RICHMOND
Local Municipality

INTEGRATED DEVELOPMENT PLAN (IDP)

2024/2025

FINAL ADOPTION

MAY 2024

57 SHEPSTONE STREET
RICHMOND
3780

This IDP document was reviewed in consultation with various stakeholders i.e. Amakhosi, Richmond Communities, Organised Community Organisations, Provincial Government, Parastatal Organisations, Non-government Organisations, etc. at various engagement platforms namely; Izimbizo, Representative Forum, Steering Committee, Ward Level Committees, etc. and it brings pleasure to present this inclusive document speaking to the pertinent issues faced by our communities within the jurisdiction of the Richmond Municipality and it plans of addressing these issues through collaborative governance.

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LIST OF ACRONYMS	
AIDS	Acquired Immune Deficiency Syndrome
ABET	Adult Based Education Training
AG	Auditor General
BBBEE	Broad Based Black Economic Empowerment
CBO	Community Based Organisation
CIF	Capital Investment Framework
CSIR	Council for Scientific and Industrial Research
CFO	Chief Financial Officer
COGTA	Co-operative Governance and Traditional Affairs
CPF	Community Policing Forum
CLLR	Councilor
DPSS	Development Planning Shared Services
EAP	Employee Assistance Programme
ECD	Early Childhood Development
EIA	Environmental Impact Assessment
EXCO	Executive Council 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
PPP	Public Participation Prcoess
RLM	Richmond Local Municipality
SAPS	South African Police Service
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
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
WWW	Waste Water Works

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

It pleases me to present the 2024/2025 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, Community and Provincial Sector Department inclusive of Parastatal Organisations.

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.

His Worship the Mayor
Cllr MK Ngcongo

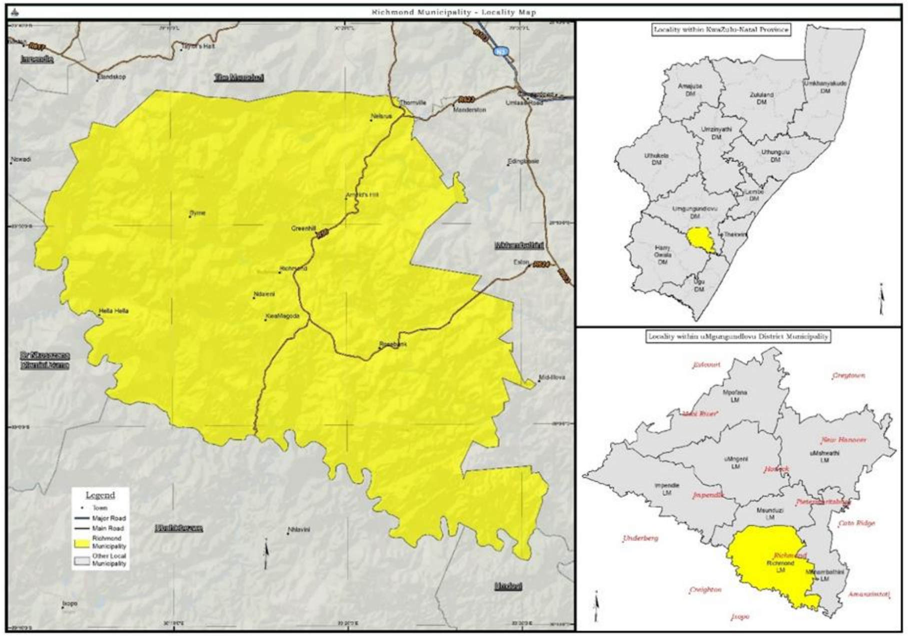
EXECUTIVE SUMMARY

1.1 WHO ARE WE?

The 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 62 754 people accommodated within 13 580 households according to Statistics South Africa Census 2022 data. It is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities.

The map below provides a geographic illustration of the location of the Richmond Municipality in relation to provincial, district and municipal levels:

Figure 1: 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 high 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 its mixed land uses 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: Ward Maps

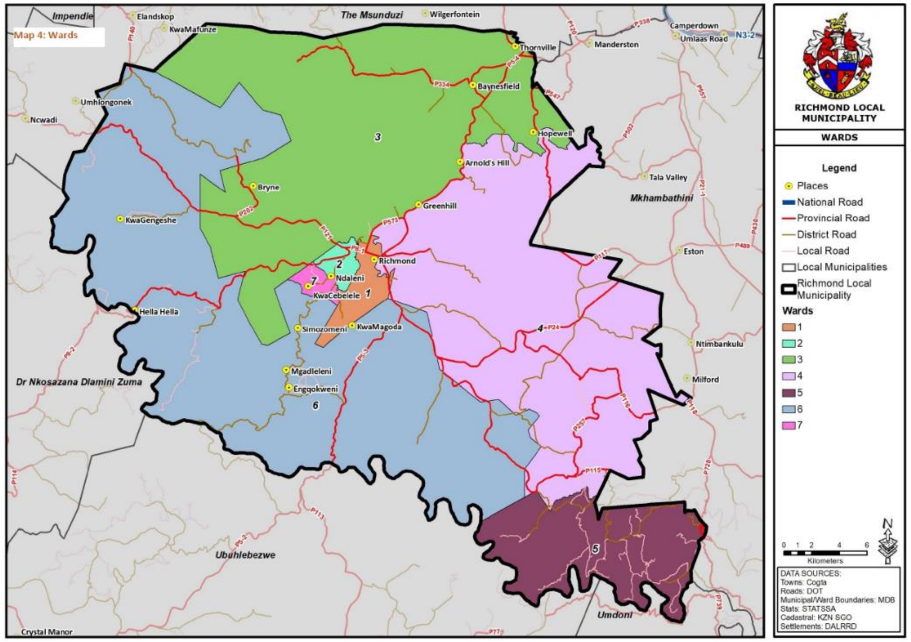
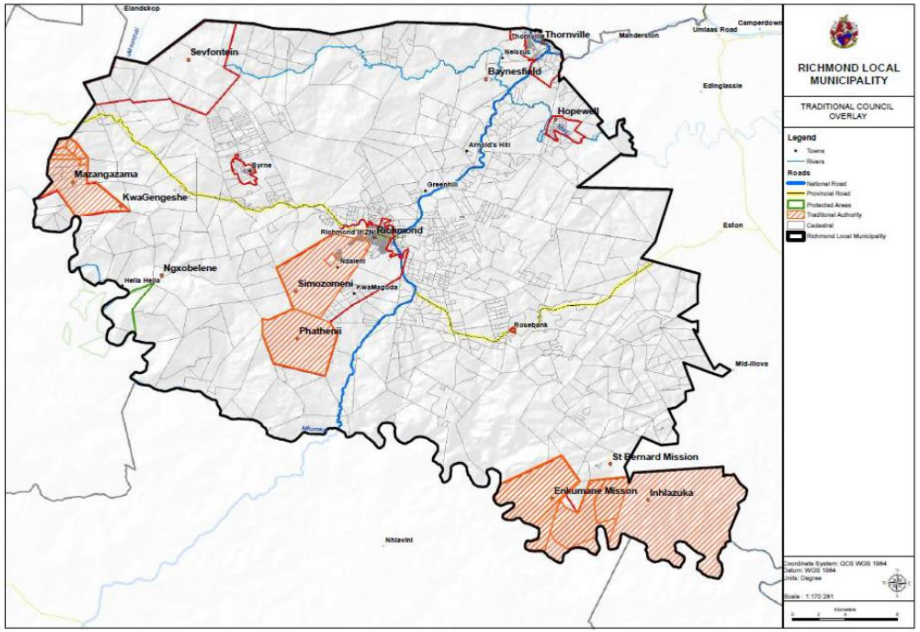


Figure 3: Traditional Council Areas



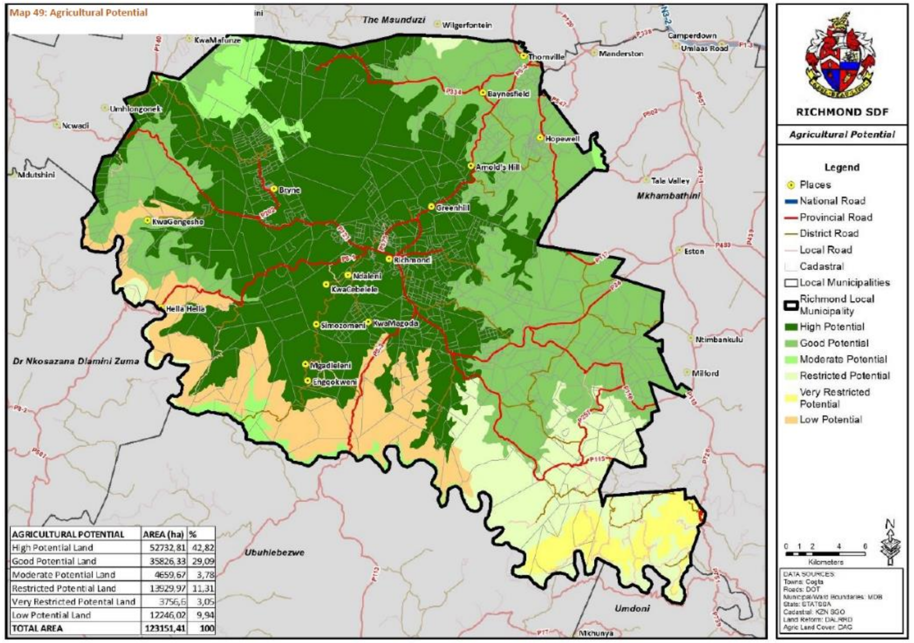
The Richmond Municipality has a total 7 wards under its jurisdiction and three Traditional Councils namely:

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

The below map provides a geographic illustration of the boundaries of the Traditional Council areas within the municipality:

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.

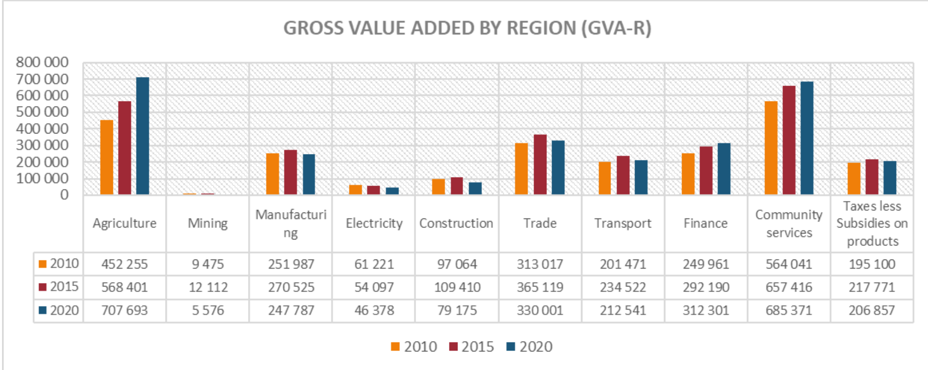
Figure 4: Agricultural Potential



AGRICULTURAL POTENTIAL	AREA (ha)	%
High Potential Land	52732,81	42,82
Good Potential Land	35826,33	29,09
Moderate Potential Land	4659,67	3,78
Restricted Potential Land	13929,97	11,31
Very Restricted Potental Land	3756,6	3,05
Low Potential Land	12246,02	9,94
TOTAL AREA	123151,41	100

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 economic data sourced for the various dominant sectors within the municipality supports the above statement:

Table 1: Economic Data



	Agriculture	Mining	Manufacturing	Electricity	Construction	Trade	Transport	Finance	Community services	Taxes less Subsidies on products
2010	452 255	9 475	251 987	61 221	97 064	313 017	201 471	249 961	564 041	195 100
2015	568 401	12 112	270 525	54 097	109 410	365 119	234 522	292 190	657 416	217 771
2020	707 693	5 576	247 787	46 378	79 175	330 001	212 541	312 301	685 371	206 857

The Richmond Municipality has seen a decrease in economic investments, which has directly resulted in an increase in unemployment, dependency and poverty. Added to this is the unmistakable absence of municipal resources needed to meet the demand of the ever increasing need for service delivery.

In order to achieve success from its locational advantages and to counteract its current status quo, The Richmond Municipality must focus on strengthening its working relations with its business sectors and adopt measures of attracting foreign investment through creating welcoming environment for businesses. The Municipality must also continually strive towards a positive change of the larger society's mind-set and gear towards marketing the constructive attributes of the municipality in terms of spatial assets, which includes and are not limited to:

a) Identified industrial nodes,
b) Location in terms of identified corridors (proximity to N3 and R56),
c) Availability of vacant land for development needs,
d) Agriculture and agro processing, and
e) Nature based tourism.

1.2 VISION AND MISSION

The Council of Richmond Municipality adopted a long term vision to align itself to National goals and policies. The municipal's long term vision is translated into the municipal's Spatial Development Framework, which breaks it down into 5year manageable visions to assist in the attainment of the long term vision. The adopted IDP long term vision of Richmond Municipality reads as follows:

SPATAIL VISION

"By 2042, Richmond will be a spatially equitable municipality with sustained economy for socio-economic development and well-managed environment."

The adopted vision inspires and focuses municipal's attention in mobilising all residents, communities, stakeholders, politicians and officials in creating the desired future based on the implementation of projects and programmes in a sustainable manner in order to create a viable municipality focused on attaining its developmental mandate. This is to meet 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 MUNICIPAL GOALS AND OBJECTIVES

In order to realize the adopted development vision, while ensuring sustainable development/growth in accordance with municipal's priorities aligned to national and provincial targets, the below table provides a list of the set municipal goals, objectives and strategies that seek to unravel some of the key challenges faced by the municipality, that if not adequately addressed will have an adverse impact in terms of improving the well-being of its residents.

Table 2: Municipal Objectives & Strategies Linked to KPAs

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
Cross Cutting	Promotion of Sustainable Spatial Planning and Development	To facilitate land use management	Enforcement of the Municipal Land Use Management Systems.
		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	Effective and efficient 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.

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
		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 and provide support	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	Achieve efficient and 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	Ensure good public relations and 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.

The goals, objectives and strategies of the Richmond Municipality are developed and structured in accordance with the 6 National Key Performance Areas of the Six-year Local Government Strategic Agenda and will form the basis of the work done in this term of office. In order to address the municipal's development challenges and deliver on the adopted 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 the municipal's financial objectives of increasing and enhancing revenue collection.

1.4 CORE VALUES

The core values of the Richmond Municipality are based on National's guiding policy documents and as such, guided by the same policies, the municipality developed its Ethics/Batho Pele Policy and Procedure Manual (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 3: 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 and information.	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 with courtesy.	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.

1.5 KEY CHALLENGES AND INTERVENTIONS

The Richmond 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 4: Key Challenges & 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. Limited security of tenure for some communities; 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; 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 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)	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. 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)
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.	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.

Key Performance Area	Challenges	Interventions to Unlock Challenges
	6. Lack of capacity to effectively carry out LED 7. Inability to implement Poverty Alleviation programmes.	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. Improve reporting by the assistance from Treasury.
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 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;	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.

Key Performance Area	Challenges	Interventions to Unlock Challenges
	7. Implementation of a comprehensive anti-Fraud and corruption programme 8. Compliance with mSCOA 9. Combat Land Invasions	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.

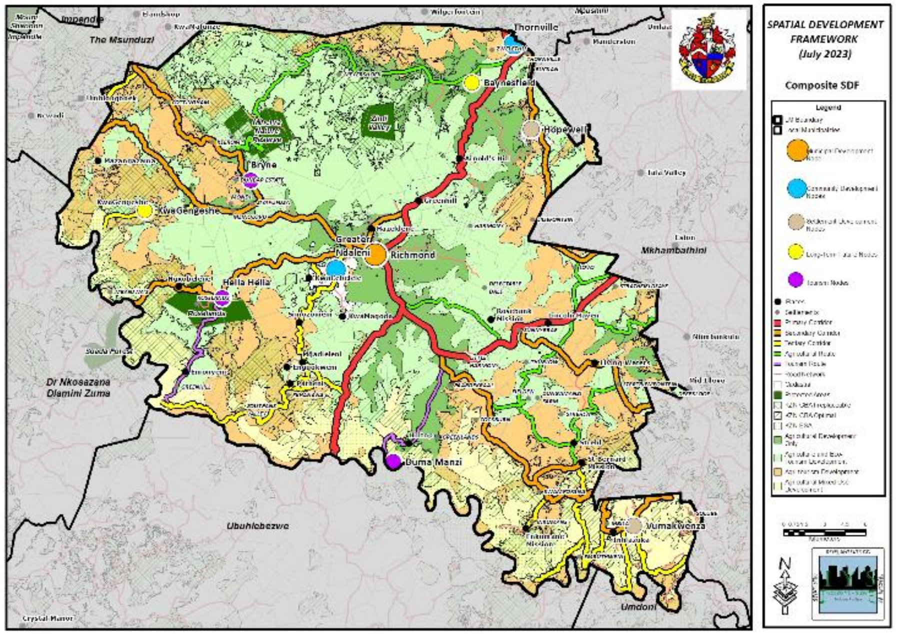
1.6 STRATEGIC PLANNING

The Richmond Municipality seeks to improve the lives of its residents by developing strategic plans to address the development challenges faced by the municipality in order to maximize output on the existing opportunities thus ensuring the creation of positive economic development spin offs. The strategic plans will be developed in line with National, Provincial and Local policy documents i.e. 2030 agenda for sustainable development, National Development Plan (NDP), National Government MTSF, Provincial PGDS objectives, etc. The following strategic local economic development thrusts and development initiatives will be taken into consideration in the preparation of municipal development strategies:

a) The promotion of development and investment that contributes to the regeneration of the economic hub(s) as well as the development of the identified municipal precincts (Thornville area).
b) The provision of sufficient, affordable, reliable infrastructure services as well as the creation of an environment which promotes for economic growth.
c) The introduction of incentives that attract development initiatives as well as the successful introduction of the Municipal Property Rates Act coupled with appropriate and applicable rebates.
d) The development of a skills database of the Municipality and procurement procedures in accordance with EPWP.
e) The establishment and promotion of SMME's and co-operatives to maximize economic opportunities in the agricultural sector (timber and cane).
f) Ensuring the regular maintenance and upgrade of existing infrastructure.
g) The promotion of cultural community and integrated tourism development.

The map below indicates a product of the municipal's Spatial Planning Framework which is a core component of the IDP. The map guides the spatial planning for the municipality through indicating the strategic areas within the jurisdiction of the municipality i.e. high agricultural potential, conservation/environmental sensitive areas, activity nodes, economic development corridors, areas for improvement, etc. in order to facilitate for sustainable development.

Figure 5: SDF Map



1.7 AUDITOR GENERAL’S FINDINGS

The Richmond Municipality acknowledges the findings and recommendation made by the Auditor General through the assessment of performance of the municipality in the 2023/2024 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 and its Annual Budget within the prescribed timeframe. Prior to the adoption of the process plan, municipalities are required to inform and consult with the local community. The preparation of an IDP/Budget Process Plan is required in order to guarantee that the IDP Review process meets the 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. The following will be included in the IDP and Budget Process Plan:

a) A programme specifying the timeframe for the different planning steps;
b) 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;
c) Relevant and binding planning and policies requirements at national and provincial sphere; and
d) Cost estimates for the review process.

Table 5: IDP Process Plan

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP-BUDGET-OPMS	Prepare 2023 /2024 IDP / Budget /OPMS Process Plans	18 July – 25 August 2023	Richmond Municipality	Drafts FP-PPs completed
IDP	Meeting with Local Municipalities/ Extended Planning sub cluster on IDP-Budget-OPMS	21 July 2023	Richmond Municipality	Attendance register-
IDP	Circulate the draft Process or framework plan internally for preliminary comments and inputs	July 2022	District municipality-IDP office, Richmond Municipality	Circulated draft
DDM	Planning meeting with LMs to ensure required information has been obtained for input into the One Plan document	29 July 2023	Richmond Municipality	Attendance register
IDP	Submit Draft Framework/Process Plans to COGTA	31 July 2023	Richmond Municipality	Letter of acknowledge
IDP	MEC Panel assesses submitted 2022/2023 IDPs Draft Process Plan comments	July and August 2023	MEC Panel	Results of the assessment and response
IDP-INCORPORATING BUDGET AND OPMS	Assess the status of sector plans and policies	01 – 13 August 2023	Richmond Municipality	Updated table indicating status of reviewed strategies, sector plans and policies
IDP	Collect data to review Status Quo of the Municipality	03 August 2023	Richmond Municipality	Verified data
OPMS	Draft 2022 / 2023 Annual Performance Report – S46 MSA	25 August 2023	MM / PMS Manager	Draft 2022 / 2023 Annual Performance Report – S46 MSA
IDP	Tabling the Framework Plan and Process Plan to Council	30 August 2023	Richmond Municipality	Council Resolution
OPMS	Signed S54 and 56 Manager's Performance Agreements – S53 MFMA and S57 MSA	30 August 2023	Richmond Municipality	Signed performance agreements and place on website within 14 days
Critical milestone (below is working forward to achieve it)	**Milestone 1 (IDP Preparation phase): Submission of 2024 /2025 IDP Framework and Process Plans to CoGTA and Treasury**	**31 August 2023**	**Richmond Municipality**	**Submitted IDP/Budget Process Plans**
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	14 September 2023	Richmond Municipality and Department of Social Development-Population Unit, KZN Treasury and StatsSA.	Draft status quo reports and data alignment
Critical milestone (below is working backwards to achieve it)	**Milestone 2: IDP Phase 1 Analysis /Status Quo analysis**	**25 September –end October 2022**	**Richmond Municipality**	**Status quo analysis reports**
IDP	Final Process Plans	29 October 2023 or per CoGTA	Richmond Municipality	Letter of acknowledgement

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Sustainable Living Exhibition	TBA	MEC COGTA, Sector Departments, Municipal representatives	Attendance
IDP	IDP Indaba	October 2023	COGTA, Sector Departments, Municipal representatives	Final IDP assessment results
IDP-INCORPORATING BUDGET AND OPMS	Submission and adoption of final Draft Process Plan /FP to all relevant Council Committees	1-23 August 2023	Richmond Municipality	Final drafts submitted and adopted
BUDGET	2022 / 2023 First Quarter Budget Review	11 October 2022–Internal 18 October 2022-Treasury (3rd wk. after end of Quarter)	Finance	Budget review report
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly performance reports
IDP	Advertise Process Plans	01-23 August 2023	District municipality/Richmond Municipality	Copies of adverts
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on status quo of the district-one-on-one and Ward-based engagements	August – September 2023	Richmond Municipality	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	31 September 2023	District Municipality/Richmond Municipality	Status Quo Report to Exco /Council
IDP	Rep Forum meeting	29 September 2023	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 2023**	**Richmond Municipality**	**Reviewed strategies report**
IDP	Review municipal strategies	1– 15 November 2023	Richmond Municipality	Report on reviewed strategies
IDP-BUDGET	First community consultative process (Imbizos)	November-December 2023	Municipality (Mayor)	
IDP	IDP Alignment session for UMgungundlovu and Harry Gwala District	November 2023	CoGTA	Attendance

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
World Planning Day Event	Attend the event	November 2023	CoGTA, stakeholders and municipalities	Attendance
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	20 November 2023	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 2023	Richmond Municipality	Alignment of strategies report (progress on mSCOA requirements)
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on strategies and priorities of the district- IDP Representative Forum	23 November 2023	District municipality (joint engagement of Richmond Municipality, registered stakeholders and service providers)	Aligned Programmes reports
IDP	Provincial IDP Best Practice Conference	November	CoGTA	Attendance
IDP	Submit adopted IDP Framework and Process Plan to COGTA	31 October 2023	Richmond Municipality	Letter of acknowledgement
IDP	Feedback and Sector – Municipal Alignment sessions coordinated with COGTA-uMgungundlovu District	08 November 2023	COGTA, Municipal Representatives- all managers, Sector Departments and State- Owned Enterprises (SOEs)	Alignment of MTSFs, MTEFs, programmes and budgets
IDP/OPMS/BUDGET	Council Strategic Planning Session	August 2023	Richmond Municipality	Review of Vision, Mission, Strategies etc.
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
IDP	Strategies Report to Exco Full Council	19 December 2023 13 December 2023	District / Municipality Municipality per Council calendars	Item: reviewed strategies report for approval
IDP	Feedback and Sector –Municipal Alignment sessions coordinated by COGTA-uMgungundlovu District	08 November 2023	COGTA, Municipal Representatives- all managers, Sector Departments and State-Owned Enterprises (SOEs)	Alignment of MTSFs, MTEFs, programmes and budgets
IDP	Prioritization of IDP projects	December 2023/ January 2024	Richmond Municipality	Projects prioritization lists integrated into the IDP

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
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 2023	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 from Development Agency	January 2023	Mayor/MM/CFO	Development agency Draft Budget Submitted
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	03 February 2024	COGTA, Sector Departments and Richmond Municipality	Attendance
IDP-BUDGET-SDBIP	Alignment of IDP and Budget towards SDBIP	By 12 March 2024	Richmond Municipality / Departments	Completed templates aligned to IDP format
OPMS-BUDGET	Mid-year budget review/adjustment and performance assessment	25 January 2024	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 2024	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 2024/ 2025 IDPs to COGTA and Budget to Treasury**	**31 March 2024**	**Richmond Municipality DCOGTA AND TREASURY**	
BUDGET	2024/2025 First Draft Budget	16 March 2024 20 March 2024 28 March 2024	Finance Committee Exco Full Council	First Draft Budget report
IDP	Municipalities submit draft 2024/2025 IDPs to COGTA	21-28 March 2023	COGTA and Richmond municipality	Proof of submission of draft reviewed IDP
SDBIP	Municipalities submit draft 2024/25 SDBIP to Treasury and CoGTA	20-27 March 2024	Treasury and Richmond Municipality	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

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
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	12 March 2024	District Municipality	Grants Notification report circulated
IDP	Adoption of Draft IDP by Council	Before 29 March 2023	Richmond Municipality	Council Resolution
IDP	Submission of Draft IDPs to COGTA	29 March 2024	Richmond Municipality DCOGTA	Proof of submitting the draft IDP on time to CoGTA
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	10 April 2024	Richmond Municipality	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 2024	S56 Managers / IDP Manager / PMS Manager	Aligned process
Critical milestone (below is working backwards to achieve it)	**Milestone 5: Assessment of Draft 2024/2025 IDPs and self-assessment**	**31 May 2024**	**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	03 April 2024	Richmond Municipality	Circulated self-assessment tool and draft izimbizo contents. Finalize allocated roles for assessments presentations.
IDP	Convening of decentralised IDP Assessment Forums	12 April 2024	COGTA, Municipal Representatives, Sector Departments and State-Owned Enterprises (SOEs)	Attendance and reports
IDP	IDP Assessment Feedback Session based on IDP Assessment Frameworks	09 May 2024	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 2024 (actual dates to be published) (LMs in January 2024-DM to attend)	Richmond Municipality jointly-(Speakers Forum)	Approved and published schedule of dates for Izimbizo
Critical milestone (below is working backwards to achieve it)	**Milestone 6: Adoption and Submission of final 2024/2025 IDPs to CoGTA**	**28 June 2024**	**All Municipalities CoGTA AND ALL**	

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	April 2024	Richmond Municipality	Incorporated comments
IDP	Incorporate comments from the Assessment panel from COGTA	25 May 2024	Richmond Municipality	Response-table
BUDGET	Table Final Draft Budget Approve Final Budget 2024 /2025	17 May 2024 23 May 2024 30 May 2024	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 2024	Richmond Municipality	Response-table
IDP	Update Report on alignment for this Phase to MMs Forum	March 2024 (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 2024	District Municipality	Item: final draft IDP
IDP-OPMS	Adoption of 2024/25 IDP and performance targets by Council	June 2024	District Municipality	Council Resolution
OPMS	Approved Departmental SDBIPs / Scorecards 2023/2024– S53 MFMA	25 June 2024	Mayor /MM (PMS Manager)	Report
OPMS-IDP	Approved Municipal / Organisational Scorecard – S44 MSA	25 June 2024	PMS Manager &MM	Report
OPMS	Performance Reports twice a year – Reg 13 PPMR	Council:22 January 2024 PAC February 2024 and for APR 25 August 2024	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 10 July 2024	Richmond Municipality and COGTA	Copies of adverts and directions
OPMS	Complete Datasheet and submit to CoGTA – S47 MSA	25 August 2024	MM / CFO / S56 Managers / PMS Manager	Portfolio of evidence on submission
OPMS	Draft 2023 / 2024 Annual Performance Report – S46 MSA	25 August 2025	MM / PMS Manager	Report
OPMS	Prepare 2022 / 2023 Performance Working Paper File and submit to AG after necessary approvals	30 August 2024	MM / PMS Manager / Internal Audit	Report
IDP	MEC Panel assesses Reviewed IDPs	July 2024	COGTA-led panel	MEC letters

1.9 PUBLIC PARTICIPATION PROCESS (PPP)

The IDP Public Participation meetings were successfully conducted in all seven wards as part of the IDP Review process and the below table provides the details of the meetings:

Table 6: IDP Izimbizo

Ward	Date	Venue	Time
1	14/11/2023	KwaMagoda Hall	12h00
2	14/11/2023	Siyathuthuka Hall	14h00
3	14/11/2023	Nsongeni Hall	10h00
4	14/11/2023	Argosy Hall	13h00
5	14/11/2023	Shiyampahla PS	12h00
6	14/11/2023	KwaGengeshe Hall	10h00
7	14/11/2023	Ndabikhona PS	14h00

The municipality also established the IDP Steering Committee and the IDP Representative Forum as part of the institutional arrangements and successfully held their inception meetings on the 6 February 2024 and 20 February 2024 respectfully. The meetings assist in achieving collaborative planning and in addressing the received comments from the Honourable MEC of Cooperative Governance and Traditional Affairs and an action plan was formulated in response thereto.

The roadshows for the Draft 2024/2025 IDP/Budget took place in April 2024 in order to allow for the active participation of the communities to inform the adoption process of the Budget and IDP documents.

Although the municipality has taken great strides in the delivery of the community needs identified through the IDP, the held engagements identified further community needs which have been added to the existing project wishlist. The below tables provides a list of some of the new and old community needs that have been recorded from the recent IDP Public Participation Processes:

Table 7: Raised Community Needs through PPP

Ward 1	Operation of Testing Ground	**Ward 5**	**Bridge**
	Shelter for patients at Magoda Mobile Clinic		Access to reliable water source
	Cemetery Sites		Crèche
	Paving Campbell Street leading to Sheti Bridge		Electricity infill project
	Renovation of Agricultural Hall		Community Hall Shiyamphahla
	Water Supply		Housing Project Phase 2
	Electricity supply		
Ward 2	Crime prevention measures	**Ward 6**	Maintenance of access roads (tar and concrete)
	Maintenance of access roads		Road safety guards along high rise areas
	Request for local games for peoples living with disabilities.		Access to reliable water source
	Housing		Lightning conductors
	SMME support		Maintenance of sport field
	Request for ABET facility		Learnership assistance
	Local events to boost local artists		Electrification project
	Issues with maintenance of electricity transformers		
Ward 3	Community Hall	**Ward 7**	Access to reliable water source
	Maintenance of access roads (concrete)		Assistance with functionality TVET College
	Street lights		Community Hall
	Satellite Police Station		Job opportunities

Ward 4	Cemetery Sites		Trading spaces within the CBD
	Community Hall (Plazini Makhofothi)		Electrification project
	Agricultural Support		SMME's support
	Maintenance of sport field		
	Amandosi bridge		

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

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

2.1 PLANNING AND DEVELOPMENT PRINCIPLES

The development of the municipal IDP is guided by adopted development principles that ensures planning and development occurs in sustainable manner with far reaching positive impacts for the benefit of all citizens. Below provides some of the guiding principles:

2.1.1 Spatial Planning and Land Use Management Act (SPLUMA) Development Principles

The Spatial Planning and Land Use Management Act (SLPUMA) is a National Act that provides a framework for spatial planning and land use management for the entire area of the Republic of South Africa and has set national development principles that applies to spatial planning, land development and land use management which principles includes:

a) **<u>The principle of spatial justice</u>** – whereby it facilitates the *redress of past spatial and development imbalances through social and economic inclusion for disadvantaged communities and areas*.
b) **<u>The principle of spatial sustainability</u>** – whereby spatial planning and land use management must *promote development that is environmental, institutional and financially sustainable* for present and future use.
c) **<u>The principle of efficiency</u>** – whereby the use of existing resources and infrastructures are optimised, and decision-making procedures adhere to their timeframes and do not have negative impacts towards finances, social, economic and environment.
d) **<u>The principle of spatial resilience</u>** – whereby flexibility in spatial plans, policies and land use management systems are accommodated to *ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks*.
e) **<u>The principle of good administration</u>** – this entails all spheres of governments' ability to perform administrative functions that are efficient, effective and in line with the norms and standards for the purpose of this act.

2.1.2 Other Planning and Development Principles

There are number of development principles that have been consulted and utilized as guidelines in the municipality for the purposes of planning and development. These principles include but not limited to:

a) Development/investment will only happen in locations that are sustainable and focused on localities of economic growth and/or economic potential (NSDP).
b) 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).
c) Section 12(1) of the Spatial Planning and Land Use Management Act (SPLUMA Act No. 16 of 2013) indicated that national and provincial spheres of government and each municipality must prepare Spatial Development framework that:

d) Interpret and represent Spatial Development vision of the responsible sphere of government and competent authority,
e) Be informed by a long term spatial development vision statement and plan.
f) Development should be within limited resources (financial, institutional and physical).
g) Development must optimise the use of existing resources and infrastructure in a sustainable manner (CRDP, National Strategy on Sustainable Development).
h) Stimulating and reinforce cross boundary linkages.
i) The provision of basic services (water, sanitation, access and energy) to all households (NSDP).
j) Land development procedures must include provisions that accommodate access to secure tenure (CRDP).
k) Prime and unique agricultural land, the environment and areas of significant importance must be protected and land must be safely utilised.
l) 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.
m) 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).
n) During planning processes and subsequent development, the reduction of resource use, as well as the reduction of carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development).
o) Environmentally responsible behaviour must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS).
p) The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS).
q) Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS).

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

Table 8: Planning & Development Principles

POLICY/PLAN	PLANNING AND DEVELOPMENT PRINCIPLES	APPLICATION OF PRINCIPLES
NDP **SPLUMA**	Development/investment must only happen in locations that are sustainable and focused on localities of economic growth and/or economic potential.	The capital investment plan directs where massive expansion of transport, energy, water, communications capacity and housing should be planned and developed. The SDF and LED also indicate areas with economic development potential.
NDP	Basic services (water, sanitation, access and energy) must be provided to all households .	The IDP and SDF investigated issues of access to basic services in the municipality and identified and quantified the need for such basic services in relation to the geographic locations.
CRDP	Development should be within limited resources (financial, institutional and physical) and must optimize the use of existing resources and infrastructure in a sustainable manner. There must also be the stimulation and reinforcement of cross boundary linkage.	The IDP and 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. Both documents also provides 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 IDP and SDF highlights areas of poverty and directs investment at key nodes in order to improve quality of life through service delivery. The documents 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 Housing Sector Plan advocates for the provision of equal access to housing in order ensure access to security of tenure. The SDF identified environmentally sensitive areas for preservation and conservation.
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 reduction of carbon intensity of the economy must be promoted.	The municipality has filled the posts of Environmental Management Officers (Waste and Planning Sections) who will be instrumental in the overall environmental management processes.
KZN PGDS	Environmentally responsible behaviour must be promoted through incentives.	The SDF identified environmentally sensitive areas for preservation and conservation.
KZN PGDS	The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency	Through the adopted municipal vision, 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. The vision of developing a Smart Town will effectively address the principle of self-sufficiency.
KZN PDGS	Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities	Development applications and municipal plan are encouraged to make available additional capacities of basic services to support the existing and future needs.

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.

Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

The South African Municipal Systems Act, 2000 (Act No. 32 of 2000), provides a legal framework for municipalities to govern effectively, democratically, and accountably. Its main mandates for municipalities include:

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.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are a set of 17 interconnected global goals adopted by the United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. The adoption of the SDGs marked the culmination of a lengthy and inclusive negotiation process that involved governments, international organizations, civil society, and other stakeholders. These goals are designed to address the most pressing social, economic, and environmental challenges facing the world. Each goal has specific targets to be achieved by 2030. The 17 SDGs are listed in table 6 including a column showing how the Municipality's IDP is aligned to the goals.

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

Table 9: Sustainable Development Goals & Municipal Responsibility

GOAL NO.	SUSTAINABLE DEVELOPMENT GOAL	RLM'S RESPONSIBILITY
1	No Poverty	Ensure economic growth and development, creation employment opportunities through business development, and support of SMMEs and entrepreneurs.
2	Less hunger	Promote and support agriculture and agricultural programmes i.e. 1ha 1garden initiative.
3	Good Health And Wellbeing	Improved access to healthcare services, and promote well-being within communities through heath awareness campaigns
4	Quality Education	Ensure access to quality educational opportunities, and promote lifelong learning within the communities. Investment in

GOAL NO.	SUSTAINABLE DEVELOPMENT GOAL	RLM'S RESPONSIBILITY
		educational infrastructure, including schools, classrooms, libraries, and computer labs
5	Gender Equality	Promote gender equality, eliminate discrimination and gender violence. Empower women to participate fully in all aspects of society and ensure equity in municipal processes
6	Clean Water and Sanitation	Prioritize water and sanitation infrastructure development, improve access to clean water and sanitation services, and promote sustainable water management practices.
7	Affordable and Clean Energy	Ensure access to affordable, reliable, and sustainable energy through the promotion of renewable energy sources and improve energy efficiency.
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.

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.

RLM Response: The Richmond Municipality plays a crucial role in driving local development and service delivery to ensure its alignment with the priorities of the NDP. Through the implementation of the LED Strategy the municipality is actively supporting local businesses, and creating a conducive environment for attracting investment as well as for entrepreneurship. The municipality is constantly improving on service delivery and ensuring that the most vulnerable communities are prioritised.

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 10: National Outcomes & Municipal Interventions

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.

NATIONAL OUTCOME	MUNICIPAL INTERVENTION
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.

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".

The municipality ensures the integration of environmental considerations into planning, decision-making, and implementation processes across various sectors, such as land use planning, infrastructure development, and service delivery. For major projects or activities that may have significant environmental implications the municipality ensures Compliance with NEMA's Environmental Impact Assessment (EIA) process.

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.

Provincial Growth and Development Strategy

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.

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.

Cabinet Lekgotla

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.

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.

State of the Nation Address 2024

On the 08 February 2024, 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. President Cyril Ramaphosa's State of the Nation Address highlighted the progress and challenges faced by South Africa as the country marks 30 years of democracy. The speech focused on key policy objectives and deliverables for the year ahead, emphasizing the following points:

a) **Economic Growth and Job Creation**: Efforts to grow the economy, create jobs, and reduce poverty through measures like ending load shedding, supporting small businesses, and leveraging the African Continental Free Trade Area.
b) **Law Enforcement and Governance**: Strengthening law enforcement institutions, tackling corruption, addressing gender-based violence, and ensuring accountability in public service.
c) **Inclusive Economy and Empowerment**: Empowering black and women South Africans, advancing workers' rights, intensifying land reform, and promoting a just energy transition.
d) **Healthcare and Social Services**: Incrementally implementing the National Health Insurance, providing essential services like housing, healthcare, and education, and improving access to clean drinking water.
e) **Infrastructure and Service Delivery**: Addressing challenges in local government governance, enhancing infrastructure development, and improving service delivery through initiatives like the District Development Model.
f) **Crime Prevention and Public Safety**: Equipping law enforcement agencies, recruiting police officers, and ensuring public safety for all South Africans.

30 Years of Democracy: Reflecting on the achievements and challenges faced in the 30 years since the first democratic election in

1994, emphasizing the importance of collaboration and partnership to address pressing issues

President Ramaphosa also discussed the government's efforts to combat state capture, corruption, and climate change, as well as initiatives to address youth unemployment, economic growth, and empowerment. The speech highlighted the government's commitment to building a more inclusive, prosperous, and safe South Africa through effective governance, strategic planning, and collaborative partnerships

RLM's response: As a local government the municipality is committed to supporting local economic development initiatives that align with national priorities, such as promoting small businesses and facilitating access to markets. The municipality is continuously collaborating and partnering with various stakeholders, including other municipalities, provincial and national governments, civil society organizations, and the private sector, to address pressing issues and achieve common goals outlined in the State of the Nation Address. This collaborative approach is essential for effective governance and strategic planning to build a more inclusive, prosperous, and safe South Africa

State of the Kwa-Zulu Natal 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 28 February 2024. The Premier aligned her address with the strategic direction provided by the country's State of the Nation Address which focuses of the following eight (8) priorities:

- ✓ Basic Services
- ✓ Job Creation
- ✓ Growing the Economy
- ✓ Growing SMMEs and Cooperative
- ✓ Education and Skills Development
- ✓ Human Settlement and Sustainable Livelihood
- ✓ Build a Peaceful Province
- ✓ 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

RLM's: To ensures coherence and synergy between the municipal and provincial development agendas the municipality aligns its goals, strategies, and actions with the o objectives of the province. It prioritizes resource allocation to initiatives that directly contribute to provincial priorities including the reallocating of budgets and seeking additional funding from provincial government grants and programmes earmarked for specific priority areas.

The municipality is actively implementing provincial government programmes and initiatives related to basic services, job creation, economic growth, SMMEs, education, human settlement, peacebuilding, and governance. This involve coordinating service delivery, facilitating access to resources, and monitoring programme outcomes.

Back to Basics

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

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

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.

The District Development Model (DDM) promotes a coordinated and integrated approach to planning, implementation, and monitoring of government programmes and projects at the district level. It brings together various government departments, spheres of government (national, provincial, and local), and other stakeholders to collaborate on shared development goals. It seeks to align resources, budgets, and investments across different government departments and spheres to maximize impact and efficiency in service delivery and development initiatives

District Development Model

The DDM emphasizes local empowerment and community participation in decision-making processes, ensuring that development initiatives are responsive to the needs and priorities of local communities. It includes mechanisms for monitoring and evaluating the implementation of development projects and programs, as well as tracking progress towards achieving key development indicators and targets at the district level.

The District Development Model encompasses a wide range of projects and initiatives aimed at driving holistic and sustainable development at the district level, with a focus on improving the lives of all citizens and fostering inclusive growth. Common types of projects that may be included in the DDM framework include**:**

1. **Infrastructure Development:** These are projects related to the construction or upgrading of roads, bridges, water supply systems, sanitation facilities, housing, schools, healthcare facilities, and other essential infrastructure to improve living conditions and stimulate economic activity.
2. **Economic Development Initiatives:** Projects aimed at promoting economic growth, job creation, and entrepreneurship within the district. This may involve initiatives such as supporting small and medium enterprises (SMMEs), providing skills development and training programs, and facilitating investment in key sectors.
3. **Social Development Programs**: Projects focused on addressing social challenges and improving the well-being of communities, including initiatives related to education, healthcare, social welfare, youth development, and gender equality.
4. **Environmental Sustainability**: Projects aimed at promoting environmental conservation, sustainability, and resilience to climate change. This may involve initiatives such as renewable energy projects, waste management programs, biodiversity conservation efforts, and sustainable land use planning.
5. **Community Infrastructure and Services:** Projects aimed at improving the quality of life for residents through the provision of community facilities and services, such as recreational facilities, libraries, community centres, sports fields, and cultural amenities

RLM's Response:

The District Development Model is benchmark for the UMDM 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.

UMDM 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).

UMDM EMF

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.

Richmond Precinct Plan

Richmond has developed a precinct plan following 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 IMPLICATION FOR RICHMOND MUNICIPAL'S 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 DEMOGRAPHIC CHARACTERISTICS

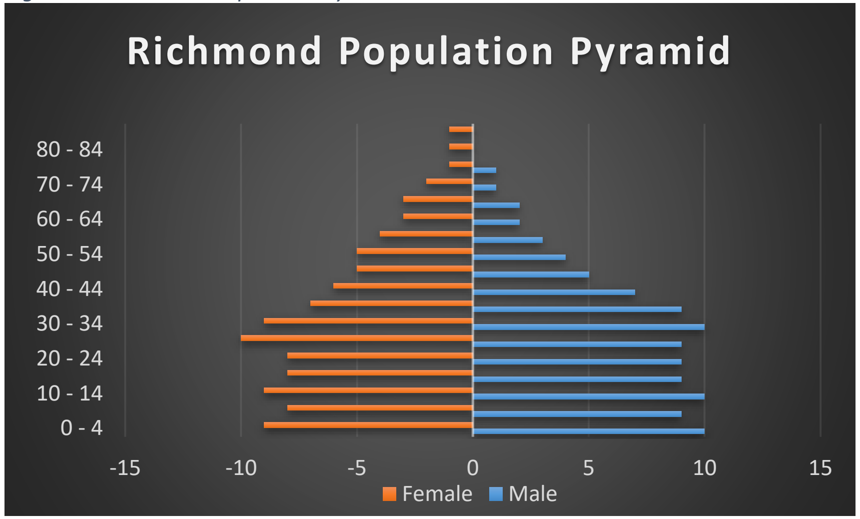
It is imperative to understand the demographic characteristics of a study area/area of jurisdiction in which planning and economic development is anticipated. Information on the demographic composition provides an insight on the characteristics of the communities/recipients of services, which informs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

3.1.1 Population Structure, Age and Gender

Data from Statistics South Africa previously indicated that the population of Richmond Municipality experienced a steady growth rate from 1996 to 2011 (a 1.2% growth rate was recorded between the years 1996 and 2001, a 3.6% growth rate was recorded between the years 2001 and 2011), however the recently published Census 2022 data reveals the opposite, where a negative growth rate of -4.2% (which amounts to 2 786 less people) was recorded between the years 2011 to 2022. This is alarming as such data indicates that the decline of -4.2% over the 10years period (between 2011 to 2022) was almost the same as the growth rate of 4.8% experienced over the 15years period (from 1996 to 2011). Although the latest StatsSA Data has not been fully released for us to investigate further on the causes of decline, we can speculate that it may be a direct result of migration for educational purposes and better economic opportunities.

The population structure of the Richmond Municipality comprises of a youthful population, where a larger proportion of the population is younger than 35 years.

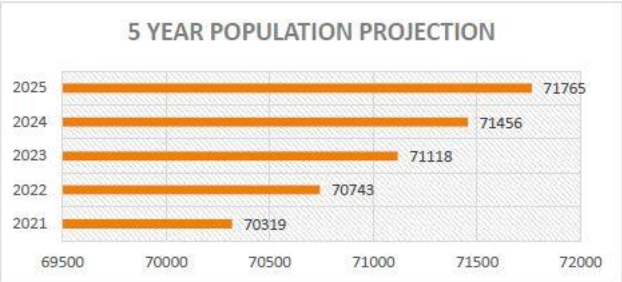
Figure 6: Richmond's Population Pyramid



Source: Census 2022

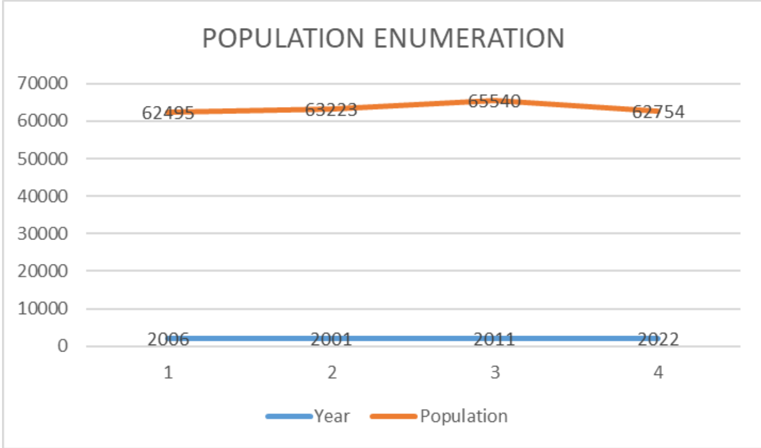
The above figure further indicates that the population of the Richmond Municipality has more males at the lower ages, however such changes from the ages of 35years and older, where more females are recorded. Below is an estimated population growth.

Figure 7: 5year Population Projections



The above was estimated in recent years, however with the statistical data being available from StatsSA, the below provides an illustration of the growth rate over the years of the undertaken surveys:

Figure 8: Population Growth



Source: StatsSA Census 2022

The impacts of the COVID-19 pandemic had wide-ranging effects on populations worldwide, including South Africa. Measures such as lockdowns, travel restrictions, and social distancing may have influenced migration patterns, with some people choosing to move out of urban areas to rural areas or returning to their hometowns.

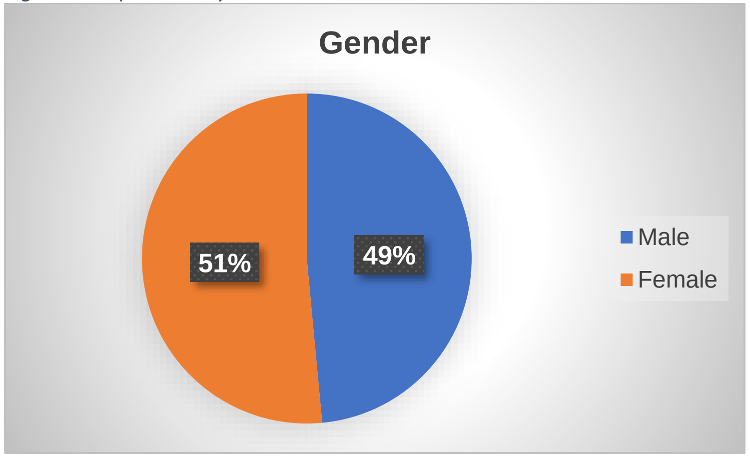
Economic impacts of the pandemic, such as job losses, reduced income, and business closures, could have affected people's ability to afford housing and to live in areas such as Richmond, leading to outmigration. Additionally, COVID-19-related deaths may have contributed to a decline in population growth by reducing the population size.

The looting incidents in South Africa in July 2021, particularly in KwaZulu-Natal, resulted in disruptions to businesses, infrastructure, and supply chains. This could have had economic repercussions for Richmond and the surrounding areas, potentially leading to job losses, closures of businesses, and reduced economic opportunities.

The unrest and insecurity caused by the looting may have also prompted some residents to consider moving out of the area, particularly if they felt unsafe or if their livelihoods were impacted.

The composition of the Richmond Municipal's population is no different to that of the Province and National, where the dominant gender is females accounting for 51% of the total population and is reflected on the below figure.

Figure 9: Population by Gender



Source: StatsSA Census 2022

3.1.2 Fertility, Mortality and Life Expectancy

Population sizes are determined by various factors which includes the rate of births, death rate and the years that one is expected to live as guided by general information. Below provides data sourced from StatsSA Census datasets and the 2016 Community Surveys on fertility and mortality rates within the municipality:

Table 11: Fertility Rate

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

Source: StatsSA Community Survey 2016

Table 12: Mortality 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 Community Survey 2016

3.1.3 Migration

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. The below provides data sourced from the 2016 community survey relating to migration:

Figure 10: Main Reason for Migrating

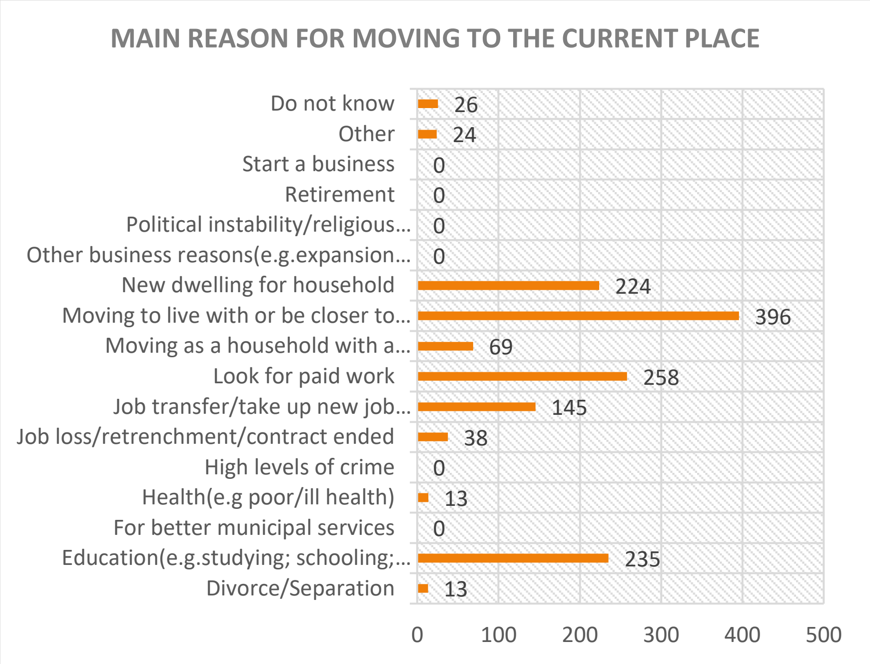
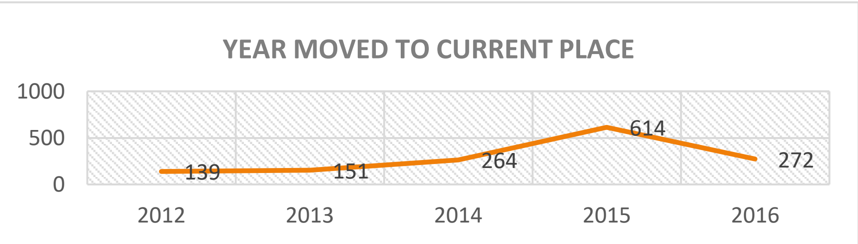


Figure 11: Year Migrated to Current Place



3.1.4 Demographic Dividend

The most simply term for demographic dividends is the growth in an economy as a direct result of a change in the age structure (working age group 15 to 64 years) of an area. The larger the working age group coupled with the availability of economic opportunities leads to an increase of the economy.

The age structure of the Richmond Municipality comprises of 34% people considered to be at the young ages, while 62% are classified as the working age and a mere 4% is regarded as the elderly. The Richmond Municipal's population is youthful and emphasis must be made on policies that support investment of human capital, especial the youth in order for the municipality to be in a position of boosting its economy.

The Richmond Municipality acknowledges the need to capacitate the youth and the creation of economic opportunities and as such the municipality commits to the following initiatives in order to take advantages of the demographic dividend:

- ✓ Encouraging education through the provision of adequate educational facilities and education student support,
- ✓ Capacitating the youth through skills development and training programmes,
- ✓ Foster active participation of the youth in government prgrammes,
- ✓ Identification of development areas and providing the necessary policies to attract investment,
- ✓ Ensure the effective implementation of the EPWP programme and various government initiatives aimed at skills development,
- ✓ Implement the policy for youth representation in municipal projects, and
- ✓ Budget for youth development programmes.

3.1.5 Socio-economic Summary

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 a 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.

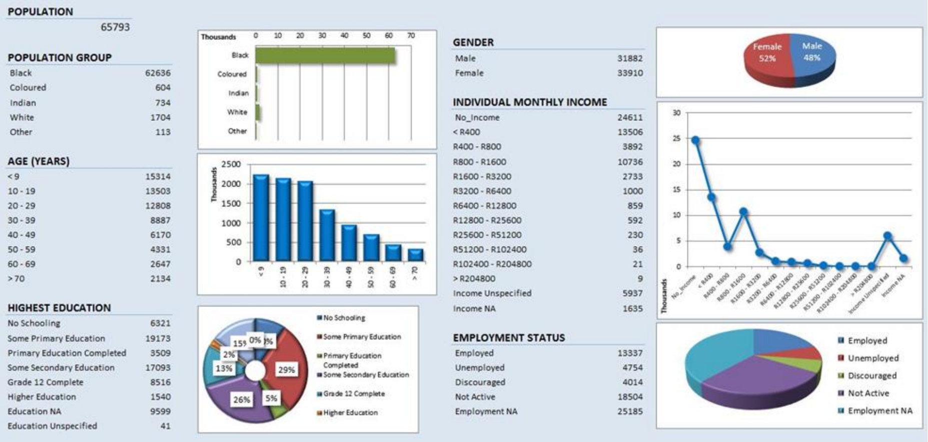


Figure 12: Summary of Municipal Socio-economic Status

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.

