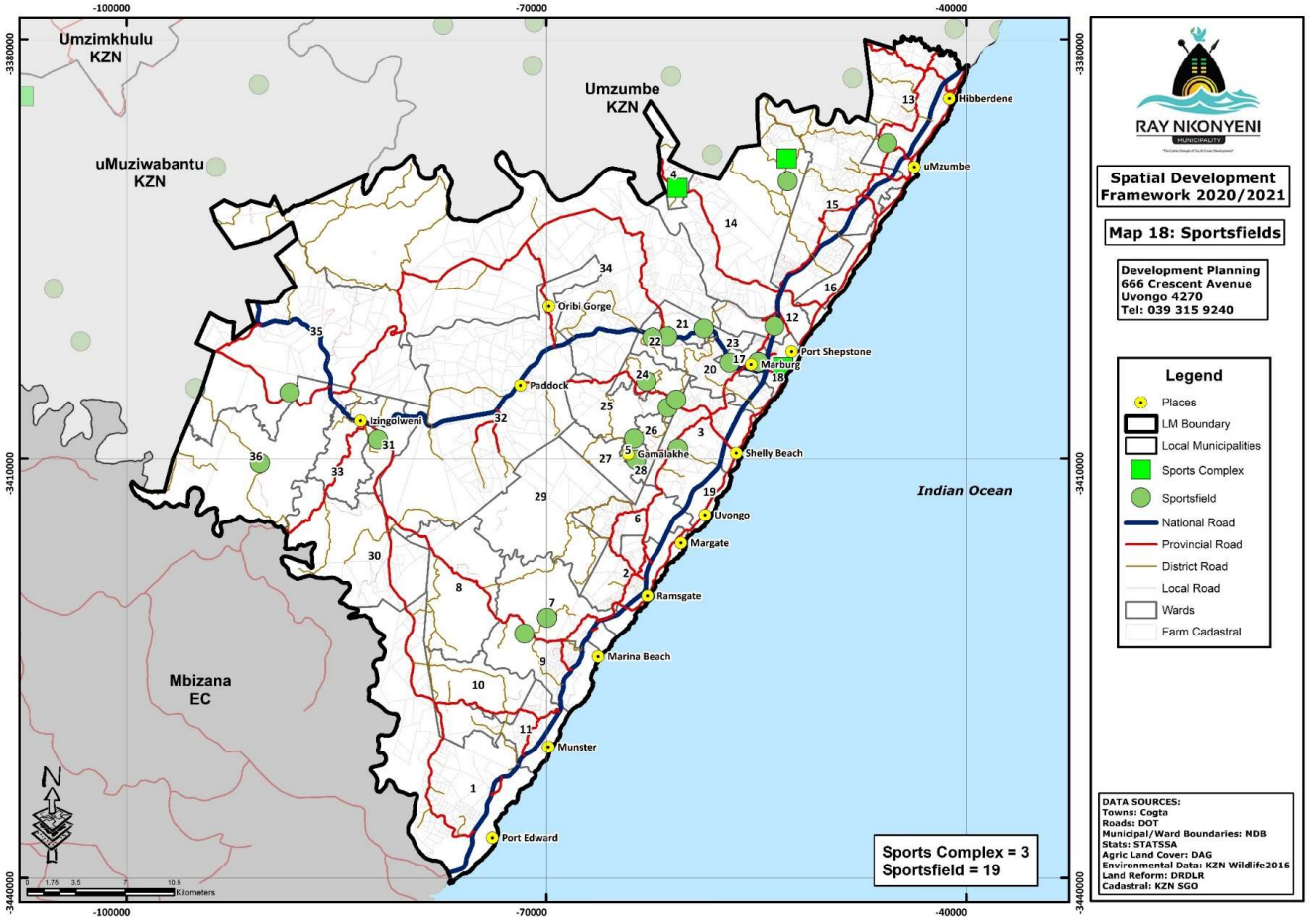
There are currently three depots within the municipality, situated at Hibberdene, Port Shepstone and Port Edward. These depots are under the Departmet of Public Safety (DPS). Each depot is run by a manager ensuring day to day maintenance. Other than ensuring the cleanliness of the municipality in terms of verge cutting, site clearances, street cleaning, waste removals etc. there are recreational parks within these depots. There are seventeen (17) parks in total.

- Sports Complex and sports fields

There are approximately thirty five (35) sports fields, four (4) sports complexes that the municipality has developed throughout its wards. The municipality has ensured that these sportsfields have facilities, (changing rooms) and are fenced.

On the following page is a map showing the location of these facilities within the municipality.

Map 100: Sports complex and sports fields





vi.Thusong Service Centers

There are ten Thusong Centres within Ray Nkonyeni which are located in KwaNzimakwe (Thongazi), Nyandezulu, KwaMadlala, KwaXolo (Gcilima), Mpunzi, Ndunu, Ndimeni, Maguntia, Maryland and Mlozane. There are sixteen (16) community halls that are found within the traditional council areas such as KwaMavundla (2), KwaXolo (4), KwaLushaba (2), KwaNdwalane (1) and KwaNzimakwe (1), Woyisane, Mbeni, Cele, Nkulu and Ezingolweni.

An application of the Kwazulu-Natal Draft Norms and Standards to community halls, suggests that one hall is required for 5 000 people within a 30 minute walking time or 1.5km walking distance. Considering the rural population, this suggests a need for reveal that approximately 41 community halls are required. As such, it would seem that there are backlogs of fifteen (15) facilities.

vii. Safety and Security

There are nine police stations within Ray Nkonyeni Municipalityn located in Port Shepstone,Port Edward, Ramsgate, Gamalakhe, Mellvile, Hibberdene, Ezingolweni, Paddock and Margate. The provincial planning standards suggests that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017 and was reviewed in October 2021. It fully addresses the national safety objectives and to further align to the Provincial Department of Community Safety and Liaison's Safety Strategy. **(See attachment 20: Safety Strategy)**

The Constitution of the Republic of South Africa under section 152 (1) (d) states that municipalities should promote safe and healthy environment. The 1998 White Paper on Safety and Security encouraged municipalities to play a vital role in crime prevention in partnership with different stakeholders and key-role players, taking into cognizance that crimes happen at local level and the local municipalities are closest to people. The White Paper sees objectives of local government with regards to safety and security as:

- To create an efficient and visible policing in all the areas particularly in residential areas and CBD areas;
- To improve on service delivery and rendering efficient service to members of the public;
- To improve service for effective crime monitoring; and,
- To provide a safe and secure environment (routine vehicle checks and routine patrols)

The municipality prioritizes the safety and security of all people within its jurisdiction. Crime is a complex phenomenon and varies from community to community therefore requiring different strategies and solution to suit each situation and crime level thus the municipality has developed safety strategies in partnership with SAPS and the Department of Community Safety and Liaison.



These strategies are aimed at addressing crime at all levels and all communities in a short and long term basis. RNM crime prevention strategies are aligned to the National and Provincial crime and prevention strategies which emphasizes the importance of fighting crime as a threat to our democratic order and development. Community Safety Forums have been established and are well functioning. These forums constitute of the members of the Ward Committees, Community Policing Forums and School Safety Committees. Such forums serves as a coordinating mechanism of government and civil society representatives address our community's safety needs. The municipality has a feasible crime reduction strategy and the concerned department consistently reports on it and its achievements and challenges on quarterly SDBIP which is linked to the municipal IDP and budget. During the IDP Representative Forum the municipality together with SAPS report on crime levels and trends. RNM's IDP sessions prescribe to the national requirements of strengthening interactive, participatory and transparency and community involvement in developmental issues.

It is important to align municipal planning with province and SAPS plans, share resources and information and find a common ground to deal with challenges and to encourage and assist each role player to meet its mandate. The Department of Community Safety and Liaison has played a major role in crime awareness and providing trainings. The Hibiscus Coast Municipality continues to seek partnership with the District Municipality, private sector, province and other social partners in fighting crime.

There are two police clusters within the municipality, based at Margate and Port Shepstone respectively. Both units are highly involved in ensuring that crime is non-existent both in rural areas as well as in urban area. SAPS also uses geographic approach which consists of specific interventions to address crimes that are concentrated in certain geographic locations in a cluster. The specific aim of these clusters is to enhance co-ordination and co-operation and to facilitate an integrated approach to address crimes in these locations. Operational plans are driven by multi-disciplinary teams within the identified Crime Threat areas in order to effectively implement the Geographical Approach. This implies that the SAPS will approach policing in an integrated manner by creating multi-disciplinary teams, under one operational management structure, to police the high crime areas.
One of the cornerstones of policing is community involvement in the policing of the various communities. Of all the partnerships the cluster is engaged in, the most important one is with the general community it serves.

This partnership encompasses all three policing styles viz Democratic Community Policing; Problem-Solving Policing and Partnership Policing.

Apart from the informal partnership between the personnel and the community at grass root level on a daily basis, the Chairpersons and the community members of the Community Police Forums; Community Police. Sub-Forums and the Provincial Board engage in a structured manner with the SAPS and other Departments at all levels on a voluntary basis. In addition to this, numerous community members have enrolled as reservists who offer an invaluable service to the general community. Others offer their services voluntarily as counsellors, social workers and administration clerks. In addition to the above, Business Against Crime (BAC) offers an invaluable service to this Province.



In response to the PGDP 2035 which talks to Enhancement of safety and security, the munipality fully adheres to this. Its safety and security is sound through its policies and plans.

3.6.38 Key Findings

Following are key findings for the entire LED KPA

- High youth unemployment
- Limited coastal-hinterland linkage
- There is a general lack of marketing infrastructure
- Most traders are not authorized to undertake street trading
- Pressure on the available infrastructure due to informal trading causing chaos

3.6.39 Conclusion

The municipality's LED fully responds to the PGDP 2035 as well as the DGDS The indicators set in the strategy for ensuring that the economy of the municipality is boosted as well as how its communities benefit, are clear on how the municipality fully aligns to both the PGDP and the DGDP. The municipality in its situational analysis (Key Findings) indicated high unemployment rate, poverty and emerging small commercial farmers with no capital and expertise amongst many. The LED addresses these concerns through its programmes and projects as shown in the SDBIP. This also addresses pillar number one of the Back to Basics which stipulates that people and their concerns must be put first, listened to and be communicated to. Ray Nkonyeni is doing its utmost best in terms of giving its citizens sustainable livelihood programmes.



3.6.40 Local Economic Development and Social Development SWOT Analysis

Table 131: LED and Social development SWOT

Strengths	Weaknesses
• Good number of formal jobs in the Ugu DM family of municipalities • Tourism industry as one of the prominent economic drivers • The coast stretching from Hibberden to Port Edward consisting of 29 beaches • Located along the Tourism and Agricultural corridor in terms of the PSEDS • Increase in the property and construction industry and vehicle sales data • Operational Margate Airport weekly scheduled flights to OR Tambo airport and Platenberbay	• High youth unemployment • Limited coastal-hinterland linkage •Narrow roads, increasing traffic congestion. • Generally poor road network • There is a general lack of market infrastructure. • Provision of suitable facilities is critical for informal traders
Opportunities	**Threats**
• Intermodal Transport Facility at advanced planning • Margate Airport scheduled flights growing daily -Major tourism and entertainment events- Ugu Jazz festival, and SA Women ---Open European Tour Golf Tournament Catalytic projects are taking place in various parts of the municipality	• The perception of the south coast as a retirement area • Most traders are not authorized to undertake street trading • Pressure on the available infrastructure due to informal trading causing chaos • Current infrastructure not coping with growing population Small emerging commercial agriculture farmers are not fully capacitated



3.7 MUNICIPAL FINANCIAL VIABILITY



Ms A Zuma
CFO

2022/2023 MEC Comments	RNM's Response	Overall 2022/23 score
The Municipality has produced comprehensive information aligned to the IDP Assessment Criteria, all financial information was included	• The comment is noted.	**100%**

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainability, economically and equitably to all communities.

The Ray Nkonyeni Local Municipality'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 to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 123 were used to guide the compilation of the 2023/24 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries.

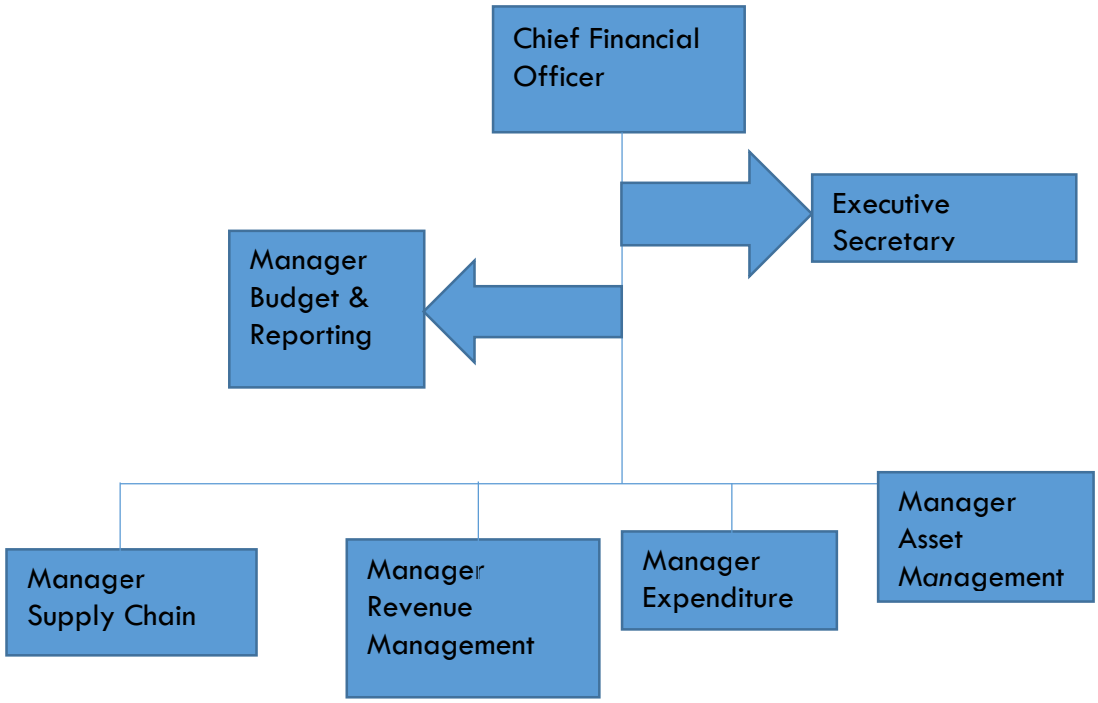
MFMA Circulars

NT has since issued **circular *122, and 123*** in relation to this phenomenon on matters how the municipalities should consider on Original annual budget before presented for approval. This budget circular is a follow-up to the one issued on 09 December 2022, and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) and as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within thecurrent economic climate.



The budget and treasury department has a fully fledged staff, on the following page is its management.

Illustration 23: Budget and Treasury Organogram



Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 15.1 per cent as per NERSA Guidelines and budgeted R158.3 million for 2023/24.

Contracted Services

Contracted services equal to 21.6 per cent of the expenditure budget and has been budgeted at R 272.5 million. Contracted Services made up of 3 categories, namely, Consultants and Professional Services, Contractors, and Outsourced services.

Free Basic Services: Basic Social Service Package

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. 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.

Finance Charges

Finance Charges amounted to R 9.9 million and that includes the finance charges of DBSA loan and the interest of financial leas.



Other expenditure

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. The salient features of general expenses have been the following:

Property Rates

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- In addition to the R15 000.00 reduction on market value of the property, a further R300 000.00 reduction will be granted to old age pensioner and/or disabled persons, subject to the status of the applicant being proven in terms of the criteria in the Rates Policy.

- Other rebates include: Retirement Villages/Old age homes/Nursing Homes; Schools (excluding PBO registered); Agriculture – Bone Fide Farmers only; Guest Lodges/Houses, Bed & Breakfast, Self-catering accommodation and Game Farming as per criteria in the Rates Policy. 100% rebate will be granted to registered indigents and child headed households in terms of the criteria in the Indigent Policy and Rates Policy. Rebates are not retrospective.

- The final date for payment of 10 monthly instalments accounts of the general rates is the last working day of each month with the last instalment due on the last working day of May. The final date of payment of the annual general rates accounts is the last working day of September. After the due dates interest of 11.25% per annum will be added, as per the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Property Rates Act Regulations.

In its endeavour to restrain the outstanding debt from escalating and to encourage ratepayers to settle their accounts annually in full i.e. on or before 30 September each year, council offers those ratepayers a 7% concession on the current rates levied amount only (7% of annual rates payable after the application of any exemptions, rebates or reduction and not the market value). This applies annua

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2023/24 financial year is 5.3 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2023/24 budget year.

Sale of Electricity and Impact of Tariff Increases

The service charges electricity budget for 2023/24 is R 182.436 million. The consumer tariff was increased by 18.4 per cent as per NERSA guidelines to offset the additional bulk purchase cost from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff



increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Depreciation and Amortization

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 102.5 million for the 2023/24 financial and equates to 8.2 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Waste Removal and Impact of Tariff budget

The Service charges waste removal budget for 2023/24 is R 62. 711. The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Waste removal tariffs have been increased by CPI of 5.3% for the 2024 budget year.

Other Tariff of Charges

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 5.3 per cent and tariff of charges is attached as annexure.

Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Budget constraint (operating expenditure should not exceed operating revenue) unlessthere are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of theMFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services



3.7.1 Capital Funding and Expenditure

The municipality has a 3-year synopsis of funds received as shown in the table below. On the following page is a table with explanatory notes.

Table 132: Capital Funding and Expenditure

KZN216 Ray Nkonyeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Mayor and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 11 - Environment Protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 13 - Other		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote 1 - Mayor and Council		1 093	448	130	–	400	400	400	–	–	–
Vote 2 - Finance and Administration		1 203	59 698	39 405	3 075	6 125	6 125	6 125	3 801	3 987	4 174
Vote 3 - Internal Audit		439	46	115	185	185	185	185	200	210	220
Vote 4 - Community and Social Services		58 394	21 706	5 881	200	–	–	–	–	–	–
Vote 5 - Sport and Recreation		47	960	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		651	296	7 014	5 440	2 675	2 675	2 675	4 340	4 553	4 767
Vote 7 - Housing		8 262	50	115	273	353	353	353	180	189	198
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		21 361	35 461	98 653	99 409	131 567	131 567	131 567	115 220	100 729	89 038
Vote 10 - Road Transport		88 270	45 219	51 752	55 006	68 963	68 963	68 963	7 200	7 553	7 908
Vote 11 - Environment Protection		(6 126)	0	–	–	500	500	500	500	500	550
Vote 12 - Energy Sources		11 497	(8 666)	2 599	15 348	15 380	15 380	15 380	22 952	11 000	4 000
Vote 13 - Other		2 612	6 998	3 108	–	800	800	800	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		(24 213)	2 674	2 052	1 804	3 807	3 807	3 807	500	500	500
Capital single-year expenditure sub-total		163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Total Capital Expenditure - Vote		163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Capital Expenditure - Functional											
Governance and administration		2 893	60 238	39 705	3 280	6 740	6 740	6 740	4 001	4 197	4 394
Executive and council		1 251	494	185	20	430	430	430	–	–	–
Finance and administration		1 641	59 698	39 427	3 075	6 125	6 125	6 125	3 801	3 987	4 174
Internal audit		–	46	92	185	185	185	185	200	210	220
Community and public safety		66 888	22 938	12 521	5 813	2 728	2 728	2 728	4 520	4 741	4 964
Community and social services		58 373	21 706	5 881	200	–	–	–	–	–	–
Sport and recreation		47	960	–	–	–	–	–	–	–	–
Public safety		206	222	6 525	5 340	2 375	2 375	2 375	4 340	4 553	4 767
Housing		8 262	50	115	273	353	353	353	180	189	198
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		103 813	80 708	150 838	154 495	201 301	201 301	201 301	122 920	108 782	97 496
Planning and development		21 203	35 414	98 597	99 389	131 537	131 537	131 537	115 220	100 729	89 038
Road transport		88 736	45 293	52 241	55 106	69 263	69 263	69 263	7 200	7 553	7 908
Environmental protection		(6 126)	0	–	–	500	500	500	500	500	550
Trading services		(12 716)	(5 992)	4 650	17 152	19 188	19 188	19 188	23 452	11 500	4 500
Energy sources		11 497	(8 666)	2 599	15 348	15 380	15 380	15 380	22 952	11 000	4 000
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		(24 213)	2 674	2 052	1 804	3 807	3 807	3 807	500	500	500
Other		2 612	6 998	3 108	–	800	800	800	–	–	–
Total Capital Expenditure - Functional	3	163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Funded by:											
National Government		153 262	48 891	123 164	115 052	131 661	131 661	131 661	93 781	89 729	74 038
Provincial Government		5 477	26 495	4 618	–	36 415	36 415	36 415	1 739	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	8 407	10 885	–	–	–	–	–	–	–
Transfers recognised - capital	4	158 739	83 793	138 668	115 052	168 076	168 076	168 076	95 520	89 729	74 038
Borrowing	6	–	–	1 867	7 166	7 976	7 976	7 976	21 452	–	–
Internally generated funds		(18 576)	14 517	33 256	58 521	54 704	54 704	54 704	37 921	39 491	37 316
Total Capital Funding	7	140 163	98 310	173 791	180 739	230 756	230 756	230 756	154 893	129 220	111 354

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source



Total Capital Expenditure amounts to R 154.8 million. The main source of funding of the 2023/24 Capital budget of R 93.78 million is transfers recognized capital from National, R 37.9 million funded internal and R 1.739 million from provincial governments and R21.4 million funded by borrowings .The capital budget is aimed to facilitate service delivery where it is essential and address historical backlogs of our country

Capital Budget (Excl. Vat)

• National Government Grants	R 93.781 million
• Provincial Government Grants	R 1.739 million
• DBSA Borrowings	R 21.452 million
• Internally generated funds	R 37.921 million
	R 154.8 million

3.7.2 Capital Projects

All projects identified for the priority year have been identified, have funding, the source identified and mentions the progress of the project.

These projects fall under the Technical Services Department.

Table 133: List of Capital Projects



KZN216 Ray Nkonyeni - Supporting Table SA36 Detailed capital budget

R thousand

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework: Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:																
List all capital projects grouped by Function																
Capital Non-Infrastructure New Furniture and Office Equipment Furniture and Office Equipment														325	366	418
Capital Non-Infrastructure New Computer Equipment Computer Equipment														5 950	6 236	6 514
Capital Non-Infrastructure New Machinery and Equipment Machinery and Equipment														450	494	535
Capital Non-Infrastructure New Other Assets Operational Buildings Depots STAFF DEPOT ABLUTION FACILITIES - PHASE 3														1 500	1 500	5 000
Capital Non-Infrastructure New Other Assets Operational Buildings Municipal Offices MLS Offices														2 000	10 000	2 000
Capital Non-Infrastructure New Other Assets Operational Buildings Municipal Offices Municipal Vehicle Pound														5 000	5 000	5 000
Capital Non-Infrastructure Existing Upgrading Community Assets Community Facilities Airports AIRPORT														1 739	–	–
Non-Infrastructure Existing Upgrading Community Assets Community Facilities Centres PORT SHEPSTONE CIVIC CENTRE UPGRADE														1 000	–	–
Upgrading Community Assets Community Facilities Centres RATIONALISATION OF OFFICE SPACE (PORT SHEPSTONE - OLD LIBRARY REFURBISHMENT)														1 000	1 000	3 000
tructure Existing Upgrading Community Assets Community Facilities Centres RATIONALISATION OF OFFICE SPACE (WELLNESS CENTRE)														2 000	1 000	–
Capital Infrastructure New Roads Infrastructure Road Structures MBHELE PEDESTRIAN BRIDGE														3 000	1 000	1 000
Capital Infrastructure New Electrical Infrastructure LV Networks INSTALLATION OF NEW STREET LIGHTS														1 000	1 000	1 000
Capital Infrastructure Existing Upgrading Roads Infrastructure Roads UPGRADE OF MAIN HARDS ROAD														14 522	–	–
Capital Infrastructure Existing Upgrading Roads Infrastructure Roads Upgrade of Rayouni Street														500	3 043	346
Infrastructure Existing Upgrading Community Assets Sport and Recreation Facilities Outdoor Facilities OUTDOOR GYM FACILITIES														1 000	–	3 000
Non-Infrastructure New Community Assets Sport and Recreation Facilities Outdoor Facilities SPORTSFIELD METHI (WARD 31)														6 000	700	–
Capital Non-Infrastructure New Community Assets Sport and Recreation Facilities Outdoor Facilities Tatane Sportfield														4 000	3 000	1 000
Capital Non-Infrastructure New Community Assets Community Facilities Parks Community Park in Ward 3														2 000	–	–
al Infrastructure Existing Renewal Roads Infrastructure Roads REHABILITATION OF COLLGIL ROAD SOUTHBROOM WARD 2														4 000	1 079	–
Capital Infrastructure Existing Renewal Roads Infrastructure Roads Rural Roads and Stormwater Rehabilitation														10 000	8 000	9 000
Capital Infrastructure Existing Renewal Roads Infrastructure Roads Ward 34 Gravel Road														–	–	–
Capital Infrastructure Existing Renewal Roads Infrastructure Roads Road Regravelling and Concrete Section Ward 34														1 000	3 000	2 119
Capital Infrastructure Existing Renewal Roads Infrastructure Roads Eshlayeni Road in Ward 1														500	–	2 000
Capital Infrastructure Existing Renewal Roads Infrastructure Roads Chief Road in Ward 4														500	–	2 000
Capital Non-Infrastructure Existing Upgrading Other Assets Operational Buildings Municipal Offices Treasury Offices														500	–	–
Non-Infrastructure Existing Renewal Community Assets Community Facilities Halls MARGATE HALL RECONSTRUCTION WARD 2														8 000	8 000	1 000
Capital Non-Infrastructure Existing Renewal Community Assets Community Facilities Halls ZG Hall Roof Repairs														1 000	500	–
Capital Non-Infrastructure Existing Renewal Community Assets Community Facilities Halls Renovations Ungayiweni Hall														–	–	–
apital Non-Infrastructure Existing Renewal Community Assets Community Facilities Halls Mfambisweni Hall Renovation														150	–	–
nfrastructure Existing Renewal Community Assets Sport and Recreation Facilities Outdoor Facilities Qhinga Sportfields Renovations														500	–	–
Capital Non-Infrastructure New Community Assets Community Facilities Halls Ward 38 Mzulu community hall														1 000	–	–
Capital Non-Infrastructure New Community Assets Community Facilities Halls DUMEZULU COMMUNITY HALL Phase 2														1 000	700	–
Capital Non-Infrastructure New Community Assets Community Facilities Halls Mzulu Community Hall Ward 25														3 200	–	–
Capital Infrastructure New Roads Infrastructure Road Structures MAZISWANE PEDESTRIAN BRIDGE (WARD 21)														500	1 000	–
Capital Infrastructure New Roads Infrastructure Road Structures MAZISWAZWANE PEDESTRIAN BRIDGE WARD 20														3 000	–	–
Capital Infrastructure New Roads Infrastructure Road Structures MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14														5 000	8 000	1 000
pital Infrastructure New Roads Infrastructure Road Structures MADALA TO MELUMKHANYA VEHICULAR BRIDGE WARD 24														500	–	–
Capital Infrastructure New Roads Infrastructure Road Structures PEDESTRIAN BRIDGE EXTENSION 3 WARD 6														3 000	706	–
Capital Infrastructure New Roads Infrastructure Road Structures NKANGINI VEHICULAR BRIDGE WARD 35														1 000	5 000	1 000
Capital Infrastructure New Roads Infrastructure Road Structures Rhaylos Vehicular Fridge														1 500	7 000	4 881
Capital Infrastructure New Roads Infrastructure Road Structures Nhlangeni Pedestrian Bridge														1 500	1 500	5 000
Capital Infrastructure New Roads Infrastructure Road Structures Nhamba Bridge														500	–	–
Renewal Roads Infrastructure Road Structures WARD 29 (KALKWAYS AND GUNGWALIS (CHILIMA NGQELLANGA AND I.E.ZILI, MKHAMAZI ROADS)												210 623	230 756	4 000	14 900	13 500
nfrastructure Existing Renewal Roads Infrastructure Road Structures WARD 12 (HLOLISTOWN BRIDGE, (ZWLILISUNG BELL ROAD)														500	–	500
Existing Upgrading Community Assets Community Facilities Public Open Space RATIONALISATION OF OFFICE SPACE (PSHELPSTONE & UVONGO)														–	100	–
Capital Infrastructure New Roads Infrastructure Roads NGQUMBELA ROAD AND CAUSEWAY WARD 7														500		
Capital Infrastructure New Roads Infrastructure Roads ROADS RESEALS														7 500	11 343	12 870
Capital Infrastructure New Roads Infrastructure Roads LONJANI TO KHUMBUZA ROAD														4 000	9 000	
Capital Infrastructure New Roads Infrastructure Roads Bonwil School Road														1 000	9 000	9 000
Capital Infrastructure New Roads Infrastructure Roads Mampethi Road														1 500	9 000	9 000
Capital Infrastructure New Roads Infrastructure Roads Mandla Mabena Road														2 500	9 000	9 000
Capital Infrastructure New Roads Infrastructure Roads Corner House Ring Road														1 500	5 000	9 000
Capital Infrastructure New Storm water Infrastructure Drainage Collection STORMWATER - URBAN														3 000	3 500	4 000
Capital Non-Infrastructure New Other Assets Operational Buildings Municipal Offices OFFICE WATER TANKS														500	–	–
Capital Infrastructure Existing Renewal Coastal Infrastructure Capital Spares BLUE FLAG FACILITIES SUBMISSION														500	500	500
Non-Infrastructure New Intangible Assets Licences and Rights Computer Software and Applications Computer Software														840	881	923
Capital Non-Infrastructure New Machinery and Equipment CAMERAS														1 000	1 014	1 061
tructure MV Switching Stations MELMORAL & HLYWOLDS SWITCHING STA REFURBISHMENTS AND SWITCHBOARD REPLACEMENTS - PLANNING AND DESIGNS														9 352	–	–
Infrastructure New Electrical Infrastructure MV Switching Stations POWER FACTOR CORRECTION EQUIPMENT (NDP GRANT)														500	500	1 000
Existing Renewal Electrical Infrastructure MV Transmission Conductors 11kV INTERCONNECTOR - UMBURO TO P.S. SUB (NDP GRANT)????														14 000	5 000	1 000
ucture Existing Renewal Electrical Infrastructure MV Networks MV INFRASTRUCTURE REFURBISHMENT & UPGRADES (NDP GRANT) ??														500	2 000	1 000
al Infrastructure Existing Renewal Electrical Infrastructure MV Networks MV NETWORK?? RING CONNECTIONS (NDP GRANT)														500	3 000	1 000
Capital Non-Infrastructure New Machinery and Equipment TOOLS														80	84	88
														–	–	–
														–	–	–
														–	–	–



3.7.3 Investment Register

The municipality has an investment register, see table below:

Table 134: Investments

KZN216 Ray Nkonyeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of Institution & Investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
STANDARD BANK - CALL -3765584011		3	3	Y	1	3.6	0	0		9 388	525			9 913
STANDARD BANK - CALL -3765584003		3	3	Y	1	3.6	0	0		605	34			638
STANDARD BANK - CALL -3765584004		3	3	Y	1	3.6	0	0		1 003	56			1 059
STANDARD BANK - CALL -3765584005		3	3	Y	1	3.6	0	0		319	18			336
STANDARD BANK - CALL -3765584006		3	3	Y	1	3.6	0	0		12	0			13
STANDARD BANK - CALL -3765584007		3	3	Y	1	3.6	0	0		78	2			80
STANDARD BANK - CALL -3765584008		3	3	Y	1	3.6	0	0		78	2			80
STANDARD BANK - CALL -3765584009		3	3	Y	1	3.6	0	0		1 421	79			1 500
STANDARD BANK - CALL -3765584010		3	3	Y	1	3.6	0	0		141	8			149
STANDARD BANK - CALL -4914055686		3	3	Y	1	3.6	0	0		32 184	1 564			33 747
STANDARD BANK - CALL -4913555686		3	3	Y	1	3.6	0	0		240	12			251
STANDARD BANK - CALL-4914055683		3	3	Y	1	3.6	0	0		11 389	553			11 943
STANDARD BANK - CALL-9043064623		3	3	Y	1	3.6	0	0		516	25			541
INVESTEC - CALL-7497382518		3	3	Y	1	3.6	0	0		16 115	783	(2 947)		13 950
STANDARD BANK-CALL-4911 1556585		3	3	Y	1	3.6	0	0		49	2			51
STANDARD BANK-CALL-4911 1557732		3	3	Y	1	3.6	0	0		11	1	(611 500)	706 500	87 011
FNB - CALL-62729914151		3	3	Y	1	3.6	0	0		47 141	7 163			54 303
FNB-74973B2518		3	3	Y	1	3.6	0	0		3 377	183			3 560
NEDBANK-3788100791		3	3	Y	1	3.6	0	0		25 800	1 001			26 801
														-
														-
														-
Municipality sub-total										149 988	13 021	(614 448)	706 500	255 938
Entities														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									149 988	13 021	(614 448)	706 500	255 938

Table 135: Capital Expenditure by Funding Source

Funded by:											
National Government		153 262	48 891	123 164	115 052	131 661	131 661	131 661	93 781	89 729	74 038
Provincial Government		5 477	26 495	4 618	–	36 415	36 415	36 415	1 739	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	8 407	10 885	–	–	–	–	–	–	–
Transfers recognised - capital	4	158 739	83 793	138 668	115 052	168 076	168 076	168 076	95 520	89 729	74 038
Borrowing	6	–	–	1 867	7 166	7 976	7 976	7 976	21 452	–	–
Internally generated funds		(18 576)	14 517	33 256	58 521	54 704	54 704	54 704	37 921	39 491	37 316
Total Capital Funding	7	140 163	98 310	173 791	180 739	230 756	230 756	230 756	154 893	129 220	111 354

The main source of funding of the 2023/24 Capital budget of R154.8 million is transfers recognized capital from National and provincial departments, followed by internally generated funds from reserves of R37million. Capital projects are group per cluster, municipal wide and departmental. Ray Nkonyeni Municipality has 7 clusters.

Table 136: Summary of operating expenditure by standard classification item

Expenditure											
Employee related costs	2	393 829	428 524	446 000	447 279	462 586	462 586	462 586	483 929	508 461	532 774
Remuneration of councillors		29 909	28 366	26 249	31 434	31 434	31 434	31 434	31 164	32 691	34 228
Bulk purchases - electricity	2	101 930	108 129	122 720	137 074	137 074	137 074	137 074	158 320	166 078	173 883
Inventory consumed	8	5 716	11 981	13 825	12 735	13 078	13 078	13 078	10 499	12 651	13 534
Debt impairment	3	(118 795)	(28 876)	23 235	–	–	–	–	–	–	–
Depreciation and amortisation		92 725	100 268	93 859	101 619	101 619	101 619	101 619	104 756	111 725	116 976
Interest		5 606	12 479	19 931	12 922	12 902	12 902	12 902	9 958	10 446	10 937
Contracted services		182 898	190 921	213 910	244 881	230 936	230 936	230 936	273 776	191 294	184 026
Transfers and subsidies		8 486	6 635	9 890	13 178	13 078	13 078	13 078	13 838	15 617	16 351
Irrecoverable debts written off		189 051	6 916	11 221	9 984	9 984	9 984	9 984	10 513	11 028	11 547
Operational costs		141 770	135 628	143 732	160 480	158 007	158 007	158 007	156 437	171 717	182 076
Losses on disposal of Assets		281	2 289	491	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331



Table 137: Employee Related Costs and Remuneration of Councilors

KZN216 Ray Nkonyeni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Insert description	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Insert description											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Insert description											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
Insert description	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Insert description	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Insert description	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
Insert description	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-

The budget for employee related cost and remuneration of councilor's amounts to R 483.9 million for 2023/24 financial year. Employee related cost amounts to 39% of total operating budget in line with treasury guideline of 35%-40%. An increase in employee related cost in 2023/24 versus 2022/23 is due an increment as per SALGA 's collective agreement stating that employee related costs in terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 an increase based on the projected average CPI percentages for 2023 according to the Reserve Bank's Monetary Committee Statement for January 2023 of 5.4%, the municipality has also considered the decisions undertaken in the strategic session and have made a provision of R 2.34 million rand in our budget for increasing number of internship programmes to assist the unemployed graduates within the jurisdiction of Ray Nkonyeni municipality.



3.7.4 Social and Economic Redress via Indigent Management

3.7.4.1 Free Basic Services: Basic Social Service Package

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. 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.

3.7.4.2 The Indigent Policy

The Indigent policy was adopted in 2017 and is reviewed yearly alongside the budget. ***(See attachment 21: Indigent Policy)***

i. Purpose of the Indigent Policy

- Provides basic services to the community within the financial and administrative capacity of the municipality.
- Provides procedures and guidelines for the subsidization of basic service charges to indigent households using the equitable share allocation received from National Treasury and other budgetary provisions; and
- Ensures affordability by subsidizing tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in terms of the municipality's service delivery

ii. Indigent Register

A budget of R2.6Mhas been allocated for indigent support. There is an attached indigent register. **(See attachment 22: Indigent Register)**

ii. Extent of Indigent Support

Subsidies will be determined during the compilation of the annual budget. The source of funding of the indigent subsidy is that portion of the equitable share contribution by National Treasury and any additional provisions made by council as provided for in the annual operating budget. The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget by the municipality has been exhausted whereupon no further credits will be made. On annual basis, the municipality reviews and amends its Indigent register.



In respect of electricity, a 100% subsidy up to 50 kWh per month will apply:

- If consumption exceeds any of the norms stated in (7) and (8) per metering period (month), the consumer will be charged normal tariffs on the quantity exceeding the above-mentioned limits,
- If a customer's consumption or use of municipal service is less than the subsidized service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion,
- Annual service charges on the indigent's account will automatically be converted to monthly instalments.

3.7.4.2 Indigent Management

		2021/2022	2022/2023
Number of indigents		434	484
Cost per service per indigent household per month			
	Electricity (50 kWh)	R82.49	R90.32
	Refuse removal	R 159.70	R 167.40

Allocation of free basic services: electricity is 50kWh per month/household. Rates 100% rebate on the billable market value. Refuse removal is 100% rebate which is R167.40 per month/household or R 1 674.00 per annum

Narrative to include indigent relief. Criteria for indigent qualification

(i) Gross monthly income of all occupants over twenty-one (21) years of age may not exceed, the amount approved by Council, currently being the equivalent of two (2) state pensions

(ii) The applicant must be the full-time owner living on the property concerned, and may not own any other property, whether in or out the municipal area

(iii) That the property's market value (per the Municipal Valuation Roll) of the household applying for indigent relief may not exceed **R380,000.00** in value

(iv) Deliberation of applications will be done on merit and if the sole reason for an application being declined is the property value, then due consideration will be given and the matter will be escalated to the relevant council committees for decision

(v) The average of three months electricity consumption of the household must not exceed 300kWh per month

Challenges identified

- Communities lack information or misinformation on indigent support that is provided by the municipality.
- Unavailability of contact details or updated contact details of clients on the municipal database.
- Communities not attending forums where information on indigent support is shared.
- Verification of credibility of information supplied by indigent applicants
- Insufficient funds to cover for verification of information supplied by indigent applicants through third parties.



