RICHMOND MUNICIPALITY

DRAFT INTERGRATED DEVELOPMENT PLAN 2022/ 2023

57 SHEPSTONE STREET
RICHMOND
3780

RICHMOND MUNICIPALITY
UMASIPALA WASE RICHMOND

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Abbreviations used in this document:

AIDS – Acquired Immune Deficiency Syndrome
ABET – Adult Based Education Training
AG – Auditor General
BBBEE – Broad Based Black Economic Empowerment
CFO – Chief Financial Officer
COGTA - Co-operative Governance and Traditional Affairs
CPF – Community Policing Forum
CLLR – Councilor
DAEARD – Department of Agriculture, Environmental Affairs and Rural Development
DEDT – Department of Economic Development and Tourism
DWA – Department of Water Affairs
DPPSS – Development Planning Shared Services
EIA – Environmental Impact Assessment
EXCO – Executive Committee
EKZNW- Ezemvelo KZN Wildlife
EPWP – Expanded Public Works Programme
GIS – Geographic Information System
GVA – Gross Value Added
HIV – Human Immunodeficiency Virus
ICT – Information Communication Technology
IDP – Integrated Development Plan
IGR – Inter Governmental Relations
JMPT – Joint Municipal Planning Tribunal
KPA – Key Performance Area
KPI – Key Performance Indicators
LED – Local Economic Development
LM – Local Municipality
LUMS – Land Use Management Scheme
MANCO – Management Committee
MFMA – Municipal Finance Management Act
MPAC - Municipal Public Accounts Committee
MM – Municipal Manager
MSA – Municipal Systems Act
mSCOA: Municipal Standard Charts of Accounts
NDP – National Development Plan
NSDP – National Spatial Development Perspective
NGO – Non Governmental Organisation
OSS – Operation Sukuma Sakhe
PMS – Performance Management System
PGDS – Provincial Growth and Development Strategy
SDBIP – Service Delivery and Budget Implementation Plan

SDF – Spatial Development Framework
SAPS – South African Police Service
SEA - Strategic Environmental Assessment
SMME – Small Micro Medium Enterprise
SPLUMA – Spatial Planning and Land Use Management Act
UMDM –uMgungundlovu District Municipality
VIP– Ventilated Pit Latrine

MAYORS FORWORD BY HIS WORSHIP MR S. NDLOVU

It pleases me to present the 2022/2023 IDP.

It has become a norm in terms of existing regulations, councillors and officials have undertaken the rigorous process of public participation with regards to the IDP review and ensured that prioritisation has taken place, involving the Ward Committees and the community.

We have found the interaction with the community very interesting and stimulating as members have become familiar with the processes involved. We are faced with the challenge of using scarce resources to maintain and lift our ability to continue to ensure service delivery remains a priority to uplift the living conditions of our people.

We are confident that our 5^{TH} Generation IDP 2022/2023 will address, to a large extent, the concerns of our people as it goes a long way to try and implement the projects as identified in our IDP and the National Development Plan.

As a local municipality faced with the need to cater for the needs of the people and improving our service delivery. In all of our 7 wards we were able to hold successful IDP izimbizo meetings to review our first generation 20 year IDP and to develop the first generation 5 year IDP for the new Council further to align it to the municipal Budget. It was interesting to find that majority of our community have learnt the processes which we adopt and contributed well to the process.

However, we must take cognisance that our municipality has very limited budget as we are heavily dependent on grants therefore it will prove almost impossible to address all the needs of our people at once and that implementation of projects will continue to be slow in some areas as we strive to secure sufficient funds to succeed.

We wish to convey our sincere thanks and appreciation to our councillors, Ward Committee members and the community for their wonderful response for suggestions and input. We will need to improve our income and ensure that people pay for services so that we can provide more in terms of infrastructure and renewal and maintenance of equipment.

In terms of job creation and the implementation of the EPWP programme, we have made good strides and hope to ensure that our programme of so-operative is successful and continue to provide more employment in our community. We will remain committed to service delivery excellence. I thank you.

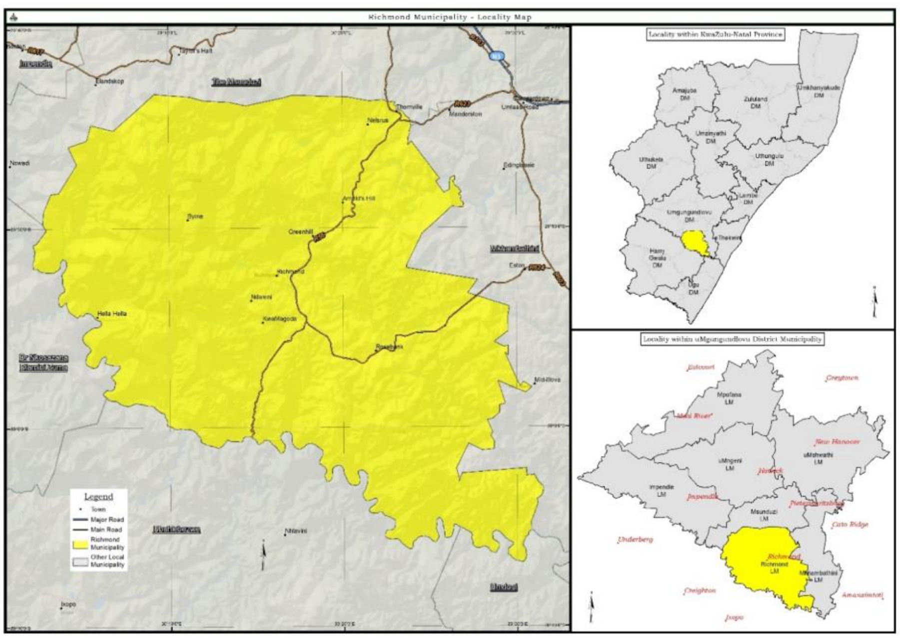
Cllr S Ndlovu, Honourable Mayor.

CHAPTER 1: EXECUTIVE SUMMARY

1. 1. WHO ARE WE

Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by Msunduzi Municipality to the north, Ingwe Municipality to the west, Mkhambathini Municipality to the east and Ubuhlebezwe Municipality and Vulamehlo Municipality to the south. It is approximately 1232 square kilometres in extent with an estimated population of 71 322 and 17 570 households; it is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities. The map below shows Richmond Geographic location:

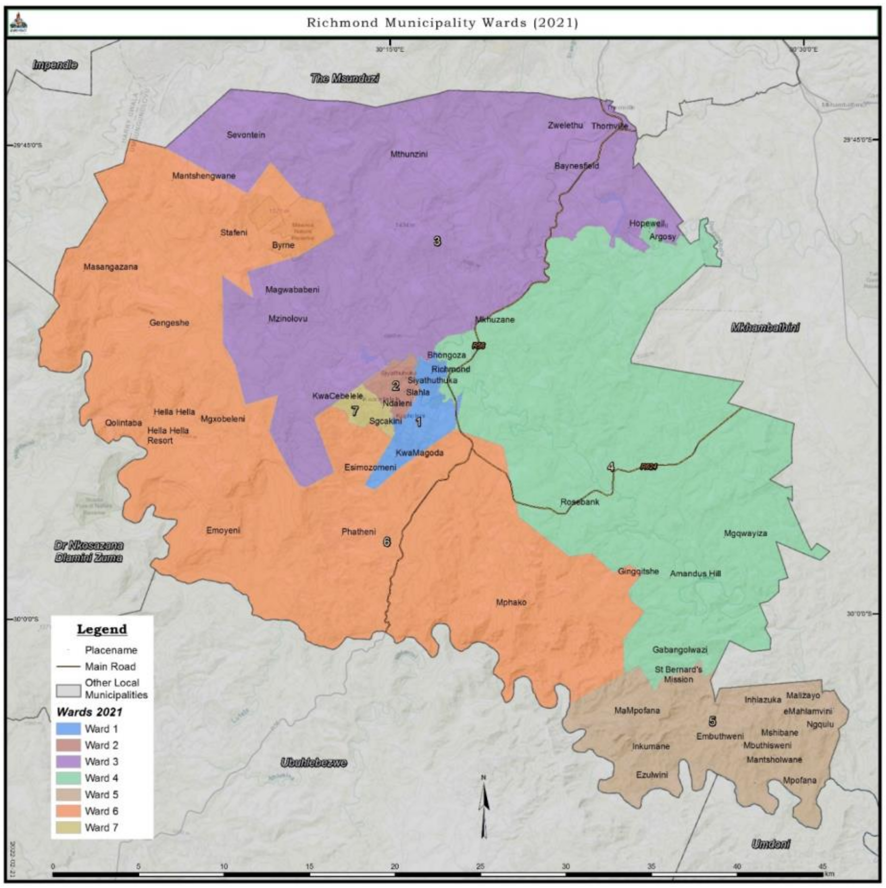
Map 1. Richmond municipality locality map



The majority of the population resides in areas which are predominantly rural and which are characterized by low levels of basic services and facilities and substantial unemployment. The village of Richmond in Ward 1 is the only urban centre which is recognized as the main economic node due to the services provided and nature of activities which exist in association with the legal services, primary health care, pension pay point, education and welfare office and similar state services. Land uses within this area are typically urban mixed uses with high levels of limited infrastructural and services development and an adequate provision of social facilities and services to support the resident populations.

Richmond is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. The figure below indicates that Msunduzi is the most populated local municipality and that Richmond municipality has the fourth largest population within the district.

Map 2. Richmond municipality by ward



The Richmond Municipality has a total 7 wards under its jurisdiction. The Central Business District (CBD) falls within ward 1. A large portion of the municipal area is used for agricultural activities, which is also the largest employment sector for the municipality. In this way agriculture is the backbone of the Municipality's economy. This suggests that preservation of high quality agricultural land is very important and development should therefore be responsive to the need of preservation.

Richmond's location can be unfavourable in that the booming economy of the Capital City which has resulted in an exit of skilled and learned persons as well as the relocation of Industry from Richmond to other areas and coupled with various other factors. Richmond has seen an increase in unemployment, an increase in poverty and a decrease in investment. Added to this is the unmistakable absence of municipal resources needed to meet the demand of the ever increasing need for service delivery to the poor, excluded and vulnerable.

In order to achieve success from its advantageous and to counteract its disadvantageous characteristics, Richmond must focus on its strength which is agriculture.

The Municipality must also continually strive towards a positive change of mind set and gear towards marketing the constructive attributes in terms of spatial assets (industrial nodes, location in terms of identified corridor development, proximity to N3 and R56), agriculture and agro processing, nature based tourism, specialized manufacturing and farming.

1. 2. RICHMOND IDP: PROCESS PLAN

The development of the IDP involved engagement of various stakeholders. This is well documented in the Process Plan. The document represents the Integrated Development Planning processes for co-ordinating the 2022/2023 IDP and also informs the 2022/2023 budget processes as prepared by the Richmond Municipality (KwaZulu-Natal). In developing the Integrated Development Plan 2022/23, the Richmond Municipality was obliged to take cognizance of and was responsive to the various pieces of legislation, the environment, Sector Department Plans, the State of the Nation Address, State of the Province Address, Development Goals as contained in various programmes and strategies of National and Provincial Government, the needs of the community, the current Socio and Economic trends.

Participation, engagement and democracy are at the forefront development planning, Richmond municipality therefore recognises that in coordinating a truly successful integrated Development Plan, public planning at all levels is where the relationship between the municipality and community is refined and where the most reasonable expressions of a society's aspirations materialise and this in reflected in the plan in the projects and programmes it contains. The IDP is reviewed annually but it is implemented in everyday = released by CoGTA Issues identified through self-assessment. Integration of new information, including changes in priorities, key issues and development patterns. Integration of sectoral plans. This process plan is a guide for the compilation of the Integrated Development Plan (IDP), it involves workshops, forum meetings and public participation meetings. The following table illustrates the IDP Process Plan.

Table 1. IDP Process Plan

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
Critical milestone (below is working forward to achieve it)	Milestone 1 (IDP Preparation phase): Submission of 2022 /2023 IDP Framework and Process Plans to CoGTA and Treasury	31 August 2021	All Municipalities to CoGTA and Treasury	Submitted Framework and Process plans
IDP	Meeting with Local Municipalities/ Extended Planning sub cluster on IDP-Budget-OPMS	20 July 2021	All municipality	Attendance register-
IDP-BUDGET-OPMS	Prepare 2022 /2023 IDP / Budget /OPMS Process Plans	19 July – 23 August 2021	All municipalities	Drafts FP-PPs completed
IDP	Circulate the draft Process or framework plan internally for preliminary comments and inputs	July 2021	District municipality-IDP office, All municipalities	Circulated draft
IDP	Submit Draft Framework/Process Plans to COGTA	31 July 2020	All municipalities	Letter of acknowledge
IDP	Final Process Plans	August / (final to CoGTA 30 August 2021)	All Municipalities	Letter of acknowledgemen t
OPMS	Signed S54 and 56 Manager's Performance Agreements – S53 MFMA and S57 MSA	28 July 2021	All Municipalities	Signed performance agreements and place on website within 14 days
Critical milestone (below is	Milestone 2: IDP Phase 1 Analysis /Status Quo analysis	25 September –end October 2021	All municipalities	Status quo analysis reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
working backwards to achieve it)				
IDP	➢ MEC Panel assesses submitted 2021/2022 IDPs ➢ Draft Process Plan comments	12 July 2021 - 30 July 2022 20 August 2021	MEC Panel	Results of the assessment and response
IDP	➢ Sustainable Living Exhibition	TBA	MEC COGTA, Sector Departments, Municipal representatives	Attendance
IDP	➢ IDP Indaba	21 September 2021	COGTA, Sector Departments, Municipal representatives	Final IDP assessment results
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	14 September 2021	All municipalities and Department of Social Development- Population Unit, KZN Treasury and StatsSA.	Draft status quo reports and data alignment
IDP	Collect data to review Status Quo of the Municipality	03 August 2021	All municipalities	Verified data
IDP-INCORPORATING BUDGET AND OPMS	Assess the status of sector plans and policies	2 – 13 August 2021	All municipalities	Updated table indicating status of reviewed strategies, sector plans and policies
OPMS	Draft 2021 / 2022 Annual Performance Report – S46 MSA	25 August 2021	MM / PMS Manager	Draft 2022 / 2023 Annual Performance Report – S46 MSA

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP-INCORPORATING BUDGET AND OPMS	Submission and adoption of final Draft Process Plan /FP to all relevant Council Committees	2-31 August 2021	All municipalities	Final drafts submitted and adopted
BUDGET	2021 / 2022 First Quarter Budget Review	11 October 2021–Internal 18 October 2021-Treasury (3rd wk. after end of Quarter)	Finance	Budget review report
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly performance reports
IDP	Advertise Process Plans	01– 23 September 2021	District municipality/all municipalities	Copies of adverts
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on status quo of the district-one-on-one and Ward-based engagements	August – September 2021	All municipalities	Schedule of consultations
IDP	Update Report on alignment for this Phase to MMs Forum	Per District calendar	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	Per District calendar	District Municipality	Phase Update reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Status Quo Report to Exco – to Full Council as from next month	27 September 2021	District Municipality/all municipalities	Status Quo Report to Exco /Council
IDP	➢ Rep Forum meeting	26 September 2021	Local Municipality	Phase update report
Critical milestone (below is working backwards to achieve it)	Milestone 3 Phase 2 &3 of the IDP: Review Strategies & projects	29 November 2021	All municipalities	Reviewed strategies report
IDP	Review municipal strategies	1– 15 November 2021	All municipalities	Report on reviewed strategies
IDP-BUDGET	First community consultative process (Imbizos)	Novermber-December 2021	Municipality (Mayor)	
World Planning Day Event	Attend the event	09 November 2021	CoGTA, stakeholders and municipalities	Attendance
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	19 November 2021	Internal Departments	Reports /inputs in required format
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly performance reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Meeting with local municipalities to discuss strategies reports /sub cluster	17 November 2021	All municipalities	Alignment of strategies report
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on strategies and priorities of the district-IDP Representative Forum	23 November 2021	District municipality (joint engagement of all municipalities, registered stakeholders and service providers)	Aligned Programmes reports
IDP	Update Report on alignment for this Phase to MMs Forum	12 October 2021	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	25 October 2021	District Municipality	Phase Update reports
IDP	Strategies Report to Exco Full Council	10 December 2021 13 December 2021	District / All Municipalities per Council calendars	Item: reviewed strategies report for approval
IDP	Feedback and Sector – Municipal Alignment sessions under the auspices of COGTA-uMgungundlovu District	TBC	COGTA, Municipal Representatives-all managers, Sector Departments and State-Owned Enterprises (SOEs)	Alignment of MTSFs, MTEFs, programmes and budgets
IDP	Prioritization of IDP projects	01– 10 December 2021	All municipalities	Projects prioritization lists

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
				integrated into the IDP
BUDGET	2021/22 Budget Performance Assessment –S72 MFMA	20 January 2022	Finance	Budget Performance report
IDP	2021/22 budget Adjustment	07 February 2022 14 February 2022 28 February 2021	Finance Committee Executive Committee Full Council	Adjustment Budget
BUDGET-IDP OPMS	Finalisation of Budget related Policies 2022/23	28 February 2022	Full Council	Budget Policies Review
BUDGET-IDP OPMS	Finalisation of proposed 2022/23 service Tariffs	28 February 2022	Full Council	Tariff Review
BUDGET-IDP OPMS	Receive and consider proposed budget from the board of Directors from Development Agency	January 2022	Mayor/MM/CFO	Development agency Draft Budget Submitted
BUDGET-IDP	2022/23 Interdepartmental Budget Inputs	25 January– 01 February 2022	Council Internal Departments	Completed templates aligned to IDP format
IDP	Meeting of COGTA, Sector Departments and Municipalities on IDP drafting and assessment process for 2022/23	07 February 2022	COGTA, Sector Departments and Municipalities	Attendance
IDP-BUDGET-SDBIP	Alignment of IDP and Budget towards SDBIP	By 11 March 2022	All Municipalities / Departments	Completed templates aligned to IDP format
OPMS-BUDGET	Mid-year budget review/adjustment and performance assessment	25 January 2022	MM / CFO / S57 Managers / PMS Manager	Budget adjustment and manager’s performance report

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
OPMS	Schedule Performance Audit Committee meetings at least twice a year – Reg 14 PPMR	31 January and 29 July 2022	MM / Internal Audit / PAC	Minutes of Committee meetings
Critical milestone (below is working backwards to achieve it)	Milestone 4 Phase 4 &5 of the IDP: Integration and approval/ Adoption and submission of Draft 2022/ 2023 IDPs to COGTA and Budget to Treasury	23 March 2022	All municipalities DCOGTA AND TREASURY	
BUDGET	2022/2023 First Draft Budget	16 March 2022 21 March 2022 28 March 2022	Finance Committee Exco Full Council	First Draft Budget report
IDP	Municipalities submit draft 2022/2023 IDPs to COGTA	21-28 March 2022	COGTA and all municipalities	Proof of submission of draft reviewed IDP
SDBIP	Municipalities submit draft 2021/22 SDBIP to Treasury and CoGTA	21-28 March 2022	Treasury and all municipalities	Proof of submission of draft reviewed SDBIP
IDP	Update Report on alignment for this Phase to MMs Forum	March 2022 (per Calendar)	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	March 2022 (per Calendar)	District Municipality	Phase Update reports
BUDGET	Grants Notification to Local Municipalities	11 March 2022	District Municipality	Grants Notification report circulated
IDP	Adoption of Draft IDP by Council	Before 29 March 2022	All Municipalities	Council Resolution

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Submission of Draft IDPs to COGTA	30 March 2022	All Municipalities DCOGTA	Proof of submitting the draft IDP on time to CoGTA
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	01 April – 25 April 2022	All Municipalities	Copies of adverts and directions
OPMS	Review OPMS Policy and prepare draft OPMS scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives)	Before end of June 2022	S56 Managers / IDP Manager / PMS Manager	Aligned process
Critical milestone (below is working backwards to achieve it)	Milestone 5: Assessment of Draft 2022/2023 IDPs and self-assessment	25 April 2022	All Municipalities DCOGTA Sector Depts.	
IDP	Meeting with local municipalities –planning sub-cluster on IDP for self-assessment and planning for joint izimbizo. Also prepare for assessments	02 April 2022	All Municipalities	Circulated self-assessment tool and draft izimbizo contents. Finalize allocated roles for assessments presentations .
IDP	Convening of decentralised IDP Assessment Forums	12 April 2022	COGTA, Municipal Representatives, Sector Departments and State-Owned Enterprises (SOEs)	Attendance and reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	IDP Assessment Feedback Session based on IDP Assessment Frameworks	08 May 2022	COGTA: IDP Coordination Business Unit, COGTA Sector Departments Municipal representatives and SOEs.	Attendance and reports
IDP & BUDGET	Present Draft IDP and Budget to the community (Izimbizo) and all stakeholders	April 2022 (actual dates to be published) (LMs in January 2022-DM to attend)	All Municipalities jointly-(Speakers Forum)	Approved and published schedule of dates for Izimbizo
Critical milestone (below is working backwards to achieve it)	Milestone 6: Adoption and Submission of final 2022/2023 IDPs to CoGTA	28 June 2022	All Municipalities CoGTA AND ALL	
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	April 2022	All Municipalities	Incorporated comments
IDP	Incorporate comments from the Assessment panel from COGTA	14 May 2022	All Municipalities	Response-table
BUDGET	Table Final Draft Budget Approve Final Budget 2022 /2023	11 May 2022 18 May 2022 30 May 2022	Finance Committee Executive Committee Full Council	Minutes Council Resolution
IDP-BUDGET-OPMS	Address comments from the Auditor General on the Annual Report of the previous Financial Year	30 March 2022	All Municipalities	Response-table

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Update Report on alignment for this Phase to MMs Forum	March 2022 (per Calendar)	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	March 2022(per Calendar)	District Municipality	Phase Update reports
IDP	Present Final Draft IDP to Exco	May/June 2022	District Municipality	Item: final draft IDP
IDP-OPMS	Adoption of 2021/22 IDP and performance targets by Council	June 2022	District Municipality	Council Resolution
OPMS	Approved Departmental SDBIPs / Scorecards 2021/2022– S53 MFMA	25 June 2022	Mayor /MM (PMS Manager)	Report
OPMS-IDP	Approved Municipal / Organisational Scorecard – S44 MSA	25 June 2022	PMS Manager &MM	Report
OPMS	Performance Reports twice a year – Reg 13 PPMR	Council:21 January 2022 PAC February 2022 and for APR 25 August 2022	Mayor / MM / PMS Manager / S56	Reports
IDP-BUDGET	Submit and publish adopted IDP/Budget to COGTA and Public	10 days after adoption date or latest 11 July 2022	All Municipalities COGTA	Copies of adverts and directions
OPMS	Complete Datasheet and submit to CoGTA – S47 MSA	26 August 2022	MM / CFO / S56 Managers / PMS Manager	Portfolio of evidence on submission
OPMS	Draft 2022 / 2023 Annual Performance Report – S46 MSA	25 August 2022	MM / PMS Manager	Report

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
OPMS	Prepare 2021 / 2022 Performance Working Paper File and submit to AG after necessary approvals	30 August 2022	MM / PMS Manager / Internal Audit	Report
IDP	MEC Panel assesses Reviewed IDPs	19 July 2022-	COGTA-led panel	MEC letters

Key Challenges

Table 1.Municipal key performance areas vs key challenges

Key Performance Area	Challenges
Cross Cutting Interventions	• Spatial inequalities • Lack of communication between Ingonyama Trust Board and the Municipality • Lack of community awareness on Land use matters • Land legal matters (Illegal developments).
Muncipal Transformation and Organisational Development	• No financial resources to fill all vacant posts • Effective Human Resource Management and Development. • Implementation of staff Performance Management • Ensure safety and security of municipal buildings and environment. • Effective and reliable Information Communication Technology Environment.
Local Economic Development and Social Development	• Budget contraints • Insufficient Funding Support from Provincial and National Government

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	• Lack of Communication from Provincial and National Government on progress of programmes implemented • Lack of promotion on tourism • Robust regulation of the business environment. • Robust regulation of community buildings and developments. • Implementation of the Agri-Park programme (Rural Development & Land Reform) • Preservation of heritage and enhancement of the Tourism sector. • Lack of capacity to effectively carry out LED • Enhance rural development through Agriculture. • Creation of jobs through LED and various other municipal programmes (LED Strategy Implementation). • Implementation of Poverty Alleviation programmes.
Municipal financial Viability and management	• Lack of asset management • Grant dependent for infrastructure • Poor Revenue Enhancement and management. • Effective and compliant Supply Chain Management. • Compliant Financial Management and credible financial reporting.
Service Delivery and Infrastructure Investment	• Robust reduction of backlogs in electricity, roads and public facilities • Provision, preservation and maintenance of municipal facilities • Social cohesion and nation building (social ills). • Environmental protection through effective waste management

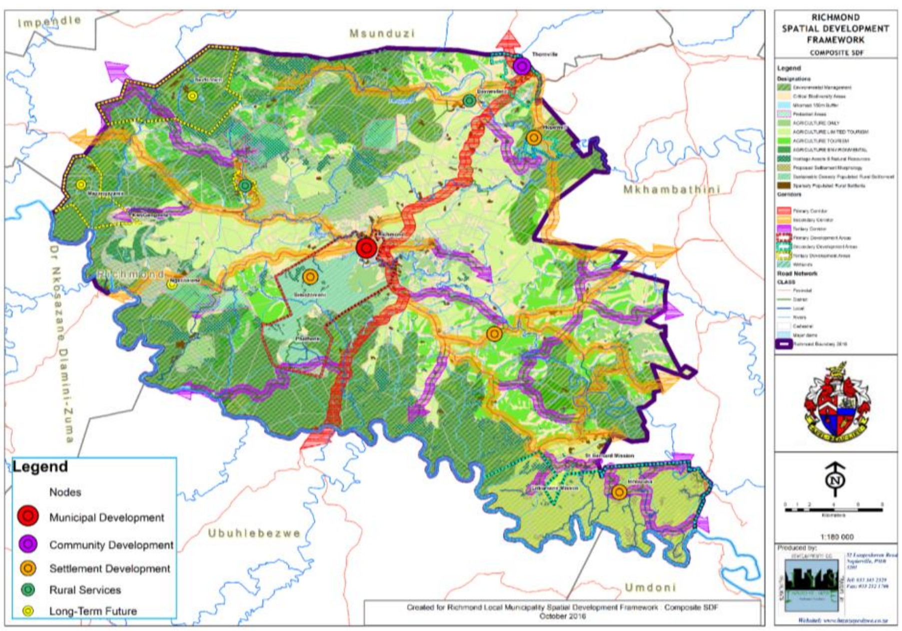
	programmes (Reduce, Reuse and Recycle). • Facilitate robust provision of economic infrastructure • Compliant property development (private and business buildings) in terms of the NBR • Housing backlogs • Implementation of literacy improvement programmes • Containment and reduction of HIV/AIDS prevalence.
Good Governance and Public Participation	• Effective and compliant Municipal Governance • Lack of review and implementation of municipal policies • Implementation of a comprehensive anti-Fraud and corruption programme • Organisational Performance Management and Reporting • Harness Public participation and communication • Compliance with mSCOA • Legislative compliance • Combat Land Invasions • Mainstreaming of Special Programmes and increase participation of designated groups

VISION AND MISSION

The vision, as recorded above, inspires and focuses the attention and mobilizes all residents, communities, stakeholders, politicians and officials in creating the desired future based on the implementation of projects and programmes in a sustainable manner thus creating a viable municipality focused on attaining its developmental mandate and therefore meeting the needs of all citizens in response to the requirements of legislation in that local government needs to be developmental in its approach.

WHAT ARE WE GOING TO DO TO UNLOCK AND ADDRESS OUR KEY CHALLENGES?

The map below indicates a product of Spatial Development Framework which is a core component of the IDP. The map below also indicates the strategic areas for improvement



The Richmond Municipality seeks to improve the lives of residents by developing strategic plans (Strategies) to address the challenges faced and to maximize output on the opportunities to create positive spin offs. The strategies will be developed in line with the 2030 agenda for sustainable development, National Development Plan (NDP), National Government MTSF and Provincial PGDS objectives. The following strategic local economic development thrusts and development initiatives must be taken into consideration in development of the strategies:

- Promoting development and investment that contributes to the regeneration of the economic hub as well as the development of the identified precinct (Thornville area)
- Provide for sufficient, affordable, reliable infrastructure services as well as the creation of an environment which promotes for economic growth through provision of basic service for the successful provision of basic services
- Introducing incentives that attract development initiatives as well as the successful introduction of the Municipal Property Rates Act coupled with appropriate and applicable rebates

- Developing a skills database of the Municipality and procurement procedures in accordance with EPWP and AsgiSa principles
- Establishing and promoting SMME's and establishing co-operatives to maximize economic opportunities in the agricultural sector (timber and cane)
- Ensuring the regular maintenance and upgrade of existing infrastructure
- Promoting cultural community and integrated tourism development

WHAT TO EXPECT FROM US, IN TERMS OF OUTPUTS, OUTCOMES AND DELIVERABLES, OVER THE NEXT FIVE YEARS?

The municipal council has developed a set of objectives across the six municipal goals that are also linked to the six Key Performance Areas and will form the basis of the work done in this term of office. In order to address our development challenges and deliver on our objectives, the municipality has developed a Capital and Operational Investment Plan to be delivered in the course of the next five years. The realisation of this plan rest on the effective pursuit of our financial objectives of increasing and enhancing revenue collection.

Richmond municipality objectives developed include the following:

- To facilitate land use management
- To promote accountability and efficiency in the use of municipal assets and community facilities
- To conduct needs-based training programmes and bolster municipal capacity.
- To foster a culture of good employee management and retention.
- To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.
- To ensure Alignment of Information Communications Technology to Business, Monitors and upholds Information Communications Technology standards, policies and procedures of the Council.
- To implement disaster management programmes
- To promote the use of libraries, facilities and dissemination of information
- To manage and upkeep and maintenance of properties and vehicles.
- To provide law enforcement and Security Services.
- Enhancing rights of learner to education.
- To promote gender equality and protect rights of senior citizens
- To promote sports and recreation throughout the Richmond Local Municipality
- To promote Arts and Culture within Richmond

- To have a functional youth structure within the Municipal area
- To unlock opportunities for poor youth through assistance and funding
- To Implement Electrification Projects to provide access to Households Connections
- To enhance road safety, law enforcement and promote the driver's license/ testing centre
- Annual Procurement plan prepared
- Effective bid committees to support procurement for service delivery
- To ensure compliance with Municipal by-laws
- To ensure sustainable and coordinated development throughout the municipality
- Ensure effective and focused communication, both within and outside the Municipality. Strategically profile the Municipality in line with the Mission and vision
- To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management
- To promote economic development and economic growth
- To promote tourism industry and identify tourism opportunities
- To support skills development and economic growth
- To effectively manage the information communication technology systems and ICT infrastructure of the municipality.
- To maintain a productive relationship between the municipality and its employees.
- To workshop and implement the delegations of authorities' policy
- To provide sustainable human settlements
- To provide access to proper community facilities
- To Implement road-building and maintenance programmes and improve rural accessibility
- To provide accessible and reliable burial infrastructure facilities
- To provide access to proper community facilities
- To provide safe and reliable waste management services
- To increase opportunities for better life and improved standard of living.
- To improve financial viability and sound financial management as per MFMA
- To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.
- To have a GRAP compliant asset register for the municipality.
- To prepare the budget for the municipality in full compliance with legislative prescripts.

- To strengthen governance and IGR Structures
- To improve compliance and public participation and awareness.

HOW WILL OUR PROGRESS BE MEASURED?

A Performance Management Policy has been adopted by council and incorporates an Organisational Score Card and is being implemented across all levels of human capital for the municipality. Performance Contracts and Agreements for Section 57 employees, Work Plans for all other employees as well as a Performance Plan/Scorecard in terms of a Service Delivery and Budget Implementation Plan (SDBIP) are signed.

The Organisational Scorecard is in place and the following accomplishments can be recorded:

- A developed SDBIP catering for the inclusion of activities and deliverables with associated milestones and as close as possible realistic targets
- The formulation, extension and review of Municipal Policies and Procedures
- Municipal Bylaws have been reviewed, translated and promulgated in the Provincial Government Gazette.

CHAPTER 2: PLANNING AND DEVELOPMENT PRINCIPLES & GOVERNMENT POLICIES & IMPERATIVES

1. 1. PLANNING AND DEVELOPMENT PRINCIPLES

The following are the planning and development principles that the municipality consulted while developing this IDP:

Development / investment will only happen in locations that are sustainable (NSDP)

Section 12(1) of the Spatial Planning and land use management Act indicated that national and provincial spheres of government and each municipality must prepare Spatial Development framework that –

a. Interpret and represent Spatial Development vision of the responsible sphere of government and competent authority,
b. Be informed by a long term spatial development vision statement and plan (SPLUMA Act No 16 of 2013)

Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner (CRDP, National Strategy on Sustainable Development)

Stimulating and reinforce cross boundary linkages.

Basic services (water, sanitation, access and energy) to all households (NSDP)

Development / investment should be focused on localities of economic growth and/or economic potential (NSDP)

In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes (NSDP)

Land development procedures must include provisions that accommodate access to secure tenure (CRDP)

Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised

Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development.

If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity ("Breaking New Ground": from Housing to Sustainable Human Settlements)

During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development)

Environmentally responsible behaviour must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS).

The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS)

Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS)

The table below demonstrate how Richmond Municipality is applying Planning and Development principles within the municipal area:

Table 5. Planning and Development Principles

POLICY/PLAN	PLANNING AND DEVELOPMENT PRINCIPLES	APPLICATION OF PRINCIPLES
NDP *SPLUMA*	Development / investment must only happen in locations that are sustainable	The capital investment plan directs where massive expansion of transport, energy, water,

		communications capacity and housing should be
NDP	Basic services (water, sanitation, access and energy) must be provided to all households	The SDF investigated issues of water resources in the municipality
CRDP	Development should be within limited resources (financial, institutional and physical) Development must optimize the use of existing resources and infrastructure in a sustainable manner Stimulate and reinforce cross boundary linkage	The SDF identify areas with potential for development
NDP	In localities with low demonstrated economic potential, development/ investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes	The SDF highlights areas of poverty and directs investment at key nodes in order to improve quality of life through service delivery. It also directs spending at improving human capital through access to health, education and social welfare
CRDP	Land development procedures must include provisions that accommodate access to secure tenure Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilized	The SDF identified environmentally sensitive areas for preservation and conservation
NDP	Development /investment should be focused on localities of economic growth and/or economic potential	The municipal LED department promotes access of all local enterprise to internal and external business support resources
HOUSING POLICY	If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity	The Richmond Municipality Housing Sector Plan makes

BREAKING NEW GROUND		provision for low cost housing projects
NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT	During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted	The municipality should have environmental awareness campaigns to give information on global warming and how development affects the environmental resources
KZN PGDS *NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT*	Environmentally responsible behaviour must be promoted through incentives	The SDF identified environmentally sensitive areas for preservation and conservation
KZN PGDS	The principle of self-sufficiency must be promoted Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency	Richmond Municipality SDF and LED Strategy
KZN PDGS	Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities	New developments should be in support of agriculture as Richmond is an agricultural economy municipality

2. 2. GOVERNMENT POLICIES AND IMPERATIVES

National policies and imperatives provides a framework within which development should take place. Richmond municipality acknowledges these and strive toward the effective implementation thereof.

2. 2. 1. NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) introduces the long-term vision for the future development of South Africa. As such, the National Planning Commission (NPC) has formulated a National Development Plan (NDP) - 'vision 2030' as a strategic plan to guide development at a national level over the short to medium term. The plan is based on a detailed diagnosis of issues facing the country and strategic engagement with all key sectors. It identifies unemployment, poverty and inequality as some of the key challenges facing South Africa, and outlines a number of strategic interventions to address these issues. Among these are the following:

Economic development and job creation.
Improving infrastructure.
Transitioning to a low carbon economy.
Building an inclusive and integrated rural economy.
Reversing the spatial effects of apartheid.
Improving education, innovation and training.
Quality health care for all.
Social protection
Reforming the public service
Fighting corruption
Transforming society and uniting the country
Positioning South Africa to seize opportunities of globalisation.
The 5 national priorities include Job creation (Decent work and Economic growth); Education; Health; Rural development, food security and land reform; Fighting crime and corruption; Nation-Building and Good Governance. Richmond strives to attain these priorities within a local context. Female managers have been appointed to address employment equity. The EPWP Programme is eradicating poverty and providing youth with employment in the municipality

2. 2. 2. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (KZN GDS)

The KwaZulu-Natal Province development vision is outlined in the recently introduced Provincial Growth and Development Strategy (PGDS 2011). The PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030. It provides the province with a strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments (PGDS, 2011).Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The seven strategic goals are outlined below:

- Human Resource Development
- Human and Community Development
- Strategic Infrastructure
- Response to climate change
- Government and Policy

- Spatial Equity
- Job creation

It is reported that the Province will respond to the above-mentioned challenges by exploring opportunities available through integrated Government investment, infrastructural development and targeted policy choices. Richmond Municipality as an implementing agent will strive to address or achieve these goals

2. 2. 3. DGDP

The District Growth and Development Plan have been formulated within the context of the KwaZulu-Natal Provincial Growth and Development Plan. The District Growth and Development Plan gives intent to the strategic goals of the Provincial Growth and Development Plan and provide a long term development strategy for the District. The underlying principles of the District Growth and Development Plan include:

- A productive District; which enhance business competitiveness, promote investment, improve business environment and initiate local economic development.
- An inclusive District: which describes actions focused on social issues and integration of communities, poverty reduction and equitable service delivery.
- A sustainable District: that systematic relationship between ecological, social, economic and institutional issues

Richmond municipality is goals are aligned to the District Growth and Development Plan underlying principles.

2. 2. 4. CABINET LEKGOTA

The Cabinet Lekgotla was convened by President Cyril Ramaphosa on the 27 January 2022. The convening was to integrate and align government responses to challenges facing the country, particularly issues of poverty, unemployment and inequality.

The Cabinet Lekgotla also discussed infrastructure development, energy security, localisation and industrialisation, land reforms and agriculture, and reform of state-owned enterprises.

Efforts to reduce unemployment and poverty will include a blend of increased private sector employment, publicly funded employment and expanded social protection for unemployed people.

The meeting also deliberated on challenges and progress in the fight against crime and corruption, and efforts to enhance public safety and security. It also discussed local government service delivery – including the provision of electricity, water and sanitation – as an important part of building the capacity of the State

2. 2. 5. MEDIUM TERM STRATEGIC FRAMEWORK

the 2019-2024 MTSF focuses on the following priorities

- Capable, Ethical and Developmental State;
- Economic Transformation and job creation
- Education, Skills and health;
- Consolidating the Social Wage through reliable and Quality Basic Service;
- Spatial integration, human settlements and local government;
- Social cohesion and Safer communities;
- A better Africa and world

2. 2. 6. STATE OF THE NATION ADDRESS

On the 10 February 2022, The President of South Africa, Mr Cyril Ramaphosa delivered the State of the Nations Address at Cape Town City Hall. In his address the president made mention that the country will remain focused on the priorities identified in the State of the Nation Address last year:

- Overcoming the COVID-19 pandemic,
- A massive rollout of infrastructure,
- A substantial increase in local production,
- An employment stimulus to create jobs and support livelihoods,
- The rapid expansion of our energy generation capacity.

2. 2. 7. STATE OF THE PROVINCE ADDRESS

The Honourable Premier of the Kwa-Zulu Natal Province, Mr S. Zikalala delivered the State of the Kwa-Zulu Natal Province Address on 26 February 2022. The Premier aligns this address with the strategic direction provided by the country's State of the Nation Address which focuses of the following five priorities:

- Intensifying the fight against the Coronavirus;
- Re-igniting economic recovery and job creation;
- Building Social Cohesion, Fighting Crime and Corruption;
- Delivering Basic Services in particular Water;
- Building a Capable and Ethical Development State.

2. 2. 8. THE 14 NATIONAL OUTCOMES

Government introduced the outcome based approached and adopted 14 outcome areas. The objective is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Table 6.the 14 outcomes and how they are applied in Richmond Municipality

Outcome	How the outcome is addressed or applied by Richmond Municipality
1. Improve the quality of education	Budget has been set allocated for staff bursaries furthermore municipal employees are undergoing training and skills development (e.g MFMA, trade test)
2. Improve health and life expectancy	Residents in the rural settlements have requested clinics during IDP community engagement and the municipality will liaise with the department of health, so that primary health care can be easily accessible to all Richmond municipality residents
3. All people in South Africa are protected and feel free	Community police Forums have been established in some areas
4. Decent employment through inclusive economic growth	The LED department offers support to small business and cooperatives, Expanded Public Works programme is implemented. Incubation centre established and functional.
5. A skilled and capable workforce to support inclusive growth	The Ndaleni Skills Development centre that opened in February 2018 will provide increase in enrolment of FET colleges and provide training to the students. More skills will be developed through Funding to further studies
6. An efficient, competitive and responsive economic infrastructure network	The Municipality with assistance of Eskom will provide electrification and the UMDM will provide assistance with water and sanitation
7. Vibrant, equitable and sustainable rural communities and food security	The municipality will improve access to basic services to rural settlements and Department of Rural Development and Land Reform will redistribute land through land restitution claims
8. sustainable human settlements & improved quality of household life	Housing projects have been initiated such as Siyathuthukha Phase 2 and Argosy rehabilitation housing project (all projects are included in the IDP
9. A responsive, accountable, effective and efficient local government system	Cutting down on fruitless expenditure, improved financial reporting and budgeting

10. Protection and enhancement of environmental assets and natural resources	Streets are cleaned in town, there is provision of skipper bins and waste removal in some areas once a week, illegal dumping is discouraged.
11. A better South Africa, a better and safer Africa and world	Agriculture produce from the municipality area is distributed to other places and this enhance trade and investment between South Africa and partners
12. A development orientated public service and inclusive citizenship	The municipal department of community services has initiated a number of programs that promote culture and diversity(e.g participation in SALGA games)
13. An inclusive and responsive social protection system	The municipal department of community services has initiated a number of programs that promote social development
14. Nation building and social cohesion	Disability sports games are initiated as part of the mayoral 100 day programme

Outcome nine specifically relates to local government and calls for ***"Responsive, accountable, effective and efficient local government system***". Richmond Local Municipality has to respond to the outputs set out in Outcome 9 and deal with issues facing the municipal area and providing efficient and effective services to its communities. The municipality is committed to implement the respective outputs through focussing on improved service delivery, economic, environmental and social development.

The seven outputs of outcome 9, are indicated below:

- 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.

2. 2. 9. BACK TO BASICS POLICY

This policy identified the following key performance areas that each local municipality should gear towards achieving:

- Basic Services: Creating decent living conditions, Ensure the provision of free Basic Services and the maintenance of Indigent register. (Indigent policy has been adopted by council, housing projects initiated by the municipality with the support of Department of Human Settlements make provision for low cost hosing which is a basic service)
- Good Governance: Good governance is at the heart of the effective functioning of municipalities.
- Public Participation: Measures should be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information (IDP community engagement meetings held in February 2022 in all the 7 wards). Ward based plans were formulated for each ward during the meetings.
- Financial Management: Sound financial management is integral to the success of local government. IDP/budget meetings were held in all 7 wards in April/May to inform the community on the municipality's budget 2022/23 and also requested them to provide input.
- Institutional Capacity: There has to be 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. Targeted and measurable training and capacity building should be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes. (The municipality does offer bursary to its employees).

2. 3. CORE VALUES

The Richmond Municipality has been and continues to be guided by the eight South African Batho Pele principles:

BATHO PELE PRINCIPLES	
CONSULTATION	Citizens should be consulted about their needs and should be given the opportunity to choose the service they require
SERVICE STANDARDS	All citizens should know what level and quality of service to expect
ACCESS	All citizens should have equal access to services
COURTESY	All citizens should be treated courteously

INFORMATION	All citizens are entitled to full, accurate information
OPENNESS AND TRANSPARENCY	All citizens should know how decisions are made and how departments are ran
REDRESS	The people should be offered an apology and solution when standards are not met
VALUE FOR MONEY	Public services should be provided economically and efficiently in order to give you the best possible value for money.

Table 4. Batho Pele Principles

CHAPTER 3: SITUATIONAL ANALYSIS

3. 1. DEMOGRAPHICS

3. 1. 1. POPULATION

According to Stats SA Community Survey 2016 data, the total population of the Richmond Municipality is approximately 71 322 people and 17 570 households. This marks a proportionately marginal increase from 65 793 people and 16 440 households recorded in 2011. This means that the population has only increased by 5529 people whilst households increased by 1130 between 2011 to 2016. This slight increase over the years can be attributed by a number of factors such as HIV/AIDS epidemic or rural urban migration processes due to factors linked to the economic factor of the Municipality which includes limited employment opportunities, better access to public services in major urban centres and general decline in the quality of life.

Table 10. Population Distribution by Age and Gender

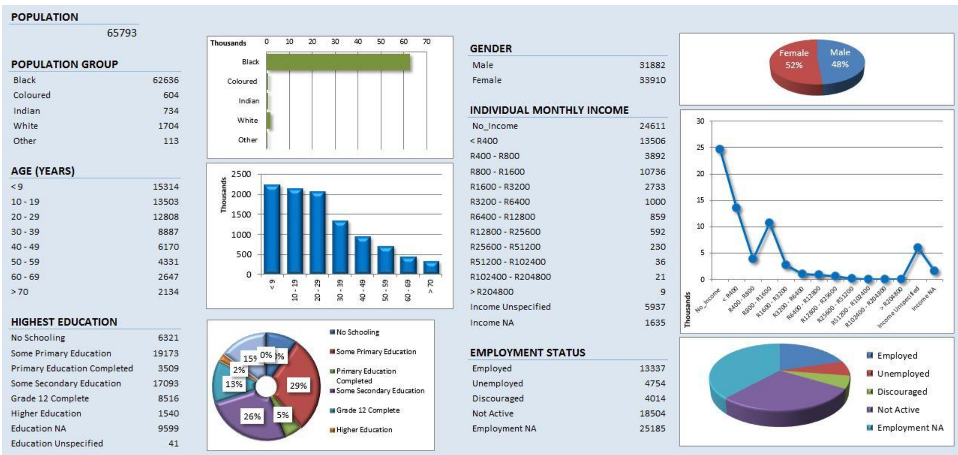
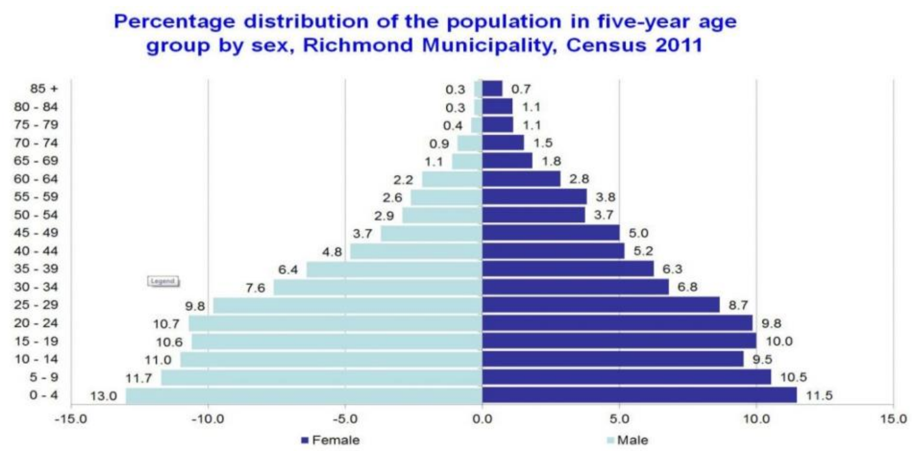


Table 11. Age Structure

Age Group	Male	Female	Total
00 – 04	4 138	3 888	8 026
05 – 09	3 718	3 570	7 288
10 – 14	3 515	3 233	6 748
15 – 19	3 369	3 387	6 756
20 – 24	3 421	3 340	6 760
25 – 29	3 112	2 936	6 047
30 – 34	2 424	2 306	4 730
35 – 39	2 033	2 124	4 157
40 – 44	1 541	1 759	3 300
45 – 49	1 170	1 699	2 869
50 – 54	938	1 268	2 206
55 – 59	832	1 293	2 125
60 – 64	694	964	1 658
65 – 69	366	622	989
70 – 74	285	519	804
75 – 79	134	383	517
80 – 84	91	373	464
85+	101	248	349
Total	**31 883**	**33 910**	**65 793**

Figure 2. Population Pyramid



***Source:** Stats SA Census 2011*

The figure above shows that the gender distribution in Richmond, with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women

The population of Richmond is dominated by the youth (15 to 35 years of age) which accounts for 21 606 people or 38% of the total population. This therefore has serious implications in terms of development planning and requires the development and implementation of programmes addressing the needs of a youthful population which may include educational facilities, creation of job opportunities and improving access to social facilities. The dominance of this group also poses social challenges since this group is sexually active and more vulnerable to HIV/AIDS. It is therefore important that the Municipality have interventions and programmes with regard to HIV/AIDS.

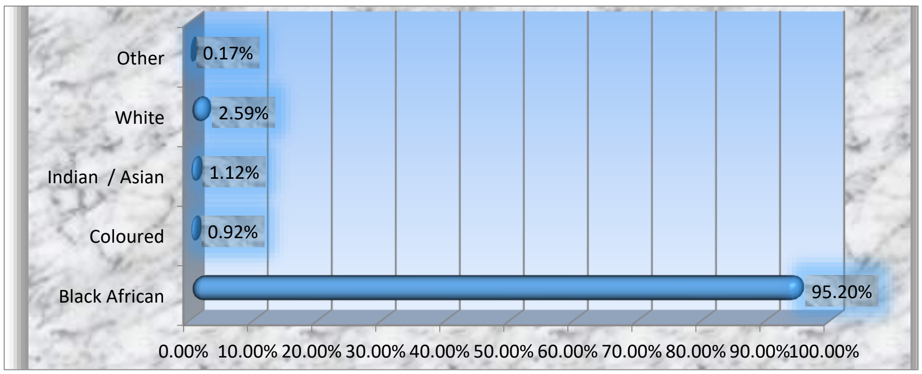
Table 12. Population group by Race

Population Group	KZN227: Richmond (Population)	Percentage
Black African	**62635**	**95.20%**
Coloured	**605**	**0.92%**
Indian / Asian	**735**	**1.12%**
White	**1705**	**2.59%**
Other	**113**	**0.17%**
Total	***65793***	***100.00%***

Source: *Stats SA Census 2011*

Racial Population Distribution

Figure 3. Population by Race



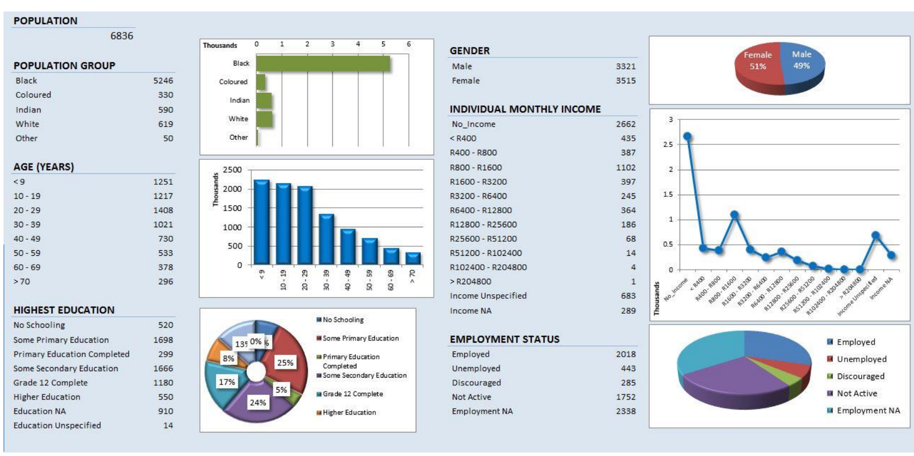
Source: *Stats SA Census 2011*

It is indicated in the figure above that the Blacks dominates the population group in Richmond.