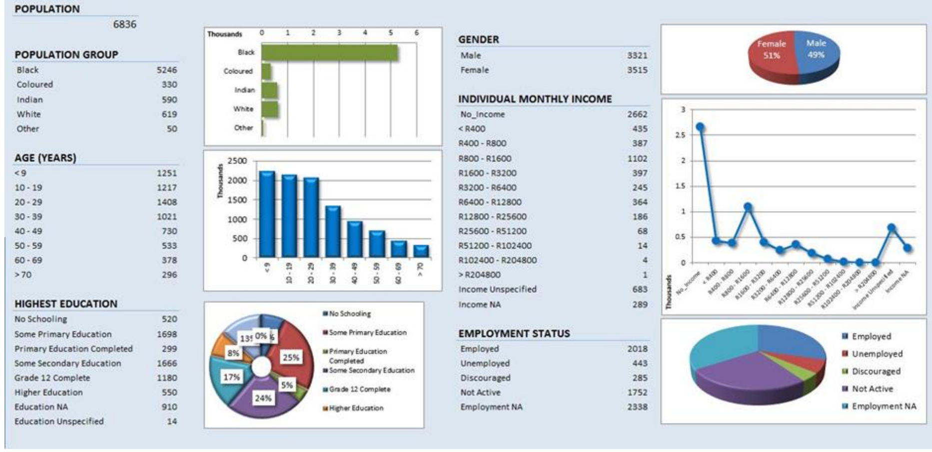


Figure 13: Ward 1 Socio-economic Summary

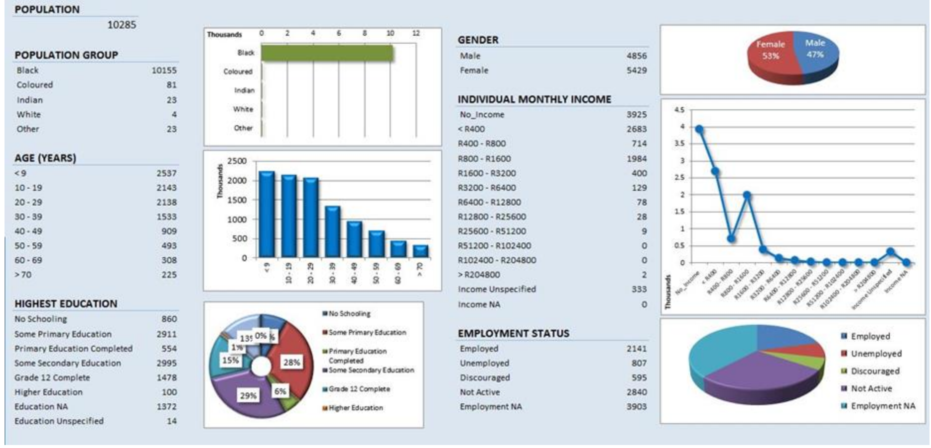
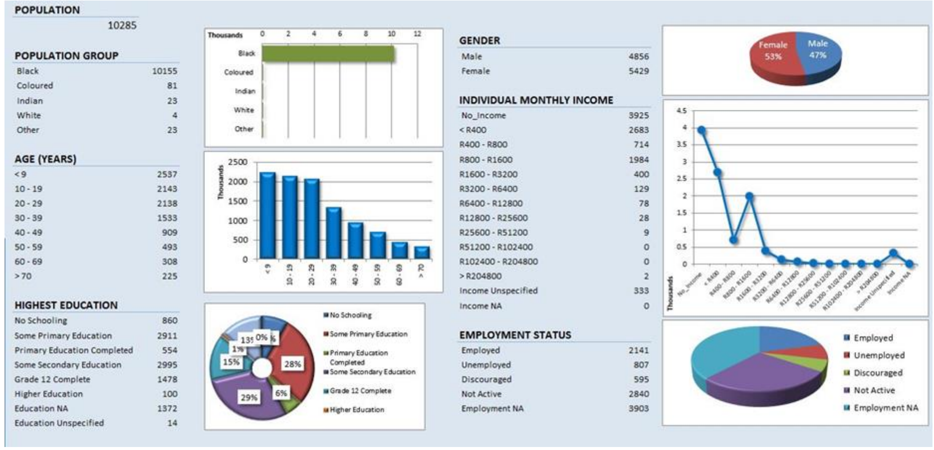


Figure 14: Ward 2 Socio-economic Summary

Figure 15: Ward 3 Socio-economic Summary



POPULATION	
	10285

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

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

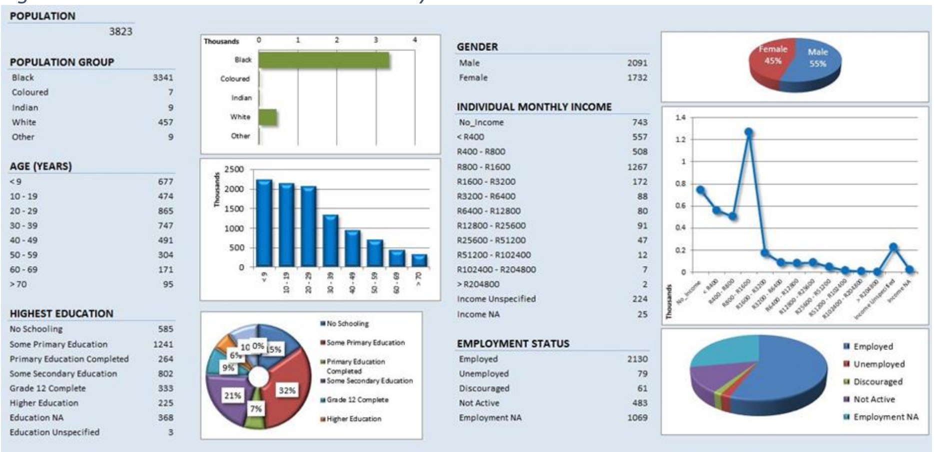
HIGHEST EDUCATION	
No Schooling	860
Some Primary Education	2911
Primary Education Completed	554
Some Secondary Education	2995
Grade 12 Complete	1478
Higher Education	100
Education NA	1372
Education Unspecified	14

GENDER	
Male	4856
Female	5429

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

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

Figure 16: Ward 4 Socio-economic Summary



POPULATION	
	3823

POPULATION GROUP	
Black	3341
Coloured	7
Indian	9
White	457
Other	9

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

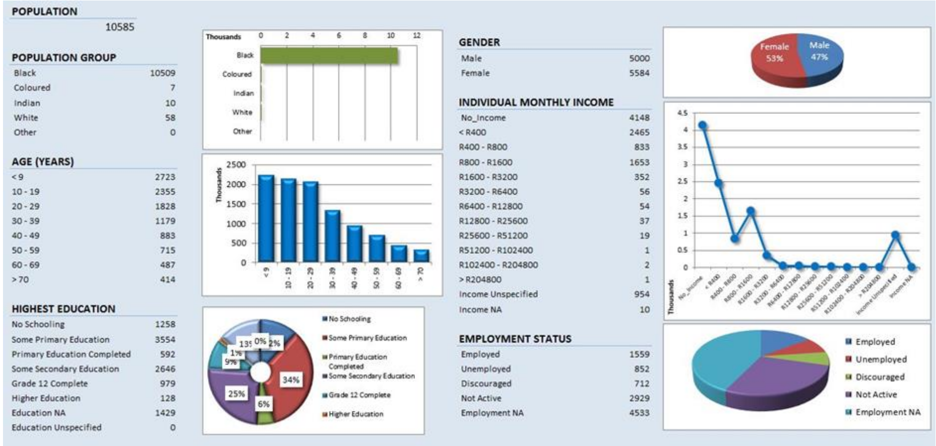
HIGHEST EDUCATION	
No Schooling	585
Some Primary Education	1241
Primary Education Completed	264
Some Secondary Education	802
Grade 12 Complete	333
Higher Education	225
Education NA	368
Education Unspecified	3

GENDER	
Male	2091
Female	1732

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

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

Figure 17: Ward 5 Socio-economic Summary



POPULATION	
	10585

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

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

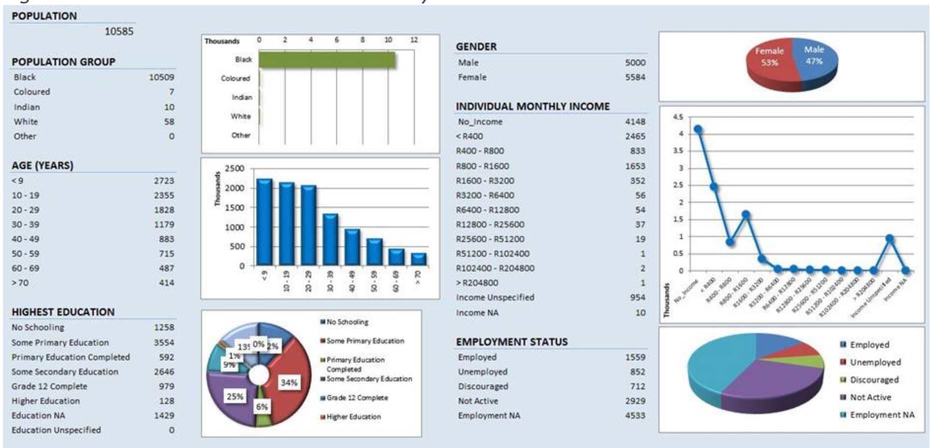
HIGHEST EDUCATION	
No Schooling	1258
Some Primary Education	3554
Primary Education Completed	592
Some Secondary Education	2646
Grade 12 Complete	979
Higher Education	128
Education NA	1429
Education Unspecified	0

GENDER	
Male	5000
Female	5584

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

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

Figure 18: Ward 6 Socio-economic Summary



POPULATION	
	10585

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

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

HIGHEST EDUCATION	
No Schooling	1258
Some Primary Education	3554
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Higher Education	128
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GENDER	
Male	5000
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INDIVIDUAL MONTHLY INCOME	
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R800 - R1600	1653
R1600 - R3200	352
R3200 - R6400	56
R6400 - R12800	54
R12800 - R25600	37
R25600 - R51200	19
R51200 - R102400	1
R102400 - R204800	2
> R204800	1
Income Unspecified	954
Income NA	10

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

Figure 19: Ward 7 Socio-economic Summary

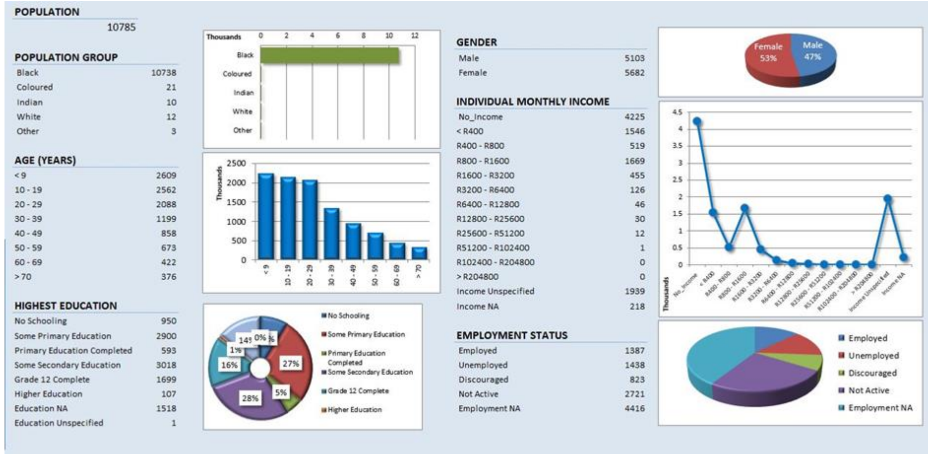
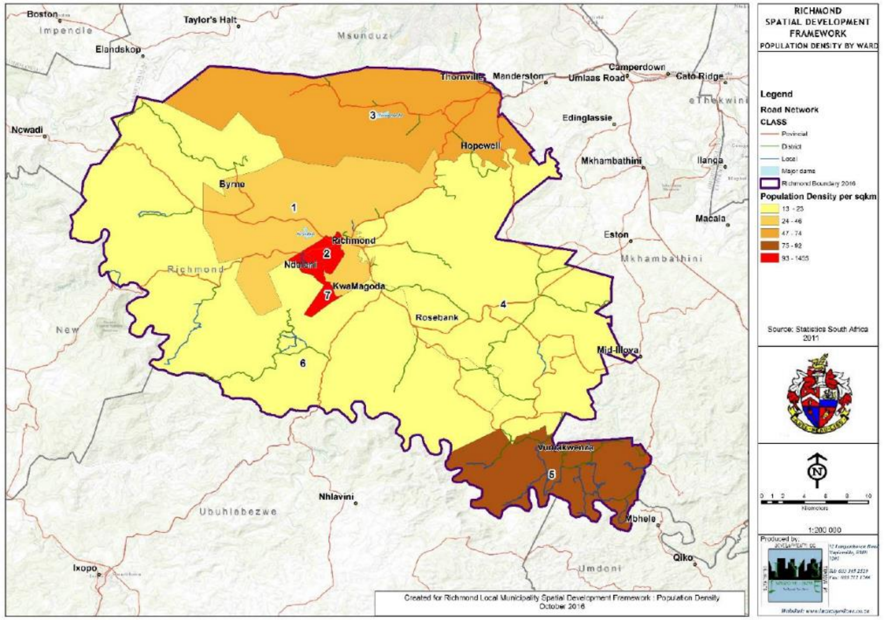


Figure 20: Population Density



The above map provides a spatial representation of the population density found within the municipal area, which one could predict that the areas close to the Richmond Town (primary node) would present the highest densities. Interested to note that ward 5 and 3 also exhibits higher density, while other ward has fair population spread as a result of their characteristics i.e. rural nature, steep terrains, etc.

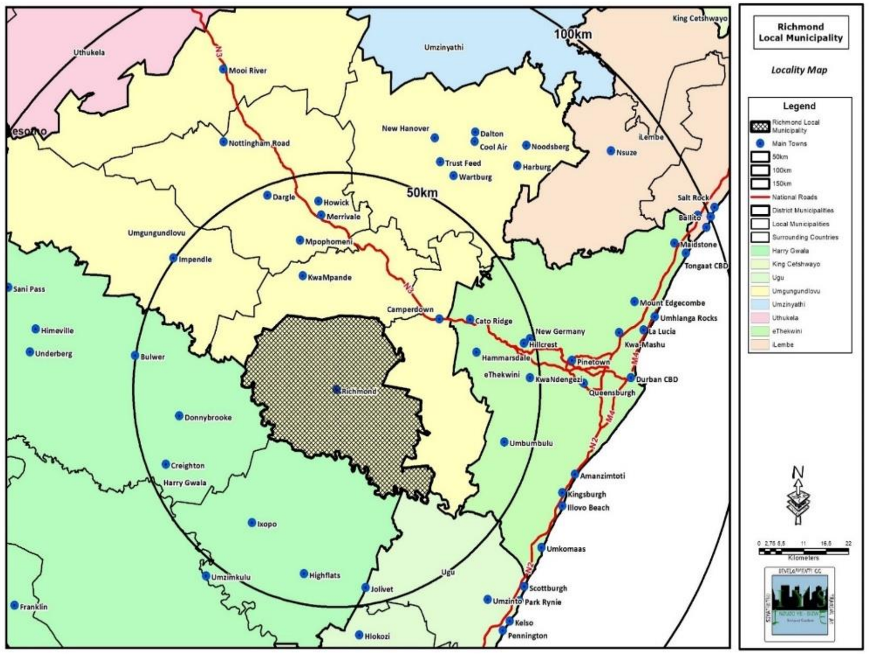
3.2 CROSS CUTTING ISSUES

3.2.1 Spatial Context

3.2.1.1 Location

The Richmond Municipality has a direct access to the R56, a regional route leading to N3 for access to Gauteng Province, and is located within a 35km radius from the Capital City of the KwaZulu-Natal Province (Pietermaritzburg). Pietermaritzburg is the main urban centre of the uMgungundlovu District Municipality and is a key economic driver for the region. Richmond Municipality is also located within a 45km radius to the Ixopo town, which is one of the main service centres of Harry Gwala District, and is less than 100km to Durban. Interesting to also note is that the town of uMzimkhulu is 78km away from Richmond town, which creates for ease of trade of agricultural produce. The R56 is a strategic route which connects to the Eastern Cape Province. In summary, the Richmond Municipality is located within a fair proximate to the Midlands Meander and is advantageous to the trading opportunities for the area especially if the area capitalizes on being an agricultural hub within the regional context.

Figure 21: Locality Map



The majority of the population resides in the predominantly rural areas. The main economic activity is located within the Richmond town, which is the only urban centre of the municipality. The influx of population as a result of migration for economic purposes has led to the development of two informal settlements namely Bhongoza and Mshayazafe informal settlements. It is assumed that migrants have taken up residence due to the close proximity to the economic hub and better access to the commercial agriculture farms that offer employment opportunities for general labour.

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

3.2.1.2 Administrative Entities

The Richmond Municipality is a Category B Municipality, which forms part of family of local municipalities that make up the uMgungundlovu District Municipality (Category C Municipality). The administrative entities that govern the municipality includes Ward Councillors who work closely with the respective Traditional Authorities. There are seven (7) Wards and three (3) Traditional Authority Areas namely:

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

The below map provides an illustration of the traditional areas boundaries and the approved ward demarcation approved by the Demarcations board. Evidence from the below maps are the overlapping boundaries of the two entities (Ward 2, 3, 5, 6 and 7), which suggests that the respective ward Councillor's are required to have good working relations with the traditional authorities for efficient implementation of service delivery projects.

Figure 22: Traditional Areas

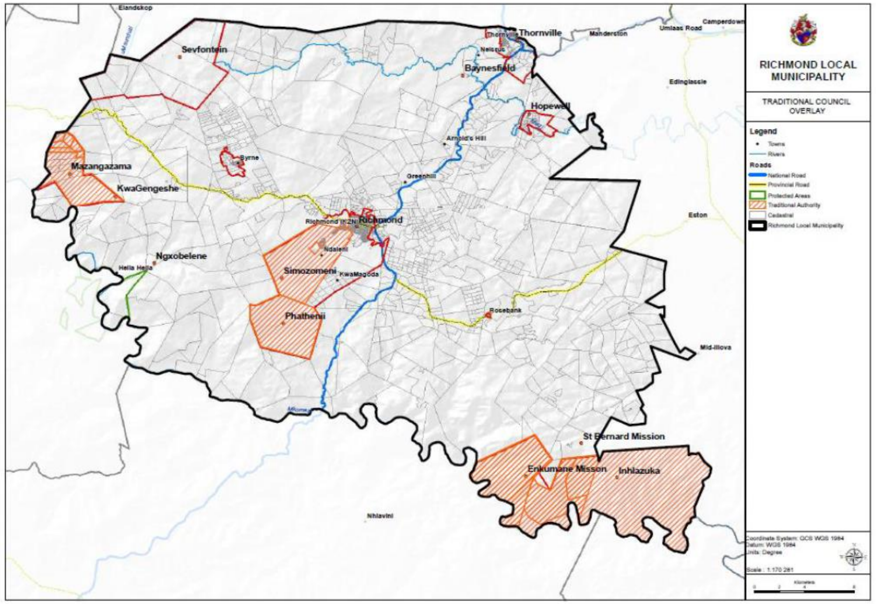
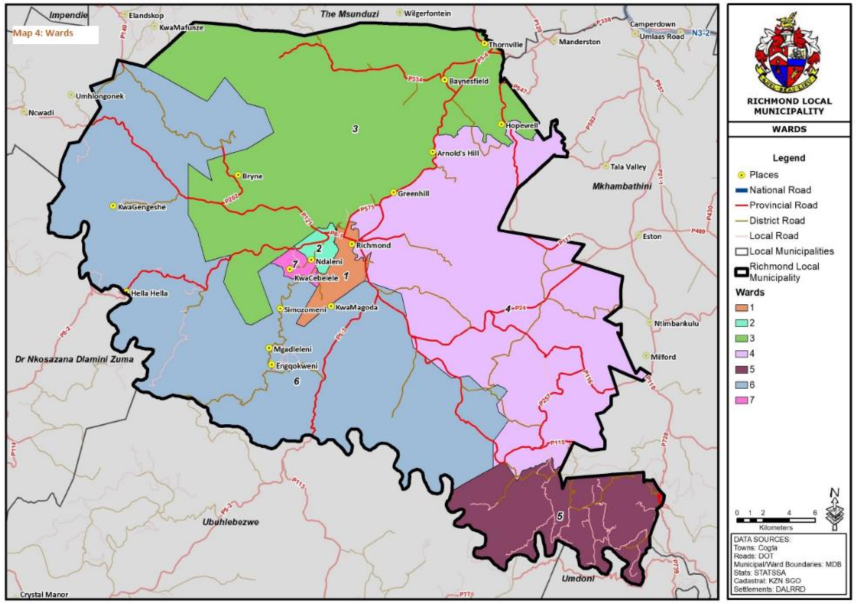


Figure 23: Ward Boundaries



3.2.1.3 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. The 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 to 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.

3.2.1.4 Existing Nodes and Corridors

The 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.

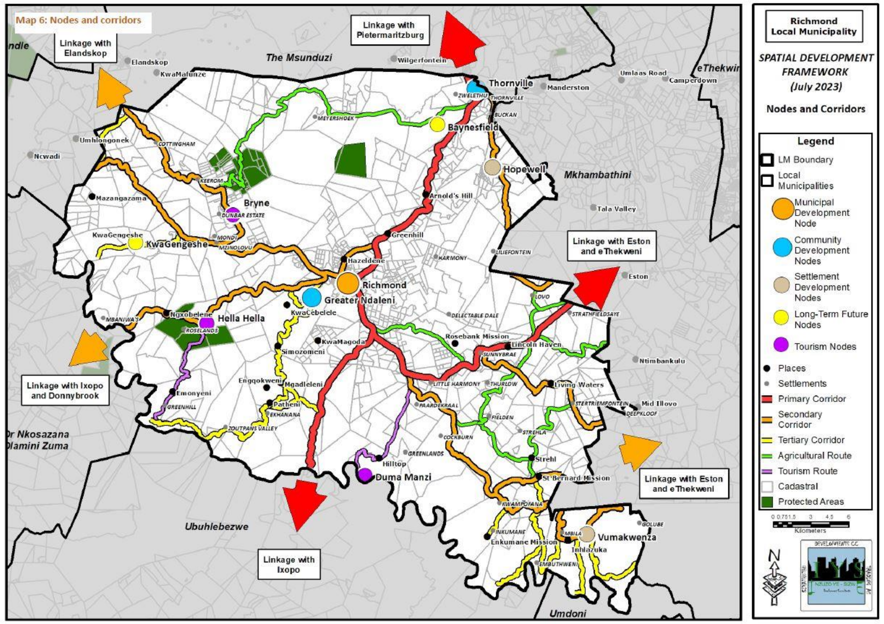
Settlement Development Node – Hopewell, Greater Ndaleni and Nhlazuka are the notable peri-urban and densely populated rural settlement within Richmond Municipality. The Settlement Development Nodes would locate a settlement or cluster of settlements. The services that these provide are limited to the 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 needs 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 24: Nodes and Corridors



The 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. The 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.

The 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.

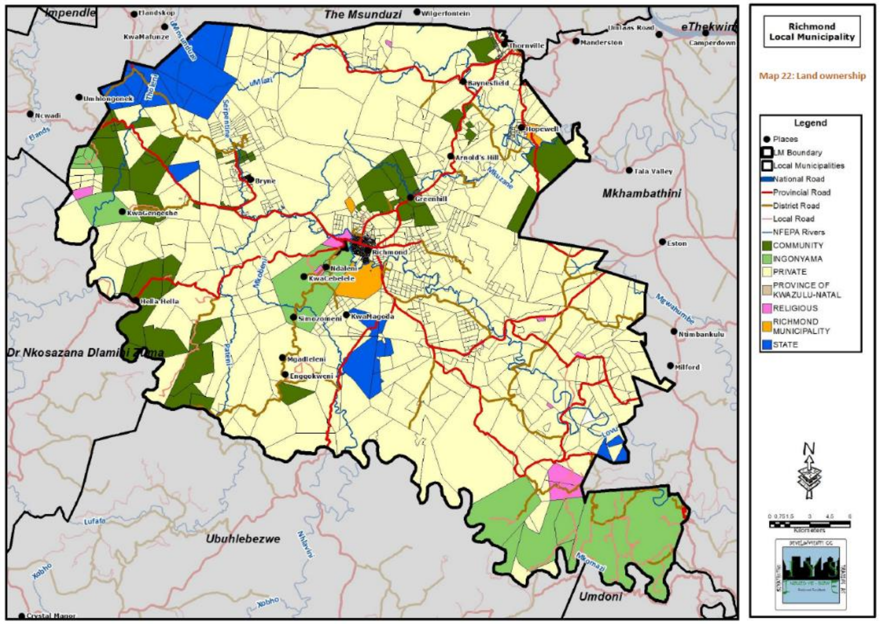
The P115 to D158 and D2106 provide access to the tertiary node of Nhlazuka. This corridor also links Richmond rural community to Mkhambathini rural community. The scenery in this route blends itself to unlimited nature and culture-based tourism, and same applies to the P8-1 route to Hella-Hella passing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

3.2.1.5 Land Ownership

The land ownership status within the Richmond Municipal area is diverse, but the dominant holder of land is private ownership. This implies that the majority of the properties are owned by individuals and/or companies. In order to access such land for any economic, social, and infrastructural initiative, the government must work with private individuals to purchase the land or be willing to explore Public-Private Partnership Agreements on economic development.

The majority of the under the ownership of government is educational facilities and other government 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.

Figure 25: Land Ownership

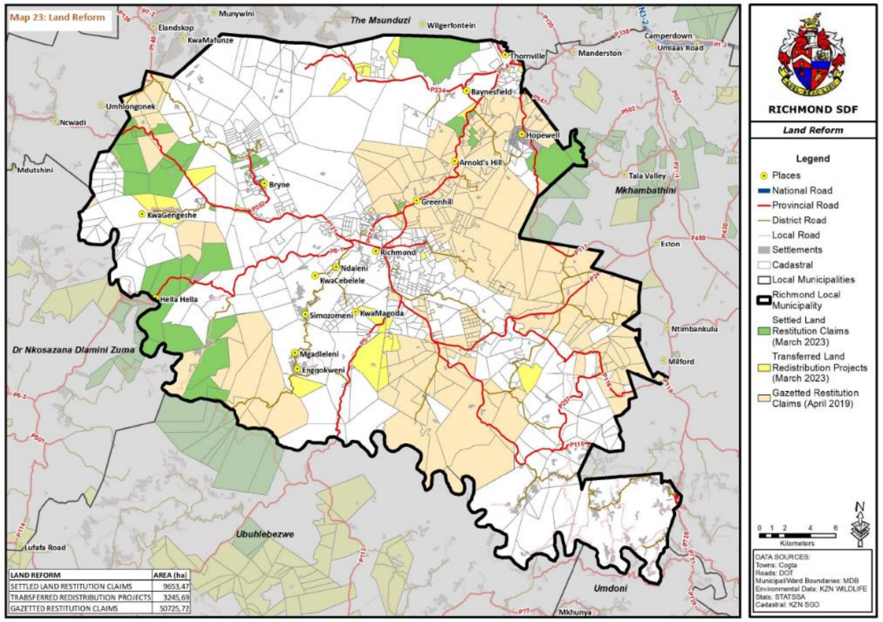


3.2.1.6 Land Reform

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 the Department of Land Affairs. 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 the Richmond Municipality.

Figure 26: Land Reform



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.

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

Table 13: Land Claims 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.

3.2.1.7 Private Sector Development

There has been minimal private development within the Richmond Municipality over the past financial year. However, there have been development application submitted to the municipality for the purposes of developing various commercial activities within the Richmond town. The prominent developments that were implemented successfully are the Spar and Boxer Shopping Centres, which provides access to various known commercial outlets. The development of Anderson Service Station is also a prominent development as it opens opportunities for further developments along the R56, aligning to municipal's concept envisaged by the municipality of expanding developing of the Richmond town toward and along the R56.

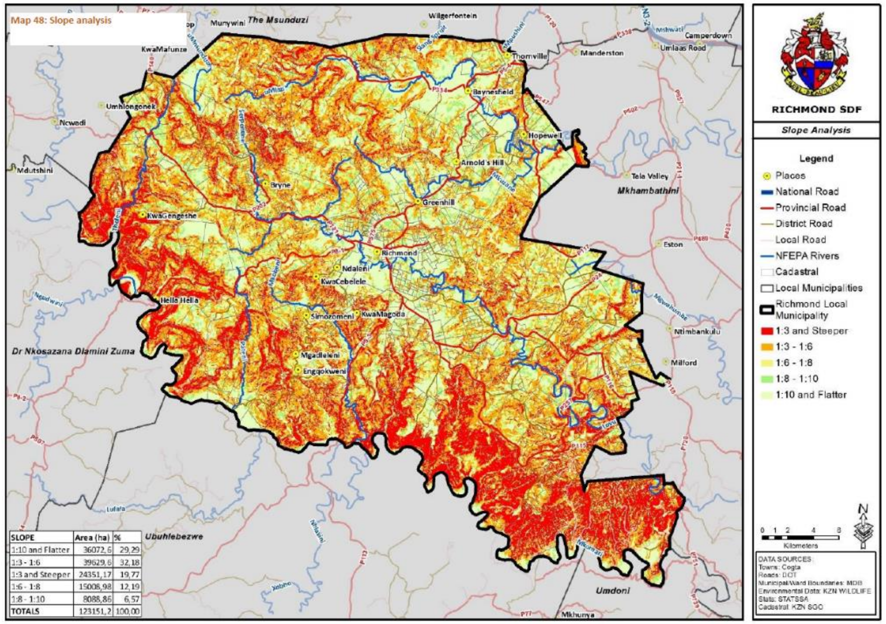
3.2.2 Environmental Assessment

The Richmond Municipality has filled the post of an Environmental Officer under the Planning and Development Unit and will be assisting the municipality in ensuring the issues pertaining to environmental planning and management are aligned with the provisions of NEMA. The Officer will also ensure the implementation of the recommendations from the Strategic Environmental Assessment, the review of such and the enforcement along with community awareness, to name a few of the responsibilities of the office.

3.2.2.1 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 as depicted on the below map. 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.

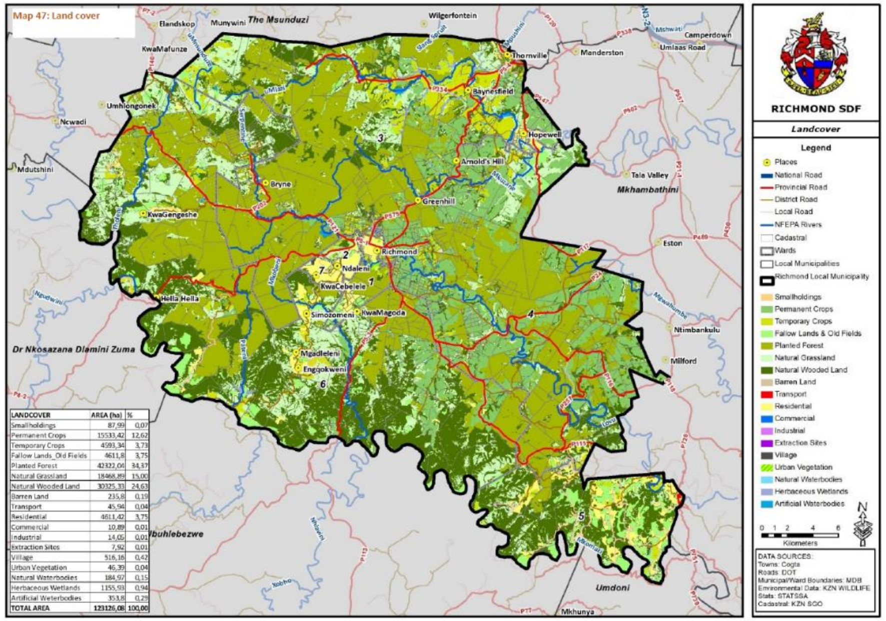
Figure 27: Slope Analysis



3.2.2.2 Land Cover

The 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. The below map depicts the various land cover categories, as explain above, that are found within the Richmond Municipality.

Figure 28: Land Cover Categories



3.2.2.3 Freshwater Biodiversity

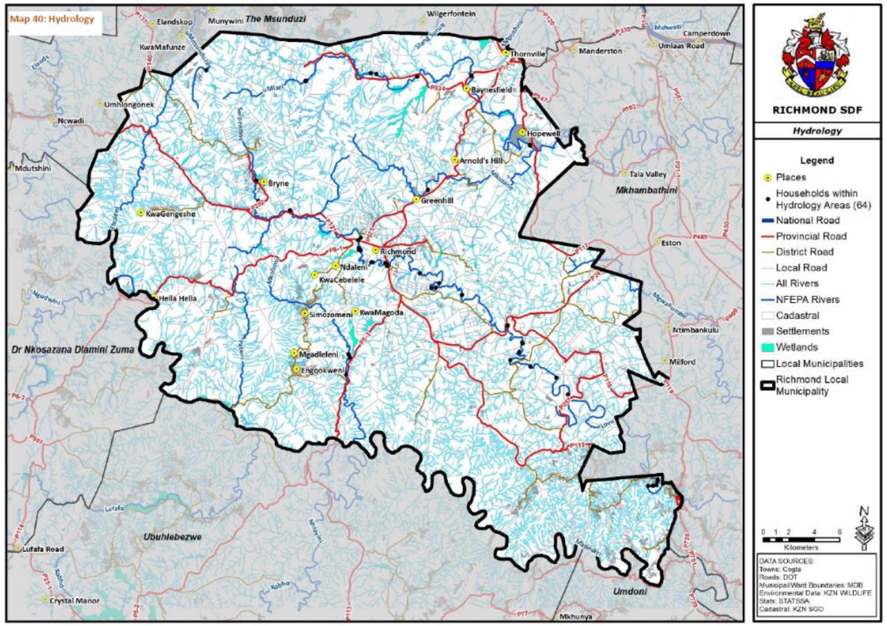
Rivers are the lowest point in the landscape, and often the receiver of cumulative impacts from throughout the landscape. Many pressures on river ecosystems interact and exacerbate each other, including alteration of flow, pollution, destruction of riverbanks and alien invasive species. Because rivers are linear ecosystems and are impacted on by land uses and activities throughout their catchments, protected areas alone will seldom do the full job of protecting river ecosystems. For all rivers, good land use practices such as keeping natural vegetation intact along riverbanks can make a vital difference to their ecological integrity.

The municipality is strategically located within catchment areas of major rivers that flow from the Drakensburg Mountains. These major river systems include three rivers that traverse the municipality namely:

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

These rivers 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. The below map depicts the river systems found within the municipality as part of the freshwater biodiversity:

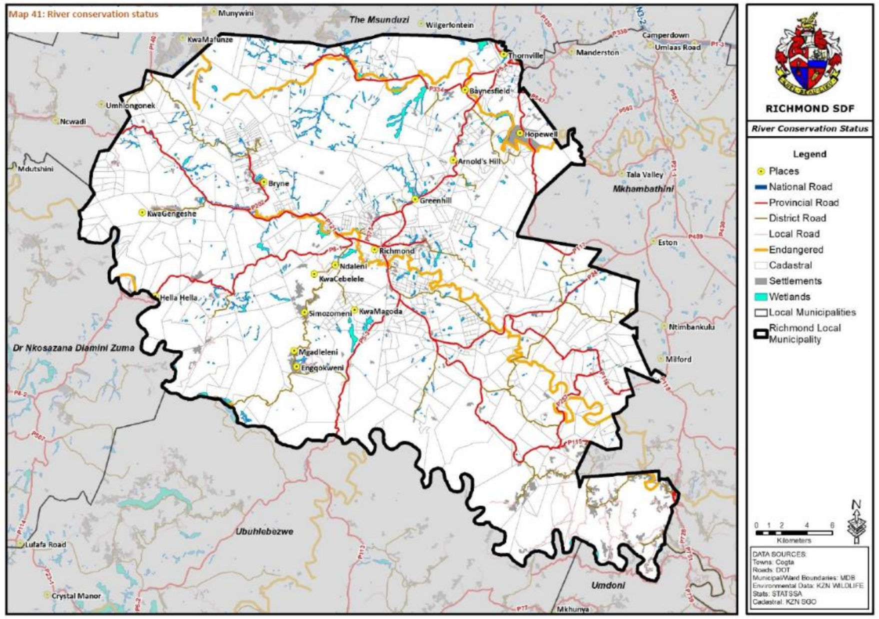
Figure 29: River Systems



As depicted on the above map, a total of 64 households are located within close proximity to the hydrological features. This is important to note in order to 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 30: River Conservation Status

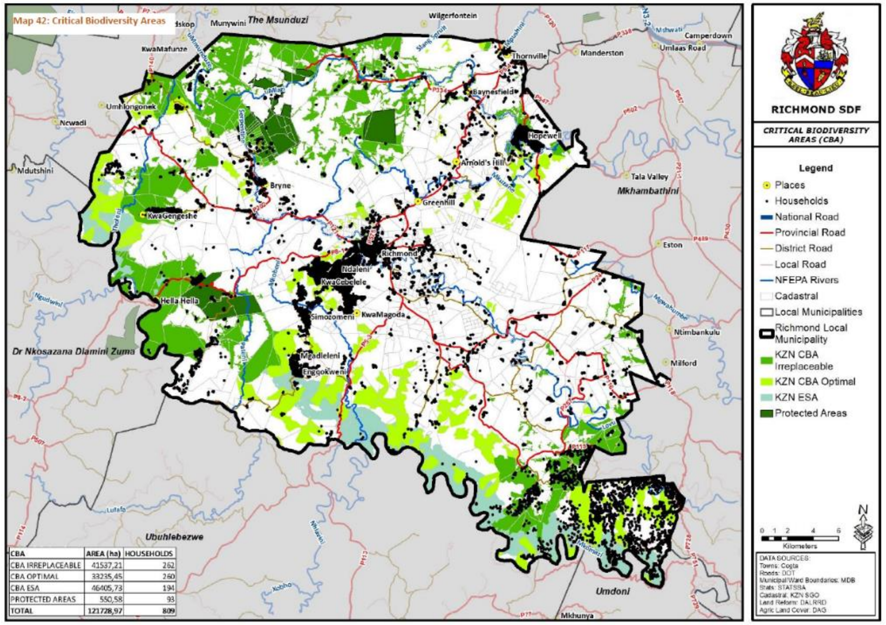


3.2.2.4 Terrestrial Biodiversity

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 31: Critical Biodiversity Areas



CBA	AREA (ha)	HOUSEHOLDS
CBA IRREPLACEABLE	41537,21	262
CBA OPTIMAL	33235,45	260
CBA ESA	46405,73	194
PROTECTED AREAS	550,58	93
TOTAL	121728,97	809

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 alternatives 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:

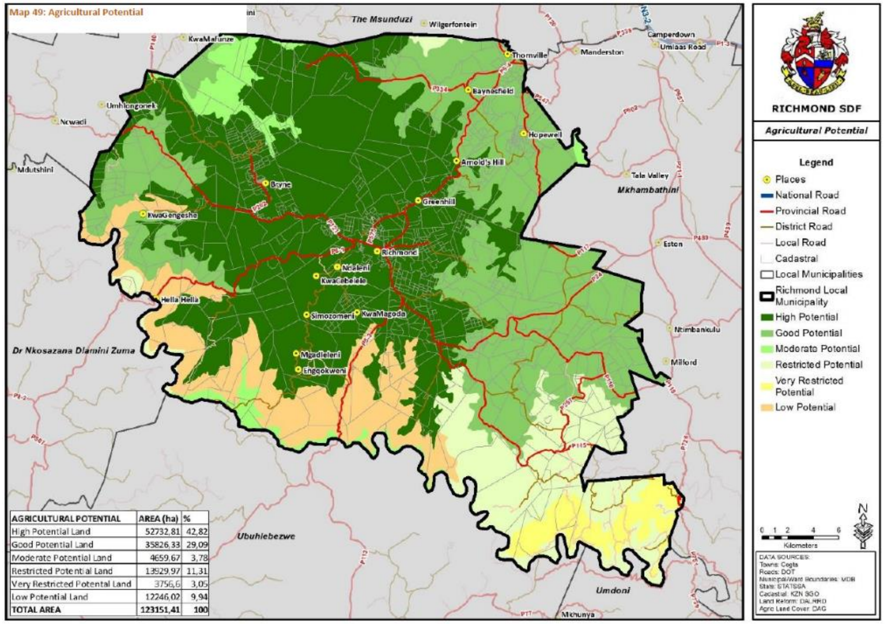
irreplaceable areas should be maintained in their natural state with limited to no biodiversity loss. There are 41537.21 hectors of irreplaceable land within the Richmond Municipality and a total of 262 households are situated within this area.

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 hectors of CBA optimal land within the Richmond Municipality and a total of 260 households are situated within this area.

3.2.2.5 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 32: Agricultural Land Potential



AGRICULTURAL POTENTIAL	AREA (ha)	%
High Potential Land	52732,81	42,82
Good Potential Land	35826,33	29,09
Moderate Potential Land	4659,67	3,78
Restricted Potential Land	13929,97	11,31
Very Restricted Potental Land	3756,6	3,05
Low Potential Land	12246,02	9,94
TOTAL AREA	**123151,41**	**100**

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 faming, 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.

3.2.2.6 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. However, the risk of air pollution is regarded to be very low in all wards as result of the municipality being considered as carbon neutral with a substantial amount of natural woodlands.

3.2.2.7 Climate Change

The Climate Change phenomenon, often called global warming, is caused by the release of greenhouse gases (carbon dioxide, water vapour, nitrous oxide, methane, and fluorinated gases) into the atmosphere mostly by man's activities, and to a lesser extent by volcanic eruptions. These activities include fossil burning (for energy generation), deforestation, fertilization, farming, oil drilling, waste generation, etc. The greenhouse serves as a blanket that traps heat within the atmosphere which was meant to escape to space to ensure energy balance. The effects of the trapping lead to increased climate temperature and changes in rainfall amount and spatial distribution. Climate change will progress over time, in terms increased severity and frequency.

There is one aspect of limiting climate change that is purely about limiting the severity and the frequency of these extreme events. However, there are also fundamental changes in the Earth's system that we are seeing. These are called climate feedbacks. Essentially what is happening is that climate change is triggering certain changes on planet Earth that then will lead to more climate change. It than becomes a vicious cycle. Furthermore, these feedbacks have increasingly high risk of occurring especially due to the higher the temperature level becomes. A 1.5°C change is considered likely to stabilize the climate and limit these feedbacks.

It should be noted that currently a 1.1°C of global warming has already occurred and may implications of such a temperature increase have been noted. At 1.5°C, we could still expect to see more climate change. In terms of feedback, a loss of forest for an example would lead to more global warming because the barren land would become warmer. There is a need to avoid this by stabilizing the climate. Moreover, the temperature above 1.5°C, will result in losing the ability to stabilize the climate. Carbon capture is another way of managing carbon. This entails industries capturing carbon at the point where it is emitted, and then either store it underground or use it in a product. We also need to take CO2 out of the atmosphere. The easiest way to do that is reforestation, since plants absorb carbon. Reforestation of the help reduce the CO2.

Implication for the municipality:

- Climate change on water resources is challenging because water availability, quality and stream flow are sensitive to changes in temperature and precipitation.
- There are also non-climatic factors that influence water resources, and which may force further change such as land practices and degradation.
- The Midlands and Drakensberg regions of the province will be most vulnerable to changes in the temperature. Several grass, plant, and animal species with a low tolerance for temperature change will be lost if they were unable to migrate upwards towards colder temperatures.
- The potential increase in warm sub-tropical and tropical areas will affect species ranges.
- A potential net loss of cold to moderate climatic zones with an increase in temperature under conditions of climate change. This potential loss may have a negative effect in the escarpment and interior of the province on both agricultural production (wheat, lupins, potatoes, and sheep) as well as biodiversity. These potential changes will affect growing conditions and crop selection.
- Warm climatic condition may enhance the growth of pests and diseases with better adaptation mechanisms.

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

The main disaster risks associated with climate change that are likely to affect human health in Richmond Municipality are floods, severe storms, wild fires and lightning. Nhlazuka, a rural area (in 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.

The 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.

The 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.

3.2.2.8 Climate Change Mitigation

The point of departure in establishing mitigation measures is to 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.

3.2.2.9 Water Resources – Mitigation Climate Change Impacts

In partnership with the uMgungundlovu District and other relevant stakeholder, the Richmond Municipality must strive to develop and maintain good water management systems and ensure equity in the provision of access to clean water.

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 emerging stresses.

As groundwater grows in strategic importance areas as a result of increased surface water evaporation, proper management of the recharging of aquifers will need to be an integral part of the local water management.

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.

3.2.2.10 Strategic Environmental Assessment (SEA)

The MSA Regulations make provision for a strategic assessment of the environmental impact of the spatial development framework, while SPLUMA requires that the content of a SDF must include a strategic assessment of the environmental pressures and opportunities within the municipal area, including the spatial location of environmental sensitivities, high potential agricultural land and coastal access strips, where applicable. As part of the recently developed municipal Spatial Development Framework, the Strategic Environmental Assessment was developed to meet the legislative requirements and serve as a strategic tool to assist the municipality in facilitating for environmental collaboration and the integration of the environmental sustainability criteria into SDF. The SEA is attached as annexure to this IDP document.

3.2.2.11 Agriculture and Environmental Trends and Analysis

The trends and analysis for agriculture and environmental matters are summarised below:

- 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 above has implications for the development of Richmond. Therefore, it is important that a strategic guidance be provided in this regard. The SDF should respond to 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 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.

3.2.2.12 Key Issues and Interventions

The Richmond 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 14: Key Cross Cutting 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, ▪ 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, Ndaleni 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

ISSUES	PROJECT	HOW RICHMOND LM WILL OVERCOME THEM
		▪ Solar Street lighting ▪ Solar Water Geysers ▪ Ndaleni – 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 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.

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

3.2.2.13 Spatial Planning and Environmental SWOT Analysis

Table 15: Spatial Planning and 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 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.**	- 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. - 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;

3.2.3 Disaster Management Assessment

The Disaster Management Sector Plan is a core component of the Integrated Development Plan (IDP). Section 26 (g) of Municipal Systems Act No. 32 of 2000 requires the municipal IDP to reflect an applicable Disaster Management Sector Plan (DMSP). Furthermore, Section 53 (2) (a) of Disaster Management Act No. 57 of 2002 stipulates that a disaster management sector plan for a municipal area must form an integral part of the municipality's IDP. The Richmond local municipality is prone to different types of disaster hazards ranging from natural and human induced. Whilst natural disaster hazards cannot be prevented but is of paramount importance to make sure that, initiatives and/ or measures are put in place to mitigate the effects of such natural phenomenon. Human induced disaster hazards are by all possible means preventable and hence the municipality is very vigilant to such phenomenon and has further put in place drastic measures and / or programs in place to effectively prevent such human induced hazards from happening and effective response systems should a disaster happen.

The Richmond Municipality has a developed Disaster Management Plan. 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 approached 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.

3.2.3.1 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.

3.2.3.2 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

The 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.

3.2.3.3 Municipal Disaster Management Advisory Forum

The Richmond Municipality has and 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.

3.2.3.4 Risk Profile and Natural Hazards

Richmond Local Municipality faces many different types of risks and some of these risks are human induced, and others are natural. Disaster risk assessment is the first step in planning effective disaster risk reduction programs (NDMF, 2005). Disaster risk assessment includes the investigation of related hazards and conditions of vulnerability that increase the chances of loss and also the capacity or resources to deal with such hazards and vulnerabilities. The following priority hazards were identified across all five (5) wards: drought veld/forest fires, structural fires, floods, heavy rainfall, hailstorm, strong winds, lightning, and snow. Table below shows results of priority hazard analysis.

Table 16: Ward Disaster Priority Hazard Analysis

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7
Flood	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk
Fire	Low risk	Medium risk	High risk	High risk	High risk	High risk	Medium risk
MVA	Medium risk	Medium risk	Low risk	Low risk	Medium risk	Low risk	Low risk
Snow	Medium risk	Low risk	Low risk	Low risk	Medium risk	High risk	Low risk
Cholera	Low risk	Low risk	Medium risk	Medium risk	Medium risk	Medium risk	Medium risk
Air pollution	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk	Low risk
Drought	Low risk	Medium risk	Low risk	Low risk	Low risk	Low risk	Low risk
Tornados	Medium risk	Medium risk	High risk	High risk	High risk	High risk	Medium risk

Geological Hazards

These are natural processes or phenomena occurring in the biosphere that may constitute a damaging event. Natural Hazards are typically classified into Geological Hazards which are natural earth processes or phenomena in the biosphere. These include geological, neo-tectonic, geo-physical, geo-morphological, geotechnical, and hydro-geological nature. The examples of geological hazards are landslide, mudslide, rockslides, liquefaction, and subsidence.

Biological Hazards

Biological Hazards are the processes of organic origin or those conveyed by biological vectors, including exposure to pathogenic micro-organisms, toxins, and bioactive substances. These include the epidemic diseases affecting people or livestock, veld fires, plant infestations such as anthrax, cholera, food poisoning, measles, polio, rabies, shigella dysentery and tuberculosis.

Hydro-Meteorological Hazards

Hydro Meteorological Hazards are a natural processes or phenomena. These include atmospheric or hydrological such as floods, debris flows, tropical cyclones, storm surges, severe storms, drought, and desertification.

Technological Hazards

Industrial pollution, nuclear activities, toxic waste, dam failure, transport accidents, hazardous installations, industrial pollution, nuclear activities, toxic waste, hazardous material by road and rail, aircraft accidents, and vehicle accidents.

Environmental Degradation

The environmental degradation is a root cause for some of the disasters which are created by human. The human activities that create these disasters are air pollution, water pollution, overgrazing and irresponsible developments. The disasters that emerge from these include land degradation, desertification, and dieses outbreak such as cholera outbreak and ground water pollution.

3.2.3.5 Disaster Risk Reduction

Disaster Risk Reduction: is the “conceptual framework of elements considered with the possibilities to minimize vulnerabilities and disaster risks throughout a society, to avoid (prevention) or to limit (mitigation and preparedness) the adverse impacts of hazards, within the broad context of sustainable development”. Disaster risk reduction focuses on disaster risk management planning and implementation to inform development. This also includes plans, programs and projects that reduce disaster risks. It further addresses requirements for the arrangement of disaster management frameworks and planning within all spheres of government. Specific focus in this key performance area is given to planning for and integration of the core risk reduction principles of prevention and mitigation into on-going programs and other initiatives. Disaster response and recovery includes all necessary measures to provide immediate/ emergency assistance to the affected people of Richmond municipality, by undertaking search, rescue, and evacuation. It is very important to fully understand what must be done during a state of a disaster in order to assist those affected effectively to recover from the effects of a disaster incident and/ or disaster. Immediately after a disaster has occurred, a joint operations centre is always, activated by Richmond municipality in consultation with the district municipality, which shall ensure an integrated response effort by all relevant stakeholders. Relevant response teams are very crucial so as to prevent any unnecessary secondary disaster incidents at the scene of the disaster and/ or disaster incident. The Richmond municipality has prepared a Disaster Management Plan for its area of jurisdiction and the review has been completed. In terms of the Disaster Management Amended Act,2015 (Act no 16 of 2015) Local Municipalities are subjected to perform the function of Disaster Management. It is in light of the Amendment Act that the Richmond Municipality prepared its own Disaster Management Plan to be aligned with the UMDM Plan. In view of the Richmond municipality's physical characteristics in combination with the social characteristics of the area; there are a number of disasters that are likely to occur.

The below provides all of the mapping associated with the disaster management section:

Figure 33: Average Rainfall

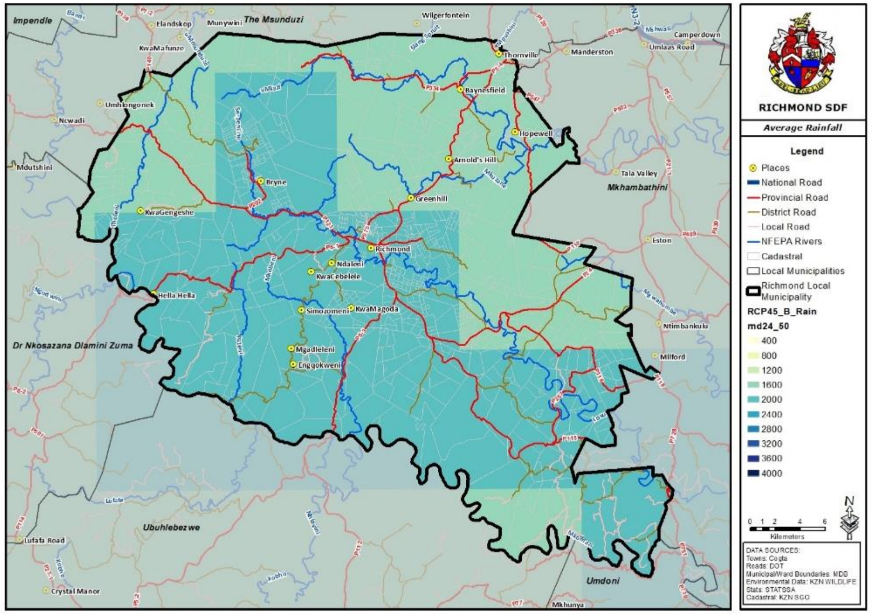


Figure 34: Average Temperature

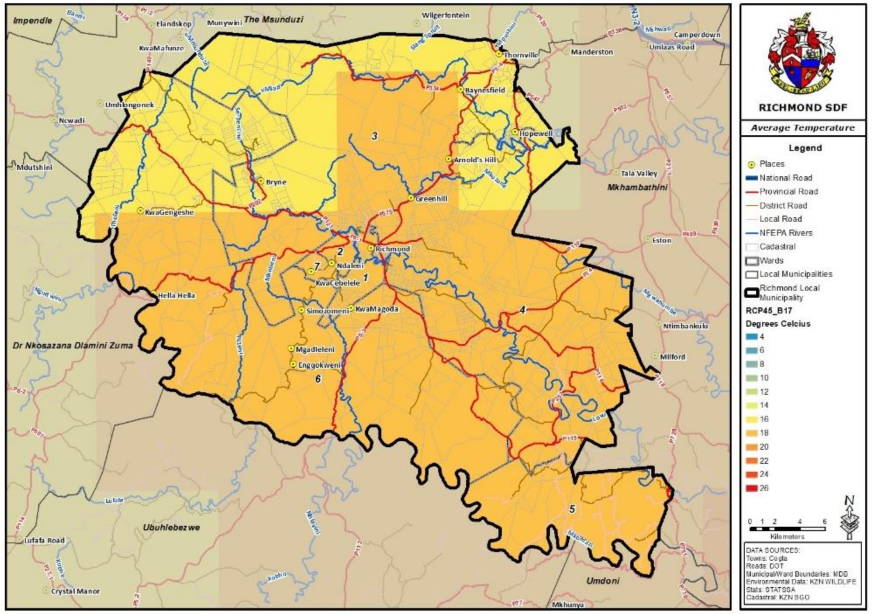


Figure 35: Drought Tendencies

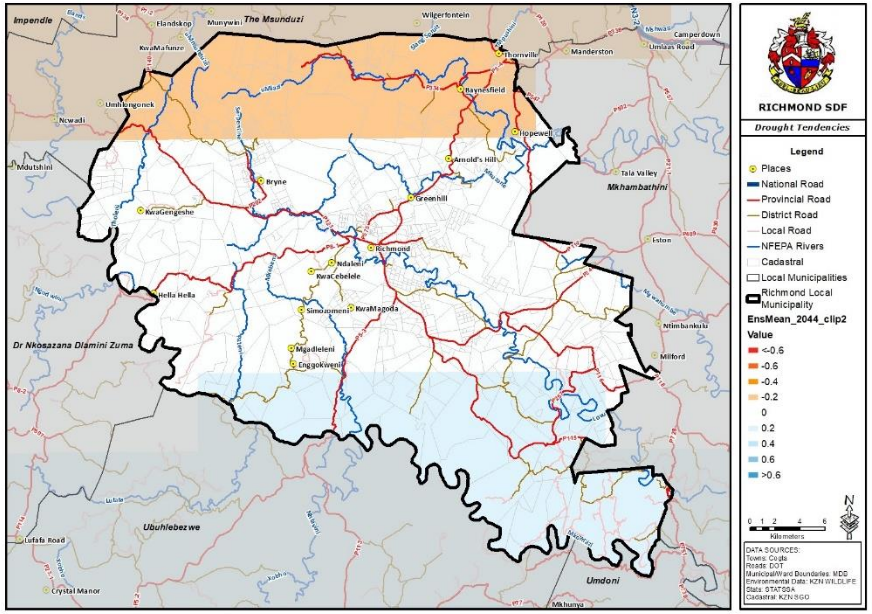


Figure 36: Flood Risk Areas

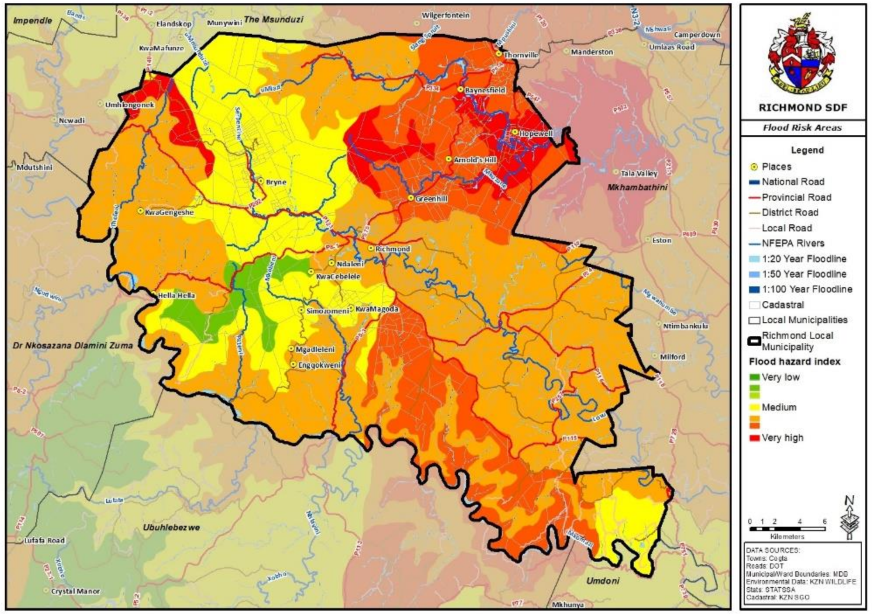
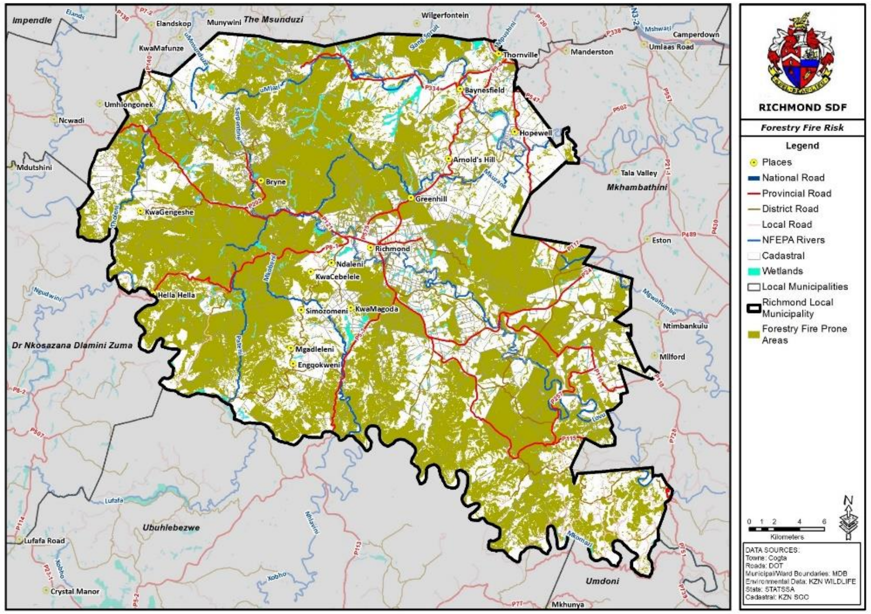


Figure 37: Forestry Fire Risk Areas



3.2.3.6 Disaster Management Response & Recovery

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

Table 17: Municipal Disaster Response Capacity

Capacity of Richmond in managing disasters												
RLM	**Floods**	**Fire**	**MVA**	**Snow**	**Cholera**	**Air pollution**	**Drought**	**Tornados**	**Covid-19**	**Horse Flu**	**Swine Flu**	**Bird Flu**
Early warning	H	H	M	M	M	L	L	H	L	L	L	L
Community participation	M	M	L	M	M	L	L	H	L	L	L	L
Government Disaster	H	H	H	H	H	H	H	H	M	H	H	H

Management capacity												
Disaster Management knowledge of Government officials	M	M	M	H	H	H	L	H	M	H	H	H
H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk												

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

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

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

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

- **Ensure supply of food, drinking water, medical supplies and other emergency items to the affected people.**
- **Request Provincial Government for assistance if the District Disaster Advisory Forum deems the situation to be beyond the capacity of the District to manage.**
- **Visit, coordinate and implement of various relief and rehabilitation programmers.**
- **Coordinate the activities of NGOs in relief and rehabilitation programmers.**

3.2.3.7 Key Challenges

The 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

3.2.6.8 Disaster Management SWOT Analysis

Table 18: Disaster Management SWOT Analysis

<table>
<tr><th>STRENGTHS</th><th>WEAKNESSES</th></tr>
<tr><td>

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.

</td><td>

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.

</td></tr>
<tr><th>OPPORTUNITIES</th><th>THREATS</th></tr>
<tr><td>

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.

</td><td>

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

</td></tr>
</table>

3.3 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The Municipal Transformation and Institutional Development KPA measures the organisation's readiness in terms of capacity and its ability to cope with its responsibilities in achieving the development vision as outlined in the IDP. The attainment of the municipal's long term vision and goals is directly dependent on the organisation's capacity in effectively responding to the development challenges and such requires that the organisation must have a reasonable number of employees to executed the required activities in order to deliver on the set targets. In addition to the reasonable number of appointed employees, employees require to be well capacitated with the appropriate skills to be able to deliver on the targets and as such capacity building programmes must be implemented.

3.3.1 Municipal Powers and Functions

The functions and powers of a municipality are enshrined under Sections 156 and 229 of the Constitution, which are also echoed under Chapter 5 of the Local Government: Municipal Structures Act (Act no. 117 of 1998) and are defined as follows:

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

The Richmond Municipality 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 currently utilises includes the Integrated Development Planning (IDP) Representative Forum, Mayoral Izimbizo, Monthly Ward Committee Meetings, media statements/adverts and Communication Surveys (i.e. through Suggestion Boxes).

The below table provides a list of all the functions aligned to the responsible service authority:

Table 19: Functions & Responsible Authority

FUNCTIONS	RESPONSIBLE AUTHORITY
Air pollution	District Environmental Health
Building Regulations	Richmond Municipality (Planning)
Municipal Planning	Richmond Municipality (Planning)
Pontoons and ferries	Not applicable

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

3.3.2 Municipal Transformation

Municipal transformation is a necessary process to bring about positive change for the purposes of development. To transform the institution into a developmental orientated institution, the municipality develops its 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 that are crucial in achieving the objectives of the municipality. Therefore, in implementing the municipal transformational measures, the Richmond Municipality has identified and targeted to fill all new strategic posts anticipated to assist the municipality in achieving its mandate. The proposal of the new post was adopted by Council through the organisational's organogram and measures of appointing new candidates have been initiated by the respective departments.

The process of filling posts in the organisation is guided by the adopted Council policies/plans which includes:

a) Employment Equity Plan (adopted 30 June 2023)
b) Recruitment and Selection Policy (adopted 30 June 2023)
c) Retention Policy (adopted 30 June 2023)

These policies/plans have been utilised to guide the processes of advertising, selection, screening, qualification vetting and the appointment of qualifying candidates. The documents are also attached as annexure to this document.

3.3.2.1 Employment Equity Plan

The Richmond Council adopted the Employment Equity Plan as a plan that aims at achieving transformation and equality in the workplace through the promotion of equal employment opportunities and processes that are fair and do not have a discriminatory connotation. However, the plan promotes the implementation of affirmative action measures to redress the historical disadvantages of equal employment opportunities as a result of the past legislations that restricted certain groups from being equally afforded employment opportunities.

