



CITY OF
uMHLATHUZE
VISION INTO ACTION

FINAL IDP REVIEW

2021/2022

4th Review of the 2017/2022 IDP

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LIST OF ACRONYMS

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

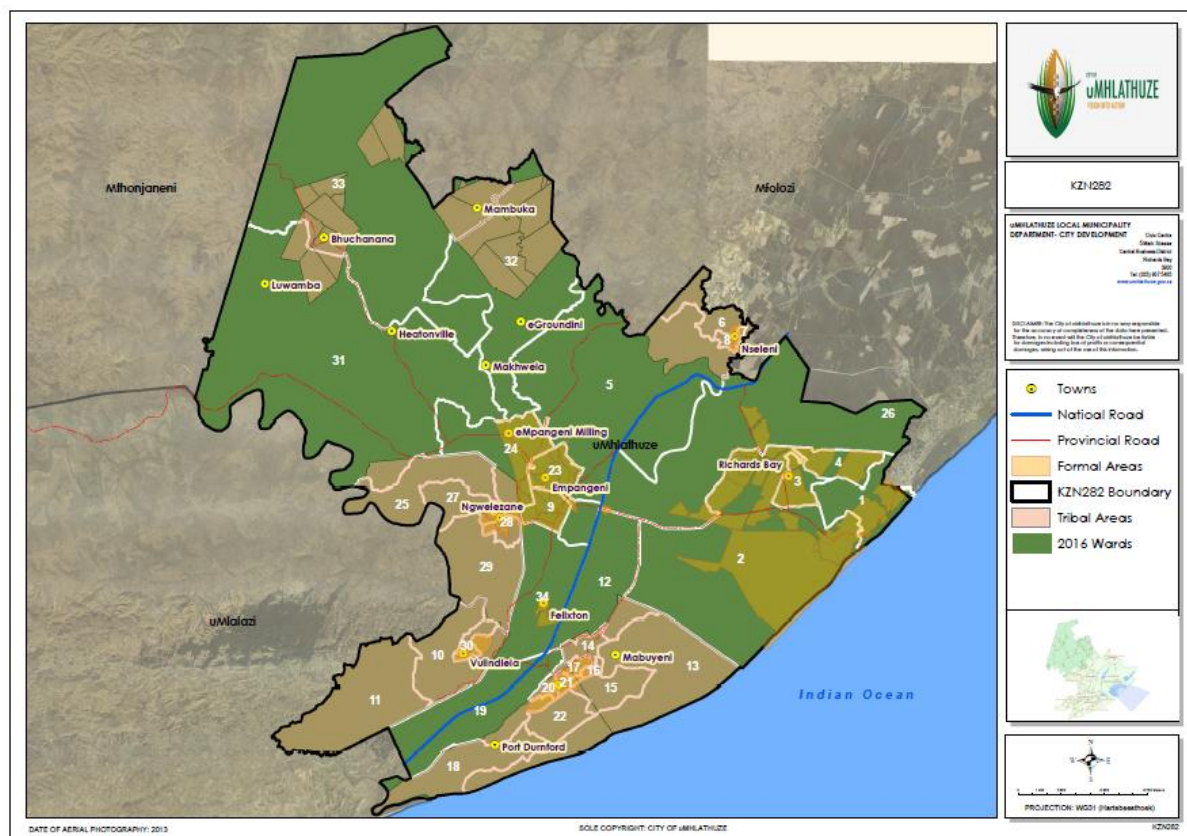
LED	Local Economic Development
LUMF	Land Use Management Framework
LUMS	Land Use Management System
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
MTAS	Municipal Turnaround Strategy
MTREF	Medium-Term Revenue and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

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

SECTION A: EXECUTIVE SUMMARY

1. Who are we?

Map 1: uMhlathuze Locality Map



The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometers north-east of Durban. The uMhlathuze land area covers 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana and Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza (Bhejane), Zungu (Madlebe), Somopho (Mthembu), Obuka (Biyela) and Obizo (Cebekhulu). The population is estimated at 410 456 as per Community Survey 2016, although in terms of Census 2011 the total population was estimated at 334 459. The number of households increased from 86 609 in 2011 to 110503 as per Community Survey 2016. The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. It effectively forms a division between Empangeni and Richards Bay. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. There are a number of natural and man-made phenomenons that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system

of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze, Nsezi and Ntambanana.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34 from Ntambanana. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddle the N2. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. In 2016 uMhlathuze was contributing 48% towards GDP within the King Cetshwayo District.

2. How was this plan developed?

The Final IDP Review 2021/2022 is informed highly by the responses to the MEC comments as raised in the 2020/2021 IDP. The following table indicates municipal interventions on the issues raised:

MEC Comment	Intervention/ Improvement
Municipal Transformation and Institutional Arrangements	
<ul style="list-style-type: none"> Filling of critical vacancies 	<ul style="list-style-type: none"> All Critical Positions filled;
<ul style="list-style-type: none"> Employment of People with Disabilities 	<ul style="list-style-type: none"> Attracting of People living with disabilities is continuously considered as part of the EEP
Local Economic Development	
MEC Comment	Intervention/ Improvement
<ul style="list-style-type: none"> Development /Review of the LED Strategy 	<ul style="list-style-type: none"> Review commenced, with the Inception report produced, final document to be adopted by council by December 2021
Basic Service Delivery	
MEC Comment	Intervention/ Improvement
<ul style="list-style-type: none"> Submission of Infrastructure Asset Management Plan 	<ul style="list-style-type: none"> Plans are available and were submitted as annexures to the Final IDP 2019/2020.
<ul style="list-style-type: none"> Submission of Infrastructure Asset Management Plan 	<ul style="list-style-type: none"> Plans are available and were submitted as annexures to the IDP
<ul style="list-style-type: none"> Inclusion of SANRAL and DOT network 	<ul style="list-style-type: none"> Information is included in the Final IDP Review 2021/2022
Financial Viability and Management	
MEC Comment	Intervention/ Improvement

<ul style="list-style-type: none"> Specify complete project information in terms of source of funding and age of projects 	<ul style="list-style-type: none"> Projects are clearly labeled in the IDP as new or ongoing and source of funding declared
<ul style="list-style-type: none"> Include maintenance plans 	<ul style="list-style-type: none"> Maintenance plans are included as annexures to the IDP
<ul style="list-style-type: none"> Financial Plan to reflect funding amount, expenditure, alignment to PGDG and NDP 	<ul style="list-style-type: none"> SDBIP indicates all linkages to the National and Provincial priorities
CROSS CUTTING KPA	
MEC Comment	Intervention/ Improvement
<ul style="list-style-type: none"> review action plan for climate change; air quality management plan 	<ul style="list-style-type: none"> Air Quality Management Plan under review, at tender stage.
<ul style="list-style-type: none"> submit a plan to stop severe coastal erosion 	<ul style="list-style-type: none"> MOU signed with Transnet
<ul style="list-style-type: none"> revisit mapping 	<ul style="list-style-type: none"> Mapping has been updated in the IDP and in the SDF

Amongst the interventions above, the focus of this review is also on the following:

- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000;
- MEC Letter with assessment comments on the Final IDP Review 2020/2021;
- Self-Assessment, based on past organisational performance outcomes
- IDP Strategic Framework alignment with uMhlathuze Vision 2030 strategic Plan;
- Development and review of the IDP core sector plans;
- Implementation of the Economic Transformation Roadmap for uMhlathuze Municipality;
- Alignment with Government Priorities E.g. State of the Nation Address, KZN State of the Province Address and State of the City Address;
- Community inputs received during the community outreach programs (IDP Roadshows);
- Different stakeholder comments and requirements;

Public Participation on the IDP Review 2021/2022

The public participation process was held at the time of COVID 19 PANDEMIC when the world was forced to adopt new ways of conducting business, which included planning for people with the people. Necessary precautions were employed during this process to avoid the spread of virus, **especially during meetings.**

The situation under COVID 19 regulations changed how people engage with municipalities, and the uMhlathuze municipality was no different to other

municipalities as it also faced challenges of continuing our engagement programs in traditional way of physical mass meetings. Despite the difficulties posed, involving the community in decisions that affect their lives is a core commitment of the City and a key component of transparent decision-making.

Council engaged with all relevant stakeholders to solicit views and inputs on the IDP Process for IDP Review (2021/2022) employing new ways of engaging with communities. Below is council approved schedule for the public participation meetings held during the month of November /December 2020 and April 2021

Table 1: IDP and Budget Public Participation Meetings

1st Round IDP Roadshows

ITEM	ACTIVITY/PLATFORM	DESCRIPTION	DATE
Physical Meeting	IDP Roadshow with Amakhosi	Engagement with AmaKhosi on the IDP Process Plan and solicit their inputs on the process.	5 Nov 2020 Council Chambers
Physical Meeting	IDP Roadshows with Ward Committees : Cluster 1	Engagement with AmaKhosi on the IDP Process Plan and solicit their inputs on the process.	12 Nov 2020 EsiKhaleni, KwaHlanganani Hall
Physical Meeting	IDP Roadshows with Ward Committees : Cluster 2	Engagement with AmaKhosi on the IDP Process Plan and solicit their inputs on the process.	13 November 2020 Empangeni Town Hall
RADIO SLOT	NORTH COAST RADIO SLOT: 1 HOUR: Phone-in programme. Inputs will also be noted on the spot	Mayor to introduce the IDP Review presentation on air and respond to questions and also give listeners a week to respond through depositing their inputs via emails, social media, etc.	22 December 2020 @18:30
RADIO SLOT	ICORA FM: 1 HOUR: Phone-in programme. Inputs will also be noted on the spot	Mayor to introduce the 2021/2022 IDP Review presentation on air and respond to questions and also give listeners a week to respond through depositing their inputs via emails, social media, etc.	22 December 2020 @18:00
TV SLOT	1KZN TV: 15 Minutes: Recorded presentation by the Mayor.	Mayor will present the IDP and call for viewers to send their inputs through emails, social media, etc. for consolidation.	22 December 2020 @ 19:30
ADVERTS	ZO and Bay Watch will issue a half-page advertisement.	IDP proposals and call for community members to participate through sending their inputs.	
SOCIAL MEDIA	Official Twitter and Facebook pages	Well-designed info-graphics were designed breaking down and simplifying the proposed IDP and	

		encouraging community members to comment and input.	
DIGITAL PLATFORMS	Commuter TV: 1 Minutes PowerPoint slides	This is a platform aimed at taxi commuters around the City of uMhlathuze. A number of taxis are now having screens, which displays messages digitally.	

Table 2: Second Round Roadshows

SECOND ROUND ROADSHOWS			
Cluster	Wards	Venue	Date
6, 10 & 11	31, 32, 33	Macekane Sportsfield	17 April 2021 (Saturday)
6, 10 & 11	9, 23, 24, 25, 27, 28, 29	Ngwelezane Sportsfield	18 April 2021 (Sunday)
	Amakhosi	R/Bay Civic Centre (Council Chambers)	19 April 2021 (Monday)
1	Ward Committees	Kwa-Hlanganani Hall	21 April 2021 (Wednesday)
1	Ward Committees	Empangeni Town Hall	21 April 2021 (Wednesday)
12	Stakeholders	R/Bay Civic Centre (Council Chambers)	22 April 2021 (Thursday)
4, 7, 8 & 9	10, 11, 30 & 34	Vulindlela Sportsfield	24 April 2021 (Saturday)
4, 7, 8 & 9	15, 16, 17, 18, 19, 20, 21, 22	eSikhaleni TVET (College)	25 April 2021 (Sunday)
4, 7, 8 & 9	12, 13, 14	Mpembeni Sportsground	29 April 2021 (Thursday)
2, 3 & 5	1, 2, 3, 4, 5, 6, 7, 8 & 26	Mzuvukile Sportsfield	02 May 2021 (Sunday)

The following is a summary of pertinent issues raised during the community consultation process:

Amakhosi Council Chambers 5 November 2020	Ward Committees: Empangeni Cluster Empangeni Town Hall 13 November 2020	Ward Committees eSikhaleni Cluster Kwa-Hlanganani Hall 12 November 2020	General Public Issues via media platforms
<ol style="list-style-type: none"> 1. Sports Ground eMsasandla 2. High mast lighting – Msasandla 3. Housing Projects – Houses built in wet land areas 4. Follow up on Somopho Heritage Site 5. Clinic at Macekane – W31 6. Humps around Garden Clinic Hospital 7. Re-Instalation of boreholes at Macekane 8. Phase 2 Housing at Macekane W 31 9. Gravel road conditions are terrible W 31/32 10. Empangeni MEGA Housing a request that previous occupants of the land be prioritised 11. Youth of KwaKhoza needs assistance with Jobs, Skills development an bursaries 12. Pedestrian Bridge at MquzaNkunzi 	<ol style="list-style-type: none"> 1. Water – Bhucanana 2. Electricity infills – Bhucanana 3. Bus Shelters –W25 4. Madlebe Sports field – W25 5. Electricity Infills – W25 6. Skips and Truck – W1 7. (Skills Development Hire youth to fix municipal fleet 8. Feedback on issues requested in the previous years – W31 9. VIP Toilets(infills) – W31 10. Pedestrian Bridge – W3 11. Request for DMV residents to be exempted from paying rates – W24 12. Road signage – DMV –W24 13. Waste bins DMV – w24 14. High mast lights - DMV 15. High mast lights – W33 16. Grader Plant for each Tribal Area 	<ol style="list-style-type: none"> 1. Apolo lights not lit at Kwa Dlangezwa 2. Skips not collected consistently – W34 3. Holes not fixed – Pipe project (W34) 4. Bus Shelters – W34 5. Request for ECDC – W34 6. CSR from Industries 7. Houses for OSS – W14 8. Housing project for Umzingwenya Residents –W14 9. VIP Toilets at Umzingwenya 10. OSS Housing – W19 11. Water meters - W19 12. Cleaning of streams and canals 13. Quarry for gravelling of access roads – W 11 14. Mzingwenya be prioritised for development 15. Water project ward 10/34 , some people were left unconnected 	<ol style="list-style-type: none"> 1. Issues that dominated were generic issues such as water mainly in the eSikhaleni areas, Eskom electricity in areas supplied directly by the power utility, regravelling of the roads in ward 29, employment opportunities mainly in wards 31,32 and 33, grass cutting at eMpangeni and general requests and complaints

<p>13. High mast lighting at Obizo</p>	<p>17. Graveling of roads in Mambuka 18. Follow up on Mambuka Housing project 19. Ntambanana Taxi Rank – request for it to be operational 20. Bhucanana Sports Ground 21. VIP Toilets – W33 22. Apollo lights W33 23. DMV Hall 24. Humps at DMV 25. Enforcement on people living in the bushes and street beggars 26. Request for jobs 27. Madlebe Rural Housing project 28. Community Hall at uMhlanga – W29 29. Overgrown verge – W24 30. Enforcement on Drug dealers 31. Bus shelters Emanqomfini 32. Apollo lights Umhlathuze Village 33. Unservices sites at B Section – Chakide Road 34. Speed humps at B Section</p>		
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Over and above the issues above, the following non-core functions were also raised

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

For a complete list of needs per cluster, a needs database is attached as an annexure to the Final IDP Review 2021/2022.

3. What are our Key Challenges?

3.1 UMhlatuze Municipality Identified Challenges

National KPA: Municipal Transformation and Organisational Development		
Nr.	Key Challenge	Description
1.	Low skills levels and limited skills development	The Municipality has a responsibility to facilitate the improvement of literacy levels of the community and to ensure adequate skills base to foster enterprise growth and job creation. Scarce skills need to be developed and transferred through partnership with industries and the different organizations that exist in the area.
National KPA: Local Economic Development and Social Development		
Nr.	Key Challenge	Description
2.	High rate of unemployment and sluggish economic growth	Considering the current economic climate and global recession, significant strides have been made to address the key development challenges in the Municipality. Different departments are engaging with different sector departments and agencies in search of sustainable economic development solutions that will assist in improving economic growth and creation of jobs.
3.	High levels of poverty and inequalities	The current high levels of poverty and inequalities in the municipality reflect the national status quo. This is further exacerbated by lack of skills, unemployment and sluggish economic growth. It is therefore necessary to come up with strategic objectives that will enable job opportunities and economic development.
4.	Increased incidents of HIV/AIDS prevalence and communicable diseases	HIV/AIDS is an epidemic which is increasing at an alarming rate and affects communities negatively. Interventions through Operation Sukuma Sakhe are essential to ensure continuous support for efficient and effective service delivery in terms of health related issues. Provision of basic health services and effective healthcare infrastructure, increased financial and human resources in healthcare, awareness and education and poverty alleviation programmes will reduce the increased incidents of HIV/AIDS and communicable diseases.
National KPA: Basic Service Delivery and Infrastructure Management		

Nr.	Key Challenge	Description
5.	Aging municipal infrastructure	Aging municipal infrastructure results in continuous service failures and breakdowns thus affecting effective and efficient delivery of services to communities. It is therefore critical that the municipality work towards managing useful life of assets, ensure life cycle management of infrastructure, and adequate repairs and maintenance.
6.	Lack of water security of supply	The growing demand for water by industries and residents coupled with limited water sources is a major challenge for the municipality. Lack of water supply is further aggravated by unprecedented drought affecting the municipality. It is therefore critical that the municipality implement alternative solutions as part of water conservation and water demand management. Alternative water sources such as desalination, water re-use, rainwater harvesting, etc. should be considered to improve water supply mix.
National KPA: Cross Cutting		
Nr.	Key Challenge	Description
7.	Unsustainable development practices and human settlements	The Municipality faces a challenge of reacting to urban sprawl, which, in turn, results in increased informal settlement, overcrowded schools, ill health, marked spatial disparities, higher cost of providing infrastructure and services, disturbed ecosystems and environmental resources, changes in air quality, change in aesthetics and urban form, as well as loss of land for economic and agricultural services. Our spatial policies and development have not have not helped in the reconstruction and integration processes.
8.	Negative impact of climate change	Escalating greenhouse gas emissions contribute towards climate change and will ultimately impact on human health, food security, natural resources, sea level rise, land loss and coastal infrastructure. As such climate change runs the risk of undoing all of the development gains of the last one and a half decades, and climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.
9.	High levels of crime	High levels of crime have a negative impact on the municipality's quest to become an investment destination of choice. Crime also

		affects social wellbeing of communities. Strategies for addressing crime including both reactive strategies to respond to crime and proactive strategies aimed at stopping crime before it happens are required. The response requires an integrated and multifaceted approach that includes working closely with the different stakeholders such as communities, National and Provincial Government, other stakeholders and private security firms in all areas of crime prevention.
National KPA: Financial Viability and Management		
Nr.	Key Challenge	Description
10.	Limited revenue sources and non-payment for services.	The growing demand for services and limited revenue sources as well as non-payment for services affects the municipality's ability to provide services in line with its developmental mandate. The unresolved issue of rural areas not paying for rates remains a serious threat to sustainable revenue collection and extension of basic services to rural areas. The municipality should maintain favourable credit balance, enhanced rate base by supporting high density developments and identify new revenue streams.
11.	Unsustainable municipal demarcation practices and escalating cost of extending basic services to the newly incorporated wards.	Continuous re-determination of municipal boundaries creates a challenge for the municipality in terms of escalating cost of extending basic services to newly incorporated areas. In most instances incorporated areas do not pay municipal rates thus affecting the ability of the municipality to extend basic services. Furthermore, there is no clear system of financial support by government for municipalities whose boundaries have been re-demarcated to incorporate additional wards.

3.2 IMPLICATIONS OF COVID-19 PANDEMIC ON EMPLOYMENT, INCOME AND BASIC SERVICE DELIVERY

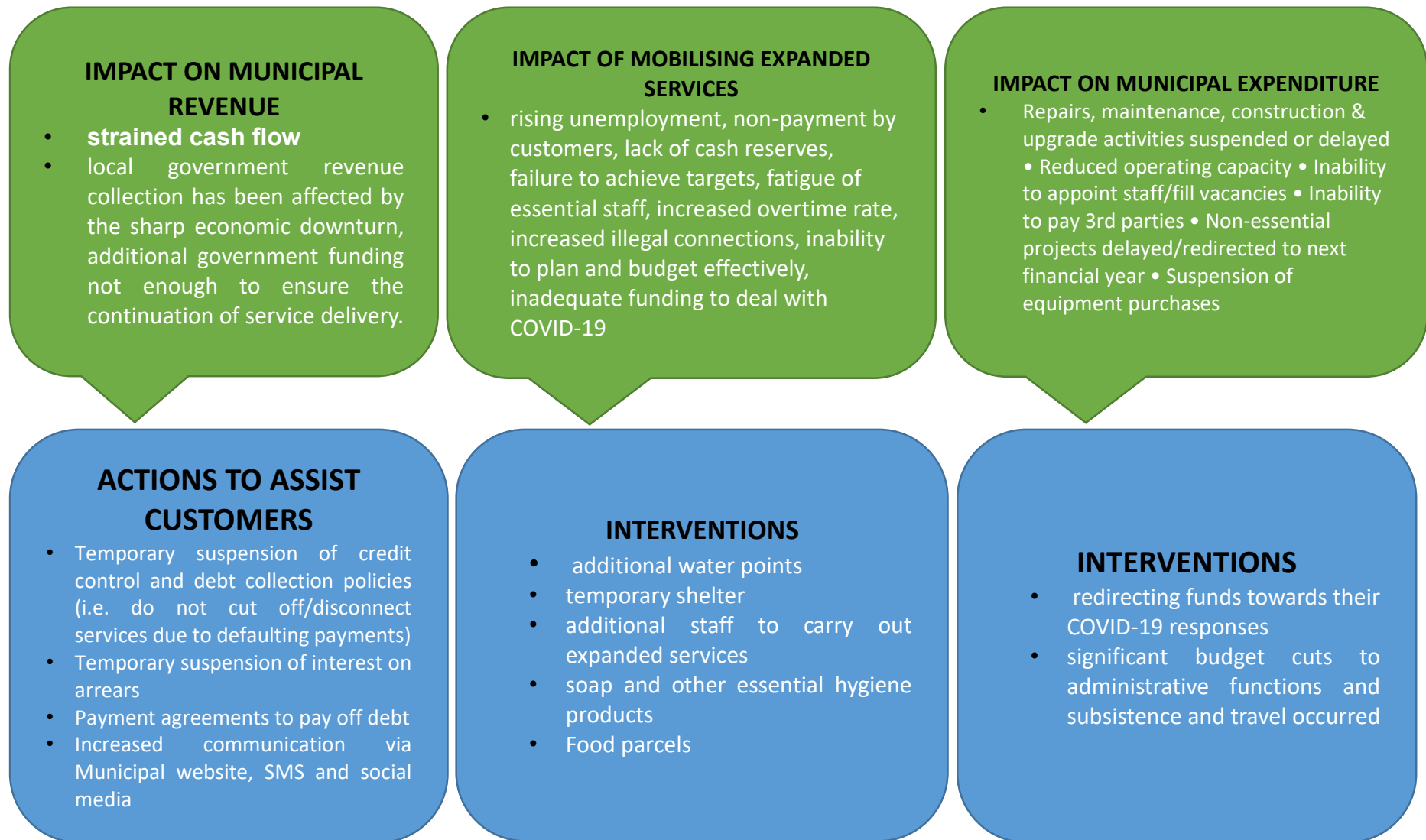
Whereas, the COVID-19 pandemic and associated national lockdown is very present-day, and the implications of this, and possible future pandemics, cannot be accurately determined, it would be irresponsible not to respond in a manner that protects communities from the loss of income and essentially the loss of food security.

STATSSA have published the "Results from Wave 2 survey on the impact of the COVID-19 pandemic on employment and income in South Africa" on 20 May 2020 noting that the survey may not be representative of the general population of South Africa.

However, a number of potential lessons stand out that urge suitable responses. A few of these are summaries hereunder:

- The COVID-19 pandemic and subsequent national lockdown forced working from home. It has become apparent that, although working from home is very possible in many economic sectors, individuals have to be equipped with the necessary tools of trade and business and government environment has to become smarter, i.e. SMART CITIES in terms of connectivity and virtual ways of doing business need to be aspired to.
- In response to working from home, regulatory requirements have to be adjusted to facilitate rather than restrict working from home. The survey indicated that very few people worked from non-residential building before the lockdown. As such, incentives could be pursued to encourage working in virtual spaces. The implications of such are immense, from a time management perspective as well as a climate impact to mention a few.
- People did and expected to continue to lose their jobs and livelihoods as a result of the pandemic/lockdown. During the lockdown many households were reliant on savings for survival. The economic development of a community is therefore critical to elevate households out of poverty into a situation where households can withstand times of reduced or loss of income by way of having been able to make use of savings.
- Income and food security emerged as a major concern and these are more prominent for the poorest sector of the community. As such, efforts to support subsistence livelihoods have to be increased to counter this concern.
- Many findings of the above survey indicate anxiety about the longer term impact of the pandemic and lockdown. This uncertainty in itself is reason enough to take action immediately to counter undesirable longer term impacts that are looming.

Figure 1: COVID 19 Impact on Municipal Service Delivery and Interventions



IMPACT ON SERVICE DELIVERY

- Road maintenance ; Parks and public open spaces; Faulty Streetlights ; Water and waste water treatment ; Solid waste; Sanitation; Environmental health services***

INTERVENTIONS

- Essential staff continued to work
- Staff rotation applied for services to continue
- Overtime budget increased
- Additional Water Tankers
- Area Based Management programme

MUNICIPAL STAFF

Despite COVID-19 related challenges, municipal staff appear to be relatively well-positioned to carry out their duties

- essential on-site staff continue to work effectively
- IT infrastructure was suitable for the home working environment
- municipal staff are able to work remotely
- safe transport to essential workers
- appropriate internet tools to staff
- **Various measures employed to ensure employees health and safety , sanitizers, masks etc.**

There are broader long-term impacts beyond the COVID-19 pandemic. The City of uMhlathuze is working towards innovatively adapt to uncertainty.

4. What are our Organisational Risks

RISK NO	RISK	RATING (RR)	TRR	FURTHER ACTION PLAN
COU01	<p>Non-compliance with Supply Chain Management legislative prescripts (Value Chain) (unauthorised, irregular, fruitless and wasteful expenditure)</p> <p>Definition: A value chain is a business model that describes the full range of activities needed to create a product or service. For companies that produce goods, a value chain comprises the steps that involve bringing a product from conception to distribution, and everything in between—such as procuring raw materials, manufacturing functions, and marketing activities.</p>	25	<u>16</u>	<p>FAP1. Training of Management on SCM Best Practice- Bid Committees</p> <p>FAP2. Regular meetings of Bid Committes with Accounting officer</p> <p>FAP3. Workshop departments on SCM Policy (management teams)</p> <p>FAP4. Bi-annual report on Contract Management to Management (via Portfolio Committees)</p> <p>FAP5. Application of amendments to related legislation- legal opinion to be obtained in such cases (PPFFA)</p> <p>FAP6. Policy / procedure review</p> <p>FAP7. Quarterly submission of progress with implementation of procurement plans to EMCO</p> <p>FAP8. Revival and formalization of Project Steering Committee</p> <p>FAP9. Provision of funds to projects with approved specifications- Project Readiness Template to be included in Procurement Plans</p> <p>FAP10. Issuing of PO's together with Appointment Letter</p> <p>FAP11. Formulation of various category SLA's for organisational use.</p>
COU02	<p>Failure to achieve unqualified audit</p> <p>UIFW Expenditure</p>	25	20	<p>FAP1. EMCO to have dedicated meetings focussing on Audit matters</p> <p>FAP2. Revive MANCO for accountability purposes 30 Mar 20 (6 per annum) MM</p> <p>FAP3. AG Action Plan implementation</p> <p>FAP4. New: IA Platform with management- to discuss internal and external audit activities through re-instatement of MANCO meetings for cross cutting attendance of issues.</p> <p>FAP5. New: Process flow for all meetings up to EMCO level</p>

RISK NO	RISK	RATING (RR)	TRR	FURTHER ACTION PLAN
COU03	Failure to realise return on investment from the SAP System	25	<u>16</u>	FAP1. Revival of Steering Committee FAP2. Appointment of Consultant to complete project FAP3. Benchmarking FAP4. Quality Assurance
COU04	Lack of security/assurance of supply: electricity	25	<u>20</u>	FAP1. Budget for electronic surveillance and security FAP2. Execution of Electricity Bulk Masterplan- with options to explore alternative energy sources FAP3. Key projects as part of refurbishment plan- to be forwarded to ERM FAP4. Daily operational maintenance plan- to be forwarded to ERM FAP5. Completed projects in Esikhaleni, Brackenhams and Vulindlela- to be forwarded to ERM

RISK NO	RISK	RATING (RR)	TRR	FURTHER ACTION PLAN
COU05	Lack of security/assurance of supply: water (including water quality)	25	<u>20</u>	FAP1. PPP Projects (desalination; waste water re-use)- plant completion (2022/2023- long term project; however, quarterly reporting on progress) FAP2. Tugela transfer scheme upgrade (various stakeholders involved in this project, run by DWS) (2020/2021- long term project; however, quarterly reporting on progress) FAP3. Stormwater Drainage Master Plan (harvesting of run off before reaching water sources) FAP4. Bulk Water Master Plan- quarterly monitoring of implementation FAP5. Pipe replacement program to address water losses (Meerensee, Nseleni 21/22) FAP6. Meeting with Councillors for water awareness- as and when FAP7. Meeting with Industries- quarterly FAP8. Upgrade of Esikhaleni Water treatment plant and planning for Reservoir 4 FAP9. Security Risk Assessment on all water plants (Fred to share) FAP10. Report to Council by 24Feb21 FAP11. Investigate the acquisition of specialized water monitoring equipment FAP12. SOP for monitoring of operations at wtp's and training- R Mbatha FAP13. Implementation of a Permit to Work System- finalize with OHS FAP14. Implementation of thorough process audits- each plant by independent specialist (30Apr21) FAP15. Installation of security alarms

RISK NO	RISK	RATING (RR)	TRR	FURTHER ACTION PLAN
COU06	Aging municipal infrastructure	25	20	FAP1. Asset Management System Project Phase 1 implementation FAP2. 3 Year conditional assessment of assets and alignment of budgeting thereto (all depts to ensure input for funding of conditional assessments in BUDGET IN 2021/2022)FAP3. Pipe replacement program to address water losses (Meerensee, Nseleni 21/22)FAP4. Community facilities: 5 year plan for upgrading and maintenance (hall, libraries, sports fields, ranks) - engage with drivers and devise planFAP5. Roads: Pavement Management System to be reviewed FAP6. Phased Implementation of Electricity Revised Master Plan - prioritized critical assetsFAP7. Maintenance Plans for all infrastructureFAP8. Operational Maintenance Plans to be formulated for all assets which will inform their asset maintenance plans (top 10 assets per dept: water, roads, elec, fleet, ict, facilities)
COU07	ICT Infrastructure challenges	20	15	FAP1. Annual budget submission FAP2. ICT infrastructure inventory reviews FAP3. Continuous monitoring of infrastructure performance FAP4. Review of ICT 5 Year Strategic Plan- including succession planning to address skills within the section FAP5. Implementation of fibre redundancy- phased approach (submission into 2021/2022 budget) FAP6. ICT to explore alternative funding opportunities from government for infrastructure and internships/graduate programmes- research

5. What is our long term Vision?

The Vision

“The Port City of uMhlathuze offering a better quality of life for all its citizens through sustainable development and inclusive economic growth”

Spatial Vision and Development

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

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

Mission Statement:

The City of uMhlathuze commits itself to:

- Job creation and inclusive economic growth through accelerated economic development and transformation;
- Enhancing industry based skills development and strategic support to education priority programmes;
- Community based initiatives to improve quality of citizen's health and well-being;
- Creating safer city through integrated and community based public safety;
- Planned and accelerated rural development interventions;
- Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and commitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- Good governance, capable and developmental municipality.

Brand Promise

Vision into Action

Values

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

- Efficiency
- Professionalism
- Commitment
- Respect

- Integrity and transparency
- Innovation
- Equity and fairness
- Compassion and dignity
- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

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

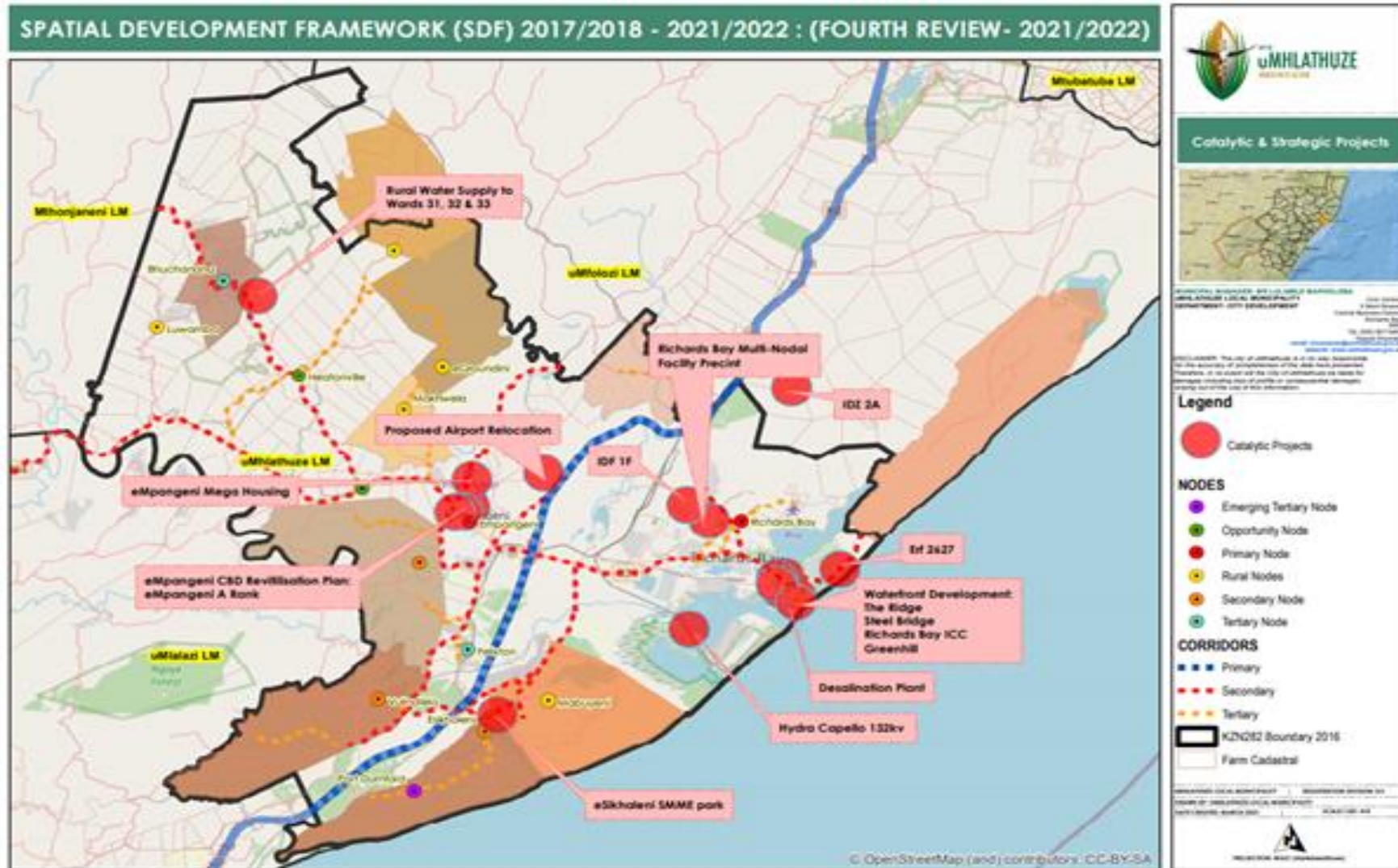
6.1 UMhlatuze – Development Goals

NATIONAL KPA	UMhlatuze Development Goals
Good Governance and Public Participation	Goal 1 Democratic, Responsible, Transparent , Objective and Equitable Municipal Governance
Basic Services and Infrastructure Provision	Goal 2 Integrated infrastructure and efficient services
Local Economic and Social Development	Goal 3 Viable Economic Growth and Development
	Goal 4 Public Safety and Security
	Goal 5 Safe and Healthy Living Environment
	Goal 6 Social Cohesion
Municipal Institutional Development and Transformation	Goal 7 A municipality that is resourced and committed to attaining the vision and mission of the organisation
Municipal Financial Viability and Management	Goal 8 Sound Financial and Supply Chain Management
Cross Cutting	Goal 9 Integrated Urban and Rural Development
	Goal 10 Immovable Property Management

6.2 Development Interventions

The Municipality has identified key development interventions within its nodes. The main objective of these current and planned interventions is to address social, economic and infrastructure challenges. In the primary nodes, the main objectives to the revitalize the urban centres in order to attract investment.

Map 2: Interventions in the Municipal Nodes



7. How will our progress be measured?

To measure and monitor our progress, a Performance Management Framework and Policy was developed and is in place and it is reviewed regularly (annual). Key performance indicators have been refined in support of the municipality's development priorities and objectives aligned with the organizational structure in line with the Integrated Development Plan framework (indexing) to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the Organisational Performance Management Scorecard attached to the Integrated Development Plan and is reviewed annually together with the Integrated Development Plan review. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans for the Municipal Manager, Chief Operations Officer and the Deputy Municipal Managers (Heads of Department) are prepared annually in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act 56 of 2003.

Performance Evaluation Panels have been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager and performance assessment is taking place on a quarterly basis to ensure that annual departmental targets will be achieved.

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

Table 3: Corrective measures on the Non-achievement on performance targets for the 2019/2020 financial year.

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2019/2020								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	(mid-year) Annual Target 2019/2020 Output	Annual Actual Output	ANNUAL RESULTS
								Corrective action for Annual target not met / remarks
T2.1	2.1.1.1	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate water services backlogs through provision of basic water services	Percentage Households with access to basic water	96,20%	96,12%	Annual target not achieved Currently there are no new development taking place in the City, hence we rely on customers physically coming to apply for new connections. A contractor has been appointed and is on site busy installing yard Connections to household which will cover a number of households with access to water
T2.2	2.1.1.1				Total number of Households with access to basic water	106305	106212	
T2.3	2.1.1.1				Number of new water connections meeting minimum standard	400	307	

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2019/2020								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	(mid-year) Annual Target 2019/2020 Output	Annual Actual Output	ANNUAL RESULTS
								Corrective action for Annual target not met / remarks
T2.8	2.1.1.3			Eradicate Sanitation services backlogs through provision of basic sanitation services	Percentage Households with access to sanitation	81,12%	80,94%	Annual Target not achieved. The tender to appoint a Service Provider to assist on construction of VIP Toilets was delayed due to National Lockdown commencing on 26 March. The Service provider (once appointed) will be tasked to increase their teams to cover the number of VIP that were to be constructed in 2019/2020.
T2.9	2.1.1.3				Number of Household with access to Sanitation	89644	89444	
T2.10	2.1.1.3				Number of new sewer connections meeting minimum standard (Construction of VIP's)	200	0	
T2.13	2.1.1				Wastewater Quality compliance of ≥90% as per Green Drop standard	≥90%	80,56%	
T2.25	2.1.1.5			Provision of public transport infrastructure facilities	Kilometres of gravel roads maintained (Both regravelling and grading)	600	390,33	
T2.27	2.1.1.5			Kilometres of paved municipal road which has been resurfaced and resealed	15.4	0,00	Annual target not achieved COVID-19 lockdown delays Contractor is appointed for surface seals. Planned commencement date July 2020. Light rehabilitation three-year tender for surface seals is on-going on site more output will be achieved and Heavy Rehabilitation tender is at the procurement stage.	
T2.30	2.1.1.6	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision and maintenance of storm water and costal engineering infrastructure	Kilometres of Stormwater open drains maintained	46	5,62	Annual target not achieved, due to lack of resources through no Contractors for planned maintenance contributed largely to low productivity!! Quarter 4 non achievement is due to COVID 19 lockdown Annual Stormwater Maintenance Tender to be commenced to improve low productivity in the next financial year.

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2019/2020								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	(mid-year) Annual Target 2019/2020 Output	Annual Actual Output	ANNUAL RESULTS
								Corrective action for Annual target not met / remarks
T2.31	2.1.1.6				Number of manholes maintained (Incl kerb inlets)	1020	726	Annual target not achieved, due to lack of resources through no Contractors for planned maintenance contributed largely to low productivity!! Quarter 4 non achievement is due to COVID 19 lockdown Annual Stormwater Maintenance Tender to be commenced to improve low productivity in the next financial year.
T2.34 (T6.2)	2.1.2.1		To promote the achievement of a non-racial, integrated society through the development of sustainable human settlement	Improve community standard of living through accelerated development of integrated human settlement	Number of Pre 1994 Old - Housing stock and Post 1994 Housing stock transferred	320	160	Annual target not achieved No properties transferred in quarter 4 due to Covid 19. The shortfall from this financial year will be covered in the new financial year.
KPA 3: Local Economic Development								
T3.1	3.4.1.2	Actions supportive of the human settlement outcome	To promote social cohesion	Development of community facilities	Number of sport field (facilities) upgraded/constructed	6	0	Annual target not achieved due to severe delays as a result of National Lockdown.
T3.2	3.4.1.2				Number of community facilities i.e. halls/museum/library/crèche upgraded	3	0	Annual target not achieved due to severe delays as a result of National Lockdown.
KPA 4: Municipal Transformation and Institutional Development								
T4.3	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Disability related programmes (workshops/awareness campaigns) <i>Redefined indicator</i>	2	0	Annual target not achieved, RFQ was completed but not finalised in quarter 4 due to the lockdown. Planning for a virtual session is being coordinated and will take place before end of August.

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2019/2020								
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	(mid-year) Annual Target 2019/2020 Output	Annual Actual Output	ANNUAL RESULTS
								Corrective action for Annual target not met / remarks
T4.4	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Top Management stability (% of days in a year that all S57 positions are filled by full-time, appointed staff not in an acting capacity).	100%	86,75%	Annual target not achieved. Post of Municipal Manager vacant due to resignation 31 January 2020. Posts of Chief Operations Officer and Deputy Municipal Manager Corporate Services employment lapsed on 29 February 2020. Filling of posts are in progress, however delayed due to the national lockdown.
T4.6	4.1.1.4			Improved municipal capital capability	Percentage Budget Spent on Workplace Skills Plan (cumulative)	96%	55%	Annual target not achieved Delay in spending due to the National Lock down. Request for quotations for training had to also be put on hold due to the National Lock down
KPA 5: Financial Viability and Financial Management								
T5.2	5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Compliance with financial legislation and policies	Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	<u>468 100 000</u> / 2 551 197 564 = 0.18	<u>594</u> <u>582</u> 468 / 2 689 311 021 = 0,22	Annual target not achieved Covid-19 has had a huge impact on the municipality's debtors. The increase in debtors has affected this ratio.
T5.4	5.2.1.6		Sustainable Financial and supply chain Management	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	<u>591,760,700</u> 622,906,000 = 95 %	<u>367</u> <u>233</u> <u>785</u> / 618 146 800 = 59.41	Annual target not achieved Due to lockdown projects were stopped hence the expenditure got affected.

SECTION B1: PLANNING AND DEVELOPMENT PRINCIPLES

7.1 PGDS Spatial Planning Principles

The strategic and targeted nature of the Provincial Growth and Development Strategy implies that specific interventions will be undertaken within key geographical areas of Need and Potential.

The Principle of **Environmental Planning** (Bioregional Planning) refers to understanding and respecting the environmental character (potential and vulnerability) and distinctiveness of places and landscapes and promoting balanced development in such areas.

The Principle of **Economic Potential** aims to improving productivity and closing the economic performance gap between the various areas of KwaZulu-Natal towards economic excellence of all areas. Rapid economic growth that is sustained and inclusive is seen as a pre-requisite for the achievement of poverty alleviation.

The Principle of **Sustainable Communities** promotes the building of places where people want to live and work. Again the sense of Quality of Living refers to the balance between environmental quality, addressing social need and promoting economic activities within communities. Often communities within the rural context of KwaZulu-Natal are not located in the areas with perceived highest economic potential. Where low economic potential exists planning and investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities towards building sustainable communities.

The Principle of **Local Self-Sufficiency** promotes locating development in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally.

The Principle of **Spatial Concentration** aims to build on existing concentrations of activities and infrastructure towards improved access of communities to social services and economic activities. In practical terms this promotes concentration along nodes and corridors with multi-sectoral investment i.e. roads, facilities, housing etc. This principle will further assist in overcoming the spatial distortions of the past. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways.

The Principle of **Sustainable Rural Livelihoods** considers rural areas in a way which is integrated with other decision making associated with the Sustainable Livelihoods framework. This principle requires that spatial planning consider the locality and impact of human, physical, natural, financial and social capitals of an area and spatially structures these in support of each other. Another aspect of this principle is promoting spatial planning in a continuum where rural areas are not addressed as completely separate entities to urban centres, but rather a gradual change in

landscape with the potential progression of rural areas to more closely resemble the service standards and quality of living achieved in some urban contexts.

The Principle of **Balanced Development** promotes the linking of areas of economic opportunity with areas in greatest need of economic, social and physical restructuring and regeneration at all spatial scales. In practical terms the principles sought to find a balance between the potentially competing land uses by understanding the relationship and integration between major dimensions within the province and promoting a synergetic mixture of land uses in support of each other at various spatial scales.

The Principle of **Accessibility** simply promotes the highest level of accessibility to resources, services, opportunities and other communities. This is intrinsically linked to transportation planning and should consider localised needs for the transportation of people and goods by various modes of transport as guided by the scale and function of a region.

LOCAL RELEVANCE: The uMhlathuze Municipality abides by sound spatial planning principles as extracted hereunder:

- Environmental awareness and sensitivity with due consideration to EMF and ESMP.
- Promotion of sustainable communities and the realization of restructuring zones in respect of human settlement projects.
- Urban integration and densification to decrease economic cost of travel specifically.
- Introduction of urban development boundary as a measure to achieve spatial concentration.
- Development of rural framework plans being initiated.

7.2 SPLUMA principles

The following provides a summary of the development principles contained in the SPLUMA (Spatial Planning and Land Use Management Act):

- (a) The principle of **spatial justice**, whereby –
- i. past spatial and other development imbalances must be redressed through improved access to and use of land;
 - ii. spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;
 - iii. spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons;
 - iv. land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
 - v. land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and

- vi. a Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application.

(b) The principle of **spatial sustainability** whereby spatial planning and land use management systems must –

- i. promote land development that is within the fiscal, institutional and administrative means of the Republic;
- ii. ensure that special consideration is given to the protection of prime and unique agricultural land;
- iii. uphold consistency of land use measures in accordance with environmental management instruments;
- iv. promote and stimulate the effective and equitable functioning of land markets;
- v. consider all current and future costs to all parties for the provision of infrastructure and social services in land developments;
- vi. promote land development in locations that are sustainable and limit urban sprawl; and
- vii. result in communities that are viable.

(c) the principle of **efficiency**, whereby –

- i. land development optimises the use of existing resources and infrastructure;
- ii. decision-making procedures are designed to minimise negative financial, social, economic or environmental impacts; and
- iii. development application procedures are efficient and streamlined and timeframes are adhered to by all parties.

(d) the principle of **spatial resilience**, whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks.

(e) the principle of **good administration**, whereby –

- i. all spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ii. all government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks;
- iii. the requirements of any law relating to land development and land use are met timeously;
- iv. the preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them; and

- v. policies, legislation and procedures must be clearly set in order to inform and empower members of the public.

LOCAL RELEVANCE: The following actions by the uMhlathuze Municipality are of relevance with regard to the SPLUMA principles:

1. Efforts to densify, improve access to opportunities in non-core areas and densification.
2. Focus on sustainability of natural resource based – including protection of agricultural land resources.

Section 12 (1) (a) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“interpret and represent the spatial development vision of the responsive sphere of government and competent authority”

Section 12 (1) (h) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and land holdings of state-owned enterprises and government agencies and address their inclusion and integration into spatial, economic, social and environmental objectives of relevant sphere”.

Section 12 (1) (i) of the Spatial Planning and Land Use Management Act requires that the national and provincial sphere of government and each municipality must prepare spatial development framework that:

“address historical spatial imbalances in development”

The Municipal SDF is a primary spatial response to the development context, needs and development vision of the municipality (long term development vision). It is a key land use management tool at a strategic level with an important role to play in guiding and managing Municipal decisions relating to the use, development and planning of land.

The Municipal SDF also guides the form and location of future spatial development in a manner that addresses the imbalances of the past i.e. spatial injustice. It enables the municipality to manage its land resources in a developmental and sustainable manner. It provides an analysis of the spatial problems and provides strategies and programs to address the challenges Defying

SECTION B2: GOVERNMENT PRIORITIES

7.3 Sustainable Development Goals

Sustainable Development Goals offer major improvements on the Millennium Development Goals (MDGs). The SDG framework addresses key systemic barriers to sustainable development such as inequality, unsustainable consumption patterns, weak institutional capacity, and environmental degradation that the MDGs neglected.

The SDG framework provides an overall narrative articulating how the goals will lead to broader outcomes for people and the planet. The 17 goals provide a clearer means-to-end continuum and they also offer better coverage of, and balance between, the three dimensions of sustainable development – social, economic and environmental – and the institutional/governance aspects. The SDGs are embedded in the world's quest to ensure poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development. These are the overarching objectives and essential requirements for sustainable development.

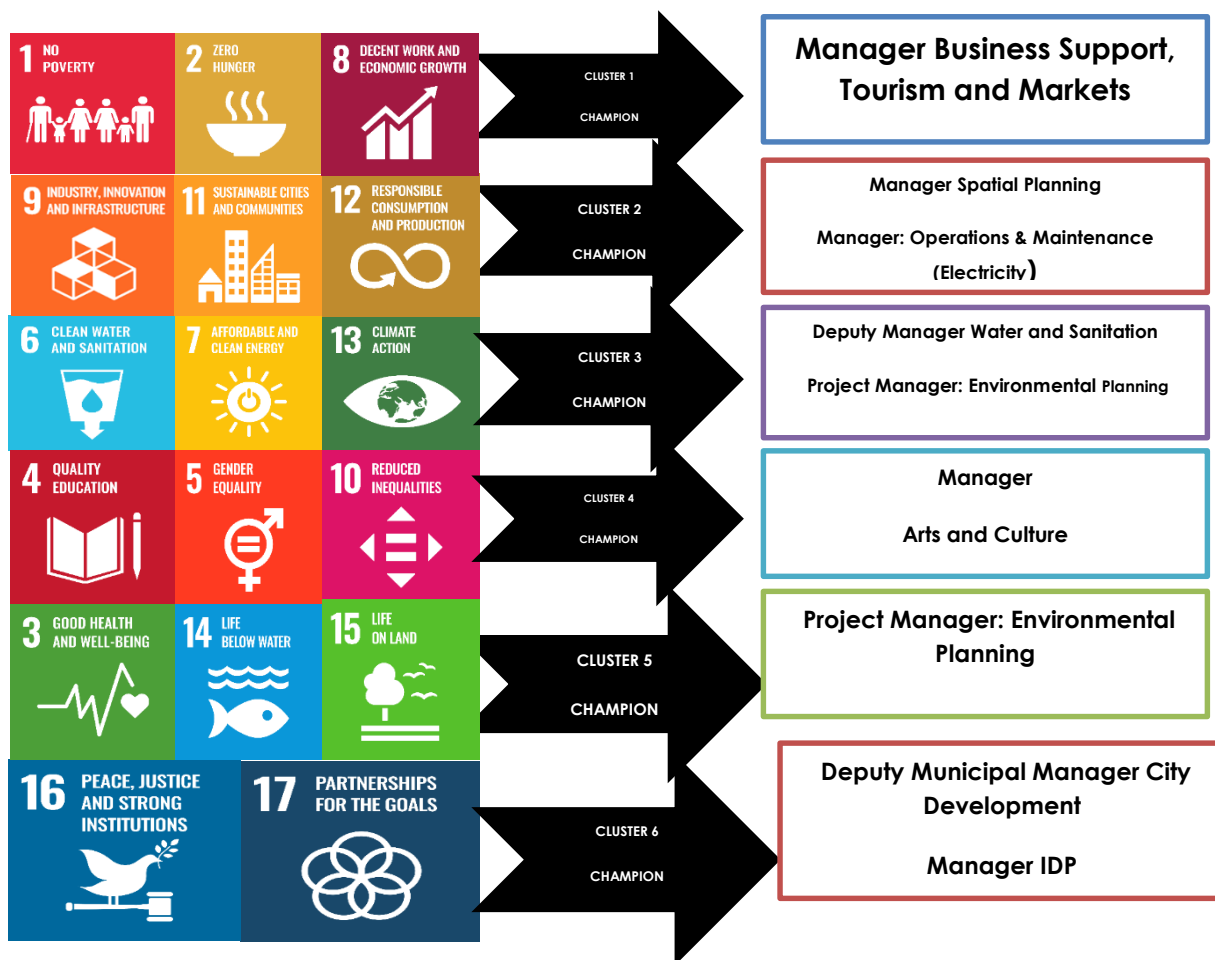
Institutionalization of Sustainable Development Goals

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

uMhlathuze Municipality in partnership with ICLEI Africa are working towards the localisation of SDG's in uMhlathuze Municipality. In December 2019, a workshop was held with a purpose to familiarise participants, including City Officials, provincial and national representatives, and representatives from the private sector, with the 17 SDGs, their relevance to local developmental agendas, and develop a robust framework through which the SDGs can be localised in the uMhlathuze context. The ultimate aims of the City it is to use the SDGs as an enabling framework, to support integrated planning and to realize sustainable development at a project and community level. Further, in institutionalizing the SDGs, the Municipality is strategically poised to engage diverse stakeholders to achieve the SDGs in a leave no-one behind approach. The Municipality is already achieving this, to a large extent, through a diverse range of initiatives, but in many instances existing work is not explicitly linked to the SDGs or seen as directly contributing due to a lack of awareness and understanding.

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






localising SDG's in uMhlathuze. Below is figure showing uMhlathuze SDG's cluster approach:








Municipal Response and Vision on SDGs

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

SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
 <p>1 NO POVERTY</p>	<p>Creating a concessive environment for investors, this in turn will lead to the creation of employment opportunities for local communities.</p>	<p>By 2030, we should have created an environment that is conducive for employment and efficient livelihoods.</p>
 <p>2 ZERO HUNGER</p>	<p>Within the broader economic development imperative: by using agriculture to include communities in the economy can result in an agriculture support plan.</p>	<p>The municipality should ensure that local communities have an opportunity to participate in the municipality's economy through the agricultural industry.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Co-ordinate with the Department of Health and various stakeholders. The Operation Sukuma Sakhe, provides access to housing and healthcare. Promoting healthier lifestyles through sport and recreational facilities. Promoting good nutrition through urban gardening.</p>	<p>By 2035, HIV/AIDS and lifestyle diseases (i.e. heart disease, obesity and diabetes) statistics should be reduced by 50%.</p>
 <p>4 QUALITY EDUCATION</p>	<p>Local Economic Development (LED) will result in achieving achieve social and economic development. Forming partnerships with educational, training institutions and industries to create living labs of learning. Local government should be restricted to a facilitation role.</p>	<p>A city attracting citizens for quality educational institutions promoting inclusive and equitable learning opportunities for all through partnerships with institutions and industries.</p>
 <p>5 GENDER EQUALITY</p>	<p>Empowerment through: Education and skills development Employment SCM processes Leadership Mentorship</p>	<p>Attaining gender equality by promoting that women and girls have the same opportunities.</p>

SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Conserve water resources such as lakes and rivers Provide basic sanitation (i.e. VIP toilets).</p>	<p>By 2030, all households should have access to basic services such as potable water and sanitation.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Building sustainable energy generation infrastructure: Solar energy Gas to power energy Waste to energy Wind energy</p> <p>Public participation exercises are required for community's investment.</p>	<p>By reducing the dependency on coal for electricity generation by 30%.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote and incentivise investments.</p>	<p>To promote and incentivise investments.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>By upgrading the municipality's infrastructure as the agenda for smart cities.</p>	<p>By 2030, increase/expand municipal areas (inclusive of marginalised) with contemporary and innovative infrastructure.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Identify community members in need of employment opportunities to alleviate poverty and increase skills development training programs (Operation Sukuma Sakhe).</p>	<p>Reduce inequality within the municipality</p>

SUSTAINABLE DEVELOPMENT GOAL	RESPONSE	VISION
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Planning integrated human settlements Incorporate functional recreational spaces within human settlements Create catalytic economic activities outside of core urban areas.</p>	<p>Ensure integrated and inclusive planning for human settlements</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Reduce consumption of non-renewable resources through introduction of waste usage (By Product)</p>	<p>Moving away from using of non-renewable resources Minimization of waste to by product (feedstock)</p>
<p>13 CLIMATE ACTION</p> 	<p>Reduce emissions by enforcing the By-law to industries and introduce against idling stationary vehicles. Recycling program: Every household and Municipal building should have bins for recyclable and non-recyclable waste bins Recycle water</p>	<p>Reduce greenhouse gases while adapting to climate change</p>
<p>14 LIFE BELOW WATER</p> 	<p>To sustainably deliver services to communities. Master drainage plan Regulate urban renewal Efficient management by Environmental Department Partnerships with TNPA/ Municipalities/ Environmental Awareness Involvement in a operation Phakisa</p>	<p>To conserve the marine life by sustainably using resources provided by the ocean. Effective partnerships, awareness campaigns and enforcing Bylaws.</p>
<p>15 LIFE ON LAND</p> 	<p>Identify conservation areas in the Spatial Development Framework (SDF). Partnerships with environmental authorities, civil society and businesses. Promote tourism opportunities with natural assets.</p>	<p>No net loss of sensitive ecosystems (to be declined).</p>

To this end, the table below outlines the alignment between the SDGs and the uMhlathuze Strategic Framework

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
1.	End Poverty in all its forms everywhere.	Viable Economic Growth And Development.	<ul style="list-style-type: none"> • Operation Sukuma Sakhe (War Rooms) • Short term work opportunities (EPWP,CWP, Green deeds) •
2.	End Hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Stimulate key sectors that promote economic growth and create jobs	<ul style="list-style-type: none"> • King Cetshwayo District Fresh Produce Market • Strategic Support to small scale farmers • Agricultural support linked to RASET (Radical Agrarian Social-Economic Transformation
3.	Ensure Healthy Lifestyles and promote well-being for all at all ages.	Safe and Healthy living environment	<ul style="list-style-type: none"> • Partnership with Private Sector/ Public entities – Phelo Phepha • Healthy lifestyles campaigns, such as walks, aerobics, outdoor gyms • Health screening of communities in partnership with the Department of Health • Established and Functional HIV/AIDS Council • providing support to community health care workers • Promotion of Senior Citizens sporting activities • Establishment of eSikhaleni fitness centre

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
4.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Improving Citizens Skills levels and Education	<ul style="list-style-type: none"> • Skills development initiatives • Career Expo for the community • Mayoral Back to School fund • Mayoral Bursary Fund • Mayoral Programme supporting destitute learners with full school uniform in partnership with Private Sector • Strategic partnership with the Institutions of higher learning (signed MOU's) • Youth economic emancipation programme (YEPP)
5.	Achieve gender equality and empower all women and girls.	Promoting economic growth by providing employment opportunities for women and youth.	<ul style="list-style-type: none"> • Established and Functional Women's Forum • People With Disabilities Forum • Campaigns in support LGBTI • Preferential Procurement Set aside for Women (40%), Youth (40%) and PWD's (20%) • Internship prioritizing young girls • Targeted skills development programs
6.	Ensure availability and sustainable management of water and sanitation for all.	Integrated infrastructure and efficient services	<ul style="list-style-type: none"> • Water Demand Management • Waste water re-use initiatives • Sea Water Desalination • Water conservation • Long term infrastructure investment plan

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
			<ul style="list-style-type: none"> • Roll out of RDP Standard sanitation projects (VIP) targeting rural areas
7.	Ensure access to affordable, reliable and modern energy for all.		<ul style="list-style-type: none"> • Energy Master Plan • Target reduction of 30% of coal powered stations by 2030 • 2000MW Gas to Power • Renewable Energy Efficiency initiatives • Waste to Energy Project • Energy infrastructure upgrade
8.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Viable Economic Growth and Development	<ul style="list-style-type: none"> • Investment in strategic economic infrastructure • Implementation of catalytic projects "game changers" • One stop shop for youth development • Richards Bay Industrial Zone • Investment in SMME Business support centers and incubation • Roll out support infrastructure for SMME (Market Stalls, Trading facilities) • Preferential Procurement Policy • Supplier development
9.	Build resilient infrastructure promote inclusive and sustainable industrialization and foster innovation.	Integrated infrastructure and efficient services	<ul style="list-style-type: none"> • Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project)

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
			<ul style="list-style-type: none"> • Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards Bay Techno Hub) • Industrialisation through special economic zones (RIBDZ) and Port Expansion
10.	Reduce inequality within and among countries.	<p>Viable economic growth and development</p> <p>Integrated Urban and Rural Development</p>	<ul style="list-style-type: none"> • Strategic Implementation of Spatial Development Framework to foster spatial equity (restructuring zones) • City of uMhlathuze Strategic Roadmap for Economic Development, Transformation and Job Creation
11.	Make cities and human settlements inclusive, safe, resilient and sustainable.	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlement.	<ul style="list-style-type: none"> • Spatial Development Framework • Public Safety Strategy • Integrated Human Settlement Plan • Integrated Waste Management Plan (Waste Reuse, Reduce and Recycle) • Climate Change Action Plan
12.	Ensure sustainable consumption and production patterns.	Safe and Healthy living environment	<ul style="list-style-type: none"> • Urban Air Quality Management • Agricultural Support Plan
13.	Take urgent action to combat climate change and its impacts.		<ul style="list-style-type: none"> • Climate Change Action Plan • International Partnerships and collaborations (ICELI)

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
		Optimal management of natural resources and commitment to sustainable environmental management.	<ul style="list-style-type: none"> • Adaptation and Mitigation Programme • Accelerating low emission development • Responding with adaption initiatives • Urban Air Quality Management • Signed Global Compact of Mayors • Gas to Power Project • Waste Water Reuse
14.	Conserve sustainably use of oceans, seas and marine resources for sustainable development.		<ul style="list-style-type: none"> • Estuary Management Plan • Green and Blue Drop • Coastal Management •
15.	Protect, restore and promote sustainable use of terrestrial ecosystem, sustainable manage forests, combat desertification and halt and reverser land degradation and halt biodiversity loss.		<ul style="list-style-type: none"> • Environmental Services Management Plan • UMhlathuze Open Space Management System (UOSPM) • Environmental Management Framework
16.	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build	Democratic responsible, transparent , objective and equitable municipal governance	<ul style="list-style-type: none"> • City of uMhlathuze Public Safety Strategy • Community Policing Forums • OSS War Rooms

NO	SUSTAINABLE DEVELOPMENT GOALS	ALIGNMENT THEREOF	CoU INTERVENTIONS
	effective accountable and inclusive institutions at all levels.		
17.	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Democratic responsible, transparent , objective and equitable municipal governance	<ul style="list-style-type: none"> • Concluded international Relations and twinning arrangement with strategic cities • Membership of international organisations • Trade missions • Host international delegations and diplomats • Global protocol

7.4 Climate Change Resolution

The key points of the Paris Agreement are summarised below. The agreement is due to come into force in 2020.

Climate Change Resolutions		
Nr.	Key Points	Resolution
1.	Mitigation: reducing emissions	<ul style="list-style-type: none"> • A long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels; • To aim to limit the increase to 1.5°C, since this would significantly reduce risks and the impacts of climate change; • On the need for global emissions to peak as soon as possible, recognising that this will take longer for developing countries; • To undertake rapid reductions thereafter in accordance with the best available science.
2.	Transparency and global stock take	<ul style="list-style-type: none"> • Come together every 5 years to set more ambitious targets as required by science; • Report to each other and the public on how well they are doing to implement their targets; • Track progress towards the long-term goal through a robust transparency and accountability system.
3.	Adaptation	<ul style="list-style-type: none"> • Strengthen societies' ability to deal with the impacts of climate change; • Provide continued and enhanced international support for adaptation to developing countries.
4.	Loss and damage	<ul style="list-style-type: none"> • Recognises the importance of averting, minimising and addressing loss and damage associated with the adverse effects of climate change; • Acknowledges the need to cooperate and enhance the understanding, action and support in different areas such as early warning systems, emergency preparedness and risk insurance.
5.	Support	<ul style="list-style-type: none"> • The EU and other developed countries will continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries. • Other countries are encouraged to provide or continue to provide such support voluntarily. • Developed countries intend to continue their existing collective goal to mobilise USD 100 billion per year until 2025 when a new collective goal will be set.

7.5 Habitat 3 human settlement new urban agenda

The United Nations Conference on Housing and Sustainable Urban Development held in Quito, led to delegations adopting the New Urban Agenda, which is a new framework that lays how cities should be planned and managed to best promote sustainable urbanisation.

It is now the responsibility of national government and local authorities to implement the agenda with technical and financial partnerships. Below is a summary of the world leaders' commitment to New Urban Agenda:

Table 4: New Urban Agenda

Nr.	Priority	Description
1.	Provide basic services for all citizens	These services include: access to housing, safe drinking water and sanitation, nutritious food, healthcare and family planning, education, culture and access to communication technologies.
2.	Ensure that all citizens have access to equal opportunities and face no discrimination	Everyone has the right to benefit from what their cities offer. The New Urban Agenda calls on city authorities to take into account the needs of women, youth and children, people with disabilities, marginalized groups, older persons, indigenous people, among other groups.
3.	Promote measures that support cleaner cities	Tackling air pollution in cities is good both for people's health and for the planet. In the Agenda, leaders have committed to increase their use of renewable energy, provide better and greener public transport, and sustainably manage their natural resources.
4.	Strengthen resilience in cities to reduce the risk and the impact of disasters	Many cities have felt the impact of natural disasters and leaders have now committed to implement mitigation and adaptation measures to minimize these impacts. Some of these measures include: better urban planning, quality infrastructure and improving local responses.
5.	Take action to address climate change by reducing their greenhouse gas emissions	Leaders have committed to involve not just the local government but all actors of society to take climate action taking into account the Paris Agreement on climate change which seeks to limit the increase in global temperature to well below 2 degrees Celsius. Sustainable cities that reduce emissions from energy and build resilience can play a lead role.
6.	Fully respect the rights of refugees, migrants and internally displaced persons	Leaders have recognized that migration poses challenges but it also brings significant contributions to urban life. Because of this, they have committed to establish measures that help migrants, refugees and IDPs make positive contributions to societies.

Nr.	Priority	Description
	regardless of their migration status	
7.	Improve connectivity and support innovative and green initiatives	This includes establishing partnerships with businesses and civil society to find sustainable solutions to urban challenges
8.	Promote safe, accessible and green public spaces	Human interaction should be facilitated by urban planning, which is why the Agenda calls for an increase in public spaces such as sidewalks, cycling lanes, gardens, squares and parks. Sustainable urban design plays a key role in ensuring the liveability and prosperity of a city

7.6 National Plan Priorities

The National Planning Commission issued the first draft of the National Development Plan in November 2011 for consideration – its priorities are summarized in the table below:

Table 5: National Plan Priorities

No.	National Plan Priorities	Strategic Alignment Thereof
1	Create jobs	Viable Economic growth and development
2	Expand infrastructure	Integrated Infrastructure and efficient services
3	Use resources properly	Democratic, responsible, transparent, objective and equitable Municipal Governance
4	Inclusive planning	Integrated Urban and Rural Development
5	Quality education	To improve citizens skills levels and education
6	Quality healthcare	Safe and Healthy living environment
7	Build a capable state	Democratic, responsible, transparent, objective and equitable municipal governance
8	Fight corruption	Safe and Healthy living environment
9	Unite the nation	Social Cohesion

7.7 14 National Outcomes

The 14 National Outcomes that all provincial governments must align to are:

No.	National Outcome	Strategic Alignment Thereof
1	Improved Quality of basic education	To improve citizens skills levels and education

No.	National Outcome	Strategic Alignment Thereof
2	A long and healthy life for all South Africans	Safe and Healthy living environment
3	All people in South Africa are and feel safe	Public Safety and Security
4	Decent employment through inclusive economic growth	Viable economic growth and development
5	Skilled and capable workforce to support an inclusive growth path	municipality resourced and committed to Attaining the vision and mission of the organization
6	An efficient, competitive and responsive infrastructure network	Efficient and integrated infrastructure and services
7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Viable economic growth and development
8	Sustainable human settlements and improved quality of household life	To promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing
9	Responsive, accountable, effective and efficient local government system	Democratic, responsible, transparent, objective and equitable municipal governance
10	Protect and enhance our environmental assets and natural resources	To promote environmental; conservation and promotion
11	Create a better South Africa, a better Africa, and a better world	Promoting social cohesion
12	An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	Democratic, responsible, transparent, objective and equitable municipal governance
13	An inclusive and responsive Social protection system	Democratic, responsible, transparent, objective and equitable municipal governance
14	Nation building and social cohesion	Social cohesion

7.8 5 National Priorities

The Five National and Six Provincial Priorities include the following:

No.	Five National (Including 6 th Provincial) Priorities	Alignment
1	Job creation (Decent work and Economic growth)	Viable economic growth and development
2	Education	To improve citizens skills levels and education
3	Health	Safe and healthy living environment

4	Rural development, food security and land reform	Integrated Urban and Rural Development
5	Fighting crime and corruption	Public Safety and Security
6	Nation-building and good governance	Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion

7.9 NDP, Provincial Growth, Development Strategy (PGDS), District Growth and Development Strategy (DGDP), Vision 2030 and uMhlathuze IDP

NDP	PGDS Strategic Goal	KCDM DGDP Goals	COU 2030 Vision Strategic Goals	IDP Strategic Goals	CoU Interventions aligned to PGDP and DGDP Strategic Objectives
Decent employment through inclusive economic growth	Inclusive Economic Growth	Inclusive Economic Growth	Increase the City's economic growth through catalytic projects , strategic partnerships and commercials investments initiatives	Viable economic growth and development	<ul style="list-style-type: none"> • Roll out of the Agricultural Development Plan • King Cetshwayo District Fresh Produce Market • Strategic Support to small scale farmers • investment in strategic economic infrastructure • Implementation of catalytic projects "game changers" • One stop shop for youth development • Richards Bay Industrial Zone • Investment in SMME Business support centers and incubation • Roll out support infrastructure for SMME (Market Stalls, Trading facilities) • Preferential Procurement Policy • Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project) • Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards Bay Techno hub) • Industrialisation through special economic zones (RIBDZ) and Port Expansion

<p>A skilled and capable workforce to support an inclusive growth path</p>	<p>Human Resource Development</p>	<p>Human Resource Development</p>	<p>Attain the "SMART City" status by implementing modern and integrated technologies</p>	<p>Municipality that is resources and committed to attaining the vision and mission of the organisation</p>	<ul style="list-style-type: none"> • Skills development initiatives • Career Expo for the community • Mayoral Back to School fund • Mayoral Bursary Fund • Mayoral Programme supporting destitute learners with full school uniform in partnership with Private Sector • Strategic partnership with the Institutions of higher learning (signed MOU's) • Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards Bay Techno hub)
<p>Quality basic education</p>	<p>Human and Community Development</p>	<p>Human and Community Development</p>	<p>Achieve the City's social stability through coordinated social interventions</p>	<p>Viable economic growth and development</p>	<ul style="list-style-type: none"> • Operation Sukuma Sakhe (War Rooms) • Partnership with Private Sector/ Public entities – Phelo Phepha • Healthy lifestyles campaigns, such as walks, aerobics, outdoor gyms • Health screening of communities in partnership with the Department of Health • Established and Functional HIV/AIDS Council • providing support to community health care workers • Promotion of Senior Citizens sporting activities • Established and Functional Women's Forum • People With Disabilities Forum • Campaigns in support LGBTI

					<ul style="list-style-type: none"> • Preferential Procurement Set aside for Women (40%), Youth (40%) and PWD's (20%) • Internship prioritizing young girls • Targeted skills development programs • City of uMhlathuze Crime Prevention Strategy • Community Policing Forums • OSS War Rooms
An efficient, competitive and responsive economic infrastructure network	Strategic Infrastructure	Strategic Infrastructure	Obtain optimum customer satisfaction by strengthening cross functional delivery of services	Integrated infrastructure and efficient services	<ul style="list-style-type: none"> • Water Demand Management • Water re-use initiatives • Sea Water Desalination • Water conservation • Long term infrastructure investment plan • Roll out of RDP Standard sanitation projects (VIP) targeting rural areas • Energy Master Plan • Target reduction of 30% of coal powered stations by 2030 • 2000MW Gas to Power • Renewable Energy Efficiency initiatives • Waste to Energy Project

<p>Protecting and enhancing our environmental assets and natural resources</p>	<p>Environmental Sustainability</p>	<p>Environmental Sustainability</p>	<p>Contain climate change effects on the City's development and people</p>	<p>Optimal management of natural resources and commitment to sustainable environmental management</p>	<ul style="list-style-type: none"> • Climate Change Adaptation and Mitigation Programme • Accelerating low emission development • Responding with adaption initiatives • Urban Air Quality Management • Signed Global Compact of Mayors • Gas to Power Project • Water Reuse Project • Estuary Management Plan • Green Drop • Environmental Services Management Plan • UMhlathuze Open Space Management System (UOSPM) • Environmental Management Framework
<p>A responsive, accountable, effective and efficient developmental local government system</p>	<p>Governance and Policy</p>	<p>Governance and Policy</p>	<p>Obtain optimum customer satisfaction by strengthening cross functional delivery of services</p>	<p>Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance and Social Cohesion</p>	<ul style="list-style-type: none"> • Concluded international Relations and twinning arrangement with strategic cities • Membership of international organisations • Trade missions • Host international delegations and diplomats

<p>Sustainable human settlements and improved quality of household life</p>	<p>Spatial Equity</p>	<p>Spatial Equity</p>	<p>Cater for industrial and human settlements growth by facilitating spatial restructuring and land banking initiatives</p>	<p>Integrated urban and rural development</p>	<ul style="list-style-type: none"> • Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project) • Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards Bay Techno hub) • Strategic Implementation of Spatial Development Framework to foster spatial equity (restructuring zones) • City of uMhlathuze Strategic Roadmap for Economic Development, Transformation and Job Creation
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7.10 Strategic Integrated Projects

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

7.11 UMhlathuze Vision 2030 Strategic Roadmap

During 2017, a Strategic Roadmap for the uMhlathuze Municipality was compiled with a special focus on the identification of critical levers to optimize growth and inclusive development opportunities in the Municipality. The key motivation was formulation of compelling yet practicable strategic goals capable of propelling the city to its next level.

The following strategic initiatives were agreed upon:

1. Improvement of Basic Services
2. Advancing Inclusive Economic Development and Private Sector Investment
3. Social Regeneration and Upliftment
4. Create Environmental Sustainable Development
5. Cross Cutting Initiatives

Hereunder a summary of the respective programmes identified under these strategic initiatives is provided:

Table 6: Vision 2030 Strategic Roadmap Programmes

<p style="text-align: center;">STRATEGIC INITIATIVE: IMPROVEMENT OF BASIC SERVICES</p>	
<p>Programme 1: Basic Services Monitoring and Tracking Programme (Service Delivery Nerve Centre)</p>	<p>To monitor effective delivery of basic services through a 'single view' of the customer and suite of services and projects delivered to communities; in order to prevent duplications of effort and investment, as well as harmonise city's projects and operational activities.</p>
<p>Programme 2:</p>	<p>The programme aims to advance spatial transformation goals (equity and access) and</p>

Spatial Transformation and Land Banking	strategically forecast long term development goals in order to secure land provision for industrial growth and social purposes.
ADVANCING INCLUSIVE ECONOMIC DEVELOPMENT AND PRIVATE SECTOR INVESTMENT	
Programme 3: Investment Coordination, Monitoring and Alignment	To coordinate and track investment initiatives in the City in order to achieve multi-stakeholder alignment and synergies in the roll-out of private sector investment programmes.
Programme 4: Investment Promotion Initiative	To position the City as an investment and tourism destination of choice to local and international audiences
Programme 5: Logistics and Port-Based Initiatives	The programme aims to optimise the city's competitive position as a Port City and its strategic location along the main route connecting Durban and Mozambique, as well as rail line connecting with the hinterland.

Programme 6: Agricultural Development Initiative	The programme aims to promote and unlock agricultural sector as a feasible and sustainable contributor to economic development of the city.
Programme 7: City of uMhlathuze Knowledge Hub	To establish knowledge repository (virtual / face-to-face) to drive broader business and investor intelligence on the city, support innovation, capture economic and social research, profile trading partners, record project histories and learnings, as well as serve as a base for commissioning ongoing specialist studies relevant to city's development
Programme 8: Investment and Development Funding	The purpose of the programme is to seek supplementary and alternative funding sources meant to activate investment and development in the City - noting the limitations in traditional sources of funding and pressing social provisioning needs.

SOCIAL REGENERATION AND UPLIFTMENT	
Programme 9: Strategic Learning and Growth Initiative	The purpose of the initiative is to: <ul style="list-style-type: none"> o create interfaces between industry and educational institutions in order to determine skills supply and demand balances o reconcile learning content priorities between educational institutions and industry to engineer relevance and connectedness o forecast new skill requirements and facilitating expedited acquisition of such skills through defined partnership agreements and other means

	<ul style="list-style-type: none"> o mobilise and connect the youth of the city with industry and to drive learning, innovation and solutions in line with gainful opportunities
Programme 10: uMhlathuze City Sports and Arts Initiative	To advance the brand stature, social balance and cohesion of the city through coordinated sports, arts and recreation strategic initiatives
Programme 11: Safety and Security Mobilisation Programme	The programme elevates the agenda of transforming the City of uMhlathuze into a safe and secure environment in which it is fitting to live, work and make business. The programme counteracts the negative insecurity trends and their effects on social well-being, business growth and investment.
Programme 12: Social Regeneration and Engagement Intervention	The programme is a deliberate and structured intervention to counteract moral and social decay within the jurisdiction of the municipality by driving social change programmes and messages through leadership and other community structures.

CREATE ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT	
Programme 13: Climate Change Intervention Programme	The purpose of the programme is to introduce mitigation strategies and management of climate change factors impacting development and welfare of the citizenry in the City
CROSS CUTTING INITIATIVES	
Programme 14: Integrated and Strategic Infrastructure Investment	The purpose of the programme is to develop a long term integrated and strategic infrastructure investment roadmap that is aligned to the Spatial Development Framework and in line with the priorities of the City and investors. This includes infrastructure renewal, upgrade and development of new infrastructure (social and economic infrastructure).
Programme 15: Socio-Economic Transformation Programme	The purpose of the programme is to develop an integrated and focused socio- economic transformation programme with specific packaged deliverables and interventions aimed at addressing the triple challenges of poverty, unemployment and inequality at local government level working with other spheres of government and social partners

7.12 MEDIUM TERM STRATEGIC FRAMEWORK (2019 – 2024)

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

Figure 2: MTSF Priorities (2019-2024)



The MTSF focusses on the triple challenges of poverty, inequality and unemployment and is based on the following pillars:

- Strong Inclusive Economy
- Capable Developmental State
- Capable South Africans

Women, People with Disability and the Youth are cross cutting focus areas. The following table details the alignment of some initiatives of the Municipality in relation to the MTSF priorities:

Figure 3: Alignment of uMhlathuze Initiatives with MTSF Priorities

<p>1. Capable, Ethical, Developmental State</p>	<ul style="list-style-type: none"> ○ Internalization of SDGs ○ Land Use Management Challenges in Rural areas ○ Effective JMPT ○ Alignment with SOE by way of an Memorandum of Understanding ○ Hierarchy of Plans in place ○ Council Codes of Ethics ○ Consultation approach ○ Improved Business Processes (SAP) ○ Youth Desk ○ Women's Forum
<p>2. Economic Transformation & Job Creation</p>	<ul style="list-style-type: none"> ○ Ease of Doing Business ○ Green Economy: Materials Recovery & Waste Management ○ Comprehensive Integrated Transport Plan ○ Securing Water Supply ○ Energy Sector Plan & Alternatives ○ Biodiversity Economic Opportunities ○ Agricultural Support Plan ○ Informal Economy Support ○ Ongoing business (including SMME) support
<p>3. Education, Skills & Health</p>	<ul style="list-style-type: none"> ○ Public Wi-Fi ○ Proposed Maritime TVET (Operation Phakisa) ○ Target areas of known educational backlogs ○ Operation Sukuma Sakhe War Rooms to assist with Community Health ○ Completion of ECD (Early Childhood Development) Centres
<p>4. Consolidating the Social Wage Reliance & Quality Basic Services</p>	<ul style="list-style-type: none"> ○ Batho Pele Committee ○ Target Areas of Poverty as per socio-economic indicators ○ Target assistance to known Child Head Households and Indigents (OSS) ○ Support for EPWP ○ Pursue Food Security (Agricultural Support Plan) ○ Food Bank ○ Water, Sanitation, Electricity & Waste Removal
<p>5. Spatial Integration, Human Settlement & Local Government</p>	<ul style="list-style-type: none"> ○ Settlement patterns, Nodes & Corridors ○ Spatial Transformation Agenda ○ Priority Housing Development Areas (PHDAs) process ○ Green House Gas Inventory ○ Green Building Guideline ○ Rural Planning & Agrarian Support ○ Infrastructure Sector Plans ○ Water Re-use PPP

	<ul style="list-style-type: none"> ○ Public Transport Planning & Investment ○ Land Reform Task Team
<p>6. Social Cohesion & Safer Communities</p>	<ul style="list-style-type: none"> ○ Disaster Management Plan (Level 2) ○ Arts & Culture Events ○ Functionality of OSS & War Rooms ○ Grant-in-Aid ○ Special Programmes
<p>7. A Better Africa & World</p>	<ul style="list-style-type: none"> ○ National & International Collaboration & Coordination ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services ○ Climate Action

7.13 Integrated Urban Development Framework (IUDF)

The Integrated Urban Development Framework (IUDF) is a policy framework guiding the reorganization of the urban system of South Africa so that cities and towns can become inclusive, resource efficient and adequate places to live, as per the vision outlined in the National Development Plan (NDP).

The overall outcome of the IUDF is spatial transformation. This new focus for South Africa steers urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns. The IUDF implementation plan identifies a number of short term proposals to achieve spatial transformation.

The overall objective of the IUDF is to create efficient urban spaces by: -

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

The IUDF has its premise on the following nine levers:

1. Integrated Urban Planning and Maintenance
2. Integrated Transport and Mobility
3. Integrated and Sustainable Human Settlements
4. Integrated Urban Infrastructure
5. Efficient land governance and management
6. Inclusive economic development
7. Empowered active communities
8. Effective urban governance
9. Sustainable finances

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

National COGTA, through the ICM (Intermediate City Municipality) City Support Programme is supporting the uMhlathuze Municipality, as an identified pilot municipality to draw on a technical support grant to:

- Access top level global expertise to assist it with diagnostic analysis, land use/spatial planning, long-term infrastructure planning, capital projects management and technical support in specific areas.
- Access a suite of nationally developed tools from the City Support Programme, MISA and COGTA (Cooperative Governance and Traditional Affairs) which have been piloted in other metropolitan areas around SA.
- Obtain support from COGTA to develop a municipal SDF in terms of SPLUMA, which addresses spatial integration issues in the municipality, and around which national and provincial departments will coordinate their efforts.
- Obtain support for the development of a Capital Expenditure Framework in order to meet the criteria for accessing the Integrated Urban Development Grant.

The above support programme has commenced and in progress.

7.14 District Development Model (DDM)

The District Development Model was initiated by President Cyril Ramaphosa in his Budget Speech in 2019. Subsequently, the District Development Model was discussed and adopted by Cabinet, the 2019 Presidential Coordinating Council (PCC), the March 2020 extended PCC and various MINMECs.

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

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

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

King Cetshwayo District Development Model

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

Progress thus far with regards to the implementation of the District Development Model, The King Cetshwayo District is well underway with the formation of structures which are vehicles towards the full operation and implementation of the DMM. The following structures have been established, and in operation:

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

7.15 Back to Basics aligned with Area Based Management

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

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

- Collapse of municipal infrastructure services
- Inadequate and/or slow response to service delivery challenges
- "Social distance" between the public representative and the communities reflects poor public participation in the processes of local government
- Financial viability of some municipalities in particular low revenue collection
- Mismatch and/or lack of skills of the personnel in local government

- o Breakdown in values and good governance which is manifested by rent-seeking and corruption

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

Key Performance Areas for the Back-to-Basics Approach

	Back to basics	Alignment
1.	Basic Services: Creating decent living conditions	Integrated Urban and Rural Development
2.	Good Governance	Democratic, responsible, transparent and objective and equitable municipal governance
3.	Public Participation :Putting People First	Democratic, responsible, transparent and objective and equitable municipal governance
4.	Sound Financial Management	Sound financial and supply chain management
5.	Building Capable Institutions and Administrations	Municipality that is resourced and committed to attaining the vision and mission of the organisation

Back to Basics Implementation Programmes

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

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

Area Based Management

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

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

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

- a) *To bring service delivery and customer service closer to the residents / citizens, so as to address service delivery failures by providing a citizen-interface channel to coordinate; monitor, evaluate and enforce efforts by the City and its service delivery machinery to realize the objectives of quality and efficiency, sustainability, impact and customer satisfaction;*
- b) *To respond to people's needs not only through communication, but through the actual delivery of services;*
- c) *To develop effective solutions to local problems and improve customer satisfaction;*
- d) *To effectively deal with community complaints and dissatisfaction on service delivery related issues by facilitating well integrated service delivery response solutions;*
- e) *To work with other spheres and agents of government to deliver effective services;*
- f) *To coordinate, monitor and enforce the delivery of all municipal services in all zones; and*
- g) *To contribute to the physical, social and mental wellbeing and development of communities - building “liveable and sustainable communities.*

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

Anticipated outcomes

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

7.16 State of the Nation Address (SONA) 2021 and State of the Province Address (SOPA KZN) 2021

President Cyril Ramaphosa delivered the State of the Nation Address on 11 February 2021 at 7 pm before a joint sitting of the two houses of Parliament. A humble 2021 State of the Nation (SONA) address took place on Thursday evening as President Cyril Ramaphosa discussed the country's present and future in the midst of a devastating pandemic.

The State of the Province Address (SOPA) is a localised version of the State of the Nation Address where Premiers reflect on their achievements and communicate their programmes of action in respect of government's five priority areas - education, health, the fight against crime and corruption, rural development and land reform as well as jobs for the year ahead.

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

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
<p>1. Capable, Ethical, Developmental State</p>	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ A capable, ethical and developmental state. ○ Establishment of Coastal Smart Cities and Realising Vision 2030 ○ Industrialisation through Special Economic Zones ○ Strengthen intergovernmental relations for effective services ○ District Development Model ○ Ensuring Peaceful 2021 Local Government Elections ○ Building Good Governance, Ethical and Developmental State ○ Operation Clean Audit ○ Investing in Human Resource Development to Build Professional Civil Servants 	<ul style="list-style-type: none"> ○ Internalization of SDGs ○ Land Use Management Challenges in Rural areas ○ Effective JMPT ○ Alignment with SOE by way of an Memorandum of Understanding ○ Hierarchy of Plans in place ○ Council Codes of Ethics ○ Consultation approach ○ Improved Business Processes (SAP) ○ Smart City Initiatives (enterprise Resource planning , broadband connectivity, Richards techno hub ○ Implementation of Integrated Urban Development Framework (CoU as Secondary Cities pilot project) ○ Industrialisation through special economic zones (RIDZ) and Port Expansion

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
<p>2. Economic Transformation & Job Creation</p>	<ul style="list-style-type: none"> o Accelerate economic recovery o Implement economic reforms to create sustainable jobs and drive inclusive growth 	<ul style="list-style-type: none"> o Building a thriving economy and job-creation o Enterprise Development o Tourism Development o Port Infrastructure o Radical Economic Transformation: Operation Vula Programme o Radical Agrarian Socio-Economic Transformation o Public transport professionalisation and stability 	<ul style="list-style-type: none"> o Economy Recovery Plan o Ease of Doing Business o Green Economy: Materials Recovery & Waste Management o Comprehensive Integrated Transport Plan o Securing Water Supply o Energy Sector Plan & Alternatives o Biodiversity Economic Opportunities o Agricultural Support Plan o Informal Economy Support o Ongoing business (including SMME) support o King Cetshwayo District Fresh Produce o Investment in strategic economic o Implementation of catalytic projects "game changers" o Preferential procurement Policy
<p>3. Education, Skills & Health</p>	<ul style="list-style-type: none"> • defeat the coronavirus pandemic 	<ul style="list-style-type: none"> o Digital Hubs, ICT, and Innovation o Investing in the health and wellbeing of the people of KZN o A Determined Fight against Covid-19 o Access to quality education and skills for industry 	<ul style="list-style-type: none"> o District Demand Council o District Joint Operations Committee o Local Joint Operations Committee o uMhlathuze COVID 19 Task team o Approved Work from Home Policy o Public Wi-Fi o Proposed Maritime TVET (Operation Phakisa) o Target areas of known educational backlogs o Operation Sukuma Sakhe (OSS) War Rooms to assist with Community Health

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			<ul style="list-style-type: none"> o Completion of ECD (Early Childhood Development) Centres o Internships prioritizing young girls o Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards bay Techno hub) o Strategic Partnerships with Institutions of higher learning (Signed MoU) o Mayoral Bursary Fund and Back to school fund. o Partnership with Private Sector /Public entities _ Phelo Phepha campaign o Established HIV/AIDS Council o Support and Promotion of Senior Citizens sporting activities
<p>4. Consolidating the Social Wage Reliance & Quality Basic Services</p>		<ul style="list-style-type: none"> o basic services, in particular water; o Agriculture, rural development and food security o Agriculture and Agro-processing Master Plan o Establishment of Mega-Nurseries and Agronomic Seed Production o Programme to establish Four AgriHubs in the Province o Commercialisation of Goat Farming o Re-igniting economic growth through infrastructure development o Road Safety o Expanded Public Works Programme o Water master plan o Operations and Maintenance o 	<ul style="list-style-type: none"> o Batho Pele Committee o Target Areas of Poverty as per socio-economic indicators o Target assistance to known Child Head Households and Indigents (OSS) o Support for EPWP o Pursue Food Security (Agricultural Support Plan) o Food Bank o Water, Sanitation, Electricity & Waste Removal o Investment in strategic economic infrastructure o Water Conservation o Water Re-use initiatives

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			<ul style="list-style-type: none"> ○ Long Term infrastructure investment plan
<p>5. Spatial Integration, Human Settlement & Local Government</p>	<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ Environmental sustainability ○ Catalytic Housing Developments ○ Infrastructural Development 	<ul style="list-style-type: none"> ○ Settlement patterns, Nodes & Corridors ○ Spatial Transformation Agenda ○ Priority Housing Development Areas (PHDAs) process ○ Green House Gas Inventory ○ Green Building Guideline ○ Rural Planning & Agrarian Support ○ Infrastructure Sector Plans ○ Water Re-use PPP ○ Public Transport Planning & Investment ○ Land Reform Task Team ○ Climate Change Adaptation and Mitigation Programme ○ Accelerated low emission development ○ Urban Air Quality Management
<p>6. Social Cohesion & Safer Communities</p>	<ul style="list-style-type: none"> ○ Fight corruption ○ Gender-based violence crisis ○ 	<ul style="list-style-type: none"> ○ fighting crime and corruption; ○ Strengthen intergovernmental relations for effective services ○ Community Safety and Liaison- Fighting Crime ○ Social development and social cohesion ○ Gender-Based Violence ○ Sport as tool for socioeconomic transformation 	<ul style="list-style-type: none"> ○ Disaster Management Plan (Level 2) ○ Arts & Culture Events ○ Functionality of OSS & War Rooms ○ Grant-in-Aid ○ Special Programme ○ One stop shop for youth development ○ CoU Crime Prevention Strategy ○ Community Policing Forums
<p>7. A Better Africa & World</p>		<ul style="list-style-type: none"> ○ 	<ul style="list-style-type: none"> ○ National & International Collaboration & Coordination ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			<ul style="list-style-type: none"> o Climate Action o Host international delegations and diplomats o Membership of international organisations

SECTION C: SITUATIONAL ANALYSIS

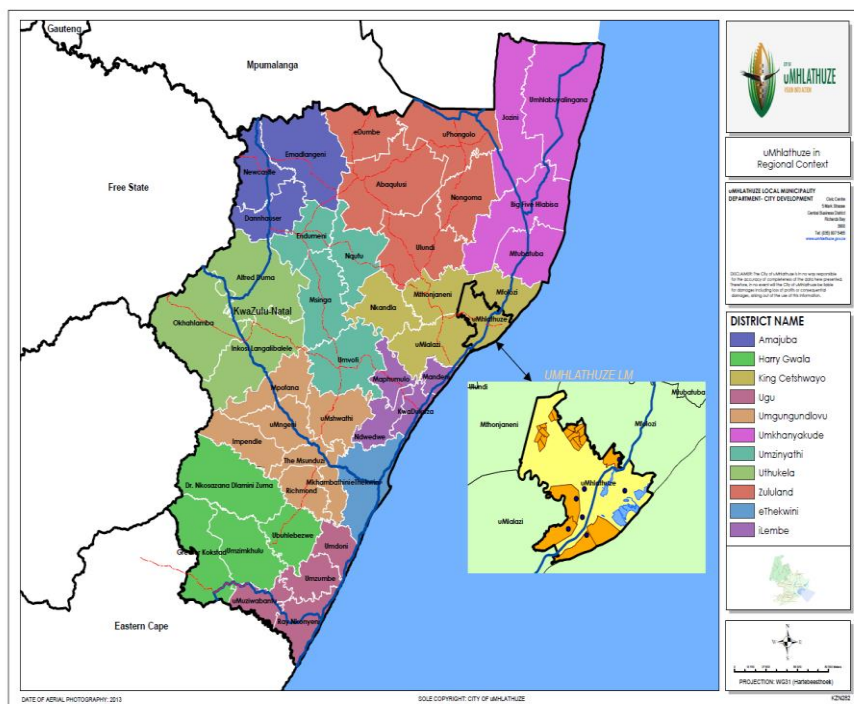
8. Spatial Analysis

8.1 Regional Context

The City of uMhlathuze (KZ 282) is situated on the north-east coast of the province of KwaZulu-Natal, about 180 kilometers north-east of Durban. The uMhlathuze land area currently covers 123 359 ha and incorporates Richards Bay, Empangeni, eSikhaleni, Ngwelezane, eNseleni, Felixton, Vulindlela, Bhucanana, Heatonville as well as the rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza, Zungu (Madlebe), Somopho, Obizo and small portion of Obuka. The population is estimated at 410 456 as per Community Survey 2016. The municipality borders a coastline that spans approximately 45 kilometers. The N2 highway traverses the uMhlathuze Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. The R34 Provincial Main Road passes through Empangeni towards Melmoth.

The following map and supporting table provides details in respect of the locality of the uMhlathuze Municipality and population changes in the areas between 1996, 2001 and 2011.

Map 3: uMhlathuze in Regional Context



uMhlathuze's climate is characterized by a warm to hot and humid subtropical climate, with warm moist summers. Average daily maximum temperatures range from 29 °C in January to 23 °C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1 228 mm and most (~80%) of the rainfall occurs in the summer, from October to March, although rainfall also occurs in winter (~20%).

The Richards Bay area is generally very flat and is situated on a coastal plain and whilst going west towards Empangeni the terrain rises and becomes undulating.

8.2 Administrative entities

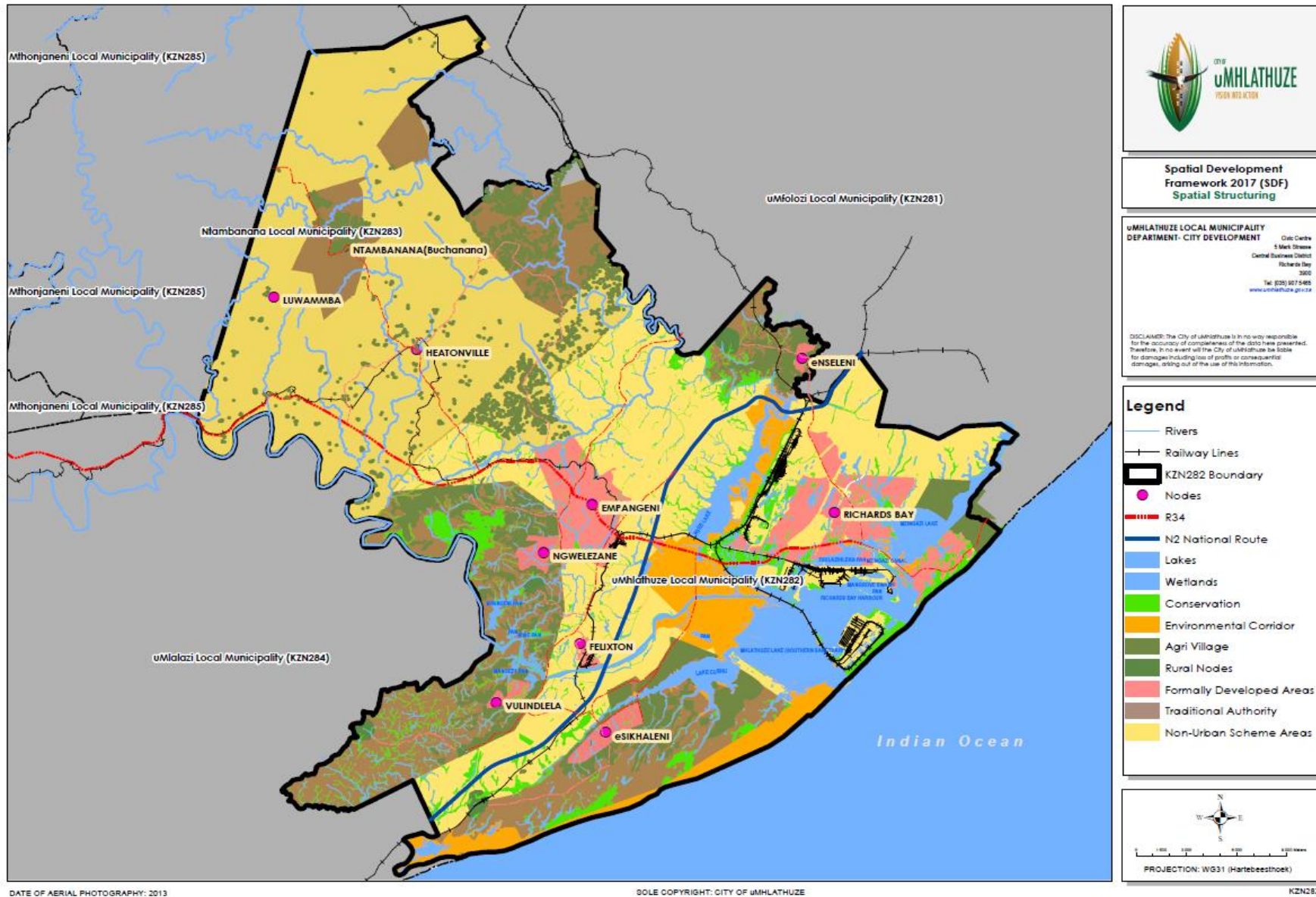
The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Zungu, Mthembu, Cebekhulu and small portions of Biyela (Obuka). The uMhlathuze Local Municipality has been divided into 34 municipal wards.

8.3 Structuring Elements

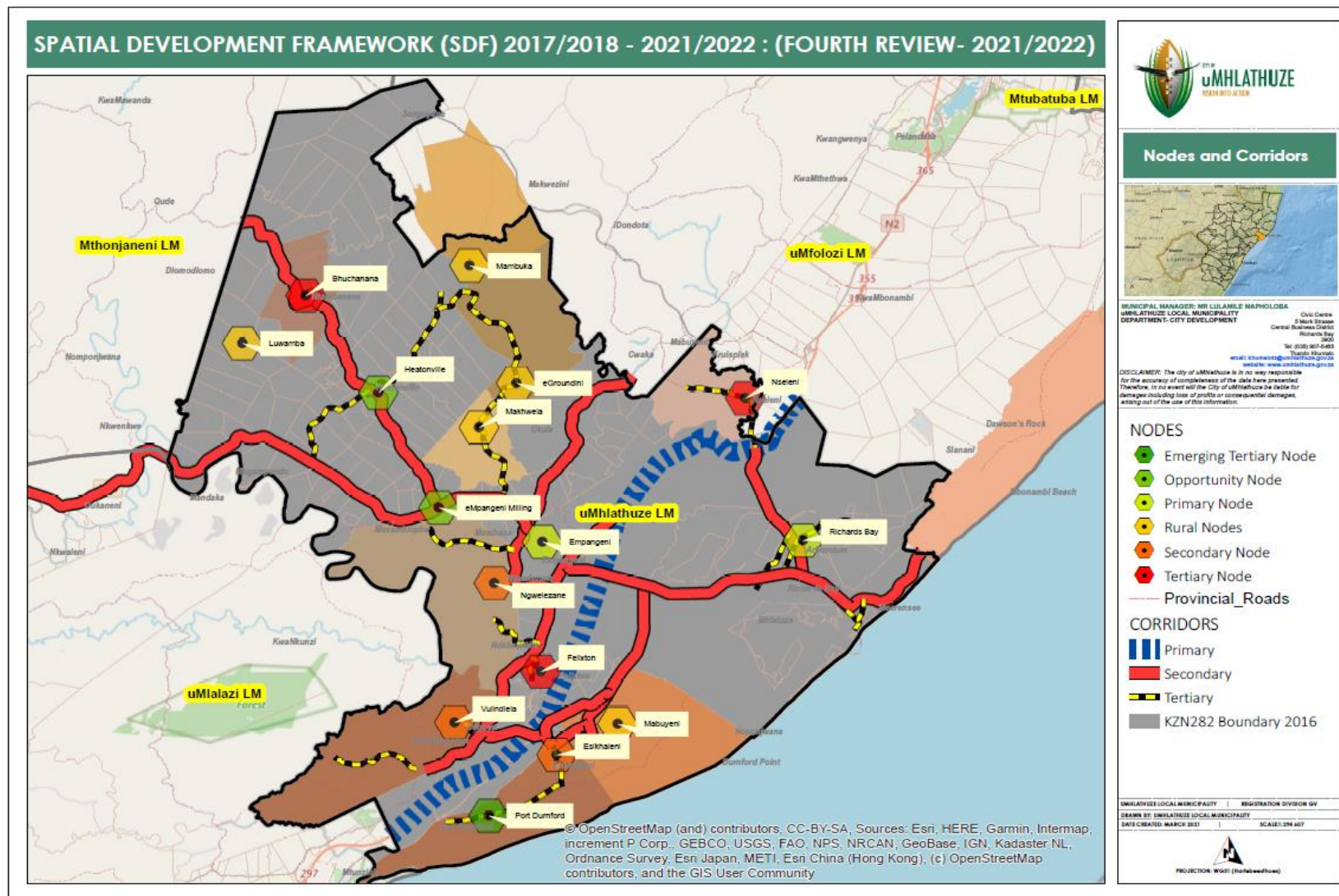
There are a number of natural and man-made phenomena that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The main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

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of land strips in the municipal area. The municipal areas includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas under Amakhosi Dube, Mkhwanazi, Khoza, Mbuyazi, Mthembu, Biyela, Cebekhulu and Zungu. Apart from the areas of natural significance, large tracts of land are under commercial agricultural production.

uMhlathuze Local Municipality: Final IDP Review 2021/2022
Map 4: Structuring Elements



Map 5: Nodes and Corridors



8.4 Existing Nodes and Corridors

The previous map inset provides more details in respect of the main nodes and corridors in the uMhlathuze Municipality. From the map it can be seen that the two primary nodes on the municipal area are Richards Bay and Felixton. Portdurnford is an emerging tertiary node, whilst eSikhaleni, Vulindlela and Ngwelezana are classified as secondary nodes. The ENseleni, Felixton and Bhucanana have been classified as tertiary nodes.

8.5 Land ownership

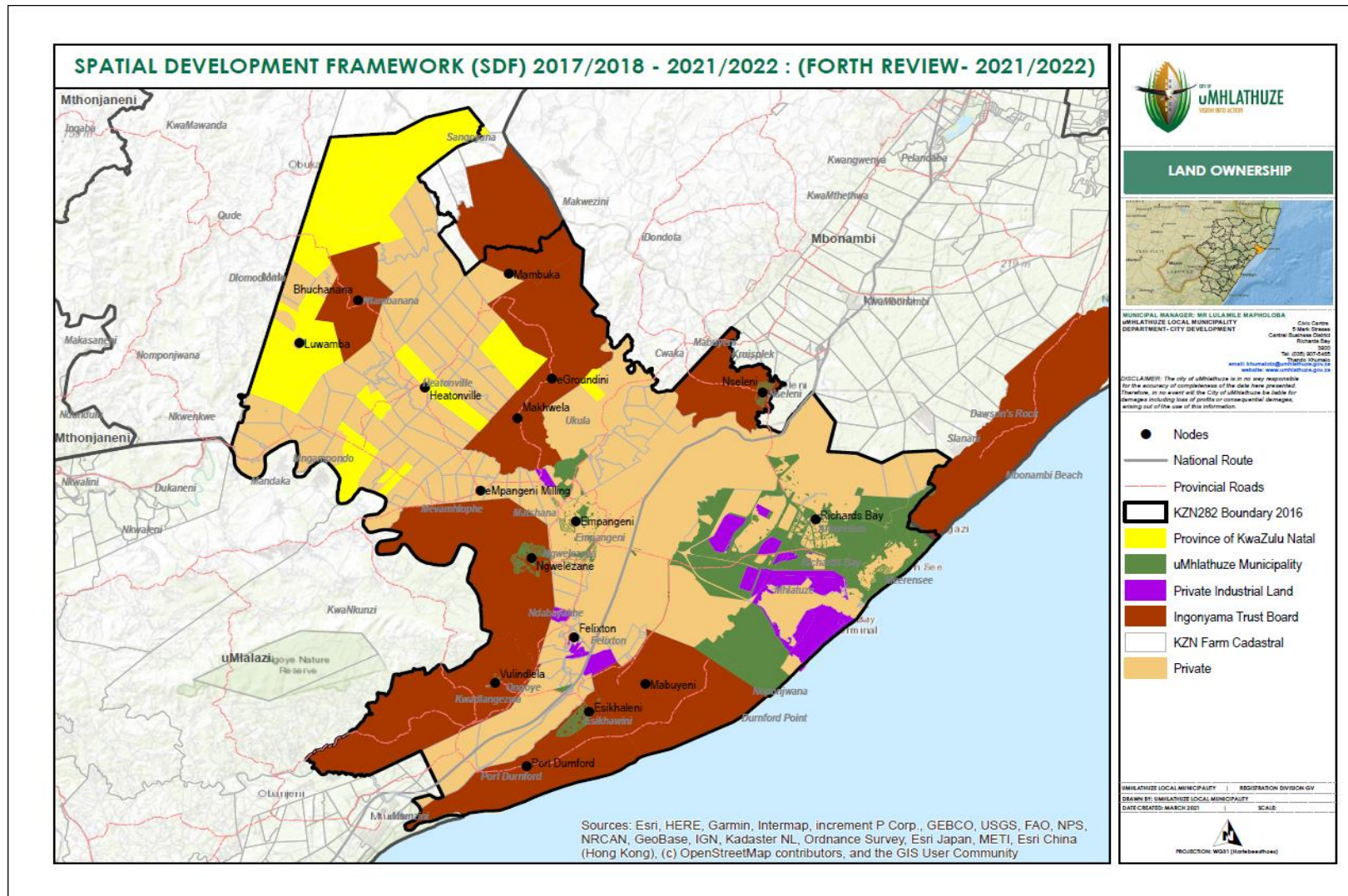
The following table provides a breakdown of the land ownership in terms of hectares

Table 7: Land Ownership Breakdown

Land Owners	Area(Hectares)
Province of KZN	14167
City of uMhlathuze	4259
Transnet	2989
IDZ	107
Ingonyama Trust Board	63795
Private	32467
Lakes	5541
Total	123325

One of the biggest Municipal challenges in relation to land ownership is the distribution and allocation of land in the Ingonyama Trust Board land which is mainly administered by Traditional Authorities. Such distribution is common in the peri-urban and infill areas. This situation led to formation of unplanned settlements which put pressure to the Municipality from services provision perspective.

Map 6: Land Ownership in uMhlathuze



8.6 Land Claims

The uMhlathuze Municipality area was subject to two land claims filed in accordance with the Restitution of Land Rights Act 22 of 1994.

1. Combined claim filed by the Mbonambi/Mbuyazi and Mthiyane Traditional Authorities – Richards Bay. The original claims focused on the following areas:
 - o Mbonambi claim - extending from the Reserve 4 boundary in the North/East of Mzingazi Village incorporating the whole of Meerensee and the beach and bay area towards the south up to the bridge over the John Ross road near the northern turnoff to the harbour. This is the general area where the people of Mbonambi lived (comprising of Erf 5333, Richards Bay).
 - o Mthiyane claim - extending from the north eastern boundary of Reserve 6 to Lake Nsezi in the south (the whole of the original Reserve 6) incorporating various residential areas, the Central Business area, general industrial area and Mondli. This is the general area where members of the Mthiyane Tribe (Mandlazini group) resided. (This area excludes the Mandlazini Trust area which has already been returned to the Mandlazini people).

The above-mentioned two claims were subsequently combined by the Land Claims Commissioner and are now referred to as the Mandlazini claim.

2. Claim filed by the Mkhwanazi Traditional – ESikhaleni Area

A claim related to the ESikhaleni residential area known as the "Mkhwanazi" claim has been ongoing from January 2004. The land claim affects the following properties:

No.	Property Description	Extent	Current Title Deed	Current Owner	Bonds Restrictive Conditions (Interdicts) &
1	Erf No 2868 of the Township of ESikhaleni	262,4109 ha	T52531/1999 T52610/2001	uMhlathuze Municipality	None
2	Portion 5 of the farm Reserve No. 10 No. 15830	360,6249 ha	T52530/1999 T52610/2001	uMhlathuze Municipality	None

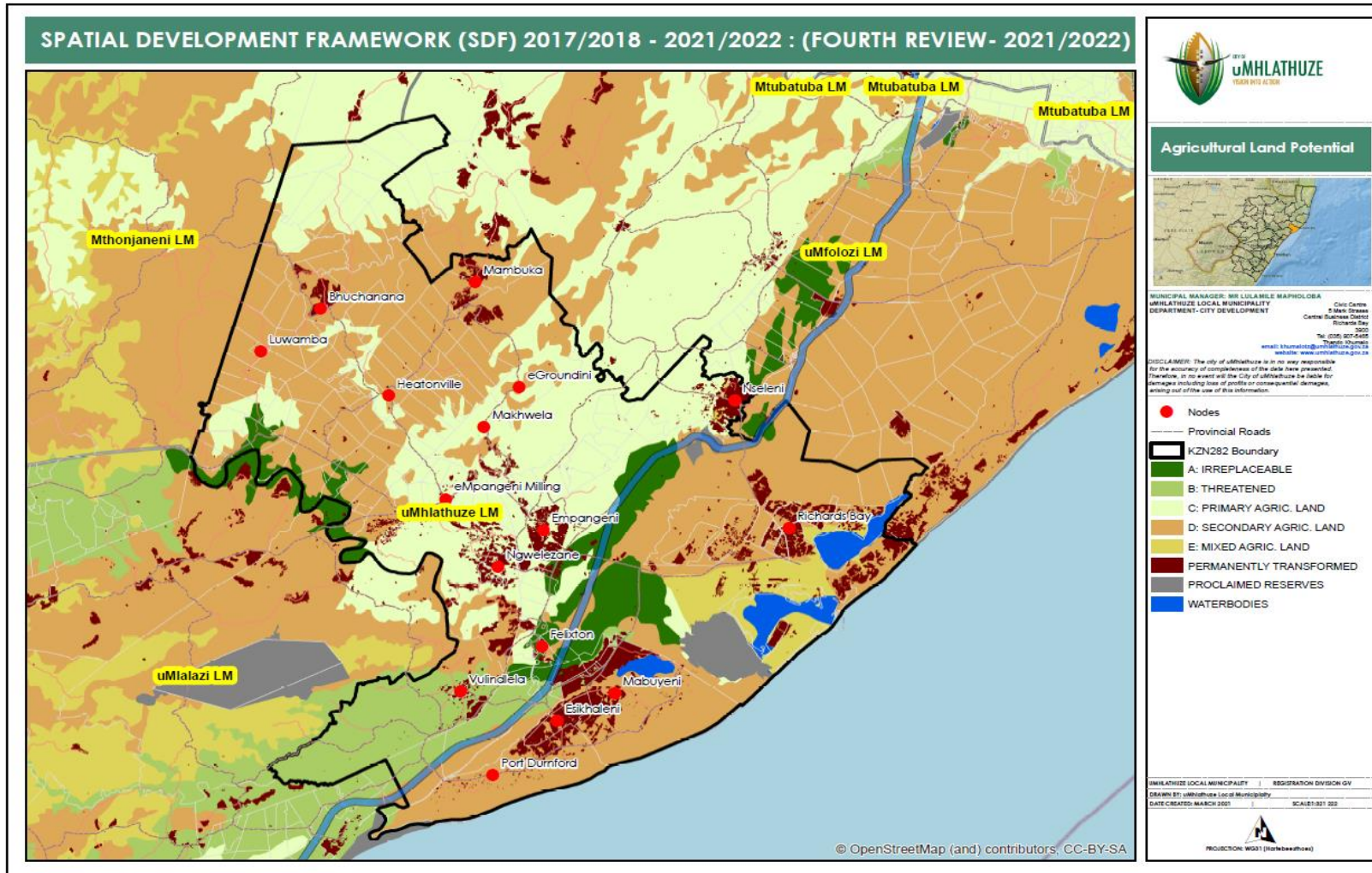
Updates in respect of the above are sought by the Municipality on a regular basis.

Resolved land claims

- On 14 October 2018, President Ramaphosa handed over 4 586 hectares of land to the community of Kwa-Mkhwanazi.
- On 16 March 2019 the Deputy President, David Mabuza also handed over officially land to Ubizo community, which is a total of 2547.2 hectares amounting to R136.4 million. The second phase to the value of R1.7 million will soon be finalised and restored to the community.

8.7 Land Capability

Map 7: Land Capability










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










Table 8: Land Capability Breakdown


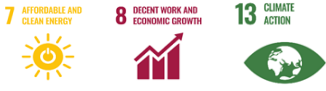

	Size(hectares)	Percentage(%)
High Land Potential	6959ha	9%
Good land Potential	39519ha	50%
Moderate Land Potential	21565ha	27%
Restricted Land Potential	2259ha	3%
Very Restricted Land Potential	7632ha	10%
Waterbodies	1400ha	1%
Total	79334ha	100%


8.8 Private Sector Developments /Catalytic Projects

It be noted that there are many development initiatives driven by the council of uMhlathuze. In this section, a summary of initiatives driven by private sector and internal catalytic projects aligned to the SDGs are listed hereunder:

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

PROJECT NAME	STATUS
<p>4. Green Hill</p> 	<p>Greenhill is situated on a Portion of the Remainder of Erf 5333, Greenhill, and is 22 758 m² in extent. An Expression of Interest (EOI) for the development of a mixed use development with a health care centre as an anchor has been awarded. Documentation outstanding to conclude the lease agreement.</p>
<p>5. Richards Bay Multi-Modal Facility Precinct</p>   	<p>A number of processes have been completed and further work is underway for the development of the area from the Richards Bay Public Transport Facility, through the Central Industrial Area (CIA), to IDZ 1D in the Alton Industrial Area. Investment from public and private sources is being applied to create the precinct that has various facets, i.e. roads and bulk infrastructure, public transport facility upgrade, SMME support, commercial development as well as industrial development.</p>
<p>6. Expression of Interest for the Remainder of Erf 2627</p>  	<p>An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.</p>
<p>7. Hydra Capella 132 kV</p>  	<p>Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.</p>
<p>8. Steel Bridge (Mzingazi Bridge)</p> 	<p>The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalised and outlined:</p> <ul style="list-style-type: none"> ○ Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items. ○ Undertaking a topographical survey and other specialist studies required to inform the processes identified. ○ Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction. <p>The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.</p>

PROJECT NAME	STATUS
<p>9. Comprehensive</p>  <p>Integrated Transport Plan (CITP)</p>	<p>A Comprehensive Integrated Transport Plan (CITP) for the whole municipal area has been prepared. The CITP is a tool that links transports planning elements with related infrastructure in relation to the spatial development framework. It gives attention to measures to promote public transport, the needs of learners and people with disabilities, non-motorised transport, private transport and travel demand estimation.</p> <p>The CITP responds to transformative levers of the Integrated Urban Development Framework and implementation of the SDF. Given that the transport sector is a significant contributor of Greenhouse Gas emissions, the CITP (Non-motorized transport; efficient transport corridors; public transport etc.) is a key intervention area on the Municipal Climate Change Action Plan.</p>
<p>10. Empangeni CBD</p>  <p>Revitalisation Plan</p>	<p>Empangeni developed beyond its planned framework and there is increasing pressure for land for housing and interrelated land use components, including transport related requirements. The town suffers substantial urban decay with associated (1) deteriorating ecological infrastructure, (2) hardened urban form and building inefficiencies and (2) spatial and land use inefficiency. A suite of plans has been developed or are under implementation for more efficient transport, stormwater management, energy efficiency as well as greening and landscaping etc. The Revitalization of the Empangeni CBD has further been earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).</p>
<p>11. Empangeni Mega Housing</p> 	<p>Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced.</p> <p>The project has the following proposed housing typologies:</p> <ul style="list-style-type: none"> - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster

PROJECT NAME	STATUS
<p>12. Feasibility Study into wastewater and associated by-products re-use</p> 	<p>The City of uMhlathuze (CoU) seeks to secure an adequate water supply to underpin its planned growth. As such, the CoU has undertaken a comprehensive feasibility study and identified the most viable solution for dealing with wastewater and associated by-products re-use generated within the City, in accordance with Section 120 of the Municipal Finance Management Act, 56 of 2003, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007). Phase 1, the Feasibility Study, has been finalised and Phase 2, the Procurement, is being initiated.</p>

8.9 Environmental Analysis

8.9.1 Geomorphology

The geomorphology of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relieve terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations. Past geomorphologic processes have resulted in a unique landscape that supports complex hydrological systems, which in turn have resulted in high level of species diversity. The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time. Landscape features are therefore important factors for decision-making and development planning.

8.9.2 Climate

The City of uMhlathuze is characterized by a warm to hot and humid subtropical climate, with warm moist winters. Average daily maximum temperatures range from 29°C in January to 23°C in July, and extremes can reach more than 40 °C in summer. The average annual rainfall is 1228mm and most (80 %) of the rainfall occurs in the summer, from October to March. Extreme rainfall and thundershowers has occurred on several occasions in the Zululand Region, resulting in extensive flooding with loss of life, property and infrastructure. An increasing trend in the frequency of cyclonic activity has been observed, which needs to be considered in future planning of the region.

8.9.3 Biodiversity

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

8.9.4 Water Resources

The geology and geomorphology of the area controls the transport and storage of water and influences the hydraulic functions of the ground water system. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands. Consequently, the streams are generally perennial and seldom stop flowing even in drought conditions. This also creates a large underground storage reservoir that consistently sustains the coastal lakes which form the main water supply resources for the municipality.

8.9.5 Heritage

The City of uMhlathuze has high potential for archaeological heritage resources of different classes of significance. Although a considerable amount of sites has been recorded, there remain gaps in availability of data on the local heritage. A desktop survey indicated a total of 125 recorded archaeological sites, which range from the Stone Age Period to the recent historic period. Most of the sites recorded indicated pressure from mining and infrastructure development within the municipal area.

8.10 Environmental Characteristics

The South African sustainable development model requires that a healthy environment is necessary for social well-being which is a prerequisite for economic prosperity. The economic system, social system and ecological systems are integrated via the governance system that holds all the other system together via a legitimate regulatory framework. The uMhlathuze Integrated Development Plan and Spatial Development Framework hence takes credence from various policies of development that enhance the principles enshrined by the National Environmental Management Act and further, Chapter 5 of the National Development Plan.

The **geomorphology** of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relieve terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations.

The municipal area falls within an area which is recognized as the second richest **floristic region** in Africa: containing approximately 80 % of the of South Africa's remaining forests, rich birdlife and many other significant flora and fauna species. The uMhlathuze Municipal Area supports more than 170 Red Data species, which has been reported as amongst the highest in the country for an area of its size.

The geology and geomorphology of the area controls the transport and storage of water and influences the **hydraulic functions of the ground water system**. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands.

8.10.1 Environmental Assets

The environmental assets of the areas are briefly described hereunder:

Economic Development:

Coastal Dunes contain heavy minerals that are sought after for mining, which is a key sector in the context of regional economic development and national plans.

Tourism:

The beaches are significant tourism assets for the municipality, attracting an Annual Beach Festival a hosting beach events at Alkanstrand, and providing a seasonal holiday destination and on-going recreational amenity. Other tourism assets worthy of preservation are the area's lakes and forests, heritage sites, conservation areas around Mzingazi River, and the estuary found south of the Port. The proposed developments of the waterfront, has a strong tourism focus. Environmental assets and socio-economic indicators have therefore been considered in the conceptual plans for the Waterfront. More toward the inland, there are a number of game ranches and lodges that attracts a significant number of visitors annually.

Water Resources:

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

Ecological Features:

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

8.10.2 Environmental Services Management Plan

An ESMP has been prepared for the pre 2016 uMhlathuze area of the Municipality that outlines, amongst others, the following critical goals Environmental Services Management:

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

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

Level 1: Environmental Corridors: Included in this zone are areas of high biodiversity and environmental significance that require a high level of legal protection.

Level 2: Conservation Zone: Included herein are areas of biodiversity/ environmental significance, which are not viable for proclamation but that require some form of legal protection. No transformation of the natural assets or the development of land for

purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

Level 3: Open Space Linkage Zone: Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.

Level 4: Development Zone: Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply.

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

Atmosphere: Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions. This is because the quality of the air influences people's well-being and ecological integrity. It has been reported that there will be adverse risks to human health and to the environment, as well as exacerbating climate change, should current trends prevail.

Landscape: Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.

Hydrology and Water Resources: The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area. At present, the availability and variability of water within the catchment is fully subscribed or allocated and there are predictions that the demand for water will grow. Against this backdrop, there are questions where future water will come from. Furthermore, a decline in water quality in streams, lakes and rivers pose a risk for communities that extract water for subsistence, domestic or personal consumption

Landscape: Specific qualities of a landscape (natural vegetation, water bodies, landscaped parks etc.) provide aesthetically pleasing environments for the inhabitants of the area. The cumulative impact of development pressure and future planning scenarios however, pose a major threat to visual quality and a sense of place.

Coastal Management: Coastal Dune areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise.

Biodiversity: A large proportion of the Biodiversity Hotspot is being transformed and degraded by human activities, resulting in many vegetation types being vulnerable to further disturbances. These disturbances threaten species complexity and lead to imbalances within ecosystem.

8.10.3 Environmental Priorities and Objectives

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

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

8.10.4 Comparative and Competitive Advantages of the Municipality

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

Table 9: Competitive and Comparative Advantages

LANDSCAPE FACTORS: LAND USE	
Port and related infrastructure	As the main economic attraction of the area, the port is the overarching priority for stimulating the local economy. It is also a provincial priority in that it is the growth engine for one of the primary provincial growth nodes. Port and related infrastructure is classified as Strategic Important Developments and such is important for the national economy. Port expansion options are addressed in the Port Development Framework (2007) which has been integrated with the City's IDP and SDF and form parts of the City's Local Economic Development Strategy.
Transport	The City's Arterial Road Framework and Airport Framework Plan are under review. The John Ross Parkway is currently being upgraded. Over the long-term it may need to be rebuilt to accommodate the proposed port layout plan, encroaching into land earmarked for development for the IDZ.
Rail infrastructure	Rail infrastructure links the port with the hinterland to ensure the flow of resources. The National Infrastructure Plan makes provision for expansion and upgrades of transport networks.
Industrial development	The Richards Bay Industrial Development Zone has been designated as a national priority for stimulating growth in the manufacturing sector. The manufacturing sector is important in the province (largest contributor to PGDP). The City promotes "competitiveness in the manufacturing sector whilst advancing downstream value-adding opportunities that are labour intensive".
Commercial activities	National Government: Promote Local Economic Development Initiatives The City's IDP promotes a diversity of economic activities and the Local Economic Development Plan (Economic Roadmap) makes provision for growth in the commercial sector by encouraging new initiatives for emerging businesses, the informal sector and SMMEs.
Agriculture	Agriculture is a provincial development priority (food security). The focus of the City's Agricultural Development Strategy and Plan is on traditional authority areas and addressed emerging farmers. There are no local priorities for agriculture expansion within the study area.
Tourism	The region within which the study area is located has been identified as a provincial tourism priority. The City's IDP

LANDSCAPE FACTORS: LAND USE	
	acknowledges the tourism potential of the area and promotes the enhancement of this potential.
Mining	Mining of mineral resources is an important economic activity in the region. There is only one mine in the study area while mining rights have been assigned to the south of the area.
Energy	The City has an adopted Energy Sector Plan (2020) and an adopted Electricity Master Plan (2020) to “minimise the local and global environmental impacts of energy use by adopting and promoting efficient demand-side practices and by encouraging the uptake of renewable energy options within all sectors”. The strategy defines objectives for the environmental, social, economic and institutional sectors. It also sets demand side and supply side targets for the municipality
Housing	Sustainable human settlements are a national policy goal. Private land ownership, lack of suitable infrastructure, environmentally sensitive wetlands, geotechnical and environmental considerations limits suitability. A number of potential land parcels have been identified with housing potential and urban densification is receiving attention. An increasing need for housing within or close to the CBD is projected. The greatest need for housing occurs in rural/tribal areas and the removal of slums and informal settlements is a priority. Land tenure is a major challenge.
Waste Services and Infrastructure	The management and minimisation of waste streams in the study area is a concern due to a lack of adequate disposal infrastructure and services. The City has an Integrated Waste Management Plan (2020) to “protect natural resources by managing and minimising waste streams” in the study area. In view of future potential industrial expansion the Plan may need to be reviewed and strategies need to be devised, in cooperation with the District Municipality who is responsible for addressing the inadequate landfill capacity to serve the area over the short-term.
Water and sanitation services and infrastructure	The uMhlathuze Municipal area is supplied with potable water from Lake Mzingazi, Lake Cubhu, Nseleni river (Nsezi Lake) and Mhlathuze river. There are concerns about the long-term sustainable supply of water to sustain economic growth. The priorities for water and sanitation provision are specified in the City's Water Services Management Plan (2018) where the focus is predominantly on the “provision of safe, sustainable and affordable water services, the right of access to basic water supply and sanitation”. The Plan acknowledges the

LANDSCAPE FACTORS: LAND USE	
	threats of diseases and environmental problems posed by water and sanitation backlogs in the rural areas.
LANDSCAPE FACTORS: SOCIAL	
Community health and wellbeing	<p>Reducing poverty and unemployment and inequalities are national and provincial priorities.</p> <p>The city's IDP defines the associated priorities based on the needs of urban vs. rural communities. Safety and security, employment creation, social welfare, community facilities, health, education, housing and agriculture is important to the communities in the area. Community upliftment and empowerment of rural areas and demand for affordable housing are priorities in terms of community well-being.</p>
Vulnerable communities	Rural communities are vulnerable because of their economic status. Poor people must receive special attention in planning. The threat of diseases and environmental problems posed by water and sanitation backlogs in the rural areas are important.

8.10.5 Environmental Governance

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

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

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

Public participation and engagement during environmental planning

Public participation and involvement of interested and affected parties is a legal requirement of an EIA process. All applications subject to environmental approval thus go through rigorous public participation. This has furthermore cascaded to other processes such as the EMF and conceptual planning for proposed developments. In

fact, with the case of the Waterfront Planning, a public participation exercise was conducted upfront to inform the conceptual designs.

