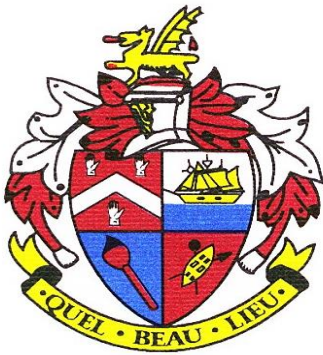




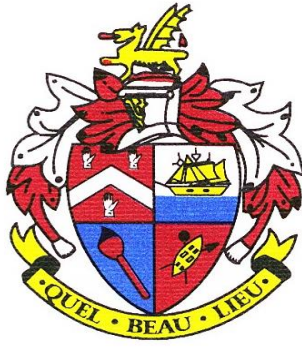
RICHMOND MUNICIPALITY

**INTEGRATED DEVELOPMENT PLAN
2023/2024**

57 SHEPSTONE STREET

RICHMOND

3780



RICHMOND MUNICIPALITY
UMASIPALA WASE RICHMOND

**PREPARED BY: RICHMOND MUNICIPALITY DEVELOPMENT AND
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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

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FOREWORD BY HIS WORSHIP THE MAYOR CLLR. M.K. NGCONGO

It pleases me to present the 2023/2024 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 ensuring service delivery remains a priority to uplift the living conditions of our people.

We are confident that our 5TH Generation IDP 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 gratitude 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 MK Ngcongo

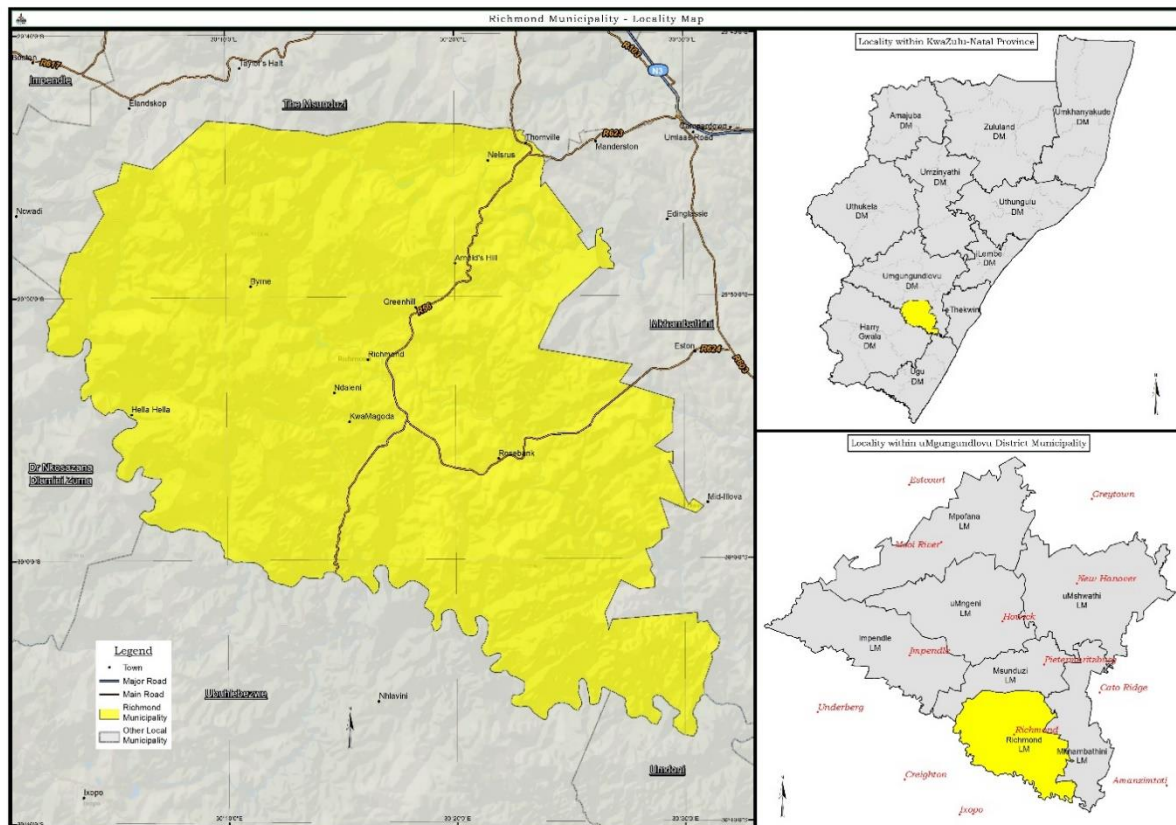
His Worship the Mayor

CHAPTER A: 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 according to Statistics South Africa Community Survey 2016. It is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities. The map below shows Richmond Geographic location:

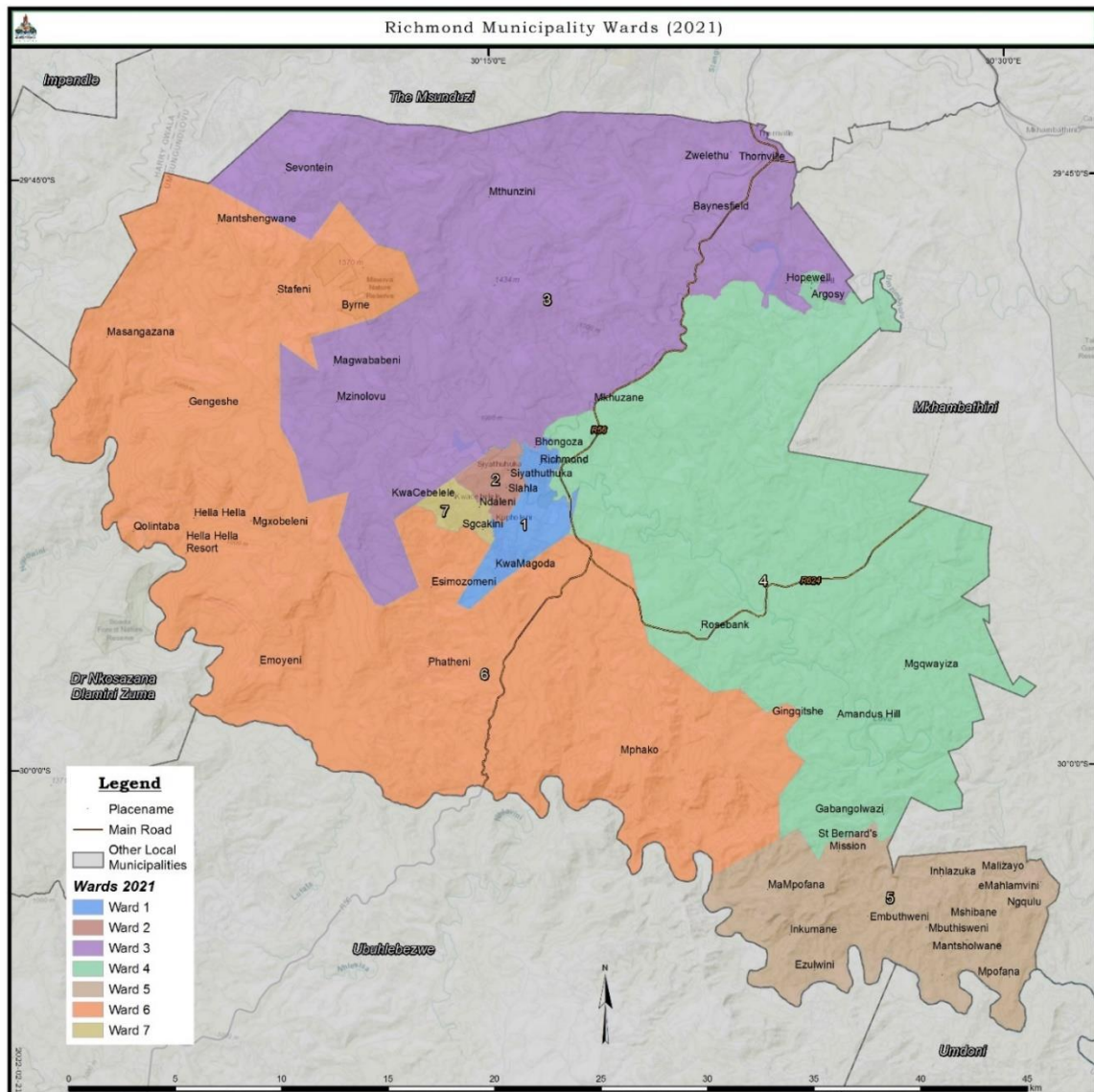
Figure 1: Municipal Locality Map



The majority of the population resides in areas which are predominantly rural in nature and characterized by low levels of basic services and facilities with a substantial unemployment rate. The Town of Richmond in Ward 1 is the only urban centre which is recognized as the primary economic node as presented by the service provision and the nature thereof i.e. commercial services, legal services, primary health care, pension pay point, education and welfare office and similar government services. Land uses within the primary node 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.

Figure 2: Municipal Ward Boundaries Map

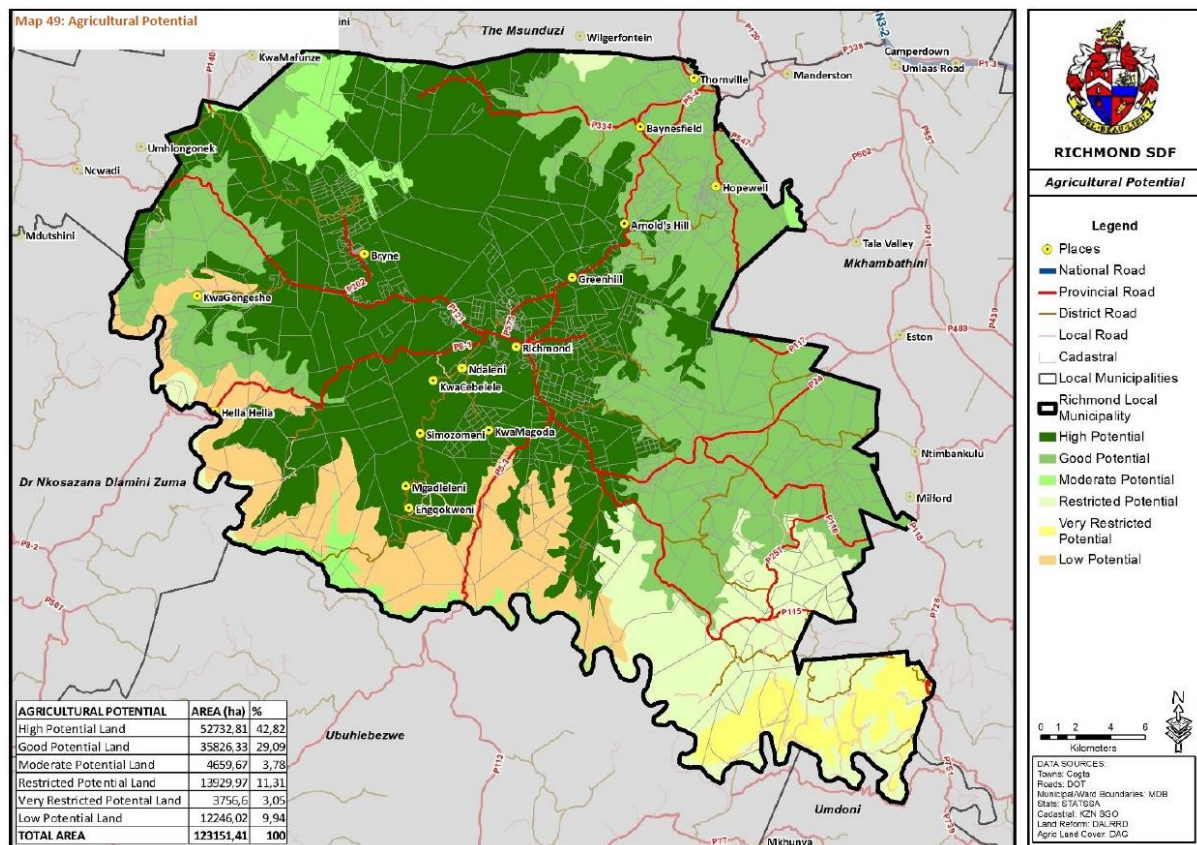


The Richmond Municipality has a total 7 wards under its jurisdiction and three Traditional Councils namely:

- Esiphahleni Traditional Authority;
- Vumakwenza Traditional Authority; and
- Vumindaba Traditional Authority

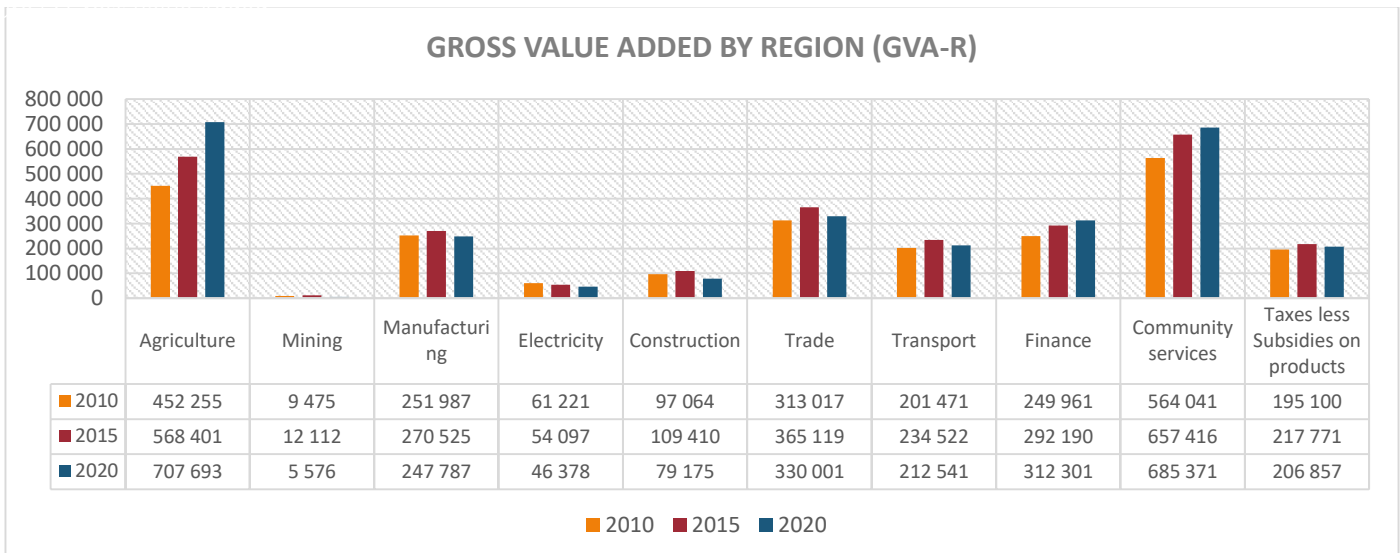
A large portion of the municipal area is used for agricultural activities, which is the largest employment sector for the municipality. Agriculture is the backbone of the Municipality's economy. This suggests that preservation of high quality agricultural land is very important and development should therefore be responsive to the need of preservation.

Figure 3. Agricultural Potential



Evidence from the map above, the municipality is dominated by a large percentage of municipal land, more than 70% of the total municipal land, that is considered to be good to high agricultural potential land. The above also supported by the available economic analysis of the various sectors within the municipality, in which the Agricultural Sector indicated a constant growth trajectory even in the midst of the worst ever experienced environmental (droughts) and economic (recession and COVID-19 economic impacts) shocks experienced countrywide, which still continue to impact economic recovery. The below indicates economic data sourced for the various dominant sectors within the municipality supporting the above statement:

Figure 4. Performance of Economic Sectors



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 strengths such as 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 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.

1.3 CORE VALUES

The Richmond Municipality has developed its Ethics/Batho Pele Policy and Procedure Manual (to be adopted by Council on the 30 June 2023) in order to give effects to the National Batho Pele Principles. The municipality is currently implementing the principles through customer services, signed code of conducts by all municipal employees, provision of turnaround timeframe in attending to complaints and the wearing of identification name badges by all municipal employees. Below is a summary of the principles and a brief on the role and responsibilities of the municipality:

Table 1. Batho Pele Principles

BATHO PELE PRINCIPLES		ROLE OF RICHMOND MUNICIPALITY
CONSULTATION	Citizens should be consulted about their needs and should be given the opportunity to choose the service they require.	The role of the municipality is to undertake public participation processes in the preparation of the IDP through IDP Roadshows at ward level and the engagement with relevant stakeholders to inform the review of the IDP.
SERVICE STANDARDS	All citizens should know what level and quality of service to expect.	Through engagement with the public and stakeholder, the municipality will be providing details of the planned and budgeted projects and programs for the communities to understand the services to be providing.
ACCESS	All citizens should have equal access to services.	The planning and prioritisation of projects will be aligned to the needs of the communities and access to services will be guided by the principle of spatial justice.
COURTESY	All citizens should be treated courteously.	The processes of public participation will afford all members of the community with courtesy and be given the opportunity to provide their inputs in a democratic manner.

INFORMATION	All citizens are entitled to full, accurate information.	Information sharing will be achieved through public engagements and the provision of the IDP documents on public municipal platforms.
OPENNESS AND TRANSPARENCY	All citizens should know how decisions are made and how departments are ran.	The role of the municipality is to be able to provide all information relating to the IDP and development of the municipal area through appropriate public engagement processes.
REDRESS	The people should be offered an apology and solution when standards are not met.	In matters that will not be able to achieved, the role of the municipality is to be acknowledge the shortcomings and be able to address the matter and provide alternative solutions.
VALUE FOR MONEY	Public services should be provided economically and efficiently in order to give you the best possible value for money.	It is the role of the municipality to be able to monitor the services to be provided and address any poor craftsmanship through programme and/or project management.

1.4 KEY MUNICIPAL CHALLENGES AND INTERVENTIONS

The municipality has identified key challenges that currently face the development and operation of the municipality within the Key Performance Areas and proposed interventions as identified in the table below:

Table 2. Municipal Challenges & Intervention Aligned to KPA

Key Performance Area	Challenges	Interventions to Unlock Challenges
Cross Cutting Interventions	1. Marginalized communities due to past spatial planning; 2. Lack of communication between Ingonyama Trust Board and the Municipality 3. Limited security of tenure for some communities; 4. Limited land use awareness and enforcement of land use	1. Encourage inclusionary planning in development applications and fostering the provision of services for neglected communities. 2. Establish communication lines and the maintenance thereof. 3. Ensure that township establishment processes are undertaken and the registration

	and development controls by the municipality; - Slow introduction of land use management in areas previously not subject to formal land use management; - Steep terrain limits development; - Dilapidated infrastructure within the town of Richmond - Mounting burden to protect the rivers and wetlands with limited resources available at the municipality; - Unwillingness of land owners and land users to conform to land use management; - Illegal developments and land invasion threaten environmentally sensitive areas (wetlands) and desired spatial development patterns;	thereof is facilitated with the office of the SG. - Introduce community outreach programmes and ensure the appointment of the Municipal Planning Enforcement Officer. - Maintain working relation with Traditional Councils and ongoing training. - Encourage community members to avoid developing in steep terrains. - Develop a by-law for problem buildings for enforcement. - Engage with Ezemvelo and the Department of Environmental Affairs to assist. - Undertake education programs on the municipal by-laws and undertake enforcement. - Engage with the Dept. Human Settlements to assist with Land Invasion policy and undertake periodic inspections for monitoring.
Municipal Transformation and Organisational Development	- Implementation of IPMS to lower levels - Take safety and security of municipal buildings and working environment. - Lack of Human resources information system - Lack of office space - Lack of backup in case of electricity outages (need for generator generator) - Lack of app of PWD	- Undertake workshops in IPMS for employees in order for a clear understanding of the IPMS and adopt IPMS Policy with and implementation plan. - Review of security SLA and involve Risk unit. - Establish an electronic system to ensure security of information. - Source grant funding for the development of new offices - Procure generation as a back-up plan to cover municipal offices in phases (office July 2023)
Local Economic Development and Social Development	- Budget constraints to implement LED Strategy. - Lack of Communication from Provincial and National Government on progress of programmes implemented	- Develop business plans for sourcing grant funding. - Establish an LED Forum to include relevant stakeholders to meet quarterly.

	3. Preservation of heritage and lack of promotion on tourism 4. Implementation of the Agri-Park Programme (Rural Development & Land Reform) 5. Under-utilization of farms acquired through land redistribution. 6. Lack of capacity to effectively carry out LED 7. Inability to implement Poverty Alleviation programmes.	3. Ensure the conservation heritage sites through AMAFA and enforcement of land use management systems. Establish CTO and the involvement of the CTO in municipal Tourism Planning. 4. Engage with the Department on the implementation of the Agri-park. 5. Engage with the Department of Agriculture, Rural Development and Land Reform to establish supportive measures and engage with the beneficiaries. 6. Budget for posts to be filled. 7. Engage with the relevant stakeholders and establish private-partnership with NGOs.
Municipal financial Viability and management	1. Lack of asset management 2. Grant dependent for infrastructure 3. Poor Revenue Enhancement and management. 4. Compliant Financial Management and credible financial reporting.	1. Develop a policy to guide asset management and the appointment of an Asset Management Officer. 2. Consider development that would generate future revenue. 3. Develop a revenue enhancement strategy with an implementation plan. 4.
Service Delivery and Infrastructure Investment	1. Inadequate reduction of backlogs in electricity, roads and public facilities 2. Provision, preservation and maintenance of municipal facilities 3. Social cohesion and nation building (social ills). 4. Environmental protection through effective waste management programmes (Reduce, Reuse and Recycle). 5. Illegal buildings and non-compliance with NBR&BS 6. Housing backlogs 7. Implementation of literacy improvement programmes	1. Source alternative additional grant funding to address infrastructural backlogs. 2. Develop a maintenance plan and establish ways of constructing new offices. 3. Undertake community outreach programmes with relevant stakeholders to assist. 4. Develop a Waste Management Plan and encourage recycling through SMMEs. 5. Ensure enforcement of the NBR&BS through effective site inspections and issuing of fines. 6. Engage with the Department of Human Settlements for funding unfunded housing projects.

	8. Containment and reduction of HIV/AIDS prevalence.	7. Engage with the Department of Education and Higher Learning along with relevant stakeholder who provide educational programmes. 8. Undertake community outreach programmes and the provision of widely preventative measures.
Good Governance and Public Participation	1. Inadequate reviewing and the implementation of policies, procedures and plans 2. Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals; 3. Lack of land for development of economic, social and infrastructure projects; 4. Limited staff capacity in other critical areas to enforce compliance with legislative prescripts and implement plans resulting from limited funding sources; 5. Lack of well-informed plans to undertake social responsibilities (HIV/Aids, Sports, Arts and Culture); and 6. Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens; 7. Implementation of a comprehensive anti-Fraud and corruption programme 8. Compliance with mSCOA 9. Combat Land Invasions	1. Ensure the reviewing of policies and the adoption of same by Council (30 June 2023). 2. Ensure active participation in the District Development Model and Cluster Meetings. 3. The Municipal SDF will identified areas for development. 4. 5. Encourage the provision of social responsibility in development plans. 6. Communications Unit to assist in issuing invites and the translating public letters. 7. Municipality to develop and adopt an anti-Fraud and Corruption Policy with appropriate lines of reporting corruption. 8. Ensure the training of top management on mSCOA and ensure the corrective measure of operation are adhered to. 9. Develop a Land Invasion Policy and ensure the enforcement thereof and undertake community educational programmes on Land Invasions. Involve the Department of Human Settlements.

1.5 GOALS AND OBJECTIVES

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 and are listed below:

KPA 1: Basic Service Delivery and Infrastructure Development

KPA 2: Social and Local Economic Development

KPA 3: Good Governance and Public Participation

KPA 4: Municipal Transformation and Institutional Development

KPA 5: Municipal financial viability and management

KPA 6: Cross cutting key performance indicators

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.

The Goals and Objectives of the Richmond Municipality linked to the KPAs and adopted municipal Strategic focus area have been summarised in the table below:

Table 3. Municipal Goals, Objectives & Strategies Linked to KPAs

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
Cross Cutting	Sustainable Spatial Planning	To facilitate land use management	Enforcement of the Municipal Land Use Scheme
		To ensure sustainable and coordinated development throughout the municipality	Ensure the submission of land development applications and that decision making processes are aligned with the municipal strategic plans.
		To implement disaster management programmes	Ensure appropriate budgeting for Disaster Management and the implementation thereof.

		To promote the use of libraries, facilities and dissemination of information	Develop libraries in highly accessible locations and implement learning programmes aimed encouraging the use library materials
		To enhance road safety, law enforcement and promote the driver's license/testing	Undertake regular roadblocks and random police patrols. Ensure the constructed testing facility meets all the requirements for operation.
Municipal Transformation and Organisational Development	Human resource management and development	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. Adoption of the Retention Policy and ensure implementation thereof.
		To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Develop and drive the implementation of the ICT strategy and plan.
		To maintain good employer employee relations and improving institutional and organizational capacity	Update and communicate the labour relations policies and procedures and ensure access to capacity building.
		To strengthen governance and IGR Structures	Ensure municipal department's participation in IGR Structures and maintain communication channels
Basic Service Delivery and Infrastructure Development	Improve service delivery and infrastructure development	To provide sustainable human settlements	Ensure appropriate planning for human settlements and address housing shortages

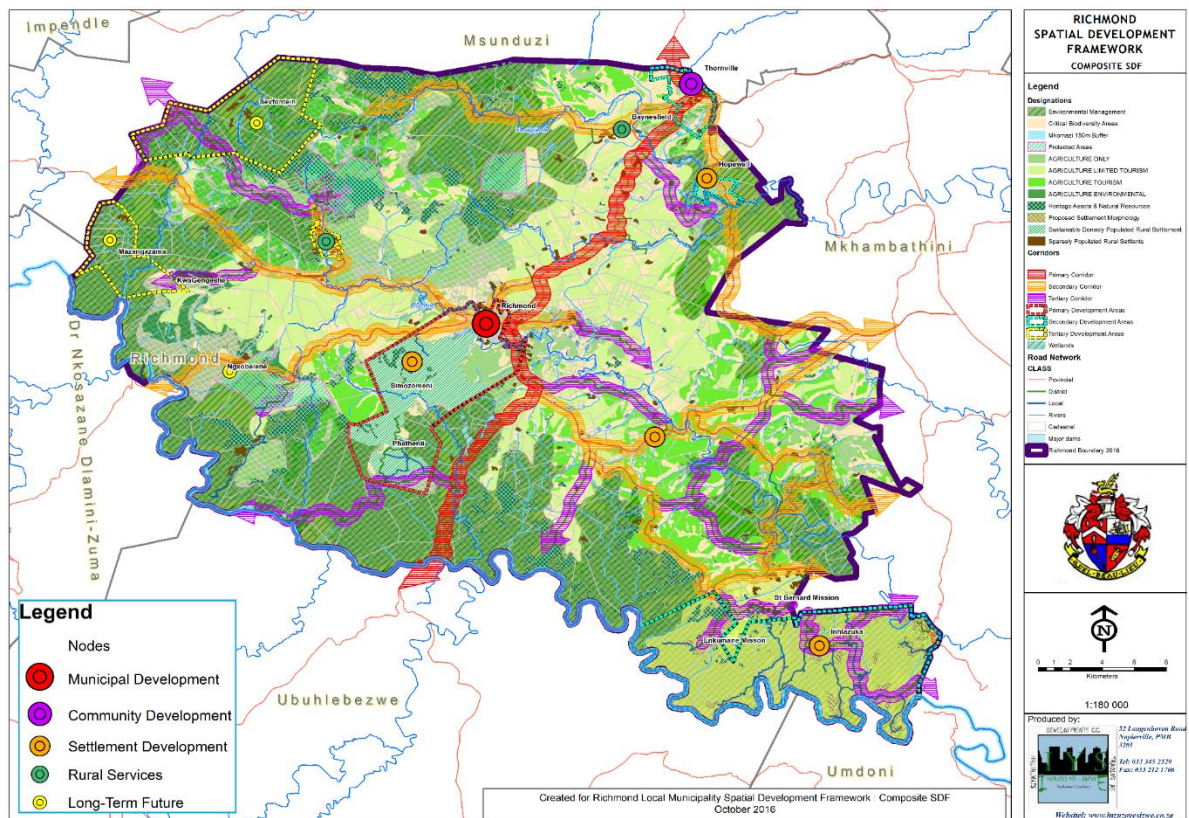
		To provide access to proper community facilities	Implement service delivery programmes and reduce services and infrastructure backlogs. To target nodal areas
		To ensure the role-out of electrification projects throughout the municipality	Undertake appropriate planning and implementation of electrification projects.
		To provide safe and reliable waste management services	Engage with the service authority and through the DDM plan accordingly for proposed infrastructure.
		To improve accessibility through maintenance and road infrastructure provision.	Ensure the implementation of the action plan for roads through Technical Department.
Local Economic and Social Development	Development of local economy	To promote economic development and economic growth	Ensure the implementation of the LED Strategy and ensure the sourcing of funding
		To promote tourism industry and identify tourism opportunities	Improve working relations with the CTO and ensure the marketing of the tourism sector
		To support skills development and economic growth	Facilitate improved literacy rate and better standard of living
		To promote job creation in the green economy sector	Support the green economy
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.	Improve systems for demand and supply chain management

		To ensure effective bid committees to support procurement for service delivery	Undertake training provided through Provincial Treasury.
Good Governance and Public Participation	Good Public governance	To ensure effective communication by strategically profiling the Municipality in line with the Mission and vision	Ensure the effective functionality of the Municipal Communications Unit
		To ensure compliance with Municipal by-laws and improve public participation and awareness.	Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness.
		Ensure effective and focused communication, both within and outside the Municipality	Capacitate the municipal's Communications Unit and ensure functionality
		To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	Ensure monthly reporting is undertaken and measured.
		To promote gender equality and protect rights of senior citizens	Undertake community programmes aimed at promoting gender equality and the protection of rights of the senior citizens
		To promote sports, art & culture and recreation throughout the municipality	Ensure the central and equitable provision of sport facilities and representation in the Mayoral, SALGA Games. Undertake art and cultural exhibitions.

1.6 STRATEGIC PLANNING

The map below indicates a product of the municipal's Spatial Planning Framework which is a core component of the IDP. The map below guides the spatial planning for the municipality through indicating the strategic areas for with high agricultural potential, conservation/environmental sensitive areas, activity nodes, economic development corridors and areas for improvement.

Figure 6. Municipal SDF Map



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 the preparation of development 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

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, Cascading Individual Performance Management to lower 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. An Internal Auditor and Risk Champion will also assist in measuring organisational performance and ensure that progress is achieved.

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.

1.7 AUDITOR GENERAL'S ASSESSMENT AND RESPONSE

The Richmond Municipality acknowledges the findings and recommendation made by the Auditor General through the assessment of performance of the municipality in the 2022/2023 Financial Year. The comments and recommendations have been taken into consideration and have assisted the municipality in shaping the preparation and compilation of this IDP. In order to meet the objectives of the municipality, an action plan in response to the AG's recommendation has been prepared with the intentions of addressing the issues raised in the Audit Outcomes Report and has been attached as an annexure to this IDP. The action plan is monitored through the Internal Auditor and the Performance and Audit Committee, where it is a standing item on the agenda of all the committee meetings.

1.8 IDP DEVELOPMENT PROCESS

In terms of Section 28 of the MSA, all municipal councils must adopt a written process to guide how it will plan, draft, adopt and review its IDP. Prior to adoption, municipalities are required to inform and consult with the local community. The preparation of an IDP Process Plan is required by municipalities to guarantee that the IDP process meets minimum quality standards and that there is effective collaboration between and within domains of government. The formulation of the IDP and Budget processes must be put in writing and approved by council before the IDP process plan can be created. The following will be included in the IDP and Budget Process Plan:

- The distribution of roles and responsibilities in the IDP development process;
- A programme specifying the timeframe for the different planning steps;
- Appropriate Mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities and other role player in the IDP review and budget formulation processes;

- Relevant and binding planning and policies requirements at national and provincial sphere; and
- Cost estimates for the review process.

Table 4. 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 2023	All Municipalities to CoGTA and Treasury	Submitted Framework and Process plans
IDP	Meeting with Local Municipalities/ Extended Planning sub cluster on IDP- Budget-OPMS	25 July 2022	All municipality	Attendance register-
IDP- BUDGET- OPMS	Prepare 2023 /2024 IDP / Budget /OPMS Process Plans	19 July – 22 August 2022	All municipalities	Drafts FP-PPs completed
IDP	Circulate the draft Process or framework plan internally for preliminary comments and inputs	July 2022	District municipality- IDP office, All municipalities	Circulated draft
IDP	Submit Draft Framework/Process Plans to COGTA	19 July 2022	All municipalities	Letter of acknowledge
IDP	Final Process Plans	August / (final to CoGTA 31 August 2022)	All Municipalities	Letter of acknowledgement
OPMS	Signed S54 and 56 Manager's Performance	28 July 2022	All Municipalities	Signed performance agreements and place on

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	Agreements – S53 MFMA and S57 MSA			website within 14 days
Critical milestone (below is working backwards to achieve it)	Milestone 2: IDP Phase 1 Analysis /Status Quo analysis	25 September –end October 2022	All municipalities	Status quo analysis reports
IDP	➤ MEC Panel assesses submitted 2022/2023 IDPs ➤ Draft Process Plan comments	12 July 2023 -30 July 2024 19 August 2022	MEC Panel	Results of the assessment and response
IDP	➤ Sustainable Living Exhibition	TBA	MEC COGTA, Sector Departments, Municipal representatives	Attendance
IDP	➤ IDP Indaba	22 September 2022	COGTA, Sector Departments, Municipal representatives	Final IDP assessment results
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	14 September 2022	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	02 August 2022	All municipalities	Verified data

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP-INCORPORATING BUDGET AND OPMS	Assess the status of sector plans and policies	2 – 13 August 2022	All municipalities	Updated table indicating status of reviewed strategies, sector plans and policies
OPMS	Draft 2022 / 2023 Annual Performance Report – S46 MSA	26 August 2022	MM / PMS Manager	Draft 2022 / 2023 Annual Performance Report – S46 MSA
IDP-INCORPORATING BUDGET AND OPMS	Submission and adoption of final Draft Process Plan /FP to all relevant Council Committees	1-31 August 2022	All municipalities	Final drafts submitted and adopted
BUDGET	2022 / 2023 First Quarter Budget Review	11 October 2022– Internal 18 October 2022- Treasury (3 rd 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 2022	District municipality/all municipalities	Copies of adverts

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on status quo of the district-one-on-one and Ward-based engagements	August – September 2022	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
IDP	Status Quo Report to Exco – to Full Council as from next month	30 September 2022	District Municipality/all municipalities	Status Quo Report to Exco /Council
IDP	➤ Rep Forum meeting	27 September 2022	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 2022	All municipalities	Reviewed strategies report
IDP	Review municipal strategies	1– 15 November 2022	All municipalities	Report on reviewed strategies
IDP-BUDGET	First community consultative process (Imbizos)	November-December 2022	Municipality (Mayor)	
World Planning Day Event	Attend the event	08 November 2022	CoGTA, stakeholders	Attendance

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
			and municipalities	
IDP- OPMS- BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	19 November 2022	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
IDP	Meeting with local municipalities to discuss strategies reports /sub cluster	17 November 2022	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 2022	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 2022	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	25 October 2022	District Municipality	Phase Update reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Strategies Report to Exco Full Council	19 December 2022 13 December 2022	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– 15 December 2022	All municipalities	Projects prioritization lists integrated into the IDP
BUDGET	2022/23 Budget Performance Assessment –S72 MFMA	20 January 2023	Finance	Budget Performance report
IDP	2022/23 budget Adjustment	07 February 2023 14 February 2023 28 February 2023	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 2023/24 service Tariffs	28 February 2023	Full Council	Tariff Review
BUDGET-IDP OPMS	Receive and consider proposed budget from the board of Directors	January 2023	Mayor/MM/CF O	Development agency Draft Budget Submitted

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	from Development Agency			
BUDGET-IDP	2023/24 Interdepartmental Budget Inputs	25 January–01 February 2023	Council Internal Departments	Completed templates aligned to IDP format
IDP	Meeting of COGTA, Sector Departments and Municipalities on IDP drafting and assessment process for 2023/24	07 February 2023	COGTA, Sector Departments and Municipalities	Attendance
IDP-BUDGET-SDBIP	Alignment of IDP and Budget towards SDBIP	By 11 March 2023	All Municipalities / Departments	Completed templates aligned to IDP format
OPMS-BUDGET	Mid-year budget review/adjustment and performance assessment	25 January 2023	MM / CFO / S57 Managers / PMS Manager	Budget adjustment and manager's performance report
OPMS	Schedule Performance Audit Committee meetings at least twice a year – Reg 14 PPMR	31 January and 31 July 2023	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 2023/ 2024 IDPs to COGTA and Budget to Treasury	24 March 2023	All municipalities DCOGTA AND TREASURY	
BUDGET	2023/2024 First Draft Budget	16 March 2023 22 March 2023 28 March 2023	Finance Committee Exco Full Council	First Draft Budget report

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Municipalities submit draft 2023/2024 IDPs to COGTA	21-28 March 2023	COGTA and all municipalities	Proof of submission of draft reviewed IDP
SDBIP	Municipalities submit draft 2023/24 SDBIP to Treasury and CoGTA	21-28 March 2023	Treasury and all municipalities	Proof of submission of draft reviewed SDBIP
IDP	Update Report on alignment for this Phase to MMs Forum	March 2023 (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	10 March 2023	District Municipality	Grants Notification report circulated
IDP	Adoption of Draft IDP by Council	Before 31 March 2023	All Municipalities	Council Resolution
IDP	Submission of Draft IDPs to COGTA	31 March 2023	All Municipalities DCOGTA	Proof of submitting the draft IDP on time to CoGTA
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	03 April – 28 April 2023	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 2023	S56 Managers / IDP Manager / PMS Manager	Aligned process

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
Critical milestone (below is working backwards to achieve it)	Milestone 5: Assessment of Draft 2023/2024 IDPs and self-assessment	28 April 2023	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	04 April 2023	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 2023	COGTA, Municipal Representatives, Sector Departments and State-Owned Enterprises (SOEs)	Attendance and reports
IDP	IDP Assessment Feedback Session based on IDP Assessment Frameworks	08 May 2023	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 2023 (actual dates to be published) (LMs in January 2023-DM to attend)	All Municipalities jointly- (Speakers Forum)	Approved and published schedule of dates for Izimbizo

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
Critical milestone (below is working backwards to achieve it)	Milestone 6: Adoption and Submission of final 2023/2024 IDPs to CoGTA	30 June 2023	All Municipalities CoGTA AND ALL	
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	April 2023	All Municipalities	Incorporated comments
IDP	Incorporate comments from the Assessment panel from COGTA	15 May 2023	All Municipalities	Response-table
BUDGET	Table Final Draft Budget Approve Final Budget 2023 /2024	12 May 2023 19 May 2023 30 May 2023	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 2023	All Municipalities	Response-table
IDP	Update Report on alignment for this Phase to MMs Forum	March 2023 (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 2023	District Municipality	Item: final draft IDP
IDP- OPMS	Adoption of 2023/24 IDP and performance targets by Council	June 2023	District Municipality	Council Resolution

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
OPMS	Approved Departmental SDBIPs / Scorecards 2023/2024– S53 MFMA	25 June 2023	Mayor /MM (PMS Manager)	Report
OPMS-IDP	Approved Municipal / Organisational Scorecard – S44 MSA	25 June 2023	PMS Manager &MM	Report
OPMS	Performance Reports twice a year – Reg 13 PPMR	Council:20 January 2023 PAC February 2023 and for APR 25 August 2023	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 14 July 2023	All Municipalities COGTA	Copies of adverts and directions
OPMS	Complete Datasheet and submit to CoGTA – S47 MSA	25 August 2023	MM / CFO / S56 Managers / PMS Manager	Portfolio of evidence on submission
OPMS	Draft 2022 / 2023 Annual Performance Report – S46 MSA	25 August 2023	MM / PMS Manager	Report
OPMS	Prepare 2022 / 2023 Performance Working Paper File and submit to AG after necessary approvals	30 August 2023	MM / PMS Manager / Internal Audit	Report
IDP	MEC Panel assesses Reviewed IDPs	19 July 2023	COGTA-led panel	MEC letters

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

2.1 PLANNING AND DEVELOPMENT PRINCIPLES

The following are the planning and development principles that the municipality consulted while developing the 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 areas of significant importance 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 area's unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS).
- ✓ Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS).

The table below demonstrates how Richmond Municipality is applying the developed Planning and Development principles within its municipal area of jurisdiction:

Table 5. Planning & 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 access to basic services in the municipality and identified and quantified the need for such basic services.
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 identifies areas with potential for development and provides information on infrastructural development along with the existing sources to encourage the optimal use of available services. The SDF also provides a detailed analysis on cross border alignment to ensure synergy amongst neighbouring municipalities.
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 areas of significant importance 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 is the custodian of economic development and promotes access to all local enterprises to internal and external business support resources. The department adopted its LED Strategy, which focuses on promoting economic development and the support thereof for local businesses.
HOUSING POLICY BREAKING NEW GROUND	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 provision for low cost housing projects within areas of economic opportunities.
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 will have environmental awareness campaigns to give information on global warming and how some development may pose negative impacts on 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	Through the adopted municipal strategic plans, SDF and LED Strategy, the municipality plans on developing the municipality in manner that its promotes the principles of self-sufficiency through the principle of spatial sustainability.

	skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency	
<i>KZN PDGS</i>	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 agricultural development as Richmond is mainly 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 MUNICIPAL SYSTEMS ACT 2000 (ACT NO. 32 OF 2000)

Section 23 (1) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates municipalities to undertake developmentally-oriented planning in order to achieve the objects of local government as set out in Section 152 of the Constitution of Republic of South Africa, while also giving effect to its developmental duties as set out in Section 153 of the same Constitution. Section 25 (1) of the MSA requires the adoption, within a prescribed period after the start of the term of the elected municipal Council, of an Integrated Development Plan (IDP) that is inclusive and tables the strategic plan for the development of the municipality. The MSA further stipulates the core components of the IDP under Section 26.

2.2.2 SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Sustainable Development Goals (SDGs) adopted by United Nations and African Union Agenda 2063 which was adopted by the African Union in 2013 with a vision of “An integrated, prosperous and peaceful Africa driven by its own citizens and representing a dynamic force in the global arena.” It is an approach to how the continent should learn from the lesson of the past, build on progress, and strategically exploit all opportunities in the short, medium, and long term to ensure positive socio-economic transformation. These are built on the 10 priority actions which are poverty eradication by 2025, Skills Revolution and in science, technology, and innovation; Economic Transformation and industrialization through beneficiation of natural resources, Connectivity through World Class Infrastructure, Free Trade Area, Young people as drivers of the African Renaissance, Silence the guns, Gender Parity, African Passport, and Strengthen Africa’s voice in global negotiations.



Source: <https://www.un.org/en/sustainable-development-goals>

Table 6. Municipal Alignment to Sustainable Development Goals

GOAL NO.	SUSTAINABLE DEVELOPMENT GOAL	RLM'S RESPONSIBILITY
1	No Poverty	Ensure economic development and support agriculture.
2	Less hunger	Promote and support agriculture and agricultural programmes i.e. 1ha 1garden initiative.
3	Good Health And Wellbeing	Ensure the provision of reasonable access to healthcare facilities.
4	Quality Education	Ensure the provision of educational facilities
5	Gender Equality	Budget for gender equality community programmes and ensure equity in municipal processes.
6	Clean Water and Sanitation	Ensure the testing of water and undertake studies to determine service provision backlogs.
7	Affordable and Clean Energy	Ensure the provision of access to energy infrastructure.
8	Decent work and Economic Growth	Promote LED through the implementation of the LED Strategy.
9	Industry, Innovation and infrastructure	Provide and promote access to industrial site and the development ICT and bulk infrastructure.

10	Reduce Inequalities	Ensure representation of the previously neglected, vulnerable, women and youth in economic development programmes.
11	Sustainable Cities and Communities	Ensure appropriate planning and the provision of adequate access to basic services.
12	Responsible consumption and Production	Ensure the use of services is just and that it is sustainable.
13	Climate action	Ensure planning and implementation for climate change mitigation.
14	Life below Water	Encourage good farming practice along the rivers and the implementation of programmes aimed at clearing alien invasive species along rivers.
15	Life on Land	Ensure environmental planning and the conservation of environmentally sensitive areas.
16	Peace, Justice, and strong Institutions	Encourage good governance and administration.
17	Partnership for goals set	Promote public-private partnership with development intentions of communities.

2.2.3 NATIONAL DEVELOPMENT PLAN (NDP)

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.

2.2.4 NATIONAL GOVERNMENT OUTCOMES

The National Government Outcomes were adopted by Cabinet Lekgotla in January 2010 to inform a developmental state. They are summarised below along with the municipality's intervention in the realisation of each outcome:

Table 7. Municipal Alignment with National Government Outcomes

NATIONAL OUTCOME	MUNICIPAL INTERVENTION
1. Improved quality of basic education	Facilitate the provision of libraries and science innovation centres. Fast-track the development installation of sustainable ICT infrastructure and the provision of free access to encourage online learning.
2. A long and healthy life for all South Africans	Drive local economic development in the support of SMMEs to ensure job opportunities and ensure food security through strengthening agricultural produce. Ensure access to nutrition programmes.
3. All people in South Africa are and feel safe	Encourage community policing forums and ensure the provision of infrastructure that serves as preventative measures i.e. high-mast lighting.
4. Decent employment through inclusive economic growth	Empower emerging previously neglected groups to play an active role in the economy.
5. A skilled and capable workforce to support an inclusive growth path	Provision of skills development programmes and learner assistance programmes.
6. An efficient, competitive, and responsive economic infrastructure network	Expanding the available capacities in bulk infrastructure guided by the development goals and foreseen pressures prior to their existence.
7. Vibrant, equitable, and sustainable rural communities, with food security for all	Stimulate the existing capabilities/capacities linked to art and craft and agriculture and provision of robust supportive measures.
8. Sustainable human settlements and improved quality of household life	Provision of access to basic services within communities and the maintenance thereof.

9. A responsive, accountable, effective, and efficient local government system	Regular active, effective public participation processes. Frequent Ward Committee Meetings.
10. Environmental assets and natural resources that are well protected and continually enhanced	Encourage recycling and the use of physical buffers on sensitive areas. Undertake Strategic Environmental Assessment.
11. Creation of a better South Africa, and contributing to a better and safer Africa and World	Protection of the vulnerable groups and ensure active policing and crime prevention.
12. An efficient, effective, and development oriented public service and an empowered	Build a transparent local government. Good administration and public participation.
13. Inclusive and responsive social system	Promote the principles of spatial equity, sustainability and resilience.
14. Nation building and social cohesion	Improve good governance and public participation.

2.2.5 NATIONAL ENVIRONMENTAL MANAGEMENT ACT 1998 (ACT NO. 107 OF 1998)

The National Environmental Management Act 1998 (Act No 107 of 1998) (NEMA) establishes a framework for Environmental Management in South Africa. It provides for Environment Impact Assessment Regulation (and other tools for Integrated Environmental Management) and directives to remedy the effects of environmental damage and control of emergency incidents. The preamble of the act specifies that “sustainable development requires the integration of social, economic and environmental factors in the planning, implementation and evaluation of decisions to ensure that development serves present and future generations”.

2.2.6 DISASTER MANAGEMENT ACT 2002 (ACT NO. 57 OF 2002)

The Disaster Management Act 2002 (Act no. 57 of 2002) (DMA) is the supreme legislative framework in disaster management, all other disaster management policies cluster around it. The Disaster

Management Act of 2002 (Act No. 57 of 2002) was promulgated into law on 15th of January 2003. In essence, “the Act provides for an integrated and coordinated disaster risk management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, preparedness, rapid and effective response to disasters, and post disaster recovery”(South Africa, 2002:2). Disaster Management Act makes provision for powers and functions of all spheres of government and it provides for the establishment of disaster management as a function of each sphere of government, consistent with the autonomy of government espoused by the Constitution, through the establishment of disaster management structures across the spheres. Figure below illustrates specific sections of the Act which makes provision for powers and functions of spheres of government.

2.2.7 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.

2.2.8 DISTRICT GROWTH AND DEVELOPMENT PLAN (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.

2.2.9 CABINET LEKGOTA

President Cyril Ramaphosa on the 3rd of February 2023 delivered the first Cabinet Lekgotla for 2023, where government was deliberating its programme of action for the year.

Chaired by the President, the Lekgotla allows the National Executive to review the performance of government against targets and objectives set in 2022. It is also a platform for the national leadership to agree on key actions that are needed this year to advance the country's economic recovery and long-term development, with resolution of the electricity crisis as the top priority.

The Cabinet Lekgotla also discussed infrastructure development, energy security, employment, 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 Lekgotla resolutions will form the basis of the State of the Nation Address, which President Cyril Ramaphosa delivered to a Joint Sitting of the National Assembly and National Council of Provinces – convened in the Cape Town City Hall – at 19h00 on Thursday the 9th of February 2023.

2.2.10 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

The identified priority areas are important to be internalise by the municipality in strategic planning and in the development of the municipality. Strategic planning will be centralise in addressing the identified priority areas by the MTSF.

2.2.11 STATE OF THE NATION ADDRESS

On the 09 February 2023, The President of South Africa, His Excellency Mr. Cyril Ramaphosa delivered the State of the Nations Address.

The State of the Nation Address sets out government's key policy objectives and deliverables for the year ahead, highlights achievements, flags challenges and outlines interventions to unlock development interventions for the coming financial year. During the SONA, President Ramaphosa also highlighted what has been achieved by the administration since his last address in 2022. He also reflected on government's commitment to working together to ensure that no one is left behind. Key issues that were discussed as most concerning to South Africans are Covid-19, load shedding, unemployment, poverty and the rising cost of living, crime, and corruption.

2.2.12 STATE OF THE PROVINCE ADDRESS

The Honourable Premier of the Kwa-Zulu Natal Province, Ms Nomusa Dube-Ncube delivered the State of the Kwa-Zulu Natal Province Address on the 24 February 2023. The Premier aligned her address with the strategic direction provided by the country's State of the Nation Address which focuses on the following eight (8) priorities:

- a) Basic Services
- b) Job Creation
- c) Growing the Economy
- d) Growing SMMEs and Cooperative
- e) Education and Skills Development
- f) Human Settlement and Sustainable Livelihood
- g) Build a Peaceful Province
- h) Build a caring and incorruptible government

Furthermore, according to SOPA 2023, decisive interventions will be taken in the following high priority areas:

- ✓ Energy security plan for KwaZulu-Natal
- ✓ Job opportunities for young people and mass employment creation
- ✓ Strengthening the fight against crime, fraud and corruption
- ✓ Faster implementation of the Economic Recovery Reconstruction and Transformation Plan
- ✓ Delivering quality basic services and maintenance of infrastructure
- ✓ Building capable and agile state machinery to drive implementation

2.2.13 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 housing 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).

2.2.14 OPERATION SUKUMA SAKHE (OSS)

The Operation Sukuma Sakhe Programme is a governmental integrated approach to fast tracking service delivery. This Programme brings together local and provincial government as well as civil society organizations to bring together their efforts to address social ills such as poverty, crime, HIV/AIDS, food insecurity, drugs and any other emerging social challenges.

Operation Sukuma Sakhe functions:

- ✓ Facilitate and Convene LTT meeting
- ✓ Coordinate assist for OSS POA for War rooms
- ✓ Communicate with all Departments
- ✓ Promotes OSS programmes
- ✓ To ensure all intervention are implemented
- ✓ Promote vulnerable disadvantaged families in all assist to get birth certificates or ID green book and Smart Cards
- ✓ Coordinate departmental activities
- ✓ Facilitate emergency interventions
- ✓ Facilitate the reviewing of indigent policy

The Richmond municipality has a Local Task Team which meets monthly or quarterly to:

- Monitor and track delivered integrated services to individuals, households and communities.
- Monitor and ensure profiling of households at ward level and build a database of the different services required by communities.
- Ensure that the required interventions are delivered to communities.

All wards have Community Care Givers (CCGs) and 6 and 7 have Community Development Workers (CDW) who among other things, have the responsibility of ensuring that households are profiled, and that required interventions are reported to the War Rooms for coordination. All war rooms were fully functional during the period under review. Other government departments such as DSD, DHA, DOH, Agriculture, DHS and SASSA also attended to households needing their interventions.

2.2.15 DISTRICT DEVELOPMENT MODEL (DDM)

The District Development Model is benchmark for the UDM which serves as a baseline and priorities for developing a one plan for the district. This model is anchored in the current legislation and policies. It brings to action the Khawuleza approach which is a call for acceleration service delivery. Under this model, district municipalities will be properly supported and adequately resourced to speed up service delivery. The Model takes forward key government plans and reinforces the existing policies geared to ensuring service delivery. The new model contributes to the achievements of the seven Apex Priorities announced by the President in the SoNA. The model signals a shift from using Section 139 (1) to Section 154 of the constitution emphasizing closer support to Local Government by both National and Provincial spheres. The DDM for uMgungundlovu made use of CIF project which were identified within Richmond area of jurisdiction.

Relationship between the IDP and One Plan

The DDM introduces a new planning instrument in the form of the One Plan. This process comes into a planning environment where there are existing planning instruments at local, provincial and national levels of government. However, the One Plan was not introduced to replace the IDP or any other existing prescribed development, departmental strategic and annual performance plans that each sphere, department and state entity is responsible for or required to develop. The One Plan is rather informed by these plans and once in place, it will guide the review of these plans and budgets.

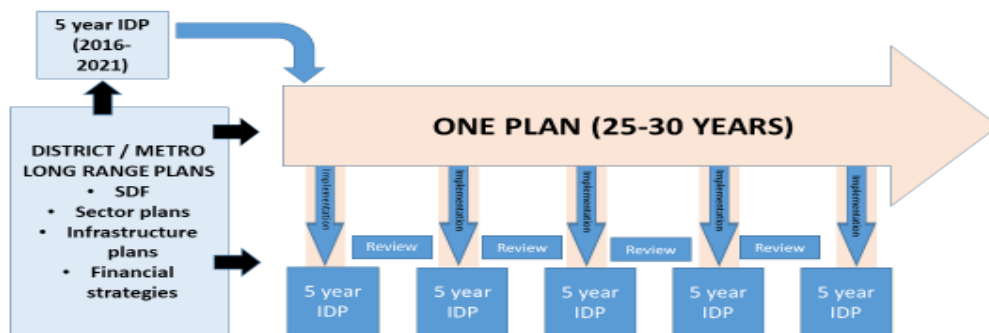
Table 8. Comparison between One Plan & IDP

ONE PLAN (LONG TERM - 30 YEARS)	IDP (MEDIUM TERM - 5 YEARS)
Long-term vision of the district area of impact and common understanding of goals and objectives amongst stakeholders in the district area.	Determine how the long-term vision, goals and objectives contribute towards addressing challenges at a local level by directing actions and interventions towards the vision.
Long term vision expressed in policy and long range plans across all spheres of government, i.e. NDP, PGDS, NSDF, PSDF, DSDF, etc.	Implementation of short to medium term service delivery programmes and projects informed by the MTSF, municipal SDFs, sectoral/master plans and long term financial strategies.
Determines government-wide key development strategies and priorities to be addressed.	Address municipal strategies, Council development priorities/objectives and community needs.
Conceptualisation of the desired future and results (outcomes and impact) to be achieved by the district area in the long term.	Plans implemented by municipalities and departments respond directly to the desired outcomes and impact.

Spatially referenced plans and budgets at district and metro level with emphasis on long-term catalytic programmes and interventions to unlock development potential.	Focus on implementation of immediate service delivery interventions and priority projects in the One Plan.

The One Plan is anticipated to reinforce and improve IDPs as well as other municipal plans, as well as give IDPs more clarity and direction. The IDPs will provide input as the One Plans are being developed. Nonetheless, after the One Plans have been authorised, IDPs must follow the commitments and goals listed in the One Plans. In this sense, IDPs serve as the means by which the One Plans are carried out at the local government level. The following diagram shows how the IDP and One Plan are related:

Figure 7. Relationship between One Plan & IDP



2.2.16 UMGUNGUNDLOVU INTEGRATED DEVELOPMENT PLAN (IDP)

The vision of uMgungundlovu District Municipality is “To evolve into a dynamic metropolitan area, spreading its vibrant economic benefits to all its citizens and places and will, through concerted integrated development and service delivery, realize improvement in the overall quality of life”. The plan is prepared in fulfilment of the Municipality’s legal obligation in terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (MSA Act 32 of 2000). From this planning process emanates the Municipal Integrated Development Plan (IDP), with the main objective being improved coordination and integration of planning, budgeting, and development within a Municipal area. As a five (5) Year budgeting, decision-making, strategic planning, and development tool, the IDP is used by the Municipality to fulfil its role of ‘developmental local governance.’

The Richmond Municipality is one of the municipalities identified by UMDM IDP with potential of being a diversified economic municipality in agriculture, tourism (as it’s endowed with rich natural resources) and in manufacturing (timber and agro-processing).

2.2.17 UMGUNGUNDLOVU ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF) 2017

EMF is a tool to guide development initiatives from an environmental perspective, thus providing environmental support to decision makers of the municipality. It was developed prior to the District Biodiversity Sector Plan and does not incorporate the CBA information. The district is in the process of developing an EMF with the purpose of protecting the environmentally sensitive or critical areas of the district. Furthermore, the framework will act as a guide to assist planners, developers, and other relevant decision-makers in terms of environmental management and sustainable use of the district's natural resources.

2.2.18 RICHMOND PRECINCT PLAN

Richmond has 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.

2.3 IMPLICATIONS FOR THE RICHMOND MUNICIPAL IDP

The planning principles and legislative policies have been developed as a guide in achieving a Developmental State. They introduce structuring development principles, which are required to be internalised and inform decision making processes in spatial planning, land use development, guide the development and provision of access to basic services and human development at large.

CHAPTER C: SITUATIONAL ANALYSIS

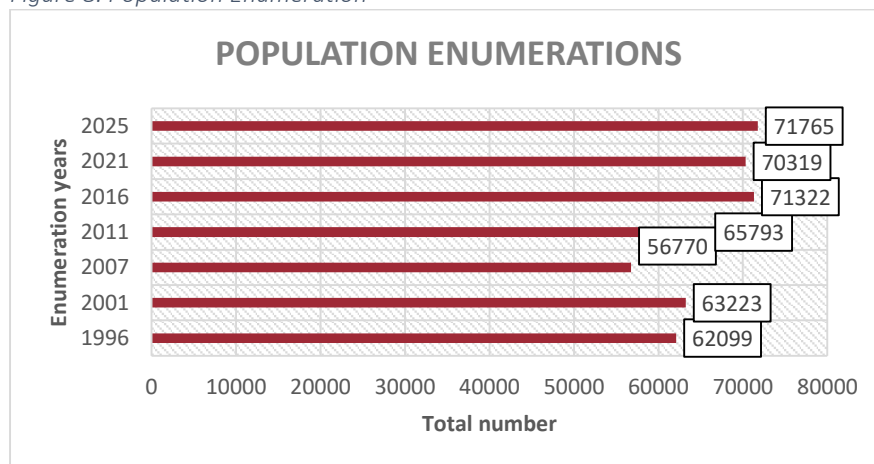
3.1 SOCIO-ECONOMIC ANALYSIS

It is imperative to understand the socio-economic status of the study area/area of jurisdiction in which planning and economic development is anticipated. Information on socio-economic status provide an insight on the characteristics of communities, which informs the planning and provision of services and related development needs. Below provides the socio-economic analysis of the Richmond Municipality, which provides a clear picture of the characteristics of the communities found within the area of jurisdiction.

3.1.1 POPULATION

Below provides a graph of the population enumerations that was taken over a 25year period with an estimation taken from 2021 to 2025. The graph indicates that the population of Richmond Municipality has been witnessing a steady growth rate with an exception of the year 2007, which showed a decrease in population size that amounted to almost 6 500 people and the year 2021 recording 70 319 people a decrease from 71 322 people recorded in 2016. The 2016 Community Survey undertaken by Statistics South Africa indicated that the population of Richmond Municipality was 71 322 people during the time of the taken survey.

Figure 8. Population Enumeration



Source: Stats SA Community Survey

The trends of the population growth and decline may be attributed by the outward and inward migration trends, which are direct relation to economic opportunities and access to tertiary education facilities, and outbreak of viruses that caused community shocks and a direct impact to population growth i.e. HIV/AIDS, COVID-19, etc.

The population projections for Richmond are based on a computation model which considers the historical population behaviour. This includes the impact of the migration pattern of the urban, farm and rural areas, fertility, and death rate within the population of the study area.

Table 9. Death Rate

DEATH RATE

Year	2011	2016
Deaths	799	2 522
Population	65 793	71 322
Percentage of Deaths	1,22%	3,54%
Percentage of Growth/decline Percentage of deaths		-2,32%

Change in number of deaths	1 723

Source: StatsSA Census 2011 and Community Survey 2016

Table 10. Fertility Rate

FERTILITY RATE

Year	2011	2016
Births	1 264	1 062
Population	65 793	71 322
Fertility Rate	2%	2%

Source: StatsSA Census 2011 and Community Survey 2016

Figure 9. Five-Year Population Projections

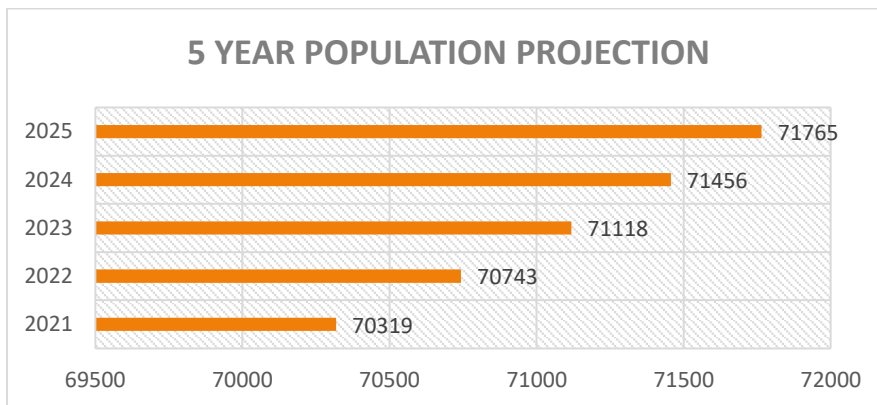
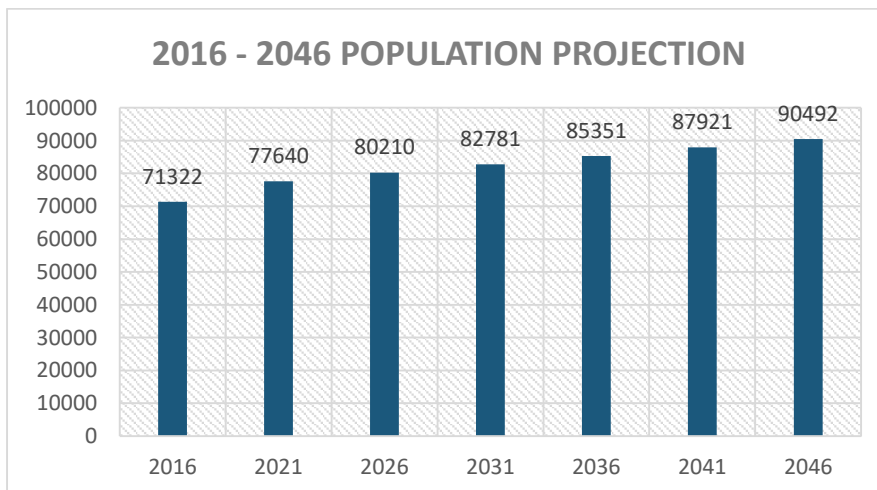


Figure 10. 10-20Year Population Projections

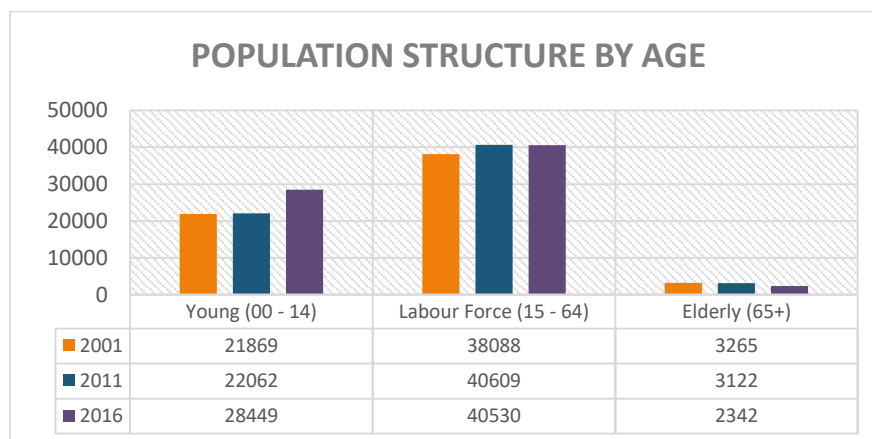


The above figures suggest that:

- By 2031 the population in the municipality would have increased to 82 781 people and this implies that the population would have increased by 11 459 people.
- This has implications for infrastructure requirements for areas projected for high population growth.
- Upgrade Richmond Wastewater Works.
- Upgrade and improve existing road network.
- Upgrade electricity reticulation network.

The below graph provides the population structure of the Richmond Municipality by age groups in relation to the youth, labour force and the elderly. The analysis is crucial in the planning and directing of basic services as it provides analysis of the population in relation to the need for educational facilities, economic opportunities and/or the provision of widely accessible social services facilities for the support of the elderly.

Figure 11. Population Structure



Source: Stats SA Community Survey

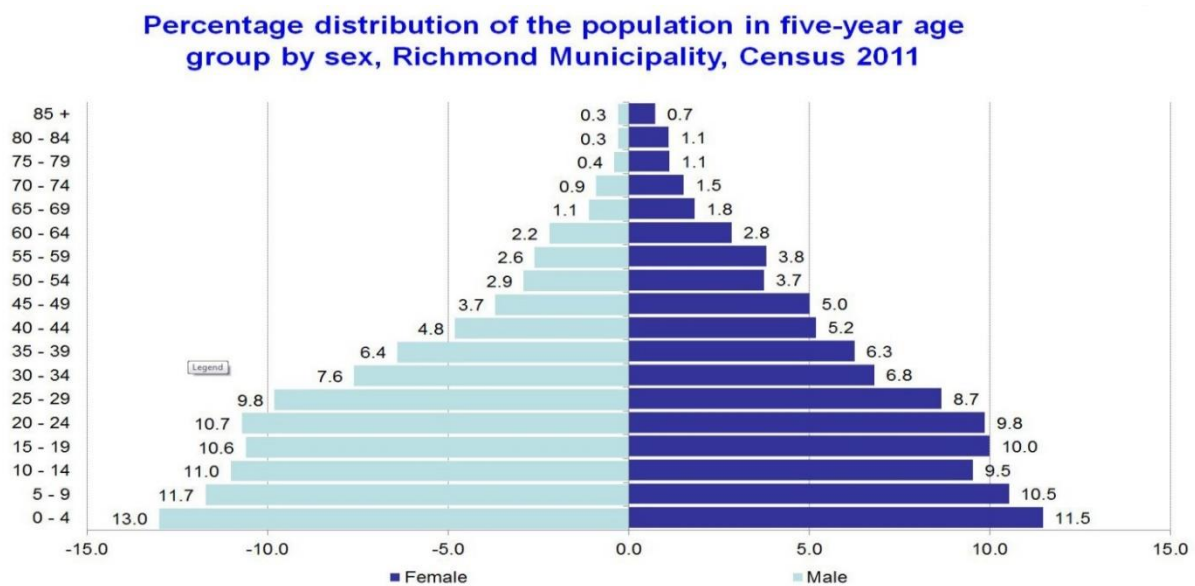
The above provides a comparison of the available data on the Richmond Municipality's population structure by age over the 15 years of data collection and import to note is growing age group considered as the youth and the labour force over the years, with the elderly population experiencing a decline. It is also important to note that the above figure indicates that the Richmond Municipality's population is dominated by the age groups that are considered as the labour force (between the ages of 15 to 64 years old). This suggests that the municipality must invest in economic opportunities to accommodate the working class, which dominates the population structure by age. Local Economic Development must strive to provide economic opportunities and the development of employment opportunities within the municipal jurisdiction.