The table below provides a summary of the staff composition of Richmond Municipality:

Table 20: Summary of Staff Composition

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**

3.3.2.2 Implementation of Recruitment and Selection Policy

The Municipal's Recruitment and Selection Policy is reviewed on an annual basis and is workshopped to both Councillors and Municipal Employees. The policy is in line with Municipal Staff Regulations and is utilized from post advertising to selection and the recruitment. The policy specifies the requirements for all positions to be filled, which also provides for the need to consider all posts against the priorities listed in the IDP. All candidate applied for the position are subject to full screening which include (reference checks from previous employer, criminal record checks, disciplinary record checks, IDs and qualification verifications). Candidates found to be not compliant in terms of the requirements of the post are not considered for the post. In a case were all received applications do not meet the minimum requirements for the advertised position, the Municipal Manager is appraised by the Head of Department concern to consider re-advertising. All candidate who were unsuccessful are advised of the interview results.

3.3.2.3 Implementation of Retentions Policy

The municipality adopted Retention policy in order to retain its employees and scarce/ skilled employees. The policy aimed at recognising and values the efforts of employees within the organisation. It makes provision for Bursary Schemes up to a level of Postgraduate Diploma/Honours, while senior management are offered to a level of Masters. It is a way to capacitate all human capital to meet the level of the performance and for better service delivery.

The municipality has also adopted a Travelling Allowance policy, which assists employees from the level of Officer. The assist needs to be motivated by the Head of department and approved by finance prior approval from the Municipal Manager.

The municipality further provides Cellphone allowance as per the policy which is provided to the employees from Senior Management to Officer level. This is made available upon a supporting recommendation from the Head of department, Finance and Municipal Manager's approval.

3.3.2.4 Employment of People with Disabilities

The National Department of Labour stipulated that atleast 2% of the total labour force of an organisation must be people living with disabilities. The municipality is committed in terms of its Employment Equity Plan for 5 years to recruit and accommodate people with disability. In the adopted recruitment policy upon advertising the municipality ensures that to enhance people with disability the phrase "People with disability are welcome to apply". Further more employees who are within are encouraged to disclose their disability using section 19 of the employment Equity Act. All newly appointed they find the form as part of the recruitment package. The human resources work closely with Local Labour forum where such are discussed and engage organised Labour to encourage disclosure of disability. To date at least the municipality has obtained 04 disclosures from the employees who has come forth to state their disability.

3.3.2.5 Labour Relations

The municipality has a well-established Local Labour Forum in terms of the Organisational Right as regulated in the Main Collective agreement from Salga Bargaining Council. It comprises of 2 Councillors, 4 shop stewards, 4 senior managers. Our local Labour Forum seats on quarterly basis as agreed on the schedule, terms of reference adopted by local labour forum and by the Council as an official document. The agenda is pre-discussed with 2 union delegates prior the meeting which makes it easy to engage. After meeting the Director Corporate Services send the recommendations to the municipal manager for approval and intervention.

The relationship with the organised labour is good and healthy at the current moment, since there is buy in and support from both parties' management and organised labour.

3.3.3 Institutional Development

The need for municipal transformation cannot ignore the organisational development requirements. In essence, for the organisation to transform swiftly and with limited resistance, a process of identifying capacity gaps and implementing supportive measures is required. In this process capacity building, trainings and skills development programmes are made available to the benefit of employees as their individual development will amount to the development of the organisation's capabilities and capacity.

In response to the above, the Richmond Municipality implements its adopted Work Place Skills Plan (adopted by Council 30 June 2023) to ensure that employees are well trained and capacitated to perform their duties and it also implements the Performance Management System (PMS) with the purpose of monitoring and improving performance in the workplace. The PMS also assists in identifying the required training for capacity building purposes.

The adopted Work Place Skills Plan was submitted to the Local Government Sectoral Education and Training Authority (LGSETA) as mandated. The plan is reviewed on an annual basis informed by the skills audit conducted for all employees and Councillors. The municipality focuses on different training interventions which includes but not limited to:

a) Bursaries,
b) Short courses,
c) Skills training,
d) Leadership training,
e) Apprenticeship,
f) Internship, etc.

In addition, the municipality caters for graduates seeking employment opportunities through the work-integrated learning, apprenticeship and/or internship programmes. A data base of unemployed youth and graduates is also updated regularly by the municipality in order to understand the capacities within the jurisdiction.

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

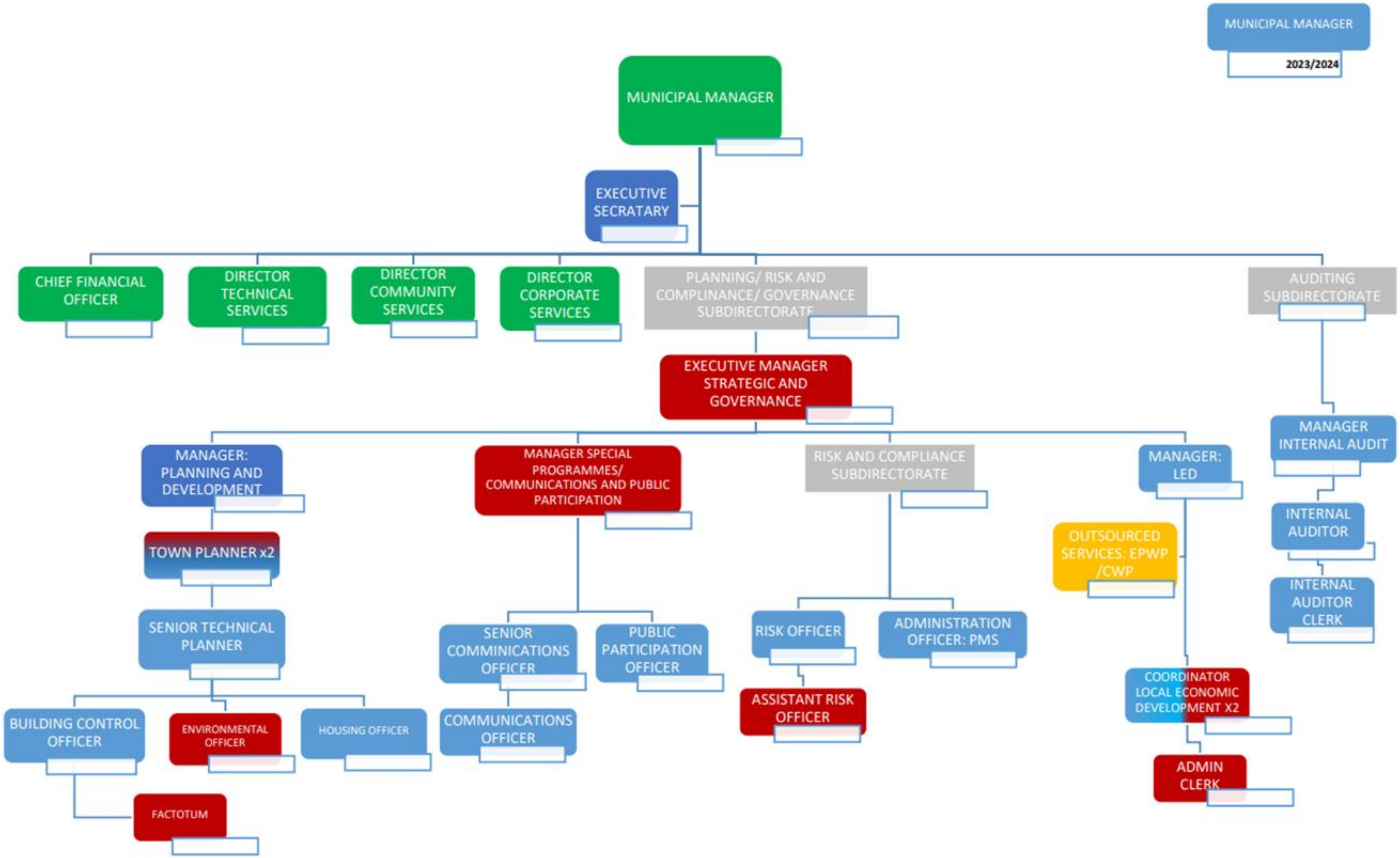
a) Human Resource Plan and Strategy 2022/2026
b) Human Resources Policy 2023/2024
c) Occupational Health and Safety Policy 2023/2024
d) Occupational Health and Safety – Wellbeing Plan (COVID-19) 2023/2024
e) Employee Assistance Programme Policy 2023/2024
f) Ethics Batho Pele Policy 2023/2024
g) Induction Policy 2023/2024
h) Individual Performance Management Policy 2023/2024
i) Overtime and Standby Policy 2023/2024
j) Records Management Policy 2023/2024
k) Registry and Records Management Procedures Manual 2023/2024
l) Filling System Policy 2023/2024

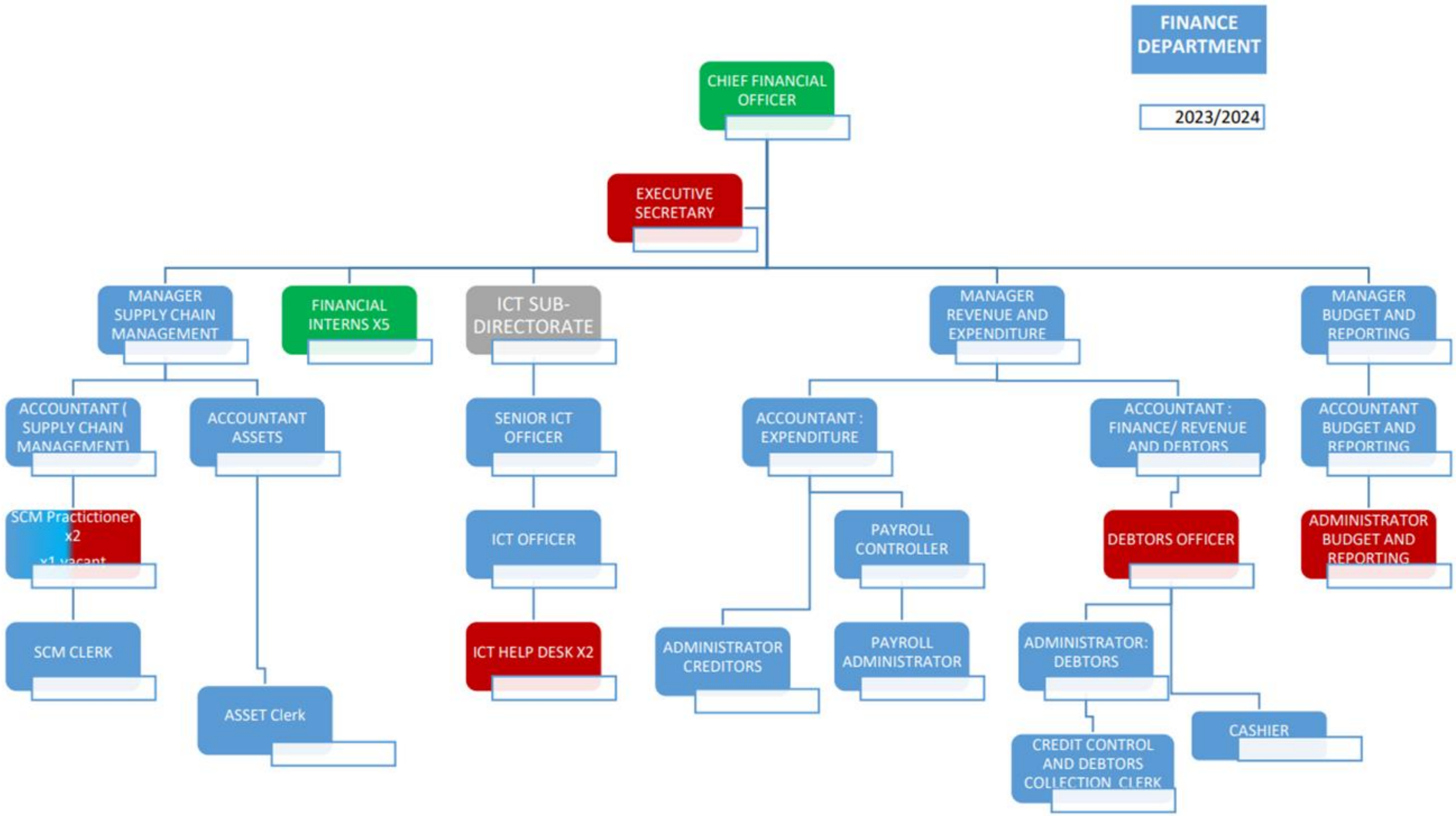
m) Retention Policy 2023/2024
n) Task Job Evaluation Policy 2023/202

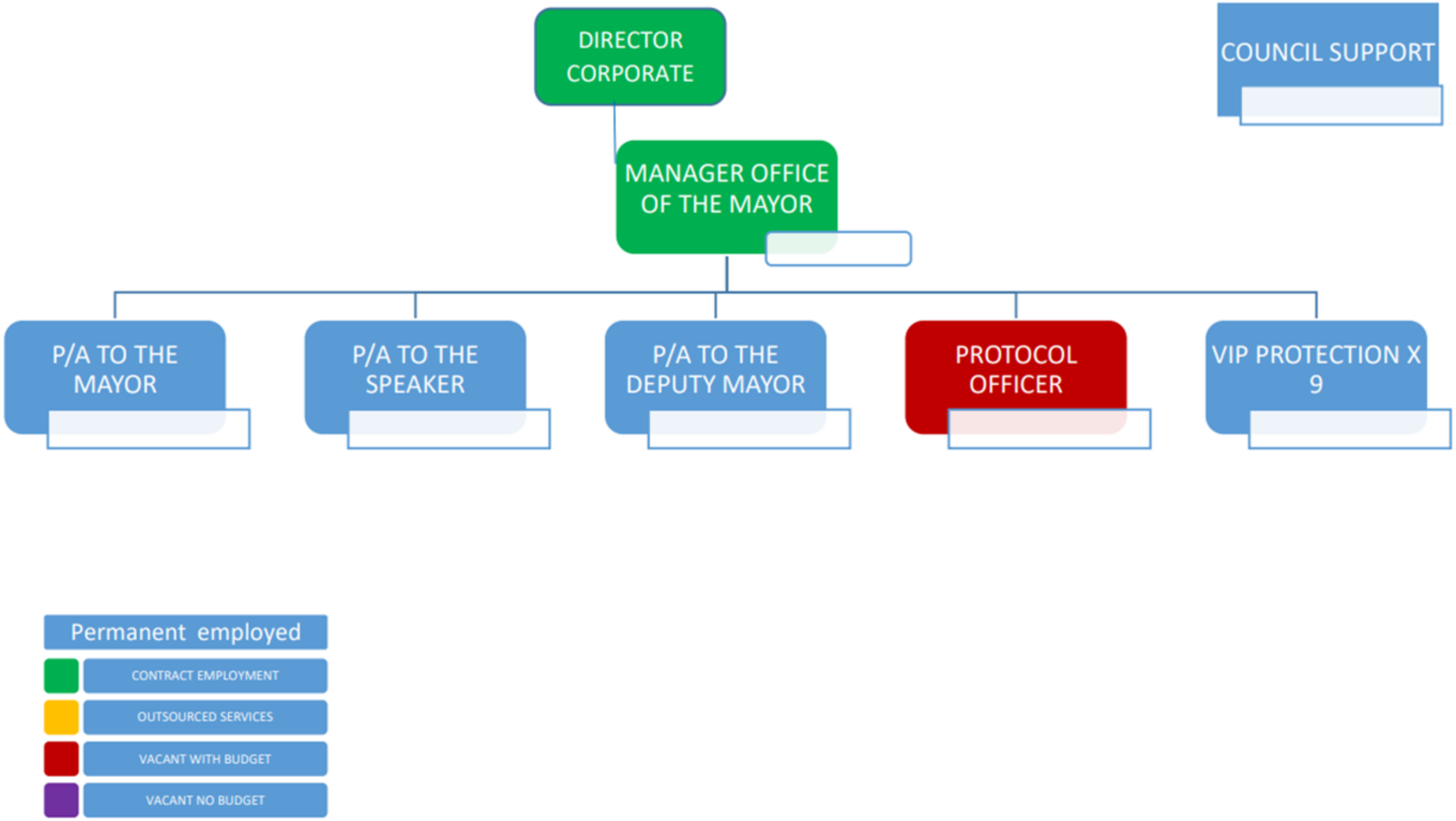
3.3.3.1 Organisational Structure

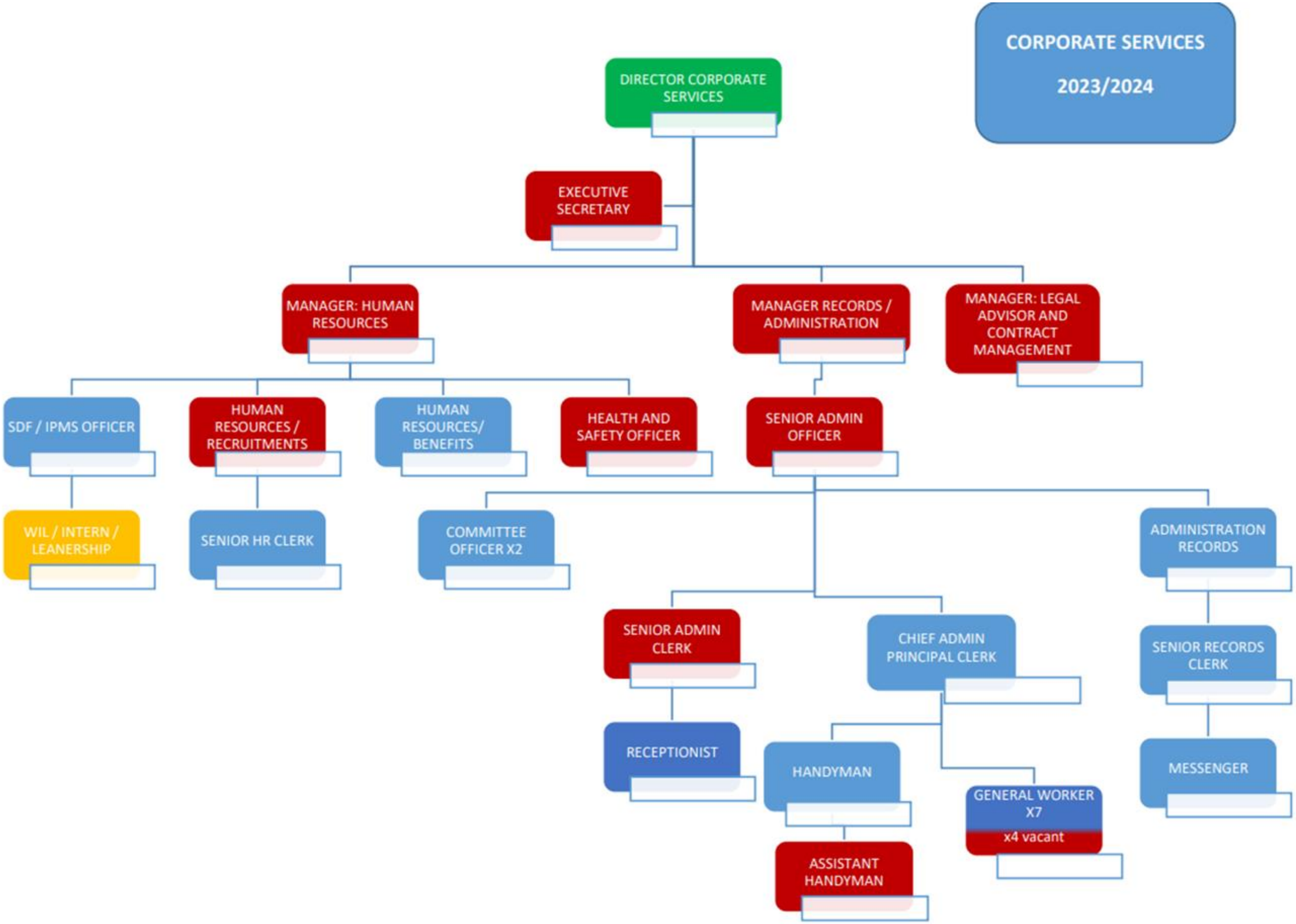
The Richmond Municipal Council adopted its organisational structure on the 30 June 2023 which aligns to the long-term development plans of the municipality as well as the Municipal Powers and Functions outlined above.

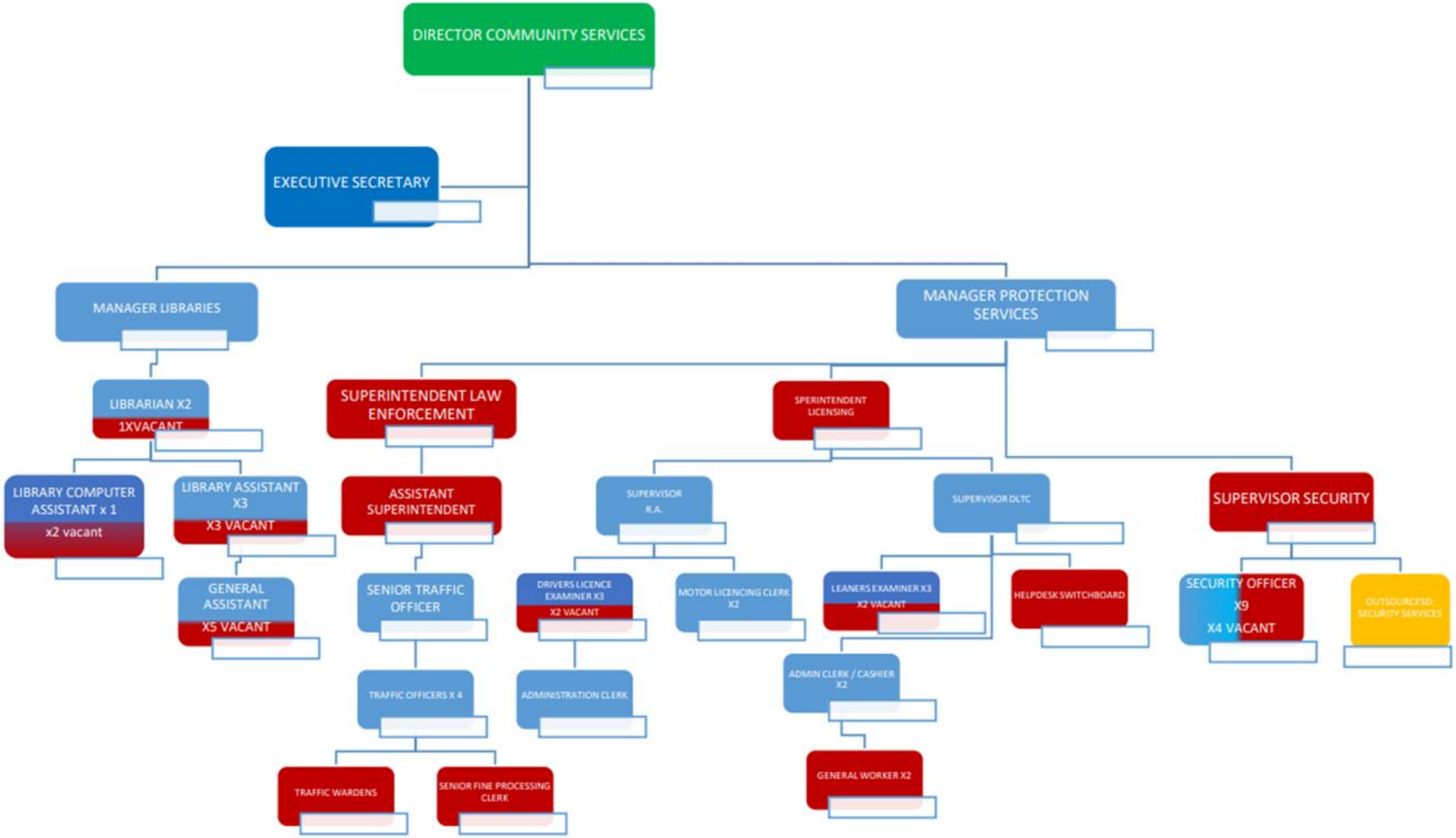
The figures below provides details of the municipal structure as per department reflecting institutional arrangements for all the key functions.


MUNICIPAL MANAGER
2023/2024
MUNICIPAL MANAGER
EXECUTIVE SECRATARY
CHIEF FINANCIAL OFFICER
DIRECTOR TECHNICAL SERVICES
DIRECTOR COMMUNITY SERVICES
DIRECTOR CORPORATE SERVICES
PLANNING/ RISK AND COMPLINANCE/ GOVERNANCE SUBDIRECTORATE
AUDITING SUBDIRECTORATE
EXECUTIVE MANAGER STRATEGIC AND GOVERNANCE
MANAGER: PLANNING AND DEVELOPMENT
MANAGER SPECIAL PROGRAMMES/ COMMUNICATIONS AND PUBLIC PARTICIPATION
RISK AND COMPLIANCE SUBDIRECTORATE
MANAGER: LED
MANAGER INTERNAL AUDIT
TOWN PLANNER x2
OUTSOURCED SERVICES: EPWP /CWP
INTERNAL AUDITOR
INTERNAL AUDITOR CLERK
SENIOR TECHNICAL PLANNER
SENIOR COMMINICATIONS OFFICER
PUBLIC PARTICIPATION OFFICER
RISK OFFICER
ADMINISTRATION OFFICER: PMS
COORDINATOR LOCAL ECONOMIC DEVELOPMENT X2
BUILDING CONTROL OFFICER
ENVIRONMENTAL OFFICER
HOUSING OFFICER
COMMUNICATIONS OFFICER
ASSISTANT RISK OFFICER
ADMIN CLERK
FACTOTUM


FINANCE DEPARTMENT
2023/2024
CHIEF FINANCIAL OFFICER
EXECUTIVE SECRETARY
MANAGER SUPPLY CHAIN MANAGEMENT
FINANCIAL INTERNS X5
ICT SUB-DIRECTORATE
MANAGER REVENUE AND EXPENDITURE
MANAGER BUDGET AND REPORTING
ACCOUNTANT (SUPPLY CHAIN MANAGEMENT)
ACCOUNTANT ASSETS
SENIOR ICT OFFICER
ACCOUNTANT : EXPENDITURE
ACCOUNTANT : FINANCE/ REVENUE AND DEBTORS
ACCOUNTANT BUDGET AND REPORTING
SCM Practictioner x2
x1 vacant
ICT OFFICER
PAYROLL CONTROLLER
DEBTORS OFFICER
ADMINISTRATOR BUDGET AND REPORTING
SCM CLERK
ICT HELP DESK X2
ADMINISTRATOR CREDITORS
PAYROLL ADMINISTRATOR
ADMINISTRATOR: DEBTORS
ASSET Clerk
CASHIER
CREDIT CONTROL AND DEBTORS COLLECTION CLERK

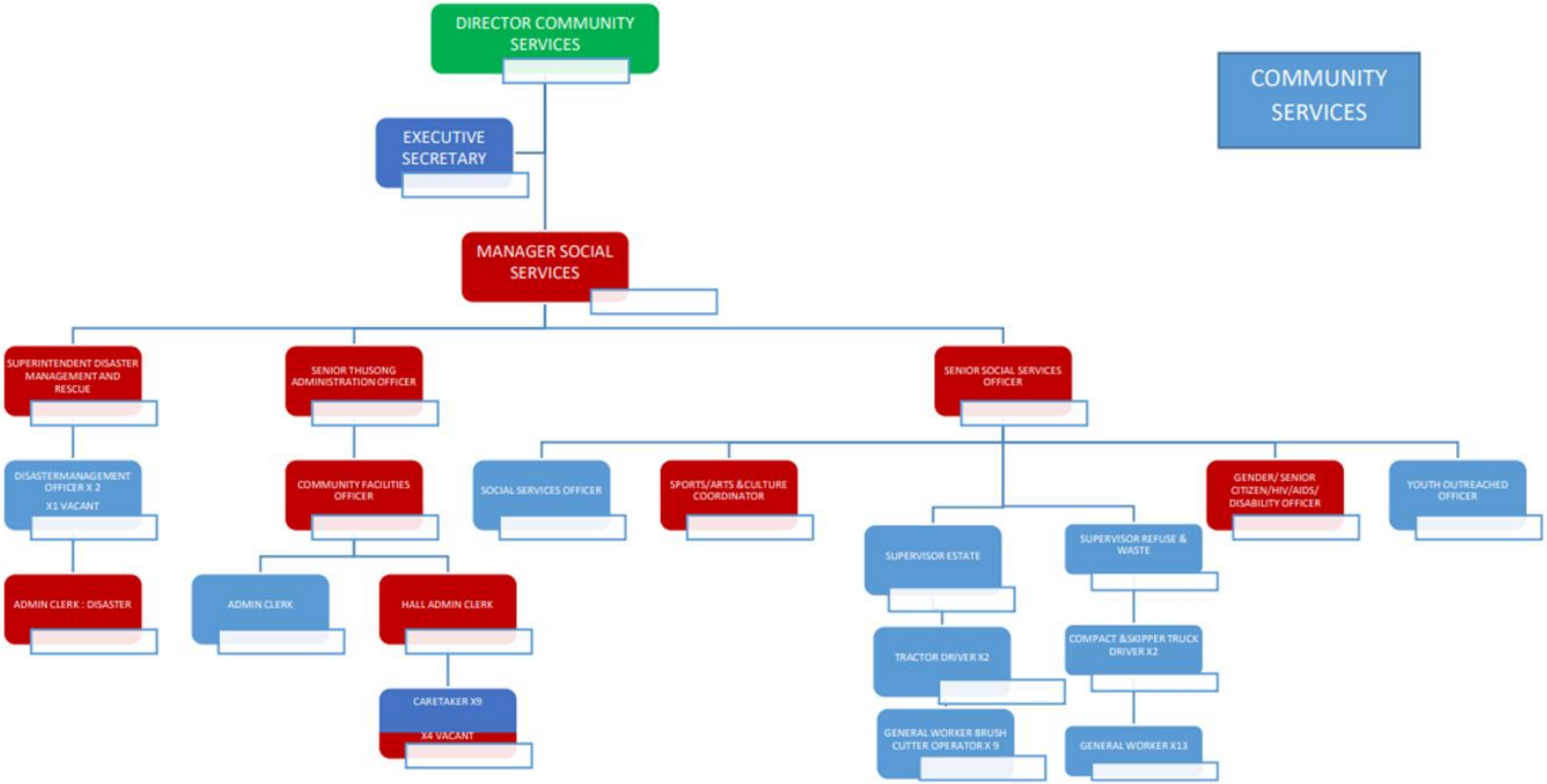

DIRECTOR CORPORATE
COUNCIL SUPPORT
MANAGER OFFICE OF THE MAYOR
P/A TO THE MAYOR
P/A TO THE SPEAKER
P/A TO THE DEPUTY MAYOR
PROTOCOL OFFICER
VIP PROTECTION X 9
Permanent employed
CONTRACT EMPLOYMENT
OUTSOURCED SERVICES
VACANT WITH BUDGET
VACANT NO BUDGET

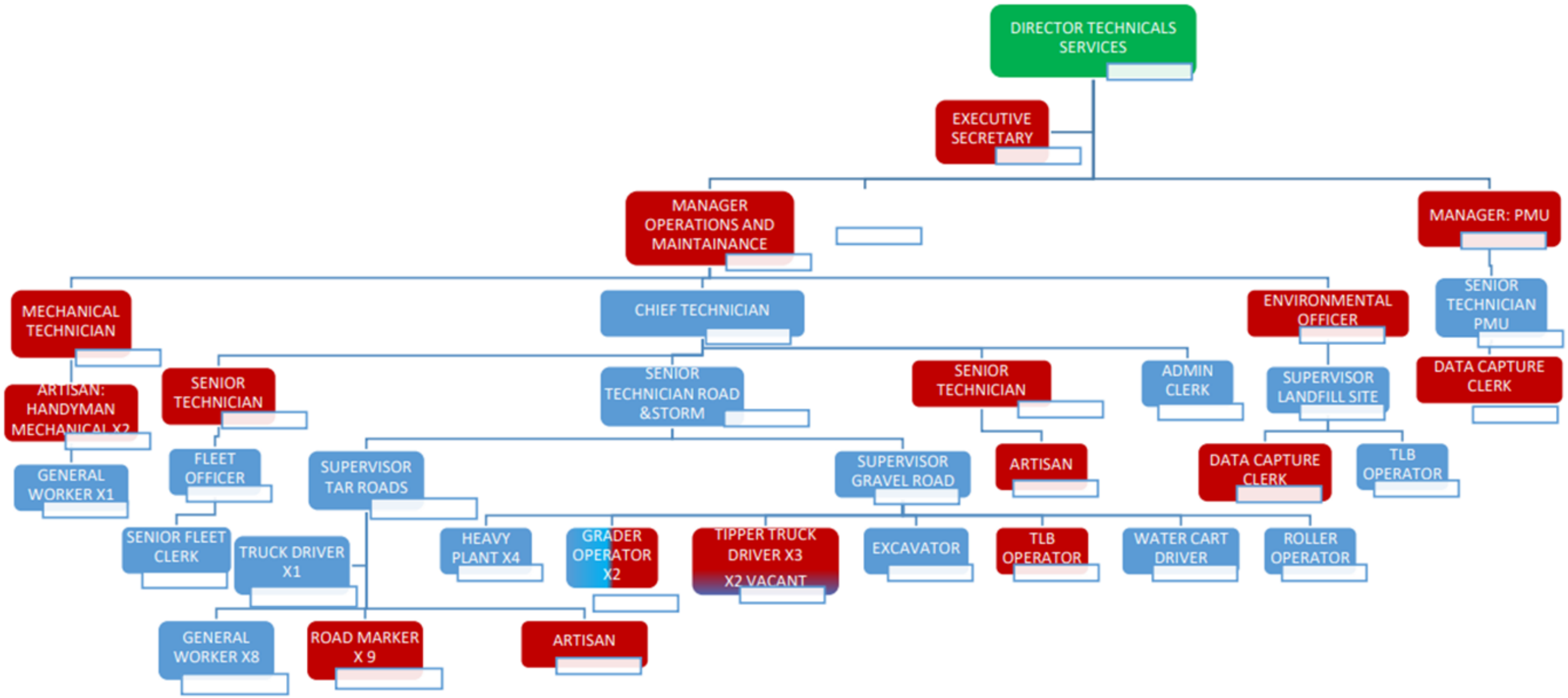

CORPORATE SERVICES
2023/2024
DIRECTOR CORPORATE SERVICES
EXECUTIVE SECRETARY
MANAGER: HUMAN RESOURCES
MANAGER RECORDS / ADMINISTRATION
MANAGER: LEGAL ADVISOR AND CONTRACT MANAGEMENT
SDF / IPMS OFFICER
HUMAN RESOURCES / RECRUITMENTS
HUMAN RESOURCES/ BENEFITS
HEALTH AND SAFETY OFFICER
SENIOR ADMIN OFFICER
WIL / INTERN / LEANERSHIP
SENIOR HR CLERK
COMMITTEE OFFICER X2
ADMINISTRATION RECORDS
SENIOR ADMIN CLERK
CHIEF ADMIN PRINCIPAL CLERK
SENIOR RECORDS CLERK
RECEPTIONIST
HANDYMAN
GENERAL WORKER X7
x4 vacant
MESSENGER
ASSISTANT HANDYMAN



DIRECTOR COMMUNITY SERVICES
EXECUTIVE SECRETARY
MANAGER LIBRARIES
MANAGER PROTECTION SERVICES
LIBRARIAN X2
1XVACANT
LIBRARY COMPUTER ASSISTANT x 1
x2 vacant
LIBRARY ASSISTANT X3
X3 VACANT
GENERAL ASSISTANT
X5 VACANT
SUPERINTENDENT LAW ENFORCEMENT
ASSISTANT SUPERINTENDENT
SENIOR TRAFFIC OFFICER
TRAFFIC OFFICERS X 4
TRAFFIC WARDENS
SENIOR FINE PROCESSING CLERK
SPERINTENDENT LICENSING
SUPERVISOR R.A.
DRIVERS LICENCE EXAMINER X3
X2 VACANT
MOTOR LICENCING CLERK X2
ADMINISTRATION CLERK
SUPERVISOR DLTC
LEANERS EXAMINER X3
X2 VACANT
HELPDESK SWITCHBOARD
ADMIN CLERK / CASHIER X2
GENERAL WORKER X2
SUPERVISOR SECURITY
SECURITY OFFICER
X9
X4 VACANT
OUTSOURCESD: SECURITY SERVICES

COMMUNITY SERVICES




DIRECTOR TECHNICALS SERVICES
EXECUTIVE SECRETARY
MANAGER OPERATIONS AND MAINTAINANCE
MANAGER: PMU
MECHANICAL TECHNICIAN
CHIEF TECHNICIAN
ENVIRONMENTAL OFFICER
SENIOR TECHNICIAN PMU
ARTISAN: HANDYMAN MECHANICAL X2
SENIOR TECHNICIAN
SENIOR TECHNICIAN ROAD &STORM
SENIOR TECHNICIAN
ADMIN CLERK
SUPERVISOR LANDFILL SITE
DATA CAPTURE CLERK
GENERAL WORKER X1
FLEET OFFICER
SUPERVISOR TAR ROADS
SUPERVISOR GRAVEL ROAD
ARTISAN
DATA CAPTURE CLERK
TLB OPERATOR
SENIOR FLEET CLERK
TRUCK DRIVER X1
HEAVY PLANT X4
GRADER OPERATOR X2
TIPPER TRUCK DRIVER X3
X2 VACANT
EXCAVATOR
TLB OPERATOR
WATER CART DRIVER
ROLLER OPERATOR
GENERAL WORKER X8
ROAD MARKER X 9
ARTISAN

3.3.3.3 Organisation (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%.

3.3.3.4 Institutional Capacity and Critical Posts

The municipality has adopted a Training and development policy to capacitate its employees not only on academic but on short skills programmes to bridge the gap between expected performance and required skills. This will include skills programme, internship, leanership,

Employees are encouraged to complete skills audit forms on annual basis and individual development plan in order to cater all in the Workplace Skills Plan and submit to Local Government Seta as an adopted training plan of the municipality. It contributes towards receiving grants and mandatory grants from trainings that the municipality has undertaken.

All five (5) critical posts are filled (Municipal Manager, Director Corporate Services, CFO, Director Community Services, Director Technical Services)

3.3.3.5 Human Resource Strategy

The municipality adopted the Human Resources Strategy with all other policies. The aim and objectives of the strategy is to enhance the service delivery from the staff establishment, recruitment of candidates, job description and job evaluation, performance management and development that are in line with the municipal staff regulations and the municipality is in compliant. The municipality further encourages employees to perceive the performance management system as the best practice which at the same time rewards good and outstanding performance. The municipality has developed and adopted Performance Management System Policy. Organised Labour is supporting the system and wish the municipality to finalise the appraisal policy to motivate the employees.

3.3.3.6 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.

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

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

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

3.3.3.7 Work Skills Plan

The Richmond developed is currently developing its Work Skills Plan with an intention for it to be adopted by the Council in June 2024 for financial year 2024/2025. 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.

3.3.4 Municipal Transformation & Organisational Development SOWT Analysis

Table 21: Municipal Transformation & Organisation Development SWOT Analysis

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

3.4 BASIC SERVICE DELIVERY

3.4.1 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, 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 20216/2017.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=1342645f

204c7d80affa09d43f6f6ac6&a=21

Module 1

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

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

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

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.

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

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

3.4.1.1 SPLUMA Applications with Basic Services Impacts

The Richmond Municipality did not receive a Township Establishment Application during the 2023/24 financial year nor an application with major impacts for the provision of basic services. However, it must be noted that it is anticipated that such applications would have dire impacts to the existing capacities of the current infrastructure and plans of increasing capacities are of vital importance.

3.4.1.2 Status of Basic Services Supply Infrastructure

As mentioned above the Richmond Municipality is not the service authority for water and sanitation. The following data provides the status of the service authorities infrastructures in the provision of the basic services they render to the municipality.

Figure 38: Water Infrastructure

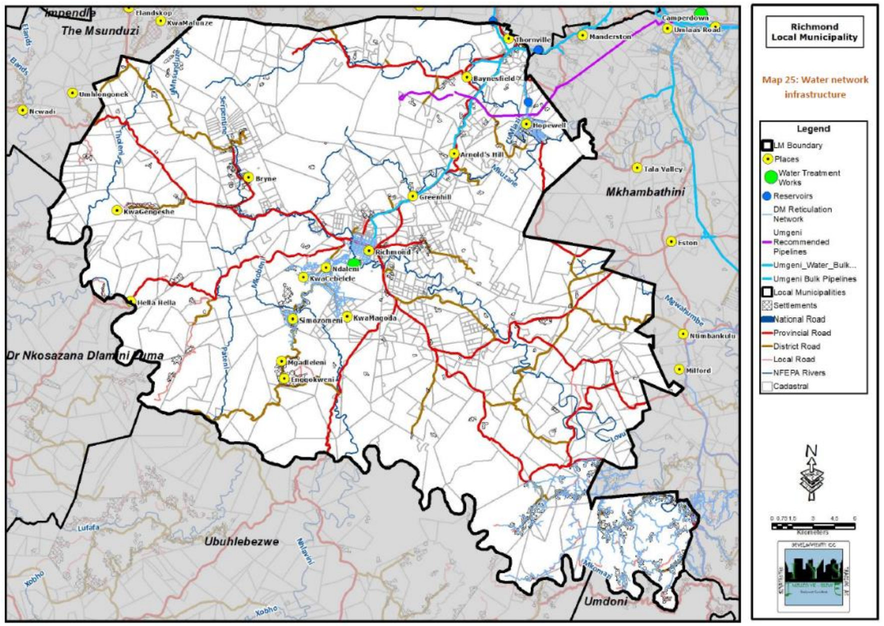


Figure 39: General Layout of uMgeni Water System

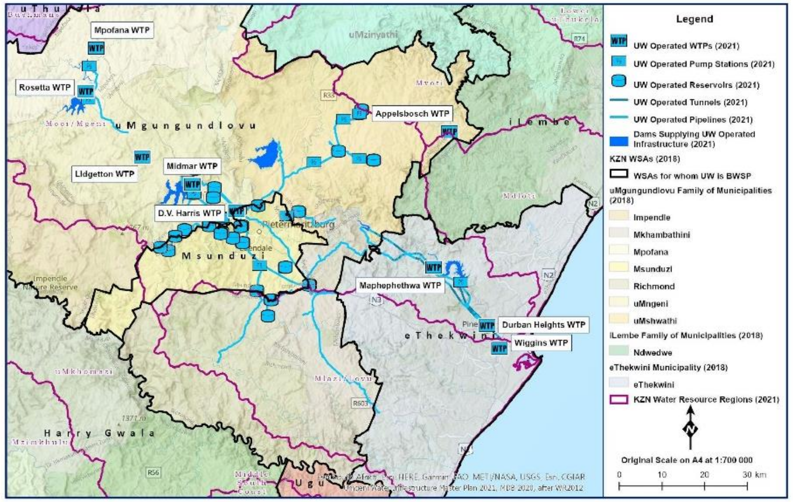


Figure 40: General Layout of Upper uMgeni Water System

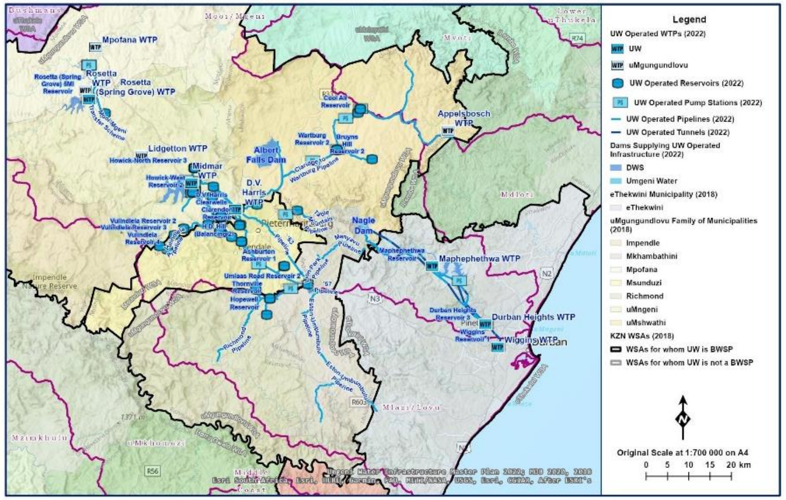


Figure 41: Location of WWWs Operated by uMgeni

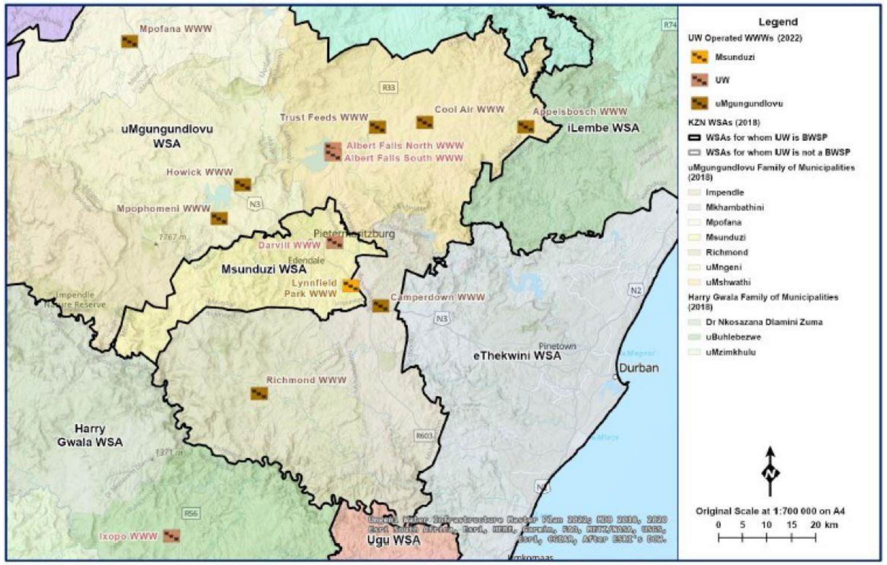
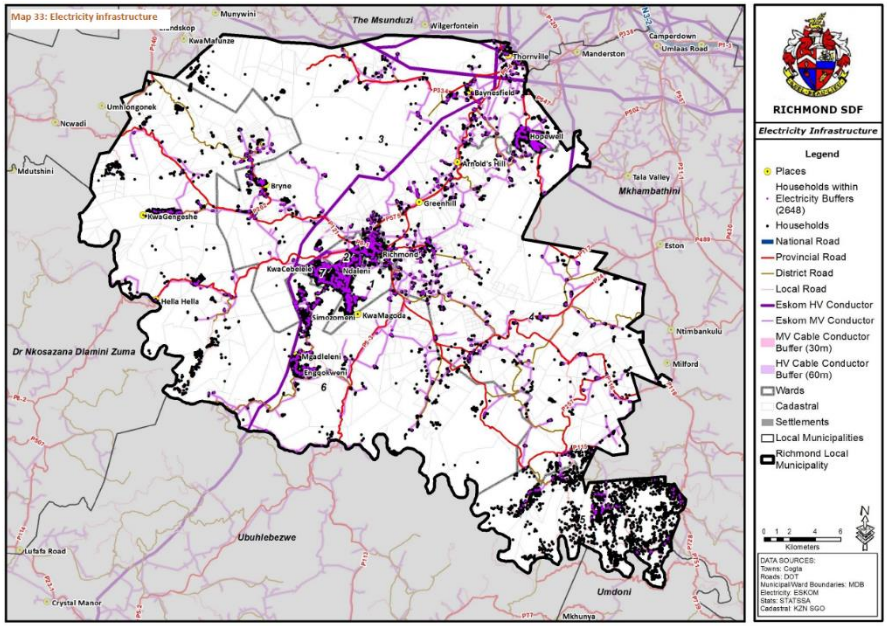


Figure 42: Richmond Waterwaste Catchment

Figure 43: Richmond WWW Upgrade

Figure 44: Electricity Infrastructure



3.4.1.3 Access to Water

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

Figure 45: Water Source

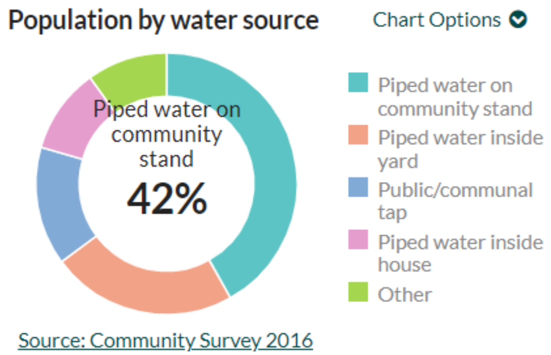
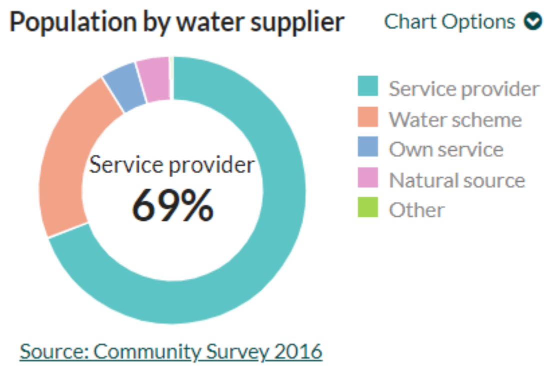


Figure 46: Water Supply



Proposed Operation and Maintenance

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

Table 22: Operation & Maintenance of Bulk Water Supply

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
2.	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
	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	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
4.	Mandosi & Gingqitshe	Gingqitshe handpump BH No formal scheme	1. BH dried out 2. Grey area requires infrastructure	1. Tankers through 6 static tanks. 2. Investigate other options	Ongoing TBC - initiation
	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
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
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

Table 23: Proposed Water Projects

	Area	Project Name	Project Scope of Work	Estimated Budget	Ward	Comments/Recommendations
RICHMOND						
1	Nhlazuka	Embuthweni Water Supply Phase 4	Upgrade of 3 Pumps, extension of the existing reticulationsystem , additional standpipes and storage reserviors.	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 accessorries,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 pumpstation, 2x 500m3 reservoirs, and 60 communal standpipes.	R 29, 884,930.00	4	

3.4.1.4 Sanitation Status

The 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 RLM

Table 24: Sanitation Projects

	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)	Consruction of Ventilated Pit Latrine (VIP)	R46,714,471	Ward 2,5,6&7	63219 people and 4231 households	400

3.4.2 Solid Waste Management

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

Table 25: Waste Category

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 appointment of the municipal Environmental Waste Management Officer will assist the municipality in the management of the Municipal's landfill site and will also aide in the development of the Integrated Waste Management Plan in order to guide waste management in the entire municipality.

The district wide Integrated Waste Management Plan will be based on 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 26: Refuse Removal

Refuse Removal	**No Of Households in 2011**	**No Of Households in 2016**
Removed by local authority/private company at least once a week	2551	2559
Removed by local authority/private company less often	256	79
Communal refuse dump	228	1001

Own refuse dump	12064	12761
No rubbish disposal	1116	1153
Other	224	16
Total	**16440**	**17569**

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

3.4.3 Transportation Infrastructure

A wide-ranging road network exists within Richmond, providing a large number of households with access. The quality of district and local roads tends to be poor, because the majority of these roads are gravel and require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements.

Table 27: Richmond Municipal Road Classification

ROADNUM	SURFACE	CLASS	RESPONSIBLE	Length (km)
PROW33	Gravel	PROW	Provincial	1,85
PROW36	Gravel	PROW	Provincial	0,13
L795	Gravel	L	Provincial	0,32
P140	Gravel	P	Provincial	0,48
P334	Blacktop	P	Provincial	4,17
P334	Gravel	P	Provincial	11,25
P334	Gravel	P	Provincial	3,75
D41	Gravel	D	Provincial	2,39
D126	Gravel	D	Provincial	0,56
P338	Blacktop	P	Provincial	1,07
D60	Gravel	D	Provincial	5,62
D547	Gravel	D	Provincial	0,67
L3095	Gravel	L	Provincial	2,95
L2554	Gravel	L	Provincial	1,42
D683	Gravel	D	Provincial	1,14
L675	Gravel	L	Provincial	0,89
PROW210	Gravel	PROW	Provincial	3,52

ROADNUM	SURFACE	CLASS	RESPONSIBLE	Length (km)
D188	Gravel	D	Provincial	3,4
L2488	Gravel	L	Provincial	3,02
L675	Gravel	L	Provincial	0,23
L2103	Gravel	L	Provincial	8,4
D547	Blacktop	D	Provincial	0,22
P315	Blacktop	P	Provincial	1,58
P471	Blacktop	P	Provincial	3,35
L3146	Gravel	L	Provincial	1,06
D1229	Blacktop	D	Provincial	1,61
D1229	Blacktop	D	Provincial	2,15
D1231	Blacktop	D	Provincial	1,46
D1231	Blacktop	D	Provincial	2,2
L3314	Gravel	L	Provincial	1,69
L3354	Gravel	L	Provincial	0,33
L3354	Gravel	L	Provincial	0,6
L654	Gravel	L	Provincial	1,59
L654	Gravel	L	Provincial	1,23
L654	Gravel	L	Provincial	0,47
D58	Gravel	D	Provincial	12,46
D2225	Gravel	D	Provincial	3,52
D2225	Gravel	D	Provincial	5,06
D2225	Blacktop	D	Provincial	3,66
D2225	Blacktop	D	Provincial	0,56
P5-3	Blacktop	P	Provincial	17,95
D743	Gravel	D	Provincial	0,79
PROW16	Gravel	PROW	Provincial	0,11
P95	Blacktop	P	Provincial	0,44
P575	Blacktop	P	Provincial	1,75

ROADNUM	SURFACE	CLASS	RESPONSIBLE	Length (km)
P575	Blacktop	P	Provincial	0,6
P575	Blacktop	P	Provincial	3,58
P5-4	Blacktop	P	Provincial	22,91
D562	Gravel	D	Provincial	0,83
G_P5-4	Blacktop	G	Provincial	0,22
PROW281	Gravel	PROW	Provincial	1,21
L1447	Gravel	L	Provincial	1,4
L1450	Gravel	L	Provincial	3,35
P8-1	Blacktop	P	Provincial	1,48
P8-1	Blacktop	P	Provincial	12,82
P8-1	Gravel	P	Provincial	8,38
D274	Gravel	D	Provincial	9,44
L50	Gravel	L	Provincial	0,61
L1516	Gravel	L	Provincial	5,23
L2783	Gravel	L	Provincial	0,21
D1034	Gravel	D	Provincial	0,74
D1034	Gravel	D	Provincial	2,26
L1448	Gravel	L	Provincial	5,71
D360	Gravel	D	Provincial	7,61
D1124	Blacktop	D	Provincial	0,01
L1665	Gravel	L	Provincial	5,93
L2761	Gravel	L	Provincial	1,98
P24	Blacktop	P	Provincial	20,84
PROW34	Gravel	PROW	Provincial	0,39
PROW35	Gravel	PROW	Provincial	1,76
D329	Gravel	D	Provincial	2,78
D411	Gravel	D	Provincial	4,11
D248	Gravel	D	Provincial	10,53

ROADNUM	SURFACE	CLASS	RESPONSIBLE	Length (km)
P117	Blacktop	P	Provincial	7,58
P117	Gravel	P	Provincial	3,77
P117	Gravel	P	Provincial	3,84
PROW82	Gravel	PROW	Provincial	0,21
P116	Gravel	P	Provincial	13,46
P116	Blacktop	P	Provincial	1,63
L2641	Gravel	L	Provincial	3,37
P257	Gravel	P	Provincial	9,99
D2169	Gravel	D	Provincial	1,09
P728	Gravel	P	Provincial	2,05
L349	Gravel	L	Provincial	1,08
D1065	Gravel	D	Provincial	1,79
D158	Gravel	D	Provincial	16,77
D831	Gravel	D	Provincial	1,28
D328	Gravel	D	Provincial	0,97
L1506	Gravel	L	Provincial	1,9
L1941	Gravel	L	Provincial	0,53
L1689	Gravel	L	Provincial	2,37
P8-2	Gravel	P	Provincial	0,03
L1764	Gravel	L	Provincial	2,61
L1116	Gravel	L	Provincial	5,89
L2589	Gravel	L	Provincial	1,14
L3068	Gravel	L	Provincial	0,75
L2651	Gravel	L	Provincial	2,02
D61	Gravel	D	Provincial	8,28
D586	Gravel	D	Provincial	7,38
D62	Blacktop	D	Provincial	1
D62	Gravel	D	Provincial	4,07

ROADNUM	SURFACE	CLASS	RESPONSIBLE	Length (km)
D587	Blacktop	D	Provincial	0,5
L218	Blacktop	L	Provincial	0,48
D773	Gravel	D	Provincial	3,24
D63	Gravel	D	Provincial	5,12
D684	Gravel	D	Provincial	2,5
D684	Gravel	D	Provincial	2,67
D767	Gravel	D	Provincial	0,73
L1449	Gravel	L	Provincial	2,98
D59	Gravel	D	Provincial	2,37
D59	Gravel	D	Provincial	2,42
D59	Gravel	D	Provincial	11,12
L1642	Gravel	L	Provincial	1,32
P502	Gravel	P	Provincial	0,12
L3429	Gravel	L	Provincial	2,5
L3430	Gravel	L	Provincial	1,82
L3431	Gravel	L	Provincial	1,45
D767	Blacktop	D	Provincial	2
L1956	Gravel	L	Provincial	1,71
PROW379	Gravel	PROW	Provincial	5,2
PROW92	Gravel	PROW	Provincial	1,18
L674	Gravel	L	Provincial	6,76
D1066	Gravel	D	Provincial	2,6
P115	Gravel	P	Provincial	14,95
P115	Gravel	P	Provincial	3,15
P115	Gravel	P	Provincial	3,18
P121	Blacktop	P	Provincial	9,63
P121	Gravel	P	Provincial	13,9
P202	Blacktop	P	Provincial	4,35
P202	Gravel	P	Provincial	1,76
P547	Gravel	P	Provincial	0,63
P5-2	Blacktop	P	Provincial	0,12
L818	Gravel	L	Provincial	0,06
L3628	Gravel	L	Provincial	4,26

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

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

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

- ✓ Lack of all-weather access roads;
- ✓ Deterioration of existing infrastructure;
- ✓ Lack of piped storm water drainage;
- ✓ Lack of sidewalks;
- ✓ Lack of speed humps and signage; and
- ✓ Overgrown verges.

The rural gravel roads at Nhlazuka, Phatheni, Gengeshe, Mgxobeleni, Masangazane and Smozomeni require regular maintenance.

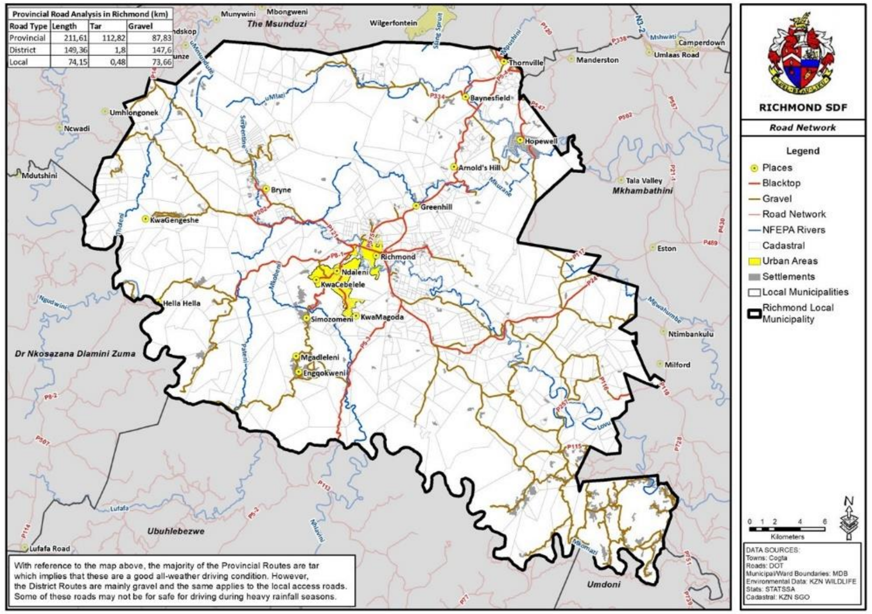
In terms of public transport, there are eleven routes which transport passengers within and outside of the Richmond municipal areas viz:

ORIGIN	DESTINATION
Richmond Taxi Rank	Durban
Ixopo Taxi Rank	Richmond
Gengeshe	Richmond
Richmond	Eston
Masangazane	Richmond
Magoda	Richmond
Ndaleni	Richmond
Phatheni	Richmond Taxi Rank
Simozomeni	Richmond Taxi Rank
Inhlazuka	Richmond
Pietermaritzburg	Richmond

Source: KZN Department of Transport

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

Figure 47: Road Network



3.4.4 Energy

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

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

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%**	**Total**	**16440**	**100%**			

StatsSA: Census 2011, Community survey 2016

The above table 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.