Measures to address inconsistencies in FBS

- Benchmarking with other municipalities with good practice on indigent support
- Improvement in communication of indigent support
- Request national government to consider and make available the funds needed in the process of verifying indigent applications.

3.7.4.2.1 Debt Category

	2020/2021	2021/2022	2022/2023
Government	R 29 563 222.67	R 33 729 089.02	R 33 001 925.32
Business and commercial	R 60 820 028.60	R 72 534 910.95	R 92 018 604.42
Households	R 253 640 382.27	R 292 289 626.02	R 362 693 861.54
Other	R 18 081 134.67	R 22 443 073.34	R 23 070 050.05

3.7.4.2.2 Collection rate

2020/2021 93.33%

2021/2022 92.5%

2022/2023 88.10% as at 31 May 2023

3.7.4.2.3 Write offs

2020/2021 R 4 423 719.00

2021/2022 R 6 915 501.00

2022/2023 R 6 795 599.00 at 31 May 2023

3.7.4.2.3.4 Provision for doubtful debts

2020/2021 R 126 117 017.00

2021/2022 R 152 006 921.00

2022/2023 Not yet calculated

Plans to improve debt collection

- Data cleansing
- Capacity building on debt collection
- Introduce incentives for customers that are up to date with their accounts
- Change from posting to emailing statements
- Regular meetings with relevant stakeholders to address arrear debt



- Ensure implementation of the municipal credit control and debt collection policy

Challenges in data cleansing, write-off and impairments

- Cost associated with data cleansing specifically when sourcing information from third parties
- Customers losing jobs due to Covid-19 and the current economic condition has led to a huge increase on debt impairment provision

3.7.5 Reporting Requirements

The Chief Financial Officer shall report on a monthly basis to the Finance & Budget Portfolio Committee for the month concerned.

3.7.6 Revenue Raising/Enhancement Strategy

Revenue enhancement is a process focused on the holistic improvement of the municipal business model Ray Nkonyeni Municipality has an Investment Raising/Enhancement Strategy reviewed and adopted in 2017, reviewed annually, and has since been. The strategy clearly indicates the mechanisms employed to enhance revenue. To increase or improve the collection rate from debtors is an obvious strategy to improve revenue enhancement but revenue enhancement is more than just that, it also requires other departments to identify possible options which could result in savings or additional revenue. To effectively deal with the current challenges, the municipality must plan and implement effective and integrated revenue enhancement strategies.***(See attachment 23: Revenue Enhancement Strategy)***

3.7.6.1 Sources of Revenue

i. Transfers and Grant Receipts

The municipality has various revenue sources. On the following page are the listed sources.



Table 138: Transfers and Grants

KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		212 513	272 897	248 761	268 672	268 672	265 633	290 321	310 114	316 827
Expanded Public Works Programme Integrated Grant		4 405	3 949	5 558	6 076	6 076	6 076	5 084	–	–
Municipal Drought Relief		–	–	8 100	–	–	–	–	–	–
Local Government Financial Management Grant		2 500	2 000	1 950	1 950	1 950	1 950	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	(0)	(0)	–	–	–	–
Equitable Share		205 608	266 948	233 153	260 646	260 646	257 607	285 237	310 114	316 827
Provincial Government:		13 259	15 774	22 251	15 430	15 557	15 096	15 457	16 137	17 457
Provincialization of Libraries		11 439	11 759	12 017	12 418	12 418	12 418	12 418	12 964	14 142
Community Library Services Grant		1 434	1 644	1 758	2 563	2 563	2 102	2 563	2 676	2 796
Specify (Add grant description)		–	1 327	1 365	(0)	(0)	–	–	–	–
Specify (Add grant description)		–	637	682	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	127	127	–	–	–
Museum Subsidy Grant		386	407	429	449	449	449	476	497	519
Specify (Add grant description)		–	–	6 000	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		1 050	2 630	12 015	–	–	–	–	–	–
European Union		–	2 630	12 015	–	–	–	–	–	–
Transport, Education and Training SETA		1 050	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	226 822	291 301	283 027	284 102	284 229	280 729	305 778	326 251	334 284
Capital Transfers and Grants										
National Government:		94 344	88 509	142 428	139 386	150 386	148 692	190 146	91 688	85 144
Municipal Disaster Relief Grant		–	–	–	–	11 000	11 000	–	–	–
Energy Efficiency and Demand Side Management Grant		8 000	–	4 000	5 000	5 000	5 000	–	–	–
Neighbourhood Development Partnership Grant		–	20 000	31 257	46 000	46 000	46 000	19 000	15 000	5 000
Municipal Infrastructure Grant		70 795	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	64 509	99 131	81 360	81 360	48 816	88 848	76 688	80 144
Integrated National Electrification Programme Grant		9 000	4 000	8 040	7 026	7 026	37 876	–	–	–
Municipal Disaster Recovery Grant		6 549	–	–	–	–	–	82 298	–	–
Provincial Government:		9 787	60 861	56 790	1 000	35 873	39 728	2 000	–	–
Specify (Add grant description)		–	–	–	–	30 000	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	30 000	–	–	–
Specify (Add grant description)		–	–	8 000	–	–	–	–	–	–
Margate Airport		3 000	4 000	–	(0)	4 873	4 873	2 000	–	–
Specify (Add grant description)		0	54 657	45 776	–	–	–	–	–	–
Specify (Add grant description)		6 787	2 204	2 197	–	–	3 854	–	–	–
Specify (Add grant description)		–	–	817	1 000	1 000	1 000	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	104 131	149 370	199 218	140 386	186 259	188 420	192 146	91 688	85 144
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	330 953	440 671	482 245	424 488	470 488	469 148	497 924	417 939	419 428

Explanatory notes to Table SA18 Grants and subsidies Receipts

1. This table reflects all expected grants receipts from national, provincial and other organization.

2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality



It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions

ii. Property Rates

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 and R50 000 reduction on the market value of a property for residential and vacant land categories respectively, will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents and child headed household in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons whose household income equal 2 state pensions, 4 state pensions and 6 state pensions will receive a rebate of 75%, 50% and 25 % respectively in terms of Rates policy.

In terms of the indigent policy, indigents are exempt from paying rates if the value of the property is less than R320 000.00.



Table 139: Service Tarriffs by Category

KZN216 Ray Nkonyeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates *(rate in the Rand)*	1								
Residential properties			0.01	0.01	0.01	0.01	0.01	0.01	-
Residential properties - vacant land			0.02	0.02	0.02	0.02	0.03	0.03	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.00	0.00	0.00	0.00	0.00	0.00	-
Farm properties - not used			-	-	-	-	0.00	0.00	-
Industrial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Business and commercial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Communal land - residential			-	-	-	-	0.00	0.00	-
Communal land - small holdings			-	-	-	-	0.00	0.00	-
Communal land - farm property			-	-	-	-	0.00	0.00	-
Communal land - business and commercial			-	-	-	-	0.00	0.00	-
Communal land - other			0.00	0.00	0.00	0.00	0.00	0.00	-
State-owned properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.00	0.00	0.00	0.00	0.00	0.00	-
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Property rates by usage			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bilou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate									
General residential rebate			85000	85000	85000	85000	85000	85000	0
Indigent rebate or exemption			0	0	0	0	0	0	0
Pensioners/social grants rebate or exemption			0	0	300000	300000	300000	300000	0
Temporary relief rebate or exemption			0	0	0	0	0	0	0
Bona fide farmers rebate or exemption			0	0	0	0	0	0	0
Other rebates or exemptions	2		0	0	0	0	0	0	0
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			0	0	0	0	0	0	0
Service point - vacant land *(Rands/month)*			0	0	0	0	0	0	0
Water usage - flat rate tariff *(c/kl)*			0	0	0	0	0	0	0
Water usage - life line tariff		(describe structure)	0	0	0	0	0	0	0
Water usage - Block 1 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 2 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 3 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 4 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 5 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 6 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			0	0	0	0	0	0	0
Service point - vacant land *(Rands/month)*			0	0	0	0	0	0	0
Waste water - flat rate tariff *(c/kl)*			0	0	0	0	0	0	0
Volumetric charge - Block 1 (c/kl)		(fill in structure)	0	0	0	0	0	0	0
Volumetric charge - Block 2 (c/kl)		(fill in structure)	0	0	0	0	0	0	0
Volumetric charge - Block 3 (c/kl)		(fill in structure)	0	0	0	0	0	0	0
Volumetric charge - Block 4 (c/kl)		(fill in structure)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			0	0	260.68	276.94	299.37	323.62	0
Service point - vacant land *(Rands/month)*			0	0	0	0	0	0	0
FBE		(how is this targeted?)	0	0	0	0	0	0	0
Life-line tariff - meter		(describe structure)	0	0	0	0	0	0	0
Life-line tariff - prepaid		(describe structure)	0	0	0	0	0	0	0
Flat rate tariff - meter *(c/kwh)*			0	0	0	0	0	0	0
Flat rate tariff - prepaid(c/kwh)			0	0	0	0	0	0	0
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	0	0	11889	12631	13654	1476	0
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	0	0	15235	16186	17497	189139	0
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	0	0	20415	21689	23446	253451	0
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	0	0	24375	25896	27994	302615	0
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Waste management tariffs									
Domestic									
Street cleaning charge			0	0	58.9	61.5	64.58	68.13	0
Basic charge/fixed fee			0	0	147.13	153.75	161.44	170.32	0
80l bin - once a week			0	0	0	0	0	0	0
250l bin - once a week			0	0	0	0	0	0	0



3.7.6.2 Investment Policy

There is an adopted Investment Policy which details basis of how investments will be utilized in order to create reserves. Its objectives are aimed at gaining the optimal return of investments, without incurring undue risks, during those periods Revenue enhancement is a process focused on the holistic improvement of the municipal business model cash revenues are not needed for capital or operational purposes. ***(See attachment 24: Investment Policy)***

3.7.7 Revenue Protection (Debt Management)

3.7.7.1 Tariffs

i. Sale of Electricity and Impact of Tariff Increases

Considering the Eskom increases of 15.1%, the consumer tariff had to be increased by 18.4 per cent to offset the additional bulk purchase cost from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.



Table 140: SA13a Service Tariffs by Category

KZN216 Ray Nkonyeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates (rate in the Rand)	1								
Residential properties			0.01	0.01	0.01	0.01	0.01	0.01	-
Residential properties - vacant land			0.02	0.02	0.02	0.02	0.03	0.03	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.00	0.00	0.00	0.00	0.00	0.00	-
Farm properties - not used			-	-	-	-	0.00	0.00	-
Industrial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Business and commercial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Communal land - residential			-	-	-	-	0.00	0.00	-
Communal land - small holdings			-	-	-	-	0.00	0.00	-
Communal land - farm property			-	-	-	-	0.00	0.00	-
Communal land - business and commercial			-	-	-	-	0.00	0.00	-
Communal land - other			0.00	0.00	0.00	0.00	0.00	0.00	-
State-owned properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.00	0.00	0.00	0.00	0.00	0.00	-
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Property rates by usage			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Sitou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshhold rebate									
General residential rebate			85000	85000	85000	85000	85000	85000	0
Indigent rebate or exemption			0	0	0	0	0	0	0
Pensioners/social grants rebate or exemption			0	0	300000	300000	300000	300000	0
Temporary relief rebate or exemption			0	0	0	0	0	0	0
Bona fide farmers rebate or exemption			0	0	0	0	0	0	0
Other rebates or exemptions	2		0	0	0	0	0	0	0
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			0	0	0	0	0	0	0
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
Water usage - flat rate tariff (c/kl)			0	0	0	0	0	0	0
Water usage - life line tariff		(describe structure)	0	0	0	0	0	0	0
Water usage - Block 1 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 2 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0

Explanatory notes to Table SA13a Service Tariffs by category

1. This table reflects the service tariffs by category provided by the municipality.

2. Exemptions, reductions, and rebates. Also provides electricity tariffs.



Table 141: Household Bills

KZN216 Ray Nkonyeni - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		–	–	–	–	–	–		–	–	–
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	–	–	–		–	–	–
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	–	–	–	–	–	–	–
VAT on Services		–	–	–	–	–	–		–	–	–
Total large household bill:		–	–	–	–	–	–	–	–	–	–
% increase/-decrease			–	–	–	–	–		–	–	–
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	–	–	993.20	993.20	993.20	4.8%	1.040.87	1.086.67	1.135.57
Electricity: Basic levy		–	–	–	280.79	280.79	280.79	7.7%	301.77	315.05	329.23
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	138.87	138.87	138.87	4.8%	145.54	151.94	158.78
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	**1.412.86**	**1.412.86**	**1.412.86**	**5.3%**	**1.488.18**	**1.553.66**	**1.623.58**
VAT on Services		–	–	–	–	–	–		–	–	–
Total small household bill:		–	–	–	**1.412.86**	**1.412.86**	**1.412.86**	**5.3%**	**1.488.18**	**1.553.66**	**1.623.58**
% increase/-decrease			–	–	–	–	–		**5.3%**	**4.4%**	**4.5%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–		–	–	–
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	–	–	–		–	–	–
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	–	–	–	–	–	–	–
VAT on Services		–	–	–	–	–	–		–	–	–
Total small household bill:		–	–	–	–	–	–	–	–	–	–
% increase/-decrease			–	–	–	–	–		–	–	–

ii. Waste Removal and Impact of Tariff Increases

The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Currently solid waste removal is operating at a surplus.

iii. Other Tariff of Charges

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 5.3 per cent in line with circular 122 and tariff of charges is attached as annexure.

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.



- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services, AND
- Budget Circular 108

3.7.7.2 Consumer Care, Credit Control and Debt Collection Policy

The aim of the policy is to provide a framework within which the municipality can exercise its executive legislative authority with regards to credit control and debt collection, In terms of write off bad debt, there is a provision that may be made in relation to service charges and other incidental charges, Collection of rates is done to fulfil certain responsibilities for rate payers to access municipal services. A detailed report is submitted to the portfolio Committee on a monthly basis giving analysis of the debt book, collections as well as incentives and impact of such processes. Over the past years the municipality experienced poor debt recovery but has since had corrective measures in place. ***(See attachment 25: Debt Collection Policy)***

3.7.7.3 Debtors' Age Analysis

Below is a table detailing RNM's Debtors Age Analysis:

Table 142: Debtors Age Analysis

CONTROL_DESCRIPTION	202304 (Current)	202303 (30 Days)	202302 (60 Days)	202301 (90 Days)	202212 (120 Days)	202211 (150 Days)	202210 (180 Days)	202209-202205 (21	202204+ (Over 1 Ye	Total
Property Rates: Business and Commercial: Monthly Billing	R 9 144 991.34	R 3 777 666.78	R 2 404 911.16	R 2 172 046.08	R 1 962 417.49	R 1 788 254.69	R 1 771 001.09	R 6 368 639.65	R 41 613 394.55	R 71 003 322.83
Property Rates: Business and Commercial: Prior Period Corrections and Adjustments	R 2 206.46	R 2 206.46	R 2 206.46	R 2 206.46	R 2 206.46	R 2 206.46	R 2 206.46	R 11 032.30	R 414 404.14	R 440 881.66
Property Rates: Communal Land: Residential: Monthly Billing	R 13 232.20	R 13 163.31	R 13 094.47	R 13 025.61	R 12 956.73	R 12 884.29	R 13 197.63	R 53 540.96	R 771 765.03	R 916 860.23
Property Rates: Farm Properties: Other Purpose than Above: Monthly Billing	R 27 548.35	R 14 034.30	R 14 031.77	R 11 499.70	R 10 523.46	R 10 472.38	R 16 270.95	R 107 446.42	R 537 823.63	R 749 650.96
Property Rates: Industrial Properties: Monthly Billing	R 1 265 907.83	R 608 814.04	R 359 356.08	R 304 286.97	R 245 838.67	R 220 630.73	R 247 577.65	R 815 286.03	R 3 551 555.94	R 7 619 253.94
Property Rates: Municipal Properties: Monthly Billing	R 29 400.64	R 29 400.64	R 29 400.64	R 29 400.64	R 29 400.64	R 29 401.55	R 29 366.12	R 146 906.53	R 4 873 447.79	R 5 226 125.19
Property Rates: Public Benefit Organisations: Monthly Billing	R 11 746.40	R 34.00	R 34.00	R 34.00	R 34.00	R 102.76	R 228.48	R 2 690.67	R 832.65	R 15 736.96
Property Rates: Public Service Infrastructure: Monthly Billing	R 6 856.27	R 6 805.74	R 6 805.74	R 6 805.74	R 6 805.74	R 6 790.37	R 8 430.06	R 48 848.05	R 873 059.36	R 971 207.07
Property Rates: Residential Properties: Developed: Monthly Billing	R 30 968 249.89	R 14 037 375.02	R 9 257 594.66	R 7 963 317.32	R 7 090 636.79	R 6 577 487.71	R 6 385 463.99	R 22 174 800.41	R 139 760 100.89	R 244 215 026.68
Property Rates: Residential Properties: Developed: Interest Charge	R -	R -	R -	R -	R -	R 4 459.09	R -	R -	R 5 096.09	R 9 555.18
Property Rates: Residential Properties: Developed: Debt Write-offs	R -	R -	R -	R -	R -	R -	R -	R 159.54	R -	R 159.54
Property Rates: Residential Properties: Vacant Land: Monthly Billing	R 3 674 114.19	R 2 538 953.67	R 2 198 506.39	R 1 917 019.82	R 1 874 892.93	R 1 690 308.45	R 1 726 102.56	R 6 653 422.73	R 56 856 876.77	R 79 130 197.51
Property Rates: Small Holdings: Residential Purposes: Monthly Billing	R 259.79	R 259.79	R 259.79	R 259.79	R 259.79	R 259.79	R 259.79	R 1 298.95	R 42 425.24	R 45 542.72
Property Rates: State-owned Properties: National Government: Monthly Billing	R 108 308.12	R 108 242.25	R 108 176.38	R 109 198.48	R 109 132.61	R 105 196.61	R 1 182 722.90	R 13 877 512.60	R 7 124 600.72	R 22 833 090.67
Property Rates: Mining Properties: Monthly Billing	R 19 515.75	R -	R -	R -	R -	R -	R -	R -	R -	R 19 515.75
Property Rates: Agricultural Properties: Monthly Billing	R 293 233.67	R 163 231.71	R 136 608.23	R 123 717.00	R 118 893.76	R 114 087.49	R 134 005.49	R 767 031.31	R 4 744 750.83	R 6 595 559.49
Property Rates: Multiple Purposes: Monthly Billing	R 349 602.98	R 193 526.75	R 119 844.73	R 106 801.91	R 105 972.50	R 105 179.93	R 101 548.74	R 189 120.09	R 1 617 216.59	R 2 888 814.22
Electricity: Monthly Billing	R 15 663 994.79	R 5 715 889.62	R 2 190 275.05	R 1 212 018.55	R 1 041 467.19	R 1 027 715.12	R 1 224 798.56	R 3 301 753.07	R 13 525 329.91	R 44 903 241.86
Merchandising Jobbing and Contracts: Monthly Billing: Consumers	R 541.34	R 541.34	R 541.34	R 543.53	R 545.68	R 537.53	R 1 535.70	R 11 622.66	R 710 596.29	R 727 005.41
Merchandising Jobbing and Contracts: Interest Charge: Consumers	R -	R -	R -	R -	R -	R -	R -	R -	R 18 450.95	R 18 450.95
Property Rental Debtors: Monthly Billing: Consumers	R 144 122.70	R 70 562.18	R 37 070.61	R 35 248.37	R 33 568.81	R 42 118.60	R 105 841.85	R 409 252.04	R 1 987 556.29	R 2 865 341.45
Service Charges: Monthly Billing: Consumers	R 12 234.42	R 1 069 042.95	R 106 302.06	R 172 559.55	R 111 169.98	R 2 432.88	R 102 709.15	R 672 554.02	R 21 816 587.76	R 24 065 592.77
Waste Management: Monthly Billing	R 6 616 595.65	R 3 504 111.52	R 2 499 413.87	R 2 192 544.13	R 1 967 731.21	R 1 821 484.17	R 1 697 531.48	R 7 775 795.16	R 49 957 579.82	R 78 032 787.01
Waste Management: Interest Charge	R -	R -	R -	R -	R -	R 2 662.80	R -	R -	R -	R 2 662.80
Waste Management: Debt Write-off	R -	R -	R -	R -	R -	R -	R -	R 712.82	R -	R 712.82
Waste Water Management: Monthly Billing	R -	R -	R -	R -	R -	R -	R -	R -	R 15 297.15	R 15 297.15
Water: Monthly Billing	R 40 340.97	R 36 190.25	R 35 819.66	R 36 124.42	R 34 803.79	R 38 568.93	R 34 337.22	R 169 210.25	R 541 746.94	R 967 142.43
Water and Sanitation Service Authority: Prior Period Corrections and Adjustments	R -	R -	R -	R -	R -	R -	R -	R -	R 222.51	R 222.51
Market Agency: Monthly Billing: Consumers	R 380 916.72	R 171 371.30	R 111 535.90	R 91 441.45	R 80 645.40	R 72 155.63	R 65 323.19	R 218 847.84	R 1 478 659.77	R 2 670 897.20
Abeyance: Debt Write-off	-R 400.65	R -	R -	R -	R -	R -	R -	R -	R 89 977.32	R 89 576.67
Advance Payments: Consumers	-R 5 627 522.49	-R 3 719 350.77	R 2 071 439.75	R 1 619 743.79	-R 1 286 402.19	-R 1 212 221.56	-R 924 113.82	R 4 224 276.94	-R 8 787 623.35	-R 29 472 694.66
TOTAL	R 63 145 997.33	R 28 342 072.85	R 17 560 349.24	R 14 880 355.73	R 13 553 501.44	R 12 463 176.40	R 13 926 345.24	R 59 553 207.16	R 344 141 731.58	R 567 566 736.97

3.7.8 Financial Management

3.7.8.1 Supply Chain Management

The Supply Chain Management Policy was adopted in 2022 and was reviewed in May 2023. Projects appearing in the SDBIP are aligned to the procurement plan of the municipality. In terms of tender delays, the SCM does not experience that simply because there is a joint sitting which consists of BSC, BEC and the BAC with the aim of ironing out any possible issues that may hinder progress. It must be noted that the municipality has not faced any deviations in the last current financial year.

The procurement plan is informed by an adopted budget, and its processes will be approved on 31 August 2023. **(See attachment 26: SCM Policy)** SCM does make provision for the disabled to qualify for tenders. SCM has a database of companies belonging to people living with disabilities. When a tender is advertised, these companies are then notified to come and apply for the available tenders, more especially the deaf and the blind. SCM has a dedicated official who explains the processes to them. When it comes to scoring, there is a special criteria for



point allocation that is dedicated to them. Within the Budget and Treasury Department, there is an indication of skills shortages, however, this has been addressed by outsourcing interns.

Consultants' costs are paid according to the tariffs per contract of the awarded tender, hourly tender. MOAs are signed between financial consultants and the municipality with needs analysis which indicate shortage of capacity.

To assess primary objectives of service delivery, these are discussed both at BSC level and at top management level

3.7.9 Assets and infrastructure

The municipality has a clear record of assets as well as a policy for implementation and maintenance, acquisitions, disposals and depreciation.

On the following page is the Asset Management Table:



Table 143: Table A9 - Asset Management

KZN216 Ray Nkonyeni - Table A9 Asset Management

Description	Ref	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
CAPITAL EXPENDITURE										
Total New Assets	1	123 500	122 485	143 726	111 812	114 522	114 522	86 473	82 097	82 338
Roads Infrastructure		51 270	33 292	74 206	44 417	43 475	43 475	38 900	45 549	49 759
Storm water Infrastructure		15 882	3 470	4 422	2 609	4 609	4 609	3 000	3 500	4 000
Electrical Infrastructure		10 893	(9 322)	1 988	12 435	12 719	12 719	8 452	1 500	2 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		78 045	27 441	80 616	59 461	61 303	61 303	50 352	50 549	55 759
Community Facilities		59 222	7 742	2 590	10 870	17 651	17 651	7 700	2 200	3 500
Sport and Recreation Facilities		4 314	3 580	2 954	3 913	3 913	3 913	10 000	3 200	1 000
Community Assets		63 536	11 321	5 544	14 783	21 564	21 564	17 700	5 400	4 500
Heritage Assets		–	150	160	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 325	17 087	15 833	8 261	4 261	4 261	9 000	16 500	12 000
Housing		0	–	–	–	–	–	–	–	–
Other Assets		2 325	17 087	15 833	8 261	4 261	4 261	9 000	16 500	12 000
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	909	2 190	840	840	840	881	923
Intangible Assets		–	–	909	2 190	840	840	840	881	923
Computer Equipment		(40 048)	10 018	15 720	5 298	6 194	6 194	5 990	6 226	6 514
Furniture and Office Equipment		(2 889)	1 630	1 629	1 749	2 469	2 469	531	399	418
Machinery and Equipment		(13 613)	1 098	4 641	2 120	2 941	2 941	2 060	2 141	2 223
Transport Assets		36 144	51 340	18 674	17 950	14 950	14 950	–	–	–
Land		–	2 400	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	20 901	12 255	10 612	27 547	45 204	45 204	45 659	43 079	23 669
Roads Infrastructure		29 679	6 748	1 958	15 043	26 109	26 109	17 500	13 579	19 119
Storm water Infrastructure		–	–	–	–	7 043	7 043	–	–	–
Electrical Infrastructure		305	635	587	2 913	2 661	2 661	15 500	10 500	3 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		(9 083)	–	5 138	8 696	8 696	8 696	4 000	10 000	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		(0)	(165)	–	–	500	500	500	500	550
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		20 901	7 219	7 683	26 652	45 009	45 009	37 500	34 579	22 669
Community Facilities		–	5 036	2 120	896	196	196	7 659	8 500	1 000
Sport and Recreation Facilities		–	–	808	–	–	–	500	–	–
Community Assets		–	5 036	2 928	896	196	196	8 159	8 500	1 000
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-



Total Upgrading of Existing Assets	6	**19 088**	**30 149**	**56 485**	**41 380**	**71 029**	**71 029**	**22 761**	**4 043**	**5 348**
Roads Infrastructure		3 049	–	17 115	24 702	22 302	22 302	14 522	2 043	348
Storm water Infrastructure		0	0	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	2 354	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***4 104***	***0***	***19 470***	***24 702***	***22 302***	***22 302***	***14 522***	***2 043***	***348***
Community Facilities		5 806	14 475	29 542	16 156	48 727	48 727	6 739	2 000	3 000
Sport and Recreation Facilities		9 085	15 552	–	522	–	–	1 000	–	2 000
Community Assets		***14 891***	***30 027***	***29 542***	***16 678***	***48 727***	***48 727***	***7 739***	***2 000***	***5 000***
Heritage Assets		**94**	**37**	**(26)**	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	85	–	–	–	–	500	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	***85***	–	–	–	–	***500***	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	**7 500**	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**163 490**	**164 889**	**210 823**	**180 739**	**230 756**	**230 756**	**154 893**	**129 220**	**111 354**
Roads Infrastructure		83 999	40 041	93 279	84 163	91 886	91 886	70 922	61 172	69 226
Storm water Infrastructure		15 882	3 470	4 422	2 609	11 652	11 652	3 000	3 500	4 000
Electrical Infrastructure		11 198	(8 687)	2 576	15 348	15 380	15 380	23 952	12 000	5 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		(9 063)	–	7 492	8 696	8 696	8 696	4 000	10 000	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	(165)	–	–	500	500	500	500	550
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		***103 050***	***34 659***	***107 770***	***110 815***	***128 614***	***128 614***	***102 374***	***87 172***	***78 776***
Community Facilities		65 028	27 253	34 251	27 921	66 574	66 574	22 098	12 700	7 500
Sport and Recreation Facilities		13 399	19 132	3 763	4 435	3 913	3 913	11 500	3 200	3 000
Community Assets		***78 427***	***46 385***	***38 014***	***32 356***	***70 487***	***70 487***	***33 598***	***15 900***	***10 500***
Heritage Assets		**94**	**186**	**134**	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 325	17 172	15 833	8 261	4 261	4 261	9 500	16 500	12 000
Housing		0	–	–	–	–	–	–	–	–
Other Assets		***2 325***	***17 172***	***15 833***	***8 261***	***4 261***	***4 261***	***9 500***	***16 500***	***12 000***
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	909	2 190	840	840	840	881	923
Intangible Assets		–	–	***909***	***2 190***	***840***	***840***	***840***	***881***	***923***
Computer Equipment		**(40 048)**	**10 018**	**23 220**	**5 298**	**6 194**	**6 194**	**5 990**	**6 226**	**6 514**
Furniture and Office Equipment		**(2 889)**	**1 630**	**1 629**	**1 749**	**2 469**	**2 469**	**531**	**399**	**418**
Machinery and Equipment		**(13 613)**	**1 098**	**4 641**	**2 120**	**2 941**	**2 941**	**2 060**	**2 141**	**2 223**
Transport Assets		**36 144**	**51 340**	**18 674**	**17 950**	**14 950**	**14 950**	–	–	–
Land		–	**2 400**	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**163 490**	**164 889**	**210 823**	**180 739**	**230 756**	**230 756**	**154 893**	**129 220**	**111 354**



ASSET REGISTER SUMMARY - PPE (WDV)	5	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699	1 938 095	1 875 818	1 705 456
Roads Infrastructure		700 037	679 840	745 646	718 265	795 464	795 464	699 566	646 045	585 259
Storm water Infrastructure		49 074	55 566	59 988	58 175	71 640	71 640	57 468	54 825	52 057
Electrical Infrastructure		86 485	88 366	90 942	103 714	106 322	106 322	108 854	114 567	83 178
Water Supply Infrastructure		346	346	346	346	346	346	346	346	346
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		15 408	15 408	22 900	24 103	31 596	31 596	22 490	27 864	9 020
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	5 763	5 763	1 854	9 763	9 763	9 563	13 525	16 699
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		*852 404*	*845 289*	*925 585*	*906 457*	*1 015 632*	*1 015 632*	*898 287*	*857 171*	*746 559*
Community Assets		598 736	562 798	539 918	592 873	535 282	535 282	524 282	510 992	460 779
Heritage Assets		1 820	2 071	2 205	2 071	2 205	2 205	2 205	2 205	2 205
Investment properties		200 147	290 226	307 811	205 741	307 811	307 811	307 811	307 811	307 811
Other Assets		1 077	18 077	31 396	19 588	32 565	32 565	32 759	33 591	34 391
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		370	416	857	2 436	1 697	1 697	1 697	2 578	3 501
Computer Equipment		4 499	4 443	8 649	6 883	9 338	9 338	9 127	9 571	9 781
Furniture and Office Equipment		4 497	5 156	5 615	5 128	6 379	6 379	4 459	3 089	1 504
Machinery and Equipment		2 337	2 681	5 871	3 719	7 812	7 812	6 881	7 921	8 191
Transport Assets		38 736	52 054	60 624	61 627	66 770	66 770	51 379	41 681	31 527
Land		72 185	99 208	99 208	72 185	99 208	99 208	99 208	99 208	99 208
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699	1 938 095	1 875 818	1 705 456
EXPENDITURE OTHER ITEMS		138 980	138 498	132 835	153 615	160 076	160 076	296 476	221 441	231 848
Depreciation	7	92 517	94 351	88 490	99 500	99 500	99 500	102 525	109 384	114 526
Repairs and Maintenance by Asset Class	3	46 463	44 148	44 345	54 115	60 576	60 576	193 951	112 056	117 323
Roads Infrastructure		30 130	25 258	22 754	23 817	29 817	29 817	162 030	83 658	87 590
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 644	1 927	3 282	3 357	6 257	6 257	11 425	11 985	12 548
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	2 319	2 433	2 547
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*32 774*	*27 185*	*26 036*	*27 174*	*36 074*	*36 074*	*175 774*	*98 076*	*102 685*
Community Facilities		211	485	617	985	1 111	1 111	500	525	549
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*211*	*485*	*617*	*985*	*1 111*	*1 111*	*500*	*525*	*549*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 176	5 627	5 092	10 140	6 732	6 732	5 300	5 560	5 821
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2 176*	*5 627*	*5 092*	*10 140*	*6 732*	*6 732*	*5 300*	*5 560*	*5 821*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		2	166	28	300	150	150	150	315	329
Machinery and Equipment		1 397	1 625	1 911	2 548	2 398	2 398	1 598	1 676	1 755
Transport Assets		9 903	9 059	10 661	12 969	14 111	14 111	10 630	5 906	6 183
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		138 980	138 498	132 835	153 615	160 076	160 076	296 476	221 441	231 848
Renewal and upgrading of Existing Assets as % of total capex		*24.5%*	*25.7%*	*31.8%*	*38.1%*	*50.4%*	*50.4%*	*44.2%*	*36.5%*	*26.1%*
Renewal and upgrading of Existing Assets as % of depreciation		*43.2%*	*44.9%*	*75.8%*	*69.3%*	*116.8%*	*116.8%*	*66.7%*	*43.1%*	*25.3%*
R&M as a % of PPE		*2.6%*	*2.3%*	*2.2%*	*2.9%*	*2.9%*	*2.9%*	*10.0%*	*6.0%*	*6.9%*
Renewal and upgrading and R&M as a % of PPE		*4.9%*	*4.6%*	*5.6%*	*6.6%*	*8.5%*	*8.5%*	*13.6%*	*8.5%*	*8.6%*

Explanatory notes to Table A9 - Asset Management

1 Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2 National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However, since there is a lack of infrastructure in the municipality. Major part of funds is injected to new capital projects, it does not meet this recommendation and funds are directed to new and existing capital asset and while 15.4% to repairs and maintenance.

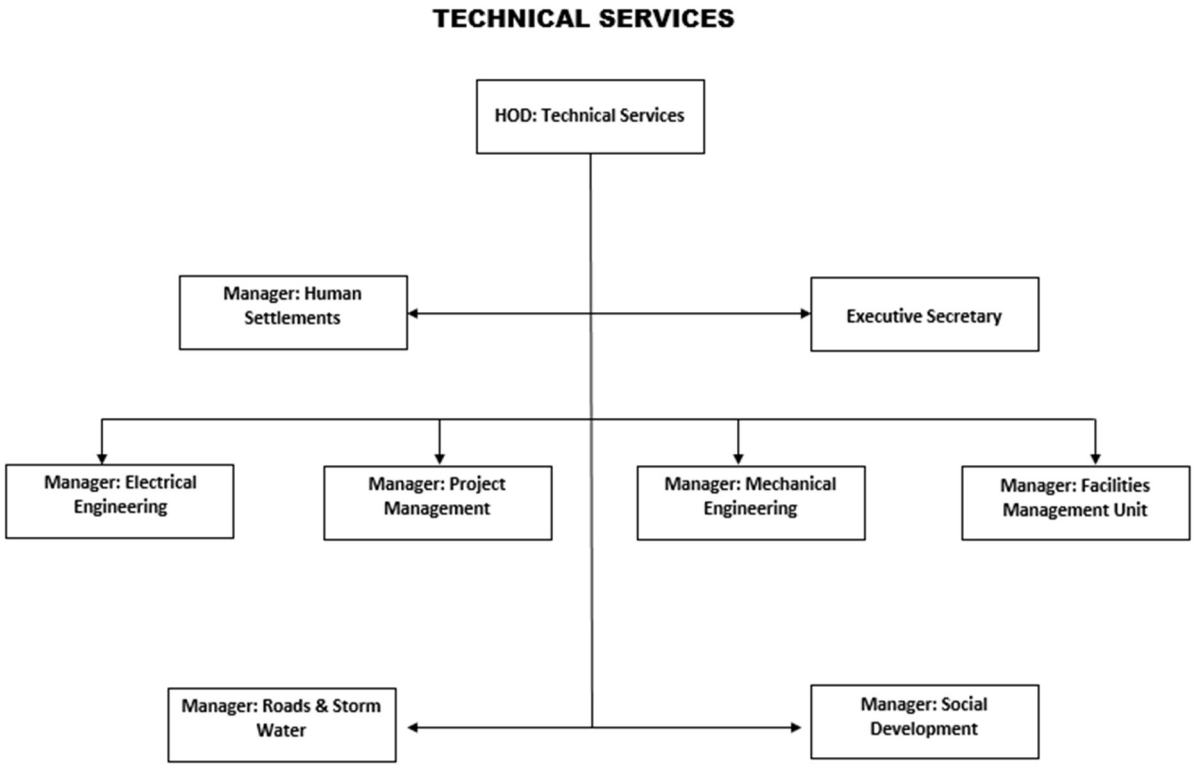
3.7.10 Repairs and Maintenance

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure and historic deferred maintenance especially roads. The municipality has an infrastructure maintenance plan to ensure that assets are in good condition.

Repairs and maintenance comprise of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes. Budgeted Repairs budgeted amount for 2024 amounts to R194 million which translates to 15.4% of the operating budget and 12% against Carry Value of PPE using the latest audited Annual Financial Statements.

3.7.11 Technical Management Organogram

Illustration 24: Technical Management Organogram





3.7.12 Financial Viability/Sustainability

Table 144: Financial Ratios

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.8%	2.9%	5.0%	3.5%	3.5%	3.5%	3.5%	2.3%	3.2%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.0%	2.7%	5.1%	3.5%	3.6%	3.6%	3.6%	2.3%	3.2%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	12.1%	12.7%	12.7%	12.7%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.4	1.8	1.8	1.7	1.8	1.8	1.8	1.9	2.2	21.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.8	1.8	1.7	1.8	1.8	1.8	1.9	2.2	21.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.8	0.7	0.7	0.5	0.5	0.5	0.6	0.6	4.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89.8%	94.3%	95.8%	92.7%	89.8%	89.8%	72.3%	72.5%	72.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		89.0%	85.7%	88.8%	85.0%	85.3%	85.3%	85.3%	93.8%	93.8%	93.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	39.9%	55.1%	65.5%	44.4%	69.2%	69.2%	69.2%	61.2%	66.6%	67.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within `MFMA' s 65(e))										
Creditors to Cash and Investments		9.3%	17.2%	47.1%	157.4%	333.7%	333.7%	333.7%	258.2%	-2263.5%	17.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase	0	0	0	0	0	0	0	0	0	0
	Water treatment works	0	0	0	0	0	0	0	0	0	0
	Natural sources	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kl)	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.7%	40.0%	41.2%	38.1%	40.6%	40.6%	40.6%	38.7%	41.3%	41.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.7%	40.0%	41.2%	40.8%	43.3%	43.3%		41.2%	43.9%	44.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.9%	4.1%	4.1%	4.6%	5.3%	5.3%		15.5%	9.1%	9.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.4%	10.5%	10.5%	9.8%	10.0%	10.0%	10.0%	9.2%	9.9%	10.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	55.7	28.7	32.0	33.1	33.1	33.1	42.3	33.5	31.5	32.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	90.1%	112.8%	146.8%	96.6%	171.1%	171.1%	171.1%	176.1%	188.0%	195.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	25.9	11.4	3.9	1.3	0.7	0.7	0.7	0.5	(0.1)	(0.8)



3.7.13 Loans and Borrowings and Grant Dependency

The municipality currently has a loan with DBSA, the purpose of DBSA loan is to fund electricity infrastructure projects (A budget of R41.4 million has been loaned for a period of four years) – to replace, upgrade and to refurbish existing electricity network infrastructure and equipment.