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 12. Population Pyramid



Source: Stats SA Census 2011

The figure above shows the gender distribution within Richmond Municipality with females accounting for 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 economic growth 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.

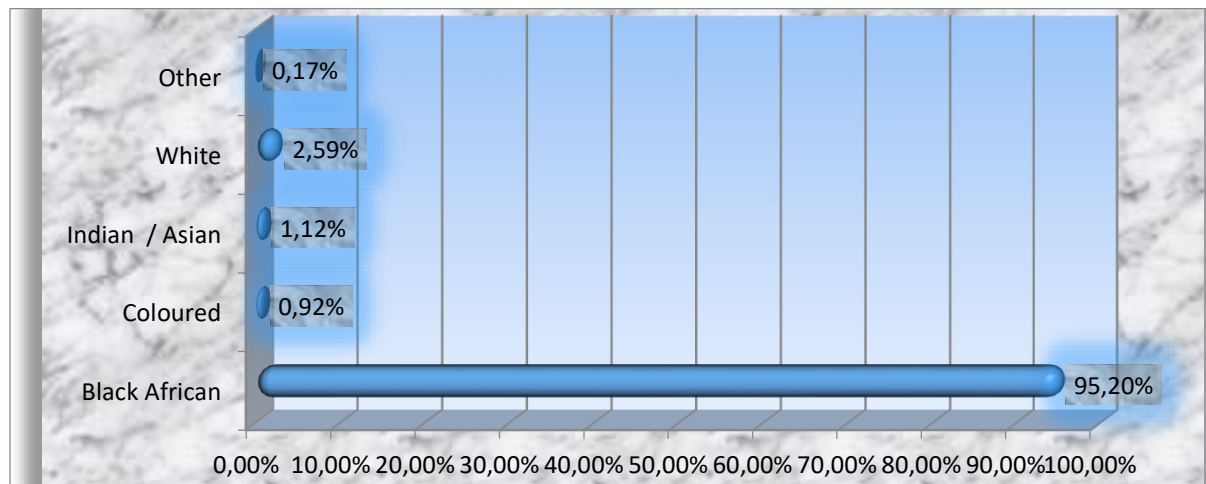
The below illustrates that the majority of the population is dominated by Black African race, accounting for just above 95% of the total population. The White population follows with almost 3% with the Indian/Asian accounting for 1.1%.

Table 12. Population Groups 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

Figure 13. Population Group by Race



Source: Stats SA Census 2011

3.1.2 MIGRATION

Migration is the movement of people from one permanent home to another. This movement changes the population of a place. Universally, the term emigration refers to the act of leaving a resident country or place of residence with the intent to settle elsewhere. Conversely, immigration describes the movement of persons into one country from another. Both are acts of migration across national or other geographical boundaries. The two types of migration patterns are

- Inward migration: which refers to the movement of people into that particular geographic space, and
- Outward migration: which refers the movement of people out of the particular geographic space

These migration patterns are as a result of factors that have termed as pull and push factors. The pull factors are what attract migrants into a geographic area i.e. access to tertiary education and economic opportunities, etc. and the push factors are what result in people moving out a geographic location i.e. area having limited/no economic opportunities, etc. The below figures provides data of the immigrants that have decided to migrate into Richmond Municipality over the years.

Figure 14. Migration Origin by Province

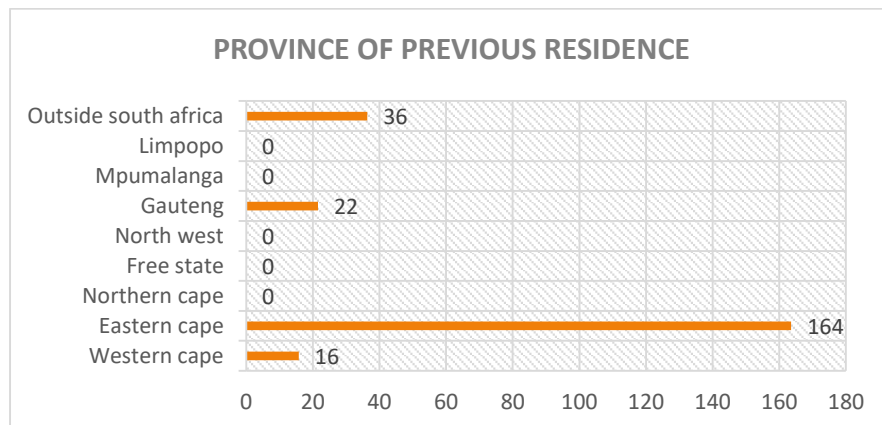
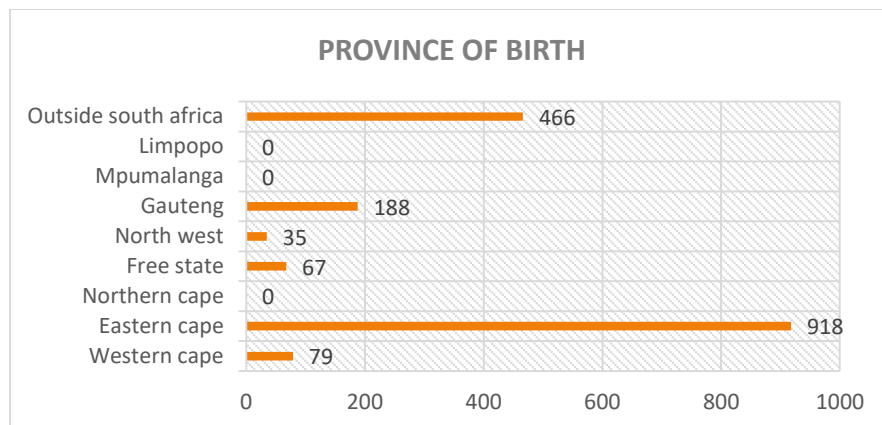


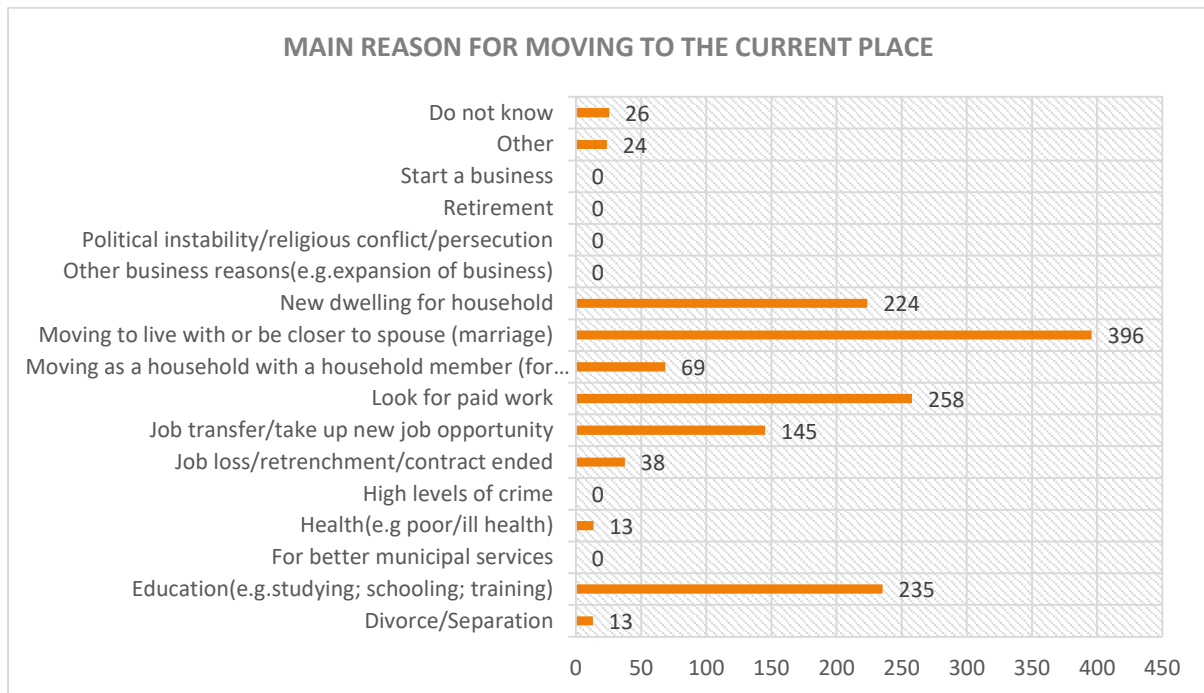
Figure 15. Migration Origin by Province of Birth



Source: StatsSA Community Survey 2016

Migration is an important demographic process in as it shapes the age structure and distribution of the municipal population. Many studies of international migration have confirmed that economic factors play a very dominant role in people's decision to migrate from one country to the other. While trying to prevent a 'brain drain', sending states increasingly try to encourage particular forms of migration because the associated remittances and a potential 'brain gain' through a counter movement of skills and knowledge are supposed to be beneficial to national development. Lack of employment opportunities or differentials in employment opportunities and wages; the lure of a well-paid job in a wealthy country is a powerful driver of international migration.

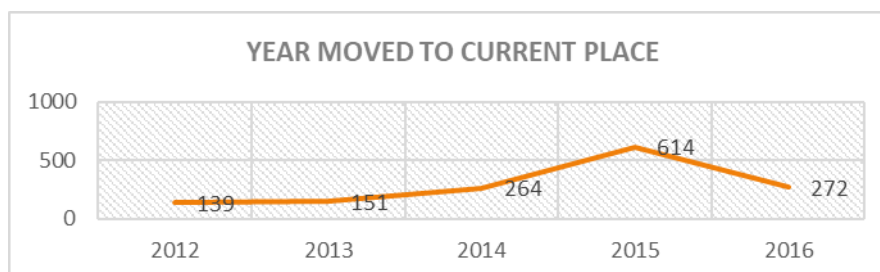
Figure 16. Reason for Migration



Source: StatsSA Community Survey 2016

The attraction has intensified as income differentials among countries continue to grow. Lack of educational institutions across developing countries has also tremendously contributed to the reasons for emigration. Within the context of local government, particularly Richmond Local Municipality, immigrants have several premises into coming to the municipality. Department of Statistics recently conducted an enumeration during the year 2016 referred to as “Community Survey”, and such enumeration indicated these main reasons of people for moving to Richmond Local Municipality as well as the years. The year 2015 saw the highest number of people migrating into the Richmond Local Municipal boundaries being 614 migrants. This is followed by the year 2016 with 272 people having moved into the boundaries of the local municipality.

Figure 17. Migration Trends



Source: StatsSA Community Survey 2016

Deducing from the above data analysis, it is clearly that Richmond Local Municipality has been facing major in-migration trends, which mainly are result of economic opportunities. As seen

on the trend-line, it is depicting an increase analysis. From the year 2011, the population immigrants increased. The year 2015 Richmond Local Municipality experienced a sharp increase from migrants moving in to the municipal jurisdiction as seen on the above figure.

3.1.3 DEMOGRAPHICS ON DISABILITY

The study of disable population and the analysis thereof is of vital importance. There are number of support programmes that are available to people living with disabilities and such programmes need to be widely accessible. The below provides the demographic analysis of the population within Richmond Municipality that live with disabilities.

Table 13. Number of People Living with Disabilities

Difficulty levels	Difficulty with self-care	Difficulty hearing	Difficulty seeing	Difficulty remembering	Difficulty walking	Difficulty communicating
No difficulty	58288	58716	56766	57583	57415	59608
Some difficulty	2180	2003	3560	2451	2440	1210
A lot of difficulty	580	451	854	1140	1097	292
Cannot do at all	144	39	29	35	256	99
Do not know	16	0	0	0	0	0
Unspecified	0	0	10113	0	0	0
Not applicable	10113	10113	0	10113	10113	10113

Table 14. Disabled Population using Assistive Device

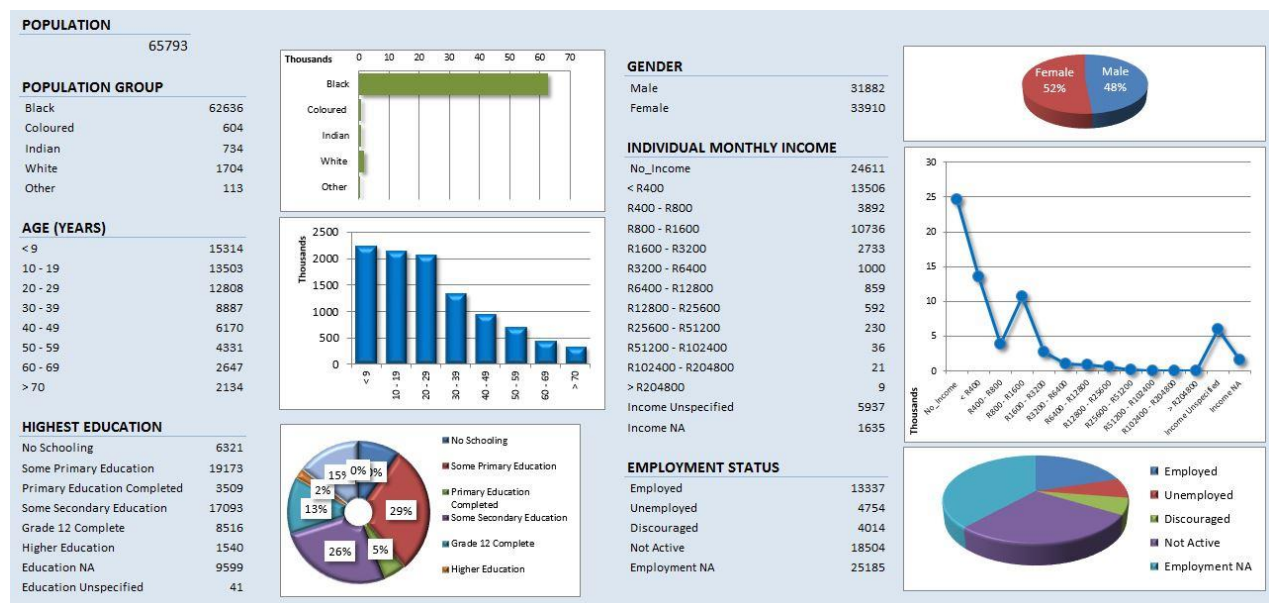
Device usage	Use any other assistive device/aid	Use a wheelchair	Use a walking stick, walking frame or crutches	Use eyeglasses/spectacles/contact lenses	Use a hearing aid
Yes	88	151	1041	2432	187
No	61114	61040	60124	58723	60984
Do not know	6	18	43	54	38
Unspecified	0	0	0	0	0
Not applicable	10113	10113	10113	10113	10113

The above disable persons data is imperative to take into consideration in planning and decision making processes in order to give effect to the principle of equity and necessary provision must be made in supporting people living with disabilities.

3.1.4 SUMMARY OF SOCIO-ECONOMIC

The below figures provide a summaries of the socio-economic analysis of the Richmond Municipality, with a focused analysis on the overall municipality and at ward level. The data is sourced from Stats SA 2011 census data and does not provide the latest information that reflect the current situation within the municipality.

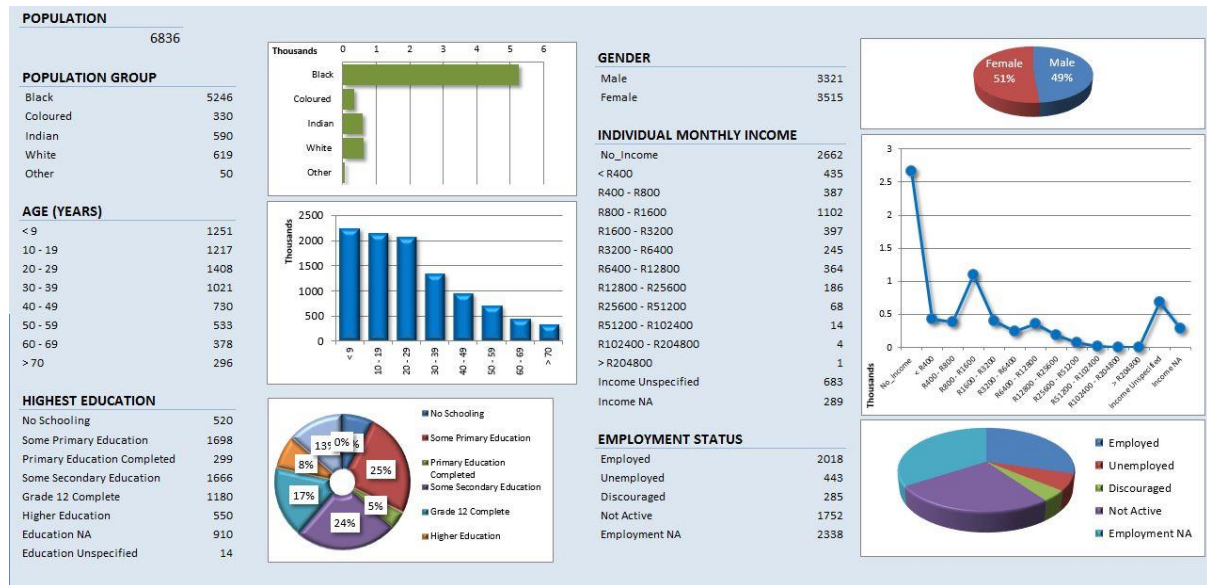
Figure 18. Summary of Municipal Socio-economic



The above indicates that the population of Richmond Municipality dominated by Blacks accounting for just above 95% of the total population, which is made up of 65793 people (StatsSA Census 2011). The population structure is dominated by a young population, which accounts for approximately 92% with a large proportion of the population 29% having some primary education. The municipality is no different to other municipal population trends, in which it is dominated by females (52%). There are high levels of no individual monthly income.

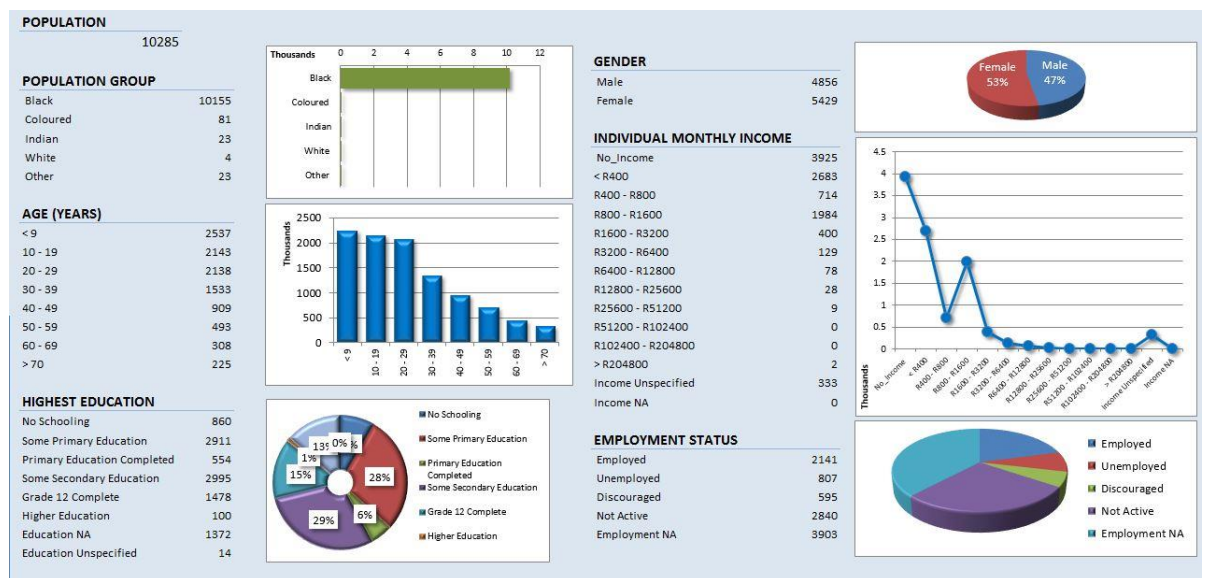
Ward 1

Figure 19. Summary of Ward 1 Socio-economic



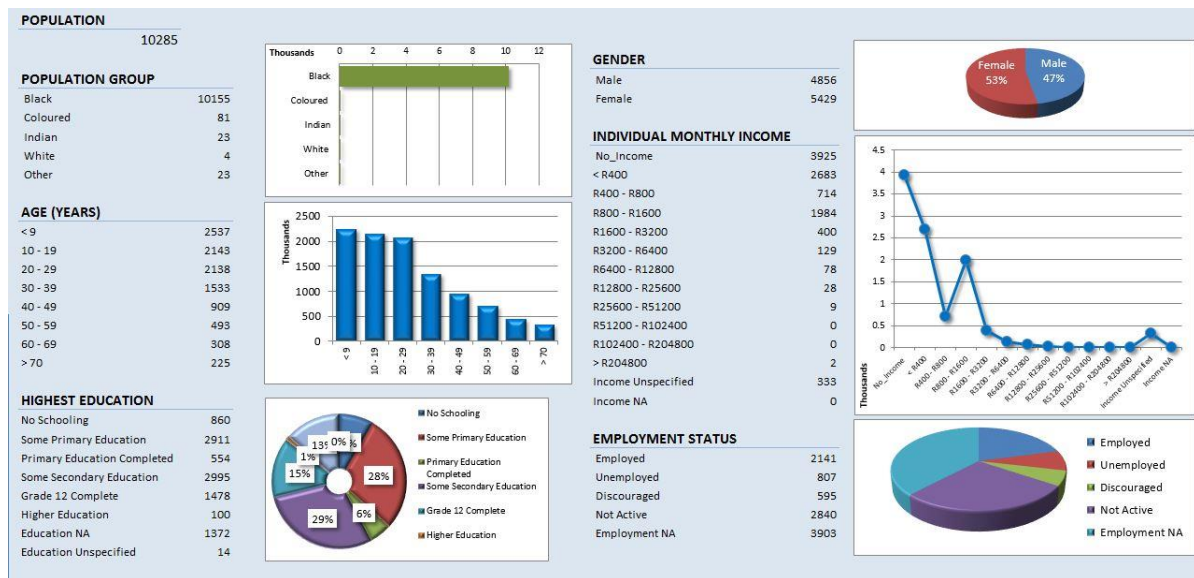
Ward 2

Figure 20. Summary of Ward 2 Socio-economic



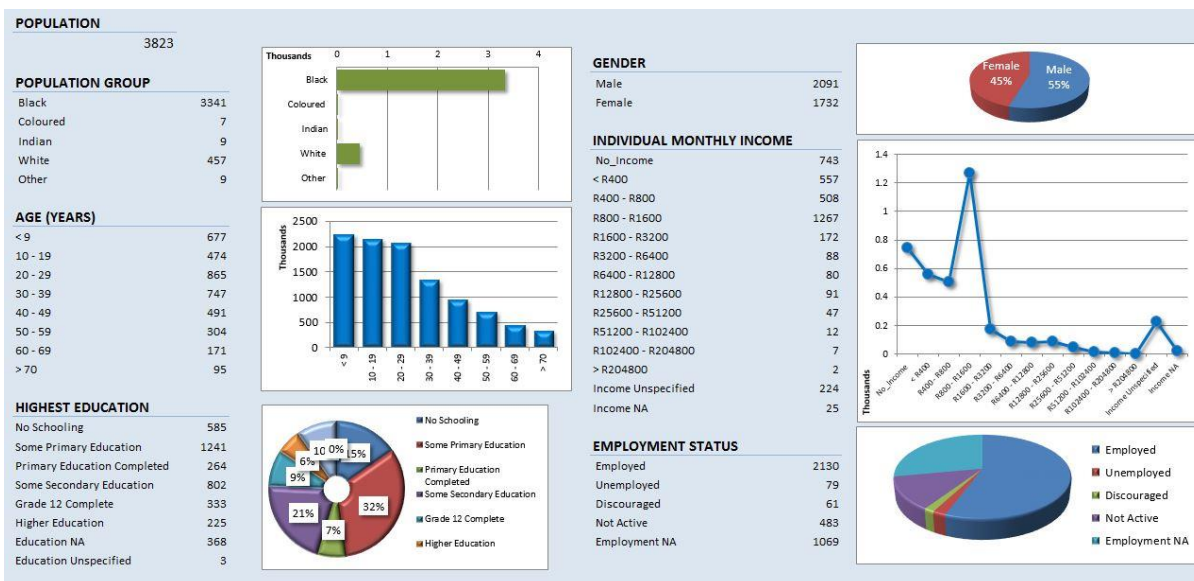
Ward 3

Figure 21. Summary of Ward 3 Socio-economic



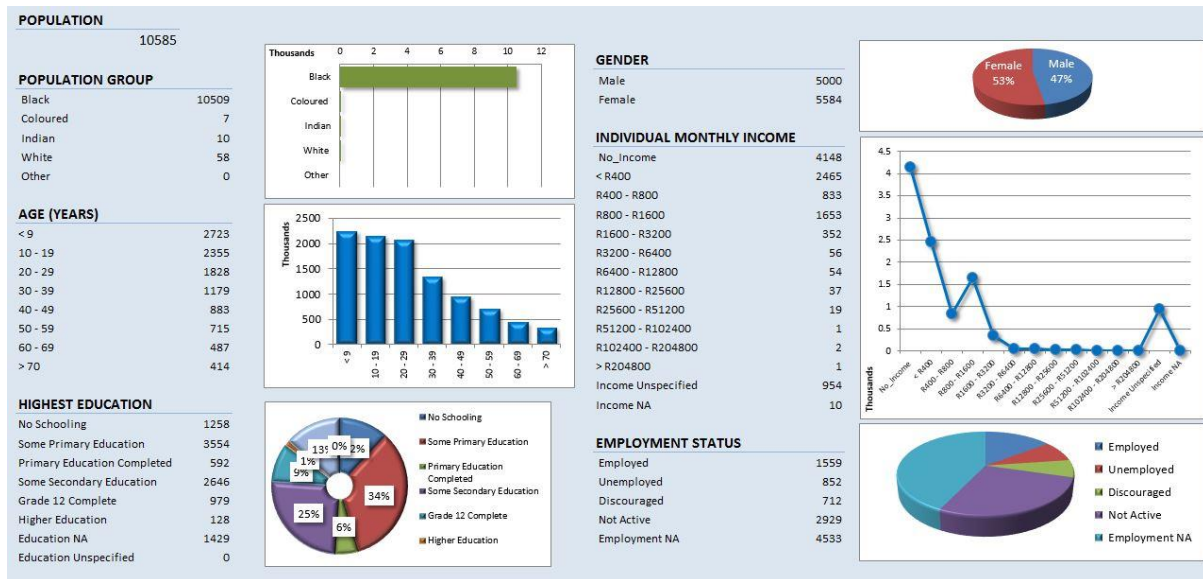
Ward 4

Figure 22. Summary of Ward 4 Socio-economic



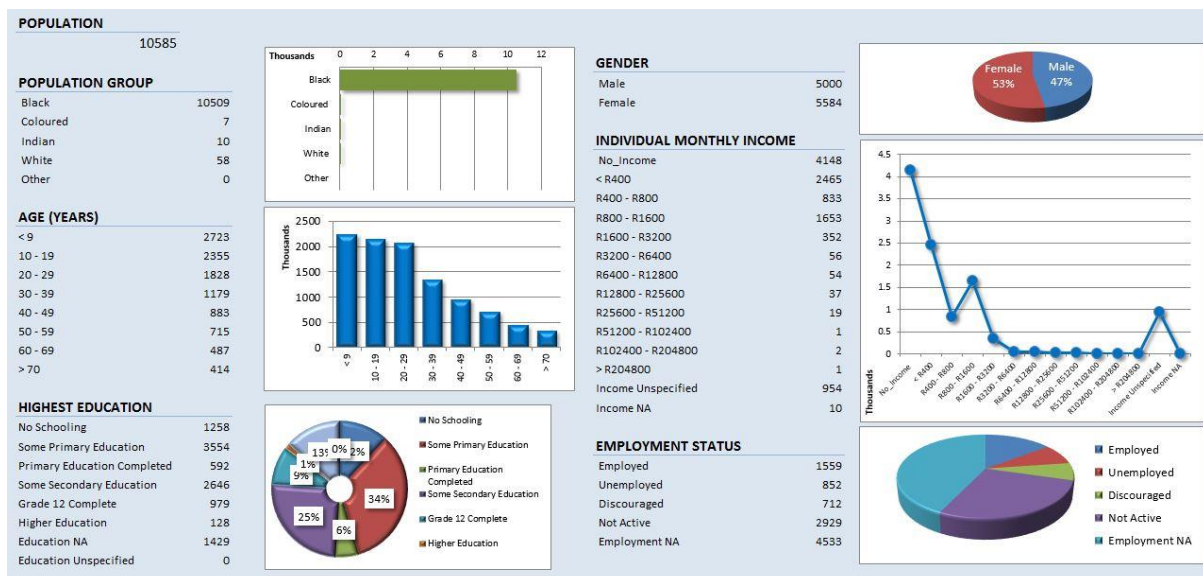
Ward 5

Figure 23. Summary of Ward 5 Socio-economic



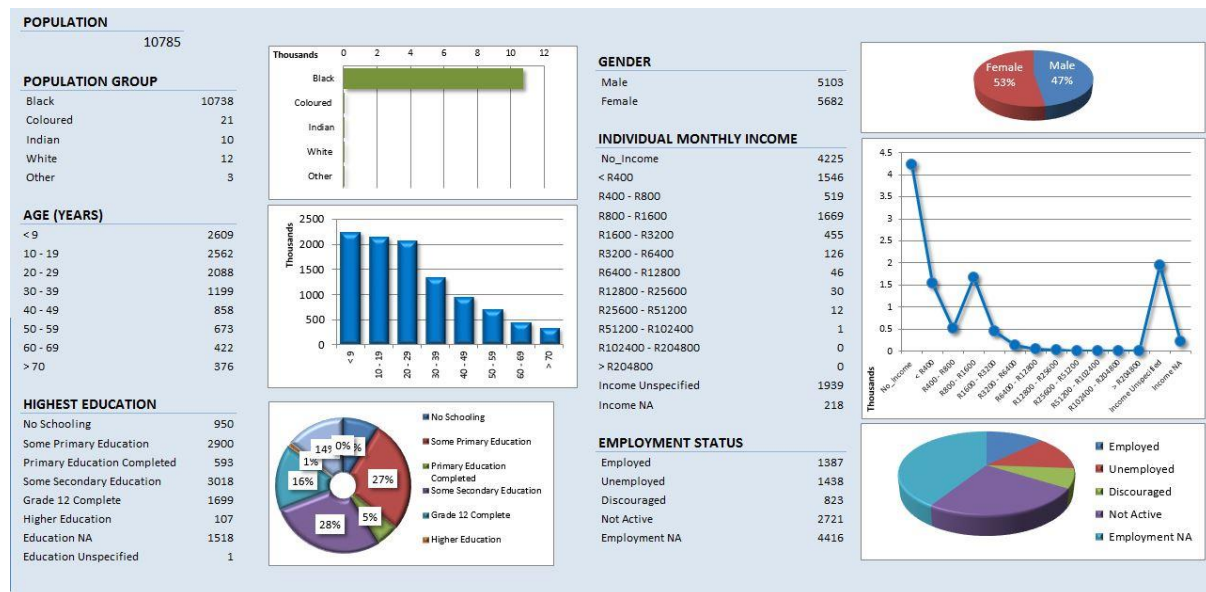
Ward 6

Figure 24. Summary of Ward 6 Socio-economic



Ward 7

Figure 25. Summary of Ward 7 Socio-economic



3.2 SETTLEMENT TYPOLOGY

Richmond Local Municipality has a variety of settlement types comprising a small town, a formal urban residential settlement, rural service centres servicing farming communities (traditional and “formal”), peri-urban settlements, rural settlements and farm areas. Listed below are the typical characteristics of the various settlement types found within the Municipality:

- Farming area, small holdings and rural service centres- Richmond, Bryne, Thornville and Rosebank Mission, Baynesfield and Bryne
- Rural Settlements and peri-urban settlements- Inkumane, Embuthweni, Shiyimpahla, Mbila, Ngqulu, Umgwenya, Songeni and St. Bernard’s Mission, and Ndalen, Esimozomeni and Hopewell
- Town and urban residential settlements- Richmond Town and Siyathuthuka

Richmond town is the only urban residential area of note that exists within the entire municipal area. There is a general lack of new residential/housing products such as cluster housing within town and housing stock within Richmond comprises mainly of old and tired buildings. These inner town living areas surround the core CBD area and have sites providing worship and other uses intertwined in the residential component. The residential component consists of free-standing as well as medium density (flats) units.

Siyathuthuka is a formal low-income township that is located on the south-western direction of Richmond town. It is accessible via P8-1 from Richmond town and is a result of a Greenfield and In-situ housing projects that were piloted by the Department of Human Settlements during the early 2000s. It is currently mainly a settlement area with limited diversification in terms of

land use activities. It is heavily reliant on the town of Richmond in terms of its functionality and role.

There is also a pending application for a Golf Estate with a private residential estate which will be located adjacent to the town of Richmond. It is near also Richmond Country Club (RCC).

Greater Ndaleni is located in the central region of the municipal jurisdiction in ward 1. Access to the area is gained via P8-1 which intersects P121, D743 and P471. Greater Ndaleni is characterised by its highly densified households and strategic location. The area is located in close proximity to the Richmond town, which provides critical services and economic activity for the surrounding farming community and surrounding settlements.

Thornville is located on the far north-eastern boundary of the municipal jurisdiction in ward 3. Access to Thornville is gained via P5-4 which connects to R56. Thornville is seen as strategically located to benefit from developments along the N3 and in Pietermaritzburg. This area is characterised by densely populated housing and a smaller range of commercial and social facilities.

Baynesfield is located on the northern region of the municipal jurisdiction in ward 1 and access to the area is gained via the R56. The built environment consists of a small residential estate, commercial activities, place of worship and a sports club. Baynesfield is mostly identified by its commercial agricultural activities which is the main economic activity of the area.

The rural settlements are located on the southern and central parts of the municipality within Inhlazuka. Rural settlements are characterized by large tracts of farmland and forestry and a relatively dispersed density of buildings. Some of the settlements are located in almost inaccessible areas and are poorly provided with basic services and public facilities. There is a need for these to be upgraded using the rural housing subsidy.

Richmond Local Municipality has rural settlements spread throughout the three traditional authorities, namely Esiphahleni and Vumakwenza, Vumindaba. These settlements are heavily concentrated within the southern parts of the municipality. The steep terrain within traditional Council areas promote the dispersed settlements structure and creates difficulties in terms of bulk infrastructure provision.

There are two main informal areas within Richmond Local Municipality. There include the informal settlements along the northern boundary of the Richmond town near the railway (Spoornet properties). There are also many informal dwellings scattered unevenly in space around Thornville. The processes to upgrade these using housing subsidy instruments from the Department of Human Settlements has been considered and welcomed over the years.

3.3 SPATIAL ANALYSIS

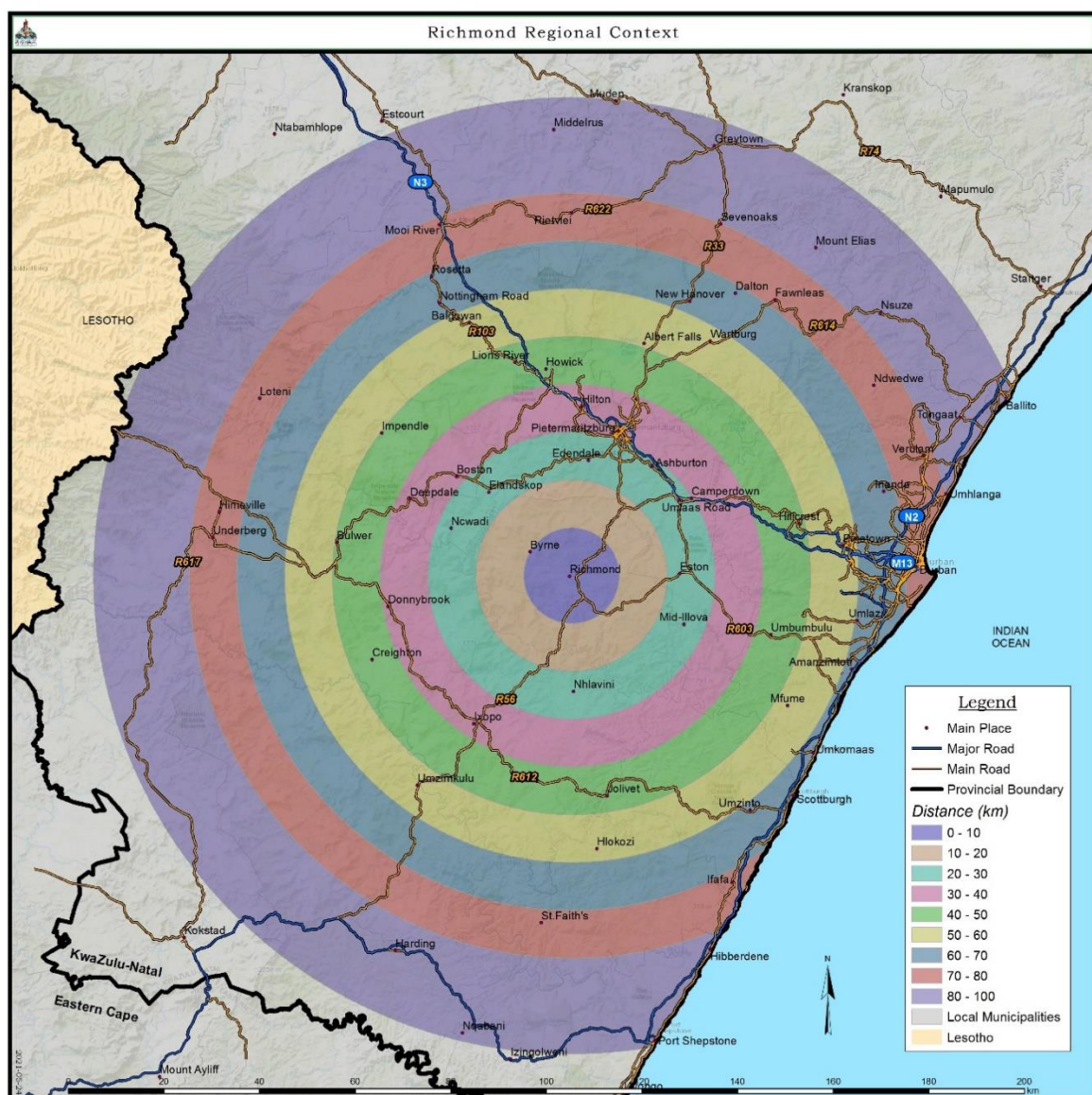
3.3.1 REGIONAL CONTEXT

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

Figure 26. Regional Context Map



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 eThekweni 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.

3.3.2 ADMINISTRATIVE ENTITIES

The Richmond Municipality is a Category B Municipality, which forms part of other local municipalities that make up the UMgungundlovu District Municipality (Category C Municipality). The composition of the administration includes Ward Councillors and Traditional Authorities. There are seven (7) Wards and three (3) Traditional Authority Areas namely:

- ✓ Vumindaba Traditional Authority,
- ✓ Vumakwenza Traditional Authority, and
- ✓ Esiphahleni Traditional Authority.

Figure 27. Municipal Ward Boundaries

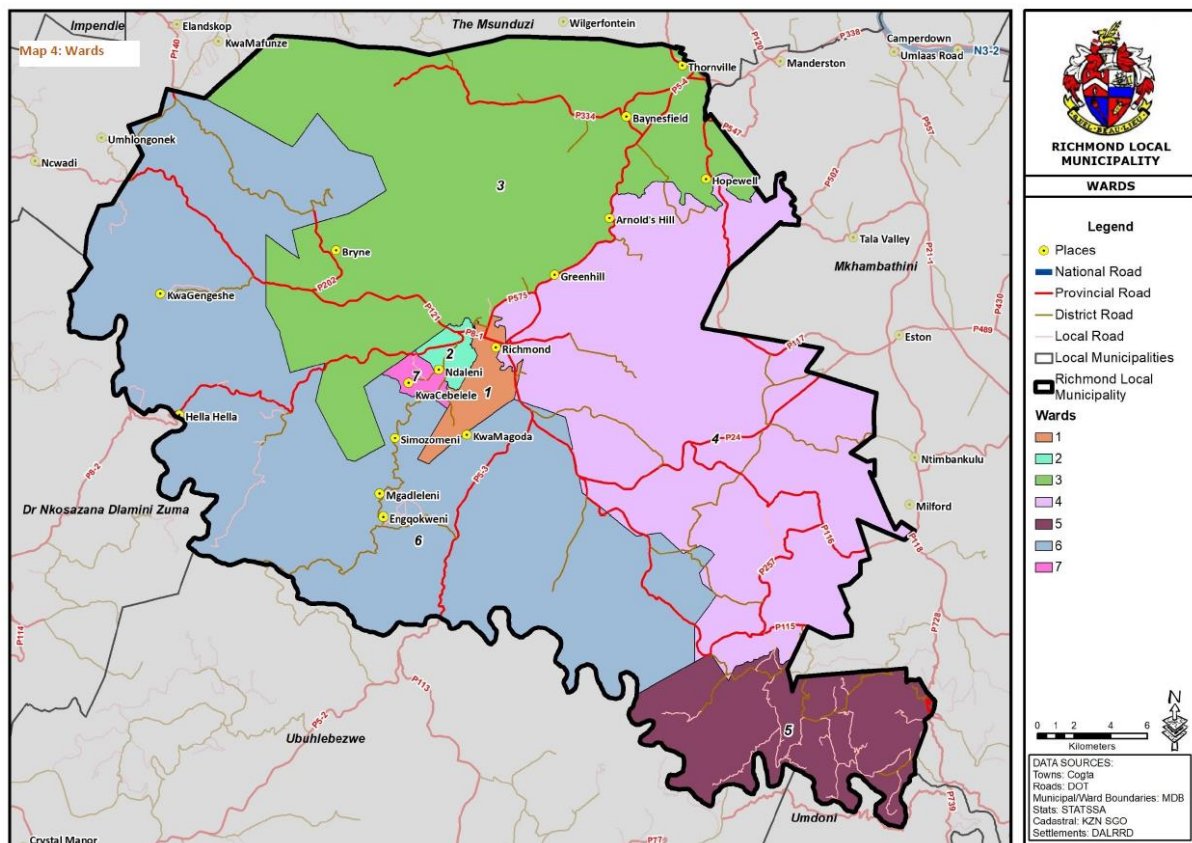
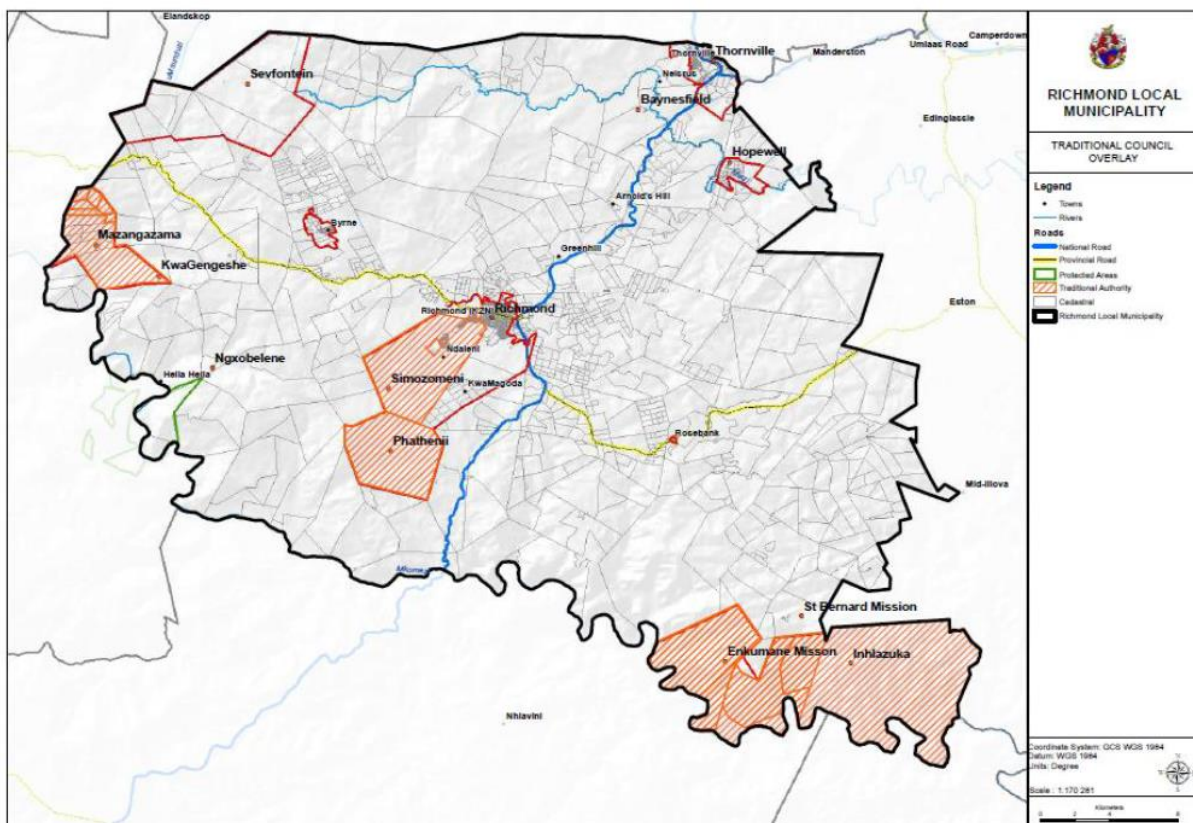


Figure 28. Traditional Authority Areas Map



3.3.3 STRUCTURING ELEMENTS

The spatial structure of Richmond municipality can be outlined as follows:

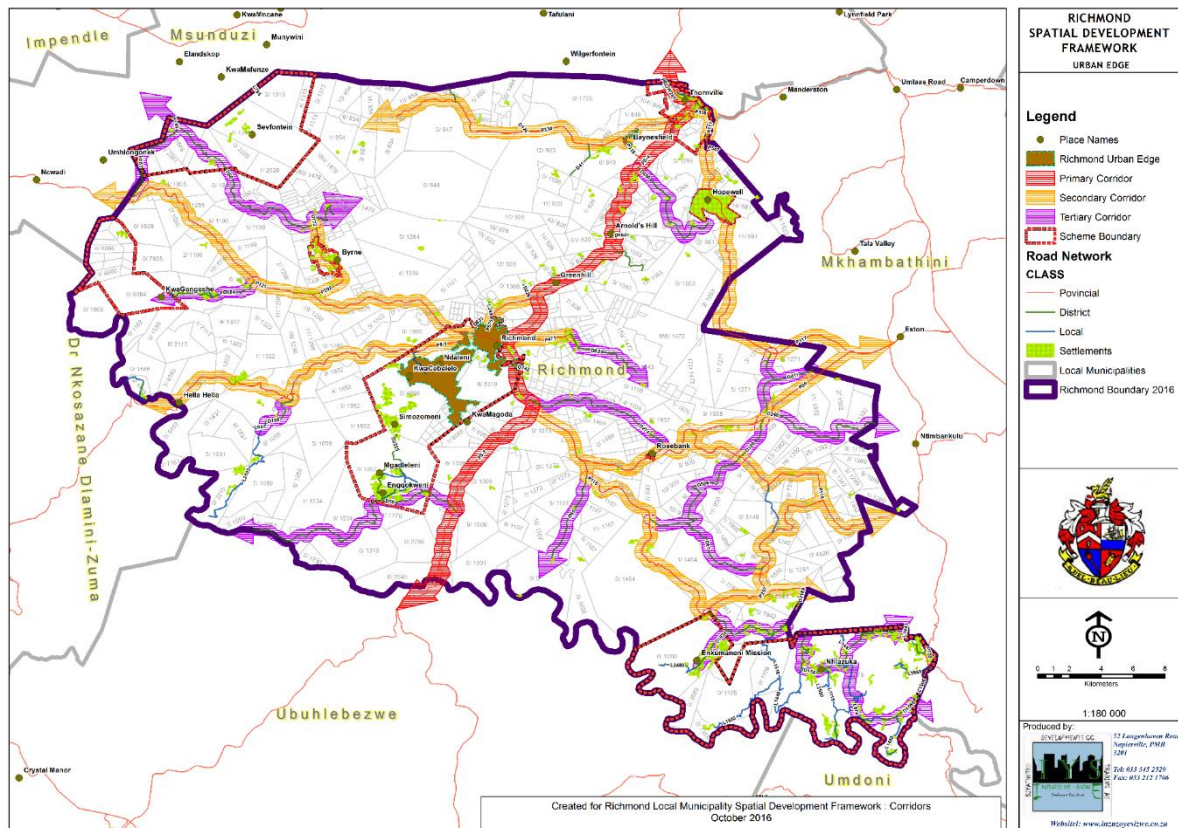
- ✓ Inner Core: this refers to a central business district of the town. It is positioned at the centre of the suburban area of Richmond Town in a manner that follows the concentric approach of developing a town. It also accommodates the administrative district which includes the municipal offices. The CBD makes up approximately 42,8% of the economy of Richmond. This is where Trade and Business, Government, and Utility's occur.
- ✓ Outer Core: this refers to the agricultural farm areas located on the outer core of the Richmond CBD. This area is where most of the economy happens, tourism, agro-processing, mass-farming for formal markets as well as manufacturing which contribute 51.6% to the economy.
- ✓ Fragmented Settlements: These are economic dislocated settlements that emanated from the apartheid spatial planning, areas like, Phatheni. These areas are poverty pockets, located on the outskirts away from services. These areas also have shortages of trading/shopping centres and no economic development.
- ✓ Industrial Zone: Thornville, located at the edge of Richmond accounts for approximately 5.50% of the Richmond economy. Its proximate to Pietermaritzburg allows for economic expansion, and its location within Richmond allows for industrial expansion due availability of land.

The R56 and R624 are the Provincial Routes which are the visible structuring elements of Richmond. The R56 transerves the middle of municipal area in a north-south direction and links Richmond Municipal Area with Pietermaritzburg towards the north and the Eastern Cape Province to the south traversing through Ixopo, Mzimkhulu, Kokstad, etc.

The P121 is another important adventure route from Richmond to Drakensberg via Bulwer. There are four routes that provide access to agricultural and tourism developments, these are the 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 the 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 is another structuring element that traverse the municipal area. It is located on the south-western boundary of the municipality and is regarded as a major river within the province and the Municipal Demarcation Board used it to demarcate the southern boundary of Richmond Municipality.

Figure 29. Structuring Elements Map



3.3.4 EXISTING NODES AND CORRIDORS

Nodal areas are defined in the 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

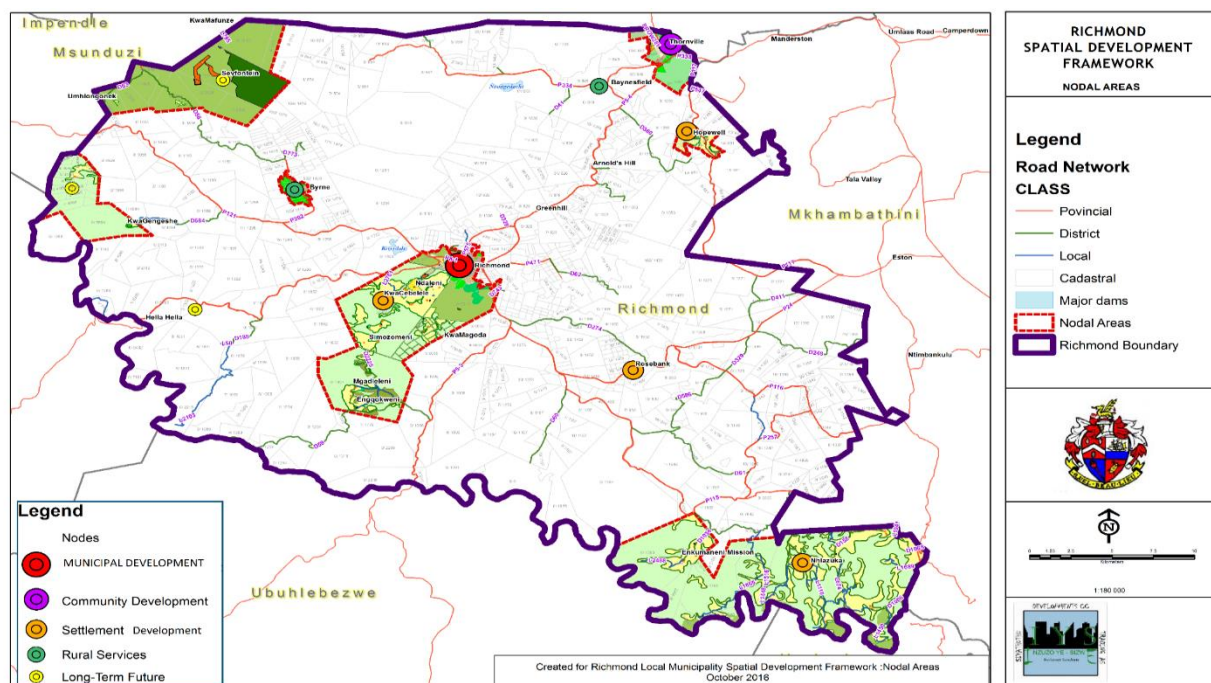
the intersection of public transport routes.

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.

Figure 30. Development Nodes & Corridors Map



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.

3.3.5 LAND OWNERSHIP

Land ownership within Richmond Municipal Area is diverse but dominant holder of land is private. This implies that the majority of the properties are owned by individuals and companies. In order to access such land for any economic, social, and infrastructural initiative, the government must work with private individuals by buying the land or the private sector and be willing to explore PPP on economic development. Most government land ownership includes government schools and facilities. There are also state-owned large pieces of land such as the farms which are located on the north of the municipality as well as towards the south of Richmond, which would not be a major challenge in probing in obtaining land tenure and access with an intention for any economic, physical, and infrastructural development initiative. It can be established that 48% of the land in the Richmond Municipality is used for commercial agriculture and the vital role of land in the production of food is linked to the social, political and economic life of most African countries, such as South Africa, where agriculture, natural resources and other related land-based activities are critical to livelihoods, food security, incomes and employment.

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:

Figure 31. Land Ownership Map

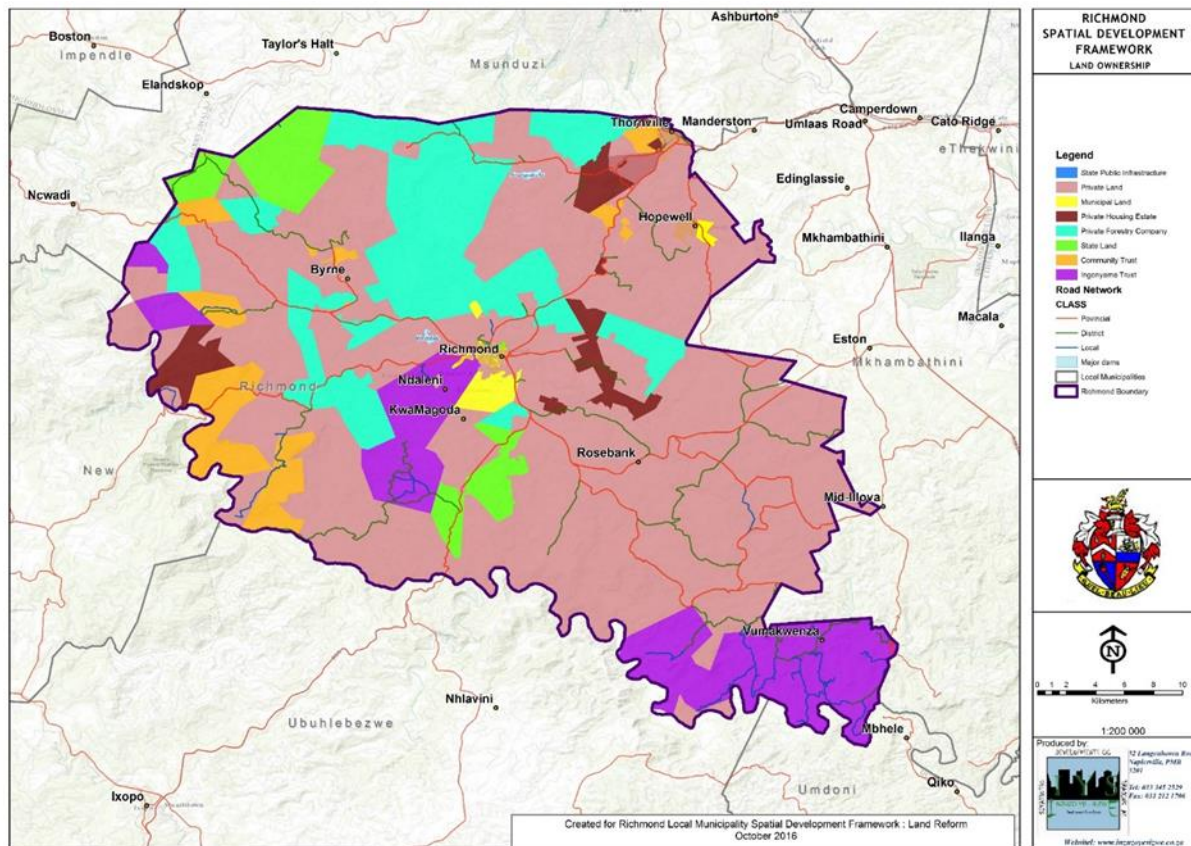
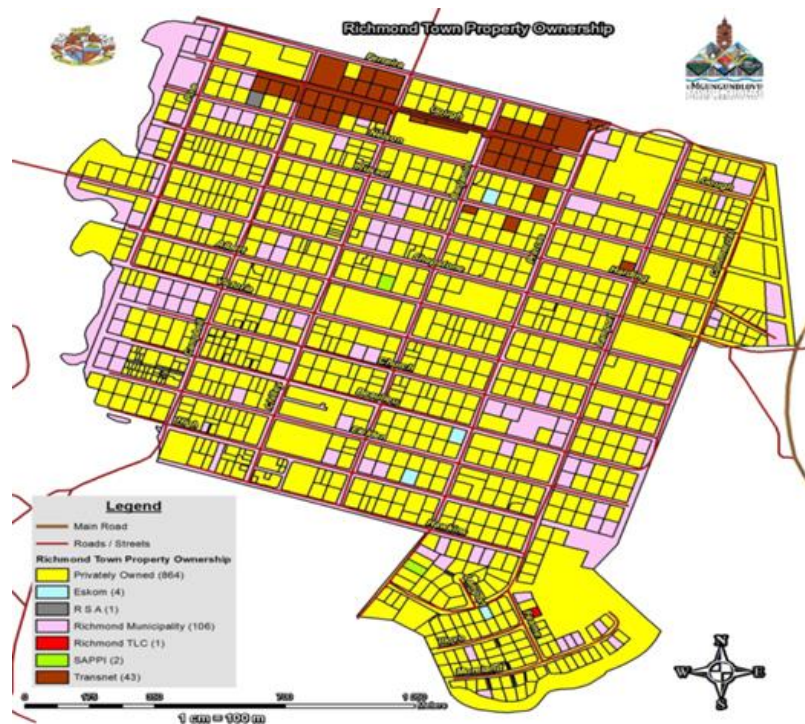


Figure 32. Richmond Town Property Ownership Map

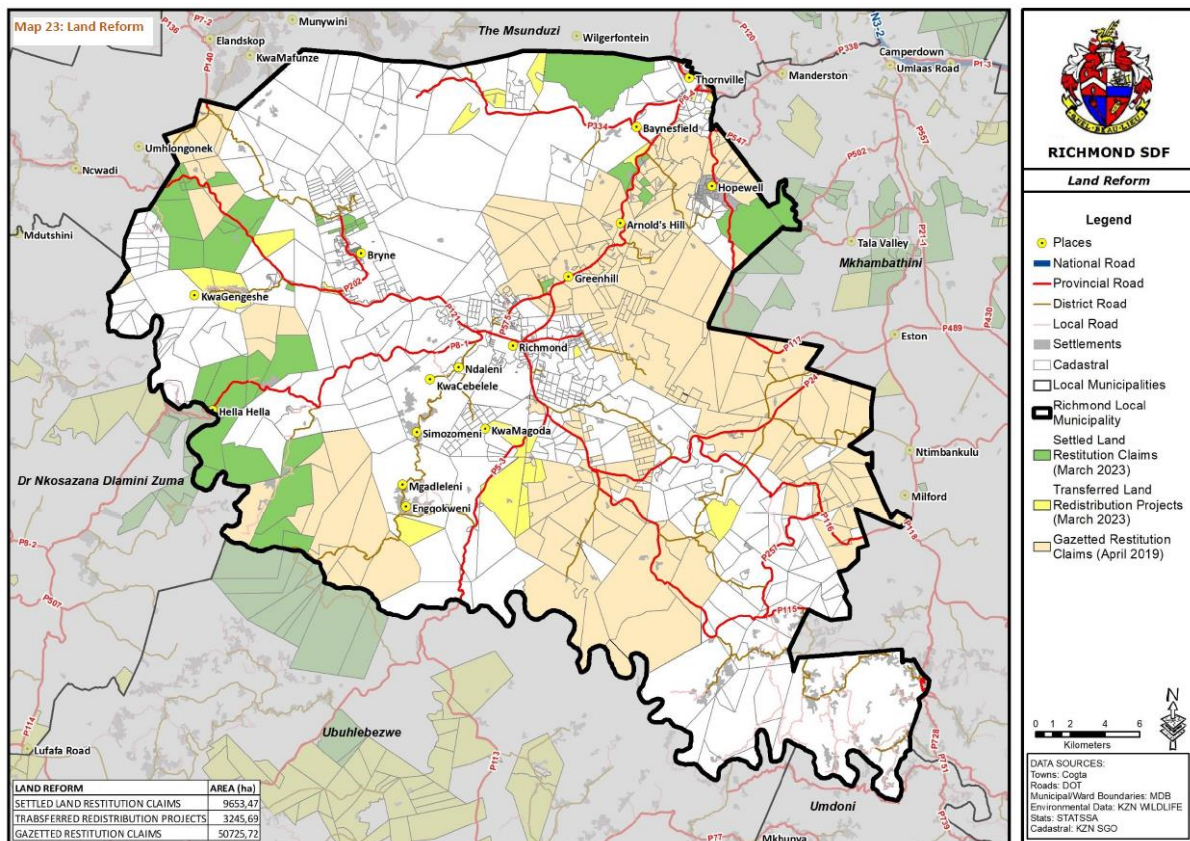


3.3.6 LAND REFORMS

Land Restitution is to restore land or provide financial compensation for people dispossessed of the land after 1913. In terms of land restitution, a total of 278 claims were originally lodged with DLA. On the other hand, land redistribution, is often an attempt to transform an agrarian structure composed mainly of large-scale farms into one where family farms are predominant by taking land away from large landowners, or the state, and redistributing it to tenants and landless labourers. Restitution involves people claiming back land taken away from them after June 1913, or compensation for their loss. Land redistribution involves acquiring and transferring land from white farmers to black farmers, for a variety of purposes, including farming and settlement. To date 29 claims have conducted for redistribution and 62 have been settled. In terms of extent, settled land restitution claims equate to 9 653,47 ha, the area for transferred redistribution project is estimated at 3 245,69 hectares, and gazetted restitution claims are assumed at an area of 50 725,72 ha.

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.

Figure 33. Spatial Location of Land Reform Projects Map



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

Table 15. 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
Tshala Sovuna Farming Enterprise	Ptn 2 and 3 of Mybole	116.2628	3	Redistribution	Maize & Horticulture

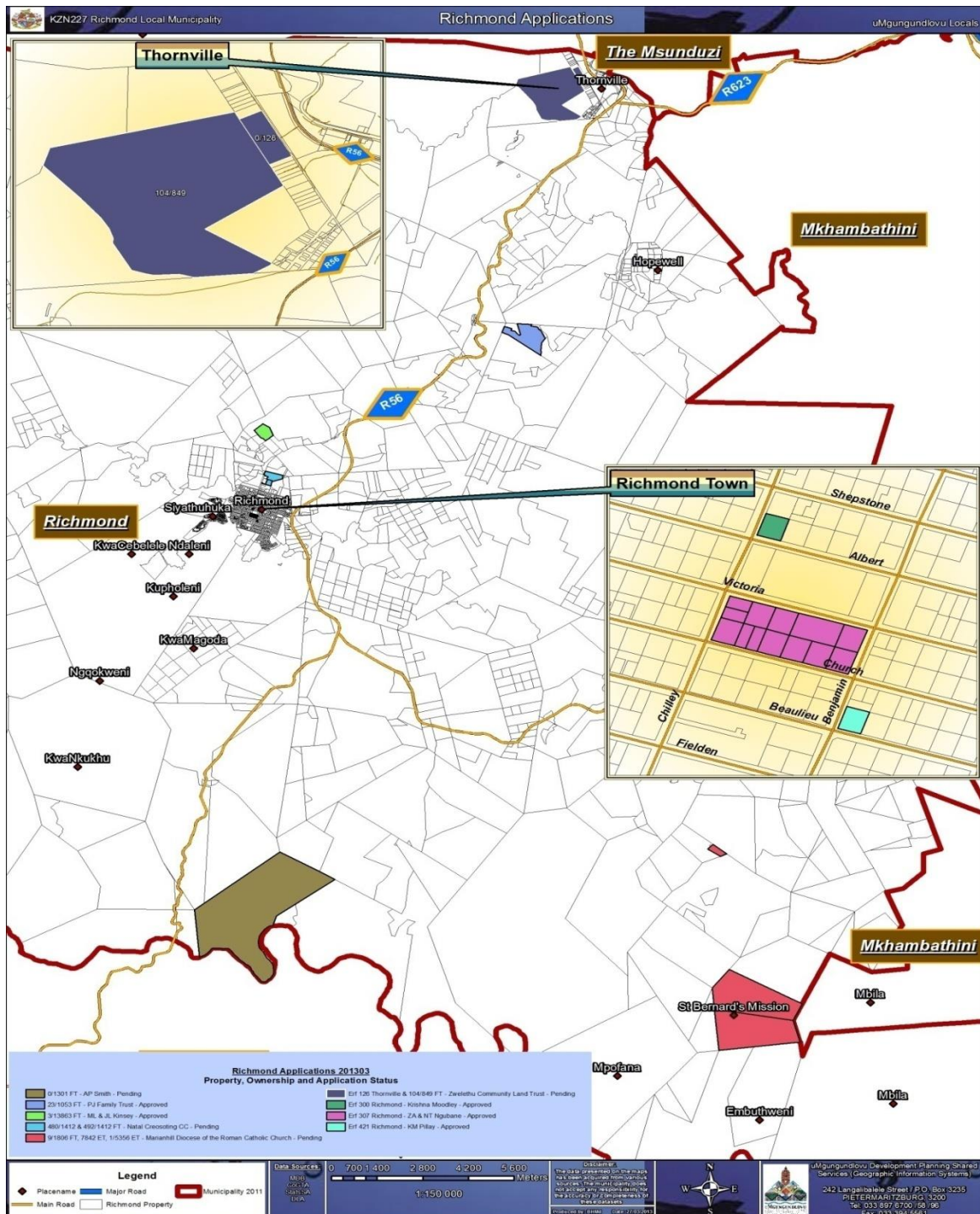
In terms of land restitution, a total of 66 claims were originally lodged with DRDLR. This was subsequently consolidated into 42 claims and 3 of the claims were non-compliant. To date 4 claims have been gazetted and 1 claim has been settled. The claim settled relates to the Emashosheni Community. A total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

3.3.7 PRIVATE SECTOR DEVELOPMENTS

The municipality has experience a number of developments that application from private property owners. A total of five (5) applications were approved and given their development rights, with the remaining four (4) applications' statuses were pending the outcomes of their proposal. It must be noted that these applications were recorded at the time of them undertaking the necessary application processes. New applications that were not included in the mapping includes the proposal for the establishment of petrol filling station along Chilley

Street and the established Anderson petrol filling station along the R56, which is prominent location that will creating economic spin-offs.