Environmental Policy and Bylaws

Certain environmental or public health issues are not provided for in terms of Provincial or National Environmental Legislation, which implies that the municipality must rely on enabling powers of the Local Authority to ensure that communities are safeguarded against environmental degradation. The municipality has, to this end, numerous bylaws that serve to protect the environment, and the community's rights to a healthy environment. To achieve this, the following applicable bylaws must be enforced:

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

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

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

Accountability towards Environmental Performance

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

Table 10: Tools for Measuring Environmental Performance

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
Permit Registers	Proposed	Community Services
EIA Registers (Internal & External applications)	Implemented	City Development
Air Quality Management Plan	Development of the plan is underway (2021)	Community Services
Wetland Management Plan	In Progress, Budgeted for	City Development, DWA, KZNWL, and DARD
Biodiversity Sector Plan	Proposed, will prioritized in the next IDP Generation (2022/2027).	City Development, SANBI, KZNWL, and
Water Services Development Plan	Approved 2018	Infrastructure and Technical Services
Lake Management Plans	In progress, Draft available	Infrastructure and Technical Services
Alien Weed Control Programme	Commenced	Community Services
Estuary Management Plan	In Progress	Community Services
Heritage Management Plan	Proposed	City Development, King Cetswayo District Municipality, DARD and KZNWL
Waste Management Plan	Adopted 2020 (review underway for 2021)	Community Services
Climate Change Strategy	Priority Plan	City Development
Energy Sector Plan	Adopted by Council (2020)	Infrastructure Services
Health / Air Quality Study	Adopted by Council. Implementation phase	Community Services

Tools/Programmes for Measuring Environmental Performance	Status	Responsible Department/Section
Low Emissions Development Strategy	Commissioned by DARD (CEDARA/Head Office)	Community Services, King Cetshwayo District Municipality,
	Commenced: Partnership with ICLEI	

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

8.10.6 Environmental Services Management Plan

The ESMP outlines, amongst others, the following critical goals Environmental Services Management:

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

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

Level 1: Environmental Corridors (Nature Reserves): Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. It is recommended that these areas be proclaimed as nature reserves in terms of relevant legislation such as the National Environmental Management Protected Areas Act.

Level 2: Conservation Zone: Included in the conservation zone are areas of biodiversity/ environmental significance, which are not viable for proclamation as nature reserves, but that require some form of legal protection. No transformation of the natural assets or the development of land for purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

Level 3: Open Space Linkage Zone: Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.

Level 4: Development Zone: Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply.

8.10.7 Air Quality

The National Environmental Management: Air Quality Act, 2004 which is referred as NEM: AQA provides an objective-based approach to the management of air quality at different government and operational levels. NEM: AQA distinctively shift from exclusively source-based air pollution control to holistic and integrated effects-based air quality management. It also focuses on adverse impacts of air pollution on the ambient environment.

The City of uMhlathuze is known to be one of the highly industrialized areas in the country, consisting of various types of industries including smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, cement, blasting, sugar cane and expanding industrial development zone (IDZ). The harbour, also known as Port of Richards Bay, is considered to be the largest in South Africa. It is known to be one of the growing power houses for exporting and importing activities of different commodities. Apart from the array of industries, are residential areas both rural and urban, in which various domestic activities including burning of wood, tyres, imbawula, and agricultural are conducted.

The Medical Research Council in 2000 conducted a preliminary health study in Richards Bay driven by the public concern about the status of air quality within the City of uMhlathuze. The study found that there was a high level of public concern about air quality and the associated health impacts in the area. In 2006, the City of uMhlathuze through the lead of Environmental Planning Division, appointed the Airshed Planning Professionals (Pty) Ltd to conduct a study purposed to assess air quality within the municipality and use this as one of the tools to inform their Spatial Development Framework.

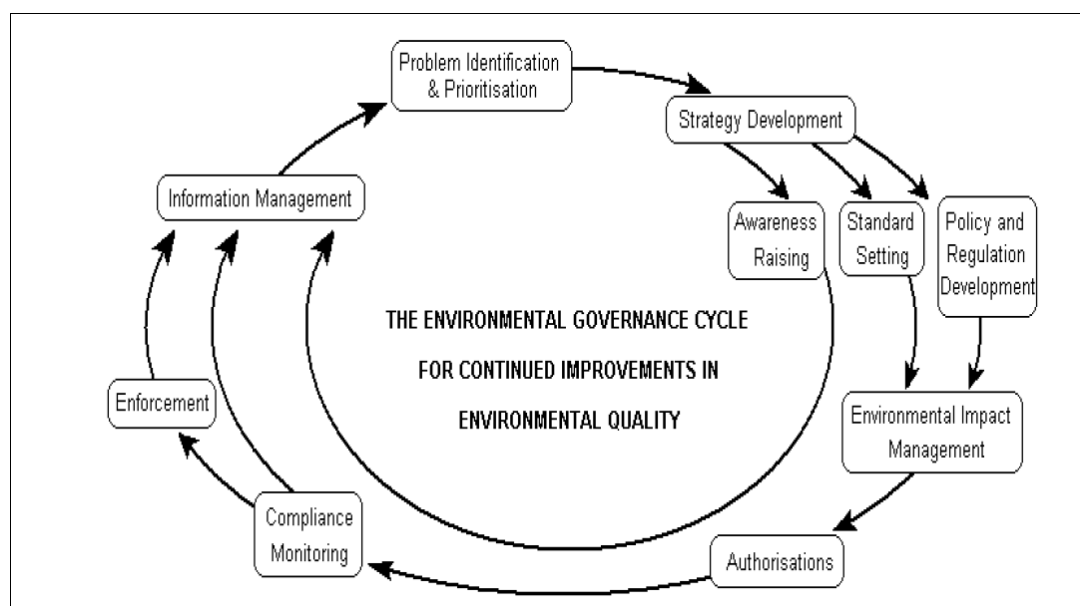
The Department Agriculture and Environmental Affairs in Kwa-Zulu Natal (DAEA) in partnership with the City of uMhlathuze in 2011, appointed Gondwana Environmental Solutions to conduct a study to describe the range of ambient exposures of criteria pollutants through ambient monitoring systems. This study aimed to assess the potential risks posed by such exposures through health risk assessment concerning the health of communities in the Richards Bay and ESikhaleni

Considering previous studies that were conducted in the area, The City of uMhlathuze, with its limited budge prioritized amongst other community needs, purchasing of Ambient Air Quality Monitoring Stations to continually monitor and publicise the status of air quality within its boundaries.

Approach to Air Quality Governance

The effective approach to air quality is highly dependent on eight (8) steps prescribed in the National Framework for Air Quality Management. The government cycle provides a useful framework for achieving continuous improvement over time as depicted in figure below:

Figure 4: Environmental Governance Cycle for Continued improvements in Environmental Quality



Awareness Raising

This is one of the strategies identified in the air quality governance cycle of the 2012 National Framework for Air Quality Management in the Republic of South Africa. The main purpose of awareness-raising is to bring about positive changes towards air quality. Sharing of knowledge, experiences and access to information can lead to sustainable voluntary changes than imposed legislation. These awareness-raising are targeting various stakeholders. The emphasis is on adverse impacts of air pollution, climate change, human health and the environment. Below are examples of awareness programme conducted in various sectors.

uMhlatuze Municipality continuously conduct the following awareness programmes targeted at different stakeholders

- School awareness raising
- Clinic awareness- raising
- Awareness – raising: Ward Committee Meetings
- Industries Environmental Awareness
- Formal Industries – To discuss change in legislation
- Informal Industries
- Bill Boards

Compliance Monitoring

Section 2 (12) of Chapter two (2) of NEM: AQA mandates the local municipalities to monitor the ambient air in order to determine the pollutants and their concentration and come up with strategies of reducing emissions. In response to NEM: AQA, the City of uMhlatuze purchased three (3) ambient monitoring stations and strategically placed them in three different areas of concern. These stations are located at eSikhaleni, Arboretum and Brackenhams Cemetery. The data collected by these stations are continuously updated.

Map 8: Location of Ambient Air Quality Monitoring Stations (highlighted Yellow Pins)

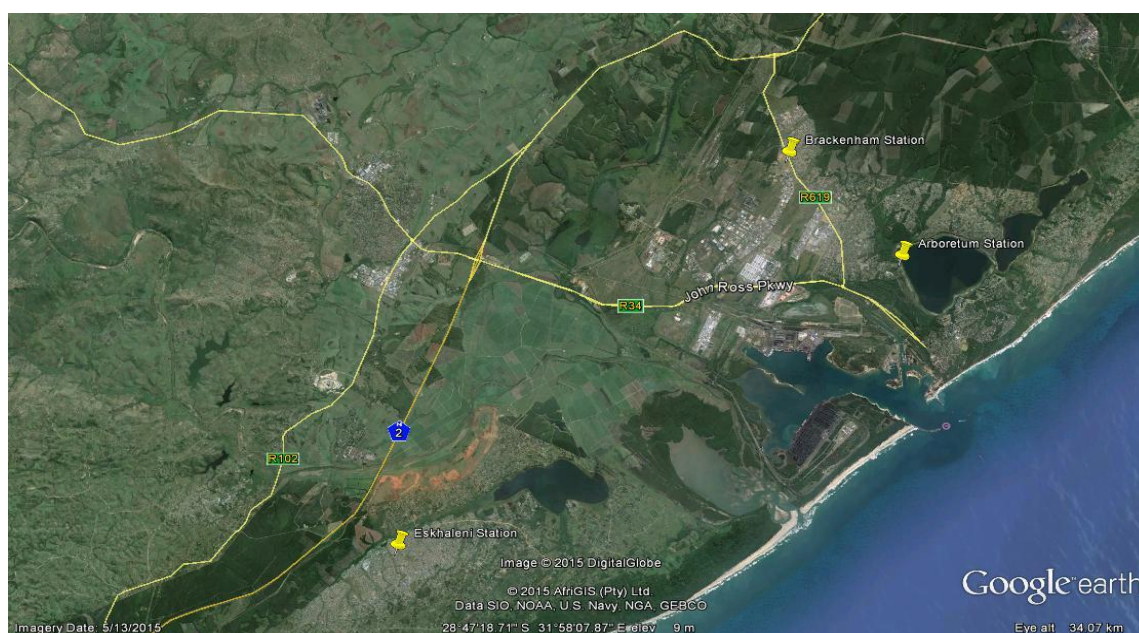


Table 11: Ambient Air Quality Monitoring Stations Co-ordinates

Stations	Station Name	S-Coordinates	E-Coordinates
1	Arboretum	24°45'39,40"	32°04'42,40"
2	Brackenham	28°43'48,90"	32°02'05,20"
3	eSikhaleni	28°52'08,50"	31°54'35,10"

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

Table 12: Shows pollutants measured in each monitoring station

Station Name	SO2	NOx	PM10	PM2.5	O3
Arboretum	√	√	√	√	√
Brackenham	√	√	√	√	√
eSikhaleni	√	√	√	√	√

Table 13: Shows meteorological station and parameters that are monitored

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

Enforcement

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

AIR Quality Management – Future Plan of Action

Table 14: Immediate Plan of Action

ITEM	ACTION
Air Quality Management Policy	To assess level of air pollution to areas where monitoring has not been conducted through Passive Sampling
Air Quality Management By-laws	Draft AQMB. Discussion of admission of guilt fines with the Chief Magistrate is in progress

Table 15: Intermediate Action

The phase duration is two to three years. The roll-out of this phase is dependent on the availability of funds.

ITEM	ACTION
Baseline Studies- to assist in the expansion of air quality monitoring network	Passive sampling devices were deployed at seven (7) different sites within the jurisdiction of uMhlathuze. These seven sites include eNseleni, eMpangeni, Dlangezwa, Alton CoU Clinic, ZCBF, Melomed Hospital and vicinity of Harbour.
Air Quality Management Plan	Underway (2021)
Dispersion Modeling	Requested funding
Stricter Air Quality Management Standards	To be developed after implementation of by-laws

Table 16: Long-Term Action

The phase duration is within two to three years. The roll-out of this phase is dependent on availability of funds.

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

The implementation of afore-mentioned strategies has shown reduction in air pollution. The establishment of the Air Quality Management Unit enforces compliance to the stipulated legislation. It is therefore deduced that the introduction of Emission Reduction Plan has contributed positively in the reduction of pollution.

8.10.8 Coastal Issues

Coastal Management:

The uMhlathuze municipality is bordered by approximately 48 km of coastline, which presents a number of economic, conservation and recreational opportunities. The shoreline is characterized by sandy beaches, well established dune formations, estuarine environments, and hosts the country's largest deep water Port.

Coastal Erosion:

As is the case with most coastal municipalities in KwaZulu-Natal, the Municipality has encountered severe coastal erosion, which requires a management response that would prevent further loss of beaches, damage to property and infrastructure. Being predisposed to disruption of natural wave action because of the Port entrance, Alkanstrand beach at Richards Bay requires a reliable sand bypassing scheme. In the absence of sand budget on the Northern beaches, the municipality has to implement soft engineering techniques to mitigate against an eroding coastline. Any further development of the coast is furthermore required to take cognizance of the Coastal setback lines adopted by the municipality.

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

Coastal access:

Sanctioned by the National Environmental a Management: Integrated Coastal Management Act 24 of 2008, a number of coastal access points are being considered. These access areas are strategically important as they aim to create safe, equitable beach access, as well as improved recreational and tourism opportunities.

8.10.9 Biodiversity and Development

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

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

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

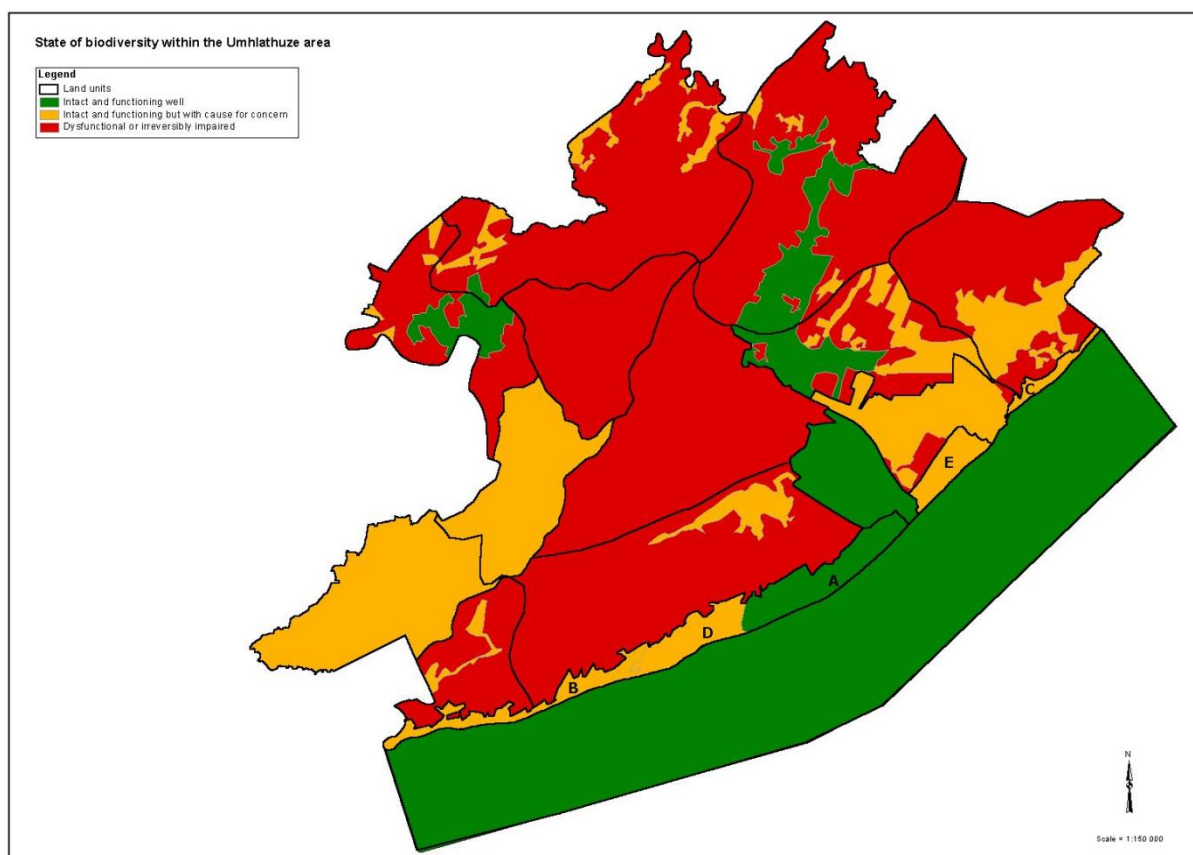
Other biodiversity assets of significance include the following:

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

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

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

Map 9: State of Biodiversity Based on Functional Units



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

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

The greater uMhlathuze Municipal Area supports more than 170 Data species, which according to the South African National Biodiversity Institute, ranks amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one of the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

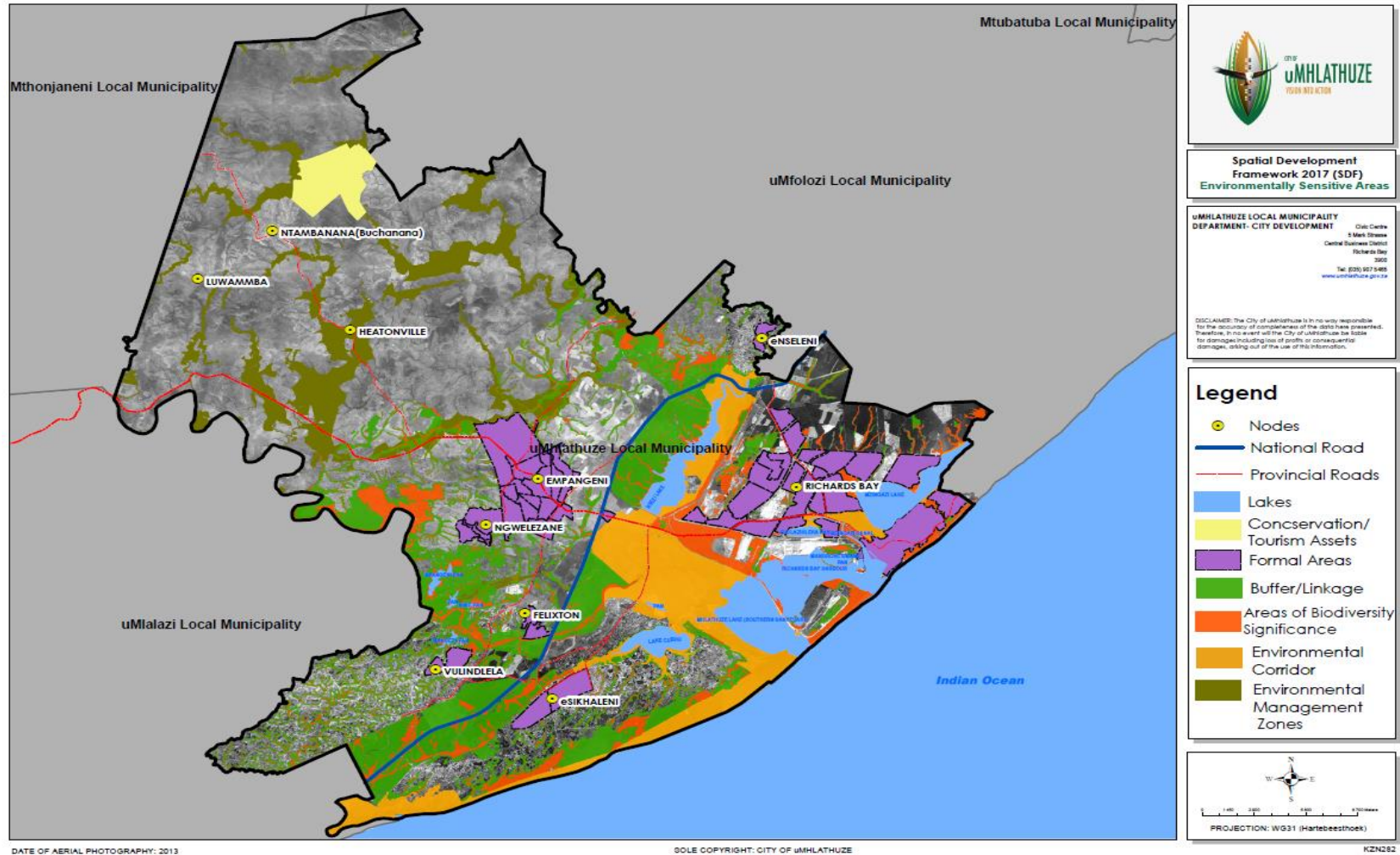
Table 17: Biodiversity Significance

Vegetation Type	Red Data Species (Significance)	Conservation Target
Grasslands	124	100 % following a detailed survey. Conservation of a
Forests	90	
Nseleni River/Lake Nsezi System	70	

Large Wetlands	55	substantial portion of the remaining natural asset in the region is required if conservation objectives are to be pursued
Estuaries	28	
Lakes	18	
Mhlathuze River System	11	
Swamp Forests	9	

All of the remaining ecosystem types are important for supporting Red Data Species, implying that there is a direct conflict with future development imperatives. The Spatial Development Framework has identified such development opportunities for the area. Port expansion with associated industrial development is the single most significant opportunity in the area with tremendous potential to grow the local, regional and national economy. Existing planning approaches in the area also present opportunities to enhance conservation and hence tourism objectives. The limited space to accommodate the growth demand in the area reflects the realities of ecological risks that may arise and the anticipated conflict between conservation and development. The situation highlights the need for closer collaboration and coordinated planning between environmental stakeholders and prospective developers.

Map 10: Environmental Sensitive Areas

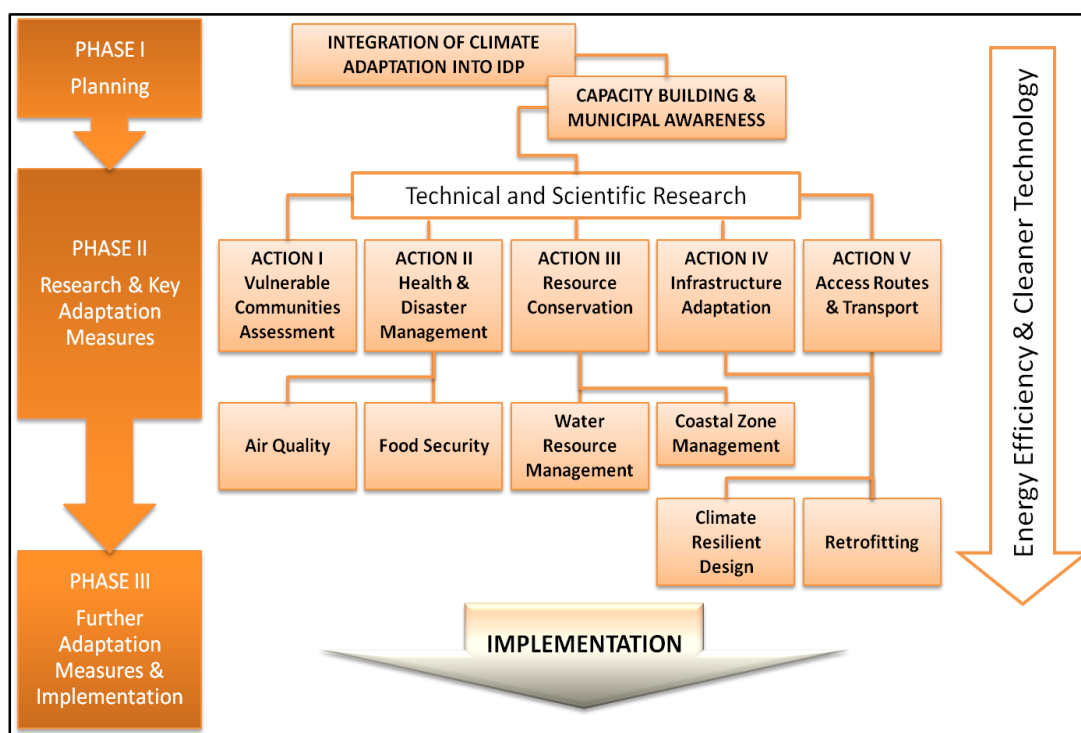


8.10.10 Response to Climate Change

Regardless of the attempts to mitigate the impacts of climate change, it is widely accepted that many of the anticipated changes are destined to take place. The climate change strategy was therefore drafted on the basis of two fundamental principles, i.e. **mitigation** and **adaptation** through the implementation of the Climate Change Municipal Action Plan.

The Municipal Action plan adopts a phased approach to allow for a systematic and realistic response to potential climate impacts. Represented in the following figure, it is proposed that the plan be adopted over a 5-year period, coinciding with the rollout of the Municipality's Integrated Development Plan (IDP).

Figure 5: Phased Approach to Municipal Action Plan



Vulnerable Communities Identified

Given the inherent sensitive environmental attributes or features that are applicable within the municipality boundaries (coastal floodplain, groundwater and soil conditions, ecological services, proximity to water bodies such as lakes and rivers), flooding was considered to be the most significant impact in terms of the climate change projections for the city. The following areas were identified to being most prone to flooding:

- Mzingazi;
- Mandlazini; and
- ESikhaleni (specific attention to uMzingwenya and Lake Cubhu communities)

8.11 Spatial and Environmental SWOT Analysis

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

8.12 Disaster Management

8.12.1 Status of Municipal Institutional Capacity

Disaster Management Framework

The City of uMhlathuze Disaster Management Framework is essential to ensure an efficient and effective disaster management effort in its area of jurisdiction. The Disaster Management Framework also has to ensure that all role players in the disaster management arena (including Government, Non-Government Organizations, Traditional Authorities and the Private Sector) work together in a coherent and coordinated fashion to prevent and or mitigate the occurrence of disasters.

Disaster management bylaws are in the process of being adopted by Council. Bylaws have to be promulgated to give effect to the provisions of Council's Disaster Management Framework. These bylaws will be aimed at ensuring public safety before, during and or after the occurrence of a catastrophic event.

Disaster Management Plan

The City of uMhlathuze has developed and completed and adopted a Disaster Management Plan (2020). The Municipal Disaster Risk Management Plan is designed to establish the framework for implementation of the provisions of the Disaster Management Act, 57 of 2002, as well as the related provisions of the Municipal Systems Act, 32 of 2000.

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

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

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

The Disaster Management Act (Act 57 of 2002) as well as the National Disaster Management Framework, requires that Municipalities conduct disaster risk assessments for their area of jurisdiction. uMhlathuze Municipality has adopted a Disaster Management Plan (Level 2) in May 2020.

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

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

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

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

Table 18: Three levels of Disaster Risk Management

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

The following indicates the City of uMhlathuze Risk Rating.

Table 19: List of Priority Risks (Hazards)

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

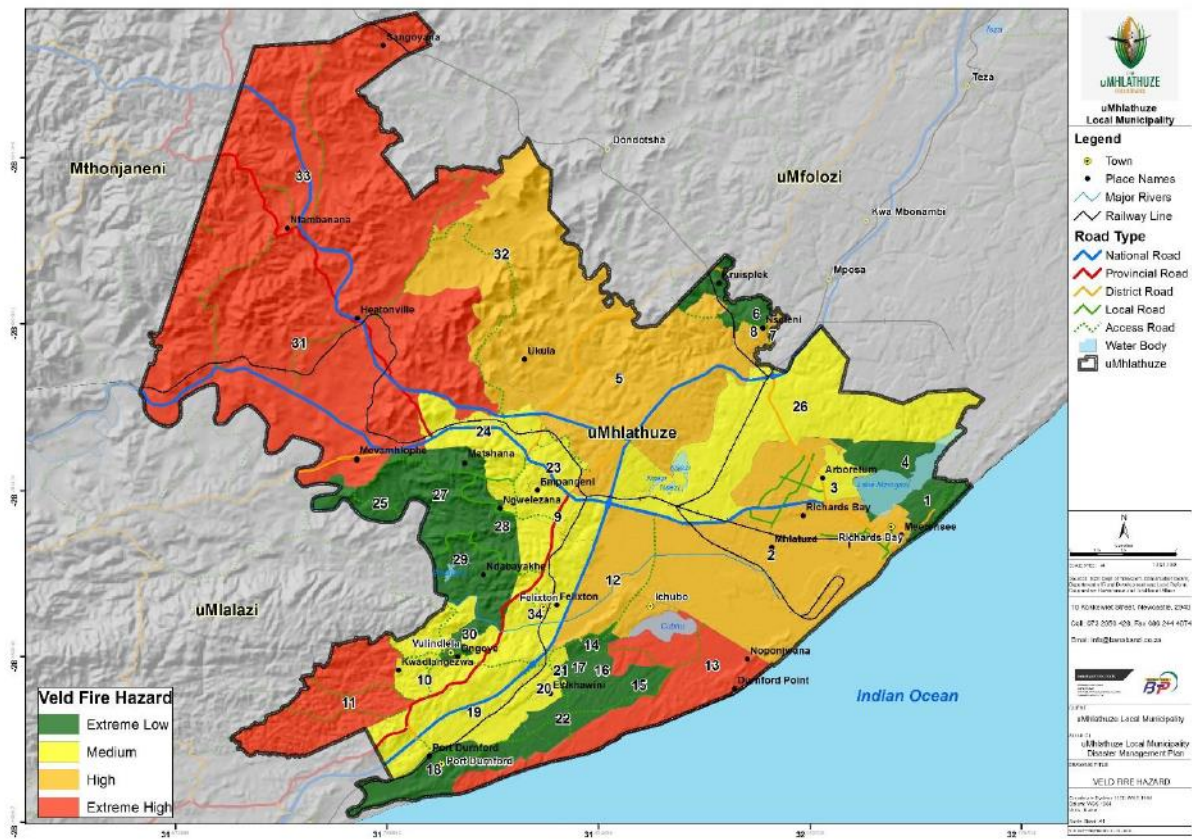
Illegal Dumping	Richards Bay open velds, Esikhawini, Nseleni. eMpangeni,	Throughout the year	40%	High grass and tree next to the settlements	
Draught	Entire uMhlathuze	Severe climate change	78%	Severe heat, dry rivers and dams, no rain	
Crime	House breakings. Rape, Hijackings, Arm robbery	Throughout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

Table 20: Risk Rating

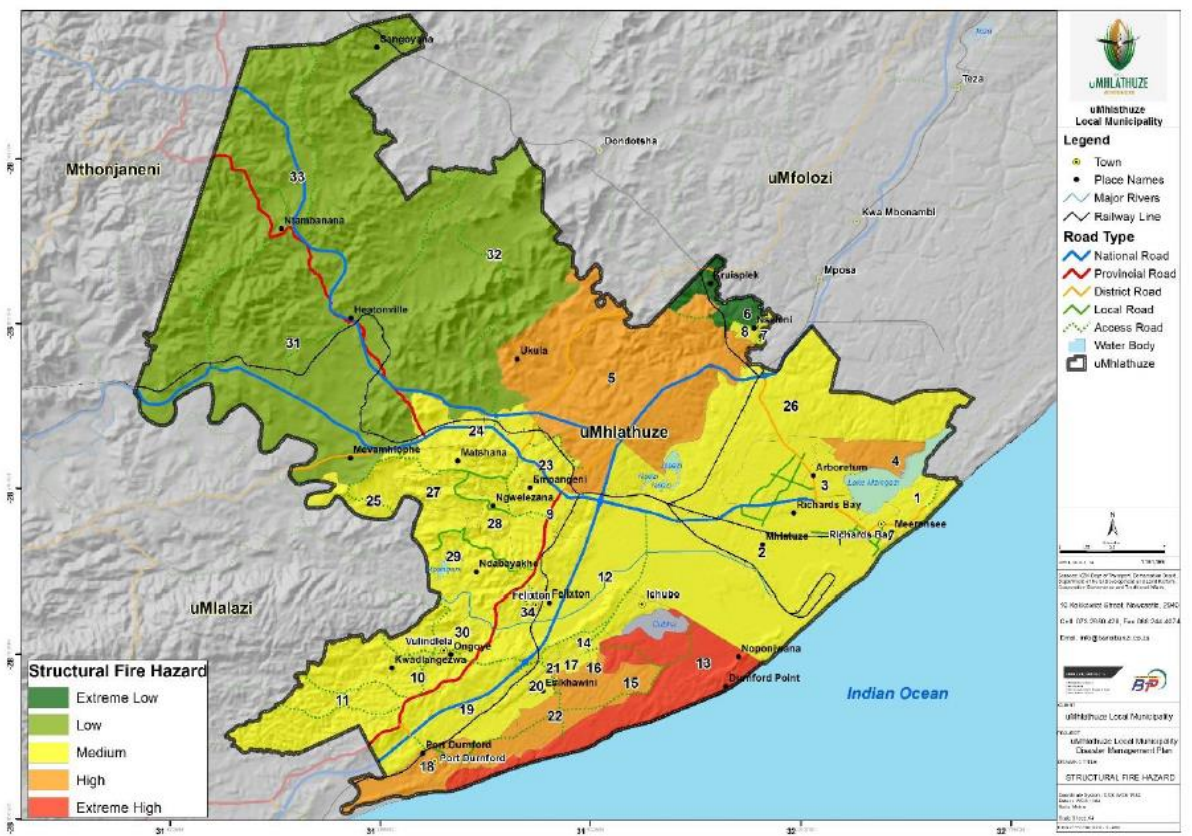
Main Category (CITY RISK RATING)	RISK (City)
Hydro-meteorological Hazards - Severe Storms (Lightning)	0.90
Hydro-meteorological Hazards - Severe Storms (Heavy Rainfall)	0.86
Hydro-meteorological Hazards - Floods (River)	0.83
Fire Hazards - Veld/Forest Fires	0.77
Hydro-meteorological Hazards - Severe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

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

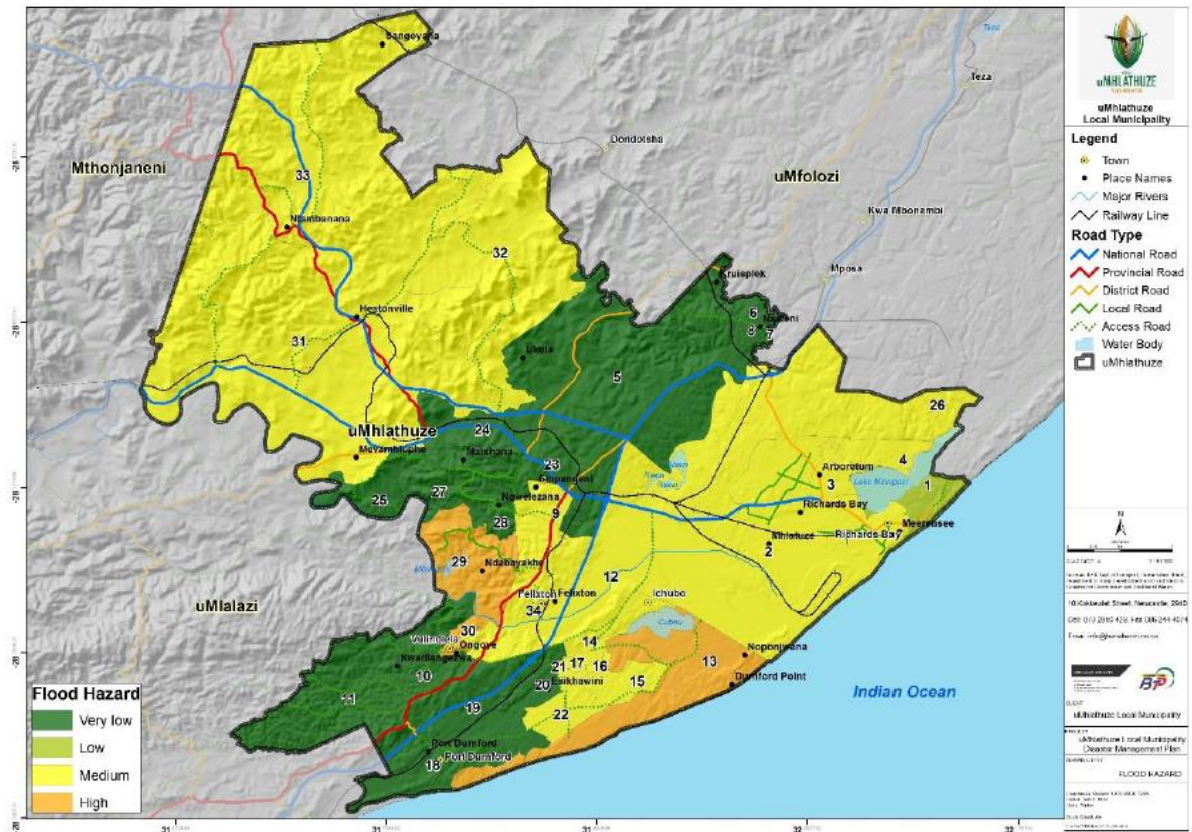
Map 11: Veld Fires Hazard Assessment



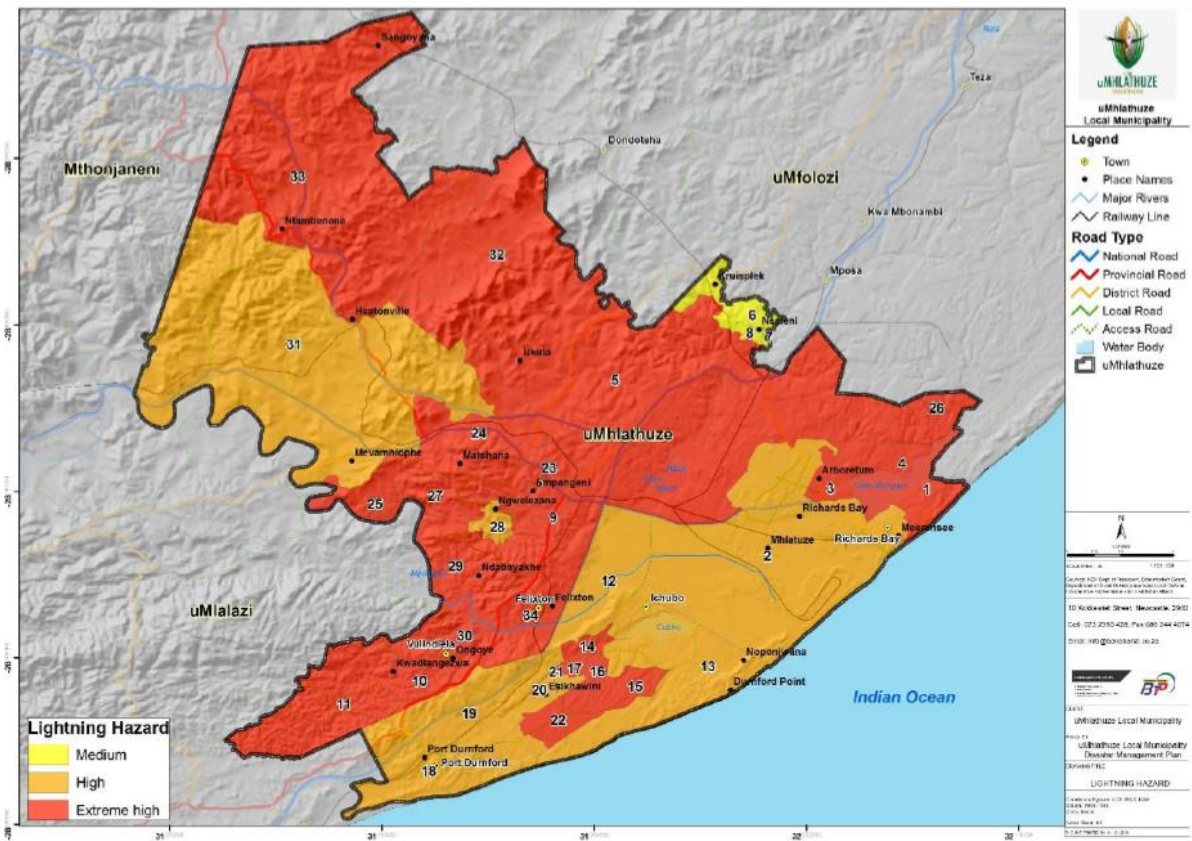
Map 12: Structural Fires Hazard Assessment



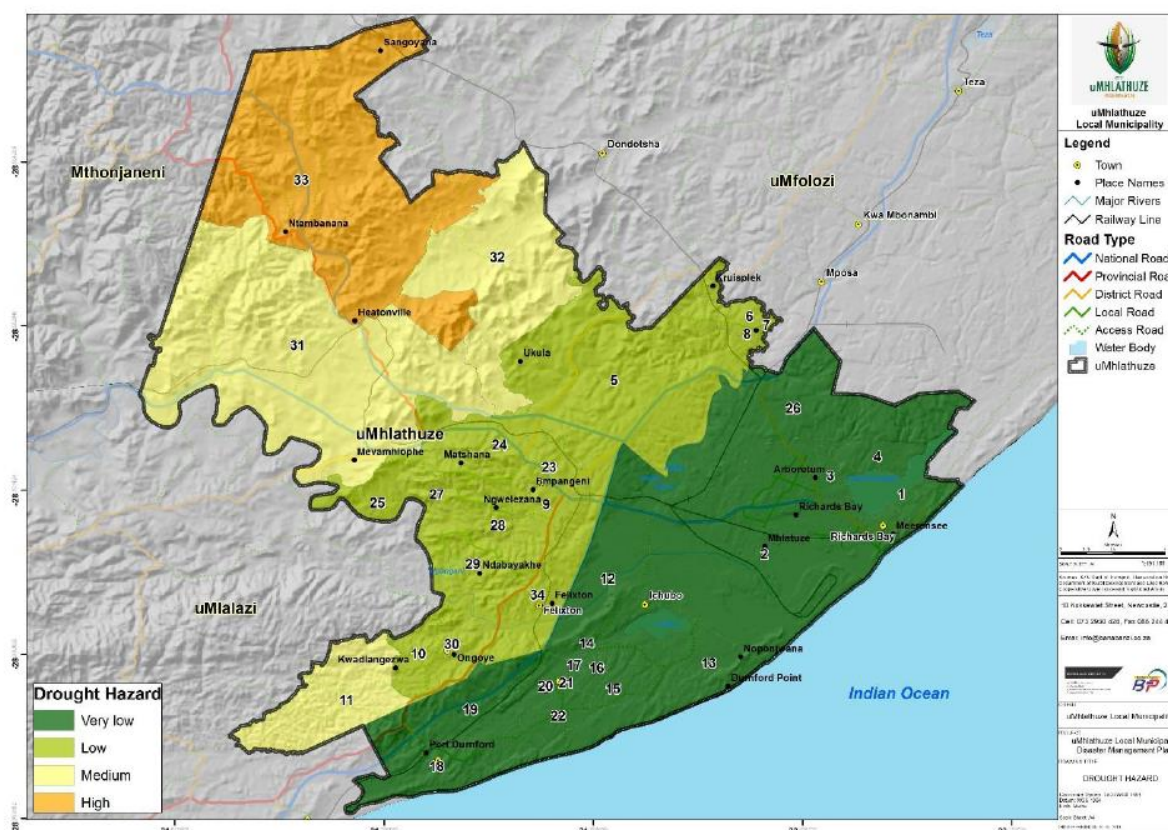
Map 13: Flood Hazard Assessment



Map 14: Lighting Hazard Assessment



Map 15: Drought Hazard Assessment



Disaster Management Center

The focal point of all efforts in disaster risk management lies in the Disaster Management Center. UMhlathuze has an operational Disaster Management Centre established in 2019, located in Richards Bay. Currently the City is refurbishing the Centre in order that it complies fully with the Disaster Management Act.

The center exist to fulfill numerous important disaster risk management functions; namely planning, resource management, reporting etc. The disaster management unit is strategically placed at the disaster management centre to meet all the requirements as required in the disaster management regulations.

The City of uMhlathuze shall entirely execute, facilitate and promote an integrated, coordinated and uniform approach to the disaster management continuum (prevention, mitigation and recovery) in its area of jurisdiction. This disaster management approach involves and will take cognizance of national, provincial and municipal organs of state, statutory functionaries, private sector, communities and other role players involved in disaster management.

Disaster Management Advisory Forum

UMhlathuze Municipality has established and has a fully functional Disaster Advisory Forum as per the requirements of the ct. This is a body in which the municipality and other disaster management role-players consult one another and coordinate their actions on matters

relating to disaster management within the area of jurisdiction of the municipality. At least the following persons/organizations serve on the above forum:

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

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

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

8.12.2 Disaster Response and Recovery

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

8.12.3 Training and Awareness

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

The City of uMhlathuze is committed in ensuring that, during risk identification and prioritization, information management and dissemination processes there-of, directly acquire and involve indigenous knowledge through community leaders and community structures representatives.

Currently awareness is conducted through PIER [Public Information Education and Relation] Some of the public awareness activities include,

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

8.12.4 Funding Arrangements

The City of uMhlathuze shall endeavor to budget for identified projects and programmes for disaster management with the effort of complying with its Disaster Management Framework as well as the statutory documents as required.

8.12.5 Municipal Cross-Boundary Cooperation

According to the new dispensation of wall- to- wall municipalities clearly indicating that, there is no land that does not fall under a municipal area, it is of paramount to understand that, disasters know no boundaries and as a result a strategy in a form of a memorandum of understanding is crucial to ensure cooperation amongst neighbouring municipalities during disasters.

8.13 Business Continuity Management

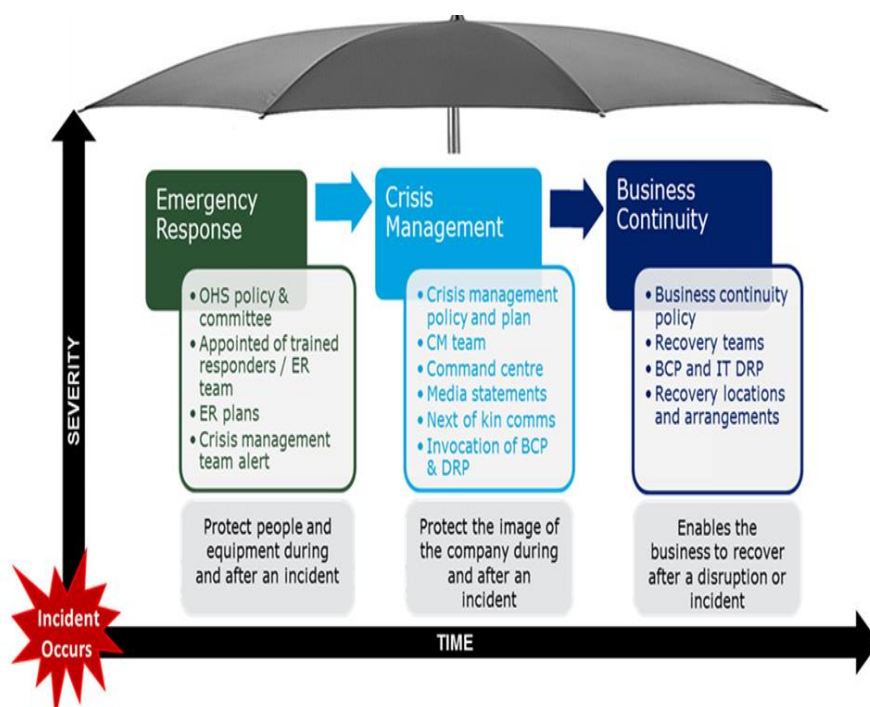
In the event of a material disruption to its critical activities, the City of uMhlathuze is committed to ensuring the continuity of the Municipality by:

- Ensuring the safety and wellbeing of its employees, contractors and visitors
- Protecting the wellbeing of the environment and society in which the Municipality operates
- Minimising the adverse impact of the disruption to the Municipality's operations
- Ensuring continuity of the critical processes to a predefined, acceptable level.

To achieve this, uMhlathuze has integrated Business Continuity Management (BCM) as an essential part of its day-to-day operations. The Municipal Manager has established a BCM policy to provide the framework around which uMhlathuze's BCM capability and programme are designed and built.

An overview of Business Continuity and when it comes into practice is depicted in the diagram below:

Figure 6: BCM Overview



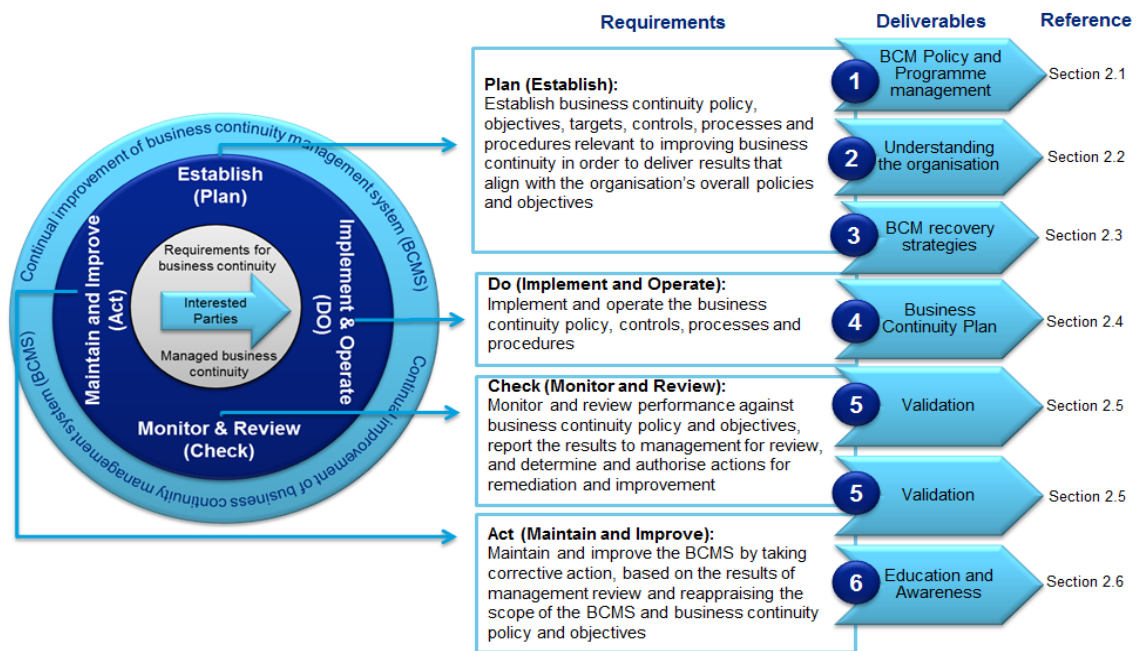
The objectives of uMhlatuze's BCM programme are to:

- Protect the Municipality, including its staff and stakeholders, by minimising the impact of a material disruption to critical activities, ensuring continuation of service delivery to the community
- Understand and communicate the recovery needs of the Municipality and ensure an appropriate recovery capability is provided
- Recover the Municipality in a planned and controlled manner, meeting the requirements of the municipality and complying with applicable laws, contracts, regulations etc.
- Ensure that Business Continuity is an essential part of municipal planning and development
- Maintain staff, customer and stakeholder contact and confidence.

A strategy to achieve policy objectives was approved by Council together with the policy, and it is within this architecture that Council undertook a two-year project to establish a Business Continuity Plan for the Richards Bay Civic Centre as phase one of the roll out. The reasoning behind commencing with this building is that it is the main centre of engagement with the public as well as the management hub of the organisation.

In line with the International Standards Organisation (ISO) 22301 standard and the Business Continuity Institute's (BCI) Good Practice Guideline (GPG) 2013, the BCP Project structure assumed the following form:

Figure 7: BCM lifecycle (left) and project phases (right)



At the time of reporting, all Business Continuity Plans were in place and validated, and the project was nearing completion and at the stage of closeout. Due to the complex nature and high level of involvement required to complete Business Continuity Plans for the Richards Bay Civic Centre as a point of departure, further project phases will include the establishment of plans for all Council Buildings, subject to resource availability.

8.13.1 Disaster Management: SWOT Analysis

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

9. DEMOGRAPHIC CHARACTERISTICS

9.1 Demographic Indicators

9.1.1 Population and Household Numbers

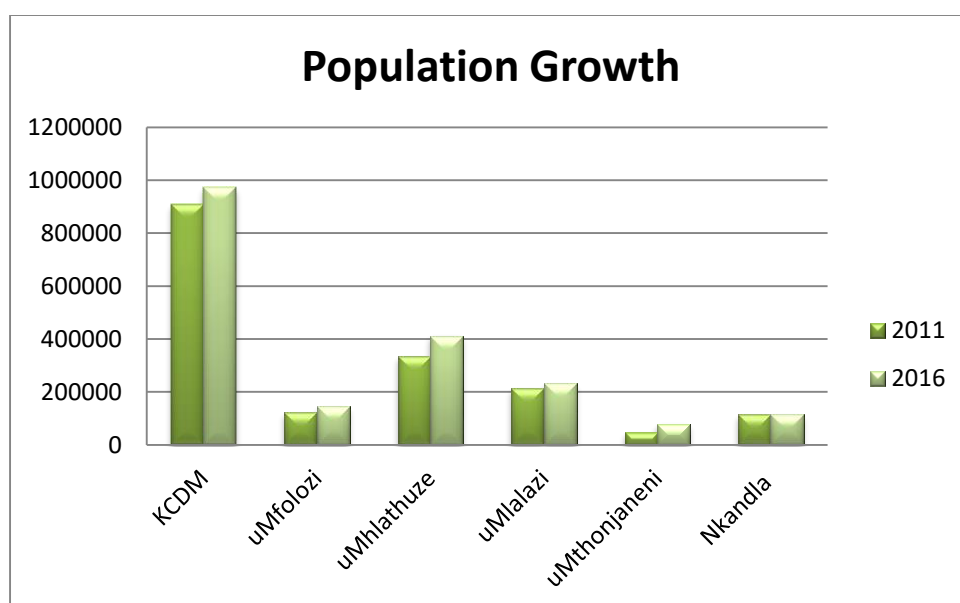
UMhlatuze Municipalities is located in King Cetshwayo District. The population increase in King Cetshwayo District, broken down per municipality is indicated in the table and explanatory figure herewith.

Table 21: Population Numbers

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

Source: Statistics SA, Census 2011 and Community Survey 2016

Figure 8: Population Growth



the 2016 Community Survey indicates that the population of uMhlatuze Municipality has increased by just over 22% between 2011 and 2016. This increase is indicated in relation to the King Cetshwayo District Family of Municipalities, as per table 9 and Figure 4.

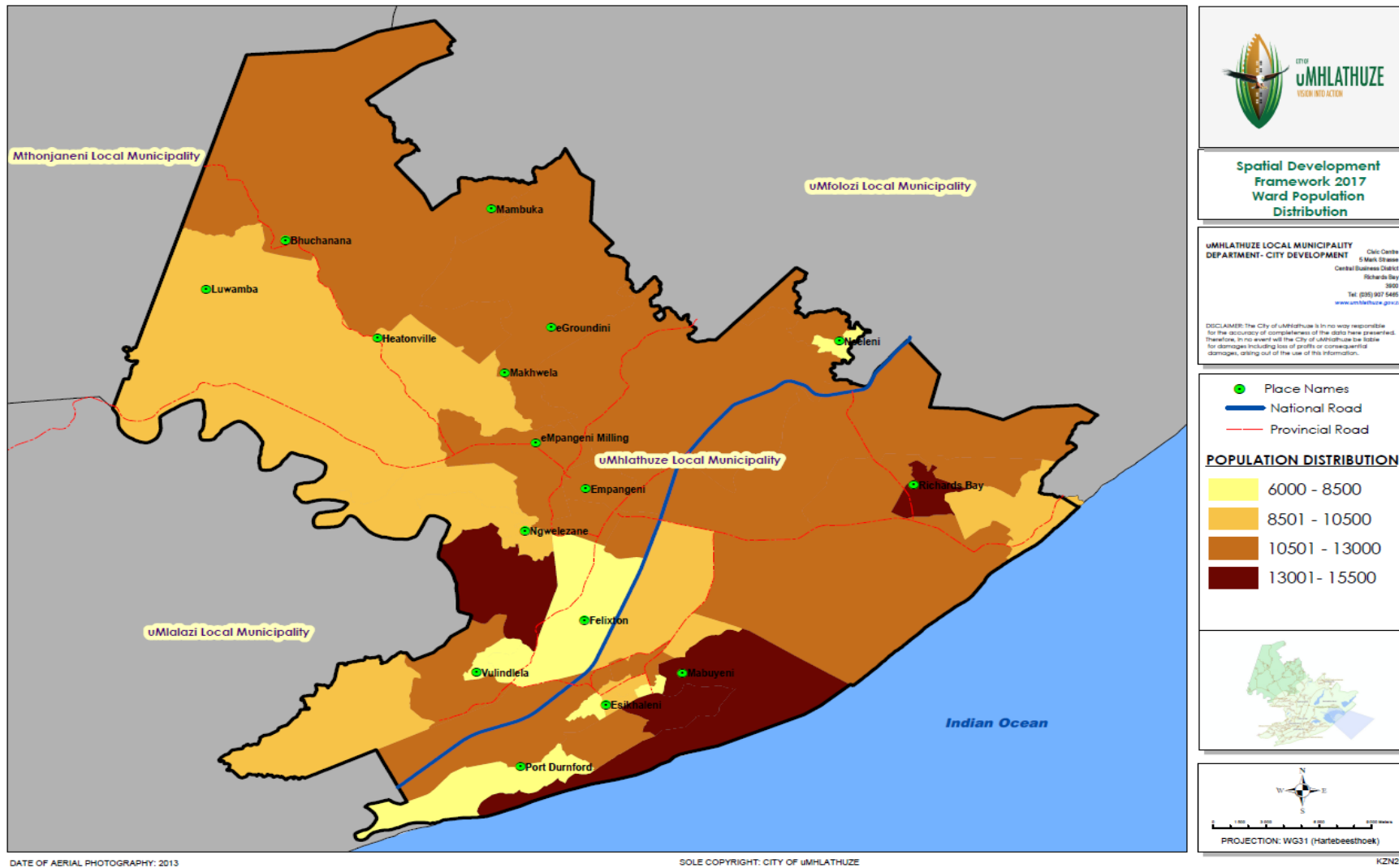
Source: Statistics SA, Census 2011 and Community Survey 2016

In context of the above, it has to be borne in mind that a portion of the population increase is the result of an enlarged municipal area following the inclusion of three (3) wards from the former Ntambanana post the 2016 Local Government Elections.

Population growth scenarios have been applied to the base figure from the 2016 Community Survey. Adequate data and research is not available at this time to apply a historic growth trend as the composition of the municipality, in terms of boundaries and wards, has changed post the Local Government Elections of 2016. The following base data has therefore been used:

- A baseline population in the uMhlathuze Municipality of 410 465 people in 2016 as per the Community Survey
- A calculated household size of 3.95 as derived from 2011 census data
- A total number of 103 915 households in the municipal area derived from the above Community Survey.

Map 16: Population Distribution



Source: uMhlatuze SDF 2017

Table 22: Population Growth Scenarios from 2016 to 2030

	2 016	2 017	2 018	2 019	2 020	2 021	2 022	2 023	2 024	2 025	2 026	2 027	2 028	2 029	2 030
1.5% Increase	410 465	416 622	422 871	429 214	435 653	442 187	448 820	455 552	462 386	469 322	476 361	483 507	490 759	498 121	505 593
Households	103 915	105 474	107 056	108 662	110 292	111 946	113 625	115 330	117 060	118 816	120 598	122 407	124 243	126 107	127 998
2% Increase	410 465	418 674	427 048	435 589	444 301	453 187	462 250	471 495	480 925	490 544	500 355	510 362	520 569	530 980	541 600
Households	103 915	105 993	108 113	110 276	112 481	114 731	117 025	119 366	121 753	124 188	126 672	129 205	131 790	134 425	137 114
3% Increase	410 465	422 779	435 462	448 526	461 982	475 841	490 117	504 820	519 965	535 564	551 631	568 180	585 225	602 782	620 865
Households	103 915	107 033	110 244	113 551	116 957	120 466	124 080	127 803	131 637	135 586	139 653	143 843	148 158	152 603	157 181
4% Increase	410 465	426 884	443 959	461 717	480 186	499 393	519 369	540 144	561 750	584 220	607 588	631 892	657 168	683 454	710 793
Households	103 915	108 072	112 395	116 890	121 566	126 429	131 486	136 745	142 215	147 904	153 820	159 973	166 372	173 026	179 947
5% Increase	410 465	430 988	452 538	475 165	498 923	523 869	550 062	577 565	606 444	636 766	668 604	702 034	737 136	773 993	812 693
Households	103 915	109 111	114 566	120 295	126 310	132 625	139 256	146 219	153 530	161 207	169 267	177 730	186 617	195 948	205 745

From the above, the following is highlighted:

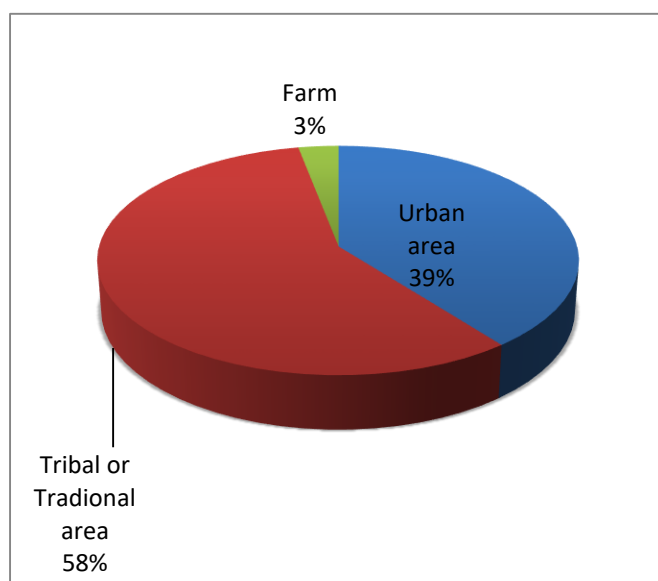
- At a steady population increase of 1,5% per annum, the municipal population will surpass 500 000 people by 2030.
- The municipality will reach a population of 500 000 before 2021 if a population growth rate of 5% takes place over the next few years.
- At such a 5% per annum population growth rate the number of households in the municipality will double by 2030.

Table 23: Household Numbers and Sizes

Ward	Number	Households	Size
1	12146	3406	3.57
2	12255	3931	3.12
3	9058	2586	3.50
4	12473	2941	4.24
5	15564	3391	4.59
6	12544	3549	3.53
7	5895	2232	2.64
8	5136	1815	2.83
9	13558	4317	3.14
10	11311	2513	4.50
11	9130	1513	6.03
12	8574	1963	4.37
13	14928	2688	5.55
14	12316	3263	3.77
15	12251	3064	4.00
16	7801	1878	4.15
17	10462	3346	3.13
18	14887	2880	5.17
19	12019	2983	4.03
20	8551	2488	3.44
21	6950	1931	3.60
22	9181	1960	4.68
23	10704	3323	3.22
24	18332	4371	4.19
25	13870	3162	4.39
26	11524	2909	3.96
27	8874	2673	3.32
28	7441	2355	3.16
29	15368	3368	4.56
30	11360	3915	2.90
31	9820	2074	4.73
32	9474	1586	5.97
33	10707	1941	5.52
	364464	92315	3.95

Source: Statistics SA (Census 2011)

Figure 9: Geo Type



Source: Statistics SA (Census 2011)

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

9.1.2 Population Gender Breakdown

Table 24: Population and Gender per Ward

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

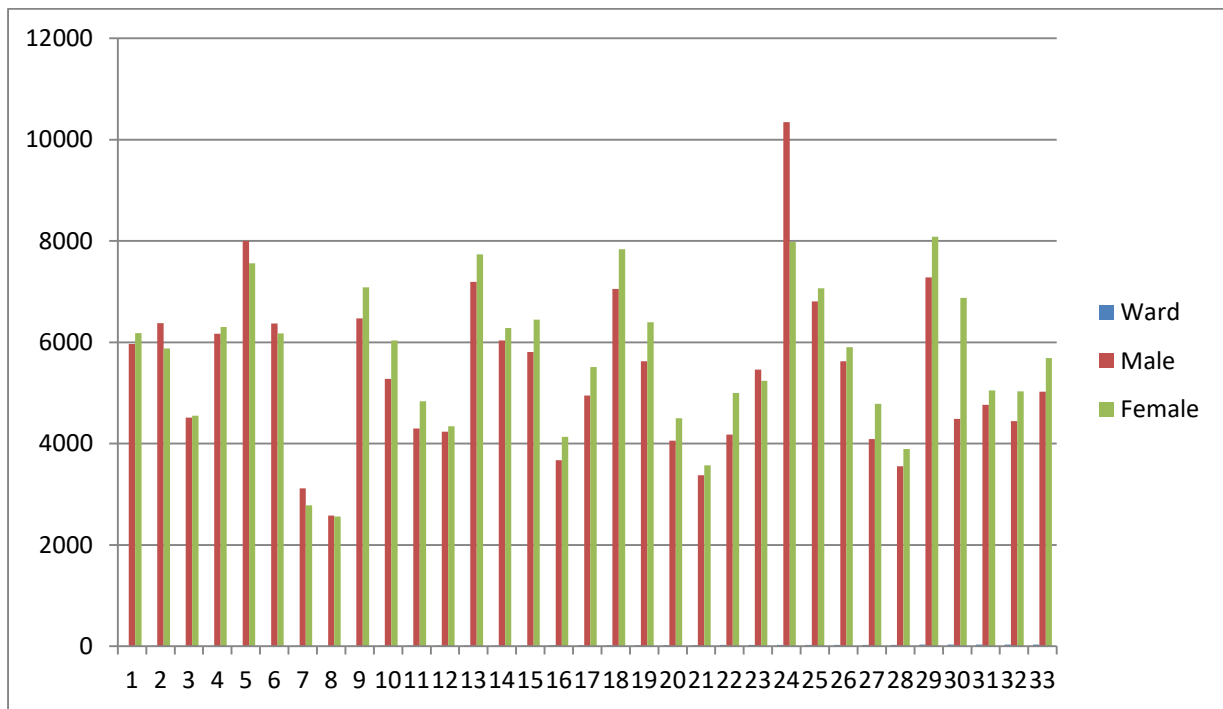
The municipal wards that have the highest population numbers above 10 000 are wards 1,,2 4, 5, 6,9,10 13, 14,15,17, 18, 19, 23, 24, 25 ,26, 29, 30 and 33.

In line with national and provincial trends, there are more females than males in the Municipality, i.e. 187 287 females and 177175 males. The wards where the number of males is higher than the number of females are wards 2, 5, 6, 7, 8, 23 and 24. It is possible that single males live in these wards and are employed in the municipal area and that their families live elsewhere.

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

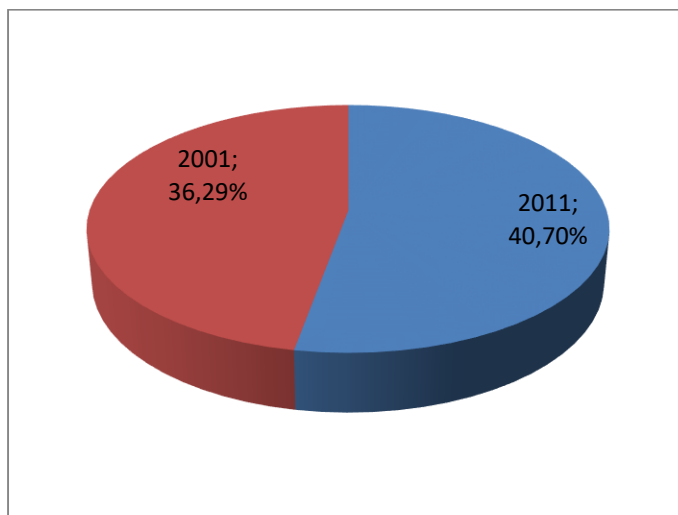
As this affects the municipal planning, the City is in engagements with the Statistics SA to assist with a methodology for conducting own survey and a validation criteria of outcomes. **Source: Statistics SA, (Census 2011)**

Figure 10: Gender Breakdown per Ward



Source: Statistics SA, (Census 2011)

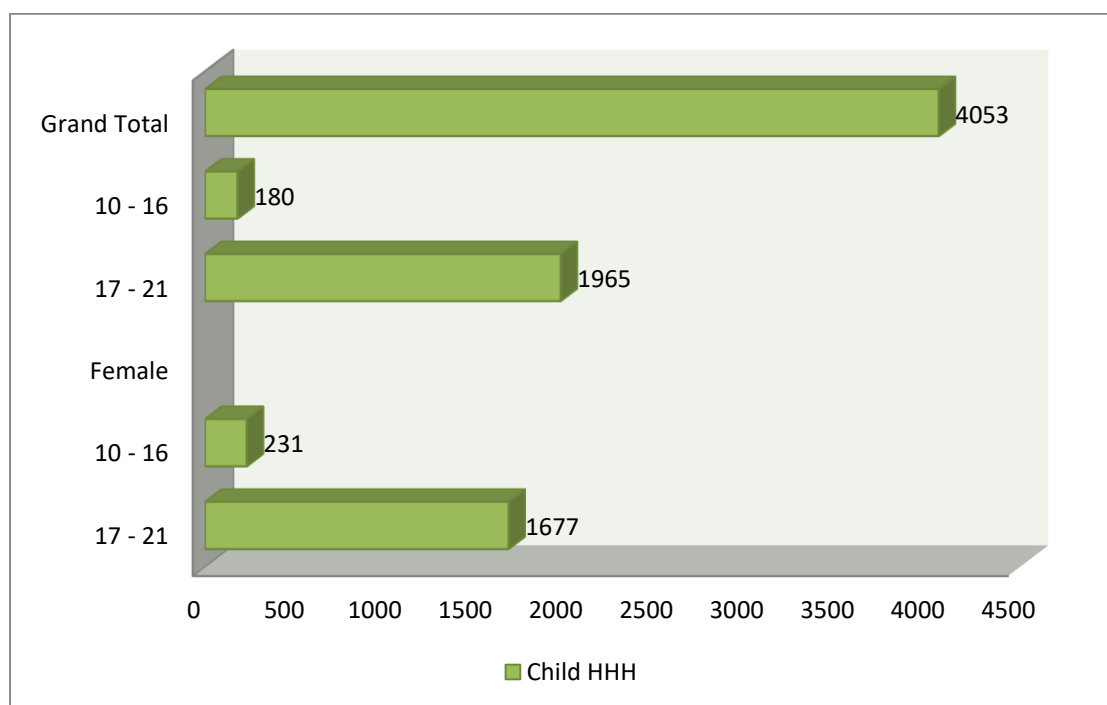
Figure 11: Female Headed Households



Source: Statistics SA, (Census 2011)

The number of Female headed Households has increased from 2001 from 36.29 % to 40.70% in 2011. This can be attributed by many factors including the high level of divorce cases, and the fact that more women are becoming more independent.

Figure 12: Child Headed Households



Source: Statistics SA, (Census 2011)

About 5 % of uMhlathuze Households are Child and Adolescent Headed Households. The needs of these children are complex, many and diverse. Of importance are their rights that are compromised. According to Jacobs (2005)¹, Smart (2003)², and UNICEF (2003)³, these children are often found to be fulfilling parenting roles and tasks like household chores, helping siblings with homework, providing emotional support, taking care of ill parents and providing spiritual guidance to family and sibling. They are vulnerable to all types of abuse because the family environment that served as a safety net has been eroded. The children are at risk of contracting HIV/AIDS and suffer psychological instability. They are often poor; they live in poor conditions and are exposed to hard labour. They are at risk of poor education as they quite often lack money to pay for their schooling or that of their siblings. Other risks are unemployability because of poor education and lack of skills; disease; prostitution; crime; pregnancy; poor or no shelter and no knowledge about their rights. They are exposed to emotional trauma, as they may have to cope with multiple losses in the form of death, sibling dispersal, relocation and reconstitution of the family after the death of parents.

Children in these households need shelter, clothes, food, education, access to health facilities, care giving and life skills, including coping with drugs and alcohol abuse, and protection against physical harm, sexual abuse and exploitation.

9.1.3 Age Breakdown

The population age cohort <15 has been declining at the district and uMhlathuze Local Municipality level while the population cohort for the 15-64 age group has shown an

¹ Jacobs, M. 2005. *South African Child Gauge*. Children’s Institute.

² Smart, R. 2003. *Policies for Orphans and Vulnerable Children: A Framework for Moving Ahead*. Policy Project.

³ UNICEF. 2003. *Working with Children in Unstable Situations*. UNICEF.

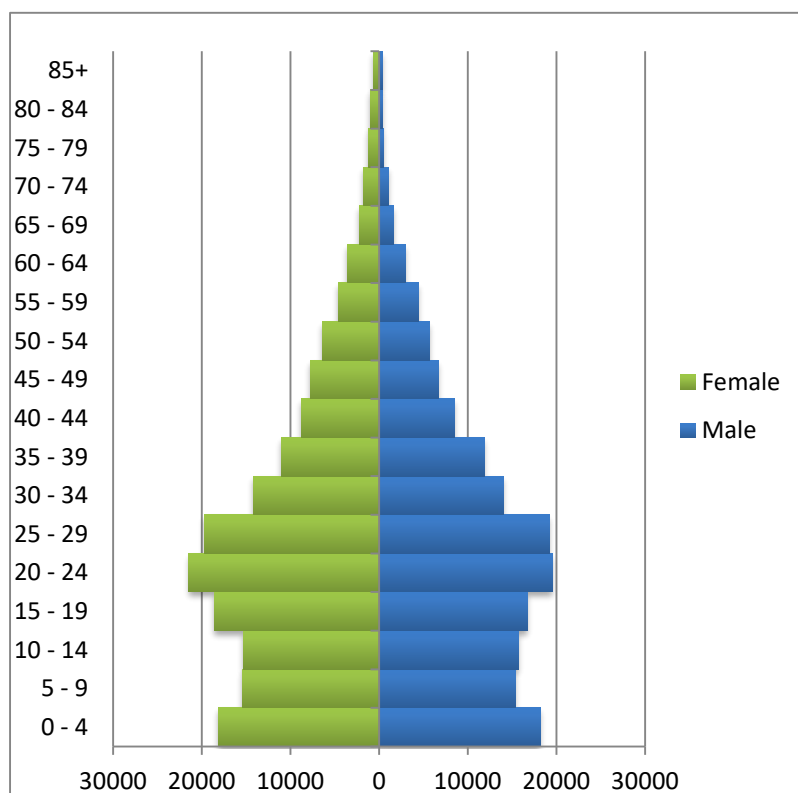
increase at both the district and local municipality level between 2001 and 2011. The latter could be indicative of increased perceptions of employment opportunities in the uMhlatuze area resulting in an in-migration into the area. An increase in the older age cohort (65+) is also observed between 2001 and 2011. Such could be indicative of the elderly deciding to reside in the area upon retirement or of improved health care facilities and an improved standard of living.

Table 25: Population Age Structure

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

Source: Statistics SA, (Census 2011)

Figure 13: Age in Completed Years by Gender



Source: Statistics SA, (Census 2011)

The Figure and the table above indicate that Municipality is dominated by a young population in terms of Age. It is imperative that the municipality develop programs and projects that will respond to youth issues. Further strategies for youth development, in terms of empowering youth in different skills must take priority in municipality's strategies. If youth is not developed and empowered, municipality will have no future leaders.

9.1.4 Life Expectancy

According to Stats SA life expectancy for females in KZN increased from 51 years (2001-2006) to 55.2 years (2006-2011), and for males increased from 45.7 years (2001-2006) to 50 years (2006-2011)

9.1.5 Education

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

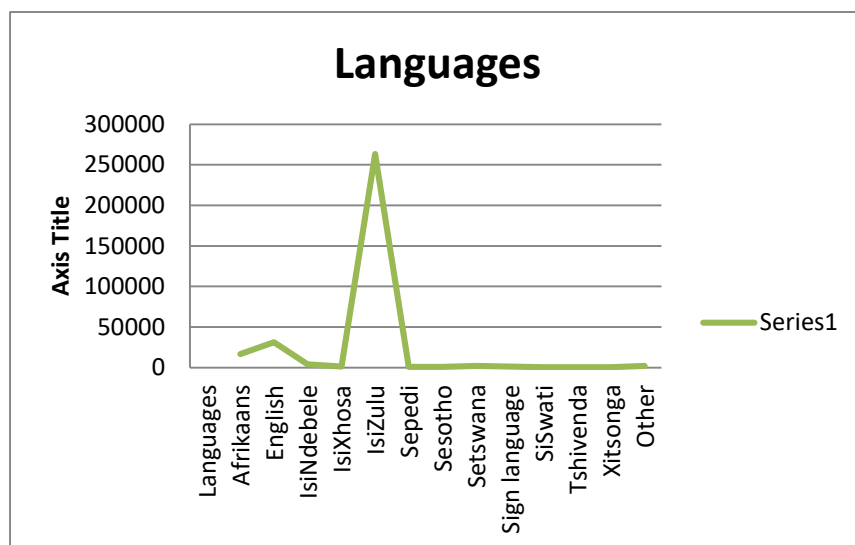
Table 26: Comparative Education Levels

	No Schooling		Higher Education		Matric		Primary Educational Enrolment aged 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
	South Africa	17.9	8.4	8.4	6.7	22.1	27.8	91
DC28: Uthungulu	31.6	15.7	5.8	4.2	18.3	29.5	88.3	89.6
uMhlathuze	18.5	7.2	10.9	7.3	27.6	36.9	90.1	91.7
Nkandla	49.8	28.8	2.5	1.7	11.5	21.0	88.7	86.7
Mfolozi	29.6	14.6	2.3	1.2	14.5	30.3	89.3	88.2
Ntambanana	38.0	21.2	1.5	0.8	10.4	23.1	86.4	91.3
uMlalazi	39.2	22.5	3.5	2.9	13.2	22.9	87.0	88.9
Mthonjaneni	37.3	23.3	3.9	2.3	14.7	22.1	85.6	88.9

Source: Statistics SA, Census 2011

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

Figure 14: Language for Persons Weighted in uMhlathuze



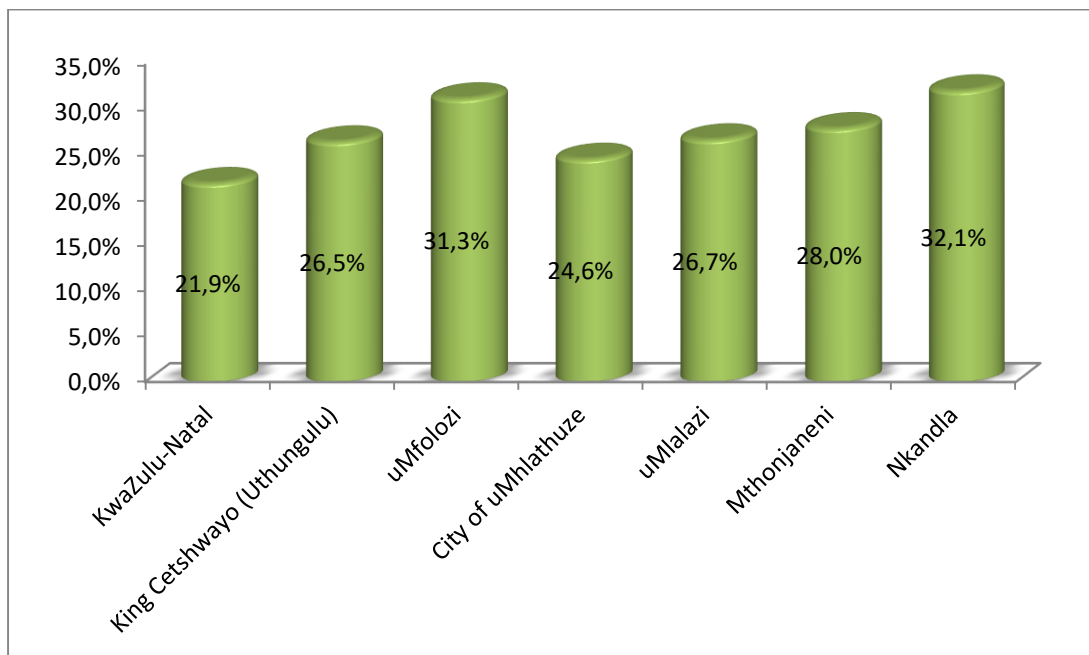
Source: Statistics SA, Census 2011

IsiZulu is the most common language in South Africa, spoken by nearly 23% of the total population. But it's a regional language, with 71.8% of its speakers to be found in KwaZulu-Natal, where it is the language of 80.9% of the provincial population. The figure above indicates that in uMhlathuze Municipality isiZulu is also a majority

language spoken by 78.73% of its population. In the Second place is English spoken by 9.3 % of the total population. In third place is Afrikaans, spoken by 13.3% of the total population.

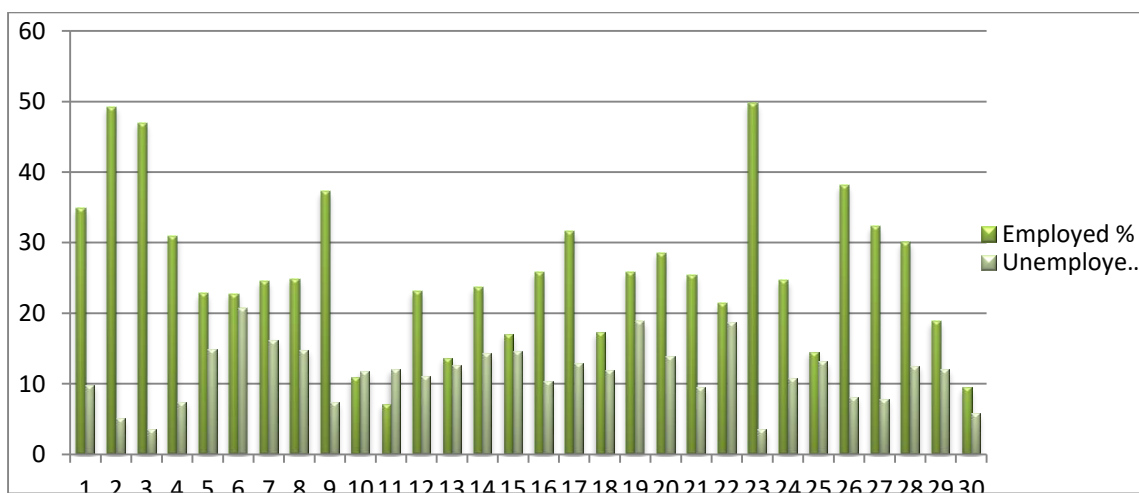
9.1.6 Employment

Figure 15: Total Employment within KwaZulu Natal



Source: Global Insights 2017

Figure 16: Percentage Employment per Ward



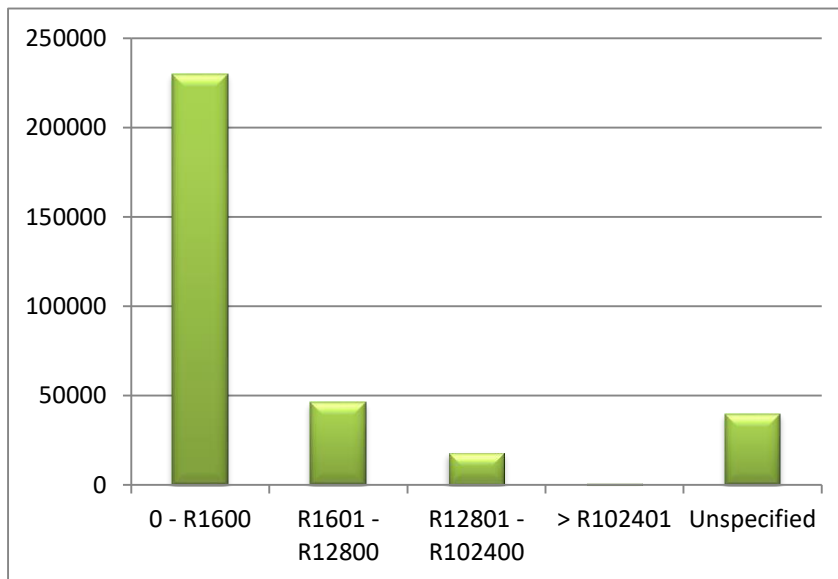
Source: Statistics SA, (Census 2011)

The above figure shows the percentage of persons in the respective municipal wards that are employed and unemployed. The highest percentage employment is in Ward 1, 2, 3, 9, 23 and 29. These wards largely correlate with the developed urban areas of Richards Bay and Empangeni. Unemployment levels seem to be highest (as a percentage) in Wards 6, 19 and 22. These wards largely correlate with areas that are developing (densifying) on the urban periphery of ESikhaleni and Nseleni. With the wards to be incorporated there is positive rate of employment as compared to unemployment. The highest rate of unemployment from the wards to be incorporated in found in ward 5.

9.1.7 Income and Dependency

Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents. The following table does indicate monthly individual income levels for all 30 wards in uMhlathuze. Although the above table does not indicate percentage (%) but numbers only, it still provides a clear indication of the magnitude of poverty (in respect of income levels) in the respective wards. Very high numbers of persons in Wards 5, 6, 13, 15, 18, 25 and 29 earn less than R1600 per month.

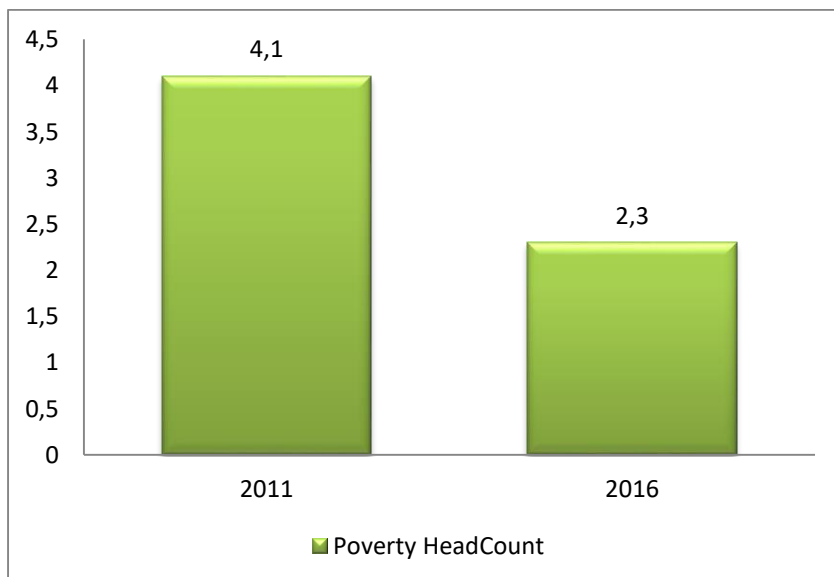
Figure 17: Monthly Individual Income in uMhlathuze



Source: Statistics SA, Census 2011

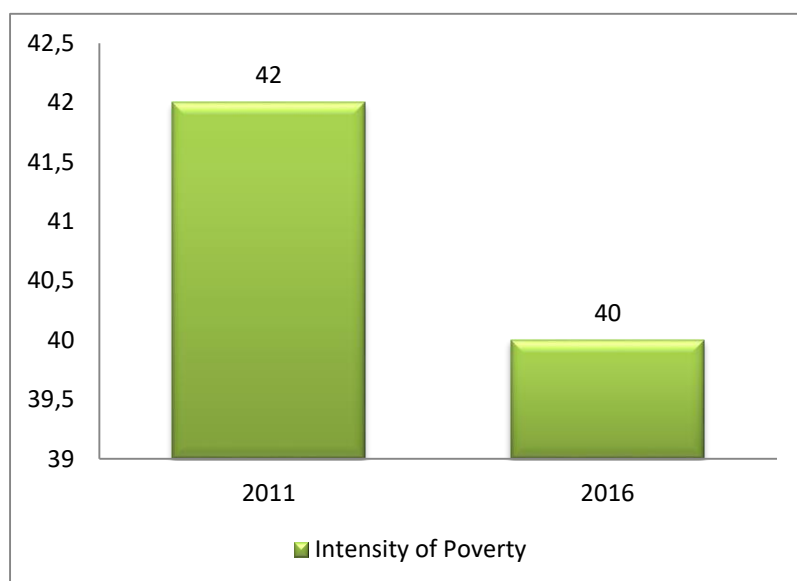
As noted, the number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the official Census 2011 dependency ratios for South Africa, KwaZulu-Natal, the uThungulu District as well as the Local Municipalities in the uThungulu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

Figure 18: Poverty Head Count



Source: Statistics SA, Census 2011 and Community Survey 2016

Figure 19: Intensity of poverty



Source: Statistics SA, Census 2011 and Community Survey 2016

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

Table 27: Comparative Dependency Ratio

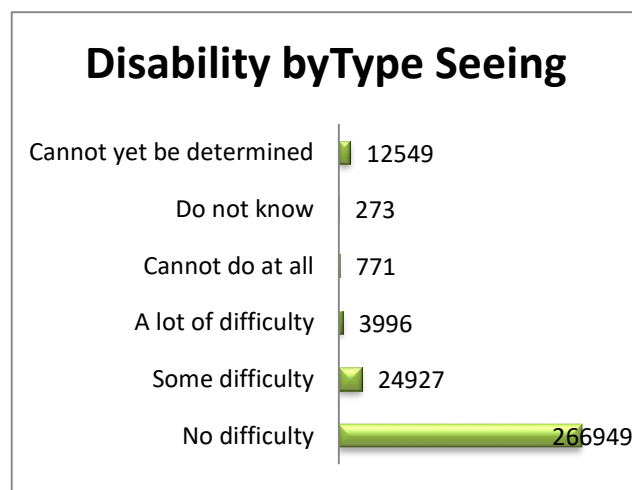
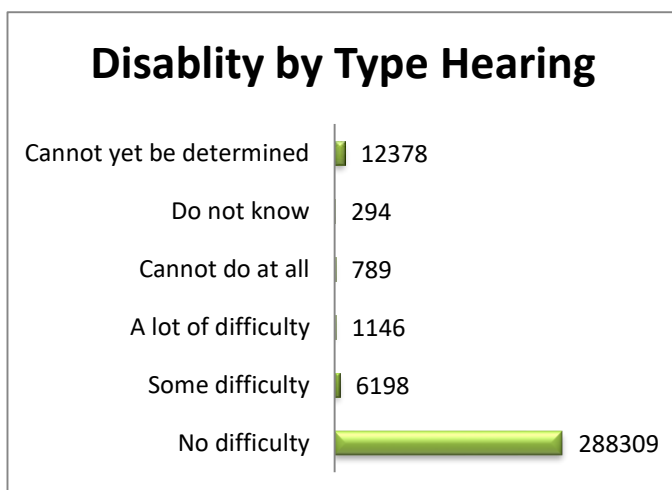
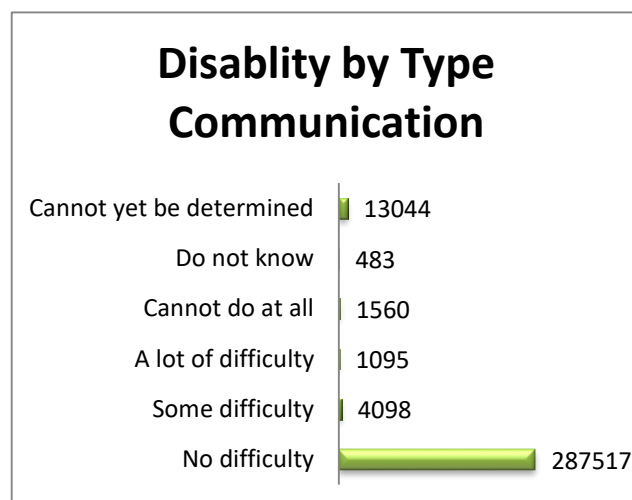
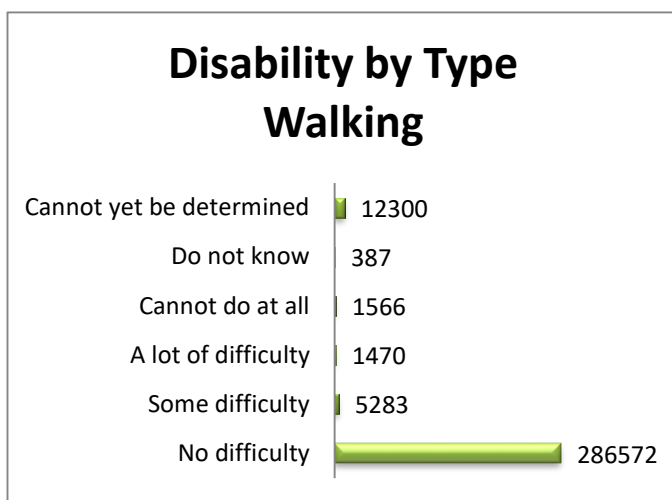
	Dependency Ratio	
	per 100 (15-64)	
	2001	2011
SOUTH AFRICA	58.7	52.7
KWAZULU-NATAL	65.4	58.5
DC28: Uthungulu	74.5	64.7
KZN282: uMhlathuze	55.8	48.2
KZN286: Nkandla	99.2	86.6
KZN281: Mfolozi	80.2	68.2
KZN283: Ntambanana	85.7	79.3
KZN284: uMlalazi	81.5	74.9

Source: Statistics SA, Census 2011

The dependency ratio on KZN was higher in 2001 and remains higher in 2011 than that of the country. The situation is also worse in uThungulu (King Cetshwayo) than in the province. The dependency in uMhlathuze is lower than that of the country.

9.1.8 Disability by Type

The following figures will indicate the number of people that live with different types of disabilities within in uMhlathuze Municipality.



Source: Statistics SA, Census 2011

From the above figures it is evident that within uMhlathuze population there are people living with different disabilities. It is important therefore for the municipality in their implementations plans to develop initiatives that will support and develop people living with disabilities. In different structure of the municipality they should be represented so that they have their inputs on developmental issues considered and what challenges are they facing within the society, which must be addressed through cooperative governance initiatives by different government departments. Further uMhlathuze must consider in all their constructions, or when approving building plans that the needs of people living with disabilities must never be compromised. On Job opportunities priority should also be given to people living with disabilities, in terms of the employment equity act.

9.1.9 HIV/Aids

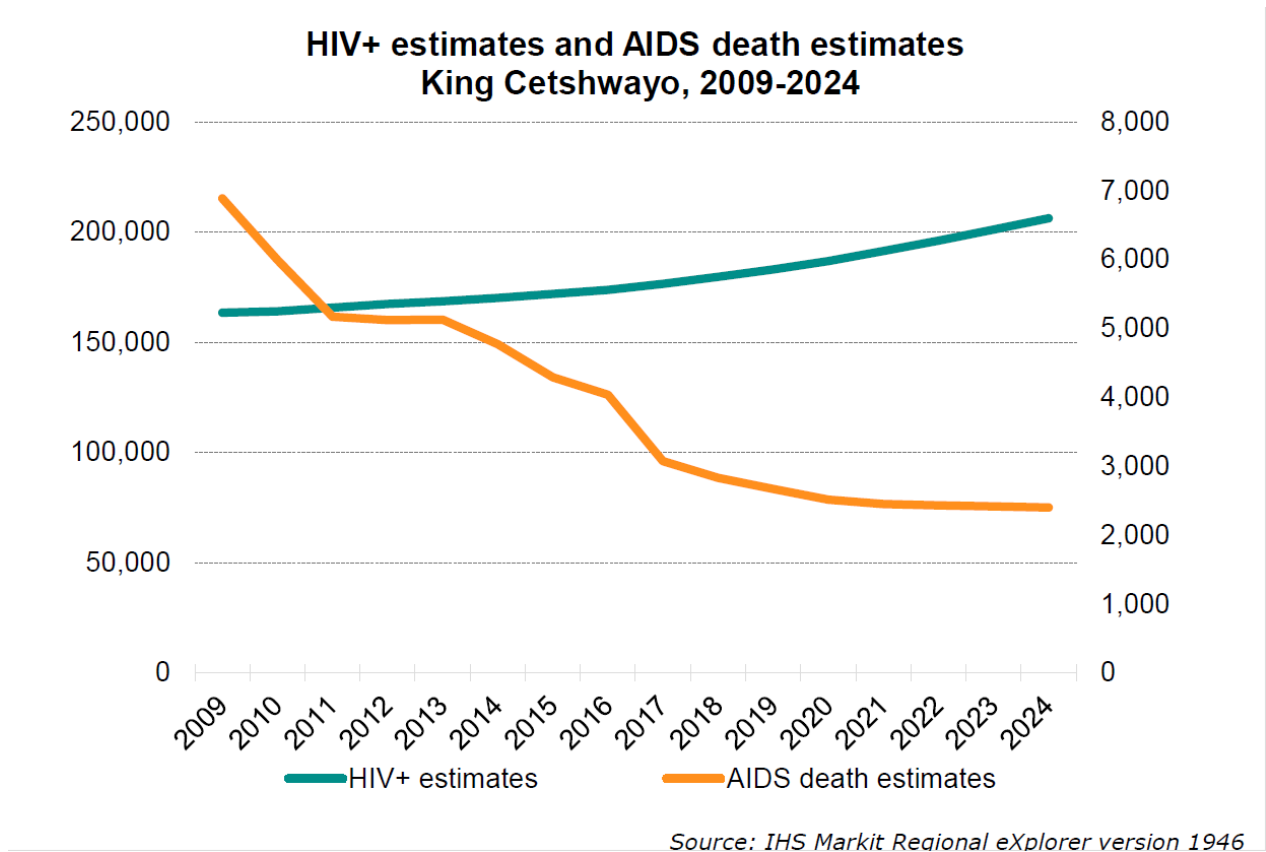
uMhlathuze is providing resources to the Premier's Sukuma Sakhe Programme and the District Command Council which seeks to reduce HIV and AIDS which is also prevalent amongst young people through awareness programmes. Typical impacts of AIDS include decreased productivity of workers, increased absenteeism and additional costs of training new workers. It also represents a greater demand and pressure on health facilities and as

the statistics gathered from antenatal clinics indicate a very real problem of AIDS orphans and child (minor) headed households. These factors must be taken cognizance of when devising local economic development strategies.

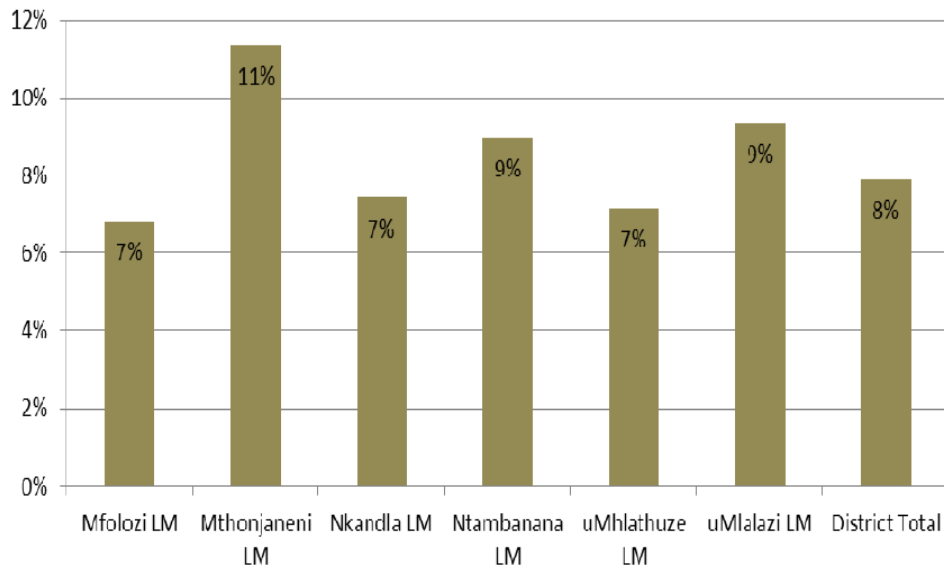
In 2019, 183 000 people in the King Cetshwayo District were infected with HIV. This reflects an increase at an average annual rate of 1.14% since 2009, and in 2019 represented 18.62% of the district's total population. The KwaZulu-Natal Province had an average annual growth rate of 1.72% from 2009 to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

Below are recent statistics on HIV and estimates

Figure 20 : HIV/AIDS Estimates and AIDS death estimates – King Cetshwayo District



9.1.10 Fertility Rates/Recorded Live Births



Source: 2017/2018 King Cetshwayo District IDP

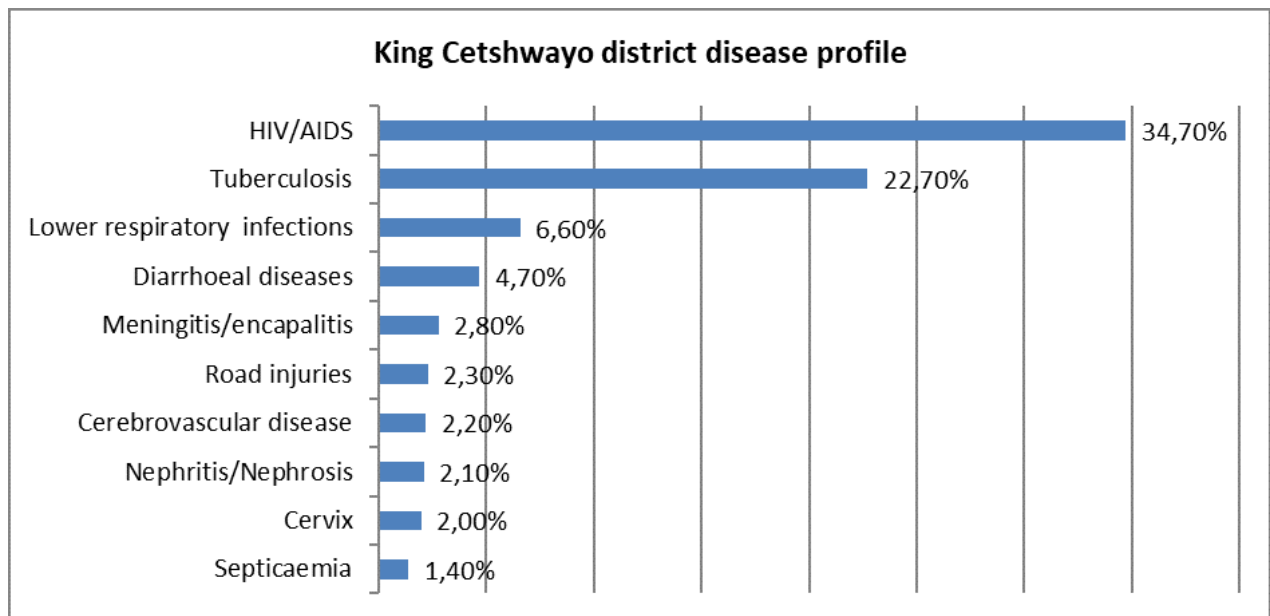
KwaZulu Natal recorded a total fertility rate (TFR) of 2.9 children per woman in 2006 - 2011 (among the highest in the country); the second worst life expectancy (50.6 years) in the same period and the worst under-five mortality rate in

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

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

9.1.11 Mortality Rates

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



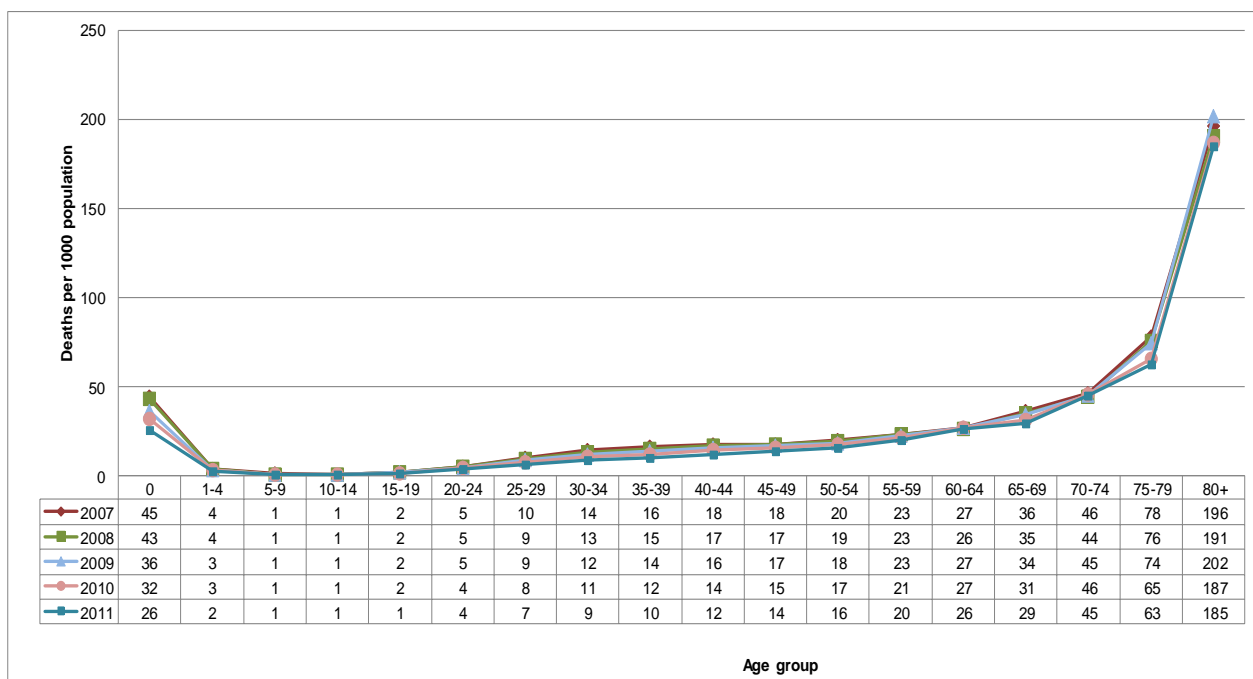
Source: King Cetshwayo District Profile 2020

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

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

Eshowe and KwaMagwaza), 63 fixed Clinics, 1 CHC and 19 mobile clinic teams. UMfolozi and uMhlathuze sub districts do not have district hospitals and they use Ngwelezana Hospital for district hospital services.

Figure 21: King Cetshwayo District - Age Specific Death Rates by year of death 2007-2011



Source: Census 2011

9.2 Key Findings

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

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT ANALYSIS

PGDS GOAL: HUMAN RESOURCE DEVELOPMENT

9.3 Municipal Powers and Functions

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

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

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

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

More specifically, the objectives of local government are: -

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

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

9.4 Municipal Transformation

9.4.1 Employment Equity Plan

uMhlathuze Municipality has an Employment Equity Plan which was Adopted in 2018 November and will be in implementation until the **YEAR 2023** (*attached as an annexure to the IDP*). The main objective of the Employment Equity Plan is mainly on achieving transformation and equality in the workplace by promoting equal opportunity and fair treatment in the employment through the elimination of unfair discrimination, through the EEP Council further commits itself to implement affirmative action measures to redress the historical disadvantages in employment as a result of the apartheid legacy which restricted members of the designated groups from entry to employment, advancement or development of such.

The number and levels of employees from designated and non-designated groups (as at February 2021) is provided in the following table:

Figure 22: Designated and Non-Designated Employment Numbers and Levels as at February 2021

Occupational Levels	Male				Female				Total	PWD
	A	C	I	W	A	C	I	W		
Top Management (23-26)	5	0	0	0	2	0	0	0	7	0
Senior Management (18-22)	22	1	1	6	8	0	0	5	43	1
Professionally qualified and experienced specialists and mid-management (14-17)	47	0	5	6	23	1	2	6	90	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (9-13)	172	1	13	21	124	3	14	22	370	2
Semi-skilled and discretionary decision making (4-8)	526	2	9	16	302	6	14	15	890	14
Unskilled and defined decision making (1-3)	330	1	0	4	214	0	1	0	550	4
TOTAL Permanent	1 102	5	28	53	673	10	31	48	1 950	21

An Employment Equity Committee has been established and is responsible for the following

- Ensuring that the Employment Equity Act is being implemented.

9.4.2 Employment of Disabled Employees

As per the requirement from the Department of Labour, employers are required to employ a total of 2% disabled persons, meaning that Council needs to employ a minimum of 44 disabled persons. Council currently has eleven (21) permanently employed and known disabled employees. In order to attract people with disabilities, positions which are suitable for people with disabilities are to be identified and will be stated as such on the advertisements. The Municipality has a strategy on employment of people living with disabilities.

9.4.3 Labour Relations

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

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

The Labour Relations section is also responsible for the following:

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

9.5 Organisational Development

The Council strives to maintain and enforce a strict workflow to ensure: -

- Uniformity
- Security
- Accessibility
- Transparency

There are more than 15 Portfolio Committees which are scheduled to meet twice a month that feed into the two EXCO's per month. Thereafter EXCO recommendations and resolutions of the Executive Committee are submitted monthly to the full Council meeting for final approval. Numerous ad hoc and other departmental committees exist and are operational.

All reports are aligned to the IDP Objectives and approved by the Municipal Manager before they are placed on an agenda.

9.5.1 Institutional Arrangements

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

Table 28: Council Committees

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

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

9.5.2 Organizational Structure

uMhlathuze Municipality is the third largest Municipality in KwaZulu Natal hence it has large number of workforce. Below is the profile of uMhlathuze Municipality's workforce as indicated in the Employment Equity Plan, As at 28 February 2021

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

The organizational structure of the Municipality was adopted by **Council on 20 June 2017 and reviewed in November 2019**, it aligns to a large degree to the National Key Performance Areas (as well as the corresponding municipal strategies). It be noted that because of the high number of municipal workforce it is therefore impossible in this instance to place an organogram which covers all positions within the municipality. Hence only the Top and Senior Management organograms for the Municipality are provided on the following page.

Table 29: Personnel Numbers

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

Figure 23: Senior Management (Adopted 2019)

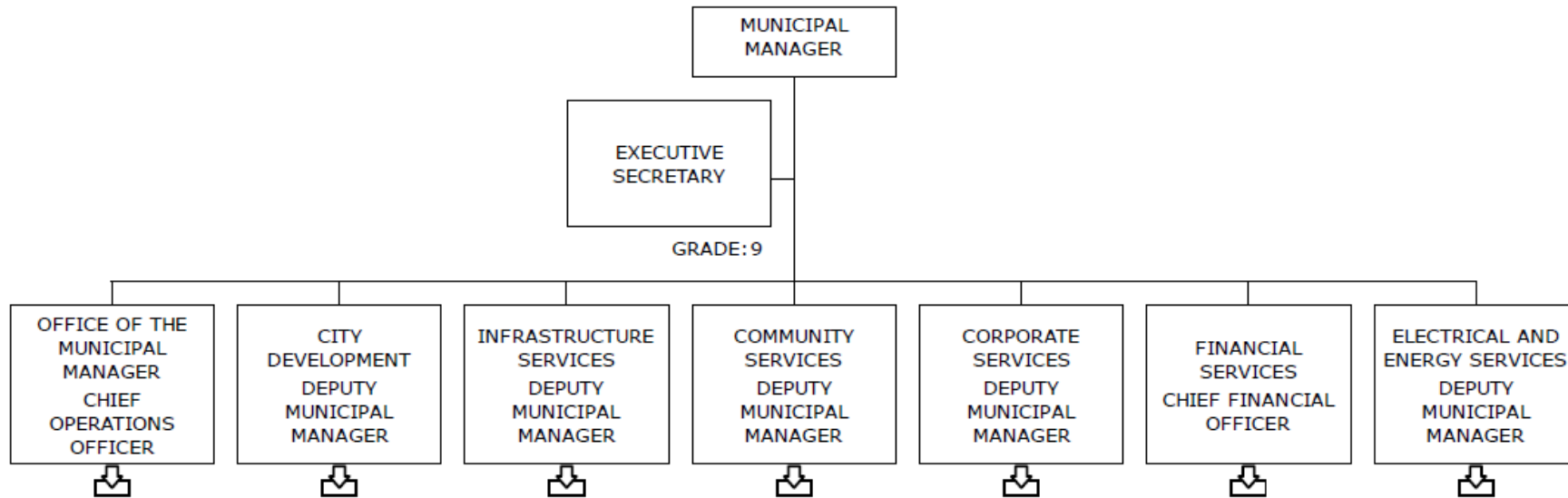


Figure 24: Office of the Municipal Manager (Adopted 2019)

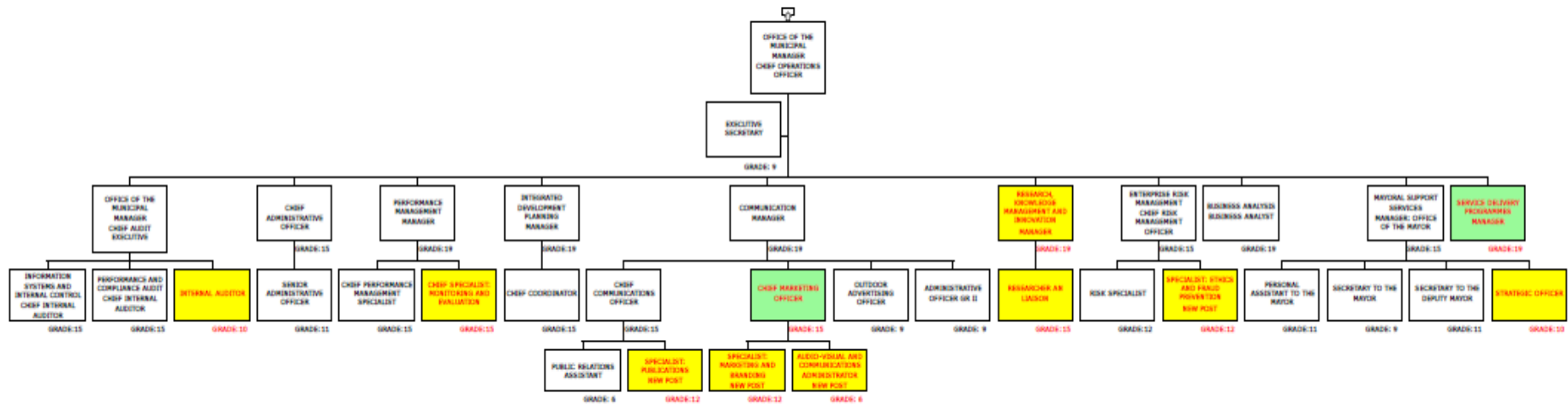


Figure 25: Corporate Services Department (Adopted 2019)

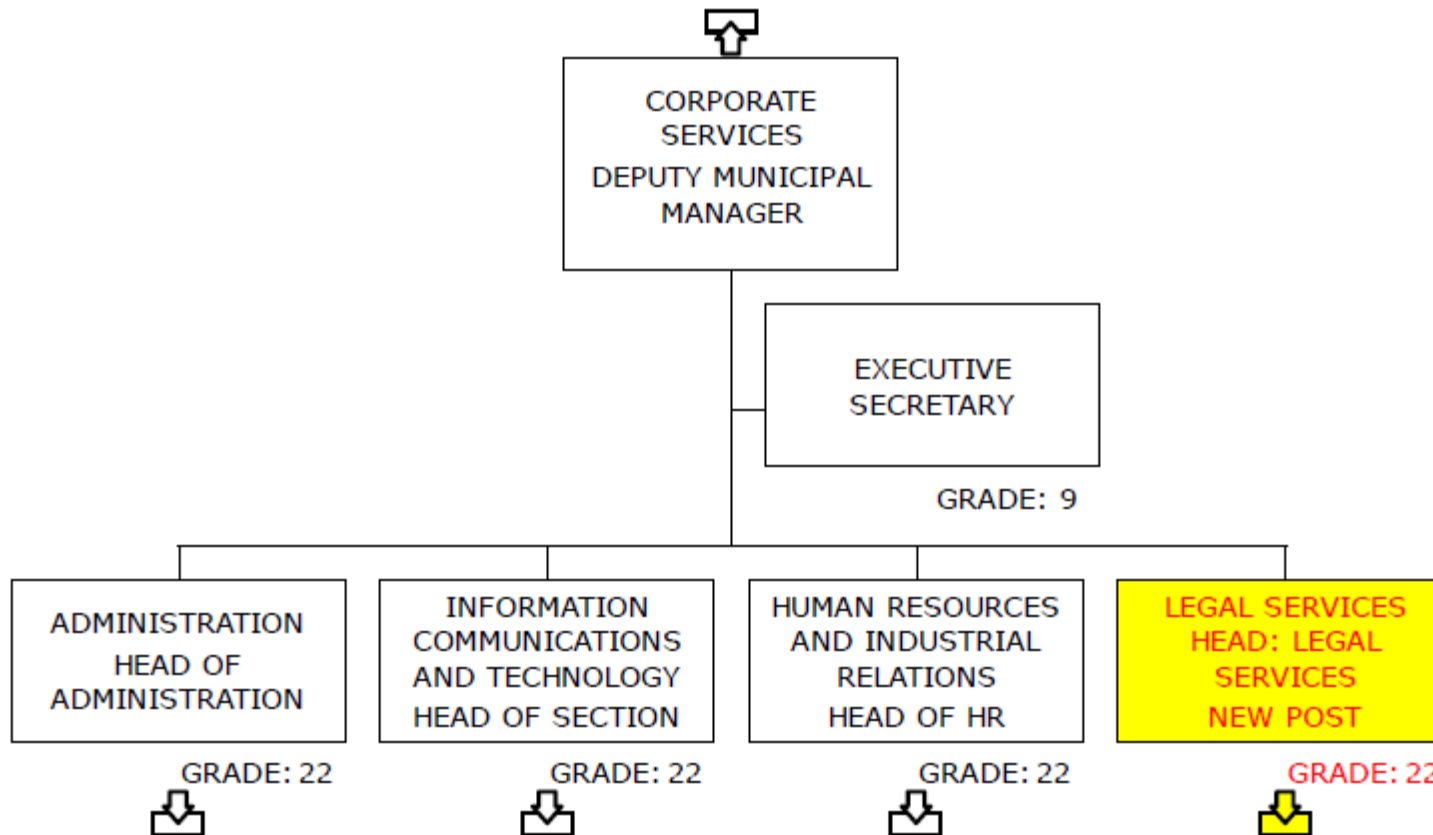


Figure 26: City Development Department (Adopted 2019)

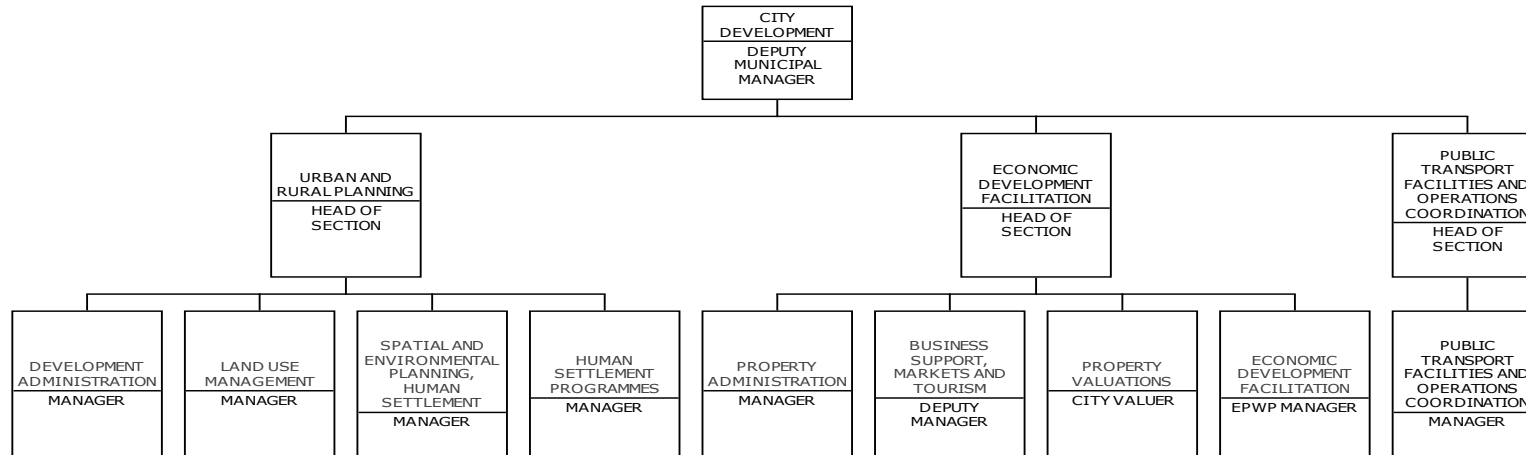


Figure 27: Financial Services (Adopted 2019)

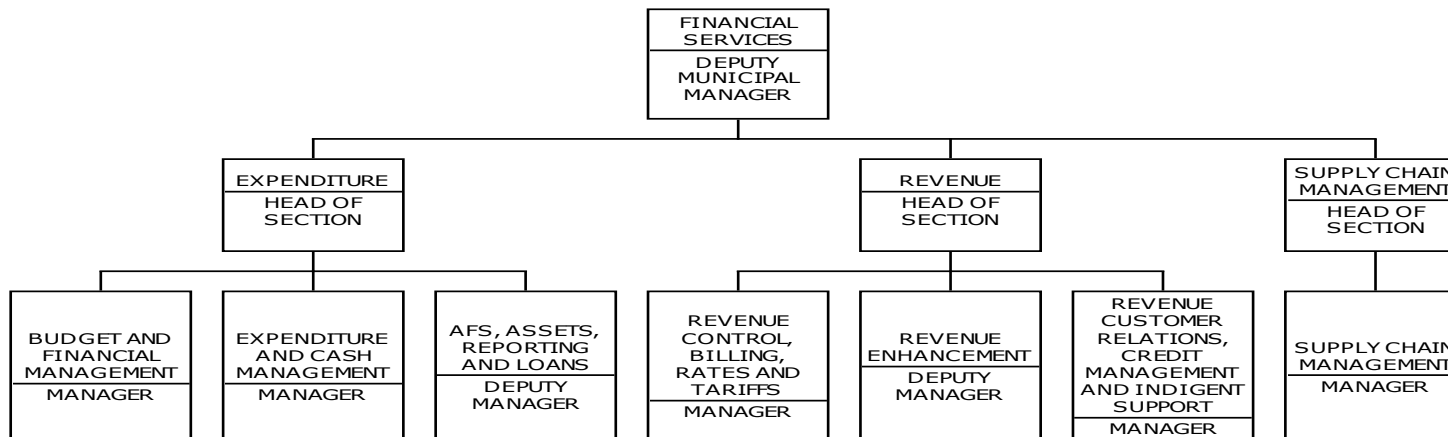


Figure 28: Community Services (Adopted 2019)

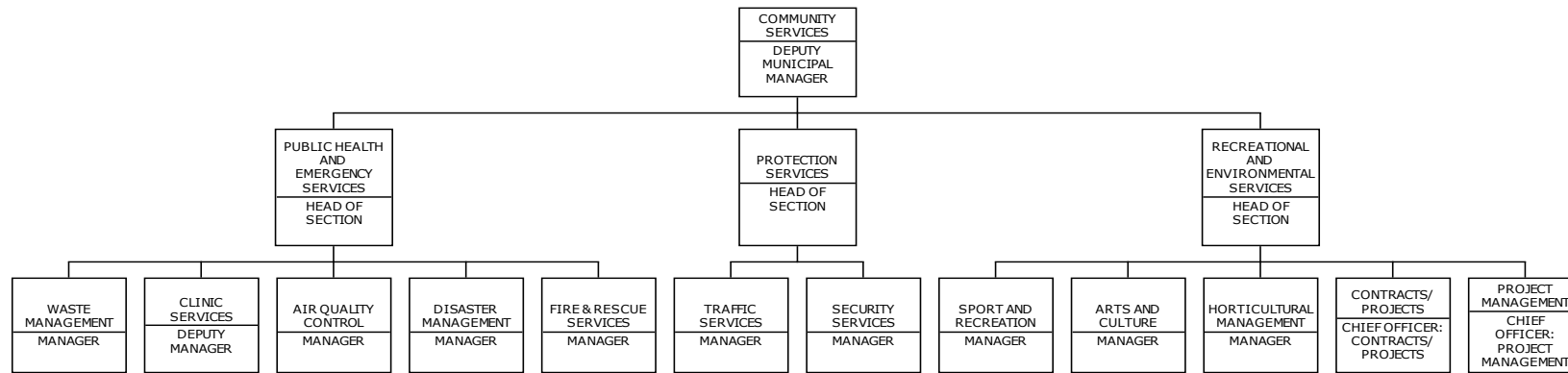


Figure 29: Electrical and Energy Services (Adopted 2019)

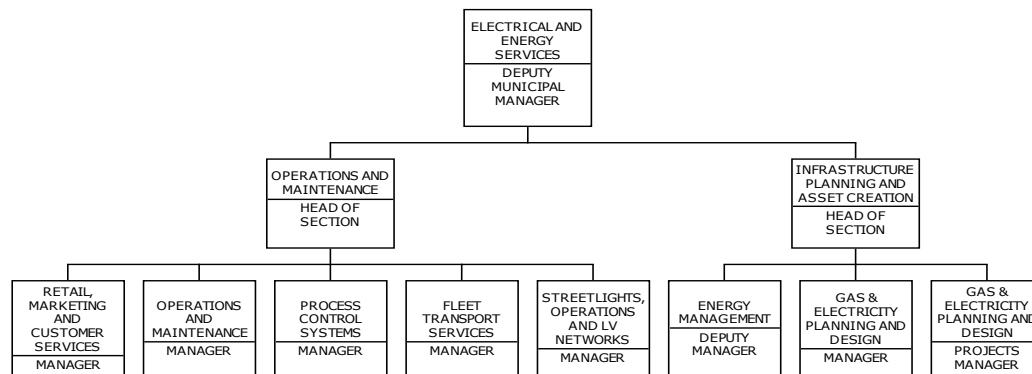
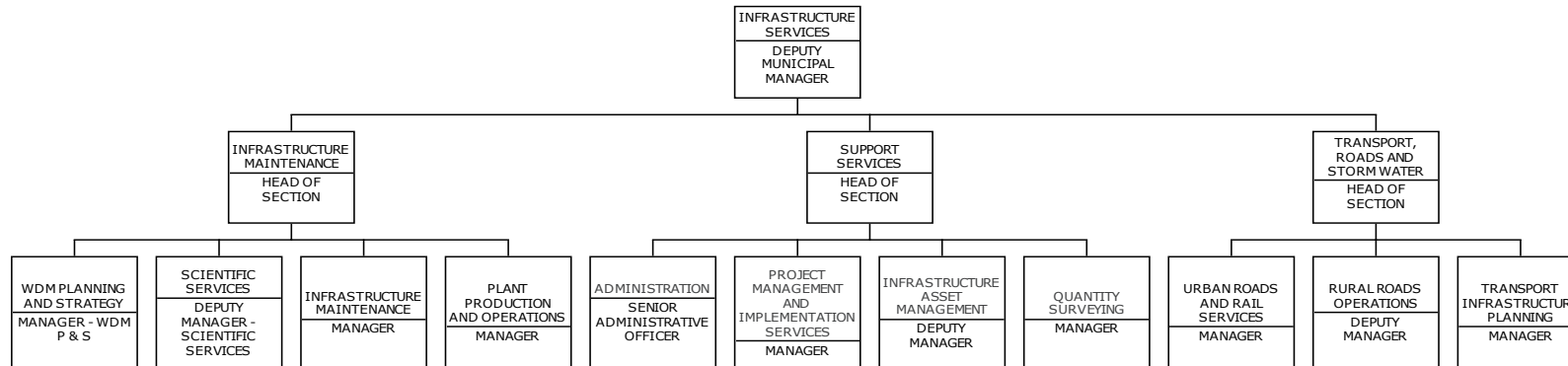


Figure 30: Infrastructure Services (Adopted 2019)



9.5.3 Municipal Institutional Capacity and critical posts

10.3.3.1 Critical Posts

The posts of Municipal Manager, as well as all Section 56 posts, are considered as critical posts. All critical positions have been filled by council, except for the post of the Deputy Municipal Manager Infrastructure which became vacant from the 1st of May 2021. Recruitment process has begun to fill the position.

10.3.3.2 Municipal Institutional Capacity

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

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

9.5.4 Human Resource Strategy

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

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

- Employee Assistance and
- SHE Risk Management

10.3.4.1 Workplace Skills Plan - Training and Development

The Municipality has a Work Place Skills Plan, (attached in the IDP) which carries the vision for training and development of municipal employees and councillors. The vision of the Training and Development sub – section of Human Resources is to ensure that Council has a skilled and capable workforce to support inclusive growth and development of skills within the City. This is achieved through co-ordinating and providing quality assured skills development and training interventions to employees, Councillors and interns to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

The Training and Development component has positioned itself strategically to improve current training and development practices within Council as well as to form strategic partnerships with accredited Training and Development / Tertiary Institutions, Corporates as well as other entities within the Local Government Sector to establish a standard of best practice.

