

INTEGRATED DEVELOPMENT PLAN

2nd REVIEW

2024/2025

FINAL – MAY 2024

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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

WHAT IS THE INTEGRATED DEVELOPMENT PLAN?

The Integrated Development Plan (IDP) is the central strategy of the City uMhlathuze. The IDP communicates to residents, businesses and investors the City's long-term vision, and how the City plans to achieve it.

It is required in terms of the Municipal Systems Act 32 of 2000, which defines the IDP as a municipality's principal strategic planning instrument that guides all municipal planning.

The IDP is made up many components as per section 26 of the Municipal Systems Acts of 2000. It also follows an IDP Guide by KZN COGTA. Critical components includes a strategic plan, financial plan and an implementation plan. The strategic plan is informed by community needs, stakeholder inputs, a contextual analysis, and an evaluation of the existing state of uMhlathuze Municipality, all of which help identify the challenges that the City needs to address to achieve its vision. Priorities and objectives provide focus in addressing the most critical strategic challenges.

The implementation plan, in turn, focuses key strategic programmes, projects and initiatives that are critical to support the achievement of the strategic priorities during the current five-year term of office.

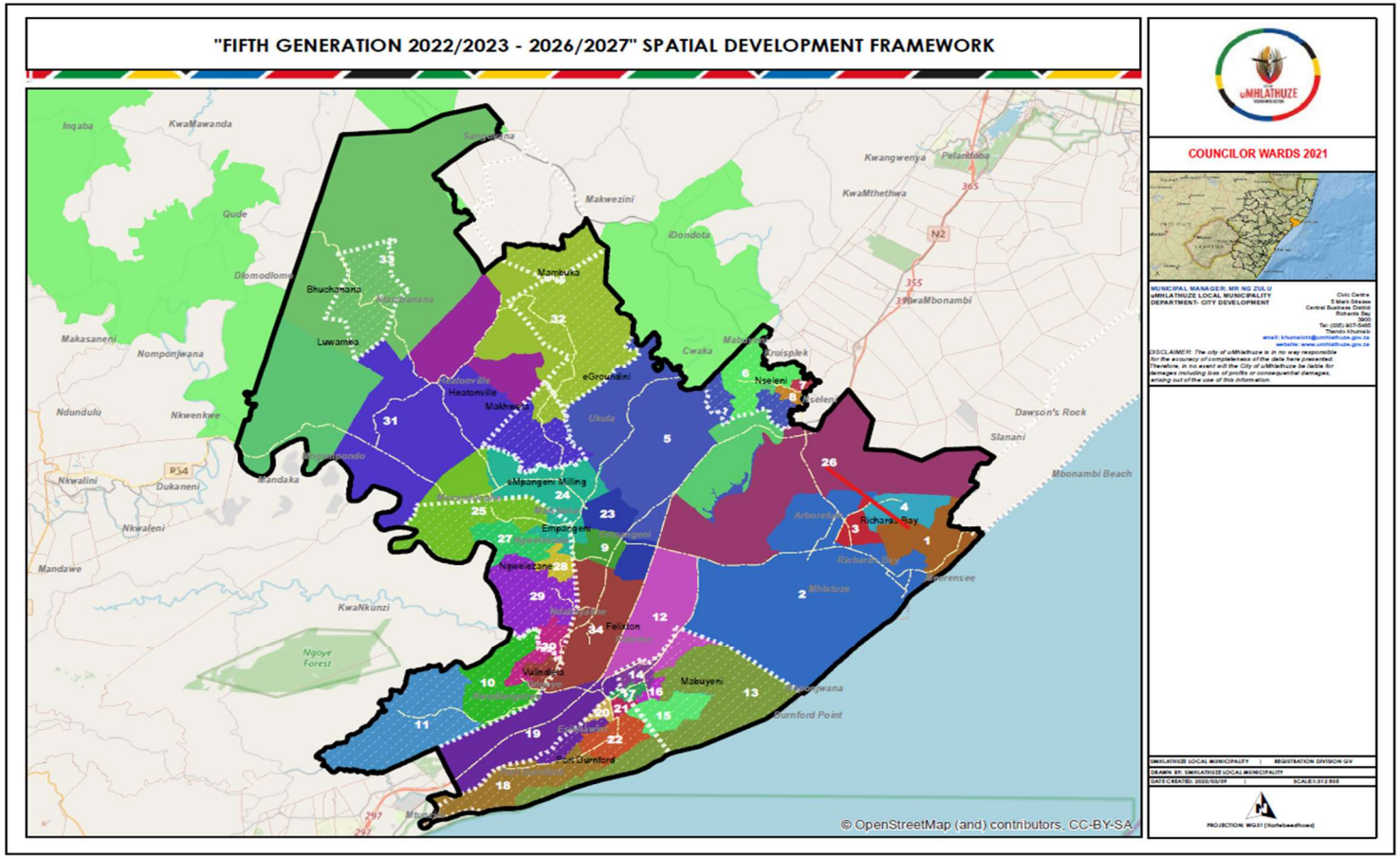
VISION

"An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector"

SECTION A: EXECUTIVE SUMMARY

1. Who are we?

Map 1: uMhlathuze Locality Map



I. THE CITY OF UMHLATHUZE AT GLANCE

The City of uMhlathuze Local Municipality is a Category B municipality situated within the King Cetshwayo District on the north-east coast of KwaZulu-Natal. It is the largest among the five municipalities that make up the district. It is comprised of 34 wards, having the largest number of wards in the district, and is the third economic hub in the province after eThekwini and Msunduzi Municipalities respectively. The City of uMhlathuze is the best secondary city in KwaZulu-Natal and seventh in the country. It boasts the deepest water port, in Richards Bay, and is home to the Richards Bay Industrial Development Zone (RBIDZ), which drives the inwards investment of the City through foreign direct investments. It is the fastest-growing municipality in KwaZulu-Natal and has been touted as the best performing municipality in the province, with a good governance record of four consecutive Clean Audits and eleven consecutive credible Integraed Development Plan in the Province. The City of uMhlathuze is a strategically placed, aspirant metropol due to its rapid economic growth and ability to generate sustainable revenue. Richards Bay is considered to be the industrial and tourism hub, eMpangeni the commercial hub, eSikhaleni the largest suburb, and Ntambanana is the home of safari tourism as it hosts the renowned Thula Thula Private Game Reserve. The City has large portion of rural areas under Traditional Councils namely, Dube, Mkhwanazi, Khoza (Bhejane), Zungu (Madlebe), Somopho (Mthembu), Obuka (Biyela) and Obizo (Cebekhulu) and has good relations with the local traditional councils.

The John Ross Parkway (R43) is the major access road to the City from the inland provinces. This is the road which carries the economy of the City of uMhlathuze since it links the harbour with the N2 towards Mpumalanga Province, Swaziland and Mozambique on the north; Durban and Pietermaritzburg on the south; and Gauteng and other inland provinces on the western side. The road boasts the country's longest road bridge and has been designed to meet the growing transport needs of the City in line with the development plans for the CBD and harbour. Apart from being an industrial and economic hub, the City enjoys a diverse natural environment. Importantly, the City of uMhlathuze is a progressive municipality that appreciates the need to achieve a successful balance and synergy between industry, its rich environmental assets, and the community.

II. DEMOGRAPHIC PROFILE OF THE CITY OF UMHLATHUZE

The population of uMhlathuze increased from 334 459 thousand in 2011 to more than 412 075 thousand in 2022; a growth rate of 23,2% in the intercensal period. Females constituted 51,5% of the total population, while 48,5% were males. UMhlathuze has the highest population amongst the King Cetshwayo Family of municipalities. The number of households increased from 94010 in 2011 to 100 441 in 2022, an intercensal growth rate of 7%. The household size increased to 4.1 in 2022 from 3.9 in 2011, the municipality has the biggest household size but not greater when compared with other municipalities in the district. It is pleasing to note a decrease in the dependency ratio from 49,7 in 2011 to 44.1 in 2022. Black Africans remain the dominant population group at 88%, followed by the white population with a percentage increased of 7,5% in 2022 from 7,3% observed in 2011, the coloured population at 0,87%, while that for Indians/Asians also increased slightly from 3,8% in 2011 to 4% in 2022.

The median age increased to 32 years from 22 years in 2011, suggesting a consistent increase over time and an overall increase of ten years. There is noticeable decrease on the younger population group (0-4 yrs) in 2022 when compared to 2011, whereby 29.9% was recorded for 2011, and 25.9% recorded in 2022 suggesting effective health measures by the Department of Health. The working age population (15-64 yrs) remains the largest group with an increase 69,4% in 2022 from 66,4 in 2011. The distribution of household headship between females and males is nearly equal, with approximately a 50-50 share for each, with more than 51 596 being male headed households while 48 845 being female headed households. Internal migration results showed that two provinces still dominate internal migration in uMhlathuze. The population that has not declared their province of usual residence remained the dominant migration stream, with over 2014 number of people that moved to uMhlathuze, followed by people from Gauten and Limpompo at 47 and 20 people respectivley in 2022.

More than 18362 (4.4%) children (0–4 years) participated in Early Childhood Development (ECD). There is pleasing decline in the number of people with no schooling in uMhlathuze (20+ yrs) at 8.2 % in 2011 and 7,8% in 2022. An increase in the number people with higher education (20+ years) has been recorded at 14.6% in 2022 from 13,0% in 2011.

Although there was an increase in the proportion of households with piped water at 58,0% in 2022 from 46,7% in 2011, the rate of increase slowed over time. Almost a quarter of households reported experiencing water interruptions for two or more consecutive days; eSikhaleni and surounding areas had the highest proportion reporting water interruptions, followed by Ntambanana with no water source for bulk supply. The least occurrence in water interruptions was recorded in the Surbuban areas like eMpangeni and Richards Bay. About 99,2% of households have access to electricity for lighting, which is an improvement from the 93,5 recorded in 2011. Regarding the weekly refuse removal, a slight increase of 55,3% has been recorded in 2022, while in 2011 about 49,8%% was recorded. On the Sanitation services about 62,5% households have flush toilets connected to sewage. The municipality does not have a bucket system. In 2011 access to sanitation was slightly above 50%.

Households with access to the internet increased to 70.9% in 2022 from 35% in 2011. Internet access via cellphone was the most common source of internet for most households. Formal dwellings are recorded at 97,0% in 2022 while 87,4% was recoded for 2011 suggesting an improvement in the type of dwellings over a period of ten years.

III. ECONOMIC PROFILE

UMhlathuze has many infrastructure assets that give its economy a comparative advantage. These include the Richards Bay deep-water port that has been instrumental in the spatial development of the area. There is one regional airport and a couple of land strips in the municipal area. The Municipality is expanding on the Information and Technology connectivity, with fiber installation projects in key economic areas. The City's road network includes the N2 which is the main access into the municipal area from a north south direction, other significant roads includes 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 providing commercial/industrial service only.

GDP, UNEMPLOYMENT, HDI The Richards Port, is one of the major container port in South Africa and serves a growing international import and export market on one of the world's busiest trade routes. uMhlathuze 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) with 48% contribution towards the District GDP. 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. In terms of the Human Development Index, uMhlathuze has remained the same since 2015 to 2022, at 0.63, whilst the income inequality depicted by the Gini co-efficient has decreased from 0.63 in 2012 to 0,60 in 2022.

Main Economic Sectors: Manufacturing (45.9%), mining and quarrying (11.6%), financial, real estate and business (10.7%), community, social and personal services (10.4%), transport and communication (9.1%), trade (6.3%), agriculture, forestry and fishing (3.2%). Unemployment is at 46,0% in 2022 as per South African Regional eXplorer. The picture is better if compared with other municipalities within the region; however, it is still relatively higher when compared with 31,4% of the province. Because of the economic position uMhlathuze is contributing more to the regional employment.

2. How was this plan developed?

2.1 IDP Process Plan 2024/2025

The table below outlines the progress against the process plan approved by Council in August 2023 that guided the development of the Integrated Development Plan Review 2024/2025:

Table 1: Summary of an Integrated Development Plan, Process Plan for 2024/2025

Key Activities	Action	Key Strategic Outcomes
Approval of the IDP Process Plan	As per section of MSA 2000 the Draft process plan was submitted to KZN COGTA for assessment and comments. Comments are captured in letter by COGTA under D**MS1562435**. The Final IDP Process Plan for 2024/2025 **(DMS*1610524*)** incorporating COGTA's comments was adopted by Council on 10 August 2023, under **Council Resolution number 16515**	• Guides the process flow. • Enhances integration and alignment between the IDP and Budget, thereby ensuring the development of an IDP based budget.
Confirmation of the IDP Steering Committee	**Membership of the IDP Steering: Meetings:** - IDP Steering Committee comprise of two representatives from each department, appointed by the City Manager. - Terms of references were adopted by the comitee, and the committee is fully functional seating once a quarter and as and when critical matters are to be addressed.	• Strategic direction and guidance on integrated planning matters. • Technical input and support information towards the IDP process. • Monitoring progress of the IDP Review process. • Credible Integrated Development Plan.
IDP Public Participation Sessions	- **Amakhosi** Richards Bay Civic Centre (Council Chambers) 31 August 2023 (Thursday) - **Ward Committees** Empangeni Hall 31 August 2023, (Thursday) - **Kwa-Dube Cluster**, Endesheni Sports Ground 09 September 2023, (Saturday)	• Identification of the real needs of all communities in uMhlathuze. • Prioritisation of such needs and development challenges.

Key Activities	Action	Key Strategic Outcomes
	- **Kwa-Dlangezwa Cluster**, Mvuzemvuze Primary School, 04 November 2023, (Saturday) - **Ntambanana Cluster**, Macekane Sports Ground, 09 November 2023, (Thursday) - **Richards Bay Cluster**, Mandlazini Sports Ground, 16 November 2023, (Thursday) - **Esikhaleni Cluster**, eSikhaleni TVET (College), Sports Ground 24 November 2023 (Friday) - **Empangeni Cluster**, Ndabayakhe Sports Ground, 29 November 2023, (Wednesday) - **Stakeholders** Richards Bay Council Chambers, 30 November 2023, (Thursday) **Note**: The IDP Public Participation Report for 2024–2025 includes proceedings and results, and is attached as an annexure to the Final IDP Review 2024/2025.	• Collective development of appropriate solutions to address such needs. • Empowerment of the local communities to take ownership for their own development.
IDP Public Participation Report	IDP Public Participation Report for 2024/2025 submitted to council for consideration. An attchement to the Final IDP Review 2024/2025.	• Ensure that the issues, inputs and concerns of communities and stakeholders are taken into account during the Council decision-making process (budget prioritisation).
Internal Strategic Planning towards outcome base planning	Between February, March, April and May 2024, one on one meetings were held with internal departments and the focus was on the MEC Letter and Comments and the review/ development of Sector Plans and the outcomes of the Public Participation Report.	• Improved internal coordination of key information.
Intergovernmental alignment	From July 2023 to May 2024 (Q1 to Q4), the City engaged with its District and Provincial counterparts through district and provincial platforms established including the following: - King Cetshwayo District IDP Planners Forum; - COGTA KZN IDP Planners Forum; and	• Improved co-operation and coordination between different spheres of government on IDP matters. • Strengthened relations with government departments and other stakeholders.

Key Activities	Action	Key Strategic Outcomes
	- SALGA Municipal IDP Support Forum.	• Vertical and Horizontal alignment. • Improved monitoring and support by provincial departments.
Draft Integrated Development Plan Review, 2024/2025.	- The 2ND Review of the Fifth Generation IDP, was submitted to Council for Consideration in March 2024	• Section 30 of the Municipal Systems Act, Act 32 of 2000, as amended.
COGTA Feedback Session	- Upon submission of the Draft Integrated Development Review 2024-2025, COGTA hosted a feedback session to present comments made on draft IDPs. - The Draft comments assisted with areas of improvement	• Improved monitoring and support by COGTA.
IDP Rep Forum	- In terms of the Planning and Perfomance Regulations each municipality must established and IDP Rep Forum as a structure to discuss development matters its stakeholders including other spheres of government - An IDP/Budget Forum was held in the month of November, March and in April 2024.	• To strengthen IGR with other spheres of government
National Treasury Benchmarking Exercise	- On 17 May 2024, National Treasury performed an assessment on the Draft MTREF 2024-2025. - The main focus was to assess the alignment between planning, budgeting and reporting as well as to assess the level of intergovernmental planning; and - In conclusion, National Treasury confirmed that the budget was found to be FUNDED, CREDIBLE and SUSTAINABLLE over the MTREF	• National Treasury's local government monitoring and oversight responsibilities in terms of section 23 of the MFMA inform the annual budget engagement.

Key Activities	Action	Key Strategic Outcomes
Public Notices	- Apublic notice for the following was published: ✓ Availability of an IDP Process Plan ✓ Notice on Scheduled Public Participation Sessions ✓ Availability of a Draft IDP Review 2024/2025 - A notice on the Final IDP Review 2024/2025 will be published upon adoption of the Final IDP Review in May 2024.	• In terms of Chapter 4 of the Municipal Systems Act 2000 • Embracing the Batho Pele Principles

2.2 MEC Comments on 2023/2024 Integrated Development Plan Review

The internal evaluation of previous municipal performance and a variety of other factors, such as the MEC's comments on the Integrated Development Plan Review 2023/2024, contribute to the Integrated Development Plan Review 2024–2025. Municipal actions taken in response to the issues raised by the MEC are shown in the following table:

MEC Comment/	Municipal Intervention
Municipal Transformation and Institutional Development	
• Employment of People with Disabilities, at 2% of total staff number. • Adoption of the Retention Policy.	• Attracting of People living with disabilities is continuously considered as part of the EEP • Retention Policy is currently being considered by different Council structures in preparation for the Final Adoption by Council in May 2024.
Local Economic Development	
• Encouraged to ensure functionality of the District Agency. • Indicate the challenges, risks, and mitigations to address LED Capacity constraints.	• King Cetshwayo District Municipality does not have an established Development Agency • LED Strategy to be reviewed to address the comments
Basic Service Delivery	

• List Water and Sanitation Projects over the five year planning horizon using the Infrastructure Delivery Management System (IDMS) phases as required by National Treasury.	• Projects are included in the Final IDP Review 2024/2025
Good Governance	
• Ensure linkages and flow on municipal challenges mentioned, in Chapter A and under the SWOT Analysis.	• Support from COGTA PMS will be sought to better understand the comment
Cross Cutting	
• Encouraged to develop a Spatial Development Plan (SDP) and ensure alignment with SDF. • Ensure identification of portions of land for future housing development areas. • Encouraged to develop an Infrastructure Master Plan to re arrange the projects according to their levels of priority to determine in which phase of the 20-year plan must they be featured. • Ensure SDF includes a five year SDP that includes mapping and should identify what needs to be undertaken over the next five years to ensure that the overall spatial development vision, objectives, and strategies of the SDF will eventually be met in the longer term. • The municipality is advised to include more disaster management and fire programs and projects in the SDBIP including the budget for procurement of relevant humanitarian relief materials to ensure effective disaster response readiness	• All comments are attended to as part of the SDF Review 2024/2025

Amongst the interventions above, the focus of the Integrated Development Plan Review 2024/2025 is also on the following:

- Legislative compliance in terms of chapter, 4, 5 and 6 of MSA Act No 32 of 2000;
- Development and review of the IDP core sector plans;
- Integrating Crime Prevention Through Environmental Design (CPTED) into the IDP Strategy;
- Integrating the Service Delivery Goals (SDGs) with the Municipal Strategic Framework;
- Revised COGTA IDP Guidelines and assessment criteria
- 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;
- District Development Model

Public Participation on the 2024/2025 Integrated Development Plan Review

UMhlathuze Municipality gave notice to the local community of the particulars of the process it intends to follow. The community had to be consulted on its development needs and priorities. The local community and organs of state, including traditional authorities, and other role players were consulted during the public participation period.

Below is council approved schedule for the public participation meetings held during the month of August 2023 and November 2023 and April 2024 :

Table 2: IDP and Budget Public Participation Meetings

FIRST ROUND COMMUNITY CONSULTATION SESSIONS					SECOND ROUND
SESSION NO	CLUSTER	WARDS	VENUE	DATES	DATES
1	1	Amakhosi	Richards Bay Civic Centre (Council Chambers)	31 August 2023 (Thursday)	10 April 2024 (Wednesday) 10:00
3	1	Ward Committees	Empangeni Hall	31 August 2023 (Thursday)	10 April 2024 (Wednesday) 13:00
9	4, 7, 8 and 9	12, 13 and 14	Endesheni Sports Ground	09 September 2023 (Saturday)	23 April 2024 (Tuesday) eSikhaleni TVET Sports Ground Joint Roadshow with King Cetshwayo District Municiaplity
7	4, 7, 8 and 9	10, 11, 30 and 34	Mvuzemvuze Primary School	04 November 2023 (Saturday)	
4	6, 10 and11	31, 32 and 33	Macekane Sports Ground	09 November 2023 (Thursday)	
10	2, 3 and 5	1, 2, 3, 4, 5, 6, 7, 8 and 26	Mandlazini Sports Ground	16 November 2023 (Thursday)	
8	4, 7, 8 and 9	15, 16, 17, 18, 19, 20, 21 and 22	eSikhaleni TVET (College) Sports Ground	24 November 2023 (Friday)	
5	6, 10 and 11	9, 23, 24, 25, 27, 28 and 29	Ndabayakhe Sports Ground	29 November 2023 (Wednesday)	
	12	Stakeholders	Richards Bay Council Chambers	30 November 2023 (Thursday)	02 May 2024 (Thursday)

It is suggested based on the common issues raised by majority of community members across the clusters that the following are major concerns of the communities as raised during the 2024/2025 IDP Roadshows as per the schedule above:

The community needs presented below are not in order of priority, but are as per the frequency of requests across clusters: -

- Roads maintenance and upgrading of existing roads and new rural roads;
- Boreholes and water pipes replacements to replace water tankers which are not reliable;
- Electricity supply in Eskom supply areas;
- High Mast lighting
- Gravel Roads
- Houses
- Agricultural Assistance
- Construction of Dams
- Pedestrian bridges and bus shelters;
- Provision of community sportfields;
- Streetlights in high crime areas;
- Provision of speed humps and traffic calming measures;
- Building of new clinics and libraries;
- Cleaning of greenbelts to improve security and reduce crime;
- Fresh produce markets for community to sell;
- Increase the number of water tankers deployed in the rural areas;
- Market shelters for street vendors; and
- Public Wi-Fi in rural areas
- Skips
- SMME Support
- Art Centre
- And more

Priorities are not limited to the above listed issues, however the above mentioned are the most prominent across clusters. The following non-core functions were also raised:

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

For a complete list of needs per cluster, An IDP Public Participation Report 2024/2025 is attached as an annexure to the IDP Review 2024/2025.

3. What are our Key Challenges?

3.1 UMhlathuze Municipality Identified Challenges

National KPA: Good Governance and Public Participation		
Ref.	**Key Challenge**	**Description**
GGPP1	Violent Community Unrests	Intermittent delivery of services has led to a number of community protests. This is a challenge as the community does not only exercise their right, however they go as far as destroying existing infrastructure Restoring of infrastructure has cost the municipality considerable amounts of money budgeted for other projects, thus delaying service delivery further. The municipality is working with the community through various established structures to consistently communicate issues of service delivery.
GGPP2	Rising of Business Forums	The emergence of Business Forums delays project implementation which impacts negatively on the delivery of services.
National KPA: Municipal Transformation and Organisational Development		
Ref.	**Key Challenge**	**Description**
MTOD1	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 should be developed and transferred through partnership with industries and the different organizations that exist in the area.
MTOD2	Challenge in maintaining or replace ICT Infrastructure	The Municipality is responsible for its ICT infrastructure and ensuring compliance to all necessary legal prescripts.

MTOD3	Challenge in attracting and retaining suitably qualified and experienced Human Resources	Low responses on critical scarce skills during the municipal recruitment process. This due to the competition with the Private Sector, which becomes more attractive than the Public sector in terms remuneration packages.
National KPA: Basic Service Delivery and Infrastructure Management		
Ref.	**Key Challenge**	**Description**
BSIM1	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 works towards managing useful life of assets, ensure life cycle management of infrastructure, and adequate repairs and maintenance.
BSIM2	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. 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.
BSIM3	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 strive for reconstruction and integration processes.
BSIM4	Lack of quality and continuity of supply of electricity	Currently the City is experiencing major load shedding occurrences due to the National load shedding. This is affecting business and communities at large. Electricity infrastructure gets affected thus reducing life span.
BSIM5	Fleet Management challenges	The municipality is highly dependent on fleet to deliver services. Lengthy procurement process in sourcing of spares and new fleet, impact negatively on the fleet availability and overall fleet performance. Management of fleet in User Departments is a challenge.
BSIM6	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.
BSIM7	Illegal Connections	Some communities have access to water and electricity through illegal connection, such disrupts supply of services to the deserving communities.
National KPA: Local Economic and Social Development Analysis		
Ref.	**Key Challenge**	**Description**
LED1	High rate of unemployment	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.
LED2	Sluggish economic growth	Economic growth means an increase in national income/national output. If we have a slower rate of economic growth as it is currently happening – living standards are increasing at a slower rate. As a results the City of uMhlathuze is experiencing multiple effects.
LED3	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.
LED4	Increased incidents of communicable diseases	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 communicable diseases.
LED5	Pandemics/Epidemics and the associated social and economic effects	Pandemics/Epidemics creates uncertainty that cannot always be foreseen resulting in significant implications for crisis management and policy responses.
LED6	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 the 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.
LED7	Lack of funding and access to capital for projects	Improved local governance performance regarding LED requires cooperation and partnerships. The service delivery triangle relating to LED consists of three partners namely government, private sector and local communities. The funding of LED Programs and Projects requires collaborations between all the parties.
LED8	Low investment attraction and retention	Investors are attracted to a city if there are opportunities to make money. They assess the attractiveness of a city's opportunities by estimating their likely return or profit, and will be drawn to the cities which offer them the best combination of scale, risk and return. A number of factors impact this return, such as but not limited to the following: • Growth rate of businesses and jobs • Resilience of the economy • Quality and affordability of infrastructure • City vision • Strategic plan to realise vision • Attitude and consistency of leadership • Quality of city management

LED9	Limited transformation and economic growth in townships and rural areas	Due to historical spatial planning, the disadvantaged are densely populated within under-serviced townships and rural areas. There is still a high backlog in terms of developing these townships, it is important for the municipality and private sector to contribute to the development of these underprivileged areas.
LED10	Bureaucracy/Red Tape	**Red tape** within government has consistently been identified as one of the core elements which restrict business development and growth. uMhlathuze through its LED strategy is introducing ways of doing business with ease at uMhlathuze.
LED11	Land claims and Land Invasion	Rapid urbanisation is creating enormous pressure on urban land. Informal settlements and land invasions continue to grow in number and complexity. Evictions as a solution to land invasions are a measure of last resort by the municipality, its considered after all other possible alternative solutions have been explored by both the municipalities and all parties concerned within specific time frames.
National KPA: Financial Viability and Management		
Ref.	**Key Challenge**	**Description**
FVM1	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 Ingonyama Trust Board, leading to rural areas not paying for rates and municipal services remains a serious threat to sustainable revenue collection and extension of basic services to rural areas.

		The municipality should maintain a favourable credit balance, enhanced rate base by supporting high density developments and identify new revenue streams.
FVM2	Procurement Processes	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.
FVM3	Growing Indigent Register	There has been a sharp increase on the number of the Indigents registering for Indigent support from the municipality. This could be attributed to a number factors, one being the high unemployment rate and the economic climate where more people are losing their jobs. Another cause is the incorporated population as a result of the re-determination of municipal boundaries in 2016 This is putting a strain on the municipal fiscus as the Equitable share is not sufficient for the bulk supply of services given to indigents by the municipality, further there is no revenue that is collected from the indigent households.
FVM4	Urban- Rural Migration	The trend of people moving from urban areas to settle in the rural areas, on the basis that it's less costly to live in the traditional areas as most of the services are not paid for, further on reasons that properties are not valuated and Ingonyama Trust Land remains unrated The type of development in traditional areas (primarily Ingonyama Trust areas) poses 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;
FVM5	Unfunded Mandates	Local government is challenged by the dilemma of unfunded mandates which are an extreme manifestation of the phenomenon of governing from the centre. National government through various strategies imposes national mandates on provincial and local government at the expense of the latter. These decisions have financial implications, but come without the necessary funding for their implementation. A clear example of the latter relates to the functioning of libraries.

Cross Cutting KPA: Spatial and Environmental Analysis , Disaster Management		
Ref.	**Key Challenge**	**Description**
CC1	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.
CC2	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.

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4. What is our long term Vision?

4.1 Vision

"An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector"

4.2 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"

4.3 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 ccommitment 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.

4.5 Brand Promise

Vision into Action

4.6 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
- Good governance, integrity and transparency
- Innovation
- Equity, Equality and fairness
- Unity in diversity

- Compassion and dignity
- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

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

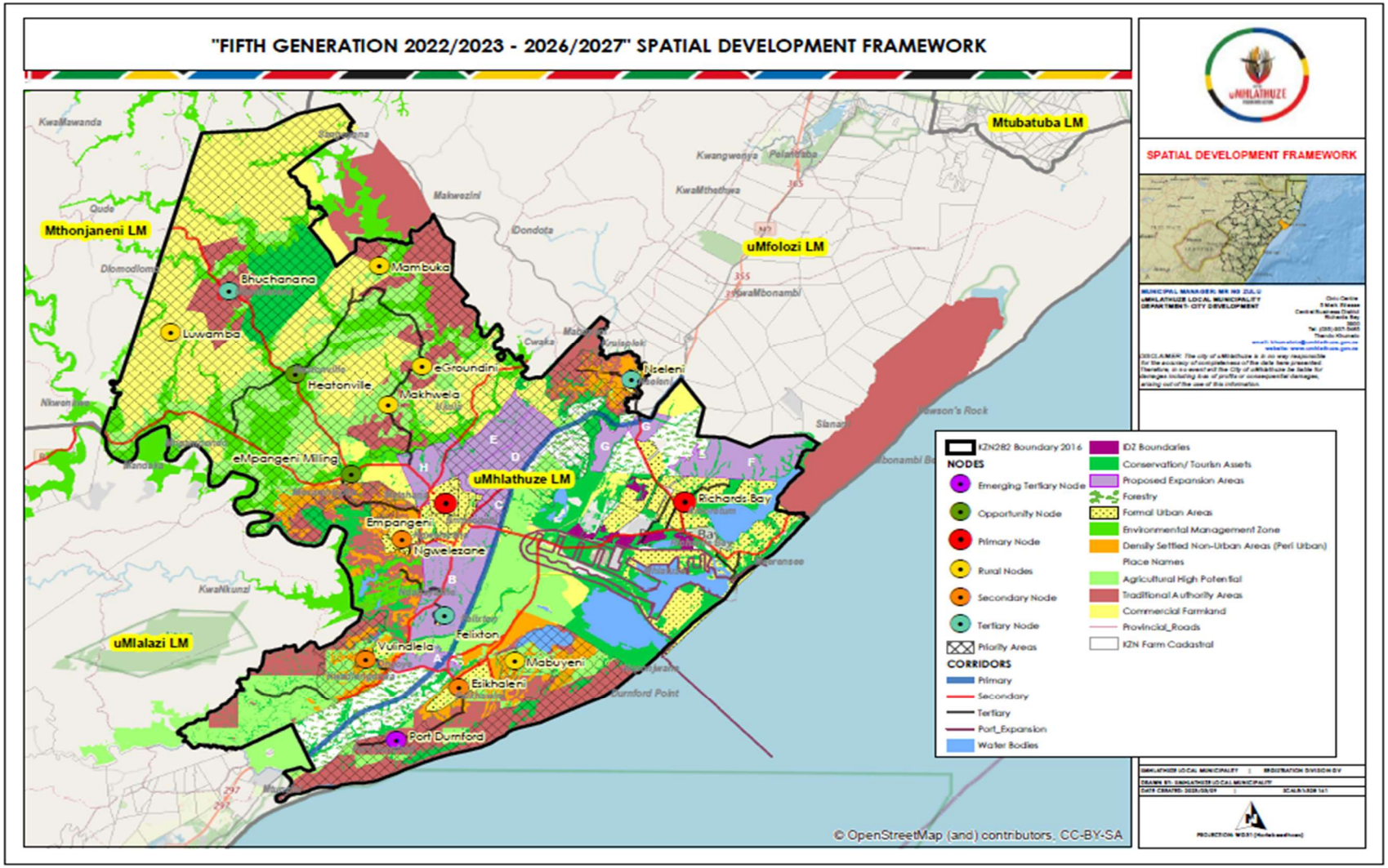
5.1 UMhlathuze – Development Goals

NATIONAL KPA	UMhlathuze 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
	Goal 11 Disaster Management

5.2 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



6. 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 (annually). 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 City Manager as well as Managers directly accountable to the City 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 2023/2024 financial year.

Indicator Number	IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Backlog	Annual target 2023/2024	Mid-Year Adjusted Target 2023/2024	Budget	Mid year			Q3	Q4
											Output Target	Output Actual	Corrective action for target not met / remarks	Mid-Year Adjustment	Mid-Year Adjustment
KPA1: Good Governance and Public Participation															
T1.2	1.1.4.4	Deepen democracy through a refined Ward Committee model	Putting People first	To promote a municipal governance system that enhances and embraces the system of participatory Governance	Facilitation of Stakeholder and Community participation in policy making	Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	N/A	100%	100%		100%	95%	Public Participation team will monitor the sitting of ward committee meetings in Q3 to ensure functionality.DMS 1650979.	100%	100%
T1.3						Number of Councillor Convened Public Meetings	N/A	136	136		68	52	A report will be tabled to Council in February 2023 raising a concern about oustanding public meetings, after which mopnitoring will done on monthly basis.	34	34
KPA2: Basic Service Delivery and Infrastructure Development															
T2,6	2.1.2.2	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision of environmental safe, effluent that meets the requirements of standards and prescripts	Percentage of total water losses	3%	22%	26%		24%	28%	WSS has submitted a business Plan to DWS to address revenue enhancement to improve water losses. Due date 30 June 2024 Plans submitted to DWS - DMS numbers 1633632 and 1633632 has reference to the corrective measure	26%	26%
T2,12	2.1.2.2		Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision of environmental safe, effluent that meets the requirements of standards and prescripts	Perecentage of wastewater samples compliant to water use licence conditions	N/A	≥90%	≥90%		≥90%	55%	Waste water treatment works require repairs and refurbishment to ensure that all the equipment and processes are operational.	≥90%	≥90%
KPA 5: Financial Viability and Financial Management															
T5.2	5.1.1.5	Implement differentiated approach to municipal financing, planning and support	Sound Financial Management	Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Ensure that cost coverage ratio is within the norm of 1-3 (Excluding Unspent Conditional Grants) *(DMS 1513248 for Formula: T5,2)*	N/A	2	1 - 3		2	1.48	The municipality has drawn up a cost containment plan which can be found on DMS 1647462 that will be implemented to ensure working capital efficiencies. In addition, the municipality had spent over R200 million on loan funded projects utilising its cash reserves and therefore a process is underway to finalise the loan agreement with both FNB and DBSA so that the cash reserves will be replenished. The target date for FNB drawdown is 31 January 2024 and for DBSA its is 31 March 2024.	1 - 3	1-3

SECTION B1: PLANNING AND DEVELOPMENT PRINCIPLES

6.1 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.

6.2 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 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 .

SECTION B2: GOVERNMENT PRIORITIES

6.3 Sustainable Development Goals

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.

6.4 Institutionalization of Sustainable Development Goals

South Africa has endorsed a National Development Plan (NDP) as a policy driver for development. There are clear synergies between our NDP and the SDGs. At a more localised level, the provincial development frameworks; the King Cetshwayo District and uMhlathuze Integrated Development Plan (IDP) and Spatial Development Framework (SDF) have also established alignment with the SDGs.

When considering the full suite of SDG targets and indicators (associated with the 17 SDGs) it is clear that the municipal service delivery mandate and legislated functions respond to many of the targets and indicators. As such, local governments have a crucial role to play in this process of localizing the SDGs, i.e. working toward their implementation and reporting accordingly. As policymakers, catalysts for change and key actors in development, local governments have a unique capacity to implement and monitor sustainable development, prosperity and well-being at the local level.

The City of uMhlathuze is involved in a programme of "Localising the SDGs through the Voluntary Local Reviews (VLRs)". The programme is facilitated by the South African Local Government Association (SALGA) who has partnered with the United Nations Development Programme (UNDP) to provide technical support to municipalities to develop their VLRs.

Reporting on an SDG (specific indicators) can only take place if suitable data is readily available. The process of localizing SDGs will therefore be an incremental process dictated by, amongst others, the availability verifiable data. As such, the uMhlathuze Council has identified a preliminary set of SDGs to initiate the process of local reporting (VLR) on SDGs for uMhlathuze. It is not required, nor the intention of the Municipality to report on all the indicators; indicators to report on should be relevant to our service delivery mandate and existing reporting frameworks such as the SDBIP (Service Delivery and Budget Implementation Plan) with readily available data. When reporting on only a few indicators a level of confidence in the process, and the foundation for reporting to grow as access to more datasets, that are relevant to our service delivery mandate is developed.

During a meeting held on 23 May 2024, the uMhlathuze Council resolved to report on the following SDGs as part of this first VLR process:

- SDG 6 Clean Water and Sanitation
- SDG 7 Affordable and Clean Energy
- SDG 11 Sustainable Cities and Communities
- SDG16 Peace, Justice and Strong Institutions; and

As noted, adequate data is not available to report on all indicators associated with the SDGs. Also, in some instances, the relevant data available needs to be domesticated (D) given the peculiar local conditions. In context of the aforementioned, uMhlathuze is reporting on the following targets and indicators for SDGs 6, 7, 11 and 16.

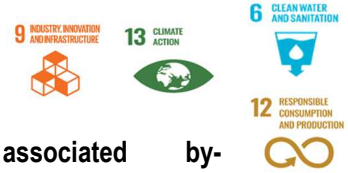
Table 4: SDG Indicators for Reporting by uMhlathuze Municipality

Goal 6: Water and Sanitation
Description: Ensure availability and sustainable management of water and sanitation for all).
Targets and Indicators
6.1 Safe and Affordable Drinking Water 6.1.1 Proportion of population using safely managed drinking water services ***6.2 Adequate and Equitable Sanitation and Hygiene*** 6.2.1 Proportion of population using safety managed sanitation services
Goal 7: Affordable and Clean Energy
Description: Ensure Access to Affordable, Reliable, sustainable and modern energy for all
Targets and Indicators
7.1 Universal Access to Modern Energy 7.1.1 Proportion of population with access to electricity ***D. Proportion of Households in licensed municipal supply area using metered municipal supply of electricity***
Goal 11: Sustainable Cities and Communities
Description: Makes cities and human settlements inclusive, safe, resilient and sustainable
Targets and Indicators
11.1 By 2030, ensure access to all to adequate, safe and affordable housing and basic services and upgrade slums 11.1.1 Proportion of urban population living in slums, informal settlement or inadequate housing ***11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management*** 11.6.1 Proportion of urban solid waste regularly collected and with adequate final discharge out of the total urban solid waste generated by cities 11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities
Goal 16: Peace, Justice and Strong Institutions

Description: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Targets and Indicators
16.6 Develop Effective, Accountable and Transparent Institutions 16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) ***16.7 Ensure Responsive, Inclusive and Representative Decision-Making*** 16.7.1 Proportions of positions in national and local institutions, including (a) the legislatures; (b) the public service; and (c) the judiciary, compared to national distributions, by sex, age, persons with disabilities and population groups

6.5 Strategic and Catalytic Projects Aligned to SDGs

PROJECT NAME	STATUS
1. Airport Relocation 	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 finalized. 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.
2. Waterfront Development 	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: 1. An Urban Design for Alkantstrand/Newark Beach adopted by Council; and 2. 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.
3. Richards Bay Multi-Modal Facility Precinct 	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.
4. Expression of Interest for the Remainder of Erf 2627 	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.

PROJECT NAME	STATUS
5. Steel Bridge (Mzingazi Bridge) 	The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalized and outlined: o Determined the required statutory approvals (if any), including environmental and water use related and identify long lead items. o Undertaking a topographical survey and other specialist studies required to inform the processes identified. o Preparing preliminary designs to initiate the next phase of detail designs, execution, procurement and construction. The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.
6. Empangeni CBD Revitalization Plan 	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).
7. Empangeni Mega Housing 	Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced. The project has the following proposed housing typologies: - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster
8. Feasibility Study into wastewater and associated by-products re-use 	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.
9. Esikhaleni Fitness Centre 	Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. Support was also provided for designs and Specifications. The project has three main phases and an estimated cost of R165 million. Phase 1 is under implementation, i.e. fencing, relocation of services, earthworks, main entrance, guardhouse and combo courts.

6.6 Municipal Strategic Framework aligned with key provincial imperatives

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
KPA 1	**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			• Pillar 3: Good Governance – Council meetings	6.4. Promote participative, facilitative and accountable governance
			1.1.1.2 Strengthening Council Oversight through training on Legislation and Policies			• Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR) • Pillar 3: Good Governance – Anti-corruption measures	6.4. Promote participative, facilitative and accountable governance
			1.1.1.3 Development and review of policies that will lead to improved service delivery and legislative compliance		- Violent Community Unrests	• Pillar 1: Putting people first – Public Participation programmes • Pillar 3: Good Governance – Compliance with legislation and by-laws	6.4. Promote participative, facilitative and accountable governance
			1.1.1.4 Compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases			• Pillar 1: Putting people first – Functionality of Ward Committees • Pillar 5: Building Capacity – HR	3.2. Enhance health of communities and citizens

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						Development and Management	
		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		Challenge in attracting and retaining suitably qualified and experienced Human Resources	• Pillar 5: Building Capacity – Implementation of Performance Management Systems	6.4. Promote participative, facilitative and accountable governance
		1.1.3 Ensure Institutionalisation of Batho Pele Culture	1.1.3.1 Implement a Service Charter to meet set standards			• Pillar 1: Putting people first – Public Participation programmes	6.4. Promote participative, facilitative and accountable governance
		1.1.4 To promote a municipal governance system that enhances and embraces the system of	1.1.4.1 Capacitate Ward Committees to improve their effectiveness			• Pillar 1: Putting people first – Functionality of Ward Committees • Pillar 1: Putting people first – Ward Committee grant expenditure %	6.4. Promote participative, facilitative and accountable governance

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		participatory Governance	1.1.4.2 Development of an Integrated Development Plan within prescribed legislative guidelines			• Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 3: Good Governance – Compliance with legislation and by-laws	6.1. Strengthen policy, strategy coordination and IGR
			1.1.4.3 Facilitation of Stakeholder and Community participation in policy making		Violent Community Unrests	• Pillar 1: Putting people first – Public Participation programmes	6.4. Promote participative, facilitative and accountable governance
			1.1.4.4 Implementation of effective communication strategy		Violent Community Unrests	• Pillar 3: Good Governance – Regular Engagement with Communities	6.4. Promote participative, facilitative and accountable governance
		1.1.5 To promote Access to	1.1.5.1 Ensure access information in line with		Challenge in maintaining or replace ICT Infrastructure	• Pillar 3: Good Governance – Compliance with	4.3. Develop ICT infrastructure

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		Information and Accountability	relevant legal prescripts			legislation and by-laws	
		1.1.6 To bring the organisation to an enabled risk maturity level	1.1.6.1 Implementation and maintenance of an efficient Enterprise Risk Management system and Business Continuity			• Pillar 5: Building Capacity – Establish, Resilient systems, ie. Billing • Pillar 5: Building Capacity – Adequate Experience and Institutional Memory	6.4. Promote participative, facilitative and accountable governance
		1.1.7 Ensure reliability and maintain independence of internal audit activity	1.1.7.1 Effective Audit Committee			• Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR)	6.4. Promote participative, facilitative and accountable governance
			1.1.7.2 Effective and value adding internal audit activity			• Pillar 3: Good Governance – Oversight Structures (S79, AC and ICR)	6.4. Promote participative, facilitative and accountable governance
KPA 2	**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	2.1.1.1 Eradicate water services backlogs through provision of basic water services			• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Water and Sanitation	4.4. Ensure availability and sustainable management of water and sanitation for all

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		economic development	2.1.1.2 Eradicate sanitation services backlogs through provision of basic sanitation services		Lack of water security of supply	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Water and Sanitation	4.4. Ensure availability and sustainable management of water and sanitation for all
			2.1.1.3 Eradicate electricity supply backlogs through provision of basic electricity supply services		Lack of quality and continuity of supply of electricity	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Electricity	4.5. Ensure access to affordable, reliable, sustainable and modern energy for all
			2.1.1.4 Eradicate refuse removal backlogs through provision of basic waste management services		- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management	4.6. Enhance KZN waste management capacity
			2.1.1.5 Provision and maintenance of access roads		- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services - Infrastructure Delivery and maintenance wrt Roads	4.2. Develop road and rail networks

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			2.1.1.6 Provision of public transport infrastructure facilities	2.1.1.5 in SDBIP	- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Public Transportation	4.2. Develop road and rail networks
			2.1.1.7 Provision and Maintenance of storm water and coastal engineering infrastructure	2.1.1.6 in SDBIP	- Aging municipal infrastructure		5.1. Enhance resilience of ecosystem services
			2.1.1.8 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets	2.1.1.7 in SDBIP	- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services – Response to Service Delivery Outages	6.4. Promote participative, facilitative and accountable governance
		2.1.2 To maintain quality of services as per standard and legal prescripts	2.1.2.1 Provide a weekly domestic solid waste removal service to the community	2.1.1.4 in SDBIP		• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management	4.6. Enhance KZN waste management capacity
			2.1.2.2 provision of environmental safe, effluent that meets the requirements of			• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and	4.6. Enhance KZN waste management capacity

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			standards and prescripts			reduced losses wrt Water and Sanitation	
			2.1.2.3 Implementation of energy efficiency, and renewable energy technologies		- Negative impact of climate change	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Electricity	4.5. Ensure access to affordable, reliable, sustainable and modern energy for all 5.2. Expand the application of green technologies 5.3. Adapt and respond climate change
			2.1.2.4 provision of electricity supply as per NERSA standards		- Aging municipal infrastructure Lack of quality and continuity of supply of electricity	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses wrt Electricity • Pillar 4: Sound Financial Management – Cut Wasteful Expenditure (UIFW)	3.4. Promote sustainable human settlements 4.5. Ensure access to affordable, reliable, sustainable and modern energy for all
		2.1.3 To promote the achievement of a non-racial,	2.1.3.1 Improve community standard of living through	2.1.2.1 in SDBIP	- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and	7.1. Enhance the resilience of new and existing cities, towns

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		integrated society, through the development of sustainable human settlements and quality housing	accelerated development of Integrated Human settlement			maintenance wrt Human Settlements	and rural nodes, ensuring equitable access to resources, social and economic opportunities
		2.1.4 To ensure effective Fleet Management	2.1.4.1. Review and Implement Fleet management Plan		Fleet Management challenges		
KPA 3	**3.1 Viable Economic Growth and Development**	3.1.1 To promote the agricultural potential	3.1.1.1 Review and Implement Agricultural Support Plan		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security
			3.1.1.2 Package council land to facilitate agricultural programs		- High rate of unemployment - Sluggish economic growth		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			3.1.1.3 Provide support for prioritised agricultural sectors		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.1. Develop and promote the agricultural potential of KZN 3.3. Safeguard and enhance sustainable livelihoods and food security
		3.1.2 Enhanced sectoral development trough trade investment and business retention	3.1.2.1Review and implement Economic Development Sector Plans		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.3. Enhance spatial economic development
			3.1.2.2 Develop investment promotion and facilitation plan		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities		1.2. Enhance sectoral development through trade Investment and business retention
			3.1.2.3 Package council land to facilitate economic growth		- High rate of unemployment - Sluggish economic growth		1.3. Enhance spatial economic development

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		3.1.3 To create an enabling environment for the informal economy	3.1.3.1 Review and implement Informal Economy Bylaw and Policy		- High rate of unemployment - Sluggish economic growth - High levels of poverty and inequalities	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements • Pillar 3: Good Governance – Compliance with legislation and by-laws	1.5. Promote SMME and entrepreneurial development
		3.1.4 Clear City identity	3.1.4.1 To promote the city as destination of choice				7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			3.1.4.2 Review and Implement Tourism Marketing Strategy				7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
		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, Youth and People Living with Disabilities			• Pillar 2: Delivering Basic Services – Community Works Program (& EPWP)	1.4. Improve the efficiency, innovation and variety of government-led Job creation programmes 2.3. Enhance youth and adult skills development and life-long learning 3.7. Promote youth, gender and disability advocacy and the advancement of women
			3.1.5.2 Promote economic growth by successful implementation of EPWP and CWP community based projects	3.1.5.1 in SDBIP		• Pillar 2: Delivering Basic Services – Community Works Program (& EPWP)	1.4. Improve the efficiency, innovation and variety of government-led Job creation programmes
		3.1.6 Promote SMME and Entrepreneurial development	3.1.6.1 Facilitate SMMEs access to finance , markets, trading facilities and				1.5. Promote SMME and entrepreneurial development

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			infrastructure with linked services				
			3.1.6.2 Implementation of the emerging contractor development programme				1.5. Promote SMME and entrepreneurial development
	3.2 Public Safety and Security	3.2.1 Provision of efficient and effective law enforcement, registration, licensing and security services	3.2.1.1 Development and implementation of a crime prevention and safer city strategy		- High levels of crime	• Pillar 2: Delivering Basic Services – Improved Policing & high mast lighting	3.5. Enhance safety and security
		3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Develop and Implement a fire prevention strategy				3.5. Enhance safety and security
	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		- Aging municipal infrastructure	• Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans • Pillar 2: Delivering Basic Services – Infrastructure Delivery and	

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						maintenance wrt Waste Management	
		3.3.2 Provision of a dignified burial and crematorium facilities Cater for alternate future burial option	3.3.2.1 provision of cemetery maintenance and management Provision of cemeteries				7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			3.3.4 Provision of dignified indigent burial service			• Pillar 2: Delivering Basic Services – Free Basic Services and Indigent Register	7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
	3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development and maintenance of community facilities		- Aging municipal infrastructure		7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			3.4.1.2 Review and implement of Arts and Culture Strategy				3.6. Advance social cohesion and social capital
			3.4.1.3 Development of sports and recreation programs				
			3.4.1.4 Develop and maintain parks facilities				3.6. Advance social cohesion and social capital 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities 7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
	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 Review and implement the attraction, recruitment and retention strategies.		- Low skills levels and limited skills development	• Pillar 5: Building Capacity – Filling of Senior Management Posts • Pillar 5: Building Capacity – Adequate Experience and Institutional Memory	6.2. Build government capacity 6.4. Promote participative, facilitative and accountable governance
			4.1.1.2 Review and implement Employment Equity Policy			• Pillar 5: Building Capacity – HR Development and Management	3.7. Promote youth, gender and disability advocacy and the advancement of women
			4.1.1.3 Review and Implement EAP Policy and plans			• Pillar 5: Building Capacity – HR Development and Management	6.4. Promote participative, facilitative and accountable governance
			4.1.1.4 Develop an effective training and development strategy and programs		Low skills levels and limited skills development	• Pillar 5: Building Capacity – HR Development and Management	6.2. Build government capacity
			4.1.1.5 Create and maintain sound labour relations between employer and employees			• Pillar 5: Building Capacity – Organised Labour engagements	6.4. Promote participative, facilitative and accountable governance

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			4.1.1.6 Maintenance of an organisational structure in line with organisational objectives			• Pillar 5: Building Capacity – Municipal Organograms	6.4. Promote participative, facilitative and accountable governance
	5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.1.1.2 mSCOA compliant			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.1.1.3 Review of all financial related policies		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.1.1.4 Compliance with all MFMA and relevant local		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management –	6.4. Promote participative, facilitative and

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			government financial legislation			Functional Financial Management System and Rigorous Controls	accountable governance
		5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support on Budget and Financial Management matters			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.2.1.2 Asset Accounting Management			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			5.2.1.3 Accurate and timeous billing and receipting of revenue		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Percentage Revenue Collected	6.4. Promote participative, facilitative and accountable governance
			5.2.1.4 Apply Adequate Internal controls			• Pillar 4: Sound Financial Management – Functional Financial Management	6.4. Promote participative, facilitative and accountable governance

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						System and Rigorous Controls	
			5.2.1.5 Accurate and timeous payments of creditors			• Pillar 4: Sound Financial Management – Extent to which Debt is Serviced	1.5. Promote SMME and entrepreneurial development
			5.2.1.6 Apply adequate financial management methodologies		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
		5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management			• Pillar 4: Sound Financial Management – Efficiency and Functionality of Supply Chain Management.	6.4. Promote participative, facilitative and accountable governance
			5.3.1.2 Accurate contracts and logistics management				6.4. Promote participative, facilitative and accountable governance
			5.3.1.3 Apply adequate financial			• Pillar 4: Sound Financial Management –	6.4. Promote participative, facilitative and

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			management methodologies			Functional Financial Management System and Rigorous Controls	accountable governance
	6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development in a sustainable manner	6.1.1.1 Review and Implement Spatial Development Framework		- Unsustainable development practices and human settlements - Negative impact of climate change		5.3. Adapt and respond climate change 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities 7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.2 Development of a hierarchy of plans		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure	7.1. Enhance the resilience of new and existing cities, towns

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			(i.e. precinct, nodal, concept etc.)			Delivery and maintenance wrt Human Settlements	and rural nodes, ensuring equitable access to resources, social and economic opportunities 7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.3 Review and implement Human Settlement Sector Plan		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements • Pillar 2: Delivering Basic Services – Township Establishment	3.4. Promote sustainable human settlements
			6.1.1.4 Review and Implement uMhlathuze Land Use Scheme		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and	7.2. Ensure integrated land management use across the Province,

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						maintenance wrt Human Settlements	ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.5 Compliance with national SPLUMA, SPLUM Bylaw, National Building Regulations and Municipal Building Control Bylaw.		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans	7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.6 Efficient processing of development application and building plans		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Human Settlements	7.2. Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
			6.1.1.7 Review and implement Aesthetics Bylaw		- Unsustainable development practices and human settlements	• Pillar 2: Delivering Basic Services – Infrastructure Delivery and	3.4. Promote sustainable human settlements

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
						maintenance wrt Human Settlements	
		6.1.2 to ensure effective Environmental Management in compliance with legislation	6.1.2.1 Incremental development of strategic environmental assessment for the entire municipal area		- Negative impact of climate change		5.1. Enhance resilience of ecosystem services 5.3. Adapt and respond climate change 7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities
			6.1.2.2 Review and implement Climate Change Action Plan		Negative impact of climate change		5.3. Adapt and respond climate change
			6.1.2.3 Air quality monitoring and implementation of the Air Quality Management Plan		Negative impact of climate change		5.2. Expand the application of green technologies 5.3. Adapt and respond climate change
			6.1.2.4 Efficient processing of		Negative impact of climate change		7.2. Ensure integrated land

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
			environmental applications				management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment
	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.		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Culture of Payment for Services Campaigns	6.4. Promote participative, facilitative and accountable governance
		6.2.2 Effective Management of Council owned Immovable properties.	6.2.2.1 Update immovable asset register			• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	6.4. Promote participative, facilitative and accountable governance
			6.2.2.2 management of leased municipal properties		- Limited revenue sources and non-payment for services.	• Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	7.1. Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities

Key Performance Area	Goals	Objectives	Strategies (Strategic Framework)	Strategies (Top Layer SDBIP)	Key Challenge	B2B	PGDS
	6.3 Disaster Management	6.2.3 To prevent and mitigate disaster incidents	6.2.3.1 Review and Implement Disaster Management Plan		- Negative impact of climate change		5.3. Adapt and respond climate change

6.7 Strategic Integrated Projects

The Presidential Infrastructure Coordinating Commission (PIC) identified 18 SIPs of which the following have direct relevance to the Municipality: **SIP 1** Unlocking the northern mineral belt with Primary Mineral Reserves Waterberg as the catalyst	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).
SIP 8 Green energy in support of the South African economy	Numerous green economy initiatives are either being pursued or supported by the uMhlathuze Municipality in its area of jurisdiction.

6.8 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.

The following table details the alignment of some initiatives of the Municipality in relation to the MTSF priorities:

Figure 1: Alignment of uMhlathuze Initiatives with MTSF Priorities

MTSF 2019-2024	MUNICIPAL INITIATIVES
1. Capable, Ethical, Developmental State	○ Internalization of SDGs ○ Land Use Management Challenges in Rural areas ○ Effective JMPT ○ Alignment with SOE by way of a Memorandum of Understanding ○ Hierarchy of Plans in place ○ Council Codes of Ethics ○ Consultation approach ○ Improved Business Processes (SAP) ○ Youth Desk
2. Economic Transformation & Job Creation	○ 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

3. Education, Skills & Health	○ 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
4. Consolidating the Social Wage Reliance & Quality Basic Services	○ 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) ○ Water, Sanitation, Electricity & Waste Removal
5. Spatial Integration, Human Settlement & Local Government	○ 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
6. Social Cohesion & Safer Communities	○ Disaster Management Plan (Level 2) ○ Arts & Culture Events ○ Functionality of OSS & War Rooms ○ Grant-in-Aid ○ Special Programmes
7. A Better Africa & World	○ National & International Collaboration & Coordination ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services ○ Climate Action

6.9 Integrated Urban Development Framework (IUDF)

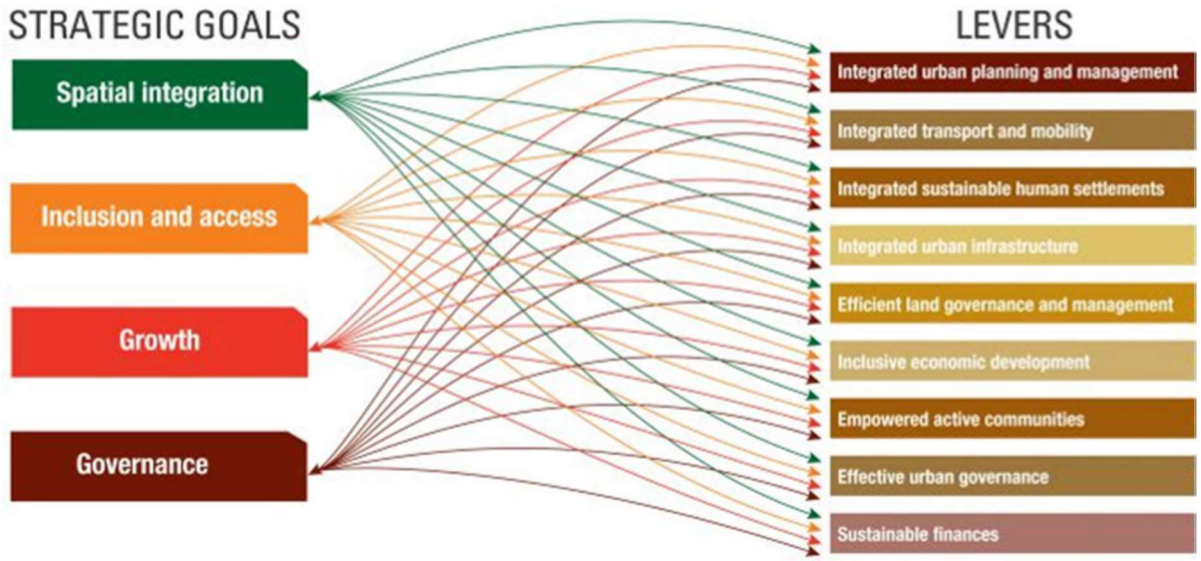
The Integrated Urban Development Framework (IUDF) is a policy framework guiding the reorganization of the urban system of South Africa so that cities and towns can become inclusive, resource efficient and adequate places to live, as per the vision outlined in Chapter 8 of the National Development Plan (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 transform 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 objective conforms to the New Urban Agenda (NUA) vision of "cities for all". The NUA is a global commitment to sustainable urban development at all levels (global, regional, national, subnational and local), and encourages agencies and role-players to provide practical guidance for the implementation of the New Urban Agenda and the urban dimensions of the Sustainable Development Goals. In South Africa, more than 60% of the population lives in urban areas. The IUDF, which is South Africa's urban policy, articulates how South Africa will transform urban areas to overcome both historical and prevailing challenges, while working together to ensure more integrated, sustainable and equitable human settlements.

The IUDF has its premise on the following nine levers:



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.

6.10 District Development Model (DMM)

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".

6.11.1 King Cetshwayo District Development Model Structures

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.

The following structures have been established, and operational:

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

6.11.2 Progress with the Development of King Cetshwayo District One Plan

The "First Generation One Plan" was produced through a collaborative process involving input from National, Provincial, and Local government departments as well as the private sector. Although this was a groundbreaking process that aimed to simplify how the public and private sectors interact and work together to deliver services, there were difficulties that offered important lessons about how to do things better in the future in the spirit of corporate governance.

6.11.3 The Second Generation One Plan for KCDM focuses on the following areas:

- Few key economic infrastructure projects that require unblocking actions.
- Key catalytic projects (catalytic projects in the context of the One Plan refers large scale spatial transformation projects of greater investment value and which are projected to make substantial contribution towards economic growth, job creation and skills revolution).
- Key projects that are aimed at stimulating and diversifying the economy.
- Short term service delivery improvement actions and
- Immediate LG stabilization and institutional strengthening actions.
- Consolidation of all Sphere budgets and directing them where they are needed most to create maximum impact
- More collaboration at Planning stage as opposed to alignment at the end of the planning processes
- Effective IGR interfacing to ensure that Government moves in unison in the delivery of services.
- Strengthening functionality of existing IGR structures for the above purposes as opposed to creating new ones that will exacerbate confusion and misalignment of government service delivery and wastage of scarce resources.
- Ensuring regular and timely implementation of DDM review process planning to enable inputting by all relevant stakeholders in the process.

All existing DDM processes initiated in the district and various at provincial and national departments, need to be aligned to the approach outlined in the developed DDM framework to enable the DDM intent to be properly and fully realised. Success of the DDM framework will come to fruition upon cooperation and commitment by different spheres of government, by ensuring that programs and plans included in the DDM Framework are implemented and progress is continuously reported on at the different structures established.

6.11 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
- 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.

6.12.1 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

6.12.2 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

6.12.3 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

6.12 MFMA CIRCULAR NO. 88 OF 2017

The MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums provides guidance to municipalities on the adoption and internalisation of a common set of performance indicators. The implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation.

Importantly, intermediate cities, districts and local municipalities are still not yet required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators are included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, the Municipality will be required to report on performance against said indicators on a quarterly and annual basis. Please do note that the roll-out process currently remains a pilot project. Reporting against these indicators will as such not be audited.

Due to the pilot process, intermediate cities, district and local municipalities will not be required to incorporate the indicators in their existing performance indicator tables in the IDP and SDBIP. Instead, these indicators will find expression in a dedicated Annexure to the IDP and SDBIP which clearly indicates the MFMA Circular No. 88 with indicators applicable to the municipality at Tier 1 and 2 levels of readiness.
Practically, piloting for all categories of municipalities (except metros) means the following as it relates to municipal planning

- Tier 1 and Tier 2 outcome, output and compliance indicators applicable to the municipality to be included in a dedicated Annexure to the IDP and SDBIP which clearly indicates the indicator;
- Baselines should be established for Tier 1 and Tier 2 outcome, output and compliance indicators and reflected in the IDP;
- Targets for outcome indicators should be set with a five-year horizon for local government (2025/26);
- NO targets should be set for compliance indicators as these are tracked for monitoring purposes only.

6.13 State of the Nation Address (SONA) 2023 and State of the Province Address (SOPA KZN) 2023

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)
1. Capable, Ethical, Developmental State	○ Cutting Red Tape ○ Making and buying Local Goods ○ Improving Education ○ Reducing inequality ○ Establishment of State –owned Holding Company. ○ Public Service Reform ○ Appointment of qualified public Servants ○ Address failures at local government level and improve basic service delivery. ○ Presidency and National Treasury will work together to rationalize government departments and entities. ○ Investment in Green Economy ○ Finalise SOE Shareholder Management Bill to ensure effective oversight of SOEs ○ Amend legislation and strengthen Public Service Commission ○ Introduction of Integrity Assessments as a mandatory Requirement. ○ Introduce entry exams to ensure high competency standards.	○ Energy security plan for the province ○ Building a capable and agile state machinery ○ Black Industrialist programme ○ Newcastle and Ladysmith Special Economic Zones ○ A decisive Action to grow and transform KZN Economy. ○ Enterprise the province into the fourth industrial Revolution. ○ Establishment of Coastal Smart Cities and Realising Vision 2030 ○ Industrialization through Special Economic Zones ○ Operation Pay –on-time ○ Recovery from floods ○ Resettlement of flood victims ○ Progress on schools damaged by floods ○ Rehabilitation of infrastructure (Roads and Bridges) ○ Building Good Governance, Ethical and Developmental State ○ Operation Clean Audit ○ Investing in Human Resource Development to Build Professional Civil Servants ○ Maintenance and construction ○ Operation Clean Audit	○ Internalization of SDGs ○ Effective JMPT ○ Alignment with SOE by way of a 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 ○ Industrialisation through special economic zones (RIDZ) and Port Expansion ○ Employment Equity Plan ○ Recruitment and Selction Strategy ○ Local Economic Development Strategy ○ National Traesury Support ○ Integrated Infrusyructure Management Pla n ○ Capital Expenditire Framewok

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	○ Enhance the capacity of public representatives and officials. ○ Turning around local government ○ Maintain and upgrade local infrastructure. ○ Develop a proposal for rationalisation of departments and entities. ○ Improving Access to water and sanitation ○ Infrastructure rehabilitation	○	
2. Economic Transformation & Job Creation	○ Presidential Employment Stimulus ○ Freeing Small business ○ Fund to support SMME growth ○ Supporting women –owned businesses ○ Cutting Red Tape ○ Making and buying local ○ Cultivation of hemp and cannabis ○ Structural Reforms ○ Transnet and private sector companies will conclude partnerships. ○ Completion of the spectrum Auction in the telecommunications sector. ○ Skills for a growing economy ○ Skills for growing economy ○ Flexible points based system to attract skilled immigration. ○ Implementation of a trusted employer scheme. ○ Processing the backlog of tittle deeds.	○ Job opportunities for young people ○ Mass employment creation ○ Faster implementation of the economic recovery, reconstruction and transformation plan. ○ KZN Maritime University ○ Wealth Fund ○ Rationalisation of entities ○ Transformed and Sustainable Human Settlements ○ Introduction of amendments to the Business Act. ○ Strengthen the bounce-back loan scheme to assist SMMEs ○ Provide financing to SMMEs through SEFA. ○ Establish SMME growth fund with SA SMMEs Fund. ○ Support Women entrepreneurs ○ Access to Funds earmarked by development finance institutions. ○ Reduce red tape in priority arears.	○ Economy Recovery Plan ○ 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 ○ Investment in strategic economic ○ Implementation of catalytic projects “game changers”

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	○ Water security ○ Investing in major infrastructure projects ○ Lack of technical skills and project management capacity. ○ Umzimvubu water project. ○ Construction of Ntabelanga Dam ○ Lesotho Highlands phase two ○ Rural and under-resourced arears. ○ Development of the Cannabis Industry ○ Investment Attraction ○ Futurelife food processing facility. ○ LM Diapers expansion of personal care manufacturing plans. ○ Synergy blenders processing plant. ○ Readiness of Agrizone 2 ○ Solving Youth Unemployment ○ Ithala Development Finance Corporation ○	○ Changes to the policy and regulatory framework for hemp and cannabis ○ Finalise awards to preferred bidders for container terminals. ○ Migrate the remaining households to digital television signal. ○ Capacitate people with relevant skills to enter the job market. ○ Work Visa Review ○ High Growth Start-ups. ○ Title deeds for subsidized housing ○	
3. Education, Skills & Health	○ Simplify requirements for ECD Centres ○ Building The Sanitation Appropriate for Education(Initiative). • Accelerated School Infrastructure Delivery Initiative(ASIDI)	○ E-health programme ○ Make me look like a hospital programe ○ Education and Skills Development ○ Building a healthy society ○ Establishment of KZN Maritime University. Social Relief programme	○ District Demand Council ○ District Joint Operations Committee ○ Local Joint Operations Committee ○ uMhlathuze COVID 19 Task team ○ Approved Work from Home Policy ○ Public Wi-Fi ○ Proposed Maritime TVET (Operation Phakisa) ○ Target areas of known educational backlogs

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
			○ Operation Sukuma Sakhe (OSS) War Rooms to assist with Community Health ○ Completion of ECD (Early Childhood Development) Centres ○ Internships prioritizing young girls ○ Smart City Initiatives (Enterprise Resource planning, broadband connectivity, Richards bay Techno hub) ○ Strategic Partnerships with Institutions of higher learning (Signed MoU) ○ Mayoral Bursary Fund and Back to school fund. ○ Partnership with Private Sector /Public entities _ Phelo Phepha campaign ○ Established HIV/AIDS Council ○ Support and Promotion of Senior Citizens sporting activities
4. Consolidating the Social Wage Reliance & Quality Basic Services	○ Addressing Load shedding ○ Exempt critical infrastructure such as hospitals and water treatment plants from load shedding. ○ Improve smooth running and to improve the reliability of the power stations. ○ Fighting hunger and poverty ○ Address poverty and counter the rising cost of living ○ Implementation of National State of Disaster. ○ Appointment of Minister of Electricity. ○ Addition of new generation capacity.	• Delivering quality basic services • Maintenance of infrastructure • Fixing Potholes • Progress on catalytic • infrastructure • Curbing Road Carnage ○ Social relief of distress grant ○ Cushion the poor against rising inflation ○ Targeted basic income support. ○ KZN Energy war room ○ Panel of energy expects ○ Rollout of rooftop solar panelsPlans for government departments to save energy ○ Ocean Economy ○ Tidal Wave	○ Load shedding schedule ○ Capital Expenditure framework ○ Municpal Catalytic Project ○ Eskom Electricity projects ○ Eskom (bulk and households) projects worth R47 425 594 ○ CoU (Eskom Schedule 5B households) = R9 000 000 ○ CoU (Bulk) = R5 000 000 ○ 1610 Planned household connections ○ Research on alternative energy

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	○ Improve the performance of Eskom's existing power stations. ○ Roll out solar panels. ○ Invest in new transmission lines and substations in arrears of concern. ○ Expedite the leasing of Solar panels to the clients. ○ Deploy people and resources. ○ Finalise a debt solution ○ Start operating the National Transmission Company.	○ Hydrogen and renewables. ○ Battery Energy Storage systems ○ Stimulating townships and Rural Economies ○	
5. Spatial Integration, Human Settlement & Local Government	○ Just transition to a low –carbon economy. ○ Amendment Bill to transform the energy sector ○ Establish a competitive electricity market. Develop and undertake an implementation plan for the JET Investment Plan ○ Table the Electricity Regulation Amendment Bill. ○ Provincial Government Precinct ○ Radical Agrarian and socio-economic Transformation	○ State Land for Housing Development ○ Airport Development Master Plan ○ KZN Film industry ○ Biodiversity Economy ○ Support of emerging wildlife Business ○ Ecosystem Restoration and Job Creation	○ 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

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
6. Social Cohesion & Safer Communities	○ fighting crime and corruption; ○ Combating Gender Based Violence ○ Strengthen the criminal Justice system ○ Functional of Sexual Offences Court ○ Expand the network of of Thuthuzela Care Centres ○ Provide Financial Support for Various programmes that address GBVF. ○ Improve the effectiveness of our fight against crime, corruption and sabotage. ○ Undertake reforms in safety and security using the Operation Vulindlela Approach. ○ Continue to tackle Economic sabotage and related crimes through multi-disciplinary economic infrastructure task teams. ○ Government to increase police presence on the streets. ○ Finalization of Draft Public Procurement Bill to close policy gaps in procurement as a measure to prevent corruption. ○ Introduction of amendments to the Protected Disclosures Act and Witness Protection Act.	○ Identify and targets crime hotspots. ○ Permanent Investigating Directorate. ○ Overhaul and strengthen anti-corruption ○ Curbing the proliferation of guns ○ Identify and targets crime hotspots. ○ Permanent Investigating Directorate. ○ Overhaul and strengthen anti-corruption ○ Curbing the proliferation of guns ○ Community safety intervention unit ○ The role of community in the fight against crime. ○ Five-year plan to tackle Gender Based Violence and femicide ○ Refurbishment of shelters ○ 50 victims friendly Rooms ○ Developing Gender Based Violence and femicide App with panic button.	○ 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 ○ SMME One Stop Shop ○ Crime Prevention Strategy ○ Special Programs Action Plan prioritizes the GBV Awareness Campaigns ○ Mayoral Imbizo Yamadoda (Grooming Boys to Men) ○ Support of Zulu Maidens initiatives ○ Database for unemployed youth ○ Functional Youth Office , focusing on youth development programs ○ Roll out of high mast lights in traditional areas ○ Roadblocks by SAPS working with municipal police ○ Construction of Vulindlela Police Station for 2023/2024

MTSF PRIORITIES (2019-2024)	STATE OF THE NATION ADDRESS KEY POINTS	STATE OF THE PROVINCE ADDRESS KEY POINTS	PRACTICAL APPLICATION (examples)
	○ Improve Access to the witness protection programme. ○ Introduction of Procurement Bill to improve efficiency. ○ Recruit an additional 10 000 new personnel. ○ The National Anti-Advisory Corruption Advisory Council to Stem Corruption. ○ Creating a gender-based violence and femicide free society. ○ Enrol unemployed graduates to be placed in community organizations. ○ GBFV programmes through R10 million funding from the gaming and betting board. ○ War on drugs ○ Tackling Fraud, maladministration and corruption		
7. A Better Africa & World			○ Host international delegations and diplomats ○ Membership of international organisations ○ National & International Collaboration & Coordination ○ Partnerships (UWASP, ICLEI, GiZ etc.) ○ Disaster Management Services

SECTION C: SITUATIONAL ANALYSIS

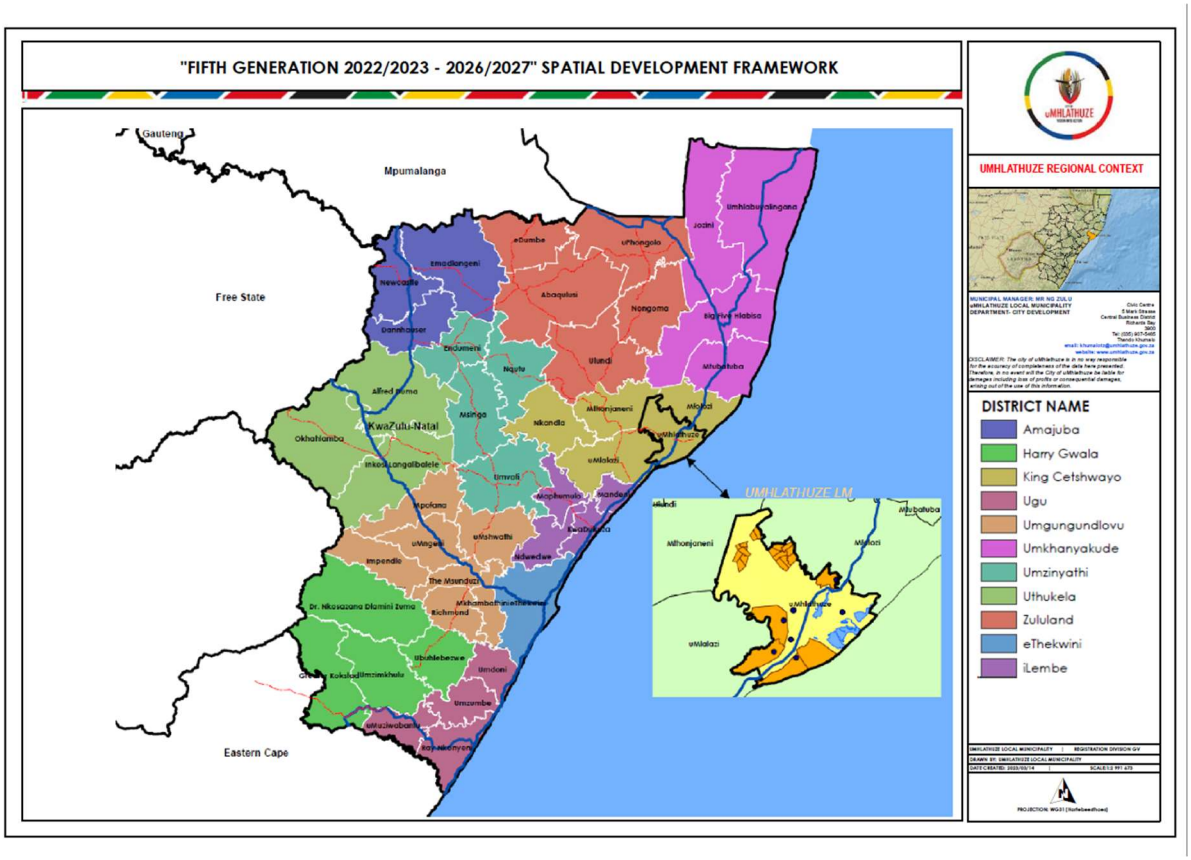
7. Spatial Analysis

7.1 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 of uMhlathuze increased from 334 459 thousand in 2011 to more than 412 075 thousand in 2022; a growth rate of 23,2% in the intercensal period 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 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 ºC in January to 23 ºC in July, and extremes can reach more than 40 ºC 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.

7.2 Administrative entities

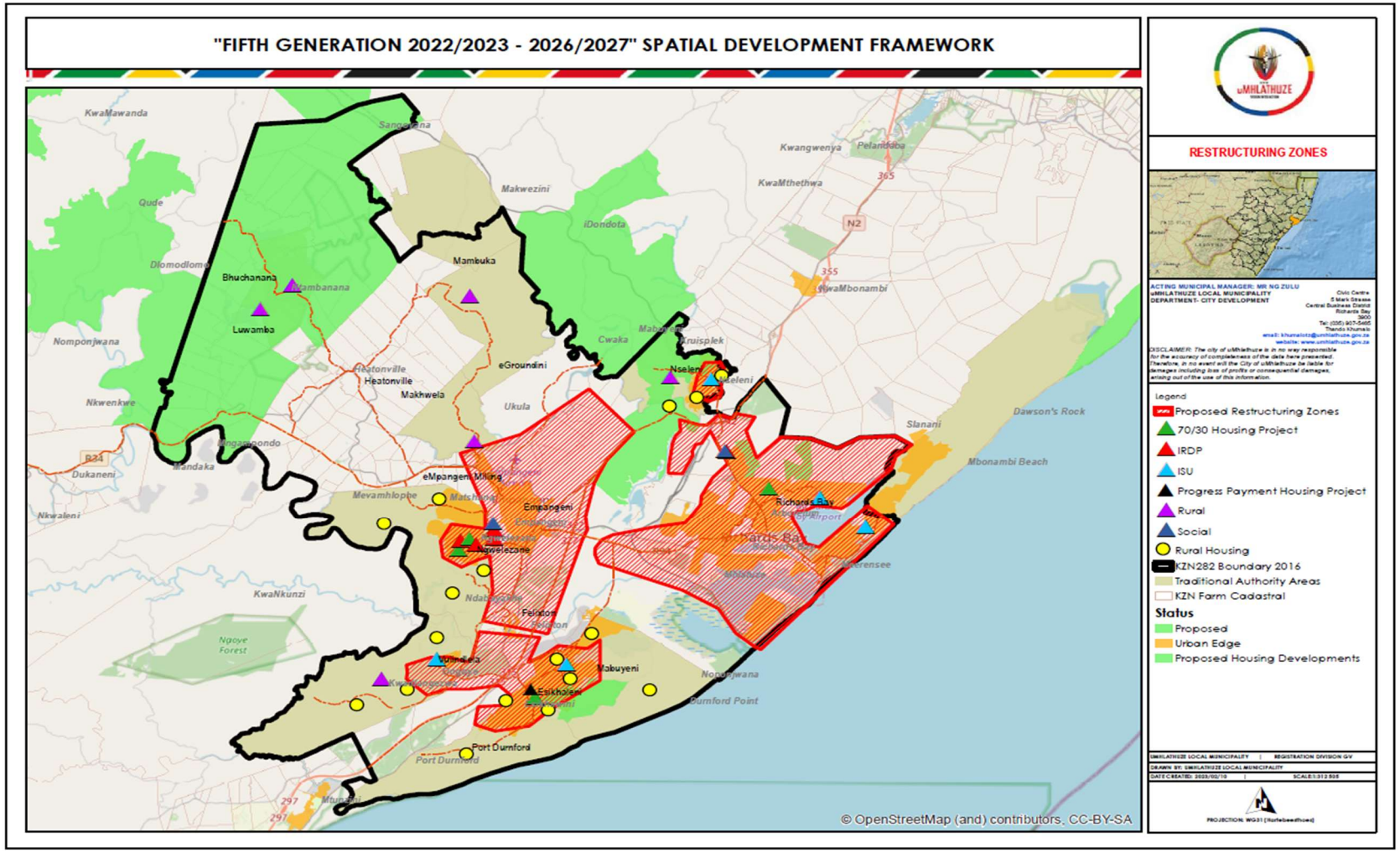
The uMhlathuze Municipality was established on 5 December 2000 after the demarcation process and the local government elections of that date. As such it encompasses the towns of Empangeni, Richards Bay, eSikhaleni, Ngwelezane, eNseleni, Vulindlela and Felixton as well as the Traditional Authority areas 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.

7.3 Structuring Elements

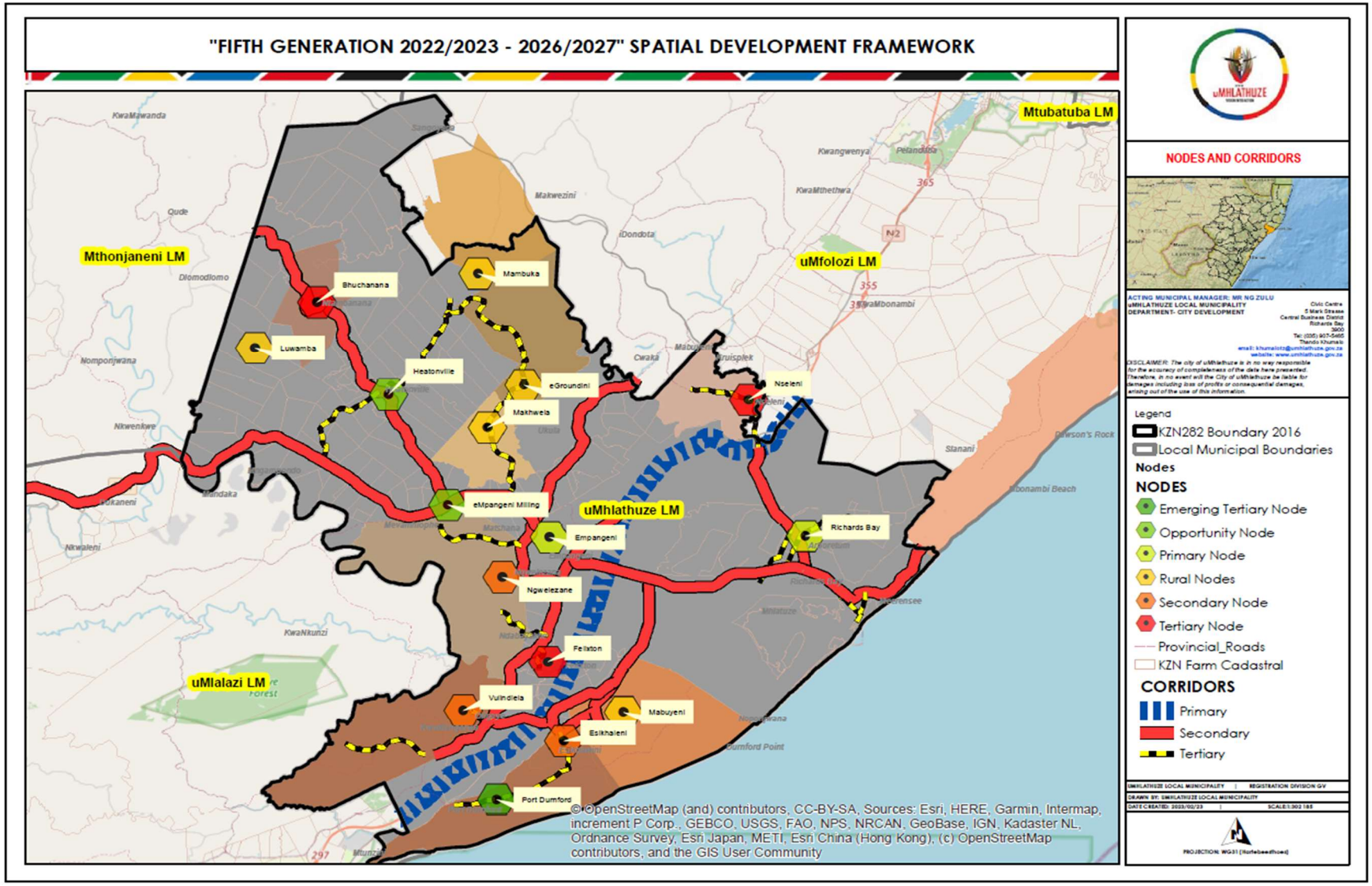
There are a number of natural and man-made phenomenons that have shaped and continue to shape the uMhlathuze Municipality. The area is inundated with a system of wetlands and natural water features such as Lakes Cubhu, Mzingazi, Nsezi and Nhlabane. Major rivers include the Mhlathuze and Nsezi. The main 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.

Map 4: Structuring Elements



Map 5: Nodes and Corridors



7.4 Existing Nodes and Corridors

The City of uMhlathuze has identified various nodes within its area of jurisdiction. These nodes were identified by their spatial characteristics, primary land use characteristics, roles as well as the functions of the node to the Municipality and the larger region. The identified nodes are classified as Primary, Secondary, Tertiary, Opportunity and Rural nodes. Each identified node contains a number of opportunities for development and constraints to development. The map above shows the Nodes and corridors within uMhlathuze more details on the Nodes and corridors is found on the Municipal Spatial Development Framework as attached to the main IDP. Below is a summary of the Nodes

Analysis of the uMhlathuze Municipal Nodal Areas

- **Empangeni Node:** Empangeni is located approximately 160 kilometres north of Durban
- **Richards Bay Node:** Richards Bay is located approximately 180 kilometres north of Durban.
- **Esikhaleni Node:** Esikhaleni is classified as a Secondary Node based on the type of facilities and services it currently offers to the local people and the rest of uMhlathuze inhabitants. Although the node still functions primarily as a dormitory town it has the potential to develop into a primary node if the local economy becomes more sustainable, specifically in respect of growth and employment opportunities. It is located approximately 10 km from Vulindlela/Dlangezwa and accessible via the N2. Esikhaleni is located approximately 15 km from Empangeni and 20 km from Richards Bay primary nodes.
- Ngwelezane Node: Ngwelezane is located approximately 10 km from Empangeni and 24 km from Richards Bay Primary Node.
- Felixton Node: Felixton is located approximately 15 km from Empangeni and 30 km from the Richards Bay Node, 20 km from Esikhaleni and 10 km from the Vulindlela/Dlangezwa Node.
- Vulindlela/Dlangezwa Node: Located approximately 10 km from Esikhaleni and 20 km from Empangeni.
- Nseleni Node: Located approximately 15 km from Richards Bay and 15 km from Empangeni
- Buchanana Node is located in the former Ntambanana Municipal area.

7.4.1 Rural/Neighbouring Nodes: The main objective of these identified nodes is to provide both commercial, social facilities and infrastructure closer to the people. Specific planning and development interventions are required to identify community services that are to be encouraged at these nodes. An analysis of some of these nodes is provided herewith. Additional assessments and planning on newly identified rural nodes is ongoing.

- Bhejane Node: Bhejane is located in the outskirts of Nseleni Township (Tertiary Node), approximately 30km from Empangeni and 10 km from Richards Bay primary nodes.
- Mkhwanazi North Node is located in the outskirts of Vulindlela Township (secondary node) approximately 20 km from Esikhaleni secondary node, 25 km from Felixton secondary node, 30 km from Empangeni and 38 km from Richards Bay Primary Nodes.

- Mkhwanazi South Node is located in the outskirts of Esikhaleni Township (secondary node) approximately 20 km from Vulindlela, 30 km from Felixton secondary nodes; 45 km from Empangeni and 35 km from Richards Bay Primary Nodes.
- Madlebe Node: Madlebe is located in the outskirts of Ngwelezane Township (Secondary Node), approximately 20km from Empangeni and 40 km from Richards Bay primary nodes.
- Dube Node: Dube is located in the outskirts of Esikhaleni Township, approximately 30 km from Empangeni, 20 km from Richards Bay primary nodes; 15 km from Vulindlela/Dlangezwa and 25 km from Felixton secondary nodes.

7.4.2 Corridors: Local Context

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.

7.4.3 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).

7.4.5 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.

7.4.5 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, Mondiindustry/ manufacturing).

7.5 Land ownership

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

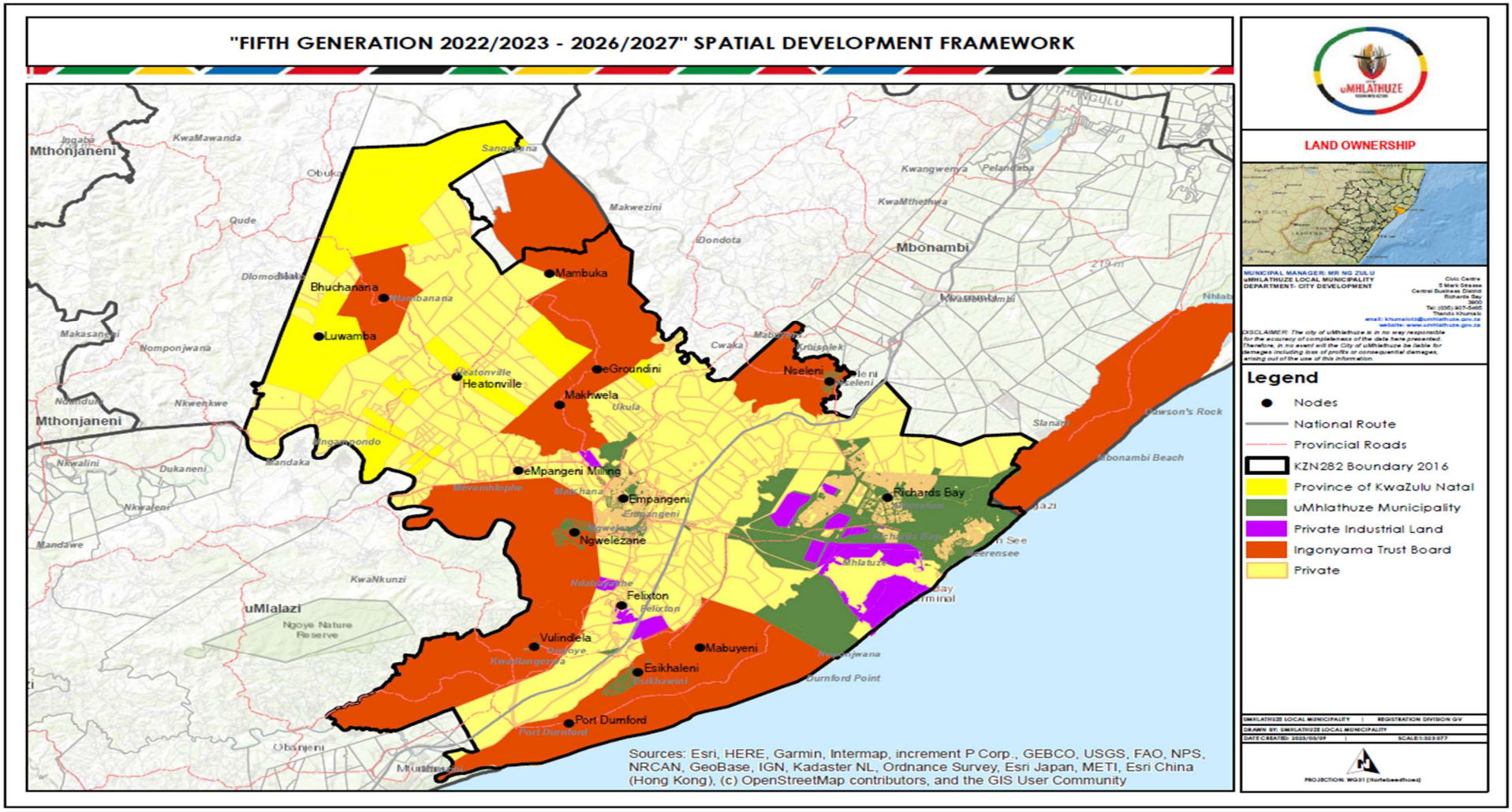
Table 5: Land Ownership Breakdown

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**

The above table indicates that 26% of land within uMhlathuze Municipality is under private ownership and 51% under Ingonyama Trust Board which is administered by Traditional Authorities. 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 has led to the formation of unplanned settlements which put pressure to the Municipality from services provision perspective.

The summary of challenges that are associated with settlements within Peri-Urban and Infill Areas (nonformalised settlements) can be further explained in detail in the Municipal SDF. Below is a map showing Land Ownership in uMhlathuze

Map 6: Land Ownership in uMhlathuze



7.6 Land Claims

Land claims are made against the State in terms of the Restitution of Land Rights Act (No. 22 of 1994) and are resolved by way of physical land redistribution or other appropriate/practical means, e.g. financial compensation. Following the commencement of the Restitution of Land Rights Amendment Act (Act No. 15 of 2014), people who missed the 31 December 1998 deadline to lodge land claims now have an opportunity to lodge claims until 30 June 2019. It is important to note that the intention of land claims is not to stop development. The Municipality is constantly engaging with the Land Claims Commission to attend to matters relating to land claims in the municipal area.

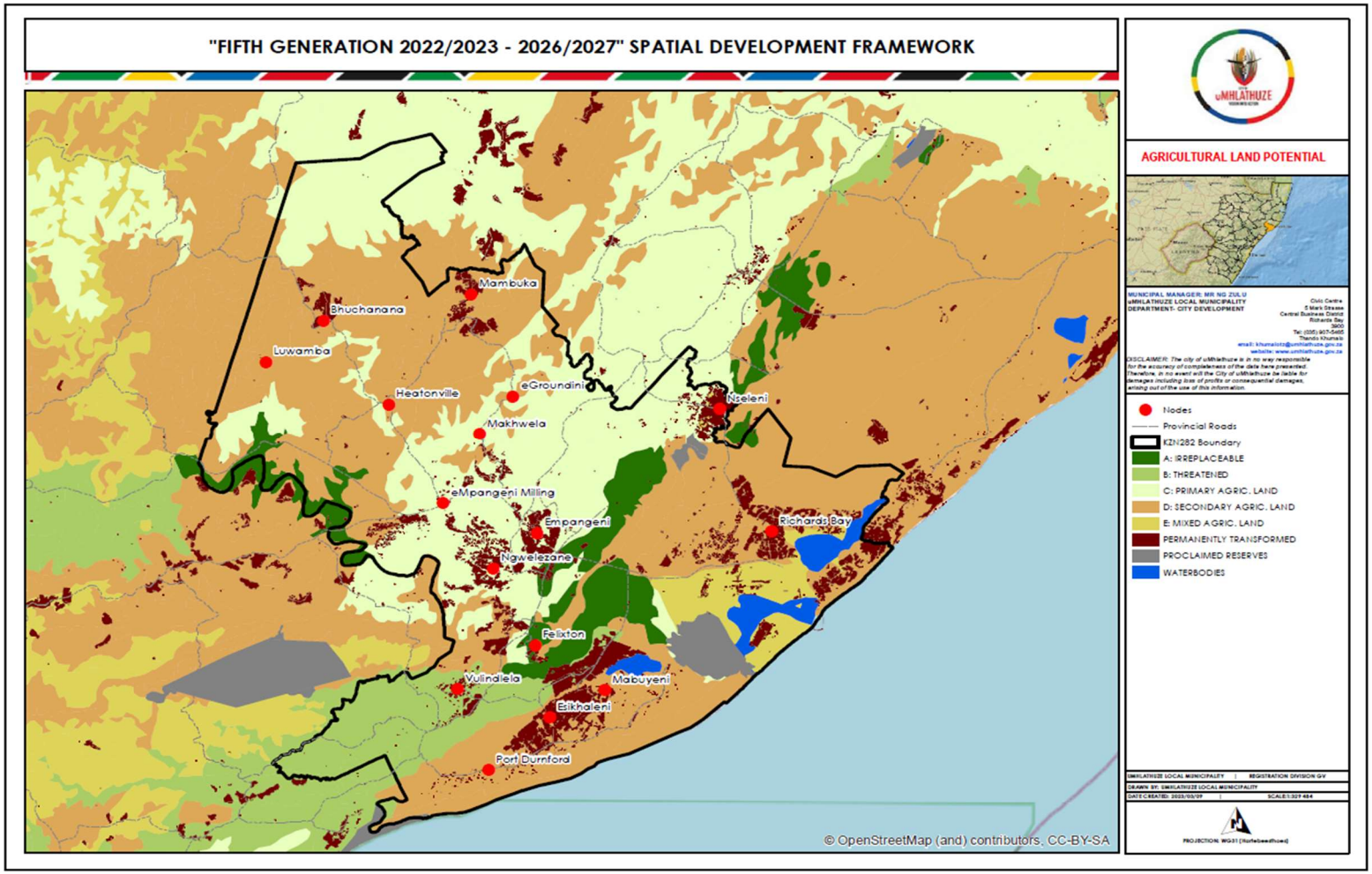
It has been determined that the following land claims in the municipality are being attended to:

- Mandlazini / Mambuka Land Claim (Ref No Krn6/2/2/E/21/0/0/3)
- Mambuka Amendment Claim (Amendment Notice 255 Of 2017)
- Mbonambi Land Claim (Ref No Krn6/2/2/E/21/0/0/67)
- Mndaba Group Land Claim (Ref No Krn6/2/2/E/21/0/0/53)

The relation of the Mambuka claim in relation to developments is also indicated. Land claims in respect of Mkhwanazi and Obizo (Cebhekulu) are understood to have been finalised and, once detailed information is available, such will be included into this document. Since 2020 significant progress has been made with the resolution of the Mandlazini/Mambuka Land Claim to the extent that the Council resolved during September 2021 to accept the offer to purchase by the Regional Land Claims Commission in respect of 5 properties for the purpose of resolving the matter

7.7 Land Capability

Map 7: Land Capability



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

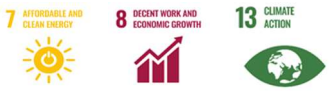
Table 6: Land Capability Breakdown

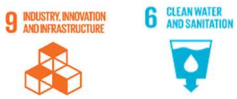
	Size(hectares)	Percentange(%)
High Land Potential	11548ha	9.89%
Good land Potential	73062ha	62.55%
Moderate Land Potential	21565ha	18.46%
Restricted Land Potential	2258ha	1.93%
Very Resticted Land Potential	6975ha	5.97%
Waterbodies	1400ha	1.20%
Total	**116808ha**	**100%**

7.8 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
1. Airport Relocation 	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.
2. Waterfront Development 	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: 3. An Urban Design for Alkantstrand/Newark Beach adopted by Council; and 4. 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.
3. The Ridge 	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.
4. Green Hill 	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.

PROJECT NAME	STATUS
5. Richards Bay Multi-Modal Facility Precinct 	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.
6. Expression of Interest for the Remainder of Erf 2627 	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.
7. Hydra Capella 132 kV 	Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.
8. Steel Bridge (Mzingazi Bridge) 	The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalised and outlined: ○ 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. The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.
9. Comprehensive Integrated Transport Plan (CITP) 	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. 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.
10. Empangeni CBD Revitalisation Plan 	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

PROJECT NAME	STATUS
	earmarked as a demonstration project for the implementation of the IUDF (Integrated Urban Development Framework).
11. Empangeni Mega Housing 	Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced. The project has the following proposed housing typologies: - BNG & Finance Linked Individual Subsidy Programme - Social Housing - Bonded Houses - Serviced Sites - Mixed Use Residential - Medium Density Residential Cluster
12. Feasibility Study into wastewater and  associated by-products re-use	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.
13. Esikhaleni Fitness Centre 	Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. Support was also provided for designs and Specifications. The project has three main phases and an estimated cost of R165 million. Phase 1 is under implementation, i.e. fencing, relocation of services, earthworks, main entrance, guardhouse and combo courts.
14. Desalination Plan 	Plant was developed by Department of Water Service - DWS (completed February 2017) at a 10ML/day capacity. As part of the handover, it was agreed that DWS would cover all costs relating to the plant until transferred.

7.9 Environmental Analysis

7.9.1 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.

7.9.2 GEOTECHNICAL CONDITIONS

The uMhlathuze area is characterized by hydrological and geotechnical constraints. The following provided outlines the following categories:

- Developable with minor constraints
- Developable with costlier constraints
- Developed
- No Development recommended

7.9.3 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 29ºC in January to 23ºC in July, and extremes can reach more than 40 ºC in summer. The average annual rainfall is 1228mm and mot (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.

7.9.4 Water Resource Management

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.

7.9.5 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 meetings its conservation objectives in the province.

7.9.6 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.

7.9.7 Environmental Assets

The environmental assets of the areas are briefly described hereunder:

i. 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.

ii. 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.

iii. 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.

iv. 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.

7.9.8 Environmental Services Management Plan

The Municipality compiled an Environmental Services Management Plan (ESMP) as broader planning tool to guide spatial development. The ESMP outlines a number of goals for Environmental Services Management. Two critical goals are:

- To define cohesive and functional spatial management units within the municipal area that need to be managed in order to optimize the delivery of environment 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:

- Nature Reserves (Level 1): Included in the nature reserve zone are areas of high biodiversity and environmental significance that require a high level of legal protection. Included are unique habitats or areas that are considered important at International, National or Provincial level; estuaries, lakes, major wetlands, natural forests, coastal buffers and critically endangered habitats that are protected in terms of international or national legislation and/or treaties. 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.

- Conservation Zone (Level 2): 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. Included are unique or regionally important natural habitats; wetland and forest areas that are protected in terms of national legislation; and all areas that fall within the 1:100-year flood line. 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.
- Open Space Linkage Zone (Level 3): 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.
- Development Zone (Level 4): 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. However, it is recognized that the development of these zones can impact on environmental services supply. As such, they should be developed in a manner that supports, or at least does not adversely impact on, the sustainability of environmental service supply in Level 1, 2 and 3 zones.

i. **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

ii. **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.

iii. **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.

iv. **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

v. **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.

vi. **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.

vii. **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.

7.9.9 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

7.9.10 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 7: 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 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

LANDSCAPE FACTORS: LAND USE	
	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 threats of diseases and environmental problems posed by water and sanitation backlogs in the rural areas.
LANDSCAPE FACTORS: SOCIAL	
Community health and wellbeing	Reducing poverty and unemployment and inequalities are national and provincial priorities. 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.
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.

7.9.11 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.

i. 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.

ii. 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.

iii. 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 8: 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	Adopted by Council in 2023	Community Services
Wetland Management Plan	In Progress, Budgeted for	City Development, DWA, KZNWL, and DARD
Biodiversity Sector Plan	Prioritised	City Development, SANBI, KZNWL, and
Water Services Development Plan	Approved 2018 (Due for a review)	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
Integrated Waste Management Plan Review	Adopted 2024	Community Services
Climate Change Strategy	Priority Plan	City Development
Energy Sector Plan	Adopted by Council (2020)	Infrastructure Services
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.

7.9.12 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).

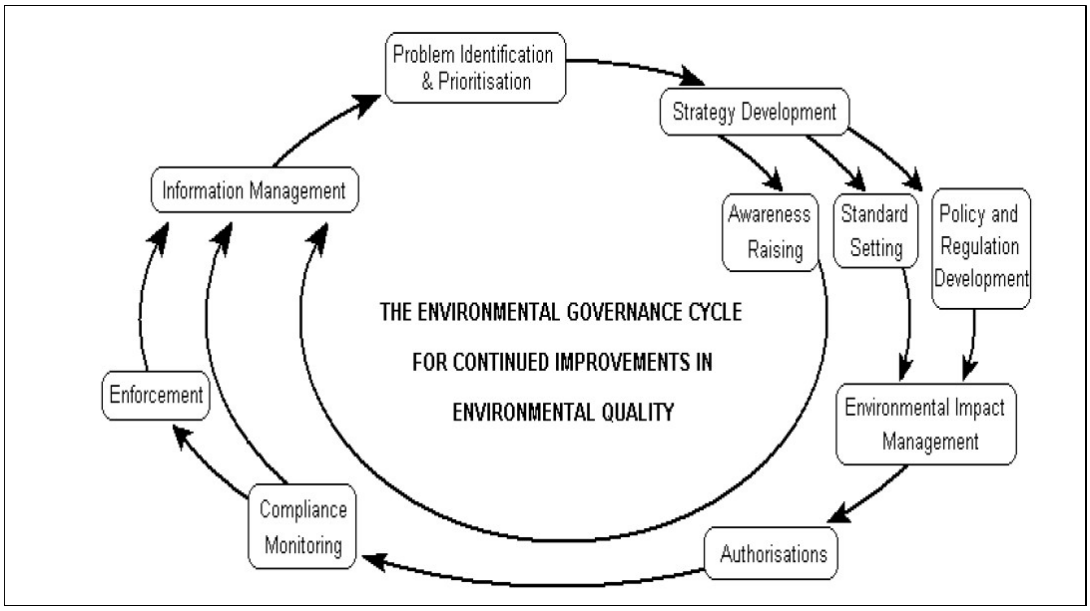
The harbour, also known as Port of Richards Bay, is considered to be the largest in South Africa. It is known to be one of the growing power houses for exporting and importing activities of different commodities. Apart from the array of industries, are residential areas both rural and urban, in which various domestic activities including burning of wood, tyres, imbawula, and agricultural are conducted.

Considering previous studies that were conducted in the area, The City of uMhlathuze, with its limited budget 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.

i. 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 2: Environmental Governance Cycle for Continued improvements in Environmental Quality



ii. 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.

uMhlathuze 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

iii. 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 uMhlathuze purchased three (3) ambient monitoring stations and strategically placed them in three different areas of concern. These stations are located at eSikhaleni, Arboretum and Brackenham Cemetery. The data collected by these stations are continuously updated.

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



Table 9: 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 (SO_2), nitrogen dioxide (NO_2), particulate matter with an aerodynamic diameter less than 10 microns (PM_{10}), particulate matter less than 2.5 microns ($PM_{2.5}$) and ozone (O_3). The stations also monitor meteorological data, including Wind direction (WD), Wind speed (WS), Temperature (T), Relative Humidity (RH) and Rain Fall (RF)

Table 10: Shows pollutants measured in each monitoring station

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

Table 11: Shows meteorological station and parameters that are monitored

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

iv. Enforcement

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

v. AIR Quality Management – Future Plan of Action

Table 12: Immediate Plan of Action

ITEM	ACTION	STATUS
Air Quality Management Plan	City of uMhlathuze appointed Mamadi & Company SA to develop an Air Quality Management Plan (AQMP)	Draft AQMP in place. Final AQMP to be completed June 2023
Air Quality Management By-laws	Draft AQMB. Discussion of admission of guilt fines with the Chief Magistrate is in progress	Draft Air Quality Management By-laws in place, awaiting comments from Legal Services and then serve at By-law Committee

Table 13: 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	STATUS
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 Habour.	Completed
Dispersion Modeling	Requested funding	Funds required
Stricter Air Quality Management Standards	To be developed after implementation of by-laws and Air Quality Management Plan	Outstanding

Table 14: 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	STATUS
Vehicle Emission Testing	To reducing the motor vehicle emissions: To be implemented after intermediate stage	To be budgeted for
Health studies in relation to air quality	to determine relationship between air quality and illnesses within the City of uMhlathuze	Awaiting AQMP outcome
Development of Air Quality Index	To indicate status of air for the area of uMhlathuze: To be developed after intermediate stage	Awaiting AQMP outcome

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.

7.9.13 Coastal Issues

i. 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.

ii. 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

iii. 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.

7.9.14 Impact of Biodiversity on Spatial Development

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.

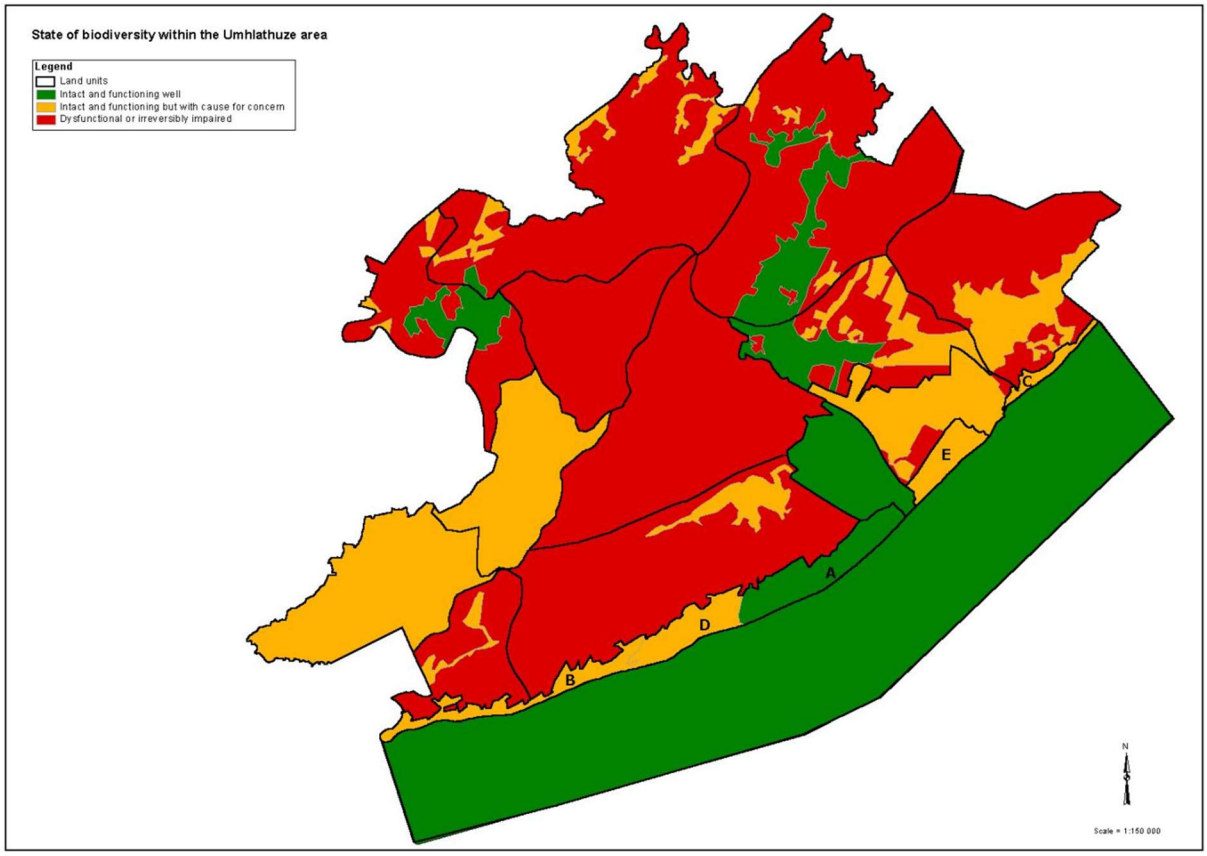
The assessment is based on the functionality of geographically defined units rather than on individual vegetation types because the former implicitly includes the importance of spatial patterning and inter-connectedness. Functionality is defined here as the perceived ability of a landscape unit to maintain 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

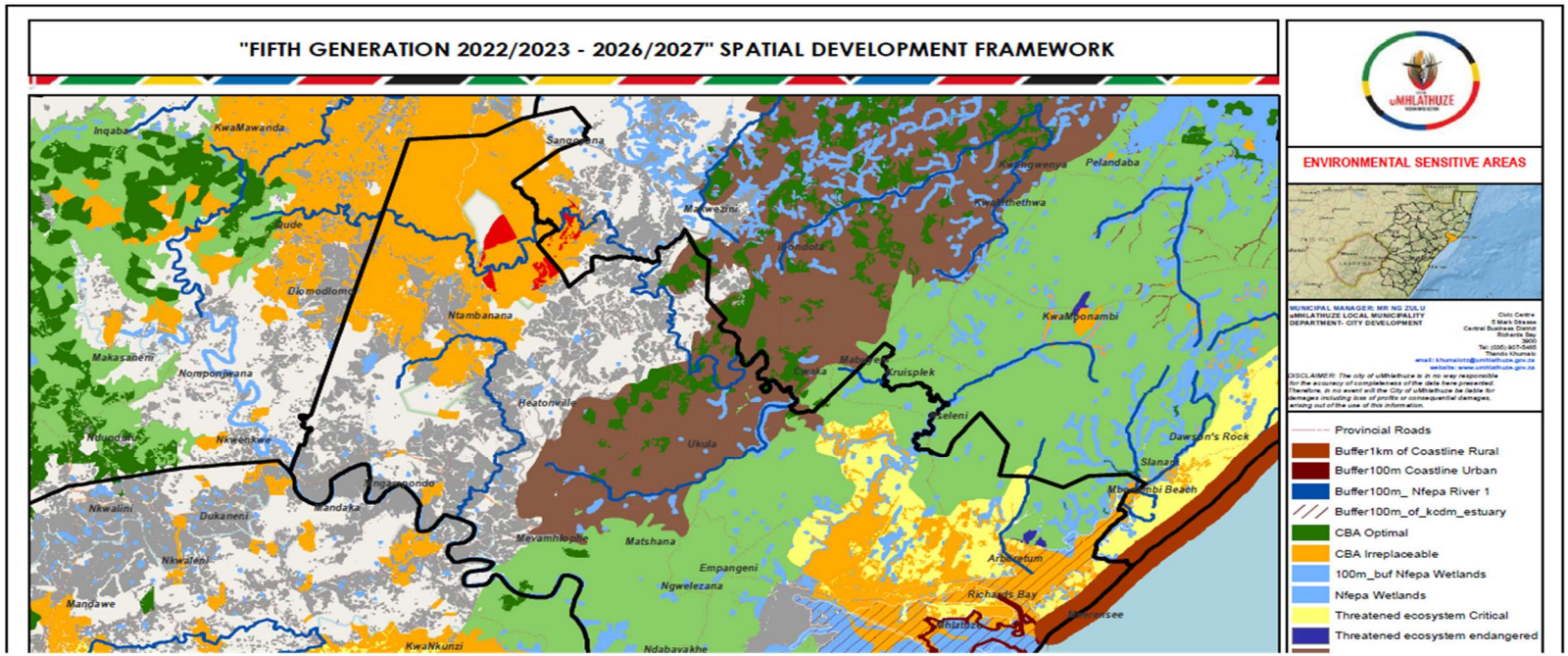


The ranking of each landscape is provided WITH the scale for ranking of functionality as follows:

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

The greater uMhlathuze Municipal Are 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 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.