Figure 34. Private Sector Development

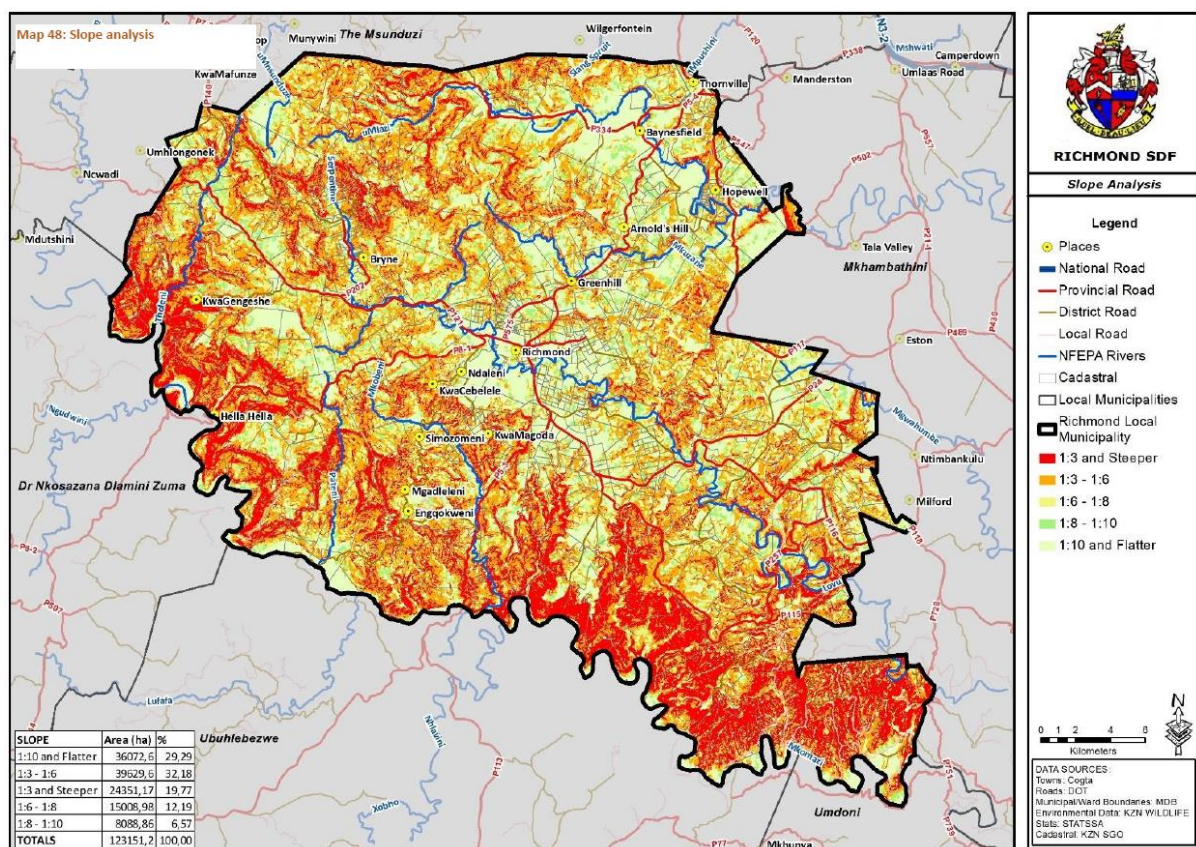


3.4 ENVIRONMENTAL ASSESSMENT

3.4.1 TOPOGRAPHY

A slope analysis is an important exercise to undertake as it informs the type of construction methods, development and cost of construction, where steep areas amounts to an increase in construction costs. The slope varies across the municipality and depicts slope ranges from <1:10 up to >1:3 incline. The south-eastern and western parts of the municipality is characterised with mainly steep slopes that considered to be at 1:3 and steeper. Whilst the central and north-eastern parts are relatively flatter at 1:6 to 1:10. The Richmond municipality is relatively mountainous as 19.77% of the land surface is 1:3 and steeper, whilst 32.18% ratios at 1:3 to 1:6. A total of 958 households are situated in areas that are considered to be relatively steep slopes. This may pose challenges in the provision of services i.e. pumping water from the bottom up to the settlements, etc.

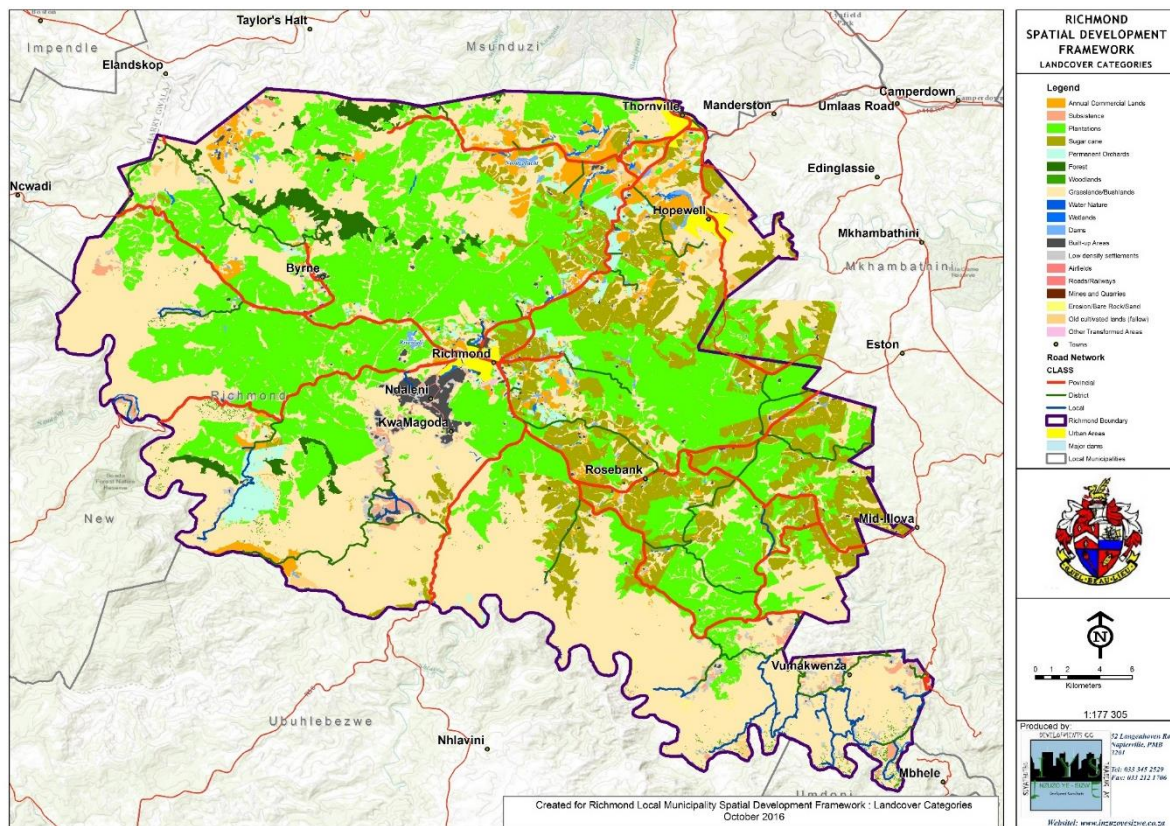
Figure 35. Slope Analysis Map



3.4.2 LAND COVER

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 serves as the central business district for the municipality that offers a range of services to a large portion of the municipal 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.

Figure 36. Land Cover Categories Map



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. Timber plantations and sugarcane production account for most of the land cover, covering 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 dairy.

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.

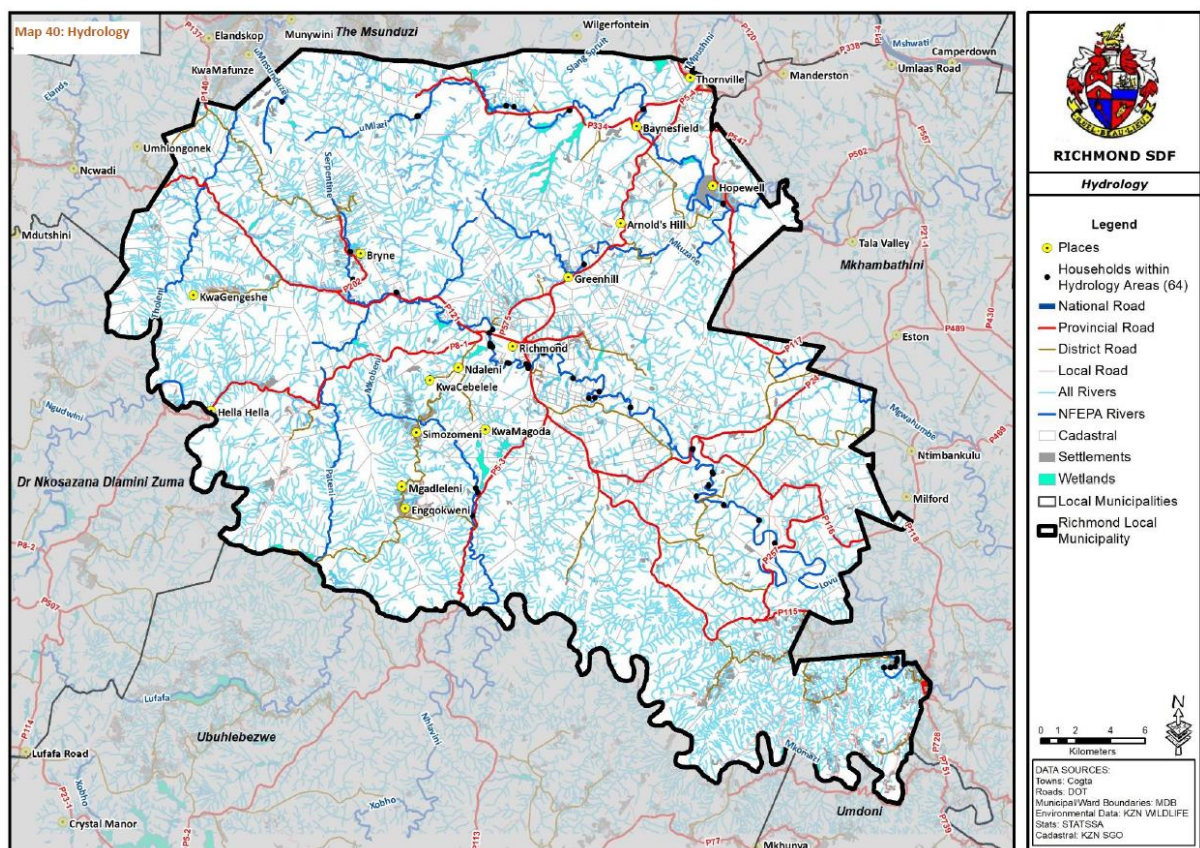
3.4.3 FRESH WATER BIODIVERSITY

The municipality is strategically located within catchment areas of major rivers that flow from the Drakensburg Mountains. There are three major rivers that traverse the municipality namely:

- ✓ Umkomazi River
- ✓ Umlazi River
- ✓ Lovu River

The three river systems are fed by a number of small tributaries that ensure the flow of the rivers systems even during dry seasons. The map below clearly illustrates the majority of the municipal area being covered with hydrological features that may be utilised as water sources for crop production and other uses.

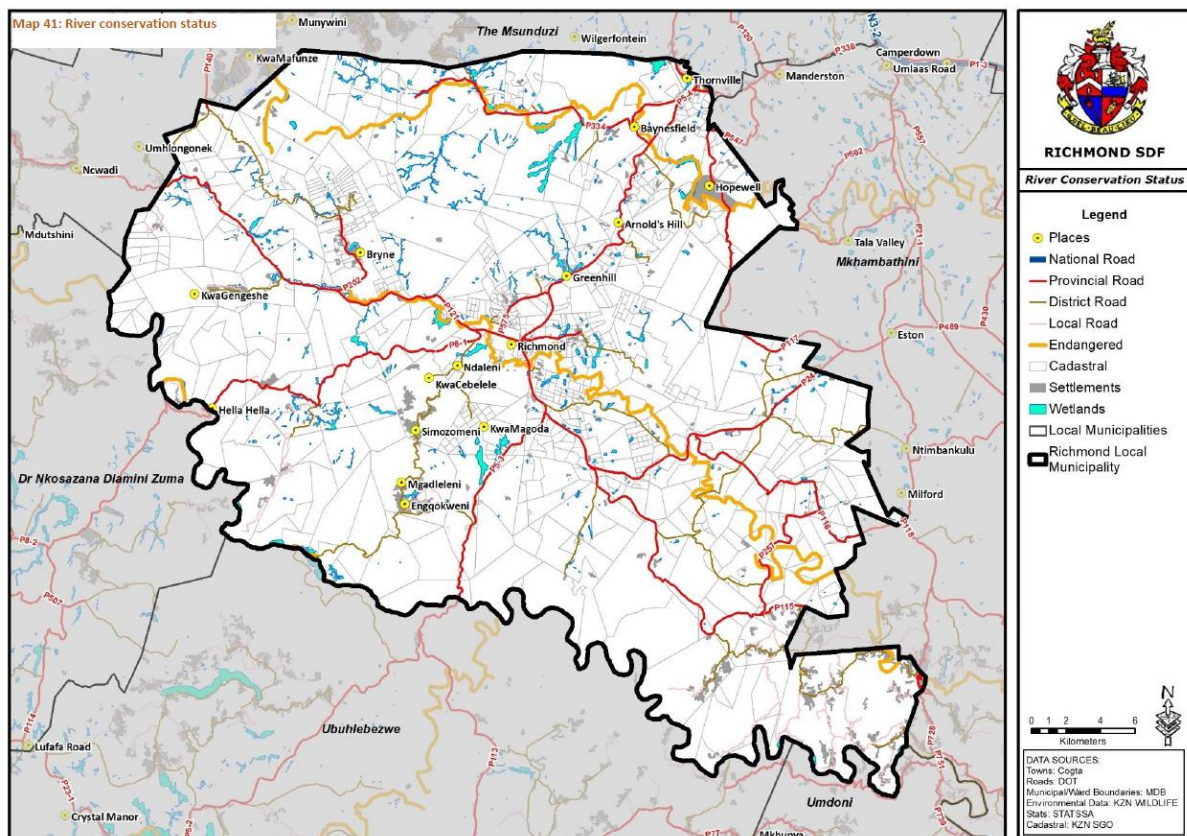
Figure 37. Hydrology Map



A total of 64 households are located within close proximity to the hydrological features. This is important to note and direct appropriate measures to avoid the loss of human life should a natural disaster occur along the river systems.

The river conservation status revealed that all the three major rivers (Umlazi, Umkomazi and Lovu Rivers) are considered to be endangered. This is a result of improper agricultural practices that occur along the river systems and human activities that pose a threat of the quality and cleanliness of the water as a result of contamination. The other threats to the river systems may result from uncontrolled evasive of alien plant species and the use of crop pesticides close to catchment areas.

Figure 38. River Conservation Status Map

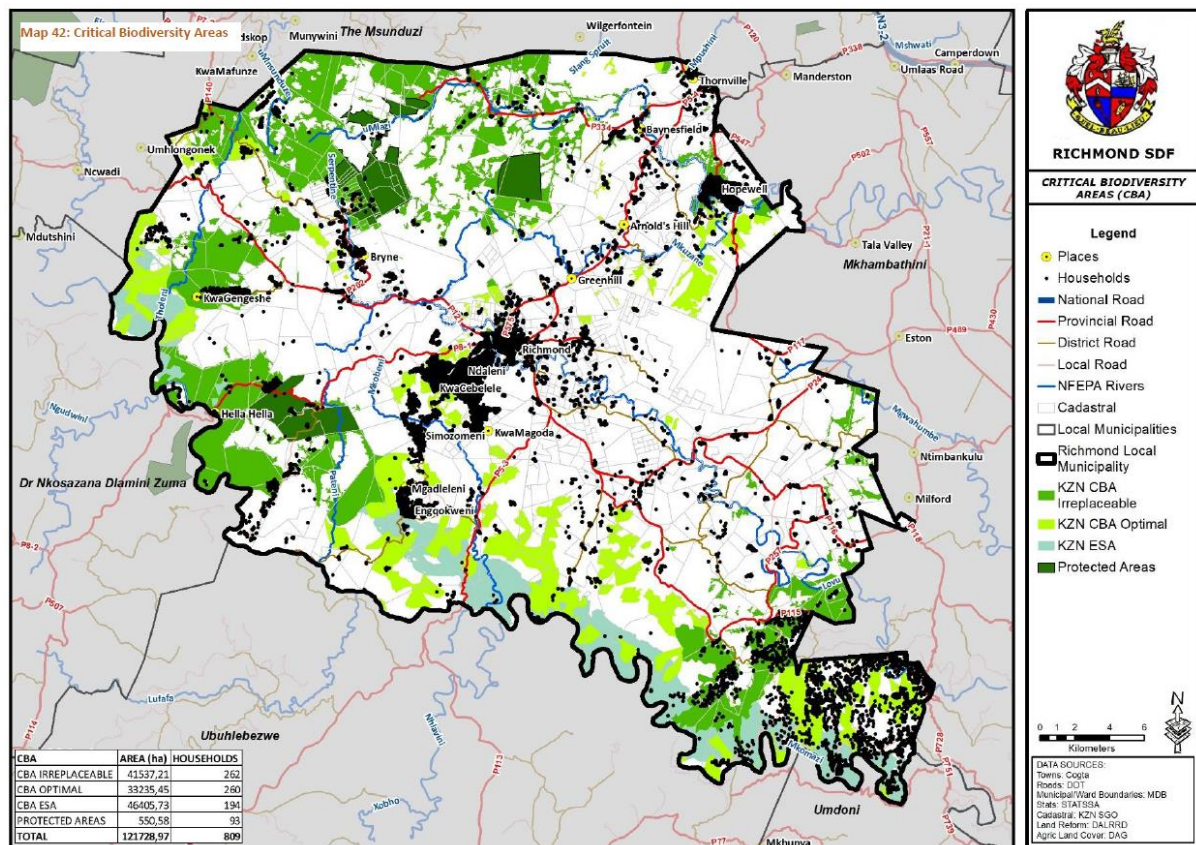


3.4.4 TERRESTRIAL BIODIVERSITY

Terrestrial biodiversity refers to animals, plants and micro-organisms that live on land, and land habitats, such as forests, deserts, and wetlands. The definition is adapted from the Document describing the Biodiversity Planning Terms for the EKZNW Spatial Planning Product (Ezemvelo KZN Wildlife, 2014). In light of conservation of ecosystems and the protection of habitats, there has been distinguished manner in the classification of Critical Biodiversity Areas (CBAs) for conservation.

The Critical Biodiversity Areas (CBA) are considered as areas critical to meeting biodiversity targets and thresholds. CBAs are divided into two subcategories although both are considered crucial for supporting biodiversity features (viable population of species) and ecosystem functioning and are required to meet conservation targets. In terms of land use management CBA areas should be maintained in a natural state with limited to no biodiversity loss. The below map provides the spatial location of the different types of CBAs found within the municipal's jurisdiction.

Figure 39. Critical Biodiversity Areas Map



The Critical Biodiversity Areas: Irreplaceable are required to ensure the persistence of viable populations of species and the functionality of ecosystems. These represent the only known localities for which the conservation targets for one or more of the biodiversity features can be achieved, i.e. there are no alternative sites available, and all these areas must be protected to ensure the persistence of the species and habitat. In terms of land use management, the CBA: irreplaceable areas should be maintained in their natural state with limited to no biodiversity loss. There are 41537.21 hectares of irreplaceable land within the Richmond Municipality and a total of 262 households are situated within this area.

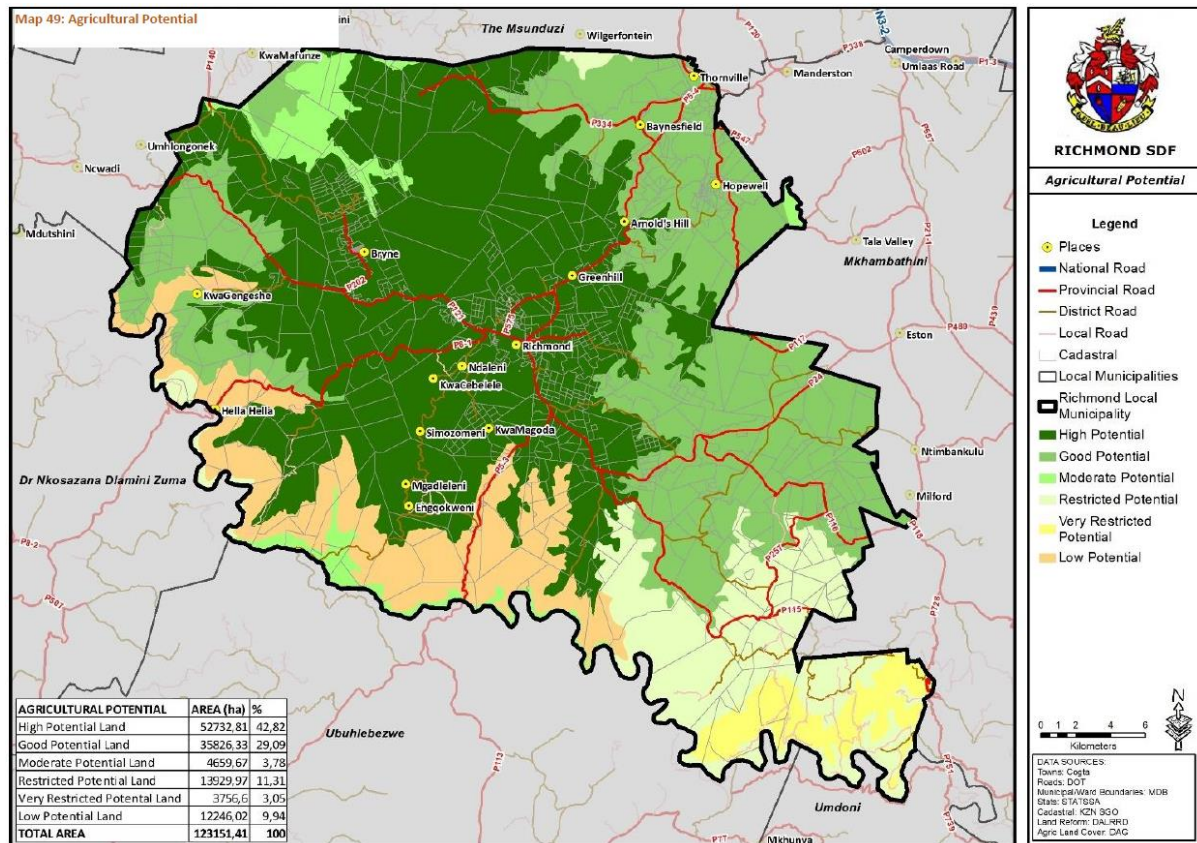
The Critical Biodiversity Areas: Optimal are the areas that represent an optimized solution to meet the required biodiversity conservation targets while avoiding areas where the risk of biodiversity loss is high, such as cultivation and residential areas, other areas may be available to meet this target, however such would likely require a greater percentage of land or may clash with agricultural desirable areas. In terms of land use management, the CBA: Optimal should be maintained in a natural state with limited to no biodiversity loss. There are 33235.45 hectares of CBA optimal land within the Richmond Municipality and a total of 260 households are situated within this area.

3.4.5 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 mainly commercial agriculture that is dominated by forestry plantation. 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 within the Richmond Municipality. Its value should be enhanced and assistance should be focused on local communities to make the optimal use of good potential agricultural land.

Figure 40. Agricultural Potential Map



It can be established from the above mapping that approximately 43% of the total land area of the Richmond Municipality is considered as high agricultural potential land, with just a mere 10% being regarded as low potential. The majority of the high potential is found on the central regions of the municipality and covers the area of Richmond Town, while areas on the southern boundary of the municipality, towards Ubuhlebezwe and parts of Dr. Nkosazana Dlamini Zuma Municipalities are considered to be very restricted to low potential.

The Richmond Municipality is a mono-cultural agricultural community consisting of crop cultivation, poultry farming, citrus production, sugar cane farming and dairy and beef being the main primary agricultural operations. These agricultural activities present opportunities for agri-processing and the beneficiation along the entire value chain. According to economic generated data, the highest agricultural contribution was in 2017, after a declined experienced in 2016 of by -6.9%. The agricultural sector continues to be one of the major contributing sectors of the municipal GDP, where in 2020 Quantec data estimated the sector to have contributed R 707 693.00 to the municipal GDP.

3.4.6 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 households are 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.

3.4.7 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 24.14°C (75.45°F) 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.

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.

3.4.8 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.

3.4.9 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.

3.4.10 STRATEGIC ENVIRONMENTAL ASSESSMENT

The municipality currently lacks funds to develop an SEA, however this will be undertaken during the development of the current municipal SDF, currently under extensive review to be adopted during the first quarter of the 2023/2024 financial year.

3.4.11 AGRICULTURE 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.

3.4.12 KEY SPATIAL ISSUES AND INTERVENTIONS

The municipality has identified key spatial issues with interventions that may be aligned and implemented to address the issues. The below tables provides a summary thereof:

Table 16. Strategic Assessment of Key Issues & Intervention

ISSUES	PROJECT	HOW RICHMOND LM WILL OVERCOME THEM
OVERARCHING ISSUE 1: WIDESPREAD UNDERDEVELOPMENT		
Parts of the municipality particularly in the rural do not have good housing	Housing projects	The SDF will identify areas with the highest need for human settlement also according to National Housing Priority Areas. In addition, housing projects have been initiated such as Siyathuthukha Phase 2 and Argosy rehabilitation housing project.
Aging infrastructure and backlogs	Development of an infrastructure investment plan that is aligned with the DDM One Plan with an implantation plan	▪ Source funding from sector departments. ▪ Develop a policy of self-sustaining infrastructure,

ISSUES	PROJECT	HOW RICHMOND LM WILL OVERCOME THEM
		- Develop Private-Public Partnerships for infrastructure development and maintenance. - Develop master plans for infrastructure and review annually and project prioritisation policy. - Develop a capital investment framework as part of the SDF.
The municipality has a backlog of electricity particularly in the rural parts and other semi-urban areas require adequate access to electricity.	Electrification Projects	The proposition is to have High Mast lights to all nodes, Ndeleni and Hopewell to have streetlights, Richmond Municipality to invest in Renewable Energy such as Solar Street lighting. The municipal Infrastructure Plan enlisted the following projects for the long term: - Ward 1,4 & 5, Electrification - Solar Street lighting - Solar Water Geysers - Ndeleni – Street-light or High Mast Lighting - Hopewell - Streetlight or High Mast Lighting
Water backlog	Water Projects	uMgungundlovu DM is planning to improve the level of service in the Greater Richmond area to house connections and plans to install waterborne sewerage systems thereafter. The water connection project was set to start at the beginning of the 2022/2023 financial year. In addition, a project for Richmond Pipeline: 31,2km long section of 450mm diameter pipeline and a new booster pump station.
Lack of social facilities	Social Facilities	The SDF will identify quantity of social facilities in terms of the existing and projected population to estimate the demand. The following remarks for social facilities that are under construction or rehabilitation indicate that : - The municipality has set aside an amount of R 1,8 million for the maintenance of Community Halls, - Construction of Hopewell Clinic
Lack of recreational facilities/ gardens	Open Space (Gardens)	The SDF will identify open space for proposals for open public gardens and active places for recreational purposes, and in addition: The Richmond Precinct Plan has identified a proposal for a sports field and sport complex precinct, and these will be adjacent to the

ISSUES	PROJECT	HOW RICHMOND LM WILL OVERCOME THEM
		existing bowling club and sport complex centre. There is an existing proposal from the previous SDF of ABC Sport facility and XYZ Sport facility.
OVERARCHING ISSUE 2: EXISTING PRESSURE ON THE BIOPHYSICAL SYSTEMS		
Balancing environmental conservation and tourism development	Agricultural - Eco Tourism	Developments will be limited to natural and culture-based activities, and preferably integrated with farming activities
Need to protect the municipal environment and natural resources	Set up buffer zones	Set up buffer zones, specific land use controls as well as catchment management plans to ensure that water catchment areas are protected and managed
	Statutory conservation	Implement the guidelines and ensure that all proposed development within the municipality adhere to the statutory conservation areas
	Conservation and rehabilitation	Conserve and rehabilitate all environmentally sensitive areas
	Protect Catchment Areas	Strive to protect its water catchment areas (wetlands)
OVERARCHING ISSUE 3: EMERGING INFORMAL ACTIVITIES ON PRESSURE POINTS		
Some parts / areas of Richmond town are densely populated	Densification	Undertake densification projects namely Richmond and Richmond Precinct has identified and proposed an Integrated Human Settlements Housing Projects (FLISP, Social Housing, etc.)
Mushrooming of informal and traditional settlements namely Bhongoza and Mshayazafe in areas such as Ward 1	Promote progressive informal settlement eradication	Initiate housing projects in the form of in-situ upgrade
Poor quality of life in the previously disadvantaged areas	Enhancing the quality and location of new housing projects	Coordinate the provision of basic services such as road network, water and electricity reticulation, sanitation, social infrastructure, and economic activities to the previously disadvantaged areas.
Agricultural land	Curb urban expansion within the existing edges through in-fill developments.	It is proposed that nodes should not expand towards the irreplaceable agricultural land.
OVERARCHING ISSUE 4: LACK OF VIABLE ECONOMIC INFRASTRUCTURE		
Lack of income generating opportunities	Establishment / expansion of agro-processing facilities	Initiation of agro processing, especially within areas situated on an agricultural corridor
Poor road conditions	Road Tarring	Provision of transport services to the remote regions of the Municipality
Lack of road network linkage	Multimodal transport integration	Initiation of multimodal transport which occurs along key road Points

ISSUES	PROJECT	HOW RICHMOND LM WILL OVERCOME THEM
Dominance of informal traders	Provision of formal trading stalls	Request funding from EDTEA for the provision of informal market stalls for LED.

3.4.13 SPATIAL AND ENVIRONMENTAL SWOT ANALYSIS

Table 17. Spatial & Environmental SWOT Analysis

STRENGTH	WEAKNESS
• 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; • Richmond is endowed with relatively good agricultural sector this sector; • Housing development programmes in progress (Hopewell, Siyathuthuka and Bhongoza) • SPLUMA conforming Single Land Use Scheme for the entire municipal area to guide development and creates investor confidence; • Rich in biodiversity; • Environmental programmes in place servicing to protect the natural systems and biodiversity;	• 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 farms acquired through land claim are under-utilised; • Limited land use awareness and enforcement of land use and development controls by the municipality; • No internal environmental official to deal with issues of the environment; • Introduction of land use management into areas (rural) previously not subject to land use management is still slow
OPPORTUNITIES	THREATS
• Richmond is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Ixopo) as well as the Provincial corridor R56). • Richmond is located closer to PMB as well N3, busiest corridor within the province	• most part of the Municipality there is steep terrain which limits development. • Mounting burden to protect the rivers and wetlands with limited resources available at the municipality.

which open a lot of trading and storage opportunities. • Richmond is a small rural municipality with a high potential for growth; • A number of nature reserves are found within the municipality which should be protected as they provide a number of ecosystem services; • Potential exists to develop and intensify the role of Thornville as secondary nodes. • Good climatic condition; • Bordered by the uMkhomazi river; • 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; • Commonage Farm presents an opportunity for mixed-use development and grow the town; • Land availability from land restitution beneficiaries.	• Dilapidated infrastructure within the town of Richmond • 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. • Unwillingness of land owners and land users to conform to land use management; • Illegal developments and land invasion threaten environmentally sensitive areas(wetlands) and desired spatial development patterns; • Climate change threaten agricultural activities and various ecosystems;

3.5 DISASTER MANAGEMENT

The Richmond Municipality currently has a developed Disaster Management Plan for the 2023/2024 Financial Year. 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 Amended 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, hence a need for plan of action in the event of a disaster.

As part of the municipality's response to disaster, it developed a Disaster Management Vision to ensure a focused approach in matters related thereto and the vision reads as follows:

“Richmond Municipality will be a competitive, friendly and safe environment to work, do business and live in, offering a better life and access to quality service delivery to its employees, people and stakeholders by 2030.”

The developed vision is in aligned to the developmental agenda of the municipality, which focuses on infrastructural development, socio-economic development, sustainable human settlements and good governance and public participation. The mission of the municipality in driving the disaster management vision reads as follows:

MISSION: Richmond Local Municipality will improve the livelihood of its clients by continuously improving the delivery of municipal services through innovation, stakeholder's relations, good governance and ensuring operation excellence.

The Disaster Management plan provides a standardized multi-disciplinary mechanism for ensuring that integrated response efforts are achieved during the occurrence of a major incidents or disasters. The plan encompasses the preparedness, disaster risk reduction, mitigation, response and relief actions that must be taken into account before, during and after the incident. It also seeks to provide a solid foundation that describes coordination, managerial and administrative arrangements required to safeguard citizens of Richmond Municipality and minimize the impact thereof.

3.5.1 LEGAL EFFECT OF DISASTER MANAGEMENT

The Constitution of the Republic of South Africa (Act 108 of 1996) places a legal obligation on the Government of South Africa to ensure the health (personal and environmental) and safety of its citizens. In terms of Section 41 (1) (b) of the Constitution, all spheres of government are required to “secure the well-being of the people of the Republic”. Section 152 (1) (b) also requires that local government “ensure a safe and healthy environment”.

The Disaster Management Act (DMA) is the overriding legislative framework in disaster management, which makes provision for powers and functions of all spheres of government and it provides for the establishment of disaster management as a function of each sphere of government, consistent with the autonomy of government espoused by the Constitution, through the establishment of disaster management structures across the spheres.

Section 53 (1) of the Disaster Management, Act No. 57 of 2002 as amended stipulates that each municipality must: –

- a) Conduct a disaster risk assessment for its municipal area;
- b) Identify and map risks, areas, ecosystems, communities and households that are exposed or vulnerable to physical and human-induced threats;

- c) Prepare a disaster management plan
- d) Coordinate and align the implementation of its plan with those of other organs of state and institutional role-players;
- e) Provide measures and indicate how it will invest in disaster risk reduction and climate change adaptation, including ecosystem and community-based adaptation approaches;
- f) Develop early warning mechanisms and procedures for risks identified in the municipal area;
- g) regularly review and update its plan; and
- h) Through appropriate mechanisms, processes and procedures established in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.

3.5.2 MUNICIPAL CAPACITY

The composition of the Disaster Management office includes two Disaster Management Officer who make use of one Emergency Response Vehicle. There is a disaster management forum in-place, whose purpose is to consult and coordinate actions pertaining to disaster risk management in the Richmond Municipality. The uMDM plays an integral 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

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).

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

Municipal Disaster Management Advisory Forum

The Richmond Municipality has established Disaster Management Advisory Forum, which assist the functionality of the Richmond Disaster Management Office. The forum is the body in which the Richmond municipality and relevant disaster management role-players advise one another and coordinate their actions on matters relating to disaster management in the municipality. Recent past experiences have shown the need to a coordinated approach in addressing disasters and the functionality of the forum have proven to be effective in channeling the limited resources to combat disasters.

The Disaster Management Advisory Forum is very effective and it is chaired by the Municipal Manager, as per the Terms of Reference or the Acting Municipal Manager or delegates the Head of Department. The civil Society also sit in the forum along with different sector

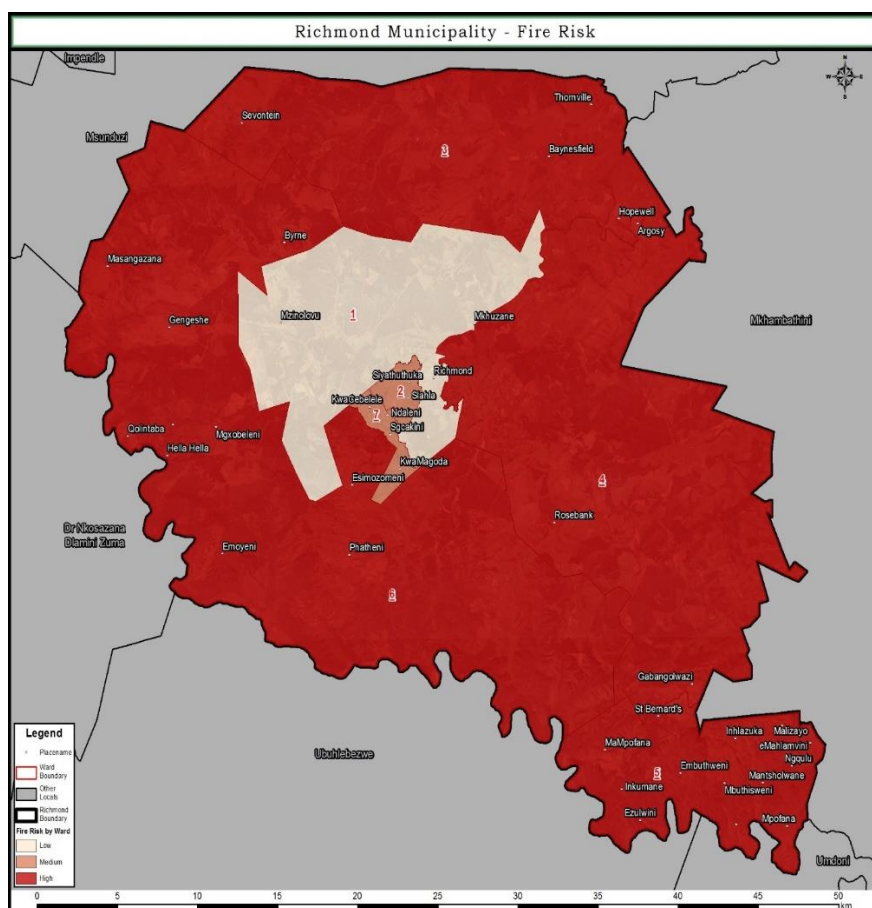
departments, non-governmental organizations and the private sector are represented in the forum. The representation of the disaster management advisory forum for Richmond municipality is available on *page 4 of the Richmond Municipal Disaster Management Sector Plan* attached as an annexure.

3.5.3 RISK ASSESSMENT

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.

Figure 41. Fire Risks

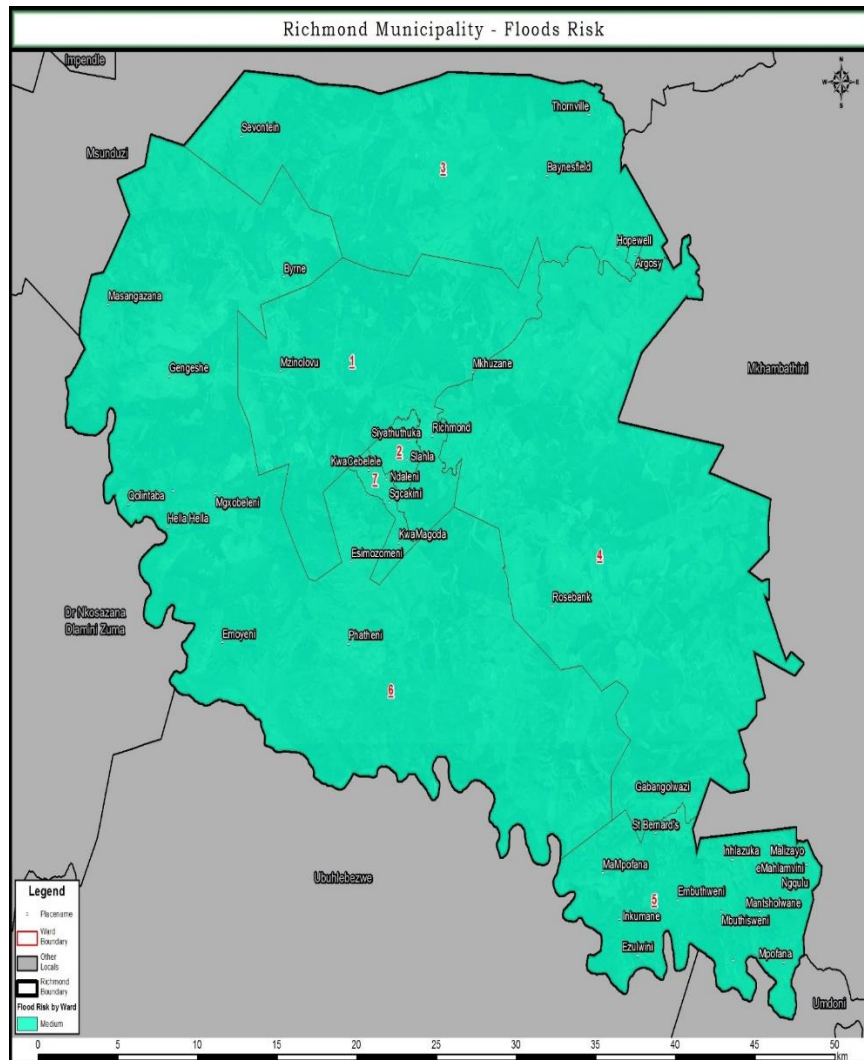


Richmond Local Municipality is required to perform Fire and Rescue Services with its area of jurisdiction, however there is an existing arrangement with uMgungundlovu District Municipality to provide fire services within Richmond Local Municipality areas.

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), Ward 3 and 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.

Figure 42. Flood Risks



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

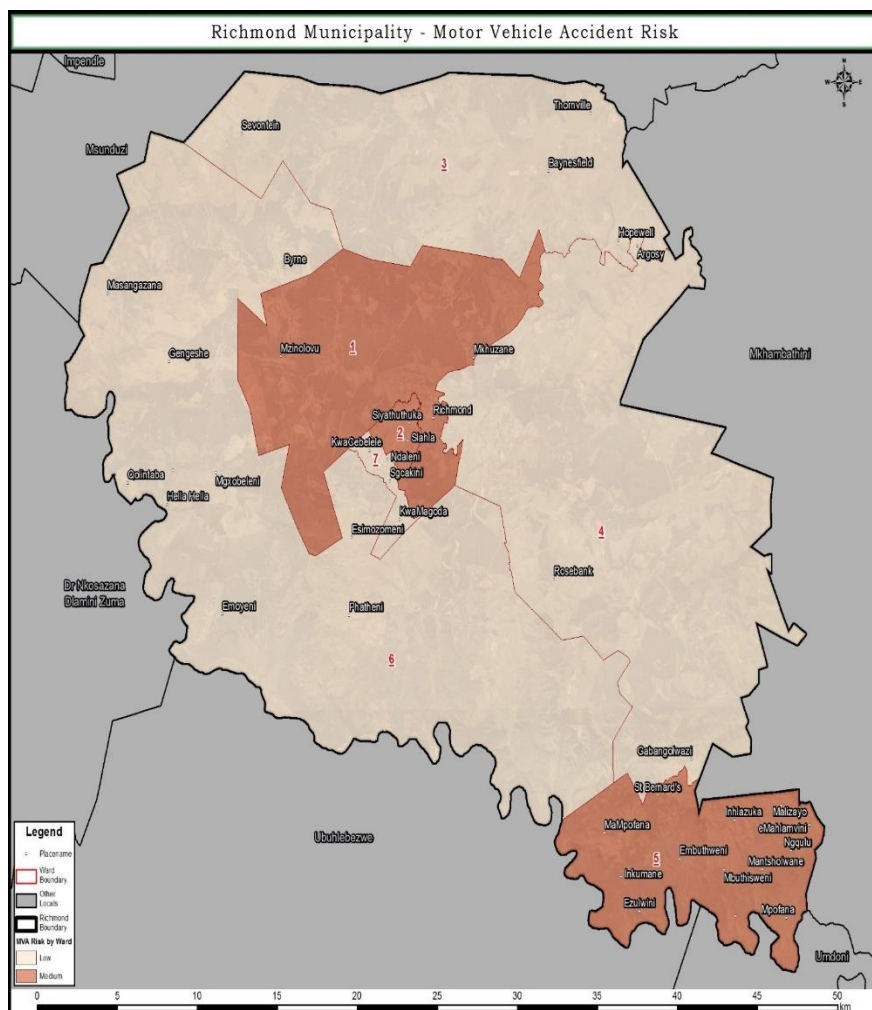
Section 3 of the Disaster Management Act, 2002 (Act No. 57 of 2002), and after consulting with the responsible cabinet members, the Minister for Cooperative Governance and Traditional Affairs (CoGTA) made and gazetted regulations to deal with the spread of the corona virus effect from 25th March 2020. 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.

Figure 43. Motor Vehicle Risk



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.

Table 18. Hazard Risk Profile Per Ward

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
Ward 7	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:

Table 19. Municipal Hazard Risk Profile

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:

Table 20. Vulnerability of Various Elements

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	O	L	M	M	L	M	M	M
Agriculture	M	H	L	M	O	L	M	M	L	M	M	M
Drinking water	M	O	O	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; O = No Risk												

3.5.4 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.

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

- ✓ Roads and bridges or culverts
- ✓ Regularly clearing of storm-water drains
- ✓ 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

3.5.5 RESPONSE AND RECOVERY

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

Table 21. Municipal Capacity in Disaster Management

Capacity of Richmond in managing disasters												
RLM	Floods	Fire	MVA	Snow	Cholera	Air pollution	Drought	Tornadoes	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; O = 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:

Table 22. Disaster Team's Response Time

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.
- Advise 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.

3.5.6 TRAINING AND AWARENESS

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

3.5.7 FUNDING ARRANGEMENTS

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

3.5.8 KEY CHALLENGES

Richmond Local Municipality has limited capacity to fulfil the required functions by the Disaster Management Act which includes the following minimum requirements:

- ✓ Disaster Operations Centre;
- ✓ Integrated Information Management and Communication System;
- ✓ A central communication Centre that is capable to operate on a 24-hour basis;
- ✓ A media and public information service;
- ✓ An education, training and research facility; and
- ✓ Adequate office accommodation and facilities for operational personnel

Capacity requirements should be structured to perform the aforementioned functions and provide rapid response to 5 municipal wards of the municipality. The municipality must invest in the provision of capacity within the disaster management centre and should consider the following requirements in such:

- infrastructure and equipment to perform disaster management
- additional personnel
- a disaster management information system
- additional vehicles
- additional funding
- training for personnel and volunteers

3.5.9 DISASTER MANAGEMENT: SWOT ANALYSIS

Table 23. Disaster Management SWOT Analysis

STRENGTHS	WEAKNESSES
- Disaster Management is also utilizing ward structures to perform some of the functions. - Disaster Management Volunteers availability at ward level and have been trained to assist communities in all wards. - Municipality provision of internal funding towards disaster management budget - Disaster Management Forum is very effective. - Disaster Management has a Intern who is full time based in the office to assist with paper work, while officers are on the field. - RLM Disaster Management Unit receive assistance in UMDM through deployed supporting officer.	- Lack of a proper space for disaster function - Unavailability of funds to build the disaster management centre - Disaster Management does have a call centre to receive phone calls as a result Disaster officers utilise their personal phones to attend emergencies - Rural areas are very sparsely - Lack of reports from some sector departments to the forum and inconsistency in attending such meetings - Lack of information available within the community regarding the structures/ directing reporting of disaster incident. - Lack of Disaster Management identification when conducting awareness as a result there is a low attendance from the community. - No proper storage for disaster emergency relief. - No having disaster manager hinders from efficient resolution related disaster issues.

	• SCM process contradict disaster emergencies as a result, assistance is delayed in providing for affected household. • Disaster Management unit does not facilitate building of houses but rely on Human Settlement for assisting of building of houses • Post disaster incident addressing/ directing as result of not being informed.
OPPORTUNITIES	THREATS
• Improved working relationships with other relevant disaster management stakeholders. • Participation of private sector, NGOs and CBOs on issues of disaster management • Involvement of councillors and traditional leaders on issues of disaster management and also sitting in the forum. • Participation of the private sector on issues of disaster management. • Coordinating with relevant stakeholders assist in improving and expanding information through awareness campaign.	• Unavailability of fire hydrants in rural areas • People are building in wetland area • Inaccessible informal settlements by emergency vehicles due to none existence of access roads • Occurrence of natural disasters • Houses not built in accordance with national building standards and regulations (rural and informal settlements) • Growth of informal settlements around urban areas. • No proper drainage system in the CBD and other areas. • Insufficient budget to merge the High demand of disaster assistance

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

4.1 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 and capacitated 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 has been developed in alignment with the long term development needs plans of the municipality and to be adopted by council.

The municipality has developed Employment Equity Plan in compliant with Employment Equity Act. Plan has been submitted to Department of Employment and Labour. It is reviewed and reported to the Department of Employment and Labour on yearly basis.

4.2 ORGANISATIONAL DEVELOPMENT

The municipality has adopted Workplace skills plan (2023/2024) and submitted to Local Government Sectoral Education and Training Authority (LGSETA). The plan is reviewed on an annual basis informed by skills audit conducted for all employees and Councillors. The municipality focus on different training interventions which includes (bursary, skills, leadership, apprenticeship, internship etc.). In additional the municipality developed a data base for unemployed youth and graduates and also to cater for unemployed graduates through programmes of internship, work-integrated learning (WIL) funded by SETA.

The municipality has also developed organizational policies to assist in the development of the municipality and below provides a list of all the additional policies that have been developed and will be adopted by Council by the 30 June 2023:

- ✓ Human Resource Plan and Strategy 2022/2026
- ✓ Human Resources Policy 2023/2024
- ✓ Occupational Health and Safety Policy 2023/2024
- ✓ Occupational Health and Safety – Wellbeing Plan (COVID-19) 2023/2024
- ✓ Employee Assistance Programme Policy 2023/2024
- ✓ Ethics Batho Pele Policy 2023/2024
- ✓ Induction Policy 2023/2024
- ✓ Individual Performance Management Policy 2023/2024
- ✓ Overtime and Standby Policy 2023/2024
- ✓ Records Management Policy 2023/2024
- ✓ Registry and Records Management Procedures Manual 2023/2024
- ✓ Filing System Policy 2023/2024
- ✓ Retention Policy 2023/2024
- ✓ Task Job Evaluation Policy 2023/2024

4.3 POWERS AND FUNCTIONS

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 (4) 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) standing committees (Executive Committee and Council, 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 Portfolio Committee

- **Community Development and Social and Corporate Services Portfolio Committee**
- **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).

Table 24. Functions of Organisation

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

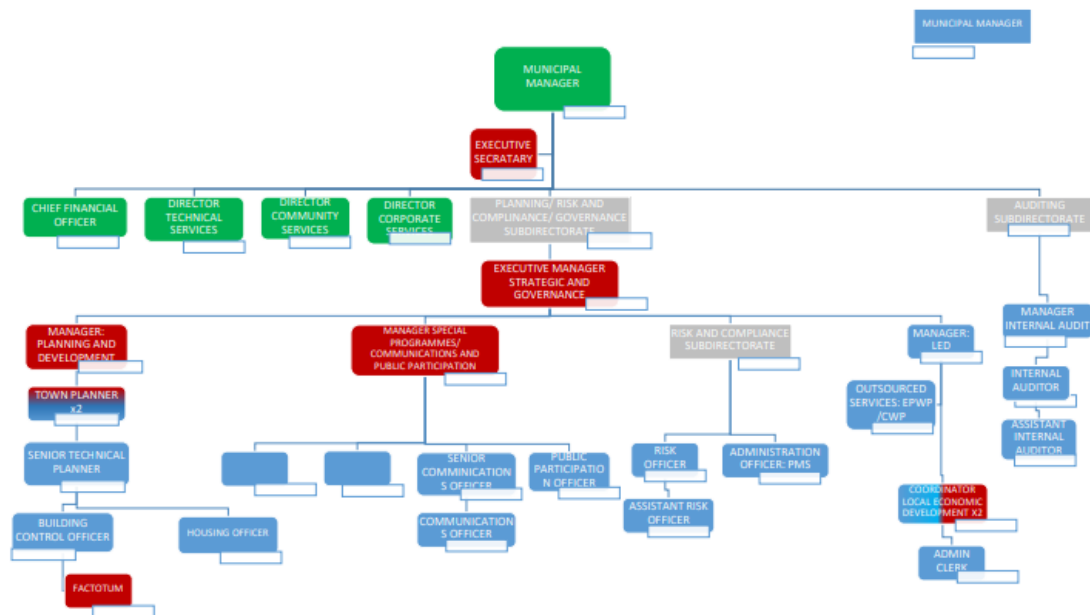
Street Lighting	performed by ESKOM
Traffic and Parking	Richmond Municipality
Community Services/ Library	Richmond Municipality
LED	Richmond Municipality
Motor Licensing	Richmond Municipality

4.4 ORGANISATION STRUCTURE

The municipality has a draft organisational structure which is to be approved by council which aligns to the long-term development plans of the municipality as well as the Powers and Functions outlined above.

The figures below provides detailed level municipal structure as per department reflecting institutional arrangements for all the key functions.

Figure 44. Organogram - Office of the Municipal Manager



Green – contract employment

Red – vacant with budget

Blue – permanent employment

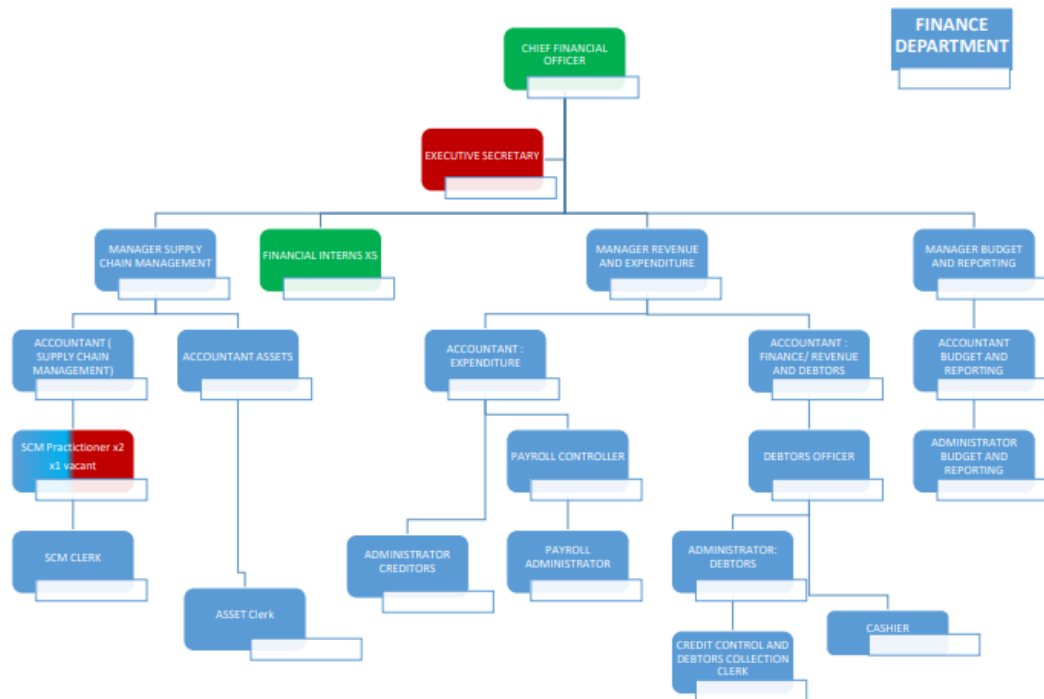
Purple – vacant with no budget

Yellow – outsourced services

Grey- sub-directorate (not a post)

Finance Department

Figure 45. Organogram - Finance Department



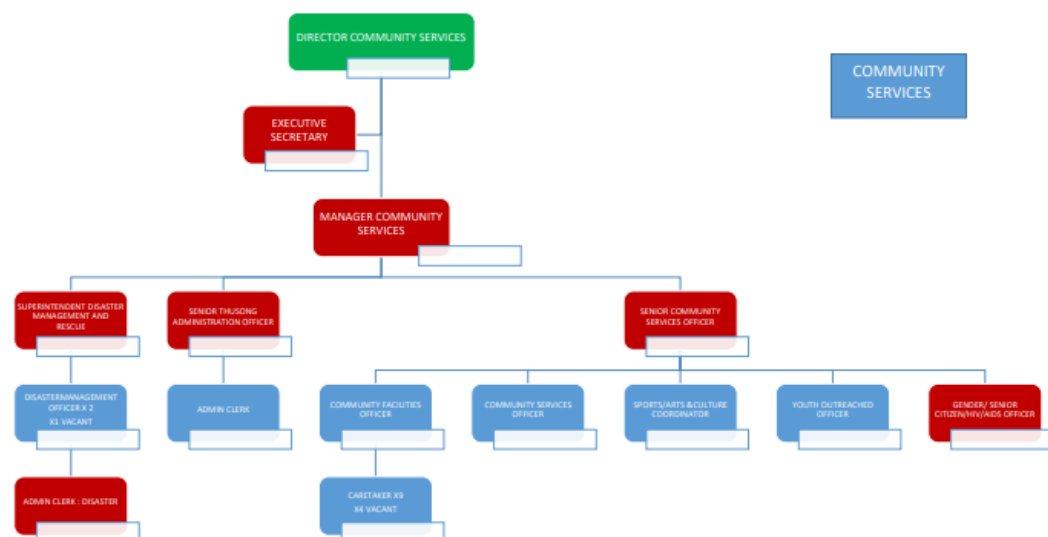
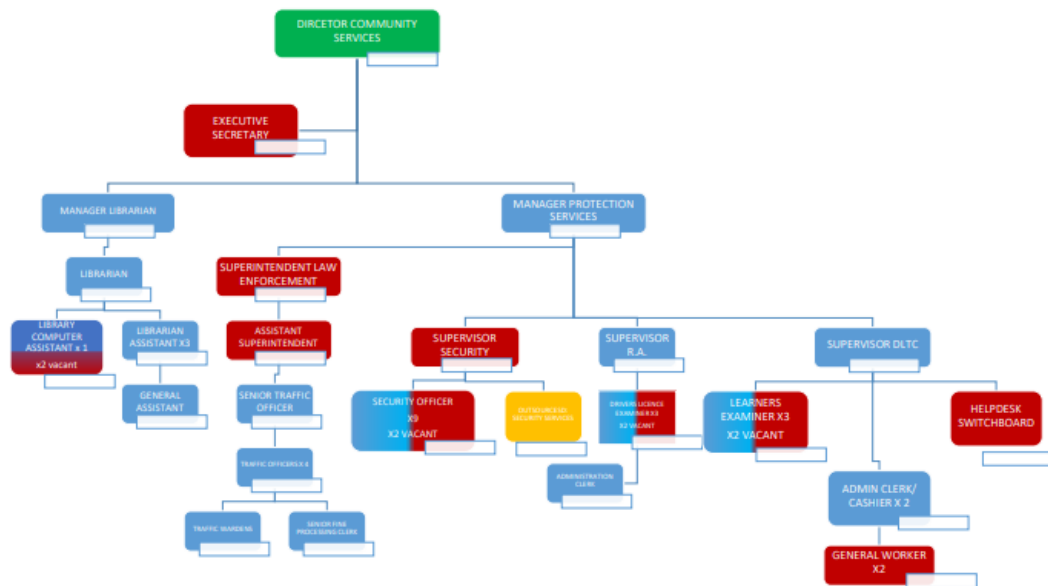
Corporate Services Department

Figure 46. Organogram - Corporate Services Department



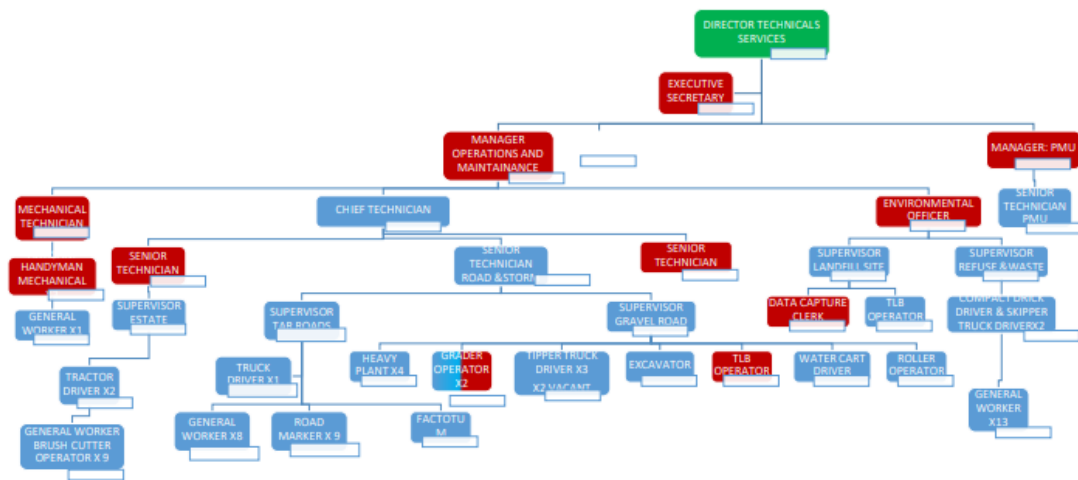
Community Services Department

Figure 47. Organogram - Community Services Department



Technical Services Department

Figure 48. Organogram - Technical Services Department



4.4.1 STAFF SUMMARY

Table 25. Staff Summary

STAFF SUMMARY

LEVEL OF MANAGEMENT	MALE				AGE			FEMALE				AGE			TOTAL
	A	C	I	W	18-35	36-45	46+	A	C	I	W	18-35	36-45	46+	
Top Management/Cllrs	8	-	-	-	3	3	2	6	-	-	-	2	2	2	14
MM/Senior Managers	4	-	-	-	3	1		1	-	-	-	-	1	-	5
Middle Management	5	1			1	5	1	4	1	1		4	1	1	12
Accountants/Technicians	5	1			2	4		4				2	2		10
Senior Officers	5		1		3	3		6				3	2	1	12
Officers	3	1			1	1	1	4				2	2		8
Senior Clerks/Administrators	17	2			4	7	10	10	1			9		2	27
Clerks/supervisors/Drivers	32	1			5	14	12	14				10		2	47
Cashiers	2				1	1		4				1	3		6
General Workers	35	1			2	7	27	20	1			3	10	8	57
Disability	1				1				1				1		2
TOTAL	117	7	1		26	46	53	73	3	1		36	24	16	200

4.5 ORGANIZATION (FILLED POSITIONS)

The current structure indicates that the Municipality permanently employs 180 employees. The vacancy rate is calculated at the end of each financial year for the Annual Report and is currently 12.2%

4.6 MUNICIPAL INSTITUTIONAL CAPACITY AND CRITICAL POSTS

All critical posts (section 54A and section 56 positions) are filled.

4.7 HUMAN RESOURCE DEVELOPMENT

The following key Human Resource Policies have been adopted by Council and reviewed on an annual basis 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 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 are revised annually.

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- 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.

4.7.1 WORK SKILLS PLAN

The Richmond developed its Work Skills Plan and was adopted by Council in April 2023 for financial year 2023/2024. The Work Skills Plan is a plan that incorporates all required and essential skills development and/or trainings that the municipality will be implemented with different intervention (skills/learnership/internship/academics, etc.) in the next financial year supported with budget. The plan is implemented is championed by the appointed municipal Skills Development Officer, who attend to the needs of skills development of municipal employees and the population of the Richmond Municipality.

The municipality has received the acknowledgement letter from LGSETA in respect to applications for youth development. The applications were submitted by the municipality requesting skills development/training for the youth of the municipality.

4.8 IMPLEMENTATION OF THE MUNICIPAL RETENTION POLICY

The municipality has a practice based on retaining its employees from management with a link of vast policies in place. The municipality has a Training and Development Policy in place due for review and adoption by 30 June 2023. The policy offers employees benefit on the bursary study scheme from grade 12/ NQF L4 to a level of Postgraduate/Honors. They are afforded an opportunity to indicate their short course to be empowered on and develop their skills for purposes of capacity building and addressing the gap between the skills required and job to be performed. This benefit is available to all employees and elementary employees who are also accommodated.

The municipality, as part of the compensation benefit, provides travelling allowance from middle managers to officer level as a means of retaining employees and value contribution of employees towards municipal service delivery.

The policy also affords employees opportunities to act in higher position, if available, in order to recognize their skills acquired through their employment term.

All exiting employees except deceased are required to complete the Exit Form to evaluate our Retention Policy is it assisting and benefiting the employees.

4.9 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT: SWOT ANALYSIS

Table 26. Municipal Transformation & Organisational Development SWOT Analysis

Strengths	Weaknesses
○ Appointment of Director Corporate Services	○ Lack of trainings after completing skills audit ○ Lack of filling vacant budgeted positions

○ Policies in place in the department Workshop on yearly basis to provide update ○ WSP supported with budget ○ Backup sites and software ○ Employment of all section 57 ○ Implementation of job evaluation	○ Shortage of staff within department (IT, HR, Legal) ○ Lack of growth within the department ○ Departmental staff involvement on budget and planning ○ Lack of tools of trade/ no office equipment ○ Upgrade municipal website to accommodate intranet ○ Lack of human resources information system ○ Volume usage of copying machine
Opportunities	Threats
○ Cloud backup ○ Bursaries available for all employees to a level of Degree ○ Data base of unemployed	○ High unemployment rate ○ No generator in case of outage ○ No backup on records ○ Backup on records in case of Fire ○ HIV/ AIDS epidemic ○ Low staff morale ○ No control of incoming and outgoing of people

SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

5.1 WATER AND SANITATION

The uMgungundlovu District Municipality is the Water Services Authority responsible for the provision of potable water and sanitation within the municipality and in accordance to the UMgeni Infrastructure Master Plan 2022, Richmond Municipality falls within the Upper Umgeni/Mooi Catchment of the uMgeni Operational Region. The municipality has a bulk water pipeline and operated reservoirs that connect the various communities and business with water supply.

The Richmond Town and the suburban areas of ward 1 are serviced in terms of reticulated water and sanitation. However, problems are experienced with services, which are a result of 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 2021/2022. The WSDP has been reviewed adopted by Council

in 2021/22 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=1342645f204c7d80affa09d43f6f6ac6&a=21](http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20report%20(revised).pdf&link=1342645f204c7d80affa09d43f6f6ac6&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](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 27. Water Distribution

	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 28. Access to Sanitation Facilities

	Census 2011	Community Survey 2016
Flush/chemical toilet	6364	5249
Other	10076	12375
Total	16440	17624

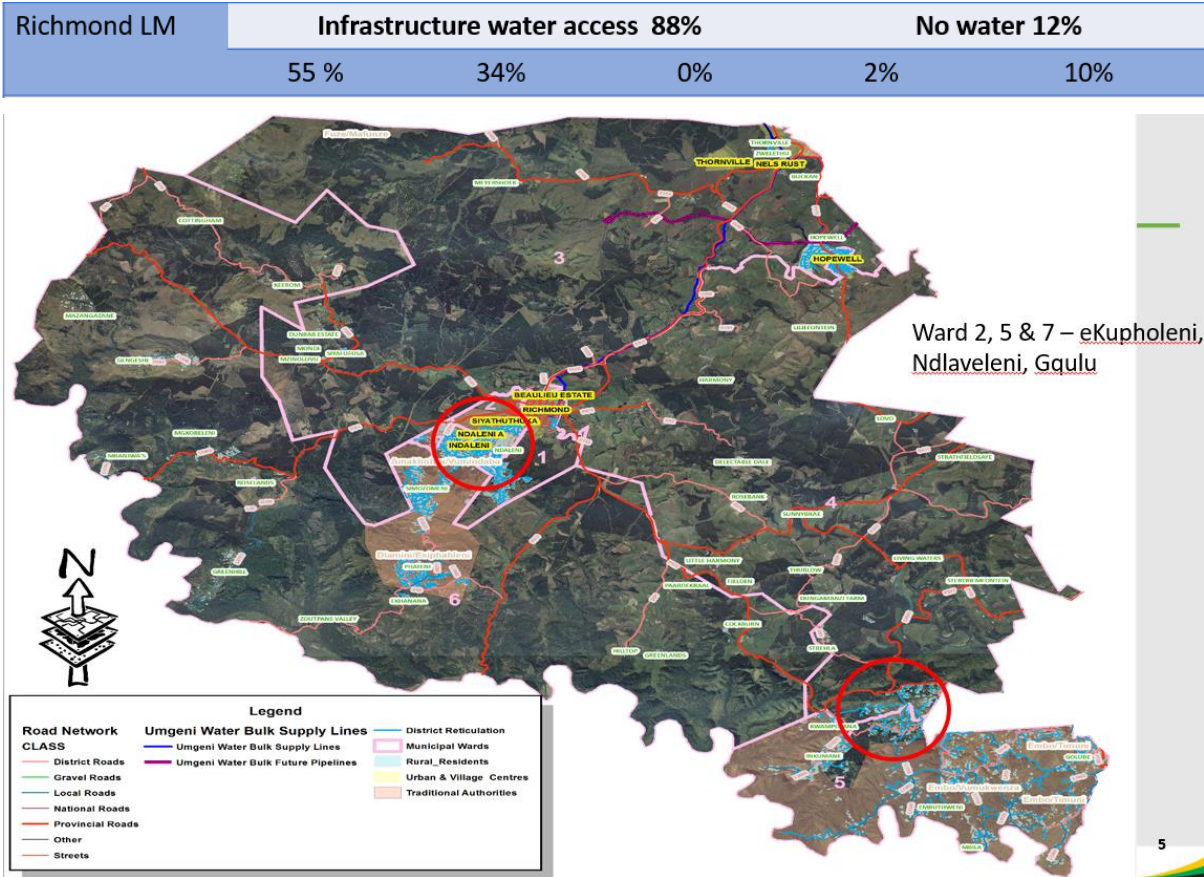
Stats S A: Census 2011, Community Survey 2016

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.