The electricity infrastructure projects include:

1. Replacement of electricity meters, cables, mini-substations, and inter-switches within the electricity distribution network
2. Replacement of switchgear equipment at the Memorial and Reynolds switching stations
3. Refurbishment of Memorial and Reynolds switching stations
4. Re-instatement of 11kV interconnector between Marburg switching station and Port Shepstone substation.

Table 145: Long Term Loans Register

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 MAY 2023

DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 MAY 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 MAY 2023
				R				R	R
DBSA	9.36%	31-Mar-31	'61007684	-R 3 024 802.24					-R 3 024 802.24
DBSA	12.67%	22-Nov-30	'61007761	-R 8 037 020.62					-R 8 037 020.62
TOTAL DBSA LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86
TOTAL LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86

3.7.13.1 Borrowing Management

The municipality can afford to pay its loans as the liquidity ratios, such as the acid-test ratio, commonly known as the quick ratio, uses an organization's balance sheet data as an indicator of whether it has sufficient short-term assets to cover its short-term liabilities. The acid-test ratio disregards current assets that are difficult to quickly liquidate such as inventory. The acid-test ratio may not give a reliable picture of an organization's financial condition if the municipality has accounts receivable that take longer than usual to collect or current liabilities that are due but have no immediate payment needed. A good ratio is R1 for every R1 owed. The budgeted acid test ratio is R1.71: R1 which shows that the municipality would be able to pay it short term liabilities with its easily liquidated short term assets.

3.7.13.2 Grant Dependency Calculation

Table 146: Grant Dependancy Calculation



Grant Dependency							
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	None		38%	2023/24 Projected 3	
				Internally generated funds	37 920 792		
				Borrowings	21 452 000		
				Total Capital Expenditure	154 892 800		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	None		24%	2023/24 Projected 3	
				Internally generated funds	37 920 792		
				Total Capital Expenditure	154 892 800		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	None		69%	2023/24 Projected 3	
				Total Revenue	1 360 955 503		
				Government grant and subsidies	499 874 004		
				Public contributions and Donations			
				Capital Grants	109 848 000		



Table 147: Loans and Borrowings

KZN216 Ray Nkonyeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	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										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		–	29 430	38 993	–	–	–			
PPP liabilities		–	–	–	–	–	–			
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–			
Marketable Bonds		–	–	–	–	–	–			
Non-Marketable Bonds		–	–	–	–	–	–			
Bankers Acceptances		4 791	112	3 109	15 679	10 808	10 808	9 726	29 759	15 151
Financial derivatives		–	–	–	–	–	–			
Other Securities										
Municipality sub-total	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		–	29 430	38 993	–	–	–			
PPP liabilities		–	–	–	–	–	–			
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–			
Marketable Bonds		–	–	–	–	–	–			
Non-Marketable Bonds		–	–	–	–	–	–			
Bankers Acceptances		4 791	112	3 109	15 679	10 808	10 808	9 726	29 759	15 151
Financial derivatives		–	–	–	–	–	–			
Other Securities		–	–	–	–	–	–			
Municipality sub-total	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151



3.7.14 Auditor General's Opinion

- For AG opinion, refer to *Audit Report* ***(See attachment 19: Audit Report)***
- For AG Corrective Action Plan ***(See attachment 27: Corrective Action Plan)***

The municipality made available an action plan to ensure a clean audit, as means to avert obtaining an unqualified audit.

For effective service delivery,the municipality further puts up an additional plan called operation bounce back for reconciliation to monitor performance per department on monthly basis. The plan has a timeframe which includes details of the issue which needs to be addressed, the person responsible for that corrective action and progress status. It must be noted that this plan is not for G findings, but set up to ensure departments are on track with major issues that need immediate attention.

3.7.15 Part 2 Main Budget Tables

Total operating revenue is R 1,174 billion and increase by R 49 million over the 2023/24 MTREF.

Total operating expenditure excluding capital expenditure for the 2023/24 budget will be R 1,172 billion and overall budgeted performance is showing a surplus of R 3.043 million. The budget performance also includes non-cash item for depreciation and asset impairment to the value of R 101.6 million.

Capital expenditure for the year as per the budget amounts to R 184 million. This budget is funded through transfer's recognized capital, internal funds, and borrowings.

3.7.15.1 Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.



Table 148: Table A1 - Budgeted Summary

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	428 308	447 331	464 477	498 623	492 118	492 118	492 118	509 406	534 367	559 482
Service charges	187 077	195 945	214 942	253 618	236 691	236 691	236 691	245 147	257 160	269 246
Investment revenue	4 670	3 513	5 182	5 397	7 067	7 067	7 067	8 511	8 928	9 348
Transfer and subsidies - Operational	267 372	288 551	256 804	285 102	285 279	285 279	285 279	390 026	328 201	336 372
Other own revenue	56 072	135 993	141 612	131 888	118 573	118 573	118 573	98 017	102 711	107 435
Total Revenue (excluding capital transfers and contributions)	943 500	1 071 334	1 083 016	1 174 628	1 139 727	1 139 727	1 139 727	1 251 108	1 231 367	1 281 883
Employee costs	393 829	428 524	446 000	447 279	462 586	462 586	462 586	483 929	508 461	532 774
Remuneration of councillors	29 909	28 366	26 249	31 434	31 434	31 434	31 434	31 164	32 691	34 228
Depreciation and amortisation	92 725	100 268	93 859	101 619	101 619	101 619	101 619	104 756	111 725	116 976
Interest	5 606	12 479	19 931	12 922	12 902	12 902	12 902	9 958	10 446	10 937
Inventory consumed and bulk purchases	107 647	120 110	136 545	149 809	150 151	150 151	150 151	168 819	178 729	187 417
Transfers and subsidies	8 486	6 635	9 890	13 178	13 078	13 078	13 078	13 838	15 617	16 351
Other expenditure	395 205	306 878	392 589	415 344	398 928	398 928	398 928	440 726	374 039	377 649
Total Expenditure	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Surplus/(Deficit)	(89 908)	68 073	(42 047)	3 043	(30 971)	(30 971)	(30 971)	(2 083)	(341)	5 551
Transfers and subsidies - capital (monetary allocations)	81 858	92 244	158 945	132 360	193 287	193 287	193 287	109 848	91 688	85 144
Transfers and subsidies - capital (in-kind)	15 628	2 339	6 597	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	7 578	162 656	123 494	135 403	162 316	162 316	162 316	107 765	91 347	90 695
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	7 578	162 656	123 494	135 403	162 316	162 316	162 316	107 765	91 347	90 695
Capital expenditure & funds sources										
Capital expenditure	163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Transfers recognised - capital	158 739	83 793	138 668	115 052	168 076	168 076	168 076	95 520	89 729	74 038
Borrowing	–	–	1 867	7 166	7 976	7 976	7 976	21 452	–	–
Internally generated funds	(18 576)	14 517	33 256	58 521	54 704	54 704	54 704	37 921	39 491	37 316
Total sources of capital funds	140 163	98 310	173 791	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Financial position										
Total current assets	350 576	534 358	630 556	553 761	672 729	672 729	672 729	648 973	705 754	701 554
Total non current assets	1 776 808	1 882 418	1 987 740	1 878 708	2 116 876	2 116 876	2 116 876	2 037 876	2 055 171	1 999 990
Total current liabilities	255 999	290 521	345 489	321 834	370 177	370 177	370 177	339 329	322 058	32 136
Total non current liabilities	141 716	168 642	191 699	150 842	176 331	176 331	176 331	158 975	158 975	191 699
Community wealth/Equity	1 722 090	1 906 948	2 087 905	1 959 793	2 243 097	2 243 097	2 243 097	2 188 546	2 279 892	2 477 709
Cash flows										
Net cash from (used) operating	1 404 340	873 995	362 920	154 964	176 314	176 314	176 314	99 558	91 682	77 276
Net cash from (used) investing	(82 943)	(114 488)	(185 208)	(179 130)	(237 264)	(237 264)	(237 264)	(168 358)	(113 160)	(107 625)
Net cash from (used) financing	(13 246)	(16 932)	(35 816)	(17 810)	(17 810)	(17 810)	(17 810)	(18 414)	(28 456)	(29 794)
Cash/cash equivalents at the year end	1 391 964	742 574	284 709	101 096	52 831	52 831	52 831	44 377	(5 557)	(65 700)
Cash backing/surplus reconciliation										
Cash and investments available	101 204	142 813	131 591	115 523	67 025	67 025	67 025	44 377	(5 557)	(109 777)
Application of cash and investments	(138 570)	(304 849)	(463 686)	(156 897)	(350 756)	(350 756)	(350 756)	(410 565)	(449 185)	(710 913)
Balance - surplus (shortfall)	239 774	447 662	595 276	272 420	417 781	417 781	417 781	454 942	443 628	601 136
Asset management										
Asset register summary (WDV)	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699		1 938 095	1 875 818	1 705 456
Depreciation	92 517	94 351	88 490	99 500	99 500	99 500		102 525	109 384	114 526
Renewal and Upgrading of Existing Assets	39 990	42 404	67 097	68 927	116 234	116 234		68 420	47 122	29 017
Repairs and Maintenance	46 463	44 148	44 345	54 115	60 576	60 576		193 951	112 056	117 323
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	76 884	68 637	70 037	86 224	76 729	76 729		81 096	85 069	89 068
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (financial performance, capital expenditure and funding sources, financial position, cash flow, MFMA funding compliance and asset management).

- 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.



Table 149: Table A2 - Budgeted Financial Performance

KZN216 Ray Nkonyeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Revenue - Functional										
Governance and administration		685 361	762 315	751 083	791 303	792 237	792 237	840 943	892 954	927 107
Executive and council		205 945	267 278	234 071	260 646	260 646	260 646	285 237	310 114	316 827
Finance and administration		479 416	495 036	517 012	530 657	531 591	531 591	555 706	582 840	610 280
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		48 373	72 145	65 195	72 795	43 988	43 988	19 203	19 958	21 353
Community and social services		13 855	14 724	16 338	15 739	15 939	15 939	16 243	16 962	18 320
Sport and recreation		44	42	63	48	48	48	34	35	37
Public safety		481	418	86	176	176	176	150	158	165
Housing		33 993	56 961	48 708	56 832	27 824	27 824	2 775	2 803	2 831
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		102 428	116 717	200 259	168 251	240 071	240 071	242 674	144 692	140 639
Planning and development		7 627	87 076	156 851	132 124	174 508	174 508	113 160	95 162	88 781
Road transport		94 454	29 206	42 998	35 735	65 145	65 145	129 172	49 171	51 482
Environmental protection		347	435	411	392	418	418	342	359	376
Trading services		200 544	206 813	230 855	270 411	255 835	255 835	257 557	264 844	277 292
Energy sources		143 403	142 122	162 773	189 193	177 279	177 279	183 943	192 956	202 025
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		57 141	64 691	68 081	81 218	78 556	78 556	73 613	71 887	75 266
Other	4	4 279	7 928	1 166	4 228	883	883	579	607	636
Total Revenue - Functional	2	1 040 986	1 165 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 956	1 323 055	1 367 027
Expenditure - Functional										
Governance and administration		570 193	367 857	442 651	456 093	466 858	466 858	378 091	383 539	398 234
Executive and council		146 481	119 933	41 241	44 701	50 859	50 859	62 817	65 895	68 992
Finance and administration		392 220	223 641	369 223	375 353	376 105	376 105	270 751	275 849	285 483
Internal audit		31 492	24 282	32 187	36 039	39 894	39 894	44 523	41 795	43 759
Community and public safety		132 771	138 323	150 781	160 167	130 054	130 054	137 737	157 049	168 271
Community and social services		28 424	30 674	34 743	38 966	37 821	37 821	61 441	64 708	68 316
Sport and recreation		5 243	4 714	5 037	5 424	5 206	5 206	5 274	5 532	5 792
Public safety		48 237	35 193	50 559	49 505	48 140	48 140	52 947	67 958	74 530
Housing		50 866	67 742	60 442	66 272	38 888	38 888	18 075	18 852	19 634
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		27 732	192 766	210 874	210 333	219 055	219 055	356 280	288 280	301 873
Planning and development		32 878	36 003	43 238	50 101	42 323	42 323	45 114	46 328	48 505
Road transport		(22 205)	140 304	142 373	132 540	149 649	149 649	285 539	215 055	225 163
Environmental protection		17 059	16 458	25 264	27 693	27 083	27 083	25 627	26 897	28 205
Trading services		299 783	301 868	317 742	338 477	348 045	348 045	375 233	396 703	401 528
Energy sources		128 314	131 308	154 214	164 112	168 415	168 415	194 314	203 835	213 415
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		171 469	170 560	163 528	174 365	179 630	179 630	180 920	192 868	188 112
Other	4	2 929	2 447	3 015	6 515	6 685	6 685	5 850	6 137	6 426
Total Expenditure - Functional	3	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Surplus/(Deficit) for the year		7 578	162 656	123 494	135 403	162 316	162 316	107 765	91 347	90 695

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that both Electricity function and Waste management function can finance its services. As both service charges are reflecting a surplus.



- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues, other revenue sources and transfers recognized operational from both National and provincial departments.

Table 150: Table A3 - Budgeted Financial Performance (Revenue and Expenditure by Vote)

KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	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
Revenue by Vote	1									
Vote 1 - Mayor and Council		205 634	267 278	234 071	260 646	260 646	260 646	285 237	310 114	316 827
Vote 2 - Finance and Administration		479 416	495 036	517 012	530 657	531 591	531 591	555 706	582 840	610 280
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		13 855	14 724	16 338	15 739	15 939	15 939	16 098	16 810	18 162
Vote 5 - Sport and Recreation		44	42	63	48	48	48	–	–	–
Vote 6 - Public Safety		10 157	19 295	30 879	24 971	32 081	32 081	33 156	34 781	36 416
Vote 7 - Housing		33 993	56 961	48 708	56 832	27 824	27 824	2 214	2 214	2 214
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		7 938	87 076	156 851	132 124	174 508	174 508	113 160	95 162	88 781
Vote 10 - Road Transport		84 779	10 329	12 204	10 941	33 241	33 241	96 166	14 547	15 231
Vote 11 - Environment Protection		347	435	411	392	418	418	342	359	376
Vote 12 - Energy Sources		143 403	142 122	162 773	189 193	177 279	177 279	183 943	192 956	202 025
Vote 13 - Other		4 279	7 928	1 166	4 228	883	883	579	607	636
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		57 141	64 691	68 081	81 218	78 556	78 556	73 613	71 887	75 266
Total Revenue by Vote	2	1 040 986	1 165 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 216	1 322 279	1 366 214
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Mayor and Council		144 394	115 621	39 390	42 854	49 201	49 201	60 994	63 982	66 990
Vote 2 - Finance and Administration		361 106	188 906	329 346	334 780	329 234	329 234	223 821	239 036	250 317
Vote 3 - Internal Audit		62 606	59 018	72 064	76 612	86 766	86 766	91 453	78 608	78 925
Vote 4 - Community and Social Services		28 783	31 152	35 429	39 877	37 915	37 915	61 691	64 970	68 591
Vote 5 - Sport and Recreation		5 243	4 714	5 037	5 424	5 206	5 206	5 074	5 322	5 572
Vote 6 - Public Safety		(64 601)	91 343	97 698	91 290	99 600	99 600	107 354	125 031	134 285
Vote 7 - Housing		50 866	67 742	60 442	66 272	38 888	38 888	18 075	18 852	19 634
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		34 965	40 315	45 088	51 948	43 981	43 981	46 937	48 240	50 508
Vote 10 - Road Transport		90 274	83 676	94 550	89 844	98 095	98 095	230 882	157 720	165 132
Vote 11 - Environment Protection		17 059	16 458	25 264	27 693	27 083	27 083	25 627	26 897	28 205
Vote 12 - Energy Sources		128 314	131 308	154 214	164 112	168 415	168 415	194 314	203 835	213 415
Vote 13 - Other		2 929	2 447	3 015	6 515	6 685	6 685	5 850	6 137	6 426
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		171 469	170 560	163 528	174 365	179 630	179 630	180 920	192 868	188 112
Total Expenditure by Vote	2	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 252 991	1 231 498	1 276 112
Surplus/(Deficit) for the year	2	7 578	162 656	123 494	135 403	162 316	162 316	107 225	90 781	90 103

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.



Table 151: Table A4 - Budgeted Financial Performance

KZN216 Ray Nkonyeni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	134 602	141 263	157 558	182 857	170 943	170 943	170 943	182 436	191 375	200 370
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	52 475	54 682	57 384	70 761	65 748	65 748	65 748	62 711	65 784	68 876
Sale of Goods and Rendering of Services		5 261	64 424	53 502	68 150	38 303	38 303	38 303	9 571	9 932	10 295
Agency services		3 101	5 400	4 965	4 894	6 044	6 044	6 044	5 371	5 634	5 899
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		4 051	4 825	5 554	3 727	3 727	3 727	3 727	6 982	7 324	7 668
Interest earned from Current and Non Current Assets		4 670	3 513	5 182	5 397	7 067	7 067	7 067	8 511	8 928	9 348
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		5 542	3 785	3 897	2 610	3 710	3 710	3 710	3 498	3 669	3 842
Licence and permits		445	473	269	975	855	855	855	636	667	698
Operational Revenue		1 543	3 006	2 067	1 862	2 228	2 228	2 228	1 106	1 160	1 215
Non-Exchange Revenue											
Property rates	2	428 308	447 331	464 477	498 623	492 118	492 118	492 118	509 406	534 367	559 482
Surcharges and Taxes		–	10	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		8 973	16 546	30 190	22 158	29 658	29 658	29 658	31 062	32 584	34 115
Licences or permits		5 703	5 094	7 870	6 849	9 056	9 056	9 056	9 628	10 099	10 574
Transfer and subsidies - Operational		267 372	288 551	256 804	285 102	285 279	285 279	285 279	390 026	328 201	336 372
Interest		18 928	23 401	25 602	20 662	24 992	24 992	24 992	30 164	31 642	33 129
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		130	–	0	–	–	–	–	–	–	–
Other Gains		2 396	9 029	7 697	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		**943 500**	**1 071 334**	**1 083 016**	**1 174 628**	**1 139 727**	**1 139 727**	**1 139 727**	**1 251 108**	**1 231 367**	**1 281 883**
Expenditure											
Employee related costs	2	393 829	428 524	446 000	447 279	462 586	462 586	462 586	483 929	508 461	532 774
Remuneration of councillors		29 909	28 366	26 249	31 434	31 434	31 434	31 434	31 164	32 691	34 228
Bulk purchases - electricity	2	101 930	108 129	122 720	137 074	137 074	137 074	137 074	158 320	166 078	173 883
Inventory consumed	8	5 716	11 981	13 825	12 735	13 078	13 078	13 078	10 499	12 651	13 534
Debt impairment	3	(118 795)	(28 876)	23 235	–	–	–	–	–	–	–
Depreciation and amortisation		92 725	100 268	93 859	101 619	101 619	101 619	101 619	104 756	111 725	116 976
Interest		5 606	12 479	19 931	12 922	12 902	12 902	12 902	9 958	10 446	10 937
Contracted services		182 898	190 921	213 910	244 881	230 936	230 936	230 936	273 776	191 294	184 026
Transfers and subsidies		8 486	6 635	9 890	13 178	13 078	13 078	13 078	13 838	15 617	16 351
Irrecoverable debts written off		189 051	6 916	11 221	9 984	9 984	9 984	9 984	10 513	11 028	11 547
Operational costs		141 770	135 628	143 732	160 480	158 007	158 007	158 007	156 437	171 717	182 076
Losses on disposal of Assets		281	2 289	491	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**1 033 408**	**1 003 261**	**1 125 063**	**1 171 585**	**1 170 699**	**1 170 699**	**1 170 699**	**1 253 191**	**1 231 708**	**1 276 331**
Surplus/(Deficit)		**(89 908)**	**68 073**	**(42 047)**	**3 043**	**(30 971)**	**(30 971)**	**(30 971)**	**(2 083)**	**(341)**	**5 551**
Transfers and subsidies - capital (monetary	6	81 858	92 244	158 945	132 360	193 287	193 287	193 287	109 848	91 688	85 144
Transfers and subsidies - capital (in-kind)	6	15 628	2 339	6 597	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**7 578**	**162 656**	**123 494**	**135 403**	**162 316**	**162 316**	**162 316**	**107 765**	**91 347**	**90 695**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**7 578**	**162 656**	**123 494**	**135 403**	**162 316**	**162 316**	**162 316**	**107 765**	**91 347**	**90 695**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**7 578**	**162 656**	**123 494**	**135 403**	**162 316**	**162 316**	**162 316**	**107 765**	**91 347**	**90 695**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**7 578**	**162 656**	**123 494**	**135 403**	**162 316**	**162 316**	**162 316**	**107 765**	**91 347**	**90 695**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R1,251 billion and total capital revenue is R 109.8 million in 2023/24
2. Total revenue for 2023/24 financial year is R1.360 billion.
3. Revenue to be generated from property rates is R509.4 million in the 2023/24 financial year therefore remains a main funding source for the municipality.
4. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government amounts to R390.0 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grants dependent since major part of revenue is own funding however we still must ensure that we collect every single cent that is due to us.



Table 152: Table A5 - Budgeted Capital Expenditure by Vote, Standard Classification and Funding Source

KZN216 Ray Nkonyeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Mayor and Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 11 - Environment Protection		–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy Sources		–	–	–	–	–	–	–	–	–	–
Vote 13 - Other		–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote 1 - Mayor and Council		1 093	448	130	–	400	400	400	–	–	–
Vote 2 - Finance and Administration		1 203	59 698	39 405	3 075	6 125	6 125	6 125	3 801	3 987	4 174
Vote 3 - Internal Audit		439	46	115	185	185	185	185	200	210	220
Vote 4 - Community and Social Services		58 394	21 706	5 881	200	–	–	–	–	–	–
Vote 5 - Sport and Recreation		47	960	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		651	296	7 014	5 440	2 675	2 675	2 675	4 340	4 553	4 767
Vote 7 - Housing		8 262	50	115	273	353	353	353	180	189	198
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		21 361	35 461	98 653	99 409	131 567	131 567	131 567	115 220	100 729	89 038
Vote 10 - Road Transport		88 270	45 219	51 752	55 006	68 963	68 963	68 963	7 200	7 553	7 908
Vote 11 - Environment Protection		(6 126)	0	–	–	500	500	500	500	500	550
Vote 12 - Energy Sources		11 497	(8 666)	2 599	15 348	15 380	15 380	15 380	22 952	11 000	4 000
Vote 13 - Other		2 612	6 998	3 108	–	800	800	800	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		(24 213)	2 674	2 052	1 804	3 807	3 807	3 807	500	500	500
Capital single-year expenditure sub-total		163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Total Capital Expenditure - Vote		163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Capital Expenditure - Functional											
Governance and administration		2 893	60 238	39 705	3 280	6 740	6 740	6 740	4 001	4 197	4 394
Executive and council		1 251	494	186	20	430	430	430	–	–	–
Finance and administration		1 641	59 698	39 427	3 075	6 125	6 125	6 125	3 801	3 987	4 174
Internal audit		–	46	92	185	185	185	185	200	210	220
Community and public safety		66 888	22 938	12 521	5 813	2 728	2 728	2 728	4 520	4 741	4 964
Community and social services		58 373	21 706	5 881	200	–	–	–	–	–	–
Sport and recreation		47	960	–	–	–	–	–	–	–	–
Public safety		206	222	6 525	5 340	2 375	2 375	2 375	4 340	4 553	4 767
Housing		8 262	50	115	273	353	353	353	180	189	198
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		103 813	80 708	150 838	154 495	201 301	201 301	201 301	122 920	108 782	97 496
Planning and development		21 203	35 414	98 597	99 389	131 537	131 537	131 537	115 220	100 729	89 038
Road transport		88 736	45 293	52 241	55 106	69 263	69 263	69 263	7 200	7 553	7 908
Environmental protection		(6 126)	0	–	–	500	500	500	500	500	550
Trading services		(12 716)	(5 992)	4 650	17 152	19 188	19 188	19 188	23 452	11 500	4 500
Energy sources		11 497	(8 666)	2 599	15 348	15 380	15 380	15 380	22 952	11 000	4 000
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		(24 213)	2 674	2 052	1 804	3 807	3 807	3 807	500	500	500
Other		2 612	6 998	3 108	–	800	800	800	–	–	–
Total Capital Expenditure - Functional	3	163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Funded by:											
National Government		153 262	48 891	123 164	115 052	131 661	131 661	131 661	93 781	89 729	74 038
Provincial Government		5 477	26 495	4 618	–	36 415	36 415	36 415	1 739	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	8 407	10 885	–	–	–	–	–	–	–
Transfers recognised - capital	4	158 739	83 793	138 668	115 052	168 076	168 076	168 076	95 520	89 729	74 038
Borrowing	6	–	–	1 867	7 166	7 976	7 976	7 976	21 452	–	–
Internally generated funds		(18 576)	14 517	33 256	58 521	54 704	54 704	54 704	37 921	39 491	37 316
Total Capital Funding	7	140 163	98 310	173 791	180 739	230 756	230 756	230 756	154 893	129 220	111 354



Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification,and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
- Single-year capital expenditure has been appropriated at R 154.8million (Excl. VAT) forthe 2023/24 financial year.
- 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 municipality. For funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred againstsingle-year appropriations for the two outer-years.
- The capital programme is funded from capital and provincial grants and transfers and internally generated funds.
- Capital Projects expenditure and funding in Table A5 have been budgeted for excluding VAT.



Table 153: Table A6 - Budgeted Financial Position

KZN216 Ray Nkonyeni - Table A6 Budgeted Financial Position

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS											
Current assets											
Cash and cash equivalents		101 204	142 813	131 591	115 523	67 025	67 025	67 025	44 377	(5 557)	(109 777)
Trade and other receivables from exchange transactions	1	70 614	88 305	94 249	119 541	121 645	121 645	121 645	143 554	195 377	249 637
Receivables from non-exchange transactions	1	145 185	233 845	286 899	247 026	356 307	356 307	356 307	333 984	383 274	434 879
Current portion of non-current receivables		–	143	–	143	–	–	–	–	–	–
Inventory	2	3 142	2 908	7 058	3 301	7 109	7 109	7 109	2 559	(3 798)	(23 546)
VAT		27 680	63 094	107 281	65 305	117 493	117 493	117 493	121 348	133 308	147 211
Other current assets		2 751	3 248	3 477	2 922	3 151	3 151	3 151	3 151	3 151	3 151
Total current assets		350 576	534 358	630 556	553 761	672 729	672 729	672 729	648 973	705 754	701 554
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		200 147	290 226	307 811	205 741	307 811	307 811	307 811	307 811	307 811	307 811
Property, plant and equipment	3	1 574 471	1 589 705	1 676 867	1 668 460	1 805 164	1 805 164	1 805 164	1 726 164	1 742 577	1 686 474
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		1 820	2 071	2 205	2 071	2 205	2 205	2 205	2 205	2 205	2 205
Intangible assets		370	416	857	2 436	1 697	1 697	1 697	1 697	2 578	3 501
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		1 776 808	1 882 418	1 987 740	1 878 708	2 116 876	2 116 876	2 116 876	2 037 876	2 055 171	1 999 990
TOTAL ASSETS		2 127 383	2 416 776	2 618 295	2 432 469	2 789 605	2 789 605	2 789 605	2 686 849	2 760 925	2 701 544
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		8 938	8 621	14 580	1 378	10 798	10 798	10 798	28 891	434	(70 796)
Consumer deposits		30 691	32 039	32 846	33 452	34 258	34 258	34 258	32 846	32 846	32 846
Trade and other payables from exchange transactions	4	129 290	127 667	134 016	159 098	176 278	176 278	176 278	114 595	125 781	(11 625)
Trade and other payables from non-exchange transactions	5	39 579	42 624	49 376	48 336	34 172	34 172	34 172	48 326	48 326	(32 959)
Provision		32 729	34 652	35 473	34 652	35 473	35 473	35 473	35 473	35 473	35 473
VAT		10 093	40 545	74 576	40 545	74 576	74 576	74 576	74 576	74 576	74 576
Other current liabilities		4 678	4 373	4 622	4 373	4 622	4 622	4 622	4 622	4 622	4 622
Total current liabilities		255 999	290 521	345 489	321 834	370 177	370 177	370 177	339 329	322 058	32 136
Non current liabilities											
Financial liabilities	6	29 543	44 534	49 160	26 734	33 792	33 792	33 792	16 435	16 435	49 160
Provision	7	29 453	33 114	41 487	33 114	41 487	41 487	41 487	41 487	41 487	41 487
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		82 721	90 994	101 052	90 994	101 052	101 052	101 052	101 052	101 052	101 052
Total non current liabilities		141 716	168 642	191 699	150 842	176 331	176 331	176 331	158 975	158 975	191 699
TOTAL LIABILITIES		397 715	459 163	537 188	472 676	546 508	546 508	546 508	498 303	481 033	223 835
NET ASSETS		1 729 668	1 957 613	2 081 107	1 959 793	2 243 097	2 243 097	2 243 097	2 188 546	2 279 892	2 477 709
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	1 610 446	1 906 948	2 087 905	1 848 149	2 243 097	2 243 097	2 243 097	2 188 546	2 279 892	2 477 709
Reserves and funds	9	111 644	–	–	111 644	–	–	–	–	–	–
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	1 722 090	1 906 948	2 087 905	1 959 793	2 243 097	2 243 097	2 243 097	2 188 546	2 279 892	2 477 709

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

The statement of financial position shows that the municipality is financially health as assets exceeds liabilities.



Table 154: Table A7 - Budgeted Cash Flow Statement

KZN216 Ray Nkonyeni - Table A7 Budgeted Cash Flows

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		371 333	406 074	437 643	468 731	441 404	441 404	441 404	483 936	507 649	531 508
Service charges		181 072	200 532	212 962	228 256	213 022	213 022	213 022	232 890	244 302	255 784
Other revenue		59 364	63 997	228 121	44 677	47 718	47 718	47 718	26 628	27 932	29 245
Transfers and Subsidies - Operational	1	283 702	386 761	314 043	341 677	312 796	312 796	312 796	392 240	330 415	338 586
Transfers and Subsidies - Capital	1	128 451	92 509	159 345	132 360	178 233	178 233	178 233	109 848	91 688	85 144
Interest		-	-	1 520	5 397	7 047	7 047	7 047	8 511	8 928	9 348
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		380 418	(275 878)	(983 465)	(1 040 034)	(997 806)	(997 806)	(997 806)	(1 144 537)	(1 108 786)	(1 161 402)
Interest		-	-	(336)	(12 922)	(12 922)	(12 922)	(12 922)	(9 958)	(10 446)	(10 937)
Transfers and Subsidies	1	-	-	(6 913)	(13 178)	(13 178)	(13 178)	(13 178)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 404 340	873 995	362 920	154 964	176 314	176 314	176 314	99 558	91 682	77 276
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(82 943)	(114 488)	(185 208)	(179 130)	(237 264)	(237 264)	(237 264)	(168 358)	(113 160)	(107 625)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(82 943)	(114 488)	(185 208)	(179 130)	(237 264)	(237 264)	(237 264)	(168 358)	(113 160)	(107 625)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	7 976	7 976	7 976	7 976	-	-	-
Increase (decrease) in consumer deposits		-	-	-	2 700	2 700	2 700	2 700	-	-	-
Payments											
Repayment of borrowing		(13 246)	(16 932)	(35 816)	(28 486)	(28 486)	(28 486)	(28 486)	(18 414)	(28 456)	(29 794)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(13 246)	(16 932)	(35 816)	(17 810)	(17 810)	(17 810)	(17 810)	(18 414)	(28 456)	(29 794)
NET INCREASE/ (DECREASE) IN CASH HELD		1 308 152	742 574	141 896	(41 976)	(78 760)	(78 760)	(78 760)	(87 214)	(49 934)	(60 143)
Cash/cash equivalents at the year begin:	2	83 812	-	142 813	143 072	131 591	131 591	131 591	131 591	44 377	(5 557)
Cash/cash equivalents at the year end:	2	1 391 964	742 574	284 709	101 096	52 831	52 831	52 831	44 377	(5 557)	(65 700)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely toresult from the implementation of the budget.
3. The cash levels of the Municipality are not stabilized overthe MTREF and prior years.
4. In 2023/24 the cash flow starts to turn around and improvesagain.
5. The 2023/24 MTREF has been informed by the planning principle of ensuringadequate cash reserves over the medium-term.
6. Cash flow reflect a positive balance after defraying all the expenditure for thefinancial year.



Table 155: Table A8 - Cash Backed Reserves

KZN216 Ray Nkonyeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	1 391 964	742 574	284 709	101 096	52 831	52 831	52 831	44 377	(5 557)	(65 700)
Other current investments > 90 days		(1 290 760)	(599 761)	(153 119)	14 428	14 194	14 194	14 194	–	–	(44 078)
Non current investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		101 204	142 813	131 591	115 523	67 025	67 025	67 025	44 377	(5 557)	(109 777)
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		39 579	42 624	49 376	48 336	34 272	34 272	34 272	49 376	49 376	(32 959)
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	(24 818)	(52 462)	(32 552)	(19 765)	(42 764)	(42 764)	(42 764)	(46 619)	(58 579)	(72 481)
Other working capital requirements	3	(191 347)	(334 036)	(520 604)	(225 101)	(382 360)	(382 360)	(382 360)	(453 417)	(480 077)	(545 567)
Other provisions		37 407	39 025	40 094	39 025	40 094	40 094	40 094	40 094	40 094	40 094
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	608	–	–	608	–	–	–	–	–	–
Total Application of cash and investments:		(138 570)	(304 849)	(463 686)	(156 897)	(350 756)	(350 756)	(350 756)	(410 565)	(449 185)	(710 913)
Surplus(shortfall)		239 774	447 662	595 276	272 420	417 781	417 781	417 781	454 942	443 628	601 136

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

a. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
b. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
c. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
d. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
e. From the table for the municipality is operating at a surplus.
f. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2022/23 MTREF was funded as it reflects a positive balance in funding measurement.
g. This reflects that the budget will be able to pay it expenditure for the current year and be able to pay it obligations. It is assumed that all grants will be spend 100% and if not, it is cash backed since our budget reflect a positive after all the current years expenditure paid and its liabilities.

As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFM



Table 156: Table A9 - Asset Management

KZN216 Ray Nkonyeni - Table A9 Asset Management

Description	Ref	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
CAPITAL EXPENDITURE										
Total New Assets	1	123 500	122 485	143 726	111 812	114 522	114 522	86 473	82 097	82 338
Roads Infrastructure		51 270	33 292	74 206	44 417	43 475	43 475	38 900	45 549	49 759
Storm water Infrastructure		15 882	3 470	4 422	2 609	4 609	4 609	3 000	3 500	4 000
Electrical Infrastructure		10 893	(9 322)	1 988	12 435	12 719	12 719	8 452	1 500	2 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		*78 045*	*27 441*	*80 616*	*59 461*	*61 303*	*61 303*	*50 352*	*50 549*	*55 759*
Community Facilities		59 222	7 742	2 590	10 870	17 651	17 651	7 700	2 200	3 500
Sport and Recreation Facilities		4 314	3 580	2 954	3 913	3 913	3 913	10 000	3 200	1 000
Community Assets		*63 536*	*11 321*	*5 544*	*14 783*	*21 564*	*21 564*	*17 700*	*5 400*	*4 500*
Heritage Assets		–	150	160	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 325	17 087	15 833	8 261	4 261	4 261	9 000	16 500	12 000
Housing		0	–	–	–	–	–	–	–	–
Other Assets		*2 325*	*17 087*	*15 833*	*8 261*	*4 261*	*4 261*	*9 000*	*16 500*	*12 000*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	909	2 190	840	840	840	881	923
Intangible Assets		–	–	*909*	*2 190*	*840*	*840*	*840*	*881*	*923*
Computer Equipment		(40 048)	10 018	15 720	5 298	6 194	6 194	5 990	6 226	6 514
Furniture and Office Equipment		(2 889)	1 630	1 629	1 749	2 469	2 469	531	399	418
Machinery and Equipment		(13 613)	1 098	4 641	2 120	2 941	2 941	2 060	2 141	2 223
Transport Assets		36 144	51 340	18 674	17 950	14 950	14 950	–	–	–
Land		–	2 400	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	20 901	12 255	10 612	27 547	45 204	45 204	45 659	43 079	23 669
Roads Infrastructure		29 679	6 748	1 958	15 043	26 109	26 109	17 500	13 579	19 119
Storm water Infrastructure		–	–	–	–	7 043	7 043	–	–	–
Electrical Infrastructure		305	635	587	2 913	2 661	2 661	15 500	10 500	3 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		(9 083)	–	5 138	8 696	8 696	8 696	4 000	10 000	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		(0)	(165)	–	–	500	500	500	500	550
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*20 901*	*7 219*	*7 683*	*26 652*	*45 009*	*45 009*	*37 500*	*34 579*	*22 669*
Community Facilities		–	5 036	2 120	896	196	196	7 659	8 500	1 000
Sport and Recreation Facilities		–	–	808	–	–	–	500	–	–
Community Assets		–	*5 036*	*2 928*	*896*	*196*	*196*	*8 159*	*8 500*	*1 000*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-



Total Upgrading of Existing Assets	6	19 088	30 149	56 485	41 380	71 029	71 029	22 761	4 043	5 348
Roads Infrastructure		3 049	–	17 115	24 702	22 302	22 302	14 522	2 043	348
Storm water Infrastructure		0	0	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	2 354	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*4 104*	*0*	*19 470*	*24 702*	*22 302*	*22 302*	*14 522*	*2 043*	*348*
Community Facilities		5 806	14 475	29 542	16 156	48 727	48 727	6 739	2 000	3 000
Sport and Recreation Facilities		9 085	15 552	–	522	–	–	1 000	–	2 000
Community Assets		*14 891*	*30 027*	*29 542*	*16 678*	*48 727*	*48 727*	*7 739*	*2 000*	*5 000*
Heritage Assets		94	37	(26)	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	85	–	–	–	–	500	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*85*	–	–	–	–	*500*	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	7 500	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	163 490	164 889	210 823	180 739	230 756	230 756	154 893	129 220	111 354
Roads Infrastructure		83 999	40 041	93 279	84 163	91 886	91 886	70 922	61 172	69 226
Storm water Infrastructure		15 882	3 470	4 422	2 609	11 652	11 652	3 000	3 500	4 000
Electrical Infrastructure		11 198	(8 687)	2 576	15 348	15 380	15 380	23 952	12 000	5 000
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		(9 063)	–	7 492	8 696	8 696	8 696	4 000	10 000	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	(165)	–	–	500	500	500	500	550
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		*103 050*	*34 659*	*107 770*	*110 815*	*128 614*	*128 614*	*102 374*	*87 172*	*78 776*
Community Facilities		65 028	27 253	34 251	27 921	66 574	66 574	22 098	12 700	7 500
Sport and Recreation Facilities		13 399	19 132	3 763	4 435	3 913	3 913	11 500	3 200	3 000
Community Assets		*78 427*	*46 385*	*38 014*	*32 356*	*70 487*	*70 487*	*33 598*	*15 900*	*10 500*
Heritage Assets		94	186	134	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 325	17 172	15 833	8 261	4 261	4 261	9 500	16 500	12 000
Housing		0	–	–	–	–	–	–	–	–
Other Assets		*2 325*	*17 172*	*15 833*	*8 261*	*4 261*	*4 261*	*9 500*	*16 500*	*12 000*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	909	2 190	840	840	840	881	923
Intangible Assets		–	–	*909*	*2 190*	*840*	*840*	*840*	*881*	*923*
Computer Equipment		(40 048)	10 018	23 220	5 298	6 194	6 194	5 990	6 226	6 514
Furniture and Office Equipment		(2 889)	1 630	1 629	1 749	2 469	2 469	531	399	418
Machinery and Equipment		(13 613)	1 098	4 641	2 120	2 941	2 941	2 060	2 141	2 223
Transport Assets		36 144	51 340	18 674	17 950	14 950	14 950	–	–	–
Land		–	2 400	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		163 490	164 889	210 823	180 739	230 756	230 756	154 893	129 220	111 354



ASSET REGISTER SUMMARY - PPE (WDV)	5	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699	1 938 095	1 875 818	1 705 456
Roads Infrastructure		700 037	679 840	745 646	718 265	795 464	795 464	699 566	646 045	585 259
Storm water Infrastructure		49 074	55 566	59 988	58 175	71 640	71 640	57 468	54 825	52 057
Electrical Infrastructure		86 485	88 366	90 942	103 714	106 322	106 322	108 854	114 567	83 178
Water Supply Infrastructure		346	346	346	346	346	346	346	346	346
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		15 408	15 408	22 900	24 103	31 596	31 596	22 490	27 864	9 020
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		1 054	5 763	5 763	1 854	9 763	9 763	9 563	13 525	16 699
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Infrastructure		*852 404*	*845 289*	*925 585*	*906 457*	*1 015 632*	*1 015 632*	*898 287*	*857 171*	*746 559*
Community Assets		598 736	562 798	539 918	592 873	535 282	535 282	524 282	510 992	460 779
Heritage Assets		1 820	2 071	2 205	2 071	2 205	2 205	2 205	2 205	2 205
Investment properties		200 147	290 226	307 811	205 741	307 811	307 811	307 811	307 811	307 811
Other Assets		1 077	18 077	31 396	19 588	32 565	32 565	32 759	33 591	34 391
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		370	416	857	2 436	1 697	1 697	1 697	2 578	3 501
Computer Equipment		4 499	4 443	8 649	6 883	9 338	9 338	9 127	9 571	9 781
Furniture and Office Equipment		4 497	5 156	5 615	5 128	6 379	6 379	4 459	3 089	1 504
Machinery and Equipment		2 337	2 681	5 871	3 719	7 812	7 812	6 881	7 921	8 191
Transport Assets		38 736	52 054	60 624	61 627	66 770	66 770	51 379	41 681	31 527
Land		72 185	99 208	99 208	72 185	99 208	99 208	99 208	99 208	99 208
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699	1 938 095	1 875 818	1 705 456
EXPENDITURE OTHER ITEMS		138 980	138 498	132 835	153 615	160 076	160 076	296 476	221 441	231 848
Depreciation	7	92 517	94 351	88 490	99 500	99 500	99 500	102 525	109 384	114 526
Repairs and Maintenance by Asset Class	3	46 463	44 148	44 345	54 115	60 576	60 576	193 951	112 056	117 323
Roads Infrastructure		30 130	25 258	22 754	23 617	29 817	29 817	162 030	83 658	87 590
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 644	1 927	3 282	3 357	6 257	6 257	11 425	11 985	12 548
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	2 319	2 433	2 547
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*32 774*	*27 185*	*26 036*	*27 174*	*36 074*	*36 074*	*175 774*	*98 076*	*102 685*
Community Facilities		211	485	617	985	1 111	1 111	500	525	549
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*211*	*485*	*617*	*985*	*1 111*	*1 111*	*500*	*525*	*549*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2 176	5 627	5 092	10 140	6 732	6 732	5 300	5 560	5 821
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*2 176*	*5 627*	*5 092*	*10 140*	*6 732*	*6 732*	*5 300*	*5 560*	*5 821*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		2	166	28	300	150	150	150	315	329
Machinery and Equipment		1 397	1 625	1 911	2 548	2 398	2 398	1 598	1 676	1 755
Transport Assets		9 903	9 059	10 661	12 969	14 111	14 111	10 630	5 906	6 183
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		138 980	138 498	132 835	153 615	160 076	160 076	296 476	221 441	231 848
Renewal and upgrading of Existing Assets as % of total capex		*24.5%*	*25.7%*	*31.8%*	*38.1%*	*50.4%*	*50.4%*	*44.2%*	*36.5%*	*26.1%*
Renewal and upgrading of Existing Assets as % of depreciation		*43.2%*	*44.9%*	*75.8%*	*69.3%*	*116.8%*	*116.8%*	*66.7%*	*43.1%*	*25.3%*
R&M as a % of PPE		*2.6%*	*2.3%*	*2.2%*	*2.9%*	*2.9%*	*2.9%*	*10.0%*	*6.0%*	*6.9%*
Renewal and upgrading and R&M as a % of PPE		*4.9%*	*4.6%*	*5.6%*	*6.6%*	*8.5%*	*8.5%*	*13.6%*	*8.5%*	*8.6%*

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. 2.National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However, since there is a lack of infrastructure in the municipality. Major part of funds is injected to new capital projects, it does not meet this recommendation and funds are directed to new and existing capital asset and while 3.4% to repairs and maintenance.