Skilling of Council employees is achieved through relevant training interventions and sustainable development initiatives that cascade skills to all disciplines on all levels within the organisation. The Workplace Skills Plan (WSP) serves as the strategic document that gives direction on training and development within the Municipality. Council has an adopted WSP which is aligned to the National Skills Development Strategy (NSDS), the Skills Development Act 97 of 1998 as well as the Skills Levies Act 09 of 1999. The WSP and Annual Training Report (ATR) are submitted annually to the LGSETA. Submission of these reports ensures that Council receives its mandatory grant. Council also has a Bursary Policy which caters for employees and their children.

The Training Programmes for Officials as indicated below have taken place during the period **1 July 2020 to 25 March 2021**:

Training for Officials	
Training Programme	Number of Officials attended
Computer Induction	42
Induction for new employees	90
SAP Training	231
SALGA Co - ordinating Virtual Meetings Training	3
SALGA Report writing and minute taking Training	1
CoGTA GAPSKILL Training	2
Project Management Learnership	7
SALGA – Powers and Functions of the LLF Training	2
Municipal Finance Management Training	41
Change Management Training	4
Vehicle Tracking Training	50
SALGA HR Symposium	2
PPP Online Training	1

SALGA Peer & Knowledge Sharing	7
SALGA Disciplinary Rules for Senior Managers	2
LGSETA WSP Training	3
SALGA Labour Law Conference	3
SALGA Disciplinary Collective Agreement Training	2
SALGA Conditions of Service Training	2
Training for Lifeguards	15
Firearm Competency Training	5
Electrical Trade Test Training	7
Plumbing Trade Test Training	7

The Training Programmes for Councillors as indicated below have taken place during the period 1 July 2020 to 25 March 2021:

Training for Councillors	
Training Programme	Number of Councillors attended
SALGA HR Symposium	1
SAMTRAC	1
Introduction to SAMTRAC	1
Councillors Policies Workshop	36

Work - Integrated Learning

A Memorandum of Agreement (MoA) was signed between the City of uMhlathuze and the UMfolozi TVET College where the agreement proposed that Council shall provide opportunities to UMfolozi TVET College students to gain the workplace experience in order to graduate.

Sixty eight (**68**) learners from various Tertiary Institutions participated in work integrated learning at Council, The demographic breakdown of the learners is as follows:

Number of Learners							
African	68	Coloured	0	Indian	0	White	0

Gender of Learners			
Males	38	Females	30

9.5.5 Recruitment and Selection

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

9.5.6 Talent Management Strategy

9.5.6.1 Retention Strategy

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

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

Employee Assistance Programme (EAP)

The City of uMhlathuze values employees as the most important asset to sustain the organisation. City of uMhlathuze takes responsibility for helping employees to deal with pressures of life. Thus, this organization has undertaken to provide its employees with an Employee Assistance Programme (EAP).

EAP is a work based intervention programme aimed at an early identification and resolving of the employees personal and work related problems, which may have an adverse effect in their work performance. The vision of the City of uMhlathuze is to "improve quality of life for all its citizens through sustainable development". The employees form an integral part of the citizens, thus the Municipality has recognized that employees are indeed the most valuable assets and resources.

The total wellbeing of employees adds up to the wellbeing of the municipality. EAP put focus and emphasis on four Health and Wellbeing spheres which are: Psychological/Emotional wellbeing, Physiological wellbeing, Spiritual Wellbeing and Social wellbeing. Thus, EAP came as a helping tool to the Municipality's commitment to assist employees to deal with their social and emotional pressures and also to remain productive. EAP is also playing a role through its programmes to enhance the municipality's profitability by reducing absenteeism, turnover, tardiness, accidents, medical claims and improving service delivery.

The Employee Assistance Programme (EAP) section works tirelessly to assist employees and their family members in need of counseling assistance. Some of the section 5-year plan programs and events include the following:

Proactive Programmes

- EAP Supervisory and Managers Training
- Emotional Intelligence for the Executive
- Alcohol and Drug Abuse
- Financial management
- Stress Management

- Employee Wellness Day/S (Health Screening Day/S, Work and Play)
- Health Awareness Campaigns (as per South African Health Awareness calendar) together with Occupation clinic and Peer Education programme

Reactive Programmes

- The section Practitioners also provide counselling on different concerns of life including but not limited to family issues, work related matters, social concerns and conducting trauma debriefing sessions to employees who get exposed to traumatic incidents.
- Other reactive programmes include making referrals to external Practitioners like Clinical Psychologists, Psychiatrists etc. and also referrals to the Rehabilitation centers.

Attending EAP is free of charge to all employees of uMhlathuze municipality and assistance is available during the working days. EAP section is also working together with other local resources like SANCA (to refer Alcohol and drug abuses cases), Lifeline and SABCOHA (South African Business Coalition against HIV/AIDS) In addition to the above mentioned programmes EAP section has mandated itself to give back to the University of Zululand Psychology and Human Resources students by conducting EAP and HR (in collaboration with other HR sections) information sharing workshop sessions (on request by the University) where Employee Assistance programme content and other HR sections duties and functions are shared.

Table 30: Human Resource Policies

No.	Policy Name		Council Resolution
1.	Induction and Orientation of Staff	Procedures for Inducting new staff	5698
2.	Human Resources Strategy		DMS (717671)
3.	Staff Training	Policy on Training of staff	5215
4.	Bursary Policy for Officials and their children	Bursary Processes and requirements for Bursary Applications	10747
5.	Staff Succession Planning Policy	Staff succession planning processes for Council	7444
6.	Anti – Nepotism Policy	Processes in place to ensure there is no nepotism in placements	6978
7.	Acting Arrangements Policy	Conditions for Acting arrangements	6979
8.	Recruitment and Selection of Temporary Staff Policy	Processes and criteria for recruitment and selection of temporary staff	6977
9.	Recruitment and Selection Policy (Amended)	Processes and criteria for recruitment and selection of staff	10110

No.	Policy Name		Council Resolution
10.	Intoxication on Duty	Procedures for dealing with and prevention of staff being intoxicated whilst on duty.	7445
11.	Employee Assistance Programme	Guidance and procedures regarding the enhancement of Health and wellbeing of all staff members.	6311
12.	In-house training for External students	Programme for students conducting in-service training	1243
13.	Policy on the Utilisation of Council Vehicles for Certain gatherings	Conditions for the Utilisation of Council Vehicles for Certain gatherings	8596
14.	Rapid Advancement Policy	Conditions for the Rapid advancement of Council employees in identified posts	8211
15.	Notch Increase Policy	Conditions for notch increases	8688
16.	Relocation and Moving Expense Policy	Processes and criteria for the relocation and moving expenses of the newly appointed employee.	8597
17.	Employment Equity Plan		9665 (DMS 785445)
18.	Employment Equity Policy		9438
19.	Leave Policy		10244

OHS Policies

No	Document	DMS Number	Act Ref
1.1	OHS Policy	1055965	Section 7 (1)
1.2	Approved OHS Policy Guidelines	1088552	Section 7 (2)
1.3	Transportation Of Employees	602827	Section 8 (2) (A)
1.4	Intoxication On Duty	538499	Gsr 2 (A)
1.5	Personal Protective Equipment And Clothing	319523	Gsr 2 (3)
1.6	Smoking	415902	Tpca
1.7	Heat Exhaustion	462132	Erw 2 (4)

ICT Policies

No.	Policy Name	DESCRIPTION	Council Resolution
1.	Corporate Governance of ICT Policy	Policy governing the alignment, implementation and the use of ICT in support of Municipal objectives based on the National Government Policy framework passed by the cabinet on 21 November 2012. The National Policy to which the Municipal policy is adapted places accountability for ICT on Council (Leadership).	CR10702 (RPT 159157)
2.	ICT Security Policy	The policy outlines the ICT controls and regulatory framework that must be adhered to for the ICT hardware, software and all data assets.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
3.	Computer Utilisation Policy	Regulates and outlines the rules for proper and responsible use of the ICT for the benefit of the organisation, (the do's and don'ts).	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
4.	Network Password Policy	The policy guides the users on the creation, safeguarding and the utilisation of their ICT passwords.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
5.	Change Control Policy	Change Control Policy in ICT aims to improve stability and reduce system downtime, ensuring all changes are tracked and there is a formalised change control practice in place with rollback procedures.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)
6.	Disaster Recovery and ICT Service Continuity Plan	The policy guides the process of recovery and service continuity in the event of a disaster, ensuring that the efforts are co-ordinated and the recovery process unfolds in an orderly, timely and efficient manner.	Same resolution as above. Policies were approved under one (1) comprehensive report : CR10702 (RPT 159157)

9.5.7 ICT Governance Framework

In line with the National Corporate Governance of ICT Policy Framework, the uMhlathuze Municipality ICT Governance Policy (DMS 925194) was approved by Council on 31 March 2016. The purpose of ICT Governance Policy is to provide a strategic direction for the ICT Services supported by the ICT Strategy and the Enterprise Architecture documents, ensuring that ICT goals are aligned with the Municipal objectives as outlined in the IDP, the risks are managed appropriately, and the ICT resources are used responsibly. In

providing strategic direction, ICT Governance Policy enables the ICT team members to focus and contribute effectively towards the attainment of departmental goals which in turn contributes towards the attainment of Municipal goals. The purpose of ICT Governance as per COBIT Governance Framework is to ensure the following:

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

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

- uMhlathuze Municipality has an approved 5-year ICT Strategy document
- ICT maintains the ICT Risk Register in document number as part of Enterprise Risk Management.
- ICT organisational structure indicating the roles and responsibilities.
- The ICT Service performance must be periodically reviewed against targets. Performance reports must be submitted to the ICT Steering Committee, Corporate Services Portfolio and the Audit Committee.
- ICT projects are approved by the ICT Steering Committee through a formalised process.
- All ICT equipment acquisitions and contractor appointments are conducted in accordance with the approved City of uMhlathuze Supply Chain Management Policy.

Table 31: ICT Capital Projects

Description of goods / works / services	Ward	Project value
New & Replacement of ICT related equipment	ALL WARDS	2 386 000,00
I/BKBDA1.102: Network Infrastructure Upgrade	ALL WARDS	3 150 000,00
I/BKBDA1.103: Public Wifi	ALL WARDS	250 000,00
PayDay software licenses, including monthly support	ALL WARDS	681 200,00
ProMIS - Fujitsu (Progress Annual license - Income)	ALL WARDS	740 000,00
SAP ERP License Renewal	ALL WARDS	3 800 000,00

SAP ERP Support Maintenance and new implementations Tender	ALL WARDS	50 000 000,00
Articpoint - Civil Designer	ALL WARDS	344 710,89
IMQS Asset Maintenance System	ALL WARDS	2 450 300,00
ESRI GIS System	ALL WARDS	1 241 947,00
SITA - Micro Focus/ Suse	ALL WARDS	5 969 339,00
Veeam Backup License (SITA Panel Advert)	ALL WARDS	250 000,00
MICROSOFT / including CloudWare & eSignature & LED sig pads software/ MS Teams/ GoGlobal subscriptions	ALL WARDS	4 542 500,00
Systems integration (SAP/IMQS/etc.)	ALL WARDS	1 506 000,00
ONTEC (Itron) 3E hosting	ALL WARDS	1 152 300,00
SITA CONSULTING DAYS	ALL WARDS	444 700,00
Urban CCTV feasibility due-diligence	ALL WARDS	300 000,00
SAP Capacitation/ GRADUATE	ALL WARDS	5 150 000,00
HPE Hardware License and Maintenance	ALL WARDS	2 575 000,00
Tender: Legal Practitioners	ALL WARDS	6 600 000,00
Tender: Legal Subscription	ALL WARDS	365 000,00

9.5.8 Change Management

This unit aims at improving the overall effectiveness of the organisation through planned, comprehensive and systematic processes. It involves intervening in the processes, structure and culture of the organisation. There is a strong emphasis on organisational behaviour, human resource development and organisational change. The following are important issues to note:

- Organisational design refers to the process of aligning the structure of the organisation with its objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation.
- Managing change and transition cuts across all the phases of the organisational structuring process. It includes communication and consultation with staff and key stakeholders. How effectively change and transition are managed has a major impact on the final outcome of the organisational structuring processes or any other changes the organisation have to deal with.

Finer adjustments are however continuously taking place, upon approval by Council. One of the major challenges experienced by the Municipality was the lack of a job evaluation forum in order to determine post levels. The South African Local Government Association however initiated a process of getting a job evaluation done. Five Job Evaluation Units were established in the Province. The uMhlathuze Municipality falls within Region four (4). Job evaluation is currently under way.

9.6 Municipal Transformation and Organisational Development: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Municipal Organogram is in place ○ Section 79, 80 and other Council Committees established and are operational ○ A reliable ICT system for effective functioning and efficient service delivery ○ Human Resource Policies in Place ○ Employment Assistance Programme ○ 24 hours operational Call Centre with toll free ○ Fully functional ward committees ○ Functional Local Labour Forum ○ Progressive Employment Equity Plan ○ Critical senior management vacancies filled ○ Stable labour relations 	<ul style="list-style-type: none"> ○ Unsatisfactory attraction and employment of disabled personnel ○ Inadequate budget allocations for programs such as the EAP ○ Inadequate skills development resources ○ Organisational structure not aligned to long term strategy ○ Poor change management initiatives ○ Misplaced professionals
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Institutionalisation of Batho-Pele Principles ○ Implementation of the E-Council system, eliminating cost for paper used in agendas etc. ○ Bursary Policy for councillors, employees and members of the public ○ Graduate Development Programmes and off-the –job training is offered to graduates ○ Improving diversity management 	<ul style="list-style-type: none"> ○ Staff low moral ○ Lack of proper implementation of the Succession Policy ○ Delays in finalising job evaluations ○ Failure/slow process of addressing Identified risks within the organisation ○ Staff turn-over in critical and scarce skills positions ○ Limited investment in ICT infrastructure upgrades ○ Lack of comprehensive skills audit

SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

9.7 Introduction

In accordance with the Municipal Structures Act (No 117 of 1998), uMhlathuze Local Municipality is the Water Services Authority (WSA) and the Water Service Provider (WSP).

The WSA has a duty to all consumers, or potential consumers, in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water supply and sanitation (collectively referred to as water services). As a WSA, the uMhlathuze Municipality focuses on water services and on providing at least a basic level of service to consumers in its area of jurisdiction. To achieve this, the municipality takes a leading role in planning the following:

- Service Level Objectives;
- Water Resources;
- Water Conservation and Demand Management;
- Bulk Infrastructure;
- Institutional Arrangements;
- Organisational Support;
- Financial Management; and
- Tariff Policy;

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

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

9.8 Water and Sanitation

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

“1. Water Service Level Policy

The City of uMhlathuze has formulated a level of service policy and this is defined in the Free Basic Water (FBW) Policy. The policy identifies and deals with the following levels of water services:

- (a) Supply of water through communal water services i.e. Standpipe.

(b) Supply of uncontrolled volume of water to a household where a water meter is installed.

2. Sanitation Service Level Policy

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

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

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

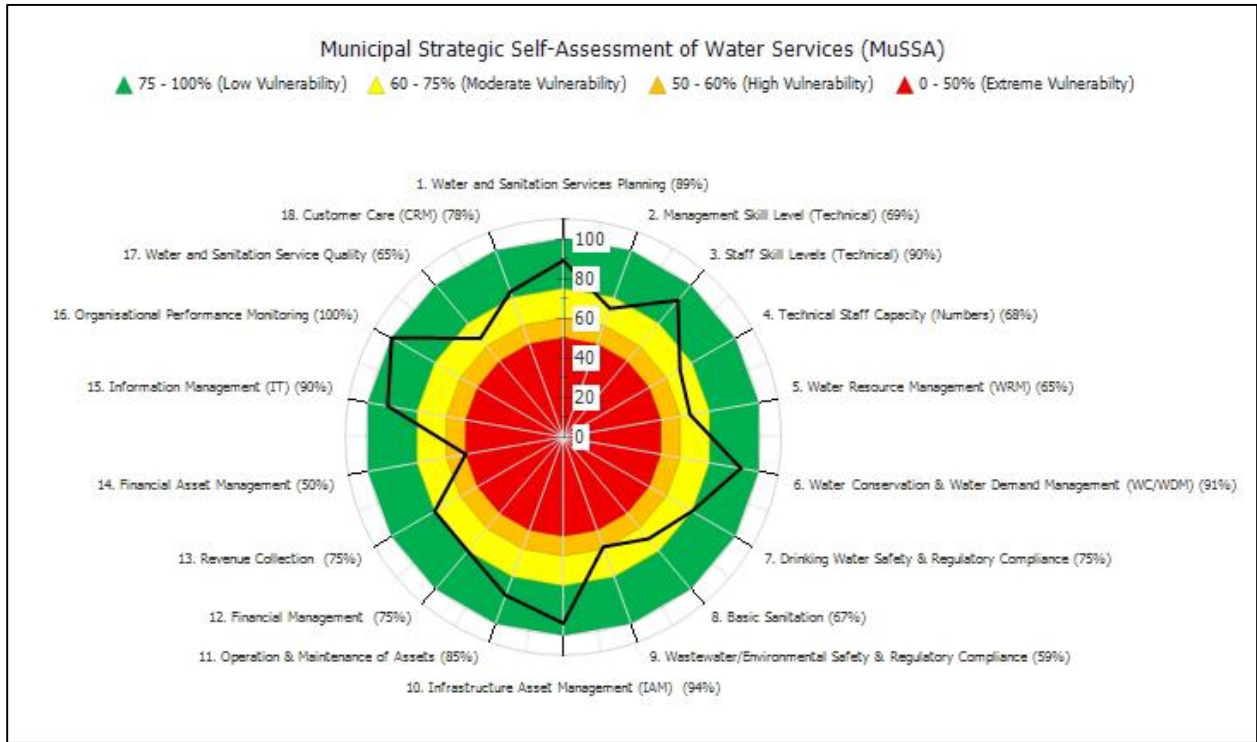
- (a) Supply of water through communal water services i.e. Standpipe.
- (b) Supply of uncontrolled volume of water to a household where a water meter is installed.

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

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

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

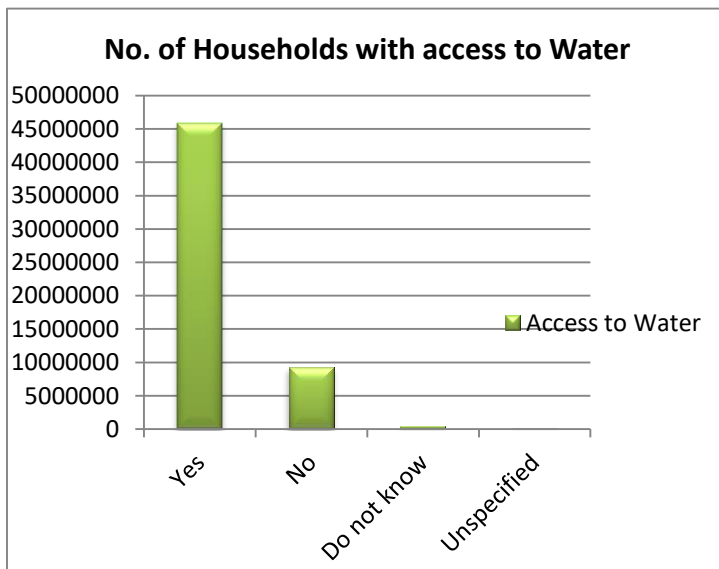
Figure 31: Institutional Vulnerability Assessment



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

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

Figure 32: Access to Safe Drinking Water, Community Survey 2016



Source: Community Survey 2016

According to Community Survey, 2016 about 89% of households in uMhlathuze obtain water from the uMhlathuze Municipality. 3% households obtain water from Water tankers. Very few households are still reliant on Borehole and spring to obtain water. More than 43,000 households obtain water through pipes inside the dwelling. Community Survey 2016 indicates that more than 45 000 households have access to safe drinking water in uMhlathuze Municipal. The Municipality continues to strive in

an effort to ensure that all residents have access to clean water.

Figure 33: Main Source of Drinking

Main source of drinking water	No of HH
Piped (tap) water inside dwelling	47511
Piped (tap) water inside yard	53778
Piped water on communal stand	2591
Borehole in yard	100
Rain-water tank in yard	599
Neighbours tap	1232
Public/communal tap	817
Water-carrier/tanker	3476
Borehole outside yard	251
Flowing water/stream/river	94
Well	0
Spring	19
Other	35

Source: Statistics SA, Community Survey 2016

9.8.2 Water Backlogs

The Municipality currently receives funding through the Municipal Infrastructure Grant (MIG), of which **70%** is for water and **30%** for sanitation. It has been proven that such funding is not adequate to reduce backlogs for sanitation. The baseline information in the 2013/2014 Integrated Development Plan (IDP) with regards to basic services delivered were previously aligned with the most recent 2011 Census figures as recorded by National Statistics South Africa. A total of **96.75%** households have access to the basic RDP level of water supply service as at 31 December 2016. The basic level for the provision of water is communal supply less than 200 metres from a household. The total percentage of households with basic level of service changed in 2017/18 due to the municipality inheriting 3 wards from Ntambanana Municipality.

At commencement of the financial year a total of **96.11%** households had access to the basic RDP level of water supply service as at 30 June 2020. The basic level for the provision of water is communal supply less than 200 metres from a household. The approved target for households to be upgraded to yard-taps for the 2020/2021 financial year is set at **500**

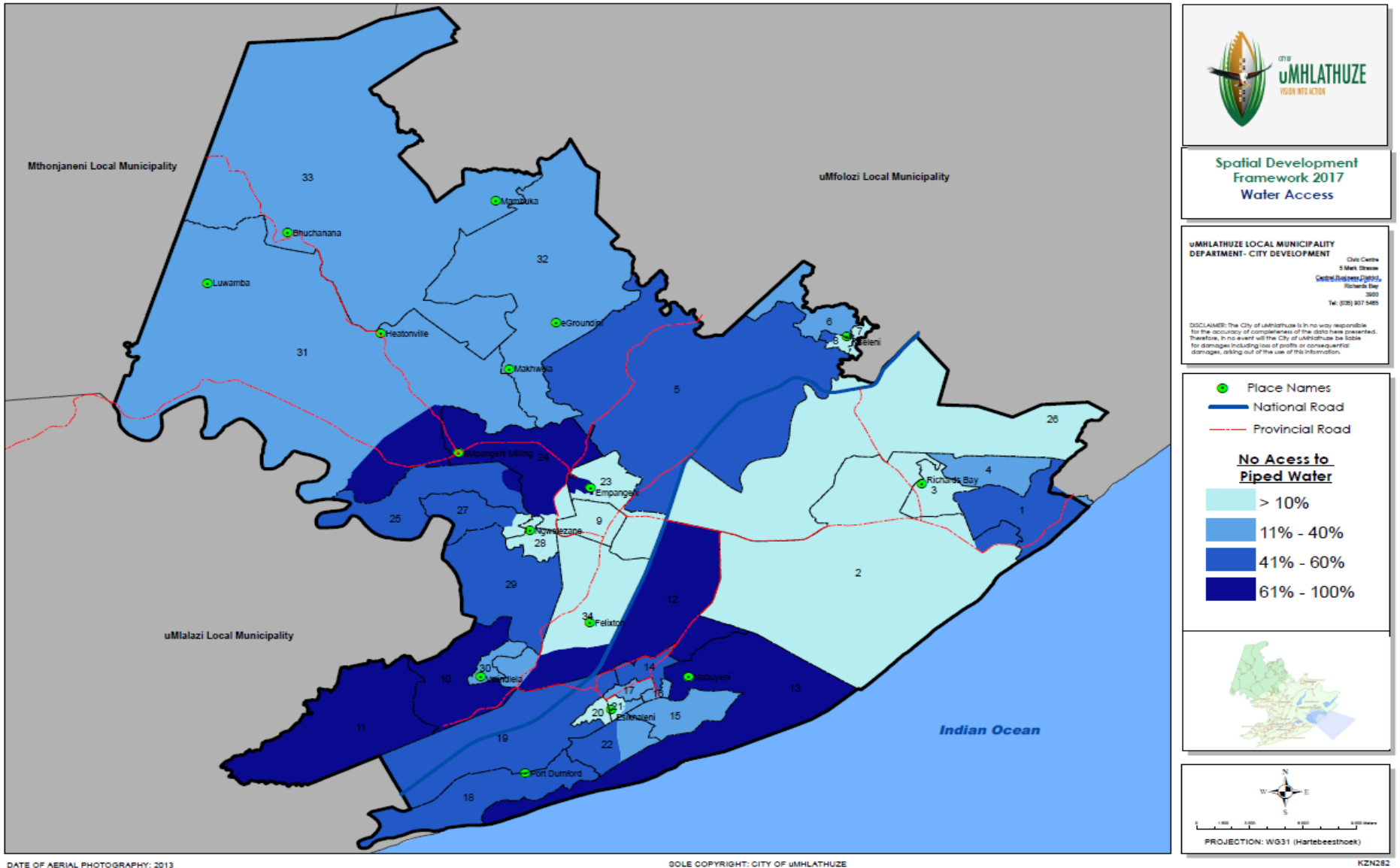
Table 32: Water Backlogs

Service Level	Baseline (2019/2020)	2020/2021 Target	Stats Ending December 2020
Total households = 110 503 (2011 Stats SA) Revised Stat	Households with access to water	Targets	Household with access to water
ACCESS TO WATER	106 201	106 701	106 528
House connections	47 511	47 511	47 511

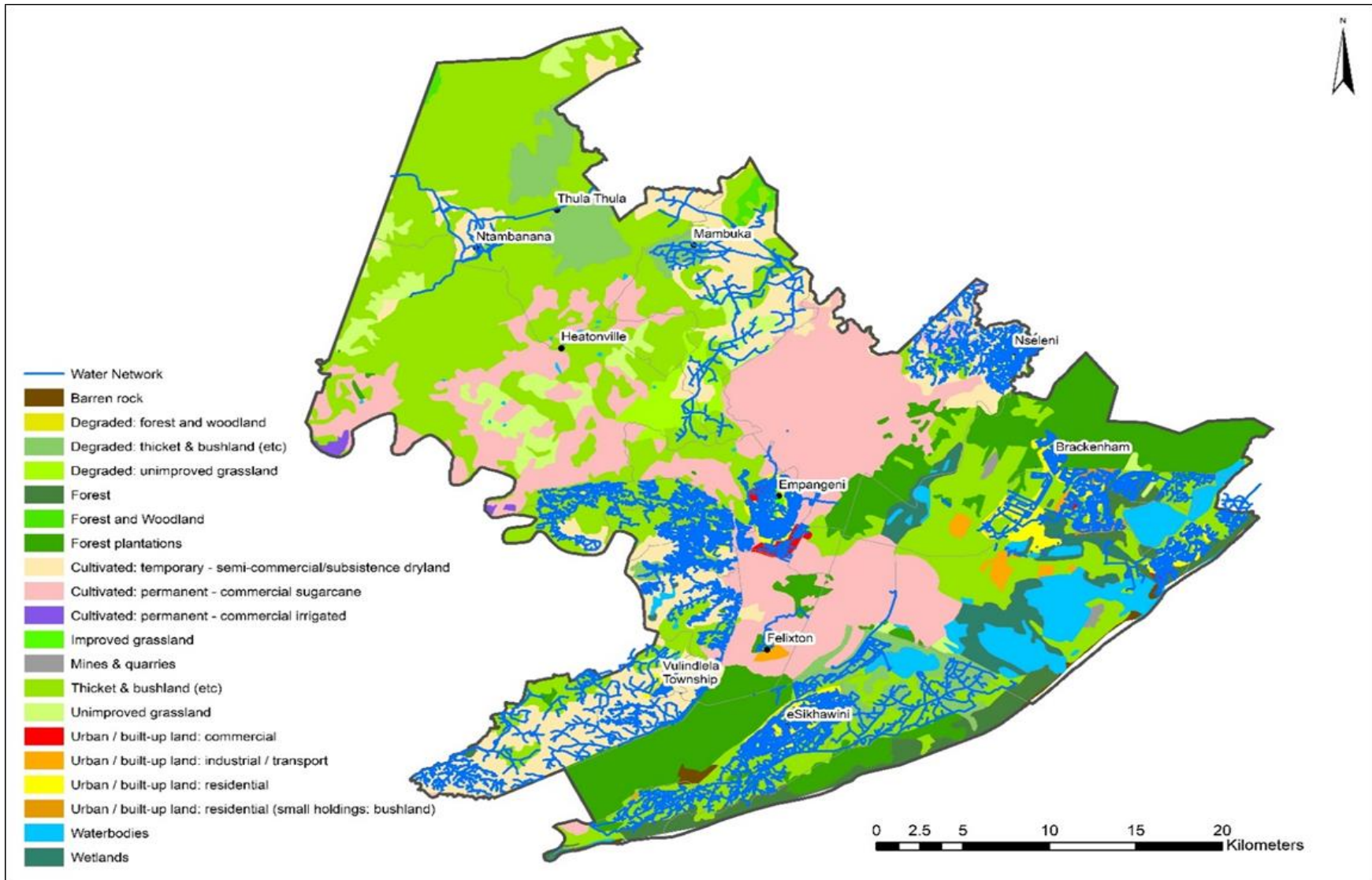
Yard Connections	56 690	57 190	57 017
Communal Supply < 200 m (Backlog) Supplied with JOJO Tanks	2 000	2 000	2 000
Communal Supply > 200 m (Backlog) Supplied with JOJO Tanks	4 302	3 802	3 975
New Installations reducing Backlogs (Target)	400	500	Actual Q1 = 112 +11 123 Actual Q2 = 204

Access to water at 31 December 2020 is **96, 40%** and the water backlog is **3, 60%**. The target for the quarter has been met.

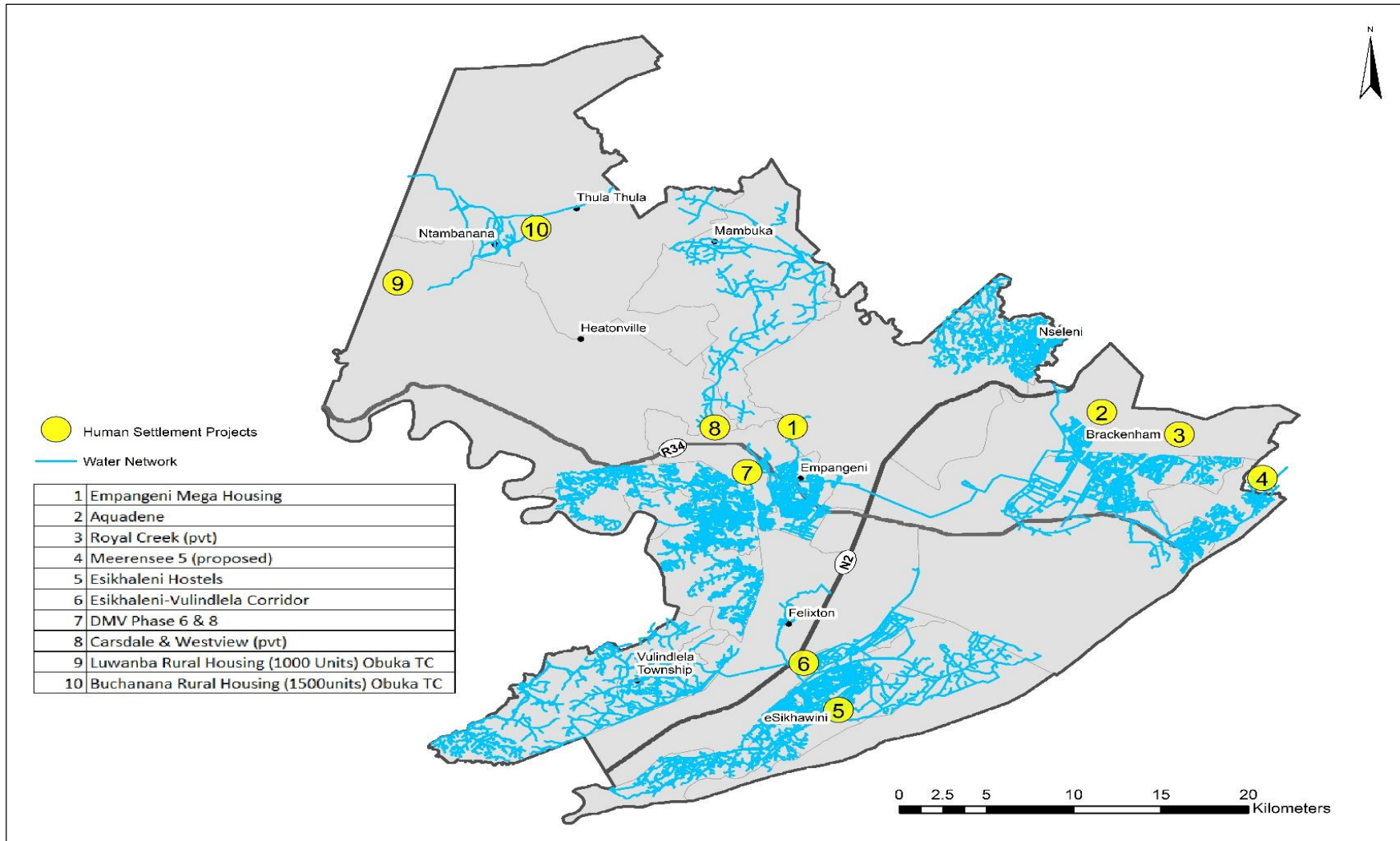
Map 17: Access to Water



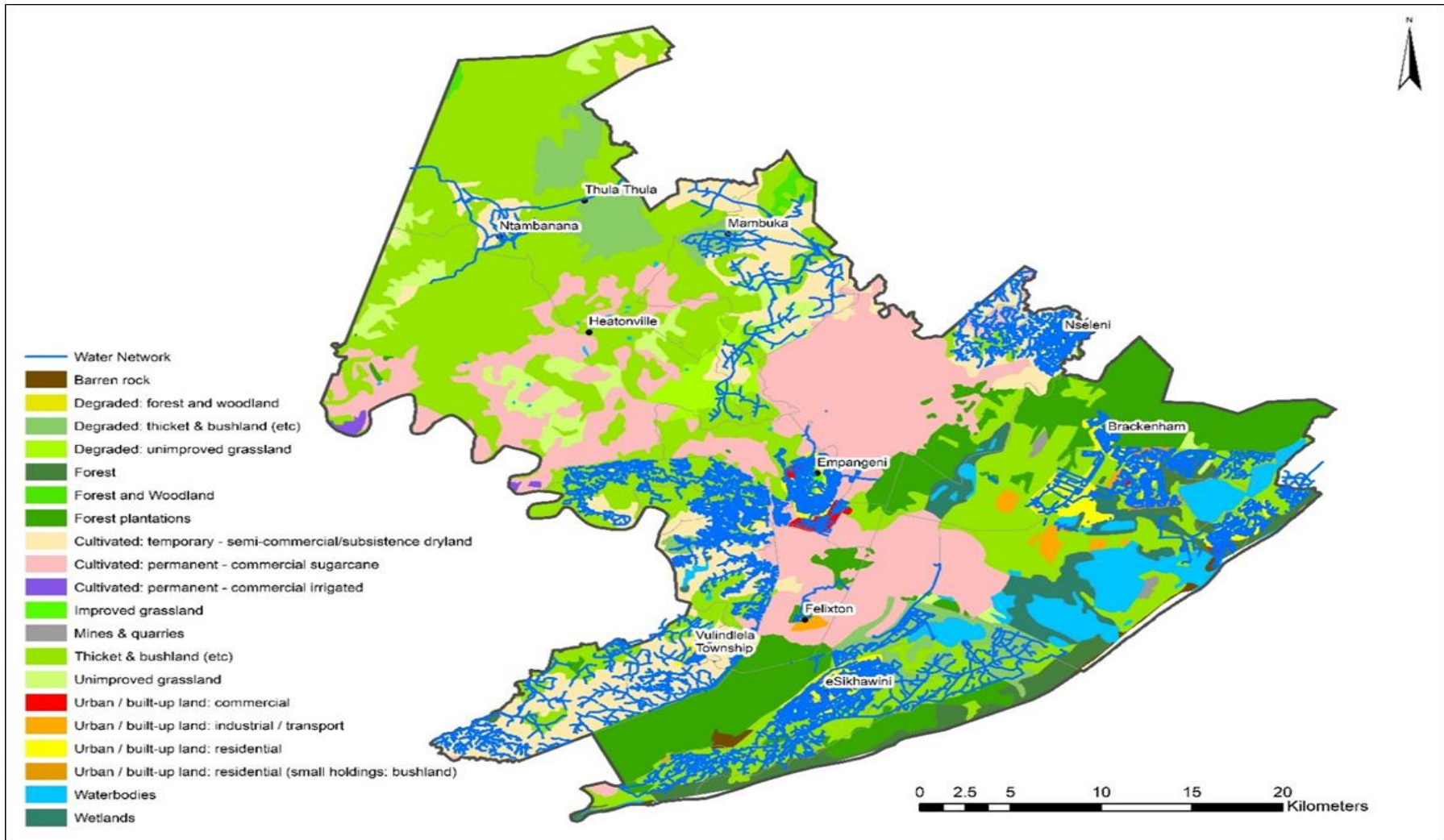
Map 18: Water Networks



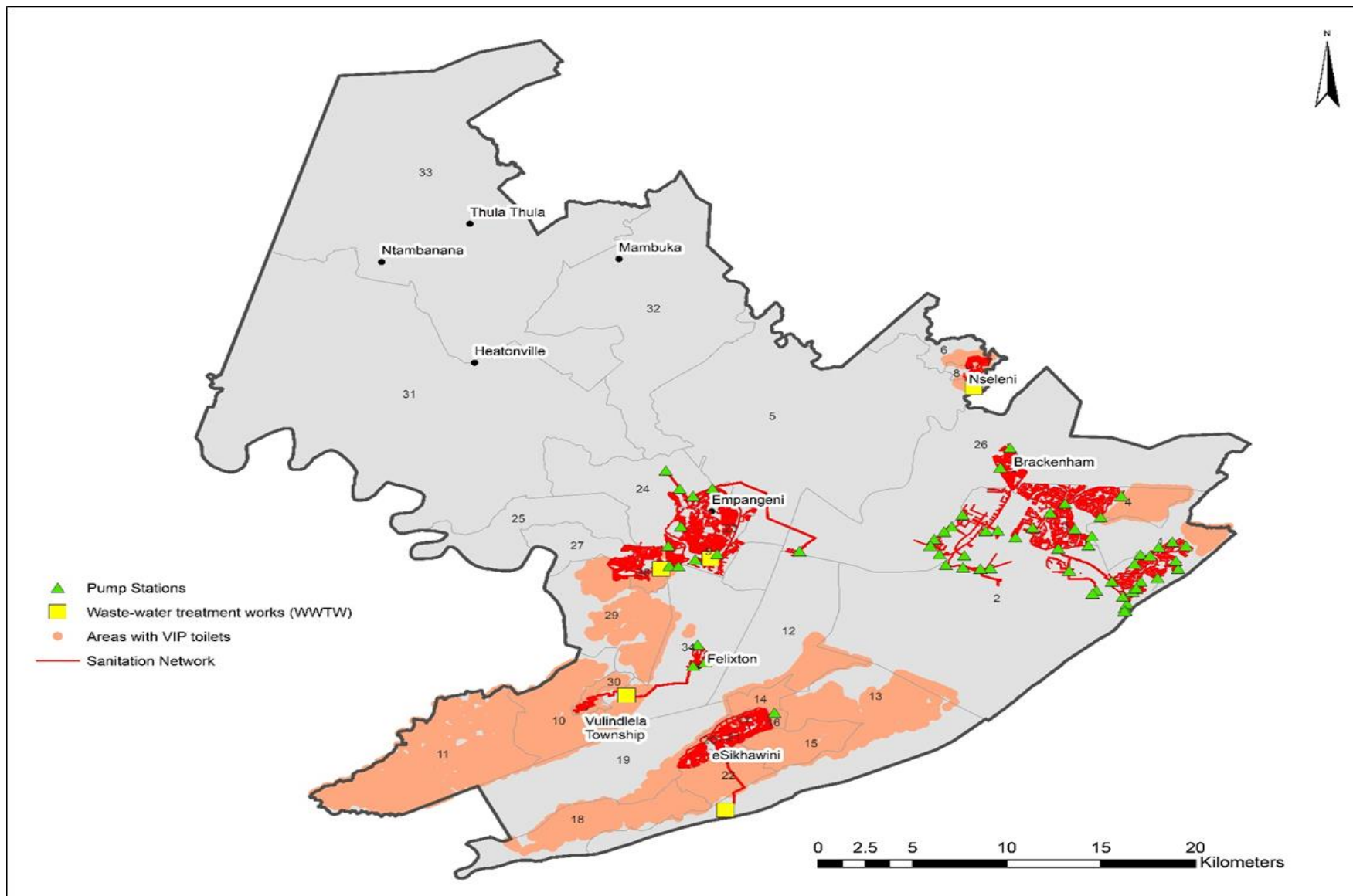
Map 19: Human Settlement Projects



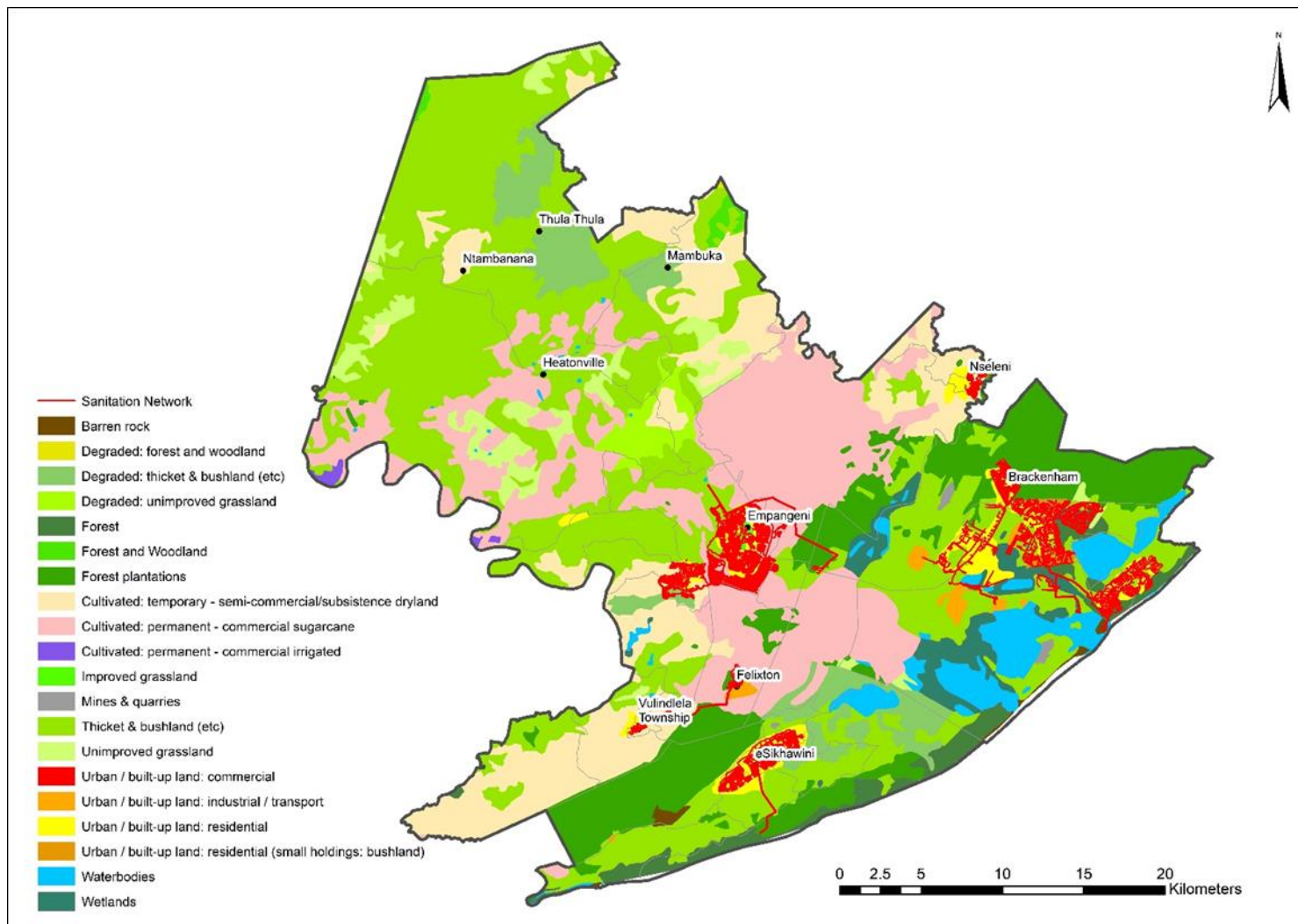
Map 20: Water Networks



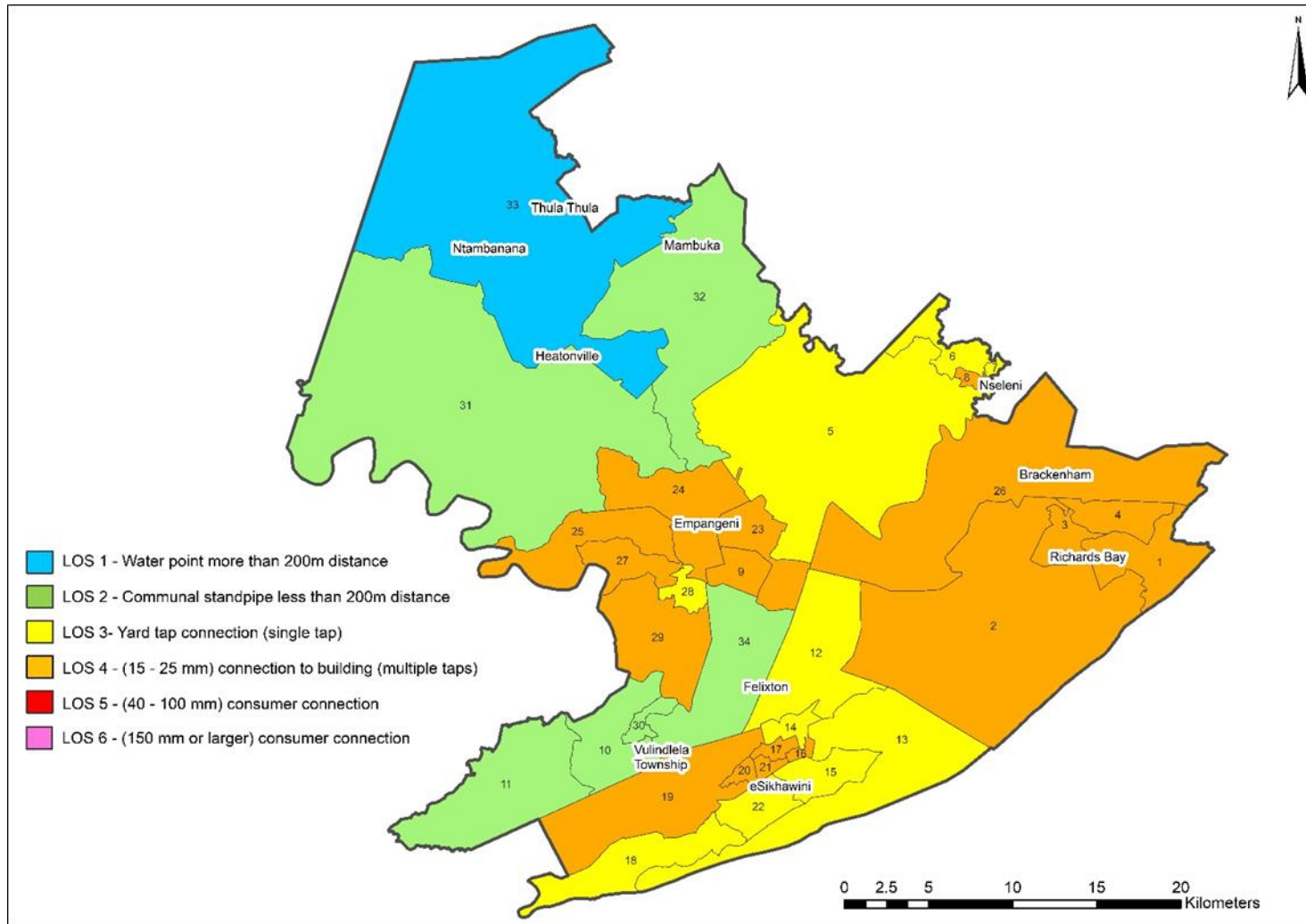
Map 21: Pump Stations



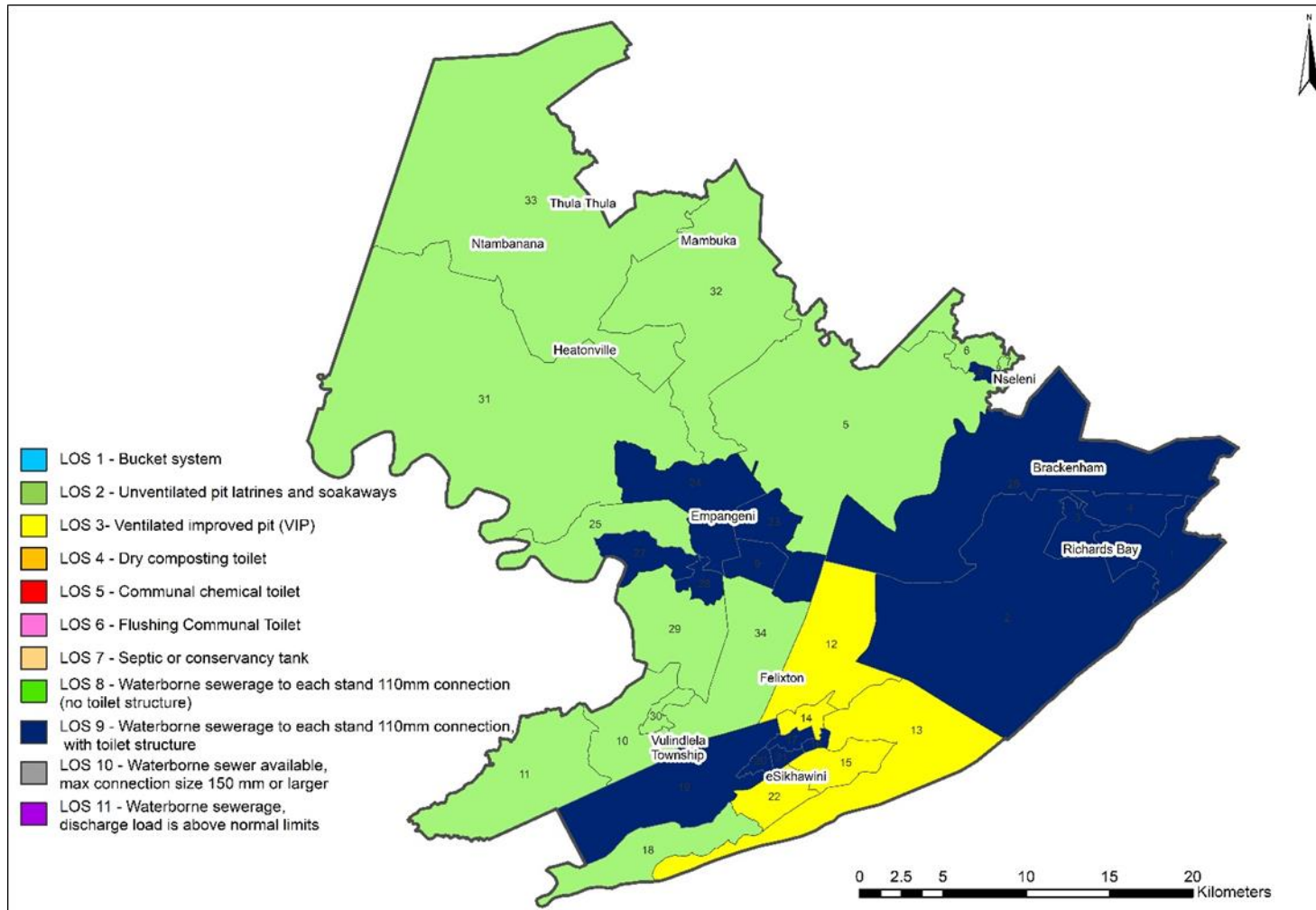
Map 22: Sanitation Networks



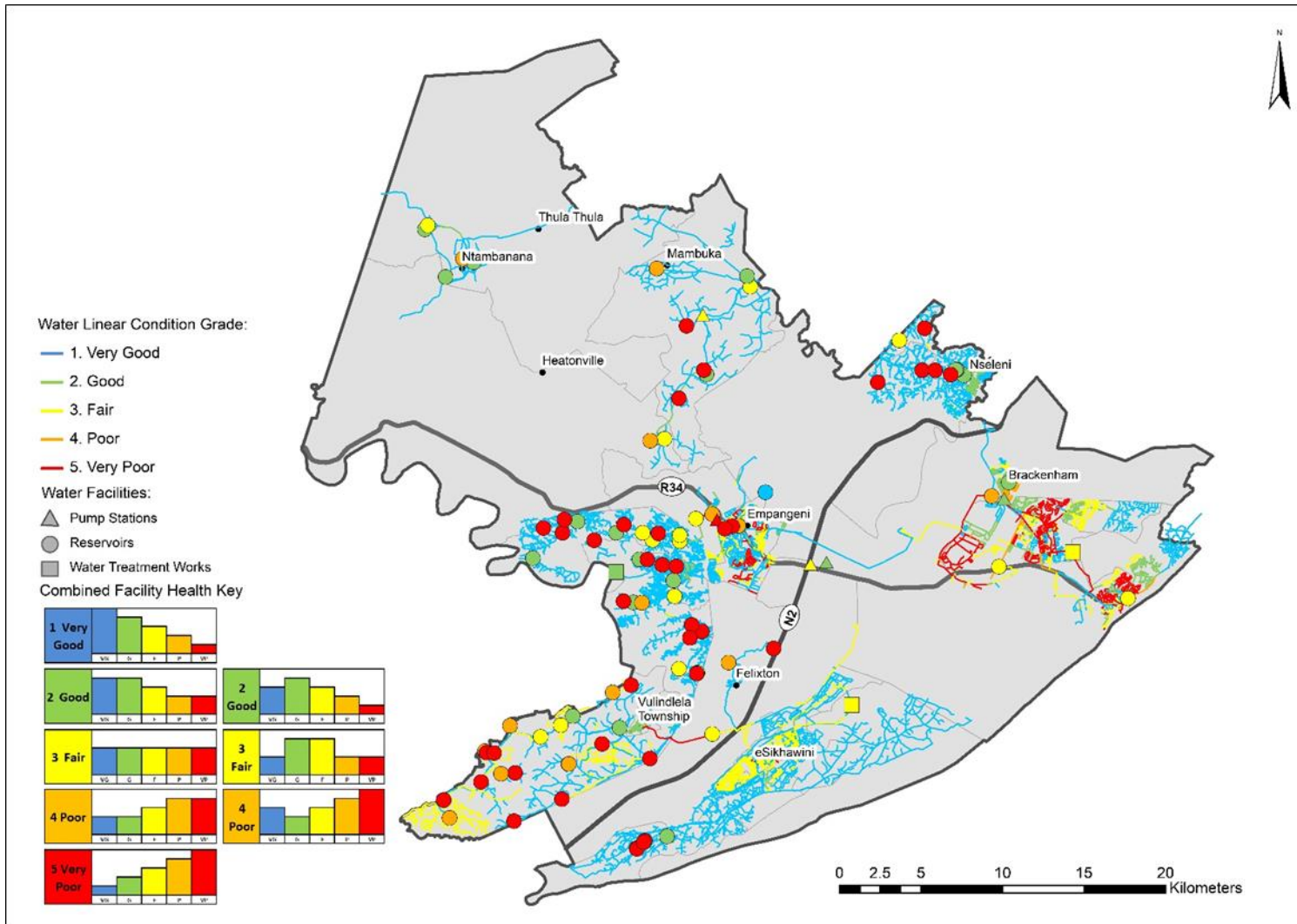
Map 23: Domestic Water Supply



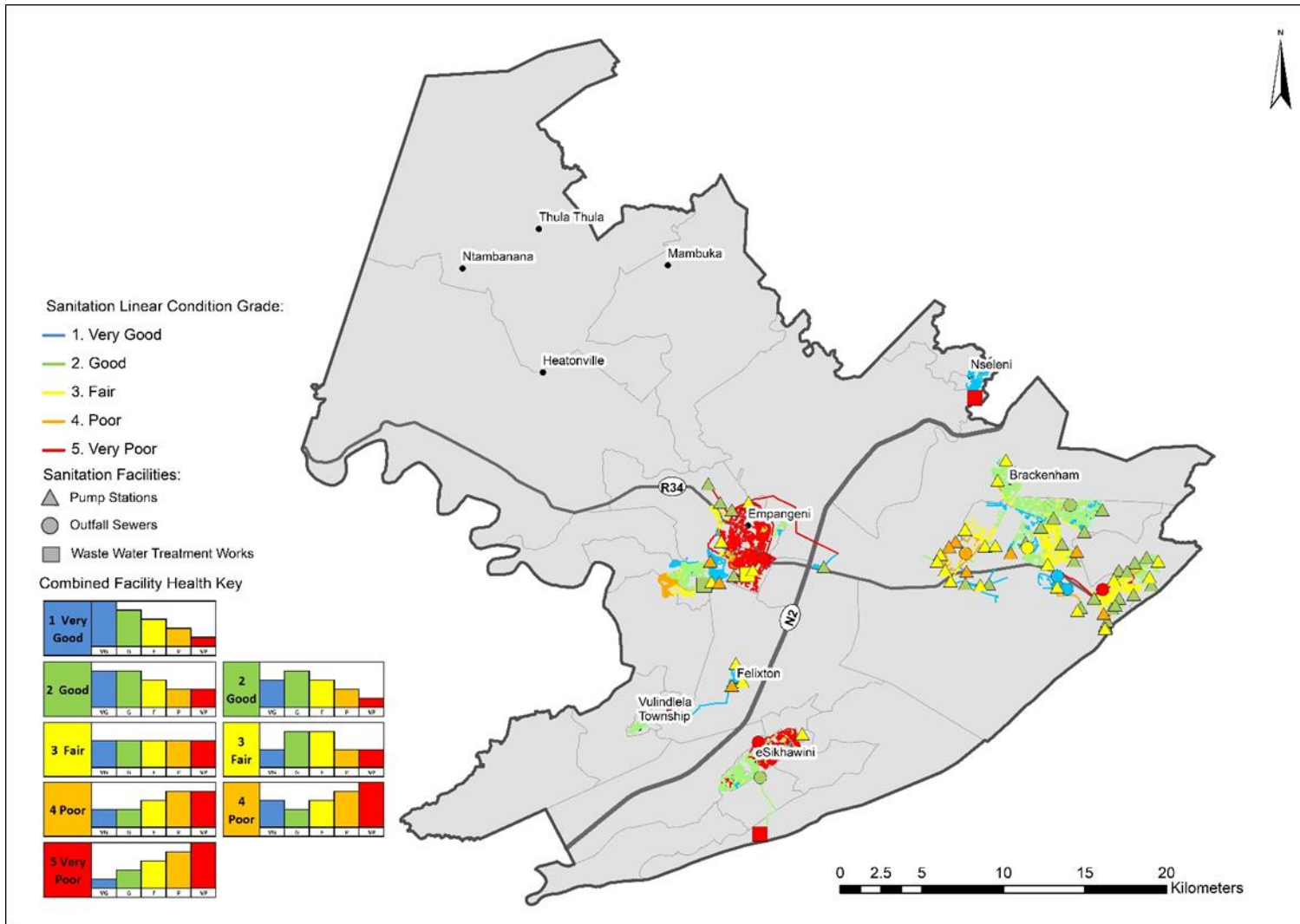
Map 24 : Sanitation Supply



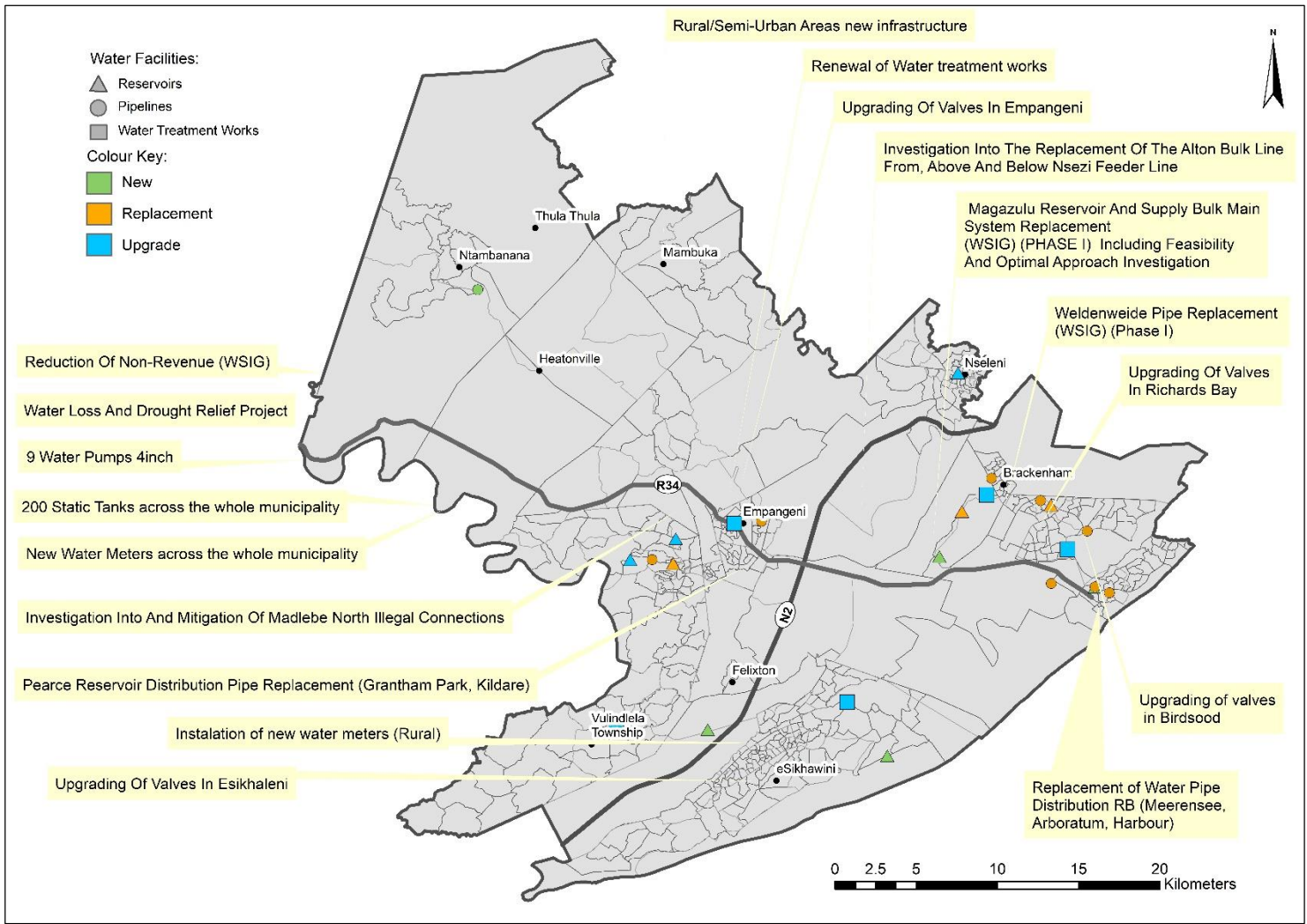
Map 25: Water linear Condition



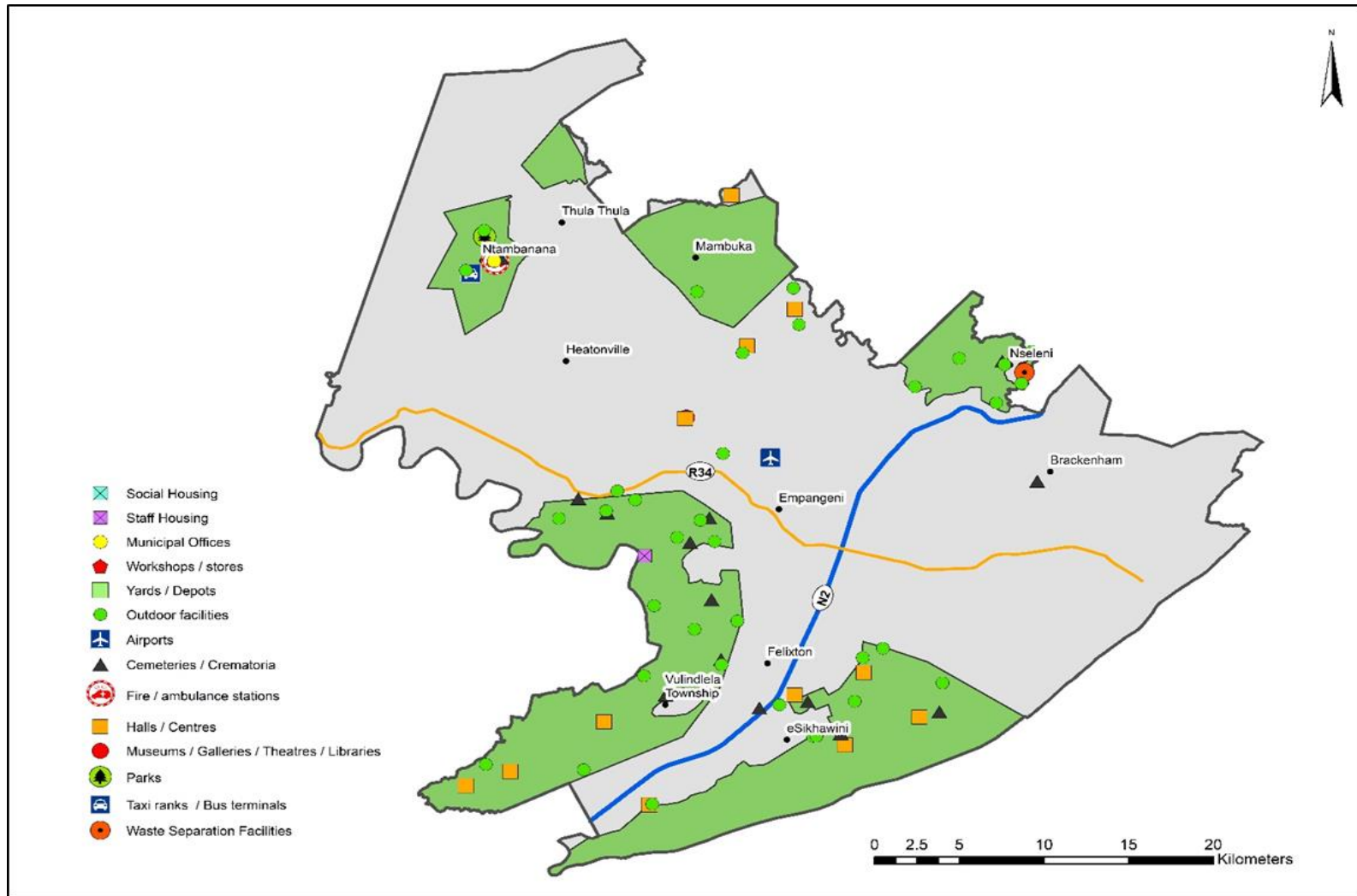
Map 26: Sanitation Linear Conditions



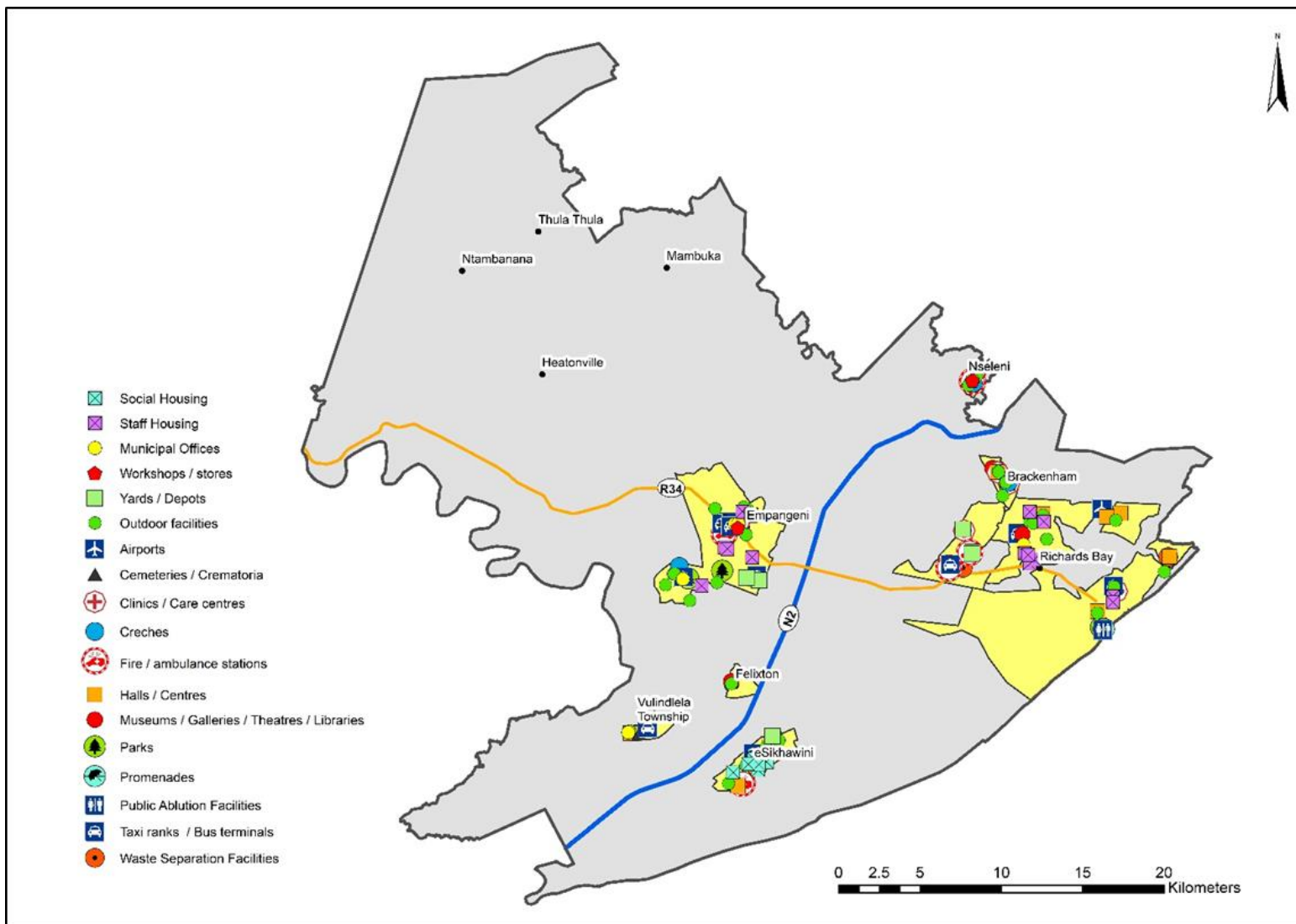
Map 27: Water Facilities



Map 28: Backlogs



Map 29: Public Facilities



9.8.3 Water Quality Assurance

The City of uMhlathuze in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services act 107 of 1997 and National Water act 36 of 1998 to ensure that the quality of the city's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines. The Scientific Services section is responsible for the effective management of this function within the Water Services Authority Division.

Various key functional areas within the Scientific Services contribute to the reliability and credibility of an effective water quality management system. The two major sections of the Scientific Services: Laboratory and Water Quality Management. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

○ Drinking Water and Wastewater Systems

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

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

○ Water Pollution Management

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

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

Sample types being monitored by the WQMP

9.8.4 Blue and Green Drop Status

The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their Providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined. Awareness of this performance is obtained by pressure through the customers, the media, political classes and Non-Governmental Organisations. The strategy revolves around the identification of

mediocre performing municipalities who consequently correct the identified shortcomings, as well as the introduction of competitiveness amongst the municipalities and using benchmarking in a market where competition is difficult to implement.

The Green Drop regulation programme seeks to identify and develop the core competencies required for the sector that if strengthened, will gradually and sustainably improve the level of wastewater management in South Africa.

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

9.8.5 Water Loss

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

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

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

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

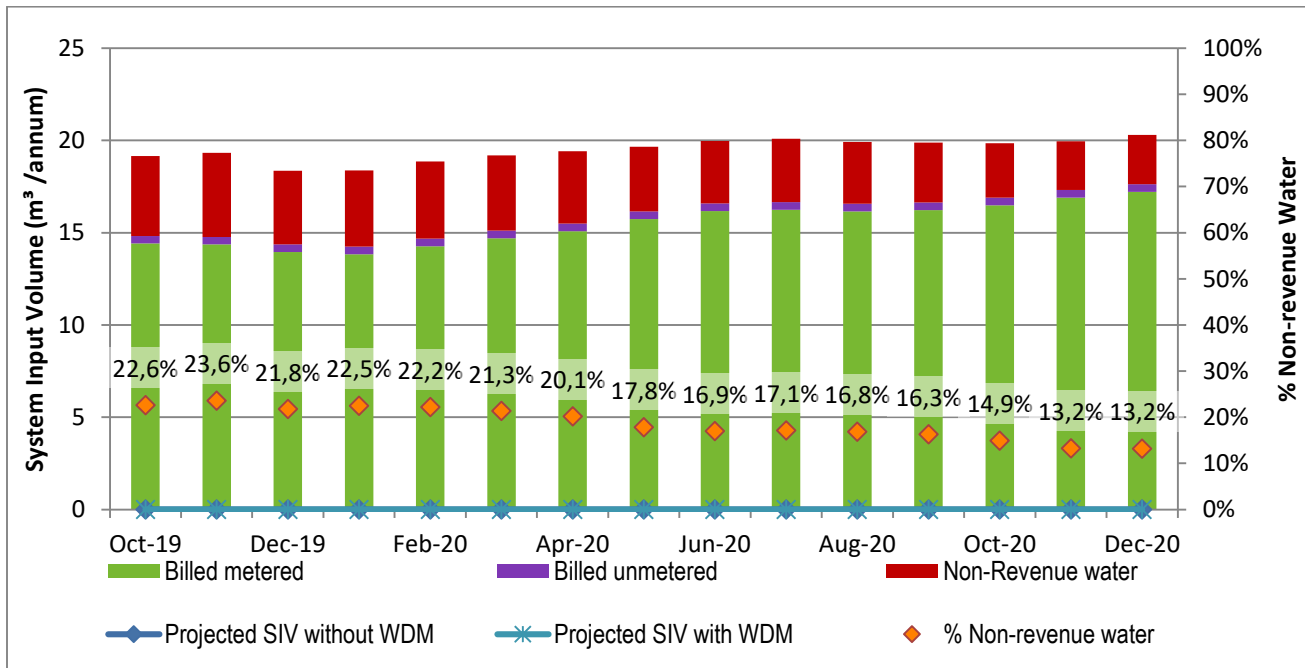
It can be reported that Mzingazi Water Treatment Works (WTW) has been fully operational since June 2019, daily production rate of over 35 MI.

- **Richards Bay Supply System**

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

Richards Bay Zone Meters	
Arboretum	Veldenvlei
Arboretum 2 (Telkom)	Wildenweide
Arboretum Ext	Aquadene
Mandlazini	Brackenham
Birdswood	Alton
Birdswood - Zone 2 (Wagtail)	eNseleni LL
Richards Bay CBD	eNseleni HL
Richards Bay Remainder	KwaKhoza
Meerensee	Mzingazi Village
uThungulu (Dondotha, Hlaza and Mbonambi)	

Table 33: Richards Bay - Water Balance



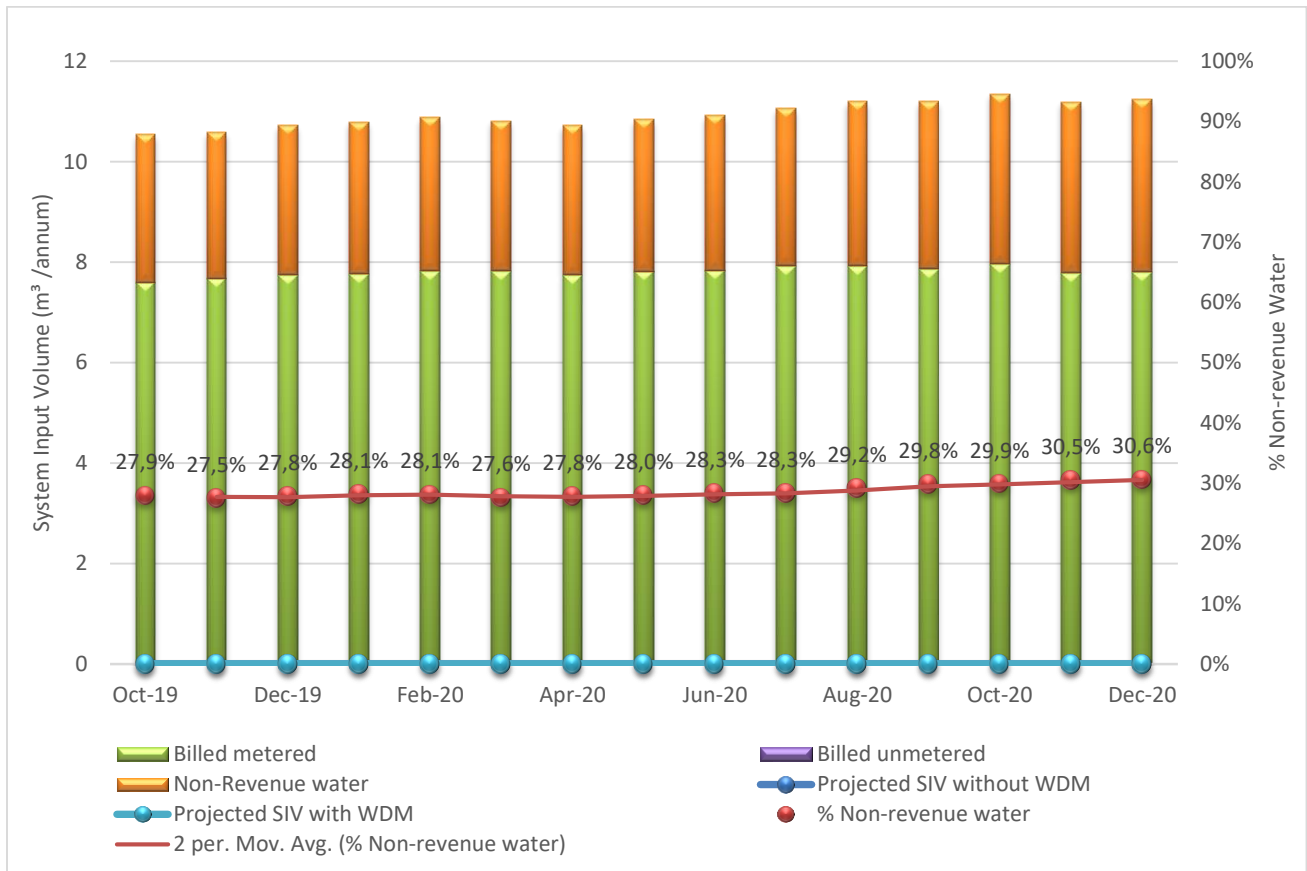
It can be reported that the system supplying Richards Bay is operating well. The trend indicates a reduction in losses when compared to the same period of the previous year.

- eSikhaleni Supply System**

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

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

Table 34: eSikhaleni - Water Balance



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

- Interventions on the ESikhaleni Water Supply**

eSikhaleni Water Supply System footprint includes the following areas: KwaDube, Mkhwanazi (South and North), eSikhaleni, Vulindlela, Felixton Suburbs and Mtunzini. The eSikhaleni Water Treatment Works as the water source for all these areas, has a design capacity of thirty-six mega litre per day (36 ML/d) and the demand is about fifty mega litre per day (50 ML/d). This shows that there is a deficit of about fifteen mega litre per day (15 ML/d) in terms of supply vs demand. The unfavourable intervention that has been adopted to try to ensure water supply only during peak hours is through water rationing (restrictions). The intervention has had a negative impact on the system and wellbeing

of the community supplied through EWSS especially in these trying times of the COVID-19 pandemic. Rationing of water supply results in airlocks especially in high lying areas which causes intermittent or/and no water supply even during peak hours. The aforementioned challenges have resulted in the community losing trust in the Council's service delivery. This has been witnessed through occasional service delivery protests that are occurring throughout the city.

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

Table 35: ESikhaleni Water Supply - Short term intervention - 2020/2021

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

Table 36: ESikhaleni Water Supply - Medium Term Interventions 2021/2022

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

Table 37: Long Term Interventions

Long term interventions	
Item	Financial Implication

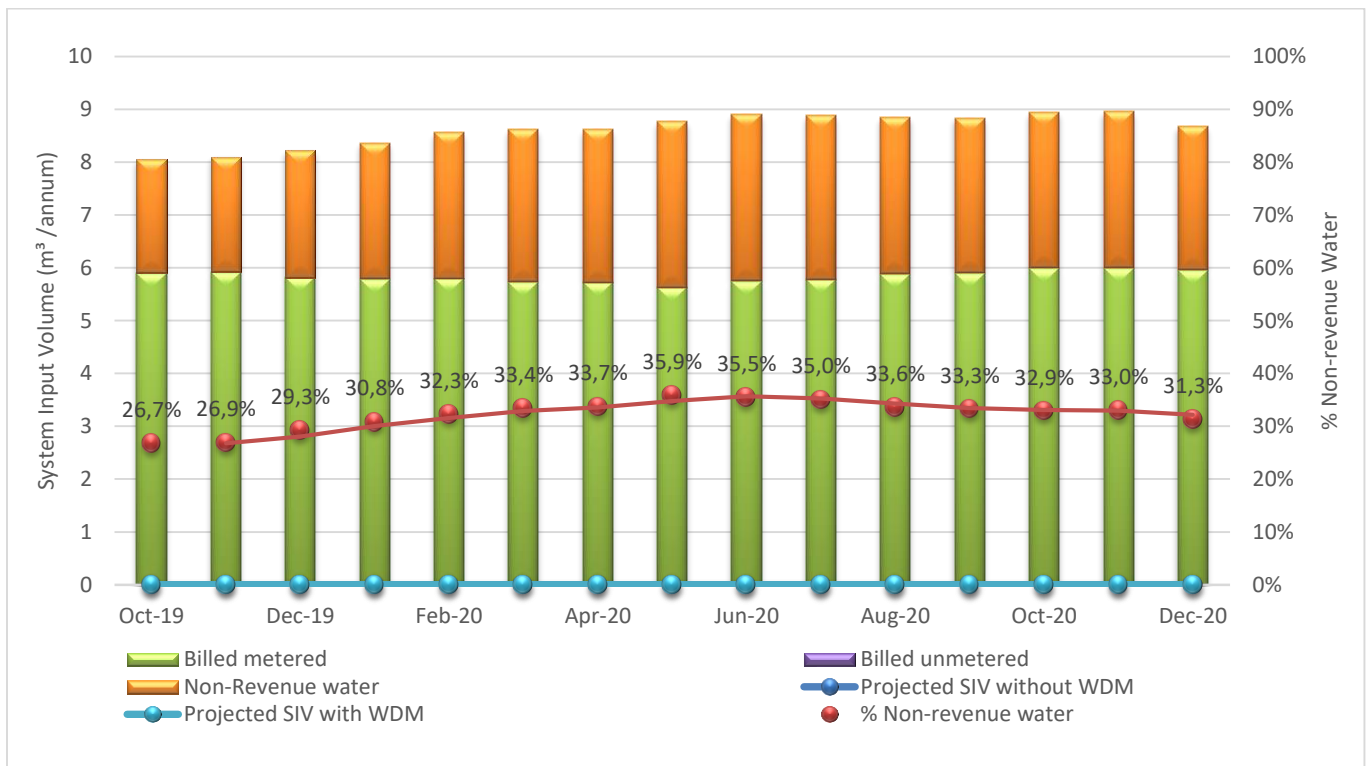
Upgrade eSikhaleni WTW (Cubhu) to 60 MLD	R449 000 000
Total	R449 000 000

- **Empangeni Supply System**

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

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

Table 38: Empangeni - Water Balance



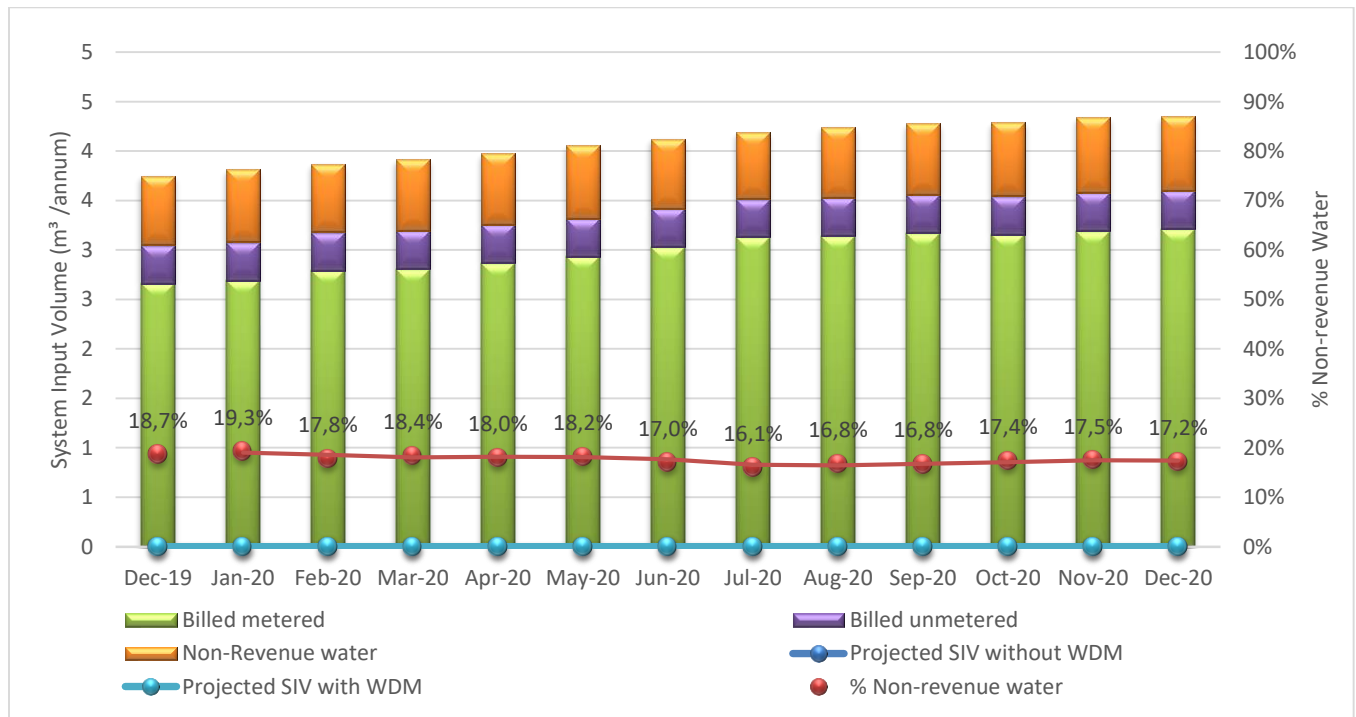
The system is operating well and there has been few pressure complaints reported in the last quarter. The challenge in Empangeni zone has been the issue of unidentified leak around Kuleka Area. Step test has been conducted the resultshave indicated the area that needs to be zoomed in, it is a continuous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

- **Ngwelezane Supply System**

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

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

Table 39: Ngwelezane - Water Balance



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

9.8.6 Water and Wastewater Operation

The Municipality has 3 WTW (Water Treatment Works) and 5 WWTW (Waste Water Treatment Works). The following table indicates their design capacities and operating capacities. In addition, challenges with the operations are also noted.

Table 40: Design and Operating Capacities of Treatment Plants

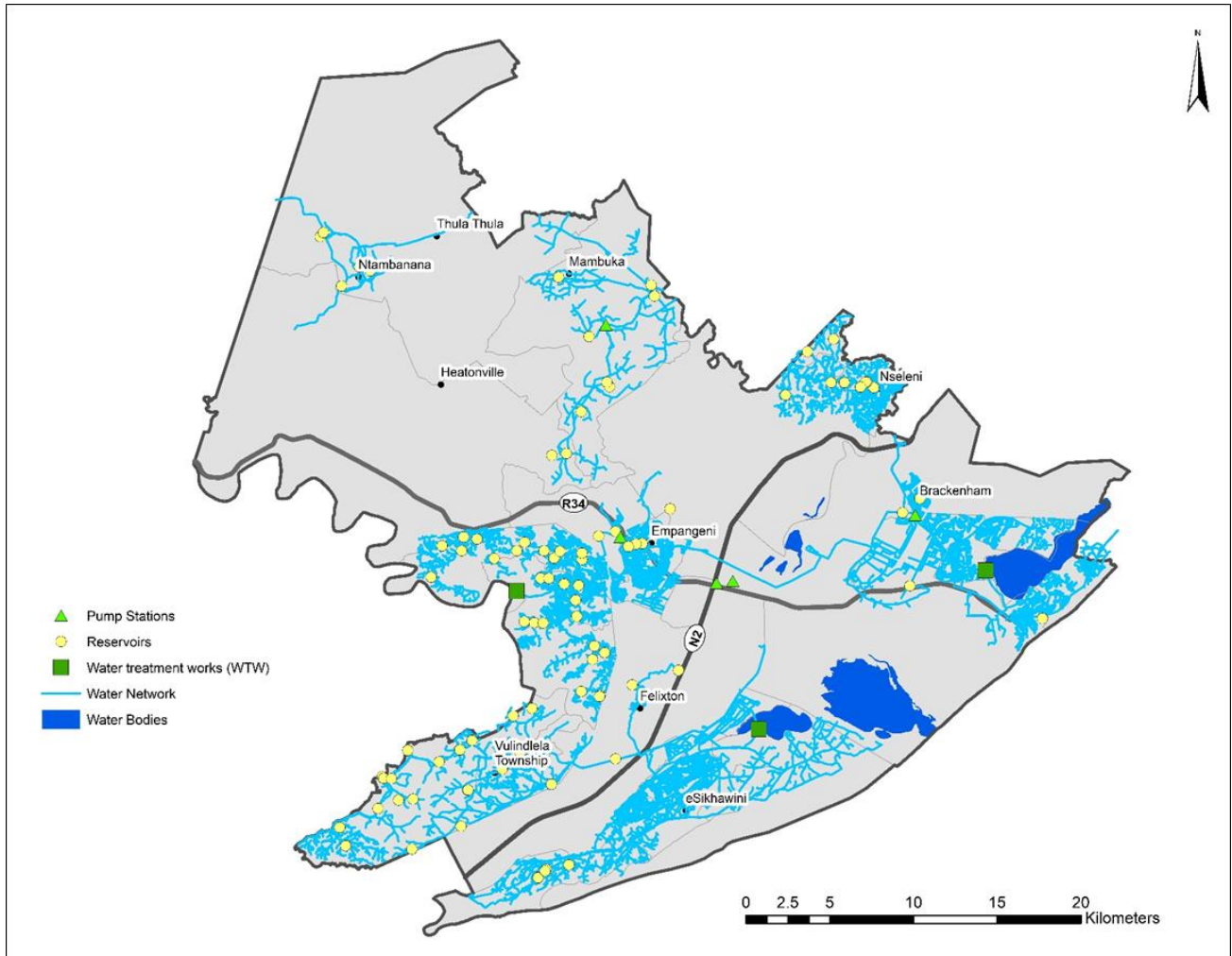
Name	Design Capacity (ML/day)	Operating Capacity (ML/day)	Challenges
Mzingazi WTW	65	60	<ul style="list-style-type: none"> ○ Increased rural demand for King Cetshwayo
ESikhaleni WTW	36	31	<ul style="list-style-type: none"> ○ High demand compared to capacity ○ No alternative power supply during Eskom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

9.8.7 Water Quality Achievements

- Water Quality Management section has managed to implement permit system, which assist the municipality to minimise impacts to the sewage system from discharge of effluent by companies.

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

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



9.8.8 Key Projects

Laboratory Information Management System (LIMS)

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

Trade Effluent Management System

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

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

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

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

Permit Management System

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

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

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

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

9.9 Sanitation

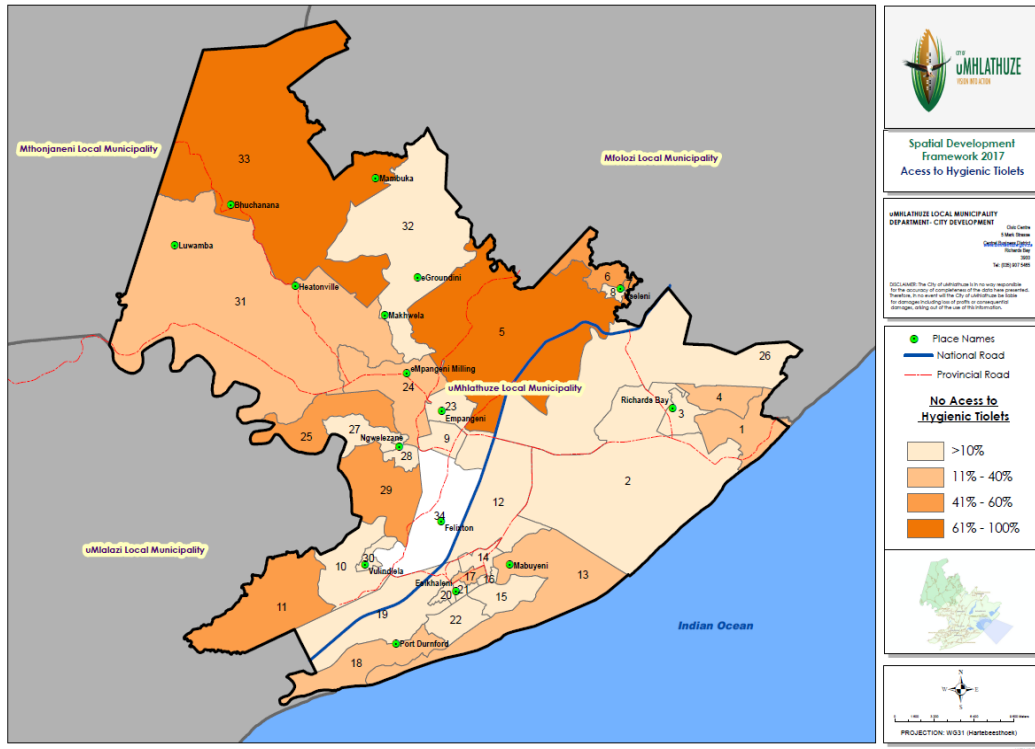
At commencement of the financial year a total of **80.94%** households had access to the basic level of service for sanitation as at 30 June 2019. The basic (RDP) level is one VIP toilet per household. The target for 2020/2021 for basic RDP level of sanitation service is set at **81.12%**. The approved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

Access to Sanitation as at 31 December 2020 is **80.94%** and the Sanitation backlog is **19.06%**

Table 41: Municipality Calculated Sanitation Backlogs

Service Level	Baseline (2019/2020)	2020/2021 Target	Stats Ending December 2020
Total households = 110 503 (2016 Stats SA)	Households with access to sanitation	Targets	Households with access to sanitation
ACCESS TO SANITATION	89 444	89 644	89 444
Waterborne Sewerage	43 068	43 068	43 068
VIP Toilets	46 376	48 176	46 376
Backlogs	21 059	19 259	21 059
New Installations (VIP)	2 341	200	Actual Q1 = 0 Actual Q2 = 0

Map 31: Access to hygienic toilets



Source:
uMhlathuze
SDF Review
2017

From the map above it can be seen at which spatial locality large

percentages of households do not have access to hygienic toilet facilities

9.9.1 Asset Management Plan for water and sanitation

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

9.9.2 Operations and Maintenance

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

9.9.3 Water and Sanitation Plans

Plan	Status
Asset Register for Water and Sanitation, Audited as June 2020	Available as Audited in June 2020 Annexure AS

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

9.9.4 Water and Sanitation Projects

All water and sanitation projects are reflected on **Section F, under Major Funded Project Sub-Section and** on the Municipal Capital Expenditure Framework 2020 "Annexure AC"

9.10 SOLID WASTE MANAGEMENT

9.10.1 Waste Collection

The Constitution of South Africa, 1996 provides the foundation for environmental regulation and policy in South Africa. The right to environmental protection and to live in an environment that is not harmful to health or well-being is set out in the Bill of Rights (section 24 of Chapter 2). This fundamental right underpins environmental policy and law, in particular the framework environmental legislation established by the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA).

The Waste Act fundamentally reforms the law regulating waste management, and for the first time provides a coherent and integrated legislative framework addressing all the steps in the waste management hierarchy.

9.10.2 Strategic Goals

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

- ❖ *Goal 1: Promote waste minimisation, re-use, recycling and recovery of waste.*
- ❖ *Goal 2: Ensure the effective and efficient delivery of waste services.*
- ❖ *Goal 3: Grow the contribution of the waste sector to the green economy*
- ❖ *Goal 4: Ensure that people are aware of the impact of waste on their health, well-being and the environment.*
- ❖ *Goal 5: Achieve integrated waste management planning.*
- ❖ *Goal 6: Ensure sound budgeting and financial management for waste services.*
- ❖ *Goal 7: Provide measures to remediate contaminated land.*
- ❖ *Goal 8: Establish effective compliance with and enforcement of the Waste Act.*

In terms of City of uMhlathuze Waste Management the following has been achieved, in line with its strategic goals,

Goal 1: Promote Waste Minimisation, Re-Use, Recycling and Recovery of Waste.

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

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

Ensure Separation at Source in our Municipality (Kerb Recycling)

There are currently five areas where separation at source is taking place, which are Meerensee, Birdwood, Felixton, Brackenham, Esikhaleni J1 Section and some parts of Empangeni. In these areas each household gets a yellow plastic bag for recyclables

over and above the trolley bin service. Recyclables from Meerensee and Birdswood are collected by a bush truck to Material Recovery Facilities on the day of removal for further sorting. Recyclables from Felixton, Brackenheim and Esikhaleni J1 Section are collected by three separate waste-preneurs, under a six (6) month trial, with their own transport, on the day of removal and sort at their recycling sites. Recyclables from Empangeni are collected by informal waste-pickers who sell recyclables collected from trolley bins in order to sustain their livelihoods. This practice further minimizes waste going to the landfill while benefitting green economy.

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

Figure 34: Hierarchy

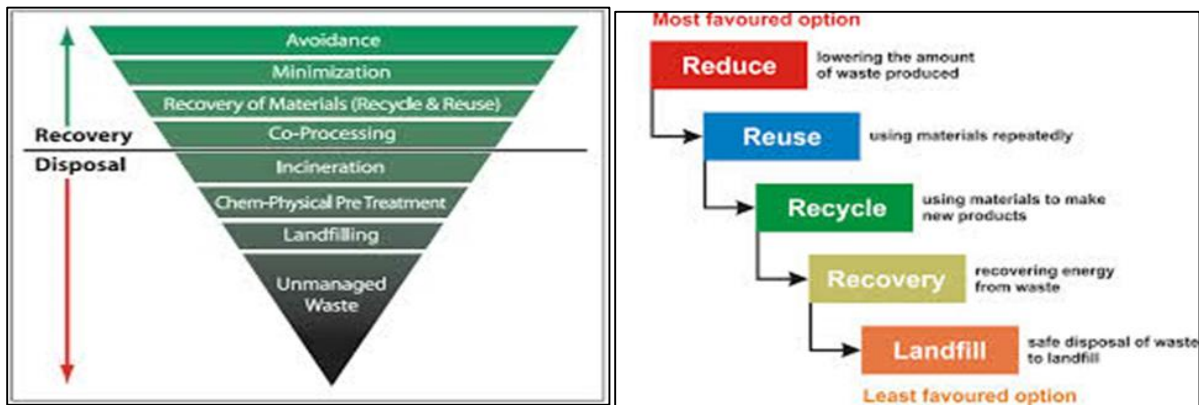


Table 42: different waste streams recycled as at February 2019

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

This reflects that an average of 28 % of the total waste generated and landfilled within the City of uMhlathuze boundaries was recycled, or reused. This program has benefitted a number of individuals in the green economy, referred to as “Waste-preneurs”.

The Municipality is still looking at ways of diverting waste away from landfill site, and recycling is just one part of it. City believes that “Waste is a resource out of place”. All this further contributes to **Goal 3**, which deals with contribution of waste sector to green economy.

9.10.3 Material Recovery Facilities

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

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

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

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

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

Goal 2: Ensure The Effective and Efficient Delivery of Waste Services.

In terms of the Constitution the responsibility for waste management functions is to be devolved to the lowest level of government.

It is therefore clear that the City is responsible for Waste Management within its area of jurisdiction and has to ensure proper handling of waste thus preserving a healthy environment.

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

- ❖ Weekly waste collection from all 34 wards, both rural and urban, and dispose thereof at an approved landfill site.
- ❖ Street and rank litter picking and public ablution facilities cleaning.
- ❖ Recovery of re-usable and recyclable material from the main stream of waste.
- ❖ Clearing of illegal dumping within the City of UMhlathuze.
- ❖ Plans to eradicate backlog.

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

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

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

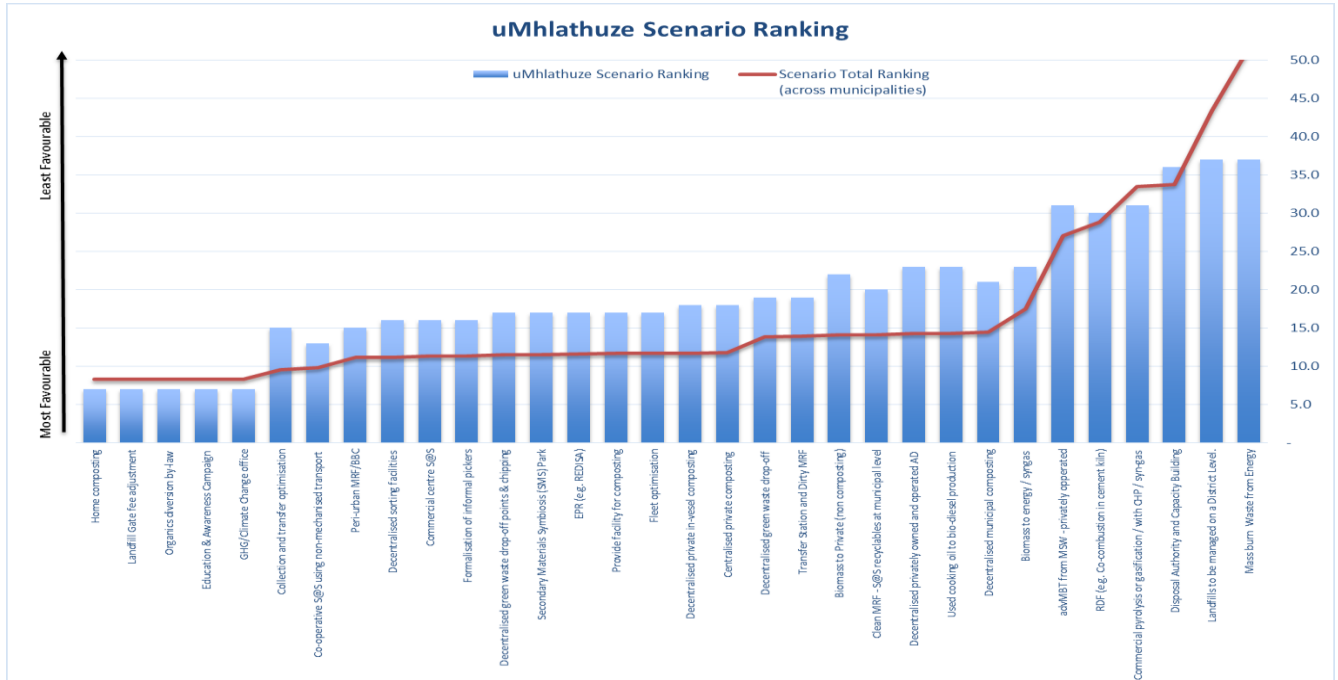
The City of uMhlathuze has conducted a feasibility study on alternative treatment of waste in partnership with National Department of Environmental Affairs. The pre-feasibility has been approved by Council which is looking at food waste as the best option to for soil enhancement.

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

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

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

Figure 35: Scenario Ranking



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

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

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

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

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

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

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

Goal 5: Achieve Integrated Waste Management Planning.

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

One of the new exciting projects will be the alternative treatment of waste rather than landfilling. The City is currently busy with study on "*Diversion of waste away from landfill site*", which is funded by German Government through National Department of Environmental Affairs. This pre-feasibility study has been finalized and approved by Council. This contributes a lot towards alternative treatment of waste.

Goal 6: Ensure Sound Budgeting and Financial Management For Waste Services.

Within the limited budget the section has managed to expand service to rural areas, where service was never provided before.

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

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

The Section continuously survey existing business, as main contributors to revenue, so as to ensure that they receive service they pay for at all times.

The Section has stabilized expenditure on overtime, and currently the section only has planned and approved overtime, but still looking at other avenues so as to ensure that more is done with limited funding.

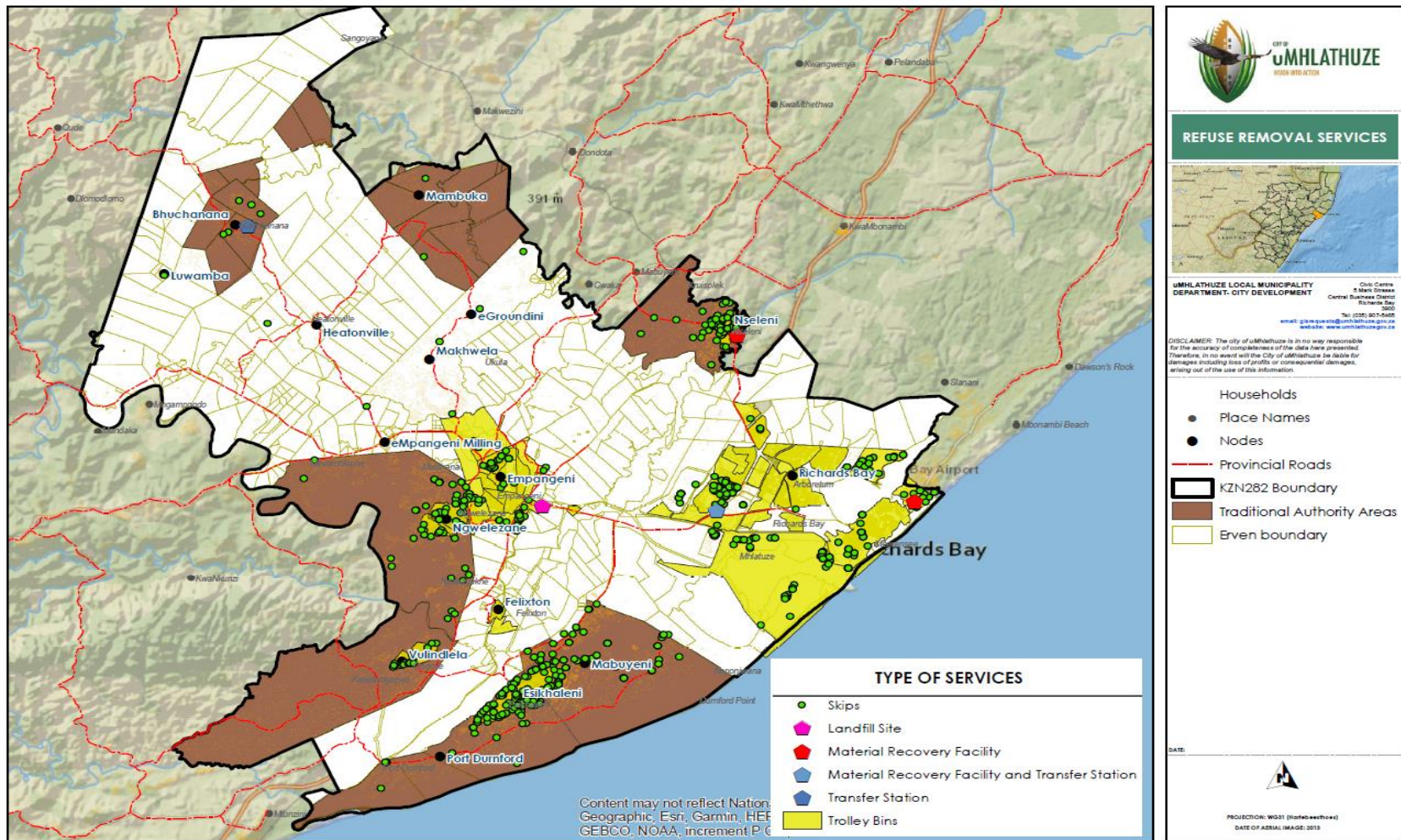
Goal 7: Provide Measures to Remediate Contaminated Land.

Section has developed a comprehensive plan on illegal dumping which outlines the role of each stakeholder within the municipality's jurisdiction, ranging from business, contractors, garden services, law enforcement and even media so as to deal with illegal dumping and land pollution. This plan has yielded good results even before it is fully implemented. Communities are sending information and culprits are caught on the spot. Two Superintendents over and above Law Enforcement Officer have been trained as Peace Officer in order to ensure that those caught dumping are charged accordingly.

Goal 8: Establish Effective Compliance with and Enforcement of the Waste Act.

In terms of Waste Act, all handlers of waste should be registered with Waste Management Officer. Currently more than 72 waste handlers who have registered already, and that assist so that waste is properly profiled. Furthermore, Waste management Bylaws are being reviewed to be in line with IWMP.

Map 32: Refuse Removal Services



Source: uMhlathuze IWMP 2019

Table 43: Solid Waste Management Indicators and targets

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

Table 44: status of waste disposal site and transferee stations

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

9.11 TRANSPORTATION AND STORM WATER INFRASTRUCTURE

Within the Infrastructure and Technical Services Department there is a unit responsible for transport, roads, storm water and coastal management. As such, the unit has the following sub-sections:

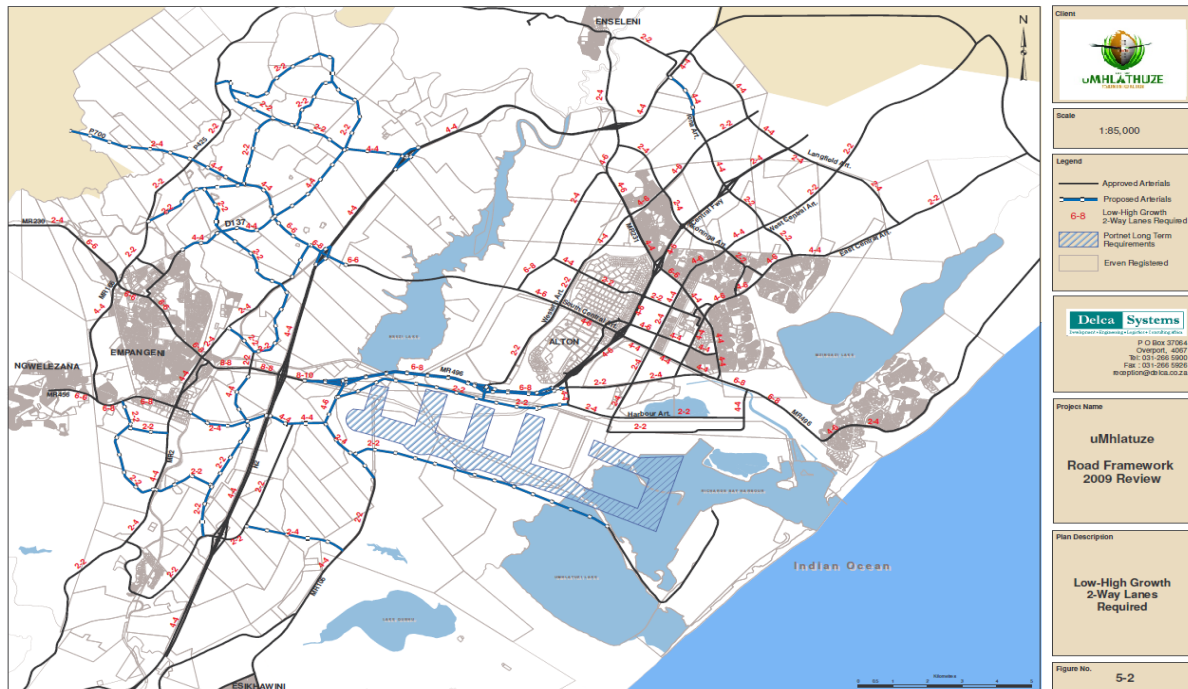
- Urban Roads, Rail and Road Markings
- Transportation Planning and Traffic Signs
- Rural Roads and Stormwater
- Stormwater Coastal Management

The Municipality has recently finalized a Review of its Arterial Road Framework Plan that extends beyond the boundaries of the existing formal urban areas into the proposed expansion areas as indicated hereunder.

9.11.1 Integrated Transport Plan

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

Map 33: Arterial Road Framework Plan



9.11.2 Urban Roads, Rail and Road Markings

The maintenance entails daily pothole repairs, repairs in roads where pipe bursts occurred. Major maintenance is done via the pavement management system.

uMhlathuze MUNICIPALITY appointed private service provider for the development of a Pavement Management System (PMS). This PMS presents a network level proposal for maintaining the roads in the area through an assessment of the network based on methodical visual ratings of each pavement section.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction). With the limited funds available it is important that these funds be spent at the right place at the right time to ensure optimum use of funds. The use of PMS is generally accepted as essential for determining the maintenance and upgrading needs/programmes for pavements in a network of roads.

The total length of the paved network is 560.4km (553.8km tar, 0.4km block paving and 6.2km concrete pavements) with an estimated replacement value of R1.85 billion. The average condition of the network can be rated as fair to poor, with 16% of the surfacing and 12% of the structure in the poor to very poor category. The following urban roads are maintained by the city uMhlathuze:

Table 45: Urban Maintenance Road lengths

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

Area	Suburb	Length of Road (km)
	Zidedele Village	1.4
Ngwelezane	Unit A	17.8
	Unit B	15.1
ESikhaleni	Unit H	48.5
	Unit J	33.7
Felixton		9.8
Nseleni		22.2
Vulindlela		7.9
Not available		15.36
TOTAL		571.419

The following is a representation of the kilometres of different classes of roads in the City and affected wards:

Figure 36: Condition of the Structure

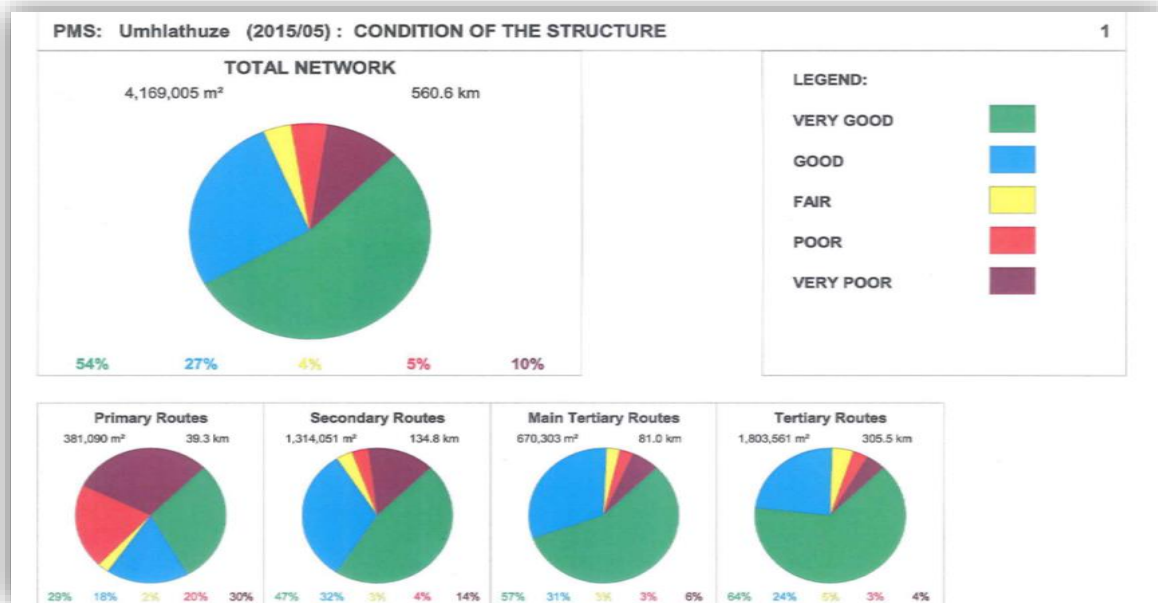
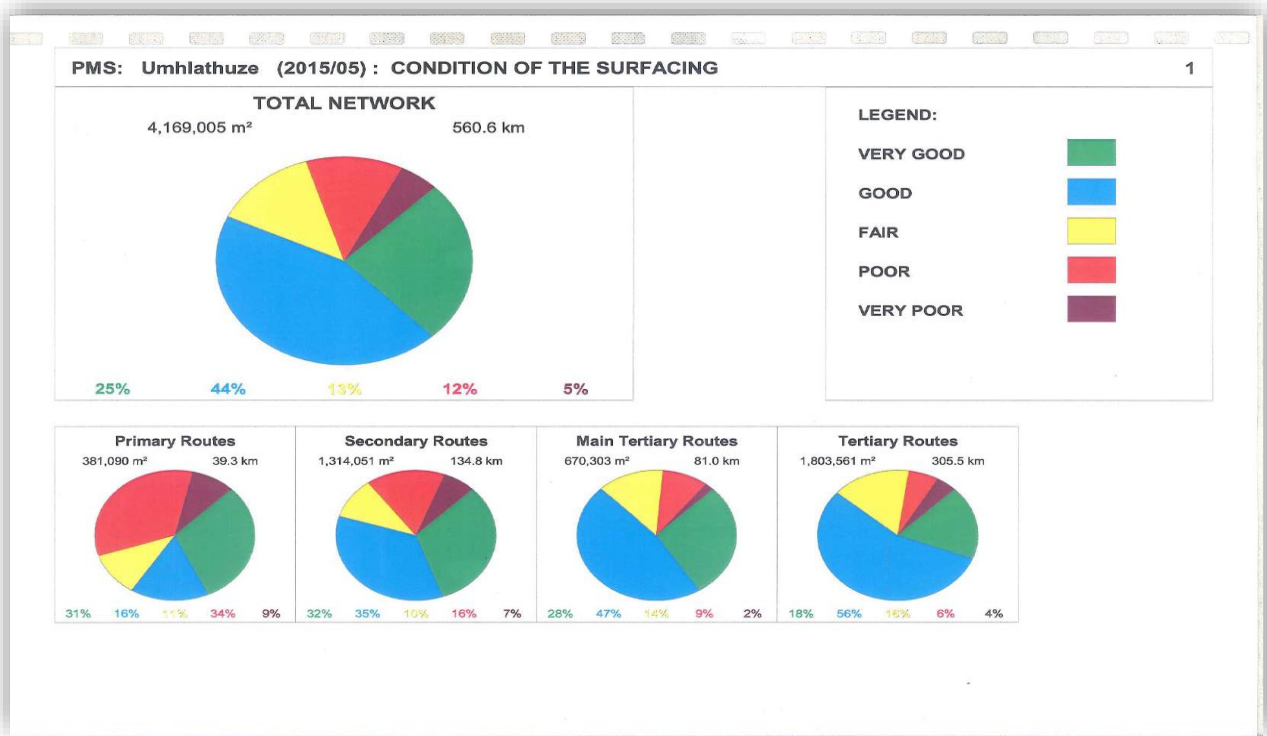


Figure 37: Condition of the Surfacing



The rail sidings are maintained to comply with the standards of the Rail Safety Regulator, which is a national body responsible for the safe operation of all rail lines. Maintenance work is generated by monthly inspections done by representatives from the municipality, a consulting firm and a maintenance contractor. A total length of 17.2 km of rail sidings and 38 turnouts is maintained.

9.11.3 Transportation Planning and Traffic Signals

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

- o Transportation Planning
- o Contract Maintenance
- o Traffic Signals

Transportation planning includes the following:

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

Transport Planning Assistance includes the following:

- o Maintenance related quotations for upgrading of existing infrastructure

- Implementation of Traffic Calming
- Traffic counts and planning
- Warrant of traffic signals
- Upgrading of Traffic signals
- Design and Implementation of new Traffic Signals

Traffic Signals relates to the following:

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

Projects and Activities in this section are summarized hereunder:

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

9.11.4 Rural Roads and Stormwater

Rural road services are provided to four Traditional Council areas. Infrastructure maintenance section is responsible for maintenance of roads and storm water, pedestrian bridges, bus shelters and vehicle bridges.

9.11.5 Stormwater Systems and Coastal Management

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

Priorities for this section include:

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

Challenges include the following:

- Short to no supply of permanent staff to carry out daily functions.
- Currently section is almost 100% reliant on outsourcing of work to undertake its functions which results in delays when having to execute emergency functions
- Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that create flooding of streets and properties.
- Requirement of “peace officers” to address the issuing of fines to members of the community that engages in illegal dumping.

Projects and Activities of the section include:

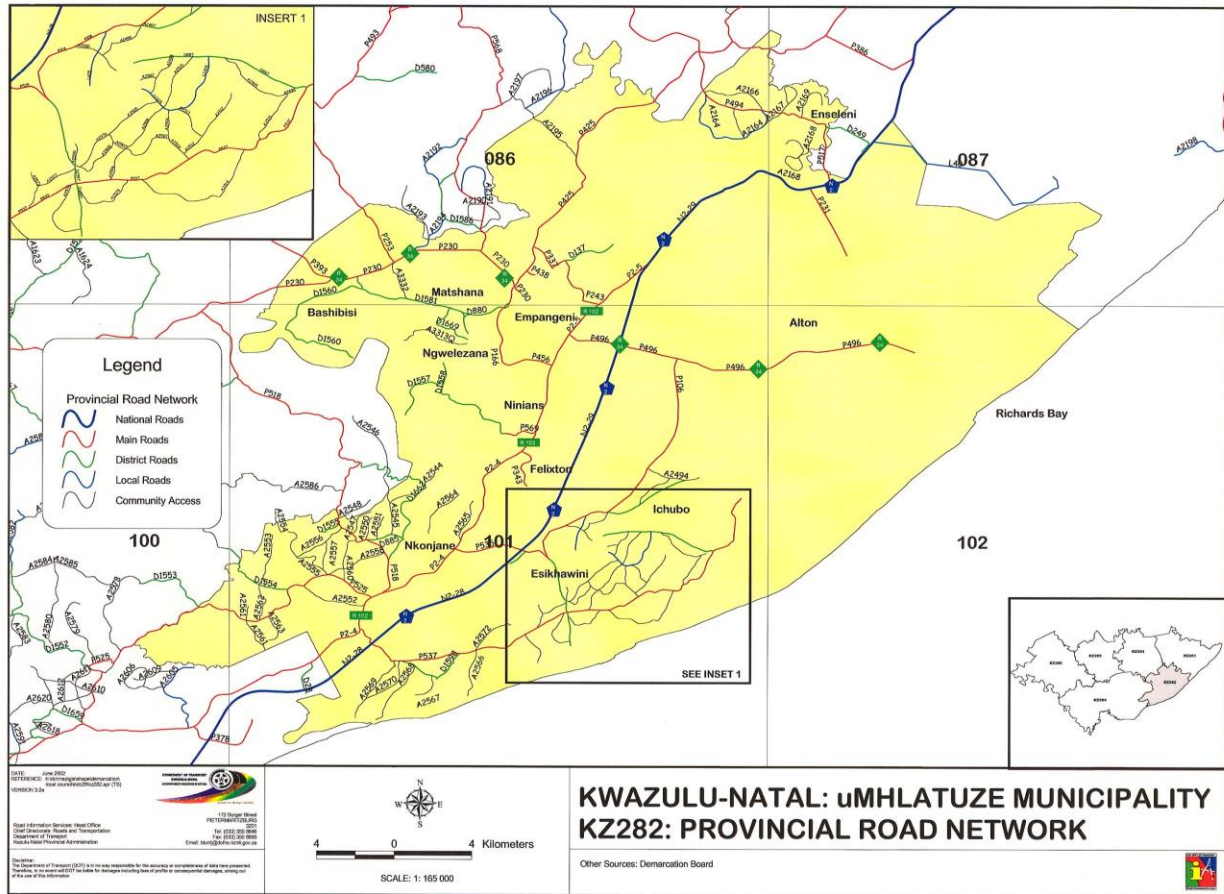
- Repair of Mzingazi River Salt Water Barrier Weir at John Ross Highway Bridge to prevent ingress of salt water through the weir into the fresh water course.
- Community Awareness Project for a Stream Clean-up crossing Saligna Road between John Ross College and Via Cassandra Road.
- Replacement of all stormwater manhole covers throughout the City with Polymer Concrete manhole covers to prevent scrap metal theft and create a safe environment to the community.
- Maintenance and Cleaning of all Stormwater facilities throughout the City.

9.11.6 Sector Involvement

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

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

Map 34: Provincial and National Roads Network



The map above indicates all Provincial Roads and National Road (N2 - North Coast in Blue) within KZ282 under uMhlathuze Municipality.