5.1.1 STATUS OF WATER SUPPLY

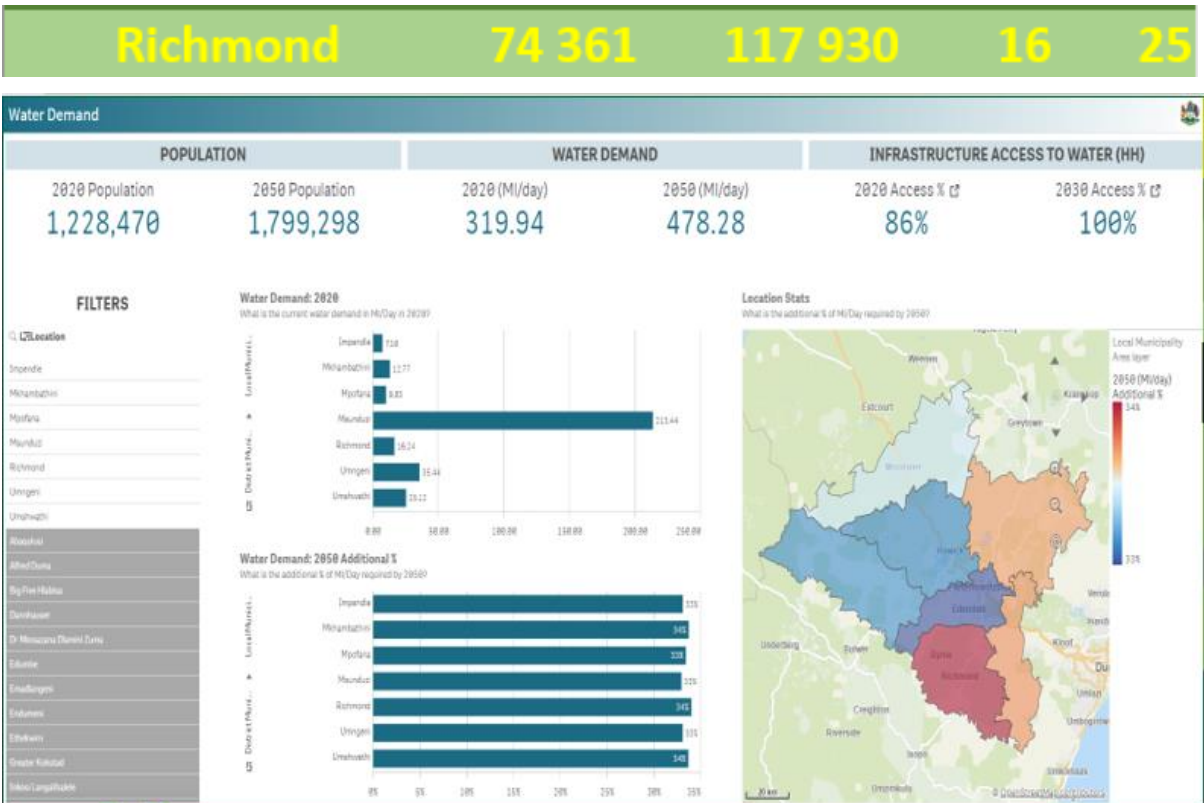
The following table indicates the percentage status for water supplied by UMgundundlovu District Municipality to Richmond Local Municipality.

Municipality	Yard Connections	RDP Water Connections	Dysfunctional Infrastructure	Rudimentary Water	No Water Access (No Infra.)



Map: Bulk Water supply within the Richmond Municipality

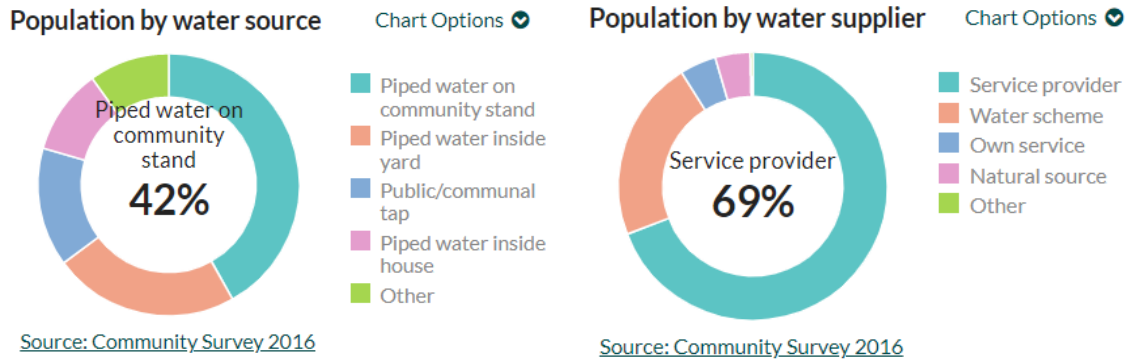
Map below indicated the water demand within the Richmond Municipality



5.1.2 ACCESS TO WATER

The table below reflect the households with access to water in Richmond local Municipality as per community survey that was conducted in 2016.

Figure 49. Access to Water



Proposed Operation and Maintenance

The table below indicates the proposed operation and maintenance interventions by the UMGungundlovu District Municipality within the Richmond area.

Figure 50. Status of Water Supply in Wards 1,2 & 3.

Ward	Area	Status Quo	Challenges	Proposed intervention	Date
1.	Richmond Town	Umgeni Water bulk - Stable supply	1. Low pressure during peak on lower CBD. 2. AC pipe and CI – frequent bursts & rust 3. Illegal connections – Bhogoza informal settlement	1. AC & CI replacement – designs completed, will require review. 2. Legalization of connections - dependent on system capacity.	TBC - BP
	Siyathuthuka	Umgeni Water bulk - Stable supply	1. High water wastage 2. One meter supplying two or three houses.	1. Consumer awareness. 2. Connections separation	Ongoing
2.	Ndaleneni	Umgeni Water bulk - Stable supply	1. High demand –intermittent supply 2. Yard connections on rudimentary	1. Water rationing 2. Tankers – Ndlaiveni, Magoda, Ekupholeni 3. Bulk and retic upgrade	Ongoing
					TBC - Planning
3.	Mzinolovu	Two production boreholes	1. One BH dried out	1. Tankers through 2 static tanks	
	Mkhuzane	Two handpump boreholes	1. One BH vandalized	1. Bulk connection from UW bulk main	TBC – Initiation
	Argosy	Umgeni Water bulk - Stable supply Tankers to Farm	1. Frequent burst – road damages, old meters.	1. Network upgrade with meter replacement.	TBC - Initiation
	Thornville/Zwelethu	Umgeni Water bulk - Stable supply	1. Illegal connections – Thornville informal settlement	1. Legalization of connections - dependent on system capacity. 2. Consumer awareness.	TBC – Pre-plan

Figure 51. Status of Water Supply in Wards 4,5 & 6

Ward	Area	Status Quo	Challenges	Proposed intervention	Date
4.	Mandosi & Gingqitshe	Gingqitshe handpump BH	1. BH dried out	1. Tankers through 6 static tanks.	Ongoing
		No formal scheme	2. Grey area requires infrastructure	2. Investigate other options	TBC - initiation
	Dungamanzi/ Kwamphako	No formal scheme	1. Grey area requires infrastructure	1. Tankers through 3 static tanks.	Ongoing
				2. Investigate other options	TBC - initiation
	Gabangolwazi	Nhlazuka bulk - Stable supply Panel powered BH	1. Frequent burst 2. BH vandalized	1. Network optimization 2. Consumer awareness	Ongoing
5.	Mbuthisweni & Nhlazuka	Greater Eston bulk – rudimentary design	1. Burst pipes taking longer to locate 2. Infrastructure capacity small	1. Upgrade reticulation	TBC – BP
	Mbuthisweni	Umgeni Water Bulk	1. Intermittent supply – frequent burst on Gqulu Res rising main	1. Augmentation through tankers 2. Bulk connection from Ukhalo side	Ongoing TBC - BP
6.	Smozomeni	Rudimentary scheme	1. Illegal connections	1. To form part of Greater Indaleni Scheme Upgrade	TBC - BP
	Phatheni	Umgeni Water Bulk through Ndaleni	1. None	1. N/A	N/A
	Gengeshe	Production BH	1. None	1. N/A	N/A
	Masangazane	Two handpump BH Grey areas	1. Lack of infrastructure	1. Tankers through 5 static tanks. 2. Investigate other options	Ongoing TBC – Initiation
	Kwabhontshisi	One handpump BH	1. None	1. N/A	N/A

Figure 52. Status of Water Supply in Wards 6 & 7

Ward	Area	Status Quo	Challenges	Proposed intervention	Date
6.	Hela Hella (Mgxobeleni)	No formal scheme	1. Grey area requires infrastructure	1. Tankers through static tanks. 2. Investigate other options	Ongoing TBC – Pre-plan
	Dungamanzi/ Kwamphako	No formal scheme	1. Grey area requires infrastructure	1. Tankers through 3 static tanks. 2. Investigate other options	Ongoing TBC - initiation
	Gabangolwazi	Nhlazuka bulk - Stable supply Panel powered BH	1. Frequent burst 2. BH vandalized	1. Network optimization 2. Consumer awareness	Ongoing
7.	Ndaleni	Umgeni Water bulk - Stable supply	1. High demand –intermittent supply 2. Yard connections on rudimentary	1. Water rationing 2. Tankers – Ndlaveni, Magoda, Ekupholeni 3. Bulk and retic upgrade	TBC - BH

Proposed project to be implemented by the District Municipality for the Richmond LM:

Table 29. Proposed Water Projects

Area	Project Name	Project Scope of Work	Estimated Budget	Ward	Comments/R ecommendati ons
RICHMOND					
1	Nhlazuka	Embuthweni Water Supply Phase 4	Upgrade of 3 Pumps, extension of the existing <u>reticulationsystem</u> , additional standpipes and storage <u>reservoirs</u> .	R 9,500,000	5
2	RICHMOND	Richmond Town -AC pipe replacement/ Upgrade	Phase1: Upgrade of Richmond reticulation network .construction of 30273m long 50mmuPVC pipeline,6868m long 74mm Upvc, 120m long 200mm Upvc and 199m long 300mm Upvc pipelines and accessories. Installation of +500 valve chambers, installation of 50 fire hydrant, 20 pressure reducing valves, 1000 house connections and accessories,1000 water meters.	R 83,000,000	1
3	RICHMOND	Upgrade of Ndaleni, Siyathuthuka, Smozomeni and Magoda water reticulation.	Phase 2: Upgrade of Ndaleni, Siyathuthuka,Smozomeni and Magoda water reticulation. Upgrade/extension of existing 40-63mm HDPE class 12.5 of 10km length water reticulation pipelines in Smozomeni,30km length in Syathuthuka,40km length in Ndaleni and 20km length in Magoda. Upgrade of existing 10km long 50- 160mm uPVC class 12 distribution water mains in Ndaleni, Smozomeni, Magoda and Syathuthuka. Provision of +5200 yard connections and accessories. Provide +5200 Ester Kent V110 KSM water meters in Ndaleni.	R 77,910,619	Wards 1,3,4,5
4	RICHMOND	Gengeshe Water Supply Scheme	Construction of 20km bulk water pipeline gravity/pumping main from the command reservoir off-take to Byrne village. Reticulation to 422 households, house connections, booster <u>pumpstation</u> , 2x 500m3 reservoirs, and 60 communal standpipes.	R 29,884,930.00	4

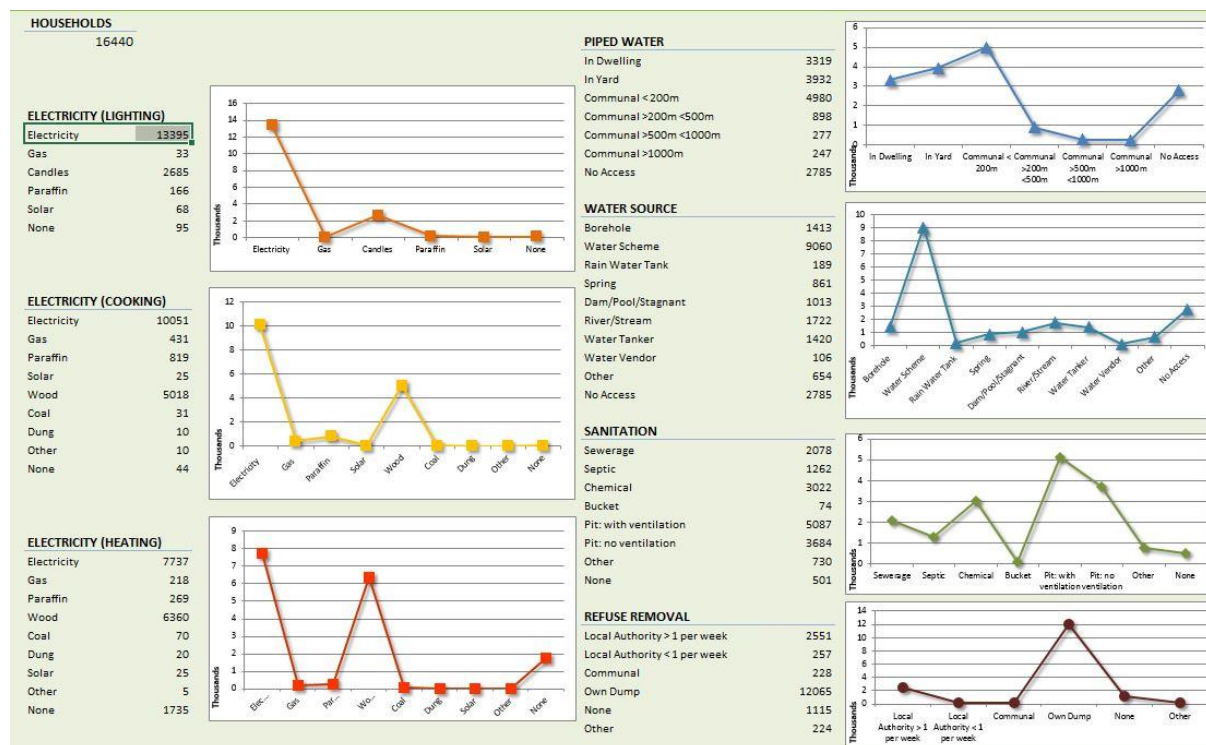
5.1.3 STATUS SANITATION

Richmond Local Municipality as a predominantly rural area has a larger usage of pit latrines within the rural areas, where as the Richmond CBD are using water born toilet systems.

Sanitation Programme within Richmond LM

	Project Name	Project Type	Project Scope of Work	Estimated Budget	Wards	Population to Benefit	No. of Job Creation - Estimate	
RICHMOND LM								
1	Richmond VIP Backlog Toilets	VIP (Backlog)	Construction of Ventilated Pit Latrine (VIP)	R8,634,062	Ward 2,5,6&7	63219 people and 782 households	150	
2	Richmond VIP Replacement Toilets	VIP (Replacement)	Construction of Ventilated Pit Latrine (VIP)	R46,714,471	Ward 2,5,6&7	63219 people and 4231 households	400	

Table 30. Municipal Summary on Households Access to Bulk Services



5.2 MIG PROJECTS

Richmond Local Municipality, as a municipality who is reliant grant for infrastructure project, has for the 2022/2023 financial year received allocation for conditional grant as per the National Treasury Regulation and in compliance with the Division of Revenue Act (DORA).

Project Implemented by the municipality funded by MIG for the 2022/2023 financial year.

Table 31. MIG Projects

PROJECT NAME	WARD	APPOINTMENT AMOUNT
Rehabilitation of Nelson Street	1	R2 865 481.54
Upgrade of Harding Street	1	R3 881 605,06
Upgrade of Illovo Street	1	R5 071 076.82
Construction of <u>Sheti Bridge (Connects Ward 1 and Ward 2)</u>	1 and 2	R6 994 010,62
Construction of Ward 7 <u>Fibre Sports Field</u>	7	R9 644 074.89 MIG Registered Value
Rehabilitation of <u>Siyathuthuka/ Magoda Main Road Ward 2&7 –Phase 2</u>	2 & 7	R11 565 000.00

5.3 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 32. Estimated Waste Volumes

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 yet to be adopted 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 33. Access to Waste Collection Services

Refuse Removal	No Households in 2011	No 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.

5.4 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 Ndoleni 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.

5.4.1 PUBLIC TRANSPORT

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

Table 34. Public Transport Routes

ORIGIN	DESTINATION
Richmond Taxi Rank	Durban
Ixopo Taxi Rank	Richmond
Gengeshe	Richmond
Richmond	Eston
Masangazane	Richmond
Magoda	Richmond
Ndalen	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.

5.5 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 as 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.

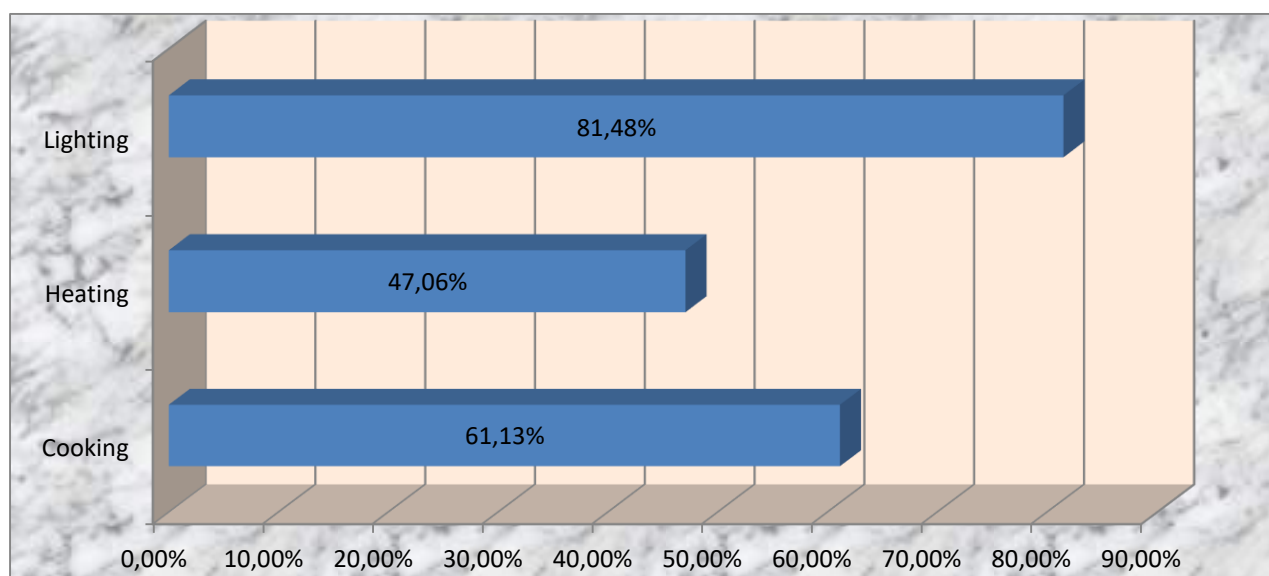
The following tables indicate percentage of household distribution by type of energy used for lighting, cooking and heating within the Richmond Municipality:

Table 35. 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 53. Household Use of Electricity



The above figure indicates that there is significant improvement in the use of electricity as a source of lighting, which may suggest that there are more households connected to the electrical grid. The share number of households who make use of electricity for heating may be a direct link to the cost of electricity and/or the availability of alternatives source for heating mainly wood for open fires (accounting almost 39%). Wood is easy accessible for most of the households considering the fact that Richmond is a heavy forest planation municipality. A relative number make use of electricity for cooking and as is evidence from sources for heating, wood is the second alternative that household make use of for cooking as a result of it being abundant.

5.5.1 PLANNED ELECTRIFICATION PROJECTS

1. Ward 3 Projects.



No.	Project Name	Ward	No. of Planned Connections:
1	Ensongeni Ward 3 - Electrification Project	3	12
2	Egumeni Village 3 Ward - Electrification Project	3	10
3	Lindelani Village Ward 3 - Electrification Project	3	15
4	Ezizala Village Ward 3 - Electrification Project	3	10
5	KwaSkobho Village 3Ward 3 - Electrification Project	3	15
6	Thornville Village Ward 3 - Electrification Project	3	20
7	Zwelethu Village Ward 3 - Electrification Project	3	5
8	Mthunzini Village Ward 3 - Electrification Project	3	15
9	Mzinyolovu Village Ward 3 - Electrification Project	3	10
10	Matshengwana Village Ward 3 - Electrification	3	12
11	emaGwababeni Village Ward 3 - Electrification Project	3	15
TOTAL NUMBER OF INFILL S			139

2. Ward 4 Projects.

No.	Project Name	Ward	No. of Planned Connections:
1	Gabanezwazi Ward 4 - Electrification Project	4	15
2	KwaGingitsha Village Ward 4 - Electrification Project	4	5
3	Komchunu Village Ward 4 Electrification Project	4	5
4	Hopewell Village Ward 4 Electrification Project	4	5
TOTAL NUMBER OF INFILL S			30

3. Ward 5 Projects.

No.	Project Name	Ward	No. of Planned Connections:
1	Nkumana Ward 5 - Electrification Project	5	20
2	Maromeni Village 5 - Ward Electrification Project	5	15
3	Nogwegwe Village Ward 5 - Electrification Project	5	15
4	eZuluyini Village Ward 5 - Electrification Project	5	10
5	Mbuthiweni Village Ward 5 - Electrification Project	5	20
6	Coxzi Village Ward 5 - Electrification Project	5	15
7	Shivampahla Village Ward 5 - Electrification Project	5	10
8	Mpofana Village Ward 5 - Electrification Project	5	20
9	Mshibane Village Ward 5 - Electrification Project	5	10
10	Mahlamwini Village Ward 5 - Electrification	5	15
11	Malizayo Village Ward 5 - Electrification Project	5	15
TOTAL NUMBER OF INFILL S			165

4. Ward 6 Projects.

No.	Project Name	Ward	No. of Planned Connections:
1	Umkhomazi Ward 6 Electrification Project	6	20
2	Smozomeni Section B Ward 6 - Electrification	6	20
3	Mphunxukweni Ward 6 - Electrification	4	20
TOTAL NUMBER OF INFILL S			60

5.6 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, Ndaleneni 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 Ndaleneni 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 of providing funding for social infrastructure, the funding of operation and maintenance of such facilities is still a challenge.

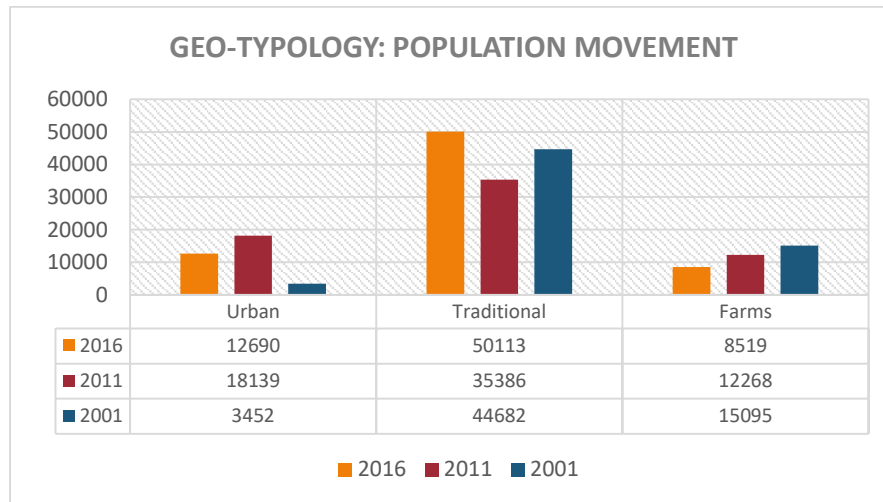
5.7 HUMAN SETTLEMENTS

In terms of Section 26 of the Constitution of the Republic of South Africa 1996 and Section 3 of the National Housing Act 1997, the National Department of Human Settlements is mandated at establishing and facilitating a sustainable national housing development process in collaboration with provincial department and local municipalities. The Richmond Municipal Human Settlements Unit is mandated to assist the department in the identification of the housing needs and the submission of applications requesting the approval, prioritisation and funding of identified housing projects within the municipality. The Richmond Municipality therefore developed a Housing Sector Plan in order to determine the status of housing need within the municipal jurisdiction.

5.7.1 CURRENT HOUSING DEMAND

In order to understanding the need for housing, one must firstly understand the demographics that have direct impacts on the need for housing. The below figure provides data over a 15year period relating to the movement of people in the various housing typologies e.g. urban, rural/traditional and farms/farm dwellers.

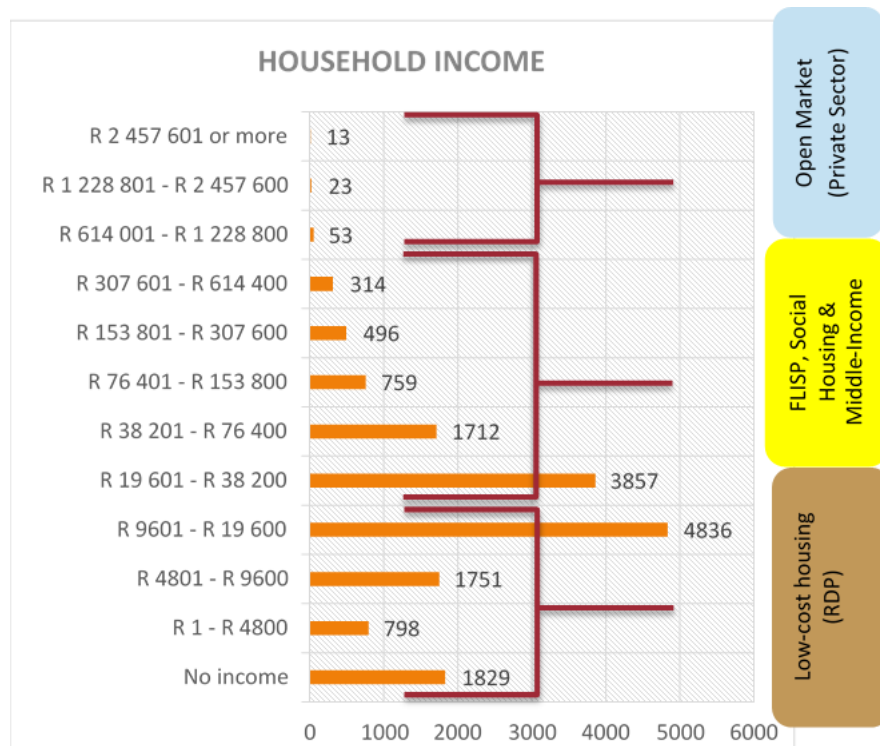
Figure 54. Population Movement: Geo-typology



It is clear from the above figure that the movement of people within Richmond Municipality is concentrated within traditional/rural areas. Interesting to note with regards to the other two forms of housing typologies, where the farm dwellers have seen a steady decline from 15 095people in 2001 to 8 519people who reside in farms, while the urban population movement has not been constant, recording a sharp increase in population in 2011 and a moderate decrease in 2016. This data is pivotal in determining the pressure points, where housing needs may be concentrated.

Household income is another important factor to consider in processes of determining housing needs. This provides an overview of the types of housing markets that may be introduced within the area of study. Below provides a summary of the household income levels and related housing opportunities for the various income brackets:

Figure 55. Household Income & Housing Subsidy



The following information has been extracted from the Richmond Municipality Housing Sector Plan, which will guide the processes of housing delivery. 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.

Table 36. Housing Typologies

	Traditional	%	Slums	%	Employment levels	%
1	Area 5	47	Area 6	53	Area 4	23
2	Area 7	30	Area 2	27	Areas 5,6	13
3	Area 4	23	Area 3	21	Areas 2,3&7	10-13%
4	Areas 2,3,6	3-8				

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 (1000 units have been constructed in INhlazuka housing phase 1) the St Bernard & Amundus Hill project with 400 units underway once land is acquired. Ward 6: Phatheni (already covered with a rural project consists of 700 units), kwaGengeshe is approved for detailed planning of 400 units and Masangazana and Mgxobeleni in progress thereafter ward 3: Hopewell (Housing application was sent to the Department for land acquisition for the proposed housing project).

While in terms of potential slums clearance or informal upgrade projects, the areas of greatest need are firstly Area 2: Ndalen, Smozomeni, Emaswazini, (Insitu-Upgrade project covering 800 sites suggested for this area) Area 1: 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 currently in construction stages which also include the Ndalen Area and Siyathuthuka Phase 3 application was sent to the Department).

According to distribution of households in Richmond from Community survey 2016

- Formal Dwellings are 12 182
- Traditional Dwellings are 4 092
- Informal Dwellings are 1 229
- Other 68

Therefor the total housing demand is 5 389 which is in accordance with the housing backlog in Richmond.

5.7.2 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 37. Housing Projects

PROJECTS	NO.OF UNITS	AREA	WARDS	SOCIAL& ECONOMIC CATEGORY	PROJECT STATUS	ENGINEERING SERVICE In 5 years	ENGINEERING SERVICE In 20 years
Siyathuthuka Phase 2 Housing Project	1000	Siyathuthuka	2	Low income	Construction	none	none
Argosy Farm Rectification Project	1605	Hopewell	4	Middle	Construction	Floodline/planes Survey	Floodline/planes Survey
St Bernard's Housing project (Land Reform Projects)	360	Nhlazuka	5	Low income	Planning stage: Resolving land issues	Geotechnology studies Survey Floodline/plane studies Bulk infrastructure	Geotechnology studies Survey Floodline/plane studies
Amandus Hill Housing Project(Land Reform Projects)	40	Nhlazuka	5	Low income	Planning stage : Resolving land issues	Geotechnology studies Survey Floodline/plane studies Bulk infrastructure	Geotechnology studies Survey Floodline/plane studies

Bhongoza Informal & Umkhuzana Settlement	250	Commonage Relocation	3	Low income	Planning Stage Approved for detailed planning	Geotechnology studies Survey Floodline/plane studies	none
Hopewell Housing Projects	1000	Hopewell	3	Low-Middle income	Planning : Application submitted to the Department	Geotechnology studies Survey Floodline/plane studies	Geotechnology studies Survey Floodline/plane studies
Tedan housing project	100	Tedan Farm	6	Low income	New project	Geotechnology studies Survey Floodline/plane studies	none
Gengeshe Housing project	400	Gengeshe	6	Low income	Approved for detailed planning	Geotechnology studies Survey Floodline/plane studies	none
Mzinolovu Housing project	300	Mzinolovu	3	Low income	Planning: Application submitted to the Department	Geotechnology studies Survey	none

						Floodline/plane studies	
kwaMagoda Housing project	1000	Magoda area	1	Low income	New project	Geotechnology studies Survey Floodline/plane studies	Geotechnology studies Survey Floodline/plane studies
Nhlazuka Housing Project Phase 2	1000	Nhlazuka	5	Low income	New project	Geotechnology studies Survey Floodline/plane studies	Geotechnology studies Survey Floodline/plane studies
Community Residential Units	300	Richmond	1	Middle income	Planning: Application submitted to the Department	Geotechnology studies Survey Floodline/plane studies	Geotechnology studies Survey Floodline/plane studies
Siyathuthuka Phase 3	1000	Indaleni	2	Low income	Planning: Application submitted to the Department	Completed	none

5.7.3 HOUSING SWOT ANALYSIS

Table 38. Housing SWOT Analysis

Strengths	Weaknesses
○ Building safe, reliable and high quality housing developments ○ Contribution to improve livelihood of locals in the approved project area ○ Transparency of information to all communities	○ Lack of proper management of dispute between approved beneficiaries and third party situations. ○ Lack of resources in terms of individuals within the office ○ Undeveloped interrelations with stakeholders such as DOHS, AI's and community.
Opportunities	Threats
○ To identify sustainable housing development opportunities ○ Engage community in planning for approved housing ○	○ People building in hazards areas such as wetlands and lower laying areas ○ Resistance to change – unresolved land issues ○ Ward's politics affecting projects.

5.8 TELECOMMUNICATION

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 are the 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.

Richmond Municipality has appointed a company to install fibre in Richmond (at no cost to the municipality) also the appointed company will provide wifi to 5 local schools for a period of 2 years in order to assist with learning and research. The appointed company has been provided with way leave approval for designing and construction of Arial fibre to residential, commercial, and industrial areas of Richmond.

5.9 SERVICE DELIVERY AND INFRASTRUCTURE: SWOT ANALYSIS

Table 21. SWOT Analysis

Table 39. Service Delivery & Infrastructure SWOT Analysis

Strengths	Weaknesses
- Basic plant and equipment to implement responsibilities - Fully established and functional Supply Chain Management Committees 90% of critical positions filled	- Limited skills and experience in specific fields of expertise - Lack of supervisory skills (planning, people management, ineffectiveness)

• Political Stability The Municipality is financially viable	• 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 • Potential capital infrastructure grants from Sector Departments • Funding for the establishment of the PMU	• Impact of HIV/AIDS and chronic diseases • Negative political influence • Economic recession • Natural disasters

LOCAL ECONOMIC DEVELOPMENT AND SOCIAL ANALYSIS

6.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

Local Economic Development (LED) has become a global concept that is generally utilized to address poverty and to create jobs in urban and rural localities. The greatest potential for development support exists at the local government level, with a focus on attracting investments, creating jobs, and boosting demand. In South Africa, since 1994, local government's role has expanded from providers of public goods and basic social services to include LED (Meyer, 2014).

A more comprehensive and all-inclusive definition has been developed by the Department of Provincial and Local Government Affairs (2000), as follows,

“An outcome based on local initiative and driven by local stakeholders. It involves identifying and using primary resources”.

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:

- ✓ Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values);
- ✓ Economic drivers (value added resource use, local skills training, local income retention, regional cooperative) and
- ✓ 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 it 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 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.

6.2 LOCAL ECONOMIC DEVELOPMENT UNIT STRUCTURE

The Local Economic Development Unit reports under the Municipal Managers Office. The current structure of the office is as follows:

- ✓ **Manager:** Local Economic Development (1)
- ✓ **Coordinators:** Local Economic Development (2)

The LED Unit is currently functioning with 2 full time employees which is the Manager and 1xLED Coordinator, there is one vacant position for the LED coordinator, the unit also has 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 the unit has been able to source funding from provincial departments for the implementation of LED infrastructure projects which will be outlined on the LED implementation plan. It is also necessary to seek assistance from external stakeholders for budget of Research and Development as the municipality still lacks in terms of budgeting for it, this will assist the municipality to provide necessary trainings and workshops thus improving understanding of LED and additional staff to improve capacity and productivity.

6.3 LOCAL ECONOMIC DEVELOPMENT AND TOURISM STRATEGY- 2021-2030

The Local Economic Development and Tourism Strategy, 2021 – 2030 is aligned to district, provincial, national, continental and global strategic goals and is a sector plan to the IDP and was presented to Council for adoption on 28 June 2021 and is reviewed annually. The strategy will be presented with its implementation plan to all relevant portfolio committees for review and will be adopted with the IDP end of May of each year.

The LED and Tourism Strategy is a 10-year economic strategy for Richmond Local Municipality. The strategy does not provide any recipe or formula, but rather a framework to guide the further growth and development of Richmond economy. The strategy only presents part of a much larger effort with the real challenge and crux being its successful implementation. The strategy must not be considered “final” and implemented rigidly but must be appreciated as a “live” document to be amended in accordance with the dynamics of the ever-changing environment, which will require experimenting with new ideas and “learning by doing”.

Sections 155 and 156 of the Constitution set out the functions of municipalities, which include certain LED related functions. It is however important to note that LED per se is not a municipal function. It is important to recognize that LED involves far more than a list of projects. Instead, LED has a very strong strategic character, and it essentially involves the process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation in pursuit of a better life for all. It involves local responses to local problems aligned with broad overall development guidelines provided by the provincial and national spheres. LED is not only about economic stimulation but also improving the quality of life.

6.4 STAKEHOLDER ENGAGEMENTS (STRATEGY FORMULATION)

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

Table 40. Stakeholders

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
uMgungundlovu District Municipality, DARD, DRDLR, ADA, CoGTA, EDTEA, UMEDA (RLED Unit), LMs within UMDM, Richmond CTO	✓ 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
District Development Agency (UMEDA)	✓ 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	✓ Opportunities in processing and manufacturing ✓ Alternative market availability
SAPPI, Mondi, NCT,	✓ Timber and manufacturing	✓ Opportunities for community timber plantations ✓ Manufacturing as a stimulus to grow the economy ✓ Logistics cooperatives

Table 41. Municipal Stakeholders

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
Richmond Informal Traders Committee	✓ Agriculture, Business Enterprise ✓ Informal Sector	✓ Support to Informal Economy ✓ Infrastructure requirements ✓ Organisation of Local Informal Economy Chamber and representation at District Informal Economy Chamber ✓ Training requirements
Cooperatives , NYDA, SEDA	✓ All Sectors	✓ Opportunities available through catalytic projects and agriculture ✓ Market availability ✓ Off-take agreements ✓ Provision of Business Service Centre by Municipality (Incubation Centre) ✓ 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 (IDP 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 Operation Sukuma Sakhe interventions

6.5 POLICY/ REGULATORY ENVIRONMENT AND ALIGNMENT

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

Table 42. LED Policies to be Developed

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 ensure that some of the Key Development issues are addressed	T.B.D
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

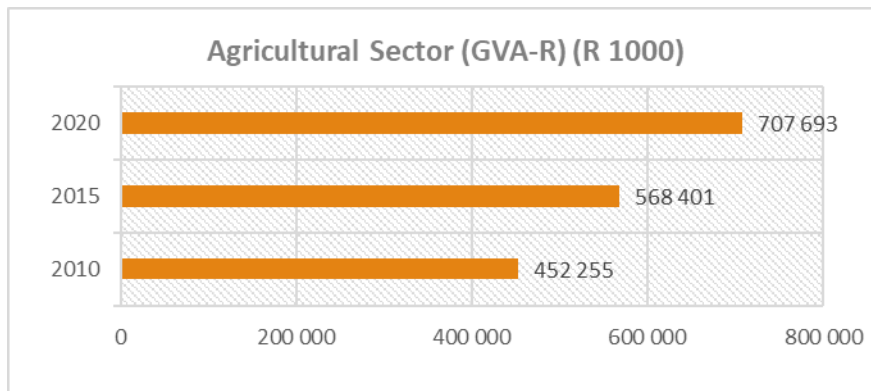
6.6 SECTORAL ECONOMIC CONTRIBUTION

6.6.1 AGRICULTURE AND FORESTRY

Richmond Municipality is 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 with high agricultural potential. RLM is a monocultural agricultural community, crop cultivation, poultry farming, 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. According to the data stipulated below, the highest agricultural contribution is in 2017, after since it had declined by -6.9% in 2016. This sector is one of the major contributing sectors of the municipal GDP. In 2020 it was estimated to contribute R 707 693.00 to the municipal GDP.

The table below outlines the sector contribution since 2010 till the estimated contribution in 2020, and the contribution has increased. According to the data stipulated in the table below, since the increase of the agricultural contribution in 2017, the agricultural sector since declined.

Figure 56. Agricultural Sector GVA-R



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

Table 43. Agricultural Challenges & Mitigation Strategies

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 Department of Agriculture has a mechanisation programme which is rolled out through all the province, whereby a service provider is contracted to provide equipment for ploughing and Richmond small scale farmers are also benefiting from it.
Limited value adding	Processing will be addressed through partnerships with existing industry and in line with the finalisation of the SDF which will give clear indication of land pockets owned by the municipality and to be used for agro processing.

Commercial Farming

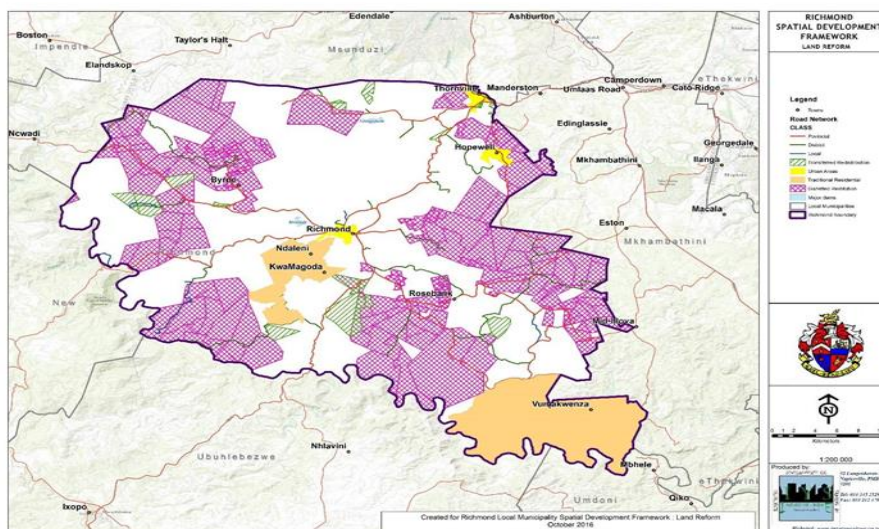
Commercial farming has a significant impact on the economy with subsistence farming occurring in most of the peri-urban and rural/tribal settlements in the form of cattle, vegetables, grain, fruit, soya beans, other livestock, etc. According to the Municipal SDF, Richmond Municipality has an abundance of agricultural land which is geographically located outside of the urban and settlement areas. The agricultural pattern within the area is primarily due to the gentle topography and good weather pattern. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produces such as

maize, soya beans, dry beans, potatoes and lupins as annual field crops, sugar cane (in the lower, warmer parts of the local municipality), timber production, vegetables irrigation (with cabbage, tomatoes and carrots as the main crops), orchard crops (notably avocado), pasture and fodder crops. In addition, the municipality boast intensive livestock enterprises such as poultry, pigs, and dairy. Significantly agribusinesses in the Richmond Local Municipality, particularly in terms of livestock, are characterised by a high level of capital-intensive operations.

Agri-bee and Land Ownership

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. Richmond has a total of 22 labour tenant initiatives that exist. These include the following areas such as Craighead, Delectable Dale, Dunbar Estate, Fielden, Furth, Gunzenhausen, Hopewell, KruysFontein and Weltevreden, Kweletsheni, Little Harmony, Long, Lot 107, Lovo Dale, Mount Desire, Paarde Kraal, Resolis, Stertriemfontein, Strathfieldsaye, Strehla, Sunnybrae and Waterton.

Figure 57. Land Reform Map



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

Emerging Farmers

By government definition, emergent farmers are smallholders who cultivate more than 5 ha and up to 20 ha of land. These are farmers that are participating in the market and have intentions to produce and sell more. As the name implies, emergent farmers are often

characterized as occupying a transitional phase between small-scale, semi-subsistence production and larger scale, more commercial farming.

One of the Richmond government's main priorities are to eradicate poverty through addressing issues of employment, skills development, and productivity of land for emerging farmers. 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. The following programmes have been identified to achieve a rural economic development through an all-inclusive approach to development by developing agricultural value chains that are linked nationally, and these include;

- **Agri park Concept:** Richmond Farmer Production Support Unit (FPSU) - 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
- **Richmond Farmer Production Support Centre (FPSC)** - 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. The municipality has identified a site for development of proposed centre in Hopewell along R56. Key stakeholders to be involved include (1) Trufruit Juice Manufacturers, (2) Baynesfield Estate, (3) Zakhe Agricultural College, and (4) Gateway Holding.

There are existing agricultural projects and intervention such as Programme 1 – RASET-Inputs and Implements to Cooperatives (Phase 1), and Programme 2: Sector Department Funded Projects (2019/2020 Ongoing) including Netherby Farm, Masizethembe, Vukakusile, Bhekabezayo Coop, Chobozumhlanga, Sithembilenkosi, Dedandlala Coop, Vezokuhle Coop and Sinamuva Coop.

- **Agricultural Forum-** with participation of stakeholders from local agricultural society, Department of Agriculture, other 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.

PROGRAMME INTERVENTION 1: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Table 44. Skills Development & Capacity Building Training

Financial Year	Details of Training	Budget/ Expenditure	Status
2022/2023	21 Beneficiaries trained on Grain Production	ADA	Training completed on August 2022.

PROGRAMME INTERVENTION2: SMME SUPPORT PROGRAMME

Table 45. SMME Support Programme

Financial Year	Details of event	Budget/ Expenditure	Status
2022/2023	10 Cooperatives and Informal traders received support from the municipality from the SMME Support Programme	RLM-LED Operational budget	Beneficiaries to receive equipment during SMME handover equipment on 11 April 2023
2022/2023	Inviting various stakeholders to Farmers Information Day and local emerging farmers to share information on funding and market opportunities, and also farmers showcasing their produce to the locals.	RLM-LED	The event to be held on 11 April 2023

6.6.2 MANUFACTURING

Manufacturing in Richmond is largely small to medium scale and is among the major sectors in the Richmond's economy. It 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 is also home to a number of commercial and light industrial uses which have a strong backward linkage with the agricultural sector as they focus mainly on the processing of raw materials produced within the municipal area. There are a few industrial sites (approximately 8 sites) located within the Central Business District (CBD) area and are found to the north of the CBD. The industries consist of hardware, furniture, timber, and animal feed operations.

Richmond also 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. Thornville has few agro-processing industries which mainly focus on wood working and chicken farms. These are strategically located along R56 which make these highly accessible and visible.

The following challenges face this sector:

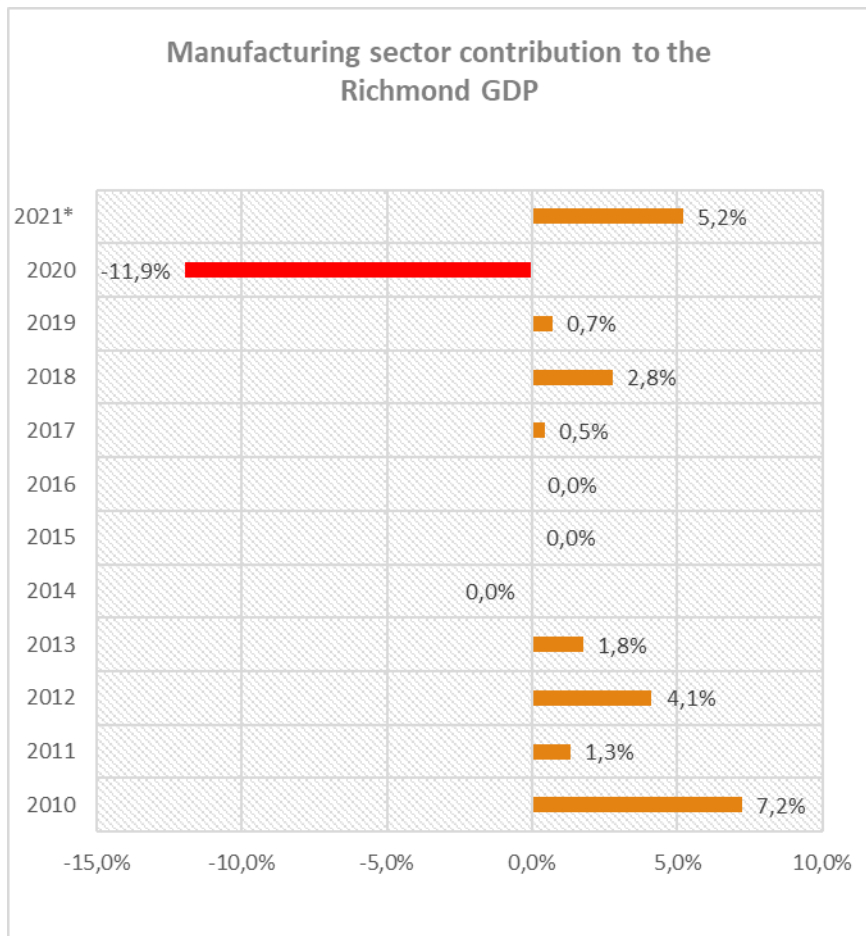
- Complicated legal issues and bureaucratic red tape
- Limited access to funding and services and poor infrastructure
- Skills shortage including harvesting, critical thinking, management, business skills, etc
- Planning and zoning regulations including and most importantly land availability

The following has been identified as opportunities:

- Skills development and capacity building with possible partnerships with TVET Colleges
- Stimulate entrepreneurial spirit to develop sector (especially among the youth)
- Partnerships for the release and development of land for manufacture / industrial development
- Development and implementation of Municipal policies which are developmental orientated

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 contributed about 0.7% to the GVA -R in 2019, decreased by 11.9% in 2020 due to the Covid 19 pandemic and estimated to contribute 5.2% in 2021 (Quantec 2021 Economic data), however the GDP of this sector is significantly high accounting for about 17% of the municipal economy.

Figure 58. Manufacturing Sector Contribution

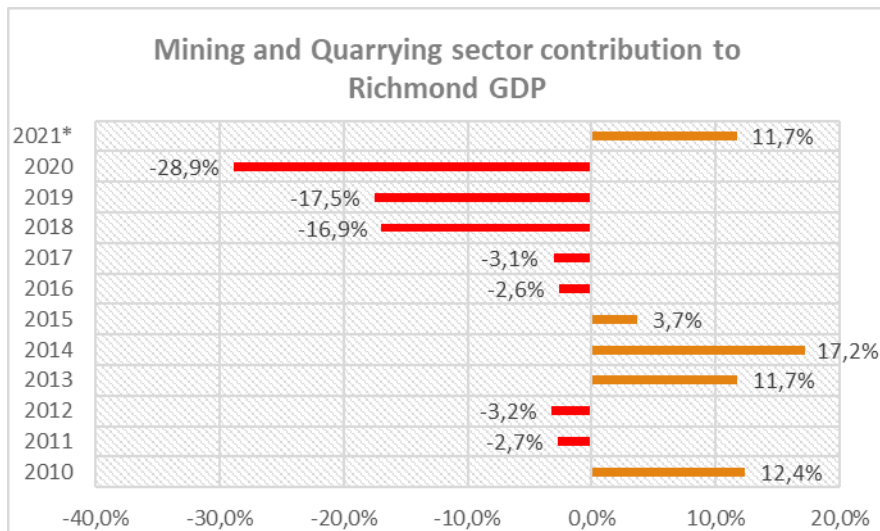


6.6.3 MINING AND QUARRYING

The mining sector is not active within Richmond Local Municipality, however there are limited natural resources for quarrying and sand mining. The sand mining potential is worth investigations particularly within the major rivers. There are questions regarding the formality and sustainability of these activities and the impact thereof on the environment, but no information could be accessed relating to these activities. Mining related to quarrying would emanate from the extraction and processing of stones to supply the gravel road rehabilitation projects. This would also need to be properly initiated and managed in order to avoid environmental degradation and soil erosion.

According to the Quantec 2021 data the sector contribution of the mining sector to the municipal GDP has been decreasing since 2016. During the 2021 financial year, there was a decrease of 28.9% from the previous year of decreasing of 17.5%. The Covid-19 pandemic has been the main cause of the decrease of many economic sectors within Richmond Municipality.

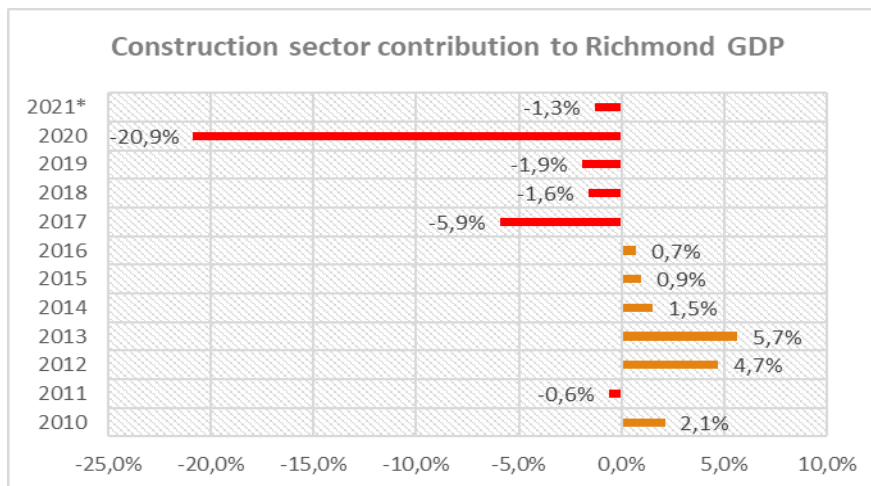
Figure 59. Mining and Quarrying Sector Contribution



6.6.4 CONSTRUCTION

The construction sector is also a growing industry within Richmond Local Municipality. At a country scale, the South African construction industry can be alluded as a strategic sector that supports the government's National Development Plan (NDP). The Quantec 2021 economic data outlines that the construction sector has been decreasing since 2017 financial year in Richmond. During the 2021 financial year, the construction sector heavily decreased its contribution by 20.9%.

Figure 60. Construction Sector Contribution



6.6.5 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. Furthermore, the LED plan indicates that Municipal LED Unit has a comprehensive tourism establishment database will also be included in the Midlands Meander database. The tourism assets within the Richmond Municipality include the following assets and heritage sites:

- Blarney Cottage & Carnarvon Masonic Lodge
- Bambata Rebellion Burial Site (Itshe lika Bhambatha)
- Herbert and Cecil J Rhodes cotton farm in Inhlavini Valley
- Beaulieu Dam & Highover Nature Reserve
- Game Ranches
- Richmond-Byrne and District Museum
- Byrne Village (cultural heritage)
- Flora and Fauna
- Large open space and golf course
- Hiking trails, 4X4 routes including Dirt road, mountains and mountain bike routes
- Rum distillery
- Large farming community
- Rivers, dams and streams (Umkomazi largest)
- Campsites and lodges
- Accommodation (The Oaks hotel and bnbs)
- Eco spas
- Grocery Shops
- Four petrol stations
- Vehicle service station and tyre shop
- 32 Heritage buildings
- 3 Museums
- Easily accessible
- Reserves and birds: Home of the blue Swallow (this bird is listed as vulnerable due to its natural habitat being destroyed/ replaced by forestry and lack of mist belt grasslands) Roseland's nature reserve in Richmond have been breeding and trying to protect this species. Highover Wildlife Sanctuary is a national reserve, with 140 species of trees, also rich in mist belt grasslands, home to blue swallows. Other wildlife at high over are various buck, warthog, zebra, blue duiker, oribi, African rock python and the samango monkey. The bird life includes the broad tailed warbler, African fish-eagle, Verraux eagle, blue krane, African pytmmy kingfisher, narina trogon, cuckoos and African emerald cuckoos. Minerva reserve is a museum and hiking trail in Byrne Valley. Nyala pans is a protected wildlife river camp.
- A Mountain pass (listed under KZN mountain passes) Hela Hela (651 vertical meters)
- Mixed cultures

In addition, the Richmond area is recognized for its scenic and natural landscapes. The Umkomaas Valley, with its linkages to Inhlazuka and Hella Hella, provides an ideal opportunity for eco-tourism and outdoor/adventure tourism initiatives

Image 3: Byrne Village



Image 3: Byrne District Museum



Image 3: Joseph Baynes Museum (Baynesfield)



The municipal SDF indicates that Richmond has a few mobility tourism routes which includes the R56 and route to Byrne. A number of farms that are located along these routes have diversified from traditional agricultural land uses to Agri-tourism uses over the years. The municipality has a great variety of natural tourism assets and accommodation establishments (such as hotels, bed and breakfasts and guesthouses)

Performance of Tourism in Richmond

The existing LED plan indicates that, tourism sector is faced with the following issues, and these include;

- 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.
- Covid-19 impacted on this sector in Richmond through job loss, Events are limited, Loss of income, Stress on employers and employees, Uncertainty and people have less money to spend on travel.

During a public participation, the CTO indicated that the challenges experienced are as follows:

- The tourism stakeholders work in isolation
- There has been no CTO in Richmond since 2006 however the CTO has been re-established in April 2021.

The opportunities that exist include the following;

- Development of tourism corridor and eco-tourism site inclusive of tourism route from Ingwe Municipality to the Drakensberg including outdoor adventure activities, bike rides, etc.
- Development of Beaulieu Dam for sporting activities and related tourist or cultural activities.
- Aggressive marketing of tourist destinations and development of establishments.

The RTO indicated that cleaning the central town will not deter people from Richmond. Developing a Township economy and entrepreneurs can assist with job creation as well as in the villages. Skills development and learnerships in tourism and entrepreneurship for unemployed youth. Another includes, supporting and actually implementing the community tourism strategy and rural tourism development strategy, great strides can be achieved within the Richmond community. The existing tourism interventions are enlisted below;

- Development of tourism accommodation brochure;
- Development of tourism and product brochure - Adventure Tourism: Mountain biking, Provincial and National Sporting destination [Mud Man Challenge, Provincial and National Polo Crosse Championships, Off Road Racing (Cycling, Motor Bike and Motorised) and Provincial Cricket Championships]; Agri-Tourism; Cultural Heritage Tourism. The LED Unit has set aside budget for the printing of the brochure to publish updated information on tourism establishments.

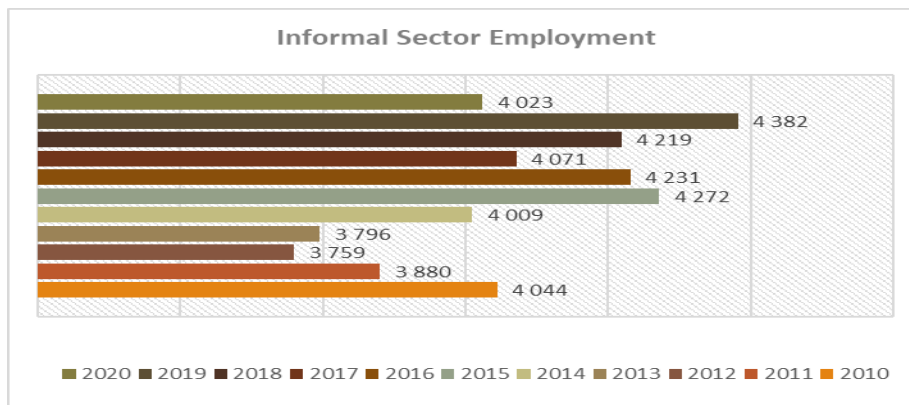
6.6.6 INFORMAL SECTOR

The informal economy is the diversified set of economic activities, enterprises, jobs, and workers that are not regulated or protected by the state. The informal sector of the economy is part of an economy that is neither taxed nor monitored by any form of government. Unlike the formal economy, activities of the informal economy are not included in a country's gross national product or gross domestic product. Although the informal sector makes up significant portion of the economies in developing countries, it is often stigmatized as unmanageable. However, the informal sector provides critical economic opportunities for the poor and has been expanding rapidly.

The informal sector is largely characterised by several qualities: easy entry, meaning anyone who wishes to join the sector can find some sort of work which will result in cash earnings, lack of stable employer-employee relationships, a small scale of operations, and skills gained outside of a formal education. The type of work that makes up the informal economy is diverse, particularly in terms of capital invested, technology used, and income generated. The spectrum ranges from self-employment or unpaid family labour to street vendors, shoe shiners, and junk

collectors. Most workers in the informal sector, even those are self-employed or wage workers, do not have access to secure work, benefits, welfare protection, or sometimes even representation. Many local businesses operate informally - they are not properly registered and operate in marginal markets that are disconnected from larger, formal markets. Municipalities should encourage the formation of local business associations and consultative platforms that allow informal businesses to discuss their concerns. A better local business environment can create incentives for informal businesses to become formal and grow. Informal economies often contribute directly to poverty reduction by providing for the livelihoods of large portions of the population. The informal sector also has an important role to play as investor and entrepreneur

Figure 61. Informal Sector Employment



According to the Quantec 2021 economic data, during 2019, the informal economy had employed 4382 number of people. This is the highest number recorded since 2010. The decline in employment opportunities in the formal economy has led to a growth in the informal sector within the municipality. This is due to the job losses and decline economic performance of businesses during the Covid 19 pandemic. Many informal businesses had suffered greatly due to lack of access to Covid relief funds where they were not registered for UIF. Owing to the non-availability of trading spaces in the town of Richmond, informal trading takes on the verges of the roads and in front of formal commercial shops and this causes tensions between the formal business owners and informal traders. Below is a list of key challenges faced by the informal sector:

- Lack of enforcement, foreign nationals trading without permit.
- Lack of infrastructure (water and electricity).
- Lack of street furniture, safe packaging, and storage facilities for sellers.
- Lack of funding. Informal traders are unable to expand due to lack of capital.
- No formal market to buy goods (purchased in Pietermaritzburg).
- Minimal financial and non-financial assistance and incentives from the municipality.
- Lack of trading areas.
- Access to information is limited. They are not informed and aware of incentives packages which could benefit them.

Another challenge that affect this sector within Richmond is the influx of the illegal foreign nationals who are trading illegally within the town. The LED Unit is facing difficulties to regulate and enforce the bylaws against this issue because even when the illegal foreigners are extradited by the immigration office, after a couple of months the same people are found trading illegally within Richmond. The immigration office Pietermaritzburg has also raised concerns about its lack of capacity to manage this kind of an influx.

Project/Programme Interventions

PROGRAMME 1: ACCESS TO INFRASTRUCTURE NEEDS

Table 46. Access to Infrastructure Needs

Financial Year	Details	Budget / Expenditure	Status
2022/2023	Provision of additional informal trader stalls and rehabilitation of existing stalls that were looted in July 2021. Repairs and Maintenance of Nelson Street SMME Unit stalls	Assessment to be done.	The municipality has since applied to EDTEA, site visits has been done and confirmation of funding has been received.

PROGRAMME 2: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Table 47. Skills Development & Capacity Building

Financial Year	Details	Budget / Expenditure	Modules	Status
2022/2023	20 participants were trained on: How To Start Your Business	Nil (partnership with NYDA)	The Start and Improve Your Business Programme of the International Labour Organisation	Training complete
2022/2023	Training on Small Business management and marketing- 20 beneficiaries	Enterprise Development Agency-SEDA	Business Management	Training Complete

PROGRAMME 3: ACCESS TO FINANCE – PARTNERSHIOP WITH SMALL BUSINESS DEVELOPMENT AGENCY

The Richmond municipality-LED Unit has applied to The Department of Small Business Development through SEDA for the informal traders who were affected by floods. All 108 applicants have been approved and will be handers over flood relief vouchers on 29 March 2023.

6.6.7 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:

Table 48. SMMEs Challenges & Mitigation Strategies

Challenge	Mitigating Strategy
Access to information	Currently all LED structures are functional such as LED Forum which is set to be launched in May 2023, Agri-Forum, Informal Traders Committee and CTO to make it easier for SMMEs to access information on funding, training, available market opportunities etc.
Access to finance	Provided for through partnerships with ABSA, ADA, SEDA, Department of Small Business and Development, NYDA, DTI, etc
Access to markets	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 financial institutions to provide FREE business and financial management training programmes
Motivate and encourage the	The expected development of the Small Business Incubation Centre will further address short falls experienced by this sector.

community to buy local	
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	

Project/Programme Interventions

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:

Table 49. Capital Projects

Condition of Tender	Expected Outcome
The conditions of tender (2022/2023) currently provide for a specific percentage on 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 materials 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

PROGRAMME 2: PARTNERSHIPS WITH EXISTING ENTERPRISE

Table 50. Enterprise Partnership

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.

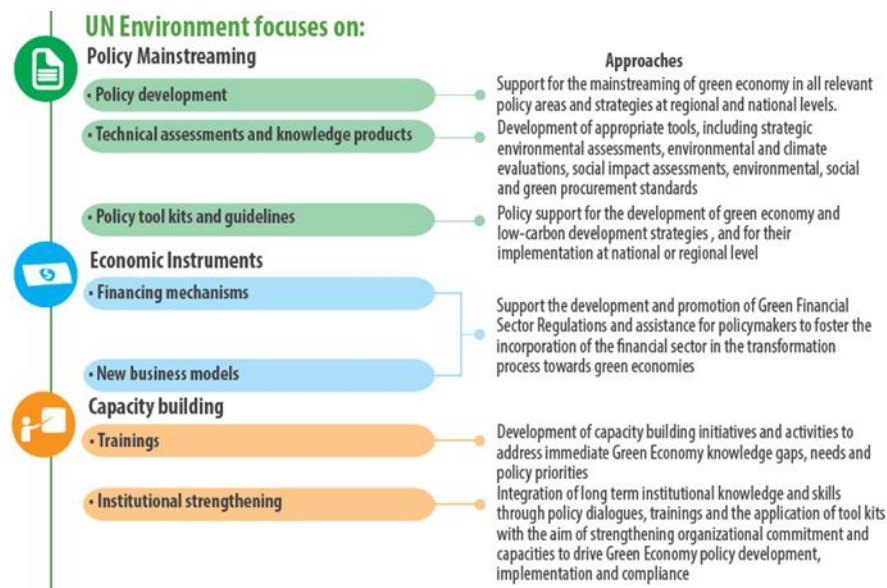
PROGRAMME 3: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Table 51. Skills Development & Capacity Building

Financial Year	Details of Training	Budget/ Expenditure	Status
2022/2023	22 Beneficiaries trained on Financial Literacy	RLM-LED Operational budget	Training completed in September 2022.

6.7 DEVELOPMENT OF GREEN ECONOMY

Figure 62. UN Environment Focus



There is growing international consensus on the need to harness green economy as one of the pathways towards achieving sustainable development, eradicate poverty and create jobs within the context of global climate change and degradation of ecosystems. South Africa views green economy as a sustainable development path based on addressing the interdependence between economic growth, social protection and natural ecosystem. The South African approach is to ensure that green economy programmes are to be supported by practical and implementable action plan therefore importance of building on existing best processes, programmes, initiatives and indigenous knowledge in key sectors “Towards a resource efficient, low carbon and pro-employment growth path” and that government alone cannot manage and fund a just transition to a green economy, that the private sector and civil society must play a fundamental role. A more formal definition can be regarded as a “system of economic activities related to the production, distribution and consumption of goods and services that result in improved human well-being over the long term, while not exposing future generations to significant environmental risks or ecological scarcities”. It implies the decoupling of resource use and environmental impacts from economic growth. It is characterized by substantially increased investment in green sectors, supported by enabling policy reforms. The Green Economy refers to two inter-linked developmental outcomes for the South African economy:

- Growing economic activity (which leads to investment, jobs and competitiveness) in the green industry sector
- A shift in the economy as a whole towards cleaner industries and sectors.

Green Jobs is defined according to UNEP as work in:

- Agricultural, manufacturing, research and development, administrative, and service activities that contribute substantially to preserving or restoring environmental quality. Specifically, but not exclusively, this includes jobs that help to protect ecosystems and

biodiversity; reduce energy, materials, and water consumption through high efficiency strategies; de-carbonise the economy; and minimise or altogether avoid generation of all forms of waste and pollution.

- Greater efficiency in the use of energy, water, and materials is a core objective i.e. achieving the same economic output (and level of wellbeing) with far less material input.
- Green Jobs span a wide array of skills, educational backgrounds, and occupational profiles. They occur in:

Research and development; professional fields such as engineering and architecture; project planning and management; auditing; administration, marketing, retail, and customer services; many traditional blue-collar areas such as plumbing or electrical wiring; science and academia, professional associations, and civil society organizations (advocacy and community organizations, etc.)

Also, green jobs exist not just in private business, but also in government offices (standard setting, policy-making, permitting, monitoring and enforcement, support programs, etc.).

- Not all green jobs will be new ones. Some green jobs are easily identifiable - such as people employed in installing a solar panel or operating a wind turbine.
- Richmond Municipality has managed to assist three cooperatives involved in recycling, however only one has been successful. There is still a need to strengthen and encourage more green economy projects in the area.