Map 10: Environmental Sensitive Areas

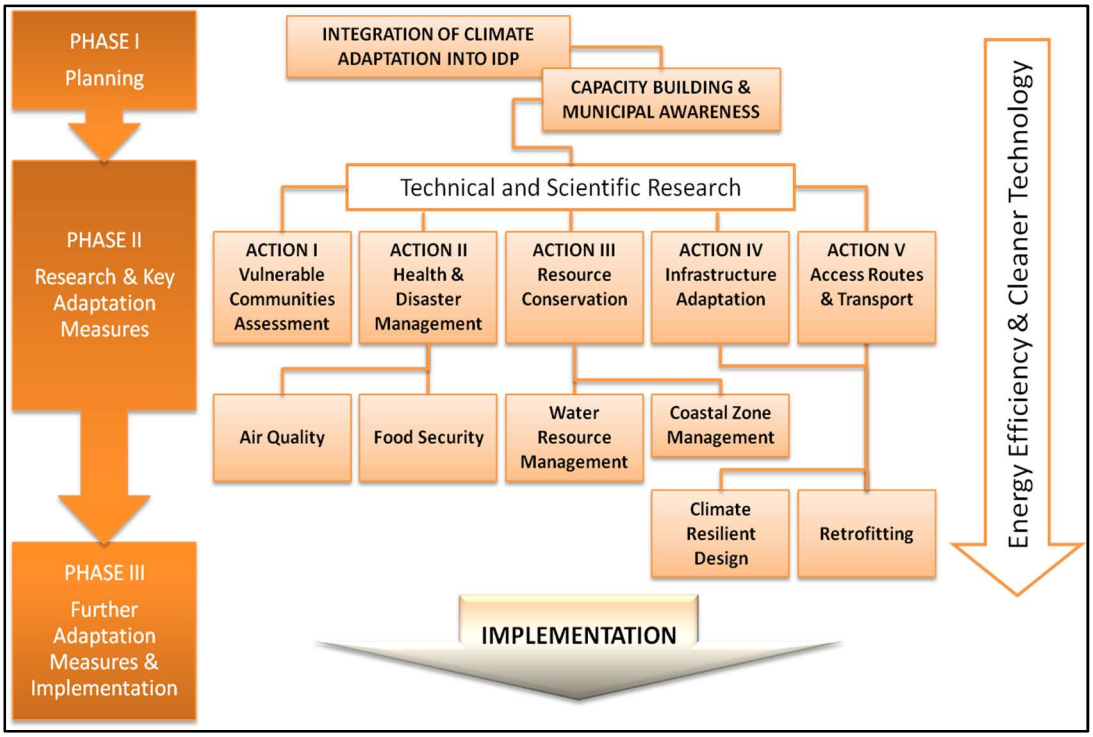


7.9.15 Response to Climate Change

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 3: Phased Approach to Municipal Action Plan



i. 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)

7.10 Spatial and Environmental SWOT Analysis

STRENGTHS	WEAKNESSES
○ 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 provincial and local. ○ 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 ultimately impact on the areas' future spatial development. ○ High level of species diversity. ○ The coastal access has significant tourism assets for the municipality. ○ Spatial Development Framework which outlines development and investments opportunities has been developed and is in place. ○ Air Quality Monitoring Network in place. ○ Climate change Strategy and Action Plan in place. ○ RBIDZ is established in the municipal area. ○ Inclusive and integrated human settlements projects i.e. community facilities, different income groups' programmes. ○ Land Use and land development applications and building plans are being received and processed in Urban and Rural areas. ○ Standard Operating Procedure for land use, development applications and building plans applications are in place.	○ Funding challenges to implement Alien Invasive Strategy. ○ Funding to implement Climate Action Plan. ○ The area is inundated with a system of wetlands and natural water features. 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 municipal surface area under indigenous cover is considered largely irreplaceable by KZN Wildlife and this complicates development processes. ○ Funding for human settlements projects. ○ Poor coordination and commitment from relevant government departments for integrated human settlements projects. ○ Ensure land use and development applications are finalised within stipulated timeframes. ○ Non-integration between SAP, GIS and management.
OPPORTUNITIES	**THREATS**
○ There is one airport and landing strips in the municipal area. ○ Economic node in the North-Eastern parts of the Province ○ The R34 as a development corridor between uMhlathuze and Melmoth/Eshowe. ○ The P700 as a development corridor uMhlathuze and Ulundi. ○ The N2 North-South in a direction is a mobility corridor. ○ There are hierarchy of nodes and corridors in the municipal area i.e. Urban and Rural. ○ Heavy minerals provide range of economic opportunities. ○ Upgrading of existing Air Quality Monitoring Stations. ○ Monitoring of dust through dust fallout bucket system. ○ Availability of land for human settlements projects at convenient locations i.e. Restructuring Zones. ○ Continous public awareness on significance of land use and land development applications and	○ Distance from major economic node in the province i.e. Durban ○ Gravel roads in rural areas leads to prolonged travel time to access primary nodes. ○ 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 areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise. ○ Potential for exceedance of national ambient air quality standards due to unforeseen incidences. ○ The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area. ○ Expanding rural densities in Traditionally Owned land without services. ○ Development without statutory requirements. ○ Non-compliance with all relevant statutory Standard Operating Procedure i.e. environmental planning, town

submission of building plans in both Urban and Rural Areas.	planning, air quality management, building control, outdoor advertising. o Outdated environmental data of which most development related decisions are based on. o Non-existence of corporate GIS to coordinate GIS data.

Table 15: Key Challenges, Spatial and Environmental Analysis

Cross Cutting KPA: Spatial and Environmental Analysis , Disaster Management		
Ref.	**Key Challenge**	**Description**
CC1	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.
CC2	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.

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7.11 Disaster Management

7.11.1 Introduction

The Municipal Disaster 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 purpose of the Municipal DRM Plan is to outline policy and procedures for both the pro-active disaster prevention and the reactive disaster response and mitigation phases of Disaster Risk Management.

It is intended to facilitate multi-agency and multi-jurisdictional co-ordination in both pro-active and re-active related programmes

7.11.2 Legislative Framework

The Constitution of the Republic of South Africa 1996

The Constitution redefined local government as a sphere of government that is distinctive from, yet interdependent and inter-related with provincial and national government. Importantly, the Constitution conferred developmental duties to local government.

Public Finance Management Act No. 1 of 1999 (as amended by the Public Finance Management Amendment Act No. 29 of 1999)

To regulate financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.

Municipal Systems Act of 2000

The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, deliver services and manage their finances and revenue. Critically, the Act formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service delivery mechanisms / arrangements used by municipalities.

Municipal Demarcation Act of 1998

The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.

Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000

The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.

White Paper on Local Government of 1998

The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centered, efficient, transparent, accountable and responsive entities.

The Fund Raising Act No. 107 of 1978

It provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters.

Disaster Management Act 57 of 2002

Streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and municipal levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.

National Disaster Management Framework (Notice 654 of 2005)

The framework provides guidelines for the development of the provincial and municipal disaster management frameworks. This also provides the key performance areas and enablers required for the implementation of the Disaster Management Act.

Policy Framework for Disaster Risk management in the Province of KwaZulu-Natal (Provincial Gazette 372 of 22 January 2010)

The framework provides guidelines for the development of the municipal disaster management frameworks. This also provides the key performance areas and enablers required for the implementation of the Disaster Management Act.

Fire Brigade Act No. 99 of 1987

This Act forms an important element of disaster management in terms of norms and standards in the prevention of fires or any hazards leading to risks and or disasters.

National Veld and Forest Fires Act No. 101 of 1998

It emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires.

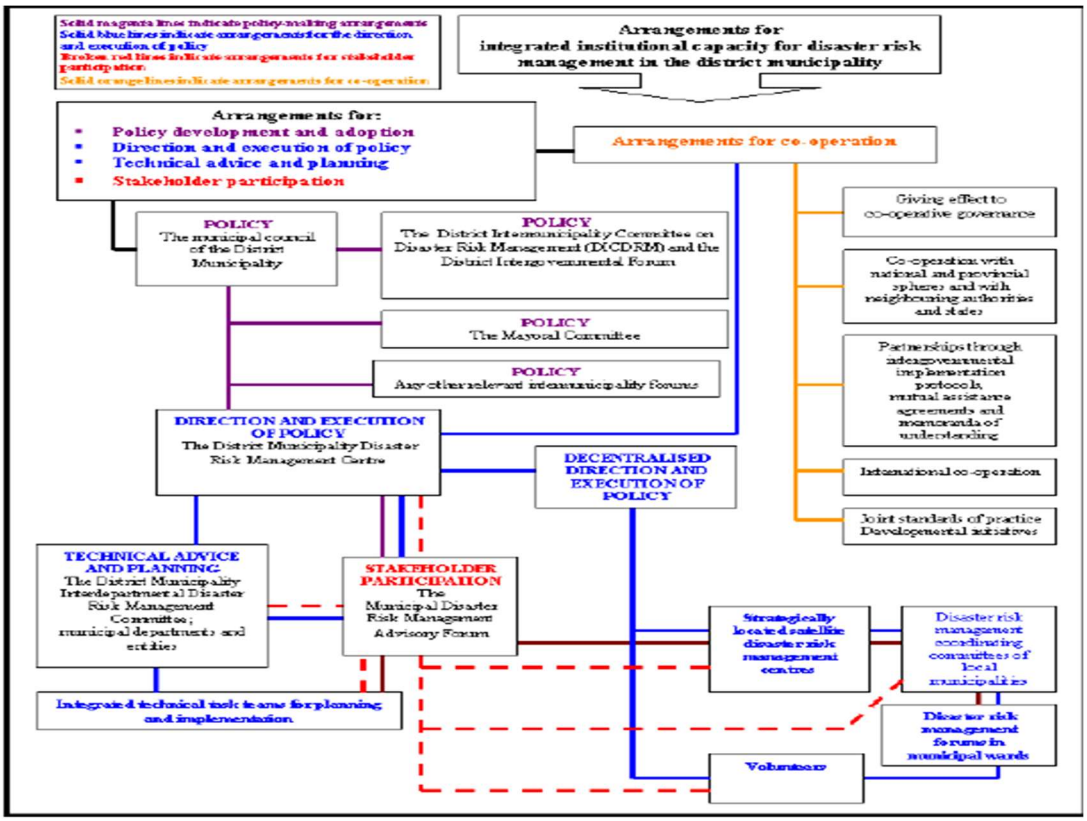
The National Environmental Management Act of 1999

Provides for environmental management strategies so as to prevent and mitigate environmental disasters.

7.11.3 Status of Municipal Institutional Capacity

An overview of the arrangements for integrated institutional capacity for disaster risk management in the City is summarised in the figure below.

Figure 4: Integrated Institutional Capacity



Source: City of uMhlathuze Disaster Management Plan Review 2023

7.11.4 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.

7.11.5 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.

7.11.6 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, None-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.

7.11.7 Disaster Management Plan

The City of UMhlathuze has a reviewed Disaster Management Plan adopted by Council on 23 May 2024 together with an Integrated Development Plan review 2024/2025. 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.

7.11.8 Disaster Risk Assessment

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. 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 16: 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

7.11.9 Risk Rating.

Table 17: List of Priority Risks (Hazards)

RISKS	AREAS OF OCCURANCE	FREQUENCY	MAGNITUTE/ 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 out-break 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,		70%	Weather services	

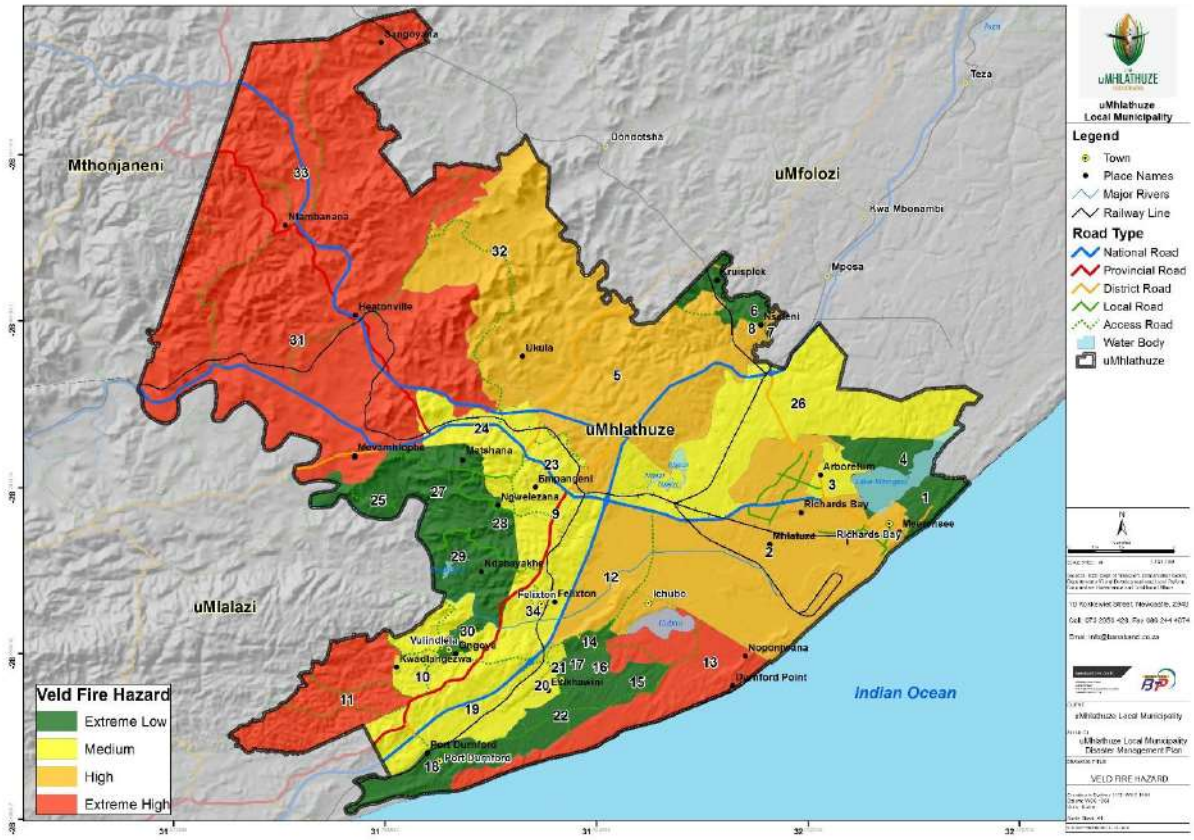
	Empangeni, Richards Bay				
Air Pollution	Richards Bay industries, Nseleni, Bay Stone, Filixston	Throughout the year	30%	Smoke, smell, dust	
Illegal Dumping	Richards Bay open velds, Esikhawini, Nseleni. eMpangeni,	Throughout the year	40%	High grass and tree next to the settlements	
Draught	Entire uMhlathuze	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 18: Risk Rating

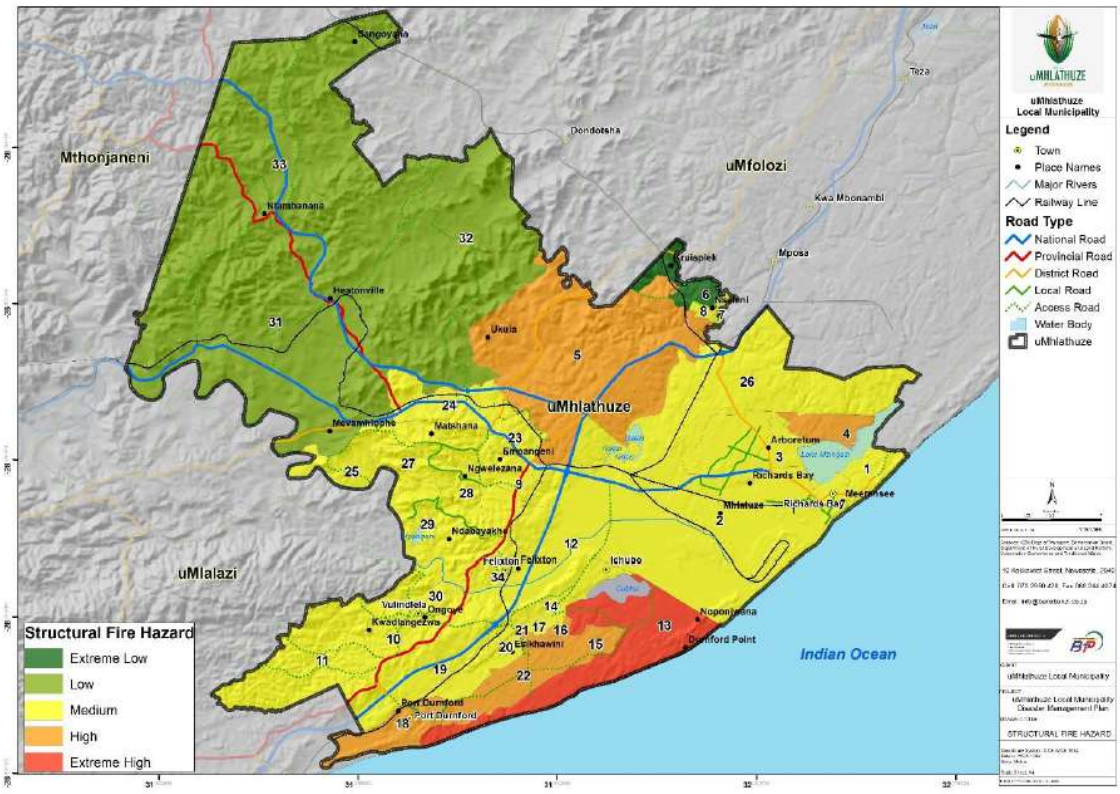
Main Category (CITY RISK RATING)	RISK (City)
Hydro-meteorological Hazards - Severe Storms (Lightning)	0.90
Hydro-meteorological Hazards - Severe Storms (Heavy Rainfall)	0.86
Hydro-meteorological Hazards - Floods (River)	0.83
Fire Hazards - Veld/Forest Fires	0.77
Hydro-meteorological Hazards - Severe 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.

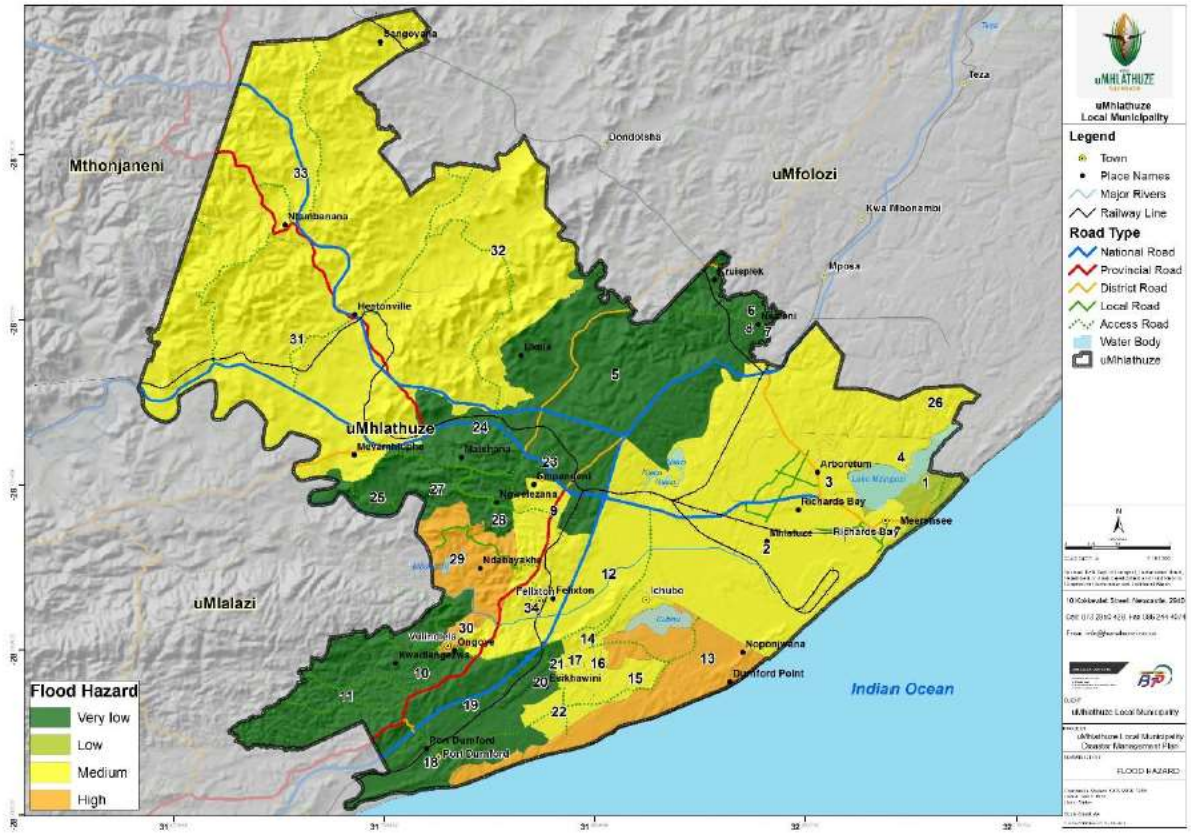
Map 11: Veld Fires Hazard Assessment



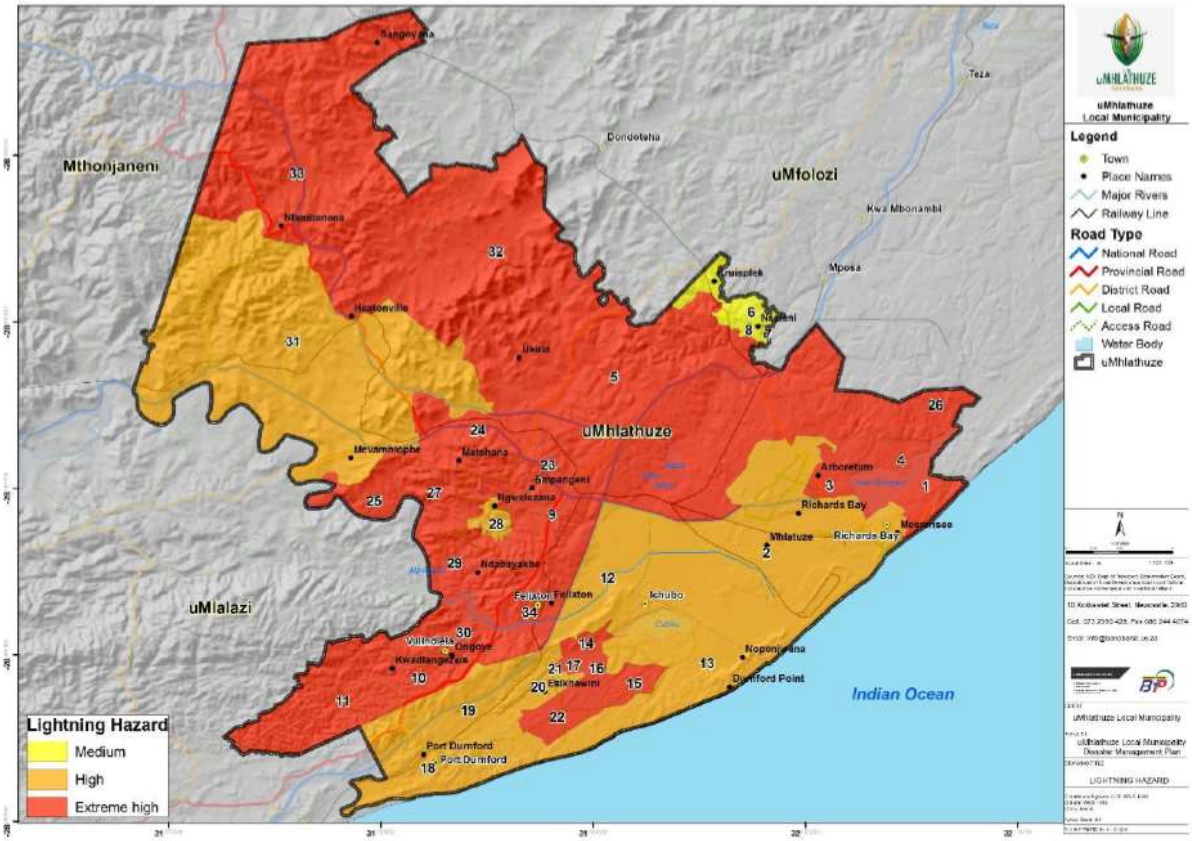
Map 12: Structural Fires Hazard Assessment



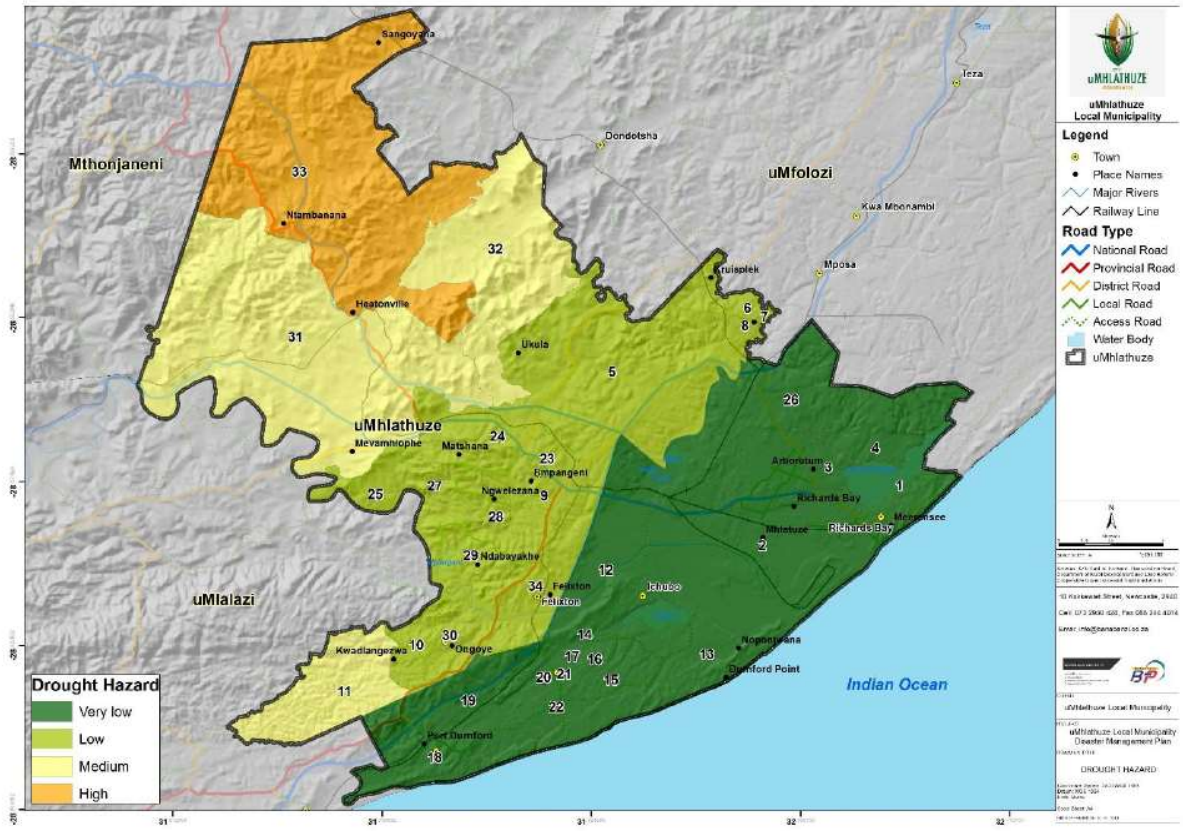
Map 13: Flood Hazard Assessment



Map 14: Lighting Hazard Assessment



Map 15: Drought Hazard Assessment



7.11.10 Risk Reduction and Prevention

In terms of Section 26(g) of the Municipal Systems Act, 200, Act 32 of 2000, a Municipality's IDP must contain a disaster management plan. Development projects in the Municipality, as contained in the Municipality's IDP, is thus interlinked with disaster management planning and activities. Risk reduction projects identified as part of disaster risk management planning, such as those identified in this plan and the contingency plans developed and risk assessments should be included into the City of uMhlathuze IDP.

There are eight key planning points or requirements that must be applied by all municipal organs of state and municipalities when planning for disaster risk reduction initiatives. These must form part of the annual reporting of the municipalities and municipal organs of state to the DMC. A number of risk reduction measures can be identified related to the highest rated identified risks. These measures should be decided upon in consultation with the relevant responsible departments. Some of the possible measures are listed in the Disaster Management Plan as attached in this document

7.11.11 Disaster Response and Recovery

In terms of section 54 of the Act, a Municipality must deal with a local disaster through existing legislation and contingency arrangements, even if a local state of disaster is not declared. Contingency plans for major disaster risks have been developed and available at the Municipal Disaster Management Centre. Hazard specific disaster response actions will be identified in the contingency plans, but a generic disaster response flowchart is indicated below.

i. Early Warnings

Early warnings are designed to alert areas, communities, households and individuals to an impending or imminent significant event or disaster so that they can take the necessary steps to avoid or reduce the risk and prepare for an effective response. Early warnings are issued by various organizations which are responsible for monitoring and evaluating specific risks and hazards. Disaster management must ensure that strategic links are established with those organizations or agencies that are responsible for disseminating the early warnings in order to develop emergency preparedness plans for responding to a threatening incident.

ii. Disaster Assessment

On-site assessment includes establishing what resources are necessary to ensure the delivery of immediate, effective and appropriate response and relief measures to affected areas and communities and to facilitate business continuity.

iii. Relief Measures

Relief operations following significant and/or events classified as disasters must be coordinated. Relief assistance and donations must be equitably distributed.

iv. Rehabilitation and Reconstruction

The organ of state tasked with primary responsibility for known hazard must facilitate the establishment of project teams

Over and above the City has the following measures in place:

- 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.

7.11.12 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,

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

7.11.13 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. The table below provides an overview of the recommended funding mechanisms for each of the five disaster risk management activities. Funding arrangements for disaster risk management are specified in the NDMF as indicated below and these guidelaines will be followed in the City

Table 19: Funding Arrangements for disaster risk management

Table 7.1: Funding arrangements for disaster risk management

Activity	Funding source	Funding mechanism
Start-up activities (KPA 1, Enabler 1)	National government	Conditional grant for local government – district and metropolitan municipalities, where necessary
		Conditional grant for provinces with counter-funding component[1]
		Budget of national departments
Disaster risk management ongoing operations (KPAs 2 and 3)	National and provincial government	Own departmental budgets
	New assignment to local government	Increase in the I (Institutional) component of the equitable share of local government
Disaster risk reduction (KPAs 2 and 3)	National departments	Own budgets
	Provincial departments	Own budgets but can be augmented by application for funding to the NDMC for special national priority risk reduction projects
	District municipalities	Own budgets but can be augmented by application for funding to the NDMC for special national priority risk reduction projects
	In the case of low-capacity, resource-poor municipalities[2]	Additional funding released from the NDMC targeted at these categories of municipalities
Response, recovery and rehabilitation and reconstruction efforts (KPA 4)	National government	Own budget for those departments frequently affected by disasters
		Access to central contingency funds
		Reprioritise within capital budgets for infrastructure reconstruction
	Provincial government	Own budget, particularly for those departments frequently affected by disasters
		Conditional infrastructure grants
		Access to central contingency fund once threshold is exceeded on a matching basis
		Reprioritise within capital budget for infrastructure reconstruction
	Local government	Access to central contingency fund once threshold is exceeded
		Conditional infrastructure grant, i.e. Municipal Infrastructure Grant (MIG)
Education, training and capacity-building programmes (Enabler 2)	All spheres of government	Own budgets and reimbursement through SETAs
		Public awareness programmes and research activities can also be funded through the private sector, research foundations, NGOs and donor funding

Notes:

1. The suggested ratio for counter-funding is 85:15, i.e. 15 per cent of all start-up costs being funded by provincial government.
2. Low-capacity, resource-poor municipalities should be identified through the creation of a composite index that takes into account the operating income of municipalities and their capacity classification as determined by National Treasury.

Source: Partially adapted from FFC, *Submission on the Division of Revenue 2003/04*, Midrand, p. 96.

7.11.14 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.

7.12 Business Continuity Management

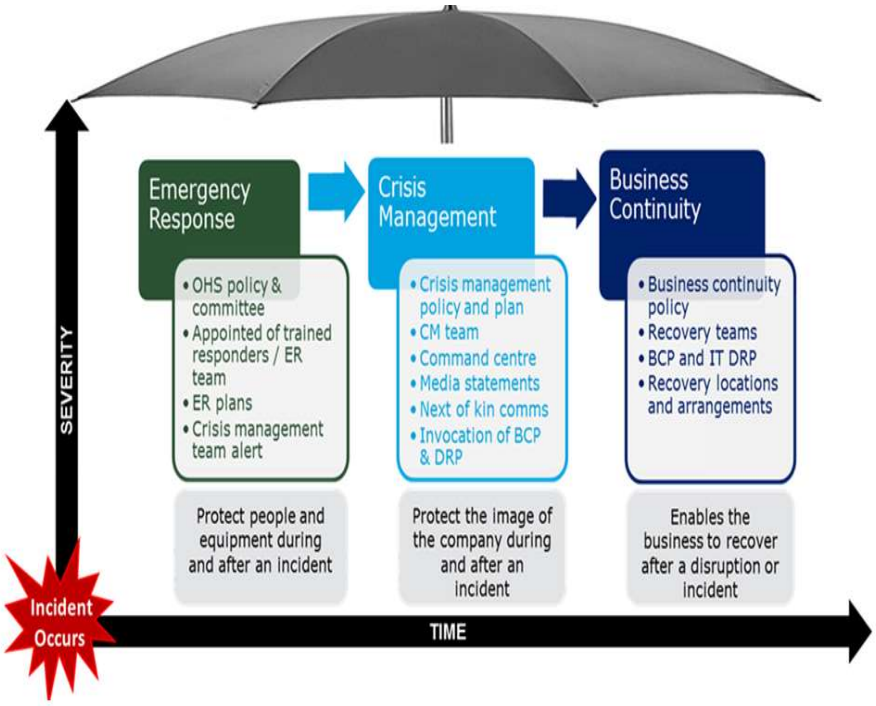
In the event of a material disruption to its critical activities, the City of uMhlathuze is committed to ensuring the continuity of the Municipality by:

Ensuring the safety and wellbeing of its employees, contractors and visitors

- Protecting the wellbeing of the environment and society in which the Mmunicipality operates
- Minimising the adverse impact of the disruption to the Mmunicipality'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 City 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 5: BCM Overview



The objectives of uMhlathuze's BCM programme are to:

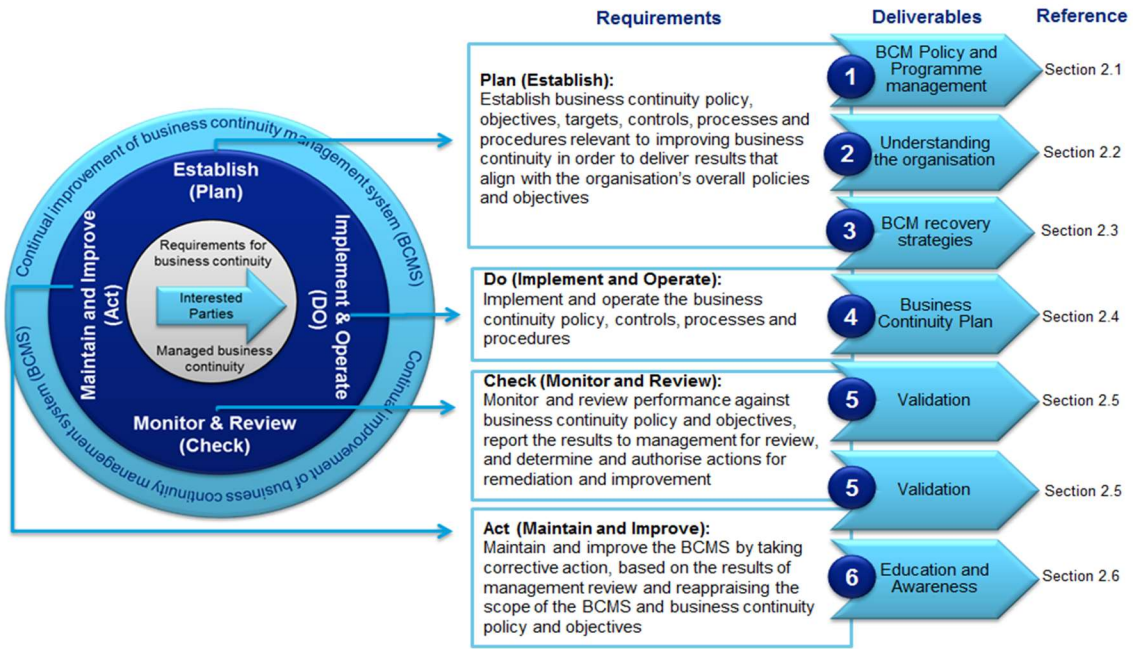
Protect the Municipality, including its staff and stakeholders, by minimising the impact of a material disruption to critical activities, ensuring continuation of service delivery to the community

- 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 6: BCM lifecyle (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.

7.12.1 Disaster Management: SWOT Analysis

STRENGTHS	WEAKNESSES
○ Willingness to prioritize disaster management ○ Contingency plans are in place ○ Emergency procedures in place ○ Disaster Advisory Forum is active ○ Industrial Emergency Planning Committee in place (extension of the Disaster Advisory forum) ○ Disaster Management is in the IDP ○ Fully flagged Disaster Management Centre ○ Disaster Management Plan in place ○ Head of the Disaster Management Centre appointed and a Municipal inter-departmental committee to establish in the form of Rapid Response Task Team ○ Fire Prevention code enforcement has been effective in preventing fires within the City of uMhlathuze by ensuring that Commercial & Industrial premises adhere to strict compliance measures with regards to safety standards	○ Current limited resources to handle major disasters ○ Non Availability communication system ○ Municipal Interdepartmental committee not established ○ Ageing infrastructure – Alton Fire Station ○ Funding constraints for appointing additional fire prevention officers (inadequate of staffing) ○ Ageing Fleet
OPPORTUNITIES	**THREATS**
○ Financing of disaster management vacant position as per the organogram ○ Procurement of a communication system ○ Procurement of vehicles for executing the plan ○ Staffing of Disaster Management personnel ○ Finalisation of Disaster Management Centre repairs	○ Municipality is partially disaster-ready (to handle major disasters should they occur) ○ The ever-growing population and Industrialization do not match the static response capacity (human, financially and equipment) ○ Socio-economic challenges that weakens resilience level to the community on self-sustainability ○ Economy of the City, first through the damage sustained by fire, second the lost time spent in repairing/replacing said commodity, and third, the finance needed to correct/fix what was damaged ○ Lives and property of the people within Council's area of jurisdiction

Table 20: Key Challenges, Disaster Management

Key Challenges : Disaster Management		
Nr.	**Key Challenge**	**Description**
CC1.	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.
CC2	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. Inclement weather occurrences causes a lot of disruptions affecting municipal infrastructure and people's lives.

DEMOGRAPHIC CHARACTERISTICS

7.12 Demographic Profile

Demographic data are at the heart of population dynamics because they are the concrete basis that make it possible to observe demographic trends in a municipal are. The municipality's demographic profile is influenced by a number of factors. These variables interact horizontally and, more importantly, have a hierarchical relationship with the demographics of the country, the province, and the region. As a result, the analysis of variables is comparative, looking at relationships between demographic variables and the relationship between demographics and economic development. Demographic data are thus an essential basis for any municipality's policy planning.

7.13 Population Structure, Age and Gender

Any planning assessment must begin with a total population estimate because it is essential to understanding both the short- and long-term demands for facilities and services. King Cetshwayo District is home to UMhlathuze Municipalities. The table and accompanying explanation figure provide a breakdown of the population growth in the King Cetshwayo District by municipality.

Table 21: Population Numbers and Population Growth

Census	KCDM	IMFOLOZI	UMHLATHUZE	UMLALAZI	MTHONJANENI	NKANDLA
2001		106942	289190	221078	50382	133602
2011	907519	122889	334459	213601	47818	114416
%		14,91%	15,65%	-12,38%	-5,09%	-14,36
2022	1021344	159668	412075	241416	99289	108896
% Growth	12,5%	29,9%	23,2 %	13,02 %	107,6 %	-4,8%

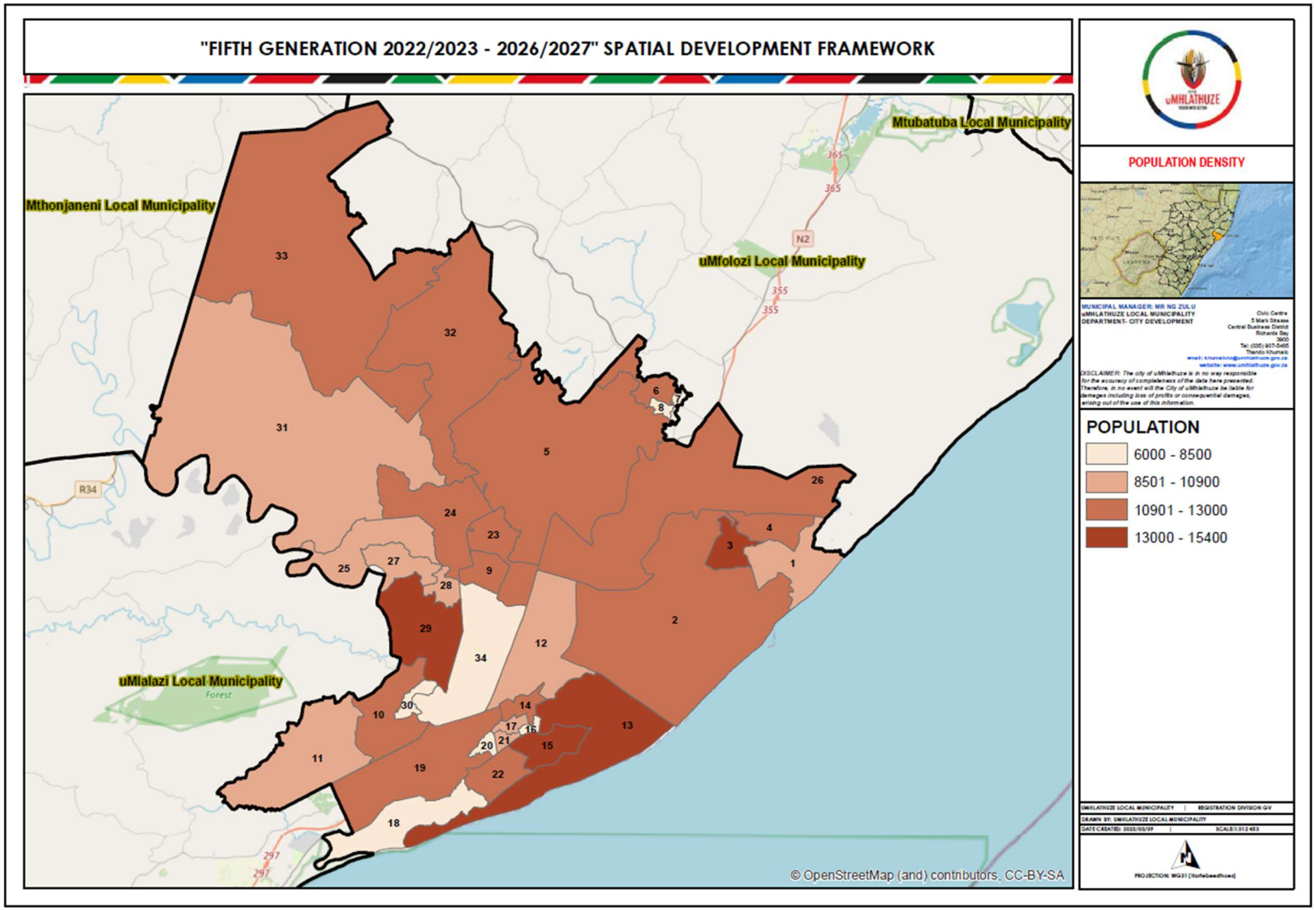
Source: Statistics South Africa,

In relation to the table above the population of uMhlathuze Municipality increased by just over 23,2% between 2011 and 2022. This increase is indicated in relation to the King Cetshwayo District Family of Municipalities. 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 2022 Census. Adequate data and research is not available at this time to apply a historic growth trend as the population figures for wards has not yet been published by STATS SA, only an area based information has been provided. The following base data has therefore been used:

- The population in the uMhlathuze Municipality is at 412075 as per the Census 2022,
- A calculated household size increased to 4.1 in 2022 from 3.9 in 2011,
- The number of households increased from 94010 in 2011 to 100 441 in 2022, an intercensal growth rate of 7%

Map 16: Population Distribution



Source: uMhlathuze SDF 2022

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.
- At such a 5% per annum population growth rate the number of households in the municipality will double by 2030.

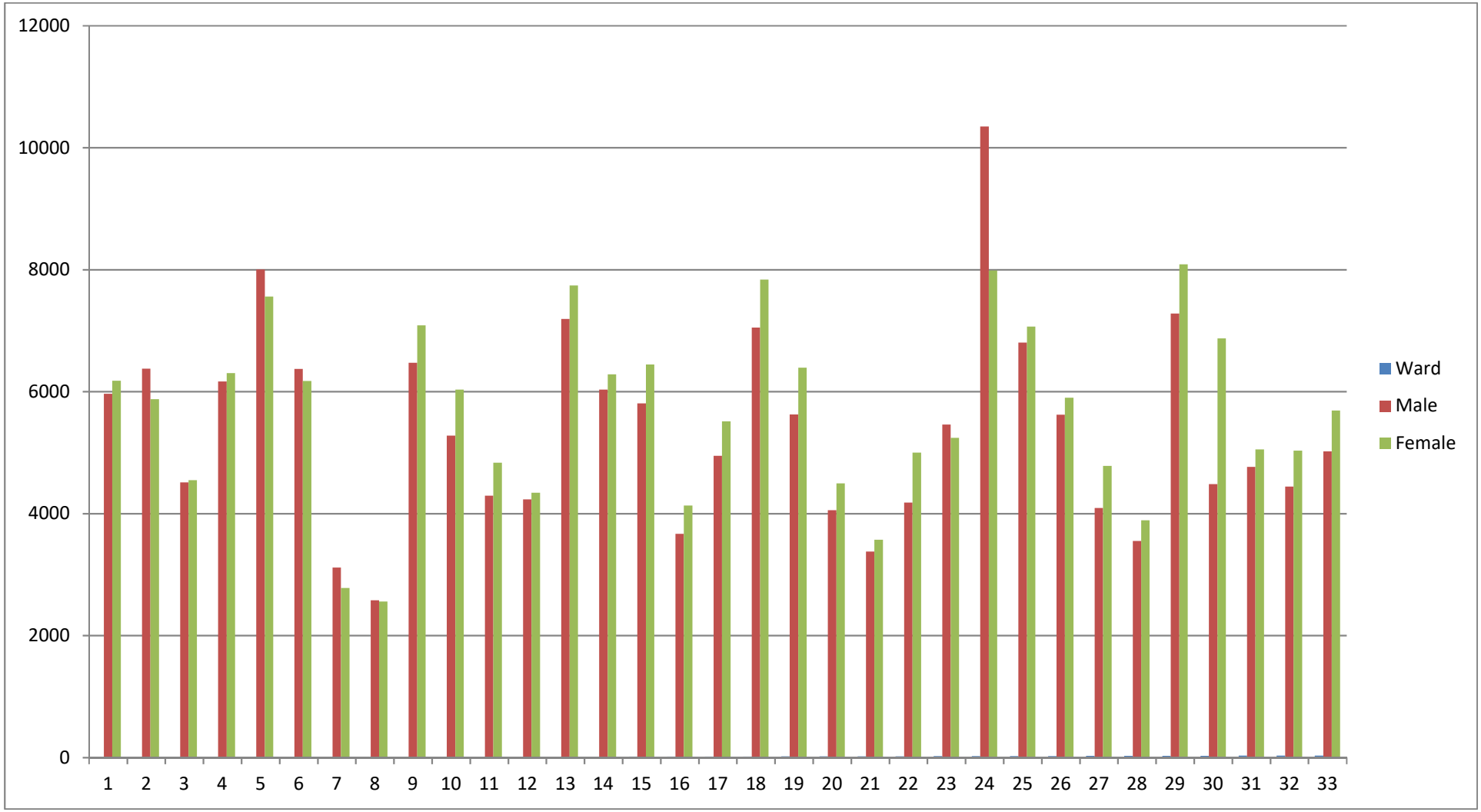
7.13.1 Population and Gender Breakdown

Table 23: Population and Gender breakdown 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**

Source: Census 2011

Figure 7: Gender Breakdown per Ward



Source: Statistics SA, (Census 2011)

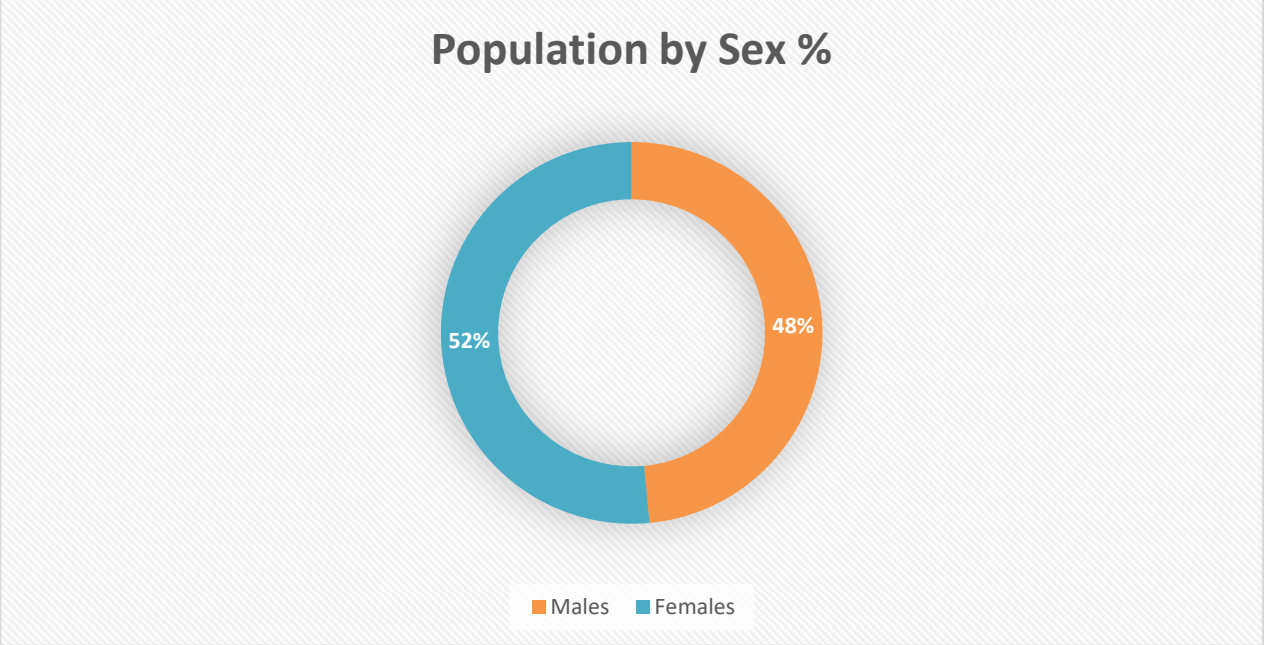
7.13.2 Population by Age

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. 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. The study area's age structure has remained relatively unchanged over all age groups. Interestingly, over 52.5% of the population falls within the economically active group of 20 to 65 years, as reported in the 2016 community survey figures. This percentage increased by 3.7% from 48.8% in 1996. The following table in terms of the gender split, the region has a propensity to shed labour. This gap has narrowed since 1996.

Table 24: Population and gender

	1996	2001	2011	2016	2022
Males	104,724	151,511	176,629	198,050	199 907
Females	112,486	162,394	186,681	212,243	212 168
Population density (persons/ha)	1.46	2.54	2.94	3.32	-
Total Population	217,210	313,905	363,310	410,294	412 075

Source: Statistics South Africa



Source: Statistics South Africa, Census 2022

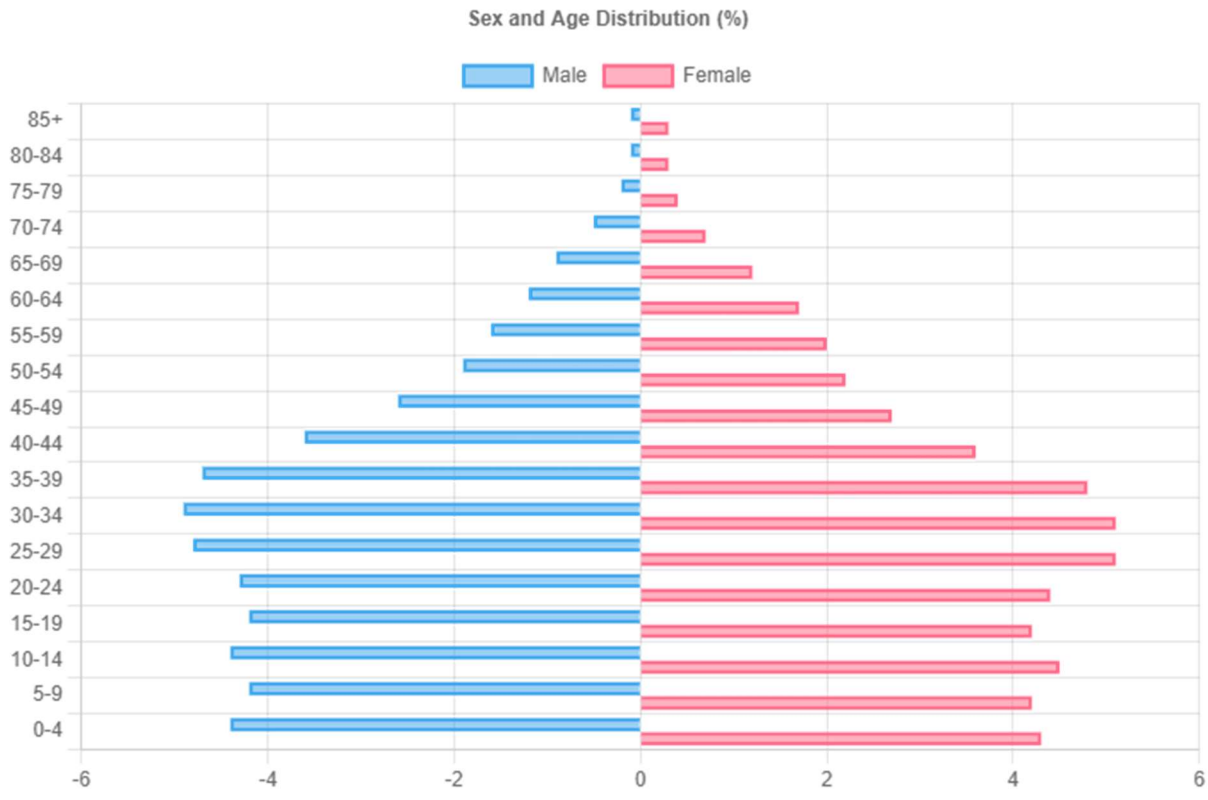
Age groups are significant in any demographic assessment. The population's age structure indicates the expected long-term demand for community and social services, housing, and infrastructure services. Table below only shows four age categories. The first category is the preschool population; the second category is the school-going population, and the third category is the economically active population. The last group is the elderly population.

Table 25: Age groups

	1996		2001		2011		2016		2022	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<5	14,927	14,804	23,803	23,646	21,006	20,643	25,726	24,983	21374	20729
5 to 20	35,069	37,914	53,701	55,443	51,986	54,499	64,192	66,631	52714	53271
20 to 65	50,672	55,375	95,281	100,598	75,680	81,793	103,483	111,900	119083	127587
>65	2,077	3,359	3,843	6,994	2,841	5,458	4,649	8,729	6723	10581
Unspecified	1,980	1,033	0		0		0		13	-
Total	104,724	112,486	151,511	162,394	176,629	186,681	198,050	212,243	199907	212168
	217,210		313,905		363,310		410,294		412075	

Source: Statistics South Africa, 2022

Figure 8: Age in Completed Years by Gender



Source: Stats SA, Census 2022

According to Figure 8 and the tables above, a young population makes up the majority in the municipality in terms of age. The municipality must create initiatives and programs to address issues affecting young people. The municipality's strategies must give priority to additional youth development initiatives that aim to equip young people with a variety of skills. Youth development and empowerment are essential for municipality's success.

7.13.3 The difference in population groups

Population groups don't always have to be the focus of development analysis. On the basis of previous population settlement patterns, however, examining the demographic makeup of the municipality may help to explain current dynamics. The population at various geographic levels in 2020 is shown in the table below. The figures illustrate the structural differences in racial and geographic levels of composition. The black population is the largest group in the municipality and the district. Nearly 10% more than the national average, on average. Less than 9% of the total population belongs to the other population groups.

Table 26: Comparative population numbers by population group

	South Africa		KwaZulu – Natal		King Cetshwayo		uMhlatuze	
	Total	%	Total	%	Total	%	Total	%
Black population	48 734 600	81,42%	10 140 980	88,47%	912 131	96,01%	341 742	91,72%
Coloured population	5 232 220	8,74%	143 404	1,25%	4 322	0,45%	2 671	0,72%
Asian population	1 472 856	2,46%	814 396	7,11%	12 753	1,34%	11 066	2,97%
White population	4 412 519	7,37%	363 195	3,17%	20 849	2,19%	17 096	4,59%
Population total	59 852 195	100,00%	11 461 976	100,00%	950 055	100,00%	372 575	100,00%

Source: Quantec Regional indicators 2020

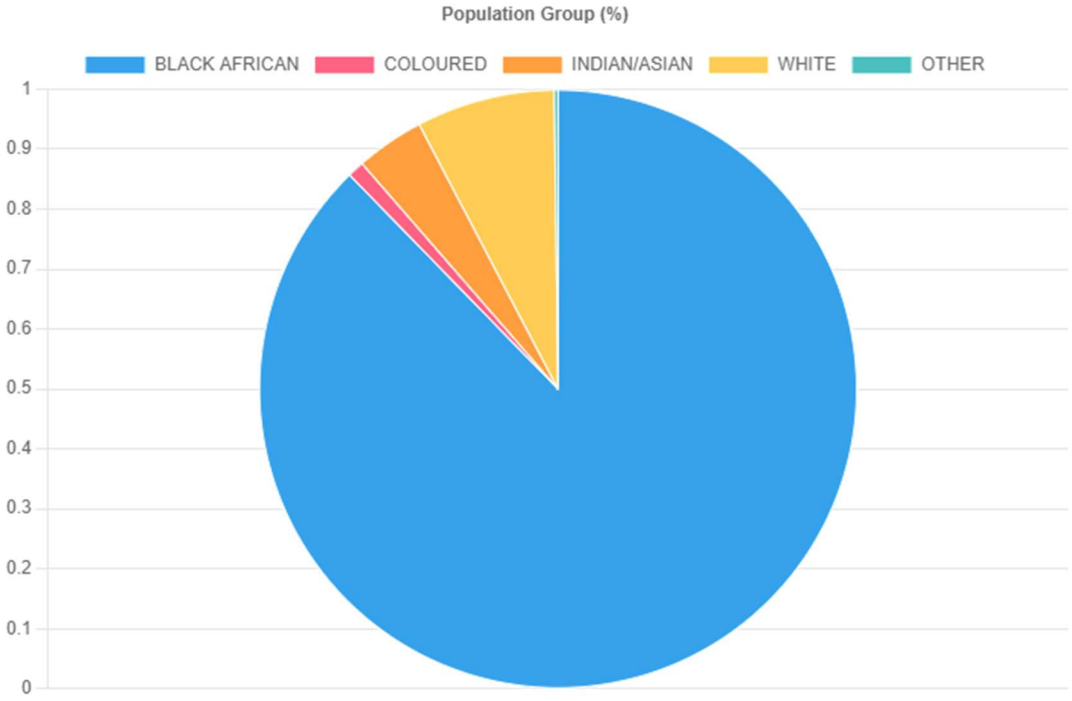
Table 27 below shows the municipality's population as it has changed over the last 26 years. The figures indicate growth in the black population, and the white population group was increasing marginally. On the other hand, the Coloured and Asian population group is also increasing but a very low percentage.

Table 27: Population Groups

	2001	2000	2005	2010	2015	2021	2022
Black	241 993	273 280	285 486	300 220	322 693	341 742	361 147
Coloured	2 293	2 515	2 576	2 637	2 714	2 671	3 616
Asian	8 603	8 965	9 385	10 138	10 962	11 066	15 285
White	29 940	27 995	24 803	22 545	20 355	17 096	30 968
Total	282 829	312 755	322 251	335 541	356 724	372 575	412 075

Source: Stats SA

Figure 9: Population Group



Source: Stattistis South Africa, Census 2022

7.13.4 Disability

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

Table 2810: Disability by Type

	Yes	No	Do Not Know	Unspecified	Not applicable	Total
Eye glasses	39060	333103	810	36907	2194	412075
Hearing aid	4401	367585	978	36907	2203	412075
Walking stick or frame	6572	365395	985	36907	2216	412075
A wheelchair	3609	363510	734	36907	7315	412075
Prosthesis/artificial limb	3664	363464	709	36907	7331	412075
Other assistive devices	3535	368280	1136	36907	2216	412075
Total	47729	371914	4684	36907	7421	412075

Source: Statistics SA, Census 2022

It is clear from the aforementioned statistics that there are individuals living with various disabilities among the uMhlathuze population. Therefore, it is crucial that the municipality create initiatives that support and develop people with disabilities as part of its implementation plans. They should be represented in various municipal structures so that their opinions on developmental issues and the difficulties they face in society can be taken into account when different government agencies work together to implement cooperative governance initiatives. Additionally, uMhlathuze must always keep in mind the needs of those who have disabilities when building or when approving building plans. People with disabilities should be considered on job opportunities in terms of employment equity

7.13.5 Demographic Dividend

The demographic dividend is the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15 to 64) is larger than the non-working-age share of the population (14 and younger, and 65 and older).

From the figures above it shows that uMhlathuze has more population falling with the 0-4 and 15-29 age groups. This means about 60 percent of the population in the least in uMhlathuze is under age 24, these rising numbers of young people, accompanied by steady fertility rates, offer a critical window of economic opportunity in uMhlathuze. This means the City had a potential for economic gains which could be enormous, hence the plan is to put more focus on developing relevant polices in order to strategically invest in human capital, particularly among young people in the municipality. Such policies include improving access to quality education and jobs, as well as investing in the health, particularly the sexual and reproductive health, of young people in the City of uMhlathuze. These plans further expanded on the following chapters as well as in the implementation plan. The City is committed into improving demographic dividend by:

- *Improving the quality of and access to education to adequately respond to labor market needs;*
- *Ensuring the right of young people to decent work through effective policies that generate stable, safe, secure, non-discriminatory employment, especially in regard to gender;*
- *Developing youth capacity for interaction and building healthy social relations, prevent social isolation, promote conscious sexual and reproductive health awareness;*
- *Committing to prioritizing the creation of jobs and skilled work force by increased investment that foster youth entrepreneurship and provide capacity building to young people;*
- *Actively involving young people in policies and national and regional programs;*
- *Enabling effective participation of young people as volunteers and leaders of social change without being subjected to exploitation, violence or deprivation of rights;*
- *Activating various mechanisms and joint Arab institutions dealing with youth issues for enhanced networking in support of greater efficacy and feasibility.*

7.13.6 Language groups

Language groups display clear spatial patterns in South Africa. These patterns and distributions have ramifications for education, labour markets, and labour relations. However, language's impact on the demand for community services, infrastructure, and social facilities is insignificant for the planner.

Table 27 and Figure 12 show that structurally the different language groups have remained largely the same since 1996, except for the Zulu language group, which has seen a steep rise and is also the dominant language group in the municipality.

Table 29: Language Groups

	1996	2001	2011	2016	2022
Afrikaans	14,943	15,802	16,668	14,517	17216
English	22,764	24,538	31,810	29,057	33194
Ndebele	68	636	4,282	18	115
Sepedi	175	413	736	141	354

Sesotho	297	618	718	428	405
Siswati	286	617	444	226	259
Tsonga	114	413	385	241	267
Tswana	50	253	1,993	114	152
Venda	40	48	212	0	110
Xhosa	305	769	1,067	949	1146
Zulu	174,942	269,308	290,807	354,641	346682
Other	3,226	489	14,188	9,963	12177
Total	217,210	313,905	363,310	410,294	412075

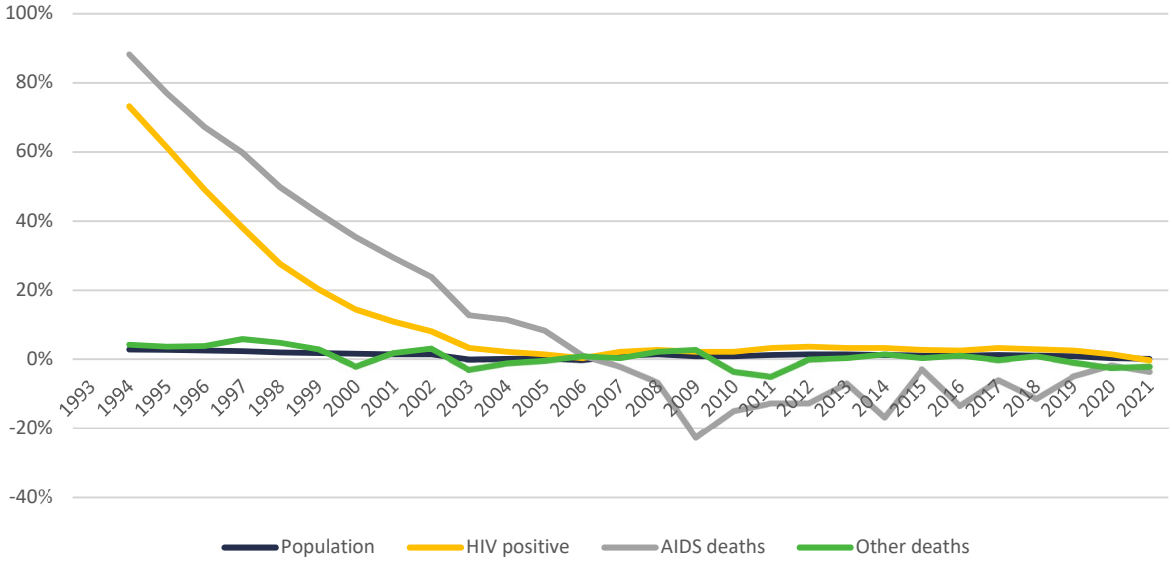
Source: Census 1996, 2001, 2011 and 2022

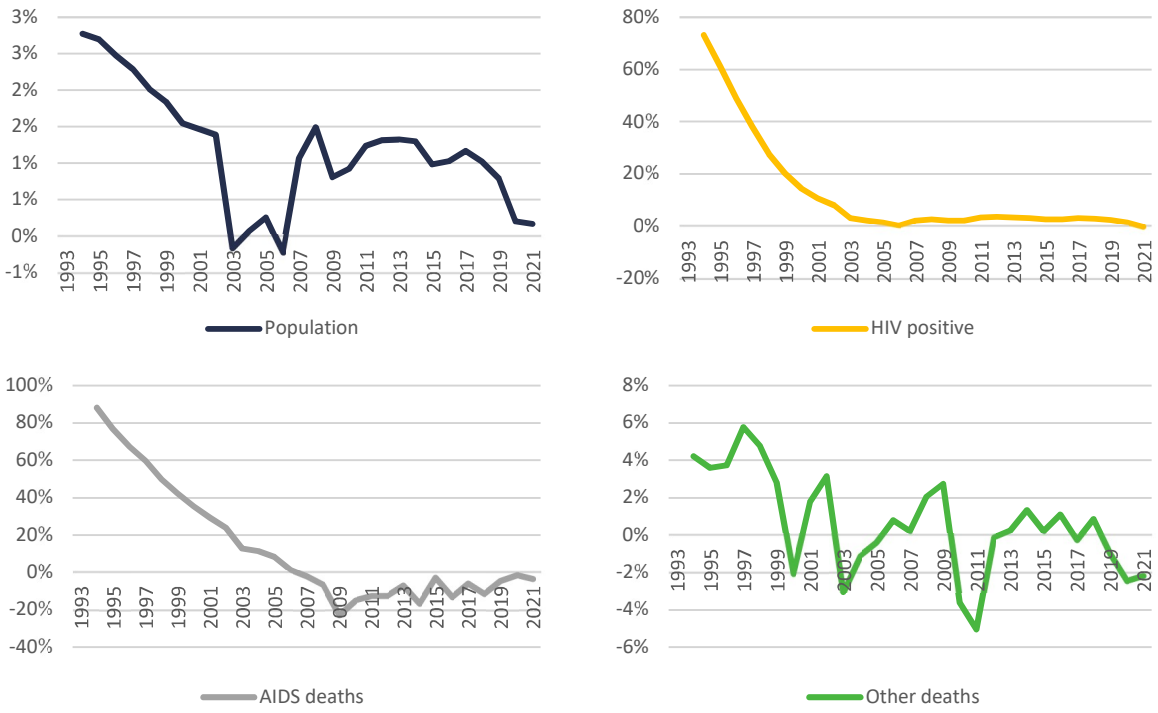
7.13.7 Population, AIDS and crude death rate

HIV and AIDS's impact was very contentious until national policy changes regarding treatment. However, HIV and AIDS's effects are an integral part of the municipal demographic profile. HIV and AIDS's impact remains significant, albeit not on the forefront of national issues impacting development.

Figure 13 below shows drastic decreases in the rate at which HIV and AIDS affected demographic change in uMhlathuze. There are two stages in this process. The first shows a decline in infection and death rates up to about 2003 after that it stabilises around 2% and -3% respectively. Two factors are of consideration; the high rates resulted from growth from a relatively small base, a lack of education, and a lack of treatment for HIV and AIDS. After 2004 treatment improved, and there has been success with the understanding and general knowledge on HIV and AIDS.

Figure 11: Rate of changes in population growth, HIV infections and related deaths 1993 to 2021

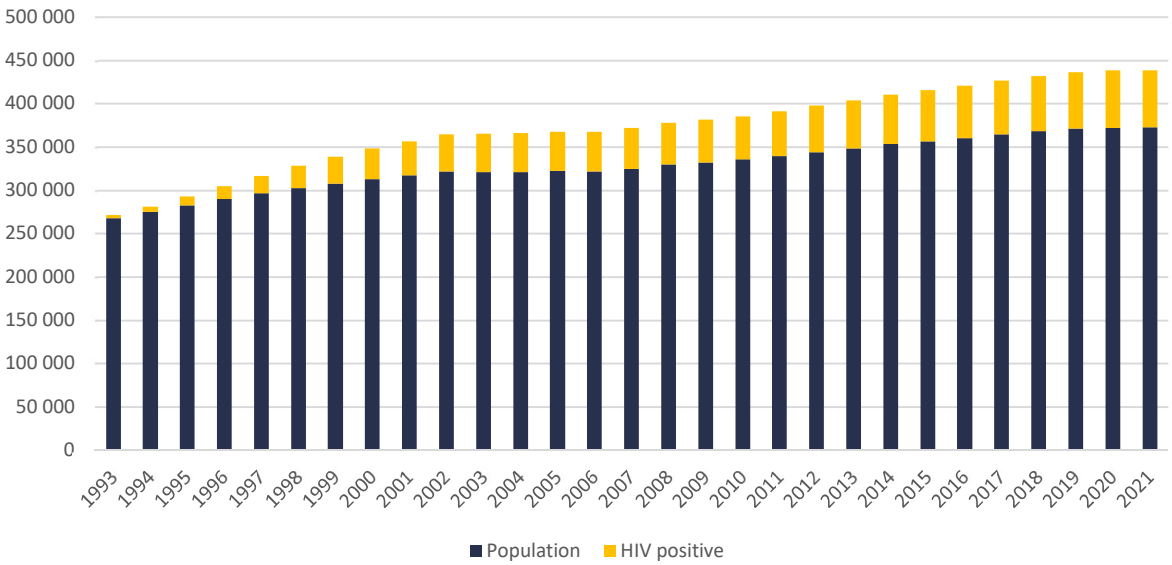




Source: Quantec Regional indicators 2020

The infection and death rates show only one side of the picture. In real terms, the HIV positive component of the population continues to increase, as shown in Figure 14 below.

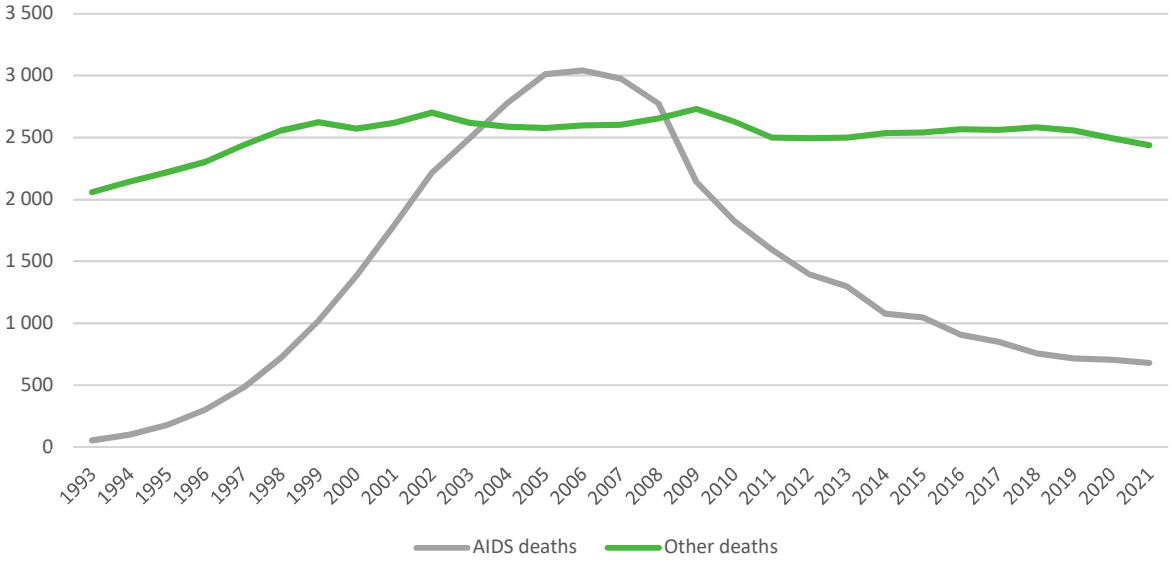
Figure 12: HIV positive persons in the population



Source: Quantec Regional indicators 2020

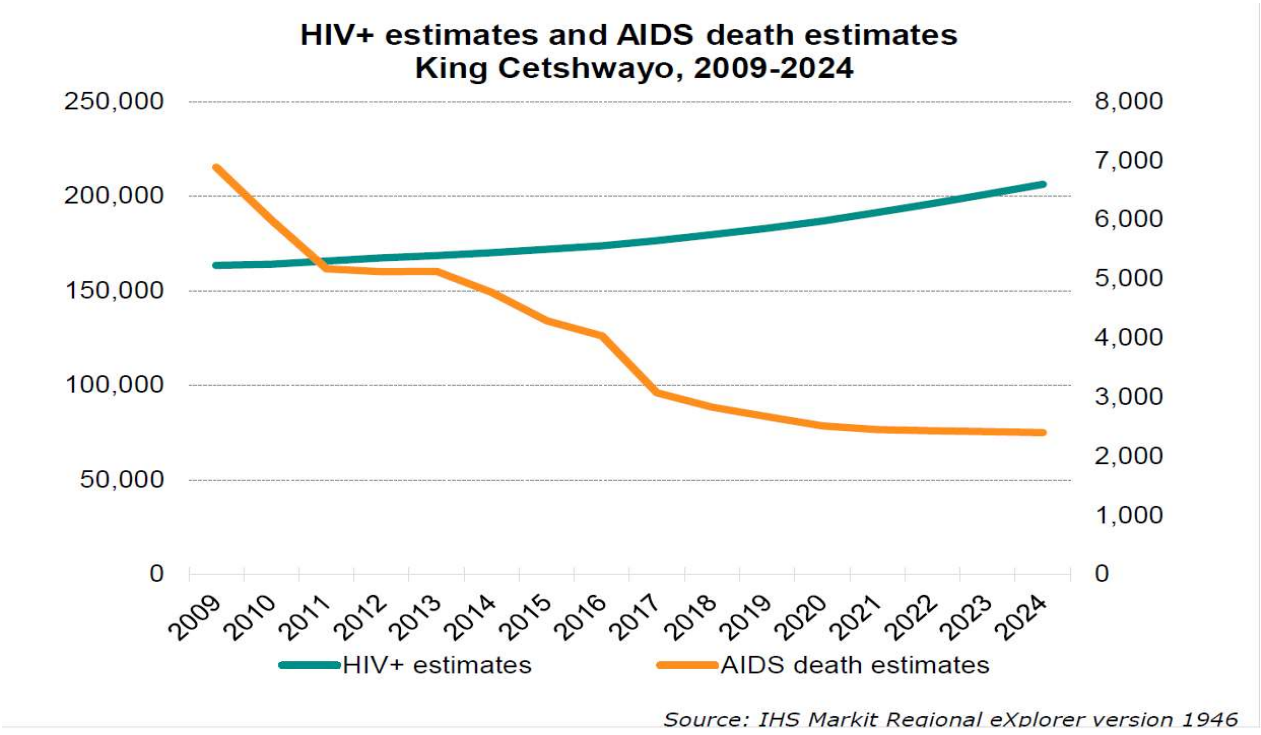
The increase in the number of people living with HIV and AIDS results from treating it. This is reflected in the decrease in AIDS deaths, as shown in Figure 15 below. The reduction in fatalities directly impacts the population structure as assessed above and reflects the increase in the number of children below ten years old over the past decade.

Figure 13: HIV deaths and other deaths



ource: Quantec Regional indicators 2020

Figure 14: King Cetshwayo District HIV Estimates and AIDS death estimates 2009-2024



7.14 Fertility, Mortality, Life Expectancy and Migration

Goal 3 of the SDGs (Sustainable Development Goals) is centered on ensuring healthy lives and promoting the well-being of the global population at all ages. Among the UN's (United Nations) universal targets for achievement by 2030 are:

- The reduction of the maternal mortality ratio to less than 70 per 100 000 live births,
- Putting an end to the preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1 000 live births and under 5 mortality to at least as low as 25 per 1 000 live births, and
- Ensuring universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

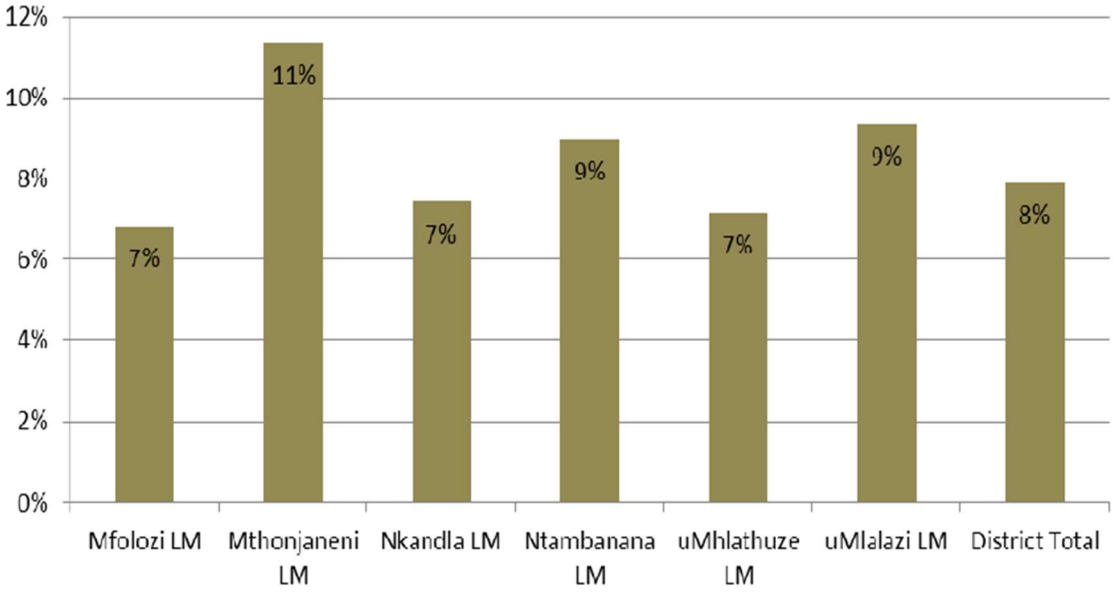
The following sections will be discussing the Fertility, Mortality, Life expectancy and Migration in uMhlathuze, where relevant a district comparative analysis will also be given.

7.14.1 Fertility

Fertility analysis is of central importance in demographic analysis as births are a vital component of population growth. The subject of population growth, in turn, is one that is integral to the realisation of sustainable development. Sustainable development represents a commitment to advance people's well-being, with the added constraint that this development needs to take place within the ecological limits of the biosphere (Moran, Wackernagel et al., 2008). Sustainable development therefore hinges on two factors: consumption and population growth. High fertility rates (which lead to high population growth) burden the economy in terms of consumption. The fertility rate can therefore be considered to be an indicator of the general health status of a population, and a specific indicator of maternal health, as it encompasses health initiatives such as family planning.

There is evidence that suggests a causal relationship between women's empowerment and fertility. In particular, studies have shown that fertility is negatively associated with women's education and employment (Axinn & Barber, 2001; Mason, 1987). Improvement in women's education exposes them to modern values and ideas that promote individualism and egalitarianism. Moreover, independence gives women the freedom to make decisions that affect their own lives, including the use of contraception and the number of children they wish to have. In fact, at least four major aspects of empowerment that can be identified and are closely related to fertility include, women's education, participation in the labour force, women's participation in household decision-making and lastly, women's use of contraception (Phan, 2013). Below is a figure indicating fertility rates in the King Cetshwayo District

Figure 15: King Cetshwayo District Fertility Rates

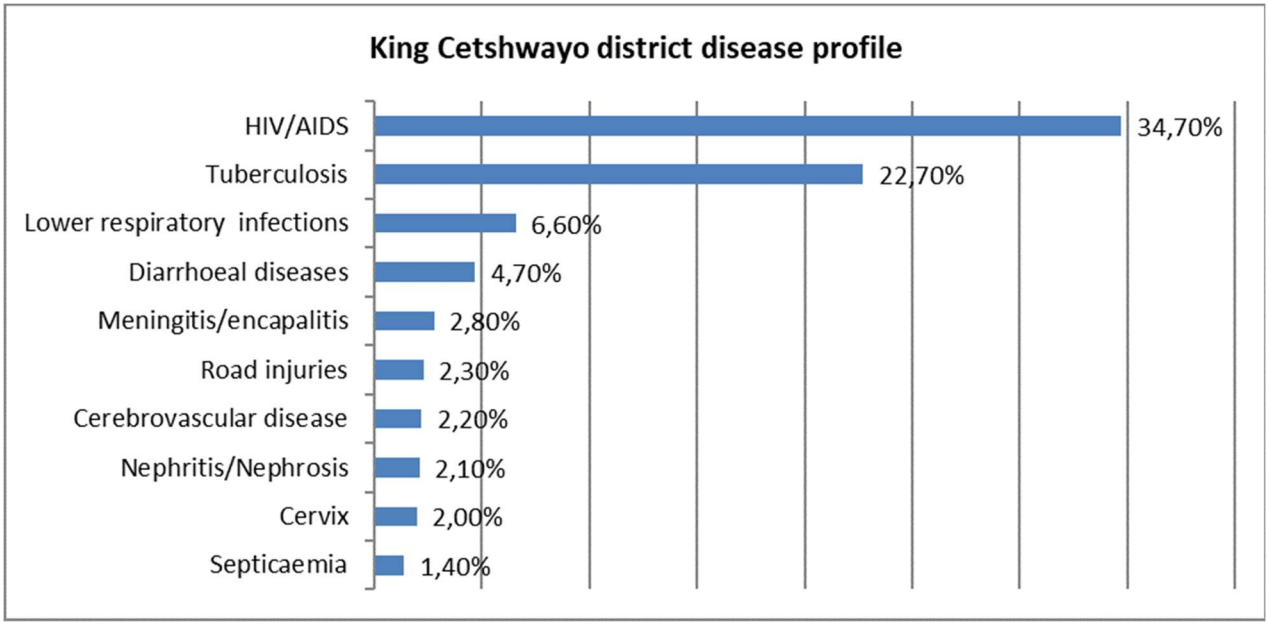


Source: King Cetshwayo District IDP 2019/2020

7.14.2 Mortality Rates

According to the Connecticut Department of Health, the importance of mortality statistics is derived from both the significance of death in an individual's life, as well as their potential to improve the public's health when used to systematically assess and monitor the health status of the whole community. Mortality statistics are a mirror of the situation of health prevalent in a population. Within the possible damages in health, death is obviously the most severe that can result. Within the realm of public health, mortality statistics are often used as a cornerstone in formulating health plans and policies to prevent, or reduce premature mortality and improve quality of life. Below is the figure representing the mortality rakes with the King Cetshwayo District Municipal area. 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.

Figure 16: King Cetshwayo District disease profile



Source: *King Cetshwayo District Profile 2020*

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

7.14.3 King Cetshwayo District Health Facilities

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.

7.14.4 Life Expectancy

“Life expectancy is the most widely used measure of health, although it only takes into account the length of people’s lives and not their quality of life. The United Nations Development Plan (UNDP), defines life expectancy at birth as the number of years a newly born infant could expect to live, if prevailing patterns of age-specific mortality rates at the time of birth stay the same throughout the infant’s life. The indicator is an important yardstick for any economy as it gives an indication of its health status. The implications of low life expectancy include loss of a productive workforce, loss of tax revenue and a high dependency ratio. Being able to predict how a population will age has implications for the planning and provision of services.

According to Stat SA, KZN is projected to have a slightly lower life expectancy (57.7 for males and 64.1 for females) than the national average (59.9 for males and 66.2 for females).

7.14.5 Migration

The open local economy and migration are important issues in a country where urbanisation plays a pivotal role in long-term development strategies. Table 26 below shows the country of origin of residents. Migration from other areas is small, but people from other SADC countries are the leading contributor to migrants in the municipality. Figure 19 illustrates the distribution of people from SADC countries.

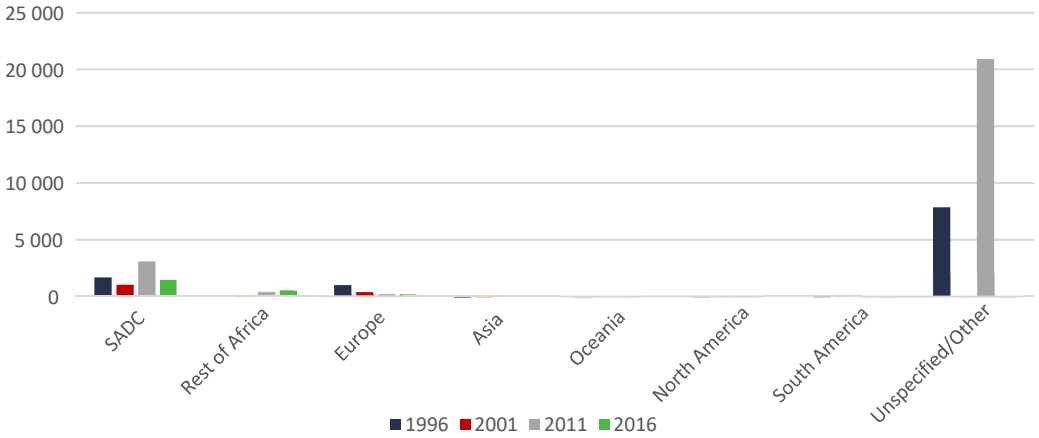
Table 30: Migration - country of origin

Migration	1996	2001	2011	2016
RSA Origin	206 412	312 400	338 559	408 115
SADC	1 687	1 028	3 103	1 417
Rest of Africa	95	46	353	508
Europe	995	370	172	187
Asia	60	18	152	0
Oceania	23	18	16	0
North America	47	21	8	0
South America	56	3	12	50
Unspecified/Other	7 835	NA	20 935	17
Total	217 210	313 905	363 310	410 294

Source: Census 1996, 2001, 2011/ Community Survey 2016

Figure 17: Migration from outside South Africa

Also significant is the movement of people within South Africa to the area. The flow of people from



Source: Census 1996, 2001, 2011/ Community Survey 2016

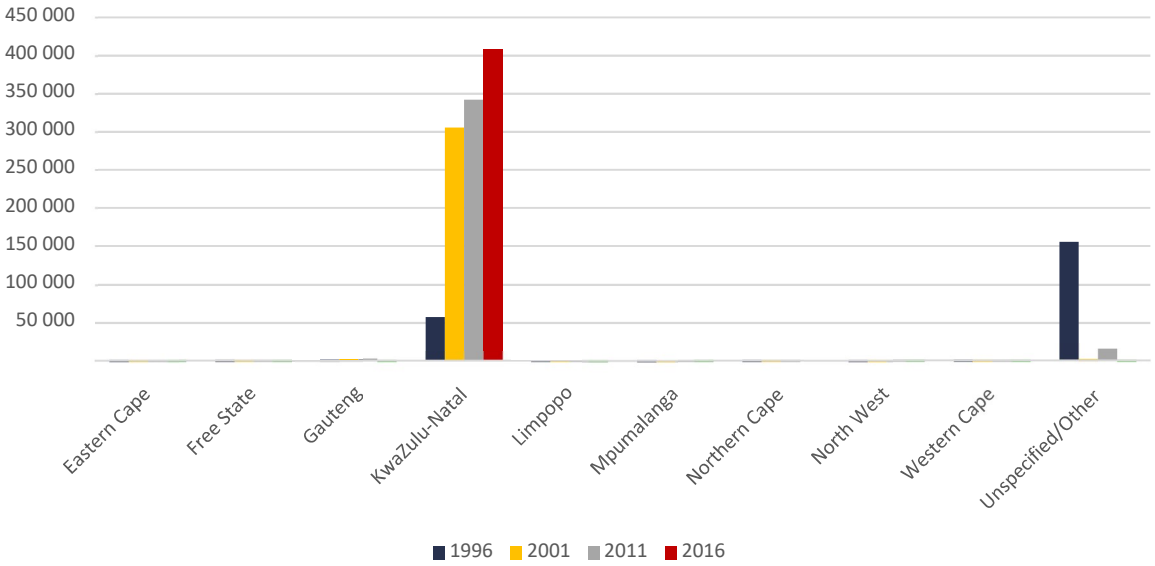
other provinces has been small and decreased since 1996, with migrants from the Gauteng Province decreasing the most from 2011 to 2016. There are apparent inconsistencies in the data that are difficult to explain. Table 30: Province of previous residence and Figure 20 illustrate this.

Table 31: Province of previous residence

Migration	1996	2001	2011	2016	2022
Eastern Cape	434	925	656	217	367
Free State	366	546	371	78	159
Gauteng	2,003	2,602	2,533	858	1510
KwaZulu-Natal	57,064	305,669	341,896	407,942	396894
Limpopo	190	465	240	71	298
Mpumalanga	492	1,279	1,025	179	510
Northern Cape	106	96	290	0	128
North West	283	423	332	104	116
Western Cape	262	527	363	78	238
Unspecified/Other	156,011	1,372	15,603	768	11856
Total	217,210	313,905	363,310	410,294	

Source: Statistics South Africa, Census 2022

Figure 18: Migration change from other provinces in South Africa



Source: Census 1996, 2001, 2011/ Community Survey 2016

7.15 Household Characteristics

7.15.1 Reported household numbers

Household numbers are usually derived from the population. This gives rise to density ratios and household size. The total number of households is always essential in determining the overall demand for infrastructure services and housing. Household density is an essential indicator of settlement efficiency and plays a vital role in urban planning and development strategies. Household size impacts the extent of consumption of goods and services. One should note that housing support strategies have affected household formation to the extent that there are often different rates of change between households and populations. The basic household profile, according to census and community survey data, for the assessment area is shown in Table 30 shows the number of households per population group

Table 32: Total households, size, and density

	1996	2001	2011	2016	2022
Total households	41,100	78,252	91,767	110,456	100441
Household density (households/ha)	0.28	0.63	0.74	0.89	-
Ave household size	5.28	4.01	3.96	3.71	4.1

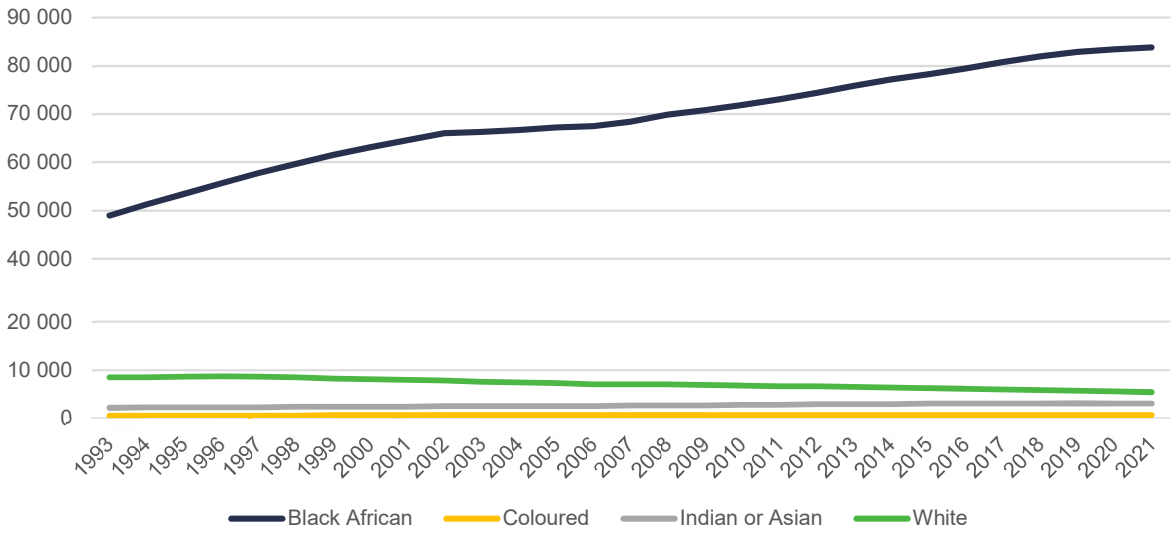
Source: Census 1996, 2001, 2011, CS 2016

7.15.2 Household growth trends

As shown in Figure below, households' trends are broadly the same as for the population. This is also true for the following graph showing the growth rates. However, the change dynamics in population and households are not precisely the same. When the two data sets are used to show household sizes and household size changes, several essential aspects emerge.

The number of black households has grown significantly and still shows the most robust growth of all population groups. The Asian households have increased over the assessed period but have stagnated in last couple of years. The coloured households have seen substantial growth up to 2001 whereafter the growth stagnated and white households have declined since 1996.

Figure 19: Household growth from 1993 to 2019



Source: Quantec Regional indicators 2020

7.15.3 Household size

Household size is an important indicator. In demographic terms, it relates to the stages of the demographic cycle, and decreasing household sizes is also an indicator of improving socio-economic conditions. However, increasing household sizes may also indicate economic stress leading to overcrowding and bigger households. Decreasing household sizes might also result from government housing programs that, in effect, encourage large family units to split up to access subsidised housing.

Table 33 below and Figure show that overall household sizes have slightly decreased in the assessed period. This confirms the patterns in the sections above and correlates to the age structure analysis findings. An increase in an economically active population has resulted in smaller or more single-family households. The Asian, white and black population groups experienced a decrease in household size, while the coloured population group is the only group that experienced an increase in household size. Overall, the average household size in the municipality decreased by 0.4.

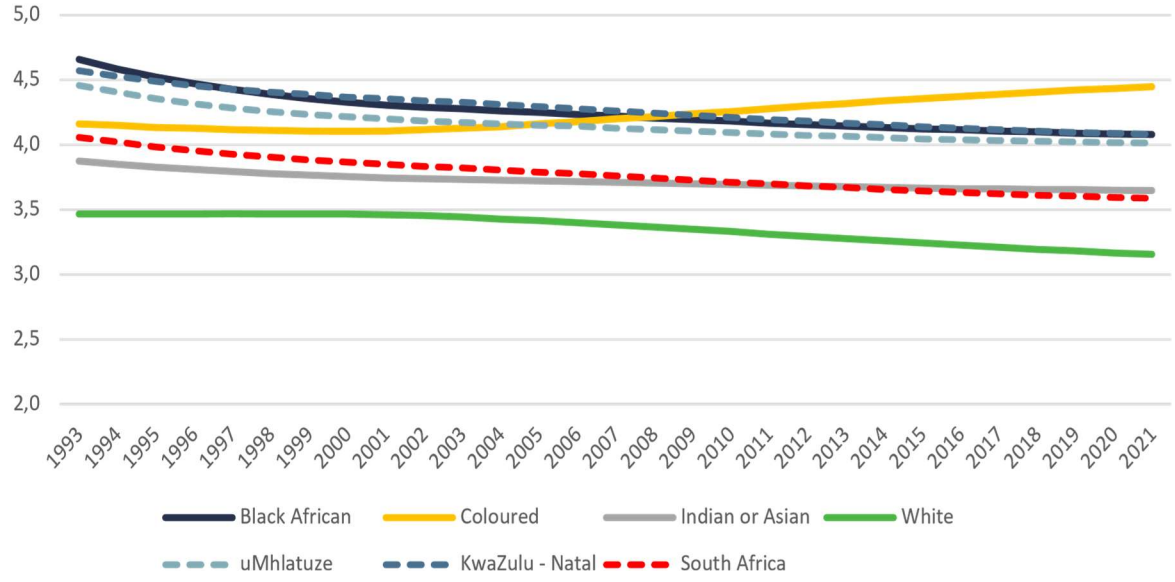
Table 33: Household Size

Ward	Number	Households	Size	Ward	Number	Households	Size
1	12146	3406	3.57	18	14887	2880	5.17
2	12255	3931	3.12	19	12019	2983	4.03
3	9058	2586	3.50	20	8551	2488	3.44
4	12473	2941	4.24	21	6950	1931	3.60
5	15564	3391	4.59	22	9181	1960	4.68
6	12544	3549	3.53	23	10704	3323	3.22
7	5895	2232	2.64	24	18332	4371	4.19
8	5136	1815	2.83	25	13870	3162	4.39
9	13558	4317	3.14	26	11524	2909	3.96
10	11311	2513	4.50	27	8874	2673	3.32
11	9130	1513	6.03	28	7441	2355	3.16

12	8574	1963	4.37	29	15368	3368	4.56
13	14928	2688	5.55	30	11360	3915	2.90
14	12316	3263	3.77	31	9820	2074	4.73
15	12251	3064	4.00	32	9474	1586	5.97
16	7801	1878	4.15	33	10707	1941	5.52
17	10462	3346	3.13	34	No data		

Source: Stat SA, Community Survey 2016

Figure 20: Household size by population group



Source: Quantec Regional indicators 2020

7.15.4 Head of Household

Gender is important in any development environment. The gender of household heads relates to many socioeconomic and cultural practices and factors. The data below should be interpreted within the context of the environment that is being assessed. In Table below, the majority of household heads are male in the municipality, with female heads of households on average staying 20 000 below that of the males. However, female headed households are increasing at a rate of 7.3% per annum compared to the 3.9% in male-headed households.

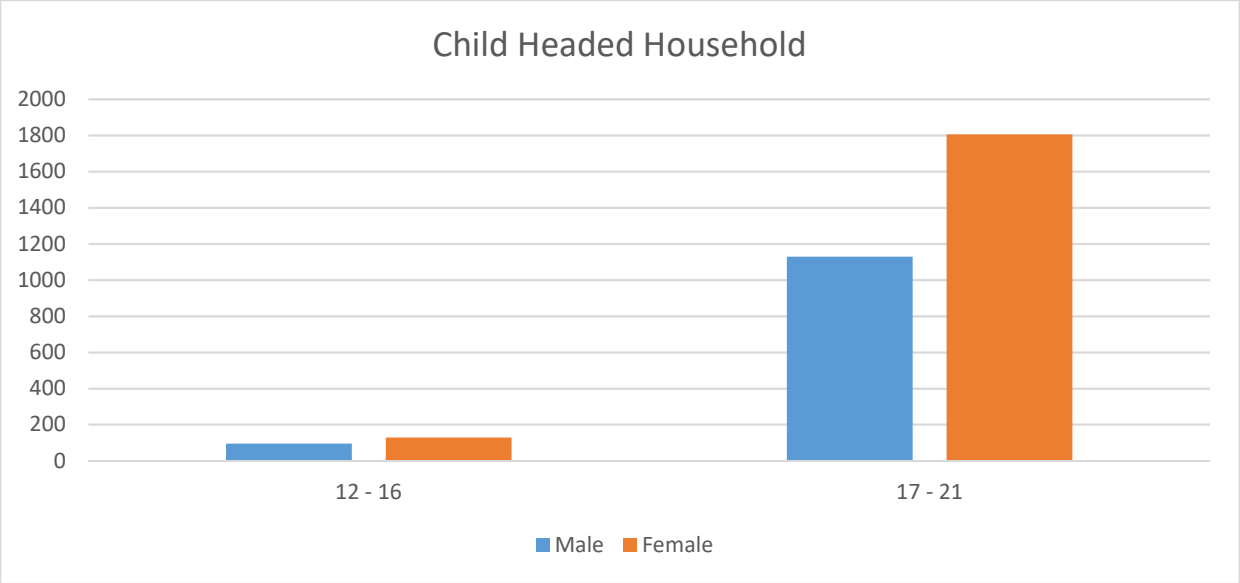
Table 34: Head of household by gender

	1996	2001	2011	2016	2022
Male head of household	29,158	49,537	53,817	62,631	51596
Female head of household	11,666	28,715	37,950	47,825	48845
Unspecified	276	0	0	0	0
Total	41,100	78,252	91,767	110,456	100441

Source: Statistics South Africa

The number of Female headed Households has increased from 2011 from 41,3% % to 48,6%% 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 21: Child Headed Households



Source: Statistics SA, Census 2022

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. 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 employability 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.

7.15.5 Dwelling Type

Housing backlogs and the demand for housing will always remain an issue in development and social support strategies in South Africa. Table 33 shows the different dwelling types in the municipality under assessment. From Table 33, one can see that there has been an increase in the number of informal backyard dwellings growing at 9.3% per annum. Interestingly the number of informal dwellings has decreased from 1996 to 2016. This again reflects the municipality's economy and confirms the outcomes of the previously assessed sections

Table 35: Dwelling Type

	1996	2001	2011	2016	2022
Traditional	8,987	12,011	8,097	8,048	2009
House made of bricks	22,499	39,147	68,837	79,135	91675
Flat	3,089	8,056	7,423	6,810	3288
Multiple housing	1,935	2,651	1,975	4,502	227
Dwelling in backyard	1,485	1,891	1,447	5,689	10431
Room/ granny flat	464	1,326	637	1,418	
Informal	1,206	4,293	1,035	943	383
Informal dwelling in backyard	570	1,277	1,566	3,401	395
Other	864	7,601	748	511	228
Total	41,100	78,252	91,767	110,456	100441

Source: Statistics South Africa, 1996,2001,2011,2016 & 2022

7.15.6 Dwelling ownership

Dwelling ownership data must be treated with caution. The data from the census below is based on the occupant's perceptions. There are many ownership systems available. If ownership is interpreted as freehold ownership in terms of a title deed, most South African areas are excluded from this form of ownership. This applies to tribal land and many of the townships in South Africa that were surveyed but never proclaimed. Table 36 below reflects the position as reported in the censuses.

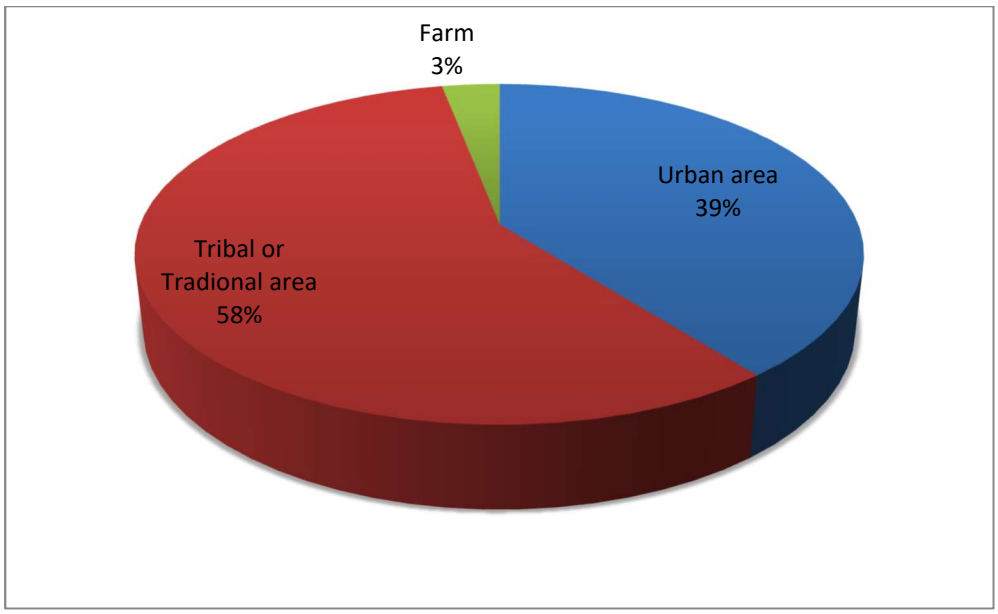
Table 36: Dwelling Ownership

	2001	2011	2016	2022
Rented	19,044	29,583	20,883	16160
Owned but not yet paid off	12,555	13,588	13,220	5180
Occupied rent-free	13,078	11,551	3,840	40595
Owned and fully paid off	26,275	34,308	69,472	35737
Other	7,300	2,737	3,040	40595
Total	78,252	91,767	110,456	100441

Source: Statistics South Africa, 2001, 2011,2016,2022

7.15.7 Geo Type

Figure 22: 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.

7.15.8 Household change and growth forecast

Households and household change are among the most critical aspects of long-term planning in any area. The number of households translates into customer units, and households usually represent more than 97% of the customers in a municipality.

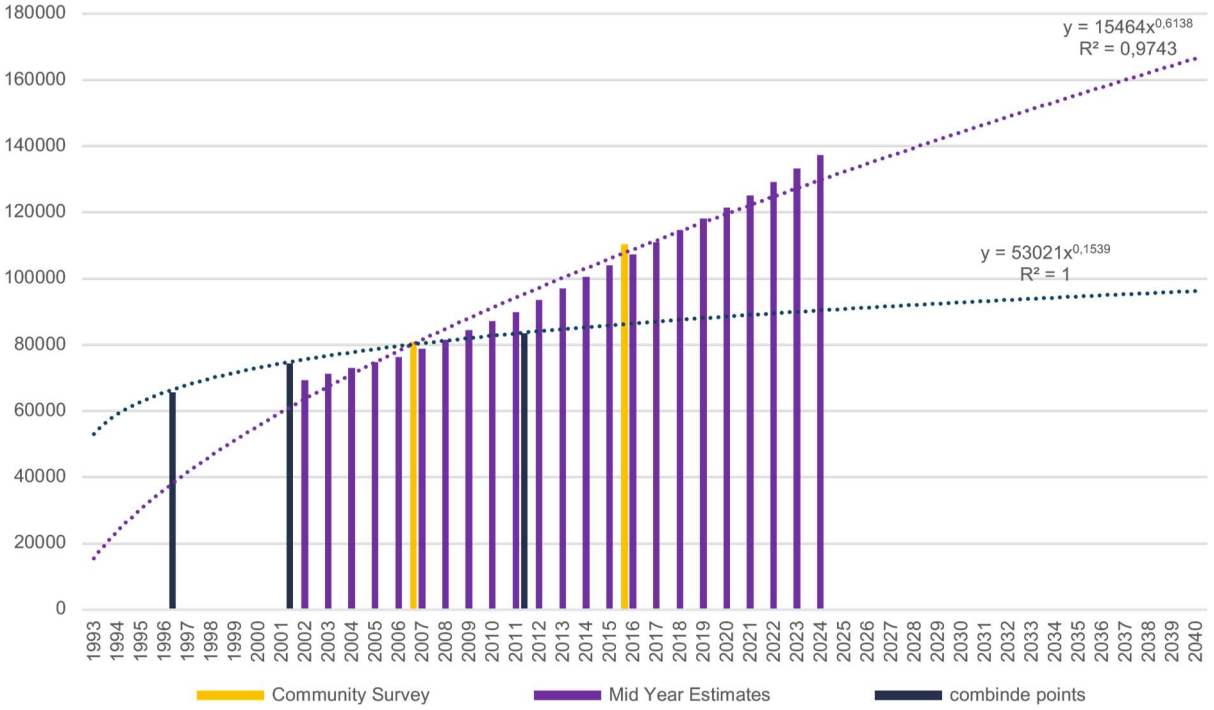
Except for the outdated censuses and community surveys, all official statistics used at a municipal or sub-municipal level are all derived from the mid-year population estimates of StatsSA. The differences in base year figures' sources are noticeable, and when these figures are projected for planning purposes, slight variations in numbers translate into significant differences over a twenty-year planning horizon.

The necessity to do forecasts is essential since it becomes the basis for all planning activities. For example, housing programmes, service delivery planning and budgets are all dependent on estimating and forecasting the long-term customer profiles of the service providers. As a previous section highlighted the challenges with population forecasts, housing units' forecasts are even more challenging. This does not imply that one should not do household forecasts, but it is crucial to monitor changes and patterns continuously. Therefore, a data and information monitoring system underlying any planning implementation system.

The following figures highlight current household data sources' implications for different forecast scenarios. StatsSA shows household data in the censuses for 1996, 2001 and 2011, community surveys for 2007 and 2016 and the mid-year estimates. The data points are shown in Figure 25 below. The trendline shows an excellent correlation coefficient of one for the census trendline and

almost one on the mid-year estimates and both show extremely varying results. The trend line for census data shows about 96 204 households by 2040, and the mid-year estimates show 166 444, this is a difference of 70 240 household.

Figure 23: Household projections based on StatsSA data



Source: Stats SA, Community Survey 2016, Mid-Year Estimates

7.16 Economic Profile

The economic profile of any area largely determines its resource base and hence, the level of development it can sustain. Linked to local demographics, the combination of population and economic variables determines the demand for infrastructure and services to maintain long-term growth.

This section gives an overview of the local economy and will draw inferences based on information regarding long-term growth and development prospects. This section addresses several economic issues on a comparative geographical basis and includes the value of economic production of goods and services, employment, and household income and expenditure. This primarily descriptive section will be followed by a section dealing with relationships and performance in the economic environment. The main issues are the drivers in the local economy and specialisation levels in the economy.

Local and district municipalities are not demarcated as functional economic entities but rather as political administrative units.

7.16.1 The value of economic production, good and services

Gross value added (GVA) is a measure of the value of goods and services produced in an area, industry, or economic sector. GVA is linked to gross domestic product (GDP), as both are output measures. Simplistically, GVA is the total of all revenues. The relationship is defined as:

$$GVA = GDP – (taxes+ subsidies)$$

Table 37: GVA per annum per sector (R' million at 2010 constant prices)

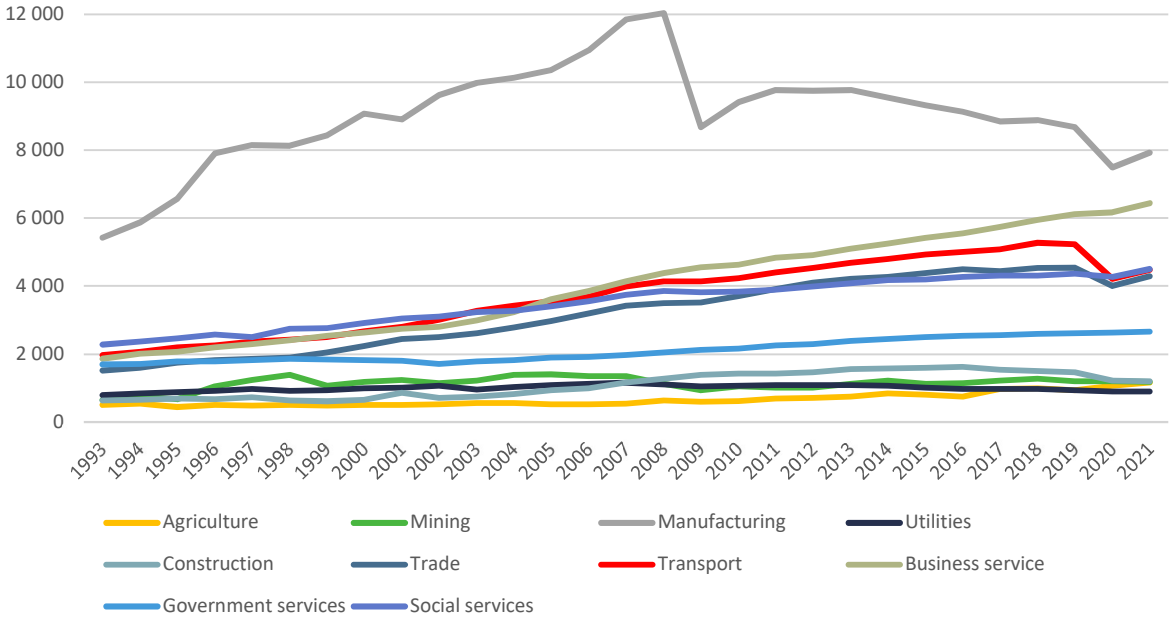
GVA	Agriculture	Mining	Manufacturing	Utilities	Construction	Trade	Transport and Telecommunications	Business service	Government services	Social services	Total
1993	498	652	5 430	789	633	1 519	1 970	1 864	1 697	2 280	17 333
1994	539	747	5 881	849	656	1 603	2 064	2 005	1 717	2 365	18 426
1995	443	672	6 579	876	684	1 748	2 198	2 067	1 785	2 466	19 520
1996	494	1 059	7 900	926	674	1 820	2 257	2 196	1 792	2 585	21 703
1997	490	1 243	8 156	981	720	1 853	2 361	2 285	1 820	2 509	22 419
1998	506	1 388	8 137	925	644	1 893	2 430	2 405	1 860	2 739	22 926
1999	485	1 077	8 442	942	612	2 050	2 504	2 545	1 837	2 771	23 266
2000	496	1 175	9 087	1 001	651	2 240	2 663	2 641	1 816	2 922	24 692
2001	502	1 233	8 916	1 004	865	2 441	2 800	2 746	1 797	3 041	25 344
2002	529	1 138	9 624	1 074	702	2 509	3 012	2 800	1 709	3 098	26 194
2003	562	1 221	9 978	952	742	2 617	3 275	2 995	1 787	3 241	27 369
2004	562	1 386	10 135	1 023	815	2 780	3 416	3 242	1 819	3 274	28 453
2005	518	1 407	10 358	1 089	928	2 978	3 550	3 614	1 889	3 397	29 729
2006	523	1 356	10 943	1 125	1 002	3 196	3 681	3 858	1 919	3 551	31 153
2007	545	1 350	11 850	1 158	1 154	3 417	3 987	4 140	1 976	3 738	33 315
2008	635	1 134	12 037	1 108	1 270	3 496	4 139	4 378	2 056	3 860	34 113
2009	599	938	8 681	1 056	1 397	3 526	4 133	4 549	2 128	3 814	30 821
2010	619	1 042	9 425	1 076	1 423	3 704	4 240	4 636	2 161	3 837	32 163
2011	687	1 019	9 777	1 088	1 432	3 922	4 398	4 831	2 248	3 892	33 293
2012	703	1 021	9 760	1 085	1 473	4 107	4 534	4 912	2 300	3 983	33 879
2013	741	1 117	9 772	1 081	1 551	4 207	4 681	5 095	2 381	4 088	34 712
2014	834	1 213	9 557	1 060	1 579	4 281	4 808	5 258	2 453	4 174	35 217
2015	800	1 128	9 329	1 007	1 602	4 388	4 939	5 430	2 500	4 203	35 326
2016	756	1 141	9 138	965	1 625	4 501	5 015	5 553	2 539	4 267	35 500
2017	980	1 218	8 844	966	1 534	4 449	5 077	5 747	2 556	4 315	35 686
2018	987	1 281	8 885	974	1 499	4 535	5 275	5 954	2 587	4 306	36 283
2019	942	1 206	8 682	937	1 458	4 543	5 240	6 121	2 622	4 368	36 118
2020	1 073	1 198	7 500	892	1 213	4 001	4 219	6 184	2 624	4 264	33 168
2021	1 164	1 184	7 925	906	1 198	4 296	4 471	6 444	2 661	4 503	34 752
% contribution	3,35%	3,41%	22,80%	2,61%	3,45%	12,36%	12,87%	18,54%	7,66%	12,96%	100,00%
Average growth	3,08%	2,15%	1,36%	0,49%	2,30%	3,78%	2,97%	4,53%	1,62%	2,46%	2,52%

Source: Quantec Regional indicators 2020

The Municipality has had an average annual economic growth rate of 2.52%, The most significant contributing sector is manufacturing, contributing 22.8% to the local economy. The second-largest sector is business services at 18.54%, followed by social services at 12.96%. Most sectors' decline between or increased a small amount form the year 2019 to 2021 due to the Covid- 19 crisis is

noticeable except for agricultural that continued to grow. The business sector is the largest growing sector in the municipality with a growth rate of 4.5%. These patterns are illustrated in Figure 26: GVA per sector below.