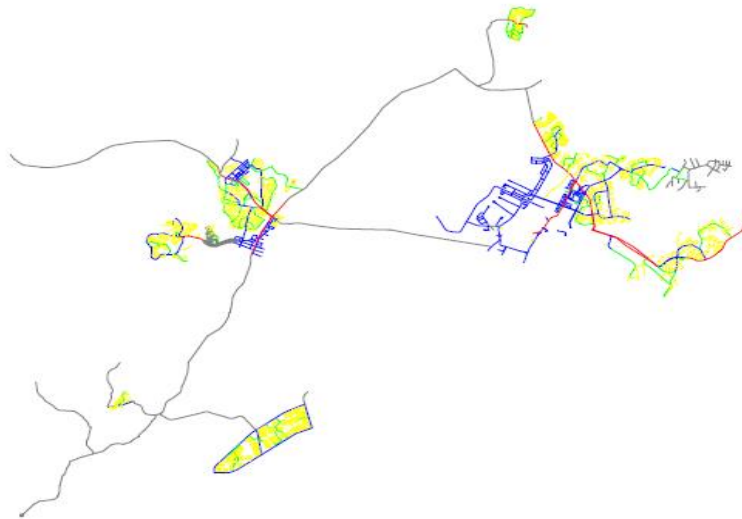
National Road (N2 - North Coast in Blue)

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

All Provincial Roads

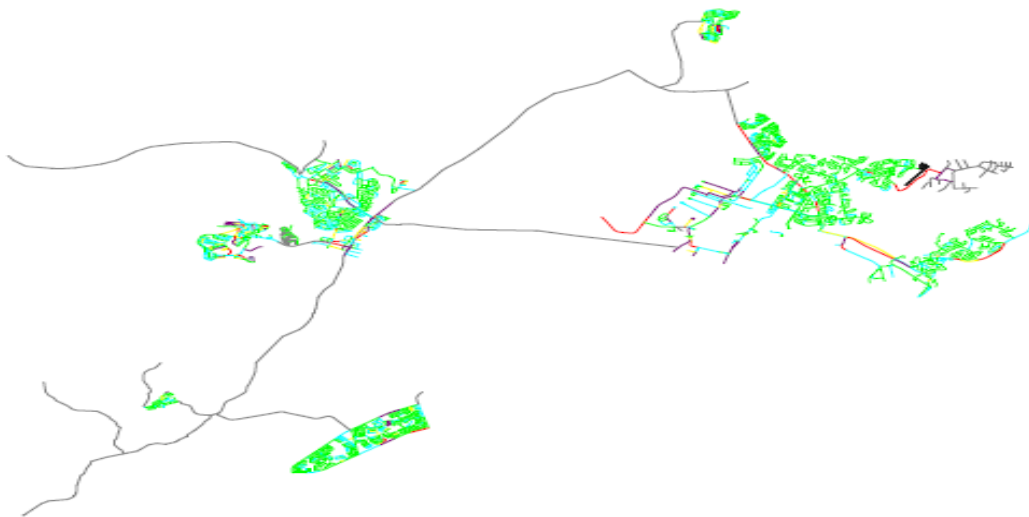
- Overall maintenance is not done at all (Poor Condition)
- Potholes are all over the area
- Most roads have faded line markings
- Most roads guardrails need to replaced/fixed
- Most road signage need to replaced/fixed
- Grass cutting and maintenance of vegetation are not done regularly
- Storm water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

Map 35: Route Classification



Source: uMhlathuze PMS 2017

Map 36: Structure Condition



Source: uMhlathuze PMS 2017

Map 37: Rehabilitation Projects



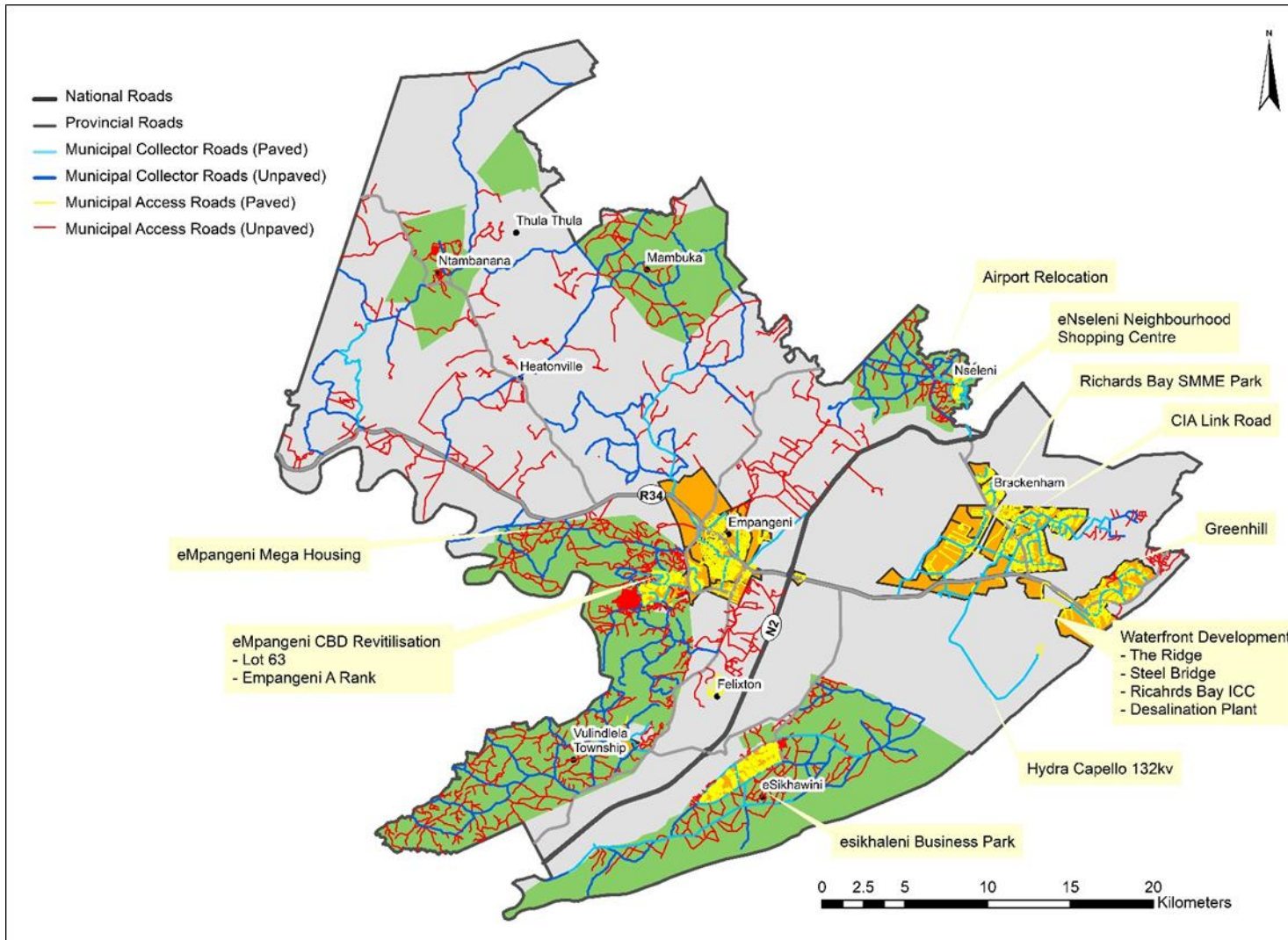
Source: uMhlathuze PMS 2017

Map 38: Resurfacing projects

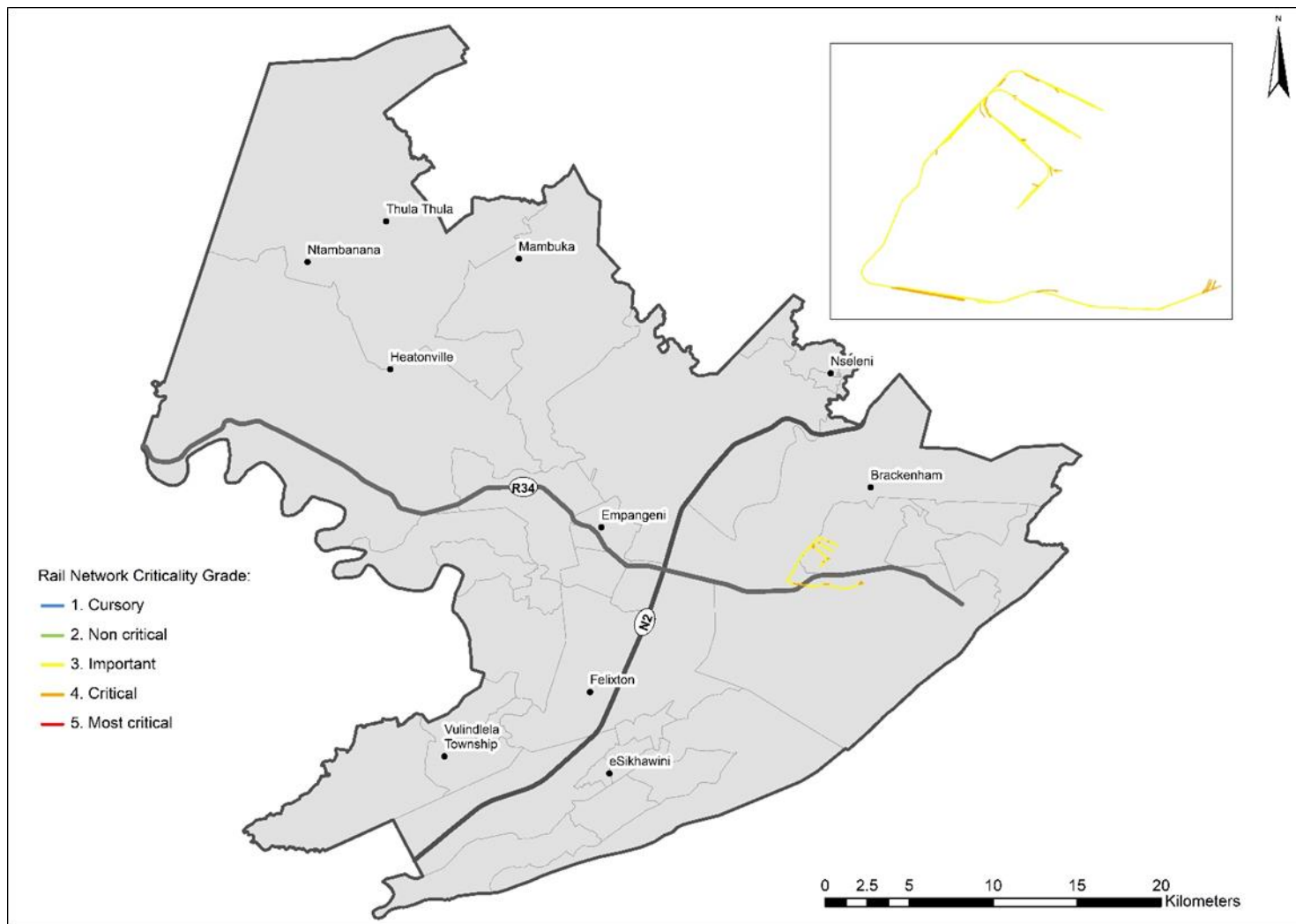


Source: uMhlathuze PMS 2017

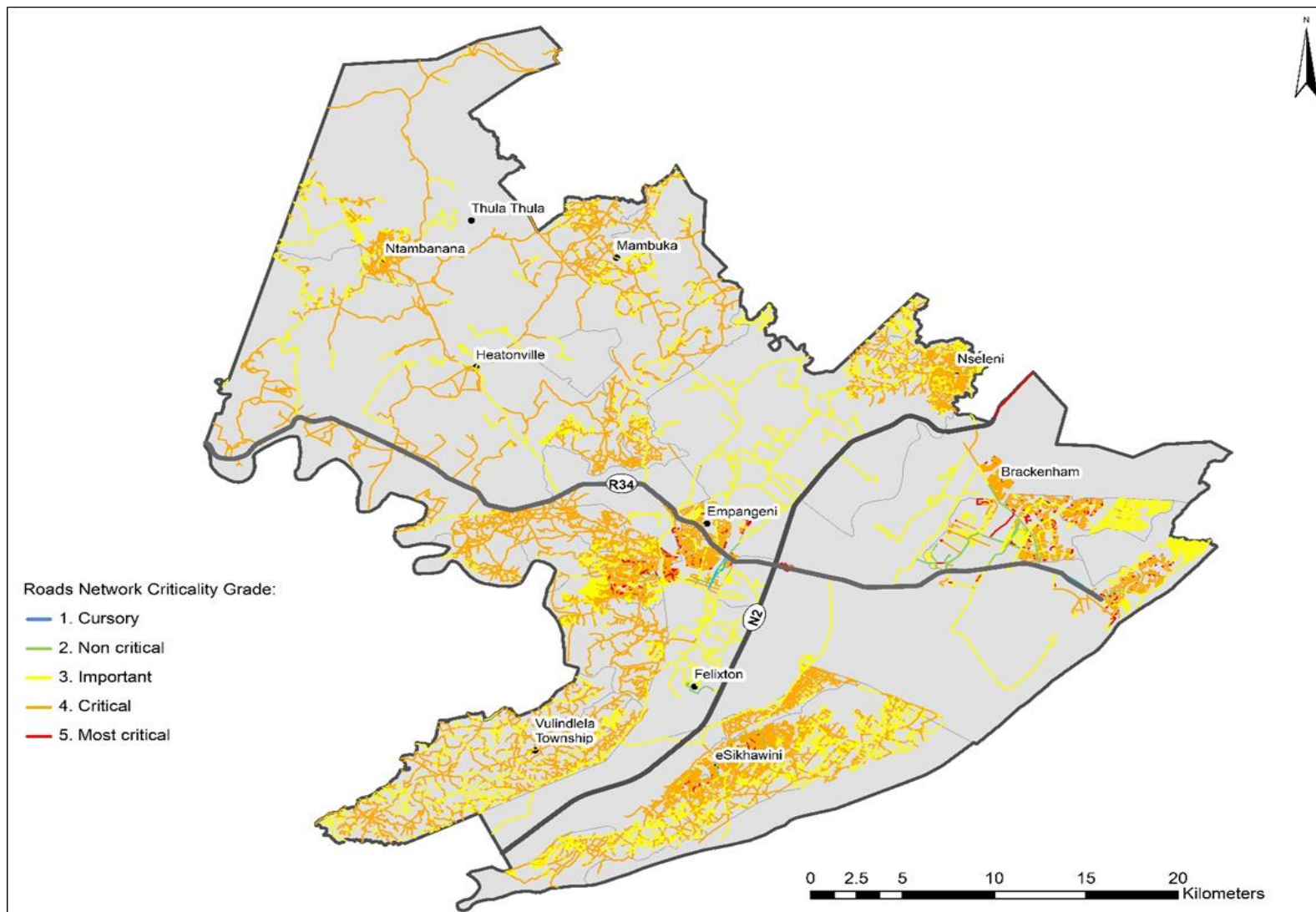
Map 39: Roads Classification



Map 40: Rail Network Critical Grade



Map 41: Roads Network Criticality Grade



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

9.12 Energy

9.12.1 Introduction

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

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

The Energy Sector Plan provide a background and basis for the development of an Energy and Climate Change Strategy for the City of uMhlathuze so as to provide and sustain bulk infrastructure services for anticipated development. This is achieved by delivering the following key outputs:

- A snapshot overview of energy supply and demand patterns within the boundaries of City of uMhlathuze supported by load forecast for capacity planning.
- Identification of Sustainability Priorities through IDP community engagement which then informs the capital budget for future planning. These include issues such as access to energy supplies, energy affordability, Climate Change, atmospheric pollution as a result of fossil fuel combustion, social welfare and employment

9.12.2 Access to Electricity

The City of uMhlathuze has no electricity backlogs in its area of supply. The total backlogs of 6429 exist in the areas within the municipality which are directly serviced by Eskom. Municipality is only doing infills for new customers. The main focus of the municipality is on infrastructure provision and maintenance and also provision of public lighting in Traditional Areas.

Map 42: Electrical Supply System

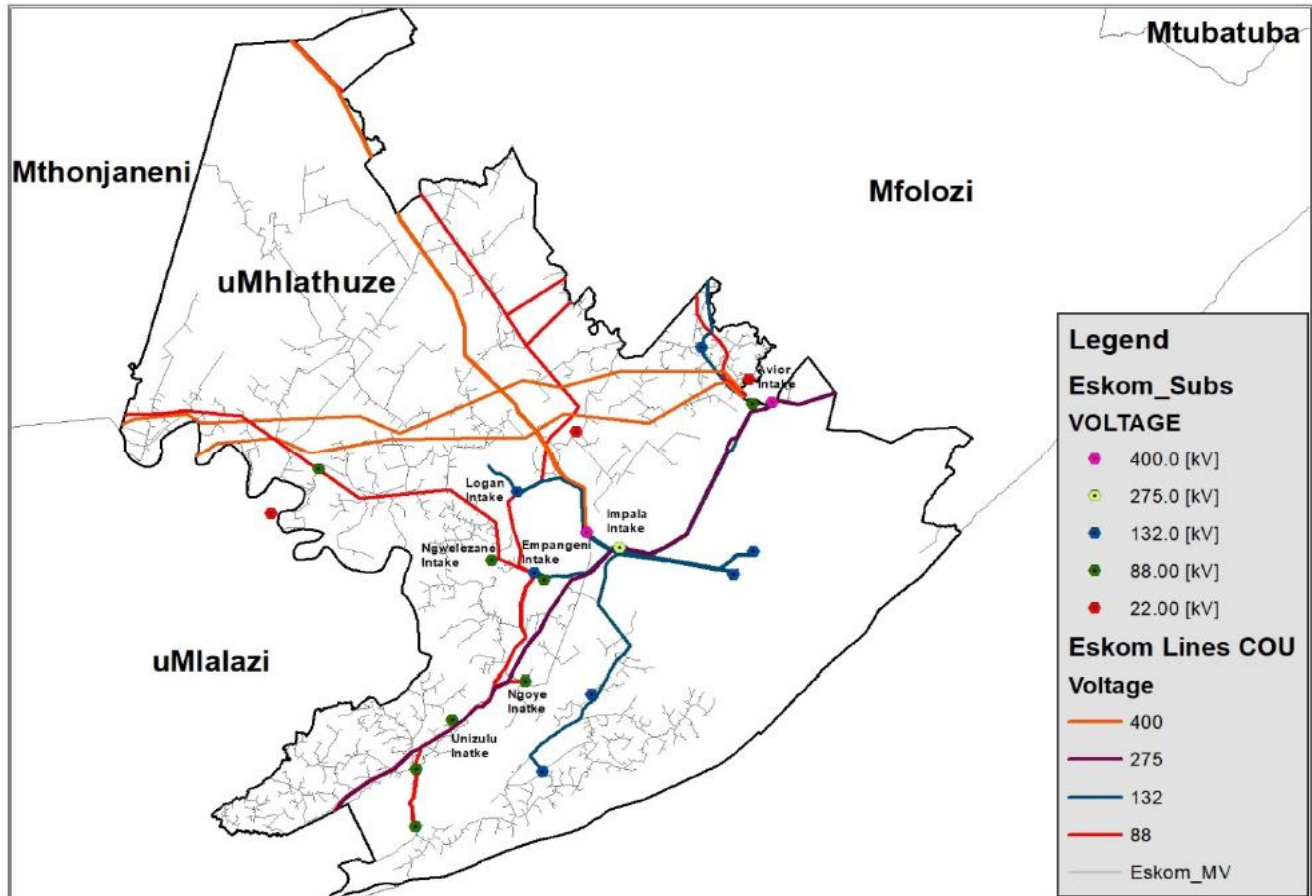
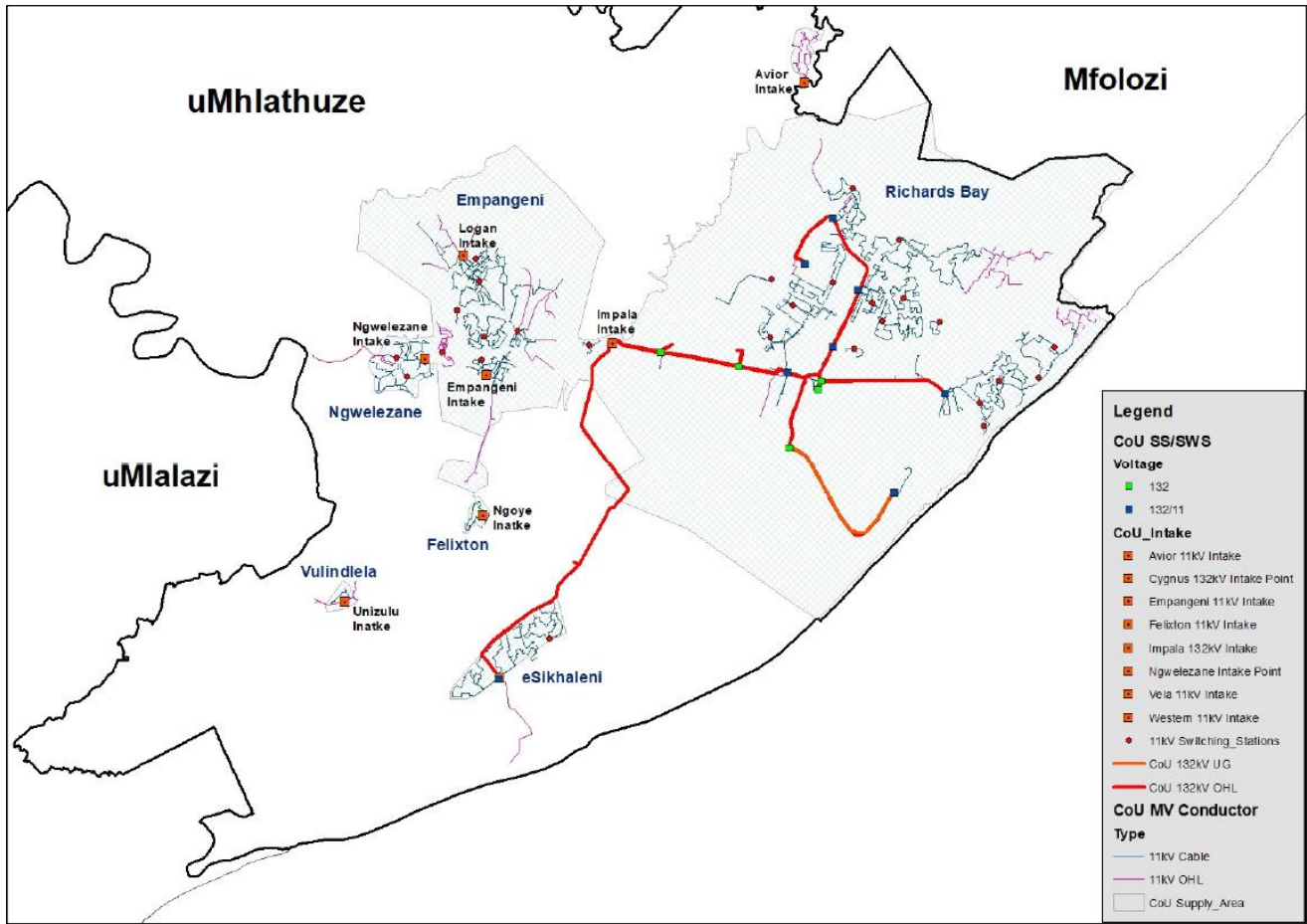


Figure 5: Eskom Substation & Lines within CoU Municipal Boundary

Source: uMhlathuze Electricity Master Plan, 2020

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



Map 43: uMhlathuze Bulk Distribution Infrastructure

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

- The City has total of 43 Substations, of which 12 are 132 kV and 31 are 11 kV, 1. 94.3 km of 132Kv over headlines.
- 109km of 11kV Overhead Line (OHL).
- 503km of 11kV underground cable (UGC).
- 850 Minisubs.
- 53 Ring Main Units.
- 136 Pole-mounted transformers.
- 7257 customer distribution kiosks
- 17423 Streetlight Poles and 87 Traffic Robots

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

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

9.12.3 Electrical Supply System (Electrical Demand Summary)

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

Table 46: Historical Load Summary

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

9.12.4 Infrastructure Planning

The Electricity Department strives to always maintain a 10% to 20% reserve margin of supply. The impact on capacity is continually assessed given:

- Residential growth, due to individual applications and residential developments
- Individual commercial applications and commercial/office campus developments
- Light & heavy industrial developments

Note: 11kV Western Main in Empangeni and ESikhaleni stations are operating above 95% of maximum installed capacity. The completed Electrical Master Plan outlines the network infrastructure reliability and sustainability for future load growth.

It is critical for the Electricity Department to liaise with relevant stakeholders, on future capacity requirements, to achieve integrated development planning. Such stakeholders include Eskom, LPU's (Large Power Users), Private Developers, IDZ (Industrial Development Zone), SEZ (Special Economic Zone), District Municipality, Provincial and National Governments, Internal Customers from within the Municipal structure.

9.12.5 Electrical Networks Operations and Maintenance

Operations & Maintenance constantly seek to deliver reliable electricity supply to customers by maintaining the network to avoid outages, and by responding promptly to outages when they occur. Hence, uMhlathuze's network reliability is measured by the frequency and duration of power interruptions in the network. Most of power interruptions that customers experience reflects faults or failures of the medium voltage (MV) network.

NRS 047-1:2005, section 4.5.3 recommends that after unplanned interruptions, power should be restored as follows:

- 30% within 1.5 h;
- 60% within 3.5 h;
- 90% within 7.5h;
- 98% within 24 h; and
- 100% within a week.

The City of UMhlathuze Operations and Maintenance department use the following key performance indicators (KPI) to monitor the network performance.

SAIDI => System Average Interruption Duration Index.

Definition: Average duration (in hours) in total that the customer was without supply.

Formula

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

SAIFI => System Average Interruption Frequency Index

Definition: Average frequency that the customers supply is interrupted

Formula

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

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

9.12.6 Technical Operations Centre

City of uMhlathuze operates an extensive telemetry network to monitor their water and sewer distribution infrastructure; electrical substations, and Analytical Instruments. The system consists of a SCADA based master station, situated in the City of uMhlathuze Technical Operations Centre office, and approximately 180 Telemetry outstations for monitoring pump stations, 43 electrical substations and reservoirs over the entire City of uMhlathuze.

Technical Operational current situation is as following:

- Municipal Tracking System – Municipal Integrated Solution & Customer Care Centre
- Electrical Distribution, Load management and Online Metering Systems.
- Fleet Management system (Geotab)
- Water reservoir monitoring SCADA system
- Sewer network line systems – SCADA system
- Street Lights and Management System – Tele-management Systems (under development)
- Pressure management Systems SCADA Dashboard
- SCADA alarm management

9.12.7 Energy Efficient Demand Side Management and Renewable Energy

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

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

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

Renewable Energy

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

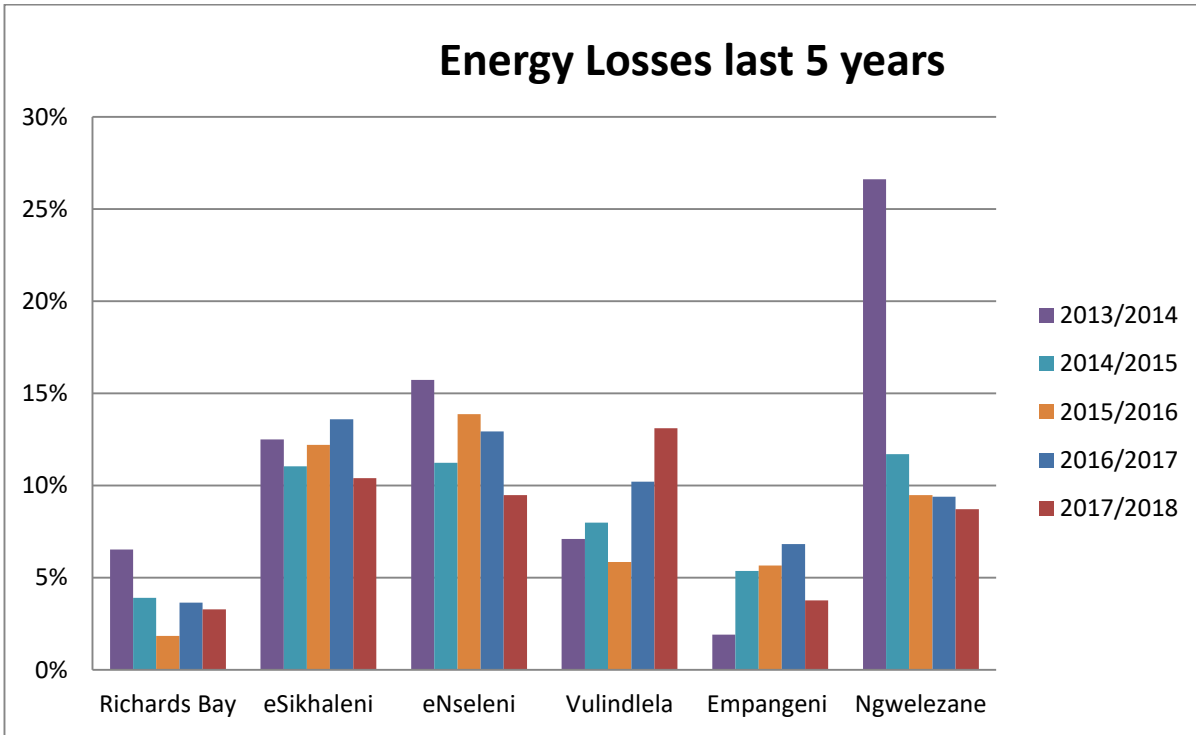
9.12.8 N2 Corridor and Non-Island Areas

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

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

9.12.9 Energy Losses

Although the national average is 12% and the overall average of the City is 7% it is a concern that some areas are exceeding the 12% national average.



Further Energy losses will be minimised through the implementation of the following projects:

Prepayment Meter Audits: All Areas	Annual Total
Houses Visited (general audits) EES	2 511
Number of customers billed for Tampering:	432
Number of customers billed for Unpaid Elect Consumed (faulty meters):	37
Number of customers billed for Unmetered Elect Consumed:	11
Clearance certificate audits requested by CFO	1 309
Total Audits over the year:	4 300

9.12.10 Electricity Maintenance Plan

The City of uMhlathuze is a utility for distribution of electricity to an area of **825** km². To effectively and safely distribute electricity to residential, commercial and industrial customers, maintenance is critical, as it will always cost much more to replace equipment that is not properly maintained. There is currently a manual maintenance plan that was developed to outline the maintenance strategy.

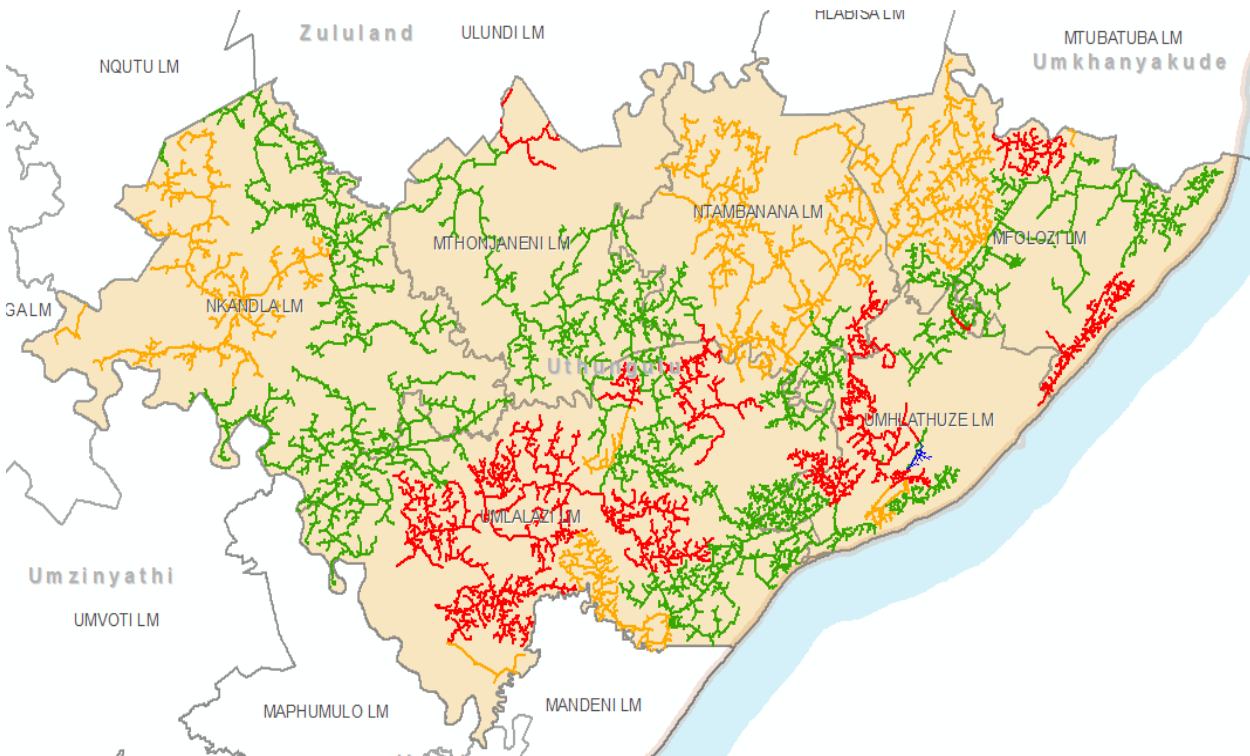
There is a total of 43 Substations with 12 being 132 kV substations and 31 being the 11 kV Substations which ultimately feeds our customers. Our key customers are Mondi, RBCT, Foskor,

Transnet & IVS and interruption of power to these customers has a significant impact on the environment, revenue & the Provincial economy.

Maintenance strategy

- **SAIDI** => **S**ystem **A**verage **I**nterruption **D**uration **I**ndex
- **Definition:** Average duration (in hours) in total that the customer must be without supply.
- **SAIFI** => **S**ystem **A**verage **I**nterruption **F**requency **I**ndex
- **Definition:** Average frequency that the customers supply is interrupted
- **SLI** => **S**upply **L**oss **I**ndex (*RSLI if on Reticulation network*)
- **Definition:** The total duration the system was out of supply. SLI is an internal measure of transformer availability

Map 44: Capacity Constrains – King Cetshwayo District



Source: Eskom

Sector Involvement

This section liaises with a number of stakeholders and departments in terms of strategic infrastructure planning and service provision. However, the most prominent departments are the Department of Energy, Eskom and the Department of Co-operative Governance.

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

9.12.11 Electricity Projects

Refer to Section 24.1 (Funded Projects) for a list all funded projects by the municipality.

9.13 Access to Community Facilities

Cemeteries

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

Museum

uMhlathuze Municipality has one Museum situated in Empangeni town. This museum is the storehouse of the heritage of our city and its peoples. It also serves as the educational and cultural awareness centre for youth and for all that has interest. The main aim of the established museum it is to protect and preserve uMhlathuze's heritage for future generations.

The museum displays new artwork bi - month. Some of the main events in the past year included the Empangeni High School Artwork, Local Artist displays and the Mondl Eisteddfod. Not only are schools and private artists invited to display their work but corporate institutions and groups like the Rotarians and the Woman's Institute also utilize the venue for displays. Artwork is also purchased and added to the municipal assets, the value of which increases every year. Trough combined efforts with arts and culture initiatives local artists are encouraged to make use of the museum, hence there are small crafters selling craft and art work within the premises of the Empangeni Museum.

Access to Community Facilities

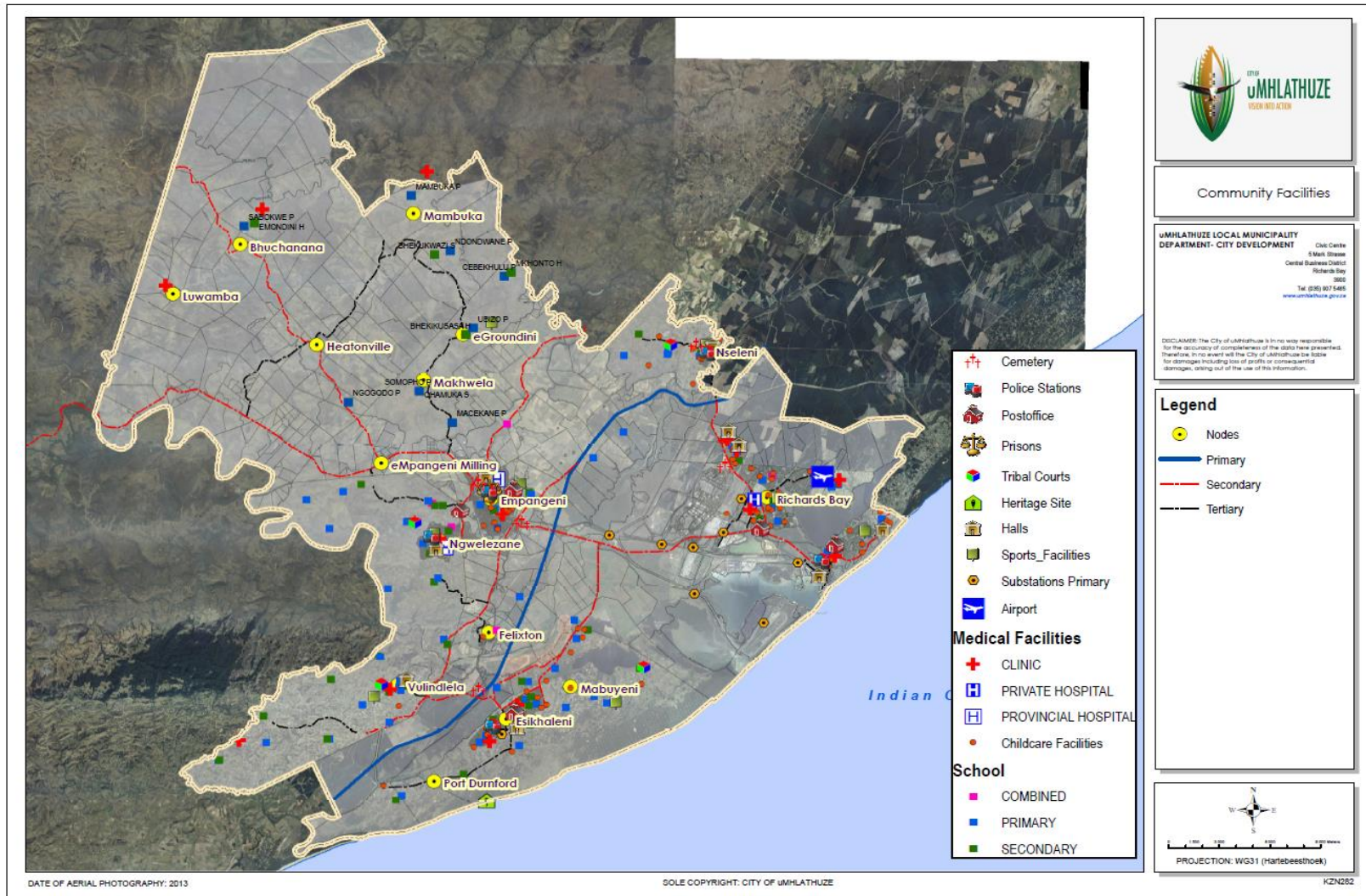
The table below sets out the number of facilities per municipal ward

Table 47: Distribution of Community Facilities

Distribution of Community Facilities																																			
Community Facilities	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	
Libraries		1	1	1		1	1										1									2		1			1			1	
Community Hall	2			2	1		1				2	1	2	1	1		1		1					1	1		2		1		1	1	2	2	
Thusong Centre										1								1															1		
Sport Fields		5	1	1	3	4	1	2	1		4	2	2	1	1		3	3	3	1				2	3	7		3	4	2	2	1	5	3	1
Cemeteries																								1			1								1
Museum																								1											
Swimming pools and	2	3																		1	1				2				1	1					
Pension Paypoint																																	1		
Total Distribution per Ward	4	9	2	4	4	5	3	2	1	1	6	3	4	2	2	0	5	4	4	2	1	0	5	6	7	5	3	7	3	3	4	8	5	3	

The map below indicates the number of facilities within the municipality

Map 45: Community Facilities



9.14 Municipal Interventions on Local Government Elections (LGE)

Public Education and Communication

UMhlathuze Municipality work closely with the IEC office on public education. During IDP/Budget Roadshows and Public outreach programs the Council gives a platform to the IEC to address the general public on the IEC matters. Municipal Communications department work hand in hand with IEC Team to communicate relevant messages to the public using different municipal platforms such Facebook, Twitter, Municipal Website, Bulk Messaging Systems and other platforms.

Public participation team of the municipality use platforms such loud hailing to enorage and communicate critical information.

Public Facilities

Most municipalities like, halls, crèches are used as voting stations for free. Before and after elections these facilities are well maintained by the municipality.

Water, Roads and Electricity

Provision for the temporal connection of water and electricity in facilities where there is no connection, uMhlathuze Municipality intervenes by doing temporal connections to assist the IEC. Further to that, Water Tankers are dispatched to the rural voting areas where they are without water supply.

Access roads are continuously maintained to ensure access by IEC and voters into the voting areas.

Public Safety

Municipal Police work closely with SAPS to safe guide the ballot papers and to monitor the situation at the voting stations during and after the elections. Municipal Officials are voluntary workers always on standby during elections to assist with anything that may be required from the municipal side.

It is known that during the season of elections there are a number of community protest that erupts, the Rapid Response Team is always on alert and have strategic measures put in place to response should such occur during the election time. Further the Disaster AND Fire Fighting teams are always on standby.

HUMAN SETTLEMENTS/HOUSING CHAPTER

9.15 Housing Chapter

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

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

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

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

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

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

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

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

9.15.1 City Of UMhlathuze Strategic Approach To Housing Delivery

Table 48: Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
Goals	Objectives	Strategies
2.1 Integrated infrastructure and efficient services	2.1.2 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2.1 Improve community standard of living through accelerated development of Integrated Human Settlement

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

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

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

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

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

9.15.2 Municipal Restructuring Zones

The uMhlathuze Municipality has identified two restructuring Zones called Aquadene and uMhlathuze Restructuring Zones. These restructuring zones have been approved by the National Human Settlements Department and they were Gazeted on the 28 April 2017 Gazette number 40815.

Theses RZ cover the following IRDP projects:

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

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

Map 46: Locality of proposed Meerensee Mzingazi Restructuring Zone



9.15.3 PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS (Phdas)

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

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

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

- Spatial Justice: reversing segregated development and creation of poverty pockets in the peripheral areas, integrate previously excluded groups and resuscitate declining areas;
- Spatial Efficiency: consolidating spaces and promoting densification and efficient communication patterns;

- Access to connectivity, economic and social infrastructure: ensure the attainment of basic services, job opportunities, transport networks, education, recreation, health and welfare to facilitate and catalyse increased investment and productivity;
- Access to adequate accommodation: emphasis is on the provision of affordable and fiscally sustainable shelter in areas of high need; and
- Provision of quality housing options: ensure that different housing typologies are delivered to attract different market segments of appropriate quality and innovation

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

Table 49: List of Priority Human Settlements Development and Housing Development Areas (PHSDHAs) within the municipality

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

9.15.4 Ways of Determining Housing Demand/Need

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

- **Waiting List**

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

- **Census**

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

- **National Housing Needs Register**

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

The purpose is to create a single integrated database of potential human settlements beneficiaries. It is a tool to support a fair, equitable, transparent, and inclusive selection and approval process for all housing development projects undertaken through the Integrated Residential Development Programme (IRDP).

Benefits of the NHNR can be summarised as follow:

- It allows for the allocation of housing opportunities in a manner that greatly reduces malpractices and corruption.
- It is a web based system requiring users to connect to the internet and be registered to gain access eliminating the need for physical installations thereby reducing the time required for implementation.
- Municipalities and Provinces will be able to obtain a better understanding of the housing needs and backlog within their respective areas.
- It serves as a reliable planning and budgeting tool to enable the delivery of housing based on identified need.
- It will assist to understand the different dynamics and needs of potential beneficiaries for various tenure options in the province.

Currently the municipality does not have credible data on the housing demand/needs of the citizens of the uMhlathuze municipality. The municipality relies mainly on the census statistics, and there are limitations to this method, data can be outdated. The municipality is in the process of implementing/rolling out the National Housing Needs Register (NHNR). The municipality was one of the nine municipalities that showed interest in piloting implementation of the NHNR programme in KZN.

9.15.5 Housing Demand/Need in UMhlathuze

The municipality use the 2016 community survey and 2011 census to determine the housing demand and to try and provide the closest estimates. The approach uses the Type of dwelling and the income levels to try and determine the housing demand. The housing backlog estimates based on census data takes into account both the population residing in informal settlements, and the creation of housing opportunities for those in inadequate shelter, such as traditional homestead or under conditions of over-

crowding. There are two main limitations to this method, first the data may be considered outdated. Second, this approach does not take into account the housing need in formal dwellings.

- **Housing Demand based on Type of Dwelling**

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

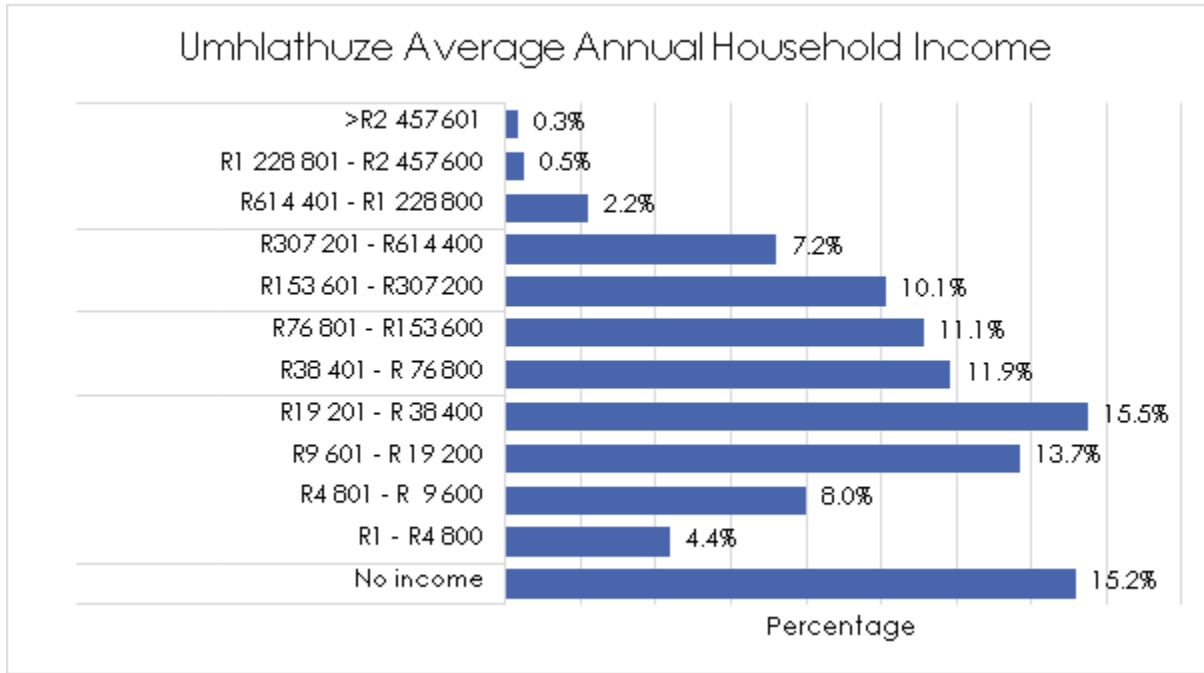
From the 104 335 households in the municipal area, 92 812 are formal. Based on the dwelling types therefore, it can be assumed that 11 523 of the households are in need of housing. The majority of these informal settlements are located in Khoza/Bhejane, Dube and Mkhwanazi Traditional Authorities and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

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

Source: Community Survey 2016

- **Housing Demand based on Income Level**

Monthly Individual Income in uMhlathuze



Source: Calculations based on data from the 2011 Census

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

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

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

9.15.6 Municipal Housing Delivery Priority Programmes

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

1. Priority programme one: upgrading of informal settlements
2. Priority programme two: integrated residential development programme (greenfield development)

- (flisp)
1994)
3. Priority programme three: community residential units and social housing
 4. Priority programme four: finance linked individual Subsidy programme
 5. Priority programme five: eradication of title Deeds back log (pre and post
 6. Priority programme six: operation sukuma sakhe (oss)
 7. Priority programme seven: rural housing projects
 8. Priority programme eight: private housing developments
 9. Priority programme nine: emergency housing programme.

9.15.7 UMHLATHUZE HOUSING DELIVERY STATUS QUO

Table 50: Urban Projects (Greenfield and Brownfield)

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES/UNITS	STATUS
Dumisani Makhaye Village Phase 1	K199900054	9	1191	Completed in 1997/1998 financial year
Dumisani Makhaye Village Phase 5	K199900054	24	313	Completed in 2009/2010 financial year
Dumisani Makhaye Village Phase 7	K11010002	24	547	Completed in 2018/19 Financial year
Dumisani Makhaye Village Phase 6 & 8 (Internal services)		9 and 24	133 low income 1020 Social Housing 82 Flisp	Bulk water & sewer is sitting at 78%. Internal Bulk services have been completed in the 2018/2019
Aquadene Housing *Internal Services)		26	615 low income 1579 CRU/Social	The IA is busy with internal services (water, sewer and roads) is at 98% overall progress. Bulk storm water and water has been completed while sewer is at 98% overall progress.
Empangeni Mega Housing Project Phase 1		5, 24 and portion of 23	10061	Internal bulks services (water, sewer, roads and storm water) have been completed. External bulk water is at 100% and upgrade of outfall sewer is at 88%. Phase 1 is ready for top structures. Phase 2 has started with installation of bulk internal services.
Esikhaleni Hostel Upgrade(CRU's) (Roof replacement)		20	360	The contract for roof replacement at Esinqobile and Impala Flats/hostels is sitting at 52%

Table 51: Rural Housing Projects

PROJECT NAME	REFERENCE NO.	WARD	NO. OF SITES	STATUS
Mkhwanazi Rural Housing	K09090003	10,11,18,19,22 & 30	1000	The project was closed at 952 houses built and 48 outstanding are currently built under OSS programme
Madlebe Rural Housing	K10080001	24,25,27,28 & 29	1000	Completed in 2012/13 financial year
Dube Rural Housing	K11030015	12,13,14,15,16 & 17	1500	The project was closed at 1487 house built and 13 house outstanding are currently built under OSS programme
Bhejane/Khoza Rural Housing	K09090002	5,6,7 & 8	1200	Completed in 205/16 financial year
Buchanana Rural Housing		33	1500	Most stage 1 activities have been completed. The Development Rights Agreement and Services Agreements are outstanding activities. The feasibility study identified 1347 households that need houses.
Luwamba Rural Housing	K14050027	31	1000	Most stage 1 activities have been completed. The Development Rights Agreement and Services Agreements are outstanding activities. The feasibility study identified 467 households that needs houses.
Mkhwanazi and Dube Rural Housing Project (OSS)	K19010001/1	10,11,12,13,14,15,16,19,22 & 30	61	Construction underway and 49 houses have been completed. Only 13 houses are outstanding.
OSS houses	K14020017/27	11, 13, 22 & 29	41	Construction underway and 8 houses have been completed
OSS houses		26, 31 & 33	3	Completed
Emergency Houses	K19030003/12	1, 5, 6, 11, 18,19, 20, 31 & 33	37	Construction of 37 temporal emergency houses have been completed in 2019/20 financial year

Table 52: Housing Delivery/Implementation Plan

The Table below indicate current and planned projects

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
1	IDT Area (People's Housing Process Ngwelezane)	In-situ upgrade/Slums Clearance	EPHP	27	Approx. 250 (138 sites approved by Department of Human Settlements)	21 were paid in 2019/20. Re-layout and land surveying outstanding, DoHS to provide Professional Team.	R 1,789,309	2013/2014	TBD
2	KwaDube and Mkhwanazi Rural Housing (OSS)	Rural Low income housing	Rural	10,11,12,13,14,15,16, 22 & 30	61 houses	49 houses have been completed and handover over to beneficiaries. 13 outstanding and construction to commence Feb 2021.	R5 123 688.75	2018/2019	2020/2021
3	Aquadene Housing	CRU/Social and Low income	IRDP	26	615:low income 1579: CRU/Social	Internal services (water. sewer	Internal services R 181 248 404.62.	Internal Services is 28 June 2018.	Internal Services is February 2021

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
						and roads) are at 98%.			
4	Dumisani Makhaye Village Phase 6 & 8	CRU/Social	IRDP	9, 24	FLISP: 82 Low income: 133	The contractor has started with excavation of sites and will begin with pouring slabs for BNG Houses in Phase 8. In phase 6 the IA is busy with Flisp applications and anticipates construction of houses in June 2021.	BNG/Low income houses R	December 2020	December 2021
5	Empangeni Mega Housing Project Phase 2 (Internal Bulk Services)	CRU/Social / low income housing and FLISP	IRDP	5, portion of 23 and 24	Phase 2:8316 units	The contractor for internal bulks services (water, sewer, roads) is sitting at 10%.	R69 021 855.76 for internal bulk services.	October 2020	October 2024.

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
6	Empangeni Mega Housing Project Phase 1	CRU/Social / low income housing and FLISP	IRDP	5, portion of 23 and 24	Approx. 1745 units Phase 1A:488 units Phase 1B:592 units Phase 1C: 665 units	The application for BNG top structures to be submitted to the DoHS. Municipality to finalise the service sites disposal process.	TBD	TBD	
7	SDF Expansion Area A	CRU/Social and low income housing	IRDP	17, 19, 20	1300: Low income housing sites (Mzingwenya River Settlement) 3636: CRU/Rental Housing	IA has been appointed and is busy with planning.	Cost for partially cultivated, uneven land = R60 000/ha Cost for level, well planted areas = R100 000/ha -Estimated 50 ha @ R60 000 = R3 million. Estimated 50 ha @	TBD	TBD

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
							R100 000 = R5 million		
8	Mandlazini Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	4	Approximately 750 sites	Planning stage	TBD	TBD	TBD
9	Mzingazi Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	1	Approximately 2500 sites	Planning stage	R1,800,000 for Planning Stage (PDA process)	2019/20	2021/22
10	Buchanana Rural Housing	Rural Low income housing	Rural	33	1347	Planning Stage (stage 1 activities almost complete)	R 4 630 110	2019/20	2021/22
11	Luwamba Rural Housing	Rural Low income housing	Rural	31	467	Planning Stage (stage 1 activities almost complete)	R 3 006 740	2019/20	2021/22

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
PLANNED PROJECTS									
1	Vulindlela/ University of Zulu-Land Informal Settlement	In situ Upgrade (Urban Edge/ Peri-Urban) and partial (Urban Greenfield)	Rural/ Informal Settlement Upgrade	30	To be determined during project planning stage	Planning stage	Household count to be conducted in order to determine the number of households to be relocated	TBD	TBD
2	Nseleni Informal Settlement	In situ Upgrade (Urban Edge/ Peri-Urban) and partial relocation (Informal Settlement Upgrade & Relocation	5,6,7 & 8	To be determined during project planning stage	Planning Stage	Request for Reservation of funding has been submitted to the Department	Planning/alternative process underway	TBD
3	Ngwelezane Hospital: Erf 1241	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade & Relocation		To be determined during project planning stage	Planning Stage	Household count to be conducted in order to determine the number of households to be relocated	TBD	TBD

No	Name	Type	Instrument	Ward	Sites	Houses Constructed/Services Progress	Project Value	Implementation Date/Planned Implementation Date	Completion Date
4	Mkhwanazi Rural Housing 2	Rural In-Situ upgrade	Rural	10, 11, 13, 15, 17, 18, 19, 20, 22	1000	Pre-Planning	TBD	TBD	TBD
5	Madlebe Rural Housing 2	Rural In-Situ upgrade	Rural	24, 25, 27, 28, 29	1000	Pre-Planning	TBD	TBD	TBD
6	Dube Rural Housing 2	Rural In-Situ upgrade	Rural	12, 13, 14, 15, 16, 17	1000	Pre-Planning	TBD	TBD	TBD
7	Bhejane Rural Housing 2	Rural In-Situ upgrade	Rural	5, 6, 7, 8	1000	Pre-Planning	TBD	TBD	TBD

Table 53: Municipal External Infrastructure Projects to Support IRDP Housing Projects

No	Project Name	Task	Duration	Project Value	Progress (%)	Implementation Date/Planned Implementation Date	Completion Date
1.	Dumisani Makhaye Village Phase 6 & 8	External Services Bulk	12 Months	R 11 800 039.00	78%	July 2019	May 2019
2.		External Bulk Sewer	12 Months	R 29 347 266.70	98%	December 2016	July 2020

No	Project Name	Task	Duration	Project Value	Progress (%)	Implementation Date/ Planned Implementation Date	Completion Date
	Aquadene Housing Project	Storm Water Northern Outfall	12 Months	R 17 039 201.42	100%	November 2018	June 2020
3.	Empangeni Mega Housing	External Bulk Water	12 Months	R 18 181 818.18	100%	March 2017	December 2020
		Upgrade Empangeni Sewer Outfall	16 Months	R 35 377 184.62	88%	March 2019	March 2021
4.	Dumisani Makhaye Village Phase 8	Access Intersection	5 months	R 10 038 475.00	5%	January 2021	May 2021
5.	Aquadene Housing	Access Intersection	7 months	R 7 974 439.31	0%	TBD	

Table 54: Delivery of Title of Deeds

	Total Backlog	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total Delivered to date.	Current Total Backlog
Pre-1994 (EEDBS)	405	105	92	87	21	24		329	76
Post-1994 (DMV)	627		65	159	108	146	24	502	125
Total	1032	105	157	246	129	170	24	831	201

Table 55: Land Suitable for Housing Development - SDF Expansion Areas

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

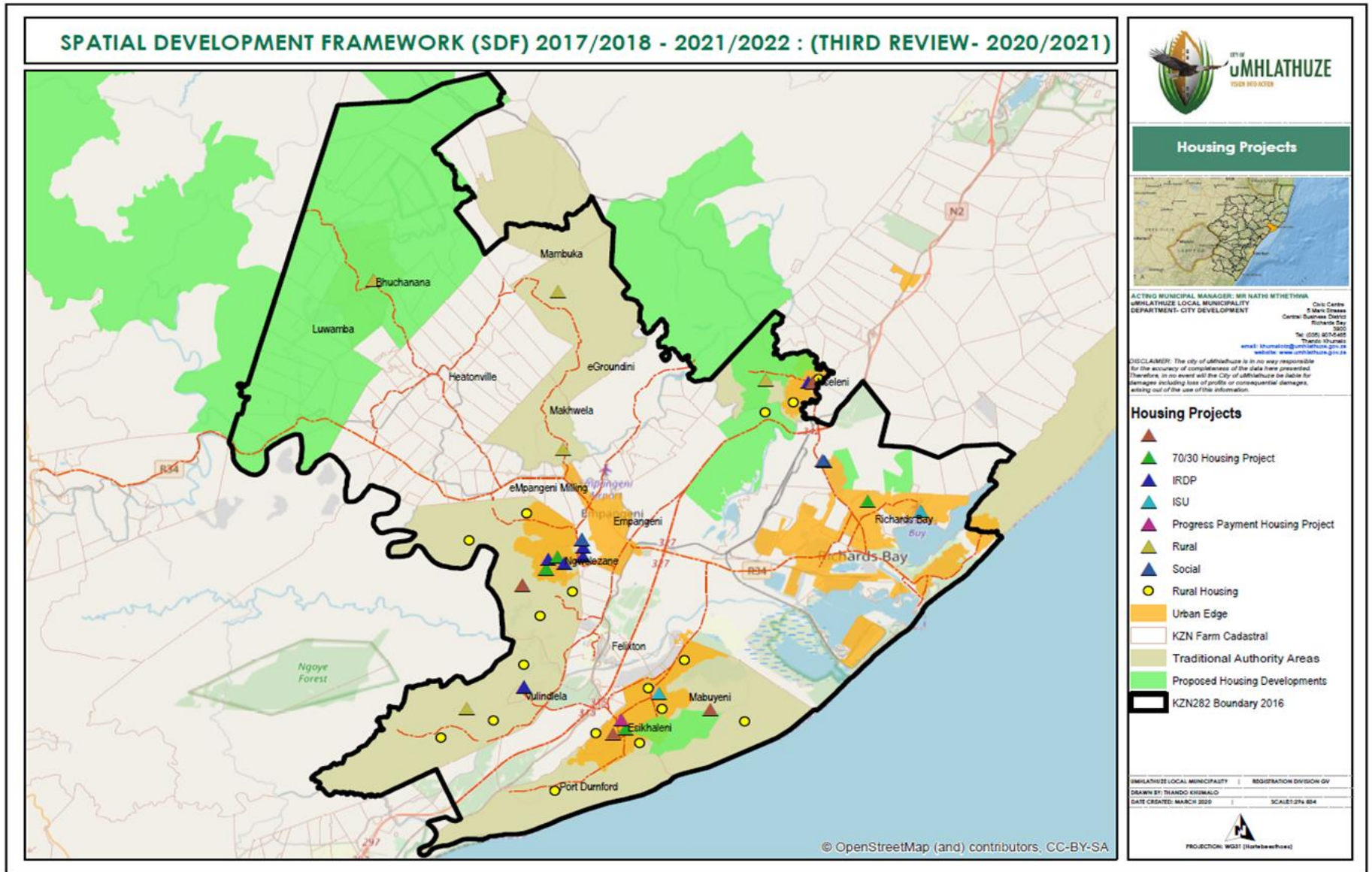
The table below indicated identified State owned land that is suitable for housing development:

Table 56: State Owned Land Suitable for Housing Development

Erf Number	Ownership	Hectares
11488	State	217
16833	State	920 (100 ha required)
Portion 1 of Erf11489	State	368
16715	State	537

Summary of Human Settlements Issues

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

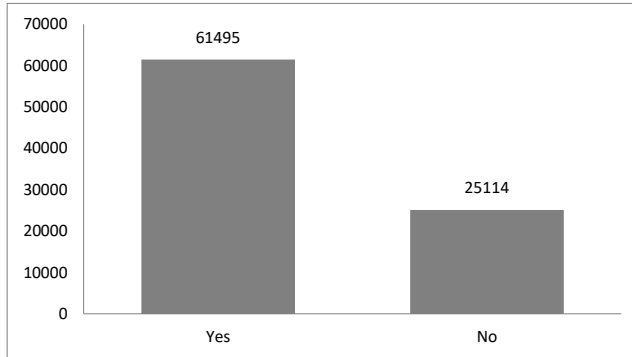


Map 47: Housing Projects

9.16 Telecommunications

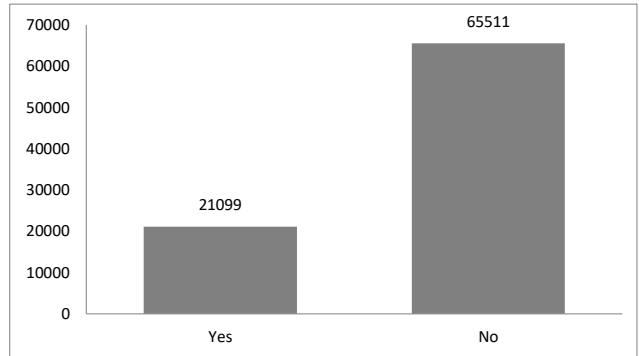
The 2011 census results indicate the following in respect of telecommunications.

Figure 38: Household Access to Radio



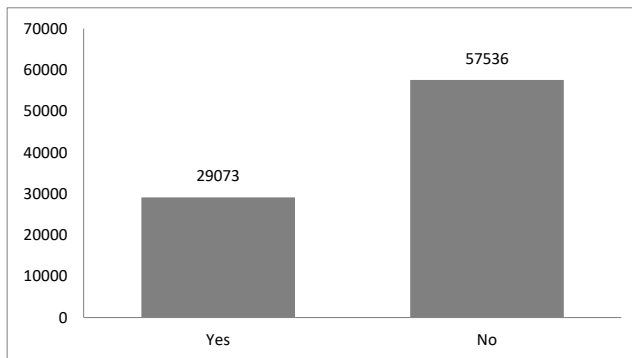
Source: 2011 Census

Figure 39: Household Access to Computer



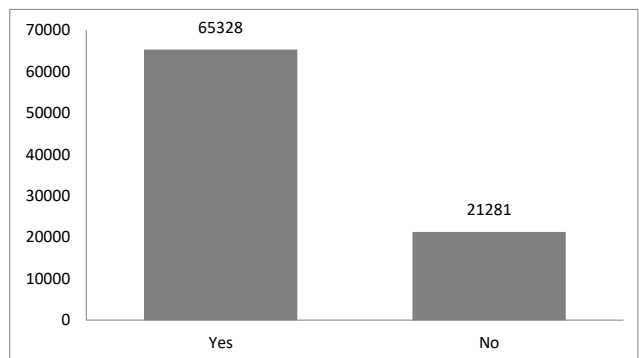
Source: 2011 Census

Figure 40: Household Access to Satellite Television



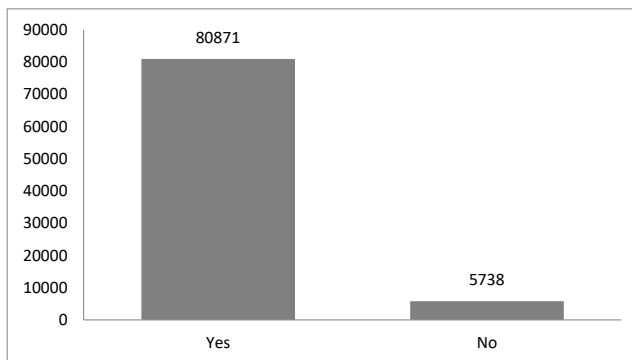
Source: 2011 Census

Figure 41: Household Access to Television



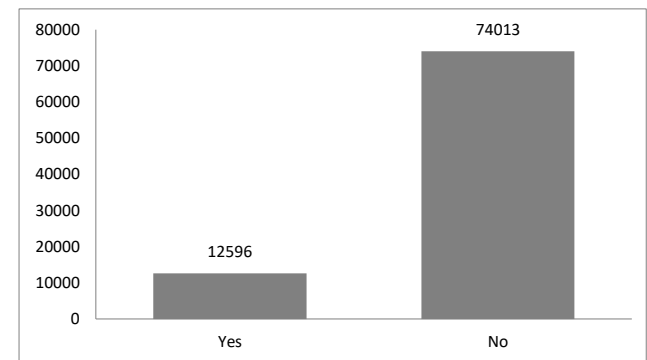
Source: 2011 Census

Figure 42: Household Access to Cellphone



Source: 2011 Census

Figure 43: Household Access to Landline

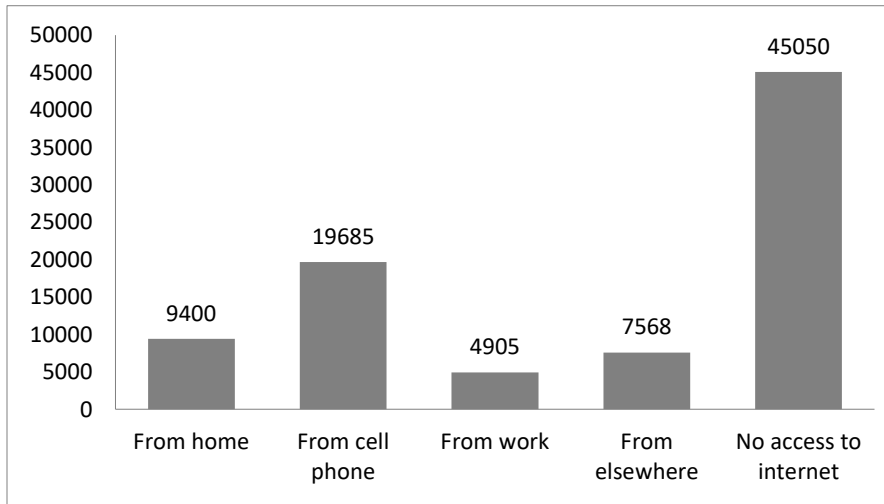


Source: 2011 Census

From the above table it is interesting to note that radio remains a very important and widely used form of communication. Household access to computers is low considering the increasing reliance on computers to perform tasks and activities from school to tertiary education. The comparison between cellphone and landline telephone usage is very

interesting and clearly indicates the reliance on mobile communications. The following graph further indicates that mobile phones are the source of internet access to many households as well.

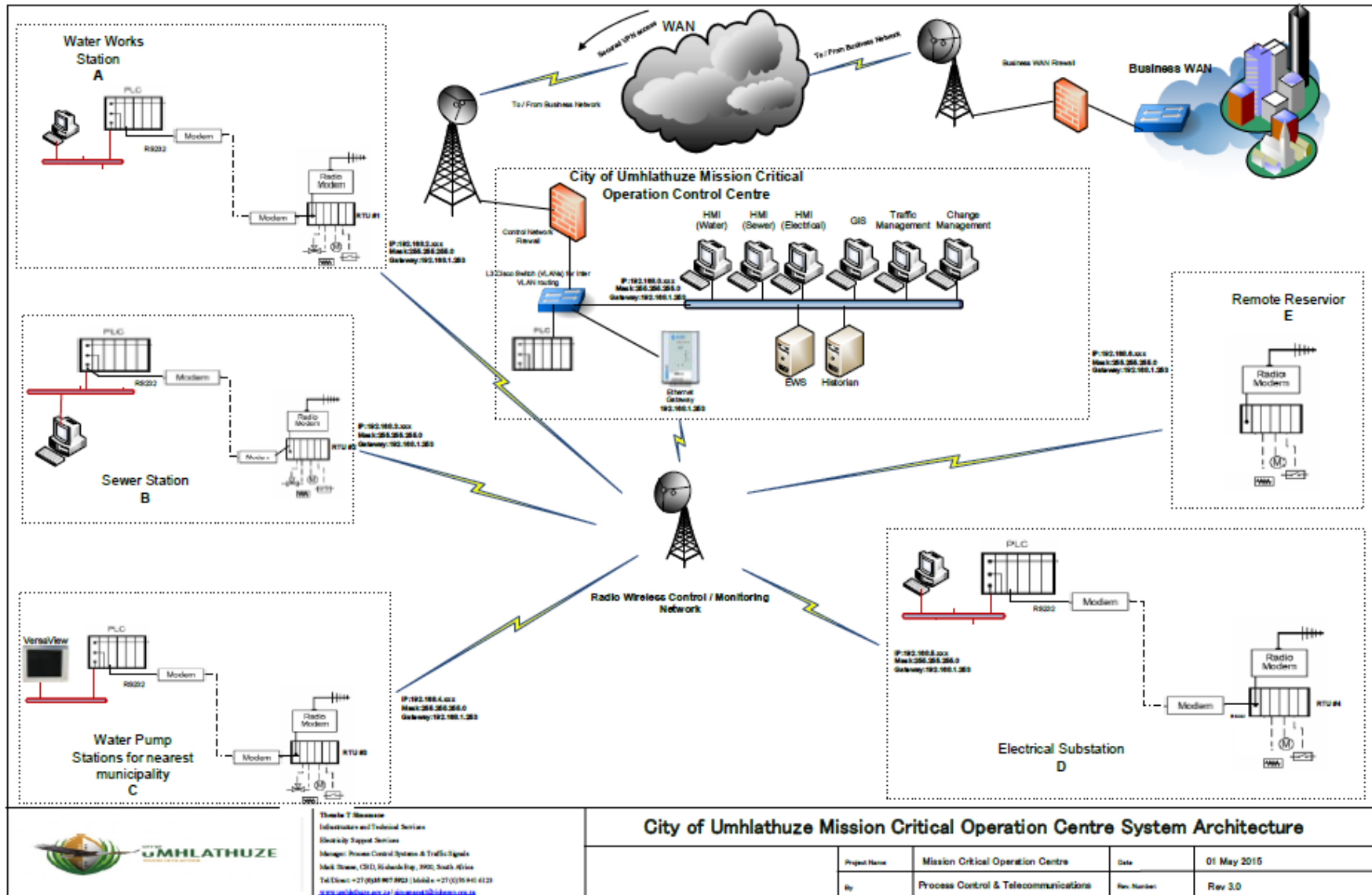
Figure 44: Household Access to Internet



Source: 2011 Census

9.16.1 Broadband

The City of UMhlathuze is a process of developing a comprehensive fixed Infrastructure and broadband solution that is designed for rapid deployment of critical infrastructure and low operating costs for Visibility, Monitoring, Control and Observability, Status is sitting at 30 %. Below are proposed solutions



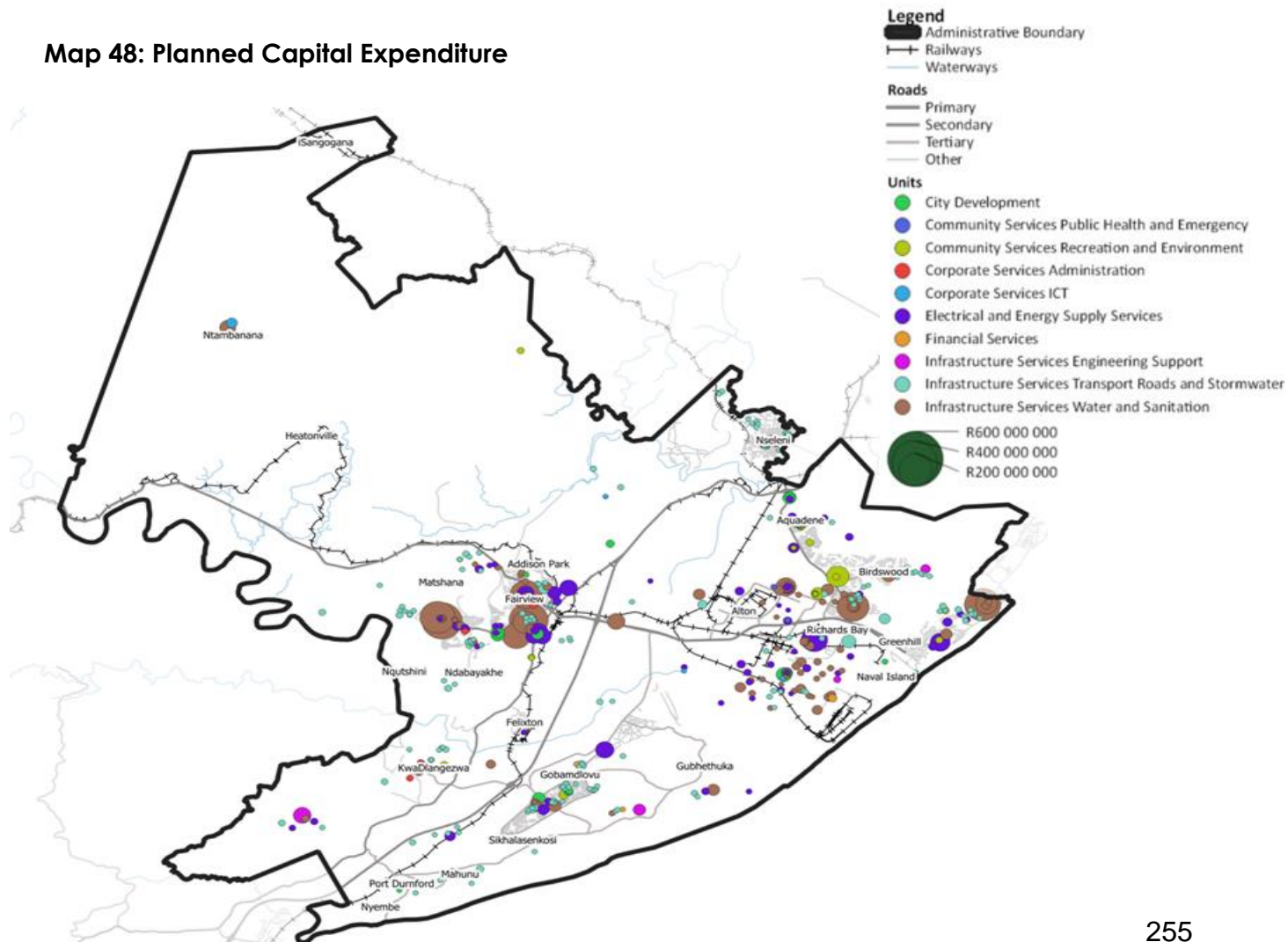
9.17 PLANNED CAPITAL EXPENDITURE

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

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

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

Map 48: Planned Capital Expenditure



PRIORITISATION

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

Table 57: Planned Capital vs Funding Envelope

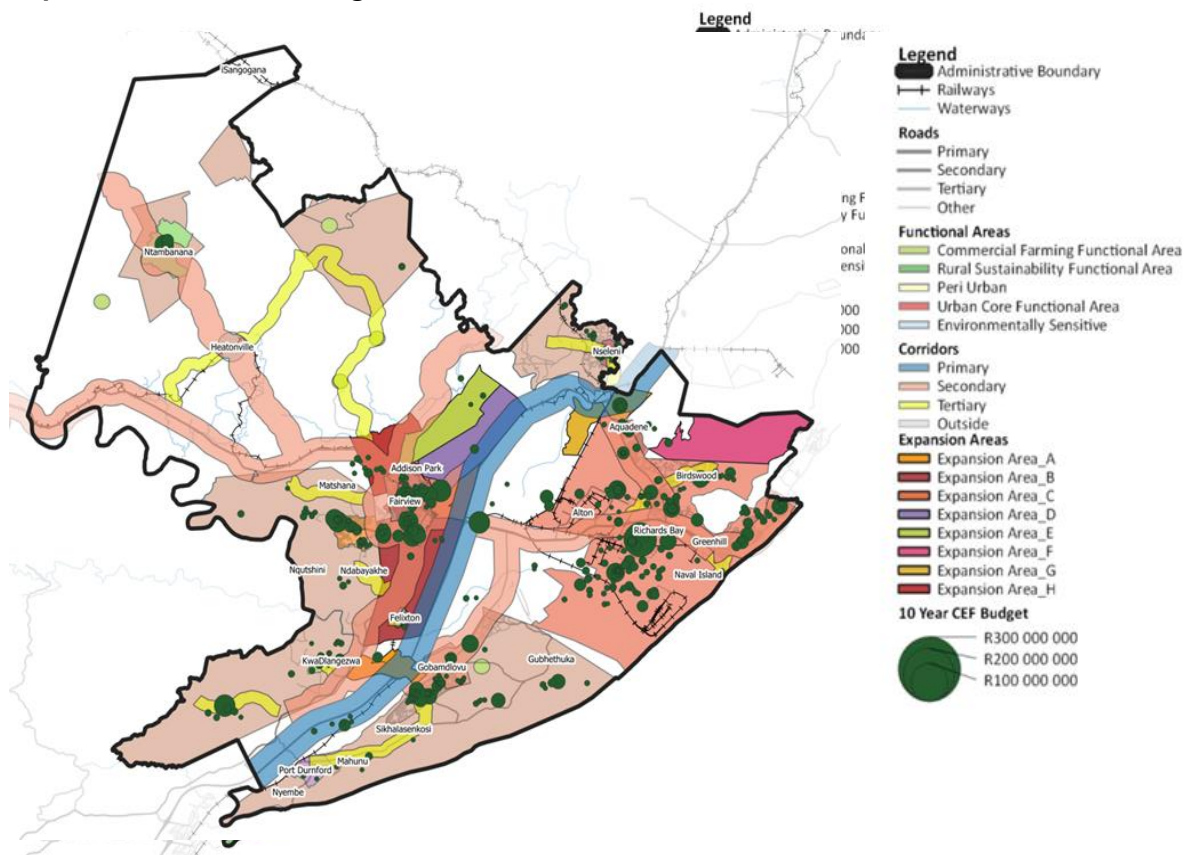
Year	Total Planned Capital	Funding Envelope
2019/2020	R1 823 196 907	R531 998 700
2020/2021	R1 224 439 065	R550 771 500
2021/2022	R2 465 662 841	R500 000 000
2022/2023	R818 262 746	R515 000 000
2023/2024	R638 957 000	R540 750 000
2024/2025	R1 309 178 225	R567 787 500
2025/2026	R68 100 000	R596 176 875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

Table 58: Programme Totals per Functional Area

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

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

Map 49: 10 Year CEF Budget – Functional Areas



Map 50: 10 Year CEF Budget – Priority Development Areas

- POOR VS NON-POOR CAPITAL EXPENDITURE RATIO**

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

Table 59: Poor: Non Poor Capital Expenditure Ratio

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Administrative HQ	44 502 300	38 498 400	36 791 700	6 053 000	4 518 300	13 019 300
City Wide	79 865 000	147 313 000	100 342 100	132 194 713	176 218 785	82 752 815
No Intersect	6	7	9	3	2	7
Not Mapped	97 116 200	76 859 500	78 083 000	-	10 000 000	2 361 401
Non Poor	132 964 279	159 813 523	164 575 780	179 985 171	195 284 698	179 222 859
Poor	243 085 215	175 387 272	225 164 011	196 763 154	154 728 031	290 435 832
Total	597 533 000	597 871 702	604 956 600	514 996 040	540 749 816	567 792 214
Poor : Non Poor	1 : 1,8	1 : 1,1	1 : 1,4	1 : 1,1	1 : 0,8	1 : 1,6
	2025/26	2026/27	2027/28	2028/29	Total	%

uMhlathuze Local Municipality: Final IDP Review 2021/2022

Administrative HQ	30 000	-	16 435 000	13 971 000	173 819 000	3%
City Wide	68 534 700	58 096 100	86 037 700	35 220 000	966 574 913	16%
No Intersect	0	1	0	-	36	0%
Not Mapped	151 830 526	76 328 742	4 000 000	10 000 000	506 579 370	8%
Non Poor	222 665 227	252 457 482	254 633 315	188 482 828	1 930 085 163	32%
Poor	53 116 449	239 113 154	296 110 037	502 373 515	2 476 276 671	41%
Total	596 176 902	625 995 480	657 216 053	750 047 344	6 053 335 153	100%
Poor : Non Poor	1 : 0,7	1 : 0,9	1 : 1,2	1 : 2,7	1 : 1,3	

9.18 Service Delivery and Infrastructure: SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Very high level of access to water and electricity in the uMhlathuze municipal area ○ Well-functioning Scientific Services section to ensure that the quality of the city's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines ○ Clear division of duties between water and electrical services as a result of unbundling purposes ○ Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements ○ Continual improvement of the Blue Drop score for the Municipality ○ Continual improvement of the Green Drop score for the Municipality 	<ul style="list-style-type: none"> ○ Service interruptions due to ageing infrastructure ○ Indiscriminate dumping by residents of garden waste and builder's rubble ○ Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that create flooding of streets and properties. ○ Infrastructure vandalism ○ Inadequate investment in waste management equipment including trucks ○ Ageing personnel especially in waste management section
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories ○ Maintenance of acceptable standards of water quality ○ Progressive acquisition of yellow plant and other equipment ○ Waste recycling, reduce and reuse initiatives ○ Implementation of mega human settlement projects ○ Progressive and transformational supply chain management policy for capital projects execution ○ Investment in alternative water supply such as desalination, waste water reuse, underground water. 	<ul style="list-style-type: none"> ○ Illegal connections ○ Ageing infrastructure: electricity, water and roads ○ Poor capital expenditure ○ Non-payment for services ○ Lack of asset maintenance plan ○ Cost of water tankering ○ Cost of maintaining rural roads ○ Changing municipal boundaries thus impacting on municipal infrastructure backlogs ○ Continuous demand for waterborne sewer in rural areas

LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

9.19 Introduction

uMhlatuze Municipality has the most developed economy of all the municipalities in the District and is the major contributor to the District GDP (it is the third largest local economy in KwaZulu-Natal). Although it has the smallest surface area, it has the largest population of the municipalities in the District. It has the characteristics of a highly industrialized urban complex. Its most important industries are in Richards Bay: these are Richards Bay Minerals, BHP Billiton Aluminium, Mondi, and SAPPI etc.

The uMhlatuze Municipal area is comprised of settlements of three types, urban, peri-urban, and rural. The main urban centres are Richards Bay and Empangeni. Empangeni is an important commercial and service centre for the sub-region. Richards Bay is, however, rapidly becoming of similar standing as a commercial node. Within the urban fabric of these main urban centres there are formal residential areas (including high-rise flats), former R293 towns (the old townships), and recently constructed low-income residential areas. Felixton, Ngwelezane, eSikhaleni, and Nseleni are smaller urban centres in the Municipality. The urban areas are surrounded by large tracts of land under traditional authorities. Traditional authority areas are characterized by dense unplanned settlement, particularly on the borders of towns, driven by ad hoc land allocation through the Amakhosi. Some of these densely settled rural areas are, in effect, urban. Commercial farmland is under sugar cane and timber.

The Municipality is faced with a number of development challenges, unplanned settlement in traditional authority areas, illegal invasion of state land, and shortage of housing for all income levels, urban degeneration, and an historical legacy of giving preference to the provision of hard infrastructure over social development.

uMhlatuze Municipality has begun with the review of the LED Strategy, with an inception report produced in April 2021. The plan under review was adopted by Council in 2016 with clear timelines of projects and programs to be implemented within a period of five years.

9.20 Local Economic Development Analysis

LED is intended to maximize the economic potential of municipal jurisdictions throughout the country and, within the context of sustainable development, to spur macro-economic growth through economic growth, employment creation, and development initiatives at the local level. The “local” in local economic development underscores the belief that a local jurisdiction is often the most appropriate arena for economic intervention as local government enjoys legitimacy deriving from its being a democratically elected body accountable to the local community.

9.20.1 uMhlathuze's Economic Profile

Functional age groups indicate the level of the potential work force in the region. Therefore, the key age group relates to individuals aged 15 to 64 years. The following tables provide a comparison between the 2007, 2012 and 2017 in respect to economic active population in s for uMhlathuze and the other municipalities in the King Cetshwayo District.

Table 60: Economic Population

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

Source: IHS Markit, 2018

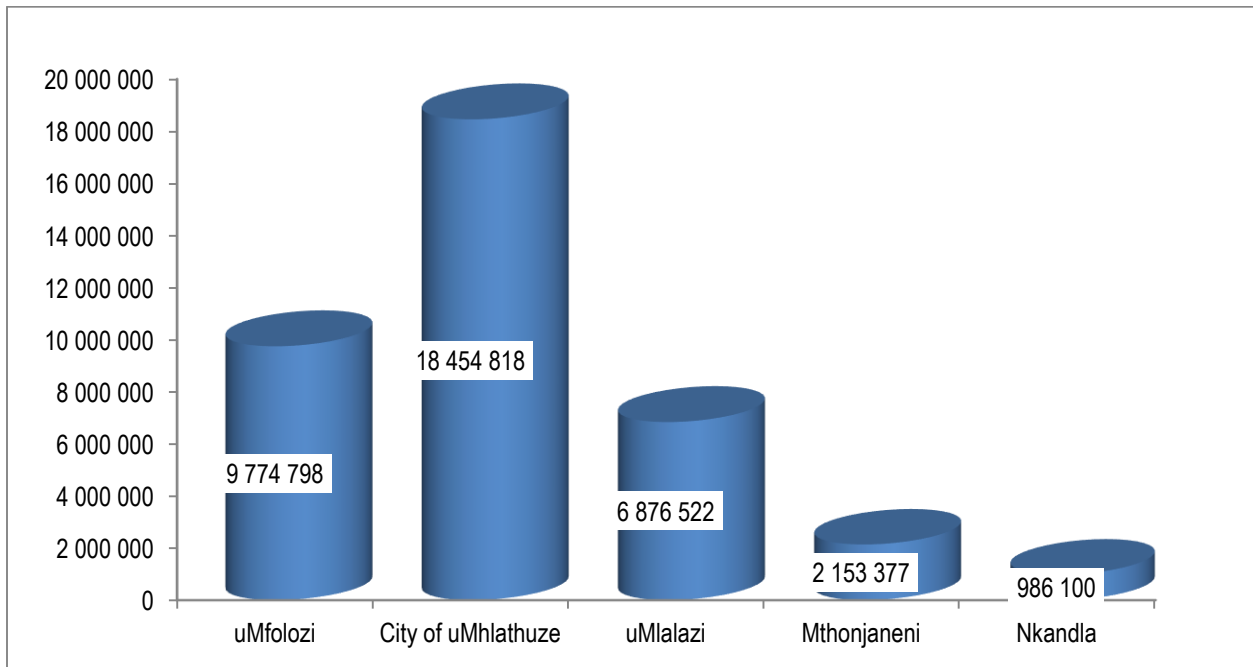
9.20.2 Economic Realities

The municipality has an important role in the national, provincial and district economies on account of the bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deep-water port in Africa, and handles the bulk of South Africa's exports. Its development has provided the impetus for large-scale industrial growth.

uMhlathuze has the most developed economy of all the municipalities in the district and is the major contributor to the District GDP (it is the third largest economy in KwaZulu-Natal). It's most important industries are BHP Billiton Aluminum, Mondi, SAPPI, RBCT, Tata Steel and Bell Equipment.

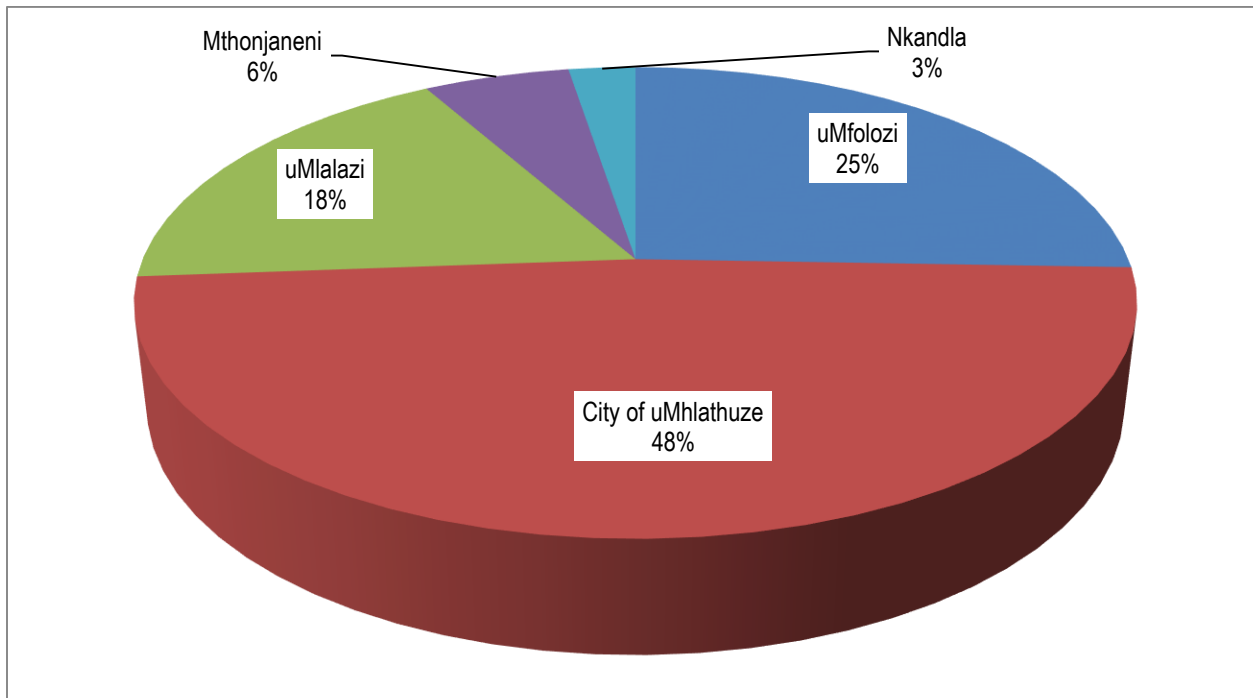
The following bar chart indicates the GDP contribution by uMhlathuze Municipality comparing to other local municipalities within King Cetshwayo District. It is evident that uMhlathuze remain the strong contributor to the district GDP, with 48% contribution.

Figure 45: GDP Contributions



Source: Global Insight 2015

Figure 46: % GDP Contribution



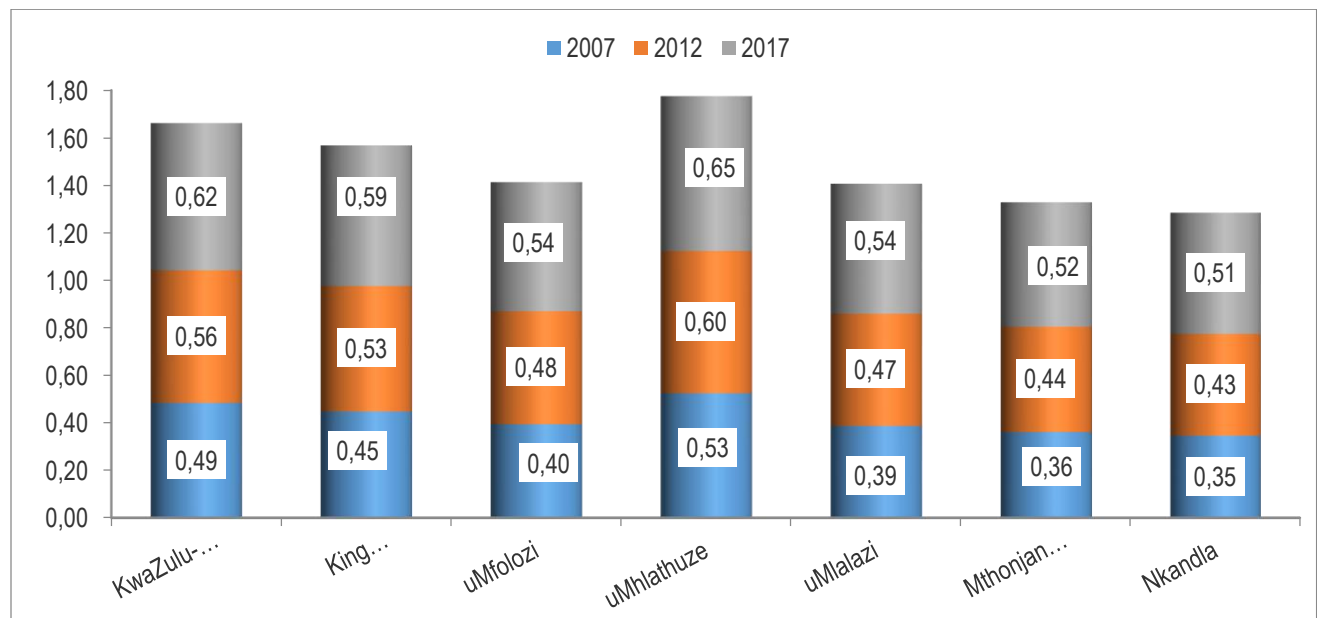
Source: Global Insights 2015

Human Development Index and Gini Coefficient

Measuring the life expectancy, literacy rates and income levels as proxy of quality of living, the Human Development Index (HDI) of uMhlathuze Municipality has remained the same since 2009 to 2015, at 0.63. The Human Development Index (HDI) is defined as a “composite, relative index which attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income”. The HDI can assume a maximum value of 1, indicating a high level of human development, and a minimum value of 0.

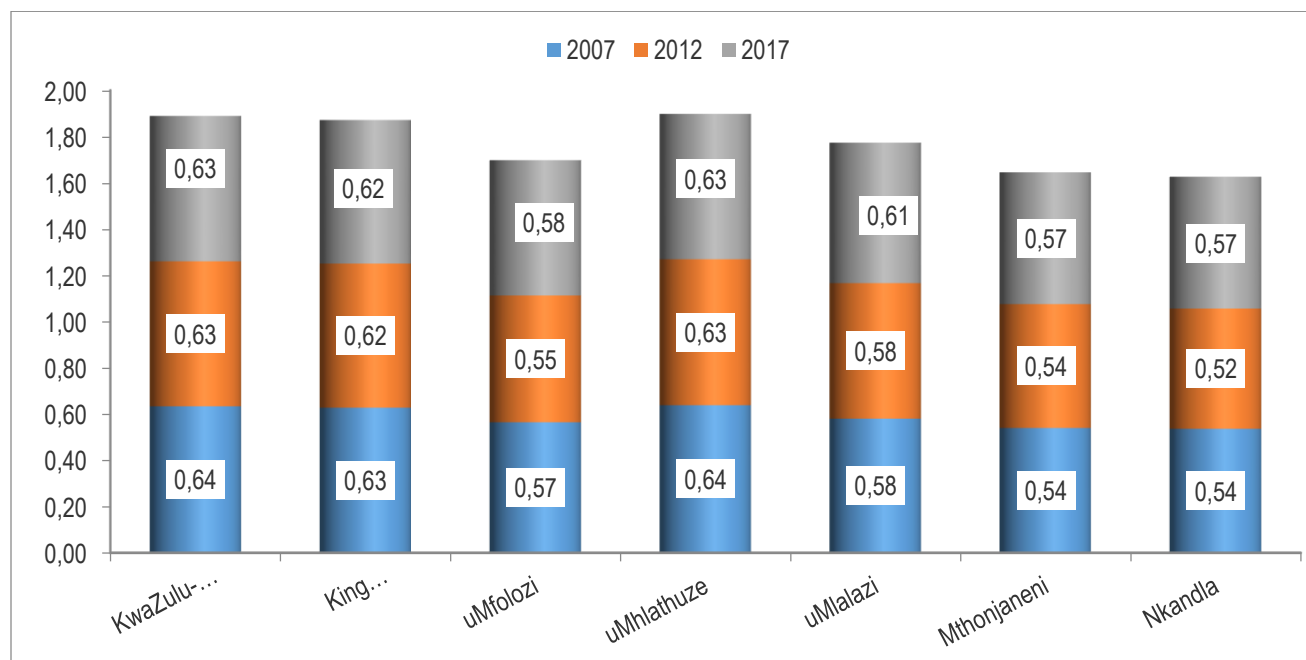
The following table and figure provides the HDI for uMhlathuze Local Municipality over a given period of time.

Figure 47: Human Development Index



Source: IHS Markit, 2018

Figure 48: Gini Coefficient



Source: IHS Markit, 2018

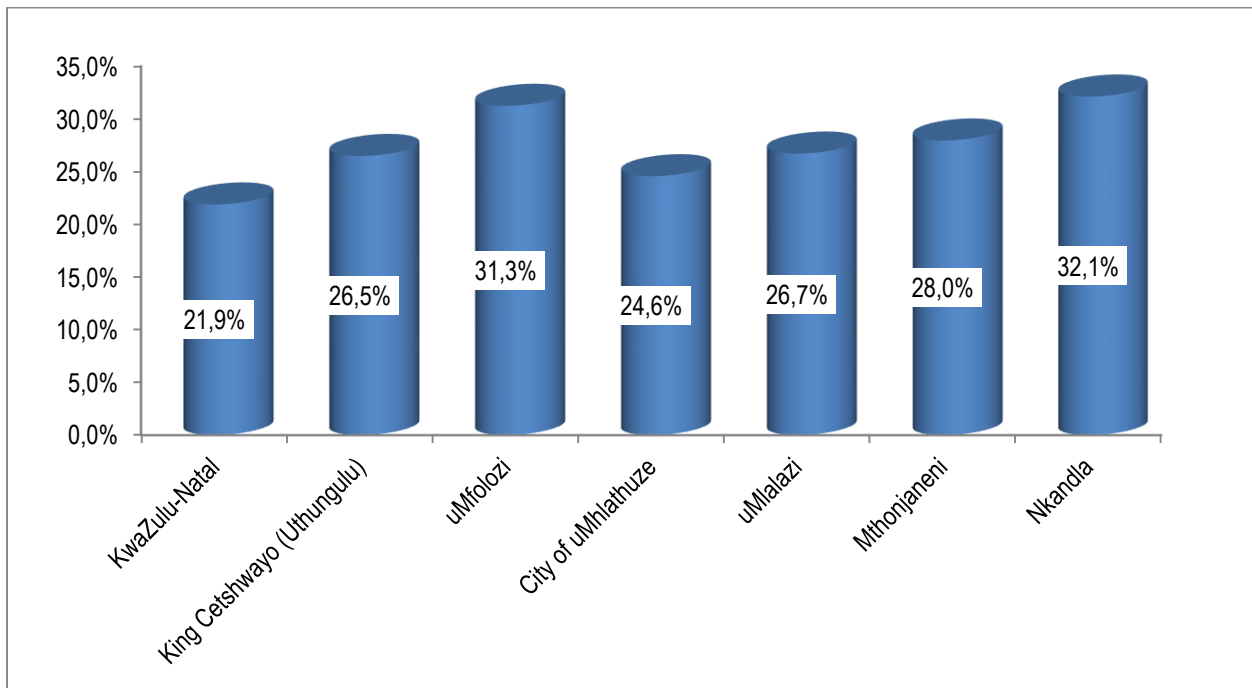
Income inequality is indicated by the Gini-coefficient. Income inequality in the King Cetshwayo District and Province has become less equal over time – from 0.64 in 2007 and decreased to 0.63 in 2012 up to 2017 in uMhlathuze Municipality.

9.20.3 Employment and Income Levels

High unemployment undermines the equitable distribution of income and underpins poverty. Employment is one of the main desired outcomes of economic growth and is currently a major focus of government policy at the national level. The figure above indicates percentage of unemployment in King Cetshwayo District. The City of uMhlathuze is seating at 24.6% with regards to unemployment as per the recent Global insight statistics. The picture is better if compared with other municipalities within the region; however, it is still relatively higher when compared with 21.9% of the province.

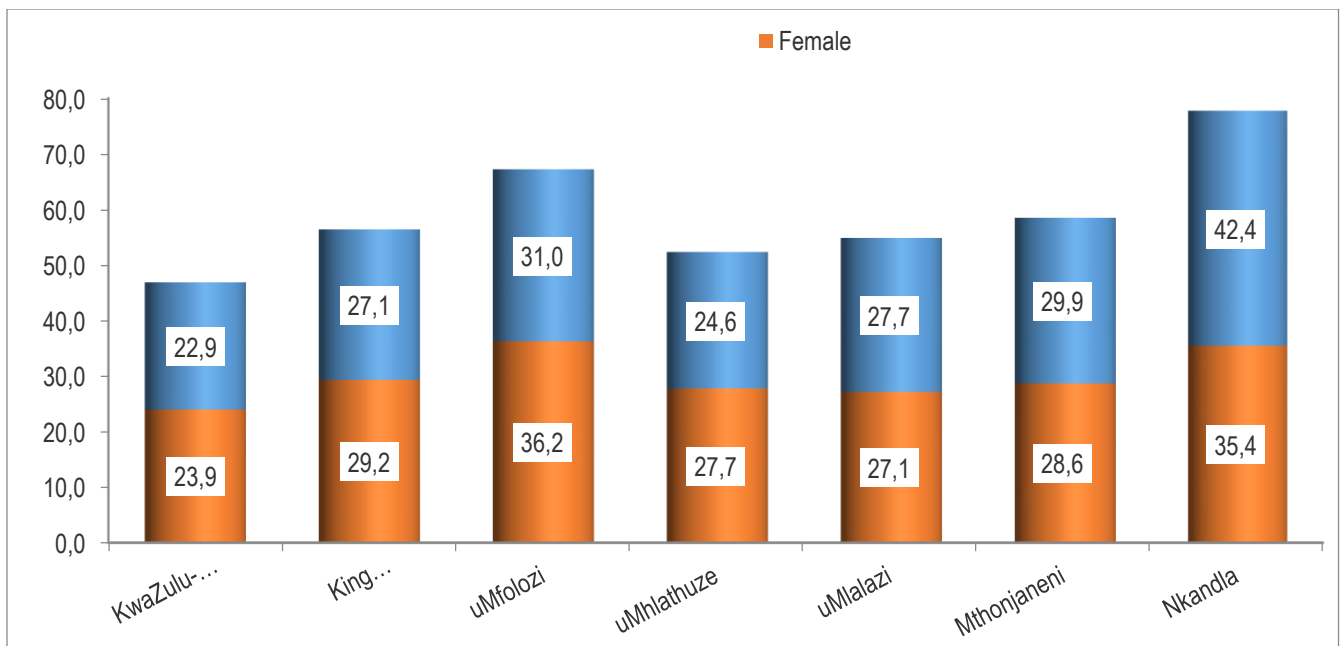
Job creation is not the core competency of the municipality however City of uMhlathuze is committed to radical economic transformation which entails making the environment conducive for investors.

Figure 49: Regional Unemployment



Source: Global insight 2015

Figure 50: Unemployment by Gender

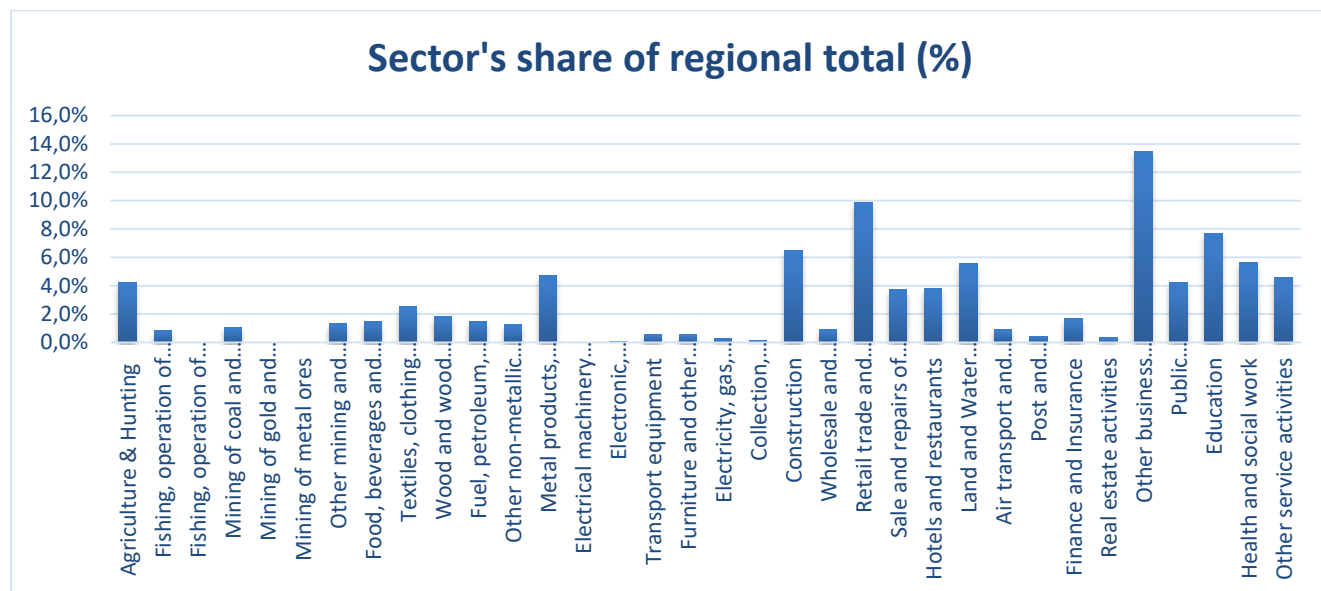


Source: IHS Markit, 2018

The figure above indicates that the majority of employed within the district are males. This leaves a challenge for uMhlatuze Municipality that through its projects and programs

women must be develop and empowered to stand a better equal that that of males when it comes to job opportunities.

Figure 51: Employment by Sector



Source: IHS Markit, 2018

Table 61: Formal and Informal Sector Employment

	Formal employmen †	Informal employmen †	Total employmen †	% share of King Cetshwayo formal employmen †	% share of King Cetshwayo informal employmen †
King Cetshwayo (uThungulu)	155,150	37,965	193,114	100	100
uMfolozi	31,984	8,579	40,563	20.6	22.6
City of uMhlathuze	76,488	17,158	93,646	49.3	45.2
uMlalazi	27,721	7,631	35,352	17.9	20.1
Mthonjaneni	11,213	2,729	13,941	7.2	7.2
Nkandla	7,744	1,868	9,612	5.0	4.9

IHS Markit, 2018

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

Figure 52: Formal and Informal Employment per Sector

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

Source: IHS Markit, 2018

9.20.4 Performance of Broad Economic Sectors

	2005	2010	2015
Primary sector	14.4	13.3	15.4
Agriculture	3.3	3.7	3.9
Mining	11.1	9.7	11.5
Secondary sector	38.3	37.4	36.2
Manufacturing	32.5	31.3	30.5
Electricity	2.1	1.8	1.6
Construction	3.8	4.2	4
Tertiary sector	47.3	49.2	48.4
Trade	9.4	9.7	9.7
Transport	11.7	12.6	12.9
Finance	10.5	11.3	14.8
Community services	15.6	15.6	28.2

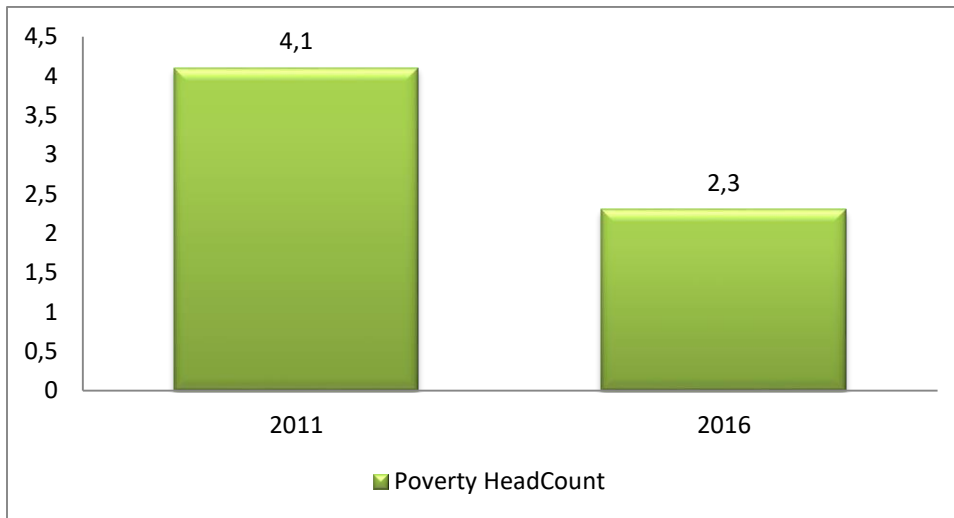
Source: IHS Markit, 2018

To be noted in 2010 there was a decline in the mining sector; however, we are noting an increase within the year 2015. Manufacturing is not doing well; this is confirmed by the declining trend seen over the years from 32.5 in 2005 and 30.5 in 2015. There is almost a double increase within the community services sector from 15.6% in 2005 to 28.2% in 2015.

9.20.5 Income and Dependency

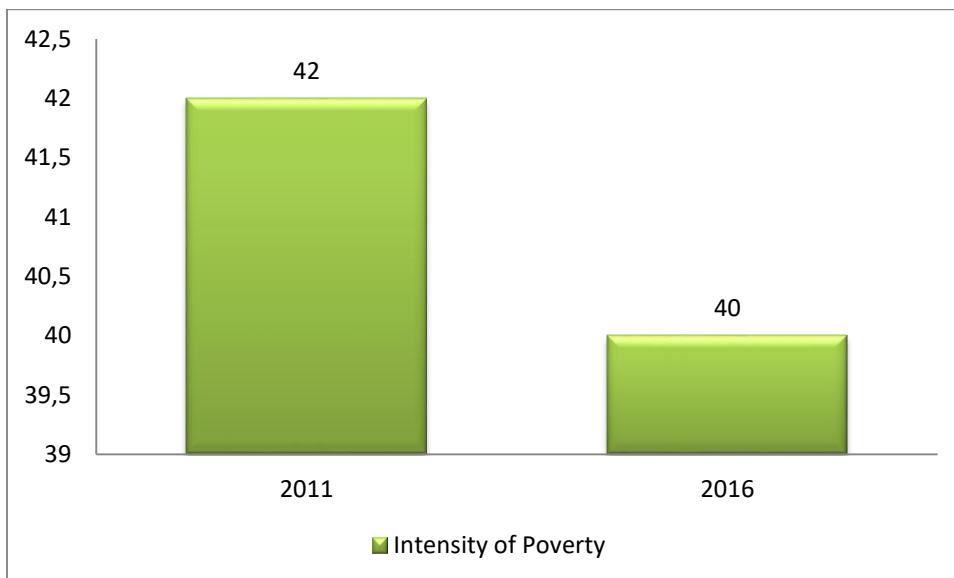
Income levels and the number of dependents have a significant impact on the ability of an employed person to meet the financial needs of his/her dependents. The number of dependents on a salary has a significant impact on the ability of the salary to meet basic needs. The following table provides the official Census 2011 dependency ratios for South Africa, KwaZulu-Natal, King Cetshwayo District as well as the Local Municipalities in the King Cetshwayo District.

Figure 53: Poverty Head Count



Source Global Insight 2015

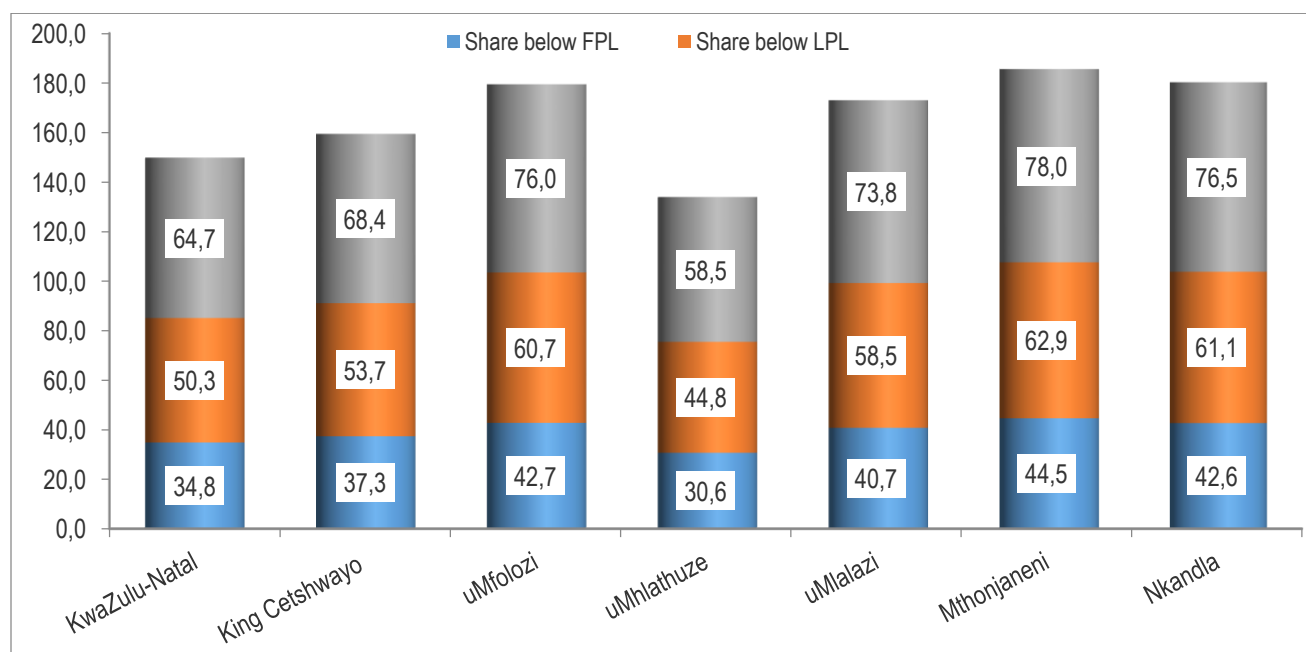
Figure 54: Intensity of poverty



Source: Global insight 2015

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

Figure 55: Poverty Development Indicators



Source: IHS Markit, 2018

Table 62: Comparative Dependency Ratio

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

Source: Census 2011

9.21 National Development Plan

The National Development Plan provides a target for 2030 and notes a number of enabling milestones as summarised in the following table. The following provides a brief summary of the implication of the NDP target and milestones for the uMhlathuze Municipality:

- o According to STATSSA, uMhlathuze had a population of 338,000 and the country 51,700,000 in 2011. This equates to uMhlathuze having a 0.65% of the country's population. Given that uMhlathuze is a centre of employment and economic activity it can be expected that the area should be providing at least 0.65% of the

employment targeted by 2030 as per the NDP. This equates to just over 70 000 employment opportunities by 2030.

- o The NDP further requires an improvement of the Gini-coefficient from 0.69 to 0.6. The figure for uMhlathuze was 0.63 in 2015,
- o Generally, employment creation will address the majority of the NDPs milestones, i.e. Gini-coefficient, income per capita, ownership, quality of services and education etc.
- o Other, non-income and employment elements, that require ongoing attention from the Municipality in relation to the NDP relate filling of managerial posts, energy supply, public transport, primary health care and water quality.

9.22 LED Strategic Focus Areas aligned to NDP, PDGS and DGDP

Objective 1:

Create an enabling environment to attract investment that generates economic growth and job creation

- a. City of uMhlathuze economic development partnership program

Lead, coordinate and drive the economic growth, development and inclusion agenda for the entire North Coast Region

- Producing economic and market intelligence
- Formulating economic visions and strategies
- Creating a common business brand
- Reforming the city and region's business environment

- b. City of uMhlathuze Events Program

The City will position itself as the events capital in the entire North Coast of KZN, promoting iconic and strategic events by actively developing, inter alia, the following events segments:

- Sports events, such as the National Teacher's games – to be owned by the Municipality
- Business events, exhibitions and conventions - PAHTC
- Cultural events, such as the Nyus'ivolume from Ukhozi FM
- Music events, such as the Last Dance and Beach Festival, Tuzi -Gazi Beer Festival and Whisky and Wine Festival

- c. Identification and Promotion of catalytic sectors such as maritime and gas

In order to stimulate the growth and development of the local economy, development in the following catalytic sectors has been identified as critical:

- Marine, ship repair and boatbuilding
- Agro-processing
- Health and medical technology
- The green economy, including energy from gas and waste
- Tourism and events

Possible development in these sectors will be investigated in partnership with Province and the private sector to determine how and when it will be rolled out in the city. The city will also establish economic clusters to support private sector initiatives:

Craft Cluster

The City will establish Craft Production cluster to encourage interaction amongst entrepreneurs who are in the business of producing craft work either for domestic or international market. The City will provide a better working environment for this cluster in a form of an Exhibition Centre.

Agri-business Cluster

The City will establish the Agri-Business Cluster to encourage interaction amongst groups (traders, farmers, NPOs and academic institutions). The City has allocated 12 ha of land for the development of this cluster.

Manufacturing Cluster

The City will establish a Manufacturing Cluster to encourage interaction between the municipal official and companies that trade in this sector. The City will work with the private sector to develop manufacturing plants in the following projects

- Gas to Power Project
- Ship Repair Project
- Airport Relocation Project
- Beneficiation of existing minerals resources, e.g. aluminium and titanium
- Manufacturing of automotive components

The City will explore mechanisms to improve business opportunities around Port Durnford and, in partnership with Transnet, will work towards the improvement of Richards Bay Port.

Services Cluster

The City of uMhlathuze Technology Park aims to establish a health technology hub, accommodating firms, government and academia in the healthcare industry. The City has already identified land for the development of the Techno Park which will be developed through partnership agreements with EDTEA, UMfolozi TVET, University of Zululand and National Department of Science and Technology

d. Small Business Centre Program

The City has availed one of its buildings to house the SME One-Stop-Shop-All that will make it easy for entrepreneurs and individuals looking for employment support to navigate and make use of service organisations and practitioners' services and resources.

The objectives of establishing an SME One-Stop-Shop-All in the City are:

- stimulate the creation of locally-owned businesses by linking entrepreneurs with resources, capital, skills and opportunities;
- develop human capital, addressing the needs of the business community (e.g. innovation support, small-business skills development, career support and placement programmes); and
- make the City of uMhlathuze a more competitive business environment by providing better support to incubate and grow local business and attract others.

The multi-stakeholder network will draw services from the public sector (local, provincial and national), the private sector (business development, associations, financiers, and so forth) and academia (the Cape Higher Education Consortium or CHEC, universities, colleges, and the like).

Objective 2

Provide and maintain economic and social infrastructure to ensure infrastructure-led economic growth and development

The City will act as catalyst by investing in suitable economic and social infrastructure to support and further stimulate economic development. This will happen by means of the following key programmes:

a) Fibre-optic network programme

The broadband fibre-optic network programme will construct a fibre-optic communication network within the City of uMhlathuze to realise service delivery as well as social and economic benefits by providing access to affordable telecommunication infrastructure on an open-access basis.

In addition to providing enhanced services, more bandwidth will allow new services to be rolled out to areas that previously did not have access to these due to the lack of connectivity. Ultimately, the network is intended to cover the entire city.

Objective 3

Provide social protection through the creation of job

a) Expanded Public Works Program (EPWP)

The programme's mandate is "to contribute to development by providing work opportunities to poor and unemployed people in the labour-intensive delivery of public and community assets and services"

The City will leverage on programmes and projects in all line departments with a view to mainstreaming the EPWP within Council's planning and budgeting processes. The City has confirmed its commitment to the EPWP by amending its SCM policy to ensure the following:

- the institutionalisation of the EPWP and its alignment with the City's Supply Chain Management Policy and Economic Development Road Map respectively;
- each line directorate's obligation to participate in the implementation of the EPWP;
- compliance monitoring in line with the requirements of DPW and the Auditor General (AG);
- the focus on targeting designated groups such as youth, women and people living with disabilities; and
- the establishment of a corporate EPWP Office.

9.22.1 Local Economic Development Plan [Economic Transformation Roadmap]

The LED Strategy is currently under review, the municipality has outsourced the review and an inception report has been produced during April 2021. The strategy under review is in line with the NDP, PGDS and DGDP. The plan was adopted in October 2016 and it is currently in implementation until the review has been considered by Council in 2021/2022 financial year.

As a hub of industrial development and investment, the City is positioning itself as a strategic driver and champion of economic development and transformation for the benefit of local enterprises and aspirant entrepreneurs.

It is on this basis that the Municipality has prioritized economic development, transformation and job creation by developing a practical roadmap that will ensure the outcomes listed below:

- Job creation
- Improving citizen's skills levels/ education
- Increased competitiveness and investment in the city
- Transformation within the Public and Private sector
- Economic growth through job creation
- Stimulate rural development
- Sustainable Environmental Management
- Consistent spatial Development Framework
- Improved productivity and resource management
- Strengthened collaboration amongst key industry partners that will grow and sustain the city's job creation, economic growth and transformation efforts, in a collective manner

9.22.2 Implementation Plan - Local Economic Development plan

The implementation of an LED Strategy assist in stimulating the output of the local economy of uMhlathuze above the planned growth rate of 1.2%. Growing the economy will ensure the municipality will have additional revenue to support its service delivery mandate. The current estimated GDP for uMhlathuze is R29.7billion. At the proposed growth rate of 1.2%, the economy will grow by approximately R1.9billion over the next 5 years. Prioritising the LED Strategy helps to improve the economic growth rate. If the growth rates were increased by 0.5% (to 1.7%), the incremental growth in the economy over the next 5 years would be R2.7billion (this would mean an additional R791million of additional economic activity as a result of the increased growth rate).

The strategy has the potential to improve the rate of employment in the local economy. Currently, the unemployment rate is 31% with an estimated 38,500 unemployed individuals.

The development of the LED Strategy has been crystallized by focusing on key industries in uMhlathuze. The industries identified are a result of the needs of the economy, competitive advantage of uMhlathuze.

The key industries identified are:

- Agriculture, agri-processing and rural economy
- Tourism
- Maritime & blue economy
- Manufacturing
- Township economy
- Mining and beneficiation
- Built environment
- Wholesale, retail, trade and services
- ICT and innovation

Table 63: Tabulated below is the Roadmap - Local Economic Development implementation plan with clear targets aligned to PGDP and DGDP,

Sector-Wide Priority Projects KCD DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth Strategic Objective : 1.2								
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Business/ Enterprise Development								
1.	One-stop shop establishment			x				Completed
2.	Completion of local fund business case in partnership with SOEs and private sector			x				Completed
3.	Commodity resource plan		x					Deferred
4.	MOU with Productivity SA		x					Deferred
5.	MOU with PUM			x				Completed
6.	Review Policy Framework for procurement	x						Completed
7.	Establish Youth in Business Forum and Support Desk/Centre	x						Completed

Sector-Wide Priority Projects								
KCD - DGDP Goal: Job Creation PDGS Goal: Inclusive Economic Growth Strategic Objective : 1.2; 1.3, 1.6								
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	2018/2019 Progress
		16/17	17/18	18/19	19/20	21/25	26/30	
Knowledge Management								
1.	Establishment of centralised knowledge repository			X				Underway
Spatial Planning								
1.	Set targets and implement land banking of strategic land parcels including privately owned land in line with SDF			X				Completed
Investment Promotion								
1.	Customized Incentives Toolkit for investment attraction		X					underway
2.	Integrated Investment Promotion Plan		x					underway
3.	Implementation of Investment Promotion Plan		X					underway
Green Economy								
1.	Green Economic Strategic Package for City of uMhlathuze				x			Deferred
2.	Water Relief Program and Alternative Sources					x		underway

Sector-Wide Priority Projects								
KCD - DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth PGDS Goal: Environmental Sustainability		Strategic Objective: 1.2 and 1.4 Strategic Objective : 5.2 and 5.3						
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	2018/2020 Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
1.	Pre-feasibility/ concept for IPTS		X					underway
2.	Localized climate change, mitigation and adaption strategy and phased implementation			X				Completed
3.	Revenue generation, cost-saving and diversification strategic projects	X						underway
4.	Integrated Public Safety Plan in partnership with private sector		X					Completed
5.	Feasibility for Long term Infrastructure Development Fund			X				Completed
6.	Creation of centralised database for unemployed		x					underway
7.	Long-term investment plan for catalytic projects			x				Completed

Sector-Wide Priority Projects							
KCD - DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth PGDS Goal: Environmental Sustainability		Strategic Objective: 1.2 and 1.4 Strategic Objective : 5.2 and 5.3					
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	2018/2020 Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Agriculture and agro-processing							
KCD - DGDP Goal: Job Creation PGDS Goal : Inclusive Economic Growth		Strategic Objective : 1.1 ,1.2, 1.4, 1.5 and 1.6					
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Farmer Development/ Enterprise Development							
1.	Farmer Enterprise Development Model		x				Completed
2.	Implement Farmer Enterprise Development Model				x		
3.	One-stop business support shop for farming				x		
4.	Partnership with Department of Agriculture for the establishment agri-parks in the City			x			Deferred
Aggregation/ access to markets							

Sector-Wide Priority Projects							
KCD - DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth PGDS Goal: Environmental Sustainability				Strategic Objective: 1.2 and 1.4 Strategic Objective : 5.2 and 5.3			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	2018/2020 Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
1.	Collaborative partnerships (public & private sectors)		x				Ongoing
2.	Pilot urban farmer model to promote and support urban agriculture		x				deferred
3.	Feasibility for commercial goat farming in partnership with Department of Agriculture	x					Completed
4.	Feasibility for honey production		x				Deferred
5.	Feasibility for charcoal manufacture		x				Deferred
6.	Development and implementation of poultry aggregation project			x			
7.	Negotiated supplier agreements with strategic partners			x			
Climate-resilient agriculture							

Sector-Wide Priority Projects								
KCD - DGDP Goal: Job Creation PGDS Goal: Inclusive Economic Growth PGDS Goal: Environmental Sustainability		Strategic Objective: 1.2 and 1.4 Strategic Objective : 5.2 and 5.3						
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	2018/2020 Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
1.	Research-based model for waterless farming				x			
2.	Benchmarking to operationalise model					x		
Access to finance								
1.	Set up agricultural fund with SOEs and Private Sector				x			

Agriculture and agro-processing								
KCD -DGDP Goal: Job Creation PGDS Goal : Inclusive Economic Growth		Strategic Objective : 1.1 ,1.2, 1.4, 1.5 and 1.6						
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Public-private partnerships								

1.	Establishment of local agri-forum		x					Deferred
Agri-processing								
1.	Feasibility study for pineapple waste processing and other products based on national and international demand			x				Deferred

Tourism								
KCD - DGDP Goal: Job Creation PGDS Goal : Inclusive Economic Growth								
		Strategic Objective : 1.2						
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Enterprise Development								
1.	Single-window tourism business support portal			x				
Access to markets								
1.	Marketing plan for tourism promotion		x					Completed
2.	Eventing Business Case and Implementation Model			x				
Tourism Infrastructure Development								
1.	Establishment of Task Team or remodelling existing structures		x					
2.	Heritage infrastructure audit and integration into the tourism mix		x					
Product Packaging								
1.	Customized tourism packages		x					Completed
Institutional strengthening								
1.	Capacity build CTO		x					Ongoing
2.	Capacity-build tourism forum		x					Ongoing

Maritime								
KCD - DGGP Goal: Job Creation								
PGDS Goal : Inclusive Economic Growth		Strategic Objective : 1.2						
-Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Industry Collaboration								
1.	Establishment of local maritime forum in line with the Maritime Strategy	x						District function
2.	MOU with eThekweni Maritime Cluster		x					District function
3.	Plan of action for PCN		x					
4.	One-stop shop for business support – maritime				x			District function
5.	Local economic plan for proactive identification of opportunities for commodities and other products		x					District function
Enterprise Development								
1.	Feasibility study for local owner driver program to support local logistics and transport industry			x				Deferred
Maritime skills development								
1.	Detailed maritime skills profile		x					District function
2.	Support establishment of maritime school	x						Completed (city allocated site for the development of a maritime school by TVET)

Manufacturing							
KCD - DGGDP Goal: Job Creation							
PGDS Goal : Inclusive Economic Growth				Strategic Objective 1.2			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Business/ Enterprise Development							
1.	One-stop shop business support shop - manufacturing				x		
2.	Customised Manufacturing and other Sectors Incentive Toolkit for uMhlathuze		x				Deferred
Investment Promotion Support							
1.	Investment Promotion Plan & Programme of Action		x				Underway
2.	Early Warning System to identify, track and trace strategic projects in the pipeline			x			Underway
Export Development							
1.	Export enhancement implementation plan			x			Underway (co-ordinated by TIKZN)

Township Economy							
KCD - DGGDP Goal: Job Creation							
PGDS Goal: Inclusive Economic Growth				Strategic Objective : 1.2 , 1.3, and 1.5			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Economic Development							
1.	Tailored made township economy revitalisation and modernisation plan with clearly defined annual deliverables and outcomes		x				Ongoing (construction incubation, business

								support, commercial retail space)
2.	Township growth index and economic profile			x				Deferred
3.	Township chamber forum			x				Deferred
Enterprise development								
1.	Business support hubs				x			
2.	Township Enterprise /Supplier Development Program				x			
3.	Implementation of township experience - entertainment/ leisure precinct and township economic corridors					x		
Infrastructure Development								
1.	Broadband roll out and last mile connectivity					x		
Access to markets								
1.	Localisation campaign		x					Ongoing
2.	Local market development				x			

Mining beneficiation							
DGGP Goal: Job Creation							
PGDS Goal: Inclusive Economic Growth				Strategic Objective : 1.2			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Localisation of mining value chain							
1.	Develop and implement support mechanism for priority mining & expansion projects				x		
2.	One-stop shop for business support					x	
3.	Conclude partnership with Department of Mineral Resources and other stakeholders on key minerals exported/ imported for beneficiation				x		

ICT and Innovation							
DGGP Goal: Job Creation							
PGDS Goal: Inclusive Economic Growth				Strategic Objective : 1.4			
Performance Indicator	Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
	16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Infrastructure Development							
1.	ICT Industry based Strategic Team to drive ICT investment, advancement and innovation		x				Ongoing
Skills Development							
1.	Virtual Economic Options and Priority Areas for the City				x		
ICT as an enabler for innovation							
1.	Innovation and implementation strategy			x			Provincial Initiative

Wholesale, retail, trade and services								
KCD - DGDP Goal: Job Creation								
PDGS Goal: Inclusive Economic Growth		Strategic objective : 1.2 , 1.3 and 1.5						
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Access to markets								
1.	Nodal Development of strategic economic nodes and other growth areas				x			
2..	Set targets for former marginalised communities (new retail space) and access model			x				Ongoing
3..	Set targets for localising retail mall ownership and conclude partnership with other spheres of government and SOEs			x				Ongoing
4..	Local sourcing commitment charter				x			
Informal trading								
1.	Master plan for informal sector growth, support and transformation with annual deliverables and outcomes			x				Ongoing
Other (alternative energy and water security)								

DGDP Goal: Strategic Infrastructure PGDS Goal: Strategic Infrastructure								
Strategic Objective : 4.4 and 4.5								
Performance Indicator		Annual targets (2016-2020)				Up to 2025	Up to 2030	Quarterly Progress
		16/17	17/18	18/19	19/20	2021-2025	2026-2030	
Adoption and incremental implementation of long term alternative energy supply								
1.	Develop alternative energy supply resource plan			x				Underway
2.	Implement alternative energy supply resource plan					x		
Water Security								
1.	Feasibility for sea water desalination and water reuse						x	

9.22.3 LOCAL ECONOMIC DEVELOPMENT AND TOURISM

SMMEs

The primary role of the uMhlathuze Municipality in local economic development is to coordinate, facilitate and stimulate sustainable economic development within its jurisdiction through appropriate mechanisms; Strategy and policy development; Programme development and co-ordination and Strategic liaison and networking

The Municipality is in possession of LED Plan which also detail programs aimed at SMME support and development. The municipality has proactively prioritized LED projects that are aimed at assisting SMMEs in various ways (see end of section). At the core of the municipality's strategy it is to build capacity of SMME's, hence uMhlathuze Municipality has a database with more than 136 SMMEs within uMhlathuze that are registered. This database also provides the level of skills that each SMMEs has. UMhlathuze Municipality in ensuring that SMMEs are supported has revised its procurement policy to include a clause in all tenders that:"25% of work for big tenders is subcontracted to local SMMEs.