6.7.1 ENCOURAGING ESTABLISHMENTS TO BE GREEN ENTERPRISES

The list below are ideas to encourage establishments to be green enterprises, and these include:

- Solar panel installation - Install solar panels for sustainable energy in homes or businesses;
- Energy auditing and green consulting - Work with businesses or individuals to help them implement strategies to reduce their carbon footprint;
- Eco-restaurants - Open a restaurant that uses only locally sourced food and sustainable products and processes;
- Wind power development - Build wind farms that produce sustainable energy;
- Solar panel manufacturer - Produce the energy-saving panels for homes and businesses;
- Environmental Municipal blog - Publish information and news about climate change and subjects of interest to the environment, existing recycling projects and green initiatives; and
- Eco-travel planner – Develop a plan of eco-friendly travel destinations and activities for tourists within the municipality

6.7.2 GREEN PRODUCTS AND SERVICES

In Richmond, “Green” will embrace a set of principles including sustainability, full reclamation or reuse, reduction of waste and pollution, and use of technologies that benefit the environment. The municipal wide should invest in the following products and services:

- Install Solar geysers;
- Wind turbine on farms for creating energy;
- Install Windmills to lift water from the aquifer to directly irrigate crops;
- Green roofing;
- Reusable plastic bottles;
- Invest in low flow taps and water fittings;
- Use recyclable materials and reusable shopping bags

6.8 LOCAL ECONOMIC DEVELOPMENT- SWOT ANALYSIS

Table 52. LED SWOT Analysis

STRENGTHS	WEAKNESS
• Most areas are good arable land; • An established and functional incubation centre which provides business support to local SMMEs; • Promotion of LED and SMMEs through LED programmes such as farmer’s information day, exhibitions, tourism career expo, etc; • Formalizing of informal sector through establishment of informal trader’s committee; • Job creation through government initiatives (EPWP, CWP, Flood Mopping) • Established and functional LED and Tourism Structures (LED Forum, Community Tourism Organisation, Agri-Forum);	• Lack of preservation and maintenance of municipal informal trader stalls and heritage sites; • Lack of promotion and enhancement of tourism sector; • Lack of incentives to attract investors or developers; • Limited municipal informal trader stalls for SMMEs;

• Formalisation of formal sector through registration of businesses on CIPC; • Implementation of a business license function through issuing of business licenses and permits using an automated SITA system; • Richmond has the Ndoleni skills Development Centre which produce skilled and capable workforce to support inclusive growth;	
OPPORTUNITIES	THREATS
• Close proximity to R56 corridor joining Pietermaritzburg and Ixopo making it easy for Richmond to transport/trade with these cities; • Local SMME are not geared to take advantage of the emerging business and tender opportunities offered; • Developed agricultural sector including processing allows for increased employment opportunities • Good climatic conditions support agriculture and tourism; • The Spatial Development Framework and the single Land Use Scheme are in place, these tools are important for direction and management of decision making towards sustainable economic development; • The land claims (restitution) have progressed very well, and this provides opportunities for agrarian reform to create employment and alleviate poverty; • There are opportunities for agro-processing of the local agricultural product;	• Richmond is a small predominantly rural municipality with limited private sector development taking place within it; • Lack of environmentally sustainable agricultural practices; • limited access to funding and skills shortages in the agricultural sector; • 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; • High level of unemployment and low income levels limit buying power (circulation of economy); • 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; • Unstable bulk services affect investor confidence and places strain on SMME's, especially in the rural areas; • Environmental degradation continues at alarming rates which, if left unattended,

• Expansion of manufacturing sector due to large availability of primary agricultural products; • High Tourism potential	• will affect agricultural potential and livestock management; • crime and community unrests threaten business operations and economic growth.

6.9 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.

Table 53. LED Catalytic Projects

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
			8

CP2		CP 1.4: BUSINESS ENTERPRISE: Petrol Station – rehabilitation and expansion; Thornville Hotel – assess to retain as current activity, convert to conference facility, training centre	
	R56 TOURISM AND INVESTMENT ROUTE	CP 2.1 TOURISM Development of route from Midlands Meander to Eastern Cape – intention for Province to lead CP 2.2 DEVELOPMENT 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.	10 200 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

6.10 ECONOMIC PROJECTS AND JOB CREATION

Table 54. Economic Projects & Job Creation

Year	Economic Activity	Estimated no. of jobs to be created	
		Temporal	Permanent
2023/ 2024	Organic Food Production	40	20
	Expanded Public Works Programme	238	-
	Timber And Wood Processing	30	50

Year	Economic Activity	Estimated no. of jobs to be created	
		Temporal	Permanent
	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
	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	-
2024/ 2025	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 Officer	-	1
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	-

Year	Economic Activity	Estimated no. of jobs to be created	
		Temporal	Permanent
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

6.11 EXPANDED PUBLIC WORKSPROGRAMME

The Expanded Public Works Programme (EPWP) is a government strategy to reduce the poverty through the alleviation and reduction of unemployment. The Expanded Public Works Programme is a pre-emptive intervention by Government, through the delivery of public and community services, to:

- Create 6 million work opportunities by 2023, to be implemented by all spheres of government, across four defined sectors, namely Infrastructure, Social, Environment/Culture and Non-state sectors. The programme is coordinated by the National Department of Public Works (DPW), as mandated by Cabinet.
- Attempt to reduce unemployment, thereby alleviating poverty and providing livelihoods for the poor, women, youth and people living with disabilities.
- Provide access to skills development, capacity building and on-the-job training
- Ensure that the principles of EPWP are mainstreamed into the normal activities of public bodies

6.11.1 EPWP INSTITUTIONAL ARRANGEMENT WITHIN THE MUNICIPALITY

EPWP cuts across all the departments and units of the Municipality. Each department will make a systematic effort to target the unskilled and unemployed and develop a plan to utilise their budgets to draw significant numbers of the unemployed into productive work, in such a way that workers are given an opportunity to gain life and job specific skills while they work to increase their chances of getting out of the marginalized pool of unemployed people. The EPWP function is done through the LED Unit. The EPWP Project Champion ensures that the EPWP is incorporated in the development plan of the municipality and also ensure that the

Municipal departments incorporate EPWP FTE targets into their programme plans. The delegated Project Champion also ensures the effective coordination and monitor the implementation of the EPWP within the Municipality; assist and mobilise departments within the Municipality to meet their targets.

6.11.2 EPWP GRANT, RECRUITMENT AND TARGETS

The Richmond Local Municipality received a total allocation of R1 287 000.00 for the 2022/2023 financial year with a target of 238 work opportunities to be created over a period of a financial year. For recruitment of participants, the municipality uses the unemployment database / indigent database on a rotational system in line with the Municipality's EPWP Policy however, every effort will be made to ensure that the maximum work opportunities are realised. The EPWP target groups are unemployed and unskilled persons. EPWP target groups are women (55%) youth (55%) and persons with disabilities (2%). The following table indicates targets work opportunities set by National Public Works.

Table 55. National Public Works EPWP Targets

Financial Year	Work opportunities (WO)	Full Time Equivalents (FTEs)
2020/21		
2021/22	236	89
2022/23	238	91
2023/24		
2024/25		
Total		

6.11.3 EPWP JOB CREATION PROJECTS

Richmond Municipality currently has 5 active projects which job creation is created through namely; road maintenance, street cleaning and beautification, maintenance of facilities -halls and sport fields, admin and waste management, that are reporting as per the project list submitted to Public Works. The total number of work opportunities created through integrated grant is 91 with 18 Full Time Equivalents. The implementation of the EPWP is currently facing challenges as targets sets are not met as a result the allocation for Richmond has been declining.

6.11.4 EPWP CHALLENGES AND MITTIGATION STRATEGIES

Table 56. EPWP Challenges & Mitigation Strategies

Challenge	Mitigating Strategy
Inadequate budget allocation to achieve targets	The municipality has made budget provisions of an amount of R500 000 to co-fund EPWP to improve performance on the EPWP and for more job creation for local people.
None provision of PPE for compliance	The municipality has made budget provision of an amount of R250 000 for procuring of PPEs for the EPWP beneficiaries.
Unrealistic targets set by National Department of Public Works	The municipality in particular the Municipal Manager is currently in discussions with the Provincial Department to understand how allocation of targets is sets, given the fact that Richmond Municipality only receives basic allocation yet has a large number of targets to achieve.
EPWP Function not strategically located and not stationed to one department	The LED function has over the years been moved from one department to the other, the municipality has then taken a resolution to move all job creation programmes to LED Unit which includes EPWP so as to receive adequate attention.

6.12 RED TAPE REDUCTION ACTION PLAN-LED

Table 57. LED Red Tape Reduction Action Plan

INDICATOR 1	Business Registrations							
Key Challenge	The timeframe of 21 days to approve applications and permits are not adhered to							
Objective	Red tape Challenge	Root Cause	Expected Outcome	Action Plan				
				Action /Activity	Start	End Date	Responsibility	Resources
To improve the functioning of the Licensing for better service delivery.	License and permits issued within 21 days. However, there is no system in place to track applications	No document tracking or management system in place. Staff have been trained on the SITA system but not operational for the purposes of business licenses	Efficient management of Business Licensing and permit applications	Development of a register and tracking system for all applications received.	July 2023	Ongoing	LED Unit	Automated System
				Document application process and associated timelines				
INDICATOR 2	Enforcement of Municipal By-Laws							
Key Challenge	Several municipal policies, regulations and by-laws are often outdated, and/or their costs exceed their benefits because of the unintended impacts they have on businesses or because of the way in which they are, or are not, implemented and enforced, resulting in unnecessary costs, delays, lost business and job losses							

Objective	Red tape Challenge	Root Cause	Expected Outcome	Action Plan				
				Action /Activity	Start	End Date	Responsibility	Resources
To improve Public's compliance with Municipal By-laws through efficient and effective enforcement	Insufficient capacity to enforce by-laws within the municipality. No updated bylaws adopted by Council.	Insufficient staff to enforce compliance with by-laws and limited understanding from enforcement unit on what is required from them	Effective and efficient compliance and enforcement of Municipal by-laws	Council decision to recruit Peace Officers	July 2023	Ongoing	LED Unit	Richmond Municipal By-Laws
				Council approve and adopt bylaws	June 2023	June 2023		
INDICATOR 3	Complaints Notifications System							
Key Challenge	There is either no known channel or means for residents or businesses to submit service delivery complaints to the municipality, OR when complaints are submitted, the municipality does not provide service-specific time frames by which complainants can expect a response from the municipality.							
Objective	Red tape Challenge	Root Cause	Expected Outcome	Action Plan				
				Action /Activity	Start	End Date	Responsibility	Resources
To improve the handling and response time of complaints made to the Municipality for better service deliver	Complaints are not managed effectively and efficiently, coupled with no turn-around times for addressing them	The Municipality does not implement a policy by which complaints are dealt with effectively and efficiently	An effective and efficient Complaints Management System towards better service delivery	Establish Committee to develop the Complaints Management System	July 2023	Ongoing	Cooperate services	N/A

6.13 IMPLEMENTATION PLAN

Table 58. LED Implementation Plan

5.	Implementation Plan											
5.1	Strategic Goal	Intervention	Programme/Project	Location	Timeframe	Estimated Budget	Budget Availability	Funded / Not Funded	Funder/Potential Funder	Lead Implementing Agent	Supporting Partners	Status of Project
5.1.1	To promote tourism industry and identify tourism opportunities		Repairs and Maintenance of High over Sanctuary Project	Mgxobeleni	6 months	R3M	R3M	Funded 2022/2023	EDTEA-Tourism	Richmond Municipality	CTO, LED Forum, UMDM, UMEDA	Preliminary designs complete, awaiting the department to approve scope of work to source service providers
5.1.2	To promote economic growth and economic development		Installation of 150 solar street lights and 15 high mast lights	Ward 1,2,7	3 months	R5.2M	R5.2M	Funded 2022/2023	COGTA	Richmond Municipality	UMDM, Richmond Rates payers, local businesses, LED Forum, Agricultural society	The initial scope was installation of 350 solar street lights, but due to limited funding the scope had to change to 150, therefore awaiting the department to approve new scope of work
5.1.3	To promote economic growth and economic development		Repairs and maintenance of Nelson Street SMME Units	Richmond ward 1, Nelson Street		R500 000	R500 000	Funded 2023/2024 f/y	EDTEA-Business Support	Richmond Municipality	Informal Traders Committee, SEDA, LED Forum	Funds to be transferred over the period of two financial years. Project value is R2.8M. The R500 000 transferred is for professional fees for a specialist who is AMAFA accredited who

												will be developing drawings for the additional items to the facility
5.1.4	To promote economic growth and economic development		Installation of 50 street traders shelters in Chilley and Shepstone Street	Ward 1		R1.750M		Not Funded	COGTA and EDTEA	Richmond Municipality	Informal Traders Committee, SEDA, LED Forum	Business plan submitted to EDTEA for funding.

6.14 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.

6.15 SOCIAL DEVELOPMENT ANALYSIS

6.15.1 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)

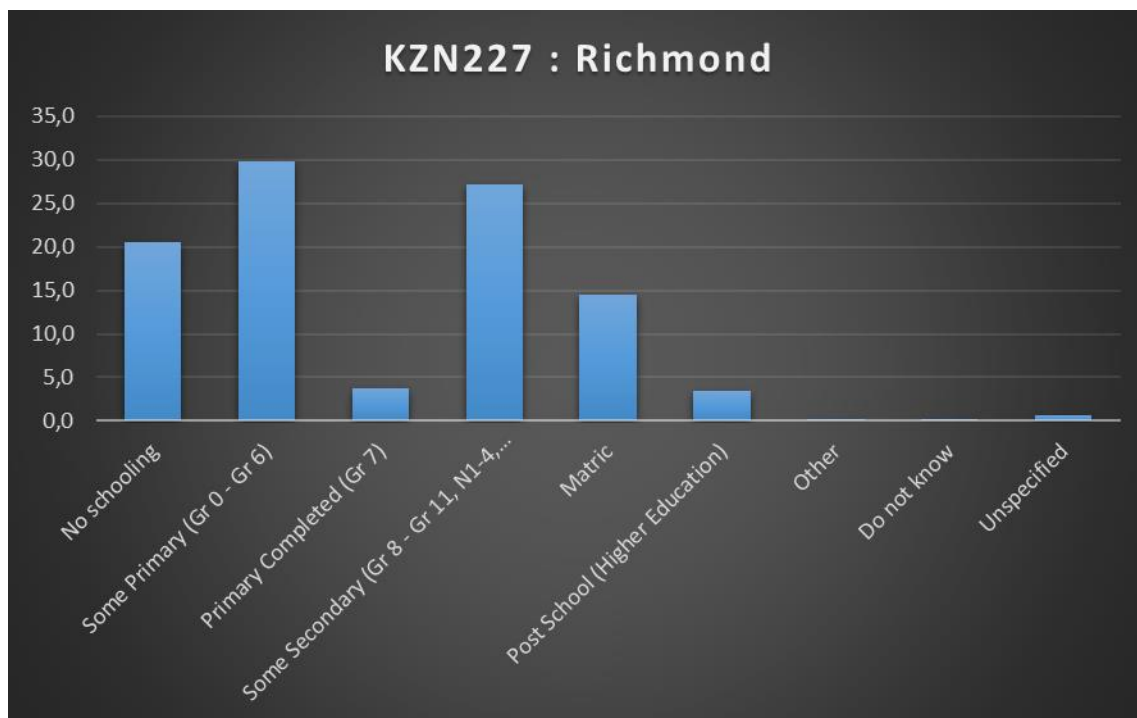
Participation, engagement & democracy allows for the communities to form part of the planning processes thereby allowing them to express their values and desires. This allows for public policy instigators to note the public values and desires and ensure that they are expression in plans and policies.

6.15.2 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 63. Educational Levels



Source: Stats SA: Community Survey 2016

A percentage of 20.5% of the population of Richmond are uneducated, only 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 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

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.

6.15.3 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.

6.15.4 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 social systems includes the following:

- 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 economic systems includes the following:

- 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 59. 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.

6.15.5 SAFETY AND SECURITY

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

Hereunder are the programmes;

Table 60. Safety and Security Programmes

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

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.

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:

Sport and Recreation

Table 61. Sport and Recreation Programmes

Programmes	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

Art and Culture

Table 62. Art and Culture Programmes

Programme	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

6.15.6 COMMUNITY DEVELOPMENT WITH PARTICULAR FOCUS ON VULNERABLE GROUPS

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

Development of the People with Disabilities

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;

Table 63. Development of People with Disability Programmes

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.

Development of the Elderly and Women

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

Table 64. Development of the Elder and Women 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

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:

Table 65. Peoples affect by HIV/AIDS 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

Drugs Abuse

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.

Crime Prevention

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.

6.15.7 SOCIAL DEVELOPMENT SWOT ANALYSIS

Table 66. Social Development SWOT Analysis

Strengths	Weaknesses
• Ability to administer Social Programmes: • Youth Development outreach programmes • Elderly or Senior Citizens Programmes • Disability Outreach Programmes • Women's emancipation Programmes • Child Development Programmes • Local Aids Council and Ward Aids Councils • Operation Sukuma Sakhe Programme • Drug Action Committee • Indigents Programmes • Sport, Recreation, Arts and Cultural Programmes • Social Facilities administration e.g. Hopewell Multi-purpose Centre, Thusong Service Centre and Richmond Sport Complex, Social Amenities)	• Shortage of staff - 2 officers that performs these functions supported by 4 interns. • Lack of certain skills - to perform certain- report writing, community facilities assessments and project management. • Poor management of social facilities and dilapidating structures - Nhlanzuka Thusong Serves Centre and Hopewell Multi-purpose Centre • Resilient issues - Kwabulawayo Sport Ground and Social Amenities Issues) •
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

7.1 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

7.1.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

The Richmond Municipality funds its capital projects from various conditional grants such as the Municipal Infrastructure Grant (MIG), Integrated National Electrification Programme (INEP) Grant, and Small Town Grant. In rare circumstances provision is made in the budget to utilise the municipality's own revenue / cash reserves to fund capital projects. The funding of capital projects using the municipality's own reserves has been discouraged by the Provincial Treasury given the municipality's funding position.

The municipality has an established Performance Managements Unit (PMU) which is supplemented by the professional consulting engineering firms appointed to assist with the implementation of capital projects.

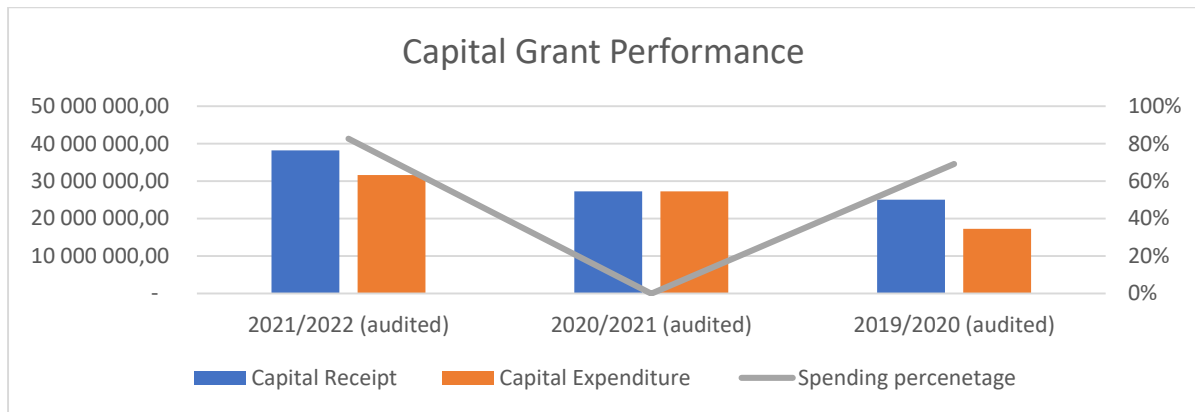
Procurement plans to expedite the implementation of the procurement process for the 2023/2024 MTREF are prepared upon adoption of the SDBIP by Council. Monthly monitoring of the procurement plan is being undertaken through the municipality's Supply Chain Management Unit.

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

Table 67. 3-year Analysis on Capital Grant Funding

Consolidated overview	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Capital Receipt	38,246,001.00	27,307,248.00	25,042,000.00
Capital Expenditure	31,612,920.00	27,307,248.00	17,298,754.00
Unspent Balance	6,633,081.00	-	7,743,246.00
Spending percentage	83%	0%	69%

Figure 64. Capital Grant Performance



The municipality had a total amount of R 6,6 million unspent in the 2021/2022 financial year. An application for grant rollover was made to the National Treasury in line with the timelines provided in the Treasury circulars. The National Treasury did not grant approval for the total amount applied for in respect of the INEP Grant. The municipality applied for an amount of R 6,6 million for the INEP Grant and only R 5,4 million was approved.

The municipality was able to demonstrate to the National Treasury that all unspent grants were cash backed. The following is an extract of the municipality's **Investment Register**:

Bank	At 1/7/21	Transfers	Withdrawn (-)	Interest Received	Capitalised Interest	Total
	R		R		R	R
FIRST NAT.	2,203,381.89	70,510,300.66	73,100,000.00	-	421,108.28	34,790.83
PATHENI	168,453.96			4,614.59	5,315.55	169,154.92
Housing Zwelethu	708,043.19	-	-	23,981.31	23,084.87	755,109.37
Housing Fnb : Siya Phase	374,806.16	-	-	10,437.68	11,828.08	376,196.56
li	317,960.39	-	-	8,929.04	9,889.57	318,920.92
Fnb: Housing Title Deed	2,188,007.75	-	-	-	70,680.55	2,258,688.30
Fnb: Fmg	-	1,577,654.00	1,587,954.66	-	10,300.66	0.00
Fnb : MiG Call	-		-			
Acc	-	11,263,654.95	11,319,486.67	-	55,831.72	-0.00
Fnb : Library Grant	2,896.64	2,283,784.78	2,179,820.36	-	45,463.87	152,324.93
FNB : Small town	4,400.97	-	-	-	142.17	4,543.14
Sub-Total	5,967,950.95	85,635,394.39	88,187,261.69	-	653,645.32	4,069,728.97
FNB FIXED	-	5,000,000.00	5,052,356.16	-	52,356.16	-0.00
NEDBANK	-	15,000,000.00	15,158,938.36	-	158,938.36	-0.00
INVESTEC	-	5,000,000.00	5,054,717.69	-	54,717.69	-
STANDARD BANK	-	10,000,000.00	10,117,178.08	-	117,178.08	-

ABSA	-	15,000,000.00	15,195,846.58	-	195,846.58	0.00
FNB DME	-	10,113,678.54	3,500,949.93	-	53,697.41	6,666,426.02
FNB RESERVES	-	5,620,713.54	-	-	30,697.11	6,464,389.17
Total	-	65,734,392.08	54,079,986.80	-	663,431.39	13,130,815.19

The following tables provide a further analysis on performance of the primary capital grants of the municipality over the past 3 years:

Table 68. Primary Capital Grant Performance

Municipal Grant	Infrastructure	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Receipt		27,266,001.00	18,120,000.00	15,042,000.00
Expenditure		27,266,001.00	18,120,000.00	14,290,254.00
Unspent Balance		-	-	751,746.00
Spending percentage		100%	100%	95%

Small Town Grant	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Receipt	-	9,187,248.00	10,000,000.00
Expenditure	-	9,187,248.00	3,008,500.00
Unspent Balance	-	-	6,991,500.00
Spending percentage	0%	100%	30%

Integrated Electrification Grant	National Programme	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Receipt		10,980,000.00	-	-
Expenditure		4,346,919.00	-	-
Unspent Balance		6,633,081.00	-	-
Spending percentage		40%	0%	0%

The following table shows the draft prioritized capital projects for the 2023/2024-2025/2026 financial year together with the funder, budget, progress and it indicates whether the project is new or is ongoing. The projects below are aligned with the budget.

Table 69. Prioritised Projects

No	Projects	New / On-going	2023/2024	2024/2025	2025/2026
1	Fibre Sports-field Ward 7	On-going	R 8.8 million		
2	Upgrading of Siyathuthuka/Magoda phase 2	On-going	R 6.9 million		
3	Khetho and Mjintini Stormwater	On-going	R 4.4 million	R10.6 mil	R 5 million
4	Slahla Sigcakini Electrification Project	New	R 2.5 million		
5	Mthunzini-Lindelani Electrification Project	New	R 2.5 million		
6	Mcsteel - Masonite Electrification Project	New	R 2.5 million		
7	Mpofane - Nkumane Electrification Project	New	R 2.5 million		

Sources of Capital Revenue over the MTREF

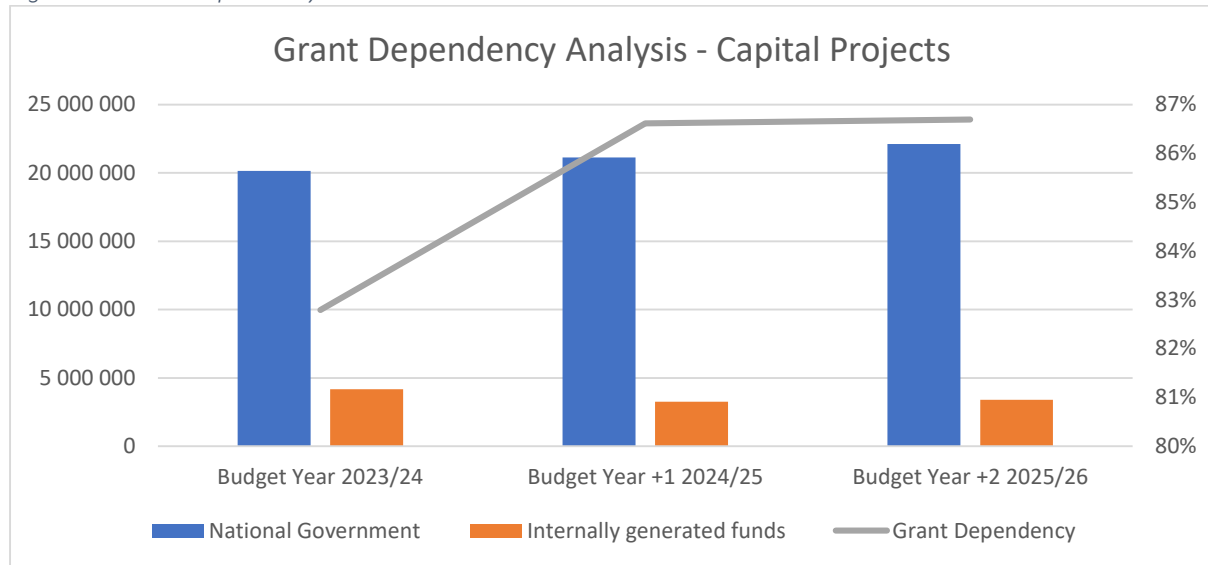
The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 70. Funding Composition

Funded by:	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
National Government	20,139,000	21,126,000	22,119,000
Internally generated funds	4,185,000	3,264,000	3,394,000
Total Capital Funding	24,324,000	24,390,000	25,513,000
Grant Dependency	83%	87%	87%

The below table is graphically represented the 2023/24 financial year.

Figure 65. Grant Dependency



Capital grants and receipts equates to 83 per cent of the total funding source which represents R 20 million for the 2023/24 financial year and increase to R 21 million or 87 per cent by 2024/25

The Municipality relies heavily 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 department of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

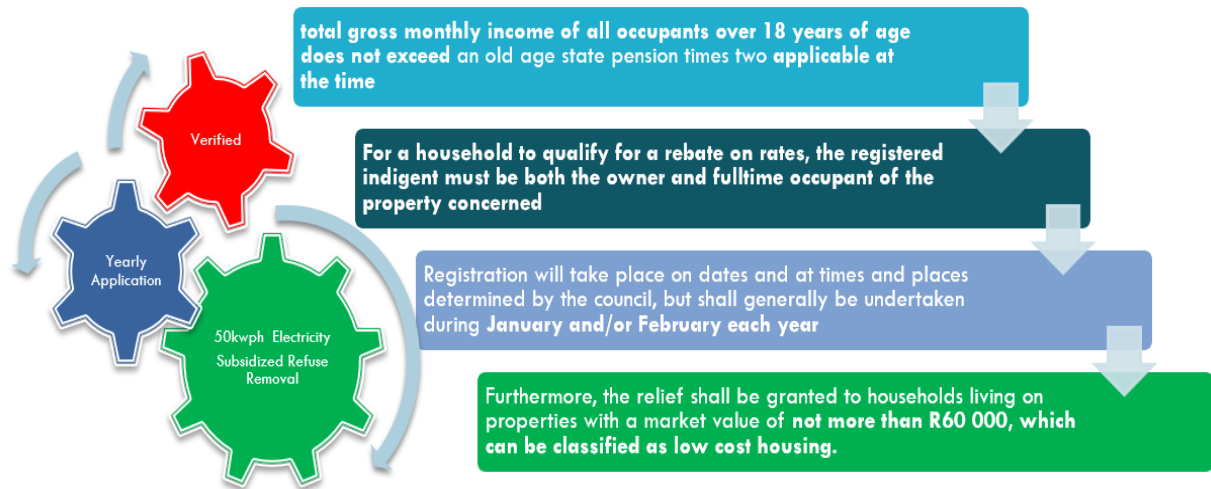
7.1.2 SOCIAL AND ECONOMIC REDRESS VIA INDIGENT MANAGEMENT

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.

Households where verified total gross monthly income of all occupants over 18 years of age does not exceed an old age state pension times two applicable at the time, or such other amount as the council may from time to time determine, qualify for a subsidy on **property rates, service charges for refuse removal and will additionally receive 50 kWh of electricity** per month free of charge (pre-paid) and an equivalent monetary value for conventional meters.

The following diagram seeks to summarise the qualification criteria as per the approved council policy:

QUALIFICATION CRITERIA FOR INDIGENT SUPPORT



Relief in property rates

- 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.

The above relief on property rates has the following budgetary implications in the next three financial years:

Table 71. Property Rates Relief & Budget Implications

Description	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Property Rates	29,146	30,574	32,011
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	700	734	769
Net Property Rates	28,446	29,840	31,242

Relief in Service Charges

The Indigent and Basic Services Policy state that; In respect of household refuse removal, the relief granted shall be a rebate of 100% on the monthly amount billed for the service concerned. Furthermore, the relief shall be granted to households living on properties with a market value of not more than R60 000, which can be classified as low-cost housing”.

Based on the policy the municipality has estimated an amount of R 331 695 to be deemed as income forgone in respect of refuse removal for households receiving the service at no cost.

The above relief on service charges for refuse removal has the following budgetary implications in the next three financial years:

Table 72. Refuse Removal Relief & Budget Implications

Description	Budget 2023/24	Year 2024/25	Budget Year +1 2025/26
Total refuse removal revenue	1,402	1,477	1,549
Less Revenue Foregone (in excess of one removal a week to indigent households)	315	332	348
Net Service charges - Waste Management	1,087	1,145	1,201

Free Basic Electricity

The municipality will continue to provide free basic electricity to qualifying customers and the budgetary implication for this in the three financial years is as follows:

Table 73. Free Electricity & Budget Implications

Description	Budget 2023/24	Year 2024/25	Budget Year +1 2025/26
Transfers and subsidies	600	628	628

7.1.3 REVENUE ENHANCEMENT AND DEBT MANAGEMENT

Revenue protection and enhancement is key to the sustainability and performance of municipalities. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to all communities. It is against this background that the municipality has adopted a Revenue Enhancement Strategy that focuses on ensuring validity, accuracy, completeness and collection of revenue raised on already identified revenue sources as well as exploring other revenue streams. A debt collection

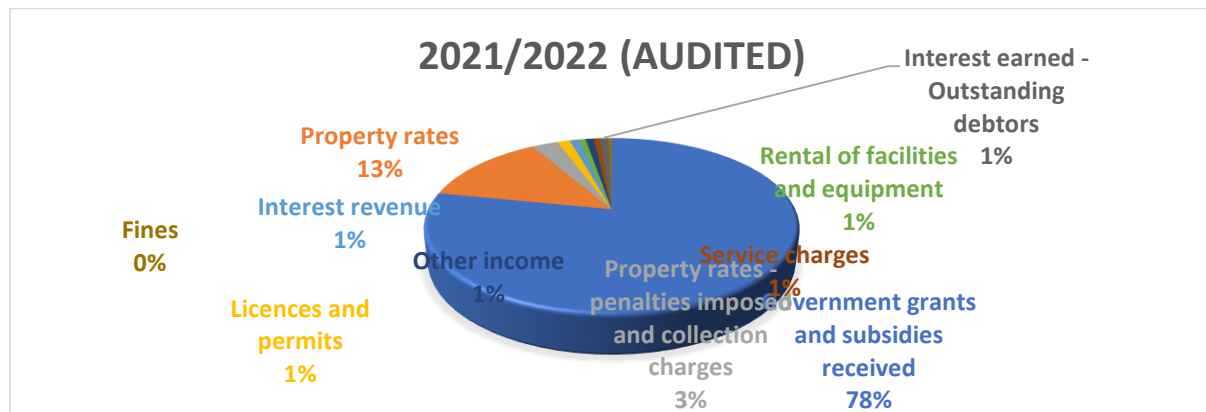
strategy is also in place which focusses on customer care and vigorous indigent outreach programmes and putting systems in place to ensure that all monies owed to the municipality is timeously received.

The below table provides details of the municipal sources of revenue:

Table 74. Municipal Source of Revenue

Description	2021/2022 (audited)	%	2020/2021 (audited)	%
Government grants and subsidies received	111,970,405.00	78%	124,335,511.00	81%
Property rates	19,284,889.00	13%	18,493,729.00	12%
Property rates - penalties imposed and collection charges	3,873,297.00	3%	4,315,712.00	3%
Licences and permits	1,934,591.00	1%	1,308,287.00	1%
Interest revenue	1,263,412.00	1%	1,114,094.00	1%
Rental of facilities and equipment	1,088,811.00	1%	1,003,847.00	1%
Other income	1,221,649.00	1%	880,847.00	1%
Service charges	922,562.00	1%	777,348.00	1%
Interest earned - Outstanding debtors	1,263,412.00	1%	327,228.00	0%
Fines	482,784.00	0%	200,869.00	0%
Total	143,305,812.00	100%	152,757,472.00	100%

The municipality generated a total income of R 143 million in the 2021/2022 financial year, this was a drop of the 2020/2021 financial year where an overall income of R 152 million was made. The lower income can be attributed to the reduction in the government grants line item. The above also demonstrate that the municipality is highly dependent on grants. The municipal can only generate 22% from its own sources of income. This calls for implementation of aggressive revenue enhancement initiatives.



In light of the above performance, the municipality has updated its Revenue Enhancement Strategy and it is currently implementing it. The Richmond Municipality understands that each municipality in South Africa has its own profile in terms of consumer and tax base, geographical and economical differences, and operational capacity. To ensure the financial viability of the Municipality, a Revenue Enhancement Strategy has been developed that serve as a step by step working document which will enable the municipality to translate recommendations into actions. Briefly, the revenue strategy has four key performance areas namely;

Table 75. Four KPAs for Revenue Strategy

No	Key Performance Areas	Specific Strategies
1	Debt Collection	- Revenue data analysis - Target TOP 100 debtors - Communication with business & government - Implement Debt incentive scheme

No	Key Performance Areas	Specific Strategies
		• Ensure accessible pay points • Conduct awareness campaigns
2	Revenue Management	• Revenue Value Chain analysis • Revenue Policies review • Implement SOPs for improved internal controls • Assess revenue structure/unit • Optimal utilization of Financial & Revenue management systems • Data Cleansing • Perform Valuation Roll reconciliation • Ensure accurate billing • Improved Credit Control • Enhanced Debt management • Focus on customer care • Indigent management • Additional Grants & Subsidies • Collection rate monitoring
3	New Revenue Sources	• SWOT analysis by entire municipality • Maximise revenue generation • Investment in revenue generating assets
4	Cost cutting measures	• Analysis of expenditure • Reducing & containing operational costs

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 has started and will continue till the 30 June 2023. 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.

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.

The financial impact from Property Rates initiatives.

Table 76. Financial Impacts from Property Rates

Basis for determining impact on the current budgeted figures	2022-23 R'000	2023-24 R'000	2024-25 R'000	2025-26 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.	7 502	8 090	9 000	9 540

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 has commenced and will be finalised by 30 June 2023. The data cleansing exercise is conducted jointly with debt collectors (REVCO). Progress and challenges in implementing the project should be discussed in the monthly management meetings and corrective measures implemented thereof.

✓ Follow procedures for Indigent Debtors

The Community Services Department has undertaken an indigent registration process in the third quarter of the 2022/2023 financial year. It is expected that all indigent debtors will be registered on the accounting system by 30 June 2023.

The financial impact from Refuse revenue initiatives

Table 77. Financial Impacts from Refuse Revenue

Basis for determining impact on the current budgeted figures	2022-23 R'000	2023-24 R'000	2024-25 R'000	2025-26 R'000
The customer information audit and data cleansing projects will result in a conservative average increase of 20%	521	543	600	643
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%.				

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 financial impact from Rental revenue initiatives

Table 78. Financial Impacts from Rental Revenue

Basis for determining impact on the current budgeted figures	2022-23 R'000	2023-24 R'000	2024-25 R'000	2025-26 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.	1 420	1 482	1 500	1 563

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 has been prepared and adopted by the 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 service charges initiatives

Table 79. Financial Impacts from Service Charges

Basis for determining impact on the current budgeted figures	2022-23 R'000	2023-24 R'000	2024-25 R'000	2025-26 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.	3 751	3 916	4 200	5200

7.1.4 REVENUE PROTECTION (DEBT MANAGEMENT)

Revenue protection and enhancement is key to the sustainability and performance of municipalities. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to all communities. It is against this background that the municipality has adopted a Revenue Enhancement Strategy that focuses on ensuring validity, accuracy, completeness and collection of revenue raised on already identified revenue sources as well as exploring other revenue streams.

A debt collection strategy is also in place which focusses on customer care and vigorous indigent outreach programmes and putting systems in place to ensure that all monies owed to the municipality is timeously received.

The table below demonstrates the total debt outstanding in a three-year cycle, per category per age analysis and the cumulative collection ratios:

Summary of debt outstanding per category

Table 80. Summary of Debt Per Category

Category	2019/2020	2020/2021	2021/2022
Rates	41,348,865	48 144 970	46 871 155
Refuse	2,246,050	2 733 494	3 373 566
Miscellaneous / other	2,042,022	5 363 865	4 641 695

TOTAL	45,636,937	56 242 329	56 603 409
Impairment Provided	(17,231,576)	(40 084 286)	(44 611 468)

Summary of Receivables from Exchange transactions by customer classification

Table 81. Summary of Receivables from Exchange Transactions

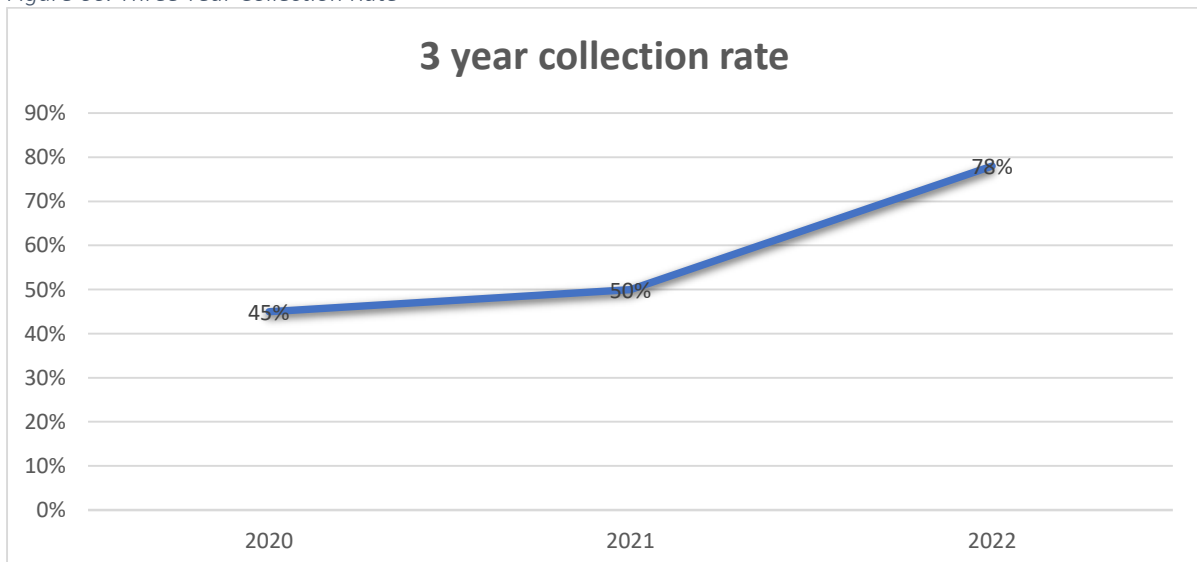
	2019/2020	2020/2021	2021/2022
Household	10,149,542	11 739 166	13 522 462
Industrial /Commercial	1,857,947	1 916 203	2 397 403
National and Provincial Government	22,538,731	23 650 267	19 325 285
Other	6,802,644	10 839 334	11 626 005
TOTAL	41,348,864	48 144 970	46 871 155

3-year annual collection rate

Table 82. 3-year Annual Collection Rate

Year	Ratio
2020	45%
2021	50%
2022	78%

Figure 66. Three Year Collection Rate



The table and illustrations below demonstrate that the Year to date (YTD) collection ratio split between Old (Opening Balance of **R 51 150 119.47**) and Current debt for **June 2022**.

Table 83. Collection Rate

Collection Rate - Split										
PERIOD	Opening Balance	Billing	Payments received				Closing Balance	Collection Rate (Old Debt) - YTD	Collection Rate (Current Billing) - YTD	
			Total Payments received	Allocated to O/B	Allocated to current Billing	Unallocated (Credits)				
Jul-21	R 51 150 119,47	R 621 367,52	R 1 203 621,30	R 1 114 756,66	R 6 711,15	R 82 153,49	R 50 567 865,69	2%	1%	
Aug-21	R 50 567 865,69	R 11 109 540,90	R 4 593 473,39	R 3 893 671,68	R 631 467,67	R 68 334,04	R 57 083 933,20	10%	5%	
Sep-21	R 57 083 933,20	R 1 632 664,54	R 5 386 776,74	R 4 793 720,25	R 510 821,12	R 82 235,37	R 53 329 821,00	19%	9%	
Oct-21	R 53 329 821,00	R 1 728 709,51	R 1 019 455,10	R 358 685,24	R 611 074,65	R 49 695,21	R 54 039 075,41	20%	12%	
Nov-21	R 54 039 075,41	R 1 651 982,94	R 1 101 389,33	R 274 949,06	R 775 271,02	R 51 169,25	R 54 589 669,02	20%	15%	
Dec-21	R 54 589 669,02	R 1 689 939,92	R 3 460 019,76	R 2 369 304,94	R 1 035 074,02	R 55 640,80	R 52 819 589,18	25%	19%	
Jan-22	R 52 819 589,18	R 1 698 522,88	R 1 998 449,19	R 331 000,82	R 1 397 248,55	R 270 199,82	R 52 519 662,87	26%	25%	
Feb-22	R 52 519 662,87	R 17 646,01	R 1 344 950,99	R 93 351,33	R 1 172 525,05	R 79 074,61	R 51 192 357,89	26%	30%	
Mar-22	R 51 192 357,89	R 1 426 218,72	R 1 326 950,03	R 511 614,98	R 766 370,85	R 48 964,20	R 51 291 626,58	27%	32%	
Apr-22	R 51 291 626,58	R 1 655 832,56	R 2 351 253,62	R 661 713,48	R 1 383 530,41	R 306 009,73	R 50 596 205,52	28%	36%	
May-22	R 50 596 205,52	R 2 086 154,24	R 1 290 799,31	R 396 590,92	R 868 057,70	R 26 150,69	R 51 391 560,45	29%	36%	
Jun-22	R 51 391 560,45	R 602 294,28	R 1 545 854,76	R 859 695,21	R 610 957,17	R 75 202,38	R 50 447 999,97	31%	38%	
		R 25 920 874,02	R 26 622 993,52	R 15 659 054,57	R 9 769 109,36	R 1 194 829,59				

YTD Split Collection Ratio - March 2022:					
OLD DEBT		CURRENT DEBT		Unallocated rec	TOTAL
Opening Balance	R 51 150 119,47	YTD Billed	R 25 920 874,02	R -	R 77 070 993,49
YTD Receipts - OLD	R 15 659 054,57	YTD Receipts - NEW	R 9 769 109,36	R 1 194 829,59	R 26 622 993,52
Closing Balance	R 35 491 064,90	Closing Balance	R 16 151 764,66	R 1 194 829,59	R 50 447 999,97
YTD Collection rate (old debt)	31%	YTD Collection rate (new debt)	38%		

Figure 67. Trend in YTD Collection Rate - Old Debt

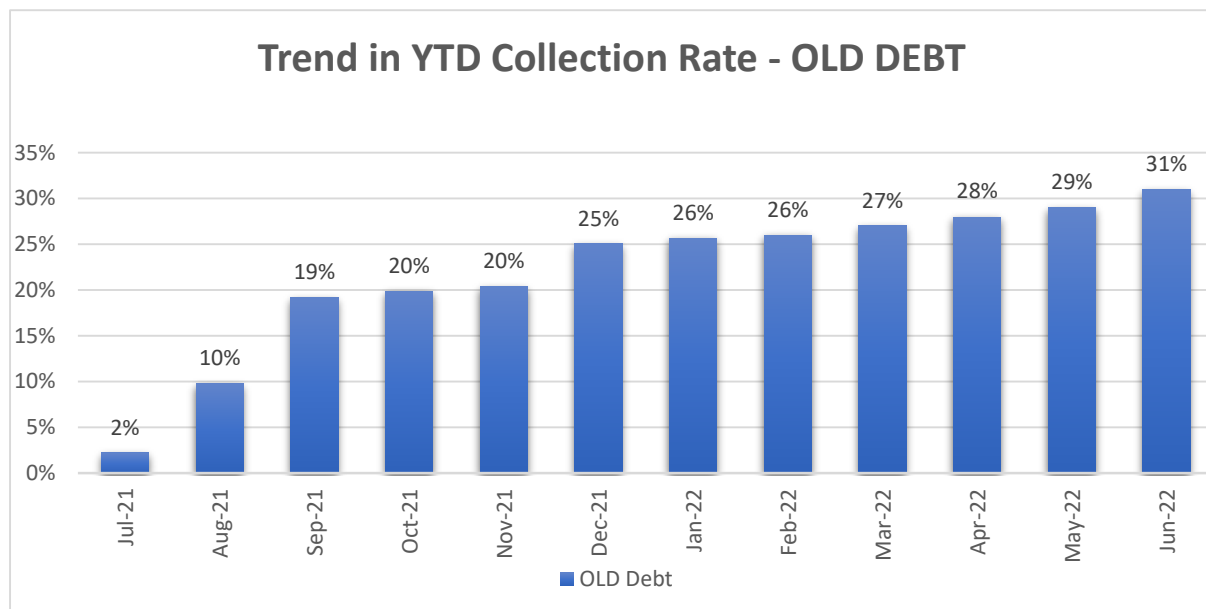
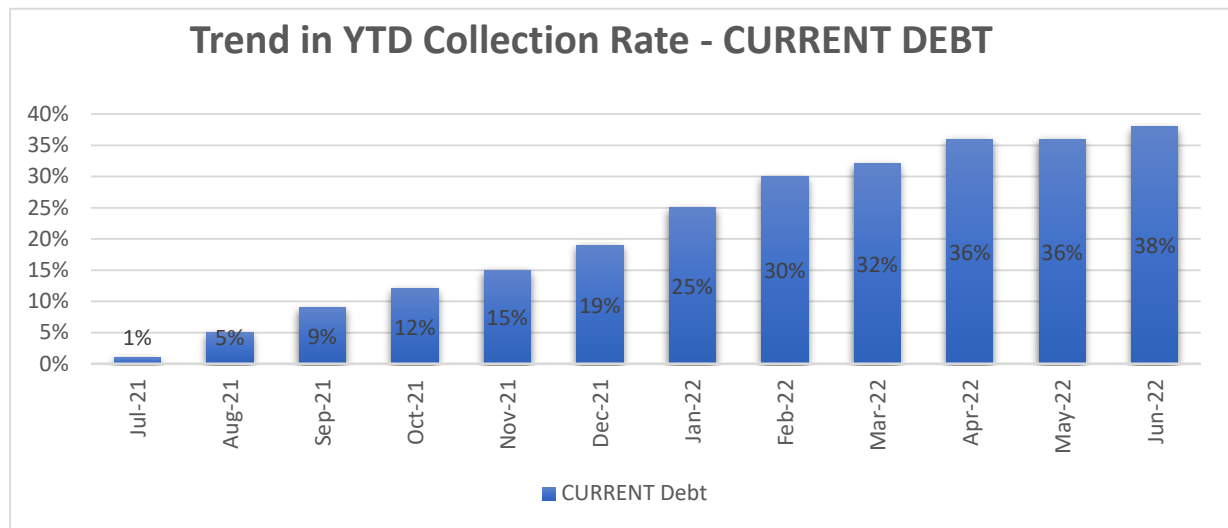


Figure 68. Trend in YTD Collection Rate - Current Debt



Debt Impairment and write-off

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.

Debt impairment over the past 3 years

Table 84. Debt Impairment

Movement	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Trade and other receivables	501,015.00	843,972.00	296,554.00
Other receivables from non-exchange revenue	4,102,574.00	607,548.00	4,465,044.00
Total	4,603,589.00	1,451,520.00	4,761,598.00

Cumulative Impairment	2021/2022 (audited)	2020/2021 (audited)	2019/2020 (audited)
Trade and other receivables	4,258,367.00	3,530,084.00	2,253,477.00
Other receivables from non-exchange revenue	40,353,102.00	36,554,202.00	17,231,576.00
Total	44,611,469.00	40,084,286.00	19,485,053.00

7.1.5 FINANCIAL MANAGEMENT

Functionality of the SCM Unit:

Supply chain management unit has been centralized and resides within the budget and treasury office. The SCM Unit is fully capacitated with no vacant posts. The current structure is as follows:

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

SCM Policy:

The municipality has recently updated the SCM Policy to incorporate the recent amendment of the Preferential Procurement Regulations. This includes subcontracting a portion of the project scope to local emerging entities owned by persons from the historically disadvantaged groups. The revised regulations allow the following when processing bids; -

Pre-qualification criteria for preferential procurement

If an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond:

- a) a tenderer having a stipulated minimum B-BBEE status level of contributor;
- b) an EME or QSE;
- c) a tenderer subcontracting a minimum of 30% to-
 - i. an EME or QSE which is at least 51% owned by black people;
 - ii. an EME or QSE which is at least 51% owned by black people who are youth;
 - iii. an EME or QSE which is at least 51% owned by black people who are women;
 - iv. an EME or QSE which is at least 51% owned by black people with disabilities;
 - v. an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
 - vi. a cooperative which is at least 51% owned by black people;
 - vii. an EME or QSE which is at least 51% owned by black people who are military veterans;
 - viii. an EME or QSE. A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender

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

RICHMOND LOCAL MUNICIPALITY BID COMPOSITION					
BID ADJUDICATION COMMITTEE					
	Designation	Name	Employee Number	Role on Committee	Period of Appointment
Bid Adjudication Committee	CFO	Filled		Chairperson	1 July 2022 – 30 July 2023
Bid Adjudication Committee	SM Community Services	Filled		Member	1 July 2022 – 30 July 2023
Bid Adjudication Committee	SM Technical Services	Filled		Member	1 July 2022 – 30 July 2023
Bid Adjudication Committee	SM Corporate Services	Vacant		Member	1 November 2022– 30 July 2023
Bid Adjudication Committee	Expenditure Accountant SCM	Filled		Member	1 July 2022 – 30 July 2023
BID EVALUATION COMMITTEE					
Bid Evaluation Committee	Manager SCM	Filled		Chairperson	1 July 2022 – 30 July 2023
Bid Evaluation Committee	Expenditure Accountant Asset	Filled		Member	1 July 2022 – 30 July 2023
Bid Evaluation Committee	Housing Officer	Filled		Member	1 July 2022 – 30 July 2023
Bid Evaluation Committee	Senior Technician	Filled		Member	1 July 2022 – 30 July 2023
Bid Evaluation Committee	Manager Library	Filled		Member	1 July 2022 – 30 July 2023
BID SPECIFICATION COMMITTEE					
Bid Specification Committee	SM Technical Services	Filled		Chairperson	1 July 2022 – 30 July 2023
Bid Specification Committee	Manager LED	Filled		Member	1 July 2022 – 30 July 2023
Bid Specification Committee	Manager Planning	Filled		Member	1 July 2022 – 30 July 2023
Bid Specification Committee	Asset Clerk	Filled		Secretary	1 July 2022 – 30 July 2023
Bid Specification Committee	Supervisor Learners Centre	Filled		Member	1 July 2022 – 30 July 2023
QUOTATION EVALUATION					

RICHMOND LOCAL MUNICIPALITY BID COMPOSITION					
BID ADJUDICATION COMMITTEE					
	Designation	Name	Employee Number	Role on Committee	Period of Appointment
Quotation Evaluation Committee	Expenditure Accountant SCM	Filled		Chairperson	1 July 2022 – 30 July 2023
Quotation Evaluation Committee	SCM Practitioner	Filled		Member	1 July 2022 – 30 July 2023
Quotation Evaluation Committee	Accountant Asset	Filled		Member	1 July 2022 – 30 July 2023

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

The municipality introduced the unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure reduction strategy for **Richmond Local Municipality** which aims to support and introduce measures that will assist in reducing such expenditures. The strategy also describes the key roles and responsibilities of public representatives and the administration.

Herewith are the outcomes of the implementation of the UIFW Strategy:

Baseline	Baseline	Adjustment	Adjusted	Suggested incremental targets	Actual performance	
	Rand value	Rand value	Rand value	Targets 2021 -22	Actual remaining balance - 30 June 2022	Reduction expressed as a %
2020-21 baseline	29,017,521	19,024,830	48,042,351	40% reduction of unauthorised expenditure from baseline of 2020-2021 by 2022	17,637,862	63%
2020-21 baseline	3,700,728	-	3,700,728	40% reduction of irregular expenditure from baseline of 2020-2021 by 2022	227,688	94%
2020-21 baseline	9,574,030	-	9,574,030	40% reduction of fruitless and wasteful expenditure from baseline of 2020 -2021 by 2022	19,014	100%

Financial Viability/Sustainability

To perform a holistic financial analysis of a municipality, all financial aspects of the institution should be considered. This is best achieved by considering **financial ratios** which are computed considering the current and historic Financial Position and Financial Performance of the municipality.

Liquidity Management

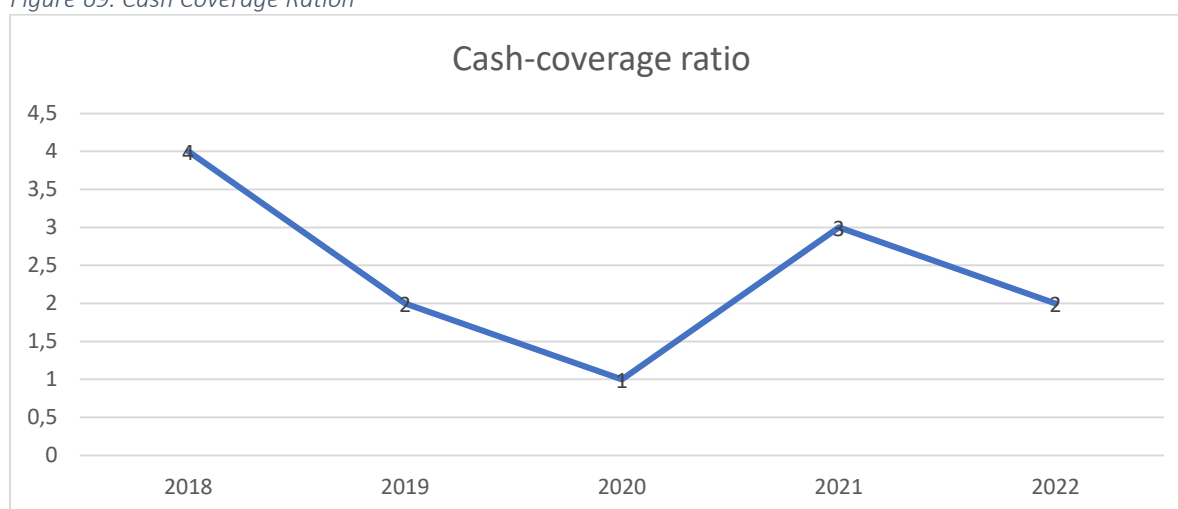
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)

The cost coverage ratio represents the number of months' fixed expenditure that can be covered by the cash and liquid assets available for the Municipality. The cost coverage ratio shows a downward trend from the 2017/2018 financial year from 4.0 months to 1 month for the 2019/2020 financial year which is its lowest point. The situation improved in the 2021 financial year to 3 months.

Table 85. Cash Coverage Ratio

Year	Ratio
2018	4 Month
2019	2 Month
2020	1 Month
2021	3 Month
2022	2 Month

Figure 69. Cash Coverage Ratio



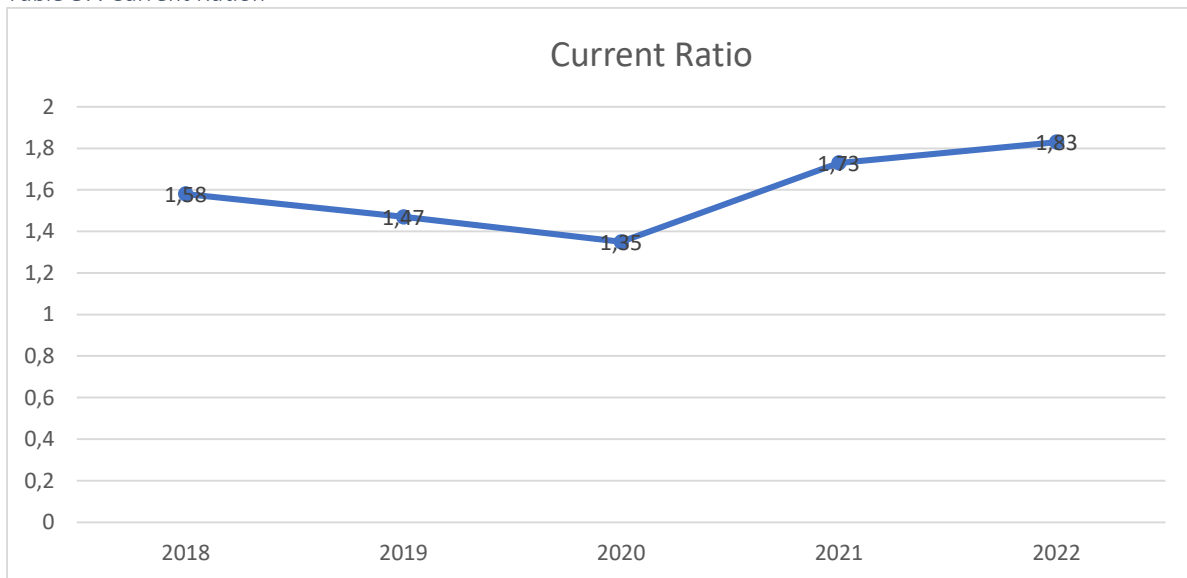
Current Ratio

The **current ratio** represents the ability of the Municipality's current assets to service its current liabilities. This ratio shows a downward trend from the 2017/2018 financial year from 1.58:1 to 1.35:1 in the 2019/20 financial year. There is an improvement from 2020/2021 to 2021/2022 as the ratio was 1.83:1 which is above the acceptable norm of 1:1 for local government.

Table 86. Current Ratio

Year	Ratio
2018	1,58
2019	1,47
2020	1,35
2021	1,73
2022	1,83

Table 87. Current Ration



7.1.6 EXPENDITURE MANAGEMENT

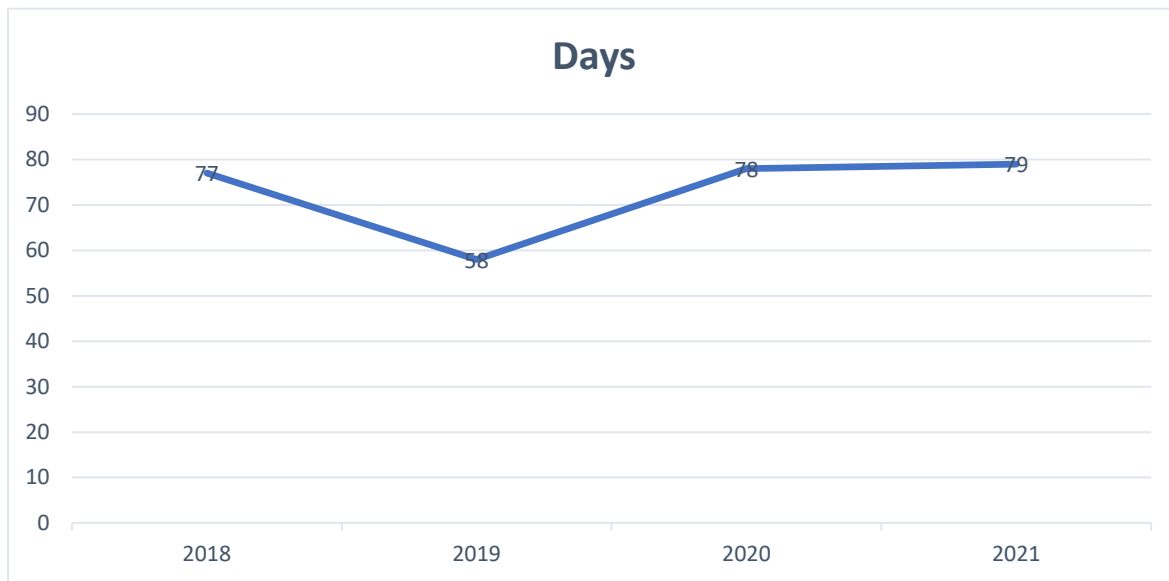
Creditors Payment Period (Trade Creditors)

This ratio measures the number of days it takes to pay creditors who delivered services to the Municipality on credit. The GRAP Accounting Standards require from a municipality to recognise invoices in June, still payable in July, on the accrual basis. This distorts the picture because all creditors are paid within 30 days of receipt of an invoice. The ratio was 28 days for 2021/2022 which is within the norm of 30 days required by the Municipal Finance Management Act.

Table 88. Creditors Payment Period

Year	Ratio
2018	77 days
2019	58 days
2020	78 days
2021	79 days
2022	28 days

Figure 70. Creditors Payment Period



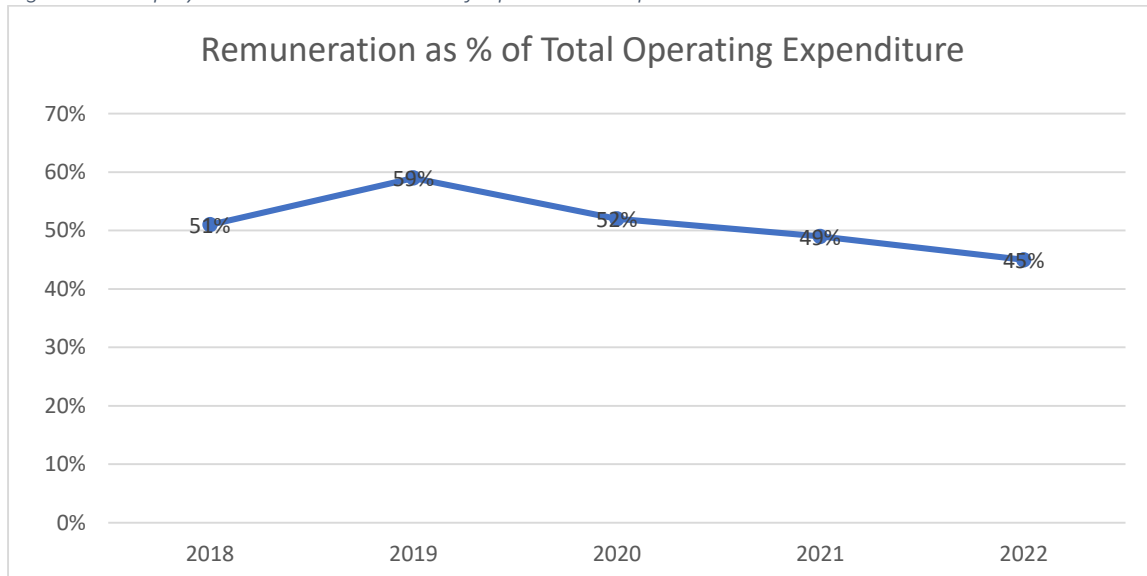
Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure

Employee related costs as a percentage of operating expenditure amounted to 45% for the 2021/2022 financial year compared with 49% of the 2020/2021 financial year. The acceptable norm from the National Treasury is that it should be between 25% and 40% of the operating budget expenses. The Municipality is not within the acceptable norm over the last four financial years.

Table 89. Employee Related Costs as a % of Operational Expenditure

Year	Ratio
2018	51%
2019	59%
2020	52%
2021	49%
2022	45%

Figure 71. Employee Related Costs as a % of Operational Expenditure



7.1.7 ASSET MANAGEMENT/UTILISATION

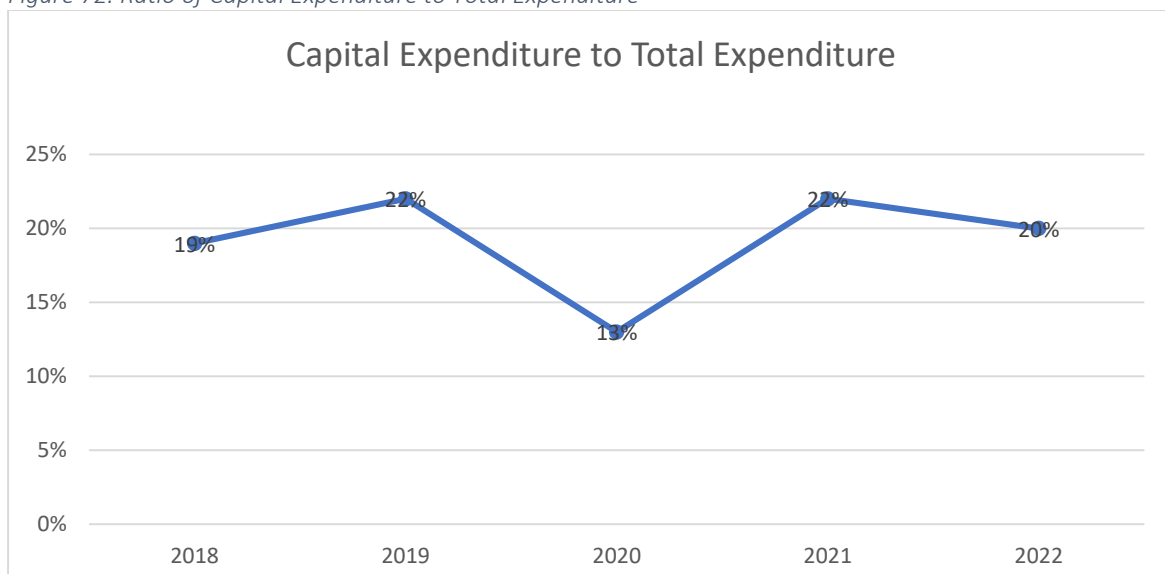
Capital Expenditure to Total Expenditure

This ratio indicates how much capital expenditure is as a percentage of total expenditure (capital and operating expenditure). For the 2021/2022 financial year the percentage was 20.0% whilst the norm is 10%-20%.