Table 157: Table A10 - Basic Service Delivery Measurement

KZN216 Ray Nkonyeni - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	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	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	50	50	50	50	50	50
Refuse (average litres per week)		–	–	–	35 370	35 370	35 370	35 820	36 290	36 790
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		76 227	67 589	70 037	85 504	74 996	74 996	80 029	83 950	87 896
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	2	0	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		658	947	–	–	1 013	1 013	1 067	1 119	1 172
Municipal Housing - rental rebates		–	–	–	720 000	720 000	720 000	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		76 884	68 537	70 037	86 224	76 729	76 729	81 096	85 069	89 068



Basic Service Delivery Measurement

1 The municipality does not provide services such as water, sanitation, energy and refuse removal.
2 Water and sanitation is provided by UGu District municipality, energy is supplied both by municipality and Eskom.
3 Refuse removal is done in urban area and the rural part of the municipality uses its own dump site.
4 Service delivery Non- financial information is available in the IDP document.

Assumptions used in preparation of the budget over the MTREF

Table 158: Collection and Expenditure Rates

Property rates	90%
Penalties and Collection Charges	80%
Electricity	90%
Refuse Removal	90%
Rental of facilities	72%
Interest earned in investment	100%
Interest earned on outstanding debts	80%
Fines	7.2%
Licenses and Permits	90%
Agency Fees	100%
Transfers and Grants – operational	100%
Transfers and Grants – Capital	100%
Other revenue	40%
Expenditure	
Employee related cost	100%
Remuneration of councilors	100%
Debt impairment	100%
Bulk Purchases	100%
Finance Charges	100%
Contracted services	100%
Transfers and Grants	100%
Other Expenditure	100%
Oher Material	98%



3.7.16 Part 3: Supporting Documentation

3.7.16.1 Overview Of The Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

1 that the process followed to compile the budget complies with legislation and good budget practices.
2 that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, considering the need to protect the financial sustainability of municipality.
3 That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and those the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

3.7.16.2 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor Original in Council the required IDP and budget time schedule in August 2023. Key dates applicable to the process were:

- **July 2023**– Prepare joint process plan for IDP, PMS and Budget and advertise Original IDP review;
- **August 2023**–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
- **September 2023**– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
- **October 2023** – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;
- **November 2023**–Submit revised projects to Treasury. Submit first Original IDP to IDP steering committee and council for in principle approval
- **December 2023** – Submit budget instructions and 2023/24 budget framework to all relevant persons. Submit Original IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);



- **January 2023** - Council considers the 2021/2023 Mid-year Review and Adjustments Budget;
- **February 2023** – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of Original budget;
- **March 2023** - Tabling in Council of the Original 2023/24 IDP and 2023/24 Original MTREF for public consultation;
- **April 2023** – Public consultation;
- **May 2023** –Finalization of the 2023/24 IDP and 2023/24 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2023/24 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule Original in Council. These are the IDP and Budget process schedule for individual municipalities and both municipalities did not deviate from processes.

3.7.16.3 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 budget, based on the approved 2022/23 Budget, Mid-year Review and adjustments 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 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2023/24 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.

3.7.16.4 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2023/24 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 budget:



- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e., inflation)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 has been taken into consideration in the planning and prioritisation process.

3.7.16.5 Community Consultation

The draft budget was published after the adoption by council on 29 March 2023.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects have been addressed, as part of the 2023/24 original budget.

3.7.16.6 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim 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 that area. Applied to the Municipality,



issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Development Plan (NDP)
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2023/24 Budget and further planning refinements that have directly informed the compilation of the budget:



3.7.16.7 IDP Strategic Objectives

2023/24 Financial Year
1. Financial Viability
2. Basic Service delivery and infrastructure
3. Good governance and public participation
4. Local economic Development
5. Municipal transformation and institutional development
6. Spatial analysis and environmental management

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2023/24 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure, and capital expenditure.



Table 159: Table SA1 - Budgeted Financial Performance

KZN216 Ray Nkonyeni - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		504 535	515 020	534 514	584 127	567 114	567 114	567 114	589 435	618 317	647 378
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		76 227	67 689	70 037	85 504	74 996	74 996	74 996	80 029	83 950	87 896
Net Property Rates		428 308	447 331	464 477	498 623	492 118	492 118	492 118	509 406	534 367	559 482
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		134 602	141 265	157 558	182 857	170 943	170 943	170 943	182 436	191 375	200 370
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	2	0	–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Electricity		134 602	141 263	157 558	182 857	170 943	170 943	170 943	182 436	191 375	200 370
Service charges - Water	6										
Total Service charges - Water									–	–	–
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Water		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management											
Total Service charges - Waste Water Management									–	–	–
Less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	6										
Total refuse removal revenue		53 132	55 628	57 384	70 761	66 761	66 761	66 761	63 778	66 903	70 048
Total landfill revenue									–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		658	947	–	–	1 013	1 013	1 013	1 067	1 119	1 172
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Management		52 476	54 682	57 384	70 761	66 748	66 748	66 748	62 711	65 784	68 876
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	261 010	270 951	282 286	280 210	279 345	279 345	279 345	293 006	308 183	323 082
Pension and UIF Contributions		47 046	48 393	49 461	51 952	52 564	52 564	52 564	50 653	53 134	55 632
Medical Aid Contributions		18 151	18 779	18 941	20 891	20 615	20 615	20 615	20 899	21 923	22 953
Overtime		14 484	18 011	18 959	14 695	19 395	19 395	19 395	18 985	19 915	20 851
Performance Bonus		21 435	21 709	22 239	24 863	22 866	22 866	22 866	23 531	24 684	25 845
Motor Vehicle Allowance		15 833	16 999	18 345	19 795	20 118	20 118	20 118	20 035	21 017	22 005
Cellphone Allowance		780	1 217	1 102	1 161	1 239	1 239	1 239	1 121	1 176	1 232
Housing Allowances		3 837	3 964	5 197	7 434	6 898	6 898	6 898	7 334	7 694	8 055
Other benefits and allowances		7 356	4 645	4 903	2 796	6 042	6 042	6 042	6 038	6 334	6 632
Payments in lieu of leave		12 754	4 453	4 041	4 200	13 922	13 922	13 922	22 812	23 930	25 055
Long service awards		3 060	5 412	5 264	2 270	2 819	2 819	2 819	2 751	2 886	3 021
Post-retirement benefit obligations	4	(12 262)	12 312	14 654	15 852	15 852	15 852	15 852	15 852	16 628	17 410
Entertainment		–	–	–	–	–	–	–			
Scarcity		–	–	–	–	–	–	–			
Acting and post related allowance		326	580	609	1 160	912	912	912	912	957	1 002
In kind benefits		–	–	–	–	–	–	–			
sub-total	5	393 829	428 624	448 000	447 279	462 586	462 586	462 586	483 929	508 481	532 774
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–			
Total Employee related costs	1	393 829	428 624	448 000	447 279	462 586	462 586	462 586	483 929	508 481	532 774
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		92 307	94 137	88 021	99 500	99 500	99 500	99 500	102 525	109 384	114 526
Lease amortisation		210	213	459	–	–	–	–			
Capital asset impairment		208	5 917	5 369	2 119	2 119	2 119	2 119	2 231	2 341	2 451
Total Depreciation and amortisation	1	92 725	100 268	93 868	101 619	101 619	101 619	101 619	104 756	111 725	116 976
Bulk purchases - electricity											
Electricity bulk purchases		101 930	108 129	122 720	137 074	137 074	137 074	137 074	158 320	166 078	173 883
Total bulk purchases	1	101 930	108 129	122 720	137 074	137 074	137 074	137 074	158 320	166 078	173 883
Transfers and grants											
Cash transfers and grants		3 008	2 987	5 081	5 378	6 438	6 438	2 810	12 018	13 708	14 352
Non-cash transfers and grants		5 478	3 648	4 809	7 800	6 640	6 640	1 714	1 820	1 909	1 999
Total transfers and grants	1	8 486	6 635	9 890	13 178	13 078	13 078	4 525	13 838	15 617	16 351
Contracted Services											
Outsourced Services		77 536	76 091	86 746	105 100	112 101	112 101	112 101	109 497	110 542	99 213
Consultants and Professional Services		6 626	8 949	15 957	15 870	18 030	18 030	18 030	14 270	14 864	15 563
Contractors		98 736	105 881	111 207	123 910	100 805	100 805	100 805	150 009	65 888	69 250
Total contracted services		182 898	190 921	213 910	244 881	230 936	230 936	230 936	273 776	191 294	184 026
Operational Costs											
Collection costs		–	1 023	1 401	1 500	2 280	2 280	2 280	2 506	2 631	2 755
Contributions to 'other' provisions		–	763	812	–	–	–	–	–	–	–
Audit fees		4 258	4 322	4 664	4 000	4 000	4 000	4 000	4 000	4 196	4 393
Other Operational Costs		137 501	129 520	136 836	154 980	151 727	151 727	151 727	149 929	154 890	174 928
Total Operational Costs	1	141 770	136 628	143 752	160 480	158 007	158 007	158 007	156 437	171 717	182 076
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	45 092	47 301	49 534
Inventory Consumed (Project Maintenance)		–	–	–	–	–	–	–	180	189	198
Contracted Services		45 463	44 148	44 345	54 115	60 576	60 576	60 576	136 281	51 560	53 964
Operational Costs		–	–	–	–	–	–	–	12 398	13 006	13 617
Total Repairs and Maintenance Expenditure	9	45 463	44 148	44 345	54 115	60 576	60 576	60 576	193 951	112 056	117 323
Inventory Consumed											
Inventory Consumed - Water		–	–	–	–	–	–	–	–	–	–
Inventory Consumed - Other		11 662	10 547	13 278	12 735	13 078	13 078	13 078	10 499	12 651	13 534
Total Inventory Consumed & Other Material		11 662	10 547	13 278	12 735	13 078	13 078	13 078	10 499	12 651	13 534

Explanatory notes to Table SA1 – Supporting detail to Budgeted financial performance

This is thee supporting table that support the amounts of revenue by source and expenditure by source in table A4.

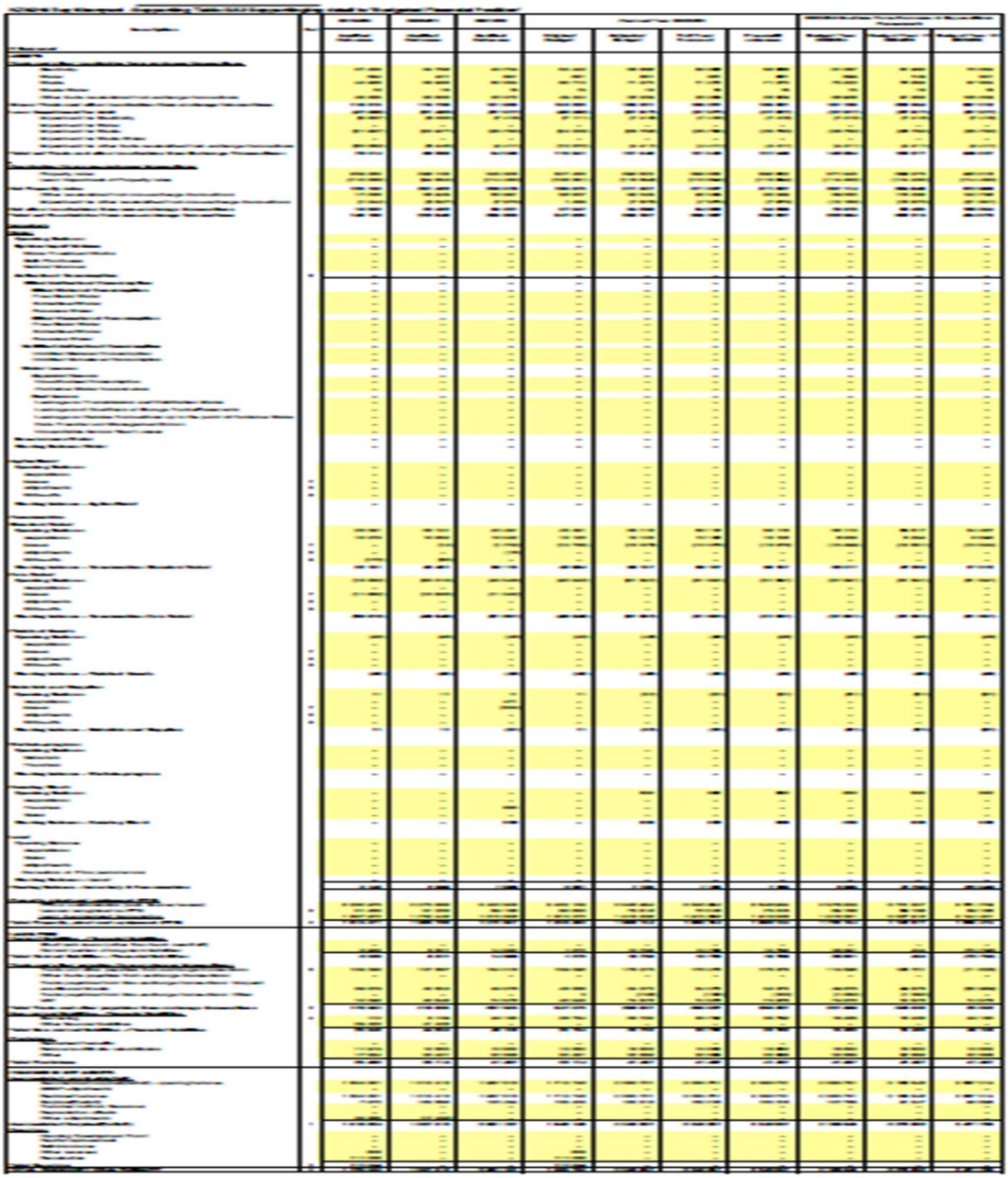


Table 160: Table SA2 - Matrix Financial Performance Budget

KZN216 Ray Nkonyeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Mayor and Council	Vote 2 - Finance and Administration	Vote 3 - Internal Audit	Vote 4 - Community and Social Services	Vote 5 - Sport and Recreation	Vote 6 - Public Safety	Vote 7 - Housing	Vote 8 - Health	Vote 9 - Planning and Development	Vote 10 - Road Transport	Vote 11 - Environment Protection	Vote 12 - Energy Sources	Vote 13 - Other	Vote 14 - Waste Water Management	Vote 15 - Waste Management	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	182 436	-	-	-	182 436
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	62 711	62 711
Sale of Goods and Rendering of Services		-	1 065	-	59	-	2 010	2 214	-	2 767	-	342	-	59	-	96	9 410
Agency services		-	865	-	-	-	-	-	-	-	4 506	-	-	-	-	-	5 371
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	180	-	-	-	-	-	-	-	-	-	1 262	67	-	4 903	6 420
Interest earned from Current and Non Current Assets		-	8 511	-	-	-	-	-	-	-	-	-	-	-	-	-	8 511
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	1 739	-	583	-	-	-	-	-	-	-	-	370	-	736	3 427
Licence and permits		-	-	-	-	-	1	-	-	-	612	-	-	-	-	23	636
Operational Revenue		-	1 022	-	-	-	-	-	-	-	-	-	-	83	-	-	1 106
Non-Exchange Revenue																	
Property rates		-	509 406	-	-	-	-	-	-	-	-	-	-	-	-	-	509 406
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	30 520	-	-	250	-	-	246	-	-	-	31 055
Licences or permits		-	-	-	-	-	625	-	-	255	8 748	-	-	-	-	-	9 628
Transfer and subsidies - Operational		286 237	1 950	-	15 457	-	-	-	-	-	82 256	-	-	-	-	5 084	390 028
Interest		-	30 164	-	-	-	-	-	-	-	-	-	-	-	-	-	30 164
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**286 237**	**555 706**	**-**	**16 098**	**-**	**33 156**	**2 214**	**-**	**3 312**	**96 166**	**342**	**183 943**	**579**	**-**	**75 613**	**1 250 300**
Expenditure																	
Employee related costs		548	132 545	31 874	34 108	4 006	87 563	17 371	-	28 763	52 866	-	14 722	3 998	-	105 584	483 828
Remuneration of councillors		31 164	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31 164
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	158 320	-	-	-	158 320
Inventory consumed		-	730	110	969	250	596	70	-	217	600	10	58	70	-	6 770	10 499
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		12 515	9 245	-	21 945	-	-	-	-	-	49 000	2 520	5 040	-	-	4 410	104 756
Interest		-	9 692	-	-	-	-	-	-	-	-	-	266	-	-	-	9 958
Contracted services		333	20 540	47 491	2 007	792	3 620	5	-	2 470	115 917	22 863	8 330	1 303	-	48 025	273 576
Transfers and subsidies		800	50	1 235	-	-	-	-	-	11 758	-	-	-	-	-	-	13 838
Irrecoverable debts written off		-	6 025	-	-	-	4 488	-	-	-	-	-	-	-	-	-	10 513
Operational costs		15 632	75 025	10 768	2 992	26	11 185	628	-	3 720	12 349	244	7 577	459	-	15 130	156 437
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		**60 994**	**223 821**	**91 453**	**61 021**	**5 074**	**107 354**	**18 075**	**-**	**46 937**	**230 882**	**25 637**	**194 314**	**5 850**	**-**	**180 920**	**1 252 991**
Surplus/(Deficit)		**224 243**	**331 885**	**(91 453)**	**(45 023)**	**(5 074)**	**(74 198)**	**(15 861)**	**-**	**(43 625)**	**(134 716)**	**(25 295)**	**(10 372)**	**(5 271)**	**-**	**(107 306)**	**(2 692)**
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	139 848	-	-	-	-	-	-	139 848
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**224 243**	**331 885**	**(91 453)**	**(45 023)**	**(5 074)**	**(74 198)**	**(15 861)**	**-**	**96 223**	**(134 716)**	**(25 295)**	**(10 372)**	**(5 271)**	**-**	**(107 306)**	**137 225**

Table 161: Table SA3 - Detail Financial Position



Explanatory notes to Table SA3

This table is a supporting table to table A6 and it has detailed information that is summarized in table A6.



Table 162: Table SA4 - Reconciliation of IDP Strategic Objectives and Budget

KZN216 Ray Nkonyeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	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
To provide access to basic services	An efficient, effective and development-oriented public service			1 040 986	1 185 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 956	1 323 056	1 367 027
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 040 986	1 185 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 956	1 323 056	1 367 027

Table 163: Table SA5: Reconciliation of IDP Strategic Objectives and Budget

KZN216 Ray Nkonyeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	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
To provide access to basic services	An efficient, effective and development-oriented public service	03		1 033 408	1 003 251	1 125 063	1 171 585	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Allocations to other priorities												
Total Expenditure			1	1 033 408	1 003 251	1 125 063	1 171 585	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331

Table 164: Table SA6 - Reconciliation of IDP Strategic Objectives

KZN216 Ray Nkonyeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	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
To provide access to basic services	An efficient, effective and development-oriented public service	03		163 490	164 889	210 823	180 739	230 756	230 756	154 893	129 220	111 354
Allocations to other priorities			3									
Total Capital Expenditure			1	163 490	164 889	210 823	180 739	230 756	230 756	154 893	129 220	111 354



Table 165: Table SA7 - Measured Performance Objectives

KZN216 Ray Nkonyeni - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description	Number of Kilometers				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Number of Kilometers				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 - (name)	Number of storm water				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description	Number of street lights				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)	**Removal of waste once a**				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insert measure/s description	Rehabilitation of landfill site							100.0%	100.0%	100.0%
	number of compactors							100.0%	100.0%	100.0%
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description	Date completed							45.0%	45.0%	45.0%
	Date completed							40.0%	40.0%	40.0%
Sub-function 2 - (name)										
Insert measure/s description	Date completed							100.0%	100.0%	100.0%
	Date completed									
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)								100.0%	100.0%	100.0%
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										



Table 166: Table SA8 - Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.8%	2.9%	5.0%	3.5%	3.5%	3.5%	3.5%	2.3%	3.2%	3.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.0%	2.7%	5.1%	3.5%	3.6%	3.6%	3.6%	2.3%	3.2%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	12.1%	12.7%	12.7%	12.7%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.4	1.8	1.8	1.7	1.8	1.8	1.8	1.9	2.2	21.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.8	1.8	1.7	1.8	1.8	1.8	1.9	2.2	21.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.8	0.7	0.7	0.5	0.5	0.5	0.6	0.6	4.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89.8%	94.3%	95.8%	92.7%	89.8%	89.8%	72.3%	72.5%	72.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		89.0%	85.7%	88.8%	85.0%	85.3%	85.3%	85.3%	93.8%	93.8%	93.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	39.9%	55.1%	65.5%	44.4%	69.2%	69.2%	69.2%	61.2%	66.6%	67.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		9.3%	17.2%	47.1%	157.4%	333.7%	333.7%	333.7%	258.2%	-2263.5%	17.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kW) non technical	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase	0	0	0	0	0	0	0	0	0	0
	Water treatment works	0	0	0	0	0	0	0	0	0	0
	Natural sources	0	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kl)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.7%	40.0%	41.2%	38.1%	40.6%	40.6%	40.6%	38.7%	41.3%	41.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.7%	40.0%	41.2%	40.8%	43.3%	43.3%		41.2%	43.9%	44.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.9%	4.1%	4.1%	4.6%	5.3%	5.3%		15.5%	9.1%	9.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.4%	10.5%	10.5%	9.8%	10.0%	10.0%	10.0%	9.2%	9.9%	10.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	55.7	28.7	32.0	33.1	33.1	33.1	42.3	33.5	31.5	32.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	90.1%	112.8%	146.8%	96.6%	171.1%	171.1%	171.1%	176.1%	188.0%	195.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	25.9	11.4	3.9	1.3	0.7	0.7	0.7	0.5	(0.1)	(0.8)



Table 167: Table SA10 - Funding Measurements

KZN216 Ray Nkonyeni Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 391 044	742 974	284 738	101 596	52 631	52 631	52 631	40 427	(11 467)	(73 988)
Cash + investments at the yr end less applications - R'000	18(1)b	2	236 993	418 119	950 174	256 741	406 974	406 974	417 791	440 216	413 670	365 665
Cash year end/monthly employee/supplier payments	18(1)b	3	28.0	10.4	3.0	1.3	0.7	0.7	0.7	0.5	(0.1)	(0.8)
Surplus(Deficit) excluding depreciation offsets: R'000	18(1)	4	7 575	142 496	125 494	155 422	142 316	142 316	142 316	107 793	84 347	80 488
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.7%)	(0.4%)	4.7%	(0.1%)	(0.3%)	(0.3%)	(2.0%)	(1.1%)	(1.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	82.0%	87.6%	108.8%	84.2%	83.2%	83.2%	85.2%	88.3%	88.2%	88.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		(5.7%)	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	90.7%	0.3%	0.3%	0.0%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.3%	0.3%	13.1%	12.7%	12.7%	12.7%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	40.3%	18.3%	(3.3%)	30.3%	0.3%	0.3%	(0.1%)	21.2%	18.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.3%	0.3%	0.0%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.9%	2.3%	2.2%	2.0%	2.0%	2.0%	10.3%	6.0%	6.0%	6.0%
Asset renewal % of capital budget	20(1)(vi)	14	12.9%	7.4%	0.3%	15.2%	10.6%	10.6%	10.6%	29.5%	33.3%	31.3%
Supporting Indicators												
% incr total service charges (incl prior years)	18(1)a			6.3%	3.8%	10.7%	(3.1%)	0.3%	0.3%	3.0%	4.0%	4.7%
% incr Property Tax	18(1)a			6.4%	3.8%	7.4%	(3.3%)	0.3%	0.3%	3.0%	4.0%	4.7%
% incr Service charges - Electricity	18(1)a			4.3%	11.3%	16.1%	(5.3%)	0.3%	0.3%	6.7%	4.0%	4.7%
% incr Service charges - Water	18(1)a			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
% incr Service charges - Waste Water Management	18(1)a			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
% incr Service charges - Waste Management	18(1)a			4.3%	4.3%	23.3%	(7.1%)	0.3%	0.3%	(0.0%)	4.0%	4.7%
% incr in Sale of Goods and Rendering of Services	18(1)a			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Total billable revenue	18(1)a		615 385	643 276	673 415	753 240	728 838	728 838	728 838	754 383	791 027	828 734
Service charges			615 385	643 276	673 415	753 240	728 838	728 838	728 838	754 383	791 027	828 734
Property rates			439 308	467 331	484 477	488 629	463 118	463 118	463 118	366 404	384 367	398 483
Service charges - electricity revenue			134 633	143 240	157 036	163 657	170 640	170 640	170 640	182 494	191 373	240 370
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			52 475	54 682	57 394	70 793	65 748	65 748	65 748	42 718	46 764	49 879
Agency services			3 101	3 450	4 045	4 554	4 044	4 044	4 044	3 371	3 424	3 583
Capital expenditure excluding capital grant funding			4 751	81 596	72 153	93 557	62 696	62 696	62 696	59 375	36 167	37 318
Cash receipts from ratepayers	18(1)a		611 768	652 402	674 735	749 494	702 144	702 144	702 144	742 483	775 983	811 597
Ratepayer & Other revenue	18(1)a		684 980	760 418	807 746	886 402	840 838	840 838	840 838	840 283	884 755	926 281
Change in consumer debtors (current and non-current)		N/A		104 495	54 653	(14 436)	111 242	111 242	111 242	(414)	101 113	185 983
Operating and Capital Grant Revenue			348 230	360 736	405 148	417 462	479 046	479 046	479 046	486 874	433 883	431 516
Capital expenditure - total	20(1)(vi)		140 430	164 896	210 423	260 736	250 736	250 736	250 736	104 863	136 220	110 364
Capital transfers	20(1)(vi)		39 901	13 298	10 810	37 547	40 204	40 204	40 204	40 406	42 075	25 983
Borrowing Limitations												
Net debt service cost / total revenue			6.0%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Debt service cost % of total revenue			4.3%	3.9%	4.8%	5.0%	5.3%	5.3%	5.3%	5.4%	5.6%	5.4%
Debt management												
Grants and Subsidies												
Operating Transfers and Grants												
National Government:												
Local Government Financial Management Grant												
Expanded Public Works Programme Integrated Grant												
Municipal Infrastructure Grant												
Rudimentary Water												
National Departmental Agencies												
Provincial Government:												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total grants/subsidies national, provincial and district grants												
Foregone annual collection rate (arrears inclusive)										-	-	-
Capital expenditure												
Total grants												
Energy Efficiency and Demand Side Management Grant												
Integrated National Electrification Programme Grant												
Municipal Infrastructure Grant												
Total										-	-	-
Change in consumer debtors (current and non-current)		N/A		104 495	54 653	(14 436)	111 242	111 242	111 242	(414)	101 113	185 983
Total Operating Revenue			640 500	1 071 334	1 063 016	1 174 629	1 139 727	1 139 727	1 139 727	1 291 108	1 231 367	1 281 883
Total Operating Expenditure			1 030 408	1 003 261	1 125 063	1 171 565	1 170 669	1 170 669	1 170 669	1 253 191	1 231 708	1 279 331
Surplus/(Deficit) before Budgeted Capital Contribution			(389 908)	68 073	(62 047)	3 063	(30 971)	(30 971)	(30 971)	(2 082)	(341)	5 551
Surplus/(Deficit) Considering Reserves and Cash Backing			234 993	418 119	950 174	256 741	406 974	406 974	417 791	440 216	413 670	365 665
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



Table 168: Table SA11 - Property Rates Summary

KZN216 Ray Nkonyeni - Supporting Table SA11 Property rates summary

Description	Ref	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
Valuation:	1									
Date of valuation:		0	0	0	0	0	0	0	0	0
Financial year valuation used		0	0	0	0	0	0	0	0	0
Municipal by-laws s6 in place? (Y/N)	2	0	1	1	1	0	0	0	0	0
Municipal/assistant valuer appointed? (Y/N)		0	1	1	1	0	0	0	0	0
Municipal partnership s38 used? (Y/N)		0	2	2	2	1	1	0	0	0
No. of assistant valuers (FTE)	3	0	14	14	14	14	14	14	14	14
No. of data collectors (FTE)	3	0	7	7	7	7	7	7	7	7
No. of internal valuers (FTE)	3	0	0	0	0	0	0	0	0	0
No. of external valuers (FTE)	3	0	7	7	7	7	7	7	7	7
No. of additional valuers (FTE)	4	0	0	0	0	0	0	0	0	0
Valuation appeal board established? (Y/N)		0	1	1	1	0	0	0	0	0
Implementation time of new valuation roll (mths)		0	60	60	60	0	0	60	0	0
No. of properties	5	0	41339	41339	42213	46401	46401	0	0	0
No. of sectional title values	5	0	0	0	0	13845	13845	0	0	0
No. of unreasonably difficult properties s7(2)		0	0	0	0	0	0	0	0	0
No. of supplementary valuations		0	1	1	1	0	0	0	0	0
No. of valuation roll amendments		0	3	3	3	0	0	0	0	0
No. of objections by rate payers		0	13	13	13	0	0	0	0	0
No. of appeals by rate payers		0	1	1	1	81	81	0	0	0
No. of successful objections	8	0	4	4	12	1363	1363	0	0	0
No. of successful objections > 10%	8	0	4	4	1	442	442	0	0	0
Supplementary valuation		0	0	0	793858000	0	0	0	0	0
Public service infrastructure value (Rm)	5	0	2228523000	2228523000	2228523000	3235564000	3235564000	0	0	0
Municipality owned property value (Rm)		0	444968250	444968250	444968250	470973000	470973000	0	0	0
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		0	0	0	973825500	0	0	0	0	0
Valuation reductions-nature reserves/park (Rm)		0	0	0	1801000	0	0	0	0	0
Valuation reductions-mineral rights (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-R15,000 threshold (Rm)		0	0	0	470782000	0	0	0	0	0
Valuation reductions-public worship (Rm)		0	0	0	298163000	0	0	0	0	0
Valuation reductions-other (Rm)		0	0	0	5823656700	0	0	0	0	0
Total valuation reductions:		-	-	-	7 550	-	-	-	-	-
Total value used for rating (Rm)	5	0	0	0	0	0	0	0	0	0
Total land value (Rm)	5	0	0	0	0	0	0	0	0	0
Total value of improvements (Rm)	5	0	0	0	0	0	0	0	0	0
Total market value (Rm)	5	0	0	0	0	0	0	0	0	0
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		0	1	1	1	0	0	1	0	0
Differential rates used? (Y/N)	5	0	1	1	1	0	0	1	0	0
Limit on annual rate increase (s20)? (Y/N)		0	1	1	1	0	0	0	0	0
Special rating areas used? (Y/N)		0	1	1	1	0	0	1	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		0	1	1	1	0	0	1	0	0
Fixed amount minimum value (R'000)		0	0	0	0	0	0	0	0	0
Non-residential prescribed ratio s19? (%)		0	0	0	0	0	0	0	0	0
Rate revenue:										
Rate revenue budget (R '000)	6	0	0	0	413311823	0	0	0	0	0
Rate revenue expected to collect (R'000)	6	0	0	0	392546432	0	0	0	0	0
Expected cash collection rate (%)		0	0	0	0.95	0	0	0	0	0
Special rating areas (R'000)	7	0	0	0	3200000	0	0	0	0	0
Rebates, exemptions - indigent (R'000)		0	0	0	18975000	0	0	0	0	0
Rebates, exemptions - pensioners (R'000)		0	0	0	647759000	0	0	0	0	0
Rebates, exemptions - bona fide farm. (R'000)		0	0	0	1218724200	0	0	0	0	0
Rebates, exemptions - other (R'000)		0	0	0	3747779000	0	0	0	0	0
Phase-in reductions/discounts (R'000)		0	0	0	0	0	0	0	0	0
Total rebates,exemptns,reductns,disco (R'000)		-	-	-	5 633 237	-	-	-	-	-



Table 169: Table SA12a - Property Rates by Category

KZN216 Ray Nkonyeni - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Current Year 2022/23												
Valuation:												
No. of properties		1 327	395	5	33 801	1 646	152	–	1 673	–	–	–
No. of sectional title property values		–	–	–	13 845	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		6	6	6	6	6	6	–	6	–	–	–
Supplementary valuation (Rm)		4 486 960	728 248	7 500	28 788 947	2 206 988	377 472	–	3 295 564	–	–	–
No. of valuation roll amendments		–	–	–	3	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	1	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	1	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	1	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Frequency of valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Method of valuation used (select)		1	1	1	1	1	1	–	1	–	–	–
Base of valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		1	1	1	1	1	1	–	1	–	–	–
Flat rate used? (Y/N)		2	2	2	2	2	2	–	2	–	–	–
Is balance rated by uniform rate/variable rate?		1	1	1	1	1	1	–	1	–	–	–
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	973 825 500	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	470 782 000	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	286 183 000	–	–	–	–	–
Valuation reductions-other (Rm)	2	35 906 000	–	–	3 756 777 500	1 218 724 200	–	–	–	–	–	–
Total valuation reductions:		–	–	–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		78 091 240	14 100 337	190 772	299 650 311	2 827 234	1 104 408	–	12 967 765	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	1	1	1	1	1	1	–	1	–	–	–
Special rating areas (R'000)		–	–	–	3 200 000	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	5 908 364	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	3 411 724	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		6 754 370	–	–	60 192 742	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		6 754	–	–	66 101	3 412	–	–	–	–	–	–