Informal Trading

uMhlathuze Municipality has an Informal Economy Policy which also incorporate the regulation of street vendors, the policy was adopted by council in 2013 (attached as an annexure H to the IDP). An investigation of informal traders operating in the City was conducted in 2011. A matter of great concern is that 56% of traders were operating without a licence. There was also concern that damage was being done within public spaces and that trader stalls were untidy and unsightly. Traders do not locate in demarcated areas, but set up wherever good opportunities for trade present themselves. The review of the informal sector led to a number of recommendations:

The City Development: Business Support, Markets and Tourism Section coordinates an Informal Traders Working Group which constitute of representatives from a number of sections. The responsibility for permit issue and renewal lies within Business Support, Markets and Tourism Section. Given that there are 1616 informal traders within the City of uMhlathuze (only 710 of whom are registered), it would seem that a comprehensive support policy should be formulated and adopted.

The following principles should underscore the said policy:

- The City is not unsympathetic to informal traders and recognizes that under harsh economic conditions, the sector enables people to generate some sort of livelihood, however modest. Instead of tolerance and, in some instances, clamp down, the City needs a proactive and supportive informal trader policy.
- The City should recognize that the informal sector is here to stay in both urban and rural contexts. Providing support to informal traders means providing support to the poorer people in the community and their families.
- Informal traders own and run very modest businesses. However, the potential exists for these businesses to grow if they are appropriately supported. This would create opportunities for small businesses to enter the formal sector from below.
- The Municipality needs to foster a relationship of trust with informal traders and their structures. A positive relationship would facilitate the provision of appropriate infrastructure and support.

Challenges faced by informal traders themselves include no access to training, no access to finance, lack of storage facilities, lack of access to ablution facilities, lack of access to water, low incomes with household expenses competing with business needs such as maintaining stock levels, and lack of capital for business expansion.

Strategies to realize opportunities in the Informal Economy relate to the following:

- that support for the informal economy is reflected in their IDP
- facilitate the establishment of an informal actors' chamber as a means of engaging with informal economy actors appoint officials who are able to communicate with informal economy actors in a gender sensitive way
- make provision for regular contact with informal economy organizations and actors
- ensure that there is a dedicated office to liaise with organizations and individual traders
- ensure that decisions about issues such as site allocation are made in an open and transparent way
- specify the roles and responsibilities of traders and of the municipality
- respect the rights of foreigners
- register all informal traders
- provide basic infrastructure and services for informal traders
- take account of informal trader interests in the context of approving new developments

9.22.4 Expanded Public Works Programme (EPWP)

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

Though the City of uMhlathuze has successfully implemented the Expanded Public Works Program (EPWP) since its introduction in 2010, The EPWP is in its Fourth phase which is implemented over the five-year period from the 2019/20 to 2023/24 financial years with the aim of creating 5 million work opportunities and 2.5 million Full time Equivalents (FTE) by the end of the period. The National Department of Public Works and Infrastructure have set targets for National, provincial departments and local government to assist in achieving this goal.

EPWP policy framework

The City of uMhlathuze adopted an EPWP Policy Framework in May 2018. The policy framework was prepared in-house and draws its legal mandate from the following laws and regulations as amended from time to time:

- The South African Constitution, 1996;
- The City of uMhlathuze Integrated Development Plan (IDP);
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
- Employment Equity Act, 1998 (Act No. 55 of 1998);
- Code of Good Practice for Employment and Conditions of Work for Special Public Works Programmes;

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- o Ministerial Determinations 4: 4th May 2012, Expanded Public Works Programmes, issued in terms of Section 50 of the Basic Conditions of Employment Act 1997.
- o Division of Revenue Act (DoRA) 2017;
- o Intergovernmental Governmental Relations (IGR) Framework Act, 2005 (Act No.13 of 2005);
- o Local Government: Municipal Systems, 2000, (Act No 32 of 2000);
- o Local Government: Municipal Finance Management Act, 2003, (Act No. 56 of 2003), (MFMA);
- o Unemployment Insurance Act, 2001, (Act No. 63 of 2001) and;
- o Compensation for Occupational Injuries and Diseases Act, 1993, (Act No.130 of 10 1993).
- o Any other laws which may be applicable from time to time.

The policy aligns with a number of overarching strategic documents that inform the City's priorities, such as the:

- o National Development Plan
- o Ministerial Determination and the Code of Good Practice for EPWP, 2012
- o KZN Provincial Growth and Development Strategy, 2035
- o City of uMhlathuze Integrated Development Plan
- o City of uMhlathuze Strategic Roadmap for Economic Development, Transformation and Job Creation

PHASE IV EPWP TARGETS

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

TOTAL TARGETS FOR ALL SECTORS

City of uMhlathuze	WO	705	712	718	720	725	3 580
	FTE	246	249	251	252	254	1 250

INFRASTRUCTURE SECTOR

City of uMhlathuze	WO	569	574	575	575	575
	FTE	188	190	190	190	190

ENVIRONMENT AND CULTURE SECTOR

City of uMhlathuze	WO	113	116	120	123	127
	FTE	49	50	52	54	55

SOCIAL SECTOR

City of uMhlathuze	WO	22	22	22	22	22
	FTE	9	9	9	9	9

9.22.5 Agriculture

Given that agriculture is a provincial competency, municipalities should facilitate and support the activities of the Department of Agriculture, the Environment and Rural Development. The aims of agricultural development should be to ensure food security, to promote food sovereignty, to encourage subsistence producers to commercialize, and to move away from primary production through identifying opportunities for value adding.

Current challenges being experienced in the sector relate to the following:

- Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects.
- Underutilization of good agricultural land in the traditional council areas.
- Loss of good agricultural land in the traditional council areas to unplanned settlement.
- Failure to realize the potential for value adding through agro-processing.
- Volatile world markets which affect prices for some agricultural commodities, for example, sugar.
- The demise of the South African Sugar Association's credit facility for small-scale cane growers.

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

- Food security and food sovereignty should be promoted.
- In the traditional council areas where the land falls under the Ingonyama Trust, and where land is held under communal tenure, subsistence agriculture prevails, with the exception of small-scale farming in the sugar and timber.
- An Agribusiness Development Agency has been established in KwaZulu-Natal under the auspices of the Department of Economic Development and Tourism. The primary aim of this institution is to identify failed land redistribution projects that have some potential for revitalization. The Agency puts in place the appropriate mechanisms to assist the land reform beneficiaries of these projects to turn projects around so that they become viable farming enterprises.
- Small-scale farmers should be encouraged to add value to their produce.

9.22.6 Agricultural Support Plan

Council during **2018/2019** developed and adopted an Agricultural Support plan with an assistance of an outsourced company. The plan is informed by prioritisation of agriculture as a sector to contribute to enterprise development, agriculture and agro-processing as reported on the municipal Integrated Development Plan and Road Map for Economic Development, Job Creation and Transformation. The primary objective of the plan is to implement programmes that will encourage new entrance in the agricultural sector and also support existing agri-business to be sustainable, grow and provide job creation in the City. Further the plan aims to promote sustainable economic development that will improve the availability of local foods in the City as well as in the country as a whole.

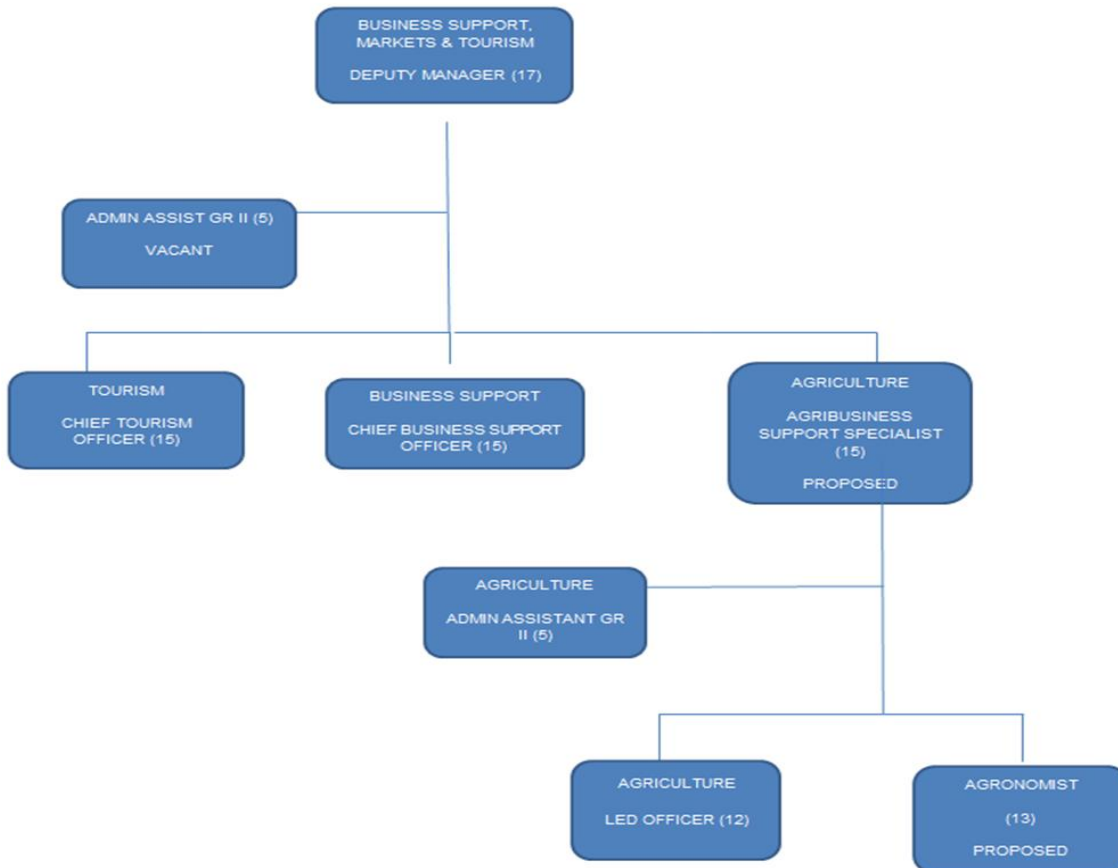
The stakeholder engagement

During the development of the Agricultural Support Plan various stakeholders were consulted. consultations were aimed at determining challenges and opportunities in the sector, and investigate funding or non-financial support for the Municipality's programmes.

Institutional Arrangements

The municipality cannot renege on its responsibility to support farmers. It is imperative that a competent team to guide FSU and Fresh Produce Market whilst mobilizing financial resources be established. Below is the existing organogram focusing mainly on Agriculture within the Economic Development unit. The structure below further make proposal for the establishment and funding two positions

Figure 56: Agricultural Institutional Arrangements



9.22.7 Tourism

Since its inception in the year 2000, uMhlathuze Municipality has made some policy gains to optimise its economic development potential – tourism being part of this potential. A number of studies have been devoted to pointing out the bottlenecks facing the tourism sector. Some authors such as Hill and Good enough (2005) for example note that the tourism sector in uMhlathuze is not well developed, it is characterised by a polluted environment, and generally poor image. Recognizing these challenges, the 2008-2011 Local Economic Development (LED) strategy underscores Tourism as one of its key areas of attention, thus the term tourism features 22 times in the 23-page policy document. The focus on tourism is also embedded on the Municipality's current vision which is to "...offer improved quality of life for all its citizens through sustainable economic growth" as well as to establish itself as a "...renowned centre for trade, tourism and nature-lovers, coastal recreation, commerce, industry, forestry and agriculture". In 2008 the Municipality commissioned its first tourism strategy which within the limits of its scope drew attention to some broad challenges and opportunities. The strategy was adopted by Council in January 2014.

Tourism Sites

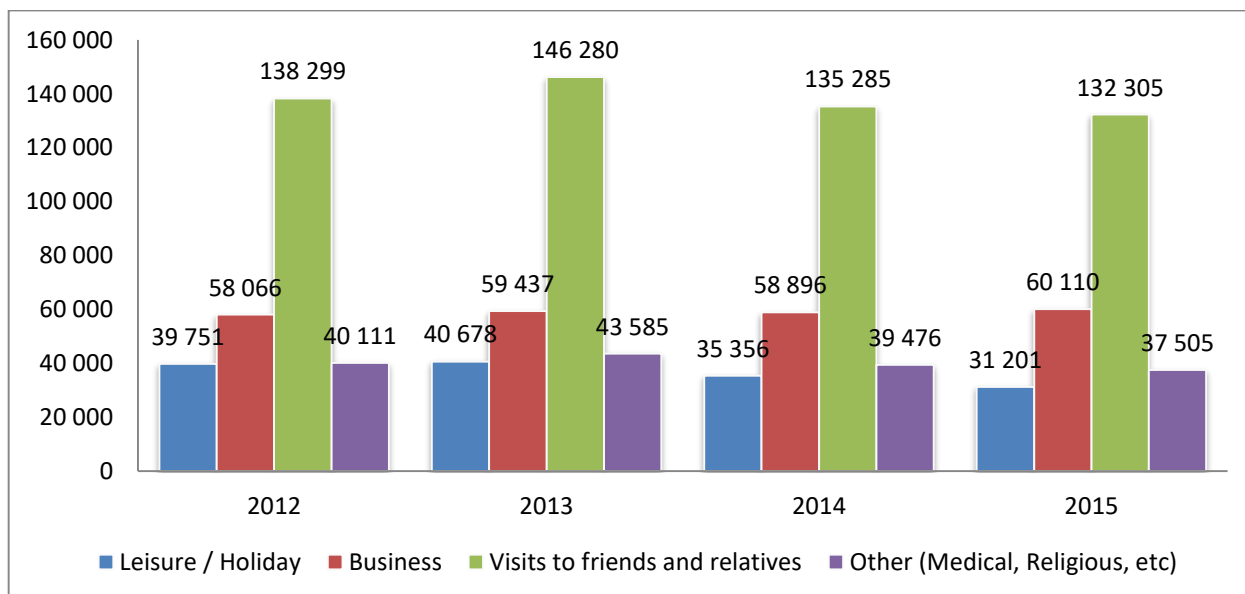
The city of uMhlathuze has amongst others the following key tourism areas:

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

Tourism Trends in uMhlathuze

According to the statistics released by South African Tourism, the majority of tourists visiting KwaZulu Natal are concentrated in Durban (70%). This means that the rest of the province then has to fight for market share for the remaining 30%. As per the stats, Zululand (under which uMhlathuze is located) received only 5.2%. Much can still be done for tourism development in the region.

Figure 57: Tourist Visits in uMhlathuze



Source Global Insight 2015

When this trend is broken down into various tourism categories, evidently, visits to friends and relatives took the lion share totalling almost half of all tourists in uMhlathuze at 42%. Business tourism occupied second place, contributing 24% of all tourists over the period. Leisure tourism occupied 21% while medical/religious tourism came in at fourth place with 13%. These percentages are illustrated in the following chart above

Tourism Spend

Tourism spending patterns in uMhlathuze are slowly declining. An increase was seen during year 2013 where more tourism spend was experienced. This could be attributed by many

factors. It could be the economic climate which is affecting not only uMhlatuze but the rest of the country. It could also be lacks of facilities for tourist spend, lack of marketing and many other factors may contribute to such patterns.

Figure 58: Tourism Spend

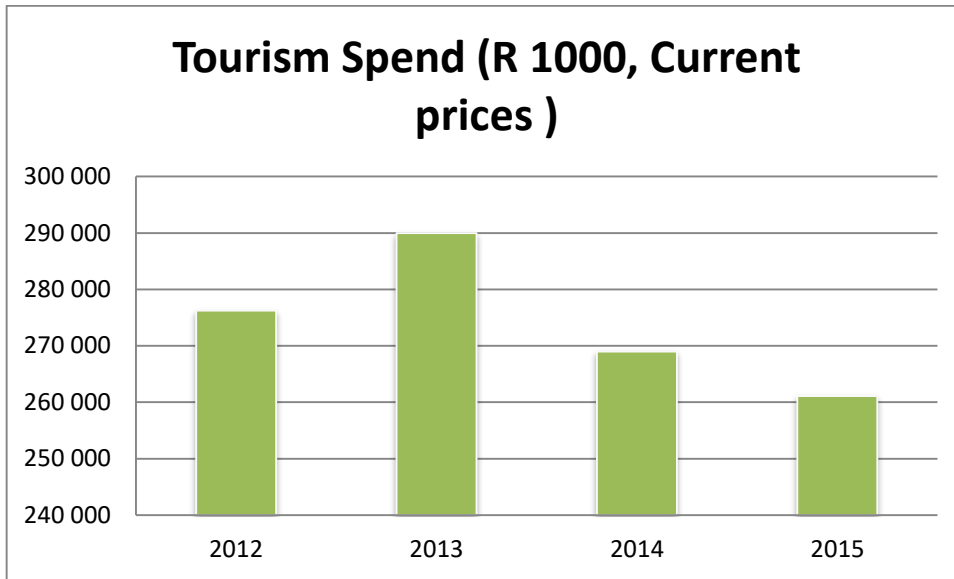
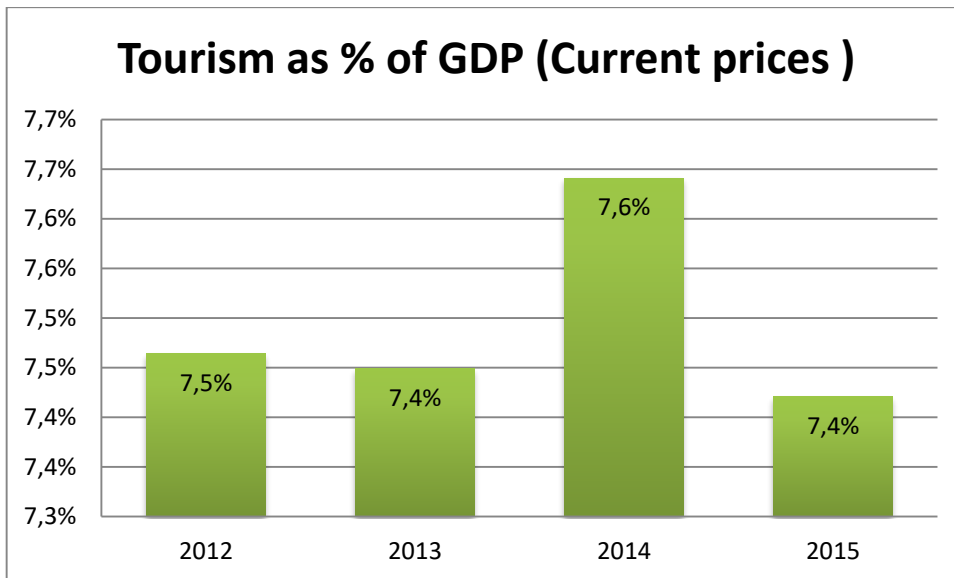


Figure 59: Tourism as % of GDP



UMhlatuze Tourism Marketing Strategy

Council has adopted a Tourism Marketing Strategy with an overall goal to provide coordinated guidance to the economic role players and stakeholders for the future marketing of the tourism products to ensure economic development of the municipal area that will lead to local employment creation, income generation and investment into economic assets, further placing uMhlatuze as the front runner for Tourism in Northern KwaZulu-Natal

Alignment with Strategies and Policies							
	National Tourism Sector Strategy	Domestic Tourism Strategy	KZN Tourism Master Plan	TKZN Tourism Strategic Plan	King Cetshwayo District Tourism Strategy	uMhlathuze Tourism Strategy	uMhlathuze Tourism Marketing Strategy
Strategy	To position South Africa as a globally recognised tourism destination brand	Increased domestic Tourism Expenditure	Managing strategic direction, product offering and investment opportunities	Increase the number of business, sports and leisure events in the Province.	Encourage Cruise Ship Tourism in Richards Bay	Prioritise research and marketing in the tourism sector to realise maximum benefits	To provide coordinated guidance to the economic role players and stakeholders for the future marketing of the tourism products to ensure economic development of the municipal area that will lead to local employment creation, income generation and investment into economic assets
Vision	To be a top 20 tourism destination in the world by 2020.	Growing domestic tourism for a sustainable tourism economy	To be a top 20 tourism destination in the world by 2020.	To position the province of KwaZulu-Natal as Africa's leading tourism destination, nationally and internationally.	To develop and market holistic tourism products that utilise the competitive advantages that uThungulu (King Cetshwayo) District enjoys in ecological/wildlife and cultural/heritage attractions in such a way as to appeal to a broad, and international in scope, tourism market, creating new flows of tourists in the region and also capturing a substantial share of the existing tourism trade which currently passes through the district and to ensure that tourism contributes toward local economic development through the active involvement of communities in tourism projects and the	To build partnerships within uMhlathuze's Tourism sector in order to develop and implement innovative and effective programs and initiatives which will expand tourism and increase economic impact and jobs within a responsible environmental management framework.	To place uMhlathuze as the front runner for Tourism in Northern KwaZulu-Natal.

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

Tourism Sector Review

Tourism is viewed as the key driver for global economic growth. Tourism has experienced continued growth and extended diversification to become one of the fastest growing economic sectors in the world over the years. Through new developments and the growing number of new destinations, tourism has become the key driver for socio-economic enhancement.

International Tourist Arrivals

South African Tourism (2016) revealed that tourist arrivals in Sub-Saharan Africa grew by 10.7% from last year and South Africa was the main driver of that growth as it grew in double digits (12.8%) to reach over 10 million tourists in 2016. The international tourist arrivals therefore exceeded the 10 million previously recorded stats to up to 10,044,163 international arrivals in 2016.

International tourist arrivals (**overnight visitors**) reached a total of **1,235 million in 2016**. This was **46 million** more than in 2015, (3.9% increase). The global pace of growth was slightly more moderate than in 2015 (4.5%), but in line with UNWTO's long-term forecast of 3.8% per year for the period 2010 to 2020.

	2015	2016	2017	Average a year	Projection 2017* (issued January)
			Jan-June	2005-2016	Between
World	4.5%	3.9%	6.4%	3.9%	+3% and +4%
Europe	4.7%	2.1%	7.7%	2.8%	+2% and +3%
Asia and the Pacific	5.4%	8.6%	5.7%	6.5%	+5% and +6%
Americas	5.9%	3.6%	3.0%	3.7%	+4% and +5%
Africa	-2.9%	8.0%	7.6%	4.7%	+5% and +6%
Middle East	0.7%	-3.4%	8.9%	4.3%	+2% and +5%

Tourism in KwaZulu-Natal

In KwaZulu-Natal, tourism total contribution to GDP is recorded at about R28,2 billion which is about 6.4% of the provincial economy. The province currently attracts about 908 277 foreign visitors and 7,1 million domestic tourism trips on an annual basis. The province has wonderful natural tourism attractions and is thus well positioned to take advantage of the continued growth in international and domestic tourism.

Tourism in uMhlathuze

The City of uMhlathuze is one of the primary driving forces in the tourism sector in KwaZulu-Natal. The municipality offers a rich diversity of tourism offerings making it an ideal holiday destination for local and international visitors. Tourism in uMhlathuze is largely dominated by the domestic market with minimal visits from the international market. The city is well known for its sports and business activities. Due to its warm Indian Ocean adjacent to Richards Bay and the Industrial Hub located inland, the city receives tourists all year round. However, the footfall numbers fluctuate in each month. Furthermore, there is a dearth of tourism specific research conducted on uMhlathuze and the demand for such is high.

uMhlathuze generally has a good climate and is well endowed with natural resources whose comparative advantages are, a good climate creates avenues for productive agricultural tourism development. Agriculture with irrigation infrastructure is in place and a scenic environment and the coastal terrain thus creating more opportunities for tourism development. uMhlathuze Municipality has a high potential for tourism, however, this potential has not been optimised due to poor coordination, and poor documentation. Tourism awareness in uMhlathuze is relatively low and the poor integration in the tourism products also adds to the problem. An example of such includes the poorly developed and uncoordinated Cultural heritage tourism in the municipal area. The highly undeveloped Religious heritage is also no exception.

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

However, the mentioned poor coordination and the lack of formalised linkages form a barrier for tourism growth within this city. The city's tourism marketing efforts also date far back and are minimal. Despite this lack of maintained marketing efforts, there is a visible change in tourist behavioural patterns within the area. The decline in international tourist arrivals to South Africa did not have an impact on total share of international arrivals in the uMhlathuze area. Nevertheless, the impact is seen in the overall tourist expenditure for 2016.

Market Assessment

- o Existing market

The core tourist market of uMhlathuze comprises of largely the **corporate market**. This is significantly due to the high concentration of large industries located within Richards Bay which, consequently, generate profuse investment and business opportunities. uMhlathuze is also known as the Playground area for its frequent sporting activities and miscellaneous events. Thus, **the leisure market** and the **Sports market** are also at the forefront.

- o The potential /target market

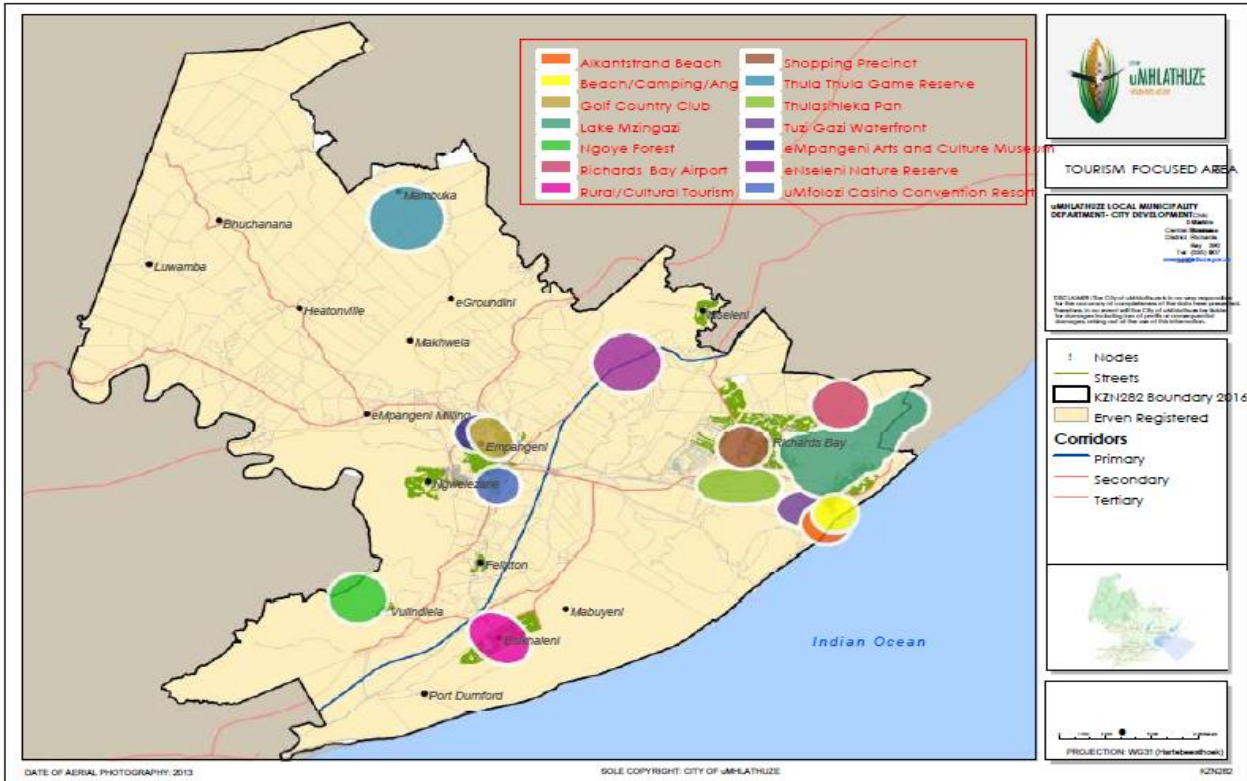
With the varied number of Events hosted in this area, the **Entertainment market** appears to be the largest market one can tap into. The city does not consist of the biggest shopping centres in the province; however, with effective marketing tools implemented the available retail outlets may have potential to draw in a pool of individuals who travel from the nearby countries such as Mozambique just for shopping. With the warm beaches and ideal facilities for family vacations, the city has the potential to become the home for the Family Holiday seekers.

The Industrial Zone also has enormous potential to draw in large school groups for educational tours. uMhlathuze is now essentially the home of the Big 4 which ultimately also has an added advantage in strengthening the growth of tourist markets in the region. Foreseen potential growth in international tourist visits will not only boost tourism in uMhlathuze

but also have a positive impact on the City's economy. The potential market should inevitably become the target market for uMhlathuze.

The Map below highlights the tourism offering that uMhlathuze has as well as possible areas of tourism development and expansion:

Map 51: Tourism Focused Areas



uMhlathuze Community Tourism Organisation (UCTO)

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

Institutional Arrangements

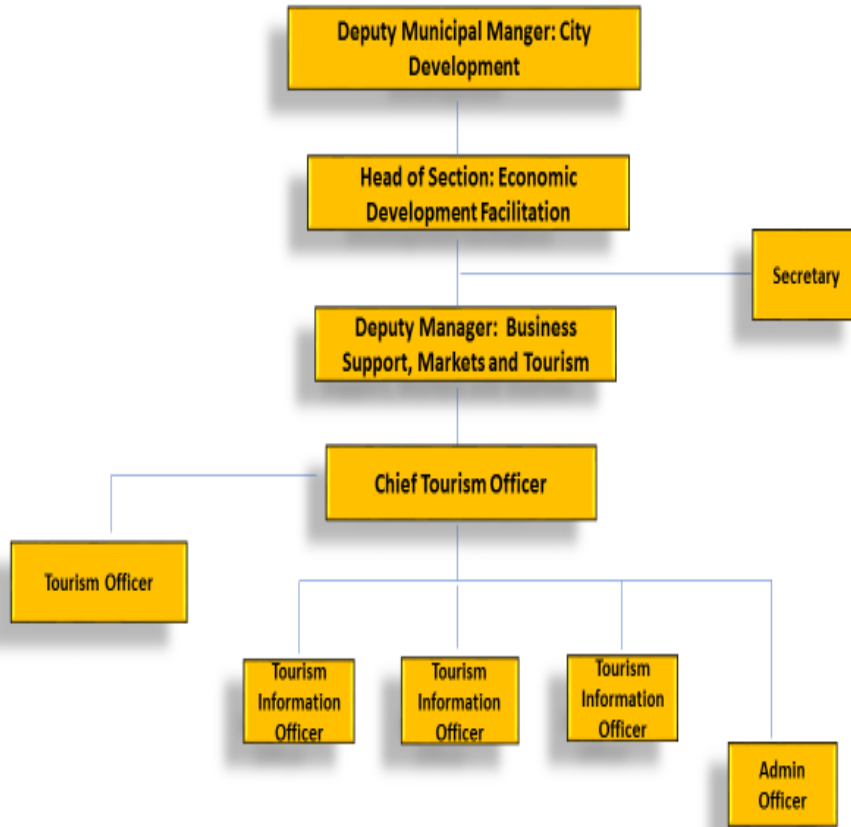
The strategy provides recommendations on the organisational structure that would best facilitate the optimal growth of Tourism in uMhlathuze Local Municipality. It acknowledged that without a clear institutional framework in place, tourism marketing programmes and projects will be implemented in an uncoordinated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

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

- Deputy Municipal Manager: City Development
- Head of Section: Economic Development Facilitation
- Secretary to the Head of Section

- Deputy Manager: Business Support, Markets and Tourism
- Chief Tourism Officer
- 2 x Tourism Information Officers

The following structure is thus proposed for the optimal function of the sub-unit:



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

	<ul style="list-style-type: none"> Determine the size of the membership base for suppliers on the route - the buy-in of these members is critical to the success of the route for they are the ultimate delivery agents of the experience. It is important to ensure the product mix is diverse and does not over-represent any of the sectors (i.e. accommodations) as visitors will expect that all aspects of their experience will be available. Establish a clear brand identity for the route and then market this according to the targets identified. 	UCTO, ULM		Short-term	
		UCTO, ULM, TKZN		Short-term	

Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Term	Priority
Market Development	Market Research Strategy and Tactics	<ul style="list-style-type: none"> Conduct a semi-annual perceptual tracking study (Brand Image Study). Conduct the Visitor Intercept Interview Program at sites throughout uMhlathuze on an annual basis. Conduct annual inquiry conversion study. This study will explore the effect of advertising in stimulating both inquiries and visitation in uMhlathuze. Conduct semi-annual economic impact study. 	ULM	R0,3m	Short-term	MEDIUM
			ULM		Short-term	
			ULM		Short-term	
			ULM		Long-term	
Marketing Mechanisms	The recreation of the tourist/visitor guide	<ul style="list-style-type: none"> Distribute the tourist guide to the key visible areas of uMhlathuze such as the Petrol Stations, the Richards Bay Airport, Tourist Information Centres and Shopping Centres. Distribute the guide at the trade and exhibitions (such as the Tourism Indaba). Ensure usage of guide during roadshows and familiarisation tours. Recreate the visitor information Guide and ensure that it comprehensively covers all the towns within the uMhlathuze region with specific emphasis on the attractions and the uniqueness of each destination 	ULM, UCTO	R0,1m	Short-term	HIGH
			ULM, UCTO		Short-term	
			ULM, UCTO		Short-term	
			UCTO		Short-term	

	The Mobile Tourism Application	<ul style="list-style-type: none"> Develop a Mobile Tourism Application for uMhlathuze Provide updated information on existing routes and tourism products or authentic experiences found in uMhlathuze. Create a monitoring and evaluation system of the application Ensure that the application software is constantly managed and updated. Create a link for the App to be accessible through all marketing channels such as (the uMhlathuze website, social media platforms, the visitor guide etc.) for easy application download. Create the application user guidelines Create an awareness campaign in local shopping centres to promote the application in all identified destination marketing platforms. 	ULM	R0,4m	Short-term	MEDIUM
			ULM, UCTO		Short-term	
			ULM		Short-term	
			ULM		Short-term	
			ULM		Short-term	
The Online Strategy	Website Design	<ul style="list-style-type: none"> Redesign uMhlathuze's Tourism website to feature "interest channels" devoted to the arts, history, entertainment, events, family fun, rest and relaxation and outdoor recreation and a "What's On" section in the website to include events, specials and getaways and add an interactive map. 	UCTO	R0,1m	Short-term	HIGH
	Social Media Campaign	<ul style="list-style-type: none"> Request users on Twitter, Facebook, Instagram and WhatsApp to interact with social media posts. Invite users to ask questions, take polls, provide reviews, enter contests and join mailing lists. 	UCTO	R0m	Short-term	HIGH

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

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

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

9.22.8 Manufacturing, Commerce, Retail

The recession has had a negative impact on business in the main centres of the Municipality as is evident from the number of businesses that have closed down in the area. Some of the principles to support the above sector relate to the following:

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

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

- An important intervention is to assess the status of business in the two main centres within uMhlathuze Municipality so that steps can be taken to assist businesses faced with different challenges. The City of uMhlathuze should facilitate a Business Retention and Expansion process in Empangeni and Richards Bay.
- A Business Retention and Expansion process was undertaken in Empangeni but the proposals were not implemented. As such, an action plan should be formulated and implemented to address the challenges facing the business community.

9.22.9 Industrial Development Zone

The history and potential of the Industrial Development Zone is key in considering the development of industry and manufacturing in uMhlathuze. Initially, Trade and Investment KwaZulu-Natal was the majority shareholder with the Municipality. The shares have been sold to the Department of Economic Development and Tourism making Provincial Government the single shareholder. The land within the IDZ has been subject to a number of agreements through which some of the ecologically sensitive land had been returned to the Municipality.

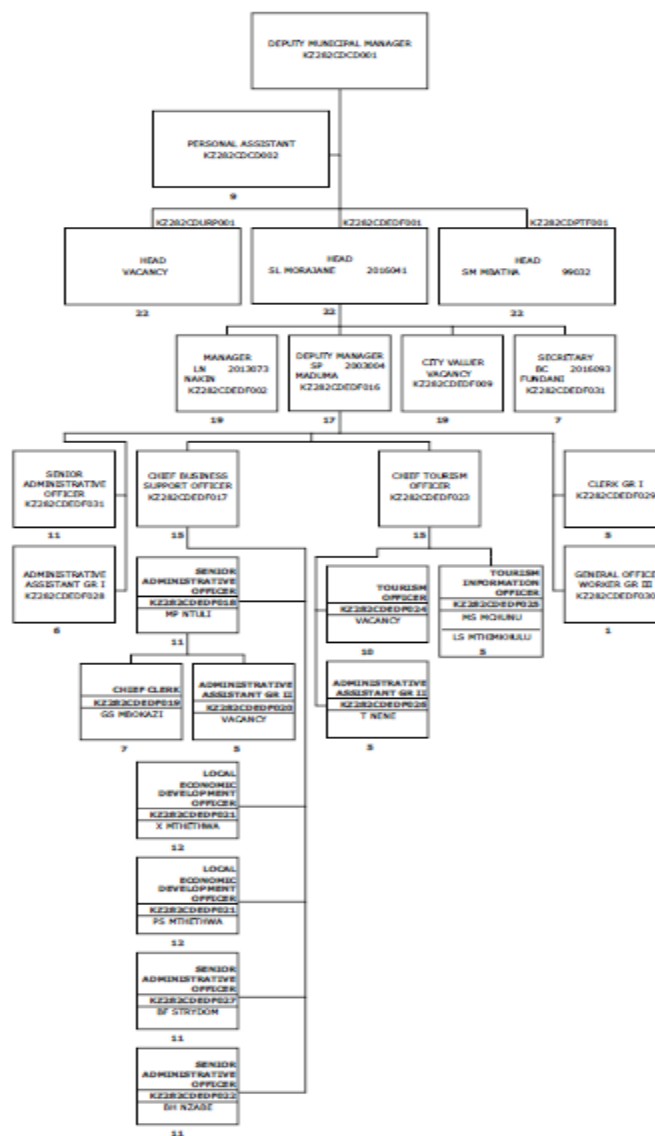
The benefits to industries located in the IDZ include:

- Existing efficient deep-water port
- Suited to export-orientated production
- Customs controlled area
- VAT and import duty exemption
- Same time zone as Europe
- Strategic location to access world markets
- Allowance for 100% foreign ownership
- Established local and service industries
- Down-streaming opportunities with respect to: Aluminium, Heavy Metals,
- Chemicals, Wood, Paper, Pulp and various agricultural products

Capacity Analysis for LED Programmes

The uMhlathuze Municipality’s organogram provides for an LED Unit, the LED Unit is housed with other functions that includes Tourism under HOS: Economic Development. The LED Unit for the purposes of uMhlathuze Municipality is named Business Support and Markets. The staff compliment includes, Deputy Manager Business Support and Markets, Chief Tourism Officer, Chief Business Support Officer, X2 LED Officers and other supporting staff. About 98% of the approved LED posts in the organogram are filled. LED and Tourism reports are served before the City Development portfolio committee. **LED Unit is fully capacitated with no constraints to in assuming its functions.**

Figure 60: Economic Development Organogram



Resourceful Partnerships Established

The Municipality has partnership agreements with the following partners:

- University of Zululand – Research
- SEDA
- EDTEA
- NYDA

The following are the stakeholders that the municipality is partnering with in developing SMMEs and improving the informal trading sector within the city:

- Foskor
- Mondi
- iThala Bank
- SEDA
- EDTEA
- COGTA
- NYDA
- University of Zululand

The following are projects resulting from the strategic partnerships with above stakeholders:

- SMME Park – construction, MERSETA and UMfolozi TVET to come on board;
- ESikhaleni Construction Incubator - establishment in partnership with SEDA Construction;
- eSikhaleni Automotive Hub - feasibility in partnership with EDTEA and
- Empangeni SMME One-Stop-Shop in partnership with NYDA, ABSA, SEDA and Ithala Bank

LED Budgeted Proposed projects

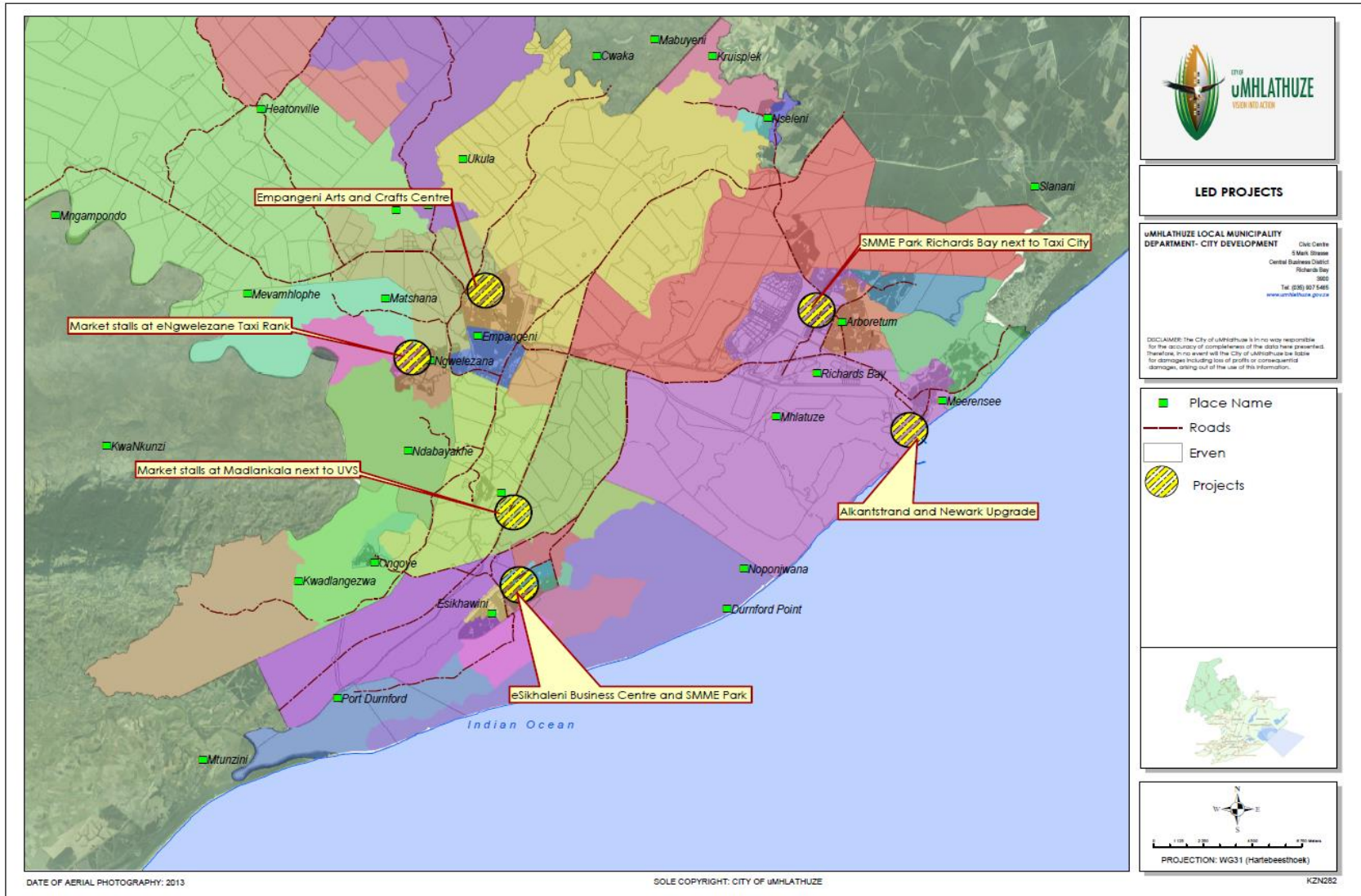
- Development of a tourism website
- Deployment of tourism information kiosks at the airport, N2 Garage and Shopping Malls
- Host Beach Festival
- Attend 3 Tourism Trade Shows
- Driving Lessons for 60 young people
- Leather Skin Processing project - shoe manufacturing
- Establishment of 2 jobseeker centers
- Facilitate establishment of a bakery in KwaDlangezwa
- Facilitate establishment of a fish farming project in KwaDube -Lake Icube
- Facilitate development of an SMME Box Mall in Mzingazi -Current Ward 1
- Facilitate development of 2 agro-processing projects
- Alienate land for primary agriculture
- Develop Eskhaleni Business Center
- Develop 1 informal trading market stall
- Upgrade Meerensee Market Stalls
- Organize Business Training Programs for SMME One-Stop-Shop
- Finalize Informal Trading Bylaws and Policy review

- Established Structures

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

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

Map 52 : LED Projects



9.23 Social Development Analysis

9.23.1 KwaZulu Natal Poverty Eradication Master Plan

It is government's mission to ensure that communities living under conditions of poverty are helped to rise above their current condition. "Poverty is a human rights issue and government has a mandate to do everything possible to ensure that communities that are faced with poverty are given a chance to better their lives.

Census 2011, revealed that poverty headcount for uMhlathuze was at 4.1% and its intensity at 41.6%. With the recent statistics obtained from Global Insight it is noted that there is a decrease in poverty headcount when compared with 2011 statistics, which is now at 2.3%, although it's still relatively high but intensity is now at 40%. The reality is that within the City of uMhlathuze there are still communities living in absolute poverty.

uMhlathuze Municipality is striving through meaningful and holistic interventions to restore the dignity of those affected by poverty.

The following are initiatives by uMhlathuze in responding to the Poverty Eradication Master Plan:

Table 64: Poverty Eradication Initiatives

Poverty eradication Pillars	City of uMhlathuze's Initiatives
Social Protection	<ul style="list-style-type: none"> • Operation Sukuma Sakhe which focuses on ward based war rooms targeting vulnerable and destitute communities. • Through OSS the city is in partnership with Department of Social Development (SASSA) and Department of Health to improve access to social security and health services for example Monitoring of Phila Mntwana Clinics within uMhlathuze and registration of people qualifying for various government grants as well as facilitating the construction of OSS houses. • The City has established a Special Programmes Unit focusing on People With Disabilities (PWDs), Women, Senior Citizens. The strategic intent of this unit is to implement municipal programmes aimed at addressing challenges faced by vulnerable groups. • The city has adopted an Indigent Policy to ensure provision of services such as water, electricity and waste removal to poor households who are unable to pay for such services. • The city has adopted an Indigent Burial Assistance Policy to assist poor households with burial of people living in the city.
Agriculture Deepened	<ul style="list-style-type: none"> • The city has completed auditing of land owned by the municipality in order to re-distribute arable land to

Poverty eradication Pillars	City of uMhlathuze's Initiatives
	<p>previously disadvantaged communities for agricultural and commercial purposes.</p> <ul style="list-style-type: none"> • The city has prioritised agriculture and agro processing as one of the priority sectors for economic transformation and job creation. • The city's long term plan is to develop an Agricultural Hub in the newly incorporated wards from former Ntambanana Municipality. This initiative is currently at a planning stage. • The city has concluded a Memorandum of Cooperation with the University of Zululand to promote skills development and improve research on rural development with specific focus to the city's agricultural potential.
Enterprise Development	<ul style="list-style-type: none"> • The city has adopted a new Land Disposal Policy which prioritises disposal of land to previously disadvantaged communities for local economic development. • The city is currently developing a Supplier Development Model to ensure focused and integrated supplier development in-line with industry requirements. The Model will include incubation of SMMEs. • The city has a comprehensive programme to support SMMEs in terms of access to capital, skills enhancement, access to markets, registration on the city's supplier database, provide start up implements etc. • The Mayor has established a Mayoral Advisory Panel made of independent advisors from various sectors to provide the city with knowledge, skills and strategies on enterprise development and support.
Employment Creation	<ul style="list-style-type: none"> • The city has adopted a new Supply Chain Management Policy with set asides for Youth (40%), Women (40%) and People with Disabilities (20%) targeting local rural and township enterprises. The policy also makes provision for established contractors to sub-contract 25% of awarded big tenders to small local contractors. • The city has concluded a Memorandum of Agreement with NYDA for the establishment of a local office to support young entrepreneurs and provide business support services. • The city together with Richards Bay Industrial Zone (IDZ) and Transnet National Ports Authority (TNPA) has established a tripartite committee focusing on strategic investments and job creation within the city of uMhlathuze.

Poverty eradication Pillars	City of uMhlathuze's Initiatives
	<ul style="list-style-type: none"> • The City has a fully operational EPWP which provides job and skills development opportunities for unemployed people. • The city is an active participant in the KwaZulu Natal Growth Coalition which was set up as a platform to foster frank and robust engagements between government and business to remove development obstacles, fast-track key economic projects, unlock growth opportunities and leverage investment. • The city has adopted a fifteen (15) catalytic and strategic projects at various stage of implementation aimed at accelerated investment and job creation. These projects include development of Richards Bay ICC, Establishment of a Business Support Park in eSikhaleni, development of the Richards Bay Waterfront etc.
Skills Development	<ul style="list-style-type: none"> • The City has a Memorandum of Agreement with uMfolozi TVET for the development of priority skills required by industry. • The city offers internships for graduates to acquire on-job skills development and training. • The Mayor has a Mayoral Bursary Fund to support previously disadvantaged matric students with outstanding results from the city who want to pursue tertiary education. • The city has a partnership with Foskor to train the youth and young entrepreneurs on scarce skills and business management. • The city is implementing a comprehensive skills development programme targeting SMMEs and this includes development of facilities to support SMMEs i.e. Richards Bay SMME Park. The programme includes Tourism Learnerships in partnership with EDTEA, training by various SETAs, business retention etc.

9.23.2 Broad Based Community Needs

Ward based plans have been developed for 34 wards, in consultation with the community and all affected stakeholders. These plans inform the municipalities budgeting and ensuring that the budget is highly influenced by the needs of the community. In preparation of the fourth generation IDP a series of ward meetings/engagements took place to confirm wards based community needs. The Public Participation Report based on the outcomes of these wards meetings/engagements is provided as annexure to the IDP. Summary of the report is provided below:

Table 65: Summary of Community Needs

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

9.23.3 Education

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

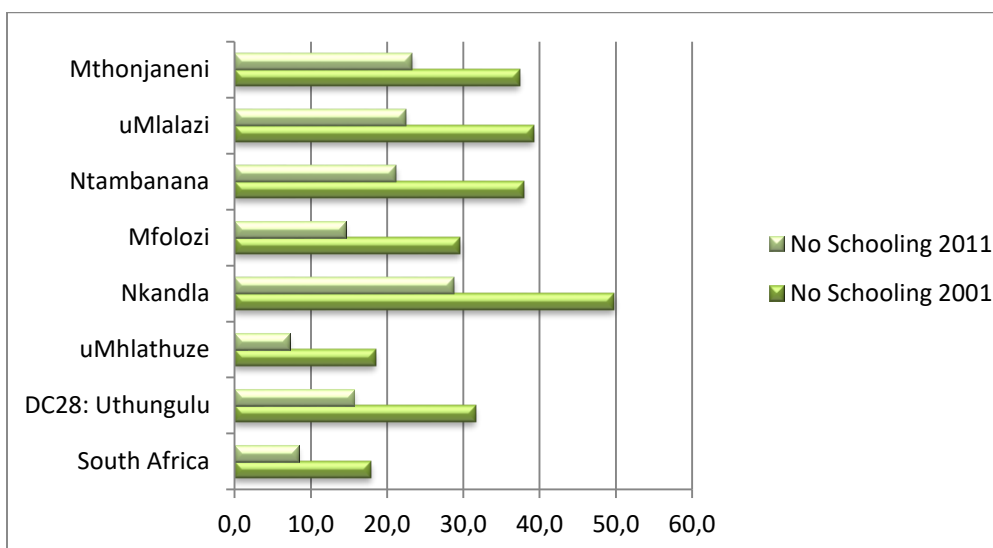
Table 66 : Comparative Education Levels

	No Schooling		Higher Education		Matric		Primary Educational Enrolment aged 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
	South Africa	17.9	8.4	8.4	6.7	22.1	27.8	91
DC28: Uthungulu	31.6	15.7	5.8	4.2	18.3	29.5	88.3	89.6
uMhlathuze	18.5	7.2	10.9	7.3	27.6	36.9	90.1	91.7
Nkandla	49.8	28.8	2.5	1.7	11.5	21.0	88.7	86.7
Mfolozi	29.6	14.6	2.3	1.2	14.5	30.3	89.3	88.2
Ntambanana	38.0	21.2	1.5	0.8	10.4	23.1	86.4	91.3
uMlalazi	39.2	22.5	3.5	2.9	13.2	22.9	87.0	88.9
Mthonjaneni	37.3	23.3	3.9	2.3	14.7	22.1	85.6	88.9

Source: Census 2011

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

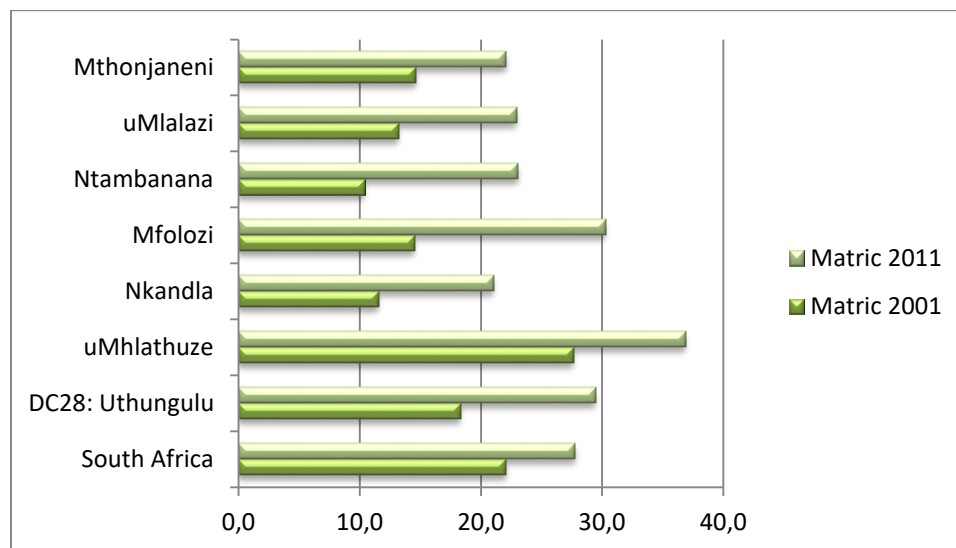
Figure 61: Persons with no Schooling



Source: Census 2011

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

Figure 62: Persons with Matric



Source: Census 2011

Matric Pass rates – King Cetshwayo District

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

Schools classification within uMhlatuze Municipality

School Type	No
Primary School	81
Secondary School	47
Combined School	4
Total	132

Within uMhlatuze Municipality there are **about 132 schools** that are fully operational. The population of uMhlatuze is characterised by young people that are still school going. During IDP Roadshows uMhlatuze Municipality receives number of requests and concerns regarding the shortage of schools within the jurisdiction. Parents are forced to take their kids out of the district in order to find space for schooling in other schools. The main challenge cited by the department, in some areas where they qualify for new school there is no land available for building schools. The other challenge that needs to be addressed is the mindset of the community, that schools in urban areas are better than schools in townships, hence more students from townships seek space at previously multi-racial schools in the urban areas.

There is a dire need for schools that cater for students with disabilities. Only two popular schools that are within uMhlathuze that caters for kids with special needs. UMhlathuze Municipality through the OSS platform is lobbying for the construction of the Centre for kids with disabilities.

School Nutrition Program

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

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

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

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

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

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

Projects

PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
AMABUYE SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	13	5 169	304

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
AMANDOSI PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	22	8 125	455
AMANDOSI PRIMARY SCHOOL	STORM DAMAGES (PHASE 17)	REFURBISHMENT AND REHABILITATION	22	9 624	0
AMANGWE HIGH SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	24	5 564	745
AMANGWE HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	24	7 307	159
AQUADENE SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	26	3 168	186
BHEJANE PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	5	1 783	107
BHEKIKUSASA HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	32	4 547	58
BHEKUKWAZI SECONDARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	32	44 557	2 692
BHEKUKWAZI SECONDARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	32	100	62
BINGOMA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	31	1 783	107
BRACKENHAM PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	26	3 148	309
DLAMVUZO SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	20	8 861	521
DLAMVUZO SECONDARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	20	8 715	505
DLANGEZWA HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	30	21 215	1 240
DOVER COMBINED SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	5	2 000	113
DOVER COMBINED SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	5	4 475	262

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ALLOCATION 2021-22 R'000	ESTIMATE
EMPANGENI HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	23	3 730	0	
EMPEMBENI PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	13	3 097	186	
EMPEMBENI PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	13	2 000	113	
ESIKHAWINI PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	20	5 318	727	
ETHAKASANI PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	21	1 783	107	
EXHAPHOZINI PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	20	2 000	113	
EXHAPHOZINI PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	20	9 869	1 883	
EZISHABENI PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	5	1 783	107	
FLORATON PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	26	2 000	113	
GRANTHAM PARK PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	9	14 839	2 126	
GUBHETHUKA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	13	1 783	107	
GWEJOBOMVU SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	8	5 967	1 693	
HAWINI SECONDARY SCHOOL	STORM DAMAGES (PHASE 17)	REFURBISHMENT AND REHABILITATION	29	2 850	171	
HEUWELLAND PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	23	6 790	1 733	
HLAMVANA SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	17	12 945	2 039	
ILEMBE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	17	8 226	1 804	
IMIZIKAYIFANI PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	19	9 745	633	
INJABULOYESIZWE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	18	14 339	2 101	

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
ISIKHALASENKOSI SECONDARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	18	2 900	0
IZIBUKO SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	5	2 900	76
KANGIKHO PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	25	1 076	187
KANGIKHO PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	25	5 268	646
KATI PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	4	2 900	76
KHANDISA PRIMARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	30	6 672	398
KHOMBINDELA HIGH SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	28	8 934	1 838
KHULA HIGH SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	17	4 807	444
KHULA HIGH SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	17	17 164	2 240
LIZWI SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	4	2 900	384
MACEKANE PRIMARY	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	32	1 600	96
MACEKANE PRIMARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	32	23 000	0
MACEKANE PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	32	3 774	332
MADLANKALA PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	14	6 479	464
MAMBUKA PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	33	7 556	517
MANZIMPOFU PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	6	2 624	228
MAQHAMA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	12	1 783	107
MATAMZANA DUBE SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	14	9 507	612

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ALLOCATION 2021-22 R'000	ESTIMATE
MATAMZANA DUBE SECONDARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	14	1 995	299	
MATSHANGULE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	30	5 400	412	
MBUYISENI HIGH SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	10	1 929	275	
MBUYISENI HIGH SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	10	3 051	296	
MEVAMHLOPHE HIGH SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	25	2 400	113	
MKHOBOSA PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	13	5 802	525	
MKHOBOSA PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	13	14 643	862	
MKHONTO HIGH SCHOOL	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	32	10 807	633	
MNTOKHONA PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	18	3 738	330	
MUNTONOKUDLA SECONDARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	11	4 450	664	
MUNTONOKUDLA SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	11	6 165	744	
MVUZEMVUZE PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	10	1 783	107	
MZINGWENYA PRIMARY SCHOOL	LEARNERS WITH SPECIAL EDUCATIONAL NEEDS	UPGRADES AND ADDITIONS	19	15 835	0	
MZINGWENYA PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	19	9 193	596	
MZUVUKILE PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	6	1 783	107	
NCOMBO PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	15	4 700	240	
NCOMBO PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	15	4 901	386	

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
NDABAYAKHE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	29	6 962	488
NDESHENI HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	13	1 600	96
NGULUZANA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	8	6 178	1 037
NHLANGENYUKE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	11	3 257	306
NKOSAZANA PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	25	1 900	113
NKOSAZANA PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	25	2 904	289
NONGWELEZA HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	27	2 531	150
NQUTSHINI PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	29	2 742	206
NSEZI PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	5	1 783	107
NSIWA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	11	1 783	107
NTABENI PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	15	5 415	417
OLD MILL HIGH SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	23	2 650	0
ONGOYE PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	11	2 400	113
ONGOYE SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	30	12 643	770
PHALANE PRIMARY SCHOOL (DLANGEZWA)	Water and Sanitation	UPGRADES AND ADDITIONS	10	1 695	375
PHALANE PRIMARY SCHOOL (KWADLANGEZWA)	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	10	8 300	0

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ALLOCATION 2021-22 R'000	ESTIMATE
PHEMBOKUHLE PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	11	1 600	96	
PHE SHEYA PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	27	10 025	636	
QANTAYI HIGH SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	18	42 349	1 069	
QANTAYI HIGH SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	18	7 774	531	
QHAMUKA SECONDARY SCHOOL	CURRICULUM REDRESS	UPGRADES AND ADDITIONS	31	6 380	102	
QHAMUKA SECONDARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	31	8 427	2 982	
QHUBANDABA PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	25	10 412	623	
RICHARDS BAY SECONDARY SCHOOL	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	26	20 869	4 137	
SABOKWE PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	33	5 303	317	
SIGISI PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	27	5 175	720	
SINAYE PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	6	1 783	107	
SIPHUMELELE SECONDARY SCHOOL (MEER-EN-SEE)	NEW SCHOOL	NEW /REPLACEMENT INFRASTRUCTURE ASSETS	1	122 414	8 084	
SITHOLINHLANHLA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	1	2 000	350	
SITHOLINHLANHLA PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	1	13 916	7 593	
SIYABONGA SECONDARY SCHOOL (KWADLANGEZWA)	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	11	2 851	167	
SIYABONGA SECONDARY SCHOOL (KWADLANGEZWA)	WATER AND SANITATION	UPGRADES AND ADDITIONS	11	1 321	171	

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PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
SIYAKHANYISA PRIMARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	23	25 125	1 670
SIYAKHANYISA PRIMARY SCHOOL	EARLY CHILDHOOD DEVELOPMENT	UPGRADES AND ADDITIONS	23	1 783	107
SOMOPHO PRIMARY SCHOOL	RENOVATIONS, REHABILITATION OR REFURBISHMENTS	REFURBISHMENT AND REHABILITATION	31	10 583	635
SOMOPHO PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	31	5 789	1 684
THAMBOLINI SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	21	6 697	475
THANDUYISE HIGH SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	28	5 558	426
THEMBELIHLE PRIMARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	28	4 363	361
THOLOKHULE SECONDARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	8	21 907	1 298
THUTHUKANI LSEN SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	5	9 595	2 142
UBIZO PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	32	2 500	113
UBIZO PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	32	1 600	96
UMDLAMFE SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	19	7 209	761
VONDLO PRIMARY SCHOOL	WATER AND SANITATION	UPGRADES AND ADDITIONS	8	1 092	293
WOOD AND RAW PRIMARY SCHOOL	UPGRADE AND ADDITIONS	UPGRADES AND ADDITIONS	9	33 752	1 010
WOOD AND RAW PRIMARY SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	9	7 011	411
ZENZELENI MASHAMASE SECONDARY SCHOOL	STORM DAMAGE	MAINTENANCE AND REPAIR	11	4 082	744

PROJECT NAME	SUB PROGRAMME	INFRASTRUCTURE PROGRAMMES	MUNICIPAL WARD NO.	TOTAL PROJECT COST R'000	DRAFT ESTIMATE ALLOCATION 2021-22 R'000
ZICABANGELE PRIMARY SCHOOL (KWADLANGEZWA)	WATER AND SANITATION	UPGRADES AND ADDITIONS	11	2 400	967
ZIPHOZONKE HIGH SCHOOL	STORM DAMAGE	REFURBISHMENT AND REHABILITATION	24	7 760	455

9.23.4 Health

Primary Health Care Facilities (PHC)

The total population increased from 347 844 (2014/15) to 352 003 (2015/16). The sub-district has 13 fixed clinics, 1 Nseleni CHC, 4 mobile clinic teams and no district hospital. The population to fixed PHC clinics decreased from 38 649 (2014/15) to 27 077.20 (2015/16). The decrease is due to additional clinics that have been added in uMhlathuze, which is Meerensee clinic and Bracken ham clinic. This has slightly reduced the burden on the population to PHC facilities but still the highest when compared to the rest of the district. The population to CHC has increased from 347 844.00(2014/15) to 352003.00 (2015/16) and the population to mobile clinics has also increased from 86961.00(2014/15) to 88 000.80 (2015/16). The total PHC headcount decreased from 1187206 (2014/15) to 1113 700(2015/16), the district has a lot of car hijackings that have hindered service delivery especially outreach programmes.

Maternal, Child, Women Health and Nutrition

King Cetshwayo District Health's maternal mortality in facility ratio decreased from 186.9/100k in 2014/15 to 153.8/100k in 2015/16. The district will be implementing plans that are aimed at preventing maternal deaths due to Post-Partum haemorrhages, anaesthetic complications, hypertension and other high risks pregnancy induced complications. The 90-90-90 District Implementation Plan will be implemented and monitored. This will reduce the possibility of having HIV related maternal deaths. Phila Mntwana centres for the early detection and management of childhood malnutrition, to be continued. (Source, uThungulu District Health)

HIV and AIDS, STI, TB (HAST) Services

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

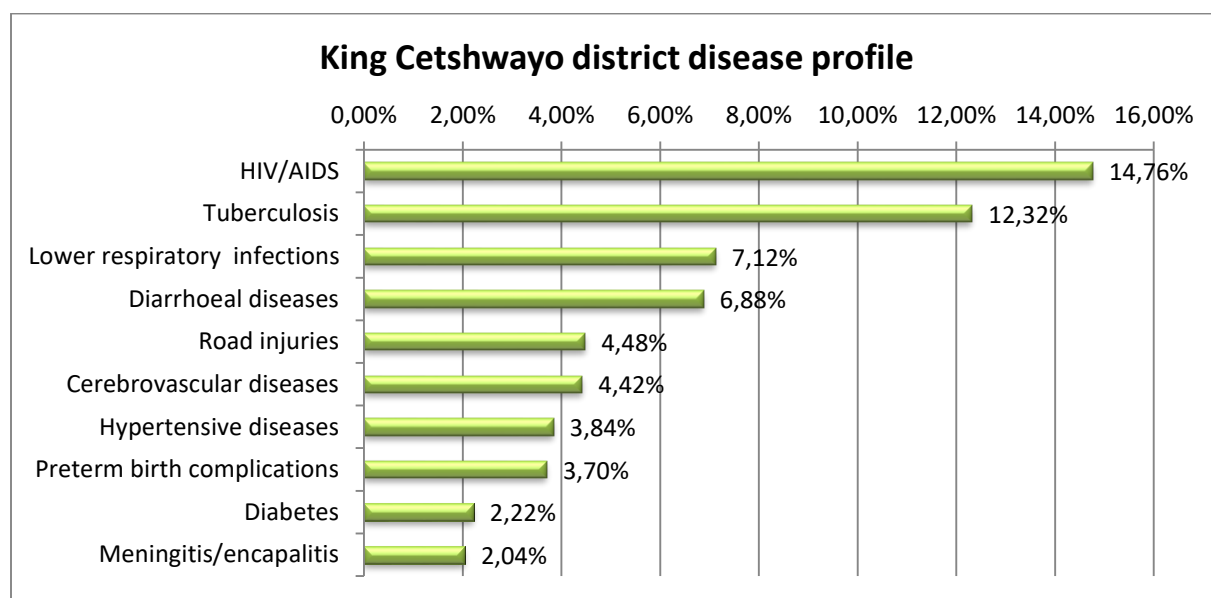
Table 67: HIV/AIDS Statistics

	Number of people living with HIV	Proportion of people living with	Number of AIDS Deaths estimates
--	----------------------------------	----------------------------------	---------------------------------

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

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

Figure 63: Disease Profile



Source: King Cetshwayo Health District

Table 68: Health Priorities

MDG	Target	Indicator
Goal 1: Eradicate Extreme Poverty And Hunger	Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Prevalence of underweight children under 5 years of age
		Severe malnutrition under 5 years incidence)
Goal 4:	Reduce by two-thirds, between 1990 and 2015,	Under-five mortality rate – use proxy “Inpatient death under 5 years rate”

Reduce Child Mortality	the under-five mortality rate	Infant mortality rate – use proxy “Child under 1 year mortality in facility rate”
Goal 4: Reduce Child Mortality	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	Measles 2 nd Dose coverage
		Immunisation coverage under 1 year
Goal 5: Improve Maternal Health	Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate	Maternal mortality ratio (only facility mortality ratio)
		Proportion of births attended by skilled health personnel (Use delivery in facility as proxy indicator)
Goal 6: Combat HIV and AIDS, malaria and other diseases	Have halted by 2015, and begin to reverse the spread of HIV and AIDS	HIV prevalence among 15- 49-year-old pregnant women
		HIV prevalence among 20- 24-year-old pregnant women

Environmental Health By-Law

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

9.23.5 Safety and Security

Integrated Public Safety Strategy

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

Traffic Management

The City of uMhlathuze has a fully established traffic Section (Traffic Services Operations and Administration). The section consists of three main sub-sections / sub-divisions namely:

- The Traffic Services Operations made up of Traffic Officers, Traffic Wardens and By-law Inspectors (Law Enforcement Officers);
- The Administration Sub-division (Admin Section) which is made up of a team of admin staff of clerks; and
- The (Traffic) Communications Centre / Control Room made up of a team of control room operators.

Traffic management services in uMhlathuze municipality include planning and executing law enforcement operations daily. The functions range from enforcement duties, the patrol function, directing and controlling traffic (point duty), setting up and conducting roadblocks,

traffic stops, vehicle checkpoint (VCP) inspections and speeding vehicle detections for purposes of road safety compliance and instituting enforcement measures against offenders.

Priorities

- Establishment of a Drivers Licence Testing Centre - Grade A

Fire and Rescue

The City of uMhlathuze has a fully established Fire and Rescue Service unit within the Community Services Department. The City has established **two** fire stations serving a population of 410 000 people. With the rising demand for fire and rescue services the City is establishing an additional fire station at eSikhaleni which will service a quarter of uMhlathuze's population.

The municipality strives to provide a safer environment for all its citizens by creating awareness of the dangers associated with fire in communities.

Fire and rescue services unit deals with all types of fires, ranging from structural fires, mountain and veld fires to small vessel and motor vehicle fires. The unit also extends its work to medical emergencies and rescues including diving, motor vehicle extrications and high angle incidents, as well as hazardous material emergencies.

9.23.6 Nation Building and Social Cohesion

Public Libraries

Public libraries are considered fundamental to the development and upliftment of communities. Access to libraries creates and sustains a reading culture. The value of libraries in terms of support of literacy, education, and the principle of lifelong learning forms an integral part of the modern democracy. To ensure the provision of these services, uMhlathuze Municipality is committed to improving public library access in all communities, developing and sustaining a culture of reading and the provision of access to information for all. Hence uMhlathuze has nine libraries which located in different areas, namely

- Richards Bay Library,
- Empangeni Library
- Ngwelezane Library
- Felixton Library
- ESikhaleni Library [with a facility of People with disabilities, e.g. library for the blind)
- ENseleni Library [**with a facility for People with disabilities, e.g. library for the blind**]
- Brackenhams Library
- Ntambanana Library
- Aquadene Library

uMhlathuze Municipality have a cooperative partnership with the KZN Provincial Department of Arts and Culture. The department provides services and support to all libraries within uMhlathuze Municipality. The services received from provincial department includes but not limited to, library material in all formats (books, music, audio books, DVDs, videos, posters,

gaming, toys and magazines), ICT and Information services and promotional items and projects. The Department also funds the employment of "cyber cadets" (library computer assistants) to develop ICT skills in computer users and to manage the internet facilities in libraries. Gaming facilities have recently been introduced into some of the libraries within uMhlathuze, mainly targeting the youth. This is part of the Department's aim to address social ills and provide facilities for the constructive use of leisure time among young people in the safe and stimulating environment of the library.

Advancements in Information Communications Technologies (ICT), has also compelled the local libraries to catch on, and this has resulted in local libraries offering electronic books (eBooks), for the registered library users. Another technological breakthrough for local libraries is the ability to allow library users to access the library catalogue from the comfort of their own home with the use of their internet enabled mobile phone, iPad, tablet or desktop computer.

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

Empangeni Museum

uMhlathuze Municipality has one Museum which is situated in Empangeni town. This museum is the storehouse of the heritage of our city and its peoples. It also serves as the educational and cultural awareness centre for youth and for all that has interest. The main aim of the established museum it is to protect and preserve uMhlathuze's heritage for future generations.

The museum displays new artwork every month. Some of the main events in the past year included the Empangeni High School Artwork, Local Artist displays and the Mondri Eisteddfod. Artwork is also purchased and added to the municipal assets, the value of which increases every year. Through combined efforts with arts and culture initiatives local artists are encouraged to make use of the museum, hence there are small crafters selling craft and art work within the premises of the Empangeni Museum.

Sports and Recreation

Various Recreational events and programmes are hosted by the Sport and Recreation Section including the following:

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

Sport Development programs annually hosted by the Municipality include:

- Ward Elimination Games

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

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

9.23.7 Operation Sukuma Sakhe

Operation Sukuma Sakhe is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities such as poverty, unemployment, crime, substance abuse, HIV/AIDS and TB. Operation Sukuma Sakhe has a “whole of Government approach” as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore, delivery of services is required through partnership with the community, stakeholders and government.

OSS Structures The following structures starting from Districts to Wards have different responsibilities to discharge in relation to Operation Sukuma Sakhe and they have been established and functional

1. King Cetshwayo District Task Team
2. King Cetshwayo District AIDS Council
3. uMhlathuze Local Task Team (LTT)
4. uMhlathuze Local AIDS Council
5. War Rooms
6. Ward AIDS Council

OSS-uMhlathuze Local Task Team (LTT)

For Operation Sukuma Sakhe to operate it needs the existence of the following core group of stakeholders, uMhlathuze LTT comprise of the following stakeholders:

- Business Sector
- Traditional Leadership Sector
- NGO Sector
- Religious Sector
- Sporting Fraternity
- Women
- Children
- Youth
- People with disability
- Senior Citizens

Some of the critical success factors to ensure the effective functioning of OSS in the uMhlathuze Municipality are noted hereunder:

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

Benefits of OSS to Civil Society

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

9.23.8 Special programs

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of youth, children senior citizens (older persons), people with disabilities, people with HIV/ AIDS, women and men.

A. Youth and Children

Municipality in its budget continues to set aside 40% of the total capex budget for youth. The municipality in 2014 adopted Youth Development Policy and its Programme of Action. More than R500 000 per year is budgeted for University Registrations to assist youth from poor background access tertiary education. About 219 students have benefited from this programme since its inception in 2015.

B. Children

Provincial departments provide technical support while national departments are responsible for dissemination of relevant information on the Children's Act to all spheres of Government and to strengthen implementation competencies at the three spheres of Government. Although the municipality has not yet established a framework for children. The following are standing programmes that are meant to benefit children:

➔ Sanitary Towels Distribution

This is an on-going programme championed by the Office of the Deputy Mayor as an intervention to assist young girls from poor backgrounds with intention of keeping them at

school during their menstrual periods. The programme was initiated in 2013 as a result of schools reporting absenteeism of girls due to unavailability of sanitary towels and fear of embarrassment in a case of mishaps at school. The conclusion was that non-attendance by female learners had negative impact towards their education thus theme, "**Breaking Barriers Building a Future**" was adopted for Sanitary Towels Distribution project.

➤ **School Uniform Handover**

Special Programmes Office in partnership with the Office of the Deputy Mayor continues to visit schools in various areas of the municipality to identify challenged children and areas of intervention. About R30 000 from municipal budget is utilised for this activity per year but most of what get to school is lobbied for from local business sector.

➤ **Child Protection Awareness Campaign**

This is done in partnership with the Department of Education through school visits. The intention is raise awareness about children's rights and challenges of abuse and steps to be taken in case of child suffering abuse.

C. Senior Citizens

The municipality established the forum but is not functional due to lack of support. There are no establishments at ward as per requirement. Elderly Abuse Awareness Campaigns and Active Ageing programmes have been started in few areas with intention to spread throughout the municipality. Luncheon Clubs are launched at various wards.

D. People with Disabilities

UMhlathuze Municipality established a Disability Forum. The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs of people with disabilities and ensure that they benefit from development initiatives. The municipality employed twenty-eight (28) temporary research fieldworkers and two (2) team leaders to assist with Profiling of People With Disabilities residing within the jurisdiction of the municipality. The aim of the study was to gather information on the number of people with disabilities in uMhlathuze Municipality in order to guide planning of programmes and the delivery of services to households of people with disabilities, as well as inform formulation of municipal policy on people with disabilities. Conference is held in every five years, linked to term of council office. uMhlathuze hosted its conference on the first and second of June 2017, which provided a platform for the nomination of the forum members. Annual general meetings will be held annually. The municipality has set **aside 20% of the total Capex budget** for the People living with Disabilities.

E. HIV/AIDS

Prevalence of HIV/ AIDS is still very high in KwaZulu-Natal. uMhlathuze Municipality has a big number of orphans and children made vulnerable by HV/AIDS. The Municipality has been

able to established Local AIDS Council but emphasis is needed for ward based establishments. The main purpose for the establishment of this structure is to assist the Municipality to establish, understand and accommodate the needs HIV/AIDS infected as well as the affected people and ensure that they benefit from development initiatives.

F. Gender

UMhlathuze Municipality has got a responsibility a responsibility of developing municipal gender plans as well as municipal strategies to implement them. The process of formulating a Policy on Women Empowerment and Gender Equality has begun. Programmes successfully conducted include

➤ Women Business Workshop

Women were work-shopped on new development on the Municipal Supply Chain Policy which allows 40% of Municipal Supply Chain to women business.

➤ Dialogues on Gender-Based Violence

This was conducted in a form of izimbizo with various sectors of the community. The aim was to get to the root causes of violence and propose possible solutions. The ideal situation will be having both men and women forums at ward level and ensuring that discussions on Gender Based violence are always part of the agenda of all Ward meetings. UMhlathuze Municipality has got a responsibility of developing municipal gender plans as well as municipal strategies to implement them.

Table 69: Special Programmes Initiatives

Program	Objective	Brief description	Impact
Youth entrepreneurship awareness workshop	To develop entrepreneurial skills among young people in business and enhance their business management ability	The workshop was conducted by National Youth Development Agencies and attended by local young people in business	It has assisted young people within the municipality to develop necessary confidence and the knowhow in the management of the business. It has also assisted them in identifying business opportunities
Intercultural & intergenerational dialogue	To develop the understanding amongst people of different generational groups on how each generation	The dialogue was conducted in partnership with Dept. of Arts and Culture it was held at R/Bay	It managed to create an understanding on how different generations viewed different moral topical issues and in the

Program	Objective	Brief description	Impact
	view some moral topical issues	Auditorium it was attended by 150 school children and 50 adults	process it enhanced the tolerance of different generations different views
Women in local govt. leadership conference	To create a platform where women within management could share their experiences with an intention to enhance their work performance	The conference was attended by 86 women leaders from level 11 upwards and Women Councilors it received presentations on women related topical issues	It boosted the moral of the women leaders and it managed to come up with a programme for women empowerment
Launch of people living with disability forum	To create a platform where people living with disability can sit and share their experiences with an intention to develop the program and structure that will deal with their issues	The launch was held at Hlanganani hall and it was attended by 40 people living with disability representing different organizations	Through presentations people living with disability managed to know about different govt. programs targeting them and their rights. They also managed to develop a program and the structure
Multi-stakeholder HIV/AIDS workshop	To discuss the five year draft strategy for HIV/AIDS and adopt it, to pave the way forward on the establishment of the Local AIDS Council	It was attended by Councilors led by Mayor, business, traditional healers, civil society, academics and labour	The workshop managed to effect some changes on the draft strategy and paved the way forward on the establishment of Local AIDS Council

9.24 LED and Social Development: SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports ○ The dependency ratio in uMhlathuze is lower than that of the country ○ Libraries in the municipality provide internet access at no charge to users Study facilities are provided at the libraries and are very well utilized ○ Functional Operation Sukuma Sakhe Unit in the Municipality ○ Existence of Industries thus creating opportunities for SMME's ○ Investment in broadband ○ Existence of University and TVET colleges as part of knowledge creation ○ Fresh produce market supporting agriculture 	<ul style="list-style-type: none"> ○ A matter of great concern is that 56% of informal traders operating without a licence ○ Underutilization of good agricultural land in the traditional council areas ○ Loss of good agricultural land in the traditional council areas to unplanned settlement ○ Failure to realize the potential for value adding through agro-processing. ○ Funding to assist Operation Sukuma Sakhe ○ Access to markets by SMME's ○ Underdeveloped tourism attraction sites and products
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ There is a branch of SEDA in Richards Bay which provides support to SMMEs, and Richards Bay Minerals has a Business Development Programme, but the Municipality could also contribute to SMME development in a number of ways ○ Harbour development has provided the impetus for large-scale industrial growth ○ Partnership with Industrial Development Zone ○ Investment in township economy ○ Industry based skills development ○ Empowerment of ward based war rooms ○ Cross boarder collaboration in investment facilitation and attraction ○ Progressive implementation of agricultural support plan 	<ul style="list-style-type: none"> ○ Growing trend of discouraged work seekers ○ Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects ○ Volatile world markets which affect prices for some agricultural commodities, for example, sugar ○ The demise of the South African Sugar Association's credit facility for small-scale cane growers ○ Nearly 10% of children of school going age are not attending school ○ There has been a decline in the percentage (%) of persons with a higher education. ○ Sexual Transmitted infections remain a growing concern. ○ Beach erosion ○ Persistent draught ○ Lack of collaboration between municipality and traditional authorities

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

9.25 Capability of the Municipality to execute Capital Projects

Procurement plans to expedite the implementation of the procurement process for the 2021/2022 MTREF will be prepared upon adoption of the SDBIP by Council in 14 days after budget adoption. Monthly monitoring of the procurement plan is being undertaken through the Capital Spend Project Team. Below is the capital expenditure for the previous years.

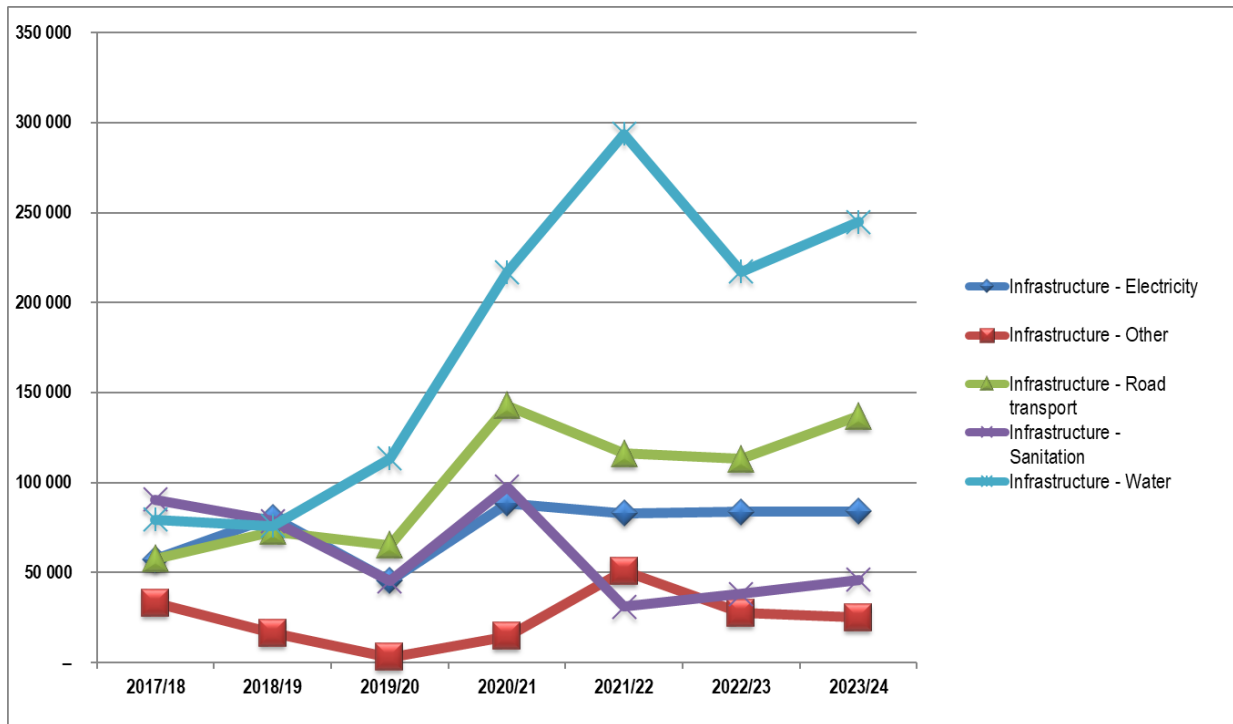
The project team has been established to expedite the capital expenditure and to ensure any challenges for example delays are addressed and resolved.

Table 70: Capital Expenditure for the Previous Years

Vote Description R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional									
Governance and administration	128 345	121 623	56 201	34 647	104 986	104 986	49 017	49 505	49 833
Executive and council	20	171	-	130	51	51	127	135	140
Finance and administration	128 325	121 452	56 201	34 517	104 935	104 935	48 890	49 370	49 693
Community and public safety	43 331	60 491	35 010	55 333	77 309	77 309	127 921	107 869	71 588
Community and social services	26 027	44 321	30 093	26 328	33 708	33 708	65 933	55 751	23 435
Sport and recreation	10 584	15 638	4 916	27 847	36 091	36 091	60 877	50 900	46 863
Public safety	6 926	531	-	1 158	1 245	1 245	1 111	1 218	1 291
Housing	(206)	-	-	-	6 265	6 265	-	-	-
Economic and environmental services	97 197	93 770	67 718	170 016	156 589	156 589	181 073	166 119	224 841
Planning and development	19 313	1 067	2 066	3 090	6 300	6 300	48 879	20 165	56 606
Road transport	77 183	92 482	65 212	165 326	149 855	149 855	127 794	130 954	155 235
Environmental protection	701	222	440	1 600	434	434	4 401	15 000	13 000
Trading services	231 648	240 796	208 595	411 839	423 824	423 824	453 457	351 708	384 758
Energy sources	57 776	80 828	48 219	85 537	91 685	91 685	83 598	84 343	84 706
Water management	84 873	76 982	112 374	274 093	220 838	220 838	300 443	225 368	249 410
Waste water management	87 895	79 745	46 180	48 605	105 919	105 919	69 416	39 200	45 987
Waste management	1 103	3 242	1 822	3 604	5 382	5 382	-	2 797	4 655
Total Capital Expenditure - Functional	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020
Funded by:									
National Government	137 671	105 800	130 140	183 857	183 357	183 357	162 013	163 351	164 420
Provincial Government	541	-	2 281	-	4 150	4 150	10 943	10 937	10 097
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total Capital Funding	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

For 2021/22 an amount of R594 million has been appropriated for the development of infrastructure which represents 72 per cent of the total capital budget. In the outer years this amount totals R501 million, 72 per cent and R 537 million, 72 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 313 million in 2021/22 which equates to 53 per cent followed by road transport infrastructure at 20 per cent, R116 million, electricity infrastructure at 14 per cent, R83 million and then waste water infrastructure at 5 per cent, R31 million.

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



9.26 Indigent Support

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

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. These are done in a universal and targeted approach. The universal approach is through the tariff structures and provides for 6kl free water and 50 kWh electricity free for users below a threshold. In addition, no rates and no refuse removal and no sewer are debited against consumers that have a property valued below the prescribed threshold.

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

Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table below:

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

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

The profile of consumers have been conducted and the results indicates that half of the consumers residing under traditional authority areas are indigent and as a result the municipality has to write off about 30 million and declare consumers and indigent. The impact is that the indigent register will balloon after writing off the debts. ***Indigent register and Policy attached as an annexure to the IDP.***

Table 71: Free Basic Services and Indigent Costs

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	49 665	50 835	55 743	60 843	60 843	60 843	71 200	74 618	78 199
Sanitation (free minimum level service)	38 063	40 699	41 201	46 301	46 301	46 301	50 200	52 610	60 000
Electricity/other energy (50kwh per household per month)	545	511	475	521	521	521	530	530	530
Refuse (removed at least once a week)	18 470	18 470	29 049	34 149	34 149	34 149	35 822	37 578	39 419
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	(69 858)	(89 055)	(128 948)	(132 816)	(132 816)	(132 816)	(177 808)	(186 698)	(192 299)
Sanitation (free sanitation service to indigent households)	(18 698)	(21 537)	(20 039)	(23 115)	(23 115)	(23 115)	(25 427)	(26 698)	(27 499)
Electricity/other energy (50kwh per indigent household per month)	(921)	(921)	(1 173)	(1 278)	(1 278)	(1 278)	(1 383)	(1 506)	(1 551)
Refuse (removed once a week for indigent households)	(16 271)	(20 182)	(23 192)	(26 276)	(26 276)	(26 276)	(27 590)	(28 969)	(29 838)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	12 011	12 011	12 011	13 686	14 490	15 343
Total cost of FBS provided	(105 749)	(131 695)	(173 350)	(171 474)	(171 474)	(171 474)	(218 521)	(229 382)	(235 845)
Highest level of free service provided per household									
Property rates (R value threshold)	120	120	120 000	130 000	130 000	130 000	160 000	160 000	160 000
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	20	20	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	165	177	177	185	185	185	237	249	262
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)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	3 550	4 219	4 219	4 346	4 346	4 346	4 945	5 182	5 431
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA	52 129	72 652	(44 926)	(51 260)	(56 310)	(56 310)	(6 469)	(6 793)	(6 863)
Water (in excess of 6 kilolitres per indigent household per month)	121 226	131 997	(3 442)	(141 237)	(141 237)	(141 237)	(175 824)	(184 615)	(190 154)
Sanitation (in excess of free sanitation service to indigent households)	700	5 633	(1 631)	(4 741)	(9 438)	(9 438)	(7 300)	(7 665)	(7 895)
Electricity/other energy (in excess of 50 kwh per indigent household per month)	4 776	144 736	(7 555)	(8 084)	(8 084)	(8 084)	(12 428)	(13 534)	(9 453)
Refuse (in excess of one removal a week for indigent households)	1 192	1 612	(2 243)	(28 776)	(28 776)	(28 776)	(30 427)	(31 949)	(32 907)
Total revenue cost of subsidised services provided	183 573	360 849	(55 578)	(229 753)	(239 499)	(239 499)	(227 504)	(239 374)	(241 842)

Table 72: Basic Service Delivery Measurement (continued)

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Household service targets									
Water:									
Piped water inside dwelling	44 308	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511
Piped water inside yard (but not in dwelling)	41 846	55 276	55 276	57 276	57 276	57 276	57 776	58 276	58 776
<i>Minimum Service Level and Above sub-total</i>	86 154	102 787	102 787	104 787	104 787	104 787	105 287	105 787	106 287
Total number of households	86 154	102 787	102 787	104 787	104 787	104 787	105 287	105 787	106 287
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068	43 068
Pit toilet (ventilated)	35 860	49 397	49 397	60 631	60 631	60 631	47 376	48 376	49 376
<i>Minimum Service Level and Above sub-total</i>	78 928	92 465	92 465	103 699	103 699	103 699	90 444	91 444	92 444
Total number of households	78 928	92 465	92 465	103 699	103 699	103 699	90 444	91 444	92 444
Energy:									
Electricity - prepaid (min.service level)	34 285	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
<i>Minimum Service Level and Above sub-total</i>	34 285	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
Electricity - prepaid (< min. service level)	132	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	132	-	-	-	-	-	-	-	-
Total number of households	34 417	35 316	35 316	35 543	35 543	35 543	35 543	35 543	35 543
Refuse:									
Removed at least once a week	73 356	74 856	77 028	79 028	79 028	79 060	81 060	83 060	85 060
<i>Minimum Service Level and Above sub-total</i>	73 356	74 856	77 028	79 028	79 028	79 060	81 060	83 060	85 060
Total number of households	73 356	74 856	77 028	79 028	79 028	79 060	81 060	83 060	85 060

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The City continues to make progress with the eradication of backlogs.
3. The budget provides for a universal approach to the provision of free subsidised services to both indigent and poor households for the 2021/22 MTREF.
4. **This Municipality is of the view that following the strict Indigent route of free basic services for indigent consumers only and ignoring the plight of the poor and less wealthy is not the correct approach in the application of the Equitable Share. Instead equitable distribution that arises from a dual tiered or block tariffs structure accommodating seamless both indigent and poor households, but not providing subsidized (below cost) service tariffs to the middle to higher income consumers would be the fairest and equitable approach.**
5. Cost of Free Basic Services provided - Informal Formal Settlements – After an internal consultation with the Management of the Revenue Section it has been agreed that the cost of Free Basic Services provided for Informal Formal Settlements will be extracted from the financial System in preparation for the 2021/22 MTREF (Tabled).
6. City of uMhlathuze does not at the present moment have a system that automates the reporting of the Cost of Free Basic Services.

7. uM-SAP system is currently under way and will be effective from 1 July 2019, this will assist with providing Council with solutions to such challenges. The Expenditure and SCM modules went live on 1 July 2019 but it is anticipated that Revenue will only go live on 1 July 2021.
8. Equitable share is not a conditional grant, hence some of its funds are used to fund the community services, services that cannot be funded by rates and general.

9.27 Revenue Enhancement

Revenue to be generated from property rates is R 617 million in the 2021/22 financial year which represents 16.6 per cent of the operating revenue base of the City. The rate base has remained constant when compared to the previous year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R 2.4 billion for the 2021/22 financial year.

As reflected in table 29 above, the City has projected about R249 million as additional revenue, with electricity service charges being the biggest contributor at 50% of the additional revenue expected.

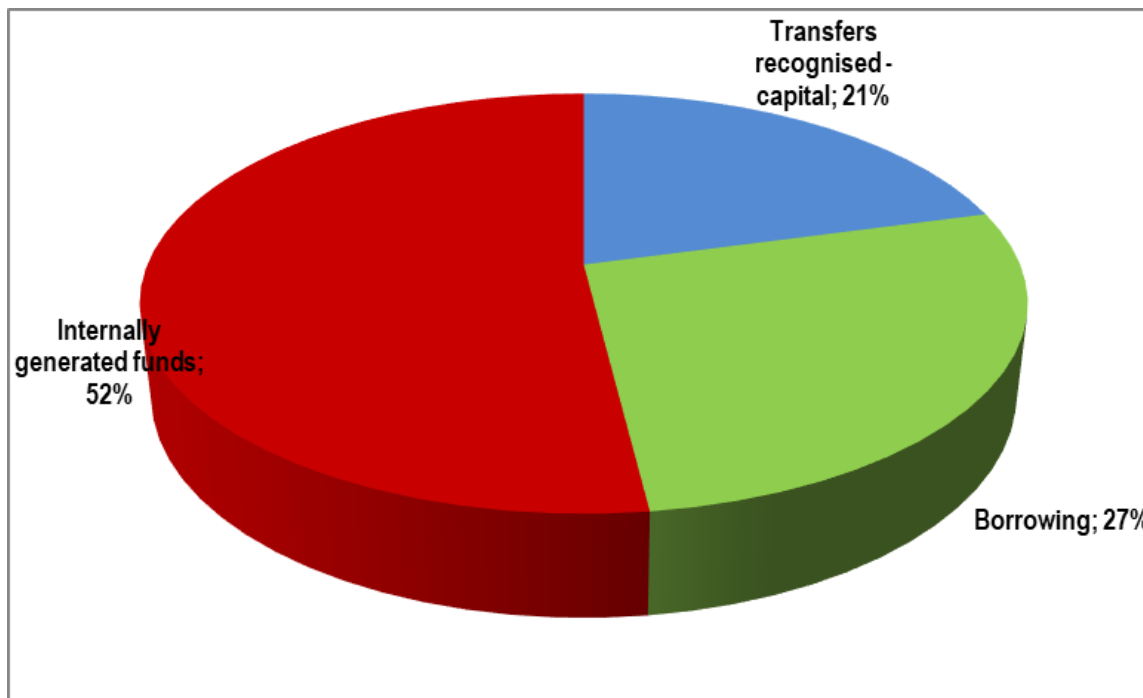
Operational grants and subsidies amount to R442 million, R469 million and R473 million for each of the respective financial years of the MTREF, or 11.9, 11.8 and 11.2 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government have decreased from the 2020/21 financial year by 11 per cent but grows by 6 per cent for 2022/23 and by 1 per cent for 2023/24.

Table 73: Sources of Capital Revenue over the MTREF

The following table is a breakdown of the funding composition of the 2021/22 medium-term capital programme:

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funded by:									
National Government	137 671	105 800	130 140	183 857	183 357	183 357	162 013	163 351	164 420
Provincial Government	541	-	2 281	-	4 150	4 150	10 943	10 937	10 097
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total Capital Funding	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

The above table is graphically represented as follows for the 2021/22 financial year.



9.27.1 Revenue Enhancement and Protection Strategies

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure an above 94 per cent annual collection rate for property rates and other key service charges;

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

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

The proposed tariff increases for the 2021/22 MTREF on the different revenue categories are:

Table 74: Proposed tariff increases over the medium-term

Revenue category	2020/21 current revenue increase	2021/22 proposed revenue increase	2021/22 additional revenue for each 1% increase	2021/22 additional revenue per service	2021/22 Total Budgeted revenue
	%	%	R'000	R'000	R'000
Property rates	(10,00)	5,00	6 174	57 970	617 377
Sanitation	6,00	5,00	1 076	(585)	107 610
Solid Waste	6,00	5,00	1 076	5 130	107 607
Water	22,00	4,00	4 700	60 940	469 986
Electricity	4,8	6,29	17 901	125 942	1 790 123
TOTAL			30 927	249 397	3 092 704

Revenue to be generated from property rates is R 617 million in the 2021/22 financial year which represents 16.6 per cent of the operating revenue base of the City. The rate base has remained constant when compared to the previous year.

Table 75: Breakdown of the operating revenue over the medium-term

Description R thousand	2021/22 Medium Term Revenue & Expenditure Framework					
	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Revenue By Source						
Property rates	617 378	16.8%	648 246	16.5%	654 976	16.3%
Service charges	2 475 325	67.5%	2 666 750	68.0%	2 746 752	68.4%
Interest earned - external investments	65 000	1.8%	67 000	1.7%	69 000	1.7%
Transfers recognised - operational	441 914	12.1%	469 277	12.0%	473 324	11.8%
Other own revenue	67 282	1.8%	69 436	1.8%	71 663	1.8%
Total Operating Revenue (excluding capital transfers and contributions)	3 666 899	100.0%	3 920 709	100.0%	4 015 715	100.0%
Total Operating Expenditure	3 935 127		4 127 272		4 360 851	
Surplus/(Deficit)	(268 229)		(206 564)		(345 137)	

Detail Investment Information

Investment revenue contributes significantly to the revenue base of the City with a budget allocation of R65 million, R67 million and R69 million for the respective three financial years of the 2021/22 MTREF. It needs to be noted that whilst a healthy working capital is important for a Municipality, the practise in this Municipality comes from a historical trend of utilising cash reserves to fund service delivery initiatives instead of generating interest returns.

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

Table 76: Detail Investment Information

Investment type	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Parent municipality									
Deposits - Bank	415 000	390 000	490 000	270 000	350 000	650 000	530 000	480 000	400 000
Municipality sub-total	415 000	390 000	490 000	270 000	350 000	650 000	530 000	480 000	400 000
Consolidated total:	415 000	390 000	490 000	270 000	350 000	650 000	530 000	480 000	400 000

Note: Investment register attached

9.27.2 Municipal Consumer Debt Position

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

Debt Collection Rate

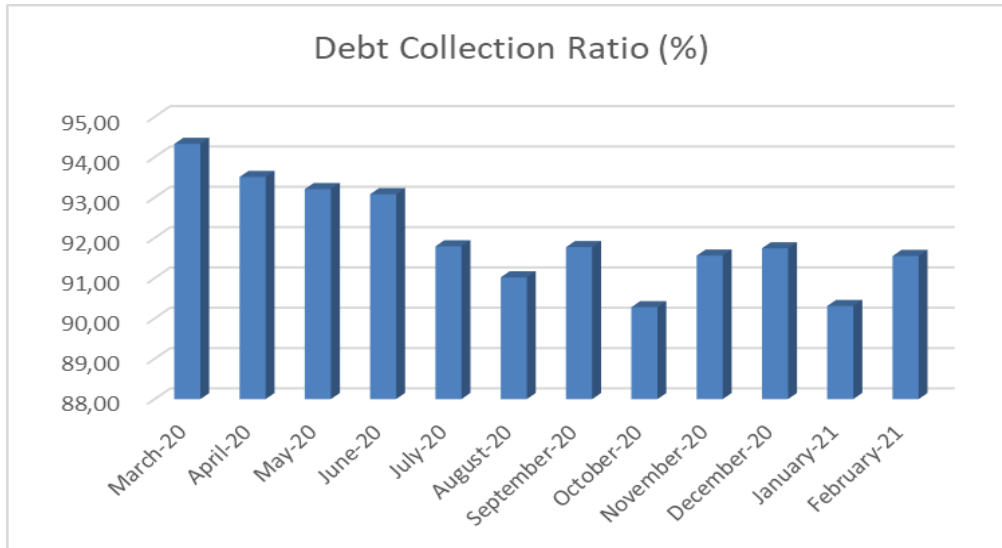
The Ratio indicates the collection rate, i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the circular

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

Table 77: Debt Collection Rate

Month	Debt Collection Ratio (%)
February-21	91,55
January-21	90,31
December-20	91,74
November-20	91,56
October-20	90,28
September-20	91,77
August-20	91,02
July-20	91,79
June-20	93,08
May-20	93,21
April-20	93,51
March-20	94,33

Figure 64: Debt Collection Ratio



Net Debtors Days

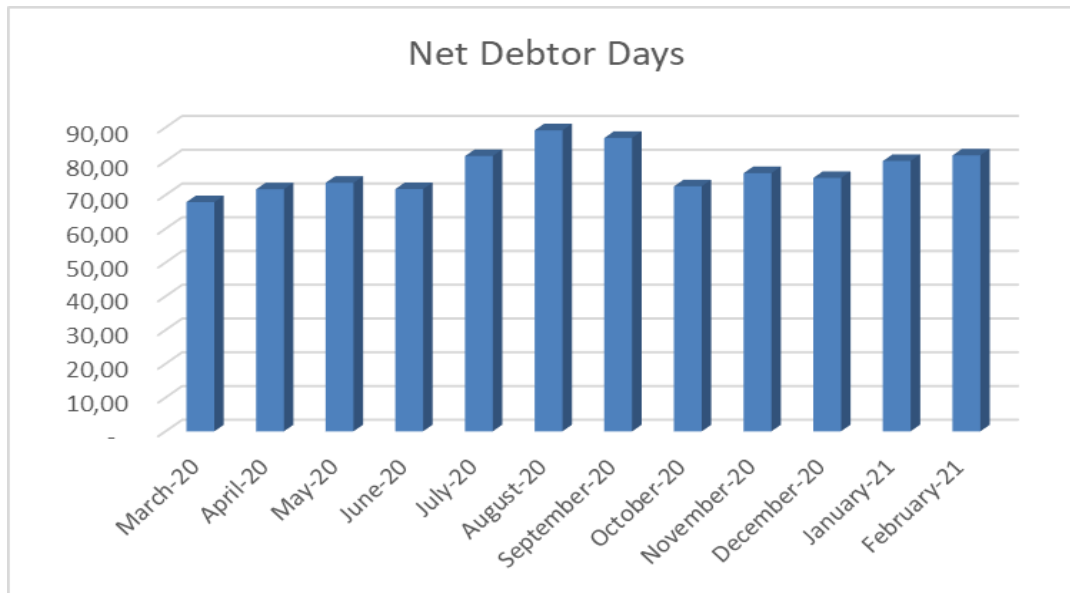
This ratio reflects the collection period. The Net Debtor Days refer to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio excludes balances for Debtors which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of Credit Control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful debts.

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

Figure 65: Net Debtor Days

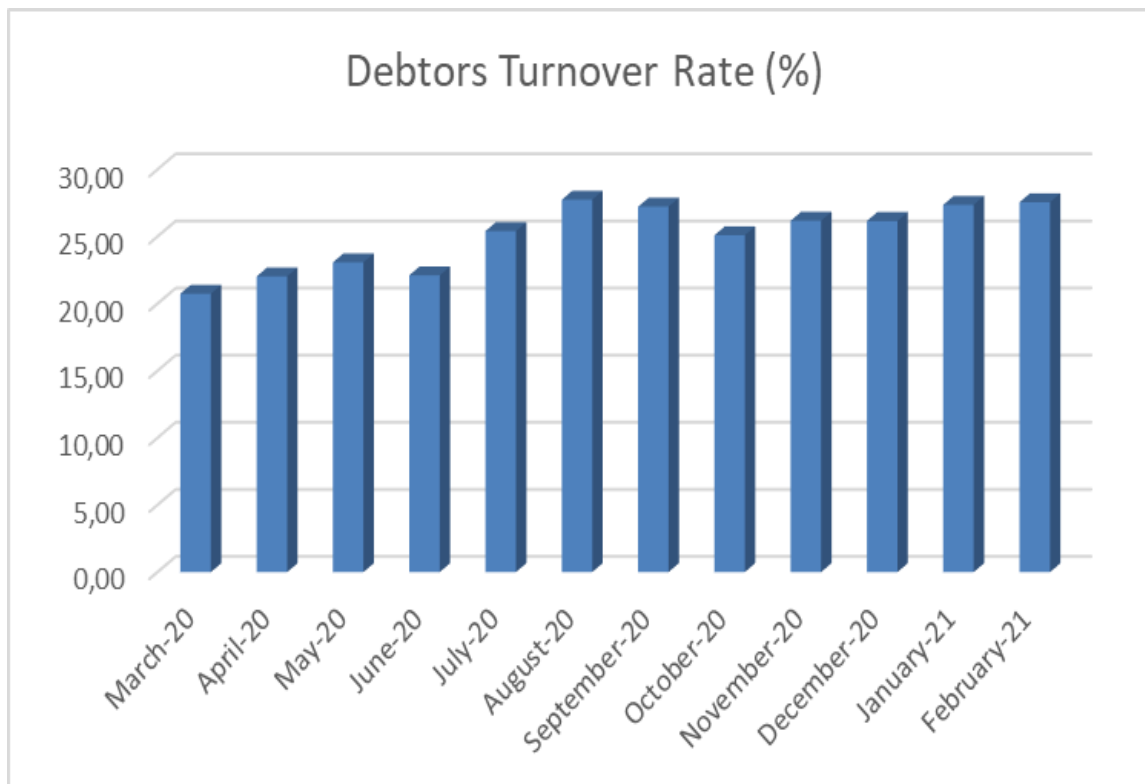
Month	Net Debtor Days
February-21	81,75
January-21	80,08
December-20	75,05
November-20	76,48
October-20	72,59
September-20	86,91
August-20	89,18
July-20	81,55
June-20	71,77
May-20	73,63
April-20	71,71
March-20	67,88



Debtor's Turnover Rate

The norm is to be below 20%:

Month	Debtors Turnover Rate (%)
February-21	27,56
January-21	27,37
December-20	26,16
November-20	26,18
October-20	25,10
September-20	27,23
August-20	27,75
July-20	25,41
June-20	22,11
May-20	23,08
April-20	22,03
March-20	20,74



DEBTORS' AGE ANALYSIS

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Government	3 746 767	2 133 200	1 231 655	12 387 437	19 499 059
Other Organs of State	59 027 511	19 656 854	16 233 216	166 422 022	261 339 602
Business	224 592 974	8 180 367	7 779 284	73 615 508	314 168 133
Households	81 559 364	10 822 417	8 227 345	195 892 080	296 501 206
Other	6 908 251	1 384 531	853 114	15 528 592	24 674 488
Total	375 834 867	42 177 369	34 324 614	463 845 638	916 182 488
%	41,02%	4,60%	3,75%	50,63%	

Table 78 Debtors age categories three years

Sum of Value	Column Labels								Grand Total
Row Labels	000-030	031-060	061-090	091-120	121-150	151-180	181-360	360p	Grand Total
ELECTRICITY	80499249,09	1935771,54	905145,93	705596,16	728760,27	687666,98	3391615,31	5159729,2	94013534,48
GENERAL	-7232887,46	572846,19	746498,28	-446106,29	1166582,58	750275,06	-441220,43	8760567,66	3876555,59
INTEREST	286337,92	118270,13	112997,24	92133,04	99294,29	93339,74	497535,58	1395676,94	2695584,88
LOANS	25967,03							35843,76	61810,79
OTHER	4476422,97	311489,55	405478,47	135392,43	415565,58	338561,09	1613817,17	22299512,09	29996239,35
RATES	34754399,08	2121536,38	1478274,16	1338159,27	1131469,96	1067499,47	10389084,62	15559595,36	67840018,3
REFUSE	6850922,33	336962,01	414239,81	347441,17	305361,19	285782,2	1200026,9	1860615,52	11601351,13
RENTALS	654479,66	181295,37	170998,78	150156,22	148104,73	142345,31	897230,63	8094955,92	10439566,62
SEWER	8692856,79	509222,78	582370,01	513986,37	460752,64	350349,81	1614887,26	3346838,63	16071264,29
TAKE-ON								3453,55	3453,55
WATER	50524842,29	11480761,49	8635623,29	7761995,83	4470520,36	3419159,16	16576743,23	73087267,46	175956913,1
WATER BASIC CHARGE	477582,16	140821,32	131777,17	122962,04	122209,57	108632,65	618048,75	3049079,41	4771113,07
Grand Total	180010171,9	17708976,76	13583403,14	10721716,24	9048621,17	7243611,47	36357769,02	142653135,5	417327405,2

9.27.3 Grants and Subsidies

Operational grants and subsidies amount to R442 million, R469 million and R473 million for each of the respective financial years of the MTREF, or 11.9, 11.8 and 11.2 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government have decreased from the 2020/21 financial year by 11 per cent but grows by 6 per cent for 2022/23 and by 1 per cent for 2023/24. Capital grants and receipts equates to

21 per cent of the total funding source which represents R173 million for the 2021/22 financial year and decrease to R 175 million or 23 per cent by 2022/23.

Table 79: Capital transfers and grant receipts

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:									
Capital Transfers and Grants									
National Government:	152 305	103 670	157 634	183 857	183 357	183 357	162 013	163 351	164 420
Municipal Infrastructure Grant (MIG)	103 305	102 590	-	-	-	-	-	-	-
Integrated Urban Development Grant	-	-	132 634	153 857	153 857	153 857	128 013	116 351	121 420
Integrated National Electrification Programme Grant	10 000	-	-	-	-	-	-	7 000	8 000
Water Service Infrastructure Grant	34 000	-	25 000	25 000	25 000	25 000	30 000	35 000	35 000
Energy Efficiency and Demand Management	5 000	1 080	-	5 000	4 500	4 500	4 000	5 000	-
Finance Management	-	-	-	-	-	-	-	-	-
Provincial Government:	2 087	7 900	8 480	-	-	-	10 943	10 937	10 097
Sport and Recreation	1 546	7 900	8 243	-	-	-	10 943	10 937	10 097
Dept of Arts and Culture	541	-	-	-	-	-	-	-	-
Dept of Human Settlements	-	-	237	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	5 135	11	65	-	-	-	-	-	-
National Lotto - Sports Development	4 070	-	-	-	-	-	-	-	-
Engen Garage Durban - Fire Water Tanker	415	-	-	-	-	-	-	-	-
Lotto Ntambanana	650	-	-	-	-	-	-	-	-
IQMS - Television Sets	-	11	-	-	-	-	-	-	-
Esquire Technologies - Computer equipment	-	-	65	-	-	-	-	-	-
Total Capital Transfers and Grants	159 527	111 581	166 179	183 857	183 357	183 357	172 956	174 288	174 517

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

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

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

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

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

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

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

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

9.27.4 Municipal Infrastructure Assets and Maintenance

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

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

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2021/22 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

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 section and tables is a consolidation of all the expenditures associated with repairs and maintenance:

Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2021/22 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 80: Operational repairs and maintenance

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	209 087	231 581	512 292	525 167	525 167	525 167	546 174	569 113	594 154
Inventory Consumed (Project Maintenance)	73 130	74 844	58 729	92 378	93 254	93 254	87 972	91 593	95 353
Contracted Services	134 906	136 464	72 348	123 119	124 070	124 070	106 997	111 704	116 396
Other Expenditure	-	-	-	-	804	804	1 366	1 424	1 484
Total Repairs and Maintenance Expenditure	417 124	442 889	643 369	740 665	743 296	743 296	742 510	773 834	807 387

During the compilation of the 2021/22 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. However, due to budget constraints, repairs and maintenance was decreased insignificantly by 0,1 per cent in the 2021/22 financial year, from R 743 million to R 742,5 million. In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **30.6; 20.0 and 19.9 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **11.5; 11.3 and 11.4 per cent** of the respective financial years MTREF.

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

Table 81: Repairs and maintenance per asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Infrastructure	302 041	318 005	442 703	521 179	520 349	520 349	520 629	542 698	566 261
Roads Infrastructure	69 391	87 406	102 677	117 534	117 652	117 652	118 791	123 779	129 164
Electrical Infrastructure	65 780	70 774	127 841	165 828	165 164	165 164	165 820	172 717	180 192
Water Supply Infrastructure	92 452	-	101 463	123 010	123 110	123 110	124 335	129 557	135 207
Sanitation Infrastructure	29 989	159 825	60 310	75 660	75 660	75 660	77 613	81 143	84 662
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	853	-	2 016	1 270	1 270	1 270	1 229	1 281	1 335
Coastal Infrastructure	-	-	743	1 082	1 070	1 070	1 058	1 102	1 148
Information and Communication Infrastructure	3 369	-	-	-	-	-	-	-	-
Community Assets	73 421	68 308	75 754	100 095	99 502	99 502	100 488	104 696	109 284
Heritage assets	103	-	83	120	120	120	124	130	135
Other assets	250	9 387	26 600	24 314	27 478	27 478	28 413	29 592	30 874
Computer Equipment	-	-	11 958	10 374	10 374	10 374	7 259	7 563	7 880
Furniture and Office Equipment	527	-	58	28	84	84	75	78	81
Machinery and Equipment	1 308	4 664	36 065	25 589	26 422	26 422	24 409	25 434	26 497
Transport Assets	39 474	42 525	50 147	58 967	58 967	58 967	61 113	63 644	66 377
Total Repairs and Maintenance Expenditure	417 124	442 889	643 369	740 665	743 296	743 296	742 510	773 834	807 387
R&M as a % of PPE	6.7%	7.1%	10.4%	11.2%	11.5%	11.5%	11.5%	11.3%	11.4%
R&M as % Operating Expenditure	15.1%	14.1%	19.9%	21.3%	20.6%	20.6%	27.8%	20.0%	19.9%

For the 2021/22 financial year, 70.1 per cent or R 520.6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling at 22.3 per cent (R 165.8 million) followed by water infrastructure at 16.7 per cent (R 124.3 million), road transport infrastructure at 16 per cent (R 118.8 million) and sanitation at 10.5 per cent (R77.6 million). Community assets have been allocated R 100.5 million of total repairs and maintenance equating to 13.5 per cent. Transport assets has been allocated R 61.1 million (8.2 per cent).

9.27.5 Borrowing /Loans

Table 82: Details of borrowing

Borrowing - Categorised by type	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Parent municipality									
Annuity and Bullet Loans	539 424	702 634	616 854	777 788	777 788	777 788	838 045	905 738	972 951
Municipality sub-total	539 424	702 634	616 854	777 788	777 788	777 788	838 045	905 738	972 951
Total Borrowing	539 424	702 634	616 854	777 788	777 788	777 788	838 045	905 738	972 951
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	83 138	83 138	67 841	66 552	74 866
Municipality sub-total	-	-	-	-	83 138	83 138	67 841	66 552	74 866
Total Unspent Borrowing	-	-	-	-	83 138	83 138	67 841	66 552	74 866

The following graph illustrates the growth in outstanding borrowing for the 2017/18 to 2022/23 period

Figure 66: Growth in outstanding borrowing (long-term liabilities)

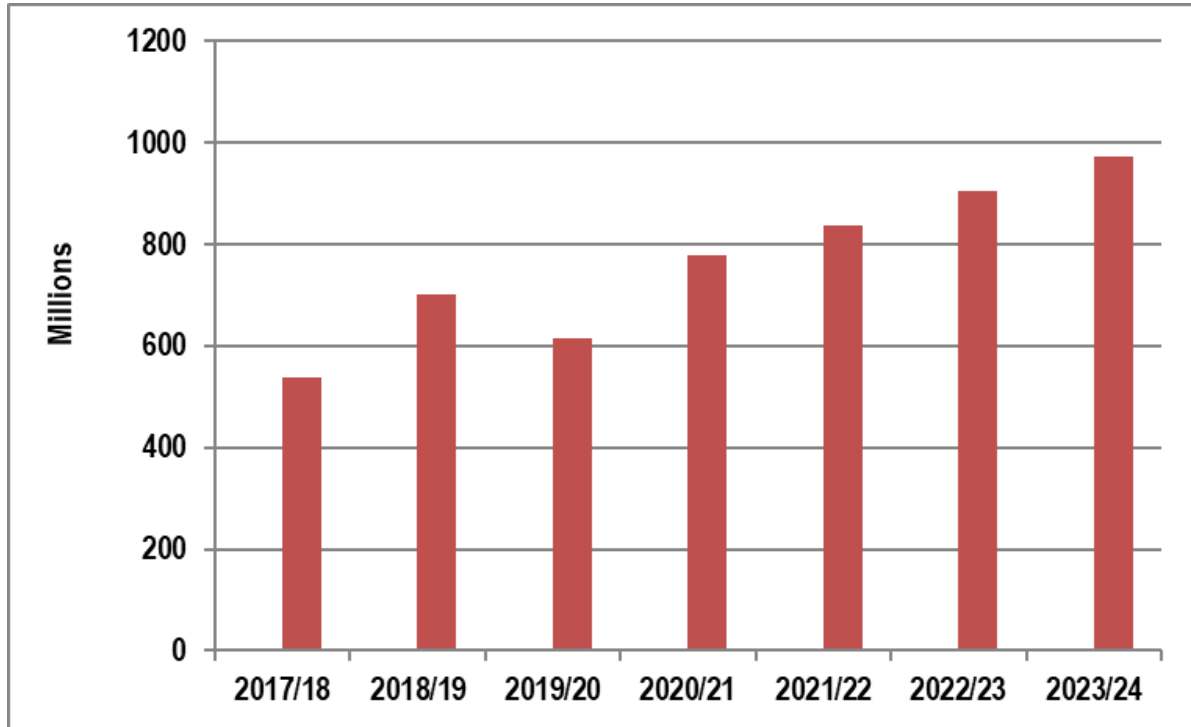


Figure: Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R432 million in 2021/22, R364 million in 2022/23 and R399 million in 2023/24.

9.27.6 Financial Viability and Sustainability

Figure 67: Performance Indicators and Benchmarking

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>Borrowing Management</u>										
Credit Rating		Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za	Ba1/A1.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	8.1%	6.3%	4.7%	5.0%	4.9%	4.9%	3.9%	3.7%	3.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.6%	7.7%	5.6%	5.9%	5.9%	5.9%	4.6%	4.3%	4.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	75.4%	0.0%	48.6%	41.2%	41.2%	34.4%	29.7%	29.9%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	6.5%	10.3%	9.0%	10.4%	10.4%	9.9%	10.9%	11.6%	12.5%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.5	1.7	1.6	1.8	1.9	2.4	2.5	2.2	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.7	1.6	1.8	1.9	2.4	2.5	2.2	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.8	0.8	0.7	0.8	1.3	1.3	1.1	0.9
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	99.9%	99.3%	99.7%	93.6%	92.6%	92.6%	91.1%	91.1%	91.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.3%	99.5%	99.7%	93.6%	92.6%	92.6%	91.1%	91.1%	91.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.5%	15.9%	14.9%	15.9%	15.9%	15.9%	16.4%	14.7%	13.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%							
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		72.0%	52.2%	57.6%	58.7%	41.0%	41.0%	24.8%	29.7%	38.7%

Figure 68: Performance Indicators and Benchmarking (continued)

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	63838475	62427737	65803433	65803433	65803433	65803433	65803433	65803433	65803433
	Total Cost of Losses (Rand '000)	79 798	55 268	76 965	76 965	76 965	76 965	76 965	76 965	76 965
	% Volume (units purchased and generated less units sold)/units purchased and generated	6	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	7 662	9 119	8 088	8 088	8 088	8 088	8 088	8 088	8 088
	Total Cost of Losses (Rand '000)	39615021	60733885	58474287	58474287	58474287	58474287	58474287	58474287	58474287
	% Volume (units purchased and generated less units sold)/units purchased and generated	21	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	25.5%	26.7%	27.2%	28.8%	28.4%	28.4%	28.1%	27.3%	26.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.0%	27.7%	28.1%	29.8%	29.4%	29.4%	29.0%	28.2%	27.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	14.3%	15.1%	20.6%	21.6%	21.5%	21.5%	19.9%	19.4%	19.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	14.3%	17.9%	13.5%	16.2%	14.4%	14.4%	13.5%	13.2%	12.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.8	19.5	17.2	19.5	19.5	19.5	21.4	20.4	21.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	22.3%	19.5%	18.8%	19.0%	19.2%	19.2%	19.6%	17.5%	15.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.9	2.8	3.0	1.9	2.5	2.5	3.1	2.7	2.1

Performance indicators and benchmarks

Borrowing Management

- Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of uMhlathuze's borrowing strategy is primarily informed by the Finance charges to Operating Expenditure (Max 10%) and Debt to Equity ratio (Max 30%), Debt to Operating Expenditure (Max 45%) and the status of its Capital Replacement Reserves (Max 80% of Cash Backed Reserves). The structure of the City's debt portfolio is dominated by vanilla annuity loans. The following financial performance indicators have formed part of the compilation of the 2021/22 MTREF:
 - *Finance Charges and redemption to Operating Expenditure and to own Revenue* is a measure of the cost of borrowing in relation to the operating expenditure and own revenue. It can be seen that the cost of borrowing is 4.7 per cent in 2021/22 and decreasing slightly to 4.5 per cent in 2023/24. In addition the mix of capital funding for the MTREF is remaining constant whereby borrowed funds over capital expenditure excluding grant expenditure, remains at a favourable average level of 48.6 per cent over the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development such funding will be confined to

assets with a useful life exceeding 10 years as well as limiting such financing to assets that generate revenue.

Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. During the 2012/13 financial year this ratio peak at 17.7 per cent however has stabilised to between 11.6 and 13.8 per cent over the MTREF.

Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the City has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2021/22 MTREF the current ratio is 1.6:1 and 1.3:1 and 0.8:1 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to meet its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 financial year the ratio was 0.5 and as part of the financial planning strategy this ratio has been maintained and increase slightly in the 2021/22 financial year to 1.6. This slight increase is mainly due to the decision to use own funding to fund capital expenditure in the 2018/19 financial year. As the debtors' collection rate is at 93.6 per cent it is envisaged that cash will be available to meet its monthly current liabilities. The outlook for the outer years 22.23 and beyond is however not looking good due to increased expenditure but a deteriorating recovery from debtors. Exact strategies to remedy this negative trend are as at time of compiling this report not formalized yet

Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been continued from previous years to maintain cash inflow. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection with specific focus in the "traditional areas".

Creditors Management

- The City has managed to ensure that creditors are settled within the legislated 30 days of invoice. By maintaining stringent cash flow recovery interventions

introduced in 2009/10, the Municipality has managed to this legislative obligation. It is anticipated that with the ERP system, the management of creditors will become easier.

Other Indicators

- Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 28.7 per cent for the 2021/22 MTREF, this may appear favourable however needs to be read in conjunction with the comments under section 1.6 – Operating Expenditure Framework as well as the comments under the Executive Summary.

Repairs and maintenance as percentage of operating revenue remains constant over the MTREF owing directly to continued effort to ensure that resources in the repairs and maintenance cost centres are maximised.

Table 83: SA 10 - Funding compliance measurement

National Treasury requires that the municipality to assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. 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.

Description	MFMA section	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	460 422	491 155	599 918	367 282	525 479	525 479	719 231	650 695	537 961
Cash + investments at the yr end less applications - R'000	18(1)b	254 800	303 495	534 273	302 697	348 329	657 990	452 169	294 941	169 584
Cash year end/monthly employee/supplier payments	18(1)b	2.9	2.8	3.0	1.9	2.5	2.5	3.1	2.7	2.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	290 254	(113 386)	42 796	129 377	33 910	33 910	22 501	93 634	98 832
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(1.8%)	0.0%	6.9%	(6.2%)	(6.0%)	2.8%	1.2%	0.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	92.7%	100.1%	98.3%	93.8%	92.7%	92.7%	91.4%	89.6%	89.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.2%	6.9%	9.1%	1.2%	3.2%	3.2%	4.5%	4.3%	4.2%
Capital payments % of capital expenditure	18(1)c;19	99.9%	100.0%	100.0%	98.6%	97.0%	97.0%	70.0%	80.0%	85.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	75.4%	0.0%	48.6%	41.2%	41.2%	34.4%	29.7%	29.9%
Grants % of Govt. legislated/gazetted allocations	18(1)a							98.9%	99.8%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(8.8%)	2.4%	14.3%	0.7%	0.0%	11.3%	(4.1%)	(6.7%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	6.7%	7.1%	10.4%	11.2%	11.5%	11.5%	10.8%	10.9%	10.9%
Asset renewal % of capital budget	20(1)(vi)	23.2%	14.3%	13.1%	11.3%	15.6%	15.6%	11.1%	20.8%	23.8%
High Level Outcome of Funding Compliance										
Total Operating Revenue		2 920 660	2 927 545	3 129 057	3 430 794	3 454 295	3 454 295	3 725 911	3 983 150	4 215 668
Total Operating Expenditure		2 768 618	3 146 732	3 239 539	3 485 274	3 603 742	3 603 742	3 876 366	4 063 804	4 291 353
Surplus/(Deficit) Budgeted Operating Statement		152 042	(219 187)	(110 482)	(54 480)	(149 448)	(149 448)	(150 455)	(80 654)	(75 685)
Surplus/(Deficit) Considering Reserves and Cash Backing		254 800	303 495	534 273	302 697	348 329	657 990	452 169	294 941	169 584
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖		✓	✓	✓	✓	✓	✓	✓	✓	✓

9.27.6.1 Cash/cash equivalent position

The City's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2021/22 MTREF shows R 346 million, R 211 million and deficit of R 80 million for each respective financial year.