Table 90. Ratio of Capital & Operational Expenditure

Year	Ratio
2018	19%
2019	22%
2020	13%
2021	22%
2022	20%

Figure 72. Ratio of Capital Expenditure to Total Expenditure



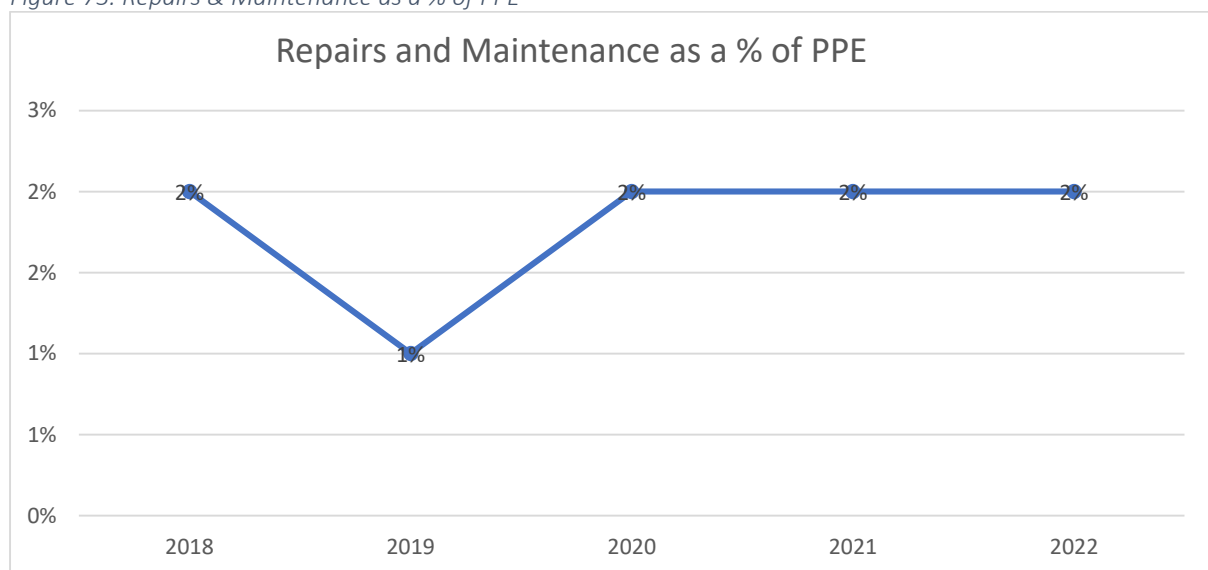
Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)

Repairs and maintenance as a percentage of the carrying value of property, plant and equipment has averaged 2% over the period from 2018 to 2021/2022. This is well below the unreachable norm of 8% set by the National Treasury. It must be noted that the municipality has vast parcels of land which distort the true meaning and intention of this ratio. Furthermore, the municipality undertakes bulk of the repairs and maintenance through internal staff and the cost of the repairs and maintenance performed internally is not considered in this ratio. This further complicates adequate measurement of this ratio.

Table 91. Repairs & Maintenance as a % of PPE

Year	Ratio
2018	2%
2019	1%
2020	2%
2021	2%
2022	2%

Figure 73. Repairs & Maintenance as a % of PPE



7.1.8 DEBTORS MANAGEMENT

Collection Rate

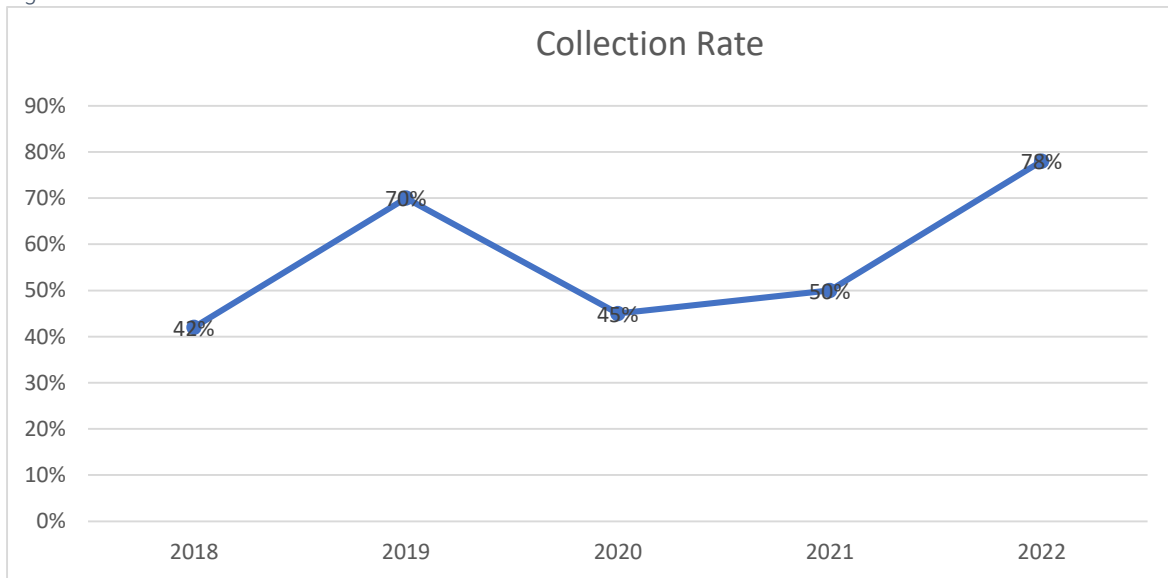
The debtors' collection period ratio measures the period it takes for debtors to pay their bills. The longer the period the greater is the problem financial status of the organization. Furthermore, assessing the Collection Ratio provides an indication of the performance against a number of other areas, for example, Quality of Credit Control - ensuring that what is billed is collected; and Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

The collection rate is well below the norm of 95% over the past 4 years and it indicative of the challenges in the implementation of the council approved Credit Control Policy.

Table 92. Collection Rate

Year	Ratio
2018	42%
2019	70%
2020	45%
2021	50%
2022	78%

Figure 74. Collection Rate



Assets and Infrastructure

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

Table 93. Repairs & 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%
2020/2021	R 5 910 489	1.67%
2021/2022	R 6 236 111	2,1%

7.1.9 LOANS / BORROWINGS AND GRANT DEPENDENCY

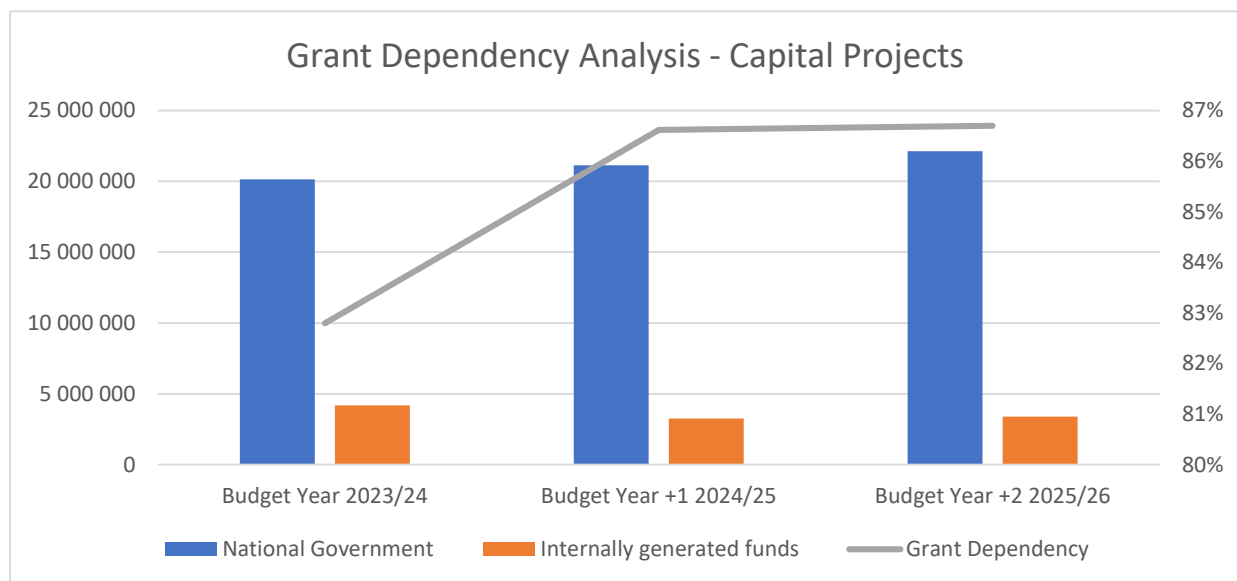
The municipality has no loans and no plans are in place to fund its capital programs through loans and borrowings. As indicated above the municipality is highly grant dependant. The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 94. Funding Composition for 2023/24

Funded by:	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
National Government	20,139,000	21,126,000	22,119,000
Internally generated funds	4,185,000	3,264,000	3,394,000
Total Capital Funding	24,324,000	24,390,000	25,513,000
Grant Dependency	83%	87%	87%

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

Figure 75. Grant Dependency



Capital grants and receipts equates to 83 per cent of the total funding source which represents R 20 million for the 2023/24 financial year and increase to R 21 million or 87 per cent by 2024/25.

The Municipality relies heavily 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 department of Co-operative Governance and Traditional Affairs, Department of transport and Department of Energy for acceleration of service delivery.

7.1.10 AUDITOR-GENERAL'S OPINION

The municipality has received the following audit opinion from the AG over the past five years.

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Adverse	Qualified	Unqualified (with findings)	Unqualified (with findings)	Unqualified (with findings)

7.1.11 FINANCIAL VIABILITY & MANAGEMENT: SWOT ANALYSIS AND KEY CHALLENGES

- Less reliance on consultants for budgeting and reporting	- Low revenue base.	- Clean financial administration	- Possible loss of financial information due to IT related challenges
- Strong internal control environment including implementation of finance policies	- Grant dependency.	- New revenue source - o Traffic department - o Disposal of vacant sites	- Depletion of cash reserves
- Low vacancy rate in the Finance Department	- Poor collections on outstanding debtors	- Support from Provincial Treasury	- Economic Recession
- Unified management	- Low liquidity ratio		

Financial Viability and Management: Challenges

Challenges	- High dependence on grant funding; - Unspent conditional grants; and - Low liquidity position - Unauthorized fruitless and wasteful expenditure - Grant dependent to the extent of 75% - Ageing infrastructure assets with inadequate investment plans for replacements - Minimal repairs & maintenance been done on infrastructure assets due to funding constraints

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

8.1 NATIONAL & PROVINCIAL PROGRAMMES ROLLED-OUT AT MUNICIPAL LEVEL

8.1.1 PUTTING PEOPLE FIRST (BATHO PELE PREINCIPLES)

The Richmond Municipality developed the Customer Service Delivery Charter and Standards of the municipality, which were reviewed and adopted in 2018. The charter serves as an expressed commitment by the municipality to its end users as an effort towards building a customer driven organization where the requirements of the customer come first, within the limits of available resources. The municipality has over the years undertaken to consult all its customers on the level and quality of services provided as well as development required, to continue to improve the living conditions of its communities. Further to this, the municipality has committed to serve its customers as envisaged by the Batho Pele Principles in the White Paper on the transformation of the Public Service (1997) as follows:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress
- Value for Money
- Encouraging Innovation and Rewarding Excellence
- Customer Impact
- Leadership and Strategic Direction

Procedure Manual

The municipality has designed a procedure manual to regulate all major decisions, actions and principles to be undertaken. It must be noted that the document was presented to Corporate body of the municipality and will be tabled for Council's adoption by the 30 June 2023. The manual sits in the Stakeholder Relations and will be reviewed if need arises. It provides authority and necessary guidance to the entire municipality and has been made available to all employees of the municipality as well as the communities at large. The following have been incorporated in the manual:

- ✓ Employment Procedures
- ✓ Work from home policies
- ✓ Organization culture
- ✓ Communication policies
- ✓ Payment Procedures
- ✓ Workplace guidelines
- ✓ Employee code of conduct
- ✓ Technology usage procedure

8.1.2 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;

War Room Task Team & Local Task Team Functionality

- **WAR ROOM CONVENERS**

Table 95. War Room Conveners

WARD	WAR ROOM	WAR ROOM CONVENOR
1	Umngeni Water Office (Magoda)	Ms Nomvula Nzimande – CHW
2	Slahla War-room (eNdaleni)	– Mbuso Mthembu CCG
3	Ntsongeni Hall (Hopewell)	Ms Lindiwe Zuma -CHW
4	Hopewell (Argosy Hall)	Mr Oscar Ndinga - CWP
5	Thusong Center (Nhlazuka)	Ms. Fezeka Ngcongo – NGO
6	Smozomeni Hall	Ms Thandeka Mbhele CCG
7	Richmond Daycare Centre	Ms Thandi Phoswa NGO

LTT Structure

Table 96. LTT Structure

NO:	OFFICIAL NAME	CONTACT NO:	DEPARTMENTS	INTERVENTION
01	VW. Sibisi	0722100280	Head SM Richmond Municipality	HOD community Service
02	Musa.Ndlovu	0839236232	Richmond Municipality	LTT Convener RLM
03	Department of Labour Mr Gwala	071 609 7354	Department of Labour	Deputy LTT Convener

04	Mrs Squash Mbana	0832863437	Department of Health	Health issues
05	Mr Arthur Maseko	0738465690	DSR	Sport and Recreation
06	Ms TP Khuzwayo	0332122266	DSD	LTT Scriber DSD
07	Ms Ntombi Dlodla	0822105498	SASSA	Social Grants
08	Mr Gwala	0795052402	EDTEA	Small business
09	Mr M. Yengwa	082 771 5256	DOHS	Human Settlement
10	Mr Musawenkosi Blose	0833827549	DSD	Social Development
11	Mr Sibuso Malevu	0769626420	AGRICULTURE extension Officer	One home one garden Agricultural Projects
12	Mr Msizi Mkhize	0765483096	Youth Officer	Youth Development
13	Mr Sbonelo Shange	0795558062	Constituency Office (ANC)	Constituency Services with Support of MP Hon JJ
14	SGC Captain Nxele	0332129455	Richmond Police Station	Station Commander
15	Mr Mthokozisi Ndlovu	0332122920	Department of Home Affairs	Personal Registration/identification Documents
16	Mr Mpanza Mr Madlala	0332123010	Department of Education	Nhlazuka Circuit Inspector
17	Mr Thulani Mbongwa	071 677 9555	EDTEA	Business Support

18	Mrs Winnie Mthembu	082 780 0496	Dard	Extention Officer
19	Mr BS Madlala	082 220 9581	DOE	Richmond Circuit Inspector

Education OSS: Local Task Team Representatives

Table 97. Education OSS: Local Task Team

MUNICIPALITY		DOE REPRESENTATIVE	CONTACT	SUB-DIRECTORATE	E-MAIL ADDRESS
RICHMOND		MR B.D. MADLALA	082 220 9581	Umsunduzi Circuit Management	Faith.Ngubo@kzndoe.gov.za
INHLAZUKA		MR S.S. MPANZA	082 51 5 8123	Umsunduzi Circuit Management	Faith.Ngubo@kzndoe.gov.za
EDUCTION	OFFICIAL	ATTACHED AT	WAR ROOM	LEVEL	
WARD	VENUE	DOE DEPLOYEE	CONTACT	SCHOOL	E-MAIL ADDRESS
1	Magoda Area (Water Offices)	L.O Nkabinde	071 89 5 3249	Magoda Primary	inhlazukacircuit@gmail.com
2	Slahla Community Hall	S Mchunu	None	KwaMlamuli Primary	inhlazukacircuit@gmail.com
3	Nsongeni Hall	B.W Shengu	082 34 0 8034	Hopewell Primary	inhlazukacircuit@gmail.com
4	Argosy Community Centre	P Mvelase		MT Pleasant	inhlazukacircuit@gmail.com
5	Thusong Centre	L. Khumalo	082 79 0 9898/0 73 494 8193	Mbuthisweni Primary	inhlazukacircuit@gmail.com

6	Esimozomeni Community Hall	M Dlamini		Esimozomeni Primary	inhlazukacircuit@gmail.com
7	Day care center	M Magoso B. Mhlongo	082 834 0749	Indaleni Deaf Ndebikhona primary	inhlazukacircuit@gmail.com bongisisapatrik@gmail.com

Department of Health Deployment List

Table 98. Department of Health Deployment

Sub- district	Facility Name	Employee	Contact no	Ward
Richmond	Ndaleneni Clinic	Tshengisile ZumaL.L Ntombela	082 680 2387 073 421 5509	2
Richmond	Ndaleneni Clinic	T.Z Duma	072 381 4004	7
Richmond	Richmond Clinic	Thobeka Ndlovu	072 604 1517	3
Richmond	Richmond Clinic	Sindiswa Mahlba	079 703 0034	4
Richmond	Richmond Clinic	Zithobile Mshengu	071 518 9774	1
Richmond	Phatheni Clinic	S. Xaba	074 553 7670	6
Richmond	Mbuthisweni Clinic	Busisiwe Mgwaba Nhlonipho Ngcamu	084 238 5378 069 322 5003	5 5

Richmond	Nkumane Clinic Richmond Clinic	Thuli Nhlebela Thabo Jozi	079 081 7383 071 176 7525	1,3,4,5

Department of Health Progress on Vaccination of 12 To 17 Up To 60 Years 2022 To 2023 Year

Table 99. Department of Health Progress on Vaccination

Municipality	Target	1st Dose	Fully Vaccinated	% received 1st Dose	% Fully Vaccinated
Richmond LM	39427	24221	19716	61%	50%
Richmond LM	4254	4241	3680	100%	60 years = 87%
Richmond LM	4454	3611	3299	81%	50to59 years = 74%
Richmond LM	17299	7574	6723	44%	35 to 49 years= 39%
Richmond LM	13420	7196	5800	54%	18 to 35 years 43%
Richmond LM	6414	1588	214	25%	12 to 17 years= 3%

Civil Society

Table 100. Civil Society

Thandanani Children Foundation Siyayinqoba (CMT) Mazikhethele (KYF) AIDS FOUNDATION Ikusasa elihle ISIBINDI (CYCW)	Base in all wards Gender violence workshops Base in all wards Awareness campaigns on HIV/AIDS Base in ward 2(Huba) Educates youth about substance abuse Base in Ward 5 Launch sports clubs Base in ward 2,6&7 Ward 2 and Ward 7	Visit households Recruit for MMC Home testing Couple testing Establish Support Groups Distribute condoms HIV/ Testing Community Project Community Dialogue Social Ills Awareness (Drug abuse) OSS Civil Society/NGO's Partners Sport event Collect the data (community) HIV/AIDS Testing Identify orphans Assist with documents Assist vulnerable children with homework Provide family Psychosocial support to Child headed households and HIV affected homes

Interventions

Table 101. OSS Interventions

DEPARTMENTS	INTERVENTIONS	CASE FINALIZED/STILL ON PROCESS
HEALTH	Outreach teams Phila Mntwana and Health promotion Conducts VCT Pap Smear Medical check up Distribution of wheel chairs MMC HIV testing and Covid19 screening & vaccination Delivery of medication in CCMDD	As per information on Ward Profiles Most of case are finalised the target areas were Sgcakini and Hopewell in ward 3-4 the most affected by social ills
Home Affairs	Issue of Birth Certificates(early birth registrations only) & Identity Documents (Green ID book only) Issued of Marriage & Death Certificates. Certificates re-issued	Richmond service point office it is clearer that are not performing well due to the capacity of staff and poor coordination of office. The most of cases are referee in Home Affairs district office and Ixopo Home Affairs offices. Intervention is required soon as possible. Inhlazuka satellite office are close since the official were posted to national Home Affairs office and all was terminated without notice. The operation of the office required to be reinstates.

Social Development	Funding of NPOs SRD ECD centres support and mentoring Outreach programs Awareness campaigns Foster Care Grants Capacity Building Workshops/Dialogues	Funded NPOs (30) SRD – 250 , 250 blankets Handing over of Isibonelo creche – Ward 6 523 Foster care grant recipients 7 senior citizen luncheon clubs that are fully functioning Victim Empowerment Child Protection Gender Based Violence
SASSA	Social Grants administration Social Relief: The number grant application processed- 999 . Number of SRD school uniform awarded 142 . Number of SRD disaster applications awarded-2 .	The challenges of Post office coursing confusion to the pensioners. SASSA advise all people to reopen a new bank account after problem continuously as update report.
Education	Basic Education Services Nutrition Extra mural activities Case Referrals to relavent departments	Number of school as per information on Ward Profiles Intervene on special cases
Justice Department	No information provided	Small Claim Court Maintenance Court Traffic Fines Basic Law Services Court Orders Protection Orders

DEPARTMENTS	INTERVENTIONS	CASE FINALIZED/STILL ON PROCESS
Agriculture	Food Security Outreach Programs Poverty Alleviation and Eradication	Communal Gardens One Home One Garden Seed starter packs , fruit seeds and gardening tools & machinery
Richmond Municipality	Infrastructural development Community services Public Participation Custodian of Operation Sukuma Sakhe	▪ construction of Benjamin road is complete 100% ▪ 95% electrification in all Wards ▪ 55% Housing project complete for most of Wards ▪ 85% of access roads completed in all wards ▪ All wards Sanitation project 85% ▪ 65 % Employment of EPWP and CPWP in progress.
COGTA	Cooperation with RLM and traditional council Service Delivery CDWs	Maintains a good relationship with Amakhosi and traditional councils and support service delivery Provide secretarial support to war rooms

		Provide administration support to ward Councillors and all social programmers include CWP Program
Sport & Recreation	Coordination and provision of Sports Support Sport Federations/clubs and teams from different sport codes	Sports Arts Culture has provided the Municipality with sports equipment for 3 crèches and the equipment for golden games as well as aerobics.
Labour	Provide services on Labour related issues	No progress on program as required through Profiles system

Challenges and Social Ills

Table 102. Challenges & Social Ills

Challenge	Department Dealing with the Challenge	Programs offered
Influx of foreigners without necessary identification documents	Department of Home Affairs	There is no progress reported

Stock Theft Department of Agriculture and Rural development Land Affairs	SAPS	Working closely with CPF and all community formations and individuals to open Cases regarding Stock Theft. Social ills and GBVF cases also taking care by south African Police Service
	Department of Agriculture and Rural Development	Facilitate the stock identification mark (each farmer including rural villages small stock owners have their identification mark). The Department also provide support to farmers associations working through Richmond Local Economic Development
Challenge	Department Dealing with the Challenge	Programs offered
Teenage Pregnancy, Drugs and Substance Abuse	- Department of Social Development in partnership with other stakeholders, NGO's & LDAC - Department of health	The intake, referrals and community dialogues has revealed following Social ills to be prevalent within Richmond Municipality: - Child Abuse – Child protection Forum is functional and programmes are rendered Substance Abuse – Local drug Action Committee is functional and programmes are implemented Gender Based Violence – GBV programmes are

		implemented in collaboration with other stakeholders HIV and AIDS – Local Aids Council is functional and programmes are rendered.
HIV/AIDS	Department of Health	Condom distribution, CMDD sites, HCT and Medical Male circumcision. LAC and Nerve Centre is not fully function due to communication duplication by stakeholders. Provision of Care and Support of OVC's, Infected and affected service users. Provision of cooked meals after school for OVC's and assistance with homework. CYCW's and CCGs conducting Door Social Services provision with Support of Ward based Social Workers

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.

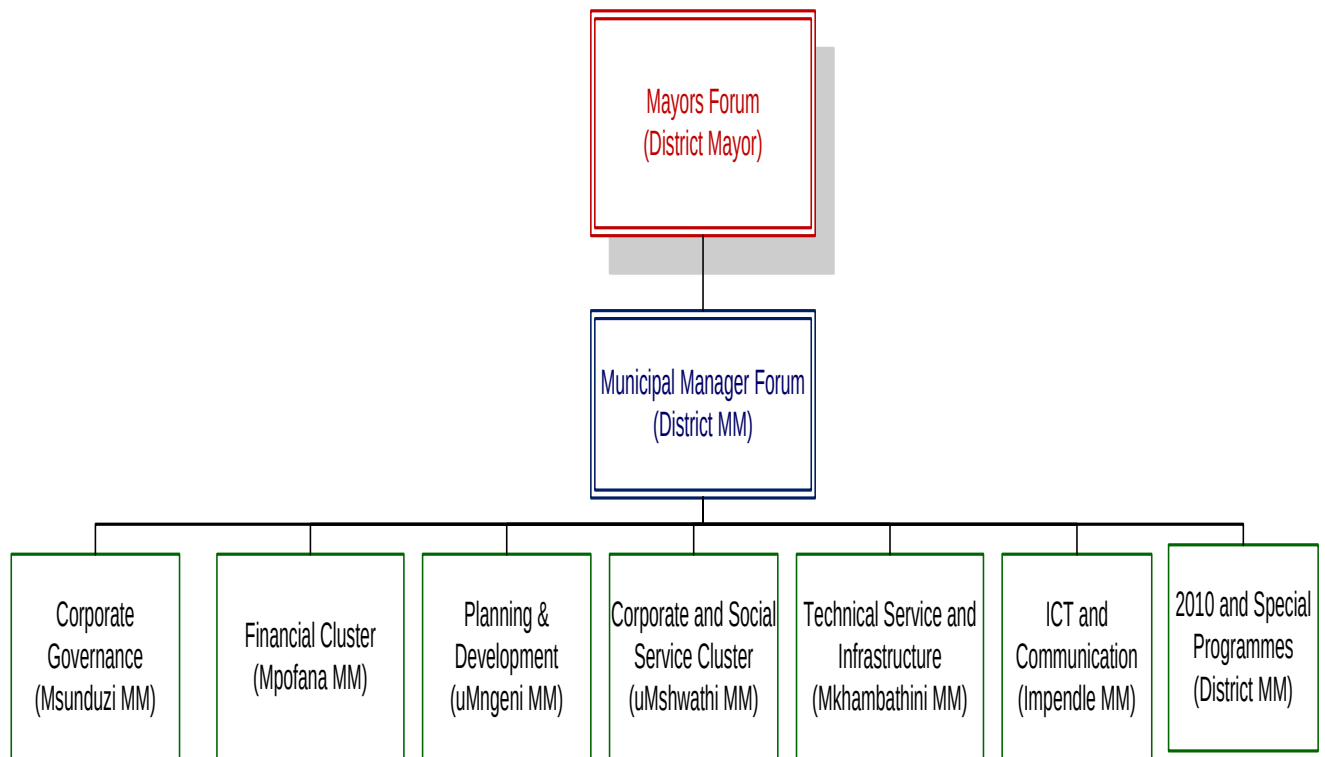
Challenges

1. Insufficient commitment by departments
2. Lack of war rooms equipment as required still remain.
3. Lack of War room champions to support war rooms.
4. Poor attendance of Departments in war rooms
5. Poor interventions by Departments

8.1.3 INTER-GOVENMENTAL RELATIONS (IGR)

Fully operational Cluster Model (IGR System)

Table 103. IGR Operational Structure



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.

8.1.4 AMAKHOSI

Section 81 of the Municipal Structures Act, 117 of 1998 provides for the participation of Traditional Authorities in the proceedings of municipal Council.

Traditional authorities traditionally observe a system of customary law in the area of a municipality, Richmond Municipality being predominantly rural has three traditional areas of which two of those are fully functional Vumukwenza (Nhlahuka) Traditional council and Esiphahleni (Phatheni) Traditional Council. The Traditional Leaders are always represented in municipal decision making processes, they are present at all council meetings and are the first point of contact in matters pertaining their areas of jurisdiction. They have also been part of the periodic IDP Roadshows, in which they are also included in the preceding's of the meetings. Traditional leaders are given the opportunity to voice their opinions and recommendations, which are valued and taken into consideration.

8.2 MUNICIPAL STRUCTURES

8.2.1 EXTENDED MANAGEMENT COMMITTEE (EXTENDED MANCO)

The municipality has an established Extended Management Committee that sits on a weekly basis, which consists of the Municipal Manager, Head of Departments and Section Managers. The main purpose of this committee is to deliberate on administrative issues that are focused on service delivery and operational management of the municipality.

8.2.2 PORTFOLIO COMMITTEE

The Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) provides guide under Section 79 of the Act for a Municipal Council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. The created Portfolio Committees have been guided by Section 79 and 80 of the Act and have been appointed to ensure effective and efficient performance of the Municipal Council. The table below provides details of the two portfolio committees that were established by the Richmond Municipal Council.

Table 104. Role of Portfolio Committees

ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE / HUMAN RESOURCES	COMMUNITY DEVELOPMENT AND SOCIAL SERVICES /INFORMATION COMMUNICATION TECHNOLOGY	FINANCE PORTFOLIO COMMITTEE
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	ROLE - To present the financial status of the municipality. - To present the status of expenditure and available funding. - To assist the Executive Committee in

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	monitoring municipal financial affairs • To assist the Executive Committee in monitoring expenditure and the expenditure of available of grant funding • To assist the Executive Committee in monitoring the cash coverage ratio on a monthly basis.
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	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	RESPONSIBILITIES • Financial management • Expenditure management • Supply Chain Management • Assets control and management

• Performance monitoring and evaluation • Disciplinary procedures • Grievance procedures		

However, these committees need to be reviewed together with their respective terms of reference in order to form alignment with the core functions of the Municipal Council.

8.2.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

It also established through the provisions of Section 79 Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998). The municipality has an established MPAC Committee that sits once a quarter. It consists of five (5) members. The committee is chaired by a member from the ruling party. The Committee reports to EXCO then Council. Its main function is to look at financial reports, suspicion of fraud and then investigate, and report back to Council. Depending on the findings reported to council, either Council takes decisions itself or cascade the matter to CoGTA or report to the SAPS for further investigation.

The Municipal Public Accounts Committee (MPAC) is a committee of the municipal council, appointed in accordance with Section 79 of the Structures Act. Members of this committee do not sit in any portfolio within the municipality. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

The MPAC committee is made up of five councillors, four are from the ANC and one is an Independent councillor. It is chaired by the ruling party and makes recommendations to Council on monthly basis. Amongst other duties, the committee oversees the work of EXCO, Portfolio Committee, OPMS, does special investigations and other adhoc assignments.

The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- ✓ Unforeseen and unavoidable expenditure (Section 29)
- ✓ Unauthorized, irregular or fruitless and wasteful expenditure (Section 32)
- ✓ Quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d))
- ✓ Monthly budget statements (Section 71)
- ✓ Mid-year budget and performance assessment (Section 72)
- ✓ Mid-year budget and performance assessment of municipal entities (Section 88)
- ✓ Reports to Council as mandated by the Legislation

The Municipal Public Accounts Committee is fully functional. The Committee meetings are held on a quarterly basis. The National Treasury guideline for establishment of Municipal Public Accounts Committees (MPAC) states that, MPAC must develop its work programme annually

and link such programme to the overall planning cycle of Council and conclude with the evaluation of the annual report and recommendations to Council when adopting Oversight Report on the Annual Report.

8.2.4 EXECUTIVE COMMITTEE (EXCO)

Section 33 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) makes provision for the establishment of a municipal executive committee. Richmond Municipality guided by the provision of the act, established the Richmond Municipal Executive Committee, which is chaired by the His Worship the Mayor and consists of 3 members. The committee is functional and meets on a monthly basis to deliberate on pertinent matter of the municipality.

8.2.5 COUNCIL

Richmond Municipality comprises has a total of 14 Councillors with the Honourable Speaker serving as the Chairperson of the Council meetings. The Council meetings are functional and are held on a monthly basis.

8.2.6 WARD COMMITTEES

Ward Committees are established in terms of Section 73 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998), with the main objectives of enhancing participatory democracy (public participation) in local government.

In addition to the above municipal committees, Ward Committees have established in all 7 Wards and they 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 public outreach, strengthening the Communication Strategy. Public information that is mainly made available to communities relate to the municipal's budget, Integrated Development Plan, PMS, Annual Report, etc. which are all communicated to the public by the assistance of Ward Committee Members.

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.

FUNCTIONS OF WARD COMMITTEES

Ward Committees are advisory structure which makes recommendations on any matter affecting their wards. They are required to increase the participation of citizens in local government, by providing a link between the community and the municipal council.

Ward Committees are set up to increase the participation by the residents in their ward in democratic decision-making so that they can input on matters that relates to their day to day living.

Ward Committees:

- Ensure better participation from the community to inform council decision,
- Make sure that there is good communication between the council and the community, and
- Assist the ward councillor with consultation and report-back to the community.

To enable the ward committee to make constructive input and recommendations in accordance with section 74 of the Structures Act, and to ensure that the ward committee becomes the mouthpiece of the community, the ward committee must be in a position to:

- a) Conduct research into the circumstances prevailing in the ward in regard to service delivery, availability of amenities, levels of poverty and HIV/AIDS, counselling services, crime statistics, etc. so that it can relay the concerns of the community of the ward councillors and to council so that the issue falling within the ambit of the municipality can be addressed.
- b) Conduct outreach programmes so that it can interact with groups and ensure that the concerns and plight of these groups can also be addressed by the council.
- c) Advise and consult with residents on municipal matters/ services, which must be seen as the ward's primary issues. This can be done through public meetings which should be used as a two-way process where the ward committee member can report back to communities while soliciting more issues to be addressed. Social events can also be used to interact with community members.
- d) Interact with other relevant forums to ensure that the committee keeps abreast of what is happening in its ward in respect of issues that may have initiated through other departments and that are being driven by particular stakeholder group.
- e) Guide and advice residents on how to resolve their problems. Information on municipal services and programmes should be provided by the designated municipal officials and on government programmes, should be provided by the Community Development Workers.
- f) Co-ordinate ward programmes of council, where the municipality is required to inform, involve and consult the community

List of Ward Committee Members

Ward 1

Table 105. Ward 1 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
ZINHLE MCHUNU	TRANSPORT	0790966180
NONJABULO MNTUNGWA	HEALTH & SOCIAL DEV.	0663442475
ZODWA DLAMINI	WOMEN & AGRICULTURE	0726389451
BLESSING NDLOVU	BUSINESS	0761913412
BHEKINHLALO ZONDI	SAFETY & SECURITY	0796272906
MBHEK"SENI MNGUNU	DISABILITY	0837343430
NOMPUMELELO MNDAWENI	FAITH BASED	0736015103
DINO MCKENZIE	SPORT	0660094237
SABELO MKHIZE	YOUTH	0718673199
JABU MKHIZE	RATE PAYERS	0731120102
CLLR T MKHIZE	WARD COUNCILOR	0731532103

Ward 2

Table 106. Ward 2 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
NOKUTHULA NZIMANDE	WOMEN	0736844637
HLENGIWE MKHIZE	BUSINESS	0719920992
GUGU MHLONGO	HEALTH	0790693792
NTETHE STHOLE	YOUTH	0606651755
SITHEMBISO MNCWABE	AGRICULTURE	0607781190
PHAKAMANI NZIMANDE	TRANSPORT	0768940877
CINDY MBHELE	DISABILITY	0734353657

SIZAKELE SHANGE	EDUCATION	0769365969
THEMBINKOSI NTUNZELA	FAITH BASED	0712288009
THOKOZANI ZUNGU	SAFETY & SECURITY	0744224353
CLLR M.H MADLALA	WARD COUNCILLOR	067089388
ZANELE MNCWABE	CDW	0637931458
		0832030143

Ward 3

Table 107. Ward 3 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
NOSISA NGCOBO	SAFETY AND SECURITY	0722270088
ERIC NGCONGO	DISABILITY	0725145580
BONGINKOSI KHANYILE	SINIOR CITIZEN	0722471876
ZINHLE NDLOVU	WOMEN	0835572385
SPHUMELELO NGCONGO	TRANSPORT	0727223007
THULISILE MKHIZE	HEALTH & SOCIAL DEV.	0733641599
SANELISIWE MNTUNGWA	SPORTS AND RECREATION	0722420574
THEMBELIHLE ZUMA	YOUTH	0763157852
ZASEMBO MKHIZE	EDUCATION	0637916272
BEN MKHIZE	AGRICULTURE	0713019227
CLLR V MAPHUMULO	CHAIRPERSON	0714141561
NOKBONGA NGCOBO	CDW	0832011789

Ward 4

Table 108. Ward 4 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
SINDISIWE MKHIZE	SPORT,ART & CULTURE	082 83 49132
SLINDILE NZIMANDE	HEALTH	078 739 5983
GUGU NGCOBO	SENIOR CITIZEN	079 3400 071
SIBUSISO MTOLO	YOUTH & EDUCATION	071 2717778
PHUMLILE KHUBONI	FARM DWELLERS	076 4959558
SIZENI NDLOVU	RURAL DEVELOPMENT	076 4917 468
BERNAD NZIMANDE	HOUSING	067 368 6738
MANDLA KHWASHUBE	TRANSPORT	079 444 1237
BAMBE WANDLA	AGRICULTURE	072167 5461
THULISILE NJAPHA	BUSINESS	079 9552 583
CLLR K.E MKHIZE	WARD COUNCILLOR	0714145399
NOMPUMELELO SHANGE	CDW	0829433721

Ward 5

Table 109. Ward 5 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
NELISWA MHLONGO	EDUCATION & ELDERLY	0603621193
PHAKAMI PHUNGULA	AGRICULTURE	0722927244
HLENGIWE SITHOLE	DISABILITY	0603970464
NTOKOZO GUMEDE	HEALTH	0676947415
TSHENGISILE NGUBANE	WOMEN	0635704150
MKHOMBENI NGCONGO	SAFETY & SECURITY	0732303699

QINISELA CHONCO	SPORT	0660980872
SANELE NGCOBO	BUSINESS	0815428799
BHEKIMPI SHANGE	TRANSPORT	0724147791
BUYISIWE LUTHULI	FAITH BASED	0797091086
CLLR M NGCONGO	CHAIPERSON	0782211828
THABSILE MKHIZE	CDW - COGTA	082 943 3751

Ward 6

Table 110. Ward 6 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
SARAH STHOLE	FARM DWELLERS	0725644959
BUSAPHI PHOSWA	ELDERLY	0768374033
BONAKWAKHE NXELE	DISABILITY	0783662554
NOMUSA PHOSWA	SOCIAL DEVELOPMENT	0826976330
THULANI GASELA	BUSINESS	0795995666
PATRIC KHUBONI	SAFETY &SECIRITY	0793691797
COLLEN NZUZA	HEALTH & GENDER BASED	0724861582
NONDUMISO PHOSWA	TRANSPORT	0721369887
NONHLANZEKO DLAMINI	TRADITIONAL & CULTURE	0794203444
BONGIWE JAMA	AGRICULTURE	0824038287
CLLR S LATHA	WARD COUNCILLOR	0715836021
ZANELE PHOSWA	CDW	0829433781

Ward 7

Table 111. Ward 7 Ward Committee Members

FULL NAME	SECTOR	CELL NUMBER
ZINHLE JAMA	EDUCATION	0721885027
SBONELO NZIMANDE	SAFETY & SECURITY	0728109409
THOBANI MTHEMBU	YOUTH	0652983527
NKOSINATHI DLAMINI	HEALTH	0685612606
SIZANI MTOLO	DISABILITY	0656685872
LINDELANI FUNEKA	TRANSPORT	0763976436
PHINDILE MBANJWA	WOMEN	0721692388
MALUSI SHANGE	ART & CULTURE	0844102971
BADLENI JAMA	AGRICULTURE	0729706885
BAFANA NXELE	SPORT	0790313984
NONDUMISO DLAMINI	CDW	0837756825
CLLR L. NGUBO	WARD COUNCILLOR	0637931704

WARD COMMITTEE ACTION PLAN

Table 112. Ward Committee's Action Plan

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	QUARTERLY ACTIVITIES				RESPONSIBILITY
			Q1	Q2	Q3	Q4	
Ensuring Participation of local residents in municipal decision making processes	Number of reports on the participation of local residents in decision making processes	4 reports (1 per quarter)	Participate in IDP representative forum Develop/review Community Based Plans	Participate in IDP representative forum Mobilise communities to attend IDP& budget consultative meetings	Participate in IDP representative forum monitor alignment of CBP with municipal IDP Mobilise communities to attend IDP& budget consultative meetings	Participate in IDP representative forum Attend council meetings to adopt budget & IDP	Ward committee (Municipal Manager to create environment for participation of ward committees)
Play Oversight role over performance of municipality	Number of reports on the monitoring of municipal performance	4 reports (1 per quarter)	Attendance of quarterly performance reviews	Attendance of quarterly performance reviews	Attendance of quarterly performance reviews Consultation with municipality on annual report	Attendance of quarterly performance reviews Participation in the annual performance assessment	Ward Committee (Municipal Manager to create environment for participation of ward committees)
Support community awareness campaigns	Percentage of community awareness campaigns supported	100% campaigns supported	100% campaigns supported	100% campaigns supported	100% campaigns supported	100% campaigns supported	Ward committee
Provide feedback to community	Number of community feedback meetings convened	4 meetings (1 per quarter)	1 community meeting convened	1 community meeting convened	1 community meeting convened	1 community meeting convened	Ward committee
Tabling of reports on service delivery issues	Number of ward committee meetings held	12 meetings	3 ward committee meetings held	3 ward committee meetings held	3 ward committee meetings held	3 ward committee meetings held	Ward committee
	Percentage of sectorial reports submitted	100% reports	100% reports	100% reports	100% reports	100% reports	Ward committee
	Number of reports on implementation of WOPs	4 reports	1 report on implementation of WOPs	1 report on implementation of WOPs	1 report on implementation of WOPs	1 report on implementation of WOPs	Ward councillor
Processing of community issues on service delivery	Percentage of community issues processed	100% community issues processed	100% community issues processed	100% community issues processed	100% community issues processed	100% community issues processed	Office of the Speaker
Payment of ward committee out of pocket expenses	Percentage of ward committee members paid out of pocket expenses	100 % members paid according to policy requirements	Monitor payment of out of pocket expenses to ward committees	Monitor payment of out of pocket expenses to ward committees	Monitor payment of out of pocket expenses to ward committees	Monitor payment of out of pocket expenses to ward committees	Office of the Speaker

8.2.7 INTERNAL AUDIT UNIT

The internal audit unit's purpose is to give assurance to the municipality as well as add value to the organisation by:

- (a) Preparing a risk-based audit plan and an internal audit program for each financial year;
- (b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
 - (i) Internal audit;
 - (ii) Internal controls;
 - (iii) Accounting procedures and practices;
 - (iv) Risk and risk management;
 - (v) Performance management;
 - (vi) Loss control; and
 - (vii) Compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation.

Richmond municipality has a fully-fledged in-house internal audit unit that operates in terms of the internal audit charter approved by the Municipality's Performance Audit and Audit Committee.

8.2.8 PERFORMANCE AND AUDIT COMMITTEE

A performance and Audit Committee is an independent advisory body which must –

- (a) Advise the municipal council, political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to –
 - (i) Internal financial control and internal audits;
 - (ii) Risk management;
 - (iii) Accounting policies;
 - (iv) The adequacy, reliability and accuracy of financial reporting and information;
 - (v) Performance management;
 - (vi) Effective governance;
 - (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality or municipal entity;
- (b) Review the annual financial statements to provide the council of the municipality
- (c) Respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) Carry out such investigations into the financial affairs of the municipality;
- (e) Perform such other functions as be prescribed.

The Richmond Municipality has an active Performance and Audit Committee which comprises of 4 members.

8.2.9 JOINT MUNICIPAL PLANNING TRIBUNAL (JMPT)

The Richmond Municipality is part of a District Joint Municipal Planning Tribunal (JMPT) established through the legislative provisions provided in Section 34(2) of the Spatial Planning and Land Use Management Act 2013 (Act no. 16 of 2013). Agreements of the JMPT are still valid and the tribunal is functional and sits on a regular basis in order to decide on SPLUMA development application. The intervals of the JMPT meetings is determined by the number of submitted SPLUMA development applications.

8.3 STATUS OF MUNICIPAL POLICIES

Table 113. Status of Municipal Policies

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
1	Human Resource Manual	HR			Y		04 June 2022
2	Cell Phone Policy	HR 2			Y	Y	04 June 2022
3	Use and Care of Council Property				Y		04 June 2022
4	In-Service Training Policy				Y		04 June 2022
5	Staff Bursary Scheme Policy	HR 12			Y	Y	28 June 2022
6	Indigent Support Policy		MAN 7		Y	Y	28 June 2022
7	Performance Management Policy/ Framework		MAN 5		Y	Y	28 June 2022
8	Rules of Order Council				Y	Y	28 June 2022

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
9	Depreciation Policy				Y		28 June 2022
10	Budgetary Policy			FIN 3	Y	Y	28 June 2022
11	Tariff Setting Policy			FIN 8	Y	Y	28 June 2022
12	Credit Control Policy			FIN 4	Y	Y	28 June 2022
13	Indigent Burial Policy (Pauper Burials)				Y		28 June 2022
14	Internal and External Communication Policy				Y		28 June 2022
15	Public Participation Policy		MAN 10		Y		28 June 2022
16	Internet Policy		MAN 2		Y		28 June 2022
17	Computer Equipment Policy inclusive of lap top policy		MAN 1		Y		28 June 2022
18	Acting Allowance Policy	HR 1			Y		28 June 2022
19	HIV/AIDS Policy	HR 5			Y	Y	28 June 2022
20	Gender Policy	HR 3			Y		28 June 2022
21	Vehicle Management and locomotion Policy	HR 15			Y		28 June 2022

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
22	Delegation of Powers Policy iro		MAN 3		Y	Y	28 June 2022
22.1	Council				Y	Y	28 June 2022
22.2	Executive Committee				Y	Y	28 June 2022
22.3	Office of the Mayor				Y	Y	28 June 2022
22.4	Management Committee				Y	Y	28 June 2022
22.5	Municipal Manager's Office				Y	Y	28 June 2022
22.6	Head of Department				Y	Y	28 June 2022
22.7	Sub-Committees				Y	Y	28 June 2022
Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
23	Job Creation Policy	HR 16			Y		28 June 2022
24	Traffic Policy (all relative matters)				Y		28 June 2022
25	Review of SCM Policy				Y	Y	28 June 2022
26	Property Rates Act Policy				Y	Y	28 June 2022
27	Asset Management Policy			FIN 2	Y	Y	28 June 2022
28	Labour Relations Policy	HR 7			Y		04 June 2021

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
29	Health and Safety Policy	HR 4			Y	Y	04 June 2021
30	Uniforms and Protective Clothing Policy				Y	Y	04 June 2021
31	Leave Policy	HR 8			Y		04 June 2021
32	Termination of Services Policy				Y		04 June 2021
33	Recruitment, selection and appointment policy	HR 9			Y	Y	04 June 2021
34	Training Policy	HR 6			Y		04 June 2021
35	Usage of Telephones Policy	HR 14			Y	Y	04 June 2021
36	Corporate Social Responsibility Policy		MAN 16		Y		04 June 2021
37	Code of Conduct and Ethics Policy				Y		04 June 2021
38	Sexual Harassment Policy	HR 10			Y		04 June 2021
39	Smoking in the work place policy	HR 11			Y		04 June 2021
40	Promotion of Access to Information Policy		MAN 9		Y		04 June 2021

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
41	GAMAP Policy				Y		04 June 2021
42	Revenue enhancement Policy			FIN 7	Y	Y	04 June 2022
43	Cash and Investment Policy			FIN 6	Y	Y	04 June 2022
44	Travelling allowance	HR 13			Y	Y	04 June 2022
45	Fraud Prevention - Risk Management		MAN 4		Y		04 June 2022
46	Overtime Policy				Y		04 June 2022
47	Standby Allowance Policy				Y		04 June 2022
48	Appointment of Casual Staff				Y		04 June 2022
49	Performance Management				Y		04 June 2022
50	Ward Committees Policy				Y		04 June 2022

8.3.1 BUDGET RELATED MUNICIPAL POLICIES

Table 114. Budget Related Policies

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	Y		05/05/2022
2.4.2	Property Rates Act Policy	Budget & Treasury Office	Y-attached		05/05/2022

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	Y		05/05/2022
2.4.4	Petty Cash Policy	Budget & Treasury Office	Y		05/05/2022
2.4.5	Borrowing Policy	Budget & Treasury Office	Y		05/05/2022
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	Y		05/05/2022
2.4.7	Supply Chain Management policy	Budget & Treasury Office	Y – attached		05/05/2022
2.4.8	Asset management policy	Budget & Treasury Office	Y		05/05/2022
2.4.9	Indigent policy and Free Basic Services Policy	Budget & Treasury Office	Y- attached		05/05/2022
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	Y		05/05/2022
2.4.11	Budget Policy	Budget & Treasury Office	Y		05/05/2022
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	Y		05/05/2022
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	Y		05/05/2022
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	Y		05/05/2022
2.4.15	Virement Policy	Budget & Treasury Office	Y		05/05/2022
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	Y		05/05/2022

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	Y		05/05/2022

8.3.2 RISK MANAGEMENT POLICIES

Table 115. Risk Management Policies

	POLICY	DEPT.	AVAILABILITY	ADOPTION /REVIEW DATE
22.5.1	Risk Management Framework	Office of the Municipal Manager	Y	28/06/2022
22.5.2	Risk Management Policy	Office of the Municipal Manager	Y	28/06/2022
22.5.3	Fraud Prevention Policy	Office of the Municipal Manager	Y	28/06/2022
22.5.4	Whistle Blowing Policy	Office of the Municipal Manager	Y	28/06/2022
22.5.5	Fraud and Prevention Plan	Office of the Municipal Manager	Y	28/06/2022

8.4 MUNICIPAL RISK MANAGEMENT

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

On the 12th April 2022 the municipality conducted an Enterprise Risk Management workshop where risk management processes were discussed and the municipal departmental Risk Assessment. The 2023/2024 Richmond Local Municipality Risk Assessment process will begin in April focusing on the following categories: Strategic, Operational, Fraud, Information Technology and Communication. The risk register formulated during risk assessment will be tabled and approved before the end June 2023 by Risk Management Ethics and Fraud Prevention, Performance and Audit, MPAC and Council Committees once it is finalised.

Risk assessment is a key requirement of the planning phase of an audit and assess the risks of material misstatement, whether due to error or fraud, at the financial statement and relevant assertion levels, which aids us in designing further audit procedures. Therefore, Municipality Internal Auditors drafts an action plan considering the high risks identified during risk assessment

process. The risk register is updated and consolidated on a quarterly basis with progress reports discussed on relevant committees ensuring monitoring and evaluation by the committees. Internal Auditors continuously plays a significant role in assurance and ensuring that the Municipality complies with the requirements of the Municipal Finance Management Act. To ensure compliance with regulations the Municipality developed the following documents:

- Risk management Framework,
- Risk Management Policy,
- Fraud Prevention Policy,
- Fraud prevention Plan,
- Whistle Blowing Policy and
- Draft Risk Management and Fraud Prevention Strategy

The training/workshop for the above policies is conducted on an annual basis considering Municipal Councillors and Employees. The municipality has a functional risk management committee called Risk Management Ethics and Fraud Prevention Committee (RMEFPC) which is chaired by an independent Risk Management Specialist appointed by the municipality on the 21st October 2021. The last Enterprise Risk Management Workshop/Training was conducted on 12th April 2022 by Provincial Treasury with the attendance of RLM Extended Management, Independent Chairperson of the Risk Management Ethics Fraud Prevention Committee (RMEFPC), Chairperson of Municipal Public Accounts Committee (MPAC), Risk Management Champions and Risk Management Officer.

8.5 MUNICIPAL BYLAWS

Published on the Provincial Gazette on 1 November 2010.

Table 116. Municipal By-laws

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

8.6 PUBLIC PARTICIPATION ANALYSIS

Public participation process in the IDP preparation/review has to be institutionalized – in order to ensure that all the residents/community have 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.

Table 117. IDP Public Participation Process

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 Ngcongco M.K
6	10-02-2022	10h00	Phatheni Hall	CLlr Latha S
7	09-02-2022	14h00	Ndabikhona Hall	CLlr Ngubo L

8.7 GOOD GOVERNANCE AND PUBLIC PARTICIPATION SWOT ANALYSIS

Table 118. Good Governance & Public Participation SWOT Analysis

STRENGTHS	WEAKNESSES
• Significant number of operational policies and by-laws of the municipality adopted; • All Senior Management positions are filled; • Unqualified Audit with findings – 2020/2021;2021/2022 • Fully established and functional portfolio and oversight Committees; Political Stability as well as established and functional ward committees; • Strategic partnership with Sector Departments and Government Support agencies; • Availability of sector plans and strategies; • Established and functional LED committees/forums • Established and functional community Tourism organisation	• Poor management practise resulting in policies, procedures, and plans not being adequately implemented • Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals; • 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); and • Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens;
OPPORTUNITES	THREATS
• Enabling legislation to reduce red tape for ease of doing business and promote economic development; • Enabling legislation for effective spatial planning and land use	• Introduction of new legislation; • Political instability leading to non-functional of committees • Delays grant approval processes by other sector Departments;

management to reduce past spatial and other inequalities; • Availability of intergovernmental forums and OSS; • Technology Expanding Operations; • Attract Investors	• Political interference that result in services delivery protests that threaten existence infrastructure; • Fraud and Corruption • Low staff morale • Poor Service Delivery • Working in Silos • Misplacement of skills • Poor Work Ethics • Non-adherence to Internal Systems, Procedures and Policies • Poor Audit Opinion • Lack of PMS at Lower Level Positions • Ineffective ICT system and Outdated Technology

8.8 COMBINED SWOT ANALYSIS

Table 119. Combine SWOT Analysis

STRENGTHS	WEAKNESSES
• Significant number of operational policies and by-laws of the municipality adopted; • All Senior Management positions are filled; • Unqualified Audit with findings – 2020/2021;2021/2022 • Fully established and functional portfolio and oversight Committees; Political Stability as well as established and functional ward committees; • Strategic partnership with Sector Departments and Government Support agencies;	• Poor management practise resulting in policies, procedures, and plans not being adequately implemented • Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals; • 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); and • Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens;

• Availability of sector plans and strategies; • Established and functional LED committees/forums • Established and functional community Tourism organisation	
OPPORTUNITES	THREATS
• Enabling legislation to reduce red tape for ease of doing business and promote economic development; • Enabling legislation for effective spatial planning and land use management to reduce past spatial and other inequalities; • Availability of intergovernmental forums and OSS;	• Introduction of new legislation; • Political instability leading to non-functional of committees • Delays grant approval processes by other sector Departments; • Political interference that result in services delivery protests that threaten existence infrastructure; and • Fraud and corruption

8.9 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 the municipality. The ward based plan was developed as per community engagements/consultations.

8.10 LAND USE MANAGEMENT

The Spatial Planning and Land Use Management Act 2013 (Act no. 16 of 2013) (SPLUMA) provides a framework for spatial planning and land use management in South Africa in a sense that it:

- ✓ Specifies the relationship between the spatial planning and the land use management system and other kinds of development 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 formal, informal and traditional land use development processes.

Chapter 6 of SPLUMA requires municipalities to establish a Municipal Planning Tribunal in order to decide on land development applications. Through the provisions of Section 34(2) of the same Act, the uMgungundlovu District Municipality established a Joint Municipal Planning Tribunal (JMPT) through agreements with the local municipalities. Richmond Municipality forms part of the established JMPT and such agreement is still valid and in force. In order to give effect to the provisions of SPLUMA, Spatial Planning and Land Use Management By-laws were developed and adopted by all Councils within the District during the year 2015.

In meeting the legislative requirements relating to the functionality of the office, a Municipal Planning Authorised Office was also appointed through the District Development Planning Shared Services and the Municipal Planning Registrar is internally appointed. The developed and adopted of the municipal Spatial Planning and Land Use Management By-laws facilitated compliance with the SPLUMA Regulation 14, coupled with municipal forms of access to information for the public in which the tariffs of charges are made public along with the office of submission of SPLUMA development applications. This achieved through public notices placed on municipal buildings and the reception area and on the municipal website, but most importantly is through community educational outreach programmes.

The municipality has developed and adopting a Single Land Use Management Scheme, which was developed in term of Section 24 of SPLUMA. The Scheme covers all land parcels within the jurisdiction of the Richmond Municipality including land that were not covered by the old scheme. This implies that land use within the municipality is subject to the provisions of the Scheme and no land may be utilised for any other purposes not consistent with the provisions of the Scheme.

8.11 KEY CHALLENGES

The key challenges which Richmond municipality faces include the following:

Table 120. Challenges per KPA & Interventions

Key Performance Area	Challenges	Interventions to Unlock Challenges
Cross Cutting Interventions	1. Marginalized communities due to past spatial planning; 2. Lack of communication between Ingonyama Trust Board and the Municipality 3. Security of tenure 4. Limited land use awareness and enforcement of land use and development controls by the municipality; 5. Slow introduction of land use management in areas previously not subject to formal land use management (Rural areas and locations); 6. Steep terrain limits development; 7. Dilapidated infrastructure within the town of Richmond 8. Mounting burden to protect the rivers and wetlands with limited resources available at the municipality; 9. Unwillingness of land owners and land users to conform to land use management; 10. Illegal developments and land invasion threaten environmentally sensitive areas (wetlands) and desired spatial development patterns;	1. Encourage inclusionary planning in development applications and fostering the provision of services for neglected communities. 2. Establish communication lines and the maintenance thereof. 3. Ensure that township establishment processes are undertaken and the registration thereof is facilitated with the office of the SG. 4. Introduce community outreach programmes and ensure the appointment of the Municipal Planning Enforcement Officer. 5. Maintain working relation with Traditional Councils and ongoing training. 6. Encourage community members to avoid developing in steep terrains. 7. Develop a by-law for problem buildings for enforcement. 8. Engage with Ezemvelo and the Department of Environmental Affairs to assist. 9. Undertake education programs on the municipal by-laws and undertake enforcement. 10. Engage with the Dept. Human Settlements to assist with Land Invasion policy and undertake periodic inspections for monitoring.
Municipal Transformation and Organisational Development	1. Implementation of IPMS to lower levels	1. Undertake workshops in IPMS for employees in order for a clear understanding of the IPMS and adopt IPMS Policy with and implementation plan.

	2. Take safety and security of municipal buildings and working environment. 3. Lack of Human resources information system 4. Lack of office space 5. Lack of backup in case of electricity outages (need for generator generator) 6. Lack of app of PWD	2. Review of security SLA and involve Risk unit. 3. Establish an electronic system to ensure security of information. 4. Source grant funding for the development of new offices 5. Procure generation as a back-up plan to cover municipal offices in phases (office July 2023) 6.
Local Economic Development and Social Development	1. Budget constraints to implement LED Strategy. 2. Lack of Communication from Provincial and National Government on progress of programmes implemented 3. Preservation of heritage and lack of promotion on tourism 4. Implementation of the Agri-Park Programme (Rural Development & Land Reform) 5. Under-utilization of farms acquired through land redistribution. 6. Lack of capacity to effectively carry out LED 7. Inability to implement Poverty Alleviation programmes.	1. Develop business plans for sourcing grant funding. 2. Establish an LED Forum to include relevant stakeholders to meet quarterly. 3. Ensure the conservation heritage sites through AMAFA and enforcement of land use management systems. Establish CTO and the involvement of the CTO in municipal Tourism Planning. 4. Engage with the Department on the implementation of the Agri-park. 5. Engage with the Department of Agriculture, Rural Development and Land Reform to establish supportive measures and engage with the beneficiaries. 6. Budget for posts to be filled. 7. Engage with the relevant stakeholders and establish private-partnership with NGOs.
Municipal financial Viability and management	1. Lack of asset management 2. Grant dependent for infrastructure 3. Poor Revenue Enhancement and management.	1. Develop a policy to guide asset management and the appointment of an Asset Management Officer. 2. Consider development that would generate future revenue.

	4. Compliant Financial Management and credible financial reporting.	3. Develop a revenue enhancement strategy with an implementation plan. 4.
Service Delivery and Infrastructure Investment	1. Inadequate reduction of backlogs in electricity, roads and public facilities 2. Provision, preservation and maintenance of municipal facilities 3. Social cohesion and nation building (social ills). 4. Environmental protection through effective waste management programmes (Reduce, Reuse and Recycle). 5. Illegal buildings and non-compliance with NBR&BS 6. Housing backlogs 7. Implementation of literacy improvement programmes 8. Containment and reduction of HIV/AIDS prevalence.	1. Source alternative additional grant funding to address infrastructural backlogs. 2. Develop a maintenance plan and establish ways of constructing new offices. 3. Undertake community outreach programmes with relevant stakeholders to assist. 4. Develop a Waste Management Plan and encourage recycling through SMMEs. 5. Ensure enforcement of the NBR&BS through effective site inspections and issuing of fines. 6. Engage with the Department of Human Settlements for funding unfunded housing projects. 7. Engage with the Department of Education and Higher Learning along with relevant stakeholder who provide educational programmes. 8. Undertake community outreach programmes and the provision of widely preventative measures.
Good Governance and Public Participation	1. Inadequate reviewing and the implementation of policies, procedures and plans 2. Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals; 3. Lack of land for development of economic, social and infrastructure projects; 4. Limited staff capacity in other critical areas to enforce	1. Ensure the reviewing of policies and the adoption of same by Council (30 June 2023). 2. Ensure active participation in the District Development Model and Cluster Meetings. 3. The Municipal SDF will identified areas for development. 4. 5. Encourage the provision of social responsibility in development plans.

	compliance with legislative prescripts and implement plans resulting from limited funding sources; 5. Lack of well-informed plans to undertake social responsibilities (HIV/Aids, Sports, Arts and Culture); and 6. Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens; 7. Implementation of a comprehensive anti-Fraud and corruption programme 8. Compliance with mSCOA 9. Combat Land Invasions	6. Communications Unit to assist in issuing invites and the translating public letters. 7. Municipality to develop and adopt an anti-Fraud and Corruption Policy with appropriate lines of reporting corruption. 8. Ensure the training of top management on mSCOA and ensure the corrective measure of operation are adhered to. 9. Develop a Land Invasion Policy and ensure the enforcement thereof and undertake community educational programmes on Land Invasions. Involve the Department of Human Settlements.

CHAPTER D: VISION, GOALS, OBJECTIVES & STRATEGIES

9.1 MUNICIPAL VISION AND MISSION

A vision must provide a long term Vision for infrastructure investment, social development (human settlements), economic development opportunities and environmental sustainability. It must also be descriptive and aligned to the Long-term Development Goals, associated Objectives and Strategies, structured into 6 KZN KPAs, and linked to the KZN PGDS and identified Key Challenges. Appropriate mapping to be included to reflect the spatial interventions. It is further also important to reflect the linkage between the KZN PGDS and the IDP's Goals, Objectives and 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.

9.2 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.

- 1) Basic Service Delivery and Infrastructure Development
- 2) Social and Local Economic Development
- 3) Good Governance and Public Participation
- 4) Municipal Transformation and Institutional Development

- 5) Municipal financial viability and management
- 6) Cross cutting key performance indicators.

9.3 ALIGNMENT: KZN PGDS GOALS WITH RICHMOND 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 aligned to KZN PGDS

Table 121. Municipal Goals & Objectives Aligned 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.

The Goals and Objectives of the Richmond Municipality linked to the KPAs and adopted municipal Strategic focus area have been summarised in the table below:

Table 122. Municipal Goals, Objectives & Strategic Focus

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
Cross Cutting	Sustainable Spatial Planning	To facilitate land use management	Enforcement of the Municipal Land Use Scheme
		To ensure sustainable and coordinated development throughout the municipality	Ensure the submission of land development applications and that decision making processes are aligned with the municipal strategic plans.
		To implement disaster management programmes	Ensure appropriate budgeting for Disaster Management and the implementation thereof.
		To promote the use of libraries, facilities and dissemination of information	Develop libraries in highly accessible locations and implement learning programmes aimed encouraging the use library materials
		To enhance road safety, law enforcement and promote the driver's license/testing	Undertake regular roadblocks and random police patrols. Ensure the constructed testing facility meets all the requirements for operation.

Municipal Transformation and Organisational Development	Human resource management and development	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. Adoption of the Retention Policy and ensure implementation thereof.
		To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Develop and drive the implementation of the ICT strategy and plan.
		To maintain good employer employee relations and improving institutional and organizational capacity	Update and communicate the labour relations policies and procedures and ensure access to capacity building.
		To strengthen governance and IGR Structures	Ensure municipal department's participation in IGR Structures and maintain communication channels
Basic Service Delivery and Infrastructure Development	Improve service delivery and infrastructure development	To provide sustainable human settlements	Ensure appropriate planning for human settlements and address housing shortages
		To provide access to proper community facilities	Implement service delivery programmes and reduce services and infrastructure backlogs. To target nodal areas
		To ensure the role-out of electrification projects throughout the municipality	Undertake appropriate planning and implementation of electrification projects.
		To provide safe and reliable waste management services	Engage with the service authority and through the DDM plan accordingly for proposed infrastructure.

		To improve accessibility through maintenance and road infrastructure provision.	Ensure the implementation of the action plan for roads through Technical Department.
Local Economic and Social Development	Development of local economy	To promote economic development and economic growth	Ensure the implementation of the LED Strategy and ensure the sourcing of funding
		To promote tourism industry and identify tourism opportunities	Improve working relations with the CTO and ensure the marketing of the tourism sector
		To support skills development and economic growth	Facilitate improved literacy rate and better standard of living
		To promote job creation in the green economy sector	Support the green economy
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.	Improve systems for demand and supply chain management
		To ensure effective bid committees to support procurement for service delivery	Undertake training provided through Provincial Treasury.
Good Governance and Public Participation	Good Public governance	To ensure effective communication by strategically profiling the Municipality in line with the Mission and vision	Ensure the effective functionality of the Municipal Communications Unit

		To ensure compliance with Municipal by-laws and improve public participation and awareness.	Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness.
		Ensure effective and focused communication, both within and outside the Municipality	Capacitate the municipal's Communications Unit and ensure functionality
		To provide reasonable assurance on the adequacy and the effectiveness of internal controls, risks and performance management	Ensure monthly reporting is undertaken and measured.
		To promote gender equality and protect rights of senior citizens	Undertake community programmes aimed at promoting gender equality and the protection of rights of the senior citizens
		To promote sports, art & culture and recreation throughout the municipality	Ensure the central and equitable provision of sport facilities and representation in the Mayoral, SALGA Games. Undertake art and cultural exhibitions.

CHAPTER E: STRATEGIC MAPPING & IMPLEMENTATION PLAN

5.10 SPATIAL DEVELOPMENT FRAMEWORK

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

5.11 STRATEGIC MAPPING INFORMANTS

5.11.1 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 eThekweni 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 Ndoleni 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.