Table 170: Table SA12b - Property Rates by Category

KZN216 Ray Nkonyeni - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2023/24												
Valuation:												
No. of properties		1 327	395	5	33 801	1 646	152	–	1 673	–	–	–
No. of sectional title property values		–	–	–	13 845	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	6	–	–	–	–	–	–	–
Supplementary valuation (Rm)		4 486 960	728 248	7 500	28 788 847	2 206 988	377 472	–	3 295 564	–	–	–
No. of valuation roll amendments		–	–	–	3	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	1	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	1	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	1	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Frequency of valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Method of valuation used (select)		1	1	1	1	1	1	–	1	–	–	–
Base of valuation (select)		–	–	–	–	–	–	–	–	–	–	–
Phasing-in properties s21 (number)		–	–	–	–	2	–	–	–	–	–	–
Combination of rating types used? (Y/N)		1	1	1	1	1	1	–	1	–	–	–
Flat rate used? (Y/N)		2	2	2	2	2	2	–	2	–	–	–
Is balance rated by uniform rate/variable rate?		1	1	1	1	1	1	–	1	–	–	–
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	3 234 830 000	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	600 000 000	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	286 183 000	–	–	–	–	–
Valuation reductions-other (Rm)	2	39 496 600	–	–	4 132 455 250	1 218 724 200	–	–	–	–	–	–
Total valuation reductions:		–	–	–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	6	4 544 319 000	725 371 000	7 500 000	3 031 226 900	2 200 730 000	382 967 000	–	3 234 830 000	–	–	–
Total land value (Rm)	6	99 752 500	34 014 100	188 000	650 392 213	14 295 100	7 478 800	–	951 600	–	–	–
Total value of improvements (Rm)	6	196 063 100	16 524 300	–	1 143 816 139	8 593 600	13 312 700	–	495 300	–	–	–
Total market value (Rm)	6	4 544 319 000	725 371 000	7 500 000	3 031 226 900	2 200 730 000	382 967 000	–	3 234 830 000	–	–	–
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		81 605 346	14 734 852	199 356	313 134 575	2 954 460	1 154 107	–	455 565	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	1	1	1	1	1	1	–	1	–	–	–
Special rating areas (R'000)		–	–	–	3 344 000	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	6 174 241	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	3 565 252	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		7 058 317	–	–	62 901 415	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		7 058	–	–	69 076	3 565	–	–	–	–	–	–



Table 171: Table SA13a - Service Tariffs by Category

KZN216 Ray Nkonyeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates (rate in the Rand)	1								
Residential properties			0.01	0.01	0.01	0.01	0.01	0.01	-
Residential properties - vacant land			0.02	0.02	0.02	0.02	0.03	0.03	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.00	0.00	0.00	0.00	0.00	0.00	-
Farm properties - not used			-	-	-	-	0.00	0.00	-
Industrial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Business and commercial properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Communal land - residential			-	-	-	-	0.00	0.00	-
Communal land - small holdings			-	-	-	-	0.00	0.00	-
Communal land - farm property			-	-	-	-	0.00	0.00	-
Communal land - business and commercial			-	-	-	-	0.00	0.00	-
Communal land - other			0.00	0.00	0.00	0.00	0.00	0.00	-
State-owned properties			0.02	0.02	0.02	0.02	0.02	0.02	-
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.00	0.00	0.00	0.00	0.00	0.00	-
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Property rates by usage			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bisu only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakensstein only)			-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshhold rebate									
General residential rebate			85000	85000	85000	85000	85000	85000	0
Indigent rebate or exemption			0	0	0	0	0	0	0
Pensioners/social grants rebate or exemption			0	0	300000	300000	300000	300000	0
Temporary relief rebate or exemption			0	0	0	0	0	0	0
Bona fide farmers rebate or exemption			0	0	0	0	0	0	0
Other rebates or exemptions	2		0	0	0	0	0	0	0
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			0	0	0	0	0	0	0
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
Water usage - flat rate tariff (c/kl)			0	0	0	0	0	0	0
Water usage - life line tariff		(describe structure)	0	0	0	0	0	0	0
Water usage - Block 1 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 2 (c/kl)		(fill in thresholds)	0	0	0	0	0	0	0
Water usage - Block 4 (c/kl)		(fill in structure)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Electricity tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			0	0	260.68	276.94	299.37	323.62	0
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
FBE		(how is this targeted?)	0	0	0	0	0	0	0
Life-line tariff - meter		(describe structure)	0	0	0	0	0	0	0
Life-line tariff - prepaid		(describe structure)	0	0	0	0	0	0	0
Flat rate tariff - meter (c/kwh)			0	0	0	0	0	0	0
Flat rate tariff - prepaid(c/kwh)			0	0	0	0	0	0	0
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	0	0	11889	12631	13654	1476	0
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	0	0	15235	16186	17497	189139	0
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	0	0	20415	21686	23446	253451	0
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	0	0	24375	25896	27994	302615	0
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Waste management tariffs									
Domestic									
Street cleaning charge			0	0	58.9	61.5	64.58	68.13	0
Basic charge/fixed fee			0	0	147.13	153.75	161.44	170.32	0
80l bin - once a week			0	0	0	0	0	0	0
250l bin - once a week			0	0	0	0	0	0	0



Table 172: Table SA14 - Household Bills

KZN216 Ray Nkonyeni - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		–	–	–	–	–	–		–	–	–
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	–	–	–		–	–	–
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	–	–	–	–	–	–	–
VAT on Services		–	–	–	–	–	–		–	–	–
Total large household bill:		–	–	–	–	–	–	–	–	–	–
% increase/-decrease			–	–	–	–	–		–	–	–
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	–	–	993.20	993.20	993.20	4.8%	1.040.87	1.086.67	1.135.57
Electricity: Basic levy		–	–	–	280.79	280.79	280.79	7.7%	301.77	315.05	329.23
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	138.87	138.87	138.87	4.8%	145.54	151.94	158.78
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	**1.412.86**	**1.412.86**	**1.412.86**	**5.3%**	**1.488.18**	**1.553.66**	**1.623.58**
VAT on Services		–	–	–	–	–	–		–	–	–
Total small household bill:		–	–	–	**1.412.86**	**1.412.86**	**1.412.86**	**5.3%**	**1.488.18**	**1.553.66**	**1.623.58**
% increase/-decrease			–	–	–	–	–		**5.3%**	**4.4%**	**4.5%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–		–	–	–
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		–	–	–	–	–	–		–	–	–
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		–	–	–	–	–	–		–	–	–
Sanitation		–	–	–	–	–	–		–	–	–
Refuse removal		–	–	–	–	–	–		–	–	–
Other		–	–	–	–	–	–		–	–	–
sub-total		–	–	–	–	–	–	–	–	–	–
VAT on Services		–	–	–	–	–	–		–	–	–
Total small household bill:		–	–	–	–	–	–	–	–	–	–
% increase/-decrease			–	–	–	–	–		–	–	–



Table 173: Table SA16 - Investments

KZN216 Ray Nkonyeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality:														
STANDARD BANK - CALL -3786584011		3	3	Y	1	3.6	0	0		9 388	525			9 913
STANDARD BANK - CALL -3786584003		3	3	Y	1	3.6	0	0		625	34			659
STANDARD BANK - CALL -3786584004		3	3	Y	1	3.6	0	0		1 003	56			1 059
STANDARD BANK - CALL -3786584005		3	3	Y	1	3.6	0	0		319	18			336
STANDARD BANK - CALL -3786584006		3	3	Y	1	3.6	0	0		12	0			13
STANDARD BANK - CALL -3786584007		3	3	Y	1	3.6	0	0		78	2			80
STANDARD BANK - CALL -3786584008		3	3	Y	1	3.6	0	0		78	2			80
STANDARD BANK - CALL -3786584009		3	3	Y	1	3.6	0	0		1 421	79			1 500
STANDARD BANK - CALL -3786584010		3	3	Y	1	3.6	0	0		141	8			149
STANDARD BANK - CALL 491405595688		3	3	Y	1	3.6	0	0		32 184	1 564			33 747
STANDARD BANK - CALL 491305595686		3	3	Y	1	3.6	0	0		240	12			251
STANDARD BANK - CALL 491415595683		3	3	Y	1	3.6	0	0		11 389	553			11 943
STANDARD BANK - CALL 90430064923		3	3	Y	1	3.6	0	0		516	25			541
INVESTEC - CALL 74973825 18		3	3	Y	1	3.6	0	0		15 115	793	(2 947)		13 960
STANDARD BANK-CALL 491115595685		3	3	Y	1	3.6	0	0		49	2			51
STANDARD BANK-CALL 491115557732		3	3	Y	1	3.6	0	0		11	1	(611 500)	706 500	97 011
FNB - CALL 42729914151		3	3	Y	1	3.6	0	0		47 141	7 163			54 303
FNB-74973825 18		3	3	Y	1	3.6	0	0		3 377	183			3 560
NEDBANK-3788100761		3	3	Y	1	3.6	0	0		25 800	1 001			26 801
														-
														-
														-
Municipality sub-total										149 966	13 021	(614 448)	706 500	255 039
Entities														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									149 966	13 021	(614 448)	706 500	255 039



Table 174: Table SA17 - Borrowings

KZN216 Ray Nkonyeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Audited Outcome	Current Year 2022/23 Original Budget	 Adjusted Budget	 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework Budget Year 2023/24	 Budget Year +1 2024/25	 Budget Year +2 2025/26
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		–	29 430	38 993	–	–	–			
PPP liabilities		–	–	–	–	–	–			
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–			
Marketable Bonds		–	–	–	–	–	–			
Non-Marketable Bonds		–	–	–	–	–	–			
Bankers Acceptances		4 791	112	3 109	15 679	10 808	10 808	9 726	29 759	15 151
Financial derivatives		–	–	–	–	–	–			
Other Securities										
Municipality sub-total	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Borrowing	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases		–	29 430	38 993	–	–	–			
PPP liabilities		–	–	–	–	–	–			
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–			
Marketable Bonds		–	–	–	–	–	–			
Non-Marketable Bonds		–	–	–	–	–	–			
Bankers Acceptances		4 791	112	3 109	15 679	10 808	10 808	9 726	29 759	15 151
Financial derivatives		–	–	–	–	–	–			
Other Securities		–	–	–	–	–	–			
Municipality sub-total	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	–	–	–	–	–	–	–	–	–
Total Unspent Borrowing	1	4 791	29 643	42 102	15 679	10 808	10 808	9 726	29 759	15 151





Table 175: Table SA18 - Transfers and Grants Reciepts

KZN216 Ray Nkonyeni - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		212 513	272 897	248 761	268 672	268 672	265 633	290 321	310 114	316 827
Expanded Public Works Programme Integrated Grant		4 405	3 949	5 558	6 076	6 076	6 076	5 084	–	–
Municipal Drought Relief		–	–	8 100	–	–	–	–	–	–
Local Government Financial Management Grant		2 500	2 000	1 950	1 950	1 950	1 950	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	(0)	(0)	–	–	–	–
Equitable Share		205 608	266 948	233 153	260 646	260 646	257 607	285 237	310 114	316 827
Provincial Government:		13 259	15 774	22 251	15 430	15 557	15 096	15 457	16 137	17 457
Provincialization of Libraries		11 439	11 759	12 017	12 418	12 418	12 418	12 418	12 964	14 142
Community Library Services Grant		1 434	1 644	1 758	2 563	2 563	2 102	2 563	2 676	2 796
Specify (Add grant description)		–	1 327	1 365	(0)	(0)	–	–	–	–
Specify (Add grant description)		–	637	682	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	127	127	–	–	–
Museum Subsidy Grant		386	407	429	449	449	449	476	497	519
Specify (Add grant description)		–	–	6 000	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		1 050	2 630	12 015	–	–	–	–	–	–
European Union		–	2 630	12 015	–	–	–	–	–	–
Transport, Education and Training SETA		1 050	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	226 822	291 301	283 027	284 102	284 229	280 729	305 778	326 251	334 284
Capital Transfers and Grants										
National Government:		94 344	88 509	142 428	139 386	150 386	148 692	190 146	91 688	85 144
Municipal Disaster Relief Grant		–	–	–	–	11 000	11 000	–	–	–
Energy Efficiency and Demand Side Management Grant		8 000	–	4 000	5 000	5 000	5 000	–	–	–
Neighbourhood Development Partnership Grant		–	20 000	31 257	46 000	46 000	46 000	19 000	15 000	5 000
Municipal Infrastructure Grant		70 795	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		–	64 509	99 131	81 360	81 360	48 816	88 848	76 688	80 144
Integrated National Electrification Programme Grant		9 000	4 000	8 040	7 026	7 026	37 876	–	–	–
Municipal Disaster Recovery Grant		6 549	–	–	–	–	–	82 298	–	–
Provincial Government:		9 787	60 861	56 790	1 000	35 873	39 728	2 000	–	–
Specify (Add grant description)		–	–	–	–	30 000	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	30 000	–	–	–
Specify (Add grant description)		–	–	8 000	–	–	–	–	–	–
Margate Airport		3 000	4 000	–	(0)	4 873	4 873	2 000	–	–
Specify (Add grant description)		0	54 657	45 776	–	–	–	–	–	–
Specify (Add grant description)		6 787	2 204	2 197	–	–	3 854	–	–	–
Specify (Add grant description)		–	–	817	1 000	1 000	1 000	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	104 131	149 370	199 218	140 386	186 259	188 420	192 146	91 688	85 144
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	330 953	440 671	482 245	424 488	470 488	469 148	497 924	417 939	419 428

Explanatory notes to Table SA18 Grants and subsidies Receipts

1. This table reflects all expected grants receipts from national, provincial and other organization.

2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.



Table 176: Table SA19 - Grants and Subsidies Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	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:	1									
Operating expenditure of Transfers and Grants										
National Government:		(16 285)	(5 988)	(11 508)	(8 026)	(8 076)	(5 127)	(89 332)	(1 950)	(2 088)
Provincial Government:		(13 259)	(14 716)	(22 010)	(16 430)	(16 557)	(10 250)	(15 457)	(16 137)	(17 457)
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		(1 050)	(2 630)	(12 015)	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		(30 594)	(23 334)	(45 533)	(24 456)	(24 633)	(15 377)	(104 789)	(18 087)	(19 545)
Capital expenditure of Transfers and Grants										
National Government:		(80 391)	(78 707)	(150 035)	(139 386)	(158 436)	(108 685)	(107 848)	(91 688)	(85 144)
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		(83 373)	(147 344)	(196 807)	(139 386)	(200 313)	(109 922)	(109 848)	(91 688)	(85 144)
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		(113 967)	(170 678)	(242 340)	(163 842)	(224 946)	(125 299)	(214 637)	(109 775)	(104 689)

Table 177: Table SA20 - Reconciliation of Transfers, Grants Reciepts and Unspent Funds

KZN216 Ray Nkonyeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	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
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		311	(9 069)	(9 108)	(9 108)	(5 008)	(5 008)	(5 008)	(87 306)	(83 310)
Current year receipts		6 905	5 949	15 608	8 026	8 026	8 026	7 034	1 950	2 088
Conditions met - transferred to revenue		(16 285)	(5 988)	(11 508)	(8 026)	(8 076)	(5 127)	(89 332)	(1 950)	(2 088)
Conditions still to be met - transferred to liabilities		23 501	2 868	18 008	6 944	11 094	8 145	91 358	(83 406)	(79 134)
Provincial Government:										
Balance unspent at beginning of the year		3 519	3 519	4 577	4 577	4 817	4 817	4 817	4 817	4 817
Current year receipts		13 259	15 774	22 251	15 430	15 557	15 096	15 457	16 137	17 457
Conditions met - transferred to revenue		(13 259)	(14 716)	(22 010)	(16 430)	(16 557)	(10 250)	(15 457)	(16 137)	(17 457)
Conditions still to be met - transferred to liabilities		30 037	34 010	48 838	36 437	36 931	30 163	35 731	37 091	39 731
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	(0)	(0)	–	–	–
Current year receipts		1 050	2 630	12 015	–	–	–	–	–	–
Conditions met - transferred to revenue		(1 050)	(2 630)	(12 015)	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		2 100	5 259	24 030	–	(0)	(0)	–	–	–
Total operating transfers and grants revenue		(30 594)	(23 334)	(45 533)	(24 456)	(24 633)	(15 377)	(104 789)	(18 087)	(19 545)
Total operating transfers and grants - CTBM	2	55 638	42 137	90 876	43 381	48 025	38 308	127 089	(46 315)	(39 403)
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		0	13 953	23 754	24 082	16 147	16 147	16 147	98 445	12 115
Current year receipts		94 344	88 509	142 428	139 386	150 386	148 692	190 146	91 688	85 144
Conditions met - transferred to revenue		(80 391)	(78 707)	(150 035)	(139 386)	(158 436)	(108 685)	(107 848)	(91 688)	(85 144)
Conditions still to be met - transferred to liabilities		174 735	181 169	316 217	302 854	324 969	273 525	314 141	281 821	182 403
Provincial Government:										
Balance unspent at beginning of the year		24 371	31 176	23 401	28 784	33 419	33 419	33 419	33 419	33 419
Current year receipts		9 787	60 861	56 790	1 000	35 873	39 728	2 000	–	–
Conditions met - transferred to revenue		(2 982)	(68 636)	(46 772)	–	(41 877)	(1 237)	(2 000)	–	–
Conditions still to be met - transferred to liabilities		37 140	160 674	126 963	29 784	111 170	74 384	37 419	33 419	33 419
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		(83 373)	(147 344)	(196 807)	(139 386)	(200 313)	(109 922)	(109 848)	(91 688)	(85 144)
Total capital transfers and grants - CTBM	2	211 874	341 843	443 180	332 638	436 140	347 909	351 561	315 241	215 822
TOTAL TRANSFERS AND GRANTS REVENUE		(113 967)	(170 678)	(242 340)	(163 842)	(224 946)	(125 299)	(214 637)	(109 775)	(104 689)
TOTAL TRANSFERS AND GRANTS - CTBM		267 513	383 980	534 056	376 020	484 164	386 217	478 650	268 926	176 419



Table 178: Table SA21 - Grants and Subsidy made by the Municipality

KZN216 Ray Nkonyeni - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	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	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Transfers to other municipalities											
Insert description	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Insert description	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Insert description											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
Insert description											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
Insert description	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Insert description	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Insert description	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Insert description	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
Insert description	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-



Table 179: Table SA22 - Councilors and Staff Benefits

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue 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
	1	A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		–	–	–	28 393	28 393	28 393	19 040	19 973
Pension and UIF Contributions		–	–	–	–	–	–	758	795
Medical Aid Contributions		–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	–	–	–	–
Cellphone Allowance		–	–	–	3 042	3 042	3 042	2 815	2 953
Housing Allowances		–	–	–	–	–	–	5 953	6 245
Other benefits and allowances		–	–	–	–	–	–	2 599	2 726
Sub Total - Councillors		–	–	–	31 434	31 434	31 434	31 164	32 691
% increase	4		–	–	–	–	–	(0.9%)	4.9%
Senior Managers of the Municipality	2								
Basic Salaries and Wages		8 977	8 124	7 328	4 393	3 537	3 537	3 946	4 139
Pension and UIF Contributions		–	(0)	80	189	192	192	192	201
Medical Aid Contributions		–	–	72	78	230	230	230	242
Overtime		–	–	–	–	–	–	–	–
Performance Bonus		957	760	866	1 059	1 059	1 059	1 059	1 110
Motor Vehicle Allowance	3	–	–	495	1 158	964	964	1 060	1 112
Cellphone Allowance	3	110	102	109	115	114	114	114	120
Housing Allowances	3	–	–	1 425	3 488	2 774	2 774	3 275	3 435
Other benefits and allowances	3	–	–	0	0	1	1	1	1
Payments in lieu of leave		–	–	239	–	332	332	332	348
Long service awards		–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		10 043	8 985	10 615	10 481	9 203	9 203	10 209	10 709
% increase	4		(10.5%)	18.1%	(1.3%)	(12.2%)	–	10.9%	4.9%
Other Municipal Staff									
Basic Salaries and Wages		252 033	262 827	274 958	275 817	275 808	275 808	289 060	304 043
Pension and UIF Contributions		47 046	48 393	49 382	51 763	52 372	52 372	50 460	52 933
Medical Aid Contributions		18 151	18 779	18 869	20 813	20 384	20 384	20 668	21 681
Overtime		14 484	18 011	18 959	14 695	19 395	19 395	18 985	19 915
Performance Bonus		20 478	20 949	21 372	23 805	21 807	21 807	22 473	23 574
Motor Vehicle Allowance	3	15 833	16 999	17 850	18 637	19 154	19 154	18 975	19 905
Cellphone Allowance	3	671	1 115	993	1 046	1 125	1 125	1 007	1 056
Housing Allowances	3	3 837	3 964	3 771	3 946	4 125	4 125	4 059	4 258
Other benefits and allowances	3	7 356	4 645	4 903	2 796	6 041	6 041	6 038	6 333
Payments in lieu of leave		12 754	4 453	3 802	4 200	13 591	13 591	22 480	23 582
Long service awards		3 080	6 412	5 264	2 270	2 819	2 819	2 751	2 886
Post-retirement benefit obligations	6	(12 262)	12 312	14 654	15 852	15 852	15 852	15 852	16 628
Entertainment		–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–
Acting and post related allowance		326	680	609	1 160	912	912	912	957
In kind benefits		–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		383 787	419 539	435 385	436 798	453 383	453 383	473 720	497 752
% increase	4		9.3%	3.8%	0.3%	3.8%	–	4.5%	5.1%
Total Parent Municipality		393 829	428 524	446 000	478 713	494 021	494 021	515 094	541 152

Explanatory notes to Table SA22 Councilors and Staff Benefits

1. The remuneration of councilors and staff are as per the councilor's upper limit approved by the MEC and staff as per SALGA respectively.



Table 180: Table SA24 - Summary of Personnel

KZN216 Ray Nkonyeni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number	1,2	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)		72	–	72	72	–	72	72	–	72
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	8	–	8	8	–	8	8	–	8
Other Managers	7	40	–	–	40	–	–	40	–	–
Professionals		*11*	–	–	*11*	–	–	*11*	–	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		5	–	–	5	–	–	5	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		1	–	–	1	–	–	1	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		5	–	–	5	–	–	5	–	–
Technicians		*43*	–	–	*43*	–	–	*43*	–	–
Finance		1	–	–	1	–	–	1	–	–
Spatial/town planning		6	–	–	6	–	–	6	–	–
Information Technology		6	–	–	6	–	–	6	–	–
Roads		2	–	–	2	–	–	2	–	–
Electricity		9	–	–	9	–	–	9	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		19	–	–	19	–	–	19	–	–
Clerks (Clerical and administrative)		551	–	–	551	–	–	551	–	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		122	–	–	122	–	–	122	–	–
Elementary Occupations		307	–	–	307	–	–	307	–	–
TOTAL PERSONNEL NUMBERS	9	1.154	–	80	1.154	–	80	1.154	–	80
% increase					–	–	–	–	–	–
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–



Table 181: Table SA25 - Monthly Revenue and Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	15 203	182 436	191 375	200 370
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		5 701	11 402	5 701	5 701	5 701	5 701	5 701	5 701	5 701	5 701	–	–	62 711	65 784	68 876
Sale of Goods and Rendering of Services		798	798	798	798	798	798	798	798	798	798	798	798	9 571	9 932	10 295
Agency services		448	448	448	448	448	448	448	448	448	448	448	448	5 371	5 634	5 899
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		582	582	582	582	582	582	582	582	582	582	582	582	6 982	7 324	7 668
Interest earned from Current and Non Current Assets		709	709	709	709	709	709	709	709	709	709	709	709	8 511	8 928	9 348
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		291	291	291	291	291	291	291	291	291	291	291	291	3 498	3 669	3 842
Licence and permits		53	53	53	53	53	53	53	53	53	53	53	53	636	667	698
Operational Revenue		92	92	92	92	92	92	92	92	92	92	92	92	1 106	1 160	1 215
Non-Exchange Revenue																
Property rates		46 310	92 619	46 310	46 310	46 310	46 310	46 310	46 310	46 310	46 310	–	–	509 406	534 367	559 482
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 588	2 588	2 588	2 588	2 588	2 588	2 588	2 588	2 588	2 588	2 588	2 588	31 062	32 584	34 115
Licences or permits		802	802	802	802	802	802	802	802	802	802	802	802	9 628	10 099	10 574
Transfer and subsidies - Operational		32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	390 025	328 201	336 372
Interest		2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	2 514	30 164	31 642	33 129
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		108 593	160 604	108 593	108 593	108 593	108 593	108 593	108 593	108 593	108 593	56 583	56 583	1 251 108	1 231 367	1 281 883
Expenditure																
Employee related costs		112	46 755	46 785	46 785	46 785	46 785	46 785	46 785	46 785	62 637	46 785	142	483 929	508 461	532 774
Remuneration of councillors		–	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	–	31 164	32 691	34 228
Bulk purchases - electricity		–	15 832	15 832	15 832	15 832	15 832	15 832	15 832	15 832	15 832	15 832	(0)	158 320	166 078	173 883
Inventory consumed		900	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	210	75	10 499	12 651	13 534
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation and amortisation		8 872	8 697	8 697	8 697	8 697	8 697	8 697	8 697	8 697	8 697	8 717	8 892	104 756	111 725	116 976
Interest		808	834	834	834	834	834	834	834	834	834	834	808	9 958	10 446	10 937
Contracted services		11 157	25 884	25 884	25 884	25 884	25 884	25 884	25 884	25 884	25 884	22 196	7 470	273 775	191 294	184 025
Transfers and subsidies		168	928	1 478	1 228	928	928	928	928	4 296	928	928	168	13 838	15 617	16 351
Irrecoverable debts written off		876	876	876	876	876	876	876	876	876	876	876	876	10 513	11 028	11 547
Operational costs		7 517	14 568	14 568	14 588	14 568	14 918	14 568	14 568	14 918	14 588	11 886	5 185	156 437	171 717	182 076
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		30 409	118 526	119 106	118 876	118 556	118 906	118 556	118 556	122 274	134 428	111 382	23 616	1 253 191	1 231 708	1 276 331
Surplus/(Deficit)		78 184	42 078	(10 513)	(10 283)	(9 963)	(10 313)	(9 963)	(9 963)	(13 680)	(25 834)	(54 800)	32 967	(2 083)	(341)	5 551
Transfers and subsidies - capital (monetary allocations)		9 154	9 154	9 154	9 154	9 154	9 154	9 154	9 154	9 154	9 154	9 154	9 154	109 848	91 688	85 144
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695



Table 182: Table SA26 - Budgeted Monthly Revenue and Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote																
Vote 1 - Mayor and Council		23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	285 237	310 114	316 827
Vote 2 - Finance and Administration		50 168	96 478	50 168	50 168	50 168	50 168	50 168	50 168	50 168	50 168	3 858	3 858	555 706	582 840	610 280
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	1 342	16 098	16 810	18 162
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	33 156	34 781	36 416
Vote 7 - Housing		185	185	185	185	185	185	185	185	185	185	185	185	2 214	2 214	2 214
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	113 160	95 162	88 781
Vote 10 - Road Transport		8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	8 014	96 166	14 547	15 231
Vote 11 - Environment Protection		29	29	29	29	29	29	29	29	29	29	29	29	342	359	376
Vote 12 - Energy Sources		15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	183 943	192 956	202 025
Vote 13 - Other		48	48	48	48	48	48	48	48	48	48	48	48	579	607	636
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		6 610	12 311	6 610	6 610	6 610	6 610	6 610	6 610	6 610	6 610	908	908	73 613	71 887	75 266
Total Revenue by Vote		117 686	169 606	117 686	117 686	117 686	117 686	117 686	117 686	117 686	117 686	65 675	65 675	1 360 216	1 322 279	1 366 214
Expenditure by Vote to be appropriated																
Vote 1 - Mayor and Council		2 417	5 616	5 616	5 616	5 616	5 616	5 616	5 616	5 616	5 616	5 616	2 417	60 994	63 982	66 990
Vote 2 - Finance and Administration		4 460	19 766	19 796	19 816	19 796	20 146	19 796	19 796	20 146	35 668	19 796	4 840	223 821	239 036	250 317
Vote 3 - Internal Audit		5 179	8 092	8 092	8 092	8 092	8 092	8 092	8 092	8 092	8 092	8 181	5 268	91 453	78 608	78 925
Vote 4 - Community and Social Services		2 355	5 791	5 791	5 791	5 791	5 791	5 791	5 791	5 791	5 791	5 325	1 889	61 691	64 970	68 591
Vote 5 - Sport and Recreation		104	507	507	507	507	507	507	507	507	507	403	-	5 074	5 322	5 572
Vote 6 - Public Safety		1 817	10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	10 651	9 258	424	107 354	125 031	134 285
Vote 7 - Housing		-	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	-	18 075	18 852	19 634
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		92	4 254	4 804	4 554	4 254	4 254	4 254	4 254	7 621	4 254	4 254	92	46 937	48 240	50 508
Vote 10 - Road Transport		4 287	22 238	22 238	22 238	22 238	22 238	22 238	22 238	22 238	22 238	22 204	4 253	230 882	157 720	165 132
Vote 11 - Environment Protection		2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	1 375	1 375	25 627	26 897	28 205
Vote 12 - Energy Sources		420	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	420	194 314	203 835	213 415
Vote 13 - Other		49	579	579	579	579	579	579	579	579	579	559	29	5 850	6 137	6 426
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		6 923	17 570	17 570	17 570	17 570	17 570	17 570	17 570	17 570	17 570	13 258	2 611	180 920	192 868	188 112
Total Expenditure by Vote		30 389	118 506	119 086	118 856	118 536	118 886	118 536	118 536	122 254	134 408	111 382	23 616	1 252 991	1 231 498	1 276 112
Surplus/(Deficit) before assoc.		87 296	51 100	(1 400)	(1 170)	(850)	(1 200)	(850)	(850)	(4 568)	(16 722)	(45 708)	42 059	107 225	90 781	90 103
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	87 296	51 100	(1 400)	(1 170)	(850)	(1 200)	(850)	(850)	(4 568)	(16 722)	(45 708)	42 059	107 225	90 781	90 103



Table 183: Table SA27 - Budgeted Monthly Revenue and Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional																
Governance and administration		73 938	120 247	73 938	73 938	73 938	73 938	73 938	73 938	73 938	73 938	27 628	27 628	840 943	892 954	927 107
Executive and council		23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	23 770	285 237	310 114	316 827
Finance and administration		50 168	96 478	50 168	50 168	50 168	50 168	50 168	50 168	50 168	50 168	3 858	3 858	555 706	582 840	610 280
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		1 600	1 600	1 600	1 600	1 600	1 600	1 600	1 600	1 600	1 600	1 600	1 600	19 203	19 958	21 353
Community and social services		1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	16 243	16 962	18 320
Sport and recreation		3	3	3	3	3	3	3	3	3	3	3	3	34	35	37
Public safety		13	13	13	13	13	13	13	13	13	13	13	13	150	158	165
Housing		231	231	231	231	231	231	231	231	231	231	231	231	2 775	2 803	2 831
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		20 223	20 223	20 223	20 223	20 223	20 223	20 223	20 223	20 223	20 223	20 223	20 223	242 674	144 692	140 639
Planning and development		9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	9 430	113 160	95 162	88 781
Road transport		10 764	10 764	10 764	10 764	10 764	10 764	10 764	10 764	10 764	10 764	10 764	10 764	129 172	49 171	51 482
Environmental protection		29	29	29	29	29	29	29	29	29	29	29	29	342	359	376
Trading services		21 938	27 639	21 938	21 938	21 938	21 938	21 938	21 938	21 938	21 938	16 237	16 237	257 557	264 844	277 292
Energy sources		15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	15 329	183 943	192 956	202 025
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		6 610	12 311	6 610	6 610	6 610	6 610	6 610	6 610	6 610	6 610	908	908	73 613	71 887	75 266
Other		48	48	48	48	48	48	48	48	48	48	48	48	579	607	636
Total Revenue - Functional		117 747	169 758	117 747	117 747	117 747	117 747	117 747	117 747	117 747	117 747	65 737	65 737	1 360 956	1 323 055	1 367 027
Expenditure - Functional																
Governance and administration		12 055	33 656	33 686	33 706	33 686	34 036	33 686	33 686	34 036	49 558	33 775	12 524	378 091	383 539	398 234
Executive and council		2 417	5 798	5 798	5 798	5 798	5 798	5 798	5 798	5 798	5 798	5 798	2 417	62 817	65 895	68 992
Finance and administration		8 168	23 700	23 730	23 750	23 730	24 080	23 730	23 730	24 080	39 601	23 819	8 637	270 751	275 849	285 483
Internal audit		1 470	4 158	4 158	4 158	4 158	4 158	4 158	4 158	4 158	4 158	4 158	1 470	44 523	41 795	43 759
Community and public safety		3 233	13 396	13 396	13 396	13 396	13 396	13 396	13 396	13 396	13 396	12 052	1 889	137 737	157 049	168 271
Community and social services		2 334	5 771	5 771	5 771	5 771	5 771	5 771	5 771	5 771	5 771	5 304	1 868	61 441	64 708	68 316
Sport and recreation		124	527	527	527	527	527	527	527	527	527	403	–	5 274	5 532	5 792
Public safety		775	5 291	5 291	5 291	5 291	5 291	5 291	5 291	5 291	5 291	4 537	21	52 947	67 958	74 530
Housing		–	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	1 807	–	18 075	18 852	19 634
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		7 729	33 978	34 528	34 278	33 978	33 978	33 978	33 978	37 345	33 978	32 392	6 143	356 280	288 280	301 873
Planning and development		92	4 071	4 621	4 371	4 071	4 071	4 071	4 071	7 439	4 071	4 071	92	45 114	46 328	48 505
Road transport		5 350	27 619	27 619	27 619	27 619	27 619	27 619	27 619	27 619	27 619	26 946	4 677	285 539	215 056	225 163
Environmental protection		2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	2 288	1 375	1 375	25 627	26 897	28 205
Trading services		7 343	36 917	36 917	36 917	36 917	36 917	36 917	36 917	36 917	36 917	32 605	3 031	375 233	396 703	401 528
Energy sources		420	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	19 347	420	194 314	203 835	213 415
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		6 923	17 570	17 570	17 570	17 570	17 570	17 570	17 570	17 570	17 570	13 258	2 611	180 920	192 868	188 112
Other		49	579	579	579	579	579	579	579	579	579	559	29	5 850	6 137	6 426
Total Expenditure - Functional		30 409	118 526	119 106	118 876	118 556	118 906	118 556	118 556	122 274	134 428	111 382	23 616	1 253 191	1 231 708	1 276 331
Surplus/(Deficit) before assoc.		87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	87 338	51 232	(1 359)	(1 129)	(809)	(1 159)	(809)	(809)	(4 526)	(16 680)	(45 646)	42 121	107 765	91 347	90 695

Table 184: Table SA28 - Budgeted Monthly Capital Expenditure (Municipal Vote)

KZN216 Ray Nkonyeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Mayor and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environment Protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Energy Sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - Mayor and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Administration		–	300	–	–	3 300	201	–	–	–	–	–	–	3 801	3 987	4 174
Vote 3 - Internal Audit		17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public Safety		376	376	376	376	376	376	376	376	376	376	292	292	4 340	4 553	4 767
Vote 7 - Housing		–	18	18	18	18	18	18	18	18	18	18	–	180	189	198
Vote 8 - Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		–	11 052	11 102	11 502	14 702	11 102	11 102	11 302	11 102	11 102	11 102	50	115 220	100 729	89 038
Vote 10 - Road Transport		20	720	720	720	720	720	720	720	720	720	700	–	7 200	7 553	7 908
Vote 11 - Environment Protection		42	42	42	42	42	42	42	42	42	42	42	42	500	500	550
Vote 12 - Energy Sources		–	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	–	22 952	11 000	4 000
Vote 13 - Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Waste Management		42	42	42	42	42	42	42	42	42	42	42	42	500	500	500
Capital single-year expenditure sub-total	2	496	14 861	14 611	15 011	21 511	14 812	14 611	14 811	14 611	14 611	14 507	442	154 893	129 220	111 354
Total Capital Expenditure	2	496	14 861	14 611	15 011	21 511	14 812	14 611	14 811	14 611	14 611	14 507	442	154 893	129 220	111 354



Table 185: Table SA29 - Budgeted Monthly Capital Expenditure

KZN216 Ray Nkonyeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1															
Governance and administration		17	317	17	17	3 317	217	17	17	17	17	17	17	4 001	4 197	4 394
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		–	300	–	–	3 300	201	–	–	–	–	–	–	3 801	3 987	4 174
Internal audit		17	17	17	17	17	17	17	17	17	17	17	17	200	210	220
Community and public safety		376	394	394	394	394	394	394	394	394	394	310	292	4 520	4 741	4 964
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		376	376	376	376	376	376	376	376	376	376	292	292	4 340	4 553	4 767
Housing		–	18	18	18	18	18	18	18	18	18	18	–	180	189	198
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		62	11 814	11 864	12 264	15 464	11 864	11 864	12 064	11 864	11 864	11 844	92	122 920	108 782	97 496
Planning and development		–	11 052	11 102	11 502	14 702	11 102	11 102	11 302	11 102	11 102	11 102	50	115 220	100 729	89 038
Road transport		20	720	720	720	720	720	720	720	720	720	700	–	7 200	7 553	7 908
Environmental protection		42	42	42	42	42	42	42	42	42	42	42	42	500	500	550
Trading services		42	2 337	2 337	2 337	2 337	2 337	2 337	2 337	2 337	2 337	2 337	42	23 452	11 500	4 500
Energy sources		–	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	2 295	–	22 952	11 000	4 000
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		42	42	42	42	42	42	42	42	42	42	42	42	500	500	500
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	496	14 861	14 611	15 011	21 511	14 812	14 611	14 811	14 611	14 611	14 507	442	154 893	129 220	111 354
Funded by:																
National Government		–	8 978	8 978	9 378	12 578	8 978	8 978	8 978	8 978	8 978	8 978	–	93 781	89 729	74 038
Provincial Government		–	174	174	174	174	174	174	174	174	174	174	–	1 739	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	9 152	9 152	9 552	12 752	9 152	9 152	9 152	9 152	9 152	9 152	–	95 520	89 729	74 038
Borrowing		–	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	2 145	–	21 452	–	–
Internally generated funds		496	3 564	3 314	3 314	6 614	3 514	3 314	3 514	3 314	3 314	3 210	442	37 921	39 491	37 316
Total Capital Funding		496	14 861	14 611	15 011	21 511	14 812	14 611	14 811	14 611	14 611	14 507	442	154 893	129 220	111 354