9.27.6.2 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 18, on page 71. 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.

9.27.6.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the City 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. Notably, the ratio has improved significantly for the period 2021/22 MTREF the municipality's improving cash position sets the ratio at 1.5 and then decreases significantly to a negative 0.3 for the 2023/24 financial year. As indicated above the City the Investment, Working Capital and Capital Replacement Reserves Policy requires a ratio of two months' coverage. Therefore, the Municipality is heading in a direction of breaching is only policy, which obviously is not acceptable. Although no interventions have been formalized as yet, there is a suggested recommendation for Council when approving this budget, a first step in the right direction

9.27.6.4 Surplus/deficit excluding depreciation offsets

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

For the 2021/22 MTREF the indicative outcome is a surplus R26 million then deficit of R167 million and deficit of R475 million. This however is not a true reflection of the Operating performance as this figure includes capital revenues (Transfers recognised – capital). The Municipal Manager has indicated that expenditure needs to be significant reduced to reduce the deficit.

9.27.6.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 4 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage declines from remains at 0 percent for the respective financial year of the 2021/22 MTREF. This is not a reflection of economic growth in the area but rather a reflection of cost drives which have increased more than inflation targets such as bulk water and electricity and employee related costs.

9.27.6.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 93 per cent for 2021/22 increasing to 94 per cent for the two outer years. Given that the assumed collection rate was based on a 92 per cent performance target, it either implies that the Municipality must either increase its' credit control endeavours in the Rural Areas or alternatively lower its collection rate target of 94 per cent to be more realistic. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly?

9.27.6.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3 per cent over the MTREF which is a reflection of the high standard of credit and debt control for the City. Given the comments mentioned above regarding the debtors' situation within the rural environment these provisions may need to be reviewed in the next budget cycle.

Council has performed an assessment of the Debt impairment and revised its method of calculating the budgeted outstanding debtors. The change is reflected on Table 28 - A6 Budgeted Financial Position and Table 72 SA3 - Supporting detail to Statement of Financial Position.

In terms of the debt impairment, the municipality is of the view that the provision that it currently has is sufficient to cover the risk of non-payment. Included in the debtors outstanding is the portion that will have not reached 90 days and therefore may still be recoverable. The trend is that about 50% of the outstanding debt is between current and 60 days. The Municipality is of the view that budgeting 8% of the annual budgeted billing (anticipated recovery of 92%) will be an overstatement of expenditure as sufficient provision is available as reflected in table 73 SA3 - Supporting detail to Statement of Financial Position. Also the Municipality's actual write off has for the past years has never reached R32 million annually which is anticipated to double to R64 million, whereas the for 2021/22 financial year the provision is R90 million and 21/22 R93 million.

9.27.6.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. This indicator clearly illustrates the lack of capital spending in the 2020/21 Adjusted budget but does assume that with improved procurement and project management plans, spending will accelerate in the 2021/22 financial year.

9.27.6.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 21.7, 29.7 and 29.9 per cent of own funded capital. This is both consistent and a good funding mix.

9.27.6.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The City has budgeted for all transfers.

9.27.6.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Only one indicator is reflected above which illustrates a stable trend in that debtors are only increase by the equivalent increase in revenue not by deterioration in collection rate. The changes in Long term receivables are immaterial and thus no comments are necessary.

9.27.6.12 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. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 65 MBRR SA34c of the budget as attached.

9.27.6.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table SA34b of the budget as attached.

9.27.7 Municipality's Credit Rating

The rating of a Municipality has an impact on its ability to raise external funds. The current credit score of the Municipality is BBB. The Municipality had an A investment grade in 2005 but the grading was lowered mainly due to increased level of external gearing.

The grading can be improved to AA by achieving the following:

- o Posting of operational surpluses
- o Continued improvement of income and expenditure management
- o Continued increasing levels of cash reserves through sound cash management
- o Maintenance of a good collection rate by focusing on both old and current debt.

9.27.8 Auditor General's Opinion

Refer to section F , Subsection 25

9.27.9 Employee Related Costs

Employee related costs, including Councilor Allowances and provided for in the MTREF is summarized hereunder.

Table 84: Summary of Employee and Councilor Related Costs

Summary of Employee and Councilor remuneration R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	18 280	18 834	19 668	21 050	21 120	21 120	21 796	22 669	23 689
Pension and UIF Contributions	2 741	2 950	2 889	3 089	3 089	3 089	3 189	3 317	3 466
Medical Aid Contributions	1 786	1 831	1 941	1 925	2 033	2 033	2 098	2 182	2 281
Motor Vehicle Allowance	3 570	4 004	4 028	4 390	4 503	4 503	4 648	4 834	5 051
Cellphone Allowance	2 966	2 776	2 953	3 280	3 280	3 280	3 385	3 521	3 680
Housing Allowances	-	-	-	291	291	291	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	29 342	30 395	31 478	34 026	34 317	34 317	35 116	36 522	38 167
% increase	-	3.6%	3.6%	8.1%	0.9%	-	2.3%	4.0%	4.5%
Senior Managers of the Municipality									
Basic Salaries and Wages	8 864	10 917	10 405	12 076	12 644	12 644	12 048	12 530	13 094
Pension and UIF Contributions	442	670	594	1 013	1 012	1 012	1 036	1 078	1 127
Medical Aid Contributions	175	248	251	296	226	226	255	266	278
Performance Bonus	982	1 305	1 464	2 259	2 259	2 259	2 250	2 341	2 447
Motor Vehicle Allowance	1 331	1 563	1 333	1 684	1 486	1 486	1 749	1 819	1 901
Cellphone Allowance	209	252	237	283	303	303	330	344	360
Other benefits and allowances	480	846	3 699	1 084	1 194	1 194	1 001	1 041	1 088
Payments in lieu of leave	56	260	332	803	803	803	694	723	756
Sub Total - Senior Managers of Municipality	12 540	16 061	18 316	19 498	19 927	19 927	19 364	20 141	21 050
% increase	-	28.1%	14.0%	6.5%	2.2%	-	(2.8%)	4.0%	4.5%

Table 85: Summary of councillor and staff benefits (Senior Managers)

Summary of Employee and Councillor remuneration R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Other Municipal Staff									
Basic Salaries and Wages	412 132	438 462	467 673	524 002	547 949	547 949	557 478	576 337	602 122
Pension and UIF Contributions	70 700	76 273	84 277	108 089	102 257	102 257	116 690	121 315	126 781
Medical Aid Contributions	36 148	38 212	41 888	47 897	46 104	46 104	58 023	60 346	63 065
Overtime	44 523	50 992	59 988	70 917	71 008	71 008	71 377	74 322	77 529
Motor Vehicle Allowance	42 733	45 975	48 687	55 150	53 818	53 818	62 970	65 486	68 420
Cellphone Allowance	3 391	3 613	3 893	5 548	6 071	6 071	7 534	7 838	8 194
Housing Allowances	4 316	4 239	4 067	5 065	4 508	4 508	5 349	5 569	5 820
Other benefits and allowances	52 519	60 245	74 583	77 510	80 294	80 294	84 702	88 134	92 039
Payments in lieu of leave	16 176	17 907	20 054	38 766	41 743	41 743	55 215	57 427	60 014
Long service awards	156	430	(655)	950	950	950	950	1 045	1 150
Post-retirement benefit obligations	5 721	29 548	26 530	33 388	7 152	7 152	7 510	7 810	8 162
Sub Total - Other Municipal Staff	688 514	765 897	830 984	967 283	961 854	961 854	1 027 798	1 065 630	1 113 296
% increase		11.2%	8.5%	16.4%	(0.6%)	-	6.9%	3.7%	4.5%
Total Parent Municipality	730 396	812 353	880 778	1 020 807	1 016 097	1 016 097	1 082 278	1 122 293	1 172 512
TOTAL SALARY, ALLOWANCES & BENEFITS	730 396	812 353	880 778	1 020 807	1 016 097	1 016 097	1 082 278	1 122 293	1 172 512
% increase		11.2%	8.4%	15.9%	(0.5%)	-	6.5%	3.7%	4.5%
TOTAL MANAGERS AND STAFF	701 054	781 958	849 300	986 781	981 781	981 781	1 047 162	1 085 770	1 134 346

Table 86: Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	737 700	179 100	50 600			967 400
Chief Whip	1	747 100	112 200	50 600			909 900
Executive Mayor	1	1 213 200	233 100	50 600			1 496 900
Deputy Executive Mayor	1	555 400	132 100	279 900			967 400
Executive Committee	8	4 112 900	1 140 100	2 025 000			7 278 000
Chairperson Section 79 Committee	1	-	-	-			-
Total for all other councillors	54	14 430 100	3 490 000	5 576 200			23 496 300
Total Councillors	67	21 796 400	5 286 600	8 032 900			35 115 900
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 563 900	281 500	462 100	317 000		2 624 501
Chief Finance Officer	1	1 632 000	-	384 000	276 200		2 292 201
Deputy Municipal Manager - Infrastructure and Technical Services	1	1 272 300	279 900	463 800	276 200		2 292 201
Deputy Municipal Manager - Corporate Services	1	1 647 100	48 700	320 200	276 200		2 292 201
Deputy Municipal Manager - City Development	1	1 568 500	50 900	396 600	276 200		2 292 201
Deputy Municipal Manager - Community Services	1	1 528 200	43 600	444 200	276 200		2 292 201
Deputy Municipal Manager - Specialised Services	1	1 439 200	281 600	295 200	276 200		2 292 201
							-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE	75	33 844 300	6 562 600	11 128 500	2 250 400		53 785 808

The budgeted allocation for **employee related costs** for the 2021/22 financial year totals R 1 047 million, which equals 27% per cent of the total operating expenditure.

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. Implying therefore that there is no increase agreed upon for this MTREF. In terms of Circular 107, National Treasury budget guidance was to budget a zero increase. This may not be very prudent if the Unions succeed in their bid for a 9% increase. Therefore, a 3.2% increase as per Budget Policy approved by Council has been included.

For Councillors allowances a similar situation is unfolding, therefore a 3.2% increase for them has been provided for.

Table 87: Summary of personnel numbers

Summary of Personnel Numbers	2019/20			Current Year 2020/21			Budget Year 2021/22		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	67	67	-	67	67	-	67	67	-
Municipal employees	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	8	8	-	8	8	-	8	8	-
Other Managers	17	12	-	17	12	-	18	16	-
Professionals	394	346	-	394	355	-	426	364	-
<i>Finance</i>	46	42	-	46	48	-	55	51	-
<i>Spatial/town planning</i>	33	23	-	33	23	-	33	24	-
<i>Information Technology</i>	11	11	-	11	11	-	32	11	-
<i>Roads</i>	22	20	-	22	19	-	22	21	-
<i>Electricity</i>	41	31	-	41	33	-	41	34	-
<i>Water</i>	16	10	-	16	10	-	18	12	-
<i>Sanitation</i>	24	12	-	24	14	-	24	16	-
<i>Refuse</i>	10	8	-	10	9	-	10	8	-
<i>Other</i>	191	189	-	191	188	-	191	187	-
Technicians	533	457	-	355	474	-	556	476	-
<i>Finance</i>	31	19	-	48	20	-	31	23	-
<i>Spatial/town planning</i>	26	22	-	23	22	-	31	27	-
<i>Information Technology</i>	6	5	-	11	5	-	10	5	-
<i>Roads</i>	48	40	-	19	41	-	48	45	-
<i>Electricity</i>	60	53	-	33	53	-	60	51	-
<i>Water</i>	34	34	-	10	40	-	42	38	-
<i>Sanitation</i>	34	23	-	14	31	-	40	34	-
<i>Refuse</i>	13	13	-	9	13	-	13	10	-
<i>Other</i>	281	248	-	188	249	-	281	243	-
Clerks (Clerical and administrative)	315	289	-	320	292	-	311	289	-
Skilled agricultural and fishery workers	2	2	-	2	2	-	2	2	-
Craft and related trades	3	3	-	3	3	-	3	3	-
Plant and Machine Operators	87	81	-	131	106	-	131	113	-
Elementary Occupations	1 592	1 478	-	1 708	1 587	-	1 681	1 606	-
TOTAL PERSONNEL NUMBERS	3 018	2 743	-	3 005	2 906	-	3 203	2 944	-
% increase				(0.4%)	5.9%	-	6.6%	1.3%	-
Total municipal employees headcount	2 951	2 676		2 939	2 839	-	3 136	2 877	
Finance personnel headcount	237	192		237	188	-	269	219	
Human Resources personnel headcount	42	29		42	34	-	46	35	

The challenge with the organizational structure is that it has no grading structure since 2000. For the size of the organisation required in this environment is a very serious risk. Consequently, over the years, positions which require highly skilled and competent officials will never be filled or retained appropriately i.e. at the mercy of an antiquated grading system. The risk of this from a financial and service delivery perspective is that the municipality is forced to

employ officials who don't have the requisite skills to perform tasks appropriately this has a knock on effect on productivity and the standard of service delivery.

A further knock on effect is that basic maintenance is outsourced due to the inability of the Municipality been able to employ appropriate skills. As well known, emergency maintenance can never be scoped properly and therefore subject to commercial abuse both wittingly and unwittingly. These inefficiencies and potential fraud and corruption cost the Council many millions of rands. The possible risk in the total Human Resource structure is if one adds both contracted services and employee related costs together, this figure amounts to 38 per cent of the operating budget, which although the 35,2 per cent norm for local government, does indicate a lack of skills within the Administration and a tendency to outsource. One of the overriding solutions here is that of a Municipal Grading in the first instance and an organogram suited for such grading for the administration. Since 2000 the structure of the organogram is dictated by the influences of the different Councils over the years and different managers, hence no collectively and best practice structured staff structure. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

9.27.10 Supply Chain Management

The City of uMhlathuze has a fully functional Supply Chain Management Unit guided by SCM Policy. Council approved the amended Supply Chain Management Policy on 13 July 2016. The amendment of the policy included the following new clause:

To spend a minimum of 40% (forty percent) of its annual procurement budget with Historically Disadvantaged Individuals (HDIs), **in terms of PPPFA Regulations of 2017, clauses 4 and 9** through the application of Preferential Procurement Policy and **other** relevant policies.

The intention to allocation 40% to include the military veterans in a targeted distribution as follows:

- **30%** Black Youth.
 - **30%** Black Women.
 - **20%** Disabled People.
 - **20%** Black military veterans.
-
- Sub-contracting to a maximum of 25% on contracts of the approved budget per department. The 25% would be allocated to local black emerging contractor(s), local youth emerging contractor(s) inclusive of women and contractors of people with disabilities and co-operatives.
 - Council utilises Section 71 reports as a monitoring tool to determine adherence to the above mentioned set aside targets.

Monthly reports are submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. **Bid committee meetings have been recorded and submitted on a monthly basis.**

Preferential Procurement Regulations

In terms of Government Gazette No 34350, the Preferential Procurement Regulations 2001 was repealed and replaced with the Preferential Procurement Regulations 2011 and the Preferential Procurement Policy was amended and approved by Council.

In order to ensure that all contractors are afforded the opportunity to participate in Council's SCM process, all works related orders in excess of R2 000 are advertised on all Council notice boards around the City. This has proven to be highly successful as several new contractors are now afforded an opportunity to perform work for Council. All quotations from R30 000 and above are advertised on Council's website. As Council's amended and approved Supply Chain Management Policy whose objective is to spend a minimum of forty percent (40%) of its annual procurement budget with historically disadvantaged individuals (HDIs), youth, women, People living Disabilities.

Supplier training and development

As Council's amended and approved Supply Chain Management Policy whose objective is to spend a minimum of forty percent (40%) of its annual procurement budget with historically disadvantaged individuals (HDIs), Youth, Women and People with Disabilities.

Below is the SCM spending report reflecting the performance under each category:

Total SCM Spending 2019/2020 - Quarter 1 to 4								
Categories	Q1	Q2	Q3	Q4	TOTAL		HDI - Target	% Achieved
Total spend per quarter	9 411 164,38	219 372 137,71	171 018 388,16	186 065 136,30	585 866 826,55			
State owned	0,00	12 570 796,75	33 325 353,22	9 656 212,58	55 552 362,55			
Total spend excluding state owned	9 411 164,38	206 801 340,96	137 693 034,94	176 408 923,72	530 314 464,00	40%	212 125 785,60	
EME or QSE with atleast 51% ownership by Black Women	771 548,19	30 211 770,28	26 943 872,08	12 059 329,47	69 986 520,02	40%	84 850 314,24	82%
EME or QSE with atleast 51% ownership by Black Youth	400 744,41	26 607 591,18	23 256 627,32	16 029 229,91	66 294 192,82	40%	84 850 314,24	78%
EME or QSE with atleast 51% ownership by Disabled Black People	869,40	169 481,49	39 209,70	3 712,50	213 273,09	20%	42 425 157,12	1%
Total spent through targeted groups	1 173 162,00	56 988 842,95	50 239 709,10	28 092 271,88	136 493 985,93	100%	212 125 785,60	

The targeted procurement policy of the municipality is slowly but surely meeting the objectives set, that of improving the lives of the people. In the first year of implementation, 2016/17 financial year, 40% set aside was R348 million. Out of this amount the local black women category achieved 175% (R244 million), youth was 94% (R131 million) and People with Disabilities was 0.87% (R605 Thousand).

In the second year ending 2018, there is an improvement where the youth has already achieved 102% (R134 million), women 91% (R117 million) and the People with Disabilities 2% (R1.6 million). In the third year ending June 2019, there is an improvement where the youth has already achieved 140% (R139.3 million), women 122% (R121.2 million) and the People with Disabilities 4% (R2.0 million). In the fourth year ending June 2020, there was a significant decrease in achievements mainly owed to Covid-19 pandemic where the youth achieved only 78% (R66.29 million), women 82% (R69.99 million) and the People with Disabilities 1% (R0.213 million).

These percentages grow in value in the second and third year in proportion to the first year. Having said that, uMhlathuze is very clear with this programme of uplifting the youth in our area. However, challenges are still encountered from these groupings more especially around compliance perspective, their financial management skills and access to finance. However, there has been a significant decrease in the fourth year, this decrease is as a result of COVID-19 pandemic.

Bid Committees

Appointment letters were served to all members of the different bid committees stating their roles and responsibilities and their acceptance as member on the respective committees. Training of all bid committee members on their roles and responsibilities was done by Provincial Treasury. Training on oversight role of Council was conducted with Councilors by Provincial Treasury.

Table 88: Bid Committees

Bid Committee	Legislative Reference	Members of Bid Committee
Bid Specification Committee	<p>The Accounting Officer appoints officials to serve on the Bid Specification Committee in terms of Section 27 (3) (a) of the Supply Chain Management Policy (DMS 868603) which reads as follows:</p> <p>“(3) (a) the bid specification committee must be composed of at least one or more officials of the municipality or municipal entity, preferably the manager responsible for the function involved, and may, when appropriate, include internal or external specialist advisors”</p>	<p>MR S MBATHA - CHAIRPERSON MS G GAZU MR J GUMEDE MR T GUMEDE MR D MOHAPI MR B NZUZA MRS B STRACHAN MS S XULU</p>
Bid Evaluation Comitee	<p>The Accounting Officer appoints officials to serve on the Bid Evaluation Committee in terms of Section 28 (2) (a), (b) and (c) of the Supply Chain Management Policy (DMS 868603) which reads as follows:</p> <p>“(2) The bid evaluation committee must be appointed and composed as follows:</p> <p>(a) officials from departments requiring the goods or services;</p> <p>(b) at least one supply chain management practitioner of the municipality or municipal entity and</p> <p>(c) the accounting officer must appoint the members of the committee in terms of clause 26(b) of this policy and the chairperson of the bid specification committee. If the chairperson is absent from a meeting, the members of the committee who</p>	<p>Mr T Mathebula – Chair Mr S Morajane Mr Z Masango Mr T Kubheka Mr S Mhlongo Mr B Mbhamali Mr S Khumalo Mrs Z Mdluli Mr J Khambule</p>

	are present must elect one of them to preside at the meeting.	
Bid Adjudication		MR M KUNENE - CHAIRPERSON MS L KAYWOOD MS T KHUMALO MR W N KHUMALO MS N NDONGA MR N H KHUMALO MR B MBHAMALI

SCM Challenges

The financial year under review was also the year for the SAP ERP implementation. SAP modules, were SRM – Supplier Relationship Management and MM – Material Management. SRM facilitates the procurement of goods via a web-based platform from procurement to payment. MM deals with Material Management and Inventory Management, Procurement Process, Master Data (Material and Vendor Master), Inventory Management, Valuation of Material Requirement Planning, Invoice Verification, etc. Once these modules are fully integrated with other SAP modules, most of the procurement transactions will be automated, where even the RFQ is completed online through SAP module called SUS - Supplier Self-Services.

The biggest work had started 18 months prior to the implementation financial year. The implementation had technical glitches that were reported during the year, in other reports. The first quarter was the difficult one, as the system did not function the way it was supposed to, which resulted in the organisation relying on manual processes in order to create requisitions to purchase and pay suppliers. The second quarter also had its own glitches, which was manageable. Below are some challenges experienced by SCM:

Bid process

- Objections - On expiry of existing contract, delays on commencement of work by the new contractor due to dispute and objection by the current contractor. This create a 6 to 12 months' delay while the current contractor is benefiting.

Implementation of the contract

- Not all contract related documents are saved on shared electronic system (DMS). There also delays in loading contract as a result of user department not providing relevant documents on time. Delays may also result from long BOQ and too many lines.
- Tender document (GCC, JBC, NEC, etc.) which are deemed to be contracts against signing of SLA dichotomy
- Receipt of invoices by supply chain before physical goods have been received

- Poor planning including insufficient budget / funding which results to delays in requisition
- Non adherence to 30 days' payment terms
- Commencement of work by the supplier before SLA is exchanged or letter of acceptance issued.

Management of contracts:

- Delays in involving SCM on contractor disputes on site
- Delays receiving in close out reports

Measures

Council has recently established a bid administration unit to enhance bid administration and contract management this one major achievement for the City to improve delivery of services in an efficient manner.

ALIGNMENT BETWEEN SDBIP AND PROCUMENT PLANS

Refer to annexure SDBIP, component 5, Colum AD to AK

9.27.11 Standard Chart of Accounts (mSCOA)

uMhlathuze Municipality is performing a pilot exercise for the National Treasury on the new Municipal Standard Chart of Accounts. Such are governed by regulations which will become effective Nation-wide on 1 July 2017.

In short the change is resulting in some positive business reforms:

- Ensuring a more consistent reporting of financial transactions across all municipalities in South Africa; and
- Ensuring that municipalities can budget per objective or project based, not on items or products. This entire budget is now Project Based in terms of the mSCOA regulations

Progress with mSCOA implementation

- The City is transacting in the financial system across the 7 segments of MSCOA and reporting on the MSCOA data string as required.
- The primary challenge with mSCOA at this stage lies with the fact that the Revenue Module (ISU MODULE) and Human Resources (HCM MODULE) of SAP is only going live from the 2021/22 financial year. This forces manual intervention for the

production of monthly JNLs from legacy systems to SAP and manual intervention for the production of cash flow figures.

- To give some comfort, illustrating the functionality of the system for mSCOA we offer you the following demonstration from the live system.

9.27.12 Financial consultants

Council utilises the services of a service provider to perform due diligence on the annual financial statements. The annual cost for this consultant is +/- R 100 000.

In the meantime for all tenders/bids relating to local content, the Municipality will be specifying on the advert the requirement as recommended by the Auditor-General although the Municipality disagrees because of interpretation of Regulation 9(1) of 2011.

9.28 Financial Viability and Management: SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Council has an adopted Indigent Policy. ○ The City of uMhlathuze has a fully functional Supply Chain Management Unit ○ uMhlathuze Council approved cash flow recovery plan to circumvent a short term cash flow and service delivery impediment ○ Financial reporting and financial statements are developed in-house ○ Fully funded budget ○ Alignment of budget with IDP ○ Full adherence to financial management prerequisites 	<ul style="list-style-type: none"> ○ The current credit score of the Municipality is BBB. ○ organisational structure not fully funded ○ Poor capital expenditure ○ Lack of long term financial planning ○ Investment of borrowings in non-revenue projects ○ Impact of engineering contributions on investment ○ In-adequate contract management
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ The Municipality has obtained an average debt collection ratio of 99.49%. ○ The City obtained Clean Audit for five consecutive years since 2012/2013 financial year ○ Pilot mSCOA ○ ERP implementation ○ Diversification of revenue base ○ Borrowing to invest in economic infrastructure ○ Establishment of a municipal owned entity ○ Reduction in cost of doing business 	<ul style="list-style-type: none"> ○ The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure. ○ The Council is limited in its leverage to borrow money externally. ○ Limited resources provided in capital refurbishment and replacement programs. ○ Limited revenue base ○ Unfunded mandates ○ Growing indigent register ○ No rateable areas under traditional authorities ○ Growing of rural debts ○ Non-payment for services

GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

9.29 Provincial Programmes/Priorities rolled-out at Municipal Level

13.1.1 Operation Sukuma Sakhe

Operation Sukuma Sakhe has a “whole of Government approach” as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore, delivery of services is required through partnership with the community, stakeholders and government.



Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve 12 National Outcomes. It encourages social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

It is the KwaZulu-Natal Provincial Government flagship programme that seeks to combat all kinds of ills affecting the society. It calls for joint efforts from all sectors to contribute towards sustainable upliftment of the standard of living for the people of KZN at the National Government level and is called “war on poverty”.

Operation Sukuma Sakhe (OSS) was established in the uMhlathuze Municipality during 2011. Ongoing activities and strategies planning are increasing the effectiveness of the structure.

The Municipality has 10 CDWs (Community Development Workers) that provide a foundation for at least 10 wards. The deployment of managers to war rooms is being pursued and managers are to act as mentors for the war rooms. In addition, all Departments sit in the LTT. More details in respect of OSS are provided in section 5 of this report.

Batho –Pele Principles

Batho Pele principles are a Government's initiative to improve the delivery of public services. Batho Pele means people first and the name was chosen specifically to emphasize that it is the foremost duty of those in the Public Service to serve all citizens of South Africa.

The City of uMhlathuze is in a process of institutionalizing Batho Pele. The Batho Pele Committee was established which constituted of both councilors and senior officials. The following are committee members as appointed by Council:

Members	
Chairperson	Cllr Mbokazi
Deputy Chair	Cllr Zikhali
Coordinator	T.M Phahla
Secretary	N Zulu
Member	N.P Mdluli
Member	BM Dladla
Member	N Khumalo
Member	T Mdumela
Member	M Nzimande
Member	N Mthethwa
Member	T Dlamini
Member	B Khanyile Resigned
Member	T Gumede
Member	M Ncalane

Council adopted an Action plan in ensuring that institutionalisation is achieved. The following documents have been drafted and considered by Council,

- Customer Care Policy (Batho Pele Policy)
- Service Delivery Standards
- Service Delivery Charter

Service Delivery Improvement Plan

Council has adopted the SDIP together with the Final IDP Review 2019/2020 in May 2019. The Plan list three-priority areas which the municipality wish to improve on. The SDIP is an annexure to the IDP

Over and above the services identified for improvement, an internal assessment of key assets used for service delivery was conducted and the list of top twenty assets requiring maintenance within the financial year 2019/2020 was compiled. Maintenance of these assets is currently at various stages of implementation. Where necessary budget provision has been made in the 2019/2020 MTREF.

9.29.1 Intergovernmental Governmental Relations (IGR)

King Cetshwayo District IGR Structures

King Cetshwayo is one of the critical IGR Structures that this municipality is a member to. The object of the Forum is to promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities, including to seek unity of purpose and coordination of effort around the District's development priorities; and to ensure effective and efficient service delivery unhampered by jurisdictional boundaries. The table below list various IGR/Technical committees in which the municipality is participating on:

Table 89: King Cetshwayo District IGR Structures

FORUM	PURPOSE /Objective	Composition	Functions	Meefing Frequency
Technical Support Forum (Municipal Managers Forum)	To ensure coordination and alignment of municipal strategic issues and governance issues affecting the district and family of municipalities.	The Committee consists of – (a) the Municipal Manager of the KCDM; (b) members of the management from all municipalities; and (c) the Municipal Managers of Local Municipalities in the District	The Committee is responsible for – (a)Providing technical support to the Forum; and (b) implementing the decisions of the Forum.	The meeting shall be held quarterly provided that it is held one week before the District Mayors Coordinating Forum
Infrastructure forum	To ensure coordination and alignment of infrastrucre planning and development across the district family of municipalities	Technical Services and Planning and Economic Development Managers /Directors in the local municipalities and relevant provincial and national line function departments with the District Planning and Deputy Municipal Manager Infrastructure Planning and Technical Services as the Chairperson	shall discuss and make recommendations on matters of water and sanitation; roads and transport; electricity; waste management • Shall coordinate the development of Water Services Development Plan in accordance with the Water Services Act Shall coordinate the development of the Integrated Energy Plan in accordance with Energy White Paper • Shall coordinate Shall coordinate the development of an Integrated Transport Plan in accordance with the National Land Transport Bill, White Paper on Transport and Moving South Strategy and Action Plan • Shall coordinate the compilation of an Integrated Infrastructure Plan	The meeting shall be held quarterly if it is held one week before the Municipal Managers Forum.
Planning and Development Forum	To ensure coordination and alignment of spatial planning, environmental and development initiatives	Technical Services and Planning and Economic Development Managers /Deputy Municipal Managers in the local municipalities and relevant provincial and national line function departments with the District Planning and Economic Development Deputy Municipal Manager as the Chairperson	• Shall discuss and make recommendations on matters of agriculture, mining, tourism, SMMEs, land use management, spatial development, land reform, housing issues. • Shall coordinate the development of the Integrated Spatial Development Framework in accordance with the planning and performance management regulations • Shall coordinate the development of a Land Use Management scheme in accordance with the White Paper on Spatial Planning and Land Use	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
			Management Bill • Shall deal with issues of land use and land management in tribal areas in accordance with the Communal Land Rights Bill and Land Reform Processes • Shall coordinate the development of the Integrated Environmental Management Plan • Shall coordinate the development and implementation of the Local Economic Development Plans • Shall deal with the development of Housing Strategy and Targets	
Corporate Services Forum	To ensure uniform norms and standards in terms of human capital management	The composition shall be all Corporate Services Managers, Chief Financial Officer, Managers for Strategic Management and relevant at provincial and national line function departments and meetings shall be chaired by the Deputy Municipal Manager Corporate Services for the district	shall deal with the development of institutional and human resource policies with accordance with the Municipal Systems Act • Shall deal with the development of by-laws • Shall deal with issues of training and capacity building for councilors, officials and ward committees • Shall deal with issues of co-ordinated administration between the District Municipality and Local Municipalities • Shall deal with matters of financial management • Shall deal with matters of good governance • Shall deal with matters of performance management system.	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
District Communications Forum	To ensure effective communication and sharing of best practices in the district	The District Communication and Public Relations Managers and Communication Managers of the district family of municipalities The District Communication Manager is the Chairperson of this forum	Promote synergies through periodic and structured inter-department and inter-stakeholder communications efforts; and Seek opportunities to assist the district and district family of municipalities by extension, its partners realise both its vision and its strategic objectives.	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
Community and Social Services Forum	To ensure coordination and alignment of community and social services within the district	The Deputy Municipal Manager of Community Services from the	• the development of an Integrated Waste Management Plan in accordance with White	The meeting shall be held quarterly if it is held one week

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FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
		district and district family of municipalities	Paper on Integrated Waste Management Plans Shall discuss and make recommendations with all issues of health, youth, disabled, women development, and disaster management. • Shall deal with the development an Integrated HIV/AIDS Programme • Shall deal with the development of an Integrated District Health Strategy • Shall deal with the development of a Disaster Management Plan • Shall deal with issues of youth, women and disabled development • Shall deal with issues of Skills Development Strategy	before the Municipal Managers Forum.
District Area Financial (CFO) Forum	To ensure and promote efficient and sound financial management	Chief Financial Officers from the District family of Municipalities The KCDM CFO, is the chairperson of the forum	Here the District Treasury, the CFO's of local municipalities and other relevant stakeholders engage with senior municipal officials about financial management and governance arrangements in the local government arena.	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
District Speakers Forum	Provide political guidance in the determination of policy objectives. • Make decision regarding community participation and consultations. • Consult with social partners on Government Flagship Programmes such as CDWs, Ward Committees and Multi-purpose Community Centres. • Monitor the implementation of CDWs, Ward Committees and public participation policy framework.	The DSF consists of all speakers in the district and the District Speaker presides on all the meetings.	it is aimed at increasing public participation, oversight and law, making within the district family of municipalities	The DSF convenes its routine meetings at least once a quarter. Special meetings can be staged when they are deemed essential.
Mayor's Coordinating Forum	(a)To promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities; (b) seek unity of purpose and coordination of effort around the	the Mayor of the KCDM Executive Committee Members Traditional Leaders sitting at District Council the Mayors of local municipalities in the District.	The functions of the Forum is to discuss and consult each other on matters of mutual interest, including – (a) draft national and provincial policy and legislation relating to	The Forum must meet at least six times per calendar year at such times and places as the District Mayor may determine

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
	District's development priorities; and (c) ensure effective and efficient service delivery unhampered by jurisdictional boundaries.	The KCDM Mayor is the Chairperson	matters affecting local government interests in the District; (b) implementation of national and provincial policy and legislation with respect to matters affecting local government in the District; (c) matters arising in the Premier's intergovernmental Forum; (d) mutual support in terms of section 88 of the Municipal Structures Act, 1998 (Act 117 of 1998); (e) service delivery in the District; and (f) coherent planning and development in the District.	
Planners Forum	To discuss matters of mutual concerns on Integrated development planning, and to share best practices.	The Planners of the family of municipalities, regional, provincial and national department's representatives and other key stakeholders. The District Manager Planning Chairs the forum.	To discuss planning and development issues To coordinate and align spatial development framework To give support	The meeting shall be held quarterly provided that it is held one week before the Municipal Managers Forum.
DDM Technical Committee				

MUNIMEC

It is one of the provincial structures that our municipality participates in. The City Manager and the Mayor are members of the technical committee. This is a platform for the City of uMhlathuze to engage at a high level with regards to provincial priorities and implementation of provincial functions and initiatives. At length the issues of Disaster Management, Back to Basics and all other important issues are deliberated and resolutions are taken.

UMhlathuze IGR Co-ordination Role

uMhlathuze Municipality has a dedicated official responsible for IGR Co-ordination. The incumbent is based in the office of Mayor for effective coordination. UMhlathuze Council has initiated a number of programmes and actions to improve good governance and relations with external role-players but also to improve internal efficiencies. Municipal venues (within the Council complexes and inclusive of the Auditorium and Restaurant) host numerous departmental award ceremonies, Independent Electoral Commission meetings and training sessions, Human Resources Relationship Building Programmes, sports meetings, budget meetings with the public and Traditional Councils and many more. A great number of events by external organisations ranging from the Youth Ambassador Conference by the Premiers Office, the Women's Day Summit, Statistics South Africa Census Programme, uThungulu District Municipality sessions, Small Town Rehabilitation and Corridor Development Programme by the Department of Cooperative Governance and Traditional Affairs, BEE Training Workshop as well as various Tourism Workshops by the Department of Economic Affairs and Tourism, Hospice, National Prosecution Authority Workshop, Annual Spelling Bee and numerous seminars and exhibitions have been hosted in the Auditorium.

9.29.2 Municipal Structures

- **MPAC**

Guidelines for the Establishment of Municipal Public Accounts Committees were issued jointly by Cooperative Governance and Traditional Affairs and National Treasury Departments during August 2011.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

The primary functions of the Municipal Public Accounts Committees are as follows:

- To consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including the quarterly, mid-year and Annual Reports;
- To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous

- statements and reports and must evaluate the extent to which the Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
 - To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
 - To perform any other functions assigned to it through a resolution of Council within its area of responsibility.

The MPAC reports to Council, at least quarterly, on the activities of the Committee which includes a report detailing its activities of the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report. Municipal Public Accounts Committee (MPAC) is established instead of the Standing Committee on Public Accounts (SCOPA).

- **Participation of Traditional Leadership in Municipal Council**

The Constitution of the Republic of South Africa, 1996 (Act no 108 of 1996) places an obligation on Local Government to encourage the involvement of communities and community organizations in the matters of Local Government. And Section 81 of the Municipal Structures Act states that; Traditional authorities that traditionally observe a system of customary law in the area of a municipality, may participate through their leaders, identified in terms of [subsection \(2\)](#), in the proceedings of the council of that municipality, and those traditional leaders must be allowed to attend and participate in any meeting of the council.

In ensuring unity and cohesion between the two houses, Council after their appointment conduct visits to Traditional Leadership to introduce themselves as a signal of willingness to work together with Traditional Leaders. Political Office Bearers visited all Traditional Leaders or the Houses of Traditional Leaders within uMhlathuze Municipal jurisdiction. There are six Traditional Leaders within the area of jurisdiction of uMhlathuze Municipality namely Inkosi Khoza of kwaBhejane Traditional Authority, Inkosi Mthembu of KwaSomopho Traditional Authority, Inkosi Mkhwanazi of kwaMkhwanazi Traditional Authority, Inkosi Zungu of kwaMadlebe Traditional Authority, Inkosi Dube of KwaDube Traditional Authority and Inkosi Cebekhulu of Obizo Traditional Authority, and small portions of land within our jurisdiction falls under Inkosi Biyela of Obuka Traditional Authority and Inkosi Mthiyane of Mambuka Traditional Authority. Under each Traditional Leader or tribal Authority there are wards that are under Tribal Communities and the synergy between the two houses is paramount. As section 81 regulates the sitting of Traditional Leaders in Municipal Councils likewise with Councillors who are within tribal communities they in turn should attend and participate in the tribal authority meetings. There is consistent consultation and engagement with Traditional Leaders on issues of development and service delivery. uMhlathuze municipality always avail administrative support to Amakhosi when necessary, this done in the spirit of strengthening relations and their participation in Council meetings and its committees.

There are five Traditional Leaders who seat in Council meetings and committees as per their nomination by the Department of Corporative Governance and Traditional Affairs, Inkosi

Mkhwanazi of kwaMkhwanazi Traditional Authority and Inkosi Zungu of kwaMadlebe Traditional Authority, Inkosi Mthembu of KwaSomopho Traditional Authority, Inkosi Khoza of kwaBhejane Traditional Authority and Inkosi Dube of KwaDube Traditional Authority.

- **Ward Committees**

The role of ward committee members is the facilitation of local community participation in decisions which affect the local community and the municipality as a whole, the articulation of local community interest and the representation of this interest within the government system. Ward Committees represent a different sector in the ward depending on the ward diversity, thus they can play a critical role in the following but not limited to, the preparation, implementation and review of Integrated Development Planning (IDP).

uMhlathuze Municipality is a category B Municipality with a collective executive system that is linked with a ward participatory system. There are 34 wards, 34 fully functional ward committees with 340 ward committee members. Ward committees are the legitimate structure for community participation to ensure communication between the community and the municipality. One principle of public participation is that it is designed to promote good governance and human rights and also narrow the social gap between the electoral and elected institutions. The functionality of the ward committees is an indication of the participation of the community in the affairs of governance.

Council policy on ward committee stipulates that ward committee meetings shall be held at least once a month and public meetings shall be held every quarter. Although there are challenges with other wards not meeting the required number of meetings per quarter, the office of the Speaker work tirelessly to ensure that all ward committees are fully functional

- **IDP Steering Committee**

uMhlathuze Municipality has an established IDP Steering committee which is functional. This committee consisting of executive managers representing each municipal department has a huge role in ensuring that the IDP process is adhered to. They serve as a technical team responsible for various functions including but not limited to the following:

- The development and implementation of IDP process plan
- Planning of IDP roadshows
- Coordinate the development review of Sector Plans
- Ensure credibility of reports/plans in the Integrated development plan
- Attend to MEC comments on the IDP
- Ensuring alignment between the IDP and Budget
- Proofreading the document before submission to other committees

The Municipal Manager of the Municipality chairs the meeting and monitors its performance.

9.29.3 IDP Representative Forum

The IDP Forum was established by Council of uMhlathuze, and was dysfunctional for some time due to non-attendance. However during the 2020/2022 Council resuscitated the IDP Forum and it has been functional. The forum seats once in a quarter and chaired by the Mayor. Members of the Executive, the Speaker, Stakeholders, representatives of government departments, community stakeholders, business, private sector compose the IDP Forum.

- **Executive Management Committee**

The Executive Management Committee (EMCO) is the highest strategic committee of management made up of the Municipal Manager, Chief Operations Officer and Deputy Municipal Managers (Heads of Departments). EMCO meets every Monday of the month to consider and process reports from various departments before such reports are submitted to various committees of Council. EMCO is the highest decision making body on administrative, strategic and operational matters in line with Council Delegations to Senior Management.

- **Management Committee**

The Management Committee (MANCO) is an extended management meeting which includes EMCO, middle management and other strategic managers. The strategic intent of this committee is to ensure synergy, integrated and coherent approach to municipal operations, policy implementation and service delivery.

Table 90: Section 79 Committees of Council

Committee	Chairperson
Executive Committee	Cllr M G Mhlongo
Bylaws Integration Committee	Cllr P T Mbatha
Standing Orders and Disciplinary Committee	Cllr SG MKHIZE
uMhlathuze Public Transport Liaison Committee	Cllr MS C Mpungose
uMhlathuze Transport and Taxi Liaison Forum	
Public Participation Committee	Cllr SG Mkhize
Municipal Public Accounts (MPAC)	Cllr D J Ndimande

Table 91: Section 80 Committees of Council

Committee	Chairperson
Financial Services	Cllr M G Mhlongo
Corporate Services	Cllr DK Sibiyi
Community Services	Cllr R M Zikhali
City Development	Cllr M Sookroo
Infrastructure and Technical Services	Cllr SG Mkhize

Table 92 Good Governance, Performance Audit and Performance Evaluation Panels

Committee	Chairperson/Panel
Section 62 Appeals Committee	Cllr M Lourens
Audit Committee	Mr. H Mpungose

Performance Audit Committee	Mrs. J Ndlovu
Performance Evaluation Panel (Heads of Department)	Mr LH Mapholoba (Chair), Mrs. J Ndlovu (Chair Performance Audit), Mr. K E Gamede (UMfolozi M/ty MM), Cllr S G Mkhize (Deputy Mayor)
Performance Evaluation Panel (Municipal Manager)	Cllr M G Mhlongo (Chair), Cllr S G Mkhize (Deputy Mayor), Mrs. J Ndlovu (Chair Performance Audit), Cllr W S Mgenge (Mayor UMfolozi) Mr. E S Luthuli (Ward Representative)

9.29.4 Audit Committee

The uMhlatuze Municipality has established an Audit Committee in accordance with section 166 of the Municipal Finance Management Act, no 56 of 2003. The status, authority, roles and responsibilities are in accordance with section 166 of the Municipal Finance Management Act (MFMA), no 56 of 2003 and MFMA Circular 65 of 2013 and are delegated by the uMhlatuze Municipality's Municipal Council. Consideration has also been given to the recommendations contained in the King Report on Governance for South Africa 2009 (King III). This charter guides the Audit Committee in fulfilling its obligations.

The Audit Committee of the uMhlatuze Municipality is authorized, in terms of its charter, to perform the duties and functions required to ensure adherence to the provisions of the Municipal Finance Management Act, the applicable provisions of the Municipal Systems Act and the Municipal Structures Act and other applicable regulations. In carrying out its mandate, the Audit Committee must have regard to the strategic goals of uMhlatuze Municipality and its strategic focus areas and development priorities as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP).

The Audit Committee is required to consider any matters relating to the financial affairs of the municipality, internal and external audit matters. The committee must review and assess the qualitative aspects of financial reporting, the municipality's processes to manage business and financial risk, governance processes and compliance with applicable legal, ethical and regulatory requirements. The Audit Committee does not assume the functions of management which remain the responsibility of ExCO, Council and the delegated officials.

The Audit Committee may:

- o Communicate with the Council, Municipal Manager or the internal and external auditors of the municipality.
- o Have access to municipal records containing information that is needed to perform its duties or exercise its powers.
- o Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the Audit Committee.
- o Conduct investigations into the financial affairs of the municipality, as may be requested by the Council.
- o Obtain outside legal or other professional advice within the scope of its responsibilities and allocated budget provision.

Audit Committee report

The Audit Committee had five formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year. In terms of the Charter and section 166 of the MFMA, the Audit Committee must meet at least four times.

The audit committee was established in accordance with section 166 of the MFMA read with MFMA Circular 65 issued by the National Treasury. The audit committee charter requires that the audit committee comprises a maximum of four (4) members, of whom the majority must not be in the employ of the municipality or municipal entity. The audit committee comprises four (4) members, including the Chairperson. In terms of section 166(4)(b) of the MFMA, the audit committee must meet at least four (4) times a year. During the financial year ended 30 June 2020, the audit committee met on five (5) occasions as follows. The table below sets forth the particulars of the Audit Committee members and dates of appointment.

Table 93: Audit Committee Meetings for 2020/2021 Financial Year.

The committee also submitted its reports to the honourable mayor and the executive committee of the Council to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the municipality.

The table below sets forth the particulars of the current Audit Committee members and their dates of appointment:

Name of Member	Date Appointed	Meetings held	Meeting attended
Mr H Mpungose (Chairperson)	01 February 2019	5	5
Dr N.J Ndlovu	01 February 2019	5	1 (note 1)
Ms K Sewnarain	01 February 2019	5	5
Ms N.H Thungo	01 February 2019	5	5
Ms Neo Shabalala	01 July 2020	0	0

Note 1: Ms K Sewnarain resigned with effect from 01 January 2020.

The Committee Meetings referred to above were held on the following dates:

- 29 July 2019;
- 29 August 2019;
- 09 Dec 2019;
- 19 March 2020; and
- 26 May 2020.

The members of the audit committee held meetings with the municipal manager as the accounting officer, senior management of the municipality, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the municipality, throughout the reporting period

Audit committee's responsibility

The audit committee has complied with its responsibilities arising from section 166 of the MFMA read with MFMA Circular 65, and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

Effectiveness of internal control

The audit committee acknowledges management's efforts to strengthen internal controls within the municipality. Due to the strategic importance of, and investment in, the modernisation of information and communication technology (ICT) in the municipality, the audit committee has considered internal audit reports on the ICT controls during the year under review. The audit committee remains concerned that not all ICT exceptions regarding implementation of the new system identified during the previous financial period have been addressed. To this end, The Executive Management Committee led by the Accounting Officer meets on a regular basis with the Internal Audit Unit with the aim of resolving outstanding ICT audit findings. Further-more the Accounting Officer has given the Audit Committee assurance that outstanding internal audit findings are discussed and closely monitored by Executive Management Committee on a weekly basis.

The quality of monthly and quarterly reports submitted in terms of the MFMA and DORA
The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. The finance committee of the municipality reviews these reports on quarterly basis and engage with management to remedy shortcomings, especially on reports relating to performance against predetermined objectives. Further-more these reports are submitted to the audit committee for noting.

No exceptions have come to the attention of the audit committee regarding the reports issued to National Treasury and the Transferring Officer in terms of the Division of Revenue Act and is comfortable that the Municipality is meeting its obligation in terms of DORA and has recognised revenue to the extent that conditions have been met.

Internal audit function

The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The audit committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The internal audit capacity has been enhanced through co-sourcing parts of the internal audit function to independent external service providers. The audit committee supports the direction that the internal audit function is adopting in providing the necessary skills and agility required for the function to respond quickly and effectively to the demands for internal audit across the municipality.

The recent appointment of the panel with specialist ICT auditors is a welcome development in light of the need for expertise in the auditing of automated systems and the development and maintenance of a system.

In terms of the risk-based audit plan approved by the audit committee, the internal audit function performed forty (40) of the forty two (42) planned engagements, of the remaining two (2), one (1) is in progress and the last one will not be performed since no bonuses were paid in 2018/19.

The internal audit function found that the control environment as a whole was effective, however, some control weaknesses were identified in certain areas and recommendations were made for improvement.

The audit committee is satisfied that the internal audit function maintains an effective internal quality assurance and programme that covers all aspects of the internal audit activity.

Risk management function

The audit committee is responsible for the oversight of the risk management function. The committee has reviewed the risk register and the reports from the risk committee and is satisfied with the maturity of the risk management process.

Evaluation of the finance function

The audit committee is satisfied with the municipality's finance function during the year under review.

Performance management

The municipality has a separate committee which is responsible for the Performance Management. To ensure that this committee understands the requirements of the audit committee, a member of the Audit Committee serves as a member of the Performance Management Committee. The performance reports of the municipality are submitted to the Audit Committee for review. In performing these reviews, the Audit Committee focuses on the following:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the integrated development plan, budget, service delivery and budget implementation plan and
- performance agreements.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the municipality and its entities.
- Review of compliance with in-year reporting requirements.
- Review of the quarterly performance reports submitted by the internal audit function.
- Review and comment on the municipality's performance management system and making recommendations for its improvement.

With the exception of issues identified by the Internal Audit Unit, the audit committee is satisfied that the quarterly performance reports have been prepared in terms of the MFMA, MSA and the related Regulations. The comments on the Annual Performance report will be provided once it is presented to the Audit Committee.

Fraud and irregular activities

During the period under review, no forensic investigations were performed internally and no other reports were submitted to the audit committee for consideration, however the work of the internal audit is planned in such a manner that fruitless and wasteful expenditure, irregular expenditure is identified.

The Audit Committee has noted the findings and the conclusion of the Internal Audit Unit on the irregular expenditure as a result of non-compliance with SCM regulations. The committee is confident that given the effectiveness of the controls in place the recurrence of this exception will be prevented.

Evaluation of the annual financial statements

The audit committee is responsible for reviewing the annual financial statements of the municipality and focuses on the following:

- Significant financial reporting judgements and estimates contained in the annual financial statements.

- Clarity and completeness of disclosures and whether disclosures made have been set properly in context.
- Quality and acceptability of, and any changes in, accounting policies and practices.
- Compliance with accounting standards and legal requirements
- Significant adjustments and/or unadjusted differences resulting from the audit.
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
- Reasons for major year-on-year fluctuations.
- Asset valuations and revaluations.
- Calculation and levels of general and specific provisions.
- Write-offs and reserve transfers.
- The basis for the going concern assumption, including any financial sustainability risks and issues.

The audit committee will provide their opinion on the financial statements once they have been prepared and reviewed by the internal structures prior to submission to the Auditor General.

External auditor's report

The external audit function performed by the Auditor General South Africa is independent of the entity.

On the 03 July 2020 the management of the municipality held a meeting with the Auditor General to address their concern regarding the manner in which the 2018/19 audit was conducted and the outcome of the audit. The auditor general assured the management that the 2019/20 audit will be managed by another audit manager and they will ensure that exceptions reported by management do not recur.

Due to the lock down as a result of the COVID 19 pandemic the audit for the 2020 financial period has been delayed and therefore the audit committee can only provide commentary on the audit once the audit has been concluded.

9.29.5 Status of Municipal Policies

Herewith a summary of municipal human resource and budget policies already reported on in separate sections:

Table 94: Status of Municipal Policies

Policy Name	Description
Staff Recruitment, Retention and Succession Plan	Ensures fair, efficient, effective and transparent personnel administration, including the recruitment, selection and appointment of persons as staff members." Development and maintenance of an integrated, systematic approach to attracting, developing and retaining talent for key positions within uMhlathuze Municipality.
Anti-Nepotism Policy	Establish a consistent set of guidelines by which recruitment decisions can be made in terms of employment of immediate family members, relatives, friends and associates of employees.
SHEQ Policy	Continual provision of quality services to all stakeholders in a healthy, safe and environmentally responsible manner
EAP Policy	Aims at developing an Employee Assistance Programme to promote the mental, social health and wellbeing of all employees and to create a working environment that is conducive for the effective and efficient delivery of services
HIV/AIDS Policy for Employees	
Tariff of Charges	DMS 873147
Investment and Cash Management Policy	RPT 141398 DMS 454662 DMS 458007 Review
Supply Chain Management Policy	RPT 137944 RPT 145110 DMS 439330 (review)
Credit Management Policy (Credit Control, Debt Collection and Indigent Support)	DMS 438088 DMS 716354
Tariff Policy	DMS 418186
Rates Policy	DMS 473856 (2008/2009) DMS 566699(2009/2010) DMS 637432(2010/2011) DMS 701131 (2011/2012) DMS 789516(2012/2013) DMS 873351 (2013/2014)

Policy Name	Description
Fraud Prevention Policy Fraud Risk Register	RPT 143608 DMS 497798 DMS1126293
Whistleblowing Policy	DMS 1226268
Virement Policy (transfers of funds)	RPT 147986 DMS 635065
Fixed Asset Management Policy	RPT 145981 DMS 562968

9.29.6 Municipal Risk Management

Risk management, a Corporate Governance imperative, is one of Management's core responsibilities in terms of Section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of the Municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Municipality. It also focuses on reducing materialized risks to acceptable levels, as well as maximizing opportunities available to the organisation. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

In order to enhance risk management processes to ensure a truly integrated and enterprise-wide approach, the City has approved and is annually reviewing its Enterprise Risk Management Policy and Strategy, which when applied, will ensure:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigour and analysis;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- better value for money through more efficient use of resources;
- better outputs and outcomes through improved project and programme management;
- aligning risk tolerance and strategy;
- pursuing institutional objectives through transparent identification and management of acceptable risk;
- providing an opportunity to prioritise the risk management activity;
- enhancing risk response decisions;
- reducing operational surprises and losses;
- identifying and managing multiple and cross-enterprise risks;
- seizing opportunities; and

- increasing the probability of achieving objectives.

Enterprise Risk Management involves:

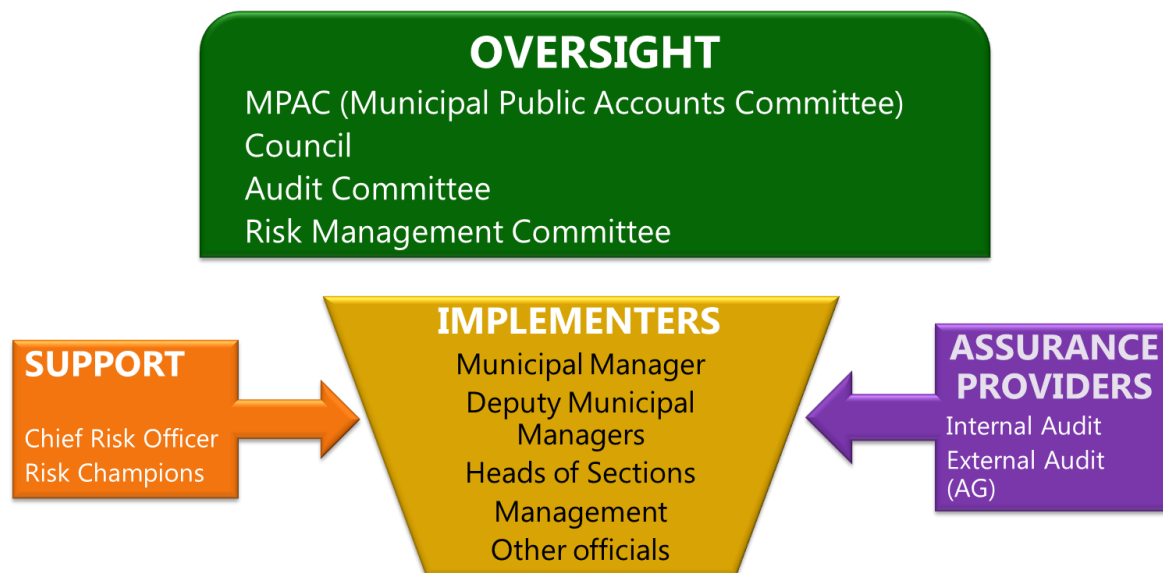
- Objective setting;
- Risk Identification;
- Risk Assessment;
- Risk Response;
- Communication and reporting; and
- Monitoring and review

The functional key performance areas of the Enterprise Risk Management unit include:

- Enterprise Risk Management;
- Project Risk Management;
- Fraud Risk Management;
- Business Continuity Management; and
- Legal Compliance Risk Management

The City has in place an Enterprise Risk Management Committee reporting to the Audit Committee, Council and the Municipal Public Accounts Committee (MPAC) as oversight. The Chief Risk Officer co-ordinates activities and is in the process of setting up a fully functional Enterprise Risk Management Unit. Risk Champions in each department report to Management on risk management matters and co-ordinate risk management activities in their respective business units. Continuous training and awareness is an important part of the process, effected to ensure that risk management is understood, embraced and integrated into the organizational culture- filtering from Top Management to all levels of staff. Risk Assessments are conducted, reviewed and updated annually and on a continuous basis- and are carried out on both a strategic and operational level to ensure a thorough approach. The Municipal Manager is the ultimate Chief Risk Officer and is responsible for championing risk management and ensuring that its activities are monitored through performance management throughout the organization.

Figure 69: Enterprise Risk Management Role Players



There are varying levels of risk maturity in local government, and the City of uMhlatuze is at an advanced stage in this regard.

9.29.7 Municipal By-Laws

uMhlatuze Municipality has passed a number of By-laws including the following:

BYLAWS	RESPONSIBLE DEPT	ADOPTION DATE AND DMS NO
Keeping of Animals Bylaws	DCSH	7 November 2006 (DMS 317566)
Solid Waste Bylaws	DCSH	4 May 2010 (DMS 257680)
Water Services Bylaws	CE	24 June 2014 (DMS 671197)
Advertising Sign Bylaws	MM	4 December 2007 (DMS 208404)
Street Trading Bylaws	CD	3 November 2015 (DMS 223474)
Bylaws Relating to Public Amenities	CS	7 March 2017 (DMS 200389)
Credit Control and Debt Collection Bylaws	CFO	24 June 2014 (DMS 483437)
Funeral Undertakers Bylaws	DCSH	29 November 2011 (DMS 151821)
Cemetery Bylaws	DCSH	8 May 2012 (DMS 198460)
Bylaws Relating to Flammable Liquids	DCSH	8 May 2012 (DMS 198503)
Bylaws Relating to the Lease of Halls and Conference Facilities	CS	3 November 2015 (DMS 199361)
Bylaws Relating to the Control of Parking Attendants/Car Guards	DCSH	16 July 2013 (DMS 199419)
Bylaws Relating to Public Libraries	DCSH	24 June 2014 (DMS 201461)
Bylaws Relating to Municipal Swimming Pools	DCSH	9 October 2012 (DMS 203400)
Bylaws Relating to Childcare Services		9 October 2012 (DMS 264484)
Electricity Supply Bylaws	I&TS	28 October 2014 (DMS 261528)
Standing Orders for the Council and its committees	CS	14 September 2016 (DMS189747)

BYLAWS	RESPONSIBLE DEPT	ADOPTION DATE AND DMS NO
Nuisance Bylaws	DCSH	16 July 2013 (DMS 242138)
Environmental Health Bylaws	DCSH	5 June 2007 (DMS 388199)
Bed and Breakfast Bylaws	CD	28 October 2014 (DMS 393311)
Beach Bylaws	DCSH	26 February 2013 (DMS 518186)
Rates Bylaws	CFO	3 November 2015 (DMS 510627)
Possession and discharge of fireworks Bylaws	DCSH	28 October 2014 (DMS 582429)
Air Quality Management By-Laws	DCSH	-

The process of passing By-laws is done through the By-Laws Committee which was put in place to facilitate the development and review of the above mentioned Council By-Laws. They are then adopted by Council and gazette accordingly. The implementation thereof is done by specific departments that oversee compliance.

9.30 Public Participation Analysis

9.30.1 Taking Council to the Community

In ensuring an unfading sense of connection with its community, the municipality annually stages an unprecedented “*Taking Council to the Community*” Program. The program is rotated in all the wards. This initiative involves taking both the Executive Committee as well as Council meetings to the selected venues/areas and thus providing the community with an opportunity to witness how such meetings are conducted. About 1700 people (the public) participated in the previous seating’s.

9.30.2 IDP Process and Public Participation

Participatory mechanisms that take place throughout the IDP process help the project to ensure that the process, plans, goals, and implementation of the planned intervention is inclusive, and importantly address the needs of marginalized groups and minorities to ensure nondiscrimination and equality. Participation has built up ownership and partnerships which have made the projects that have been implemented within the community more sustainable.

During the IDP process, participation is implemented during the assessment and planning phase to help gather relevant data to define development challenges and to identify vulnerable groups, map out root causes, and set priorities

The integrated development planning process provides a forum for identifying, discussing and resolving the issues specifically aimed at upliftment and improvement of conditions in the under-developed parts of the municipality area. In order to ensure certain minimum quality standards of the IDP, and a proper coordination between and within spheres of government, the preparation of the Process Plan has been regulated in the Municipal

Systems Act (2000). Municipal Departments participate throughout the process by contributing relevant aspects of their sections.

The objective of the IDP process is to facilitate deliberations resulting in decisions being made on the strategic development direction of the municipality and includes issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. The IDP, however, will not only inform municipal management; it is intended to guide the activities of any agency from other spheres of government, corporate service providers, NGOs and the private sector within uThungulu district.

9.30.3 Communication Plan

uMhlathuze Municipality's communication strategy with specific reference to the IDP Process entails that:

- Ward Committee members and Councillors are part of the preparation of ward meetings
- IDP community sessions are held in venues closest to the community
- Release of print media press when required to local and provincial newspapers are in Zulu and English
- SMS's, flyers and loud hailing are also used as a strategy to sensitise the community to attend the IDP meetings
- Monthly internal and external newsletters are used to publish IDP/Budget news
- Council provides transport for community members to respective venues
- Consistent use of Social Media platforms and any innovative methods to mobilise community participation to the IDP process and to encourage two-way communication feedback

9.31 Good Governance and Public Participation: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Operation Sukuma Sakhe (OSS) fully functional ○ Municipal Public Accounts Committee (MPAC) is established ○ Functional section 79 and Section 80 committees ○ Ward committees established for all 34 wards ○ Effective Audit, Performance Audit and Enterprise Risk Management Committees ○ Range of municipal policies in place ○ Fully functional and effective Bid Committees ○ The municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society organisations and government departments ○ "Taking Council to the Community" initiative enhances public participation ○ Unqualified audit outcomes with no matters of emphasis for five consecutive years ○ Stable Municipal Council ○ Establishment of whistle blowing facility 	<ul style="list-style-type: none"> ○ Poor resourcing, of OSS structures ○ Inconsistent functionality of Ward Committees ○ Ineffective IGR structures ○ Poor defined relationship between ward councillors and traditional authority structures ○ Poor alignment of municipal and district programs ○ Vastness of rural wards ○ Poor enforcement of Council By-Laws
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ○ Further strengthening of good governance ○ Enhancing IGR structures ○ Collaborations with institutions of higher learning to enhance good governance ○ Improving relationship with traditional institutions ○ Enhance public participation platforms and methodologies ○ Capacitation of ward committees ○ Partnership with private sector in support of community development initiatives 	<ul style="list-style-type: none"> ○ Dysfunctionality of IGR structures ○ Redetermination of municipal boundaries ○ Service delivery protests ○ Security of councillors ○ Non-compliance with Supply Chain Management Prescripts ○ Poor customer service ○ Lack of participation by minority groups (WIC) in municipal programmes ○ Maladministration ○ Land claims against municipal owned land

10. UMHLATHUZE: COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Disaster Management Framework in place ○ All role players in the disaster management arena (including Government, None-Government Organizations, Traditional Authorities and the Private Sector) work together to prevent and or mitigate the occurrence of disasters ○ Disaster Management Bylaws aimed give effect to the provisions of Council's Disaster Management Framework. ○ Disaster Management Advisory Forum in place ○ Proximity of the municipal area to the N2 highway that traverses the Municipality in a north-east direction towards the Swaziland border and south-west towards Durban. ○ Good road accessibility ○ The municipality borders a coastline that spans approximately 45 kilometres ○ The municipality borders a coastline that spans approximately 45 kilometres ○ Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. ○ High level of species diversity. ○ The beaches are significant tourism assets for the municipality. ○ Alien Invasive and Greening Strategy in place 	<ul style="list-style-type: none"> ○ Efficient provision of disaster management services reliant on ongoing cooperation between all role players in the disaster management area ○ lack of resources such as appointment of support of staff and equipment ○ Lack of capacity to adequately handle all kinds disaster related incidents ○ Poor coordination between departments to respond to disaster situations ○ Inadequate communication platforms for disaster alerts and responses ○ Funding challenges to implement Alien Invasive and Greening Strategy. ○ The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the uMhlathuze and Nsezi. These water systems offer opportunities but also limit development opportunities. ○ Gaps in availability of data on the local heritage.
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ○ Spatial Development Framework has been developed and is in place. ○ Climate change Strategy in place ○ Municipal Organogram is in place ○ Section 79, 80 and other Council Committees established and are operational ○ A reliable ICT system for effective functioning and efficient service delivery ○ Human Resource Policies in Place 	<ul style="list-style-type: none"> ○ A remarkable concentration of Red Data Species is one of the main reasons that the remaining percentage of the municipal surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife for meetings its conservation objectives in the province ○ Unsatisfactory attraction and employment of disabled personnel

<ul style="list-style-type: none"> o Employment Assistance Programme o 24 hours operational Call Centred with toll free o Fully functional ward committees o Functional Local Labour Forum o Progressive Employment Equity Plan o Critical senior management vacancies filled o Stable labour relations o Very high level of access to water and electricity in the uMhlathuze municipal area o Well-functioning Scientific Services section to ensure that the quality of the city's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines o Clear division of duties between water and electrical services as a result of unbundling purposes o Level 2 Accreditation has been granted to the uMhlathuze Municipality in respect of Human Settlements o Continual improvement of the Blue Drop score for the Municipality o Continual improvement of the Green Drop score for the Municipality o Bulk-handling harbour facilities at Richards Bay that enable international trade links. Richards Bay is the largest deepwater port in Africa, and handles the bulk of South Africa's exports o The dependency ratio in uMhlathuze is lower than that of the country o Libraries in the municipality provide internet access at no charge to users Study facilities are provided at the libraries and are very well utilized o Functional Operation Sukuma Sakhe Unit in the Municipality o Existence of Industries thus creating opportunities for SMME's o Investment in broadband o Existence of University and TVET colleges as part of knowledge creation o Fresh produce market supporting agriculture o Council has an adopted Indigent Policy. 	<ul style="list-style-type: none"> o Inadequate budget allocations for programs such as the EAP o Inadequate skills development resources o Organisational structure not aligned to long term strategy o Poor change management initiatives o Misplaced professionals o Service interruptions due to ageing infrastructure o Indiscriminate dumping by residents of garden waste and builder's rubble o Illegal dumping of waste within streets and stormwater servitudes by the community causes overflows through blockages that create flooding of streets and properties. o Infrastructure vandalism o Inadequate investment in waste management equipment including trucks o Ageing personnel especially in waste management section o A matter of great concern is that 56% of informal traders operating without a licence o Underutilization of good agricultural land in the traditional council areas o Loss of good agricultural land in the traditional council areas to unplanned settlement o Failure to realize the potential for value adding through agro-processing. o Funding to assist Operation Sukuma Sakhe o Access to markets by SMME's o Underdeveloped tourism attraction sites and products o The current credit score of the Municipality is BBB. o organisational structure not fully funded o Poor capital expenditure o Lack of long term financial planning o Investment of borrowings in non-revenue projects o Impact of engineering contributions on investment o In-adequate contract management o Poor resourcing, of OSS structures o Inconsistent functionality of Ward Committees o Ineffective IGR structures
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<ul style="list-style-type: none"> ○ The City of uMhlathuze has a fully functional Supply Chain Management Unit ○ uMhlathuze Council approved cash flow recovery plan to circumvent a short term cash flow and service delivery impediment ○ Financial reporting and financial statements are developed in-house ○ Fully funded budget ○ Alignment of budget with IDP ○ Full adherence to financial management prerequisites ○ Operation Sukuma Sakhe (OSS) fully functional ○ Municipal Public Accounts Committee (MPAC) is established ○ Functional section 79 and Section 80 committees ○ Ward committees established for all 34 wards ○ Effective Audit, Performance Audit and Enterprise Risk Management Committees ○ Range of municipal policies in place ○ Fully functional and effective Bid Committees ○ The municipality has prepared an HIV and AIDS Strategy for 2012 – 2016 as a broad framework to work with civil society organisations and government departments ○ "Taking Council to the Community" initiative enhances public participation ○ Unqualified audit outcomes with no matters of emphasis for five consecutive years ○ Stable Municipal Council ○ Establishment of whistle blowing facility 	<ul style="list-style-type: none"> ○ Poor defined relationship between ward councillors and traditional authority structures ○ Poor alignment of municipal and district programs ○ Vastness of rural wards ○ Poor enforcement of Council By-Laws ○
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<ul style="list-style-type: none"> ○ There is one airport and a couple of land strips in the municipal area. ○ Economic node to the North-Eastern parts of the Province ○ The R34 Provincial Main Road passes through Empangeni towards Melmoth. ○ There are two primary nodes in the municipal area i.e. Richards Bay and Felixton. ESikhaleni is an emerging primary node. 	<ul style="list-style-type: none"> ○ Distance from major economic node in the province ○ The low level coastal floodplain is subject to natural flooding, climate change and sea level rise, and may increase flood risks over time. ○ An increasing trend in the frequency of cyclonic activity has been observed. ○ Coastal Dune areas are sensitive to change and erosion remains a key

<ul style="list-style-type: none"> ○ Coastal Dunes contain heavy minerals that are sought after for mining. ○ Existing disaster management center located at the Fire Station ○ Potential growth in terms of expanding and economical ○ Collaboration with the private sector and government departments ○ Training and activation of community based disaster management volunteers ○ Improving human settlement planning in collaboration with traditional institutions ○ Fully functional disaster management center ○ Institutionalization of business continuity – disaster recovery plan ○ Institutionalisation of Batho-Pele Principles ○ Implementation of the E-Council system, eliminating cost for paper used in agendas etc. ○ Bursary Policy for councillors, employees and members of the public ○ Graduate Development Programmes and off-the –job training is offered to graduates ○ Improving diversity management ○ Successful implementation of the Quality Management System, the management system adopted from ISO 17025 requirements for testing laboratories ○ Maintenance of acceptable standards of water quality ○ Progressive acquisition of yellow plant and other equipment ○ Waste recycling, reduce and reuse initiatives ○ Implementation of mega human settlement projects ○ Progressive and transformational supply chain management policy for capital projects execution ○ Investment in alternative water supply such as desalination, waste water reuse, underground water. ○ There is a branch of SEDA in Richards Bay which provides support to SMMEs, and Richards Bay Minerals has a Business Development Programme, but the Municipality could also contribute to SMME development in a number of ways 	<p>concern along a coastline that is susceptible to the sea level rise.</p> <ul style="list-style-type: none"> ○ Local ambient air quality conditions, particularly in industrial areas, indicate the inability for such areas to deal with any further emissions. ○ The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area. ○ The location of the municipality on the coastline and its proximity to shipping routes present numerous natural marine and coastal threats. ○ Due to the deep-water port in Richards Bay, the City is a choice location for heavy industries that inevitably present a range of human-induced disaster risks. ○ The settlement of communities in disaster high risk areas ○ Draught and inclement weather ○ Staff low moral ○ Lack of proper implementation of the Succession Policy ○ Delays in finalising job evaluations ○ Failure/slow process of addressing Identified risks within the organisation ○ Staff turn-over in critical and scarce skills positions ○ Limited investment in ICT infrastructure upgrades ○ Lack of comprehensive skills audit ○ Illegal connections ○ Ageing infrastructure: electricity, water and roads ○ Poor capital expenditure ○ Non-payment for services ○ Lack of asset maintenance plan ○ Cost of water tankering ○ Cost of maintaining rural roads ○ Changing municipal boundaries thus impacting on municipal infrastructure backlogs ○ Continuous demand for waterborne sewer in rural areas ○ seekers ○ Economic stagnation due to unresolved or unprocessed land claims and failed redistribution projects ○ Volatile world markets which affect prices for some agricultural commodities, for example, sugar
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<ul style="list-style-type: none"> ○ Harbour development has provided the impetus for large-scale industrial growth ○ Partnership with Industrial Development Zone ○ Investment in township economy ○ Industry based skills development ○ Empowerment of ward based war rooms ○ Cross boarder collaboration in investment facilitation and attraction ○ Progressive implementation of agricultural support plan ○ The Municipality has obtained an average debt collection ratio of 99.49%. ○ The City obtained Clean Audit for five consecutive years since 2012/2013 financial year ○ Pilot mSCOA ○ ERP implementation ○ Diversification of revenue base ○ Borrowing to invest in economic infrastructure ○ Establishment of a municipal owned entity ○ Reduction in cost of doing business ○ Further strengthening of good governance ○ Enhancing IGR structures ○ Collaborations with institutions of higher learning to enhance good governance ○ Improving relationship with traditional institutions ○ Enhance public participation platforms and methodologies ○ Capacitation of ward committees ○ Partnership with private sector in support of community development initiatives 	<ul style="list-style-type: none"> ○ The demise of the South African Sugar Association's credit facility for small-scale cane growers ○ Nearly 10% of children of school going age are not attending school ○ There has been a decline in the percentage (%) of persons with a higher education. ○ Sexual Transmitted infections remain a growing concern. ○ Beach erosion ○ Persistent draught ○ Lack of collaboration between municipality and traditional authorities ○ Growing trend of discouraged work The challenges or delays relating to disputes or objections during the tender process, claims as well as the rejecting or declining the award of a tender by the awarded tenderer have been pivotal in the slow capital budget expenditure. ○ The Council is limited in its leverage to borrow money externally. ○ Limited resources provided in capital refurbishment and replacement programs. ○ Limited revenue base ○ Unfunded mandates ○ Growing indigent register ○ No rateable areas under traditional authorities ○ Growing of rural debts ○ Non-payment for services <ul style="list-style-type: none"> ○ Dysfunctionality of IGR structures ○ Redetermination of municipal boundaries ○ Service delivery protests ○ Security of concillors ○ Non-compliance with Supply Chain Management Prescripts ○ Poor customer service ○ Lack of participation by minority groups (WIC) in municipal programmes ○ Maladministration ○ Land claims against municipal owned land
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SECTION D: VISION, STRATEGIES, GOALS AND OBJECTIVES

11. VISION , MISSION AND VALUES OF THE UMHLATHUZE MUNICIPALITY

The Vision:

“The Port City of uMhlathuze offering a better quality of life for all its citizens through sustainable development and Inclusive Economic Growth”

Mission Statement:

The City of uMhlathuze commits itself to:

- Job creation and inclusive economic growth through accelerated economic development and transformation;
- Enhancing industry based skills development and strategic support to education priority programmes;
- Community based initiatives to improve quality of citizen's health and well-being;
- Creating safer city through integrated and community based public safety;
- Planned and accelerated rural development interventions;
- Promotion and maintenance of spatial equity and transformation;
- Optimal management of natural resources and commitment to sustainable environmental management;
- Use of Information, Communication and Technology Systems (ICT) to improve productivity and efficiencies in line with Smart City principles; and
- Good governance, capable and developmental municipality

Brand Promise

Vision into Action

Values

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

- Efficiency
- Professionalism
- Commitment
- Respect
- Integrity and transparency
- Innovation
- Equity and fairness
- Compassion and dignity

- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

12. GOALS, OBJECTIVES AND STRATEGIES

The following tables provide a summary of the municipal strategies, goals and objectives as well as a summary of the alignment between the municipality, provincial and national government.

Table 95: uMhlathuze Strategies, Goals and Objectives

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
1.1 Democratic, Responsible, Transparent, Objective and Equitable Municipal Governance	1.1.1 To ensure effective and efficient administration complying with its Legal Mandates	1.1.1.1 Provide administrative support for all Council Committees
		1.1.1.2 Strengthening Council Oversight through training on Legislation and Policies
		1.1.1.3 Development of a Corporate Strategy
		1.1.1.4 Development and review of policies that will lead to improved service delivery and legislative compliance
		1.1.1.5 Compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases
	1.1.2 To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2.1 Monitor evaluate measure and review the performance of the municipality against indicators and targets set in the IDP
	1.1.3 Ensure Institutionalisation of Batho Pele Culture	1.1.3.1 Implement a Service Charter
		1.1.3.2 Increase sensitivity of municipal stakeholders to the aspirations of citizens
	1.1.4 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.1 Facilitate the Functionality of Ward Committees through continuous capacitation
		1.1.4.2 Development of a Credible Integrated Development plan within prescribed legislative guidelines
		1.1.4.3 Facilitation of Stakeholder and Community participation in policy making
		1.1.4.4 Implementation of communications strategy to help the organisation to communicate effectively
		1.1.4.5 Effective and efficient ICT Systems that enable Informed decision making and communication

NATIONAL KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
GOALS	OBJECTIVES	STRATEGIES
	1.1.5 To promote Access to Information and Accountability	1.1.5.1 Ensure effective information and accountability prescripts
	1.1.6 To bring the organisation to an enabled risk maturity level	1.1.6.1 Implement and maintenance of a sound enterprise risk management
		1.1.6.2 Implement and maintenance of a sound fraud risk management system
		1.1.6.3 Implement and maintenance of business continuity management
	1.1.7 Ensure reliability and maintain independence of internal audit activity	1.1.7.1 Effective Audit Committee
		1.1.7.2 Effective and value adding internal audit activity

NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
GOALS	OBJECTIVES	STRATEGIES
2.1 Integrated infrastructure and efficient services	2.1.1 To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	2.1.1.1 Eradicate water services backlogs through provision of basic water services
		2.1.1.2 Eradicate sanitation services backlogs through provision of basic sanitation services
		2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services
		2.1.1.4 Provide a weekly domestic solid waste removal service to the community
		2.1.1.5 Provision of public transport infrastructure facilities
		2.1.1.6 Provision and Maintenance of storm water and coastal engineering infrastructure
		2.1.1.7 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets
	2.1.2 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.2.1 Improve community standard of living through accelerated development of Integrated Human settlement
	2.1.3 To ensure effective Fleet Management	2.1.3.1. Review and Implement Fleet management Plan

NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
3.1 Viable Economic Growth And Development	3.1.1 To Develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1.1 Develop township economy
		3.1.1.2 Package council land to facilitate economic growth
		3.1.1.3 Provide support for prioritised sectors
	3.1.2 Enhanced sectoral development trough trade investment and business retention)	3.1.2.1 Developing and implement economic development sector plan
		3.1.2.2 Develop investment promotion and facilitation plan
		3.1.2.3 Review and implement informal economy policy
	3.1.3 To create enabling environment for the informal economy	3.1.3.1 To promote the city as destination of choice
	3.1.4 Clear City identity	3.1.4.1 Promote economic growth by successful implementation of EPWP and
	3.1.5 To Improve the efficiency, innovation and variety of government-led jobs	3.1.5.1 Promoting economic growth by providing employment opportunities for Women and Youth
		3.1.5.2 Facilitate expanded access to the job fund
3.1.5.3 Implementation of the emerging contractor development programme		
3.1.5.4 Facilitate SMMEs access to finance , markets, trading facilities and infrastructure with linked services		
3.1.6 Promote SMME and Entrepreneurial development	3.1.6.1 Monitor use of municipal set asides for local SMMEs and Co-operatives	
	3.1.6.2 Implement and enforce BBBEE within the municipality	
	3.1.6.3 Develop a progressive regulatory framework for the broader support formal and informal economy	
3.2 Public Safety and Security	3.2.1 Provision of efficient and effective security services	3.2.1.1 Review and implementation of crime prevention strategy
	3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Review and Implementation of a fire prevention strategy

NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
GOALS	OBJECTIVES	STRATEGIES
3.3 Safe and Healthy Living Environment	3.3.1 Efficient an effective waste management services	3.3.1.1 Review and Implementation of Integrated Waste Management Plan
	3.3.2 To ensure air quality management	3.3.2.1 Implementation of Air Quality Management Strategy
	3.3.3 Cater for alternate future burial option	3.3.3.1 Provision of cemeteries
3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development of community facilities
		3.4.1.2 Development of Arts and Culture Strategy
		3.4.1.3 Development of sports and recreation programmes

NATIONAL KPA 4 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION		
GOALS	OBJECTIVES	STRATEGIES
4.1 A Municipality that is Resourced and Committed to attaining the vision and mission of the organisation	4.1.1 To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1.1 Implement the talent management strategy
		4.1.1.2 Compliancy with Employment Equity Act
		4.1.1.3 Implement EAP programs that promote and support health and well-being of employees
		4.1.1.4 Improve Citizens Skills levels and Education
		4.1.1.5 Create and maintain sound Relationship between management and labour
		4.1.1.6 Maintenance of an organisational structure that in is line with organisational objectives and optimises service delivery

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliance
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all financial related policies
		5.1.1.4 Compliance with all MFMA and related local government financial legislation

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
GOALS	OBJECTIVES	STRATEGIES
	5.2.1 Sustainable Financial and supply chain Management	5.2.1.1 Provide continuous Internal Communication on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Demand and acquisition management
		5.2.1.6 Contracts and Logistics management
		5.2.1.7 Apply adequate financial management methodologies

NATIONAL KPA 6 : CROSS CUTTING		
GOALS	OBJECTIVES	STRATEGIES
6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development	6.1.1.1 Review and Implement Spatial Development Plan
		6.1.1.2 Develop precinct framework plans
		6.1.1.3 Review of Human Settlement Sector Plan
		6.1.1.4 Incremental development of strategic environmental assessment for the entire municipal area
		6.1.1.5 Implementation of uMhlathuze Land Use Scheme
		6.1.1.6 Compliance with national SPLUMA by-law and national building act.
		6.1.1.7 Efficient processing of development application and building plans
6.2 Immovable Property Management	6.2.1 To ensure fair valuation of properties	6.2.1.1 Development and maintenance of valuation roll in line with municipal property rates act.
	6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register
6.3 Disaster Management	6.2.3 To prevent and mitigate disaster incidents	6.2.3.1 Review and Implement Disaster Management Plan

SECTION E: STRATEGIC MAPPING

13. SDF CHAPTER

PGDS GOAL: SPATIAL EQUITY **PGDS OBJECTIVE: 7.1 AND 7.2**
DGDP GOAL: SPATIAL EQUITY

This chapter represents an extract of the uMhlathuze Spatial Development Framework and should be read in conjunction with the comprehensive Spatial Development Framework of the uMhlathuze Municipality. This chapter also makes reference to the Municipal Human Settlement Plan and should therefore also be read in conjunction with the comprehensive Municipal Human Settlements Plan of the uMhlathuze Municipality.

SPATIAL DEVELOPMENT VISION

The Spatial Planning and Land Use Management Act (SPLUMA) requires of municipalities to have long term Spatial Development Frameworks (SDFs) that are reviewed annually and for these SDFs to have long term spatial visions. A spatial vision for the City of uMhlathuze has been prepared by way of a consultative process that included the political leadership as well as internal and external stakeholders. The outcome is a coherent vision (minimum 20 years) for the economic and spatial integration and transformation of the municipal area.

The following steps were followed in the preparation of the spatial vision:



The following principles were identified during the engagements:

Diversity Accessibility Affordability Inclusivity	Sustainability Quality of Life Shared societal dividends Avant garden Efficiency	Choice Mobility Equality Democratic
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Key indicators that form the foundation of the vision are:

- An area that supports both COMPACT URBAN and SUSTAINABLE RURAL LIVING.

- STRENGTHEN CONNECTIONS between different parts of the municipal area. Nodes play differentiated but complementary roles.
- Business hubs in Richards Bay, Nseleni, Esikhaleni, Ntambanana, Empangeni, Ngwelezane.
- Agriculture, tourism, mining, freight and logistics anchor the economy.
- New airport to anchor freight and logistics, SEZ/IDZ CONSOLIDATION (AIR, WATER AND LAND)
- Work environments that ALLOW FLEXIBILITY, work from home, pop ups, etc.
- INVESTMENT IN PUBLIC REALM, Public spaces are places of interaction, recreation, expression and enough space for public facilities to be set aside.
- Institution that FOSTERS PARTNERSHIP, it will take more than government to deliver this vision.

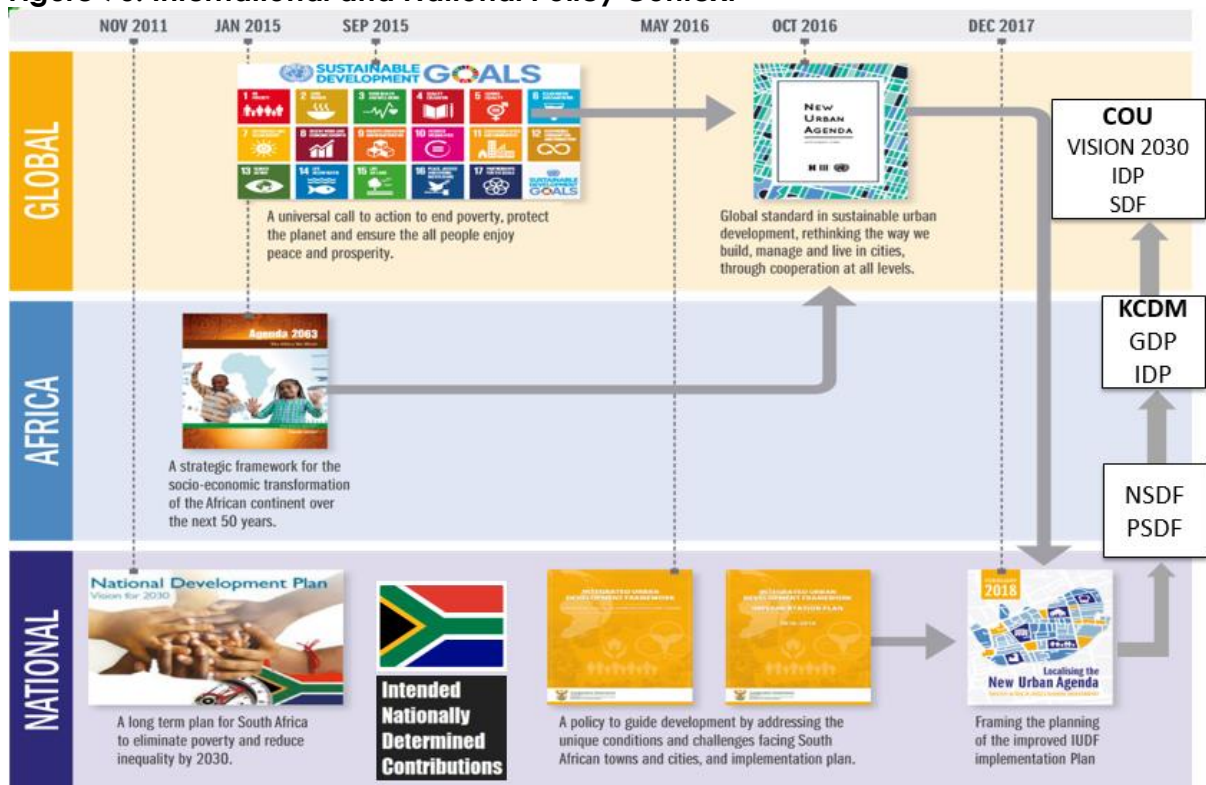
The following spatial vision statement for the Municipality was subsequently approved:

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

ALIGNMENT WITH POLICIES, PLANS AND LEGISLATION

Due cognisance is taken of a number of International, National and Provincial policies and plans as well as legislation when preparing and reviewing the municipal Spatial Development Framework (SDF).

Figure 70: International and National Policy Context



Sustainability and integration issues are at the focus of the spatial transformation agenda being pursued by the municipality. In collaboration with its social partners, the Municipality has embarked on a process of localising the Sustainable Development Goals (SDGs) in the uMhlatuze context. Although this process is at its infancy stage, a localisation framework has been agreed to. Broader consultation with various stakeholders and role-players is being pursued.

Further to the above, the importance of the municipal spatial strategy in relation to the National Development Plan (NDP) as well as its implementation plan, the Medium Term Strategic Framework – MTSF (2019-2024) has to be noted.

In support, and aligned to the international and national policy context provided, due consideration to the following provincial, district and local initiatives is provided:

Provincial Growth and Development Strategy (PGDS)	KZN's Provincial Strategy to promote KZN to be a prosperous Province with a healthy, secure and skilled population, gateway to Africa and the world by 2030.
N2 Corridor Plan	Between, inclusive of, Durban (eThekweni) to Richards Bay and Kwambonambi. To develop a clear 25-year strategic plan for the development, land usage and transport mobility of the affected area.
uMhlatuze-Ulundi-Vryheid Secondary Corridor Plan	To develop a 25-year strategic framework that identifies spatial issues and opportunities.
King Cetshwayo District Growth and Development Plan	Set a long term (more than 20 year) vision and direction for development in the District.

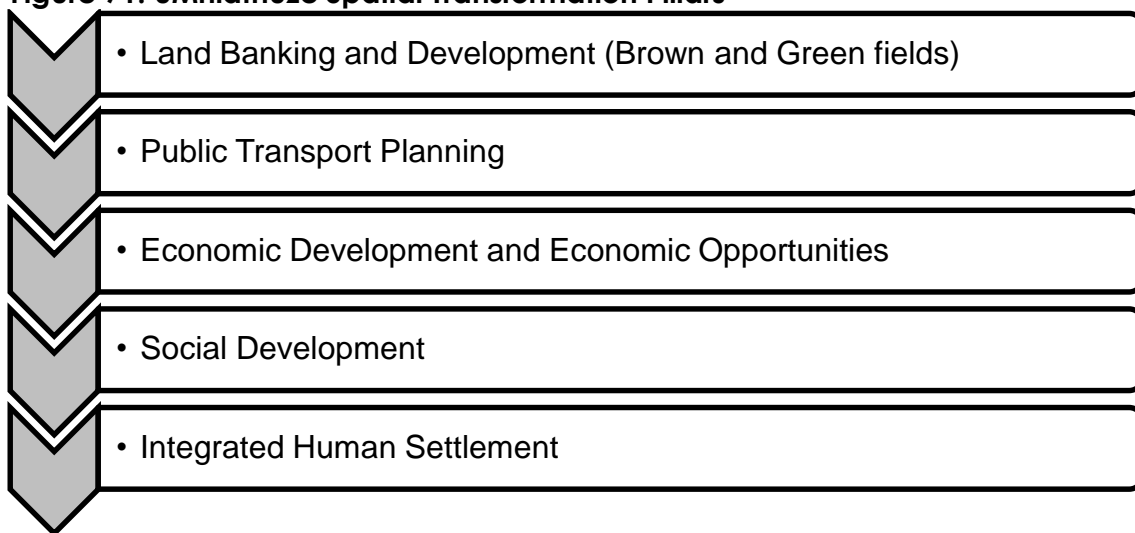
The uMhlatuze Municipality has also embarked on the preparation of a Municipal Economic Development Transformation Roadmap. In this roadmap, particular attention is being given to the upliftment and revitalization of the Township Economy. The roadmap has the following objectives:

- To guide the City of uMhlatuze on practical interventions and programmes
- To embed the culture of business unusual across departments in order to stimulate inclusive growth in the City
- To implement a coherent plan that will achieve desired results progressively
- To remove red tape and business unfriendly processes
- To enforce the paradigm shift and change management
- To improve strategic partnerships with key stakeholders
- To induce a culture of long term planning and investment

The National Development Plan 2030 makes a strong statement about the need to “address the challenge of apartheid geography” which is defined in terms of living,

working and environmental sustainability. To this end, the following 5 pillar of Spatial Transformation are noted for the uMhlathuze Municipality:

Figure 71: uMhlathuze Spatial Transformation Pillars



The Spatial Land Use Management Act (SPLUMA) has been proposed as a possible tool to effect spatial transformation.

The following table provides an explanation of spatial development principles that are applied in the preparation of the uMhlathuze SDF and their relation to the SPLUMA Development Principles.

Table 96: Summary of Core Spatial Planning Principles

SPLUMA Principles	Development	Core Spatial Development Principles
Spatial Justice		<ul style="list-style-type: none"> ○ Redress the spatial legacy ○ Integrated human settlement development ○ Redress spatial and other development imbalances through improved access to and use of land
Spatial Sustainability		<ul style="list-style-type: none"> ○ Encourage sustainable development, promote densification, discourage urban sprawl ○ Integration of all physical aspects of land/economic development ○ Optimize the use of existing resources ○ Strategic environmental assessment
Spatial Efficiency		<ul style="list-style-type: none"> ○ Nodes and corridors ○ Urban development edge
Spatial Resilience		<ul style="list-style-type: none"> ○ Urban and rural integration ○ Promote mixed use development
Good Administration		<ul style="list-style-type: none"> ○ Capital investment framework, priority spending areas ○ Cross boundary developments

SPATIAL STRUCTURING ELEMENTS

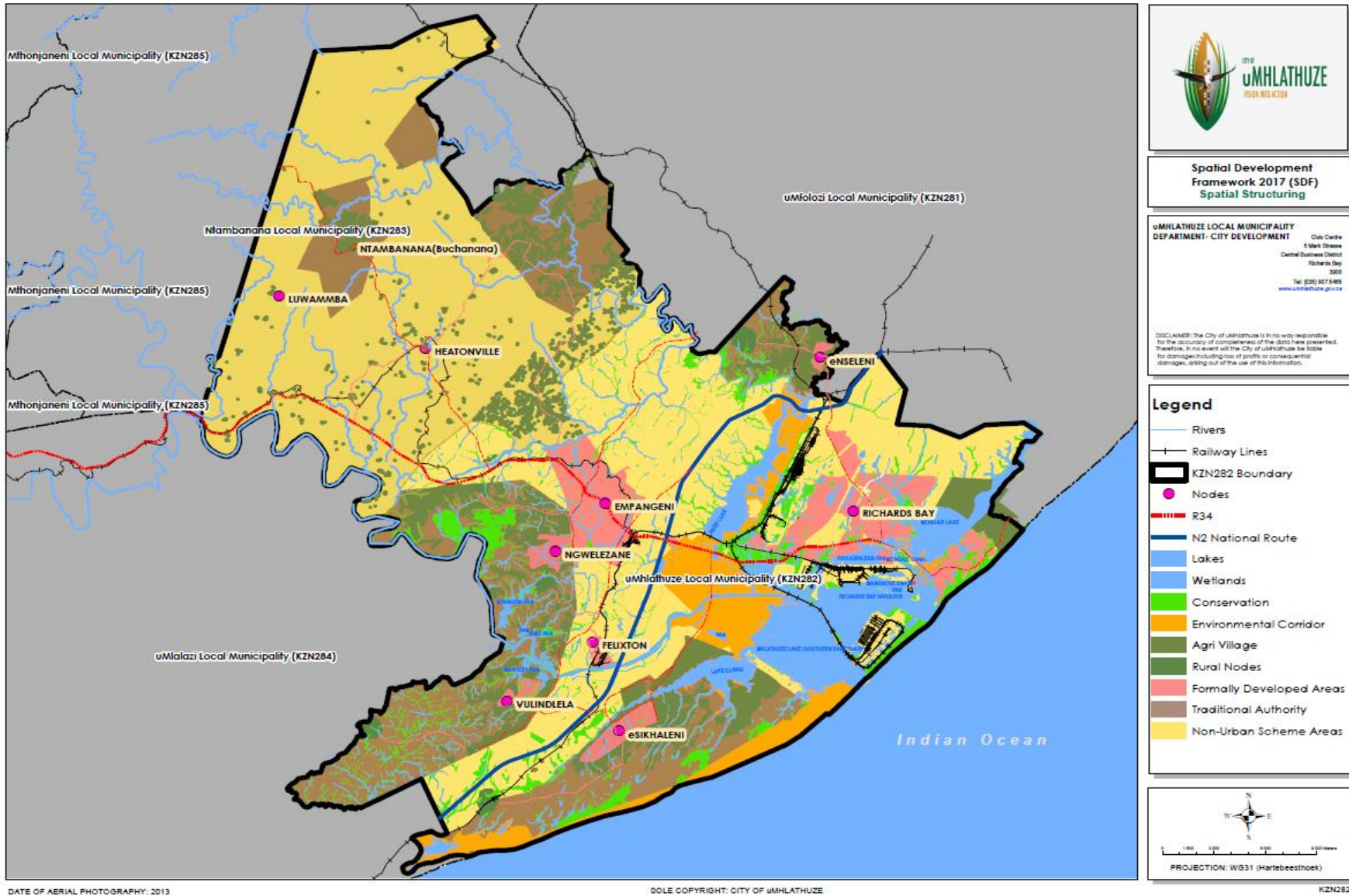
There are a number of existing natural and man-made phenomenon that have shaped and continue to shape the uMhlathuze Municipality spatial landscape. The area to the east of the Municipality is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi.

The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the N2 on its inland. Railway lines are prevalent in the municipal area but do not provide a passenger service, only a commercial/industrial service is provided.

The municipality has the benefit of about 45km of coastline of which about 80% is in its natural state. Linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area in the past and will definitely impact on the areas' future spatial development. There is one airport and a couple of landing strips in the municipal area. The municipality has vast areas of commercial farmlands as well as a number of areas that are significant from an environmental perspective.

The municipal area includes the formal towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton. Rural settlements include Buchanana, Luwamba, Makwela, Mambuka, Hluma, Matshana and Mabuyela.

uMhlathuze Local Municipality: Final IDP Review 2021/2022
 Map 53: Spatial Structuring Elements



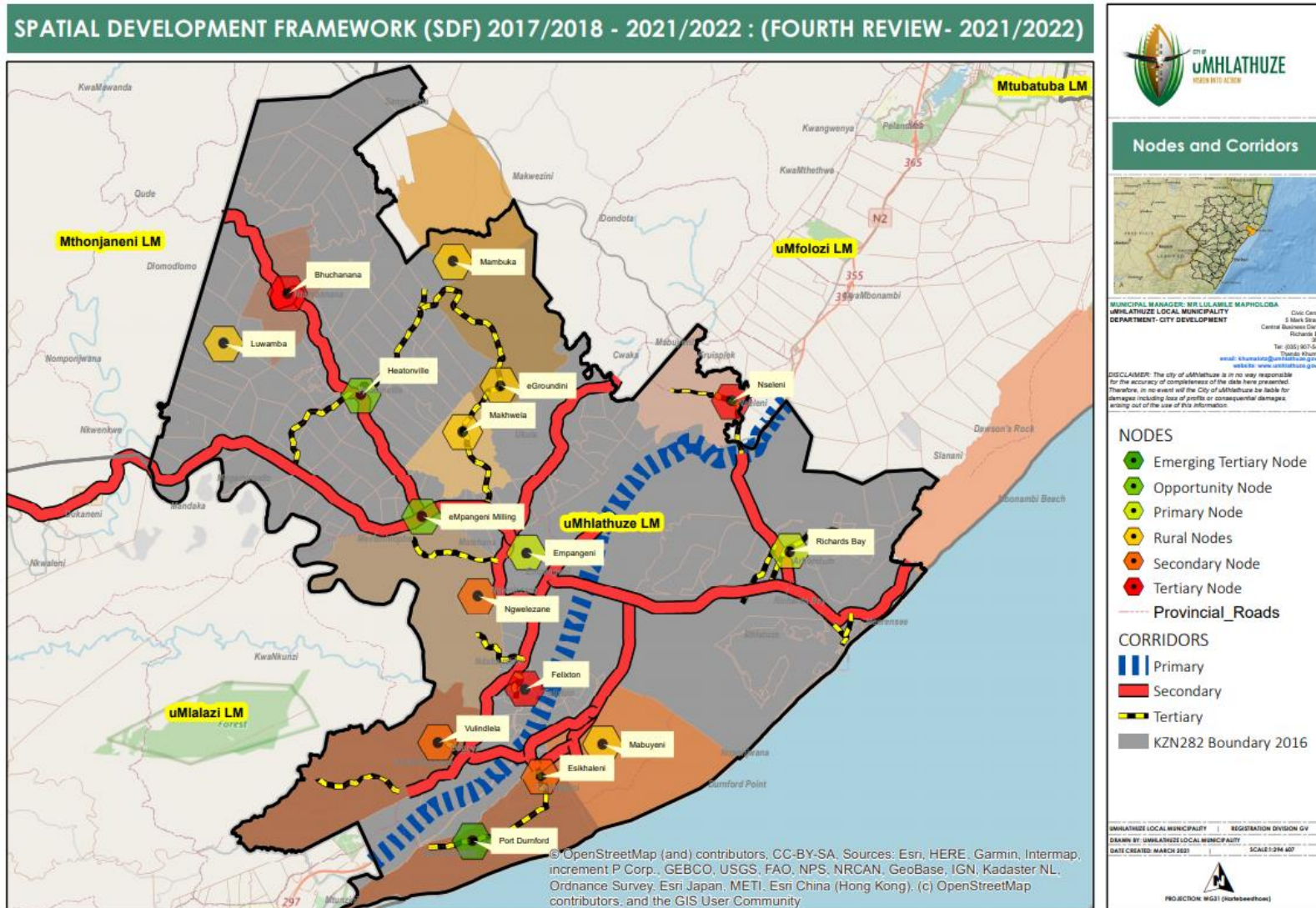
SETTLEMENT HIERARCHY

The following table provides a summary the uMhlathuze Settlement/Nodal Hierarchy:

<p>Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique high performance unique sense of place and belonging live, i.e. work-play-trade environment.</p>	<ul style="list-style-type: none"> ○ Empangeni ○ Richards Bay
<p>Secondary A socio-economic and/or institutional node that offers sustainable economic and social opportunities to the benefit of its inhabitants and visitors based on a human scale principle. In time, secondary nodes should evolve into primary nodes.</p>	<ul style="list-style-type: none"> ○ Esikhaleni ○ Ngwelezane ○ Vulindlela ○ Felixton
<p>Tertiary A socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle.</p>	<ul style="list-style-type: none"> ○ Felixton ○ Nseleni ○ Buchanana
<p>Emerging Tertiary A node that is already fulfilling a local need and has the potential to further develop, or is moving toward, being a tertiary node.</p>	<ul style="list-style-type: none"> ○ Port Durnford
<p>Rural Nodes Socio-economic nodes that offer tailor made mixed use development opportunities closer to their surrounding communities.</p>	<ul style="list-style-type: none"> ○ Hluma ○ Matshana ○ Mabuyela ○ Luwamba ○ Makwela ○ eGroundini ○ Mambuka
<p>Opportunity Nodes By virtue of their location at a major intersection or significant passing trade, these areas offer opportunities that not necessarily of a residential nature.</p>	<ul style="list-style-type: none"> ○ Empangeni Milling ○ Heatonville

The above eighteen (19) nodes were identified by their spatial characteristics, primary land use characteristics, roles and functions to city and the region.

Map 54: uMhlathuze Nodes and Corridors



ENVIRONMENTAL CHARACTERISTICS

The South African sustainable development model requires that a healthy environment is necessary for social well-being which is a prerequisite for economic prosperity. The economic system, social system and ecological systems are integrated via the governance system that holds all the other system together via a legitimate regulatory framework. The uMhlathuze Integrated Development Plan and Spatial Development Framework hence takes credence from various policies of development that enhance the principles enshrined by the National Environmental Management Act and further, Chapter 5 of the National Development Plan.

The geomorphology of the landscape is generally described as a low-relief area that is bounded by a coastline and a high-relieve terrain on the landward side. Forming part of the Zululand Coastal Plain, the area indicates a history of erosion and sedimentation, and sea level fluctuations.

The municipal area falls within an area which is recognized as the second richest floristic region in Africa: containing approximately 80 % of the of South Africa's remaining forests, rich birdlife and many other significant flora and fauna species. The uMhlathuze Municipal Area supports more than 170 Red Data species, which has been reported as amongst the highest in the country for an area of its size.

The geology and geomorphology of the area controls the transport and storage of water and influences the hydraulic functions of the ground water system. Furthermore, the soils are very permeable and almost all the rainfall infiltrates into the groundwater, where it is temporarily stored before being discharged into the streams, lakes and wetlands.

ENVIRONMENTAL ASSETS

The environmental assets of the areas are briefly described hereunder:

Economic Development:

Coastal Dunes contain heavy minerals that are sought after for mining, which is a key sector in the context of regional economic development and national plans.

Tourism:

The beaches are significant tourism assets for the municipality, attracting an Annual Beach Festival a hosting beach events at Alkanstrand, and providing a seasonal holiday destination and on-going recreational amenity. Other tourism assets worthy of preservation are the area's lakes and forests, heritage sites, conservation areas around Mzingazi River, and the estuary found south of the Port. The proposed developments of the waterfront, has a strong tourism focus. Environmental assets and socio-economic indicators have therefore been considered in the conceptual plans for the Waterfront. More toward the inland, there are a number of game ranches and lodges that attracts a significant number of visitors annually.

Water Resources:

The coastal Lakes (Lake Mzingazi, Lake Cubhu and Lake Nseze) are important water resources for the municipality. The development of Richards Bay in particular, with its

industrial development, has seen a significant increase in the abstraction rates of these lakes over the past 20 years.

Ecological Features:

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

ENVIRONMENTAL SERVICES MANAGEMENT PLAN

An ESMP has been prepared for the pre 2016 uMhlathuze area of the Municipality that outlines, amongst others, the following critical goals Environmental Services Management:

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

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

Level 1: Environmental Corridors: Included in this zone are areas of high biodiversity and environmental significance that require a high level of legal protection.

Level 2: Conservation Zone: Included herein are areas of biodiversity/ environmental significance, which are not viable for proclamation but that require some form of legal protection. No transformation of the natural assets or the development of land for purposes other than conservation should be permitted in this zone. Sustainable use of renewable resources is permitted.

Level 3: Open Space Linkage Zone: Included in the open space linkage zone are areas that provide a natural buffer for Level 1 and 2 Zones, areas that provide a natural link between Level 1 and 2 Zones and areas that supply, or ensure the supply of, significant environmental services. Transformation of natural assets and the development of land in these zones should only be permitted under controlled conditions.

Level 4: Development Zone: Includes all areas that are not included in Level 1, 2 and 3 zones. Areas in this zone are either already developed or transformed and contain land and natural assets that are not critical for environmental service supply.

Table 97: Ecosystems Services in uMhlathuze

Environmental Services	Estimated annual value (millions)	Environmental services	Estimated annual value (millions)
Atmosphere regulation - CO ₂ , etc.	R 23,39	Pollination - legume and fruit crops	R 1,53
Climate regulation - urban heat sinks	Unknown	Disease and pest control	R 9,74
Flood and drought management	R 244,11	Refugia - for wildlife and nursery for fisheries	R 15,90
Water regulation - timing, rate	R 137,39	Food production	R 30,18
Water supply - volume	R 297,92	Raw materials - housing, medicinals, craft	R 20,90
Erosion control	R 16,10	Genetic resources - chemicals	R 2,33
Soil formation	R 0,65	Recreation	R 37,73
Nutrient cycling	R 714,90	Cultural	R 67,20
Waste treatment - assimilation and dilution	R 137,74	Annual total value (millions)	R 1,757,72

AIR QUALITY

Air quality management plays an integral part in land use planning and zoning. A study was initiated to assess air quality within the pre 2016 uMhlathuze Municipality. The main objective of the air quality investigation was to inform the Spatial Development Framework for the City of uMhlathuze to ensure all environmental aspects were considered for current and future planning.

The study had the following focus areas and it is now opportune that the study be extended to include the extended municipal area:

- Determination of ambient air quality limits to be adopted as targets for areas within the City of uMhlathuze;
- Determination of areas where local air quality limits are exceeded or are in danger of being exceeded;
- Determination of buffer zones for existing industrial areas; and,
- Identification of possible future industrial development areas that would not impact on the health and well-being of the residents in uMhlathuze or on the sensitive environment.

COASTAL ISSUES

Coastal Management:

The uMhlatuze municipality is bordered by approximately 48 km of coastline, which presents a number of economic, conservation and recreational opportunities. The shoreline is characterized by sandy beaches, well established dune formations, estuarine environments, and hosts the country's largest deep water Port.

Coastal Erosion:

As is the case with most coastal municipalities in KwaZulu-Natal, the Municipality has encountered severe coastal erosion, which requires a management response that would prevent further loss of beaches, damage to property and infrastructure. Being predisposed to disruption of natural wave action because of the Port entrance, Alkantstrand beach at Richards Bay requires a reliable sand bypassing scheme. In the absence of sand budget on the Northern beaches, the municipality has to implement soft engineering techniques to mitigate against an eroding coastline. Any further development of the coast is furthermore required to take cognizance of the Coastal setback lines adopted by the municipality.

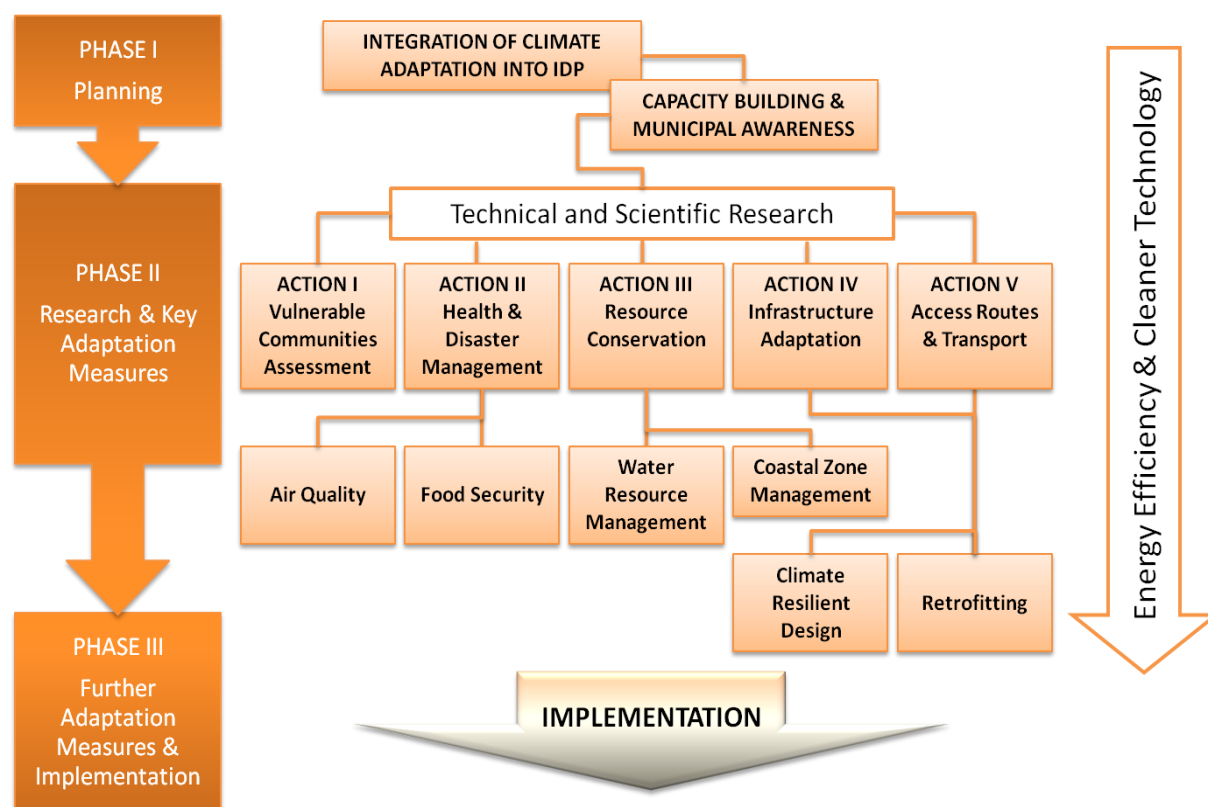
Coastal access:

Sanctioned by the National Environmental a Management: Integrated Coastal Management Act, Act 24 of 2008, a number of coastal access points is being considered. These access areas are strategically important as they aim to create safe, equitable beach access, as well as improved recreational and tourism opportunities.

CLIMATE CHANGE

Climate change strategies are drafted on the basis of two fundamental principles, i.e. mitigation and adaptation. To this end, a Climate Change Municipal Action Plan is in place that also has to be extended/reviewed to include the enlarged municipal area. The areas that were added to the Municipality experience climate change in a different manner and are generally more vulnerable. The Municipal Action plan adopts a phased approach to allow for a systematic and realistic response to potential climate impacts.

Figure 72: Phased Approach to Municipal Action Plan



Since 2010, the Climate Change Strategy was integrated into the Integrated Development Plan of the Municipality. The implementation and reporting thereof was admittedly not as vigorous as it should have been, with outputs coinciding with the various functions within the organization that deal with the Environment. These units include Waste Management, Air Quality Management, Biodiversity and Horticulture Management, Water Quality Management; Energy Management and Environmental Planning. Climate change related actions coincidentally dove-tailed with the operations of these units.

With a growing impetus to scale up on climate change responses for internal reporting requirements, and also reporting to organizations like the Global Compact of Mayors on Climate and Energy, it hence became imperative to improve certain institutional aspects on how the Municipality is currently dealing with Climate Change. To this end, Council adopted a Climate Change Action Plan in October 2018 that set out the following objectives:

1. An outline of the institutional framework for Climate Change linking global policy with national, provincial and local imperatives;
2. An overview of the uMhlatuze climate risk profile and associated vulnerability for the Municipality;
3. A presentation of the adopted Climate Change and Energy strategies as a basis for prioritising actions/projects for implementation of the Climate Change Action Plan;
4. Development of a Climate Change Action Plan which focuses on priority climate adaptation and mitigation interventions;

5. Strategic Partners and Global affiliations to scale up on climate actions; and
6. Institutional arrangements, which talks to the establishment of a formally constituted committee to implement and report on the climate change action plan.

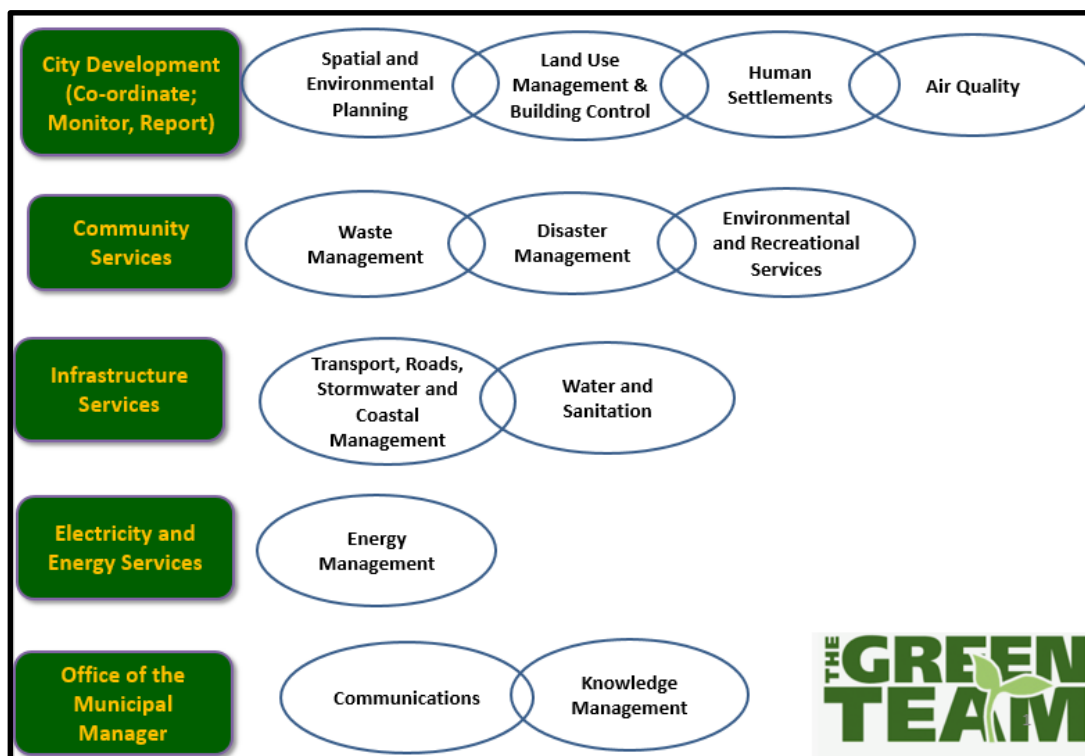
The Climate Change Action Plan is essentially the implementing arm of the Climate Change and Energy Strategies. The objective is to prioritize selected interventions in accordance with the following sectors:

- Coastal Management
- Water Resources Management
- Stormwater Management
- Open Space and Biodiversity Management
- Waste Management
- Energy Management
- Integrated Transport Planning
- Spatial Planning, Land Use and Designing for sustainability
- Human Settlement Planning
- Disaster Management Responses
- Air Quality Management

In the course of preparing the Climate Change Action Plan, it became quite apparent that the cross-cutting nature of the plan requires a formally constituted team to report on the various interventions. The City of uMhlatuze has, in other instances such the Greenest Municipality Competition, constituted a reference group dealing with environmental functions. It was therefore seen as appropriate to utilize the same committee referred to as the name "Green Team" to implement the climate change strategy and implementation plan, and report accordingly for purposes of good governance.

The Climate Change Action Plan projects a 5 year snapshot, and will remain a live document.

Figure 73: Composition of the uMhlathuze Green Team



THE

IMPACT OF BIODIVERSITY ON DEVELOPMENT

It is important to note that this impact has only been determined for the pre-2016 LGE portion of the municipality, and, as such, has to be expanded upon to include the whole post-2016 LGE municipal area. This section assesses the state and condition of biodiversity assets within the jurisdiction of the uMhlathuze Municipality and implications thereof in terms of future development potential. The Biodiversity assets are mapped out and represented by, amongst others, the vegetation types within catchments.

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

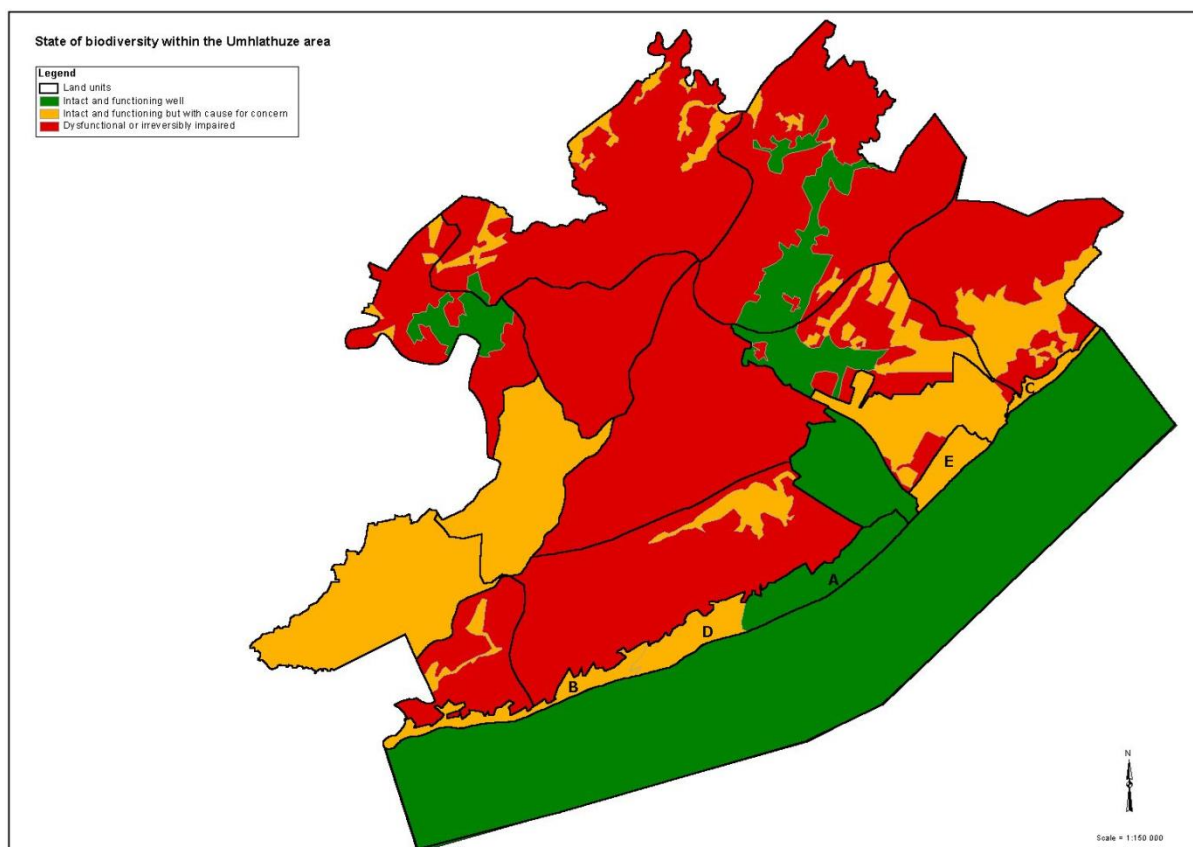
Other biodiversity assets of significance include the following:

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

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

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

Map 55: State of Biodiversity Based on Functional Units



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

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

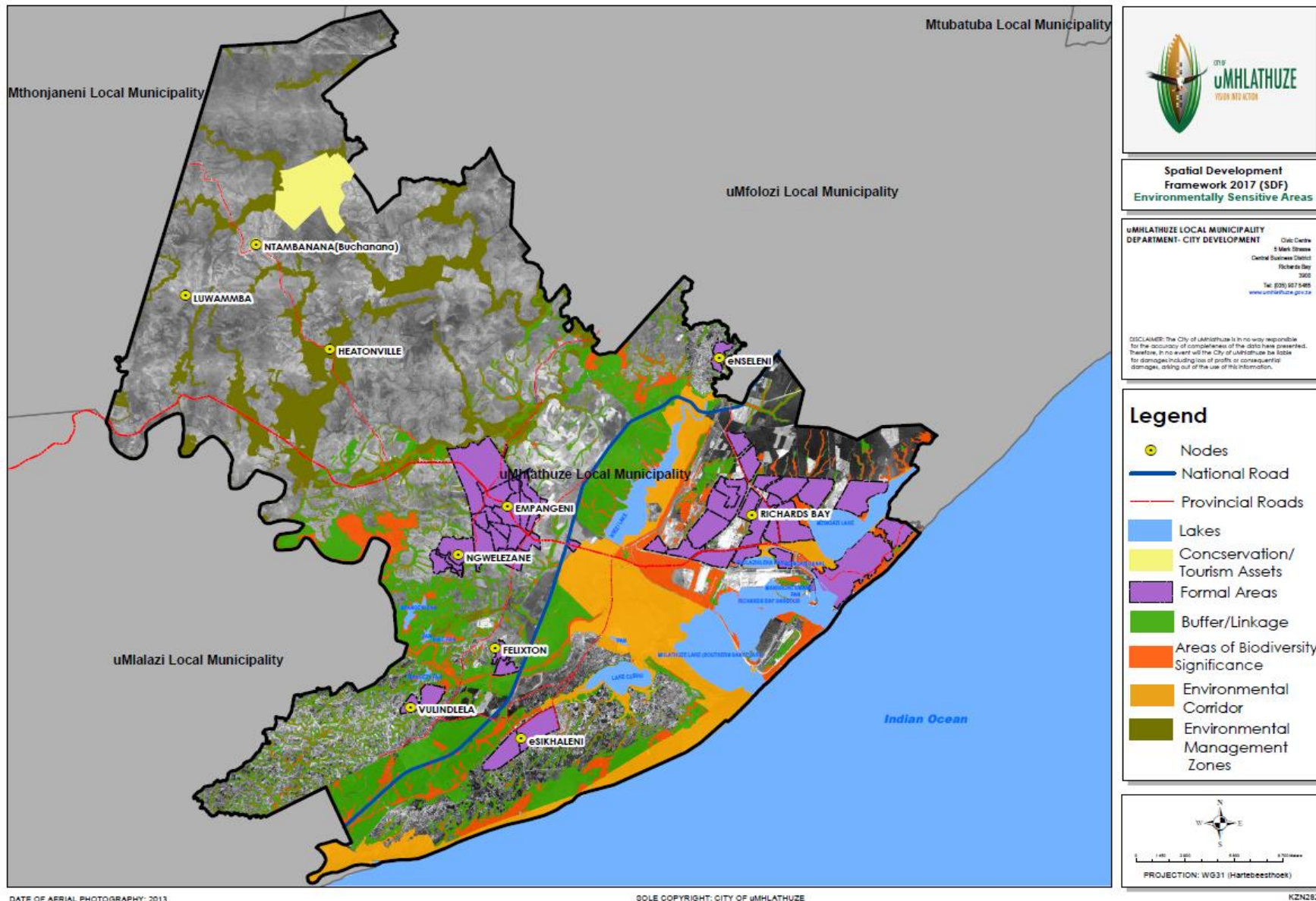
The greater uMhlathuze Municipal Area supports more than 170 Data species, which according to the South African National Biodiversity Institute, ranks amongst the highest in the country for an area of its size. This remarkable concentration of Red Data Species is one of the main reasons that most of the remaining percentage of undeveloped, indigenous land cover, is considered irreplaceable by Ezemvelo KZN Wildlife for meeting its conservation objectives in the Province.

Table 98: Biodiversity Significance

Vegetation Type	Red Data Species (Significance)	Conservation Target
Grasslands	124	100 % following a detailed survey. Conservation of a substantial portion of the remaining natural asset in the region is required if conservation objectives are to be pursued
Forests	90	
Nseleni River/Lake Nsezi System	70	
Large Wetlands	55	
Estuaries	28	
Lakes	18	
Mhlathuze River System	11	
Swamp Forests	9	

All of the remaining ecosystem types are important for supporting Red Data Species, implying that there is a direct conflict with future development imperatives. The Spatial Development Framework has identified such development opportunities for the area. Port expansion with associated industrial development is the single most significant opportunity in the area with tremendous potential to grow the local, regional and national economy. Existing planning approaches in the area also present opportunities to enhance conservation and hence tourism objectives. The limited space to accommodate the growth demand in the area reflects the realities of ecological risks that may arise and the anticipated conflict between conservation and development. The situation highlights the need for closer collaboration and coordinated planning between environmental stakeholders and prospective developers.

Map 56: Environmentally Sensitive Areas



DATE OF AERIAL PHOTOGRAPHY: 2013

SOLE COPYRIGHT: CITY OF uMHLATHUZE



**Spatial Development Framework 2017 (SDF)
Environmentally Sensitive Areas**

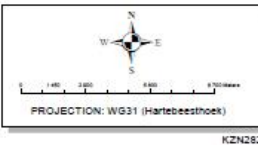
uMHLATHUZE LOCAL MUNICIPALITY
DEPARTMENT - CITY DEVELOPMENT

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www.uMhlathuze.gov.za

DISCLAIMER: The City of uMhlathuze is in no way responsible for the accuracy or completeness of the data here presented. Therefore, in no event will the City of uMhlathuze be liable for damages including loss of profits or consequential damages, arising out of the use of this information.

Legend

- Nodes
- National Road
- Provincial Roads
- Lakes
- Conservation/Tourism Assets
- Formal Areas
- Buffer/Linkage
- Areas of Biodiversity Significance
- Environmental Corridor
- Environmental Management Zones



KZN262

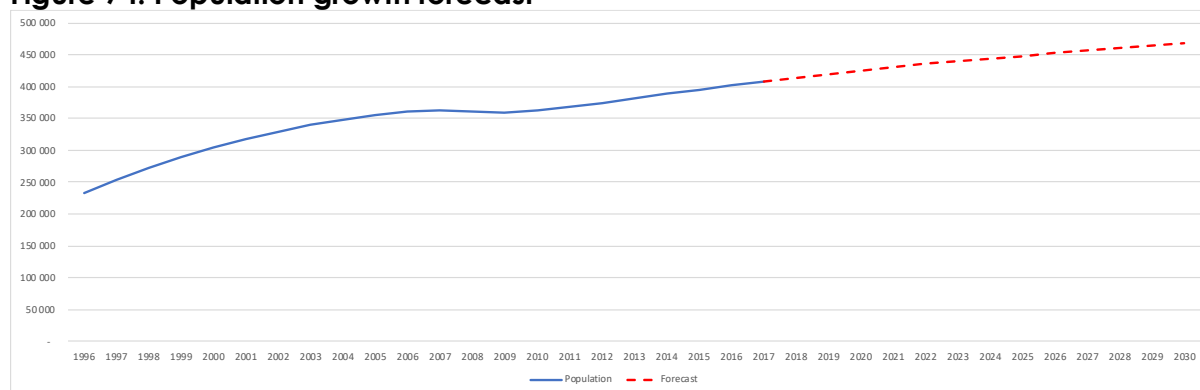
DEMOGRAPHIC INDICATORS

According to the 2016 Community Survey, uMhlathuze has the following main demographic indicators:

Population : 410 465 people
Households : 103 915
Household Size : 3.95

The following table provides an indication of the anticipated population growth forecast in the municipal area.