5.11.2 ENVIRONMENTALLY SENSITIVE AREAS

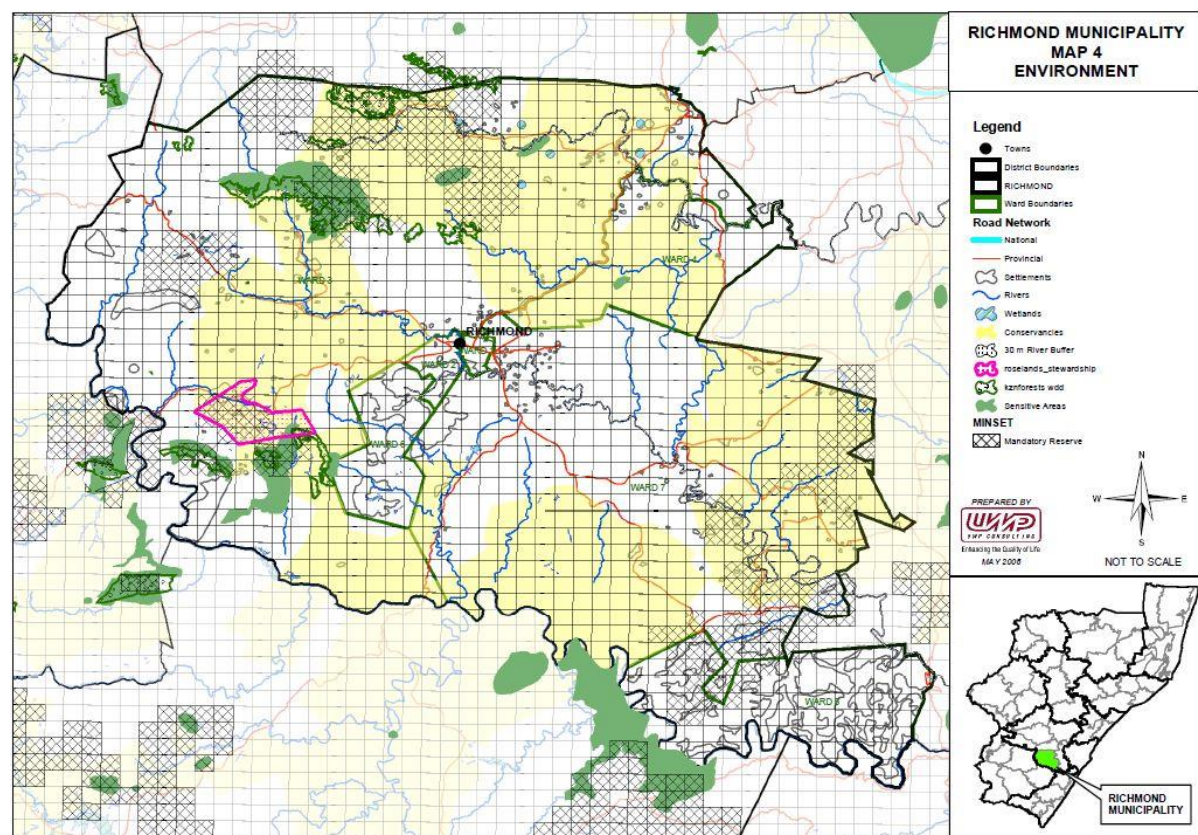
The District is characterised by a rich biodiversity and consists of various topographical features, ecosystems and habitat types. The topography of the region descends from the Drakensburg

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

Figure 76. Environmental Context

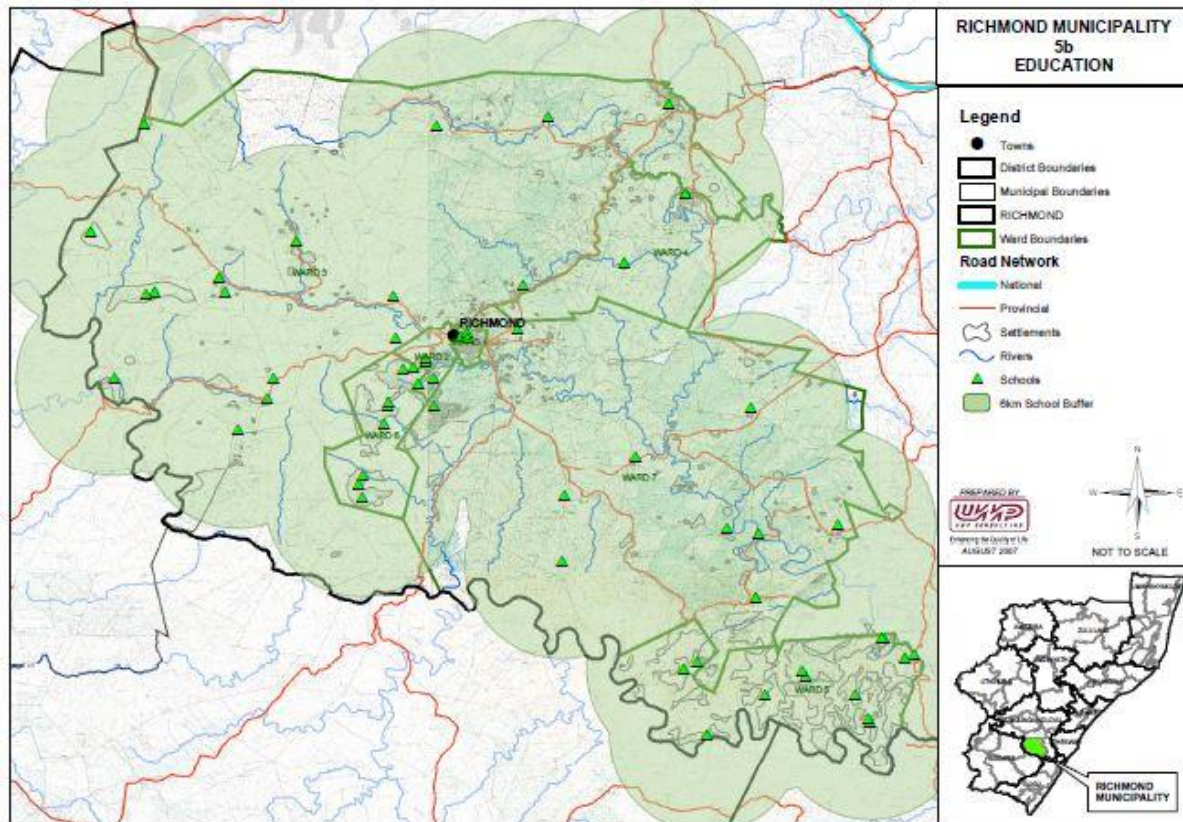


The Richmond Municipality is located in a summer rainfall area and is therefore has various hydrological features. It is with many perennial rivers, streams, wetlands and a large number of farm dams.

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 throughout the municipal area and sugarcane is grown along the eastern boundary. Smaller pockets of land which are irrigated for commercial purposes are dispersed throughout the municipality. Subsistence farming particularly within rural settlements is prevalent 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.

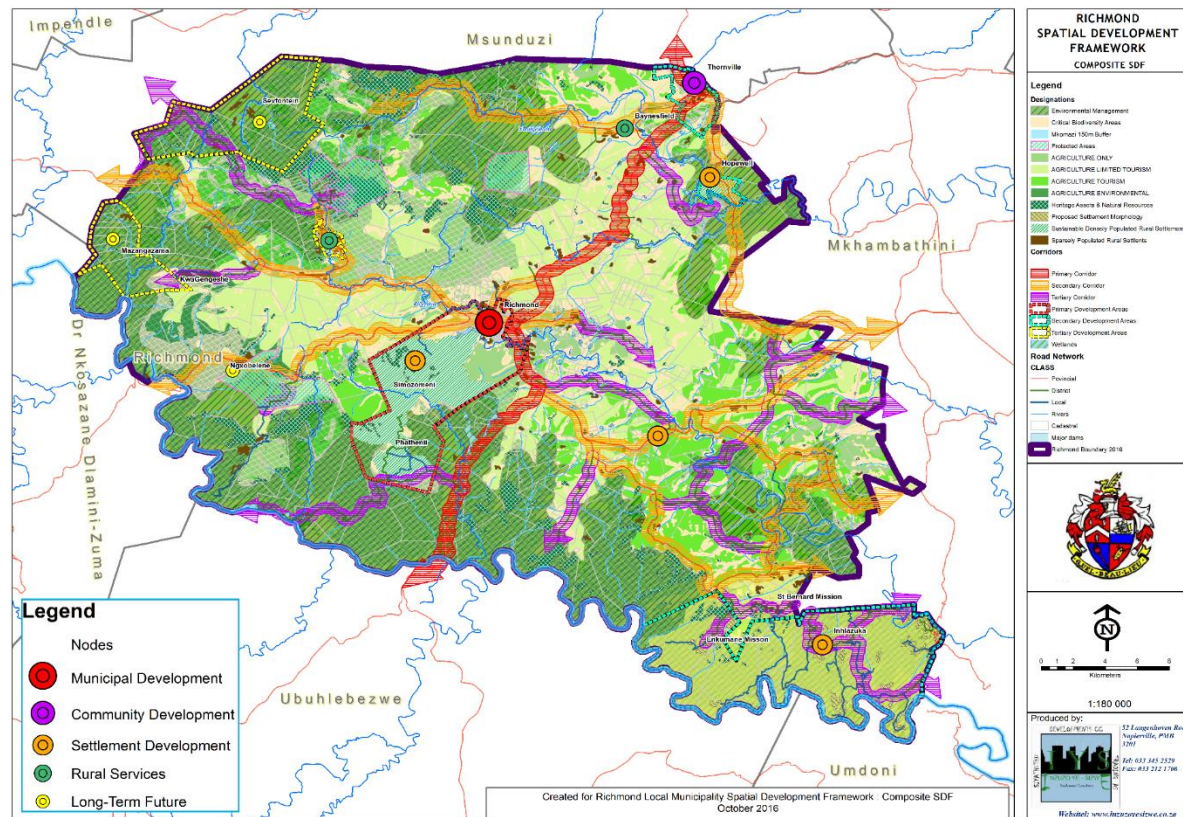
Figure 77. Access to Education



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.

5.11.3 STRATEGIC MAPPING

Figure 78. Richmond Municipal SDF



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 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.

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, Ndalen, 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

5.11.4 DESIRED SPATIAL OUTCOME

In terms of chapter 4 of the Spatial Planning and Land Use Management Act, Act no. 16 of 2013 municipalities are required to adopt municipal Spatial Development Framework (SDF) as part of the IDP in accordance with the provision of the Municipal Systems Act. The current municipal SDF is outdated and non compliant with the section 21 of SPLUMA. The municipality has appointed Inzuzo Yesizwe to assist the municipality with the comprehensive development of the SDF. 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.

The current being developed SDF 2022/2042 has identified the development desire of the municipality, which can be summarised below:

Table 123. Proposed Development

EXISTING PROPOSED PROJECT	SUB-PROJECTS	EXPECTED WO'S
EXPANSION OF RICHMOND TOWN (NEW TOWN), increase access to and ensure development of Greater Ndeleni	RURAL/URBAN LINKAGES: Creating linkages between Richmond Town, Indaleni, Smozomeni, Magoda, etc; Llink between Slahla Sportsfield and the existing Country Club and proposed Multi-Purpose Sports Complex to create a "sporting precinct"; Township / Rural development; Water Bottling Plant.	50
	DEVELOPMENT OF RICHMOND COMMONAGE: Housing Estate (multi-dimensional – anticipated growth from Msunduzi and Camperdown); Petroport / Truck Stop; Retail Space; Proposed Light Industry; Private Hospital	20
	ESTABLISHMENT OF SMALL BUSINESS INCUBATION CENTRE: The Small Business Incubation Centre is complete with an existing service level agreement between Richmond municipality and SEDA and other stakeholders such SEFA, NYDA, CIDB in the pipeline to finalise agreements. However, the incubation centre will need more external funding in ensuring that training and computer room functions adequately as expected	15
THORNVILLE / BAYNESFIELD AND HOPEWELL INDUSTRIAL DEVELOPMENT	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
	MANUFACTURING WOOD AND WOOD PRODUCTS: Expansion of Pine Window enterprise frame currently in existence onto Transnet owned land (29 properties in Thornville area); Tekwani Sawmill (serve forestry and also biomass)	10
	BUSINESS ENTERPRISE: Petrol Station – rehabilitation and expansion; Thornville Hotel – assess to retain as current activity, convert to conference facility, training centre	10
R56 TOURISM ROUTE	TOURISM: Development of route from Midlands Meander to Eastern Cape – intention for Province to lead	10

5.11.5 PLANNING STRATEGIES

Access Route as investment Lines

The following strategies are to be taken into consideration for access routes:

- ✓ 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

Access routes represent the spines around which existing development has been attracted to and a potentially for future development as a result of connectivity. A hierarchy of investment lines can be distinguished consisting of primary, secondary and tertiary routes. The identification of these hierarchies provides guidance for the location of relevant land uses.

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.

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.

Integration

- ✓ Integrate Low Income residential areas to high order centres
- ✓ New economic opportunities in growth area and adjacent to major roads

Compaction

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

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

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.

5.12 ALIGNMENT WITH NEIGHBOURING MUNICIPALITIES

5.12.1 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

5.12.2 MKHAMBATHINI SPATIAL DEVELOPMENT FRAMEWORK

The interface along 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.

5.12.3 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.

5.12.4 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.

5.12.5 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.

5.13 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

CHAPTER F: FINANCIAL PLAN

7.1 FINANCIAL PLAN

Municipal Budget Overview and 3year Municipal Budget (to include debt collection, revenue generation, asset management, summary of AG Report and Responses & Actions, maintenance, etc.). Projects to be reflected – for 3 years, as well as longer-term projects.

The Financial Plan also to indicate all projects, with 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.

7.2 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.

National Treasury's MFMA Circular No. 51,54, 55,57,58,59,66,67,70,72, 74, 75,78,79,82,85, 86, 89, 90, 91, 93, 94, 97, 98, 99, 107, 108, 112, 115 and 123 were used to guide the compilation of the 2023/24 MTREF.

The main challenges experienced during the compilation of the 2023/24 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 2023/24 MTREF process

The following budget principles and guidelines directly informed the compilation of the 2023/24 MTREF:

- The 2022/23 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 2023/24 Medium-term Revenue and Expenditure Framework:

Table 124. Consolidated Overview of 2023/24 MTREF

R thousand	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Operating Revenue	148,622	144,068	151,653	154,422
Total Operating Expenditure	166,583	167,185	174,680	182,179
<i>Surplus / (Deficit for the year)</i>	<i>(17,961)</i>	<i>(23,117)</i>	<i>(23,027)</i>	<i>(27,757)</i>
Total Capital Expenditure	33,692	23,274	24,390	25,513

Total operating revenue has slightly decreased by 3 per cent or R 4.5 million for the 2023/24 budget year when compared to the 2022/23 Adjusted Budget. For the two outer years, operational revenue will increase by 5 and 3 per cent respectively, equating to a total revenue increment of R10.4 million over the MTREF period. The reduction in revenue in the budget year 2023/24 can be attributed to the once gains on disposal of land included in the 2022/2023 financial year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R165 million and translates into a budgeted deficit of R 23.1 million. When compared to the 2022/23 Adjusted Budget, operational expenditure has remained fairly the same in the 2023/24 budget. The operational expenditure has been increased by 4 per cent for each of the respective outer years of the MTREF. The operating expenditure for 2023/24 has been appropriated after considering all budget inputs from the community through IDP engagements in November 2022. Furthermore,

the budget is stated through the application of zero-based budgeting principles in most of the votes.

The operating deficit for the two outer year 2024/25 remains fairly the same when compared to the adjusted budget for 2022/23 and increases 27 million in the 2025/26 budget outer year.

The capital budget of R 25,7 million for 2022/23 is 22 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 was decreased to R 23 million in the 2023/24 budget year when compared to the Adjusted Budget for 2022/23 and then slightly increased in 2024/25 to R 24 million and 25.5 million in the 2025/26 budget year respectively. 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.

7.2.1 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 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 125. Summary of Revenue Classified by Main Revenue Source

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	618	777	923	1,087	1,087	1,087	1,087	1,145	1,201	1,258
Sale of Goods and Rendering of Services		379	506	436	644	607	607	607	381	399	418
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		(66)	94	99	119	139	139	139	147	154	161
Interest earned from Receivables		154	233	297	302	302	302	302	318	333	349
Interest earned from Current and Non Current Assets		1,112	1,114	1,263	1,562	2,602	2,602	2,602	2,740	2,874	3,010
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		715	1,004	1,089	1,342	1,287	1,287	1,287	1,096	1,149	1,203
Licence and permits		14	5	(0)	273	19	19	19	20	21	22
Operational Revenue		134	375	786	2,345	1,715	1,715	1,715	746	782	819
Non-Exchange Revenue											
Property rates	2	17,895	18,494	19,285	28,049	28,049	28,049	28,049	28,446	29,840	31,242
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4,060	4,517	4,356	4,993	4,993	4,993	4,993	5,247	5,504	5,763
Licences or permits		491	1,303	1,935	2,053	3,253	3,253	3,253	3,027	3,175	3,324
Transfer and subsidies - Operational		77,234	97,079	85,161	107,074	94,137	94,137	94,137	100,757	106,220	106,853
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	(180)	10,432	10,432	10,432	10,432	-	-	-
Other Gains		(10,370)	(3,390)	22	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		92,371	122,111	115,471	160,275	148,622	148,622	148,622	144,068	151,653	154,422

Table 126. Percentage Growth in Revenue

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)								
Description	Current Year 2022/23	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue By Source								
Property rates	28,049	19%	28,446	20%	29,840	20%	31,242	20%
Service charges - refuse revenue	1,087	1%	1,145	1%	1,201	1%	1,258	1%
Rental of facilities and equipment	1,223	1%	1,096	1%	1,149	1%	1,203	1%
Interest earned - external investments	2,602	2%	2,740	2%	2,874	2%	3,010	2%
Interest earned - outstanding debtors	302	0%	318	0%	333	0%	349	0%
Fines, penalties and forfeits	4,993	3%	5,247	4%	5,504	4%	5,763	4%
Licences and permits	3,253	2%	3,027	2%	3,175	2%	3,324	2%
Transfers and subsidies	94,137	63%	100,757	70%	106,220	70%	106,853	69%
Other revenue	2,544	2%	1,292	1%	1,357	1%	1,420	1%
Gains	10,432			0%				
Total Revenue	148,622	100%	144,068	100%	151,653		154,422	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 25 per cent of the total revenue mix. In the 2023/24 financial year, revenue from rates and services charges totaled R29.5 million or 21 per cent. This increased to R31 million and R32.5 million in the respective outer financial years of the MTREF.

Property rates is the second largest revenue source totaling R28.4 million or 20 per cent. This increased to R29.8 million and R31.2 million in the respective outer financial years of the MTREF.

Operating grants and transfers totals R 100 million in the 2023/24 financial year and increased to R 106 million in 2024/25 and remained fairly the same in 2025/26. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 127. Operating Transfer & Grant Receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		-	-	-	-	-	-	94,044	101,007	100,095
EPWP								92,919	99,827	98,859
Municipal Infrastructure Grant								1,125	1,180	1,236
Other transfers/grants [insert description]										
Provincial Government:										
Local Government Financial Management Grant		-	-	-	-	-	-	5,650	5,291	6,851
Community Library Services								1,950	1,950	2,088
Rehabilitation of Nelson Street SIMME Units								254	265	1,549
Provincialisation of Libraries								500		
								2,946	3,076	3,214

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 rates and domestic refuse charges by 5.3%

Property Rates

The municipality has applied a 5.3% tariff increase in the property rates for the 2023/24 budget year. The property values have decreased from R 4 822 929 900 in the 2022/23 financial year to R 4,796,499,500 in the 2023/24 budget year. The property value decrease is a result of the objections received after the implementation of the new General Valuation Roll in the 2022/23 financial year. The new valuation roll is to be implemented in the 2023/24 financial year. The properties categories that were affected by the decrease are Residential properties (R 1 804 400), Industrial/Commercial properties (R 1,429,000), Agricultural properties (R 8,919,000) and Public Service Purpose properties (R 14,278,000). Moreover, the Public Service Purpose properties and industrial properties are the highest revenue generating categories in terms of tariff and Agricultural properties in terms of quantity of properties.

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. 2023/2024 would be the second year of implementation of the valuation roll.

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 128. Comparison of Proposed Rates to Levied for the 2022/23 Financial Year

Property Rate Category	Current Tariff (1 July 2022)	Proposed Tariff (from 1 July 2023)	% Increase	Rate Ratio
Residential Property	0.008368699	0.00881224	5.3%	1
Business, Commercial and industrial property	0.01689544	0.01779090	5.3%	2
Vacant Land	0.02544212	0.02679056	5.3%	3
Agricultural Property	0.00209215	0.00220303	5.3%	0.25
Public Service Purposes	0.01689544	0.01779090	5.3%	2
Public Service Infrastructure	0.00209215	0.00220303	5.3%	0.25
Public benefit organisation property	0.00209215	0.00220303	5.3%	0.25
Place of worship S17(l)	0.00209215	0.00220303	5.3%	0.25
Municipal	0.00209215	0.00220303	5.3%	0.25
Protected area S17 ('E)	0.00209215	0.00220303	5.3%	0.25

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 5.3 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2023. Currently indigent residential consumers are subsidized in full for refuse removal.

Table 129. Comparison Between Current Waste Removal Fees and Increase

	Current 2022/23 Tariffs	Proposed 2023/24 Tariffs	% Increase
Refuse removal residential once a week	56.52	59.52	5.3 %
Refuse – Residential complex	826.92	870.75	5.3 %
Commercial twice a week	427.21	449.85	5.3 %
Commercial five times a week	1653.85	1,741.50	5.3 %
Commercial bulk	3307.69	3,483.00	5.3 %
Commercial daily	3969.23	4,179.60	5.3 %
Hire of Skipper bin	5240.00	5517.72	5.3 %

The Indigent and Basic Services Policy state that; In respect of household refuse removal, the relief granted shall be a rebate of 100% on the monthly amount billed for the service concerned. Furthermore, the relief shall be granted to households living on properties with a market value of not more than R60 000, which can be classified as low-cost housing”.

Based on the policy the municipality has estimated an amount of R 331 695 to be deemed as income forgone in respect of refuse removal for households receiving the service at no cost.

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 5.3%

Table 130. MBRR Table SA14 - Household Bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		329.49	163.18	179.89	323.79	323.79	323.79	0.00%	323.79	343.22	363.81
Electricity: Basic levy											
Electricity: Consumption		40.83	42.46	31.37	46.40	46.40	46.40	16.00%	53.83	57.06	60.48
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		33.71	35.73	40.15	42.72	42.72	42.72	6.00%	45.28	48.00	50.88
Other											
sub-total		404.03	241.37	251.40	412.91	412.91	412.91	2.4%	422.90	448.28	475.17
VAT on Services											
Total large household bill:		404.03	241.37	251.40	412.91	412.91	412.91	2.4%	422.90	448.28	475.17
% increase/decrease			(40.3%)	4.2%	64.2%	-	-	2.4%	2.4%	6.0%	6.0%

Rental of facilities and Equipment

The municipality has reduced the budget for rental of facilities and equipment from R 1.2 million in the 22/23 adjustment budget to R1.1 million in the 2023/24 budget year. An average of 5.4 percent increase has been applied in the outer years.

Interest earned from External Investments

The municipality has budgeted for a 5.3 % increase in the Interest Earned from External Investments for the 2023/24 budget year. The Municipality anticipates to embark on an aggressive investment strategy in the 2023/ 2024 financial year in order to maximize returns.

Fines, penalties and forfeits

The municipality has budgeted for a 5.3 % increase in the fines, penalties and forfeits for the 2023/24 budget year.

Licenses and permits

The municipality has budgeted for a 5.3 % increase in the licenses and permits for the 2023/24 budget year. This is in line with the municipal revenue enhancement strategies being rolled out.

Transfers recognised- operational

Transfers recognised operational contributes to about 74 per cent of the total operating income of the municipality.

The municipality needs to investigate other sources of revenue through the implementation of its revenue enhancement strategy. Raising income continues to be a challenge for the municipality as we do not render services such as water, sanitation or electricity. The municipality has also

taken cognisance of the fact that its tariffs are not cost reflective and would need to align tariffs accordingly.

Other operational Revenue

The municipality has budgeted for other income R 1,368,770 in the 2023/24 budget year. This is a decrease when compared to the 2022/2023 financial year. In the 2022/2023 financial year the Municipality received an insurance refund. It is expected that the municipality would maintain a 5.3 % increase in the outer years based on the recommended inflation-based increase.

11.2.1 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 131. 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		
		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	39,821	65,808	67,377	69,678
Remuneration of councillors		5,764	6,030	5,773	6,230	6,230	6,230	4,237	6,529	6,816	7,116
Debt impairment	3	3,688	4,762	3,686	3,994	3,994	3,994	4,535	4,489	4,686	4,893
Depreciation & asset impairment	2	18,821	16,549	22,847	20,155	20,155	20,155	12,658	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	17,562	31,171	31,499	33,555
Transfers and subsidies		1,515	734	563	1,037	1,037	1,037	391	1,087	1,134	1,184
Other expenditure	4, 5	10,552	11,451	11,479	17,463	17,632	17,632	9,195	19,567	20,411	21,309
Losses		-	-	92	-	-	-	-	-	-	-
Total Expenditure		111,043	120,415	129,233	143,420	142,494	142,494	88,408	156,022	160,499	167,567

Table 132 Percentage growth in operating expenditure by main expenditure source

Description	Current Year 2022/23		2023/24 Medium Term Revenue					
	Adjusted Budget	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
R thousand								
Employee related costs	65,121	39%	69,073	42%	72,457	42%	75,863	42%
Remuneration of councillors	6,529	4%	6,881	4%	7,219	4%	7,558	4%
Debt impairment	12,962	8%	5,000	3%	5,235	3%	5,492	3%
Depreciation & asset impairment	20,155	12%	21,122	13%	22,051	13%	23,022	13%
Finance charges	367	0%	402	0%	421	0%	440	0%
Inventory consumed	8,375	5%	8,664	5%	9,050	5%	9,319	5%
Contracted services	30,597	18%	31,937	19%	32,885	19%	33,961	19%
Transfers and subsidies	600	0%	600	0%	628	0%	628	0%
Other expenditure	20,910	13%	22,387	13%	23,452	14%	24,491	14%
Total Expenditure	165,616	100%	166,066	100%	173,398	100%	180,774	100%

Employee Related Costs

The budgeted allocation for employee related costs for the 2023/24 financial year totals R69 million, which equals 42 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.4 per cent for the 2023/24 financial year. Furthermore, the municipality also considered the draft organogram which has new posts to be implemented in 2023/2024

An annual increase of 5.4 per cent has been included for the budget outer years. 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 2023/24 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 Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 5.4 per cent increase has been factored into the budget for the 2023/24 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 councillors. 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 R21 million for the 2023/24 financial and equates to 13 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 2023/2024 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.

Debt Impairment

An amount of R 5 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,
- The impairment provision processed in the 2021/22 financial year,
- The expected provision for impairment and write-offs in the 2022/23,
- 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 80 per cent (considering old debt and current billing).

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 2023/24 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 2023/24 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 1.3 million when compared to the adjustment budget for 2022/23 (i.e. an increase from R 30.5 million to R 31.9 million in the 2024 budget year).

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 7.1% from the adjustment budget of 2022/23 to 2023/24 financial year. The actual increase can be translated to R 1.7 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 2023/24 financial year.

Figure 79. Main Operational Expenditure Categories for the 2023/24 Financial Year

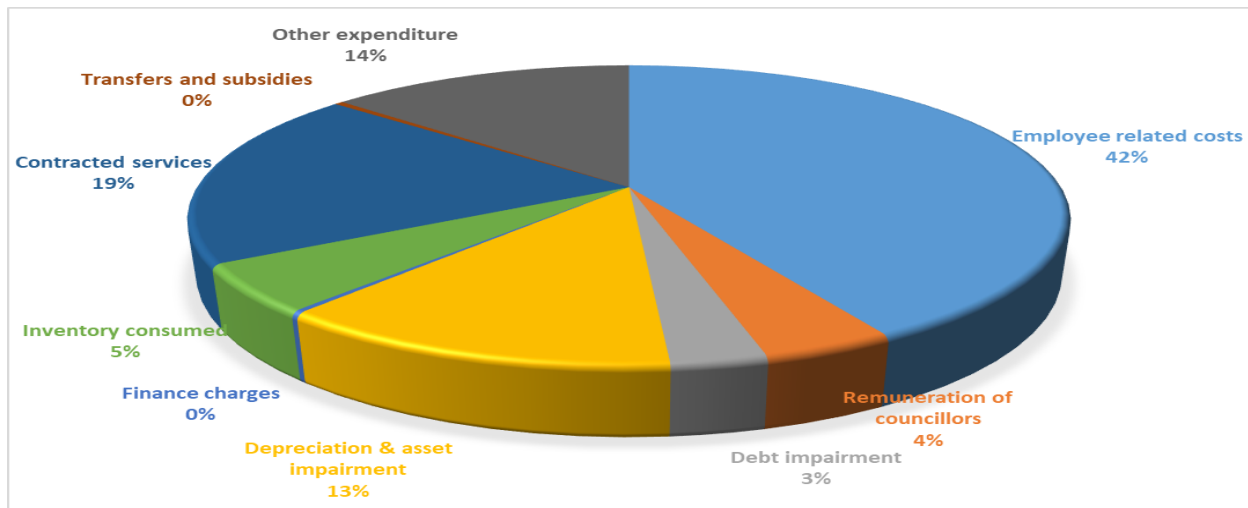


Table 133 Repairs and maintenance per asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		3,234	2,878	3,688	4,506	6,078	6,078	6,078	5,582	5,851	6,029
Contracted Services		1,231	1,473	2,542	2,879	3,514	3,514	3,514	3,977	4,172	4,360
Other Expenditure		427	539	721	2,251	3,558	3,558	3,558	3,785	3,971	4,157
Total Repairs and Maintenance Expenditure	9	4,891	4,890	6,950	9,636	13,149	13,149	13,149	13,344	13,994	14,546
R&M as a % of PPE		1.4%	1.7%	1.9%	2.7%	3.7%	3.7%	3.7%	3.8%	3.8%	3.7%
R&M as % Operating Expenditure		4.1%	4.9%	4.9%	6.0%	7.9%	7.9%	7.9%	8.0%	8.4%	8.3%

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 2023/2024 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

Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 134 2023/24 Medium-term capital budget per vote

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
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		2,182	864	7	700	700	700	700	90	94	99
Vote 2 - Finance and administration		7,116	3,521	892	1,074	1,698	1,698	1,698	940	962	983
Vote 3 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		19,573	283	210	50	1,136	1,136	1,136	780	818	857
Vote 5 - Internal Audit		(838)	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		392	1,012	101	3,130	3,284	3,284	3,284	10	10	11
Vote 7 - Road Transport		87,701	74,438	34,252	22,575	26,873	26,873	26,873	21,454	22,506	23,563
Vote 8 - Sport and Recreation		(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		109,402	76,714	35,461	27,529	33,692	33,692	33,692	23,274	24,390	25,513
Total Capital Expenditure - Vote		109,402	76,714	35,461	27,529	33,692	33,692	33,692	23,274	24,390	25,513

Table 135 2023/24 Medium-term capital budget by funding source

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Funded by:											
National Government		80,528	19,362	33,539	19,485	19,697	19,697	19,697	20,139	21,126	22,119
Provincial Government		6,059	90	119	3,050	8,484	8,484	8,484	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		16	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	86,603	19,452	33,658	22,535	28,181	28,181	28,181	20,139	21,126	22,119
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		24,820	17,252	1,307	4,994	5,510	5,510	5,510	3,135	3,264	3,394
Total Capital Funding	7	111,423	36,704	34,965	27,529	33,692	33,692	33,692	23,274	24,390	25,513

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.

11.2.2 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 136 MBRR Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance										
Property rates	17,895	18,494	19,285	28,049	28,049	28,049	28,049	28,445	29,840	31,242
Service charges	618	777	923	1,087	1,087	1,087	1,087	1,145	1,201	1,258
Investment revenue	1,112	1,114	1,283	1,582	2,802	2,802	2,802	2,740	2,874	3,010
Transfer and subsidies - Operational	77,234	97,079	85,181	107,074	94,137	94,137	94,137	100,757	106,220	106,853
Other own revenue	(4,488)	4,547	8,839	22,502	22,747	22,747	22,747	10,980	11,518	12,059
Total Revenue (excluding capital transfers and contributions)	92,371	122,111	115,471	160,275	148,822	148,822	148,822	144,068	151,653	154,422
Employee costs	51,233	54,872	60,315	65,808	65,121	65,121	65,121	69,073	72,487	75,803
Remuneration of councillors	6,030	5,773	5,977	6,529	6,529	6,529	6,529	6,881	7,219	7,558
Depreciation and amortisation	16,384	20,212	19,858	21,122	21,122	21,122	21,122	22,241	23,331	24,428
Finance charges	270	197	295	197	367	367	367	402	421	440
Inventory consumed and bulk purchases	4,720	4,520	4,972	6,082	8,375	8,375	8,375	8,564	9,050	9,319
Transfers and subsidies	734	563	590	1,087	800	800	800	800	828	828
Other expenditure	40,880	38,428	49,577	59,480	64,469	64,469	64,469	59,325	61,573	63,943
Total Expenditure	120,249	124,364	141,384	160,275	166,583	166,583	166,583	167,185	174,880	182,179
Surplus(Deficit)	(27,878)	(2,253)	(25,913)	(0)	(17,761)	(17,761)	(17,761)	(23,118)	(23,026)	(27,757)
Transfers and subsidies - capital (monetary allocations)	16,377	27,257	26,810	22,485	27,685	27,685	27,685	20,189	20,938	21,718
Transfers and subsidies - capital (in-kind)	105	-	-	-	-	-	-	-	-	-
Surplus(Deficit) after capital transfers & contributions	(11,397)	25,004	897	22,485	9,724	9,724	9,724	(2,928)	(2,088)	(6,039)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus(Deficit) for the year	(11,397)	25,004	897	22,485	9,724	9,724	9,724	(2,928)	(2,088)	(6,039)
Capital expenditure & funds sources										
Capital expenditure	109,402	76,714	35,461	27,529	33,692	33,692	33,692	23,274	24,390	25,513
Transfers recognised - capital	86,603	19,452	33,658	22,535	28,181	28,181	28,181	20,139	21,126	22,119
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	34,820	17,252	1,307	4,994	5,510	5,510	5,510	3,135	3,264	3,394
Total sources of capital funds	111,423	36,704	34,965	27,529	33,692	33,692	33,692	23,274	24,390	25,513
Financial position										
Total current assets	53,349	43,859	41,808	76,996	37,775	37,775	37,775	45,880	46,119	42,191
Total non current assets	348,193	358,552	358,939	369,106	355,203	355,203	355,203	373,321	391,590	409,971
Total current liabilities	39,104	33,570	30,085	9,603	13,254	13,254	13,254	(16,643)	(20,455)	(23,882)
Total non current liabilities	16,537	16,480	18,105	19,004	17,726	17,726	17,726	17,726	18,595	19,499
Community wealth/Equity	357,493	349,927	352,275	417,495	361,999	361,999	361,999	418,099	439,589	456,376
Cash flows										
Net cash from (used) operating	345,145	180,710	273,997	50,563	37,433	37,433	37,433	11,522	14,284	8,927
Net cash from (used) investing	(18,359)	(40,020)	(27,368)	(27,529)	(33,518)	(33,518)	(33,518)	(23,274)	(28,610)	(30,012)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,969)
Cash backing/surplus reconciliation										
Cash and investments available	382,317	378,814	385,372	409,126	393,229	393,229	393,229	404,717	422,526	436,276
Application of cash and investments	6,779	11,442	(1,522)	(24,079)	(12,661)	(12,661)	(12,661)	(59,833)	(67,489)	(71,823)
Balance - surplus (shortfall)	395,537	367,372	386,894	433,204	405,889	405,889	405,889	464,550	460,014	507,899
Asset management										
Asset register summary (WOV)	316,749	342,748	337,504	335,015	332,527	332,527	332,527	350,645	367,802	385,065
Depreciation	16,384	20,212	19,858	21,122	21,122	21,122	21,122	22,241	23,331	24,428
Renewal and Upgrading of Existing Assets	35,924	37,692	11,828	6,869	6,868	6,868	6,868	11,353	11,910	12,469
Repairs and Maintenance	4,861	6,139	6,950	9,636	13,149	13,149	13,149	13,344	13,994	14,546
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	4,658	4,759	6,837	5,644	10,169	10,169	10,169	10,389	11,001	11,647
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	12	12	12	12	12	12	12	12	12	12
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	16	16	4	4	4	4	4	4	4

Explanatory notes to MBRR Table A1 - Budget Summary

- 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).
- 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 137 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue - Functional										
Governance and administration		77,402	97,280	60,626	119,840	120,146	120,146	132,498	141,249	142,275
Executive and council		-	-	-	3,110	3,110	3,110	-	-	-
Finance and administration		77,402	97,280	60,626	116,730	117,036	117,036	132,498	141,249	142,275
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		20,838	403	49,400	18,634	5,697	5,697	3,751	3,919	5,369
Community and social services		20,831	3,793	49,400	5,435	5,689	5,689	3,743	3,911	5,359
Sport and recreation		6	(3,390)	-	8	8	8	8	9	9
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	13,191	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		9,810	31,909	30,984	38,112	44,291	44,291	26,488	25,828	26,827
Planning and development		5,783	21,131	28,590	35,773	35,736	35,736	23,338	22,524	23,368
Road transport		4,027	10,778	2,394	2,339	8,555	8,555	3,150	3,304	3,460
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		803	19,776	1,270	6,174	6,174	6,174	1,520	1,594	1,669
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		803	19,776	1,270	6,174	6,174	6,174	1,520	1,594	1,669
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	108,853	149,368	142,280	182,760	176,308	176,308	164,257	172,591	176,140
Expenditure - Functional										
Governance and administration		50,303	54,210	63,628	73,307	77,186	77,186	73,331	76,914	80,525
Executive and council		15,027	14,916	16,814	16,378	16,580	16,580	16,697	17,515	18,338
Finance and administration		34,092	38,060	45,311	55,511	59,187	59,187	55,156	57,848	60,562
Internal audit		1,184	1,234	1,503	1,418	1,419	1,419	1,479	1,551	1,624
Community and public safety		20,949	23,054	24,392	25,782	27,230	27,230	28,400	29,632	30,388
Community and social services		17,869	19,337	20,651	22,329	23,469	23,469	24,469	25,508	26,071
Sport and recreation		2,779	3,212	3,280	3,060	3,369	3,369	3,519	3,691	3,864
Public safety		27	132	72	-	-	-	-	-	-
Housing		273	373	389	392	392	392	413	433	453
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		44,453	45,285	45,895	52,676	53,627	53,627	56,859	59,118	61,827
Planning and development		9,041	7,644	7,903	9,997	9,393	9,393	11,337	11,368	11,902
Road transport		35,412	37,641	37,992	42,679	44,234	44,234	45,522	47,750	49,924
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		4,711	4,449	8,251	8,510	8,541	8,541	8,595	9,016	9,440
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		397	438	502	405	375	375	401	421	441
Waste management		4,314	4,011	7,750	8,105	8,166	8,166	8,194	8,595	8,999
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	120,415	126,999	142,167	160,275	166,583	166,583	167,185	174,680	182,179
Surplus/(Deficit) for the year		(11,562)	22,369	114	22,485	9,724	9,724	(2,928)	(2,088)	(6,039)

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 138. MBRR Table A3 - Budgeted Financial Performance (Revenue & Expenditure by Municipal VOTE)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive And Council		-	-	-	3,110	3,110	3,110	-	-	-
Vote 2 - Finance and administration		77,402	97,280	60,626	116,730	117,036	117,036	132,498	141,249	142,275
Vote 3 - Housing		-	-	-	13,191	-	-	-	-	-
Vote 4 - Community and Social Services		20,831	3,793	49,400	5,435	5,689	5,689	3,743	3,911	5,359
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		5,783	21,131	28,590	35,773	35,736	35,736	23,338	22,524	23,368
Vote 7 - Road Transport		4,027	10,778	2,394	2,339	8,555	8,555	3,150	3,304	3,460
Vote 8 - Sport and Recreation		6	(3,390)	-	8	8	8	8	9	9
Vote 9 - Waste Management		803	19,776	1,270	6,174	6,174	6,174	1,520	1,584	1,669
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	108,833	149,368	142,280	182,760	176,308	176,308	164,257	172,591	176,140
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive And Council		15,027	14,916	16,814	16,378	16,580	16,580	16,697	17,515	18,338
Vote 2 - Finance and administration		34,092	38,060	45,311	55,511	59,187	59,187	55,156	57,848	60,562
Vote 3 - Housing		273	373	389	392	392	392	413	433	453
Vote 4 - Community and Social Services		17,869	19,337	20,651	22,329	23,469	23,469	24,469	25,508	26,071
Vote 5 - Internal Audit		1,184	1,234	1,503	1,418	1,419	1,419	1,479	1,551	1,624
Vote 6 - Planning and Development		9,041	7,644	7,903	9,997	9,393	9,393	11,337	11,368	11,902
Vote 7 - Road Transport		35,439	37,773	38,064	42,679	44,234	44,234	45,522	47,750	49,924
Vote 8 - Sport and Recreation		2,779	3,212	3,280	3,060	3,369	3,369	3,519	3,691	3,864
Vote 9 - Waste Management		4,314	4,011	7,750	8,105	8,166	8,166	8,194	8,595	8,999
Vote 10 - Waste Water Management		397	438	502	405	375	375	401	421	441
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	120,415	126,999	142,167	160,275	166,583	166,583	167,185	174,680	182,179
Surplus/(Deficit) for the year	2	(11,582)	22,369	114	22,485	9,724	9,724	(2,928)	(2,088)	(6,039)

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 139 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year + 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	618	777	923	1,087	1,087	1,087	1,087	1,145	1,201	1,258
Sale of Goods and Rendering of Services		379	506	436	644	607	607	607	381	399	411
Agency services		-	-	-	-	-	-	-	-	-	-
Interest	(86)	94	99	119	139	139	139	139	147	154	161
Interest earned from Receivables	154	233	297	302	302	302	302	302	318	333	341
Interest earned from Current and Non Current Assets		1,112	1,114	1,263	1,582	2,602	2,602	2,602	2,740	2,874	3,010
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		715	1,004	1,089	1,342	1,287	1,287	1,287	1,096	1,149	1,203
Licence and permits		14	5	(3)	273	19	19	19	20	21	21
Operational Revenue		134	375	786	2,345	1,715	1,715	1,715	748	782	811
Non-Exchange Revenue											
Property rates	2	17,895	18,494	19,285	28,049	28,049	28,049	28,049	28,448	29,840	31,242
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4,060	4,517	4,356	4,993	4,993	4,993	4,993	5,247	5,504	5,761
Licences or permits		491	1,303	1,935	2,053	3,253	3,253	3,253	3,027	3,175	3,324
Transfer and subsidies - Operational		77,234	97,079	85,161	107,074	94,137	94,137	94,137	100,757	106,220	109,852
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	(180)	10,432	10,432	10,432	10,432	-	-	-
Other Gains		(10,370)	(3,390)	22	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib)		82,971	122,111	115,471	180,276	148,822	148,822	148,822	144,988	151,863	154,422
Expenditure											
Employee related costs	2	51,233	54,672	60,315	65,808	65,121	65,121	65,121	69,073	72,457	75,861
Remuneration of councillors		6,030	5,773	5,977	6,529	6,529	6,529	6,529	6,881	7,219	7,558
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,720	4,520	4,972	6,052	8,375	8,375	8,375	8,954	9,050	9,315
Debt Impairment	3	4,762	1,452	4,604	8,962	12,962	12,962	12,962	5,000	5,235	5,492
Depreciation and amortisation		16,384	20,212	19,656	21,122	21,122	21,122	21,122	22,241	23,331	24,428
Interest		370	197	296	197	367	367	367	402	421	441
Contracted services		24,667	25,464	26,080	30,951	30,597	30,597	30,597	31,437	32,885	33,961
Transfer and subsidies		734	583	590	1,087	600	600	600	600	608	628
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		11,451	11,419	16,702	19,587	20,910	20,910	20,910	22,387	23,452	24,491
Losses on disposal of Assets		-	92	-	-	-	-	-	-	-	-
Other Losses		-	-	182	-	-	-	-	-	-	-
Total Expenditure		120,248	124,964	141,384	180,275	188,683	188,683	188,683	187,186	174,880	182,178
Surplus/(Deficit)		(27,879)	(2,353)	(26,913)	(0)	(17,861)	(17,861)	(17,861)	(28,118)	(23,028)	(27,756)
Transfer and subsidies - capital (monetary)	6	16,377	27,257	26,910	22,485	27,665	27,665	27,665	20,189	20,938	21,716
Transfer and subsidies - capital (in-kind)	6	105	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(11,397)	26,004	897	22,486	9,724	9,724	9,724	(2,928)	(2,088)	(6,038)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(11,397)	26,004	897	22,486	9,724	9,724	9,724	(2,928)	(2,088)	(6,038)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(11,397)	26,004	897	22,486	9,724	9,724	9,724	(2,928)	(2,088)	(6,038)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(11,397)	26,004	897	22,486	9,724	9,724	9,724	(2,928)	(2,088)	(6,038)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R144 million in 2023/24 and increases to R 144 million 2024/25
2. Revenue to be generated from property rates is R 28 million in the 2023/24 financial year and increases to R 29 million in the 2024/25 and to R31 million in the 2025/26 financial year.

Table 140 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - 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		2,182	864	7	700	700	700	700	90	94	96
Vote 2 - Finance and administration		7,116	3,521	892	1,074	1,698	1,698	1,698	940	962	983
Vote 3 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		19,573	283	210	50	1,136	1,136	1,136	780	818	857
Vote 5 - Internal Audit		(839)	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		302	1,012	101	3,130	3,284	3,284	3,284	10	10	11
Vote 7 - Road Transport		87,701	74,436	34,252	22,575	26,873	26,873	26,873	21,454	22,506	23,563
Vote 8 - Sport and Recreation		(8,725)	(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		129,402	76,714	35,461	27,526	33,692	33,692	33,692	23,274	24,390	25,513
Total Capital Expenditure - Vote		129,402	76,714	35,461	27,526	33,692	33,692	33,692	23,274	24,390	25,513
Capital Expenditure - Functional											
Governance and administration		7,963	4,385	899	1,774	2,398	2,398	2,398	1,030	1,056	1,062
Executive and council		2,182	864	7	700	700	700	700	90	94	96
Finance and administration		6,608	3,521	892	1,074	1,698	1,698	1,698	940	962	983
Internal audit		(839)	-	-	-	-	-	-	-	-	-
Community and public safety		13,356	(3,121)	210	50	1,136	1,136	1,136	780	818	857
Community and social services		19,573	283	210	50	1,136	1,136	1,136	780	818	857
Sport and recreation		(8,725)	(3,403)	-	-	-	-	-	-	-	-
Public safety		506	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		88,003	75,449	34,352	25,705	30,158	30,158	30,158	21,464	22,516	23,574
Planning and development		302	1,012	101	3,130	3,284	3,284	3,284	10	10	11
Road transport		87,701	74,436	34,252	22,575	26,873	26,873	26,873	21,454	22,506	23,563
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	129,402	76,714	35,461	27,526	33,692	33,692	33,692	23,274	24,390	25,513
Funded by:											
National Government		83,528	19,362	33,539	19,485	19,697	19,697	19,697	20,136	21,126	22,119
Provincial Government		6,059	90	119	3,050	6,464	6,464	6,464	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		16	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	86,603	19,462	33,658	22,536	26,191	26,191	26,191	20,136	21,126	22,119
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		24,620	17,252	1,307	4,664	5,510	5,510	5,510	3,136	3,264	3,364

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 141 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Description		Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS												
Current assets												
Cash and cash equivalents			19,050	21,042	26,902	42,379	35,776	35,776	35,776	16,121	14,913	9,529
Trade and other receivables from exchange transactions		1	801	1,103	1,696	3,480	3,796	3,796	3,796	17,159	18,000	18,846
Receivables from non-exchange transactions		1	27,183	15,055	10,228	29,163	5,409	5,409	5,409	11,989	12,586	13,167
Current portion of non-current receivables			–	–	–	–	–	–	–	–	–	–
Inventory		2	–	0	(0)	(0)	0	0	0	0	(0)	0
VAT			6,315	6,458	2,980	1,974	(7,206)	(7,206)	(7,206)	591	620	649
Other current assets			–	–	0	–	–	–	–	–	–	–
Total current assets			53,349	43,659	41,806	76,966	37,775	37,775	37,775	45,880	46,119	42,191
Non current assets												
Investments			0	0	0	–	–	–	–	–	–	–
Investment property			1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,244	1,302
Property, plant and equipment		3	342,466	356,669	356,775	363,267	353,656	353,656	353,656	371,437	389,612	407,901
Biological assets			3,390	–	–	–	–	–	–	–	–	–
Living and non-living resources			–	–	–	–	–	–	–	–	–	–
Heritage assets			213	213	213	3,833	213	213	213	213	223	234
Intangible assets			938	485	466	820	149	149	149	486	510	534
Trade and other receivables from exchange transactions			–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions			–	–	–	–	–	–	–	–	–	–
Other non-current assets			–	–	–	–	–	–	–	–	–	–
Total non current assets			348,193	358,552	358,639	369,106	355,203	355,203	355,203	373,321	391,590	409,971
TOTAL ASSETS			401,541	402,211	400,445	446,102	392,979	392,979	392,979	419,182	437,709	452,162
LIABILITIES												
Current liabilities												
Bank overdraft			–	–	–	–	–	–	–	–	–	–
Financial liabilities			–	–	205	6	–	–	–	–	–	–
Consumer deposits			(17)	0	11	11	584	584	584	584	612	641
Trade and other payables from exchange transactions		4	20,285	26,840	16,847	902	253	253	253	(49,203)	(56,329)	(59,948)
Trade and other payables from non-exchange transactions		5	15,244	4,724	11,079	5,933	11,679	11,679	11,679	31,239	34,489	34,815
Provision			457	457	514	258	308	308	308	308	323	338
VAT			3,490	1,328	1,187	–	–	–	–	–	–	–
Other current liabilities			(355)	219	224	2,493	430	430	430	430	451	472
Total current liabilities			38,104	33,570	30,065	9,803	13,254	13,254	13,254	(16,843)	(20,455)	(23,682)
Non current liabilities												
Financial liabilities		6	938	744	379	559	–	–	–	–	–	–
Provision		7	9,549	9,686	10,959	12,176	8,331	8,331	8,331	8,331	8,739	9,150
Long term portion of trade payables			–	–	–	–	–	–	–	–	–	–
Other non-current liabilities			6,050	6,050	6,767	6,269	9,395	9,395	9,395	9,395	9,856	10,319
Total non current liabilities			16,537	16,480	18,105	19,004	17,726	17,726	17,726	17,726	18,595	19,469
TOTAL LIABILITIES			55,641	50,050	48,170	28,807	30,980	30,980	30,980	1,083	(1,880)	(4,214)
NET ASSETS			345,901	352,161	352,275	417,495	361,999	361,999	361,999	418,099	439,569	456,376
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		8	357,463	349,927	352,275	417,495	361,999	361,999	361,999	418,099	439,569	456,376
Reserves and funds		9	–	–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY			357,463	349,927	352,275	417,495	361,999	361,999	361,999	418,099	439,569	456,376

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
- 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
- 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 2023/24 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 142 MBRR Table A7 - Budgeted Cash Flow Statement

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9,752	44,339	28,231	19,634	19,634	19,634	19,634	16,704	17,523	18,347
Service charges		508	606	626	435	435	435	435	859	901	943
Other revenue		1,956	2,584	23,895	19,853	20,012	20,012	20,012	18,841	19,764	20,693
Transfers and Subsidies - Operational	1	186,971	109,438	237,442	107,075	94,138	94,138	94,138	103,706	111,035	110,629
Transfers and Subsidies - Capital	1	66,105	31,560	48,519	22,485	22,485	22,485	22,485	40,379	42,117	43,892
Interest		198	427	328	1,562	2,602	2,602	2,602	2,740	2,874	3,010
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		79,655	(8,244)	(65,344)	(120,284)	(121,676)	(121,676)	(121,676)	(171,707)	(179,929)	(188,586)
Finance charges		-	-	-	(197)	(197)	(197)	(197)	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) OPERATING ACTIVITIES		345,145	180,710	273,667	50,563	37,433	37,433	37,433	11,522	14,284	8,927
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		(18,359)	(40,026)	(27,368)	(27,529)	(33,518)	(33,518)	(33,518)	(23,274)	(28,610)	(30,012)
NET CASH FROM(USED) INVESTING ACTIVITIES		(18,359)	(40,026)	(27,368)	(27,529)	(33,518)	(33,518)	(33,518)	(23,274)	(28,610)	(30,012)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		326,786	140,684	246,329	23,034	3,915	3,915	3,915	(11,752)	(14,326)	(21,085)
Cash/cash equivalents at the year begin:	2	42,191	-	21,042	19,467	26,902	26,902	26,902	28,194	18,442	2,118
Cash/cash equivalents at the year end:	2	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,966)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- 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 143 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											
Cash/cash equivalents at the year end	1	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,966)
Other current investments > 90 days		(349,127)	(118,538)	(238,774)	3,359	8,755	8,755	8,755	16,838	30,797	47,344
Investments - Property, plant and equipment	1	342,466	356,669	356,775	363,267	353,656	353,656	353,656	371,437	389,612	407,904
Cash and investments available:		362,317	378,814	385,372	400,126	393,229	393,229	393,229	404,717	422,526	436,271
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	650	12,535	1,794	1,974	(7,206)	(7,206)	(7,206)	591	620	641
Other working capital requirements	3	6,027	(1,770)	(4,052)	(28,804)	(6,192)	(6,192)	(6,192)	(61,162)	(68,882)	(73,081)
Other provisions		102	676	737	2,751	737	737	737	737	773	811
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		6,779	11,442	(1,522)	(24,079)	(12,661)	(12,661)	(12,661)	(59,833)	(67,489)	(71,621)
Surplus/(shortfall)		355,537	367,372	386,894	433,204	405,889	405,889	405,889	464,550	490,014	507,890

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 144 MBRR Table A9 - Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	78,478	38,022	23,883	20,641	26,788	26,788	11,821	12,481	13,944
Roads Infrastructure		10,947	8,229	19,307	10,305	14,901	14,901	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		120	-	-	900	6,100	6,100	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		16,767	8,229	19,307	11,205	21,001	21,001	-	-	-
Community Facilities		313	3,536	1,880	-	-	-	375	393	412
Sport and Recreation Facilities		21,709	25,519	323	5,361	1,678	1,678	8,786	9,217	9,650
Community Assets		22,022	29,055	2,203	5,361	1,678	1,678	9,161	9,610	10,062
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		4,971	66	-	2,000	870	870	1,100	1,154	1,208
Housing		-	-	-	-	-	-	-	-	-
Other Assets		4,971	66	-	2,000	870	870	1,100	1,154	1,208
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		372	-	172	-	-	-	-	-	-
Intangible Assets		372	-	172	-	-	-	-	-	-
Computer Equipment		4,712	783	778	64	1,011	1,011	600	600	600
Furniture and Office Equipment		1,846	389	216	400	621	621	360	378	396
Machinery and Equipment		8,728	995	781	900	994	994	680	713	747
Transport Assets		14,776	(475)	(4)	720	720	720	120	126	132
Land		1,188	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Nature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	4,848	26,906	4,483	-	-	-	6,940	7,280	7,822
Roads Infrastructure		3,073	21,494	4,483	-	-	-	6,940	7,280	7,822
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		3,073	21,494	4,483	-	-	-	6,940	7,280	7,822
Community Facilities		1,575	1,793	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		1,575	1,793	-	-	-	-	-	-	-
Heritage Assets		-	8,628	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Nature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

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 145 MBRR Table A10 - Basic Service Delivery Measurement

Choose name from list - Table A10 Basic service delivery measurement										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets										
Water										
Piped water inside dwelling	1	13,967	13,967	13,967	14,000	14,000	14,000	14,500	15,000	15,500
Piped water inside yard (but not in dwelling)	2	4,500	4,500	4,500	5,000	5,000	5,000	5,000	5,000	5,000
Using public tap (at least min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	3	18,067	18,067	18,067	19,000	19,000	19,000	19,500	20,000	20,500
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—	—
Total number of households	5	18,067	18,067	18,067	19,000	19,000	19,000	19,500	20,000	20,500
Sanitation/sewage										
Flush toilet (connected to sewerage)	—	4,257	4,257	4,257	4,000	4,000	4,000	4,000	4,000	4,000
Flush toilet (with septic tank)	—	5,249	5,249	5,249	5,500	5,500	5,500	5,500	5,500	5,500
Chemical toilet	—	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—	—
Other toilet provisions (> min.service level)	—	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	—	9,506	9,506	9,506	9,500	9,500	9,500	9,500	9,500	9,500
Bucket toilet	—	—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—	—
No toilet provisions	—	12,375	12,375	12,375	12,000	12,000	12,000	12,200	12,300	12,400
Below Minimum Service Level sub-total	—	12,375	12,375	12,375	12,000	12,000	12,000	12,200	12,300	12,400
Total number of households	5	21,881	21,881	21,881	21,500	21,500	21,500	21,700	21,800	21,900
Energy										
Electricity (at least min.service level)	—	—	—	—	—	—	—	—	—	—
Electricity - prepaid (min.service level)	—	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	—	—	—	—	—	—	—	—	—	—
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—	—
Other energy sources	—	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—	—
Total number of households	5	—	—	—	—	—	—	—	—	—
Refuse										
Removed at least once a week	—	—	650	650	700	700	700	750	800	800
Minimum Service Level and Above sub-total	—	—	650	650	700	700	700	750	800	800
Removed less frequently than once a week	—	—	2,154	2,154	2,200	2,200	2,200	2,200	2,200	2,200
Using communal refuse dump	—	—	228	228	230	230	230	230	230	230
Using open refuse dump	—	—	12,364	12,364	230	230	230	230	230	230
Other rubbish disposal	—	—	224	224	230	230	230	230	230	230
No rubbish disposal	—	—	1,115	1,115	1,200	1,200	1,200	1,200	1,200	1,200
Below Minimum Service Level sub-total	—	—	15,750	15,750	4,360	4,360	4,360	4,360	4,360	4,360
Total number of households	5	—	16,440	16,440	4,760	4,760	4,760	4,840	4,880	4,910
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	—	—	—	—	—	—	—	—	—
Sanitation (free minimum level service)	—	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	—	—	—	—	—	—	—	—	—	—
Refuse (removed at least once a week)	—	—	—	—	—	—	—	—	—	—
Informal Settlements	—	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—	—
Sanitation (free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)	—	—	—	—	—	—	—	—	—	—
Refuse (removed once a week for indigent households)	—	—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	—	—	—	—	—	—	—	—	—
Highest level of free service provided per household										
Property rates (R value threshold)	—	165,000	165,000	165,000	220,000	220,000	220,000	220,000	220,000	220,000
Water (kilolitres per household per month)	—	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	—	—	—	—	126	126	126	146	153	163
Electricity (kwh per household per month)	—	60	60	60	50	50	50	50	50	50
Refuse (average times per week)	—	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)										
Property rates (after adjustment) (impermissible values per section 17 of MPRA)	9	3,256	3,201	4,862	3,104	7,123	7,123	7,657	8,117	8,604
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	—	—	—	—	1,135	1,135	1,135	730	734	759
Water (in excess of 6 kilolitres per indigent household per month)	—	—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)	—	—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)	—	—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)	—	403	279	254	315	315	315	332	346	364
Municipal Housing - rental rebates	—	1,166	1,445	1,461	1,000	1,596	1,596	1,596	1,601	1,506
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided	6	4,825	4,726	6,577	5,444	10,169	10,169	10,388	11,051	11,629

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

11.2.3 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Richmond's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

11.2.4 BUDGET PROCESS OVERVIEW

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2022. Key dates applicable to the process were:

Key dates applicable to the process were: -

- **August 2022** : Adoption of Budget and IDP Schedule of Key deadlines;
- **September 2022**: Engagement with Sector Departments on sector specific programmes;
- **October 2022** : S52(d) Mayoral report on the implementation of the 2022/2023 budget and SDBIP;
- **November and December 2022**: Review of IDP strategies to ensure relevance;
- **January 2023** : First community consultative process, tabling of annual report 2022/2023 and Mid-Year review of Budget and SDBIP 2022/2023;
- **February 2023** : Adoption of adjustment budget 2022/2023 and Budget steering meeting to discuss input for first Final Budget 2022/2023;

- **March 2023** : Oversight report on the annual report, First Final budget to Budget steering committee, Exco and table to Council to seek approval before community participation;
- **April 2023** : Adoption of final budget 2022/2023 and the IDP;
- **June 2023** : Mayor to Sign SDBIP and submission of Budget / IDP and SDBIP to relevant structures and departments.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

11.2.5 IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

This will be the second year of IDP of the newly adopted council. It started in August 2022 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2023/24 MTREF.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2023/24 MTREF, based on the approved 2022/23 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2022/23 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

11.2.6 FINANCIAL MODELLING AND KEY PLANNING DRIVERS

As part of the compilation of the 2023/24 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2023/24 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, household debt, migration patterns)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

- The FMCMM assessment as tabled at council

In addition to the above, the strategic guidance given in National Treasury' MFMA Circulars 66,67, 70 72,74,75, 78, 79, 82, 85, 89, 91,93 94, 97, 98, 99, 107,108, 112, 115 and 123 has been taken into consideration in the planning and prioritization process.

11.2.7 COMMUNITY CONSULTATION

Once the Final budget is approved by council the following community consultation process will place: -

- The Final 2023/23 MTREF will be published on the municipality's website;
- Hard copies will be made available at all municipal offices and libraries;
- Notices will be placed on municipal notice boards;
- A "budget on page document" will be prepared for ease reference and circulated on all Richmond Social Media platforms.
- Written communication will be received from the Ratepayers Association – a response will be duly forwarded, and their input considered in the final budget;
- All documents in the appropriate format (electronic and printed) was provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs- input was received from Provincial Treasury and has been considered in this draft budget.

11.2.8 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

Table 146 IDP Strategic Objectives

Table 147 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Implement service delivery programmes and reduce services and infrastructure backlogs				14,241	25,200	5,443	6,610	6,610	6,610	20,189	20,938	21,718
To capacitate youth and empower youth on resources available				1,052	15					75	80	90
Implement plans to maintain assets thus ensuring its sustainability over its life span				32,888	39,500	40,550	47,495	50	50	-	-	-
To eradicate the past perception of the municipality				109	-					50	60	70
To enhance the lives of the poor thus alleviating poverty				60,563	84,653	90,137	111,255	152,248	152,248	143,243	150,779	153,493
To improve knowledge sharing amongst youth						1,450	1,698	1,698	1,698	-	-	-
Provide basic services to the disadvantaged						4,500	15,702	15,702	15,702	700	734	769
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	108,853	149,368	142,280	182,780	176,308	176,308	164,257	172,591	176,140

Table 148 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Implement service delivery programmes and reduce services and infrastructure backlogs				2,537	2,537	2,666	3,036	35,700	35,700	36,700	36,700	36,700
To capacitate youth and empower youth on resources available				280	1,086	305	269					
Implement plans to maintain assets thus ensuring its sustainability over its life span				115,343	118,646	136,749	13,655	13,655	13,655	1,360	1,360	1,360
To eradicate the past perception of the municipality				432	432	449	848	50	50	50	50	50
To enhance the lives of the poor thus alleviating poverty				1,495	1,495	1,124	1,639	956	956	12,853	13,348	19,847
To improve knowledge sharing amongst youth				62	62	64	269					
Provide basic services to the disadvantaged				0	6	7	136,307	116,222	116,222	116,222	123,222	124,222
Allocations to other priorities			1									
Total Expenditure			1	120,249	124,365	141,384	156,621	166,583	166,583	167,185	174,688	182,179

Table 149 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand												
Implement service delivery programmes and reduce services and infrastructure backlogs				50,301	70,617	8,474	7,276	22,000	22,000	20,189	20,938	21,718
To capacitate youth and empower youth on resources available				50	-	-						
Implement plans to maintain assets thus ensuring its sustainability over its life span				25,492	75	78	18,433					
To eradicate the past perception of the municipality				-	1,823	4,067	1,820					
To enhance the lives of the poor thus alleviating poverty				4,744	4,200	20,764						
To improve knowledge sharing amongst youth				-	-	-						
Provide basic services to the disadvantaged				28,815	-	2,078		11,692	11,692	3,085	3,452	3,795
Allocations to other priorities			3									
Total Capital Expenditure			1	109,401	76,715	35,461	27,529	33,692	33,692	23,274	24,390	25,513

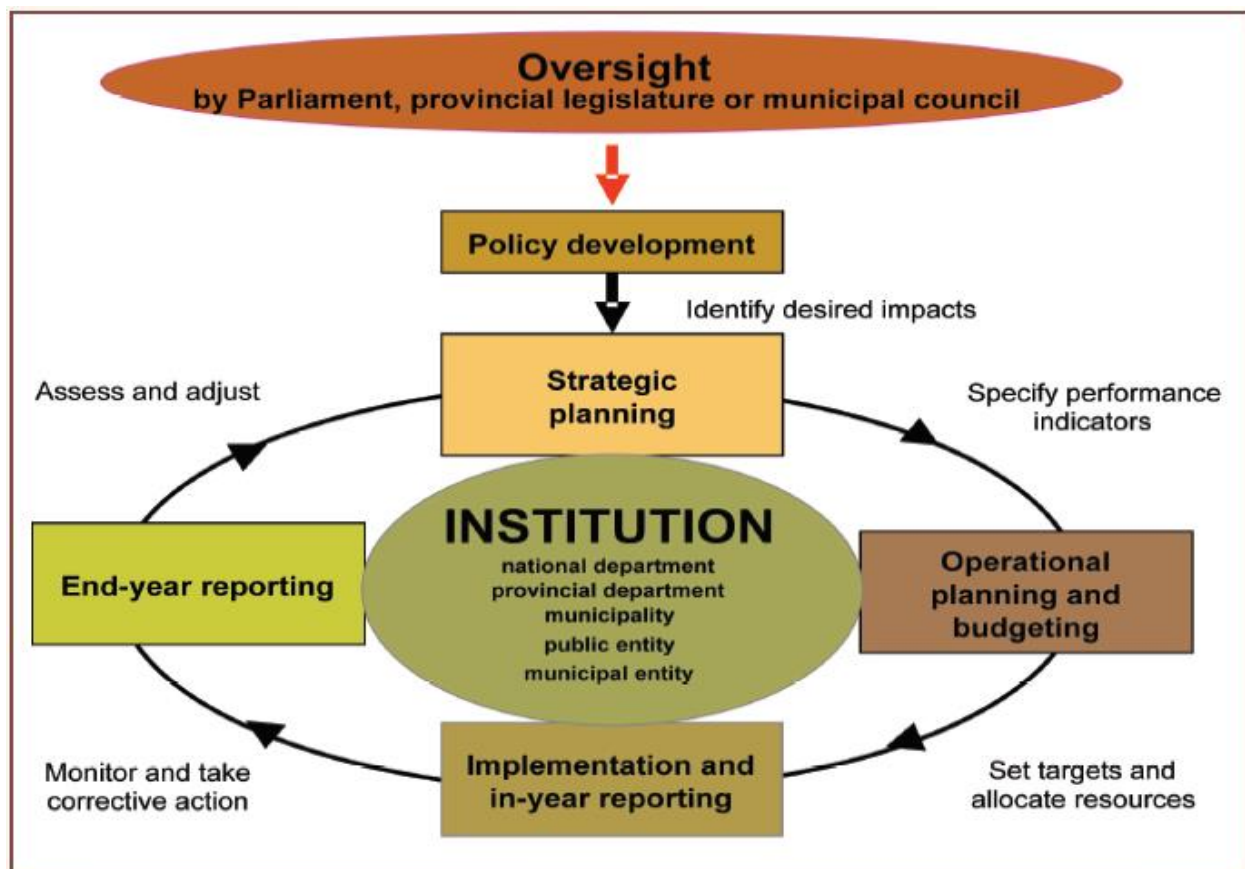
MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The planning, budgeting and reporting cycle can be graphically illustrated as follows

Figure 80. Planning, Budgeting & Reporting Tool



Performance indicators and benchmarks

Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

Revenue Management

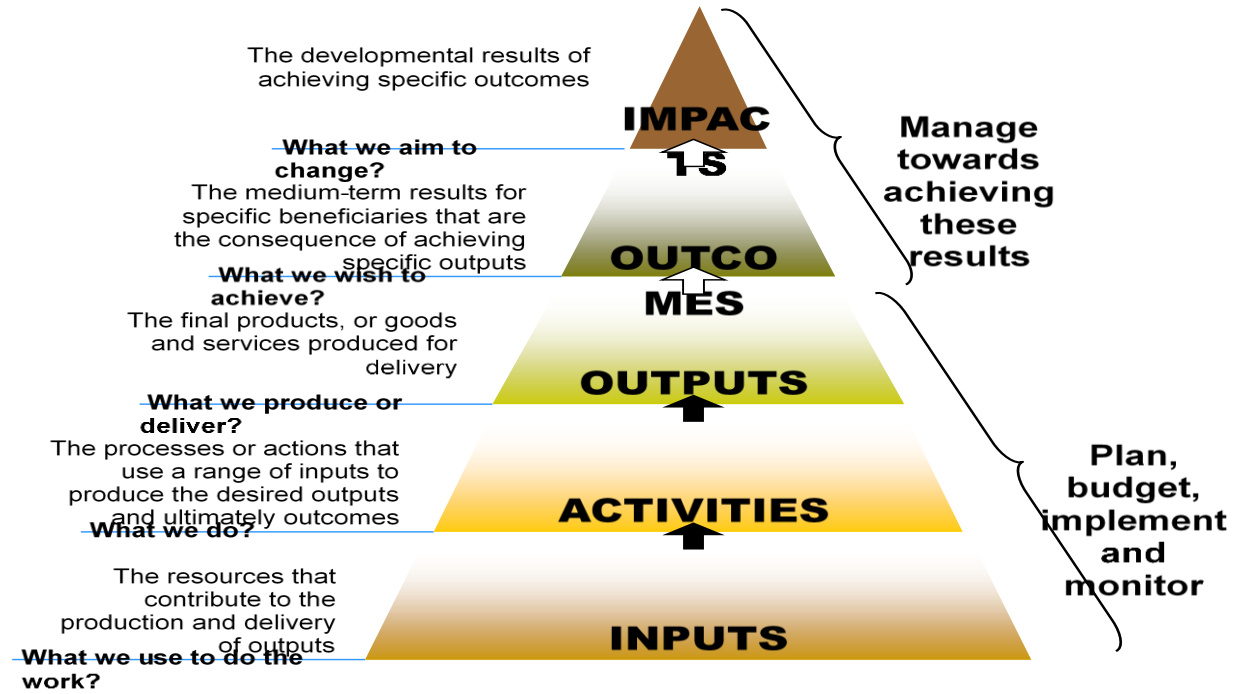
- As part of the financial sustainability strategy, the debt collection and credit control policy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. The municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

The performance information concepts used by Richmond in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

Figure 81. Definition of Performance Information Concepts



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 150 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Public Works: Roads and Stormwater										
Function - Roads										
Sub-function - Eradication of Backlogs										
<i>Reduce roads backlogs</i>	Kilometer	40	71	70	98	65	65	79	87	88
Sub-function - Roads Maintained										
<i>Surfaced roads resurfaced/rehabilitated</i>	Kilometer	587	486	214	126	145	145	122	141	130
Sub-function - Roads for growth										
<i>New roads to be constructed</i>	Kilometer	38	50	30	17	16	16	35	30	23
Function - Stormwater										
Sub-function - Reduction of backlog										
<i>Stormwater drainage to reduce backlogs</i>	Kilometer	74	89	50	20	24	24	87	68	82
Sub-function - Stormwater for growth										
<i>Stormwater drainage to stimulate growth</i>	Kilometer	34	50	24	5	10	10	24	19	16
Public Works: Water and Sanitation										
Function - Water										
Sub-function - Eradication of water backlogs										
<i>Households provided with a water connection</i>	Number	942	11,168	10,935	13,400	11,289	11,289	3,700	3,200	3,550
<i>New bulk water pipelines</i>	Meters	2,500	9,135	9,235	10,500	10,032	10,032	3,300	3,450	3,200
New internal water pipelines	Meters	5,762	30,024	28,913	32,500	27,892	27,892	5,500	6,400	6,200
Sub-function - Maintenance of water infrastructure										
<i>Upgrade & replace of bulk water pipelines</i>	Meters	2,035	10,109	12,332	14,500	13,890	13,890	5,150	42,000	17,890
Upgrade & replace of internal water pipelines	Meters	100,419	287,362	198,745	245,000	204,789	204,789	98,520	115,380	120,400
Function - Sanitation										
Sub-function - Eradication of sanitation backlog										
<i>Households provided with a sanitation connection</i>	Number	1,473	1,217	1,385	2,000	1,852	1,820	26,500	27,500	28,500
<i>New bulk sewer pipelines</i>	Meters	1,125	1,089	1,645	2,500	1,980	1,980	2,000	2,500	2,500
New internal sewer pipelines	Meters	3,134	3,259	3,568	6,800	4,850	4,850	86,000	25,000	25,000
Sub-function - Maintenance of sanitation infrastructure										
<i>Upgrade & replace of bulk sewer pipelines</i>	Meters	8,851	6,597	6,325	7,500	6,345	6,345	15,400	16,500	17,500
Upgrade & replace of internal sewer pipelines	Meters	18,041	47,425	46,458	54,500	52,120	52,120	95,720	115,980	121,000
Public Works: Energy and Electricity										
Function - Electricity										
Sub-function - Provide higher levels of electricity										
<i>Houses electrified to eradicate backlogs</i>	Households	420,812	19,011	19,870	23,500	22,140	22,140	24,500	25,000	25,500
Sub-function - New Connections										
<i>Completed and occupied houses electrified to cater for growth</i>	Households	523	562	602	750	723	723	600	750	850
Sub-function - Access to alternative energy sources										
<i>Areas provided with access to alternative energy sources</i>	Households	-	70	78	1,500	1,235	1,235	1,500	1,800	2,000
Sub-function - Provide public lighting										
<i>New street lights as per ward</i>	Wards	1,235	1,655	1,689	1,750	1,563	1,563	2,000	2,200	2,300
Sub-function - Provide public lighting										
<i>High masts lights per ward</i>	Wards	13	18	19	25	23	23	25	25	25
Sub-function - Maintain electricity infrastructure										
<i>Electricity repairs and maintenance</i>	% Repaired	11.0%	10.5%	10.2%	14.0%	10.8%	10.8%	11.5%	12.0%	12.5%

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 MTREF.