3.4.5 Access to Community Facilities

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

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

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

- ✓ The Municipal area is disadvantaged in terms of the provision of security and emergency services by public service sectors.
- ✓ Social facilities and programmes to deal with the HIV/AIDS have been developed however there is still a significant shortage of facilities to deal with this pandemic. The Municipality has established the local HIV/AIDS Council, the objectives and function of the council its main objectives are to guide and facilitate the implementation in the Richmond Municipality of the National HIV and AIDS strategic plan and other related matters, facilitate, monitor and evaluate the protection, promotion and fulfilment of the rights affected and infected persons living with HIV and AIDS in the Richmond Municipal area.
- ✓ There is inadequate burial space due to the high mortality rate. In attempt to address this challenge the municipality has engaged with the district municipality to identify suitable land for the establishment of the regional cemetery. This is being addressed in the Integrated Cemeteries and Crematoria Plan that is being compiled by the District Municipality.

Even though the 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.

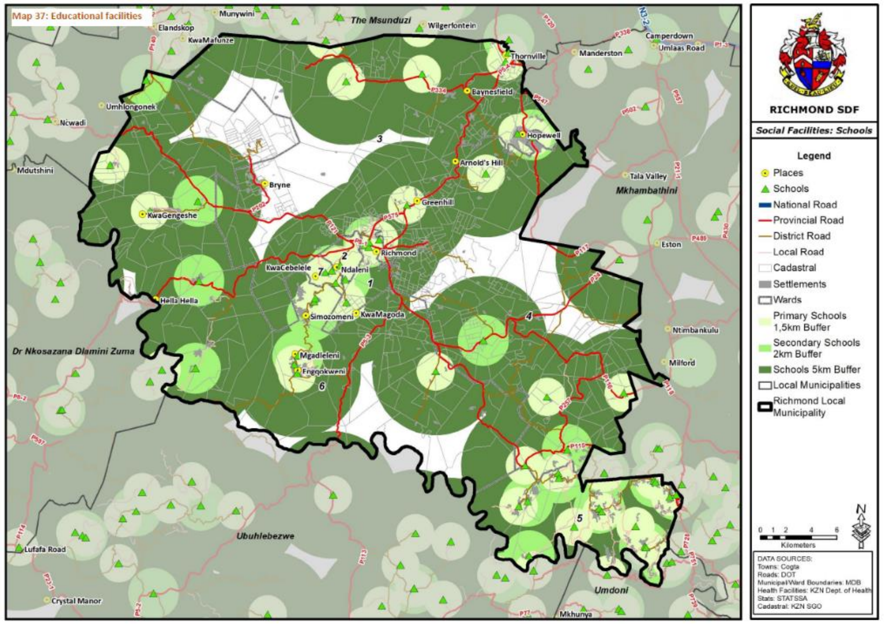
3.4.5.1 Animal Pound

The municipality has also implemented an alternative measure with regards to the services of an Animal Pound, where an appoint Service Provider undertakes the duties of pounding stray animals and keep them in a holding area (within the municipal area) for a 24hrs period and if the animal is not claimed it is then transport to the main animal pound under the ownership of the Service Provider. The municipality is still in a process of sourcing funding for the construction of the animal pound and additional funding for the operations of the pound, as such requires an extensive budget i.e. in-house vet, animal feed, etc.

3.4.5.2 Access to Schools

There is a total of 37 schools in the municipal area. These are twenty-five (25) primary schools, five (5) secondary schools, four (4) combined schools, two (2) pre-primary schools and one (1) special school for the deaf. The map (insert) indicates that schools are well distributed in the municipal area and generally meet the recommended planning standard of 600 households for each primary school and 1200 households per secondary school. It is however important to note that this crow-flies' radius may be a challenge in some of the rural areas given the terrain and existence of rivers which may be a hindrance. This is especially the case within north-west and southern parts of the municipality.

Figure 48: Access to Schools



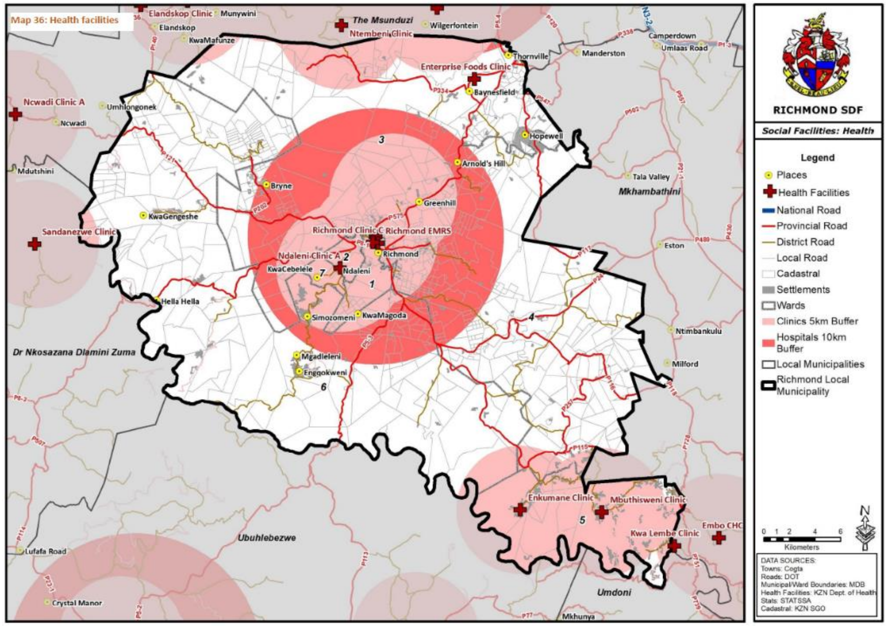
3.4.5.3 Access to Health Facilities

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

- ✓ Richmond Crest Hospital
- ✓ Provincial clinics in Richmond, Ndaleni and eMbuthisweni
- ✓ Private clinic in Inkumane
- ✓ Six mobile clinic ports

Health facilities are not well distributed throughout Richmond Municipality and areas which have medium to higher concentrations of people are not serviced. Measures would therefore need to be put in place to ensure that these areas have access to health facilities. In 2019 the Richmond Municipality had a total of 10 Healthcare facilities in 2019, with 5 of them being clinics.

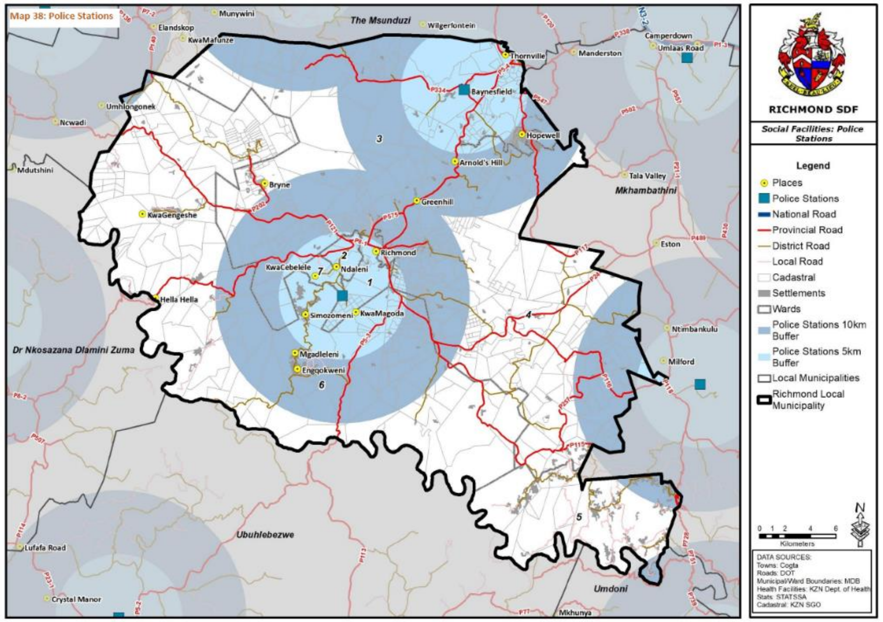
Figure 49: Access to Healthcare



3.4.5.4 Access to a Police Station

Based on planning standards one (1) police station should be provided for every 4500 households. However, it is also important to indicate that the other issues that should inform the development of new police stations should be the crime statistics for an area. There are two (2) Police Stations in Richmond LM. Richmond Municipality, together with the South African Police Service (SAPS) and the Community Policing Forum (CPF) and other stakeholders, has put crime prevention strategies in place. These include awareness campaigns at schools on drugs abuse and domestic abuse etc. Based on the present statistics, the municipality should be capacitated with at least two additional formal police stations.

Figure 50: Access to a Police Station

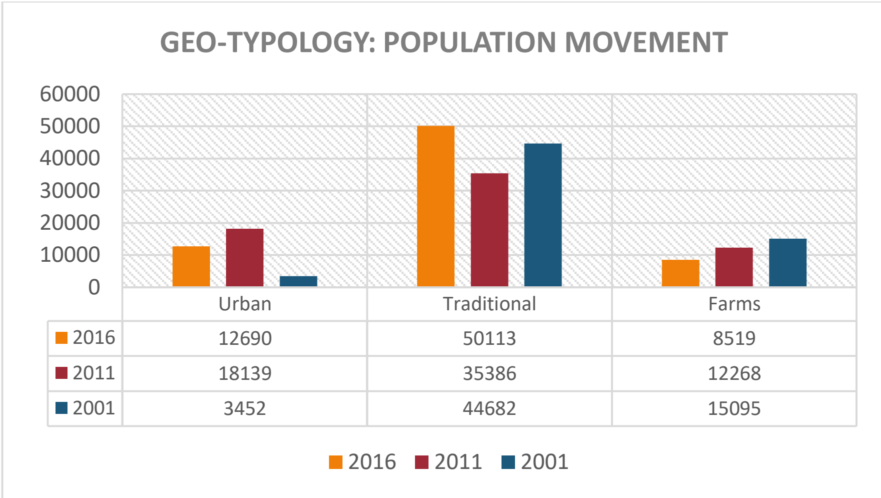


3.4.6 Human Settlements

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.

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 51: Population by Settlement Typology



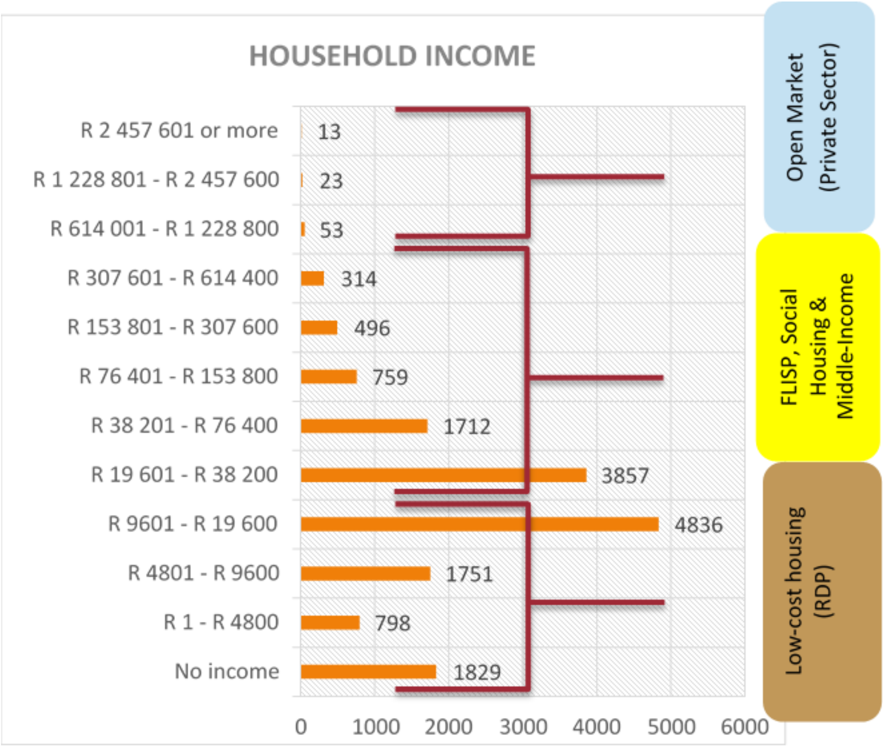
Source: StatsSA Community Survey

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 52: Household Income Linked to Housing Subsidy



Source: StatsSA Community Survey

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 progress needs to be fasttracked 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:

1. Area 2: Ndaleni, Smozomeni, Emaswazini, (Insitu-Upgrade project covering 800 sites suggested for this area)
2. Area 1: Magoda, Town lands, Ekupholeni (currently covered by the Siyathuthuka P1 (758) and P2 (1000) projects) and thereafter
3. Area 3: Baynesfield, Byrne, Sidakeni (Insitu-Upgrade project covering 400 sites suggested for this area).

Siyathuthuka Phase 2 was completed during the 2022/2023 financial year; which project include parts of the Ndaleni Area. However, the housing demand remains and an application for Siyathuthuka Phase 3 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

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

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 28: Status of 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	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	none

PROJECTS	NO.OF UNITS	AREA	WARDS	SOCIAL& ECONOMIC CATEGORY	PROJECT STATUS	ENGINEERING SERVICE In 5 years	ENGINEERING SERVICE In 20 years
						Survey Floodline/plane studies	
Gengeshe Housing project	400	Gengeshe	6	Low income	Approved for detailed planning	Geotechnology studies Survey Floodline studies	none
Mzinolovu Housing project	300	Mzinolovu	3	Low income	Planning: Application submitted to the Department	Geotechnology studies Survey Floodline/plane studies	none
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

3.4.6.1 Housing SWOT Analysis

Table 29: 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.

3.4.7 Telecommunications

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 Wi-Fi 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 Wi-Fi 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.

3.4.8 Basic Service Delivery SWOT Analysis

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

	Sector Departments and Parastatals • Lack of industrial or commercial municipal owned land for development of social and infrastructure projects
Opportunities	**Threats**
• **Training and capacity building** • **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

3.5 LOCAL ECONOMIC DEVELOPMENT

Local Economic Develop (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 is has to offer, where its weaknesses and gaps lie, what outside threats and opportunities exist, and what the local area wants and needs.

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

(1) **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.

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

(3) **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.

(4) **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.

(5) **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.

(6) **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.

(7) **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.

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

3.5.1 Municipal LED Unit Functionality

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

- ✓ **Manager**: Local Economic Development x1
- ✓ **Coordinators**: Local Economic Development x2
- ✓ **Intern**: Tourism (EDTEA)x1

The LED Unit is currently functioning with 2 full time employees, that is the Manager and 2xLED Coordinator, as well as EDTEA intern. 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 are 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.

3.5.2 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.

3.5.3 Stakeholder Engagement

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

Table 30: External Stakeholders

STAKEHOLDER	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 31: 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

3.5.4 Alignment with Policies

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:

Table 32: LED Alignment with Legislations

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

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

POLICY DOCUMENT	PURPOSE/OBJECTIVE	PROPOSED BUDGET
The Investment, Retention and	The preparation of an Investment and Retention Policy is aimed at attracting	R350 000-00

POLICY DOCUMENT	PURPOSE/OBJECTIVE	PROPOSED BUDGET
Attraction Strategy	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.	
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.C
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 000-00

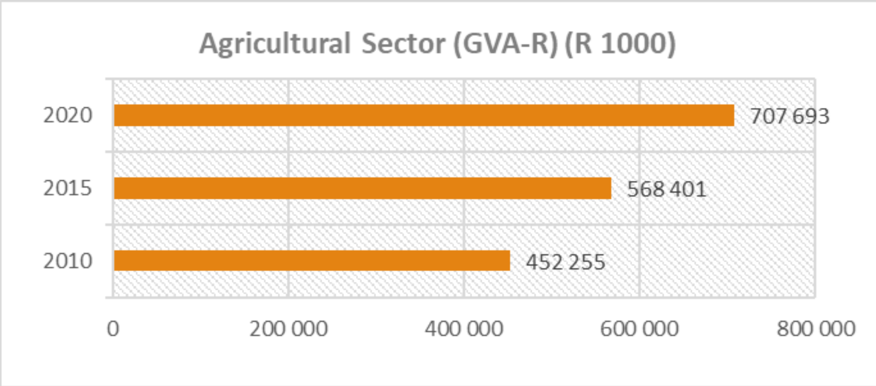
3.5.5 Sectoral Economic Contribution

3.5.5.1 Agriculture and Forestry

The 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 faming, citrus production, sugar cane farming and dairy and beef are the main primary agricultural operations which also present opportunities for agri-processing and beneficiation along the entire value chain. 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 53: Agricultural Sector GVA-R



Source: Quantec 2021

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

Table 33: Agricultural Challenges & Mitigating 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 five clear indication of land pockets owned by the municipality and to be used for agro processing.

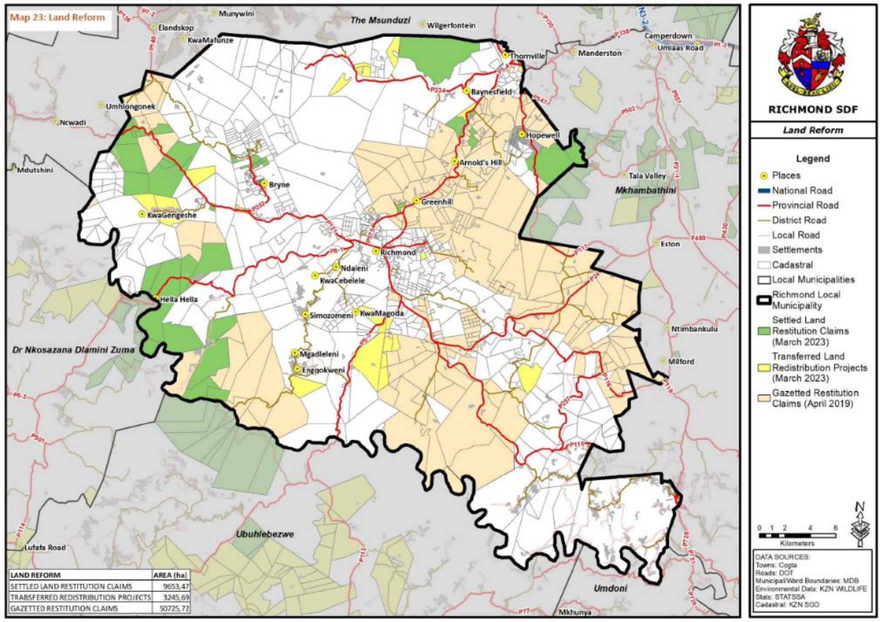
Commercial Farming

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 54: Land Reform Status



LAND REFORM	AREA (ha)
SETTLED LAND RESTITUTION CLAIMS	9653,47
TRABSFERRED REDISTRIBUTION PROJECTS	3245,69
GAZETTED RESTITUTION CLAIMS	50725,72

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 (2023/2024-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.

Municipal: Agricultural Project/Programme Interventions

Intervention 1 – Skills Development & Capacity Building

Table 34: Agriculture Based Skills Development & Capacity Building

Financial Year	Details of Training	Budget/ Expenditure	Status
2023/2024	5 Cooperatives/SMMEs have been trained on ploughing during planting season and received support from The Department of Agriculture	DARD	Trainings were done from October to March 2023

Intervention 2 – SMME Support Programme

Table 35: Agriculture Based SMME Support Programme

Financial Year	Details of event	Budget/ Expenditure	Status
2023/2024	18 Local businesses, 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 Wed 22 May 2024.
2023/2024	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 June 2024.

3.5.5.2 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:

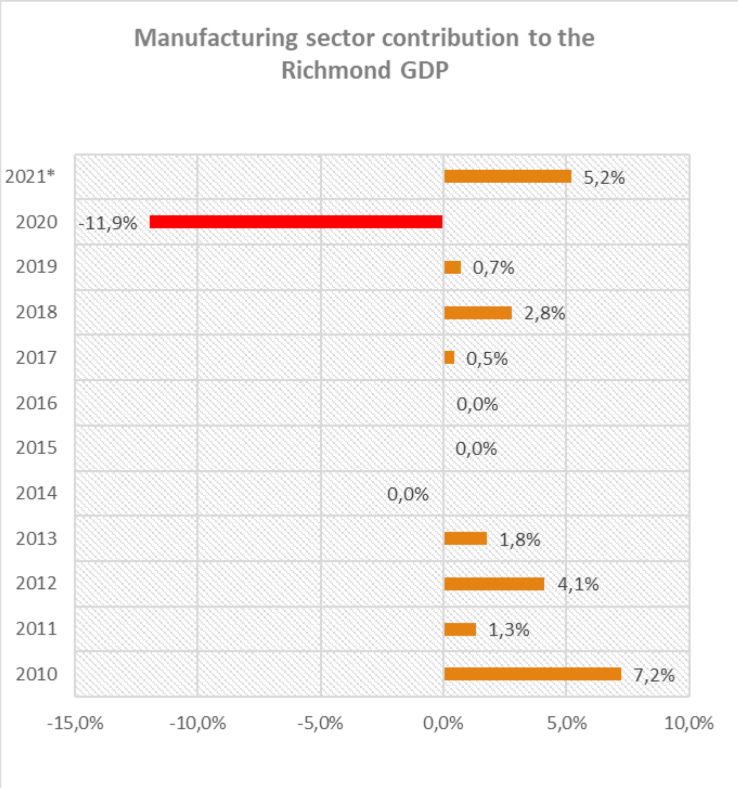
- ✓ Complicated legal issues and bureaucratic red tape
- ✓ Limited access to funding and services and poor infrastructure
- ✓ Skills shortage including harvesting, critical thinking, management, business skills, etc.
- ✓ Planning and zoning regulations including and most importantly land availability

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 55: Manufacturing Sector Contribution to Richmond's GDP



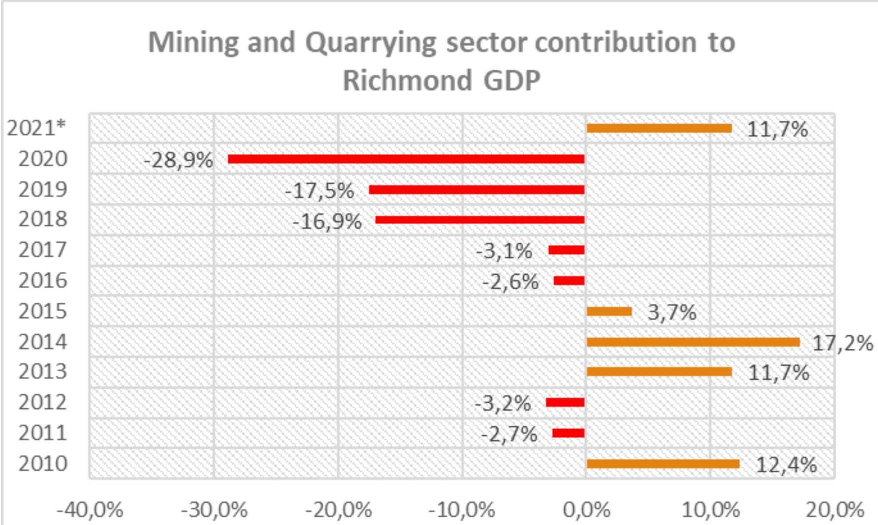
Source: Quantec 2021

3.5.5.3 Mining and Quarry

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 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 previous year of decreasing of 17.5%. The Covid-19 pandemic been the main cause of decrease of many economic sectors within Richmond Municipality.

Figure 56: Mining & Quarrying Sector Contribution to Richmond's GDP

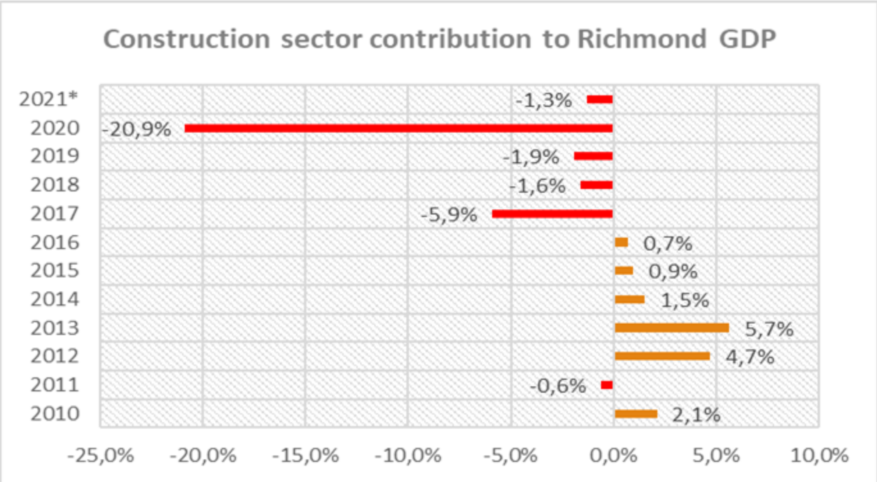


Source: Quantec 2021

3.5.5.4 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 57: Construction Sector Contribution to Richmond's GDP



Source: Quantec 2021

In response to assist the construction sector, the municipality in partnership with various stakeholders has been able to actively respond to needs of skills development and capacity building. The below table provides a summary of the undertaken training:

Table 36: Intervention 1 - Skills Development & Capacity Building

Financial Year	Details of Training	Budget/ Expenditure	Status
2023/2024	55 Beneficiaries have been trained on Pre Tender Training	SANRAL	Trainings completed on July and September 2023 respectively.

3.5.5.5 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
- ✓ Museums
- ✓ Easily accessible
- ✓ Reserves and birds: Home of the blue Swallow (which 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 pytmy 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 Municipal 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.

Figure 58: Tourist Attractions

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 tourisms 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;

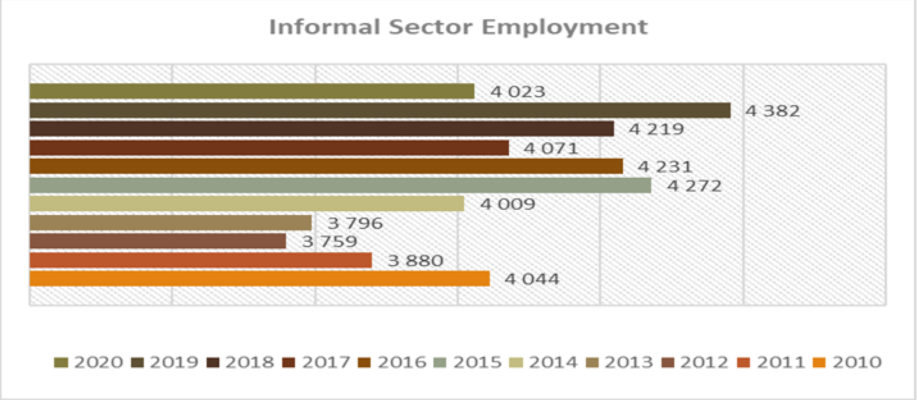
- ✓ Development of tourism accommodation brochure;
- ✓ Development of tourism and product brochure - Adventure Tourism: Mountain biking, Provincial and National Sporting destination [Mud Man Challenge, Provincial and National Polo Crosse Championships, Off Road Racing (Cycling, Motor Bike and Motorised) 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.

3.5.5.6 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 59: Informal Sector Employment Stats



Source: Quantec 2021

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.

<u>Municipal: Informal Sector Project/Programmes Interventions</u>

Intervention 1 – Access to Infrastructure Needs Programme

Table 37: Access to Infrastructure Needs (Informal Traders Assistance)

Financial Year	Details	Budget / Expenditure	Status
2023/2024	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	R2.8M EDTEA	The municipality has since applied to EDTEA, and funding of R2.8 million was approved. Currently in a process of designs, once approved construction will commence

Intervention 2 – Skills Development & Capacity Building Programmes

Table 38: Skills Development & Capacity Building (Informal Sector)

Financial Year	Details	Budget / Expenditure	Modules	Status
2023/2024	20 participants to be trained on: How To Start Your Business	R150 000-RLM LED (internal funds).	The Start and Improve Your Business Programme of the International Labour Organisation	To commence in 22 April 2024
2023/2024	Training on Business management and marketing-10 beneficiaries	Small Enterprise Development Agency-SEDA	Business Management	Training Complete

Intervention 3 – Access to Funding (Partnership 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. Subsequent to this the LED Unit has assisted local businesses including SMMEs, cooperatives and informal traders in accessing funding as per requirements from SEDA.

3.5.5.7 Small Medium & Macro Enterprises (SMMEs)

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. This is to ensure the provision of the 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 39: SMME 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 community to buy local	The expected development of the Small Business Incubation Centre will further address short falls experienced by this sector.
Easier access to business license	Business Licensing Policy provides for 21day turn-around time from the receipt of a fully completed application form with reminders distributed before the end of December each year
Lower rental fees for business premises	Addressed through the Municipality's Informal Economy Allocations Policy
Provide spaces and parking	

<u>Municipal: Informal Sector Project/Programmes Interventions</u>

Intervention 1 – Subcontracting of Local Contractors in the Implementation of Municipal Capital Projects

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

Table 40: Conditions of Municipal Bids to Support Local Contractors

Condition of Tender	Expected Outcome
The conditions of tender (2023/2024) 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 materially locally.	To allow for the strengthening of the company in terms of experience and to allow for an increase in the CIDB Rating. Provide for an increase in work opportunities to be created. i.e. apart from unskilled labour engaged by main contractor, the sub-contracted is also expected to engage locally unemployed persons to implement sub-contract.
Procurement of materials, tools and equipment	Dependent on economies of scale, all materials, tools and equipment is to be sourced locally. The Municipality also applies concessions to allow for credit facilities to allow for local procurement.
Plant and Equipment	Dependent on value for money, all plant and equipment not owned by main contractor must be sourced locally

Intervention 2 – Partnership with Existing Enterprises

Table 41: Partnership with Enterprises

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.

Intervention 3 – Skills Development & Capacity Building

Table 42: SMMEs Trainings

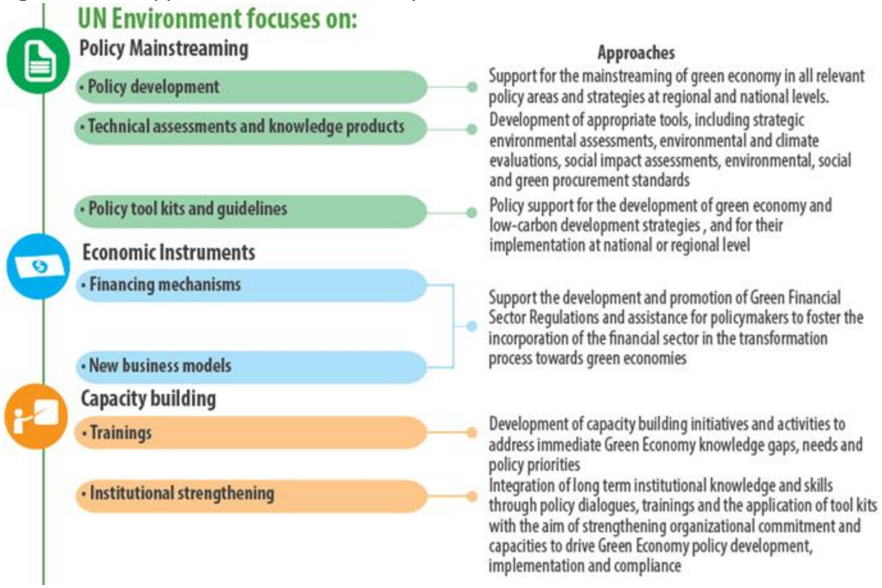
Financial Year	Details of Training	Budget/ Expenditure	Status
2023/2024	15 Beneficiaries trained on Business Management	RLM-LED Operational budget	Training completed in March 2024.

3.5.6 Development of a Green Economy

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.

The UN’s approach is summarised in the figure below which mainly focuses on the mainstreaming of policies on the green economy development agenda, the funding streams and the review of financial regulations to support the idea and capacity building on the subject matter.

Figure 60: UN Approach on Green Economy



A Green Economy can be defined 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 indus-tries 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.)

Green jobs do not just exist 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.

3.5.6.1 Encouraging Establishment 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

3.5.6.2 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

3.5.7 LED SWOT Analysis

Table 43: 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); - 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 Ndaleni skills Development Centre which produce skilled and capable workforce to support inclusive growth;	- 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;
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; - Expansion of manufacturing sector due to large availability of primary agricultural products; - High Tourism potential	- 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, will affect agricultural potential and livestock management; - crime and community unrests threaten business operations and economic growth.

3.5.8 Strategic/Catalytic Projects Responsive to SWOT, Comparative and Competitive Advantages

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 44: Responsive Strategic/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 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. 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. CP 1.4: BUSINESS ENTERPRISE: Petrol Station – rehabilitation and expansion; Thornville Hotel – assess to retain as current activity, convert to conference facility, training centre	30 10 10 8
CP2	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 DEVELOPMNT OF A MALL Development of a Mall and a Private Hospital along R56 to create more job opportunities and attracts investment in Richmond CP 2.3 STREETS LIGHTS Installation of solar street lights in all entrance points of Richmond to address issues of crime during dark nights and also for visibility of Richmond as a whole thus improving more people coming to Richmond for different services and also improve investments.	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

3.5.9 Economic Projects and Job Creation

Table 45: 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
	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	-
2025	Specialized Manufacturing: Biofuel and Timber Production	30	20
	Construction of storage for transportation, storage, and communication sector	50	-
2026	Development of a regional Industrial Park	50	30
	Development along R56	TBD	TBD
	Farmer Production Support Unit (FPSU) – Responsive to Agri Park Concept	20	50
TOTAL		660	663

3.5.10 Expanded Public Works Programme (EPWP)

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

3.5.10.1 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.

3.5.10.2 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 is made to ensure that the maximum work opportunities are realised. The EPWP target groups are unemployed and unskilled persons. EPWP target groups are 60% women, 55% youth and 2% persons will disabilities. The following table indicates targets work opportunities set by National Public Works.

Table 46: National Public Works EPWP Targets

Financial Year	Work opportunities (WO)	Full Time Equivalents (FTEs)
2024/2025	**193**	**63**
2025/2026	**198**	**65**
2026/2027	**203**	**67**
2027/2028	**212**	**69**
2028/2029	**216**	**71**
Total	**1022**	**333**

The Richmond Municipality has received confirmation from the DETEA of Invasive Alien Plant Clearing Projects for the 2024/25 Financial Year Projects and budget approval for the EPWP IASP programme in Wards 4, 7 in the amount of R1 776 600 ,00 (incentive grant funded project), which will be utilised within the financial year.

3.5.10.3 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 116 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.

3.5.10.4 EPWP Challenges and Mitigation Strategies

Table 47: 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 R115 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.

3.5.11 Red Tape Reduction Action Plan

Table 48: 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	Efficient management of Business Licensing and permit applications	Development of a register and tracking system for all applications received.	July 2024	Ongoing	LED Unit	Automated System
				Document application process and				

		the purposes of business licenses		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 2024	Ongoing	LED Unit	Richmond Municipal By-Laws
				Council approve and adopt bylaws	June 2024	June 2024		

3.5.12 Implementation Plan

Table 49: LED Implementation Plan

5.	**Implementation Plan**											
5.1	**Strategic Goal**	**W/O Created**	**Programme /Project**	**Location**	**Timeframe**	**Estimated Budget**	**Budget Availability**	**Funded / Not Funded**	**Funder/ Potential Funder**	**Lead Implementing Agent**	**Supporting Partners/Stakeholders**	**Status of Project**
5.1.1	**To promote tourism industry and identify tourism opportunities**	10	Repairs and Maintenance of High over Sanctuary Project	Mgxobeleni ward 6	6 months	R3M	R3M	Funded 2022/2023	EDTEA-Tourism	Richmond Municipality-LED	CTO, LED Forum, UMDM,UMEDA,	**Project has been completed.**

5.	Implementation Plan											
5.1.2	**To promote economic growth and economic development**	21	Installation of 150 solar street lights and 15 high mast lights	Richmond Ward 1	3 months	R5.2M	R5.2M	Funded 2022/2023	COGTA	Richmond Municipality-LED	UMDM, Richmond Rates payers, local businesses, LED Forum, Agricultural society	**Project Completed**
5.1.3	**To promote economic growth and economic development**	10 (estimate)	Repairs and maintenance of Nelson Street SMME Units	Richmond ward 1, Nelson Street	8 months	R500 000	R500 000	Funded 2023/2024 f/y	EDTEA-Business Support	Richmond Municipality-LED	Informal Traders Committee, SEDA, LED Forum	**Funds transferred to do designs and business plans. Designs have been made and sent to AMAFA for approval before submitting to the municipality for approval.**
5.1.4	**To promote economic growth and economic development**	5 (estimate)	Installation of 50 street traders shelters in Chilley and Shepstone Street	Richmond Ward 1	3 months	R1.750M	R1.750M	Not Funded	EDTEA	Richmond Municipality-LED	Informal Traders Committee, SEDA, LED Forum	**Business plan submitted to EDTEA for funding.**
5.1.5	**To provide an acceptable roads and stormwater infrastructure**	10	Rehabilitation of Siyathuthuka/ Magoda Main Road Phase 2	Siyathuthuka and Magoda Ward 2 and 7 (1.5 KM)	12 months	R11.5 M	R11.5 M	MIG	MIG	Richmond Municipality-Technical Services	Taxi Association, Community, LED Forum	**Project Completed**
5.1.6	**To ensure the smooth and safe crossing of**	17	Construction of Sheti Bridge. Ward	Ward 2, Slahla and Siyathuthuka	6 months	R6,9 M	R6.9 M	MIG	MIG	Richmond Municipality-	LED Forum, Cllrs, Taxi association,	**Project Completed**

5.	**Implementation Plan**											
	people and traffic		2, Slahla and Siyathuthuka							Technical Services	community, COGTA,	
5.1.7	**To construct and create a comfortable field which will attract more demand by the customers**	11	Construction of Fibre Sportfield	Shayamoya, ward 7	12 months	R 8.1 M	R8.1 M	MIG	MIG	Richmond Municipality-Technical Services		**Ongoing**

3.5.13 Investment Attraction, Business Expansion and Retention

The anticipated adoption of the uMgungundlovu Investment Promotion and Facilitation Strategy, has lead the Richmond Municipality to be proactive by extracting 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 within the municipality. The municipality has not developed the Investment Attraction, Business expansion and Retention strategy, processes of developing it are anticipated to be initiated during the 2024/2025 Financial Year, however funding remains a challenge and will need to be sourced.

3.6 SOCIAL DEVELOPMENT ANALYSIS

3.6.1 Broad Base Community Needs

Public participation meetings for each of the municipal wards of Richmond Municipality were held during the month of November 2023. During the meetings the community members were given the opportunity to raise issues and needs that they needed to be addressed by the municipality. (Project list attached as annexure)

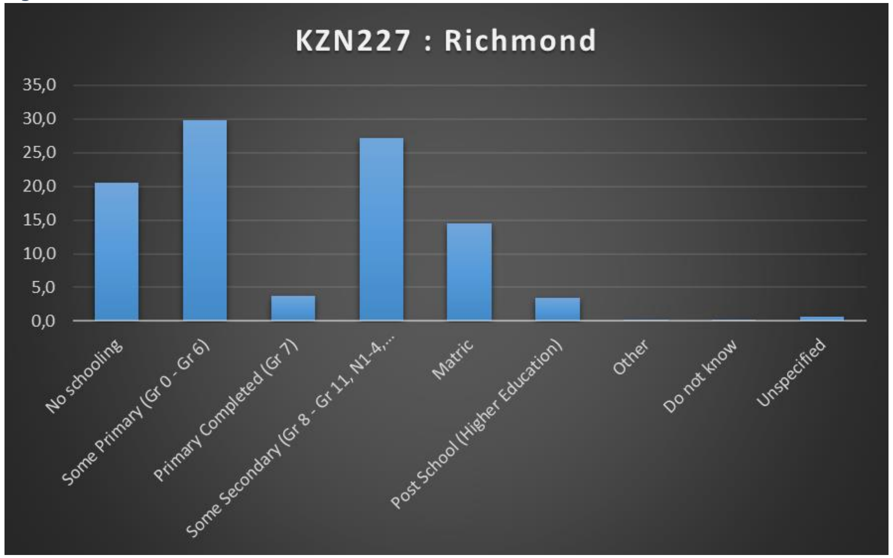
Participation, engagement & democracy allows for the communities to form part of the planning processes thereby allowing them to express their values and desires. This allows for public policy instigators to note the public values and desires and ensure that they are expression in plans and policies.

3.6.2 Education Level

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 61: Education Levels



Source: StatsSA 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.

3.6.3 Access to Health Services

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

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

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

3.6.4 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 50: HIV/AIDS Statistics

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

Source: Global Statistics 2008

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

3.6.5 Safety and Security

Richmond Municipality has a number of programmes aimed at promoting compliance with Road Safety Act. Provided below are the programmes that are implemented within the municipality:

Table 51: Safety & 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.

3.6.6 National Building and Social Cohesion

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

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

Table 52: Sport & Recreation

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

Table 53: Art & 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

3.6.7 Community Development (Particular Focus on Vulnerable Groups)

3.6.7.1 Youth Development

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

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

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

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

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

Examples of interventions include:

- ✓ Basic Financial Management Training
- ✓ Registration of Cooperatives
- ✓ Municipal Youth Career and Life Skills Expo

- ✓ Teenage Pregnancy and Anti-Drug Campaigns
- ✓ LED Internship Programme

3.6.7.2 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 54: Programmes to Develop People with Disabilities

Project	Purpose
7 Wheels Chair Race in Richmond Municipality	To unearth the talent of the disability people in sport
Mandela Race	To unearth sport talent
Disability Sport day at kwaDambuza	To encourage healthy lifestyle and promotion of sport to people with disability
Provincial Disability parliament	To encourage disability people to be involved in discussion on issues pertaining to service delivery
George Town Outenique Wheel Chair Race	The event was held in Cape Town. For disability people to compete with other Province in sport.

3.6.7.3 Development of the Elderly and Women

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

Table 55: Programmes to Develop the Elderly & Women

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

3.6.7.4 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 56: Programmes for People Affected by HIV/AIDS

PROJECT	PURPOSE
HIV and AIDS education in School	To educate the youth with issues related to HIV/ AIDS, how to live when infected or affected by HIV and AIDS
Traditional Healers workshop	The Municipality partner with the Mgungundlovu District regarding the training of Traditional Healers on issues pertaining to HIV / AIDS and TB
Phatheni Clinic: hosting opened day	Richmond Municipality partner with the Department of Health in respect of HIV & AIDS awareness campaign in ward 7
16 Days of Activism on No Violence against women and children	The campaign aimed at ensuring that there is no rape against women and children which result to the said vulnerable group being infected and affected by HIV & AIDS

3.6.7.5 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.

3.6.7.6 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.

3.6.7.7 Early childhood development

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

3.6.8 Social Development SWOT Analysis

Table 57: 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 - Drag 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 - Nhlazuka 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

3.7 FINANCIAL VIABILITY AND MANAGEMENT

3.7.1 Capital Funding and Expenditure to Address Service Delivery

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 Towns Rehabilitation Grant. In exceptional 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.

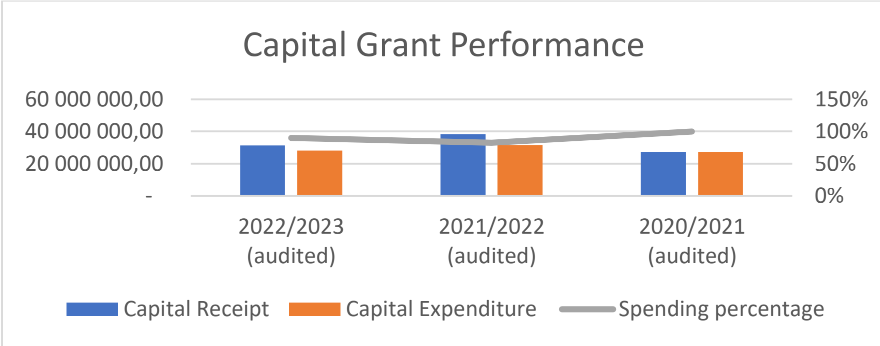
Procurement plans to expedite the implementation of the procurement process for the 2023/2024 MTREF are prepared upon adoption of the SDBIP by Council. Monthly monitoring of the procurement plan is being undertaken through the municipality's Supply Chain Management Unit.

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 58: 3year analysis on Capital Grant Funding

Consolidated overview	**2022/2023 (audited)**	**2021/2022 (audited)**	**2020/2021 (audited)**
Capital Receipt	R31,411,000.00	R38,246,001.00	R27,307,248.00
Capital Expenditure	R28,249,385.00	R31,612,920.00	R27,307,248.00
Unspent Balance	**R3,161,615.00**	**R6,633,081.00**	**-**
Spending percentage	90%	83%	100%

Figure 62: Capital Grant Performance



3.7.1.1 Roll-over grants

The municipality had a total amount of R 3,161,615.00 unspent in the 2022/2023 financial year. An application for grant rollover was made to; the National Treasury, the Department of CoGTA and the Department of Economic Development, Tourism and Environmental Affairs in line with the timelines provided in the Treasury circulars.

Therefore, the municipality did not have any unspent conditional grants from the National Treasury except the following grants which were from the Provincial Departments.

Table 59: Unspent Conditional Grants & Receipts

Unspent conditional grants and receipts		
Details	**CoGTA Grant - Small Town**	**High-over Game Reserve**
Opening Balance	5,200,000	3,000,000
Expenditure	(4,791,236)	(247,149)
Balance Unspent conditional grants	408,764	2,752,851
Rollover Approval Status	Approved	Approved

CoGTA Grant - Small Town

On 22 December 2023, the municipality received the grant rollover approval from the Department of Corporative Governance and Traditional Affairs. At the date of this letter, the municipality has submitted the specification for the appointment of the service provider through its existing panel of consultants. It is anticipated that the project would be finalized by May 2024.

High-over Game Reserve

The municipality has successfully completed the projects with a Practical Completion Certificate issued. The project has a balance of R 54 680.30 as savings which can be surrendered to the grant sponsor at the end of the financial year.

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:**

Table 60: Investment Register

INVESTMENTS 2022/2023	**BALANCE**				**CAPITALISED**	
BANK	**AT 1/7/22**	**INVESTED**	**TRANSFERS**	**WITHDRAWN(-)**	**INTEREST**	**TOTAL**
	R	R		R	R	R
FIRST NAT.	34,790.83	-	33,000,172.33	-33,160,000.00	226,289.23	101,252.39
PATHENI HOUSING CALL ACC	169,154.92			-5,315.55	10,290.47	174,129.84
FNB		-	-			
Housing operating acc	755,109.37	-	27,033.20	-	46,898.92	829,041.49
FNB		-	-	-		
FNB : Zwelethu Housing	376,196.56	-	-	-11,828.08	22,814.14	387,182.62
FNB : Siya Phase II	318,920.92	-	-	-9,889.57	18,924.52	327,955.87
FNB: HOUSING TITLE DEED	2,258,688.30	-	-	-	140,822.43	2,399,510.73
FNB: FMG	-	-	-	-172.33	172.33	-
FNB : MIG Call Acc	-	-	18,143,037.92	-18,325,944.66	182,906.74	0.00
FNB : Library Grant	152,324.93	-	-	-160,823.94	9,463.73	964.72
FNB : Small town	4,543.14	-	-	-4,543.14	-	-
	4,069,728.97	-	51,170,243.45	-51,678,517.27	658,582.51	4,220,037.66
STANDARD BANK	-	10,000,000.00	-	-10,152,493.15	152,493.15	-0.00
						-
NEDBANK	-	10,000,000.00	-	-	794,772.61	10,794,772.61
						-
FNB DME	6,666,426.02	-	-	-6,837,821.57	221,922.52	50,526.97
						-
FNB RESERVES	6,464,389.17	-	16,529,280.48	-23,000,000.00	424,596.01	418,265.66
						-
FNB HIGHOVER CALL	-	3,000,000.00	1,007,068.18	-1,371,452.55	133,117.25	2,768,732.88
						-
STANDARD BANK		10,000,000.00	-	-10,204,041.10	204,041.10	0.00
						-
ABSA FIXED	-	10,000,000.00	-	-10,215,254.79	215,254.79	0.00
						-
	13,130,815.19	43,000,000.00	17,536,348.66	-61,781,063.16	2,146,197.43	14,032,298.12
TOATL INVESTMENTS	**17,200,544.16**	**43,000,000.00**	**68,706,592.11**	**-113,459,580.43**	**2,804,779.94**	**18,252,335.78**

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

Table 61: MIG Performance

Municipal Infrastructure Grant	**2022/2023 (audited)**	**2021/2022 (audited)**	**2020/2021 (audited)**
Receipt	20,511,000.00	27,266,001.00	18,120,000.00
Expenditure	20,511,000.00	27,266,001.00	18,120,000.00
Unspent Balance	**-**	**-**	**-**
Spending percentage	100%	100%	100%

Table 62: Small Town Performance

Small Town Grant	2022/2023 (audited)	2021/2022 (audited)	2020/2021 (audited)
Receipt	5,200,000.00	-	9,187,248.00
Expenditure	4,791,236.00	-	9,187,248.00
Unspent Balance	**408,764.00**	**-**	**-**
Spending percentage	92%	0%	100%

Table 63: KZN EDTEA Grant Performance

High-over Game Reserve (EDTEA)	2022/2023 (audited)	2021/2022 (audited)	2020/2021 (audited)
Receipt	3,000,000.00	-	-
Expenditure	247,149.00	-	-
Unspent Balance	**2,752,851.00**	**-**	**-**
Spending percentage	8%	100%	100%

Table 64: INEP Performance

Integrated National Electrification Programme Grant	2022/2023 (audited)	2021/2022 (audited)	2020/2021 (audited)
Opening Balance	**6,633,081.00**		
Receipt	2,700,000.00	10,980,000.00	-
Expenditure	8,196,081.00	4,346,919.00	-
Grant Repaid	1,137,000.00	-	-
Unspent Balance	**-**	**6,633,081.00**	**-**
Spending percentage	0%	39.6%	-

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 65: Draft Prioritized Capital Projects

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

3.7.2 Repairs and Maintenance (Assets and Infrastructure)

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2024/25 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.

3.7.2.1 Repairs and Maintenance Budget as a % of PPE (R and %)

Table 66: Repairs and Maintenance Budget as a % of PPE

Year	Repairs and maintenance	Property Plant and Equipment	%
2020/2021	R5,910,489	357,153,407.00	2%
2021/2022	R6,236,111	357,752,417.00	2%
2022/2023	R10,447,854	366,539,839.00	3%

On face value, the municipality continues to budget and spend below the National Treasury guideline norm of 8%. This can be attributed to a low revenue base which limits the amount of budget that can be allocated for repairs and maintenance given the PPE value. Furthermore, the municipality performs some of the repairs and maintenance internally using employees from the Technical Services Department, however, such costs are not allocated to the repairs and maintenance vote.

The municipality is currently researching for the purposes of benchmarking an internal costing technique or system that can accurately allocate the costs it spends on salaries for employees which are responsible for maintenance of road infrastructure and other similar work. This could possible boost the amount recorded for repairs and maintenance in the future.

3.7.2.2 Three-year comparison - actual spend/budget

Table 67: Three-year comparison - actual spend/budget

Financial Year	Budget	Actual	Budget Spent %
2020/2021	6,326,930.00	5,853,030.70	93%
2021/2022	7,970,746.00	7,833,516.24	98%
2022/2023	9,780,207.00	9,493,785.32	97%

The municipality has over the financial years spent an average of 96% of its budget for repairs and maintenance. This indicates good expenditure management practices which in turn ensures that the municipal assets and infrastructure are maintained on a yearly basis.

3.7.2.3 Rand (R') Value of PPE

Table 68: Rand Value of PPE

Year	Property Plant and Equipment
2020/2021	357,153,407
2021/2022	357,752,417
2022/2023	366,539,839

The audited financial statements of the municipality show an average R 360 million value of PPE over the past 3 financial years.

As noted on table 64 above, the repairs and maintenance as a percentage of the carrying value of property, plant and equipment has averaged 2% over the period from 2020/21 to 2022/2023. 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.

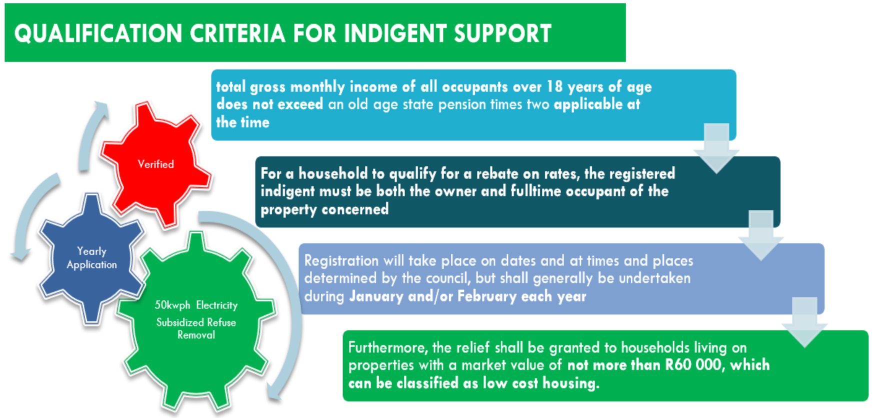
The municipality is a low capacity municipality with a grant dependence ratio of 80% whilst the collection ratio is below the norm averaging 80%. These two factors combined has a serious impact on how the budget for the municipality is structured and hampers the municipality from budgeting for repairs and maintenance in line with the norm of 8%. However, there is a revenue enhancement strategy which seeks to improve the revenue generation and projection for the municipality. The components of the revenue enhancement strategy are highlighted under the below sections.

3.7.3 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 a 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:



3.7.3.1 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:

i. The rateable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
ii. 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.
iii. 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 69: Property Rates Relief Budgetary Implications

Description	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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**

3.7.3.2 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 70: Refuse Removal Relief Budgetary Implications

Description	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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**

3.7.3.3 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 71: Free Electricity Budgetary Implications

Description	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Transfers and subsidies	600	628	628

Table 72: Indigent Information Comparative of Two Years

Free Basic Services	**2021/2022**	**2022/2023**
Relief in Service Charges		
Refuse - Rand value	R293,888	R302,891
Refuse - Number of indigent customers	378	388
Cost per service	R 65	R 66
Free Basic Electricity		
Electricity - Rand Value	R590,122	R556,406
Electricity - Number of indigent customers	652	537
Cost per service	R 75.42	R 86.34

The municipality has recently reviewed its Indigent Policy to ensure that it aligns perfectly with that of the uMgungundlovu and that the relief programs pronounced Nationally. The policy was further submitted to the KZN CoGTA for reviews and inputs.

Furthermore, the municipality embarked on program to update its indigent register to ensure the integrity of the indigent database. All qualifying residents were captured onto the system and flagged as such.

Challenges in the implementation of Indigent Management Programme.

There is a general lack of cooperation from the general public. The programme of updating the indigent register was well publicized however the turnout for the registration was poor. Furthermore, the municipality lacks adequate resources to visits all areas within the wards when it comes to the registration process and would only visit a limited number of halls per ward.

Measures to address challenges

The municipality should aim to aligning the process of updating its indigent register when the District undertakes the same exercise. This will ensure that resources are pulled together to achieve greater reach.

3.7.4 Revenue Raising Strategies (Revenue Management)

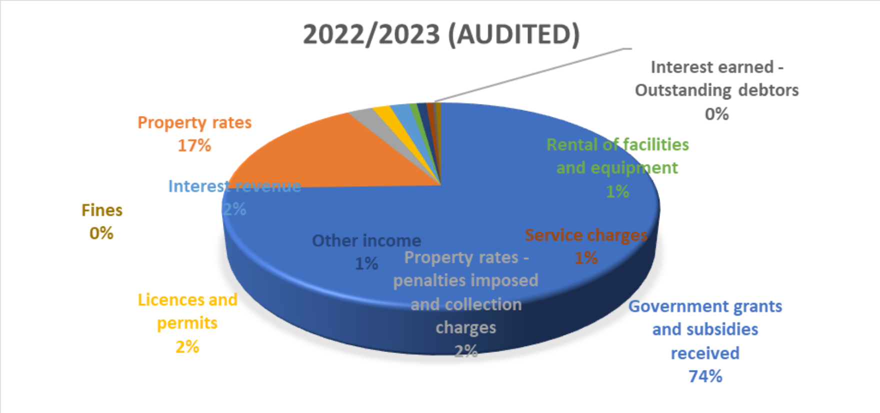
The municipality's past audited revenue performance affirms the need to relook at its revenue raising strategies. The current municipal sources of revenue are as follows:

Table 73: Summary of Revenue

Description	2022/2023 (audited)	%	2021/2022 (audited)	%
Government grants and subsidies received	118,918,547.00	75%	111,970,405.00	79%
Property rates	27,115,297.00	17%	19,284,889.00	14%
Property rates - penalties imposed and collection charges	3,674,200.00	2%	3,873,297.00	3%
Licences and permits	2,565,067.00	2%	1,934,591.00	1%
Interest revenue	2,778,590.00	2%	1,263,412.00	1%
Rental of facilities and equipment	1,097,787.00	1%	1,088,811.00	1%
Other income	1,336,421.00	1%	1,221,649.00	1%
Service charges	966,377.00	1%	922,562.00	1%
Interest earned - Outstanding debtors	408,505.00	0%	396,176.00	0%
Fines	742,769.00	0%	482,784.00	0%
Total	159,603,560.00	100%	142,438,576.00	100%

The municipality generated a total income of R 159 million in the 2022/2023 financial year, this was an increase when compared to the 2021/2022 financial year where an overall income of R 142 million was made. The higher income can be attributed to the implementation of a new valuation roll which resulted in an increase in the property rates. Whilst the increase is welcomed, the municipality continues to rely on grants for operations. The municipal can only generate 25% from its own sources of income. This calls for implementation of aggressive revenue enhancement initiatives.

Figure 63: Summary of Revenue



In light of the above performance, the municipality has updated its Revenue Enhancement Strategy and it is currently being implemented. 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 and are detailed in the table below:

Table 74: Four KPAs for the 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 Ensure accessible pay points Conduct awareness campaigns
2	Revenue Management	Revenue Value Chain analysis Revenue Polices 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

3.7.4.1 Identified Areas to Maximise Revenue

Property Rates

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.

- ✓ Engage Provincial and National Treasury for outstanding property rates from 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.

Table 75: Financial Impact from Property Rates Initiatives

Basis for determining impact on the current budgeted figures	2023-24 R'000	2024-25 R'000	2025-26 R'000	2026-27 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 measured implemented thereof.

- ✓ Follow procedure 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.

Table 76: Financial impact from Refuse Revenue Initiatives

Basis for determining impact on the current budgeted figures	**2023-24** **R'000**	**2024-25** **R'000**	**2025-26** **R'000**	**2026-27** **R'000**
The customer information audit and data cleansing projects will result in a conservative average increase of 20% The annual increase on the revenue from refuse collection services will be R 500 000 per annum plus inflation at an average percentage of 6%.	521	543	600	643

Other Income

Rental of Facilities and 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.

Table 77: Financial Impact of Refuse Revenue Initiatives

Basis for determining impact on the current budgeted figures	**2023-24** **R'000**	**2024-25** **R'000**	**2025-26** **R'000**	**2026-27** **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

Customer Payment Incentives

- ✓ Incentives to 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).