Table 186: Table SA30 - Budgeted Monthly Cash Flow

KZN216 Ray Nkonyeni - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	40 328	40 328	40 328	40 328	40 328	40 328	40 328	40 328	40 328	40 328	40 328	40 328	483 936	507 649	531 508
Service charges - electricity revenue	14 443	14 443	14 443	14 443	14 443	14 443	14 443	14 443	14 443	14 443	14 443	14 443	173 314	181 806	190 351
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	59 576	62 495	65 432
Rental of facilities and equipment	291	291	291	291	291	291	291	291	291	291	291	291	3 498	3 669	3 842
Interest earned - external investments	709	709	709	709	709	709	709	709	709	709	709	709	8 511	8 928	9 348
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	855	855	855	855	855	855	855	855	855	855	855	855	10 263	10 766	11 272
Agency services	448	448	448	448	448	448	448	448	448	448	448	448	5 371	5 634	5 899
Transfers and Subsidies - Operational	53 244	24 117	24 117	24 117	68 701	24 117	24 117	24 117	53 244	24 117	24 117	24 117	392 240	330 415	338 586
Other revenue	625	625	625	625	625	625	625	625	625	625	625	625	7 495	7 863	8 232
Cash Receipts by Source	115 908	86 780	86 780	86 780	131 365	86 780	86 780	86 780	115 908	86 780	86 780	86 780	1 144 204	1 119 226	1 164 471
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	36 616	–	–	–	36 616	–	–	–	36 616	–	–	–	109 848	91 688	85 144
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	152 524	86 780	86 780	86 780	167 981	86 780	86 780	86 780	152 524	86 780	86 780	86 780	1 254 052	1 210 914	1 249 615
Cash Payments by Type															
Employee related costs	1 797	48 893	48 893	48 893	48 893	48 893	48 893	48 893	48 893	64 745	47 096	–	504 783	529 399	554 696
Remuneration of councillors	–	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	3 116	–	31 164	32 691	34 228
Interest	808	834	834	834	834	834	834	834	834	834	834	808	9 958	10 446	10 937
Bulk purchases - electricity	–	16 271	16 271	16 271	16 271	16 271	16 271	16 271	16 271	16 271	16 271	–	162 706	170 679	178 701
Acquisitions - water & other inventory	500	500	500	500	500	500	500	500	500	500	500	500	6 000	6 294	6 590
Contracted services	10 785	25 921	25 921	25 921	25 921	25 921	25 921	25 921	25 921	25 921	21 246	6 111	271 427	193 378	202 467
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	7 265	14 321	14 321	14 321	14 321	14 671	14 321	14 321	14 671	14 321	11 711	5 004	153 569	160 728	168 371
Cash Payments by Type	21 155	109 856	109 856	109 856	109 856	110 206	109 856	109 856	110 206	125 708	100 774	12 423	1 139 607	1 103 614	1 155 988
Other Cash Flows/Payments by Type															
Capital assets	412	16 707	16 407	16 407	19 377	16 608	16 407	16 607	16 407	16 407	16 303	308	168 358	113 160	107 625
Repayment of borrowing	(726)	1 987	1 987	1 987	1 987	1 987	1 987	1 987	1 987	1 987	1 987	(726)	18 414	28 456	29 794
Other Cash Flows/Payments	168	1 118	1 118	1 118	1 118	1 118	1 118	1 118	4 486	1 118	1 118	168	14 888	15 617	16 351
Total Cash Payments by Type	21 009	129 668	129 368	129 368	132 338	129 919	129 368	129 568	133 086	145 220	120 182	12 173	1 341 267	1 260 847	1 309 758
NET INCREASE/(DECREASE) IN CASH HELD	131 515	(42 888)	(42 588)	(42 588)	35 643	(43 138)	(42 588)	(42 788)	19 438	(58 439)	(33 401)	74 607	(87 214)	(49 934)	(60 143)
Cash/cash equivalents at the month/year begin:	131 591	263 105	220 218	177 630	135 043	170 686	127 547	84 960	42 172	61 610	3 171	(30 231)	131 591	44 377	(5 557)
Cash/cash equivalents at the month/year end:	263 105	220 218	177 630	135 043	170 686	127 547	84 960	42 172	61 610	3 171	(30 231)	44 377	44 377	(5 557)	(65 700)



Table 187: Table SA34a - Capital Expenditure on New Assets by Asset Class

KZN216 Ray Nkonyeni - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 on new assets by Asset Class/Sub-class										
Infrastructure		**78 845**	**27 481**	**88 516**	**58 461**	**61 383**	**61 383**	**58 352**	**58 548**	**55 759**
Roads Infrastructure		51 270	33 292	74 206	44 417	43 475	43 475	38 000	45 549	49 759
Roads		31 447	23 006	35 615	25 113	24 283	24 283	18 800	30 343	32 879
Road Structures		19 781	10 287	38 591	19 304	19 193	19 193	20 100	15 206	16 881
Road Furniture		42	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		15 882	3 470	4 422	2 609	4 609	4 609	3 000	3 500	4 000
Drainage Collection		15 882	3 470	4 422	2 609	4 609	4 609	3 000	3 500	4 000
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		10 893	(9 322)	1 988	12 435	12 719	12 719	8 452	1 500	2 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		(223)	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		972	443	708	1 275	1 275	1 275	–	–	–
MV Switching Stations		295	803	1 280	3 204	1 965	1 965	7 452	500	1 000
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		9 849	(10 568)	–	7 957	9 479	9 479	1 000	1 000	1 000
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	500	500	–	–	–
Data Centres		–	–	–	–	500	500	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**63 536**	**11 321**	**5 546**	**14 783**	**21 544**	**21 544**	**17 700**	**5 200**	**4 500**
Community Facilities		59 222	7 742	2 590	10 870	17 651	17 651	7 700	2 200	3 500
Halls		38 651	3 734	1 400	10 435	11 526	11 526	5 700	700	–
Centres		19 041	–	–	–	–	–	–	1 500	3 500
Crèches		–	–	–	–	–	–	–	–	–
Clinic/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	334	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	435	35	35	2 000	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		5 990	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	856	–	6 090	6 090	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		(4 360)	4 007	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		4 314	3 580	2 954	3 913	3 913	3 913	10 000	3 200	1 000
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		4 314	3 580	2 954	3 913	3 913	3 913	10 000	3 200	1 000
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	**150**	**160**	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	150	160	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		**2 325**	**17 887**	**15 833**	**8 261**	**4 261**	**4 261**	**9 888**	**16 548**	**12 888**
Operational Buildings		2 325	17 087	15 833	8 261	4 261	4 261	9 000	16 500	12 000
Municipal Offices		1 632	7 080	4 628	6 957	2 957	2 957	7 500	15 000	7 000
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		201	8 407	10 885	–	–	–	–	–	–
Yards		–	–	320	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		592	1 600	–	1 304	1 304	1 304	1 500	1 500	5 000
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		0	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		0	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	**909**	**2 190**	**840**	**840**	**840**	**881**	**923**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	**909**	**2 190**	**840**	**840**	**840**	**881**	**923**
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	909	2 190	840	840	840	881	923
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		**(40 048)**	**10 018**	**15 720**	**5 298**	**6 194**	**6 194**	**5 990**	**6 226**	**6 514**
Computer Equipment		(40 048)	10 018	15 720	5 298	6 194	6 194	5 990	6 226	6 514
Furniture and Office Equipment		**(2 889)**	**1 630**	**1 629**	**1 749**	**2 469**	**2 469**	**531**	**399**	**418**
Furniture and Office Equipment		(2 889)	1 630	1 629	1 749	2 469	2 469	531	399	418
Machinery and Equipment		**(13 613)**	**1 098**	**4 641**	**2 120**	**2 941**	**2 941**	**2 060**	**2 141**	**2 223**
Machinery and Equipment		(13 613)	1 098	4 641	2 120	2 941	2 941	2 060	2 141	2 223
Transport Assets		**36 144**	**51 340**	**18 674**	**17 950**	**14 950**	**14 950**	–	–	–
Transport Assets		36 144	51 340	18 674	17 950	14 950	14 950	–	–	–
Land		–	**2 400**	–	–	–	–	–	–	–
Land		–	2 400	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**123 588**	**122 485**	**143 726**	**111 812**	**114 522**	**114 522**	**86 473**	**82 897**	**82 338**



Table 188: Table SA34b - Capital Expenditure on Renewal of Existing Assets by Class

KZN216 Ray Nkonyeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		28 991	7 215	7 883	26 852	45 889	45 889	37 588	34 579	22 669
Roads Infrastructure		29 679	5 748	1 958	15 043	26 109	26 109	17 500	13 579	19 119
Roads		29 679	5 438	402	11 304	20 870	20 870	17 000	13 579	18 619
Road Structures		–	1 310	1 556	3 739	5 239	5 239	500	–	500
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	7 043	7 043	–	–	–
Drainage Collection		–	–	–	7 043	7 043	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		305	635	587	2 913	2 661	2 661	15 500	10 500	3 000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	288	–	–	14 500	5 000	1 000
MV Substations		305	635	587	1 250	2 161	2 161	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	1 375	500	500	1 000	5 500	2 000
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		(9 083)	–	5 138	8 696	8 696	8 696	4 000	10 000	–
Landfill Sites		(9 083)	–	5 138	8 696	8 696	8 696	4 000	10 000	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		(0)	(165)	–	–	500	500	500	500	550
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		(0)	(165)	–	–	500	500	500	500	550
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	5 836	2 928	896	196	196	8 159	8 500	1 000
Community Facilities		–	5 036	2 120	896	196	196	7 659	8 500	1 000
Halls		–	5 036	2 120	896	196	196	7 659	8 500	1 000
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	808	–	–	–	500	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	808	–	–	–	500	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing asset	1	28 991	12 255	10 812	27 547	45 284	45 284	45 588	43 079	23 669
Renewal of Existing Assets as % of total capex		12.6%	7.4%	5.0%	15.3%	19.6%	19.6%	39.5%	33.3%	21.3%
Renewal of Existing Assets as % of depreci*		22.6%	13.0%	12.0%	27.7%	45.4%	45.4%	44.5%	39.4%	20.7%



Table 189: Table SA34c - Repairs & Maintenance Expenditure by Asset Class

KZN216 Ray Nkonyeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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		32 774	27 185	26 839	27 174	36 874	36 874	175 774	88 876	182 685
Roads Infrastructure		30 130	25 258	22 754	23 817	29 817	29 817	162 030	83 658	87 590
Roads		30 130	25 258	22 754	23 817	29 817	29 817	162 030	83 658	87 590
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 644	1 927	3 282	3 357	6 257	6 257	11 425	11 985	12 548
Power Plants		–	–	36	9	9	9	9	9	9
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		1 547	793	1 628	1 660	3 060	3 060	939	985	1 031
LV Networks		1 097	1 134	1 618	1 689	3 189	3 189	10 477	10 991	11 507
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	2 319	2 433	2 547
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	2 319	2 433	2 547
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		211	485	617	985	1 111	1 111	500	525	549
Community Facilities		211	485	617	985	1 111	1 111	500	525	549
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		17	191	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		194	354	617	985	985	985	500	525	549
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	127	127	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		2 176	5 627	5 892	10 140	6 732	6 732	5 300	5 560	5 821
Operational Buildings		2 176	5 627	5 892	10 140	6 732	6 732	5 300	5 560	5 821
Municipal Offices		2 176	5 530	4 976	9 600	5 396	5 396	4 600	4 825	5 052
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	97	116	540	1 336	1 336	700	734	769
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		2	166	28	300	150	150	150	315	329
Furniture and Office Equipment		2	166	28	300	150	150	150	315	329
Machinery and Equipment		1 397	1 625	1 911	2 548	2 398	2 398	1 598	1 676	1 755
Machinery and Equipment		1 397	1 625	1 911	2 548	2 398	2 398	1 598	1 676	1 755
Transport Assets		9 903	9 059	10 661	12 969	14 111	14 111	10 630	5 906	6 183
Transport Assets		9 903	9 059	10 661	12 969	14 111	14 111	10 630	5 906	6 183
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	45 463	44 148	44 345	54 115	58 576	58 576	193 951	112 956	117 323
R&M as a % of PPE & Investment Property		2.6%	2.3%	2.2%	2.9%	2.9%	2.9%	10.0%	6.0%	6.0%
R&M as % Operating Expenditure		4.5%	4.4%	3.9%	4.6%	5.2%	5.2%	16.6%	8.9%	9.5%



Table 190: Table SA34d - Depreciation by Asset Class

KZN216 Ray Nkonyeni - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Depreciation by Asset Class/Sub-class										
Infrastructure		57 055	58 169	47 389	60 000	60 000	60 000	51 954	55 477	58 973
Roads Infrastructure		57 055	58 169	47 389	60 000	60 000	60 000	49 080	53 321	55 827
Roads		57 055	58 169	47 389	60 000	60 000	60 000	49 080	53 321	55 827
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	2 520	2 643	2 768
Drainage Collection		–	–	–	–	–	–	2 520	2 643	2 768
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	5 040	5 287	5 535
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	5 040	5 287	5 535
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	4 410	4 626	4 844
Landfill Sites		–	–	–	–	–	–	4 410	4 626	4 844
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		26 997	25 006	26 683	27 500	27 500	27 500	21 945	23 028	24 102
Community Facilities		26 997	25 006	26 683	27 500	27 500	27 500	21 945	23 028	24 102
Halls		26 997	25 006	26 683	27 500	27 500	27 500	18 769	19 688	20 614
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres										
Libraries		–	–	–	–	–	–	3 176	3 332	3 488
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	6 838	7 278	7 611
Operational Buildings		–	–	–	–	–	–	6 930	7 270	7 611
Municipal Offices		–	–	–	–	–	–	6 930	7 270	7 611
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		210	213	469	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		210	213	469	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licences		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		210	213	469	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		1 399	1 216	1 549	1 500	1 500	1 500	1 575	1 652	1 730
Computer Equipment		1 399	1 216	1 549	1 500	1 500	1 500	1 575	1 652	1 730
Furniture and Office Equipment		1 024	898	1 097	1 000	1 000	1 000	1 050	1 101	1 153
Furniture and Office Equipment		1 024	898	1 097	1 000	1 000	1 000	1 050	1 101	1 153
Machinery and Equipment		1 552	824	1 197	1 000	1 000	1 000	1 050	1 101	1 153
Machinery and Equipment		1 552	824	1 197	1 000	1 000	1 000	1 050	1 101	1 153
Transport Assets		4 280	8 025	10 106	8 500	8 500	8 500	8 925	9 362	9 802
Transport Assets		4 280	8 025	10 106	8 500	8 500	8 500	8 925	9 362	9 802
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	92 517	94 351	88 486	99 500	99 500	99 500	102 525	109 384	114 526



Table 191: Table SA35 - Future Financial Implications

KZN216 Ray Nkonyeni - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - Mayor and Council		–	–	–				
Vote 2 - Finance and Administration		3 801	3 987	4 174				
Vote 3 - Internal Audit		200	210	220				
Vote 4 - Community and Social Services		–	–	–				
Vote 5 - Sport and Recreation		–	–	–				
Vote 6 - Public Safety		4 340	4 553	4 767				
Vote 7 - Housing		180	189	198				
Vote 8 - Health		–	–	–				
Vote 9 - Planning and Development		115 220	100 729	89 038				
Vote 10 - Road Transport		7 200	7 553	7 908				
Vote 11 - Environment Protection		500	500	550				
Vote 12 - Energy Sources		22 952	11 000	4 000				
Vote 13 - Other		–	–	–				
Vote 14 - Waste Water Management		–	–	–				
Vote 15 - Waste Management		500	500	500				
List entity summary if applicable								
Total Capital Expenditure		**154 893**	**129 220**	**111 354**	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Mayor and Council		60 994	63 982	66 990				
Vote 2 - Finance and Administration		223 821	239 036	250 317				
Vote 3 - Internal Audit		91 453	78 608	78 925				
Vote 4 - Community and Social Services		61 691	64 970	68 591				
Vote 5 - Sport and Recreation		5 074	5 322	5 572				
Vote 6 - Public Safety		107 354	125 031	134 285				
Vote 7 - Housing		18 075	18 852	19 634				
Vote 8 - Health		–	–	–				
Vote 9 - Planning and Development		46 937	48 240	50 508				
Vote 10 - Road Transport		230 882	157 720	165 132				
Vote 11 - Environment Protection		25 627	26 897	28 205				
Vote 12 - Energy Sources		194 314	203 835	213 415				
Vote 13 - Other		5 850	6 137	6 426				
Vote 14 - Waste Water Management		–	–	–				
Vote 15 - Waste Management		180 920	192 868	188 112				
List entity summary if applicable								
Total future operational costs		1 252 991	1 231 498	1 276 112	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity		182 436	191 375	200 370				
Service charges - Water		–	–	–				
Service charges - Waste Water Management		–	–	–				
Service charges - Waste Management		62 711	65 784	68 876				
Agency services		5 371	5 634	5 899				
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		250 518	262 794	275 145	–	–	–	–
Net Financial Implications		**1 157 365**	**1 097 924**	**1 112 321**	–	–	–	–



Table 192: Table SA36 - List of Capital Projects

KZN216 Ray Nkonyeni - Supporting Table SA36 Detailed capital budget

R thousand

Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	2023/24 Medium Term Revenue & Expenditure Framework: Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality																
List all capital projects grouped by Function																
Capital Non-Infrastructure New Furniture and Office Equipment Furniture and Office Equipment														535	300	418
Capital Non-Infrastructure New Computer Equipment Computer Equipment														5 966	6 276	6 514
Capital Non-Infrastructure New Machinery and Equipment Machinery and Equipment														462	464	486
apital Non-Infrastructure New Other Assets Operational Buildings Depots NEW E DEPOT ADDITION FACILITIES - PHASE 3														1 500	1 500	5 000
Capital Non-Infrastructure New Other Assets Operational Buildings Municipal Offices MLB Offices														2 000	10 000	2 000
Capital Non-Infrastructure New Other Assets Operational Buildings Municipal Offices Municipal Vehicle Pound														5 000	5 000	5 000
Capital Non-Infrastructure Existing Upgrading Community Assets Community Facilities Airports AIRPORT														1 728	–	–
n-Infrastructure:Existing Upgrading Community Assets:Community Facilities:Centres:PORT SHEPSTONE CIVIC CENTRE UPGRADE														1 000	–	–
Upgrading:Community Assets:Community Facilities:Centres:RATIONALISATION OF OFFICE SPACE (PORT SHEPSTONE - OLD LIBRARY REFURBISHMENT)														1 000	1 000	3 000
ructure:Existing Upgrading:Community Assets:Community Facilities:Centres:RATIONALISATION OF OFFICE SPACE (WELLNESS CENTRE)														2 000	1 000	–
Capital Infrastructure:New Roads Infrastructure:Road Structures:MBHELE PEDESTRIAN BRIDGE														3 000	1 000	1 000
Capital Infrastructure:New Electrical Infrastructure:LV Networks:INSTALLATION OF NEW STREET LIGHTS														1 000	1 000	1 000
Capital Infrastructure:Existing Upgrading Roads Infrastructure:Roads:UPGRADE OF MAIN HARDING ROAD														14 022	–	–
Capital Infrastructure:Existing Upgrading Roads Infrastructure:Roads:Upgrade of Reynold Street														500	3 043	345
Infrastructure:Existing Upgrading:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:OUTDOOR GYM FACILITIES														1 000	–	2 000
Non-Infrastructure:New Community Assets:Sport and Recreation Facilities:Outdoor Facilities:SPORTSFIELD MINI (WARD 24)														6 000	700	–
Capital Non-Infrastructure New Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Talane Sportfield														4 000	3 000	1 000
Capital Non-infrastructure New Community Assets:Community Facilities:Parks:Community Park in Ward 5														2 000	–	–
al Infrastructure:Existing Renewal:Roads Infrastructure:Roads:REHABILITATION OF COLLEGE ROAD SOUTHBROOM (WARD 2														4 500	1 019	–
Capital Infrastructure:Existing Renewal:Roads Infrastructure:Roads:Rural Roads and Stormwater Rehabilitation														10 000	8 000	9 000
Capital:Infrastructure:Existing Renewal:Roads Infrastructure:Roads:Ward 34 Gravel Road														–	–	–
Capital:Infrastructure:Existing:Renewal:Roads Infrastructure:Roads:Road Regravelling and Concrete Section Ward 34														1 000	3 000	2 119
Capital:Infrastructure:Existing:Renewal:Roads Infrastructure:Roads:Ezihlosini Road in Ward 1														500	–	2 000
Capital:Infrastructure:Existing:Renewal:Roads Infrastructure:Roads:Chief Road in Ward 4														500	–	2 000
Capital Non-Infrastructure:Existing:Upgrading:Other Assets:Operational Buildings:Municipal Offices:Treasury Offices														200	–	–
Non-Infrastructure:Existing:Renewal:Community Assets:Community Facilities:Halls:MARGATE HALL RECONSTRUCTION WARD 2														6 000	8 000	1 000
Capital Non-Infrastructure:Existing:Renewal:Community Assets:Community Facilities:Halls:70 Hall Roof Repairs														1 500	500	–
apital Non-Infrastructure:Existing:Renewal:Community Assets:Community Facilities:Halls:Renovations Umgcwawa Hall														–	–	–
apital Non-Infrastructure:Existing:Renewal:Community Assets:Community Facilities:Halls:Mhambonkulu Hall Renovation														750	–	–
nfrastructure:Existing:Renewal:Community Assets:Sport and Recreation Facilities:Outdoor Facilities:Qhingo Sportfields Renovations														500	–	–
Capital Non-Infrastructure:New:Community Assets:Community Facilities:Halls:Ward 36 Nkulu community hall														1 000	–	–
Capital:Non-Infrastructure:New:Community Assets:Community Facilities:Halls:DUMEZULU COMMUNITY HALL Phase 2														1 500	700	–
Capital:Non-Infrastructure:New:Community Assets:Community Facilities:Halls:Nkulu Community Hall Ward 25														3 200	–	–
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:MAZUBANE/DWANE PEDESTRIAN BRIDGE (WARD 21)														500	1 000	–
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:MAZUBANE/DWANE PEDESTRIAN BRIDGE WARD 20														3 000	–	–
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14														5 000	8 000	1 000
pital:Infrastructure:New:Roads Infrastructure:Road Structures:MADALA TO MDLUNDUNA VEHICULAR BRIDGE WARD 24														500	–	–
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:PEDESTRIAN BRIDGE EXTENSION 3 WARD 6														3 000	706	–
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:MANGENI VEHICULAR BRIDGE WARD 25														1 000	5 000	1 000
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:Rhaylys Vehicular Bridge														1 500	7 000	4 881
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:Nhlangeni Vehicular Bridge														1 500	1 000	5 000
Capital:Infrastructure:New:Roads Infrastructure:Road Structures:Nhambi Bridge														500	–	–
Renewal:Roads Infrastructure:Road Structures:WARD 26 WALKWAYS AND GUARDRAILS (HLEMEGA NGUBU,LANGA AND HLOZILI MAKHANA)(3 BRIDGES)												210 623	230 756	4 000	14 500	10 500
Rastructure:Existing:Renewal:Roads Infrastructure:Road Structures:WARD 12 PEDESTRIAN BRIDGE (DYLIK SUGAR MILL ROAD)														500	–	500
Existing:Upgrading:Community Assets:Community Facilities:Public Open Space:RATIONALISATION OF OFFICE SPACE (PSHS/PSTONE & UVONGO)														–	(0)	–
Capital:Infrastructure:New:Roads Infrastructure:Roads:NGQUMBELA ROAD AND CAUSEWAY WARD 7														500	–	–
Capital:Infrastructure:New:Roads Infrastructure:Roads:ROADS REGRAVEL B														7 000	11 342	12 870
Capital:Infrastructure:New:Roads Infrastructure:Roads:LONJINI TO KHOMBEZA ROAD														4 000	8 000	–
Capital Infrastructure:New:Roads Infrastructure:Roads:Bomvini School Road														1 000	8 000	8 000
Capital Infrastructure:New:Roads Infrastructure:Roads:Nkanyezini Road														1 500	8 000	8 000
Capital Infrastructure:New:Roads Infrastructure:Roads:Mandla Mabaso Road														2 500	8 000	8 000
Capital Infrastructure:New:Roads Infrastructure:Roads:Corner House Ring Road														1 500	8 000	8 000
Capital Infrastructure:New:Storm water Infrastructure:Drainage Collection:STORMWATER - URBAN														3 000	3 500	4 000
Capital:Non-Infrastructure:New:Other Assets:Operational Buildings:Municipal Offices:OFFICE WATER TANKS														500	–	–
Capital Infrastructure:Existing:Renewal:Coastal Infrastructure:Capital Spares:BLUE FLAG FACILITIES:RECURRENT/MF														500	500	550
ac Non-Infrastructure:New:Intangible Assets:Licences and Rights:Computer Software and Applications:Computer Software														843	881	923
Capital:Non-Infrastructure:New:Machinery and Equipment:CAMCORD														1 500	1 914	1 647
tructure:MV Switching Stations:MELMORAL & METCLOS SWITCHING STA REFURBISHMENTS AND SWITCHGEAR REPLACEMENTS - PLANNING AND DESIGNS														6 952	–	–
Infrastructure:New:Electrical Infrastructure:MV Switching Stations:POWER FACTOR CORRECTION EQUIPMENT (NDP GRANT)														500	500	1 000
Existing:Renewal:Electrical Infrastructure:MV Transmission Conductors:11kV INTERCONNECTOR - MARBURG TO P.S. SUB (NDP GRANT)????														14 000	2 000	1 000
ucture:Existing:Renewal:Electrical Infrastructure:MV Networks:MV INFRASTRUCTURES REFURBISHMENT & UPGRADES (NDP GRANT) ??														500	2 000	1 000
al Infrastructure:Existing:Renewal:Electrical Infrastructure:MV Networks:MV NETWORK?? RING CONNECTIONS (NDP GRANT)														500	3 000	1 000
Capital:Non-Infrastructure:New:Machinery and Equipment:TOOLS														80	84	88
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
														–	–	–
Parent Capital expenditure												210 623	230 756	154 893	129 226	111 264
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
														–	–	–
Entity Capital expenditure														–	–	–
Total Capital expenditure												210 623	230 756	154 893	129 226	111 264



Table 193: Budget Financial Ratios

Grant Dependency							
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	None		38%	*2023/24 Projected 3*	
				Internally generated funds	37 920 792		
				Borrowings	21 452 000		
				Total Capital Expenditure	154 892 800		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	None		24%	*2023/24 Projected 3*	
				Internally generated funds	37 920 792		
				Total Capital Expenditure	154 892 800		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	None		69%	*2023/24 Projected 3*	
				Total Revenue	1 360 955 503		
				Government grant and subsidies	499 874 004		
				Public contributions and Donations			
				Capital Grants	109 848 000		
Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	10% - 20%		11%	*2023/24 Projected 3*	
				Total Operating Expenditure	1 253 190 894		
				Taxation Expense			
				Total Capital Expenditure	154 892 800		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	0%		0%	*2023/24 Projected 3*	
				PPE, Investment Property and Intangible Impairment	2 231 316		
				PPE at carrying value	1 626 382 724		
				Investment at carrying value	307 811 000		
				Intangible Assets at carrying value	1 696 910		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	8%		10%	*2023/24 Projected 3*	
				Total Repairs and Maintenance Expenditure	193 951 320		
				PPE at carrying value	1 626 382 724		
				Investment Property at Carrying value	307 811 000		
Liquidity Management							
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 - 3 Months		1 Month	*2023/24 Projected 3*	
				Cash and cash equivalents	40 426 755		
				Unspent Conditional Grants	46 376 215		
				Overdraft			
				Short Term Investments	121 193 912		
				Total Annual Operational Expenditure	1 253 190 894		
2	Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1		1.92	*2023/24 Projected 3*	
				Current Assets	645 022 604		
				Current Liabilities	335 378 704		
Distribution Losses							
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	7% - 10%		17%	*2021/22 Audited*	
				Number of units purchased and/or generated	85 614 146		
				Number of units sold	70 815 940		
Liability Management							
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	6% - 8%		1%	*2023/24 Projected 3*	
				Interest Paid	9 957 656		
				Redemption			
				Total Operating Expenditure	1 253 190 894		
				Taxation Expense			
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	45%		5%	*2023/24 Projected 3*	
				Total Debt	45 326 001		
				Total Operating Revenue	1 251 107 503		
				Operational Conditional Grants	390 026 004		



Debtors Management							
					86%		
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	95%	Gross Debtors closing balance	480 288 464		
				Gross Debtors opeining balance	384 299 655	*2023/24 Projected 3*	
				Bad debts written Off	6 023 160		
				Billed Revenue	754 553 395		

Expenditure Management							
					28 days		
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	30 days	Trade Creditors	59 008 816		
				Contracted Services	273 775 926		
				Repairs and Maintenance	193 951 320		
				General expenses	156 437 194		
				Bulk Purchases	158 319 920	*2023/24 Projected 3*	
				Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*			

3.7.16.7 Budget Funding Status

Table 194: SA10 - Budget Funding Status

KZN216 Ray Nkonyeni Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	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	Pre-audit outcome	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	1	1 391 964	742 574	284 709	101 096	52 831	52 831	52 831	40 427	(11 457)	(73 688)
Cash + investments at the yr end less applications - R'000	18(1)b	2	234 983	418 119	553 174	256 741	406 974	406 974	417 781	445 216	413 670	585 985
Cash year end/monthly employee/supplier payments	18(1)b	3	25.9	11.4	3.9	1.3	0.7	0.7	0.7	0.5	(0.1)	(0.9)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	7 578	162 656	123 494	135 403	162 316	162 316	162 316	107 765	91 347	90 695
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.5%)	(0.4%)	4.7%	(9.1%)	(6.0%)	(6.0%)	(2.5%)	(1.1%)	(1.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	92.0%	87.6%	108.8%	84.2%	83.2%	83.2%	83.2%	88.2%	88.2%	88.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7		(4.5%)	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	50.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	12.1%	12.7%	12.7%	12.7%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	49.3%	18.3%	(3.8%)	30.3%	0.0%	0.0%	(0.1%)	21.2%	18.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	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)	13	2.6%	2.3%	2.2%	2.9%	2.9%	2.9%	10.0%	6.0%	6.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	12.8%	7.4%	5.0%	15.2%	19.6%	19.6%	19.6%	29.5%	33.3%	21.3%
High Level Outcome of Funding Compliance												
Total Operating Revenue			943 500	1 071 334	1 083 016	1 174 628	1 139 727	1 139 727	1 139 727	1 251 108	1 231 367	1 281 883
Total Operating Expenditure			1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Surplus/(Deficit) Budgeted Operating Statement			(89 908)	68 073	(42 047)	3 043	(30 971)	(30 971)	(30 971)	(2 083)	(341)	5 551
Surplus/(Deficit) Considering Reserves and Cash Backing			234 983	418 119	553 174	256 741	406 974	406 974	417 781	445 216	413 670	585 985
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ×		15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

References

RAY NKONYENI MUNICIPALITY
LONG TERM LOANS REGISTER : 31 MAY 2023

DETAILS	%	REDEEMABLE	PROJECT NUMBER	CAPITAL OPENING BALANCE 01 MAY 2023	LOAN ADVANCE	LOAN INTEREST CHARGED	INTEREST PAID	LOAN REPAYMENT	CLOSING BALANCE 31 MAY 2023
				R				R	R
DBSA	9.36%	31-Mar-31	'61007684	-R 3 024 802.24					-R 3 024 802.24
DBSA	12.67%	22-Nov-30	'61007761	-R 8 037 020.62					-R 8 037 020.62
TOTAL DBSA LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86
TOTAL LOANS				-R 11 061 822.86	R -	R -	R -	R -	-R 11 061 822.86



Billed Revenue as per Audited Income Statement

KZN216 Ray Nkonyeni Municipality

Trading as Ray Nkonyeni Municipality
Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods		798 224	391 169
Service charges	21	214 941 623	195 944 866
Rendering of services		4 521 556	6 824 505
Construction contracts		48 302 929	56 729 871
Rental of facilities and equipment	22	3 896 567	3 785 050
Interest received (trading)		5 553 507	4 825 324
Agency services	23	4 965 053	5 400 353
Licences and permits	24	268 554	472 868
Recoveries		437	456 951
Operational revenue		1 946 210	347 655
Other income	25	-	2 679 935
Interest received - investment	26	5 181 831	3 513 272
Fair value adjustments		7 587 194	9 029 000
Total revenue from exchange transactions		**297 963 685**	**290 400 819**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	27	464 477 219	447 331 316
Licences and Permits (Non-exchange)		7 869 658	5 093 916
Surcharges and Taxes	28	-	9 848
Interest, Dividends and Rent on Land	29	25 601 971	23 400 805
Transfer revenue			
Government grants & subsidies	30	415 748 261	380 668 949
Public contributions and donations	31	6 596 917	2 465 770
Fines, Penalties and Forfeits	32	30 190 102	16 546 112
Total revenue from non-exchange transactions		**950 484 128**	**875 516 716**
Total revenue		**1 248 447 813**	**1 165 917 535**
Expenditure			
Employee related costs	33	(445 891 077)	(428 524 182)
Remuneration of councillors	34	(26 248 752)	(28 365 863)
Depreciation and amortisation	35	(88 489 795)	(94 350 628)
Impairment loss/reversal	36	(35 402 088)	22 958 755
Finance costs	37	(19 930 625)	(12 479 458)
Lease rentals on operating lease	38	(13 403 388)	(18 952 847)
Bad debts written off		(4 423 719)	(6 915 501)
Bulk purchases	39	(122 719 656)	(108 129 488)
Contracted services	40	(213 909 792)	(191 247 166)
Transfers and Subsidies	41	(9 890 135)	(6 635 338)
Loss on disposal of assets and liabilities		(490 446)	(2 289 489)
Inventory consumed		(13 825 104)	(11 980 602)
General Expenses	42	(130 329 059)	(116 675 594)
Total expenditure		**(1 124 953 636)**	**(1 003 587 401)**
Surplus for the year		**123 494 177**	**162 330 134**



3.7.16.8 Legislation Compliance Status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

In year reporting

- Reporting to National Treasury in electronic format was fully complied with monthly. Section 71 reporting to the Executive Mayor (within 10 working days).

Internship programme

- The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, of the five interns four have been appointed permanently. The remaining two are still under the training and municipality has an obligation to replace the vacant positions of the three interns.

Budget and Treasury Office

- The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

- An Audit Committee is shared with other municipalities within the district and is fully functional.

Service Delivery and Budget Implementation Plan

- The detailed 2023/24 Final SDBIP document is being compiled and shall be tabulated to Council at the end of June 2023.

Annual Report

- Annual report is compiled in terms of the MFMA and National Treasury requirements



3.7.17 Key Findings

Summary on spending on staff salaries and wages, July 2022-June 2023: Employee related costs are the largest proportion of operating expenditure, due to a number of vacant posts that need to be filled. The normal range for this indicator should be between 25% and 40% and it must be indicated that the municipality stands at 38%, which is moderate. This must be guarded as the costs should not grow as large as it will threaten the sustainability of operating budget, however, spending on Contractor Services, July 2022-June 2023 is 20% which is higher than operational expenditure. The municipality has cut down extensively on costs, meaning cost containment measures are implemented, some expenditures are lower as compared to the previous years.

Budget related policies are being implemented.
Debt management: The municipality over the past 5 years, implemented a policy dealing with debt collection etc. Repairs and maintenance % has been increased. There is a decrease of the indigent support.

3.7.18 Financial Viability SWOT Analysis

Table 195: Financial Viability SWOT Analysis

Strengths	Weaknesses
-83% of income generated internal and sources being rates, electricity and refuse income grant funding -Clean Audit in the last Financial year -Annual financial statements developed internal -Robust PMS System	-Collection is not always 100% -Ageing infrastructure resulting in disgruntled ratepayers who are threatening to withhold rates which is the Municipality's main source of income ---Amendments of the AFS which resulted in the none achievement of clean audit
Opportunities	**Threats**
-Being one of the most financial stable Municipalities in KZN and South Africa Introduction of the case ware reporting system which will assist in addressing the issue of quality of AFS	-Ratepayers threating to withhold rates -Irregularities within the procurement prices - Fixed asset register system have some weaknesses -Poor fleet management -Non planning for future replacement of capital items



SECTION D: MUNICIPAL VISION,GOALS AND OBJECTIVES

4.1 Vision

"By 2036 Ray Nkonyeni Municipality will be a prime tourist-friendly; economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment"

4.2 Mission

"The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders"

4.3 Strategic Objectives

Ray Nkonyeni Municipality held its Strategic Planning Session in February 2022 for the new generation. The RNM Council and officials deliberated on the formulation of the Municipality's new goals and strategic objectives.

Below are the municipality's adopted the strategies and objectives :

1. Municipal Transformation and Organisational Development

i. To foster effective and efficient Inter-Governmental Relations (IGR);

ii. To ensure on-going human resource development;

iii. To attract and retain skilled employees;

iv. To be an innovative organisation with improved performance.

2. Basic Service Delivery and Infrastructure

I. To ensure existing infrastructure is maintained and improved;

ii. To provide access to basic services;

iii. To extend the provision of basic services and infrastructure to rural areas;

iv. To improve delivery of capital projects through investment in infrastructure development;

v. To facilitate the provision of housing.

3. Local Economic Development



i. To grow the economy of the municipality through investment attraction and tourism development;

ii. To create an enabling environment to grow businesses, cooperatives and SMMEs;

iii. To drive job creation initiatives;

iv. To promote township and rural development through nodal developments especially for commerce and industries;

v.To promote sustainable livelihoods and enhance the fight against poverty;

vi.To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

i.To promote a culture of participatory democracy;

ii.To develop and review organisational policies to be in line with current national and provincial agenda;

iii.To develop an ethical organisation which is fraud and corruption free;

iv.To promote and uphold principles of good governance and legal compliance;

v.To ensure a safe and crime free municipality;

vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need;

vii. To promote and safeguard the municipal brand.

5. Municipal Financial Viability and Management

i. To ensure efficient and effective management of council assets and properties;

ii. To improve revenue, cost reduction and management of debt;

iii.To ensure expenditure on long-term capital infrastructure project plans.

6. Cross Cutting Issues

i.To create sustainable and resilient settlements;

ii.To promote and enhance planned development and land administration;

iii.To promote green economy.

4.4 Long Term Vision

Ray Nkonyeni Municipality adopted its long term vision, Vision 2036 in 2019. The strategy is a product of indepth process through engagements with various stakeholders, a study that is evidence based, and assisted in developing strategic goals for the municipality. The strategy is aimed at 5 year terms, which currently it is its second term. ***(See attachment 3: Vision 2036)***

The municipality's 20 year growth strategic growth development strategy is based upon the current economic development trajectory of the municipality and the economic and social



importance of the municipality and district. In the strategy,a high scenario growth path was presented which includes;

- Poverty gap
- Unemployment down below 10%
- Huge growth of middle class
- Sustainable human settlements
- South Coast tourism booming
- Crime low
- Youth are empowered to lead



SECTION E: IMPLEMENTATION PLAN

5.1 Capital Investment Framework

Ray Nkonyeni Municipality is classified as an Intermediate City Municipality (ICM) by Cogta. This therefore means, the municipality no longer uses MIG, which is a 5 year capital programme, as a source of funding, but uses the Integrated Urban Development Grant(IUDG) which uses a three-year capital programme that is aligned with a 10-year CEF. In this regard, Ray Nkonyeni Municipality has prepared a three year capital programme in line with the IUDG. The purpose of the IUDG is to provide funding for investment in infrastructure for the poor and to promote increased access to municipal-owned sources of capital finance in order to increase funding for public investment economic infrastructure. It is also aimed at ensuring that public investments are spatially aligned to promote the sound management of the asset delivered.