Figure 74: Population growth forecast



From the table provided, it can be seen that the uMhlathuze Municipality has the highest population of all the municipalities in the King Cetshwayo District with a 22,73% portion. The population increase (as at 2016) in the King Cetshwayo District, broken down per municipality is indicated in the following table.

Table 99: Population Numbers in King Cetshwayo District Municipality

	KCDM	IMFOLOZI	UMHLATHUZ E	UMLALA ZI	MTHONJANE NI	NKANDL A
2011	907519	122889	334459	213601	47818	114416
2016	971135	144363	410465	233140	78883	114284
% Growth	7,01%	17,47%	22,73%	9,15%	64,97%	-0,12%

Source: Community Survey 2016

From the above it is noted that the uMhlathuze and Mthonjaneni Local Municipalities have experienced the largest population increase, mainly due to the dissemination and incorporation of the former Ntambanana Municipality into the two listed municipalities.

IMPLICATIONS OF COVID-19 PANDEMIC ON EMPLOYMENT AND INCOME

Whereas, the COVID-19 pandemic and associated national lockdown is very present-day, and the implications of this, and possible future pandemics, cannot be accurately determined, it would be irresponsible not to respond in a manner that protects communities from the loss of income and essentially the loss of food security.

STATSSA have published the “Results from Wave 2 survey on the impact of the COVID-19 pandemic on employment and income in South Africa” on 20 May 2020 noting that the survey may not be representative of the general population of South Africa. However, a number of potential lessons stand out that urge suitable responses. A few of these are summaries hereunder:

- The COVID-19 pandemic and subsequent national lockdown forced working from home. It has become apparent that, although working from home is very possible in many economic sectors, individuals have to be equipped with the necessary tools of trade and business and government environment has to become smarter, i.e. SMART CITIES in terms of connectivity and virtual ways of doing business need to be aspired to.
- In response to working from home, regulatory requirements have to be adjusted to facilitate rather than restrict working from home. The survey indicated that very few people worked from non-residential building before the lockdown. As such, incentives could be pursued to encourage working in virtual spaces. The implications of such are immense, from a time management perspective as well as a climate impact to mention a few.
- People did and expected to continue to lose their jobs and livelihoods as a result of the pandemic/lockdown. During the lockdown many households were reliant on savings for survival. The economic development of a community is therefore critical to elevate households out of poverty into a situation where households can withstand times of reduced or loss of income by way of having been able to make use of savings.
- Income and food security emerged as a major concern and these are more prominent for the poorest sector of the community. As such, efforts to support subsistence livelihoods have to be increased to counter this concern.
- Many findings of the above survey indicate anxiety about the longer term impact of the pandemic and lockdown. This uncertainty in itself is reason enough to take action immediately to counter undesirable longer term impacts that are looming.

UMHLATHUZE SPATIAL DEVELOPMENT FRAMEWORK

Uncertainty and rapid change has become the norm in the World. Natural disasters are more frequent and intense and a 2020 Pandemic has changed the essence of life – the way we work, the way we play and that way we live. Planning has the ability to improve the readiness of communities and households to respond to this in pre-empting situations and ensuring the impacts are mitigated and human responses facilitated.

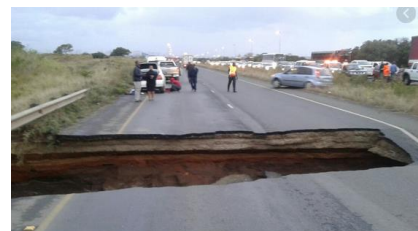


INFORMANTS OF SPATIAL DEVELOPMENT

The following provides a consolidation of the sectoral key development issues/consolidated themes that have been extracted from the various analysis chapters in this report.

Access to Services

- i. The municipal area of uMhlathuze has increased by roughly 50% following the 2016 Local Government Elections. The prevailing levels of services in the newly added Wards are generally lower than in wards that were formerly part of uMhlathuze. Also, the newly added wards are predominantly rural with comparatively high poverty rates, have comparatively low economic activity and lower levels of service provision. This has placed additional pressure on the uMhlathuze Municipality's budget to provide services in line with policy and standards.
- ii. The highest percentage of adults over the age of 20 years that do not have schooling, are in wards 5, 10, 13, 14, 18, 25, 32 and 33. These areas largely coincide with Traditional Authority areas and are an indicator for specific interventions needed in these listed areas. Also, the highest percentages of households that earn less than R1600 per month reside in wards 5, 10 and 29. Wards 4, 5, 12, 18, 24 and 28 also have the highest percentage of unemployed persons.
- iii. Wards 31 and 33 have high percentages of households, more than 61% that do not have access to piped water while wards 5 and 33 have more than 61% of their households without access to hygienic toilets. The above two points confirms that certain wards are experiencing low levels of service provision coupled with other indicators of poverty, i.e. low income, low education and low employment.
- iv. Various sector plans have been updated to inform the provision of infrastructure and services in the municipal area. For securing the provision of water, at least six additional reservoirs are required to meet estimated daily peak requirements. At present, the Municipality has five wastewater treatment works (WWTW) and a marine outfall and a feasibility study is underway for wastewater re-use. A further two sewerage sub-systems and possibly to a third new sub-system within the identified SDF Expansion Areas may be required.
- v. An annual maintenance and refurbishment/replacement budget is required in addition to the capital budget. This is estimated at 4% of the estimated capital cost of the infrastructure per annum; and refurbishment/replacement is estimated at 2% of the estimated capital cost.
- vi. The City of uMhlathuze is implementing a strategic management plan for water conservation and water demand management.
- vii. The main access into the municipal area is via the N2 in a north south direction and in an east west direction the R34. Other significant roads in the area include the MR431 (that provides a northerly entry into Richards Bay from the N2) as well as the Old Main Road that straddles the N2 on its inland. Although a plan for the development of arterial roads is in place, it has not been implemented nor expanded for the new municipal area. Failure of any one of the above routes renders a concern for the Municipality in the event of a disaster that requires evacuation and/or response.



Governance and Partnerships

- viii. More than 50% of the municipal area is under the jurisdiction of Ingonyama Trust Board. Whereas the Municipality has extended its Land Use Scheme to

cover the whole municipal area, challenges with the management of rural land remain from a development control perspective.

- ix. Extensive land claims over portions of the municipal area and institutional procedures, in cooperation with the Department of Rural Development and Land Reform, are being put into place toward the resolution of these land claims.
- x. Cooperation between the Municipality and SOE (State Owned Enterprises) are being pursued in the interest of economic development but also the conservation of natural assets, notably the need for sand replenishment by Transnet along the Northern Beaches that are experiencing severe coastal erosion. Apart from Transnet, the Richards Bay Industrial Development Zone has the potential to create many opportunities in the Municipality.
- xi. Strong partnerships are also in place with various government departments in attaining goals of mutual interest, i.e. assistance from the Department of Transport with the uMhlathuze Comprehensive Integrated Transport Plan (CITP). Also, increasing and improved alignment is needed to ensure the integrated implementation of human settlement projects.

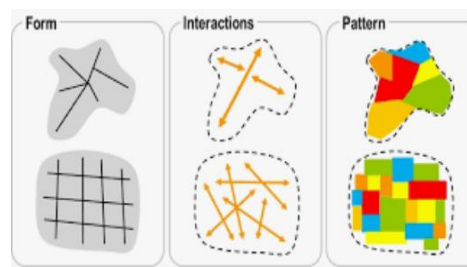


Spatial Form and Disaster Management

- xii. The Municipality has a disjointed spatial form. Travelling distances to places of employment and economic opportunity are unsustainable and unnecessary. Interventions are needed to improve access to services and opportunities in former Township and other marginal areas.
- xiii. Linkages between areas of opportunity and densely populated areas need to be improved by way of improved roads/routes and public transport facilities.
- xiv. Richards Bay and Empangeni are the most significant economic centres in the larger District while Esikhaleni has the potential to develop into a primary node if the local economy becomes more sustainable and diversified, specifically in respect of growth and employment opportunities.
- xv. Aquadene, Brackenham, Esikhaleni and Nseleni have the highest residential densities in the municipal area. High population densities are also found in the peri-urban areas.
- xvi. Existing bulk infrastructure capacities will have to be increased at all nodes and growth areas to accommodate increased densities and expansion/development.
- xvii. The spatial locality of hazards or hazard prone areas identified in the Disaster Management Plan largely correlate with areas where the most vulnerable communities reside.
- xviii. Hazards associated with industry need to be further investigated and response plans developed/shared. The potential disaster implications of new developments have to be evaluated and provided for during the planning stage of such a development.

xix. Disaster responses and readiness need to be more pro-active, i.e. proposals have to be in place to facilitate the multi-use of spaces when needed in disaster situations such as currently being experienced worldwide as a result of COVID-19.

xx. Increasing densities is an objective of the IUDF. Densities can be maintained during Pandemics as long as appropriate services are available to create a safe environment for residents of densely developed areas to maintain social distancing and other measures that may be needed.



Environment and Climate Change

xxi. Vast peri-urban settlements lack proper planning and are often located in environmental high risk areas compromising their sustainability.

xxii. The complex hydrology of the area, whilst attributing to unique natural features, poses challenges for development. This is particularly the case to east of the Municipality that is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi.

xxiii. The impacts of Climate Change are experienced locally, i.e. the abstraction of water from the various Coastal Lakes have reached ecological reserve limits during periods of extended drought, severe flood events have yielded disaster implications for unplanned settlements with flood prone/ flood risk areas and the Richards Bay northern beaches in particular have been confronted with severe coastal erosion.

xxiv. The disjointed spatial structure of the Municipality is adding to the vulnerability of communities and hampering the Climate Change response of the Municipality.



Human Settlement

- xxvi. A number of population growth scenarios have informed the need for land for human settlements, at varying densities, and ancillary land uses over the planning horizon to which suitable planning responses and provision of infrastructure is needed.
- xxvii. The uMhlathuze Municipality has three Restructuring zones, i.e. Aquadene, Empangeni and Expansion Area A and Priority Housing Development Areas have also been gazetted.
- xxviii. Informal Settlement Upgrade and Relocation Plans for seven identified informal settlements is in place, i.e. Mzingazi Infills, Mzingazi Informal Settlement, Mandlazini-Airport Buffer Strip, Mandlazini Infills, Umzingwenya, Vulindlela, Nseleni Peri-Urban Settlement and the Ngwelezane Hospital Settlement.

Economic Growth and Development

- xxix. The municipality has the benefit of about 45km of coastline that renders a range of economic/tourism opportunities and linked to its coastal locality is the Richards Bay deep-water port that has been instrumental in the spatial development of the area.
- xxx. The location of the current Richards Bay airport poses challenges in terms of operations and future development. A pre-feasibility study for the proposed relocation of the Richards Bay airport has been completed for its redevelopment as part of a larger airport city.
- xxxi. The need to move towards being a SMART city has been expedited by the COVID-19 pandemic in all sectors, i.e. commercial, education, government etc.



The uMhlathuze SDF is a tool to guide future development (investment, decisions etc.) and interventions in context of the aforementioned and local conditions. Amongst others, it encompasses the following:

- Long term development trajectory, even beyond 50 years
- Alignment with International, National, Provincial and Local Plans
- Alignment with long term future Port Development Framework and Richards Bay IDZ Plans
- The municipal SDF contains spatial structuring elements that have been informed by a technical analysis of trends and considers a number of development scenarios
- Nodes and corridors are identified for investment responses
- Integrated Human Settlements is a core feature of the spatial development framework
- Effect is given to Spatial Transformation by way of focussing and channelling investment in line with the Pillars of Spatial Transformation.

The following elements relevant to uMhlathuze's spatial development are expanded upon to indicate how investment and development is guided by the municipal SDF:

- Settlement and Corridor Hierarchy
- SDF Expansion Areas
- Intervention Areas
- Integrated Human Settlement (Restructuring Zones & NUSP)
- Catalytic Projects

SETTLEMENT AND CORRIDOR HIERARCHY

It has to be noted that a settlement hierarchy directs specific resource based responses in respect of spatial development and investment. The detailed Settlement/Nodal Hierarchy for the municipal area is discussed herewith:

Table 100: Summary of uMhlathuze Settlement Hierarchy

PRIMARY SETTLEMENTS	RICHARDS BAY AND EMPANGENI
<p>Centres of employment, industrial and commercial activity. Continue to serve as main municipal administrative centres. Main public transportation nodes (Richards Bay Taxi City and Empangeni A and B-Ranks). A range of specialized services and facilities are available to a larger hinterland.</p>	
SECONDARY AND TERTIARY SETTLEMENTS	ESIKHALENI, NSELENI, VULINDLELA, NGWELEZANE AND FELIXTON
<p>Formalized towns, mainly residential in nature. Most community facilities are available at these locations, and therefore provide their resident communities with basic commercial and recreational facilities. More specialized services and facilities are obtained from the primary settlements. Opportunity to formalize better employment opportunities at all secondary settlements.</p>	
PERI-URBAN AREAS	UNFORMALIZED AREAS MAINLY ADJACENT TO THE FORMALIZED SECONDARY NODES OF ESIKHALENI, VULINDLELA, NSELENI AND INCLUDES MZINGAZI AND PORTIONS OF MANDLAZINI
<p>Characterized by dense population; small stands not necessarily able to support agricultural activities; Continuous infill-development takes place; pressure for connections to municipal infrastructure (individual connections) and possible health impacts as a result of over-crowding and lack of community services. In-situ rural housing projects not necessarily viable as a result of high densities. Opportunities for formalization for some of these areas. Township establishment possible on municipal land but limitations exist on Ingonyama Trust Board (ITB) land.</p> <p>(Note: The Mandlazini and Mzingazi area, albeit considered part of the Richards Bay formal area, are in the process of formalization)</p>	

OPPORTUNITY NODES	HIGHLY ACCESSIBLE AREAS WITH UNTAPPED POTENTIAL
Characterized by good accessibility but very limited development economic opportunities. Potential to provide services and economic opportunities to surrounding hinterland	
RURAL SETTLEMENTS	DENSER SETTLEMENTS WITHIN THE TRADITIONAL COUNCIL AREAS
Identified in line with the uMhlathuze Rural Housing Projects. Accessible locations for community services and infrastructure. Specific planning and development interventions are required to identify community services that are to be encouraged at these nodes.	
SCATTERED SETTLEMENT	
Remainder of the Municipal Area. Potentially viable for in-situ rural housing projects if not too far removed from Secondary or Rural Settlements.	

Apart from the above nodal areas that define the settlements, the linkages between settlements are further defined in terms of a corridor hierarchy. Volumes, speed and type of traffic as well as the reason for travel define corridors or transport routes as primary, secondary or tertiary.

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



Primary Corridors:

- N2, John Ross Highway, P230 and MR496 are classified as Primary Corridors based on their strategic connectivity i.e. economic growth and development.
- N2: Links UMhlathuze with Durban, Mtubatuba, Hluhluwe, Mkuze, Pongola and Mpumalanga Province.
- John Ross Highway, P230 and MR496: Links UMhlathuze with Eshowe, Melmoth, Ulundi and Buchanana (in former Ntambanana).

Secondary Corridors:

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

Tertiary Corridors:

- The P517, P343, Part of P2-4, Felixton High Street, East Central Arterial, West Central Arterial, Bayview Boulevard, Davidson lane, Krewelkring, Nkoninga and Fish Eagle Flight are classified as Tertiary Corridors as they provide access to a specify point of interest (POI).
- P517: Provides access to access to Nseleni and its surroundings.
- P343/Felixton High Street: Provides access to Felixton (Residential, Educational, Mond-Industry/manufacturing).
- Part of P2-4: Provides access to Vulindlela/Dlangezwa and the University of Zululand.
- Nkoninga/Fish Eagle Flight: Provides access to the Richards Bay Airport and Birdswood residential suburb.
- Davidson/Krewelkring: Provides access to Alkantstrand beach and Newark beach.
- Bayview Boulevard: Provides access to Alkantstrand beach, Newark beach, recreational & Sport facilities.
- West Central Arterial: Provides access to the Port of Richards Bay and the Richards Bay CBD.
- East Central Arterial: Provides access to Richards Bay CBD.

SDF EXPANSION AREAS

A future development scenario has been quantified for the Municipality based on the following on the premise that there will be an increase in economic activity as well as an increase in population.

In context of the aforementioned, the municipal spatial development perspective also focuses on the following:

1. The identification of land to accommodate the expected growth, i.e. expansion areas
 2. The identification of areas for densification
 3. Revision of the Town Planning controls
- Expansion areas were identified by applying spatial planning principles, i.e. integration and concentration together with a technical analysis of air quality, founding conditions, the environmental etc. The location of a possible

development application in the expansion area does not provide adequate information for Council to support the proposed development in principle. Site specific specialist studies and approvals that address all environmental issues and requirements, land ownership, detailed services design and use issues etc. are still required. Council can only make an informed decision upon consideration of the specialist studies as part of the development application processes.

The following expansion areas have been identified for the municipal area with the following size and developable characteristics.

Table 101: Extent of Expansion Areas

Expansion Area	Size (Ha)	Land Developable (Ha)
A	593	363
B	2 982	2 214
C	512	437
D	1 756	356
E	2 306	1 958
F	2 344	1 699
G	971	407
H	1 163	780
TOTAL	12 629	8 214

A further land use analysis has already been undertaken for the municipal area indicating the current proportionate land use zonings in the municipal area:

Table 102: Current zoned land use Percentages

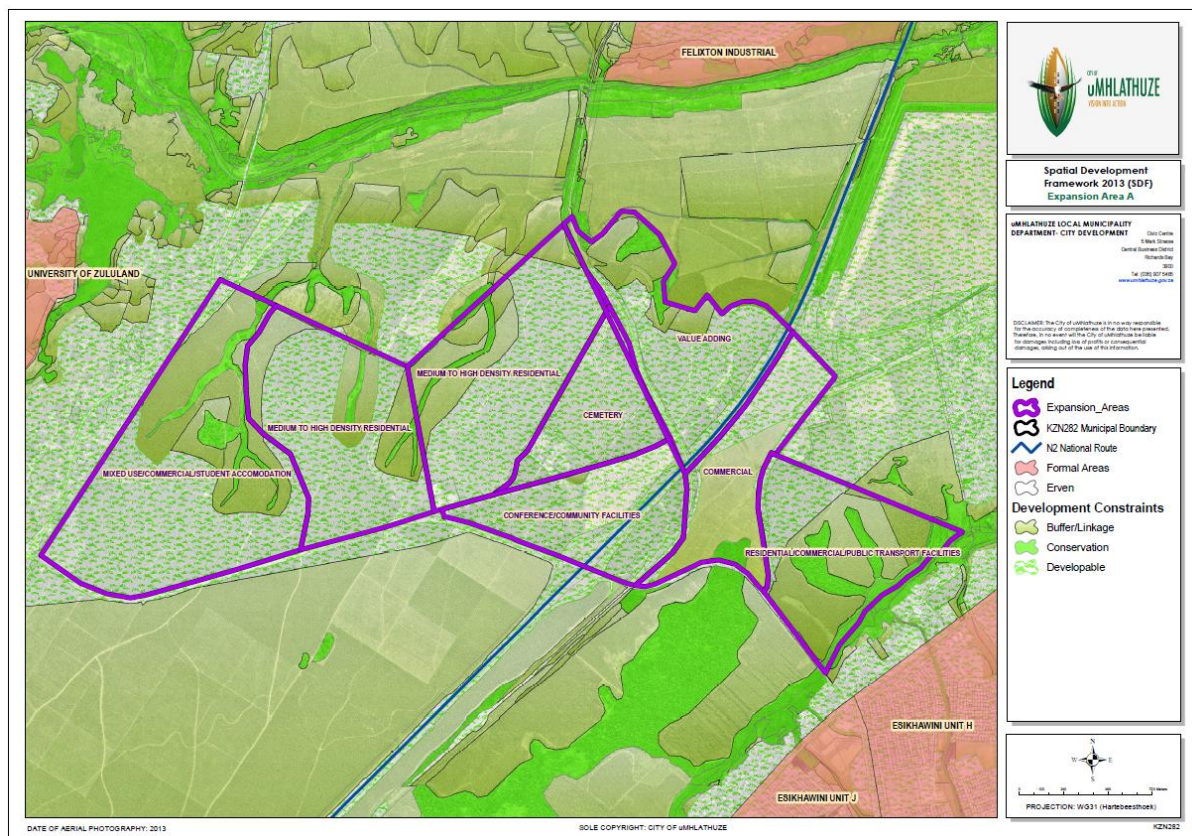
Zoning	Ha	% Against Total
Commercial	114.02	1.46%
Industrial	1695	21.70%
General Residential	115.752	1.48
Special Residential	1496.475	19.16
Intermediate Residential	15.87	0.2
Public/Private Open Spaces	540	6.92
Transportation Infrastructure	28.4	0.4
Undetermined	16.686	0.21
Social	535.8	6.86
Other Zonings	3248.997	41.616
Total	7807	100

The above determined land use percentages were applied to the land area of the proposed expansion areas to provide an indication of the anticipated land usages in the expansion areas as indicated hereunder.

Table 103: Anticipated land usages in Expansion Areas

Zoning	Ha
Commercial	119.93
Industrial	1782.50
General Residential	121.57
Special Residential	1573.86
Intermediate Residential	16.43
Public/Private Open Spaces	568.43
Transportation Infrastructure	32.86
Undetermined	17.25
Social	563.50
Other Zonings	3418.46
Total	8214.30

The following is an example of preliminary planning undertaken for expansion areas.



INTERVENTION AREAS

Spatial intervention areas refer to specific areas where deliberate actions from either the district/local municipality or any other tier of government can improve on a situation that prevails in the area. A number of open spaces in the municipal area have been settled in an informal manner, i.e. without formal approval of building plans and appropriate zoning with the result that service provision to such areas has not been planned and a reactive response instead of a proactive planning approach is followed. Examples are school sites, sites for infrastructure as well as public open spaces. The identification of spatial intervention areas, for remedial action, is a achieving the desired spatial pattern. The following intervention areas are proposed in the uMhlathuze Municipality:

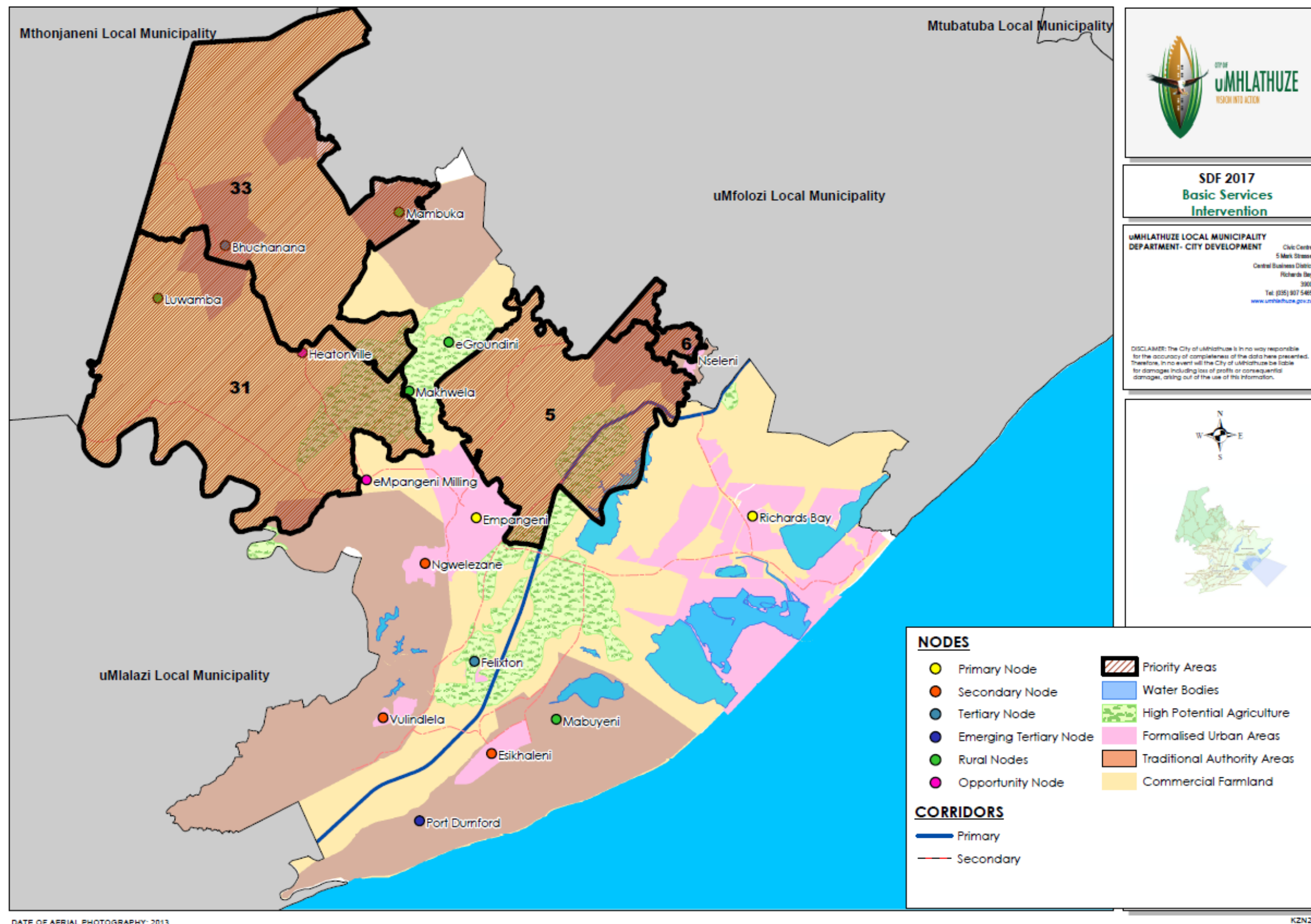
- a) As identified as part of the Nodal/Settlement Hierarchy of the Municipality, peri-urban areas are characterized by dense populations, small stands not necessarily able to support agricultural activities, continuous infill-development, pressure for connection to municipal services (individual connections) and possible health impacts as a result of over-crowding. An opportunity therefore exists to improve the living conditions of these residents by formalizing, in some way, these densely populated areas. Such opportunity, however, needs to be carefully planned and workshopped with the landowner (Ingonyama Trust) and affected residents.
- b) In terms of planning for peri-urban nodes, the principle of "work where you live" should be promoted. Typical examples of such densely populated peri-urban areas are areas surround Esikhaleni, specifically the uMzingwenya area as well as peri-urban areas around other former R293 towns.
- c) In view of the applicable environmental issues such as the high water table and potential pollution of the nearby Mzingazi Lake, special consideration has to be given to areas of Mzingazi and Mandlazini in respect of, amongst others, water borne sewer installation and discouraging communities from practicing yard burials.

In order to facilitate feasible service provision, Rural Development Framework Plans have to be developed and adopted, to be used as a guiding tool when land allocations are effected.

At overleaf, the following series of spatial intervention mapping for uMhlathuze Municipality is shown.

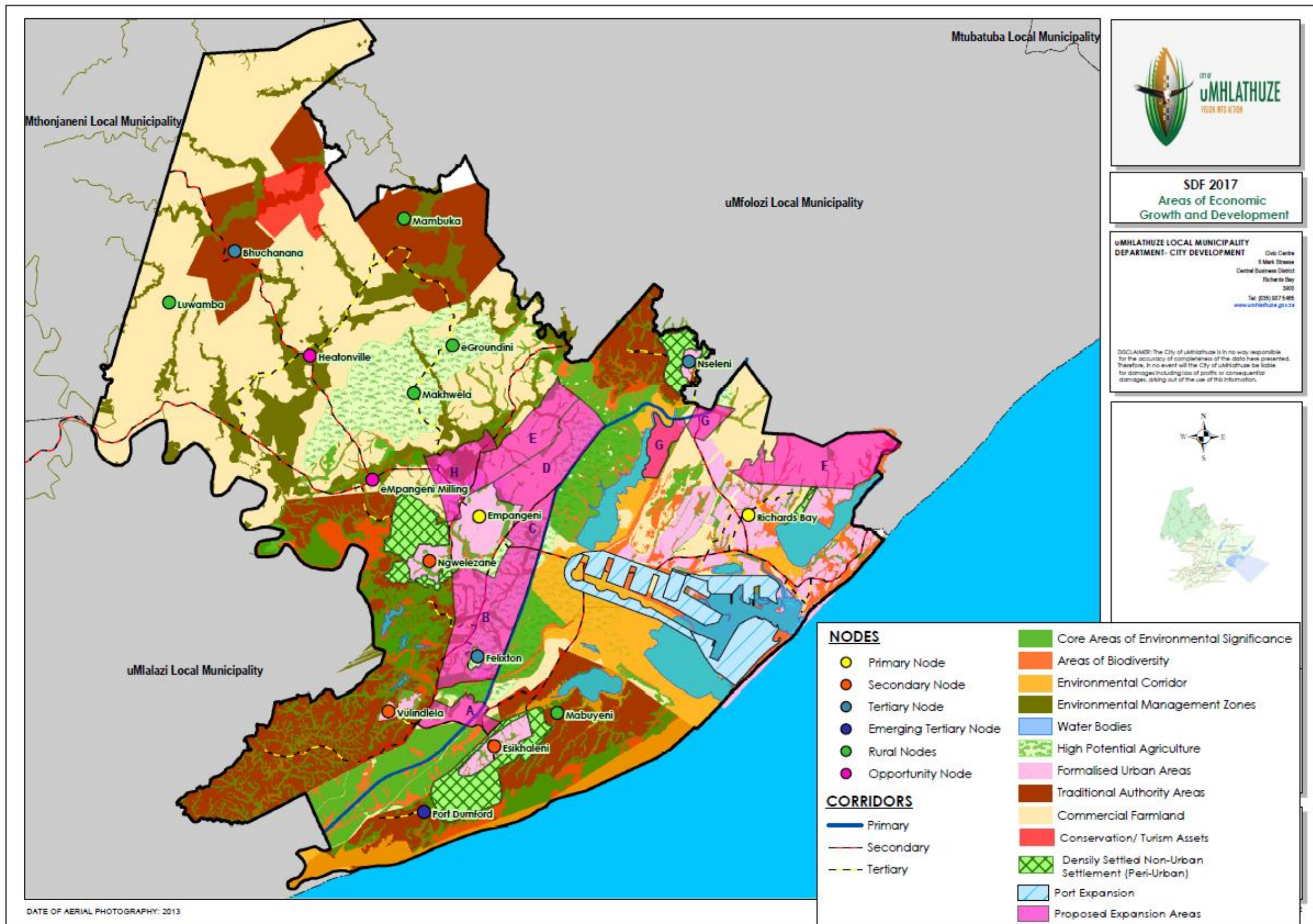
- Areas of Social Infrastructure Intervention
- Areas Basic Services Intervention
- Interventions at Settlements
- Areas of Economic Growth and Development
- The Consolidated SDF

Map 57: Basic Services Intervention Areas



The portions of the municipality for basic services intervention that have been identified as priority areas represent those wards in the municipality that have the highest need in terms of access to basic water and hygienic toilet facilities. The specific wards are 5, 6, 31 and 33.

Map 58: Areas of Economic Growth and Development



The mapping provided illustrates areas where interventions in aid of economic growth and development should be focused. To this end the following is noted. Interventions at the identified nodal areas

The need to consolidate all environmental studies undertaken independently for the respective former municipal areas that now have been consolidated into an enlarged municipal area.

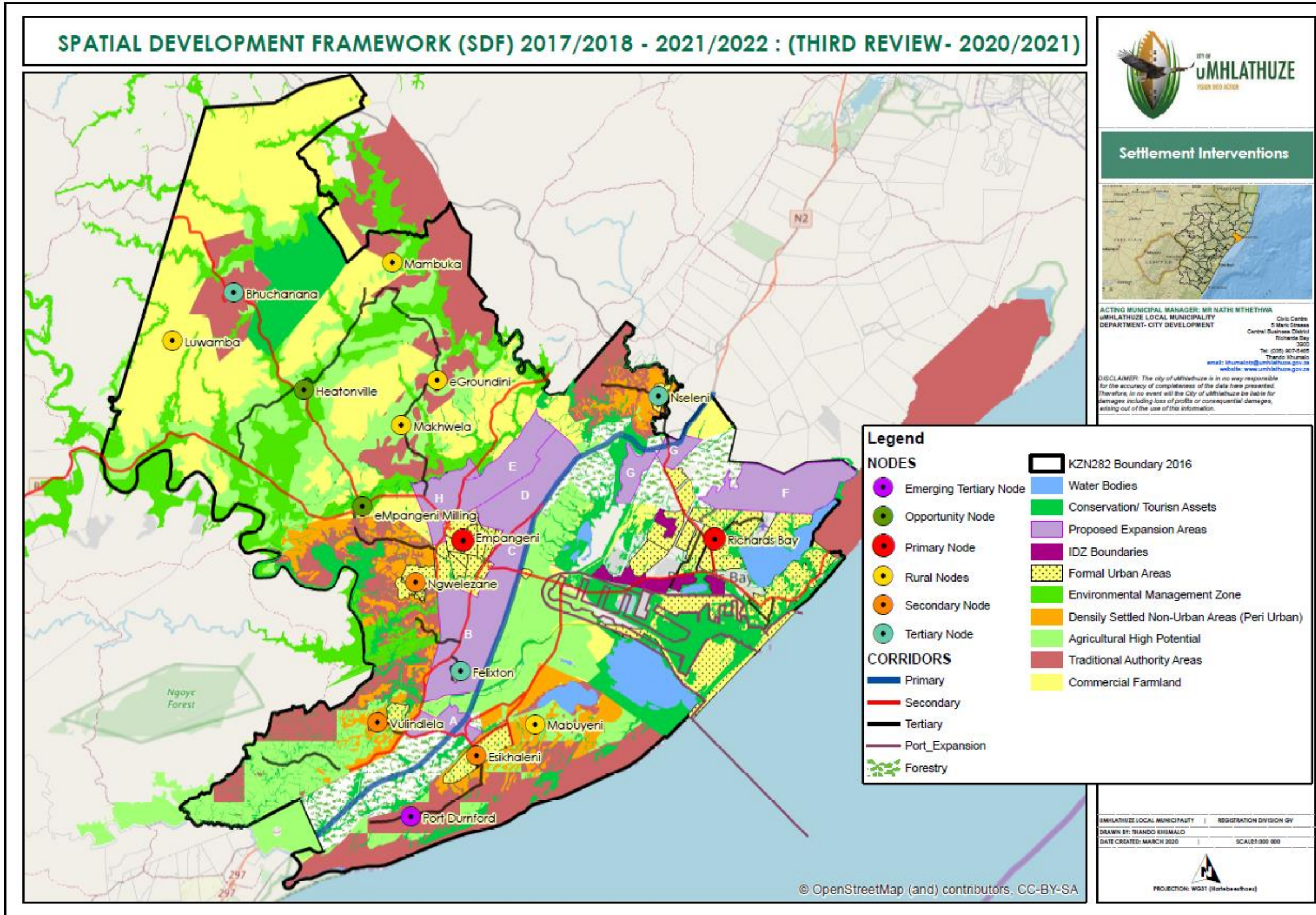
The protection of strategic agricultural resources but also the initiation of interventions aimed at achieving maximum poverty alleviation and economic growth at areas that pose untapped agricultural resources.

Rural Framework Plans are being rolled out in the rural areas to guide land and decision making and thereby providing guidance and confidence to investors and residents.

Conservation/Tourism Assets are prevalent in the whole municipal area. There are formalized public nature reserves as well as a number of private game reserves notably.

Interventions around densely settled peri-urban areas is of an incremental nature. As such, land use management responses in terms of guidelines are required. In addition, the implementation of the NUSP (National Upgrading and Support Programme) plans have to be undertaken.

A total of eight expansion areas have been identified to absorb growth and development in the municipality. Planning and budgeting



Primary Nodes

Review of 2006 CBD Framework for Richards Bay was finalized in 2019.

Implementation of the CBD Revitalization Plan.

Development of the CIA (Central Industrial Area) in line with IUDF principles and climate resilient development.

Empangeni Mega Housing development as an integrated residential development project (IRDP).

Further Development of Dumisani Makhaya Village (DMV) as an integrated residential development project (IRDP).

Secondary Nodes

Development of Precinct Plans to provide development vision for the area and provide possible solutions to the development, densification, land use management and economic challenges. Interventions aimed at fostering the Township Economy and supporting the second economy.

Tertiary Nodes

Development of Precinct Plans to provide development vision for the area and provide possible solutions to the development, densification, land use management and economic challenges. Interventions aimed at fostering the Township Economy and supporting the second economy.

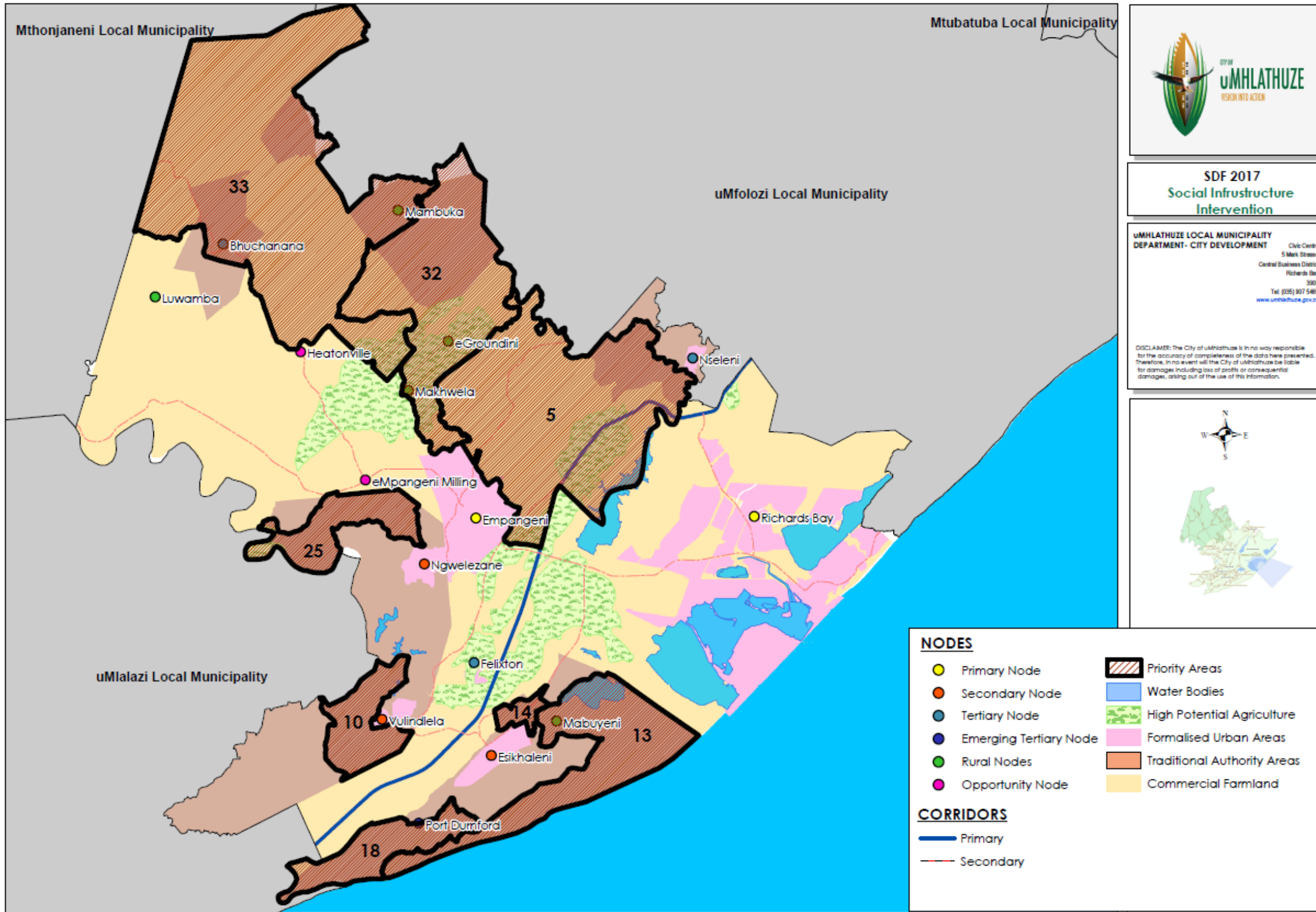
Opportunity Nodes

Development of Precinct Plans to provide development vision for the area and provide guidance for the development, land use management and economic growth.

Rural Nodes

Development of Development Framework

Map 61: Social Infrastructure Intervention



**SDF 2017
Social Infrastructure
Intervention**

**uMHLATHUZE LOCAL MUNICIPALITY
DEPARTMENT - CITY DEVELOPMENT**

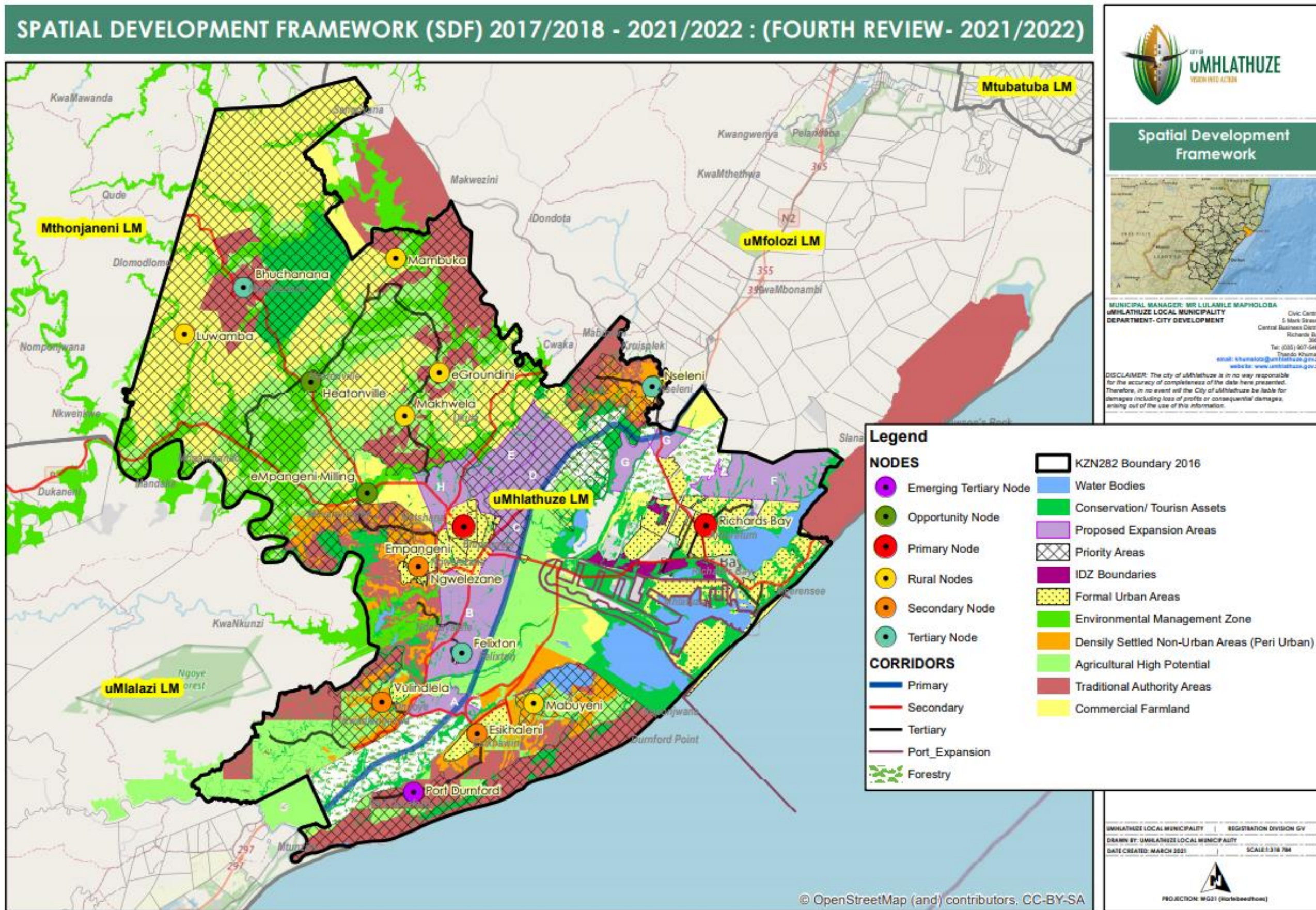
Civic Centre
5 Mark Street
Central Business District
Richards Bay
3900
Tel: (035) 907 5465
www.umhlathuze.gov.za

DISCLAIMER: The City of uMhlathuze is in no way responsible for the accuracy or completeness of the data here presented. Therefore, in no event will the City of uMhlathuze be liable for damages, including loss of profits or consequential damages, arising out of the use of this information.



The portions of the municipality that have been identified as priority areas for Social Infrastructure Intervention represent those wards in the municipality that have the highest need in terms of low education levels, high unemployment and low income levels. The specific wards are 5, 10, 13, 14, 18, 25, 32 and 33. Specific interventions in these areas will require a coordinated effort to address adult literacy, accessibility to social services such as pension and the overall investment in human capital.

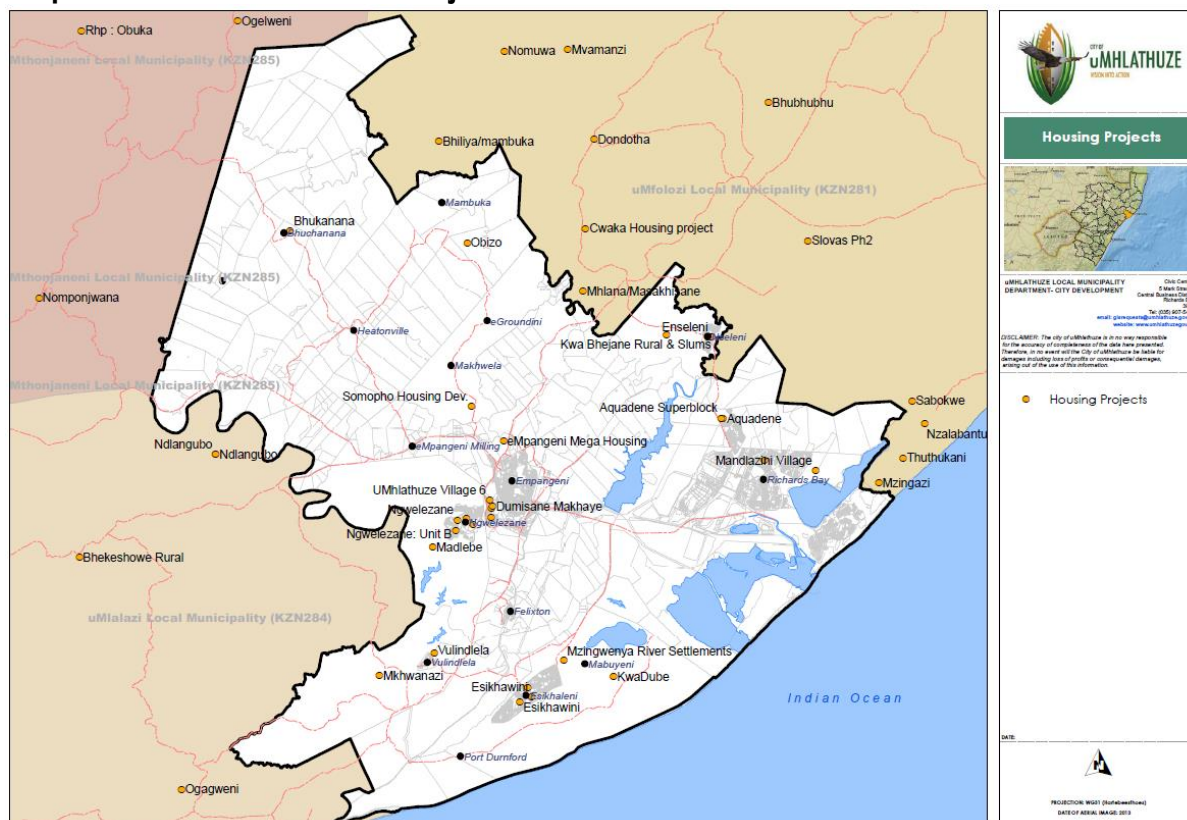
Map 62: Consolidated SDF



INTEGRATED HUMAN SETTLEMENTS

The following inset provides an indication of the locality of public (and private) human settlement interventions in the Municipality.

Map 63: Human Settlement Projects



Apart from human settlement projects that are under implementation or that have attained development rights as listed above, the Municipality has prepared the following Municipal Informal Settlement Upgrade and Relocation Plans for seven identified settlements as part of the National Upgrading Support Programme (NUSP):

- uMzingwenya River Settlement Plan
- Mzingazi Village Settlement Plan
- Mandlazini Village Infill Areas Plan
- Mandlazini-Airport Settlement Plan
- Vulindlela/UniZulu Settlement Plan
- Ngwelezane Hospital Settlement Plan
- Nseleni Settlement Plan

The National Upgrade Support Programme (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The National Upgrade Support Programme is an important initiative which works closely with government at

all levels in achieving Output 1 of Outcome 8, i.e. Sustainable human settlements and improved quality of household life.

PRIORITY HOUSING DEVELOPMENT AREAS

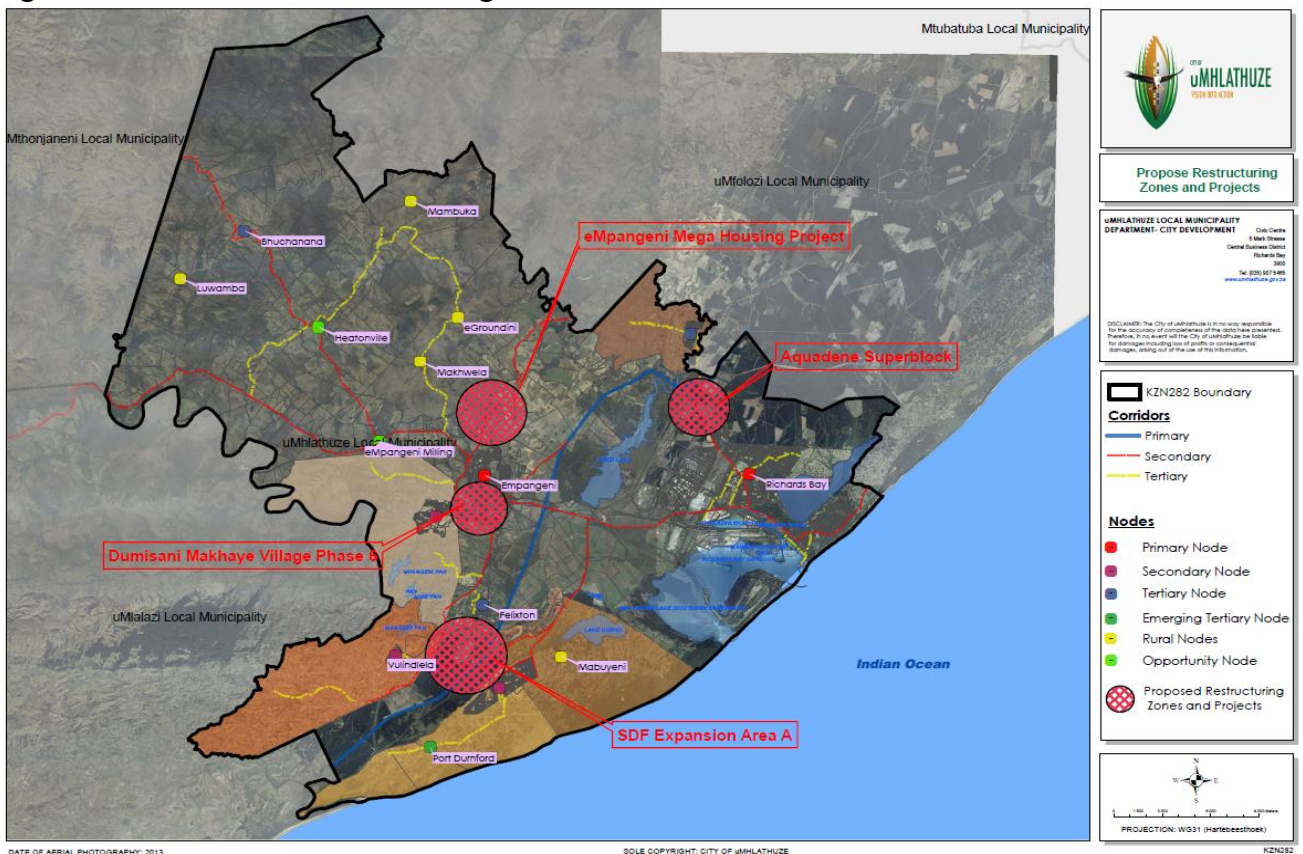
The uMhlathuze Municipality has identified three priority housing development areas (PHDAs) within its area of jurisdiction. The identification of these areas is the culmination of various studies and processes that have been undertaken over a number of years underpinning the notion of spatial transformation and restructuring of the current spatial form.

The uMhlathuze PHDAs are in the following areas:

- Empangeni
- Richards Bay
- Esikhaleni Vulindlela Corridor

The above areas are all restructuring zones within the Municipality as indicated hereunder:

Figure 75: uMhlathuze Restructuring Zones



More information relating to the rationale for identifying the above areas is provided herewith.

Empangeni:

The Empangeni PHDA includes the towns of Empangeni, Ngwelezane, the Dumisani Makhaya Village Human Settlement project as well as the Empangeni Mega Housing project.

Empangeni per se is a primary node in terms of the uMhlathuze Municipal SDF and it regarded as a major service and retail centre of uMhlathuze Municipality. It provides a centre of employment, industrial, residential, offices and commercial activity.

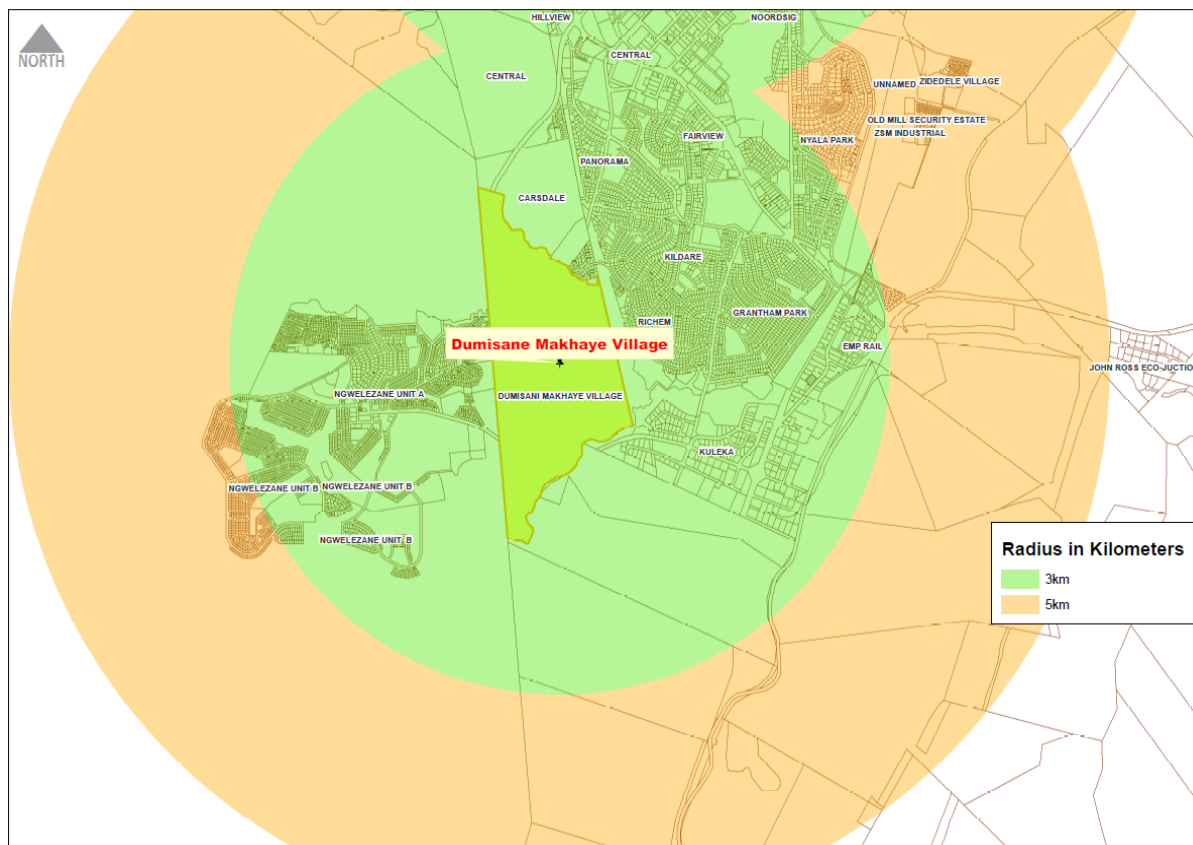
Empangeni has a regional role and functions as a major gateway to the economy through the nearby Richards Bay Harbour. It plays a dominant role in KZN, especially within the commercial, industrial and agricultural support sectors and acts in the regional economy as a service centre.

At present, there are two human settlements underway in the area, notably Dumisani Makhaya Village Phase 6 and 8 as well as Empangeni Mega Housing. Both these projects are now integrated residential projects (IRDPs) that offer a suite of opportunities to various income cohorts. The Dumisani Makhaya Village was historically an RDP project but the scope has widened to include social housing and also CRUs and the following is noted:

- RDP Houses (Phase 8) : 130
- FLISP : 82
- Social Housing/CRU : 1270

The Dumisani Makhaya can be considered as an infill project in its own right. The following plan indicates the proximity of the Dumisani Makhaya Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.

Figure 76: Radius around DMV Housing Project



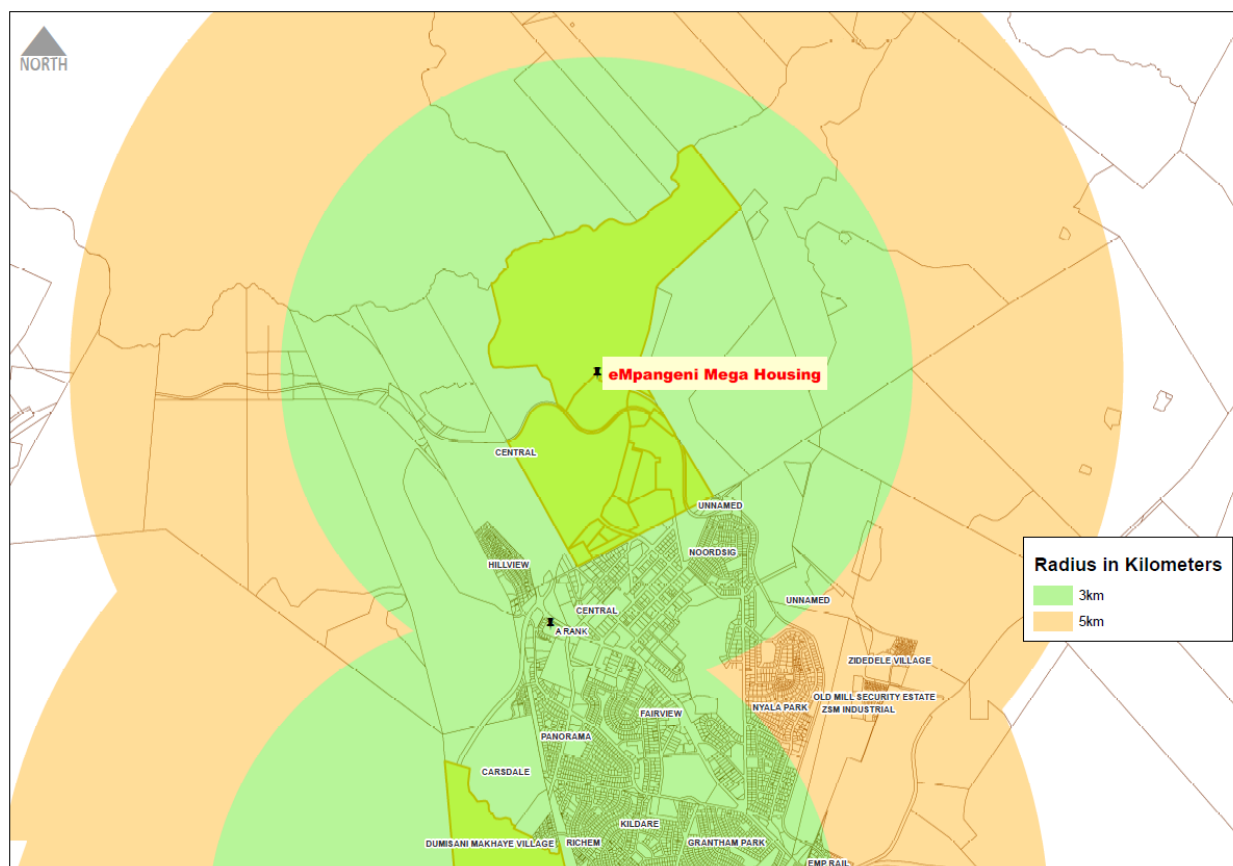
The Empangeni Mega Housing project has the following housing typologies:

- RDP & Finance Linked Individual Subsidy Programme: 2065
- Social Housing: 1200
- Bonded Houses: 5791
- Serviced Sites: 578
- Mixed Use Residential: 304
- Medium Density Residential Cluster: 83

In addition, there is a proposal also to cater for student accommodation.

The following plan indicates the proximity of the Empangeni Mega Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.

Figure 77: Radius around Empangeni Mega Housing Project



In recent years, an Informal Settlement Upgrade and Relocation Plan was prepared for a portion of Ngwelezane in terms of the NUSP (National Upgrading and Support Programme). This plan is addressing the urgent need for informal settlement upgrade (in-situ) within an urban area that has historically served as a dormitory suburb but its role as an economic service centre is increasing given efforts by the Municipality to foster the Township Economy.

Ngwelezane offers a combination of mixed used development such as commercial, medical, educational, mixed density and mixed income (urban and urban peri-urban living) and small scale commercial facilities. The area is surrounded by dense peri-urban development which in turn emphasizes the importance of the area as a suburb but also as a service centre to the surrounding community. Ngwelezane is well located to offer student accommodation given its accessibility and proximity to the University of Zululand main campus.

Richards Bay:

The Richards Bay PHDA includes the towns of Richards Bay, its suburbs, as well as Mandlazini and Mzingazi Agri-Villages.

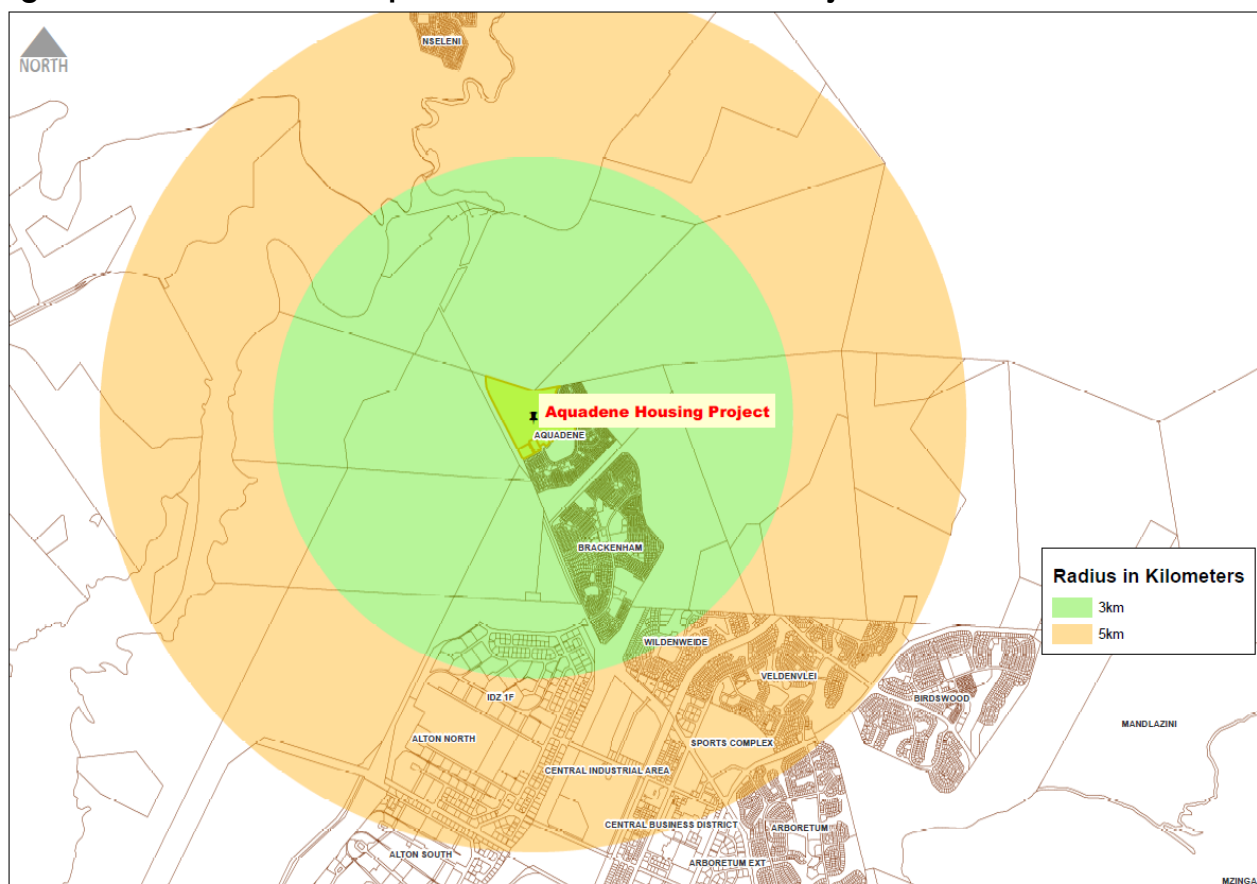
Richards Bay is a primary node in terms of the uMhlatuze Municipal SDF and is a prominent developing industrial centre of in South Africa that provides a centres of employment, industrial, residential, mining, offices, eco-tourism, nature reserve and commercial activity. The town is well positioned to take full advantage of the export of manufactured goods and raw materials by virtue of the Richards Bay Harbour. It is also regarded as an eco-tourism and nature reserve gateway and plays a dominant role in the provincial commercial and industrial sector.

At present, Aquadene is the main human settlement intervention in Richards Bay. The Aquadene project is also an IRDP. The project provides for the following housing typologies:

- RDP Houses : 837
- FLISP : 130
- Social houses/CRU : 1579

The following plan indicates the proximity of the Aquadene Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively.

Figure 78: Radius around Aquadene Human Settlement Project



In recent years, an Informal Settlement Upgrade and Relocation Plan was prepared for both the Mzingazi and Mandlazini Agri-Villages in terms of the NUSP (National Upgrading and Support Programme). This plan is addressing the urgent need for informal settlement upgrade (in-situ) within these Agri-Villages that are located in close proximity to formal urban suburbs of Birdswood and Meerensee respectively. The said suburbs offer places of employment, commercial and social facilities and peri-urban development has also taken place along the periphery.

A further area that requires priority housing intervention is the area between Mzingazi and Meerensee. A project in this area would have a multi-purpose of being an infill project and a catalyst to integrate the adjoining communities. Furthermore, the suitable development of this area could provide in much needed social and recreation facilities that are lacking in the Mzingazi area specifically.

Apart from the above, the Richards Bay PHDA has a satellite campus of the University of Zululand as well as a uMfolozi TVET campus and the need for student accommodation is ever present.

Esikhaleni-Vulindlela Corridor:

The Esikhaleni Vulindlela PHDA includes the towns of Esikhaleni and Vulindlela as well as the corridor in between. This area is a priority expansion area of the municipality in terms of the SDF.

Esikhaleni has historically been a dormitory suburb but is in the process of involving into a dominant node. At present it is a secondary node in the municipal area and offers a combination of mixed used development such as commercial, educational, mixed density and mixed income urban living. It is also surrounded by dense peri-urban development creating the need for in-situ upgrade. Furthermore, Esikhaleni plays a dominant role in region especially within the commercial, administration, transportation and social services. It also plays a dominant role in region and provides a tertiary education facility to the region with the location of the uMfolozi TVET College – Esikhaleni campus on the periphery. The node has the potential to be considered as primary node in future.

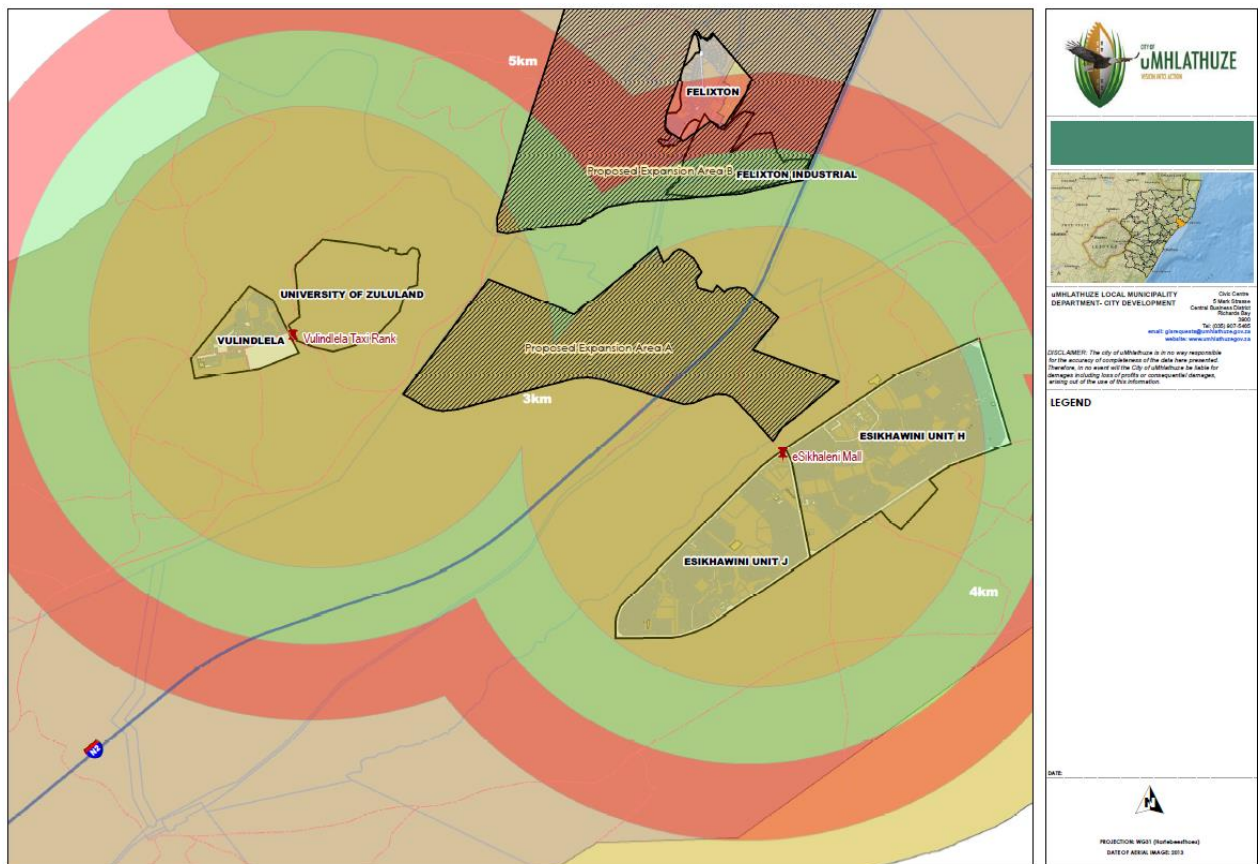
In recent years, the hostel upgrading programme has been completed in Esikhaleni and 20 blocks were successfully upgraded. The main focus is now on the uMzingwenya settlement where more than 4000 households live on the urban periphery and more than half within flood prone areas. The Municipality has also prioritized the uMzingwenya Slums Clearance project and foresee at least partial resettlement of the affected community into the Esikhaleni Vulindlela Corridor.

The town of Vulindlela was also investigated and an Informal Settlement Upgrade and Relocation Plan was prepared for a portion thereof prepared in terms of the NUSP (National Upgrading and Support Programme). This plan is addressing the urgent need for informal settlement upgrade (in-situ) within an urban area that has historically served as a dormitory suburb but its role as an economic service centre is also increasing.

More specifically, Vulindlela offers a combination of mixed used development such as educational, low –medium income residential (urban & peri-urban living), health facilities and small scale commercial facilities. It plays a dominant role in Region and provides a tertiary education facility to the region with the location of the University of Zululand main campus on the periphery. As a result, there is an increasing demand for student accommodation and to an extent, the already informally provided student accommodation has to formalized.

The following plan provides an indication of the radii around the Esikhaleni and Vulindlela nodes and how any development within these radii will provide integration and improved access to the provided urban facilities.

Figure 79: Radius around Vulindlela and Esikhaleni



ALIGNMENT WITH THE LAND USE SCHEME

The preparation of the single Land Use Scheme is regarded as an incremental process of the Municipality which intends to encourage and assist citizens, investors and developers to apply and obtain business rights or any other intended rights which protects their investments.

The following zoning categories in the uMhlathuze LUS and the uMhlathuze SDF are expanded herewith, i.e. environmental, residential, agricultural and mixed use.

Zone Category: Environmental

The SDF indicates the following environmental type areas/categories, i.e. Forestry, Conservation/Tourism Assets, Water Bodies and Environmental Management.

The listed zones for the environmental land use category respond to the essence of the SDF in respect of the environment. The importance of maintaining environmental linkages/corridors is emphasized as well as the need to protect legally proclaimed nature reserves and coastal areas. Very importantly, the LUS is providing for recreational activities in certain environmental zones that can be beneficial to residents as well as the environment. A synergy between tourism and the environment, again for the benefit of the environment and land users, is also fostered in the environmental nature and culture-based tourism zone. From the above, a balance between environmental conservation and controlled development in sensitive areas can be achieved.

Zone Category: Residential

The SDF indicates the following areas/categories relevant to residential, i.e. Nodes, Expansion Areas, Formal Urban Areas, Densely Settled Non-Urban Areas (Peri-Urban) and Traditional Authority Areas.

The listed zones for the residential land use category are supporting the incremental planning approach. Provision is made for detached residential with the provision of more than one dwelling thereby supporting densification. A range of minimum property sizes that reflects the reality on the ground is also provided for. In addition, a range of higher impact residential development options are available and in particular these are relevant to the various human settlement processes of the Municipality, notably in the municipal restructuring zones. In support of attracting economic development, including tourism, zonings to accommodate a range of resort type development is provided. It is further critical that mixed uses along development corridors are provided for as such areas are Priority Development Areas in the Municipality.

Zone Category: Agriculture

The SDF indicates the following areas/categories relevant to agriculture, i.e. Agriculture High Potential and Commercial Farmland and Traditional Authority Areas.

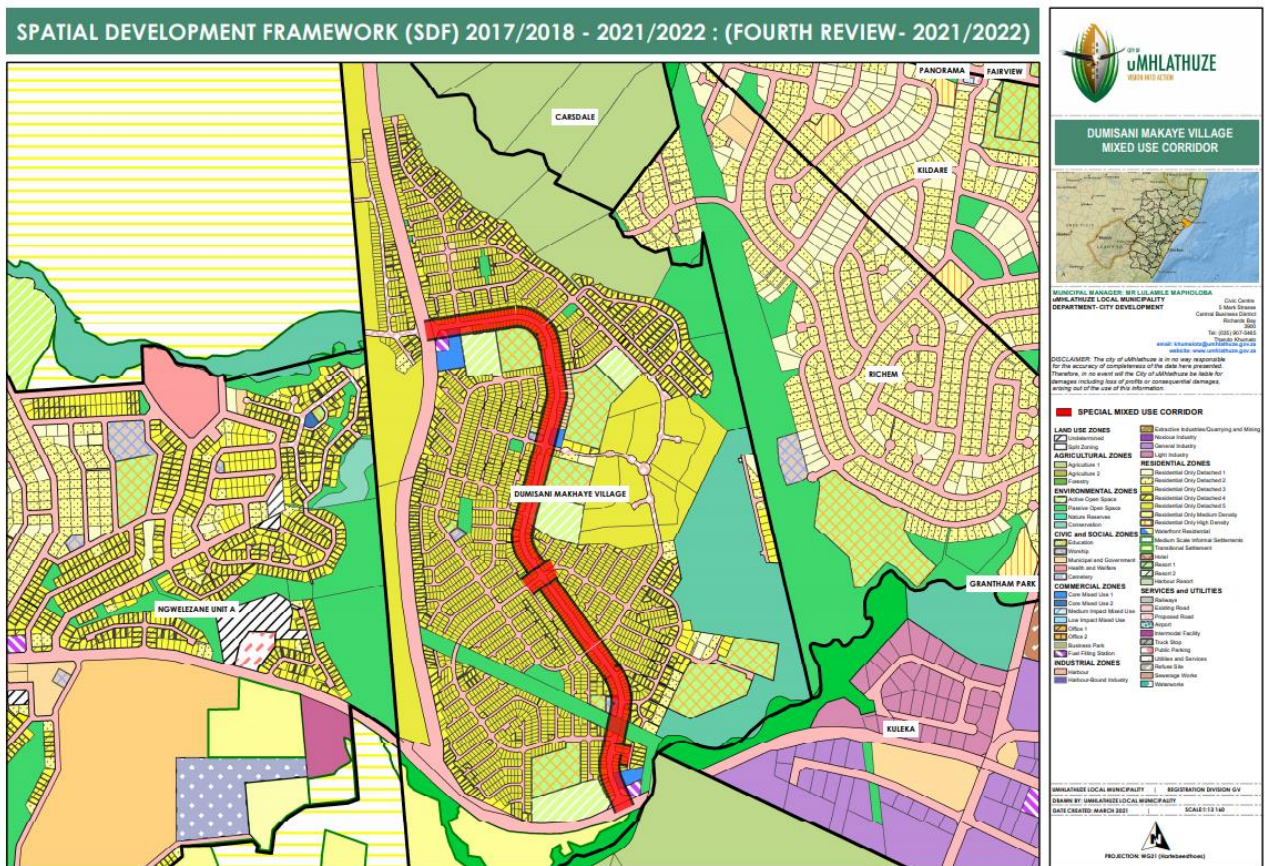
The listed zones for the agricultural land use category are supporting agriculture in a variety of ways. Agriculture is provided for subsistence purposes, in harmony with the environment and also for more commercial purposes. In line with more efficient practices and greener economies, consideration has also been given to greenhouses and windfarms on agricultural land. The very importance of urban agriculture is also elevated by way of appropriate zoning provisions in the LUS.

Zone Category: Mixed Use

The listed zones for the mixed use land use category are supporting the incremental planning approach and socio-economic spatial transformation of the Municipality. Provision is made for the use of retail, personal services, entertainment, offices, residential, public facilities and related commercial uses at high to low intensities. In addition, a range of higher to low impact mixed use development options are available and in particular these are relevant to the various human settlement processes of the Municipality, notably in the municipal restructuring zones, agri-villages, Traditional Authority Areas and former Townships. In support of attracting economic development, including rural and township economy, zonings to accommodate a range of mixed use type development is provided for by way of a very informal procedural system, shortened land use procedures and low or no applications fees. The process assists the Municipality to keep records of all development applications to ensure bulk infrastructure requirements can be met. It is further critical that mixed uses along development corridors are provided for as such areas are Priority Development Areas in the Municipality.

The Municipal Land Use Scheme has identified such mixed use zones in Vulindlela, DMV, eSikhaleni, Ngwelezane and Nseleni.

Map 64: DMV Mixed Use Corridor



SPATIAL DISTRIBUTION OF APPLICATIONS

A first analysis of land use and building applications for the 2019/2020 financial year has been undertaken. The said applications have been grouped per suburb. The number of applications processed are reported quarterly to the Council and information has been extracted from these reports for the purpose.

It is observed that the number of applications during Quarter 4 CoVID Levels 5,4 and 3 was significantly lower than the other quarters.

The value in this exercise is to consider trends, notably investment, over a number of years at various localities in the Municipality. Over time it can also be observed whether the Municipality has initiated incentives to attract investment in certain areas (i.e. priority development areas) but noting that building plans are an important measure. Reason being, if the Land Use Scheme in an area facilitates a certain type of development, no consent or rezoning will be recorded but more likely a building plan submission.

The following tables and graphs depict the spatial distribution of application in uMhlatuze for 2019/2020. This analysis will henceforth be undertaken annually.

Table 104: Applications by Type per Suburb

Area/Suburb	Rezoning	Consent	Building Plans
	TOTAL	TOTAL	TOTAL
Empangeni	4	7	38
Vulindlela	0	2	6
Esikhaleni H	2	2	8
Esikhaleni J	2	2	7
Felixton	1	0	3
Nseleni	0	0	0
Ngwelezane	1	1	21
Alton Industrial	3	0	11
Richards Bay CBD	1	1	14
Richards Bay Suburbs	19	7	140
<i>Meerensee</i>	7	1	42
<i>Widenweide</i>	0	0	4
<i>Birdswood</i>	2	2	27
<i>Aquadene</i>	2	0	6
<i>Brackhenham</i>	1	1	16
<i>Veld-en-Vlei</i>	0	1	16
<i>Arboretum</i>	7	2	29
Sub-Total	33	22	248
Records	36	22	266
Variation	3	0	18
%	8,33	0,00	6,77

Figure 80: Applications per Type

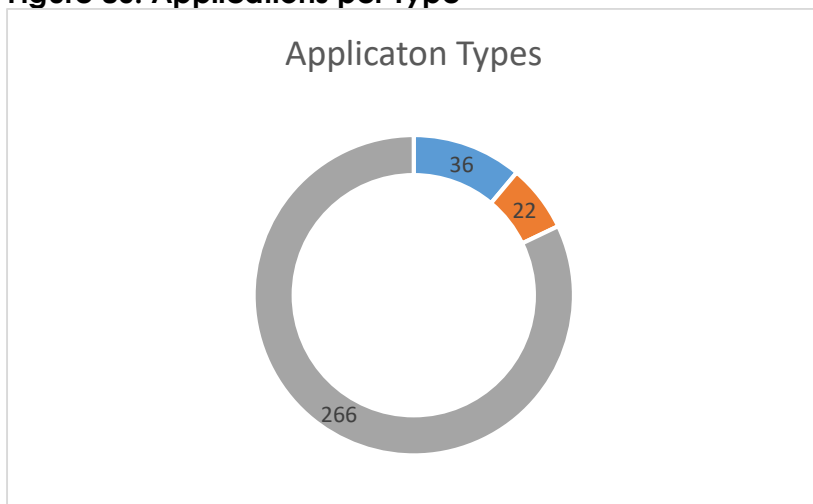
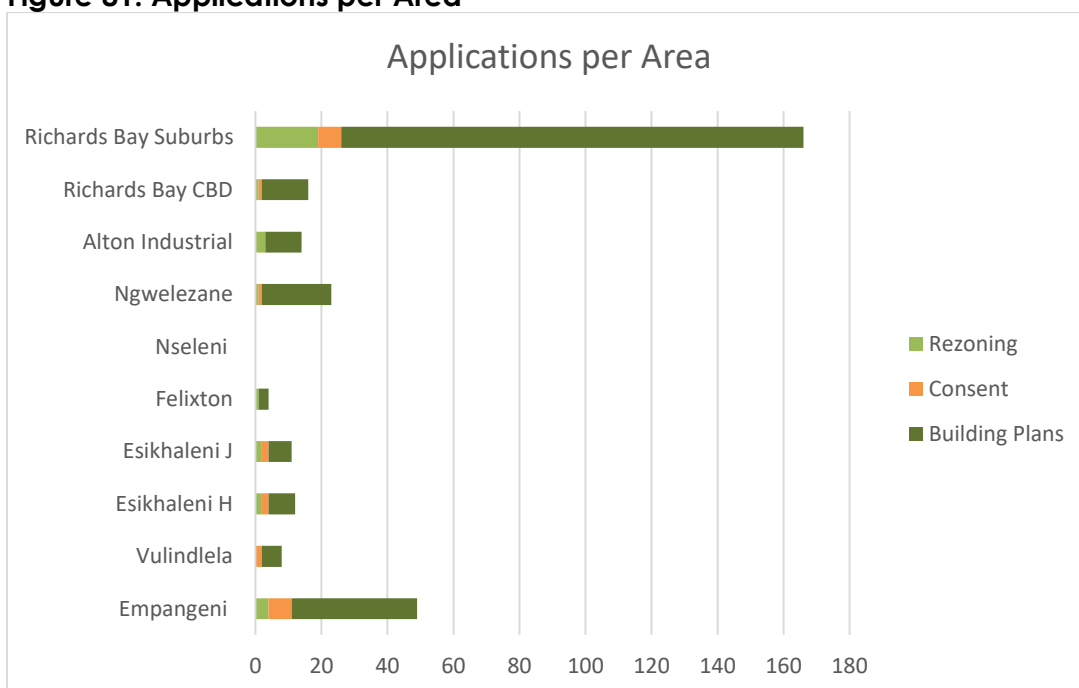


Figure 81: Applications per Area


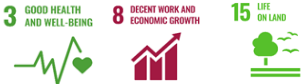















From the information provided it is observed that building plans account for the majority of applications (82%) followed by rezoning and consent applications with 11% and 7% respectively. More than 60% the applications are also located in Richards Bay.

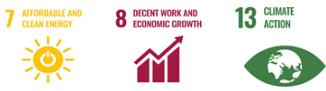


STRATEGIC AND CATALYTIC PROJECTS

A catalytic/strategic project promotes cross-cutting sustainability outcomes that mirror goals and targets to promote the overall sustainability of an area. The uMhlathuze Municipality is pursuing a number of catalytic projects/interventions at present as summarized hereunder. The broad alignment of these projects to the SDGs (Sustainable Development Goals) as discussed in this document is also indicated.

Table 105 : Strategic and Catalytic Projects Aligned to SDGs

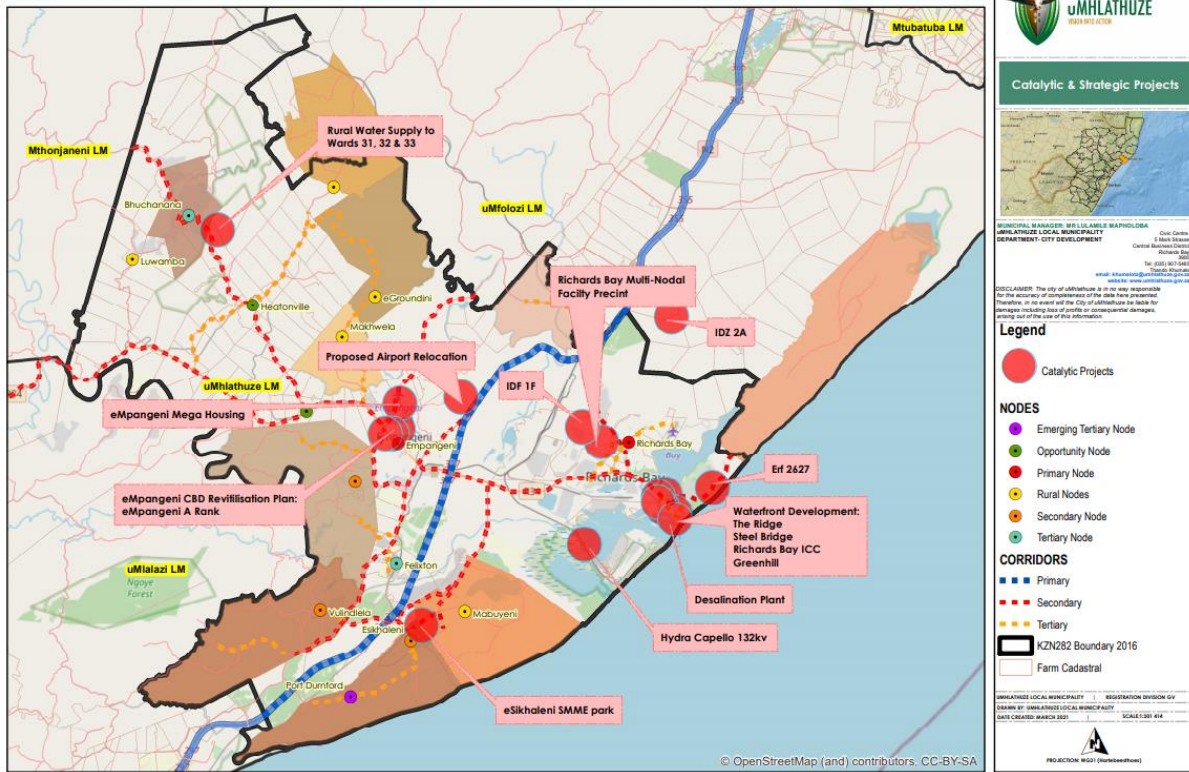
PROJECT NAME	STATUS
<p>1. Airport Relocation</p> 	<p>The strategic positioning of uMhlathuze has necessitated long term plans to relocate/ upgrade the current airport. A pre-feasibility study for the relocation of the Richards Bay Airport has been finalised. The study investigated the various criteria for relocation including tenure, economic imperatives, spatial and land use considerations, environmental risks etc. The project has been registered as a PPP and a Transaction Advisor has been appointed to undertake the Feasibility Study.</p>
<p>2. Waterfront Development</p> 	<p>The Municipality intends to develop the Waterfront Area that will delivers a space for the maritime economy, education and businesses, local and international port activities. The following is already in place: An Urban Design for Alkantstrand/Newark Beach adopted by Council; and A Master Plan for the extended waterfront area. A service provider has been appointed to undertaken detailed planning and prepare preliminary engineering designs for the Waterfront area.</p>
<p>3. The Ridge</p> 	<p>The proposed Ridge development is to accommodate a Hotel, High Density Residential units and ancillary land uses. The design reflects a “sense of place”, “human scale” and possesses a distinct theme that will take cognisance of the location of the area. Tender for the Ridge development has been awarded and project is at an advanced stage of detailed planning.</p>
<p>4. Green Hill</p> 	<p>Greenhill is situated on a Portion of the Remainder of Erf 5333, Greenhill, and is 22 758 m² in extent. An Expression of Interest (EOI) for the development of a mixed use development with a health care centre as an anchor has been awarded. Documentation outstanding to conclude the lease agreement.</p>
<p>5. Richards Bay Multi-Modal Facility Precinct</p> 	<p>A number of processes have been completed and further work is underway for the development of the area from the Richards Bay Public Transport Facility, through the Central Industrial Area (CIA), to IDZ 1D in the Alton Industrial Area. Investment from public and private sources is being</p>

PROJECT NAME	STATUS
 	<p>applied to create the precinct that has various facets, i.e. roads and bulk infrastructure, public transport facility upgrade, SMME support, commercial development as well as industrial development.</p>
<p>6. Expression of Interest for the Remainder of Erf 2627</p>  	<p>An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.</p>
<p>7. Hydra Capella 132 kV</p>  	<p>Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.</p>
<p>8. Steel Bridge (Mzingazi Bridge)</p> 	<p>The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalised and outlined:</p> <p>Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items.</p> <p>Undertaking a topographical survey and other specialist studies required to inform the processes identified.</p> <p>Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction.</p> <p>The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.</p>
<p>9. Comprehensive Integrated Transport Plan (CITP)</p>   	<p>A Comprehensive Integrated Transport Plan (CITP) for the whole municipal area has been prepared. The CITP is a tool that links transports planning elements with related infrastructure in relation to the spatial development framework. It gives attention to measures to promote public transport, the needs of learners and people with disabilities, non-motorised transport, private transport and travel demand estimation.</p> <p>The CITP responds to transformative levers of the Integrated Urban Development Framework and implementation of the SDF. Given that the transport sector is a significant contributor of Greenhouse Gas emissions, the CITP (Non-motorized transport; efficient transport corridors; public transport etc.) is a key intervention area on the Municipal Climate Change Action Plan.</p>

PROJECT NAME	STATUS
<p>10. Empangeni CBD Revitalisation Plan</p> 	<p>Empangeni developed beyond its planned framework and there is increasing pressure for land for housing and interrelated land use components, including transport related requirements. The town suffers substantial urban decay with associated (1) deteriorating ecological infrastructure, (2) hardened urban form and building inefficiencies and (2) spatial and land use inefficiency. A suite of plans has been developed or are under implementation for more efficient transport, stormwater management, energy efficiency as well as greening and landscaping etc. The Revitalization of the Empangeni CBD has further been earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).</p>
<p>11. Empangeni Mega Housing</p> 	<p>Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced.</p> <p>The project has the following proposed housing typologies:</p> <ul style="list-style-type: none"> BNG & Finance Linked Individual Subsidy Programme Social Housing Bonded Houses Serviced Sites Mixed Use Residential Medium Density Residential Cluster
<p>12. Feasibility Study into wastewater and associated by-products re-use</p> 	<p>The City of uMhlathuze (CoU) seeks to secure an adequate water supply to underpin its planned growth. As such, the CoU has undertaken a comprehensive feasibility study and identified the most viable solution for dealing with wastewater and associated by-products re-use generated within the City, in accordance with Section 120 of the Municipal Finance Management Act, 56 of 2003, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007). Phase 1, the Feasibility Study, has been finalised and Phase 2, the Procurement, is being initiated.</p>

Map 65: Strategic and Catalytic Projects

SPATIAL DEVELOPMENT FRAMEWORK (SDF) 2017/2018 - 2021/2022 : (FOURTH REVIEW - 2021/2022)



CAPITAL EXPENDITURE FRAMEWORK

A CEF (Capital Expenditure Framework) is also a core component of an SDF in terms of SPLUMA (Spatial Planning and Land Use Management Act). As such, it cannot be considered as a lone standing document but rather forms an integral part of the municipal strategic documents, i.e. SDF and IDP, and informs municipal processes, notably the budget prioritisation process. The CEF assists in spatially aligning public infrastructure investment that will lead to functional and efficient urban spaces and to ultimately unlock urban growth. The latter is in essence the fulfilment of the IUDF (Integrated Urban Development Framework).

According to the IUDF policy framework, a CEF is a comprehensive, high-level, long-term infrastructure plan that flows from a SDF, which estimates the level of affordable capital investment by the municipality over the long-term. The CEF is therefore the municipal instrument to realise the agenda of the IUDF.

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long-term (10 years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward.

Guide to preparing an Infrastructure Investment Framework, SALGA, 2017, page 2

Amongst others, it is the intention that a CEF will also provide a municipality with guidance in respect of:

- Not only the rolling out new infrastructure but also focus on the management, maintenance and renewal of existing infrastructure; and
- Ensuring greater value for money for the funds spent.

In support of the above planning approach, the DORA (Division of Revenue Act) now publishes a consolidated infrastructure grant, the IUDG (Integrated Urban Development Grant) that has the following clear intentions:

- Provide funding for public investment in infrastructure for the poor;
- Provide funding for public investment in infrastructure for the poor;
- Promote increased access to municipal owned sources of capital finance in order to increase funding for public investment in economic infrastructure;
- Ensure that public investments are spatially aligned with the local government development vision, and;
- Promote the sound management of the assets delivered.

The uMhlatuze Municipality finalized and adopted its first CEF during 2019. The CEF consists of the following key components:

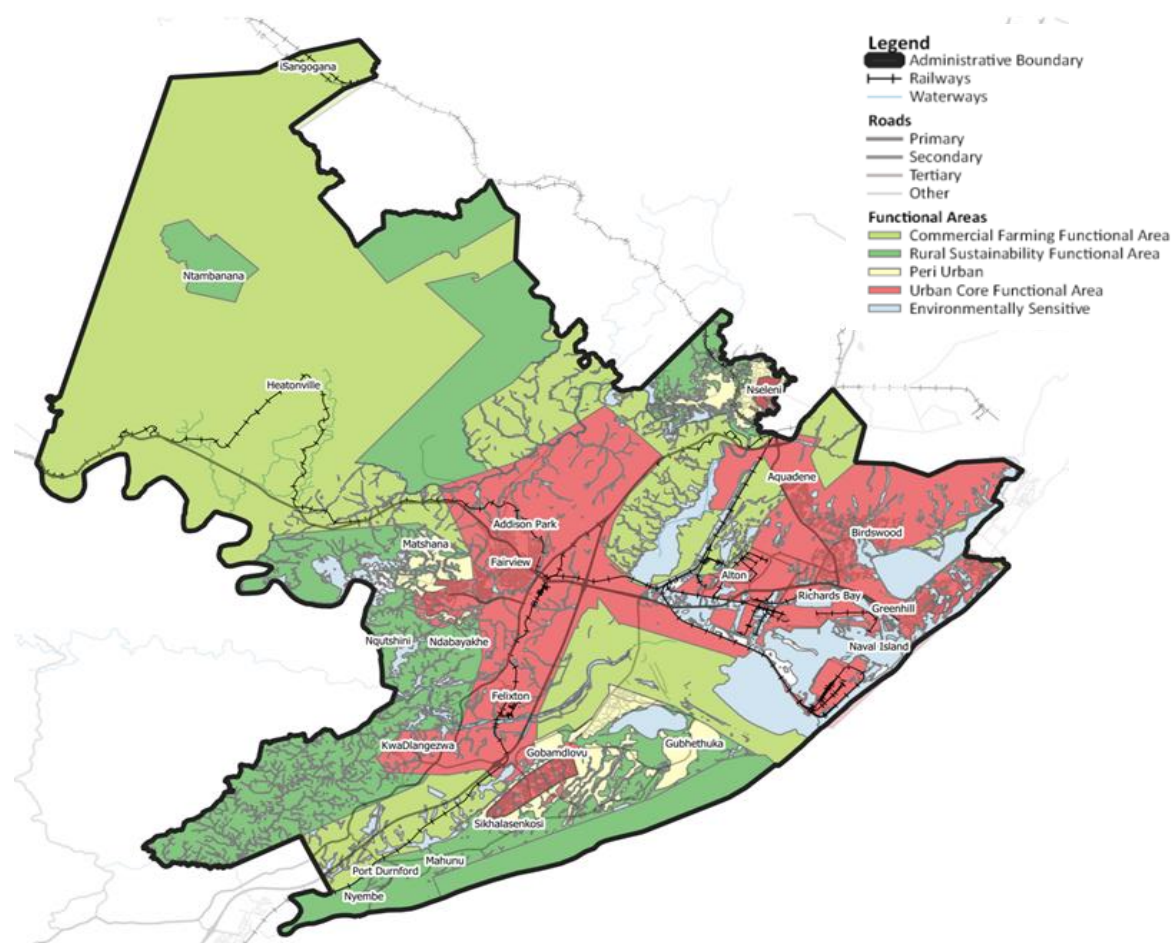
- Functional Areas and Priority Development Areas
- Demand Quantification
- Modelling Outcomes and Grant Impact Forecasts
- Planned Capital Expenditure
- Prioritisation Model and Budget Fit
- Functional Area Budget Split
- Poor versus Non-Poor Capital Expenditure Ratio
- 2019/2020 MTREF Capital Budget by Discipline-Based Service

FUNCTIONAL AREAS AND PRIORITY DEVELOPMENT AREAS

Municipal boundaries describe the administrative jurisdiction area of a municipality, and Functional Areas (FAs) are the areas within the municipal boundary which exhibit homogenous function. An FA is a delineated area characterized by common (homogenic) geographical, spatial, developmental and service demand conditions, where the functioning is predominantly similar. Another method of identifying different FAs is to spatially delineate areas with similar developmental challenges. Hereunder a conceptual explanation is provided of an FA.

Priority Development Areas (PDAs) are defined within the FA boundaries. However, there is one important distinction between FA and PDA delineation – the sum of PDAs does not necessarily have to cover the extent of the FA as indicated in the following conceptual explanation.

Map 66: Functional Areas of the City of uMhlathuze



DEMAND QUANTIFICATION

Over the past two decades, the emphasis has been on extending services to poor households. At the same time, major population shifts have occurred, through accelerated urbanization and decreased growth and even population decline in rural areas. Extending access to services is regarded as one of the following three major investment areas that require attention in order to sustain or accelerate development in any municipality:

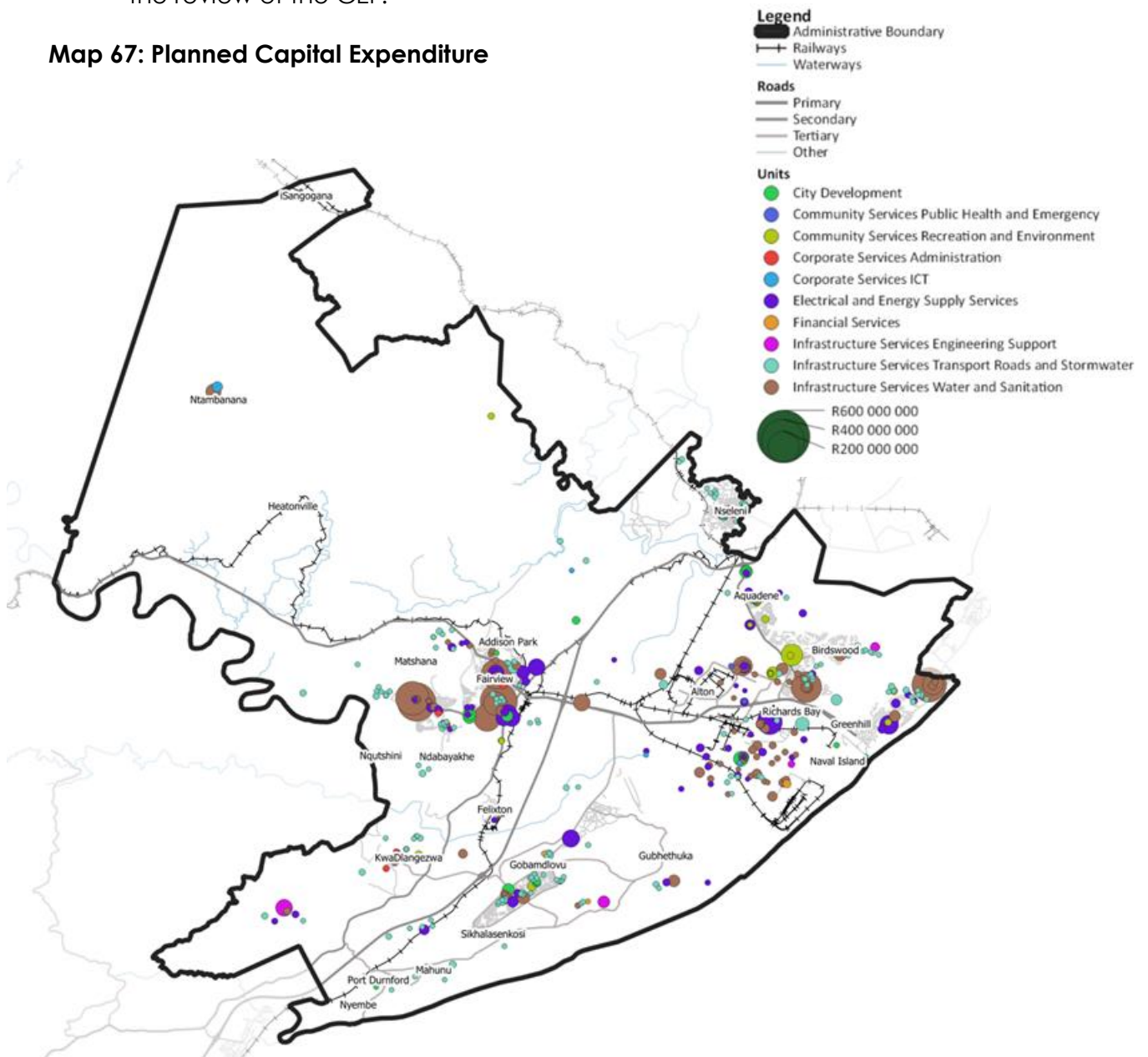
- The first investment challenge is existing households without access to services
- The second is investment required to renew (rehabilitate and maintain) existing infrastructure
- The third is the growth in households and the economy

PLANNED CAPITAL EXPENDITURE

Amongst others, the following sector and master plans have informed the determination of planned capital expenditure for the first uMhlathuze CEF (2019):

- Bulk Sewer Master Plan – 2016
- Bulk Water Master plan – 2014
- Electricity Network Master Plan – 2015
- Electricity and Energy 5-year budget Presentation
- Human Settlements Programme – IDP Input
- Roads 20-year Master Plan (indicating period between 2013 – 2020)
- Water Services Development Plan – IDP Input
- Sports and Recreation 10-year Plan Project List
- Solid Waste 10-year Plan Project List
- It should be noted that since the preparation of the CEF in 2019, a number of the above sector and master plans have been reviewed as outlined in previous sections of this report. The updated project specifics will be considered during the review of the CEF.

Map 67: Planned Capital Expenditure



PRIORITISATION

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

Table 106: Planned Capital vs Funding Envelope

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

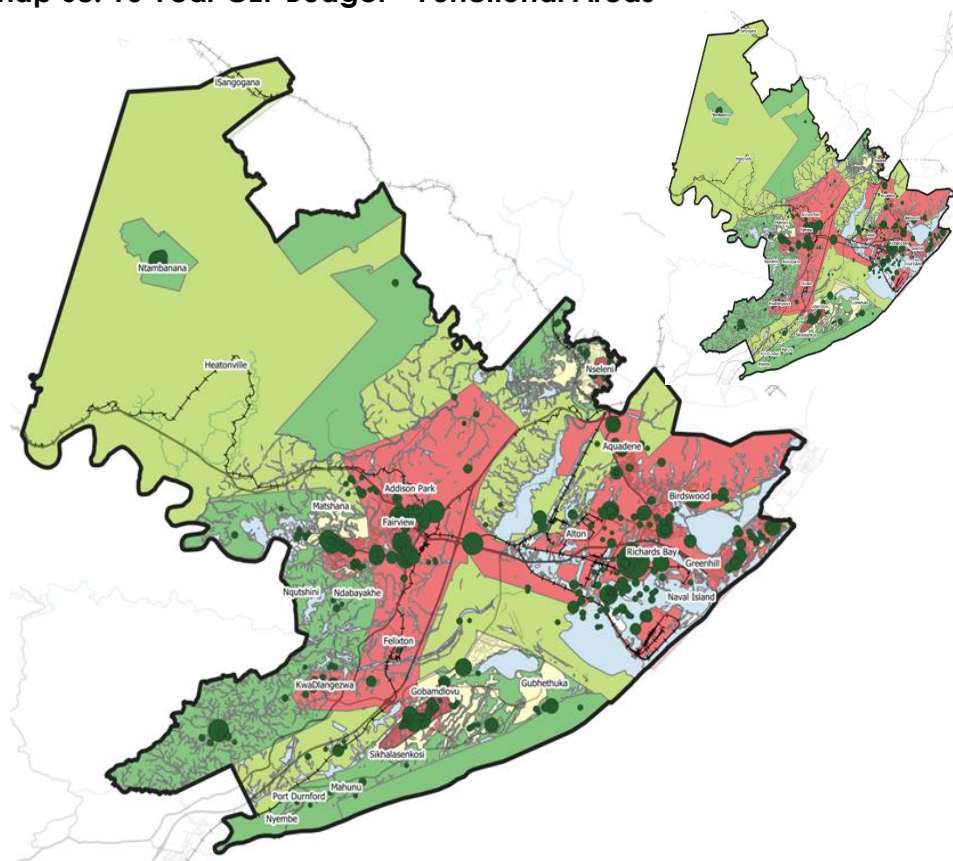
Table 107: Programme Totals per Functional Area

Year	Administrative HQ	City Wide	No Intersect	Not Mapped	Rural Sustainability Functional Area	Urban Core Functional Area
2019/2020	R44 502 300	R79 865 000	R103 252 247	R97 116 200	R63 000 000	R209 797 253
2020/2021	R38 498 400	R147 313 000	R146 301 774	R76 859 500	R15 000 000	R173 899 026
2021/2022	R36 791 700	R100 342 100	R132 663 612	R78 083 000	R15 000 000	R242 076 188
2022/2023	R6 053 000	R132 194 713	R68 704 098	R-	R839	R308 043 384
2023/2024	R4 518 300	R176 218 785	R11 177 482	R10 000 000	R33 000 000	R305 835 246

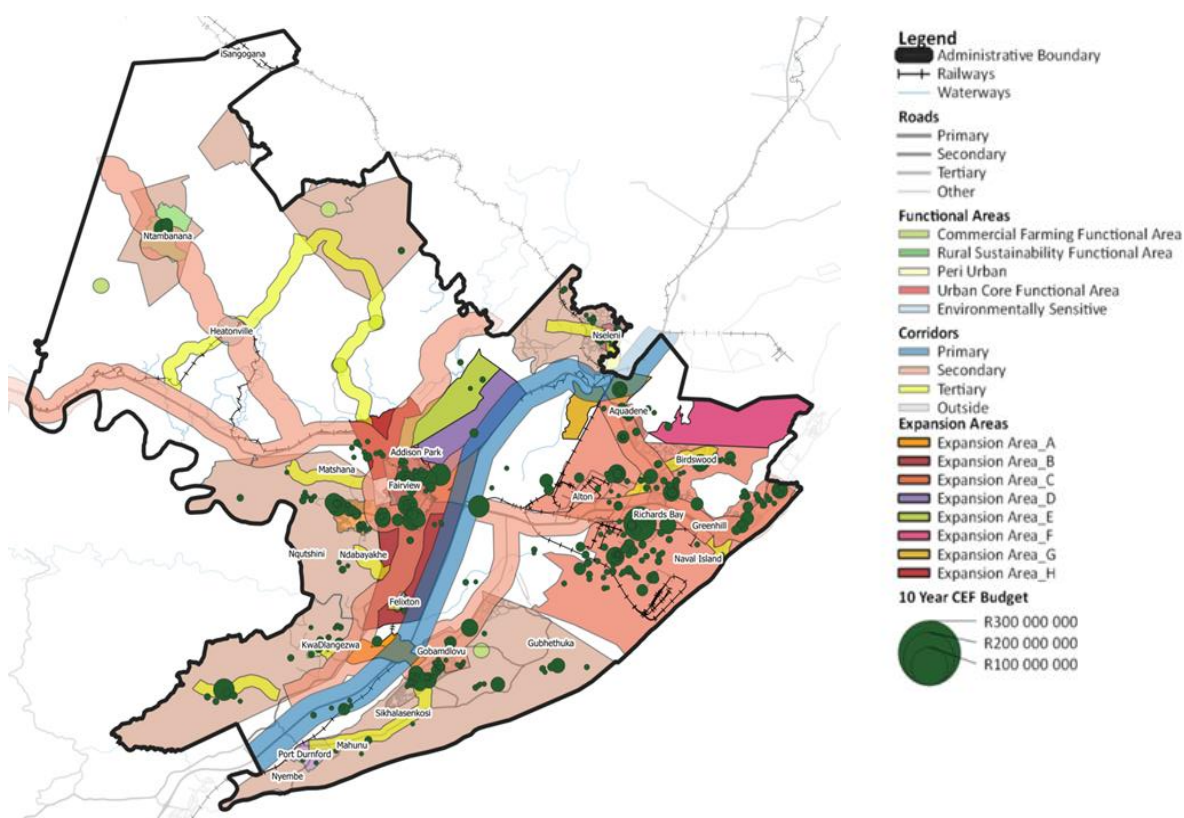
2024/2025	R13 019 300	R82 752 815	R103 038 909	R2 361 401	R4 726 067	R361 893 713
2025/2026	R30 000	R68 534 700	R50 733 924	R148 837 305	R-	R328 040 958
2026/2027	R-	R58 096 100	R31 472 447	R76 328 742	R-	R460 098 188
2027/2028	R16 435 000	R86 037 700	R18 142 314	R4 000 000	R-	R532 601 034
2028/2029	R44 218 200	R66 916 900	R59 650 000	R126 379 771	R-	R365 000 000
Percentage	3%	17%	12%	10%	2%	55%

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

Map 68: 10 Year CEF Budget – Functional Areas



Map 69: 10 Year CEF Budget – Priority Development Areas



POOR VS NON-POOR CAPITAL EXPENDITURE RATIO

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

Table 108: Poor: Non Poor Capital Expenditure Ratio

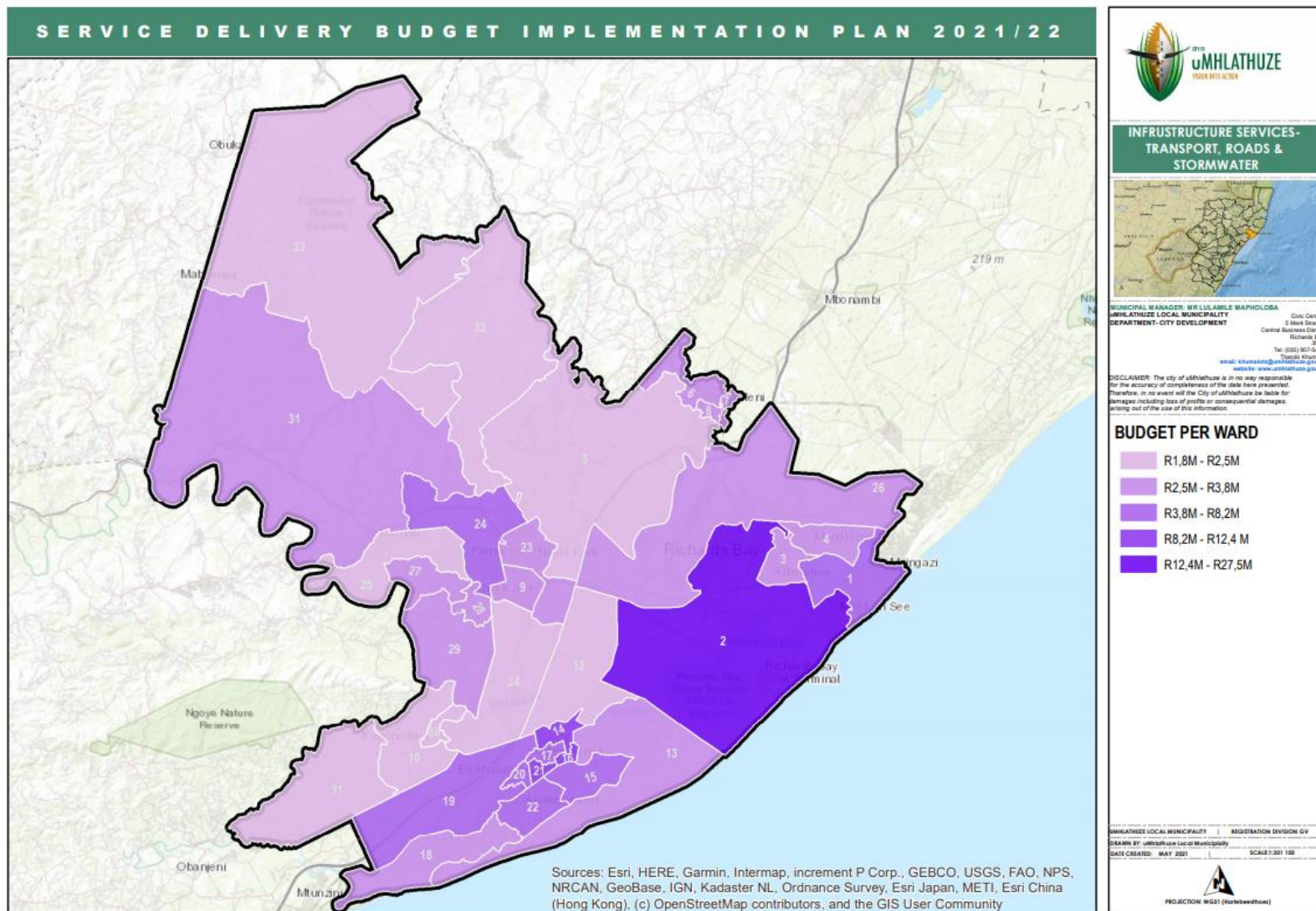
	2019/20		2020/21		2021/22		2022/23		2023/24		2024/25	
Administrative HQ	44	502	38	498	36	791	6 053	000	4 518	300	13	019
City Wide	79	865	147	313	100	342	132	194	176	218	82	752
No Intersect	6		7		9		3		2		7	
Not Mapped	97	116	76	859	78	083	-		10	000	2 361	401
	200		500		000				000			
Non Poor	132	964	159	813	164	575	179	985	195	284	179	222
	279		523		780		171		698		859	
Poor	243	085	175	387	225	164	196	763	154	728	290	435
	215		272		011		154		031		832	

Total	597 533 000	597 871 702	604 956 600	514 996 040	540 749 816	567 792 214
Poor : Non Poor	1 : 1,8	1 : 1,1	1 : 1,4	1 : 1,1	1 : 0,8	1 : 1,6
	2025/26	2026/27	2027/28	2028/29	Total	%
Administrative HQ	30 000	-	16 435 000	13 971 000	173 819 000	3%
City Wide	68 534 700	58 096 100	86 037 700	35 220 000	966 574 913	16%
No Intersect	0	1	0	-	36	0%
Not Mapped	151 830 526	76 328 742	4 000 000	10 000 000	506 579 370	8%
Non Poor	222 665 227	252 457 482	254 633 315	188 482 828	1 930 085 163	32%
Poor	53 116 449	239 113 154	296 110 037	502 373 515	2 476 276 671	41%
Total	596 176 902	625 995 480	657 216 053	750 047 344	6 053 335 153	100%
Poor : Non Poor	1 : 0,7	1 : 0,9	1 : 1,2	1 : 2,7	1 : 1,3	

SPATIAL REPRESENTATION OF 2021/2022 CAPITAL PROJECTS

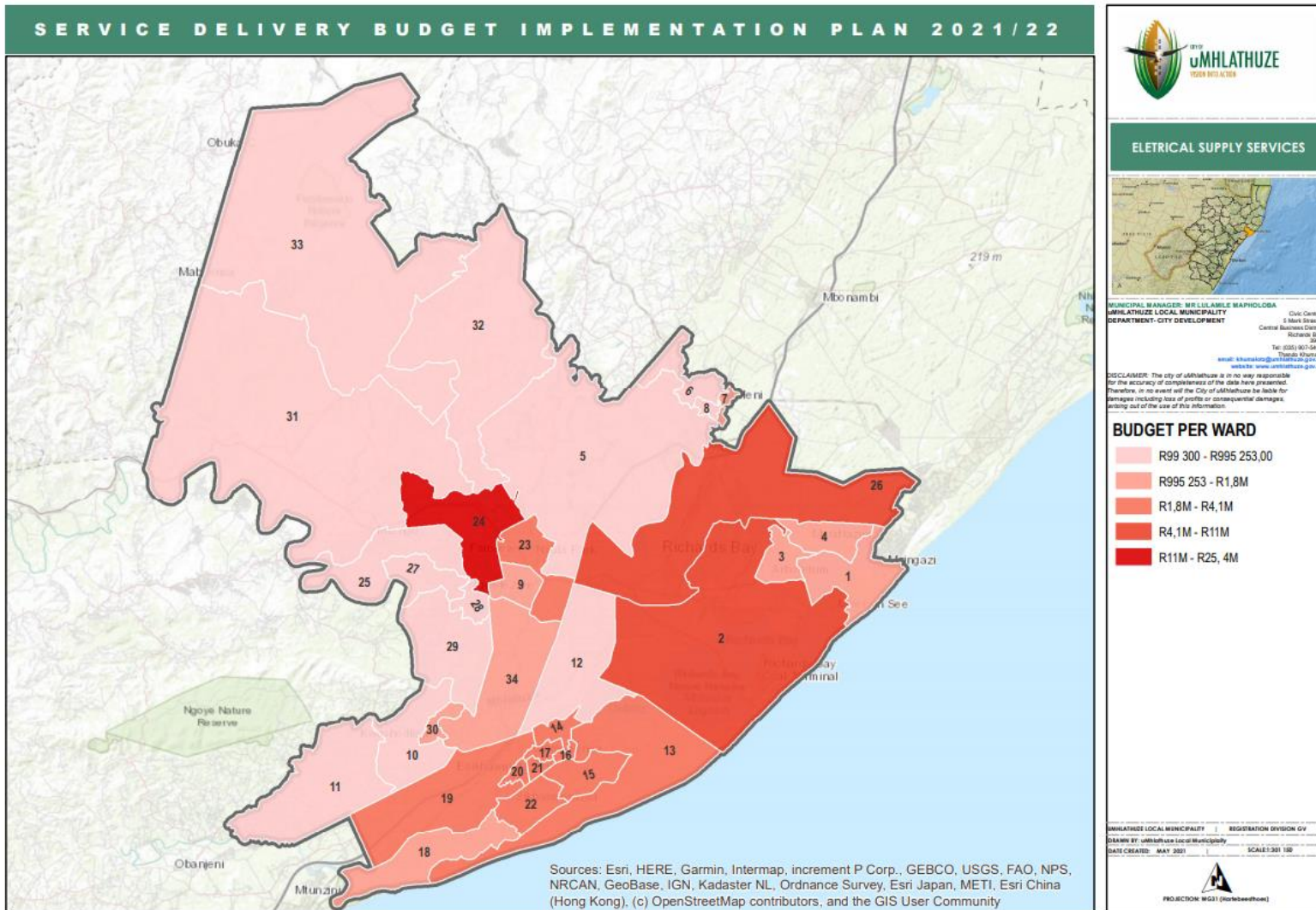
The process for the three yearly review of the 2019 CEF has been initiated to be undertaken during the 2021/2022 financial year. For this fourth review of the SDF, mapping of capital projects has been prepared informed by the 2021/2022 capital budget as inserted herewith for the following disciplines. Comments on significant capital projects at various locations is also provided:

Map 70: Transport, Roads and Stormwater Capital Expenditure Distribution (2021/2022)



- Projects Include:
- R20m Stormwater Management
 - R30m Esikhaleni Intersection
 - R20m Urban Roads Resealing
 - R18m CIA Link Roads
 - R3m Coastal Erosion Protection
 - R40m Rural Roads (OPEX)

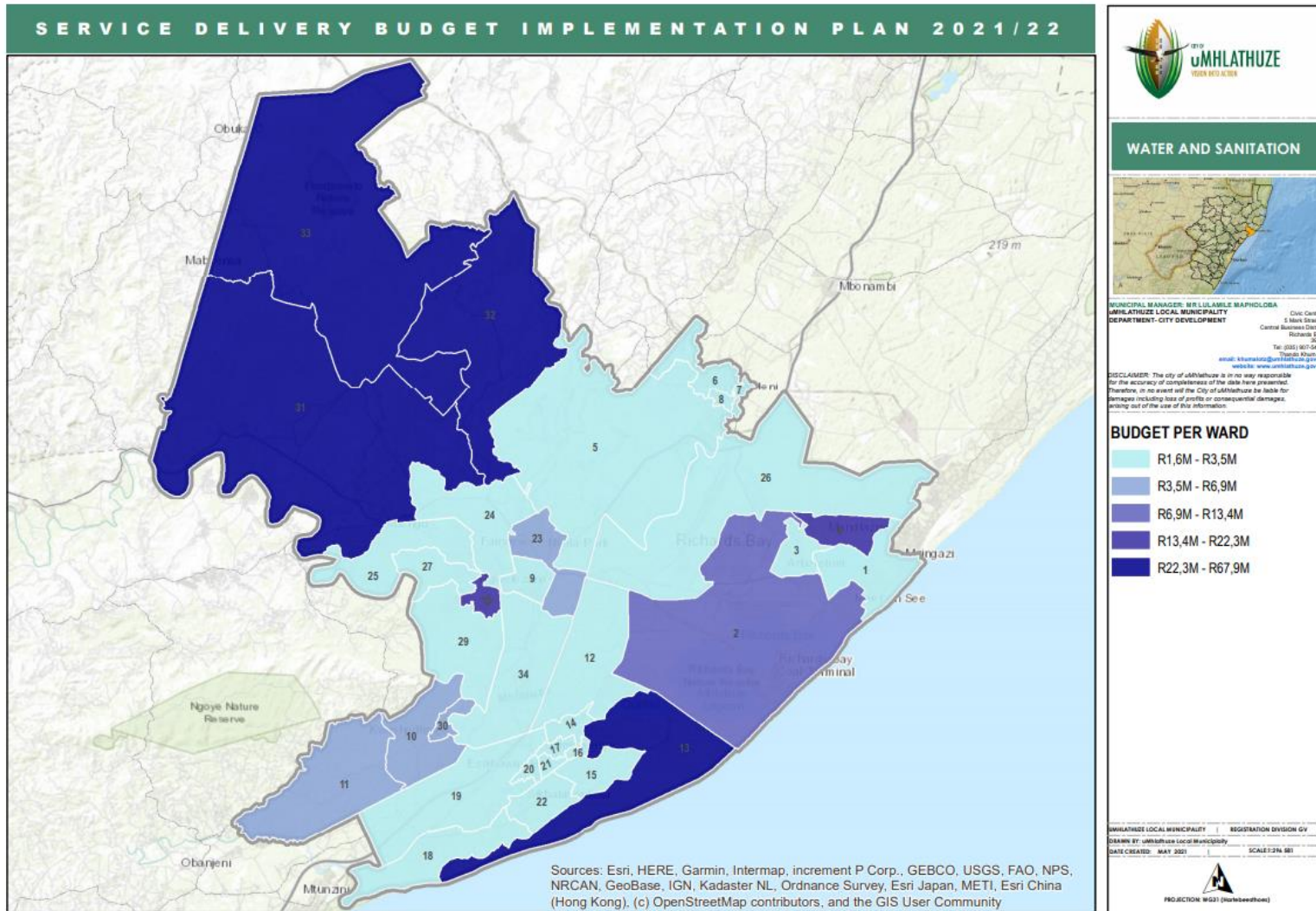
Map 71: Electrical and Energy Capital Expenditure Distribution (2021/2022)



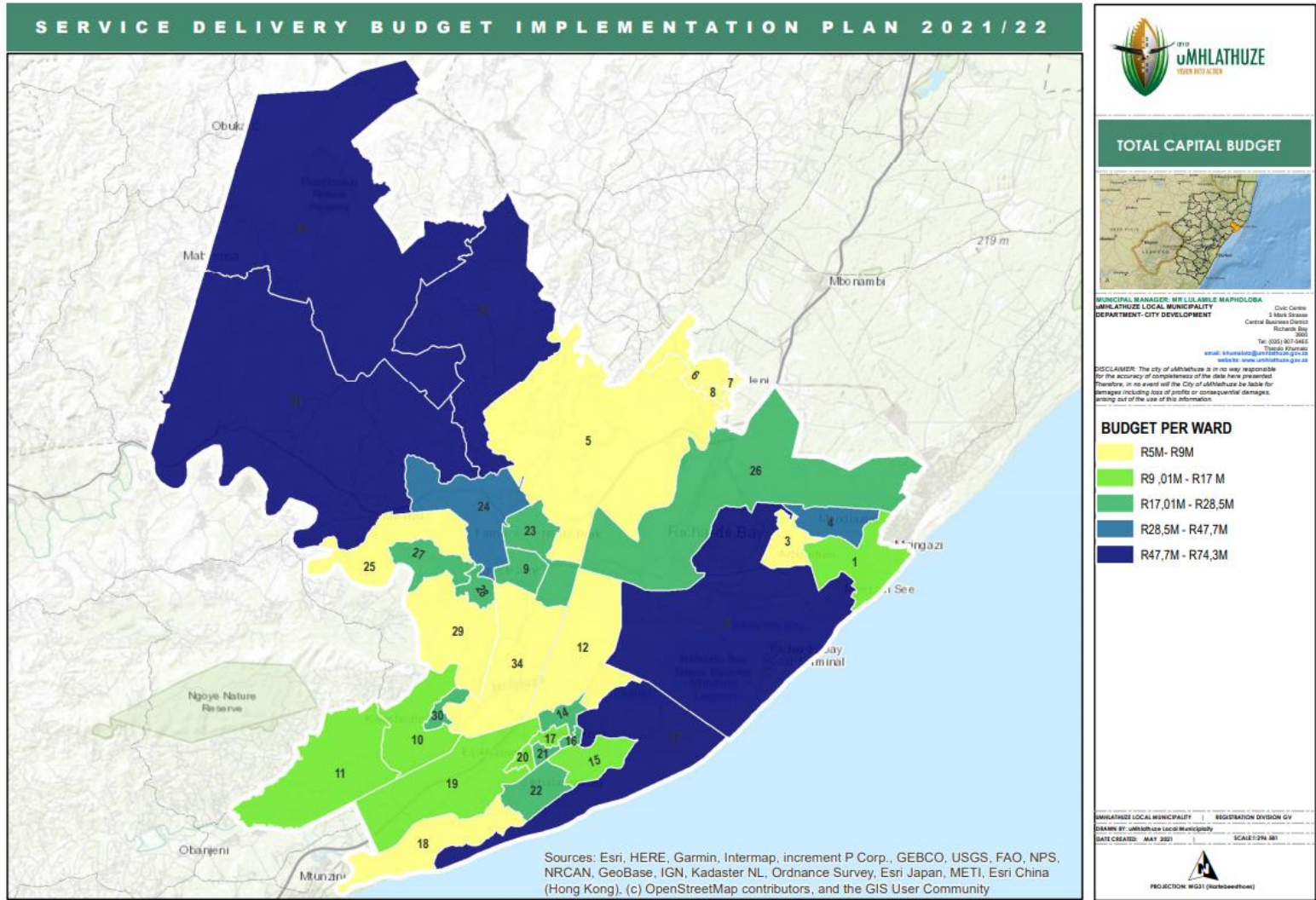
Projects Include:

- R24m Empangeni Mega Housing
- R8m 132kV Polaris refurbishment
- R13m 132kV Cygnus Transformer
- R6m 132kV refurbishment
- R9m Energy Saving Initiatives
- R9m Aquadene Housing
- R5m Rural High Mast Lighting
- (Note: CoU Supply Areas)

Map 72: Water and Sanitation Capital Expenditure Distribution (2021/2022)



Map 73: Total Capital Expenditure Distribution (2021/2022)



Comments:

- Focus on meeting basic needs in Wards 31, 32, 33 and Ward 13 (water); Ward 4 (sewer)
- Economic Infrastructure Investment in main economic centres, i.e. larger Richards Bay & Empangeni (roads); substation renovations; water improvements in industrial area.
- Services for new human settlements projects in Wards 24, 26 (electricity)
- Major community facility in Ward 30 (swimming pool)

CROSS BORDER MATTERS

Engagement have been taking place with neighbouring municipalities in the District Family and also with the King Cetshwayo District. To date, the following issues and challenges, of a cross border nature are noted:

Restrictions on beach access for social and economic purposes remains a challenged in many ways. the uMlalazi Coastal Development Plan does address this matter. Beach Access is also hampered in some areas due to historical lease agreements that restricts access to the coast. In context of the above, it is important that neighbouring municipalities work together to direct and manage development within coastal areas.