Figure 24: GVA per sector



Source: Quantec Regional indicators 2019

7.16.2 Employment

Employment and the level of employment directly impact the government sector's long-term financial well-being. Employment eventually translates into growth in all spheres of the government's potential revenue base. On the other hand, employment and eventual unemployment challenges increase poverty and the demand for the government's social support programmes

- **Employment and Skills Rate**

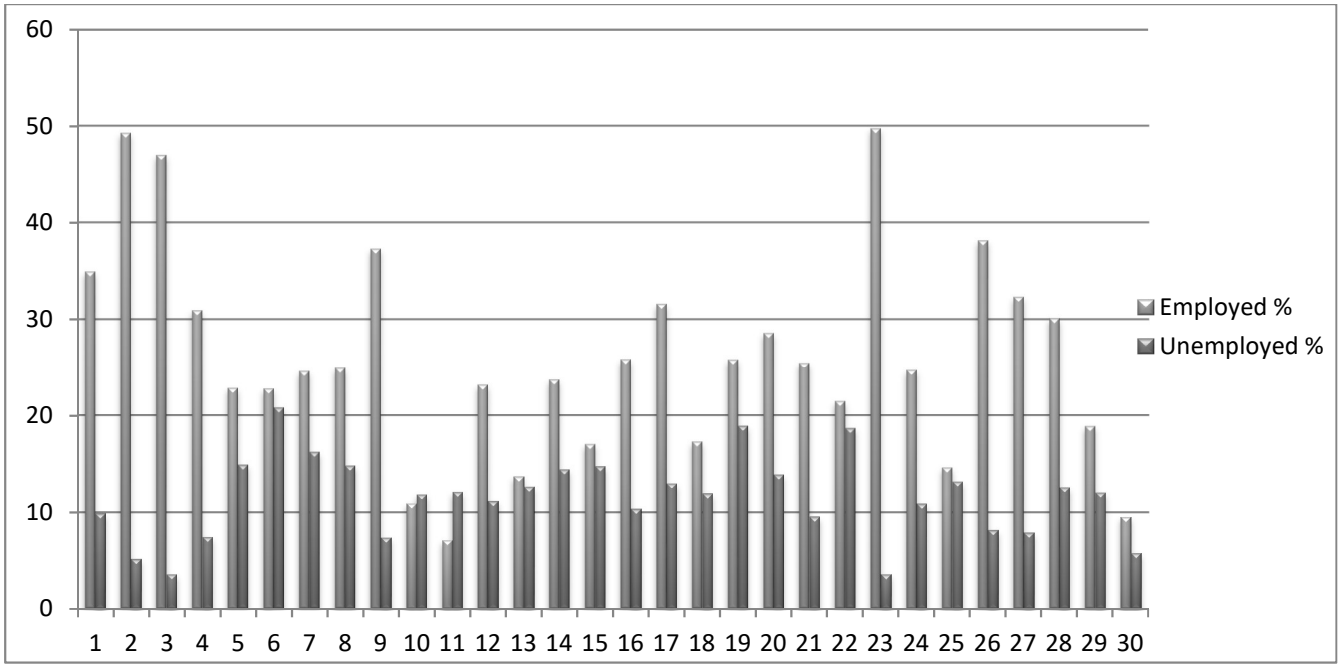
The workforce and its employment characteristics are important. The relationships between formal and informal employment and the employment of different skill levels indicate the local economy's general well-being and stress points, which eventually impact the demand for and the council's ability to deliver services

Table 38: Workforce characteristics

	1995	2000	2005	2010	2015	2021	Average pa%
Employed - Formal and informal	71 774	79 851	86 653	94 343	104 709	96 200	1,31%
Employed - Formal - Total	61 685	68 075	69 791	71 542	79 406	80 724	1,19%
Employed - Formal - Skilled	16 377	17 030	18 359	19 782	22 310	23 851	1,76%
Employed - Formal - Semi-skilled	26 895	29 981	32 105	32 396	35 619	35 623	1,25%
Employed - Formal - Low skilled	18 414	21 064	19 328	19 364	21 477	21 249	0,59%
Employed - Informal	10 089	11 776	16 861	22 801	25 303	15 476	2,05%
Unemployed	14 193	19 496	32 213	30 121	34 553	45 755	8,55%
Unemployment rate (%)	16,5%	19,6%	27,1%	24,2%	24,8%	32,2%	3,66%

Source: Census 2011

Figure 25: Employment per ward



Source: Stats SA, Census 2011

A distinction is made between skilled, semi- or unskilled (low skilled) employment in the formal sector. Table 36 shows that skilled people's growth is 0.54% higher than general population growth (1.22% per annum) at 1.76%, while semi-skilled employment increased by 1.25% per annum. Unskilled employment increased by 0.59% per annum. The net result is that total formal employment increased by 1.19%. In 1995, an estimated 61 685 formal employed persons were in the area, and the figure for 2021 was 80 724.

Employment within the informal sector continues to increase. This represents an increase of more than 5 000 informal job opportunities since 1995. Only two options remain when the economically active people's growth is considered: they either find employment in the informal sector or remain unemployed.

The informal sector experienced the most growth, with a 2.05% increase per annum. However, by definition, the informal sector is unrecorded and outside the municipal financial resource base's scope and does not usually allow direct cost recovery measures and taxation.

Total employment increased by 1.31%, below the growth of the active economic population. This means unemployment has grown by 8.55% per annum. The unemployment rate stood at 16.5% in 1995 and increased to 32.2% in 2021.

Figure 27 above 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.

7.16.3 Level of Education

Education is pivotal in the development process. Skill levels are derivatives of levels of education. The following table shows the level of education for the area. Table 39 and Figure 28 below indicate that the municipality has increased the total number of people with primary, secondary and matric

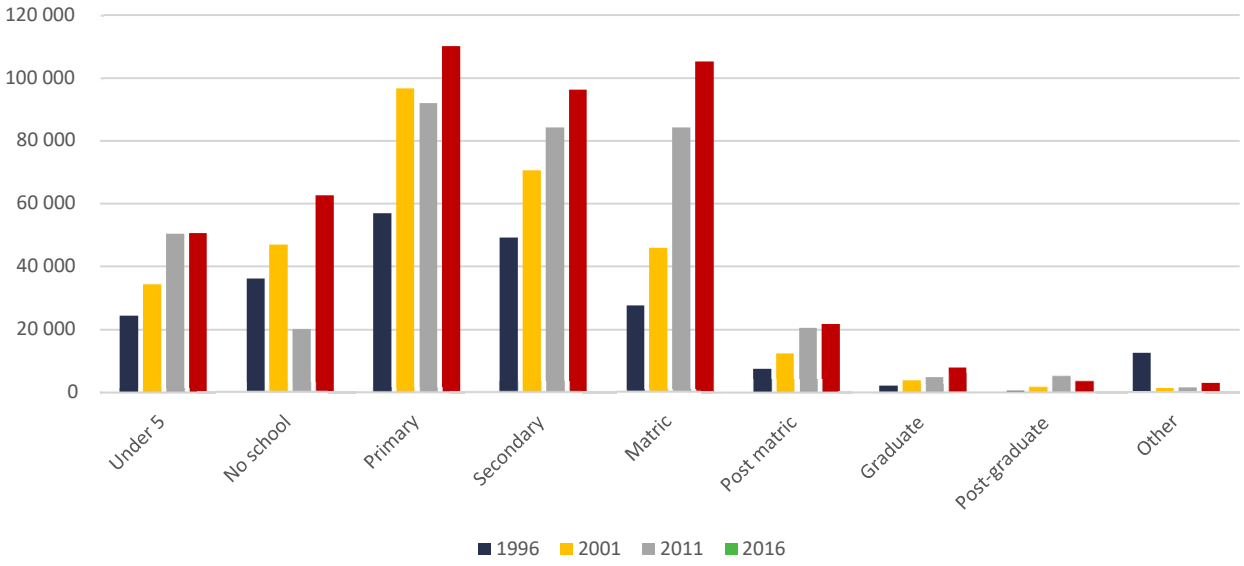
qualifications. However, those with no schooling have increased drastically since 2011. The increase in education levels can result from expanding education services in the municipality and the migration of skilled labourers into the municipality

Table 39: Level of Education

	1996	2001	2011	2016	2022
Under 5	24 436	34 283	50 541	50 709	8700
No school	36 192	47 041	20 196	62 731	25253
Primary	57 006	96 694	92 015	110 072	70701
Secondary	49 290	70 561	84 235	96 372	84533
Matric	27 591	45 968	84 221	105 184	124773
Post matric	7 386	12 418	20 460	21 672	22736
Graduate	2 283	3 856	4 820	7 797	13568
Post-graduate	475	1 698	5 210	3 535	4940
Other	12 553	1 387	1 612	2 932	56871
Total	217 210	313 905	363 310	410 294	412075

Source: Census data/ Community Survey 2016

Figure 26: Change in Level of Education



Source: Census data/ Community Survey 2016

7.16.4 Household income and expenditure

Household income and consumption expenditure directly impact the municipal area's potential revenue base. This section shows household income distribution for the municipality. Table 38 indicates how the population has become poorer. The number of households whose income is below R1,200 per month has increased from 26% in 1996 to 34% in 2011. On the other hand, households earning more than R50,000 per month has decreased from 38% in 1996 to 3% in 2011. This is concerning as it significantly impacts the municipality's revenue base and its ability to sustain itself financially.

Table 40: Distribution of household income (R/month)

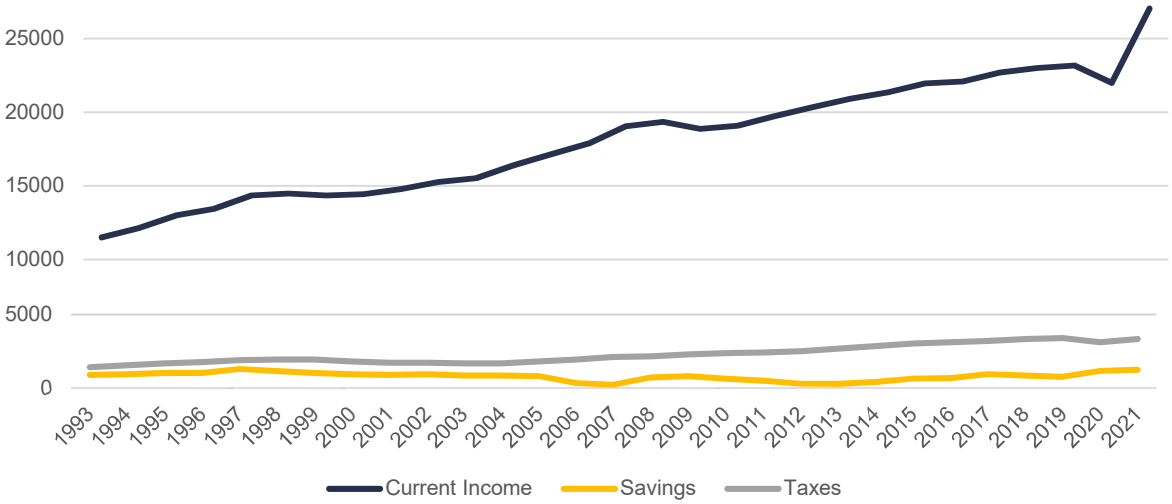
Income group (Rands)	1996		2001		2011	
<1200	10 602	26%	27 053	35%	31 454	34%
1 200 – 2 000	220	1%	13 265	17%	11 135	12%
2 000 – 5 000	787	2%	9 352	12%	13 909	15%
5000 – 10 000	2 105	5%	9 923	13%	13 049	14%
10 000 – 20 000	3 806	9%	12 328	16%	11 352	12%
20 000 – 50 000	7 929	19%	4 670	6%	8 296	9%
>50 000	15 651	38%	1 662	2%	2 571	3%
Total	41 100	100%	78 252	100%	91 767	100%

Source: Census 1996, 2001, 2011

7.16.5 Current income and savings

Changes in current income and savings are one of the key contributors to economic growth and investment. Figure 29 shows how income increased while savings remained relatively modest. Savings remained positive but clearly responded to economic downturns.as a result, savings are decreasing relative to increases in income. Not only do households put their long-term security at risk, but it also deprives the economy of much-needed resources. Savings directly impact the long-term ability of households to meet their commitments, including paying for municipal services. Sharp increases in income tax largely offset the benefits of increasing income.

Figure 27: Income, savings and taxes



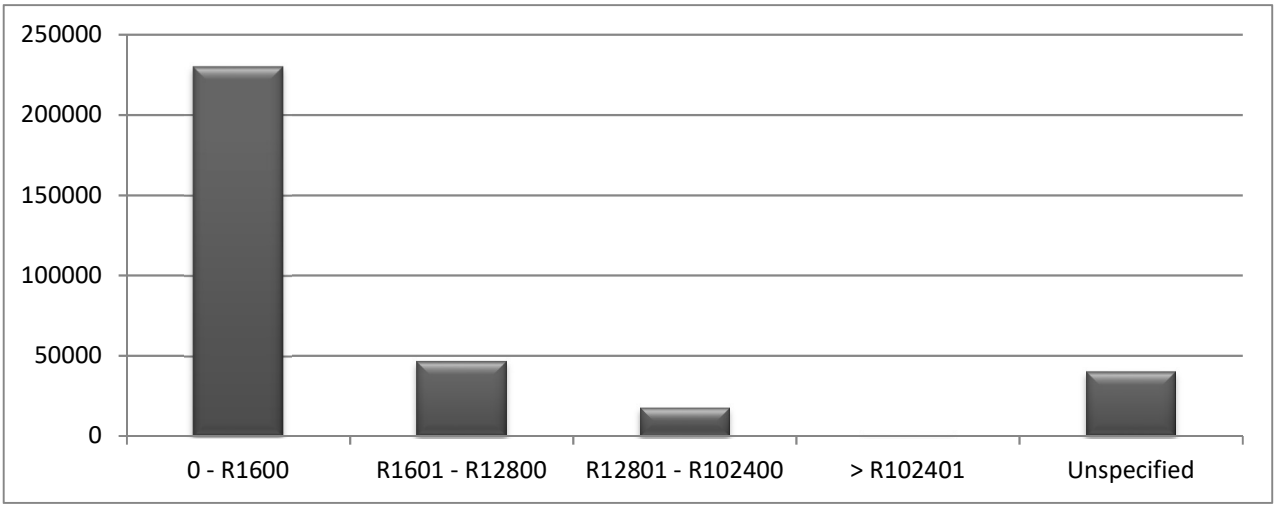
Source: Quantec Regional indicators

7.16.6 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 28: Monthly Individual Income in uMhlathuze



Source: Stats SA, Census 2011

7.16.7 Indigent Support

The municipality has a social package approach that assists poor households 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 10kl 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 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 table below indicates the number of indigent households benefiting from the indigent support as at 2020.

Table 41: Number of indigent households benefiting from an indigent support system

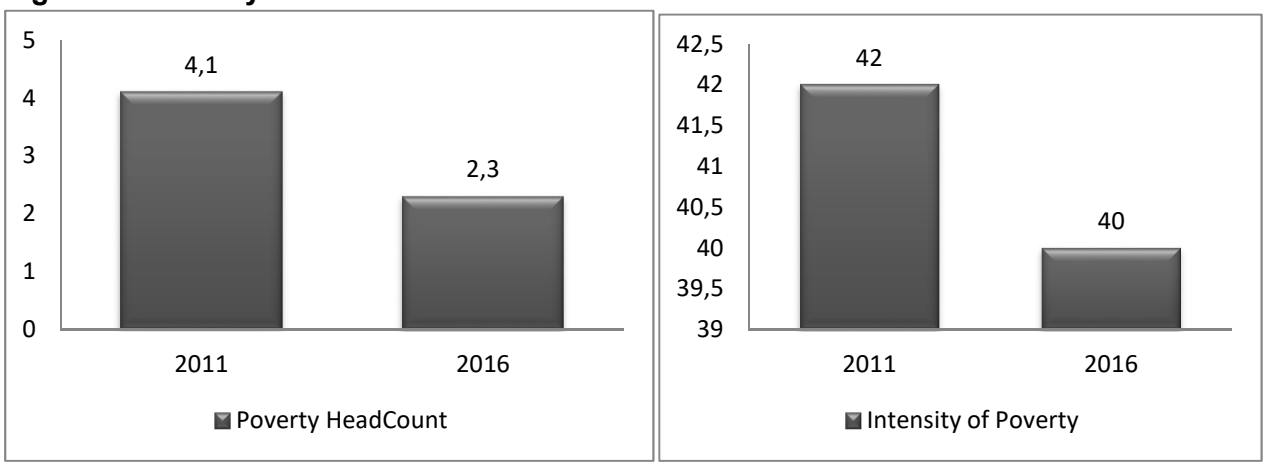
	Indigent households identified	Beneficiaries			
		Water	Electricity	Sanitation	Refuse removal
2017	482	482	482	482	482
2018	473	473	473	473	473
2019	606	606	558	606	606
2020	706	706	521	706	706

Source: StatsSA 2020

7.16.8 Poverty headcount

The poverty rate is the ratio of the number of people (in a given age group) whose income falls below the poverty line; taken as half the median household income of the total population. It is also available by broad age group: child poverty (0-17 years old), working-age poverty and elderly poverty (66 year-olds or more). The figures below show a noticeable decrease in poverty headcount, whereas the extent of intensity of poverty remains relatively high comparatively

Figure 29: Poverty Headcount



Source: Stats SA, Census 2011 and CS 2016

7.17 Access to Services

Access to infrastructure services is a driving force for the betterment of all communities in South Africa. It is a core function of government, and since 1994, access to services for previously disadvantaged communities has been emphasised to the extent that it has become the driving force of most government delivery policies. Initial approaches were to meet the health requirements of the World Health Organisation and hence the adoption of the so-called RDP standards, later referred to as access to basic services. However, these policies have evolved for many reasons, to the extent that many of the services currently contemplated by the government at all levels exceed the initial norms and standards.

This section will provide an overview of the number of people that fall within a determined level of service category for water, sanitation, electricity and refuse removal services for the three census periods of 1996, 2001 and 2011. Unfortunately, at this stage, more recent figures are not available

7.17.1 Water services

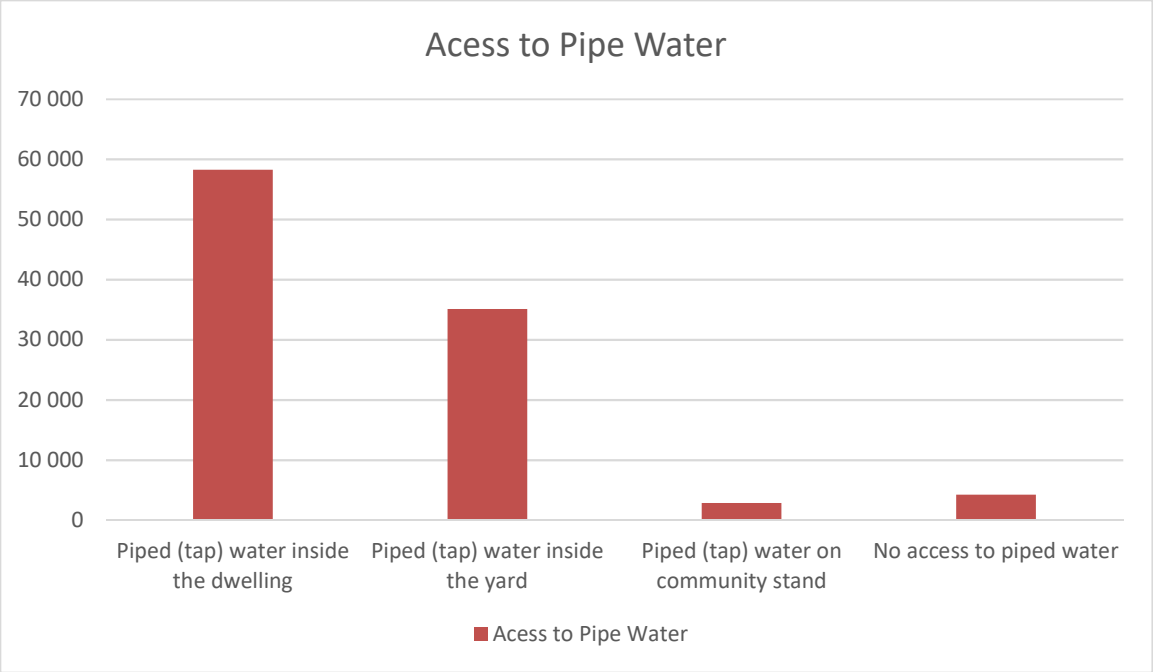
Water services have been a very high priority in service delivery strategies over the past two decades. One of the critical Millennium Goals adopted in 2000 stated that countries should aim to halve people's proportion without access to safe drinking water and basic sanitation by 2015. At least 50% of households should have access to at least basic services for these goals. Table 40 below shows the access to water has changed between 1996 and 2016.

Table 42: Access to Water Services 1996, 2001, 2011 and 2016

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	22,808	1,464	4,402	4,114	8,312	41,100
	%	55.49 %	3.56 %	10.71 %	10.01 %	20.22%	100 %
2001	Total	24,742	27,285	6,452	12,125	7,648	78,252
	%	31.62 %	34.87 %	8.24 %	15.50 %	9.77 %	100 %
2011	Total	43,673	37,726	4,384	1,995	3,988	91,767
	%	47.59 %	41.11 %	4.78 %	2.17 %	4.35 %	100 %
2016	Total	47,491	53,754	2,590	6,492	129	110,456
	%	43.00 %	48.67 %	2.34 %	5.88 %	0.12 %	
2022	Total						

Source: Census 1996, 2001, 2011. CS 2016

Figure 30: Access to Water,



Source: Statistics South Africa, 2022

7.17.2 Sanitation services

Access to appropriate sanitation services is a very high health priority. Although sanitation services received a high priority from the government, there are always challenges and this service did not achieve the same level of success as improved access to water services. Table 41 shows the sanitation access for the municipality.

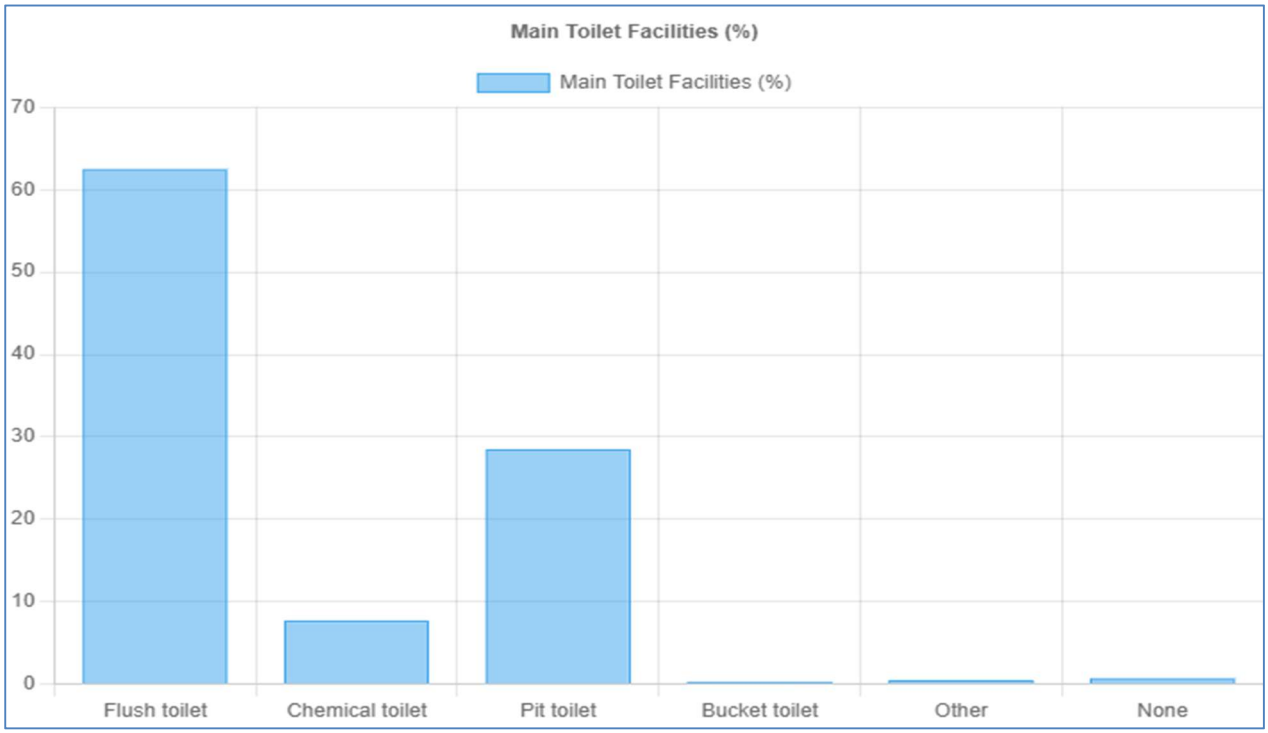
Table 43: Access to sanitation services 1996, 2001, 2011 and 2016

			Full	Intermediate	Basic	Below Basic	None	Total
1996	Total		23,391	NA	NA	13,161	4,548	41,100

	%		56.91 %	NA	NA	32.02 %	11.07 %	100 %
2001	Total		36,072	6,405	9,229	18,783	7,763	78,252
	%		46.10 %	8.19 %	11.79 %	24.00 %	9.92 %	100 %
2011	Total		47,598	8,426	12,756	19,310	3,677	91,767
	%		51.87 %	9.18 %	13.90 %	21.04 %	4.01 %	100 %
2016	Total		54,895	27,427	20,426	6,951	757	110,456
	%		49.70 %	24.83 %	18.49 %	6.29 %	0.69 %	100 %

Source: Census 1996, 2001, 2011, 2016

Figure 31: Access to Sanitation



Source: Statistics South Africa, Census 2022

7.17.3 Electricity services

Although electricity does not have the same implications for health as water and sanitation, access to electricity is very important for general development and especially education. Access to electricity was, therefore, always a high priority. Table 42 below shows how access to electricity has changed since 1996. This table is based on access to lighting as a proxy for access to electricity.

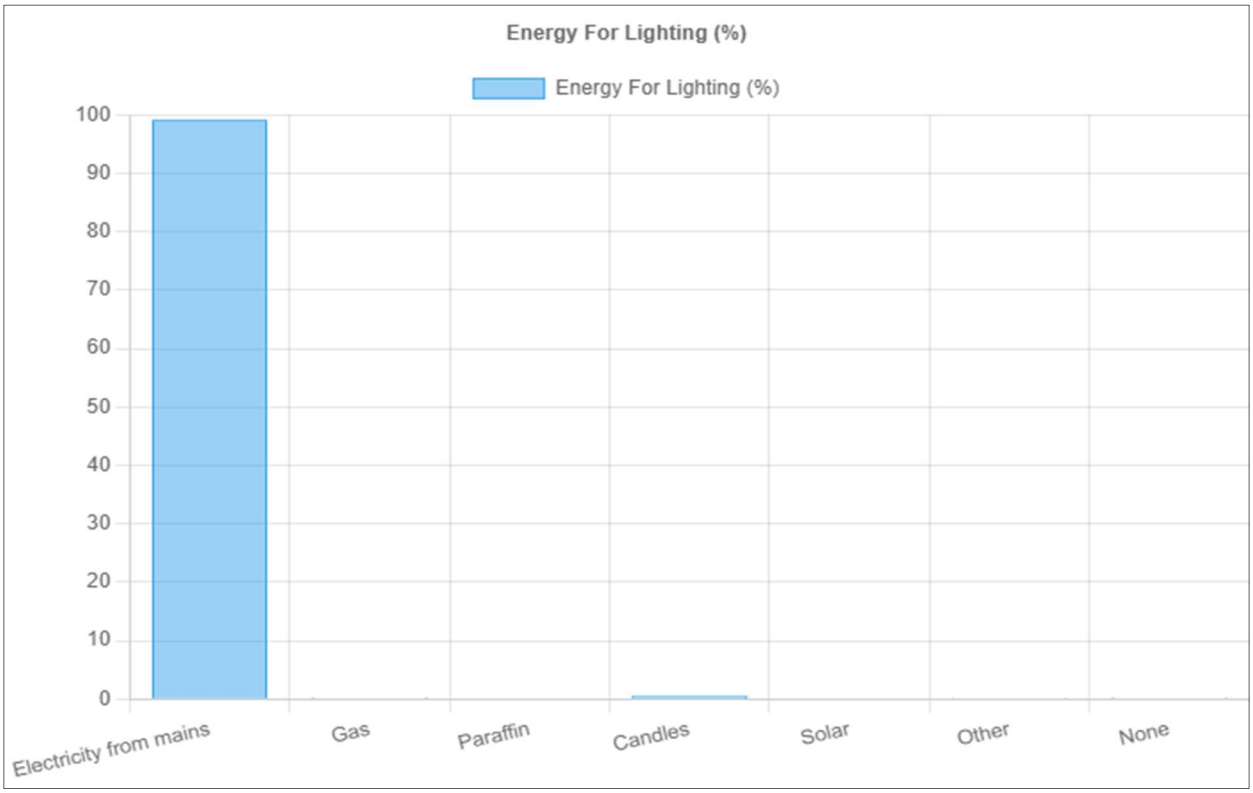
Table 44: Access to electricity services 1996, 2001, 2011 and 2016

		Full access	Intermediate access	No access	Total
1996	Total	30,831	NA	10,269	41,100
	%	75.01 %	NA	24.99 %	100 %
2001	Total	66,354	NA	11,899	78,252
	%	84.79 %	NA	15.21 %	100 %
2011	Total	85,604	NA	6,163	91,767
	%	93.28 %	NA	6.72 %	100 %

2016	Total	109,158	68	1,229	110,456
	%	98.83 %	0.06 %	1.11 %	100 %

Source: Census 1996, 2001, 2011, 2016

Figure 32: Energy for Lighting



Source: Statistics South Africa, Census 2022

7.17.4 Refuse removal

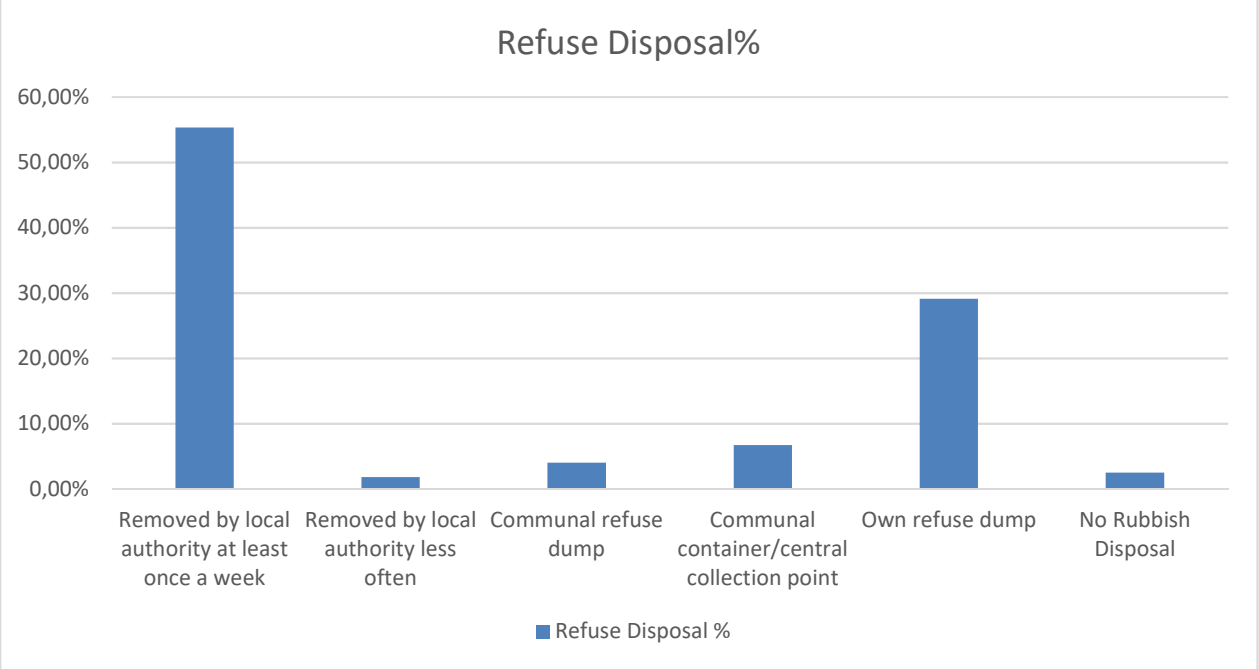
Solid waste management and refuse removal are important for health and environmental considerations. Table 43 below shows how access to refuse removal services was reported in the previous three censuses.

Table 45: Access to refuse removal services 1996, 2001, 2011 and 2016

		Full access	Intermediate	Basic	Below Basic	No access	Total
1996	Total	22,415	373	405	13,828	4,078	41,100
	%	54.54 %	0.91 %	0.99 %	33.65 %	9.92 %	100 %
2001	Total	32,675	1,491	409	39,562	7,763	78,252
	%	41.76 %	1.91 %	0.52 %	50.56 %	5.26 %	100 %
2011	Total	46,403	1,341	2,245	37,274	4,503	91,767
	%	50.57 %	1.46 %	2.45 %	40.62 %	4.91 %	100 %
2016	Total	47,577	1,955	12,941	46,246	1,737	110,456
	%	43.07 %	1.77 %	11.72 %	41.87 %	1.57 %	100 %

Source: Census 1996, 2001, 2011, 2016

Figure 33: Refuse Disposal



7.17.5 Roads

Access to road services is not been recorded in the censuses or elsewhere. The next table shows the available road data for the municipality. One should note that all roads are not the responsibility of the municipality.

Table 46: Road services in the municipality 2021

Road type	Paved road (km)	Unpaved road (km)	Total road length (km)
Major road (National Major roads of a country including all freeways)	68.55	N/A	68.55
Main road (Provincial roads and major city through routes)	219.91	79.43	299.34
Secondary road (Secondary roads including slipways)	4.69	156.68	161.37
Suburban road (Formal suburban roads including slipways)	613.11	86.52	699.63
Informal roads (Alleys, Access ways, roads in informal settlements and squatter camps, farm and other small dirt roads)	23.43	1,437.99	1,461.43
Tracks (Non-routable roads: including 4x4 tracks	N/A	N/A	2.94
Trails (Pedestrian walkways in cities and towns, walking and hiking trails)	N/A	N/A	0.00
Totals	939.12	1,760.62	2,702.68

7.17.6 Safety and security

There are four (4) SAPS stations in the area. However, the area is serviced by a total of eight (8) police precincts. Police precinct boundaries do not align with municipal boundaries. The SAPS stations include:

- Empangeni
- Esikhawini
- Ntambanana
- Richards Bay

7.18 Key Findings

- 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 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
- Both population and household figures are important for infrastructure investment purposes. Households eventually translate into the number of residential customers that demand services for the municipality as service providers. To the residential customers, the non-residential customers must be added.
- the black population group (91.7%) is the majority of the population groups in the uMhlatuze, followed by the white population groups (4.6%). Population groups need not be a central issue in development analysis. However, the local population's composition might explain current dynamics based on historical population settlement patterns.
- Although the gender split of the municipality is relatively even, there are more females in the working age group (19 to 65 years), this may indicate a small portion of migrant labour outside of the municipality.

- The population of uMhlatuze has increased by more than 407 935 people since 1995. This population increase equates to a growth rate of 2.6%, which is higher than the national average.
- Spatially, most of the population growth took place in the urban centres of existing settlements. There are also indications of depopulation around the towns of Nkhanangu, Nqutshini and Mquzankunzi. Most of the growth in the municipal area took place in the urban areas of the towns Richards Bay, Umzimgwenya, Nseleni and Empangeni.
- The households of the municipality followed the same trend as the population groups with the black households (90.3%) being the majority, followed by the white households (5.8%).
- Males mostly head the households, but female-headed households are increasing.

Assessing population change in a municipal area is challenging for several reasons:

- Municipalities function in an integrated environment where changes at national, provincial, and neighbouring areas directly impact local growth.
- Data sources differ in terms of baseline data used, resulting in outcomes that complicate comparative assessments.
- With a few exceptions, municipal population figures disaggregate higher-order data. Between censuses, midyear population estimates are the only available sources at the local level. Therefore, most data sets use StatsSA's mid-year population estimates as a benchmark.
- Long-term projections (ten years and longer) are subject to high uncertainty levels because many factors drive local demographic changes.
  - Interventionistic policies from the government are often unpredictable and focus on deliberately change historical trends. This increases the level of uncertainty in outcomes.

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT ANALYSIS

PGDS GOAL: HUMAN RESOURCE DEVELOPMENT

7.19 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:

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

More specifically, the objectives of local government are: -

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

- Markets Stalls / Trade Areas
- Municipal Abattoirs
- Municipal Parks and Recreation

7.20 Municipal Transformation

7.20.1 Employment Equity Plan

uMhlathuze Municipality has an Employment Equity Plan adopted by Council on 27 March 2024 and will be in implementation until the **YEAR 2028** *(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 2024) is provided in the following table:

Figure 34: Designated and Non-Designated Employment Numbers and Levels as at February 2024

OCCUPATIONAL LEVEL	LEVEL	MALE								FEMALE								PERSONS WITH DISABILITIES			FOREIGN NATIONALS		TOTAL POSITIONS FILLED	TOTAL POSITIONS PER LEVEL
		AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE								
		CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	CUR	NUM GOAL	MALE	FEMALE	NUM GOAL PWD	MALE	FEMALE		
TOP MANAGEMENT	26	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23	2	2,52	0	0,12	0	0,42	0	0,18	4	2,28	0	0,12	0	0,24	0	0,12	0	0	0	0	0	6	6
TOTAL		3	3,52	0	0,12	0	0,42	0	0,18	4	2,28	0	0,12	0	0,24	0	0,12	0	0	0	0	0	7	7
SENIOR MANAGEMENT	22	11	7	0	0	0	1	1	0	1	5	0	0	0	0	0	0	0	0	0	0	0	13	13
	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	19	16	22	1	0	0	6	4	0	7	20	0	0	0	3	3	0	0	0	0	0	0	31	51
	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		27	29	1	0	0	7	5	0	8	25	0	0	0	3	4	0	0	0	0	0	0	44	64
PROFESSIONALLY QUALIFIED & EXPERIENCED SPECIALISTS / MIDDLE MANAGEMENT	17	15	13	0	0	1	2	1	1	4	9	1	0	0	1	0	0	0	0	0	1	0	23	26
	16	9	8	0	0	0	2	1	0	2	7	1	0	0	1	0	0	0	0	0	0	0	13	18
	15	25	29	0	0	3	6	3	2	16	25	0	0	1	2	6	0	0	0	2	0	0	54	64
	14	2	2	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	2	3
TOTAL		51	52	0	0	4	10	5	3	22	42	2	0	1	4	6	0	0	0	2	1	0	92	111
SKILLED TECHNICAL & ACADEMICALLY QUALIFIED / JUNIOR MANAGEMENT / SUPERVISORS / FOREMAN / SUPERINTENDENTS	13	6	4	0	0	2	1	3	0	1	3	0	0	0	0	1	0	0	0	0	0	0	13	8
	12	35	24	0	0	3	4	0	2	38	20	1	0	6	2	2	1	0	0	1	0	0	85	53
	11	50	59	2	2	3	9	6	5	41	54	1	0	3	6	5	3	0	0	3	0	0	111	138
	10	92	38	0	0	5	8	10	3	38	32	0	0	3	4	4	1	0	0	1	0	0	152	86
	9	87	76	0	1	3	13	6	6	51	68	2	1	2	8	3	4	0	0	6	0	0	154	177
TOTAL		270	201	2	3	16	35	25	16	169	177	4	1	14	20	15	9	0	0	11	0	0	515	462
SEMI-SKILLED & DISCRETIONAY DECISION MAKING	8	16	51	0	1	0	8	1	4	21	44	1	1	1	5	2	3	0	0	3	0	0	42	117
	7	159	38	1	1	3	6	2	2	83	32	1	0	5	4	6	1	0	0	1	0	0	260	84
	6	78	133	0	4	1	21	2	10	98	117	2	1	6	14	1	7	0	0	6	0	0	188	307
	5	108	104	0	3	1	19	2	7	17	95	0	3	0	11	1	5	0	0	5	0	0	129	247
	4	153	151	1	4	1	28	0	12	64	138	1	3	0	15	0	7	0	0	7	0	0	220	358
TOTAL		514	477	2	13	6	82	7	35	283	426	5	8	12	49	10	23	0	0	22	1	0	839	1113
UNSKILLED & DEFINED DECISION MAKING	3	318	268	0	8	0	45	3	21	237	242	0	5	1	28	0	14	0	0	13	0	0	559	631
	2	0	19	0	1	0	4	0	1	0	17	0	0	0	2	0	0	0	0	1	0	0	0	44
	1	0	3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4
TOTAL		318	290	0	9	0	49	3	22	237	260	0	5	1	30	0	14	0	0	14	0	0	559	679
TEMPORARY WORKERS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
TOTAL PERMANENT EMPLOYEES		1183	1052,5	5	25,12	26	183,42	45	76,18	723	932,28	11	14,12	28	106,24	35	46,12	0	0	49	2	0	2056	2671
TOTAL TEMPORARY EMPLOYEES		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL		1183	1052,5	5	25,12	26	183,42	45	76,18	723	932,28	11	14,12	28	106,24	35	46,12	0	0	49	2	0	2056	2671

An Employment Equity Committee has been established and is responsible for ensuring that the Employment Equity Act is being implemented.

7.20.2 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 twenty six (26) permanently employed and known employees with disabilities. In order to continue attract people with disabilities, positions which are suitable for people with disabilities are identified and stated as such on the advertisements. The Municipality has a strategy on employment of people living with disabilities.

7.20.3 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 City 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.

7.21 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 City Manager before they are placed on an agenda.

7.21.1 Institutional Arrangements

In lieu of the above, the following committee structures are in the place in the Municipality, functionality and representation to these committees will be further elaborated on under Good Governance KPA.

Table 47: Council Committees

○ Bylaws ○ Standing Orders ○ uMhlathuze Public Transport Liaison Committee ○ Public Participation Committee	○ Section 79 Committees
○ Corporate Services ○ Community Services ○ Geographical Naming Committee ○ Financial Services ○ City Development ○ Aesthetics ○ Mandlazini Trust ○ Mzingazi Joint Steering Committee ○ Social Compact ○ SPLUMA ○ Infrastructure and Technical Services ○ Energy and Electrical Services	○ Section 80 Committees
○ Municipal Public Accounts Committee (MPAC)	○ Established in terms of Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act
○ Section 62 Appeals Committee	○ Established in terms of Local Government Municipal Systems Act, 32 of 2000.
○ Local Labour Forum	○ Established in terms of the Organisational Rights Agreement
○ Audit Committee ○ Performance Audit Committee ○ Performance Evaluation Panel (Section 57 Employees)	○ Performance Audit, Performance Evaluation Panels ○

○ Performance Evaluation Panel (Municipal Manager)	
○ Board of Trustees	
○ Bid Specification ○ Bid Evaluation ○ Bid Adjudication	○ Supply Chain Management Committees

7.21.2 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

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 2019 and reviewed in March 2023,** 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. A full municipal organogram as reviewed in March 2023 is attached to the document.

Table 48: Personnel Numbers

Summary of Personnel Numbers	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	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	19	15	–	19	18	–	24	17	–
Professionals	*367*	*336*	–	367	342	–	385	348	–
Finance	47	47	–	47	47	–	48	48	–
Spatial/town planning	26	21	–	26	25	–	26	26	–
Information Technology	13	11	–	13	13	–	23	14	–
Roads	21	13	–	21	14	–	21	14	–
Electricity	39	39	–	39	39	–	40	37	–
Water	14	10	–	14	10	–	15	14	–
Sanitation	21	14	–	21	14	–	21	13	–
Refuse	8	7	–	8	7	–	8	7	–
Other	178	174	–	178	173	–	183	175	–
Technicians	*554*	*537*	–	554	547	–	590	552	–
Finance	35	32	–	35	35	–	36	33	–
Spatial/town planning	30	27	–	30	30	–	30	30	–
Information Technology	7	7	–	7	7	–	8	8	–
Roads	49	47	–	49	49	–	49	47	–
Electricity	46	45	–	46	45	–	51	50	–
Water	46	45	–	46	45	–	69	45	–
Sanitation	35	34	–	35	34	–	35	33	–
Refuse	8	8	–	8	8	–	8	8	–
Other	298	292	–	298	294	–	304	298	–
Clerks (Clerical and administrative)	353	347	–	353	351	–	355	336	–
Service and sales workers	–	–	–	–	–	–	–		–
Skilled agricultural and fishery workers	2	2	–	2	2	–	2	1	–
Craft and related trades	2	2	–	2	2	–	2	2	–
Plant and Machine Operators	75	69	–	75	68	–	103	76	–
Elementary Occupations	962	936	–	962	954	–	975	949	–
TOTAL PERSONNEL NUMBERS	**2 409**	**2 319**	**–**	**2 409**	**2 359**	**–**	**2 511**	**2 356**	**–**
% increase	–	–	–	–	1.7%	–	4.2%	(0.1%)	–
Total municipal employees headcount	**2 342**	**2 252**	**–**	**2 342**	**2 292**	**–**	**2 444**	**2 289**	**–**
Finance personnel headcount	**208**	**208**	**–**	**208**	**208**	**–**	**210**	**210**	**–**
Human Resources personnel headcount	**37**	**35**	**–**	**37**	**36**	**–**	**32**	**28**	**–**

Source: uMhlathuze Batho Pele Budget 2024/2025

Figure 35: Senior Management

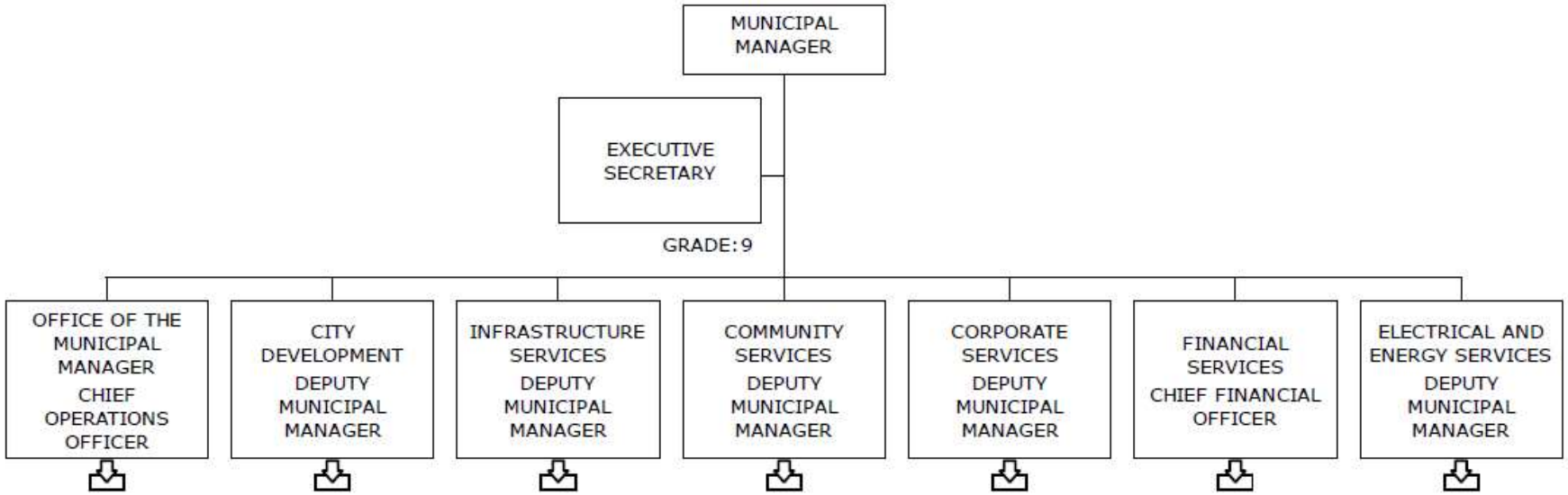


Figure 36: Office of the City Manager

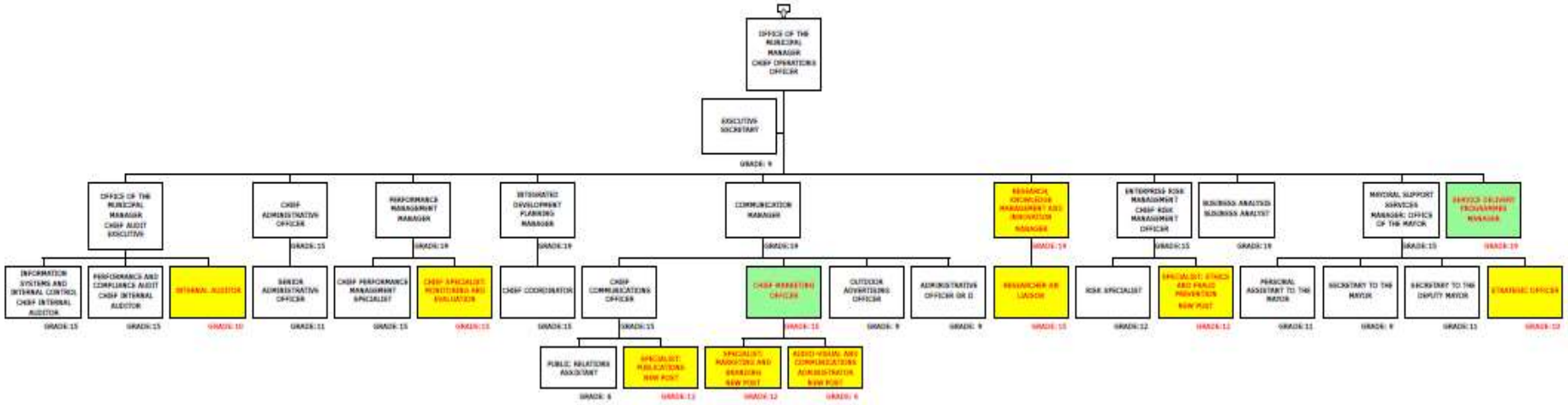


Figure 37: Corporate Services Department

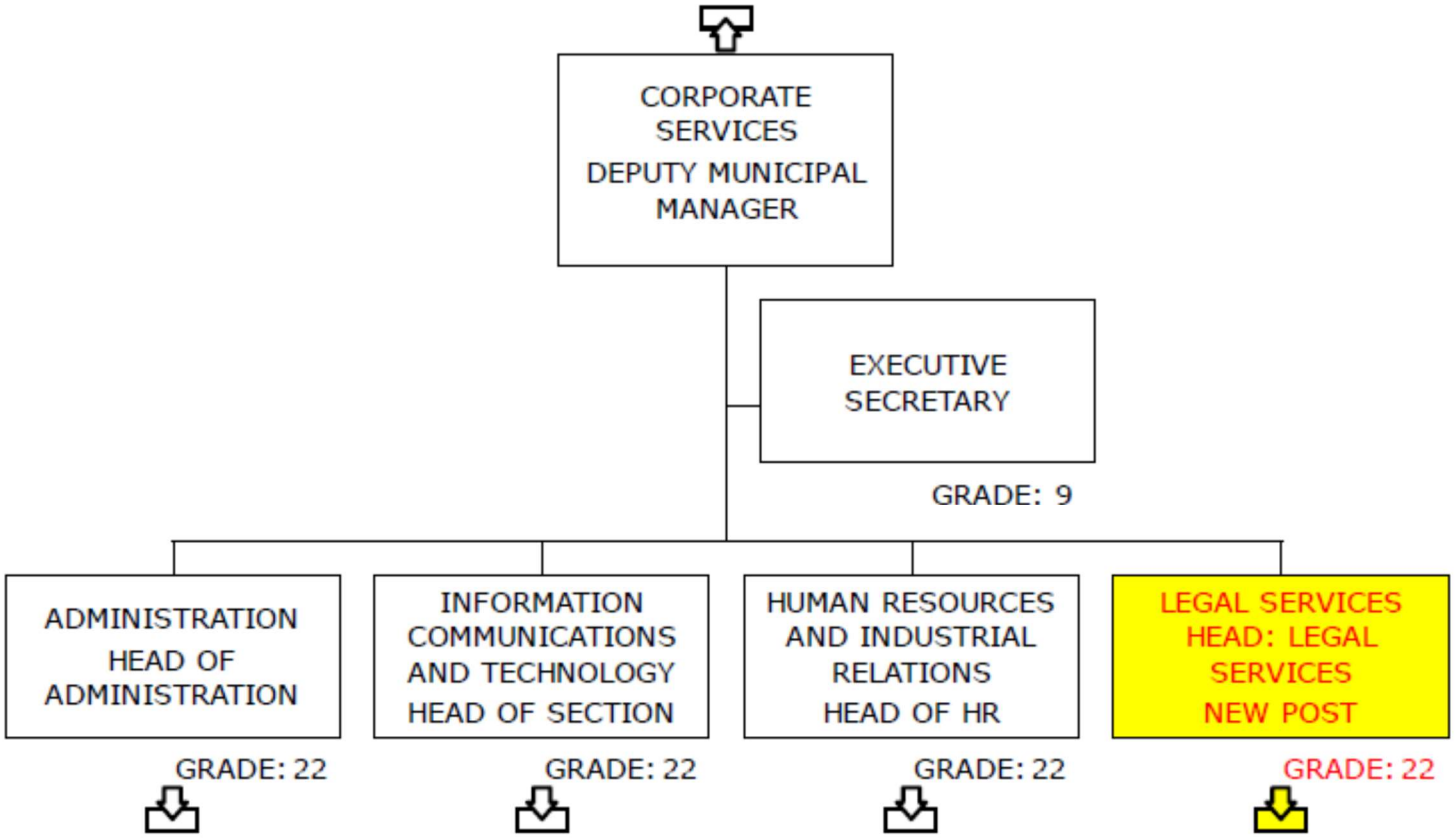


Figure 38: City Development Department

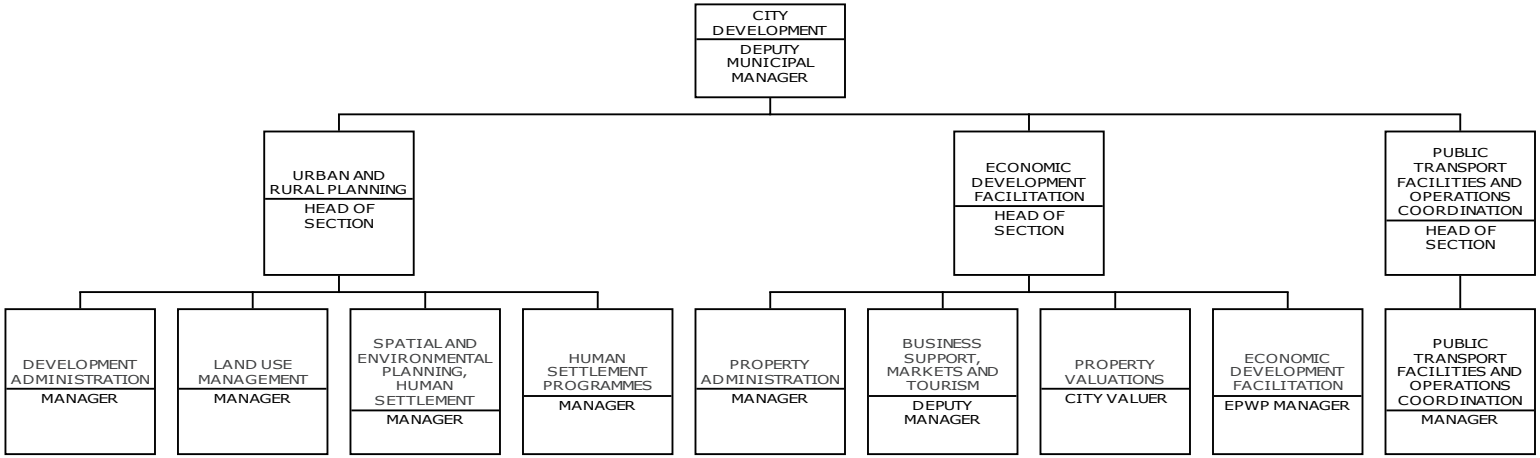


Figure 39: Financial Services

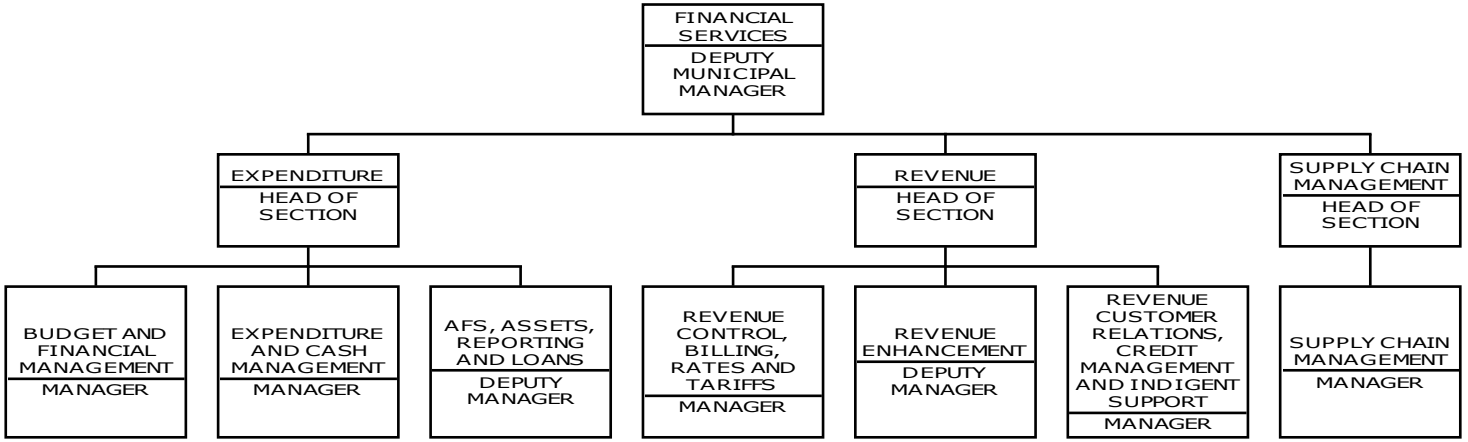


Figure 40: Community Services

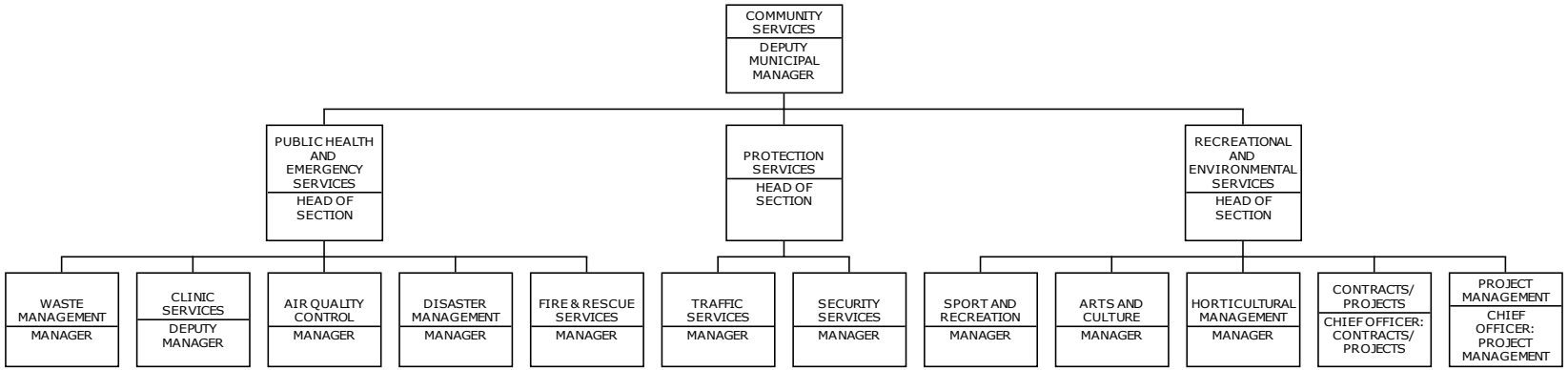


Figure 41: Electrical and Energy Services

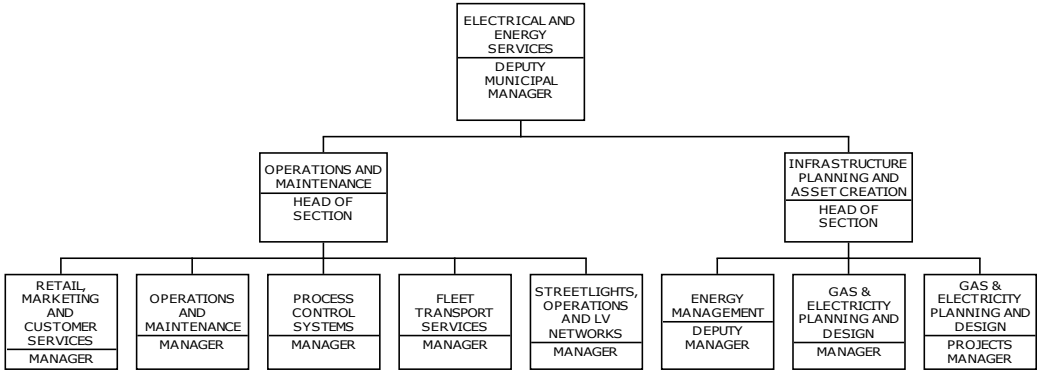
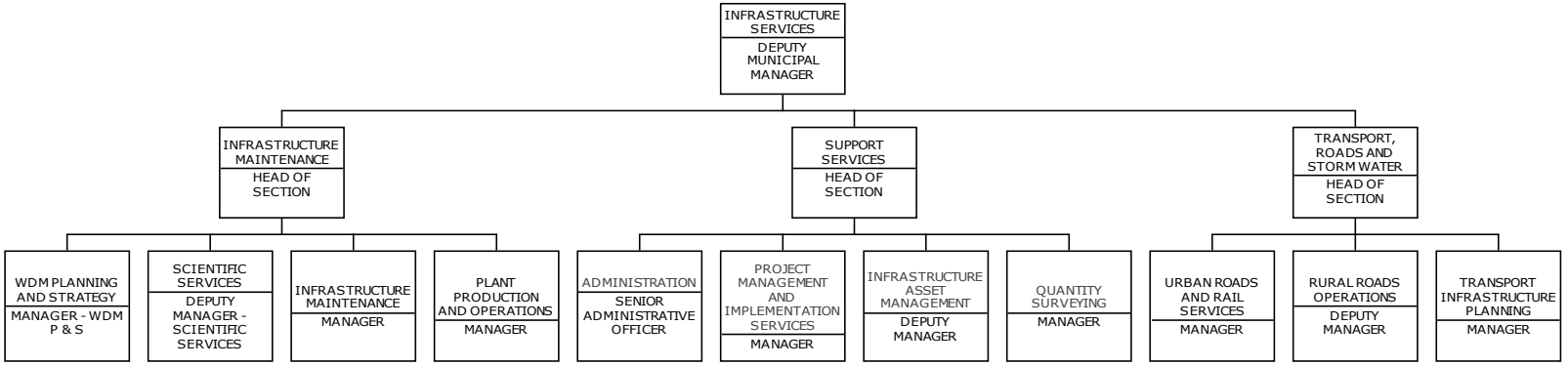


Figure 42: Infrastructure Services



7.21.3 Municipal Institutional Capacity and critical posts

10.3.3.1 Critical Posts

The posts of the City Manager, as well as all Section 56 posts, are considered as critical posts. All critical positions have been filled, which includes seven Deputy City Managers and the City Manager.

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 City Manager	• Integrated Development Planning • Performance Management • Communication and Marketing • Internal Audit • Enterprise Risk Management • Councillor Support and Public Participation • Research, Knowledge and Innovation
Corporate Services	• Diverse Administration • Legal Services • ICT • Human Resources
Community Services	• Public Safety and Security Services • Recreation and Environmental Services • Public Health and Emergency Services
City Development	• Property Administration • Local Economic Development • Urban and Rural Planning
Infrastructure and Technical Services	• Water and Sanitation • Roads • Transports Roads and Storm Water • Engineering Supply Services
Electricity and Energy Services	• Electricity and Energy Services
Financial Services	• Income • Expenditure • Supply chain

7.21.4 Human Resource Strategy

Council adopted a reviewed Human Resource Management Strategy and Human Resource Plan, considered tabled in April 2023, attached in the document.

The purpose of the Human Resource Management (HRM) Strategy and Human Resource Plan is to outline key interventions to be undertaken by the Municipality to ensure that it has the right number of staff (staff component), with the right composition and with the right competencies, in the right positions, to enable it to deliver on the mandates and achieve its strategic goals and objectives.

Human Resource strategic planning is about determining the demand and supply of staff that are critical to achieving strategic objectives, analysing the gap between the demand and supply and developing a plan that seeks to close the gap.

In order to ensure that the Municipality makes the best possible use of its resources to attain its commitments and programme objectives as set out in the IDP, BUDGET and SDBIPs, the Municipality must have in place a well-structured HRM Strategy and HR Implementation Plan.

Council had previously adopted the Human Resource Strategy, which was the foundation of the Human Resources function and which supported the Integrated Development Plan of the Municipality. The Department: Corporate Services, Human Resource Section has now reviewed the Human Resource Strategy and Human Resource Plan through a comprehensive diagnostic process.

10.3.4.1 Workplace Skills Plan - Training and Development

i. Workplace Skills Plan (WSP) - Training and Development

The vision of the Training and Development Unit 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 the co-ordination and provision of quality assured skills development interventions for Council employees to ensure that they function at an optimal level thus contributing to effective and efficient service delivery.

Skilling of Council employees, Interns and Councillors 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 to training and development within the Municipality. The WSP is aligned to the National Skills Development Strategy, the Skills Development Act No. 97 of 1998 as well as the Skills Levies Act No. 09 of 1999. The WSP and Annual Training Report are submitted annually to the LGSETA. Submission of these reports ensures that the Municipality receives its Mandatory Grant and is able to access Discretionary Grants. The WSP for 2024/2025 was submitted on April 2024 to LGSETA, and is attached as an annexure to the IDP Review 2024/2025.

During the period July 2023 to March 2024, Council employees were trained on the following interventions:

Training Interventions for Employees	Number of Sessions	Number of Employees
Employee Induction	9	100
Change Management Workshop	1	30
SAP BPC Training (Finance/Budgets)	3	100
First Aid Level 3	2	18
SAP ESS and MSS	13	76
SAP Learning Solutions	2	6
MFMP Training	3	8
Computer Induction	8	70
SALGA LLF Training	1	11
SAP Payroll	2	20
Aerodrome Training	2	14
OHS Induction	17	132
SAP SRM Training	2	10
OHS Act – Legal Liability Training for Executives	1	20
SAP HCM Performance Management Training	4	42
SALGA Job Evaluation Training	1	1
Plumber Trade Test Assessment	1	6

Audit of Performance Workshop	1	68
Customer Care Training	3	32
SAP Plant Maintenance Training	6	54
Plumbers Trade Test Preparation Training	1	6
SAP HCM Reports	3	10
Electrical Trade Test Prep and Trade test Training	1	6
SAP Custom Reports	1	3
Basic Aircraft Construction Course	1	12
PARTAC Airport Training	1	14
Airport Marshalling	1	11
AIT and AVOP Initial Airport Training	1	12
SAP Sales and Distribution Training	3	7
SAP Data Verification Training	1	5
mSCOA Training	1	34
Human Resource Roadshows	3	432
Operate Water Tanker Training	4	20
TOTAL NUMBER OF SESSIONS TOTAL NUMBER OF EMPLOYEES TRAINED IN ALL SESSIONS	104	 1390

During the period July 2023 to March 2024, Councillors were trained on the following interventions;

Training Interventions for Councillors	Number of Sessions	Number of Councillors
SALGA LLF Training	1	2
MS Word Training	1	13
Total Number Of Sessions Total Number Of Councillors Trained In All Sessions	2	 15

ii. Work Integrated Learning (WIL) (In-Service Training / Internships)

During the current financial year, the number of learners that were placed at Council on the WIL Programme is detailed below:

- Total No. of Learners placed at Council: 70
- Demographics of Learners: African Male: 17 African Female: 53
- Learners stipends funded by: National Treasury, CoGTA, SETA's, Universities of Technology and Private Providers.

10.3.4.1 Recruitment and Selection

The City has developed a 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 organizational values, culture and goals.

The Recruitment and Selection Policy has been amended and considered by Council in April 2023. The amendment was necessitated by the new Municipal Staff Regulations and the amended policy (Recruitment, Selection and Appointment of Staff Policy) is contained in DMS 1558015 and attached herewith in the IDP 2023/2024 review.

10.3.4.1 Talent Management Strategy and Retention Strategy

The municipality adopted a Talent Manageemnt Strategy and retention Strategy in 2016, attached as an annexure to the IDP Review 2024/2025. Policy is currently under review to ensure that this Policy complies with the Municipal Staff Regulations and shall serve at Council by 30 June 2024. There are many other strategies that the municipality currently implements for the purposes of employee retention, amongst others are the following strategies:

- 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, and;
- Cascading of Performance Management System to all employees in a phased – in approach.

Table 49: Human Resource Policies

	Policy Name		Council Resolution
1.	Induction and Orientation of Staff ***This Policy has now been included in the Human Resource Development Policy as contained in DMS 1550796. The policy is contained in the Report, RPT 175029 seeking approval from Council.***	Procedures for Inducting new staff	Adopted 25 May 2023
2.	Human Resources Strategy ***The revised Human Resource Management Strategy and Human Resource Plan (2023 – 2028) is contained in DMS 1589257.***		Adopted March 2023 ***DMS 1589257***
3.	Staff Training ***This Policy has now been included in the Human Resource Development Policy as contained in DMS 1550796.***	Policy on Training of staff	Adopted 25 May 2023
4.	Bursary Policy for Officials and their children ***This Policy has now been included in the Human Resource Development Policy as contained in DMS 1550796.***	Bursary Processes and requirements for Bursary Applications	Adopted 25 May 2023 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* ***This amended policy (Acting Management Policy) is contained in DMS 1533669.***	*Conditions for Acting arrangements*	*Adopted* *25 May 2023* *6979*
8.	Recruitment and Selection of Temporary Staff Policy ***This Policy has been included in the amended policy (Recruitment, Selection and Appointment of Staff Policy)***	Processes and criteria for recruitment and selection of temporary staff	Adopted 25 May 2023 6977
9.	Recruitment and Selection Policy (Amended)	Processes and criteria for recruitment and selection of staff	Adopted 25 May 2023

	Policy Name		Council Resolution
	This amended policy (Recruitment, Selection and Appointment of Staff Policy) is contained in DMS 1558015.		10110
10.	Employee Assistance Programme (EAP)	Guidance and procedures regarding the enhancement of Health and wellbeing of all staff members.	6311 **Reviewed EAP Policy - 14681**
11.	In-house training for External students ***This Policy has now been included in the Human Resource Development Policy as contained in DMS 1550796.***	Programme for students conducting in-service training	Adopted 25 May 2023 1243
12.	Policy on the Utilisation of Council Vehicles for Certain gatherings	Conditions for the Utilisation of Council Vehicles for Certain gatherings	8596
13.	Rapid Advancement Policy	Conditions for the Rapid advancement of Council employees in identified posts	8211
14.	Notch Increase Policy	Conditions for notch increases	8688
15.	Relocation and Moving Expense Policy	Processes and criteria for the relocation and moving expenses of the newly appointed employee.	8597
16.	Employment Equity Plan ***This plan is currently under review.***		9665 (DMS 785445)
17.	Employment Equity Policy		9438
18.	Leave Policy ***This amended policy (Leave Management Policy) is contained in DMS 1252023.***		Adopted 25 May 2023 10244
19.	Talent Management Strategy and Retention (***The Stratgey is under review to align with Municipal Staff Regulations)***		10974 Adopted June 28, 2016

No	Document	DMS Number	Act Ref
1.1	OHS Policy The reviewed and approved OHS Policy signed by the City Manager is contained in DMS 1571777.	1571777	Section 7 (1)
1.2	Approved OHS Policy Guidelines	1543798	Section 7 (2)

10.3.4.1 ICT Governance Framework

In line with the National Corporate Governance of ICT Policy Framework, the uMhlathuze Municipality ICT Governance Policy was approved by Council on 21 September 2022. 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 50: ICT Policies

Policy	Review Adoption Date	Document Number
ICT Governance Policy Framework (Review) is available	21 September 2022	**DMS 1523286**.
ICT Governance Charter (Review)	21 September 2022	DMS 1523135.
ICT Strategic Plan (Review)	21 September 2022	DMS 1539012.
ICT Change Management Policy (Review)	21 September 2022	DMS 1509527.
ICT Disaster Recovery Plan (Review)	21 September 2022	DMS 1519176.
ICT Computer Utilization Policy (Review)	21 September 2022	DMS 1509548
ICT Security Policy (Review)	21 September 2022	DMS 1509564.
ICT Patch Management Policy (Review)	21 September 2022	**DMS 1509821**.

Table 51: ICT Capital Projects for 2023/2024 -2024/2025

Description of goods / works / services	Ward	Project value
Supply, Delivery and Offloading Of Computer Devices, Peripheral, Three Year Accidental Damage Cover And Onsite Next Business Day Warranty To The City Of UMhlathuze	All Wards	R 2 597 778.67
Delegate system replacement	All Wards	R 1887090
Some work on CCTV cameras but all these were RFQ's	All Wards	R 1 295 900
Network infrastructure - many small projects all on RFQ's	All Wards	R 2197 214

ESS Module enhancements	All Wards	R 81 312

7.21.5 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.

Figure 43: SWOT ANALYSIS – MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

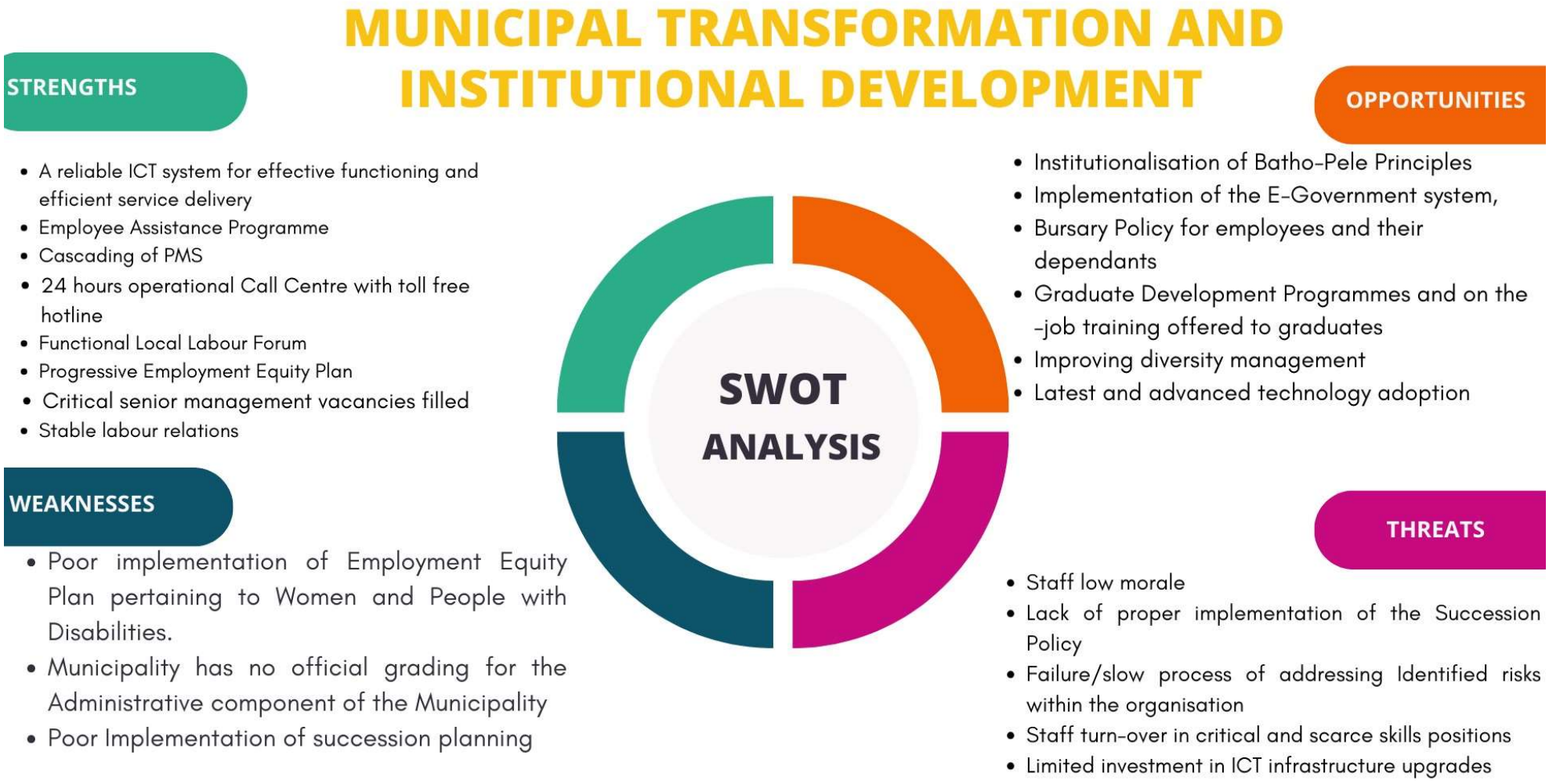


Table 52: Key Challenges, Municipal Transformation and Organisational Development

National KPA: Municipal Transformation and Organisational Development		
Ref.	**Key Challenge**	**Description**
MTOD1	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 should be developed and transferred through partnership with industries and the different organizations that exist in the area.
MTOD2	Challenge in maintaining or replace ICT Infrastructure	The Municipality is responsible for its ICT infrastructure and ensuring compliance to all necessary legal prescripts.
MTOD3	Challenge in attracting and retaining suitably qualified and experienced Human Resources	Low responses on critical scarce skills during the municipal recruitment process. This due to the competition with the Private Sector, which becomes more attractive than the Public sector in terms remuneration packages.

SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

7.22 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 is the process of reviewing the WSDP which as last adopted in 2020. 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 information as it appears on the website is updated continuously when necessary.

7.23 Water and Sanitation

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

i. 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.

ii. 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.

7.23.1 Access to Water Services

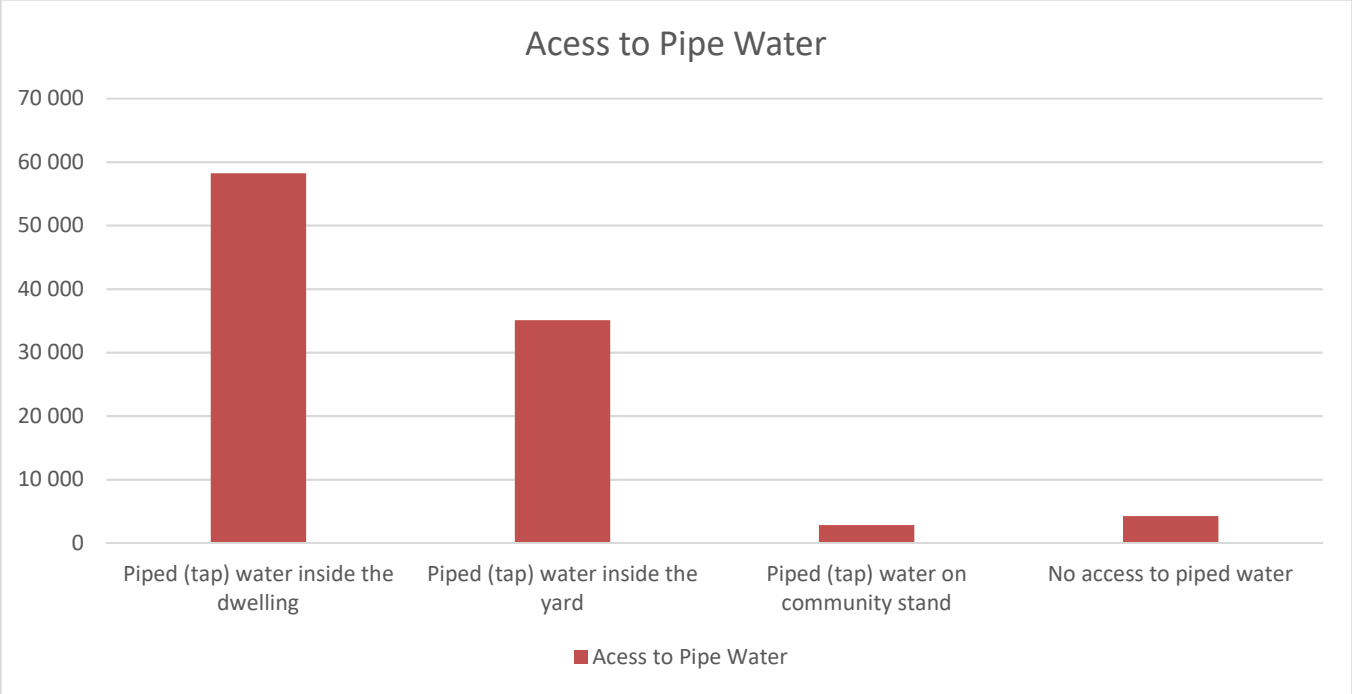
Water services have been a very high priority in service delivery strategies over the past two decades. One of the critical Millennium Goals adopted in 2000 stated that countries should aim to halve people's proportion without access to safe drinking water and basic sanitation by 2015. At least 50% of households should have access to at least basic services for these goals. This section will provide an overview of the number of people that fall within a determined level of service category for water, services for the three census periods of 1996, 2001 and 2011. Unfortunately, at this stage, more recent figures are not available

Table 53: Access to water services 1996, 2001, 2011 and 2016

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	22,808	1,464	4,402	4,114	8,312	41,100
	%	55.49 %	3.56 %	10.71 %	10.01 %	20.22%	100 %
2001	Total	24,742	27,285	6,452	12,125	7,648	78,252
	%	31.62 %	34.87 %	8.24 %	15.50 %	9.77 %	100 %
2011	Total	43,673	37,726	4,384	1,995	3,988	91,767
	%	47.59 %	41.11 %	4.78 %	2.17 %	4.35 %	100 %
2016	Total	47,491	53,754	2,590	6,492	129	110,456
	%	43.00 %	48.67 %	2.34 %	5.88 %	0.12 %	100 %

Source: Census 1996, 2001, 2011 and CS 2016

Figure 44: Access to Water



Source: Statistics South Africa, 2022

7.23.2 Water Backlogs

At commencement of the financial year a total of **97,49%** households had access to the basic RDP level of water supply service as at 30 June 2023. 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 2023/2024 financial year is set at **500**:

Table 54: Water Backlogs

Service Level	Baseline (2022/2023) (Audited)	2023/2024 Target	Stats Ending March 2024
Total households = 110 503 (2011 Stats SA) Revised Stats	Households with access to water	Targets	Household with access to water
ACCESS TO WATER	107 732	108 232	109 003
House connections	47 511	47 511	47 511
Yard Connections	58 221	58 721	59 492
Communal Supply < 200 m (Backlog)	2 000	2 000	2 000
Communal Supply > 200 m (Backlog)	3 396	2 896	100
New Installations reducing Backlogs (Target)	630	500	Actual Q1 = 673 (148 +1) = 822 Actual Q2 = 258 Actual Q3 = 598

Access to water as at 31 March 2024 is **98, 64%** and water backlog is **1, 36%**. The target for the quarter was met. The quarterly target of 100 was exceeded since the intervention reticulation projects in Mkhwanazi South are over 94% completion.

7.23.3 Water Losses

Water losses as per the Water balance is defined as the sum of the real losses and apparent losses. It could also be defined as sum of the Billed Authorised Consumption and the Unbilled Authorised Consumption subtracted from the System Input Volume.

Water Losses of a system are calculated as follows:

- Water losses = SIV – Authorised Consumption; and

Water losses can be considered as the total volume for the whole system, or for partial systems such as bulk or reticulation. In each case the components of the calculation would be adjusted accordingly. Water losses consist of Real and Apparent losses;

Table 55: City of uMhlathuze Monthly Water Balance Tracking as at March 2023

	Apr-22	May-22	Jun-22	2021-22 FY	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Component	kl/Month	kl/Month	kl/Month	kl/Annum	kl/Month	kl/Month	kl/Month	kl/Month	kl/Month	kl/Month	kl/Month	kl/Month	kl/Month
Own Sources	2 408 294,00	2 484 392,00	2 483 734,00	30 006 121,00	2 284 024,17	2 216 195,02	2 240 384,27	2 579 456,07	2 501 772,99	2 543 387,24	2 513 563,12	2 873 876,89	3 497 161,20
Other Sources	1 430 329,00	2 090 201,26	2 612 308,35	18 400 129,61	2 328 683,62	2 009 461,00	1 823 107,00	1 821 604,00	1 799 403,00	2 111 566,00	2 561 366,00	1 728 416,00	1 878 376,00
System Input Volume	**3 838 623,00**	**4 574 593,26**	**5 096 042,35**	**48 406 250,61**	**4 612 707,79**	**4 225 656,02**	**4 063 491,27**	**4 401 060,07**	**4 301 175,99**	**4 654 953,24**	**5 074 929,12**	**4 602 292,89**	**5 375 537,20**
Billed Metered Consumption-Domestic	719 312	717 565	1 078 254	9 537 528	1 432 471	553 978	385 770	736 254	697 980	805 637	715 371	787 002	751 474
Billed Metered Consumption-Non-Domestic	864 689	993 821	1 092 687	13 268 204	1 110 416	886 635	897 286	1 242 579	1 035 597	1 101 681	1 654 147	1 258 501	1 500 904
Free Basic Water Standpipes (TBC)- To monit	417 622	579 401	494 344	3 115 238	188 987	633 402	633 336	1 025 060	1 048 876	1 068 500	1 120 595	1 100 772	1 118 241
Water Exported	684 201	508 596	817 568	7 275 997	433 702	704 806	661 588	2 127 918	2 229 160	2 381 103	1 106 305	1 589 291	1 633 783
Billed Unmetered	-	-	-	-	-	-	-	165 542					
Billed Authorised Consumption	**2 685 824**	**2 799 383**	**3 482 852**	**33 196 967**	**3 165 576**	**2 778 820**	**2 577 980**	**3 169 436**	**2 782 453**	**2 975 817**	**3 490 112**	**3 146 275**	**3 370 619**
Unbilled Metered Consumption	97 048	97 383	100 704	1 235 189	63 403	68 158	68 305	129 874	289 076	298 765	159 098	198 076	392 127
Unbilled Unmetered Consumption	165 501	164 517	163 823	2 266 598	147 564	177 313	164 614	298 769	397 098	402 908	327 903	346 731	499 097
Unbilled Authorised Consumption	**262 549**	**261 900**	**264 526**	**3 501 787**	**210 967**	**245 471**	**232 919**	**428 643**	**686 174**	**701 673**	**487 001**	**544 807**	**891 224**
Unauthorised Consumption	44513	75665	67433	585375	61808	60068	62630	40149	41627	48873	54891	45561	55685
Metering Inaccuracies	80123	136198	121380	1053675	111255	108123	112733	72268	74929	87972	98803	82009	100232
Apparent Losses	124 635	211 863	188 813	1 639 049	173 063	168 191	175 363	112 417	116 557	136 845	**153 694**	**127 570**	**155 917**
Mains and Distribution Leaks	218200	370912	330557	2869507	302984	294454	307011	196811	204058	239576	269075	223338	272966
Reservoir Overflows	38281	65072	57993	503422	53155	51659	53861	34528	35800	42031	47206	39182	47889
Service Connection Leaks	509134	865462	771301	6695517	706963	687060	716358	459225	476134	559011	627841	521122	636922
Real Losses	765 615	1 301 446	1 159 851	10 068 447	1 063 102	1 033 173	1 077 230	690 564	715 992	840 618	**944 122**	**783 642**	**957 777**
Water Losses	890 250	1 513 310	1 348 664	11 707 496	1 236 165	1 201 364	1 252 592	802 982	832 549	977 463	**1 097 816**	**911 211**	**1 113 694**
Non-Revenue Water	1 152 799	1 775 210	1 613 190	15 209 283	1 447 132	1 446 836	1 485 511	1 231 625	1 518 723	1 679 136	**1 584 817**	**1 456 018**	**2 004 918**
Real Losses %	20%	28%	23%	21%	23%	24%	27%	16%	17%	18%	19%	17%	18%
Water Losses %	**23%**	**33%**	**26%**	**24%**	**27%**	**28%**	**31%**	**18%**	**19%**	**21%**	**22%**	**20%**	**21%**
Non-Revenue Water %	30%	39%	32%	31%	31%	34%	37%	28%	35%	36%	31%	32%	37%

the table below shows the Water Loss tracking as per the Water Balance.

Table 56: Water Loss Tracking:

												2022-2023 FY
Water Losses Quarter 4				Water Losses Quarter 1			Water Losses Quarter 2			Water Losses Quarter 3		
Apr-22	May-22	Jun-22	2021-22 FY	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
3 838 623	4 574 593	5 096 042	48 406 251	4 612 708	4 225 656	4 063 491	4 401 060	4 301 176	4 654 953	5 074 929	4 602 293	5 375 537
890 250	1 513 310	1 348 664	11 707 496	1 236 165	1 201 364	1 252 592	802 982	832 549	977 463	1 097 816	911 211	1 113 694
23%	**33%**	**26%**	**24%**	**27%**	**28%**	**31%**	**18%**	**19%**	**21%**	**22%**	**20%**	**21%**

Figure 45: SIV, Water Loss and NRW Component Comparison

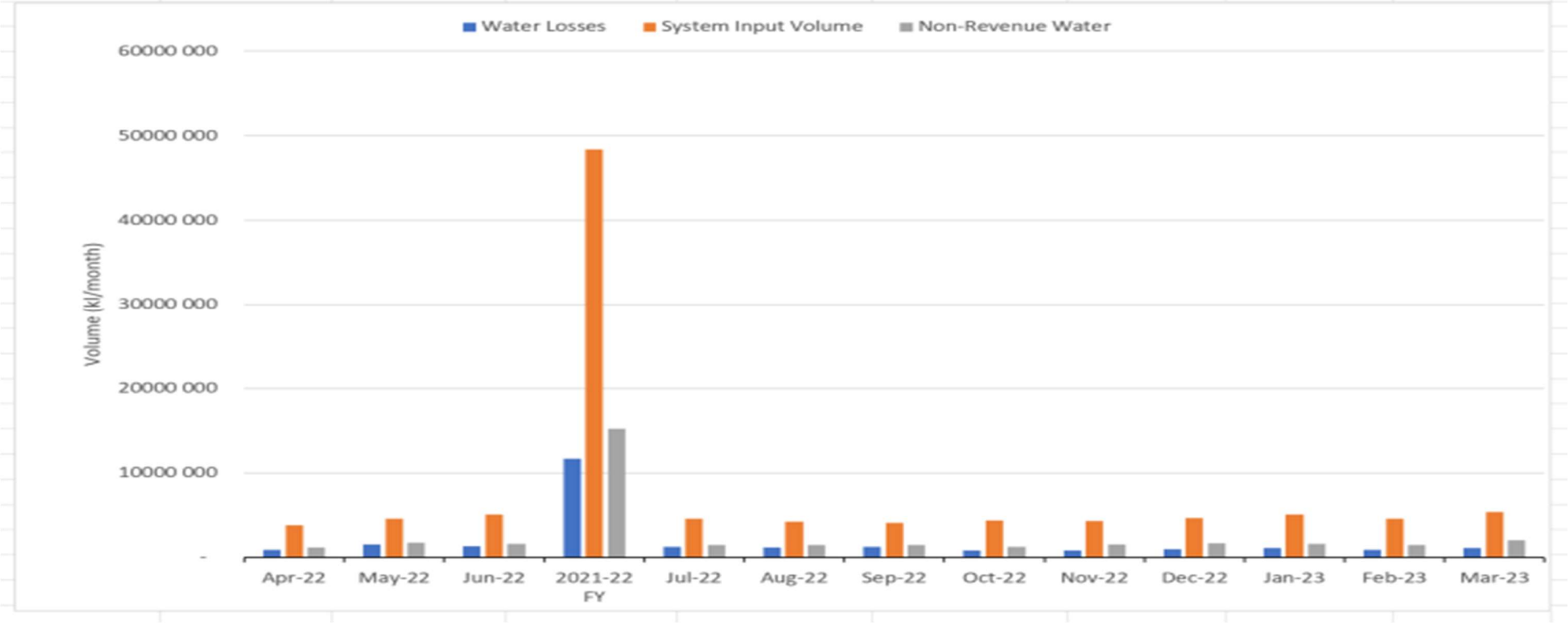
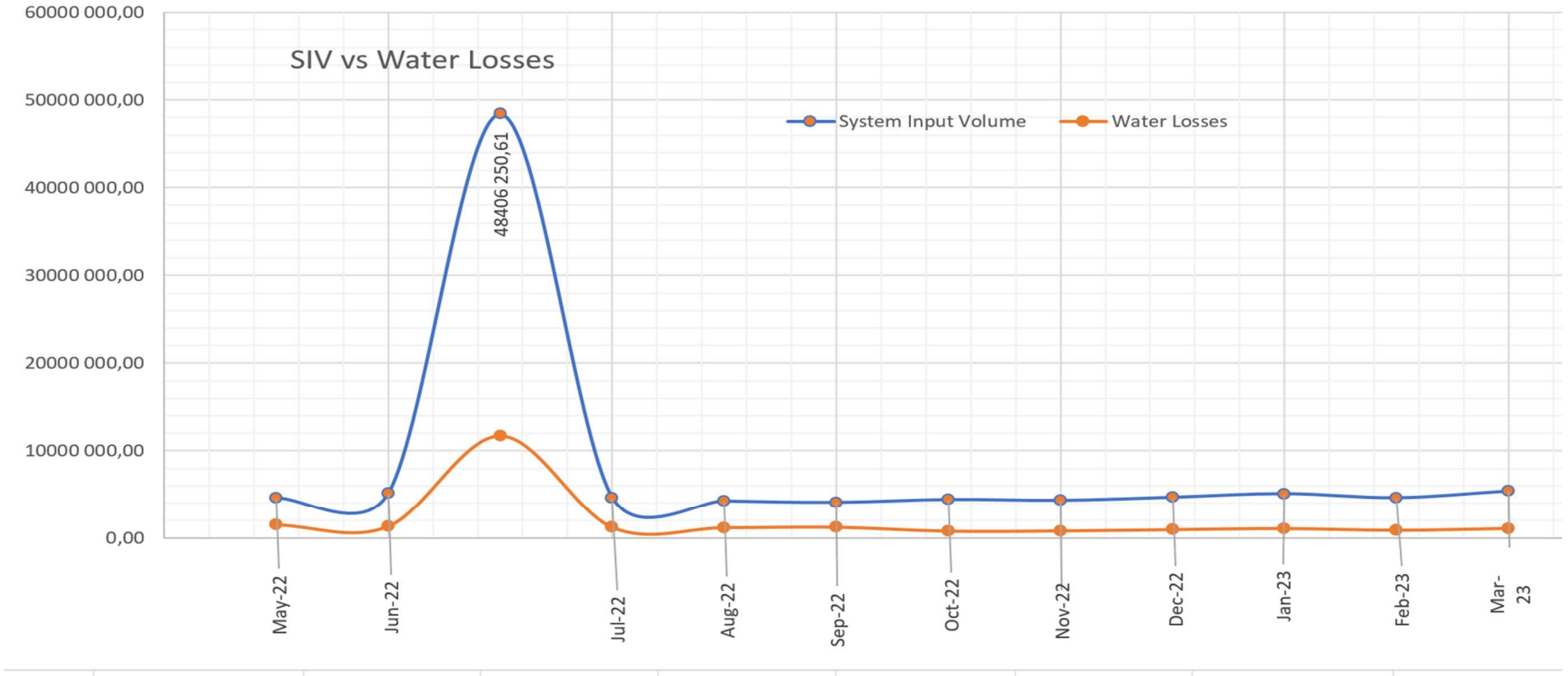


Figure 46: Water loss Volume Tracking vs SIV



7.23.4 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 occuring 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 57: ESikhaleni Water Supply - Short term intervention - 2022/2023 – 2023-2024

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

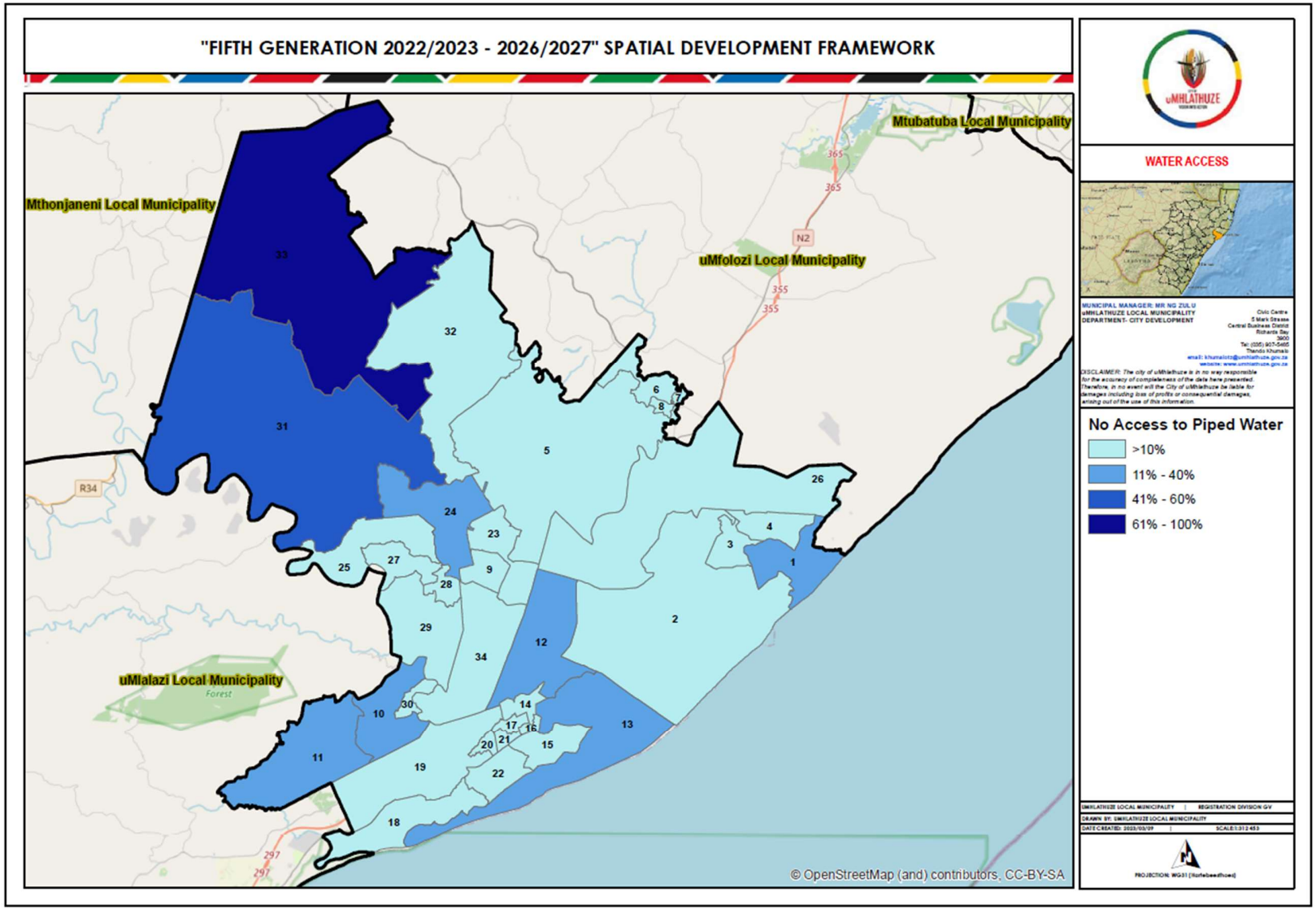
Table 58: ESikhaleni Water Supply - Medium Term Interventions 2021/2022

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

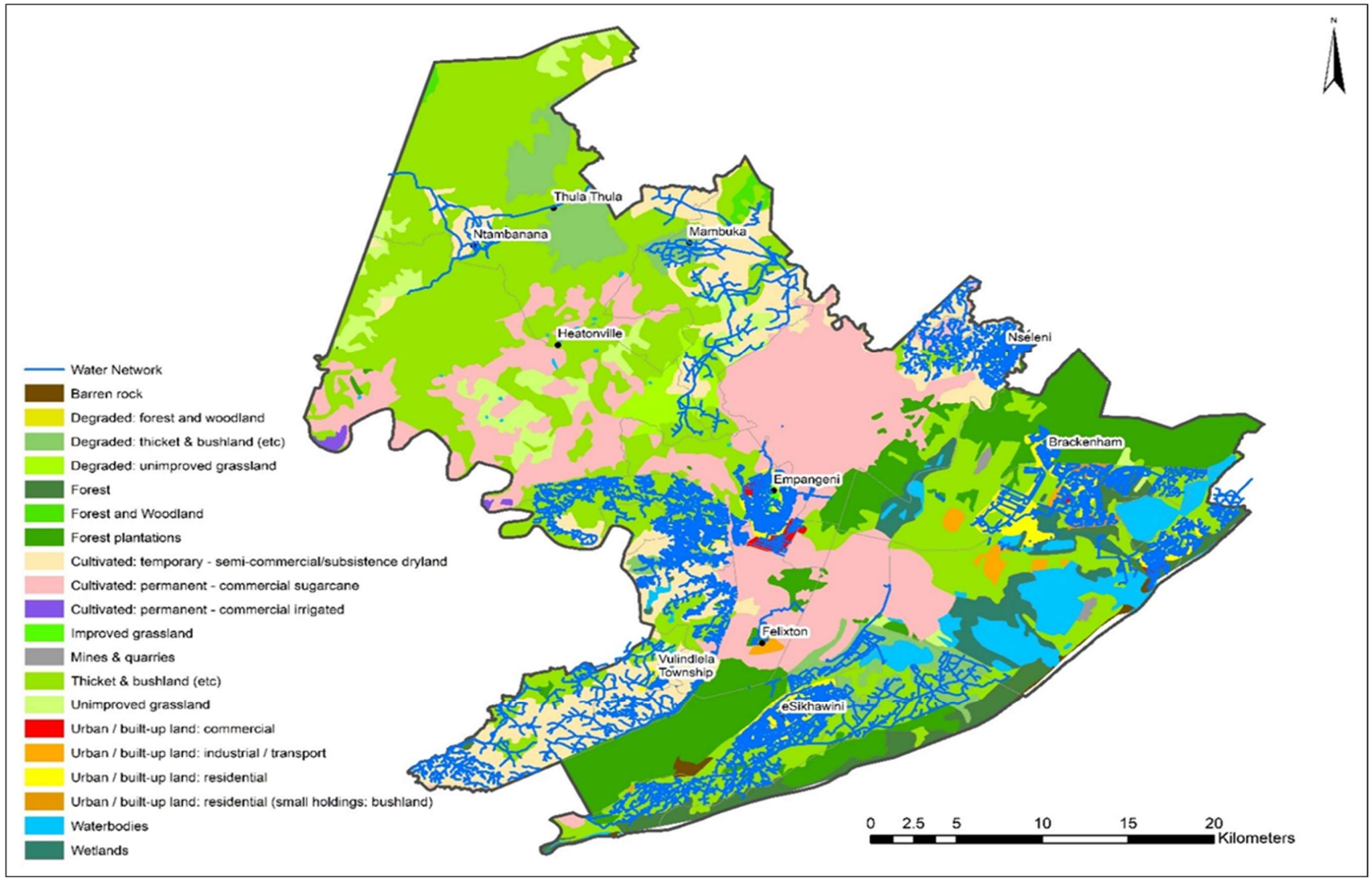
Table 59: Long Term Interventions

Long term interventions	
Item	**Financial Implication**
Upgrade eSikhaleni WTW (Cubhu) to 60 MLD	R800 000 000
Total	**R800 000 000**

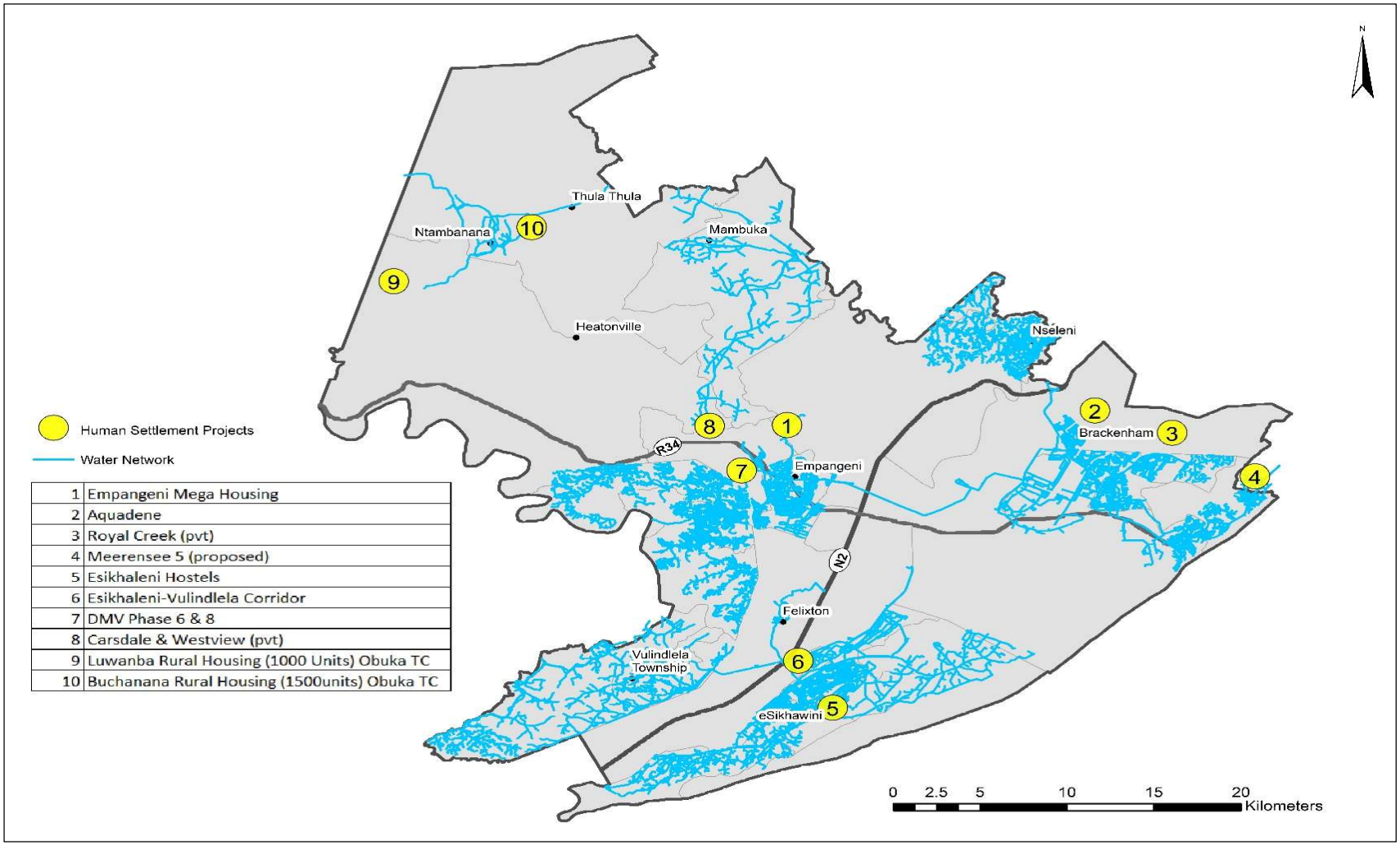
Map 17: Access to Water



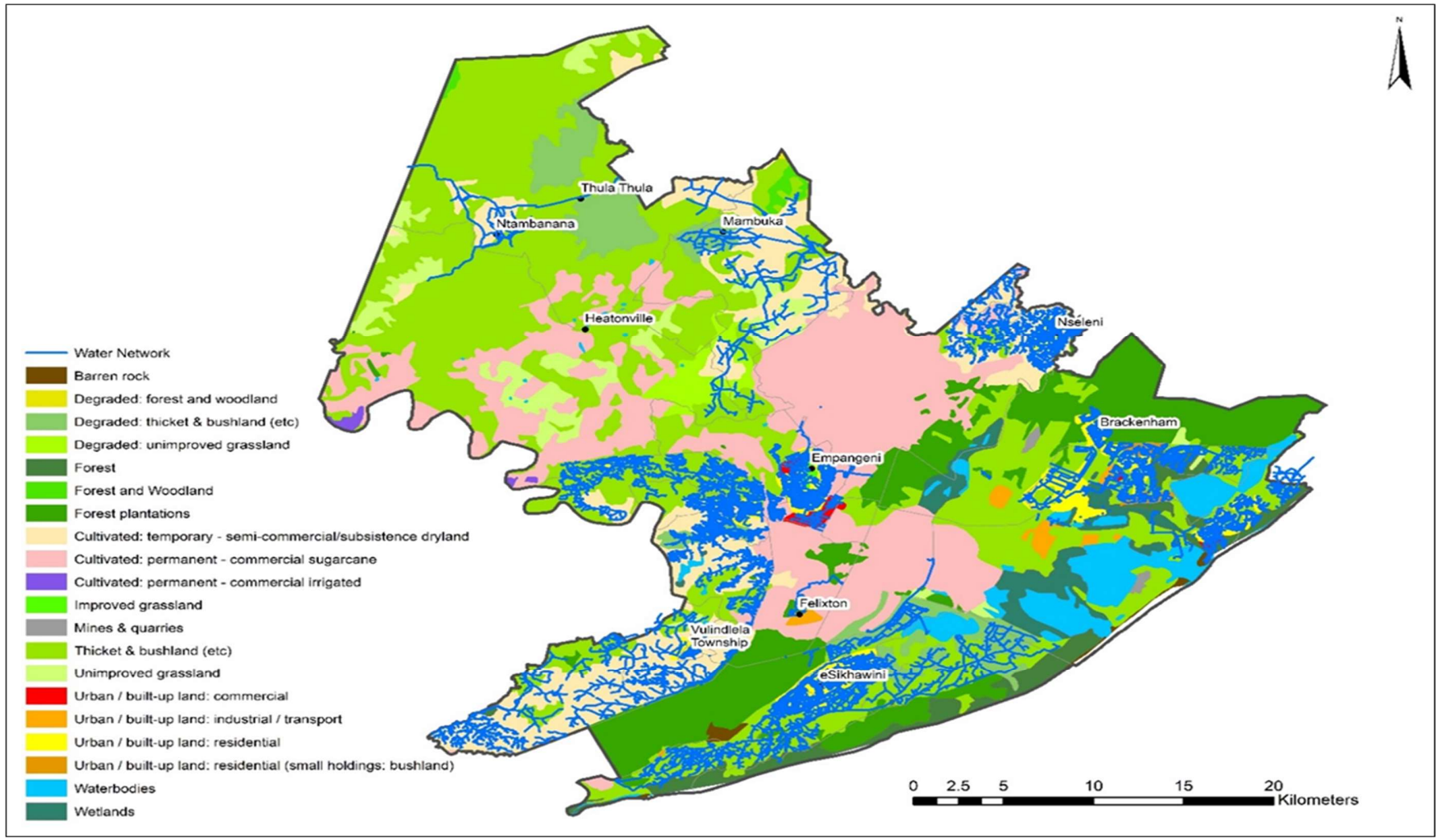
Map 18: Water Networks



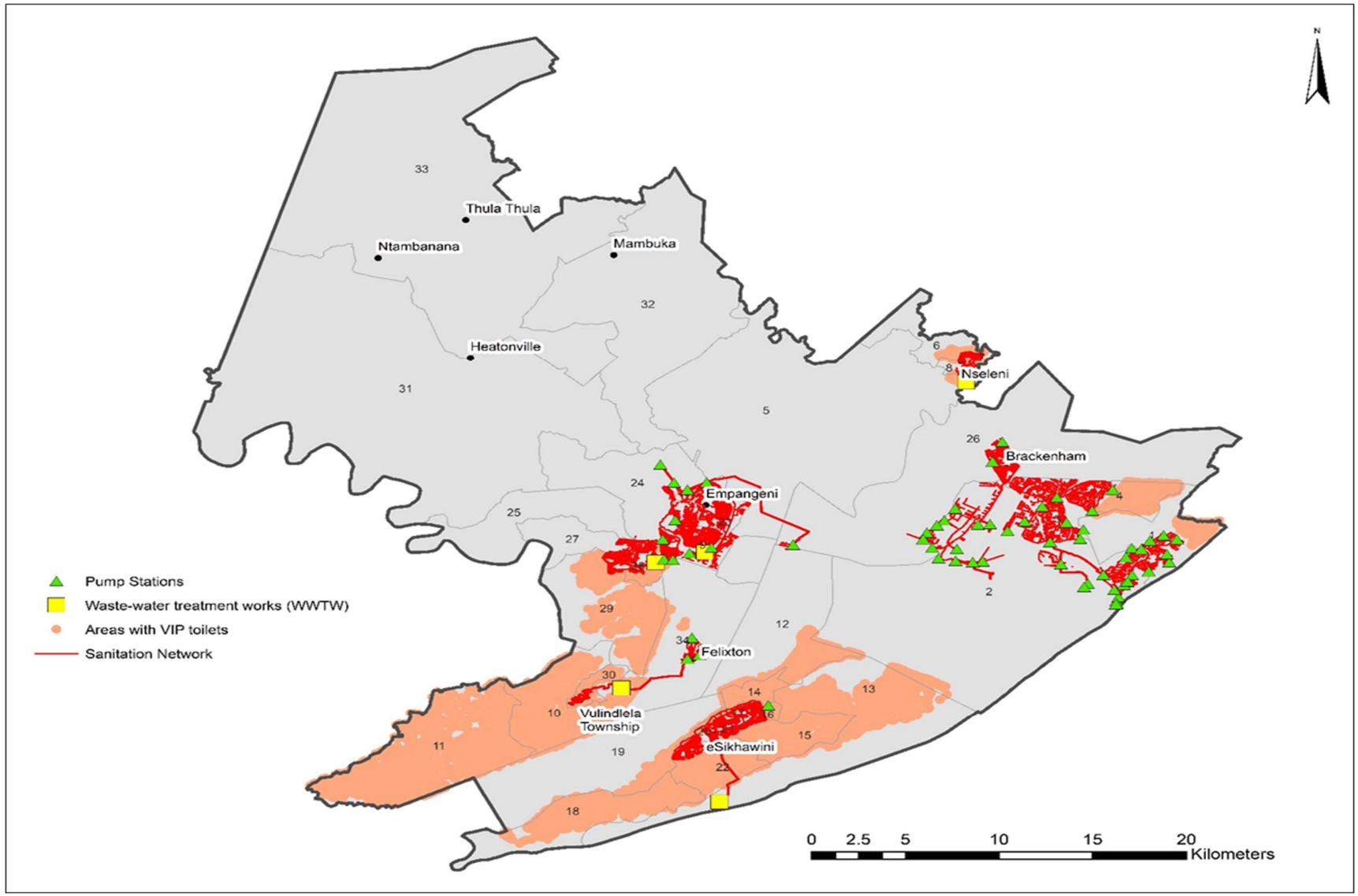
Map 19: Water Network for Human Settlement Projects