3. 1. 2. WARD INFORMATION

The following information provides a synopsis of each municipal ward e.g population, age, education level, gender, employment rate etc:

Ward 1



POPULATION	
	6836

POPULATION GROUP	
Black	5246
Coloured	330
Indian	590
White	619
Other	50

AGE (YEARS)	
< 9	1251
10 - 19	1217
20 - 29	1408
30 - 39	1021
40 - 49	730
50 - 59	533
60 - 69	378
> 70	296

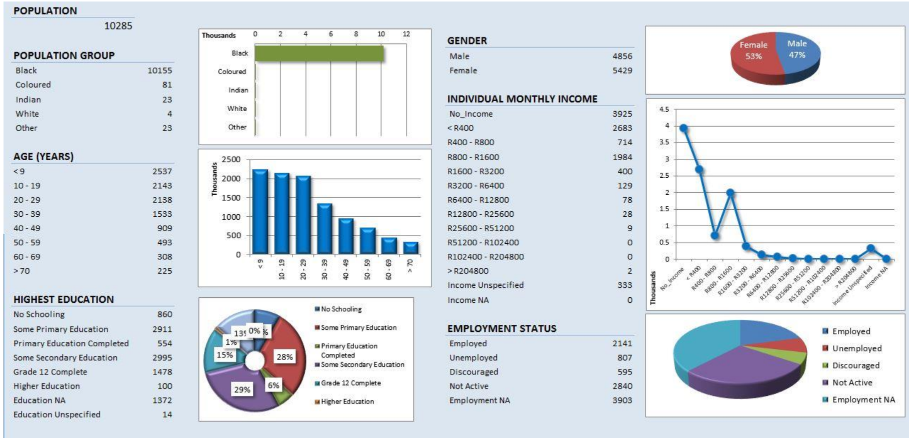
HIGHEST EDUCATION	
No Schooling	520
Some Primary Education	1698
Primary Education Completed	299
Some Secondary Education	1666
Grade 12 Complete	1180
Higher Education	550
Education NA	910
Education Unspecified	14

GENDER	
Male	3321
Female	3515

INDIVIDUAL MONTHLY INCOME	
No_Income	2662
< R400	435
R400 - R800	387
R800 - R1600	1102
R1600 - R3200	397
R3200 - R6400	245
R6400 - R12800	364
R12800 - R25600	186
R25600 - R51200	68
R51200 - R102400	14
R102400 - R204800	4
> R204800	1
Income Unspecified	683
Income NA	289

EMPLOYMENT STATUS	
Employed	2018
Unemployed	443
Discouraged	285
Not Active	1752
Employment NA	2338

Ward 2



POPULATION

10285

POPULATION GROUP	
Black	10155
Coloured	81
Indian	23
White	4
Other	23

AGE (YEARS)	
< 9	2537
10 - 19	2143
20 - 29	2138
30 - 39	1533
40 - 49	909
50 - 59	493
60 - 69	308
> 70	225

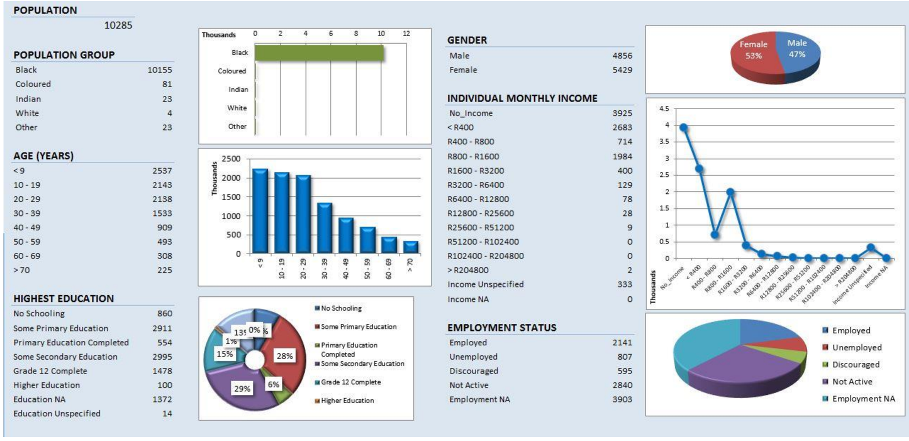
HIGHEST EDUCATION	
No Schooling	860
Some Primary Education	2911
Primary Education Completed	554
Some Secondary Education	2995
Grade 12 Complete	1478
Higher Education	100
Education NA	1372
Education Unspecified	14

GENDER	
Male	4856
Female	5429

INDIVIDUAL MONTHLY INCOME	
No_Income	3925
< R400	2683
R400 - R800	714
R800 - R1600	1984
R1600 - R3200	400
R3200 - R6400	129
R6400 - R12800	78
R12800 - R25600	28
R25600 - R51200	9
R51200 - R102400	0
R102400 - R204800	0
> R204800	2
Income Unspecified	333
Income NA	0

EMPLOYMENT STATUS	
Employed	2141
Unemployed	807
Discouraged	595
Not Active	2840
Employment NA	3903

Ward 3



POPULATION

10285

POPULATION GROUP	
Black	10155
Coloured	81
Indian	23
White	4
Other	23

AGE (YEARS)	
< 9	2537
10 - 19	2143
20 - 29	2138
30 - 39	1533
40 - 49	909
50 - 59	493
60 - 69	308
> 70	225

HIGHEST EDUCATION	
No Schooling	860
Some Primary Education	2911
Primary Education Completed	554
Some Secondary Education	2995
Grade 12 Complete	1478
Higher Education	100
Education NA	1372
Education Unspecified	14

GENDER	
Male	4856
Female	5429

INDIVIDUAL MONTHLY INCOME	
No_Income	3925
< R400	2683
R400 - R800	714
R800 - R1600	1984
R1600 - R3200	400
R3200 - R6400	129
R6400 - R12800	78
R12800 - R25600	28
R25600 - R51200	9
R51200 - R102400	0
R102400 - R204800	0
> R204800	2
Income Unspecified	333
Income NA	0

EMPLOYMENT STATUS	
Employed	2141
Unemployed	807
Discouraged	595
Not Active	2840
Employment NA	3903

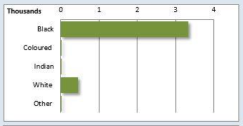
Ward 4

POPULATION

3823

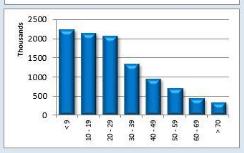
POPULATION GROUP

Black	3341
Coloured	7
Indian	9
White	457
Other	9



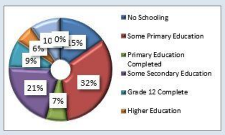
AGE (YEARS)

< 9	677
10 - 19	474
20 - 29	865
30 - 39	747
40 - 49	491
50 - 59	304
60 - 69	171
> 70	95



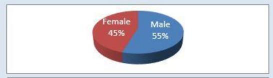
HIGHEST EDUCATION

No Schooling	585
Some Primary Education	1241
Primary Education Completed	264
Some Secondary Education	802
Grade 12 Complete	333
Higher Education	225
Education NA	368
Education Unspecified	3



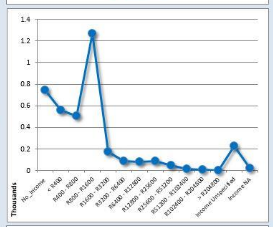
GENDER

Male	2091
Female	1732



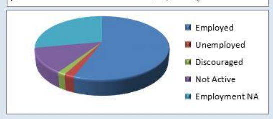
INDIVIDUAL MONTHLY INCOME

No_Income	743
< R400	557
R400 - R800	508
R800 - R1600	1267
R1600 - R3200	172
R3200 - R6400	88
R6400 - R12800	80
R12800 - R25600	91
R25600 - R51200	47
R51200 - R102400	12
R102400 - R204800	7
> R204800	2
Income Unspecified	224
Income NA	25



EMPLOYMENT STATUS

Employed	2130
Unemployed	79
Discouraged	61
Not Active	483
Employment NA	1069



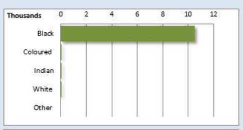
Ward 5

POPULATION

10585

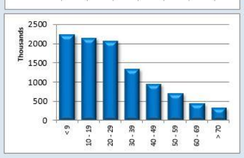
POPULATION GROUP

Black	10509
Coloured	7
Indian	10
White	58
Other	0



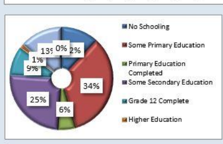
AGE (YEARS)

< 9	2723
10 - 19	2355
20 - 29	1828
30 - 39	1179
40 - 49	883
50 - 59	715
60 - 69	487
> 70	414



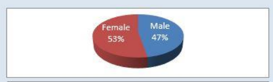
HIGHEST EDUCATION

No Schooling	1258
Some Primary Education	3554
Primary Education Completed	592
Some Secondary Education	2646
Grade 12 Complete	979
Higher Education	128
Education NA	1429
Education Unspecified	0



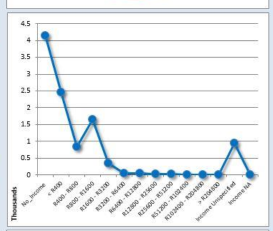
GENDER

Male	5000
Female	5584



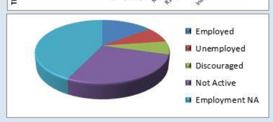
INDIVIDUAL MONTHLY INCOME

No_Income	4148
< R400	2465
R400 - R800	833
R800 - R1600	1653
R1600 - R3200	352
R3200 - R6400	56
R6400 - R12800	54
R12800 - R25600	37
R25600 - R51200	19
R51200 - R102400	1
R102400 - R204800	2
> R204800	1
Income Unspecified	954
Income NA	10

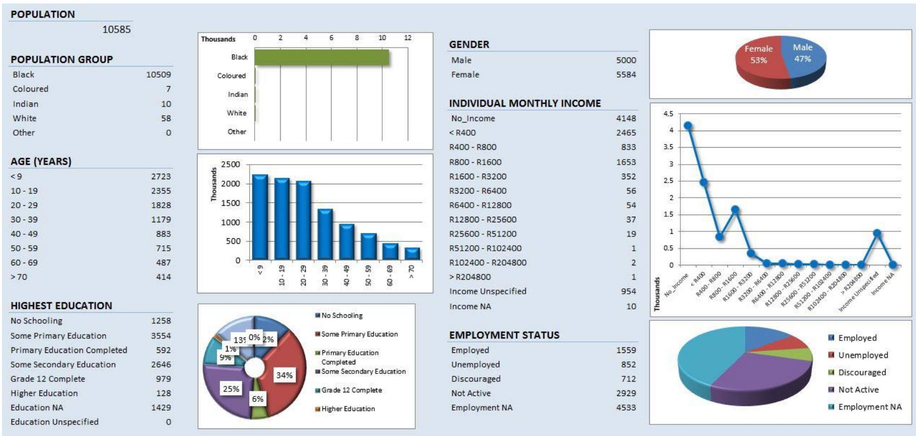


EMPLOYMENT STATUS

Employed	1559
Unemployed	852
Discouraged	712
Not Active	2929
Employment NA	4533



Ward



POPULATION	
	10585

POPULATION GROUP	
Black	10509
Coloured	7
Indian	10
White	58
Other	0

AGE (YEARS)	
< 9	2723
10 - 19	2355
20 - 29	1828
30 - 39	1179
40 - 49	883
50 - 59	715
60 - 69	487
> 70	414

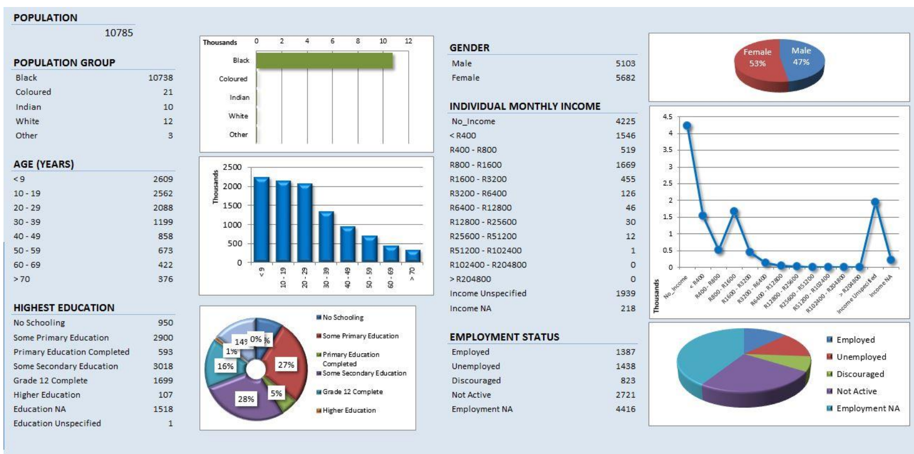
HIGHEST EDUCATION	
No Schooling	1258
Some Primary Education	3554
Primary Education Completed	592
Some Secondary Education	2646
Grade 12 Complete	979
Higher Education	128
Education NA	1429
Education Unspecified	0

GENDER	
Male	5000
Female	5584

INDIVIDUAL MONTHLY INCOME	
No_Income	4148
< R400	2465
R400 - R800	833
R800 - R1600	1653
R1600 - R3200	352
R3200 - R6400	56
R6400 - R12800	54
R12800 - R25600	37
R25600 - R51200	19
R51200 - R102400	1
R102400 - R204800	2
> R204800	1
Income Unspecified	954
Income NA	10

EMPLOYMENT STATUS	
Employed	1559
Unemployed	852
Discouraged	712
Not Active	2929
Employment NA	4533

Ward 7



POPULATION	
	10785

POPULATION GROUP	
Black	10738
Coloured	21
Indian	10
White	12
Other	3

AGE (YEARS)	
< 9	2609
10 - 19	2562
20 - 29	2088
30 - 39	1199
40 - 49	858
50 - 59	673
60 - 69	422
> 70	376

HIGHEST EDUCATION	
No Schooling	950
Some Primary Education	2900
Primary Education Completed	593
Some Secondary Education	3018
Grade 12 Complete	1699
Higher Education	107
Education NA	1518
Education Unspecified	1

GENDER	
Male	5103
Female	5682

INDIVIDUAL MONTHLY INCOME	
No_Income	4225
< R400	1546
R400 - R800	519
R800 - R1600	1669
R1600 - R3200	455
R3200 - R6400	126
R6400 - R12800	46
R12800 - R25600	30
R25600 - R51200	12
R51200 - R102400	1
R102400 - R204800	0
> R204800	0
Income Unspecified	1939
Income NA	218

EMPLOYMENT STATUS	
Employed	1387
Unemployed	1438
Discouraged	823
Not Active	2721
Employment NA	4416

3.2. SPATIAL ANALYSIS: REGIONAL CONTEXT

Richmond is geographically located at the centre of KwaZulu-Natal province and UMgungundlovu District Municipality. The map insert below indicates the following:

It is located within 35km from Pietermaritzburg. This is the main urban centre of UMgungundlovu District and Capital City of KwaZulu-Natal Province.

It is located within 45km to Ixopo towns which is one of the main service centres of Sisonke District.

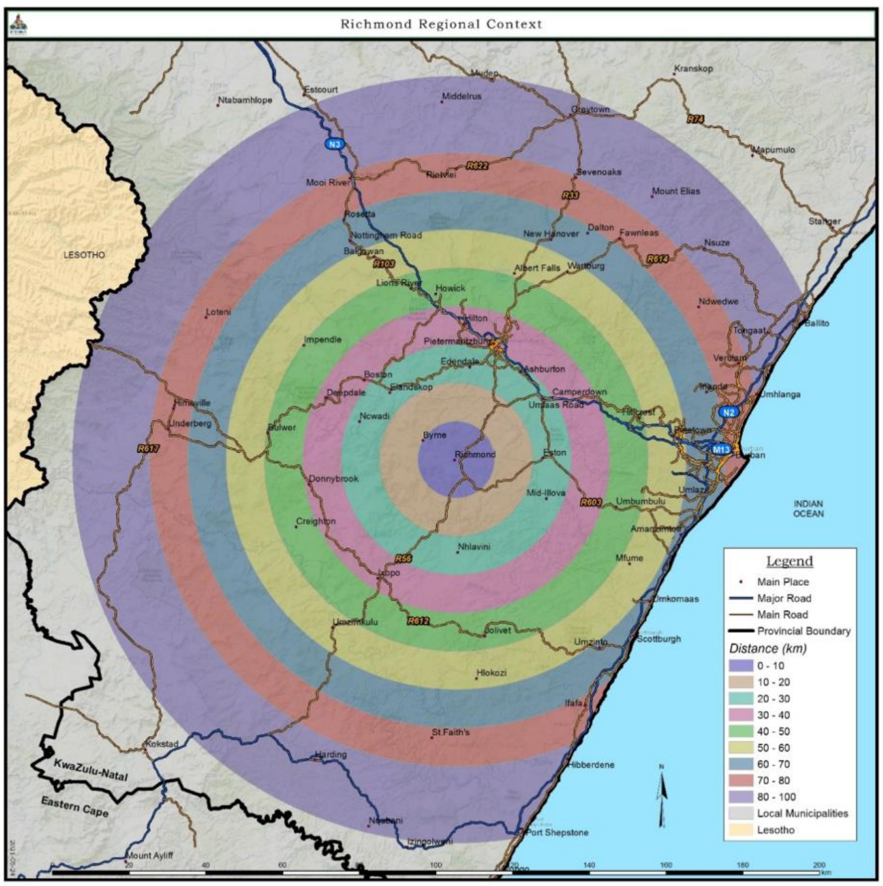
It is 40km away from Eston in Mkhambathini Municipality.

Camperdown is located within 65km from Richmond.

uMzimkhulu town is 78km away from the town of Richmond.

Highflats is located 67km away from Richmond while it is 72km away from Bulwer

Map 1. Regional Context



This location is advantageous to the trading opportunities for the area especially if the area capitalizes on being an agricultural hub within the regional context. The Municipality's boundary borders along, Dr Nkosazana Dlamini Zuma, Mkhambathini Municipality and its southern boundary along the Ubuhlebezwe and Vulamehlo Local Municipalities. The majority of the population resides in the predominantly rural areas. The main economic activity is located in the Richmond Village. This has led to the development of two informal settlements namely Bhongoza and

Mshayazafe both located in ward 1. It is assumed that persons have taken up residence due to the close proximity to the economic hub. Commercial agricultural practises dominate the land use.

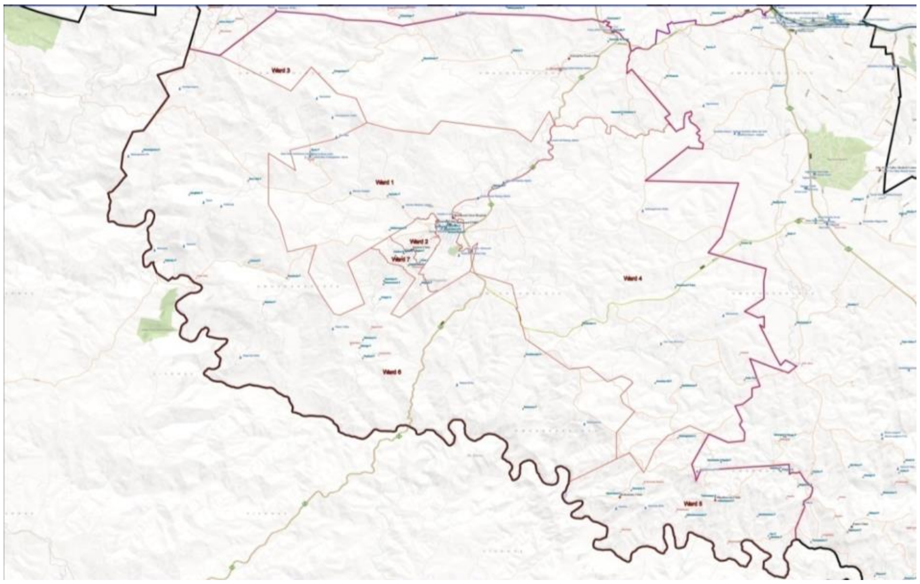
Dense settlements exist around the Richmond Village, Greater Ndaleni and Hopewell. Settlements in other parts of the municipal area are sparsely scattered. The main road linkages in the Municipality is the R56 forming a north south corridor and links Pietermaritzburg, Richmond and Ixopo. The R624 links Richmond to the south coast and the R603 to the N3 corridor. In terms of Public Transport there are eleven routes which transport passengers within and outside of Richmond. Richmond's location in terms of major transport routes and corridor development serves as a link between eThekwini and Gauteng and its location therefore creates numerous benefits and should work towards strengthening the economy of the area.

With the development of Land Use Management System and the Spatial Development Framework, it is envisaged that a clearly defined approach to development will now be enforced with land use zones identified and clearly targeted in terms of development.

The most significant areas of relative need are the traditional areas, which are characterized by few employment opportunities, inadequate services and poor agricultural potential. There are some exceptions, as well as wide disparities between the service levels and degree of accessibility of different rural settlements in these areas.

3. 3. ADMINISTRATIVE ENTITIES

Map 2. Administrative Entities



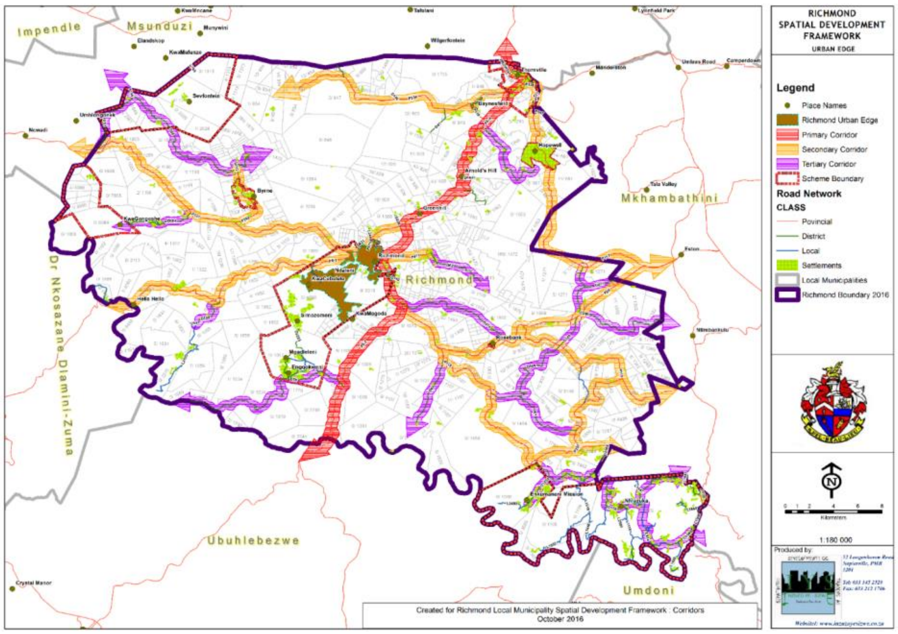
Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by Msunduzi Municipality to the north, Dr Nkosazana Dlamini Zuma Municipality to the west, Mkhambathini Municipality to the east and Ubuhlebezwe and Vulamehlo Municipalities to the south. It is approximately 1232 square kilometres in extent with an estimated population of 71 322 and 17 570 households; it is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities.

3. 4. STRUCTURING ELEMENTS

R56 and R624 are the Provincial Routes which are the visible structuring elements of Richmond. R56 transerves the middle of municipal area in north-south direction. It links Richmond Municipal Area with Pietermaritzburg towards the north and other smaller towns towards the south. P121 is a very important adventure route from Richmond to Drakensberg via Bulwer. There are four routes that play a dual role which is agriculture and tourism, these are P115, P24 (R624), P117 and P116. There are five mobility routes which are at the level of the secondary corridors and these are P8-1, P334, P257, P471 and P202. Internal link and circulation roads provide linkages between settlements and access to public facilities and services. These are D360, D1036, D1035, D1034, D61, D586, D329, D411, D248, D62, D274, D60, D59, D188, D684, D58, D63, D773, L50 and L674.

uMkomazi River which is located on the south-western boundary of the municipality. This is one of the major rivers within the province and the Municipal Demarcation Board used it to demarcate the southern boundary of Richmond Municipality.

Map 3. Structuring Elements



3. 5. EXISTING NODES AND CORRIDORS

Nodal areas are defined in the latest SDF guidelines of 2017 as areas where there is high intensity of land uses and where activities will be supported and promoted. The development of nodal points helps to improve efficiency since it provides easy access and creates thresholds for a variety of uses and public transport services. Richmond like any given municipality accommodates a hierarchy of nodes which shows the relative intensity of development anticipated for the various nodes, and the dominant nature and activity of the nodes.

Municipal Development Node – Richmond Town is the main urban centre for the municipality. It is the most strategically located commercial and administrative centre which is centrally positioned to service the entire municipality.

Community Development Node – Thornville has been identified as a Community Development Nodes. This is essential a small town that provide an area-wide exchange point household, common consumer products and farm inputs

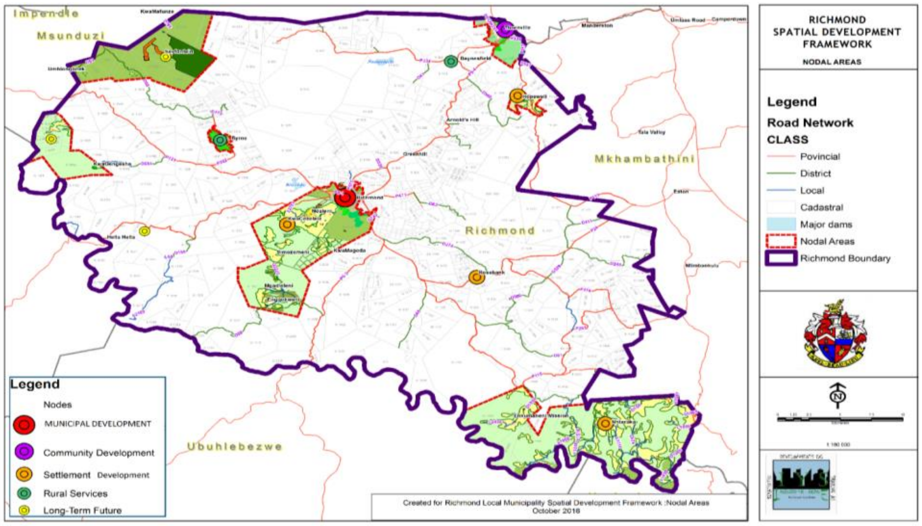
Settlement Development Node – Hopewell, Greater Ndaleni and Nhlazuka are the notable peri-urban and densely populated rural settlement within Richmond Municipality. The Settlement Development Nodes would locate a settlement or cluster of settlements. The services that these provide are limited to the surrounding settlements and include low order public, shopping and small business enterprise facilities. These 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.

Rural Service Centre – These were identified in Baynesfield and Bryne. These areas have potential for the location of multi-purpose community centres (to include clinics, AIDS support services, library, adult education and skills training and computer facilities). Major capital investment is not required and by making use of alternative approaches, including mobile structures (containers or prefab construction) and providing only essential infrastructure, combined with periodic service delivery and markets, the potential of centres to fulfil a rural service function can be tested efficiently and at relatively low cost.

Long-term future nodes – These nodes are proposed within Hella-Hella, Sevfontein and Masangazana. These areas currently exist with limited activities. The long-term future node is still more of a proposal than an activity investment point. This node need to be re-evaluated over time once the impetus of the Proposed Secondary Activity trade route takes off, as well as the numerous east/ west links have been achieved. The restructuring of the Municipality, overtime, might indicate the development of other areas which have not been identified through this process.

Opportunity Points – A gateway model is proposed for the development of highest accessible entry points within Richmond Municipality. These are prioritized along the access points from R56 to main urban centres where strategic land parcels can be unlocked for investments. These interchanges are found in Richmond and Thornville. The provision of employment opportunities is to be encouraged at these points as well as commercial development which may take place at a higher density than in other areas. Servicing is, however, to be thoroughly investigated and agreed to before any development is permitted.

Map 4.Development Nodes and Corridors



These words distinguish between the higher order and lower order cores or centres within the area of influence of the service centre. The Nodes have different buffers which are determined by the type of node. This buffer is an indication of the threshold served by each node.

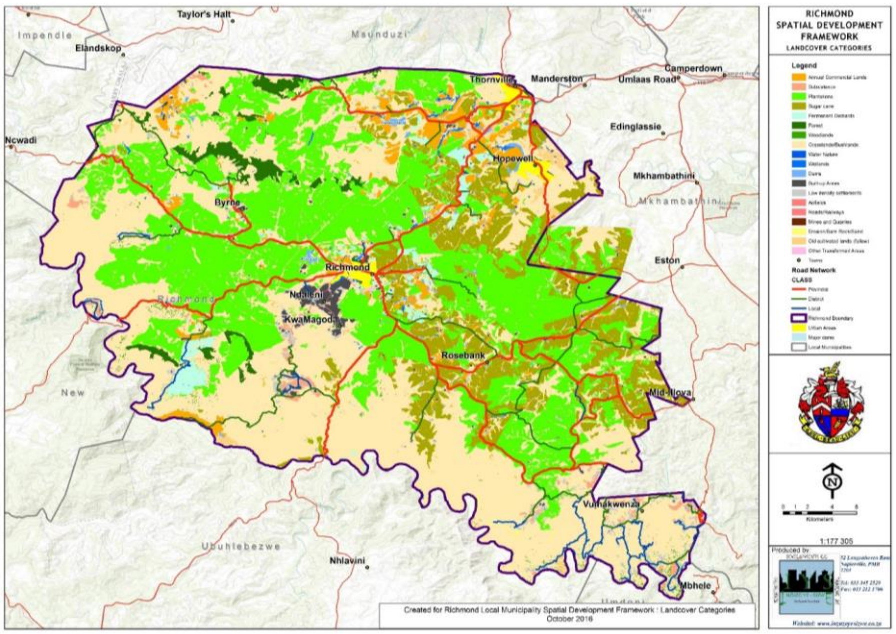
R56 is the primary corridors within the Municipality. It provides high linkages with surrounding municipalities and economic nodes. Along the R56 Route from Pietermaritzburg down to Kokstad there are many different types of agricultural activities / businesses taking place with a variety of vegetation and fruit activities, this route links Richmond Municipality with the Pietermaritzburg and Kokstad. This corridor centres on tourism and industry and links the primary nodes. This primary corridor facilitates stronger cross border economic flows and economic development. R56 corridor in the uMkhomazi Valley has natural attractions includes landscape and can attract both domestic and international tourist thereby promoting LED projects at some locations.

P624 to Eston and D59 to Greater iNdaleni both from R56, P315/P334 providing access to Baynesfield from R56, P121 to Bulwer via Ncwadi provide vital linkages to service nodal points and communities within the municipality and ensure connectivity with service delivery in the communities.

P115 to D158 and D2106 provide access to the tertiary node of Nhlazuka. This corridor also links Richmond rural community to Mkhambathini rural community. The scenery in this route blends itself to unlimited nature and culture based tourism, and same applies to the P8-1 route to Hella-Hella passing Roselands Farms to Creighton.

3. 6. LAND COVER AND BIODIVERSITY

Map 5. Broad Land Uses



Richmond Municipality is predominantly rural in nature and it is in these areas where the majority of the population resides. The only area which can be regarded as urban is the Richmond Town. It is the main growth centre within the municipality and acts as the central business district in that it offers a range of services to a large portion of the population. Commercial agriculture dominates the land use due to the medium to high agricultural potential of a large part of the municipal area. Forestry plantations occur throughout the area and sugarcane is grown in the eastern half of the municipal area. Smaller areas of land which are irrigated for commercial purposes are dispersed throughout the area.

Richmond Municipality has a total land area of 125575.33 hectares accounting for 13% of the district's total land area. 55% of the land is classified as transformed and 45% as untransformed. Urban areas account for 1% (1780.9 hectares) of the land area.

48% (60600.93 hectares) of the land in the Richmond Municipality is used for commercial agriculture. Of this timber plantations and sugarcane production account for most of the land cover, 32% and 11% respectively. Timber plantations exist throughout most of the municipality in both the Moist Midlands Mist belt and the Coast Hinterland Thornveld BRGs with sugarcane production occurring almost exclusively at lower altitudes in the warmer Coastal Hinterland

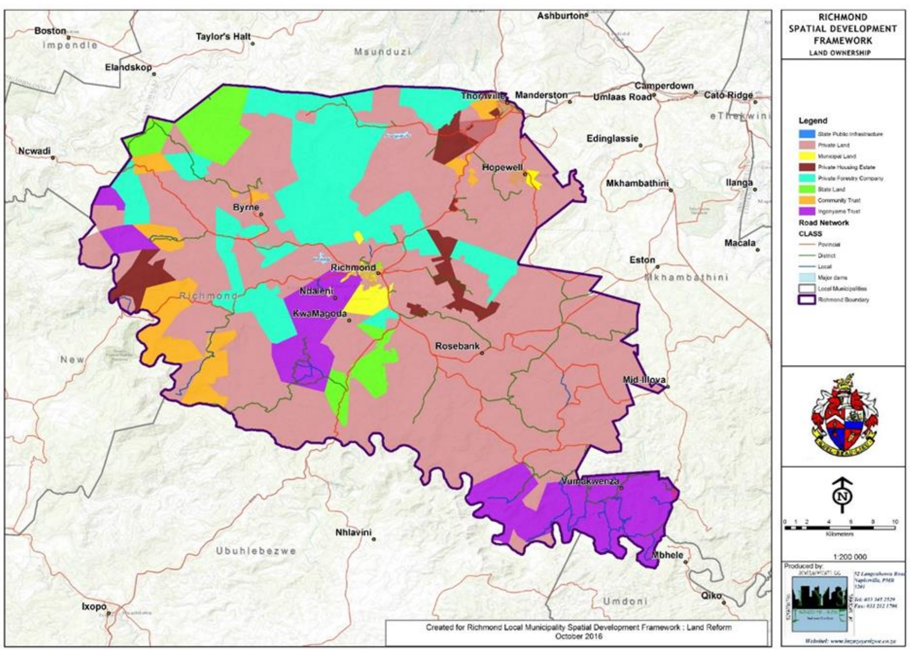
Thornveld BRG. Both irrigated and dryland agriculture take place throughout the municipality involving the production of maize, veggies, timber, sugar, citrus and pastures or diary.

Natural vegetation covers 25% (31645.31 hectares) of the municipality. Dense bush and bushland together account for majority of the natural vegetation. Much of this is Valley Bushveld with little potential for agricultural production due to steep slopes. Untransformed grassland accounts for 15% of land cover. As is the case elsewhere in the district it is presumed that areas of untransformed grassland are likely to be used to graze cattle for commercial or traditional purposes. Table 43 shows the number of hectares and percentage of land covered by the dominant land cover types for 2005 and 2008. Additionally, the table shows the percentage change in land cover types between 2005 and 2008.

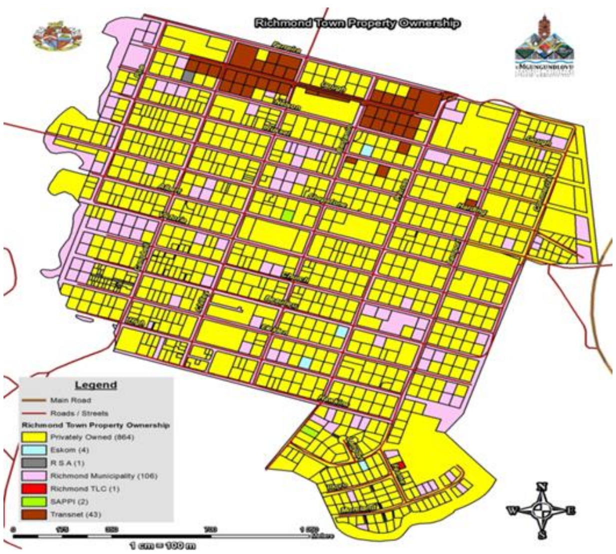
3. 7. LAND OWNERSHIP

There are three Traditional Authorities in the Richmond Local Municipality viz. Vumindaba Traditional Authority, Vumakwenza Traditional Authority and Esiphahleni Traditional Authority. The traditional authorities are located in the central and south-eastern portion of the municipality. Residential areas of note exist around the Richmond Town Ndaleni and Hopewell and there are sparse, scattered residential settlements in other parts of the municipal area. The following map indicate land ownership in Richmond Municipality:

Map 8: Ownership



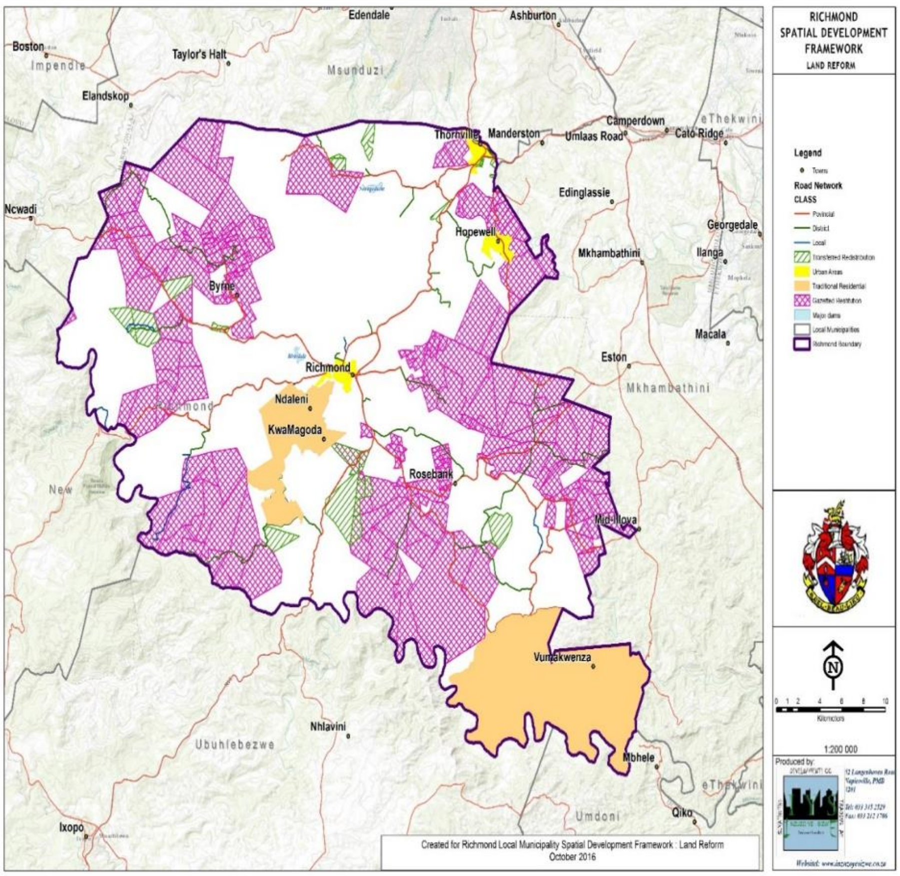
Ownership of land in the municipality occurs in three forms viz. private, state-owned and traditional authority. Most of the privately owned land is utilized for agricultural purposes and the traditional authority land is used for settlement. The remaining area consists of grasslands and on the south-western boundary the land cover consists of thicket and bushland.



3. 8. LAND REFORMS

Below is a spatial illustration of land reform projects within Richmond. These are managed through the development of area based plans. They aim to integrate and align land reform projects with the strategic priorities/plans of the municipality. This is done so to ensure sustainability of land reform projects and other sector development programmes such as human settlements developments etc. The SDF should address the land reform issue and should ensure that alignment with ABP is achieved. Further and most importantly areas based plans should reflect the spatial strategies outlined within the SDF and represent planning in an integrated manner.

Map 6. Spatial location of Land Reform Projects



In terms of land redistribution, the table below depicts the projects initiated:

Table 7: Land Reform projects

Project Name	Property Description	Size Ha	No of H/H	Program Type	Product Type

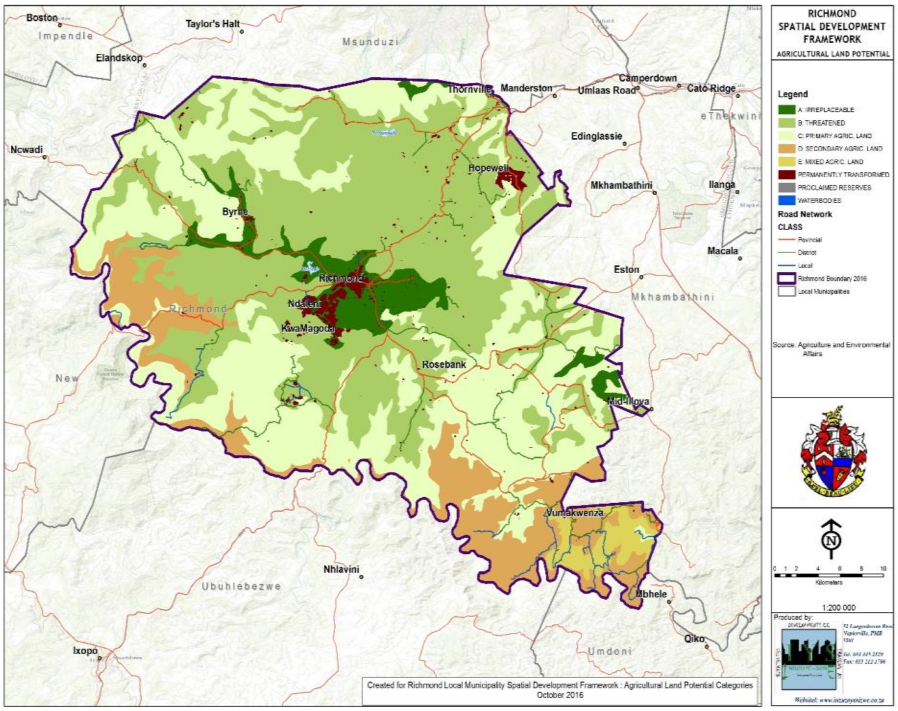
Beaulieu Estates/ Honeywood Farm	Ptn 376 (of 270) of Beaulieu Estates	6.7498	0	Redistribution	Crop & Livestock
KwaGengeshe	Ptn 1 of Rem of Farm Kangashes	602.6709	90	Redistribution	Settlement
Harcourt/ Mzinolovu	Ptn 25 (of 18) of Weltevreden	66.9825	35	ESTA	Settlement & Grazing
Naawupoort	Ptn 1 of Naauporort North	256.7950	23	ESTA	Settlement
Mawela/Buckan	Rem of Ptn 3 of Farm Bucken	21.9379	1	Redistribution	Pip production & vegetables
Synergold Investments	Rem of Farm Buckan	20.2667	4	Redistribution	AGRI
TshalaSovuna Farming Enterprise	Ptn 2 and 3 of Mybole	116.2628	3	Redistribution	Maize & Horticulture

In terms of land restitution, a total of 66 claims were originally lodged with DRDLR. This was subsequently consolidated into 42 claims and 3 of the claims were non-compliant. To date 4 claims have been gazetted and 1 claim has been settled and draftized. The claim settled relates to the Emashosheni community. A total of 2073 ha was restored to 76 households for farming purposes.

3. 9. LAND CAPABILITY

The Richmond Municipality is well endowed with high agricultural potential land, which should be preserved and protected from the encroachment of settlement development. The local economy is largely dependent on agricultural activities with commercial agriculture and forestry dominating the land use. However, access to land as a resource should be broadened to include the previously disadvantaged using appropriate government programmes. Agricultural land provides an opportunity for local economic development and job creation in Richmond. Its value should be enhanced and local communities assisted to make optimal use of this land.

Map 7. Agricultural potential



The table bellow indicates that 93% of the land in the Richmond municipality is included in the 14 selected BRUs. It may be used to further demonstrate that arable land in Richmond includes 43% of the area with a further 51% being non-arable. It should be further noted that within the area suited to arable, 11% is what is termed high value land meeting all conditions for optimum production. The nonarable is indicated in Table 70 as not being suitable for cultivation owing to rockiness and inclusion of wetland and drainage areas. The crops and associated yields (under defined management conditions) associated with these BRUs are contained in the BRU reports located in the BRU programme. The area of the Municipality not dealt with in the BRUs amounts to 7% of the Municipality. As noted this includes BRUs with less than a 2% cover in the Municipality and hence they have not been included in this assessment.

Area Under Agriculture		
Land Use	**Hectares**	**%**
Forestry	40096	32
Grasslands	24495	20
Cultivation	21505	17
Total Area Under Agriculture	**86096**	**69**
Remaining Areas	39475	31
Total Area of Municipality	**125575**	**100**
% Under Grasslands		20
% Under Arable		49
% Eroded		0
% Remaining Areas		31

An assessment of the actual land use versus the agricultural potential data would seem to indicate the following:

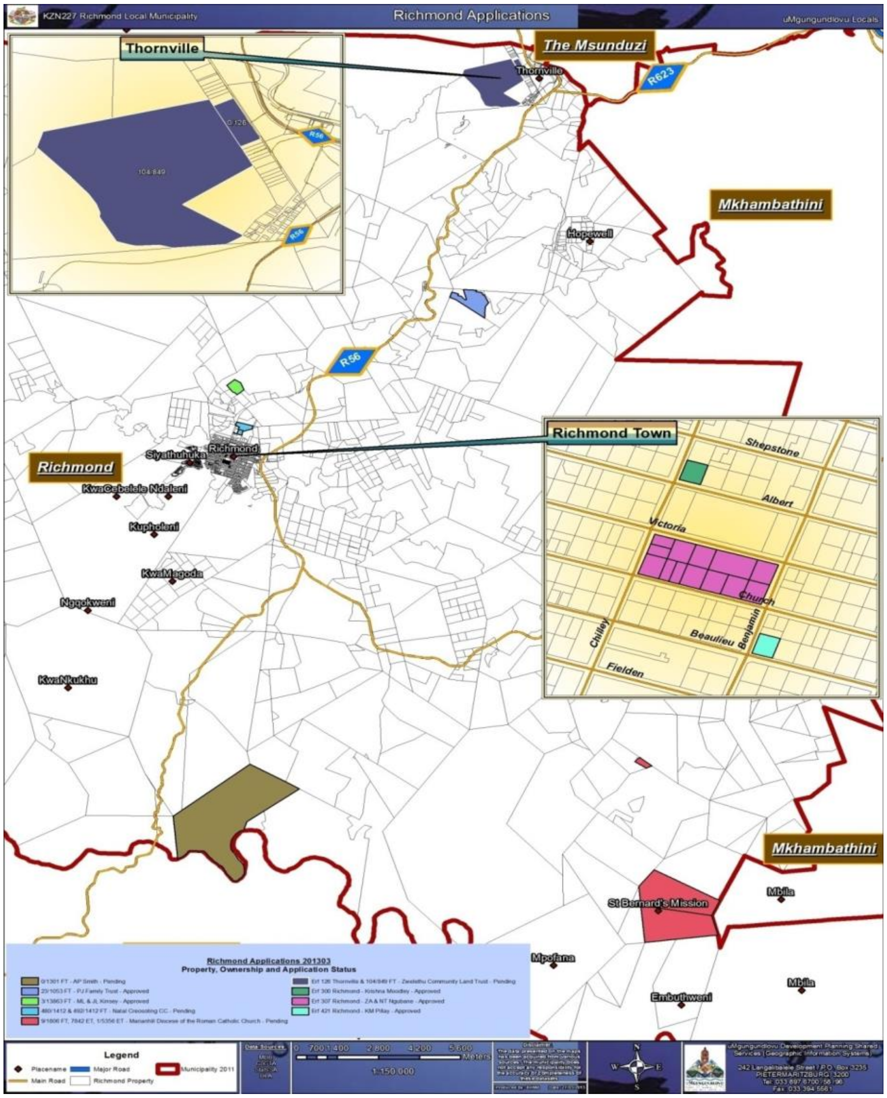
The outcome of this assessment is illustrated in Figure 80 where 93% of the total area of the municipality is incorporated into BRUs which are in excess of 2% of the land area of the municipality. Map 18 further indicates that 43% of the land under BRUs in the municipality is arable with 51% of it being non-arable.

Where the land cover data for Msunduzi is compared, on a proportional basis, with the bio-resource unit data in Map 11, then it would seem that the available arable is fully and possibly over-utilised for agricultural production (commercial and subsistence) in the municipality (see Land Use report for maps).

Regarding grasslands, comparative data (to land cover) is not readily available in the BRUs in that areas suitable for arable are also often well suited to grasses. Consequently, it is noted that most if not all of the non-arable and certain of the arable (under BRUs) comprises the grasslands (under Land Cover) being used for grazing (Grasslands in Map 11).

15. 8. 1. Private Sector Developments

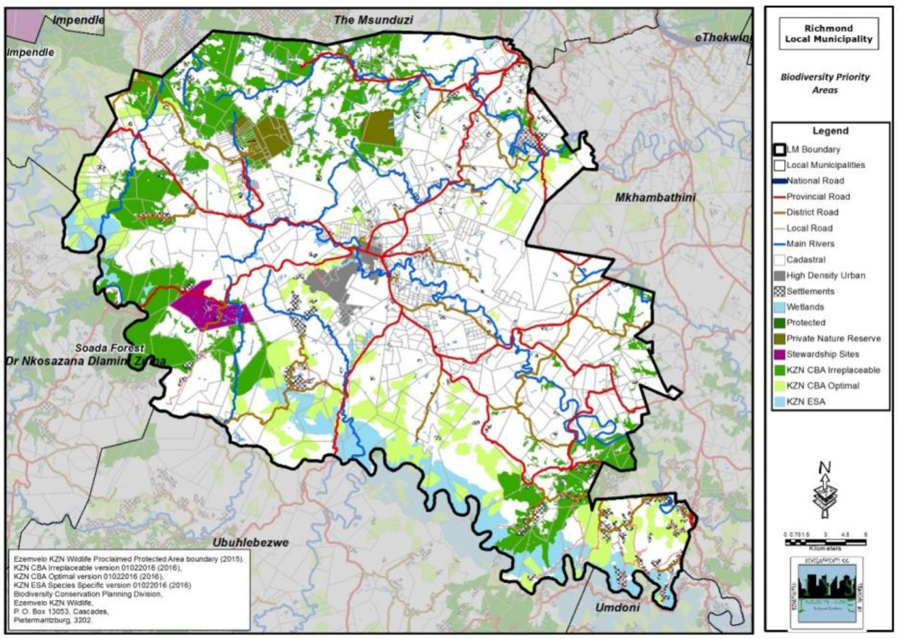
Map 11. Private Sector Development



3. 10. ENVIRONMENTAL ANALYSIS

3. 10. 1. Biodiversity

Map 12. Biodiversity



Extensive monoculture substantially reduces bio-diversity i.e. the diversity of animals and plant lives which naturally occur in environmentally sensitive areas are severely impacted on with the destruction of natural habitats. In the case of timber the planting of exotics further worsens the impact in this form of agriculture. The UMDM District developed a Biodiversity Sector Plan.The primary purpose of characterising the uMgungundlovu District's biodiversity profile is to determine important areas for the conservation of biodiversity in order to guide sustainable development within the district. The uMgungundlovu BSP feeds the development of a Bioregional Plan covering the District, which forms a legislated requirement of the National Environmental Management: Biodiversity Act (Act 10 of 2004). The Bioregional Plan must feed into all land use planning and management decisions and tools within the district and its local municipal areas (DEAT, 2009). This process incorporated biodiversity planning criteria and mapping principles from other examples where biodiversity sector plans have already been developed.