Table 78: Financial Impact of Refuse Revenue Initiatives

Basis for determining impact on the current budgeted figures	**2023-24 R'000**	**2024-25 R'000**	**2025-26 R'000**	**2026-27 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	4 200

3.7.5 Debt Category (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 tables below demonstrate the total debt outstanding in a three-year cycle, per category per age analysis and the cumulative collection ratios:

Table 79: Receivables from Non-exchange Transactions

Ageing	**Assessment Rates**	**Accrued Income**	**Traffic Fines**	**Sundry Debtors**
2022/2023				
0 -30 Days	6,790,421	23,251	20,000	169,534
31 - 60 days	953,225		33,600	
61 - 90 days	830,161		114,300	
+ 90 Days	33,089,503	221,402	1,914,926	2,033,169
2021/2022				
0 -30 Days	2,225,024		6,300	
31 - 60 days	878,065		89,000	

Ageing	Assessment Rates	Accrued Income	Traffic Fines	Sundry Debtors
61 - 90 days	865,514		41,400	
+ 90 Days	42,902,560	221,402	1,223,850	3,059,738
2020/2021				
0 -30 Days	2,228,972		17,600	
31 - 60 days	823,328		113,700	
61 - 90 days	844,583		142,300	
+ 90 Days	44,248,085	157,134	619,650	2,614,589

Table 80: Receivables from Exchange Transactions

Ageing	Refuse	Other Receivables
2022/2023		
0 -30 Days	210,554	127,990
31 - 60 days	93,232	53,714
61 - 90 days	86,227	48,038
+ 90 Days	2,928,296	1,375,244
2021/2022		
0 -30 Days	244,559	218,572
31 - 60 days	10,470	67,844
61 - 90 days	102,358	43,719
+ 90 Days	2,921,954	1,386,852

Ageing	Refuse	Other Receivables
2020/2021		
0 -30 Days	412,817	161,286
31 - 60 days	90,932	51,604
61 - 90 days	92,686	549,023
+ 90 Days	2,137,058	936,982

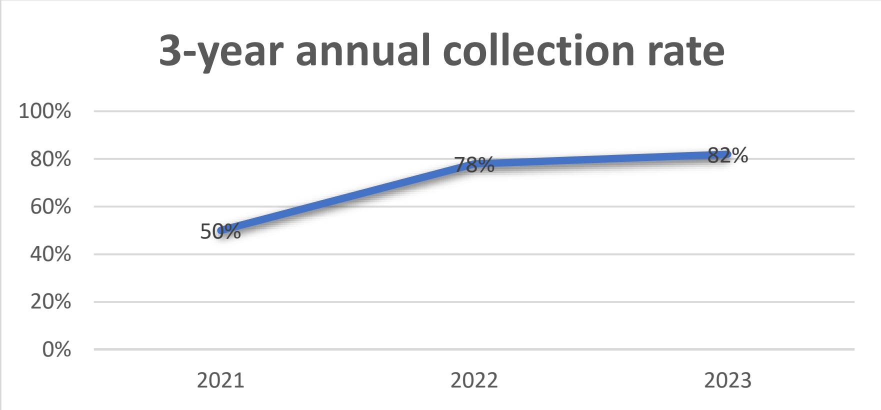
Table 81: Summary of Receivables from Exchange Transactions by Customer Classification

Category	2020/2021	2021/2022	2022/2023
Household	11,739,166	13,522,462	13,719,397
Industrial /Commercial	1,916,203	2,397,403	3,260,969
National and Provincial Government	23,650,267	19,325,285	14,695,484
Other	10,839,334	11,626,005	9,987,461
TOTAL	**48,144,970**	**46,871,155**	**41,663,311**

Table 82: 3year Annual Collection Rate

Year	Collection rate
2021	50%
2022	78%
2023	82%

Figure 64: 3year Annual Collection Rate



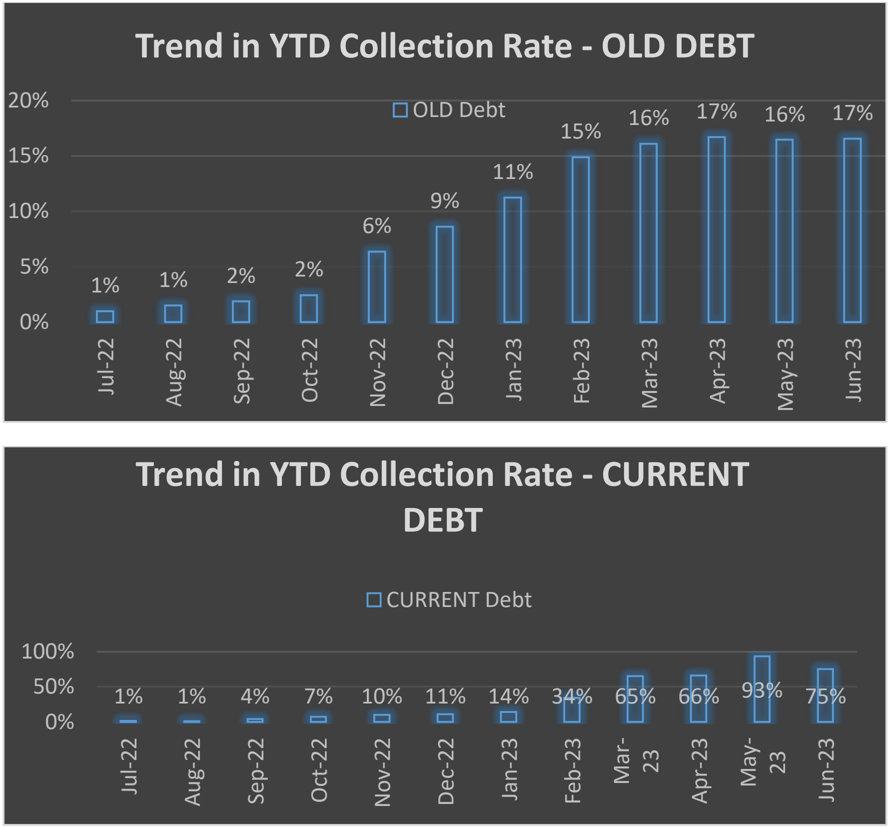
The table and figure below demonstrate that the Year to date (YTD) collection ratio split between Old (Opening Balance of **R 51 150 119.47**) and Current debt for **June 2023**.

Table 83: Trend in YTD Collection

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-22	R 50,447,999.97	R 585,044.35	R 618,237.04	R 497,444.84	R 7,430.87	R 113,361.33	R 50,414,807.28	1%	1%
Aug-22	R 50,414,807.28	R 16,718,960.08	R 459,282.50	R 254,481.72	R 127,755.29	R 77,045.49	R 66,674,484.86	1%	1%
Sep-22	R 66,674,484.86	R 2,106,678.33	R 918,270.46	R 192,810.03	R 647,216.38	R 78,244.05	R 67,862,892.73	2%	4%
Oct-22	R 67,862,892.73	R 2,170,892.22	R 1,093,217.60	R 278,433.29	R 729,517.01	R 85,267.30	R 68,940,567.35	2%	7%
Nov-22	R 68,940,567.35	R 2,163,019.18	R 2,856,842.21	R 1,984,010.10	R 808,569.32	R 64,262.79	R 68,246,744.32	6%	10%
Dec-22	R 68,246,744.32	R 2,061,715.62	R 1,702,180.39	R 1,132,949.28	R 521,392.31	R 47,838.80	R 68,606,279.55	9%	11%
Jan-23	R 68,606,279.55	R 1,910,333.85	R 2,405,785.46	R 1,323,296.52	R 1,026,282.12	R 56,206.82	R 68,110,827.94	11%	14%
Feb-23	R 68,110,827.94	-R 348,766.40	R 7,711,548.90	R 1,834,169.58	R 5,428,001.62	R 449,377.70	R 60,050,512.64	15%	34%
Mar-23	R 60,050,512.64	-R 10,032,727.19	R 2,714,099.89	R 620,568.48	R 2,024,493.40	R 71,076.16	R 47,303,685.56	16%	65%
Apr-23	R 47,303,685.56	R 2,163,019.18	R 1,986,724.33	R 298,008.65	R 1,589,379.46	R 99,336.22	R 47,479,980.41	17%	66%
May-23	R 47,479,980.41	R 2,170,892.22	R 2,530,637.17	R 379,595.58	R 2,024,509.74	R 126,531.86	R 47,120,235.46	16%	93%
Jun-23	R 47,120,235.46	R 2,170,892.22	R 2,039,858.14	R 305,978.72	R 1,631,886.51	R 101,992.91	R 47,251,269.54	17%	75%
		R 23,839,953.66	**R 27,036,684.09**	**R 9,101,746.79**	**R 16,566,434.03**	**R 1,370,541.42**			

YTD Split Collection Ratio - Jun 2023:					
OLD DEBT		**CURRENT DEBT**		**Unallocated rec**	**TOTAL**
Opening Balance	R 50,447,999.97	YTD Billed	R 23,839,953.66	R -	R 74,287,953.63
YTD Receipts - OLD	R 9,101,746.79	YTD Receipts - NEW	R 16,566,434.03	R 1,370,541.42	R 27,038,722.24
Closing Balance	**R 41,346,253.18**	Closing Balance	**R 7,273,519.63**	**R 1,370,541.42**	**R 47,249,231.39**
YTD Collection rate (old debt)	**18%**	YTD Collection rate (new debt)	**69%**		

Figure 65: Trend in YTD Collection Rate



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.

Table 84: Debt Impairment of the Past 3years

Movement	2022/2023 (audited)	2021/2022 (audited)	2020/2021 (audited)
Trade and other receivables	231,584.00	501,015.00	843,972.00
Other receivables from non-exchange revenue	81,234.00	4,102,574.00	607,548.00
Total	150,350.00	4,603,589.00	1,451,520.00

Table 85: Cumulative Impairment

Cumulative Impairment	2022/2023 (audited)	2021/2022 (audited)	2020/2021 (audited)
Trade and other receivables	4,558,668.00	4,258,367.00	3,530,084.00
Other receivables from non-exchange revenue	40,271,868.00	40,353,102.00	36,554,202.00
Total	44,830,536.00	44,611,469.00	40,084,286.00

Table 86: Irrecoverable debts Written Off

Irrecoverable debts written off	2020/2021	2021/2022	2022/2023
Collection Charges and Interest Property rates	-	-	12,113,097.00
Interest on Refuse and other	-	-	687,507.00
TOTAL	**-**	**-**	**12,800,604.00**

Challenges in the Data Cleansing, Write-off and Impairments

The municipality embarked on a data cleansing exercise, and there were accounts which could not be traced to any customers and in some instances, customers were deceased. This resulted in the municipality taking an item to council for accounts write offs in line with the council approved policy on credit control and debtors management policy.

The council approved the write offs and as such were duly processed in the financial system. The municipality always strive for collection however is mindful of the reality that not account are collectible. Therefore, a provision was made in the budget to accommodate such write offs. There were no major challenges experienced with the actual processing of write-offs however, the effect of write offs was felt in the statement of financial performance at year end.

The municipality has fully applied the relevant GRAP standards in the computation of impairment with no findings from the Audit General. However, the municipality is challenged with the ever-increasing impairment provision for debtors in the accounting books and this requires attention. The municipality will continue implementing debtor's collection strategies.

3.7.6 Supply Chain Management

Functionality of SCM Unit

The Supply Chain Management (SCM) 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 municipal SCM Policy gives effect to Section 217 of the Constitution; and also ensure that the procurement process is fair, equitable, transparent, competitive and cost effective.

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.

To date, the municipality has implemented all procurement for items in the procurement plan and the status reported as such in the Council Meeting of May 2024. This is considered a win for the municipality as this demonstrates the timely procurement of goods and services which in turn improves service delivery.

Functionality of Bid Committees

The Richmond Municipality has established the following bid committees:

a) Bid specification committee
b) Bid evaluation committee
c) Bid adjudication committee

Table 87: BID Committees Composition

RICHMOND LOCAL MUNICPALITY BID COMPOSITION					
BID ADJUDICATION COMMITTEE					
	Designation	**Name**	**Employee Number**	**Role on Committee**	**Period of Appointment**
Bid Adjudication Committee	CFO	Filled		Chairperson	1 July 2023 – 30 July 2024
Bid Adjudication Committee	SM Community Services	Filled		Member	1 July 2023 – 30 July 2024
Bid Adjudication Committee	SM Technical Services	Filled		Member	1 July 2023 – 30 July 2024
Bid Adjudication Committee	SM Corporate Services	Vacant		Member	1 July 2023 – 30 July 2024
Bid Adjudication Committee	Expenditure Accountant SCM	Filled		Member	1 July 2023 – 30 July 2024
BID EVALUATION COMMITTEE					
Bid Evaluation Committee	Manager SCM	Filled		Chairperson	1 July 2023 – 30 July 2024
Bid Evaluation Committee	Expenditure Accountant Asset	Filled		Member	1 July 2023 – 30 July 2024
Bid Evaluation Committee	Housing Officer	Filled		Member	1 July 2023 – 30 July 2024
Bid Evaluation Committee	Senior Technician	Filled		Member	1 July 2023 – 30 July 2024
Bid Evaluation Committee	Manager Library	Filled		Member	1 July 2023 – 30 July 2024
BID SPECIFICATION COMMITTEE					
Bid Specification Committee	SM Technical Services	Filled		Chairperson	1 July 2023 – 30 July 2024
Bid Specification Committee	Manager LED	Filled		Member	1 July 2023 – 30 July 2024
Bid Specification Committee	Manager Planning	Filled		Member	1 July 2023 – 30 July 2024
Bid Specification Committee	Asset Clerk	Filled		Secretary	1 July 2023 – 30 July 2024
Bid Specification Committee	Supervisor Learners Centre	Filled		Member	1 July 2023 – 30 July 2024
QUOTATION EVALUATION					
Quotation Evaluation Committee	Expenditure Accountant SCM	Filled		Chairperson	1 July 2023 – 30 July 2024
Quotation Evaluation Committee	SCM Practitioner	Filled		Member	1 July 2023 – 30 July 2024

RICHMOND LOCAL MUNICPALITY BID COMPOSITION					
BID ADJUDICATION COMMITTEE					
	Designation	**Name**	**Employee Number**	**Role on Committee**	**Period of Appointment**
Quotation Evaluation Committee	Accountant Asset	Filled		Member	1 July 2023 – 30 July 2024

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

<u>Training and Development of the SCM Unit and Bid Committees</u>

- 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

Timeframes from advert to award of tenders

The municipality has incorporated the timeframes for the completion of tenders also in its operational SDBIP as means to monitor performance on this area. This is found under the Strategy Focus Area - Improve systems for demand and supply chain management. The overall procurement process in targeted to be completed within the 90days period and this is reflected and monitored closely by the SCM unit.

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	**Actual performance**				
	Actual remaining balance - 30 June 2022	**Reduction expressed as a %**	**Target 2022 -23**	**Actual remaining balance – June 2023**	**Reduction expressed as a %**
2020-21 baseline	17,637,862	**63%**	**<u>60%</u>** reduction of unauthorised expenditure from baseline of 2020-2021 by 2023	-	**100%**
2020-21 baseline	227,688	**94%**	**<u>60%</u>** reduction of irregular expenditure from baseline of 2020-2021 by 2023	-	**100%**
2020-21 baseline	19,014	**100%**	**<u>60%</u>** reduction of fruitless and wasteful expenditure from baseline of 2020-21 by 2022	-	**100%**

Challenges in SCM Unit

The SCM Unit has been capacitated with no vacancies in the 2022/2023 financial year. The SCM officials continue to attend relevant trainings during the year. As can been seen above, the municipality managed to reduce and prevent the UIFW expenditure.

However, there are some small challenges in the procurement of goods and services through a quotation system as the procurement system is not yet fully utilised. The requisitions are still manual and, in some instances, there are delays in the procurement of goods and services. Such inefficiencies require immediate attention by the municipality. It is anticipated that the system will be fully utilised from July 2024.

Actions to address SCM Related Challenges:

Whilst no significant challenges are noted within the functioning of the SCM unit, the finance department has prioritised the full implementation of the SCM system which automation in the procurement processes. The officials of the municipality have undergone some training on the use of the full SCM procurement module and it is anticipated that the system will be fully utilised from July 2024.

3.7.7 Financial Ratio's

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

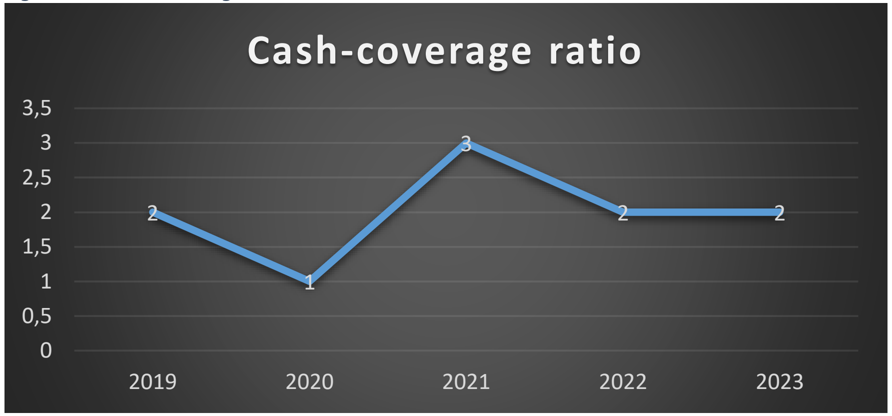
Cash/Cost Coverage Ratio (Excl. Unspent Conditional Grants)

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 2018/2019 financial year from 2.0 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 and remained at 2 months for 2021/2022 and 2022/2023.

Table 88: Cost Coverage Ratio

Year	Ratio
2019	2 Month
2020	1 Month
2021	3 Month
2022	2 Month
2023	2 Month

Figure 66: Cost Coverage Ratio



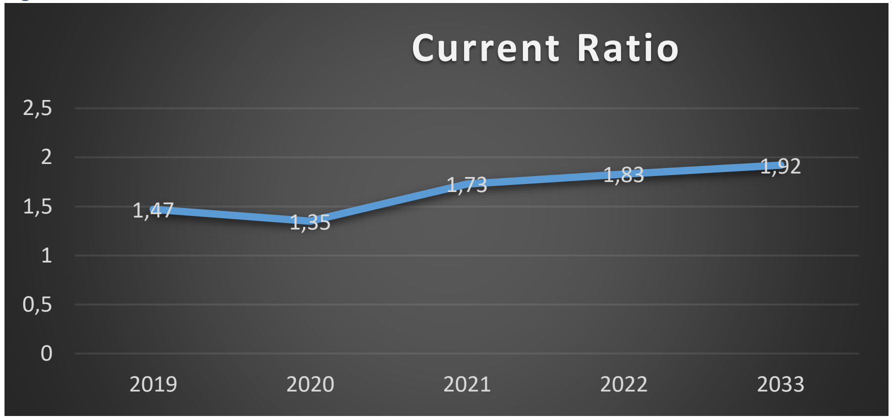
Current Ratio

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 2018/2019 financial year from 1.47:1 to 1.35:1 in the 2019/20 financial year. There is an improvement from 2020/2021 to 2022/20223 as the ratio was 1.92:1 which is above the acceptable norm of 1:1 for local government.

Table 89: Current Ration

Year	Ratio
2019	1.47
2020	1.35
2021	1.73
2022	1.83
2023	1.92

Figure 67: Current Ratio



Expenditure Management

Creditors Payment Period (Traders Creditors)

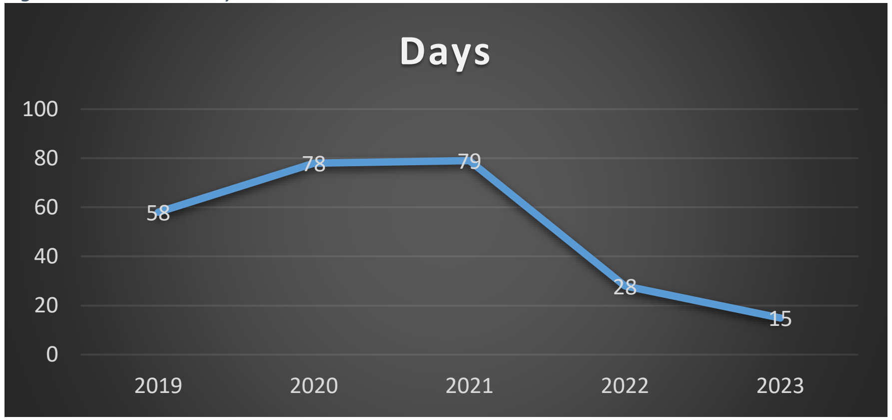
This ratio measures the number of days it takes to pay creditors who delivered services to the Municipality on credit. The GRAP Accounting Standards require from a municipality to recognise invoices in June, still payable in July, on the accrual basis. This distorts the picture because all creditors are paid within 30 days of receipt of an invoice. The ratio was 15 days for 2022/2023 which is within the norm of 30 days required by the Municipal Finance Management Act.

Table 90: Creditors Payment Period Ratio

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

Year	Ratio
2023	15 days

Figure 68: Creditors Payment Period Ratio



Debt to revenue

This ratio measures a municipality's ability to generate revenue to cover its debt payment. The municipality norm is set at 45%. The municipality has a stable ratio of just between 0%-1%, this is due to the municipality not having debt.

Table 91: Debt as a Ratio

Year	Ratio
2019	1%
2020	1%
2021	1%
2022	1%
2023	1%

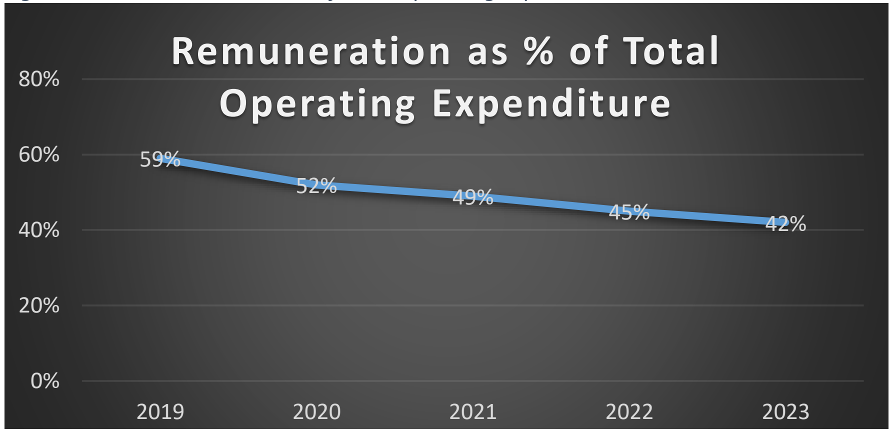
Remuneration (Employee related cost and Councillors' Remuneration) as a % of Total Operating Costs

Employee related costs as a percentage of operating expenditure amounted to 59% for the 2019/2020 financial year and there has been a slow but gradual reduction to 52% in the 2022/2023 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 92: Remuneration as a % of Total Operating Expenditure

Year	Ratio
2019	59%
2020	52%
2021	49%
2022	45%
2023	42%

Figure 69: Remuneration as a % of Total Operating Expenditure



Asset Management/Utilisation

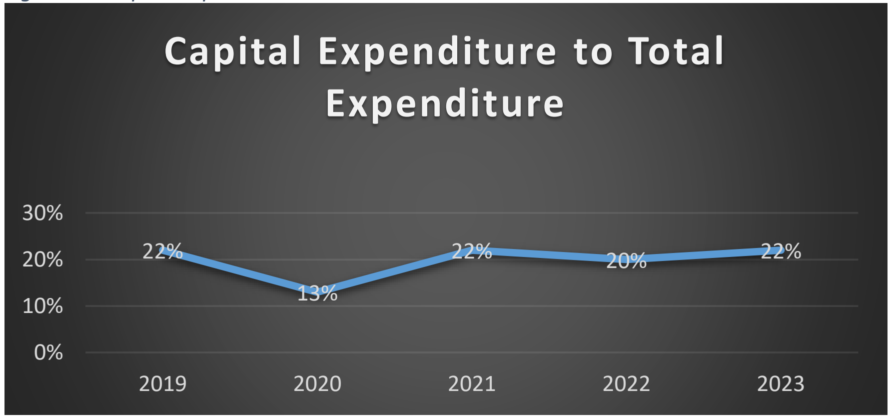
Capital Expenditure to Total Expenditure

This ratio indicates how much capital expenditure is as a percentage of total expenditure (capital and operating expenditure). For the 2022/2023 financial year the percentage was 22.0% whilst the norm is 10%-20%.

Table 93: Capital Expenditure

Year	Ratio
2019	22%
2020	13%
2021	22%
2022	20%
2023	22%

Figure 70: Capital Expenditure



Debtors Management

Collection Rate

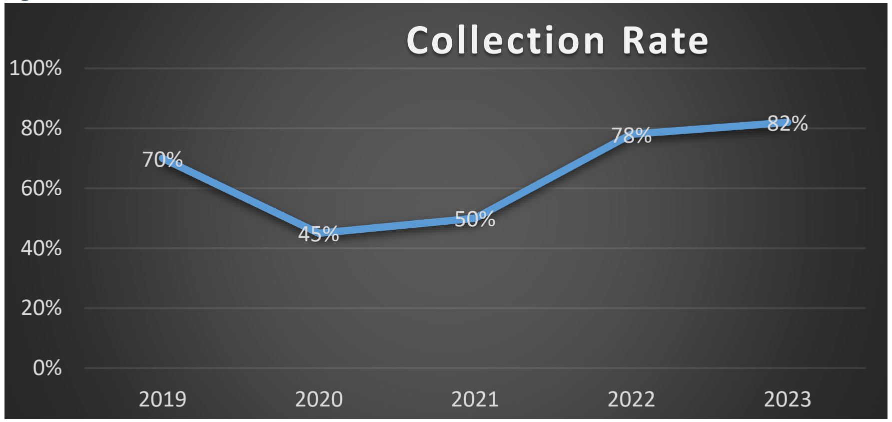
The debtors' collection period ratio measures the period it takes for debtors to pay their bills. The longer the period the greater is the problem financial status of the organization. Furthermore, assessing the Collection Ratio provides an indication of the performance against a number of other areas, 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 94: Collection Rate

Year	Ratio
2019	70%
2020	45%
2021	50%
2022	78%
2023	82%

Figure 71: Collection Rate



Budget Funding Status

The budget for the municipality was assessed by the Provincial Treasury and found to be funded. However, the municipality had an unfunded budget for the first time in 2022. The table below provides the status of the budget funding over 5years period:

Year	2023	2022	2021	2020	2019
Status	Funded	Unfunded	Funded	Funded	Funded

Conditional Grant Cash Backed

As noted above, the municipality maintains a separate bank account for each conditional grant and all conditional unspent grants were cash backed in the 2023 financial year.

Distribution Losses and Electricity Provision

The municipality currently does not hold a licence to distribute electricity and therefore has no distribution losses.

Loans/Borrowing and Grant Dependency

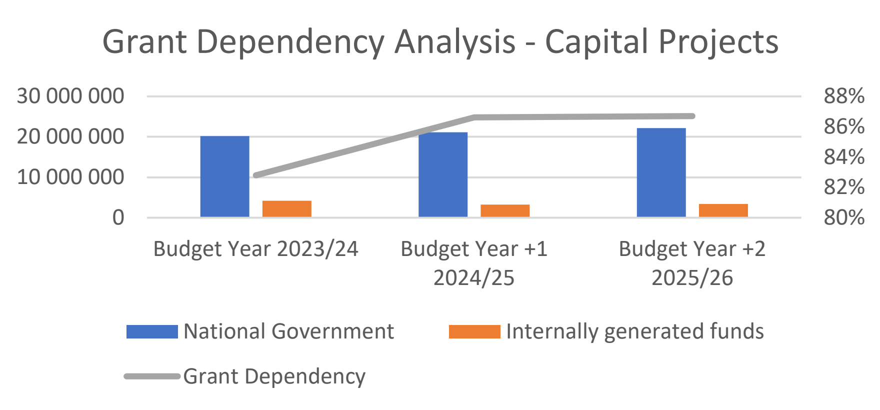
The municipality has no loans and no plans are in place to fund it capital programs through loans and borrowings. As indicated above the municipality is highly grant dependant. The following table is a breakdown of the funding composition of the 2024/25 medium-term capital programme:

Table 95: Municipal 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 above table is graphically represented as follows for the 2023/24 financial year:

Figure 72: Grant Dependency Analysis



Capital grants and receipts equates to 83% of the total funding source which represents R20 million for the 2023/24 financial year and increase to R 21 million or 87% for the 2024/25 financial year.

The Municipality relies heavily on 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 has engaged with the department of Co-operative Governance and Traditional Affairs, Department of Transport and Department of Energy for the acceleration of service delivery.

3.7.8 Auditor General's Opinion

Financial Statements for each municipality are submitted to the Auditor General of South Africa within a period of three months after the end of every municipal financial year, which are assessed for the AG to express various audit opinions that relate mainly to financial affairs for each municipality. This process ensures sound financial management and alerts municipalities of poor financial management and misuse of municipal funds in order for municipalities to develop mechanisms of strengthening financial accountability to enhance municipal service delivery and a clean administration. The Richmond Municipality has received the following audit opinion from the AG over the past five years:

Table 96: AG's Findings

2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Qualified	Unqualified (with findings)	Unqualified (with findings)	Unqualified (with findings)	Unqualified (with findings)

3.7.9 Financial Viability & Management SWOT Analysis

The below table provides the municipal's Strengths, Weaknesses, Opportunities and Threats in relation to the Municipal Financial Viability and Management KPA:

Table 97: Financial Viability & Management SWOT

STRENGHT	WEAKNESS
- Less reliance on consultants for budgeting and reporting - Strong internal control environment including implementation of finance policies - Low vacancy rate in the Finance Department - Unified management - Fully functional SCM Unit - Full adherence to financial management prerequisites	- Low revenue base. - High level of grant dependency. - Poor collections on outstanding debtors - Low liquidity ratio
OPPORTUNITIES	**THREATS**

- Clean financial administration
- New revenue source
    o Traffic department
    o Disposal of vacant sites
- Support from Provincial Treasury
	- Possible loss of financial information due to IT related challenges
	- Depletion of cash reserves
	- Economic Recession
	- Limited revenue base

3.7.10 Financial Viability & Management Key Challenges

The Financial Viability and Management KPA is faced with a number of challenges, which may negatively affect the principles of ensuring sound financial management within the organisation. The Richmond Municipality has a number of mechanisms to directly address some of the challenges faced, however it of importance to note the key challenges that continues to prevail within the municipality. The table below provides a summary of the challenges:

Table 98: Financial Viability & Management Key Challenges

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

3.8 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

3.8.1 National and Provincial Programmes Rolled-out at Municipal Level

3.8.1.1 Putting People First (Batho Pele Principles)

The Batho Pele principles are Government's initiative to improve the delivery of public services by putting emphasise of the duty of those in the Public Service to serve all citizens of South Africa. The Richmond Municipality developed the Customer Service Delivery Charter and Standards of the municipality, which were reviewed and adopted in June 2023. The charter serves as an expressed commitment by the municipality to its end users as an effort towards building a customer driven organization where the requirements of the customer comes first, within the limits of available resources. The municipality has over the years undertaken to consult all its customers on the level and quality of services provided as well as development required, to continue to improve the living conditions of its communities. Furthermore, 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

<u>Procedure Manual</u>

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 has been adopted by Council on the 30 June 2023. The manual sits in the Stakeholder Relations and will be reviewed if a 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

3.8.1.2 Operation Sukuma Sakhe

The Operation Sukuma Sakhe (OSS) Programme was initiated by the Kwazulu-Natal Provincial Government with the primary focus of ensuring cooperative governance for better and more fast-tracked service delivery, to address the needs of the most vulnerable and deprived communities and households, and overcoming issues destroying communities such as poverty, unemployment, crime, substance abuse, HIV and tuberculosis.

The Richmond Municipality has functional Operation Sukuma Sakhe (OSS) structures that operates within all its communities. The OSS Local Task Team meet at the Richmond Municipality's Council Chamber forth nightly and War Rooms are at ward level and are functional in all seven wards.

The below tables provide details of the structures:

War Room Task Team & Local Task Team Functionality

Table 99: War Room Conveners

WARD	WAR ROOM	WAR ROOM CONVENOR
1	Umngeni Water Office (Magoda)	Ms. Nomvula Nzimande - CHW
2	Slahla War-room (eNdaleni)	Mr. 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 100: LTT Composition

NO:	OFFICIAL NAME	CONTACT NO:	DEPARTMENTS	INTERVENTION
01	Mr. V.W. Sibisi	0722100280	Head SM Richmond Municipality	HOD community Service
02	Mr. M. Ndlovu	0839236232	Richmond Municipality	LTT Convener RLM
03	Mr. Gwala	0716097354	Department of Labour	Deputy LTT Convener
04	Mrs. S. Mbana	0832863437	Department of Health	Health issues
05	Mr. A. Maseko	0738465690	DSR	Sport and Recreation
06	Ms. T.P. Khuzwayo	0332122266	DSD	LTT Scriber DSD
07	Ms. N. Dludla	0822105498	SASSA	Social Grants
08	Mr. Gwala	0795052402	EDTEA	Small business
09	Mr. M. Yengwa	082771 5256	DOHS	Human Settlement
10	Mr. M. Blose	0833827549	DSD	Social Development
11	Mr. S. Malevu	0769626420	AGRICULTURE extension Officer	One home one garden Agricultural Projects
12	Mr. M. Mkhize	0765483096	Youth Officer	Youth Development
13	Mr. S. 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. M. Ndlovu	0332122920	Department of Home Affairs	Personal Registration / Identification Documents
16	Mr. Mpanza Mr. Madlala	0332123010	Department of Education	Nhlazuka Circuit Inspector
17	Mr. Mbongwa	071677 9555	EDTEA	Business Support
18	Mrs. W. Mthembu	082780 0496	Dard	Extention Officer

NO:	OFFICIAL NAME	CONTACT NO:	DEPARTMENTS	INTERVENTION
19	Mr B.S. Madlala	082220 9581	DOE	Richmond Circuit Inspector

Education OSS: Local Task Team Representatives

Table 101: DOE Local Task Rep.

	DOE REP.	CONTACT	SUB-DIRECTORATE	E-MAIL ADDRESS
RICHMOND	MR B.D. MADLALA	0822209581	Umsunduzi Circuit Management	Faith.Ngubo@kzndoe.gov.za
INHLAZUKA	MR S.S MPANZA	0825158123	Umsunduzi Circuit Management	Faith.Ngubo@kzndoe.gov.za

Table 102: DOE Task Team Ward Level

WARD	VENUE	DOE DEPLOYEE	CONTACT	SCHOOL	E-MAIL ADDRESS
1	Magoda Area (Water Offices	L.O Nkabinde	0718953249	Magoda Primary	inhlazukacircuit@gmail.com
2	Slahla Community Hall	S Mchunu	-	KwaMlamuli Primary	inhlazukacircuit@gmail.com
3	Nsongeni Hall	B.W Shengu	0823408034	Hopewell Primary	inhlazukacircuit@gmail.com
4	Argosy Community Centre	P Mvelase	-	MT Pleasant	inhlazukacircuit@gmail.com
5	Thusong Centre	L. Khumalo	0827909898 / 0734948193	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 Ndabikhona primary	inhlazukacircuit@gmail.com bongisisapatrick@gmail.com

OSS Department of Health Deployment List

Table 103: DOH Deployment

Sub-district	Facility Name	Employee	Contact no	Ward
Richmond	Ndaleni Clinic	Tshengisle ZumaL.L Ntombela	0826802387 0734215509	2
Richmond	Ndaleni Clinic	T.Z Duma	0723814004	7
Richmond	Richmond Clinic	Thobeka Ndlovu	0726041517	3
Richmond	Richmond Clinic	Sindiswa Mahlba	0797030034	4
Richmond	Richmond Clinic	Zithobile Mshengu	0715189774	1
Richmond	Phatheni Clinic	S. Xaba	0745537670	6
Richmond	Mbuthisweni Clinic	Busisiwe Mgwaba Nhlonipho N gcamu	0842385378 0693225003	5 5

Sub-district	Facility Name	Employee	Contact no	Ward
Richmond	Nkumane Clinic Richmond Clinic	Thuli Nhlebela Thabo Jozi	0790817383 0711767525	1,3,4,5

OSS Civil Society

There are a number of organisations within the municipality that provide access to assistance and/or education awareness programmes for the general community in matters relating to social ills and these organisations includes but not limited to:

- ✓ Thandanani Children Foundation
- ✓ Siyayinqoba (CMT)
- ✓ Mazikhethele (KYF)
- ✓ AIDS FOUNDATION
- ✓ Ikusasa elihle
- ✓ Isibindi (CYCW)

A number of other initiatives are provided within communities in order to provide support in the fight against the social ills and in all wards there are gender based violence workshops and HIV/AIDS awareness campaigns. A programme educating youth about substance abuse is generally provided for the youth in ward 2, where substance abuse was viewed as rife.

The OSS Department of Health deployment also provides the following services within all wards of the municipality:

- ✓ Regular Households Visits
- ✓ Home HIV/AIDS testing and Couple's testing
- ✓ Establish Support Groups
- ✓ Distribution of condoms
- ✓ Community Dialogue
- ✓ Sport event
- ✓ Identify orphans
- ✓ Assist with individual documents
- ✓ Assist vulnerable children with homework
- ✓ Provide family Psychosocial support to Child headed households and HIV affected home.

The below table provides a list of the OSS Interventions that have been rolled out in community by the relevant stakeholders and some of the interventions are ongoing and are linked to the programme of Operation Sukuma Sakhe.

Table 104: OSS Interventions

DEPARTMENTS	INTERVENTIONS	CASE FINALIZED/STILL ON PROCESS
HEALTH	Outreach teams, Phila Mntwana and Health promotion, Conducts VCT, Pap Smear, Medical check-ups, Distribution of wheel chairs, MMC, HIV testing and Covid19 screening & vaccination, Delivery of medication in CCMDD, etc.	As per information on Ward Profiles, most of cases were finalized. The target areas were Siyathuthuka, Sgcakini and Hopewell in ward 2, 3 and 4 the most affected by social ills.
Home Affairs	Issue of Birth Certificates (early birth registrations only) & Identity Documents, Issuing of Marriage & Death Certificates Certificates re-issued	**Richmond service point office** has witnessed to not be preforming well due to the capacity of staff and poor coordination of the office. The most of cases are referred to the District Home Affairs office and Ixopo Home Affairs offices. Intervention is required soon as possible. **Inhlazuka satellite office** are non-operational. The operation of the office required to be re-instated.
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 – delivered 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 causing confusion to the pensioners. Assisting was provided by Stakeholders to social grant recipients opening bank accounts and migrating from the Post Office.
Education	Basic Education Services, Nutrition, Extra mural activities, Case Referrals to relevant departments	Number of schools 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
Agriculture	Food Security, Outreach Programs, Poverty Alleviation and Eradication	Communal Gardens, One Home One Garden, Seed starter packs, fruit seeds and gardening tools & machinery

DEPARTMENTS	INTERVENTIONS	CASE FINALIZED/STILL ON PROCESS
Richmond Municipality	Infrastructural development Community services Public Participation Custodian of Operation Sukuma Sakhe	construction of Benjamin road is complete 100% Electrification in all Wards Housing project being implemented most of the municipal Wards Ongoing Access Roads maintenance in all wards 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

There are various social ills and challenges that affect communities within the municipality and the below table provides details of some of the prevalent challenges currently being attended to by the OSS structures.

Table 105: Social Ills & Challenges

Challenge	Department Dealing with the Challenge	Programs offered
Influx of foreigners without necessary identification documents	Department of Home Affairs	There is no progress reported, however there have been enforcement programmes carried out by the municipal LED Unit assisted by Home Affairs.
Stock Theft	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

The functionality of the OSS Structures and the implementation of programmes have been successful in all municipal wards, however there are operational challenges as a result of various factors that have a negative impact on the delivery of services. The below table provides a summary of some of the OSS achievements and a record of some experienced challenges:

Table 106: OSS Achievement & Challenges

Achievements	Challenges
The municipality has functional war rooms in all wards.	Lack of immediate response by departments as a result of budget constraints.
KZN EDTEA provided some war rooms with the necessary resources such as computers and chairs for work purposes.	Limited war rooms equipment.
Construction houses for the needy by the Department of Human Settlements through the Sukuma Sakhe.	Lack of War room champions to support war rooms.
The Department of Home Affairs has assisted a number of community members with ID registration and so on through Sukuma Sakhe.	Poor attendance by key Departments in war rooms to actively deal with identified issues.
A number of people are getting social grant through operation Sukuma Sakhe.	Poor interventions by Departments.

3.8.1.3 Service Delivery Improvement Plan

The Richmond Municipality is in the process of developing a Service Delivery Improvement Plan. The existing mechanisms utilize the communication strategy, which includes social media comments and reviews, suggestion/complaint boxes, community satisfaction surveys undertaken annually, etc. Most received public complaint requiring the attention of the municipality for purposes of service delivery improvement are attended to within 24hrs through the instruction of Leadership. There has been other services that require a budget for them to be improved and the municipality has developed an business plan for sourcing funding in order to improve on the service delivery as requested by the community members through various municipal platforms. The top three requested services to be improved includes:

(1) Access Roads
(2) Access to stable water supply
(3) Housing

3.8.1.4 Inter-Governmental Relations (IGR)

The Inter-governmental Relations Act, (Act No. 13 of 2005), establishes a framework for all spheres of governments to promote and facilitate inter-governmental relations for the purposes of ensuring co-ordinated planning, communication, alignment and the integration of services delivery in order to ensure access to services in an efficient and effective manner. There are IGR sector specific forums that are established within the uMgungundlovu District Municipality and its Local Municipalities, which includes:

- ✓ Mayor’s Forum
- ✓ Municipal Manager’s Forum

Other District forums that the Richmond Municipality participated on included:

- ✓ Finance Forum
- ✓ Corporate Services Forum
- ✓ Speakers’ Forum
- ✓ Governance Forum
- ✓ ICT Forum
- ✓ Social and Community Forum
- ✓ Infrastructure Forum
- ✓ Planning and Development Forum

The District Command Council plays an oversight role in monitoring progress amongst all the District IGR Structures in matters relating to National and Provincial requirements.

The introduction of the District Development Model (DDM) has resulted in the need to reconfigure some of the existing district forums in order to compliment the introduced clusters through the DDM, which clusters includes:

- ✓ Economic and Infrastructure Cluster
- ✓ Governance and Finance Cluster
- ✓ Communications Cluster
- ✓ Justice and Policing Cluster
- ✓ Social and Community Cluster

The Head of Departments of the Richmond Municipality i.e. Technical Services, Community Services, LED, Planning and Development, etc. are deployed in all the clusters of the DDM for immediate response to the functionality of the clusters and support thereof. DDM reports are presented to Council structures and the required Council Resolutions are solicited by the relevant Municipal HOD from Council.

As part of the municipal IGR Structure for the review of its IDP, the Richmond Municipality has established the IDP Steering Committee and the IDP Representative Forum in order to give effect to the requirements of the Inter-governmental Relations, where the proceedings of both structures provides an environment to ensure co-ordinated planning, alignment and integration of service delivery amongst the spheres of government.

3.8.1.5 MUNIMEC

The Municipal Manager and Hon. Mayor of the Richmond Municipality participates in the provincial Technical Munimec, where high level engagement of provincial priorities and the implementation of provincial functions and initiatives are held and resolutions taken to be implemented at a district and municipal level.

3.8.1.6 Inter-Sectoral Forum

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.

3.8.2 Municipal Structures

3.8.2.1 Municipal Public Accounts Committee (MPAC)

The Municipal Public Account Committee was established through the provisions of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998). The Richmond Municipality has a functional MPAC Committee that sits once a quarter to engage, investigate and determine on matters pertaining to the municipal's financial reports, suspicion on fraud and the investigation thereof, which is all reported to EXCO and 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 MPAC committee consists of five (5) members and is chaired by a member from the ruling party. Members of the committee do not sit in any portfolio within the municipality as such may lead conflict of interest in Portfolio items procedure. 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 ad-hoc 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 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. The established MPAC is guided by these guidelines and undertake the same in fulfilling its mandate.

3.8.2.2 Involvement of Amakhosi in Council matters

Section 81 of the Municipal Structures Act (Act no. 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 (Nhlazuka) Traditional Council and Esiphahleni (Phatheni) Traditional Council. The Traditional Leaders are generally represented in municipal decision-making processes and in scheduled council meetings. In matters pertaining to the implementation of development initiatives, the Traditional Authorities are the first point of contact and are part of the periodic IDP Roadshows in that they form part of the key stakeholder. Traditional Leaders are given the opportunity to voice their opinions and recommendations, which are valued and taken into consideration in municipal proceedings related to community development.

3.8.2.3 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. These committees have been successfully established in all 7 wards of the municipality and are functional as meetings are held regularly and such proceedings are recorded and submitted to the office of the Speaker.

In all 7 wards, Ward Committees are responsible for the submission of community needs to the Municipality on an ongoing basis and are used as a means of public outreach to strengthen the adopted municipal's Communication Strategy. Public information that is mainly made available to communities relate to the municipal's budget, Integrated Development Plan, PMS, Annual Report, etc. 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.

Functionality of Ward Committees

Ward Committees are advisory structure which make recommendations on any matter affecting their wards through active participation with the Community and Ward Councillor. They are required to increase the participation of citizens in local government, by providing a link between the community and the municipal council. This is to ensure an increased participation of residents to facilitate for democratic decision-making processes in matters directly affecting community's day to day function.

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

The below tables provides details of all Ward Committees within the municipal across the 7 wards:

Table 107: Ward 1 - Ward Committee Members

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

Table 108: Ward 2 - Ward Committee Members

FULL NAME	G	SECTOR	CELL NUMBER
NOKUTHULA NZIMANDE	F	WOMEN	0736844637
HLENGIWE MKHIZE	F	BUSINESS	0719920992
GUGU MHLONGO	F	HEALTH	0790693792
NTETHE STHOLE	M	YOUTH	0606651755
SITHEMBISO MNCWABE	M	AGRICULTURE	0607781190
PHAKAMANI NZIMANDE	M	TRANSPORT	0768940877
CINDY MBHELE	F	DISABILITY	0734353657
SIZAKELE SHANGE	F	EDUCATION	0769365969
THEMBINKOSI NTUNZELA	M	FAITH BASED	0712288009

FULL NAME	G	SECTOR	CELL NUMBER
THOKOZANI ZUNGU	M	SAFETY & SECURITY	0744224353
CLLR M.H MADLALA	M	WARD COUNCILLOR	067089388 0637931458
ZANELE MNCWABE	F	CDW	0832030143

Table 109: Ward 3 - Ward Committee Members

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

Table 110: Ward 4 - Ward Committee Members

FULL NAME	G	SECTOR	CELL NUMBER
SINDISIWE MKHIZE	F	SPORT, ART & CULTURE	082 83 49132
SLINDILE NZIMANDE	F	HEALTH	078 739 5983
GUGU NGCOBO	F	SENIOR CITIZEN	079 3400 071
SIBUSISO MTOLO	M	YOUTH & EDUCATION	071 2717778
PHUMLILE KHUBONI	F	FARM DWELLERS	076 4959558
SIZENI NDLOVU	F	RURAL DEVELOPMENT	076 4917 468
BERNAD NZIMANDE	M	HOUSING	067 368 6738
MANDLA KHWASHUBE	M	TRANSPORT	079 444 1237
BAMBE WANDLA	M	AGRICULTURE	072167 5461

FULL NAME	G	SECTOR	CELL NUMBER
THULISILE NJAPHA	F	BUSINESS	079 9552 583
CLLR K.E MKHIZE	F	WARD COUNCILLOR	0714145399
PR CLLR ZONDI	F	PR COUNCILLOR	0637931748
NOMPUMELELO SHANGE	F	CDW	0829433721

Table 111 Ward 5 - Ward Committee Members

FULL NAME	G	SECTOR	CELL NUMBER
NELISWA MHLONGO	F	EDUCATION & ELDERLY	0603621193
PHAKAMI PHUNGULA	M	AGRICULTURE	0722927244
HLENGIWE SITHOLE	F	DISABILITY	0603970464
NTOKOZO GUMEDE	F	HEALTH	0676947415
TSHENGISILE NGUBANE	F	WOMEN	0635704150
MKHOMBENI NGCONGO	M	SAFETY &SECURITY	0732303699
QINISELA CHONCO	M	SPORT	0660980872
SANELE NGCOBO	M	BUSINESS	0815428799
BHEKIMPI SHANGE	M	TRANSPORT	0724147791
BUYISIWE LUTHULI	F	FAITH BASED	0797091086
CLLR M NGCONGO	M	CHAIPERSON	0782211828
PR CLLR MKHIZE	F	PR COUNCILLOR	0725885781
THABSILE MKHIZE	F	CDW - COGTA	082 943 3751

Table 112: Ward 6 - Ward Committee Members

FULL NAME	G	SECTOR	CELL NUMBER
SARAH STHOLE	F	FARM DWELLERS	0725644959
BUSAPHI PHOSWA	F	ELDERLY	0768374033
BONAKWAKHE NXELE	F	DISABILITY	0783662554
NOMUSA PHOSWA	F	SOCIAL DEVELOPMENT	0826976330
THULANI GASELA	M	BUSINESS	0795995666
PATRIC KHUBONI	M	SAFETY &SECIRITY	0793691797
COLLEN NZUZA	M	HEALTH & GENDER BASED	0724861582
NONDUMISO PHOSWA	F	TRANSPORT	0721369887

FULL NAME	G	SECTOR	CELL NUMBER
NONHLANZEKO DLAMINI	F	TRADITIONAL & CULTURE	0794203444
BONGIWE JAMA	F	AGRICULTURE	0824038287
CLLR S LATHA	M	WARD COUNCILLOR	0715836021
ZANELE PHOSWA	F	CDW	0829433781

Table 113: Ward 7 - Ward Committee Members

FULL NAME	G	SECTOR	CELL NUMBER
ZINHLE JAMA	F	EDUCATION	0721885027
SBONELO NZIMANDE	M	SAFETY &SECURITY	0728109409
THOBANI MTHEMBU	M	YOUTH	0652983527
NKOSINATHI DLAMINI	M	HEALTH	0685612606
SIZANI MTOLO	M	DISABILITY	0656685872
LINDELANI FUNEKA	M	TRANSPORT	0763976436

FULL NAME	G	SECTOR	CELL NUMBER
PHINDILE MBANJWA	F	WOMEN	0721692388
MALUSI SHANGE	M	ART & CULTURE	0844102971
BADLENI JAMA	F	AGRICULTURE	0729706885
BAFANA NXELE	M	SPORT	0790313984
NONDUMISO DLAMINI	F	CDW	0837756825
CLLR L. NGUBO	M	WARD COUNCILLOR	0637931704

The functionality of the committees are also guided by the developed action plan and is provided below:

Table 114: Ward Committee Action Plan

KEY PERFOMANCE AREA	KEY PERFOMANCE INDICATOR	ANNUAL TARGET	QUARTERLY ACTIVITIES				RESPONSIBILITY
			Q1	Q2	Q 3	Q 4	
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	Ward Committee (*Municipal Manager to create environment for participation of ward committees*)

KEY PERFOMANCE AREA	KEY PERFOMANCE INDICATOR	ANNUAL TARGET	QUARTERLY ACTIVITIES				RESPONSIBILITY
			Q1	Q2	Q 3	Q 4	
						performance assessment	
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 our 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

3.8.2.4 IDP Steering Committee

The Richmond Municipality did not have an established IDP Steering Committee for the past years and as such has been unable to access technical guidance for the review process of its IDP. The IDP Steering Committee has since been established during the 2023/2024 financial year and is functional. The Extended Managers Committee serves as the IDP Steering Committee, which serves as the IDP technical support for the review process of the IDP and the IDP Representative forum, which is also tasked to make content recommendations to the IDP Representative Forum and Council. The committee is also tasked to undertake various other supportive measures for the review process of the IDP, which includes but not limited to:

- ✓ Guiding the development and implementation of the process plan.
- ✓ Provide technical advice on matters pertaining to the review process of the IDP.
- ✓ Provision of information to inform the IDP.
- ✓ Addressing MEC's comments.
- ✓ Ensuring alignment and the review of Sector Plans, etc.

Municipal Head of Departments, Section Managers, external provincial departments form the composition of the IDP Steering Committee, which is chaired by the Richmond Municipal Manager.

3.8.2.5 IDP Representative Forum

As part of the key institutional arrangement for the IDP review process it was imperative to establish the IDP Representative forum, which was non-existence for the past years. The Richmond Municipal IDP Representative Forum has since been established during the 2023/2024 financial year and is functional. The forum constitutes the Richmond Council, Traditional Leaders, Municipal Manager, Municipal HODs, IDP Manager, Provincial Department and Parastatal Entities, Ward Committee Members, Organised organisations, NGOs, business, etc. which is chaired by the Speaker and there has been a successful meeting held (attended by various key provincial departments and organised stakeholders).

3.8.2.6 Extended Management Committee

The municipality has an established and functional 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.

3.8.2.7 Portfolio Committees

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 effectiveness 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 three portfolio committees that are established by the Richmond Municipal Council.

Table 115: Portfolio Committees

PORTFOLIO COMMITTEE	ROLE	RESPONSIBILITY
ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE / HUMAN RESOURCES	▪ 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 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	▪ Economic development ▪ Tourism ▪ Poverty alleviation ▪ Youth development ▪ Job creation ▪ Infrastructure ▪ Land Use Management ▪ Development Planning Applications ▪ Building control ▪ Housing support ▪ Environmental Management ▪ Staff structure / Organogram ▪ Job evaluation ▪ Job grading ▪ Conditions of service ▪ Recruitment, selection and appointment of staff ▪ Performance monitoring and evaluation ▪ Disciplinary procedures ▪ Grievance procedures
COMMUNITY DEVELOPMENT AND SOCIAL SERVICES / INFORMATION COMMUNICATION TECHNOLOGY	▪ To assist the Executive Committee to maximize the effectiveness of Community Development, Social Services and Information Communication Technology of the municipality ▪ To advise the Executive Committee on initiatives to promote Community Development, social	▪ Traffic control ▪ Vehicle and learner licencing ▪ Driver Licencing ▪ Security ▪ Disaster management ▪ Library services ▪ Community halls ▪ Sports fields ▪ Sport and culture

PORTFOLIO COMMITTEE	ROLE	RESPONSIBILITY
	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	▪ Information Communication Technology
FINANCE	▪ To present the financial status of the municipality. ▪ To present the status of expenditure and available funding. ▪ To assist the Executive Committee in 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.	▪ Financial management ▪ Expenditure management ▪ Supply Chain Management (SCM) ▪ Assets control and management

3.8.2.8 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.

The Internal Audit Unit has an approved Internal Audit charter which states the purpose, authority and responsibilities of the unit. The charter was approved by the Performance Audit Committee in June 2023 for the 2023/2024 financial year. The internal audit unit carries out its functions as detailed in the approved internal audit strategic plan as well as the operational plan for the year. In the 2022/2023 the internal audit unit completed 100% of its planned projects which include the review of financial statements, performance management reviews, compliance with DORA and other applicable laws and regulations as well as other high-risk areas as per the risk register.

The Internal Audit Committee reports to the Performance Audit Committee on a quarterly basis.

3.8.2.9 Performance and Audit Committee

The 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.

Section 166 (1) of the MFMA No. 56 of 2003 states that each municipality and each entity must have an audit committee. The Performance and Audit Committee was appointed to assist Council in strengthening its role. The Committee consist of three external members, who meet quarterly and as and when a need arises to deal with urgent matters. The Committee is a combined committee, that carries out their functions as guided by the approved work plan and has an approved internal audit unit's planning documents. The charter is also included within the internal audit plan. The Committee also assist in the reviewing of annual financial statements, annual performance report before final submission to the Auditor - General. As per section 166 of the MFMA, the Performance and Audit Committee has reviewed quarterly financial reports, the budget, quarterly reports from the internal audit unit, risk management unit as well as the performance management unit.

The Performance Audit Committee met with the Auditor-General to discuss the audit strategy, the management report and the audit report for the financial year. Unfortunately, there has been no reports submitted to Council by the Performance and Audit Committee except for the approval of the Performance and Audit Committee charter.

As part of the other duties of the Performance Audit Committee is to consider the OPMS scorecard as well as the performance achievements reported in terms of the Service Delivery and Budget Implementation Plans (SDBIP).

The Performance Audit Committee quarterly meetings during the financial year as follows:

3.8.2.10 Municipal Risk Management

Section 62 (c) (i) of the Municipal Finance Management Act, 2003 (Act no. 56 of 2003) requires that a municipality must have and maintain an effective, efficient and transparent system of risk management.

The Richmond Municipality has a fully functional Risk Management Unit under the Office of the Municipal Manager. The functionality of the unit is championed by the appointed Risk Management Officer, who manages the overall Risk Registers, which includes the Organisational Risk Register and the Fraud Risk Register. There are also risk champions for each department to assist with the management risk registers and a Risk Management Ethics and Fraud Prevention Committee to assist in matters pertaining thereto.

The municipality conducted an Enterprise Risk Management workshop to inform the 2023/2024 financial year at the beginning of the fourth quarter of the 2022/2023 financial year, where risk management processes were discussed along with the municipal departmental Risk Assessment. The 2024/2025 Risk Assessment process commenced in April 2024 and focused on the following categories: Strategic, Operational, Fraud, Information Technology and Communication. The risk register formulated during the risk assessment will be tabled for adoption by Council in June 2024. The final register and adoption will be informed by the Risk Management Ethics and Fraud Prevention Committee (RMEFPC), Performance and Audit Committee, MPAC and Council Committees once 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 draft 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 play a significant role in assurance and ensuring that the Municipality complies with the requirements of the MFMA. 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
- ✓ 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 the Risk Management Ethics and Fraud Prevention Committee (RMEFPC) which is chaired by an independent Risk Management Specialist appointed by the municipality. The RMEFPC comprises of the following appointed members:

Table 116: Risk Management Ethics and Fraud Prevention Committee Members

No.	Person	Designation
1	Mr. D.D. Mncwabe	Independent Chairpeson
2	Mr. B.E. Mswane	Municipal Manager (Member)
3	Mr. M.G. Ngcobo	Chief Financial Officer (Member)
4	Mr. M. Ntanzi	Director Technical Services (Member)
5	Mr. V. Sibisi	Director Community Services (Member)
6	Mrs. G. Maphumulo	Director Corporate Services (Member)
7	Mrs. M.P. Mlipa	Risk Management Officer (Member)

On the 12 April 2022 an Enterprise Risk Management Workshop/Training was conducted by Provincial Treasury with the attendance of Richmond Local Municipality 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.

3.8.2.11 Joint Municipal Planning Tribunal

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.

3.8.3 Status of Municipal Policies/By-laws

The below tables provides details of the status of the municipal policies that are implemented and assist in the operations of the organisation.