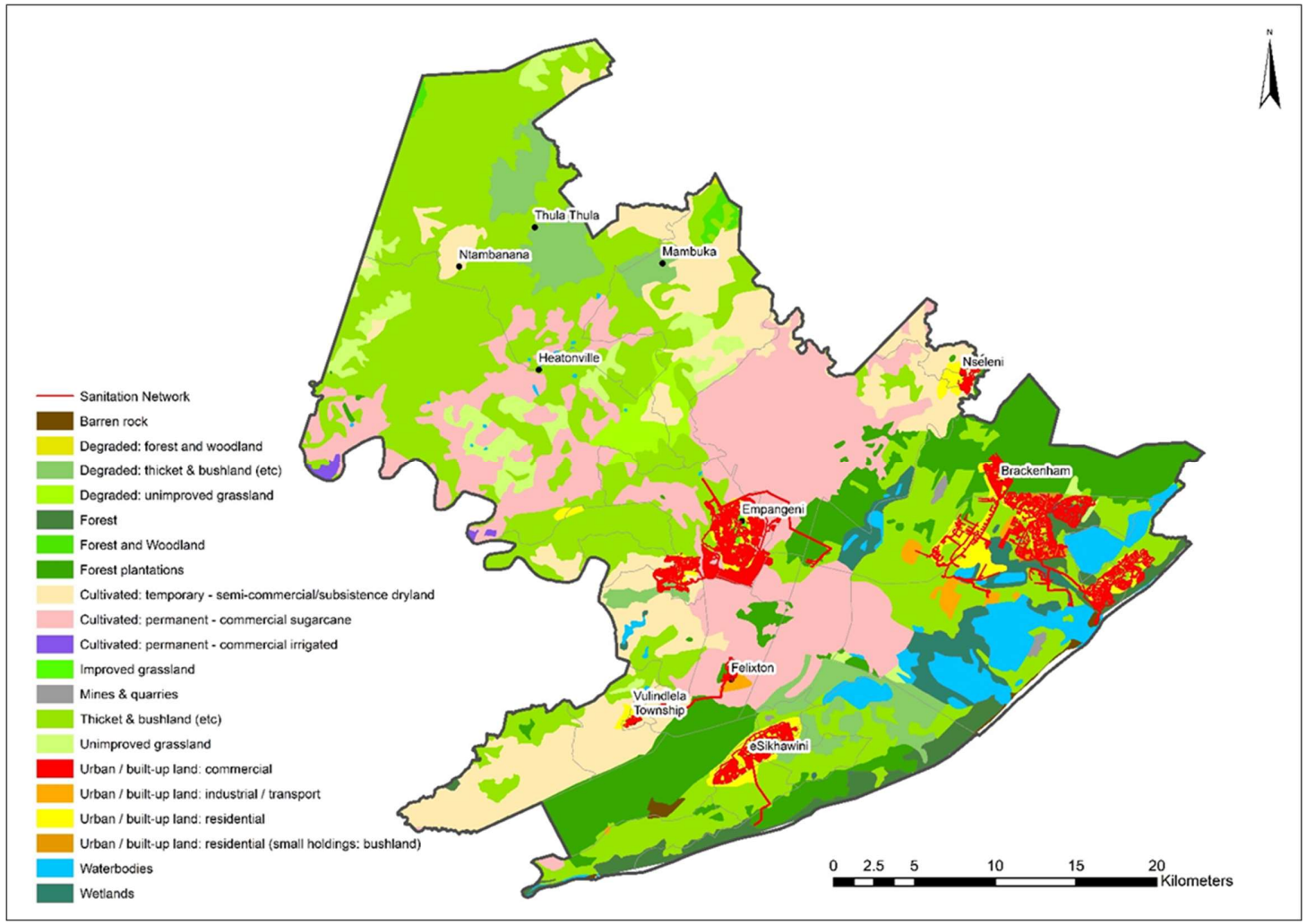
Map 20: Water Networks



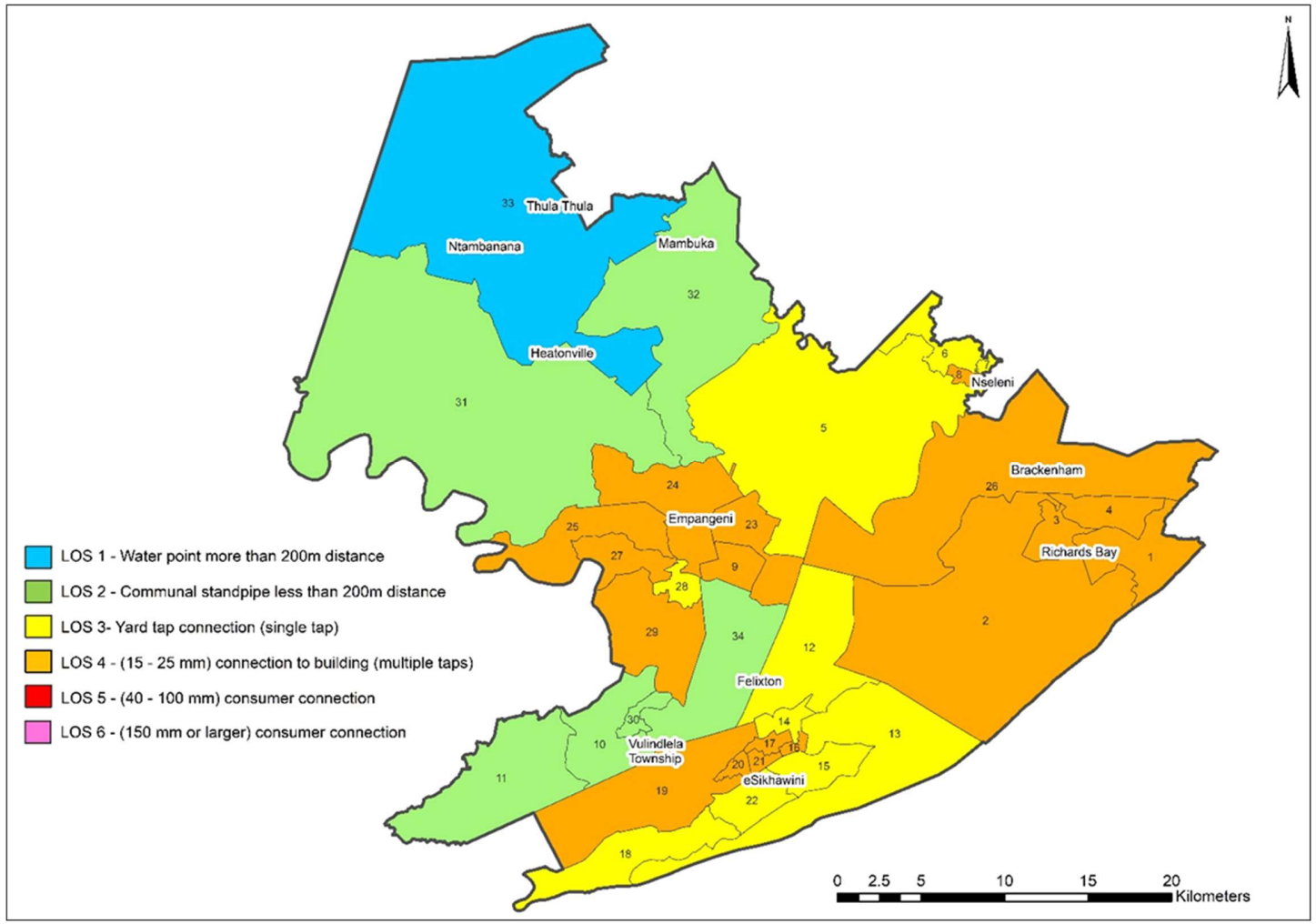
Map 21: Pump Stations



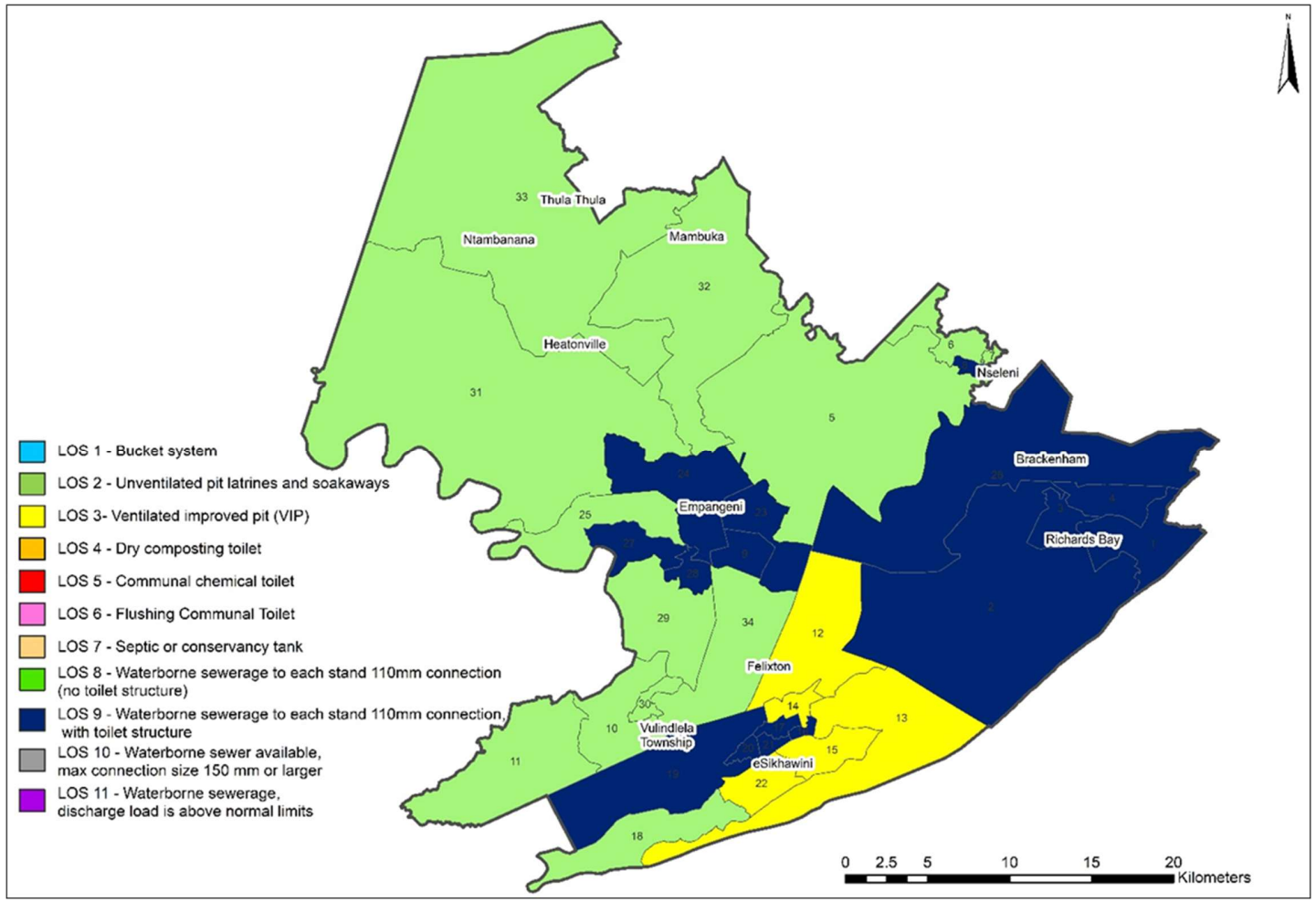
Map 22: Sanitation Networks



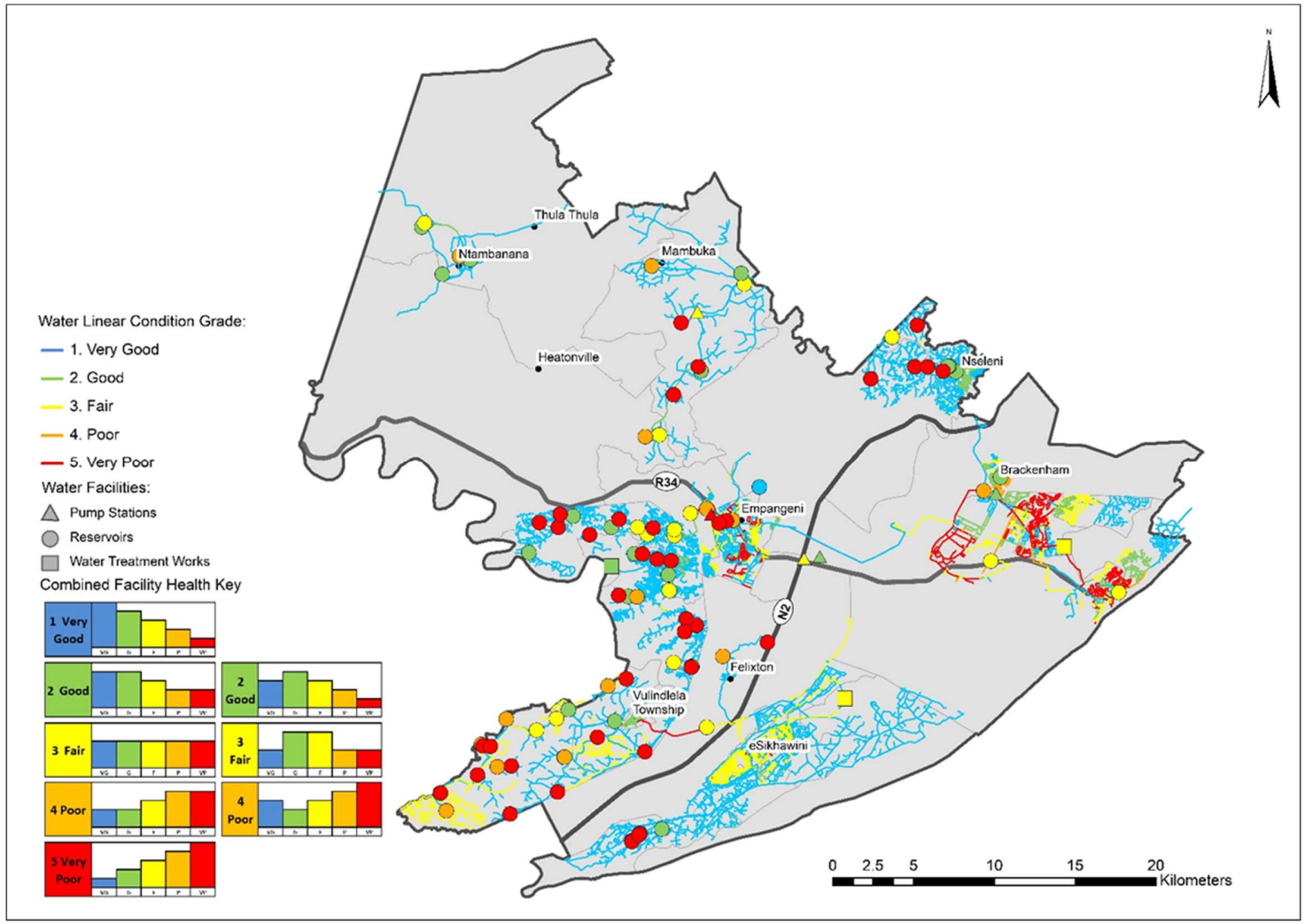
Map 23: Domestic Water Supply



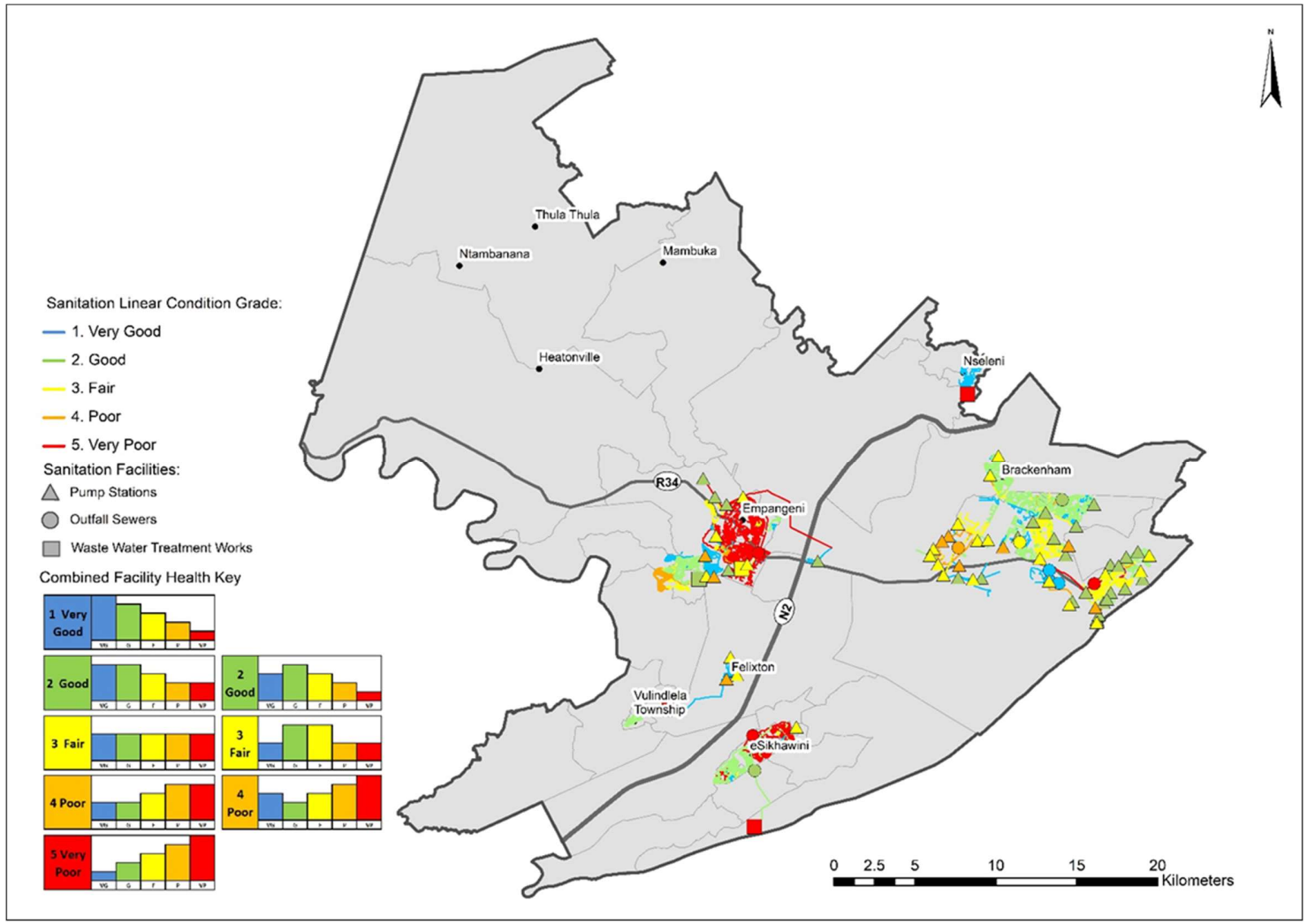
Map 24 : Sanitation Supply



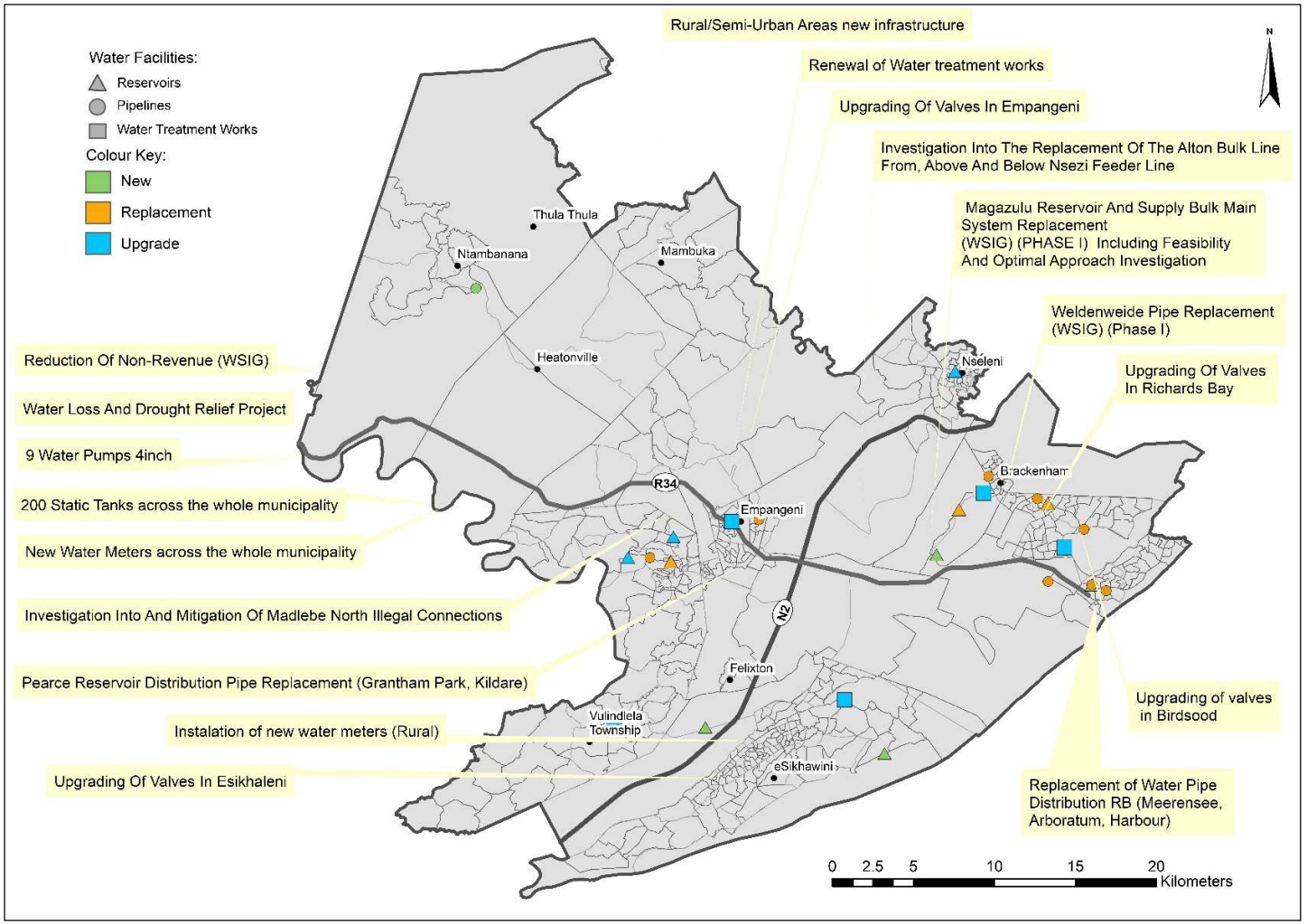
Map 25: Water linear Condition



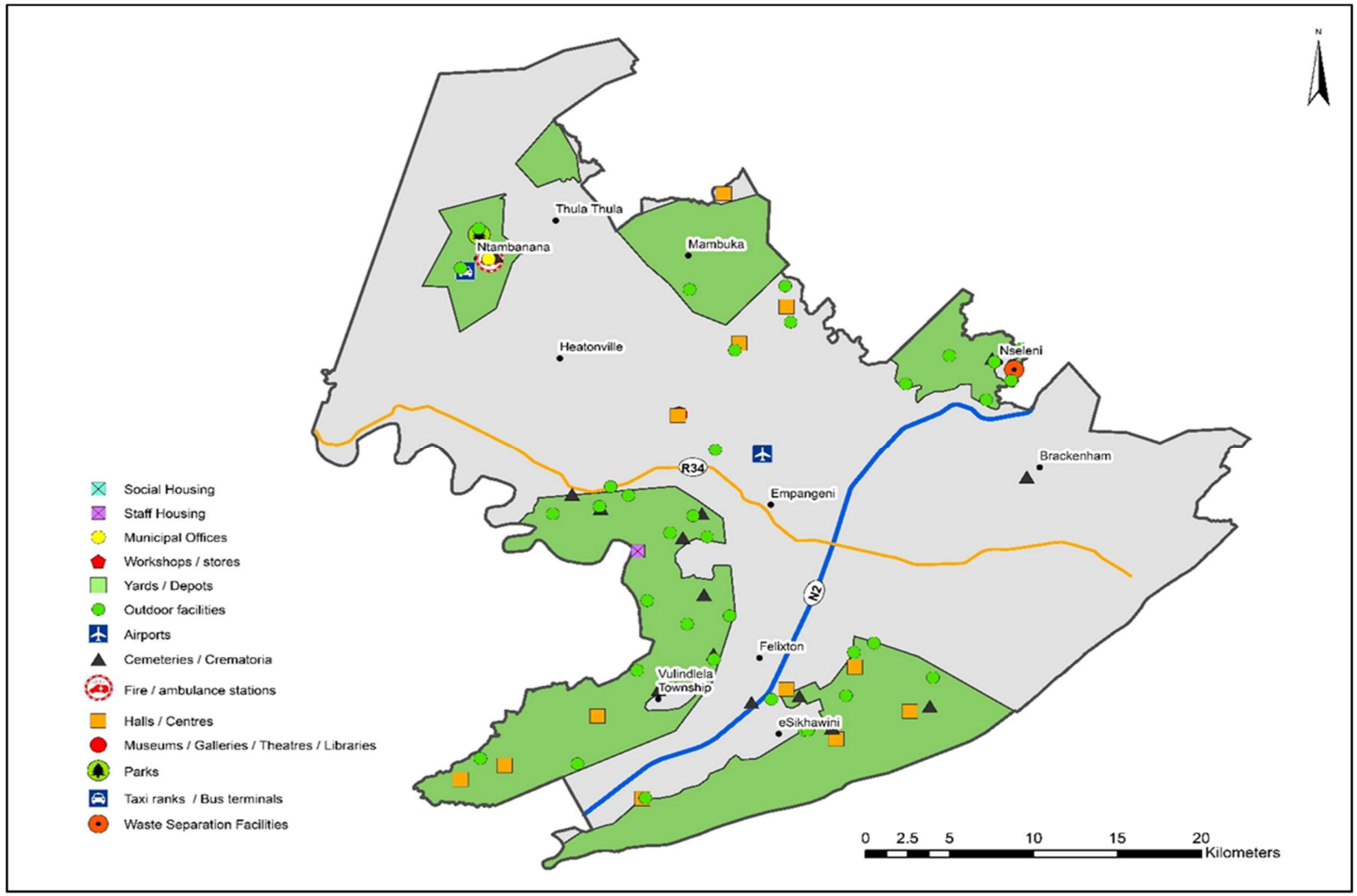
Map 26: Sanitation Linear Conditions



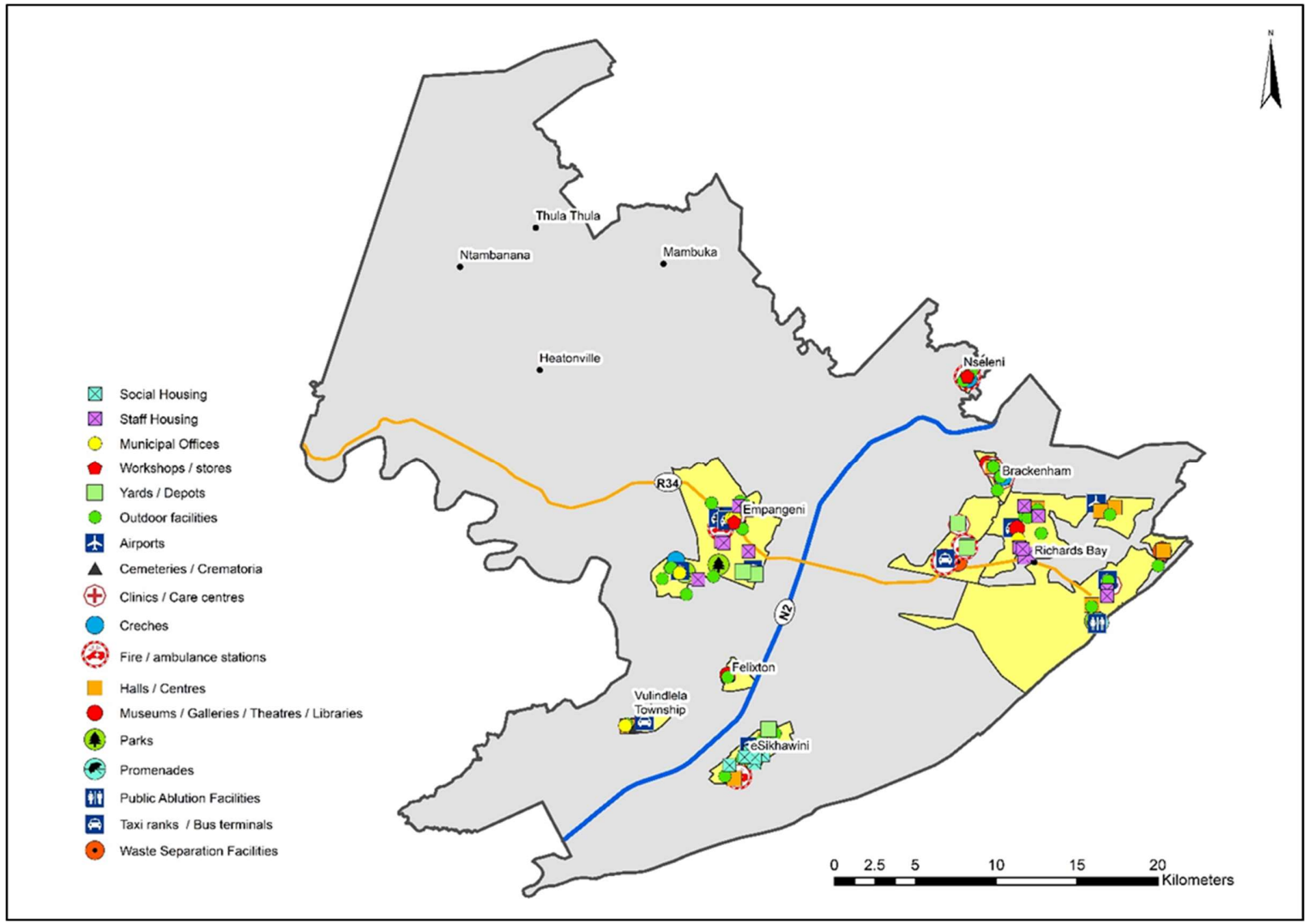
Map 27: Water Facilities



Map 28: Backlogs



Map 29: Public Facilities



7.23.5 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.

i. Laboratory Testing Services (Chemistry & Microbiology)

Formal recognition that laboratories are competent to carry out specific tasks/tests is given by the South African National Accreditation System (SANAS) in a form of accreditation. Although achievable by all labs, SANAS accreditation historically believed to be a status awarded to only large laboratories (centred on the major metropolitan areas).

Department of Water and Sanitation (DWS) with sector partners developed the strategy to ensure institutions use laboratories deemed competent & produce credible results to manage and report on their drinking and wastewater quality. Strategy denotes process whereby DWS shall approve the use of laboratories competent to analyse drinking- and wastewater samples.

The laboratory is currently undergoing method development and validation as well as phased implementation of ISO 17025. The laboratory is also participating in Proficiency Testing schemes for Chemistry and Microbiology in order to continually improve accuracy and precision when compared to other laboratories. The laboratory analyses samples on various water types, below are the types:

Figure 47: Number of Tests per Sample Type from July 2022 to June 2023

CHEMISTRY	
SAMPLE TYPE	TOTAL NUMBER OF ANALYSIS
Lakes (Cubhu & Mzingazi)	6811
Surface Water	11010
Waste Water	7645
Drinking Water (Adhoc)	370
Ground Water	2060
Grand Total of analysis per sample type	27 896

Figure 48: Number of Tests per Sample Type from July 2022 to June 2023

MICROBIOLOGY	
SAMPLE TYPE	**TOTAL NUMBER OF ANALYSIS**
Lakes (Cubhu & Mzingazi)	**273**
Surface Water	**523**
Drinking Water (Adhoc)	**58**
Ground Water	**90**
Grand Total of analysis per sample type	**944**

ii. Future plans for the laboratory include:

- Introduction of new methodology
- Installation of biometrics system
- Accreditation to ISO17025
- Procurement of a generator

iii. Water Quality Management

(a) Sample Management

Samples from various sources are collected for analysis of key parameters to determine water quality.

Figure 49: Total samples from July 2022 to June 2023

SOURCE	SAMPLES
Surface Water (Industrial)	129
Surface Water (Pumpstations)	215
Surface Water (Urban/Rural Suburbs)	44
Surface Water (Canals)	55
Industrial Effluent	299
Surface Water (Lakes)	237

Figure 50: Total samples from July 2022 to June 2023

Alton Landfill (Boreholes)	70
Coastal Water (Blue Flag)	0
External Service Provider (MW)	234
Richards Bay Cemetery (Boreholes)	0
Esikhawini Cemetery (Boreholes)	0
GRAND TOTAL	1283

(b) Drinking Water and Wastewater Systems

The City of uMhlathuze 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:

(c) Water Treatment Works:

- Esikhaleni Water Treatment Works
- Mzingazi Water Treatment Works
- Ngwelazane Water Treatment Works

(d) Drinking Water Reticulation monitoring:

There are a number of test points along the water networks that serve to ensure that the quality of potable water (to the consumer) complies with national standards (SANS 241:2015). There are 56 samples tested per week/month by Mhlathuze Water. **Waste Water Treatment Works includes:**

- Alton Macerator Station
- Arboretum Macerator Station
- John Ross Highway Macerator Station
- Nseleni Wastewater Treatment Works
- Esikhaleni Wastewater Treatment Works
- Empangeni Wastewater Treatment Works
- Ngwelazane Wastewater Treatment Works
- Vulindela Wastewater Treatment Works

(e) Wastewater Treatment Monitoring

There are 7 test points at the wastewater treatment works and macerator stations, which ensure that the final effluent quality complies with national standards before discharge. Additional monitoring from the councils own laboratory adds credibility to the monitoring program.

(f) Water Pollution Management

The **Water Quality Monitoring Program (WQMP) (CR4711, 2021/2022)** 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 WQMP is the monitoring programme that the laboratory follows to conduct its testing. The WQMP comprises the standards/guidelines and regulations that are required to effectively and efficiently monitor the entire city's water sources. Trend analyses will in future assist the council to detect from early on the water quality status of the water sources and timeously put in mitigation measures. The following areas are monitored for possible pollution:

Figure 51: Sample types being monitored by the WQMP

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

- **Water Pollution Control**

Water pollution control includes monitoring of Waste Water Treatment Works, streams and rivers, water bodies and borehole monitoring. These all are influenced by industrial waste, pump station- and sewer overflows and non-compliances of industry and WSP's to national effluent standards. The following are some of the elements indicative of pollution:

- pH
- Conductivity
- Suspended solids
- Turbidity
- Total dissolved solids
- Turbidity
- Sulphate/chloride ratio
- Ammonia
- Faecal coliforms
- *E.coli*
- Heavy metals and other inorganic constituents

7.23.6 Blue & Green Drop Incentive Based Programmes

The Minister of Water Affairs introduced the concept of Incentive-based Regulation on 11 September 2008 to the water sector at the National Municipal Indaba held in Johannesburg. The

concept was defined by two programmes: the Blue Drop Certification Programme for Drinking Water Quality Management Regulation and the Green Drop Certification Programme for Wastewater Quality Management Regulation.

i. Blue Drop Incentive Based Program :

The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalizes) 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-Government 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 utilising benchmarking in a market where competition is difficult to implement.

The Blue Drop incentive based regulation programme endeavours to facilitate and drive this continuous improvement process, seeking sustainable improvement in service delivery, progressive improvement in drinking water quality and steadfast coverage of unserviced areas. This form of incentive and risk-based regulation holds the intent to synergise with the current goodwill exhibited by municipalities and existing Government support programmes to give the focus, commitment and planning needed. Regulation is important to ensure effective and efficient delivery of sustainable water services.

Figure 52: Comparative Table – Blue Drop Status

Blue Drop Systems	2010 Score	2011 Score	2012 Score	2014 Score
Mzingazi WTW	81.25%	89.28%	89.91%	85.45%
eSikhaleni WTW	79.75%	90.07%	92.35%	91.85%
Ngwelezane WTW	79.75%	91.35%	96.37%	95.02%
Nsezi WTW	NA	88.90%	98.39%	95.38%
The Average Score*	**80.4%**	**89.26%**	**92.94%**	**89.60%**

Provincial performance profiles are the summation of the respective municipal performances. Each Province has different dynamics with municipal participants that perform exceptionally well, on average, unsatisfactory or very poorly.

ii. Green Drop Incentive Based Program

The Green 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-Government 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. Drop Systems within the City can be noted in the table below:

Figure 53: Green Drop Score for City of uMhlathuze

Green Drop Systems	2009 Score	2011 Score	2013 Score	2021 Score
Empangeni WWTW	72%	84.30%	77.20%	57%
eSikhaleni WWTW	72%	82.60%	86.73%	55%
Ngwelezane WWTW	72%	83.20%	91.18%	66%
eNseleni WWTW	72%	83.20%	95.99%	58%
Vulindlela WWTW	72%	86.10%	90.74%	52%
The Average Score*	**72%**	**83.3%**	**84.94%**	**58%**

iii. **Future Plans for Water Quality**

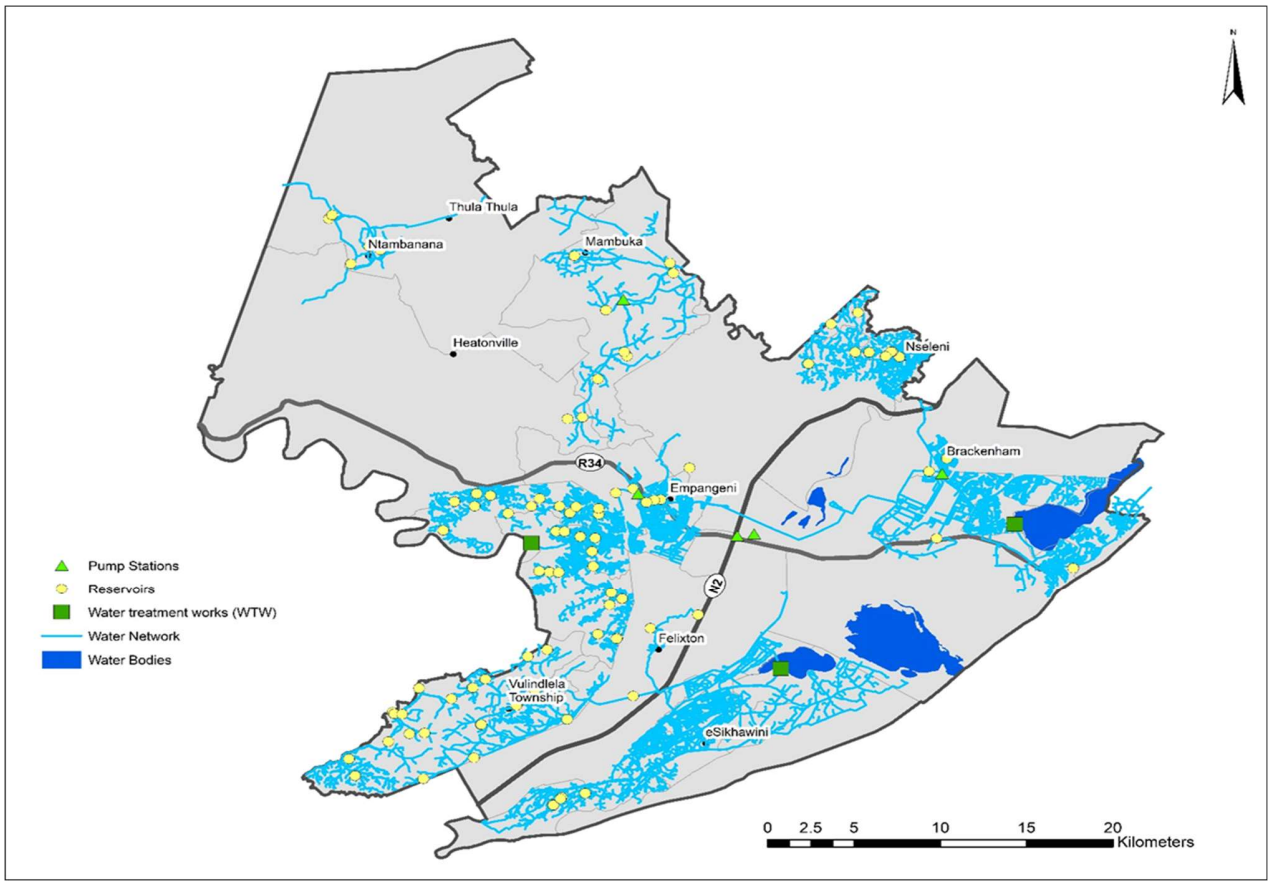
- Complete Lake Cubhu management plans.
- Improved efficiency of permit management system by initiating an online application process
- Development of Document Control Management system as per ISO 9001.

iv. **Major Project**

- **Laboratory ISO 17025 accreditation**

The Scientific Services laboratory is in the process of ISO/IEC 17025 accreditation. ISO/IEC 17025 is a standard for general requirements for the competence of testing and calibration laboratories. Accreditation is the procedure by which an authoritative body gives formal recognition that a body is competent to carry out specific tasks.

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



7.24 Sanitation

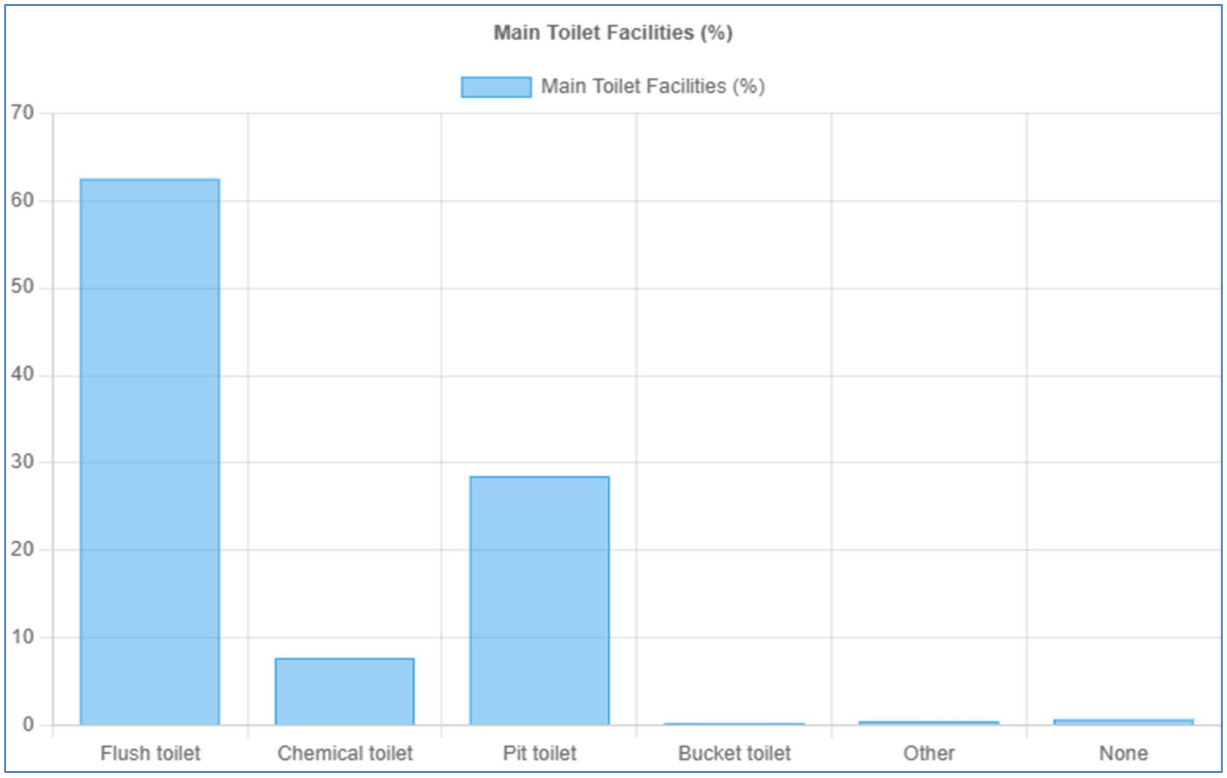
Access to appropriate sanitation services is a very high health priority. Although sanitation services received a high priority from the government, there are always challenges and this service did not achieve the same level of success as improved access to water services

Table 60: Access to sanitation services 1996, 2001, 2011 and 2016

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	23,391	NA	NA	13,161	4,548	41,100
	%	56.91 %	NA	NA	32.02 %	11.07 %	100 %
2001	Total	36,072	6,405	9,229	18,783	7,763	78,252
	%	46.10 %	8.19 %	11.79 %	24.00 %	9.92 %	100 %
2011	Total	47,598	8,426	12,756	19,310	3,677	91,767
	%	51.87 %	9.18 %	13.90 %	21.04 %	4.01 %	100 %
2016	Total	54,895	27,427	20,426	6,951	757	110,456
	%	49.70 %	24.83 %	18.49 %	6.29 %	0.69 %	100 %

Source: Census 1996, 2001, 2011, 2016

Figure 54: Access to 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%** ***(81.20%)***.

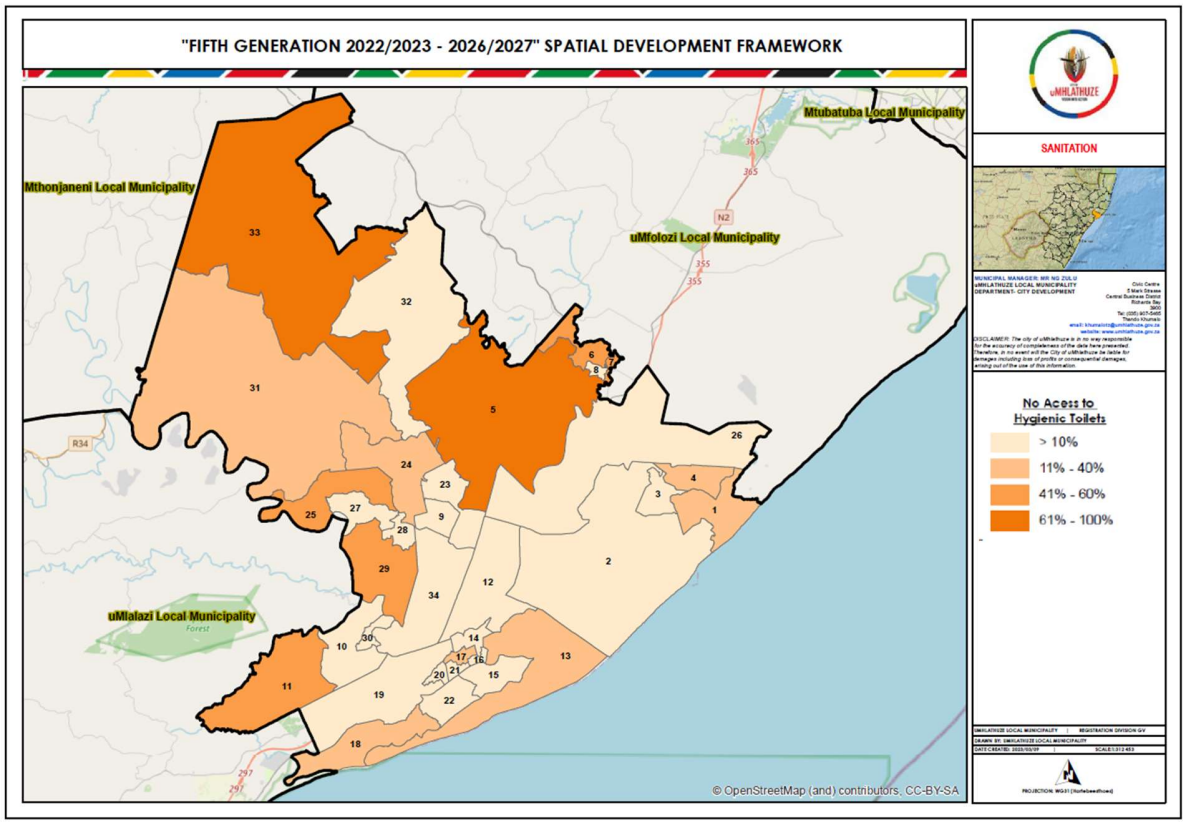
The approved target for 2022/2023 financial year of VIP toilets to be constructed is not yet set due to delays in advertising the new tender. Access to Sanitation as at 30 June 2022 is **80.94%** and the Sanitation backlog is **19.06%**. The Department has two sewer projects planned for Mandlazini Agri-Village and Mzingazi to upgrade from VIP to waterborne sewage

The target of 280 new connections was based on the success of the two projects being implemented

Table 61: Municipality Calculated Sanitation Backlogs

Service Level	Baseline (2021/2022) (Audited)	2022/2023 Target	Stats Ending June 2023
Total households = 110 503 (2016 Stats SA)	Households with access to sanitation	Targets	Households with access to sanitation
ACCESS TO SANITATION	89 444	89 924	89 444
Waterborne Sewerage	43 068	43 348	43 068
VIP Toilets	46 376	46 376	46 376
Backlogs	21 059	20 579	21 059
New Installations (VIP)	0	280	Actual Q1 = 0 Actual Q2 = 0 Actual Q 3 = 0 Actual Q 4 = 0

Map 31: Access to hygienic toilets



Source: uMhlathuze SDF Review 2023

From the map above it can be seen at which spatial locality large percentages of households do not have access to hygienic toilet facilities

7.24.1 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 that was 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***

7.24.2 Operations and Maintenance

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

Table 62: Water and Sanitation Plans

Plan
Asset Register for Water and Sanitation, Audited as June 2020
Water and Sanitation Year End Report, 2019/2020
Draft Asset Management Plan for Roads & Stormwater 2018-2028 (signed-off version);
Draft Asset Management Plan for Electricity & Energy Services 2019-2028.
Draft Asset Management Plan for Water & Sanitation 2018-2028 (signed-off version);
Draft Asset Management Plan for Buildings, Facilities & Waste Management 2018-2028 (signed-off version);
Draft Maintenance & Renewal Strategy for Roads & Stormwater Services;
Maintenance and Renewal strategy for Building and Facilities;
Maintenance & Renewal Strategy for Electricity & Energy Services.
Draft Maintenance & Renewal Strategy for Water & Sanitation Services;
Bulk Sewer Master Plan
Operations and Maintenance Plan for Water and Sanitation

7.24.3 Water and Sanitation Projects for 2024/2025 as per an approved MTREF 24/25

Projects required funding - Infrastructure Services (Water and Sanitation)

Nr	Project Description	Status	Value
1	Ntambanana Bulk Reticulation	Detailed design - ready for tender	R1 000 089 000,00
2	KwaDube Water Improvement (Esikh WTW and Rising Main)	Detailed design - ready for tender	R850 000 000,00
3	Esikhaleni Package Plant	In progress - implementation	R85 000 000,00
4	Esikhaleni Intervention Bulk and Reticulation	In progress - implementation	R180 000 000,00
5	Bulk Sewer - Richards Bay	In progress - feasibility study	R1 000 000 000,00
6	Nseleni Sewer Upgrade	Detailed design	R140 000 000,00
7	Esikhaleni Sewer Upgrade	Pre Feasibility	R200 000 000,00
8	Vulindlela Water Improvement	Preliminary design	R125 000 000,00
9	Meerensee 25Ml Reservoir	Detailed design - ready for tender	R120 000 000,00
10	Madlebe South Bulk Infrastructure Improvement	Planning Phase	R20 000 000,00
11	Khosa Bulk Infrastructure Improvement	Planning Phase	R20 000 000,00
12	Upgrade of 600mm Rising Main from Mzingazi WTW to Mandlazini Reservoir	Planning Phase	R400 000 000,00
13	Mzingazi WTW Upgrade	Feasibility stage	R300 000 000,00
14	Esikhaleni Upgrade of Existing Plant (WTW)	Feasibility stage	R400 000 000,00
15	Ngwelezane Upgrade of Existing Plant (WTW)	Feasibility stage	R90 000 000,00
	TOTAL		**R4 930 089 000,00**

All water and sanitation projects are reflected on **Section F, under Major Funded Project Sub-Section and** on the Municipal Capital Expenditure Framework 2023 attached.

7.25 SOLID WASTE MANAGEMENT

7.25.1 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.

7.25.2 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.

Goal 2: Ensure Separation at Source in our Municipality (Kerb Recycling)

There are currently five areas where separation at source is taking place, which are Meerensee, Birdswood, 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, Brackenham 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 55: Hierarchy

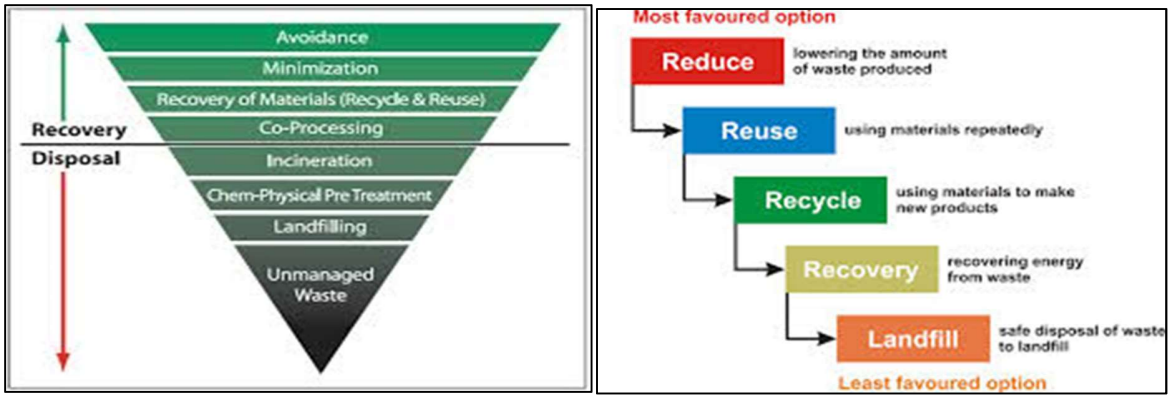


Table 63: different waste streams recycled as at June 2022

The following table reflects the amount of waste that was diverted from the landfill site as a result of extraction from different waste streams for recycling purposes in the City in the past year; achieving an average recycling rate of 25.89 % against the annual target of 20%. This program has benefitted a number of individuals in the green economy, referred to as "Waste-preneurs".

QUARTER	RECYCLABLES IN TONS	% WASTE MINIMIZATION
Q1 Jul – Sept	2 999 998	27.66%
Q2 Oct – Dec	3 359 912	26.9%
Q3 Jan – Mar	3 513 658	26.%
Q4 Apr – June	3 276 439	23%
Total	13 150 007	25.89%

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.

7.25.3 Material Recovery Facilities

Material Recovery Facilities, also known as Recycling Centres, within the City are currently operating and contributing to the community directly. These include Mzingazi Material Recovery Facility, eNseleni Material Recovery Facility, Alton Material Recovery Facility and Ntambanana Material Recovery Facility.

Each MRF accommodates local waste-preneurs that previously recycled from their own backyards to sort different recyclables for their own financial benefit. Facilities in Alton, Mzingazi and eNseleni are provided with recyclable waste by the Municipality from the kerb-recycling programme in addition to recyclables waste-preneurs collect on their own. Waste-preneurs situated in Ntambanana, on the other hand, obtain their recyclables from incoming communal skips that they sort prior to landfill disposal.

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 **75.17%** % on average of total households (83060) had access to the basic weekly solid waste removal service at the end of 2021/2022, and it should be noted that all wards have access to Waste Management Service.

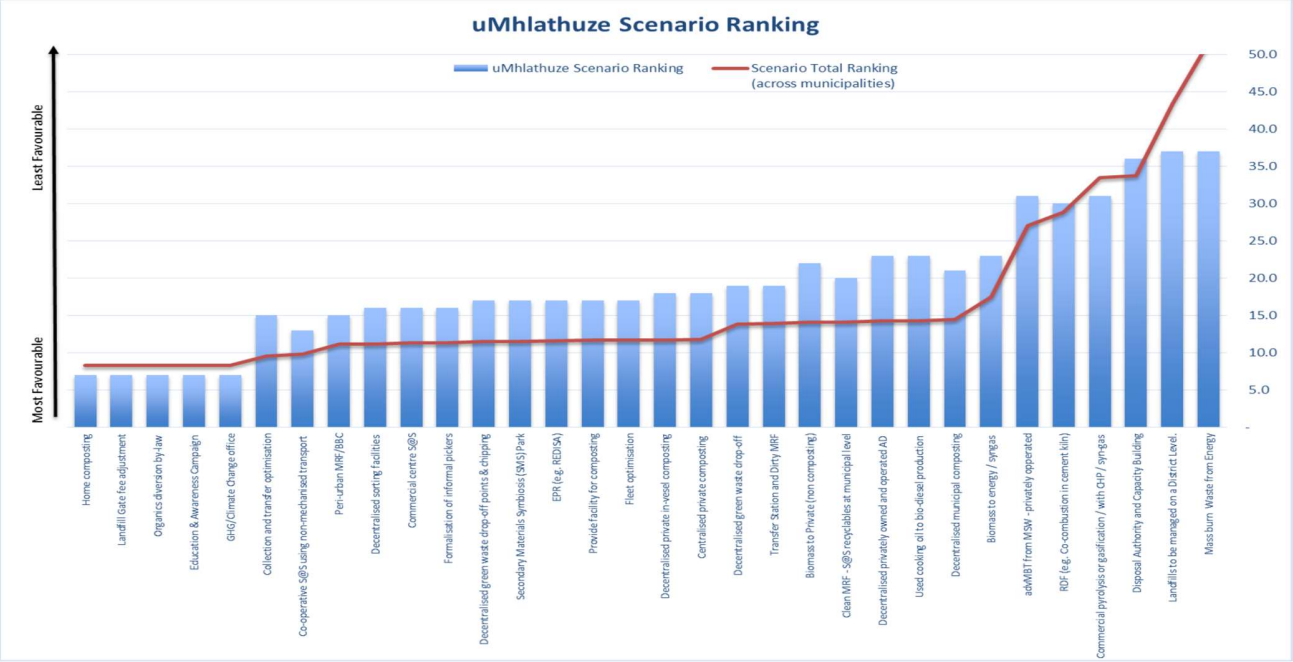
Goal 3: Grow the Contribution of the Waste Sector to the Green Economy

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 56: 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 that 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.

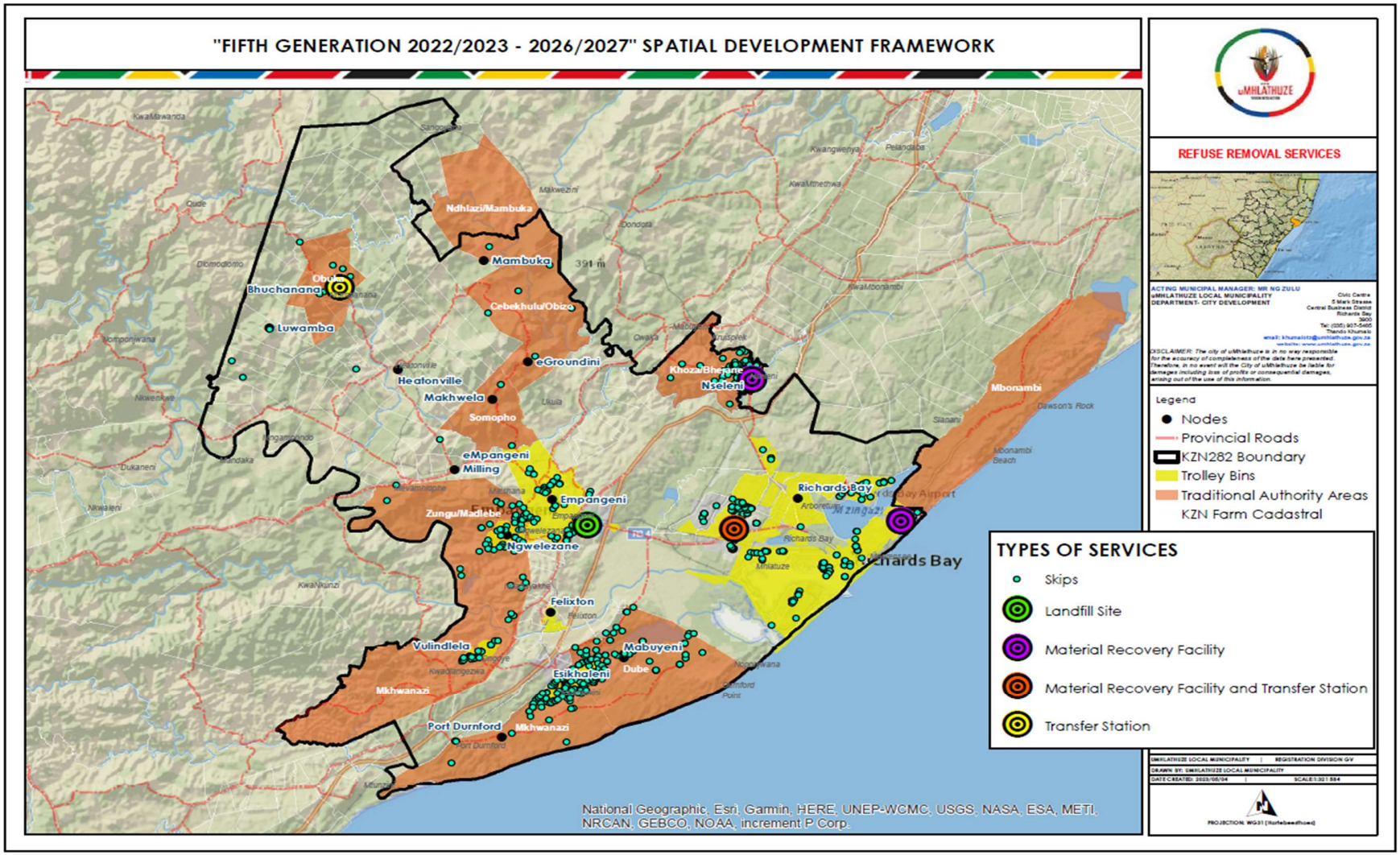
Goal 7: Provide Measures to Remediate Contaminated Land.

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: City of uMhlathuze SDF 2023

Table 64: Solid Waste Management Indicators and targets

CITY OF UMHLATHUZE REFUSE REMOVAL									
Objective	Strategies	Performance Indicator	2017/2018 Actual 2017/2018 Baseline	2018/2019 Actual 2018/2019 Baseline	2019/2020 Amended Annual Target incl. 2016 Survey	2019/2020 Actual 2019/2020 Baseline	2020/2021 Annual Target	2021/2022 Annual Target	2022/2023 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 65: 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
MzingaziMaterial 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

7.26 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 an Arterial Road Framework Plan that extends beyond the boundaries of the existing formal urban areas into the proposed expansion areas as indicated hereunder.

7.26.1 Comprehensive Infrastructure Transport Plan

In terms of section 36(1) of the National Land Transport Act, 2009, (Act No. 5 of 2009), the Minister of Transport published the minimum requirements and guidelines for the preparation of Integrated Transport Plans (CITP's). The City of uMhlathuze is required in terms of the above mentioned ACT, to prepare a Type 1 Comprehensive Integrated Transport Plan in every five years. The CITP should be reviewed annually in alignment with the IDP Review process. The uMhlathuze CITP 2021/2025 (attached) provides an overview of the current transport situation, identified transport needs and the strategies required to address these needs. The CITP also addresses the requirements of the National Land Transport Act.

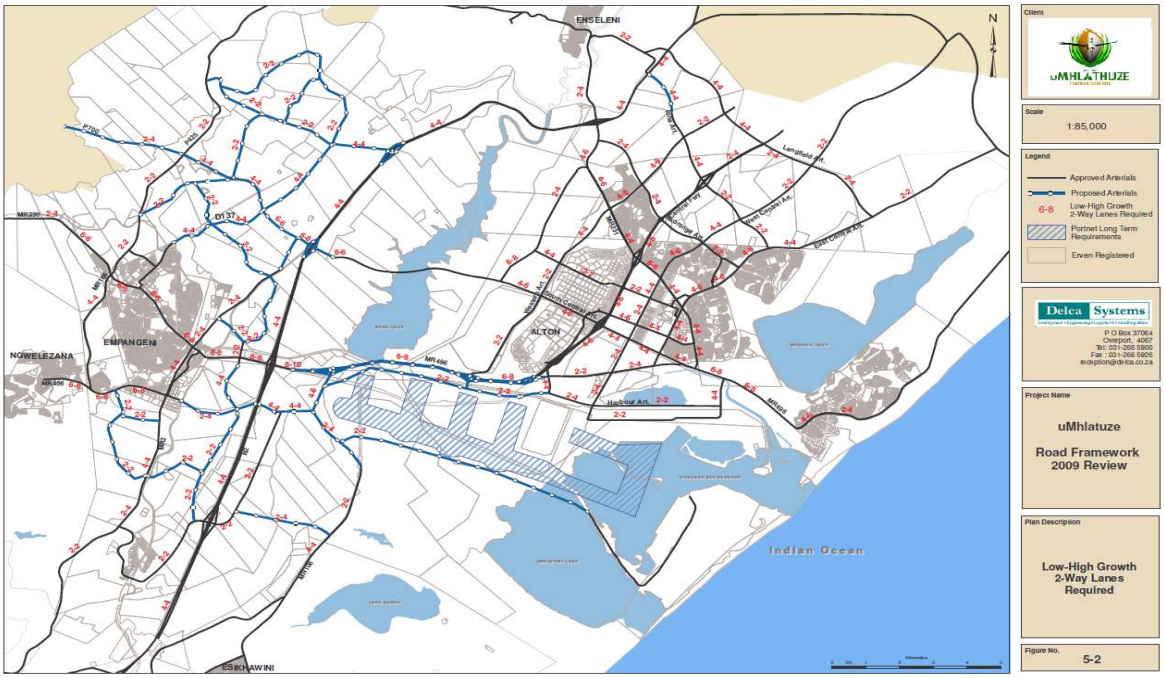
7.26.2 Arterial Road Framework Plan

The City of uMhlathuze has an operation Arterial Framework Plan which extends beyond the boundaries of the existing formal urban areas into the proposed expansion areas, (See Figure 23 below)

Furthermore following a municipal study on Public Transport Amenities in the municipal area was the following was pursued and completed:

- Deliver a status quo analysis of public transport facilities in the City of uMhlathuze (bus/taxi stops, routes and ranks)
- Analyse the need for and possible location of a truck stop facility
- Develop concept layouts for all bus/taxi ranks within the City
- Undertake a study to identify a site for a truck stop site

Map 33: Arterial Road Framework Plan



7.26.3 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. The City has a Pavement Management System which 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 66: 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
	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 57: Condition of the Structure

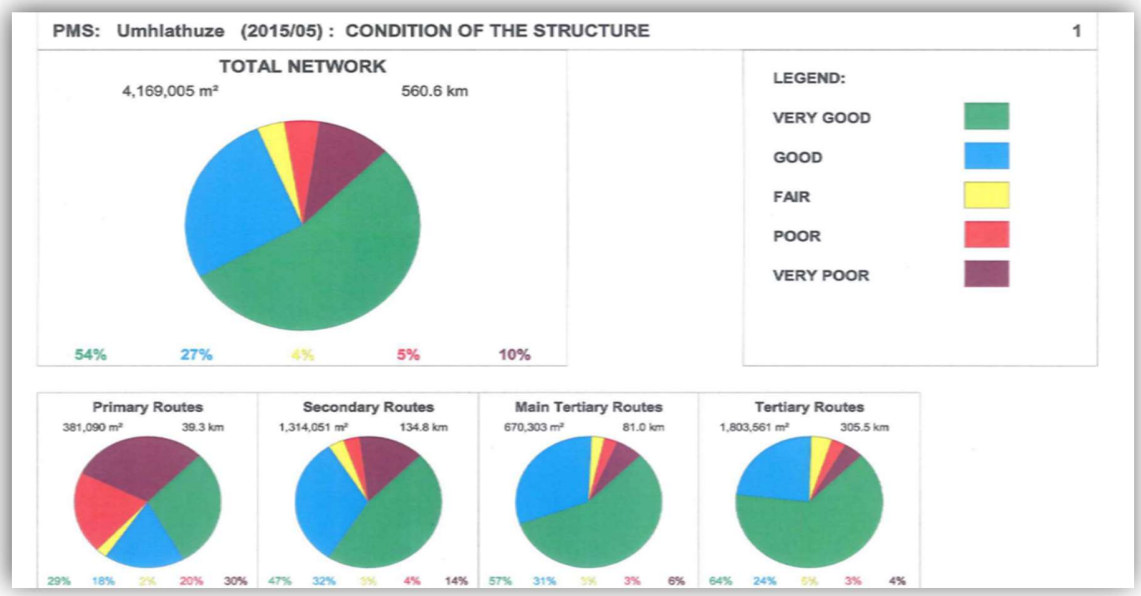
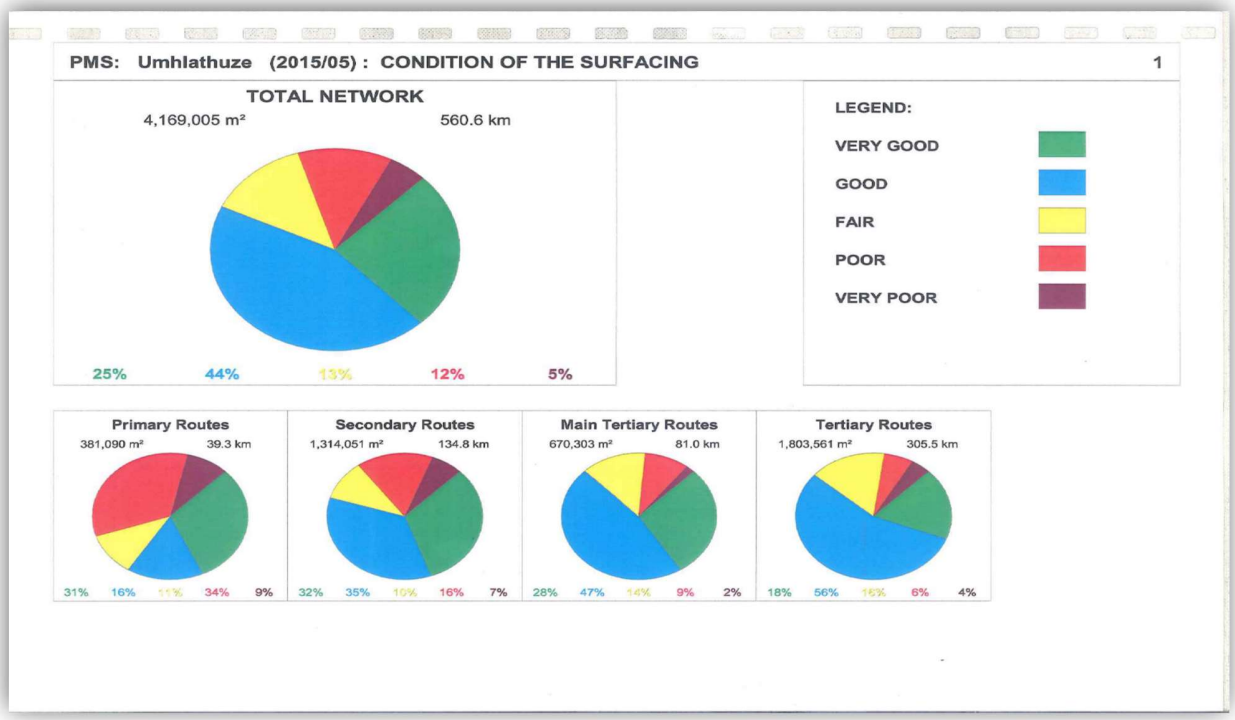


Figure 58: Condition of the Surfacing



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.

7.26.4 Transportation Planning and Traffic Signals

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

- Transportation Planning
- Contract Maintenance
- Traffic Signals

Transportation planning includes the following:

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

Transport Planning Assistance includes the following:

- 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

7.26.5 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.

7.26.6 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.

i. **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

ii. **Projects and Activities** of the section include:

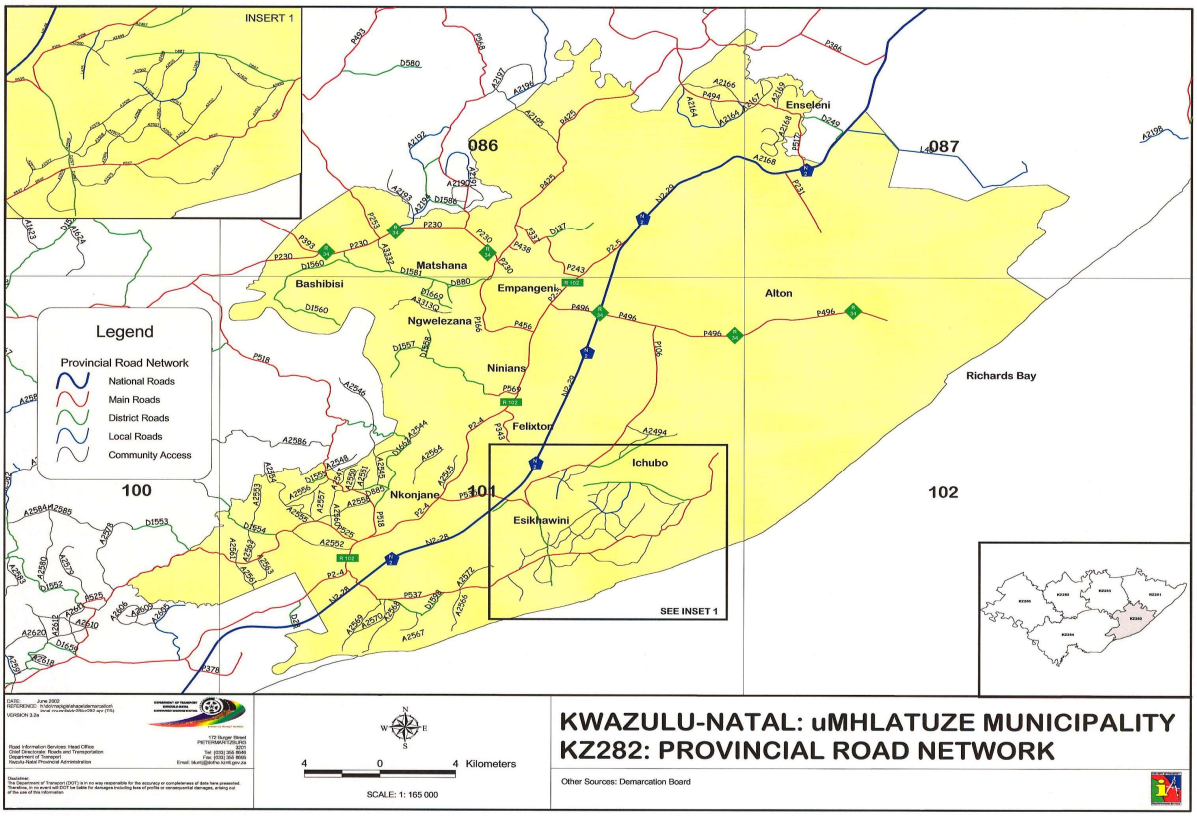
- Repair of Mzingazi River Salt Water Barrier Weir at John Ross Highway Bridge to prevent ingress of salt water through the weir into the fresh water course.
- Community Awareness Project for a Stream Clean-up crossing Saligna Road between John Ross College and Via Cassiandra Road.
- Replacement of all 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.

7.26.7 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.

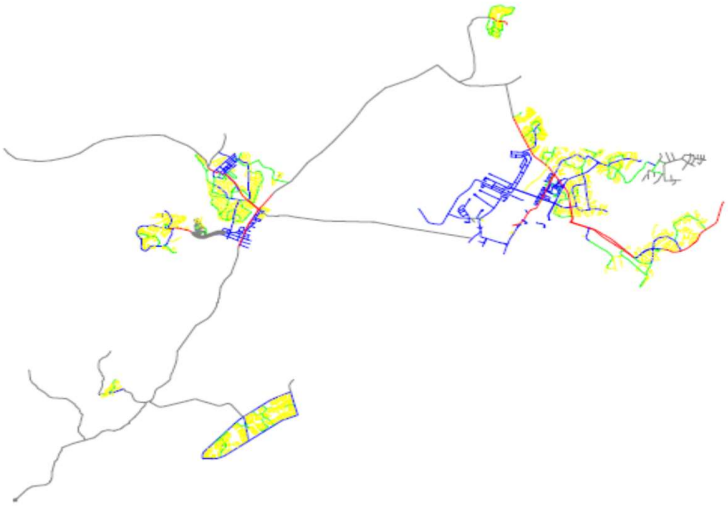
i. **National Road (N2 - North Coast in Blue)**

- 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

ii. **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



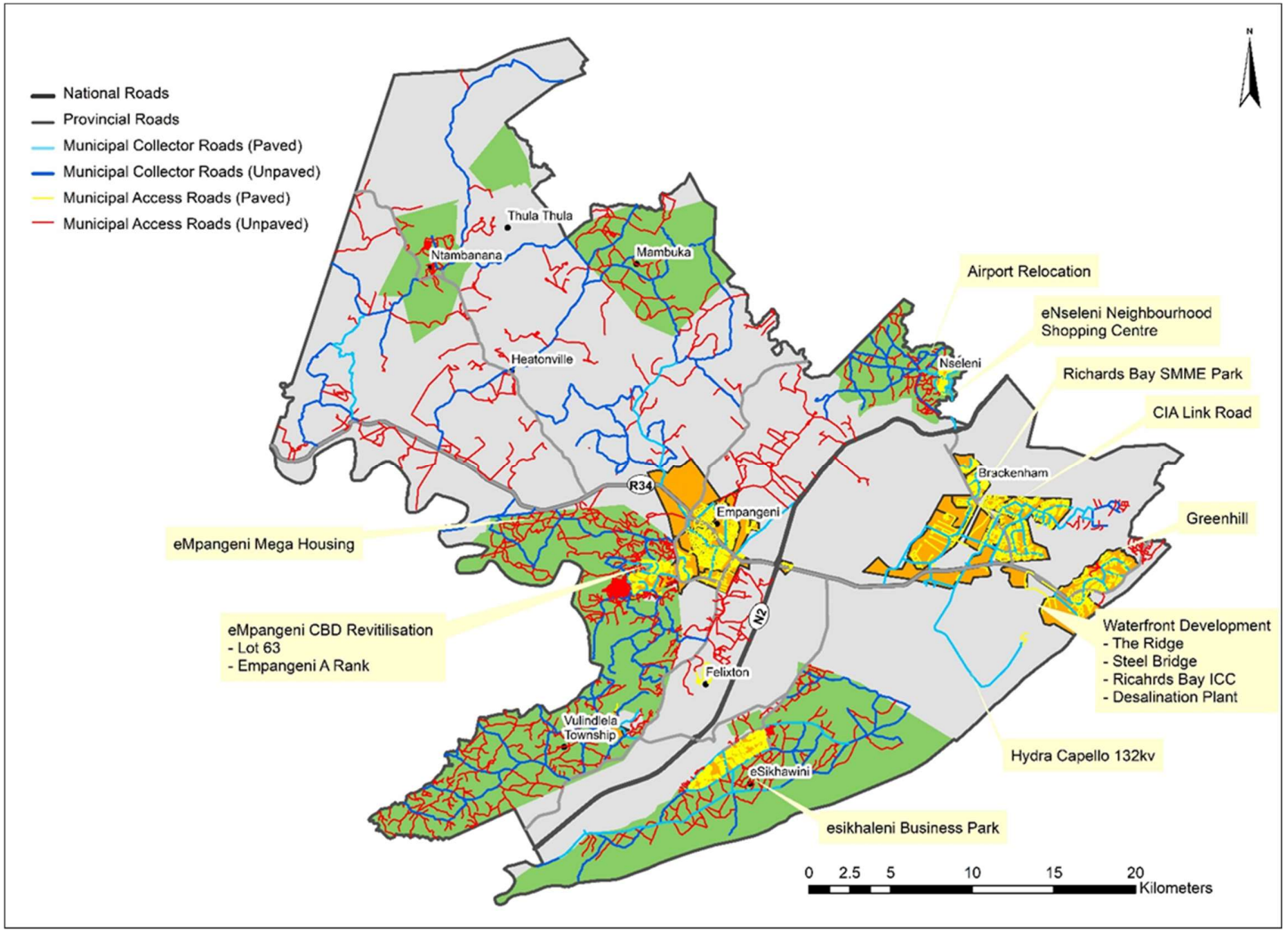
Source: uMhlathuze PMS 2017

Map 38: Resurfacing projects

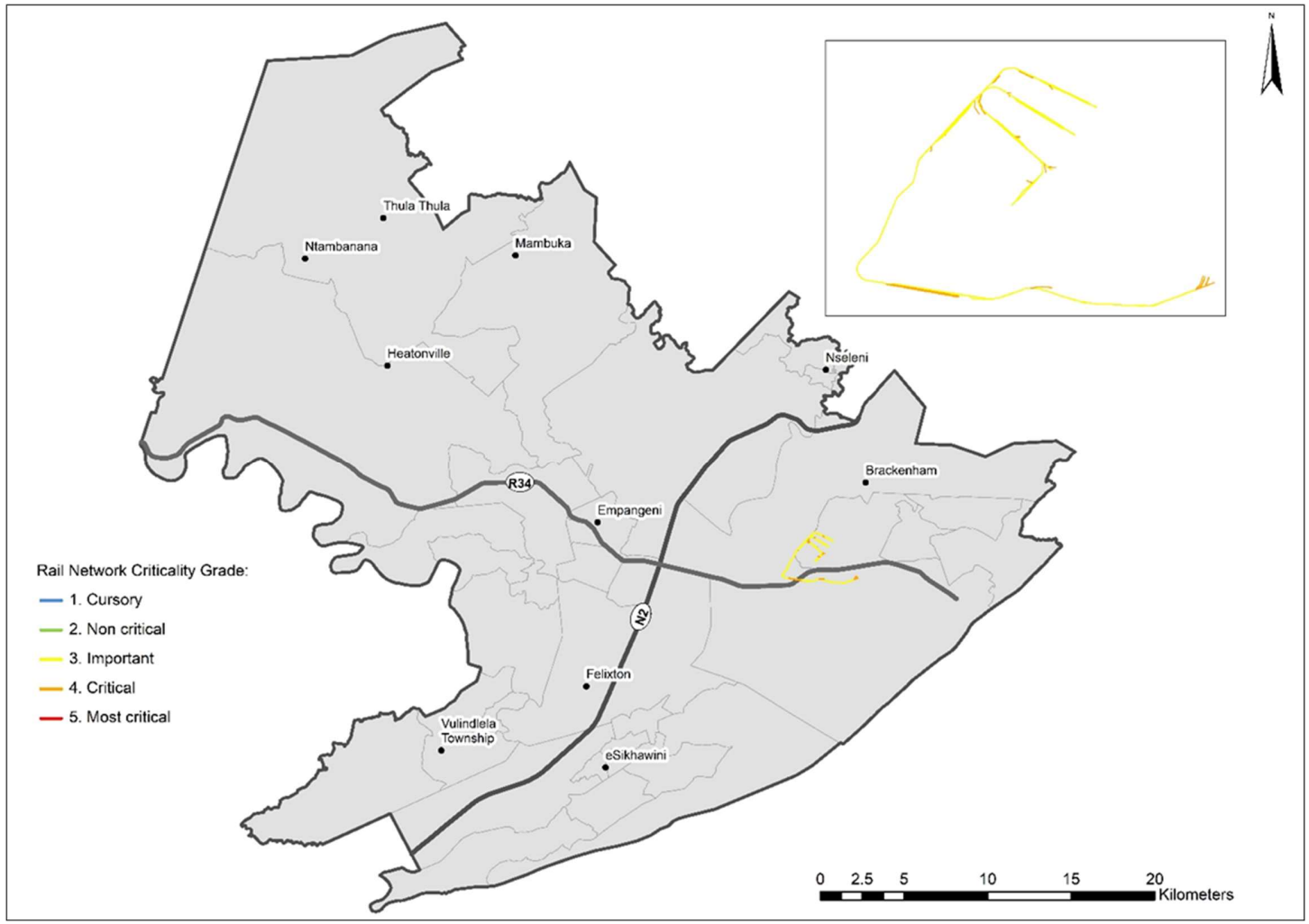


Source: uMhlathuze PMS 2017

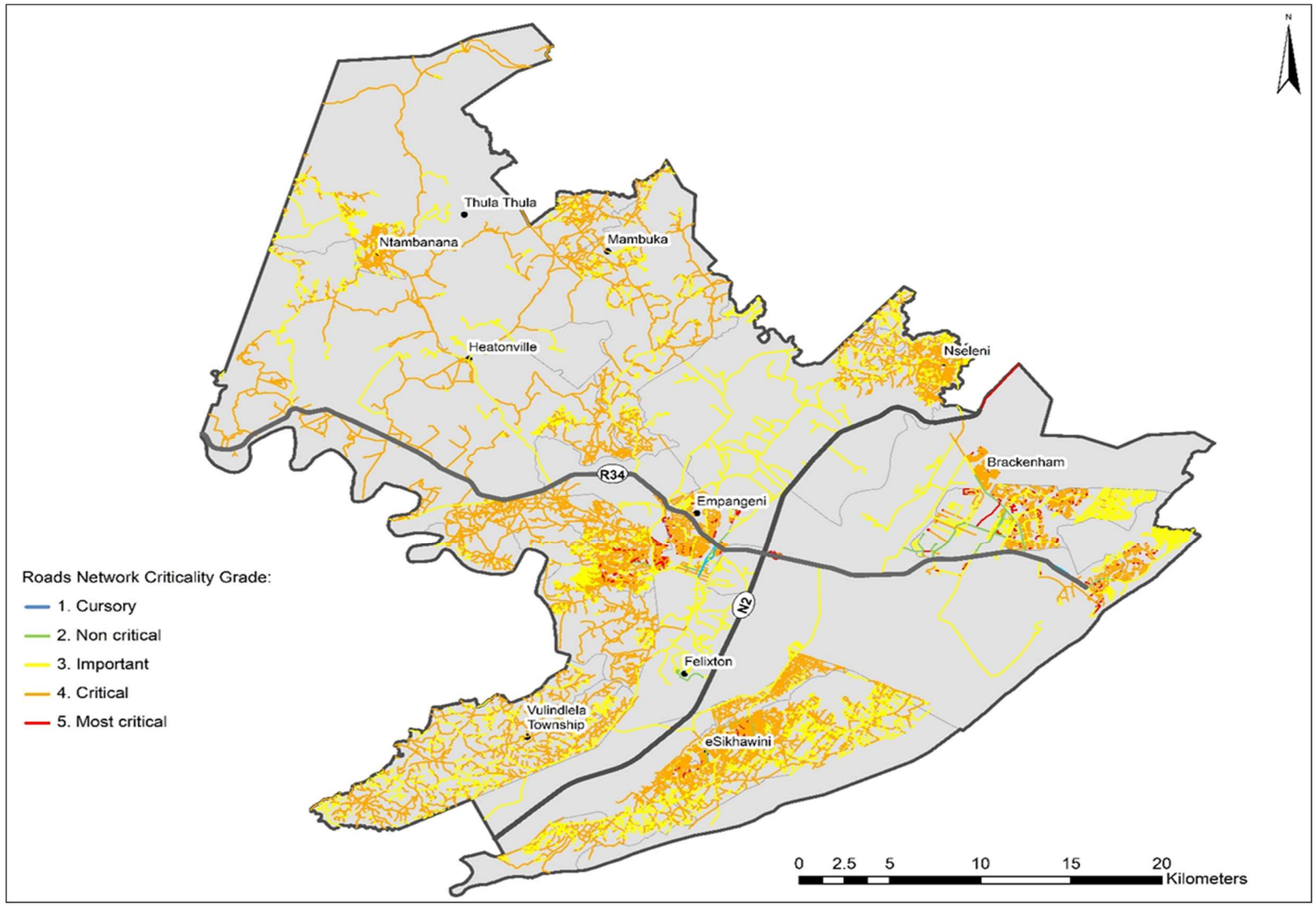
Map 39: Roads Classification



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.

7.27 Energy

7.27.1 Introduction

The City of uMhlathuze has two license distributors, namely Eskom and the City of uMhlathuze. Most parts of the municipality is supplied by ESKOM in terms of footprints as the figures below illustrates the Eskom networks and substations within the City of uMhlathuze boundary. The City of uMhlathuze, strives to provide a safe zero harm, secure and reliable supply of energy in a cost-effective through planning its network and making investment decisions in line with Council and GRAP17 Capital Investment Process (CIP) and Asset Management as well executing most of the planned projects. The city ensures that technical decisions taken with regard to designs and operation of the network are in accordance with the compliance obligations of network management legislation, regulations and related codes of practice as per National Energy Regulator of South Africa (NERSA), and reflect recognised industry best practices and standards relating to the management of electricity infrastructure assets

UMhlathuze Municipality has an Electricity Master Plan, and Energy Sector Plan both adopted by Council in 2020, reviewed after every five years. 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 ovoid 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

7.27.2 Access to Electricity

Although electricity does not have the same implications for health as water and sanitation, access to electricity is very important for general development and especially education. Access to electricity was, therefore, always a high priority.

Figure 59: Access to electricity services 1996, 2001, 2011 and 2016

		Full access	Intermediate access	No access	Total
1996	Total	30,831	NA	10,269	41,100
	%	75.01 %	NA	24.99 %	100 %
2001	Total	66,354	NA	11,899	78,252
	%	84.79 %	NA	15.21 %	100 %
2011	Total	85,604	NA	6,163	91,767
	%	93.28 %	NA	6.72 %	100 %
2016	Total	109,158	68	1,229	110,456
	%	98.83 %	0.06 %	1.11 %	100 %

Source: Census 1996, 2001, 2011, 2016

City of uMhlathuze receives supply from eight (8) of Eskom's Point of Supply, and distribute to about 39 171 customers meters (of which 33 700 are active). Of these 39 171customers base, 9 are key customers, which includes Richards Bay Alloys, Mondi Group, Transnet Freight Rail (TFR), Transnet National Ports Authority (TNPA) are all supplied at 132kV Voltage level. The following are other key customers which are supplied at 11kV, viz. Richards Bay Coal Terminal (RBCT), Bid Tank Terminals (BTT), Foskor and Transnet National Ports Authority

The City of uMhlathuze has electricity backlogs of about 1600 as at April 2023 in the areas within the municipality which are directly serviced by Eskom. The main focus of the municipality is on infrastructure provision and maintenance and also provision of public lighting in Traditional Areas. The City budgets for infills for new customers on continuous basis.

7.27.3 Electricity Connections

The table below show new connections as at March 2023

HEADINGS	TOTALS
1. New connections: Summary	39
2. Retrofits: Summary	6
3. Upgrades: Summary	1
4. Downgrades: Summary	1
5. Meter Relocations: Summary	1
6. Meter Replacements: Burnt/Stolen Meters - Summary	0
7. Other (eg. Relocation of Street Light Pole / Stay Wire): Summary	0

7.27.4 Free Basic Electricity

Free basic municipal services are services provided at no charge by the municipality to poor households. The services currently include water and electricity, however uMhlathuze has a social package for the indigent. The universal approach is through the tariff structures and provides for 10kl 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

All applications are subjected to means tests to determine whether households meet the criteria set by the municipality to qualify for indigent status. Below is a table showing figures of customers receiving Free Basic Electricity as at the end 3rd quarter of the 2022/2023 Financial Years.

Table 67: Number of Customers Collecting Free Basic Electricity (FBE) - Municipality

Month	Cost	kWh	No of tokens collected	Actual number of Customers on EBSST Tariff
Jan-23	R 33 370	29 950	599	797
Feb-23	R 34 150	30 650	613	853
Mar-23	R 35 264	31 650	633	854
Quarter 3	R 102 785	92 250		
Annual total	**R 299 708**	**268 900**		

Table 68: Number of Customers Collecting Free Basic Electricity (FBE) – Eskom

Month	Cost	kWh	No of tokens collected	Actual number of Customers on EBSST Tariff
Jan-23	R 33 370	29 950	599	797
Feb-23	R 34 150	30 650	613	853
Mar-23	R 35 264	31 650	633	854
Quarter 3	R 102 785	92 250		
Annual total	**R 299 708**	**268 900**		

Map 42: Electrical Supply System- Eskom Subs

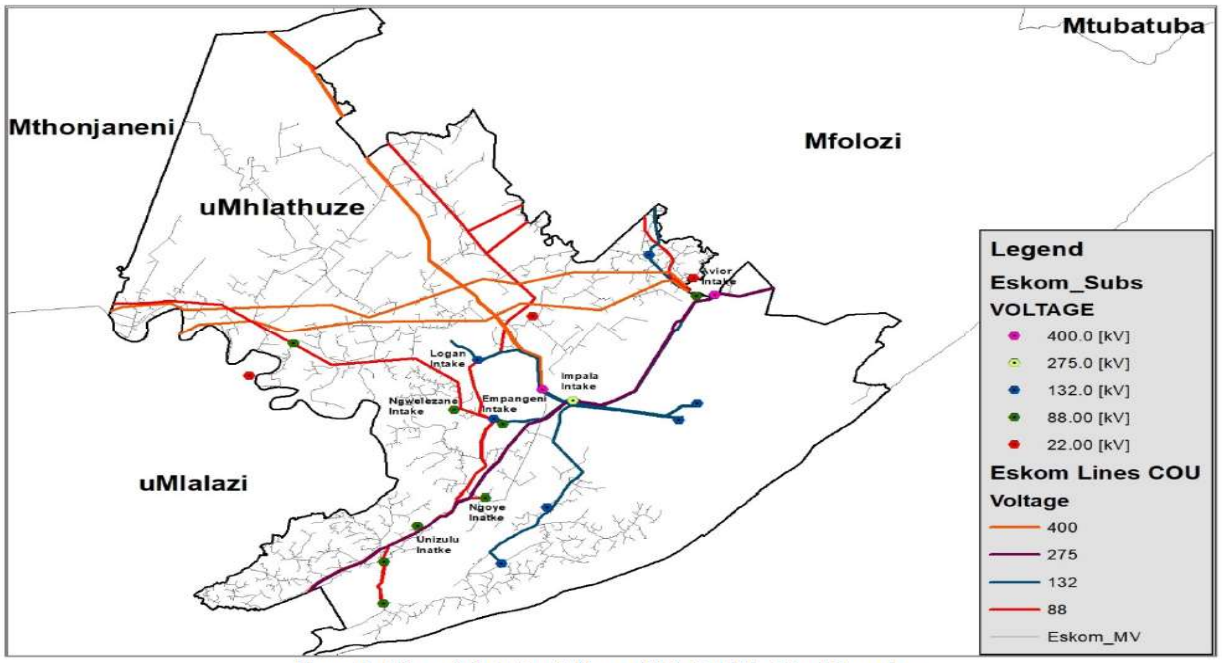
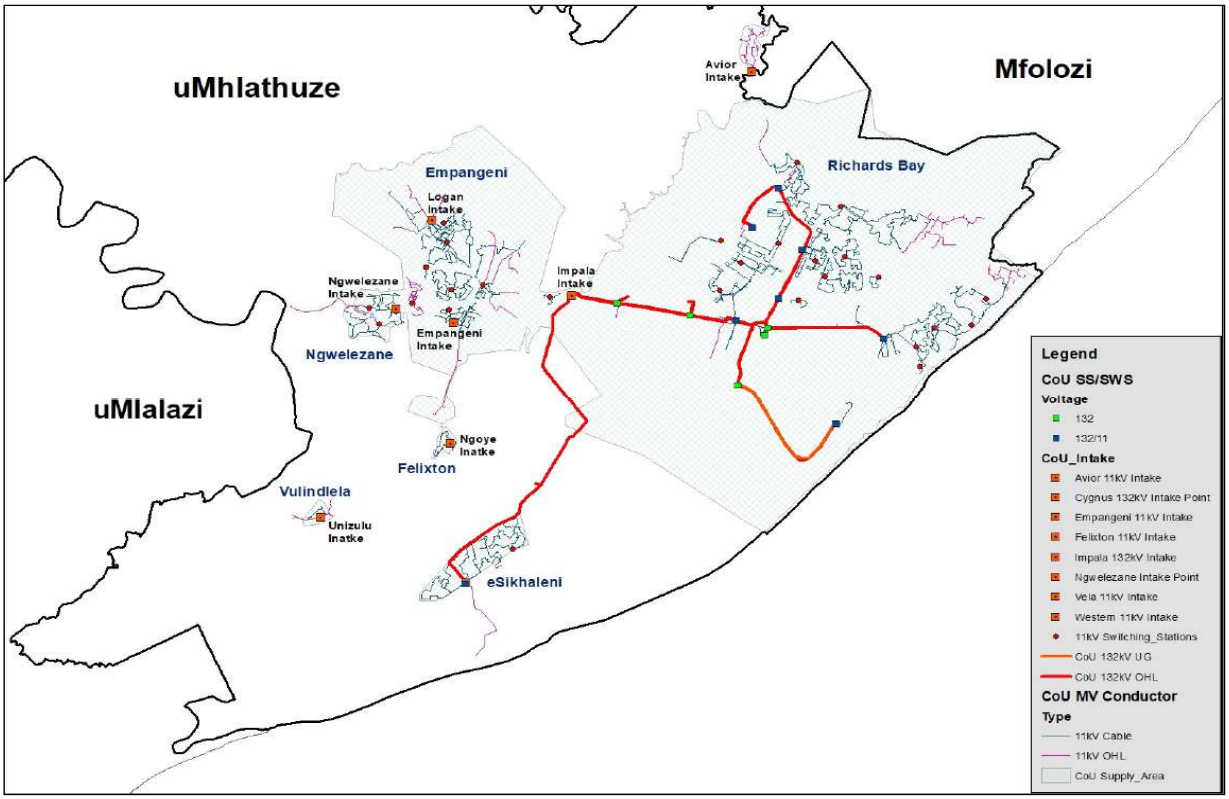


Figure 5: Eskom Substation & Lines within CoU Municipal Boundary

Source: uMhlathuze Electricity Master Plan, 2020

Figure 60: City of uMhlathuze SS/SWW



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.
- 7268 customer distribution kiosks
- 17423 Streetlight Poles and 87 Traffic Robots

The above supplies a total of 39 171 municipal customers, including Industrial, Commercial and Residential.

7.27.5 Electrical Supply System (Electrical Demand Summary)

The load growth in CoU Area of Supply (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 69: Notified Maximum Demand (NMD) vs Actual load (NDC)

Town	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-23	Jan-23	Feb-23	Mar-23	Apr-23
Rbay NMD	151	151	151	151	151	151	151	151	151	151
Rbay NDC	132	139	133	112	117	126	138	142	132	127
Vulindlela NMD	1	1	1	1	1	1	1	1	1	1
Vulindlela NDC	0.6	0.7	0.6	0.7	0.6	0.6	0.6	0.7	0.7	0.7
Nseleni NMD	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Nseleni NDC	2.3	2.2	2.3	2.3	2.4	2.3	2.2	2.4	2.7	2.7
Esikhaleni NMD	16	16	16	16	16	16	16	16	16	16
Esikhaleni NDC	7	8	7	7	7	6	6	9	6	0
Empangeni Main NMD	20	20	20	20	20	20	20	20	20	20
Empangeni Main NDC	15	15	15	17	17	18	19	15	18	0
Empangeni Western NMD	20	20	20	20	20	20	20	20	20	20
Empangeni Western NDC	7	7	8	8	9	9	10	11	10	8
Ngwelezane NMD	7	7	7	7	7	7	7	7	7	7
Ngwelezane NDC	7.6	7.6	7.5	7.2	6.6	6.4	6.6	7.4	6.8	7.0
Felixton NMD	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Felixton NDC	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.4	0.5	0.0

7.27.6 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.

7.27.7 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

7.27.8 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 Supervisory Control and Data Acquisition (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

7.27.9 Energy Efficient Demand Side Management

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 were all changed into LED building lights which are low energy consumption. The project continued to all municipal where old HPS Streetlights Luminaries and 400 HPS Streetlights Luminaries were changed into LED, which are low energy consumption as per government requirements.

7.27.10 Renewable Energy

Renewable energies are the present and future of the world's electricity production. The term "renewable" expresses the essence of this type of energy, which is available in spontaneously generated, inexhaustible quantities that are continually renewed in nature without any human intervention.

Sun, wind and water, the heat of the earth: producing renewable energy means using those widespread and abundant elements of nature to generate electricity. Compared to electricity produced from conventional sources, renewable energy drastically reduces levels of carbon dioxide emissions.

The study on exploring different sources of energy such as Gas, Small Scale embedded generation (SSEG) such as Solar and battery storage are in progress within City of uMhlathuze.

Table 70: Emerging Municipal business Model

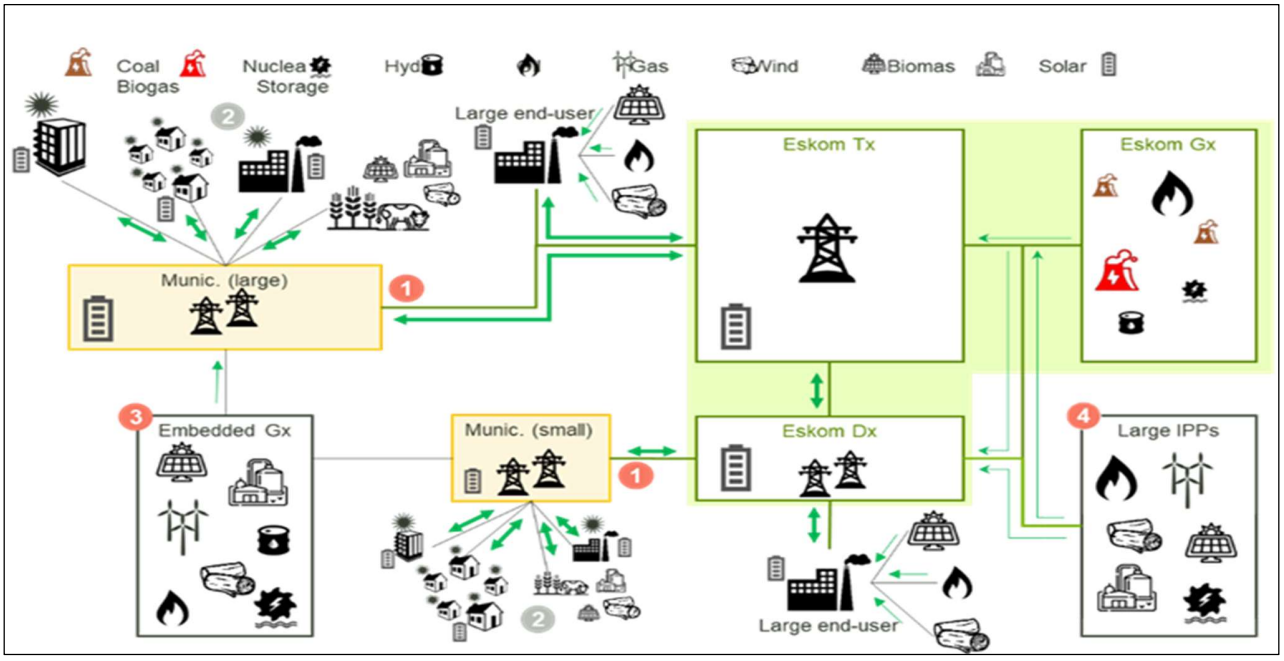


Table 71: Possible Energy Solutions (Renewable Energy Sources)

Initiative	Status
Eskom Bulk Supply (Coal to Energy)	City of uMhlathuze Council will continues to use Eskom power as part of its energy mix for security and reliability of supply. The current supply in Council's grid is from Eskom ***Status- ongoing***
Solar to Energy	Installation of solar panels on Council's buildings and parkings - 1,5MVA solar system on Richards Bay Civic Centre parkings = +/-R19mil - 1MVA solar system on Empangeni Civic Centre parkings and buildings = +/- R12,5mil ***Status – Pre-feasibility study completed – Busy with application for funding***
Installed panels, Control Box and Battery Bank	7.2kW of rooftop solar system was installed in Empangeni Library – ***Status : Implemented by ICLEI-Africa***
Richards Bay Industrial Development Zone (RBIDZ)	Proposed Installation of 2000MW Gas to Power Plant (+/-R50bil) ***Status – Environmental Impact Assessment (EIA) in progress***
Port of Richards Bay (RBIDZ)	Proposed Installation of 450MW Gas to Power Plant ***Status – Environmental Impact Assessment (EIA) in progress***
Waste to Energy	Production of energy waste ***Status – ICLEI has been approached to assist with feasibility study***

7.27.11 Energy Losses

Although the national average is 12% and the overall average of the City is 9% as March 2023, it is a concern that some areas are exceeding the 12% national average.

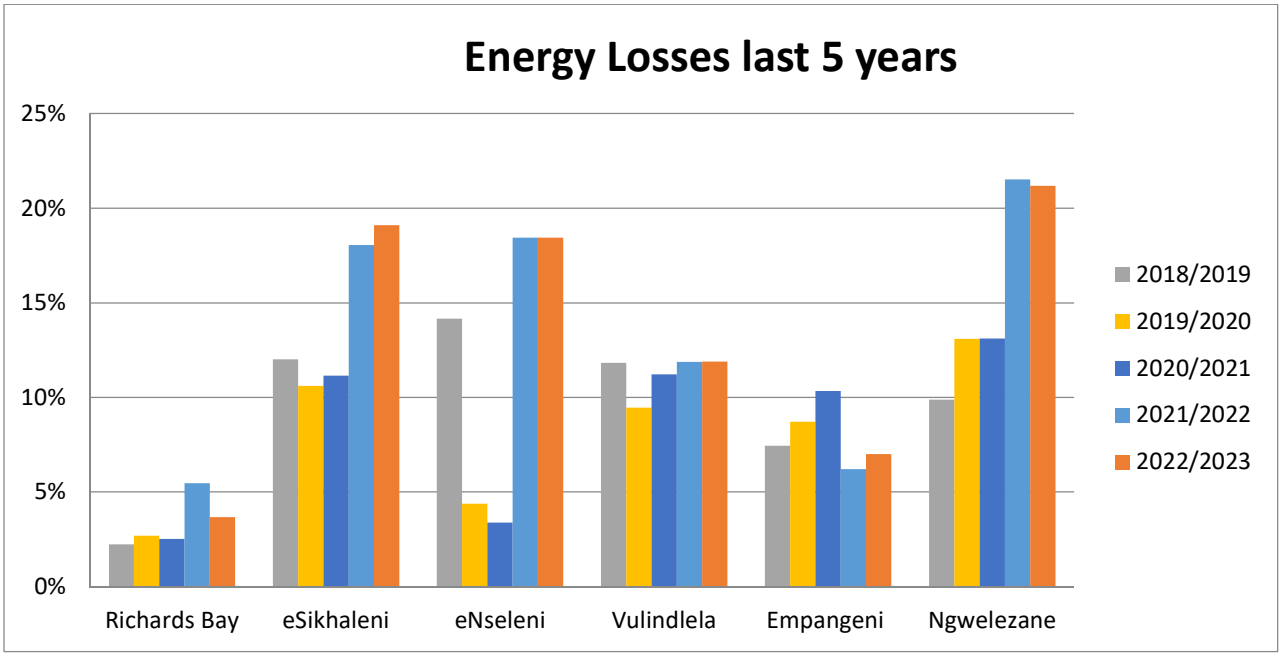
Table 72: Combined Losses

2022/2023	Quarter 1 2022/2023	Quarter 2 2022/2023	Quarter 3 2022/2023
Total kWh purchased	250 499 400	224 159 137	248 189 014
Total kWh billed / sold	231 314 029	202 503 485	225 825 015
Total kWh losses	19 185 371	21 655 652	22 364 000
Technical losses kWh	5 640 646	5 199 420	5 655 703
% Technical losses	2%	2.32%	2%
Non-Technical losses kWh	13 544 725	16 456 232	16 708 296
% Non-Technical losses	5%	7.34%	7%
Average cost of electricity (R/kWh)			
Cost of technical losses	R 9 438 822	R6 201 067	R 6 661 978
Cost of Non-Technical losses	R 22 832 123	R19 924 551	R 19 730 851
Total Rand Value of Energy losses	R 32 270 945	R 26 415 149	R 26 392 829
% Loss (total sold / total purchased)	8%	9.66%	9%

NRS080 Specifications	
Classification	
<500V	1.0912
>500 - 66 kV	
Industrial	1.045
Small Holdings	1.057
Residential	1.086

The following is a graphic interpretation of the aforementioned numbers it shows losses over a five-year period

Figure 61: Energy Losses



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

Table 73: Summary of Audited installations: Residential as at 30 March 2024

Prepayment Meter Audits: All Areas	January	February	March	3rd Quarter Total
Houses Visited (General Audits EES)	40	40	23	103
Number of Customer billed for Tampering	8	6	5	19
Number of Customer billed for Faulty Meters	2	0	0	2
Number of Customer billed for Illegal Connections	0	0	1	1
Clearance Certificate Audit Requests from Finance	35	51	81	167
Tampers billed from Clearance Certificate Audits	1	2	3	6

7.27.12 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.

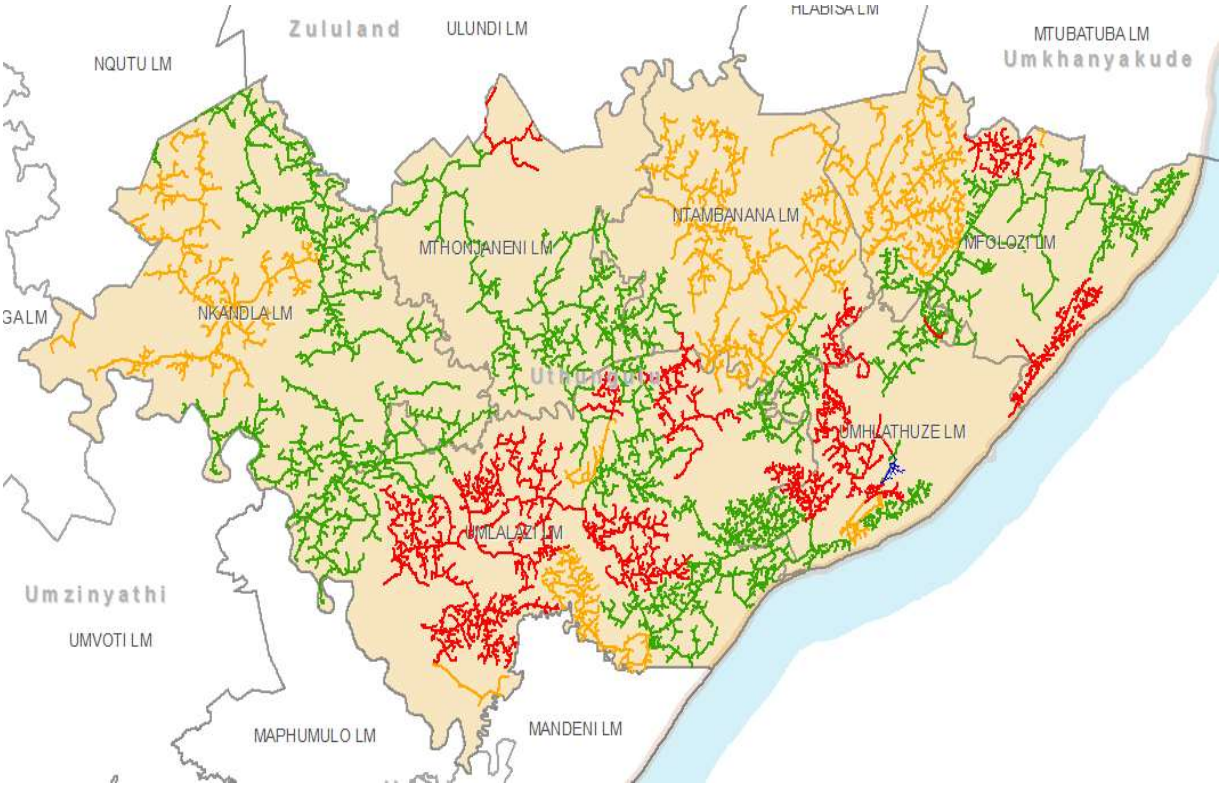
Maintenance strategy

- **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 *(**R**SLI if on **R**eticulation 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

7.27.13 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.

Table 74: Electricity Projects

PROJECT NAME	FUNDING	TABLED 2023/24	TABLED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28
Aquadene Development (Internal Reticulation)	Integrated Urban Development Grant	-	9 386 000	9 821 000	9 821 000	9 821 000
132/11kv Phoenix Substation Refurbishment	Integrated Urban Development Grant	10 724 000	-		-	-
Aquadene Development (Internal Reticulation)	Borrowing	8 947 000	12 344 000	3 000 000	9 492 000	10 663 000
132/11KV 30mva Cygnus Transformer Installation	Borrowing	9 550 000	-		-	-
132/11KV Scorpio Substation Refurbishment	Borrowing	18 000 000	3 000 000	-	-	-
Andros 11KV Switching Station	Borrowing	5 000 000	1 796 000	-	-	-
DMV Phase 6 & 8 Development	Borrowing	500 000	500 000	500 000	500 000	500 000
Establishment Of Second 132kv Supply At Cygnus Substation	Borrowing	2 000 000	4 000 000	17 920 000	17 920 000	-
Polaris - Pegasus Substations Mv Cable Replacement	Borrowing	7 000 000	5 000 000		-	-
Aries Switching Station MV Switchgears Re-Trofit	Capital Replacement Reserves	5 913 500	-	-	-	-
Aries Switching Station MV Switchgears Re-Trofit	Borrowing	3 181 500	-	-	-	-

132kv Overhead Line Refurbishment From Impala To Scorpio, Neptune, Cygnus and Carina	Capital Replacement Reserves	13 100 000	4 000 000		-	-
John Ross/Empangeni Main Road Streetlighting Installation	Capital Replacement Reserves	2 738 000	3 106 000		-	-
High Mast Lighting Installation (Traditional Areas)	Borrowing	4 000 000	4 000 000	4 000 000	4 000 000	4 000 000
Electrification Of Empangeni Mega House Project Phase 1	Borrowing	13 000 000	3 000 000	3 000 000	12 142 000	43 285 000
Installation Of APN Connectivity System	Capital Replacement Reserves	1 290 000	1 464 000		1 541 000	1 616 000
SCADA Deployment For 132kv Substations	Borrowing	2 682 000	3 500 000	5 000 000	5 000 000	5 000 000
132/11kv CORVUS Switching Station Refurbishment	Government - National (INEP)	-	8 359 000	8 733 000	8 733 000	8 733 000
Replacement Of Streetlights - Veldenvlei	Government - National - EEDSM	3 000 000	-	-	-	-
Replacement Of Streetlights - DMV	Government - National - EEDSM	1 300 000	-	-	-	-

7.28 Access to Community Facilities

Social and community facilities are an essential part of developing strong communities. As the population's size increases over time, this growth will pressure existing facilities and create a need for new social and community resources. This section will provide an overview of the spatial distribution and, where available, counts of education facilities, health care facilities, and safety resources. The City of uMhlathuze through its building plans application process ensures that all public facilities are accessable to the disabled members of the public, all municipal facilities have the following accessility features which are contnious improved on as some of the facilities are under constractution:

I. Ramps

All community halls and Civic Hall have ramps, a ramp can be used when climbing steps becomes difficult and even impossible because of a disability. Ramps allow wheelchair users and people pushing prams or other wheeled objects to access a building easily.

II. Accessible Routes

Directional signs indicating the location of the nearest accessible entrance is provided inmost community facilities.

III. Elevators

The City is in a process of ensuring that all community facilities with elevators has the following features:

- Minimum internal dimensions – width and depth.
- Audible and visual warnings in the lift and in the lobby.

IV. Handrails

People who find it difficult to move unaided rely on handrails when using stairs. All municipal bathrooms for people with disabilities have handrails.

V. Wheelchair or platform lifts

Wheelchair lifts are designed to be operated by the wheelchair user without assistance.

VI. Walking Surfaces

To assist people with disabilities, the walking surfaces are wide enough for a wheelchair to access community facilities.

7.28.1 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.