Table 196: Capital Investment Framework

MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
1	Nkulu Community Hall	Community Hall	Cluster 1	36	R 4 500 000,00	IUDG	4 000 000	500 000	0	Project Awarded, Under Construction
2	Sportsfield (Mbeni)	Sportsfield	Cluster 1	31	R 4 200 000,00	IUDG	4 000 000	200 000	0	Project Awarded, Under Construction, Progress Slow, Project Going For Termination
3	Lonjani To Khumbuza Road	Roads Infrastructure	Cluster 1	30	R 7 000 000,00	IUDG	4 000 000	3 000 000	0	Project On Tender Evaluation Stage
4	Bhayiya Vehicle Bridge	Roads Infrastructure	Cluster 1	33	R 7 380 900,78	IUDG	500 000	2 000 000	4 880 901	Project Designs Underway, Pending Eia Approval
5	Mzenge Road And Bridge	Roads Infrastructure	Cluster 1	34	R -		0	0	0	Project Not Viable At This Stage, To Be Replaced By Gravelling Of Roads In Ward 34
6	Bomvini School Road	Roads Infrastructure	Cluster 1	35	R 8 500 000,00	IUDG	500 000	3 000 000	5 000 000	Project Design Underway
7	Gravel Roads	Roads Infrastructure	Cluster 1	34	R 5 619 099,22	IUDG	500 000	3 000 000	2 119 099	New Project Replacing Mzenge Road And Bridge
8	Renovation Of Izingolweni Offices Hall	Buildings	Cluster 1	33	R 2 500 000,00	IUDG	1 000 000	1 500 000	0	New Proposed Project For 2023/2024
9	Ngqumbela Road And Causeway	Roads Infrastructure	Cluster 2	7	R 2 500 000,00	IUDG	2 500 000	0	0	Project Under Construction 60% Complete



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
10	Repairs To Mbhele Pedestrian Bridge	Roads Infrastructure	Cluster 2	29	R 2 500 000,00	IUDG	500 000	1 000 000	1 000 000	Project Re-Designs Completed, Tender Documentation Finalised
11	Dumezulu Community Hall Phase 2	Community Facility	Cluster 2	8	R 4 700 000,00	IUDG	4 000 000	700 000	0	Project Under Construction, 40% Progress, Concerned About Slow Progress
12	Nhlanjeni Vehicular Bridge	Roads Infrastructure	Cluster 2	9	R 6 500 000,00	IUDG	500 000	1 000 000	5 000 000	Project Design Underway, Pending Eia Approval
13	Mbecuka Sportsfield In	Sportsfield	Cluster 2	29	R 5 000 000,00		0	1 500 000	3 500 000	New Proposed Project For 2023/2024
14	Pedestrian Bridge Extension 3	Roads Infrastructure	Cluster 3	6	R 3 500 000,00	IUDG	3 500 000	0	0	Project On Tender Evaluation Stage
15	Rehabilitation Of College Road Southbroom	Roads Infrastructure	Cluster 3	2	R 6 078 971,39	IUDG	5 000 000	1 078 971	0	Project Awarded, Site Handed-Over To The Contractor
16	Nkanyezini Road	Roads Infrastructure	Cluster 3	10	R 8 500 000,00	IUDG	500 000	3 000 000	5 000 000	Project Design Underway
17	Mandla Mzelemu Road	Roads Infrastructure	Cluster 3	11	R 8 500 000,00	IUDG	500 000	3 000 000	5 000 000	Project Design Underway
18	Reconstruction Of Margate Hall	Buildings	Cluster 3	6	R 17 000 000,00	IUDG	8 000 000	8 000 000	1 000 000	Project Building Plans Have Been Approved, To Be Advertised In Quarter 4 Of 2022/2023



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
19	Outlands Landfill Site (Cell 4C)	Solid Waste	Cluster 3	6	R 14 000 000,00	INTERNAL	4 000 000	10 000 000	0	Project Designs Approved, Consultant Finalising Appointment Of The Contractor (S116)
20	Community Park	Community Facility	Cluster 4	5	R 2 000 000,00	IUDG	1 000 000	1 000 000		Project On Tender Stage
21	Enkulu Hall	Buildings	Cluster 4	25	R 5 000 000,00	IUDG	3 000 000	2 000 000	0	Project Under Construction 20% Complete
22	Corner House Ring Road	Roads Infrastructure	Cluster 4	27	R 8 500 000,00	IUDG	500 000	3 000 000	5 000 000	Project Design Underway
23	Izotsha Memorial Crematorium	Buildings	Cluster 4	3	R 8 000 000,00	IUDG			8 000 000	Project On Stand-Still, Funding Needed To Finish The Project
24	Nkangeni Vehicular Bridge	Roads Infrastructure	Cluster 4	25	R 4 500 000,00	IUDG	500 000	3 000 000	1 000 000	Project On Tender Evaluation Stage
25	Zg Hall Roof Repairs	Buildings	Cluster 4	28	R 2 060 017,00	IUDG	1 500 000	560 017	0	Project Scoping Underway
26	Walkways (Sgedleni)	Roads Infrastructure	Cluster 4	28	R 1 000 000,00	IUDG	1 000 000	0	0	Scoping Has Been Done, To Be Implemented As Part Of Rural Road And Stormwater Contract
27	Kwaxaba Multi-Purpose Centre	Community Facility	Cluster 4	27	R 5 000 000,00	IUDG	0	1 500 000	3 500 000	New Proposed Project For 2023/2024
28	Kwaxaba Main Road	Roads Infrastructure	Cluster 4	27	R 5 000 000,00		0	1 500 000	3 500 000	New Proposed Project For 2023/2024



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
29	Indoor Sport Facility	Sportsfield	Cluster 4	5	R -		0	0	0	New Proposed Project For 2023/2024
30	Tb Molefe Sports Ground	Sportsfield	Cluster 4	28	R -		0	0	0	New Proposed Project For 2023/2024
31	Gonondo Road	Roads Infrastructure	Cluster 4	26	R -		0	0	0	New Proposed Project For 2023/2024
32	Repairs To Nositha Pedestrian Bridge	Roads Infrastructure	Cluster 4	27	R -		0	0	0	New Proposed Project For 2023/2024
33	Ethafeni Community Facility	Social Facility	Cluster 4	25	R -		0			
34	Tatane Sportsfield	Sportsfield	Cluster 5	23	R 6 500 000,00	IUDG	2 500 000	3 000 000	1 000 000	Project Design Finalised, To Be Advetised In May 2023
35	Mazubane Pedestrian Bridge	Roads Infrastructure	Cluster 5	21	R 4 000 000,00	IUDG	3 000 000	1 000 000	0	Project Under Construction, 30% Completed, Project Suffered Delays Due To Stoppage
36	Madala To Mdlungwana Vehicular Bridge	Roads Infrastructure	Cluster 5	24	R 759 130,44	IUDG	759 130	0	0	Project Awarded, Contractor On Site
37	Mazubane/Dikwe Pedestrian Bridge	Roads Infrastructure	Cluster 6	20	R 3 000 000,00	IUDG	3 000 000	0	0	Project Awarded But Contractor Withdrew From The Project, Project On Tender Evaluation



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
38	Valley Road Vehicular Bridge Upgrade	Roads Infrastructure	Cluster 6	18	R -		0	0		Project Designs Finalised, Project To Be Implemented Under Disaster Grant
39	Nelson Mandela Drive	Roads Infrastructure	Cluster 6	18	R 3 521 739,13	NT	3 521 739	0	0	Project Under Construction 89% Progress
40	Municipal Vehicle Pound	Buildings	Cluster 6	17	R 15 000 000,00	INTERNAL	5 000 000	5 000 000	5 000 000	Project On Design Stage (Pending Approval Of Building Plans), Tender Process Starting September 2022
41	Mlb Offices	Buildings	Cluster 6	17	R 14 000 000,00	INTERNAL	2 000 000	10 000 000	2 000 000	Pending Plans Approval
42	Port Sheptsone Civic Centre Upgrade	Social Facility	Cluster 6	18	R 1 000 000,00	INTERNAL	1 000 000	0		Project To Be Re-Advertised, Due To Failure By Contractors To Comply
43	Main Harding Road	Roads Infrastructure	Cluster 6	17	R 6 000 000,00	NT	6 000 000	0	0	Project Under Construction 50% Progress, Serious Defects Developing On The Road, Contractor Instructed To Rectify In Terms Of The Contract
44	11Kv Interconnector - Marburg To P.S. Sub (Ndp Grant)	Electricity	Cluster 6	18	R 6 500 000,00	NT	500 000	5 000 000	1 000 000	New Proposed Project For 2023/2024



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
45	Mv Infrastructure Refurbishment & Upgrades (Ndp Grant)	Electricity	Cluster 6	18	R 4 000 000,00	NT	500 000	2 500 000	1 000 000	New Proposed Project For 2023/2024
46	Mv Network - Ring Connections (Ndp Grant)	Electricity	Cluster 6	18	R 4 500 000,00	NT	500 000	3 000 000	1 000 000	New Proposed Project For 2023/2024
47	Power Factor Correction Equipment (Ndp Grant)	Electricity	Cluster 6	18	R 2 000 000,00	NT	500 000	500 000	1 000 000	New Proposed Project For 2023/2024
48	Upgrading Of Reynold Street	Roads Infrastructure	Cluster 6	18	R 7 391 304,35	NT	5 000 000	2 043 478	347 826	New Proposed Project For 2023/2024
49	Mvuzane Road And Vehicular Bridge	Roads Infrastructure	Cluster 7	15	R 9 500 000,00	IUDG	5 000 000	3 000 000	1 500 000	Project Terminated, Re-Advertised And Currently On Evaluation Stage
50	Pedestrian Bridge (Over Sugar Mill Road)	Roads Infrastructure	Cluster 7	12	R 3 500 000,00	IUDG	3 000 000	0	500 000	Project Under Construction 30% Complete
51	Roads Reseals	Roads Infrastructure	ALL	ALL	R 12 190 434,78	IUDG	3 000 000	4 000 000	5 190 435	Project Under Construction
52	Stormwater - Urban (Internal)	Roads Infrastructure	ALL	ALL	R 10 500 000,00	INTERNAL	3 000 000	3 500 000	4 000 000	Project Under Construction (Stom Damaged Projects)
53	Staff Depot Ablution Facilities - Phase 3	Buildings	ALL	ALL	R 8 000 000,00	INTERNAL	1 500 000	1 500 000	5 000 000	Project Design For Depot 2 Finalised



MAP NO.	PROGRAM/PROJECT DESCRIPTION	TYPE OF PROGRAM/ PROJECT	CLUSTER	WARD	ESTIMATED BUDGET	PROPOSED SOURCE OF FUNDING	BUDGETING WITH ESTIMATED START AND END DATES			CURRENT STATUS OF PROJECT
							3 YEARS			
							2023/ 2024	2024/ 2025	2025/ 2026	
54	Rural Road And Stormwater Rehabilitation (Iudg)	Roads Infrastructure	ALL	ALL	R 25 000 000,00	IUDG	8 000 000	8 000 000	9 000 000	Contractors Appointed, Construction To Start In April 2023
55	Outdoor Gym Facilities	Social Facility	ALL	ALL	R 1 000 000,00	IUDG	1 000 000	0	0	Project New Tender Specification Finalised (St Michaels Beach & Margate)
56	Installation Of New Street Lights	Roads Infrastructure	ALL	ALL	R 3 000 000,00	IUDG	1 000 000	1 000 000	1 000 000	Project Completed In Gamalakhe For 37 Street Lights
57	Installation Of Water Tanks Within Municipal Offices	Water	ALL	ALL	R 500 000,00	INTERNAL	500 000	0	0	Pending Scope Confirmation For 2022/2023 (Delayed Due To Budget Adjustment)
58	Rationalisation Of Office Space (Port Shepstone - Old Library Refurbishment)	Buildings	ALL	ALL	R 5 000 000,00	INTERNAL	1 000 000	1 000 000	3 000 000	Project Under Construction 60% Complete
59	Rationalisation Of Office Space (Wellness Centre)	Buildings	ALL	ALL	R 3 500 000,00	INTERNAL	2 500 000	1 000 000	0	Project On Tender Evaluation Stage



5.2 Implementation Plan

Table 197: Implementation Plan

PROJECTS	2023/2024 CAPITAL BUDGET	PROJECT TECHNICAL OFFICER	PROJECT ENGINEERING CONSULTANT	PROJECT STATUS
CLUSTER 1 (WARDS 30, 31, 32, 33, 34, 35, and 36)				
WARD 36 - NKULU COMMUNITY HALL	1 000 000	THABSILE	MLALA EMAZWENI	PROJECT AWARDED, UNDER CONSTRUCTION
WARD 31 SPORTSFIELD (MBENI)	6 000 000	BONISILE NGCOBO	ABAZINGELI	PROJECT AWARDED, UNDER CONSTRUCTION, PROGRESS SLOW, PROJECT TERMINATED
LONJANI TO KHUMBUZA ROAD WARD 30	4 000 000	BONISILE NGCOBO	NDLOVU NGOMYAMA	PROJECT ON TENDER EVALUATION STAGE
BHAYIYA VEHICLE BRIDGE - WARD 33	1 500 000	AMANDA GOQO	BOTCH PROJECTS	PROJECT DESIGNS UNDERWAY, PENDING EIA APPROVAL
BOMVINI SCHOOL ROAD - WARD 35	1 500 000	BONISILE NGCOBO	MABALENGWE ENGINEERS	PROJECT DESIGN UNDERWAY
ROAD REGRAVELLING AND CONCRETE SECTIONS - WARD 34	1 500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT REPLACING MZENGE ROAD AND BRIDGE
MHLABUNZIMA HALL RENOVATIONS - WARD 34	259 130	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
QHINQA SPORTSFIELD RENOVATIONS (ESDAKENI) - WARD 30	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
	16 259 130			



CLUSTER 2 (WARDS 7, 8, 9, and 29)				
NGQUMBELA ROAD AND CAUSEWAY WARD 7	300 000	VUSI DUMA	MLALA EMAZWENI	PROJECT UNDER CONSTRUCTION 60% COMPLETE
REPAIRS TO MBHELE PEDESTRIAN BRIDGE - WARD 29	3 000 000	VUSI DUMA	ZIYANDA CONSULTING	PROJECT RE-DESIGNS COMPLETED, TENDER DOCUMENTATION FINALISED
DUMEZULU COMMUNITY HALL PHASE 2 WARD 8	1 500 000	AMANDA GOQO	MLALA EMAZWENI	PROJECT UNDER CONSTRUCTION, 40% PROGRESS, CONCERNED ABOUT SLOW PROGRESS
NHLANJENI VEHICULAR BRIDGE - WARD 9	1 500 000	UNATHI NGCOBO	BMK GROUP	PROJECT DESIGN UNDERWAY, PENDING EIA APPROVAL
	6 300 000			
CLUSTER 3 (WARDS 1, 2, 6, 10, 11 and 19)				
PEDESTRIAN BRIDGE EXTENSION 3 WARD 6	3 000 000	UNATHI NGCOBO	DARTINGO	PROJECT ON TENDER EVALUATION STAGE
REHABILITATION OF COLLEGE ROAD SOUTHBROOM WARD 2	4 500 000	AMANDA GOQO	ZIYANDA	PROJECT AWARDED, SITE HANDED-OVER TO THE CONTRACTOR
NKANYEZINI ROAD - WARD 10	1 500 000	UNATHI NGCOBO	NAIDU CONSULTING	PROJECT DESIGN UNDERWAY
MANDLA MZELEMU ROAD - WARD 11	2 500 000	AMANDA GOQO	TPA	PROJECT DESIGN UNDERWAY



RECONSTRUCTION OF MARGATE HALL - WARD 6	6 000 000	THABSILE	MVUBU	PROJECT BUILDING PLANS HAVE BEEN APPROVED, TO BE ADVERTISED IN QUARTER 4 OF 2022/2023
OUTLANDS LANDFILL SITE (CELL 4C)	4 000 000	BONISILE NGCOBO	BVI	PROJECT DESIGNS APPROVED, CONSULTANT APPOINTED FOR DESIGN AND BUILD (S116)
ESIHLAYENI ROAD IN WARD 1	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
	22 000 000			
CLUSTER 4 (Wards 3, 5, 25, 26, 27 and 28)				
COMMUNITY PARK IN WARD 5	2 000 000	VUSI DUMA	INTERNAL	PROJECT ON TENDER STAGE
ENKULU HALL IN WARD 25	3 500 000	AMANDA GOQO	MMK	PROJECT UNDER CONSTRUCTION 20% COMPLETE, CONCERNED ABOUT SLOW PROGRESS ON THIS PROJECT
CORNER HOUSE RING ROAD - WARD 27	1 500 000	BONISILE NGCOBO	MAFAHLENI ENGINEERS	PROJECT DESIGN UNDERWAY
NKANGENI VEHICULAR BRIDGE (Ward 25)	1 000 000	BONISILE NGCOBO	MNANGWE	PROJECT ON TENDER EVALUATION STAGE
ZG HALL ROOF REPAIRS - WARD 28	1 500 000	THABSILE	HI-TECH ENGINEERS	PROJECT SCOPING UNDERWAY
	9 500 000			
CLUSTER 5 (Wards 21, 22, 23, and 24)				



TATANE SPORTSFIELD - WARD 23	4 000 000	THABSILE	HI TECH CONSULTING	PROJECT DESIGN FINALISED, TO BE ADVETISED IN MAY 2023
MAZUBANE PEDESTRIAN BRIDGE (WARD 21)	500 000	UNATHI NGCOBO	ZIYANDA	PROJECT UNDER CONSTRUCTION, 30% COMPLETED, PROJECT SUFFERED DELAYS DUE TO STOPPAGE
MADALA TO MDLUNGWANA VEHICULAR BRIDGE WARD 24	300 000	UNATHI NGCOBO	MAFAHLENI	PROJECT AWARDED, CONTRACTOR ON SITE
	4 800 000			
CLUSTER 6 (Wards 4, 17, 18 and 20)				
MAZUBANE/DIKWE PEDESTRIAN BRIDGE WARD 20	3 000 000	BONISILE NGCOBO	SPK	PROJECT AWARDED BUT CONTRACTOR WITHDREW FROM THE PROJECT, PROJECT ON TENDER EVALUATION
NELSON MANDELA DRIVE IN WARD 18	500 000	KHULEKANI MSOMI	MAFAHLENI	PROJECT UNDER CONSTRUCTION 89% PROGRESS
MUNICIPAL VEHICLE POUND IN WARD 17	5 000 000	BONISILE NGCOBO	MNTOMNYAMA	PROJECT ON DESIGN STAGE (PENDING APPROVAL OF BUILDING PLANS), TENDER PROCESS STARTING SEPTEMBER 2022
MLB OFFICES IN WARD 17	2 000 000	UNATHI NGCOBO	ABAZINGELI	PENDING PLANS APPROVAL



PORT SHEPTSONE CIVIC CENTRE UPGRADE IN WARD 18	1 000 000	THABSILE	HI-TECH ENGINEERS	PROJECT TO BE RE-ADVERTISED, DUE TO FAILURE BY CONTRACTORS TO COMPLY
MAIN HARDING ROAD IN WARD 17	14 021 739	KHULEKANI MSOMI	MAFAHLENI	PROJECT UNDER CONSTRUCTION 50% PROGRESS, SERIOUS DEFECTS DEVELOPING ON THE ROAD, CONTRACTOR INSTRUCTED TO RECTIFY IN TERMS OF THE CONTRACT
MV INFRASTRUCTURE REFURBISHMENT & UPGRADES (NDP GRANT) - WARD 18	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
MV NETWORK - RING CONNECTIONS (NDP GRANT) - WARD 18	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
POWER FACTOR CORRECTION EQUIPMENT (NDP GRANT) - WARD 18	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
UPGRADING OF REYNOLD STREET - WARD 18	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
CHIEF ROAD IN WARD 4	500 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROJECT FOR 2023/2024
	28 021 739			
CLUSTER 7 (Wards 12, 13, 14, 15 and 16)				



MVUZANE ROAD AND VEHICULAR BRIDGE WARD 15	6 000 000	VUSI DUMA	ROYAL HASKONING	PROJECT TERMINATED, RE-ADVERTISED AND CURRENTLY ON EVALUATION STAGE
WARD 12 PEDESTRIAN BRIDGE (OVER SUGAR MILL ROAD)	500 000	BONISILE NGCOBO	WNA	PROJECT UNDER CONSTRUCTION 30% COMPLETE
NKANDLA BRIDGE - WARD 14	300 000	TO BE CONFIRMED	TO BE CONFIRMED	NEW PROPOSED PROJECT FOR 2023/2024
	6 500 000			
MUNICIPAL WIDE PROJECTS				
ROADS RESEALS	500 000	ROADS	INTERNAL	PROJECT UNDER CONSTRUCTION
STORMWATER - URBAN (INTERNAL)	3 000 000	UNATHI NGCOBO	VUMESA	PROJECT UNDER CONSTRUCTION (STOM DAMAGED PROJECTS)
STAFF DEPOT ABLUTION FACILITIES - PHASE 3	1 500 000	THABSILE	RCN	PROJECT DESIGN FOR DEPOT 2 FINALISED
RURAL ROAD AND STORMWATER REHABILITATION (IUDG)	10 000 000	VUSI DUMA	INTERNAL	CONTRACTORS APPOINTED, CONSTRUCTION TO START IN APRIL 2023
OUTDOOR GYM FACILITIES	1 000 000	AMANDA GOQO	INTERNAL	PROJECT NEW TENDER SPECIFICATION FINALISED (St Michaels Beach & Margate)
INSTALLATION OF NEW STREET LIGHTS	1 000 000	SIBUSISO NYAWUZA	INTERNAL	PROJECT COMPLETED IN GAMALAKHE FOR 37 STREET LIGHTS



INSTALLATION OF WATER TANKS WITHIN MUNICIPAL OFFICES	500 000	VUSI DUMA	INTERNAL	PENDING SCOPE CONFIRMATION FOR 2022/2023 (DELAYED DUE TO BUDGET ADJUSTMENT)
RATIONALISATION OF OFFICE SPACE (PORT SHEPSTONE - OLD LIBRARY REFURBISHMENT)	1 000 000	THABSILE	INTERNAL	PROJECT UNDER CONSTRUCTION 60% COMPLETE
RATIONALISATION OF OFFICE SPACE (WELLNESS CENTRE)	2 500 000	AMANDA GOQO	RCN	PROJECT ON TENDER EVALUATION STAGE
	21 000 000			
TOTAL CLUSTER CAPITAL (EXCL VAT)	**114 380 869**			
VAT @ 15%	**17 157 130**			
TOTAL CAPITAL BUDGET	**131 537 999**			



5.3 SIPS

Table 198: SIPS

No.	PROJECT	LOCATION	KEY CHALLENGE	SPLUMA PRINCIPLE	PGDS GOALS	IDP STRTEGIC OBJECTIVES	PROGRAMMES	PROPOSED SDF STRATEGY	NSSD STRATEGIC PRIORITY	PERFOMANCE INDICATOR
S2: CORRIDOR DEVELOPMENT										
1.1	Port Shepstone Taxi Rank	Port Shepstone	Lack of Integrated Transport Hub in the Municipality.	Spatial Sustainability/ Spatial Effeciency	Goal 4	To promote and enhance development planning, spatial planning and land use management	SIP 2	Create a hierarchy of integrated public transport services related to the accessibility grid.	Strategic Priority 1	Completed and functional Integrated Taxi Rank
S3: NODAL DEVELOPMENT SERVICES CENTRES										
	N/A									
S4: CONTINUUM OF SUSTAINABLE HUMAN SETTLEMENTS										
2.1	Rural Housing Development	Hlomendlini/ Vukuzithathe/ KwaMthimude/ KwaXolo/ KwaMadlala/KwaNzimakwe	Backlog in Service Delivery	Spatial Sustainability	Goal 3	To improve access to adequate shelter in the form of sustainable human settlements	Breaking New Ground	Redress existing imbalances in the distribution of different types of residential development, and avoid creating new imbalances.	Strategic Priority 4	Number of housing units completed
2.2	Slum Clearance Projects	Lousiane / Mkholombe / Masinenge/						Transform townships and informal settlements into economically and socially integrated neighbourhoods		

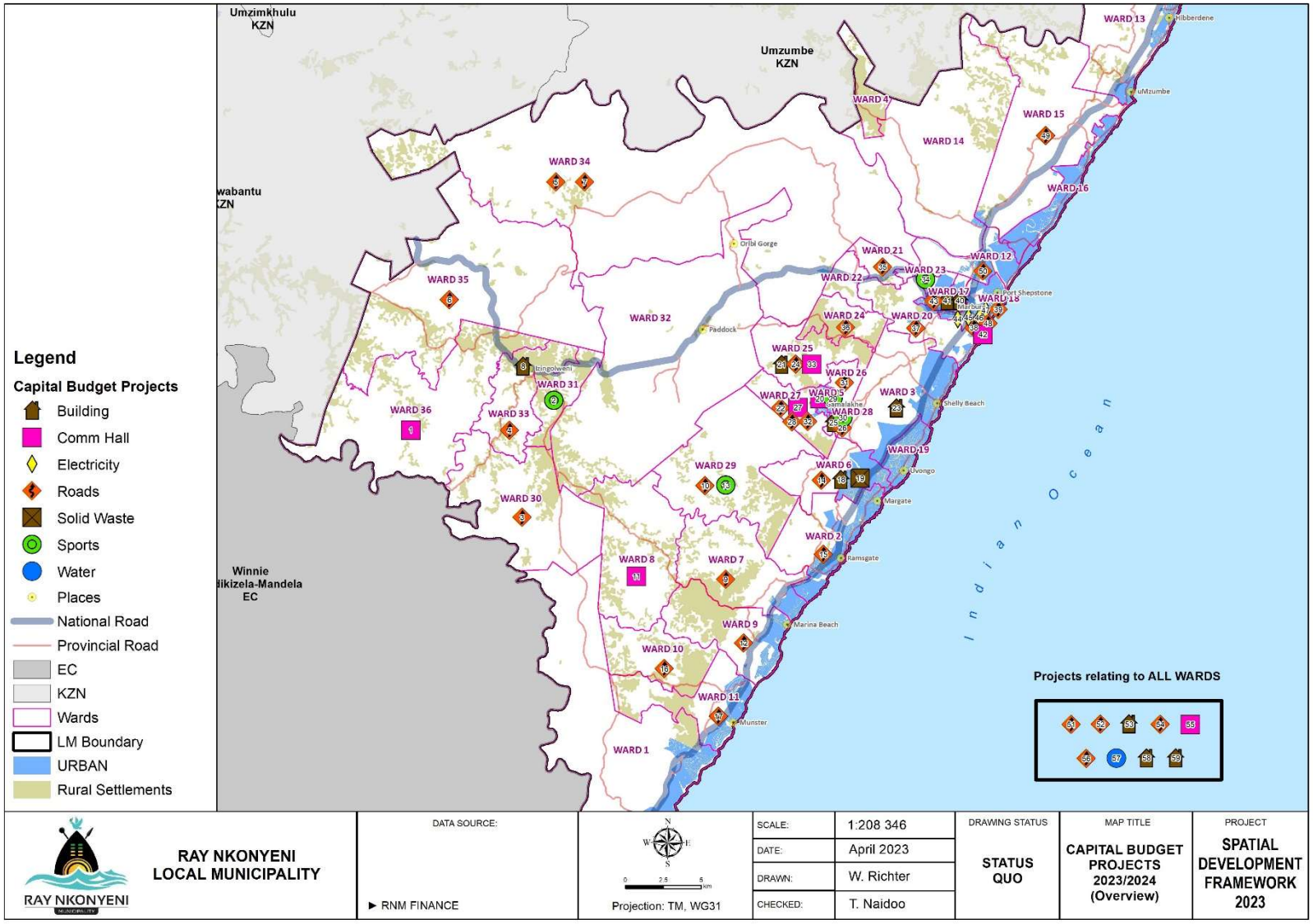


2.3	Urban Housing Projects	KwaNzimakwe/ Gamalakhe/ Bhobhoyi/ Merlewood						Encourage public/private partnerships to develop integrated human settlements and diversify housing delivery.		
S5:PROTECTION OF AGRICULTURAL LAND										
3.1.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S6: SERVICE AND SOCIAL INFRASTRUCTURE										
4.1.	Water and Stormwater Services and Management	Rural and urban	Backlog in Service Delivery	Spatial Sustainability/ Spatial Justice	Goal 4	To address infrastructure backlogs and extend access to basic services	SIP 6, 18	Ensure that new urban development is supported by appropriate basic infrastructure and services	Strategic Priority 4	Completed Water Supply and Stormwater Projects
4.2.	Electrification Projects	Ward 30,31,33,34,35,36					SIP 6, 8, 9 &10		Strategic Priority 3	Completed Electricity Projects and Infrastructure
4.3	Community Halls	Ward 8, 36								Constructed Community Halls
S7: UNLOCKING ECONOMIC POTENTIAL										
5.1	Port Shepstone Technology Hub	Shelly Beach	Unsustainable Economic Growth	Spatial Efficiency/ Spatial Justice/ Spatial Sustainability	Goal 1 & 7	To promote strategic and transformative release of land to foster inclusive economic development	SIP 2	Encourage area specialisation and the development of a diverse, mutually supportive system of economic areas	Strategic Priority 1	Fully developed Technology hub.
5.2	Upgrade of Margate Airport and Runway	Margate								Upgraded Airport Runway
S8: SUSTAINABLE INTEGRATED SPATIAL PLANNING SYSTEM										



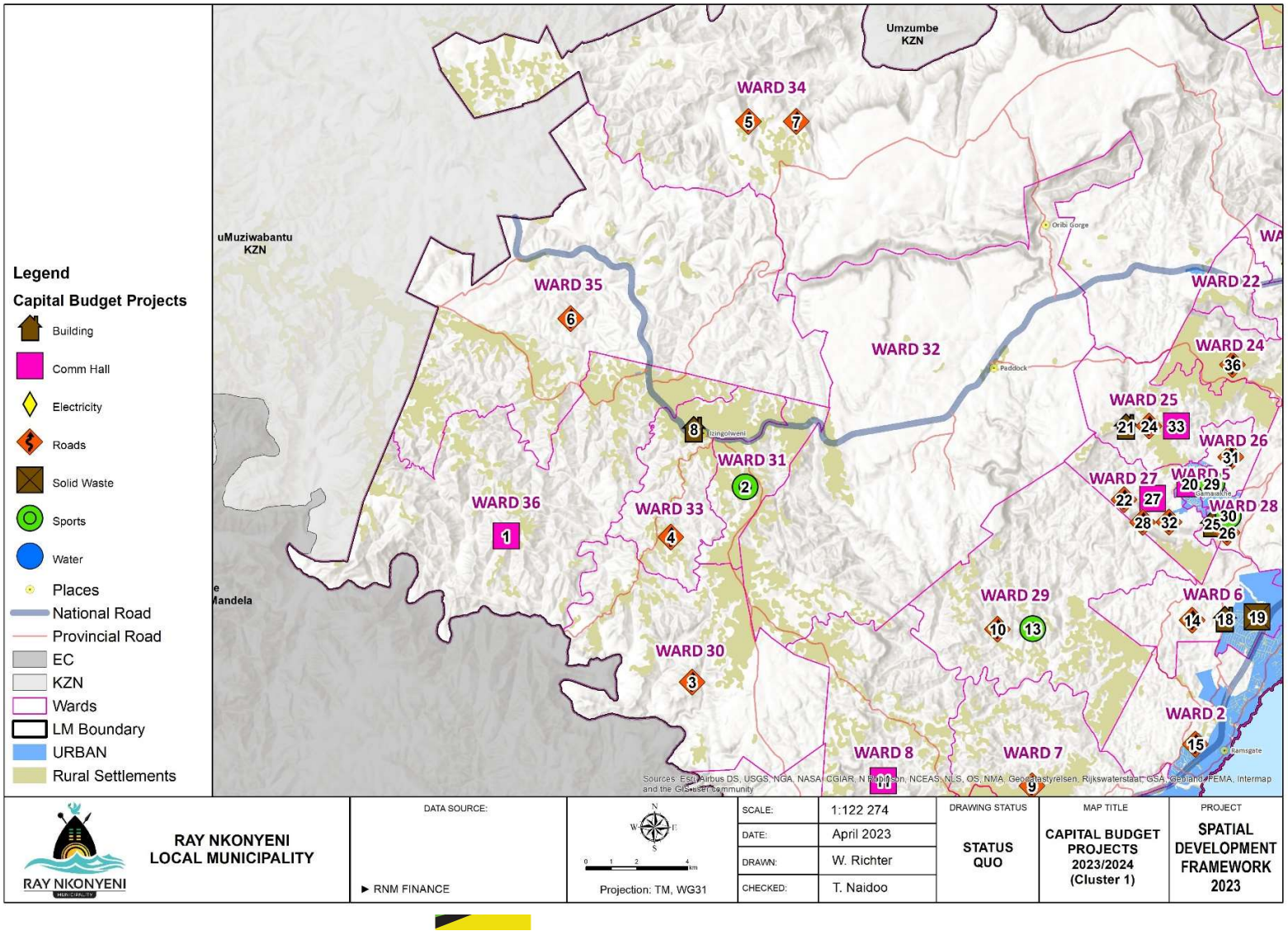
6.1	SPLUMA Implementation appointment and gazetting	Entire Municipality	Inadequate regulatory policies to direct development in the Municipality	Good Administration/ Spatial Equity	Goal 6 & 7	To promote and uphold principles of transparency, accountability, good governance and legal compliance	SIP 7	Facilitate urban development and direct the phasing of urban growth through deliberate and integrated use of planning, infrastructure provision, and the regulatory and fiscal authority of all spheres of government.	Strategic Priority 1	Completed regulatory plans which have been adopted by Council.
6.2	Creche database in Ray Nkonyeni Municipality									
6.3	Seapark/South port Corridor Plan									
6.4	SDF Reviewed									
6.5	Murchison Rural Node									

Map 101: CIF Map 1 – Consolidated CIF Projects

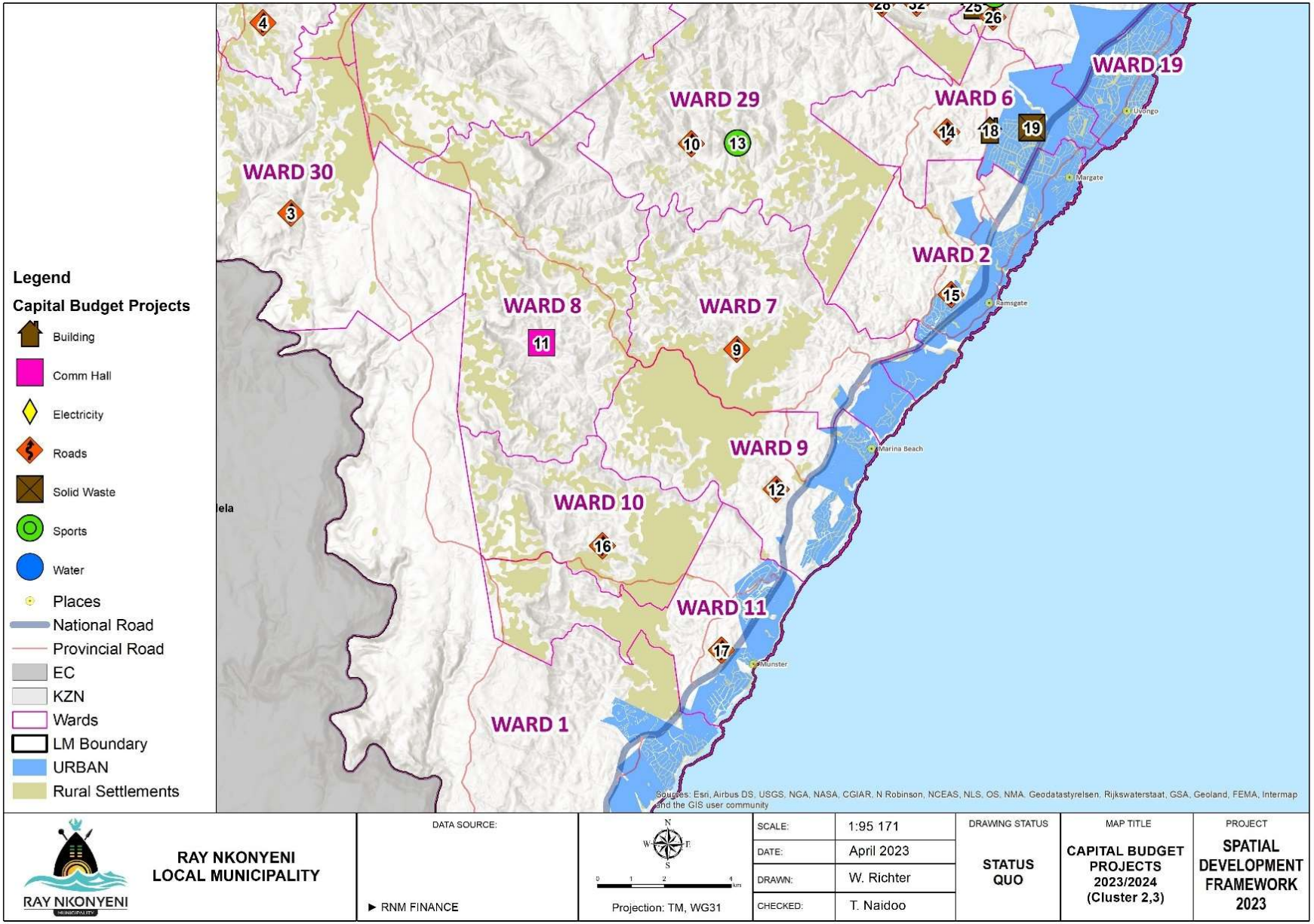




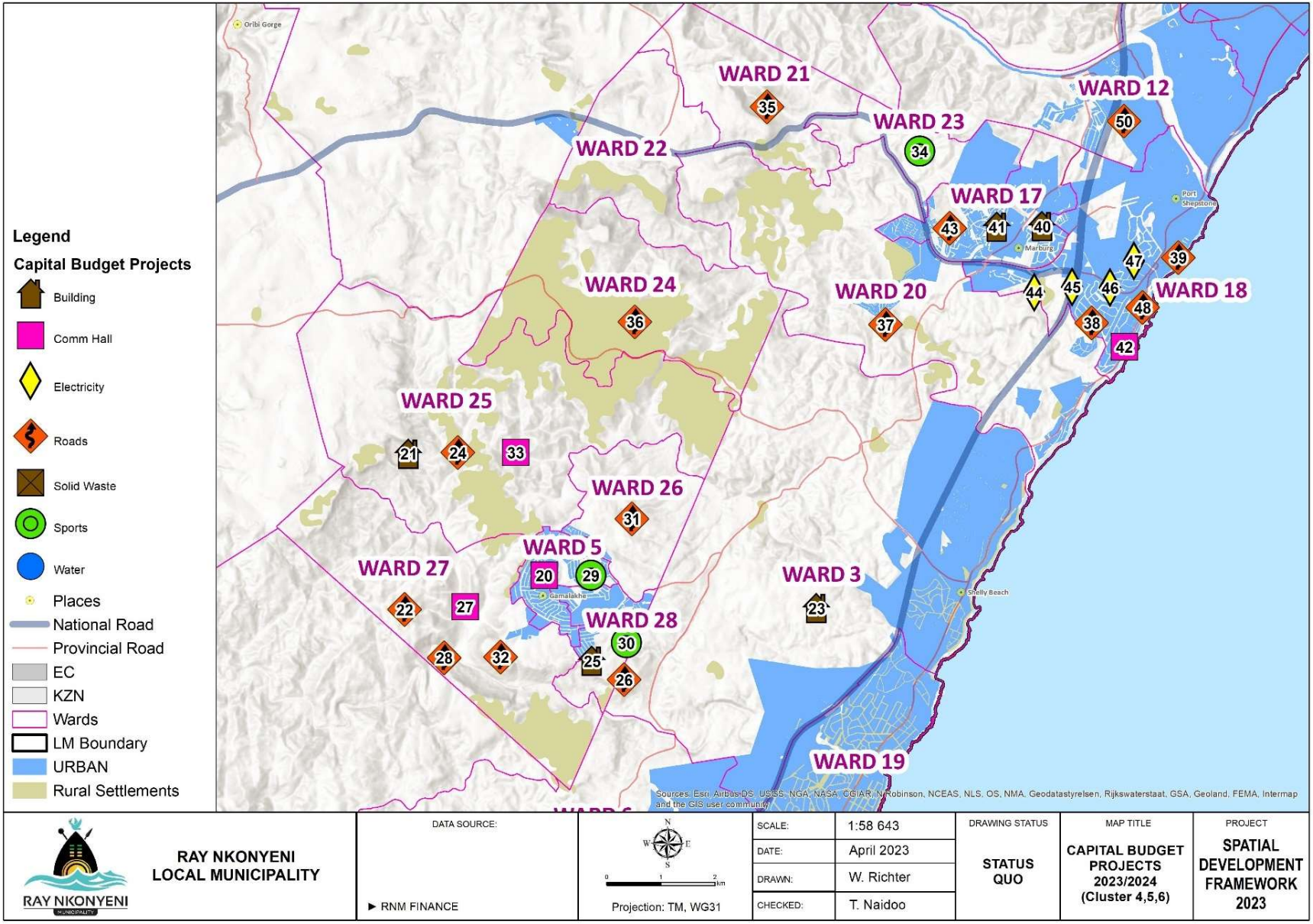
Map 102: Cluster One Projects

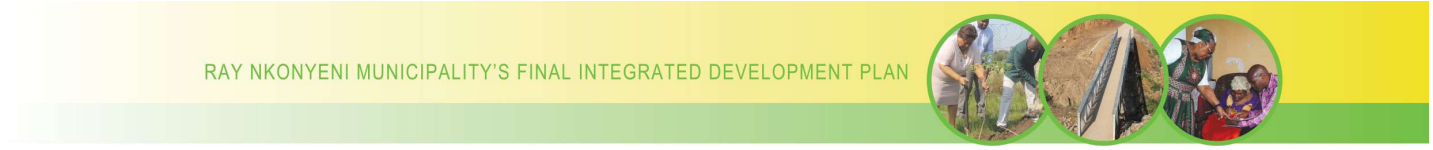


Map 103: Cluster 2 & 3 Projects

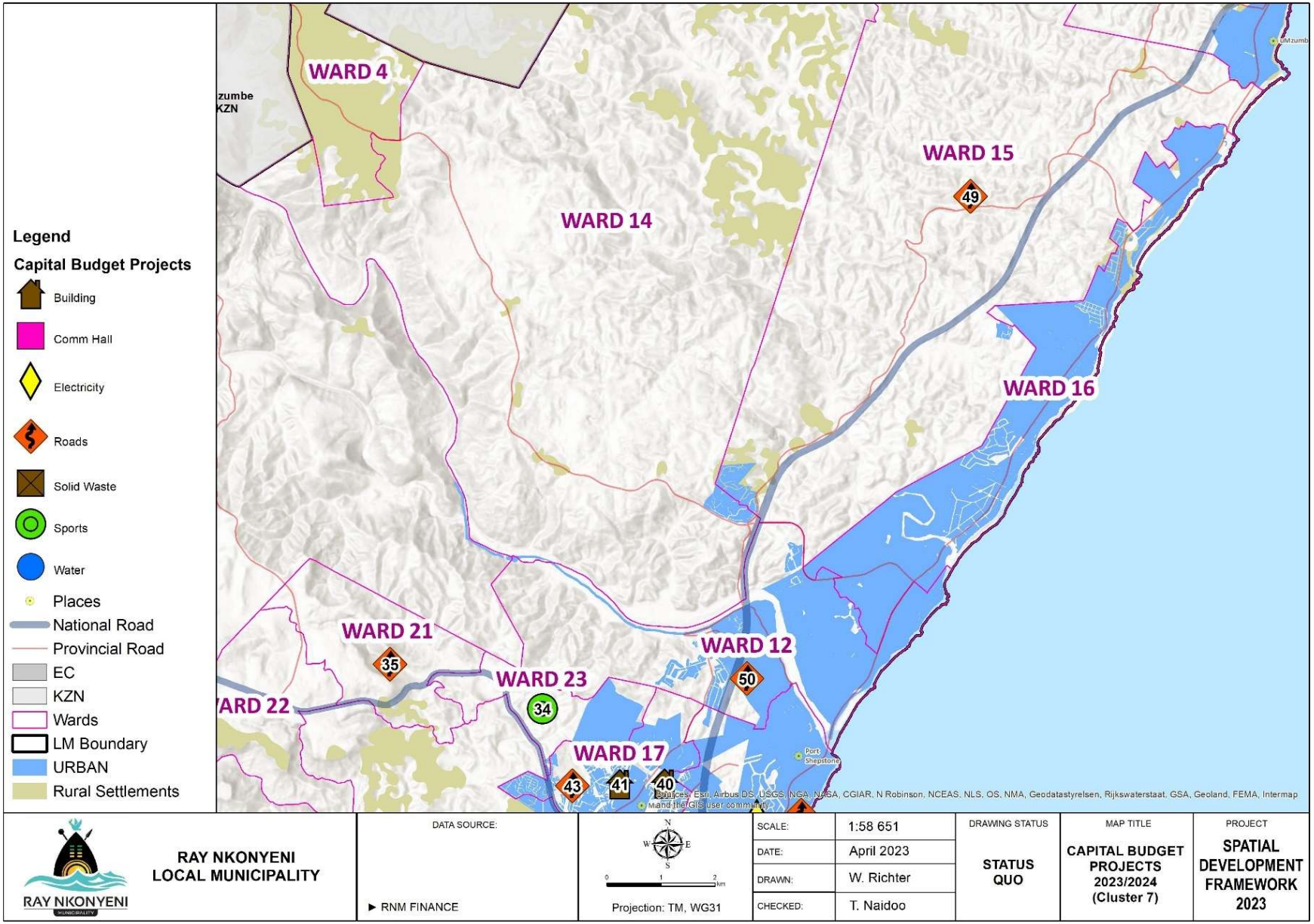


Map 104: Cluster 4, 5 & 6 Projects





Map 105: Cluster 7 Projects





5.4 One Plan One Budget

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 257 municipalities. This process takes into account the powers and functions assigned to each sphere, fosters transparency and is at the heart of constitutional cooperative governance.