Key biodiversity assets in Richmond LM include large natural areas, terrestrial ESA (Ecological support Areas and terrestrial CBA (Critical Biodiversity Areas) (See map 14). Large natural areas, which covers the majority of the municipal area, are more likely to remain intact with lower influences of "edge-effects" from adjacent land uses. Intact areas will support ecosystem processes and functionality, which in turn improves biodiversity conservation. Conversely, land use transformation and impacts from anthropogenic influences increase the probability of "edge effects" on important biodiversity areas.

3. 10. 2. Hydrology

In terms of hydrology three catchments are located or partially located in the municipal area. These include the Mkomazi Catchment which is located on the south-western boundary, the Lovu Catchment which passes by the Richmond Village in a west to east direction and the Mlazi Catchment which is located in the northern portion of the municipality.

3. 10. 3. Air Quality

The Richmond Local Municipality is largely rural and under agriculture, and the only regulated industry is a timber processing plant (DEA, 2010). Approximately 76% of households use relatively clean energy (electricity, gas, paraffin) for cooking and 56% use these fuels for heating. A relatively large number of homes are however still reliant on wood as their primary energy source. Agricultural burning associated with forestry and sugar cane is also a source of air pollutants in the local municipality.

3. 10. 4. Climate Change

Global climate change is possibly the greatest environmental challenge facing the world in this century. Although often referred to as 'global warming', global climate change is more about serious disruptions of the entire world's weather and climate patterns. This includes the impacts on rainfall, extreme weather events and sea level rise, rather than just moderate temperature increases. According to the international studies undertaken by NFCC the impacts of a global average temperature rise of between 2.5°C and 3°C from the 1990 levels are countless, and in South Africa it is estimated that agriculture, tourism and conservation will be the areas which will feel the effects the most. Richmond is mainly an agricultural area and the impact of climate change affects the production of seasonal crops i.e. cabbages are the winter crops which may be affected by heat waves that may take place during winter due to climate change.

Richmond is located at an elevation of 818.75 meters (2686.19 feet) above sea level, Richmond has a Marine west coast, warm summer climate (Classification: Cfb). The district's yearly temperature is 24.14ºC (75.45ºF) and it is 2.92% higher than South Africa's averages. Richmond typically receives about 112.57 millimeters (4.43 inches) of precipitation and has 168.63 rainy days (46.2% of the time) annually.

The main disaster risks associated with climate change that are likely to affect human health in Richmond Municipality are floods, severe storms, wild fires and lightning. Nhlazuka, a rural area (ward 05) within Richmond municipality has traditional rondavel homes that are spread out among

Thornveld valleys. Steep hillsides make the homesteads easy targets for wildfires and lightning, especially those with thatched roofs.

Nhlazuka area is identified in scientific studies as an area of high climate change risk. This is because increased warming, rainfall, wildfires and extreme weather events have already been observed, with increasingly negative impacts on local people, ecosystems and economies.

UMgungundlovu District municipality is adapting to the effects of climate change in this area by implementing the uMngeni Resilience Project (URP), in partnership with the University of KwaZulu-Natal School of Agriculture, Earth and Environmental Sciences, South African National Biodiversity Institute, Fire Protection Associations, Working on Fire and Department of Environmental Affairs.

A fire early warning system in Nhlazuka is one of the resilience measures that has been put in place during a five-year, multi-component project supported by the Adaptation Fund, a global initiative that finances climate adaptation projects in developing countries. **(Adaption)**

To reduce vulnerability to the harmful effects of severe thunderstorms and lightning to the local community members in Richmond Municipality, the disaster management team has implanted lightning conductors at Slahla, Nhlazuka and Phatheni areas within Richmond for resistance from thunderstorms and lightning. **(Adaption)**

3. 10. 5. Mitigation of climate Change

Encourage and facilitate the building of partnerships to enable effective management of areas not under formal protection and investment in the expansion of key protected areas (which were not originally designed with climate change trends in mind) in line with the most robust knowledge of climate change impacts.

Planting indigenous trees or establishing forests that can act as sinks of the greenhouse gases. Indigenous trees will assist to shield houses during strong winds; reduce surface flood water run-off (protecting households from floods) and also absorbs carbon dioxide which is part of the greenhouse gases contributing to climate change. Expand existing programmes to combat the spread of alien and invasive species and the destruction of sensitive ecosystems including Working for Water, working for Wetlands and Working on Fire. Promote efforts to conserve, rehabilitate and/or restore natural systems that reduce and/or improve resilience to climate Community education and awareness programmes on climate change, raising awareness on human activities that contributes to greenhouse gas emissions and promotion of reduction of those activities. Promotion of planting indigenous trees. change impacts, e.g. wetlands and their positive impact on storm surges.

Currently, the municipality has a Youth Community Outreach programme funded by the Department of Forestry, Fisheries and the Environment which is responsible for community awareness and education on environmental issues, there are also community greening initiatives whereby indigenous trees are donated and planted in local communities.

3. 10. 5. Water Resources: Mitigation of Climate Impacts

Continue to develop and maintain good water management systems and institutions, from village through to national level, to ensure we achieve our equity objectives, and can sustain affordable provision of water to all.

Accelerate the development and/or capacity of effective and accountable catchment management agencies that will: promote equitable and sustainable use of available water resources at local and regional level; strengthen water resources regulation at local and regional level; monitor developments and emerging stresses, and propose effective ways of addressing them. As groundwater grows in strategic importance as a result of increased surface water evaporation, they will have to manage the recharge of aquifers as an integral part of local water management where this is feasible.

Invest in monitoring capabilities across a range of disciplines in order to spot trends and understand them as well as track the efficacy of adaptive strategies.

Optimise the re-use of wastewater.

Increase investments wastewater treatment capacity to meet stipulated norms and standards for waste discharge - to safeguard public health, river health and ecological services and to minimize environmental disasters and treatment costs.

Increase investments in maintenance and renewals to minimize system losses in infrastructure networks, Maintenance deferred is infinitely more expensive, and the country needs the most efficient networks possible to optimize currently available resources.

Develop and implement household rainwater harvesting incentive programmes.

Implement integrated water resource management including protecting and restoring natural systems, increasing conjunctive use of surface and ground water, and learning through adaptive management experiments. Given South Africa's' inter-basin and trans-boundary transfer schemes integrated water resource management provides an important governing framework for anticipating and achieving successful adaptation measures across socioeconomic, environmental, and administrative systems.

Vigorously enforce compliance with water quality standards to ensure that our water remains fit for use, and that clean water is available for blending to dilute pollutants. Contamination by salts, excessive nutrients, heavy metals and other pollutants must be restricted.

Encourage and develop water-sensitive urban design as a means of capturing water within the urban landscape and minimising pollution, erosion and disturbance by ensuring that storm water is treated as a valuable water resource and not simply discharged to rivers or the sea.

3. 10. 6. Strategic Environmental Assessment

The municipality currently lacks funds to develop an SEA, however this will be included when the SDF.

3. 11. SPATIAL AND ENVIRONMENTAL TRENDS AND ANALYSIS

- The town centre benefits and can further benefit from an urban regeneration programme which can introduce urban greening, proper street lights and street furniture.
- Furthermore, any intervention geared towards spatial reorganisation will benefit the CBD immensely.
- Review of certain existing uses currently located within the CBD but not appropriate in their locations.
- Define an Urban Growth Boundary taking advantage of R56 opportunities;
- There is need to consider appropriate shelter for informal traders at strategic points
- Such shelter should be within easy access to public ablutions.
- There is a need to consider upgrade of existing infrastructure
- Projects that can be linked to corridor promotion are also suggested.
- Need for proper road and place signage
- Need to promote adventure tourism
- Need to upgrade services and infrastructure
- Formalisation of the residential development and;
- Introduction of land use management relevant to the node
- It is suggested that service roads be introduced to properly access the node which is currently established in linear pattern along the main road.
- Integrating services within the nodes.

The has implications for the development of Richmond. Therefore, it is important that as strategic guidance be provided in this regard. The SDF should respond the above mentioned issues and in doing so should: -

Align with the strategic sector plans of the municipality and of the district

Align with SDF's of the various neighbouring municipalities

Give effect to the spatial development strategies and programs as outlined in the district's SDF, including creating a framework for the implementation and co-ordination of the activities of various sector departments.

The municipality currently lacks funds to develop the Strategic Environmental Assessment. However the following strategic environmental issues have been identified within Richmond Municipality:

The conflict between conservation and the survival needs of rural and urban communities needs to be considered. Communities are dependent on natural resources for survival which often places them in conflict with conservation authorities.

Overgrazing due to farming techniques and lack of available land for grazing purposes.

Encroachment of commercial farming activities on drainage areas and waterways impacts negatively on the rural water management system of the area.

Lack of funding for environmental management programmes and projects.

The burial of people on land not specifically allocated for this purpose and the impact that it may have on groundwater inters of the pollution and resultant communicable disease.

The impact of high incidence of HIV/AIDS within the District contributes towards and increased need for cemetery space and suitable land for the establishment of cemeteries is scarce.

3. 12. SPATIAL AND ENVIRONMENTAL SWOT ANALYSIS

Table 8: Spatial and Environmental: SWOT Analysis

STRENGTH	WEAKNESS
• Richmond is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Ixopo) as well as the Provincial corridor R56). • The town of Richmond is growing into a strong service centre for the municipality and it is appropriately positioned at the central part of Municipality. • Good climatic condition. • A number of nature reserves are found in the municipality • The land is suitable for agriculture	• Richmond is a very small rural dominantly municipality with limited private development taking place within it. • The legacy of the past apartheid policies is still visible in the sense of communities that were marginalised from economic opportunities are still largely suffering. • Most of the land is privately owned which may limit the pace at which the state can deliver the public facilities since the land acquisition processes may sometimes be time consuming. • most part of the Municipality there is steep terrain which limits development.
OPPORTUNITIES	THREATS

• Richmond is located closer to PMB as well N3, busiest corridor within the province which open a lot of trading and storage opportunities. • Potential exists to develop and intensify the role of Thornville as secondary nodes. • Richmond is endowed with relatively good agricultural land and opportunities exist to develop this sector even further. • The land claims (restitution) have progressed very well and this provides opportunities for agrarian reform. • Dilapidated and damaged infrastructure presents opportunity of for revitalization of the town	• Most farms acquired through land claim is under-utilised. • Mounting burden to protect the rivers and wetlands with limited resources available at the municipality. • Dilapidated infrastructure within the town of Richmond

3. 13. RICHMOND PRECINCT PLAN

Richmond had currently developed a precinct plan following to the unrest that took place in July 2021. A Precinct Plan is a municipal planning instrument that allows a resident's association to do the most extensive planning possible. It's utilized to create a fairly predictable environment in terms of predicted land use changes within a delineated area.

The main objective is to focus more on the economic development and revitalisation of the town, Indicate desired patterns of land use within the precinct and set out basic guidelines for implementation; To develop a spatial vision for the Town; To create vibrant public and economic spaces; Identify programmes, projects and restructuring elements for the development of land within the precinct; Set out a clear implementation plan and the associated costs; Identify where public investment should be prioritised while also identifying 3rd party investment

3. 14. DISASTER MANAGEMENT

The Richmond municipality has prepared a Disaster Management Plan for its area of jurisdiction and the review has been completed. In terms of the Disaster Management Amended Act,2015 (Act no 16 of 2015, Local Municipalities are subjected to perform the function of Disaster Management. It is in light of the Amendment Act that the Richmond Municipality prepared its own Disaster Management Plan to be aligned with the UMDM Plan. In view of the Richmond municipality's physical characteristics in combination with the social characteristics of the area; there are a number of disasters that are likely to occur.

3. 14. 1 Municipal Capacity

There is a disaster management forum in-place. The purpose of this forum would be to consult and coordinate actions pertaining to matters relating to disaster risk management in the Richmond Municipality. The uMDM plays a large role in the Forum in terms of its responsibility within the District. The following components, relative to disaster management, need to be addressed:

Contingency planning

HAZCHEM identification, identification of associated risks, the prioritisation and management thereof

Communication and cooperation channels to be established as reaction measures to disasters

Further details on the review Disaster Management Strategy can be sourced as an Annexure of this document.

Richmond Municipality has established the Rapid Response Team in cases of disasters. The Rapid Response Team is supported by a District Disaster Management Practitioner (Mr Shelembe).

3. 14. 2 Risk Assessment

Identification of communities at risk

Fire

This can occur in any ward, even the Richmond Municipality’s buildings are at risk, and therefore, detailed fire regulations are required. Fire is a major risk affected by climate change, and it is important that the risk profile includes Fire management plans, including training, awareness and equipment. Strategic risk mitigation plans need to be in place i.e.: Fire breaks and Equipment.

Floods

Although, this may occur in any ward, it must be noted that Ward 1 (the lower portion of the village) part of Ward 2 (Lusaka)& Ward 6 (Phatheni), Ward3/4 (Hopewell) and Ward 5 (Nhlazuka) are in greater danger because these areas are located in close proximity to rivers. Town planning is important to assist in reducing the effects of floods in low lying areas.

Drought/ Climate Change

Areas like eMoyeni, Mtunzini, Zulwini ,Amandus Hill and Mpofana were known to receive erratic rain fall and the risk of drought was possible. We have however noted that all wards are faced with a risk of drought. The Climatic changes have a major part to play in every area, the agriculture Sector and Emerging farmers are at risk due to limited infrastructure.

COVID-19

Section 3 of the Disaster Management Act, 2002 (Act No. 57 of 2002), and after consulting with the responsible cabinet members, the Minister for Cooperative Governance and Traditional Affairs (CoGTA) made and gazetted regulations to deal with the spread of the corona virus effect from 25th March 2020. Government plays a significant role in the fight against the virus for the duration of the declared national disaster, using its available resources.

Disaster Management Team facilitate the coordination, integration and efficiency of multiple emergency services and other essential services to ensure that these organisations work together, pro-actively through risk reduction, planning and preparedness, and reactively through response, recovery and rehabilitation.

Major Accidents and Hazardous Chemicals

The R56 road is the main arterial route to the Eastern Cape and is notorious (well known) for major accidents, especially overloaded buses, taxis and heavy trucks. The Road was in a major state of disrepair. With the effort of Richmond Municipality, in 2020/2021 Department of Transport commenced with infrastructure project in R56 to upgrade the road and to ensure the risk of high accidents occurring in this route is reduced.

Security

Richmond Municipality needs to have a clear plan with regard to preventing damages arising from break-in when the Municipality buildings are closed. SAPS needs to be supported in their endeavour to limit crime, through assistance of the public (CPF) and private security companies.

The main hazards faced by the Richmond Municipality are floods, drought, disease, security and fire. The Local Municipality hazard risk profile of the Richmond Municipality is given in the following table.

Hazard Risk Profile of Richmond Municipality												
RLM	**Floods**	**Fire**	**MVA**	**Snow**	**Cholera**	**Air Pollution**	**Drought**	**Tornados**	**Covid-19**	**Horse Flu**	**Swine Flu**	**Bird Flu**
Ward 1	M	L	M	M	L	L	L	M	H	M	M	L
Ward 2	M (H)	M	M	L	L	L	M	M	H	L	L	L

Ward 3	M	H	L	L	M	L	L	H	H	L	L	L
Ward 4	M	H	L	L	M	L	L	H	H	L	L	L
Ward 5	M	H	M	Possible	M	L	L	H	H	L	M	L
Ward 6	M	H	L	H	M	L	L	H	H	L	L	L
Ward7	M	M	L	L	M	L	L	M	H	L	L	L
H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk												

The following table shows the severity and frequency of different hazards:

Hazard Risk Profile of Richmond Municipality

RLM	**Floods**	**Fire**	**MVA**	**Snow**	**Cholera**	**Air pollution**	**Drought**	**Tornados**	**Covid-19**	**Horse Flu**	**Swine Flu**	**Bird Flu**
Severity	H	H	M	M	L	M	L	L	H	L	L	L
Frequency	H	M	M	M	L	M	L	L	H	L	L	L

H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk

The vulnerabilities of the Richmond include mountainous terrain, low literacy level, high poverty level, low awareness, inadequate health facilities, and remoteness of villages, poor transportation facilities and very poor communication facilities. Vulnerability of various elements to different hazards is shown in the following table:

Vulnerability of various elements to different hazards within the area of jurisdiction of Richmond Municipality

Elements	**Floods**	**Fire**	**MVA**	**Snow**	**Cholera**	**Air pollution**	**Drought**	**Tornados**	**Hazmat**	**Horse Flu**	**Swine Flu**	**Bird Flu**
Populace	M	H	M	M	L	L	L	H	L	L	L	L
Animals	M	H	M	M	0	L	M	M	L	M	M	M
Agriculture	M	H	L	M	0	L	M	M	L	M	M	M
Drinking water	M	0	0	O	L	L	M	O	L	O	O	O
Roads	M	O	H	M	O	M	O	L	H	O	O	O

River	M	O	L	O	L	O	M	O	M	O	O	O
Hospitals	L	M	L	L	M	L	O	L	L	O	O	O
Houses	L	M	L	M	L	L	M	M	L	O	O	O
Schools	L	M	L	L	L	L	L	M	L	O	O	O

H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk

3. 14. 3 Risk Reduction and Prevention

Mitigation activities actually eliminate or reduce the probability of disaster occurrence, or reduce the effects of unavoidable disasters.

Disaster mitigation planning will comprise all activities that can be done for risk reduction. Such activities that need to be undertaken by each Department should be identified and compiled. These activities can be planned after ascertaining the condition and status of infrastructure, equipment and manpower at the disposal of each department. The activities may include creation of any new infrastructure facility for risk reduction, repair, retrofitting or upgrading of existing infrastructures, procurement, hiring, or repairing of equipment; recruitment, hiring, and training of volunteers. The detailed planning of the above activities will lead to the preparation of budget for disaster mitigation activities.

Commented [SK2]: Do we have a disaster mngt plan

The following activities need to be taken up for reducing the future impact of disasters:

Roads and bridges or culverts

Communication facilities (satellite telephones, mobile phone network)

Health facilities

Search and rescue facilities

Flood control measures

Dissemination of earthquake resistant construction techniques

Disaster awareness through schools

3. 14. 4 Response and Recovery

The capacity of Richmond Municipality in managing disasters has been analysed as given in the following table:

Capacity of Richmond in managing disasters

RLM	Floods	Fire	MVA	Snow	Cholera	Air pollution	Drought	Tornados	Covid-19	Horse Flu	Swine Flu	Bird Flu
Early warning	H	H	M	M	M	L	L	H	L	L	L	L
Community participation	M	M	L	M	M	L	L	H	L	L	L	L
Government Disaster Management capacity	H	H	H	H	H	H	H	H	M	H	H	H
Disaster Management knowledge of Government officials	M	M	M	H	H	H	L	H	M	H	H	H

H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk

The Standard Operating Procedures (SOP) for various stakeholders in the Municipality has been prepared with the objective of making the concerned persons understand their duties and responsibilities regarding disaster management at all levels.

All Departments and agencies shall prepare their own action plans in respect of their responsibilities, under the standard operating procedures for efficient implementation. The Standard operating procedure shall be followed during normal times, warning stage, disaster stage and post disaster stage.

In the event of emergency situations, the Community Services Officer together with the Rapid Response Team will attend to disaster in question and involve non-governmental agencies. The

Community Services Officer together with the Disaster Response Team will perform the following duties:

Normal Time
➢ Prepare Municipal Disaster Management Plan and disseminate to different departments, agencies, volunteers and community groups. ➢ Ensure basic facilities for personnel who will work at municipal level for disaster response. ➢ Review the preparedness level in the local municipality twice a year and advice corrective steps in case of any weakness. ➢ Ensure training of teams of volunteers for disseminating disaster warnings to the field level and also for evacuation, search, rescue, relief and rehabilitation operations. ➢ Ensure availability of communication and transport facilities for delivery of warnings and relevant material to field personnel. ➢ Identify high risk areas and populations and prepare vulnerability profiles, resource profiles and contingency plans for them. ➢ Ensure state of readiness and operational status of facilities designated to serve as shelters. ➢ Arrange sufficient medical assistance for post-disaster medical treatment and control of contagious diseases and ensure stock of essential medicines.
Alert and Warning stage
➢ Maintain contact with forecasting agencies and gather all possible information regarding the alert. ➢ Ensure that all concerned in areas likely to be affected by imminent disaster receive warning signals and respond accordingly. ➢ Inform members of Municipal Disaster Advisory Forum. ➢ Maintain contact with District and Province Disaster Management Centre. ➢ Instruct all concerned to remain in readiness for responding to the emergency. ➢ Advice concerned officials to carry out evacuations where required, and to keep transport, relief and medical teams ready to move to the affected areas at a short notice.
During Disaster
➢ Convene meeting of Municipal Advisory Forum. ➢ Conduct Rapid Assessment and launch Quick Response. ➢ Keep District and Province Disaster Management Centre informed of the situation.
After Disaster
➢ Organize initial and subsequent technical assessments of disaster affected areas and determine the extent of loss and damage and volume and nature of relief required. ➢ Keep the District Disaster Advisory Forum and the Provincial Disaster Management Centre informed of the situation. ➢ Ensure supply of food, drinking water, medical supplies and other emergency items to the affected people. ➢ Request Provincial Government for assistance if the District Disaster Advisory Forum deems the situation to be beyond the capacity of the District to manage.

- Visit, coordinate and implement of various relief and rehabilitation programmers.
- Coordinate the activities of NGOs in relief and rehabilitation programmers.

3. 14. 5 Training and awareness

The department of Community Services has programmes on training and awareness.

3. 14. 6 Funding arrangements

The Richmond Municipality has managed to source funding for Disaster Management.

3. 14. 7 Disaster Management: SWOT Analysis

Table 9. Disaster Management: SWOT Analysis

Strengths	Weaknesses
• Political Stability • Disaster Management plan in place • Disaster Management Forum in place • Established the Rapid Response Team	• Unavailability of safe place to store equipment. • Limited budget
Opportunities	**Threats**
• Access to Sukuma Sakhe Committee for implementation of identified project and programmes including disaster	• Unplanned developments in wet land • Improper structures e.g. mud houses • Natural disasters e.g. storms, heavy rains and drought • Extreme weather conditions due to climate change

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Commented [SK3]: What programmes and awarenesss have been developed?

Commented [SK4]: Where are we?

3.15. Municipal Transformation

This involves the organisation's readiness in terms of capacity and ability to cope with its responsibilities as outlined in the Integrated Development Plan. In order to prepare the organisation for the delivery challenge, the organisation must have the reasonable number of employees executed to deliver on the targets set and that such employees are well capacitated with skills to be able to deliver. To transform the institution into a developmental orientated institution, the municipality develops an IDP which stipulates the developmental needs of the community than re-organise its staff such that it is able to deliver on its targets by creating and filling positions with which it hopes to achieve its objective. The municipality has started to implement the Work Place Skills plan to ensure that staff are well trained to perform their duties. The municipality also targeted to fill all new and vacant positions. The municipality also targeted to continue to implement performance management system with the purpose of improving performance in the workplace. The Richmond municipality Human Resource Strategy was reviewed before end of 2019/20 financial year and will be reviewed for the new financial year during the policy workshop.

3. 15.1. Organisational Development

Richmond Municipality (KZ 227) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting of four (3) Executive members of whom one is the Mayor. The Council consists of 14 Councillors, Of the 14 Councillors 7 are Ward elected Councillors including the members of the Executive Committee.

Section 44 of the Municipal Structures Act 117 of 1998 gives guidance on powers and functions. The Council has two (2) portfolio-standing committees, with each member of EXCO serving as a portfolio councillor. The three (3) Portfolios of the municipality are as follows:

Economic Development and Planning & Infrastructure Committee/ Human Resources

Community Development and Social Services/information communication technology.

Finance Portfolio Committee

The communication strategies that the municipality is currently using include the Integrated Development Planning (IDP) Representative Forum, Mayoral Imbizo, Monthly Ward Committee Meetings and Communication Surveys (i.e. through Suggestion Boxes).

3. 15. 2. Powers and Functions

FUNCTIONS	AUTHORITY RESPONSIBLE
Air pollution	Environmental health which monitors the impact of air pollution is a District function
Building Regulations	Richmond Municipality
Municipal Planning	Richmond Municipality
Pontoons and ferries	Not applicable
Storm water	Richmond Municipality

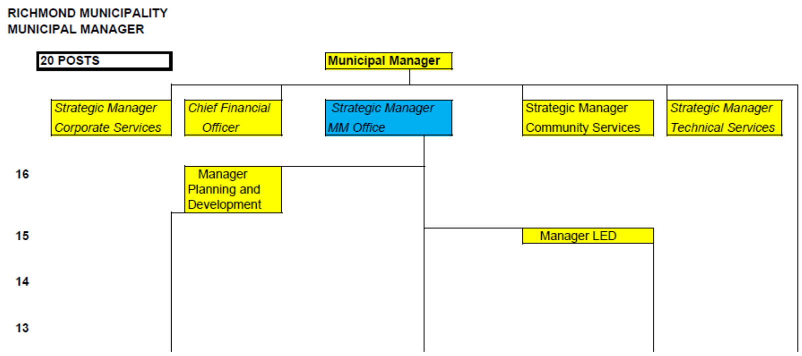
Trading Regulations	Richmond Municipality
Beaches and Amusement facilities	No beaches in the municipal area
Billboards and the display of advertisements in public places	Richmond Municipality
Cemeteries, funeral parlours and crematoria	Richmond Municipality
Cleansing	Richmond Municipality
Control of public nuisance	Richmond Municipality
Control of undertakings that sell liquor to the public	Richmond Municipality
Facilities for the accommodation, care and burial of animals	Richmond Municipality
Fencing and fences	Richmond Municipality
Licensing of dogs	the municipality no longer issue licenses
Licensing and control of undertakings that sell food to the public	Assistant obtained from uMgungundlovu District Municipality
Local amenities	Richmond Municipality
Local sports facilities	Richmond Municipality
Markets	Richmond Municipality
Municipal abattoirs	Richmond Municipality
Municipal Parks and Recreation	Richmond Municipality
Municipal Roads	Richmond Municipality
Noise Pollution	Richmond Municipality
Pounds	Richmond Municipality
Public Places	Richmond Municipality
Refuse removal, refuse dump and solid waste disposal	Richmond Municipality
Street Trading	Richmond Municipality
Street Lighting	performed by ESKOM
Traffic and Parking	Richmond Municipality
Community Services/ Library	Richmond Municipality
LED	Richmond Municipality
Motor Licensing	Richmond Municipality

3. 15. 3. Organisation Structure

The municipality has a Council approved organisational structure that aligns to the long-term development plans of the municipality as well as the Powers and Functions outlined above.

The figure below is a high level municipal structure reflecting institutional arrangements for all the key functions.

Figure 4



STAFF SUMMARY

	COUNCIL	MM	CORP	FIN	COMM	TECH		
MUNICIPAL MANAGER		1					1	
STRATEGIC MANAGER			1	1	1	1	4	
SECRETARY	3				1		4	
MANAGER		3	1	2	2	0	8	
ADMIN			8		1	3	13	
COMMUNICATION		2					2	
INTERN								
PUBLIC PARTICIPATION		1					1	
RISK		1					1	
OPMS		1					1	
LED		2					2	
YOUTH		1					1	
INTERN								
BUILDING CONTROL		1					1	
PLANNING		1					1	
INTERN		0					0	

HR			3				**3**	
IT			2				**2**	
BUILD MAINT/CLEANING			5				**5**	
FLEET CONTROL			1				**1**	
FINANCE				4			**4**	
SCM				3			**3**	
EXPENDITURE				2			**2**	
REVENUE				3			**3**	
INTERN				5			**5**	
COMMUNITY SERVICE					1		**1**	
COMMUNITY FACILITIES					10		**10**	
HOUSING					1		**1**	
LIBRARY					6		**6**	
TRAFFIC					5			
SCHOLAR PATROL					4		**4**	
SECURITY					9		**9**	
DRIVER LICENCE					2		**2**	
MOTOR LICENSING					3		**3**	
LEARNER LICENCE					5		**5**	
PMU						1	**1**	
INTERN								
SENIOR TECHNICIAN						1	**1**	
TECHNICIAN						1	**1**	
MECHANICAL						2	**2**	
ESTATES						12	**12**	
CLEANSING						17	**17**	1
LANDFILL						3	**3**	
ROADS						16	**16**	2
MAINTENANCE						1	**1**	
							163	

Organization (Filled Positions)

The current structure indicates that the Municipality permanently employs 163 employees.

However, the vacancy rate is calculated at the end of each financial year for the Annual Report.

3. 15. 3. 1 Municipal Institutional Capacity and Critical Posts

The Municipal Manager's post and 2 critical posts (sect. 56 posts) are filled and the municipality is currently in the process of filling the remaining 2 posts.

3. 15.3.2 Human Resource Development

The following key Human Resource Policies have been adopted by Council and are being implemented: Recruitment, Delegations, acting allowance, Leave, Staff Bursary, Job Evaluation, Medical Aid, Labour Relations, Travel Allowance, Cell phone Allowance, Staff Retention Policies. The policies are revised annually

The following institutional characteristics, issues and challenges impact on the future development of the Richmond Municipality and need to be taken forward in the Integrated Development Plan Process:

- The implementation in terms of the Employment Equity Act and the Skills Development Act is still a challenge. However, attempts have been made to comply during the recent recruitments.
- Improving the Organizational Performance Management System of the Municipality and ensuring that Strategic Managers cascade the system to all employees within the organization.
- Inadequate funding to develop skills of the staff, political office bearers and Ward Committees.

All employees have individual performance work plans that are assessed quarterly. This allows for the identification of skills needs to compile personal development plans. These needs will be included in the organisational Workplace Skills Plan.

Travel Allowance, Cell phone Allowance, Staff Retention Policies. The policies are revised annually.

The following institutional characteristics, issues and challenges impact on the future development of the Richmond Municipality and need to be taken forward in the Integrated Development Plan Process:

- The implementation in terms of the Employment Equity Act and the Skills Development Act is still a challenge. However, attempts have been made to comply during the recent recruitments.
- Improving the Organizational Performance Management System of the Municipality and ensuring that Strategic Managers cascade the system to all employees within the organization.
- Inadequate funding to develop skills of the staff, political office bearers and Ward Committees.

All employees have individual performance work plans that are assessed quarterly. This allows for the identification of skills needs to compile personal development plans. These needs will be included in the organisational Workplace Skills Plan.

3. 15. 4. Municipal Transformation and Organisational Development: SWOT Analysis

Strengths	Weaknesses

- 100% of Senior Management
- Fully established and functional Supply Chain Management Committees
- Political Stability
- Work Place Skills Plan accepted and submitted in compliance
- 70% of policies formulated and adopted
- Existence of portfolio committees
- Existence of Local labour forum
- Registry Manual and archives act
- Adoption and Implementation of Vehicle management policy
- Appointment of fleet clerk
- Existence of IT policy

- Limited experience in specific fields of expertise
- Lack of supervisory skills (planning, people management, ineffectiveness)
- Lack of capacity (Financial Resources) to successfully implement Municipal Turn Around Strategy
- Portfolio committees not functioning adequately
- Local labour forum not functioning adequately
- Lack of proper Municipal building maintenance plan
- Poor implementation of registry manual and a shortage of staff
- Vehicle management policy is not fully implemented
- IT policy not fully implemented
- Limited capacity building for Councillors
- Lack of funding to address skills shortages identified in skills audit
- Inability to attract and retain adequately skilled and experienced staff
- Inadequate implementation of Policies and Bylaws

Opportunities

- Establishment of a panel of disciplinary specialists, by SALGA KZN, to preside over disciplinary enquiries
- Availability of the Skills Development Act
- Availability of the Labour Relations Act to ensure a successful working relationship between the Employer and the Employee

Threats

- Change in market/economic forces – global and regional markets/economies which cannot be controlled by local market (global economic recession)
- Lack of integrated approach to service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals
- Lack of draftisation of job evaluations committees and implementation
- The contractual employment of Section 57 officials threatens the continuity of service delivery

SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

3. 16. 1 WATER AND SANITATION

Ward One (Richmond Village) is serviced in terms of reticulated water and sanitation; however, problems are experienced with regard to the dilapidated infrastructure and limited capacity of sewerage plant. In semi urban areas of Ndaleni and Hopewell households make use of communal water standpipes and self-built VIP toilets. The following problems were identified; uneven distribution of services; inadequate reticulation, water wastage and illegal connections.

The municipality is not the water service authority providing water and Sanitation services. The UMgungundlovu District Municipality carries this function. The Water Services Development Plan was adopted by council in 2017.The WSDP has been reviewed adopted by Council in 2017 after a vigorous public participation process in line with the uMgungundlovu District IDP.
The links to the WSDP are:

http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20report%20(revised).pdf&link=1342645f
204c7d80affa09d43f6f6ac6&a=21

Module 1
http://www.glsfiles.co.za/cgibin/
FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20Module%201%20Report%20-
%20UMDM%20(revised).pdf&link=06441985a04281a1efd9c15c27fe57f8&a=21

The following table identifies households indicating percentage distribution by type of water source within the Richmond Municipality

Table 13: Distribution water by households

	Census 2011	**Community Survey 2016**
Access to piped water	13 654	13 567
No access to piped water	2786	4057
Total	**16440**	**17624**

Stats S A: Census 2011, Community Survey 2016

Other households obtain their water from rivers or streams, spring, borehole, dam, pools and rain water. This will be a contributing factor towards the outbreak of cholera.

The following table indicates the distribution of households with improved sanitation.

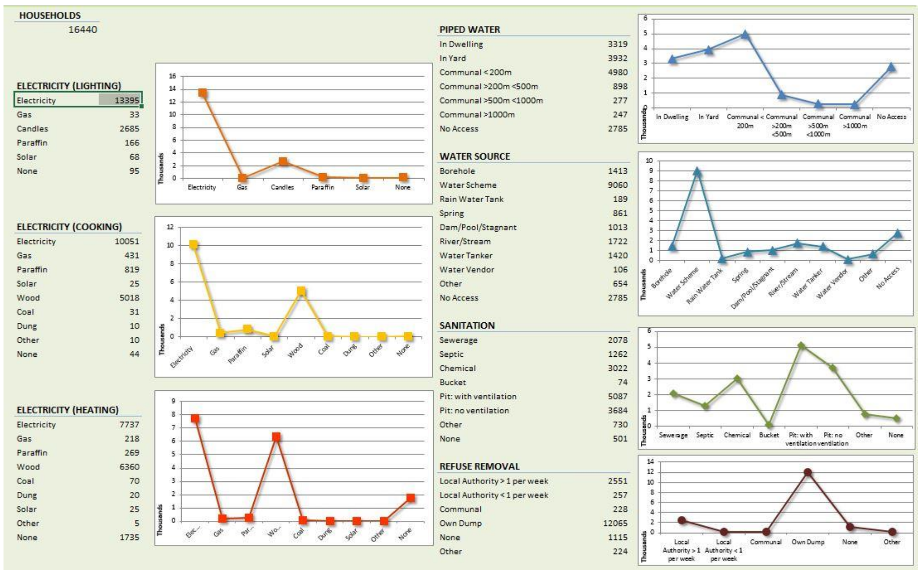
Table 14: Distribution of households with improved sanitation

	Census 2011	**Community Survey 2016**
Flush/chemical toilet	6364	5249

Other	10076	12375
Total	**16440**	**17624**

Stats S A: Census 2011, Community Survey 2016

Other Households have pit toilets and bucket toilet. The above table indicates that there is slight decrease in the delivery of Sanitation within the Richmond area.



3. 16. 2 SOLID WASTE MANAGEMENT

The Richmond Town area is the only place where solid waste removal services are available. The service is not available to households in the rural areas. In the semi urban skip bins are evenly distributed so that the community can dump their waste. Communities rely on traditional methods of disposing litter which include digging a pit for dumping purposes. Others dispose of waste in the open without any formal pattern. Disposal of waste in the open can have serious negative impacts on the environment and human health. An awareness programme is required to develop proper refuse removal mechanisms. Richmond Municipality has a licensed land fill site.

Table 15. Richmond estimated volume density

Richmond		
Waste type/streams	**Waste generated per annum (tons)**	**Total percentages**
Organic waste	50	9.25926 %
Cans	50	9.25926 %
Paper	80	14.8148 %
Glass	60	11.1111 %

Plastic	100	18.5185 %
Construction and demolition waste	200	37.037 %
Tyres	0	0 %
Other	0	0 %
Total		**100 %**

The Municipality has developed an Integrated Waste Management Plan in 2017/18 that will coordinate and guide waste management in the entire municipality however the plan is still a draft and will be adopted by council in the 2021/22 financial year.

When the district wide Waste Management Plan is being formulated, the Municipality must ensure that inputs for a framework for integrated and sustainable waste management practices and must be supported by the following principles:

The reduction of waste by encouraging prevention and minimization initiatives such as re-use and recycling

The improvement of living environmental conditions of the community through environmental education and awareness, capacity building and cash generation for the poor through the establishment of sustainable buy-back centres

The reduction of adverse environmental impacts of the waste produced

To encourage the re-use of other waste types

Of great importance when assessing the backlogs identified, it is imperative on all service providers, role players, sector departments, UMgungundlovu District Municipality as well as the local municipality is to ensure that the provision of housing is coupled with the provision solid waste management.

Table 16: Distribution of households by type of refuse disposal

Refuse Removal	No Of Households in 2011	No Of Households in 2016
Removed by local authority/private company at least once a week	2551	2559
Removed by local authority/private company less often	256	79
Communal refuse dump	228	1001
Own refuse dump	12064	12761
No rubbish disposal	1116	1153
Other	224	16
Total	**16440**	**17569**

Stats S A: Census 2011, Community survey 2016

It is clear from the Table above that 12761 of households within the Richmond area have no access to refuse removal which indicates there is huge backlog in the provision of this service. Currently

100% of urban households within the Municipality are covered by a waste collection system, whilst 0% of rural households are covered. It is therefore important for the Municipality to extend the refuse removal collection to other areas within the Municipal area or to have other alternative measure in place.

3. 16. 3 TRANSPORT INFRASTRUCTURE

The main road linkages in the municipality are the R56 forming a north-south corridor and links Pietermaritzburg, Richmond and Ixopo and the R624 linking Richmond to the coast. There are a number of provincial roads which links the Richmond Town to other areas such as Thornville, Hopewell, etc. In addition, district and local roads provides the rural hinterland areas with access to the main roads.

Provincial roads within Richmond are in a fair to poor condition. The roads within the town of Richmond although tarred are in a poor condition. In addition, the following issues were also identified with respect to these roads i.e. inadequate storm water drainage, lack of speed humps, lack of adequate electronic traffic calming measures, lack of properly aligned pedestrian walkways and poorly designed parking bays. In the semi-urban areas only the main roads in the Greater Ndaleni area, Hopewell, Thornville and Byrne Valley are tarred. The remainder of the roads, which are mainly gravel roads, are in poor condition.

The following were also identified as issues which need to be taken into account:

Lack of all-weather access roads;

Deterioration of existing infrastructure;

Lack of piped storm water drainage;

Lack of sidewalks;

Lack of speed humps and signage; and

Overgrown verges.

The rural gravel roads at Nhlazuka, Phatheni, Gengeshe, Mgxobeleni, Masangazane and

Smozomeni require regular maintenance.

3. 16. 3. 1. Public transport

In terms of public transport, there are eleven routes which transport passengers within and outside of the Richmond municipal areas viz.:

Table 17: Public Transport Routes

ORIGIN	DESTINATION
Richmond Taxi Rank	Durban
Ixopo Taxi Rank	Richmond
Gengeshe	Richmond

Richmond	Eston
Masangazane	Richmond
Magoda	Richmond
Ndaleni	Richmond
Phatheni	Richmond Taxi Rank
Simozomeni	Richmond Taxi Rank
Inhlazuka	Richmond
Pietermaritzburg	Richmond

Source: KZN Department of Transport

Communities in the area depend on public transport to move from one area to the other with Richmond servicing as the main public transport interchange area. The Public Transport Plan (PTP) for the district recommended the development of taxi ranks and the associated facilities in all nodal areas and shelters along the main taxi routes. The municipality has not yet developed a Local Integrated Transport plan.

3. 16. 4 ENERGY

ESKOM is a sole distributor of electricity in the Richmond Area. Most of the households in rural areas have no access to electricity. Other alternative sources of energy such a candles; paraffin, coal etc are utilized by households without access to electricity. The lack of access to electricity is attributed to inadequate bulk supply, poor access to areas due to topography and insufficient funding.

The following tables indicate percentage of household distribution by type of energy used for lighting, cooking and heating within the Richmond Municipality:

Table 18. Energy Sources

Cooking				**Heating**				**Lighting**		
Electricity	10050	61.13%		Electricity	7737	47.06%		Electricity	13395	81.48%
Gas	431	2.62%		Gas	217	1.32%		Gas	33	0.20%
Paraffin	819	4.98%		Paraffin	269	1.64%		Paraffin	165	1.00%
Wood	5019	30.53%		Wood	6360	38.69%		Candles	2684	16.33%
Coal	31	0.19%		Coal	70	0.43%		Solar	68	0.41%
Animal dung	10	0.06%		Animal dung	21	0.13%		None	95	0.58%
Solar	25	0.15%		Solar	25	0.15%		**Total**	**16440**	**100.00%**
Other	11	0.07%		Other	5	0.03%				
None	43	0.26%		None	1736	10.56%				

Total	**16440**	**100.00%**		**Total**	**16440**	**100.00%**				

Stats S A: Census 2011

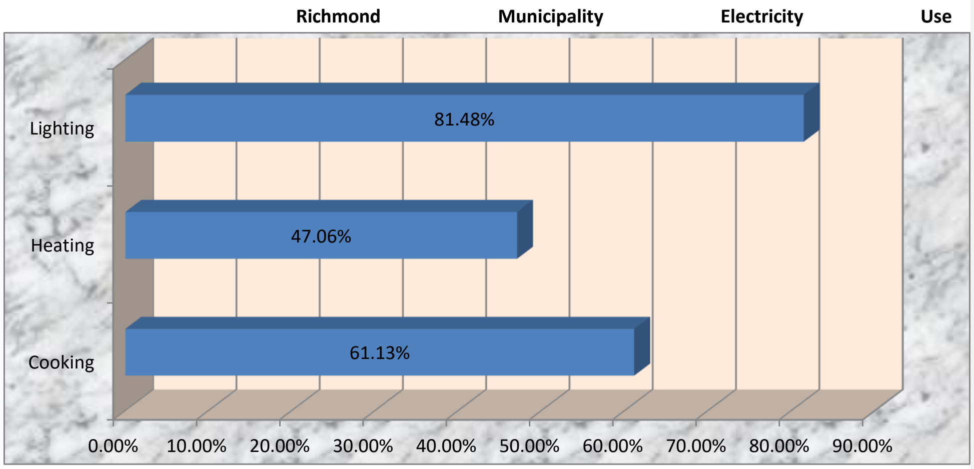


Figure 4: Household Uses of Electricity: Stats SA Census 2011

The above Figure: indicates that there is significant improvement in the use of electricity in 2007 when compared to 2001 Census data. It indicates that there is an increase in the number of households having access to electricity

3. 16. 5 Access to Community Facilities

The geographic spread of sports facilities within the Richmond Municipality indicates that only certain areas have access to these facilities. Sports fields are found at Ntsongeni, Ndaleni at Slahla, KwaGengeshe, Mzinolovu, Smozomeni, Phatheni and Mpofana.The obvious lack of multipurpose sporting facilities in all wards is evident

The spread of community centres/halls is also unevenly distributed in the municipal area. Community halls are found at Hopewell, Phatheni, KwaGengeshe, Magoda, Smozomeni, Siyathuthuka, Richmond Village and Ndaleni while a Thusong Centre is located at Nhlazuka.

The following social services characteristics, issues and challenges impact on the further development of the Municipality and need to be taken forward in the Integrated Development Plan Process:

The Municipal area is disadvantaged in terms of the provision of security and emergency services by public service sectors.

Social facilities and programmes to deal with the HIV/AIDS have been developed however there is still a significant shortage of facilities to deal with this pandemic. The Municipality has established the local HIV/AIDS Council, the objectives and function of the council its main objectives are to guide and facilitate the implementation in the Richmond Municipality of the National HIV and AIDS strategic plan and other related matters, facilitate, monitor and evaluate the protection, promotion and fulfilment of the rights affected and infected persons living with HIV and AIDS in the Richmond Municipal area.

There is inadequate burial space due to the high mortality rate. In attempt to address this challenge the municipality has engaged with the district municipality to identify suitable land for the establishment of the regional cemetery. This is being addressed in the Integrated Cemeteries and Crematoria Plan that is being compiled by the District Municipality.

Even though Municipal Infrastructure Grant by the Department of Cooperative Governance and the Public Amenities Programme by the Department of human settlements are addressing the backlog in terms providing funding for social infrastructure, the funding of operation and maintenance of such facilities is still a challenge.

3. 16. 6. HUMAN SETTLEMENTS

3. 16. 6. 1. Current Housing Demand

The following information has been extracted from the Richmond Municipality Housing Sector Plan. This plan has been reviewed. This plan will be used for delivery of housing. Detailed information is contained in the report.

The largest proportion of the population is based in the tribal authority areas. These areas are characterized by the low level of basic services and are relatively far removed from the major employment centres. The table below provides a summary of the data collected from the 2001 census in relation to housing typologies and therefore housing demand.

	Traditional	%	Slums	%	Employment levels	%
1	Area 5	41	Area 6	46	Area 4	23
2	Area 7	23	Area 2	20	Areas 5,6	13
3	Area 4	17	Area 3	14	Areas 2,3&7	10-13%
4	Areas 2,3,6	3-8				

Table 19.Housing typologies

Based on the information captured in the 2011 census, in terms of rural need based on household types Ward 5: Nhlazuka, should be assisted primarily (there is however an existing project in that area providing 1000 units) thereafter, Ward 6: Phatheni (already covered with a rural project consists of 700 units) and Gengeshe, Masangazana and Mgxobeleni (it is suggested that a further rural housing projects be initiated in the Gengeshe, Masangazana, Mgxobeleni ward), thereafter ward 3: Hopewell.

While in terms of potential slums clearance or informal upgrade projects, the areas of greatest need are firstly Area 6: Ndaleni, Smozomeni, Emaswazini, (Insitu-Upgrade project covering 800 sites suggested for this area) Area 2: Magoda, Town lands, Ekupholeni (currently covered by the Siyathuthuka P1 (758) and P2 (1000) projects) and thereafter Area 3: Baynesfield, Byrne, Sidakeni (Insitu-Upgrade project covering 400 sites suggested for this area). (Siyathuthuka Phase 2 is inactive project with 1000 stands already conditionally approved by the Department which also include the Ndaleni Area).

The total demand for rural housing has been calculated at 1 416, while the total demand for slums clearance or informal upgrade projects has been calculated at 2310. Therefore, the total estimated demand for housing in the Richmond Municipality is (1416+2310) = 3 726.

3. 16. 6. 2. Current and planned Housing Projects

The following projects have been approved by the MEC and are being implemented currently and have been budgeted by the Department of Human settlements. These projects have been budgeted for and some not. Other projects are still going through the planning stage.

Table 20. Housing projects

PROJECTS	NO.OF UNITS	AREA	WARDS	PROJECT STATUS
Siyathuthuka Phase 2 Housing Project	1000	Siyathuthuka	2	Construction
St Bernard's Housing project (Land Reform Projects)	360	Nhlazuka	5	Planning stage
Amandus Hill Housing Project(Land Reform Projects)	40	Nhlazuka	5	Planning stage
Middle income Housing	400	Richmond Village	1	Planning Stage
Bhongoza Informal Settlement	200	Siyathuthuka	1	Planning Stage
Hopewell Housing Projects	1000	Hopewell	4	Implementation
Tedan housing project	100	Tedan Farm	6	New project
Gengeshe Housing project	400	Gengeshe	6	New project
Mzinolovu Housing project	300	Mzinolovu	1	New project
kwaMagoda Housing project	500	Magoda area	7	New project
Nhlazuka Housing Project Phase 2	1000	Nhlazuka	5	New project

3. 16. 7 WATER AND SANITATION

The growth of the Information Communication Technology (ICT) in the country has been noted as one of the most significant factors stimulating the economic growth. In the same light the importance of this sector has been recognised by the KwaZulu-Natal province, which has been translated into the Provincial Growth and Development Strategy and the Industrial Development Strategy. This sector has been acknowledged for its importance in the creation of a knowledge economy and as a contributor to social development and participation of the wider community through ICT enabled activities.

Presently, the Richmond Municipal does not have a developed ICT sector. However, with the coverage signal from Telkom, Vodacom, Cell C and MTN there is an opportunity for the ICT development. At the moment the Municipality is focusing on having the best ICT infrastructure at the Municipality including having best systems in place for a better implementation of the 4th IR Projects. IT Departments is in a process of developing a 4th IR strategy and implementation Plan with help from various departments and Municipalities.

By 2030, ICT is expected to underpin the development of an inclusive dynamic information society and knowledge economy through the development of a comprehensive and integrated e-strategy that reflects the crosscutting nature of ICTs. This is necessary to provide an enabling environment, also to deliver services to the Community. Richmond Municipality is focusing on introducing

Broadband to the Community in the near future and creating job opportunities for the youth. Since this would be very costly we are looking at getting funding for the broadband and we would like the Municipality to make money on this project.

The only ICT policies that are partially implemented is Backup Policy and Disaster Recovery which forms part of the ICT Strategy and SDBIP, the reason why the implementation is done in phases is due to limited budget. The final implementation of these projects is due in the next financial year and after that it will be testing and Monitoring. One of the big projects we are planning to implement is wifi for all Municipal offices, installation will also be done in Libraries so the Community can have access to it.

3. 16. 8. SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

Table 21. SWOT Analysis

Strengths	Weaknesses
Basic plant and equipment to implement responsibilities Fully established and functional Supply Chain Management Committees 90% of critical positions filled Political Stability The Municipality is financially viable	Limited skills and experience in specific fields of expertise Lack of supervisory skills (planning, people management, ineffectiveness) Limited funding sources (new infrastructure, repairs to dilapidated infrastructure, appointment of appropriate number of employees) Slow turn around in the processes of Supply Chain Management Difficulty to retain adequately skilled and experienced staff Lack of well-informed infrastructure and maintenance plans Lack of integrated approach to service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals

	Lack of industrial or commercial municipal owned land for development of social and infrastructure projects
Opportunities	Threats
Training and capacity building	Impact of HIV/AIDS and chronic diseases
Potential capital infrastructure grant from Sector Departments	Negative political influence Economic recession
Funding for the establishment of the PMU	Natural disasters

3. 16. 4 WATER AND SANITATION

LOCAL ECONOMIC DEVELOPMENT AND SOCIAL ANALYSIS

3.17. LOCAL ECONOMIC DEVELOPMENT

All around the world, local governments, the private sector and civil society are demanding better ways to achieve local economic development, a cornerstone to sustainable development. This is due to the fact that local government faces increased democratic reforms and greater decentralisation at the same time as massive transformations are taking place in the global economy resulting from trade liberalisation, privatisation and enhanced communications. The significance of these changes is that citizens and local government face formidable challenges, greater opportunities, and growing responsibility to work together to address the economic health of municipalities and the livelihood of their local citizens, many of whom are under- or unemployed and living in poverty.