7.28.2 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 Mondi 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.

7.28.3 Education facilities

Education facilities include primary, secondary, combined and intermediate schools as listed in the National Department of Education database. A breakdown of the type of schools are as follows:

- 74 primary schools,
- 19 secondary schools
- 9 combined schools, and
- 3 intermediate schools

The teacher to learner ratio needs to be below 40. Very few schools exceed this ratio, with most schools showing some capacity available. Most assessments use broad guidelines from the CSIR to determine the need for education facilities. Unfortunately, these assessments are often done without considering the facilities' existing capacity and ignoring the distance metric that plays a critical role in the provision of education facilities. Another factor that is often disregarded is to assess the actual age groupings of the municipality's population. These factors all contribute to the need for these facilities.

Table 75: Schools in uMhlathuze

School Type	Number of Schools	Total Learners	Total Teachers	Learners/Education
Primary	74	55237	1638	33.72

Secondary	19	11912	427	27.9
Intermediate	3	2971	92	32.29
Combined	9	3999	233	17.16

Source: National Department of Education 218

7.28.4 Health Facilities

A distinction is made between public and private health facilities. There is a total of nineteen (19) public Health facilities and four (4) private health facilities. Table below show the breakdown of the area's health facilities

Health Facilities	Number of Health Facilities
Public Health Facilities (Hospitals and Clinics)	19
Private Health Facilities	4

7.28.5 SAPS Police stations

The South African Police Service has a responsibility to prevent, combat and investigate crime, maintain public order, protect and secure the inhabitants of the Republic and their property, uphold and enforce the law, create a safe and secure environment for all people in South Africa. The level of crime and theft in the area has caught the national attention, as Richards Bay and EMpangeni police stations flagged in the top 30 when it comes to the country's most notorious crimes. Among other contact crimes, Empangeni police station alone featured in sexual offences, rape, and assault with intent to inflict grievous bodily harm, as per the crime and safety statistics.

The City has recently adopted Crime Prevention Strategy, which will be executed in collaboration with SAPS and other organisations in an aid to combat crime in the area. The status of most police stations in the area is at a declining stage, with most stations having insufficient to non-resources, crippling them to respond to the public needs. The distribution of SAPS Police Stations in uMhlathuze as per the table below:

Table 76: Distribution of SAPS Police Stations in uMhlathuze Municipal Area

List of Police Stations
▪ SAPS Empangeni Police Station ▪ SAPS Richardsbay Police Station ▪ SAPS Esikhaleni Police Station ▪ SAPS Ntambanan Police Station ▪ SAPS KwaDlangezwa Police Station (closed) ▪ SAPS Nseleni Police Station

7.28.6 Courts

The courts of South Africa are the civil and criminal courts responsible for the administration of justice in South Africa. There are 3 lower courts in the municipal area.

Table 77: Courts in the Municipal Area

Type of Court	Area	Physical Address
Regional Magistrate Court	EMpangeni	6 Union Street, EMpangeni 3880
Branch Court	Ngwelezane	Ngwelezane Road, Enseleni 3910
Magistrate Court	Richards Bay	No 2 Pasetta Parade, Richard's Bay

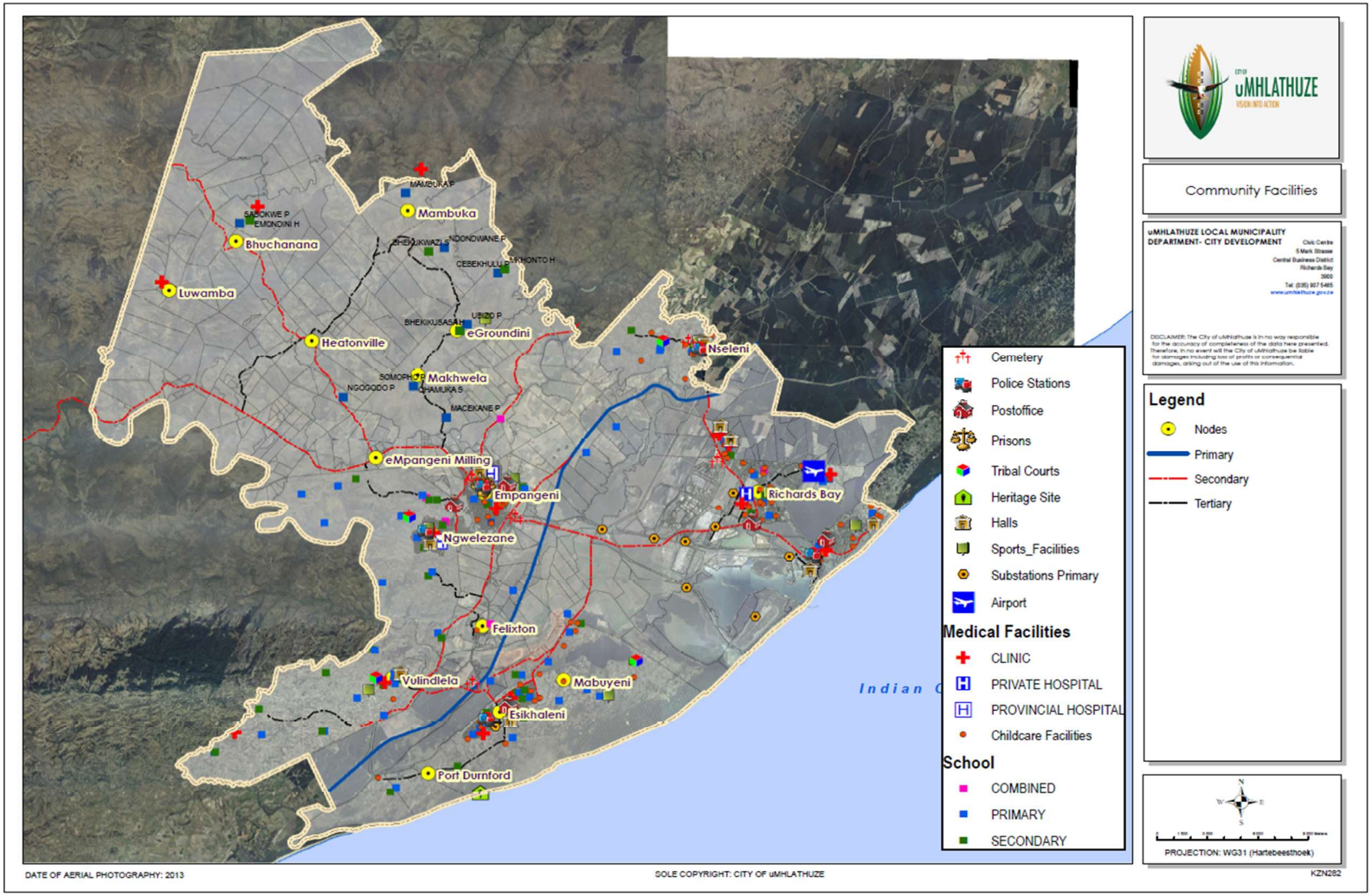
Source: Department of Justice

Table 78: Distribution of Municipal Community Facilities per ward

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			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			
Tatal 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 municipal facilities within the municipality

Map 45: Community Facilities



HUMAN SETTLEMENTS/HOUSING CHAPTER

7.29 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 settlement 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 it priorities in accordance with it 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 brings 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.

7.30 City of UMhlathuze's Strategic Approach to Housing Delivery

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.

7.31 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 ……

Theses RZ cover the fallowing 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



7.32 PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS (PHDAs)

The Minister of Human Settlements declared 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) across the entire country under government 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 PHSHDAs 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.

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

7.32.1 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.

i. 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.

ii. 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.

7.32.2 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.

7.32.3 Housing Demand/Need in UMhlathuze

The municipality use the 2016 community survey and 2011census 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.

7.32.4 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).

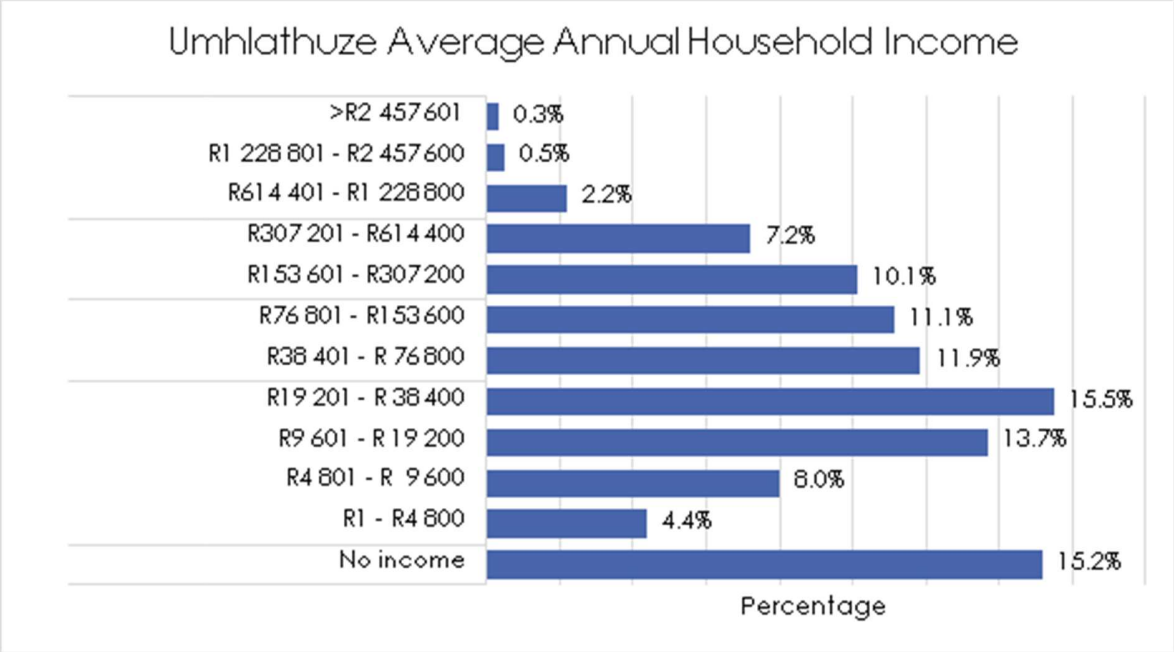
From the 104 335 households in the municipal area, 92 812 are formal. Based on the dwelling types therefore, it can be assumed that 11 523 of the households are in need of housing. The majority of these informal settlements are located in Khoza/Bhejane, Dube and Mkhwanazi Traditional Authorities and 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.

	Main dwelling							
	2011				2016			
Local municipality	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

i. 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).

7.32.5 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)
3. Prioirity programme three: community residential units and social housing
4. Priority programme four: finance linked individual Subsidy programme (flisp)
5. Proirity programme five: eradication of title Deeds back log (pre and post 1994)
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.

Map 47: Human Settlements Projects

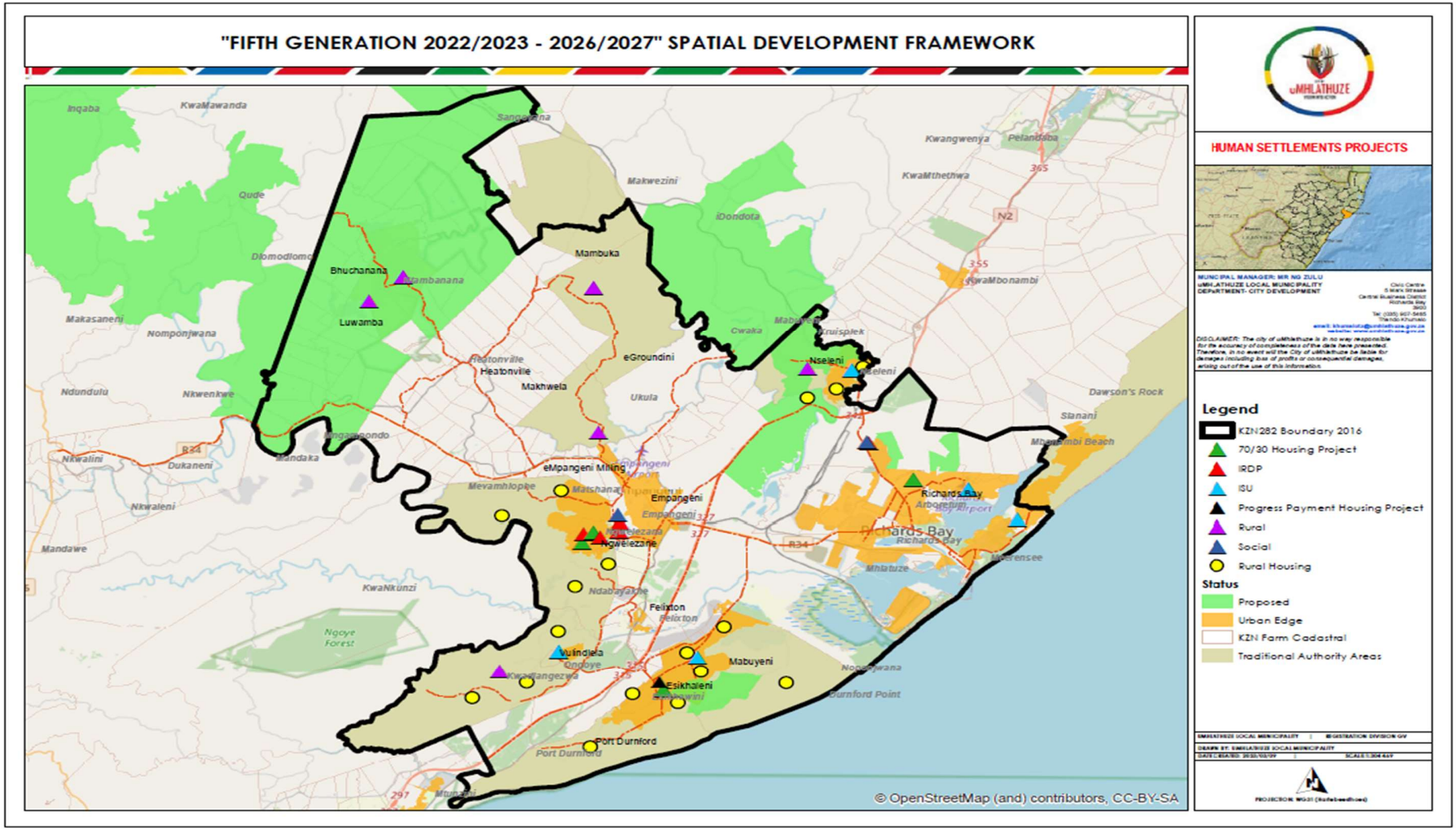


Table 79: URBAN PROJECTS (Greenfield and Brownfield) COMPLETED PROJECTS OR MILESTONES

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)	K14050025	9 and 24	133 low income 1020 Social Housing 82 Flisp	Bulk water & sewer has been completed it ready for construction of top structures.
Aquadene Housing *Internal Services)	K16030010	26	615 low income 1579 CRU/Social	The internal services (water, sewer and roads) has been completed. Bulk storm water and water has been completed while sewer is at 98% overall progress.
Empangeni Mega Housing Project		5, 24 and portion of 23	10061	Phase 1: Internal bulks services (water, sewer, roads and storm water) have been completed. External bulk water is at 100% and upgrade of outfall sewer has been completed. Phase 1 is ready for top structures. Phase 2 has started with installation of bulk internal services and it is sitting at 71%.
Esikhaleni Hostel Upgrade(CRU's) (Roof replacement)	8/2/1/UMH608-19/20	20	360	The roof replacement at Esinqobile and Impala Flats/hostel has been completed.

Table 80: RURAL HOUSING PROJECTS COMPLETED PROJECTS OR MILESTONES

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	Stage 1 activities have been completed. The feasibility study identified 1347 households that need houses. The application pack submitted to the Department for stage 2 funding which is the construction of top structures. The municipality is awaiting the finding approval from the Department.
Luwamba Rural Housing	K14050027	31	1000	Stage 1 activities have been completed. The feasibility study identified 467 households that need houses. The application pack submitted to the Department for stage 2 funding which is the construction of top structures. The municipality is awaiting the finding approval from the Department.
Mkhwanazi and Dube Rural Housing Project (OSS)	K19010001/1	10,11,12,13,14,15,16,19 ,22 & 30	61	49 houses have been completed and 13 houses are outstanding. The constructor appointed by the Department withdrew from the project citing funding problems as the subsidy quantum they were using was the old one.
OSS houses	K14020017/27	11, 13, 22 & 29	41	Construction of all 41 houses 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 completed.

Table 81: Housing Delivery/Implementation Plan

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
1.	Dumisani Makhaye Village Phase 6 & 8	IRDP	FLISP	9	FLISP: 78	The IA has started building FLISP houses and 22 have been completed, while 9 have been approved by banks and will commence with construction.	TBD	October 2021	March 2023
			Low income houses	24	133	The IA is also ready to commence with Phase 8 which is low income houses and most beneficiaries have been approved on the HSS. Platforms have been cut.	BNG/Low income houses R22 219 262.48	Anticipated date April 2023	September 2023
			Social Housing	9	1020	The Social Housing Institute (SHI) for social housing has been appointed and the project has been endorsed by the Provincial PSC. The SHI is busy with packaging of the project to submit to SHRA for funding approval.	TBD	TBD	TBD
2.	Aquadene Housing Project	IRDP	Low income houses	26	615	Finalise bulk services and to meet the conditions of establishment. Beneficiaries identification process has commenced.	TBD	Anticipated Date October 2023	TBD
		IRDP	Social Housing	26	1000	The SHI has been appointed and the project endorsed by the Provincial PSC. The SHI is	TBD	TBD	TBD

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
						busy with project packaging for SHRA approval.			
3.	Empangeni Mega Housing Project Phase 1	IRDP Approx. 1745 units Phase 1A:488 units Phase 1B:592 units Phase 1C: 665 units	Low income houses	24	146 houses	**Low income houses:** Funding for 146 RDP houses has been approved. The IA is busy finalising township establishment and has commenced with beneficiary registration.	R 24 446 481.20	Anticipated Date May 2023	December 2023
			Serviced sites	24	405 sites	**Serviced sites:** Municipality to finalise the service sites disposal process.	TBD	Anticipated Date August 2022	TBD
			Social Housing	24	Estimated 1400 units	**Social Housing:** The municipality is in the process of appointing the SHI.	TBD.	TBD	TBD
			FLISP	24	136 Free standing 400 HRD	**FLISP:** The IA is busy with preparation to implement the programme.	TBD	Anticipated Date September 2022	TBD
4.	Empangeni Mega Housing Project Phase 2 (Internal Bulk Services)	CRU/Social/ low income housing and FLISP	IRDP	5	Phase 2: 8316 units	The contractor for internal bulks services (water, sewer, roads) is sitting at 96%.	R69 021 855.76 for internal bulk services.	Internal services October 2020.	Internal services July 2022.
5.	Empangeni Mega Housing Project Phase 2 (Internal Bulk Services)	Mixed use development	IRDP	5	Phase 2B & D	The contractor for internal reticulation (water, sewer, roads & stormwater).			
6.	Mzingazi Village In-Situ Upgrade	Urban In situ Upgrade and partial relocation (Urban Greenfield)	Informal Settlement Upgrade	1	Approximately 2500 sites	Planning stage: EIA has been done. WULA ready for submission and preparing for SPLUMA Application. We need to confirm if we should	R1,800,000 for Planning Stage (PDA process)	2019/20	2022/23

No	Name	Type	Instrument	Ward	Sites	Progress/Comments	Project Value	Implementation Date/ Planned Implementation Date	Completion Date
						wait for WULA in order to proceed with SPLUMA			
7.	Operation Sukuma Sakhe project	Rural Low income housing	Rural	31,32 & 33	238 houses	IA to commence with construction of top structures. Beneficiary registration has commenced.	R39 570 317.92	April 2023	2022/2023
8.	Buchanana Rural Housing	Rural Low income housing	Rural	33	1347	Construction of houses in phases. Awaiting the Department of Human Settlements approval for funding.	TBD	TBD	TBD
7	Luwamba Rural Housing	Rural Low income housing	Rural	33	467	Construction of houses. Awaiting the Department of Human Settlements approval for funding.	TBD	TBD	TBD

Table 82: 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.	Aquadene Housing	Access Intersection	8 months	Estimated R 9 Million	0%	Anticipated Date September 2022	April 2023
2.	Aquadene Housing	Storm water Transnet channel	12 months	TBD	0%	TBD	TBD

Table 83: Delivery of Title Deeds

	Total Backlog	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total Delivered to date.	Current Total Backlog
Pre-1994 (EEDBS)	405	105	92	87	21	24		34	353	76
Post-1994 (DMV)	627		65	159	108	146	24	33	535	125
Total	**1032**	**105**	**157**	**246**	**129**	**170**	**24**	**67**	**898**	**134**

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 84: 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

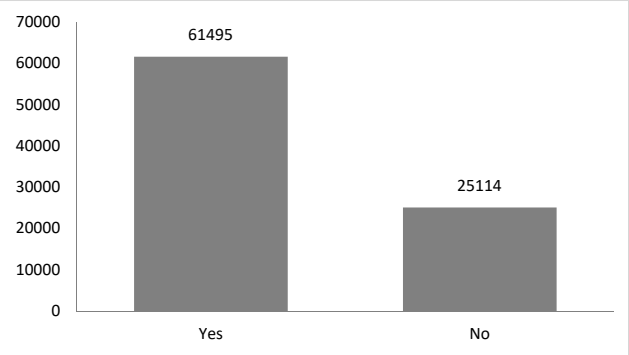
Summary of Human Settlements Issues

- 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 result in the provision of programmes that are not needed by the community.

7.33 Telecommunications

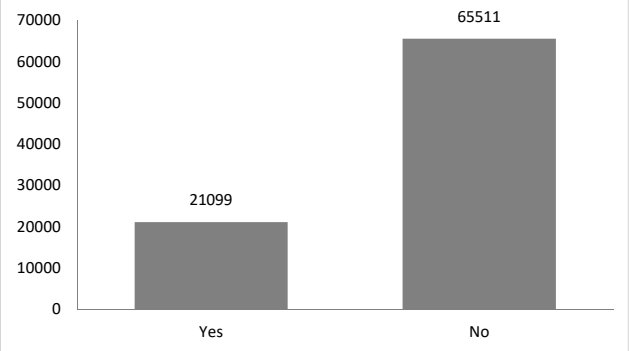
The 2011 census results indicate the following in respect of telecommunications.

Figure 62: Household Access to Radio



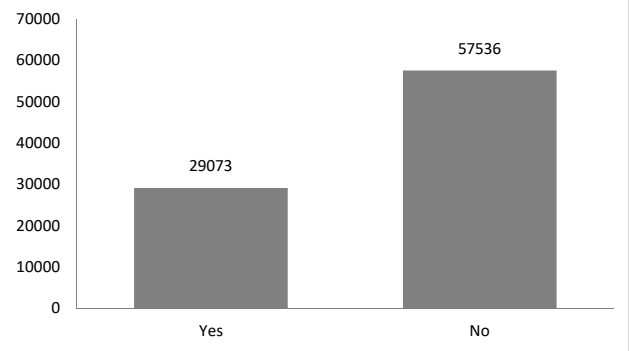
Source: 2011 Census

Figure 63: Household Access to Computer



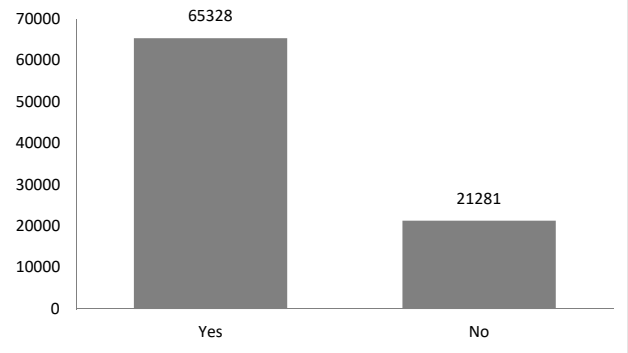
Source: 2011 Census

Figure 64: Household Access to Satellite Television



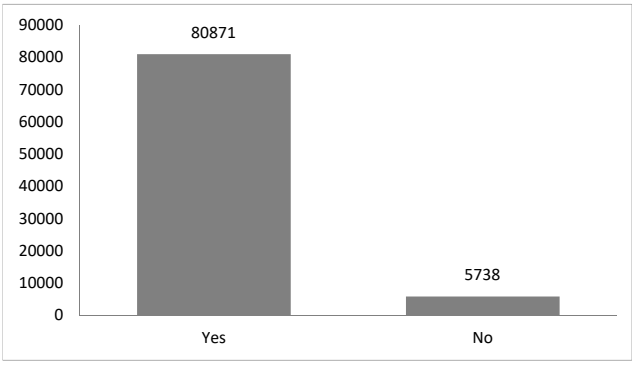
Source: 2011 Census

Figure 65: Household Access to Television



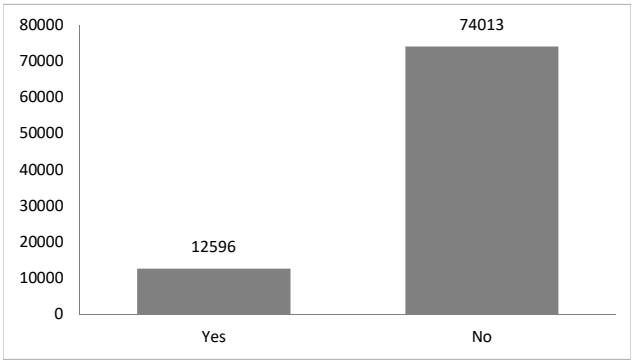
Source: 2011 Census

Figure 66: Household Access to Cellphone



Source: 2011 Census

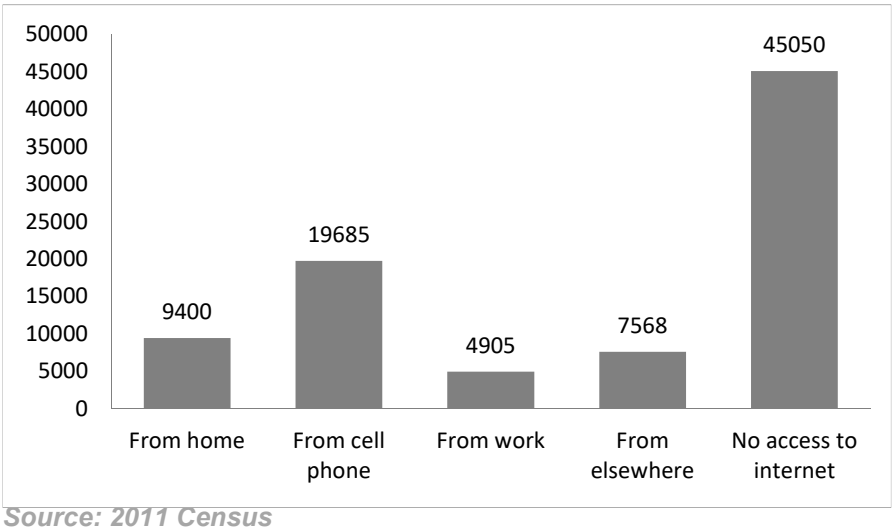
Figure 67: Household Access to Landline



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 68: Household Access to Internet



Source: 2011 Census

7.34 PLANNED CAPITAL EXPENDITURE

The Integrated Infrastructure Investment Framework (IIIF) also referred to as the Capital Investment Framework (CIF), outlines the demand identified for capital projects within the uMhlathuze local municipality's jurisdiction and, as such, it represents all capital projects identified across various sectors by various departments. The IIIF should therefore not only show capital investment projects identified by the municipality but also the capital investment projects from other spheres of government operating within the jurisdiction of the municipality.

Various data sources were utilized to consolidate details of the planning capital expenditure including various asset management plans, bulk master plans, sector plans, renewal strategies etc. and the result is contained in the following table:

Table 85: 2022/2023 – 2031/32 Total Planned Capital Expenditure per Year

Financial Year	Budget	Budget %
2022/23	R 10 937 785 268,94	24%
2023/24	R 6 142 739 813,34	14%
2024/25	R 5 724 443 415,34	13%
2025/26	R 4 887 061 807,34	11%
2026/27	R 3 302 617 219,34	7%
2027/28	R 3 199 661 706,34	7%
2028/29	R 3 310 757 219,34	7%
2029/30	R 2 636 465 505,05	6%
2030/31	R 2 641 023 505,05	6%
2031/32	R 2 075 264 727,28	5%
Grand total	R 44 857 820 187,36	100%

The results were further analysed per unit and department, nature of investment, MSCOA types etc. and some of the outcomes are expanded upon hereunder.

Figure 69: Planned Capital Expenditure: Infrastructure Services

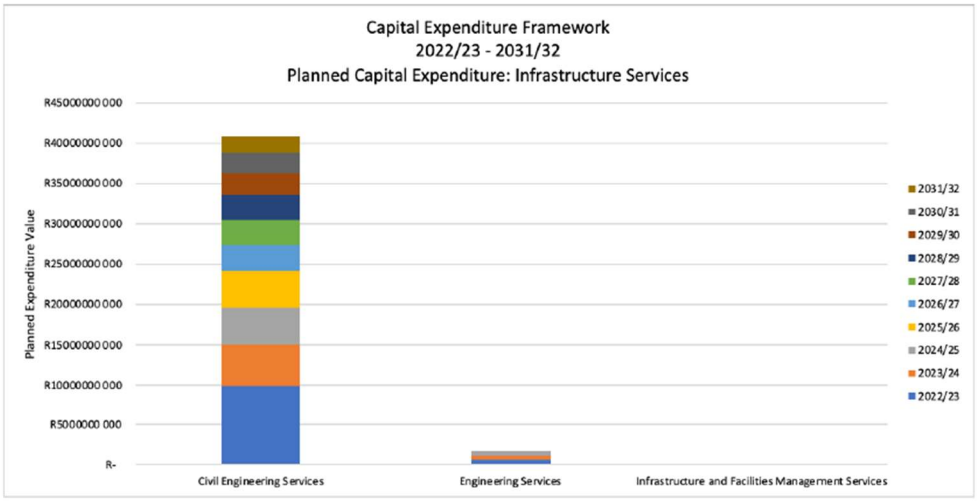
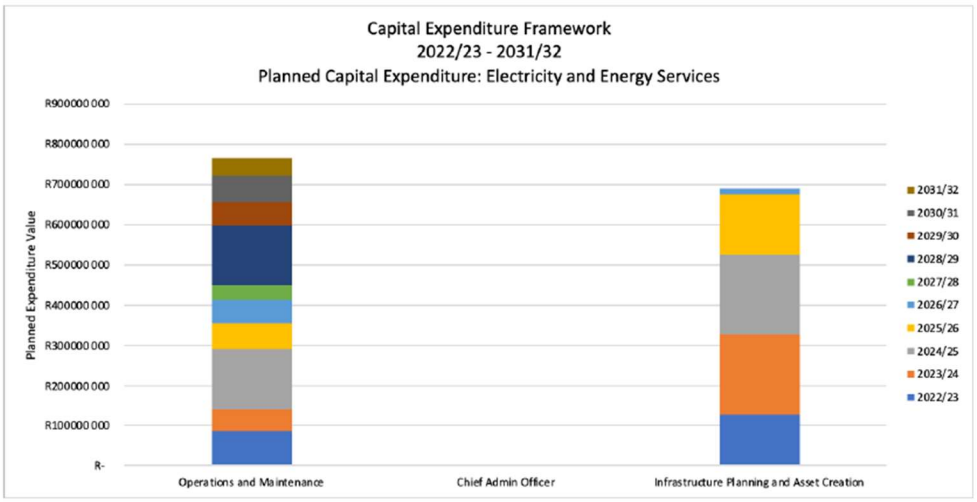
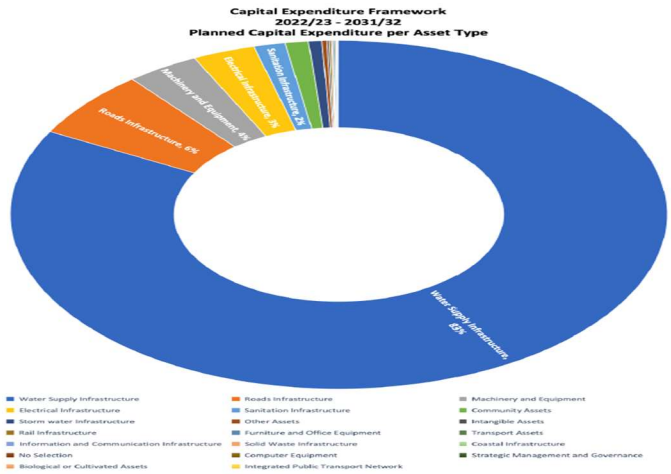


Figure 70: Planned Capital Expenditure: Electricity and Energy Services



The planned capital expenditure per mSCOA Asset Type and Sub-Type is further outlined in the following figure.

Figure 71: Total Planned Capital Expenditure per Asset Type 2022/23 – 2031/32

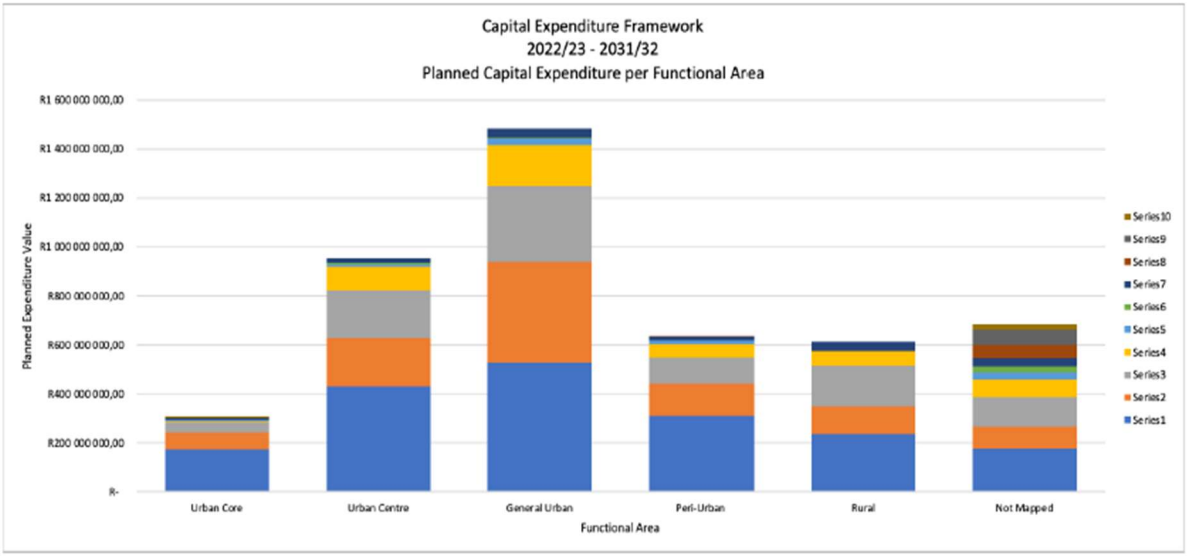


From the analysis the following was observed:

i. Water Supply Infrastructure: Dominant asset subtype is distribution. The uMhlathuze Bulk Water Master has taken cognizance of planned developments to mitigate the water supply issues and distribute to the households that do not have access to water supply.
ii. Roads Infrastructure: Dominant asset subtype is roads at 80% of the planned capital expenditure. Indicative that the municipality proposes a focus on additional arterial routes to provide access to the main urban centres.
iii. Electrical Infrastructure: Dominant asset subtype is LV Networks (43%) and HV Substations (34%). The demand on the asset subtypes can be linked to the deteriorating condition of the municipal substations.
iv. Sanitation Infrastructure: Dominant asset subtype is Outfall Sewers at 45%. The demand coincides with the intention to extend sewerage systems within the identified SDF Expansion Areas.
v. Community Assets: Dominant asset subtypes are Community Facilities (60%) such as such as community halls, Libraries, Cemeteries as well Sport and Recreation Facilities such as sport fields and parks (40%). Facilities are important within the municipality for the health and welfare of the citizens.

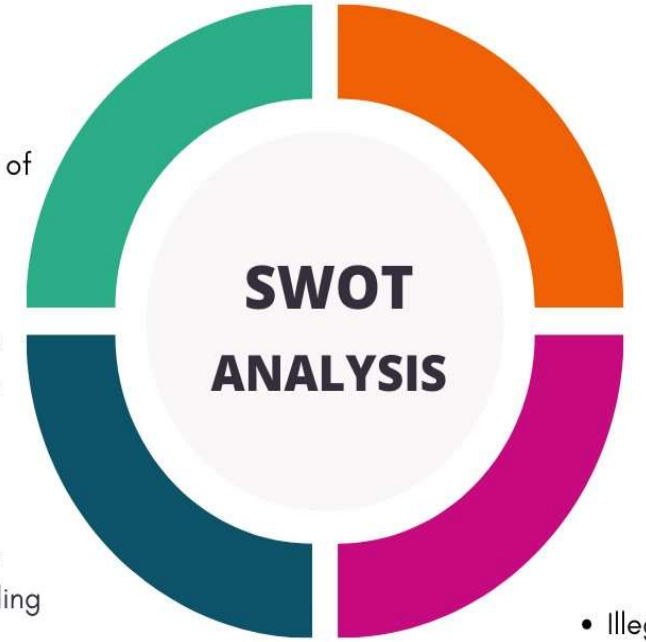
Further analysis of the data is available and presented as planned capital expenditure per Functional Area (FA) as well as per ward.

Figure 72: Planned Capital Expenditure per Functional Area



Map 48: SWOT analysis: Service Delivery and Infrastructure:

SERVICE DELIVERY AND INFRASTRUCTURE



STRENGTHS

- Well-functioning Scientific Services
- Asset Maintenance Plans developed
- Level 2 Accreditation for Human Settlements
- Consistent Blue and Green Drop scoring
- Licence Service provider of electricity services
- Minimal electricity backlog in the municipal area of supply
- Energy and Electricity Master Plan developed
- NERSA Licenced Service provider of electricity services in the industrial and domestic customers
- Successful implementation of integrated human settlements projects.

WEAKNESSES

- Service interruptions due to ageing infrastructure
- Electricity service interruptions due to loadshedding
- Illegal dumping of waste
- Inadequate investment in waste management equipment including trucks
- Poor planning
- Poor fleet maintenance
- Lack of infrastructure asset protection
- Lack of sustainable water supply
- Water Losses

OPPORTUNITIES

- Quality Management System for testing laboratories
- Maintenance of acceptable standards of water quality
- Acquisition of yellow plant and other equipment
- Waste recycling, reduce and reuse initiatives
- implementation of human settlement projects
- investment in alternative water supply such as desalination, waste water reuse, underground water.
- Energy mix The
- Poor maintenance of community facilities

THREATS

- Illegal connections
- ageing infrastructure: electricity, water and roads
- poor capital expenditure
- theft and vandalism of Infrastructure
- Escalating security costs of protecting infrastructure
- changing municipal boundaries thus impacting on municipal infrastructure backlogs
- continuous demand for waterborne sewer in rural areas

Table 86: Key Challenges: Basic Service Delivery and Infrastructure Management

National KPA: Basic Service Delivery and Infrastructure Management		
Ref.	**Key Challenge**	**Description**
BSIM1	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 works towards managing useful life of assets, ensure life cycle management of infrastructure, and adequate repairs and maintenance.
BSIM2	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. 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.
BSIM3	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 strive for reconstruction and integration processes.
BSIM4	Lack of quality and continuity of supply of electricity	Currently the City is experiencing major load shedding occurrences due to the National load shedding. This is affecting business and communities at large.

		Electricity infrastructure gets affected thus reducing life span.
BSIM5	Fleet Management challenges	The municipality is highly dependent on fleet to deliver services. Lengthy procurement process in sourcing of spares and new fleet, impact negatively on the fleet availability and overall fleet performance. Management of fleet in User Departments is a challenge.
BSIM6	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.
BSIM7	Illegal Connections	Some communities have access to water and electricity through illegal connection, such disrupts supply of services to the deserving communities.

LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

7.35 Introduction

uMhlathuze 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 uMhlathuze 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.

UMhlathuze Municipality has an LED Strategy adopted by Council together with the Fifth Generation IDP on 25 May 2022. The plan has been reviewed in response to the MEC comments on the 2024/2025 IDP. The LED Strategy review has been done in line with the IDP Review process for 2025/2026. The plan comes with clear timelines of projects and programs to be implemented within a period of five years.

7.36 UMhlathuze's Economic Profile

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.

7.36.1 Economic Population

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 uMhlathuze and the other municipalities in the King Cetshwayo District.

Table 87: 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

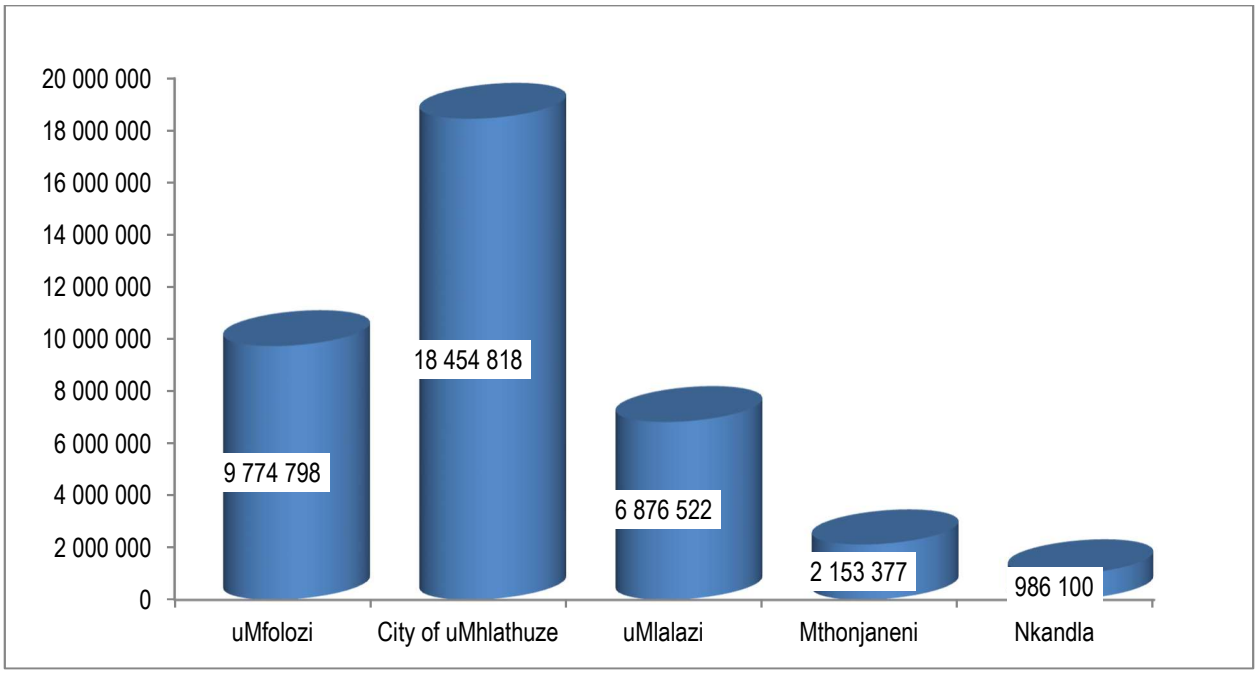
Source: IHS Markit, 2018

7.36.2 Economic Realities

The municipality has an important role in the national, provincial and district economies on account of the bulk-handling harbor 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, and Bell Equipment.

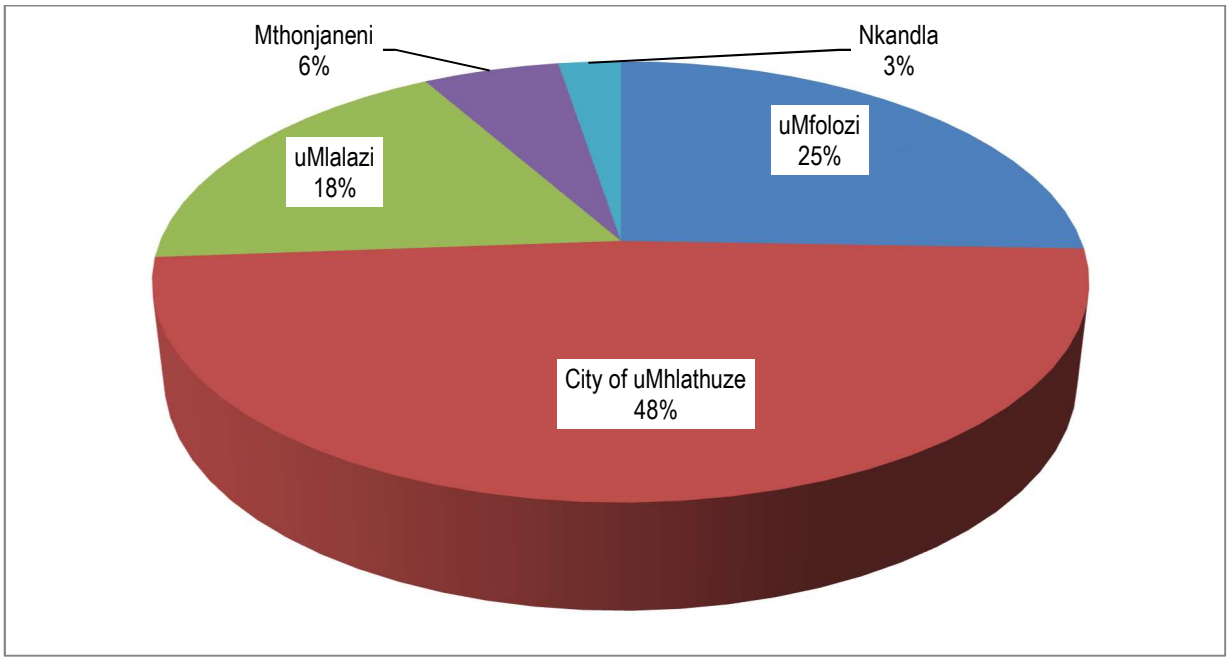
The following bar chart indicates the GDP contribution by uMhlathuze Municipality comparing to other local municipalities within King Cetshwayo District. It is evident that uMhlathuze remain the strong contributor to the district GDP, with 48% contribution.

Figure 73: GDP Contributions



Source: Global Insight 2015

Figure 74: % GDP Contribution



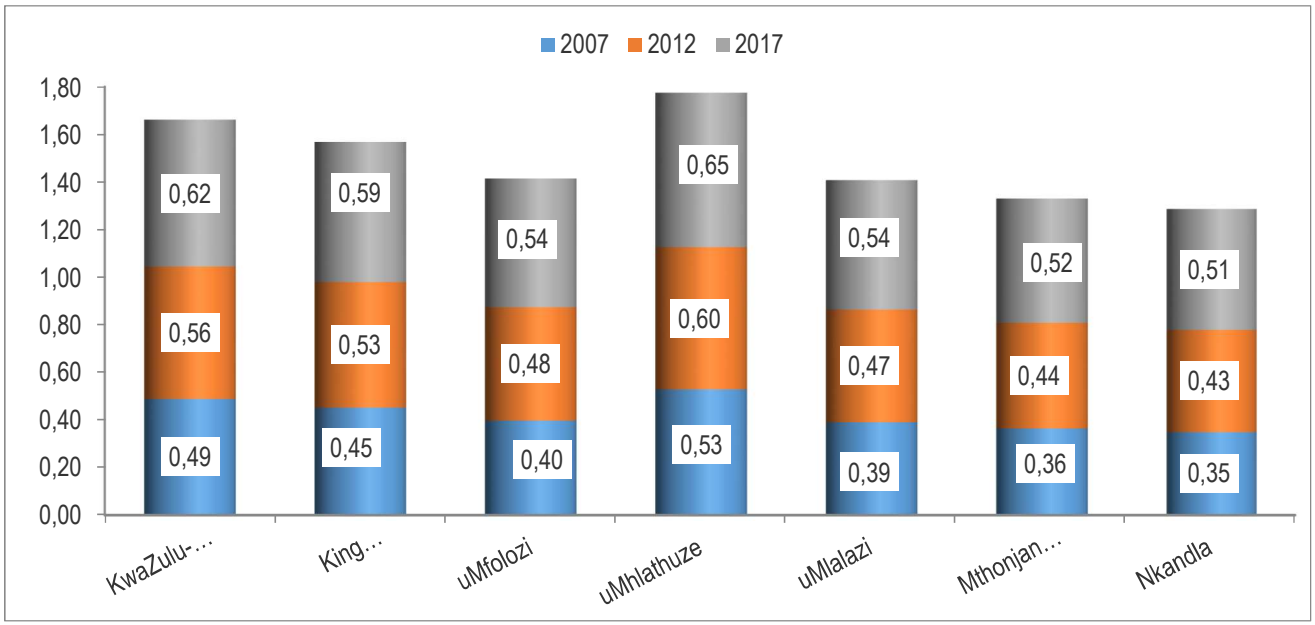
Source: Global Insights 2015

7.36.3 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.

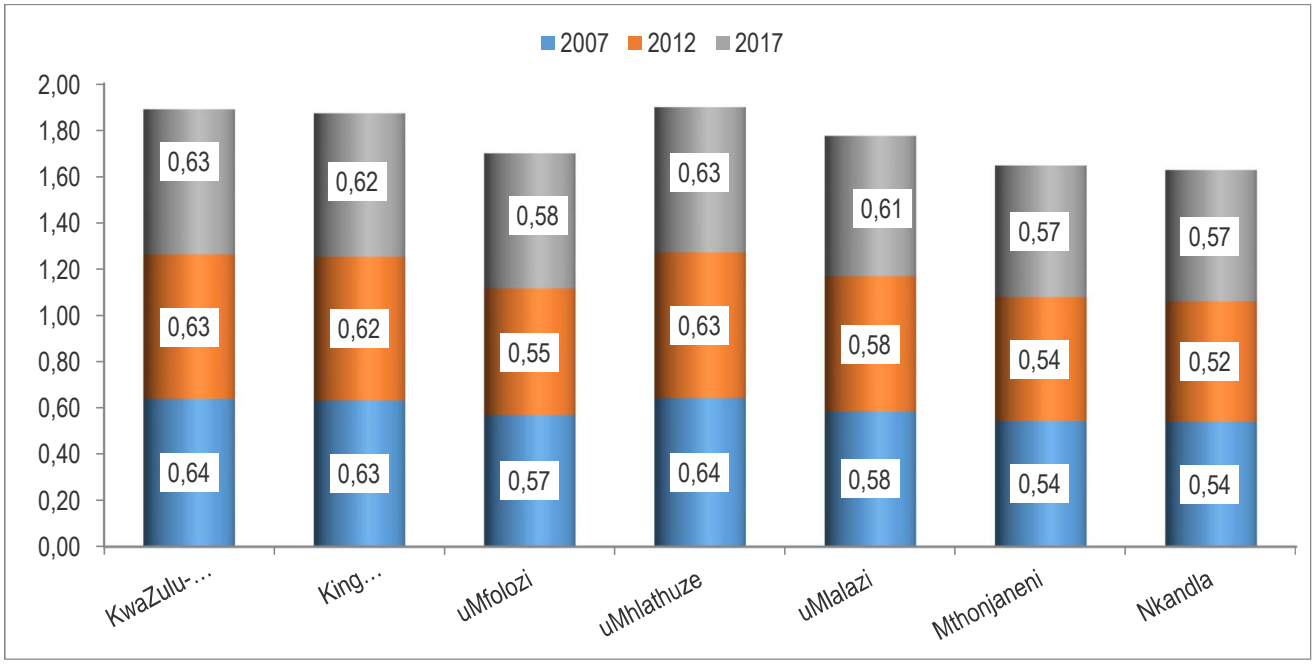
The following table and figure provides the HDI for uMhlathuze Local Municipality over a given period of time.

Figure 75: Human Development Index



Source: IHS Markit, 2018

Figure 76: Gini Coefficient



Source: IHS Markit, 2018

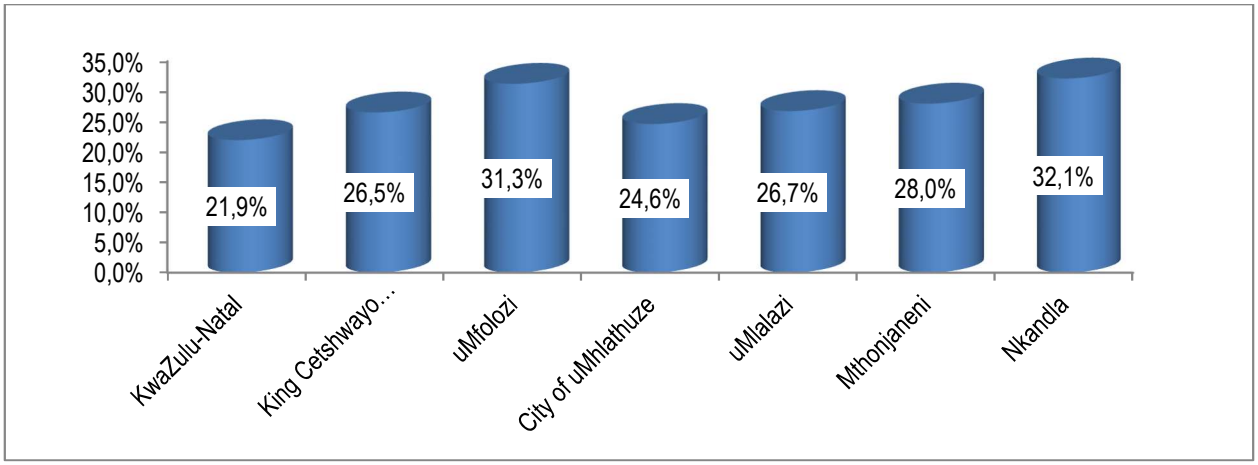
Income inequality is indicated by the Gini-coefficient. Income inequality in the King Cetshwayo District and Province has become less equal over time – from0.64 in 2007 and decreased to 0.63 in 2012 up to 2017 in uMhlathuze Municipality.

7.36.4 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.

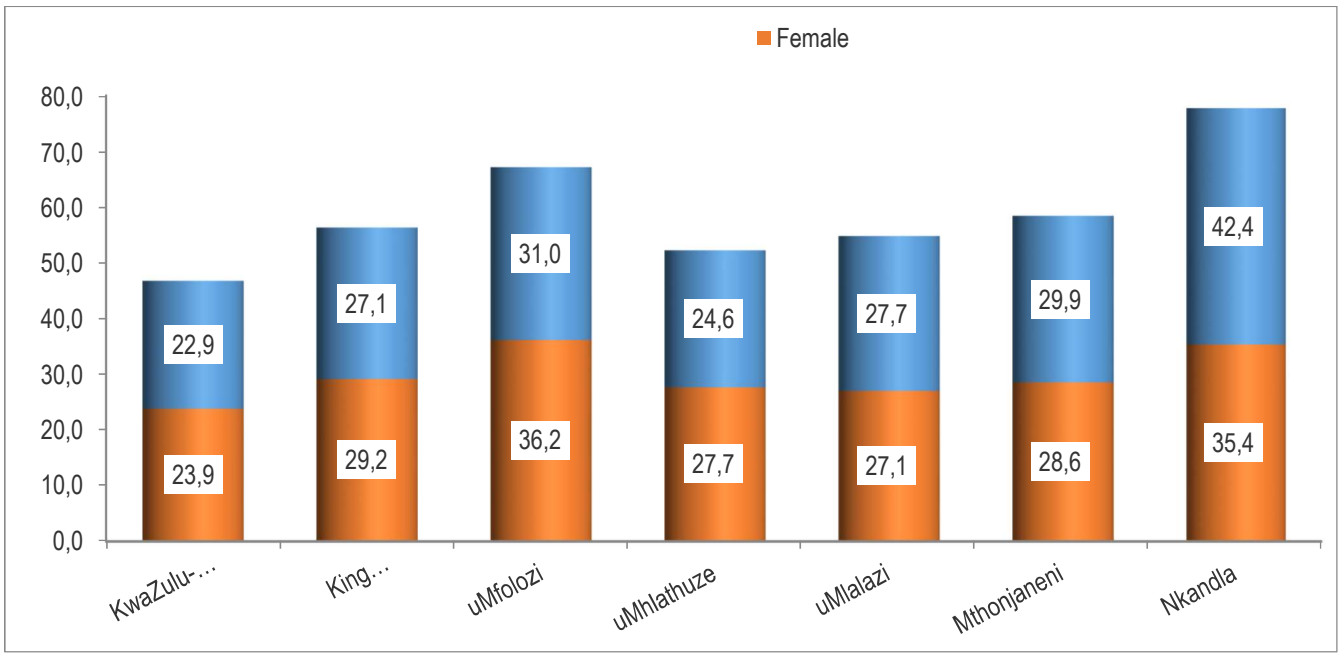
Job creation is not the core competency of the municipality however City of uMhlathuze is committed to radical economic transformation which entails making the environment conducive for investors.

Figure 77: Regional Unemployment



Source: Global insight 2015

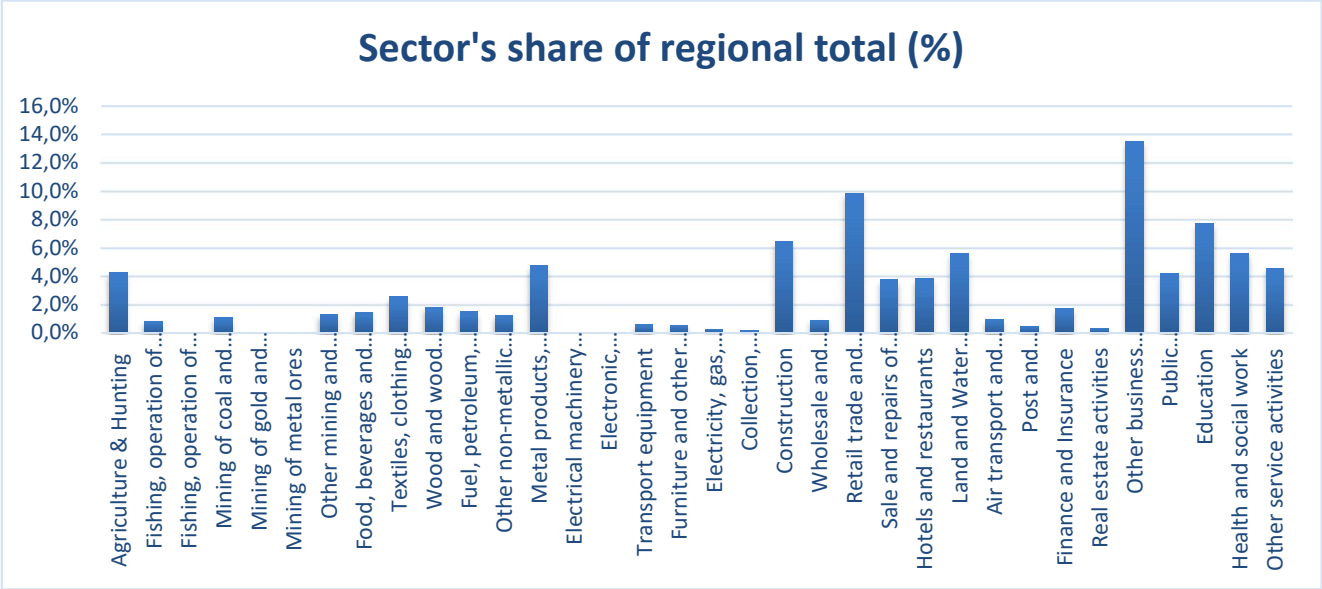
Figure 78: Unemployment by Gender



Source: IHS Markit, 2018

The figure above indicates that the majority of employed within the district are males. This leaves a challenge for uMhlathuze Municipality that through its projects and programs women must be evelop and empowered to stand a better equal that that of males when it comes to job opportunities.

Figure 79: Employment by Sector



Source: IHS Markit, 2018

Table 88: Formal and Informal Sector Employment

	Formal employment	Informal employment	Total employment	% share of King Cetshwayo formal employment	% share of King Cetshwayo informal employment
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 80: 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

7.36.5 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

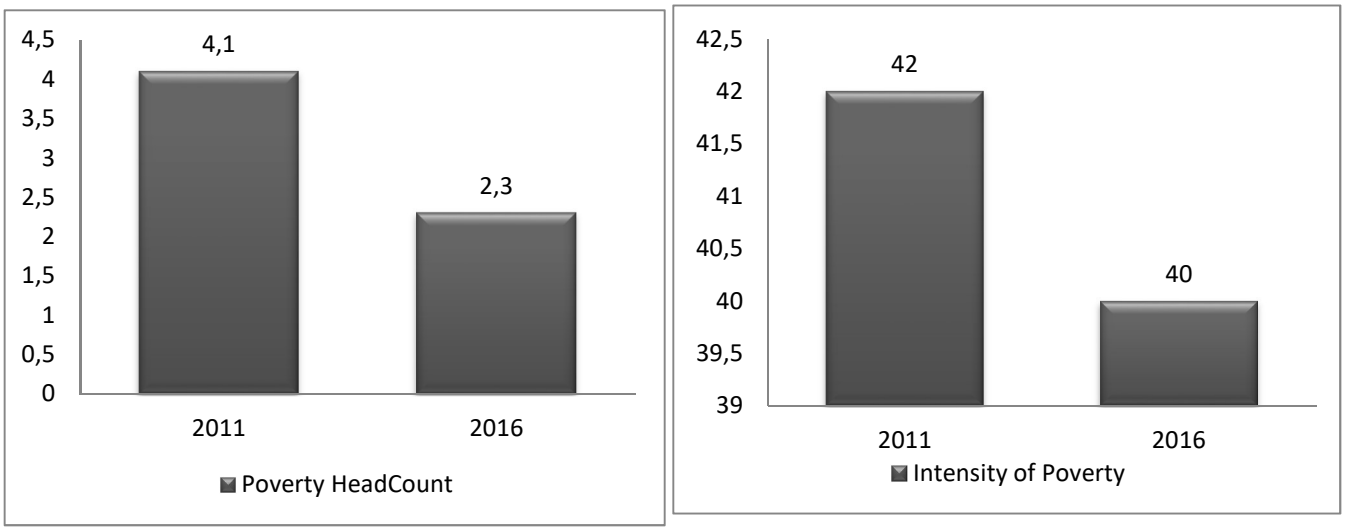
Source: IHS Markit, 2018

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.

7.36.6 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.

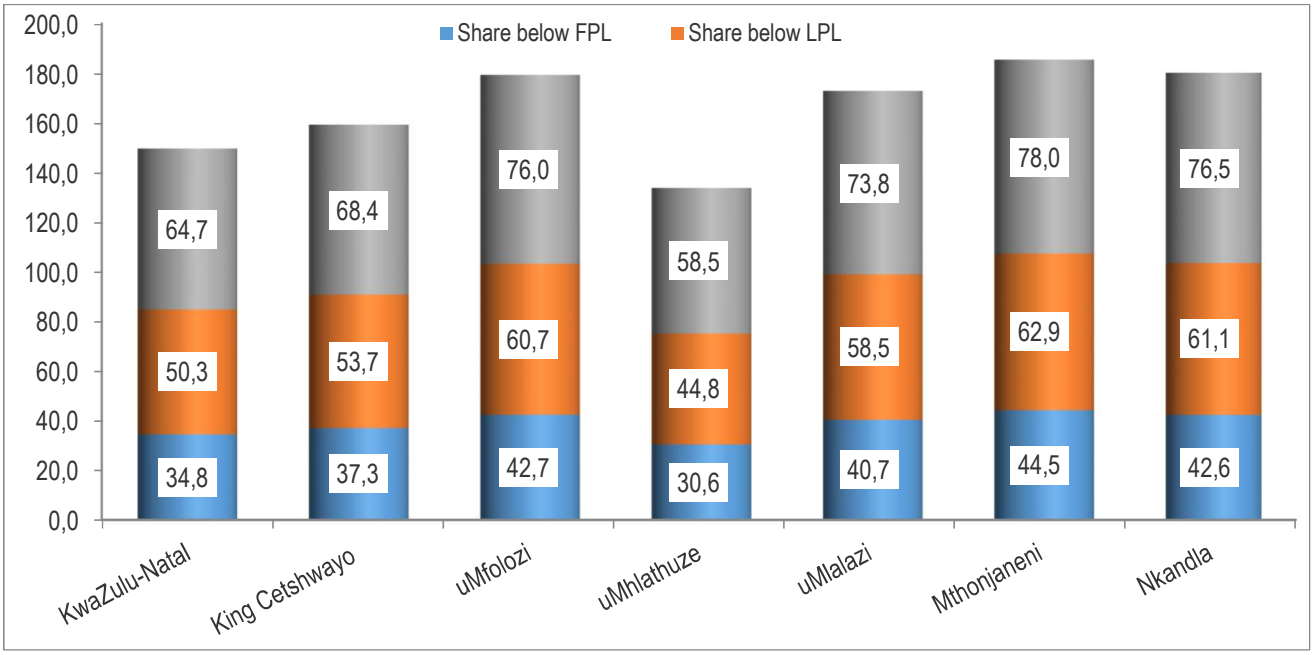
Figure 81: Poverty Head Count and Intensity of poverty



Source Global Insight 2015

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

Figure 82: Poverty Development Indicators



Source: IHS Markit, 2018

Table 89: 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

7.37 Local Economic Development Analysis

7.37.1 Strategic Drivers

From the challenges affecting the local uMhlathuze economy as well as the directives emerging from the analysis of policy and socio-economic factors, 12 strategic drivers are developed. These 12 drivers are the foremost strategies and thrusts behind local economic development in uMhlathuze. From these, the subsequent high impact programmes and projects for implementation are drawn out.

The following figure gives the 12 Strategic Drivers of local economic development for uMhlathuze municipality, these strategic drivers are further expanded on the LED Strategy as attached in the IDP.

Figure 83: Strategic Drivers



7.37.2 Focus Areas and Principles emerging from the policy review aligned to NDP, PDGS and DGDP

Table 90: LED Focus Areas

ECONOMIC AREAS OF FOCUS	PRINCIPLES FROM POLICY
Transformation of spatial-economic equity	• Universal access to facilities and services. • Rural nodes and corridors of potential economic development. • Small town and townships development. • Driving a strong and inclusive economy. • Integrated human settlement development linked to migration trends to urban areas. • New and emerging nodes and town development
Agriculture and agri-processing	• Agri-parks /hubs, industrialisation and agri-processing. • Farmer production services centres – service centres, logistic points and community commercial nodes. • High potential agricultural land areas. • Coastal areas – transformation of the sugar cane grower areas. • Forestry areas – small growers; access to infrastructure especially local road networks. • Livestock areas – emerging small-scale farmers • Grain areas – agri-processing. • Sustainable food production for national food security.
Rural development and land transformation	• Land ownership transformation. • Access to productive land in townships. • Township proclamations and land title transformation. • Small scale industrialisation and provision of facilities and services. • Protection of environmental sensitive areas.

ECONOMIC AREAS OF FOCUS	PRINCIPLES FROM POLICY
SEZ and industrial development	• SEZ development supported with infrastructure and logistical networking. • Revitalisation of existing industrial estates. • Incubator and SMME development support in towns and smaller towns and settlements. • Rural industrialisation. • Black industrialist development support
Green and Blue economic development inclusive of renewable energy and recycle economies	• Maritime and marine areas. • Harbours and small-scale harbours development – linking to back-stream infrastructure. • Coastal area development and protection. • Environmentally sustainable mining and natural resource use. • Supporting eco-production and eco-entrepreneurs
Innovation and the digital economies	• Distribution of digital infrastructure in small towns and rural areas (agri-hubs and farmer support service centres. • Support to establish smart towns and cities. • Access to digital infrastructure along the main corridors.
Tourism development	• Business tourism (bleisure) • Significant cultural and heritage areas. • Adventure tourism. • Nature and game reserves • Coastal areas and beaches. • Urban and town areas: retail and commerce.
Rural and township revitalisation	• Revitalisation of high priority rural areas and townships

7.37.3 Agriculture and Agro processing

Council has an adopted an Agricultural Support plan developed 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. Agriculture has been identified as a top sector with the greatest job-creating/ labour absorption potential. Forestry, wood, and wood products provide a far more sustainable presence since this industry operates with a renewable commodity with Mondi being the biggest player. The sugar industry was one of the first commercial undertakings in the area. Large tracts of fertile river valley land as well as the undulating hills on both sides of the current N2 have for decades been under sugar cane. Most producers provide cane for the mill at Felixton.

The major strengths of the uMhlathuze are its beautiful natural resources. There are perennial rivers, deep soils and the warm climate which are basic requirements for good agricultural production. uMhlathuze climate is very suitable for most used commodities and in the coastal areas the temperature does not go below 12 degrees thus can plant throughout the year. This climate also presents an opportunity for faster growth in plants as cold factor inhibit growth. uMhlathuze has very deep soils in the coastal areas which makes it suitable not only for vegetables but also for tree plants like macadamia. Shallow soils start appearing inner around Mevamhlophe area and disappear to deep soils in the Heatonville area. The uMhlathuze has perennial rivers that have been underutilized by the previously disadvantaged communities. The Ntuze, Mangezi, Mhlathuze, Nseleni etc. are not

effectively used by these communities for agricultural purposes. There are no irrigation schemes for these communities. Water security is a strength of the municipality to sustainable agricultural production. (City of uMhlathuze Agricultural Support Plan).

Key projects in this sector includes National School Nutrition Programme (NSNP), agri-parks, goat farming, poultry farming and incubation programs for farmers in partnership with district, province, and national departments. However, drought has significantly impacted the job creation potential of this industry, as well as absorbing fewer jobs in the past year or so. Under-utilisation of arable land is a key challenge for uMhlathuze. The agro-processing potential of uMhlathuze has not yet been fully explored. Emerging farmers appear to be stagnant and are not growing their enterprises and creating scalable businesses. There appear to be few new entries into the agricultural value chain. Farming is not attractive to youth, which represent 72% of the populous of uMhlathuze.

Some weaknesses include poor market linkages. The disadvantaged farmers in commodities other than cane are not properly linked to existing markets. The vegetable farmers are affected by the inactivity of the King Cetshwayo District Municipality's Fresh Produce Market which has placed further strain. The retail and hospitality industry are not promoting sourcing from the district and the public institutions have not effectively promoted development of local farmers. Livestock farmers have no proper auctioning facilities and stalls for goats. There is no value adding facilities available for beef producers and poultry.

There is also a lack of production infrastructure. The production infrastructure requirements for both plant and animal production is the basis for sustainable production. Plant production requires irrigation, pack houses, refrigerated trucks, sheds for fertilizer storage. Livestock requires water, feedlots, camps, livestock trucks, auctioning facilities and implements. There is not enough land for commercial veld beef production.

In terms of skills the uMhlathuze agricultural development has been skewed to cane production. This lack of diversified production has resulted in skills training related to cane growing. Any promotion of other commodities needs detailed training of beneficiaries. 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.
- In the traditional council areas where the land falls under the Ingonyama Trust, and where land is held under communal tenure, subsistence agriculture prevails, except for small-scale farming in the sugar and timber.
- 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.
- The disadvantaged farmers in commodities other than cane are not properly linked to existing markets.
- Emerging farmers appear to be stagnant and are not growing their enterprises and creating scalable businesses
- There appear to be few new entries into the agricultural value chain
- Farming is not attractive to youth, which represent 72% of the populous of uMhlathuze
- lack of production infrastructure such as irrigation, pack houses, refrigerated trucks, sheds for fertilizer storage, water, feedlots, camps, livestock trucks, auctioning facilities and implements etc.

- skills development in the uMhlathuze agricultural development has been skewed to cane production due to lack of diversified production
- Poor market linkages
- Drought (climate change) has significantly impacted the job creation potential of this industry, as well as absorbing fewer jobs

The City of uMhlathuze presents various opportunities not fully utilized for the benefit of agri-business value chain. The natural resources, marketing infrastructure, logistics infrastructure, Radical Agrarian Socio-Economic Transformation and Social Plans funding.

Based on the findings outlined in the uMhlathuze SDF, much of the communal land falls under 'good land potential' category. Currently there is a lot of primary agriculture activities taking place in the communal areas in the form of crop production, egg production, broiler production and livestock (goats and piggeries), small scale fisheries, aquaponics, and seedling production. There exists a lot of potential within the communal areas to build on these opportunities further. There needs to be a detailed situational analysis conducted on agricultural activities taking place in communal lands combined with well-coordinated efforts from developmental agencies and government departments including private and public partnerships.

Other opportunities include the King Cetshwayo Fresh Produce Market housed in uMhlathuze. However, the market has not been fully utilized by local farmers and is currently no longer functional. Possible plans are to use the space for the District Development Agency program in future. The Richards Bay and Empangeni towns have various retail and hospitality companies that are sourcing their vegetables and meat outside this district. The public institutions which include hospitals, correctional facilities, tertiary institutions also provide an opportunity for marketing agricultural products. The uMhlathuze proposed container city will also provide space for marketing agricultural goods.

The City of uMhlathuze has a positive profile of necessary infrastructure needed in the agricultural products value chain. There local areas are linked to district roads which are gravelled; the district roads are linked to regional roads which are tarred. The regional roads link directly with National Toll Road (N2). The municipality is also home to Richards Bay harbour, which can be a proper gateway for agricultural produce export. The municipality also is planning to expand the airport to also include airfreight infrastructure. This infrastructure is an opportunity underutilized and available for moving agricultural goods to markets.

Strategies to realize opportunities in this sector relate to the following:

- Food security and food sovereignty should be promoted.
- Various opportunities not fully utilized for the benefit of agri-business value chain include the natural resources, marketing infrastructure, logistics infrastructure, Radical Agrarian Socio-Economic Transformation and Social Plans funding
- 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.
- Key projects in this sector includes National School Nutrition Programme (NSNP), agri-parks, goat farming, poultry farming and incubation programs for farmers in partnership with district, province, and national departments
- Much of the communal land falls under 'good land potential' category

- Currently there is a lot of primary agriculture activities taking place in the communal areas in the form of crop production, egg production, broiler production and livestock (goats and piggeries), small scale fisheries, aquaponics, and seedling production. There exists a lot of potential within the communal areas to build on these opportunities further
- Infrastructure needed in the agricultural products value chain including good road linkages, Richards Bay port which can be a proper gateway for agricultural produce export and airport expansion to also include airfreight infrastructure. This infrastructure is an opportunity underutilized and available for moving agricultural goods to markets.
- The Department of Rural Development and Land Reform is establishing a FPSU in Ngwelezane

7.37.4 Tourism

uMhlathuze Municipality has an adopted **Tourism Market strategy**, adopted by Council in 2018. 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 eThekwini 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

I. Market Assessment

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. 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.

II. Tourism Sites

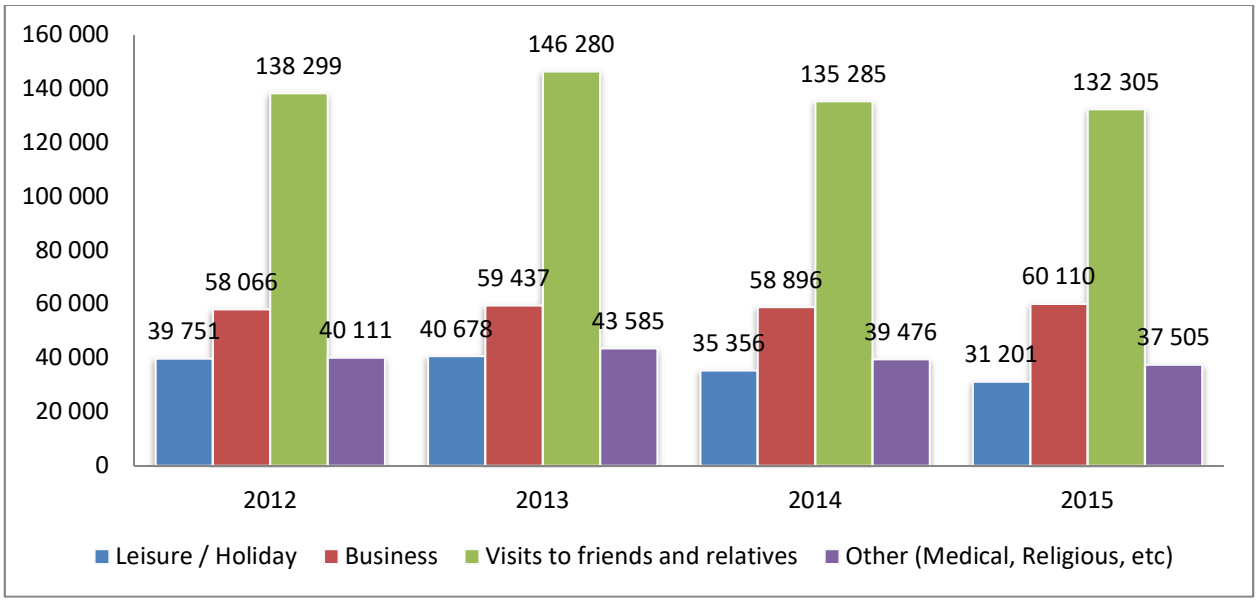
The city of uMhlathuze has amongst others the following key tourism areas:

- 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.

III. 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 84: Tourist Visits in uMhlathuze



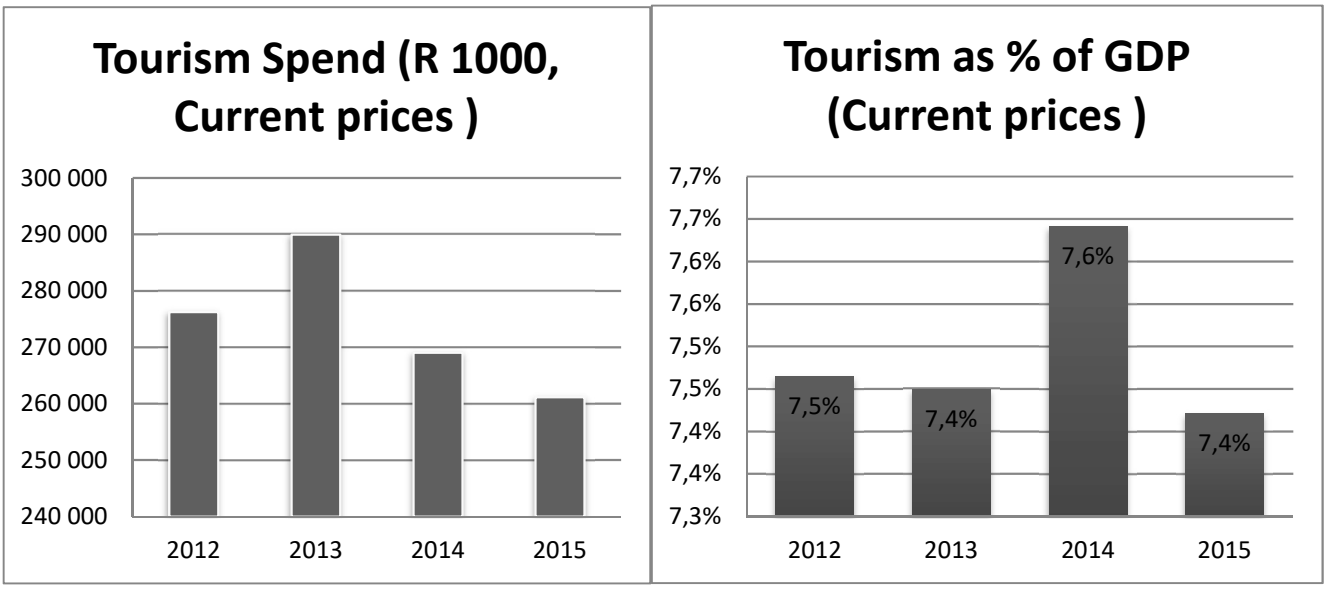
Source Global Insight 2015

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

IV. 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 uMhlathuze 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 85: Tourism Spend and Tourism % of GDP



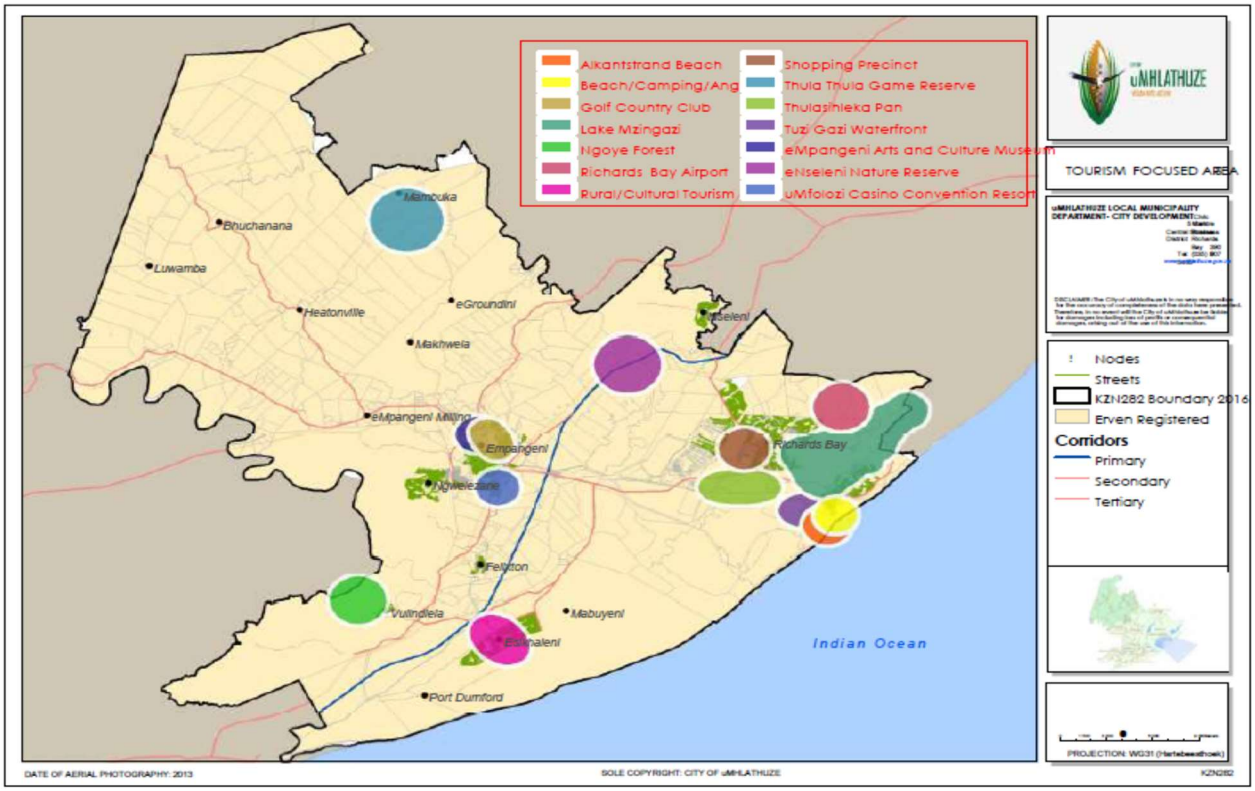
Alignment with Strategies and Policies							
	National Tourism Sector Strategy	**Domestic Tourism Strategy**	**KZN Tourism Master Plan**	**TKZN Tourism Strategic Plan**	**King Cetshwayo District Tourism Strategy**	**uMhlathuze Tourism Strategy**	**uMhlathuze Tourism Marketing Strategy**
Strategy	To 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 2027.	Growing domestic tourism for a sustainable tourism economy	To be a top 20 tourism destination in the world by 2027.	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 though 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.

					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

The Map below highlights the tourism offering that uMhlathuze has as well as possible areas of tourism development and expansion:

Map 49: Tourism Focused Areas



V. 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.

VI. 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

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	• 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.	ULM, KCDM, UCTO, EDTEA DAC, EDTEA, ULM DAC, EDTEA, ULM ULM, KCDM, UCTO, EDTEA UCTO, ULM UCTO	R1,5m	Long - term Long - term Long - term Short-term Long - term Short-term	**HIGH**
	The Development of a Suitable Tourist Signage	• 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	• 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. • 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	ULM, KCDM, UCTO, EDTEA ULM ULM, UCTO, KDCM UCTO, ULM	R0,2m	Short-term Long - term Long - term Short-term	**MEDIUM**

		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, 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	• Conduct a semi-annual perceptual tracking study (Brand Image Study).	ULM	R0,3m	Short-term	**MEDIUM**
		• Conduct the Visitor Intercept Interview Program at sites throughout uMhlathuze on an annual basis.	ULM		Short-term	
		• Conduct annual inquiry conversion study. This study will explore the effect of advertising in stimulating both inquiries and visitation in uMhlathuze.	ULM		Short-term	
		• Conduct semi-annual economic impact study.	ULM		Long-term	
Marketing Mechanisms	The recreation of the tourist/visitor guide	• 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.	ULM, UCTO	R0,1m	Short-term	**HIGH**
		• Distribute the guide at the trade and exhibitions (such as the Tourism Indaba).	ULM, UCTO		Short-term	
		• Ensure usage of guide during roadshows and familiarisation tours.	ULM, UCTO		Short-term	
		• 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	UCTO		Short-term	
	The Mobile Tourism Application	• Develop a Mobile Tourism Application for uMhlathuze	ULM	R0,4m	Short-term	
		• Provide updated information on existing routes and tourism products or authentic experiences found in uMhlathuze.	ULM, UCTO		Short-term	**MEDIUM**
		• Create a monitoring and evaluation system of the application	ULM		Short-term	
		• Ensure that the application software is constantly managed and updated.	ULM		Short-term	

		• 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 ULM UCTO, ULM, KCDM		Short-term Short-term Short-term	
The Online Strategy	Website Design	• 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	• 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	• 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	• 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	• 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	• Create a brand image for uMhlathuze that represents all products currently offered.	UCTO	R0,2m	**HIGH**

		• Ensure that all advertising material are appropriately branded before they are utilised			
	Advertising	• 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. • 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-visitation 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.	UCTO UCTO UCTO UCTO UCTO UCTO KCDM, UCTO, ULM UCTO	R1,0m	**HIGH**

Focus Area	Project	Actions/Activities	Key Role Players and Other Stakeholders	Estimated Budget	Term	Priority
	Domestic Marketing	• 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).	UCTO UCTO UCTO	R1,0m	Medium Term	**HIGH**

		• 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. • 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 UCTO UCTO			
	International Marketing	• 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 ULM ULM UCTO	R0,5m	Short-term	**LOW**

7.37.5 Manufacturing, Industry and logistics

The City of uMhlathuze promotes "competitiveness in the manufacturing sector whilst advancing downstream value-adding opportunities that are labour intensive". (KZN TopBusiness). The manufacturing sector is important in the province (largest contributor to PGDP) (KZN TopBusiness). One of the key advantages in the manufacturing, Industry and Logistics realm in uMhlathuze is the Richards Bay Industrial Development Zone (RBIDZ). The RBIDZ has been designated as special economic zone and is a national priority for stimulating growth in the manufacturing sector.

The potential of the RBIDZ is key in considering the development of industry and manufacturing in uMhlathuze. 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

The positioning of RBIDZ is of critical importance in stimulating and attracting investment opportunities, building local industrial capabilities, creating commodities for local and foreign trade, boosting employment, and providing platforms for small and large business development in the City. This Strategy recognises that harmonised planning and facilitation of current and future opportunities between the City and RBIDZ is vital towards unleashing the City's potential.

The scope of opportunities facilitated by RBIDZ has been identified as follows:

- Metals beneficiation: Aluminium, Titanium, Iron ore
- Agro-processing: Pulp, Horticulture and meat production
- Port optimization: Containerization, Ship/rig building and repair, Oil and Gas
- Renewable and Clean energy: Solar, Fuel cells, Biomass, Liquefied Natural Gas
- Information and Communications Technology: Techno-parks, Innovation Hub

There are various committed private sector projects that provide the platform to generate economic growth, transformation, and job creation within the Manufacturing sector. Currently, there is not a dedicated focus on end- to- end investment promotion championed by local businesspeople. Skills development for new industries is not well understood and supported. The skills development initiatives need to be aligned to the provincial skills programs. There is not a dedicated focus on small business development with regards to manufacturing within uMhlathuze, which creates barriers to entry by local SMMEs and entrepreneurs.

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.

7.37.6 Wholesale and Retail Trade

uMhlathuze has the potential to be a trade gateway of choice, in particular for the surrounding rural areas. The main urban centres Empangeni and Richards Bay attract many people from surrounding rural areas even as far Jozini providing retail and trading services. For example, Empangeni's role mainly as a commercial and service centre to the settlements of Esikhaleni, Eshowe, Nkandla, Buchanana and other rural settlements attracts many people to the range of higher order services available in the town. There are also a large number of small to large retail centres that provide services. However, the recession has had a negative impact on trade business in the main centres of the Municipality as is evident from the number of businesses that have closed down in the area.

Further, this sector has few linkages with the township/rural economy where a number of small-scale retail spaza shops and local convenient stores are located. As a result, there are severe leakages of resources and people from rural areas to larger urban centres in uMhlathuze. Additionally, marginalized individuals (women, youth, people with disabilities) occupy a very small percentage of mainstream retail, wholesale, trade, and services real estate.

Some of the principles to support the Wholesale and Retail Trade 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.
- 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

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.

7.37.7 Mining

Mining of mineral resources is an important economic activity in the region. The 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. It is the second largest sector in uMhlathuze's economy making up about 11% of the municipality's economy and bringing in billions annually. Mining companies are also very important for the uMhlathuze economy in terms of their corporate social responsibility often assisting communities with social aid, food, and education grants. Major mining companies include Richards Bay Minerals, South32, Foksor, Tronox, Richards bay Coal among others.

Lower global commodity prices will have/ is having a negative impact on the micro economy of uMhlathuze. Even with the global downturn in commodity prices, there are still some key expansion projects in the local mining sector. For example, Richards Bay Minerals is expanding with a further mining lease, located along a 20km stretch of coastline to the south of Richards Bay and the uMhlathuze River and north of Port Durnford, the Zulti South Mine Lease Area (ZSMLA). However, this initiative has been temporarily halted following security threats and civil unrest incidents in the area.

The launch of a R4 billion titanium beneficiation project for the manufacturing of titanium pigment at the RBIDZ is a significant milestone in South Africa's mineral beneficiation and industrialisation paths. The project saw Nyanza Light Metals, a South African company, establishing a plant to extract titanium from waste steel slag and beneficiating it to produce titanium dioxide pigment which is a critical ingredient in paint manufacturing. The project is the largest single investment in the Richards Bay IDZ.

Diversified miner South32 has also invested R74-million in a seawater desalination plant to supply the Hillside Smelter with water. Hillside is the largest aluminium smelter in the southern hemisphere with a capacity of 720 kilo tons of aluminium per annum. The plant uses membrane technology to produce cooling process water for its smelter. The desalination plant will remove minerals from seawater extracted from the Richards Bay harbour. However the impact of beneficiation, especially with respect to exported materials and imported input for local industries, is not fully understood.

Additionally, the contribution of mining in employment terms is very small at only 1.6% of uMhathuze's total employment. The capital-intensive corporate companies dominate the local economy but provide few employment opportunities because of their capital-intensive nature. In addition, there are few meaningful linkages between major industry and the development of local businesses. A report by University of Stellenbosch also documented "limited, if any, community consultation and participation" in the planning of initiatives.[1] Environmental sensitivity is of concern in relation to spatial planning and development relating to mining and beneficiation.

7.37.8 Informal Sector

The Municipality has conducted several surveys and has a register for Informal traders in a form of a database. According to the updated database the total number of Informal Traders stands at 2254 and only 1445 of these have informal trading permits.

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 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. 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 City recognizes that the informal sector is here to stay in both urban and rural contexts. Since 2011 the City has provided substantial support to the informal traders. The Municipality needs to strengthen the 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:

- Limited access to training,
- Limited access to finance, funding, and capital owing in part to the informal nature of their operations
- Lack of necessary support infrastructure including storage facilities, ablution facilities, water, and electricity 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:
- Support for the informal economy is reflected in Municipal planning documents such as the IDP.
- Facilitate the smooth operation of the informal actors' chamber as a means of engaging with informal economy actors.
- Continue regular contact with informal economy organizations and actors
- Register all informal traders.
- Continue to provide basic infrastructure and services for informal traders.
- Take account of informal trader interests in the context of approving new developments.
- It is important that the following measures to promote the informal sector be designed by the City of uMhlathuze be introduced:
- Putting in place policies that make it easier for informal businesses to thrive such as informal trade grant funding;
- Reduction of licence fees; and licences.
- Construction of trading centres in the cities, towns and rural areas (prioritise improving the informal trading conditions in the CBD of Richards Bay and Empangeni and the municipality to prioritise the implementation of Empangeni revitalisation project
- Incentivise the sector.

- Opportunity awareness and assistance with accessing those opportunities
- Encourage the informal sector to comply with relevant regulations
- Facilitate business management and other skills development program for the sector
- Create an enabling environment for the informal traders as well as other businesses to co-exist thus providing opportunities for small businesses to operate within the space of mainstream economy.

7.37.9 SMALL to Medium Enterprises

Small- and medium-sized businesses are an important source of dynamism and employment, as well as opportunity for new entrants. Yet their share of output, employment, and exports in uMhlathuze has diminished further worsened by the impact of Covid19 on the local economy. Attention is required to:

- Stimulate entrepreneurship especially in historically disadvantaged communities.
- Strengthen support mechanisms for SMEs, including business and skills development.
- Ensure the regulatory regime is conducive to small business needs and abilities.

SMMEs in uMhlathuze are involved in many business ventures across the following activities: tourism, catering & accommodation, retail trade, construction, manufacturing, restaurant & tavern, general dealer, supermarket, butcher, financial services, bricks/ blocks manufacture, burial services, liquor retail, consumer sales, motor repairs, beauty salon, arts and crafts, bakery, cleaning services, computer repairs, electrical appliance, hardware retail, laundry services, light engineering services, radio & TV repairs, clothing and textile, and security services.

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 to 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 municipality has proactively prioritized LED projects that are aimed at assisting SMMEs in various ways. 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 also revised its procurement policy to include a clause in all tenders that:25% of work for big tenders is subcontracted to local SMMEs.

The municipality should introduce a special entrepreneurship program that will help with the identification, development and profiling of young entrepreneurs that are running businesses (small and informal) that have a potential to create jobs in the townships and rural areas.

Focused support should be given to small businesses, in particular Spaza Shops & Informal Sector. Spaza shops are particularly important, as they are in themselves offer self-employment and job creation at economic entry level whilst also improving the circulation of money within townships and

rural areas. They also serve as a market for locally produced goods, and they provide convenience shopping for the local community.

7.37.10 Rural Economy

The urban areas are surrounded by large tracts of land under traditional authorities namely rural areas, of KwaDube (Inkosi Dube), KwaDlangezwa (Inkosi Mkhwanazi), KwaBhejane (Inkosi Khoza), KwaMadlebe, (Inkosi Zungu), Buchanana (Inkosi Mthiyane and Inkosi Biyela), Obizo (Inkosi Cebekhulu), Somopho (Inkosi Mthembu in Macekane), Luwamba and Fatima (Inkosi Biyela). Traditional authority areas are characterized by dense unplanned settlement, particularly on the borders of towns, driven by ad hoc land allocation through the Amakhosi.

The agricultural sector is of major importance for rural economies. The main economic activity in rural areas is farming and agriculture. However, this is mainly traditional agriculture with much of the production being for subsistence purposes. Agricultural supply chains need improvement and reform to move from traditional to modern methods of agricultural production are needed. Improved access and ownership regarding agricultural land in rural areas, is critical for rural development.

Although rural towns are considered potential growth points for development, the perception is that rural areas and rural towns have been neglected when compared with urban and metropolitan areas in uMhlathuze. Rural uMhlathuze has deteriorated consistently over the last few decades and rural areas, including rural towns, are experiencing an economic decline. Rural towns are struggling to provide the basic level of service delivery required, and there are limited efforts to provide an enabling local economic development environment by local government. As a result there are severe leakages of resources and people from rural areas to larger urban centres in uMhlathuze. For example, Empangeni's role mainly as a commercial and service centre to the settlements of Esikhaleni, Eshowe, Nkandla, Buchanana and other rural settlements attracts many people to the range of higher order services available in the town.

Rural areas generally lag on economic performance indicators, such as economic growth, labour force participation rates, unemployment, education attainment and life expectancy at birth. Challenges include insufficient skills and educational performance, socio-spatial inequalities, infrastructure deficits, housing backlogs, environmental issues, an ageing population and health disparities.

There are also issues such as the underutilisation and sustainable use of local natural resources; poor access to socio-economic facilities, public services, infrastructure and other essential services; the low levels of skills; unresolved land reform and land ownership issues; and the unexploited opportunities in labour intensive industries such as agriculture, tourism, mining and manufacturing. Other challenges exist in terms of establishing small businesses as communities often rely on social services for support and to provide for their own basic needs. Poor infrastructure and low availability of government services limit the type of manufacturing activities that can be conducted which is also exacerbated by the lack of viable markets to participate in the economy.

As a result of the above identified characteristics the cost of living in rural areas is high due to accessibility challenges to goods and services. This poses major challenges to service delivery agents and policy makers. Another major challenge of these settlements is that some of the households and

/or public facilities developed on land that is not suitable for development. Resource challenges have led to development challenges or low levels of development in rural areas.

Rural areas are competing with larger cities such as Richards Bay and Empangeni, with comparative and competitive advantages, identified as engines of growth due to skewed resource allocation.

7.37.11 Township Economy

Transforming the uMhlathuze economy relies on promoting and securing the full participation of township and rural economies within the mainstream economy. The “township economy” generally refers to all the economic activities occurring in formally promulgated urban areas known as townships.

Township enterprises are diverse, with high rate of informality and provide a range of goods and services to meet the needs of township communities. The township economy in uMhlathuze is characterised by small-scale, labour-intensive, largely unregulated and unregistered wide and diverse economic activities, ranging from spaza shops, street vending, hair salons, shebeens, minibus taxis, to mechanical services, manufacturing, burial societies, stokvels, waste pickers and recyclers and childcare services.

These are largely micro-enterprises with low capital and low skills base. The main township economic activities include agriculture, manufacturing, retail, personal and household services, business services, transportation and tourism. Economic activity of many townships is generally limited to retail trade (frequently informal trade), transportation, and government services. Growth in these sectors is often stifled by lack of access to land, funding, economic infrastructure, low skills and educational levels and poor transport systems.

The entrepreneurs in this sector are often not registered, do not pay taxes, have no trading license and thus are not included in mainstream economy; and as such they are not able to benefit from the support programmes of government. It is however labour-intensive sector often completed by individuals or cooperatives. For example, the waste picking business in uMhlathuze is listed amongst informal activities that could create many jobs if formalized. In KCDM there are approximately 277 waste pickers working in various sites, of which the majority is in the City of uMhlathuze, and most have IDs and contact numbers but no bank accounts and informal trading permits; therefore, making it difficult for government agencies to assist with relevant interventions.

Township businesses are not graduating from small and survivalist businesses into sustainable SMMEs that can compete in the formal marketplace. New entrants require support to grow and strengthen their businesses to fully access the mainstream economy, especially marginalised groups. There is little Enterprise Development/ Supplier Development spend in the township economy. There are no buy local campaigns underway to encourage civic pride and consumerism. The township economy is not being measured and evaluated on a continuous basis.

The municipality working in partnership with the Department of Small Business Development’s has been working on the formalisation of township and rural economies for the purposes of improved traceability, support, government planning and budgeting across the sector. Formalisation allows for improved accuracy in measuring the contribution of township SMMEs to South Africa’s economy. Formalisation will be promoted for informal and micro businesses including spazas and general dealers, newly launched personal care facilities (hair and beauty salons, massage parlours), informal

and micro restaurants and shisanyamas, and fruit and vegetable vendors. More than 500 informal businesses were assisted to register on the database of SMMEs in 2020 November.

The KZN Department of Economic Development, Tourism, and Environment Affairs through Operation Vula also approved numerous township and rural programmes to promote local competitiveness, through the production of goods and services in effective sectoral value chains. These are segmented across the following categories:

- Panel beaters, motor mechanics, auto, auto-fitment centres
- Small scale bakeries, confectionaries
- Clothing, leather and textiles
- Butcheries
- Markets
- Trading spaces
- Release of land

7.37.12 Digital Economy, ICT, and Innovation: City of uMhlathuze as a Smart City

Over the past several decades, the world has undergone a transition from a traditional economy (e.g., agriculture or industrial based) to a digital economy that is based on digital technologies. Key critical ICT infrastructure projects such as broadband roll out and the RBIDZ Techno hub have been planned but have not yet been realised. 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

ICT infrastructure is needed to allow the City to roll out its Smart city concept, which is central to the municipal Vision. 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.

7.37.13 Green Economy and Sustainability

The Green economy in uMhlathuze has been identified by the IDP as a niche sector with tremendous opportunities for growth for the local economy. Preliminary investigations have begun into water re-use initiatives and a possible desalination plant. There are opportunities to invest in alternative energy generation. For example, electricity co-generation through Felixton Sugar Mill. The municipality is also blessed with abundant sugar and timber resources, all located in rural areas, which via waste to energy programmes, could produce energy for local consumption and create jobs.

The smart city and green city concepts have much in common in terms of their origins and mutual influence on progress. Waste management is an important element in the concepts of both smart and green cities in order to solve problems such as adapting to climatic change in terms of intelligent security systems and protecting and conserving the urban ecosystem.

To ensure alignment of the two the following projects are recommended and some are already in implementation:

- Provide support to informal recycling by assisting those that are participating with PPE, trolleys and land.
- Create space for green economy through training of young people on clean energy and its associated businesses.
- Establish partnership with stakeholders that are in Research and Development to unlock economic opportunities that are in both green and blue economy.
- Circular economy
- Food security
- Green energy inititatives

The City of uMhlathuze considers the green economy to be an important sector that could lead to new jobs and local economic development. The Municipality continues to aggressively pursue funding opportunities from National and Provincial Departments for the implementation of these initiatives.

7.37.14 Maritime and Blue Economy

A sustainable blue economy can support the municipality's goals on poverty, hunger, jobs, gender equality, partnerships, resilient communities, and climate change. It drives economic growth and development, while supporting livelihoods and the health of the ocean. The municipality has the benefit of bordering a coastline that spans approximately 45 kilometres of which about 80% is in its natural state.

Linked to its coastal locality are several opportunities in the Blue economy including:

- Richards Bay deep-water port. Richards Bay is the largest deepwater port in Africa and handles the bulk of South Africa's exports
- Coastal mining. Coastal dunes contain heavy minerals that are sought after for mining.
- Offshore gas to power
- Coastal beach tourism. Beach tourism was identified as a priority niche that uMhlathuze needs to capitalise and focus on.
- Fishing, fisheries, and aquaculture. These have huge potential, but deep changes are needed for these industries to become sustainable.
- Marine, ship repair and boatbuilding
- Maritime school

The port is a flagship asset for uMhlathuze and complements the other geographic specific advantages of being the economic gateway to the province and the country. Port efficiency and productivity are critical ingredients to increase utilisation and volume of the port. Currently, the Port has spare capacity and is handling less cargo than it has in past years. This is largely driven by the commodities slump being experienced globally.

Another boost is the proposed Gas to Power plant to be located in the RBIDZ which boasts an estimated investment value in the region of R47-billion. The RBIDZ has been allocated 2000 megawatts of the 3126 megawatts allocated to the Gas to Power programme as part of the gas Independent Power Project. The allocation will result in a multi-billion-rand investment in Richards Bay, in both a gas fired power station, as well as gas infrastructure to gasify liquefied natural gas brought into the harbour by ship and piped into the power plant and other uses.[2] This plant will create the opportunity for new and existing industries in the Richards Bay to make use of an alternative energy.

The land along the coast has high potential for Aquaculture and Mariculuture and this does not exclude fishing activities taking place on Lake Mangezi, Lake Cubhu, Mpangeni River and Lake uMhlathuze. These freshwater bodies are located within the highly economically vulnerable rural areas within uMhlathuze and have the potential to change the socioeconomic condition of the rural communities in uMhlathuze. Developing a vibrant blue economy is feasible. Collaboration is the secret to success. Regional solutions exist, and when linked to global cooperation, it is a clear win-win, for the ocean, the economy, gender equality and social inclusion. But to move from commitment to action, governments and the private sector need clear incentives to take sustainability seriously.

7.37.15 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.

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 laws and regulations AS amended from time to time. *(EPWP Policy Attached)*. 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. Upon receiving the protocol agreement as a base document from the Department of Public Works and Infrastructure, the City will hasten the adoption and implementation of Phase 5 Policy Framework.

[2] KZN TopBusiness. City of uMhlathuze Profile. Online. Available: https://kzntopbusiness.co.za/site/umhlathuze-municipality.

I. PHASE IV EPWP TARGETS

The following targets have been set for UMhlathuze Municipality by the National Department of Public Works

Table 91: Total EPWP Targets for all sectors

Municipallity	Sector		2024/25	2025/26	2026/27	2027/28	2028/29	Total
City of uMhlathuze (KZN282)	Infrastructure	WO	452	471	490	509	528	2 450
		FTE	144	150	156	162	167	778
	Environment & Culture	WO	131	137	139	146	151	704
		FTE	57	59	61	66	69	312
	Social	WO	2406	2406	2406	2406	2406	12030
		FTE	602	602	602	602	602	3010
	Total All Sectors	WO	2989	3014	3035	3061	3085	
		FTE	803	811	819	830	838	

Table 92: Overview of Past Performance against Targets Vs EPWP Grant Allocation

FINANCIAL YEAR	TARGETS WO	ACHIEVED WO	TARGETS FTE	ACHIEVED FTE	GRANT RECEIVED
2019/2020	705	906	246	317	R 4 492 000
2020/2021	712	688	249	223	R 4 278 000
2021/2022	718	763	251	344	R 3 417 000
2022/2023	720	1008	252	408	R 3 213 000
2023/2024	725	775	254	311	R 2 916 000

7.37.16 Red tape reduction/ease of doing business

uMhlathuze has emerged as a regional economic hub within its district and in the province. However in order to remain a preferred location for business and to attract new investment, the municipality needs to reconsider its business processes, in particular the development approval processes. The speed at which development is approved will amongst others determine the competitiveness of the municipality as an investment destination. It becomes critical therefore red tape reduction and the ease of doing business in uMhlathuze becomes a major consideration.

Responding to the growing demand for practical approaches to address Red Tape, the municipality has developed a facilitation model for Red Tape reduction. The model aims at supporting property developers and investors in the reduction and avoidance of bureaucratic costs by facilitating a multi-stakeholder discussion and a joint action process through a Multi-Stakeholder Engagement Framework.

Key recommendations:

- Develop a bold investment incentive strategy that should help with the retention of business and development of new economic precincts.
- Establish a municipal Real Estate Company to manage the land assets and future partnerships on behalf of the municipality.
- Establish dedicated committees working on applications to prioritise strategic infrastructure development and business development projects.
- Collaboration with other government departments to coordinate the statutory approval processes.

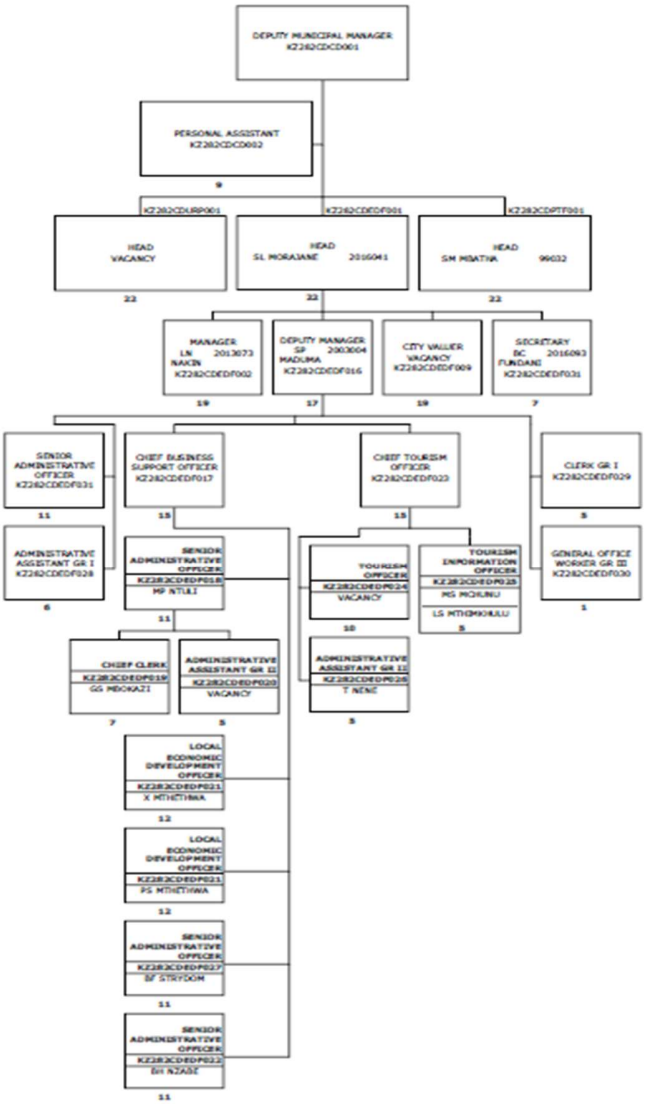
The programmes/projects under this strategy are:

1. Targeted reduction of red-tape and municipal administrative processing times
2. Provide preferential treatment for local enterprises to benefit from such as informal trade grants funding, licensing incentives
3. Enhance the Council's website to ensure that the public has access to approved policies, bylaws and all required application forms
4. Implement non-financial incentives
5. Payment to Suppliers / SMME's within the 30 days period

7.37.17 Institutional Arrangements for LED

The uMhlathuze Municipality's organogram provides for an LED Unit, the LED Unit is housed with other functions that incudes 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.

Figure 86: Economic Development Organogram



7.37.18 Knowledge Management Research and Innovation (KMRI)

The City of uMhlathuze has for a while recognised the value of research, knowledge sharing and learning, drawing on best practices and lessons learnt from other organisations and the sector at large. The City of uMhlathuze has employed an official at a senior level responsible for ensuring that Research and Knowledge Management unit is fully functional. The Municipality has since taken part in programmes that promote knowledge management and innovation coordinated within and beyond the Province of KwaZulu-Natal. Key amongst others is the benchmarking exercise done with Municipal Institute of Learning (MILE) SALGA for good practices in the development of the City's function.

To date, the City of uMhlathuze has participated in several KMRI forums coordinated by MILE, which mainly utilise masterclass sessions covering the following topics, amongst others:

- strategic governance for the 21st century
- creating financially viable municipalities
- managing the water and wastewater challenge
- rethinking solid waste
- climate change for coastal cities
- the challenge of human settlements: a strategic approach
- effective land use management for municipalities
- Managing municipal performance: from monitoring and evaluation to impactful service delivery programmes.

In terms of the adopted 2025/2026 MTREF an amount of **3, 518 000 million** has been approved for the Knowledge Management Research and Innovation, under FX004001002009 vote. *(see SDBIP 2025-2026, component 2)*

The objectives of the KMRI practice within the City of uMhlathuze are the following:

- To inculcate the culture of knowledge management in the organisation.
- To support development of solutions to identified problems and use best practices in municipal service delivery, infrastructure and non-infrastructure projects.
- Activate and manage the City of uMhlathuze's beneficial research networks through partnerships with higher education, research and other related institutions.
- To facilitate internal and external knowledge creation and sharing (through relevant and accessible platforms such as Communities of Practice (CoPs) and Masterclass arrangements).
- To stimulate internal research and development capability in bolstering innovation and solution creation.
- To entrench knowledge harvesting, organisation and retention towards systematising knowledge for retrieval and functional use.
- To promote international knowledge management exchange and benchmarking.

In the next section are some of the partnership established for Reseach and knowledge sharing initiatives, in particular the City has an MOU signed with the University of Zululand and has good partnership with the Esikhaleni TVET Colledge for research purposes.

7.37.19 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
- 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

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

Table 93: Local Economic Development Plan - Five Year Implementation Plan

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
ENTERPRISE AND SUPPLIER DEVELOPMENT							
1	**SEDA construction incubator**	Incubation of up and coming contractors	3 000 000	3 500 000	4 000 000	4 500 000	5 000 000
	Esikhaleni SMME Business Centre	Business incubation	29 169 865	33 289 459			
	Support to Downstream Aluminium Centre for Technology (DACT)	Support to the Aluminium incubation center (DACT)- Grant in Aid	1000 000	1000 000	1000 000	1000 000	1000 000
	Establishment of the sewing hub	For production of PPE Provision of machinery and operating space	1000 000	200 000	200 000	200 000	200 000
	Automotive Sector Incubation	Construction of a 2nd phase of a workshop for informal mechanics Incubation of informal mechanics, especially young females	500 000	5 500 000	600 000	700 000	800 000
	One Stop shop SMME support	Maintenance of the roof and toilets	1 000 000	500 000	200 000	100 000	100 000
	Food delivery chain	Subsidize 20 young people on transport and logistics business Motorbikes and Incubation Fee Partner with YES(Youth Employment Service)	1000 000	**300 000**	**400 000**	**500 000**	**600 000**

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
	Host Annual Events to ensure access to market for SMMEs	Business Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		Construction Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		ICT Expo	1000 000	1000 000	1000 000	1000 000	1000 000
		Cooperative Summit	1000 000	1000 000	1000 000	1000 000	1000 000
	Funding for SMMEs	Issue annual grants to SMMEs	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000
	Incubation program for 20 Cooperatives	Appointment of a service provider to incubate cooperatives for a 3 year period	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
		SUB-TOTAL	**OPX R22 000 000** **CPX R29 669 865**	**OPX R20 000 000** **CPX R38 789 459**	**OPX R20 800 000** **CPX R600 000**	**OPX R21 300 000** **CPX R700 000**	**OP R21 900 000** **CPX R700 000**
GREEN ECONOMY INITIATIVES							
2	**Waste Management:** **Upgrading of Material Recovery Facilities**	Construction of Material Recovery Facilities in the townships and rural areas	2 000 000	**1000 000**	**1000 000**		
	Support for informal waste pickers	Branded bicycles and trolleys for 70 Trolley Pushers	300 000	300 000	200 000	100 000	100 000

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
		Reflective Vests, Masks, Safety Shoes and Gloves for Trolley Pushers					
		Ten (10) Active Glass Crushers		1000 000			
SUB-TOTAL			**CPX R2 300 000**	**CPX R2 300 000**	**CPX R1 300 000**	**CPX R100 000**	**CPX R100 000**
INFORMATION TECHNOLOGY AND DIGITAL ECONOMY							
3	**Support 4IR Programs**	Establish 10 satellite techno hubs in rural and township areas	300 000	400 000	500 000	600 000	700 000
		Establish ICT centres for job seekers	500 000	200 000	200 000	200 000	200 000
SUB-TOTAL			**CPX 800 000**	**CPX 600 000**	**CPX 700 000**	**CPX 800 000**	**CPX 900 000**
Tourism							
4	**Tourism Marketing**	Quarterly Tourism Activations in 4 provinces	500 000	600 000	650 000	700 000	800 000
	Support to the UCTO	Enable UCTO to market the city through events, advertising and hosting of media tours	3 000 000	3 500 000	4 000 000	4 500 000	5 000 000
	King Cetshwayo Monument upgrade	Develop King Cetshwayo Monument into a tourism product in partnership with KCDM and Amakhosi	5 000 000	5 000 000	5 000 000	5 000 000	5 000 000
SUB-TOTAL			**OPX R3 500 000** **CPX R5 000 000**	**OPX R3 500 000** **CPX 5 000 000**	**OPX R3 500 000** **CPX 5 000 000**	**OPX R3 500 000** **CPX 5 000 000**	**OPX R3 500 000** **CPX 5 000 000**
AGRICULTURAL SUPPORT							
6	**Vegetable enterprise development**	Primary Infrastructure Grant Funding - Fencing	5 000 000	5000 000	5000 000	5000 000	5000 000

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
		- Irrigation - Construction of greenhouses					
		Buy 3 agricultural tractors to support crop farmers	1000 000		1000 000		1000 000
		Establish 3 permanent vegetable market	1000 000		1000 000		1000 000
	Livestock production enterprise development	Construction of stalls for auctioning of goats and cows in ward 31 and 33 - Host monthly auctions	3 500 000	500 000	500 000	500 000	500 000
		Buying of a livestock truck to support auctions	1 000 000				1 000 000
	Acquaculture enterprise development	Establish 2 fish markets to support fishermen - Richards Bay Alkantstrand - eSkhaleni	1 000 000		1 000 000		
		SUB-TOTAL	**OPX R5000 000** **CPX R7 500 000**	**OPX R5000 000** **CPX R500 000**	**OPX R5000 000** **CPX R3 500 000**	**OPX R5000 000** **CPX R500 000**	**OPX R5000 000** **CPX R3 500 000**
INFORMAL TRADING							
7	**Development of informal trading infrastructure**	Construction of market stalls - Richards Bay CBD - eSkhaleni - KwaDlangezwa - Port Dunford - Macekane - Empangeni B/Rank - Mzingazi	7 000 000	8 000 000	7 000 000	8 000 000	7 000 000
		Formalize flee market areas - eSkhaleni - Mzingazi - Richards Bay	1 000 000		1 000 000		1 000 000
		SUB-TOTAL	**CPX R8 000 000**	**CPX R8 000 000**	**CPX R8 000 000**	**CPX R8000 000**	**CPX R8 000 000**

	Initiative	Scope and Project Breakdown	2022_23	2023_24	2024_25	2025_26	2026_27
TOTAL BUDGET			OPX R30 500 000 CPX R53 69 865	OPX R28 500 000 CPX R55 189 459	OPX R29 300 000 CPX R19 100 000	OPX R29 800 000 CPX R15 100 000	OPX R30 400 000 CPX R18 200 000

7.38 Social Development Analysis

7.38.1 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 94: Poverty Eradication Initiatives

Poverty eradication Pillars	City of uMhlathuze's Initiatives
Social Protection	• 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	• The city has completed auditing of land owned by the municipality in order to re-distribute arable land to previously disadvantaged communities for agricultural and commercial purposes. • 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 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.