Table 117: Status of Municipal Policies

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
1	Human Resource Manual	HR			Y		30 June 2023
2	Cell Phone Policy	HR 2			Y	Y	30 June 2023
3	Use and Care of Council Property				Y		30 June 2023
4	In-Service Training Policy				Y		30 June 2023
5	Staff Bursary Scheme Policy	HR 12			Y	Y	30 June 2023
6	Indigent Support Policy		MAN 7		Y	Y	30 June 2023
7	Performance Management Policy/ Framework		MAN 5		Y	Y	30 June 2023
8	Rules of Order Council				Y	Y	30 June 2023
9	Depreciation Policy				Y		30 June 2023
10	Budgetary Policy			FIN 3	Y	Y	30 June 2023
11	Tariff Setting Policy			FIN 8	Y	Y	30 June 2023
12	Credit Control Policy			FIN 4	Y	Y	30 June 2023
13	Indigent Burial Policy (Pauper Burials)				Y		30 June 2023
14	Internal and External Communication Policy				Y		30 June 2023
15	Public Participation Policy		MAN 10		Y		30 June 2023
16	Internet Policy		MAN 2		Y		30 June 2023

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
17	Computer Equipment Policy inclusive of lap top policy		MAN 1		Y		30 June 2023
18	Acting Allowance Policy	HR 1			Y		30 June 2023
19	HIV/AIDS Policy	HR 5			Y	Y	30 June 2023
20	Gender Policy	HR 3			Y		30 June 2023
21	Vehicle Management and locomotion Policy	HR 15			Y		30 June 2023
22	Delegation of Powers Policy iro		MAN 3		Y	Y	30 June 2023
22.1	Council				Y	Y	30 June 2023
22.2	Executive Committee				Y	Y	30 June 2023
22.3	Office of the Mayor				Y	Y	30 June 2023
22.4	Management Committee				Y	Y	30 June 2023
22.5	Municipal Manager's Office				Y	Y	30 June 2023
22.6	Head of Department				Y	Y	30 June 2023
22.7	Sub-Committees				Y	Y	30 June 2023
23	Job Creation Policy	HR 16			Y		30 June 2023
24	Traffic Policy (all relative matters)				Y		30 June 2023
25	Review of SCM Policy				Y	Y	30 June 2023
26	Property Rates Act Policy				Y	Y	30 June 2023
27	Asset Management Policy			FIN 2	Y	Y	30 June 2023
28	Labour Relations Policy	HR 7			Y		30 June 2023
29	Health and Safety Policy	HR 4			Y	Y	30 June 2023
30	Uniforms and Protective Clothing Policy				Y	Y	30 June 2023
31	Leave Policy	HR 8			Y		30 June 2023
32	Termination of Services Policy				Y		30 June 2023
33	Recruitment, selection and appointment policy	HR 9			Y	Y	30 June 2023
34	Training Policy	HR 6			Y		30 June 2023
35	Usage of Telephones Policy	HR 14			Y	Y	30 June 2023
36	Corporate Social Responsibility Policy		MAN 16		Y		30 June 2023
37	Code of Conduct and Ethics Policy				Y		30 June 2023
38	Sexual Harassment Policy	HR 10			Y		30 June 2023

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adoption Date
39	Smoking in the work place policy	HR 11			Y		30 June 2023
40	Promotion of Access to Information Policy		MAN 9		Y		30 June 2023
41	GAMAP Policy				Y		30 June 2023
42	Revenue enhancement Policy			FIN 7	Y	Y	30 June 2023
43	Cash and Investment Policy			FIN 6	Y	Y	30 June 2023
44	Travelling allowance	HR 13			Y	Y	30 June 2023
45	Fraud Prevention - Risk Management		MAN 4		Y		30 June 2023
46	Overtime Policy				Y		30 June 2023
47	Standby Allowance Policy				Y		30 June 2023
48	Appointment of Casual Staff				Y		30 June 2023
49	Performance Management				Y		30 June 2023
50	Ward Committees Policy				Y		30 June 2023

Table 118: Budget Related Policies

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.2	Property Rates Act Policy	Budget & Treasury Office	**Y- attached**	05/05/2023
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.4	Petty Cash Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.5	Borrowing Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.7	Supply Chain Management policy	Budget & Treasury Office	**Y – attached**	05/05/2023
2.4.8	Asset management policy	Budget & Treasury Office	**Y**	05/05/2023

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
2.4.9	Indigent policy and Free Basic Services Policy	Budget &Treasury Office	**Y- attached**	05/05/2023
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.11	Budget Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.14	Tariff Policy (including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	**Y**	05/05/2023
2.4.15	Virement Policy	Budget & Treasury Office	**Y**	05/05/2023
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	**Y**	05/05/2023
2.14.17	Contract Management Policy and Manual	Budget & Treasury Office	**Y**	05/05/2023

Table 119: Risk Management Policies

	POLICY	DEPT.	ADOPTION /REVIEW DATE
22.5.1	Risk Management Framework	Office of the Municipal Manager	28/06/2023
22.5.2	Risk Management Policy	Office of the Municipal Manager	28/06/2023
22.5.3	Fraud Prevention Policy	Office of the Municipal Manager	28/06/2023
22.5.4	Whistle Blowing Policy	Office of the Municipal Manager	28/06/2023
22.5.5	Fraud and Prevention Plan	Office of the Municipal Manager	28/06/2023

Table 120: 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

NO.	MUNICIPAL NOTICES
125	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Library and Information Services By-laws
126	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Spaces By-laws
127	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Nuisances

3.8.4 Public Participation

The public participation process in the IDP preparation/review has to be institutionalized in order to ensure that all the residents/communities have equal rights to participate. Public participation is done in terms of the relevant legislative requirements, in which the involvement of the public in local government affairs is encouraged and are given a platform to provide 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 represents all stakeholders and allows for inclusivity. Additional organisations are encouraged to participate in the Forum throughout the process.
- ✓ Media: Amongst other means, the local press is utilised to inform the community on the progress with respect to the IDP process. (The Natal Witness newspaper, Ilanga newspaper, municipal social media platforms and website)
- ✓ 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 are 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), Parastatals entities and the community at large.

The IDP public participation meetings have been conducted successfully in all wards and details of the meetings are provided on table below:

Table 121: Schedule of IDP Izimbizo

Ward	Date	Time	Venue	Ward Councillor
1	14/11/2023	12h00	KwaMagoda Hall	Cllr T.G. Mkhize
2	14/11/2023	14h00	Siyathuthuka Hall	Cllr M.H. Madlala
3	17/11/2023	10h00	Nsongeni Hall	Cllr V Maphumulo
4	17/11/2023	14h00	Argosy Hall	Cllr K.E. Mkhize
5	15/11/2023	10h00	Shiyampahla Centre	Cllr M.K. Ngcongo
6	21/11/2023	10h00	KwaGengeshe Hall	Cllr S. Latha
7	21/11/2023	14h00	Ndabikhona Hall	Cllr L. Ngubo

3.8.5 Good Governance and Public Participation SWOT Analysis

Table 122: Good Governance and Public Participation SWOT Analysis

STRENGHTS	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 management to reduce past spatial and other inequalities;** - **Availability of intergovernmental forums and OSS;** - **Technology Expanding Operations;** - **Attract Investors**	- 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; - 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

Table 123: Combined Good Governance and Public Participation SWOT Analysis

STRENGHTS	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 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

3.9 WARD BASE 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 were facilitated in all the seven different wards within the municipality. Ward-based plans were developed during community engagements/consultations; this is to inform the development needs for the financial year being planned.

3.10 LAND USE MANAGEMENT

Land Use Management within the municipality is guided by the Spatial Planning and Land Use Management Act 2013 (Act no. 16 of

2013) (SPLUMA), which 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, the Spatial Planning and Land Use Management By-laws were developed and adopted by all Municipal 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 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 subjected to the provisions of the Scheme and no land may be utilised for any other purposes not consistent with the provisions of the Scheme.

3.11 KEY CHALLENGES

The below table provides a summary of the key challenges that are currently faced by the Richmond Municipality aligned to the KPAs of the municipality. Interventions are also provided for key challenge.

Table 124: Key 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 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)	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. 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)
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. 3. Develop a revenue enhancement strategy with an implementation plan.

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 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.

CHAPTER D – MUNICIPAL VISION, GOALS AND OBJECTIVES

4.1 MUNICIPAL VISION AND MISSION

A vision must provide a long-term Developmental 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 the 6 KZN KPAs, and linked to the KZN PGDS and identified Key Challenges. The appropriate mapping must also be included to reflect the localities of the intended spatial interventions. It is further also important to reflect the linkage between the KZN PGDS and the IDP's Goals, Objectives and Strategies. The below diagram provides the adopted Council 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 to create a viable municipality focused on attaining its developmental mandate, which will culminate to the municipality 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 adopted municipal Vision is aligned to the KZN Growth and Development Strategy, which adopted a vision that reads as follow:

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

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

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

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

4.2 GOALS, OBJECTIVES AND 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.

The 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 125: Alignment of KPA, KZN PGDS & Municipal IDP Goals

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 Richmond Municipal Council 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 126: Municipal Goals, Objectives & Strategic Focus Area

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

This section was undertaken in a process that was guided by the KwaZulu-Natal Provincial Growth and Development Strategy (Goal of Spatial Equity and Objectives 7.1 and 7.2).

5.1 SPATIAL DEVELOPMENT FRAMEWORK

A Spatial Development Framework is a legislative required document that is part of the IDP document and is required in terms of Chapter 5 Section 26 (e) of the Municipal Systems Act (MSA) (Act No. 32 of 2000), which mandates that an IDP must reflect; "*(e) a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;*"

A Spatial Development Framework (SDF) is a visual presentation of the IDP that seeks to guide the overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goal and objectives of the municipal IDP. The MSA Regulations outlines the specific objectives of an SDF, while Sections 20 and 21 of the Spatial Planning and Land Use Management Act (Act No 16 of 2013) expounds on the preparation of the Municipal SDF and the content/requirements thereof.

5.2 STRATEGIC MAPPING INFORMANTS

This section 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
- ✓ Desired Spatial Outcome - Strategic Guidance
- ✓ Alignment with Neighbouring municipalities

5.2.1 Structuring Elements

The main road linkages within the Municipality are along the R56 which forms the north south corridor linking Pietermaritzburg, Richmond and Ixopo. The R56 transverses through the middle of municipal area in a north-southern 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 the Eastern Cape and Gauteng and its location therefore creates numerous benefits and should work towards strengthening the economy of the area.

The uMkomazi River 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.

The Richmond Municipality is predominantly rural in nature and a large percentage of the municipal's population is located within the rural areas. The Richmond Town is the only urban centre that services the surrounding rural settlements and dense settlements exist around the Richmond Town, Greater Ndaleni and Hopewell areas, while the majority of the municipal settlements are scattered. Land ownership 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 for agricultural practises, while in traditional authority areas it is primarily utilised for settlements purposes and subsistence farming and grazing land.

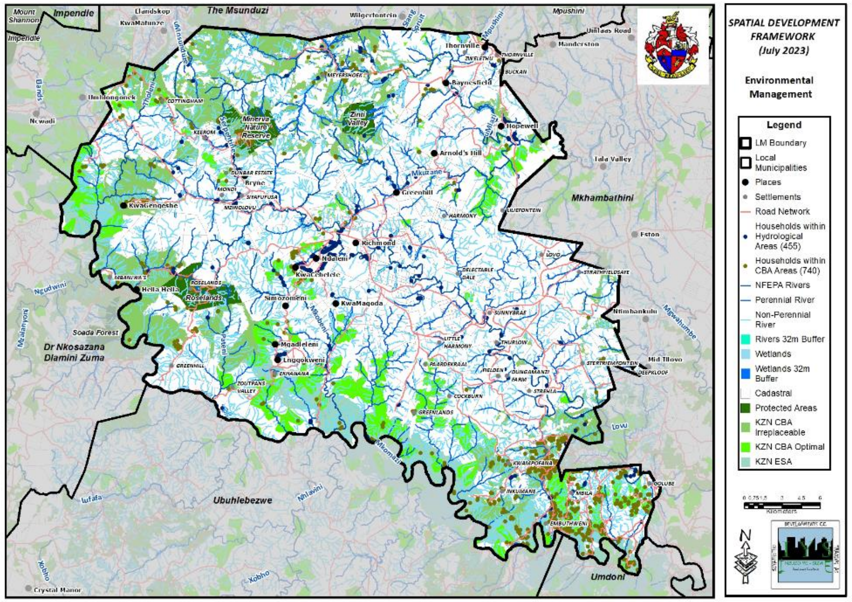
5.2.2 Environmental Sensitive Areas

The Umgungundlovu District Municipality 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 lists the environmental categories of land that have been identified within the district:

- ✓ 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 73: Environmental Management



The Richmond Municipality is located in a summer rainfall area and therefore has various hydrological features, which includes 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. Forest plantations occur thoughout the municipal area and sugarcane is grown along the eastern boundary. Smaller pockets of land which are irrigated for commercial agriculture purposes are dispersed throughout the municipality. Subsistence farming particularly within rural settlements is dominant and this also is re-enforced by the nature of the municipality that of it being rural.

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 generally implies that the municipality's soils and climatic conditions favour agricultural practices and therefore agricultural potential within Richmond is quite high.

5.2.3 Nodes and Corridors

The Municipal node is the key economic centre where all of the varieties of economic sectors are prevalent and perceived to have good potential to be further expanded on. The nodal area is visibly linked to high accessibility areas with existing bulk infrastructure and relatively high population densities which would both contribute to the economic expansion and benefit from interventions in these areas. The primary node for Richmond Municipality is Richmond Town.

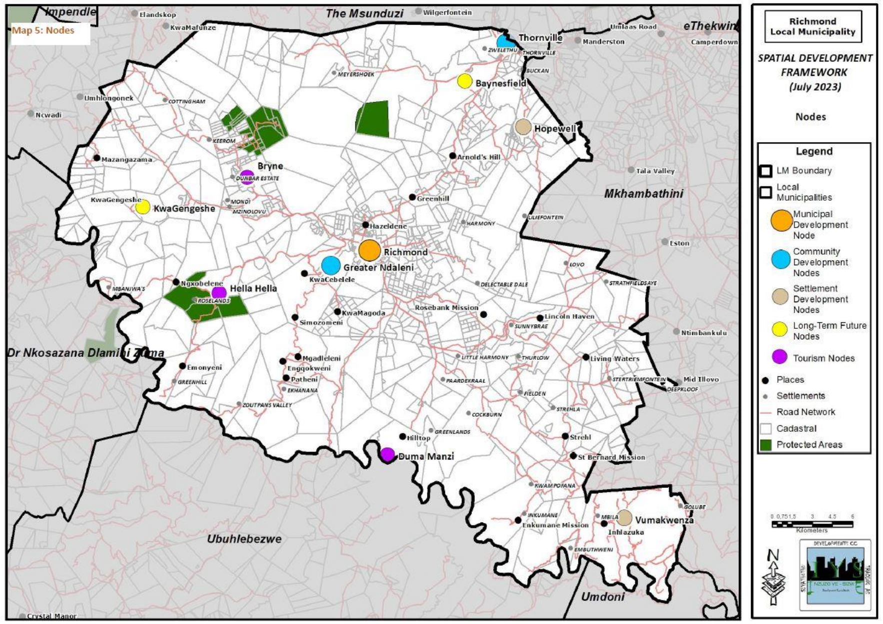
Community Development Nodes are small towns that provide an area wide exchange point household and common consumer products, and farm inputs. They serve as nodes of transportation and distribution linked to regional centres. They provide higher level administrative services that cannot be found in community development nodes and offer vocational and secondary education, health and childcare services, and rural commercial services. Identified as the secondary node is Thornville and Greater Ndaleni.

Settlement Development Node would locate a settlement or cluster of settlements. Similar to Neighbourhood, a Settlement Development Node's service area is limited to the surrounding settlements. It includes low order public, shopping and small business enterprise facilities. Hopewell, and Nhlazuka have been identified as the settlement development nodes.

These nodes can provide a range form of cultural, recreational and tourism opportunities. May have inherent natural qualities such as dams, scenic views or cultural heritage. Tourism nodes materialize provided that the area is found to be economically and physically feasible. Economic feasibility will be dependent on market forces and attitude of investors for the area. Hella Hella, Bryne and areas meandering along Mkomazi River such as the Duma Manzi adjacent to other existing camping site are the proposed tourism nodes.

A long-term future node identifies an area that has potential to become notable node within an area. It shows economical potential with the needed development. The Richmond Local Municipality has identified two long-term future nodes namely; Baynesfield and KwaGengeshe adjacent to Mzinolovu has a potential to be developable node, given it strategic location and a noticeable increasing number of settlements therein.

Figure 74: Development Node



Improved accessibility and connectivity are based on the recognition of the role of different movement routes within the study area, and a need for the provision and maintenance of an accessible movement system and network. Development corridors are a potential instrument to restructure Richmond area into efficient and well-connected spatial system as well as contributing to region-wide economic growth and job creation. This is achieved by unlocking inherent and under-utilised economic and social development potential with existing nodal development and road infrastructure.

Two main access, activity and mobility routes have been identified as the Richmond Municipality's primary development corridor which includes:

- ✓ The R56 which links the municipality to Pietermaritzburg and Ixopo, eventually unto the south of N2 within the municipality of uMuziwabantu.
- ✓ The P24 connects with Eston in Mkhambathini and ultimately links with connects the N3 which has major function to be a mobility corridor to eThekwini from Richmond.

There are a multitude of existing roads that have potential to develop as secondary or sub-regional development corridors. The key existing secondary corridors include the following:

- ✓ D58 and P121 connecting to Elandskop.
- ✓ L3068 linking to Ixopo and Donnybrook.
- ✓ P116, P115, D158, D2169, and L1516 all lead into eThekwini and Eston.

Tertiary corridors are also known as local corridors because they serve mainly a local function. These routes ensure linkages between settlements and serve as strategic areas for the location of public facilities and webs of settlement. Within Richmond Municipality, these tertiary corridors mainly include the following:

- ✓ D63;
- ✓ D684 leads into KwaGengeshe;
- ✓ L2761 links Ndaleni and KwaCebelele;
- ✓ D2225 links Simozomeni and Mgadleleni;
- ✓ D59; and
- ✓ L1642.

The proposed urban linkage that exists within Richmond Local Municipality is the R56 corridor. Along this primary corridor exists great agricultural potential. Development along the R56 will unlock economic opportunities for the municipalities. The corridor connects the small municipality with Pietermaritzburg and the Eastern Cape, offering an endless economic potential.

5.2.4 Key Spatial Development Issues

The below table provides details of the key spatial development issues along with interventions aimed at dealing with the shortcomings:

Table 127: Key Spatial Development Issues

TYPE OF CHALLENGE	CHALLENGE	CAUSE	EFFECT	RESPONSE TYPE	RESPONSIBLE AGENT(S)	OPPORTUNITIES
BIO-PHYSICAL CHALLENGES						
Current	Poor environmental management and degradation	Lack of effective land use management system and environmental management framework	Loss of natural assets	Address and mitigate	RLM	Implementation of environmental rehabilitation programme and adoption of management tools
SOCIO-ECONOMIC CHALLENGES						
Current	Need to promote processing of agricultural produce	No diversification	Unemployment	Address	RLM, DRDLR, DOA, DARD	Agri-processing
Current	Disinvestment	Inability to attract investment and poor level of infrastructure	Municipal inability to serve the community	Address and mitigate	RLM, KZN Investment	Formulation of Business strategy and implementation of LED strategies
Future	Food security	Loss of agricultural land due to settlement sprawl	Insufficient land and limitation to future development potential	Address and mitigate	RLM, DOA, DRDLR	Conservation of agricultural land
Current	Low-income level	Lack of employment	High poverty levels	Address	RLM, EDTEA, SEDA	Creation of employment opportunities closer to settlements
Current	Low literacy levels and lack of skills	Insufficient skills development programmes and higher education facilities	Inadequate labour pool	Address	RLM, DOE, DSD, SEDA	Introduction of skills development programmes and
Current	Rural poverty	Lack of economic opportunities	Underdevelopment	Address and mitigate	RLM, DRDLR, EDTEA	Introduction of social and economic development programmes
Future	Spatial inefficiency	Dispersed settlements and disjuncture between settlements and economic opportunities	Lack of access to economic opportunities	Address	RLM, CoGTA	Creation of self-sufficient settlements
BUILT ENVIRONMENT ISSUES						

TYPE OF CHALLENGE	CHALLENGE	CAUSE	EFFECT	RESPONSE TYPE	RESPONSIBLE AGENT(S)	OPPORTUNITIES
Current	Lack of effective land use management system	Lack of enforcement	Settlement sprawl and loss of valuable land	Address	RLM, CoGTA	Implementation of land use scheme in entire municipality
Current	Settlement sprawl	Lack of effective land use management	Creation of dispersed, inefficient low-density rural settlements	Address and mitigate	RLM, CoGTA, DRDLR.	Introduction of settlement edges
Current	Lack of access to services and infrastructure	Infrastructure demand in dispersed settlements	Lack of fulfilment of basic needs	Address	RLM, COGTA, UMDM, DPW, Eskom.	Infrastructure development
Future	Cross boarder rural conurbation	Settlement sprawl and lack of commercial centres	Consolidation of cross border settlements	Address and mitigate	RLM, CoGTA	Cross-border planning to ensure uniformity and continuity
Current	Parts of the municipality particularly in the rural do not have good housing	Population growth and delay in housing delivery of human settlements	Lack of fulfilment of basic sheltered human settlement	Address	RLM, DoHS	Update Municipal Human Settlement Plan and annually updated housing list
Current	Aging infrastructure and backlogs	Environmental factors and design, physical or chemical and human interference.	Disturbance in infrastructure provision	Maintenance	UMDM, UMngeni Water, Eskom, and DoT.	Review Municipal Infrastructure Master Plan

5.2.5 Desired Spatial Outcome - Strategic Guidance

The recently developed SDF through the services of a Service Provider has addressed the following key issues to inform the desired spatial outcomes:

- 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 recently developed SDF has identified the development desire of the municipality, which can be summarised below:

Table 128: SDF Development Desires

EXISTING PROPOSED PROJECT	SUB-PROJECTS	EXPECTED WO'S
EXPANSION OF RICHMOND TOWN (NEW TOWN), increase access to and ensure development of Greater Ndaleni	**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

EXISTING PROPOSED PROJECT	SUB-PROJECTS	EXPECTED WO'S
R56 TOURISM ROUTE	**TOURISM**: Development of route from Midlands Meander to Eastern Cape – intention for Province to lead	10

5.2.6 Alignment with Neighbouring municipalities

As per the National and Provincial policies and legislation (MSA-S26 (d), MSA Regs S2 (4) (h), municipalities are required to provide a clear indication of how the SDF is aligned with the planning of neighbouring municipalities. Richmond Local Municipality has a mandate to ensure that its IDP follows the planning legislation and policies to give effect to the development of an SDF as spatial representation of the IDP. The municipal SDF, in turn, directs and guides strategic investments that are developmental and beneficial within uMgungundlovu District Municipality and across neighbouring district municipalities as well as local municipalities. It is further reiterated that Richmond Local Municipality forms an integral part of a larger system of local governance and regional economy. It also influences development in the adjoining regions. Cross-border planning issues have become more prevalent and significant. The focus is on strategic or shared development issues that would benefit from a joint approach and engaging with the relevant neighbouring authorities to explore joint operational potential. This section is thus intended to ensure that there is no disharmony between proposals that are suggested by Richmond Local Municipalities Spatial Development Framework and its neighbouring municipalities, viz. (1). Msunduzi (uMgungundlovu DM) to the north, (2). Dr. Nkosazana Dlamini Zuma (Harry Gwala DM) westerly, (3). Mkhambathini (uMgungundlovu DM) easterly, (4). Ubuhlebezwe (Harry Gwala DM) to the south, and (5). Umdoni LM (Ugu DM) to the south easterly.

Cross Border Agricultural Corridors

Richmond is made up of predominantly high and good potential agricultural land, making agriculture the most prominent economic sector in the municipality. The agricultural land scape and resources in the area dictate future land use. Agricultural land categories that exist around the borders of Richmond range from threatened agricultural land to secondary agricultural land. Along the borders shared with Dr Nkosazane Dlamini Zuma, Ubuhlebezwe, and Umdoni Municipalities it is evident that the agricultural practices mostly favoured are for secondary and primary agriculture. In addition, majority of agricultural land along borders between Msunduzi and Mkhambathini is suitable for primary agriculture. Another dominant agricultural land category is threatened agricultural land with small portions of land categorised as irreplaceable land.

Cross Border Land Claims

There are several farms on the cross border that are under the restitution claims and redistribution projects. Majority of these farms fall under the settled land restitution claims. Shared borders with Dr Nkosazana Dlamini Zuma, Mkhambathini and Msunduzi Municipalities have both forms of land reform. While between

Richmond and Ubuhlebezwe Municipality there is only restitution claims. The cross border between Umdoni and Richmond Municipality has no land reform claims. It is advisable that the municipalities recognize such changes by harmonizing the same projects which Richmond has prioritized, because on the ground, administrative borders do not exist.

Cross Border Conservation Corridors

There are a great number of natural conservation areas along the borders of Richmond. Cross-border CBA Optimal and ESA are prominently found along Umdoni and Ubuhlebezwe municipalities. These neighbouring municipalities are found on the southern conservation corridor. While a variety of conservation areas appear along the NDZ, Msunduzi as well as Mkhambathini municipalities situated on the western, northern, and eastern conservation corridors. Active cross border participatory processes and awareness campaigns which include the local communities will foster effective management plans and the implementation of such plans. There are land claims that fall within CBA and ESA areas; therefore, the Richmond SDF has proposed communal conservation and Agritourism around these areas. Neighbouring municipalities like are advised to harmonizing their plans with that of the Richmond SDF.

Cross Border Rural Settlements Conurbation

The concept of settlement conurbation ideally being an extended area that has grown beyond the typically drawn administrative lines and consisting of villages merging with neighbouring settlements in jurisdiction that is administered by a different municipality is occurring within Richmond. The municipality has numerous rural conurbations especially on the borders shared with Umdoni and Mkhambathini Municipalities. Other minor settlement conurbations exist across Ubuhlebezwe, Msunduzi and NDZ Municipalities. Rural conurbation can be the result of deurbanization as land is affordable in the rural areas in comparison to the urban areas. Therefore, it is important that the six municipalities create a highly co-ordinated in terms of converting these into sustainable rural settlements.

Cross Border Social Facilities

The proximity of settlements across the border lines between Richmond and its surrounding municipalities such as Umdoni has also meant that these areas can and should share some of the facilities. Settlements such as Thornville and Baynesfield are closer to health facilities in Msunduzi. Also, there are two post offices in Mkhambathini Municipality that can be shared with the communities from Richmond. Hella-Hella and KwaGengeshe settlements are in close proximity to Sandanezwe health facility which they are more likely to use.

Cross Border Land Cover Continuum

The land assessment shows that most of the land covering around Richmond is dedicated to natural grassland, fallow lands and old fields, natural wooded land, planted forests, permanent and temporary crops. The southern borders shared with NDZ, Umdoni and Ubuhlebezwe Municipalities are dominated by land covers such as natural wooded land, natural grassland, fallow land, and old fields. Land cover along Msunduzi is predominantly natural grassland and planted forests, while, along the border of Umdoni there’s a vast coverage of permanent crops and planted forests.

<u>The strategic mapping for the above described cross border alignment is provided within the SDF document under Section 7 page 209</u>.

5.3 PLANNING STRATEGIES

The following planning strategies have been instrumental in guiding the development of the Municipal Spatial Development Framework:

Access Route as investment Lines

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

- ✓ Developing a district structure
- ✓ 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 Ndaleni/ 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

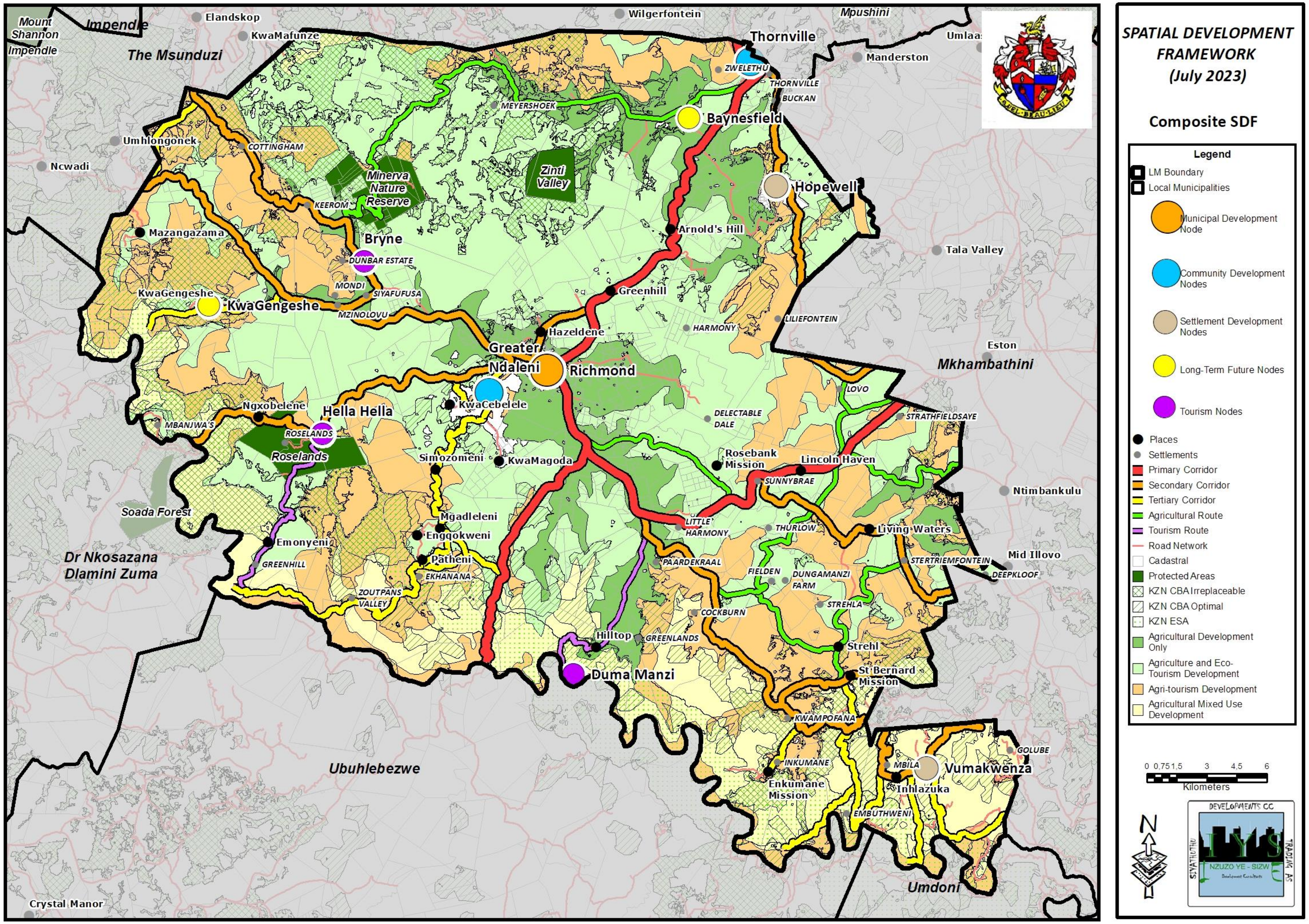
Establishing a Management Framework

- ✓ 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.

5.4 STRATEGIC MAPPING

The spatial development strategy is a guiding tool in adopting spatial transformation that is suitable for the municipality. Enabling one coherent spatial plan to guide and direct decision-making on a municipal level. The vision for Richmond Local Municipality will follow the rules and principles of uMgungundlovu District Municipality, ensuring that all proposed development and growth is in tune with the holistic plans of the province. Richmond LM vision, in essence, is to create a municipality that offers its residents with quality life. This to be achieved by offering economic development, service delivery, and infrastructure delivery which will improve the quality of life in communities. The spatial vision is an important factor in fulfilling the municipalities long-term developmental vision.

In achieving the long-term vision the municipality adopted a framework that identified nodal and corridor areas, where economic development must be encouraged. The framework also identifies areas of environmental conservation, where development is limited and some land uses are prohibited in order to ensure the sustainable use of land. The below figure illustrates the developed and adopted framework:



SPATIAL DEVELOPMENT FRAMEWORK
(July 2023)
Composite SDF
Legend
LM Boundary
Local Municipalities
Municipal Development Node
Community Development Nodes
Settlement Development Nodes
Long-Term Future Nodes
Tourism Nodes
Places
Settlements
Primary Corridor
Secondary Corridor
Tertiary Corridor
Agricultural Route
Tourism Route
Road Network
Cadastral
Protected Areas
KZN CBA Irreplaceable
KZN CBA Optimal
KZN ESA
Agricultural Development Only
Agriculture and Eco-Tourism Development
Agri-tourism Development
Agricultural Mixed Use Development
0 0,75 1,5 3 4,5 6
Kilometers
N
NZUZO YE - SIZWE
Mount Shannon
Impendle
The Msunduzi
Elandskop
KwaMafunze
Wilgerfontein
Mpushini
Thornville
Manderston
Umlaas
ZWELETHU
THORNVILLE
BUCKAN
MEYERSHOEK
Baynesfield
Umhlongonek
COTTINGHAM
Ncwadi
Minerva Nature Reserve
Zinti Valley
Hopewell
KEEROM
Arnold's Hill
Tala Valley
Mazangazama
Bryne
DUNBAR ESTATE
MONDI
SIYAFUFUSA
KwaGengeshe
MZINOLOVU
Greenhill
HARMONY
LILIEFONTEIN
Hazeldene
Greater Ndaleni
Richmond
Eston
Mkhambathini
KwaCebelele
LOVO
Ngxobelene
Hella Hella
MBANJWA'S
ROSELANDS
Roselands
DELECTABLE DALE
STRATHFIELDSAYE
Simozomeni
KwaMagoda
Rosebank Mission
Lincoln Haven
SUNNYBRAE
Ntimbankulu
Soada Forest
Mgadleleni
LITTLE HARMONY
THURLOW
Living Waters
Emonyeni
Engqokweni
Dr Nkosazana Dlamini Zuma
GREENHILL
Patheni
EKHANANA
PAARDEKRAAL
FIELDEN
DUNGAMANZI FARM
STERTRIEMFONTEIN
Mid Illovo
DEEPKLOOF
ZOUTPANS VALLEY
STREHLA
COCKBURN
Hilltop
GREENLANDS
Strehl
Duma Manzi
St Bernard Mission
KWAMPOFANA
Ubuhlebezwe
GOLUBE
INKUMANE
MBILA
Vumakwenza
Enkumane Mission
Inhlazuka
EMBUTHWENI
Umdoni
Crystal Manor

CHAPTER F – IMPLEMENTATION PLAN

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT															
Key Challenge	Obj Ref.:	Objective	Strategies	Performance Indicator	Baseline	5 Yr Targets						Target & Yr (if outside 5 yr period)	Budget (R) ('000)	Source	Responsibility (in Mun)
						Yr 1 2022/23		Yr 2 2023/24	Yr 3 2024/25	Yr 4 2025/26	Yr 5 2026/27				
						Planned	Achieved	Planned	Planned	Planned	Planned				
Inadequate reduction of backlogs in electricity, roads and public facilities		To ensure the role-out of electrification projects throughout the municipality	Undertake appropriate planning and implementation of electrification projects.	Number of Connections	468	468	468	400				991	1.Magoda Village – Ward 1 Electrification (50 Connections -R1 240 000.00) 2.Congo and 13 Area Village – Ward 2 Electrification (65 Connections - R1 612 000.00) 3. Ensongeni and Ezitolo Village – Ward 3 Electrification (44 Connections - R1 091 200.00) 4.Skobho and Thornville Village – Ward 3 Electrification (72 Connection - R1 785 000.00). 5.Agosy Village – Ward 4 Electrification (100 Connection - R2 480 000.00) 6.Mbuthisweni Village – Ward 5 Electrification (100 Connection - R2 480 000.00) 7. Malizayo Village – Ward 5 Electrification (100 Connection - R2 480 000.00) 8.Ezulwini Village - Ward 5 Electrification (100 - R2 480 000.00) 9.Emoyeni Village – Ward 5 Electrification (30Connections - R744 000.00) 10.Mgxobeleni Village – Ward 6 Electrification (30 Connections - R744 000.00)	INEP grant	Project implementation and monitoring

													11.Phatheni Village – Ward 6 Electrification (100 Connections -R2 480 000.00) 12.Emaswazini Village – Ward 7 Electrification (150 Connections - R3 720 000.00) 13.D1 Area and Mozambique Village – Ward 7 Electrification (50 Connections - R1 240 000.00)		
Environmental protection through effective waste management programmes (Reduce, Reuse and Recycle).	OMU-09	To provide safe and reliable waste management services	Engage with the service authority and through the DDM plan accordingly for proposed infrastructure.	Number of billed households with access to daily solid waste removal (ward 1 and 2)	1036	1036	1036	1036	1036	1036	1036		R8 302 788.00	Internal Funds	Technical Services
Inadequate reduction of backlogs in electricity, roads and public facilities		To improve accessibility through maintenance and road infrastructure provision.	Ensure the implementation of the action plan for roads through Technical Department.	Number of kilometres of new tar surface						0.6			Upgrading of Slahla Access Road to Black top Surface – R8 110 900.32	MIG grant	Technical Services
				Number of kilometres for upgraded roads surface	1.145	1.145	1.16	1.50	1.26	1.50	1.73		1.2km - Upgrading of roads and storm water in ward7 (Khetho to Mjintini) - R29 611 014.89 1.5km - Rehabilitation of Siyathuthuka Magoda Main Road in Ward 2 and 7 Phase 3 – R24 113 149.10 1.73km - Upgrading of Slahla Access Road to Black top Surface – R13 543 703.05	MIG grant	Technical Services

				Number of square meters of potholes patched and repaired	1000	1000	1501	1000	1000	1000	1000		R2 700 000.00	Internal Funds	Technical Services
				Number of kilometres of gravel roads maintained	21	21	40.6	37.6	37.6	37.6	37.6		R6 300 000.00	Internal Funds	Technical Services

CHAPTER G – FINANCIAL PLAN

This section focuses on the Municipal Budget Overview and the Three-year Municipal Budget, which all includes information on debt collection, revenue generation, asset management, summary of the AG's Report and Responses & Actions, maintenance, etc. Projects are also reflected for over the 3 years period, as well as longer-term projects.

The Financial Plan also indicates 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.

7.1 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 2024/25 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 2024/25 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2024/25 MTREF:

- ✓ The 2023/24 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 2024/25 Medium-term Revenue and Expenditure Framework:

Table 129: Consolidated Overview of the 2024/25 MTREF

R thousand	Adjustmnet Budget	2024/25 Medium Term Revenue & Expenditure Framework		
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Operating Revenue	164,287	150,764	157,914	160,940
Total Operating Expenditure	176,620	170,916	179,212	183,191
Surplus / (Deficit for the year)	(12,333)	(20,152)	(21,298)	(22,251)
Total Capital Expenditure	23,990	24,020	22,861	24,464

Total operating revenue has decreased by 8 per cent or R 13.5 million for the 2024/25 budget year when compared to the 2023/24 Adjusted Budget. For the two outer years, operational revenue will increase on average by 3%. The reduction in revenue in the budget year 2024/25 can be attributed to the once off gains on disposal of land included in the 2023/2024 financial year.

Total operating expenditure for the 2023/24 financial year has been appropriated at R170.9 million and translates into a budgeted deficit of R 20.2 million. When compared to the 2023/24 Adjusted Budget, operational expenditure has been reduced by 3% in the 2024/25 budget. The operational expenditure has been increased by an inflationary increment of 4.6% in the 2025/26 financial year and 4.5% in the 2026/27 financial year. The operating expenditure for 2024/25 has been appropriated after considering all budget inputs from the community through IDP engagements in November 2023. Furthermore, the budget is stated through the application of zero-based budgeting principles in most of the votes.

The capital budget of R 24 million for 2024/25 is 0% less when compared to the 2023/24 Adjustment Budget. Capital budget slightly decrease in 2025/26 to R 23 million and R24 million in the 2026/27 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.

Excluded from the above Capital budget is the amount of R 3,1 million relating to the Integrated National Electrification Programme (INEP) arrangements. More information regarding this matter is included below under "capital expenditure details".

7.2 OPERATING REVENUE FRAMEWORK

In order for the Richmond Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components;

- ✓ National Treasury's guidelines and macroeconomic policy.
- ✓ Efficient revenue management which aims to aims to ensure an 85% 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 130: Summary of Revenue Classified by Main Revenue Source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	777	923	966	1,145	1,145	1,145	1,145	1,079	1,128	1,180
Sale of Goods and Rendering of Services		506	436	326	381	8,421	8,421	8,421	3,571	4,603	510
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		94	99	130	147	136	136	136	144	150	157
Interest earned from Receivables		233	297	278	318	298	298	298	299	313	327
Interest earned from Current and Non Current Assets		1,114	1,263	2,779	2,740	3,693	3,693	3,693	3,602	3,768	3,941
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1,004	1,089	1,098	1,096	1,096	1,096	1,096	910	952	996
Licence and permits		5	(0)	12	20	13	13	13	13	13	14
Operational Revenue		375	786	1,010	746	1,028	1,028	1,028	945	777	813
Non-Exchange Revenue											
Property rates	2	18,494	19,285	27,115	28,446	28,446	28,446	28,446	28,889	30,218	31,608
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		4,517	4,356	4,417	5,247	3,739	3,739	3,739	2,376	2,485	2,600
Licences or permits		1,303	1,935	2,553	3,027	2,851	2,851	2,851	2,723	2,848	2,979
Transfer and subsidies - Operational		97,079	85,161	98,785	100,757	102,991	102,991	102,991	106,214	110,658	115,816
Interest		–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	(180)	(196)	10,432	10,432	10,432	10,432	–	–	–
Other Gains		(3,390)	22	1,482	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**122,111**	**115,471**	**140,756**	**154,499**	**164,287**	**164,287**	**164,287**	**150,764**	**157,914**	**160,940**

Table 131: Percentage of Growth in Revenue by Source

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 charges revenues comprise less than 25 per cent of the total revenue mix. In the 2024/25 financial year, revenue from rates and services charges totaled R29.9 million or 20 per cent. This increased to R31 million and R32.8 million in the respective outer financial years of the MTREF.

Property rates is the second largest revenue source totaling R29 million or 19 per cent. This increased to R30 million and R31.6 million in the respective outer financial years of the MTREF.

Operating grants and transfers totals R 106 million in the 2024/25 financial year and remained fairly the same at R 106 million in 2025/26 with a slightly reduction in 2026/27 financial year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 132: Operating Transfer & Grant Receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,563	98,265	96,653	97,057	97,057	72,764	102,354	105,593	110,586
Expanded Public Works Programme Integrated Grant		118	1,101	1,287	1,125	1,125	1,125	1,410	–	–
Local Government Financial Management Grant		–	1,850	1,950	1,950	1,950	1,950	1,900	2,000	2,200
Municipal Infrastructure Grant		(802)	16,889	7,000	1,063	1,063	–	1,049	1,091	1,168
Equitable Share		89,247	78,425	86,416	92,919	92,919	69,689	97,995	102,503	107,218
Provincial Government:		(608)	3,048	6,454	3,700	3,700	3,700	3,860	5,065	5,230
Rehabilitation of Nelson Street SMME's		–	–	–	–	–	500	–	–	–
Provincial Library		80	–	3,200	3,700	3,700	3,200	–	–	–
Specify (Add grant description)		–	–	3,000	–	–	–	–	–	–
Provincial Library		(199)	3,048	254	–	–	–	3,860	5,065	5,230
Specify (Add grant description)		(489)	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	87,955	101,313	103,107	100,757	100,757	76,464	106,214	110,658	115,816
Capital Transfers and Grants										
National Government:		50	17,010	16,211	30,109	28,688	21,092	19,925	20,720	22,197
Municipal Infrastructure Grant		50	10,377	13,511	20,189	18,768	18,592	19,925	20,720	22,197
Integrated National Electrification Programme Grant		–	6,633	2,700	9,920	9,920	2,500	–	–	–
Provincial Government:		(9,083)	121	5,440	–	–	–	2,200	–	–
Informal Economy Infrastructure- LED		–	–	–	–	–	–	1,000	–	–
Specify (Add grant description)		104	121	240	–	–	–	–	–	–
Specify (Add grant description)		(9,187)	–	5,200	–	–	–	–	–	–
Rehabilitation of Nelson Street SMME Units		–	–	–	–	–	–	1,200	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	(9,033)	17,131	21,651	30,109	28,688	21,092	22,125	20,720	22,197
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	78,922	118,443	124,758	130,866	129,445	97,556	128,339	131,378	138,013

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 4.9%.

7.2.1 Property Rates

The municipality has applied a 4.9% tariff increase in the property rates for the 2024/25 budget year. **The property values have decreased from R 4 822 929 900 in the 2023/24 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. 2024/2025 would be the third 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-
   i. In the first year, be no more than 80 per cent of the rate for that year otherwise applicable to that property;
   ii. In the second year, be no more than 60 per cent of the rate for that year otherwise applicable to that property;
   iii. In the third year, be no more than 40 per cent of the rate for that year otherwise applicable to that property;
   iv. In the fourth year be no more than 20 per cent of the rate for that year otherwise applicable to the property; and
   v. 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 ratable 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 ratable property. In this regard the following stipulations are relevant:
- ✓ The ratable 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 ratable 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 133: Comparison of Proposed Rates to be Levied for the 2024/25 Financial Year

Property Rate Category	Current Tariff (1 July 2022)	Proposed Tariff (from 1 July 2023)	% Increase	Rate Ratio
Residential Property	0.00881224	0.00924404	4.90%	1
Business, Commercial and industrial property	0.01779090	0.01866265	4.90%	2

Vacant Land	0.02679056	0.02810330	4.90%	3
Agricultural Property	0.00220303	0.00231098	4.90%	0.25
Public Service Purposes	0.01779090	0.01866265	4.90%	2
Public Service Infrastructure	0.00220303	0.00231098	4.90%	0.25
Public benefit organization property	0.00220303	0.00231098	4.90%	0.25
Place of worship S17(I)	0.00220303	0.00231098	4.90%	0.25
Municipal	0.00220303	0.00231098	4.90%	0.25
Protected area S17 ('E)	0.00220303	0.00231098	4.90%	0.25

7.2.2 Refuse Removal

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.

Category	**Current Tariffs 2024/25**	**Proposed Tariffs 2024/25**	**% Increase**
Refuse removal residential once a week	56.52	59.29	4.9%
Refuse – Residential complex	870.75	913.42	4.9%
Commercial twice a week	449.85	471.89	4.9%
Commercial five times a week	1740.50	1,825.78	4.9%
Commercial bulk	3483.00	3,653.67	4.9%
Commercial daily	4179.60	4,384.40	4.9%
Hire of Skipper bin	4798.02	5,033.12	4.9%

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 R200 000, which can be classified as low-cost housing".

Based on the policy the municipality has estimated an amount of R 362 936 to be deemed as income forgone in respect of refuse removal for households receiving the service at no cost.

7.2.3 Tariff Increase Impacts on Households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been increased by 4.9%

Table 134: MBRR Table SA14 - Household Bills

KZN227 Richmond - Supporting 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%	6.0%	6.0%

7.2.4 Equipment and Facility Rentals

The municipality has decreased the budget for rental of facilities and equipment from R 1.096 million in the 2023/24 adjustment budget to R910 thousands in the 2024/25 budget year. This decrease is due to anticipated revenue based on the rental register for active tenants. The CPI was further applied in the 2025/26 and 2026/27 outer years.

7.2.5 Earned Interest from External Investments

The municipality has budgeted for a 2.4% decrease in the Interest Earned from External Investments for the 2024/2025 budget year which is aligned with the latest interest rate market is SA. The Municipality will continue implementing aggressive investment strategies in the 2024/2025 financial year to maximize returns. The CPI was further applied in the 2025/26 and 2026/27 outer years.

7.2.6 Fines, Penalties and Forfeits

The municipal council took a resolution to exclude some of the government accounts from levying of interest and collection charges whilst the municipality performs a data cleansing exercise to ensure that bills are sent to the correct account holders. This has reduced the amount of revenue to be derived from fines, penalties and forfeits by 36%. The CPI was further applied in the 2025/26 and 2026/27 outer years.

7.2.7 Licenses and Permits

The municipality has applied a CPI percentage increment for license and permits that resulting to the budget being increased by only 4.9%. The CPI was further applied in the 2025/26 and 2026/27 outer years.

7.2.8 Transfers Recgnised - Operational

Transfers recognized operational contributes to about 70 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 cognizance of the fact that its tariffs are not cost reflective and would need to align tariffs accordingly.

7.2.9 Other Operational Revenues

The municipality has budgeted for other income at R 945 Thousand in the 2024/25 budget year. This is a decrease when compared to the 2023/2024 financial year, as previously highlighted the land sale is a once off that should take place during the 2023/24 financial year only hence the decrease in 2024/2025. The CPI was further applied in the 2025/26 and 2026/27 outer years.

7.3 OPERATING EXPENDITURE REVENUE

The Richmond Municipality's expenditure framework for the 2024/25 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 2024/25 budget and MTREF (classified per main type of operating expenditure):

Table 135: Summary of Operating Expenditure by Standard Classification Item

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure											
Employee related costs	2	54,672	60,315	64,238	68,613	68,613	68,613	68,613	73,130	76,059	79,597
Remuneration of councillors		5,773	5,977	6,051	6,881	6,881	6,881	6,881	7,219	7,551	7,898
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,520	4,972	7,437	8,664	5,164	5,164	5,164	4,725	4,942	5,170
Debt impairment	3	1,452	4,604	160	5,000	7,000	7,000	7,000	6,782	7,094	7,420
Depreciation and amortisation		22,847	20,469	14,955	22,241	19,500	19,500	19,500	20,456	21,396	22,381
Interest		197	296	360	402	402	402	402	421	441	461
Contracted services		25,464	28,089	30,594	31,217	41,975	41,975	41,975	33,324	35,738	33,077
Transfers and subsidies		563	590	556	600	600	600	600	-	-	-
Irrecoverable debts written off		–	–	12,801	–	–	–	–	–	–	–
Operational costs		11,419	16,170	18,408	22,517	26,486	26,486	26,486	24,860	25,992	27,187
Losses on disposal of Assets		92	–	–	–	–	–	–	–	–	–
Other Losses		–	182	–	–	–	–	–	–	–	–
Total Expenditure		**126,999**	**141,664**	**155,561**	**166,135**	**176,620**	**176,620**	**176,620**	**170,916**	**179,212**	**183,191**

Table 136: Percentage Growth in Operating Expenditure by Main Expenditure Source

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
R thousand	**Adjusted Budget**	**%**	**Budget Year 2024/25**	**%**	**Budget Year +1 2025/26**	**%**	**Budget Year +2 2026/27**	**%**
Employee related costs	68,613	39%	73,130	43%	76,059	42%	79,597	43%
Remuneration of councillors	6,881	4%	7,219	4%	7,551	4%	7,898	4%
Debt impairment	7,000	4%	6,782	4%	7,094	4%	7,420	4%
Depreciation & asset impairment	19,500	11%	20,456	12%	21,396	12%	22,381	12%
Finance charges	402	0%	421	0%	441	0%	461	0%
Inventory consumed	5,164	3%	4,725	3%	4,942	3%	5,170	3%
Contracted services	41,975	24%	33,324	19%	35,738	20%	33,077	18%
Transfers and subsidies	600	0%	0	0%	0	0%	0	0%
Other expenditure	26,486	15%	24,860	15%	25,992	15%	27,187	15%
Total Expenditure	**176,621**	**100%**	**170,917**	**100%**	**179,213**	**100%**	**183,191**	**100%**

7.3.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2024/25 financial year totals R73 million, which equals 43% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2024/25 financial year.

An annual increase of 4.6 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.

The municipality understands that sustainable job creation remains a national priority and in finalizing the 2024/2025 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.

7.3.2 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 per cent increase has been factored into the budget for the 2024/25 financial year.

The municipality is legislated to have a full-time mayor, full time speaker, full time deputy mayor, part time member of the executive committee and part time councilors. The positions of full-time speaker and deputy mayor were Gazetted and effective from April.

7.3.3 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 2024/25 financial and equates to 12 per cent of the total operating expenditure.

7.3.4 Finance Charges

The finance charges budgeted for under Table A4 relates to bank charges and finance charges on the lease of Photocopiers.

7.3.5 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 2024/2025 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.

7.3.6 Debt Impairment

An amount of R 7 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 2023/24 financial year,
- ✓ The expected provision for impairment and write-offs in the 2024/25,
- ✓ 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 85 per cent (considering old debt and current billing).

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.

7.3.7 Contracted Services

The municipality has budgeted R 33 million for Contracted Services which is a reduction from R 42 million when compared to the adjusted budget for 2023/2024. This is due to the reduction of in the amount for budgeted for electrification project funded under the INEP grant.

Furthermore, the contracted services have been identified as a cost saving area for the Richmond Municipality. As part of the compilation of the 2024/25 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 commenced 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 has been factored into the 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.

7.3.8 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. The expenditure was reduced by 6% from the adjustment budget. The reduction amounted to R 2 million and this was achieved through identifying and reducing non-service delivery expenditure.

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 75: Main Operational Expenditure Categories for the 2024/25 Financial Year

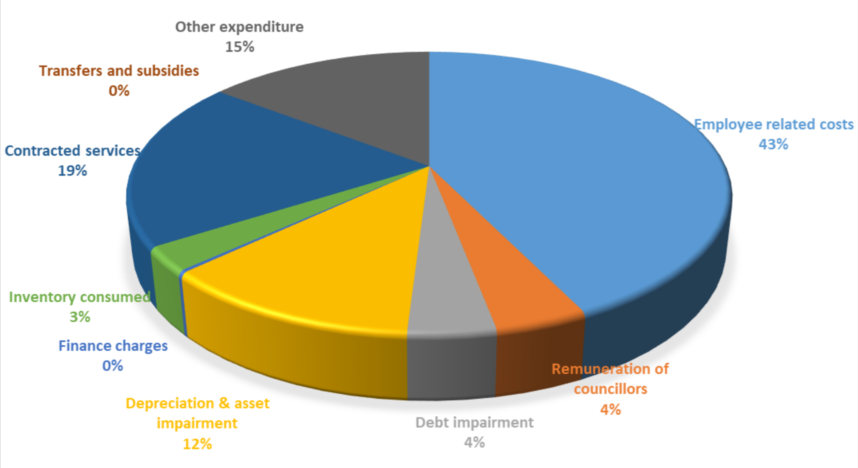


Table 137: Repairs & Maintenance per Asset Class

R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2025/26	Budget Year 2026/27
Infrastructure		**1,149**	**1,740**	**4,219**	**4,850**	**4,151**	**4,151**	**2,775**	**2,902**	**3,033**
Roads Infrastructure		1,055	1,640	4,135	4,750	4,051	4,051	2,675	2,798	2,923
Roads		955	1,640	3,642	4,250	3,551	3,551	2,150	2,249	2,350
Capital Spares				493	500	500	500	525	549	573
Storm water Infrastructure		94	100	84	100	100	100	100	105	109
Drainage Collection		94	100	84	100	100	100	100	105	109
Community Assets		**288**	**605**	**1,284**	**1,980**	**1,170**	**1,170**	**807**	**844**	**882**
Community Facilities		288	605	1,284	1,980	1,102	1,102	735	769	804
Halls		150	459	1,165	1,980	1,062	1,062	667	698	730
Libraries		137	147	120		40	40	68	71	74
Sport and Recreation Facilities		-	-	-	-	68	68	71	74	78
Indoor Facilities						68	68	71	74	78
Other assets		**137**	**50**	**104**	**145**	**54**	**54**	**86**	**90**	**94**
Operational Buildings		137	50	104	145	54	54	86	90	94
Municipal Offices		137	50	104	145	54	54	86	90	94
Machinery and Equipment		212	222	454	275	562	562	552	578	604
Machinery and Equipment		212	222	454	275	562	562	552	578	604
Transport Assets		4,354	4,333	6,858	6,094	7,854	7,854	6,805	7,118	7,439
Transport Assets		4,354	4,333	6,858	6,094	7,854	7,854	6,805	7,118	7,439
Total Capital Expenditure on new assets		**6,139**	**6,950**	**12,919**	**13,344**	**13,791**	**13,791**	**11,025**	**11,532**	**12,051**

7.3.9 Free Basic Services: Basic Social Services Packages

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 2024/2025 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

Specific items included in other operational expenditure:

The following items are included in the budget to respond to the needs of the community as raised during community engagement:

7.4 CAPITAL EXPENDITURE

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

Table 138: 2024/25 Medium-term Capital Budget per Vote

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional											
Governance and administration		5,169	903	2,692	1,980	3,488	3,488	3,488	1,398	1,462	1,530
Executive and council		864	7	749	90	1,007	1,007	1,007	380	397	416
Finance and administration		4,304	896	1,943	1,890	2,481	2,481	2,481	1,018	1,065	1,114
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		166	210	6,520	380	60	60	60	338	520	543
Community and social services		268	210	6,520	380	60	60	60	188	363	379
Sport and recreation		(102)	–	–	–	–	–	–	150	157	164
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		76,991	34,352	44,039	21,964	20,442	20,442	20,442	22,284	20,879	22,391
Planning and development		1,012	101	192	10	25	25	25	2,260	63	66
Road transport		75,979	34,252	43,848	21,954	20,417	20,417	20,417	20,024	20,816	22,325
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	82,325	35,466	53,252	24,324	23,990	23,990	23,990	24,020	22,861	24,464

The following tables represent in detail how Richmond local municipality anticipate on spending its capital budget. Consideration has been given to all requests received during community engagements.

Table 139: Municipal Infrastructure Grant (MIG)

Number	Projects	Amount
1	Upgrade of Greater Indaleni Passages - Upgrading of Slahla Access Road to Black Top Surface in Ward 2	3,053,508
2	Upgrading of Stormwater in Ward 7 (Khetho to Mjintini)	16,871,792
	TOTAL	**19,925,300**

Table 140: Integrated National Electrification Programme (INEP)

Funding	Projects	Amount
1	Slahla Sigcakini Electrification Project	776,250.00
2	Mthunzini-Lindelani Electrification Project	776,250.00
3	Mcsteel - Masonite Electrification Project	776,250.00
4	Mpofane - Nkumane Electrification Project	776,250.00
	TOTAL	**3,105,000.00**

It is to be noted that Richmond local municipality does not deal with electricity supply, however it acts as an agent to ensure that the Richmond community has electricity supply.

Table 141: 2023/24 Medium-term Capital Budget by Funding Source

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funded by:											
National Government		19,362	33,539	40,175	20,139	19,287	19,287	19,287	19,925	20,713	22,217
Provincial Government		90	119	8,526	–	–	–	–	2,388	197	206
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	19,452	33,658	48,701	20,139	19,287	19,287	19,287	22,314	20,910	22,423

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.

7.5 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 2024/25 budget and MTREF as approved by the Council.