This requires firmly placing LED within the broader framework of local sustainable development and because LED is a participatory process requiring people from all sectors to work together to stimulate local commercial activity it is necessary to understand that LED is a process-orientated and non-prescriptive endeavour incorporating:

a. Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values);

b. Economic drivers (value added resource use, local skills training, local income retention, regional cooperative) and

c. Development (the role of structural change, quality of development)

The above therefore suggests that LED is not about "quick fixes" or generating wish lists. It requires a practical understanding of what the local area does well and what is has to offer, where its weaknesses and gaps lie, what outside threats and opportunities exist, and what the local area wants and needs.

The revised vision and mission affirms the premise of ensuring that a consolidated approach through the formulation and implementation of the Local Growth and Development Strategy is taken to realising and advancing:

i. Competitive and Comparative Advantage: Whilst acknowledging that Richmond may be on the cusp of either imploding or igniting into its envisioned growth, optimism in the new leadership and the realignment of departments, provides the premise that that the exploitation of the competitive advantages is a reality. Agriculture, agri-processing, manufacturing, locality (bordering the Capital of KZN and along the R56 to the Eastern Cape) needs to be strongly advocated.

ii. Friendly and Safe Environment: A conducive environment promoting wealth creation, safety and security, environmental protection needs to be advocated.

iii. To Work: The Youth dominate the demographic and with seventeen High Schools in Richmond the influx of high school graduates into the pool of unemployed school leavers place strong emphasis on initiatives for long term development of Youth to allow them to actively engage in the labour market. Methods should focus on life- long learning thereby providing the principle of providing bursaries for school leavers.

iv. To do business: Investment friendly initiatives to be unconventional and need to be inclusive of red tape reduction. Whilst simultaneously attracting investment it becomes imperative that methods to retain the existence and expand the operation of current business with focus on SMME's and Cooperatives as a means to adequately address the triple challenges.

   In this regard, the current methodology of procurement with public funds needs to be innovative to respond to set-aside procurement from targeted sectors (Youth, Women, Disabled and Military Veterans) and should strive to build capacity and develop skills.

v. A better life and access to quality service delivery: Being a grant dependent Municipality, revenue enhancement strategies need to be crafted which do not increase the burden on the poor and infrastructure plans regularly updated so as to identify critical infrastructure requirements. In addition, the Municipality needs to respond to infrastructure development as a means to attract investment, especially in the nodal areas (e.g. CBD, proposed Industrial Node of Thornville, Baynesfield and Hopewell.

vi. Stakeholder Relations: The Constitution of the Republic of South Africa, 1996 assigns specific Powers and Functions to the different spheres of government and categories of municipalities. In the Richmond context, as the only authority with all-inclusive authority within the local sphere, the municipality has a fundamental role to play in strengthening stakeholder relations and engagements so as to address backlogs and reduce possible repetition of services provided.

vii. Good Governance including the Policy Environment: A constitutional mandate exists that requires that we remain accountable and in so doing, the onus rests with us to facilitate participative governance as a means to strengthen coordination and capacity. A policy environment which is pro-poor but economically sustainable needs to be informed by all stakeholders and actively implemented.

viii. Improved livelihoods: The spatial inequity created by past imbalances continues to exist in predominantly the rural areas. Pragmatic measures to redesign areas should have already occurred however in the absence of this, this strategy through its catalytic projects need to remain mindful of the pressing need for spatial equity.

3. 17. 1. LOCAL ECONOMIC DEVELOPMENT UNIT STRUCTURE

The Local Economic Development Unit reports under the Municipal Managers Office.

The current structure is as follows:

Manager: Local Economic Development (1)
Coordinators: Local Economic Development (2)
The LED Unit is fully functioning with all vacancies filled and an additional EPWP personnel to assist LED Unit with the workload and perform LED Unit duties as and when required. LED Unit is currently facing budget constraints however, it is necessary to seek assistance from external stakeholders and provide relevant trainings to improve understanding of LED and additional of more staff to improve capacity and productivity and also set aside budget for Research and Development.

3. 17. 2. LOCAL ECONOMIC DEVELOPMENT AND TOURISM STRATEGY- 2021-2030

The Local Economic Development and Tourism Strategy, 2021 – 2030 is currently outsourced and is aligned to district, provincial, national, continental and global strategic goals and as a sector plan to the IDP it is still a draft and will be presented for adoption to Council at its meeting to be held on 31 March 2022. The strategy will be presented with its implementation plan and will be reviewed annually thereafter.

With the strengthening of local economic development as the catalyst for radical economic transformation, greater innovative emphasis has been placed on addressing the challenges which continue to plague communities. Success of the LED and Tourism Strategy can only be realised in encouraging a business environment where markets can operate efficiently, but appropriately, within the local context. Micro, Small and Medium-sized enterprises must be strongly supported and encouraged to take the lead as they play a key role in creating new local employment, wealth and tax generation. Visible results can help maintain momentum in the short term, and simply initiating a single project focusing on one critical issue might pave the way for long tern success. Ultimately LED is about Sustainable development in the long-term, for it takes time to change local conditions and mind sets, building capacity, organise participatory processes and empower stakeholders, especially the poor.

3. 17. 3. STAKEHOLDER ENGAGEMENTS (STRATEGY FORMULATION)

To ensure ownership of the socio-economic trajectory, the strategy was developed in partnership with the following stakeholders:

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
uMgungundlovu District Municipality, DARD, DRDLR, ADA, CoGTA, EDTEA, UMEDA (RLED Unit), LMs within Umdm	✓ LED Forum ✓ Agriculture	✓ Agriculture and Agri-processing in line with RASET- Radical Socio-Economic Transformation as a multi-pronged strategy to build an effective agro food system in KZN that provides food security ✓ RASET Interim Hubs
uMDM District Development Agency	✓ All sectors	✓ Presentation of Catalytic Projects and the development agenda of the Municipality with emphasis on basic service delivery (water and sanitation)
Richmond Agricultural Society	✓ Agriculture, Manufacturing and processing	✓ Participation in Farmer Production Support Unit ✓ Opportunities in processing and manufacturing ✓ Alternative market availability
SAPPI	✓ Timber and manufacturing	✓ Opportunities for community timber plantations ✓ Manufacturing as a stimulus to grow the economy ✓ Logistics cooperatives

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
Informal Economy	✓ Agriculture, Business Enterprise	✓ Support to Informal Economy ✓ Infrastructure requirements ✓ Organisation of Local Informal Economy Chamber and representation at District Informal Economy Chamber ✓ Training requirements
Cooperatives	✓ All Sectors	✓ Opportunities available through catalytic projects and agriculture ✓ Market availability ✓ Off-take agreements

		✓ Provision of Business Service Centre by Municipality ✓ Training requirements ✓ Facilitate access to funding
SMME's	✓ All Sectors	✓ Provision of Business Service Centre by RLM (registration on CIPC, CSD, SARS compliance, etc) ✓ Registration with CIDB as a means of accessing sub-contracting through implementation of capital projects ✓ Training requirements ✓ Facilitate access to funding
Formal Economy(Business) – existing and identified for relocation	✓ All Sectors	✓ Opportunities and access to funding ✓ Partnerships with government to strengthen economy and attract investment
Community at large (Mayoral Imbizo)	✓ All Sectors ✓ Work and Job opportunities	✓ Implementation of EPWP and CWP as catalysts for access to work opportunities ✓ Agricultural support ✓ Implementation of outcomes of OSS inteventions

3. 17. 4. POLICY/ REGULATORY ENVIRONMENT

As a sphere of government, the Municipality takes its lead from all the overarching government imperatives and is mandated to ensure that it stimulates a regulatory environment that ensures compliance whilst simultaneously allowing for the promotion of economic activity, especially within the local economy.

The following policies – specific to the activities of the LED Unit have been developed and adopted and are reviewed dependant on need and as the environment so determines:

POLICY	PURPOSE / OBJECTIVES
Business Licensing Policy	Responsive to the Business Act, 1991 (71 of 1991) – regulation of the operation of businesses
Informal Economy Policy	Responsive of the development agenda of the informal economy and is crafted in line with the Provincial Informal Economy Strategy
Allocations Policy	Guides the allocation of Informal Economy Trading Stalls, SMME Units, trading areas and provides for the reduced rental of facilities so as to allow for the growth of emerging business

The following policies will still need to be developed to strengthen and guide LED activities

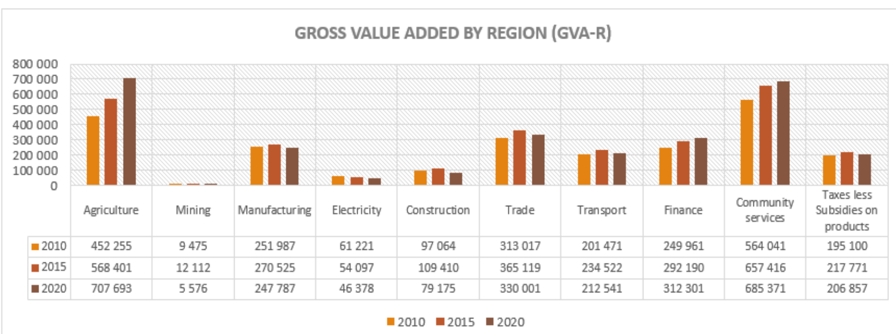
POLICY DOCUMENT	PURPOSE/OBJECTIVE	PROPOSED BUDGET
The Investment, Retention and Attraction Strategy	The preparation of an Investment and Retention Policy is aimed at attracting new foreign enterprise or create new businesses and also create a platform that enables re-investments by existing companies. This policy is intended on ensuring the municipality is an economic environment for all players wanting to invest or continue investing in it.	R350 000-00
Safety and Security Plan	This is a safety strategic framework that is aimed at building networks and partnerships seeking to create an enabling environment within the region towards reducing and preventing crime, creating awareness amongst community members on the scope of community safety, and encouraging communities to take ownership of their neighbourhoods through active participation in community safety initiatives	R250 000-00
Research and Development Strategy	Research and development (R&D) include activities that companies undertake to innovate and introduce new products and services. It is often the first stage in the development process and allows a company to stay ahead of its competitiveness.	R300 000-00
Business Plans to source funding	The necessity to vigorously source funds for Richmond Local Municipality is due to the very small revenue base of the municipality. The sourcing of funds will be vital for all LED identified anchor projects that are not being implemented due to lack of funding. There is a need to investigate all available grants from Districts, Provincial, National, and International to apply for those in order to	T.B.D

	ensure that some of the Key Development issues are addressed	
Tourism Development Strategy	This will guide the municipality in terms of tourism promotion and development. The focus shall be on tourism product development and maintenance	R400 000

3. 17. 5. OVERVIEW OF THE RICHMOND LOCAL ECONOMY

3. 17. 5.1. Local GDP

Richmond GDP was steadily increasing after 2010. The covid-19 pandemic placed Richmond economy at a strain. However, it is estimated that by the year 2021, the economy will turn around and an average annual growth of 3.4% is expected. The economy has seen consistent growth since that shock, but not enough to return to pre-COVID-19 levels.

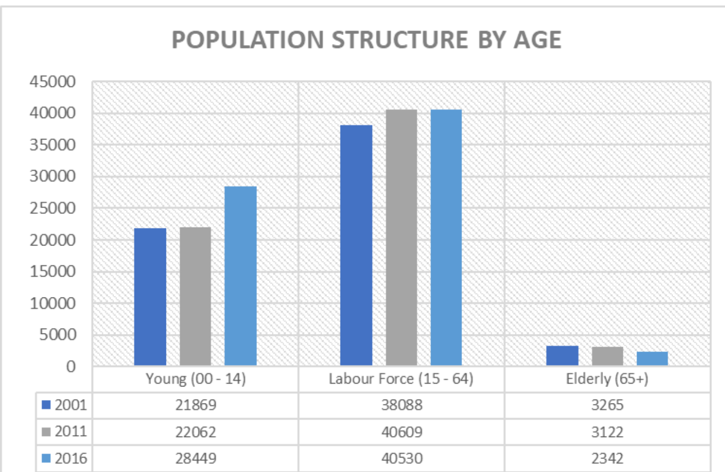


Gross Value Added by Region (Broad Economic Sector)										
Year	**Agriculture**	**Mining**	**Manufacturing**	**Electricity**	**Construction**	**Trade**	**Transport**	**Finance**	**Community services**	**Total Industries**
2010	1,9%	12,4%	7,2%	1,7%	2,1%	6,7%	1,5%	3,4%	1,7%	**3,3%**
2011	9,0%	-2,7%	1,3%	-3,1%	-0,6%	4,0%	1,9%	4,2%	1,9%	**3,6%**
2012	4,2%	-3,2%	4,1%	1,4%	4,7%	6,1%	4,7%	4,2%	5,0%	**4,6%**
2013	4,8%	11,7%	1,8%	-1,7%	5,7%	2,5%	3,8%	3,6%	4,1%	**3,6%**
2014	12,1%	17,2%	0,0%	-2,8%	1,5%	1,4%	2,7%	1,8%	3,3%	**4,2%**
2015	-5,8%	3,7%	0,0%	-5,9%	0,9%	1,7%	2,3%	2,0%	1,2%	**-0,4%**
2016	-6,9%	-2,6%	0,0%	-4,8%	0,7%	1,6%	1,2%	0,3%	1,5%	**-0,9%**
2017	25,8%	-3,1%	0,5%	0,2%	-5,9%	-1,6%	1,2%	2,8%	1,1%	**5,6%**
2018	1,4%	-16,9%	2,8%	1,8%	-1,6%	2,4%	5,0%	2,8%	1,2%	**1,9%**
2019	-4,2%	-17,5%	0,7%	-3,4%	-1,9%	1,0%	0,7%	2,5%	2,9%	**0,0%**
2020	9,5%	-28,9%	-11,9%	-8,6%	-20,9%	-12,5%	-16,3%	-1,7%	-2,4%	**-4,1%**
2021*	3,4%	11,7%	5,2%	8,9%	-1,3%	5,9%	4,1%	4,8%	1,3%	**3,5%**

3. 17. 5.2. Employment

The figure below presents that formal employment of the population of Richmond is concentrated in the wholesale and retail trade sector which provides 23.4% of the Municipal jobs. Other key sectors that provide jobs in the Municipality include community, social and personal services; finance, insurance, real estate and business services; as well as the general government services. This economic imbalance denies people access to job opportunities and rural migration is an immediate result. In order to survive, people may decide to move to other areas such as Pietermaritzburg and Durban in search of jobs and money.

Figure 7. sectoral contribution to Employments by Age



3. 17. 5.3. Agriculture

Agriculture is one of the main economic activities within the municipality, it is the dominant land use in the municipal area in the form of commercial farming and contributes significantly to local employment. Richmond is spatially located along a secondary agricultural corridor which serves areas of high poverty levels with good economic development potential. It forms part of the Greater Pietermaritzburg Economic Region. Is primarily a monoculture agricultural community, crop cultivation, poultry faming, citrus production, sugar cane farming and dairy and beef are the main primary agricultural operations which also present opportunities for agri-processing and beneficiation along the entire value chain, however this potential is not realised within the agricultural sector.

Commercial farming has a significant impact on the economy with subsistence farming occurring in most of the peri-urban and rural/tribal settlements in the form of cattle, vegetables, grain, fruit, soya beans, other livestock, etc.

Agriculture is inextricably linked to land and access to land. Land reform programmes are seen as providing an opportunity for the inclusion of previously disadvantaged groups in agriculture and therefore the opportunity for local economic development and job creation.

Key factors impacting on agriculture:

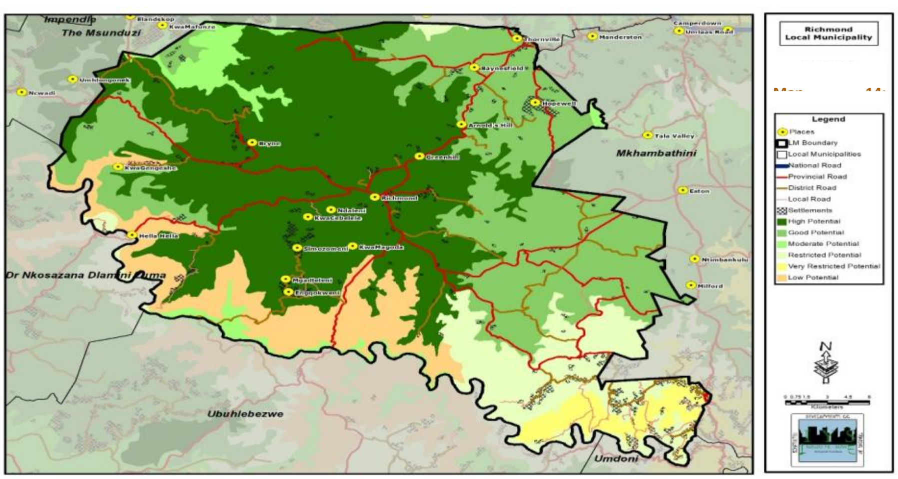
Climate change presents on-going challenges to the agrarian economy.

Currently, an exact number of emerging farmers has not been quantified, however the current issues faced include lack of land for agro-processing, skills development, lack of access to formal markets, minimal assistance from the municipality, shortage of water, lack of storage facilities, lack of security (stolen goods), no financial incentive, no feedback from sector departments where funding applications are submitted.

The following provides existing challenges facing agriculture and the mitigating strategies engaged by the Municipality:

Challenge	Mitigating Strategy
High cost of hiring skilled agricultural labour	Through implementation of CWP and EPWP the Municipality is providing for participant to assist. Training is being afforded to unskilled community members. The eventual intention is to partner with existing industry to meet part of the labour cost.
Limited access to funding especially for small scale / emerging farmers	The LED Unit currently serves as a Business Service Centre with the currently built Business Incubation Centre to assists in the formulation, screening and submission of Business Plans for emerging enterprise. The implementation of the Farmer Production Support Unit will alleviate challenges in respect to the manner and opportunities available. The COVID 19 relief packages applied on behalf of emerging farmers also play a vital role.
Limited value adding	Processing will be addressed through partnerships with existing industry and in line with the establishment of the FPSU – processing, market intelligence, etc will be addressed.

Map 8. Key Agricultural Activities



3. 17. 5.4. AGRIPARK CONCEPT – RICHMOND FARMER PRODUCTION SUPPORT UNIT (FPSU)

One of the government's main priorities are to eradicate poverty and although government has enrolled several programmes, none of them had the success rate that was expected. This is due to weak coordination and packages that did not integrate with local priorities.

3. 17. 5.3. **AGRIPARK CONCEPT – RICHMOND FARMER PRODUCTION SUPPORT UNIT (FPSU)**

One of the government's main priorities are to eradicate poverty and although government has enrolled several programmes, none of them had the success rate that was expected. This is due to weak coordination and packages that did not integrate with local priorities.

The Agri-Park concept can be perceived as an integrated approach of both collective farming efforts and farmer incubation programmes, while contributing to land conservation and preservation. The initiative can be described as a similar model as that of a traditional agricultural business park or hub, where several owners and tenants with a range of enterprises are under one management structure. An essential part of the Agri-Park model is the social mobilisation component, to actively support the small holder farmers and Agri- business entrepreneurs. The model would also strengthen partnerships between government spheres, the private sector and civil society.

The Agri-Park programme forms part of the 2011 Green Paper on Land Reform, which lead to the review of all land reform policies undertaken by the Government and which approach will include several services such as educating producers, supplying the required inputs to produce on a larger scale and will also result in several employment opportunities. In addition, inactive producers will have the opportunity to start producing once more due to several inputs that can be acquired, while state land will also be brought into use for both production and processing.

The Agri-Parks Project seeks to achieve a rural economic development through an all-inclusive approach to development by developing agricultural value chains that are linked nationally. The project will also be able to address issues of employment, skills development, and productivity of land

3. 17. 5.3. 1. **RICHMOND FARMER PRODUCTION SUPPORT CENTRE (FPSU)**

It is important to note that in regard to Richmond FPSU the model differs slightly from the general or most – in the Richmond instance, the FPSU is not a specific site but is rather a geographic area as presented in the map below.

Map 14.

The stimulus of the Richmond model is to build on which is already in existence so as to sustain operations, expand activities to create work opportunities and increase agricultural potential with the aim of attracting investment and growth into the area thereby increasing work opportunities in line with the services sector of the economy.

Key stakeholders in existence that motivated the choice of Atherstone site include the following:

TRUFRUIT JUICE MANUFACTURERS: Located directly across the R56, TruFruit Manufacturers manufacture, package and distribute juice for various brands which is responsible for sourcing raw materials. At present, raw materials are not sourced locally; however, the opportunity exists to create a market to supply the raw materials to TruFuit.

BAYNESFIELD ESTATE: Approximately 5kms from Atherstone site, Baynesfield Estate has a large agricultural concern operated by the company, Joseph Baynes Estate (Pty) Ltd. The company employs over one hundred permanent employees and farms a large diversified operation of approximately 3,600ha. The Estate also employs a large number of seasonal workers during peak production harvest times.

Activities include: Avocados, Pigs, Beef Cattle, Cane and Grains (Maize and Soya Bean). A large portion of the Estate is leased to NCT Farming for timber by the Timber Trust.

Baynesfield Estate, together with The South African Pork Producers Organisation (SAPPO) are the shareholders of the Baynesfield Training Academy which runs a 100-sow unit. This operation is used for the practical training of students wishing to improve their skills in piggery management and as such substantial investments in the upgrading of the existing piggery buildings has been made. The courses are aimed at emerging farmers. SAPPO has allocated funds for training subsidies to needy learners.

ZAKHE AGRICULTURAL COLLEGE: Zakhe Agricultural College is situated on Baynesfield Estate and is aimed at teaching young black farmers and agriculturists who, by the time they matriculate from the college, are equipped with the practical experience of having been exposed to agriculture from an early age and to ensure that properly trained black farmers would be ready to take up the challenge of agricultural land reform projects. The College assists in outreach programmes into the neighbouring communities and intends to expand its curricula to include girls.

GATEWAY HOLDING: Activities at the Gateway Holding include packaging of sub-tropical fruit mainly avocados, bananas, papaya and some citrus destined to supermarkets; canning factory: contract packs non-alcoholic beverages for leading brands and Includes, but not limited to – ice tea, tomato cocktail and energy drinks.

3. 17. 5.3. 2. **PROJECT/ PROGRAMME INTEVENTIONS (Agriculture)**

3. 17. 5.3.2.1. PROGRAMME 1 – RASET- INPUTS AND IMPLEMENTS TO COOPERATIVES/EMERGING FARMERS

Following a RLM, DARD and DRDLR assessment of cooperatives/projects in the Richmond area, an additional of 20 cooperatives/ small farmers have been targeted for immediate assistance and to be included on the RASET programme championed by UMgungundlovu Economic Development Agency. RASET Program supported 10 farmers with 15 000 butternut seedlings, 10 000 cabbage seedlings, 1500 green pepper as well as 10 bags of fertilizer in the 2020/2022 financial year. The RASET program also provided business management training to five co-operatives. There were five members selected from each cooperative. Training covered all aspect of business management which included record keeping etc. LED Unit provided UMEDA with list of 22 farmers that require fencing as well as database of local farmers for further assistance.

The LED unit is also planning to convert the retail market into an agro- processing unit, which has huge potential in being successful. Deputy minister Chikunga from DPSA visited the facility in December 2020 and has promised to provide financial assistance in getting the facility to be operational. Two farmers have used the Retail Market cold room in storing their produce for the market.

Project :	Stakeholders
LED unit assisted farmers with local market such as SPAR and Boxer. So far 835 bunches of spinach and 299 cabbages have been supplied to both supermarkets and a total income of R6453 was made.	Spar, Boxer, TKZN

Trade and Industry KZN (TIKZN) visited two farmers in Richmond. One was a poultry farmer and the other a vegetable farmer. These farmers have huge potential to be commercial farmers and need financial support to further expand their business. TIKZN has promised to assist in helping these projects in sourcing funding

3. 17. 5.3.2.2. PROGRAMME 2 – PARTNERSHIPS WITH LOCAL MARKES AND TKZN (2020/2021 ONGOING)

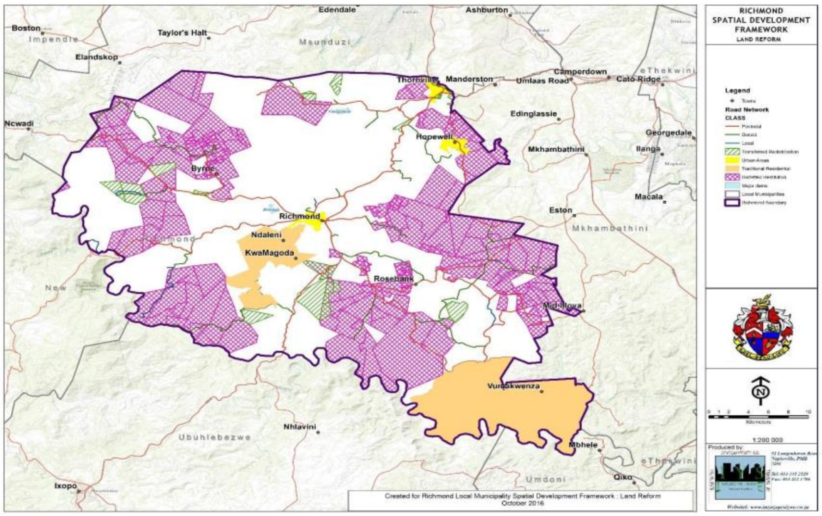
Project :	Stakeholders
LED unit assisted farmers with local market such as SPAR and Boxer. So far 835 bunches of spinach and 299 cabbages have been supplied to both supermarkets and a total income of R6453 was made.	Spar, Boxer, TKZN

Trade and Industry KZN (TIKZN) visited two farmers in Richmond. One was a poultry farmer and the other a vegetable farmer. These farmers have huge potential to be commercial farmers and need financial support to further expand their business. TIKZN has promised to assist in helping these projects in sourcing funding

3. 17. 5.3.2.3. PROGRAMME 3 – RE-ESTABLISHMENT OF AGRICULTURAL FORUM

Richmond Municipality has re-established the Agricultural Forum with participation of stakeholders from sector departments, SAPPI, local businesses etc. The purpose of the forum is to align all Richmond agricultural activities in order to avoid servicing of the same people. The forum seats quarterly.

3. 17 .5 .4 TIMBER/ LAND REFORM



In terms of land restitution, a total of 66 claims were originally lodged with DLA. This was subsequently consolidated into 42 claims and 3 of the claims were non-compliant. To date 4 claims have been gazetted and 1 claim has been settled and finalized. The claim settled relates to the Emashosheni community. A total of 2073ha was restored to 76 households for farming purposes.

The municipal area also consists of significant forestry plantations which in part are owned by the private medium scale farmer, corporate organisations, community based and the Municipality owning approximately 458ha. Forestry provides economic opportunities for value adding industries such as furniture manufacturing, doors. In 2019 illegal activities were undertaken in the plantation which involved timber theft and fire resulting in the municipality loosing income from the plantation. However, as the municipal long term investment strategy the municipality is currently looking at different interventions for the plantation to grow back to its original state and the following interventions are currently undertaken. The municipality is in a process of appointing an independent service provider who will do a due diligence on the plantation and provide the municipality with a comprehensive report on possible opportunities at the plantation.

3. 17. 5. 4. 1. **PROJECT/ PROGRAMME INTEVENTIONS (Agriculture)**

3. 17. 5. 4. 1. 1. PROGRAMME 1 – PARTNERSHIP WITH TIMBER OWNERS

Project	Stakeholders	Intention
Business Enterprise	SAPPI, MONDI, NCT, Communal Land Owners, Private Land Owners	Currently the municipality is in a process of looking for private medium scale farmer, corporate organisations, local SMME to manage municipal plantation as means of giving opportunities to locals and increase

		accessibility of Black owned SMME's to access work opportunities through felling, agriculture, harvesting, logistics.66
Establish a Multi-stakeholder Forum (to coordinate land related programmes)	Association for Rural Advancement, Community Development Workers, Dept. of labour, Farmers Association	Develop Database of Land Owners Access funding through AFRA especially for farm dwellers/ farm workers Improve research on farm dwellers and initiate Land Rights and policy research programmes
Formulate plantation Strategy	Richmond Municipality, UMDM, UMEDA	To indicate short and long term vision of the municipality and indicate future plans of the plantation.

3. 17. 5. 5. INFORMAL ECONOMY

The existing **Informal Economy Policy** contextualises the Municipality's obligations to assist the Informal Economy by the provision of mentoring and incubation as a means to strengthen their capacity to survive a volatile economy. The following presents Councils approach:

- *Economic Principles:*

- Linking the development and growth of trading areas to commercial zones in order to create viably active businesses that are mutually beneficial to informal and formal economy

- Provision of access to funding, business plan formulation, skills development and capacity building

- Provision to reasonably costed SMME / Informal Economy Units within the central business district thereby addressing accessibility and visibility to passing trade, tourists and general public

- *Social Principles:*

- Promotion of equity by targeting government funding to the poorer parts of CBD and holistically

- Applying public and private investment as a means to redress spatial inequity

- Provision of infrastructure as an opportunity to improve general environmental conditions

- Provision of basic services such as water, refuse collection, sanitation, etc

- Spatial Principles:

Developing areas that have the most significant impact on the largest number of people

Provision of suitable trading areas

Provision of infrastructure dependent on demand

- *Good Governance Principles:*

In line with the term of office of Council, Local Informal Economy Chambers (LIEC) are established to represent the entire municipal jurisdiction and include representation from street trading; transport; mobile trading; special events; car washers; hairdressers; Traditional Healers; Livestock trading; roadside motor mechanics.

The Chairperson of the LIEC together with an official from the LED Unit represent the Municipality and the interests of its informal economy at the District Informal Economy Chamber. Richmond currently co-chairs the DIEC with the IE of Umngeni Municipality. In-turn, DIEC elects a representative to the Provincial Informal Economy Chamber to represent and address DIEC issues at a Provincial level – uMDM is represented by Richmond.

- *Conducive Regulatory Environment:*

Notwithstanding the fact that **Informal Economy Bylaws** have been promulgated the Municipality, the Local Economic Development Unit together with the Protection Services Department (enforcement of Bylaws) constantly attempts to ensure compliance with Bylaws without being too stringent. The municipality has designated areas for street trading, permits are issued and renewed on annual basis. However, there are challenges with law enforcement, as some street vendors are not willing to comply with street trading bylaws and not willing to trade in these designated trading areas.

3. 17. 5. 5. 1. PROJECT / PROGRAMME INTEVENTIONS

3. 17. 5. 5. 1. 1. PROGRAMME 1: ACCESS TO INFRASTRUCTURE NEEDS

Financial Year	Details	Budget / Expenditure	Status
2021/2022	Provision of additional informal trader stalls and rehabilitation of existing stalls that were looted in July 2021.	Assessment to be done.	The municipality has since applied to EDTEA and awaiting response.

3. 17. 5. 5. 2PROGRAMME 2: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Financial Year	Details	Budget / Expenditure	Modules	Status
2021/2022	20 participants were trained on: Hoe To Start Your Business	Nil (partnership with NYDA)	The Start and Improve Your Business Programme of the International	Training complete

			Labour Organisation	
2021/2022	20 SMMEs were trained on hydroponics and 20 were trained on maize production.	Agri- business Development Agency (ADA)	Hydroponics Maize Production	Training Complete
2021/2022	Training on Business management and marketing- 40 beneficiaries	Small Enterprise Development Agency-SEDA	Business Management	Training Complete

3. 17. 5. 5. 1. 3. PROGRAMME 3: ACCESS TO FINANCE – PARTNERSHIP WITH DEPARTMENT OF SMALL BUSINESS AND DEVELOPMENT (DSBD),SEDA AND EDTEA (COVID 19 AND UNREST RELIEF PACKAGES)

The Richmond municipality-LED Unit has applied to The Department of Small Business Development through SEDA for the informal traders COVID 19 relief Scheme. The TREP Programme is structured into 4 schemes which are spaza-shop support programme, clothing, leather & textiles support programme, small-Scale Bakeries and confectionaries support program and auto body repairers and mechanics support programme. The scheme was aimed at supporting informal businesses that were affected by the lockdown especially tuck-shops and those selling fruits and vegetables.

The total funding for the spaza shop support programme is R7000.00 which is divided into two: R3500 which is non-repayable working capital and R3500 is supplier credit guarantee. Eight (8) applications were approved from Richmond trading in the surrounding areas of Richmond and in the CBD

In addition, DSBD through EDTEA partnered with Nedbank to provide more relief funding for informal traders, 150 applications were submitted and approved for R3000 once-off funding

3. 17. 5. 6. SMME'S (Small medium and micro Enterprise)

The small business sector plays a crucial role in the national economy with SMME's being considered as one of the major sources for employment creation and community growth. As identified in National Small Business Act, No. 102 of 1996, "small business" means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy and which can be classified as a micro-, a very small, a small or a medium enterprise.

The SMME sector in the Richmond Municipality includes wholesalers and retail traders with the majority of businesses concentrated in the town of Richmond as a result of the strategic location of town at the intersection of a number of main roads.

The LED Unit has an SMME database that is updated monthly, since the LED Unit staff is skilled to assist SMME s with company and cooperatives registration, this also assist with the needs identification of SMMEs because once the entity has fully registered LED Unit undertake skills and need audit to all registered entities for the quarter. Thus providing necessary trainings and link SMMEs with other departments for funding.

The following are listed as the challenges facing SMME's which have been encapsulated, for response in various policy documents. A summary is presented hereunder:

Challenge	Mitigating Strategy
Access to finance	Provided for through partnerships with ABSA, ADA, SEDA, Department of Small Business and Development, NYDA, DTI, etc
Access to maekrts	LED-Unit has partnered with Spar and Boxer for local farmers to sell produce to them
Clean the town and make it look attractive	Addressed through the implementation of the Expanded Public Works Programme and Community Works Programme – Programmes include: Street Cleansing and Beautification,
Access to skills	Partnerships exist with ABSA and Imaan Consulting to provide FREE business and financial management training programmes
Motivate and encourage the community to buy local	The expected development of the Small Business Incubation Centre will further address short falls experienced by this sector.
Easier access to business license	Business Licensing Policy provides for 21day turn-around time from the receipt of a fully completed application form with reminders distributed before the end of December each year
Lower rental fees for business premises	Addressed through the Municipality's Informal Economy Allocations Policy
Provide spaces and parking	

3. 17. 5. 6. 1. PROJECT/ PROGRAMME INTEVENTIONS

3. 17. 5. 6. 1. 1. PROGRAMME 1: SUBCONTRACTING OF LOCAL CONTRACTORS THROUGH IMPLEMENTATION OF CAPITAL PROJECTS

Through the implementation of Capital Projects funded by the Municipality, the following Conditions of Tender are mandatory:

Condition of Tender	Expected Outcome
The conditions of tender (2021/2022) currently provide for 20% of actual work to be subcontracted to local contractors. This is done through subcontracting SMME database which is separate from the municipal database and is developed through the LED Unit. It is also achieved by employing local people and sourcing of materially locally.	To allow for the strengthening of the company in terms of experience and to allow for an increase in the CIDB Rating. Provide for an increase in work opportunities to be created. i.e. apart from unskilled labour engaged by main contractor, the sub-contracted is also expected to engage locally unemployed persons to implement sub-contract.
Procurement of materials, tools and equipment	Dependent on economies of scale, all materials, tools and equipment is to be sourced locally. The Municipality also applies concessions to allow for credit facilities to allow for local procurement.
Plant and Equipment	Dependent on value for money, all plant and equipment not owned by main contractor must be sourced locally

3. 17. 5. 6. 1. 2. PROGRAMME 2: PARTNERSHIPS WITH EXISTING ENTERPRISE

Initiative	Expected Outcome
Partnerships between Existing and Emerging Enterprise	Skills and Capacity Building, Access to markets. Strengthen capacity of emerging business SPECIFIC PROJECT: Partnership with Spar and Boxer for local emerging farmers to sell produce to them for sustainable markets.

3. 17. 5. 6. 1. 3. PROGRAMME 3: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Fiancial Year	Details of Training	Budget/ Expenditure	Modules	Status

2021/2022	30 Participants will be trained on General Forestry	RLM-LED Operational budget	Apply fertilizer before and after planting. Apply herbicides to noxious weeds. Apply pesticides before or after planting. Clear plantation waste by burning.	Training to commence in April.

3. 17. 5. 6. 1. 4. PROGRAMME 4: MUNICIPAL INTERVENTIONS ONGREEN ECONOMY SECTOR

Financial Year	Initiative	Outcomes
2020/2021	Recycling Project-Cooperative in recycling	Individuals females have been assisted with registration and a place to operate their recycling business at the landfill site.
2021/2022		Female owned Cooperative in recycling in Nhlazuka who received funding of material through The National Department of Rural Development and Land Reform

3. 17. 5. 7. Tourism

Richmond has the potential to become the destination of choice for tourists to KwaZulu-Natal and South Africa, especially for those tourists who desire the country ambience. The warm temperatures, summer rainfall, scenic beauty and environmental significance of the area make the climate excellent for tourism in Richmond Municipality. The area is sometimes described as the Drakensberg escarpment containing a number of scenic attractions and unique experiences that require establishment and aggressive marketing. Apart from agriculture and other development initiatives, tourism can also play a pivotal role in the advancement of communities. LED Unit has a comprehensive tourism establishment database will also be included in the Midlands Meander database.

Current tourism challenges:

- Uncoordinated approach to tourism potential which results in tourist expectations not being met;
- Services, accommodation, political and historical significance of town, African cultural villages, adventure activities are not properly established and marketed; and
- Unappealing state of the town and limited peaceful development.

3. 17. 5. 7. 1. PROJECT/ PROGRAMME INTEVENTIONS

3. 17. 5. 7. 1. 1. PROGRAMME 1: SUBCONTRACTING OF LOCAL CONTRACTORS THROUGH IMPLEMENTATION OF CAPITAL PROJECTS

Activity	Development of TOURISM AND PROJECT BROCHURE
Cost Implication	R 50 000 (LED Unit to use marketing and branding budget from communications Unit).
Expected Outcome:	DEVELOPMENT OF PROJECT PACKAGES AS FOLLOWS:
	Adventure Tourism: Mountain biking; Quad biking (Thornville), White Water River rafting, tubing and canoeing (Umkomaas River), Photography (throughout Richmond), Hiking and abseiling (Hela Hela), Fishing (throughout), 4x4 trails (Byrne); and Horseback riding (Baynesfield).
	Provincial and National Sporting destination: Richmond is already home to the following Provincial and National activities and it is the intention to expand and promote the activities: • Mud Man Challenge • Provincial and National Polo Crosse Championships • Off Road Racing (Cycling, Motor Bike and Motorised) • Provincial Cricket Championships With the establishment of the Multi-Purpose Sports Complex (R15m) the intention is to also attract the hosting of the SALGA Games on a District Level, the construction is complete and the facility is operational.
	Avi-Tourism: There exists the potential to develop this type of activity given that the endangered Blue Swallow exists in the area and in addition, High over Nature Reserve is a national nature reserve with endangered species to be enjoyed.

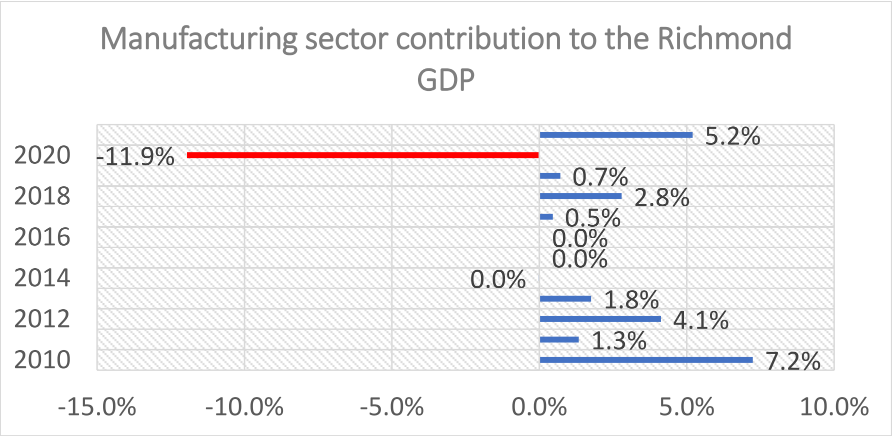
Expected Outcome:	DEVELOPMENT OF PROJECT PACKAGES AS FOLLOWS (continued)
	Agri-Tourism: This type of activity describes the act of visiting a working farm or any agricultural, horticultural or agribusiness operation to enjoy, be educated or be involved in activities. Examples include farm tours for families and schoolchildren, day camps, hands-on chores, self-harvesting of produce, hay or sleigh rides, and overnight stays in a bed and breakfast. Richmond actively responds to these types of activities due to the existence of timber plantations, dairy farms, crop farms and sugar plantations can provide a basis for Agri-tourism. The following will be suggested in this regard:

	• Mobilise farmers in support of the tourism industry, especially to make them aware of the potential of Agri-tourism; • Identification and support of Agri-tourism projects, for instance visiting local dairies or plantations; • Packaging educational tours to some of these operations for different groups, e.g. school groups, tour groups, individuals etc in partnership with Roselands Adventure centre
	Cultural Heritage Tourism: During 219/2020 financial year, Richmond Municipality hosted a Commemoration of Heritage Day which the LED Unit plans to be an annual event where Heroes and Heroines are honoured and the history of Richmond is shared. The event takes place in September of each year. Richmond provides the following strengths that when packaged correctly will serve as a strong draw card: ✓ Bambata Rebellion Burial Site ✓ Burial ground of Nobhiyane (King Shaka's Sangoma) ✓ Herbert and Cecil J Rhodes cotton farm in Inhlavini Valley ✓ Byrne Village (cultural heritage) ✓ Richmond-Byrne and District Museum ✓ Joseph Baynes Museum (Baynesfield)

3. 17. 5. 7. 1. 2. PROGRAMME 2: ESTABLSIHMENT OF COMMUNITY TOURISM ORGANISATION

Activity	Cost Implications	Expected Outcome
Re-Establishment of Community Tourism Organisation has been successfully done with assistance of PMB tourism and EDTEA.	None	-To drive tourism sector of Richmond - In 2021 the CTO also launched RAW (READERS AND WRITERS) Book Club to promote reading and writing in Richmond -To have relationship with the municipality and for the municipality to address all tourism related challenges in a formal structure. -To access funding for tourism related projects to other stakeholders Tourism stakeholders also launched RAW (READERS AND WRITERS) Book Club to promote reading and writing in Richmond

3. 17. 5. 8. Manufacturing



The manufacturing sector is regarded as the competitive advantage of Richmond due to its opportunities that exist in expanding in value-adding so as to realise the full economic potential that can be derived from this sector. The manufacturing sector has an opportunity to create employment through the biofuels, sewing, wood and wood products, honey production, and bricks and blocks manufacturing. Manufacturing activities contributes about 0.7% to the GDP in 2019, decreased by 11.9% in 2020 due to the Covid 19 pandemic and estimated to contribute 5.2% in 2021

Manufacturing is among the major sectors in the Richmond economy and as per the agricultural sector, manufacturing in Richmond Municipality is polarised between highly developed manufacturing enterprises and subsistence manufacturers. Manufacturing in the form of timber processing is significant with big companies such as NCT Forest, Sappi and Mondi dominating the area. However, apart from the aforementioned large manufacturing companies, other manufacturing businesses of the small scale variety include among others the brick and block manufacturing.

Richmond has a number of local black economic empowerment (BEE) companies that manufacture bricks and blocks. These companies use the sand and water from the nearby river. The concrete is compacted into the moulds by hand-compaction to manufacture bricks and blocks. The targeted market is the building of government houses, as well as community and other type of building.

Specific projects:

- The municipality has also trained local youth in shoe making by using animal skin/leather at Indaleni Skills Centre and the municipality is currently assisting this local youth to formalise themselves so as to be independent and create more job opportunities.
- The municipality has also provided a youth cooperative in ward 3 with operating space at the Incubation Centre facility to manufacture a tissue/toilet, storage as well as office space at an affordable rental fee.

3. 17. 6. Local Economic Development- SWOT Analysis

STRENGTHS

- **Most areas are good arable land**
- **Richmond has the Ndaleni skills Development Centre which produce skilled and capable workforce to support inclusive growth**
- **Spatial development framework and the land use management plan are in place with the whole area of Richmond. These tools are important for direction and management of decision making towards sustainable development.**
- **Close proximity to R56 corridor joining Pietermaritzburg and Ixopo making it easy for Richmond to transport/trade with these cities.**
- **Availability of services such as the police station, clinics, and community library.**
- **Good climatic conditions support agriculture and tourism**
- **Settled land claims allowing for the developed of increased land area**
- **Developed agricultural sector incl processing allows for increased employment opportunities**

WEAKNESS

- History of Richmond continues to provide economic disadvantage which should be capitalised on for tourism
- Preservation and maintenance of municipal facilities and heritage sites
- Lack of promotion and enhancement of tourism sector.
- High level of unemployment and low income levels limit buying power (circulation of economy)
- Poor Revenue Enhancement and management.
- Richmond is a very small rural dominantly municipality with limited private development taking place within it.
- Most of the land is privately owned which may limits the pace at which the state can deliver the public facilities since the land acquisition processes may sometimes be time consuming.
- Capacity and skills amongst stuff to enhance excellence performance
- Grant dependent for infrastructure
- Lack of incentives to attract investors or developers.
- Local SMME are not geared to take advantage of the emerging business and tender opportunities offered
- Issue of water resources in the municipality
- Limited decent shelter and accommodation
- Backlogs in basic service delivery including the provision of sports and recreational facilities to address social challenges
- Environmentally sustainable agricultural practices, limited access to funding and skills shortages in the agricultural sector
- ICT sector faced with network problems and difficulty of accessing electricity

- Large proportion of Municipality is rural, with little social and physical infrastructure – many of the roads in the rural areas are in a poor condition and need to be upgraded

OPPORTUNITIES

- **The land claims (restitution) have progressed very well, and this provides opportunities for agrarian reform to create employment and alleviate poverty.**
- **Municipal employees are going under training and skills development (e.g., MFMA training).**
- **Ongoing housing projects such as the Siyathuthuka phase 2 and all other projects listed in an IDP**
- **Young energetic human capital**
- **There are opportunities for agro-processing of the local agricultural product.**
- **Desire for development and an identified site for agro-processing**
- **Expansion of manufacturing sector due to large availability of primary agricultural products**
- **Age distribution shows predominance of young people who if given access to skills development and capacity building will be capable of developing the area**
- **Development of housing / human shelter needs to address high volume of "back-yard" living**
- **High Toursim potential**

THREATS

- The overreliance on timber plantation poses a threat to the long-term sustainability of the local economy.
- The slow pace of the land restitution is a threat to the development and sustainability of local agriculture.
- There is very little circulation of money within the municipal boundaries
- The rate of unemployment, poverty and inequality are unacceptably high
- The number of young people entering the labour market places a large burden to provide for long-term economically sustainable activities
- Unstable water and electricity supply affects investor confidence and places strain on SMME's, especially in the rural areas
- Environmental degradation continues at alarming rates which, if left unattended, will affect agricultural potential and livestock management
- Business and skills exodus needs to be immediately addressed by implementing investor attraction
- HIV/AIDS, crime and domestic violence are among the social threats. There is a perception that crime in Richmond is very high. HIV/AIDS rates are high and the impact of the epidemic on the economy is that it will result in the early deaths of young, skilled and semi-skilled workers resulting in increased operating and training costs as well as reduced overall productivity

3. 17. 6. 1. STRATEGIC / CATALYTIC PROJECTS RESPONSIVE TO SWOT AND COMPARATIVE AND COMPETITIVE ADVANTAGE

The following table presents the **CATALYTIC PROJECTS** which will be championed for implementation. Further information is provided in the Local Growth and Development Strategy.

	PROPOSED PROJECT	SUB-PROJECTS	Expected WO's
CP1	THORNVILLE / BAYNESFIELD AND HOPEWELL INDUSTRIAL DEVELOPMENT	CP1.1 FARMER PRODUCTION SUPPORT UNIT (FPSU) – responsive to Agri-Park Concept: Actual Site: Atherstone Farm to serve as logistics hub for municipal wide operations and establishment of Agri-processing including juicing plant (funded by ADA); Linkages - Baynesfield Estate – Maize Silo – yellow maize and existing abattoir, Gateway Holdings, privately owned chicken hatchery and Rainbow chickens, Tru-Fruit – currently only bottling with establishment of Agri-processing and juicing to feed Tru-Fruit, Katope – produce packaging	30
		CP 1.2: MANUFACTURING OF SHOE, WOOD/FURNITURE AND SEWING UNIFORM: In addressing the issue of covid 19 and job loss, Thornville area as an industrial node, to construct manufacturing firm which can accommodate students from TVET College with different skills on shoe making, furniture making, and sewing.	10
		CP 1.3 MANUFACTURING OF TOILET PAPER- youth cooperative in Hopewell which received training and funding from The Department of Rural Development and Land Reform to establish a manufacturing firm to manufacture toilet paper to address issues of job creation and inequality. The incubation centre facility will provide trading space at an affordable rental price for a period of 2 years.	10
		CP 1.4: BUSINESS ENTERPRISE: Petrol Station – rehabilitation and expansion; Thornville Hotel – assess to retain as current activity, convert to conference facility, training centre	8
CP2	R56 TOURISM	CP 2.1 TOURISM Development of route from Midlands Meander to Eastern Cape – intention for Province to lead	10

	AND INVESTMENT ROUTE	**CP 2.2 DEVELOPMNT OF A MALL** Development of a Mall and a Private Hospital along R56 to create more job opportunities and attracts investment in Richmond **CP 2.3 STREETS LIGHTS** Installation of solar street lights in all entrance points of Richmond to address issues of crime during dark nights and also for visibility of Richmond as a whole thus improving more people coming to Richmond for different services and also improve investments.	200 50
CP3	AGRICULTURE AND FORESTRY	**CP 3.1 LIVESTOCK AUCTION AND FEED FACILITY-** To have a fully-fledged and functional livestock auction and feed facility which will cater for the local farmers. Thus both the farmers and Richmond Municipality management benefit **CP 3.2 RICHMOND COMMONAGE PLANTATION-** Plantation which comprises of 538ha, needs a service provider to lease the plantation thus creating more jobs by subcontracting for roads, security, silviculture etc.	10 15
CP4	EXPANSION OF TOWN-INFORMAL TRADING	**CP 4.1 CONSTRUCTION OF INFORMAL TRADERS STALLS-** The expansion of the town involves construction of long distance rank with informal traders' stalls as a result services will not be limited in one space but the town will expand and people will have more opportunities.	30

3. 17. 6. 2. ECONOMIC PROJECTS AND JOB CREATION

Year	Economic Activity	Estimated no. of jobs to be created	
		Temporal	Permanent
2022	Organic Food Production	40	20
	Timber And Wood Processing	30	50
	Intensive Farming	-	20
	Sugarcane production	-	50
	Agro processing of agricultural products	-	30
	Waste Tyre Recycled Products	5	20
	Brick and Block Manufacturing	-	30
	Construction of wood Products	10	30
	Revitalization of Town of Richmond	30	50

Year	Economic Activity	Estimated no. of jobs to be created	
		Temporal	Permanent
	Intervening in the Retail Services Value Chain Development	10	30
	Green Products and Services	10	20
	Infrastructure development: electrification	30	-
	Infrastructure development for Second Economy	20	-
2023	Development of Hides and Leather Products	100	60
	Development of Bone and horn Products	10	20
	Crush Stone and Rock Products	-	10
	Establish Agro-tourism products	-	10
	Tourism value chain	5	10
	Establishment Of Tourism Office (CTO) And Officer	-	5
	Expanded Public Work Programme (EPWP)	60	-
2024	Establishment of cultural heritage and community-based tourism	100	50
	Establishment of Eco-Tourism Products	-	10
	Establishment of Adventure Tourism Products	20	20
	Development of Richmond Commonage	10	-
	Establishment of Small Business Incubation Centre	20	20
2025	Specialized Manufacturing: Biofuel and Timber Production	30	20
	Construction of storage for transportation, storage, and communication sector	50	-
2026	Development of a regional Industrial Park	50	30
	Development along R56	TBD	TBD
	Farmer Production Support Unit (FPSU) – Responsive to Agri Park Concept	20	50
TOTAL		660	663

3. 17. 6. 3. INVESTMENT ATTRACTION, BUSINESS EXPANSION AND RETENTION

In anticipated adoption of the uMgungundlovu Investment Promotion and Facilitation Strategy, the Municipality has extracted and formulated the Strategic Framework responsive to the initiatives to be undertaken to enable the attraction of investment, expansion and retention of existing businesses as well as aftercare activities. The municipality has not developed the Investment Attraction, Business expansion and Retention strategy but hoping to develop one in during the 2022/2023 as funding will need to be sourced for the development of it.