Poverty eradication Pillars	City of uMhlathuze's Initiatives
Enterprise Development	• The city has adopted a 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.
Employment Creation	• The city has 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. • 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 establishment of a Business Support Park in eSikhaleni, development of the Richards Bay Waterfront etc.
Skills Development	• 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 scare 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.

7.38.2 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.

The Municipality approved the Agricultural Promotion and Implementation framework (CR 17065 of 11 April 2024) which incorporates the One-Home - One- garden Implementation Plan.

The following Municipal wards with OSS Human settlement beneficiaries and profiled households were supplied with Seedlings and garden tools during the 2023/2024 financial year:

Wards 12, 3, 14, 15, 18 and 22 however the following wards were added to make up for gaps identified during verifications- ward 1, 16, 19, 11 and 29.

The Municipality through the Agricultural Promotion and Implementation Framework is in the process of purchasing 2 tractors to assist communities with ploughing.

7.38.3 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.

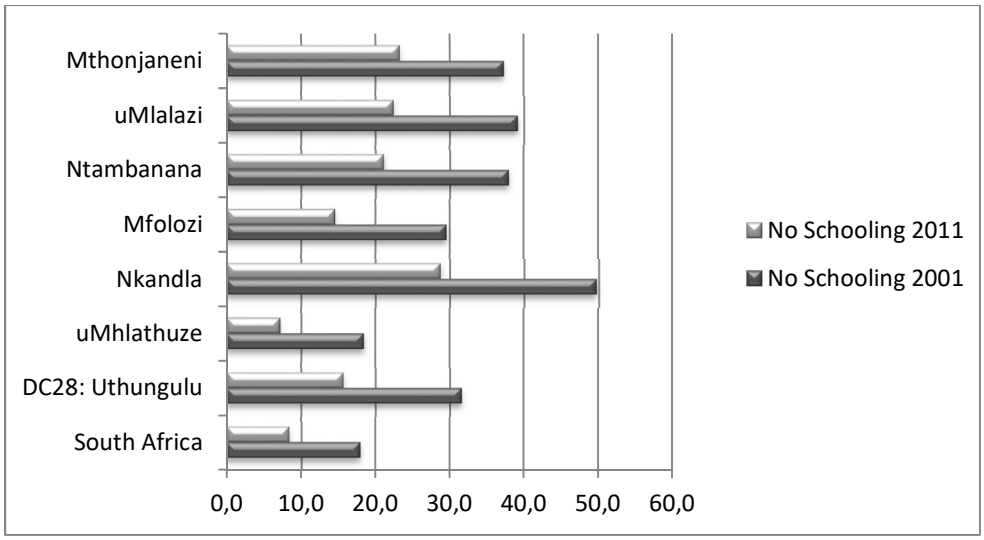
Table 95 : Comparative Education Levels

	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	93.1
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.

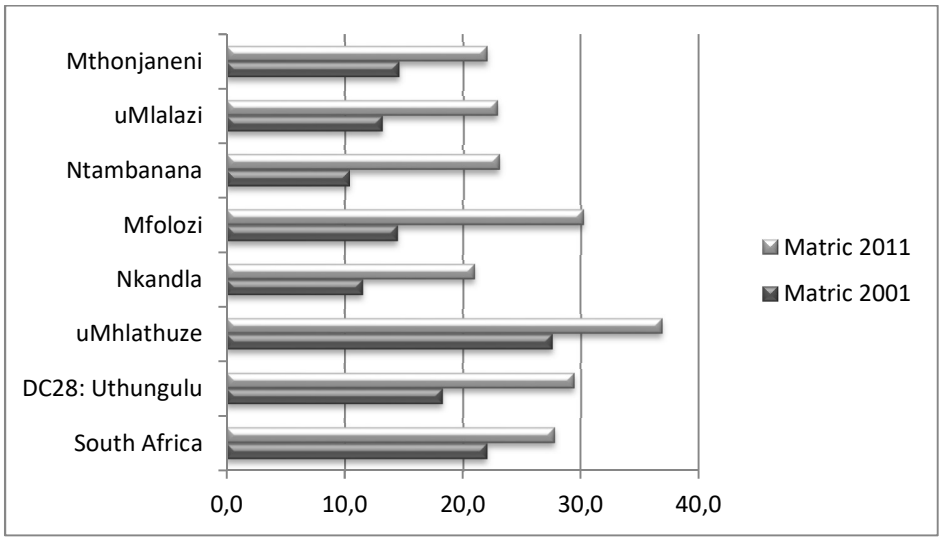
Figure 87: Persons with no Schooling



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 88: Persons with Matric



Source: Census 2011

i. Matric Pass rates – King Cetshwayo District

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Matric Pass Rate	54.60	63.42	71.64%	73.8%	79.3%	74.8	77.4%	87.1%	83,4

ii. Schools classification within uMhlathuze Municipality

School Type	No
Primary School	81
Secondary School	47
Combined School	4
Total	132

Within uMhlathuze Municipality there are **about 132 schools** that are fully operational. The population of UMhlathuze is characterised by young people that are still school going. During IDP Roadshows uMhlathuze 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 trough the OSS platform is lobbying for the construction of the Centre for kids with disabilities.

iii. 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 leaners 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

iv. Community Priorities for Educational Facilities

The City of uMhlathuze during the Integrated Development Planning Review, while engaginmg with communities the following priorities were raised or requested by communities with regards to Educational Facilities. The details of the community request are obtainable from the Public Partcipation Report which is attached to the IDP. The community needs are listed as follows:

Request for High School

- Ward 32
- Ward 33
- Ward 9
- Ward 16
- Ward 22
- Ward 25

Requests for ECDs

- Ward 31
- Ward 32
- Support for ECD at Ward 7 Jamela
- Ward 21
- Ward 34 (Khandisa)
- Ward 15
- Ward 11
- Ward 10
- Ward 9
- Ward 27

v. Development Application

The City of uMhlathuze has received and processed three development applications from the uMzingazi Township Establishent. The applications are for a High School, a Primary School and one Early Childhood Development Centre. Below is a map indicating the development application sites and the applications register.

Map 50: uMzingazi Village Formalisation Project

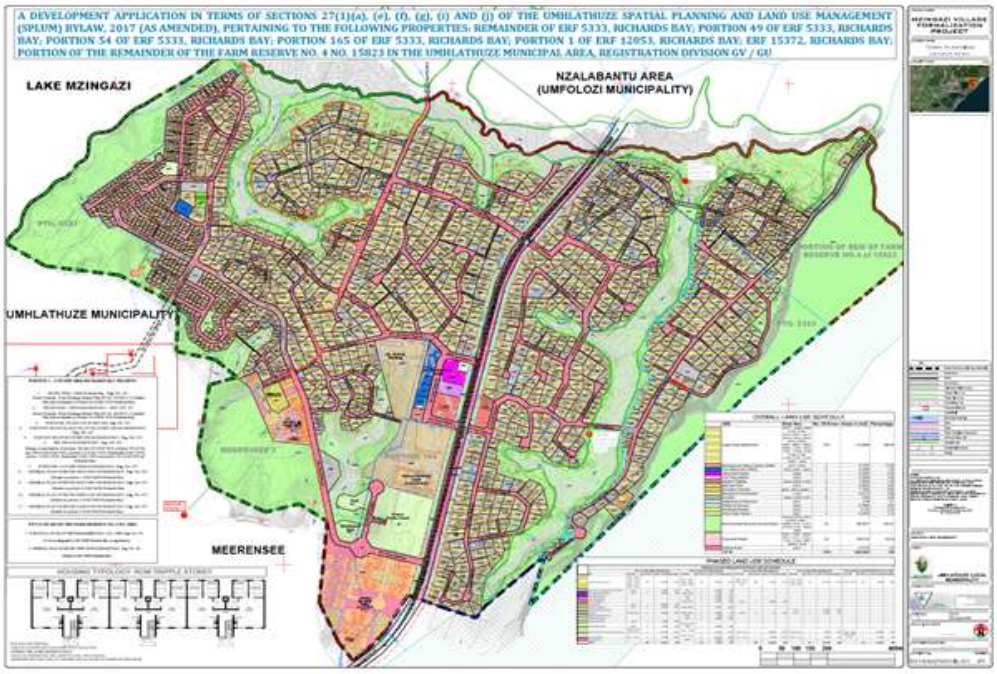


Table 96: UMzingazi Village Land Use Schedule

	USE	Sites Nos.	No. Of Erven	Areas in (m2)	Percantage
	Large Scale Settlements	20037 – 20086, 20088 – 20182, 20184 – 20319, 20323 – 20417, 20419 – 20515, 20537 – 20812, 20829 – 20851, 20854 – 20890, 20920 – 21047, 21049, 21051 – 21209, 21229 – 21290, 21292 – 21338, 21340 - 21349, 18590 – 18694	1321	110,6988	206,58
	Residential Only Medium Density (ROMD)	20517, 21267	2	8,7505	10.92
	Core Mixed Use (CMU2)	20320, 20820 - 20823	5	0,9388	1,52
	Intermodal Facility	20826	1	0,4385	0,53
	Fuel Filling Station	20825	1	0,2959	0,36
	Health & Welfare	20819, 20824, 21048	3	1,0845	1,52
	Business Park	20516	1	0,4692	0,64
	Education (Creche)	20321, 20818, 20828	3	7,1062	8,62
	Municipal & Government	21339	1	0,2273	0,86
	Worship	20852, 21050, 21291	6	1,493	2,62
	Waterworks & Reservoir	20827	1	0,09	0,1
	Utilities & Services	20853	1	0,0496	0,05
	Residential Estate	20520	1	0,162	0,23
	Active Open Space	20817	4	4,2303	5,12
	Environmental Services (Conservation)	20518 & 20519, 20521 & 20522, 20891 – 20899, 21210 - 21216, 21350 & 21351, 18694 - 18696	25	96,4647	204,47
	Proposed Roads	20523 – 20531, 20900 - 20911, 21217 – 21221, 21352 - 21354, 18697, 18699 & 18700	33	28,8736	50,36
	Existing Road	20910	1	4,5733	5,5
	TOTAL		**1410**	**265,9462**	**100**

Table 97: Department of Education Projects

Project Name	Ward Number	Scope Of Works	Implementing Agent	Total Project Cost R'000	Allocation 2022-23 R'000	Allocation 2023-24 R'000	Allocation 2024-25 R'001
Amabuye Secondary School	13	Storm Damages (Phase 17)	Dbsa	R 5 202,618	R -	R 1 313,148	R 533,274
Amandosi Primary School	22	Removal And Replacement Of Roof Structures . Repairs And Renovations To The Entire School	Dbsa	R 9 686,528	R -	R 300,000	R 978,373
Amandosi Primary School	22	Phase 2:Water And Sanitation Phase 2: Replacement All Existing Temporary Toilets To Be Removed, All Consruction Work To Be In Full Compliance With All National Building Regulations & Sans 10400	Dopw	R 11 164,925	R 836,000	R 102,000	R 3 810,207
Amangwe High School	24	Storm Damages (Phase 17)	Dbsa	R 6 094,460	R 160,377	R 270,000	R -
Amangwe High School	24	Phase 2:Demolish Two (2) Existing Pit Toilet Blocks And Make Good. Clear The Site And Construct: Two (2) Girls Learners Pit Toilet Blocks -A & B, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks Each, Walkways, And Stormwater Channels. One (1) Staff, Boys Learners And Paraplegic Pit Toilet Block- C, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways And Stormwater Channels. Incl Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .	Dopw	R 4 661,344	R 619,000	R 102,000	R -
Aquadene Secondary School	26	Storm Damage To 3 Classrooms	Dbsa	R 3 188,216	R -	R 622,025	R 352,105
Bhejane Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Bhekikusasa High School	32	Replacing Roof Structures , Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainige Improvement	Dbsa	R 4 450,292	R 141,539	R -	R -
Bhekukwazi Secondary School	32	2 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 1 Media Centre, 1 Computer Room(S), 4 Office(S), 4 Storeroom(S), 1 Strongroom, 1 Snp Kitchen/Tuckshop, 6 Girls' Toilet Seats, 4 Boys' Toilet Seats And Urinal Spaces, 4 Teacher Toilet Seats, 1 Disabled Toilets,	Dopw	R 36 377,030	R 1 751,356	R -	R 901,451

Bhekukwazi Secondary School	32	Construction Of Boys And Girls Toilet Block,	Dopw	R 1 150,000	R 162,573	R -	R -
Bingoma Primary School	31	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Brackenham Primary School	26	Construction Of 1 Boys, 2 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 0 Female Toilet Block	Dbsa	R 4 693,132	R 139,250	R -	R -
Dlamvuzo Secondary School	20	Storm Damage To 6 Classrooms	Dbsa	R 8 911,507	R -	R 2 331,856	R 903,807
Dlamvuzo Secondary School	20	Construction Of New Ablutions Facilities And Repairs To Existing Vip Toilets	Dbsa	R 8 765,371	R -	R 2 391,872	R 903,241
Dlangezwa High School	30	Storm Damage To 1 Classroom	Dbsa	R 21 214,773	R -	R 5 711,938	R 2 017,919
Dover Combined School	5	Storm Damage To 6 Classrooms And Administration Block	Dbsa	R 4 503,569	R -	R 1 117,207	R 441,388
Dover Combined School	5	Demolish One (1) Existing Flushing Toilet Block And Make Good, Renovate Two (2) Existing Flushing Toilet Blocks. Clear The Site And Construct: One (1) Grade R Staff, Grade R, And Paraplegic Flushing Toilet With Septic Tank Block- A, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks, Walkways And Stormwater Channels. One (1) Learners And Paraplegic Flushing Toilet With Septic Tank Block-B, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways, And Stormwater Channels. Incl Berm, Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .	Dopw	R 2 000,000	R 507,000	R -	R 1 512,888
Empangeni High School	23	Storm Damage	Dbsa	R 3 730,000	R 890,246	R -	R -
Empembeni Primary School	13	Storm Damages To School	Dopw	R 3 097,000	R -	R 758,154	R 334,121
Empembeni Primary School	13	Construction Of Boys And Girls Toilets	Dopw	R 2 000,000	R 507,000	R -	R 1 011,027

Esikhawini Primary School	20	Storm Damage To 4 Classrooms	Dbsa	R 5 686,001	R 367,000	R -	R -
Ethakasani Primary School	21	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Exhaphozini Primary School	20	Storm Damage To 2 Classrooms	Dbsa	R 9 933,770	R -	R 2 101,028	R 1 073,744
Exhaphozini Primary School	20	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 000,000	R -	R -	R 218,153
Ezishabeni Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Floraton Primary School	26	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 000,000	R 507,000	R -	R 590,191
Gobandlovu Primary School	14	Upgrades And Additions	Kzndoe	R 9 560,000	R -	R -	R 400,000
Grantham Park Primary School	9	Storm Damage To 6 Classrooms	Dbsa	R 14 929,787	R -	R 3 489,654	R 1 281,865
Gubhethuka Primary School	13	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Gwejobomvu Secondary School	8	Storm Damage To Administration Block	Dbsa	R 12 885,883	R -	R 1 017,453	R 487,394
Heuwelland Primary School	23	Storm Damage To 7 Classrooms	Dbsa	R 79 930,767	R -	R 1 246,920	R 642,156
Hlamvana Secondary School	17	Storm Damage To 7 Classrooms And Toilets Block	Dbsa	R 13 029,239	R -	R 2 992,932	R 1 380,572
Ilembe Primary School	17	Storm Damage To 10 Classrooms	Dbsa	R 8 278,004	R -	R 1 652,918	R 568,741
Imizikayifani Primary School	19	Storm Damage To 3 Classrooms	Dbsa	R 9 343,842	R 232,203	R -	R -

Injabuloyesizwe Primary School	18	Storm Damage To 3 Classrooms	Dbsa	R 14 431,857	R -	R 3 345,297	R 1 519,685
Izibuko Secondary School	5	Storm Damages To School	Dbsa	R 2 900,000	R 186,000	R -	R -
Kangikho Primary School	25	Storm Damage To 3 Classrooms	Dbsa	R 6 240,885	R 237,622	R -	R -
Kangikho Primary School	25	Construction Of Boys And Girls Toilet Block,	Dbsa	R 1 083,014	R -	R 170,931	R 117,553
Kati Primary School	4	Storm Damages To School	Dbsa	R 2 900,000	R 144,875	R -	R -
Khandisa Primary School	30	Upgrade And Additions	Dbsa	R 29 902,250	R 1 567,000	R 3 833,910	R 2 256,547
Khombindela High School	28	Storm Damage To 2 Classrooms	Dbsa	R 8 989,175	R -	R 1 844,342	R 981,035
Khula High School	17	Upgrade And Additions	Coega	R 13 445,774	R -	R 1 240,660	R 84,777
Khula High School	17	Storm Damage To 4 Classrooms	Dbsa	R 17 164,113	R -	R 4 137,662	R 1 803,666
Lizwi Secondary School	4	Storm Damaged Phase 18	Idt	R 2 900,000	R 501,300	R 668,400	R 318,800
Macekane Primary	32	Storm Damages (Phase 17)	Kzndoe	R 1 600,000	R -	R 137,100	R 208,986
Macekane Primary School	32	Replacing Roof Structures , Broken Windows And Doors , Plastering And Paint Works , Stormwater Drainige Improvement	Dbsa	R 3 796,060	R -	R 784,175	R 412,789
Madlankala Primary School	14	Storm Damage To 5 Classrooms	Dbsa	R 6 518,354	R -	R 1 536,975	R 683,019
Mambuka Primary School	33	Storm Damage To 4 Classrooms	Dbsa	R 7 601,724	R -	R 1 911,524	R 779,547

Manzimpofu Primary School	6	Construction Of 1 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 0 Female Toilet Block	Dbsa/Safe	R 2 640,343	R -	R 102,000	R -
Maqhama Primary School	12	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Matamzana Dube Secondary School	14	Storm Damage To 3 Classrooms	Dbsa	R 9 560,933	R -	R 1 589,000	R 859,311
Matamzana Dube Secondary School	14	Construction Of 2 Boys, 4 Urinals, 6 Girls, 1 Disabled, Staff 1m, 2 Urinals, 2 Female Toilet Block	Dbsa	R 1 275,427	R 1 000,000	R 102,000	R -
Matshangule Primary School	30	Storm Damage To 4 Classrooms	Dbsa	R 5 400,347	R -	R 1 316,279	R 562,378
Mbuyiseni High School	10	Storm Damage To 16 Classrooms	Dbsa	R 3 070,771	R -	R 643,739	R 289,988
Mbuyiseni High School	10	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 314,200	R 275,250	R -	R -
Mevamhlophe High School	25	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 400,000	R -	R -	R 342,857
Mkhobosa Primary School	13	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 14 643,413	R -	R 3 881,577	R 1 445,230
Mkhobosa Primary School	13	Renovate Three (3) Existing Pit Toilet Blocks. Clear The Site And Construct: One (1) Female Staff, Girls Learners And Paraplegic Pit Toilet Block- A, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks, Walkways And Stormwater Channels. Incl Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works .	Dopw	R 8 747,865	R 839,000	R 102,000	R 1 024,596
Mkhonto High School	32	Repairs , Renovations And Refurbishment Of Existing School Buildings	Dbsa	R 10 877,486	R -	R 2 860,377	R 1 098,759
Mntokhona Primary School	18	Storm Damage To The Carport	Dbsa	R 3 760,629	R -	R 848,778	R 398,326
Muntonokudla Secondary School	11	Storm Damage To 5 Classrooms	Dbsa	R 7 751,363	R 246,440	R -	R -

Muntonokudla Secondary School	11	Demolish Four (4) Existing Toilet Blocks And Make Good. Clear The Site And Construct: Three (3) Staff, Learners, And Paraplegic Flushing Toilets With Septic Tanks, Blocks - A, B & C, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks Each, Walkways, And Stormwater Channels. Incl Hoarding Of The Site And Clean The Site After Completion Of All The Construction Works .	Dopw	R 8 897,983	R 839,000	R 102,000	R 1 071,192
Mvuzemvuze Primary School	10	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Mzingwenya Primary School	19	4 Multi Purpose Classroom	Kzndoe	R 14 604,695	R -	R -	R 2 255,851
Mzingwenya Primary School	19	Storm Damage To 4 Classrooms	Dbsa	R 9 252,500	R -	R 70,962	R 1 228,912
Mzuvukile Primary School	6	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Ncombo Primary School	15	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 4 932,895	R -	R 1 170,567	R 513,246
Ncombo Primary School	15	Construction Of Boys And Girls Toilets	Idt	R 4 866,470	R 443,750	R -	R -
Ncombo Primary School	15	Water And Sanitation	Dbsa	R 4 807,933	R 139,228	R -	R -
Ndabayakhe Primary School	29	Storm Damage To Toilet	Dbsa	R 7 002,618	R -	R 1 749,071	R 704,569
Ndesheni High School	13	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 205,425
Nguluzana Primary School	8	4 Ecd Classrooms And 6 Toilet Seats	Dbsa	R 9 504,735	R 783,000	R 102,000	R 703,976
Nhlangenyuke Primary School	11	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 3 278,156	R -	R 724,154	R 344,795
Nkosazana Primary School	25	Storm Damage To 5 Classrooms (Windows Panes)	Dbsa	R 2 923,046	R -	R 614,917	R 313,797

Nkosazana Primary School	25	Demolish Two (2) Existing Pit Toilet Blocks And Make Good. Clear The Site And Construct: One (1) Grade R & Grade R Staff Pit Toilet Block- A, Incl All Necessary Plumbing & Drainage, Two (2) Rainwater Tanks, Walkways And Stormwater Channels. One (1) Staff, Learners And Paraplegic Pit Toilet Block-B, Incl All Necessary Plumbing & Drainage, Four (4) Rainwater Tanks, Walkways, And Stormwater Channels. Incl Berm, Hoarding Of The Site, And Clean The Site After Completion Of All The Construction Works.	Dopw	R 1 900,000	R 495,000	R -	R 468,386
Nongweleza High School	27	Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Dbsa	R 2 531,285	R -	R 392,954	R 450,000
Nqutshini Primary School	29	1 Ecd Classroom And 4 Toiltes, 01 Jungle Jim And Fencing	Dopw	R 2 742,460	R 101,338	R -	R -
Nsezi Primary School	5	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Nsiwa Primary School	11	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Nsiwa Primary School	11	Storm Damage	Dbsa	R 8 715,950	R -	R 250,000	R 571,429
Ntabeni Primary School	15	Storm Damage To 3 Classrooms	Dbsa	R 12 127,813	R -	R 1 344,594	R 532,000
Ongoye Primary School	11	Construction Of Boys And Girls Toilet Block,	Dopw	R 2 400,000	R -	R -	R 257,143
Ongoye Secondary School	30	Storm Damage To 3 Classrooms	Dbsa	R 12 724,581	R -	R 3 359,960	R 1 285,368
Phalane Primary School (Dlangezwa)	10	Construction Of New Ablutions Facilities And Repairs To Existing Vip Toilets	Dbsa/Safe	R 2 132,717	R -	R 102,000	R -
Phembokuhle Junior Primary School	11	Water And Sanitation	Dbsa	R 1 972,223	R 503,667	R 500,000	R 253,714
Phembokuhle Primary School	11	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 206,312

Phesheya Primary School	27	Storm Damage To 4 Classrooms	Dbsa	R 10 090,018	R -	R 2 597,007	R 1 027,506
Qantayi High School	18	Upgrades & Additions To School	Idt	R 42 348,744	R 1 722,500	R -	R -
Qhamuka Secondary School	31	Construction Of 1 Computer Room,1 Media Centre,2multipurpose Classroom And Science Lab	Idt	R 6 380,000	R 1 374,000	R -	R -
Qhamuka Secondary School	31	Storm Damages To School	Dbsa	R 8 430,770	R 166,625	R -	R -
Qhubandaba Primary School	25	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 38 043,410	R -	R 2 814,155	R 1 081,947
Richards Bay Secondary School	26	Upgrade Exsting School Building	Dbsa	R 20 869,280	R 233,625	R -	R -
Sabokwe Primary School	33	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 5 302,642	R -	R 1 175,041	R 586,514
Sigisi Primary School	27	Storm Damage To 3 Classrooms	Dbsa	R 5 255,407	R 232,203	R -	R -
Sinaye Primary School	6	Construction Of New Grade R Facilities And Ablutions	Dbsa	R 1 782,500	R -	R 467,565	R 187,848
Siphumelele Secondary School (Meer-En-See)	1	14 Standard Classroom, 1 Media Centre, 1 Computer Room(S),	Idt	R 122 414,000	R 17 972,000	R -	R -
Sitholinhlanhla Primary School	1	Construction Of New Grade R Facilities And Ablutions	Kzndoe	R 2 000,000	R -	R 375,000	R 232,143
Sitholinhlanhla Primary School	1	Storm Damage To 7 Classrooms	Dopw	R 11 368,335	R 227,000	R -	R -
Siyabonga Secondary School (Kwadlangezwa)	11	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 2 869,014	R -	R 670,106	R 308,383
Siyabonga Secondary School (Kwadlangezwa)	11	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 1 329,315	R -	R 264,592	R 146,415

Siyakhanyisa Primary School	23	Upgrades And Additions	Coega	R 23 248,080	R 6 110,000	R 6 247,550	R 2 276,659
Somopho Primary School	31	Repairs And Renovations	Dopw	R 10 583,000	R -	R 2 869,206	R 1 101,971
Somopho Primary School	31	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 5 826,800	R -	R 896,900	R 676,197
Thambolini Secondary School	21	Storm Damage To 4 Classrooms	Dbsa	R 6 735,128	R -	R 1 660,610	R 696,780
Thanduyise High School	28	Storm Damage To 3 Classrooms	Dbsa	R 5 590,288	R -	R 1 354,322	R 580,596
Thembelihle Primary School	28	Storm Damage To 8 Classrooms	Dbsa	R 4 387,596	R -	R 1 034,037	R 459,080
Tholokuhle Secondary School	8	Upgrading Of Existing School Infrastructure To Meet The Dbe Norms And Standards	Dbsa	R 11 984,441	R -	R 5 309,288	R 2 330,886
Thuthukani Lsen School	5	Replacement Of Asbestos Roof System To Existing 1 Classroom Block, Admin Block, 2 Clinic Blocks And A Hall. Replacement Of Broken Glazing And Doors. Redesigning Of Surface Drainage, Desludging Existing Ablutions, Rainwater Goods & Water Harvesting.	Dbsa	R 9 611,387	R 340,101	R -	R -
Ubizo Primary School	32	Storm Damage To School	Dbsa	R 1 600,000	R -	R 137,100	R 208,578
Ubizo Primary School	32	Sanitation Phase 3 Programme	Dopw	R 2 500,000	R 467,000	R -	R 1 353,590
Vondlo Primary School	8	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 1 142,795	R 275,250	R 102,000	R -
Umdlamfe Secondary School	19	Storm Damage To 4 Classrooms	Dbsa	R 5 370,719	R 263,413	R -	R -
Wood And Raw Primary School	9	2 Standard Classroom, 1 Multipurpose Classrooms Including Laboratories And Specialist Rooms, 7 Office(S), 7 Storeroom(S), 1 Strongroom, 1 Snp Kitchen/Tuckshop, 14	Dopw	R 33 752,000	R 231,766	R -	R -

		Girls' Toilet Seats, 14 Boys' Toilet Seats And Urinal Spaces, 6 Teacher Toilet Seats, 2 Disabled Toilets, Fencing,					
Wood And Raw Primary School	9	Replace Roof Sheet, Ceiling, Paintwork, Floor & Electrical Repairs	Dbsa	R 7 011,304	R -	R 1 817,993	R 716,186
Zenzeleni Mashamase Secondary School	11	Storm Damage To 2 Classrooms	Dbsa	R 3 788,808	R 234,561	R -	R -
Zicabangele Primary School	11	Storm Damage	Dbsa	R 14 893,359	R -	R 250,000	R 571,429
Zicabangele Primary School (Kwadlangezwa)	11	Construction Of 2 Boys, 1 Urinals, 2 Girls, 1 Disabled, Staff 1m, 1 Urinals, 1 Female Toilet Block	Dbsa	R 2 400,000	R -	R 826,500	R 1 856,500
Ziphozonke High School	24	Storm Damage	Dbsa	R 7 810,590	R -	R 1 991,306	R 794,574

7.38.4 Health

7.38.5 Primary Health Care Facilities (PHC)

UMhlathuze Municiiaplity is a local Municpality under the King centswayo District Municplaity. The Department of Health, in this isnatce the King Centwayo Dustrict Health is reposnsible for the Health function as per irts madate derived from National Health Act, 2003 (Act 61 of 2003). The district's profile and statistics, which include the uMhlathuze health profile, is provided in a table below. District has a 430 bedded Tertiary hospital (Ngwelezana), one Regional hospital (Queen Nandi), 6 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. Private hospital services are provided by 4 hospitals (Net care, the bay, Empangeni Garden Clinic, Melomed, RBMI and Senzelisihe Rehabilitation centre. The district has two state funded facilities that is Holy Cross Centre (Emoyeni) and Ethembeni Care centre. The total number of CHW is 1117 and 39 Ward Based outreach teams.

Table 98: King Cetswayo District Health – Health Facilities

	City Of UMhlathuze	Mthonjaneni LM	Nkandla LM	Umfolozi LM	UMlalazi LM	District
Fixed Clinic	15	7	19	8	14	**63**
Health Post	0	1	1	0	0	**2**
Mobiles	2	2	4	2	6	**16**
CHC	1	0	0	0	0	**1**
District Hospital	0	1	2	0	3	**6**
Regional Hospital	1	0	0	0	0	**1**
Tertiary Hospital	1	0	0	0	0	**1**

Source: King Cetswayo District Health, 2023.

i. Maternal, Child, Women Health and Nutrition

King Cetshwayo District Health's maternal mortality in facility ratio decreased from 89.5/100k in 2021/22 to 93/100k in 2022/23. 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 95-95-95 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.

ii. HIV and AIDS, STI, TB (HAST) Services

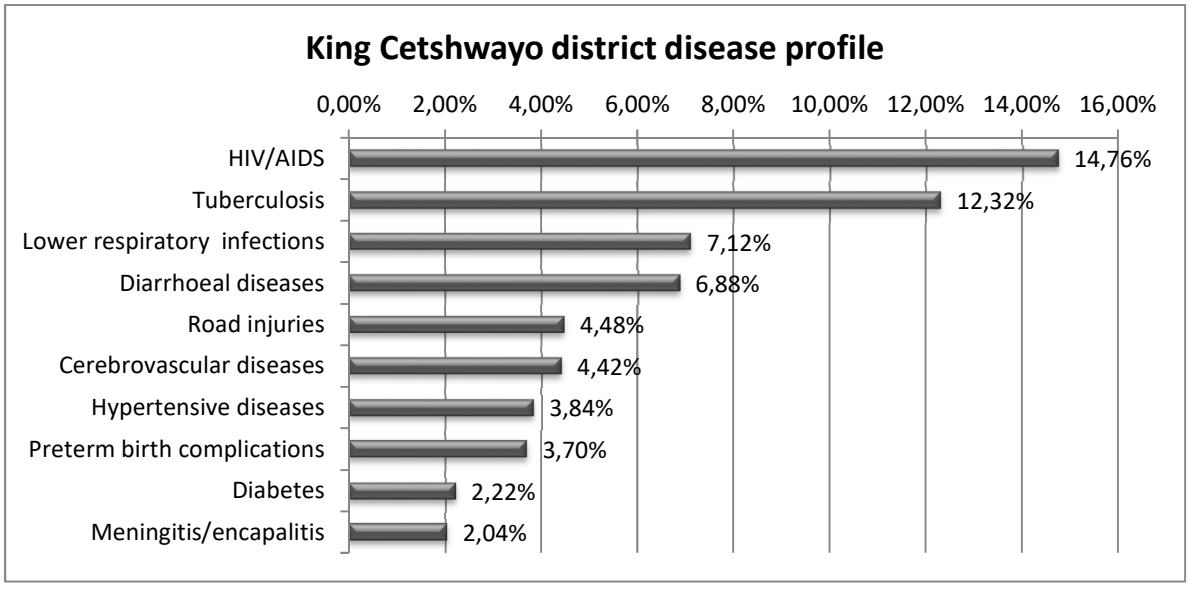
King Cetshwayo District Health office working together with municipalities in the King Cetshwayo District municipality will continue improving on initiating ARTs to all eligible clients and the Implementation of Universal Test and Treat (UTT) and ensuring new ART regimen (TLD & Paediatric Dolutegravir dispersible-scored tablets) rollout. 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 99: HIV/AIDS Statistics

	Number of people living with HIV			Proportion of people living with HIV as the total size of population			Number of AIDS Deaths estimates		
	2007	2012	2023	2007	2012	2023	2007	2012	2023
KwaZulu-Natal	1 565 260	1 641759	1 814 099	15,7	15,7	16,3	86 320	65 084	34 009
King Cetshwayo	147 802	146 893	182055	16,3	16,0	18,6	8 158	5 813	191
uMhlathuze	62 371	63 135	69344	17,2	16,9	14,9	3 335	2 453	97

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 89: Disease Profile



Source: King Cetshwayo Health District

Table 100: Health Priorities

PRIORITIES	KEY INTERVENTION	FUNDING /BUDGET COMMITTMENT
PHC Re-engineering	• Pilot the PHC sub district in uMhlathuze • Implementation of CBM • Fasttrack the implementation of the District Maintenance hub	Voted funds
Reduce burden of Disease	• Implement the 95-95-95 strategy • Improve immunization coverage • Increase case identification for all conditions	Conditional Grant Voted funds, (District Supporting Partners)DSP
Audit Outcomes	• District M&E teams to visit and support facilities monthly • Lifestyle audit to be conducted to all DOH officials • Facility SCM to conduct quarterly Audit peer reviews	Conditional Grant Voted fund, DSP
Human Resources	• Implement the institutional retention strategies • Create district database for unemployed professionals	Conditional Grant Voted funds, DSP
5.Clinical governance	• Ensure the functionality of clinical governance committees • Conduct sub district Roadshows for clinical governance	Voted Fund

iii. 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.***

7.38.6 Public/Community Safety

i. Community Safety Forum

Community Safety Forums (CSF) are structures founded on the principles of the National Crime Prevention Strategy and entrenched in the Policy on the Establishment of CSFs, approved by the Justice, Crime Prevention and Security Cluster in June 2012. CSFs are multi-agency structures established at a district level to ensure the coordination of community safety efforts by government and civil society to address the specific needs of each district. The City is rescucitatuing the Community Safety Forum and is in the process of signing an MOU with King Cetshwayo Community Safty.

Community Safety Forums (CSFs) are intended to serve as a platform for the coordination, integration and monitoring of multi-sectoral crime prevention and community safety initiatives. The **minimum standards** for CSFs make it clear that local government has a very key role in CSF establishment and operations:

- CSFs must be established within district municipal boundaries, and where applicable, local municipal boundaries. The CSPS must facilitate and assist with the structuring and establishment of CSFs at the local sphere and ensure alignment with the metropolitan, district and/or local municipal boundaries.
- Municipalities must, together with the provincial departments responsible for community safety, co-ordinate all CSF activities.
- CSF programmes, as presented in the policy scope, must comprise an integral part of the municipal IDPs.

Each sphere of government and organisation is responsible for any funding they input into the CSF operations

ii. Improving the Design and Management of the Urban / Built Environment

The Crime Prevention through Environmental Design (CPTED) approaches have already been applied in metropolitan municipalities to good effect but in some larger urban areas the town planning orthodoxy may not recognise CPTED principles. However, future town planning must consider CPTED principles both in settlement and infrastructure design and the on-going systems for managing urban spaces and precincts.

iii. Crime Prevention and Safer City Strategy

The City of uMhlathuze in the year 2022 adopted a Crime Prevention and Safer City Strategy. The strategy is the result of a lengthy process of research and analysis, drawn from experiences around the world. The strategy has benefited greatly from the contributions of Business Against Crime and non-governmental organizations interested in crime prevention. The plan demonstrates that making communities safer depends more on preventing crime than it does on apprehending criminals and convicting them.

The safer city strategy is a manifestation of a team effort between local government and its partners, which include the criminal justice system, business, NGOs, and community-based organizations. It has a solid place in the long-term development strategy and integrated development plan for the city of uMhlathuze. The strategy builds on a shared vision with the goal of assembling a critical mass of initiatives and participants that will enable The City of uMhlathuze to halt the rise of crime. The City of uMhlathuze is working towards buildling a thriving, attractive, clean, safe, and economically successful city by prioritizing the fight against crime.

- **Strategic Objectives**

  - To Create a Safer City through Integrated and Community Based Public Safety;
  - Planned and accelerated rural development interventions, where people will feel Safe and leave in peace and harmony;
  - To increase investor confidence and attract participation and investment in the City;
  - To assist the City of uMhlathuze in becoming the Economic Hub in terms of Tourism, Industrial development, Job creation and inclusive economic growth through accelerated economic development and transformation;
  - To Enhance industry based skills development and strategic support to education priority programmes;
  - To establish Community Based Initiatives to improve quality of citizen's health and wellbeing.

- **Six (6) Pillar Approach To Crime Prevention - A Strategic Framework**

The Six (6) Pillar approach, which outlines the various areas in which Crime Prevention and Safer City Strategies should be developed, has been adopted by the City as a model. This model is meant to serve as the framework for the creation of crime prevention initiatives within the King Cetshwayo District and across all of its municipal levels, as well as through the efforts of civil society. Below is a presentation of the Six Pillar approach

Figure 90: Six-Pillar Approach to Crime Prevention



iv. 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

v. 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 three 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.

7.38.7 Nation Building and Social Cohesion

i. 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)**
- Brackenham 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.

ii. Empangeni Museum

The only museum in the uMhlathuze Municipality is in the town of Empangeni. This museum serves as a repository for the history of our city and its inhabitants. Additionally, it serves as a hub for cultural and educational awareness for children and anyone else with an interest. The established museum's primary goal is to safeguard and conserve uMhlathuze's cultural heritage for future generations.

Every month, the museum features new pieces of art. Additionally, artwork is bought and added to the municipal assets, the value of which rises annually. Trough combined efforts with the Department of Arts and Culture initiatives local artists are encouraged to make use of the museum.

iii. Sports and Recreation

The Sport and Recreation Section hosts a variety of recreational activities, such as 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 regularly upgraded, and funding for these upgrades is included in the municipal budget.

7.38.8 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.

i. **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

- King Cetshwayo District Task Team
- King Cetshwayo District AIDS Council
- uMhlathuze Local Task Team (LTT)
- uMhlathuze Local AIDS Council
- War Rooms
- Ward AIDS Council

ii. **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.

iii. 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

7.38.9 Special Programs

i. Youth and Children

The City of uMhlathuze firmly belives that Youth Issues should be strengthened in order to empower young people and help them reach their full potential so they can meaningfully contribute to the development of the city. The City established a youth affairs office as part of its organizational structure to ensure coordination of youth issues. Among other duties, this office is in charge of facilitating and coordinating the following:

- Awareness (Events);
- Job readiness;
- Career expos
- Online applications;
- Jobseekers Database
- Research

Through the implementation of a 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.

Other initiatives the city is pursuing to help develop young people are listed below:

- **Youth Economic Emancipation Programme (YEEP)**

In order to help young people who are unemployed and looking for opportunities through various channels, the City of uMhlathuze established and launched the Youth Economic Enancipation Programme in collaboration with businesses, organizations, government agencies, non-governmental organizations (NGOS), and many other social partners. Young people in within the City and outside of it will have training and employment opportunities in the first phase of this programme. This is in addition to the ongoing opportunities for empowerment and learning that have already been produced by internal initiatives within the Training and Development unit, the Youth Office, and the Local Economic Development Unit.

The following are the main principles of uMhlathuze YEEP to give youth a window of opportunities:

  - Develop innovative solutions
  - Demand led skills revolution
  - Impact driven partnerships
  - Sharing of job creation & SMME support burden with the private sector & other spheres of govt
  - Network of systems and people that connect the dots for young people who would otherwise not know where to start and what to do next (Best-Fit)
  - Matching young people to pathways based on their skills and level of education
  - Giving young people a second chance
  -

- **Children**

Provincial departments provide technical assistance, whereas national departments are in charge of enhancing the three spheres of government's implementation capabilities and disseminating pertinent information about the Children's Act to all areas of government.

Although a framework for kids has not yet been established by the municipality. The following ongoing initiatives are designed to help children:

  - Sanitary Towels Distribution
  - School Uniform Handover
  - Child Protection Awareness Campaign
  -

ii. **Senior Citizens**

Municipalities across South Africa are directly affected by demographic ageing. This reality is forcing local government to find new ways to design its policies, services and infrastructures and become involved in various spheres such as housing, health, recreation, social participation, urban planning

and transportation. The goal of the City of uMhlathuze is having initiative is to help and encourage older people to become actively involved in their communities and make the vision of a society for all ages a reality. It gives concrete expression to the concept of active ageing, advocated by the World Health Organization (WHO). Active ageing is the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age.

At the moment, the vast majority of older people in uMhlathuze live in their own homes. Some are healthy and independent, for example they are able to do all the activities such as farming. However, others have started to lose their motor skills and need caregivers or services to be able to stay in their homes. Some have an income that allows them to make the most of the activities available to them, while majority live in poverty. Lastly, some are able to rely on their spouse or children, while others go through old age alone while taking care of orphaned grandchildren. Therefore, the city belives that older people form a heterogenous group. It therefore take individual characteristics into account in order to adapt services and infrastructures to the realities and living conditions of all older people in the City.

The following are some initiaves by the city to ensure ensure engagement and support to the eldery;

- Senior Citizens Forum
- Eldery Abuse Awareness Campaigns
- Active Ageing programmes
- Luncheon clubs
- Rates rebate for senior citizens

iii. Gender and Disability

The UMhlathuze Municipality is in charge of creating municipal gender plans and the municipal strategies to put them into action. The City will draft a Women's Empowerment and Gender Equality Policy to make sure that gender issues are given top priority. The City plans to ensure that it :

- institutionalise gender equality and equity through gender mainstreaming;
- recognise the effective participation of women in all municipality programs

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 has and plans to continue empowering its organizational structure with the employment of relevant official in the Special Programs Office responsible for Gender and Disability. The city will continuously conduct research and profiling of People with Disabilities residing within the jurisdiction of the municipality. The aim will be 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.

iv. HIV and Aids Programme

In KwaZulu-Natal, HIV/AIDS prevalence is still very high. UMhlathuze Municipality has a big number of orphans and children made vulnerable by HV/AIDS. The following table lists the roles and responsibilities that the Local AIDS Council (LAC), which the Municipality plans to re-establish, will be accountable for.

Figure 91: The Local AIDS Council roles and responsibilities:

NO.	ROLES	RESPONSIBILITIES
1.	**Oversight of HAST in the Local Municipality**	• Guide and facilitate the implementation of HAST response activities and interventions in the Local TASK Team
		• Facilitate, protect and promote the rights of the affected and infected persons living with HIV and AIDs in the ward utilizing the Local TASK TEAM (LTT) and War Rooms.
		• Advocate for intensified HIV and ADS awareness in the Local Municipality to reduce stigma and discrimination through awareness campaigns and War Room dialogues
		• Support the War Room in behavioural change campaigns in the ward, including around TB, alcohol and drug abuse, child and teenage pregnancy, gender-based violence, crime etc.
		• Identify shortcomings in the HIV and AIDS interventions (e.g. not meeting HIV counseling and Testing (HCT) targets, ensuring ART and other treatments are being adhered to, etc.) in the Local Municipality
		• Support the establishment of the Ward AIDS Committees (WACs)
2.	**Planning of HIV and AIDS, STIs and TB (HAST) Interventions**	• Promote cooperation by all Stakeholders in the Local Municipality on all matters relating to HAST
	Planning of HIV and AIDS, STIs and TB (HAST) Interventions (cont…)	• Work closely with Provincial Convenor to coordinate OSS in the LAC
		• Assist Local Task Team and other Service Providers in planning interventions around HAST
		• Attend monthly and specific planning meetings of the Local Task Team
		• Support the LTT Chairperson in OSS Programme implementation
3.	**Mobilizing Resources**	• Mobilize resources for the implementation of HAST related programmes and strategies in the Local Municipality
		• Recommend appropriate research or profiling around HAST
		• Support the establishment of Local Task Team (LTT)
4.	**Monitoring, evaluation and reporting**	• Monitor HAST statistics within the Local Municipality and through the LTT Reporting and other data
		• Participate in the Monthly LTT Meetings and ensure LTT reporting to Local AIDS Council (LAC) quarterly meetings
		• Incorporate LTT reports into the Local AIDS Council Report (prior to submission to the District AIDS Council (DAC)

- **AIDS COUNCILS:**

AIDS Councils operate at all four governance levels:

- Provincial Level
- District Level
- Local Municipal level
- Ward Level

Members of the AIDS Councils and Committees range from Governmental Departments and Civil Society to the Traditional institutions of leadership. They meet regularly to discuss coordination and community response to HIV and AIDS, STIs and TB. Given the focus of Operation Sukuma Sakhe (OSS) on HIV and AIDS, the OSS Task Teams closely align themselves with the AIDS Council to ensure the objectives of responding to HIV and AIDS are realized.

The AIDS Councils are therefore important in guiding the OSS Task Team in:

- Promoting HIV and AIDS Awareness
- Protecting, promoting and fulfilling the rights of affected persons
- Advising on HIV and AIDS-related programmes and interventions
- Monitoring and coordinating the implementation of HIV and AIDS programmes
- Establishing and maintaining community feedback mechanisms in regard to the multi-sectoral response to HIV and AIDS.

The Provincial Council on AIDS (PCA) is the sole provincial coordinating body of the HIV and AIDS, Sexually Transmitted Infections (STs) and Tuberculosis (TB) response in the province. The main function of the PCA is to guide and facilitate the implementation of the National HIV and AIDS, STIs and TB (HAST) Strategic Plan.

v. Structures and Forums

- Local Aids Council
- Youth Council
- Disability Forum
- Senior Citizens Forum
- Women's Sector Forum
- Men's Sector Forum
- Religious Sector Forum
- Junior Council

vi. Annual Events

Annual events include, but not limted to:

- Uniforn Handover
- Human Rights and Freedom Day
- Mandela Day
- Public Service Week
- Matric Exam Prayer
- 16 Days of Activism Campaigns
- Disability Sports Programme
- Goldern Games
- Senior Citizens Christmas Party
- GBV Men
- GBV Woman
- Ingoma Festival
- Beauty Contest

Figure 92: SWOT Analysis: Local Economic Development and Social Development NKPA:

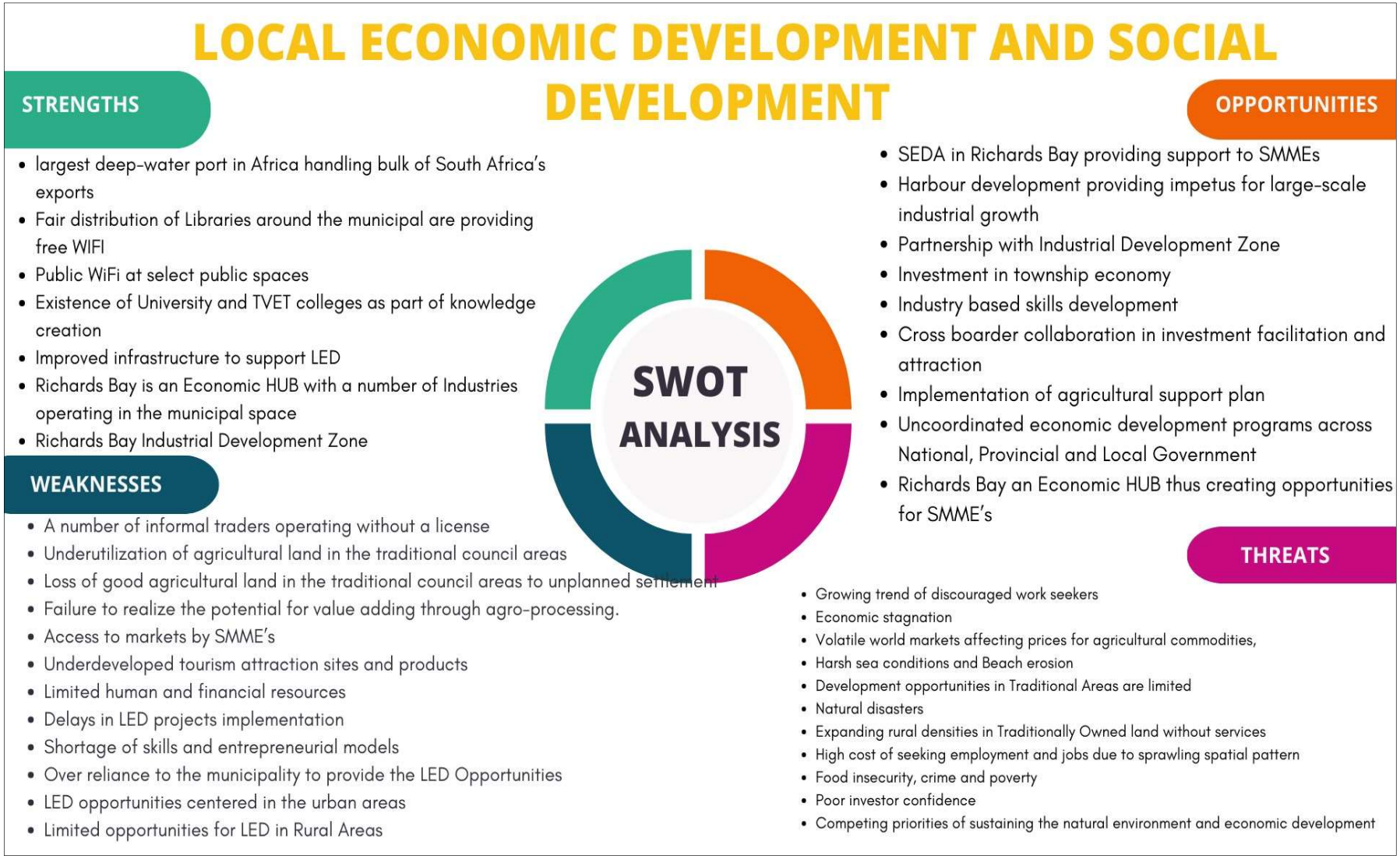


Figure 93: Key Challenges: Local Economic and Social Development Analysis

National KPA: Local Economic and Social Development Analysis		
Ref.	**Key Challenge**	**Description**
LED1	High rate of unemployment	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.
LED2	Sluggish economic growth	Economic growth means an increase in national income/national output. If we have a slower rate of economic growth as it is currently happening – living standards are increasing at a slower rate. As a results the City of uMhlathuze is experiencing multiple effects.
LED3	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.
LED4	Increased incidents of communicable diseases	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 communicable diseases.
LED5	Pandemics/Epidemics and the associated social and economic effects	Pandemics/Epidemics creates uncertainty that cannot always be foreseen resulting in significant implications for crisis management and policy responses.
LED6	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 the 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.
LED7	Lack of funding and access to capital for projects	Improved local governance performance regarding LED requires cooperation and partnerships. The service delivery triangle relating to LED consists of three partners namely government, private sector and local communities. The funding of LED Programs and Projects requires collaborations between all the parties.
LED8	Low investment attraction and retention	Investors are attracted to a city if there are opportunities to make money. They assess the attractiveness of a city's opportunities by estimating their likely return or profit, and will be

		drawn to the cities which offer them the best combination of scale, risk and return. A number of factors impact this return, such as but not limited to the following: • Growth rate of businesses and jobs • Resilience of the economy • Quality and affordability of infrastructure • City vision • Strategic plan to realise vision • Attitude and consistency of leadership • Quality of city management
LED9	Limited transformation and economic growth in townships and rural areas	Due to historical spatial planning, the disadvantaged are densely populated within under-serviced townships and rural areas. There is still a high backlog in terms of developing these townships, it is important for the municipality and private sector to contribute to the development of these underprivileged areas.
LED10	Bureaucracy/Red Tape	**Red tape** within government has consistently been identified as one of the core elements which restrict business development and growth. uMhlathuze through its LED strategy is introducing ways of doing business with ease at uMhlathuze.
LED11	Land claims and Land Invasion	Rapid urbanisation is creating enormous pressure on urban land. Informal settlements and land invasions continue to grow in number and complexity. Evictions as a solution to land invasions are a measure of last resort by the municipality, its considered after all other

		possible alternative solutions have been explored by both the municipalities and all parties concerned within specific time frames.

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

7.39 Capability of the Municipality to execute Capital Projects

Procurement plans to expedite the implementation of the procurement process for the 2024/2025 MTREF are 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.

Table 101: Capital Expenditure for the Previous Years

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional									
Governance and administration	**80 110**	**79 665**	**115 145**	**68 791**	**64 557**	**64 557**	**63 887**	**71 212**	**59 313**
Executive and council	20	–	37	118	123	123	36	40	33
Finance and administration	80 090	79 665	115 108	68 673	64 434	64 434	63 851	71 172	59 280
Community and public safety	**33 691**	**46 713**	**206 851**	**107 478**	**136 699**	**136 699**	**54 043**	**55 566**	**45 941**
Community and social services	9 383	11 897	32 572	71 074	57 555	57 555	16 656	13 981	11 580
Sport and recreation	21 923	34 586	172 966	34 620	77 578	77 578	33 373	37 102	30 627
Public safety	603	230	1 312	1 785	1 565	1 565	816	912	759
Housing	1 783	–	–	–	–	–	3 198	3 571	2 975
Economic and environmental services	**63 411**	**110 897**	**61 607**	**155 315**	**152 737**	**152 737**	**90 546**	**62 765**	**51 978**
Planning and development	1 514	227	3 567	22 127	14 777	14 777	23 175	755	627
Road transport	61 473	110 671	57 312	131 940	133 382	133 382	67 206	61 826	51 198
Environmental protection	424	–	728	1 248	4 579	4 579	165	184	153
Trading services	**260 726**	**431 591**	**613 561**	**465 913**	**449 989**	**449 989**	**400 349**	**423 204**	**411 509**
Energy sources	49 620	129 162	76 006	125 935	106 705	106 705	66 547	62 232	48 193
Water management	185 693	263 240	405 225	202 482	260 751	260 751	221 898	258 418	256 381
Waste water management	22 793	38 476	130 494	125 266	75 003	75 003	96 069	89 326	91 935
Waste management	2 620	713	1 835	12 230	7 530	7 530	15 835	13 228	15 000
Other	**(0)**	**–**	**10 776**	**5 444**	**13 424**	13 424	**2 439**	**4 777**	**4 532**
Total Capital Expenditure - Functional	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**
Funded by:									
National Government	169 403	114 973	223 302	218 836	216 337	216 337	219 273	199 912	225 544
Provincial Government	5 962	9 143	1 257	–	–	–	500	2 612	2 729
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	2 194	2 194	–	–	–
Transfers recognised - capital	**175 365**	**124 116**	**224 558**	**218 836**	**218 530**	**218 530**	**219 773**	**202 524**	**228 273**
Borrowing	86 942	368 000	582 019	406 569	418 775	418 775	380 000	360 000	325 000
Internally generated funds	175 632	176 750	201 362	177 536	180 101	180 101	11 491	55 000	20 000
Total Capital Funding	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**

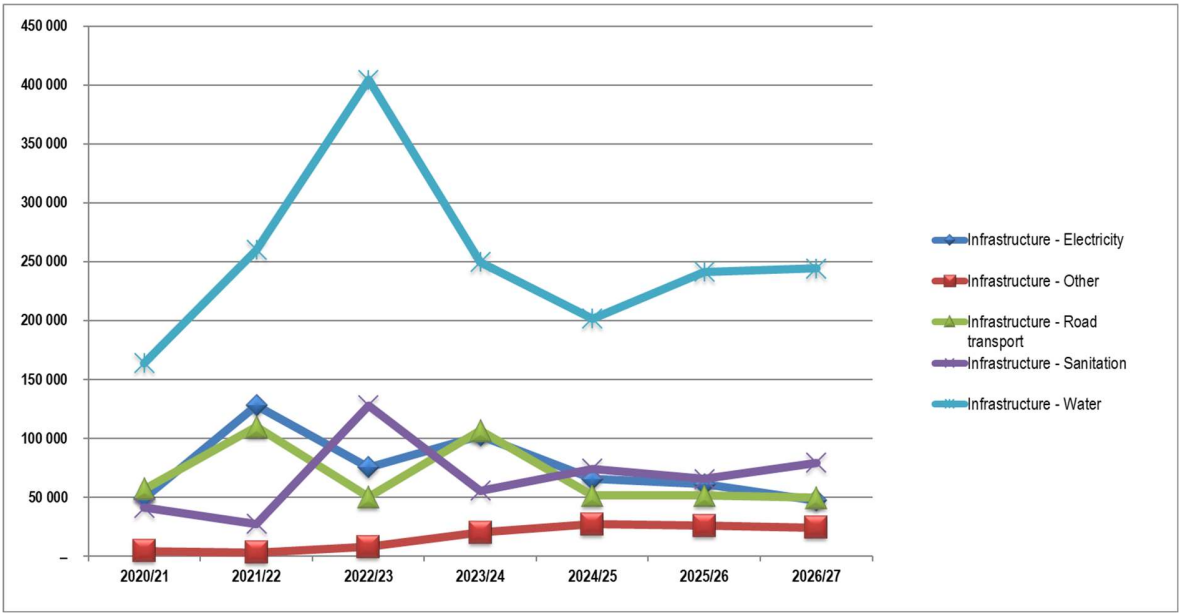
For 2024/25 an amount of R421 million has been appropriated for the development of infrastructure which represents 69 per cent of the total capital budget. In the outer years this amount totals R446million, 72 per cent and R 445 million, 78 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 202 million in 2024/25 which equates to 48 per cent followed by electrical infrastructure at 16 per cent, R66 million, R74 million waste water infrastructure at 18 per cent, and then R52 million road infrastructure at 12 per cent.

Total new assets represent 54 per cent or R 418 million of the total capital budget, asset renewal equates to 25 per cent or R 195 million and upgrade of existing assets 20 per cent or R 152 million.

Total new assets represent 51 per cent or R 314 million of the total capital budget, asset renewal equates to 30 per cent or R 183 million and upgrade of existing assets 19 per cent or R 114 million.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.

Figure 94: Capital Infrastructure Programme



7.40 Indigent Support

7.40.1 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 8kl free water and 50 kWh electricity free for users below a threshold. In addition, rates and refuse removal charges are billed then written off for 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. 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 paying 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.

Table 102: Free Basic Services and Indigent Costs

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets									
Water:									
Piped water inside dwelling	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511	47 511
Piped water inside yard (but not in dwelling)	55 276	57 276	58 046	57 776	58 984	58 984	59 000	59 250	59 500
Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	102 787	104 787	105 557	105 287	106 495	106 495	106 511	106 761	107 011
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	2 000	2 000	2 000	2 000	2 000
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	2 000	2 000	2 000	2 000	2 000
Total number of households	**102 787**	**104 787**	**105 557**	**105 287**	**108 495**	**108 495**	**108 511**	**108 761**	**109 011**
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
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)	49 397	60 631	60 631	47 376	46 376	46 376	46 376	46 376	46 376
Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	92 465	103 699	103 699	90 444	89 444	89 444	89 444	89 444	89 444
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**92 465**	**103 699**	**103 699**	**90 444**	**89 444**	**89 444**	**89 444**	**89 444**	**89 444**

Table 103: Basic Service Delivery Measurement (continued)

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets									
Energy:									
Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)	35 316	35 543	35 673	37 626	35 753	35 753	35 833	35 913	35 993
Minimum Service Level and Above sub-total	35 316	35 543	35 673	37 626	35 753	35 753	35 833	35 913	35 993
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**35 316**	**35 543**	**35 673**	**37 626**	**35 753**	**35 753**	**35 833**	**35 913**	**35 993**
Refuse:									
Removed at least once a week	77 028	79 028	81 632	81 060	82 632	82 632	83 632	84 632	85 632
Minimum Service Level and Above sub-total	77 028	79 028	81 632	81 060	82 632	82 632	83 632	84 632	85 632
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	**77 028**	**79 028**	**81 632**	**81 060**	**82 632**	**82 632**	**83 632**	**84 632**	**85 632**

Table 104: Basic Service Delivery Measurement (continued)

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	60 843	71 200	–	37 600	37 600	37 600	38 352	38 736	39 123
Sanitation (free minimum level service)	46 301	50 200	–	3 000	3 000	3 000	3 060	3 091	3 122
Electricity/other energy (50kwh per household per month)	521	530	620	1 207	1 207	1 207	1 231	1 243	1 256
Refuse (removed at least once a week)	34 149	35 822	–	3 000	3 000	3 000	3 060	3 091	3 122
Informal Settlements	81 638	85 048	1 088	4 900	4 900	4 900	4 998	5 048	5 098
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	–	113 308	7 093	51 253	51 253	51 253	54 735	57 683	60 506
Sanitation (free sanitation service to indigent households)	–	23 301	6 770	110 370	110 370	110 370	117 870	124 218	130 298
Electricity/other energy (50kwh per indigent household per month)	–	7 154	423	49 482	49 482	49 482	52 844	55 690	58 416
Refuse (removed once a week for indigent households)	–	58 800	30 965	100 005	100 005	100 005	106 800	112 140	118 061
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	12 011	13 686	6 675	79 081	79 081	79 081	80 663	81 469	82 284
Total cost of FBS provided	**12 011**	**216 250**	**51 926**	**390 191**	**390 191**	**390 191**	**412 911**	**431 201**	**449 564**

Table 105: Basic Service Delivery Measurement (continued)

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Highest level of free service provided per household									
Property rates (R value threshold)	120 000	120 000	120 000	160 000	160 000	160 000	160 000	160 000	160 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	20	20	20	20	20	20	20	20	20
Sanitation (Rand per household per month)	177	177	177	185	185	185	202	212	223
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)	4 219	4 219	4 219	4 563	4 563	4 563	4 974	5 272	5 588
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	40 838	13 931	72 802	313 994	310 535	310 535	332 817	349 915	367 891
Water (in excess of 6 kilolitres per indigent household per month)	494	95 192	20 045	91 679	36 479	36 479	21 427	22 499	23 624
Sanitation (in excess of free sanitation service to indigent households)	(49)	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	**45 503**	**113 342**	**97 066**	**410 236**	**351 577**	**351 577**	**359 217**	**377 685**	**397 103**

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 2024/25 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 2024/25 MTREF (Adopted).

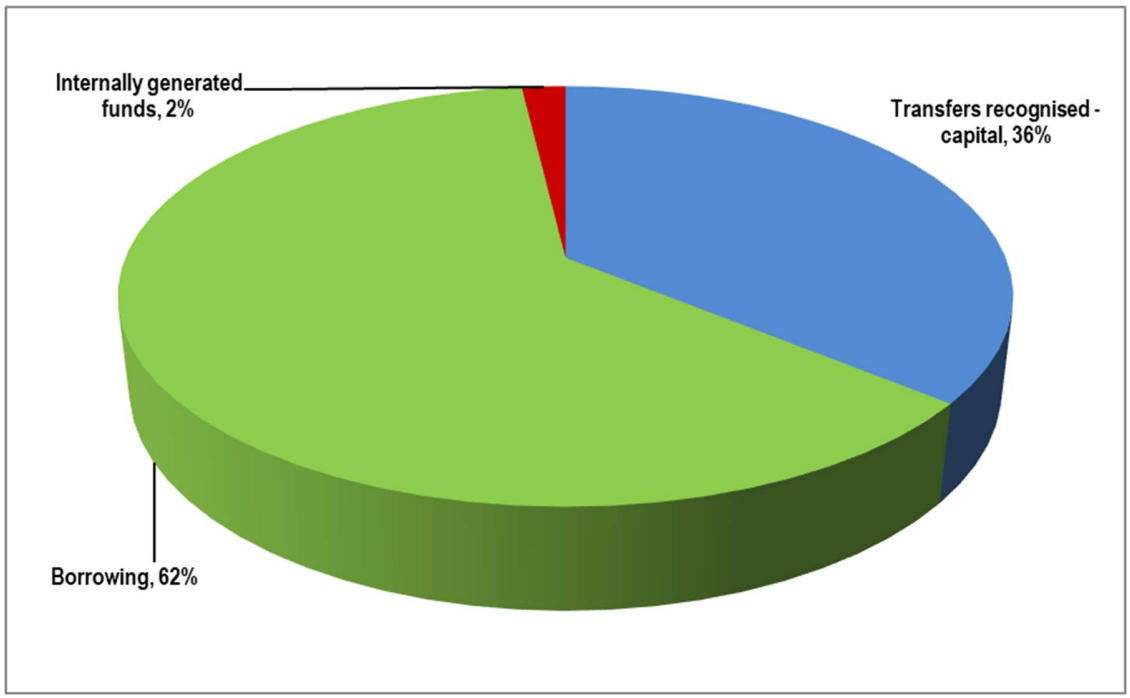
6. City of uMhlathuze does not at the present moment have a system that automates the reporting of the Cost of Free Basic Services.

Table 106: Sources of Capital Revenue over the MTREF

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

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funded by:									
National Government	169 403	114 973	223 302	218 836	216 337	216 337	219 273	199 912	225 544
Provincial Government	5 962	9 143	1 257	–	–	–	500	2 612	2 729
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	2 194	2 194	–	–	–
Transfers recognised - capital	**175 365**	**124 116**	**224 558**	**218 836**	**218 530**	**218 530**	**219 773**	**202 524**	**228 273**
Borrowing	86 942	368 000	582 019	406 569	418 775	418 775	380 000	360 000	325 000
Internally generated funds	175 632	176 750	201 362	177 536	180 101	180 101	11 491	55 000	20 000
Total Capital Funding	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**

The above table is graphically represented as follows for the 2024/25 financial year.



Capital grants and receipts equates to 36 per cent of the total funding source which represents R 220 million for the 2024/25 financial year and increases to R 228 million by 2026/27.

7.40.2 Revenue Enhancement and Protection Strategies

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 95,5 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service this had to be adjusted to cater for affordable tariffs;
- The Universal approach to tariff setting provides for the cross subsidization between the different consumer affordability levels;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA); and
- Increased ability to extend new services and recover costs where economically possible;
- The municipality's Indigent Policy and rendering of free basic services and subsidized services to both the destitute and poor consumers.

Tariff-setting is pivotal and strategic in the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.
.

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 current economic conditions;
- To keep up with an expanding need for services, together with a 12,72% in Eskom tariffs but without corresponding escalation in revenue has forced Council to escalate rates and tariff charges above inflationary parameters;
- The semi informal type of development in traditional areas (Primarily Ingonyama Trust areas) is posing 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 the majority of National and Provincial Departments are up to date with their debt, there are a few Other Organs of State that have accrued material amounts of debt in the last few years amounting to R145m (of which R 60m is 120 days and over);
- Credit control actions taken in the Traditional areas are a difficult for many reasons, therefore ineffective and inefficient in outcomes; and
- With the roll out of Prepaid Water Meters, a looming risk is the extent that such installations are going to be by-passed.

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;
- The roll out of water prepayment meters for indigent consumers is resulting in curbing escalating debt with water;
- The strict credit control actions have reduced escalating debt post the Covid period, except for the recovery for rural residential water consumers and a few organs of state, whose debt is escalating; and
- A prepayment water installation has been started and extended to the rural areas that will contribute towards reducing the debt in these areas but with the looming risk of by-passed installations.

The proposed tariff increases for the 2024/25 MTREF on the different revenue categories are:

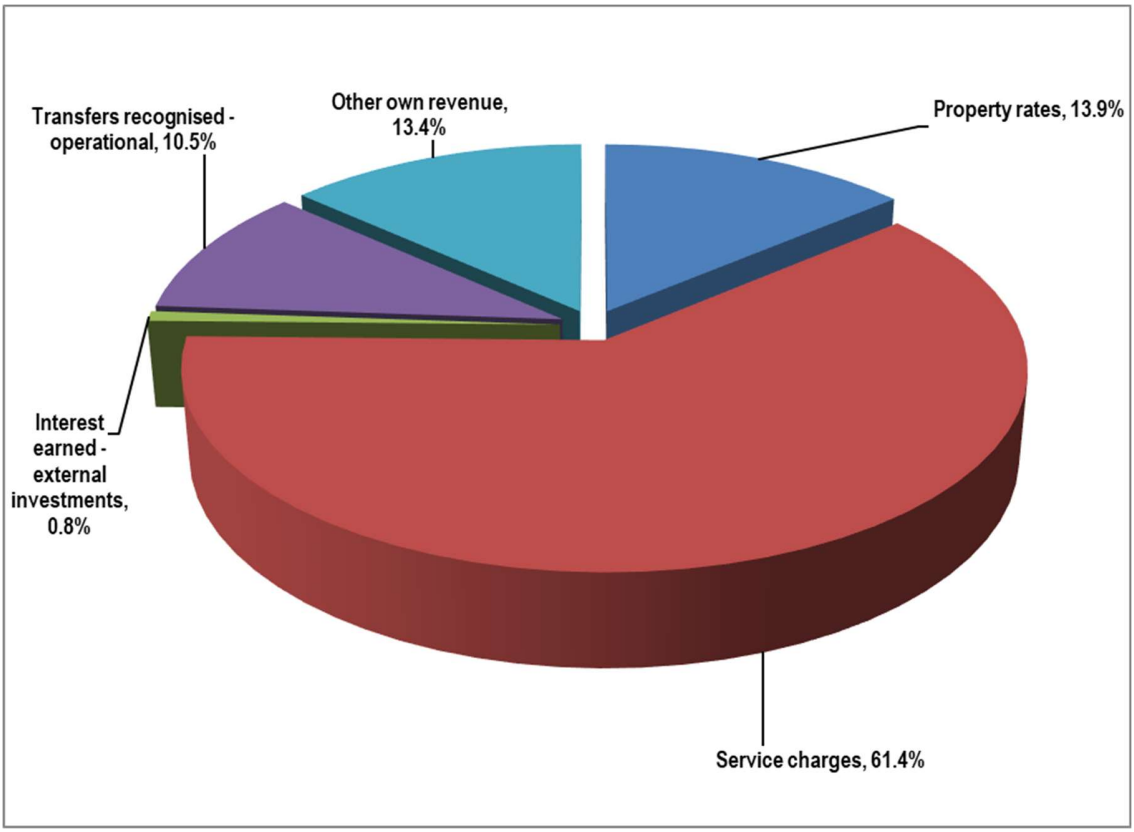
Table 107: Proposed tariff increases over the medium-term

Categories	Percentage increase (%) (Average) 2024/25	Percentage increase (%) (Average) 2025/26	Percentage increase (%) (Average) 2026/27
Property rates	9,00%	6,00%	6,00%
Electricity	10,09%	8,00%	8,00%
Water	10,00%	7,00%	7,00%
Refuse	6,00%	6,00%	6,00%
Sewer	9,00%	5,00%	5,00%

Table 108: Breakdown of the operating revenue over the medium-term

Description	2023/24 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue By Source						
Property rates	778 224	13.9%	817 135	13.7%	857 992	13.4%
Service charges	3 439 006	61.4%	3 709 280	62.2%	4 004 011	62.5%
Interest earned - external investments	45 000	0.8%	50 000	0.8%	55 000	0.9%
Transfers recognised - operational	587 345	10.5%	613 555	10.3%	644 094	10.1%
Other own revenue	749 877	13.4%	775 060	13.0%	841 231	13.1%
Total Operating Revenue (excluding	**5 599 452**	**100.0%**	**5 965 030**	**100.0%**	**6 402 328**	**100.0%**
Total Operating Expenditure	**5 588 843**		**5 951 370**		**6 387 387**	
Surplus/(Deficit)	**10 609**		**13 660**		**14 942**	

Table 109: Breakdown of operating revenue over the 2024/25 MTREF



Detail Investment Information

The tables below provide detail investment information and investment particulars by maturity.

Investment revenue contributes significantly to the revenue base of the City with a budget allocation of R 45 million, R 50 million and R 55 million for the respective three financial years of the 2024/25 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.

Table 110: Detail Investment Information

Investment type	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Parent municipality									
Deposits - Bank	630 000	550 432	360 000	612 374	232 611	232 611	232 611	452 066	679 437
Municipality sub-total	630 000	550 432	360 000	612 374	232 611	232 611	232 611	452 066	679 437
Consolidated total:	630 000	550 432	360 000	612 374	232 611	232 611	232 611	452 066	679 437

Note: Investment register attached

Table 111 : Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality													
Unknown	Unknown	Fixed	No	Fixed	Unknown	0	0	Unknown	–	–	–	232 611	232 611
Municipality sub-total									–	–	–	232 611	232 611
TOTAL INVESTMENTS AND INTEREST									–	–	–	232 611	232 611

7.40.3 Municipal Consumer Debt Position

Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable the 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

i. 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%***

PAYMENT RATIO						
RATIO		FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
1	Collection Rate - Rolling 12 Months	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	95%		98%	*Please refer to page 5 of MFMA Circular No. 71*
				Gross Debtors closing balance Febr 2024	781 339 801	
				Gross Debtors opening balance March 2023	877 258 864	
				Bad debts written Off March 2023 to Febr 2024	186 207 505	
				Billed Revenue March 2023 - Febr 2024	3 677 521 023	

Figure 95: Debt Collection Ratio

ii. Net Debtors - Days

This ratio reflects the collection period. Net Debtor Days refers 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***
((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365	The norm is **30 Days**

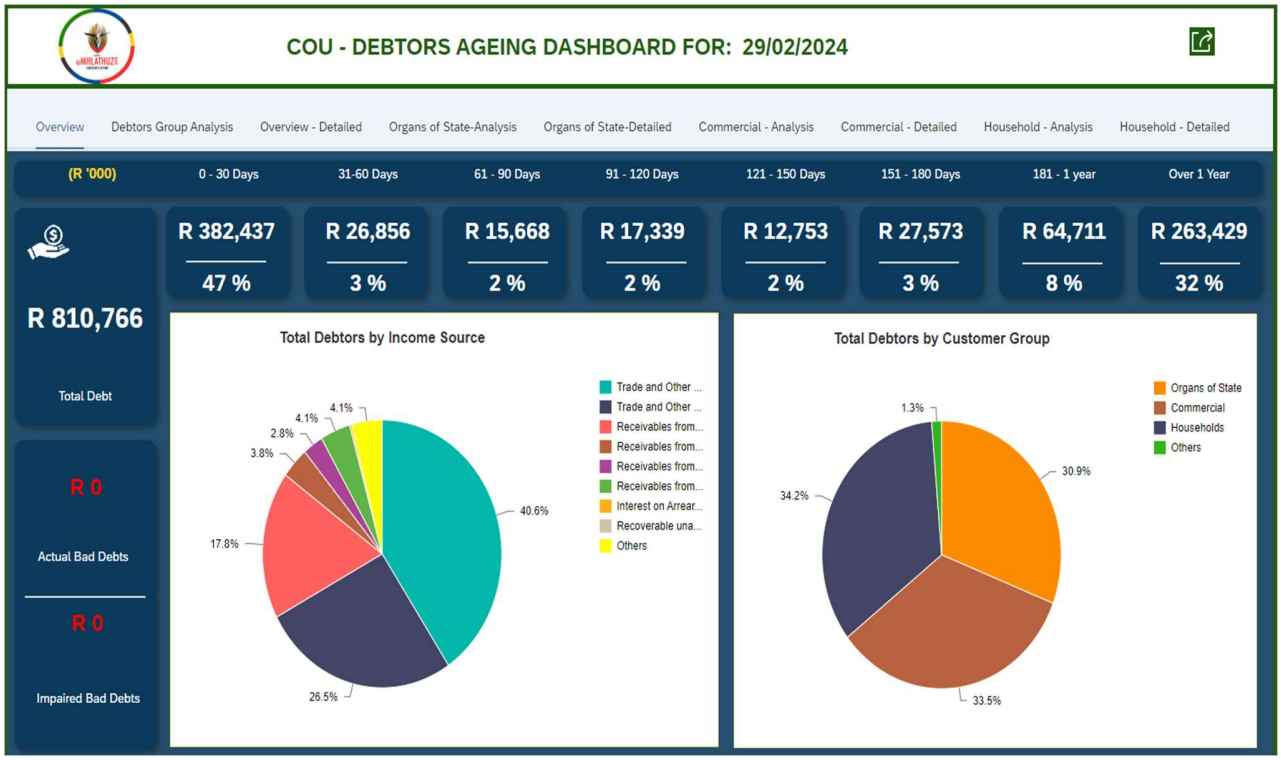
NETT DEBTORS IN DAYS						
RATIO		FORMULA	NORM / RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
2	Net Debtors Days	((Gross Debtors - Bad Debt Provision) / Billed Revenue)) × 365	30 days		50 days	*Please refer to page 6 of MFMA Circular No. 71*
				Gross Debtors closing balance Febr 2024	781 339 801	
				Bad debts Provision 2023 / 2024	274 153 400	
				Billed Revenue March 2023 - Febr 2024	3 677 521 023	

Table 112 : Top Ten Debtors

TOP TEN DEBTORS FROM ALL CATEGORIES							
Account No	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121 days +	Total
1854904	PRIVATE BUSINESS	-	-	-	-	22 377 590	22 377 590
531788	STATE OWNED ENTITIES	-	-	-	-	21 328 793	21 328 793
1675831	STATE OWNED ENTITIES	21 964	6 569	-	15 847	11 186 677	11 231 058
1610626	PRIVATE BUSINESS	-	-	-	-	6 106 823	6 106 823
416383	PRIVATE BUSINESS	81 048	81 048	81 048	243 145	6 058 569	6 544 859
501543	STATE OWNED ENTITIES	521 990	366 227	-	423 285	5 575 877	6 887 379
2328365	STATE OWNED ENTITIES	-	-	-	-	5 516 250	5 516 250
2289941	PRIVATE BUSINESS	1 486	1 118	-	-	5 046 137	5 048 741
30000543	SUNDRIES AND OTHER	275 741	275 741	275 741	827 222	4 624 892	6 279 336
2273109	STATE HOUSEHOLD PROV	-	2 738	-	-	3 907 510	3 910 249
		902 229	**733 441**	**356 789**	**1 509 499**	**91 729 118**	**95 231 076**

DEBTORS' AGE ANALYSIS

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	145 276 427	11 181 158	7 439 353	86 642 322	250 539 260
Business	170 873 144	6 281 131	2 327 798	92 429 154	271 911 227
Households	65 472 920	8 858 456	5 534 198	197 655 044	277 520 619
Other	814 453	535 376	366 350	9 078 977	10 795 156
Total	**382 436 943**	**26 856 121**	**15 667 700**	**385 805 497**	**810 766 262**
%	**47,17%**	**3,31%**	**1,93%**	**47,59%**	



7.40.4 Grants and Subsidies

Capital grants and receipts equates to 36 per cent of the total funding source which represents R 220 million for the 2024/25 financial year and increases to R 228 million by 2026/27.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 113: Capital transfers and grant receipts

Description	2020/21	2021/22	2021/22	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Transfers and Grants									
National Government:	**175 255**	**174 051**	**275 708**	**218 836**	**216 336**	**216 336**	**219 273**	**199 912**	**225 544**
Municipal Infrastructure Grant (MIG)	(7 000)	–	–	–			–	–	–
Integrated Urban Development Grant	152 755	130 146	209 302	145 536	145 186	145 186	143 923	124 783	135 337
Intergrated National Eletrification Programme Grant	–	–	–	14 000	14 000	14 000	9 850	5 000	5 207
Water Service Infrastruture Grant	25 000	40 000	37 000	55 000	40 000	40 000	60 000	70 129	80 000
Energy Efficiency and Demand Management	4 500	3 906	1 866	4 300	4 300	4 300	5 500	–	5 000
Municipal Disaster Relief Grant	–	–	27 540	–	12 850	12 850	–	–	–
Provincial Government:	**637**	**10 023**	**1 146**	**–**	**–**	**–**	**500**	**2 612**	**2 729**
Cogta (Static Tanks)	–	325	–	–	–	–	–	–	–
Arts and Culture (Generators and Boreholes)	–	1 302	–	–	–	–	–	–	–
Libraries	–	419	646 087	–	–	–	–	–	–
Mpembeni Modular Library	637	682	–	–	–	–	–	–	–
Sport and Recreation	–	7 295	–	–	–	–	–	–	–
Richards Bay Airport Feasibility Study	–	–	–	–	–	–	500	2 612	2 729
Cleanest Town Awards	–	–	500	–	–	–	–	–	–
Other grant providers:	**–**	**–**	**–**	**–**	**2 194**	**2 194**	**–**	**–**	**–**
Private Enterprises:Other Transfers Private Enterprises:Unspecifie	–	–	–	–	2 194	2 194	–	–	–
Total Capital Transfers and Grants	**175 892**	**184 074**	**276 854**	**218 836**	**218 530**	**218 530**	**219 773**	**202 524**	**228 273**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**667 122**	**619 614**	**782 681**	**770 663**	**787 503**	**787 503**	**807 118**	**816 079**	**872 367**

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.

7.40.5 Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2024/25 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the 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 114: Operational repairs and maintenance

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	206 323	220 438	245 860	238 025	238 025	238 025	370 577	438 460	482 306
Inventory Consumed (Project Maintenance)	76 080	74 449	98 706	95 173	104 094	104 094	102 572	107 393	112 440
Contracted Services	84 361	131 383	144 663	130 365	131 685	131 685	131 803	137 998	144 484
Operational Costs	2 239	207	5 961	1 409	5 409	5 409	1 956	2 048	2 144
Total Repairs and Maintenance Expenditure	369 002	426 478	495 190	464 972	479 213	479 213	606 908	685 899	741 374

During the compilation of the 2024/25 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. The labour and transport component of the repairs and maintenance has increased significantly by 55 per cent in the 2024/25 financial year, from R 238 million to R 371 million. The materials and contracted services component combined has decreased slightly by 1%. Departments are encouraged to utilise internal labour and transport instead of reliance on contracted services. There is a clear indication here that in the Repairs and Maintenance environment internal resources are not being deployed. If additional funding on the material component is required based on actual spending as at Mid-year, this will be considered in the 2024/25 Adjusted Budget.

In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **10,9; 11,5 and 11,6 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **7,7; 8,4 and 8,9 per cent** of the respective financial years MTREF. Even though the percentage of PPE

equates to 7,7 per cent, which is below the National norm it is augmented by a higher amount allocated for renewing and upgrading existing infrastructure.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 115: Repairs and maintenance per asset class

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**279 307**	**301 476**	**355 031**	**318 669**	**331 554**	**331 554**	**407 546**	**461 113**	**498 511**
Roads Infrastructure	64 252	62 247	71 418	78 235	92 766	92 766	92 543	102 283	109 545
Storm water Infrastructure	7 846	2 447	9 871	13 583	13 374	13 374	15 064	16 643	17 827
Electrical Infrastructure	55 323	77 197	99 816	86 414	86 804	86 804	119 384	135 839	147 264
Water Supply Infrastructure	107 326	117 126	133 824	87 784	87 784	87 784	118 082	135 841	147 769
Sanitation Infrastructure	44 290	41 781	39 400	50 190	49 501	49 501	61 082	69 051	74 581
Rail Infrastructure	271	677	702	1 326	1 326	1 326	1 391	1 457	1 525
Coastal Infrastructure	–	–	–	1 137	–	–	–	–	–
Community Assets	**27 933**	**45 625**	**54 766**	**50 905**	**51 688**	**51 688**	**77 052**	**89 424**	**97 712**
Community Facilities	26 510	44 364	53 892	48 525	49 326	49 326	74 623	86 734	94 832
Sport and Recreation Facilities	1 424	1 262	874	2 380	2 362	2 362	2 429	2 690	2 880
Heritage assets	–	20	–	26	26	26	12	14	15
Other assets	**7 527**	**9 003**	**7 015**	**11 597**	**11 947**	**11 947**	**11 592**	**12 685**	**13 532**
Operational Buildings	7 210	8 929	6 944	11 515	11 865	11 865	11 454	12 522	13 353
Housing	316	74	71	82	82	82	138	163	179
Computer Equipment	1 740	4 861	4 641	8 115	8 115	8 115	8 512	8 912	9 331
Computer Equipment	1 740	4 861	4 641	8 115	8 115	8 115	8 512	8 912	9 331
Furniture and Office Equipment	–	–	7	80	80	80	84	88	93
Machinery and Equipment	16 080	28 313	21 022	24 496	24 490	24 490	24 821	25 987	27 208
Transport Assets	36 415	37 182	52 708	51 085	51 313	51 313	77 288	87 675	94 972
Total Repairs and Maintenance Expenditure	**369 002**	**426 478**	**495 190**	**464 972**	**479 213**	**479 213**	**606 908**	**685 899**	**741 374**
R&M as a % of PPE & Investment Property	*6.1%*	*6.7%*	*7.0%*	*6.1%*	*6.4%*	*6.4%*	*7.7%*	*8.4%*	*8.9%*
R&M as % Operating Expenditure	*10.2%*	*10.1%*	*10.4%*	*9.4%*	*9.1%*	*9.1%*	*18.3%*	*12.3%*	*12.5%*

For the 2024/25 financial year, 67,2 per cent or R 407 million of total repairs and maintenance will be spent on infrastructure assets. Electrical infrastructure has received a significant proportion of this allocation totalling at 19,7 per cent (R 119.3 million) followed by Water infrastructure at 19,5 per cent (R 118 million), road transport infrastructure at 15,2 per cent (R 92,5 million), sanitation at 10 per cent (R 61 million) and storm water infrastructure at 2,5 per cent (R 15 million). Community assets has been allocated R 77 million of total repairs and maintenance equating to 12,7 per cent. Transport assets has also been allocated R 77 million (12,7 per cent).

7.40.6 Borrowing /Loans

Table 116: Details of borrowing

Borrowing - Categorised by type	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Parent municipality									
Annuity and Bullet Loans	630 858	916 085	1 405 199	1 640 528	1 664 342	1 664 342	1 862 561	2 000 419	2 122 301
Municipality sub-total	**630 858**	**916 085**	**1 405 199**	**1 640 528**	**1 664 342**	**1 664 342**	**1 862 561**	**2 000 419**	**2 122 301**
Total Borrowing	**630 858**	**916 085**	**1 405 199**	**1 640 528**	**1 664 342**	**1 664 342**	**1 862 561**	**2 000 419**	**2 122 301**

The following graph illustrates the growth in outstanding borrowing for the 2019/20 to 2025/26 period.

Figure 96: Growth in outstanding borrowing (long-term liabilities)

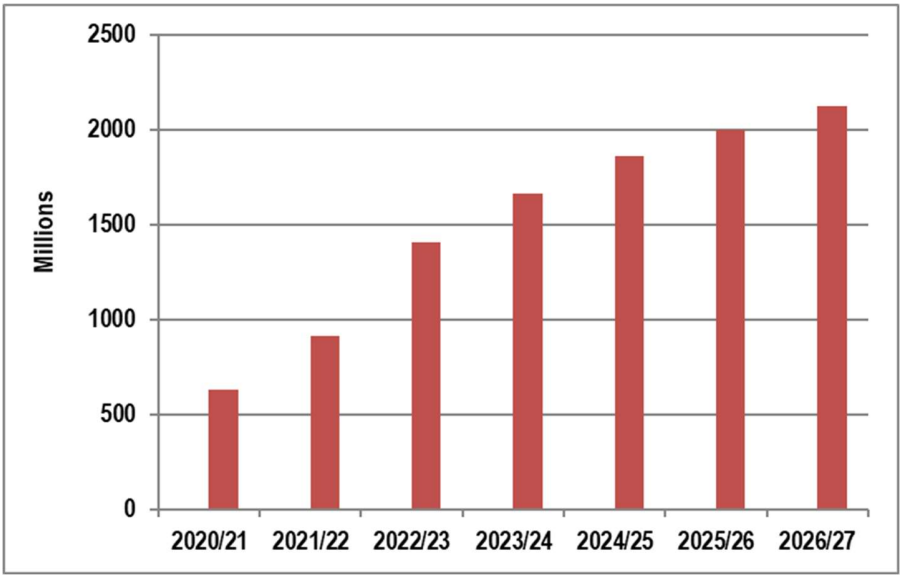


Figure: Growth in outstanding borrowing (long-term liabilities)

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 R11 million in 2024/25, R55 million in 2025/26 and R20 million in 2026/27.

7.40.7 Financial Viability and Sustainability

Figure 97: Performance Indicators and Benchmarking

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management										
Credit Rating		Ba1/A1.za								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.7%	3.5%	4.2%	5.7%	5.9%	5.9%	6.5%	7.1%	6.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	3.4%	4.4%	5.7%	6.0%	6.0%	6.4%	7.1%	6.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	51.2%	211.6%	298.0%	229.0%	227.6%	227.6%	3306.9%	654.5%	1625.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	10.4%	12.9%	19.3%	21.8%	22.5%	22.5%	24.1%	25.6%	25.9%
Liquidity										
Current Ratio	Current assets/current liabilities	2.2	1.8	1.7	1.4	1.4	1.4	1.5	1.5	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.2	1.8	1.4	0.9	1.4	1.4	1.5	1.5	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	1.9	1.4	1.3	1.1	1.1	1.1	1.2	1.2	1.3
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	112.2%	107.2%	116.4%	133.0%	125.7%	103.0%	128.7%	129.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		112.2%	107.2%	116.4%	133.0%	125.7%	125.7%	128.7%	129.4%	128.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8.3%	9.8%	10.7%	8.4%	9.5%	9.5%	8.6%	7.9%	7.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
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		60.7%	99.5%	133.6%	114.7%	232.2%	232.2%	124.2%	86.0%	61.6%

Figure 98: Performance Indicators and Benchmarking (continued)

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	68 342	86 724	77 775	86 724	86 724	86 724	77 775	77 775	77 775
	Total Volume Losses (kW) non technical									
	Total Cost of Losses (Rand '000)	68 342	104 069	101 108	104 069	104 069	104 069	101 108	101 108	101 108
	% Volume (units purchased and generated less units sold)/units purchased and generated	6%	9.0%	8.0%	6.0%	6.0%	6.0%	8.0%	8.0%	8.0%
Water Volume System input	Bulk Purchase	24 260	20 691	25 303	29 102	29 102	29 102	30 152	30 649	31 156
	Water treatment works	30 102	29 909	34 988	30 294	30 294	30 294	31 630	32 908	32 908
	Natual sources	–	–	–	–	–	–	–	–	–
Water Distribution Losses (2)	Total Volume Losses (kℓ)	20 756	19 361	34 545	29 821	29 821	29 821	31 388	32 005	32 636
	Total Cost of Losses (Rand '000)	278 437	260 004	434 101	343 610	343 610	343 610	369 950	401 019	428 887
	% Volume (units purchased and generated less units sold)/units purchased and generated	45.0%	38.0%	57.0%	54.0%	54.0%	54.0%	54.7%	54.7%	54.7%
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.7%	24.2%	23.3%	24.6%	23.2%	23.2%	22.4%	22.1%	21.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.6%	24.9%	24.0%	25.3%	23.9%	23.9%	23.1%	22.7%	22.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	10.3%	10.0%	10.7%	9.4%	9.4%	9.4%	10.8%	11.5%	11.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.4%	9.1%	8.7%	9.1%	9.3%	9.3%	8.7%	9.0%	9.3%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	27.5	38.9	21.4	25.8	26.8	60.3	20.6	23.1	24.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	8.7%	12.7%	13.5%	9.9%	11.4%	11.4%	10.1%	9.2%	8.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.9	2.9	1.9	2.2	0.9	0.9	1.7	2.5	3.3

i. 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 Revenue (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 2024/25 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 5,7 per cent in 2024/25 and increasing to 6 per cent in 2025/26 and 6,3% in 2026/27. In additional the mix of capital funding for the MTREF has taken a change whereby borrowed funds are predominately the funding source on capital expenditure excluding grants 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 in line with our loan repayment term of 12 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. The gearing ratio increases to 21,8 per cent in the 2024/25 and increasing to 24,9 per cent in 2026/27 financial year due to continued borrowings over the MTREF. Though the ratio is still sitting comfortably lower that the 45 per cent limit, the Municipality will continue to monitor its risk exposure in the borrowing market as well as its performance.

- **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 2024/25 MTREF the current ratio is 1,4:1 and 1,3:1 and 1,3:1 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels and maintain them at a consistent level of 1,5:1 and above.

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 2024/25 MTREF the current ratio is 1,1 and; 1,2 and 1,3 for the two outer years of the MTREF. The ratio is consistently at required level of 1 and above for the 3 years.

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. This relates to all invoices that services and goods fully certified by user departments as received.

Other Indicators

- Employee costs as a percentage of operating revenue increases slightly over the MTREF. Although the ratio is 22,5 per cent for the 2024/25 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 117: 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.

Description	MFMA section	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	820 790	684 764	495 109	656 967	310 148	310 148	602 755	905 916	1 316 431
Cash + investments at the yr end less applications - R'000	18(1)b	81 716	379 233	902 866	447 340	435 387	435 387	715 122	829 709	1 007 207
Cash year end/monthly employee/supplier payments	18(1)b	3.9	2.9	1.9	2.2	0.9	0.9	1.7	2.5	3.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	131 410	240 865	(523 209)	213 263	55 130	55 130	230 382	216 185	243 215
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(0.3%)	(18.7%)	35.9%	(2.9%)	(6.0%)	4.3%	1.3%	1.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	89.3%	89.2%	128.2%	107.9%	103.4%	103.4%	106.1%	107.0%	106.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.3%	(4.5%)	(7.8%)	4.7%	6.2%	6.2%	6.5%	6.5%	6.5%
Capital payments % of capital expenditure	18(1)c;19	101.1%	109.6%	106.0%	115.0%	115.0%	115.0%	115.0%	115.0%	115.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	68.7%	76.6%	69.6%	68.5%	68.5%	97.1%	86.7%	94.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	79.3%	24.0%	(32.9%)	52.5%	0.0%	(9.2%)	(22.4%)	(24.4%)
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)	6.1%	6.7%	7.0%	6.1%	6.4%	6.4%	8.4%	8.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	19.8%	27.6%	25.1%	31.6%	32.3%	32.3%	30.0%	30.1%	32.8%
High Level Outcome of Funding Compliance										
Total Operating Revenue		3 577 766	4 274 472	3 999 637	4 931 451	5 122 627	5 122 627	5 599 452	5 965 030	6 402 328
Total Operating Expenditure		3 634 573	4 216 802	4 773 588	4 937 024	5 286 027	5 286 027	5 588 843	5 951 370	6 387 387
Surplus/(Deficit) Budgeted Operating Statement		(56 807)	57 670	(773 951)	(5 573)	(163 401)	(163 401)	10 609	13 660	14 942
Surplus/(Deficit) Considering Reserves and Cash Backing		81 716	379 233	902 866	447 340	435 387	435 387	715 122	829 709	1 007 207
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded / Unfunded		✓	✓	✓	✓	✓	✓	✓	✓	✓

7.40.7.1 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 2024/25 MTREF shows R 603, million, R 906 million and R 1 316 million for each respective financial year.

7.40.7.2 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.

7.40.7.3 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 marginally improved for the period 2024/25 MTREF the municipality's improving cash position sets the ratio at 1.7 and then increases to 2.5 for the 2025/26 and 3.3 2026/27 financial years. As indicated above the City the Investment, Working Capital and Capital Replacement Reserves Policy requires a ratio of two months' coverage.

7.40.7.4 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 2024/25 MTREF the indicative outcome is a surplus R230 million then R 216 million and R 243 million. This however is **not a true reflection** of the Operating performance as this figure includes capital revenues (Transfers recognised – capital). The City Manager has indicated that expenditure needs to be significant reduced to eliminate the deficit

7.40.7.5 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 4,9 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 increases to 9,2% for the respective financial year of the 2024/25 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.

7.40.7.6 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 107 per cent for 2024/25 MTREF. This percentage is however inflated by the output VAT component hat is included in the cash receipts amount on the cash flow table. Given that the assumed collection rate was based on a 95 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 95 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.

7.40.7.7 Debt impairment expense as a percentage of billable revenue

This 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 5.8 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 30 - A6 Budgeted Financial Position and Table 75 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 (inclusive of current) is between current and 30 days.

7.40.7.8 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 that the municipality plans to spend 100% of its capital budget. The amount shown in the indicator includes the input VAT portion, hence it is reflected at 115% as per the cash flow table.

7.40.7.9 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. This ratio is sitting at 97,1% for 2024/25; 86,7% for 2025/2026 and 94,2% for 2026/2027. This is in line with the strategy of firstly building up enough cash reserves for the cash replacement reserve prior to budgeting for the capital expenditure against it.

7.40.7.10 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.

7.40.7.11 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 decreasing mainly by the increase in debt impairment provision as well as the increase in collection rate.

7.40.7.12 Repairs and maintenance expenditure level

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

7.40.7.13 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. The indicator in this regard is showing a significant increase and also in line with the justification on the repairs and maintenance budget.

7.40.8 Auditor General's Opinion

Within three months after the end of every municipal financial year, the Auditor General of South Africa (AGSA) receives financial statements from municipalities within which to express various audit opinions that relate mainly to financial affairs. This process primarily serves to deter poor financial management and misuse of municipal funds, strengthening accountability and enhancing municipal service delivery and clean administration. UMhlathuze Municipality for 2022/2023 audit years received an Unqualified Audit opinion with no findings. Therefore there is no management plan

Table 118: Auditor General's Opinion

FINANCIAL YEARS	AUDIT OUTCOME
FY 2013/14	Unqualified with no findings
FY 2014/15	Unqualified with no findings
FY 2015/16	Unqualified with no findings
FY 2016/17	Unqualified with no findings
FY 2017/18	Unqualified with findings
FY 2018/19	Unqualified with findings
FY 2019/20	Unqualified with no findings
FY 2020/21	Unqualified with no findings
FY 2021/2022	Unqualified with no findings
FY 2022/2023	Unqualified with no findings (Clean Audit)

Source: AGSA 202

7.40.9 Employee Related Costs

Employee related costs, including Councilor Allowances and provided for in the MTREF is summarized hereunder.

Table 119: Summary of Employee and Councilor Related Costs

Summary of Employee and Councillor remuneration	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	19 264	21 427	23 692	25 905	25 140	25 140	24 655	25 888	27 183
Pension and UIF Contributions	2 821	3 005	3 323	3 654	3 472	3 472	3 455	3 628	3 810
Medical Aid Contributions	2 061	1 207	785	781	1 072	1 072	1 228	1 289	1 352
Motor Vehicle Allowance	4 154	2 176	1 733	1 928	2 338	2 338	2 554	2 679	2 810
Cellphone Allowance	2 904	2 713	3 191	3 243	3 488	3 488	3 310	3 476	3 649
Sub Total - Councillors	**31 204**	**30 528**	**32 724**	**35 510**	**35 510**	**35 510**	**35 203**	**36 960**	**38 805**
% increase	**–**	**(2.2%)**	**7.2%**	**8.5%**	**–**	**–**	**(0.9%)**	**5.0%**	**5.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	9 330	10 912	14 290	12 277	12 265	12 265	12 616	13 247	13 910
Pension and UIF Contributions	673	681	636	742	888	888	999	810	851
Medical Aid Contributions	202	179	167	119	204	204	228	211	222
Performance Bonus	1 213	927	(87)	2 785	2 767	2 767	3 104	3 150	3 308
Motor Vehicle Allowance	1 327	1 551	1 719	1 721	1 941	1 941	2 137	2 243	2 356
Cellphone Allowance	277	316	299	318	318	318	297	312	328
Other benefits and allowances	113	85	85	91	86	86	95	58	61
Payments in lieu of leave	507	149	557	1 041	1 041	1 041	701	737	774
Acting and post related allowance	–	–	–	–	49	49	52	54	57
Sub Total - Senior Managers of Municipality	**13 642**	**14 801**	**17 667**	**19 094**	**19 560**	**19 560**	**20 229**	**20 823**	**21 866**
% increase	**–**	**8.5%**	**19.4%**	**8.1%**	**2.4%**	**–**	**3.4%**	**2.9%**	**5.0%**

Table 120: Summary of councillor and staff benefits (Senior Managers)

Summary of Employee and Councillor remuneration	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
	A	B	C	D	E	F	G	H	I
Other Municipal Staff									
Basic Salaries and Wages	467 673	510 278	553 940	614 327	615 326	615 326	653 819	683 790	717 987
Pension and UIF Contributions	84 277	92 010	97 305	127 139	109 130	109 130	134 460	141 158	148 223
Medical Aid Contributions	41 888	45 033	46 598	62 723	51 284	51 284	63 523	66 703	70 041
Overtime	59 988	69 189	80 234	79 157	87 706	87 706	81 857	96 486	101 945
Motor Vehicle Allowance	48 687	51 569	55 185	66 131	64 770	64 770	71 143	74 703	78 442
Cellphone Allowance	3 893	5 800	6 123	8 322	5 537	5 537	7 569	7 951	8 352
Housing Allowances	4 067	4 046	3 987	5 941	4 060	4 060	4 981	5 239	5 505
Other benefits and allowances	74 583	82 372	87 150	94 428	92 885	92 885	100 204	105 217	110 468
Payments in lieu of leave	20 054	30 896	23 295	38 460	44 538	44 538	39 660	41 593	43 676
Long service awards	2 884	4 862	23 224	950	646	646	992	1 092	1 201
Post-retirement benefit obligations	26 530	40 953	40 452	46 068	45 784	45 784	35 259	39 435	44 111
Sub Total - Other Municipal Staff	**834 523**	**937 007**	**1 017 494**	**1 143 646**	**1 121 667**	**1 121 667**	**1 193 465**	**1 263 367**	**1 329 951**
% increase	**–**	**12.3%**	**8.6%**	**12.4%**	**(1.9%)**	**–**	**6.4%**	**5.9%**	**5.3%**
Total Parent Municipality	**880 778**	**981 853**	**1 062 823**	**1 201 899**	**1 179 939**	**1 179 939**	**1 248 069**	**1 320 865**	**1 390 328**
	–	**11.5%**	**8.2%**	**13.1%**	**(1.8%)**	**–**	**5.8%**	**5.8%**	**5.3%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**880 778**	**981 853**	**1 062 823**	**1 201 899**	**1 179 939**	**1 179 939**	**1 248 069**	**1 320 865**	**1 390 328**
% increase	**–**	**11.5%**	**8.2%**	**13.1%**	**(1.8%)**	**–**	**5.8%**	**5.8%**	**5.3%**
TOTAL MANAGERS AND STAFF	**849 300**	**950 649**	**1 032 294**	**1 164 608**	**1 142 648**	**1 142 648**	**1 212 559**	**1 283 579**	**1 351 176**

Table 121: Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contribution 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker	1	827	159	49			1 035
Chief Whip	1	744	182	49			975
Executive Mayor	1	970	259	49			1 278
Deputy Executive Mayor	1	796	190	112			1 097
Executive Committee	8	805	466	972			2 243
Total for all other councillors	55	20 515	3 427	4 633			28 574
Total Councillors	**67**	**24 655**	**4 683**	**5 864**			**35 203**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	2 139	–	196	321		2 656
Chief Finance Officer	1	1 725	–	393	290		2 408
Deputy Municiapal Manager - Infrastructure and Technical Services							
Deputy Municiapal Manager - Corporate Services							
Deputy Municiapal Manager - City Development							
Deputy Municiapal Manager - Community Services							
List of each offical with packages >= senior manager							
Deputy Municipal Manager - Infrastructure and Technical Servi	1	1 659	–	459	290		2 408
Deputy Municipal Manager - Corporate Services	1	1 251	292	575	290		2 408
Deputy Municipal Manager - City Development	1	1 650	60	409	290		2 408
Deputy Municipal Manager - Community Services	1	1 469	324	325	290		2 408
Deputy Municipal Manager - Chief Operations Officer	1	1 369	246	503	290		2 408
Deputy Municipal Manager - Energy and Electrical Services	1	1 356	287	439	290		2 372
Total Senior Managers of the Municipality	**8**	**12 616**	**1 209**	**3 298**	**2 353**		**19 476**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**75**	**37 272**	**5 892**	**9 163**	**2 353**		**54 678**

The budgeted allocation for **employee related costs** for the 2024/25 financial year totals R 1 257 million, which equals 22,5% per cent of the total operating expenditure. The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 **(DMS 1489744)**. A new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. For budget purposes a 5 per cent increase has been utilised. No provision for any new or previously unfunded posts has been made in the 2024/25 MTREF. For Councillors allowances a similar situation is unfolding, therefore a 5% increase for them has been provided for.

Table 122: Summary of personnel numbers

Summary of Personnel Numbers	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number	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	19	15	–	19	18	–	24	17	–
Professionals	*367*	*336*	–	367	342	–	385	348	–
Finance	47	47	–	47	47	–	48	48	–
Spatial/town planning	26	21	–	26	25	–	26	26	–
Information Technology	13	11	–	13	13	–	23	14	–
Roads	21	13	–	21	14	–	21	14	–
Electricity	39	39	–	39	39	–	40	37	–
Water	14	10	–	14	10	–	15	14	–
Sanitation	21	14	–	21	14	–	21	13	–
Refuse	8	7	–	8	7	–	8	7	–
Other	178	174	–	178	173	–	183	175	–
Technicians	*554*	*537*	–	554	547	–	590	552	–
Finance	35	32	–	35	35	–	36	33	–
Spatial/town planning	30	27	–	30	30	–	30	30	–
Information Technology	7	7	–	7	7	–	8	8	–
Roads	49	47	–	49	49	–	49	47	–
Electricity	46	45	–	46	45	–	51	50	–
Water	46	45	–	46	45	–	69	45	–
Sanitation	35	34	–	35	34	–	35	33	–
Refuse	8	8	–	8	8	–	8	8	–
Other	298	292	–	298	294	–	304	298	–
Clerks (Clerical and administrative)	353	347	–	353	351	–	355	336	–
Service and sales workers	–	–	–	–	–	–	–		–
Skilled agricultural and fishery workers	2	2	–	2	2	–	2	1	–
Craft and related trades	2	2	–	2	2	–	2	2	–
Plant and Machine Operators	75	69	–	75	68	–	103	76	–
Elementary Occupations	962	936	–	962	954	–	975	949	–
TOTAL PERSONNEL NUMBERS	**2 409**	**2 319**	**–**	**2 409**	**2 359**	**–**	**2 511**	**2 356**	**–**
% increase	–	–	–	–	1.7%	–	4.2%	(0.1%)	–
Total municipal employees headcount	**2 342**	**2 252**	**–**	**2 342**	**2 292**	**–**	**2 444**	**2 289**	**–**
Finance personnel headcount	**208**	**208**	**–**	**208**	**208**	**–**	**210**	**210**	**–**
Human Resources personnel headcount	**37**	**35**	**–**	**37**	**36**	**–**	**32**	**28**	**–**

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, this anomaly 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. To exacerbate this situation even further Job Evaluation (JE) processes are embarked upon but are done out of context. At a recent Job Evaluation (JE) process meeting, representatives of SALGA confirmed that JE processes cannot proceed in the absence of a Municipal Grading.

The risk of this from a financial and service delivery perspective is that the municipality is forced to employ officials who potentially may not 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. This mainly due to the lack of quality assurance, which is a management responsibility.

Evidence of the above risk can also be clearly observed in the extent to which basic service delivery functions are performed by contractors. This financial burden on consumers and ratepayers is clearly evident when adding the cost of contracted services to the employees related benefits. This amount is R 1 732 million. For the 2024/25 year this makes up 47% of the Gross Income (Total Income Less Purchases) or 31 % of Expenditure Budget. This is an indication that the Municipality may lack the requisite skills for service delivery, therefore seeking relief through outsourcing.

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 organizational structure is necessarily in place for proper service delivery. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

7.40.10 Supply Chain Management

The City of uMhlathuze has a fully functional Supply Chain Management Unit guided by SCM Policy. Council approved the SCMP annual review on 26 August 2020. The review was in line with Chapter 1, paragraph 3(c) of the Supply Chain Management Regulations, which state that “when the Accounting Officer considers it necessary must submit proposals for the amendment of the Supply Chain Management Policy to Council.”

The policy was not reviewed because the Constitutional Judgement of 16 February 2022 caused an administrative nightmare for public procurement. When National Treasury suspended all public procurement processes, a directive was received that Council’s Preferential Procurement Policy of 2017 should be amended, which was effected through a report to council. While Council was still digesting and preparing for those amendments of the Supply Chaim Management Policy, on 30 May 2022, the National Treasury issued a media statement following the Constitutional clarification of the judgement passed by the Court on 16 February 2022. The ruling clarification said the Minister of Finance misread the ruling, and the Preferential Procurement Regulations of 2017 would remain inforce until 15 February 2023. A reviewed SCM Policy is attached in the IDP Review 2024/2025.

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.

i. 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.

7.40.11 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.

i. Bid Specification Committee

- **Legislative Reference**: 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 which reads as follows:

  "(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"

- **Composition:** The following are members of the Bid Specification Comitee as appointed by the City Manager:

  - Head of Section Transport - (Chairperson)
  - Chief Account
  - Manager Assets
  - Head of Section: Dirvese Administration
  - Manager: Marketing, Retails & Customer Services
  - Senior Engineer
  - Manager: Spatial & Environmental Planning

- **Functionality:**

The committee Convenes once a week, every Friday. The committee responsible for compiling of bid specifications. The specifications committee also consider whether all the required quality assurance standards have been met with regard to the type of goods that is requested. The specifications should be compiled in an unbiased manner to allow all potential bidders to offer their goods and/or services without favour or prejudice.

ii. Bid Evaluation Comitee

- **Legislative Reference:** 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 which reads as follows:

"(2) The bid evaluation committee must be appointed and composed as follows:

(a) officials from departments requiring the goods or services;
(b) at least one supply chain management practitioner of the municipality or municipal entity and
(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 are present must elect one of them to preside at the meeting.

- **Composition:** The following are members of the Bid Evaluation Comitee as appointed by the City Manager

  - Deputy City Manager: Infrastructure and Technical Services- (Chairperson)
  - Manager Fleet
  - Deputy Manager: Logistics & SCM Risk
  - Head of Section: Infrastructure Services
  - Head of Section: Urban & Rural Planning
  - Senior Legal Advisor
  - Head of Section ICT
  - Accountant: Logistics

- **Functionality:**

The committee convenes twice a week, on Tuesdsays and Fridays. The committee is responsible for the evaluation of bids received, which include verification of:

- The capability/ability of the bidder to execute the contract, from a technical, managerial and financial perspective
- Whether the bid is to specification in respect of quality, functionality, dimensions, design, customer support, guarantee, etc.

- Whether a bid offers value for money
- Number of contracts awarded to bidder/s in contention during the preceding twelve months
- Allocation of preference points
- Representivity in the composition of the bidder and the possibility of fronting
- Success/failure in executing contracts awarded to a bidder previously
- Tax Clearance certificate issued by the SARS
- Compulsory registration on Provincial Treasury's Suppliers Database.
- National Industrial Participation programme requirements

Bids are evaluated in accordance with the criteria specified in the bid documentation. According to the prescripts of section 2 of the PPPFA, bids must be evaluated in accordance with the prescribed preference point system. Goals for which points may be awarded must be clearly specified in the invitation to submit a bid or quotation, in accordance with the SCM Policy Framework. The evaluation committee should evaluate all bids received and submit a report with recommendations regarding the award of the bids to the adjudication committee.

iii. Bid Adjudication Committee

- **Legislative Reference:** *The Accounting Officer appoints officials to serve on the Bid Adjudication Committee in terms of Section 29 (2), (3) of the Supply Chain Management Policy which reads as follows:*

(2) The bid adjudication committee must consist of at least three deputy municipal managers of the municipality which must include:

(i) the chief financial officer or, if the chief financial officer is not available, another head of the section or manager in the financial services department, reporting directly to the chief financial officer

(ii) *(ii) at least one senior supply chain management practitioner who is an official of the municipality; and*

(iii) *(iii) a technical expert in the relevant field who is an official, if such an expert exists; and*

(3) The accounting officer must appoint the chairperson of the bid adjudication committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

- **Composition:** The following are members of the Bid Adjudication Comitee as appointed by the City Manager

- Chief Financial Officer - Chairperson
- Chief Operations Officer
- Deputy City Manager: Electrical and Energy Services
- Deputy City Manager: Development)
- Deputy City Manager: Community Services
- Head of Section : Supply Chain Management

- Deputy Municipal Manager: Corporate Services

- **Functionality**

The commite convenes twice a week on Tuesday for approval of minutes and on Friday to consider items. The adjudication committee is cross-functional, with one member, in this case the Head of Section. The chairperson of the committee is the chief financial officer of the City of uMhathuze. The committee is composed of at least seven members, all at senior level. The committee considers the reports and recommendations made by the evaluation committee. The evalustion committee must consider whether the recommendation made by the latter, sufficiently indicates that all relevant factors have been taken into account, and that the recommendation made represents a logical, justifiable conclusion, based on all relevant information at the evaluation committee's disposal. Each recommendation must be supported by clear, concise motivation of salient points. The Accounting Officer will determine the delegated powers exercised by the adjudication committee, which may include making a recommendation for award of contract to the Accounting Officer, for final approval/ratification

iv. 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**

Contract Management Policy was developed and approved in 2017, which aims to assist and ensure efficient management of contracts. Section 116 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates the procedure that should be followed to manage a contract procured through Supply Chain Management of a municipality.

In support of the Batho Pele Budget towards improved service delivery, the Supply Chain Management Unit (SCMU) will continue to put in framework agreements for panel of services and works in line with the MTREF. Framework agreements are agreements between an organ of state and one or more contractors, with a purpose to establish the terms governing the purchase orders to be awarded during a given period, in particular with regards to price and, where appropriate, the quantity envisaged. This framework can be activated immediately without any procurement delays or delays in the market response.

- **Measures**

Council has established a bid administration unit to enhance bid administration and contract management this is 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

7.40.12 Standard Chart of Accounts (mSCOA)

uMhlathuze Municipality was a pilot site for National Treasury on the new Municipal Standard Chart of Accounts. Such are governed by regulations, which became 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

i. Progress with mSCOA implementation

The uMhlathuze Municipality has succeeded in adhering to the mSCOA Regulations despite initially serving as a test site from July 1, 2015, on version 5.3 up to the present of 6.6 of mSCOA. Through National Treasury frequently asked questions (FAQ), the municipality keeps making progress in influencing some changes to the mSCOA chart. As a result, the municipality has permission to upload its strings to the NT portal. Additionally, it should be noted that the chart itself is constantly being improved as a result of municipal knowledge being shared collectively with the Provincial Treasury and the National Treasury.