Table 142: MBRR Table A1 - Budget Summary

KZN227 Richmond - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Financial Performance										
Property rates	18,494	19,285	27,115	28,446	28,446	28,446	28,446	28,889	30,218	31,608
Service charges	777	923	966	1,145	1,145	1,145	1,145	1,079	1,128	1,180
Investment revenue	1,114	1,263	2,779	2,740	3,693	3,693	3,693	3,602	3,768	3,941
Transfer and subsidies - Operational	97,079	85,161	98,785	100,757	102,991	102,991	102,991	106,214	110,658	115,816
Other own revenue	4,647	8,839	11,111	21,412	28,013	28,013	28,013	10,981	12,142	8,395
Total Revenue (excluding capital transfers and contributions)	122,111	115,471	140,756	154,499	164,287	164,287	164,287	150,764	157,914	160,940
Employee costs	54,672	60,315	64,238	68,613	68,613	68,613	68,613	73,130	76,059	79,597
Remuneration of councillors	5,773	5,977	6,051	6,881	6,881	6,881	6,881	7,219	7,551	7,898
Depreciation and amortisation	22,847	20,469	14,955	22,241	19,500	19,500	19,500	20,456	21,396	22,381
Interest	197	296	360	402	402	402	402	421	441	461
Inventory consumed and bulk purchases	4,520	4,972	7,437	8,664	5,164	5,164	5,164	4,725	4,942	5,170
Transfers and subsidies	563	590	556	600	600	600	600	–	–	–
Other expenditure	38,426	49,045	61,963	58,735	75,460	75,460	75,460	64,966	68,823	67,684
Total Expenditure	126,999	141,664	155,561	166,135	176,620	176,620	176,620	170,916	179,212	183,191
Surplus/(Deficit)	(4,887)	(26,193)	(14,805)	(11,636)	(12,333)	(12,333)	(12,333)	(20,152)	(21,298)	(22,250)
Transfers and subsidies - capital (monetary allocations)	27,257	26,810	20,134	20,189	19,696	19,696	19,696	22,125	20,720	22,197
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	22,369	616	5,329	8,553	7,363	7,363	7,363	1,973	(578)	(53)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	22,369	616	5,329	8,553	7,363	7,363	7,363	1,973	(578)	(53)
Capital expenditure & funds sources										
Capital expenditure	82,325	35,466	53,252	24,324	23,990	23,990	23,990	24,020	22,861	24,464
Transfers recognised - capital	19,452	33,658	48,701	20,139	19,287	19,287	19,287	22,314	20,910	22,423
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	18,035	1,312	3,808	4,185	4,703	4,703	4,703	1,047	1,260	1,318
Total sources of capital funds	37,487	34,970	52,509	24,324	23,990	23,990	23,990	23,360	22,170	23,742
Financial position										
Total current assets	43,659	40,613	31,173	54,993	51,171	51,171	51,171	40,123	47,967	56,665
Total non current assets	358,552	359,148	367,939	362,778	366,137	366,137	366,137	377,630	376,041	376,659
Total current liabilities	33,570	28,873	22,542	(1,389)	(663)	(663)	(1,522)	20,053	21,122	21,756
Total non current liabilities	16,480	18,105	18,458	17,726	17,726	17,726	17,726	16,664	17,048	17,065
TOTAL COMMUNITY WEALTH/EQUITY	352,161	352,783	358,112	401,434	400,244	400,244	400,244	381,037	385,838	394,503
Cash flows										
Net cash from (used) operating	180,710	273,697	243,936	43,382	38,602	38,602	38,602	12,115	13,372	14,579
Net cash from (used) investing	(40,026)	(27,368)	(28,249)	(24,324)	(24,941)	(24,941)	(24,941)	(24,179)	(22,990)	(24,047)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	140,684	267,371	242,590	43,746	38,349	38,349	38,349	9,531	(87)	(9,555)
Cash backing/surplus reconciliation										
Non current Investments	4,724	11,079	7,279	18,020	14,858	14,858	14,858	4,527	4,527	4,527
Statutory requirements	30,900	22,723	15,624	58,838	49,885	49,885	49,885	20,391	27,030	36,003
Balance - surplus (shortfall)	(26,176)	(11,643)	(8,344)	(40,818)	(35,026)	(35,026)	(35,026)	(15,864)	(22,504)	(31,477)
Asset management										
Asset register summary (WDV)	342,748	338,249	350,796	340,101	343,460	343,460		355,687	354,086	354,013
Depreciation	20,212	19,685	16,015	22,241	19,500	19,500		20,456	21,396	22,381
Renewal and Upgrading of Existing Assets	41,081	11,828	15,607	11,353	10,501	10,501		21,785	21,403	22,939
Repairs and Maintenance	6,139	6,950	12,919	13,344	13,298	13,298		11,655	12,191	12,752
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	279	294	303	1,032	1,032	1,032		1,312	1,372	1,435

Explanatory notes to MBRR Table A1 - Budget Summary

(1) Table A1 is a budget summary and provides a concise overview of the Richmond's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

(2) The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 143: MBRR Table A2 - Budgeted Financial Performance (Revenue & Expenditure by Standards Classification)

KZN227 Richmond - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional										
Governance and administration		**97,280**	**60,626**	**92,547**	**132,498**	**132,388**	**132,388**	**137,713**	**142,586**	**149,253**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		97,280	60,626	92,547	132,498	132,388	132,388	137,713	142,586	149,253
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**403**	**49,400**	**38,151**	**3,751**	**3,468**	**3,468**	**4,079**	**5,294**	**5,469**
Community and social services		3,793	49,400	38,151	3,743	3,458	3,458	4,068	5,283	5,458
Sport and recreation		(3,390)	–	–	8	10	10	10	11	11
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**31,909**	**30,984**	**28,892**	**36,920**	**46,619**	**46,619**	**29,643**	**29,233**	**26,824**
Planning and development		21,131	28,590	20,651	33,770	32,356	32,356	23,589	22,244	23,819
Road transport		10,778	2,394	8,241	3,150	14,263	14,263	6,054	6,989	3,006
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**19,776**	**1,270**	**1,299**	**1,520**	**1,508**	**1,508**	**1,454**	**1,521**	**1,591**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		19,776	1,270	1,299	1,520	1,508	1,508	1,454	1,521	1,591
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**149,368**	**142,280**	**160,889**	**174,689**	**183,983**	**183,983**	**172,889**	**178,634**	**183,137**
Expenditure - Functional										
Governance and administration		**54,210**	**63,628**	**71,718**	**72,531**	**71,460**	**71,460**	**71,549**	**74,853**	**78,404**
Executive and council		14,916	16,814	16,781	16,797	19,138	19,138	19,157	20,038	20,960
Finance and administration		38,060	45,311	53,410	54,256	50,838	50,838	50,749	53,096	55,647
Internal audit		1,234	1,503	1,527	1,479	1,484	1,484	1,643	1,719	1,798
Community and public safety		**23,054**	**24,392**	**23,666**	**28,150**	**27,743**	**27,743**	**26,672**	**28,927**	**30,189**
Community and social services		19,337	20,651	19,758	24,219	23,676	23,676	22,120	24,165	25,209
Sport and recreation		3,212	3,280	3,484	3,519	3,655	3,655	4,056	4,243	4,438
Public safety		132	72	–	–	–	–	–	–	–
Housing		373	389	424	413	413	413	496	518	542
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**45,285**	**45,898**	**52,182**	**56,859**	**70,077**	**70,077**	**64,750**	**67,122**	**65,904**
Planning and development		7,644	7,903	8,501	11,337	12,129	12,129	10,424	9,428	9,862
Road transport		37,641	37,995	43,682	45,522	57,948	57,948	54,326	57,693	56,042
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**4,449**	**7,746**	**7,995**	**8,595**	**7,340**	**7,340**	**7,945**	**8,311**	**8,693**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		438	502	456	401	391	391	516	540	565
Waste management		4,011	7,244	7,539	8,194	6,948	6,948	7,429	7,770	8,128
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**126,999**	**141,664**	**155,561**	**166,135**	**176,620**	**176,620**	**170,916**	**179,212**	**183,191**
Surplus/(Deficit) for the year		**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**1,973**	**(578)**	**(53)**

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 144: MBRR Table A3 - Budgeted Financial Performance (Revenue & Expenditure by Municipal Vote)

KZN227 Richmond - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote	1									
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		97,280	60,626	92,547	132,498	132,388	132,388	137,713	142,586	149,253
Vote 3 - Housing		–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		3,793	49,400	38,151	3,743	3,458	3,458	4,068	5,283	5,458
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		21,131	28,590	20,651	33,770	32,356	32,356	23,589	22,244	23,819
Vote 7 - Road Transport		10,778	2,394	8,241	3,150	14,263	14,263	6,054	6,989	3,006
Vote 8 - Sport and Recreation		(3,390)	–	–	8	10	10	10	11	11
Vote 9 - Waste Management		19,776	1,270	1,299	1,520	1,508	1,508	1,454	1,521	1,591
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**149,368**	**142,280**	**160,889**	**174,689**	**183,983**	**183,983**	**172,889**	**178,634**	**183,137**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive And Council		14,916	16,814	16,781	16,797	19,138	19,138	19,157	20,038	20,960
Vote 2 - Finance and administration		38,060	45,311	53,410	54,256	50,838	50,838	50,749	53,096	55,647
Vote 3 - Housing		373	389	424	413	413	413	496	518	542
Vote 4 - Community and Social Services		19,337	20,651	19,758	24,219	23,676	23,676	21,971	24,009	25,045
Vote 5 - Internal Audit		1,234	1,503	1,527	1,479	1,484	1,484	1,643	1,719	1,798
Vote 6 - Planning and Development		7,644	7,903	8,501	11,337	12,129	12,129	10,424	9,428	9,862
Vote 7 - Road Transport		37,773	38,067	43,682	45,522	57,948	57,948	54,326	57,693	56,042
Vote 8 - Sport and Recreation		3,212	3,280	3,484	3,519	3,655	3,655	4,056	4,243	4,438
Vote 9 - Waste Management		4,011	7,244	7,539	8,194	6,948	6,948	7,429	7,770	8,128
Vote 10 - Waste Water Management		438	502	456	401	391	391	516	540	565
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**126,999**	**141,664**	**155,561**	**166,135**	**176,620**	**176,620**	**170,767**	**179,055**	**183,027**
Surplus/(Deficit) for the year	2	**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**2,122**	**(422)**	**110**

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 145: MBRR Table A4 - Budgeted Financial Performance (Revenue & Expenditure)

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	777	923	966	1,145	1,145	1,145	1,145	1,079	1,128	1,180
Sale of Goods and Rendering of Services		506	436	326	381	8,421	8,421	8,421	3,571	4,603	510
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		94	99	130	147	136	136	136	144	150	157
Interest earned from Receivables		233	297	278	318	298	298	298	299	313	327
Interest earned from Current and Non Current Assets		1,114	1,263	2,779	2,740	3,693	3,693	3,693	3,602	3,768	3,941
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1,004	1,089	1,098	1,096	1,096	1,096	1,096	910	952	996
Licence and permits		5	(0)	12	20	13	13	13	13	13	14
Operational Revenue		375	786	1,010	746	1,028	1,028	1,028	945	777	813
Non-Exchange Revenue											
Property rates	2	18,494	19,285	27,115	28,446	28,446	28,446	28,446	28,889	30,218	31,608
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		4,517	4,356	4,417	5,247	3,739	3,739	3,739	2,376	2,485	2,600
Licences or permits		1,303	1,935	2,553	3,027	2,851	2,851	2,851	2,723	2,848	2,979
Transfer and subsidies - Operational		97,079	85,161	98,785	100,757	102,991	102,991	102,991	106,214	110,658	115,816
Interest		–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	(180)	(196)	10,432	10,432	10,432	10,432	–	–	–
Other Gains		(3,390)	22	1,482	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**122,111**	**115,471**	**140,756**	**154,499**	**164,287**	**164,287**	**164,287**	**150,764**	**157,914**	**160,940**
Expenditure											
Employee related costs	2	54,672	60,315	64,238	68,613	68,613	68,613	68,613	73,130	76,059	79,597
Remuneration of councillors		5,773	5,977	6,051	6,881	6,881	6,881	6,881	7,219	7,551	7,898
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	4,520	4,972	7,437	8,664	5,164	5,164	5,164	4,725	4,942	5,170
Debt impairment	3	1,452	4,604	160	5,000	7,000	7,000	7,000	6,782	7,094	7,420
Depreciation and amortisation		22,847	20,469	14,955	22,241	19,500	19,500	19,500	20,456	21,396	22,381
Interest		197	296	360	402	402	402	402	421	441	461
Contracted services		25,464	28,089	30,594	31,217	41,975	41,975	41,975	33,324	35,738	33,077
Transfers and subsidies		563	590	556	600	600	600	600	-	-	-
Irrecoverable debts written off		–	–	12,801	–	–	–	–	–	–	–
Operational costs		11,419	16,170	18,408	22,517	26,486	26,486	26,486	24,860	25,992	27,187
Losses on disposal of Assets		92	–	–	–	–	–	–	–	–	–
Other Losses		–	182	–	–	–	–	–	–	–	–
Total Expenditure		**126,999**	**141,664**	**155,561**	**166,135**	**176,620**	**176,620**	**176,620**	**170,916**	**179,212**	**183,191**
Surplus/(Deficit)		**(4,887)**	**(26,193)**	**(14,805)**	**(11,636)**	**(12,333)**	**(12,333)**	**(12,333)**	**(20,152)**	**(21,298)**	**(22,250)**
Transfers and subsidies - capital (monetary allocations)	6	27,257	26,810	20,134	20,189	19,696	19,696	19,696	22,125	20,720	22,197
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**7,363**	**1,973**	**(578)**	**(53)**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**7,363**	**1,973**	**(578)**	**(53)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**7,363**	**1,973**	**(578)**	**(53)**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**22,369**	**616**	**5,329**	**8,553**	**7,363**	**7,363**	**7,363**	**1,973**	**(578)**	**(53)**

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

(1) Total revenue is R164 million in 2023/24 and decreases to R 151 million 2024/25

(2) Revenue to be generated from property rates is R 28.4 million in the 2023/24 financial year and increases to R 28.9 million in the 2024/25 and to R29 million in the 2025/26 financial year.

Table 146: MBRR Table A5 - Budgeted Capital Expenditure by Vote, Standard Classification & Funding Source

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive And Council		864	7	749	90	1,007	1,007	1,007	380	397	416
Vote 2 - Finance and administration		4,304	896	1,943	1,890	2,481	2,481	2,481	1,018	1,065	1,114
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		268	210	1,784	380	60	60	60	188	363	379
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		1,012	101	192	10	25	25	25	2,260	63	66
Vote 7 - Road Transport		75,979	34,252	43,848	21,954	20,417	20,417	20,417	20,024	20,816	22,325
Vote 8 - Sport and Recreation		(102)	–	–	–	–	–	–	150	157	164
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		82,325	35,466	48,515	24,324	23,990	23,990	23,990	24,020	22,861	24,464
Total Capital Expenditure - Vote		82,325	35,466	48,515	24,324	23,990	23,990	23,990	24,020	22,861	24,464

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 147: MBRR Table A6 - Budgeted Financial Position

KZN227 Richmond - Table A6 Budgeted Financial Position

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS											
Current assets											
Cash and cash equivalents		21,042	26,902	18,742	46,484	42,133	42,133	42,133	28,526	36,477	45,384
Trade and other receivables from exchange transactions	1	1,103	763	365	742	(130)	(130)	(130)	1,025	1,224	1,423
Receivables from non-exchange transactions	1	15,055	11,160	5,882	6,645	4,645	4,645	4,645	7,192	7,282	7,287
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	0	(0)	0	0	3,500	3,500	3,500	–	–	–
VAT		6,458	1,788	6,185	1,122	1,022	1,022	1,022	3,379	2,984	2,571
Other current assets		–	0	0	–	–	–	–	–	–	–
Total current assets		43,659	40,613	31,173	54,993	51,171	51,171	51,171	40,123	47,967	56,665
Non current assets											
Investments		0	0	0	–	–	–	–	0	0	0
Investment property		1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186
Property, plant and equipment	3	356,669	357,283	366,187	360,817	363,012	363,012	363,012	374,891	372,270	372,841
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		213	213	213	213	213	213	213	393	581	590
Intangible assets		485	466	353	563	1,726	1,726	1,726	1,160	2,004	2,042
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		358,552	359,148	367,939	362,778	366,137	366,137	366,137	377,630	376,041	376,659
TOTAL ASSETS		402,211	399,761	399,112	417,771	417,307	417,307	417,307	417,753	424,008	433,324
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	205	452	–	–	–	–	452	452	452
Consumer deposits		–	11	11	584	584	584	584	–	–	–
Trade and other payables from exchange transactions	4	26,840	17,158	14,719	(20,930)	(17,042)	(17,042)	(17,042)	14,561	15,631	16,264
Trade and other payables from non-exchange transactions	5	4,724	11,079	7,279	18,020	14,858	14,858	14,858	4,527	4,527	4,527
Provision		457	514	(1,648)	308	308	308	308	514	514	514
VAT		1,328	(317)	1,914	200	200	200	200	–	–	–
Other current liabilities		219	224	(185)	430	430	430	(430)	–	–	–
Total current liabilities		33,570	28,873	22,542	(1,389)	(663)	(663)	(1,522)	20,053	21,122	21,756
Non current liabilities											
Financial liabilities	6	744	379	691	–	–	–	–	691	691	691
Provision	7	9,686	10,959	11,000	8,331	8,331	8,331	8,331	9,205	9,589	9,607
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		6,050	6,767	6,767	9,395	9,395	9,395	9,395	6,767	6,767	6,767
Total non current liabilities		16,480	18,105	18,458	17,726	17,726	17,726	17,726	16,664	17,048	17,065
TOTAL LIABILITIES		50,050	46,978	41,000	16,338	17,064	17,064	16,204	36,716	38,170	38,821
NET ASSETS		352,161	352,783	358,112	401,434	400,244	400,244	401,103	381,037	385,838	394,503
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	352,161	352,783	358,112	401,434	400,244	400,244	400,244	381,037	385,838	394,503
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	352,161	352,783	358,112	401,434	400,244	400,244	400,244	381,037	385,838	394,503

Explanatory notes to Table A6 - Budgeted Financial Position

(1) Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

(2) Table A6 is supported by an extensive table of notes (SA3 which can be found in this document) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves

(3) The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

(4) The municipality has factored in all expected movements in the asset categories including the expected disposal of land in the 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 148: MBRR Table A7 - Budgeted Cash Flow Statement

KZN227 Richmond - Table A7 Budgeted Cash Flows

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		44,339	28,231	24,815	27,024	27,024	27,024	27,024	26,549	27,771	29,048
Service charges		606	626	795	781	781	781	781	969	1,014	1,060
Other revenue		2,584	23,895	48,843	21,096	27,622	27,622	27,622	11,443	11,970	12,520
Transfers and Subsidies - Operational	1	109,438	237,442	202,206	100,757	100,757	100,757	100,757	106,416	110,658	115,816
Transfers and Subsidies - Capital	1	31,560	48,519	38,492	30,109	28,688	28,688	28,688	25,230	24,836	22,197
Interest		427	328	1,155	2,740	3,693	3,693	3,693	3,602	3,768	3,941
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(8,244)	(65,344)	(72,370)	(138,722)	(149,560)	(149,560)	(149,560)	(161,674)	(166,203)	(169,543)
Interest		–	–	–	(402)	(402)	(402)	(402)	(421)	(441)	(461)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**180,710**	**273,697**	**243,936**	**43,382**	**38,602**	**38,602**	**38,602**	**12,115**	**13,372**	**14,579**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(40,026)	(27,368)	(28,249)	(24,324)	(24,941)	(24,941)	(24,941)	(24,179)	(22,990)	(24,047)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(40,026)**	**(27,368)**	**(28,249)**	**(24,324)**	**(24,941)**	**(24,941)**	**(24,941)**	**(24,179)**	**(22,990)**	**(24,047)**
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		**140,684**	**246,329**	**215,688**	**19,058**	**13,661**	**13,661**	**13,661**	**(12,063)**	**(9,618)**	**(9,468)**
Cash/cash equivalents at the year begin:	2	–	**21,042**	**26,902**	**24,688**	**24,688**	**24,688**	**24,688**	**21,594**	**9,531**	**(87)**
Cash/cash equivalents at the year end:	2	**140,684**	**267,371**	**242,590**	**43,746**	**38,349**	**38,349**	**38,349**	**9,531**	**(87)**	**(9,555)**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

(1) The budgeted cash flow statement is the first measurement in determining if the budget is funded.

(2) It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 149: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	140,684	267,371	242,590	43,746	38,349	38,349	38,349	9,531	(87)	(9,555)
Other current investments > 90 days		(119,641)	(240,469)	(223,848)	2,737	3,785	3,785	3,785	18,995	36,563	54,939
Non current Investments	1	0	0	0	–	–	–	–	0	0	0
Cash and investments available:		21,043	26,902	18,742	46,484	42,133	42,133	42,133	28,527	36,477	45,385
Application of cash and investments											
Unspent conditional transfers		4,724	11,079	7,279	18,020	14,858	14,858	14,858	4,527	4,527	4,527
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(12,535)	(2,105)	(4,271)	(922)	(822)	(822)	(822)	(3,379)	(2,984)	(2,571)
Other working capital requirements	3	(2,724)	(5,532)	1,943	(30,190)	(22,525)	(22,525)	(22,525)	6,475	7,391	6,912
Other provisions		676	737	(1,833)	737	737	737	737	514	514	514
Long term investments commited	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(9,857)	4,180	3,119	(12,354)	(7,751)	(7,751)	(7,751)	8,136	9,447	9,382
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		30,900	22,723	15,624	58,838	49,885	49,885	49,885	20,391	27,030	36,003
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		30,900	22,723	15,624	58,838	49,885	49,885	49,885	20,391	27,030	36,003

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 150: MBRR Table A9 - Asset Management

KZN227 Richmond - Table A9 Asset Management										
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CAPITAL EXPENDITURE										
Total New Assets	1	41,244	23,638	37,845	12,971	13,489	13,489	2,235	1,457	1,524
Roads infrastructure		8,229	19,507	20,697	500	500	500	–	–	–
Storm water infrastructure		–	–	–	–	–	–	–	–	–
Electrical infrastructure		–	–	8,333	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	–	–	–	–	–	–	–
Rail infrastructure		–	–	–	–	–	–	–	–	–
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*8,229*	*19,507*	*29,029*	*500*	*500*	*500*	–	–	–
Community Facilities		3,521	1,880	4,868	375	375	375	1,000	–	–
Sport and Recreation Facilities		27,060	323	423	8,786	8,786	8,786	–	–	–
Community Assets		*30,582*	*2,203*	*5,290*	*9,161*	*9,161*	*9,161*	*1,000*	–	–
Heritage Assets		–	–	–	–	–	–	180	188	197
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		66	–	–	700	(0)	(0)	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*66*	–	–	*700*	*(0)*	*(0)*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	172	–	–	900	900	220	230	241
Intangible Assets		–	*172*	–	–	*900*	*900*	*220*	*230*	*241*
Computer Equipment		788	778	887	1,450	1,098	1,098	80	105	109
Furniture and Office Equipment		369	215	1,126	360	190	190	467	488	510
Machinery and Equipment		560	761	563	680	840	840	288	446	467
Transport Assets		651	–	749	120	800	800	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	–	–
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	26,906	4,483	2,591	6,940	6,236	6,236	–	–	–
Roads infrastructure		21,494	4,483	2,591	6,940	6,236	6,236	–	–	–
Storm water infrastructure		–	–	–	–	–	–	–	–	–
Electrical infrastructure		–	–	–	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	–	–	–	–	–	–	–
Rail infrastructure		–	–	–	–	–	–	–	–	–
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*21,494*	*4,483*	*2,591*	*6,940*	*6,236*	*6,236*	–	–	–
Community Facilities		1,793	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*1,793*	–	–	–	–	–	–	–	–
Heritage Assets		3,620	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	–	–
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	14,175	7,345	13,016	4,413	4,265	4,265	21,785	21,403	22,939
Roads infrastructure		14,175	7,345	11,478	–	–	–	3,054	3,194	3,350
Storm water infrastructure		–	–	–	4,413	4,265	4,265	16,872	17,519	18,867
Electrical infrastructure		–	–	–	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	–	–	–	–	–	–	–
Rail infrastructure		–	–	–	–	–	–	–	–	–
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*14,175*	*7,345*	*11,478*	*4,413*	*4,265*	*4,265*	*19,926*	*20,713*	*22,217*
Community Facilities		–	–	1,538	–	–	–	1,200	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	*1,538*	–	–	–	*1,200*	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	660	690	722
Intangible Assets		–	–	–	–	–	–	*660*	*690*	*722*
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	–	–
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	82,325	35,466	53,252	24,324	23,990	23,990	24,020	22,861	24,464
Roads infrastructure		43,897	31,336	34,765	7,440	6,736	6,736	3,054	3,194	3,350
Storm water infrastructure		–	–	–	4,413	4,265	4,265	16,872	17,519	18,867
Electrical infrastructure		–	–	8,333	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	–	–	–	–	–	–	–
Rail infrastructure		–	–	–	–	–	–	–	–	–
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*43,897*	*31,336*	*43,098*	*11,853*	*11,001*	*11,001*	*19,926*	*20,713*	*22,217*
Community Facilities		5,314	1,880	6,406	375	375	375	2,200	–	–
Sport and Recreation Facilities		27,060	323	423	8,786	8,786	8,786	–	–	–
Community Assets		*32,376*	*2,203*	*6,828*	*9,161*	*9,161*	*9,161*	*2,200*	–	–
Heritage Assets		3,620	–	–	–	–	–	180	188	197
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		66	–	–	700	(0)	(0)	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*66*	–	–	*700*	*(0)*	*(0)*	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	172	–	–	900	900	880	920	963
Intangible Assets		–	*172*	–	–	*900*	*900*	*880*	*920*	*963*
Computer Equipment		788	778	887	1,450	1,098	1,098	80	105	109
Furniture and Office Equipment		369	215	1,126	360	190	190	467	488	510
Machinery and Equipment		560	761	563	680	840	840	288	446	467
Transport Assets		651	–	749	120	800	800	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	–	–
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		82,325	35,466	53,252	24,324	23,990	23,990	24,020	22,861	24,464
ASSET REGISTER SUMMARY - PPE (WDV)	5	*342,748*	*338,249*	*360,796*	*340,101*	*343,460*	*343,460*	*355,687*	*354,086*	*354,013*
Roads infrastructure		186,307	188,429	204,704	186,285	183,799	183,799	203,538	203,517	203,495
Storm water infrastructure		–	–	(112)	(4,625)	(137)	(137)	(144)	(150)	(157)
Electrical infrastructure		–	–	4,166	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	(0)	(1,003)	(0)	(0)	–	–	–
Rail infrastructure		–	–	(9,447)	–	–	–	(12,150)	(12,708)	(13,293)
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*186,307*	*188,429*	*199,312*	*180,657*	*183,662*	*183,662*	*191,246*	*190,658*	*190,045*
Community Assets		51,117	47,423	50,419	45,941	44,606	44,606	65,742	64,155	64,795
Heritage Assets		213	213	213	213	213	213	393	581	590
Investment properties		1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186	1,186
Other Assets		23,193	21,796	20,841	17,838	21,101	21,101	19,655	19,128	19,075
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		485	466	353	563	1,726	1,726	1,160	2,004	2,042
Computer Equipment		2,378	2,402	2,446	4,560	3,651	3,651	1,699	1,666	1,630
Furniture and Office Equipment		406	766	1,535	994	796	796	1,827	1,852	1,877
Machinery and Equipment		2,826	2,492	2,545	4,620	3,385	3,385	1,992	2,111	2,092
Transport Assets		7,256	4,794	4,565	5,718	5,322	5,322	3,408	3,355	3,300
Land		67,381	68,284	67,381	77,812	77,812	77,812	67,381	67,381	67,381
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	342,748	338,249	360,796	340,101	343,460	343,460	355,687	354,086	354,013
EXPENDITURE OTHER ITEMS		26,352	26,636	28,934	35,686	32,798	32,798	32,110	33,687	35,132
Depreciation	7	20,212	19,685	16,015	22,341	19,500	19,500	20,456	21,396	22,381
Repairs and Maintenance by Asset Class	3	6,139	6,950	12,919	13,344	13,298	13,298	11,655	12,191	12,752
Roads infrastructure		1,055	1,640	4,135	4,750	3,747	3,747	3,025	3,164	3,309
Storm water infrastructure		94	100	84	100	100	100	100	105	109
Electrical infrastructure		–	–	–	–	–	–	–	–	–
Water Supply infrastructure		–	–	–	–	–	–	–	–	–
Sanitation infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste infrastructure		–	–	–	–	–	–	–	–	–
Rail infrastructure		–	–	–	–	–	–	–	–	–
Coastal infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		*1,149*	*1,740*	*4,219*	*4,850*	*3,847*	*3,847*	*3,126*	*3,268*	*3,419*
Community Facilities		288	605	1,284	1,980	1,090	1,090	735	769	805
Sport and Recreation Facilities		–	–	–	–	68	68	71	74	78
Community Assets		*288*	*605*	*1,284*	*1,980*	*1,158*	*1,158*	*807*	*844*	*883*
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		137	50	104	145	47	47	86	90	94
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*137*	*50*	*104*	*145*	*47*	*47*	*86*	*90*	*94*
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	280	293	306
Intangible Assets		–	–	–	–	–	–	*280*	*293*	*306*
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		212	222	464	275	562	562	552	578	604
Transport Assets		4,354	4,333	6,858	6,094	7,684	7,684	6,806	7,118	7,446
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		26,352	26,636	28,934	35,686	32,798	32,798	32,110	33,687	35,132
Renewal and upgrading of Existing Assets as % of total capex		*49.9%*	*33.4%*	*29.3%*	*46.7%*	*43.6%*	*43.6%*	*90.7%*	*93.6%*	*93.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*203.2%*	*60.1%*	*97.4%*	*61.0%*	*53.9%*	*53.9%*	*106.5%*	*100.0%*	*102.5%*
R&M as a % of PPE		*1.6%*	*2.1%*	*3.7%*	*3.9%*	*3.9%*	*3.9%*	*3.2%*	*3.4%*	*3.6%*
Renewal and upgrading and R&M as a % of PPE		*13.6%*	*6.6%*	*6.1%*	*7.3%*	*7.0%*	*7.0%*	*9.4%*	*9.6%*	*10.1%*

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 151: MBRR Table A10 - Basic Service Delivery Measurement

KZN227 Richmond - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		13,567	13,567	13,567	14,000	14,000	14,000	14,500	15,000	15,500
Piped water inside yard (but not in dwelling)		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)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		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/sewerage:										
Flush toilet (connected to sewerage)		4,057	4,057	4,057	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		9,306	9,306	9,306	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	**21,681**	**21,681**	**21,681**	**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	820
Minimum Service Level and Above sub-total		–	650	650	700	700	700	750	800	820
Removed less frequently than once a week		–	2,158	2,158	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 own refuse dump		–	12,064	12,064	230	230	230	230	230	230
Other rubbish disposal		–	224	224	230	230	230	230	230	230
No rubbish disposal		–	1,116	1,116	1,200	1,200	1,200	1,200	1,200	1,200
Below Minimum Service Level sub-total		–	15,790	15,790	4,090	4,090	4,090	4,090	4,090	4,090
Total number of households	5	–	**16.440**	**16.440**	**4.790**	**4.790**	**4.790**	**4.840**	**4.890**	**4.910**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		185,000	185,000	185,000	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)		–	–	–						
Sanitation (Rand per household per month)		82	82	82	126	126	126	145	153	163
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		3,056	3,031	4,882	3,104	7,123	7,123	7,657	8,117	8,604
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		–	–	–	1,135	1,135	1,135	700	734	769
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)		433	279	294	315	315	315	332	348	364
Municipal Housing - rental rebates		1,166	1,449	1,461	1,090	1,596	1,596	1,699	1,801	1,909
Housing - top structure subsidies	6	–	–	–	–					
Other		–	–	–	–					
Total revenue cost of subsidised services provided		4,656	4,759	6,637	5,644	10,169	10,169	10,389	11,001	11,647

Explanatory notes to Table A10 - Basic Service Delivery Measurement

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

7.6 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.

7.6.1 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 2023) 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 the 30 August 2023. Key dates applicable to the process were:

- ✓ **August 2023**: Adoption of Budget and IDP Schedule of Key deadlines;
- ✓ **September 2023**: Engagement with Sector Departments on sector specific programmes;
- ✓ **October 2023:** S52(d) Mayoral report on the implementation of the 2023/2024 budget and SDBIP;
- ✓ **November and December 2023**: Review of IDP strategies to ensure relevance;
- ✓ **January 2024:** First community consultative process, tabling of annual report 2023/2024 and Mid-Year review of Budget and SDBIP 2023/2024;
- ✓ **February 2024:** Adoption of adjustment budget 2023/2024 and Budget steering meeting to discuss input for first Draft Budget 2022/2023;
- ✓ **March 2024:** Oversight report on the annual report, First Draft Budget to Budget steering committee, Exco and table to Council to seek approval before community participation;
- ✓ **April 2024:** Adoption of Draft Budget 2023/2024 and the IDP;
- ✓ **June 2024:** Mayor to Sign SDBIP and submission of Budget / IDP and SDBIP to relevant structures and departments.

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

7.6.2 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.

7.6.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2024/25 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 2024/25 MTREF:

- ✓ Policy priorities and strategic objectives
- ✓ Asset maintenance
- ✓ Economic climate and trends (i.e. inflation, household debt, migration patterns)
- ✓ Performance trends
- ✓ The approved 2023/24 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.

7.6.4 Community Consultation

Once the Draft IDP Budget is approved by Council, the following community consultation process will be implemented:

- ✓ The Draft 2024/25 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 Draft 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.

7.6.5 Alignment Overview of Annual Budget and the 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 152: MBRR Table SA4 - Reconciliation Between IDP Strategic Objectives and Budgeted Revenue

KZN227 Richmond - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Implement service delivery programmes and reduce services and infrastructure backlogs				25,200	5,643	6,610	20,189	20,189	20,189	30,082	31,465	32,881
To capacitate youth and empower youth on resources available				15			75	75	75	112	117	122
Implement plans to maintain assets thus ensuring its sustainability over its life span				39,500	40,550	47,495	–	–	–			
To eradicate the past perception of the municipality				–			50	50	50	75	78	81
To enhance the lives of the poor thus alleviating poverty				84.653	90.137	111.255	143.243	143.243	143.243	213.432	223.250	233.296
To improve knowledge sharing amongst youth					1.450	1.698	–	–	–			
Provide basic services to the disadvantaged					4.500	15.702	700	700	700	1.043	1.091	1.140
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	149,368	142,280	182,760	164,257	164,257	164,257	244,743	256,001	267,521

Table 153: MBRR Table SA5 - Reconciliation of IDP Strategic Objectives & Budgeted Operating Expenditure

KZN227 Richmond - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Implement service delivery programmes and reduce services and infrastructure backlogs				2,637	2,686	3,036	36,700	36,700	36,700	38,498	40,269	42,081
To capacitate youth and empower youth on resources available				1,086	305	269						
Implement plans to maintain assets thus ensuring its sustainability over its life span				121,280	137,029	13,194	1,360	1,360	1,360	1,427	1,492	1,559
To errodicate the past perception of the municipality				432	449	848	50	50	50	52	55	57
To enhance the lives of the poor thus alleviating poverty				1,495	1,124	1,639	11,803	22,288	12,853	9,022	9,437	9,861
To improve knowledge sharing amongst youth				62	64	269			9,435		434	
Provide basic services to the disadvantaged				6	7	136,307	116,222	116,222	116,222	121,917	127,525	129,631
Allocations to other priorities												
Total Expenditure			1	126,999	141,664	155,560	166,135	176,620	176,620	170,916	179,212	183,190

Table 154: MBRR Table SA6 - Reconciliation Between IDP Strategic Objectives & Budgeted Capital Expenditure

KZN227 Richmond - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

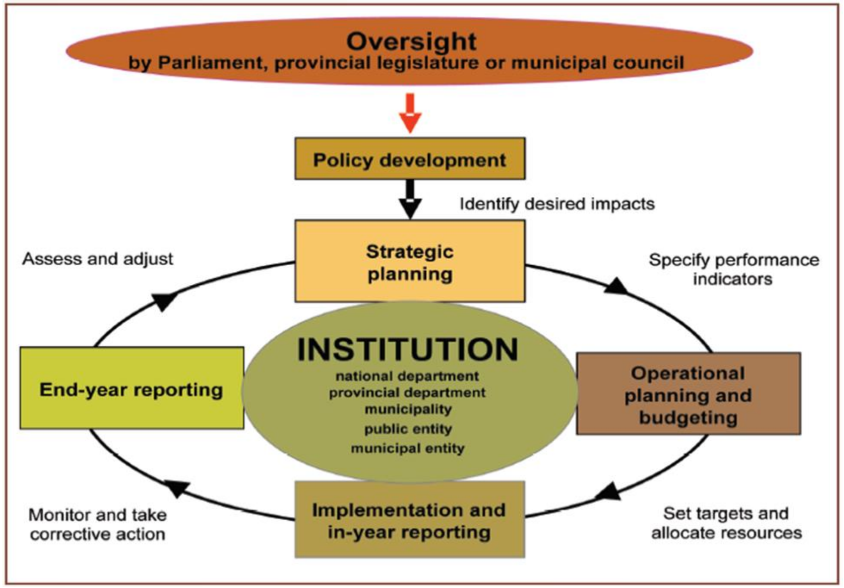
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Implement service delivery programmes and reduce services and infrastructure backlogs				70,617	8,474	7,276	20,189	20,189	20,189	20	861	464
To capacitate youth and empower youth on resources available				–	4							
Implement plans to maintain assets thus ensuring its sustainability over its life span				75	78	18,433	1,050	716	716			
To erradicate the past perception of the municipality				1,823	4,067	1,820						
To enhance the lives of the poor thus alleviating poverty				4.200	20.764							
To improve knowledge sharing amongst youth				–	–							
Provide basic services to the disadvantaged				5.611	2.078	20.986	3.085	3.085	3.085	24.000	22000	24.000
Allocations to other priorities			3									
Total Capital Expenditure			1	82.326	35465	48.515	24.324	23.990	23.990	24.020	22861	24.464

7.7 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.

Figure 76: Planning, Budgeting & Reporting Cycle



7.7.1 Performance Indicators and Benchmarks

7.7.1.1 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.

7.7.1.2 Revenue Management

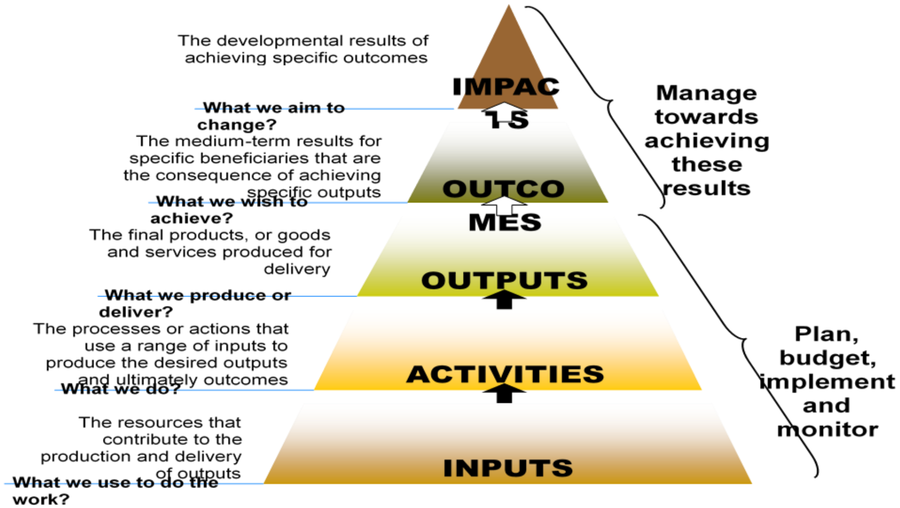
As part of the financial sustainability strategy, the debt collection and credit control policy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

7.7.1.3 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 77: Definition of Performance Information Concept



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

Table 155: MBRR Table SA7 - Measurable Performance Objectives

KZN227 Richmond - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Vote 1 - Financial Services										
To improve financial viability and sound financial management as per MFMA		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To effect SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Annual Procurement plan prepared		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Effective bid committees to support procurement for service delivery		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To prepare the budget for the municipality in compliance with legislative prescripts		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 2- Community and Operational Services										
To implement disaster management programmes		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To provide law enforcement and Security Services		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 3 - Engineering and Planning Services										
To implement road - building and maintenance programmes and improve rural accessibility		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To Implement Electrification Projects to provide access to Households Connections		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To provide assess to proper community facilities		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 4 - Corporate and Protection										
To foster a culture of good employee management and retention		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To strengthen governance and IGR Structures		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100	100	100
To effectively manage the information communication technology systems and Information Communications Technology infrastructure of the municipality.		100.0%	100.0%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 5 - Municipal Manager										
To improve compliance and public participation and awareness		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Vote 7 - Economic Development and Strategic Services										
To ensure compliance with Municipal by-laws		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To promote economic development and economic growth		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To ensure compliance with Municipal by-laws		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
To ensure sustainable and coordinated development throughout the municipality		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The following table sets out the municipality's main performance objectives and benchmarks for the 2024/25 MTREF.

Table 156: MBRR Table SA8 - Performance Indicators & Benchmarks

KZN227 Richmond - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	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	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.3	1.4	1.4	(39.6)	(77.2)	(77.2)	(33.6)	2.0	2.3	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	1.3	1.4	1.4	(39.6)	(77.2)	(77.2)	(33.6)	2.0	2.3	2.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	1.0	0.8	(34.0)	(63.4)	(63.4)	(27.6)	1.5	1.8	2.2
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	81.5%	54.7%	-84.8%	-69.0%	-69.0%	-69.0%	67.4%	164.0%	-18800.0%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
Water Volumes :System input	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration	Total remuneration/(Total Revenue - capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating	372.0	100.1	51.4	39.0	41.7	41.7	42.7	40.0	40.1	–
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	–	–	–	–	–	–	–	–	–	–

7.8 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 table provides policies have been amended for the 2024/2025 financial year.

Table 157: Finance Reviewed Policies

NO.	POLICY	DEPT.	ADOPTION DATE
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	31/03/2024
2.4.2	Property Rates Act Policy	Budget & Treasury Office	31/03/2024
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	31/03/2024
2.4.4	Petty Cash Policy	Budget & Treasury Office	31/03/2024
2.4.5	Borrowing Policy	Budget & Treasury Office	31/03/2024
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	31/03/2024
2.4.7	Supply Chain Management policy	Budget & Treasury Office	31/03/2024
2.4.8	Asset management policy	Budget & Treasury Office	31/03/2024
2.4.9	Indigent policy and Free Basic Services Policy	Budget &Treasury Office	31/03/2024
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	31/03/2024
2.4.11	Budget Policy	Budget & Treasury Office	31/03/2024
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	31/03/2024
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	31/03/2024
2.4.14	Tariff Policy (including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	31/03/2024
2.4.15	Virement Policy	Budget & Treasury Office	31/03/2024
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	31/03/2024
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	31/03/2024
2.14.18	Land Disposal Policy	Town Planning and Budget and Treasury Office	31/03/2024
2.14.19	Debt Incentive Scheme Policy	Budget and Treasury Office	31/03/2024
2.14.20	Loss management Control Policy	Budget and Treasury Office	31/03/2024

7.8.1 Review of Credit Control and Debt Collection Procedure/Policy

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.

7.8.2 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).

7.8.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the 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.

7.8.4 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 disadvantages 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".

7.8.5 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.

7.8.6 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.

7.8.7 Tariff Policy

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).

7.9 OVERVIEW OF BUDGET ASSUMPTIONS

7.9.1 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.

7.9.2 General Inflation Outlook and Impacts on 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.

7.9.3 Credit Rating Outlook

As per the MFMA circular 89, municipalities were requested to take the following macro-economic forecasts into consideration when preparing the 2024/2025 budgets and MTREF:

Table 158: Credit Rating Outlook

Table 1: Macroeconomic performance and projections, 2022 - 2027

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate		Forecast	
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.5%

Source: Medium Term Budget Policy Statement 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

7.9.4 Collection Rate for Revenue Services

The base assumption is that tariff and rating increases will increase by 4.9% 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.

7.9.5 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.

7.9.6 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.

7.9.7 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 2024/2025 financial year.

The following positions have been budgeted for on a full-time basis:

- ✓ Mayor
- ✓ Speaker
- ✓ Deputy Mayor

7.9.8 Ability of Municipality to Spend and Deliver on Projects/Programmes

It is estimated that a spending rate of 100 per cent is achieved on operating and capital expenditure for the 2024/2025 MTREF of which performance has been factored into the cash flow budget.

7.10 OVERVIEW OF BUDGET FUNDING

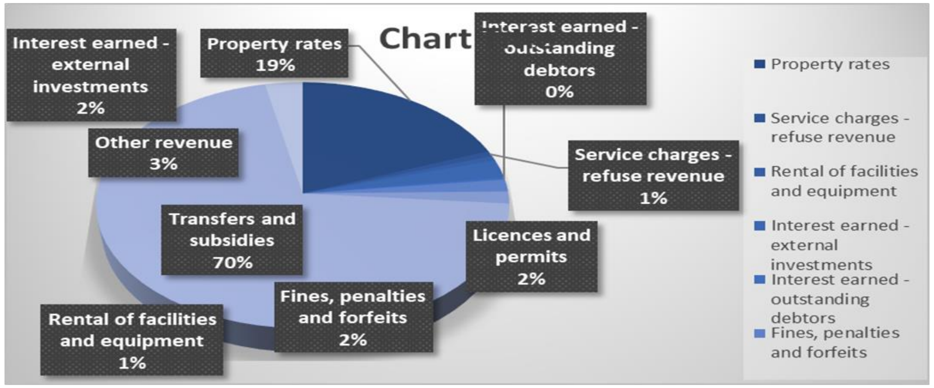
7.10.1 Medium-term Outlook: Operating Revenue

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

Table 159: Breakdown of Operating Revenue over the Medium-term

Description	Budget Year 2023/24	%	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue By Source								
Property rates	28,446	17%	28,889	19%	30,218	19%	31,608	20%
Service charges - refuse revenue	1,145	1%	1,079	1%	1,128	1%	1,180	1%
Rental of facilities and equipment	1,096	1%	910	1%	952	1%	996	1%
Interest earned - external investments	3,693	2%	3,602	2%	3,768	2%	3,941	2%
Interest earned - outstanding debtors	434	0%	443	0%	463	0%	484	0%
Fines, penalties and forfeits	3,739	2%	2,376	2%	2,485	2%	2,600	2%
Licences and permits	2,864	2%	2,389	2%	2,498	2%	2,614	2%
Transfers and subsidies	102,991	63%	106,214	70%	110,658	70%	115,816	72%
Other revenue	9,447	6%	4,862	3%	5,744	4%	1,701	1%
Gains	10,432	6%		0%				
Total Revenue	**164,287**	100%	**150,764**	100%	**157,914**		**160,940**	**100%**

The following graph is a breakdown of the operational revenue per main category for the 2024/25 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The 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 160: MBRR Table SA15 - Investment Particulars/Details

KZN227 Richmond - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		19,050	21,042	42,902	35,776	35,776	35,776	28,753	9,077	15,420
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	19,050	21,042	42,902	35,776	35,776	35,776	28,753	9,077	15,420

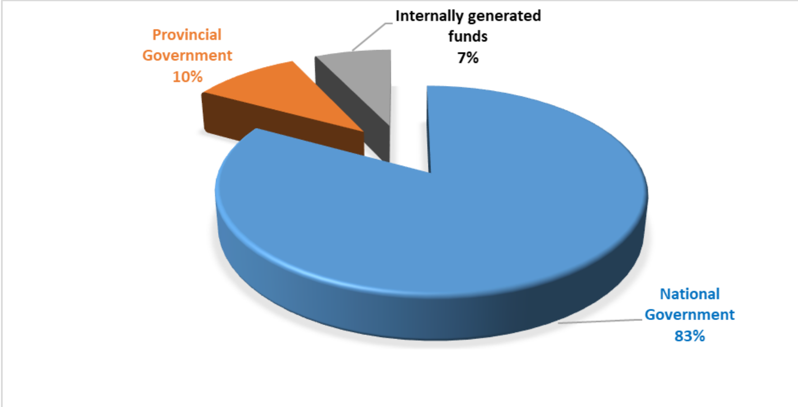
7.10.2 Medium-term Outlook: Capital Outlook

The following table is a breakdown of the funding composition of the 2024/25 medium-term capital programme:

Table 161: Source of Capital Revenue over the MTREF

KZN227 Richmond - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Capital Expenditure - Functional	3	82,325	35,466	53,252	24,324	23,990	23,990	23,990	24,020	22,861	24,464
Funded by:											
National Government		19,362	33,539	40,175	20,139	19,287	19,287	19,287	19,925	20,713	22,217
Provincial Government		90	119	8,526	–	–	–	–	2,388	197	206
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	19,452	33,658	48,701	20,139	19,287	19,287	19,287	22,314	20,910	22,423

Figure 78: Source of Capital Revenue for the 2024/25 MTREF



Capital grants and receipts equates to 83% of the total funding source which represents R22million for the 2024/25 financial year.

Table 162: MBRR Table SA18 - Capital Transfer & Grant Receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts										
Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		88,563	98,265	96,653	97,057	97,057	72,764	102,354	105,593	110,586
Expanded Public Works Programme Integrated Grant		118	1,101	1,287	1,125	1,125	1,125	1,410	–	–
Local Government Financial Management Grant		–	1,850	1,950	1,950	1,950	1,950	1,900	2,000	2,200
Municipal Infrastructure Grant		(802)	16,889	7,000	1,063	1,063	–	1,049	1,091	1,168
Equitable Share		89,247	78,425	86,416	92,919	92,919	69,689	97,995	102,503	107,218
Provincial Government:		(608)	3,048	6,454	3,700	3,700	3,700	3,860	5,065	5,230
Rehabilitation of Nelson Street SMME's		–	–	–	–	–	500	–	–	–
Provincial Library		80	–	3,200	3,700	3,700	3,200	–	–	–
Specify (Add grant description)		–	–	3,000	–	–	–	–	–	–
Provincial Library		(199)	3,048	254	–	–	–	3,860	5,065	5,230
Specify (Add grant description)		(489)	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	87,955	101,313	103,107	100,757	100,757	76,464	106,214	110,658	115,816
Capital Transfers and Grants										
National Government:		50	17,010	16,211	30,109	28,688	21,092	19,925	20,720	22,197
Municipal Infrastructure Grant		50	10,377	13,511	20,189	18,768	18,592	19,925	20,720	22,197
Integrated National Electrification Programme Grant		–	6,633	2,700	9,920	9,920	2,500	–	–	–
Provincial Government:		(9,083)	121	5,440	–	–	–	2,200	–	–
Informal Economy Infrastructure- LED		–	–	–	–	–	–	1,000	–	–
Specify (Add grant description)		104	121	240	–	–	–	–	–	–
Specify (Add grant description)		(9,187)	–	5,200	–	–	–	–	–	–
Rehabilitation of Nelson Street SMME Units		–	–	–	–	–	–	1,200	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	(9,033)	17,131	21,651	30,109	28,688	21,092	22,125	20,720	22,197
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	78,922	118,443	124,758	130,866	129,445	97,556	128,339	131,378	138,013

7.10.3 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 163: MBRR Table A7 - Budget Cash-flow Statement

KZN227 Richmond - Table A7 Budgeted Cash Flows

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		44,339	28,231	24,815	27,024	27,024	27,024	27,024	26,549	27,771	29,048
Service charges		606	626	795	781	781	781	781	969	1,014	1,060
Other revenue		2,584	23,895	48,843	21,096	27,622	27,622	27,622	11,443	11,970	12,520
Transfers and Subsidies - Operational	1	109,438	237,442	202,206	100,757	100,757	100,757	100,757	106,416	110,658	115,816
Transfers and Subsidies - Capital	1	31,560	48,519	38,492	30,109	28,688	28,688	28,688	25,230	24,836	22,197
Interest		427	328	1,155	2,740	3,693	3,693	3,693	3,602	3,768	3,941
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(8,244)	(65,344)	(72,370)	(138,722)	(149,560)	(149,560)	(149,560)	(161,674)	(166,203)	(169,543)
Interest		–	–	–	(402)	(402)	(402)	(402)	(421)	(441)	(461)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**180,710**	**273,697**	**243,936**	**43,382**	**38,602**	**38,602**	**38,602**	**12,115**	**13,372**	**14,579**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(40,026)	(27,368)	(28,249)	(24,324)	(24,941)	(24,941)	(24,941)	(24,179)	(22,990)	(24,047)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(40,026)**	**(27,368)**	**(28,249)**	**(24,324)**	**(24,941)**	**(24,941)**	**(24,941)**	**(24,179)**	**(22,990)**	**(24,047)**
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		**140,684**	**246,329**	**215,688**	**19,058**	**13,661**	**13,661**	**13,661**	**(12,063)**	**(9,618)**	**(9,468)**
Cash/cash equivalents at the year begin:	2	–	**21,042**	**26,902**	**24,688**	**24,688**	**24,688**	**24,688**	**21,594**	**9,531**	**(87)**
Cash/cash equivalents at the year end:	2	**140,684**	**267,371**	**242,590**	**43,746**	**38,349**	**38,349**	**38,349**	**9,531**	**(87)**	**(9,555)**

7.10.4 Cash Back 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 164: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash and investments available											
Cash/cash equivalents at the year end	1	140,684	267,371	242,590	43,746	38,349	38,349	38,349	9,531	(87)	(9,555)
Other current investments > 90 days		(119,641)	(240,469)	(223,848)	2,737	3,785	3,785	3,785	18,995	36,563	54,939
Non current Investments	1	0	0	0	–	–	–	–	0	0	0
Cash and investments available:		**21,043**	**26,902**	**18,742**	**46,484**	**42,133**	**42,133**	**42,133**	**28,527**	**36,477**	**45,385**
Application of cash and investments											
Unspent conditional transfers		4,724	11,079	7,279	18,020	14,858	14,858	14,858	4,527	4,527	4,527
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(12,535)	(2,105)	(4,271)	(922)	(822)	(822)	(822)	(3,379)	(2,984)	(2,571)
Other working capital requirements	3	(2,724)	(5,532)	1,943	(30,190)	(22,525)	(22,525)	(22,525)	6,475	7,391	6,912
Other provisions		676	737	(1,833)	737	737	737	737	514	514	514
Long term investments commited	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**(9,857)**	**4,180**	**3,119**	**(12,354)**	**(7,751)**	**(7,751)**	**(7,751)**	**8,136**	**9,447**	**9,382**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**30,900**	**22,723**	**15,624**	**58,838**	**49,885**	**49,885**	**49,885**	**20,391**	**27,030**	**36,003**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**30,900**	**22,723**	**15,624**	**58,838**	**49,885**	**49,885**	**49,885**	**20,391**	**27,030**	**36,003**

7.10.5 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 165: MBRR Table SA10 - Funding Compliance Measurement

0 Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year beg - R'000	18(1)b	1	–	21,042	26,902	24,688	24,688	24,688	24,688	21,594	9,531	(87)
Cash + investments at the yr end less applications - R'000	18(1)b	2	30,900	22,723	15,624	58,838	49,885	49,885	49,885	20,391	27,030	36,003
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22,369	616	5,329	8,553	7,363	7,363	7,363	1,973	(578)	(53)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(1.1%)	33.0%	(0.6%)	(6.0%)	(6.0%)	(6.0%)	(4.7%)	(1.4%)	(1.4%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	31.8%	33.1%	35.1%	21.6%	24.5%	24.5%	24.5%	98.4%	96.9%	107.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	7.5%	22.8%	0.6%	16.9%	23.7%	23.7%	23.7%	22.6%	22.6%	22.6%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	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.	(26.2%)	(47.6%)	18.3%	(38.9%)	0.0%	0.0%	82.0%	3.5%	2.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.8%	2.1%	3.7%	3.9%	3.9%	3.9%	3.2%	3.4%	3.5%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	32.7%	12.6%	4.9%	28.5%	26.0%	26.0%	0.0%	0.0%	0.0%	0.0%

7.10.5.1 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.

7.10.5.2 Cash Plus Investments Less Application of Funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. 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.

7.10.5.3 Monthly Average Payments Covered by Cash of 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.

7.10.5.4 Surplus/Deficit excluding Depreciation Offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. 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.

7.10.5.5 Property Rates/Service Charge Revenue as a Percentage Increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

7.10.5.6 Cash Receipt as a Percentage of Ratepayers 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.

7.10.5.7 Debt Impairment Expense as a Percentage of Billable Revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues

7.10.5.8 Capital Payment 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.

7.10.5.9 Borrowing as a Percentage of Capital Expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

7.10.5.10 Transfers/Grants Revenue as a Percentage of Government Transfers/Grant Available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for.