In order for a One Plan One Budget to be effective, Provincial Treasury has published transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2020. For this to be effective, Ray Nkonyeni Municipality has aligned with sector departments to close the gaps in terms of projects entailed in the National Treasury and Provincial Treasury.

Below is a list of budgeted projects for Ugu District:

Table 199: UGU Budgeted Programmes

LOCAL GOVERNMENT MTEF ALLOCATIONS: 2020/21 - 2022/23	
C DC21 Ugu	**2022/23 R thousands**
Direct transfers	
Equitable share and related	**586,156**
Fuel levy sharing	
Infrastructure	**330,714**
Municipal infrastructure grant	277,374
Rural roads assets management systems grant	2,997
Water services infrastructure grant	50,343
Municipal disaster recovery grant	
Integrated urban development grant	
Metro informal settlements partnership grant	
Capacity building and other current transfers	**2,000**
Local government financial management grant	2,000
Municipal systems improvements grant	
Expanded public works programme integrated grant for municipalities	
Infrastructure skills development grant	
Municpal emergency housing grant	
Energy efficiency and demand side management grant	
Municipal disaster grant	
Municipal human settlements capacity grant	
Municipal demarcation transition grant	
Sub total direct transfers	**918,870**
Indirect transfers	
Infrastructure transfers	**-**
Regional bulk infrastructure grant	



Integrated national electrification programme (Eskom) grant	
Neighbourhood development partnership grant (technical assistance)	
Rural households infrastructure grant	
Water services infrastructure grant	
Bucket eradication programme grant	
Capacity building and other current transfers	**-**
Municipal systems improvements grant	
Sub total indirect transfers	**-**
Total	**918,870**
Transfers from Provincial Departments	
Municipal Allocations from Provincial Departments	**-**
of which	
Economic Development, Tourism and Environmental Affairs	**-**
KwaMajomela Light Manufacturing Centre	
Margate Airport	
Mkuze Airport	
Pietermaritzburg Airport	
Drakensberg Extravaganza	
Human Settlements	**-**
Operational Costs - Accredited Municipalities	
Title deeds restoration programme	
Planned expenditure from HSDG - level one or two Accredited Municipalities	
Department of Sport and Recreation	**-**
Infrastructure - Sport Facilities	
Maintenance Grants - Sport Facilities	
Co-operative Governance and Traditional Affairs	**-**
Ward Based Plan	
Schemes Support Programme	
Spatial Development Framework Support	
Total: Transfers from Provincial Departments	**-**
C DC21 Ugu	**2022/23 R thousands**
Breakdown of Equitable Share for district municipalities authorised for services	
Water	
KZN211 : Vulamehlo	
KZN212 : Umdoni	53,378
KZN213 : Umzumbe	43,426



KZN214 : uMuziwabantu	33,665
KZN215 : Ezinqoleni	
KZN216 : Ray Nkonyeni	124,598
Sanitation	
KZN212 : Umdoni	37,206
KZN213 : Umzumbe	30,269
KZN214 : uMuziwabantu	23,465
KZN216 : Ray Nkonyeni	86,848
Refuse	
KZN211 : Vulamehlo	
KZN212 : Umdoni	
KZN213 : Umzumbe	
KZN214 : uMuziwabantu	
KZN215 : Ezinqoleni	
KZN216 : Ray Nkonyeni	
Breakdown of MIG allocations for district municipalities authorised for services	
KZN211 : Vulamehlo	
KZN212 : Umdoni	49,754
KZN213 : Umzumbe	88,629
KZN214 : uMuziwabantu	39,673
KZN215 : Ezinqoleni	
KZN216 : Ray Nkonyeni	94,318
Breakdown of WSIG allocations for district municipalities authorised for services	
KZN212 : Umdoni	9,000
KZN213 : Umzumbe	15,000
KZN214 : uMuziwabantu	12,000
KZN216 : Ray Nkonyeni	14,343



5.5 Transfer of funds to Ray Nkonyeni municipality by the Provincial Department

The following budgeted projects as published by Provincial Treasury for Ray Nkonyeni Municipality:

Table 200: RNM Budgeted Projects as published by Provincial Treasury

No.	Department	Name of project	Vote	Purpose	2021/2022	**2022/2023**
1	Economic Development, Tourism and Environmental Affairs	Margate Airport	4	For Infrastructure upgrade at Margate Airport terminal building	-	**-**
2	Human Settlements	Operational Costs to Acrredited Municipalities	8	To provide compensation to accredited municipalities for operation costs under Vote 8,	-	**-**
3	COGTA	Title deeds restoration Programme			-	**-**
4	Human Settlements	Planned Expenditure from HSDG-Level 1 or 2 Municipalities	8	To provide capital funding to accredited municipalities	R54 241 000 000	**R56 613 000 000**
5	Department of Sports and Recreation	Infrastructure Sport Facilities	10	New/renovated/upgraded/resourced community/school and recreation facility entire (DC21)	-	**-**
6	Co-Operative Governance and Tradional Affairs	Infrastructure Sport Facilities	10	To support municipalities in preparing legally compliant Spatial Development Frameworks support, (DC21)	-	**-**
7	Co-Operative Governance and Tradional Affairs	Infrastructure Sport Facilities	10	RNM	R 2.5 000 000	**-**
8	Arts and Culture	Museum Subsidies	15	To provide financial support to municipalities with focus on: • Development and maintenance of Care and preserve of culture	R429 000000	**R449 000 000**



		Provincialisation of libraries	15	To begin addressing the Constitution mandate wherby public libraries are an exclusive Provincial competenc and the funding will be for the provision of library services within municipalities	12 017000 000	**12 418 000 000**
		Community Library Service Grant	15	To provide access to modern day technology and information resources, secure library collection,provide relevant collections of material in libraries which meet the needs of communities, and provide for staffing and operational cost of new library facilities	2 440 000 000	**2 563 000 000**
9	COGTA	Spatial Development Framework Support	11	To support Municipalities in preparing legally compliant SDFs for Ugu District **ONLY**	-	**-**
10	COGTA	Spatial Development Framework Support	11	To support Municipalities in preparing legally compliant SDFs	R2 5 000 000	**-**



SECTION F: FINANCIAL PLAN

6.1 Financial Plan

Executive Summary

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainability, economically and equitably to all communities.

The Ray Nkonyeni Local Municipality'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 to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 123 were used to guide the compilation of the 2023/24 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries.

6.1.1 MFMA Circulars

NT has since issued **circular *122, and 123*** in relation to this phenomenon on matters how the municipalities should consider on Original annual budget before presented for approval. This budget circular is a follow-up to the one issued on 09 December 2023, and it complements the many other circulars that have been issued previously. It guides municipalities with their preparation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) and as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within thecurrent economic climate.

6.1.2 Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not Committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement in totality effectively means that a Council has surplus in its budget by ensuring that a budgeted outflow does not exceed planned inflows.



Under old budget formats income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position, and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

6.1.3 A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium, and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets Original for consultation at least 90 days prior to the start of the budget year should already be credible and close to the final approved budget.

The main challenges experienced during the compilation of the Original Budget 2023/24 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;



The following budget principles and guidelines directly informed the compilation of the 2023/24 Original Budget:

- The 2023/24 Budget priorities and targets, as well as the base line allocations contained in that Original Budget were adopted as the upper limits for the new baselinesfor the 2023/24 Original budget;
- The 2023 Division of Revenue Bill issued in February 2023;
- The Provincial Treasury hereby publishes transfers to municipalities in terms of Section29(2) of the Division of Revenue Act, 2023 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 gazette as required by the annual Division of Revenue Act;

Table 1 Consolidated Overview

KZN216 Ray Nkonyeni - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	428 308	447 331	464 477	498 623	492 118	492 118	492 118	509 406	534 367	559 482
Service charges	187 077	195 945	214 942	253 618	236 691	236 691	236 691	245 147	257 160	269 246
Investment revenue	4 670	3 513	5 182	5 397	7 067	7 067	7 067	8 511	8 928	9 348
Transfer and subsidies - Operational	267 372	288 551	256 804	285 102	285 279	285 279	285 279	390 026	328 201	336 372
Other own revenue	56 072	135 993	141 612	131 888	118 573	118 573	118 573	98 017	102 711	107 435
Total Revenue (excluding capital transfers and contributions)	943 500	1 071 334	1 083 016	1 174 628	1 139 727	1 139 727	1 139 727	1 251 108	1 231 367	1 281 883
Employee costs	393 829	428 524	446 000	447 279	462 586	462 586	462 586	483 929	508 461	532 774
Remuneration of councillors	29 909	28 366	26 249	31 434	31 434	31 434	31 434	31 164	32 691	34 228
Depreciation and amortisation	92 725	100 268	93 859	101 619	101 619	101 619	101 619	104 756	111 725	116 976
Interest	5 606	12 479	19 931	12 922	12 902	12 902	12 902	9 958	10 446	10 937
Inventory consumed and bulk purchases	107 647	120 110	136 545	149 809	150 151	150 151	150 151	168 819	178 729	187 417
Transfers and subsidies	8 486	6 635	9 890	13 178	13 078	13 078	13 078	13 838	15 617	16 351
Other expenditure	395 205	306 878	392 589	415 344	398 928	398 928	398 928	440 726	374 039	377 649
Total Expenditure	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Surplus/(Deficit)	(89 908)	68 073	(42 047)	3 043	(30 971)	(30 971)	(30 971)	(2 083)	(341)	5 551
Transfers and subsidies - capital (monetary allocations)	81 858	92 244	158 945	132 360	193 287	193 287	193 287	109 848	91 688	85 144
Transfers and subsidies - capital (in-kind)	15 628	2 339	6 597	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	7 578	162 656	123 494	135 403	162 316	162 316	162 316	107 765	91 347	90 695
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	7 578	162 656	123 494	135 403	162 316	162 316	162 316	107 765	91 347	90 695
Capital expenditure & funds sources										
Capital expenditure	163 490	164 889	210 823	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Transfers recognised - capital	158 739	83 793	138 668	115 052	168 076	168 076	168 076	95 520	89 729	74 038
Borrowing	–	–	1 867	7 166	7 976	7 976	7 976	21 452	–	–
Internally generated funds	(18 576)	14 517	33 256	58 521	54 704	54 704	54 704	37 921	39 491	37 316
Total sources of capital funds	140 163	98 310	173 791	180 739	230 756	230 756	230 756	154 893	129 220	111 354
Financial position										
Total current assets	350 576	534 358	630 556	553 761	672 729	672 729	672 729	648 973	705 754	701 554
Total non current assets	1 776 808	1 882 418	1 987 740	1 878 708	2 116 876	2 116 876	2 116 876	2 037 876	2 055 171	1 999 990
Total current liabilities	255 999	290 521	345 489	321 834	370 177	370 177	370 177	339 329	322 058	32 136
Total non current liabilities	141 716	168 642	191 699	150 842	176 331	176 331	176 331	158 975	158 975	191 699
Community wealth/Equity	1 722 090	1 906 948	2 087 905	1 959 793	2 243 097	2 243 097	2 243 097	2 188 546	2 279 892	2 477 709
Cash flows										
Net cash from (used) operating	1 404 340	873 995	362 920	154 964	176 314	176 314	176 314	99 558	91 682	77 276
Net cash from (used) investing	(82 943)	(114 488)	(185 208)	(179 130)	(237 264)	(237 264)	(237 264)	(168 358)	(113 160)	(107 625)
Net cash from (used) financing	(13 246)	(16 932)	(35 816)	(17 810)	(17 810)	(17 810)	(17 810)	(18 414)	(28 456)	(29 794)
Cash/cash equivalents at the year end	1 391 964	742 574	284 709	101 096	52 831	52 831	52 831	44 377	(5 557)	(65 700)
Cash backing/surplus reconciliation										
Cash and investments available	101 204	142 813	131 591	115 523	67 025	67 025	67 025	44 377	(5 557)	(109 777)
Application of cash and investments	(138 570)	(304 849)	(463 686)	(156 897)	(350 756)	(350 756)	(350 756)	(410 565)	(449 185)	(710 913)
Balance - surplus (shortfall)	239 774	447 662	595 276	272 420	417 781	417 781	417 781	454 942	443 628	601 136
Asset management										
Asset register summary (WDV)	1 776 808	1 882 418	1 987 740	1 878 708	2 084 699	2 084 699		1 938 095	1 875 818	1 705 456
Depreciation	92 517	94 351	88 490	99 500	99 500	99 500		102 525	109 384	114 526
Renewal and Upgrading of Existing Assets	39 990	42 404	67 097	68 927	116 234	116 234		68 420	47 122	29 017
Repairs and Maintenance	46 463	44 148	44 345	54 115	60 576	60 576		193 951	112 056	117 323
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	76 884	68 637	70 037	86 224	76 729	76 729		81 096	85 069	89 068
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Total revenue is R 1,361 billion including both operational and capital revenue and increase by R 27.942 million over the 2023/24 MTREF.

Total operating expenditure excluding capital expenditure for the 2023/24 budget will be R 1,253 billion and overall budgeted performance is showing a surplus of R 107.7 million.



Included on the budget performance is item for depreciation and asset impairment to the value of R 102.5 million and it is funded as per the Circular No. 115.

Capital expenditure for the year as per the budget amounts to R 154.8 million. This budget is funded through national and provincial grants as well as internal funds.

6.1.4 Operating Revenue Framework

For Ray Nkonyeni Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 100 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- 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;
- The municipality's Indigent Policy and rendering of free basic services; and



The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source.

KZN216 Ray Nkonyeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Revenue - Functional										
Governance and administration		685 361	762 315	751 083	791 303	792 237	792 237	840 943	892 954	927 107
Executive and council		205 945	267 278	234 071	260 646	260 646	260 646	285 237	310 114	316 827
Finance and administration		479 416	495 036	517 012	530 657	531 591	531 591	555 706	582 840	610 280
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		48 373	72 145	65 195	72 795	43 988	43 988	19 203	19 958	21 353
Community and social services		13 855	14 724	16 338	15 739	15 939	15 939	16 243	16 962	18 320
Sport and recreation		44	42	63	48	48	48	34	35	37
Public safety		481	418	86	176	176	176	150	158	165
Housing		33 993	56 961	48 708	56 832	27 824	27 824	2 775	2 803	2 831
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		102 428	116 717	200 259	168 251	240 071	240 071	242 674	144 692	140 639
Planning and development		7 627	87 076	156 851	132 124	174 508	174 508	113 160	95 162	88 781
Road transport		94 454	29 206	42 998	35 735	65 145	65 145	129 172	49 171	51 482
Environmental protection		347	435	411	392	418	418	342	359	376
Trading services		200 544	206 813	230 855	270 411	255 835	255 835	257 557	264 844	277 292
Energy sources		143 403	142 122	162 773	189 193	177 279	177 279	183 943	192 956	202 025
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		57 141	64 691	68 081	81 218	78 556	78 556	73 613	71 887	75 266
Other	4	4 279	7 928	1 166	4 228	883	883	579	607	636
Total Revenue - Functional	2	1 040 986	1 165 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 956	1 323 055	1 367 027
Expenditure - Functional										
Governance and administration		570 193	367 857	442 651	456 093	466 858	466 858	378 091	383 539	398 234
Executive and council		146 481	119 933	41 241	44 701	50 859	50 859	62 817	65 895	68 992
Finance and administration		392 220	223 641	369 223	375 353	376 105	376 105	270 751	275 849	285 483
Internal audit		31 492	24 282	32 187	36 039	39 894	39 894	44 523	41 795	43 759
Community and public safety		132 771	138 323	150 781	160 167	130 054	130 054	137 737	157 049	168 271
Community and social services		28 424	30 674	34 743	38 966	37 821	37 821	61 441	64 708	68 316
Sport and recreation		5 243	4 714	5 037	5 424	5 206	5 206	5 274	5 532	5 792
Public safety		48 237	35 193	50 559	49 505	48 140	48 140	52 947	67 958	74 530
Housing		50 866	67 742	60 442	66 272	38 888	38 888	18 075	18 852	19 634
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		27 732	192 766	210 874	210 333	219 055	219 055	356 280	288 280	301 873
Planning and development		32 878	36 003	43 238	50 101	42 323	42 323	45 114	46 328	48 505
Road transport		(22 205)	140 304	142 373	132 540	149 649	149 649	285 539	215 055	225 163
Environmental protection		17 059	16 458	25 264	27 693	27 083	27 083	25 627	26 897	28 205
Trading services		299 783	301 868	317 742	338 477	348 045	348 045	375 233	396 703	401 528
Energy sources		128 314	131 308	154 214	164 112	168 415	168 415	194 314	203 835	213 415
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		171 469	170 560	163 528	174 365	179 630	179 630	180 920	192 868	188 112
Other	4	2 929	2 447	3 015	6 515	6 685	6 685	5 850	6 137	6 426
Total Expenditure - Functional	3	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 253 191	1 231 708	1 276 331
Surplus/(Deficit) for the year		7 578	162 656	123 494	135 403	162 316	162 316	107 765	91 347	90 695

Revenue generated from rates, services charges and transfers from grants forms a significantpercentage of the revenue basket for the municipality. Rates, service charge revenues and transfers and grants comprise more than two thirds of the total revenue mix.

In the 2023/24 financial year, revenue from rates, services charges, other revenue, and operational grants totaled to R 1,251 billion. Property rate revenue increased from R 492.118 million to R 509.406 million, tariffs have been increased by CPI percentage of 5.3%. The municipality uses the CPI as stated from Circular No. 123 for most of the revenue items. Services charges-Electricity tariffs have been increased by 18.4%.



Property rates are the first largest revenue source amounting R509 million rand in 2023/24. Second and third largest sources are revenue from the operational grants followed by service charges which are R390.026 million and 245.147 million respectively.

Other revenue' which consists of various items such as income received from construction contract revenue, permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensurethey are cost reflective, and market related.

Table 3 Budgeted financial performance by Municipal Vote

KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	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
Revenue by Vote	1									
Vote 1 - Mayor and Council		205 634	267 278	234 071	260 646	260 646	260 646	285 237	310 114	316 827
Vote 2 - Finance and Administration		479 416	495 036	517 012	530 657	531 591	531 591	555 706	582 840	610 280
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		13 855	14 724	16 338	15 739	15 939	15 939	16 098	16 810	18 162
Vote 5 - Sport and Recreation		44	42	63	48	48	48	-	-	-
Vote 6 - Public Safety		10 157	19 295	30 879	24 971	32 081	32 081	33 156	34 781	36 416
Vote 7 - Housing		33 993	56 961	48 708	56 832	27 824	27 824	2 214	2 214	2 214
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		7 938	87 076	156 851	132 124	174 508	174 508	113 160	95 162	88 781
Vote 10 - Road Transport		84 779	10 329	12 204	10 941	33 241	33 241	96 166	14 547	15 231
Vote 11 - Environment Protection		347	435	411	392	418	418	342	359	376
Vote 12 - Energy Sources		143 403	142 122	162 773	189 193	177 279	177 279	183 943	192 956	202 025
Vote 13 - Other		4 279	7 928	1 166	4 228	883	883	579	607	636
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		57 141	64 691	68 081	81 218	78 556	78 556	73 613	71 887	75 266
Total Revenue by Vote	2	1 040 986	1 165 917	1 248 557	1 306 988	1 333 015	1 333 015	1 360 216	1 322 279	1 366 214
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Mayor and Council		144 394	115 621	39 390	42 854	49 201	49 201	60 994	63 982	66 990
Vote 2 - Finance and Administration		361 106	188 906	329 346	334 780	329 234	329 234	223 821	239 036	250 317
Vote 3 - Internal Audit		62 606	59 018	72 064	76 612	86 766	86 766	91 453	78 608	78 925
Vote 4 - Community and Social Services		28 783	31 152	35 429	39 877	37 915	37 915	61 691	64 970	68 591
Vote 5 - Sport and Recreation		5 243	4 714	5 037	5 424	5 206	5 206	5 074	5 322	5 572
Vote 6 - Public Safety		(64 601)	91 343	97 698	91 290	99 600	99 600	107 354	125 031	134 285
Vote 7 - Housing		50 866	67 742	60 442	66 272	38 888	38 888	18 075	18 852	19 634
Vote 8 - Health		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		34 965	40 315	45 088	51 948	43 981	43 981	46 937	48 240	50 508
Vote 10 - Road Transport		90 274	83 676	94 550	89 844	98 095	98 095	230 882	157 720	165 132
Vote 11 - Environment Protection		17 059	16 458	25 264	27 693	27 083	27 083	25 627	26 897	28 205
Vote 12 - Energy Sources		128 314	131 308	154 214	164 112	168 415	168 415	194 314	203 835	213 415
Vote 13 - Other		2 929	2 447	3 015	6 515	6 685	6 685	5 850	6 137	6 426
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		171 459	170 560	163 528	174 365	179 630	179 630	180 920	192 868	188 112
Total Expenditure by Vote	2	1 033 408	1 003 261	1 125 063	1 171 585	1 170 699	1 170 699	1 252 991	1 231 498	1 276 112
Surplus/(Deficit) for the year	2	7 578	162 656	123 494	135 403	162 316	162 316	107 225	90 781	90 103

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality. Revenue tariffs have been increased by the CPI rates of 5.3% for the 2024 budget and Electricity service charges has increased by 18.4%.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs,



and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than the 5.3 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. In line with circular 123 guidelines the municipality implemented a tariffincrement of 5.3%.

6.1.5 Property Rates

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation ofthe Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was donein the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- In addition to the R15 000.00 reduction on market value of the property, a further R300 000.00 reduction will be granted to old age pensioner and/or disabled persons, subject to the status of the applicant being proven in terms of the criteria in the Rates Policy.

- Other rebates include: Retirement Villages/Old age homes/Nursing Homes; Schools (excluding PBO registered); Agriculture – Bone Fide Farmers only; Guest Lodges/Houses, Bed & Breakfast, Self-catering accommodation and Game Farming as per criteria in the Rates Policy. 100% rebate will be granted to registered indigents and child headed households in terms of the criteria in the Indigent Policy and Rates Policy. Rebates are not retrospective.

- The final date for payment of 10 monthly instalments accounts of the general rates is the last working day of each month with the last instalment due on the last working day of May. The final date of payment of the annual general rates accounts is the last working day of September. After the due dates interest of 11.25% per annum will be added, as per the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Municipal Property Rates Act Regulations.

In its endeavour to restrain the outstanding debt from escalating and to encourage ratepayers to settle their accounts annually in full i.e. on or before 30 September each year, council offers those ratepayers a 7% concession on the current rates levied amount only (7% of annual rates payable after the application of any exemptions, rebates or reduction and not the market value). This applies annua

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2023/24 financial year is 5.3 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2023/24 budget year.



6.1.6 Sale of Electricity and Impact of Tariff Increases

The service charges electricity budget for 2023/24 is R 182.436 million. The consumer tariff was increased by 18.4 per cent as per NERSA guidelines to offset the additional bulk purchase cost from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

6.1.7 Waste Removal and Impact of Tariff budget

The Service charges waste removal budget for 2023/24 is R 62. 711. The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Waste removal tariffs have been increased by CPI of 5.3%for the 2024 budget year.

6.1.8 Other Tariff of Charges

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 5.3 per cent and tariff of charges is attached as annexure.

6.1.9 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Budget constraint (operating expenditure should not exceed operating revenue) unlessthere are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of theMFMA;
- Operational gains and efficiencies will be directed to funding the capital budget andother core services;



6.1.9.1 Employee related costs and Remuneration of Councilors

The budget for employee related cost and remuneration of councilor's amounts to R 494 million for 2023/24 financial year. Employee related cost amounts to 39% of total operating budget in line with treasury guideline of 35%-40%. An increase in employee related cost in 2023/24 versus 2023/24 is due an increment as per SALGA 's collective agreement stating that employe related costs in terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 an increase based on the projected average CPI percentages for 2023 according to the Reserve Bank's Monetary Committee Statement for January 2023 of 5.4%, the municipality has also considered the decisions undertaken in the strategic session and have made a provision of R 2.34 million rand in our budget for increasing number of internship programmes to assist the unemployed graduates within the jurisdiction of Ray Nkonyeni municipality.

6.1.9.2 Other operating expenditure

Other expenditure includes items such as audit fees, subsistence and travelling, professional fees, legal fees, bank charges, Budget Road shows, municipal running cost and all other expenditure forms part on the above-mentioned categories of expenses.

6.1.9.3 Overall expenditure budget

The overall operational expenditure budget for 2023/24 amount to 1,253 billion.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol, and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

The percentage increases of Eskom bulk tariffs of 18.6% are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality.

6.1.10 Depreciation and Amortization

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 102.5 million for the 2023/24 financial and equates to 8.2 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

6.1.11 Repairs and maintenance

During the compilation of the 2023/24 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure and historic deferred maintenance especially roads. The municipality has an infrastructure maintenance plan to ensure that assets are in good condition.



Repairs and maintenance comprise of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes. Budgeted Repairs budgeted amount for 2024 amounts to R194 million which translates to 15.4% of the operating budget and 12% against Carry Value of PPE using the latest audited Annual Financial Statements.

6.1.12 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 15.1 per cent as per NERSA Guidelines and budgeted R158.3 million for 2023/24.

6.1.13 Contracted services

Contracted services equal to 21.6 per cent of the expenditure budget and has been budgeted at R 272.5 million. Contracted Services made up of 3 categories n namely, Consultants and Professional Services, Contractors, and Outsourced services.

6.1.14 Free Basic Services: Basic Social Service Package

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. 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.

6.1.15 Finance Charges

Finance Charges amounted to R 9.9 million and that includes the finance charges of DBSA loan and the interest of financial leas.

6.1.15 Other expenditure

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. The salient features of general expenses have been the following:

6.1.16 Capital Expenditure Framework

Total Capital Expenditure amounts to R 154.8 million. The main source of funding of the 2023/24 Capital budget of R 93.78 million is transfers recognized capital from National, R 37.9 million funded internal and R 1.739 million from provincial governments and R21.4 million funded by borrowings .The capital budget is aimed to facilitate service delivery where it is essential and address historical backlogs of our country

Capital Budget (Excl. Vat)

• National Government Grants	R 93.781	million
• Provincial Government Grants	R 1.739	million
• DBSA Borrowings	R 21.452	million
• Internally generated funds	R 37.921	million
	R 154.8	million



SECTION G: ANNUAL OPERATIONAL PLAN(SDBIP)

7.1 SDBIP

The municipality has developed its SDBIP to fulfil both the requirements of the Municipal Systems Act and the Municipal Finance management Act. In this section the policy framework for performance management system is summarized and the FINAL DRAFT 2023/2024 SDBIP and complete policy framework attached as an attachment. **(See attachment 4: SDBIP)**



SECTION H: ORGANIZATIONAL PERFORMANCE MANAGEMENT FRAMEWORK

8.1 Introduction

This chapter provides indicators under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, it also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail 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. In line with the said legal requirement this framework should be seen as a policy document that will set out:

The requirements that the Ray Nkonyeni Municipality's OPMS will need to fulfil:

• The principles that must inform its development and subsequent implementation

• The preferred performance management model of the Municipality

• The process by which the system will work

• The delegation of responsibilities for different roles in the process and

• A plan for the implementation of the system

8.2 The Legislative Framework for Performance Management

The major OPMS policy instruments are the 1998 White Paper on Local Government supported by the Batho Pele principles encompassed in the White Paper on the Transformation of Public Service Delivery(1997).These policies were given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Municipal System Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General



- Involve the community in setting indicators and targets and reviewing municipal performance

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal OPMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

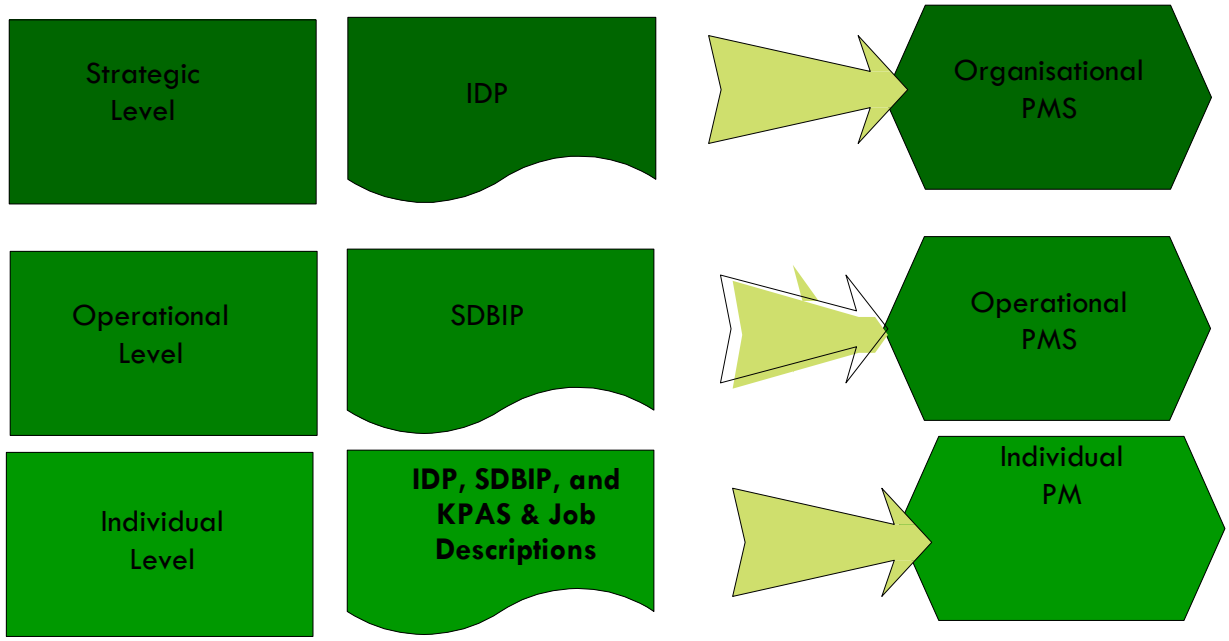
It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

Provision is also made for this at departmental level in a circular issued by the National Treasury. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. Finally, the Municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

8.2.1 Managing And Measuring Performance At Various Levels

Performance management can be applied to various levels within any organisation. 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

Illustration 25: Strategic (Organisational) Performance linked to the integrated development plan (IDP) of a municipality



Objectives of the Municipality's Performance Management System as indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfil the following objectives:

i. Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

8.2.2 Support Municipal Oversight

The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration.

Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.

i. Facilitate decision making



The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

8.2.3 Performance Reporting and Review

The next two stages in the process of performance management, namely that of performance reporting and performance review, will be dealt with together. This section is further divided into three sub-sections dealing with the requirements for 'in-year reviews" annual reporting and reviews and lastly a summary of the various reporting requirements.

8.2.4 In-year Performance Reporting and Review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality's performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by



the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

8.2.5 Annual Performance Reporting and Review

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that: All municipalities for each financial year compile an annual report which report must include the municipal performance report

The annual report be tabled within seven months after the end of the financial year. The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon. The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report. The oversight report as adopted be made public. The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province. The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other and Council portfolio committees. Such mechanisms could involve all or any combination of the following:

- Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.
- Using of various forms of media including radio, newspapers and billboards to convey the annual report.
- Inviting the public to submit comments on the annual report via



- Telephone, fax and email.
- Holding public hearings in a variety of locations to obtain their input on the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Debating the annual report at a meeting of the IDP Representative Forum
- Hosting a number of public meetings or road-shows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.
- Posting the annual report on the council website and inviting input
- Conducting Customer Satisfactory Surveys on annual basis as means of community consultation and involvement.

It is further proposed that the oversight committee functions as a MPAC. As such the committee must examine the performance of the municipality.

8.2.6 Reporting requirements

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Table 201: OPMS Framework

Report	Frequency	Submitted for consideration and/ or review to	Remarks	Responsibility
SDBIP's	Quarterly	Executive Committee	Refer to MFMA Circular 13 of National Treasury	**MM**
Monthly budget Statements	Monthly	Mayor (in consultation with Exco)	Refer to sections71 and 54 of the MFMA	**CFO**
Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full Council	OPMS framework (see section above)	**MM**
Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	Refer to section52 of the MFMA	**CFO**



SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections72 and 54 of the MFMA	**MM / CFO**
Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section46 of the Municipal Systems Act as amended. Said report to form part of the annual report	**MM**
Annual report	**Annually**	**Council**	**Refer to chapter 12 of the MFMA**	**MM**



SECTION H.3: BACK TO BASICS

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialize. The Goal is to improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the B2B Programme. It is therefore important to understand where we are, where we could be and what needs to be done to improve performance. Back to Basics Programme recognizes that the core services that local government provides is about our Constitution and Bill of Rights. The country's vision of developmental local government was that it would be the building block on which the reconstruction and development of our country and society was built, a place in which the citizens of our country could engage in a meaningful and direct way with the institutions of the state.

The transformation of the local government sector remains a priority for the current administration. The goal of the Back to Basics Programme is to improve the functioning of municipalities to better serve communities by getting the basics right. It aims to achieve the developmental state of local government and ensure that each sphere of government commits itself to address the challenges faced by local government.

The programme recognizes that we need to do things differently if we want different solutions. It argues that we must change our paradigm to focus on serving the people rather than the extractive elites. To be noted is that the programme draws from the National Development Plan.

5 pillars of the Back to Basics approach which are principles for action are depicted below:

Illustration 26: Back to Basics Pillars





RNM's response: The municipality aims at aligning with the Back to Basics program and pillars by:

- ***Training and awareness of Ward committee members, about the program***
- ***Holding of public feedback session with Councilors or Mayor , report back to the public***
- ***Training of staff and councilors***
- ***Continuing of sound financial management and strengthen it, within the municipality***
- ***Continuing with the efficient structure of War rooms and Operation Sukuma Sakhe***
- ***Continuing with the roll out of essential government services***

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.