7.40.13 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 interim, the Municipality will be specifying on the advertisement the requirement as recommended by the Auditor-General for all tenders/bids relating to local content, even though the Municipality disagrees due to interpretation of Regulation 9(1) of 2011.

7.41 SWOT analysis: Financial Viability and Management:

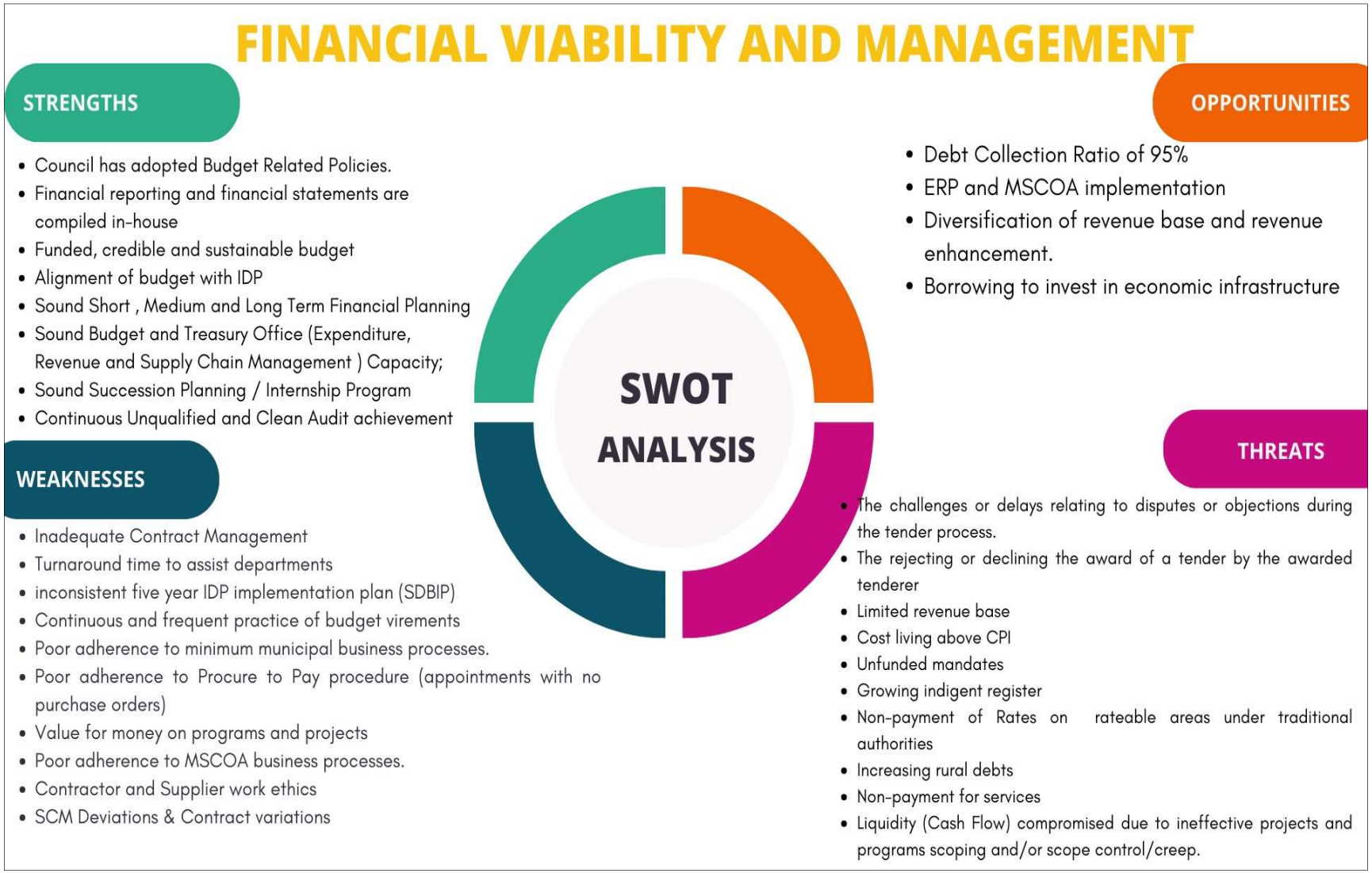


Table 123: Key Challenges Financial Viability and Management

National KPA: Financial Viability and Management		
Ref.	**Key Challenge**	**Description**
FVM1	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 Ingonyama Trust Board, leading to rural areas not paying for rates and municipal services remains a serious threat to sustainable revenue collection and extension of basic services to rural areas. The municipality should maintain a favourable credit balance, enhanced rate base by supporting high density developments and identify new revenue streams.
FVM2	Procurement Processes	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.
FVM3	Growing Indigent Register	There has been a sharp increase on the number of the Indigents registering for Indigent support from the municipality. This could be attributed to a number factors, one being the high unemployment rate and the economic climate where more people are losing their jobs. Another cause is the incorporated population as a result of the re-determination of municipal boundaries in 2016 This is putting a strain on the municipal fiscus as the Equitable share is not sufficient for the bulk supply of services given to indigents by the municipality, further there is no revenue that is collected from the indigent households.
FVM4	Urban- Rural Migration	The trend of people moving from urban areas to settle in the rural areas, on the basis that it's less costly to live in the traditional areas as most of the services are not paid for, further on reasons that properties are not valuated and Ingonyama Trust Land remains unrated The type of development in traditional areas (primarily Ingonyama Trust areas) poses 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;
FVM5	Unfunded Mandates	Local government is challenged by the dilemma of unfunded mandates which are an extreme manifestation of the phenomenon of governing from the centre. National government through various strategies imposes national mandates on provincial and local government at the expense of the latter. These decisions have financial implications, but come without the necessary funding for their implementation. A clear example of the latter relates to the functioning of libraries.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION ANALYSIS

7.42 Provincial Programmes/Priorities rolled-out at Municipal Level

The Operation Sukuma Sakhe (OSS) Programme was initiated by the Kwazulu-Natal Provincial Government aiming at ensuring cooperative governance for better and more fast tracked service delivery, to address the needs of the most vulnerable and deprived communities and households, and targeting disease management in the Wards with special emphasis on HIV/AIDS, tuberculosis and poverty developmental approach to disease prevention.

Operation Sukuma Sakhe (OSS) is coordinated strategically in the three spheres of government namely: the Premier's Office, the Office of District Mayor's and the Local Municipality Mayor's Office. At a Ward level OSS is championed by the Ward Councillor. The success of OSS is dependent on all stakeholders working together cohesively in resolving issues and reporting on closed cases.

Operation Sukuma Sakhe is a service delivery model for government that seeks to fast track and intervenes on issues identified at war room in all wards. These cases may be either newly reported or those that have been reported and unattended. Cases reported range from service delivery, HIV/AIDS, Tuberculosis (TB), Sexually Transmitted Infections (STIs) and other social ills. A "social ill" is a term used to refer to a "social problem" or "social issue". Examples of these are crime, unemployment, child and teenage pregnancy, substance abuse, gender based violence, stigma and discrimination and family disintegration. HIV and AIDS threaten the achievement of the developmental goals and are therefore the focus of Operation Sukuma Sakhe (OSS).

The City of uMhlathuze has 34 war rooms that seek to address all social discourse. This can only be done by ensuring that Council's war rooms are fully functional and respond to reported cases timeously by coordinating and reporting to relevant stakeholders. Once all war rooms are fully functional Mentors have to be allocated to war rooms to support and strengthen functionality and address service delivery issues. The Mentors will have an on-going developmental training to assist them in playing a correct role of supporting war rooms in the City of uMhlathuze.

The Municipality has 14 Community Development Workers (CDWs) that provide a foundation for at least 14 wards. These Community Development Workers does also give support to neighbouring 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.

7.42.1 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.

Council adopted an Action plan in ensuring that institutionalisation is achieved. The following documents have been considered by Council,

- Customer Care Policy (Batho Pele Policy)
- Service Delivery Standards
- Service Delivery Charter

7.42.2 Service Delivery Improvement Plan

Council has a reviewed SDIP 2023/2024 reviewed in line with the Integrated Development Plan Review 2023/2024 process. The Plan list three-priority areas which the municipality wish to improve on in the 2023/2024. 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 2023/2024 was compiled. Maintenance of these assets is currently at various stages of implementation. Where necessary budget provision has been made in the 2024/2025 MTREF.

7.42.3 Intergovernmental Governmental Relations (IGR)

i. 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 124: King Cetshwayo District IGR Structures

FORUM	PURPOSE /Objective	Composition	Functions	Meeting 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 City 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 City 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 City 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	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
			development of a Land Use Management scheme in accordance with the White Paper on Spatial Planning and Land Use 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 City 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	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
			partners realise both its vision and its strategic objectives.	
Community and Social Services Forum	To ensure coordination and alignment of community and social services within the district	The Deputy City Manager of Community Services from the district and district family of municipalities	• the development of an Integrated Waste Management Plan in accordance with White 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	The meeting shall be held quarterly if it is held one week 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	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.

FORUM	PURPOSE /Objective	Composition	Functions	Meeting Frequency
	Committees and public participation policy framework.			
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 District's development priorities; and (c) ensure effective and efficient service delivery unhampered by jurisdictional boundaries.	the Mayor of the KCDM Executive Committee Members Traditional Leaders sitting at District Council the Mayors of local municipalities in the District. The KCDM Mayor is the Chairperson	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 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.	The Forum must meet at least six times per calendar year at such times and places as the District Mayor may determine
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				

7.42.4 MUNIMEC

It is one 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 n deliberated and resolutions are taken. Below is a recent MUNIMEC decicion matrix that gets submitted to Council for noting:

NO	ITEM	RESOLUTION	TIMEFRAME	RESPONSIBILITY	PROGRESS
1.	**Opening Remarks:** Ms B Mgutshini - Acting Head COGTA	a) Launch of Results Operation Centre – ICC Durban	24 May 2024	IEC	
		b) Local Government & Sector Departments to finalise the Sites (infrastructure) in readiness for the Elections	24 May 2024	Municipalities Sector Departments	
		c) Municipalities to identify major roads to be graded before the elections	08 May 2024	Municipalities	
		d) Report – Outcome of the Technical MuniMec held 07 May 2024 will be tabled at the Provincial Executive Committee	09 May 2024	COGTA	
		e) Schools that are being utilised as voting stations to be in readiness for the Elections	24 May 2024	Dept. of Education	
		f) All roads that lead to voting stations that need to be graded must be completed before the elections	24 May 2024	Municipalities Dept of Transport	
		g) Municipalities to indicate their attendance on the Chat Group – record of attendance will be tabled together with the Report to Cabinet	07 May 2024	All Stakeholders	Ray Nkonyeni, Endumeni, Ethekwini, Richmond, Umzinyathi DM, Uthukela DM, Umvoti, Alfred Duma, Newcastle, KCDM, Inkosi Langalibalele, Ugu DM, Maphumulo, Msunduzi, Greater Kokstad, Emadlangeni, Umngeni, Umhlabuyalingana, Ndwedwe, Edumbe, Ilembe DM, Amajuba DM

DRAFT

7.42.5 UMhlathuze IGR Co-ordination Role

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.

7.42.6 Municipal Structures

I. 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).

II. 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 spirt of strengthening relations and their participation in Council meetings and its committees.

There are two Traditional Leaders who seat in Council meetings and committees as per their nomination by the Department of Corporative Governance and Traditional Affairs, Inkosi Mthembu of KwaSomopho Traditional Authority, Inkosi Khoza of kwaBhejane Traditional Authority.

III. 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 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

IV. 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 City Manager of the Municipality chairs the meeting and monitors its performance.

V. IDP Representative Forum

The IDP Forum was established by Council of uMhlathuze, and is functional. The challenge is the attendance of most government departments including state owmed organizations. The Mayor is the Chairperson of the Forum which seat once a quarter and it reports to Council. Depatrtments are applauded for consistently being committed in making sure that they are part of the developmental agenda of uMhlathuze by attending and contributing to the Forum meetings. The City conitues to search better alternatives of stregntheing relations with its provincial and national counterparts.

VI. 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.

VII. 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.

7.42.7 Committees of Council

I. Standing Orders and Disciplinary Committee

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The objective of the Committee is to make recommendations to Council regarding the Standing Rules of Order and assist the Speaker in disciplinary matters involving councillors.

- **The Committee is responsible for the following functions:**

  - overseeing and reporting to Council on any matter regarding the Standing Rules of Order,
  - performing any duties and exercising any powers delegated to it by Council in terms of

- Section 32 of the Local Government Municipal Structures Act,
- reporting to Council in accordance with the directions of Council,
- appointing an ad hoc committee with powers to co-opt such other members as it may deem fit to consider and report on any matter falling within the terms of reference of the committee,
- referring to Council for decision with or without a recommendation any matter in which the Committee is entitled to exercise any power,
- making recommendations to Council on the revision of the Standing Rules of Order,
- assisting the Speaker with disciplinary issues, and
- considering all matters of a policy nature incidental to the above.

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Observers	Meeting Frequency
T S Gumede- Chairperson J L Nzunza	Vacant	M Mtshali	Vacant	NG Donda I N Zwane	Shceduled as and when there are reports to be considred.

II. **By-Laws Committee**

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The objective of the Bylaws Committee is to continually review the existing Bylaws, consider new Bylaws and to make recommendations to Council.

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Observers	Meeting Frequency
HPC de Wet- Chairperson D Chili L S Sabela	Vacant	C M Botha	Vacant	J L Nzunza KM Mkhwanazi CM Botha	Scheduled as and when there are reports to be considred.

III. Umhlathuze Public Transport Liaison Committee (UPTLC)

The Committee comprises of thirteen (13) Councilors inclusive of the Chairperson. The Department City Development reports to the uMhlathuze Public Transport and Liaison Committee with the following functions:

- The UPTLC oversees and reports to the relevant departmental portfolio committees as well as the Executive Committee on any matters not otherwise delegated in terms of existing or future Delegated Powers:
- on the Development of Transport Infrastructure,
- the establishment of a Transportation Forum,
- on the possible Development of a Transportation Plan,
- on the measures and mechanisms necessary to improve public transport services and promote peace and stability in the sector, and
- on that which it considers to be the viable transportation / mobility solutions enhancing service delivery to the maximum benefit of the community;

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	ACDP	Observers	Meeting Frequency
J L Nzuza-Chairperson FJ Myaka	Vacant	S Ntshangase	Vacant	Vacant	VS Dludla FB Mathaba	Scheduled monthly

IV. Public Participation Committee

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The Department Corporate Services reports to the Public Participation Committee with its main function being community facilitation and oversees the following:

- administering of Ward Committee system and assisting Councillors during public ward meetings,
- liaising with Traditional Authorities and other community organisations,
- development of Public Participation and Communication strategy and ensuring community participations,
- implementing Special Programmes and Operation Sukhuma Sakhe in the communities, and
- renders facilitation and advisory support to the departments.

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Observers	Meeting Frequency
T S Gumede – Chairperson	Vacant	RF Kearns	Vacant	All Ward Councillord invited to attend NC Mdletshe VS Dludla VT Cele AM Struwig	Scheduled Monthly

V. Rapid Response Team

The Committee comprises of the Speaker as the Convenor/ Chairperson, the Chairperson: Municipal Public Accounts Committee and the Executive Management Committee of uMhlathuze Municipality. The Roles and Duties of the Committee are as follows:

- the Speaker is the responsible person for community engagement,
- gather intelligent information on protests and make every attempt to pre-empt issues of concerns by means of local engagement, prior to the service delivery protest in order to prevent a march,
- inform KZN COGTA of any impending service delivery protest. However, in cases where protest action has taken place without KZN COGTA being made aware, the Municipality must inform the Department and include the protestor's memorandum as well as a Municipal Manager's response,
- the issues raised in every petition or at any march or demonstration must be communicated.

In the first instance, to the Rapid Response Team and then to the Executive Committee and Council. Comments and planned actions on each issue must be submitted to the KZN COGTA within seven (7) days of receiving the petition,

- designate a senior official or the City Manager as the Municipal Rapid Response Coordinator to co-ordinate resources and actions to deal with service delivery protests,
- Mayors must establish a municipal complaints channel as well as, through public participation, make the community aware thereof, and improve communication with the community at large.

- **Composition and Meeting Frequency**

The meetings are scheduled as and when there are reports to be tabled.

Members
Councillor T S Gumede - Chairperson
Councillor B J De Lange - MPAC Chair
City Manager
Chief Operations Officer
Chief Financial Officer
Deputy City Manager: Corporate Services
Deputy City Manager: Community Services
Deputy City Manager: City Development
Deputy City Manager: Infrastructure Services

VI. Women's Caucus

The Committee comprises of all women / female Councillors irrespective of political affiliation, and two female representatives from each of the seven departments. The uMhlathuze Municipality Women's Caucus oversees, acts on and reports to the Council on the following:

- lobbying the municipality to develop, promote and implement gender policies and thereafter monitor and evaluate the impact of these policies,
- overseeing that the IDP and budget are gender sensitive and that there is optimal women participation in these processes,
- advising and lobbying for municipal interventions to enhance economic growth of women,
- monitoring that the municipality reaches its employment equity targets at all levels of decision making,
- creating public awareness about government policies and programmes aimed at the advancement of women and children rights and the rights of the aged, and
- advocating and commissioning research on the impact of gender policies on women and girl children at the community level.

- **Composition and Meeting Frequency**

	ANC	**DA**	**EFF**	**VVP**	**Meeting Frequency**
Z Grobbelaar R F Kearns	N F Mabuyakhulu K D Sibiya	K Naidoo	N M Madida - CHAIRPERSON K C Mtshali	A Lange	Scheduled as and when

Z H Mkhize S S Mkhwanazi	B C Mthembu T C Dube N N Blose B P Mabaso S S J Gumede F Mlambu		P P Nyawo		there are reports to be considered.

VII. Grants in Aid Committee

The Committee comprising of eleven (11) Councillors together with one (1) inclusive of the Observer. The objective of the Committee is to make recommendations to Council regarding the allocation of Grants in Aid based on applications submitted in terms of the Policy as approved by Council. The Committee is responsible for the following functions:

- meets formally at least once a month,
- considers Grants in Aid and sponsorships applications,
- implements the Grants in Aid and Sponsorships Policy as approved by the Council,
- co-opts expert input from non-members as may be necessary,
- reports to the Council on a quarterly basis,
- responds to Audit queries, and
- ensures prudence in the handling and allocation of Grants in Aid and Sponsorships.

- **Composition and Meeting Frequency**

	ANC	DA	EFF	OBSERVER	Meeting Frequency
X Ngwezi - CHAIRPERSON I J Naidoo T S Gumede Z H Mkhize	B C Mthembu N F Mabuyakhulu R M Zikhali	H O C de Wet	K C Mtshali	A Lange- VVP	Scheduled a and when there are applications to be considered

VIII. UMhlathuze Geographical Naming Committee

The Committee comprises of twelve (12) Councillors inclusive of the Chairperson. The Department: Community Services reports to the Committee on the following function, namely, the naming of certain areas (the naming of streets, municipal buildings, squares, parks and cemeteries located within the area of jurisdiction of the City of uMhlathuze

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Meetings Frequency
A Lange - Chairperson LS Sabela	Vacant	K Naicker	Vacant	As and when

IX. UMhlathuze Batho Pele Committee

The uMhlathuze Batho Pele Committee (UBPC) comprises of ten (10) Councillors nominated in terms of the system of proportionality and officials nominated by the Municipal Manager. The UBPC oversees and reports to the relevant departmental portfolio committees as well as the Executive Committee and Council on any matters not otherwise delegated in terms of existing or future Delegated Powers regarding the Institutionalization of the Batho Pele Principles.

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Meeting Frequency
J Govender- Chairperson Z Ntshaba	Vacant	Z Ntshangase	Vacant	As and when

Section 80 Committees are Committees of the Executive Committee, which are chaired by the members of the Executive Committee and are limited to the number of Exco Councillors (currently three (3) Exco members but six (6) Portfolio Committees).

I. Financial Services Portfolio Committee

The Committee comprises of ten (10) Councilors inclusive of the Chairperson. The Department: Financial Services reports to the Portfolio Committee on the following functions:

- **Income**
  - Tariffs, Meter Reading; Billing and Reporting,
  - Credit Control and Indigent Support,
  - Customer Relations, and
  - Revenue Enhancement.

- **Expenditure**
  - Financial Planning, Support and Statutory Reporting,
  - Annual Financial Statement, Assets Accounting,
  - Payroll,
  - Creditors, Long Term Debt Administration, Cash Management and Investments, and
  - Insurance Administration.

- **Supply Chain Management**

  - Demand Management,
  - Acquisition Management,
  - Inventory Management, and
  - Contract Administration.

- **Composition and Frequency of Meetings**

IFP	ANC	DA	EFF	Freaquency
X Ngwezi - CHAIRPERSON I J Naidoo I N Zwane S H Mkhwanazi	T S Nsele S S J Gumede S Mthalane	S Ntshangase	S W Biyela	Monthly

II. Corporate Services Portfolio Committee

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The Department: Corporate Services reports to the Portfolio Committee on the following functions:

- Human Resources
- Organizational Development And Change Management
- Occupational Health and Safety (OHs) Management
- Legal Services Section
- Administration Section
- Customer Services Desk
- Switchboard
- Facilities Management
- Secretariat Services
- Records Management

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	VVP	Meeting Frequency
Z Grobbelaar-Chairperson J L Nzuza N S Mngomezulu	K D Sibiya M S Mtshali N F Mabuyakhulu S Masondo	C M Botha	K C Mtshali	A Lange	Monthy

III. City Development Portfolio Committee

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The Department: City Development reports to the Portfolio Committee on the following functions:

- Property Administration
- Property Leasing
- Property Valuation
- Human Settlements
- Public Transport
- Land Use Management Section
- Development Control
- Building Management And Control

Composition and Meeting Frequency

IFP	ANC	DA	EFF	Meeting Frequency
X Ngwezi – Chairperson J L Nzuza M M Msimango S S Mncwango J Govender	M Mthethwa S B Ntshangase N N Blose N F Makhanya	R F Kearns		Montly

IV. Community Services Portfolio Committee

The Committee comprises of ten (10) Councillors inclusive of the Chairperson. The Department: Community Services reports to the Portfolio Committee on the following functions:

- Environmental Management

- Sport And Recreation
- Arts And Culture
- Public Health And Safety

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Meeting Frequency
- CHAIRPERSON M A Mthethwa Z Grobbelaar S H Mkhwanazi	R M Zikhali S M Gumede T C Dube T P Mthiyane	K Naidoo	N M Madida	Monthly

V. Infrastructure and Tehnical Service Portfolio Committee

The Committee comprises of ten (10) Councillors inclusive of the Chair and Deputy Chairpersons. The Department: Infrastructure reports to the Portfolio Committee on the following functions:

- Engineering Support Services
- Transport, Roads And Storm Water
- Water And Sanitation Services

Composition and Meeting Frequency

IFP	ANC	DA	EFF	Meeting Frequency
S H Zulu - CHAIRPERSON J Goveder L S Sabela K M Mkhwanazi	Vacant	H P C de Wet	Vacant	Monthly

VI. Electrical and Energy Services Portfolio Committee

The Committee comprises of 12 Councillors inclusive of the Chairperson. The Department: City Development reports to the Portfolio Committee on the following functions:

- Infrastructure Planning and Asset Creation
- Operations and Maintenance

Composition and Meeting Frequency

IFP	ANC	DA	EFF	Meeting Frequency
T Zibani F B Mathaba Z Ntshaba N G Donda	Vacant	C M Botha-CHAIRPERSON	Vacant	Monthly

VII. Municipal Public Accounts Committee (MPAC)

The Committee comprises of 10 Councillors inclusive of the Chairperson. The main purpose of MPAC is to exercise oversight over the executive functionaries of Council and to ensure good governance in the municipality.

The following responsibilities are delegated to the MPAC in terms of the provisions of section 59 of the Systems Act:

- The authority to interrogate the following documents and to make recommendations to the municipal council in accordance with the terms of reference of the committee:
- Unforeseen and unavoidable expenditure;
- Unauthorised, irregular or fruitless and wasteful expenditure;
- SDBIP;
- Monthly budget statements;
- Mid-year budget and performance assessment;
- Mid-year budget and performance assessment of municipal entities;
- Disclosures concerning councillors, directors and officials;
- Annual financial statements;
- Annual report;
- Issues raised by the A-G in the audit reports;
- The appointment of the audit committee;
- Disciplinary steps instituted in terms of the MFMA;
- The review of the IDP post elections;
- The annual review of the IDP;
- Performance management plan;
- The draft annual budget with reference to the approved IDP;
- Declaration of interest forms submitted by councillors.

- **Composition and Meeting Frequency**

IFP	ANC	DA	EFF	Meeting Frequency
J Govender S H Mkhwanazi	Vacant	B J de Lange - CHAIRPERSON	Vacant	Monthly

VIII. Board of Trustees

The Board consists of ten persons called Board Members who hold office for a period of three years. The members of the Scheme must elect four members to represent them and the Principal Employer must elect four Councillors. The duties and responsibilities of Trustees are governed by statutory law, common law and the Rules of the uMhlathuze Pension Fund. Trustees have a fiduciary relationship with the Fund which, above all, requires them to act with extra care and in the utmost good faith.

All fiduciary duties, such as avoiding conflict of interest, acting impartially and acting in the best interest of the members and the Fund, stem from these two common law principals. Trustees have a duty to know, either in broad outline or specific details, depending on their particular responsibilities, the relevant legislation contained in the Pension Funds Act, the Financial Institutions Act and the Rules of the Fund as well as a number of other statutes that governs their role as Trustees.

Trustees have a duty to administer the Fund in the manner prescribed by the Rules of the Fund and relevant legislative requirements.

- **Employer Representatives**

  - CLR B J de Lange- CHAIRPERSON
  - CLR GN Donda
  - CLR F N Mabuyakhulu
  - CLR S W Biyela

- **Employee Representatives**

  - N Montgomery (Principal Officer)
  - T Moamosi
  - B Mathebula
  - N M C Zulu
  - Simeka

IX. Local Labour Forum

The Committee comprises of six (6) Councillors, seven (7) Senior Managers and twelve (12) Organised Labour members inclusive of the Chair and Deputy Chairpersons. The purpose and objectives of the Local Labour Forum as set out in the Organisational Rights Agreement as the provision and regulation of organisational rights for trade unions in the local government sector; The LLF strives to:

- Creation of an environment conducive to the establishment of sound industrial relations in the local government sector;
- Encourage orderly collective bargaining in the SALGBC
- Encourage greater levels of worker participation in the workplace
- Encourage the parties to seek reasonable and satisfactory solutions to disputes that may arise
- Encourage parties to actively follow agreed upon procedures in order to avoid and resolve disputes; and
- Set the standards for organisational rights to be applied by employers in the local government sector.

- **Composition**

EMPLOYER COMPONENT	EMPLOYEE COMPONENT
Councillors - Clr C M Botha - Clr Z Brobbelaar - Clr N S Mngomezulu - Clr F N Mabuyakhulu - Clr K D Sibiya - Clr N A Mthembu	**SAMWU** - D P Mthiyane (Chairperson) - P C Nxumalo - D M Luthuli - V M Khoza - B L Gumede - S C Dlamini - P S Ndlovu - H M Mthethwa
Officials - Chief Financial Officer - Chief Operations Officer - Deputy City Manager Corporate Servces - Deputy Munipal Manager Community Services - Deputy Municipal Manager Energy and Eletricification - Head of Section Human Resources - Manager Human Resources	**IMATU** - E Zondi - L G Buthelezi - M Made - P Mchunu

7.42.8 Audit Committee

City of uMhlatuze

Audit Committee report for the quarter ended 30th of June 2023

The following is a report of the audit committee for the quarter ended 30th of June 2023.

Audit committee members and attendance

The audit committee consists of the following five (5) external, non-executive members listed hereunder and should meet at least four (4) times per annum as per its approved terms of reference.

Name of member	Number of meetings attended
Mr. AD Gonzalves (Chairperson)	1/1
Mr. RMJ Baloyi	1/1
Mr. HGS Mpungose	1/1
Ms. N Shabalala	1/1
Mr. K Mpungose	1/1

All members are external and therefore independent with no conflicts of interests being reported.

Audit committee meetings

One (1) audit committee meeting was held during the quarter ended 29th of June 2023 as follows:

Meeting	Date	Type of meeting
1.	29 June 2023	Ordinary

This report is based on the meeting held on the 29th of June 2023. The Accounting Officer, Chief Financial Officer and other members of senior management were present at the meeting. Representatives from CoGTA, and the Chairperson of MPAC were also present at the meeting. Representatives from the Auditor General, South Africa (AGSA) and National Treasury (NT) were not present at the meeting.

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166 of the MFMA. The audit committee also reports that it has adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein during the afore-mention period.

The effectiveness of internal controls

In line with the MFMA, the internal audit function provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The following internal audit reports were discussed in the audit committee meeting:

- Quality assurance audit ISO 45001:2018,
- ICT vendor management review,
- Quarter three (Q3) follow-up review for the 2022/2023 financial year,
- ICT follow-up review for quarter one and two for the 2022/2023 financial year,
- Water meter installation and replacement process review, and
- Status of internal audit plan for quarter three (3) of the 2022/2023 financial year and internal audit activity.

Internal audit performed a consulting engagement with focus on organisation health and safety. This process was completed to measure certification of audit readiness to ISO 45001:2018 standard. Sixty-two (62%) percent of the standard requirements were implemented satisfactorily. The audit committee advises implementation of the recommendations of internal audit to improve compliance in this area.

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The committee noted that the control environment over ICT vendor management was satisfactory. The audit committee advises that the recommendations of internal audit be implemented accordingly by the Accounting Officer to prevent the materialization of associated risks.

With respect to adequacy and effectiveness of internal controls on the installation and replacement of water meters, and stock management process of water meters, the overall control environment was assessed as requiring improvement. The audit committee advised that the improvement plans to address the shortcomings identified over the installation and replacement of water meters, and stock management process of water meters be implemented within the agreed upon timelines.

From the in-year reports of the internal audit function, the audit committee noted with concern that prior year reported findings were not being addressed to the satisfaction of the audit committee. The status is as follows:

Status	%
Resolved	9%
In progress	53%
Unresolved	38%
Total	100%

The Accounting Officer must implement stringent measures as a matter of priority to ensure that all prior-reported findings are resolved. In the interim, the audit committee recommends that compensating controls must be considered and implemented by management to prevent the materialization of risks.

Internal audit

The committee reviewed the work performed by internal audit and the implementation of internal audit recommendations. In compliance with the MFMA, internal audit provided the committee and management with assurance on the status of the adequacy and effectiveness of internal controls on matters relating to implementation of the procurement plan for the current fiscal year and management's attention and action undertaken to address prior reported findings. This was achieved through the implementation of a risk management process, as well as the identification of corrective action and recommended enhancements to the controls and processes.

The audit committee approved the annual internal audit plan for the 2023/2024 financial year and will continue to monitor the effectiveness of internal audit throughout the year.

The committee noted that the vacant position of the Chief Internal Auditor that is responsible for ICT related projects had yet to be filled and will follow up this matter with management at its next meeting. The audit committee is satisfied that the internal audit function is operating effectively and that it is actively assisting management in addressing the risks pertinent to the municipality. Internal audit monitors and reports on the implementation of management corrective actions undertaken to address previous audit findings. In doing so, it assisted management and council in mitigating risks thus playing a pivotal role through combined assurance to assist in risk management and strengthen controls over financial and performance management reporting. The audit committee is satisfied that the internal audit function maintained its independence and objectivity throughout the under review.

Financial reporting

The audit committee noted that the budget for the 2023/24 financial year was credible and was approved and in compliance with the MFMA legislative prescripts. The audit committee was assured the roll overs in relation to grant funding will not be applied for as all grants allocated for the 2023 fiscal year would be spent.

Information, communication, and technology (ICT)

The audit committee noted that mitigation plans were implemented by management to reduce residual risks emanating from risks identified on legacy systems. From the internal audit reports on status of management action undertaken to resolve prior reported findings, it was noted that forty-one (41%) percent of agreed actions were resolved. The audit committee advises that management place urgent attention on resolving these matter to ensure that the control environment is improved. The audit committee will continue to exercise its advisory and oversight function in respect of ICT management to assess the curtailment of ICT risks.

Risk management

The audit committee is satisfied that a risk management committee is in place. Meetings are held on a quarterly basis and are chaired by an independent official. The audit committee advises that reports from the Chairperson of the risk management committee be submitted to allow for oversight into the effectiveness of the risk management function at the municipality.

Status of corrective management action to address prior reported findings of the AGSA

The audit committee considered the management action plan to address prior reported findings raised by the AGSA. Management is encouraged to implement corrective actions in a timely manner to prevent recurrence of findings.

Fraud and investigations

Emanating from the whistleblower hotline, an allegation was received where a company was alleged to be charging the municipality incorrect rates and getting work without following proper procedures. The matter is under investigation.

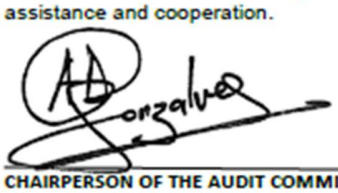
Recommendations

The audit committee recommends that:

- a close out report on the investigation into the allegations of a company charging the municipality incorrect rates and being unfairly awarded work be submitted at the next ordinary meeting of the audit committee.
- the remaining agreed upon actions (91% in progress) as reported by internal audit be resolved as a matter of priority.
- reports from the Chairperson of the risk management committee be submitted at audit committee meetings to allow for oversight into the effectiveness of the risk management function.
- the remaining agreed upon actions (59%) relating to information technology be implemented as a matter of priority.
- the improvement plans to address the shortcomings identified over the installation and replacement of water meters, and stock management process of water meters be implemented within the agreed upon timelines.
- the Accounting Officer prioritise the filling of the vacant position within the internal audit function to safeguard against prolonged limitations of internal audit at the expense of the municipality.
- the Accounting Officer ensures that the appointment of the panel of service providers for provision of internal audit services is finalised before the end of the first quarter of the next financial year.
- the Accounting Officer implement corrective actions to address prior reported findings of the AGSA to prevent a recurrence of findings.

Conclusion

The audit committee thanks council, the mayor, the chairperson of MPAC, the Accounting officer, the Chief financial officer, senior management and the administrative staff for their commitment, purposeful efforts, and cooperation with the audit committee. The audit committee relies extensively on the work of internal audit. The audit committee expresses its gratitude to the Manager: Internal Audit and her team for their assistance and cooperation.



CHAIRPERSON OF THE AUDIT COMMITTEE
A.D GONZALVES

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7.42.9 Status of Municipal Policies

Herewith a summary of municipal human resource and budget policies already reported on in separate sections:

Table 125: Status of Municipal Policies

Policy Name	Status
Staff Recruitment, Retention and Succession Plan	Adopted May 2023
Anti-Nepotism Policy	Reviewed and Adopted
SHEQ Policy	Reviewed and Adopted
EAP Policy	Reviewed and Adopted
HIV/AIDS Policy for Employees	Reviewed and Adopted
Tariff of Charges	Reviewed and Adopted
Investment and Cash Management Policy	Reviewed and Adopted
Supply Chain Management Policy	Reviewed and Adopted
Credit Management Policy (Credit Control, Debt Collection and Indigent Support)	Reviewed and Adopted
Tariff Policy	Reviewed and Adopted
Rates Policy	Reviewed and Adopted
Fraud Prevention Policy Fraud Risk Register	Reviewed and Adopted
Whistleblowing Policy	Reviewed and Adopted
Virement Policy (transfers of funds)	Reviewed and Adopted
Fixed Asset Management Policy	Reviewed and Adopted

7.42.10 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

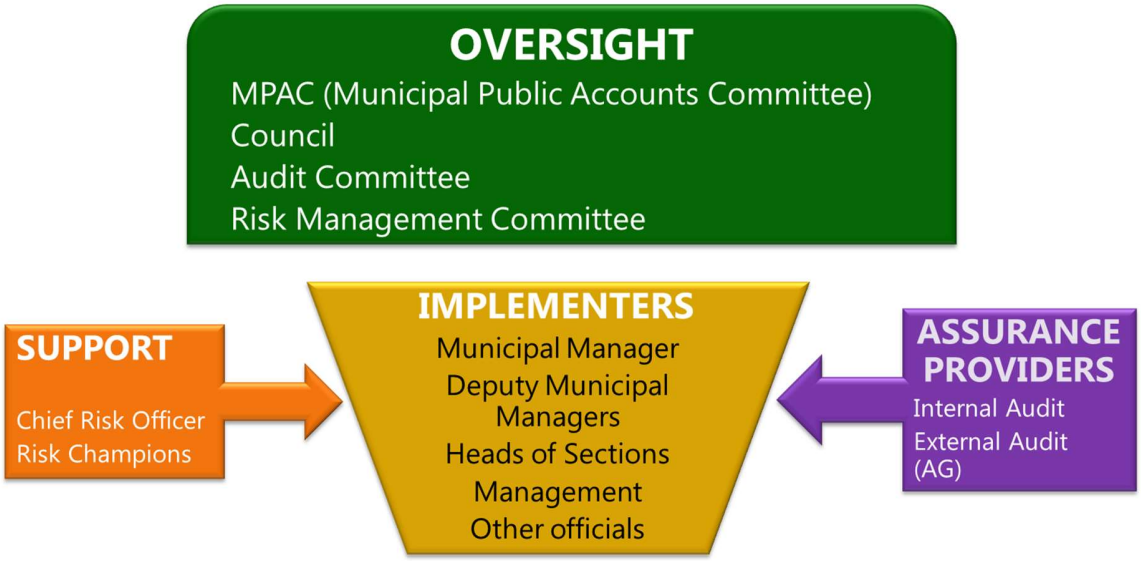
The functional key performance areas of the Enterprise Risk Management unit include:

- 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 City 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 99: Enterprise Risk Management Role Players



There are varying levels of risk maturity in local government, and the City of uMhlathuze is at an advanced stage in this regard.

7.42.11 Municipal By-Laws

uMhlathuze 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	RESPONSIBLE DEPT	ADOPTION DATE AND DMS NO
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)
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.

7.43 Public Participation Analysis

7.43.1 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.

7.43.2 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 King Cetshwayo District.

7.43.3 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 feedbac

7.44 SWOT Analysis: Good Governance and Public Participation NKPA:

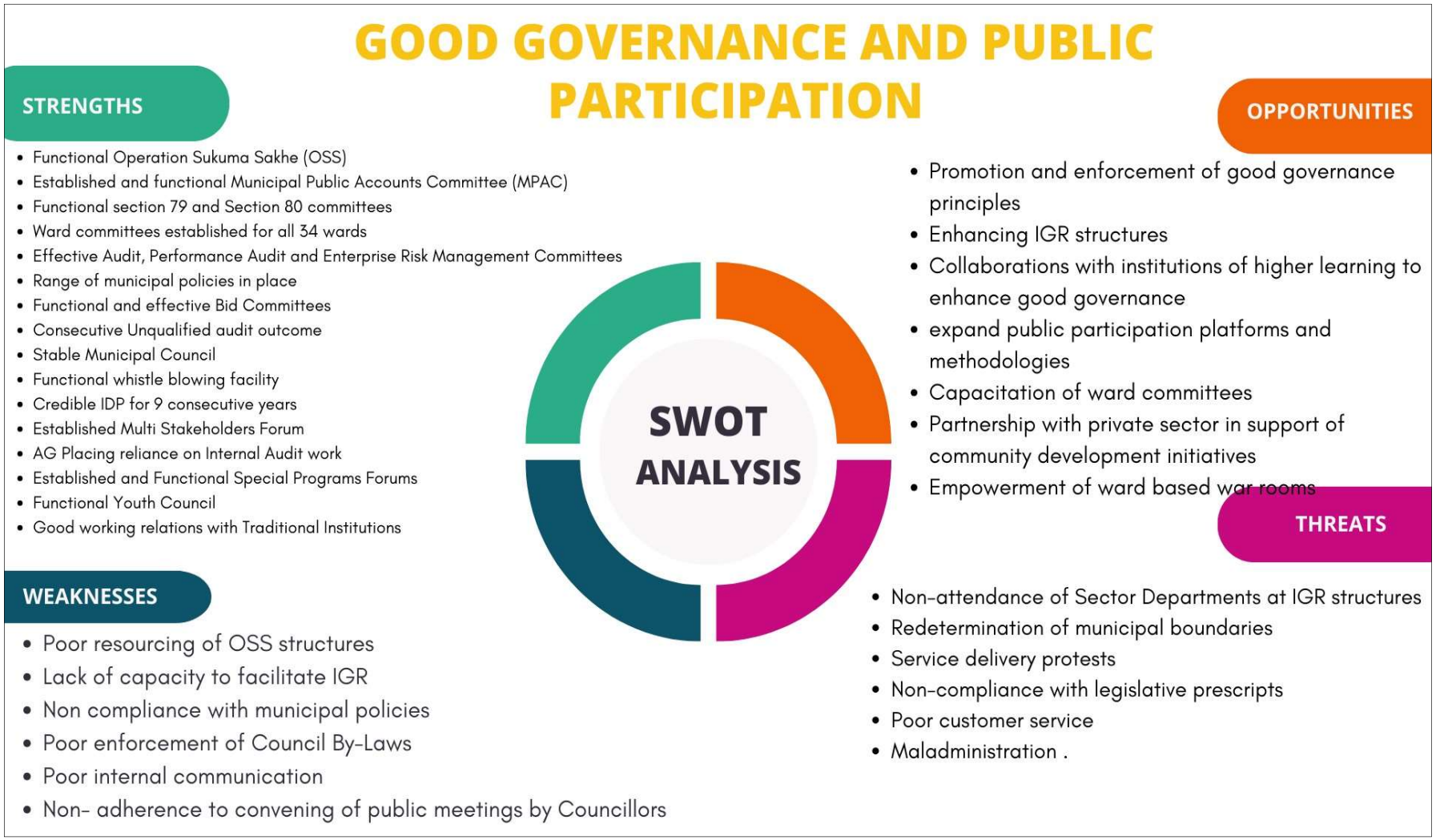


Table 126: Key Challenges: Good Governance and Public Participation

National KPA: Good Governance and Public Participation		
Ref.	**Key Challenge**	**Description**
GGPP1	Violent Community Unrests	Intermittent delivery of services has led to a number of community protests. This is a challenge as the community does not only exercise their right, however they go as far as destroying existing infrastructure Restoring of infrastructure has cost the municipality considerable amounts of money budgeted for other projects, thus delaying service delivery further. The municipality is working with the community through various established structures to consistently communicate issues of service delivery.
GGPP2	Emergence of Business and Workers Forums	The emergence of Business Forums delays project implementation which impacts negatively on the delivery of services.

8. UMHLATHUZE: COMBINED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
○ Functional Operation Sukuma Sakhe (OSS) ○ Established and functional Municipal Public Accounts Committee (MPAC) ○ 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 ○ Functional and effective Bid Committees ○ Consecutive Unqualified audit outcome ○ Stable Municipal Council ○ Functional whistle blowing facility ○ Credible IDP for 9 consecutive years ○ Established Multi Stakeholders Forum ○ AG Placing reliance on Internal Audit work ○ Established and Functional Special Programs Forums ○ Functional Youth Council ○ Good working relations with Traditional Institutions ○ Council has adopted Budget Related Policies. ○ Financial reporting and financial statements are compiled in-house ○ Funded, credible and sustainable budget ○ Alignment of budget with IDP ○ Sound Short , Medium and Long Term Financial Planning	○ Poor resourcing of OSS structures ○ Lack of capacity to facilitate IGR ○ Non compliance with municipal policies ○ Poor enforcement of Council By-Laws ○ Poor internal communication ○ Non- adherence to convening of public meetings by Councillors ○ Inadequate Contract Management ○ Turnaround time to assist departments ○ Continuous and frequent practice of budget virements ○ Poor adherence to minimum municipal business processes. ○ Poor adherence to Procure to Pay procedure (appointments with no purchase orders) ○ Value for money on programs and projects ○ Poor adherence to MSCOA business processes.

○ Sound Budget and Treasury Office (Expenditure, Revenue and Supply Chain Management) Capacity; ○ Sound Succession Planning / Internship Program ○ Continuous Unqualified and Clean Audit achievement ○ A reliable ICT system for effective functioning and efficient service delivery ○ Employee Assistance Programme ○ Cascading of PMS ○ 24 hours operational Call Centre with toll free hotline ○ Functional Local Labour Forum ○ Progressive Employment Equity Plan ○ Critical senior management vacancies filled ○ Stable labour relations ○ Well-functioning Scientific Services ○ Asset Maintenance Plans developed ○ Level 2 Accreditation for Human Settlements ○ Consistent Blue and Green Drop scoring ○ Licence Service provider of electricity services ○ Minimal electricity backlog in the municipal area of supply ○ Energy and Electricity Master Plan developed ○ NERSA Licenced Service provider of electricity services in the industrial and domestic customers ○ Successful implementation of integrated human settlements projects. ○ largest deep-water port in Africa handling bulk of South Africa's exports ○ Fair distribution of Libraries around the municipal are providing free WIFI ○ Public WiFi at select public spaces ○ Existence of University and TVET colleges as part of knowledge creation ○ Improved infrastructure to support LED ○ Richards Bay is an Economic HUB with a number of Industries operating in the municipal space ○ Richards Bay Industrial Development Zone ○ 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 provincial and local. ○ 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 ultimately impact on the areas' future spatial development. ○ High level of species diversity. ○ The coastal access have significant tourism assets for the municipality.	○ Contractor and Supplier work ethics ○ SCM Deviations & Contract variations ○ Poor implementation of Employment Equity Plan pertaining to Women and People with Disabilities. ○ Municipality has no official grading for the Administrative component of the Municipality ○ Poor Implementation of succession planning ○ Service interruptions due to ageing infrastructure ○ Electricity service interruptions due to loadshedding ○ Illegal dumping of waste ○ Inadequate investment in waste management equipment including trucks ○ Poor planning ○ Poor fleet maintenance ○ Lack of infrastructure asset protection ○ Lack of sustainable water supply ○ Water Losses ○ Electricity Losses ○ A number of informal traders operating without a license ○ Underutilization of 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. ○ Access to markets by SMME's ○ Underdeveloped tourism attraction sites and products ○ Limited human and financial resources ○ Delays in LED projects implementation ○ Shortage of skills and entrepreneurial models ○ Over reliance to the municipality to provide the LED Opportunities ○ LED opportunities centered in the urban areas ○ Limited opportunities for LED in Rural Areas ○ Funding challenges to implement Alien Invasive Strategy. ○ Funding to implement Climate Action Plan. ○ The area is inundated with a system of wetlands and natural water features. 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 municipal surface area under indigenous cover is considered largely

○ Spatial Development Framework which outlines development and investments opportunities has been developed and is in place. ○ Air Quality Monitoring Network in place. ○ Climate change Strategy and Action Plan in place. ○ RBIDZ is established in the municipal area. ○ Inclusive and integrated human settlements projects i.e. community facilities, different income groups' programmes. ○ Land Use and land development applications and building plans are being received and processed in Urban and Rural areas. ○ Standard Operating Procedure for land use, development applications and building plans applications are in place. ○ Willingness to prioritize disaster management ○ Contingency plans are in place ○ Emergency procedures in place ○ Disaster Advisory Forum is active ○ Industrial Emergency Planning Committee in place (extension of the Disaster Advisory forum) ○ Disaster Management is in the IDP ○ Fully flagged Disaster Management Centre ○ Disaster Management Plan in place ○ Head of the Disaster Management Centre appointed and a Municipal inter-departmental committee to establish in the form of Rapid Response Task Team ○ Fire Prevention code enforcement has been effective in preventing fires within the City of uMhlathuze by ensuring that Commercial & Industrial premises adhere to strict compliance measures with regards to safety standards	irreplaceable by KZN Wildlife and this complicates development processes. ○ Funding for human settlements projects. ○ Poor coordination and commitment from relevant government departments for integrated human settlements projects. ○ Ensure land use and development applications are finalised within stipulated timeframes. ○ Non-integration between SAP, GIS and management. ○ Current limited resources to handle major disasters ○ Non Availability communication system ○ Municipal Interdepartmental committee not established ○ Ageing infrastructure – Alton Fire Station ○ Funding constraints for appointing additional fire prevention officers (inadequate of staffing)
OPPORTUNITIES	**THREATS**
○ Promotion and enforcement of good governance principles ○ Enhancing IGR structures ○ Collaborations with institutions of higher learning to enhance good governance ○ expand public participation platforms and methodologies ○ Capacitation of ward committees ○ Partnership with private sector in support of community development initiatives ○ Empowerment of ward based war rooms ○ Debt Collection Ratio of 95% ○ ERP and MSCOA implementation ○ Diversification of revenue base and revenue enhancement. ○ Borrowing to invest in economic infrastructure ○ Institutionalisation of Batho-Pele Principles	○ Non-attendance of Sector Departments at IGR structures ○ Redetermination of municipal boundaries ○ Service delivery protests ○ Non-compliance with legislative prescripts ○ Poor customer service ○ Maladministration. ○ The challenges or delays relating to disputes or objections during the tender process. ○ The rejecting or declining the award of a tender by the awarded tenderer ○ Limited revenue base ○ Cost living above CPI ○ Unfunded mandates ○ Growing indigent register ○ Non-payment of Rates on rateable areas under traditional authorities

○ Implementation of the E-Government system, ○ Bursary Policy for employees and their dependants ○ Graduate Development Programmes and on the –job training offered to graduates ○ Improving diversity management ○ Latest and advanced technology adoption ○ Quality Management System for testing laboratories ○ Maintenance of acceptable standards of water quality ○ Acquisition of yellow plant and other equipment ○ Waste recycling, reduce and reuse initiatives ○ implementation of human settlement projects ○ investment in alternative water supply such as desalination, waste water reuse, underground water. ○ Energy mix ○ Poor maintenance of community facilities ○ SEDA in Richards Bay providing support to SMMEs ○ Harbour development providing impetus for large-scale industrial growth ○ Partnership with Industrial Development Zone ○ Investment in township economy ○ Industry based skills development ○ Cross boarder collaboration in investment facilitation and attraction ○ Implementation of agricultural support plan ○ Uncoordinated economic development programs across National, Provincial and Local Government ○ Richards Bay an Economic HUB thus creating opportunities for SMME's ○ There is one airport and landing strips in the municipal area. ○ Economic node in the North-Eastern parts of the Province ○ The R34 as a development corridor between uMhlathuze and Melmoth/Eshowe. ○ The P700 as a development corridor uMhlathuze and Ulundi. ○ The N2 North-South in a direction is a mobility corridor. ○ There are hierarchy of nodes and corridors in the municipal area i.e. Urban and Rural. ○ Heavy minerals provides range of economic opportunities. ○ Upgrading of existing Air Quality Monitoring Stations. ○ Monitoring of dust through dust fallout bucket system. ○ Availability of land for human settlements projects at convenient locations i.e. Restructuring Zones. ○ Continous public awareness on significance of land use and land development applications and submission of building plans in both Urban and Rural Areas. ○ Financing of disaster management vacant position as per the organogram ○ Procurement of a communication system	○ Increasing rural debts ○ Non-payment for services ○ Liquidity (Cash Flow) compromised due to ineffective projects and programs scoping and/or scope control/creep. ○ Staff low morale ○ Lack of proper implementation of the Succession Policy ○ 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 ○ Illegal connections ○ ageing infrastructure: electricity, water and roads ○ poor capital expenditure ○ theft and vandalism of Infrastructure ○ Escalating security costs of protecting infrastructure ○ changing municipal boundaries thus impacting on municipal infrastructure backlogs ○ continuous demand for waterborne sewer in rural areas ○ Growing trend of discouraged work seekers ○ Economic stagnation ○ Volatile world markets affecting prices for agricultural commodities, ○ Harsh sea conditions and Beach erosion ○ Development opportunities in Traditional Areas are limited ○ Natural disasters ○ Expanding rural densities in Traditionally Owned land without services ○ High cost of seeking employment and jobs due to sprawling spatial pattern ○ Food insecurity, crime and poverty ○ Poor investor confidence ○ Competing priorities of sustaining the natural environment and economic development ○ Distance from major economic node in the province i.e. Durban ○ Gravel roads in rural areas leads to prolonged travel time to access primary nodes. ○ 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 areas are sensitive to change and erosion remains a key concern along a coastline that is susceptible to the sea level rise. ○ Potential for exceedance of national ambient air quality standards due to unforeseen incidences.

○ Procurement of vehicles for executing the plan ○ Staffing of Disaster Management personnel ○ Finalisation of Disaster Management Centre repairs	○ The area is characterized by a complex hydrology and climate change would therefore have an impact on water resources in the area. ○ Expanding rural densities in Traditionally Owned land without services. ○ Development without statutory requirements. ○ Non-compliance with all relevant statutory Standard Operating Procedure i.e. environmental planning, town planning, air quality management, building control, outdoor advertising. ○ Outdated environmental data of which most development related decisions are based on. ○ Non-existence of corporate GIS to coordinate GIS data. ○ Municipality is partially disaster-ready (to handle major disasters should they occur) ○ The ever-growing population and Industrialization do not match the static response capacity (human, financially and equipment) ○ Socio-economic challenges that weakens resilience level to the community on self-sustainability ○ Economy of the City, first through the damage sustained by fire, second the lost time spent in repairing/replacing said commodity, and third, the finance needed to correct/fix what was damaged ○ Lives and property of the people within Council's area of jurisdiction

Table 127: Combined Key Challenges

National KPA: Good Governance and Public Participation		
Ref.	**Key Challenge**	**Description**
GGPP1	Violent Community Unrests	Intermittent delivery of services has led to a number of community protests. This is a challenge as the community does not only exercise their right, however they go as far as destroying existing infrastructure Restoring of infrastructure has cost the municipality considerable amounts of money budgeted for other projects, thus delaying service delivery further. The municipality is working with the community through various established structures to consistently communicate issues of service delivery.
GGPP2	Rising of Business Forums	The emergence of Business Forums delays project implementation which impacts negatively on the delivery of services.

National KPA: Municipal Transformation and Organisational Development		
Ref.	**Key Challenge**	**Description**
MTOD1	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 should be developed and transferred through partnership with industries and the different organizations that exist in the area.
MTOD2	Challenge in maintaining or replace ICT Infrastructure	The Municipality is responsible for its ICT infrastructure and ensuring compliance to all necessary legal prescripts.
MTOD3	Challenge in attracting and retaining suitably qualified and experienced Human Resources	Low responses on critical scarce skills during the municipal recruitment process. This due to the competition with the Private Sector, which becomes more attractive than the Public sector in terms remuneration packages.
National KPA: Basic Service Delivery and Infrastructure Management		
Ref.	**Key Challenge**	**Description**
BSIM1	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 works towards managing useful life of assets, ensure life cycle management of infrastructure, and adequate repairs and maintenance.
BSIM2	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. 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.
BSIM3	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 strive for reconstruction and integration processes.
BSIM4	Lack of quality and continuity of supply of electricity	Currently the City is experiencing major load shedding occurrences due to the National load shedding. This is affecting business and communities at large. Electricity infrastructure gets affected thus reducing life span.
BSIM5	Fleet Management challenges	The municipality is highly dependent on fleet to deliver services. Lengthy procurement process in sourcing of spares and new fleet, impact negatively on the fleet availability and overall fleet performance. Management of fleet in User Departments is a challenge.
BSIM6	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.
BSIM7	Illegal Connections	Some communities have access to water and electricity through illegal connection, such disrupts supply of services to the deserving communities.
National KPA: Local Economic and Social Development Analysis		
Ref.	**Key Challenge**	**Description**
LED1	High rate of unemployment	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.

LED2	Sluggish economic growth	Economic growth means an increase in national income/national output. If we have a slower rate of economic growth as it is currently happening – living standards are increasing at a slower rate. As a results the City of uMhlathuze is experiencing multiple effects.
LED3	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.
LED4	Increased incidents of communicable diseases	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 communicable diseases.
LED5	Pandemics/Epidemics and the associated social and economic effects	Pandemics/Epidemics creates uncertainty that cannot always be foreseen resulting in significant implications for crisis management and policy responses.
LED6	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 the 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.
LED7	Lack of funding and access to capital for projects	Improved local governance performance regarding LED requires cooperation and partnerships. The service delivery triangle relating to LED consists of three partners namely government, private sector and local communities. The funding of LED Programs and Projects requires collaborations between all the parties.

LED8	Low investment attraction and retention	Investors are attracted to a city if there are opportunities to make money. They assess the attractiveness of a city's opportunities by estimating their likely return or profit, and will be drawn to the cities which offer them the best combination of scale, risk and return. A number of factors impact this return, such as but not limited to the following: • Growth rate of businesses and jobs • Resilience of the economy • Quality and affordability of infrastructure • City vision • Strategic plan to realise vision • Attitude and consistency of leadership • Quality of city management
LED9	Limited transformation and economic growth in townships and rural areas	Due to historical spatial planning, the disadvantaged are densely populated within under-serviced townships and rural areas. There is still a high backlog in terms of developing these townships, it is important for the municipality and private sector to contribute to the development of these underprivileged areas.
LED10	Bureaucracy/Red Tape	**Red tape** within government has consistently been identified as one of the core elements which restrict business development and growth. uMhlathuze through its LED strategy is introducing ways of doing business with ease at uMhlathuze.
LED11	Land claims and Land Invasion	Rapid urbanisation is creating enormous pressure on urban land. Informal settlements and land invasions continue to grow in number and complexity. Evictions as a solution to land invasions are a measure of last resort by the municipality, its considered after all other possible alternative solutions have been explored by both the municipalities and all parties concerned within specific time frames.
National KPA: Financial Viability and Management		
Ref.	**Key Challenge**	**Description**

FVM1	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 Ingonyama Trust Board, leading to rural areas not paying for rates and municipal services remains a serious threat to sustainable revenue collection and extension of basic services to rural areas. The municipality should maintain a favourable credit balance, enhanced rate base by supporting high density developments and identify new revenue streams.
FVM2	Procurement Processes	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.
FVM3	Growing Indigent Register	There has been a sharp increase on the number of the Indigents registering for Indigent support from the municipality. This could be attributed to a number factors, one being the high unemployment rate and the economic climate where more people are losing their jobs. Another cause is the incorporated population as a result of the re-determination of municipal boundaries in 2016 This is putting a strain on the municipal fiscus as the Equitable share is not sufficient for the bulk supply of services given to indigents by the municipality, further there is no revenue that is collected from the indigent households.
FVM4	Urban- Rural Migration	The trend of people moving from urban areas to settle in the rural areas, on the basis that it's less costly to live in the traditional areas as most of the services are not paid for, further on reasons that properties are not valuated and Ingonyama Trust Land remains unrated The type of development in traditional areas (primarily Ingonyama Trust areas) poses 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;

FVM5	Unfunded Mandates	Local government is challenged by the dilemma of unfunded mandates which are an extreme manifestation of the phenomenon of governing from the centre. National government through various strategies imposes national mandates on provincial and local government at the expense of the latter. These decisions have financial implications, but come without the necessary funding for their implementation. A clear example of the latter relates to the functioning of libraries.

SECTION D: VISION, STRATEGIES, GOALS AND OBJECTIVES

9. VISION, MISSION AND VALUES OF THE UMHLATHUZE MUNICIPALITY

9.1 The Vision:

"An aspirant metropolitan Port City focused on investing in quality infrastructure and service delivery in partnership with Traditional Councils, Communities and the Private Sector"

9.2 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 ccommitment 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

9.3 Brand Promise

Vision into Action

9.4 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
- Good governance, integrity and transparency
- Innovation

- Equity, Equality and fairness
- Unity in diversity
- Compassion and dignity
- Good Customer Care
- Service Excellence
- Mutual trust and understanding
- Courtesy

10. 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 128: uMhlathuze Strategies, Goals and Objectives

NATIONAL KPA 1: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
SUSTAINABLE DEVELOPMENT GOALS: 		
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 and review of policies that will lead to improved service delivery and legislative compliance
		1.1.1.4 Compliance with the Occupational Health and Safety Act and Compensation for occupational injuries and diseases
		1.1.1.5. Development of an Integrated Development Plan within prescribed legislative guidelines
	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 to meet set standards
	1.1.4 To promote a municipal governance system that enhances and embraces the system of participatory Governance	1.1.4.1 Effectiveness of Ward Committees, Special Programs, Youth Council and OSS Structures
		1.1.4.2.Facilitation of Stakeholder and Community participation in policy making
		1.1.4.3. Implementation of effective communication strategy
		1.1.4.4. Adequate implementation of ICT Systems enabling Informed decision making and communication

	1.1.5 To promote Access to Information and Accountability	1.1.5.1 Ensure access of information in line with relevant legal prescripts
	1.1.6 To bring the organisation to an enabled risk maturity level	1.1.6.1 Implementation and maintenance of an efficient Enterprise Risk Management system and Business Continuity
	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
	1.1.8 To ensure continuous monitoring of internal controls	1.1.8.1Implementation of adequate Internal Controls
NATIONAL KPA 2 : BASIC SERVICES AND INFRASTRUCTURE PROVISION		
SERVICE DEVELOPMENT GOALS: 		
STRATEGIES	**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 Eradicate refuse removal backlogs through provision of basic waste management services
		2.1.1.5 Provision and maintenance of access roads
		2.1.1.6 Provision of public transport infrastructure facilities
		2.1.1.7 Provision and Maintenance of storm water and coastal engineering infrastructure
		2.1.1.8 Strive to improve reliability and service life of Municipal infrastructure, facilities and assets
	2.1.2 To maintain quality of services as per standard and legal prescripts	2.1.2.1 Provide a weekly domestic solid waste removal service to the community
		2.1.2.2 provision of environmental safe, effluent that meets the requirements of standards and prescripts
		2.1.2.3 Implementation of energy efficiency, and renewable energy technologies
		2.1.2.4 provision of electricity supply as per NERSA standards
	2.1.3 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.1 Improve community standard of living through accelerated development of Integrated Human settlement
	2.1.4 To ensure effective Fleet Management	2.1.4.1. Review and Implement Fleet management Plan
NATIONAL KPA 3 : LOCAL ECONOMIC DEVELOPMENT		
SUSTAINABLE DEVELOPMENT GOALS: 		

STRATEGIES	OBJECTIVES	STRATEGIES
3.1 Viable Economic Growth and Development	3.1.1 To promote the agricultural potential	3.1.1.1 Implement (and Review) Agricultural Support Plan
		3.1.1.2 Identify land to facilitate agricultural programs
		3.1.1.3 Provide support for prioritised agricultural sectors
	3.1.2 Enhanced sectoral development trough trade investment and business retention	3.1.2.1 Implement (and Review) Economic Development Sector Plans
		3.1.2.2 Develop investment promotion and facilitation plan
		3.1.2.3 Package council land to facilitate economic growth
	3.1.3 To create an enabling environment for the informal economy	3.1.3.1 Review and implement Informal Economy Bylaw and Policy
	3.1.4 Clear City identity	3.1.4.1 To promote the city as destination of choice
		3.1.4.2 Review and Implement Tourism Marketing Strategy
	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, Youth and People Living with Disabilities
		3.1.5.2 Promote economic growth by successful implementation of EPWP and CWP community based projects
		3.1.5.3 Implementation of an Enterprise Development Program
	3.1.6 Promote SMME and Entrepreneurial development	3.1.6.1 Facilitate SMMEs access to finance , markets, trading facilities and infrastructure with linked services
		3.1.6.2 Implementation of the emerging contractor development programme
3.2 Public Safety and Security	3.2.1 Provision of efficient and effective law enforcement, registration, licensing and security services	3.2.1.1 Development and implementation of a crime prevention and safer city strategy
	3.2.2 To ensure Provision of fire and rescue services	3.2.2.1 Develop and Implement a fire prevention strategy
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 Provision of a dignified burial and crematorium facilities Cater for alternate future burial option	3.3.2.1 provision of cemetery maintenance and management Provision of cemeteries
		3.3.4 Provision of dignified indigent burial service
3.4 Social Cohesion	3.4.1 To promote social cohesion	3.4.1.1 Development and maintenance of community facilities
		3.4.1.2 Review and implement of Arts and Culture Strategy
		3.4.1.3 Development of sports and recreation programs
		3.4.1.4 Develop and maintain parks facilities
NATIONAL KPA 4 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION		
SUSTAINABLE DEVELOPMENT GOALS: 		

STRATEGIES	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 Review and implement the attraction, recruitment and retention strategies.
		4.1.1.2 Review and implement Employment Equity Policy
		4.1.1.3 Review and Implement EAP Policy and plans
		4.1.1.4 Develop an effective training and development strategy and programs
		4.1.1.5 Create and maintain sound labour relations between employer and employees
		4.1.1.6 Maintenance of an organisational structure in line with organisational objectives
NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
SUSTAINABLE DEVELOPMENT GOALS: 		
STRATEGIES	**OBJECTIVES**	**STRATEGIES**
5.1 Sound Financial And Supply Chain Management	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant
		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 relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support 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 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 Apply adequate financial management methodologies
NATIONAL KPA 6 : CROSS CUTTING		
SUSTAINABLE DEVELOPMENT GOALS: 		
STRATEGIES	**OBJECTIVES**	**STRATEGIES**
6.1 Integrated Urban and Rural Development	6.1.1 To plan and manage existing and future development in a sustainable manner	6.1.1.1 Implement (and Review) Spatial Development Framework
		6.1.1.2 Development of a hierarchy of plans (i.e. precinct, nodal, concept etc.)

		6.1.1.3 Implement (and Review) Human Settlement Sector Plan
		6.1.1.4 Implement, Enforce and Review uMhlathuze Land Use Scheme
		6.1.1.5 Compliance with national SPLUMA, SPLUM Bylaw, National Building Regulations and Municipal Building Control Bylaw.
		6.1.1.6 Efficient processing of land use, land development applications and building plans
		6.1.1.7 Implement, Enforce and Review Aesthetics Bylaw
		6.1.1.8 Implement, Enforce and Review Outdoor Advertising Signs Bylaw and Policy.
	6.1.2 to ensure effective Environmental Management in compliance with legislation	6.1.2.1 Incremental development of strategic environmental assessment for the entire municipal area
		6.1.2.2 Review and implement Climate Change Action Plan
		6.1.2.3 Air quality monitoring and implementation of the Air Quality Management Plan
		6.1.2.4 Efficient processing of environmental applications
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
		6.2.2.2 management of leased municipal properties
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

10.1 SDF CHAPTER

PGDS GOAL: SPATIAL EQUITY **PGDS OBJECTIVE: 7.1 AND 7.2**

DGDP GOAL: SPATIAL EQUITY

Chapter 5 of the Municipal Systems Act (Act No. 32 of 2000) provides for the development of an Integrated Development Plan (IDP), i.e. a five-year strategic development plan. According to Section 26 of the Systems Act (MSA):

"An integrated development plan must reflect—

(e) a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;"

A Spatial Development Framework (SDF) is a visual presentation that seeks to guide the overall spatial distribution of current and desirable land uses within a municipality in order to give effect to the vision, goal and objectives of the municipal IDP, in keeping with the principles for land development. The MSA (Municipal Systems Act) Regulations (Act 32 of 2000) outlines the following specific objectives of an SDF:

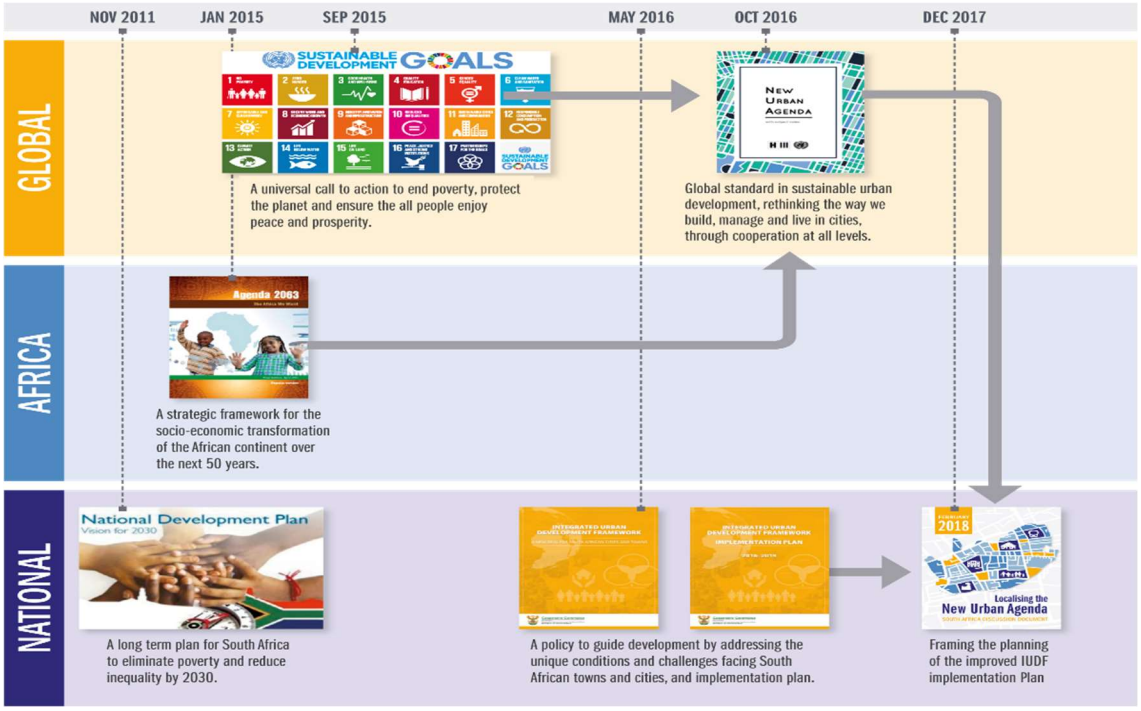
- Strategic guidance on the location and nature of development
- Set out basic guidelines for land use management
- Discourage low-density urban sprawl
- Generate social and economic opportunities
- Promote access to opportunities
- Maximize resource efficiency by: (1) protecting sensitive environments, (2) protecting productive agricultural land and (3) enhancing the regional identity and character

Section 21 of the Spatial Planning and Land Use Management Act (Act No 16 of 2013) further outlines requirements of a municipal spatial development framework.

10.1.1 POLICY CONTEXT

The global agenda and policy principles underlying planning for efficient use of land and planning for choice and quality of life are indicated hereunder. At the provincial level, KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) principles have also been aligned with national and provincial legislation, policies and strategies.

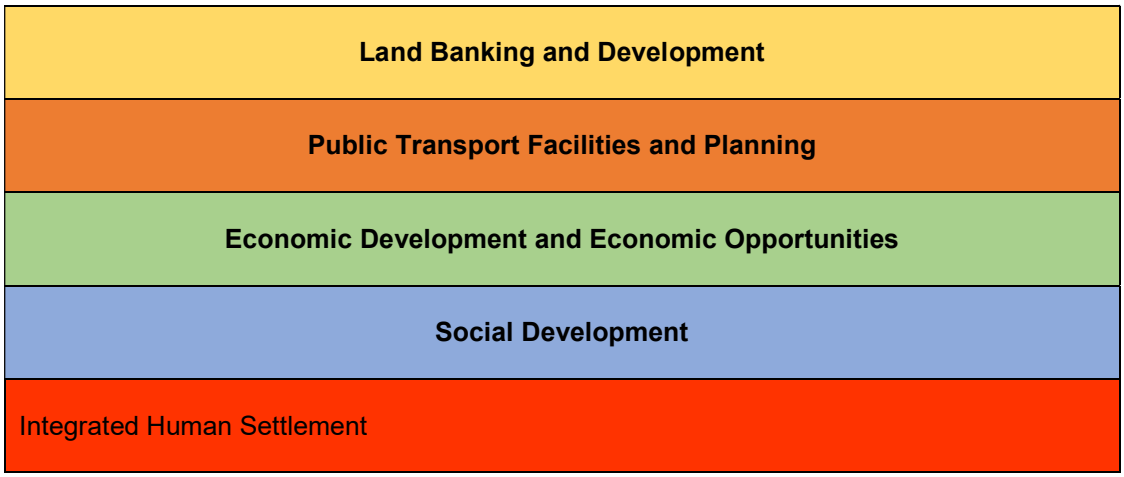
Figure 100: International and National Policy Context



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 uMhlathuze 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. Also, 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.

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 pillars of Spatial Transformation are prominent for the uMhlathuze Municipality:

Figure 101: uMhlathuze Spatial Transformation Pillars



The Spatial Land Use Management Act (SPLUMA) is an important tool to give effect to 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 129: Summary of Core Spatial Planning Principles

SPLUMA Development Principles	uMhlathuze Spatial Development Principles
Spatial Justice	Redress the spatial legacy Integrated human settlement development Redress spatial and other development imbalances through improved access to and use of land
Spatial Sustainability	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	Nodes and corridors Urban development edge
Spatial Resilience	Urban and rural integration Promote mixed use development
Good Administration	Capital investment framework, priority spending areas Cross boundary developments

10.1.2 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. Portions 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 side. 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 development of the area in the past and will definitely impact on the areas' future spatial development and configuration. There is one airport and a couple of landing strips in the municipal area. The municipal area includes vast areas of commercial farmlands as well as a number of areas that are significant from an environmental conservation 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.

10.1.3 SETTLEMENT HIERARCHY

The following table provides a summary the uMhlathuze Settlement/Nodal Hierarchy:

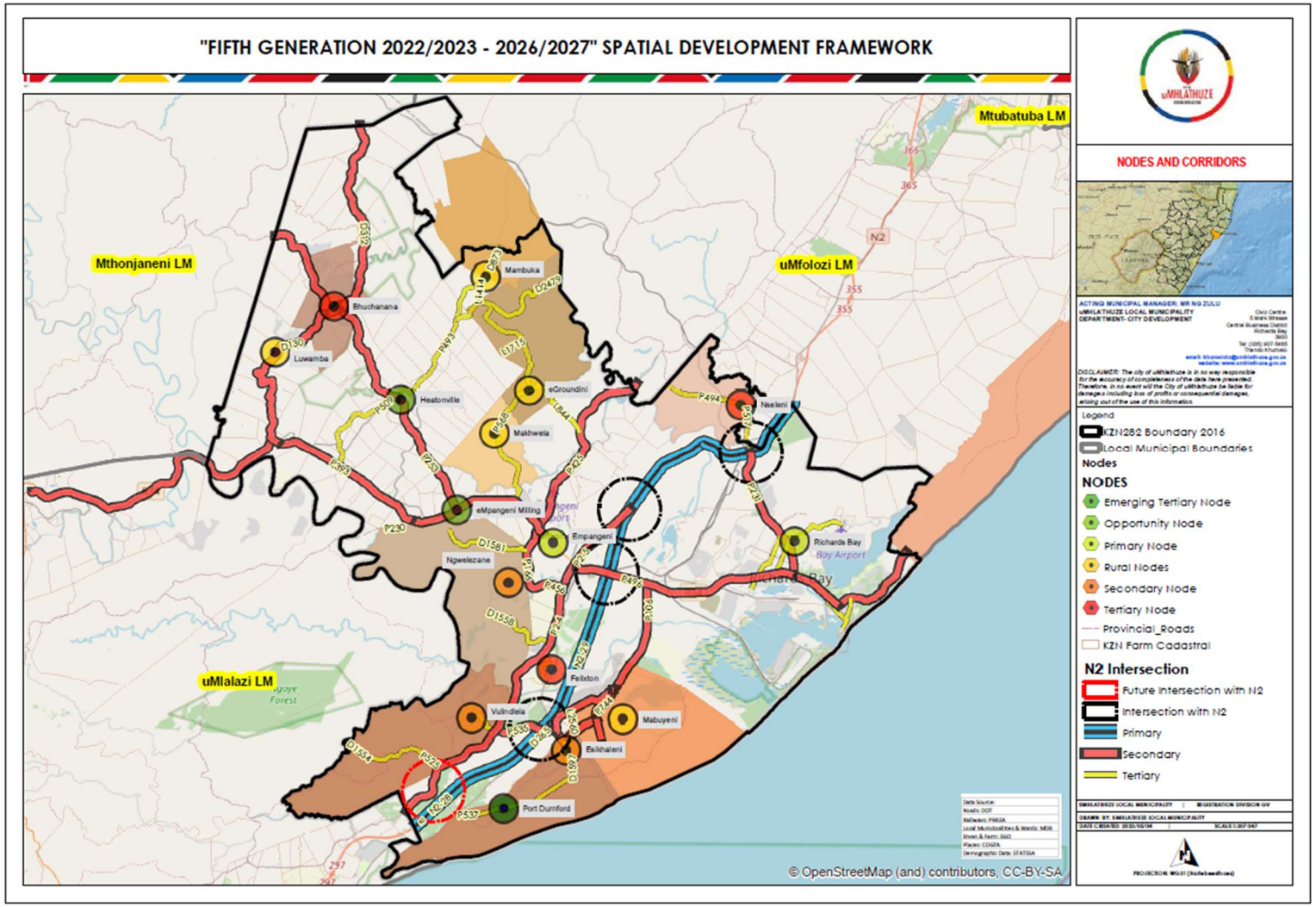
Table 130: uMhlathuze Settlement/Nodal Hierarchy

Primary Nodes Urban centre for development initiatives that are innovative based on a new ethos which aims at creating a unique sense of place and belonging, i.e. the live-work-play environment.	○ **Empangeni** ○ **Richards Bay**
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 the human scale principle. In time, secondary nodes should evolve into primary nodes.	○ **Esikhaleni** ○ **Ngwelezane** ○ **Vulindlela** ○ **Felixton**
Tertiary A socio-economic node that offers sustainable mixed use development opportunities based on a human scale principle.	○ **Felixton** ○ **Nseleni** ○ **Buchanana**
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.	○ **Port Durnford**
Rural Nodes Socio-economic nodes that offer tailor made mixed use development opportunities in close proximity for their surrounding communities.	○ **Hluma** ○ **Matshana** ○ **Mabuyela** ○ **Luwamba** ○ **Makwela** ○ **eGroundini** ○ **Mambuka**
Opportunity Nodes By virtue of their location at a major intersection or given significant passing trade, these areas offer opportunities that are not necessarily of a residential nature.	○ **Empangeni Milling** ○ **Heatonville**
N2 Intersection Nodes The intersecting of routes with the N2 poses a number of development opportunities by virtue of accessibility as well as visibility. At present, four routes intersect with the N2 either horizontally or by way of slipways off bridge crossings.	○ **Esikhaleni/N2** ○ **Jon Ross/N2** ○ **R102/N2** ○ **Nseleni/N2** ○ **P537/P525 (future)**

The above were identified given their spatial characteristics, primary land use characteristics, roles and functions to city and the region.

Corridors provide access/connectivity to the various nodes or specific points of interest listed above. To this end, corridors as transport routes have to be maintained, and, interventions are needed to make them accessible as well. With the latter it is implied that routes, such as pedestrian routes, should be created and facilities provided, i.e. gathering points (public transport points) under cover. Importantly, the levels of interventions for corridors are informed by the function and status of the corridor.
The nodal and corridor hierarchy for uMhlathuze is indicated on the map at overleaf.

Map 51: uMhlathuze Nodes and Corridors



10.1.4 LAND GOVERNANCE

The following table provides a breakdown of the land ownership in terms of hectares (Ha) and percentages (%) for the whole municipal area.

Table 131: Land Governance Breakdown

Land Owners	Area (Hectares)	Percentage (%)
Province of KwaZulu-Natal	14 167	11,49
City of uMhlathuze	4 259	3,45
Transnet	2 989	2,42
Industrial Development Zones (IDZ)	107	0,09
Ingonyama Trust Board (ITB)	63 795	51,73
Private	32 467	26,33
Lakes / Waterbodies	5 541	4,49
Total	123325	100,00

The above table indicates that 26% of land within uMhlathuze Municipality is under private ownership and 51% under the Ingonyama Trust Board which is administered by Traditional Authorities. One of the biggest municipal challenges in relation to the above is the distribution and allocation of land in the Ingonyama Trust Board land. Such land allocation is common in the peri-urban and infill areas. This situation has led to the formation of unplanned settlements which put pressure to the Municipality from services provision perspective. The main challenges associated with this type settlement pattern are:

- lack of proper planning
- limited basic services
- settlement in high risk areas
- undesirable impact on food security
- undesirable impact on prime land for grazing
- insufficient land for future social and economic facilities due to random distribution of land

The following inset provides images of the peri-urban settlement increase between 2006, 2013 and 2019 adjoining Ngwelezane.

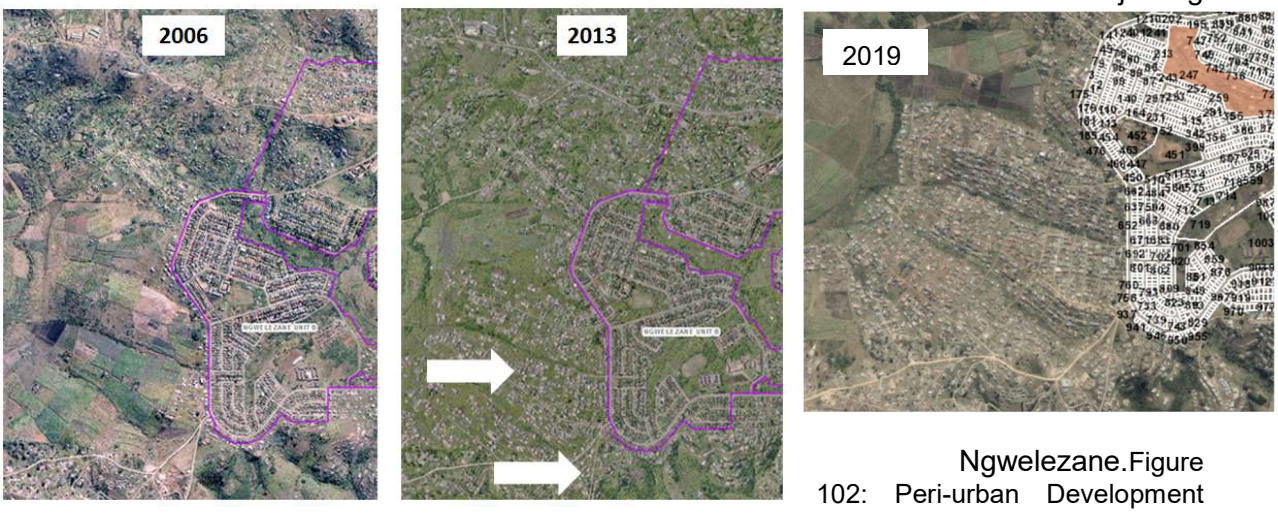


Figure 102: Peri-urban Development adjoining Ngwelezane

10.1.5 INFRASTRUCTURE AND SERVICES

i. Water and Sanitation

The Bulk Water Master Plan has taken cognizance of planned to inform bulk water/sanitation needs in future. These planned developments have been grouped by locality into the listed schemes whereby the expected demand is quantified in relation to the supply.

Various surface water sources are investigated, i.e. surface water, ground water sources, desalination and effluent re-use and the available water is compared to the water allocations and calculated current and future demands. The Department of Water and Sanitation (DWS) undertook a Reconciliation Study in context of the above and recommends a number of interventions to resolve the water sources deficit for the CoU as outlined hereunder:

- Increase capacity of the Thukela-Mhlathuze Transfer Scheme
- Kwesibomvu Dam on the Mfolozi River / Off-channel transfer scheme from the Mfolozi River
- Coastal pipeline from the lower Thukela River
- Desalination of seawater
- Effluent re-use
- Dam on the Nseleni River
- Urban Bulk industrial water efficiently
- Raising of the Goedertrouw Dam

Various interventions for every supply scheme were identified as per the summary hereunder:

Table 132: Costed Summary of Planned Interventions

Scheme Name	Estimated Cost (Escalated to 2019)
Northern Scheme	336 355 335
Empangeni Scheme	912 826 268
Western Scheme	50 126 399
Southern Scheme	265 330 641
Ntambanana Scheme	17 875 000
Nseleni Scheme	119 000 000
TOTAL	1 701 513 643

The Review of the uMhlathuze Water Services Development Plan (WSDP) took place during 2018. As part of the plan preparation the current infrastructure components were assessed and estimates of replacement and operation and maintenance costs determined as provided herewith:

Figure 103: Replacement Cost

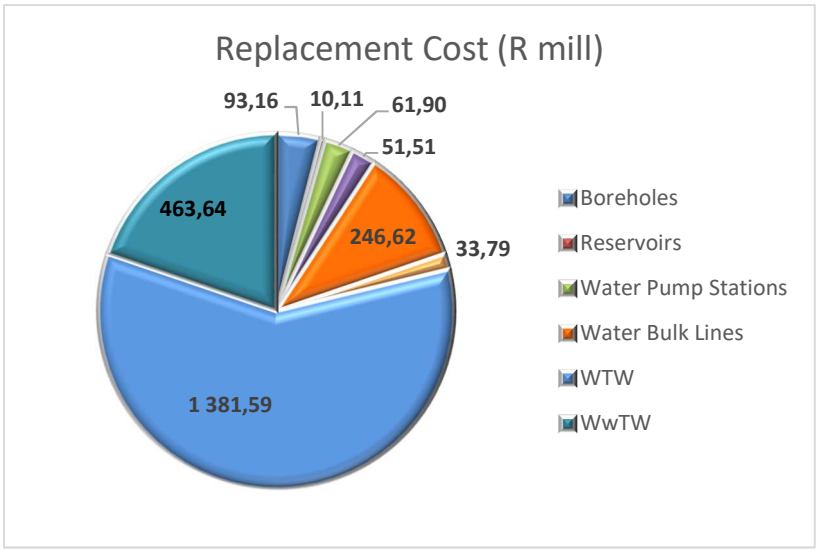
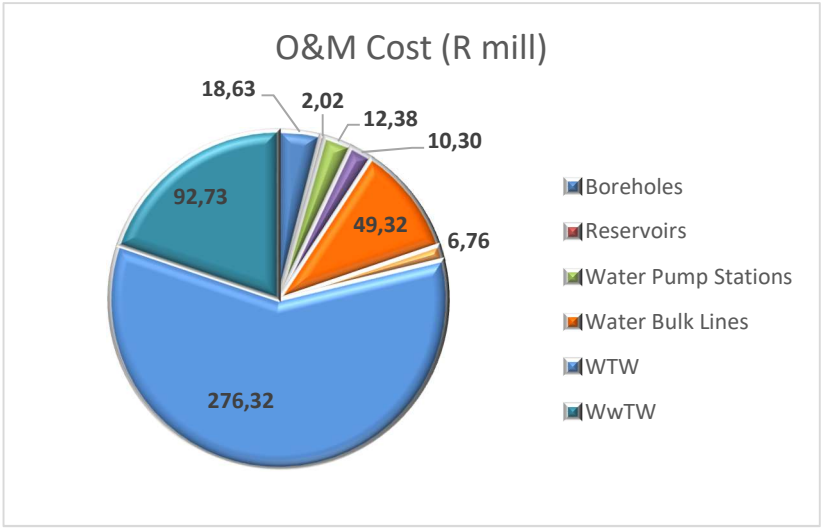


Figure 104: Operation and Maintenance Cost



The quantum of expenditure is significant and the prioritization of capital expenditure has to be informed by the Capital Expenditure Framework (CEF).The Scientific Services Section is responsible for the effective management of continually monitoring and maintaining the quality of water within the CoU. Samples from various sources are collected for analysis to determine water quality. An extensive water quality monitoring programme for drinking water has been implemented. The monitoring programme includes the following:

i. Water Treatment Works;
ii. Drinking Water Reticulation monitoring; and
iii. Wastewater Treatment Works.

A Water Quality Monitoring Programme (WQMP) has been developed and implemented. The following areas are monitored for possible pollution:

- Surface water – Lakes Cubhu & Mzingazi, Rural/urban suburbs (stormwater streams), rivers/streams/canals, industrial (stormwater streams), pumpstations (streams close to pumpstations);
- Coastal water – Alkantstrand 1 & 2;
- Groundwater – Municipal cemetery, landfill site; and
- Sewage – Industrial effluent (sewage network).

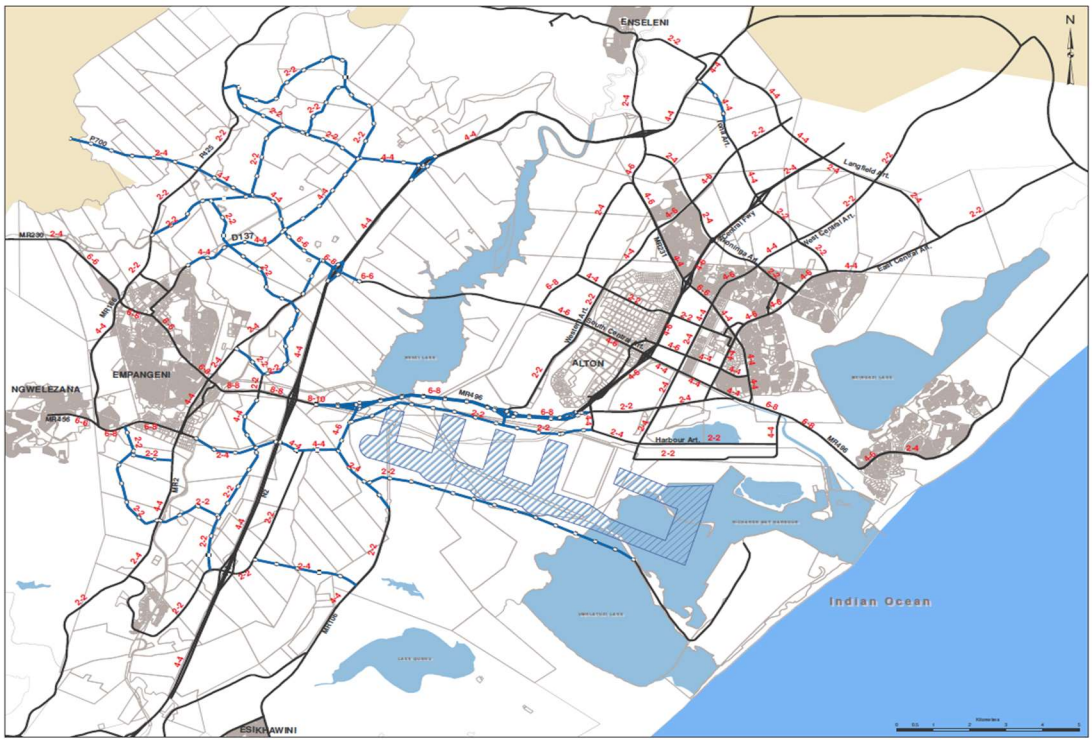
For the purposes of the (Bulk Sewer Master Plan (BSMP), the bulk sewerage system has been taken as sewers 200 mm in diameter and larger, pump stations and pumping mains associated with such sewers and sewage/wastewater treatment facilities. The IDP, SDF and Human Settlements Plan contain proposals for human settlement projects, private sector projects and expansion areas designated A to H. **Expansion areas A to H** are significant and the initial concept is that they would contain mixed land uses. The potential would be some 102 000 residential units accommodating between 255 000 and 460 000 people.

Proposed and approved developments together with an allowance for the development of expansion area C (east of Empangeni) contain some 35 000 residential units. At an annual average population growth rate of 2%, the human settlements and private sector projects of some 35 000 new units would meet the requirements to some-time between 2025 and 2030. The CoU has undertaken a study into the potential for the re-use of wastewater currently being discharged to the Alton/Arboretum marine outfall. The City of uMhlathuze is implementing a water management programme through a five-year strategic management plan for water conservation and water demand management.

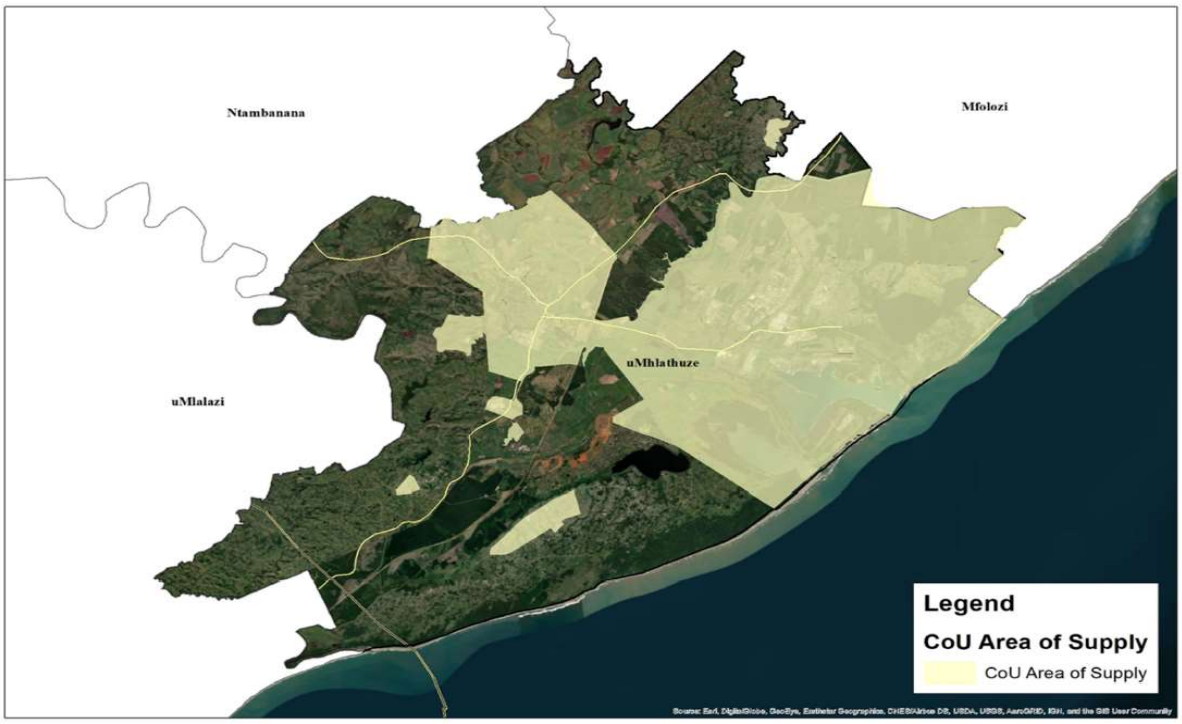
i. Roads and Ports

The Municipality has an Arterial Road Framework Plan in place that proposes additional arterial routes. Also, a Public Transport Amenities study has been completed.

Map 52: Arterial Framework Plan



The uMhlathuze Municipality has also prepared a Comprehensive Integrated Transport Plan



(CITP).

A very pertinent transport/roads matter that is having a severe impact on the Municipality is the prevailing congestion and influx of trucks into the municipal area to deliver bulk goods to the Port of Richards Bay or delivering such bulk commodities to various sites in the Municipality for temporary storage prior to delivery to the Port of Richards Bay for export. Apart from road transport planning outlined above, planning for the future development of the Richards Bay Port has been undertaken by Transnet National Ports Authority.

In 2010, an update of the Airport Master Plan was completed. The current Richards Bay Airport is nestled in the middle of residential areas, including Birdswood and Mandlazini Village. The current situation does pose challenges in terms of airport operations and future expansions.

The Municipality has identified a favourable corridor for a future airport precinct which has been the focus on an ongoing study dealing with investigating the proposed site based on aviation criteria, the Aerotropolis concept, transportation planning as well as spatial and land use elements. The Municipality is currently undertaking a fully-fledged feasibility investigation.

ii. Electricity Provision

During 2019, the uMhlathuze Municipality undertook the Review of its Electricity Master Plan to plan for the electricity needs within the licensed area of supply and prepare a 20-year plan aligned to the SDF as per the municipal area of supply.

Map 53: uMhlathuze Area of Electricity Supply

The study identified where new infrastructure should be located as well as refurbishment and renewal requirements, i.e.:

- Electricity Demand Forecast for the 20-year horizon in support of the development perspective.
- Refurbishment Assessment to gain an overall impression of the network considering the design age of the network, the prioritization of replacement and refurbishment etc.
- Distribution Network model representing the electrical networks with the CoU supply network to review the adequacy of the network.
- Recommendations for Expansion and Strengthening Requirements.
- Capital Program that allows for distribution network development and optimization; reliability requirements and refurbishment requirements.

The Municipality also prepared an Energy Sector Plan to provide a well-considered and structured approach to the delivery of energy services, considering an alternative energy future and long-term sustainability for the Municipality. The plan contains an analysis that informs possible energy solutions and concludes with suggestions and strategies for the CoU to transition to a sustainable energy future.

10.1.6 WASTE MANAGEMENT

The Municipality has finalized the Review of its Integrated Waste Management Plan. As part of the review the current status of the waste collection systems and existing disposal sites, the service delivery capacity and the needs were analyzed. As part of the plan, the Municipality has identified the following five focus points:

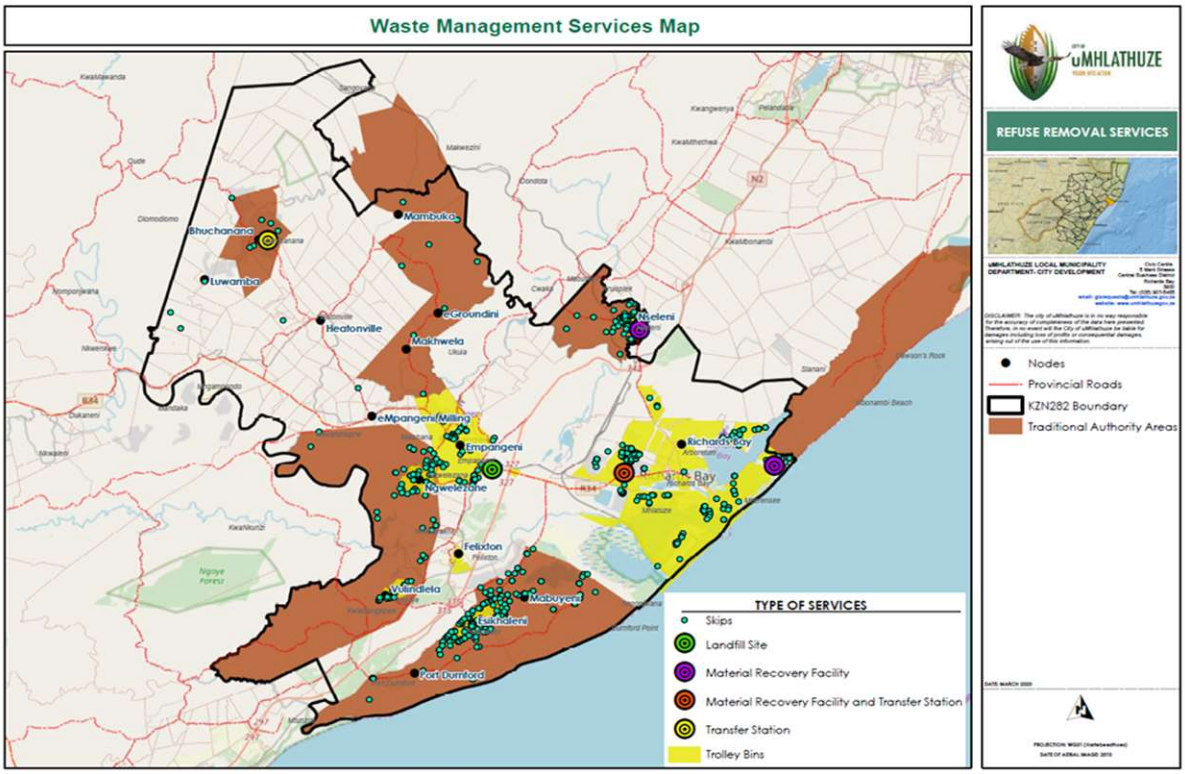
1. Illegal dumping
2. Human Resource of Waste Management Section
3. Waste Minimization (including Climate Change)
4. Waste Management Infrastructure; and
5. Recycling

In the Municipality, 81106 households are serviced (2 046 additional households since the last assessment). A free basic service is also rendered to 37 641 low-income (indigent) households. There are more than 285 skips currently dedicated to rural communities. Service delivery is accessible to at least 73.36 % when communal skips servicing rural communities and rural schools are considered.The following categories of waste are collected:

- Household
- Health Care Risk Waste
- Schools Waste
- Building Rubble
- Industrial Waste
- Mining Waste
- Commercial Waste
- Garden Waste

- Illegal Dumped Waste
- Recyclable Materials
- Hazardous Waste
- Street Cleaning Waste

Map 54: Waste Management Services



The City of uMhlathuze Municipality has a Recycling Program that responds to the implementation of waste hierarchy and to promote waste minimization, re-use, recycling and recovery of waste. To achieve this program, the following activities are promoted and are being implemented by the Municipality:

- Increase the 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
- Support the diversion of high calorific waste from landfill to recovery options

Separation of waste at source (also called Kerb Recycling) is an approach that has been demonstrated worldwide to improve the recycling rate. In addition to the Alton Material Recovery Facility and Transfer Station, the Municipality has further developed two Material Recovery Facilities and renovated the Transfer Station that was inherited from the former Ntambanana Municipality as per the IWMP implementation plan. These are:

- eNseleni Material Recovery Facility;
- Mzingazi Material Recovery Facility; and

- Ntambanana Material Recovery Facility and Transfer Station.

Garden refuse is also used for the creation of compost sites especially in rural tribal areas and farms.

10.2 ENVIRONMENTAL ASSESSMENT

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 within a legitimate regulatory framework. The uMhlathuze Integrated Development Plan (IDP) and Spatial Development Framework (SDF) 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 municipal 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 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.

10.2.1 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 coast/beaches are significant tourism assets for the municipality 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 as well as the estuary found south of the Port. The proposed development 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 area. More toward the inland, there are a number of game ranches and lodges that attract 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.

10.3 ENVIRONMENTAL SERVICES MANAGEMENT PLAN

An Environmental Services Management Plan (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. The table below shows the estimated value (at the time of preparation) of ecosystem services in uMhlathuze.

Table 133: Ecosystems Services in uMhlathuze

Environmental Services	Estimated annual value (millions)	Environmental services	Estimated annual value (millions)
Atmosphere regulation - CO2, 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

10.3.1 AIR QUALITY

In 2006, a study was initiated to assess air quality within the municipality and use this as one of the tools to inform their Spatial Development Framework and to ensure all environmental aspects were considered for current and future planning. This is in line with the City's vision and mission statements, which stress the improvement of quality of life through sustainable development.

In order to achieve the main objective of the study, the following steps were followed:

- 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.

Recently the Municipality initiated the preparation of an Air Quality Management Plan (AQMP) for its area of jurisdiction. The following nine (9) objectives were scoped during the compilation of the AQMP:

Objective 1: Goal setting
Objective 2: Baseline Air Quality Assessment
Objective 3: Air quality management system (AQMS): including all components
Objective 4: Gap and problem Analysis

Objective 5: Intervention strategies
Objective 6: Action plans implementation
Objective 7: Draft Air Quality Management Plan
Objective 8: Final Air Quality Management Plan
Objective 9: Capacity Building

The AQMP is has ben adopted by Council and is in its stage of implementation.

10.3.2 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.

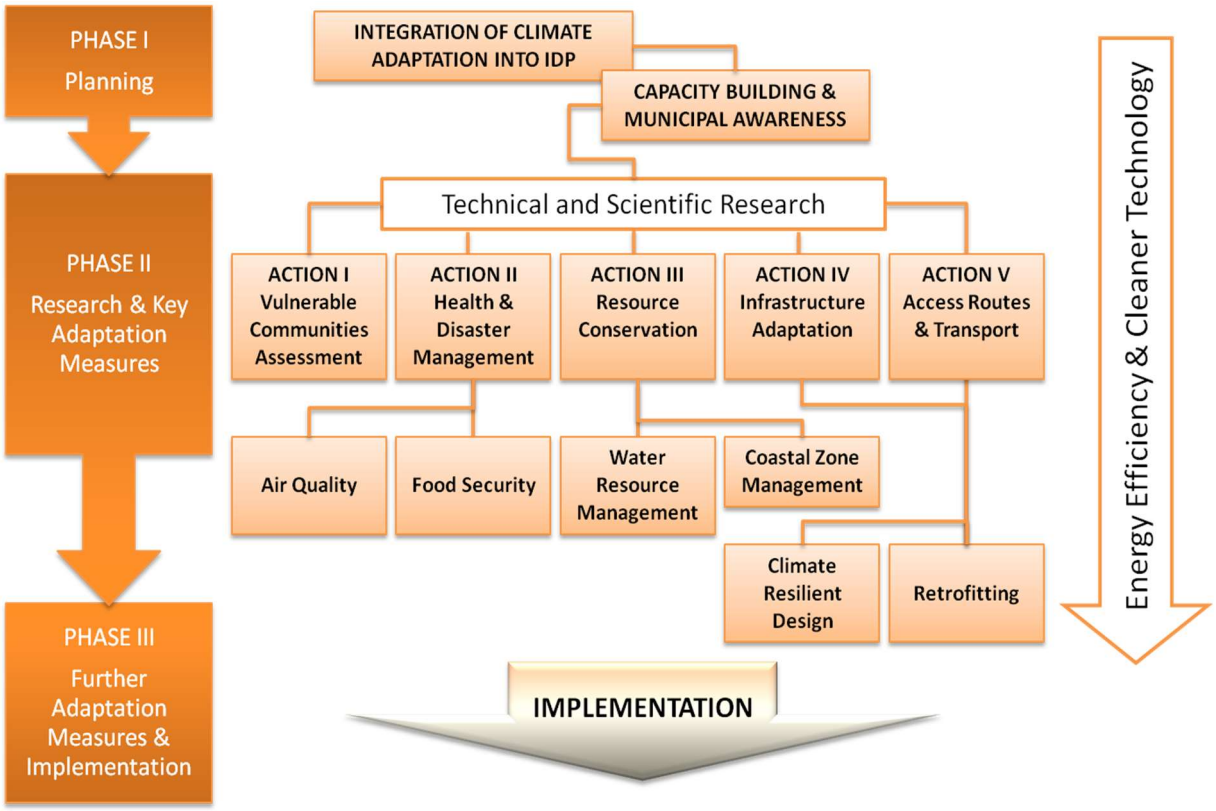
Coastal Erosion:
As is the case with most coastal municipalities in KwaZulu-Natal, the Municipality has encountered severe coastal erosion, which requires a management response that would prevent further loss of beaches, damage to property and infrastructure. Being predisposed to disruption of natural wave action because of the Port entrance, 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.

10.3.3 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 Strategy 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 105: Phased Approach to Municipal Action Plan



The Climate Change Strategy was integrated into the Integrated Development Plan. 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;
1. An overview of the uMhlathuze climate risk profile and associated vulnerability for the Municipality;
2. 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;
3. Development of a Climate Change Action Plan which focuses on priority climate adaptation and mitigation interventions;
4. Strategic Partners and Global affiliations to scale up on climate actions; and
5. Institutional arrangements, which talks to the establishment of a formally constituted committee to implement and report on the climate change action plan.

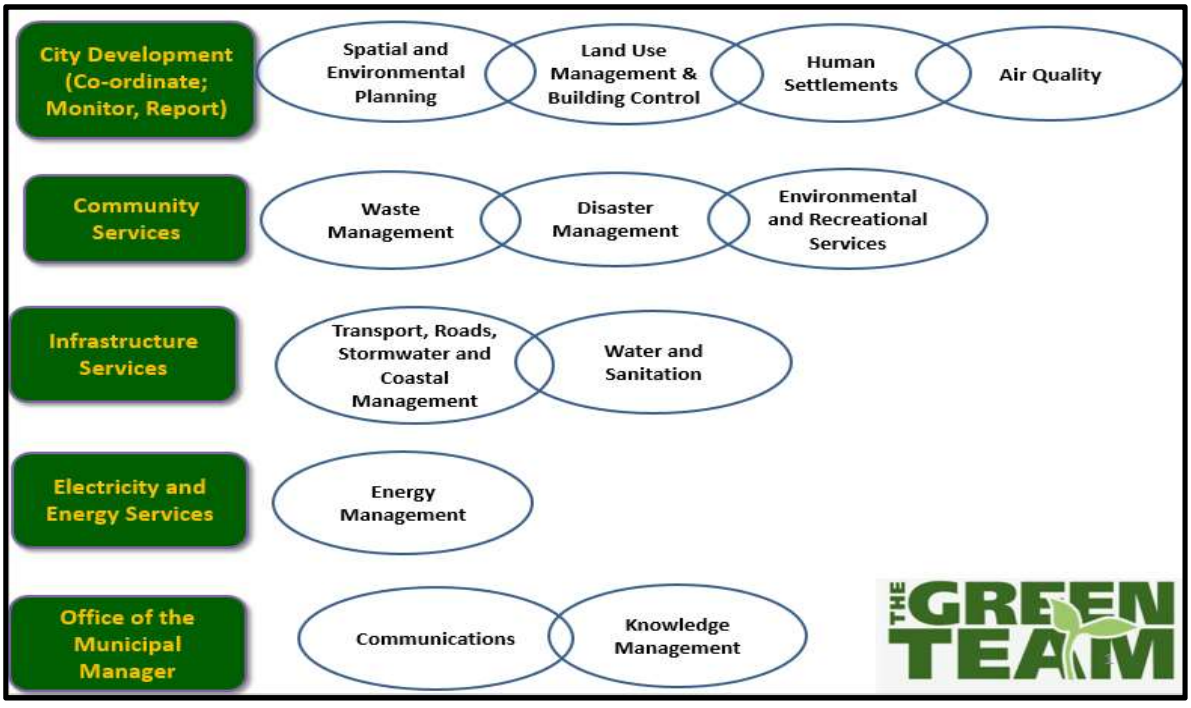
The Climate Change Action Plan (CCAP) is essentially the implementing arm of the Climate Change and Energy Strategies. The objective is to prioritize selected interventions in accordance with the following sectors:

i. Coastal Management
ii. Water Resources Management
iii. Stormwater Management
iv. Open Space and Biodiversity Management
v. Waste Management
vi. Energy Management
vii. Integrated Transport Planning
viii. Spatial Planning, Land Use and Designing for sustainability
ix. Human Settlement Planning
x. Disaster Management Responses
xi. 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 uMhlathuze 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 106: Composition of the uMhlathuze Green Team



10.3.4 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 (ESMP) 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, savannah and thicket of the upper
- Portion of the Mhlathuze catchment within KZ282 (landscape 13)
- Lake Mzingazi and environs (landscape 8)

The greater uMhlathuze Municipal Area supports more than 170 Red 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 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 134: Biodiversity Significance

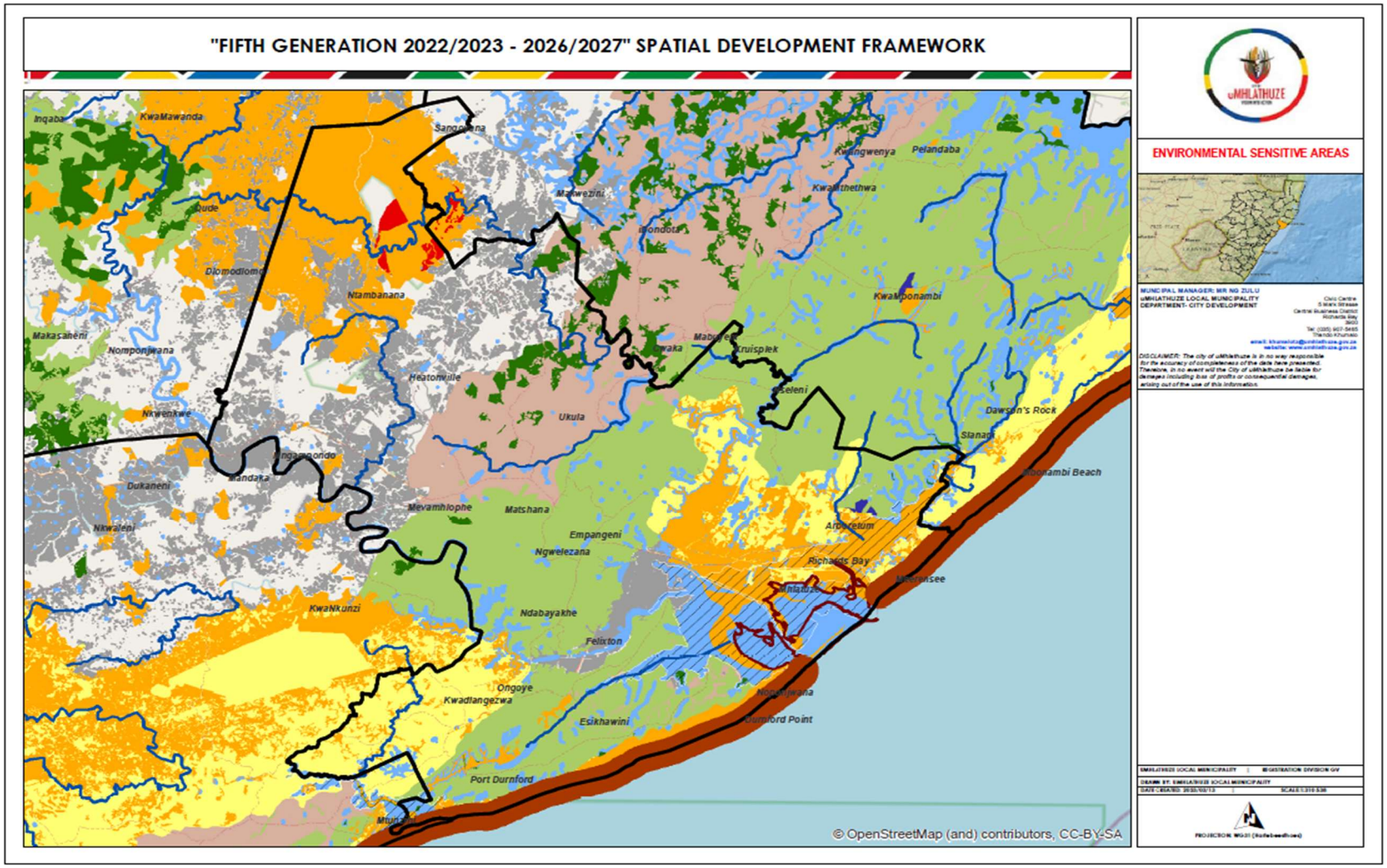
Vegetation Type	Red Data Species (Significance)	Conservation Target
Grasslands	124	100 % following a detailed survey. Conservation of a substantial portion of the remaining natural asset in the region is required if conservation objectives are to be pursued
Forests	90	
Nseleni River/Lake Nsezi System	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.

At overleaf, mapping of the Environmental Sensitive areas in the municipality as derived from the King Cetshwayo District Municipality (KCDM) Strategic Environmental Assessment (SEA) has been provided.

Map 55: Environmentally Sensitive Areas



10.4 UMHLATHUZE SPATIAL DEVELOPMENT FRAMEWORK

Uncertainty and rapid change has become the norm in the World. Natural disasters are more frequent and intense and the 2020/21 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.

10.4.1 SPATIAL DEVELOPMENT ISSUES

The following provides a consolidation of the sectoral key development issues/consolidated themes that have been extracted from the various analysis undertaken during the preparation of the SDF Review.

Access to Services

i. The municipal area of uMhlathuze has increased by roughly 50% following the 2016 Local Government Elections. The 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, 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 are 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 that that do not have access to piped water (61%) 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. At present, the Municipality has five wastewater treatment works (WWTW) and a marine outfall and a PPP (Public-Private-Partnership process) 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.
viii. A very pertinent transport/roads matter that is having a severe impact on the Municipality is the prevailing congestion and influx of trucks into the municipal area to deliver bulk goods to the Port of Richards Bay or delivering such bulk commodities to various sites in the Municipality for temporary storage prior to delivery to the Port of Richards Bay for export.