7.10.5.11 Consumer Debtor 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.

7.10.5.12 Repairs and Maintenance Expenditure Level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

7.10.5.13 Asset Renewal/Rehabilitation Expenditure Level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project.

7.11 EXPENDITURE ON GRANTS & RECONCILIATION OF UNSPENT FUNDS

Table 166: MBRR Table SA19 - Expenditure on Transfers & Grant Programmes

KZN227 Richmond - Supporting Table SA19 Expenditure on transfers and grant programme

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		89,442	80,849	90,030	97,057	96,538	72,700	102,354	105,593	110,586
Expanded Public Works Programme Integrated Grant		–	118	1,287	1,125	1,125	1,125	1,410	–	–
Municipal Disaster Relief Grant		194	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		–	1,850	1,950	1,950	1,950	1,607	1,900	2,000	2,200
Municipal Infrastructure Grant		–	456	377	1,063	544	279	1,049	1,091	1,168
Equitable Share		89,247	78,425	86,416	92,919	92,919	69,689	97,995	102,503	107,218
Provincial Government:		–	3,329	4,211	3,700	6,453	4,485	3,860	5,065	5,230
Rehabilitation of Nelson Street SMME's		–	–	–	500	500	–	–	–	–
Cyber		–	3,172	3,455	254	254	1,999	–	–	–
Library		–	–	247	–	2,753	2,276	–	–	–
Provincial Library		–	157	508	2,946	2,946	210	3,860	5,065	5,230
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		89,442	84,178	94,241	100,757	102,991	77,185	106,214	110,658	115,816
Capital expenditure of Transfers and Grants										
National Government:		–	26,810	28,329	20,189	19,287	19,135	19,925	20,720	22,197
Municipal Infrastructure Grant		–	26,810	20,134	20,189	19,287	16,859	19,925	20,720	22,197
Integrated National Electrification Programme Grant		–	–	8,195	–	–	2,276	–	–	–
Provincial Government:		–	–	4,791	–	409	–	2,200	–	–
Informal Economy Infrastructure- LED		–	–	–	–	–	–	1,000	–	–
Specify (Add grant description)		–	–	–	–	409	–	–	–	–
Specify (Add grant description)		–	–	4,791	–	–	–	–	–	–
Rehabilitation of Nelson Street SMME Units		–	–	–	–	–	–	1,200	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	(600)	(600)	–	–	–	–
ESKOM		–	–	–	(600)	(600)	–	–	–	–
Total capital expenditure of Transfers and Grants		–	26,810	33,120	19,589	19,096	19,135	22,125	20,720	22,197
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		89,442	110,987	127,361	120,346	122,087	96,321	128,339	131,378	138,013

Table 167: MBRR Table SA20 - Reconciliation of Transfers, Grant Receipt & Unspent Funds

KZN227 Richmond - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(242)	636	(16,779)	–	–	(23,402)	(23,402)	(23,402)	(23,402)
Current year receipts		88,563	98,265	96,653	97,057	97,057	72,764	102,354	105,593	110,586
Repayment of grants										
Conditions met - transferred to revenue		89,442	80,849	90,030	97,057	96,538	72,700	102,354	105,593	110,586
Conditions still to be met - transferred to liabilities		(1,121)	18,052	(10,156)	–	519	(23,338)	(23,402)	(23,402)	(23,402)
Provincial Government:										
Balance unspent at beginning of the year		(1,409)	(801)	581	–	–	(1,652)	1,101	1,101	1,101
Current year receipts		(608)	3,048	6,454	3,700	3,700	3,700	3,860	5,065	5,230
Conditions met - transferred to revenue		–	3,329	4,211	3,700	6,453	4,485	3,860	5,065	5,230
Conditions still to be met - transferred to liabilities		(2,017)	(1,082)	2,824	(0)	(2,753)	(2,437)	1,101	1,101	1,101
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	48	48	48	48
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	48	48	48	48
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		89,442	84,178	94,241	100,757	102,991	77,185	106,214	110,658	115,816
Total operating transfers and grants - CTBM	2	(3,138)	16,970	(7,332)	(0)	(2,234)	(25,727)	(22,253)	(22,253)	(22,253)
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(752)	(802)	8,997	–	–	22,253	22,253	22,253	22,253
Current year receipts		50	17,010	16,211	30,109	28,688	21,092	19,925	20,720	22,197
Conditions met - transferred to revenue		–	26,810	28,329	20,189	19,287	19,135	19,925	20,720	22,197
Conditions still to be met - transferred to liabilities		(701)	(10,602)	(3,121)	9,920	9,401	24,210	22,253	22,253	22,253
Provincial Government:										
Balance unspent at beginning of the year		(12,840)	(3,757)	(3,878)	(7,500)	(7,500)	(4,527)	(4,527)	(4,527)	(4,527)
Current year receipts		(9,083)	121	5,440	–	–	–	2,200	–	–
Conditions met - transferred to revenue		–	–	4,791	–	409	–	2,200	–	–
Conditions still to be met - transferred to liabilities		(21,924)	(3,636)	(3,230)	(7,500)	(7,909)	(4,527)	(4,527)	(4,527)	(4,527)
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	(600)	(600)	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	600	600	–	–	–	–
Total capital transfers and grants revenue		–	26,810	33,120	19,589	19,096	19,135	22,125	20,720	22,197
Total capital transfers and grants - CTBM	2	(22,625)	(14,238)	(6,350)	3,020	2,092	19,683	17,727	17,727	17,727
TOTAL TRANSFERS AND GRANTS REVENUE		89,442	110,987	127,361	120,346	122,087	96,321	128,339	131,378	138,013
TOTAL TRANSFERS AND GRANTS - CTBM		(25,763)	2,732	(13,683)	3,020	(142)	(6,044)	(4,527)	(4,527)	(4,527)

7.12 COUNCILLOR AND EMPLOYEE BENEFITS

Table 168: MBRR Table SA22 - Summary of Councillor & Staff Benefits

KZN227 Richmond - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4,340	4,577	4,730	5,277	5,277	5,277	5,536	5,791	6,057
Pension and UIF Contributions		106	55	31	150	150	150	157	165	172
Medical Aid Contributions		63	40	23	79	79	79	83	87	91
Motor Vehicle Allowance		582	503	541	65	65	65	696	728	761
Cellphone Allowance		597	605	619	656	656	656	688	719	752
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		84	197	109	654	654	654	59	61	64
Sub Total - Councillors		**5,773**	**5,977**	**6,051**	**6,881**	**6,881**	**6,881**	**7,219**	**7,551**	**7,898**
% increase	4		**3.5%**	**1.2%**	**13.7%**	–	–	**4.9%**	**4.6%**	**4.6%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2,842	3,438	4,685	3,645	3,645	3,645	5,261	5,503	5,756
Pension and UIF Contributions		40	8	10	10	10	10	11	12	12
Medical Aid Contributions		48	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		76	–	44	–	–	–	–	–	–
Motor Vehicle Allowance	3	590	618	765	887	887	887	843	882	923
Cellphone Allowance	3	23	25	36	106	106	106	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	0	0	1	1	1	1	1	1	1
Payments in lieu of leave		215	57	15	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	(346)	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**3,834**	**4,147**	**5,210**	**4,649**	**4,649**	**4,649**	**6,116**	**6,398**	**6,692**
% increase	4		**8.2%**	**25.6%**	**(10.8%)**	–	–	**31.6%**	**4.6%**	**4.6%**
Other Municipal Staff										
Basic Salaries and Wages		35,328	37,071	40,007	45,974	45,974	45,974	47,588	49,327	51,636
Pension and UIF Contributions		5,525	5,697	6,029	6,479	6,479	6,479	6,947	7,253	7,587
Medical Aid Contributions		2,005	2,034	2,133	2,406	2,406	2,406	2,463	2,576	2,695
Overtime		1,677	1,877	1,326	1,074	1,074	1,074	2,100	2,197	2,298
Performance Bonus		2,865	2,722	3,077	3,215	3,215	3,215	3,221	3,369	3,524
Motor Vehicle Allowance	3	1,313	1,384	1,728	1,622	1,622	1,622	1,581	1,681	1,759
Cellphone Allowance	3	383	374	401	437	437	437	435	455	476
Housing Allowances	3	95	95	165	98	98	98	326	341	356
Other benefits and allowances	3	178	689	182	728	728	728	791	828	866
Payments in lieu of leave		614	2,931	2,286	1,930	1,930	1,930	1,563	1,635	1,710
Long service awards		145	326	387	–	–	–	–	–	–
Post-retirement benefit obligations	6	710	969	1,308	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**50,838**	**56,168**	**59,028**	**63,964**	**63,964**	**63,964**	**67,014**	**69,661**	**72,906**
% increase	4		**10.5%**	**5.1%**	**8.4%**	–	–	**4.8%**	**3.9%**	**4.7%**

Table 169: MBRR Table SA23 - Salaries, Allowances & Benefits (Political Office Bearers/Councillors/Senior Managers)

KZN227 Richmond - Supporting Table SA23 Salaries, allowances & 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**

Table 170: MBRR Table SA24 - Summary of Personnel Numbers

KZN227 Richmond - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	####	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	–	14	14	–	14	14	–	14
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	192	180	12	192	180	12	192	180	12
Municipal Manager and Senior Managers	3	5	5	–	5	5	–	5	5	–
Other Managers	7	8	8	–	14	14	–	14	14	–
Professionals		*16*	*15*	*1*	*17*	*16*	*1*	*17*	*16*	*1*
Finance		4	3	1	4	3	1	4	3	1
Spatial/town planning		4	4	–	5	5	–	5	5	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Technicians		*10*	*10*	–	*10*	*10*	–	*10*	*10*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		1	1	–	1	1	–	1	1	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Clerks (Clerical and administrative)		10	10	–	10	10	–	10	10	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		129	129	–	129	129	–	129	129	–
TOTAL PERSONNEL NUMBERS	9	**384**	**357**	**27**	**391**	**364**	**27**	**391**	**364**	**27**

Table 171: MBRR Table SA25 - Budgeted Monthly Revenue & Expenditure

KZN227 Richmond - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		90	90	90	90	90	90	90	90	90	90	90	90	1,079	1,128	1,180
Sale of Goods and Rendering of Services		298	298	298	298	298	298	298	298	298	298	298	298	3,571	4,603	510
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		12	12	12	12	12	12	12	12	12	12	12	12	144	150	157
Interest earned from Receivables		25	25	25	25	25	25	25	25	25	25	25	25	299	313	327
Interest earned from Current and Non Current Assets		300	300	300	300	300	300	300	300	300	300	300	300	3,602	3,768	3,941
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		76	76	76	76	76	76	76	76	76	76	76	76	910	952	996
Licence and permits		1	1	1	1	1	1	1	1	1	1	1	1	13	13	14
Operational Revenue		79	79	79	79	79	79	79	79	79	79	79	79	945	777	813
Non-Exchange Revenue																
Property rates		2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	2,407	28,889	30,218	31,608
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		198	198	198	198	198	198	198	198	198	198	198	198	2,376	2,485	2,600
Licences or permits		227	227	227	227	227	227	227	227	227	227	227	227	2,723	2,848	2,979
Transfer and subsidies - Operational		8,851	8,851	8,851	8,851	8,851	8,851	8,851	8,851	8,851	8,851	8,851	8,851	106,214	110,658	115,816
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**12,564**	**150,764**	**157,914**	**160,940**
Expenditure																
Employee related costs		6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	6,094	73,130	76,059	79,597
Remuneration of councillors		602	602	602	602	602	602	602	602	602	602	602	602	7,219	7,551	7,898
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		394	394	394	394	394	394	394	394	394	394	394	394	4,725	4,942	5,170
Debt impairment		565	565	565	565	565	565	565	565	565	565	565	565	6,782	7,094	7,420
Depreciation and amortisation		1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	1,705	20,456	21,396	22,381
Interest		35	35	35	35	35	35	35	35	35	35	35	35	421	441	461
Contracted services		2,728	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,777	2,826	2,777	33,324	35,738	33,077
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	2,072	24,860	25,992	27,187
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**14,194**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,292**	**14,243**	**170,916**	**179,212**	**183,191**

Table 172: MBRR Table SA26 - Budgeted Monthly Revenue & Expenditure (Municipal Vote)

KZN227 Richmond - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue by Vote																
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	137,713	142,586	149,253
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		339	339	339	339	339	339	339	339	339	339	339	339	4,068	5,283	5,458
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	23,589	22,244	23,819
Vote 7 - Road Transport		505	505	505	505	505	505	505	505	505	505	505	505	6,054	6,989	3,006
Vote 8 - Sport and Recreation		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Vote 9 - Waste Management		121	121	121	121	121	121	121	121	121	121	121	121	1,454	1,521	1,591
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**172,889**	**178,634**	**183,137**
Expenditure by Vote to be appropriated																
Vote 1 - Executive And Council		1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	19,157	20,038	20,960
Vote 2 - Finance and administration		4,180	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,278	4,229	50,749	53,096	55,647
Vote 3 - Housing		41	41	41	41	41	41	41	41	41	41	41	41	496	518	542
Vote 4 - Community and Social Services		1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	1,831	21,971	24,009	25,045
Vote 5 - Internal Audit		137	137	137	137	137	137	137	137	137	137	137	137	1,643	1,719	1,798
Vote 6 - Planning and Development		869	869	869	869	869	869	869	869	869	869	869	869	10,424	9,428	9,862
Vote 7 - Road Transport		4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	54,326	57,693	56,042
Vote 8 - Sport and Recreation		338	338	338	338	338	338	338	338	338	338	338	338	4,056	4,243	4,438
Vote 9 - Waste Management		619	619	619	619	619	619	619	619	619	619	619	619	7,429	7,770	8,128
Vote 10 - Waste Water Management		43	43	43	43	43	43	43	43	43	43	43	43	516	540	565
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**14,181**	**14,231**	**14,231**	**14,231**	**14,231**	**14,231**	**14,231**	**14,231**	**14,231**	**14,231**	**14,280**	**14,231**	**170,767**	**179,055**	**183,027**
Surplus/(Deficit) before assoc.		**226**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**128**	**177**	**2,122**	**(422)**	**110**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**226**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**177**	**128**	**177**	**2,122**	**(422)**	**110**

Table 173: MBRR Table SA27 - Budgeted Monthly Revenue & Expenditure (Standard Classification)

KZN227 Richmond - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional																
Governance and administration		**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**11,476**	**137,713**	**142,586**	**149,253**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	11,476	137,713	142,586	149,253
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**340**	**340**	**340**	**340**	**340**	**340**	**340**	**340**	**340**	**340**	**340**	**340**	**4,079**	**5,294**	**5,469**
Community and social services		339	339	339	339	339	339	339	339	339	339	339	339	4,068	5,283	5,458
Sport and recreation		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**2,470**	**29,643**	**29,233**	**26,824**
Planning and development		1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	23,589	22,244	23,819
Road transport		505	505	505	505	505	505	505	505	505	505	505	505	6,054	6,989	3,006
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**121**	**1,454**	**1,521**	**1,591**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		121	121	121	121	121	121	121	121	121	121	121	121	1,454	1,521	1,591
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		14,407	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**14,407**	**172,889**	**178,634**	**183,137**
Expenditure - Functional																
Governance and administration		**5,913**	**5,962**	**5,962**	**5,962**	**5,962**	**5,962**	**5,962**	**5,962**	**5,962**	**5,962**	**6,012**	**5,962**	**71,549**	**74,853**	**78,404**
Executive and council		1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596	19,157	20,038	20,960
Finance and administration		4,180	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,278	4,229	50,749	53,096	55,647
Internal audit		137	137	137	137	137	137	137	137	137	137	137	137	1,643	1,719	1,798
Community and public safety		**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**2,223**	**26,672**	**28,927**	**30,189**
Community and social services		1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	22,120	24,165	25,209
Sport and recreation		338	338	338	338	338	338	338	338	338	338	338	338	4,056	4,243	4,438
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		41	41	41	41	41	41	41	41	41	41	41	41	496	518	542
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**5,396**	**64,750**	**67,122**	**65,904**
Planning and development		869	869	869	869	869	869	869	869	869	869	869	869	10,424	9,428	9,862
Road transport		4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	4,527	54,326	57,693	56,042
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**662**	**662**	**662**	**662**	**662**	**662**	**662**	**662**	**662**	**662**	**662**	**662**	**7,945**	**8,311**	**8,693**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		43	43	43	43	43	43	43	43	43	43	43	43	516	540	565
Waste management		619	619	619	619	619	619	619	619	619	619	619	619	7,429	7,770	8,128
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
#REF!		**14,194**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,243**	**14,292**	**14,243**	**170,916**	**179,212**	**183,191**
Surplus/(Deficit) before assoc.		**214**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**115**	**164**	**1,973**	**(578)**	**(53)**
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**214**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**164**	**115**	**164**	**1,973**	**(578)**	**(53)**

Table 174: MBRR Table SA28 - Budgeted Monthly Capital Expenditure (Municipal Vote)

KZN227 Richmond - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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		32	32	32	32	32	32	32	32	32	32	32	32	380	397	416
Vote 2 - Finance and administration		85	85	85	85	85	85	85	85	85	85	85	85	1,018	1,065	1,114
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	16	16	16	16	16	16	16	16	16	31	16	188	363	379
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		188	188	188	188	188	188	188	188	188	188	188	188	2,260	63	66
Vote 7 - Road Transport		1,923	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,414	1,669	20,024	20,816	22,325
Vote 8 - Sport and Recreation		13	13	13	13	13	13	13	13	13	13	13	13	150	157	164
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**2,240**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**1,763**	**2,002**	**24,020**	**22,861**	**24,464**
Total Capital Expenditure	2	**2,240**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**1,763**	**2,002**	**24,020**	**22,861**	**24,464**

Table 175: MBRR Table SA29 - Budgeted Monthly Capital Expenditure (Standard Classification)

KZN227 Richmond - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		117	117	117	117	117	117	117	117	117	117	117	117	1,398	1,462	1,530
Executive and council		32	32	32	32	32	32	32	32	32	32	32	32	380	397	416
Finance and administration		85	85	85	85	85	85	85	85	85	85	85	85	1,018	1,065	1,114
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		13	28	28	28	28	28	28	28	28	28	44	28	338	520	543
Community and social services		–	16	16	16	16	16	16	16	16	16	31	16	188	363	379
Sport and recreation		13	13	13	13	13	13	13	13	13	13	13	13	150	157	164
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		2,111	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,603	1,857	22,284	20,879	22,391
Planning and development		188	188	188	188	188	188	188	188	188	188	188	188	2,260	63	66
Road transport		1,923	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,414	1,669	20,024	20,816	22,325
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	2,240	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	2,002	1,763	2,002	24,020	22,861	24,464
Funded by:																
National Government		1,915	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,406	1,660	19,925	20,713	22,217
Provincial Government		183	199	199	199	212	212	199	199	199	199	202	186	2,388	197	206
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		2,098	1,859	1,859	1,859	1,873	1,873	1,859	1,859	1,859	1,859	1,608	1,846	22,314	20,910	22,423
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		87	87	87	87	74	74	87	87	87	87	100	100	1,047	1,260	1,318
Total Capital Funding		2,185	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,708	1,947	23,360	22,170	23,742

Table 176: MBRR Table SA30 - Budgeted Monthly Cash Flow

KZN227 Richmond - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source													1		
Property rates	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	3,340	26,549	27,771	29,048
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	81	81	81	81	81	81	81	81	81	81	81	81	969	1,014	1,060
Rental of facilities and equipment	39	39	39	39	39	39	39	39	39	39	39	39	465	487	509
Interest earned - external investments	300	300	300	300	300	300	300	300	300	300	300	300	3,602	3,768	3,941
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	108	108	108	108	108	108	108	108	108	108	108	108	1,301	1,361	1,424
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	8,868	8,868	8,868	8,868	8,868	8,868	8,868	8,868	8,868	8,868	8,868	8,868	106,416	110,658	115,816
Other revenue	806	806	806	806	806	806	806	806	806	806	806	806	9,677	10,122	10,587
Cash Receipts by Source	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**12,312**	**13,543**	**148,980**	**155,180**	**162,386**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,103	2,103	2,103	2,103	2,103	2,103	2,103	2,103	2,103	2,103	2,103	2,103	25,230	24,836	22,197
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**14,415**	**15,645**	**174,210**	**180,015**	**184,583**
Cash Payments by Type															
Employee related costs	6,137	6,137	6,137	6,137	6,137	6,137	6,137	6,137	6,137	6,137	6,137	6,137	73,646	75,559	79,035
Remuneration of councillors	602	602	602	602	602	602	602	602	602	602	602	602	7,219	7,551	7,898
Interest	35	35	35	35	35	35	35	35	35	35	35	35	421	441	461
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	57,503	58,715	57,111
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	23,306	24,378	25,500
Cash Payments by Type	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**13,508**	**162,095**	**166,643**	**170,004**
Other Cash Flows/Payments by Type															
Capital assets	2,015	2,015	2,015	2,015	2,015	2,015	2,015	2,015	2,015	2,015	2,015	2,015	24,179	22,990	24,047
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**15,523**	**186,273**	**189,633**	**194,051**
NET INCREASE/(DECREASE) IN CASH HELD	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**(1,108)**	**123**	**(12,063)**	**(9,618)**	**(9,468)**
Cash/cash equivalents at the month/year begin:	21,594	20,486	19,379	18,271	17,163	16,055	14,947	13,840	12,732	11,624	10,516	9,408	21,594	9,531	(87)
Cash/cash equivalents at the month/year end:	20,486	19,379	18,271	17,163	16,055	14,947	13,840	12,732	11,624	10,516	9,408	9,531	9,531	(87)	(9,555)

7.13 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.

7.14 CAPITAL EXPENDITURE

The following tables represent in detail how Richmond local municipality anticipate on spending its capital budget. Consideration has been given to all requests received during community engagements.

Table 177: Municipal Infrastructure Grant (MIG)

Number	Projects	Amount
1	Upgrade of Greater Indaleni Passages - Upgrading of Slahla Access Road to Black Top Surface in Ward 2	3,053,508
2	Upgrading of Stormwater in Ward 7 (Khetho to Mjintini)	16,871,792
	TOTAL	**19,925,300**

Table 178: Integrated National Electrification Programme (INEP)

Funding	Projects	Amount
1	Slahla Sigcakini Electrification Project	776,250.00
2	Mthunzini-Lindelani Electrification Project	776,250.00
3	Mcsteel - Masonite Electrification Project	776,250.00
4	Mpofane - Nkumane Electrification Project	776,250.00
	TOTAL	**3,105,000.00**

Table 179: Internally Funded

No	Projects	Amount
1	Anti Virus Software	69,996.00
2	Call Logging System- Acquisition	150,000.00
3	Upgrade of Website	660,000.00
4	Vaccum cleaner- Corporate Services	20,004.00
5	Filling Cabinets	99,996.00
6	Lamination Machine	8,004.00
7	Guillotine Machine	9,996.00
8	Brush cutters- new	150,000.00
11	Laptops- Roads	60,000.00
12	Airconditioner: Worksyard Office	35,004.00
13	Roads- Printer	3,504.00
14	Mayoral Chain	180,000.00
15	Furniture Council	200,004.00
16	LED Training room- Furniture	60,000.00
Total		**1,706,508.00**

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 180: MBRR Table SA34a - Capital Expenditure on New Asset by Asset Class

KZN227 Richmond - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure on new assets by Asset Class/Sub-class										
Total Capital Expenditure on new assets	1	41,244	23,638	37,645	12,971	13,489	13,489	2,235	1,457	1,524

Table 181: MBRR Table SA34b - Capital Expenditure on the Renewal of Assets by Asset Class

KZN227 Richmond - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Total Capital Expenditure on renewal of existing asse	1	26,906	4,483	2,591	6,940	6,236	6,236	–	–	–

Table 182: MBRR SA34c - Repairs and Maintenance Expenditure by Asset Class

KZN227 Richmond - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class										
Total Repairs and Maintenance Expenditure	1	6,139	6,950	12,919	13,344	13,298	13,298	11,655	12,191	12,752
R&M as a % of PPE & Investment Property		*1.8%*	*2.1%*	*3.7%*	*3.9%*	*3.9%*	*3.9%*	*3.2%*	*3.4%*	*3.5%*
R&M as % Operating Expenditure		*4.8%*	*4.9%*	*8.3%*	*8.0%*	*7.5%*	*7.5%*	*6.6%*	*7.1%*	*7.1%*

Table 183: MBRR SA35 - Future Financial Implications of the Capital Budget

KZN227 Richmond - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - Executive And Council		90	94	99	100	120	130	95
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	300			
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**	**400**	**120**	**130**	**95**
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**	**400**	**120**	**130**	**95**

Table 184: MBRR SA36 - Detailed Capital Budget

KZN227 Richmond - Supporting Table SA36 Detailed capital budget

R thousand														2023/24 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS 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		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	500	500	500
Administrative and Corporate Support:(	Furniture and Office Equipment:RECORDING SYSTEM		New	competitive and responsive economic infrastruc	cate the past perception of the municipality		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	50	52	55
Administrative and Corporate Support:(	Furniture and Office Equipment:SHREDDER		New	competitive and responsive economic infrastruc	cate the past perception of the municipality		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	150	157	165
Administrative and Corporate Support:(	Municipal Offices:TIME AND ATTENDANCE MACHINE		New	competitive and responsive economic infrastruc	cate the past perception of the municipality		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	200	210	220
Disaster Management:DISASTER MANA	Transport Assets:Trailer		New	ve accountable effective and efficient local go	cate the past perception of the municipality		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	60	63	66
Disaster Management:DISASTER MANA	Furniture and Office Equipment:DISASTER LIGHTINGS		New	ve accountable effective and efficient local go	programmes and reduce services and infrastructure backlogs		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	120	126	132
Finance:Default	Furniture and Office Equipment:FINANCE CHAIRS		New	ve accountable effective and efficient local go	cate the past perception of the municipality		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	30	31	33
Finance:Default	Furniture and Office Equipment:Notice Board		New	ve accountable effective and efficient local go	outh and empower youth on resources available		Non-current Assets	Property Plant and Equipment	unicipalities:DC22 Umgungundlovu:Municip	30.30979385	-29.88270287	–	–	10	10	11
Community Halls and Facilities:AGRICU	Municipal Offices:Guard House- Municipal Pound		New	ient effective and development-oriented public	outh and empower youth on resources available		Non-current Assets	Construction Work-in-progress	wa-Zulu-Natal:District Municipalities:DC22 Um	30.30979385	-29.88270287	–	–	400	420	439
Community Halls and Facilities:AGRICU	Machinery and Equipment:Generator		New	ient effective and development-oriented public	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	unicipalities:DC22 Umgungundlovu:Municip	30.30979385	-29.88270287	–	–	200	210	220
Road and Traffic Regulation:Traffic	Yards:ANIMAL IMPOUND		New	human settlements and improved quality of ho	cate the past perception of the municipality		Non-current Assets	Construction Work-in-progress	wa-Zulu-Natal:District Municipalities:DC22 Um	30.30979385	-29.88270287	–	–	500	525	549
Road and Traffic Regulation:Traffic	Machinery and Equipment:FIRE ARMS		New	ient effective and development-oriented public	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	100	105	110
Road and Traffic Regulation:Traffic	Machinery and Equipment:Two way Road		New	nd capable workforce to support an inclusive gr	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	unicipalities:DC22 Umgungundlovu:Municip	30.30979385	-29.88270287	–	–	40	42	44
Roads:Roads (104010)	Capital Spares:High Mast Lights / Street light Maintenance		New	ient effective and development-oriented public	the lives of the poor thus alleviating poverty		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	375	393	412
Roads:Roads (104010)	Public Open Space:Bins		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	60	63	66
Roads:Roads (104010)	Transport Assets:TAR CUTTING MACHINE		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Construction Work-in-progress	wa-Zulu-Natal:District Municipalities:DC22 Um	30.30979385	-29.88270287	–	–	8,786	9,217	9,650
Roads:Roads (104010)	Outdoor Facilities:Ndaleni Ward 7 Sportsfield		New	competitive and responsive economic infrastruc	programmes and reduce services and infrastructure backlogs		Non-current Assets	Construction Work-in-progress	wa-Zulu-Natal:District Municipalities:DC22 Um	30.30979385	-29.88270287	–	–	6,940	7,280	7,622
Roads:Roads (104010)	Roads:Rehabilitation of Siyathuthuka Magoda Road Phase		New	competitive and responsive economic infrastruc	the lives of the poor thus alleviating poverty		Non-current Assets	Construction Work-in-progress	wa-Zulu-Natal:District Municipalities:DC22 Um	30.30979385	-29.88270287	–	–	4,413	4,629	4,847
Roads:Roads (104010)	Drainage Collection:Upgrade of Khetho and Mjinti Stormwa		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	25	26	27
Roads:Roads (104010)	Machinery and Equipment:Generator		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	80	84	88
Roads:Roads (104010)	Machinery and Equipment:MECHANICAL TOOLS		New	competitive and responsive economic infrastruc	programmes and reduce services and infrastructure backlogs		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	135	142	148
Economic Development/Planning:LOCA	Roads:Smozomeni road phase 3		New	competitive and responsive economic infrastruc	N ASSETS THUS ENSURING ITS SUSTAINABILITY OVER ITS LIFE SPAN		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	10	10	11
Municipal Manager Town Secretary and	Machinery and Equipment:Generator		New	nsive responsive and sustainable social protec	outh and empower youth on resources available		Non-current Assets	Property Plant and Equipment	uNatal:District Municipalities:DC22 Umgungu	30.30979385	-29.88270287	–	–	90	94	99
	Machinery and Equipment:SOUND SYSTEM		Upgrading	nsive responsive and sustainable social protec	outh and empower youth on resources available											
Parent Capital expenditure												–	–	23,274	24,390	25,513
Entities:																
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	25,513

7.15 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

7.15.1 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.

7.15.2 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.

7.15.3 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

7.15.4 Audit Committee

An Audit Committee has been established and is fully functional.

7.15.5 Service Delivery and Implementation Plan

The detail SDBIP document is at a final stage and will be finalized after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 MTREF.

7.15.6 Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7.15.7 MFMA Training

The MFMA training module in electronic format is presented at the Richmond's internal centre and training is ongoing.

7.15.8 Policies

All financial policies are reviewed and adopted annually as part of the budget process

7.16 OTHER SUPPORTING DOCUMENTS

Table 185: MBRR Table SA1 - Supporting Details to Budgeted Financial Performance

KZN227 Richmond - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		18,494	19,285	27,115	29,146	29,146	29,146	29,146	29,869	31,243	32,680
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		–	–	–	700	700	700	700	980	1,025	1,073
Net Property Rates		18,494	19,285	27,115	28,446	28,446	28,446	28,446	28,889	30,218	31,608
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity									–	–	–
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Electricity		–	–	–	–	–	–	–	–	–	–
Service charges - Water	6										
Total Service charges - Water									–	–	–
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - Water		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management											
Total Service charges - Waste Water Management									–	–	–
Less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	6										
Total refuse removal revenue		1,056	1,216	1,269	1,477	1,477	1,477	1,477	1,410	1,475	1,543
Total landfill revenue									–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		279	294	303	332	332	332	332	332	347	363
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - Waste Management		777	923	966	1,145	1,145	1,145	1,145	1,079	1,128	1,180
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	38,170	40,509	44,692	49,619	49,619	49,619	49,619	52,849	54,830	57,392
Pension and UIF Contributions		5,564	5,705	6,039	6,489	6,489	6,489	6,489	6,958	7,265	7,599
Medical Aid Contributions		2,053	2,034	2,133	2,406	2,406	2,406	2,406	2,463	2,576	2,695
Overtime		1,677	1,877	1,326	1,074	1,074	1,074	1,074	2,100	2,197	2,298
Performance Bonus		2,941	2,722	3,121	3,215	3,215	3,215	3,215	3,221	3,369	3,524
Motor Vehicle Allowance		1,903	2,002	2,493	2,509	2,509	2,509	2,509	2,424	2,563	2,681
Cellphone Allowance		406	399	437	543	543	543	543	435	455	476
Housing Allowances		95	95	165	98	98	98	98	326	341	356
Other benefits and allowances		179	689	182	729	729	729	729	792	828	866
Payments in lieu of leave		829	2,988	2,301	1,930	1,930	1,930	1,930	1,563	1,635	1,710
Long service awards		145	326	387	–	–	–	–			
Post-retirement benefit obligations	4	710	969	962	–	–	–	–			
Entertainment		–	–	–	–	–	–	–			
Scarcity		–	–	–	–	–	–	–			
Acting and post related allowance		–	–	–	–	–	–	–			
In kind benefits		–	–	–	–	–	–	–			
sub-total	5	54,672	60,315	64,238	68,613	68,613	68,613	68,613	73,130	76,059	79,597
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–			
Total Employee related costs	1	54,672	60,315	64,238	68,613	68,613	68,613	68,613	73,130	76,059	79,597
Depreciation and amortisation											
Depreciation of Property, Plant & Equipment		19,759	19,494	15,903	21,908	19,430	19,430	19,430	20,382	21,320	22,300
Lease amortisation		454	191	113	334	70	70	70	73	77	80
Capital asset impairment		2,634	783	(1,061)	–	–	–	–			
Total Depreciation and amortisation	1	22,847	20,469	14,955	22,241	19,500	19,500	19,500	20,456	21,396	22,381
Bulk purchases - electricity											
Electricity bulk purchases		–	–	–	–	–	–	–			
Total bulk purchases	1	–	–	–	–	–	–	–	–	–	–
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		563	590	556	600	600	600	355	–	–	–
Total transfers and grants	1	563	590	556	600	600	600	355	–	–	–
Contracted Services											
Outsourced Services		10,039	12,926	14,574	14,016	16,083	16,083	16,083	14,177	14,829	15,511
Consultants and Professional Services		7,476	5,112	3,123	3,201	12,207	12,207	12,207	1,481	1,549	1,620
Contractors		7,950	10,051	12,897	14,001	13,685	13,685	13,685	17,667	19,360	15,945
Total contracted services		25,464	28,089	30,594	31,217	41,975	41,975	41,975	33,324	35,738	33,077
Operational Costs											
Collection costs		–	–	–	–	–	–	–	–	–	–
Contributions to 'other' provisions		–	–	–	350	350	350	350	367	384	402
Audit fees		2,232	1,815	1,772	1,960	2,040	2,040	2,040	2,140	2,238	2,341
Other Operational Costs		9,186	14,355	16,636	20,208	24,096	24,096	24,096	22,353	23,370	24,445
Total Operational Costs	1	11,419	16,170	18,408	22,517	26,486	26,486	26,486	24,860	25,992	27,187
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		2,878	3,688	5,205	5,582	1,297	1,297	1,297	1,251	1,308	1,368
Contracted Services		1,473	2,542	4,202	3,977	4,815	4,815	4,815	4,733	4,950	5,178
Operational Costs		539	721	3,512	3,785	7,187	7,187	7,187	5,671	5,932	6,205
Total Repairs and Maintenance Expenditure	9	4,890	6,950	12,919	13,344	13,298	13,298	13,298	11,655	12,191	12,752
Inventory Consumed											
Inventory Consumed - Water		–	–	–	–	–	–	–	–	–	–
Inventory Consumed - Other		–	469	2,351	8,664	5,164	5,164	5,164	–	–	–
Total Inventory Consumed & Other Material		–	469	2,351	8,664	5,164	5,164	5,164	–	–	–

Table 186: MBRR Table SA2 - Matrix Financial Performance Budget (Revenue Source/Expenditure Type & Department)

KZN227 Richmond - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	###	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 -	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		–	–	–	–	–	–	–	–	1,079	–	–	–	–	–	–	1,079
Sale of Goods and Rendering of Services		–	92	–	157	–	130	3,105	10	77	–	–	–	–	–	–	3,571
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	144	–	–	–	–	–	–	–	–	–	–	–	–	–	144
Interest earned from Receivables		–	–	–	–	–	–	–	–	299	–	–	–	–	–	–	299
Interest earned from Current and Non Current Assets		–	3,602	–	–	–	–	–	–	–	–	–	–	–	–	–	3,602
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		–	601	–	52	–	258	–	–	–	–	–	–	–	–	–	910
Licence and permits		–	–	–	–	–	–	13	–	–	–	–	–	–	–	–	13
Operational Revenue		–	735	–	–	–	8	202	–	–	–	–	–	–	–	–	945
Non-Exchange Revenue																	
Property rates		–	28,889	–	–	–	–	–	–	–	–	–	–	–	–	–	28,889
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	2,346	–	–	–	–	30	–	–	–	–	–	–	–	–	2,376
Licences or permits		–	–	–	–	–	19	2,704	–	–	–	–	–	–	–	–	2,723
Transfer and subsidies - Operational		–	101,305	–	3,860	–	1,049	–	–	–	–	–	–	–	–	–	106,214
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributi		–	137,713	–	4,068	–	1,463	6,054	10	1,454	–	–	–	–	–	–	150,764
Expenditure																	
Employee related costs		5,508	23,402	486	10,513	1,584	7,382	18,022	3,095	2,666	473	–	–	–	–	–	73,130
Remuneration of councillors		7,219	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,219
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		40	953	–	2,138	–	43	1,246	80	170	40	–	–	–	–	–	4,710
Debt impairment		–	6,429	–	–	–	–	–	–	353	–	–	–	–	–	–	6,782
Depreciation and amortisation		–	–	–	–	–	–	20,456	–	–	–	–	–	–	–	–	20,456
Interest		10	378	–	11	–	15	7	–	–	–	–	–	–	–	–	421
Contracted services		1,363	8,092	–	8,013	–	2,410	9,783	88	3,531	–	–	–	–	–	–	33,279
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written of		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		5,017	11,495	9	1,297	59	574	4,814	793	709	4	–	–	–	–	–	24,770
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		19,157	50,749	496	21,971	1,643	10,424	54,326	4,056	7,429	516	–	–	–	–	–	170,767
Surplus/(Deficit)		(19,157)	86,964	(496)	(17,902)	(1,643)	(8,960)	(48,272)	(4,046)	(5,975)	(516)	–	–	–	–	–	(20,003)
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	22,125	–	–	–	–	–	–	–	–	–	22,125
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(19,157)	86,964	(496)	(17,902)	(1,643)	13,165	(48,272)	(4,046)	(5,975)	(516)	–	–	–	–	–	2,122
References																	
1. Departmental columns to be based on municipal organisation structure																	
check balance																	-149,616

Table 187: MBRR Table SA9 - Social, Economic & Demographic Statistics & Assumptions

KZN227 Richmond - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Community Survey - Stats SA 2016				66	72	72	72	72	72	72
Females aged 5 - 14		Community Survey - Stats SA 2016				7	47	47	47	47	47	47
Males aged 5 - 14		Community Survey - Stats SA 2016				7	7	7	7	7	7	7
Females aged 15 - 34		Community Survey - Stats SA 2016				12	12	12	12	12	12	12
Males aged 15 - 34		Community Survey - Stats SA 2016				12	12	12	12	12	12	12
Unemployment		Community Survey - Stats SA 2016										
Monthly household income (no. of households)	1, 12											
No income		Community Survey - Stats SA 2016				24,612	24,612	24,612	24,612	24,612	24,612	24,612
R1 - R1 600		Community Survey - Stats SA 2016				28,132	28,132	28,132	28,132	28,132	28,132	28,132
R1 601 - R3 200		Community Survey - Stats SA 2016				2,732	2,732	2,732	2,732	2,732	2,732	2,732
R3 201 - R6 400		Community Survey - Stats SA 2016				999	999	999	999	999	999	999
R6 401 - R12 800		Community Survey - Stats SA 2016				859	859	859	859	859	859	859
R12 801 - R25 600		Community Survey - Stats SA 2016				591	591	591	591	591	591	591
R25 601 - R51 200		Community Survey - Stats SA 2016				230	230	230	230	230	230	230
R52 201 - R102 400		Community Survey - Stats SA 2016				36	36	36	36	36	36	36
R102 401 - R204 800		Community Survey - Stats SA 2016				21	21	21	21	21	21	21
R204 801 - R409 600		Community Survey - Stats SA 2016										
R409 601 - R819 200		Community Survey - Stats SA 2016										
> R819 200		Community Survey - Stats SA 2016										
Poverty profiles (no. of households)												
< R5 500 per household per month	13											
Insert description	2	Community Survey - Stats SA 2016							29334.27	29334.27	29334.27	29334.27
Household/demographics (000)												
Number of people in municipal area		Community Survey - Stats SA 2016							72	72	72	72
Number of poor people in municipal area		Community Survey - Stats SA 2016							55	55	55	55
Number of households in municipal area		Community Survey - Stats SA 2016							18	18	18	18
Number of poor households in municipal area		Community Survey - Stats SA 2016							14	14	14	14
Definition of poor household (R per month)		Community Survey - Stats SA 2016							2 STATE PENS	2 STATE PENS	2 STATE PENS	2 STATE PENS
Housing statistics	3											
Formal		Community Survey - Stats SA 2016							12,236	12,236	12,236	12,236
Informal		Community Survey - Stats SA 2016							5,389	5,389	5,389	5,389
Total number of households			-	-	-	-	-	-	17,625	17,625	17,625	17,625
Dwellings provided by municipality	4	Community Survey - Stats SA 2016							1,000	1,000	1,000	1,000
Dwellings provided by province/s		Community Survey - Stats SA 2016										
Dwellings provided by private sector	5	Community Survey - Stats SA 2016							16,624	16,624	16,624	16,624
Total new housing dwellings			-	-	-	-	-	-	17,624	17,624	17,624	17,624

Table 188: MBRR Table SA32 - List of External Mechanisms

KZN227 Richmond - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
HARVEY WORLD TRAVEL			HARVEY WORLD TRAVEL	16 April 2024	553
HLELA ATTORNEYS			HLELA ATTORNEYS	21 April 2024	184
SN ATTORNEYS INC			SN ATTORNEYS INC	21 April 2024	384
MKHIZE MIYA ATTORNEYS INC			MKHIZE MIYA ATTORNEYS INC	21 April 2024	56
HAMSA CONSULTING ENGINEERING SERVICES			HAMSA CONSULTING ENGINEERING SERVICES	05 May 2024	5,400
ELEMENT CONSULTING ENGINEERING			ELEMENT CONSULTING ENGINEERING	05 May 2024	3,420
SURG SUT (PTY) LTD			SURG SUT (PTY) LTD	05 November 2024	8,813
SIGMA INFO TECH			SIGMA INFO TECH	31 January 2025	690
FLEET AFRICA DIVISION OF SUPER GROUP AFRICA (PTY) LTD			FLEET AFRICA DIVISION OF SUPER GROUP AFRICA	31 January 2024	6,839
VIMTSIRE PROTECTION SERVICES			VIMTSIRE PROTECTION SERVICES	30 November 2023	33,998
MILLS FITCHET (NATAL) PTY LTD			MILLS FITCHET (NATAL) PTY LTD	30 June 2027	1,698

7.17 SECTOR DEPARTMENTS INPUTS

The following section provides a summary of other capital projects implemented by sector departments within the Richmond Municipality over the planned financial years.

KWAZULU-NATAL DEPARTMENT OF TRANSPORT			
Project / Programme Name	**Activity**	**Local Municipality**	**IDMS Project Status**
Construction of D59 Bridge	Bridge	Richmond	Stage 5 Works 1 to 25%
Routine Maintenance (Blading) for DC22	Blading	Various	Stage 4 Design Documentation
Safety Maintenance (Blacktop Patching) for DC22	Blacktop Patching	Various	Stage 4 Design Documentation
Routine Maintenance for DC22	Drain clearing & Verge Maintenance	Various	Stage 4 Design Documentation
Safety Maintenance for DC22	Safety Maintenance	Various	Stage 4 Design Documentation
Special Maintenance for DC22	Special Maintenance	Various	Stage 4 Design Documentation

KWAZULU-NATAL DEPARTMENT OF TRANSPORT			
Zibambele for DC22	Zibambele Contractors	Various	Stage 1 Project Initiation
Preventative Maintenance for DC22	Betterment and Regravelling	Various	Stage 4 Design Documentation
Vukayibambe Routine Road Maintenance (VRRM) for DC22	VRRM	Various	Stage 1 Project Initiation
Fog spraying DC22	Blacktop Patching	Various	Stage 1 Project Initiation
Crack sealing DC22	Blacktop Patching	Various	Stage 1 Project Initiation

KZN DEPARTMENT OF TRANSPORT

Ward No.	Activity Required	Rd No	Start Km	End Km	Length Km	Estimated Budget	Order Amount	Expd to date
6	Betterment & Regravelling	D2225	0.00	8.58	8.58	3 861 000.00	1 606 177.02	1 653 374.81
1	Patch Gravelling	D58	9.00	11.00	2.00	900 000.00		0.00
1	Patch Gravelling	D63	2.00	4.00	2.00	900 000.00		0.00
6	Patch Gravelling	D684	0.00	5.16	5.16	2 322 000.00	1 988 896.12	1 846 582.74
5	Patch Gravelling	L1116	0.20	3.00	2.80	1 260 000.00		0.00
6	Patch Gravelling	L1449	0.00	2.98	2.98	1 341 000.00		0.00
5	Patch Gravelling	L1546	0.00	5.23	5.23	2 352 150.00		0.00
5	Patch Gravelling	L2488	0.00	3.02	3.02	1 357 650.00	2 231 173.53	2 104 446.24
6	Patch Gravelling	L2761	0.00	1.98	1.98	891 000.00		0.00
5	Blacktop Patching and Washaway Repairs	P24	5.00	17.00	12.00	5 000 000.00	5 108 070.00	4 817 939.41
1	Patch Gravelling	P121	17.00	21.00	4.00	1 800 000.00		
5	Patch Gravelling	P334	11.00	15.00	4.00	1 800 000.00		0.00

Ward No.	Activity Required	Rd No	Start Km	End Km	Length Km	Estimated Budget	Order Amount	Expd to date
4	Blacktop Patching and Washaway Repairs	P471	0.00	2.50		2 000 000.00	1 454 102.80	1 350 056.00
1	Blacktop Patching and Washaway Repairs	P575	3.00	5.93		5 000 000.00	2 376 847.20	2 206 774.32
						30 784 800.00	**14 765 266.67**	**13 979 173.52**

KZN DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS			
Project	**Description**	**Status**	**Budget**
Highover Game Reserve	Upgrades and renovations to existing eco-tourism facility	Construction Phase	**R3 000 000.00**
Municipal Infrastructure for Informal Enterprises (MIIE)	Enhance & develop municipal informal trader infrastructure	R500,000 transferred to LM and in project Implementation Phase for 23-25 FY Project pending final approval by EDTEA for 24-26 FY	R2,800,000 (Two approved transfers) R1,750,000 (Pending EDTEA approval) **Total - R4,550,000**
Ward 4 & 7 Invasive Alien Plant Clearing	EPWP IASP programme, alien plant clearing	Confirmation of incentive grant funded project received for the 2024/25 FY	**R1 776 600.00**

KZN DEPARTMENT OF ART AND CULTURE	
Project name	**Project status**
Ndaleni Library	Construction phase

KZN DEPARTMENT OF HUMAN SETTLEMENTS						
Project Name	**Ward**	**Status**	**Units**	**2024/25**	**2025/26**	**2026/27**
Mzinolovu	1	Planning – detailed planning studies are currently being undertaken.	300	R700 000,00	R300 000,00	R300 000,00
Gengeshe	6	Planning – detailed planning studies are currently being undertaken.	400	R800 000,00	R300 000,00	R300 000,00
Commonage ISU (Reloca+St1)	1	Designs + Planning – interim services designs + detailed Planning studies are currently being undertaken.	250	R2 200 000,00	R300 000,00	R300 000,00
APPLICATIONS BEING PROCESSED:						
Nhlazuka Housing Project	Applications for housing projects received, in February 2024. Application being assessed and submissions to the MEC being drafted. Anticipate submissions to be tabled at next TEC1 (Technical Evaluation Committee), in the middle of March 2024.					
KwaMagoda Housing Project						

PROJECT NAME	PROJECT STATUS	PROJECT SIZE	WARD	COMMENTS:
UMgungundlovu; Location and Verification of People Living with Disabilities	Prefeasibility	2000	*ALL*	**Okuphila Civils has been appointed by KZN DHS, as the Service Provider. Project has started in all UMgundlovu LM's. We await the finalization of verification and submission of milestones.** **We rely on LM's to help ensure IA is verifying appropriately. No complaints, so far, from Richmond LM.**

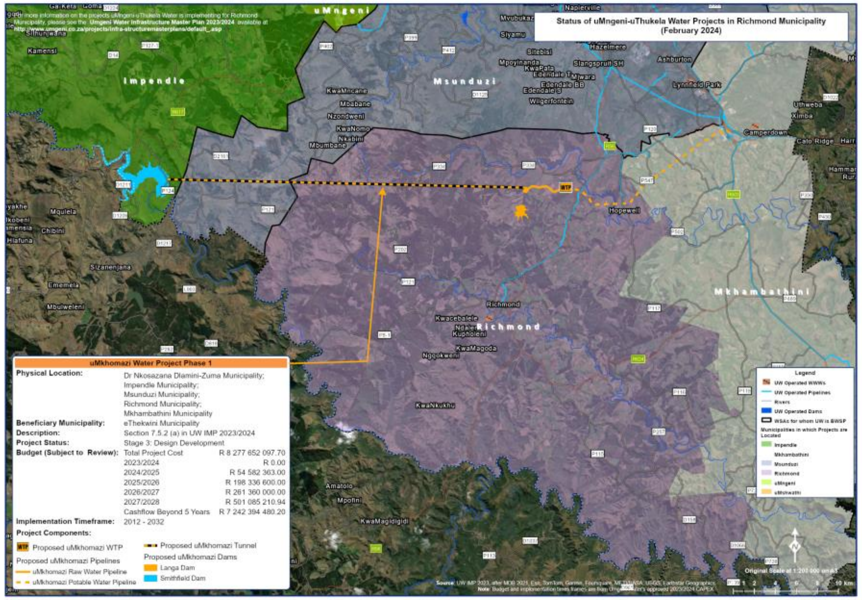
KWAZULU-NATAL DEPARTMENT OF EDUCATION PROJECTS LOCATED IN RICHMOND MUNICIPALITY							
SCHOOL NAME	**SCOPE OF WORKS**	**STATUS**	**CONSTRUCTION COSTS R'000**	**TOTAL EXPENDITURE TO DATE FROM PREVIOUS YEARS**	**FINAL APRROVED ALLOCATION 2023-24 R'000**	**ESTIMATE ALLOCATION 2024-25 R'000**	**ESTIMATE ALLOCATION 2025-26 R'000**
CONGCO HIGH SCHOOL	UPGRADES AND ADDITIONS	DESIGN	R5 864,640	-	R1 701,000	R598,548	R658,403
ESIMOZOMENI SENIOR PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DESIGN	R5 864,640	-	-	R598,548	R658,403
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	CONSTRUCTION 76% - 99% (TERMINATED)	R11 890,000	R9 698,000	R1 400,000	-	
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	CONSTRUCTION 1% - 25%	R6 346,632	R1 042,252	R2 570,000	-	
MKHOBENI HIGH SCHOOL	UPGRADES AND ADDITIONS	FEASIBILITY	R7 560,000	-	-	R400,000	R440,000
MT PRIMARY SCHOOLLEASANT PRIMARY SCHOOL	17 X STANDARD CLASSROOMS,3 X MULTIPURPOSE LABORATORY AND SPECIALIST ROOM, 1 X MEDIA CENTR, 1 X COMPUTER ROOM, 6 X OFFICES, 5 X STOREROOMS, 1 X STRONG ROOM, 1 X SNP KITCHEN, 7 X GIRLS TOILET SEATS, 4 X BOYS TOILET SEATS AND URINAL SPACES, 6 X TEACHERS TOILET SEATS, 2 X DISABLED TOILETS, ELECTRICITY REQUIRED.	ON HOLD	R11 187,264	R2 016,000	-	R1 092,532	R1 201,785
UMLULAMA HIGH SCHOOL	UPGRADES AND ADDITIONS	FEASIBILITY	R7 560,000	-	R701,000	R500,000	R550,000

DRAFT INFRASTRUCTURE PROGRAMME MANAGEMENT PLAN:2024-2025

											Coordinates					
NO	UNIQUE NUMBER	EMIS NUMBER	PROJECT NAME	DISTRICT MUNICIPALITY	Local Municipalities	IMPLEMENTING AGENT	PROJECTS STATUS	SUB PROGRAMME	BUDGET PROGRAMME NAME	TYPE OF INFRASTRUCTURE	LAT.	LON.	TOTAL PROJECT COST	2024/2025	2025/2026	2026/2027
51	C/500102009/ECD	500102009	AMANDUS HILL PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	ONHOLD-LOW ENROLMENT	EARLY CHILDHOOD DEVELOPMENT (GRADE R)	UPGRADES AND ADDITIONS	PRIM/MICRO	-29,9792	30,4157	R 2 533 356	R -	R 385 487	242 986
52	W/500102009/WS	500102009	AMANDUS HILL PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/MICRO	-29,9792	30,4157	R 5 243 849	R 120 000	R -	0
305	W/500227735/SDS	500227735	CONGCO HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	DESIGN	STORM DAMAGE PROGRAMME	MAINTENANCE AND REPAIR	SEC/SMALL	-29,920667	30,225133	R 6 771 416	R -	R 4 108 699	943 763
306	C/500227735/UA	500227735	CONGCO HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	DESIGN	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	SEC/SMALL	-29,920667	30,225133	R 25 427 000	R -	R 258 403	891 898
307	W/500227735/WS	500227735	CONGCO HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	CONSTRUCTION 1% - 25%	WATER AND SANITATION	UPGRADES AND ADDITIONS	SEC/SMALL	-29,920667	30,225133	R 3 025 000	R 302 500	R 822 326	146 275
471	W/500127724/RRR	500127724	EINSIEDELN INTERMEDIATE SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PROJECT INITIATION	REPAIRS AND RENOVATIONS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	COMB/SMALL	-29,93894	30,2643	R 4 026 000	R -	R 108 346	725 778
731	W/500140785/WS	500140785	ESIMOZOMENI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-29,91081	30,22693	R 1 150 000	R 134 000	R -	0
732	C/500140785/UA	500140785	ESIMOZOMENI SENIOR PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	ONHOLD-LOW ENROLMENT	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	PRIM/SMALL	-29,91081	30,22693	R 59 730 000	R -	R 258 403	2 185 194
794	W/500143782/WS	500143782	EZULWINI COMBINED SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	COMB/SMALL	-30,09153	30,40058	R 2 400 000	R 134 000	R -	0
795	I/500143782/UA	500143782	EZULWINI COMBINED SCHOOL (COMPLET	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	CONSTRUCTION 51% - 75%	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	COMB/SMALL	-27,7492	30,04384	R 7 489 025	R 2 474 744	R 253 670	0
880	W/500312317/WS	500312317	GENGESHE PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/MICRO	-29,8491	30,09	R 1 150 000	R 134 000	R -	0
1023	C/500158545/ECD	500158545	HOPEWELL PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	DESIGN	EARLY CHILDHOOD DEVELOPMENT (GRADE R)	UPGRADES AND ADDITIONS	PRIM/LARGE	-29,7931	30,39271	R 5 524 963	R -	R 385 487	145 153
1095	I/500162282/RRR	500162282	INDALENI SCHOOL OF THE DEAF	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	FEASIBILITY	REPAIRS AND RENOVATIONS HOSTELS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	LSEN	-28,56415	31,50929	R 6 962 000	R 932 660	R 2 000 000	1 715 578
1096	DB/500162245/RRR	500162245	INDALENI SENIOR PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	DESIGN	REPAIRS AND RENOVATIONS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/SMALL	-29,8891	30,24136	R 6 526 000	R -	R 5 000 000	1 526 000
1134	W/500164169/RRR	500164169	INHLAZUKA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PROJECT INITIATION	REPAIRS AND RENOVATIONS	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/SMALL	-30,03326	30,42453	R 4 038 000	R -	R 109 700	726 978
1135	DB/500164169/SDS	500164169	INHLAZUKA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	PROJECT INITIATION	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/SMALL	-30,03326	30,42453	R 1 600 000	R -	R 402 584	483 178
1166	DB/500165131/SDS	500165131	INKUMANE HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	ONHOLD-LOW ENROLMENT	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	SEC/MICRO	-30,052917	30,299567	R 1 600 000	R -	R 402 584	483 178
1490	C/500181263/UA	500181263	KWAMLAMULI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	FEASIBILITY	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	PRIM/MEDIUM	-29,8857	30,2485	R 1 000 000	R -	R -	400 000
1714	I/500192400/WS	500192400	MAGODA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/MEDIUM	-29,91144	30,25311	R 1 856 421	R 200 388	R -	0
1780	W/500195212/WS	500195212	MALIPHUME CP SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	ONHOLD-LOW ENROLMENT	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-30,050367	30,5153	R 2 300 000	R -	R 305 389	174 239
1781	W/500195323/WS	500195323	MALIZAYO PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	FINAL COMPLETION	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-30,0388	30,5022	R 4 830 648	R 147 823	R -	0
2010	DB/500205239/SDS	500205239	MBUTHISWENI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	PROJECT INITIATION	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/SMALL	-30,06061	30,45969	R 1 600 000	R -	R 402 584	483 178
2011	I/500205239/SDS	500205239	MBUTHISWENI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	PRACTICAL COMPLETION (100%)	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/SMALL	-30,06061	30,45969	R 4 288 744	R 315 427	R -	0
2012	W/500205239/WS	500205239	MBUTHISWENI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	DESIGN	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-30,06061	30,45969	R 2 300 000	R -	R 330 571	190 264
2061	W/500207718/WS	500207718	MENZIWA JUNIOR PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	FINAL COMPLETION	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/MEDIUM	-29,890483	30,235932	R 4 265 831	R 107 000	R -	0
2062	C/500207718/ECD	500207718	MENZIWA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	DESIGN	EARLY CHILDHOOD DEVELOPMENT (GRADE R)	UPGRADES AND ADDITIONS	PRIM/MEDIUM	-29,890483	30,235932	R 2 533 356	R 1 168 235	R 385 487	341 576
2173	C/500211936/UA	500211936	MKHOBENI HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	FEASIBILITY	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	SEC/SMALL	-29,94909	30,21342	R 9 560 000	R -	R 440 000	412 334
2174	W/500211936/WS	500211936	MKHOBENI HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	CONSTRUCTION 1% - 25%	WATER AND SANITATION	UPGRADES AND ADDITIONS	SEC/SMALL	-29,94909	30,21342	R 2 955 174	R 1 365 000	R 373 951	95 553
2246	ED/500341880/WS	500341880	MOUNT PLEASANT PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	KZNDOE	DESIGN	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/LARGE	-29,7957	30,40524	R 2 275 735	R -	R 279 086	190 053
2276	W/500216931/WS	500216931	MPOFANA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	CONSTRUCTION 1% - 25%	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-30,086183	30,495717	R 2 520 349	R 252 035	R 380 778	194 884
2331	C/500341880/UA	500341880	MT PRIMARY SCHOOLLEASANT PRIMARY	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	ON HOLD	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	PRIM/LARGE	-29,7957	30,40524	R 13 984 080	R -	R 306 552	409 613
2332	C/500341880/ECD	500341880	MT PRIMARY SCHOOLLEASANT PRIMARY	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	DESIGN	EARLY CHILDHOOD DEVELOPMENT (GRADE R)	UPGRADES AND ADDITIONS	PRIM/LARGE	-29,7957	30,40524	R 6 997 288	R -	R 385 487	286 010
2354	W/500219447/SDS	500219447	MTHOMBOWOLWAZI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	ONHOLD-LOW ENROLMENT	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/MICRO	-30,071217	30,4374	R 5 614 000	R -	R 929 508	884 578
2490	W/500224553/WS	500224553	NDABIKHONA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	DESIGN	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/LARGE	-29,897567	30,244383	R 2 400 000	R -	R 377 143	219 900
2916	I//SDS	500241526	NYAMBAYI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	PROJECT INITIATION	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	Prim/Small	-28,17259	30,227717	R 5 550 000	R -	R -	550 000
3025	W/500247937/WS	500247937	PHATHENI PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	CONSTRUCTION 1% - 25%	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/SMALL	-29,96153	30,21263	R 4 693 967	R 469 397	R 477 694	449 297
3170	DB/500255559/SDS	500255559	RICHLEA PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	PROJECT INITIATION	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/LARGE	-29,871683	30,26815	R 1 600 000	R -	R 402 584	483 178
3183	DB/500256447/SDS	500256447	ROSETTEINSTEIN PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	DBSA	ONHOLD-LOW ENROLMENT	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	PRIM/MICRO	-29,9676	30,3217	R 4 250 000	R -	R 91 866	746 481
3338	W/500264143/WS	500264143	SIDUNGE PRIMARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	PRIM/MEDIUM	-29,95506	30,21049	R 4 403 196	R 134 435	R -	0
3704	W/500282347/SDS	500282347	THOKOZWAYO SECONDARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	DESIGN	STORM DAMAGE PROGRAMME	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	SEC/SMALL	-30,057983	30,457717	R 5 644 000	R -	R 985 016	887 578
3705	W/500282347/WS	500282347	THOKOZWAYO SECONDARY SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	SEC/SMALL	-30,057983	30,457717	R 1 150 000	R 134 000	R -	0
3731	I/500283124/WS	500283124	THORNVILLE STATE AIDED SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	IDT	PRACTICAL COMPLETION (100%)	WATER AND SANITATION	UPGRADES AND ADDITIONS	SEC/SMALL	-29,7431	30,3832	R 5 511 062	R 511 062	R -	0
3838	C/500288378/UA	500288378	UMLULAMA HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	COEGA	FEASIBILITY	UPGRADES AND ADDITIONS	UPGRADES AND ADDITIONS	SEC/LARGE	-29,79409	30,40495	R 9 560 000	R -	R 150 000	385 900
4018	W/500298109/WS	500298109	YISE HIGH SCHOOL	UMGUNGUNDLOVU	Richmond Local Municipality	PUBLIC WORKS	DESIGN	WATER AND SANITATION	UPGRADES AND ADDITIONS	SEC/SMALL	-30,08525	30,49462	R 2 500 000	R -	R 282 093	209 414

KZN DEPARTMENT OF HEALTH						
27 SOLAR PROJECTS	SOLAR SECURITY LIGHTING	DPW&I	Design and Tender	Various LM's	**R9,379,195.25**	SCM processes

UMNGENI-UTHUKELA WATER



CHAPTER H – ANNUAL OPERATION PLAN (SDBIP)

The annual operational plan has been attached as Annexure to this document

CHAPTER I - ORGANISATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

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 2001 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.

9.1 MANAGING AND MEASURING PERFORMANCE AT VARIOUS LEVELS

Performance management can be applied at 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:

9.1.1 Facilitate Increase 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.

9.1.2 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.

9.1.3 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.

9.1.4 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.

9.1.4.1 In-year Performance Reporting and Review

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, by 25 January of each year, assessment of 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 must be undertaken.

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.

9.1.4.2 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.

9.1.4.3 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 189: OPMS Requirements & Responsible Person

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 sections71 and 54 of the MFMA	**CFO**
Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full Council	OPMS framework (see section above)	**MM**
Budget and financial state of the Municipality	Quarterly	Council	Refer to section52 of the MFMA	**CFO**
SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections72 and 54 of the MFMA	**MM / CFO**
Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section46 of the Municipal Systems Act as amended. Said report to form part of the annual report	**MM**
Annual report	**Annually**	**Council**	**Refer to chapter 12 of the MFMA**	**MM**

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:

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.

9.2 APPLICATION OF OPMS

9.2.1 How the OPMS is Applied

The Richmond Municipality has developed a Performance Management System based on its five-year plan (IDP) in accordance with Chapter 6 of the Municipal Systems Act (Act no. 32 of 2000), the Municipal Finance Management Act (Act no. 56 of 2003) and the Municipal Planning and Performance Management Regulations 2001. To address the concerns raised in the MEC letter, the PMS indicators and objectives are now linked to the objectives and strategies. OPMS is vital for the development of a fully functional performance driven organisation.

9.2.2 Organisation Key Performance Indicators Linked to Departmental Indicators

Progress will be measured through organisational key performance indicators linked to departmental indicators. In the SDBIP organisational key performance indicators are presented at an annual and quarterly level, which are monitored and reported quarterly. Directors enter into a performance agreement annually. The performance agreements are directly linked to the approved Scorecard and SDBIP *(please refer to the attached annexures of the Scorecard and SDBIP)*. The indicators in the SDBIP are agreed upon and signed off by both the Municipal manager and Director.

9.2.3 Alignment of OPMS (Departmental and Individual Indicators)

The OPMS is aligned to the department and individual performance management system. The OPMS form the basis of the quarterly performance assessments that are conducted.

9.2.4 PMS Framework/Policy

The Performance Management System Framework has been adopted by Council and attached as an annexure on the IDP.

9.2.5 OPMS (Organisational Scorecard/ SDBIP) Aligned to the B2B Pillars

The organisational scorecard and SDBIP are aligned to the back-to-basics pillars. Some back to basics indicators have thus been incorporated in the performance agreements of the senior managers. The Municipality is reporting quarterly National COGTA and Provincial COGTA with C88 Reporting Template which in line with Back to Basics.

9.2.6 Annual Performance Report and Auditor’s Opinion

The Richmond Municipality developed its APR for the 2022/2023 FY that included corrective measures and it must be noted that the municipality was successful in the implementation of all the corrective measures and has since received no findings from the Auditor General for the year audited. *(Please refer to the attached annexure of the APR and Audit Report)*

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, eThekwini Municipality and the Capital of the Province as well as its location in terms of the N3, R56 and N2

The majority of this Integrated Development Plan focuses on the challenges faced by the Municipality in terms of financial and human capacity and capability, however it is in identifying the challenges and striving to address them that the Municipality will meet its developmental mandate and ensure increased service delivery as a measurable output.

The Municipality is also required to prioritise projects and programmes in line with financial availability, source appropriate external funding to supplement its own finances and to increase delivery and more importantly work towards the alignment of the uMDM Integrated Development Plan with that of the Richmond Municipality – embark on the bottom up approach and not top down approach!

In formulating the Integrated Development Plan document greater effort was made to align the budget of the Municipality and also to attempt to seek alignment with policy makers. This document also incorporates the Millennium Development Goals as well as Provincial and National Targets.

No	Sector Plan	Life Span	ADOPTATION DATE	Development/ Review Status (Draft/To be reviewed)
1	Spatial Development Framework (SDF)	**20 years**	**28 November 2023**	
2	LED Strategy		**28 June 2022**	
3	Disaster Management Plan			Not yet promulgated
4	Housing sector Plan		**2021/22 FY**	Due for review
5	Schedule of policies		**Adopted by Council 30 June 2023**	
6	Organisational Structure		**Adopted by Council 30 June 2023**	
7	ICT Governance framework			Not yet promulgated
8	Employment Equity Policy			Draft Document
9	AG comments on latest audit financial statements & responses thereto			No Actions Required
10	Ward Based Plans and Project list			Developed during the 2023/2024 FY for the 2024/2025 FY
11	Previous annual report			Reviewed
12	Revenue enhancement strategy		**2023/2024 FY Adopted in 30 June 2023**	To be reviewed and tabled for adoption by 30 June 2024
13	Indigent policy			Draft Document
14	Work Skills Plan			Reviewed 2023
15	Organisational SDBIP		**21 May 2024**	
16	Organisational Scorecard		**21 May 2024**	
17	Municipal Support Intervention Plan		**Adopted 2022**	
18	SPLUMA By-laws			
19	Problem Buildings By-laws		**30 June 2023**	
20	Informal Trading By-laws		**30 June 2023**	
21	Animal Pound			Draft Document
22	Credit Control and Debt Collection By-laws			Draft Document