3. 17. 2. Social Development Analysis

3. 17. 2. 1. Broad Based Community Needs

Public participation meetings for each of the municipal wards of Richmond municipality were held during the month of February 2022. During the meetings the community members of each ward were given the opportunity to raise issues and needs that they need addressed by the municipality. (Project list attached as annexure)

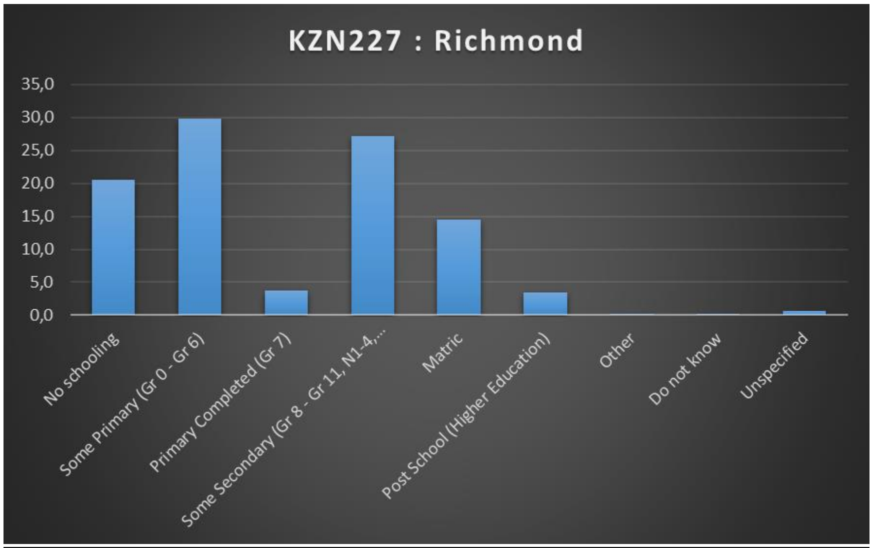
Participation, engagement & democracy allows for the communities to form part of the planning processes thereby allowing them to express their values and desires. This allows for public policy instigators to note the public values and desires and ensure that they are expression in plans and policies.

3. 17. 2. 2. Education

Education levels have a major bearing on the quality of life. The inability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills, to be trained and developed.

The Richmond Municipality has intervened on the poor matric pass rate in the area of Richmond. The Municipal Mayor has identified a matric programme to boost the percentage of the matric pass rate, he personally paid a visit to all the schools around in Richmond and assessed on how pupils are being taught and the conditions of the classes, material available and the capacity of staff available. Thereafter held a principal's forum meeting in three different circuits (Mkhambathini, Richmond and Msunduzi Circuit) to find a way forward to further assist with future education of young pupil of Richmond.

Figure 7. Education Levels



Source: Stats SA: Community Survey 2016

A percentage of 20.5% of the population of Richmond are uneducated, only a 3.76 % difference compared to the 2011 data. Only 3.5% of people had some level of higher education compared to 2.8% in the 2011 census. The percentage of people with matric was at 14,5% compare to the 2011 statistics of 12.95%.

The difference on in educational levels shows minimal improvement in the education sector. The specific issues relating to education to be addressed include:

- The quality of educational facilities
- Low literacy levels
- Lack of water, sanitation and the infrastructure of most schools is a health hazard to the pupils.
- The non-availability of resources to assist learners in their educational requirements and further the availability of facilities and information relative to bursaries, etc
- The inability of rural areas to attract high quality educators
- Limitations in regards to subjects offered at schools
- Inadequate coordination and targeted adult education and literacy programmes

The table below indicates the matric pass rate in Richmond per circuit in 2020/2021

Richmond circuit

NAME OF SCHOOL	2017 PASS %	2018 PASS %
HUBA HS	54,69	46,34
UMLULAMA HS	86,11	78,95
MKHOBENI HIGH SCHOOL	65,22	46,15
INDALA HS	75,53	76,09
CONGCO HIGH SCHOOL	100	92
AVERAGE	76,31	67,91

INHLAZUKA CIRCUIT

NAME OF SCHOOL	2017 PASS %	2018 PASS %
MADLANYOKA HIGH SCHOOL	37,5	28,57
YISE HIGH SCHOOL	60,87	40
THOKOZWAYO SEC SCHOOL	100	62,07
MARION HS	41,67	56,25
FUNUNDU HIGH SCHOOL	50	40
THUTHUKISA HIGH SCHOOL	60	41,67
INKUMANE HS	12,5	28,57
RICHMOND COMBINED	42,22	52,11
EZULWINI COMBINED SCHOOL	83,33	64,29
AVERAGE	54,23	45,95

There has been a decline in the pass percentage and the following intervention have been proposed by Department of Education. Some of the intervention strategies to assist underperforming schools include the following:

- Issuing written notices to all schools identified as underperforming (Section 58B (1)) for them to prepare a plan setting out how academic performance at the school will be improved. Education Laws Amendment Act 2007 Section 16A (1) (b)
- Multi-Disciplinary Teams (MDTs) visit underperforming schools to identify their challenges and offer support.
- Holding curriculum strategic meetings and quarterly reviews (bosberaad) in the district based on identified challenges and devise necessary strategies for intervention.
- Adoption of underperforming schools by MANCO members for mentorship and support

- Twinning of underperforming schools with high performing schools to share experiences and best practices
- Holding feedback sessions to discuss findings based on school visits
- Soliciting support from various stakeholders like Local Council and Amakhosi to work with the Department in assisting schools.

3. 17. 2. 3. Health

Health services in the Municipality are provided by the Provincial Department of Health. The following health facilities are found in the municipal area:

- Richmond Hospital
- Provincial clinics in Richmond, iNdaleni and eMbuthisweni
- Private clinic in Inkumane
- Six mobile clinic ports
- Private doctors and district surgeon

Health Facilities are not well distributed throughout the Municipal area, clinics are mainly located along main transport routes making access to these facilities relatively difficult to people residing in deep rural areas of the municipality.

3. 17. 2. 3. 1. Impact of HIV/AIDS

Further, it has been estimated that between the years 2000 and 2010 approximately seven million South Africans have died from HIV/AIDS related diseases. The number of deaths from HIV/AIDS will be considerably larger than that from any other single cause of death and will probably double the number of deaths from all other causes combined. It is indicated that UMgungundlovu District Municipality accounts for 23% of the KwaZulu Natal HIV/AIDS cases. Richmond Municipality has the highest number at of HIV positive people in the District as compared to other Municipalities within the District.

The likely effect of HIV/AIDS on <u>social systems</u>:

- Poor households are more vulnerable and the epidemic is likely to deepen poverty and compromise upward mobility:
- Changing demand for housing, education and other community facilities:
- A greater demand for health care facilities: and
- A greater demand for financial support for orphans, child headed households and households run by grandparents
- A negative population growth rate, is affecting the sustainability of projects that are based on certain population projections

The likely effect of HIV/AIDS on the <u>economic systems</u>:

- A shift from savings to current expenditure, thus limiting fixed investment and economic growth
- Possibility of 'technological deepening' of the economy as a result of higher absenteeism rates:
- Further erosion of household savings and skills shortage, and increased spending on pharmaceuticals and funerals

In light of the above, the agricultural sector will suffer most as it relies heavily on the availability of a physically active workforce.

Table 22. HIV/AIDS Statistics

	AIDS	HIV
KwaZulu-Natal	115,223	1,319,154
KZN- DC22 uMgungundlovu District Municipality	11,473	129,909
KZN227: Richmond Local Municipality	771	8,716

Source: GLOBAL STATISTICS 2008

The above HIV and AIDS graph shows the amount of people who are affected by HIV/AIDS from the Provincial level, District level and the Local level. Aids Council is in place and functional in Richmond Municipality.

3. 17. 2. 4. Safety and Security

Richmond Municipality has a number of programmes aimed at promoting compliance with Road Safety Act.

Hereunder are the programmes;

Programme	Duration
• Masiphephe (Arrive Alive)	• Ongoing
• Operation Fiyela with SAPS(Random Road Blocks)	• Ongoing
• Public Awareness Campaign on Road Safety	• Festive Season

3. 17. 2. 5. *Community Policing Forum*

The Municipality has functional Community Policing Forum. The Forum meets once a month. Stakeholders who are part of the forums are;

- South African Police Services
- Municipal Traffic Police
- Non-Governmental Organisations

- Ward Committee members
- Councillors

The aim of the forum is to address crime within the Municipality.

3. 17. 2. 6. National Building and Social Cohesion

Richmond Municipality has been involved in a number of cultural and sporting activities. The most critically event which the Municipality has participated since 1998 is SALGA Games. The games aspire to promote sound inter-Municipalities relationship and social cohesion between the Municipalities by using sport as a vehicle to forge sustainable partnership and further strengthen existing relations.

In addition to SALGA games the Municipality has a number of sport and recreation programmes including Art and Culture which aimed at promoting the sport. Hereunder are the programmes;

3. 17. 2. 6. 1. *Sport and Recreation*

Project	Purpose
• Celebrating Mandela day tournament	• The Department of Health together with the Municipality celebrated Mandela Day by having soccer and netball tournament
• SALGA Games	• The aim is to unearth hidden talent that exists in previous disadvantaged areas
• Mayoral Cup	• Unearth hidden talent at wards level

3. 17. 2. 6. 2. *Art and Culture*

Project	Purpose
• Facilitate Nomkhubulwane at Phatheni	• To teach young girls on issues related to HIV/ AIDS
• Facilitate Annual Reed Dance which was held at Nyokeni	• It is to promote abstinence of young virgin girls from sexual activities which may lead to HIV/AIDS

3. 17. 2. 7. Community Development with particular focus on Vulnerable Groups

3. 17. 2. 7. 1. Youth Development

The Analysis of the Economy, July 2011 together with recent census figures continues to give an indication that Youth occupy a large portion of the population of Richmond and steps should therefore be taken to ensure that youth needs are addressed.

On 10 March 2012, the Richmond Municipality launched the Municipal Youth Council whose objectives include creating a platform on and through which the youth can raise and discuss matters which affect them and to also devise and propose solutions which will redress the challenges encountered.

The Council, with its slogan "Developing our Youth for a Sustainable Tomorrow" has identified 5 priority areas, namely:

- Local Economic Development and Opportunities
- Education and Training
- Arts and Culture
- Moral Regeneration
- Sports and Recreation

In each of the priority area listed above, the Municipality has committed to ensuring that it either directly addresses the issues or facilitates interventions through respective and responsible sector departments or agencies.

Examples of interventions include:

Basic Financial Management Training

Registration of Cooperatives

Municipal Youth Career and Life Skills Expo

Teenage Pregnancy and Anti-Drug Campaigns

LED Internship Programme

3. 17. 2. 7. 2. Development of the People with Disabilities

<u>Development of the people with disability</u>

Richmond Municipality has been putting more emphasis on supporting physically challenged people in sport.

Hereunder are some of the sport programmes supported by the Municipality;

Project	Purpose
7 Wheels Chair Race in Richmond Municipality	To unearth the talent of the disability people in sport
Mandela Race	To unearth sport talent
Disability Sport day at kwaDambuza	To encourage healthy lifestyle and promotion of sport to people with disability
Provincial Disability parliament	To encourage disability people to be involved in discussion on issues pertaining to service delivery

George Town Outenique Wheel Chair Race	The event was held in Cape Town. For disability people to compete with other Province in sport.

3. 17. 2. 7. 3. *Development of the Elderly and Women*

The Municipality does have programmes for elderly people. Hereunder are the programmes;

PROJECT	PURPOSE
Golden Games	The programme is aimed at promoting active dignified ageing
Senior Citizen Parliament	To encourage elderly people to be involved in discussion on issues pertaining to service delivery
Launching in Club	To encourage elderly people to be involved in project. The municipality assisted them with handwork beads, wools and seeds

3. 17. 2. 8. *People affected by Crime, HIV/Aids, Drugs, etc.*

3. 17. 2. 8. 1. *People affected by HIV/AIDS*

To deal with the scourge of HIV and AIDS, Richmond Municipality has established Local AIDS Council. On top of Local Aids Council, the Municipality has established Ward Aids Council.

There are programmes aimed at dealing with HIV and AIDS. Hereunder are some of the programmes;

PROJECT	PURPOSE
HIV and AIDS education in School	To educate the youth with issues related to HIV/ AIDS, how to live when infected or affected by HIV and AIDS
Traditional Healers workshop	The Municipality partner with the Mgungundlovu District regarding the training of Traditional Healers on issues pertaining to HIV / AIDS and TB
Phatheni Clinic : hosting opened day	Richmond Municipality partner with the Department of Health in respect of HIV & AIDS awareness campaign in ward 7

16 Days of Activism on No Violence against women and children	The campaign aimed at ensuring that there is no rape against women and children which result to the said vulnerable group being infected and affected by HIV & AIDS

3. 17. 2. 8. 1. *Drugs*

Richmond Municipality together with the Department of Social Development have established the Richmond Local Drug Action Committee (LDAC) to fight the use of drugs in the community.

- The committee is formed by all relevant stakeholders and are working together to share resources in order to reduce and fight the use of drugs.
- On top of the LDAC, the Municipality has established the Ward Drugs Action Committees in all 7 wards.

3. 17. 2. 8. 2. *CRIME*

Richmond Municipality like all other Municipality is faced with a challenge of crime. There are however structures established to assist SAPS to fight crime such as;

- Community Policing Forum
- Crime Prevention Committees which have been established in WARD 1
- Safety Committees which have been established in all wards.

Early childhood development

Richmond Municipality together with Department of Social Development have number of programmes for early child development. There crèches and youth care centres throughout the Municipal area.

3. 17. 2. 9. *Social Development*

Table 23. Social Development Analysis: SWOT

Strengths	Weaknesses
• Full complement of Senior Management in the department. • Fully established and functional Supply Chain Management Committees • Satellite Libraries in Hopewell and Inhlazuka	• Lack of available land for Housing Development (Hopewell) • Staff shortages at community facilities • Lack of adequate basic services • Non collection of traffic fines

• The Availability of the Operation Sukuma Sakhe Forum • Increased Service Delivery ito Learners Centre now operational 5days a week • Availability of Community Services Facilities (Community Halls, Sportsfields) • Availability of Disaster management plan • Availability of Housing Sector plan	• Lack of signed lease agreements iro Thusong Centre
Opportunities	Threats
• Access to Sukuma Sakhe Committee for implementation of identified project and programmes • Execution of Warrant of Arrests to collect outstanding funds • Training and Capacity Building • Implementation of Cyber Cadet Programme	• Teenage pregnancy, drug and substance abuse • Non-payment of monies due by Department of Justice • Impact of HIV/Aids and chronic diseases (consumption of resources in terms of programmes and awareness campaigns) • Impact of HIV/AIDS • Delays in grant approval for housing projects

MUNICIPAL FINANCIAL VIABILITY

3. 18. FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

Capability of the Municipality to Execute Capital Projects

The Richmond Municipality funds its capital projects from MIG, INEP and own revenue. The municipality has an established Performance Manaagement Unit (PMU). The municipality has appointed Consulting Engineering firms to assist with the Project Management for all capital projects.

CAPITAL FUNDING AND EXPENDITURE TO ADDRESS SERVICE DELIVERY

THREE YEAR FUNDING MODEL:

Projects	2021/22	2022/23	2023/2024	Nature of the Project	Funding Source
Ezulwini Bridge	7,470,180	-	-	New	MIG
Shayamoya Mkhobeni Connections	5,400,000	-	-	New	INEP
Resurfacing of Residential Roads In Ward 1	4,954,104	3,500,000	2,500,000	Existing	MIG
Ezindongeni Main Road and Bus Shelters	4,067,460	-	-	New	MIG
Smozomeni Connections	3,420,000	-	-	New	INEP
Computer Software-Acquisitions	2,499,996	-	-	New	Own
Kosithole/ Kosotobe Connections	2,160,000	-	-	New	INEP
Construction of Sport-field - Ward 7	908,460	4,500,000	4,031,540	New	MIG
Construction of Sheti Box Culvert	885,996	4,500,000	4,235,576	New	MIG
Richmond Cemetery	-	-	5,000,000	New	Own
Town Cameras	750,000	-	-	New	Own
Richmond Agricultural Hall	500,004	2,500,000	-	Existing	Own
Hopewell Internal Road	149,352	4,537,544	-	Existing	MIG
Corporate Filing Cabinets	129,996	-	-	New	Own
Mechanical Tools	77,928	-	-	New	Own
Brush-cutters	100,000	-	-	New	Own
Office Furniture and Other Equipment	103,200	-	-	New	Own
Zwelethu Connections	-	2,340,000	-	New	INEP
Silahla Connections	-	3,300,000	-	New	INEP
Mzin'lovu Connections	-	1,360,000	-	New	INEP
Nhlazuka Connections	-	-	3,140,000	New	INEP
Mpofana Connections	-	-	4,860,000	New	INEP
Community Hall			4,500,000	New	MIG
Total	33,576,676	26,537,544	28,267,116		

FUNDS SPENT AND UNSPENT OVER THREE YEARS

Financial Year 2019/20 2018/19 2017/18

Conditional grants received	**23,828,703**	**26,588,398**	**30,901,815**
Unconditional grants received	**69,731,868**	**62,473,000**	**59,253,300**
Total Funds Received	93,560,571	89,061,398	90,155,115
Total Spent	**(78,195,148)**	**(80,635,350)**	**(85,884,527)**
Unspent	15,365,423	8,426,048	4,270,588

ACTUAL CAPITAL VS BUDGET CAPITAL

Financial Year	Budget	Actual Expenditure	Variance
2016/2017 (audited)	**39 816 152**	**40 154 696**	**(338 544)**
2017/2018 (audited)	**29 338 150**	**22 587 123**	**6 751 027**
2018/2019 (audited)	**29 608 876**	**25 168 935**	**4 439 941**
2019/2020 (audited)	**33 890 849**	**31 078 515**	**2 8123 34**

CAPITAL SOURCES OF FUNDING

Financial Year	**Own Revenue**	**Grant Funding**	**Public Contributions**	**TOTAL**
2017/2018 (audited)	1 905 850	27 419 250	13 050	29 338 150
2018/2019 (audited)	10 367 326	19 241 550		29 608 876
2019/2020 (audited)	4 045 945	25 798 959		30 601 790

PROJECT WHICH ARE CATEGORISED MUNICIPALITIES WISHLIST AS PER WAR

The Municipality also have projects for the development of Richmond Municipality which are not funded and these projects are as follow:

No	Project	Ward
1	**Construction of proper drive ways in Harare**	**1**
2	**Speed humps in Harding street**	**1**
3	**Fencing Bambatha Rebellion Site(including maintenance)**	**1**
4	**Rehabilitation of Lamport Street (all streets in Richmond)**	**1**
5	**Upgrade roads in Byrne**	**1**
6	**Construction of access road and bridges on Siyathuthuka main road**	**2**
7	**Shiyamphahla/mkhomazi bridge**	**5**
8	**Blacktopping D158 and P115**	**5**
9	**Community Hall at Mshibane**	**5**
10	**Cultural Village at Ezulwini**	**5**
11	**Nkumane Community Hall to be upgraded**	**5**
12	**Low level crossing at Malizayo to be uupgraded**	**5**
13	**Bus Stop shelters in all areas**	**5**
14	**Access roads at Ngwegwe and other areas**	**5**
15	**Roads from Mkhobeni to store need maintenance.**	**6**
16	**Pedestrian Bridge at Phatheni**	**6**
17	**Upgrade the road to Blacktop at Phatheni**	**6**
18	**Mkhobeni bridge to be maintained.**	
19	**Rehabilitation of Rhuwanda bridge.**	**7**

INVESTMENT REGISTER

INVESTMENT PORTFO					
Financial Institution	**As at 31 May 2021**	**Interest Rate**	**Interest**	**As at 30 April 2021**	**Investment Period**
First National Bank	2,196,196		17,009	9,475,992	call
First National Bank	168,054		386	167,668	daily call
First National Bank	706,417		1,622	704,795	daily call
First National Bank	373,946		887	373,058	daily call
First National Bank	317,230		728	316,502	daily call
First National Bank	2,182,984		5,179	2,177,805	daily call
First National Bank	-		4,048	897,222	daily call
First National Bank	761,713		3,195	1,436,172	daily call
First National Bank	1,302,062		3,736	1,948,563	daily call
First National Bank	4,186,202		10,144	5,563,537	daily call
First National Bank	-			-	fixed inv.
NEDBANK	15,120,514		120,514	15,066,370	fixed inv.
	27,315,318.07		**167,449**	**38,127,684.79**	

The Municipality relies havily on the grant funding to execute most of its capital projects and is currently looking for other revenue streams that might fund additional capital project. The municipality have engaged tDepartment of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

Indigent Support (Including Free Basic Services)

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services households are required to register in terms of the Municipality Indigent Policy. The municipality has undertaken to register indigents and thereby create an updated indigent register. 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. indigent policy attached.

Indigent support allocated from the equitable share:

Financial Year	Amount
2014/2015	**41 243 000**
2015/2016	**54 162 000**
2016/2017	**55 625 000**
2017/2018	**59 253 300**

2018/2019	**62 473 000**
2019/2020	**69 731 868**

Free Basic Services : Refuse

Financial Year	Amount
2014/2015	**200 000**
2015/2016	**750 000**
2016/2017	**3 153 665**
2017/2018	**3 153 655**
2018/2019	**3 430 863**
2019/2020	**3 530 222**

Free Basic Electricity

Financial Year	Amount
2014/2015	**600 000**
2015/2016	**500 000**
2016/2017	**550 000**
2017/2018	**900 000**
2018/2019	**900 000**
2019/2020	**900 000**

REVENUE ENHANCEMENT AND DEBT MANAGEMENT

The Revenue Enhancement strategy was last updated in 2020. (Attached)

The municipality has updated its Revenue Enhancement Strategy and it is anticapted that it will be finalised for implementation in the 1st Quarter of the 2022 Financial year.

IDENTIFIED AREAS TO MAXIMIZE REVENUE.

PROPERTY RATES

- ✓ Notifications to recover outstanding property rate taxes from tenants.

To ensure an effective collection rate of outstanding property rates taxes for properties were tenants (as opposed to owners) are occupying the properties, the accounting officer and chief financial officer should send notifications to either the relevant estate agents or directly to the tenants notifying them of the outstanding property rates taxes and that the outstanding amounts should be withheld from the rentals payable to the owner and paid over to the municipality to settle the owners' outstanding debt in terms on section 28 and 29 of the Property Rates Act.

This approach to effective collection of outstanding property rates taxes to be implemented as a long-term approach. The initiative is expected to start on the 1 July 2021 and continue till the 30 June 2022. Progress and challenges on the implementation of the initiative should be discussed during the management meetings. In essence, the budget funding plan should be a permanent discussion point on the management meeting's agenda.

✓ Engage Provincial and National Treasury for outstanding property rate from government institutions.

For property rates taxes owed by government institutions, the accounting officer and chief financial officer will engage the National Treasury to assist in collecting all the outstanding debt. If deemed necessary, the accounting officer and chief financial officer should engage the relevant government departmental heads and chief financial officers to negotiate reasonable payment terms.

Progress and challenges on the implementation of the initiative should be discussed during the management meetings from July 2021, going ahead.

The financial impact from Property Rates initiatives.

Basis for determining impact on the current budgeted figures	2021-22 R'000	2022-23 R'000	2023-24 R'000
The estimated increase in cash reserves is estimated at a conservative amount of R 600 000 per month which is the current average amount of debt owing from property rate taxes per month. This figure will be annualised to a conservative R 7.2 million per annum for the MTREF period plus the effects of inflation at an average 6%. This estimate **excludes the effect of property rate taxes owed by government institutions.**	7 200	7 502	8 090

SERVICE CHARGES – REFUSE

✓ Customer Verification/Customer Information audit

As a result of rapid changes in customer information, customer verifications or customer information audits should be performed. Such an extensive exercise is mainly aimed at ensuring that the customer data on the financial system is correct to ensure complete and accurate billing for refuse collection services. A data cleansing project should be implemented after the customer information audit.

The customer information audit and the data cleansing exercise should commence in July 2021 and be finalised by the September 2021. Progress and challenges in implementing the project should be discussed in the bi-weekly management meetings and corrective measured implemented thereof.

- ✓ Follow procedures for Indigent Debtors

All indigent debtors on the accounting system should be de-activated on the 30 of June 2021 and requested to re-apply from the 1 of July 2021 in-order to be registered as indigent if they indeed meet the qualification criteria as set out in the indigent policy. This procedure should be performed at the end and beginning of every financial year.

The financial impact from Refuse revenue initiatives

Basis for determining impact on the current budgeted figures	**2021-22 R'000**	**2022-23 R'000**	**2023-24 R'000**
The customer information audit and data cleansing projects will result in a conservative average increase of 20% The annual increase on the revenue from refuse collection services will be R 500 000 per annum plus inflation at an average percentage of 6%.	500	521	543

OTHER INCOME

- ✓ Rental of facilities & Equipment

All municipal rental agreements should be reviewed on an annual basis and appropriate changes made to the rental charges levied on customers to reflect reasonable rental contracts.

A list of all municipal properties should be prepared and maintained by the chief financial officer to ensure that revenue from the rental of facilities and equipment is correctly and completely accounted for in the municipal records.

To ensure an effective 100% rental revenue collection rate, tenant statements should be sent to all tenants at the end of the month (within 7 days before month end) detailing outstanding balances and current rentals to be paid. Thereafter, non-payment of outstanding rental fees will be dealt with in accordance with the penalty clauses in the rental agreement.

Consider levying an initial deposit amount on newly occupying tenants at an amount equal to the monthly rental fees. Such a deposit will be used to pay for any damages to the rented property caused by the tenant's negligence.

Rental fees for after the above considerations will be increased by 6% per annum in the outer years of the MTREF.
A yearly maintenance plan should be prepared every financial year beforehand to ensure that facilities and equipment are kept in an acceptable physical condition and regular inspections of the facilities and equipment performed (half yearly for facilitates and after use for equipment) and as and when tenants vacate the facilities. The aforementioned activities should be completed in July 2021.

The financial impact from Refuse revenue initiatives

Basis for determining impact on the current budgeted figures	2021-22 R'000	2022-23 R'000	2023-24 R'000
The abovementioned revenue management activities are estimated at collecting a conservative R 1 000 000 including long outstanding rental fees plus an average inflation rate of 4.2%. This figure is based on the fact that none of the rental agreements for municipal owned facilities and equipment have been reviewed for rental escalations and other occupants are occupying the facilities free of charge for longer than 3 years.	1 000	1 420	1 482

CONSUMER PAYMENT INCENTIVES

- ✓ Incentives to be offered

The accounting officer and the chief financial officer to prepare a consumer payment incentive policy to aid in improving cash flow from consumer debtors utilising the incentive scheme to settle outstanding municipal accounts.

Such a policy should only be applicable for a short period of time (three to six months) to ensure that consumer debtors do effectively utilise the incentive with immediate benefits to the municipality in terms of increased cash resources.

The consumer payment incentive policy should be prepared and finalised by July 2021 and tabled in the first council meeting thereafter. Implementation of the policy should be effected after approval in council.

The accounting officer and chief financial officer should evaluate other debt collection schemes that are procedurally effective in retrieving long outstanding debt from residential and business consumers. Consideration should also be made in restricting the water supply to defaulting consumers (liaising with the District municipality in this regard)

The financial impact from Refuse revenue initiatives

Basis for determining impact on the current budgeted figures	2021-22 R'000	2022-23 R'000	2023-24 R'000
Based on the current total debtors' book balance that totals approximately R 54 000 0000 for service charges excluding interest levied, a conservative 20% is expected to be collected through the introduction of an effective consumer payment incentive scheme and other debt collection schemes.	3 600	3 751	3 916

Summary of Debt Outstanding Per Category

Category	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Rates	**10 881 694**	**13 163 200**	**22 106 898**	**30 948 274**	**41,348,865**
Refuse	**385 246**	**448 484**	**1 218 587**	**1 971 839**	**2,246,050**
Miscellaneous / other	**587 941**	**693 980**	**1 057 550**	**1 128 595**	**2,042,022**
TOTAL	**11 854 881**	**14 305 664**	**24 383 035**	**34 048 708**	**45,636,937**
Impairment Provided	**(5 855 919)**	**(7 624 878)**	**(10 950 070)**	**(18 753 732)**	(17,231,576)

Summary of Receivables from Exchange transactions by customer classification

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Household	**4 760 484**	**5 425 203**	**8 588 677**	**13 311 149**	**10,149,542**
Industrial /Commercial	**1 461 524**	**1 289 650**	**1 701 479**	**2 239 843**	**1,857,947**
National and Provincial Government	**2 270 539**	**3 194 114**	**5 096 683**	**11 294 144**	**22,538,731**
Other	**3 362 334**	**4 396 517**	**8 996 196**	**7 203 572**	**6,802,644**
TOTAL	**11 854 881**	**14 305 664**	**24 383 035**	**34 048 708**	**41,348,864**

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

C6.5 FINANCIAL MANAGEMENT

Supply chain management has been centralized and resides within the budget and treasury office.

The current structure is as follows:

- Chief Financial Officer
- SCM - Manager
- Senior SCM Practitioner
- SCM Practitioner x 2
- Financial Intern (1)

The municipality faces budget constraints in having a fully-fledged structure as envisaged by the legislation. The municipality also faces the challenge of retaining experienced staff.

Proposed Solution

Amending the SCM structure as and when funds become available. Payment of market related salaries.

Procurement Plan

A procurement plan is compiled during May of every year when the draft budget is completed and approved by Council. The Chief Financial Officer reports monthly to MANCO on the implementation of the Procurement plan.

FUNCTIONING OF BID COMMITTEES

The Municipality has established the following bid committees:-

- Bid specification committee
- Bid evaluation committee
- Bid adjudication committee

Training and Development of the SCM Unit and Bid Committees

- Training has been provided to the bid committee members and Finance staff by the responsible national and provincial government department.

- Training is ongoing as and when courses are available

At the commencement of all the bid committee meeting, members complete the attendance register and declare and undertake the following:

- That all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything known in this regard.
- To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody.
- To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

A schedule of meetings is drawn at the beginning of every year for all Bid Committee.

DEVIATIONS

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to "dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process". This would typically include urgent and emergency cases, single-source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.

Section 114 of the MFMA permits the Accounting Officer to approve a tender "other than the one recommended through normal procurement processes". The Accounting Officer is required to report such a deviation to the Auditor-General, the Provincial Treasury, and the National Treasury, stating the reasons that necessitated such a decision. If such expenditure is not defined as 'unauthorized expenditure' then it is 'irregular expenditure'.

Deviations register is included in monthly MANCO meetings and other Council Structures. It must be noted that there has been no use of regulation 36 in the 2020 financial year.

REPORTS ON UNAUTHORISED; IRREGULAR; FRUITLESS & WASTEFUL EXPENDITURE

Section 32(4) of the MFMA requires that the Municipal Manager "PROMPTLY" inform the Mayor, the MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless &

wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed.

C6.5.2 BTO

Organogram

Total Staff Compliment	**13**
Financial Interns	**05**

MFMP Competency:

CFO	**In progress**
Manager - SCM	**Completed**
Manger - Income and Expenditure	**Completed**
Senior SCM Practitioner	**Completed**
Expenditure Accountant – Expenditure	**Not Completed**
Financial Accountant	**Completed**
Income Accountant	**Completed**
SCM Practitioners x 2	**Completed**
Debtors Clerk	**Completed**
Debt Control And Credit Collection Clerk	**Completed**
Payroll Clerk	**Completed**
Creditors Clerk	**Completed**
Budget Officer	**Completed**

Challenges

The municipality is still developing capacity within the finance department and there critical vacant posts. Due to budget constraints we are also unable to add more positions onto the organogram. The additional positions are critical in ensuring compliance with different budget and finance policies.

Financial Consultants

Due to the challenges with the Asset unit, the municipality is compelled to utilise financial consultants to compile an Assets register and assist with assets related queries.

C.6.5.4 ASSETS AND INFRASTRUCTURE

The municipality is experiencing challenges in this unit. We do not have a fully supports assets department.

As a result all plans and policies are non- existent.

The Project Management unit will be compiling an Infrastructure plan together with Asset maintenance plans.

Repairs and Maintenance budget as a % PPE

2017/2018	**R1 929 488**	**1.12%**
2018/2019	**R2 994 118**	**1%**
2019/2020	**R 3 122 461**	**1%**

C.6.5.6. Financial Ratios

Audit Outcome

2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Unqualified	**Unqualified**	**Adverse**	**Qualified**	**Unqualified**

SWOT Analysis: Municipal Financial Viability and Management

Strengths

- **Within the uMgungundlovu District Municipality**
- **Low staff turnover.**
- **Employees with institutional memory.**
- **Young vibrant team.**
- **Technical Solvency**

Weakness

- **Low revenue base.**
- **Grant dependency.**
- **Over-reliance on consultants**
- **Poor Collections**
- **High Vacancy rate**

Opportunities

- **New revenue source - traffic department**
- **Clean financial administration**
- **Support from Provincial Treasury**

Threats

- **Economic Recession**
- **Political instabilitiy**
- **Political interference**
- **Depletion of cash reserves**
- **Reputational Damage**
- **COVID relates challenges – Staff rotation and Loss f key staff members**

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3. 19. 1. GOOD GOVERNMENT ANALYSIS

3. 19. 1. 1. NATIONAL & PROVINCIAL PROGRAMMES ROLLED-OUT AT MUNICIPAL LEVEL

IMPLEMENTATION OF SUKUMA SAKHE

Richmond Municipality has functional Operation Sukuma Sakhe(OSS). The OSS Local Task Team meet at Richmond Municipality Council Chamber forth nightly. War Rooms are functioning in all seven wards.

Hereunder are the achievements and challenges;

ACHIEVEMENTS

- The municipality has functional war rooms in all wards.
- The Department of Economic Development has empowered war rooms with necessary resources such as computers and chairs for work purposes.

- the Department of Human Settlements have constructed houses for needy families through Sukuma Sakhe.
- The Department of Home Affairs has assisted a number of community members with ID registration and so on through Sukuma Sakhe
- A number of people are getting social grant through operation Sukuma Sakhe.

CHALLENGES

1. Stakeholders who assist with profiling, in most instances, get permanent jobs and this normally lead to the shortage of manpower in terms of profiling.
2. Commitment of other Sector Departments in the programme is still a challenge.
3. Some stakeholders travel very long distances to the war rooms.
4. There is no specific budget for Sukuma Sakhe.

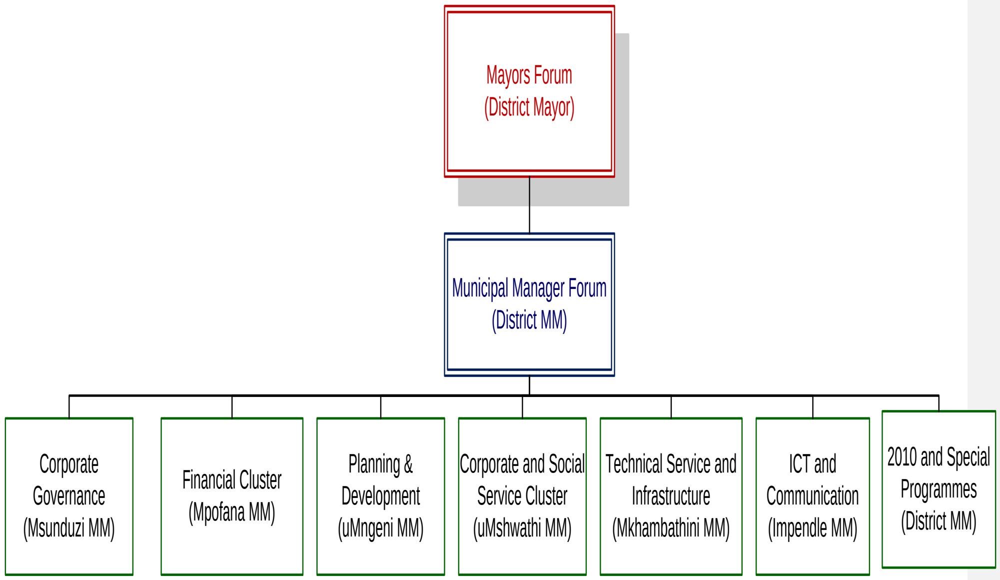
PROGRAMMES

Here under are the programmes for Sukuma Sakhe;

ACTIVITIES	PURPOSE	TARGET GROUP
Operation MBO	To have an event in each ward wherein all Sector Departments will be present for the purpose of assisting community with services	All Community members
Mobilization of more volunteers at all wards	To ensure that the Municipality has enough volunteers for profiling purpose	Volunteers
Public Service Week for Dr Nelson Mandela	To ensure that community members are encouraged to perform voluntarily community work during the month of July each year.	All community members

3. 19. 1. 2. INTER-GOVENMENTAL RELATIONS (IGR)

Fully operational Cluster Model (IGR System)



The Cluster Model has led to the establishment of shared services in the District, which also lead to better utilisation of resources. Shared services are now used in the fields of Internal Audit, Performance Management, Integrated Development Planning and Information and Communications Technology. This approach is having the effect that our family of Municipalities in the District are all benefitting from the scarce resources and expertise available within the District. Each cluster is chaired by municipal Managers as indicated in the diagram above.

3. 19. 1. 3. Municipal Structures

The Municipality comprises of 14 Councillors with the Speaker as the Chair of Council meetings. The Executive Committee is chaired by the Mayor and consists of 3 members

The following two portfolio committees were established by the Richmond municipality and their roles and responsibilities are as follows.

ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE / HUMAN RESOURCES	COMMUNITY DEVELOPMENT AND SOCIAL SERVICES /INFORMATION COMMUNICATION TECHNOLOGY
ROLE • To assist the Executive Committee to maximize the effectiveness of Local Economic Development, Infrastructure, Planning and Human Resources of the municipality • To advise the Executive Committee on all fiscal and other incentives	ROLE • To assist the Executive Committee to maximize the effectiveness of Community Development, Social Services and Information Communication Technology of the municipality

designed to promote economic development • To advise the Executive Committee on appropriate infrastructure requirements of the municipality • To advise the Executive Committee on Land Use Management and Town Planning matters • To ensure that the Human Resources Administration is governed by the democratic values and principles enshrined in the Constitution • To recommend appropriate policy systems and procedures relating to Local Economic Development, Infrastructure, Planning and Human Resources matters	• To advise the Executive Committee on initiatives to promote Community Development, social Services and Information Communication Technology • To advise the Executive Committee on the policy framework referred to in the Municipal Systems Act • To recommend appropriate policy systems and procedures relating to community Development, Social Services and Information Communication Technology matters
RESPONSIBILITIES • Economic development • Tourism • Poverty alleviation • Youth development • Job creation • Infrastructure • Land use management • Town planning applications • Building control • Staff structure/Organogram • Job evaluation • Job grading • Conditions of service • Recruitment, selection and appointment of staff • Performance monitoring and evaluation • Disciplinary procedures • Grievance procedures	RESPONSIBILITIES • Traffic control • Vehicle and learner licencing • Driver Licencing • Security • Disaster management • Library services • Community halls • Sports fields • Sport and culture • Housing support • Information Communication Technology

However, these committees need to be reviewed together with their respective terms of reference in order to align them with the core functions of the Municipality.

In addition to the above, Ward Committees are established and meet regularly with minutes being submitted to the office of the Speaker.

Ward Committees are also responsible for the submission of community needs to the Municipality on an ongoing basis and are used as a means of communication to and from administrative structures and is also based on the Communication Strategy which requires the necessary information to be made available to communities in terms of the budget, Integrated Development Plan, PMS, Annual Report, etc.

In regard to the current year of review, priority projects were received from the Communities via Ward Committees and Councillors and the strategies, plans and programmes of the Municipality are responsive thereto.

The Richmond Municipality facilitates and chairs the Inter-Sectoral Forum. The main function of this forum is to have an integrated approach to deal with service delivery issues. The forum comprises of sector departments that are based in Richmond. The Departments are as follows; department of Labour, Department of Social Development; Department of Justice, SAPS, Department of Health, Department of Education, UMgungundlovu District Municipality and the Richmond Municipality. Non-Governmental Organizations also participate in these meetings.

The Municipality has also established a Local Labour Forum where all staff matters are discussed.

3. 19. 1. 4. Performance and Audit committee

The Richmond Municipality has an active Performance and Audit Committee which comprises of 4 members. The Performance and Audit Committee assists with checking transparency, accountability and appropriate line of responsibility in financial affairs, financial performance and performance of the Municipality. They assist with management of revenue, expenditure, budgetary matters, supply chain management as well as performance.

The Performance and Audit Committee is an Independent advisory body.

3. 19. 1. 5. Status of Municipal Policies

Table 24. Municipal Policies

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
1	Human Resource Manual	HR			Y		04 June 2020
2	Cell Phone Policy	HR 2			Y	Y	04 June 2020
3	Use and Care of Council Property				Y		04 June 2020
4	In-Service Training Policy				Y		04 June 2020

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
5	Staff Bursary Scheme Policy	HR 12			Y	Y	04 June 2020
6	Indigent Support Policy		MAN 7		Y	Y	04 June 2020
7	Performance Management Policy/ Framework		MAN 5		Y	Y	04 June 2020
8	Rules of Order Council				Y	Y	04 June 2020
9	Depreciation Policy				Y		04 June 2020
10	Budgetary Policy			FIN 3	Y	Y	04 June 2020
11	Tariff Setting Policy			FIN 8	Y	Y	04 June 2020
12	Credit Control Policy			FIN 4	Y	Y	04 June 2020
13	Indigent Burial Policy (Pauper Burials)				Y		04 June 2020
14	Internal and External Communication Policy				Y		04 June 2020
15	Public Participation Policy		MAN 10		Y		04 June 2020
16	Internet Policy		MAN 2		Y		04 June 2020
17	Computer Equipment Policy		MAN 1		Y		04 June 2020

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
	inclusive of lap top policy						
18	Acting Allowance Policy	HR 1			Y		04 June 2020
19	HIV/AIDS Policy	HR 5			Y	Y	04 June 2020
20	Gender Policy	HR 3			Y		04 June 2020
21	Vehicle Management and locomotion Policy	HR 15			Y		04 June 2020
22	Delegation of Powers Policy iro		MAN 3		Y	Y	04 June 2020
22.1	Council				Y	Y	04 June 2020
22.2	Executive Committee				Y	Y	04 June 2020
22.3	Office of the Mayor				Y	Y	04 June 2020
22.4	Management Committee				Y	Y	04 June 2020
22.5	Municipal Manager's Office				Y	Y	04 June 2020
22.6	Head of Department				Y	Y	04 June 2020
22.7	Sub-Committees				Y	Y	04 June 2020
Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
23	Job Creation Policy	HR 16			Y		04 June 2020
24	Traffic Policy (all relative matters)				Y		04 June 2020

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
25	Review of SCM Policy				Y	Y	04 June 2020
26	Property Rates Act Policy				Y	Y	04 June 2020
27	Asset Management Policy			FIN 2	Y	Y	04 June 2020
28	Labour Relations Policy	HR 7			Y		04 June 2020
29	Health and Safety Policy	HR 4			Y	Y	04 June 2020
30	Uniforms and Protective Clothing Policy				Y	Y	04 June 2020
31	Leave Policy	HR 8			Y		04 June 2020
32	Termination of Services Policy				Y		04 June 2020
33	Recruitment, selection and appointment policy	HR 9			Y	Y	04 June 2020
34	Training Policy	HR 6			Y		04 June 2020
35	Usage of Telephones Policy	HR 14			Y	Y	04 June 2020
36	Corporate Social Responsibility Policy		MAN 16		Y		04 June 2020
37	Code of Conduct and Ethics Policy				Y		04 June 2020

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
38	Sexual Harassment Policy	HR 10			Y		04 June 2020
39	Smoking in the work place policy	HR 11			Y		04 June 2020
40	Promotion of Access to Information Policy		MAN 9		Y		04 June 2020
41	GAMAP Policy				Y		04 June 2020
42	Revenue enhancement Policy			FIN 7	Y	Y	04 June 2020
43	Cash and Investment Policy			FIN 6	Y	Y	04 June 2020
44	Travelling allowance	HR 13			Y	Y	04 June 2020
45	Fraud Prevention - Risk Management		MAN 4		Y		04 June 2020
46	Overtime Policy				Y		04 June 2020
47	Standby Allowance Policy				Y		04 June 2020
48	Appointment of Casual Staff				Y		04 June 2020
49	Performance Management				Y		04 June 2020
50	Ward Committees Policy				Y		04 June 2020

Budget Related Municipal Policies

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.2	Property Rates Act Policy	Budget & Treasury Office	**Y-attached**		05/05/2020
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.4	Petty Cash Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.5	Borrowing Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.7	Supply Chain Management policy	Budget & Treasury Office	**Y – attached**		05/05/2020
2.4.8	Asset management policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.9	Indigent policy and Free Basic Services Policy	Budget &Treasury Office	**Y-attached**		05/05/2020
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.11	Budget Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	**Y**		05/05/2020
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	**Y**		05/05/2020
2.4.15	Virement Policy	Budget & Treasury Office	**Y**		05/05/2020

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	**Y**		05/05/2020 05/05/2020
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	**Y**		05/05/2020

3. 19. 1. 6. Municipal Risk Management

MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The municipality has been assisted by the Provincial Treasury in completing and reviewing the risk register. The internal auditors have also played a significant role in this area in ensuring that the Municipality complies with the requirements of the Municipal Finance Management Act.

The Municipality currently has a Risk Management Policy and Fraud Prevention Plan. The Policy and Fraud Prevention Plan was work-shopped to all Councillors and staff of the Municipality with the assistance of the Provincial treasury Municipal Advisor. The municipality was able to establish the risk management committee and it is chaired by a Risk management specialist from the UMgungundlovu District Municipality.

3. 19. 1. 7. Municipal Bylaws

Published in the Provincial Gazette on 1 November 2010.

Table 25. Municipal Bylaws

NO.	MUNICIPAL NOTICES
108	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pollution Control By-laws
109	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Parking Grounds By-laws
110	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Keeping of Dogs

111 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Street Trading By-laws

112 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Removal of Refuse

113 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Cemetery By-laws

114 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Road and Miscellaneous By-laws

115 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Encroachment on Property By-laws

116 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Waste Management By-laws

117 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Advertising Signage By-laws

118 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Funeral Undertakers By-laws

119 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pound By-laws

120 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws for the Hire and Use of Community, Arts and Cultural Facilities

121 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management and Debt Collection By-laws

122 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management By-laws

123 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Health By-laws

124 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Public Meetings and Gatherings, Processions and the Like

125 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Library and Information Services By-laws

126 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Spaces By-laws

127 Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Nuisances

3. 19. 1. 8. PUBLIC PARTICIPATION ANALYSIS

Public participation process in the IDP preparation/review has to be institutionalized – in order to ensure that all the residents/community has equal rights to participate. Public participation is done in terms of a relevant legislative requirement, public has to be informed and give inputs on projects and programmes planned by the municipality in terms of service delivery.

The following participation mechanisms are used:

- IDP Representative Forum: The Forum will represent all stakeholders and will be as inclusive as possible. Additional organisations will be encouraged to participate in the Forum throughout the process.
- Media: Amongst other means, the local press will be used to inform the community on the progress with respect to the IDP process. (The Natal Witness, Ilanga, Echo newspaper)
- Notices: Notices on the IDP development will be placed on the Municipal Notice Boards and public buildings (e.g. schools, clinics, tribal/magistrate's court, etc.).
- Ward level IDP meetings: Meetings were held in each of the seven (7) wards to ascertain the needs of the communities.

The IDP presentation process requires substantial input and support from other spheres of government i.e. National and Provincial Departments (service providers) and community at large.

The IDP public participation meetings have been conducted successfully in all wards, see the table with details below.

Ward	Date	Time	Venue	Ward Councillor
1	11-02-2022	14h00	Agriculture Hall	Cllr Mkhize T.G

2	09-02-2022	10h00	Slahla Hall	Cllr Madlala M.H
3	15-02-2022	10h00	Nsongeni Hall	Cllr Maphumulo V
4	08-02-2022	14h00	Argosy Hall	Cllr Mkize K.E
5	11-02-2022	10h00	Thusong centre	Cllr Ngcongo M.K
6	10-02-2022	10h00	Phatheni Hall	Cllr Latha S
7	09-02-2022	14h00	Ndabikhona Hall	Cllr Ngubo L

3. 19. 1. 7. GOOD GOVERNAMENT AND PUBLIC PARTICIPATION

Table 26. Good Governance and Public Participation Swot Analysis

STRENGHTS	WEAKNESSES
• Significant number of operational policies of the and by-laws of the municipality adopted; • 75% of Senior Management positions and 98% of other critical positions filled; • Unqualified Audit with matters – 2018/2019;2019/2020 • Basic plant and equipment to undertake responsibilities; • Fully established and functional Supply Chain Management Committees; • Political Stability and established ward committees; • Sound financial liquidity and viability; • 90% of critical units established and legislated and critical support committees established; • Strategic partnership with Sector Departments and Government Support agencies;	•Poor management practise resulting in policies, procedures, and plans not being adequately implemented include • Limited supervisory skills (planning, people management, ineffectiveness, staff discipline & morale); • Limited training and capacity building to Council Committees and Staff which result in poor execution of responsibilities; • Limited funding sources resulting in slow growth of the Municipality as an organisation; • Slow turn around in the processes of Supply Chain Management; • Difficulty to retain adequately skilled and experienced staff; • Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals;

•Availability of critical sector plans and strategies; and

•Newsletters, annual reports.

• Lack of land for development of economic, social and infrastructure projects;

•Limited staff capacity in other critical areas to enforce compliance with legislative prescripts and implement plans resulting from limited funding sources;

•Lack of well-informed plans to undertake social responsibilities (HIV/Aids, Sports, Arts and Culture);

•Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens;

•Slow progress in taking advantages presented by technological changes and outdated information on Municipal Website; and

. Percentage of outstanding policies, plans and procedures

OPPORTUNITES

•Enabling legislation;

•Availability of intergovernmental forums and OSS and available skills capacity opportunities;

•Potential capital infrastructure grant from Sector Departments e.g. MIG and other;

•Geographical location of the Municipality to potential strategic marketability of the town and its activities; and

•Land availability from land restitution beneficiaries.

THREATS

•Natural disasters which threaten existence of infrastructure;

•Negative impact of HIV/Aids and other chronic diseases;

•Effects of economic recession and economic growth factors like the existence of BBBEE scorecard which result in inability to respond to low economic participation of local emerging contractors;

•Delays grant approval processes by other sector Departments like DoHS;

•Negative political influence that result in services delivery protests that threaten existence infrastructure;

•Negative impact of technological advances that requires funding for training and upgrading of equipment; and

•Salary disparities among municipalities and potential competition among municipal employee and greed that result high staff turnover.