Table 151 MBRR Table SA8 - Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<u>Borrowing Management</u>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	0.3%	0.2%	0.3%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure											
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.4	1.3	1.4	8.0	2.9	2.9	2.9	(2.8)	(2.3)	(1.8)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.3	1.4	8.0	2.9	2.9	2.9	(2.8)	(2.3)	(1.8)
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.7	1.0	4.8	3.0	3.0	3.0	(2.0)	(1.6)	(1.2)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level)	Last 12 Mths Receipts/Last 12 Mths Billing		55.4%	233.2%	142.8%	68.9%	68.9%	68.9%	57.2%	57.2%	57.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		54.3%	227.3%	139.8%	67.4%	67.5%	67.5%	67.5%	58.6%	58.6%	58.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	37.5%	18.6%	12.5%	20.2%	-0.4%	-0.4%	-0.4%	9.6%	9.5%	9.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	60.0%	60.0%	60.0%	60.0%	30.0%	60.0%	60.0%	95.0%	95.0%	95.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MPMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		5.5%	19.1%	6.3%	2.1%	0.8%	0.8%	0.8%	-299.3%	-2662.2%	316.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	-	-	-	-	-	-	-	-	-	-
	Total Volume Losses (kW) non technical	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.00%	0.00%	0.00%	0%	0%	0%	0%	0.00%	0.00%	0.00%
Water Volumes :System input	Bulk Purchase	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-
	Water treatment works	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Natural sources	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total Volume Losses (Ml)	-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	55.5%	44.8%	52.2%	41.1%	43.8%	43.8%	43.8%	47.9%	47.8%	49.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	62.0%	49.5%	57.4%	45.1%	48.2%	48.2%		52.7%	52.5%	54.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.3%	5.0%	6.0%	6.0%	8.8%	8.8%		9.3%	9.2%	9.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	18.0%	16.7%	17.3%	13.3%	14.5%	14.5%	14.5%	15.7%	15.7%	16.1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	216.3	372.0	74.0	57.6	57.6	57.6	50.4	50.1	50.4	51.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	3357.3%	1676.8%	972.4%	1798.5%	-106.1%	-106.1%	-106.1%	824.6%	825.2%	824.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	47.4	18.0	29.7	4.2	2.9	2.9	2.9	1.6	0.2	(1.7)

References

11.2.9 PERFORMANCE INDICATORS AND BENCHMARKS

Overview of budget related-policies

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

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

All policies as listed hereunder, are available on the municipality's website.

The Following policies have been amended for the 2023/2024 financial year.

Table 152. Amended Policies for the 2023/24 Financial Year

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	Y		31/03/2023
2.4.2	Property Rates Act Policy	Budget & Treasury Office	Y		31/03/2023
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	Y		31/03/2023
2.4.4	Petty Cash Policy	Budget & Treasury Office	Y		31/03/2023
2.4.5	Borrowing Policy	Budget & Treasury Office	Y		31/03/2023
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	Y		31/03/2023
2.4.7	Supply Chain Management policy	Budget & Treasury Office	Y		31/03/2023
2.4.8	Asset management policy	Budget & Treasury Office	Y		31/03/2023
2.4.9	Indigent policy and Free Basic Services Policy	Budget & Treasury Office	Y		31/03/2023
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	Y		31/03/2023
2.4.11	Budget Policy	Budget & Treasury Office	Y		31/03/2023
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	Y		31/03/2023
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	Y		31/03/2023
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	Y		31/03/2023
2.4.15	Virement Policy	Budget & Treasury Office	Y		31/03/2023

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE	
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	Y		31/03/2023
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	Y		31/03/2023
2.14.18	Land Disposal Policy	Town Planning and Budget and Treasury Office	Y		31/03/2023
2.14.19	Debt Incentive Scheme Policy	Budget and Treasury Office	Y		31/03/2023
2.14.20	Loss management Control Policy	Budget and Treasury Office	Y		31/03/2023

Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council has been reviewed and adopted for implementation in the 2023/24 financial year.

The 2023/24 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 80 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Richmond's cash levels. The potential of a payment incentive scheme is being explored and a debt incentive scheme has been approved by Council in December 2022.

Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Richmond's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Richmond continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007.

The National Treasury proposed changes to the Preferential Procurement Regulations. The change which was due to come into effect 16 January 2023, is the results of February 2022 Constitutional Court ruling that the 2017 amended regulations are illegal and unconstitutional. National Treasury has subsequently removed all references, requirements and definitions for BEE and local content from the procurement regulations as well as per-qualification criteria and functionality requirement of the previous legislation.

The proposed changes essentially repeal the 2017 regulations preferential procurement amendments and strip the rules down to the bare basics of the 2001 regulations including it broader transformation objectives,

The new regulations mean that state owned enterprises:

- Can set their own procurement policies as envisaged in section 217(1) of the Constitution and section 2(1) of Preferential Procurement Policy Framework Act (PPPFA).
- Can use their own procurement policies to set their own specific goals for the awarding of 20 or 10 points depending on a contract value.
- Cannot use local content requirement as a disqualification criterion for tender.
- Can choose to include subcontracting in their procurement policies, but it is not mandatory.

Specific goals as defined per the PPPFA may include contracting with persons, or categories of person, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of Reconstruction and Development Programme (RDP) as published in the Government Gazette No. 16085 dated 23 November 1994. Encouraging, the application of Framework is much simpler, less prescriptive and narrow, and reduces the barriers to entry for many companies.

It is important to note, however, that the changes to the Preferential Procurement Regulation do not mean that the government has abandoned its B-BBEE goals. To the contrary, President Cyril Ramaphosa recently reaffirm government commitment to BEE telling the parliament that, " Our People have inherited poverty from generation to generation. There are people who are too poor

to pay for water and electricity. That is why the government will persevere with affirmative action and BEE".

Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Richmond's system of delegations. The Budget and Virement Policy was approved by Council.

Cash Management and Investment Policy

The Richmond's Cash Management and Investment Policy was amended by. The aim of the policy is to ensure that the Richmond's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

Tariff Policies

The Richmond's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved.

All the above policies are available on the Richmond's website, as well as the following budget related policies:

- ✓ Property Rates Policy;
- ✓ Funding and Reserves Policy;
- ✓ Borrowing Policy;
- ✓ Budget Policy; and
- ✓ Basic Social Services Package (Indigent Policy).

11.2.10OVERVIEW 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 National Treasury has revised South Africa's economic growth estimate for 2024 to 5.3 per cent, from 6.9 per cent at the time of the MTBPS. GDP is expected to grow by 0.9 per cent in real

terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2022/23 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 2023/2024 budgets and MTREF: -

Table 153. Credit Rating Outlook

Table 1: Macroeconomic performance and projections, 2021 - 2026					
Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase by 5.3 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 (80 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.

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 5.4% 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 2023/2024 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 2023/2024 MTREF of which performance has been factored into the cash flow budget.

11.2.11 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

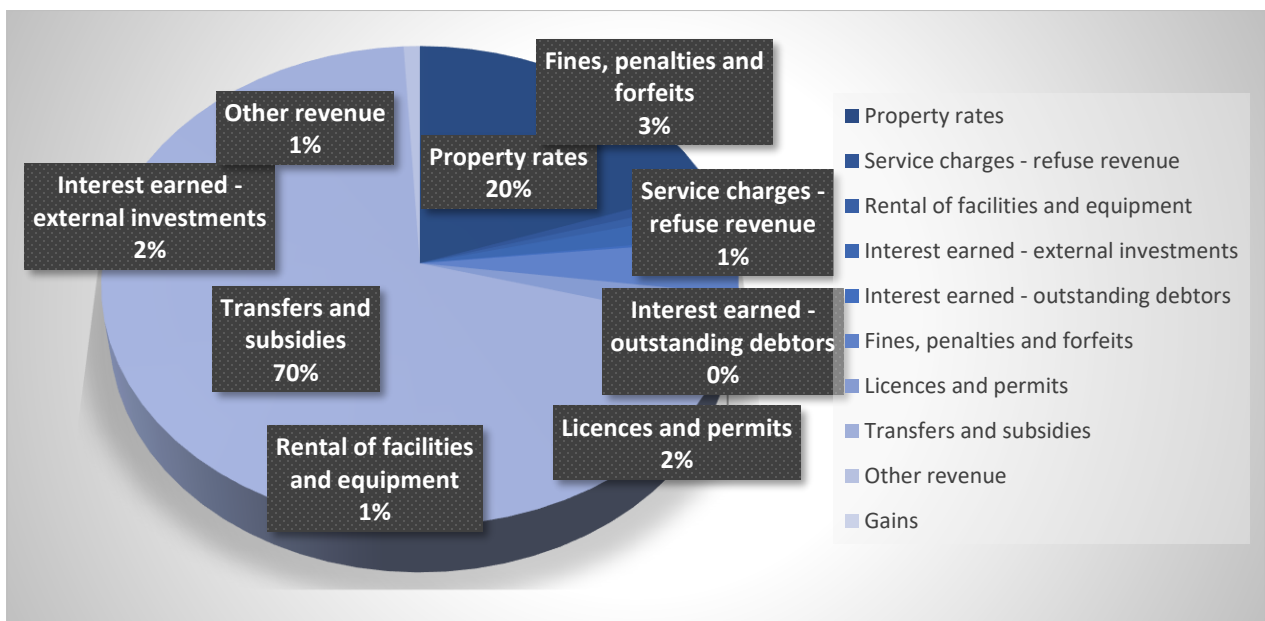
The following table is a breakdown of the operating revenue over the medium-term:

Table 154 Breakdown of the operating revenue over the medium-term

Description	Current Year 2022/23	%	Budget Year 2023/24	%	Budget Year +1 2024/25	%	Budget Year +2 2025/26	%
Revenue By Source								
Property rates	28,049	19%	28,446	20%	29,840	20%	31,242	20%
Service charges - refuse revenue	1,087	1%	1,145	1%	1,201	1%	1,258	1%
Rental of facilities and equipment	1,223	1%	1,096	1%	1,149	1%	1,203	1%
Interest earned - external investments	2,602	2%	2,740	2%	2,874	2%	3,010	2%
Interest earned - outstanding debtors	302	0%	318	0%	333	0%	349	0%
Fines, penalties and forfeits	4,993	3%	5,247	4%	5,504	4%	5,763	4%
Licences and permits	3,253	2%	3,027	2%	3,175	2%	3,324	2%
Transfers and subsidies	94,137	63%	100,757	70%	106,220	70%	106,853	69%
Other revenue	2,544	2%	1,292	1%	1,357	1%	1,420	1%
Gains	10,432			0%				
Total Revenue	148,622	100%	144,068	100%	151,653		154,422	100%

The following graph is a breakdown of the operational revenue per main category for the 2023/24 financial year.

Figure 82. Breakdown of Operating Revenue over the 2023/24 MTREF



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 155 MBRR SA15 – Detail Investment Information

Investment type	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 +1 2022/23	Budget Year +2 2023/24
R thousand	2018	2019	2020	2021	2021	2021	2022	2022	2022
Parent municipality									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	0	0	0	0	0	-	-	-
Deposits - Bank	19,251	776	10,659	10,872	10,872	10,872	15,094	15,682	16,294
Consolidated total:	19,251	776	10,659	10,873	10,873	10,873	15,094	15,682	16,294

Medium-term outlook: capital revenue

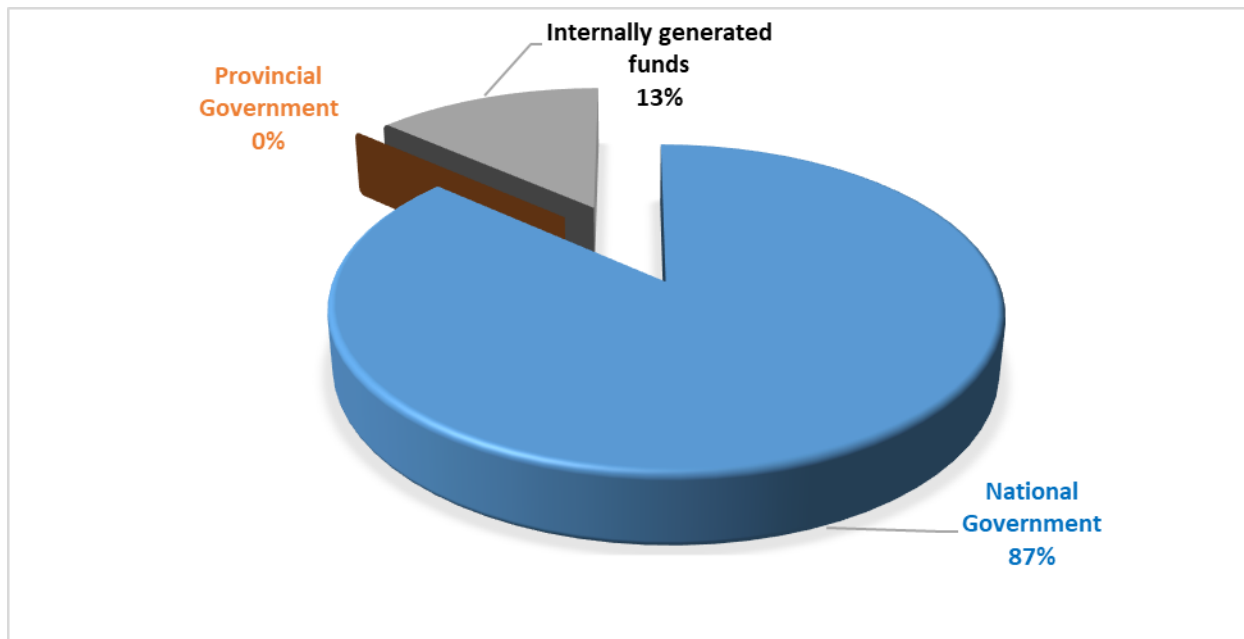
The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 156 Sources of capital revenue over the MTREF

Description		2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands											
Financial Performance											
Funded by:											
National Government		80,528	19,362	33,539	19,485	19,697	19,697	19,697	20,139	21,126	22,119
Provincial Government		6,059	90	119	3,050	8,484	8,484	8,484	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		16	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	86,603	19,452	33,658	22,535	28,181	28,181	28,181	20,139	21,126	22,119
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		24,820	17,252	1,307	4,994	5,510	5,510	5,510	3,135	3,264	3,394
Total Capital Funding	7	111,423	36,704	34,965	27,529	33,692	33,692	33,692	23,274	24,390	25,513

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

Figure 83. Source of Capital Revenue for the 2023/24 Financial Year



Capital grants and receipts equates to 87 per cent of the total funding source which represents R20.1million for the 2023/24 financial year.

Table 157 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	-	-	-	94,044	101,007	100,095
Local Government Equitable Share								92,919	99,827	98,859
EPWP								1,125	1,180	1,236
Municipal Infrastructure Grant										
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	5,650	5,291	6,851
Local Government Financial Management Grant								1,950	1,950	2,088
Community Library Services								254	265	1,549
Rehabilitation of Nelson Street SMME Units								500		
Provincialisation of libraries								2,946	3,076	3,214
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	-	-	-	-	-	99,694	106,298	106,946

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 158 MBRR Table A7 - Budget cash flow statement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		9,752	44,339	28,231	19,634	19,634	19,634	19,634	16,704	17,523	18,347
Service charges		508	606	626	435	435	435	435	859	901	943
Other revenue		1,956	2,584	23,895	19,853	20,012	20,012	20,012	18,841	19,764	20,693
Transfers and Subsidies - Operational	1	186,971	109,438	237,442	107,075	94,138	94,138	94,138	103,706	111,035	110,629
Transfers and Subsidies - Capital	1	66,105	31,560	48,519	22,485	22,485	22,485	22,485	40,379	42,117	43,892
Interest		198	427	328	1,562	2,602	2,602	2,602	2,740	2,874	3,010
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		79,655	(8,244)	(65,344)	(120,284)	(121,676)	(121,676)	(121,676)	(171,707)	(179,929)	(188,586)
Finance charges		-	-	-	(197)	(197)	(197)	(197)	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		345,145	180,710	273,697	50,563	37,433	37,433	37,433	11,522	14,284	8,927
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		(18,359)	(40,026)	(27,368)	(27,529)	(33,518)	(33,518)	(33,518)	(23,274)	(28,610)	(30,012)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18,359)	(40,026)	(27,368)	(27,529)	(33,518)	(33,518)	(33,518)	(23,274)	(28,610)	(30,012)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		326,786	140,684	246,329	23,034	3,915	3,915	3,915	(11,752)	(14,326)	(21,085)
Cash/cash equivalents at the year begin:	2	42,191	-	21,042	19,467	26,902	26,902	26,902	28,194	16,442	2,116
Cash/cash equivalents at the year end:	2	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,969)

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 159 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,969)
Other current investments > 90 days		(349,127)	(118,538)	(238,774)	3,359	8,755	8,755	8,755	16,838	30,797	47,344
Investments - Property, plant and equipment	1	342,466	356,669	356,775	363,267	353,656	353,656	353,656	371,437	389,612	407,901
Cash and investments available:		362,317	378,814	385,372	409,126	393,229	393,229	393,229	404,717	422,526	436,276
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	650	12,535	1,794	1,974	(7,206)	(7,206)	(7,206)	591	620	649
Other working capital requirements	3	6,027	(1,770)	(4,052)	(28,804)	(6,192)	(6,192)	(6,192)	(61,162)	(68,882)	(73,082)
Other provisions		102	676	737	2,751	737	737	737	737	773	810
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		6,779	11,442	(1,522)	(24,079)	(12,661)	(12,661)	(12,661)	(59,833)	(67,489)	(71,623)
Surplus(shortfall)		355,537	367,372	386,894	433,204	405,889	405,889	405,889	464,550	490,014	507,899

Figure 84 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 160 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	368,977	140,684	267,371	42,500	30,817	30,817	30,817	16,442	2,116	(18,969)
Cash + investments at the yr end less applications - R'000	18(1)b	2	355,537	367,372	386,894	433,204	405,889	405,889	405,889	464,550	490,014	507,899
Cash year end/monthly employee/supplier payments	18(1)b	3	47.4	18.0	29.7	4.2	2.9	2.9	2.9	1.6	0.2	(1.7)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(11,397)	25,004	897	22,485	9,724	9,724	9,724	(2,928)	(2,088)	(6,039)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.9%)	(1.1%)	38.2%	(6.0%)	(6.0%)	(6.0%)	(4.4%)	(1.1%)	(1.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	50.3%	176.2%	183.1%	97.9%	97.7%	97.7%	97.7%	90.8%	90.8%	90.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	7.5%	22.8%	30.8%	44.5%	44.5%	44.5%	44.5%	16.9%	16.9%	16.9%
Capital payments % of capital expenditure	18(1)c,(19)	8	16.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	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.	(42.3%)	(26.2%)	173.8%	(71.8%)	0.0%	0.0%	216.6%	4.9%	4.7%
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	1.4%	1.7%	1.9%	2.7%	3.7%	3.7%	3.8%	3.8%	3.7%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	4.2%	35.1%	12.6%	0.0%	0.0%	0.0%	0.0%	29.8%	29.8%	29.9%

Reference

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.

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 161 MBRR SA19 - Expenditure on transfers and grant programmes

Expenditure on transfers and grant programmes										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	115,296	123,047	122,956
Local Government Equitable Share								92,919	99,827	98,859
EPWP								1,125	1,180	1,236
Municipal Infrastructure Grant								21,252	22,040	22,861
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	5,650	5,291	6,851
Local Government Financial Management Grant								1,950	1,950	2,088
Housing										
Subsidy Main Roads										
Title Deeds Restoration										
Community Development Workers										
Community Library Services								254	265	1,549
Regional Socio- Economic Project										
Local Government Public Employment Support Grant										
Thusong Service Centre										
Vredenburg Urban Revitalisation										
WC Financial Management Capacity Building										
WC Financial Management Support										
Financial Management Capability Grant (WC FMCG)										
Whole of Society Approach (WOSA)										
Municipal Electrical Master Plan Grant										
Rehabilitation of Nelson Street SMME Units								500		
Provincialisation of libraries								2,946	3,076	3,214
Capacity Building and Other:COVID food parcel grant										
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		-	-	-	-	-	-	120,946	128,338	129,807

Councillor and employee benefits

Table 163 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue Framework	
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
		A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)	1								
Basic Salaries and Wages		3,881	4,340	4,577	5,007	5,007	5,007	5,277	5,536
Pension and UIF Contributions		118	106	55	142	142	142	150	157
Medical Aid Contributions		86	63	40	75	75	75	79	83
Motor Vehicle Allowance		583	582	503	62	62	62	65	68
Cellphone Allowance		619	597	605	622	622	622	656	688
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		762	84	197	620	620	620	654	686
Sub Total - Councillors		6,030	5,773	5,977	6,529	6,529	6,529	6,881	7,219
% increase	4		(4.3%)	3.5%	9.2%	-	-	5.4%	4.9%
Senior Managers of the Municipality	2								
Basic Salaries and Wages		3,911	2,842	3,438	3,762	3,462	3,462	3,645	3,824
Pension and UIF Contributions		74	40	8	9	9	9	10	10
Medical Aid Contributions		94	48	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		219	76	-	-	-	-	-	-
Motor Vehicle Allowance	3	739	590	618	843	843	843	887	931
Cellphone Allowance	3	11	23	25	101	101	101	106	111
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	0	0	0	1	1	1	1	1
Payments in lieu of leave	3	-	215	57	-	-	-	-	-
Long service awards	3	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5,049	3,834	4,147	4,715	4,415	4,415	4,649	4,877
% increase	4		(24.1%)	8.2%	13.7%	(6.4%)	-	5.3%	4.9%
Other Municipal Staff									
Basic Salaries and Wages		34,373	35,328	37,071	44,613	43,622	43,622	46,434	48,709
Pension and UIF Contributions		4,901	5,525	5,697	6,153	6,153	6,153	6,479	6,797
Medical Aid Contributions		1,770	2,005	2,034	2,285	2,285	2,285	2,406	2,524
Overtime		1,606	1,677	1,877	581	1,020	1,020	1,074	1,127
Performance Bonus		2,366	2,865	2,722	3,268	3,053	3,053	3,215	3,372
Motor Vehicle Allowance	3	1,403	1,313	1,384	1,541	1,541	1,541	1,622	1,702
Cellphone Allowance	3	423	383	374	415	415	415	437	458
Housing Allowances	3	104	95	95	93	93	93	98	103
Other benefits and allowances	3	218	178	689	312	692	692	728	764
Payments in lieu of leave		2,086	614	2,931	1,833	1,833	1,833	1,930	2,024
Long service awards		(53)	145	326	-	-	-	-	-
Post-retirement benefit obligations	6	(3,013)	710	969	-	-	-	-	-
Sub Total - Other Municipal Staff		46,183	50,838	56,168	61,092	60,706	60,706	64,424	67,580
% increase	4		10.1%	10.5%	8.8%	(0.6%)	-	6.1%	4.9%
Total Parent Municipality		57,262	60,445	66,292	72,336	71,650	71,650	75,954	79,676
			5.6%	9.7%	9.1%	(0.9%)	-	6.0%	4.9%

Table 164 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		754,764	19,836	142,992			917,592
Chief Whip								-
Executive Mayor			933,948	14,460	46,836			995,244
Deputy Executive Mayor			767,148	27,288	96,996			891,432
Executive Committee			284,880	54,960	112,128			451,968
Total for all other councillors								-
Total Councillors	8	-	2,740,740	116,544	398,952			3,256,236
Senior Managers of the Municipality	5							
Municipal Manager (MM)			891,156	1,968	225,120			1,118,244
Chief Finance Officer			760,872	2,124	198,636			961,632
Community Services			787,356	2,124	228,960			1,018,440
Technical Services			760,872	2,124	198,636			961,632
Corporate Services			444,972	2,124	198,636			645,732
								-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	6,385,968	127,008	1,448,940	-		7,961,916

Defences

Table 165 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
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)	4	14		14	14	3	11	14	3	11
Board Members of municipal entities										
Municipal employees	5									
Municipal Manager and Senior Managers	3	5		5	3		3	5	2	3
Other Managers	7	6	6		8	8		14	14	
Professionals		24	24	-	26	23	3	22	16	6
Finance		10	10		10	9	1	4	3	1
Spatial/town planning		1	1		3	3		2	2	
Information Technology		2	2		2	2		3	2	1
Roads										
Electricity								1	1	
Water										
Sanitation										
Refuse										
Other		11	11		11	9	2	12	8	4
Technicians		14	14	-	11	11	-	23	23	-
Finance		8	8		6	6		14	14	
Spatial/town planning		2	2		3	3		3	3	
Information Technology		4	4		2	2		2	2	
Roads								1	1	
Electricity										
Water										
Sanitation										
Refuse								1	1	
Other								2	2	
Clerks (Clerical and administrative)		9	9		9	9		30	30	
Service and sales workers		10	10		12	12		44	44	
Skilled agricultural and fishery workers								2	2	
Craft and related trades										
Plant and Machine Operators		14	14		14	14		18	18	
Elementary Occupations		53	53		109	109		46	46	
TOTAL PERSONNEL NUMBERS	9	149	130	19	206	189	17	218	198	20
% increase					38.3%	45.4%	(10.5%)	5.8%	4.8%	17.6%
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 166 MBRR SA25 - Budgeted monthly revenue and expenditure

Choose name from list - supporting table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		95	95	95	95	95	95	95	95	95	95	95	95	1,145	1,201	1,258
Sale of Goods and Rendering of Services		32	32	32	32	32	32	32	32	32	32	32	32	381	399	418
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		12	12	12	12	12	12	12	12	12	12	12	12	147	154	161
Interest earned from Receivables		26	26	26	26	26	26	26	26	26	26	26	26	318	333	349
Interest earned from Current and Non Current Assets		228	228	228	228	228	228	228	228	228	228	228	228	2,740	2,874	3,010
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		91	91	91	91	91	91	91	91	91	91	91	91	1,096	1,149	1,203
Licence and permits		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Operational Revenue		62	62	62	62	62	62	62	62	62	62	62	62	746	782	819
Non-Exchange Revenue																
Property rates		2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	2,370	28,446	29,840	31,242
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		437	437	437	437	437	437	437	437	437	437	437	437	5,247	5,504	5,763
Licences or permits		252	252	252	252	252	252	252	252	252	252	252	252	3,027	3,175	3,324
Transfer and subsidies - Operational		8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	100,757	106,220	106,853
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib.)		12,006	12,006	12,006	12,006	12,006	12,006	12,006	12,006	12,006	12,006	12,006	12,006	144,088	151,653	154,422
Expenditure																
Employee related costs		5,756	5,756	5,756	5,756	5,756	5,756	5,756	5,756	5,756	5,756	5,756	5,756	69,073	72,457	75,863
Remuneration of councillors		573	573	573	573	573	573	573	573	573	573	573	573	6,881	7,219	7,558
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		722	722	722	722	722	722	722	722	722	722	722	722	8,664	9,050	9,319
Debt impairment		417	417	417	417	417	417	417	417	417	417	417	417	5,000	5,235	5,492
Depreciation and amortisation		1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	1,853	22,241	23,331	24,428
Interest		33	33	33	33	33	33	33	33	33	33	33	33	402	421	440
Contracted services		2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	31,937	32,885	33,961
Transfers and subsidies		50	50	50	50	50	50	50	50	50	50	50	50	600	628	628
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	22,387	23,452	24,491
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	167,185	174,680	182,179
Surplus/(Deficit)		(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(1,926)	(23,118)	(23,026)	(27,757)
Transfers and subsidies - capital (monetary allocations)		1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	20,189	20,938	21,718
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)

Table 167 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Budget Year 2023/24														Medium Term Revenue and Expenditure Framework		
July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26		
Revenue by Vote																
Vote 1 - Executive And Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Finance and administration	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	132,498	141,249	142,275	
Vote 3 - Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - Community and Social Services	312	312	312	312	312	312	312	312	312	312	312	312	3,743	3,911	5,359	
Vote 5 - Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - Planning and Development	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	23,338	22,524	23,368	
Vote 7 - Road Transport	262	262	262	262	262	262	262	262	262	262	262	262	3,150	3,304	3,460	
Vote 8 - Sport and Recreation	1	1	1	1	1	1	1	1	1	1	1	1	8	9	9	
Vote 9 - Waste Management	127	127	127	127	127	127	127	127	127	127	127	127	1,520	1,594	1,669	
Vote 10 - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	164,257	172,591	176,140	
Expenditure by Vote to be appropriated																
Vote 1 - Executive And Council	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	16,697	17,515	18,338	
Vote 2 - Finance and administration	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	55,156	57,848	60,562	
Vote 3 - Housing	34	34	34	34	34	34	34	34	34	34	34	34	413	433	453	
Vote 4 - Community and Social Services	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	24,469	25,508	26,071	
Vote 5 - Internal Audit	123	123	123	123	123	123	123	123	123	123	123	123	1,479	1,551	1,624	
Vote 6 - Planning and Development	945	945	945	945	945	945	945	945	945	945	945	945	11,337	11,368	11,902	
Vote 7 - Road Transport	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	45,522	47,750	49,924	
Vote 8 - Sport and Recreation	293	293	293	293	293	293	293	293	293	293	293	293	3,519	3,691	3,864	
Vote 9 - Waste Management	683	683	683	683	683	683	683	683	683	683	683	683	8,194	8,595	8,999	
Vote 10 - Waste Water Management	33	33	33	33	33	33	33	33	33	33	33	33	401	421	441	
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	167,185	174,680	182,179	
Surplus/(Deficit) before assoc.																
	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)	
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)	

Table 168 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue - Functional																
Governance and administration		11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	132,498	141,249	142,275
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	11,041	132,498	141,249	142,275
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		313	313	313	313	313	313	313	313	313	313	313	313	3,751	3,919	5,369
Community and social services		312	312	312	312	312	312	312	312	312	312	312	312	3,743	3,911	5,359
Sport and recreation		1	1	1	1	1	1	1	1	1	1	1	1	8	9	9
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	2,207	26,488	25,828	26,827
Planning and development		1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	1,945	23,338	22,524	23,368
Road transport		262	262	262	262	262	262	262	262	262	262	262	262	3,150	3,304	3,460
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		127	127	127	127	127	127	127	127	127	127	127	127	1,520	1,594	1,669
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		127	127	127	127	127	127	127	127	127	127	127	127	1,520	1,594	1,669
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	13,688	164,257	172,591	176,140
Expenditure - Functional																
Governance and administration		6,111	6,111	6,111	6,111	6,111	6,111	6,111	6,111	6,111	6,111	6,111	6,111	73,331	76,914	80,525
Executive and council		1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	16,697	17,515	18,338
Finance and administration		4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	4,596	55,156	57,848	60,562
Internal audit		123	123	123	123	123	123	123	123	123	123	123	123	1,479	1,551	1,624
Community and public safety		2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	2,367	28,400	29,632	30,388
Community and social services		2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	2,039	24,469	25,508	26,071
Sport and recreation		293	293	293	293	293	293	293	293	293	293	293	293	3,519	3,691	3,864
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		34	34	34	34	34	34	34	34	34	34	34	34	413	433	453
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	4,738	56,859	58,118	61,827
Planning and development		945	945	945	945	945	945	945	945	945	945	945	945	11,337	11,368	11,902
Road transport		3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	3,794	45,522	47,750	49,924
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		716	716	716	716	716	716	716	716	716	716	716	716	8,595	9,016	9,440
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		33	33	33	33	33	33	33	33	33	33	33	33	401	421	441
Waste management		683	683	683	683	683	683	683	683	683	683	683	683	8,194	8,595	8,999
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	13,932	167,185	174,680	182,179
Surplus/(Deficit) before assoc.		(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(244)	(2,928)	(2,088)	(6,039)

Table 169 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Multi-year expenditure to be appropriated	1															
Vote 1 - 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		8	8	8	8	8	8	8	8	8	8	8	8	90	94	99
Vote 2 - Finance and administration		78	78	78	78	78	78	78	78	78	78	78	78	940	962	983
Vote 3 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		65	65	65	65	65	65	65	65	65	65	65	65	780	818	857
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		1	1	1	1	1	1	1	1	1	1	1	1	10	10	11
Vote 7 - Road Transport		1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	21,454	22,506	23,563
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	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	23,274	24,390	25,513
Total Capital Expenditure	2	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	23,274	24,390	25,513

Table 170 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		86	86	86	86	86	86	86	86	86	86	86	86	1,030	1,056	1,082
Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	90	94	99
Finance and administration		78	78	78	78	78	78	78	78	78	78	78	78	940	962	983
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		65	65	65	65	65	65	65	65	65	65	65	65	780	818	857
Community and social services		65	65	65	65	65	65	65	65	65	65	65	65	780	818	857
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	21,464	22,516	23,574
Planning and development		1	1	1	1	1	1	1	1	1	1	1	1	10	10	11
Road transport		1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	1,788	21,454	22,506	23,563
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	23,274	24,390	25,513
Funded by:																
National Government		1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	20,139	21,126	22,119
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	1,678	20,139	21,126	22,119
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		261	261	261	261	261	261	261	261	261	261	261	261	3,135	3,264	3,394
Total Capital Funding		1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	23,274	24,390	25,513

Table 171 MBRR SA30 - Budgeted monthly cash flow

Source: MBRR SA30 - Supporting Table 30A Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	16,704	17,523	18,347
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	72	72	72	72	72	72	72	72	72	72	72	72	859	901	943
Rental of facilities and equipment	29	29	29	29	29	29	29	29	29	29	29	29	353	371	388
Interest earned - external investments	228	228	228	228	228	228	228	228	228	228	228	228	2,740	2,874	3,010
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	255	255	255	255	255	255	255	255	255	255	255	255	3,057	3,207	3,358
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	8,642	8,642	8,642	8,642	8,642	8,642	8,642	8,642	8,642	8,642	8,642	8,642	103,706	111,035	110,629
Other revenue	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,430	16,186	16,947
Cash Receipts by Source	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	11,904	142,850	152,097	153,621
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	3,365	40,379	42,117	43,892
Transfers and subsidies - capital (monetary allocations) (Nat / Prov	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	15,269	15,269	15,269	15,269	15,269	15,269	15,269	15,269	15,269	15,269	15,269	15,269	183,229	194,213	197,513
Cash Payments by Type															
Employee related costs	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	6,329	75,954	79,676	83,420
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,979	7,979	7,979	7,979	7,979	7,979	7,979	7,979	7,979	7,979	7,979	7,979	95,753	100,253	105,166
Cash Payments by Type	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	14,309	171,707	179,929	188,586
Other Cash Flows/Payments by Type															
Capital assets	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	1,940	23,274	28,610	30,012
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	16,248	16,248	16,248	16,248	16,248	16,248	16,248	16,248	16,248	16,248	16,248	16,248	194,981	208,539	218,598
NET INCREASE/(DECREASE) IN CASH HELD	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(979)	(11,752)	(14,326)	(21,085)
Cash/cash equivalents at the month/year begin:	28,194	27,215	26,235	25,256	24,277	23,297	22,318	21,339	20,359	19,380	18,400	17,421	28,194	16,442	2,116
Cash/cash equivalents at the month/year end:	27,215	26,235	25,256	24,277	23,297	22,318	21,339	20,359	19,380	18,400	17,421	16,442	16,442	2,116	(18,969)

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 172 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		16,767	8,229	19,507	11,205	21,001	21,001	-	-	-
Roads Infrastructure		16,647	8,229	19,507	10,305	14,901	14,901	-	-	-
Roads		16,647	3,973	8,346	1,282	7,183	7,183	-	-	-
Road Structures		-	4,256	11,161	9,023	7,718	7,718	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		120	-	-	900	6,100	6,100	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		120	-	-	900	6,100	6,100	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 173 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		3,073	21,494	4,483	-	-	-	6,940	7,280	7,622
Roads Infrastructure		3,073	21,494	4,483	-	-	-	6,940	7,280	7,622
Roads		3,073	21,494	4,483	-	-	-	6,940	7,280	7,622
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Table 174 MBRR SA34c - Repairs and maintenance expenditure by asset class

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Choose name from list - Supporting Table 0345 Repairs and maintenance expenditure by asset class										
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1,367	1,149	1,740	2,908	4,158	4,158	4,850	5,088	5,327
Roads Infrastructure		1,299	1,055	1,640	2,808	4,058	4,058	4,750	4,983	5,217
Roads		1,299	955	1,640	2,208	3,558	3,558	4,250	4,458	4,668
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	100	-	-	-	-	-	-	-
Capital Spares		-	-	-	600	500	500	500	525	549
Storm water Infrastructure		68	94	100	100	100	100	100	105	110
Drainage Collection		68	94	100	100	100	100	100	105	110
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	4,891	6,139	6,950	9,636	13,149	13,149	13,344	13,994	14,546
R&M as a % of PPE		1.4%	1.7%	1.9%	2.7%	3.7%	3.7%	3.8%	3.8%	3.7%
R&M as % Operating Expenditure		4.1%	4.9%	4.9%	6.0%	7.9%	7.9%	8.0%	8.4%	8.3%

Table 175 MBRR SA35 - Future financial implications of the capital budget

Choose name from list - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive And Council		90	94	99				
Vote 2 - Finance and administration		940	962	983				
Vote 3 - Housing		-	-	-				
Vote 4 - Community and Social Services		780	818	857				
Vote 5 - Internal Audit		-	-	-				
Vote 6 - Planning and Development		10	10	11				
Vote 7 - Road Transport		21,454	22,506	23,563				
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		23,274	24,390	25,513	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive And Council		90	94	99				
Vote 2 - Finance and administration		940	962	983				
Vote 3 - Housing		-	-	-				
Vote 4 - Community and Social Services		780	818	857				
Vote 5 - Internal Audit		-	-	-				
Vote 6 - Planning and Development		10	10	11				
Vote 7 - Road Transport		44,728	51,116	53,575				
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		46,548	53,000	55,525	-	-	-	-
Future revenue by source	3							
Exchange Revenue		6,591	6,914	7,239				
Service charges - Electricity		-	-	-				
Service charges - Water		-	-	-				
Service charges - Waste Water Management		-	-	-				
Service charges - Waste Management		1,145	1,201	1,258				
Agency services		-	-	-				
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		7,736	8,115	8,497	-	-	-	-
Net Financial Implications		62,087	69,275	72,542	-	-	-	-

Reference:

Table 176 MBRR SA36 - Detailed capital budget per municipal vote

Choose name from list - Supporting Table SA36 Detailed capital budget													2023/24 Medium Term Revenue & Expenditure Framework				
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	EDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality: List all capital projects grouped by Function																	
	Administrative and Corporate Support	Computer Equipment:LAPTOPS						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						500	500
	Administrative and Corporate Support	Furniture and Office Equipment:RECORDING SYSTEM						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						50	52
	Administrative and Corporate Support	Furniture and Office Equipment:SHREDDER						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						150	157
	Administrative and Corporate Support	Municipal Offices:TIME AND ATTENDANCE MACHINE						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						200	210
	Disaster Management:DISASTER MANAGE	Transport Assets:Trailer						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						60	63
	Disaster Management:DISASTER MANAGE	Furniture and Office Equipment:DISASTER LIGHTINGS						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						120	126
	Finance:Default	Furniture and Office Equipment:FINANCE CHAIRS						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						30	31
	Finance:Default	Furniture and Office Equipment:Notice Board						Non-current Assets	Property Plant and Equipment	Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Administrative or Head Office (including Satellite Office)						10	10
	Community Halls and Facilities:AGRICULTURE	Municipal Offices:Guard House- Municipal Pound						Non-current Assets	Construction Work-in-progress	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Ward Ward 1						400	420
	Community Halls and Facilities:AGRICULTURE	Machinery and Equipment:Generator						Non-current Assets	Property Plant and Equipment	Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Administrative or Head Office (including Satellite Office)						200	210
	Roads and Traffic Regulation:Traffic	Yards:ANIMAL IMPOUND						Non-current Assets	Construction Work-in-progress	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Ward Ward 1						500	525
	Roads and Traffic Regulation:Traffic	Machinery and Equipment:FIRE ARMS						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						100	105
	Roads and Traffic Regulation:Traffic	Machinery and Equipment:Two way Road						Non-current Assets	Property Plant and Equipment	Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Administrative or Head Office (including Satellite Office)						40	40
	Roads:Roads (104010)	Capital Spares:High Mast Lighter Street Light Maintenance						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						375	380
	Roads:Roads (104010)	Public Open Space:Bliss						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						60	63
	Roads:Roads (104010)	Transport Assets:TAR CUTTING MACHINE						Non-current Assets	Construction Work-in-progress	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Ward Ward 7						8,796	9,217
	Roads:Roads (104010)	Outdoor Facilities:Midwest Ward 7 Sportsfield						Non-current Assets	Construction Work-in-progress	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Ward Ward 2						6,940	7,280
	Roads:Roads (104010)	Roads Rehabilitation of 10km of KwaZulu-Natal Road Phase 2						Non-current Assets	Construction Work-in-progress	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Ward Ward 2						4,413	4,529
	Roads:Roads (104010)	Drainage Collection Upgrade of KwaZulu-Natal Stormwater Drainage Collection						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						25	26
	Roads:Roads (104010)	Machinery and Equipment:Generator						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						80	84
	Roads:Roads (104010)	Machinery and Equipment:MECHANICAL TOOLS						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						135	142
	Economic Development:Planning:LOCAL	Roads:Discontinued road phase 3						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						10	10
	Municipal Manager: Town Secretary and	Machinery and Equipment:Generator						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						30	30
		Machinery and Equipment:SOUND SYSTEM						Non-current Assets	Property Plant and Equipment	Uthmaniyah District Municipalities:DC22 Ungangandvo Municipalities:KZN227 Richmond Whole of the Municipality						30	30
Parent Capital expenditure													--	--	--	23,274	24,390
Entity: List all capital projects grouped by Entity																	
	Entity A	Water project A															
	Entity B	Electricity project B															
Entity Capital expenditure													--	--	--	--	--
Total Capital expenditure													--	--	--	23,274	24,390

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 draft stage and will be finalized after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 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

11.3 CAPITAL EXPENDITURE

Table 177. Capital Expenditure

Funding	Projects	Department	Amount
Municipal Infrastructure Grant	Fibre Sports-field Ward 7	Technical Services	8,786,100
Municipal Infrastructure Grant	Upgrading of Siyathuthuka/Magoda phase 2	Technical Services	6,940,176
Municipal Infrastructure Grant	Khetho and Mjintini Stormwater	Technical Services	4,413,132
Total			20,139,400

Funding	Projects	Department	Amount
Integrated National Electrification Programme	Slahla Sigcakini Electrification Project	Technical Services	2,480,000
Integrated National Electrification Programme	Mthunzini-Lindelani Electrification Project	Technical Services	2,480,000
Integrated National Electrification Programme	Mcsteel - Masonite Electrification Project	Technical Services	2,480,000
Integrated National Electrification Programme	Mpofane - Nkumane Electrification Project	Technical Services	2,480,000
Total			9,920,000

Table 178. Adequacy of Audit Response

Nature of audit finding	Audit Query	Audit Response	Audit Response Progress: 31 March 2021
Audit of Compliance			
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 detection 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	The accounting officer will perform regular monitoring and supervision to assess the effectiveness of internal controls over	:

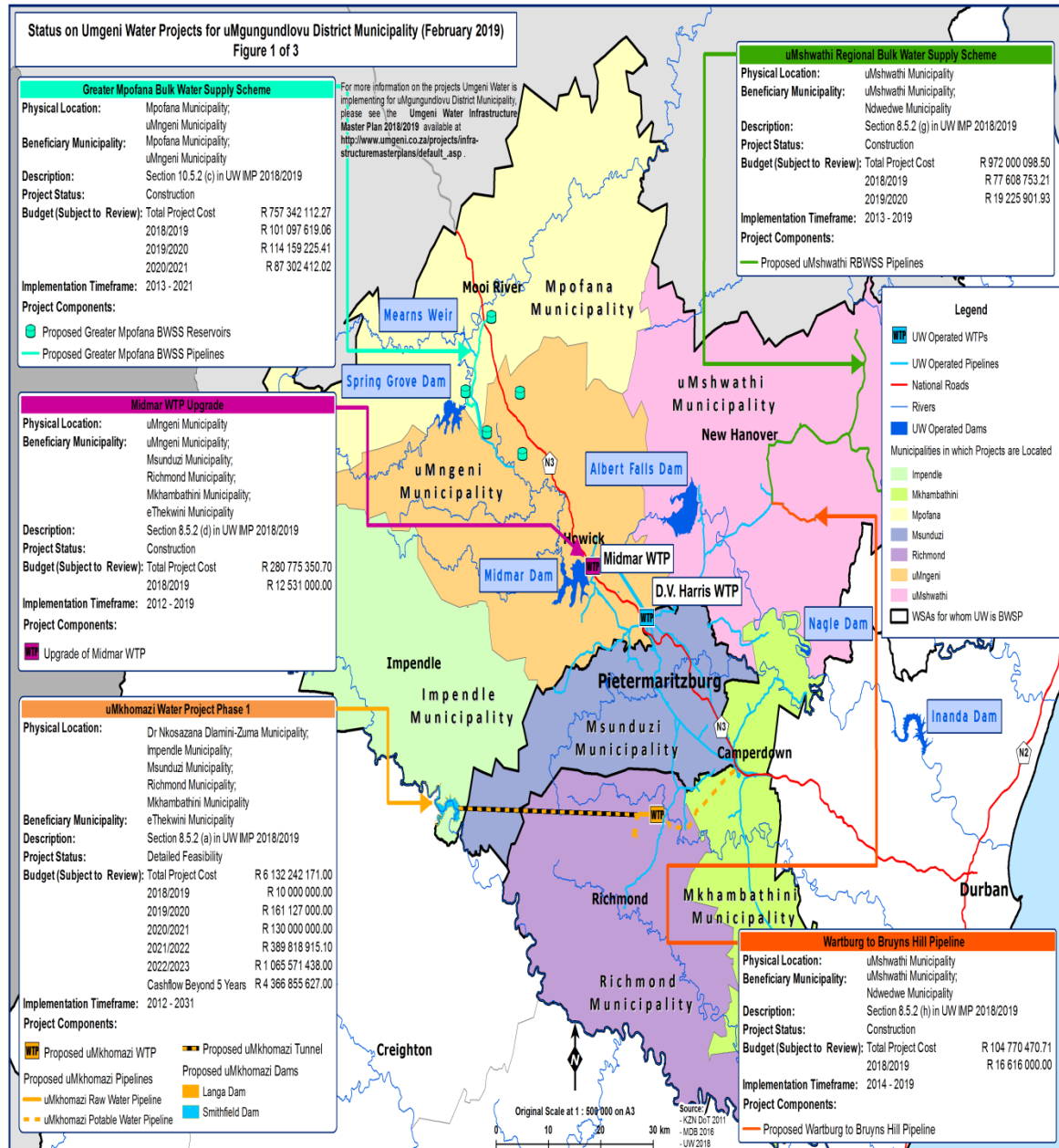
Nature of audit finding	Audit Query	Audit Response	Audit Response Progress: 31 March 2021
	required by the preferential procurement regulation 8(2) of 2017. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.	SCP processes to ensure compliance with applicable laws and regulations. Regular training of SCM officials will be conducted	Responsible Official: Financial Manager & Supply Chain Manager Target date: 30 April 2021

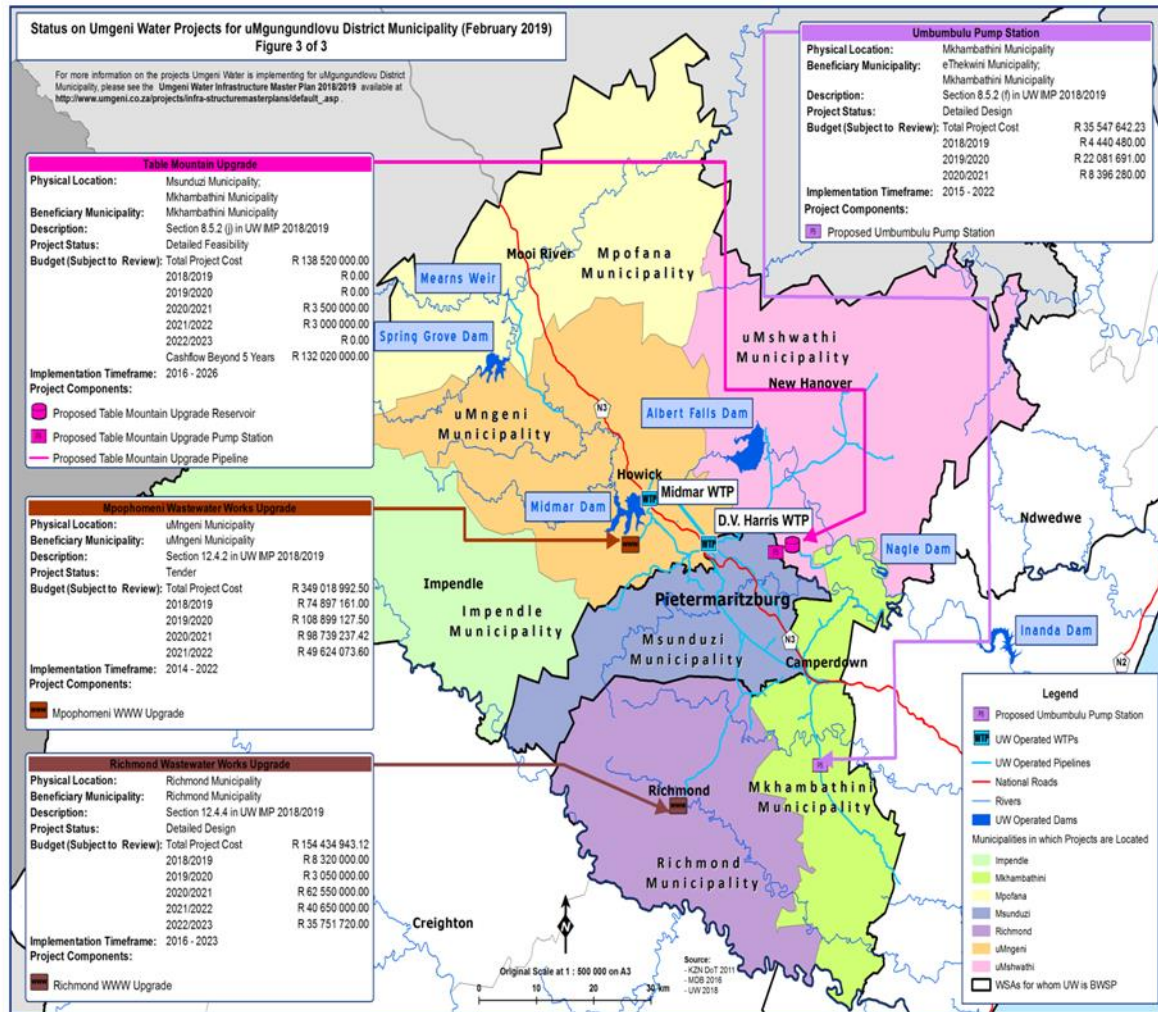
11.4 SECTOR DEPARTMENTS INPUTS

The following sector departments and stakeholders contributed to the sector alignment process i.e. conducted by the Richmond Municipality and the District Municipality.

Umgeni Water's Projects for 2019/2020 – 2049/2050

Figure 85. Umgeni Water Projects





Department of Art and Culture

Table 179. Department of Art and Culture Projects

Project name	Project status
Ndalen Library	Construction phase

Department of Health

Table 180. Department of Health Projects

Project name	Project status
Argosy clinic in ward 4	Planning Stage

Department of Human Settlements

Table 181. Department of Human Settlements Projects

NAME OF PROJECT	STATUS OF PROJECT	TOTAL PROJECT VALUE
1. NHLAZUKA RURAL HOUSING PROJECT	CLOSE OUT STAGE	R 101 683 878.09
2. SIYATHUTHUKA RURAL HOUSING PROJET PHASE 1	CLOSE OUT STAGE	R 63 486 785. 50
3. SIYATHUTHUKA RURAL HOUSING PROJET PHASE 2	CONSTRUCTION	
4. ZWELETHU HOUSING PROJECT	CLOSE OUT	R 10 381 174.80
5. ARGOSY FARM REHABILITATION PROJECT	CONSTRUCTION	R 117 273 589.74
6. ST BERNARD AND	PLANNING	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	CLOSE OUT	
13. SOCIAL AMENITIES (AGUST 2018)	CONSTRUCTION STAGE	R 6 289 255.56
14. MIDDLE INCOME HOUSING PROJECT	PLANNING STAGE	R 30 849 600.00
15. HOPEWELL, WARD 3	PLANNING STAGE	

Department of Education

The Department of Education has the following programmes for 2021-24: New school, Upgrades and Additions, Water and Sanitation, ECD, Curriculum Redress, Storm Damage, Mobile Classroom, Fencing, Renovations / Rehabilitation and LSEN

Table 182. Department of Education Projects

PROJECT NAME	SCOPE OF WORKS	SUB PROGRAM ME	INFRASTRU CTURE PROGRAM MES	LOCAL MUNICIPALIT Y NAME	MUNICI PAL WARD NO.	TOTA L PROJ ECT COST R'000
AMANDU S HILL PRIMARY SCHOOL	Construction of New Grade R facilities and Ablutions	EARLY CHILDHOOD DEVELOPM ENT	UPGRADES AND ADDITIONS	Richmond (KZN227)	4	3300
AMANDU S 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, CONSTRUCTI ON OF NEW (6G, 2B, 4URINAL,3ST AFF &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	REFURBISH MENT AND REHABILITA TION	Richmond (KZN227)	6	6038
EINSIEDEL N INTERME	RENOVATION S, REHABILITATI ON OR	RENOVATIO NS, REHABILITA TION OR	REFURBISH MENT AND REHABILITA TION	Richmond (KZN227)	4	4026

DIATE SCHOOL	REFURBISHMENTS	REFURBISHMENTS				
ESIMOZO MENI SENIOR PRIMARY SCHOOL	CONSTRUCTION OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	100
ESIMOZO MENI 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, CONSTRUCTION OF NEW (2G, 1B, 1URINAL,1ST AFF &1URINAL,1D ,1R)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	100
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	REFURBISHMENT AND REHABILITATION	Richmond (KZN227)	7	5598

		REFURBISHMENTS				
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 STOREROOM(S), 1 STRONGROOM, 1 SNP KITCHEN/TUCKSHOP, 2 GIRLS' TOILET SEATS, 1 BOYS' TOILET SEATS AND URINAL SPACES, 2 TEACHER TOILET SEATS, 1 DISABLED TOILETS, WATER PROVISIONING,	CURRICULUM REDRESS	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	13486
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

INKUMAN E HIGH SCHOOL	STORM DAMAGED PHASE 19	STORM DAMAGE	REFURBISH MENT AND REHABILITA TION	Richmond (KZN227)	5	1600
LINWOOD INTERME DIATE SCHOOL	CONSTRUCTI ON OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	6	1775
MADLAN YOKA HIGH SCHOOL	CONSTRUCTI ON OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	1775
MAGODA PRIMARY SCHOOL	CONSTRUCTI ON OF BOYS AND GIRLS TOILET BLOCK,	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	7	1780
MALIPHU ME PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-16 DEMOLITION OF EXISTING STRUCTURE, RENOVATE (2B,) CONSTRUCTI ON OF NEW (2 X 2M2F1D, 3R1T)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	2300
MALIZAY O PRIMARY SCHOOL	SANITATION PROGRAMME (PHASE 3), CLUSTER UMG-20 DEMOLITION OF EXISTING STRUCTURE, CONSTRUCTI ON OF NEW (4G, 4B, 2M2F1D, 3R1T)	WATER AND SANITATION	UPGRADES AND ADDITIONS	Richmond (KZN227)	5	3503

MBUTHIS WENI 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
MBUTHIS WENI 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,3ST AFF &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

Department of Transport

Re-gravelling and Maintenance Under Construction & Planning

Table 183. Department of Transport Projects

Description	2022/3	2023/4	2024/25	DC	LC No
Maintenance Contract - Eston Zone	7 000 000			DC22	KZN227 - Richmond
Maintenance contract - Richmond zone	4 000 000			DC22	KZN227 - Richmond
Maintenance-Richmond Zone		5 000 000	5 000 000	DC22	KZN227 - Richmond
Re-gravelling of P334 (km 4.172-km 14.172)		5 000 000		DC22	KZN227 - Richmond
Upgrade of D59 River Bridge	8 000 000	10 000 000	10 000 000	DC22	KZN227 - Richmond
Zibambele - Contractors	11 255 500	12 000 000	12 000 000	DC22	KZN227 - Richmond
TOTALS	30 255 500	32 000 000	27 000 000	TOTAL	1 053 723 299

Upgrades and Rehabilitation

Table 184. Upgrades and Rehabilitation Projects/Programmes

Project / Programme Name	Activity	Implementer/ Responsibility	Municipality / Region	Estimated budget	Project Status (to be as per IRM)
Rehabilitation of P5-4 (km3,5 to km20) & (km27 to km30,1)	Rehabilitation	Rehabilitation	Richmond Local Municipality	R 214 844 000	Stage 5 Works 76 to 100%
Rehabilitation of P334 (km0,000 to km4,170)	Rehabilitation	Rehabilitation	Richmond Local Municipality	R 63 865 000	Stage 3 Design Development
Rehabilitation of P5-3 (km13,500 to km19,00)	Rehabilitation	Rehabilitation	Richmond Local Municipality	R 35 500 000	Stage 3 Design Development

Rehabilitation of P24 (km5,00 to km17,00)	Rehabilitation	Rehabilitation	Richmond Local Municipality	R 266 259 000	Stage 1 Project Initiation
Light Rehabilitation of P8-1 (km0,00 to km14,20)	Rehabilitation	Rehabilitation	Richmond Local Municipality	R 55 188 000	Stage 3 Design Development
Construction of Illovo River Pedestrian Bridge 3775 D1065 – HO to confirm	New bridge	Construction	Richmond Local Municipality	R 10 113 000	Stage 5 Works 75 to 99%

ICT Strategic projects

Table 185. ICT Strategic Projects

NO.	PROJECT	PROBLEM AREA	DESIRED OUTCOME	YEAR
1	Municipal Data Backup and Disaster Recovery Plan Municipal Data Backup and Disaster Recovery Plan	Backup and DRP not Implemented	Implementation and Existence of DRP that has been tested and implemented. Backing up of user files on Physical server, Cloud or datacentre e.g Dube Tradeport	2022
2	Leasing of Desktops and laptops	Slow Desktops and Laptops running on old unsupported operating system	Fast, Stable and secure desktops running on latest operating system	2022/2023
3	Implementation of Wireless connection to remote sites	Slow Connections to remote sites works yard and Incubation centre	Fast and reliable Connection	2022
4	Broadband Roll-out	Non Existence of broadband at Richmond	Availability of Broadband to Richmond Community and Business	2023/2024
5	Municipal Intranet	Currently there isn't an intranet system in place for access to information	An intranet system which can be accessed by all internal Municipal Users with a variety of access to information options	2023

6	Installation of Municipal Generator	No power no productivity,	A Generator that will feed to all users if there is a power failure, must cover computers, printers and lights only.	2023
7	Network Monitoring Tool and Patch Management Software	There is no system in place to monitor Computers on the network	To have a Network monitoring tool that notifies the network administrator in case of outages or other trouble. Network monitoring is part of network management	2022
8	Phase 2 Testing Ground Environmental Controls	The fire detection system is still outstanding, Fire Extinguisher not in Place and 2 nd Air conditioner	To have fully functional backup site	2022/2023
9	Leave System	Too much Paperwork, leave days are not accurate and manual books get stolen	To have automated Leave system which will be integrated with Payroll to maintain leave day and overtime	2023/2024
10	Records Management System	massive volumes of data which is becoming impossible to manage. More than 20 years records and insufficient storage space	ensures that institutional records of vital historical, fiscal, and legal value are identified and preserved, and that non-essential records are discarded in a timely manner according to established guidelines and identified legislation	2023/24

CHAPTER G: ANNUAL OPERATIONAL PLAN (SDBIP)

The annual operational plan has been attached (**Annexure 15**)

CHAPTER H: ORANISATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

13.1 OVERVIEW OF OPMS

This chapter provides indicators under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, it also presents a discussion about the importance of linking planning, budgeting, implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. In line with the said legal requirement this framework should be seen as a policy document that will set out:

- The requirements that the Richmond Local Municipality's OPMS will need to fulfil
- The principles that must inform its development and subsequent implementation
- The preferred performance management model of the Municipality
- The process by which the system will work
- The delegation of responsibilities for different roles in the process and
- A plan for the implementation of the system

The major OPMS policy instruments are the 1998 White Paper on Local Government supported by the Batho Pele principles encompassed in the White Paper on the Transformation of Public Service Delivery (1997). These policies were given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Municipal System Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures

- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal OPMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

Provision is also made for this at departmental level in a circular issued by the National Treasury. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. Finally, the Municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

13.2 MANAGING AND MEASURING PERFORMANCE AT VARIOUS LEVELS

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level.

Objectives of the Municipality's Performance Management System as indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfil the following objectives:

13.2.1 FACILITATE INCREASED ACCOUNTABILITY

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

13.2.2 SUPPORT MUNICIPAL OVERSIGHT

The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration. Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.
Provide early warning signals

It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.

13.2.3 FACILITATE DECISION MAKING

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

13.2.4 PERFORMANCE REPORTING AND REVIEW

The next two stages in the process of performance management, namely that of performance reporting and performance review, will be dealt with together. This section is further divided into three sub-sections dealing with the requirements for ‘in-year reviews’ annual reporting and reviews and lastly a summary of the various reporting requirements.

13.2.5 IN-YEAR PERFORMANCE REPORTING AND REVIEW

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality’s performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient

reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not, then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

13.2.6 ANNUAL PERFORMANCE REPORTING AND REVIEW

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that: All municipalities for each financial year compile an annual report which report must include the municipal performance report

The annual report be tabled within seven months after the end of the financial year. The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon. The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report. The oversight report as adopted be made public. The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province. The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process, it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the

Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other and Council portfolio committees. Such mechanisms could involve all or any combination of the following:

- ✓ Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.
- ✓ Using of various forms of media including radio, newspapers and billboards to convey the annual report.
- ✓ Inviting the public to submit comments on the annual report via Telephone, fax and email.
- ✓ Holding public hearings in a variety of locations to obtain their input on the annual report.
- ✓ Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- ✓ Debating the annual report at a meeting of the IDP Representative Forum
- ✓ Hosting a number of public meetings or road-shows at which the annual report could be discussed and input invited.
- ✓ Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.
- ✓ Posting the annual report on the council website and inviting input
- ✓ Conducting Customer Satisfactory Surveys on annual basis as means of community consultation and involvement.

It is further proposed that the oversight committee functions as a MPAC. As such the committee must examine the performance of the municipality.

13.3 REPORTING REQUIREMENTS

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Table 186. OPMS Framework

Report	Frequency	Submitted for consideration and/or review to	Remarks	Responsibility
SDBIP's	Quarterly	Executive Committee	Refer to MFMA Circular 13 of National Treasury further information	MM
Monthly budget Statements	Monthly	Mayor (in consultation with Exco)	Refer to sections 71 and 54 of the MFMA	CFO

Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full Council	OPMS framework (see section above)	MM
Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	Refer to section 52 of the MFMA	CFO
SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections 72 and 54 of the MFMA	MM / CFO
Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report	MM
Annual report	Annually	Council	Refer to chapter 12 of the MFMA	MM

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

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

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

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

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

Figure 86. Back to Back Pillars



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

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

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

CONCLUSION

The Richmond Municipality Integrated Development Plan preparation for the 5th Generation IDP 2022/23-2026/27 review 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, eThekweni 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	Life Span	ADOPTATION DATE	Development/ Review Status (Draft/To be reviewed)
1	Spatial Development Framework (SDF)	5 years	2017	Being Reviewed (Not yet developed)
2	LED Strategy		28 June 2022	
3	Disaster Management Plan			Not yet promulgated
4	Housing sector Plan			Due for review
5	Schedule of policies			Draft Documents
6	Organisational Structure			Draft Document
7	ICT Governance framework			
8	Employment Equity Policy			Draft Document
9	AG comments on latest audit financial statements & responses thereto			Received 2021
10	Ward Based Plans and Project list			Draft Document
11	Previous annual report			Reviewed 2021
12	Revenue enhancement strategy			Draft Document
13	Indigent policy			Draft Document
14	Work Skills Plan			Reviewed 2021
15	Organisational SDBIP			Draft Document
16	Organisational Scorecard			Reviewed 2021
17	Municipal Support intervention Plan			Adopted 2022