The P230 is a secondary corridor with potential tourism, heritage and cultural linkages to the Ongoye Forest. Infrastructure investment on local linkages/routes (i.e. poor road network) towards the Ongoye Forest and the Escapement are very important to boost the local economy.

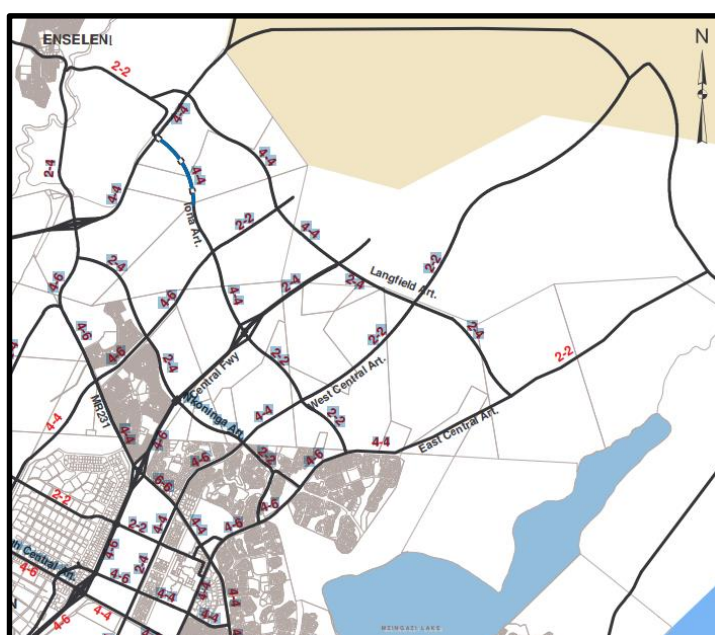
There are no development plans between uMlalazi and uMhlathuze Local Municipalities to improve, enhance and boost the Ongoye Tourism, Cultural and Heritage landscape.

Of importance to all municipalities is the unknown impact of land claims.

Infrastructural failures impact on the ecological health of riverine and estuary and these impacts extend beyond municipal borders.

Infrastructure planning also traverses borders. An example being the uMhlathuze Arterial Framework plan. This plan is not limited to arterial routes within the uMhlathuze Municipality but extends into the uMfolozi Municipal area. This does provide some linkages to the proposed IDZ 2 A development.

Inset 1: Extract from Arterial Framework Plan



Apart from coastal development planning, nodal planning that has an influence, and will be influenced, by cross border matters. As alluded to before, the proposed IDZ 2A zone is located within uMfolozi Municipality but cannot be separated from the uMhlathuze Municipality. An uMfolozi/IDZ Nodal Plan is currently underway.

Inset 2: Extended Study Area for uMfolozi/IDZ Nodal Plan



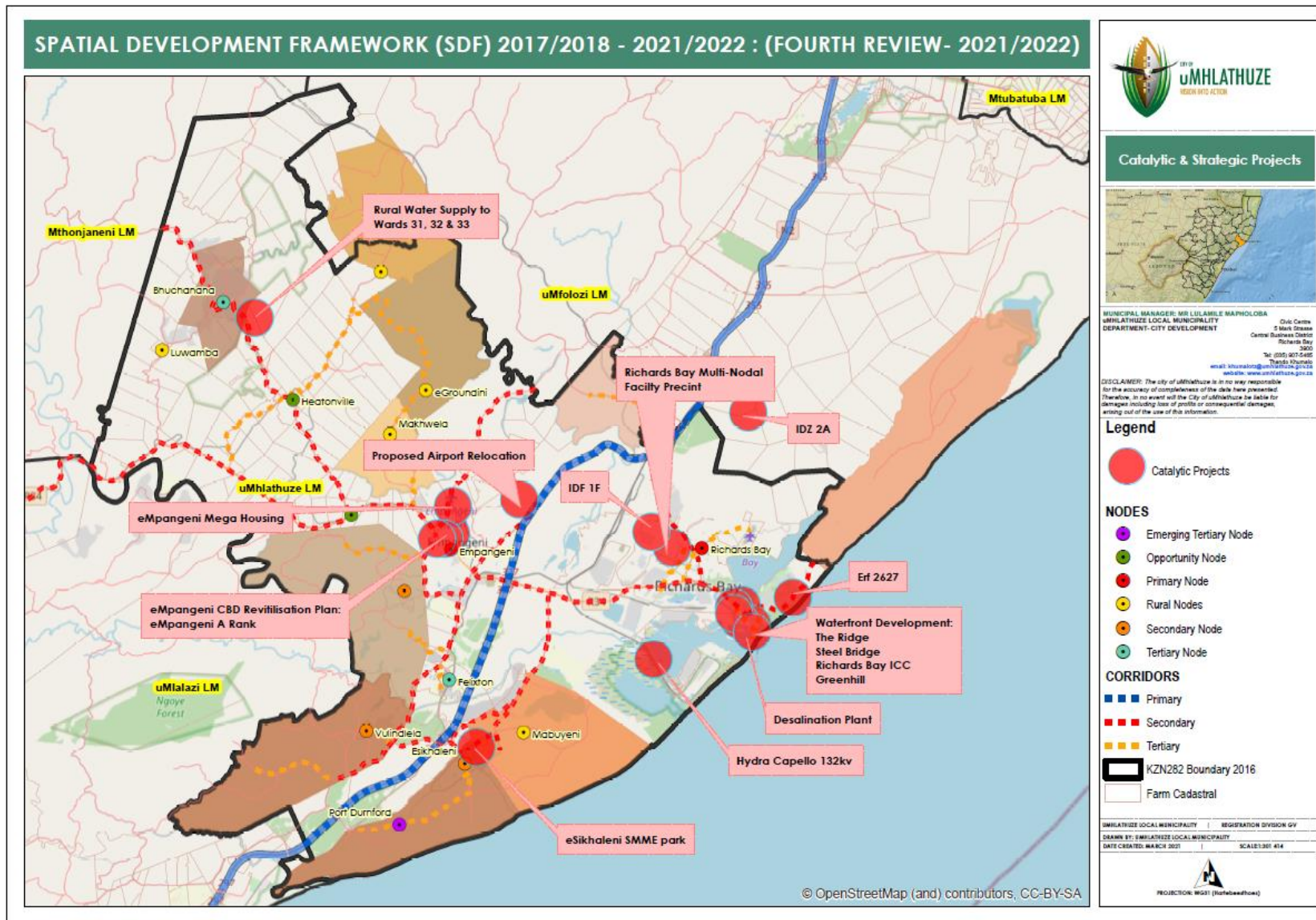
The overall aim of the project is to develop a clear, comprehensive nodal plan to manage and guide development and land use in the study area

A further matter that needs to be aligned between municipalities related to the process and outcomes of the preparation of wall to wall schemes. In a same way that land use need to be compatible within a scheme for a certain area, land uses need to be compatible, and take due cognizance of development proposals in neighbouring municipalities as well. A case in point being the Aquadene human settlement development in relative close proximity to the proposed IDZ 2A phase.

Various strategic and catalytic projects are being pursued within the KCDM. Given their nature as projects that promote cross-cutting sustainability outcomes that mirror goals and targets to promote the overall sustainability of a larger area due consideration has to be given to cross border inputs and outputs from as early as the planning stage.

Apart from the matters elaborated upon above, the uMhlathuze Municipality is undertaking the Mzingazi Formalization project and also pursuing human settlement development in the vicinity of Nseleni. Both these processes have cross border impacts and open communication has to be maintained between the municipalities involved.

Map 74: Catalytic and Strategic Projects



SECTION F: FINANCIAL PLAN

14. BUDGET

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

Council considered and Adopted 2021/22 Medium Term Revenue and Expenditure Framework aligned with the IDP's Developmental Objectives and Goals and the Municipal Regulation on Standard Chart of Accounts (mSCOA) (Government Gazette 37577 dated 22 April 2014) for the City of uMhlatuze as follows:

Description	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Adopted Budget 2021/22	Adopted Budget 2022/23	Adopted Budget 2023/24
R thousands				
Total Operating Revenue	3 454 295	3 725 911	3 983 150	4 215 668
Total Operating Expenditure	3 603 742	3 876 366	4 063 804	4 291 353
Surplus/ (Deficit) for the year	(149 448)	(150 455)	(80 654)	(75 685)
Total Capital Expenditure	762 709	830 967	692 156	743 020
TOTAL OPERATING & CAPITAL BUDGET	4 366 451	4 707 333	4 755 960	5 034 374

It be further noted that this Budget in as far as the Municipal's administration ability and financial system capability allowed, is Project based.

In the process of compiling the Tabled 2021/22 MTREF the submissions received from the Departments which were all project based could be broken down into the following categories:

Scenario	Capital		
	2021/22	2022/23	2023/24
	R 000	R 000	R 000
Initial Departmental Submissions	712 345	412 638	557 187
Departmental reductions	(118 622)	(279 518)	(185 833)
TABLED BUDGET	830 967	692 156	743 020

Scenario	Operating Budget		
	Revenue	Expenditure	Deficit
	R 000	R 000	R 000
First (excl tariff increases)	3 421 235	4 255 394	(834 159)
Second (excl tariff increases)	3 421 235	3 845 561	(424 326)
Third (inc tariff increases)	3 658 359	3 973 051	(314 693)
TABLED BUDGET	3 666 899	3 935 127	(268 229)

Council resolved in terms of Council resolution number 14528 dated 30 March 2021 that:

“ the Accounting Officer ensure that the deficits reflected in this Tabled Budget be reduced before Council approves the adopted budget in May 2021 in the following order: - 2021/22; 2022/23; 2023/24 by R118 million; R110 million and R290 million respectively;”

Therefore, based on the above resolution, departments were requested to reduce their budgets accordingly. The tabled below is the result of both the departmental reductions and the MM and CFO reductions that were necessary.

Details	Operating Budget		
	Revenue	Expenditure	Deficit
	R 000	R 000	R 000
TABLED BUDGET	3 666 899	3 935 127	(268 229)
Departmental Reductions Submission	–	(18 498)	18 498
Budget Office reductions	–	795	(795)
CFO/MM reductions	59 013	(41 058)	100 070
ADOPTED BUDGET	3 725 911	3 876 366	(150 455)

Furthermore, a critical review was undertaken of expenditure on non-core and non-priority spending items in line with NT's Cost containment measures outlined in NT's MFMA circular number 82 and as endorsed in the Cost Containment Regulations (**DMS 1348572**) issued on 07 June 2019. Emphasis was placed on providing of funds for the repairs and maintenance expenditure line items. These regulations were adopted by Council in terms of CR 14091 dated 26 August 2020 (RPT 167608).

The following items were considered to be non-critical and were reduced accordingly:

Line item	Comments
Expenditure:Contracted Services:Contractors:Artists and Performers	entire budget cut
Expenditure:Contracted Services:Contractors:Event Promoters	entire budget cut
Expenditure:Contracted Services:Contractors:First Aid	entire budget cut
Expenditure:Contracted Services:Contractors:Photographer	entire budget cut
Expenditure:Contracted Services:Contractors:Plants, Flowers and Other Decorations	entire budget cut
Expenditure:Contracted Services:Contractors:Stage and Sound Crew	entire budget cut
Expenditure:Contracted Services:Outsourced Services:Catering Services	entire budget cut
Expenditure:Contracted Services:Outsourced Services:Professional Staff	cut by 2 thirds
Expenditure:Inventory Consumed:Consumables:Standard Rated	cut by 1 third
Expenditure:Inventory Consumed:Finished Goods	cut by 1 third
Expenditure:Inventory Consumed:Materials and Supplies - Non Maintenance	cut by 1 third
Expenditure:Operational Cost:Achievements and Awards	entire budget cut
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Corporate and Municipal Activities	cut by 50%
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional	entire budget cut

Line item	Comments
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Municipal Newsletters	cut by 50%
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Signs	cut by 50%
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Staff Recruitment	entire budget cut
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Tenders	cut by 50%
Expenditure:Operational Cost:Bursaries (Employees)	based on current expenditure
Expenditure:Operational Cost:Cleaning Services:Laundry Services	cut by 50%
Expenditure:Operational Cost:Communication:Licences (Radio and Television)	cut by 50%
Expenditure:Operational Cost:Communication:Radio and TV Transmissions	cut by 50%
Expenditure:Operational Cost:Communication:SMS Bulk Message Service	cut by 1 third
Expenditure:Operational Cost:Communication:Telephone, Fax, Telegraph and Telex	cut by 1 third
Expenditure:Operational Cost:Courier and Delivery Services	entire budget cut
Expenditure:Operational Cost:Entertainment	entire budget cut
Expenditure:Operational Cost:Freight Services	entire budget cut
Expenditure:Operational Cost:Licences:Performing Arts	entire budget cut
Expenditure:Operational Cost:Printing, Publications And Books	cut by 1 third
Expenditure:Operational Cost:Registration Fees:Professional and Regulatory Bodies	cut entire budget except for Audit, FS, Scientific Services
Expenditure:Operational Cost:Registration Fees:Seminars, Conferences, Workshops and Events:National	cut by 1 third
Expenditure:Operational Cost:Signage	cut by 50%
Operational:Typical Work Streams:Functions and Events:Special Events and Functions	cut by 50%
Expenditure:Operational Cost:Transport Provided as Part of Departmental	cut by 50%
Expenditure:Operational Cost:Transport Provided as Part of Departmental Activities:Municipal Activities	cut by 50%
Expenditure:Operational Cost:Travel and Subsistence:Domestic:Daily Allowance	cut by 1 third
Expenditure:Operational Cost:Uniform and Protective Clothing	cut by 1 third
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	cut by 50%
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	cut by 50%
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	cut by 50%
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	cut by 50%
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Machinery and Equipment	cut by 50%
Expenditure:Operational Cost:Hire Charges - Transport Assets	cut by 50% - sufficient fleet need to be used, alternative existing fleet to used on shift
Expenditure:Operational Cost:Hire Charges	cut by 50%
Expenditure:Operational Cost:Uniform and Protective Clothing - Frontline	cut by 1 third
Expenditure:Operational Cost:Uniform and Protective Clothing - Specialised	cut by 1 third
Expenditure:Operational Cost:Communication:Telephone, Fax, Telegraph and Telex (PABX)	based on current expenditure
Expenditure:Operating Leases:Machinery and Equipment	incorrectly budgeted
Expenditure:Operating Leases:Other Assets	incorrectly budgeted
Expenditure:Operating Leases:Transport Assets	incorrectly budgeted
Expenditure:Transfers and Subsidies:Operational:Monetary Allocations:Households:Other Transfers (Cash):Bursaries (Non-Employee)	cut by 1 third

The **main challenges** experienced during the compilation of the 2021/22 MTREF can be summarised as follows:

- At the top of the list by far is the lack of growth in local economic activity and now exacerbated by the COVID-19 epidemic. This evidenced by a deteriorating recovery in debtors' revenue – now sitting at 92% a year ago sitting at 97%;
- As a comparison between services over all, by far the greatest concern here lies with all the services financed by Property Tax (Rates). This Tabled budget has the Rates Services sitting with a R 270 million deficit;
- The majority of domestic households in uMhlathuze are not levied Property Rates. This because the individual properties within the Ingonyama Trust land are not separately valued and not subject to the Municipal Property Rates Act. This despite the same communities enjoying most of the municipal services that are funded by Property Rates Revenue. This flaw in the current legislation is also applicable to those commercial and business activities taking place within the Ingonyama Trust area. There is a rapid increase in demand for services in these areas – roads, water, refuse, electricity, sanitation but no commensurate revenue;
- The Constitutional mandate for uMhlathuze is to provide basic municipal services in the Ingonyama Trust area, however the deployment of those services without formal town planning and engineering protocol is not only ineffective and inefficient, but the extent thereof and demand for services on such a large scale without order, that such will lead to the economic collapse of the whole Municipality;
- There is no Equitable Share allocation for properties that do not pay Property Rates. The significance here that the delivery of basic services is very dependent on Property Rates in yet there is zero allocation from the National Equitable Share allocation for Property Rates itself. This weakness in the financial structure of the Municipal MTREF needs to be addressed at a National level as it cannot be resolved at a local level. This is a National Policy matter. As an interim measure National Treasury has been requested to increase Equitable Share to the equal extent that the Municipal Property Rates Act cannot be applied to the residents of the Ingonyama Trust land as the residents there hold no legal title to the land;
- Although Council has received Level II Accreditation, the subsidisation of Housing services which is not a Constitutional mandate can be construed as an “unfunded” mandate due to the fact the Property Rates must now fund the deficit of R28,6m – refer to Table 12 for details;
- Waste Water Management Service shows a deficit of R 16,1 million, this is a concern and efforts will need to be made to reduce this deficit in the coming MTREF by reducing costs therefore the introduction of more efficient and effective operations;
- Waste Management is now trading at a surplus of R 3,8 million from a surplus of R 16,3 million on 2020/21 Adjusted Budget;
- Although Employee related costs as a percentage of total Expenditure amounts to 27% and appears to be below the 30% industry standard, it is not realistic for specifically uMhlathuze Municipality to be comfortable with this figure because of the high electricity purchase cost which distorts Council's budget figures when compared to other secondary cities. Without a properly researched formula in place, it is difficult to guide Council to a specific benchmark, but in COU situation that figure should be no more than the current 27% given the distortion in COU budget caused by the high Electricity Turnover. More significantly with a number of services outsourced, a more conservative approach would be to add the Contracted Services costs (8,2%) together with Employee related Costs. This figure amounts to 35,2% (27% + 8,2%);

The main positives that come out of compilation of the 2021/22 MTREF can be summarised as follows:

- Extensive effort has been made within the categories of tariffs to make them more equitable between the various consumer and ratepayer categories;
- All services in the municipality are cost reflective of all the relevant municipal activities applicable to those services;
- There has been a slight trimming of resources allocated to Infrastructure repairs and maintenance. But all the best practice standards of budget allocation to the repairs and maintenance activities should be able to be met;
- Although the budgeting of deficits is not sustainable in the long term, this municipality is financially sound enough to sustain such deficits in the short and medium term;
- Although all services funded by Rates are running at a deficit, Rates revenue is now greater than the gross contribution made by electricity to the municipality's income base, which trend points in the right direction of lowering dependency on the electricity services which historically was a significant risk to the financial stability of this municipality.

The following budget principles, guidelines and assumptions directly informed the compilation of the 2021/22 MTREF:

- No organic growth in the revenue base;
- Revenue cash flow assumes a 92 recovery;
- Capital from own funding (Capital Replacement Reserve and Borrowing) allocated on a prioritized model between Functions using asset values and Income generating ability;
- The basket of municipal services tariffs collectively has been kept below 5% expected for electricity.
- 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
- Repairs and Maintenance provisions surpass the best practice parameters of 8% of PPE and are sitting at excess of 11% for the MTREF.

National Treasury's MFMA Circular No. 107 and 108 were used to guide the compilation of the 2021/22 MTREF.

18.1 Main Budget Tables

The following pages present the ten **main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2021/22 budget and MTREF as approved by the Council.

Table 109: Budget Summary

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands									
Financial Performance									
Property rates	442 661	477 138	508 159	540 840	559 408	559 408	617 378	648 246	674 000
Service charges	1 840 683	1 903 222	2 015 381	2 307 051	2 283 899	2 283 899	2 475 325	2 666 750	2 861 825
Investment revenue	76 056	27 999	46 358	63 000	58 000	58 000	65 000	67 000	69 000
Transfers recognised - operational	329 088	352 730	391 394	424 643	490 760	490 760	441 914	469 277	473 324
Other own revenue	232 172	166 456	167 765	95 260	62 228	62 228	126 295	131 877	137 519
Total Revenue (excluding capital transfers and contributions)	2 920 660	2 927 545	3 129 057	3 430 794	3 454 295	3 454 295	3 725 911	3 983 150	4 215 668
Employee costs	746 160	782 436	850 995	986 781	981 781	981 781	1 047 162	1 085 770	1 134 346
Remuneration of councillors	29 342	30 395	31 478	34 026	34 317	34 317	35 116	36 522	38 167
Depreciation & asset impairment	348 561	472 658	356 365	474 573	418 999	418 999	435 000	458 000	482 000
Finance charges	67 691	51 286	66 790	79 943	79 943	79 943	69 028	65 963	58 303
Inventory Consumed and bulk purchases	1 032 319	1 082 912	1 148 019	1 282 856	1 299 564	1 299 564	1 283 054	1 398 500	1 516 873
Transfers and grants	11 517	15 782	12 953	13 778	14 378	14 378	14 597	15 211	15 878
Other expenditure	533 028	711 263	772 939	613 318	774 761	774 761	992 409	1 003 838	1 045 787
Total Expenditure	2 768 618	3 146 732	3 239 539	3 485 274	3 603 742	3 603 742	3 876 366	4 063 804	4 291 353
Surplus/(Deficit)	152 042	(219 187)	(110 482)	(54 480)	(149 448)	(149 448)	(150 455)	(80 654)	(75 685)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	133 963	104 224	152 977	183 857	183 357	183 357	172 956	174 288	174 517
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 248	1 577	301	-	-	-	-	-	-
Surplus/(Deficit) for the year	290 254	(113 386)	42 796	129 377	33 910	33 910	22 501	93 634	98 832

Table 110: Budget Summary (continued)

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands									
Capital expenditure & funds sources									
Capital expenditure	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total sources of capital funds	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020
Financial position									
Total current assets	1 043 037	995 310	1 129 747	986 925	1 045 572	1 355 233	1 386 064	1 292 945	1 140 797
Total non current assets	6 379 251	6 410 820	6 379 007	6 810 198	6 722 718	6 722 718	7 118 685	7 352 840	7 613 861
Total current liabilities	712 303	600 123	715 837	554 319	561 347	561 347	553 671	595 647	632 370
Total non current liabilities	614 245	839 077	784 716	905 070	901 569	901 569	1 026 461	1 114 550	1 214 971
Community wealth/Equity	6 095 740	5 966 930	6 008 201	6 337 734	6 305 374	6 615 034	6 924 617	6 935 589	6 907 316
Cash flows									
Net cash from (used) operating	318 828	317 854	530 084	547 677	453 256	453 256	405 993	387 495	401 620
Net cash from (used) investing	(499 378)	(515 887)	(367 368)	(662 695)	(636 438)	(430 396)	(561 677)	(523 725)	(581 567)
Net cash from (used) financing	(74 144)	228 766	(23 952)	140 952	142 402	142 402	143 395	67 693	67 213
Cash/cash equivalents at the year end	460 422	491 155	599 918	367 282	525 479	731 521	719 231	650 695	537 961
Cash backing/surplus reconciliation									
Cash and investments available	460 422	461 155	599 918	367 282	421 860	731 521	719 231	650 695	537 961
Application of cash and investments	205 622	157 660	65 645	64 585	73 531	73 531	267 063	355 754	368 376
Balance - surplus (shortfall)	254 800	303 495	534 273	302 697	348 329	657 990	452 169	294 941	169 584

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands									
Asset management									
Asset register summary (WDV)	6 379 251	6 410 820	6 379 008	6 810 198	6 722 718	6 722 718	7 118 685	7 352 841	7 613 861
Depreciation	348 561	472 658	355 497	474 573	418 999	418 999	435 000	458 000	482 000
Renewal and Upgrading of Existing Assets	132 950	225 924	66 281	126 803	260 819	260 819	238 048	261 205	317 484
Repairs and Maintenance	417 124	442 889	643 369	740 665	743 296	743 296	742 510	773 834	807 387
Free services									
Cost of Free Basic Services provided	(105 749)	(131 695)	(173 350)	(171 474)	(171 474)	(171 474)	(218 521)	(229 382)	(235 845)
Revenue cost of free services provided	183 573	360 849	(55 578)	(229 753)	(239 499)	(239 499)	(227 504)	(239 374)	(241 842)
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	0	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the municipality has been paying attention to managing this aspect of its finances, and consequently its obligations are cash-backed. This places the municipality in a very positive financial position. To strengthen this favourable position, Council has Tabled an Investment, Working Capital and Capital Replacement Reserves Policy.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase however it needs to be noted that this table does not cater for the cross subsidisation value of the lower end tariffs in the tiered structure of basic service charges. **This implies that the values reflected as Free Basic Services and the revenue cost are in reality much higher should one include the cross-subsidisation that takes place within the lower end of the tariffs. In addition, the municipality continues to make progress in addressing service delivery backlogs.**

18.2 Cost Containment Measures

Cost containment policy approved by Council on 26 May 2021. The object of the Policy, in line with sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures. The Policy applies to all officials and political office bearers in municipality and any entities as defined in the Act. Policy attached as an annexure.

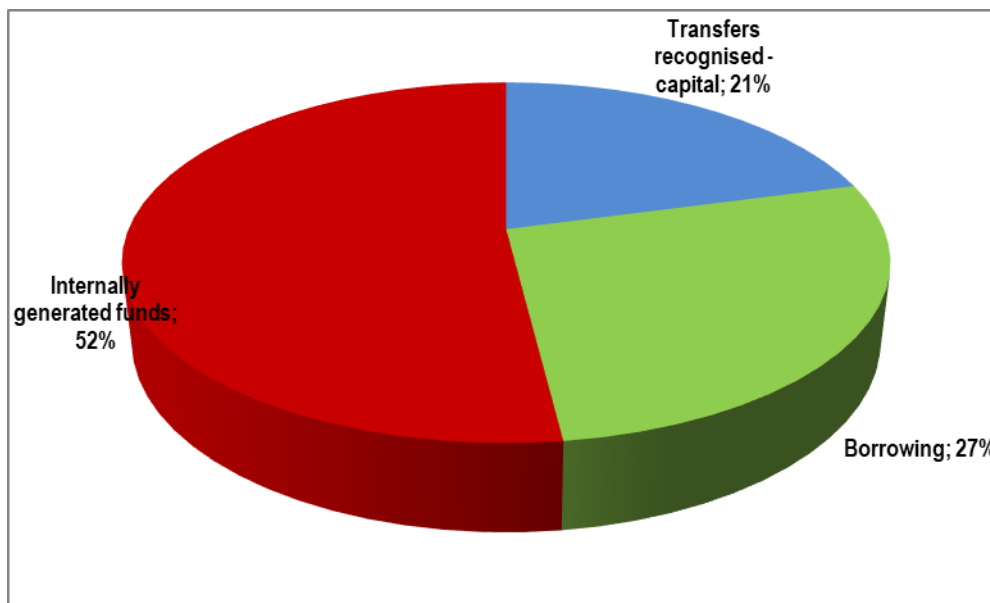
15. CAPITAL BUDGET SUMMARY

The following table below is a breakdown of the funding composition of the 2021/2022 medium-term capital programme:

15.1.1 Table 111 : Medium-term outlook: capital revenue

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funded by:									
National Government	137 671	105 800	130 140	183 857	183 357	183 357	162 013	163 351	164 420
Provincial Government	541	-	2 281	-	4 150	4 150	10 943	10 937	10 097
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total Capital Funding	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

The above table is graphically represented as follows for the 2021/2022 financial year.



Capital grants and receipts equates to 21 per cent of the total funding source which represents R173 million for the 2021/22 financial year and decrease to R 175 million or 23 per cent by 2022/23.

15.1.2 Capital Projects

Note 1: The projects for 2021/2022 MTREF are listed under section 18.1 as Municipal Funded Projects, also on Annexure B1 SDBIP Component 5, all municipal funded projects are listed there.

Note 2: A Map of Catalytic projects and Strategic Projects is attached under section 18.1

Note 3: A Map of Intergovernmental Projects is also attached under Section 18.1 of the IDP.

Table 112: Budgeted Capital Expenditure by vote, standard classification and funding.

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	9 935	350	1 829	3 000	6 300	6 300	48 879	20 165	56 606
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	24 454	11 770	10 581	1 104	2 678	2 678	6 589	17 538	20 001
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	9 794	15 733	8 070	27 847	29 514	29 514	54 584	47 611	36 576
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	14 707	35 596	11 516	12 561	17 626	17 626	65 390	54 130	5 356
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	27 887	54 111	25 890	-	54 222	54 222	-	-	-
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	585	1 198	-	-	505	505	-	-	-
Vote 8 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	27 439	66 715	41 689	77 414	86 723	86 723	75 257	72 130	71 065
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	163 021	122 985	138 075	319 198	316 077	316 077	317 193	234 922	273 397
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	57 844	80 987	56 687	164 526	146 979	146 979	158 596	117 386	139 860
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	-	-	-	-	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	34	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	335 700	389 445	294 336	605 649	660 625	660 625	726 487	563 881	602 861

Table 113: Budgeted Capital Expenditure by vote, functional classification and funding source (continued)

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Capital expenditure - Vote									
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	9 254	118	237	-	6 265	6 265	-	-	-
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	2 017	2 604	1 822	3 620	5 461	5 461	1 099	1 205	1 277
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	495	275	7	305	704	704	297	326	346
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	3 440	4 122	4 150	-	12 995	12 995	11 293	11 487	17 617
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	8 689	4 864	37	13 980	7 850	7 850	14 934	10 252	22 610
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	45 291	11 963	706	6 023	13 707	13 707	6 376	6 938	7 326
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	24	31	1 475	258	144	144	256	280	296
Vote 8 - FINANCIAL SERVICES	578	558	1 511	254	-	-	248	272	288
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	84 030	67 517	33 798	35 704	41 273	41 273	50 273	54 010	55 337
Vote 10 - INFRASTRUCTURE SERVICES - WATER AND SANITATION	9 747	33 741	20 479	3 500	10 681	10 681	14 250	28 446	22 000
Vote 11 - INFRASTRUCTURE SERVICES - TRANSPORT, ROADS AND STORMWATER	621	1 028	8 965	2 400	2 953	2 953	5 401	15 000	13 000
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SUPPORT SERVICES	565	87	-	90	-	-	-	-	-
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	68	327	-	51	51	51	54	59	62
Capital single-year expenditure sub-total	164 821	127 235	73 187	66 185	102 084	102 084	104 480	128 275	140 159
Total Capital Expenditure - Vote	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

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Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure - Vote									
Capital Expenditure - Functional									
Governance and administration	128 345	121 623	56 201	34 647	104 986	104 986	49 017	49 505	49 833
Executive and council	20	171	-	130	51	51	127	135	140
Finance and administration	128 325	121 452	56 201	34 517	104 935	104 935	48 890	49 370	49 693
Community and public safety	43 331	60 491	35 010	55 333	77 309	77 309	127 921	107 869	71 588
Community and social services	26 027	44 321	30 093	26 328	33 708	33 708	65 933	55 751	23 435
Sport and recreation	10 584	15 638	4 916	27 847	36 091	36 091	60 877	50 900	46 863
Public safety	6 926	531	-	1 158	1 245	1 245	1 111	1 218	1 291
Housing	(206)	-	-	-	6 265	6 265	-	-	-
Economic and environmental services	97 197	93 770	67 718	170 016	156 589	156 589	181 073	166 119	224 841
Planning and development	19 313	1 067	2 066	3 090	6 300	6 300	48 879	20 165	56 606
Road transport	77 183	92 482	65 212	165 326	149 855	149 855	127 794	130 954	155 235
Environmental protection	701	222	440	1 600	434	434	4 401	15 000	13 000
Trading services	231 648	240 796	208 595	411 839	423 824	423 824	453 457	351 708	384 758
Energy sources	57 776	80 828	48 219	85 537	91 685	91 685	83 598	84 343	84 706
Water management	84 873	76 982	112 374	274 093	220 838	220 838	300 443	225 368	249 410
Waste water management	87 895	79 745	46 180	48 605	105 919	105 919	69 416	39 200	45 987
Waste management	1 103	3 242	1 822	3 604	5 382	5 382	-	2 797	4 655
Other	-	-	-	-	-	-	19 500	16 955	12 000
Total Capital Expenditure - Functional	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020
Funded by:									
National Government	137 671	105 800	130 140	183 857	183 357	183 357	162 013	163 351	164 420
Provincial Government	541	-	2 281	-	4 150	4 150	10 943	10 937	10 097
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	301	-	-	-	-	-	-
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total Capital Funding	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by functional classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2021/22 R726 million has been allocated of the total R831 million capital budget, which totals 87 per cent. This allocation decreases slightly to R 564 million in 2022/23 and increases to R 603 million in 2023/24.
3. Single-year capital expenditure has been appropriated at R 104 million for the 2021/22 financial year and increases slightly over the MTREF to levels of R 128 million and increases to R 140 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative

allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the City. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

- The capital programme is funded from national and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2021/22, capital transfers totals R 173 million (20.8 per cent) and increases to R 175 million in the 2022/23 financial year (24 per cent). Borrowing has been provided at R 550 million over the MTREF with internally generated funding totaling R 432 million, R 364 million and R 399 million for each of the respective financial years of the MTREF.

15.2 Capital expenditure

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

Table 114: Medium-Term Capital Budget per Vote

Vote Description R thousand	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional									
Governance and administration	128 345	121 623	56 201	34 647	104 986	104 986	49 017	49 505	49 833
Executive and council	20	171	-	130	51	51	127	135	140
Finance and administration	128 325	121 452	56 201	34 517	104 935	104 935	48 890	49 370	49 693
Community and public safety	43 331	60 491	35 010	55 333	77 309	77 309	127 921	107 869	71 588
Community and social services	26 027	44 321	30 093	26 328	33 708	33 708	65 933	55 751	23 435
Sport and recreation	10 584	15 638	4 916	27 847	36 091	36 091	60 877	50 900	46 863
Public safety	6 926	531	-	1 158	1 245	1 245	1 111	1 218	1 291
Housing	(206)	-	-	-	6 265	6 265	-	-	-
Economic and environmental services	97 197	93 770	67 718	170 016	156 589	156 589	181 073	166 119	224 841
Planning and development	19 313	1 067	2 066	3 090	6 300	6 300	48 879	20 165	56 606
Road transport	77 183	92 482	65 212	165 326	149 855	149 855	127 794	130 954	155 235
Environmental protection	701	222	440	1 600	434	434	4 401	15 000	13 000
Trading services	231 648	240 796	208 595	411 839	423 824	423 824	453 457	351 708	384 758
Energy sources	57 776	80 828	48 219	85 537	91 685	91 685	83 598	84 343	84 706
Water management	84 873	76 982	112 374	274 093	220 838	220 838	300 443	225 368	249 410
Waste water management	87 895	79 745	46 180	48 605	105 919	105 919	69 416	39 200	45 987
Waste management	1 103	3 242	1 822	3 604	5 382	5 382	-	2 797	4 655
Total Capital Expenditure - Functional	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020
Funded by:									
National Government	137 671	105 800	130 140	183 857	183 357	183 357	162 013	163 351	164 420
Provincial Government	541	-	2 281	-	4 150	4 150	10 943	10 937	10 097
Transfers recognised - capital	138 212	105 800	132 722	183 857	187 507	187 507	172 956	174 288	174 517
Borrowing	9 969	265 391	16 979	157 000	89 996	89 996	226 138	154 000	170 000
Internally generated funds	352 341	145 489	217 822	330 977	485 205	485 205	431 874	363 868	398 504
Total Capital Funding	500 521	516 680	367 523	671 834	762 709	762 709	830 967	692 156	743 020

For 2021/22 an amount of R594 million has been appropriated for the development of infrastructure which represents 72 per cent of the total capital budget. In the outer years this amount totals R501 million, 72 per cent and R 537 million, 72 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 313 million in 2021/22 which equates to 53 per cent followed by road transport infrastructure at 20 per cent, R116 million, electricity infrastructure at 14 per cent, R83 million and then waste water infrastructure at 5 per cent, R31 million.

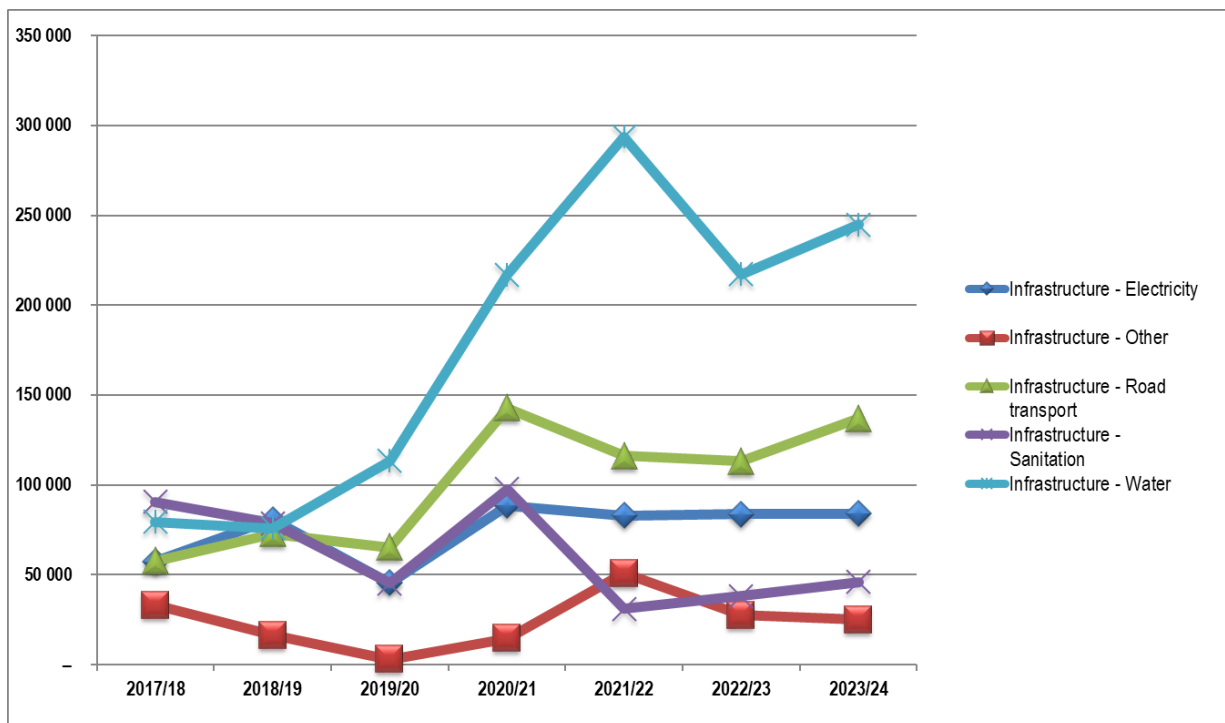
Total new assets represent 57 per cent or R 475 million of the total capital budget, asset renewal equates to 10 per cent or R 81 million and upgrade of existing assets 5 per cent or R 39 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 19 MBRR A9 (Asset Management) on pages 79 to 85. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c, d and e provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 162 to 179).

Furthermore, pages 182 to 192 contain a detail breakdown of the capital budget per project over the medium-term (**see Batho Pele Budget attached to the IDP**). The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

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

Figure 82: Capital Budget for Infrastructure Projects



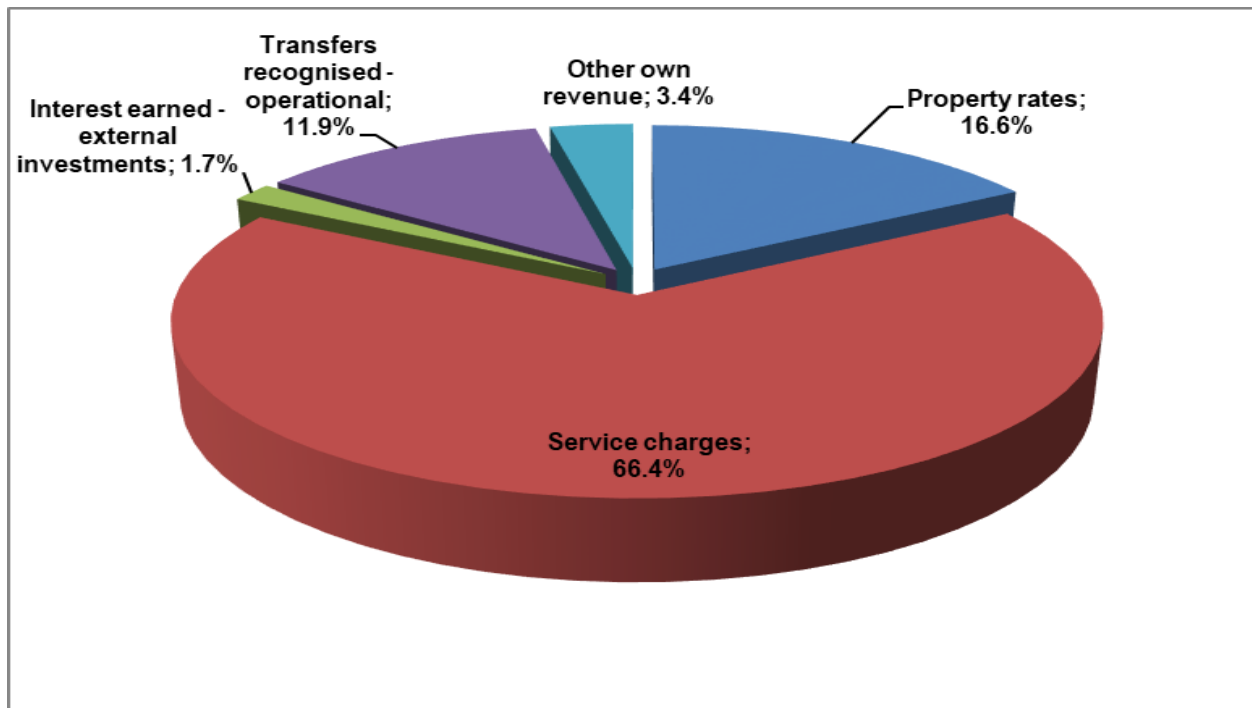
16. OPERATIONAL BUDGET SUMMARY

16.1 Operating Revenue Framework

Table 115: Breakdown of the operating revenue over the medium-term

Description	2021/22 Medium Term Revenue & Expenditure Framework					
	Budget Year 2021/22	%	Budget Year +1 2022/23	%	Budget Year +2 2023/24	%
Revenue By Source						
Property rates	617 378	16.6%	648 246	16.3%	674 000	16.0%
Service charges	2 475 325	66.4%	2 666 750	67.0%	2 861 825	67.9%
Interest earned - external investments	65 000	1.7%	67 000	1.7%	69 000	1.6%
Transfers recognised - operational	441 914	11.9%	469 277	11.8%	473 324	11.2%
Other own revenue	126 295	3.4%	131 877	3.3%	137 519	3.3%
Total Operating Revenue (excluding capital transfers and contributions)	3 725 911	100.0%	3 983 150	100.0%	4 215 668	100.0%
Total Operating Expenditure	3 876 366		4 063 804		4 291 353	
Surplus/(Deficit)	(150 455)		(80 654)		(75 685)	

The following graph is a breakdown of the operational revenue per main category for the 2021/22 financial year.



Primary Challenges in Producing the Revenue Budget

- At the top of the list by far is the **lack of growth** in local economic activity and now exacerbated by the COVID-19 epidemic. There evidenced by a deteriorating recovery in debtors revenue – now sitting at 92% a year ago sitting at 97% .
- The type of development in traditional areas (Primarily Ingonyama Trust areas) pose the largest challenge in terms of recovering the revenue for the service provided in these arrears. The majority of the outstanding residential consumer debt is owed by the consumers from the traditional arrears for water consumed;
- Although not observed during these Covid restriction period when credit control actions have been placed on hold, there is growing tendency by community members to restrict the reading of meters but more importantly the restriction of services for credit control purposes;
- There is a growing tendency for "Other Organs of State" in the last few years to not keep their municipal service accounts up to date. This category of consumer currently has in excess of R150m over ninety days owing to the Municipality;
- A significant challenge in the new year is going to be the transition from a very old legacy billing system to the SAP billing platform on the 1 July 2021. Fortunately, the expenditure modules of SAP are already deployed and are functional.

Primary Positive Aspects of Producing the Revenue Budget

- There has been an extensive effort placed on trying to make the service charges not only affordable but also equitable across the different income levels of our residential consumers;
- There is extensive effort put into ensuring that our indigent consumers do get basic services free of charge;
- Keeping Rates and Service charge increases within the inflationary boundaries of 3 and 6 percent;
- The Rates income now surpasses the gross contribution made by electricity service to this municipality's income base. This is a very positive trend given the risk associated to the municipality's continued reliance on electricity revenue to cross subsidize Rates funded services;

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a medium and an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of 7 per cent including indigent households, excluding electricity tariffs.

Middle income household range is defined as:

- *property value of R700 000;*
- *1 000 kWh electricity; and*
- *30kl water.*

Affordable household range is defined as:

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- property value of between R500 000 and R 700 000;
- 500 kWh electricity; and
- 25kl water

Indigent household is defined as:

- property value of R 300 000;
- 350 kWh electricity; and
- 20kl water (50 kWh electricity and 6 kl water free).

Table 116: Household Bill

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	521.17	555.82	587.96	530.88	530.88	530.88	5.4%	559.42	576.20	593.49
Electricity: Consumption	1 391.85	1 470.10	1 619.20	1 682.57	1 682.57	1 682.57	3.9%	1 748.36	1 816.54	1 887.39
R thousand										
Capital Grants	120.77	130.43	148.69	157.61	157.61	157.61	5.0%	165.49	170.85	175.67
National Government:	2 472.57	2 639 323.05	2 940 096.70	2 998 526.634	2 998 526.634	2 998 526.634	183 357.3%	162 019.29	163 226.59	164 420.82
Municipal Infrastructure Grant (MIG)	273.20	312 983.305	352 843.90	368.92	368.92	368.92	-	383.98	397.86	412.25
Integrated Urban Development Grant				332 634	163 867	163 867	163 867	128 013	116 361	121 420
Total large household bill:	2 745.77	2 952.08	3 292.85	3 359.30	3 359.30	3 359.30	4.3%	3 503.27	3 626.45	3 754.07
Integrated National Electrification Programme Grant		10 000	2 000	25 000	25 000	25 000	25 000	30 000	7 000	8 000
Water Services Infrastructure Grant		34 000	11.5%	25 000	25 000	25 000	25 000	30 000	35 000	35 000
Monthly Account for Household - 'Affordable Range'										
Property rates	369.00	303.54	2 087	446.29	376.88	376.88	-6.4%	10 943	10 937	10 097
Electricity: Consumption	752.65	793.70	874.09	908.09	908.09	908.09	3.7%	10 943	10 979	10 097
Water: Basic lev	20.27	22.70	23.21	24.60	24.60	24.60	4.0%	25.58	26.35	27.14
Water: Consumption	192.95	216.10	286.08	303.24	303.24	303.24	4.0%	315.87	324.83	334.57
Sanitation	165.20	176.76	185.40	196.60	196.60	196.60	5.0%	206.40	212.59	218.97
Refuse removal	120.24	129.85	146.74	155.54	155.54	155.54	5.0%	163.82	168.22	173.27
Other grant providers:										
National Lotto - Sports Development	1 620.31	1 732.66	1 931.72	1 963.95	1 963.95	1 963.95	4.3%	2 048.75	2 118.69	2 191.05
Engen Garage Durban - Fire Water Tanker	175.18	200.87	227.31	238.21	238.21	238.21	-	247.90	256.61	265.63
Lotto Ntambana										
Total small household bill:	1 795.49	1 933.53	2 159.03	2 202.16	2 202.16	2 202.16	4.3%	2 296.65	2 375.30	2 456.68
% increase/decrease		7.7%	11.7%	2.0%	65	-	-	4.3%	3.4%	3.4%
Monthly Account for Household - 'Indigent'										
Operating Transfers and Grant Receipts		159 527	111 581	166 179	183 857	183 357	183 357	172 956	174 288	174 517
Rates and services charges:										
Property rates	144.56	145.50	145.92	131.75	131.75	131.75	(13.2%)	114.33	117.76	121.30
Electricity: Consumption	10.91	11.47	12.62	13.11	13.11	13.11	3.5%	13.57	14.10	14.65
Water: Basic lev	20.27	22.70	23.21	24.60	24.60	24.60	4.0%	25.58	26.35	27.14
Water: Consumption	106.79	119.60	158.33	167.83	167.83	167.83	4.0%	174.54	179.78	185.17
Sanitation	165.20	176.76	185.40	196.60	196.60	196.60	5.0%	206.40	212.59	218.97
Refuse removal	119.71	129.29	144.80	153.49	153.49	153.49	5.0%	161.16	165.99	170.97
sub-total	567.44	605.32	670.28	687.38	687.38	687.38	1.2%	695.58	716.57	738.20
VAT on Services	59.20	68.97	78.65	83.35	83.35	83.35	-	87.19	89.82	92.54
Total small household bill:	626.64	674.29	748.93	770.73	770.73	770.73	1.6%	782.77	806.39	830.74
% increase/decrease		7.6%	11.1%	2.9%	-	-	-	1.6%	3.0%	3.0%

Table 117:

Operating Transfers and Grant Receipts

20.2 Operating Expenditure Framework

The City's expenditure framework for the 2021/22 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases with the inflationary envelope of 5 per cent, expenditure allocations in excess of the 2020/21 Adjustments budget are very limited;
- Despite the above restriction the Chief Financial Officer has ensured that Repairs and Maintenance provisions surpass the best practice parameters of 8 per cent of PPE. All provisions for MTREF are sitting in excess of 11%.
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2021/22 MTREF (classified per main type of operating expenditure):

Table 118 Summary of operating expenditure by standard classification item

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Expenditure By Type									
Employee related costs	746 160	782 436	850 995	986 781	981 781	981 781	1 047 162	1 085 770	1 134 346
Remuneration of councillors	29 342	30 395	31 478	34 026	34 317	34 317	35 116	36 522	38 167
Debt impairment	27 154	163 733	230 702	35 000	90 061	90 061	139 527	144 179	148 504
Depreciation & asset impairment	348 561	472 658	356 365	474 573	418 999	418 999	435 000	458 000	482 000
Finance charges	67 691	51 286	66 790	79 943	79 943	79 943	69 028	65 963	58 303
Bulk purchases - electricity	828 444	855 160	937 915	1 028 596	1 027 696	1 027 696	1 242 092	1 352 639	1 473 023
Inventory Consumed	203 875	227 752	210 104	254 259	271 867	271 867	40 962	45 862	43 850
Contracted services	339 556	369 218	342 651	289 827	345 933	345 933	316 498	303 078	312 220
Transfers and subsidies	11 517	15 782	12 953	13 778	14 378	14 378	14 597	15 211	15 878
Other expenditure	164 869	166 623	179 742	288 491	338 767	338 767	536 383	556 580	585 063
Losses	1 449	11 689	19 845	-	-	-	-	-	-
Total Expenditure	2 768 618	3 146 732	3 239 539	3 485 274	3 603 742	3 603 742	3 876 366	4 063 804	4 291 353

The budgeted allocation for **employee related costs** for the 2021/22 financial year totals R 1 047 million, which equals 27% per cent of the total operating expenditure.

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. Implying therefore that there is no increase agreed upon for this MTREF. In terms of Circular 107, National Treasury budget guidance was to budget a zero increase. This may not be very prudent if the Unions succeed in their bid for a 9% increase. Therefore, a 3.2% increase as per Budget Policy approved by Council has been included.

For Councillors allowances a similar situation is unfolding, therefore a 3.2% increase for them has been provided for.

The provision of debt impairment was determined based on an annual collection rate of 92 per cent and the Debt Write-off Policy of the City. For the 2021/22 financial year this amount is R93 million (R35 m Adopted 2020/21 & R90m Adjusted 2020/21). These increases being a clear indication of the effects of the COVID-19 pandemic is having on debtor's recovery.

Provision for depreciation and asset impairment has been informed by the Municipality's Financial Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate at which an asset is consumed. Budget appropriations in this regard total R435 million for the 2021/22 financial and equates to 13,7 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges on the budget make up 1,7 per cent (R69 million) of operating expenditure excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom. This is budgeted for the 2021/22 to be R1 050 million.

Water Inventory. A significant improvement in change to the version 6.5 of *mSCOA* is the treatment of bulk purchase of water which is no longer reflected as an expense, but rather as inventory item. The expenses will be reflected as both that that is lost and that that is sold plus that that is consumed for municipal purposes, as from 1 July 2021.

Materials Inventory. Similarly, to Water Inventory, Materials and Suppliers, Consumable Stores and Finished Goods are only reflected as expenses when consumed. This business reform was always in place and does not alter municipal processes.

Contracted Services has decreased slightly by 1 per cent as administration needs to place lesser reliance on contracted services. Contracted services together with Employee Related Costs amount to 35,4% (26,7% + 8,7%) of total operating cost. There is a direct relationship between the efficiency and effectiveness of personnel versus that of the private sector, with the common fact between both sectors lying with level of management of resources they have at their disposal.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2021/22 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 119: Operational repairs and maintenance

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	209 087	231 581	512 292	525 167	525 167	525 167	546 174	569 113	594 154
Inventory Consumed (Project Maintenance)	73 130	74 844	58 729	92 378	93 254	93 254	87 972	91 593	95 353
Contracted Services	134 906	136 464	72 348	123 119	124 070	124 070	106 997	111 704	116 396
Other Expenditure	-	-	-	-	804	804	1 366	1 424	1 484
Total Repairs and Maintenance Expenditure	417 124	442 889	643 369	740 665	743 296	743 296	742 510	773 834	807 387

Repairs and maintenance per asset class

Description	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand									
Infrastructure	302 041	318 005	442 703	521 179	520 349	520 349	520 629	542 698	566 261
Roads Infrastructure	69 391	87 406	102 677	117 534	117 652	117 652	118 791	123 779	129 164
Electrical Infrastructure	65 780	70 774	127 841	165 828	165 164	165 164	165 820	172 717	180 192
Water Supply Infrastructure	92 452	-	101 463	123 010	123 110	123 110	124 335	129 557	135 207
Sanitation Infrastructure	29 989	159 825	60 310	75 660	75 660	75 660	77 613	81 143	84 662
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	853	-	2 016	1 270	1 270	1 270	1 229	1 281	1 335
Coastal Infrastructure	-	-	743	1 082	1 070	1 070	1 058	1 102	1 148
Information and Communication Infrastructure	3 369	-	-	-	-	-	-	-	-
Community Assets	73 421	68 308	75 754	100 095	99 502	99 502	100 488	104 696	109 284
Heritage assets	103	-	83	120	120	120	124	130	135
Other assets	250	9 387	26 600	24 314	27 478	27 478	28 413	29 592	30 874
Computer Equipment	-	-	11 958	10 374	10 374	10 374	7 259	7 563	7 880
Furniture and Office Equipment	527	-	58	28	84	84	75	78	81
Machinery and Equipment	1 308	4 664	36 065	25 589	26 422	26 422	24 409	25 434	26 497
Transport Assets	39 474	42 525	50 147	58 967	58 967	58 967	61 113	63 644	66 377
Total Repairs and Maintenance Expenditure	417 124	442 889	643 369	740 665	743 296	743 296	742 510	773 834	807 387
R&M as a % of PPE	6.7%	7.1%	10.4%	11.2%	11.5%	11.5%	11.5%	11.3%	11.4%
R&M as % Operating Expenditure	15.1%	14.1%	19.9%	21.3%	20.6%	20.6%	27.8%	20.0%	19.9%

For the 2021/22 financial year, 70.1 per cent or R 767 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling at 22.1 per cent (R 169.8 million) followed by water infrastructure at 16.6 per cent (R 127 million), road transport infrastructure at 15.7 per cent (R 120.7 million) and sanitation at 10.4 per cent (R80.1 million). Community assets has been allocated R 100.9 million of total repairs maintenance equating to 13.2 per cent. Transport assets has been allocated R 61 million (8 per cent).

17. SUMMARY OF BUDGET POLICIES**17.1 Overview of budget related-policies**

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

17.1.1 Review of credit control and debt collection procedures/policies

The Credit Control & Debt Collection Policy was last reviewed and approved by Council during the 2017/18 budget year in terms of Council Resolution number 11979 dated 21 November 2017 and is available on DMS 1158108.

The policy in its current format is effective and assists in maintaining a healthy debtor's collection rate.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96 per cent on current billings.

17.1.2 Asset Management, Infrastructure Investment and Funding Policy

The consumption of assets is measured with their level of depreciation. To ensure future sustainability of the Municipality's infrastructure, service delivery and revenue base; investment in existing infrastructure is paramount. The strategy in the framework is to give more priority and emphasis on renewal of existing infrastructure. Over the next three years, there is a decrease in investment on new assets in order to give effect to priority of renewing existing assets. In addition to the renewal of existing assets, the need for the repairs and maintenance of existing assets is considered in the framework hence a move by the Municipality to invest more in repairs and maintenance.

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

No amendments are proposed for this policy in the 2020/2021 financial year.

17.1.3 Budget Adjustment Policy

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

No amendments are proposed for this policy in the 2020/2021 financial year.

17.1.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council on the 4 October 2005. The sixth amendment of the Supply Chain Management Policy was done in terms of Supply Chain

Management Regulations clause 3(1) (b) and was adopted by Council on 19 September 2017 in terms of Council Resolution number 11867 and incorporates the relevant Code of Conduct to the Supply Chain Management.

17.1.5 Virement Policy

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the City's system of delegations. The Virement Policy was approved by Council via resolution 6737 on 6 July 2010 and was subsequently amended on 4 October 2011 and again on 28 May 2013. A further amendment was necessary in the 2017/18 Budget year to ensure compliance with mSCOA regulations. The revised policy was approved in terms of Council resolution number 11645 dated 31 May 2017.

There are a number of challenges which the Virement Policy brings about. It allows room for funds from very important Repairs and Maintenance projects to be moved around, simply because of no proper maintenance plans informing the very generous allocation of resources to this activity in the first instance. It generally allows the too liberal movement of funds from one project to another where there is no proper mandate/planning but emergency/ad hoc perceived needs/wants arise.

No amendments are proposed for this policy in the 2020/2021 financial year.

17.1.6 Investment, Working Capital and Capital Replacement Reserves Policy

The City's Investment, Working Capital and Capital Replacement Reserves Policy was amended by Council on 10 October 2013. The aim of the policy is to ensure that the City's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

No amendments are proposed for this policy in the 2020/2021 financial year.

17.1.7 Tariff of Charges Policy

The City's tariff policy provides a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. **The policy is amended and approved annually with the MTREF.**

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

- Property Rates Policy;
- Trade Effluent Management Policy and
- Fraud Prevention policy.

17.2 Overview of budget assumptions

17.2.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances. This comment may appear contradictory to the very clear improvement in Cash Flows overall, however that is simply due to the accumulations for the Capital Replacement Reserves (Capital Funds), funds of which disguise the very tight situation the Municipality finds itself with the Operating Budget.

17.2.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2021/22 MTREF:

- National Government macro-economic targets as per MFMA circular 107 and 108;
- The general inflationary outlook and the impact on City's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 28.7 per cent of total operating expenditure in the 2021/22 MTREF.

17.2.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2021/22 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

17.2.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (92 per cent) of annual billings. Cash flow is assumed to be 92 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

17.2.5 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

17.2.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. Implying therefore that there is no increase agreed upon for this MTREF. In terms of Circular 107, National Treasury budget guidance was to budget a zero increase. This may not be very prudent if the Unions succeed in their bid for a 9% increase. Therefore, a 3.2% increase as per Budget Policy approved by Council has been included.

17.2.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. See relevant section in the Integrated Development Plan.

17.2.8 Ability of the municipality to spend and deliver on the programmes

The slow spend on the 2020/21 Adjusted Capital Budget was of serious concern to Administration, however procurement plan will be prepared to expedite the implementation of the procurement process for the 2021/22 MTREF. Despite a monthly monitoring of the procurement plan being undertaken through the Capital Spend Project Team, spending in the 2020/21 financial year still remains a challenge. Executive Management Committee (EMCO) is investigating mechanisms to try to resolve numerous internal and external factors hindering performance here.

18. ALIGNMENT OF IDP WITH BUDGET

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 City, issues of national and provincial importance are reflected in the IDP uMhlathuze municipality. The City of uMhlathuze has a clear understanding of such intent, and is therefore consistently ensuring that strategically it complies with the key national and provincial priorities.

The IDP drives the strategic development of the Municipality. The Municipality's budget is fully influenced by the strategic objectives identified in the IDP. The service delivery budget implementation plan (SDBIP) ensures that the Municipality implements programmes and projects based on the IDP targets and associated budgets. The performance of the Municipality is tabled in its Annual report.

While this IDP is the City's main planning document, it draws on, and is informed by a large number of other plans and strategic frameworks developed by the other spheres of Government and various Departments, inter alia:

- Spatial Development Framework - 2020/2021;
- Integrated Human Settlement Plan - 2020/2021;
- Economic Roadmap (LED Plan);
- Water Services Development Plan - 2018/2019;
- Integrated Waste Management Strategy - 2020/2021;
- Electricity Master Plan - 2020;
- Financial Plan (MTREF 2019/2020);
- Air Quality Plan;

- Disaster Management Plan - 2020; and
- Electricity Mater Plan – 2020.

Each of these plans offer comprehensive information and data that informs the IDP to a large extent.

Council engaged with all relevant stakeholders to solicit views and inputs for the uMhlathuze Draft IDP Review (2021/22), this process was pursued at the time of COVID 19 PANDEMIC when the world was forced to adopt new ways of conducting business, which included planning for people with the people. Necessary precautions were employed during this process to avoid the spread of virus, further the Strategic Framework of the City will be revised to accommodate new strategies aimed at improving efficiency but also indirectly aimed at improving the general lives of citizens.

Council adopted new and innovative approach into community consultations, which included the following platforms for maximum public participation:

- Local Radio Slots
- Television Broadcast
- City's Official Social Network Platforms (Facebook, Twitter, Whatsapp)
- Municipal Website
- Virtual Meetings
- Newspaper

The City by all means ensured that maximum participation and fruitful dialogues with its communities and stakeholders was achieved.

During the public participation engagements, the ultimate aim was for council to:

- Identify the real needs of all communities in the uMhlathuze
- Prioritize such needs and development challenges
- Collective development of appropriate solutions to address such needs
- Empower local communities to take ownership for their own development

The IDP has been taken into a business and financial planning process leading up to the 2021/22 MTREF, based on the approved 2017/2022 MTREF, Mid-year Review and adjusted budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2021/22 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and second quarter performance against the 2020/2021 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.

The 2021/22 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure

Table 120: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
National KPA 1: Good Governance and Public Participation											
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	13 307	1 452	181	1 667	202	202	218	225	232
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	-	33	-	44	-	-	-	-	-
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	-	-	-	-	-	-	-	-	-
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	1 425	516	65	800	461	461	489	518	549
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	3 743	2 639	2 058	2 644	2 595	2 595	2 686	2 766	2 850
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	140	28	-	38	-	-	-	-	-
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	75	30	-	40	-	-	-	-	-
National KPA 2: Basic Services and Infrastructure Provision											
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	2.1.1	2 414 566	2 364 729	2 648 416	2 932 732	2 961 130	2 961 130	3 071 869	3 291 581	3 387 027
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality	2.1.2	4 019	5 433	2 906	3 311	3 350	3 350	2 907	2 958	3 011
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	2 822	2 194	552	2 908	2 348	2 348	2 486	2 635	2 793

Table 121: Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective	Goal	Goal Code	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	22 823	-	15 265	16 028	14 079	14 079	11 309	10 927	14 639
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	186	7 263	-	50	-	-	-	-	-
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	-	37	4 492	4 278	4 278	4 278	3 417	-	-
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	-	7 489	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	-	-	-	-	-	-	-	-	-
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	15 415	-	75 987	6 245	2 623	2 623	4 335	4 466	4 600
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	8 379	78 281	609	2 601	219	219	228	237	246
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	382	2 059	-	-	-	-	-	-	-
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	1 093	73	-	111	11	11	12	13	13
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	-	566	480	657	516	516	534	550	567
3.4 Social Cohesion	To promote social cohesion	3.4.1	-	23 018	17 505	21 513	18 633	18 633	47 123	52 727	39 348
National KPA 4 : Municipal Institutional Development and Transformation			3 649	2 406							
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1	-	-	166	790	18	18	19	20	21

Table 122: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
National KPA 5: Municipal Financial Viability and Management											
5.1 Sound Financial And Supply Chain Management	Compliance with financial legislation and policies	5.1.1	554 231	532 858	587 620	616 321	626 446	626 446	691 454	724 581	733 518
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1	5 521	1 919	1 593	1 443	714	714	740	762	785
National KPA 6: Cross Cutting											
6.1 Integrated Urban and Rural Development	To plan and manage existing and future development	6.1.1	-	-	-	-	-	-	-	-	-
6.2 Immoveable Property Management	To ensure fair valuation of properties	6.2.1	6 938	-	-	51	-	-	-	-	-
	Effective Management of Council owned Immoveable properties.	6.2.2	154	296	44	340	29	29	31	32	33
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	-	26	-	36	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			3 058 872	3 033 345	3 357 940	3 614 651	3 637 652	3 637 652	3 839 854	4 094 997	4 190 231

Table 123: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
National KPA 1: Good Governance and Public Participation											
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To ensure effective and efficient administration complying with its Legal Mandates	1.1.1	130 905	147 529	22 886	41 918	40 658	40 658	42 610	43 656	45 599
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To maintain an organizational performance management system as a tool to monitor progress of service delivery	1.1.2	-	2 201	3 299	4 222	4 410	4 410	4 635	4 757	4 969
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Ensure Institutionalisation of Batho Pele Culture	1.1.3	-	-	-	-	-	-	-	-	-
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4	51 346	59 192	13 819	8 037	40 010	40 010	10 082	13 961	10 716
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	8 782	3 927	6 448	7 925	8 192	8 192	8 639	8 809	9 172
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	908	1 201	1 902	2 499	2 625	2 625	7 057	5 958	4 913
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	11 810	10 463	242	51	1 768	1 768	81	82	86
National KPA 2: Basic Services and Infrastructure Provision											
2.1 Efficient and integrated infrastructure and services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	2.1.1	2 164 338	2 209 683	2 613 986	2 843 491	2 882 547	2 882 547	3 216 371	3 373 176	3 576 362
2.1 Efficient and integrated infrastructure and services	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality	2.1.2	12 686	22 516	28 791	30 725	30 967	30 967	31 558	33 602	33 269
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	59 953	67 970	2 222	(1 593)	12 451	12 451	2 196	8 460	11 012

Table 124: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
National KPA 3: Local Economic Development											
3.1 Viable Economic Growth And Development	To develop and promote the agricultural potential of uMhlathuze Municipality	3.1.1	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Enhanced sectoral development trough trade investment and business retention)	3.1.2	58 669	57 939	70 015	72 511	74 473	74 473	89 719	94 246	101 992
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	4 585	3 837	5 938	6 867	6 395	6 395	7 160	7 323	7 645
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	-	7 492	4 492	4 278	4 278	4 278	3 417	-	-
3.1 Viable Economic Growth And Development	To Improve the efficiency, innovation and variety of government-led jobs	3.1.5	-	-	-	-	-	-	-	-	-
3.1 Viable Economic Growth And Development	Promote SMME and Entrepreneurial development	3.1.6	-	-	-	-	-	-	-	-	-
3.2 Public Safety and Security	Provision of efficient and effective security services	3.2.1	38 185	48 488	76 863	78 532	77 017	77 017	97 243	99 754	104 071
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	46 400	53 844	80 881	85 259	84 400	84 400	90 582	93 210	96 993
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	-	-	-	1 985	1 915	1 915	2 138	2 223	2 324
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	6 020	8 178	10 802	10 776	10 813	10 813	11 822	12 070	12 558
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	9 097	9 302	14 151	15 607	15 857	15 857	17 570	18 192	18 965
3.4 Social Cohesion	To promote social cohesion	3.4.1	-	156 102	208 761	230 056	228 415	228 415	250 206	264 580	275 308
National KPA 4 : Municipal Institutional Development and Transformation											
4.1 Municipality Resourced and Committed to attaining the vision and mission of the organisation	To create an appropriate organisational climate that will attract and ensure retention of staff	4.1.1	26 874	29 830	6 566	7 027	10 170	10 170	7 956	8 179	8 472

19. FUNDED MUNICIPAL CAPITAL PROJECTS

19.1 List of Major Municipal Capital Projects for 2021/2022

DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKP A	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
DESIGN AND CONSTRUCTION OF SMME RETAIL PARKS (ESIKHALENI) - PHASE 1	STALLS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	04	03	3	3,1	3.1.2	3.1.2.1	Jul-21	Jun-23	9 499 400	9 499 400	19 499 400
DESIGN AND CONSTRUCTION OF SMME RETAIL PARKS (ESIKHALENI) - PHASE 1	STALLS	BORROWING	N	M	WHOLE OF MUNICIPALITY	04	03	3	3,1	3.1.2	3.1.2.1	Jul-21	Jun-23			12 500 600
DESIGNS AND PLANS FOR WATERFRONT AREA	PIERS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	04	03	3	3,1	3.1.2	3.1.2.1	Jul-21	Jun-26		1 510 500	1 510 500
RICHARDS BAY TAXI RANK - PHASE 2	TAXI RANKS/BUS TERMINALS	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		5 000 000	5 000 000
NSELENI TAXI RANK	TAXI RANKS/BUS TERMINALS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 589 000	1 589 000
EMPANGENI REVITALISATION PROJECT	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	04	03	3	3,1	3.1.2	3.1.2.1	Jul-21	Jun-26	2 986 000	57 245 000	47 245 000
REFURBISHMENT OF EMPANGENI FIRE STATION	FIRE/AMBULANCE STATIONS	CAPITAL REPLACEMENT RESERVES	U	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		554 000	554 000
FIRE FIGHTING EQUIPMENT	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	11	03	3	3,2	3.2.2	3.2.2.1	Jul-21	Jun-26		884 000	884 000

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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKP A	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
REFUSE TRUCKS	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		6 000 000	6 000 000
SKIP LOADER	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		2 398 000	2 398 000
RECYCLING TRUCK	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		1 200 000	1 200 000
TIPPER TRUCK WITH GRABLINE	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		1 700 000	1 700 000
DRIVER'S LICENSE AND TESTING CENTRE	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	660 000	660 000	660 000
DIGITAL RADIOS: TRAFFIC PATROL VEHICLES	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	11	03	3	3,2	3.2.1	3.2.1.1	Jul-21	Jun-26		28 000	28 000
CAMERAS FOR EVIDENCE COLLECTION	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	11	03	3	3,2	3.2.1	3.2.1.1	Jul-21	Jun-26		9 000	9 000
21 X 9MM PISTOLS (OVER MTREF YEARS)	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	11	03	3	3,2	3.2.1	3.2.1.1	Jul-21	Jun-26		45 000	45 000
BAY HALL - REVAMPING DESIGN AND SPECIFICATIONS	HALLS	CAPITAL REPLACEMENT RESERVES	U	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	1 000 000	1 000 000	1 000 000
REFURBISHMENT OF AQUADENE HALL	HALLS	CAPITAL REPLACEMENT RESERVES	U	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		5 000 000	5 000 000
REPLACEMENT OF SLASHERS	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		200 000	200 000

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KWADLANGEZWA SWIMMING POOL	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	N	M	30	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26	11 659 100	11 659 100	11 659 100
KWADLANGEZWA SWIMMING POOL	OUTDOOR FACILITIES	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		16 909 800	16 909 800
IMPROVEMENTS/ RENOVATIONS TO ESIKHALENI POOL	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		300 000	300 000
IMPROVEMENTS/ RENOVATIONS TO EMPANGENI POOL	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		400 000	400 000
IMPROVEMENTS/ RENOVATIONS TO BRACKENHAM POOL	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		400 000	400 000
IMPROVEMENTS/ RENOVATIONS TO MEERENSEE POOL	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		428 000	428 000
LANE REELS	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		50 000	50 000
CONSTRUCTION OF KICK-ABOUTS X 2	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26	2 338 000	2 338 000	-
DESIGN: NEW ASTRO TURF SOCCER FIELDS	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	N	M	26	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26			2 338 000
MACHINERY FOR SPORT FACILITIES MAINTENANCE	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26		4 843 000	1 000 000

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UPGRADE OF BRACKENHAM SPORTS FIELD	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	26	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26			1 500 000
REFURBISHMENT OF ESIKHALENI J2 (KHAYALETHU) ABLUTION FACILITY	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	R	S	20	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26			1 223 000
RESURFACING AND FENCING OF NGWELEZANE JABULANI COMBO COURT	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	R	S	32	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26			620 000
UPGRADE OF RECREATIONAL FACILITIES	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26			500 000
CONSTRUCTION OF ESIKHALENI FITNESS CENTRE (ROLL-OVER OF FUNDS FROM 2019/20)	OUTDOOR FACILITIES	GOVERNMENT - PROVINCIAL	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26	-	10 943 000	10 943 000
STRUCTURAL ASSESSMENT UMHLATHUZE STADIUM	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26		365 000	365 000
UMHLATHUZE STADIUM MASTER PLAN	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.1	Jul-21	Jun-26		7 498 000	7 498 000
BUILDING & STRUCTURE REPAIR WORK	OUTDOOR FACILITIES	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		592 000	592 000
RIDE ON MOWERS	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		3 751 000	3 751 000
VARIOUS SMALL MACHINERY	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT	N	S	WHOLE OF MUNICIPALITY	14	03	3	3,4	3.4.1	3.4.1.2	Jul-21	Jun-26		200 000	200 000

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(HORTICULTURE)		NT RESERVES														
FURNITURE: 9 X SWIVEL AND TILT CHAIRS	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.1	1.1.1.1	Jul-21	Jun-26		20 000	20 000
REPLACEMENT OF OFFICE EQUIPMENT	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.1	1.1.1.1	Jul-21	Jun-26		7 000	7 000
EQUIPMENT FOR LEGAL SERVICES	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.1	1.1.1.2	Jul-21	Jun-26		5 800	5 800
OFFICE FURNITURE FOR WARD COUNCILLORS	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.1	1.1.1.1	Jul-21	Jun-26		73 000	73 000
AIRPORT LAND SIDE PAVEMENTS	IMPROVED PROPERTY - REVENUE GENERATING	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		1 000 000	1 000 000
AIRPORT BACKUP SYSTEMS	IMPROVED PROPERTY - REVENUE GENERATING	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		1 500 000	1 500 000
AIRPORT FENCING	IMPROVED PROPERTY - REVENUE GENERATING	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		4 000 000	4 000 000
AIRPORT AIR SIDE PAVEMENTS	IMPROVED PROPERTY - REVENUE GENERATING	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		11 000 000	11 000 000
AIRPORT BUILDING REFURBISHMENT	IMPROVED PROPERTY - REVENUE GENERATING	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		2 000 000	2 000 000
OCCUPATIONAL HEALTH CLINIC EQUIPMENT	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	05	04	4	4,1	4.1.1	4.1.1.3	Jul-21	Jun-26		111 500	111 500
OFFICE FURNITURE FOR	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	05	04	4	4,1	4.1.1	4.1.1.3	Jul-21	Jun-26		111 500	111 500

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OCCUPATIONAL CLINIC																
HUMAN RESOURCES TRAINING AND INDUSTRIAL RELATIONS OFFICE FURNITURE	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	01	04	4	4,1	4.1.1	4.1.1.1	Jul-21	Jun-26		33 000	33 000
DATA POINTS NEW / ADDITIONAL	DATA CENTRES	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.4	1.1.4.5	Jul-21	Jun-26		90 000	90 000
NEW & REPLACEMENT OF IT RELATED EQUIPMENT	COMPUTER EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.4	1.1.4.5	Jul-21	Jun-26		2 386 000	2 386 000
NETWORK INFRASTRUCTURE UPGRADE	DATA CENTRES	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.4	1.1.4.5	Jul-21	Jun-26		3 150 000	3 150 000
PUBLIC WIFI	DATA CENTRES	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.4	1.1.4.5	Jul-21	Jun-26		250 000	250 000
REPLACEMENT EQUIPMENT ALL FS SECTIONS	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	09	04	5	5,1	5.1.1	5.1.1.1	Jul-21	Jun-26		248 000	248 000
ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	MV NETWORKS	BORROWING	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		20 109 200	20 109 200
ELECTRIFICATION OF EMPANGENI MEGA HOUSE PROJECT PHASE 1	MV NETWORKS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26	3 979 900	3 979 900	3 979 900
MV ELECTRICAL NETWORK REFURBISHMENT	MV NETWORKS	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		1 963 600	1 963 600

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132 kV STATION REFURBISHMENT	HV SUBSTATIONS	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		3 000 000	3 000 000
132kV OVERHEAD LINE REFURBISHMENT	HV TRANSMISSION CONDUCTORS	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		3 000 000	3 000 000
132/11KV POLARIS SUBSTATION REFURBISHMENT	HV SUBSTATIONS	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		8 000 000	8 000 000
132/11KV 30MVA CYGNUS TRANSFORMER INSTALLATION	HV SWITCHING STATION	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		13 016 200	13 016 200
ENERGY SAVING INITIATIVE	LV NETWORKS	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		5 000 000	5 000 000
REPLACEMENT OF NON-ENERGY EFFICIENT ELECTRICAL EQUIPMENT (EEDS)	LV NETWORKS	GOVERNMENT - NATIONAL	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		4 000 000	4 000 000
AQUADENE DEVELOPMENT	MV NETWORKS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		9 592 200	9 592 200
HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	LV NETWORKS	CAPITAL REPLACEMENT RESERVES	N	M	15-19,30	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		5 000 000	5 000 000
INSTALLATION OF STREETLIGHTING IN VARIOUS AREAS	LV NETWORKS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		3 596 000	3 596 000
TOOLS FOR ELECTRICAL SERVICES	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		144 000	144 000

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REPLACEMENT VEHICLES	TRANSPORT ASSETS	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		16 334 000	16 334 000
INSTALLATION OF APN CONNECTIVITY SYSTEM	COMPUTER SOFTWARE AND APPLICATIONS	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		397 000	397 000
JOHN ROSS/EMPANGENI MAIN ROAD STREETLIGHTING INSTALLATION	LV NETWORKS	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.3	Jul-21	Jun-26		2 800 000	2 800 000
RICHARDS BAY CIVIC - STRUCTURAL REPAIRS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	U	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	4 373 800	6 373 800	6 373 800
RICHARDS BAY CIVIC - FIRE EXTRACTION SYSTEM	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		1 500 000	1 500 000
RICHARDS BAY CIVIC - REPLACEMENT OF FIRE DETECTION SYSTEM	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		1 500 000	1 500 000
RICHARDS BAY CIVIC - AIRCON COOLING TOWERS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	650 000	650 000	650 000
RICHARDS BAY CIVIC - AIRCON NEW INSTALLATIONS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	2 030 000	2 030 000	2 030 000
RICHARDS BAY CIVIC - REPLACEMENT OF LIFTS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26	2 600 000	2 600 000	2 600 000
EMPANGENI CIVIC 2 - REPLACEMENT OF LIFTS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		1 300 000	1 300 000
RENOVATIONS TO EMPANGENI CIVIC 1 & 2	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.7	Jul-21	Jun-26		2 500 000	2 500 000

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		NT RESERVES														
MANDLAZINI AGRI VILLAGE SEWER	OUTFALL SEWERS	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.2	Jul-21	Jun-26		20 000 000	20 000 000
RURAL SANITATION - VIP	RETICULATION	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.2	Jul-21	Jun-26		5 000 000	5 000 000
EMPANGENI OUTFALL SEWER	OUTFALL SEWERS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.2	Jul-21	Jun-26		2 000 000	2 000 000
MKHWANAZI NORTH - ZONE R	DISTRIBUTION	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		10 000 000	10 000 000
BULK STORMWATER INFRASTRUCTURE	STORMWATER CONVEYANCE	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.6	Jul-21	Jun-26	17 692 400	38 416 300	38 416 300
ANNUAL KERB REPLACEMENT CONTRACT	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 500 000	1 500 000
ANNUAL WALKWAY REHABILITATION	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 500 000	1 500 000
BUS SHELTERS & LAYBYES - ALL AREAS	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	N	M	4,5,7,8,18,23,27	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		2 000 000	2 000 000
COASTAL EROSION PROTECTION	SAND PUMPS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		3 000 000	3 000 000
ESIKHALENI INTERSECTION	ROADS	CAPITAL REPLACEMENT RESERVES	N	M	14,16,21	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26	8 208 800	23 208 800,00	23 208 800,00
ESIKHALENI INTERSECTION	ROADS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		15 000 000	15 000 000

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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKP A	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
MZINGAZI/TUZI GAZI STEEL BRIDGE	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		3 000 000	3 000 000
PEDESTRIAN BRIDGES	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26	4 685 800	20 962 200	20 962 200
ROADS RESEALING	ROADS	CAPITAL REPLACEMENT RESERVES	R	M	1, 2, 3, 4, 6, 7, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 31	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		20 000 000	20 000 000
SUSTAINABLE RURAL ROADS	ROADS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		4 708 700	4 708 700
TRAFFIC CALMING	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	N	M	3,7,16,19,23,26,27,28	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 000 000	1 000 000
UPGRADE & NEW BULK SERVICES FOR MEGA HOUSING	ROADS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		800 000	800 000
DESIGN AND CONSTRUCTION OF CENTRAL INDUSTRIAL AREA LINK ROAD AND SERVICES	ROADS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		18 000 000	18 000 000
WALKWAYS	ROAD STRUCTURES	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 000 000	1 000 000
ARTERIAL FRAMEWORK PLAN RENEWAL	ROADS	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 000 000	1 000 000
EMPANGENI "A" TAXI RANK	TAXI RANKS/BUS TERMINALS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		2 000 000	2 000 000
NORTH CENTRAL ARTERIAL DOUBLING	ROADS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 500 000	1 500 000

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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/REPLACEMENT/UPGRADE	MULTI/SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKPA	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
UPGRADE & SIGNALISE OF INTERSECTION WITHIN THE CITY OF UMLATHUZE KNORHAAN BAAI AND ANGLERS ROD	ROADS	CAPITAL REPLACEMENT RESERVES	U	S	1	06	02	2	2,1	2.1.1	2.1.1.5	Jul-21	Jun-26		1 000 000	1 000 000
DETAIL DESIGN OF ALKANTSTRAND STAIRCASE	PIERS	CAPITAL REPLACEMENT RESERVES	R	S	1	06	02	2	2,1	2.1.1	2.1.1.6	Jul-21	Jun-26	2 400 700	4 400 700	4 400 700
UPGRADE - NSELENI SEWER	OUTFALL SEWERS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.2	Jul-21	Jun-26		2 000 000	2 000 000
UPGRADE - VULINDLELA SEWER PIPELINE	RETICULATION	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.2	Jul-21	Jun-26		2 000 000	2 000 000
WATER QUALITY EQUIPMENT	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000
LABORATORY EQUIPMENT	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		3 000 000	3 000 000
NGWELEZANE MADLEBE RESERVOIR UPGRADE OF WATER WORKS ELECTRICAL INFRASTRUCTURE	RESERVOIRS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000
PIERCE CRESCENT UPGRADE OF WATER PUMPSTATION ELECTRICAL INFRASTRUCTURE	PUMP STATIONS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000

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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/REPLACEMENT/UPGRADE	MULTI/SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKPA	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
VULINDLELA UPGRADE OF WATER WORKS IN ELECTRICAL INFRASTRUCTURE	WATER TREATMENT WORKS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000
NSELENI UPGRADE OF WATER PUMPSTATION ELECTRICAL INFRASTRUCTURE	PUMP STATIONS	CAPITAL REPLACEMENT RESERVES	U	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000
200 STATIC TANKS	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		500 000	500 000
PACKAGE PLANT	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		3 500 000	3 500 000
UPGRADING OF VALVES IN ESIKHALENI	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		1 000 000	1 000 000
ALTON NORTH AND SOUTH WATER PIPELINE REPLACEMENT	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 750 000	2 750 000
NTAMBANANA WATER RETICULATION	DISTRIBUTION	BORROWING	N	M	31, 32, 33, 34	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26	83 138 200	173 138 200	156 637 600
CONSTRUCTION OF 3ML RESERVOIR FOR NTAMBANANA AREA	RESERVOIRS	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		10 000 000	10 000 000
NTAMBANANA BULK WATER SUPPLY	DISTRIBUTION	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		15 000 000	15 000 000
REDUCTION OF NON-REVENUE (WSIG)	DISTRIBUTION	GOVERNMENT - NATIONAL	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		22 000 000	22 000 000

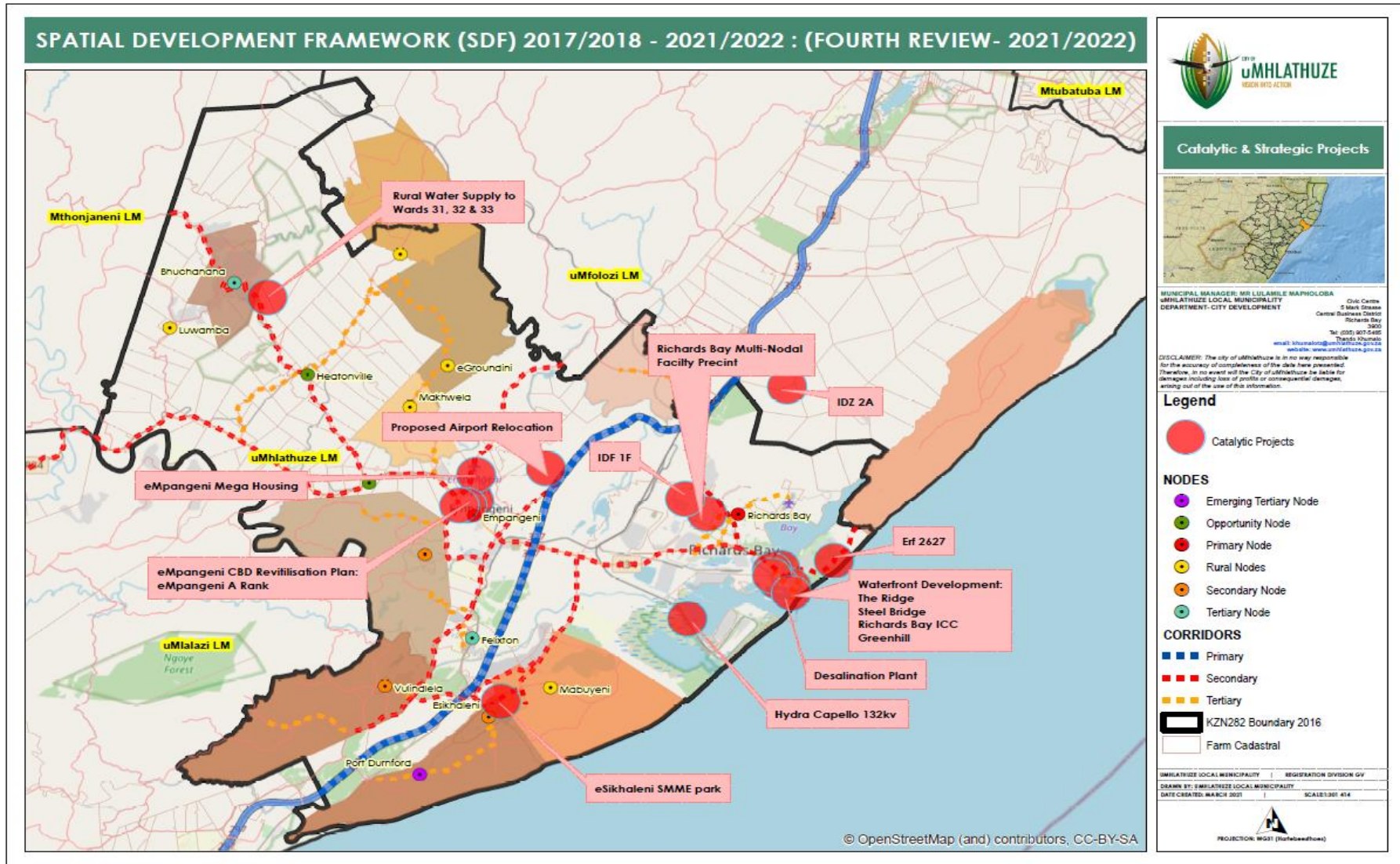
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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/ REPLACEMENT/ UPGRADE	MULTI/ SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKPA	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
ALTON NORTH AND SOUTH WATER PIPE REPLACEMENT	DISTRIBUTION	GOVERNMENT - NATIONAL	R	M	2	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		8 000 000	8 000 000
TOOLS FOR WATER AND SANITATION	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		1 000 000	1 000 000
SECURITY FENCE FOR WATER TREATMENT WORKS	MUNICIPAL OFFICES	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		133 000	133 000
EMPEMBENI BULK AND RETICULATION	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	M	13,14	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		12 109 200	12 109 200
EMPEMBENI BULK AND RETICULATION	DISTRIBUTION	BORROWING	N	M	13,14	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		32 890 800	29 890 800
CONSTRUCTION OF A SECOND MEERENSEE RESERVOIR	RESERVOIRS	CAPITAL REPLACEMENT RESERVES	N	M	13,14,15	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		2 000 000	2 000 000
NEW WATER METERS	DISTRIBUTION POINTS	CAPITAL REPLACEMENT RESERVES	N	M	13,14,15	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		5 000 000	5 000 000
REPLACEMENT BULK WATER METERS	DISTRIBUTION POINTS	CAPITAL REPLACEMENT RESERVES	R	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		4 000 000	4 000 000
FURNITURE FOR WATER AND SANITATION SECTION	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		500 000	500 000
COMPUTER EQUIPMENT FOR WATER AND SANITATION	COMPUTER EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.4	1.1.4.5	Jul-21	Jun-26		500 000	500 000
5 X 16000 WATER TANKERS	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		1 500 000	1 500 000

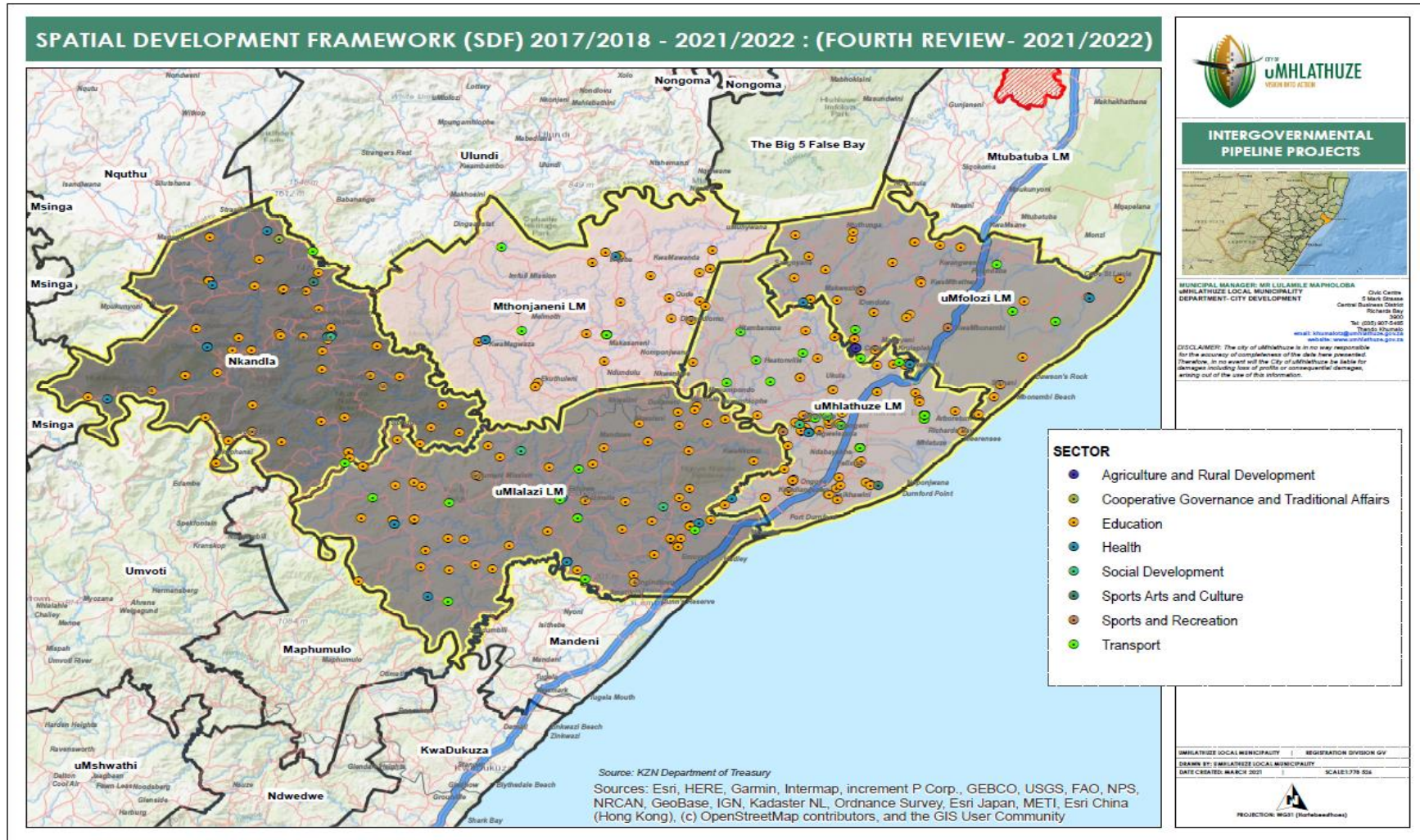
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DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	UM-SAP COMMITMENT ITEM DESCRIPTIONS	FUNDING	NEW/REPLACEMENT/UPGRADE	MULTI/SINGLE YEAR PROJECT	WARD BENEFITTING	MTS F	IUD F	NKPA	IDP GOAL	IDP OBJECTIVE	IDP STRATEGY	PLANNED START DATE OF PROJECT	PLANNED COMPLETION DATE OF PROJECT	ROLL-OVER PROJECTS 2020/21	TABLED 2021/22 (TOTAL)	ADOPTED 2021/22 (DRAFT)
TRUCK MOUNTED JETTING MACHINE WITH 5000L TANKER X 3	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		6 000 000	6 000 000
HORSE AND LOW BED TRAILER X 1	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		2 500 000	2 500 000
TRACTOR 4X4 WITH A SLASHER	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		800 000	800 000
SUPERSUCKER X 1	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		3 000 000	3 000 000
TRAILER MOUNTED 6 INCH WATER PUMP	MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.3	2.1.3.1	Jul-21	Jun-26		500 000	500 000
WATER RETICULATION SYSTEM FOR WARD 18 AND 22	DISTRIBUTION	CAPITAL REPLACEMENT RESERVES	N	M	WHOLE OF MUNICIPALITY	06	02	2	2,1	2.1.1	2.1.1.1	Jul-21	Jun-26		3 422 000	3 422 000
FURNITURE - OFFICE OF MUNICIPAL MANAGER	FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	WHOLE OF MUNICIPALITY	09	04	1	1,1	1.1.1	1.1.1.3	Jul-21	Jun-26		54 000	54 000

Map 75: uMhlathuze Catalytic and Strategic Projects



Map 76: Intergovernmental Pipeline Projects



19.2 IDZ Signed Investment

No	Investment	Investment Value	Job (C)	Job (P)
1.	Logistics and Heavy Equipment moving	R20 m	10	7
2.	Manufacturing of plastic piping for bulk water transportation	R300m	110	87
	Paint manufacturing company	R16 m	50	50
4.	Chemical plant	R500m	300	100
5.	Generation of 60 MW electricity from biomass and 2000 MW from LNG	R2 Billion/9.4 billion	260	70
6.	Chemical Plant	R250m	250	58
7.	Titanium Dioxide Pigment	R4.5 Billion	800	300
8.	Manufacturing of solar panels	R650 m	200	600
9.	Manufacturing of MGRP pipes for water , gas, oil distribution	R400 m	100	100
10.	Manufacturing of aluminum canisters	R260 m	tbd	126
11.	Manufacturing of Energy system and LED Light	R150 m	200	100
12.	Manufacturing of low to medium voltage cables	R150 m	200	100
13.	Manufacturing Kraft paper	R1.2 billion	600	239

19.3 ESKOM Project

Project Name	Project type	TOTAL Planned Connections 2020/2021	DoE TOTAL Planned CAPEX Incl 15% VAT 2020/2021
Port Dunford	Households	200	R 3 885 496.00
Port Dunford (Link Line)	Infrastructure Link Line		R 5 024 470.00

19.4 Private Investment Projects

19.4.1 BHP E-Village

The BHP E-Village project is an initiative of the Hillside aluminum smelter. The Project was initiated in 2011 and is intended to provide offices and workshops from where various contractors can operate. The site is positioned entirely within the Hillside property boundary, which is zoned for industrial use.

The E-Village is designed to accommodate 1 100 contractors and will be constructed in two phases. There is already construction activity in terms of access to the site, which will be off Bullion Boulevard. A key feature of the project is the introduction of energy and resource efficient building criteria in terms of the Green Building Council of South Africa

19.4.2 CBD North

DFA approval for "Town Square/Northern Edge Lifestyle Centre" was obtained during Oct 2008. Latest reports indicate that a R600-million upmarket Lifestyle Centre and four-star hotel are to be developed on the site although plan submissions are still awaited.

19.4.3 SAPPI Housing Development

Sappi Manufacturing/MDC is proposing to establish an integrated residential township to the north of Birdswood. Proposed land uses include Commercial, Office, Filling Station, Community Facilities, Hospital, Frail care, Worship and Pre-School, High School, Primary Schools, Retirement village.

The residential components contain a proposed 262 single residential erven, medium density residential stands for about 2400 units (at 30 units per hectare) as well as high density residential stands for about 3100 units (at 60 units per hectare). It is understood that the EIA for the above project has been submitted and the submission of the PDA for planning approval is awaited.

19.4.4 Westview Residential

The proposed development provides for about 540 single residential erven, 1 commercial erven, 3 high-density residential erven, 4 open space erven, 2 conservation erven, 1 Erf to be reserved for the construction of electrical works, 1 worship Erf and 1 primary school Erf.

The total extent of the development is about 61 Ha and it is located to the east of the western outskirts of Empangeni town and abuts the existing residential suburb of Hillview. Commercial farmland is located to the west and south of the site while the Empangeni Prison is located to the east of the site. Tronox mining industry is located to the north-east of the site, across the R34.

19.4.5 Carsdale

The development proposes to establish a mixed residential development consisting of 671 single residential erven, 2 commercial erven, and 1 group housing erf, 3 open space erven and 3 conservation erven. The property is situated on the western outskirts of Empangeni and abuts the existing residential suburb of Panorama. The property is traversed by the Mkhumbane River on the west, as well as Main Road P166 between Ngwelezane and the R34.

19.4.6 Empangeni Lifestyle Estate

Thanda Group has applied for development approval for the proposed Waterstone Country Lifestyle Estate. The proposed development is situated on Sub 1 of Lot 197, Sub 2 of Lot 197 and Portion 6 of Wilton Park Farm No. 11484, being approximately 464 hectares in extent, to the north of Empangeni. The proposed development conforms to Spatial Development Framework Plan and consists of 14 Phases.

19.4.7 RBM Zulti South Mining and Resettlement Action Plan (RAP)

A number of households' assets are located within the proposed mining area and/or within the exclusion zone and due to mining activities may face economic or physical displacement. As a result, RBM has appointed a service provider to prepare a Resettlement Action Plan (RAP) that aims to guide an internationally compliant resettlement process. An approved budget of 9, 000,000 has been allocated for this project.

19.4.8 RBM RBM Road

The extension of the East Central Arterial in a northerly direction to provide an alternative access to and from the RBM northern mining areas and headquarters. The options being investigated by RBM are indicated in the following map inset.

20. REPORT OF THE AUDITOR GENERAL

20.1.1 AG Opinion and Management Plan

	2014/2015 Y1	2015/2016 Y2	2016/2017 Y3	2017/018 Y4	2018/2019 Y5	2019/2020
uMhlathuze Municipality	Clean Audit emphasis of matter	Clean Audit emphasis of matter	Clean Audit emphasis of matter	Unqualified Audit Opinion with a matter	Unqualified Audit Opinion with a matter	Unqualified Audit Opinion with no matter Clean AUDIT

20.2 Summary of Auditor General's Report on 2019/2020 Financial Statements

The Auditor general has expressed an unqualified opinion with emphasis on matter.

Opinion

1. I have audited the financial statements of the City of UMhlathuze set out on pagesto.... which comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statement, including a summary of significance accounting policies.
2. In my opinion the financial statements present fairly, in all material respects, the financial position of the City of uMhlathuze as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003(Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora)

SECTION G: ANNUAL OPERATIONAL PLAN –SDBIP

SDBIP FOR 2021/2022 IS AN ANNEXURE TO THE IDP

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

21. ANNUAL PERFORMANCE REPORT

21.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

21.1.1 Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following: -

"Annual performance reports

46. (1) A municipality must prepare for each financial year a performance report *reflecting*
- (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) *measures taken to improve performance.*
- (2) **An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."**

21.1.2 Introduction

The first performance management framework was adopted by the uMhlatuze Municipality on 28 May 2002. The framework was reviewed and amended during 2012/2013 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal. The framework/policy was again reviewed in May 2015 to address the Auditor General finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

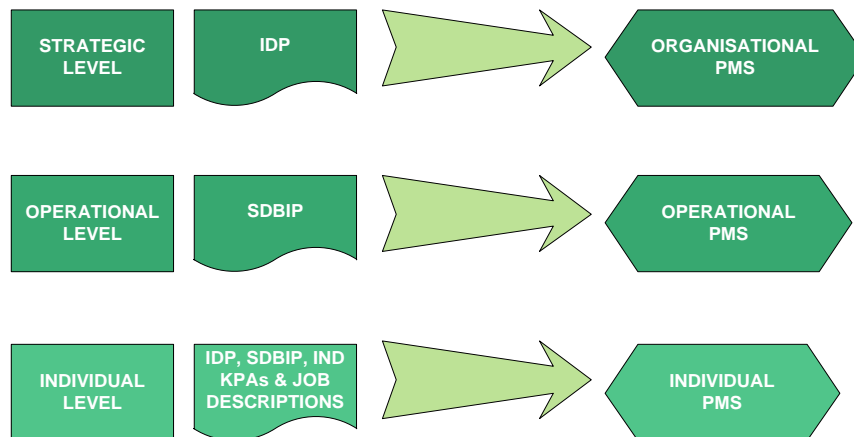
The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPi). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 21 of 17 January 2014) were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

The approved and adopted Performance Management Framework/Policy has been adopted in June 2016, per item on RPT 160112 and framework/policy document on DMS 1122026 together with the newly established Standard Operating Procedure (DMS 1077198) to clarify the processes to collect, collate, verify and store of performance information and documents are available on Councils official website (www.umhlathuze.gov.za under the "Performance Management" link).

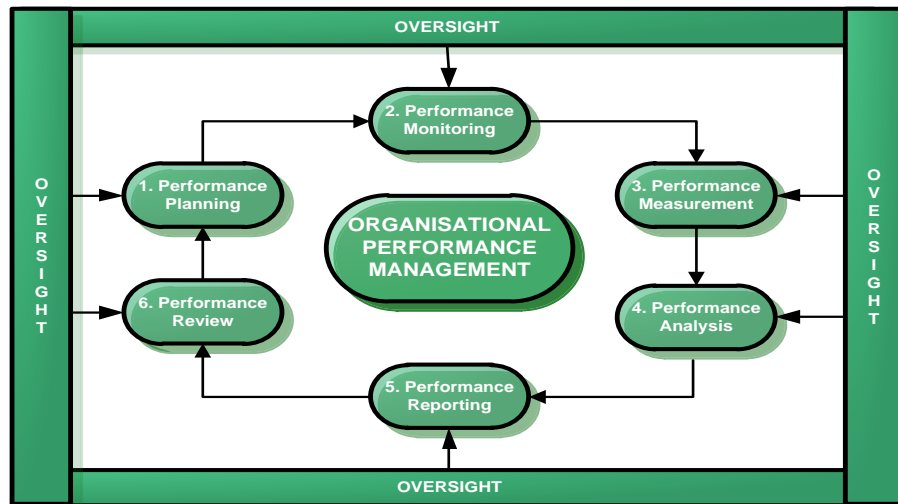
The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

21.1.3 Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:



Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council's priorities) for the five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2015/2016 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act (No 56 of 2003)

The following diagram illustrates a summary of the reviewed performance management framework for the City of uMhlatuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

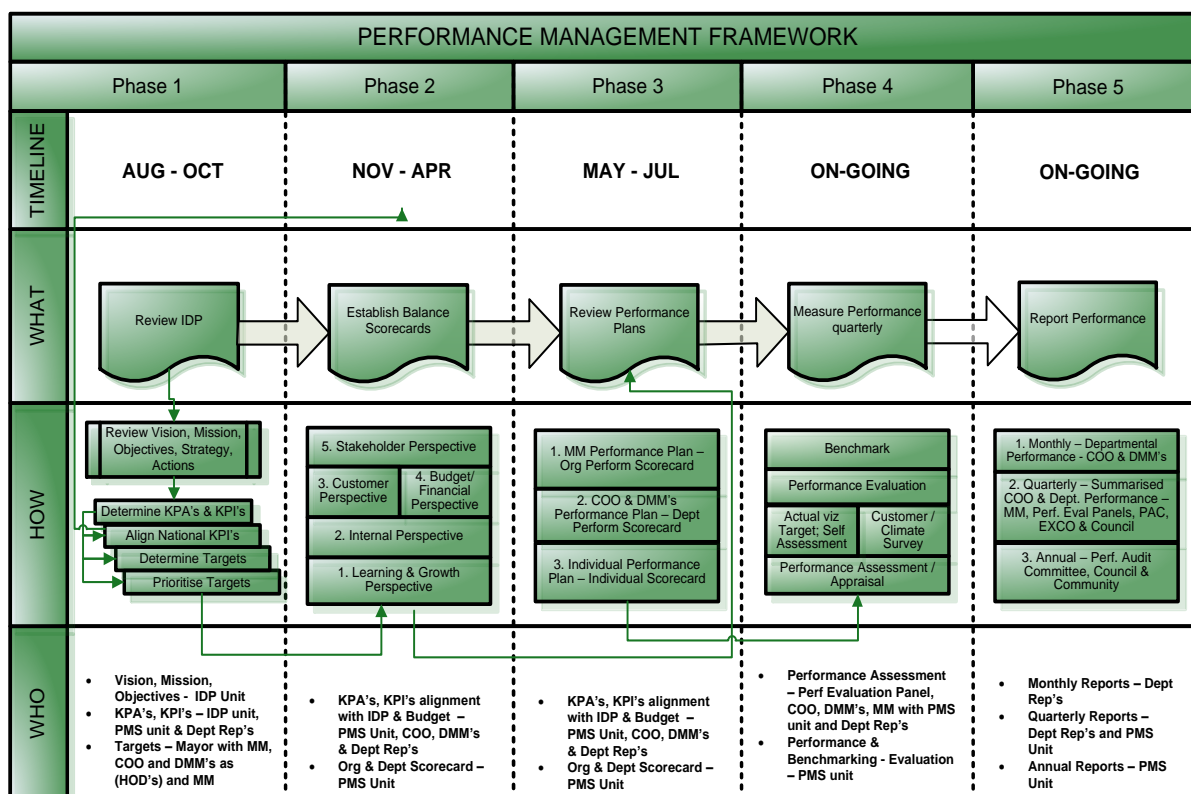


Figure 83: uMhlathuze Performance Management Framework diagram

21.1.4 Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The appointment of Performance Audit Committee for the period 1 February 2019 to 30 June 2022 was adopted by Council on the 28 February 2019, Council Resolution 13065 (Item on RPT 165088).

- Dr M J Ndlovu – Chairperson (external member);
- Mr R M J Baloyi (external member);
- Cllr K D Sibiyi (Deputy Mayor) or;
- Cllr R M Zikhali

The Performance Audit Committee is meeting on a quarterly basis for each financial year to consider the reported quarterly performance achievements reported on the OPMS Scorecard (Top Layer of the Service Delivery Budget Implementation Plan) as well as the Non-Financial Performance Achievements reported in terms of the Departmental Service Delivery Budget Implementation Plans (Component 3)

21.1.5 Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution on 7 March 2017, by Council Resolution 111367, Item on RPT 161834 for the

2017/2018 financial year. Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

For purposes of evaluating the annual performance of the municipal manager (section 54A), an evaluation panel constituting of the following persons was established –

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
- (iv) Mayor and/or Municipal Manager from another Municipality; and
- (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Cllr M G Mhlongo	Mayor/Chairperson
Cllr KD Sibiya	Member of the Executive Committee
Ms. M J Ndlovu	Chairperson of the Performance Audit Committee
Cllr S W Mgenge	Mayor from another Municipality (uMfolozi)
Mr. E S Luthuli	Ward Committee member

For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality."

LH Mapholoba	Chairperson
Cllr KD Sibiya	Member of the Executive Committee
Ms. M J Ndlovu	Chairperson of the Performance Audit Committee
Mr. K E Gamede	Municipal Manager from another Municipality (uMfolozi)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

21.1.6 Auditing of Performance Information

The The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committee to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.

The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee charter and receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measureable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.
- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system, the Performance Audit Committee focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Unit within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability;

Audit Project	Focus Area
	<ul style="list-style-type: none"> • Performance reports reviews; • Performance score verification (Municipal Manager and Deputy Municipal Managers); • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> • Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

21.1.7 Customer Satisfaction

The most recent Customer Satisfaction Survey was conducted in August 2017. The comprehensive analysis feedback report was reported to Council on 17 October 2017 and is available in the GroupWise document management system as well as on Council's official website. (www.umhlathuze.gov.za under the "Performance Management" link. A Customer Satisfaction Survey was planned for May/June 2020.

The Supply Chain Management process was initiated to appoint a service provider to conduct the 2020 Customer Satisfaction Survey. The tender closing date was unfortunately on the day that National Government has declared the state of disaster, followed by the National Lockdown due to COVID-19, therefore the Customer Satisfaction Survey 2020 was subsequently cancelled. A feasibility study will be conducted to find alternative platforms and resources to obtain the customer satisfaction perception on municipal services provided and the project will commence once the approach has been finalised and resources are available.

21.1.8 Annual Organisational Performance Information

The annual Organisational Performance Targets are compiled in a table format (as prescribed by KZN CoGTA) and reported on a quarterly basis to track performance. The Organisational Performance report is presented to the Auditor General for auditing together with the Annual Financial Statements by 31 August of each year.

The Organisational Performance Scorecard (Tables) once finalized and approved is read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance Information.

The number of households served with basic services as reflected in the table also includes the performance of external service providers delivering basic services to the community as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000). Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze Municipality in the municipal licensed area, through purchasing electricity from ESKOM. Also other Basic Services delivered by uMhlathuze Municipality include, solid waste removal (refuse collection) and sanitation. The uMhlathuze municipality is fortunate not to become reliant on external service providers, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

The Organisational Performance Scorecard for 2021/2022 (following table) will be finalized in July 2021, once the actual achievements for the completed 2020/2021 financial year has been reported, which is forming the baseline for the following term of the Integrated Development Plan.

22. DRAFT ORGANIZATIONAL PERFORMANCE SCORECARD (2021/2022)

(DRAFT) UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022											
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022			
								Q1	Q2	Q3	Q4
								Output Target	Output Target	Output Target	Output Target
KPA1: Good Governance and Public Participation											
T1.1	1.1.4.3	Deepen democracy through a refined Ward Committee model	To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitation of Stakeholder and Community participation in policy making	Number of IDP/PMS and Budget Public participation meetings (forums)	6	12	0	6	0	6
T1.2	1.1.4.1			Facilitate the Functionality of Ward Committees through continuous capacitation	Percentage of Ward Committees with 6 or more Ward Committee members (excluding Ward Councillor)	100%	90%	90%	90%	90%	90%
T1.3	1.1.4.1				Average number of Councillor-convened community meetings per ward	40%	80%	80%	80%	80%	80%
T1.4	1.1.4.2			Development of a Credible Integrated Development plan within prescribed legislative guidelines	Approval of a credible IDP by 31 May 2021	75%	100%	5%	50%	75%	100%
T1.5	1.1.4	Implement diff approach to Municipal financial, planning and support	Improve Council functionality	Number of agenda items deferred to the next council meeting	0	0	0	0	0	0	

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(DRAFT) UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022													
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022					
								Q1	Q2	Q3	Q4		
								Output Target	Output Target	Output Target	Output Target		
KPA2: Basic Service Delivery and Infrastructure Development													
T2.1	2.1.1.1	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate water services backlogs through provision of basic water services	Percentage Households with access to basic water	96,40%	96,86%	96,45%	96,54%	96,63%	96,86%		
T2.2	2.1.1.1				Total number of Households with access to basic water	106530	107030	106580	106680	106780	107030		
T2.3	2.1.1.1				Number of new water connections meeting minimum standard	318	500	50	100	100	250		
T2.4	2.1.1.1				Number of Households with access to free water service	10144	10144	10 144	10 144	10 144	10 144		
T2.6	2.1.1.1				Reduction of water losses (cumulative/progressively)	21%	21%	21%	21%	21%	21%		
T2.7	2.1.1.1				Quality of drinking water complying with the South African national standards at latest SANS 241 (between 95% and 99%)	99,9%	>95%	>95%	>95%	>95%	>95%		
T2.8	2.1.1.3				Eradicate Sanitation services backlogs through provision of basic sanitation services	Percentage Households with access to sanitation	80,94%	81,12%	80,95%	80,99%	81,03%	81,12%	
T2.9	2.1.1.3			Number of Household with access to Sanitation		89444	89644	89454	89494	89544	89644		
T2.10	2.1.1.3			Number of new sewer connections meeting minimum standard (Construction of VIP's)		0	200	10	40	50	100		
T2.11	2.1.1.3			Number of Households with access to free sanitation (VIP's) service & Indigent		60084	60284	60094	60134	60184	60284		
T2.13	2.1.1			Wastewater Quality compliance of ≥90% as per Green Drop standard		77,31%	≥90%	≥90%	≥90%	≥90%	≥90%		
T2.14	2.1.1.2			Improving access to basic services		To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of dwellings provided with connections to the mains Electricity supply by the Municipality	35589	35669	35599	35614	35639
T2.15	2.1.1.2				Number of new households provided with new Electricity connections (Municipal supply)			19	80	10	15	25	30
T2.18	2.1.1	Non-technical electricity losses kept within 8%.	4%		8%			8%	8%	8%	8%		
T2.19	2.1.1	90% of general street lighting faults restored within 72 hours (excluding cable faults or stolen equipment)	56%		90%			90%	90%	90%	90%		
T2.20	2.1.1	Number of Households with access to free Electricity (Municipal Area)	533		533			533	533	533	533		

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(DRAFT) UMLHATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022												
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022				
								Q1	Q2	Q3	Q4	
								Output Target	Output Target	Output Target	Output Target	
KPA2: Basic Service Delivery and Infrastructure Development												
T2.21	2.1.1.4	Improving access to basic services	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provide a weekly domestic solid waste removal service to the community	Percentage Households with access to waste disposal	72,68%	74,49%	72,82%	73,27%	73,59%	74,49%	
T2.22	2.1.1.4				Number of Households with access to waste disposal	80314	82314	80464	80964	81314	82314	
T2.23	2.1.1.4				Number of new Households with access to waste disposal	1254	2000	150	500	350	1000	
T2.24	2.1.1.4				Number of Households with access to free waste disposal	35988	38010	36160	36660	37010	38010	
T2.25	2.1.1.5			Provision of public transport infrastructure facilities	Kilometres of gravel roads maintained (Both regravelling and grading)	246	600	150	150	150	150	
T2.26	2.1.1.5			Kilometres of gravel roads upgraded to surfaced road (New tarred roads) (Mzingazi Phase3, KwaKhoza Phase 3 and Sustainable rural road)	5,884	18,985	5,747	2,869	5,700	4,669		
T2.27	2.1.1.5			Kilometres of paved municipal road which has been resurfaced and resealed	0,00	12,50	3,00	5,00	4,50	0,00		
T2.28	2.1.1.5			Percentage of reported potholes fixed within standard Municipal response time (Re-defined from m² of repairs to potholes and patching on urban tarred roads)	83,03%	80%	80%	80%	80%	80%		
T2.29	2.1.1.7			Strive to improve reliability and service life of Municipal Infrastructure, facilities and assets	Construction of Pedestrian Bridges	0	1	0	0	1	0	
T2.30	2.1.1.6			Provision and maintenance of storm water and costal engineering infrastructure	Kilometres of Stormwater open drains maintained	3,27	20	5	5	5	5	
T2.31	2.1.1.6			Number of manholes maintained (Incl kerb inlets)	493	1020	130	350	150	390		
T2.32	2.1.1.5			Provision of public transport infrastructure facilities	100% Maintenance on municipal owned railway sidings resulting from monthly inspections	100%	100%	100%	100%	100%	100%	
T2.33	2.1.2.1			To promote the achievement of a non-racial, integrated society through the development of sustainable human settlement	Improve community standard of living through accelerated development of integrated human settlement	Number of subsidised housing units completed	0	80	0	0	30	50
T2.34	2.1.2.1					Number of Pre 1994 Old - Housing stock and Post 1994 Housing stock transferred	39	169	12	45	60	52

Final ID

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(DRAFT) UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022											
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022			
								Q1	Q2	Q3	Q4
								Output Target	Output Target	Output Target	Output Target
KPA 3: Local Economic Development											
T3.3	3.1.5.3	Actions supportive of the human settlement outcome	To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	Promoting economic growth by providing skills empowerment to the unemployed	Community development skills training programmes (Number of unemployed youth re-skilled)	294	80	20	20	20	20
T3.4	3.1.5.1			Promote economic growth by successful implementation of EPWP community based projects	Number of jobs created through EPWP and other related programmes (Cumulative) (Infrastructure; Environment and Culture; Social and Non State Sectors)	948	712	100	300	550	712
KPA 4: Municipal Transformation and Institutional Development											
T4.1	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Number of women employed by the municipality (Number of new appointments)	47	20	5	5	5	5
T4.2	4.1.1.2				Number of Youth employed by the municipality (Number of new appointments)	51	40	10	10	10	10
T4.3	4.1.1.2				Disability related programmes (workshops/awareness campaigns) Redefined indicator	1	2	0	0	1	1
T4.4	4.1.1.2				Top Management stability (% of days in a year that all S57 positions are filled by full-time, appointed staff not in an acting capacity).	74%	100%	60%	100%	100%	100%
T4.5	4.1.1			Improved municipal capital capability	Workplace Skills training programmes/courses enrolled for by staff and councillors	122	130	25	35	35	35
T4.6	4.1.1.4			Percentage Budget Spent on Workplace Skills Plan (cumulative)	57%	96%	25%	50%	75%	96%	
T4.7	4.1.1.1			Percentage Operating Budget spent on implementing Workplace Skills Plan	1,0%	0,80%	0,80%	0,80%	0,80%	0,80%	

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(DRAFT) UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022											
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022			
								Q1	Q2	Q3	Q4
								Output Target	Output Target	Output Target	Output Target
KPA 3: Local Economic Development											
T3.3	3.1.5.3	Actions supportive of the human settlement outcome	To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	Promoting economic growth by providing skills empowerment to the unemployed	Community development skills training programmes (Number of unemployed youth re-skilled)	294	80	20	20	20	20
T3.4	3.1.5.1			Promote economic growth by successful implementation of EPWP community based projects	Number of jobs created through EPWP and other related programmes (Cumulative) (Infrastructure; Environment and Culture; Social and Non State Sectors)	948	712	100	300	550	712
KPA 4: Municipal Transformation and Institutional Development											
T4.1	4.1.1.2	Implement differentiated approach to municipal financing, planning and support	To create an appropriate organisational climate that will attract and ensure retention of staff	Compliance with Employment Equity Act	Number of women employed by the municipality (Number of new appointments)	47	20	5	5	5	5
T4.2	4.1.1.2				Number of Youth employed by the municipality (Number of new appointments)	51	40	10	10	10	10
T4.3	4.1.1.2				Disability related programmes (workshops/awareness campaigns) Redefined indicator	1	2	0	0	1	1
T4.4	4.1.1.2				Top Management stability (% of days in a year that all S57 positions are filled by full-time, appointed staff not in an acting capacity).	74%	100%	60%	100%	100%	100%
T4.5	4.1.1			Improved municipal capital capability	Workplace Skills training programmes/courses enrolled for by staff and councillors	122	130	25	35	35	35
T4.6	4.1.1.4			Percentage Budget Spent on Workplace Skills Plan (cumulative)	57%	96%	25%	50%	75%	96%	
T4.7	4.1.1.1			Percentage Operating Budget spent on implementing Workplace Skills Plan	1,0%	0,80%	0,80%	0,80%	0,80%	0,80%	

uMhlathuze Local Municipality: Final IDP Review 2021/2022

(DRAFT) UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2021/2022											
Indicator Number	IDP Ref	Outcome 9	Objective	Strategies	Performance Indicator	Baseline (Mid year achievements 2020/2021)	Annual Target 2021/2022 Output	2021/2022			
								Q1	Q2	Q3	Q4
								Output Target	Output Target	Output Target	Output Target
KPA 5: Financial Viability and Financial Management											
T5.1	5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Compliance with financial legislation and policies	Debt coverage ratio (cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000) (cumulative)	2 387 303 / 175 991 = 13.56					
T5.2	5.1.1.4			Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	741 432 700 / 695 500 000 = 1,07	728 500 000 / 686 100 000 = 1.06	731 440 000 / 684 500 000 = 1,07	729 440 000 / 680 225 000 = 1.07	728 540 000 / 689 325 000 = 1.06	728 500 000 / 686 100 000 = 1.06
T5.3	5.1.1.4			Cost coverage ratio (cumulative)	[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly fixed operating expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	812 771 / 257 890 = 3.15					
T5.4	5.2.1.6		Sustainable Financial and supply chain Management	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	248 105 506 / 762 691 700 = 33%	830967400 / 830967400 = 100%	188227300 / 830967400 = 22,65%	431042600 / 830967400 = 51,87%	656803200 / 830967400 = 79%	830967400 / 830967400 = 100%

SECTION I: STATUS OF SECTOR PLANS & ANNEXURES

22.1 STATUS OF SECTOR PLANS AND OTHER MUNICIPAL PLANS

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review
1.	Disaster Management Plan Disaster Management Framework	Yes	Yes	27 May 2020	Annual Reviews
2.	Water Service Delivery Plan	Yes	Yes	29 May 2019	-Under review
	Energy Sector Plan	Yes	Yes	27 May 2020	Annual Reviews
4.	LED Strategy [Economic Transformation roadmap]	Yes	Yes	October 2016	Under review
5.	Tourism Strategy	Yes	Yes	DMS 925775 22 April 2014 2014-2018	Under review
6.	Integrated Human Settlement Plan	Yes	Yes	May 2020	Annually
7.	Air Quality Management Plan	Yes (Draft)	No		Under review
8.	Spatial Development Framework	Yes	Yes	31 May 2020 (Five Years)	Annually
9.	Land Use Scheme	Yes	Yes		
10.	Electricity Master Plan	Yes	Yes	27 May 2020	-Bi-annually
11.	Integrated Waste Management Plan	Yes	Yes	27 May 2020	Annually

22.2 IDP ANNEXURES

Annexure	Document Description	Hard Copy	Electronic
"A"	Disaster Management Framework and Disaster Management Plan	Yes	Yes
"B"	Spatial Development Framework 2021/2022	Yes	Yes
"C"	Service Delivery and Budget Implementation Plan 2021/2022	Yes	YES
"D"	LED Plan [Road Map] 2016		Yes

“E”	Water Service Delivery Plan 2018		Yes
“F”	Electricity Master Plan 2020		Yes
“G”	Integrated Waste Management Plan 2021/202022		Yes
“H”	Informal Economy Policy		Yes
“I”	Indigent Policy		Yes
“J”	Integrated Human Settlement Plan 2021/2022		Yes
“K”	Roads Maintenance Plan		Yes
“L”	Water and Sanitation Maintenance Plan		Yes
“M”	Full Municipal Organogram		Yes
‘N’	Public Participation Report 2021/2022		Yes
“O”	Ward Based Plans	Saved on separate disc	
“P”	Batho Pele Customer Care Policy , Service Charter and Standards		Yes
“Q”	Revenue Raising Strategy		Yes
“R”	Agricultural Support Plan		Yes
‘S’	‘Tourism Marketing Strategy		Yes
“T”	Expanded Public Works (EPWP) Policy		Yes
“U”	UMhlathuze Bulk Water Master Plan		Yes
“V”	UMhlathuze Bulk Sewer Master Plan		Yes
“W”	Electricity Operations and Maintenance Plan		Yes

"X"	Supply Chain Management Policy		Yes
"Y"	Indigent Register		Yes
"Z"	Investment Register		Yes
"AA"	Batho Pele Service Delivery Plan		Yes
ÄB	Audit Improvement Plan 2021		Yes
"AC"	Capital Expenditure Framework		Yes
"AD"	Employment Equity Plan		Yes
AE	ICT Policy		Yes
AF	Batho Pele Budget – MTREF 2021-2022		Yes
AG	Service Commitment Charter		Yes
AH	Integrated Public Safety Plan		Yes
AI	Self-Assessment Template		no
AJ	UMhlathuze Draft Asset Management Plan		Yes
AK	Energy Sector Plan 2020		Yes
AL	Asset Management Plan for Electricity		YES
AM	Work Place Skills Plan		Yes
AN	Cost Containments Policy		Yes
AO	Council Resolution	Yes	Yes
AP	Draft Asset Management Plan for Water & Sanitation 2018-2028 (signed-off version);		Yes

AQ	Draft Asset Management Plan for Roads & Stormwater 2018-2028 (signed-off version);		Yes
AR	Draft Asset Management Plan for Electricity & Energy Services 2019-2028.		Yes
AS	Asset Register for Water and Sanitation		Yes
AT	Year End Report for Water and Sanitation		Yes
AU	Procumbent Plan for Water and Sanitation		Yes
AV	DMS 1451721 Draft Maintenance & Renewal Strategy for Water & Sanitation Services;		Yes
AW	DMS 1451827 Maintenance & Renewal Strategy for Electricity & Energy Services.		Yes
AX	DMS 1451750 Maintenance and Renewal strategy for Building and Facilities;		Yes
AY	Draft Maintenance & Renewal Strategy for Roads & Stormwater Services;		Yes