3. 19. 1. 8. COMBINED SWOT ANALYSIS

Find the following:
Budget Process Plan. Integrated Development Plan and Planning Forum. Integrated Development Plan Steering Committee. Representative Forum: Community members give inputs on the Intergrated Development Plan.
Information Technology Disaster Recovery Plan. Information Technology Policy. Maintenance of Hardware and software.
Baseline Indicator.r eation of Database for SMME's and Co-operatives. Local Economic Development Strategy.

3. 19. 1. 9. WARD BASED PLANNING

Planning is for the community, the Municipal Systems Act of 2000 mandates community engagement as a core function of governance. Active community involvement is necessary in Ward Based Planning, the municipality, ward committee, ward councillors and the whole community has to take part in such consultations so that the community can be able to raise their daily concerns in a democratic way. Freedom of expression is also supported when the community raises their voices to inform future planning and projects. Each ward is unique hence the consultations are facilitated in all the seven different wards within a municipality. The ward based plan was developed as per community engagements/consultations.

3. 19. 1. 10. LAND USE MANAGEMENT

SPLUMA provides a framework for spatial planning and land use management in South Africa:

Specifies the relationship between the spatial planning and the land use management system and other kinds of planning;

Ensures that the system of spatial planning and land use management promoted social and economic inclusion;

Provides for development principles and norms and standards;

Provides for the sustainable and efficient use of land;

Provides for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and

Redresses the imbalance of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

SPLUMA applies to the whole of South Africa (urban and rural areas) and governs informal and traditional land use development processes.

SPLUMA consists of 7 chapters and 3 schedules including:

1. Definitions (Chapter 1);
2. Development Principles and norms and Standards (Chapter 2);
3. Intergovernmental Support (Chapter 3);
4. Spatial Development Framework (Chapter 4);
5. Land Use Management (Chapter 5)
6. Development Management (Chapter 6); and
7. General Provisions (Chapter 7).

Chapter 6 requires municipalities to establish a municipal planning tribunal or joint municipal planning tribunal. uMgungundlovu establishment of a Joint Municipal Planning Tribunal (JMPT) and Richmond municipality forms part of that tribunal, and the Spatial Planning and Land Use By-laws were adopted by council in 2015. The Chief Planner: Development Planning Shared Services has been designated as the Municipal Planning Officer as part of the JMPT. The municipality is currently in the process of adopting a single Land Use Scheme in term of the requirements of the Spatial Planning and Land Use Management Act 16 of 2013, (SPLUMA). The Single Land Use Scheme will be approved in the last quarter of 2021/22 financial year.

3. 20. KEY CHALLENGES

The key challenges which the Richmond municipality faces include the following:

Find the following:
There is delays in project approval, bulk infrastructure is also a challenge and land.
Procurement plan developed and tabled at MANCO monthly. However, challenges are still being experienced with specifications. Training of all bid committee members was undertaken in July 2013
Due to budget constraints a permanent official could not be appointed. However, an Interns are currently undertaking all asset management duties. Assets are now being barcoded as and when delivered.
Due to a shortage of permanent officials within the Budget and Treasury Office a dedicated official has not been identified. However, the Expenditure Accountant is tasked with undertaking these duties.

Table 1. Municipal key performance areas vs key challenges

Key Performance Area	Challenges
Cross Cutting Interventions	• Spatial inequalities • Lack of communication between Ingonyama Trust Board and the Municipality • Lack of community awareness on Land use matters • Land legal matters (Illegal developments). • Lack of building plan submission • Land invasion • Illegal land use • Secure tenure
Municipal Transformation and Organisational Development	• No financial resources to fill all vacant posts • Effective Human Resource Management and Development. • Implementation of staff Performance Management • Ensure safety and security of municipal buildings and environment. • Effective and reliable Information Communication Technology Environment.
Local Economic Development and Social Development	• Budget constraints • Insufficient Funding Support from Provincial and National Government • Lack of Communication from Provincial and National Government

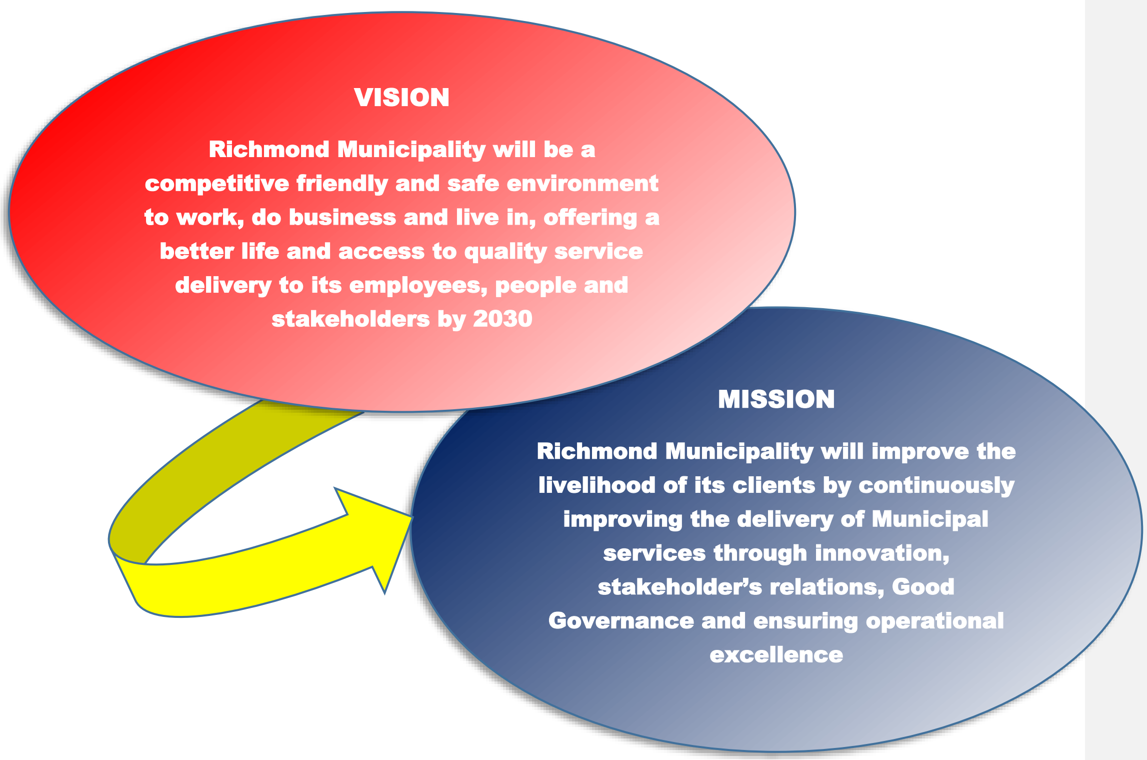
	on progress of programmes implemented • Lack of promotion on tourism • Robust regulation of the business environment. • Robust regulation of community buildings and developments. • Implementation of the Agri-Park Programme (Rural Development & Land Reform) • Preservation of heritage and enhancement of the Tourism sector. • Lack of capacity to effectively carry out LED • Enhance rural development through Agriculture. • Creation of jobs through LED and various other municipal programmes (LED Strategy Implementation). • Implementation of Poverty Alleviation programmes.
Municipal financial Viability and management	• Lack of asset management • Grant dependent for infrastructure • Poor Revenue Enhancement and management. • Effective and compliant Supply Chain Management. • Compliant Financial Management and credible financial reporting.

Service Delivery and Infrastructure Investment	• Robust reduction of backlogs in electricity, roads and public facilities • Provision, preservation and maintenance of municipal facilities • Social cohesion and nation building (social ills). • Environmental protection through effective waste management programmes (Reduce, Reuse and Recycle). • Facilitate robust provision of economic infrastructure • Compliant property development (private and business buildings) in terms of the NBR • Housing backlogs • Implementation of literacy improvement programmes • Containment and reduction of HIV/AIDS prevalence.
Good Governance and Public Participation	• Effective and compliant Municipal Governance • Lack of review and implementation of municipal policies • Implementation of a comprehensive anti-Fraud and corruption programme • Organisational Performance Management and Reporting • Harness Public participation and communication

- Compliance with mSCOA
- Legislative compliance
- Combat Land Invasions
- Mainstreaming of Special Programmes and increase participation of designated groups

CHAPTER 4: VISION, GOALS, OBJECTIVES & STRATEGIES

VISION AND MISSION



The vision, as recorded above, inspires and focuses the attention and mobilizes all residents, communities, stakeholders, politicians and officials in creating the desired future based on the implementation of projects and programmes in a sustainable manner thus creating a viable municipality focused on attaining its developmental mandate and therefore meeting the needs of all citizens in response to the requirements of legislation in that local government needs to be developmental in its approach.

The following Vision has been adopted in the KZN Growth and Development Strategy:

KWAZULU-NATAL - A PROSPEROUS PROVINCE WITH A HEALTHY, SECURE AND SKILLED POPULATION, ACTING AS A GATEWAY TO AFRICA AND THE WORLD.

By 2030, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.

Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.

The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.

4. 1. GOALS, OBJECTIVES & STRATEGIES

To realize the Vision and to ensure sustainable growth within the municipality in accordance with its priorities aligned to national and provincial targets, the following strategies and objectives seek to unravel some of the key challenges which, if not adequately addressed will have an adverse impact in terms of improving the well-being of the residents and on which the details of the key performance areas were expounded on and on which the plans, programmes and projects of the municipality are based. The development strategies of the Richmond Municipality are developed and structured according to the 6 National Key Performance Areas of the SIX YEAR LOCAL GOVERNMENT STRATEGIC AGENDA.

Basic Service Delivery and Infrastructure Development

Social and Local Economic Development

Good Governance and Public Participation

Municipal Transformation and Institutional Development

Municipal financial viability and management

Cross cutting key performance indicators

4. 2. ALIGNMENT OF KZN PGDS GOALS WITH RCHMOND LOCAL MUNICIPALITY GOALS, OBJECTIVES AND STRATEGIES

Richmond municipality is aware of the KZN PGDS Goals and objectives. Whilst reviewing its IDP, the municipality developed strategic objectives and goals that were geared towards achieving the KZN PGDS and Nation goals. The projects listed in the IDP are expected to promote: (I) human & natural resources; (ii) safe, healthy & sustainable living environment; (iii) healthy educated community; (iv) basic services & good infrastructure, and (v) investment confidence. The table below illustrates the alignment of Richmond municipality goals & objectives with that of the KZN PGDS.

Table 2. Municipal Goal and Objective alignment to KZN PGDS

KEY PERFORMANCE AREAS	PGDS	IDP GOALS
Cross Cutting	Spatial Equity Environmental Sustainability	Sustainable spatial planning
Municipal Transformation and Organisational Development	Human Resource Development	Human resource management and development
Basic Service Delivery and Infrastructure Development	Strategic Infrastructure	Improve service delivery and infrastructure development
Local Economic and Social Development	Job Creation Human and Community Development	Development of local economy
Municipal financial viability and management	Governance and Policy	Effective financial management
Good Governance and Public Participation	Governance and Policy	Good public governance

The municipal council has developed a set of objectives across the six municipal goals that are also linked to the six Key Performance Areas and will form the basis of the work done in this term of office. In order to address our development challenges and deliver on our objectives, the municipality has developed a Capital and Operational Investment Plan to be delivered in the course of the next five years. The realisation of this plan rest on the effective pursuit of our financial objectives of increasing and enhancing revenue collection.

4. 3. RICHMOND MUNICIPALITY OBJECTIVES DEVELOPED INCLUDE THE FOLLOWING:

- To facilitate land use management
- To promote accountability and efficiency in the use of municipal assets and community facilities
- To conduct needs-based training programmes and bolster municipal capacity.
- To foster a culture of good employee management and retention.
- To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.
- To ensure Alignment of Information Communications Technology to Business, Monitors and upholds Information Communications Technology standards, policies and procedures of the Council.
- To implement disaster management programmes
- To promote the use of libraries, facilities and dissemination of information
- To manage and upkeep and maintenance of properties and vehicles.
- To provide law enforcement and Security Services.
- Enhancing rights of learner to education.
- To promote gender equality and protect rights of senior citizens
- To promote sports and recreation throughout the Richmond Local Municipality
- To promote Arts and Culture within Richmond
- To have a functional youth structure within the Municipal area
- To unlock opportunities for poor youth through assistance and funding
- To Implement Electrification Projects to provide access to Households Connections
- To enhance road safety, law enforcement and promote the driver's license/ testing centre
- Annual Procurement plan prepared
- Effective bid committees to support procurement for service delivery
- To ensure compliance with Municipal by-laws

- To ensure sustainable and coordinated development throughout the municipality
- Ensure effective and focused communication, both within and outside the Municipality. Strategically profile the Municipality in line with the Mission and vision
- To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management
- To promote economic development and economic growth
- To promote tourism industry and identify tourism opportunities
- To support skills development and economic growth
- To effectively manage the information communication technology systems and ICT infrastructure of the municipality.
- To maintain a productive relationship between the municipality and its employees.
- To workshop and implement the delegations of authority's policy
- To provide sustainable human settlements
- To provide access to proper community facilities
- To Implement road-building and maintenance programmes and improve rural accessibility
- To provide accessible and reliable burial infrastructure facilities
- To provide access to proper community facilities
- To provide safe and reliable waste management services
- To increase opportunities for better life and improved standard of living.
- To improve financial viability and sound financial management as per MFMA
- To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.
- To have a GRAP compliant asset register for the municipality.
- To prepare the budget for the municipality in full compliance with legislative prescripts.
- To strengthen governance and IGR Structures
- To improve compliance and public participation and awareness.

- To provide access to proper community facilities
- To Implement road-building and maintenance programmes and improve rural accessibility
- To provide accessible and reliable burial infrastructure facilities
- To provide access to proper community facilities
- To provide safe and reliable waste management services

- To increase opportunities for better life and improved standard of living.
- To improve financial viability and sound financial management as per MFMA
- To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.
- To have a GRAP compliant asset register for the municipality.
- To prepare the budget for the municipality in full compliance with legislative prescripts.
- To strengthen governance and IGR Structures
- To improve compliance and public participation and awareness.

Table 4. Municipal Goals, Objectives, strategic Focus

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
Cross Cutting	Sustainable Spatial Planning	To facilitate land use management	
		To promote accountability and efficiency in the use of municipal assets and community facilities	Implement measures for the safeguarding of assets for the municipality and community facilities to promote efficiency and accountability
		To ensure sustainable and coordinated development throughout the municipality	

		To implement disaster management programmes	
		To promote the use of libraries, facilities and dissemination of information	
		To provide law enforcement and Security Services	
		To enhance road safety, law enforcement and promote the driver's license/ testing	
Municipal Transformation and Organisational Development	Human resource management and development	To conduct needs-based training programmes and bolster municipal capacity.	Update and implement the Workplace Skills Plan in accordance with training and development needs and municipal agreements.

To foster a culture of good employee management and retention.	Assessment of status quo, develop and implement remedial measures.
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.	Update of existing OD systems to enhance their effectiveness and develop policies to preserve institutional memory.
To manage and upkeep and maintenance of properties and vehicles.	Develop, monitor and report on a facilities management plan
To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Develop and drive implementation of the ICT strategy and plan.
To maintain a productive relationship between the municipality and its employees.	Update and communicate the labour relations policies and procedures.
To workshop and implement the delegations of authorities policy	Implement monitoring and evaluation mechanisms

		To ensure Alignment of Information Communications Technology to Business, Monitors and upholds Information Communications Technology standards, policies and procedures of the Council.	
Basic Service Delivery and	Improve service	To provide sustainable human settlements	address housing shortages

Infrastructure Development	delivery and infrastructure development	To provide access to proper community facilities To Implement road-building and maintenance programmes and improve rural accessibility To provide accessible and reliable burial infrastructure facilities To provide access to proper community facilities To provide safe and reliable waste management services To Implement Electrification Projects to provide access to Households Connections	Implement service delivery programmes and reduce services and infrastructure backlogs. To target nodal areas
Local Economic and Social Development	Development of local economy	To increase opportunities for better life and improved standard of living. To support skills development and economic growth To promote tourism industry and identify tourism opportunities To promote economic development and economic	Facilitate improved literacy rate and better standard of living

		growth	
Municipal financial viability and management	Effective financial management	To improve financial viability and sound financial management as per MFMA	Implement systems and processes which ensure clean audits, compliance to legislation and high performance. Reduce dependency on grants and increase revenue collection and alternative revenue generation sources.
		To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective. Effective bid committees to support procurement for service delivery	Improve systems for demand and supply chain management
		To have a GRAP compliant asset register for the municipality.	Implement systems and processes which ensure clean audits, compliance to legislation and high performance.

		To prepare the budget for the municipality in full compliance with legislative prescripts.	Prepare financial plans and provide reports in terms of applicable legislation
Good Governance and Public Participation	Good Public governance	To strengthen governance and IGR Structures	Establish governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practises and promote integrated development
		To ensure compliance with Municipal by-laws To improve compliance and public participation and awareness.	Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness
		To ensure sustainable and coordinated development throughout the municipality	
		Ensure effective and focused communication, both within and outside the Municipality	

	To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	
	Enhancing rights of learner to education To promote gender equality and protect rights of senior citizens	
	To promote sports and recreation throughout the Richmond Local Municipality To have a functional youth structure within the Municipal area To promote Arts and Culture within Richmond To unlock opportunities for poor youth through assistance and funding	
	To promote tourism industry and identify tourism opportunities To support skills development and economic	

growth

To promote economic development and economic growth

CHAPTER 5: STATEGIC MAPPING & IMPLEMENTATION PLAN

This section of the IDP is obtained from the Spatial Development Framework developed in 2016. The Spatial Development Framework is an all-inclusive strategic spatial guiding tool, that directs development and the implementation thereof.

This component of the IDP is intended to outline briefly the spatial key components that form as anchors on which development shall be based. The following will be presented: -

Key Spatial Structuring Elements

Environmental Sensitive Areas

Nodes and Corridors

Key Spatial Development Issues

Alignment with Neighbouring municipalities

Desired Spatial Outcome -Strategic Guidance

5. 1. STRATEGIC MAPPING

5. 1. 1. STRUCTURING ELEMENTS

The main road linkages within the Municipality are along R56 which forms the north south corridor linking Pietermaritzburg, Richmond and Ixopo. R56 transverses the middle of municipal area in north south direction The R624 links Richmond to the south coast and the R603 to the N3 corridor. In terms of Public Transport there are eleven routes which transport passengers within and outside of Richmond. Richmond's location in terms of major transport routes and corridor development serves as a link between eThekwini and Gauteng and its location therefore creates numerous benefits and should work towards strengthening the economy of the area.

UMkomazi River which is located on the south-western boundary of the municipality. This is one of the major rivers within the province and the Municipal Demarcation Board used it to demarcate the southern boundary of Richmond Municipality.

Richmond Local Municipality is predominantly rural in nature. The rural settlements within Richmond are those that house the majority of the municipalities population. Richmond Town is the only urban centre that services the surrounding rural settlements. Dense settlements exist around the Richmond Village, Greater Ndaleni and Hopewell. Settlements in other parts of the municipal area are sparsely scattered. Ownership of land in the municipality occurs in three forms namely:-

Privately owned land

State-owned

traditional authority (Ingonyama Trust)

The majority of privately owned land is utilised by agricultural practises and traditional authority used as settlements. The remaining areas consist of grasslands which are on the south-western edge of the municipality.

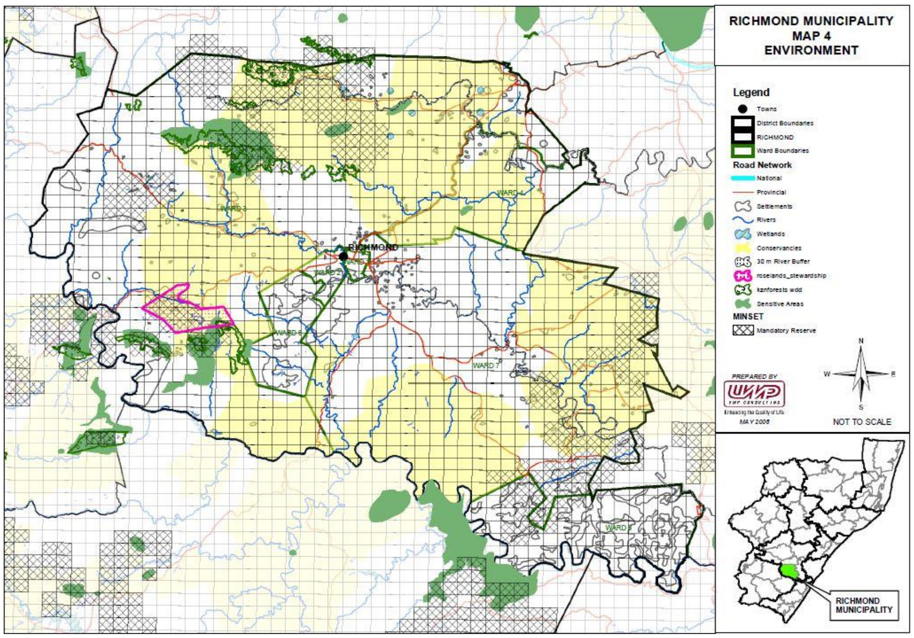
5. 1. 2. ENVIRONMENTALLY SENSITIVE AREAS

The District is characterised by a rich biodiversity and consists of various topographical features, ecosystems and habitat types. The topography of the region descends from the Drakensburg Mountains towards the Indian Ocean in a series of terraces which separate escarpments such as the Karkloof range, Townhill and Table Mountain.

The following are the environmental categories of land that have been identified: -

- National Parks and Equivalent Reserves, (Cobham State Forest)
- Natural Monuments and areas of Cultural Significance (Natural Heritage sites, sites of Conservation Significance and Sanctuaries)
- Habitats and Wildlife
- Protected land/Seascapes, protected landscapes, protected natural environments
- Important Environmental Management Areas

Map 16. Environmental Context

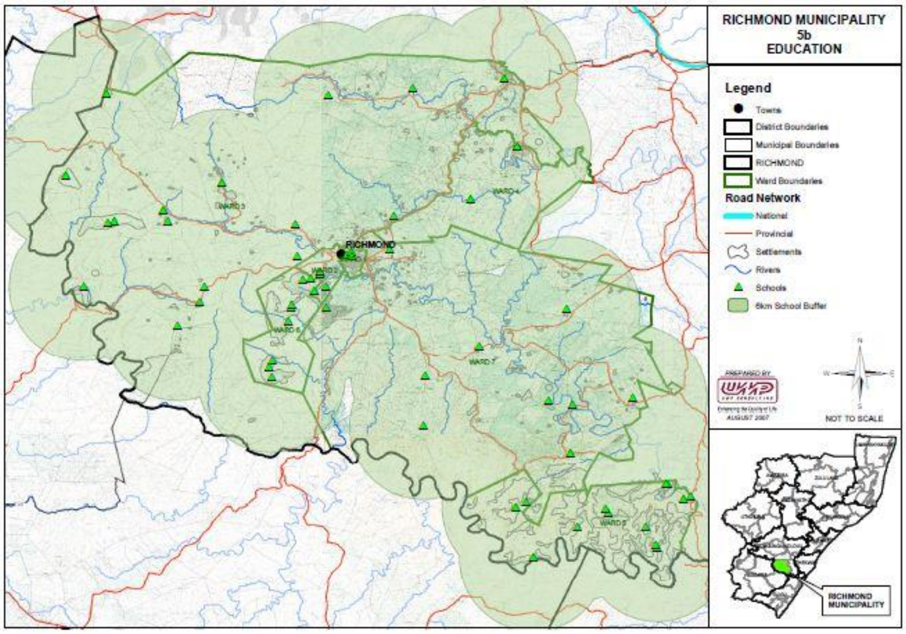


The Richmond Municipality is located in a summer rainfall area and is therefore has various hydrological features. It is with many perennial rivers, streams, wetlands and a large number of farm dams.

Commercial agriculture is the main land use and this is due to the high agricultural potential that has been identified within the municipal area. Forestry plantations occur thoughout the municipal area ans sugarcane is grown along the eastern boundary. Smaller pockets of land which are irrigaed for commercial purposes are dispersed throughout the municipality. Subsitence farming particularly within rural settlements is pravalent and this also is re-enforced by the nature of the municipality.

The agricultural potential is entirely dependent upon soil and climatic conditions. The central, western and northern areas of the municipality are characterised by high potential land. This portions of the municipality accounts for approximately 60% of the entire municipal area. This implies generally that the municipalities soils and climatic conditions favour agricultural practices and therefore agricultural potential within Richmond is quite high.

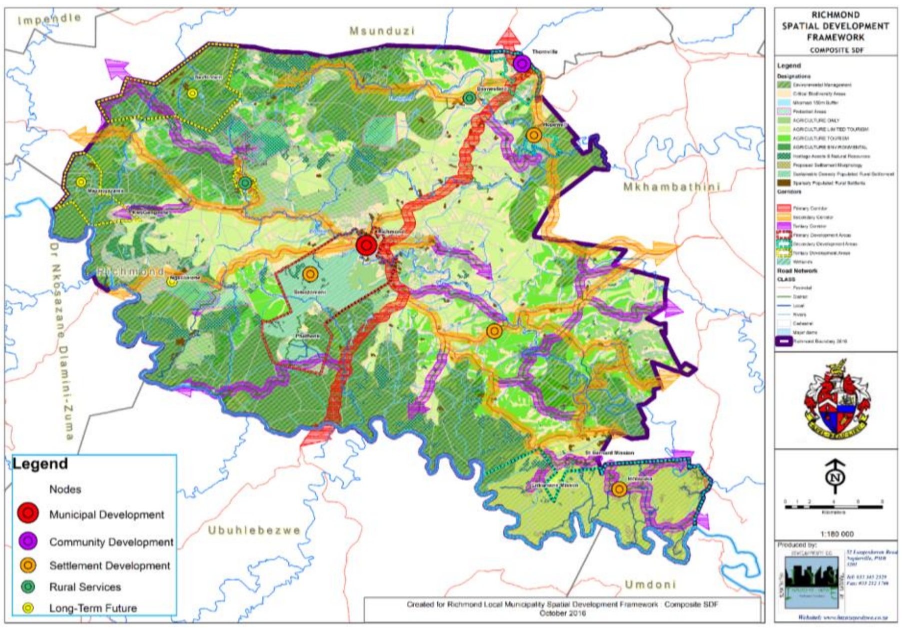
Map 17. Access to Education



The figure below is the spatial representation of all strategies and objectives that have been outlined clearly within this IDP. It is a spatial expression that aims to guide development and links all development perspectives of the municipality. Richmond Municipality does not exist in a vacuum and therefore its counterparts (neighbouring municipalities) are integral components to consider. According to the Districts and Richmond's LED strategies, it is clear that the focus for development in Richmond is based on its agricultural potential, agro processes, nature based tourism and Box Four Farming. It has also been highlighted the potential for special manufacturing, service opportunities and mid to lower residential property development parks that should be exploited within Richmond for optimal economic gain.

5. 1. 3. STRATEGIC MAPPING

Figure 1. Richmond Spatial Development Framework



Nodal areas are defined in the latest SDF guidelines of July 2010 as areas where there is high intensity of land uses and where activities will be supported and promoted. The

development of nodal pints helps to improve efficiency since it provides easy access and creates thresholds for a variety of uses and public transport services. Richmond like any given municipality accommodates a hierarchy of nodes which shows the relative intensity of development anticipated for the various nodes, and the dominant nature and activity of the nodes.

The SDF 2016, identifies the following nodes: -

- Primary Node Main Hub- Richmond Town- Administrative and Economic Centre
- Secondary Node– Thornville, Byrne and Nhlazuka
- Tertiary Node - Hopewell, Ndaleni, Magoda, Smozomeni and Mgxobeleni

The following are development corridors which were identified: -

Urban/Residential, Primary- P5

Agricultural/Residential, Secondary-P121, P24 AND P115

Agricultural, Tertiary- P334, D58, P8 and P116

Tourism Corridor- Along the Southern boundary of the Municipality

5. 1. 4. DESIRED SPATIAL OUTCOME

The assignment's objective is to formulate a Municipal (Richmond Municipality) SDF to produce an SDF which addresses the following key issues:

Overall spatial distribution of current and desirable land usages within the municipality

Ensure that the urban form supports an efficient transport system, especially public transport, and will improve movement and accessibility.

Manage the development of strong, viable nodes that are directly linked with the transport system and will ensure the clustering of appropriate activities and densities.

Enhance and protect residential environments through clear policy guidelines for new residential development, what activities, including economic activities, are deemed to be appropriate in residential areas and sustainable delivery of environmental, social and engineering infrastructure.

Ensure that the urban form will support the provisions of a functional and sustainable open space system and will through a more efficient urban structure, facilitate the reduction of pollution, the management of water run-off and the protection of ecologically sensitive areas.

Facilitate urban restructuring and focused development through appropriate corridor development.

Ensuring environmentally sustainable development through managing the environmental impact of development activities.

To inform the development of the Richmond Land Use Management System(LUMS) in terms of desired land uses.

To ensure alignment with the neighbouring local municipalities.

5. 1. 4. 1. PLANNING STRATEGIES

5. 1. 4. 1. 1 Access Route as investment Lines

Developing a district structure (see establishment of structure above)

Establishing a clear framework which facilitates access in its wider context

Creating a framework to direct public and private investment

Developing a network of opportunity on the basis of existing roads, settlement, natural resources and features

These routes represent the spines around which existing development has been attracted to and potentially also represent opportunities for future development

A hierarchy of investment lines can be distinguished consisting of primary, secondary and tertiary routes

The identification of this hierarchy provides guidance for the location of relevant land uses.

5. 1. 4. 1. 2. A Service Centre Strategy

Creating a hierarchy of service centres (nodes) offering a range of facilities and activities throughout the district.

Four levels of areas are suggested to include a district centre, primary, secondary and satellite service nodes.

The centres are conceptualised as serving different catchments and offering a range of services and opportunities

In general, higher order centres will at the same time serve as the relevant lower order centres

The principles suggested will have to be adjusted to specific local circumstances.

5. 1. 4. 1. 3. Natural Resource as Primary Asset and Structuring Elements

Acknowledging, protecting and enhancing the inherent qualities of the landscape and managing the natural environment as a prime asset and resource base for the district.

Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this

The sustainable utilization of natural resources is suggested to *inter alia* promote the development of agriculture as a key driver of the rural economy incorporating currently underutilized agricultural land

The identification of new inherent opportunities to be found within the picturesque landscape which characterizes much of the district including developing latent potential particularly with regards to tourism opportunities.

5. 1. 4. 1. 4. Integration

Integrate Low Income residential areas to high order centres

New economic opportunities in growth area and adjacent to major roads

5. 1. 4. 1. 5. Compaction

New and Infill development focused to create coherent system, mainly in urban and peri-urban areas of Greater Ndaleni/ Richmond and Thornville.

5. 1. 4. 1. 6. Meeting Land Use Needs and Identification of areas of economic development potentials

New Residential areas

New economic opportunity areas, especially those areas which were previously excluded from the main stream economy

New nodal points

Restructure CBD

5. 1. 4. 1. 7. Restructuring of the LM

Creation of new nodes and new economic opportunity areas

Limited mixed-use activity spines between focus points

Redressing imbalances with improved infrastructure and new economic opportunities

5. 1. 4. 1. 8. Sustainability

Protecting environmentally sensitive areas

Coherent and reinforcing infrastructure

Protecting agriculture potential areas

Upgrade residential areas with appropriate infrastructure

In situ upgrading of Informal settlements

5. 1. 4. 1. 9. Establishing a Management Framework

Having established an investment framework and a natural resource base, it is possible to identify an overall management framework to guide future development.

Such guidance will include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement etc.

5. 1. 4. 2. ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES

5. 1. 4. 2. 1. DISTRICT SPATIAL DEVELOPMENT FRAMEWORK:

An overview of the UMDM SDF reveals the following as key spatial features that may impact on Richmond:

Dominance of Pietermaritzburg as the provincial administrative centre, regional economic hub and a primary service centre.

Importance of high potential agricultural land particularly areas that fall within the midlands mist belt.

Provincial north-south linkages that knit a number of towns from Kranskop in the north through UMDM to Kokstad and beyond in the south.

Catchment management given the provincial significance of Umngeni River Catchment and Mkhomazi River catchment to the south.

UMDM SDF identifies Richmond town as a tertiary node and a municipal administrative centre. It defines a municipal centre as an appropriate area for the location of services such as police, administrative functions, hospitals, training, diverse commercial and economic functions and a variety of residential uses

5. 1. 4. 2. 2. MKHAMBATHINI SPATIAL DEVELOPMENT FRAMEWORK:

The interface alone both boundaries aligns in terms of Zonation as both sides have agriculture zones. P624 from Eston to Richmond and P117 to Hopewell are aligned as they are both Secondary Corridors. Cross Border Linkages in terms of access need to be strengthened

5. 1. 4. 2. 3. MSUNDUZI SPATIAL DEVELOPMENT FRAMEWORK:

Richmond Local Municipality proposes Residential Expansion on the boundary of Msunduzi while on Msunduzi the interface is existing residents. Road Linkages are also aligned.

5. 1. 4. 2. 4. INGWE SPATIAL DEVELOPMENT FRAMEWORK:

P121 to Indaleni and P8.2 linking from P8-1 as Tertiary Corridors align to Richmond proposals of Corridors. Agriculture and tourism zones on Ingwe Local Municipality also align to Richmond's.

5. 1. 4. 2. 5. UBUHLEBEZWE SPATIAL DEVELOPMENT FRAMEWORK:

Rural / Traditional Areas along Richmond Municipal Boundary. These areas along Umkomaas River are environmentally sensitive and the main activities include agriculture and tourism.

5. 2. IMPLEMENTATION PLAN

IDP COMPONENTS (Implementation Plan, in tabular format, which reflects the following:

- Key Challenge
- Objective
- Spatial Intervention
- Performance Indicator
- Baseline
- 5 Year Targets

- Target if outside 5-year period
- Confirmed Budget
- Funding Source
- Responsibility

This section to include specific combined maps – to reflect committed funding.

5-Year Capital Investment Plan to be included as part of Implementation Plan (O&M))

This section of the IDP is obtained from the Spatial Development Framework developed in 2016. The Spatial Development Framework is an all-inclusive strategic spatial guiding tool, that directs development and the implementation thereof.

This component of the IDP is intended to outline briefly the spatial key components that form as anchors on which development shall be based. The following will be presented: -

Key Spatial Structuring Elements

Environmental Sensitive Areas

Nodes and Corridors

Key Spatial Development Issues

Alignment with Neighbouring municipalities

Desired Spatial Outcome -Strategic Guidance

CHAPTER 6: FINANCIAL PLAN

(budgets and time frames, within the Municipal Area which are not included in the Municipal Budget, i.e. those by government departments, Parastatals, NGO's, the Private Sector, etc.)

5. 2. MUNICIPAL BUDGET OVERVIEW

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The 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 so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and „nice to have‟ items.
It is about sticking to our plans despite challenging circumstances. The municipality's aim is to eliminate wasteful spending and reduce it on non-critical items so as to sustain service delivery and maintain strong public finances.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers by implementing the debt collection and credit control policy as well as the implementation of the approved revenue enhancement strategy.

The main challenges experienced during the compilation of the 2022/23 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and other infrastructure assets;
- The need to reprioritize projects and expenditure within the existing resource envelope given the available sources of funding;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies which makes it difficult to maintain the salaries budget within the acceptable norm as a percentage of the total operating budget; and

Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2022/23 MTREF process

The following budget principles and guidelines directly informed the compilation of the 2022/23 MTREF:

- The 2021/22 Adjustments Budget priorities and targets;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been Gazetted as required by the annual Division of Revenue Act; and
- Local Government budget and Financial reforms: Regulation of a "Standard Chart of Accounts' (SCOA) for local government.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2022/23 MTREF

R thousand	Adjustmnet Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operating Revenue	118,730	160,275	158,620	145,196
Total Operating Expenditure	142,494	160,275	160,499	167,567
Surplus / (Deficit for the year)	(23,764)	–	(1,879)	(22,371)
Total Capital Expenditure	33,021	27,529	22,873	24,789

Total operating revenue has increased by 35 per cent or R 41.5 million for the 2022/23 financial year when compared to the 2021/22 Adjustments Budget. For the two outer years, operational revenue will decrease by 1 and 8 per cent respectively, equating to a total revenue reduction of R15 million over the MTREF period. The reduction in revenue can be attributed to the once gains on disposal of land included in the 2022/2023 financial year.

Total operating expenditure for the 2022/23 financial year has been appropriated at R160 million and translates into a budgeted surplus of R nil. When compared to the 2021/22 Adjustments Budget, operational expenditure has grown by 12 per cent in the 2022/23 budget and remained fairly the same in the 2023/24 outer and 4 per cent increase is expected the 2024/25 outer year of the MTREF. The operating deficit for the two outer years increases to R 1.9 million and R 22.8 million respectively.

The capital budget of R 27,5 million for 2022/23 is 17 per cent less when compared to the 2021/22 Adjustment Budget. The reduction is due to various projects being finalized in the previous financial year as well as affordability constraints in the light of current economic circumstances.

The Capital Programme continues to decrease to R 22.8 million in the 2023/24 financial year and then increases slightly in 2024/25 to R 24.8 million. A marginal portion of the capital budget will be funded from internal funds over MTREF whilst the balance will be funded from conditional grants. Consequently, the capital budget remains relatively flat over the outer years.

1.1 Operating Revenue Framework

For Richmond 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 have to 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;
- Efficient revenue management which aims to aims to ensure an 80% percent annual collection rate for rates and other service charges;
- 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 recovers costs;
- The municipality's Indigent Policy and rendering of Free Basic Services;
- The Tariff Policy of the municipality;

Management have further adopted a conservative approach when projecting revenue and cash receipts. Council has also carefully considered the affordability of tariff increases, especially as it relates to domestic consumers whilst considering the level of service versus the associated cost. Particular attention was paid to managing revenue effectively and evaluating all spending decisions.

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	17,216	17,895	18,494	19,466	19,466	19,466	18,277	28,049	29,350	30,642
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1,046	618	777	590	928	928	768	1,087	1,135	1,185
Rental of facilities and equipment		925	715	1,004	1,127	1,223	1,223	867	1,342	1,401	1,463
Interest earned - external investments		2,629	1,046	1,208	2,041	1,605	1,605	1,169	1,682	1,756	1,833
Interest earned - outstanding debtors		169	154	233	238	288	288	244	302	315	329
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3,272	4,060	4,517	3,764	4,764	4,764	2,725	4,993	5,213	5,442
Licences and permits		690	504	1,308	2,333	2,219	2,219	1,653	2,325	2,428	2,535
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		71,803	77,234	97,079	85,736	85,386	85,386	83,023	107,074	113,902	98,511
Other revenue	2	425	514	881	2,924	2,852	2,852	1,516	2,989	3,120	3,257
Gains		926	(10,370)	(3,390)	–	–	–	–	10,432	–	–
Total Revenue (excluding capital transfers and contributions)		**99,100**	**92,371**	**122,111**	**118,219**	**118,730**	**118,730**	**110,242**	**160,275**	**158,620**	**145,196**

Table 3 Percentage growth in revenue by main revenue source

Description	2022/23 Medium Term Revenue & Expenditure Framework					
Property rates	28,049	18%	29,350	19%	30,642	21%
Service charges - refuse revenue	1,087	1%	1,135	1%	1,185	1%
Rental of facilities and equipment	1,342	1%	1,401	1%	1,463	1%
Interest earned - external investments	1,682	1%	1,756	1%	1,833	1%
Interest earned - outstanding debtors	302	0%	315	0%	329	0%
Fines, penalties and forfeits	4,993	3%	5,213	3%	5,442	4%
Licences and permits	2,325	1%	2,428	2%	2,535	2%
Transfers and subsidies	**107,074**	**67%**	**113,902**	**72%**	**98,511**	**68%**
Other revenue	2,989	2%	3,120	2%	3,257	2%
Gains	10,432					
Total Revenue	**160,275**		**158,620**		**145,197**	**100%**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from **rates and services charges** forms an insignificant percentage of the revenue basket for the Richmond Municipality when compared to Transfers and Subsidies. Rates and service charge revenues comprise less than 20 per cent of the total revenue mix. In the 2022/23 financial year, revenue from rates and services charges totaled R28 million or 18 per cent. This increased to R29.4 million and R30.6 million in the respective outer financial years of the MTREF.

Property rates is the second largest revenue source totaling R29 million or 19 per cent. This increased to R30 million and R32 million in the respective outer financial years of the MTREF.

Operating grants and transfers totals R 107 million in the 2022/23 financial year and increased to R 113 million in 2023/24 and reduced to R98 million in 2024/25. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**12,947**	**53,624**	**79,486**	**3,914**	**3,914**	**3,914**	**90,684**	**95,311**	**101,587**
Local Government Equitable Share		9,532	48,536	74,914				86,421	92,298	98,789
Expanded Public Works Programme Integrated Grant		1,515	1,716	1,505	–	–	–	–	–	–
Local Government Financial Management Grant		1,900	1,900	1,900	1,850	1,850	1,850	1,950	1,950	1,788
Municipal Disaster Relief Grant		–	551	250	–	–	–	–	–	–
Municipal Infrastructure Grant		–	922	917	963	963	963	1,026	1,063	1,010
Expanded Public Works Programme Integrated Grant		1,515	1,716	1,505	1,101	1,101	1,101	1,287		
Other transfers/grants [insert description]		(1,515)	(1,716)	(1,505)						
Provincial Government:		**–**	**2,413**	**2,944**	**3,048**	**3,048**	**3,048**	**16,391**	**3,200**	**2,488**
Provincialisation of libraries			2,413	2,944	2,806	2,806	2,806	2,946	2,946	2,255
Community library services					242	242	242	254	254	233
TITLE DEED RESTORATION PROGRAMME								13,191	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	**12,947**	**56,038**	**82,430**	**6,962**	**6,962**	**6,962**	**107,074**	**98,511**	**104,075**
Capital Transfers and Grants										
National Government:		**27,170**	**27,170**	**18,303**	**19,485**	**19,485**	**19,485**	**22,485**	**27,192**	**29,500**
Municipal Infrastructure Grant		27,170	27,170	18,303	19,485	19,485	19,485	19,485	20,192	19,198
ESKOM								–	–	2,640
Integrated National Electrification Programme Grant								–	7,000	7,662
High-over Game Reserve								3,000	–	–
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	**27,170**	**27,170**	**18,303**	**19,485**	**19,485**	**19,485**	**22,485**	**27,192**	**29,500**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**40,116**	**83,207**	**100,733**	**26,448**	**26,448**	**26,448**	**129,560**	**125,703**	**133,575**

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Revenue & Expe Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	E Y 2
RECEIPTS:	1, 2									
-										
Operating Transfers and Grants										
National Government:		12,947	53,624	79,486	3,914	3,914	3,914	90,684	95,311	1

Local Government Equitable Share		9,532	48,536	74,914				86,421	92,298
Expanded Public Works Programme Integrated Grant		1,515	1,716	1,505	–	–	–	–	–
Local Government Financial Management Grant		1,900	1,900	1,900	1,850	1,850	1,850	1,950	1,950
Municipal Disaster Relief Grant		–	551	250	–	–	–	–	–
Municipal Infrastructure Grant		–	922	917	963	963	963	1,026	1,063
Expanded Public Works Programme Integrated Grant		1,515	1,716	1,505	1,101	1,101	1,101	1,287	
Other transfers/grants [insert description]		(1,515)	(1,716)	(1,505)					
Provincial Government:		**–**	**2,413**	**2,944**	**3,048**	**3,048**	**3,048**	**16,391**	**3,200**
Provincialisation of libraries			2,413	2,944	2,806	2,806	2,806	2,946	2,946
Community library services					242	242	242	254	254
TITLE DEED RESTORATION PROGRAMME								13,191	–
Other transfers/grants [insert description]									
District Municipality:		–	–	–	–	–	–	–	–
[insert description]									
Other grant providers:		–	–	–	–	–	–	–	–
[insert description]									
Total Operating Transfers and Grants	5	**12,947**	**56,038**	**82,430**	**6,962**	**6,962**	**6,962**	**107,074**	**98,511**
<u>Capital Transfers and Grants</u>									
National Government:		**27,170**	**27,170**	**18,303**	**19,485**	**19,485**	**19,485**	**22,535**	**27,192**
Municipal Infrastructure Grant		27,170	27,170	18,303	19,485	19,485	19,485	19,485	20,192
ESKOM								–	–
Integrated National Electrification Programme Grant								–	7,000
High-over Game Reserve								3,050	–
Other capital transfers/grants [insert desc]									

Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	**27,170**	**27,170**	**18,303**	**19,485**	**19,485**	**19,485**	**22,535**	**27,192**	**2**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**40,116**	**83,207**	**100,733**	**26,448**	**26,448**	**26,448**	**129,610**	**125,703**	**1**

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. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality has provisionally increased domestic refuse charges by 4.8% with no increase in rate categories and all other service charges by 4.8%.

1.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The municipality has not applied a tariff increase in the property rates for the 2022/23 budget year.

The municipality is in the last year of implementing the current five-year valuation roll. In accordance with Section 32 (1) of the Municipal Property rates Act No. 6 of 2004, the municipality had compiled a new valuation roll effective 1 July 2022.

The process of implementing the new valuation roll is underway and the section 49 notices in terms of Municipal Property rates Act No. 6 of 2004, have been issued. The new valuation roll is opened for public inspection and any person who wishes to lodge an objection may do so by the 11th April 2022.

The implementation of the valuation roll will see the property values of the Richmond Community increasing when compared to the current year. This is positive for the municipality however; we understand that the impact of this will be felt by our consumers on their rates accounts.

So, to cushion this impact, the tariffs for property rates will remain unchanged. This will ensure that only the incremental effect of the property values is considered in the billing.

Property rates contribute towards covering the costs of the provision of general services. National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the MPRA, 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 to be 0,25:1. 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 Property Rates Policy has been amended to implement the provisions of Section 93A of the Municipal Property Rates Amendment Act, 2014 (MPRA) on Transitional arrangement: Public Service Infrastructure; which states: -

(1) The prohibition on the levying of rates on public service infrastructure referred to in section 17(1)(a)(A) must be phased in over a period of five municipal financial years, with effect from the date of commencement of this Act.

(2) The rates levied on property referred to in subsection (1) must-

a) In the first year, be no more than 80 per cent of the rate for that year otherwise applicable to that property;
b) In the second year, be no more than 60 per cent of the rate for that year otherwise applicable to that property;
c) In the third year, be no more than 40 per cent of the rate for that year otherwise applicable to that property;
d) In the fourth year be no more than 20 per cent of the rate for that year otherwise applicable to the property; and
e) In the fifth year, be no more than 10 per cent of the rate for that year otherwise applicable to that property

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a residential property is excluded from the rateable value (Section 17h of the MPRA). In addition to this rebate, a further R 35 000 reduction on the market value of a residential property will be granted in terms of the municipality's property rates policy;
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged a maximum rebate of 80 per cent will be granted to the owners of residential rateable property. In this regard the following stipulations are relevant:
- The rateable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
- The municipality may grant a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations provided they are registered and comply with the requirements as referred to in the Property rates Policy.
- The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R100 000 in respect of all agricultural properties which are bona fide farmers.

Table 5 Comparison of proposed rates to levied for the 2022/23 financial year

Property rate catergory	2021/2022	2022/2023	Percentage Increase
Residential Property	0.0083687	0.0083687	0.0%
Business, Commercial and industrial property	0.0168954	0.0168954	0.0%
Vacant Land	0.0254421	0.0254421	0.0%
Agricultural Property	0.0020922	0.0020922	0.0%
Public Service Purposes	0.0181489	0.0181489	0.0%
Public Service Infrastructure	0.0020922	0.0020922	0.0%
Public benefit organisation property	0.0020922	0.0020922	0.0%
Other	0.0049718	0.0049718	0.0%
Unauthorised Use	0.0282092	0.0282092	0.0%

1.1.2 Refuse Removal and Impact of Tariff Increases

Currently waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The municipality has therefore reviewed the tariffs in respect of commercial users and attempted to apply an increase that would address this issue. Further to the above the tariff charge will be raised per unit and not per property.

A 4.8 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2022. Currently indigent residential consumers are subsidized in full for refuse removal. The following table compares current and proposed amounts payable from 1 July 2022:

Table 6 Comparison between current waste removal fees and increases

Refuse removal	2022	2023	% Increase
- Domestic once a week	53.93	56.52	4.8%
- Refuse residential - Complex/old age homes etc	789.05	826.92	4.8%
- Commercial twice a week	407.64	427.21	4.8%
- Commercial five times a week	1,578.10	1,653.84	4.8%
- Commercail Bulk	3,156.19	3,307.69	4.8%
- Commercial Daily	3,787.43	3,969.23	4.8%
- Skipper Bin hire per month	4,347.83	4,556.53	4.8%

The overall budget increase of 17% can be attributed to the inclusion of Siyathuthuka Residents who are no longer considered indigent and qualifies.

1.1.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been increased by 4.8%

Table 7 MBRR Table SA14 – Household bills

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	1,214,868	516,605	861,939	924,246	924,246	924,246		948,204	988,032	1,031,496
sub-total	**1,214,868**	**516,605**	**861,939**	**924,246**	**924,246**	**924,246**	**3%**	**948,204**	**988,032**	**1,031,496**
VAT on Services	–	–	–	–	–	–		–	–	–
Total large household bill:	**1,214,868**	**516,605**	**861,939**	**924,246**	**924,246**	**924,246**	**3%**	**948,204**	**988,032**	**1,031,496**
% increase/-decrease		**-57%**	**67%**	**7%**	**0%**	**0%**		**3%**	**4%**	**4%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	6,116,439	10,660,375	10,387,333	3,461,525	3,461,525	3,461,525		3,304,440	3,443,232	3,594,732
sub-total	**6,116,439**	**10,660,375**	**10,387,333**	**3,461,525**	**3,461,525**	**3,461,525**	**-5%**	**3,304,440**	**3,443,232**	**3,594,732**
VAT on Services	–	–	–	–	–	–		–	–	–
Total small household bill:	**6,116,439**	**10,660,375**	**10,387,333**	**3,461,525**	**3,461,525**	**3,461,525**	**-5%**	**3,304,440**	**3,443,232**	**3,594,732**
% increase/-decrease		**74%**	**-3%**	**-67%**	**0%**	**0%**		**-5%**	**4%**	**4%**

1.1.4 Rental of facilities and equipment

The rental of facilities and equipment has increased by an overall 10 per cent, this is mainly to due to the additional office space allocated to the district office and the effect of annual price escalation of existing rentals.

1.1.5 Gains on disposal,

It is a known fact that our municipality has a low revenue base; and to ensure the sustainability of the municipality, the Richmond Council has identified a number of vacant portions of land which can be released through a formal process of land disposal.

This initiative will not only improve the cash resources of the municipality but will also benefit the community. It is estimated that an amount of R 10 million will be realized by the municipality through the land disposal processes.

The Land Disposal Policy was approved on 31 March 2022 and it is expected that the gains on disposal will realized in the third quarter of the budget year.

1.2 Operating Expenditure Framework

The Richmond's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

The asset renewal strategy and the repairs and maintenance plan;

Balanced 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;

The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Expenditure By Type											
Employee related costs	2	45,590	51,233	54,672	60,427	59,748	59,748	48,712	65,808	67,377	69,678
Remuneration of councillors		5,764	6,030	5,773	6,230	6,230	6,230	5,356	6,529	6,816	7,116
Debt impairment	3	3,688	4,762	3,686	3,994	3,994	3,994	4,535	8,962	4,686	4,893
Depreciation & asset impairment	2	18,821	16,549	22,847	20,155	20,155	20,155	15,831	21,122	22,051	23,022
Finance charges		220	270	197	199	199	199	8	197	206	215
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	5,314	4,720	4,460	5,788	5,390	5,390	–	6,052	6,318	6,596
Contracted services		19,577	24,667	25,464	28,127	28,109	28,109	22,841	30,951	31,499	33,555
Transfers and subsidies		1,515	734	563	1,037	1,037	1,037	492	1,087	1,134	1,184
Other expenditure	4, 5	10,552	11,451	11,479	17,463	17,632	17,632	12,525	19,567	20,411	21,309
Losses		–	–	92	–	–	–	–	–	–	–
Total Expenditure		**111,043**	**120,415**	**129,233**	**143,420**	**142,494**	**142,494**	**110,301**	**160,275**	**160,499**	**167,567**

Table 9 Percentage growth in operating expenditure by main expenditure source

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
Employee related costs	59,748	42%	65,808	41%	67,377	42%	69,678	42%
Remuneration of councillors	6,230	4%	6,529	4%	6,816	4%	7,116	4%
Debt impairment	3,994	3%	8,962	6%	4,686	3%	4,893	3%
Depreciation & asset impairmen	20,155	14%	21,122	13%	22,051	14%	23,022	14%
Finance charges	199	0%	197	0%	206	0%	215	0%
Inventory consumed	5,390	4%	6,052	4%	6,318	4%	6,596	4%
Contracted services	28,109	20%	30,951	19%	31,499	20%	33,555	20%
Transfers and subsidies	1,037	1%	1,087	1%	1,134	1%	1,184	1%
Other expenditure	17,632	12%	19,567	12%	20,411	13%	21,309	13%
Total Expenditure	**142,494**	**100%**	**160,275**	**100%**	**160,498**	**100%**	**167,568**	**100%**

Employee Related Costs: The budgeted allocation for employee related costs for the 2022/23 financial year totals R65,8 million, which equals 41 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4.5 per cent for the 2022/23 financial year. Furthermore, the municipality made some corrections on the salary budget and removed posts which were budgeted duplicated in the 2022/23 budget.

An annual increase of 4.5 per cent has been included for the 2023/2024 financial year and 4.5 per cent for the 2024/2025 financial year. The budget has also been drawn up considering the budgeting for applicable annual notch increases.

Richmond Municipality implemented the results of the job evaluation which is a contributing factor on the high salary bill.

The municipality understands that sustainable job creation remains a national priority and in finalizing the 2022/23 budget and MTREFs, the municipality has explored opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

Remuneration of Councilors: The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 4.5 per cent increase has been factored into the budget for the 2022/23 financial year.

The municipality is legislated to have a full-time mayor, full time speaker, full time deputy mayor, part time member of the executive committee and part time councilors. The positions of full-time speaker and deputy mayor were Gazetted and effective from April.

Depreciation: 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 R20.1 million for the 2021/22 financial and equates to 14 per cent of the total operating expenditure.

Finance charges: The finance charges budgeted for under Table A4 relates to bank charges and finance charges on the lease of Photocopiers.

Inventory Consumed: In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2022/2023 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure.

The level of budgeted Repairs and Maintenance expenditure expressed as a percentage of the asset values is approximately 3 per cent. This is just below the norm of 8 per cent as required by MFMA circular 55. The municipality however budgets as per the maintenance plans and is confident that the budget would adequately secure the on-going health of the municipalities' infrastructure and assets.

The overall inventory consumed budget increased by 12%, the increase can be attributed to a provision made for the maintenance of community halls. The budget for maintenance of community halls has been set aside at R 1.8 million. This expenditure line item was previously budgeted at R 5.4 million.

Debt Impairment: An amount of R 8.9 million has been set aside as the provision for debt impairment, this budget was determined after taking into consideration the following:

- Municipal approved policy on Debt Collection and Credit Control,
- Historical trend of provision for impairment – Audited Annual Financial Statements 2019-2021,
- Pre-audited actual financial information for the period ended 3 April 2022,
- Revenue Collection Initiatives being implemented,
- Property Rates having a 30-year prescription period and possibility of recovery through property sale,
- Targeted average collection rate of 70 per cent (considering old debt and current billing).

It must be noted that as at the end of April 2022 the provisional collection rate was sitting at 102 per cent which supports the municipality's targeted collection rate for the 2022/23 budget year. With the current experienced collecting rate, the municipality is of a view that the debt impairment of R 8.9 million is credible and fairly projection for 2023.

See further narration on under Budget Assumption Section of this document.

While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Contracted Services: Contracted services has been identified as a cost saving area for the Richmond Municipality. As part of the compilation of the 2022/23 MTREF this group of expenditure was critically evaluated, and operational inefficiencies were noted.

As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2022/23 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1

In light of the above the municipality proposed to marginally increase the budget for contracted services by R 3 million when compared to the adjustment budget for 2021/22 (i.e. an increase from R 28 million to R 31 million in the 2023 budget year). The overall 11% increase is mainly due to the hiring of plant and machinery which will be used to boost in-house capacity and aid in expediting community infrastructure maintenance.

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. However, the expenditure was increased by a 11% from the adjustment budget of 2021/22 to 2022/23 financial year. The actual increase can be translated to R 1.9 million.

It is expected that the municipality's cost containment initiatives will be fully implemented. The cost containment initiatives will target areas on inefficiencies in the municipality.

The following table gives a breakdown of the main expenditure categories for the 2022/23 financial year.

Figure 2 Main operational expenditure categories for the 2021/22 financial year

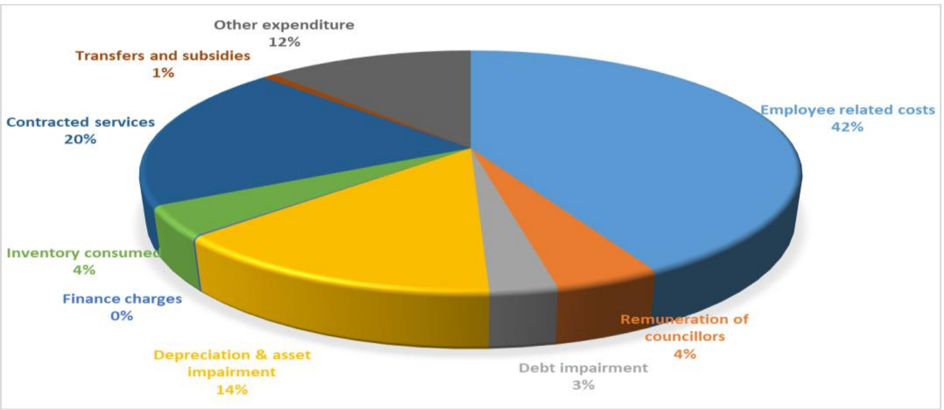


Table 10 Repairs and maintenance per asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		64	4	–	7	0	0	–	–	–
Computer Equipment		64	4	–	7	0	0	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		376	168	212	170	205	205	138	144	151
Machinery and Equipment		376	168	212	170	205	205	138	144	151
Transport Assets		2,881	2,809	4,354	4,404	4,578	4,578	4,593	4,795	5,006
Transport Assets		2,881	2,809	4,354	4,404	4,578	4,578	4,593	4,795	5,006
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	7,094	4,891	6,139	7,637	6,962	6,962	9,036	9,434	9,849
R&M as a % of PPE		2.1%	1.4%	1.7%	2.1%	1.9%	0.9%	2.6%	2.6%	2.9%
R&M as % Operating Expenditure		6.4%	4.1%	4.8%	5.3%	4.9%	4.9%	10.2%	6.0%	6.1%

1.2.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services households are required to register in terms of the Municipality Indigent Policy. The municipality has in the 2022/2023 year undertaken to register all indigents and thereby create an updated indigent register.

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

The amount under transfers and grants made by municipalities includes;

- Free basic electricity
- Free Basic Refuse;
- Rebates on Rates offers to indigent
- Rebates on Rates offered to Pensioners

1.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 11 2021/22 Medium-term capital budget per vote

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote 1 - Executive And Council		2,608	2,182	864	5	50	50	–	700	–	–
Vote 2 - Finance and administration		4,694	7,116	3,521	2,650	2,068	2,068	543	1,074	56	931
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		18,883	19,573	283	100	890	890	54	50	52	92
Vote 5 - Internal Audit		(876)	(838)	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		14	392	1,012	81	81	81	85	3,130	136	142
Vote 7 - Road Transport		38,912	58,886	74,438	30,793	38,293	38,293	12,841	22,575	22,629	23,625
Vote 8 - Sport and Recreation		926	(6,725)	(3,403)	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		65,162	80,586	76,714	33,630	41,383	41,383	13,523	27,529	22,873	24,789
Total Capital Expenditure - Vote		65,162	80,586	76,714	33,630	41,383	41,383	13,523	27,529	22,873	24,789

Table 12 2021/22 Medium-term capital budget by funding source

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funded by:											
National Government		37,527	52,576	19,362	29,416	37,416	37,416	12,806	19,485	20,343	21,238
Provincial Government		60	6,059	90	50	50	50	–	3,050	52	92
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		16	16	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**37,604**	**58,651**	**19,452**	**29,466**	**37,466**	**37,466**	**12,806**	**22,535**	**20,395**	**21,330**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		19,912	23,957	17,252	4,164	3,556	3,556	355	4,994	2,478	3,459
Total Capital Funding	7	**57,515**	**82,608**	**36,704**	**33,630**	**41,021**	**41,021**	**13,161**	**27,529**	**22,873**	**24,789**

The municipality is highly dependent on grants for the delivery of capital projects. As an alternative source of funding the municipality has gone out to tender for service providers to source alternate funding for the municipality. The own funding of R 3 million is less when compared to previous years.

Municipal Infrastructure Grant

Project:	**Budgeted Amount**
The Construction of Sheti Box Culvert	R 9 million
Construction of Ward 7 Sport Field	R 5.4 million
Rehabilitation of Siyathuthuka/Magoda Main Road	R 1.2 million
Upgrade of Illovo Street	R 3.8 million
Total	**R 19.4 million**

1.4 Annual Budget Tables - Parent Municipality

The following pages present the **ten main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council.

Table 13 MBRR Table A1 - Budget Summary

KZN227 Richmond - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Financial Performance										
Property rates	17,216	17,895	18,494	19,466	19,466	19,466	18,277	28,049	29,350	30,642
Service charges	1,046	618	777	590	928	928	768	1,087	1,135	1,185
Investment revenue	2,629	1,046	1,208	2,041	1,605	1,605	1,169	1,682	1,756	1,833
Transfers recognised - operational	71,803	77,234	97,079	85,736	85,386	85,386	83,023	107,074	113,902	98,511
Other own revenue	6,406	(4,422)	4,553	10,386	11,346	11,346	7,005	22,382	12,477	13,026
Total Revenue (excluding capital transfers and contributions)	99,100	92,371	122,111	118,219	118,730	118,730	110,242	160,275	158,620	145,196
Employee costs	45,590	51,233	54,672	60,427	59,748	59,748	48,712	65,808	67,377	69,678
Remuneration of councillors	5,764	6,030	5,773	6,230	6,230	6,230	5,356	6,529	6,816	7,116
Depreciation & asset impairment	18,821	16,549	22,847	20,155	20,155	20,155	15,831	21,122	22,051	23,022
Finance charges	220	270	197	199	199	199	8	197	206	215
Inventory consumed and bulk purchases	5,314	4,720	4,460	5,788	5,390	5,390	–	6,052	6,318	6,596
Transfers and grants	1,515	734	563	1,037	1,037	1,037	492	1,087	1,134	1,184
Other expenditure	33,817	40,880	40,721	49,585	49,735	49,735	39,901	59,480	56,596	59,756
Total Expenditure	111,043	120,415	129,233	143,420	142,494	142,494	110,301	160,275	160,499	167,567
Surplus/(Deficit)	(11,943)	(28,044)	(7,123)	(25,201)	(23,763)	(23,763)	(59)	(0)	(1,879)	(22,371)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	17,242	16,377	27,257	31,683	37,283	37,283	18,943	22,485	27,343	27,192
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	119	105	–	–	–	–	21	–	–	–
Surplus/(Deficit) after capital transfers & contributions	5,418	(11,562)		6,482	13,519	13,519	18,905	22,485	25,464	4,822
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	5,418	(11,562)	–	6,482	13,519	13,519	18,905	22,485	25,464	4,822
Capital expenditure & funds sources										
Capital expenditure	65,162	80,586	76,714	33,630	41,383	41,383	13,523	27,529	22,873	24,789
Transfers recognised - capital	37,604	58,651	19,452	29,466	37,466	37,466	12,806	22,535	20,395	21,330
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	19,912	23,957	17,252	4,164	3,556	3,556	355	4,994	2,478	3,459
Total sources of capital funds	57,515	82,608	36,704	33,630	41,021	41,021	13,161	27,529	22,873	24,789
Financial position										
Total current assets	67,130	53,349	60,571	57,409	55,230	55,230	82,870	76,996	92,439	76,380
Total non current assets	354,901	348,193	358,557	372,110	379,746	800,249	356,365	369,106	351,325	351,283
Total current liabilities	47,496	36,198	33,250	17,448	35,578	(40,048)	38,478	9,603	4,287	8,829
Total non current liabilities	18,678	19,443	19,414	14,292	19,414	(19,414)	19,218	19,004	19,004	19,004
Community wealth/Equity	350,439	357,463	367,821	397,779	379,983	379,983	381,776	417,495	420,473	399,831
Cash flows										
Net cash from (used) operating	123,452	192,748	179,373	31,023	42,959	42,959	224,611	50,563	55,980	42,419
Net cash from (used) investing	–	–	(40,026)	(38,886)	(47,583)	(47,583)	(17,873)	(27,529)	(22,873)	(24,789)
Net cash from (used) financing	–	–	3	–	–	–	6	–	–	–
Cash/cash equivalents at the year end	123,452	192,748	158,400	13,425	16,418	16,418	227,787	42,500	75,607	93,237
Cash backing/surplus reconciliation										
Cash and investments available	42,360	19,050	21,042	18,203	21,742	21,742	52,607	42,379	52,447	36,964
Application of cash and investments	31,803	18,404	(37,468)	(27,107)	(1,764)	(69,532)	(11,841)	(26,800)	(36,367)	(31,693)
Balance - surplus (shortfall)	10,557	646	58,510	45,310	23,506	91,274	64,448	69,179	88,814	68,657
Asset management										
Asset register summary (WDV)	322,786	316,749	342,753	353,324	345,655	345,655	345,655	335,015	317,234	317,193
Depreciation	17,941	16,384	20,212	20,155	20,155	20,155	20,155	21,122	22,051	23,022
Renewal and Upgrading of Existing Assets	35,036	27,303	37,692	5,454	10,850	10,850	10,850	6,889	73	76
Repairs and Maintenance	7,094	4,891	6,139	7,637	6,962	6,962	6,962	9,636	9,434	9,849
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	(475)	(475)	(475)	(315)	(315)	(329)	(343)
Households below minimum service level										
Water:	4	4	4	4	4	4	4	4	4	4
Sanitation/sewerage:	–	–	–	–	–	–	5	5	5	5
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	16	16	16	16	5	5	5	6

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Richmond's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN227 Richmond - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Revenue - Functional										
Governance and administration		83,649	77,402	97,279	100,426	102,946	102,946	119,840	127,297	128,905
Executive and council		2,888	–	–	6,219	6,219	6,219	3,110	3,247	3,205
Finance and administration		80,761	77,402	97,279	94,206	96,726	96,726	116,730	124,050	125,700
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		4,988	20,838	403	8,107	5,189	5,189	18,634	19,454	5,575
Community and social services		3,594	20,831	3,793	5,828	5,181	5,181	5,435	5,674	5,566
Sport and recreation		1,152	6	(3,390)	2,279	8	8	8	8	9
Public safety		242	–	–	–	–	–	–	–	–
Housing		(0)	–	–	–	–	–	13,191	13,771	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		23,154	9,810	31,909	35,975	42,097	42,097	38,112	32,766	31,396
Planning and development		22,651	5,783	21,131	21,197	28,886	28,886	35,773	23,325	21,847
Road transport		503	4,027	10,778	14,778	13,211	13,211	2,339	9,441	9,549
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		4,670	803	19,776	5,394	5,781	5,781	6,174	6,445	6,512
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		4,670	803	19,776	5,394	5,781	5,781	6,174	6,445	6,512
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	116,461	108,853	149,367	149,901	156,013	156,013	182,760	185,962	172,389
Expenditure - Functional										
Governance and administration		49,325	50,303	56,640	64,893	65,051	65,051	73,307	72,093	75,263
Executive and council		16,109	15,027	14,916	16,322	16,886	16,886	16,378	17,308	18,068
Finance and administration		32,548	34,092	40,489	46,961	46,594	46,594	55,511	53,304	55,650
Internal audit		667	1,184	1,234	1,610	1,571	1,571	1,418	1,481	1,546
Community and public safety		21,996	20,949	23,054	23,315	23,212	23,212	25,782	26,916	28,100
Community and social services		14,951	17,869	19,337	19,587	19,579	19,579	22,329	23,312	24,337
Sport and recreation		2,739	2,779	3,212	3,355	3,259	3,259	3,060	3,195	3,335
Public safety		4,163	27	132	–	–	–	–	–	–
Housing		143	273	373	373	374	374	392	409	427
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		35,977	44,453	45,285	46,535	45,932	45,932	52,676	52,606	54,929
Planning and development		7,799	9,041	7,644	8,905	8,068	8,068	9,997	8,049	8,411
Road transport		28,178	35,412	37,641	37,631	37,864	37,864	42,679	44,557	46,518
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		3,744	4,711	4,254	8,676	8,298	8,298	8,510	8,884	9,275
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		493	397	438	366	386	386	405	423	441
Waste management		3,251	4,314	3,817	8,310	7,912	7,912	8,105	8,461	8,833
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	111,043	120,415	129,233	143,420	142,494	142,494	160,275	160,499	167,567
Surplus/(Deficit) for the year		5,418	(11,562)	20,134	6,482	13,519	13,519	22,485	25,464	4,822

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
2. The Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN227 Richmond - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		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
Revenue by Vote	1									
Vote 1 - Executive And Council		2,888	–	–	6,219	6,219	6,219	3,110	3,247	3,205
Vote 2 - Finance and administration		80,761	77,402	97,279	94,206	96,726	96,726	116,730	124,050	125,700
Vote 3 - Housing		(0)	–	–	–	–	–	13,191	13,771	–
Vote 4 - Community and Social Services		3,594	20,831	3,793	5,828	5,181	5,181	5,435	5,674	5,566
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		22,651	5,783	21,131	21,197	28,886	28,886	35,773	23,325	21,847
Vote 7 - Road Transport		745	4,027	10,778	14,778	13,211	13,211	2,339	9,441	9,549
Vote 8 - Sport and Recreation		1,152	6	(3,390)	2,279	8	8	8	8	9
Vote 9 - Waste Management		4,670	803	19,776	5,394	5,781	5,781	6,174	6,445	6,512
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**116,461**	**108,853**	**149,367**	**149,901**	**156,013**	**156,013**	**182,760**	**185,962**	**172,389**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive And Council		16,109	15,027	14,916	16,322	16,886	16,886	16,378	17,308	18,068
Vote 2 - Finance and administration		32,548	34,092	40,489	46,961	46,594	46,594	55,511	53,304	55,650
Vote 3 - Housing		143	273	373	373	374	374	392	409	427
Vote 4 - Community and Social Services		14,951	17,869	19,337	19,587	19,579	19,579	22,329	23,312	24,337
Vote 5 - Internal Audit		667	1,184	1,234	1,610	1,571	1,571	1,418	1,481	1,546
Vote 6 - Planning and Development		7,799	9,041	7,644	8,905	8,068	8,068	9,997	8,049	8,411
Vote 7 - Road Transport		32,342	35,439	37,773	37,631	37,864	37,864	42,679	44,557	46,518
Vote 8 - Sport and Recreation		2,739	2,779	3,212	3,355	3,259	3,259	3,060	3,195	3,335
Vote 9 - Waste Management		3,251	4,314	3,817	8,310	7,912	7,912	8,105	8,461	8,833
Vote 10 - Waste Water Management		493	397	438	366	386	386	405	423	441
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**111,043**	**120,415**	**129,233**	**143,420**	**142,494**	**142,494**	**160,275**	**160,499**	**167,567**
Surplus/(Deficit) for the year	2	**5,418**	**(11,562)**	**20,134**	**6,482**	**13,519**	**13,519**	**22,485**	**25,464**	**4,822**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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 Richmond. This means it is possible to present the operating surplus or deficit of a vote.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	17,216	17,895	18,494	19,466	19,466	19,466	18,277	28,049	29,350	30,642
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1,046	618	777	590	928	928	768	1,087	1,135	1,185
Rental of facilities and equipment		925	715	1,004	1,127	1,223	1,223	867	1,342	1,401	1,463
Interest earned - external investments		2,629	1,046	1,208	2,041	1,605	1,605	1,169	1,682	1,756	1,833
Interest earned - outstanding debtors		169	154	233	238	288	288	244	302	315	329
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3,272	4,060	4,517	3,764	4,764	4,764	2,725	4,993	5,213	5,442
Licences and permits		690	504	1,308	2,333	2,219	2,219	1,653	2,325	2,428	2,535
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		71,803	77,234	97,079	85,736	85,386	85,386	83,023	107,074	113,902	98,511
Other revenue	2	425	514	881	2,924	2,852	2,852	1,516	2,989	3,120	3,257
Gains		926	(10,370)	(3,390)	–	–	–	–	10,432	–	–
Total Revenue (excluding capital transfers and contributions)		**99,100**	**92,371**	**122,111**	**118,219**	**118,730**	**118,730**	**110,242**	**160,275**	**158,620**	**145,196**
Expenditure By Type											
Employee related costs	2	45,590	51,233	54,672	60,427	59,748	59,748	48,712	65,808	67,377	69,678
Remuneration of councillors		5,764	6,030	5,773	6,230	6,230	6,230	5,356	6,529	6,816	7,116
Debt impairment	3	3,688	4,762	3,686	3,994	3,994	3,994	4,535	8,962	4,686	4,893
Depreciation & asset impairment	2	18,821	16,549	22,847	20,155	20,155	20,155	15,831	21,122	22,051	23,022
Finance charges		220	270	197	199	199	199	8	197	206	215
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	5,314	4,720	4,460	5,788	5,390	5,390	–	6,052	6,318	6,596
Contracted services		19,577	24,667	25,464	28,127	28,109	28,109	22,841	30,951	31,499	33,555
Transfers and subsidies		1,515	734	563	1,037	1,037	1,037	492	1,087	1,134	1,184
Other expenditure	4, 5	10,552	11,451	11,479	17,463	17,632	17,632	12,525	19,567	20,411	21,309
Losses		–	–	92	–	–	–	–	–	–	–
Total Expenditure		**111,043**	**120,415**	**129,233**	**143,420**	**142,494**	**142,494**	**110,301**	**160,275**	**160,499**	**167,567**
Surplus/(Deficit)		**(11,943)**	**(28,044)**	**(7,123)**	**(25,201)**	**(23,763)**	**(23,763)**	**(59)**	**(0)**	**(1,879)**	**(22,371)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		17,242	16,377	27,257	31,683	37,283	37,283	18,943	22,485	27,343	27,192
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		119	105	–	–	–	–	21	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**5,418**	**(11,562)**	**20,134**	**6,482**	**13,519**	**13,519**	**18,905**	**22,485**	**25,464**	**4,822**
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		**5,418**	**(11,562)**	**20,134**	**6,482**	**13,519**	**13,519**	**18,905**	**22,485**	**25,464**	**4,822**
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**5,418**	**(11,562)**	**20,134**	**6,482**	**13,519**	**13,519**	**18,905**	**22,485**	**25,464**	**4,822**
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		**5,418**	**(11,562)**	**20,134**	**6,482**	**13,519**	**13,519**	**18,905**	**22,485**	**25,464**	**4,822**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. *Total revenue is R160 million in 2022/23 and reduces to R 159 million 2023/24*
2. *Revenue to be generated from property rates is R 28 million in the 2022/23 financial year and increases to R 29 million in the 2023/24 and by R30.6 million in the 2023/24 financial year.*

Table 17 MBRR 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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive And Council		2,608	2,182	864	5	50	50	–	700	–	–
Vote 2 - Finance and administration		4,694	7,116	3,521	2,650	2,068	2,068	543	1,074	56	931
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		18,883	19,573	283	100	890	890	54	50	52	92
Vote 5 - Internal Audit		(876)	(838)	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		14	392	1,012	81	81	81	85	3,130	136	142
Vote 7 - Road Transport		38,912	58,886	74,438	30,793	38,293	38,293	12,841	22,575	22,629	23,625
Vote 8 - Sport and Recreation		926	(6,725)	(3,403)	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		65,182	80,688	76,714	33,630	41,383	41,388	13,523	27,629	22,873	24,789
Total Capital Expenditure - Vote		65,182	80,688	76,714	33,630	41,383	41,388	13,523	27,629	22,873	24,789
Capital Expenditure - Functional											
Governance and administration		6,427	7,963	4,386	2,656	2,118	2,118	543	1,774	56	931
Executive and council		2,608	2,182	864	5	50	50	–	700	–	–
Finance and administration		4,694	6,608	3,521	2,650	2,068	2,068	543	1,074	56	931
Internal audit		(876)	(838)	–	–	–	–	–	–	–	–
Community and public safety		19,809	13,358	(3,121)	100	890	890	54	50	52	92
Community and social services		18,883	19,573	283	100	890	890	54	50	52	92
Sport and recreation		926	(6,725)	(3,403)	–	–	–	–	–	–	–
Public safety		–	508	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		38,926	59,277	75,449	30,874	38,374	38,374	12,926	25,706	22,766	23,767
Planning and development		14	392	1,012	81	81	81	85	3,130	136	142
Road transport		38,912	58,886	74,438	30,793	38,293	38,293	12,841	22,575	22,629	23,625
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	65,182	80,688	76,714	33,630	41,383	41,388	13,523	27,629	22,873	24,789
Funded by:											
National Government		37,527	52,576	19,362	29,416	37,416	37,416	12,806	19,485	20,343	21,238
Provincial Government		60	6,059	90	50	50	50	–	3,050	52	92
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		16	16	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	37,604	58,651	19,452	29,466	37,466	37,466	12,806	22,535	20,395	21,330
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		19,912	23,957	17,252	4,164	3,556	3,556	355	4,994	2,478	3,459
Total Capital Funding	7	57,516	82,608	36,704	33,630	41,021	41,021	13,161	27,629	22,873	24,789

Table 18 MBRR Table A6 - Budgeted Financial Position

KZN227 Richmond - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS											
Current assets											
Cash		41,370	8,391	18,832	18,203	19,532	19,532	4,682	30,712	40,706	25,147
Call investment deposits	1	989	10,659	2,210	–	2,210	2,210	47,924	11,667	11,741	11,817
Consumer debtors	1	17,359	25,869	30,855	36,011	32,333	32,333	26,135	33,096	37,888	38,145
Other debtors		7,412	8,430	8,675	3,195	1,156	1,156	4,081	1,521	2,105	1,271
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	–	0	0	47	(0)	–	–
Total current assets		**67,130**	**53,349**	**60,571**	**57,409**	**55,230**	**55,230**	**82,870**	**76,996**	**92,439**	**76,380**
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		0	0	0	–	0	0	0	–	–	–
Investment property		1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	339,081	342,466	353,054	364,583	373,589	794,093	350,984	363,267	345,500	345,473
Biological		13,760	3,390	–	3,390	–	–	–	–	–	–
Intangible		661	938	485	2,739	1,137	1,137	362	820	807	792
Other non-current assets		213	213	3,833	213	3,833	3,833	3,833	3,833	3,833	3,833
Total non current assets		**354,901**	**348,193**	**358,557**	**372,110**	**379,746**	**800,249**	**356,365**	**369,106**	**351,325**	**351,283**
TOTAL ASSETS		**422,031**	**401,541**	**419,128**	**429,519**	**434,976**	**855,479**	**439,235**	**446,102**	**443,764**	**427,664**
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	(0)	0	205	6	6	6
Consumer deposits		(15)	(17)	(14)	5	0	0	(8)	11	11	11
Trade and other payables	4	47,113	39,024	35,499	14,376	37,813	(37,813)	40,516	6,835	1,519	6,061
Provisions		398	(2,809)	(2,235)	3,067	(2,235)	(2,235)	(2,235)	2,751	2,751	2,751
Total current liabilities		**47,496**	**36,198**	**33,250**	**17,448**	**35,578**	**(40,048)**	**38,478**	**9,603**	**4,287**	**8,829**
Non current liabilities											
Borrowing		1,109	938	744	–	744	(744)	547	559	559	559
Provisions		17,569	18,505	18,671	14,292	18,671	(18,671)	18,671	18,445	18,445	18,445
Total non current liabilities		**18,678**	**19,443**	**19,414**	**14,292**	**19,414**	**(19,414)**	**19,218**	**19,004**	**19,004**	**19,004**
TOTAL LIABILITIES		**66,174**	**55,641**	**52,665**	**31,740**	**54,993**	**(59,462)**	**57,696**	**28,607**	**23,291**	**27,833**
NET ASSETS	5	**355,857**	**345,901**	**366,463**	**397,779**	**379,983**	**914,942**	**381,539**	**417,495**	**420,473**	**399,831**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		350,439	357,463	367,821	397,779	379,983	379,983	381,776	417,495	420,473	399,831
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**350,439**	**357,463**	**367,821**	**397,779**	**379,983**	**379,983**	**381,776**	**417,495**	**420,473**	**399,831**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. Table A6 is supported by an extensive table of notes (SA3 which can be found in this document) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. The municipality has factored in all expected movements in the asset categories including the expected disposal of land in the 2022/23 financial year. The listing of the land earmarked for disposal is appended to this document together with other supporting documents. The municipality has been conservative in the estimating the selling prices of the plots and used at the current municipal valuation roll.

Table 19 MBRR Table A7 - Budgeted Cash Flow Statement

KZN227 Richmond - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8,709	9,752	44,339	11,679	14,599	14,599	26,017	19,634	20,545	21,449
Service charges		485	508	606	354	1,083	1,083	505	435	435	475
Other revenue		2,156	1,956	2,584	20,177	18,104	18,104	14,048	19,853	19,719	21,038
Transfers and Subsidies - Operational	1	139,124	186,971	109,438	85,386	85,874	85,874	213,225	107,075	112,994	100,440
Transfers and Subsidies - Capital	1	41,873	66,105	31,560	29,283	39,723	39,723	26,904	22,485	22,485	28,573
Interest		567	4,776	–	2,041	1,491	1,491	291	1,562	1,631	1,703
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(67,727)	(77,051)	(9,154)	(117,697)	(117,716)	(117,716)	(56,378)	(120,284)	(121,623)	(131,043)
Finance charges		(220)	(270)	–	(199)	(199)	(199)	–	(197)	(207)	(216)
Transfers and Grants	1	(1,515)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**123,452**	**192,748**	**179,373**	**31,023**	**42,959**	**42,959**	**224,611**	**50,563**	**55,980**	**42,419**
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		–	–	(40,026)	(38,886)	(47,583)	(47,583)	(17,873)	(27,529)	(22,873)	(24,789)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(40,026)**	**(38,886)**	**(47,583)**	**(47,583)**	**(17,873)**	**(27,529)**	**(22,873)**	**(24,789)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	3	–	–	–	6	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**3**	**–**	**–**	**–**	**6**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**123,452**	**192,748**	**139,350**	**(7,863)**	**(4,624)**	**(4,624)**	**206,745**	**23,034**	**33,107**	**17,630**
Cash/cash equivalents at the year begin:	2	–	–	19,050	21,288	21,042	21,042	21,042	19,467	42,500	75,607
Cash/cash equivalents at the year end:	2	123,452	192,748	158,400	13,425	16,418	16,418	227,787	42,500	75,607	93,237

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 to result from the implementation of the budget.

Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	123,452	192,748	158,400	13,425	16,418	16,418	227,787	42,500	75,607	93,237
Other current investments > 90 days		(81,093)	(173,698)	(137,358)	4,778	5,324	5,324	(175,180)	(121)	(23,160)	(56,273)
Non current assets - Investments	1	0	0	0	–	0	0	0	–	–	–
Cash and investments available:		**42,360**	**19,050**	**21,042**	**18,203**	**21,742**	**21,742**	**52,607**	**42,379**	**52,447**	**36,964**
Application of cash and investments											
Unspent conditional transfers		24,300	15,244	4,724	–	7,653	(7,653)	23,846	5,933	215	9,340
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	7,503	3,160	(42,192)	(27,107)	(9,417)	(61,879)	(35,687)	(32,733)	(36,582)	(41,034)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**31,803**	**18,404**	**(37,468)**	**(27,107)**	**(1,764)**	**(69,532)**	**(11,841)**	**(26,800)**	**(36,367)**	**(31,693)**
Surplus(shortfall)		**10,557**	**646**	**58,510**	**45,310**	**23,506**	**91,274**	**64,448**	**69,179**	**88,814**	**68,657**

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.

Table 21 MBRR Table A9 - Asset Management

KZN227 Richmond - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		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
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		33,524	33,524	14,175	4,954	7,463	7,463	3,819	–	–
Community Facilities		–	–	–	–	–	–	3,000	–	–
Sport and Recreation Facilities		388	388	–	–	–	–	–	–	–
Community Assets		388	388	–	–	–	–	3,000	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	70	73	76
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	70	73	76
Biological or Cultivated Assets		928	(8,444)	(3,390)	–	–	–	–	–	–
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		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	66,162	80,686	76,714	38,830	41,383	41,383	27,629	22,873	24,789
Roads Infrastructure		37,527	51,121	43,897	17,527	23,037	23,037	14,124	10,759	11,232
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	120	–	10,980	10,980	10,980	900	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		37,527	51,241	43,897	28,507	34,017	34,017	15,024	10,759	11,232
Community Facilities		199	1,025	5,329	500	3,026	3,026	3,000	–	–
Sport and Recreation Facilities		388	3,075	25,519	908	372	372	5,361	9,584	10,006
Community Assets		586	4,100	30,847	1,408	3,399	3,399	8,361	9,584	10,006
Heritage Assets		–	–	3,620	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	4,971	66	–	–	–	2,070	2,161	2,256
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	4,971	66	–	–	–	2,070	2,161	2,256
Biological or Cultivated Assets		928	(8,444)	(3,390)	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	372	–	2,500	955	955	–	–	–
Intangible Assets		–	372	–	2,500	955	955	–	–	–
Computer Equipment		3,599	4,712	783	62	1,004	1,004	54	56	98
Furniture and Office Equipment		1,716	1,845	389	231	1,037	1,037	400	188	196
Machinery and Equipment		4,997	6,726	895	631	971	971	900	104	981
Transport Assets		14,624	14,776	(475)	–	–	–	720	21	22
Land		1,186	1,186	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		66,162	80,686	76,714	38,830	41,383	41,383	27,629	22,873	24,789

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 their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Richmond meets both these recommendations.*

Table 22 MBRR Table A10 - Basic Service Delivery Measurement

KZN227 Richmond - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		13,567	13,567	13,567	13,567	13,567	13,567	810	13,567	13,567
Piped water inside yard (but not in dwelling)		4,500	4,500	4,500	4,500	4,500	4,500	200	4,500	4,500
Using public tap (at least min.service level)	2	–	–	–	–	–	–	2,500	2,620	2,737
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		18,067	18,067	18,067	18,067	18,067	18,067	3,510	20,687	20,804
Using public tap (< min.service level)	3	–	–	–	–	–	–	1,000	1,048	1,095
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		4,057	4,057	4,057	4,057	4,057	4,057	3,000	3,144	3,285
Below Minimum Service Level sub-total		4,057	4,057	4,057	4,057	4,057	4,057	4,000	4,192	4,380
Total number of households	5	**22,124**	**22,124**	**22,124**	**22,124**	**22,124**	**22,124**	**7,510**	**24,879**	**25,184**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		5,249	5,249	5,249	5,249	5,249	5,249	810	848	887
Flush toilet (with septic tank)		–	–	–	–	–	–	20	20	21
Chemical toilet		–	–	–	–	–	–	20	20	21
Pit toilet (ventilated)		–	–	–	–	–	–	3,000	3,144	3,285
Other toilet provisions (> min.service level)		12,375	12,375	12,375	12,375	12,375	12,375	500	524	547
Minimum Service Level and Above sub-total		17,624	17,624	17,624	17,624	17,624	17,624	4,350	4,556	4,761
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	4,500	4,716	4,928
Below Minimum Service Level sub-total		–	–	–	–	–	–	4,500	4,716	4,928
Total number of households	5	**17,624**	**17,624**	**17,624**	**17,624**	**17,624**	**17,624**	**8,850**	**9,272**	**9,689**
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	1,500	1,572	1,642
Electricity - prepaid (min.service level)		–	–	–	–	–	–	4,500	4,716	4,928
Minimum Service Level and Above sub-total		–	–	–	–	–	–	6,000	6,288	6,570
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**–**	**–**	**–**	**–**	**–**	**–**	**6,000**	**6,288**	**6,570**
Refuse:										
Removed at least once a week		–	–	650	650	650	650	700	733	766
Minimum Service Level and Above sub-total		–	–	650	650	650	650	700	733	766
Removed less frequently than once a week		–	–	2,158	2,158	2,158	2,158	200	209	219
Using communal refuse dump		–	–	228	228	228	228	228	238	249
Using own refuse dump		–	–	12,064	12,064	12,064	12,064	–	–	–
Other rubbish disposal		–	–	224	224	224	224	224	234	245
No rubbish disposal		–	–	1,116	1,116	1,116	1,116	4,500	4,716	4,928
Below Minimum Service Level sub-total		–	–	15,790	15,790	15,790	15,790	5,152	5,397	5,641
Total number of households	5	**–**	**–**	**16,440**	**16,440**	**16,440**	**16,440**	**5,852**	**6,130**	**6,407**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Overview of budget assumptions

External factors

Owing to the economic slowdown, there are reduced payment levels by consumers. This is being addressed by the implementation of the debt collection and credit control policy.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year. Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2020/21 MTREF

- National Government macro-economic targets';
- The general inflationary outlook;
- The increase in the cost of remuneration;
- The increase in the cost of services by service providers;
- Annual increases in contracted services;
- Building the capacity of local government through the ***"Back to Basics"*** which will focus on improving service delivery

Credit rating outlook

As per the MFMA circular 89, municipalities were requested to take the following macro-economic forecasts into consideration when preparing the 2021/2022 budgets and MTREF: -

Table 12: Credit rating outlook

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Collection rate for revenue services

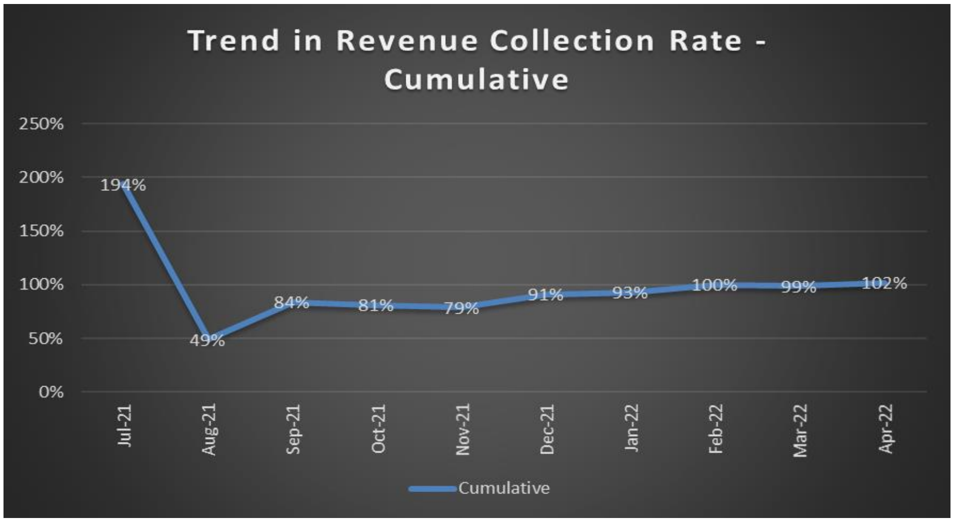
The base assumption is that tariff and rating increases will increase by 4.8 per cent respectively. It is also assumed that the current economic conditions, volatile due to the upcoming local government elections, will continue for the forecaster term.

The rate of revenue collection is currently expressed as a percentage (70 per cent) of annual billings. There should also be an increased collection of arrear debt from the appointment of new debt collectors. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

The municipality has considered the current year's collection performance as a base to estimate the collection rates for the MTREF period as the municipality had funding plan in place which outlined turnaround strategies to improve revenue collection. The implementation of the funding plan has the municipality achieve the following collection rates in current year:

Table 12 Collection Rate for 2021/22

Collection Rate - Cumulative					
PERIOD	Opening Balance	Billing	Payments received	Closing Balance	Collection Rate (Cumumlative)
Jul-21	R 51,150,119.47	R 621,367.52	R 1,203,621.30	**R 50,567,865.69**	**194%**
Aug-21	R 51,150,119.47	R 11,730,908.42	R 5,797,094.69	**R 57,083,933.20**	**49%**
Sep-21	R 51,150,119.47	R 13,363,572.96	R 11,183,871.43	**R 53,329,821.00**	**84%**
Oct-21	R 51,150,119.47	R 15,092,282.47	R 12,203,326.53	**R 54,039,075.41**	**81%**
Nov-21	R 51,150,119.47	R 16,744,265.41	R 13,304,715.86	**R 54,589,669.02**	**79%**
Dec-21	R 51,150,119.47	R 18,434,205.33	R 16,764,735.62	**R 52,819,589.18**	**91%**
Jan-22	R 51,150,119.47	R 20,132,728.21	R 18,763,184.81	**R 52,519,662.87**	**93%**
Feb-22	R 51,150,119.47	R 20,150,374.22	R 20,108,135.80	**R 51,192,357.89**	**100%**
Mar-22	R 51,150,119.47	R 21,576,592.94	R 21,435,085.83	**R 51,291,626.58**	**99%**
Apr-22	R 51,150,119.47	R 23,232,425.50	R 23,786,339.45	**R 50,596,205.52**	**102%**



Based on the above, the collection rate for the current financial year as at 30 March 2022 is 100% with an upward trajectory. The accumulative amount of cash collected as 30 March 2022 is R 21.4 million. The municipality has undertaken to budget conservatively for collection despite the current year's actual performance. See Table A7 Budgeted Cash Flows and Supporting Schedule SA30.

Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Richmond, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF, therefore the salary increases have been budgeted at 4.5% in line with the inflation increase.

Remuneration of Councillors

The municipality has considered the gazette on the Remuneration of Public Office bearers Act: Determination of Upper limits of Salaries, allowances and Benefits of different members of municipal council for the 2022/2023 financial year.
The following positions have been budgeted for on a full-time basis: -

- Mayor
- Speaker
- Deputy Mayor

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating and capital expenditure for the 2022/2023 MTREF of which performance has been factored into the cash flow budget.

Overview of budget funding

Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 23 Breakdown of the operating revenue over the medium-term

Description	2022/23 Medium Term Revenue & Expenditure Framework					
Property rates	28,049	18%	29,350	19%	30,642	21%
Service charges - refuse revenue	1,087	1%	1,135	1%	1,185	1%
Rental of facilities and equipment	1,342	1%	1,401	1%	1,463	1%
Interest earned - external investments	1,682	1%	1,756	1%	1,833	1%
Interest earned - outstanding debtors	302	0%	315	0%	329	0%
Fines, penalties and forfeits	4,993	3%	5,213	3%	5,442	4%
Licences and permits	2,325	1%	2,428	2%	2,535	2%
Transfers and subsidies	**107,074**	**67%**	**113,902**	**72%**	**98,511**	**68%**
Other revenue	2,989	2%	3,120	2%	3,257	2%
Gains	10,432					
Total Revenue	**160,275**		**158,620**		**145,197**	**100%**

The following graph is a breakdown of the operational revenue per main category for the 2022/23 financial year.

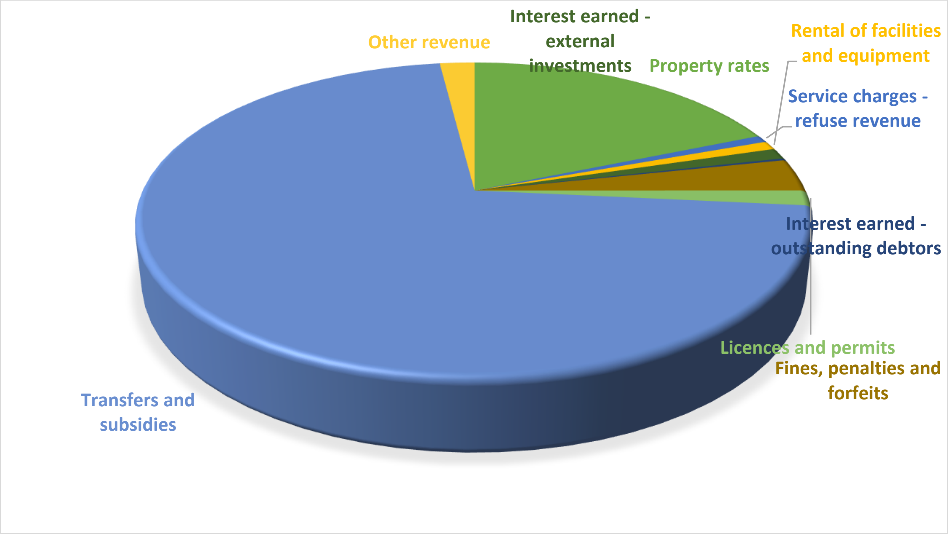


Figure 3 Breakdown of operating revenue over the 2021/22MTREF

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

The revenue strategy is a function of key components such as:

- Growth in the Richmond and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

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

Table 24 MBRR SA15 – Detail Investment Information

KZN227 Richmond - Supporting Table SA15 Investment particulars by type

Investment type	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	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		776	10,659	10,872	21,742	21,742	21,742	45,443	48,986	36,730
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	**776**	**10,659**	**10,872**	**21,742**	**21,742**	**21,742**	**45,443**	**48,986**	**36,730**

Medium-term outlook: capital revenue

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

Table 25 Sources of capital revenue over the MTREF

Description R thousands	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	Current Year 2021/22 Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	2022/23 Medium Term Revenue & Expenditure Framework Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure & funds sources										
Capital expenditure	86,182	80,586	76,714	33,630	41,383	41,383	13,523	27,529	22,873	24,789
Transfers recognised - capital	37,604	58,651	19,452	29,466	37,466	37,466	12,806	22,535	20,395	21,330
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	18,912	23,957	17,252	4,164	3,556	3,556	355	4,994	2,478	3,459
Total sources of capital funds	67,616	82,608	36,704	33,630	41,021	41,021	13,161	27,529	22,873	24,789

The above table is graphically represented as follows for the 2022/23 financial year.

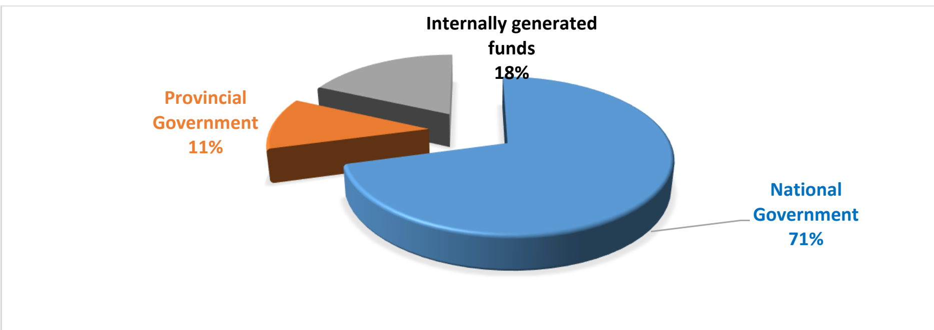


*Figure 4 **Sources of capital revenue for** the 2022/23 financial year*

Capital grants and receipts equates to 82 per cent of the total funding source which represents R 22.5 million for the 2022/23 financial year.

Table 26 MBRR Table SA 18 - Capital transfers and grant receipts

Capital Transfers and Grants										
National Government:		27,170	27,170	18,303	19,485	19,485	19,485	22,535	27,192	29,500
Municipal Infrastructure Grant		27,170	27,170	18,303	19,485	19,485	19,485	19,485	20,192	19,198
ESKOM								–	–	2,640
Integrated National Electrification Programme Grant								–	7,000	7,662
High-over Game Reserve								3,050	–	–
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	27,170	27,170	18,303	19,485	19,485	19,485	22,535	27,192	29,500

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from ‘Ratepayers and other’ to be provide for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Table 27 MBRR Table A7 - Budget cash flow statement

KZN227 Richmond - Table A7 Budgeted Cash Flows											
Description	**Ref**	**2018/19**	**2019/20**	**2020/21**	**Current Year 2021/22**				**2022/23 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 2022/23**	**Budget Year +1 2023/24**	**Budget Year +2 2024/25**
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		8,709	9,752	44,339	11,679	14,599	14,599	26,017	19,634	20,545	21,449
Service charges		485	508	606	354	1,083	1,083	505	435	435	475
Other revenue		2,156	1,956	2,584	20,177	18,104	18,104	14,048	19,853	19,719	21,038
Transfers and Subsidies - Operational	1	139,124	186,971	109,438	85,386	85,874	85,874	213,225	107,075	112,994	100,440
Transfers and Subsidies - Capital	1	41,873	66,105	31,560	29,283	39,723	39,723	26,904	22,485	22,485	28,573
Interest		567	4,776	–	2,041	1,491	1,491	291	1,562	1,631	1,703
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(67,727)	(77,051)	(9,154)	(117,697)	(117,716)	(117,716)	(56,378)	(120,284)	(121,623)	(131,043)
Finance charges		(220)	(270)	–	(199)	(199)	(199)	–	(197)	(207)	(216)
Transfers and Grants	1	(1,515)	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**123,452**	**192,748**	**179,373**	**31,023**	**42,959**	**42,959**	**224,611**	**50,563**	**55,980**	**42,419**
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		–	–	(40,026)	(38,886)	(47,583)	(47,583)	(17,873)	(27,529)	(22,873)	(24,789)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**–**	**(40,026)**	**(38,886)**	**(47,583)**	**(47,583)**	**(17,873)**	**(27,529)**	**(22,873)**	**(24,789)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	3	–	–	–	6	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**3**	**–**	**–**	**–**	**6**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**123,452**	**192,748**	**139,350**	**(7,863)**	**(4,624)**	**(4,624)**	**206,745**	**23,034**	**33,107**	**17,630**
Cash/cash equivalents at the year begin:	2	**–**	**–**	**19,050**	**21,288**	**21,042**	21,042	**21,042**	**19,467**	**42,500**	**75,607**
Cash/cash equivalents at the year end:	2	**123,452**	**192,748**	**158,400**	**13,425**	**16,418**	**16,418**	**227,787**	**42,500**	**75,607**	**93,237**

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the

MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 28 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 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 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	123,452	192,748	158,400	13,425	16,418	16,418	227,787	42,500	75,607	93,237
Other current investments > 90 days		(81,093)	(173,698)	(137,358)	4,778	5,324	5,324	(175,180)	(121)	(23,160)	(56,273)
Non current assets - Investments	1	0	0	0	–	0	0	0	–	–	–
Cash and investments available:		42,360	19,050	21,042	18,203	21,742	21,742	52,607	42,379	52,447	36,964
Application of cash and investments											
Unspent conditional transfers		24,300	15,244	4,724	–	7,653	(7,653)	23,846	5,933	215	9,340
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	7,503	3,160	(42,192)	(27,107)	(9,417)	(61,879)	(35,687)	(32,733)	(36,582)	(41,034)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		31,803	18,404	(37,468)	(27,107)	(1,764)	(69,532)	(11,841)	(26,800)	(36,367)	(31,693)
Surplus(shortfall)		10,557	646	58,510	45,310	23,506	91,274	64,448	69,179	88,814	68,657

From the above table it can be seen that the cash and investments available total R42.5 million in the 2022/23 financial year and progressively increase to R75 million by 2023/24, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Figure 5 Cash and cash equivalents / Cash backed reserves and accumulated funds

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 29 MBRR SA10 – Funding compliance 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	123,452	192,748	158,400	13,425	16,418	16,418	157,200	45,564	75,210	92,605
Cash + investments at the yr end less applications - R'000	18(1)b	2	10,557	646	58,510	45,310	23,506	91,274	60,267	72,770	81,199	62,289
Cash year end/monthly employee/supplier payments	18(1)b	3	18.2	24.8	19.8	1.5	1.8	1.8	27.0	4.6	7.4	8.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	5,418	(11,562)	20,134	6,482	5,519	5,519	16,326	27,774	26,478	5,880
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(4.6%)	(1.9%)	(1.9%)	(4.3%)	(6.0%)	(23.3%)	41.9%	(1.6%)	(1.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	47.8%	49.9%	174.6%	105.8%	106.4%	106.4%	156.8%	81.8%	77.5%	80.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	20.2%	25.7%	19.1%	19.9%	19.6%	19.6%	26.9%	14.9%	14.9%	14.9%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	52.2%	115.6%	118.6%	118.6%	131.9%	100.0%	112.4%	113.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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.	38.5%	15.2%	(0.8%)	(14.6%)	0.0%	(8.6%)	36.2%	4.5%	(2.4%)
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	2.1%	1.4%	1.7%	2.1%	1.9%	0.9%	2.6%	2.5%	2.7%	2.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.3%	3.5%	35.1%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Cash/cash equivalent position

The Richmond's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2022/23MTREF shows R45 million, R75 million and R 92million for each respective financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 34. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Richmond to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for.

Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Richmond's policy of settling debtors accounts within 30 days.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project.

Expenditure on grants and reconciliations of unspent funds

Table 30 MBRR SA19 - Expenditure on transfers and grant programmes

KZN227 Richmond - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		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
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		3,037	8,463	7,849	3,914	3,914	3,914	90,662	95,374	101,728
Local Government Equitable Share		–	–	–				86,421	92,298	98,789
Expanded Public Works Programme Integrated Grant		1,515	4,026	3,791	1,101	1,101	1,101	1,028	1,065	1,013
Local Government Financial Management Grant		–	–	–	1,850	1,850	1,850	1,926	2,011	1,926
Municipal Disaster Relief Grant		–	411	250	963	963	963	1,287	–	
Municipal Infrastructure Grant		7	–	16						
Expanded Public Works Programme Integrated Grant		1,515	4,026	3,791						
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	3,048	3,182	2,386
Provincialisation of libraries								2,682	2,800	2,021
Community library services								365	381	365
TITLE DEED RESTORATION PROGRAMME										
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		3,037	8,463	7,849	3,914	3,914	3,914	93,710	98,556	104,114
Capital expenditure of Transfers and Grants										
National Government:		–	–	–	–	–	–	22,485	23,343	22,487
Municipal Infrastructure Grant								19,485	20,343	19,487
ESKOM										
Integrated National Electrification Programme Grant										
High-over Game Reserve								3,000	3,000	3,000

Councilor and employee benefits

Table 31 MBRR SA22 - Summary of councilor and staff benefits

KZN227 Richmond - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		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
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		810	3,881	4,340	4,778	4,778	4,778	5,007	5,227	5,457
Pension and UIF Contributions		131	118	106	136	136	136	142	149	155
Medical Aid Contributions		75	86	63	72	72	72	75	79	82
Motor Vehicle Allowance		645	563	582	59	59	59	62	65	68
Cellphone Allowance		618	619	597	593	593	593	622	649	678
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		3,485	762	84	592	592	592	620	647	676
Sub Total - Councillors		5,764	6,030	5,773	6,230	6,230	6,230	6,529	6,816	7,116
% increase	4		4.6%	(4.3%)	7.9%	–	–	4.8%	4.4%	4.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,273	3,911	2,842	3,589	3,589	3,589	3,762	3,927	4,100
Pension and UIF Contributions		109	74	40	9	9	9	9	10	10
Medical Aid Contributions		136	94	48	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		433	219	76	–	–	–	–	–	–
Motor Vehicle Allowance	3	905	739	590	804	804	804	843	880	918
Cellphone Allowance	3	2	11	23	96	96	96	101	105	110
Housing Allowances	3	6	–	–	–	–	–	–	–	–
Other benefits and allowances	3	72	0	0	1	1	1	1	1	1
Payments in lieu of leave		–	–	215	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		5,936	5,049	3,834	4,499	4,499	4,499	4,715	4,923	5,139
% increase	4		(14.9%)	(24.1%)	17.4%	–	–	4.8%	4.4%	4.4%
Other Municipal Staff										
Basic Salaries and Wages		28,160	34,373	35,328	39,979	39,524	39,524	44,613	45,262	46,590
Pension and UIF Contributions		3,877	4,901	5,525	5,960	5,871	5,871	6,153	6,412	6,694
Medical Aid Contributions		1,316	1,770	2,005	2,203	2,180	2,180	2,285	2,386	2,491
Overtime		171	1,557	1,677	554	554	554	581	606	633
Performance Bonus		2,029	2,366	2,865	3,118	3,118	3,118	3,268	3,412	3,562
Motor Vehicle Allowance	3	1,214	1,403	1,313	1,536	1,470	1,470	1,541	1,608	1,679
Cellphone Allowance	3	264	423	383	403	396	396	415	433	452
Housing Allowances	3	84	104	95	89	89	89	93	97	102
Other benefits and allowances	3	773	267	178	297	297	297	312	325	340
Payments in lieu of leave		1,471	2,086	614	1,788	1,749	1,749	1,833	1,913	1,997
Long service awards		468	(53)	145	–	–	–	–	–	–
Post-retirement benefit obligations	6	(173)	(3,013)	710	–	–	–	–	–	–
Sub Total - Other Municipal Staff		39,654	46,183	50,838	55,928	55,249	55,249	61,092	62,455	64,539
% increase	4		16.5%	10.1%	10.0%	(1.2%)	–	10.6%	2.2%	3.3%
Total Parent Municipality		51,354	57,262	60,445	66,657	65,978	65,978	72,336	74,193	76,794

Table 32 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker		683,304	17,952	129,444			830,700
Chief Whip		–	–	–			–
Executive Mayor		845,520	13,092	47,592			906,204
Deputy Executive Mayor		694,512	24,696	87,804			807,012
Executive Committee		257,904	49,752	101,508			409,164
Total for all other councillors		2,296,380	102,240	878,028			3,276,648
Total Councillors	**–**	**4,777,620**	**207,732**	**1,244,376**			**6,229,728**
Senior Managers of the Municipality							
Municipal Manager (MM)		807,540	1,920	204,000	–		
Chief Financial Officer		689,484	1,920	180,000	–		871,404
Designation		2,092,452	5,760	516,000	–		2,614,212
Total Senior Managers of the Municipality	**–**	**3,589,476**	**9,600**	**900,000**	**–**		**3,485,616**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**–**	**8,367,096**	**217,332**	**2,144,376**	**–**		**9,715,344**

Table 33 MBRR SA24 – Summary of personnel numbers

KZN227 Richmond - 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)		14	3	11	14	3	11	14	3	11
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	3	–	3	4	–	4	5	–	5
Other Managers	7	8	8	–	14	14	–	14	14	–
Professionals		26	23	3	25	19	6	25	19	6
Finance		10	9	1	6	5	1	6	5	1
Spatial/town planning		3	3	–	2	2	–	2	2	–
Information Technology		2	2	–	4	3	1	4	3	1
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	1	1	–	1	1	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		11	9	2	12	8	4	12	8	4
Technicians		11	11	–	25	25	–	25	25	–
Finance		6	6	–	16	16	–	16	16	–
Spatial/town planning		3	3	–	3	3	–	3	3	–
Information Technology		2	2	–	2	2	–	2	2	–
Roads		–	–	–	1	1	–	1	1	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	1	1	–	1	1	–
Other		–	–	–	2	2	–	2	2	–
Clerks (Clerical and administrative)		9	9	–	35	35	–	35	35	–
Service and sales workers		12	12	–	46	46	–	46	46	–
Skilled agricultural and fishery workers		–	–	–	6	6	–	6	6	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		14	14	–	18	18	–	18	18	–
Elementary Occupations		109	109	–	46	46	–	46	46	–
TOTAL PERSONNEL NUMBERS	9	206	189	17	233	212	21	234	212	22
% increase					13.1%	12.2%	23.5%	0.4%	–	4.8%
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

Monthly targets for revenue, expenditure and cash flow

Table 34 MBRR SA25 - Budgeted monthly revenue and expenditure

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																
Property rates		2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337	28,049	29,350	30,642
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		91	91	91	91	91	91	91	91	91	91	91	91	1,087	1,135	1,185
Rental of facilities and equipment		112	112	112	112	112	112	112	112	112	112	112	112	1,342	1,401	1,463
Interest earned - external investments		140	140	140	140	140	140	140	140	140	140	140	140	1,682	1,756	1,833
Interest earned - outstanding debtors		25	25	25	25	25	25	25	25	25	25	25	25	302	315	329
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		416	416	416	416	416	416	416	416	416	416	416	416	4,993	5,213	5,442
Licences and permits		194	194	194	194	194	194	194	194	194	194	194	194	2,325	2,428	2,535
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	107,074	113,902	98,511
Other revenue		249	249	249	249	249	249	249	249	249	249	249	249	2,989	3,120	3,257
Gains		869	869	869	869	869	869	869	869	869	869	869	869	10,432	–	–
Total Revenue (excluding capital transfers and contributions		**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**160,275**	**158,620**	**145,196**
Expenditure By Type																
Employee related costs		5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	5,484	65,808	67,377	69,678
Remuneration of councillors		544	544	544	544	544	544	544	544	544	544	544	544	6,529	6,816	7,116
Debt impairment		747	747	747	747	747	747	747	747	747	747	747	747	8,962	4,686	4,893
Depreciation & asset impairment		1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	1,760	21,122	22,051	23,022
Finance charges		16	16	16	16	16	16	16	16	16	16	16	16	197	206	215
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		504	504	504	504	504	504	504	504	504	504	504	504	6,052	6,318	6,596
Contracted services		2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	30,951	31,499	33,555
Transfers and subsidies		91	91	91	91	91	91	91	91	91	91	91	91	1,087	1,134	1,184
Other expenditure		1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	19,567	20,411	21,309
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**160,275**	**160,499**	**167,567**
Surplus/(Deficit)		**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(1,879)**	**(22,371)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	22,485	27,343	27,192
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**22,485**	**25,464**	**4,822**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**22,485**	**25,464**	**4,822**

Table 35 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - Executive And Council		259	259	259	259	259	259	259	259	259	259	259	259	3,110	3,247	3,205
Vote 2 - Finance and administration		9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	116,730	124,050	125,700
Vote 3 - Housing		1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	13,191	13,771	–
Vote 4 - Community and Social Services		453	453	453	453	453	453	453	453	453	453	453	453	5,435	5,674	5,566
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	35,773	23,325	21,847
Vote 7 - Road Transport		195	195	195	195	195	195	195	195	195	195	195	195	2,339	9,441	9,549
Vote 8 - Sport and Recreation		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Vote 9 - Waste Management		514	514	514	514	514	514	514	514	514	514	514	514	6,174	6,445	6,512
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**15,230**	**182,760**	**185,962**	**172,389**
Expenditure by Vote to be appropriated																
Vote 1 - Executive And Council		1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	16,378	17,308	18,068
Vote 2 - Finance and administration		4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	55,511	53,304	55,650
Vote 3 - Housing		33	33	33	33	33	33	33	33	33	33	33	33	392	409	427
Vote 4 - Community and Social Services		1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	22,329	23,312	24,337
Vote 5 - Internal Audit		118	118	118	118	118	118	118	118	118	118	118	118	1,418	1,481	1,546
Vote 6 - Planning and Development		833	833	833	833	833	833	833	833	833	833	833	833	9,997	8,049	8,411
Vote 7 - Road Transport		3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	42,679	44,557	46,518
Vote 8 - Sport and Recreation		255	255	255	255	255	255	255	255	255	255	255	255	3,060	3,195	3,335
Vote 9 - Waste Management		675	675	675	675	675	675	675	675	675	675	675	675	8,105	8,461	8,833
Vote 10 - Waste Water Management		34	34	34	34	34	34	34	34	34	34	34	34	405	423	441
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**13,356**	**160,275**	**160,499**	**167,567**
Surplus/(Deficit) before assoc.		**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**22,485**	**25,464**	**4,822**
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**1,874**	**22,485**	**25,464**	**4,822**

Table 36 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		9,987	9,987	9,987	9,987	9,987	9,987	9,987	9,987	9,987	9,987	9,987	9,987	119,840	127,297	128,905
Executive and council		259	259	259	259	259	259	259	259	259	259	259	259	3,110	3,247	3,205
Finance and administration		9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	9,728	116,730	124,050	125,700
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	18,634	19,454	5,575
Community and social services		453	453	453	453	453	453	453	453	453	453	453	453	5,435	5,674	5,566
Sport and recreation		1	1	1	1	1	1	1	1	1	1	1	1	8	8	9
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	13,191	13,771	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		3,176	3,176	3,176	3,176	3,176	3,176	3,176	3,176	3,176	3,176	3,176	3,176	38,112	32,766	31,396
Planning and development		2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	35,773	23,325	21,847
Road transport		195	195	195	195	195	195	195	195	195	195	195	195	2,339	9,441	9,549
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		514	514	514	514	514	514	514	514	514	514	514	514	6,174	6,445	6,512
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		514	514	514	514	514	514	514	514	514	514	514	514	6,174	6,445	6,512
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		15,230	15,230	15,230	15,230	15,230	15,230	15,230	15,230	15,230	15,230	15,230	15,230	182,760	185,962	172,389
Expenditure - Functional																
Governance and administration		6,109	6,109	6,109	6,109	6,109	6,109	6,109	6,109	6,109	6,109	6,109	6,109	73,307	72,093	75,263
Executive and council		1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	16,378	17,308	18,068
Finance and administration		4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	55,511	53,304	55,650
Internal audit		118	118	118	118	118	118	118	118	118	118	118	118	1,418	1,481	1,546
Community and public safety		2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	25,782	26,916	28,100
Community and social services		1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	1,861	22,329	23,312	24,337
Sport and recreation		255	255	255	255	255	255	255	255	255	255	255	255	3,060	3,195	3,335
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		33	33	33	33	33	33	33	33	33	33	33	33	392	409	427
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	4,390	52,676	52,606	54,929
Planning and development		833	833	833	833	833	833	833	833	833	833	833	833	9,997	8,049	8,411
Road transport		3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	3,557	42,679	44,557	46,518
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		709	709	709	709	709	709	709	709	709	709	709	709	8,510	8,884	9,275
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		34	34	34	34	34	34	34	34	34	34	34	34	405	423	441
Waste management		675	675	675	675	675	675	675	675	675	675	675	675	8,105	8,461	8,833
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		13,356	13,356	13,356	13,356	13,356	13,356	13,356	13,356	13,356	13,356	13,356	13,356	160,275	160,499	167,567
Surplus/(Deficit) before assoc.		1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	22,485	25,464	4,822
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	22,485	25,464	4,822

Table 37 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - Executive And Council		58	58	58	58	58	58	58	58	58	58	58	58	700	–	–
Vote 2 - Finance and administration		90	90	90	90	90	90	90	90	90	90	90	89	1,074	56	931
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		4	4	4	4	4	4	4	4	4	4	4	4	50	52	92
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		261	261	261	261	261	261	261	261	261	261	261	261	3,130	136	142
Vote 7 - Road Transport		1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	22,575	22,629	23,625
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	27,529	22,873	24,789
Total Capital Expenditure	2	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	27,529	22,873	24,789

Table 38 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		**148**	**148**	**148**	**148**	**148**	**148**	**148**	**148**	**148**	**148**	**148**	**148**	**1,774**	**56**	**931**
Executive and council		58	58	58	58	58	58	58	58	58	58	58	58	700	–	–
Finance and administration		90	90	90	90	90	90	90	90	90	90	90	89	1,074	56	931
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**50**	**52**	**92**
Community and social services		4	4	4	4	4	4	4	4	4	4	4	4	50	52	92
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**2,142**	**25,705**	**22,765**	**23,767**
Planning and development		261	261	261	261	261	261	261	261	261	261	261	261	3,130	136	142
Road transport		1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	1,881	22,575	22,629	23,625
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**27,529**	**22,873**	**24,789**
Funded by:																
National Government		1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	1,624	**19,485**	**20,343**	**21,238**
Provincial Government		254	254	254	254	254	254	254	254	254	254	254	254	3,050	52	92
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**1,878**	**22,535**	**20,395**	**21,330**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		416	416	416	416	416	416	416	416	416	416	416	416	4,994	2,478	3,459
Total Capital Funding		**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	**2,294**	2,294	2,294	27,529	22,873	24,789

Table 39 MBRR SA30 - Budgeted monthly cash flow

KZN227 Richmond - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source															
Property rates	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	19,634	20,545	21,449
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	36	36	36	36	36	36	36	36	36	36	36	36	435	435	475
Rental of facilities and equipment	52	52	52	52	52	52	52	52	52	52	52	52	622	622	678
Interest earned - external investments	130	130	130	130	130	130	130	130	130	130	130	130	1,562	1,631	1,703
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	416	416	416	416	416	416	416	416	416	416	416	416	4,993	5,233	5,463
Licences and permits	195	195	195	195	195	195	195	195	195	195	195	195	2,336	2,439	2,546
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	8,923	107,075	112,994	100,440
Other revenue	992	992	992	992	992	992	992	992	992	992	992	992	11,902	11,426	12,350
Cash Receipts by Source	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380	12,380	148,558	155,323	145,104
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	22,485	22,485	28,573
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational 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	14,254	14,254	14,254	14,254	14,254	14,254	14,254	14,254	14,254	14,254	14,254	14,254	171,044	177,808	173,677
Cash Payments by Type															
Employee related costs	6,028	6,028	6,028	6,028	6,028	6,028	6,028	6,028	6,028	6,028	6,028	6,028	72,337	72,337	78,918
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	16	16	16	16	16	16	16	16	16	16	16	16	197	207	216
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	504	504	504	504	504	504	504	504	504	504	504	504	6,052	6,318	6,596
Contracted services	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	30,951	31,499	33,555
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	912	912	912	912	912	912	912	912	912	912	912	912	10,944	11,468	11,973
Cash Payments by Type	10,040	10,040	10,040	10,040	10,040	10,040	10,040	10,040	10,040	10,040	10,040	10,040	120,481	121,829	131,258
Other Cash Flows/Payments by Type															
Capital assets	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	27,529	22,873	24,789
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	12,334	12,334	12,334	12,334	12,334	12,334	12,334	12,334	12,334	12,334	12,334	12,334	148,010	144,702	156,047
NET INCREASE/(DECREASE) IN CASH HELD	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	1,919	23,034	33,107	17,630
Cash/cash equivalents at the month/year begin:	19,467	21,386	23,306	25,225	27,144	29,064	30,983	32,903	34,822	36,742	38,661	40,581	19,467	42,500	75,607
Cash/cash equivalents at the month/year end:	21,386	23,306	25,225	27,144	29,064	30,983	32,903	34,822	36,742	38,661	40,581	42,500	42,500	75,607	93,237

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Annual budgets and SDBIPs – internal departments

See attached.

Contracts having future budgetary implications

In terms of the Richmond's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Capital expenditure details

The following three tables present details of the Richmond's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 40 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN227 Richmond - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	4,971	66	–	–	–	2,000	2,088	2,180
Operational Buildings		–	4,971	66	–	–	–	2,000	2,088	2,180
Municipal Offices		–	4,971	66	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	1,500	1,566	1,635
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	500	522	545
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	372	–	2,500	955	955	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	372	–	2,500	955	955	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	372	–	2,500	955	955	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		3,599	4,712	783	52	1,004	1,004	54	56	96
Computer Equipment		3,599	4,712	783	52	1,004	1,004	54	56	96
Furniture and Office Equipment		1,716	1,945	369	231	1,037	1,037	400	188	196
Furniture and Office Equipment		1,716	1,945	369	231	1,037	1,037	400	188	196
Machinery and Equipment		4,997	6,726	995	931	971	971	900	104	981
Machinery and Equipment		4,997	6,726	995	931	971	971	900	104	981
Transport Assets		14,624	14,776	(475)	–	–	–	720	21	22
Transport Assets		14,624	14,776	(475)	–	–	–	720	21	22
Land		1,186	1,186	–	–	–	–	–	–	–
Land		1,186	1,186	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	30,125	53,283	39,022	28,175	30,533	30,533	20,641	22,800	24,713

Table 41 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN227 Richmond - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on renewal of existing assets by Asset		2018	2019	2020	2021	2021	2021	2022	2022	2022
Infrastructure		**4,682**	**–**	**11,591**	**8,000**	**8,508**	**8,508**	**–**	**–**	**–**
Roads Infrastructure		4,682	–	11,471	8,000	8,508	8,508	–	–	–
Roads		4,682	–	11,471	8,000	8,508	8,508	–	–	–
Electrical Infrastructure		–	–	120	–	–	–	–	–	–
LV Networks		–	–	120	–	–	–	–	–	–
Community Assets		**6,439**	**7,708**	**3,001**	**5,843**	**6,289**	**6,289**	**500**	**–**	**–**
Community Facilities		–	–	313	5,843	6,289	6,289	500	–	–
Halls		–	–	313	4,343	4,101	4,101	500	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	1,500	2,187	2,187	–	–	–
Sport and Recreation Facilities		6,439	7,708	2,688	–	–	–	–	–	–
Indoor Facilities		1,145	–	2,628	–	–	–	–	–	–
Outdoor Facilities		5,295	7,708	60	–	–	–	–	–	–
Other assets		**–**	**–**	**4,971**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	4,971	–	–	–	–	–	–
Municipal Offices		–	–	4,971	–	–	–	–	–	–
Intangible Assets		–	–	372	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	372	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	372	–	–	–	–	–	–
Computer Equipment		59	960	380	–	–	–	–	–	–
Computer Equipment		59	960	380	–	–	–	–	–	–
Furniture and Office Equipment		–	44	655	–	–	–	–	–	–
Furniture and Office Equipment		–	44	655	–	–	–	–	–	–
Machinery and Equipment		43	175	873	–	–	–	–	–	–
Machinery and Equipment		43	175	873	–	–	–	–	–	–
Transport Assets		10	1,060	1,602	–	–	–	–	–	–
Transport Assets		10	1,060	1,602	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing asset	1	**11,233**	**9,947**	**23,445**	**13,843**	**14,797**	**14,797**	**500**	**–**	**–**
Renewal of Existing Assets as % of total capex		*133.9%*	*44.8%*	*45.6%*	*41.2%*	*39.1%*	*39.1%*	*1.5%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*55.4%*	*143.1%*	*71.4%*	*76.3%*	*76.3%*	*2.5%*	*0.0%*	*0.0%*

Table 42 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN227 Richmond - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
<u>Biological or Cultivated Assets</u>		–	–	–	500	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	500	–	–	–	–	–
<u>Intangible Assets</u>		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
<u>Computer Equipment</u>		64	4	–	7	0	0	–	–	–
Computer Equipment		64	4	–	7	0	0	–	–	–
<u>Furniture and Office Equipment</u>		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
<u>Machinery and Equipment</u>		376	168	212	170	205	205	138	144	151
Machinery and Equipment		376	168	212	170	205	205	138	144	151
<u>Transport Assets</u>		2,881	2,809	4,354	4,404	4,578	4,578	4,593	4,795	5,006
Transport Assets		2,881	2,809	4,354	4,404	4,578	4,578	4,593	4,795	5,006
<u>Land</u>		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
<u>Zoo's, Marine and Non-biological Animals</u>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	7,084	4,891	8,189	7,887	6,982	6,862	8,836	9,434	9,849
R&M as a % of PPE		2.1%	1.4%	1.7%	2.1%	1.9%	0.9%	2.7%	2.6%	2.9%
R&M as % Operating Expenditure		6.4%	4.1%	4.8%	5.3%	4.9%	4.9%	8.7%	5.9%	6.1%

Table 43 MBRR SA35 - Future financial implications of the capital budget

KZN227 Richmond - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
Capital expenditure	1							
Vote 1 - Executive And Council		700	–	–				
Vote 2 - Finance and administration		1,074	56	931				
Vote 3 - Housing		–	–	–				
Vote 4 - Community and Social Services		50	52	92				
Vote 5 - Internal Audit		–	–	–				
Vote 6 - Planning and Development		3,130	136	142				
Vote 7 - Road Transport		22,575	22,629	23,625				
Vote 8 - Sport and Recreation		–	–	–				
Vote 9 - Waste Management		–	–	–				
Vote 10 - Waste Water Management		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		27,529	22,873	24,789	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive And Council								
Vote 2 - Finance and administration								
Vote 3 - Housing								
Vote 4 - Community and Social Services								
Vote 5 - Internal Audit								
Vote 6 - Planning and Development								
Vote 7 - Road Transport								
Vote 8 - Sport and Recreation								
Vote 9 - Waste Management								
Vote 10 - Waste Water Management								
Vote 11 -								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 -								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		27,529	22,873	24,789	–	–	–	–

Table 44 MBRR SA36 - Detailed capital budget per municipal vote

KZN227 Richmond - Supporting Table SA36 Detailed capital budget

R thousand														2022/23 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:																
List all capital projects grouped by Function																
Administrative and Corporate Support:(	**frastructure:New:Machinery and Equipment:Generator**		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Machinery and Equipment*		**Whole Municipality**	30.30979385	*-29.88270287*			800	766	766
Finance:Default	Capital:Non-infrastructure:New:Computer Equipment:FINANCE PR		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Computer Equipment*		**Whole Municipality**	30.30979385	*-29.88270287*			204	4	4
Finance:Default	Capital:Non-infrastructure:New:Furniture and Office Equipment:DES		**Renewal**	*nd capable workforce to support an inclusive gr*	*Growth*		*Furniture and Office Equipment*		**Whole Municipality**	30.22737274	*-29.88270287*			50	48	48
Road and Traffic Regulation:Traffic	Capital:Non-infrastructure:Existing:Upgrading:Other Assets:Operatio		**Renewal**	*nd capable workforce to support an inclusive gr*	*Growth*		*Land*		**Whole Municipality**	30.16566868	*-29.88225923*			70	67	67
Road and Traffic Regulation:Traffic	Capital:Non-infrastructure:New:Other Assets:Operational Buildings:I		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.3981872	*-29.92080748*			500	479	479
Road and Traffic Regulation:Traffic	Capital:Non-infrastructure:New:Other Assets:Operational Buildings:'		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Operational Buildings*		**Whole Municipality**	30.26559765	*-29.79205805*			1,500	1,436	1,436
Corporate Wide Strategic Planning (IDPs	Capital:Non-infrastructure:New:Furniture and Office Equipment:AIR		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Furniture and Office Equipment*		**Whole Municipality**	30.2251462	*-29.88270287*			30	29	29
Corporate Wide Strategic Planning (IDPs	Capital:Non-infrastructure:New:Furniture and Office Equipment:DES		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Furniture and Office Equipment*		**Whole Municipality**	30.30979385	*-29.89442892*			50	48	48
Libraries and Archives:LIBRARY (102520	Capital:Non-infrastructure:New:Computer Equipment:DESKTOPS		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Computer Equipment*		**Whole Municipality**	30.31108924	*-29.88270287*			50	81	81
Roads:Roads (104010)	Capital:Non-infrastructure:New:Transport Assets:TAR CUTTING M		**New**	*nd capable workforce to support an inclusive gr*	*Growth*		*Machinery and Equipment*		**Whole Municipality**	30.32417349	*-29.92080748*			20	19	19
Roads:Roads (104010)	Capital:Non-infrastructure:New:Community Assets:Sport and Recre		**New**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.33725773	*-29.87740323*			9,180	8,785	8,785
Roads:Roads (104010)	Capital:Infrastructure:New:Roads Infrastructure:Road Structures:C(		**New**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.35034197	*-29.87740323*			10,642	9,743	11,658
Roads:Roads (104010)	Capital:Infrastructure:New:Roads Infrastructure:Roads:MAGODA M		**New**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.36342622	*-29.88270287*			1,282	1,227	1,227
Roads:Roads (104010)	Capital:Non-infrastructure:New:Machinery and Equipment:BRUSH		**New**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.37651046	*-29.88270287*			100	96	96
Economic Development/Planning:LOCA	Capital:Non-infrastructure:New:Furniture and Office Equipment:AIR		**New**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.38959471	*-29.88270287*			50	48	48
Economic Development/Planning:LOCAL	Capital:Non-infrastructure:Existing:Upgrading:Community Assets:C(		**Upgrading**	*Decent employment through inclusive growth*	*Growth*		*Roads Infrastructure*		**Whole Municipality**	30.38959471	*-29.88270287*			3,000	–	–
Council	Capital:Non-infrastructure:New:Vehicles		**New**	*nsive, responsive and sustainable social protec*	*Growth*		*Transport Assets*		**Whole Municipality**	30.38959471	*-29.88270287*			1		
Parent Capital expenditure												–	–	27,529	22,874	24,789

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Richmond's website.

2. 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 Budget and Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed and trained 15 interns through this programme.
3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a final stage and will be finalized after approval of the 2022/23 MTREF in May 2022 directly aligned and informed by the 2022/23 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training module in electronic format is presented at the Richmond's internal centre and training is ongoing.

8. Policies
   All financial policies are reviewed and adopted annually as part of the budget process

5. 3. 1. CAPITAL EXPENDITURE

Table 45: Adequacy of Audit Response:

Nature of audit finding	Audit Query	Audit Response	Audit Response Progress: 31 March 2021
Audit of Compliance			

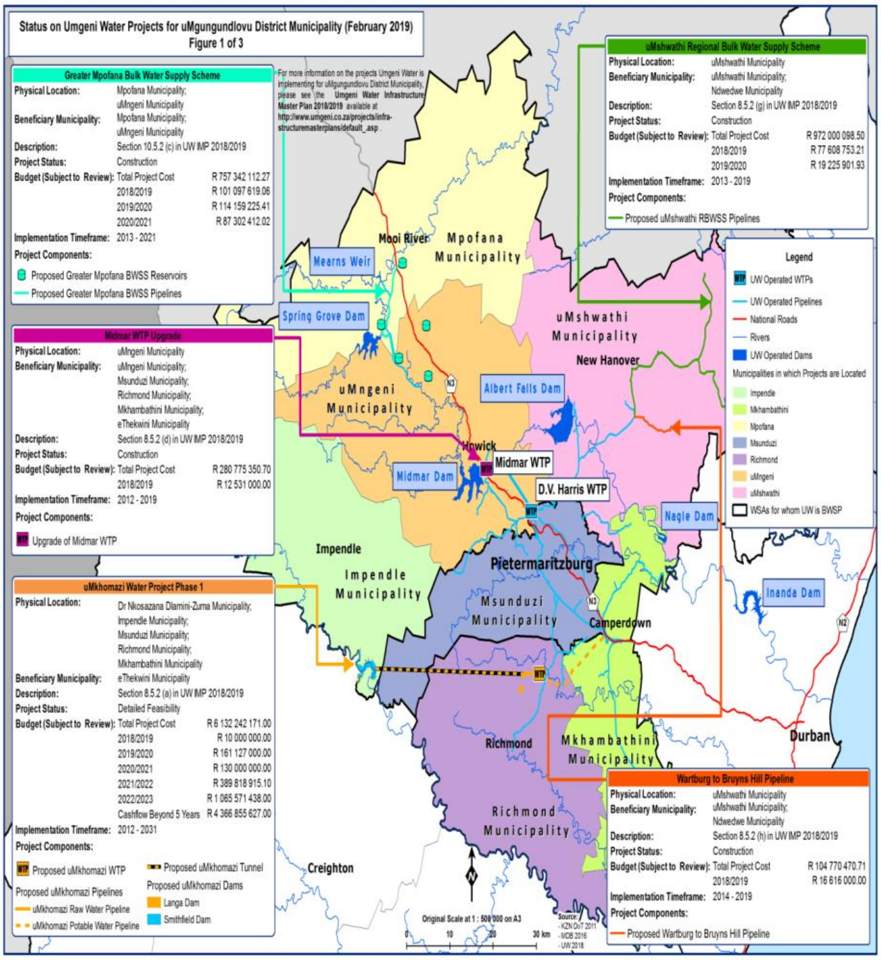
Nature of audit finding	Audit Query	Audit Response	Audit Response Progress: 31 March 2021
8. Annual financial statements	The annual financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	Interim and quarterly financial statements will be prepared by CFO and submitted to Internal Audit for review. An AFS preparation plan will be prepared and submitted to Audit Committee stipulating timelines for review of financial statements by relevant support oversight institution or stakeholders Working paper file will be prepared and maintained by the municipality	**Responsible Official**: **Financial Manager or Chief Financial Officer** **Target date: 31 April 2021**
9. Expenditure Management	• Reasonable steps were not taken to prevent unauthorised expenditure amounting to R7,38 million, as disclosed in note 39 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. • Reasonable steps were not taken to prevent irregular expenditure amounting to R23,78 million as disclosed in note 40 to the annual financial statements, as required by section 62(1)(d) of the MFMA. • Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R122 207, as disclosed in note 41 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.	• Management will implement preventative controls to eliminate UIFW – (Do away with deviations) • SCM Checklist will be introduced to ensure early detective of possible UIFW (will this be introduced or implemented?) • SCM Personnel will be sent for training • Consequence management will be implemented (what will you do to implement consequence management)	**Responsible Official**: **Financial Manager and Chief Financial Officer** **Target date: 30th June 2021 (Year - end)**
10. Procurement and contract management	• Bid documentation for the procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by the preferential	• The accounting officer will perform regular monitoring and supervision to assess the effectiveness of internal controls over SCP processes to ensure compliance	**:** **Responsible Official**:

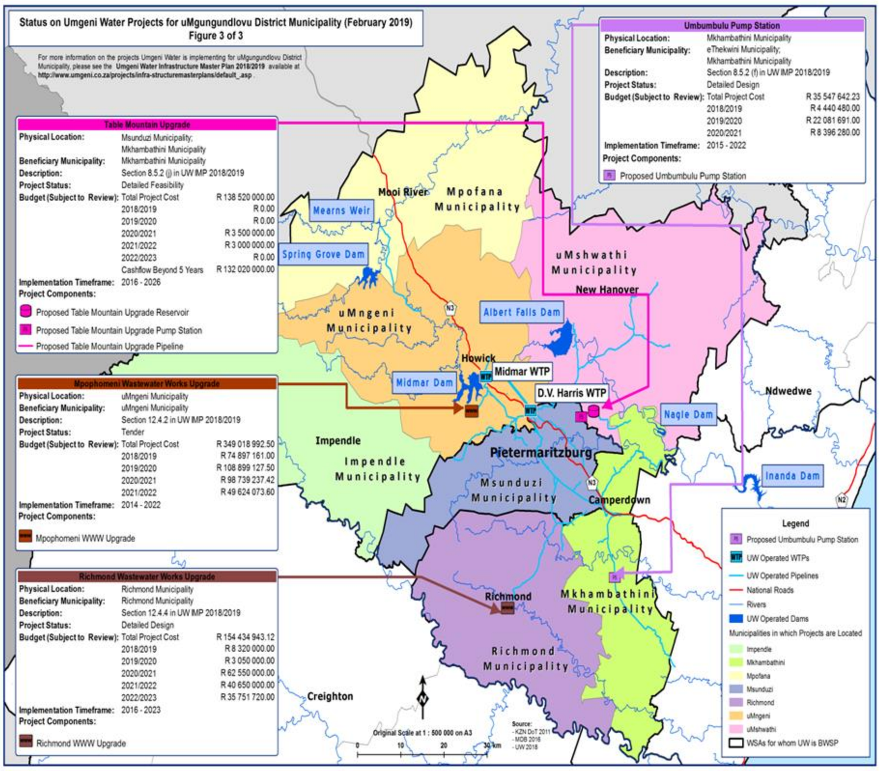
Nature of audit finding	Audit Query	Audit Response	Audit Response Progress: 31 March 2021
	procurement regulation 8(2) of 2017.	with applicable laws and regulations.	**Financial Manager & Supply Chain Manager**
	• Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.	• Regular training of SCM officials will be conducted	**Target date: 30 April 2021**

5. 4. SECTOR DEPARTMENTS

The following sector departments and stakeholders contributed to the sector alignment process i.e. conducted by the Richmond Municipality and the District Municipality.

5. 4. 1. Umgeni Water’s Projects for 2019/2020 – 2049/2050





5. 4. 2. Department of Art and Culture

Project name	Project status
Ndaleni Library	Planning Stage

5. 4. 3. Department of Health

Project name	Project status
Argosy clinic in ward 4	Planning Stage

No	Level of Care	Municipality	Current Status
1	**Hopewell Clinic**	**Richmond**	Planning

5. 4. 4. Department of Human Settlements

NAME OF PROJECT	STATUS OF PROJECT	TOTAL PROJECT VALUE
1. NHLAZUKA RURAL HOUSING PROJECT	PROJECT MANAGEMENT	R 101 683 878.09
2. SIYATHUTHUKA RURAL HOUSING PROJET PHASE 1	PROJECT MANAGEMENT	R 63 486 785. 50
3. SIYATHUTHUKA RURAL HOUSING PROJET PHASE 2	PLANNING	
4. ZWELETHU HOUSING PROJECT	PROJECT MANAGEMENT	R 10 381 174.80
5. ARGOSY FARM REHABILITATION PROJECT	PROJECT MANAGEMENT	R 117 273 589.74
6. ST BERNARD AND	PROJECT MANAGEMENT	R 27 764 640.00
7. AMANDUS HOUSING PROJECT	PLANNING	R 3 084 960.00
8. BHONGOZA SLUM CLEARANCE HOUSING PROJECT	PLANNING	R 9 254 880.00
9. KWAMAGODA HOUSING PROJECT	PLANNING STAGE	
10. GENGESHE	PLANNING STAGE	R 15 424 800.00
11. MZINOLOVU	PLANNING STAGE	R 15 424 800.00
12. PHATHENI	PROJECT MANAGEMENT	
13. SOCIAL AMENITIES (AGUST 2018)	CONSTRUCTION STAGE	R 6 289 255.56

14. MIDDLE INCOME HOUSING PROJECT	PLANNING STAGE	R 30 849 600.00

5. 4. 5. Department of Education

The Department of Education has the following programmes: New school, Upgrades and Additions, Water and Sanitation, ECD, Curriculum Redress, Storm Damage, Mobile Classroom, Fencing, Renovations / Rehabilitation and LSEN

PROJECT NAME	SCOPE OF WORKS	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	LOCAL MUNICIPALITY NAME	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000
AMANDUS HILL PRIMARY SCHOOL	Construction of New Grade R facilities and Ablutions	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	Richmond (KZN227)	4	3300
AMANDUS HILL PRIMARY SCHOOL	WATER AND SANITATION	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	4	6548
CONGCO HIGH SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-24 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (6G, 2B, 4URINAL,3STAFF &2URINAL,1D)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	3754
CONGCO HIGH SCHOOL	UPGRADES AND ADDITIONS	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	7152
CONGCO HIGH SCHOOL	STORM DAMAGES TO SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	6	6038
EINSIEDELN INTERMED	RENOVATIONS, REHABILITATION OR	RENOVATIONS, REHABILITATI	REFURBISHMENT AND	Richmond (KZN227)	4	4026

IATE SCHOOL	REFURBISHMENTS	ON OR REFURBISHMENTS	REHABILITATION			
ESIMOZOMENI SENIOR PRIMARY SCHOOL	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	100
ESIMOZOMENI SENIOR PRIMARY SCHOOL	UPGRADES AND ADDITIONS	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	7152
EZULWINI COMBINED SCHOOL	1 MULTIPURPOSE,1 SCIENCE LAB, 1 MEDIA CENTER, 1 CHEMICAL STORE, 1 EQUIPMENT STORE, 1 GENERAL STORE, ADMIN BLOCK, GUARD HOUSE, ABLUTIONS AND PARKING	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	12943
EZULWINI COMBINED SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-24 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (4G, 2B, 2 URINAL, 2 STAFF & 1URINAL,1D & 1R)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	2400
GENGESHE PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-24 DEMOLITION OF EXISTING STRUCTURE,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	100

	CONSTRUCTION OF NEW (2G, 1B, 1URINAL,1STAFF &1URINAL,1D, 1R)					
HOPEWELL PRIMARY SCHOOL	Construction of New Grade R facilities and Ablutions	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	Richmond (KZN227)	3	3300
HUBA HIGH SCHOOL	CONSTRUCTION OF 6 GIRLS' TOILET SEATS, 2 BOYS' TOILET SEATS AND 4 URINAL SPACES, 1M +1URIAL TEACHER TOILET SEATS, 1 DISABLED TOILETS, GRADE R: 1 SEATS AND WATER PROVISIONING.	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	2	2394
INDALENI SENIOR PRIMARY SCHOOL	CONSTRUCTION OF A NEW SCHOOL	NEW SCHOOL	NEW /REPLACEMENT INFRASTRUCTURE ASSETS	Richmond (KZN227)	7	46824
INDALENI SENIOR PRIMARY SCHOOL	REPAIRS AND RENOVATIONS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	7	5598
INHLAZUKA PRIMARY SCHOOL	1 GRADE R,1 MULTIPURPOSE CLASSROOMS INCLUDING LABORATORIES AND SPECIALIST ROOMS, 0.5 MEDIA CENTRE, 0.5 COMPUTER ROOM(S), 3 OFFICE(S), 3	CURRICULUM REDRESS	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	13486

	STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCK SHOP, 2 GIRLS' TOILET SEATS, 1 BOYS' TOILET SEATS AND URINAL SPACES, 2 TEACHER TOILET SEATS, 1 DISABLED TOILETS, WATER PROVISIONING,					
INHLAZUKA PRIMARY SCHOOL	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	5	4038
INHLAZUKA PRIMARY SCHOOL	STORM DAMAGED PHASE 19	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	5	1600
INKUMANE HIGH SCHOOL	STORM DAMAGED PHASE 19	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	5	1600
LINWOOD INTERMEDIATE SCHOOL	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	1775
MADLANYOKA HIGH SCHOOL	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	1775
MAGODA PRIMARY SCHOOL	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	7	1780
MALIPHUME PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-16 DEMOLITION OF EXISTING STRUCTURE,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	2300

	RENOVATE (2B,) CONSTRUCTION OF NEW (2 X 2M2F1D, 3R1T)					
MALIZAYO PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-20 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (4G, 4B, 2M2F1D, 3R1T)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	3503
MBUTHISWENI PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-12 CONSTRUCTION OF NEW BLOCKS : 4R1T RENOVATIONS OF EXISTING ABLUTIONS	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	2300
MBUTHISWENI PRIMARY SCHOOL	STORM DAMAGED PHASE 19	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	5	1600
MENZIWA PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-24 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTION OF NEW (6G, 2B, 4URINAL,3STAFF &2URINAL,1D, 3R &1RT)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	7	7299
MENZIWA PRIMARY SCHOOL	Construction of New Grade R facilities and Ablutions	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	Richmond (KZN227)	7	3300

5. 4. 6. Department of Transport

PROJECT NO	PROJECT NAME	PROJECT STATUS
C226/9570/S	Re-gravelling of L654-0-2.4km+L2554	Tender Phase
C227/9521/S	Maintenance contract-Richmond zone	Tender Phase
C226-7/9524/S	Maintenance contract Eston zone	Tender phase
C226/7/1552/M	Zibambele-Materials	21%-30%
C226/7/1553/S	Zibambele-Contractors	41%-60%
C226/1557/S	Re-graveling of L2551(0-3km),L2552(0-2km) and D2176(0-3.7km)	Tender phase
C226/1559/S	Re-gravelling of D977(0-5km)	Tender phase
C227/1563/S	Re-gravelling of P115(5-10km)	Tender phase
C226/1564/S	Re-gravelling of L1506(1.2-3.2 km)	Tender phase
C227/1565/S	Re-gravelling of D158 (17-22.5km)	Tender phase
C226/1567/S	Re-gravelling of D773(0-3.2km)	Tender phase

5. 4. 7. ICT Strategy projects

NO.	PROJECT	PROBLEM AREA	DESIRED OUTCOME	YEAR
1	Municipal Data Backup and Disaster Recovery Plan			
2				
3				
4				
5				
6				
7				
8				
9				
10				

CHAPTER 7: ANNUAL OPERATIONAL PLAN (DRAFT SDBIP)

(One Year Detailed Operational Plan)

CHAPTER 8: ORANISATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

Key Performance Indicators for each objective and Annual Performance Report of previous year.

- Annual Performance Report of the previous Year
- Organisational Key Performance Indicators linked to departmental indicators
- Departmental Indicators linked to outputs in the Performance Agreements
- Outputs in the Performance Agreements linked to activities in the Operational Plans and Indicators

ANNEXURES

This section to be prefaced by an outline on the status of all applicable Sector Plans. This can be done in a single

4. 1.

Table 24. Municipal Policies

CHAPTER 8: 0RGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

8.1. GUIDING PRINCIPLES

Although the Richmond Municipality has developed a Performance Management System, practice has indicated that the System may not be as user-friendly as was intended. It is now fundamental that the Municipality review the entire System to ensure that it is understood and implementable thus ensuring that the Citizens Participation Charter is well informed. To date no organizational performance review has taken place although it is the intention to ensure that the performance of the organisation as well as applicable Managers is undertaken.

The objectives of the Municipality, as set out in the Constitution of the Republic of South Africa, are recorded as follows:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote and safe and healthy environmental, and
- To encourage the involvement of communities in matters of local government
- In line with the above, the formulation of the Integrated Development Plan to inform the Budget of the Municipality which is aligned to the PMS and the processes in terms of Mayoral Integrated Development Plan/Budget Izimbizo, participation by Ward Committees and Communities together with the developed Communication Strategy and resultant Citizens Participation Charter is responsive to the above objectives.

In order to address any inherent risks which may be identified, it is imperative that the following receives the necessary attention:

- Refined SDBIP catering for activities and deliverables with associated milestones, SMART indicators with more realistic targets
- Bi-Monthly high-level departmental report indicating departmental and organizational performance in terms of indicators and targets set
- Action, in terms of reports submitted, to be undertaken to ensure that any hint of non-performance can be addressed timeously
- Quarterly appraisals to be undertaken for the Municipal Manager and each Departmental Head
- The Municipality must consider the establishment of a PMS Unit or alternatively Good Government Unit to ensure that the strategic approach (Integrated Development Plan) in terms of delivery through the PMS is achieved (the necessary provisions in terms of finances and human capacity must be made in order to ensure that any audit does not deliver negative results)
- Skills training together with capacity building must be undertaken for officials appointed or seconded to PMS / Good Governance Unit
- Capacity Building for the Mayor in terms of the SDBIP formulated for the Municipal Manager

On a lighter note, the following can be recorded as the Municipality's accomplishments to date:

- 2019/2020 Annual Report formulated and adopted by Council together with the Oversight Report
- Signing of Performance Agreements by Section 57 Employees
- Development of Communication Strategy together with Citizens Participation Charter
- Formulation and implementation of SDBIP

The following key outputs are identified:

- Assess and review current PMS and refine to current realities and expected implementation in terms of targets to be met
- The outcome of the assessment in terms of any gaps identified must be analysed in terms of Integrated Development Plan and PMS requirements
- Development of the Municipal Scorecard as well as the development of Municipal Indicators in order to address backlogs in terms of the SMART principles
- Stakeholder input on the draft scorecard
- Drafted scorecards for Council approval as a performance planning and measurement tool

The annual reports have been developed together with the Oversight report as of the 2013/2014 financial year. The Richmond Municipality, in terms of the outcome of the audit of the accounts of the Municipality for the 2019/2020 financial year as conducted by the Auditor-General received an UNQUALIFIED audit opinion. Below is the annual report.

8. 2. ANNUAL PERFORMANCE REPORT OF PREVIOUS YEAR

The annual report has been attached

8. 3. ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO DEPARTMENTAL INDICATORS (REFER BELOW)

8. 4. DEPARTMENTAL INDICATORS LINKED TO OUTPUTS IN THE PERFORMANCE AGREEMENTS (REFER BELOW)

8. 5. OUTPUTS IN THE PERFORMANCE AGREEMENTS LINKED TO ACTIVITIES IN THE OPERATIONAL PLANS AND INDICATORS (REFER BELOW)

8. 6. ORGANISATIONAL SCORECARD

After a detailed and careful analyses of the current organisation scorecard it was found that the Municipality needs to review its Organisation scorecard and ensure that it is aligned to the IDP and to what the Municipality needs to achieve and focus on.

The following key performance indicators are proposed for the Organisation scorecard and SDBIP

CONCLUSION

The Richmond Municipality Integrated Development Plan preparation for 2021/22review seeks to reiterate the developmental mandate of local government with supporting objectives and strategies aimed at attaining the expectations of the organisations and the community, i.e.:

- Creating an environmental for sustainable economic growth thereby creating job opportunities.
- Providing for housing and socio-economic development in line with the current situation and meeting the objectives set nationally, provincially and locally (inclusive of addressing the HIV/AIDS pandemic)
- Mainstreaming of HIV/AIDS, disadvantaged individuals, etc
- Integrating the first and second economies as well as the implementation of programmes and projects in line with the principle of the EPWP

Taking advantage of the Municipalities positioning in terms of Provincial development corridors, its location in terms of the Dube Trade Port, eThekwini Municipality and the Capital of the Province as well as its location in terms of the N3, R56 and N2

The majority of this Integrated Development Plan focuses on the challenges faced by the Municipality in terms of financial and human capacity and capability, however it is in identifying the challenges and striving to address them that the Municipality will meet its developmental mandate and ensure increased service delivery as a measurable output.

The Municipality is also required to prioritise projects and programmes in line with financial availability, source appropriate external funding to supplement its own finances and to increase delivery and more importantly work towards the alignment of the uMDM Integrated Development Plan with that of the Richmond Municipality – embark on the bottom up approach and not top down approach!

In formulating the Integrated Development Plan document greater effort was made to align the budget of the Municipality and also to attempt to seek alignment with policy makers. This document also incorporates the Millennium Development Goals as well as Provincial and National Targets.

ANNEXURES

NO	SECTOR PLAN	COMPLETED
1	Spatial Development Framework (SDF)	**Reviewed 2017-2022**
2	Richmond Local Growth and Development Strategy_2017 and beyond	**Reviewed 2020**
3	Disaster Management Plan	**Reviewed 2020**
4	Housing sector Plan	**Reviewed 2020**
5	Schedule of policies	**Reviewed 2020**
6	Organisational Structure	**Reviewed 2020**

7	ICT Governance framework	**Reviewed 2020**
8	Employment Equity Policy	**Reviewed 2020**
9	AG comments on latest audit financial statements & responses thereto	**Received 2021**
10	Ward Based Plans and Project list	**Reviewed 2021**
11	Previous annual report	**Reviewed 2021**
12	Revenue enhancement strategy	**Reviewed 2021**
13	Indigent policy	**Reviewed 2021**
14	Draft Intergrated waste management plan	**Reviewed 2021**
15	Organisational Scorecard	**Reviewed 2021**
16	**Organisational SDBIP**	**Reviewed 2021**