Governance and Partnerships

i. More than 50% of the municipal area is under the jurisdiction of Ingonyama Trust Board (ITB). Whereas the Municipality has extended its Land Use Scheme (LUS) to cover the whole municipal area, challenges with the management of rural land remain from a development control perspective.
ii. 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.
iii. Cooperation between the Municipality and SOE's (State Owned Enterprises) is 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.
iv. 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

i. 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.
ii. Linkages between areas of opportunity and densely populated areas need to be improved by way of improved roads/routes and public transport facilities.
iii. 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.

iv. 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.
v. Existing bulk infrastructure capacities will have to be increased at all nodes and growth areas to accommodate increased densities and expansion/development.
vi. 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.
vii. 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.
viii. 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, i.e. the recent COVID-19 pandemic.
ix. Increasing densities is an objective of the IUDF. Densities can be maintained during a pandemic such as COVID 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

i. Vast peri-urban settlements lack proper planning and are often located in environmental high risk areas compromising their sustainability.
ii. 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.
iii. 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.
iv. 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

i. 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.
ii. The uMhlathuze Municipality has Restructuring zones and Priority Housing Development Areas that have also been gazetted.
iii. Informal Settlement Upgrade and Relocation Plans for seven identified information 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

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.
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 and a fully-fledged feasibility (as a PPP process) is underway.

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:

- Spatial Development Vision
- Settlement and Corridor Hierarchy
- SDF Expansion Areas
- Intervention Areas
- Integrated Human Settlement (Restructuring Zones & NUSP)
- The Suite of Plans
- Strategic and Catalytic Projects

10.4.2 Spatial Development Vision

The Municipality embarked on a consultative process for derive a spatial development vision. As part of the process, the following key principles were identified:

Diversity:	Nurturing, encouraging and enabling diversity on all fronts, such as cultural, traditional, religious, gender, ability, etc.
Sustainability:	Institutional, ecological, social and financial.
Choice:	An area where people are able to exercise free will and have access to choice and opportunity.
Accessibility:	Enabling upward mobility.
Quality of life:	Quality shared public spaces.
Mobility:	Ability to progress and an adaptable environment.
Affordability:	For all, especially public services.
Shared societal dividends:	Happiness, hope, health, safety and well being
Equality:	An administration that regards all residents as equal.
Equity:	An administration that seeks to improve equity. One that is fair and just.
Inclusivity:	An administration that deliberates seeks to include the marginalized (gender, age, race, ability.
Avant garde:	Taking a long term view, forward thinking and thinking outside the box.
Democratic:	Meaningful consultative processes.
Efficiency:	Judicious use of public resources

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"

10.4.3 Settlement and Corridor Hierarchy

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 135: Summary of uMhlathuze Settlement Hierarchy

PRIMARY SETTLEMENTS	RICHARDS BAY AND EMPANGENI
o Centres of employment, industrial and commercial activity. o Continue to serve as main municipal administrative centres. o Main public transportation nodes (Richards Bay Taxi City and Empangeni A and B-Ranks). o A range of specialized services and facilities are available to a larger hinterland.	
SECONDARY AND TERTIARY SETTLEMENTS	ESIKHALENI, NSELENI, VULINDLELA, NGWELEZANE AND FELIXTON
o Formalized towns, mainly residential in nature. o 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. o Opportunity to formalize better employment opportunities at all secondary settlements.	
PERI-URBAN AREAS	UNFORMALIZED AREAS MAINLY ADJACENT TO THE FORMALIZED SECONDARY NODES OF ESIKHALENI, VULINDLELA, NSELENI AND INCLUDES MZINGAZI AND PORTIONS OF MANDLAZINI
o 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. o In-situ rural housing projects not necessarily viable as a result of high densities. o Opportunities for formalization for some of these areas. o Township establishment possible on municipal land but limitations exist on Ingonyama Trust Board (ITB) land. (Note: The Mandlazini and Mzingazi area, albeit considered part of the Richards Bay formal area, are in the process of formalization)	
OPPORTUNITY NODES	HIGHLY ACCESSIBLE AREAS WITH UNTAPPED POTENTIAL
o Characterized by good accessibility but very limited development economic opportunities. o Potential to provide services and economic opportunities to surrounding hinterland	
o RURAL SETTLEMENTS	o 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:

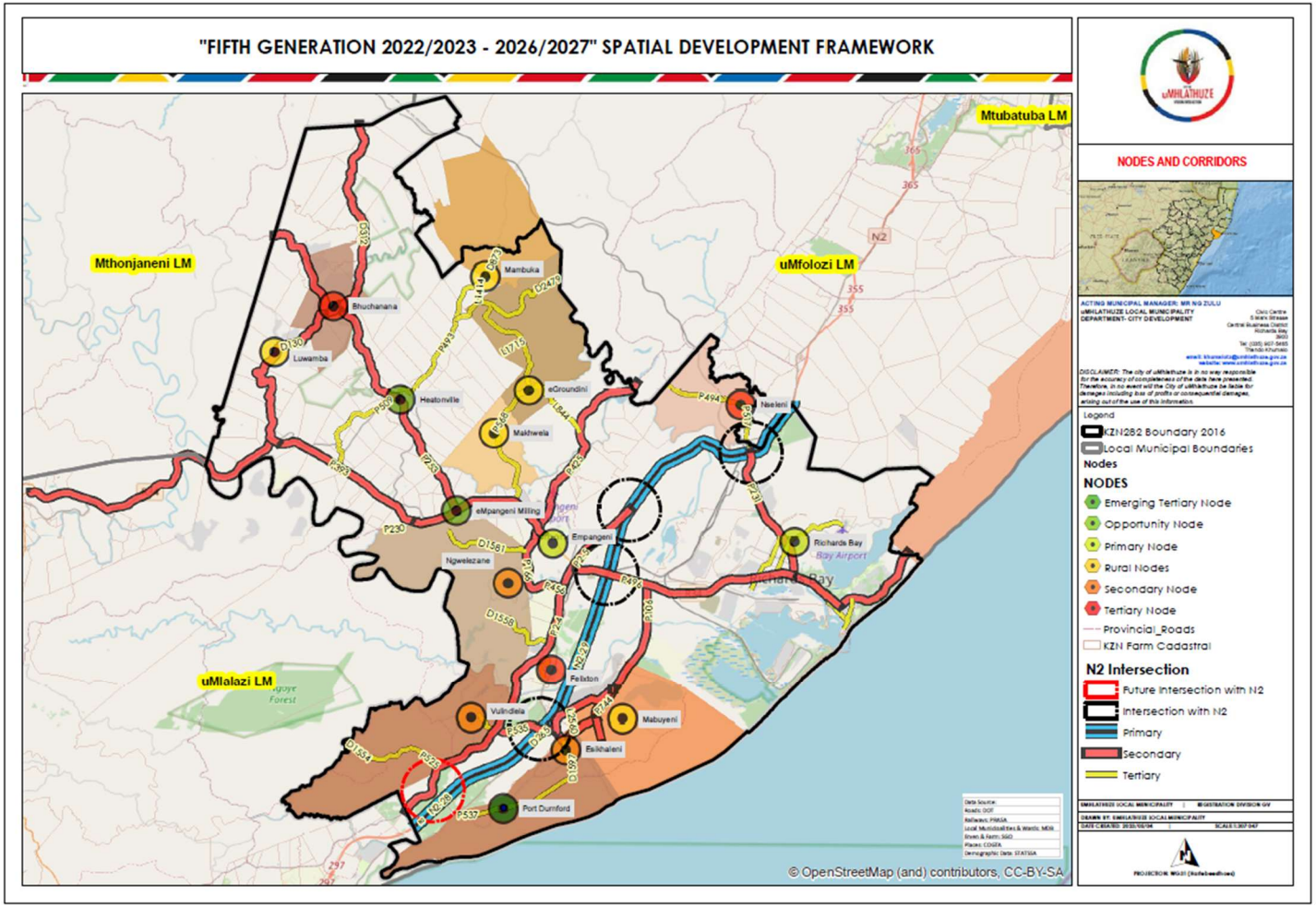
- SP231, MR166, P425, P2-4, P2-5, P535, P106, Part of John Ross Highway (from Mzingazi Canal to Meerensee Suburb sections), North Central Arterial and Anglers Rod are classified as Secondary Corridors as they provide access and linkages between the nodes the surroundings.
- P231/ North Central Arterial/Part 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, Mondi-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.

At overleaf, the municipal nodal and corridor hierarchy is indicated.

Map 56: Nodes and Corridors in uMhlathuze



10.4.4 SDF EXPANSION AREAS

A future development scenario has been quantified for the Municipality based on the following premise that there will be an increase in economic activity as well as an increase in population.

Expansion areas were identified by considering various spatial informants and approaches, 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 (in line with legislative requirements) 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 136: 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

10.4.5 INTERVENTION AREAS

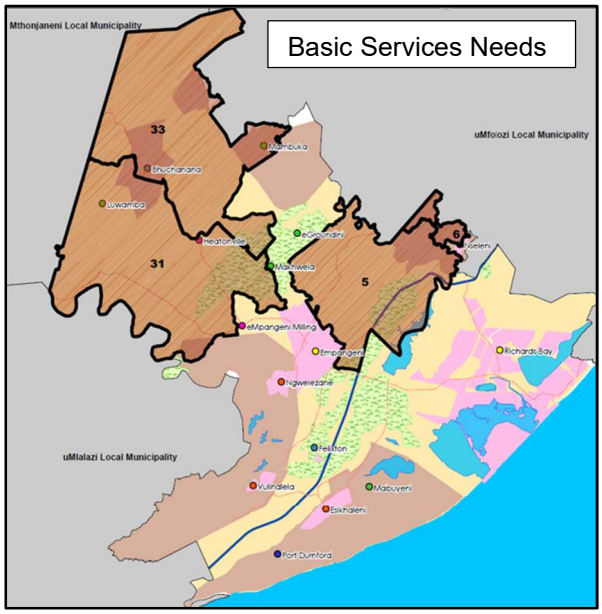
Spatial intervention areas refer to specific areas where deliberate actions from either the district/local municipality or any other tier of government can improve on a situation that prevails in the area. A number of open spaces in the municipal area have been settled in an informal manner, i.e. without 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, public open spaces as well as environmentally sensitive areas.

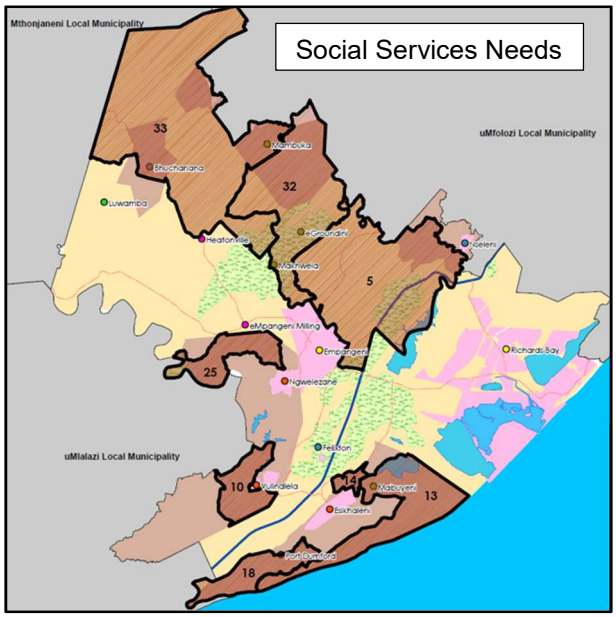
The identification of spatial intervention areas, for remedial action, is working toward achieving the desired spatial pattern. The following intervention areas are proposed in the uMhlathuze Municipality:

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 (and if required de-densifying 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.

Analysis indicated and confirmed that the municipal poverty pockets correlate to the rural, predominantly Traditional Authority areas. As per the inset hereunder the poverty pockets, based on access to basic services and access to social infrastructure.

Inset 1: Municipal Poverty Pockets





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

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

The municipality has responded to the above situation with prioritizing significant infrastructure investment, with a focus on service delivery in rural areas, as per the following table:

Table 137: Summary of Service Delivery Investment for Rural Areas

Project Description	2023/2024	2024/2025	2025/2026
Water Tankers	R4 400 000	R6 600 000	-
Sustainable Rural Roads (Ngamla eNIWE)	R7 640 000	R8 484 000	R8 000 000
Skips	R1 500 000	R2 000 000	R3 000 000
Rural Sanitation (VIPs)	R30 000 000	R37 839 900	R43 428 000
Ntambanana Boreholes	R4 000 000	R5 000 000	R5 000 000
Ntambanana Bulk Water Supply	-	-	R5 614 300
Mkhwanazi North – Zone J	-	R15 000 000	-
Mkhwanazi North – Zone Z	-	R15 000 000	R10 000 000
Mkhwanazi North – Zone G	R10 000 000	-	-
Ntambanana Water Reticulation	R25 000 000	R15 000 000	R20 000 000
Empembeni Bulk and Reticulation	R10 000 000	R15 000 000	R40 000 000
Madlebe (Bomvini) Reservoir 6 Upgrade	R1 500 000	R5 000 000	R1 500 000
Madlebe (Iniwe) Reservoir Upgrade	R1 500 000	R5 000 000	R2 000 000
High Mast Lighting Installation in Traditional Areas	R4 000 000	R4 000 000	R4 000 000
TOTAL	R99 540 000	R133 923 900	R142 542 300

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. The municipality has a five phase plan for the preparation of Rural Development Framework Plans and the implementation of proposals has to be prioritized.

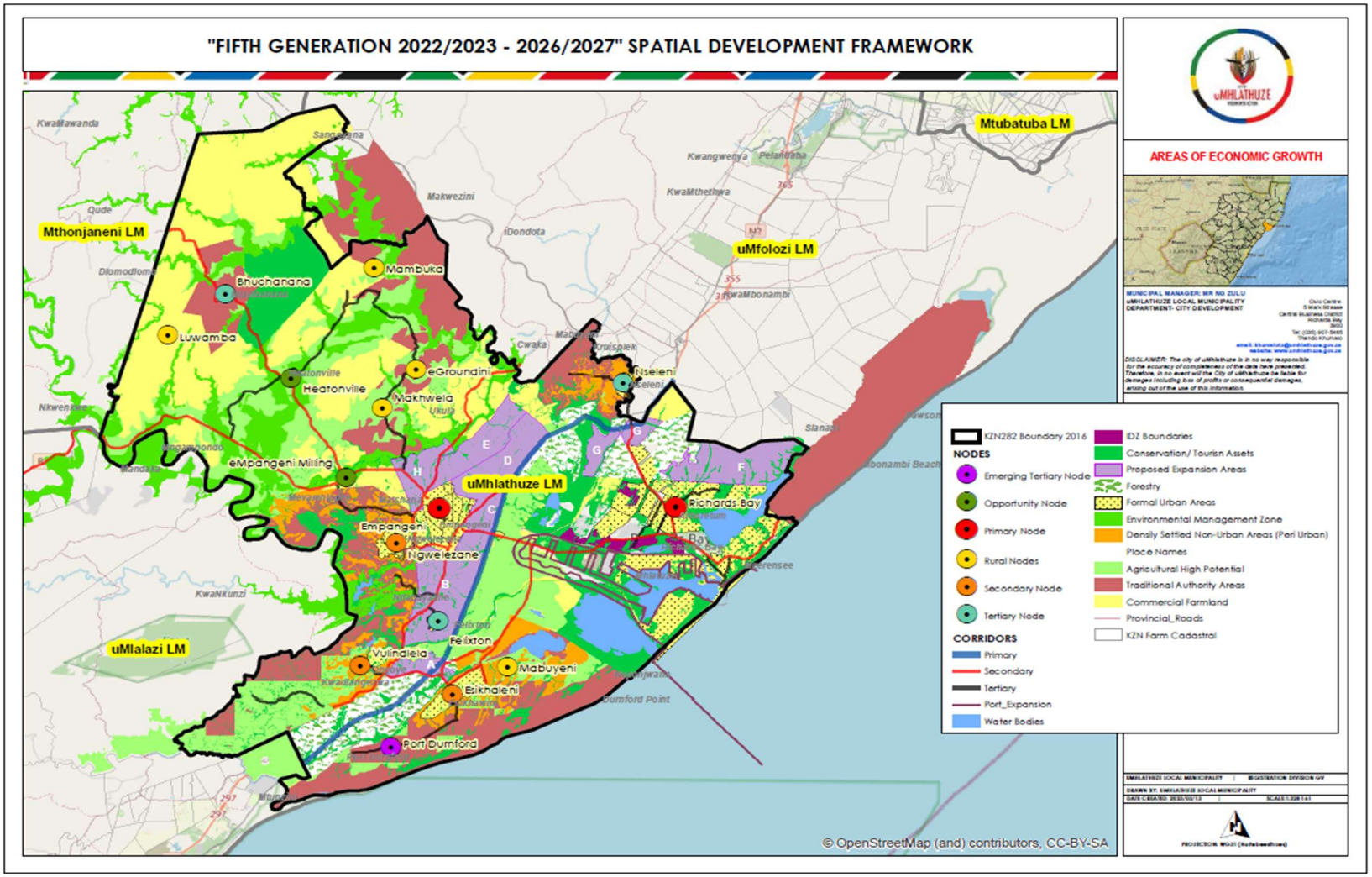
The following table illustrates the complete phasing approach for the preparation of the proposed Rural Development Framework Plans.

Table 138: Phasing of Rural Development Framework Plans

Phase	Project Name
1	Port Dunford Rural Development Framework Plan-Mkhwanazi Traditional Authority - completed
2	Buchanana Rural Development Framework Plan-Obuka Traditional Authority – completed
3	Hluma Rural Development Framework Plan-KwaBhejane Traditional Authority – completed
4	Mabuyeni Rural Development Framework Plan-Madlebe Traditional Authority
5	Matshana Rural Development Framework Plan-Dube Traditional Authority

A series of spatial intervention mapping for uMhlathuze Municipality is shown at overleaf, notably areas of economic growth and development as well as settlement intervention areas.

Map 57: Areas of Economic Growth and Development



The need to consolidate all environmental studies undertaken independently for the respective former municipal areas.

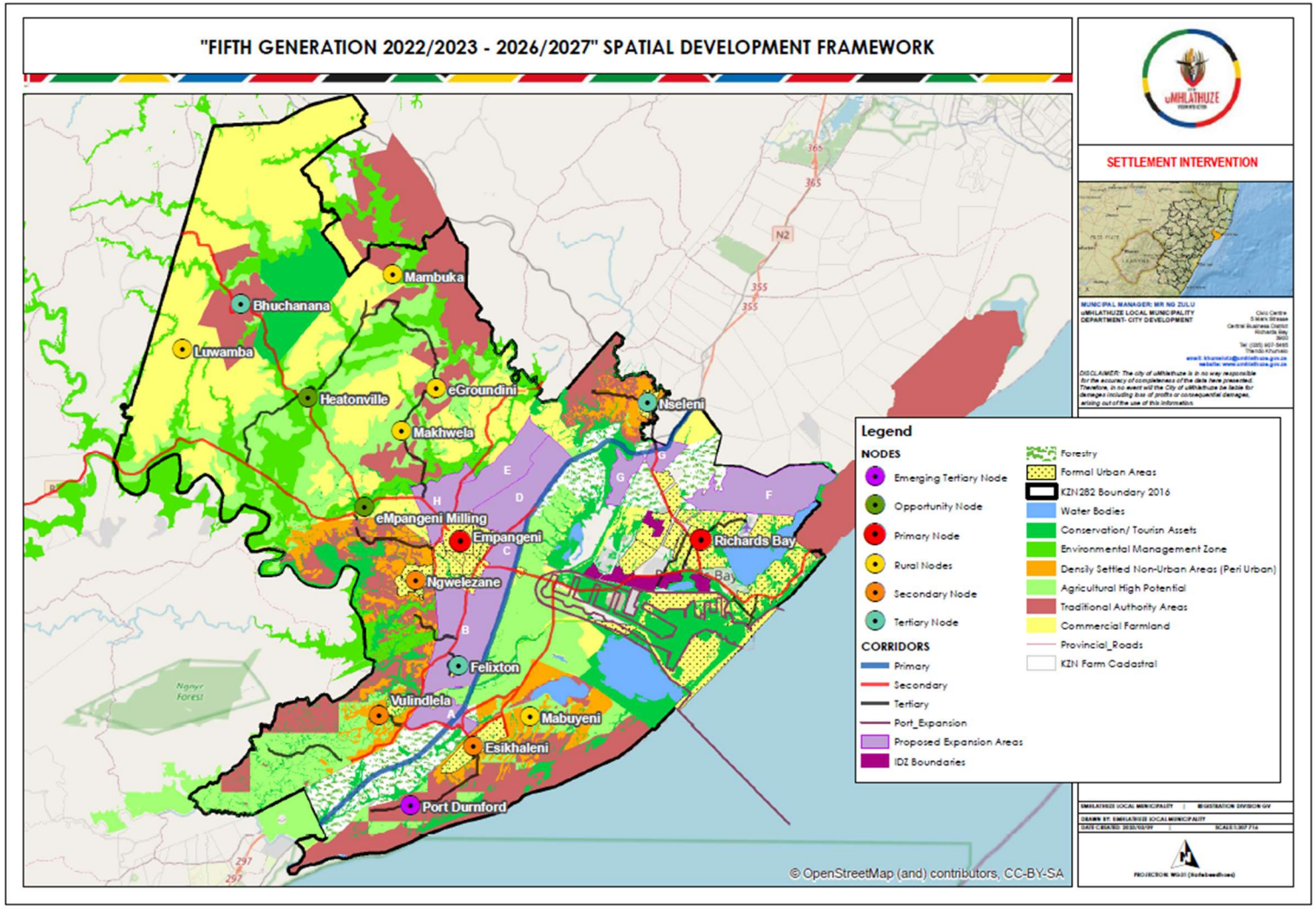
The protection of strategic agricultural resources but also the initiation of interventions aimed at achieving maximum poverty alleviation and economic growth.

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.

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.

Map 58: Settlement Interventions



Primary Nodes

Review of 2006 Richards Bay 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 IRDP. Further Development of Dumisani Makhaye Village (DMV) as an 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.

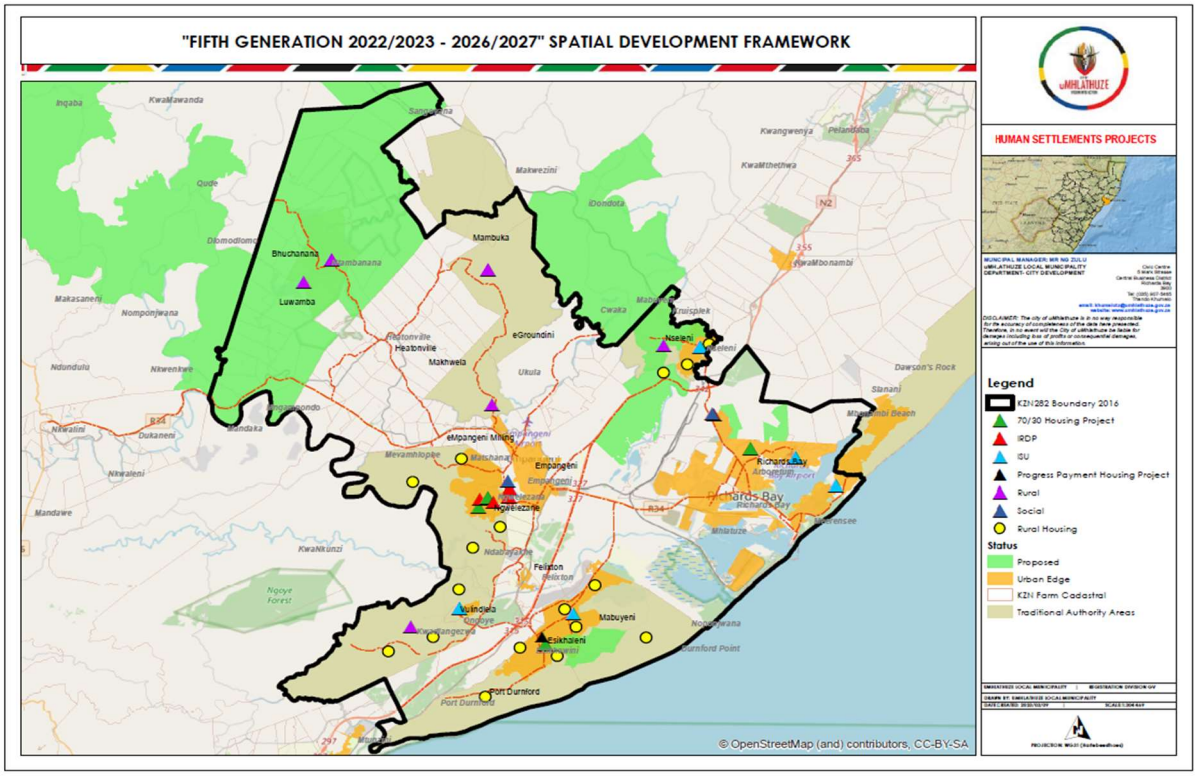
Tertiary Nodes

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

10.5 INTEGRATED HUMAN SETTLEMENTS

The following inset provides an indication of the locality of public (and private) human settlement interventions in the Municipality.

Map 59: 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.

10.5.1 PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS

The former Minister of Human Settlements, Water and Sanitation declared 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) across the entire country. These were gazetted on 15 May 2020 gazette number 43316. The PHSHDAs intend to advance Human Settlements Spatial Transformation and Consolidation by ensuring that the delivery of housing is used to restructure and revitalize towns and cities, strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms.

This is 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

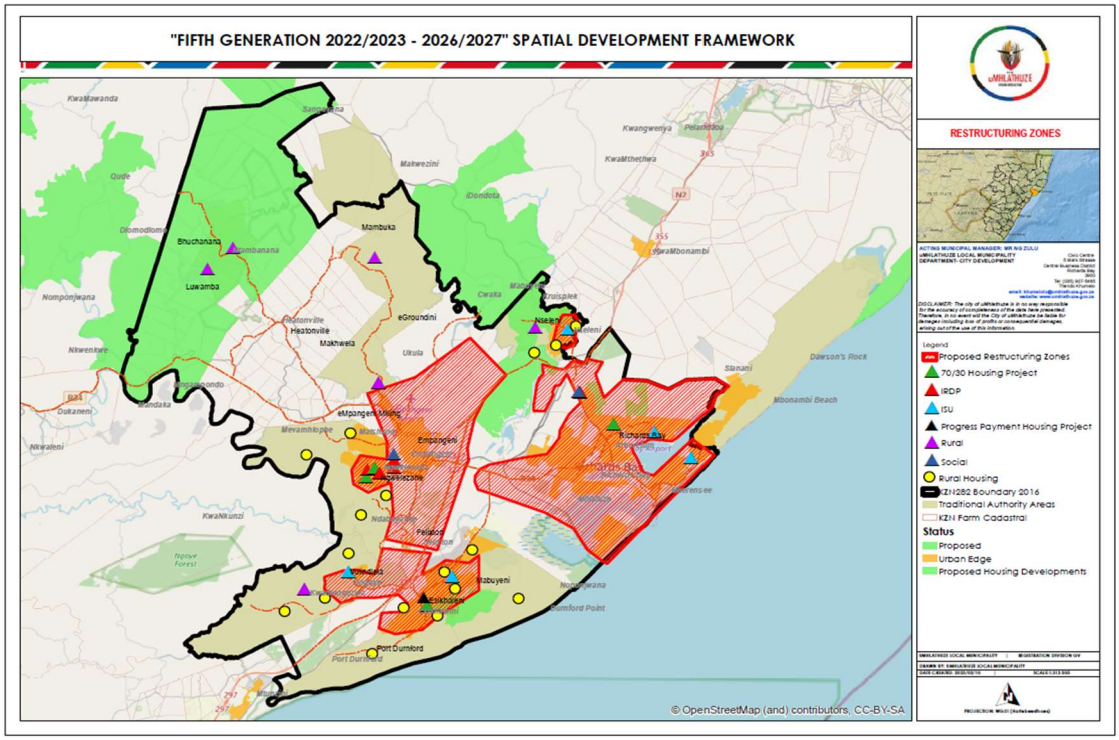
The following table details the identified PHSHDAs in the uMhlathuze Local Municipality.

Table 139: Priority Human Settlements Development and Housing Development Areas (PHSDHAs) in uMhlathuze

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

The above areas are all restructuring zones within the Municipality as indicated hereunder:

Map 60: uMhlathuze Restructuring Zones



More general 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 Makhaye Village (DMV) Human Settlement project as well as the Empangeni Mega Housing project. Empangeni provides a centre of employment, industrial, residential, offices and commercial activity.

At present, there are two human settlements underway in the area, notably Dumisani Makhaye 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 Makhaye Village was historically an RDP project but the scope has widened to include social housing and also CRUs and the following is noted:

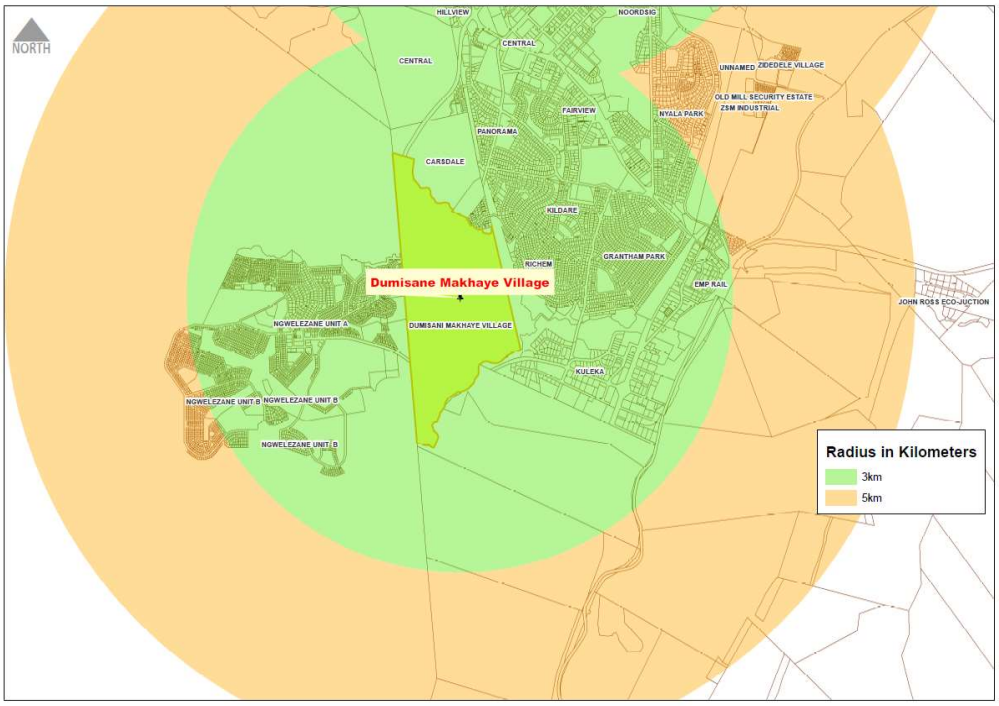
- RDP Houses (Phase 8) : 130
- FLISP : 82
- Social Housing/CRU : 1270

The Dumisani Makhaye can be considered as an infill project in its own right. The following plan indicates the proximity of the Dumisani Makhaye Housing Project to the Empangeni CBD by way of distance radii of 3km and 5km respectively. The Empangeni Mega Housing project has the following housing typologies:

- RDP & Finance Linked Individual Subsidy Programme: 2065
- Social Housing: 1200
- Bonded Houses: 5791

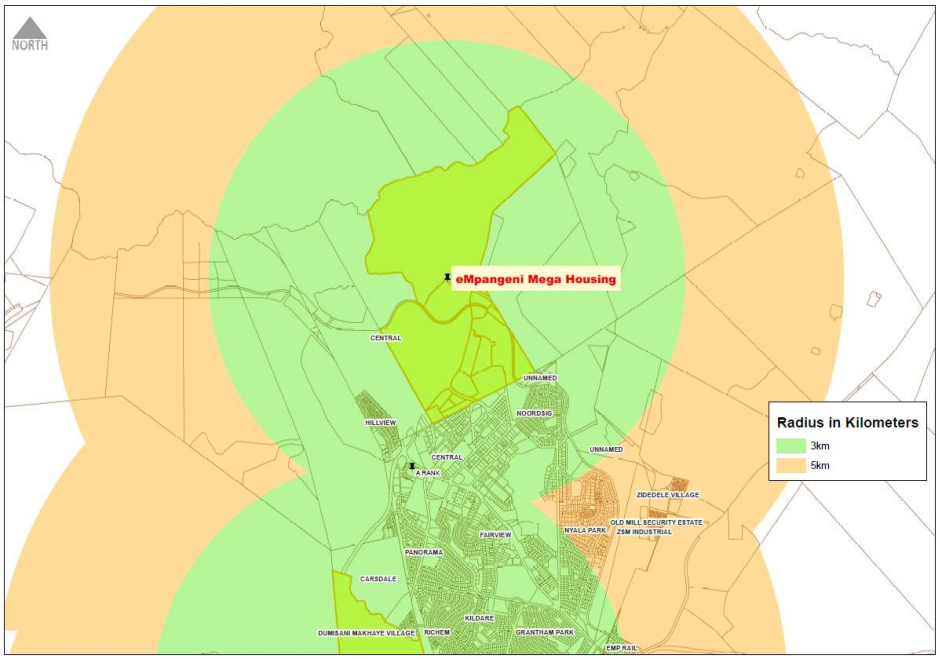
- Serviced Sites: 578
- Mixed Use Residential: 304
- Medium Density Residential Cluster: 83

Figure 107: Radius around DMV Housing Project



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 108: 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). 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:

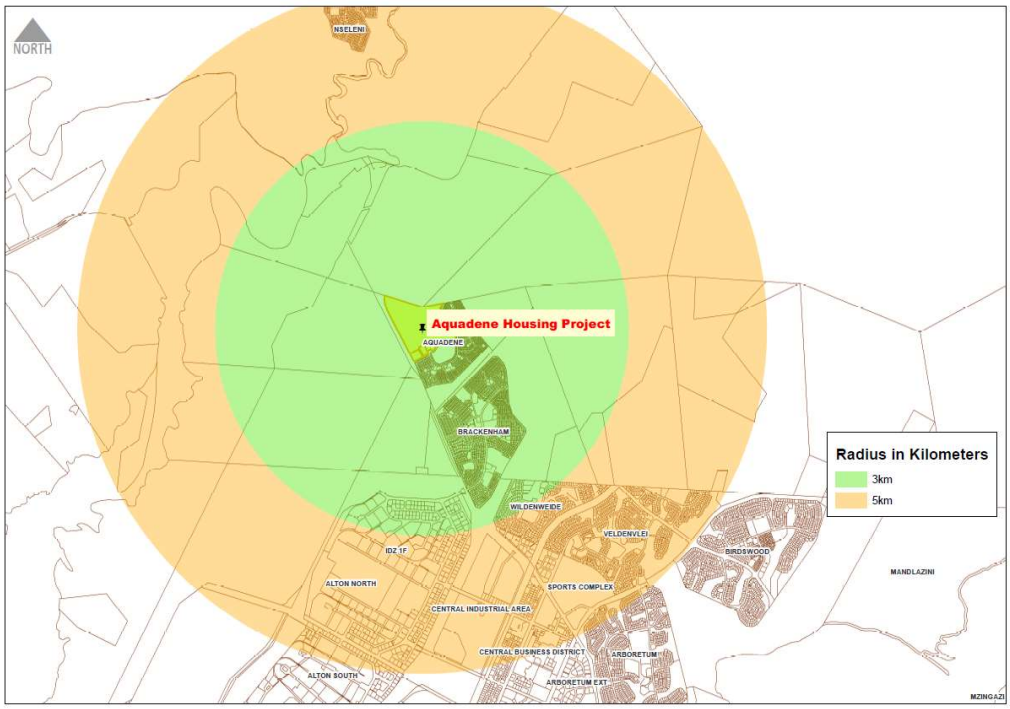
The Richards Bay PHDA includes the towns of Richards Bay, its suburbs, as well as Mandlazini and Mzingazi Agri-Villages. Richards Bay is a primary node in terms of the uMhlathuze Municipal SDF and is a pprominent developing industrial centre of in South Africa that provides a centres of employment, industrial, 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 109: 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.

Esikhaleni-Vulindlela Corridor:

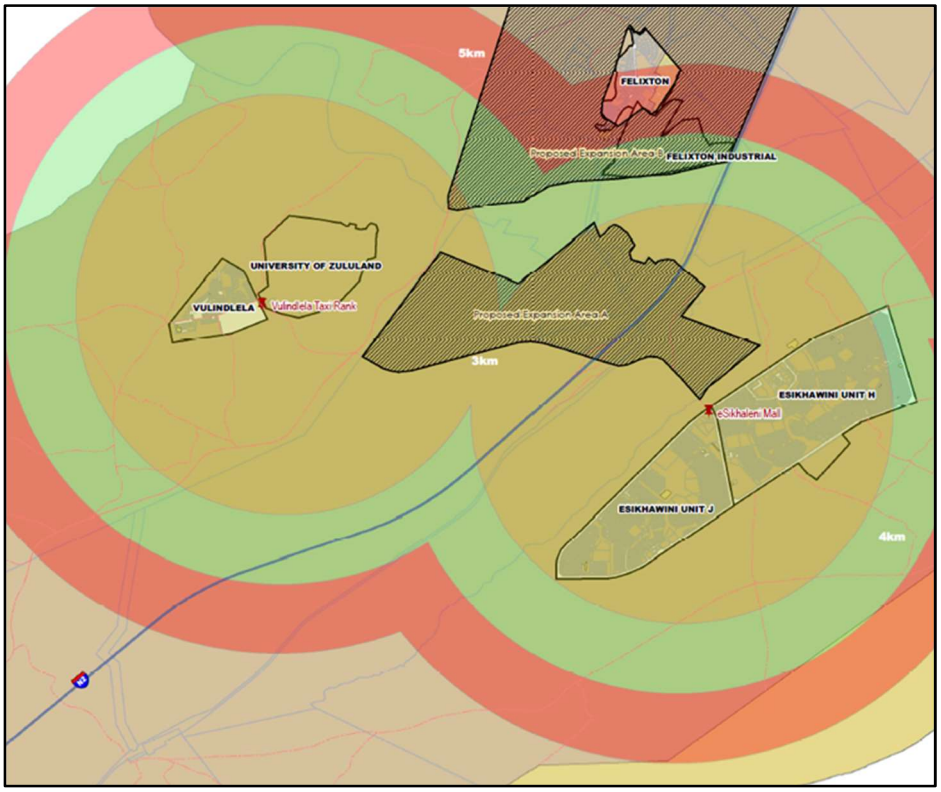
The Esikhaleni Vulindlela PHDA includes the towns of Esikhaleni and Vulindlela as well as the corridor in between. This area is a priority expansion area of the municipality in terms of the SDF. Esikhaleni has historically been a dormitory suburb but is in the process of involving into a dominant node. 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. 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 in 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.

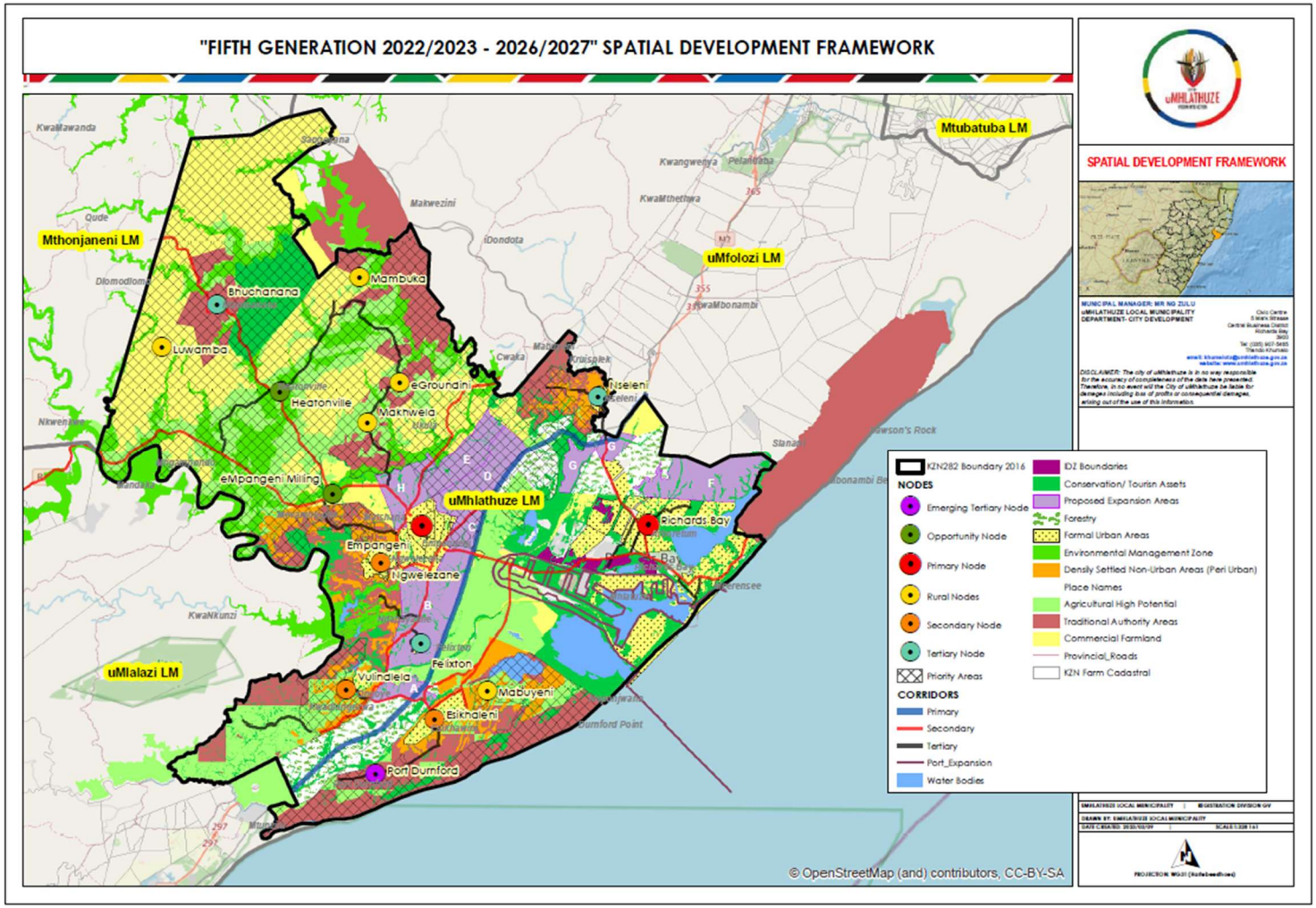
The town of Vulindlela was also investigated and an Informal Settlement Upgrade and Relocation Plan was prepared for a portion thereof prepared in terms of the NUSP (National Upgrading and Support Programme).

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 110: Radius around Vulindlela and Esikhaleni



Map 61: Consolidated SDF



10.6 ALIGNMENT WITH THE LAND USE SCHEME

The preparation of the single Land Use Scheme (LUS) 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.

10.6.1 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.

10.6.2 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.

10.6.3 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.

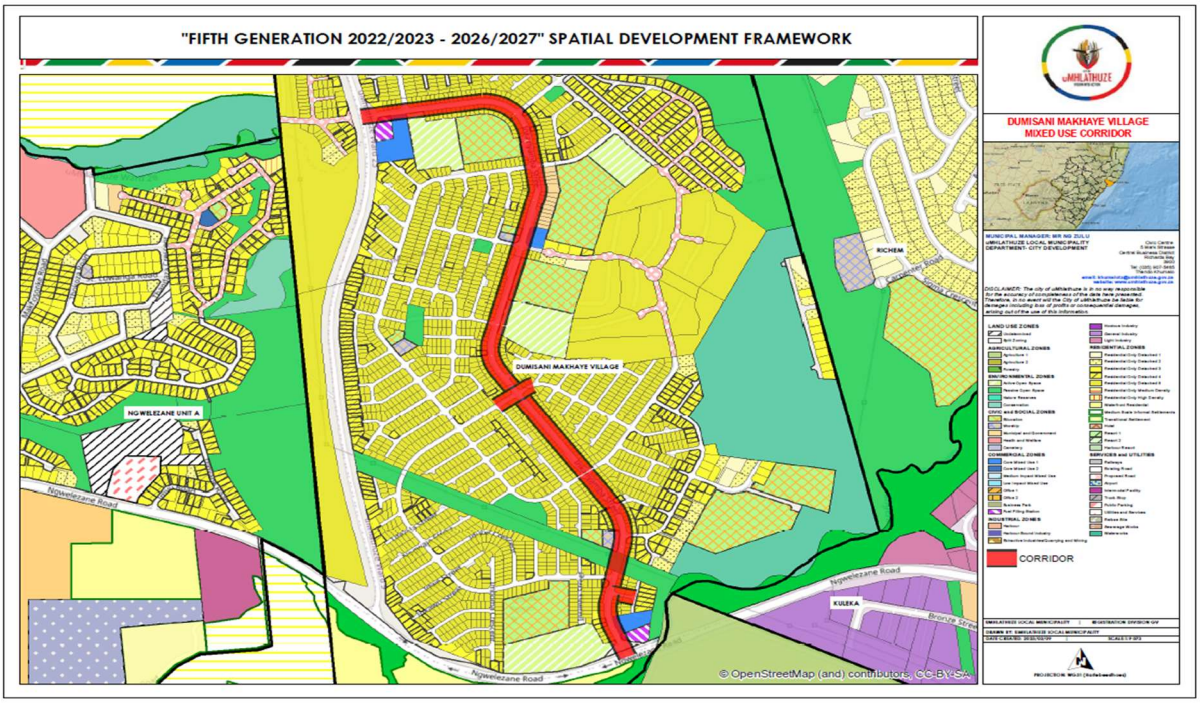
The listed zones for the agricultural land use category are supporting agriculture in a variety of ways. Agriculture is provided for subsistence purposes, in harmony with the environment and also for more commercial purposes. In line with more efficient practices and greener economies, consideration 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.

10.6.4 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 and hereunder, the identified zone for DMV has been inserted.

Map 62: DMV Mixed Use Corridor



10.7 UMHLATHUZE SUITE OF PLANS

In certain areas of the Municipality, land usage is more complex than in other area. As such, it is necessary to prepare a Land Use Framework (LUF) as a linkage "step to translate the SDF into more detailed broad land use areas", to inform the detailed formulation of zones. Where additional and more detailed land use management, beyond that stipulated in the Scheme and Maps is required, Management Overlays and Management Plans are applied/used. The Management Overlay identifies the boundary of the area or precinct for which additional regulations or guidelines pertain. The Management Overlay redirects the user to the "informant" or "plan" that contains the additional information and this is a parallel or coordinating plan. The Management Overlay also redirects the user to the source (date) of the plan concerned. The Municipality is in an ongoing process of preparing a "suite of plans" to bridge the gap between the SDF and the detailed land use scheme Details of the current municipal suite of plans is indicated in the following diagram:

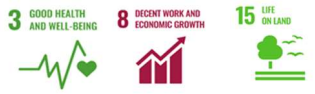
Figure 111: uMhlathuze Suite of Plans

<table>
<tr><th colspan="5">UMHLATHUZE DEVELOPMENT BLUEPRINT</th></tr>
<tr><td rowspan="6">RURAL PLANNING</td><td colspan="3">1. Economic Transformation Roadmap
2. Integrated Development Plan
3. Spatial Development Framework</td><td rowspan="6">URBAN PLANNING</td></tr>
<tr><td colspan="3">LOCAL AREA PLANS</td></tr>
<tr><td>Existing
1. NUSP Plans completed (Mzingazi, Mandlazini, Ngwelezane, uMzingwenya, Nseleni)
2. Rural Planning Initiative</td><td>Proposed
1. uMzingwenya Slums Clearance
2. Traditional Council Plan</td><td>Existing
1. Empangeni CBD Revitilization Plan
2. Richards Bay CBD Framework Plan
3. Alkantstrand Urban Design
4. Richards Bay CBD Framework Plan Review
5. Waterfront Master Plan</td><td>Proposed
1. Esikhaleni Local Area Plan
2. Intermodal Transport Plans</td></tr>
<tr><td colspan="3">PRECINCT PLANS</td></tr>
<tr><td>Existing
1. Port Dunford Rural Development Framework Plan
2. Buchanana Rural Development Framework Plan
3. Hluma Rural Development Framework Plan</td><td>Proposed
1. Isigodi Plans
2. Matshana Rural Development Framework Plan
3. Mabuyeni Rural Development Framework Plan</td><td>Existing
1. Kwadlangezwa Plan
2. Richards Bay CBD South Extension
3. Airport Relocation pre-feasibility study
4. Richards Bay Civic Centre Precinct Plan
5. Port Dunford Beach Precinct
6. John Ross Precinct Planning and Urban Design Concept
7. Richards Bay Civic Centre Urban Design</td><td>Proposed
1. Ngwelezane CBD
2. Nseleni CBD
3. Esikhaleni Intersection and Corridor
4. Nseleni Interchange Precinct
5. Empangeni Milling Opportunity Node
6. Heatonville Opportunity Node
7. Anglers Rod Precinct Plan
8. Alkantstrand Detailed Planning and Preliminary Engineering Designs (underway)
9. Airport Relocation and Redevelopment Feasibility study (underway)</td></tr>
<tr><td colspan="3">CONCEPT PLANS</td></tr>
<tr><td>Existing
1. Mzingazi Commercial Nodes
2. Mandlazini Commercial Node
3. Port Dunford Beach Precinct Plan</td><td>Proposed</td><td>Existing
1. The Ridge Urban Design
2. Steel Bridge Urban Design and Feasibility Study
3. Luwamba
4. Richards Bay SMME Park
5. Esikhaleni Business Support Centre</td><td>Proposed
1. Richards Bay ICC Urban Design
2. Empangeni Civic Centre</td></tr>
</table>

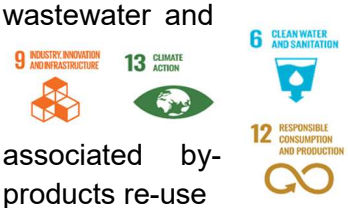
10.8 STRATEGIC AND CATALYTIC PROJECTS

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 140: Strategic and Catalytic Projects Aligned to SDGs

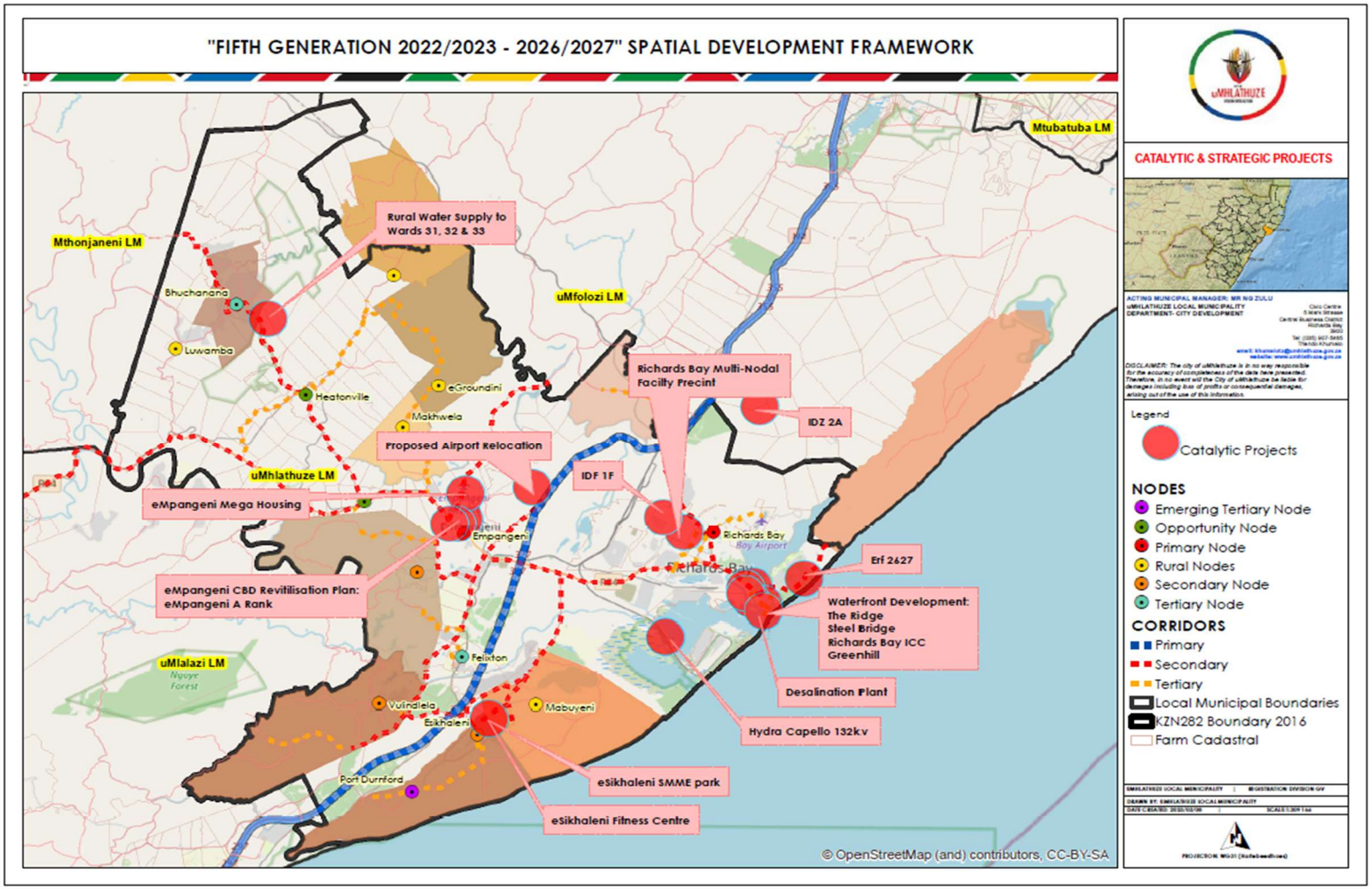
PROJECT NAME	STATUS
1. Airport Relocation 	The strategic positioning of uMhlathuze has necessitated long term plans to relocate/ upgrade the current airport. A pre-feasibility study for the relocation of the Richards Bay Airport has been finalized. The study investigated the various criteria for relocation 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.
2. Waterfront Development 	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.
3. The Ridge 	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 cognizance of the location of the area. Tender for the Ridge development has been awarded and project is at an advanced stage of detailed planning.
4. Green Hill 	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.
5. Richards Bay Multi-Modal Facility Precinct 	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.
6. Expression of Interest for the Remainder of Erf 2627 	An Expression of Interest (EOI) for the development is being pursued for the future use and development of the said area.

PROJECT NAME	STATUS
7. Hydra Capella 132 kV 	Replacement of two oil filled cables (132kV) between CAPELLA and HYDRA substations feeding RBCT (Richards Bay Coal Terminal) in progress.
8. Steel Bridge (Mzingazi Bridge) 	The concept design phase for the Richards Bay Waterfront Steel bridge recommended future phases for implementation. The feasibility study has been finalized and outlined: 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. The next phase in the process is detailed design and implementation. A design consultant has been appointed to attend to the detailed designs.
9. Comprehensive Integrated Transport Plan (CITP) 	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. 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.
10. Empangeni CBD Revitalisation Plan 	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).

PROJECT NAME	STATUS
11. Empangeni Mega Housing 	Housing project of 10 000 units of an IRDP (Integrated Residential Development Programme) type. Installation of services has commenced. The project has the following proposed housing typologies: BNG & Finance Linked Individual Subsidy Programme Social Housing Bonded Houses Serviced Sites Mixed Use Residential Medium Density Residential Cluster
12. Feasibility Study into wastewater and  associated by-products re-use	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 finalized and Phase 2, the Procurement, is being initiated.
13. Esikhaleni Fitness Centre 	Funding support was received from the KZN Department of Sport and Recreation for the development of a fitness centre in eSikhaleni. Support was also provided for designs and Specifications. The project has three main phases and an estimated cost of R165 million. Phase 1 is under implementation, i.e. fencing, relocation of services, earthworks, main entrance, guardhouse and combo courts.
14. Desalination Plan 	Plant was developed by Department of Water Service - DWS (completed February 2017) at a 10ML/day capacity. As part of the handover, it was agreed that DWS would cover all costs relating to the plant until transferred.

A map has been inserted herewith providing the locality (where relevant) of the above listed projects in relation to significant investment being proposed by, amongst others, the Richards Bay Industrial Development Zone (RBIDZ).

Map 63: Strategic and Catalytic Projects



10.9 CAPITAL EXPENDITURE FRAMEWORK

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

The role of a Capital Expenditure Framework (CEF) is to frame the outcomes of a multitude of planning documents within the municipality to ensure that implementation is guided by a strategic, spatial, financial, and socio-economic logic.

The primary outputs of the CEF are summarised below:

- The Spatial Development Framework (SDF) informs the identification of functional areas and priority development areas for the municipality to prepare a socio-economic and developmental profile for the municipality.
- The socio-economic and developmental profiling informs the demand quantification activity of the CEF process and the setting of long-term infrastructure investment targets required realise the spatial development vision of the municipality.
- The consolidated capital demand/needs, irrespective of whether the capital demand stems from local, provincial or national spheres of government, represents the Integrated Infrastructure Investment Framework (IIIF) or Capital Investment Framework (CIF) and aims to gather the long-term capital demand required for the municipality to function optimally.
- The spatial development vision of the municipality, along with other strategic, financial, policy, socio-economic and technical objectives are used to prepare a prioritisation model in order to rank/ score capital demand (projects) based on their alignment to the spatial, strategic, financial, policy, socio-economic and technical objectives of the municipality.
- The process of setting up a budget for the CEF draws from the outcomes of the long-term financial plan - whereby the affordability envelope and the optimal funding mix for capital investment for the municipal is modelled based on key socio-economic and population growth projections. Once the affordability envelope is known, the 10-year capital budget can be prepared with inputs from the project prioritisation results.
- The final step in preparing the CEF is to define an implementation programme for the medium term – in line with the Medium-Term Expenditure Framework (MTEF). The medium-term implementation plan of the CEF is known as the Capital Expenditure Implementation Programme (CEIP) which is essentially the first three budget years of the 10-year Capital Expenditure Framework.

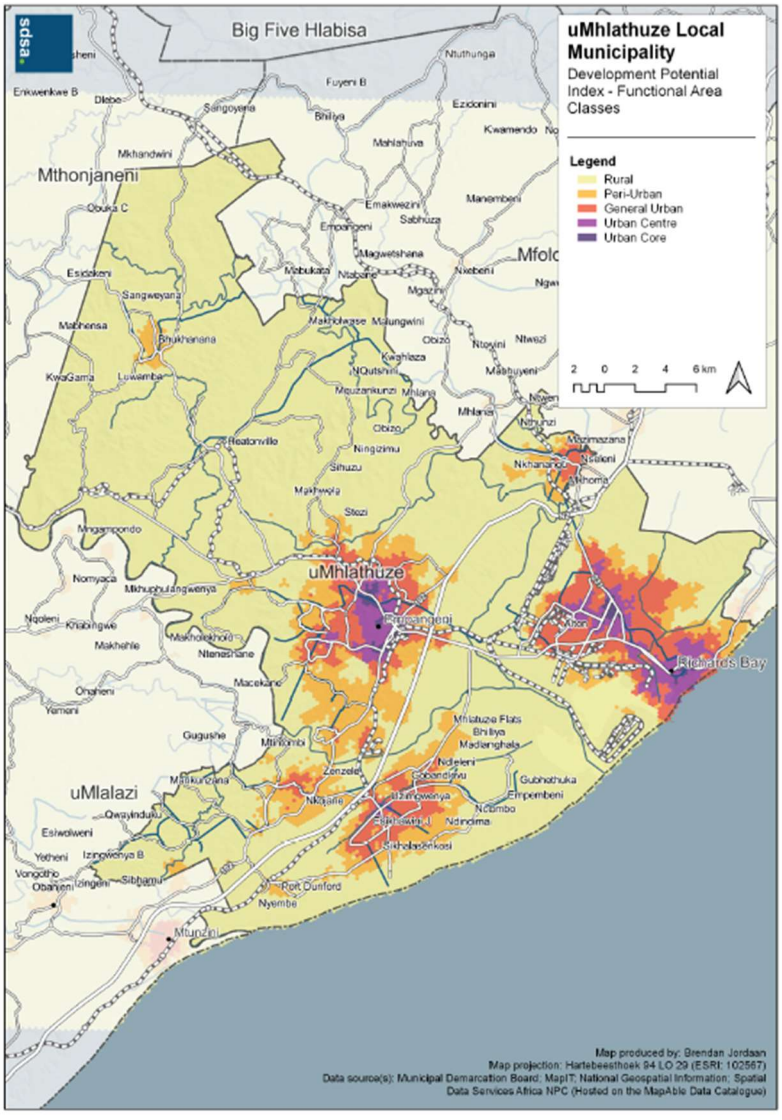
FUNCTIONAL AREAS

A Functional Area (FA) is a region with similar characteristics from a development and service demand perspective. Various indexes and modelled in the determination of functional areas including urban morphology, social facilities, demographics and economic. The outcomes of the modelling resulted in the following classification of FAs in uMhlathuze:

i. Urban Core
ii. Urban Centre
iii. General Urban
iv. Peri Urban
v. Rural
vi. Natural

Each of the above are analysed in terms of size, demography and housing, social and community facilities, land cover as well as services access. The following map shows the listed FA classes:

Map 643: Functional Areas



10.9.1 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

Long term investment demand is quantified by considering:

i. Population-based demand: Population change and characteristics determine the current and future customer base served by the Council and thus what the quantum of the services to be delivered should be;
ii. Level of Service (LOS) choices: The LOS offered by the Council for each infrastructure component varies but has a significant effect on the affordability of services; and,
iii. The land use requirements and the resulting capital and operating expenditure consequences of investment demand in the context of the service delivery policies and choices of the Council.

In context of the above a detailed analysis is undertaken detailing access to various services over time, including asset renewals and renewal backlogs, growth demand as well as population growth. In addition, a land use budget is determined and lever of services (LOS) options considered. The following graphs depict some of the outcomes of the above process:

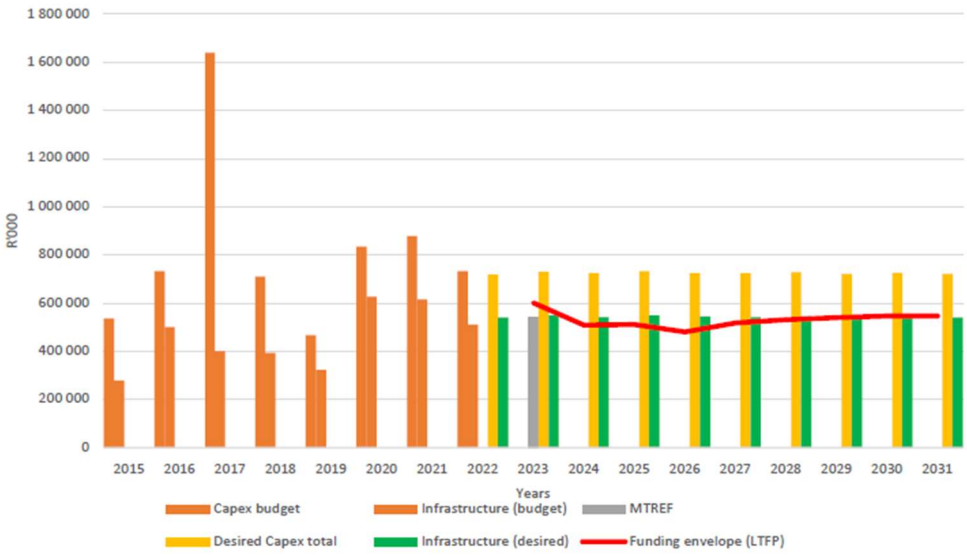
Figure 13: Contribution of each investment demand component to each of the infrastructure asset groups



The capital requirements to address growth, access backlogs and asset renewal will average more than R543 million per annum. The Council will require about R91 million per annum to accommodate new growth and a further R80 million per annum to address service backlogs. The challenge lies with asset renewal and renewal backlogs. Based on the current replacement cost (CRC), renewal backlogs will require a further R138.7 million per annum and asset renewal a further R232 million per annum. This total is an average capex requirement of R544 million per annum. The capex budget for the past five years averaged R443 million per annum, and the planned expenditure for the MTREF years averaged R534 million per annum.

The desired capex exceeds the Council's funding capacity. This implies that adjustments will have to be made in service delivery policies and strategies, allowing for lower demand for capex. The desired capex exceeds the funding capabilities with about R1.7 billion over the next ten years.

Figure 112: Capex Relationships



10.9.2 PLANNED CAPITAL EXPENDITURE

The Integrated Infrastructure Investment Framework (IIIF) also referred to as the Capital Investment Framework (CIF), outlines the demand identified for capital projects within the uMhlathuze local municipality's jurisdiction and, as such, it represents all capital projects identified across various sectors by various departments.

The IIIF should therefore not only show capital investment projects identified by the municipality but also the capital investment projects from other spheres of government operating within the jurisdiction of the municipality.

Various data sources were utilized to consolidate details of the planning capital expenditure including various asset management plans, bulk master plans, sector plans, renewal strategies etc. and the result is contained in the following table:

Table 141: 2022/2023 – 2031/32 Total Planned Capital Expenditure per Year

Financial Year	Budget	Budget %
2022/23	R 10 937 785 268,94	24%
2023/24	R 6 142 739 813,34	14%
2024/25	R 5 724 443 415,34	13%
2025/26	R 4 887 061 807,34	11%
2026/27	R 3 302 617 219,34	7%
2027/28	R 3 199 661 706,34	7%
2028/29	R 3 310 757 219,34	7%
2029/30	R 2 636 465 505,05	6%
2030/31	R 2 641 023 505,05	6%
2031/32	R 2 075 264 727,28	5%
Grand total	R 44 857 820 187,36	100%

The results were further analysed per unit and department, nature of investment, MSCOA types etc. From the analysis the following was observed:

i. Water Supply Infrastructure: Dominant asset subtype is distribution. The uMhlathuze Bulk Water Master has taken cognizance of planned developments to mitigate the water supply issues and distribute to the households that do not have access to water supply.
ii. Roads Infrastructure: Dominant asset subtype is roads at 80% of the planned capital expenditure. Indicative that the municipality proposes a focus on additional arterial routes to provide access to the main urban centres.
iii. Electrical Infrastructure: Dominant asset subtype is LV Networks (43%) and HV Substations (34%). The demand on the asset subtypes can be linked to the deteriorating condition of the municipal substations.
iv. Sanitation Infrastructure: Dominant asset subtype is Outfall Sewers at 45%. The demand coincides with the intention to extend sewerage systems within the identified SDF Expansion Areas.
v. Community Assets: Dominant asset subtypes are Community Facilities (60%) such as such as community halls, Libraries, Cemeteries as well Sport and Recreation Facilities such as sport fields and parks (40%). Facilities are important within the municipality for the health and welfare of the citizens.

Further analysis of the data is available and presented as planned capital expenditure per Functional Area (FA) as well as per ward.

10.9.3 PRIORITISATION

The reality is that the municipal affordability, i.e. the funding envelope, as determined in the Long Term Financial Plan (LTFP), is less than the capital demand as outlined in the previous section.

The prioritisation rationale has been informed by the following criteria grouping:

- Economic Alignment: Revenue generating assets, economic activity index, population density, priority portfolio (catalytic projects)

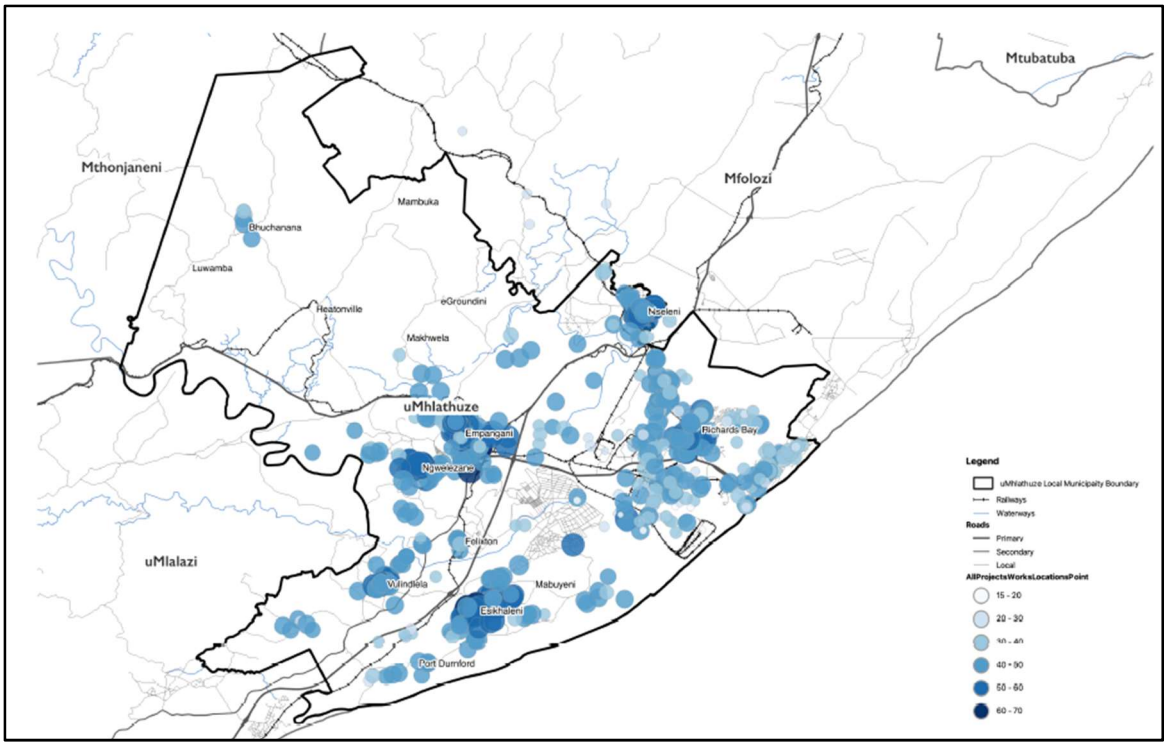
- Financial Alignment: Monetary impact, co-funding, affordability
- Social Alignment: Social facilities and responsible units, priority programmes, social facilities index
- Technical Alignment: Services, urban morphology index, service based priority index, ruggedness index, population index
- Strategic Alignment: Functional area, priority development area, specific development area, urban development boundary

Various strategic documents/strategies/plans and frameworks informed the above criteria.The outcome of the above process is that spatial inputs are used to prioritise projects. Spatial prioritisation and budget alignment is not only a prerequisite in terms of SPLUMA, but it is also a policy imperative for the IUDF – therefore, spatially-based prioritisation enables true spatial targeting.
It is important to take note of the following when interpreting the spatial distribution of project prioritisation scores:

- Projects geo-referenced locations are captured as either a point, line or polygon geometry;
- Project geo-referenced locations were reduced to the centroid of each project location for aggregation and displaying purposed, and;
- Project score distribution locations are therefore an approximation of a project's location, and not an absolute indication of the project's location or implementation area.

Hereunder the spatial distribution of projects in uMhlathuze is shown.

Map 654: Spatial Distribution of Prioritisation Scores



From the above it is evident that that priority areas influence the total score of the projects, i.e. the secondary and tertiary nodes of Empangeni, Ngwelezane, Nseleni and Esikhaleni – all

areas within the urban edge – received higher score values when compared to the other nodes. Likewise, Richards Bay and the secondary corridor from Richard's Bay to Nseleni, are hosts of some of the highest concentration of scoring projects. It is worth noting that the nodes like Buchanana, Felixton and Nseleni received good scoring during the prioritisation model, indicating that these projects have sufficient information and readiness to be considered. Port Dunford which falls into the proposed expansion also has a moderate concentration of projects, which indicates that the model distributed scoring sufficiently.

Informed by the above the budget scenario outcome per Functional Area was analyzed. The outcomes thereof are indicated in the following tables and map. Outcomes and results are also available per electoral ward, mSCOA project type, asset type etc.

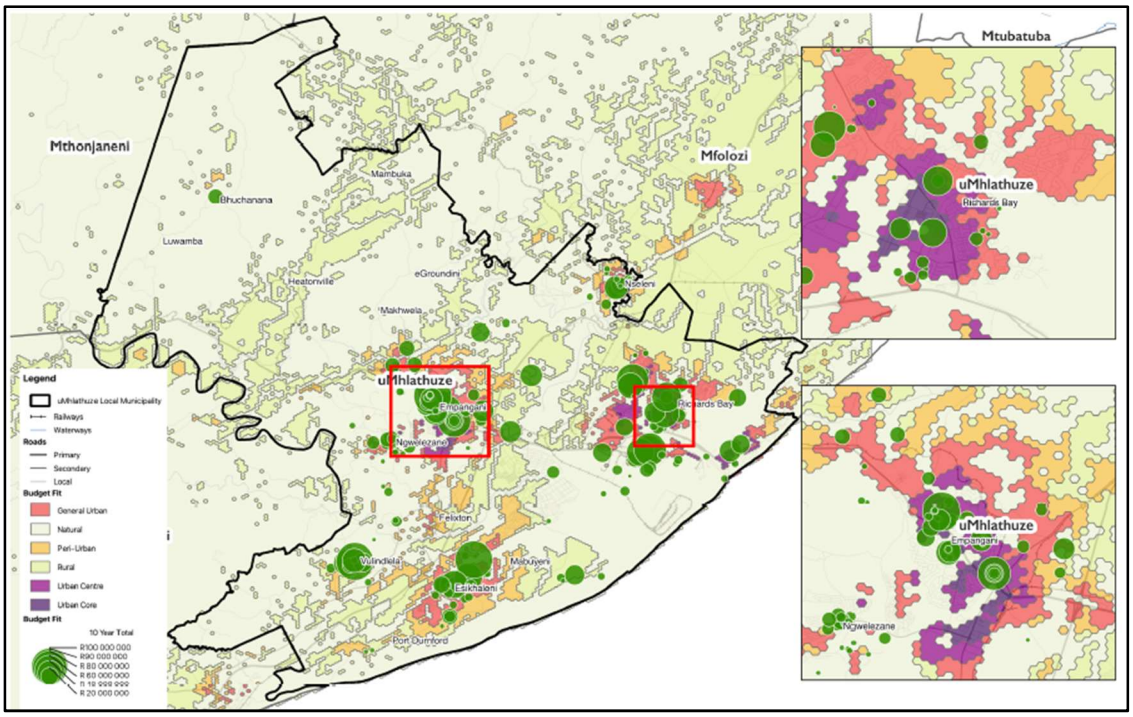
Table 142: Budget Scenario Outcome Functional Area analysis (part 1)

	No Intersect	Rural	Administrative HQ	General Urban
2022 / 2023	R2	R47 054 374	R1 043 000	R161 115 606
2023 / 2024	R120	R104 184 971	R2 862 000	R191 635 778
2024 / 2025	R5	R29 747 382	R2 583 000	R251 968 592
2025 / 2026	R57	R62 035 090	R114 000	R205 919 754
2026 / 2027	R109	R79 172 764	R137 000	R71 665 092
2027 / 2028	R0	R531 836	R599 000	R40 626 638
2028 / 2029	R0	R1 243 206	R14 093 000	R19 136 558
2029 / 2030	R0	R1 214 184	R12 156 000	R8 063 409
2030 / 2031	R0	R679 599	R7 595 000	R9 235 100
2031 / 2032	R0	R49 889	R30 000	R19 247 947
Total	R292	R325 913 296	R41 212 000	R978 614 473
%	0%	6%	1%	19%

Table 143: Budget Scenario Outcome Functional Area analysis (part 2)

	Peri-Urban	Urban Centre	Urban Core	City Wide
2022 / 2023	R26 345 353	R191 777 029	R78 722 468	R2 606 535
2023 / 2024	R88 454 408	R66 678 170	R57 454 500	R15 974
2024 / 2025	R60 569 527	R71 596 934	R64 985 418	R20 330
2025 / 2026	R41 746 216	R185 892 129	R19 130 718	R47 588
2026 / 2027	R68 775 853	R84 496 654	R115 412 005	R62 044 000
2027 / 2028	R2 990 034	R77 054 851	R45 031 226	R365 479 200
2028 / 2029	R2 001 107	R28 070 159	R7 330 769	R473 969 505
2029 / 2030	R 0	R20 549 253	R22 162 847	R483 082 544
2030 / 2031	R1 863 873	R -0	R 0	R426 715 944
2031 / 2032	R450 111	R11 329 055	R6 663 000	R508 091 526
Total	R293 196 481	R737 444 233	R416 892 951	R2 322 073 148
%	6%	14%	8%	45%

Map 66: Budget Scenario Outcome per Functional Area



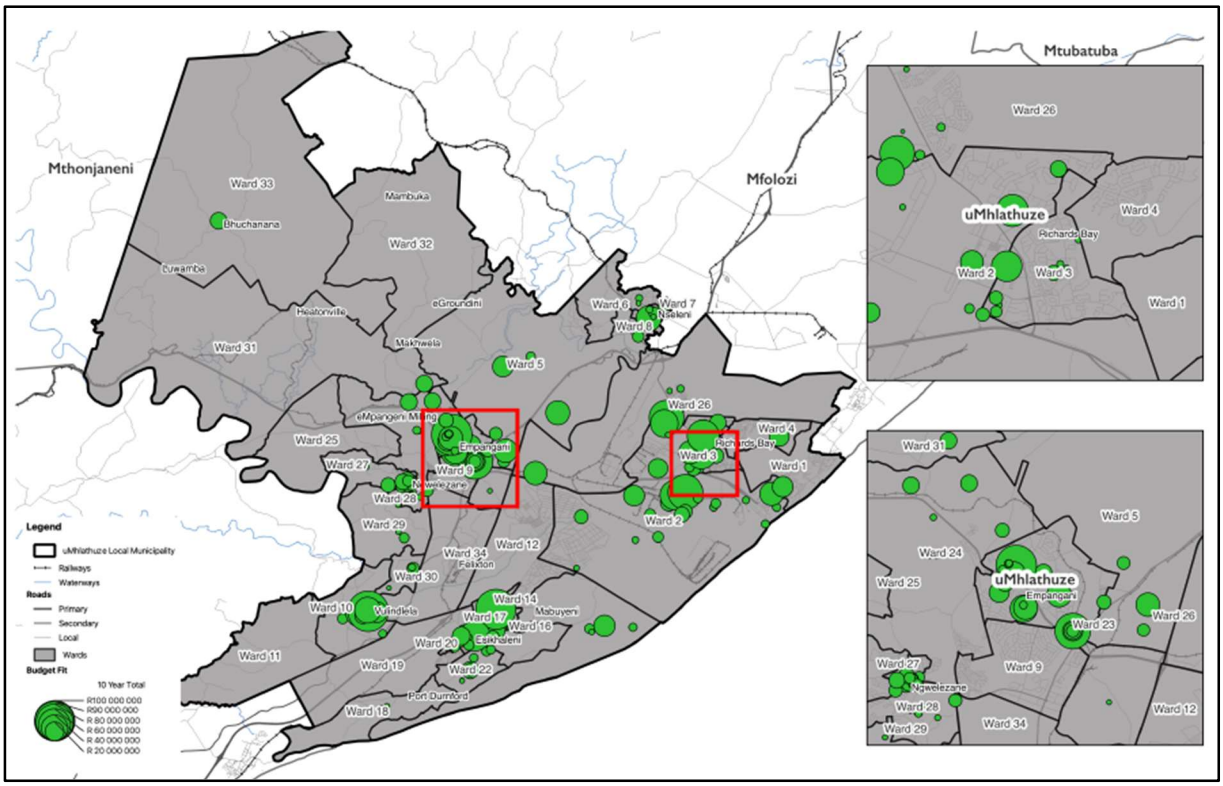
With reference to the budget scenario outcome per Functional Area (10-year horizon) as indicated above it is noted that many projects are located within the General urban, Urban Centre and Urban Core. The investment intent has the focus on upgrading and renewal of existing infrastructure to maintain specific level of service and enhance attractiveness of areas with spatial economic agglomeration.

10.9.4 CAPITAL EXPENDITURE IMPLEMENTATION PLAN

Amongst others, the budget scenario outcome as per the capital investment plan for 2023/2024 has been stated in Wards over a 10-year horizon. Its purpose is to determine the level of spatial targeting used by the municipality within the defined Wards. City Wide and Administrative HQ do not necessarily benefit any specific ward and might benefit more than one service area. Projects without any spatial location are classified as "Not Intersect".

The following map indicates that 54% of the capital is distributed over 33 wards within the municipality and a total of 46% of the capital expenditure is at a City-Wide level and not spatially targeted to a specific ward – but rather all the wards. The top five wards within this budget scenario are Wards 23, 2, 30, 21, and 28. These wards include Empangeni, Ngwelezane, Esikhaleni and Richards Bay which fall within the municipality's Urban areas. The Budget Scenario outcome further indicate planned capital expenditure within the Peri-urban and Rural wards. This aligns with the municipality's plans to invest in the upgrading of infrastructure within these areas particularly roads and water infrastructure.

Map 67: Budget Scenario per Electoral Ward



Further analysis is also provided of the outcomes, for example, with regard to the mSCOA asset classification Water Supply Infrastructure (57%), Roads Infrastructure (23%) and Sanitation Infrastructure (12%) make up the largest capital spending of the municipality within the MTREF while Community and Electrical Infrastructure make up the least. The MTREF analysis depicts a similar outcome when compared to the 10-year analysis. Under the Water Supply Infrastructure, the dominant asset sub-type is Distribution. This is evidence of the uMhlathuze Bulk Water Master Plans that seek to mitigate the water supply issues within the municipality. Under the Roads Infrastructure, the dominant asset subtype is Roads. The budget scenario outcome speaks to the municipality's plans to add arterial routes for better access to the main urban centre. Under the Sanitation Infrastructure, the dominant asset subtype is Outfall Sewers.

The above is illustrated in the following figure.

Figure 113: MTREF Budget Scenario Outcome per Asset Type and Subtype



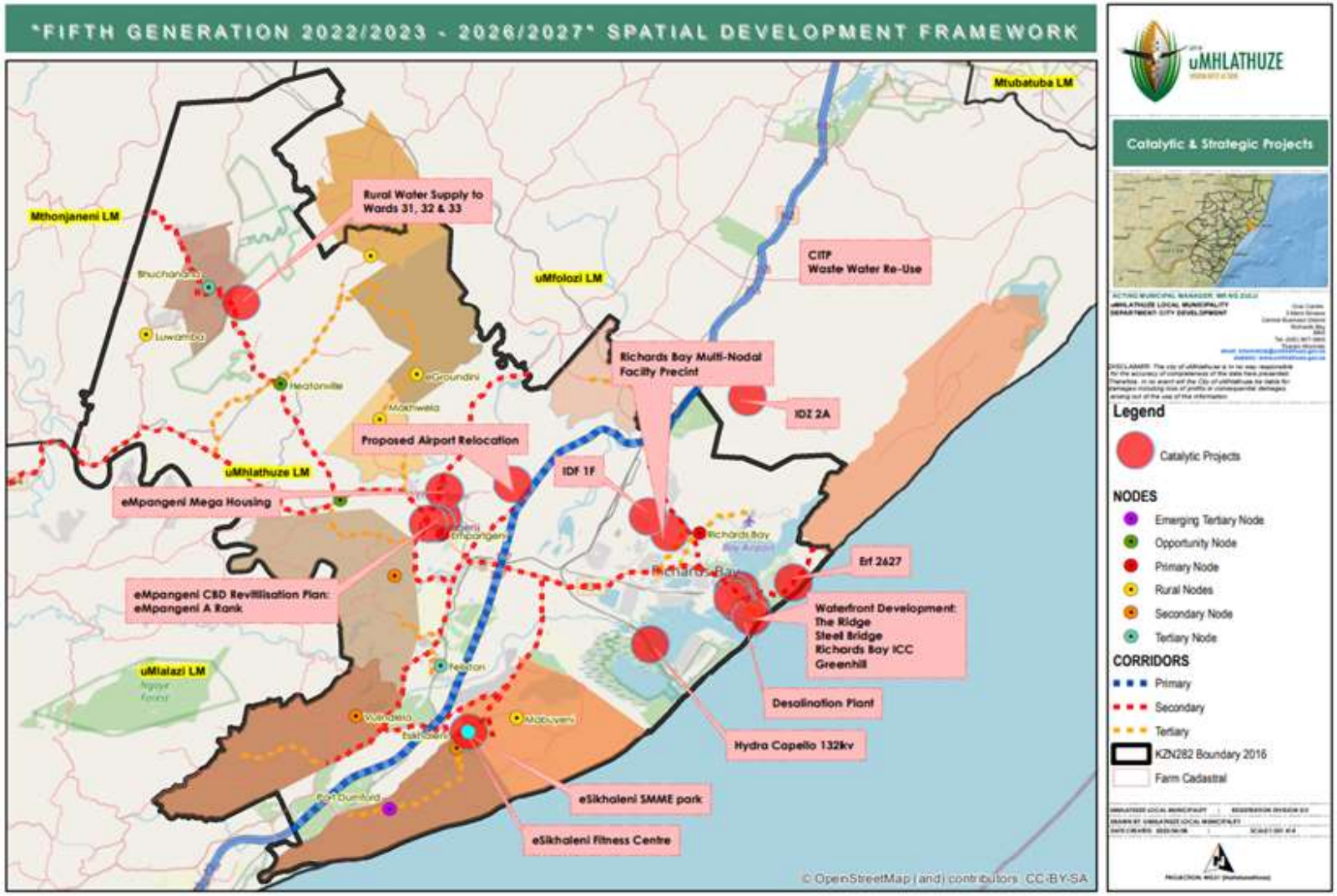
SECTION E2: IMPLEMENTATION PLAN

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																							
Indicator Number	IDP Ref	Outcome 9	Objective	Challenges	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022 Output	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	Mid-Year Amended Target 2022/2023	Actual Achievement 2022/2023	2023/2024 Output Target	Mid-Year Actuals	2024/2025 Output Target	2025/2026 Output Target	2026/2027 Output Target	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
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	N/A	Facilitation of Stakeholder and Community participation in policy making	Number of IDP/PMS and Budget Public participation meetings (forums)	13	9		13	15	15	6	5	6	6	6							Office of Municipal Manager
T1.2	1.1.4.1			Violent Community Unrest	Facilitate the Functionality of Ward Committees through continuous capacitation	Percentage of Ward Committees with 6 or more Ward Committee members (excluding Ward Councillor)	100%	100%		100%	100%	99%	100%	95%	100%	100%	100%							Office of Municipal Manager
T1.3	1.1.4.1					Percentage of wards that have held at least one councillor-convened community meeting *[Number of Councillor Convened Public Meetings - re-defined 2023/2024]*	80%	0%		90%	90%	90%	136	52	136	136	136							Office of Municipal Manager
T1.4	1.1.4.2			N/A	Development of a Credible Integrated Development plan within prescribed legislative guidelines	Approval of IDP by 31 May	100%	75,00%		31-May	31-May	30-May	31-May	-	31-May	31-May	31-May							Office of Municipal Manager
T1.5	1.1.4	Implement diff approach to Municipal financial, planning and support		N/A	Improve Council functionality	Number of agenda items deferred to the next council meeting *(Removed 2023/2024)*	0	0		0	0	0	-	-	-	-	-							Corporate Services
KPA2: Basic Service Delivery and Infrastructure Development																							
T2.3	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	Aging municipal infrastructure	Eradicate water services backlogs through provision of basic water services	Number of new water connections meeting minimum standard	500	80		250	250	770	673	930	250	250	250							Infrastructure Services
T2.7	2.1.1.1					Quality of drinking water complying with the South African national standards at latest SANS 241 >95%	>95%	99,0%		>95%	>95%	95.35%	>95%	100%	>95%	>95%	>95%							Infrastructure Services
T2.10	2.1.1.3			Aging municipal infrastructure	Eradicate Sanitation services backlogs through provision of basic sanitation services	Number of new sewer connections meeting minimum standard	0	0		280	0	0	1100	0	280	300	300							Infrastructure Services
T2.13	2.1.1					Wastewater Quality compliance of ≥90% as per Green Drop standard	≥90%	46,50%		≥90%	≥90%	45%	≥90%	55%	≥90%	≥90%	≥90%							Infrastructure Services
T2.15	2.1.1.2			Aging municipal infrastructure	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of new dwellings provided with connections to the mains Electricity supply by the Municipality	80	59		80	80	130	80	33	80	80	80							Electrical and Energy Services
T2.19	2.1.1			Lack of quality and continuity of supply of electricity		Percentage of general street lighting faults are restored within 72 hours (excluding cable faults or stolen equipment)	70%	89%		70%	70%	76%	70%	88%	75%	80%	80%							Electrical and Energy Services

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																							
Indicator Number	IDP Ref	Outcome 9	Objective	Challenges	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022 Output	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	Mid-Year Amended Target 2022/2023	Actual Achievement 2022/2023	2023/2024	Mid-Year Actuals	2024/2025	2025/2026	2026/2027	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
													Output Target		Output Target	Output Target	Output Target							
T2.23	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	Unsustainable development practices and human settlements	Provide a weekly domestic solid waste removal service to the community	Number of new Households with access to waste disposal	400	417		2000	22	22	1000	0	2000	2000	2000	R1 500 000	R2 000 000	R2 000 000	R2 000 000	R2 000 000	Capital Replacement Reserves	Community services
T2.25	2.1.1.5			Unsustainable municipal demacation practices and escalating cost of extending basic services to the newly incorporated wards	Provision of public transport infrastructure facilities	Kilometres of gravel roads maintained *(Both regravelling and grading)*	360	322,44		360	360	506	360	293,4	360	360	360	R28 929 500	R30 202 400	R35 004 800	R38 505 300	R42 355 800	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.26	2.1.1.5					Kilometres of gravel roads upgraded to surfaced road *(New tarred roads)*	1.06	1,057		1,0	1,0	1,0	2,75	1,9	2,0	3,0	3,0	R14 000 000	R34 745 100	R30 000 000	R39 199 000	R50 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.27	2.1.1.5					Kilometres of paved municipal road which has been resurfaced and resealed	3,00	0,0		3,0	3,0	0,0	4,5	1,2	5,0	6,0	6,0	R14 000 000	R5 850 500	R50 000 000	R40 000 000	R50 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.28	2.1.1.5					Percentage of reported potholes fixed within standard Municipal response time	80%	65,30%		80%	80%	88%	80%	86%	85%	85%	90%		R8 268 800				Borrowing Capital Replacement Reserves	Infrastructure Services
T2.29	2.1.1.7				Strive to improve reliability and service life of Municipal Infrastructure, facilities and assets	Construction of Pedestrian Bridges	8	0		5	5	0	8	0	7	8	8	R8 509 000	R8 000 000	R12 000 000	R15 000 000	R15 000 000	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.30	2.1.1.6				Provision and maintenance of storm water and costal engineering infrastructure	Kilometres of Stormwater open drains maintained *[Kilometres of Stormwater side drains and verges open drains maintained -re-defined 2023/2024]*	28,74	24,93		25	57	121	64	34	30	30	35	R4 902 000	R2 636 100	R5 200 532	R5 356 548	R5 517 244	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.31	2.1.1.6					Number of stormwater manholes maintained (Incl kerb inlets)	1084	906		1084	1084	1368	240	347	1084	1084	1084	R977 768	R5 616 600	R1 037 314	R1 068 434	R1 100 488	Borrowing Capital Replacement Reserves	Infrastructure Services
T2.32	2.1.1.5			N/A	Provision of public transport infrastructure facilities	Maintenance on municipal owned railway sidings resulting from monthly inspections	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 and quality housing	Unsustainable municipal demacation practices and escalating cost of extending basic services to the newly incorporated wards	Improve community standard of living through accelerated development of integrated human settlement	Number of subsidised housing units completed	0	0		130	20	0	173	0	50	50	100							City Development
T2.34	2.1.2.1					Number of Pre 1994 Old Housing stock transferred *[Percentage of Pre 1994 Old Housing stock transferred[as amended mid-year 2022/2023]]*	71	0		71	100%	0%	20	0	0	0	0							City Development
T2.35	2.1.2.2					Number of Post 1994 Old Housing stock transferred	43	10	20,00	20	46	34	38	0	50	50	50							City Development

UMHLATHUZE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2022/2027																							
Indicator Number	IDP Ref	Outcome 9	Objective	Challenges	Strategies	Performance Indicator	Amended (mid-year) Annual Target 2021/2022 Output	Annual Actual Output (As at Q3)	Backlog	Annual Target 2022/2023	Mid-Year Amended Target 2022/2023	Actual Achievement 2022/2023	2023/2024 Output Target	Mid-Year Actuals	2024/2025 Output Target	2025/2026 Output Target	2026/2027 Output Target	Budget Year 1	Budget Year 2	Budget Year 3	Budget Year 4	Budget Year 5	Funding Source	Responsibility
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 upgraded/constructed	5	0		3	0	0	-	-	-	-	-	-	-	-	-	-	Borrowing	Community Services
T3,2	3.1.5.3					Number of community facilities i.e. halls/museum/library upgraded	4	0		0	0	0	-	-	-	-	-	-	-	-	-	-	Capital Replacement Reserves	Community Services
T3.3	3.1.5.3		To implement and co-ordinate Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment and entrepreneurship	High level of unemployment	Promoting economic growth by providing skills empowerment to the unemployed	Number of unemployed youth re-skilled (Number of unemployed community members re-skilled - re-defined 2023/2024)	80	120		80	80	232	80	96	80	80	80		R300 000					City Development
T3.4	3.1.5.1			High level of unemployment	Promote economic growth by successful implementation of EPWP community based projects	Number of jobs created through EPWP and other related programmes (Infrastructure; Environment and Culture; Social and Non State Sectors)	718	794		720	720	1196	725	590	730	735	740		R3 089 900					City Development
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	Challenge in attracting and retaining suitably qualified and experienced Humana Resources	Compliance with Employment Equity Act	Number of women employed by the municipality (Number of new appointments)	20	23		20	38	44	20	25	20	20	20							Corporate Services
T4.2	4.1.1.2					Number of Youth employed by the municipality (Number of new appointments)	40	33		30	54	54	20	29	40	40	40							Corporate Services
T4.3	4.1.1.2					Disability related programmes (workshops/awareness campaigns) Redefined indicator	2	0		4	4	4	4	4	4	4	4							Corporate Services
T4.4	4.1.1					Top Management stability (% of days in a year that all S56 positions are filled by full-time, appointed staff not in an acting capacity).	95%	88%		100%	99%	96%	90%	100%	100%	100%	100%							Corporate Services
T4.5	4.1.1.4			Low skills levels and limited skills development	Improved municipal capital capability	Workplace Skills training programmes/courses enrolled for by staff and councillors	155	166		90	60	126	10	40	90	90	90							Corporate Services
T4.6	4.1.1.1					Percentage Budget Spent on Workplace Skills Plan (cumulative)	95,00%	64%		95%	95%	95%	95%	55%	95%	95%	95%							Corporate Services
T4.7	4.1.1.1					Percentage Operating Budget spent on implementing Workplace Skills Plan	1%	1%		1%	1%	1%	1%	1%	1%	1%	1%							Corporate Services
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	Limited revenue sources and non-payment of services	Compliance with all MFMA and related local government financial legislation	Ensure that the Gearing (Debt Coverage) Ratio is within the norm of 45%	<45%	23%		<45%	<45%	33	<45%	31	<45%	<45%	<45%							Financial Services
T5.2	5.1.1.4					Ensure that cost coverage ratio is within the norm of 1-3 (Excluding Unspent Conditional Grants) (DMS 1513248 for Formula: T5.2)	2	2,17		2	2	1,5	2	1,48	1-3	1-3	1-3							Financial Services
T5,3	5,1,1,4					Revenue collected as a percentage of billed amount. (Collection Rate) (DMS 1513248 for Formula: T5,3)	95%	109%		95%	95%	91%	95%	99%	95%	95%	95%							Financial Services
T5.4	5.2.1.6		Sustainable Financial and supply chain Management	Procurement processes		Percentage Capital Budget spent on Capital project i.t.o. IDP (DMS 1513248 for Formula: T5.4)	834 530 300 834 530 300 = 100%	50%		100%	100%	93%	100%	55%	100%	100%	100%							Financial Services
T5.5	5,1,1,4		Compliance with financial legislation and policies		Compliance with all MFMA and related local government financial legislation	Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure) (DMS 1513248 for Formula: T5.5)	25% - 40%	26%		25% - 40%	25% - 40%	23,00%	25% - 40%	24%	25% - 40%	25% - 40%	25% - 40%							Financial Services

Map 68: Catalytic and Strategic Projects



SECTION F: FINANCIAL PLAN

11.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.

In the process of compiling the Tabled 2024/25 MTREF as well as the Adopted 2024/25 MTREF, the submissions received from the Departments which were all project based could be broken down into the following categories.

Scenario	Capital		
	2024/25	2025/26	2026/27
	R 000	R 000	R 000
Departmental Allocations as per Budget Policy	603 653	619 462	564 637
Initial Departmental Submissions	730 945	611 455	544 185
Final Departmental Submissions	611 264	617 524	573 273
TABLED BUDGET	611 264	617 524	573 273

Scenario	Operating Budget		
	Revenue	Expenditure	Deficit
	R 000	R 000	R 000
First (excl tariff increases)	4 566 314	5 104 701	(538 387)
Second (incl tariff increases)	4 949 102	4 942 535	6 567
Third (incl tariff increases)	4 953 414	4 942 805	10 609
TABLED BUDGET	**4 953 414**	**4 942 805**	10 609

The following table summarizes the status of all the Trading Services and those funded by Rates:

Description	2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Electricity and Energy Sources			
Surplus/(Deficit) for the year	235 608	264 491	299 240
Water Management			
Surplus/(Deficit) for the year	10 629	(9 708)	(22 568)
Waste water management			
Surplus/(Deficit) for the year	(92 334)	(99 467)	(112 147)
Waste management			
Surplus/(Deficit) for the year	19 928	21 614	23 731
Rates and other Services			
Surplus/(Deficit) for the year	(163 223)	(163 270)	(173 315)
Surplus/(Deficit) for the year	**10 609**	**13 660**	**14 942**

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)**. The latter read together with the requirements of MFMA Budget

circulars 126 and 128 issued in December 2023 and March 2024 respectively were used to compile the Budget.

The following is a summary of main challenges in compiling this 2024/25 MTREF.

- Between all the services by far the greatest concern here lies with all the services financed by Property Tax (Rates). This Adopted budget has the Rates Services sitting with a R163 million deficit for 2024/25 and R163 m and R173m deficit for the outer years;

  - The majority of residential households in uMhlathuze are not levied Property Rates. This because the individual properties are 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 is simply unsustainable from a service delivery perspective;

  - There is no Equitable Share allocation for properties that do not pay Property Rates. The significance here is 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 over the years 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. Indirectly, the National Treasury has assisted by increasing it's the ES marginally above inflation over the last few years which has certainly helped;

  - Due to a community's perceived poor quality of water quality and supply from the municipality, many residents who can afford alternative sources such as boreholes, are doing so without permission which is putting resident's health at risk and reducing the municipality's revenue streams which are required to cater for the water infrastructure;

- It appears that the Water Loss's in uMhlathuze are deteriorating. From 2021/22 the gross loss was 38%, 2022/23 gross loss was 57% as at the end of February 2024 the Gross water loss is sitting at 51,8%. The projected water loss in financial terms for the 2024/25 MTREF is R370 million.

  - 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 R23 m.

- Waste Water Management Service shows a deficit of R 92.3 million (R89,4m deficit for Adjusted 2023/24), 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;

- Although Employee related costs as a percentage of total Expenditure amounts to 22,5% 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 22.5% 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 (8,5%) together with Employee related Costs. This figure amounts to 31% (22.5% + 8,5%). As can be seen this cost is over the 30% norm;

- A broad management view (Particularly from Finance Department) is held that with the uMhlathuze Municipality not having a correct municipal grading, this in the long run result in attracting inappropriate capacity from the market which does not meet the municipal service delivery skills currently required. Evidence of this fact evident in the extent to which services are outsourced and professional advisory services are contracted to perform both mundane and some more normal but technically complex skills required by the Municipality on a daily basis. This point further substantiated by the fact that the combination of Municipal Remuneration Plus Contracted Services, now amount to 47 per cent of Gross Income (Total Income Less Electricity & Water Purchases) or 31 per cent of Expenditure Budget. Both these figures over the norm of 30%;

- Although extensive effort was made during the budgeting process to retain Repairs and Maintenance of Infrastructure at 8% of Property Plant and Equipment, this internationally accepted norm was not achieved in this budget and now sits at 7.7% of PPE. This has increased from 2023/24 at 6.1%. The outer years 2025/26 and 2026/27 increase to 8.4% and 8.9% respectively. Over the MTREF the norm is achieved; and

- The great dependency of the Refuse Service (Solid Waste Management) to Equitable Share is a risk for the Municipality. It does however appear promising that the Senior Management are working on a Revenue Enhancement Strategy, which will be applied in the coming financial year.

The main positives that come out of compilation of the 2024/25 MTREF can be summarised as follows:

- The 2024/25 MTREF has a surplus of R10,6m from an Adjusted 2023/24 deficit of R163,4m;

- Financial Services has continued with the strategy of ensuring that tariffs are **unit cost reflective** and that the **corresponding Revenue Tariffs** are **more equitable and affordable** across the various consumer and ratepayer categories;

- It is noted with appreciation that for the 2024/25 MTREF Equitable Share was increased by 7 % over the 2023/24 MTREF – R520m to R556m;

- 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 is a significant risk to the financial stability of this municipality.

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

- Revenue does include a projected 2% local economic growth with effect from each of the 2024/25 and outer years;
- Revenue cash flow assumes a 95.5% recovery;
- All Revenue Tariffs are based on a cost reflective unit cost per all trading services;
- Capital from own funding (Capital Replacement Reserve and Borrowing) allocated on a prioritised model between Functions using asset values and Income generating ability;
- The internal capital funding mix for the 2024/25 MTREF is based on a 95% to 5% weighting towards borrowing and capital replacement reserve respectively;
- The above weighting is going to require Council to consider approving a Section 46 loan of R380 million in the 2024/25 year;
- The basket of municipal services tariffs collectively has been kept below 11.00% despite the 12.72% increase in electricity purchases; and
- 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.

11.1 Main Budget Tables

The following pages present **main** budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council.

Table 144: Budget Summary – Table MBRR A1

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Financial Performance									
Property rates	551 173	567 444	615 808	736 829	713 967	713 967	778 224	817 135	857 992
Service charges	2 283 720	2 428 566	2 614 424	2 973 769	3 110 756	3 110 756	3 439 006	3 709 280	4 004 011
Investment revenue	32 646	34 735	26 846	64 500	40 000	40 000	45 000	50 000	55 000
Transfers and subsidies - Operational	491 484	437 070	503 405	551 827	568 973	568 973	587 345	613 555	644 094
Other own revenue	218 743	806 659	854 961	604 526	688 932	688 932	749 877	775 060	841 231
Total Revenue (excluding capital transfers and contributions)	3 577 766	4 274 472	4 615 445	4 931 451	5 122 627	5 122 627	5 599 452	5 965 030	6 402 328
Employee costs	956 520	1 032 294	1 076 639	1 212 559	1 186 692	1 186 692	1 257 068	1 315 508	1 381 001
Remuneration of councillors	31 204	30 528	32 724	35 510	35 510	35 510	35 203	36 960	38 805
Depreciation and amortisation	349 123	332 220	312 052	320 160	320 160	320 160	305 950	340 255	380 500
Interest	59 021	57 200	89 003	130 491	158 678	158 678	178 824	199 420	214 616
Inventory Consumed and bulk purchases	1 320 192	1 698 852	1 760 030	1 953 107	2 122 351	2 122 351	2 295 365	2 489 493	2 695 930
Transfers and subsidies	9 787	9 279	8 772	14 759	9 960	9 960	7 582	7 938	8 311
Other expenditure	908 726	1 056 428	1 494 367	1 270 439	1 452 677	1 452 677	1 508 852	1 561 796	1 668 224
Total Expenditure	3 634 573	4 216 802	4 773 588	4 937 024	5 286 027	5 286 027	5 588 843	5 951 370	6 387 387
Surplus/(Deficit)	(56 807)	57 670	(158 143)	(5 573)	(163 401)	(163 401)	10 609	13 660	14 942
Transfers and subsidies - capital (monetary allocations)	188 217	181 567	250 741	218 836	218 530	218 530	219 773	202 524	228 273
Transfers and subsidies - capital (in-kind)	–	1 627	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	131 410	240 865	92 598	213 263	55 130	55 130	230 382	216 185	243 215
Surplus/(Deficit) for the year	131 410	240 865	92 598	213 263	55 130	55 130	230 382	216 185	243 215

Table 145: Budget Summary (continued)

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure & funds sources									
Capital expenditure	437 939	668 866	1 007 939	802 941	817 407	817 407	611 264	617 524	573 273
Transfers recognised - capital	175 365	124 116	224 558	218 836	218 530	218 530	219 773	202 524	228 273
Borrowing	86 942	368 000	582 019	406 569	418 775	418 775	380 000	360 000	325 000
Internally generated funds	175 632	176 750	201 362	177 536	180 101	180 101	11 491	55 000	20 000
Total sources of capital funds	437 939	668 866	1 007 939	802 941	817 407	817 407	611 264	617 524	573 273
Financial position									
Total current assets	1 445 130	1 700 935	1 739 338	1 536 856	1 589 670	1 589 670	1 781 780	1 939 689	2 213 399
Total non current assets	6 227 519	6 575 155	7 224 345	7 799 009	7 721 592	7 721 592	8 026 906	8 304 175	8 496 948
Total current liabilities	654 984	946 939	1 029 613	1 087 272	1 122 405	1 122 405	1 227 515	1 285 349	1 421 428
Total non current liabilities	952 504	1 060 669	1 509 888	1 698 900	1 720 792	1 720 792	1 882 723	2 043 883	2 131 073
Community wealth/Equity	6 065 161	6 268 482	6 424 182	6 549 694	6 468 065	6 468 065	6 698 447	6 914 632	7 157 847
Cash flows									
Net cash from (used) operating	556 618	313 260	371 299	786 596	495 914	495 914	797 341	875 456	947 898
Net cash from (used) investing	(349 779)	(733 299)	(1 050 947)	(923 382)	(940 017)	(940 017)	(702 954)	(710 153)	(659 264)
Net cash from (used) financing	13 933	284 409	490 077	257 637	259 143	259 143	198 219	137 858	121 882
Cash/cash equivalents at the year end	820 690	685 060	495 490	656 967	310 529	310 529	602 755	905 916	1 316 431
Cash backing/surplus reconciliation									
Cash and investments available	820 690	684 764	495 109	656 967	310 148	310 148	602 755	905 916	1 316 431
Application of cash and investments	739 074	305 450	(161 182)	209 627	(125 238)	(125 238)	(112 367)	76 207	309 225
Balance - surplus (shortfall)	81 616	379 314	656 291	447 340	435 387	435 387	715 122	829 709	1 007 207

Table 146: Budget Summary (continued)

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Asset management									
Asset register summary (WDV)	6 227 519	6 575 155	7 224 345	7 799 009	7 721 592	7 721 592	8 026 906	8 304 175	8 496 948
Depreciation	349 123	332 220	312 052	320 160	320 160	320 160	305 950	340 255	380 500
Renewal and Upgrading of Existing Assets	189 331	257 003	466 422	407 310	394 848	394 848	297 102	314 527	294 201
Repairs and Maintenance	369 002	426 478	495 190	464 972	479 213	479 213	606 908	685 899	741 374
Free services									
Cost of Free Basic Services provided	12 011	216 250	45 251	390 191	390 191	390 191	332 249	349 732	367 280
Revenue cost of free services provided	45 503	113 342	92 847	410 236	351 577	351 577	354 244	372 413	391 515

Explanatory notes to Budget Summary

1. 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.
2. 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:

3. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
4. 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.*

5. 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 Adopted an Investment, Working Capital and Capital Replacement Reserves Policy.
6. 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, plus the fact the Free Basic Services cannot be delivered in the absence of all the services financed by Rates. 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.

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. The latter read together with the requirements of MFMA Budget circulars 126 and 128 issued in December 2023 and March 2024 respectively were used to compile the Budget.

12.CAPITAL BUDGET SUMMARY

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

12.1.1 Table 147 : Medium-term outlook: capital revenue

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funded by:									
National Government	169 403	114 973	223 302	218 836	216 337	216 337	219 273	199 912	225 544
Provincial Government	5 962	9 143	1 257	–	–	–	500	2 612	2 729
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	2 194	2 194	–	–	–
Transfers recognised - capital	**175 365**	**124 116**	**224 558**	**218 836**	**218 530**	**218 530**	**219 773**	**202 524**	**228 273**
Borrowing	86 942	368 000	582 019	406 569	418 775	418 775	380 000	360 000	325 000
Internally generated funds	175 632	176 750	201 362	177 536	180 101	180 101	11 491	55 000	20 000
Total Capital Funding	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**

The above table is graphically represented as follows for the 2024/25 financial year.

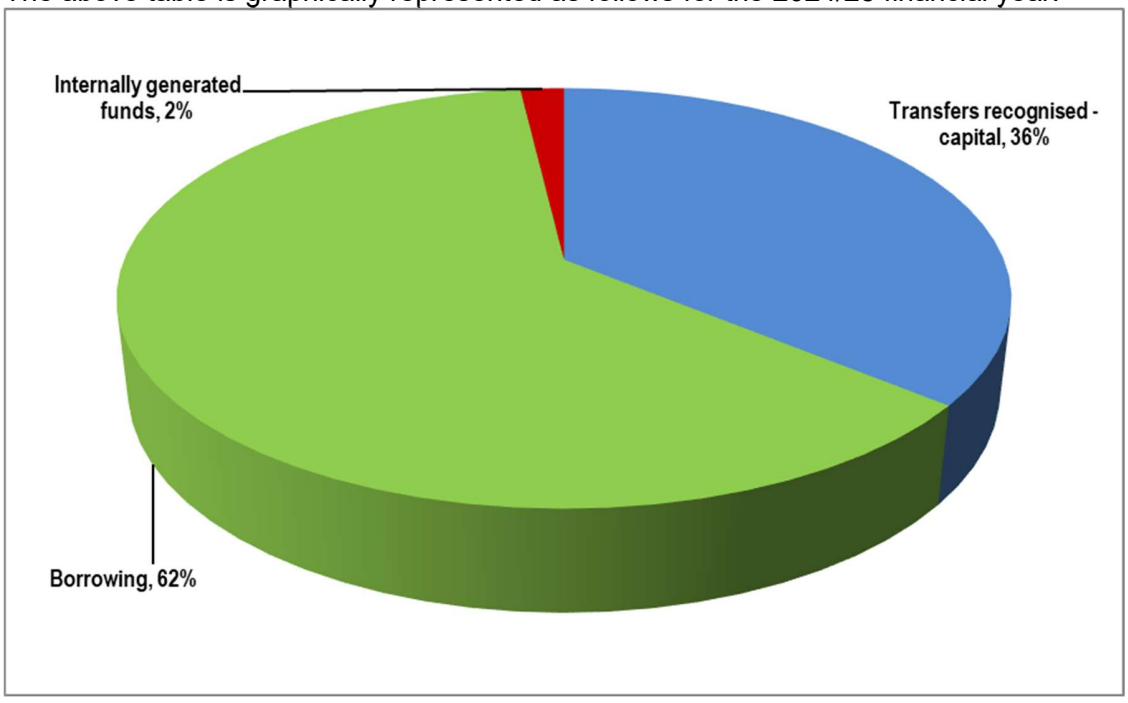


Figure 114 Sources of capital revenue for the 2024/25 financial year

Capital grants and receipts equates to 36 per cent of the total funding source which represents R 220 million for the 2024/25 financial year and increases to R 228 million by 2026/27.

12.1.2 Capital Projects

Note 1: The projects for 2024/2025 MTREF are listed under section 18.1 as Municipal Funded Projects, also on Annexure 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 148: Budgeted Capital Expenditure by vote, standard classification and funding.

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	1 514	227	3 715	22 033	14 683	14 683	26 365	4 316	3 595
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	(338)	713	8 101	40 315	30 615	30 615	31 576	23 836	15 689
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	(0)	–	–	–	–	–	25	28	23
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	14 414	36 051	168 627	33 050	77 185	77 185	34 923	37 878	28 669
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	5 220	8 033	28 842	64 208	57 848	57 848	17 199	16 698	14 395
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	54 595	41 073	49 709	8 015	8 015	8 015	34 655	33 183	32 223
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	(0)	–	–	–	–	–	–	–	–
Vote 8 - FINANCIAL SERVICES	3	51	158	194	90	90	109	–	–
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	50 423	131 026	82 030	139 905	112 701	112 701	77 729	74 808	58 176
Vote 10 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE AND FACILITIES MANAGEMENT SERVICES	–	17	–	–	–	–	2	2	2
Vote 11 - INFRASTRUCTURE SERVICES - CIVIL ENGINEERING SERVICES	235 345	350 167	512 601	387 138	417 271	417 271	322 148	344 762	360 103
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SERVICES	(0)	–	–	–	–	–	–	–	–
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	(1)	24	11	48	20	20	27	30	24
Vote 14 - CORPORATE SERVICES - LEGAL SERVICES	–	–	3	1	1	1	–	–	–
Vote 15 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE SUPPORT SERVICES	28 703	58 777	66 225	21 000	10 820	10 820	21 000	25 000	21 388
Capital multi-year expenditure sub-total	**389 879**	**626 159**	**920 021**	**715 907**	**729 248**	**729 248**	**565 758**	**560 541**	**534 287**

Table 149: Budgeted Capital Expenditure by vote, functional classification and funding source (continued)

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital expenditure - Vote									
Single-year expenditure to be appropriated									
Vote 1 - CITY DEVELOPMENT	1 783	–	–	117	3 448	3 448	78	87	72
Vote 2 - COMMUNITY SERVICES - PUBLIC HEALTH AND EMERGENCY SERVICES	3 332	229	905	2 980	2 760	2 760	58	64	54
Vote 3 - COMMUNITY SERVICES - PROTECTION SERVICES	455	41	98	280	533	533	64	72	60
Vote 4 - COMMUNITY SERVICES - RECREATIONAL AND ENVIRONMENTAL SERVICES	9 453	1 832	4 438	13 522	10 157	10 157	316	1 251	3 647
Vote 5 - CORPORATE SERVICES - ADMINISTRATION	1 855	550	14 436	326	3 336	3 336	17	18	15
Vote 6 - CORPORATE SERVICES - INFORMATION COMMUNICATION TECHNOLOGY	7 722	5 169	8 239	8 697	8 617	8 617	70	5 590	73
Vote 7 - CORPORATE SERVICES - HUMAN RESOURCES	164	–	138	358	358	358	153	171	142
Vote 8 - FINANCIAL SERVICES	–	187	–	213	113	113	–	–	–
Vote 9 - ELECTRICAL AND ENERGY SUPPLY SERVICES	16 762	31 256	50 768	37 097	40 870	40 870	17 630	19 595	16 813
Vote 10 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE AND FACILITIES MANAGEMENT SERVICES	–	–	–	–	–	–	–	–	–
Vote 11 - INFRASTRUCTURE SERVICES - CIVIL ENGINEERING SERVICES	(678)	471	1 897	20 256	17 274	17 274	21 087	20 097	8 081
Vote 12 - INFRASTRUCTURE SERVICES - ENGINEERING SERVICES	–	–	38	94	94	94	8	10	7
Vote 13 - OFFICE OF THE MUNICIPAL MANAGER	21	–	31	95	123	123	25	28	23
Vote 14 - CORPORATE SERVICES - LEGAL SERVICES	–	–	–	–	–	–	–	–	–
Vote 15 - INFRASTRUCTURE SERVICES - INFRASTRUCTURE SUPPORT SERVICES	7 192	2 972	6 931	3 000	477	477	6 000	10 000	10 000
Capital single-year expenditure sub-total	**48 060**	**42 708**	**87 918**	**87 034**	**88 159**	**88 159**	**45 506**	**56 983**	**38 987**
Total Capital Expenditure - Vote	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**

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 2024/25 R565,7 million has been allocated of the total R611 million capital budget, which totals 93 per cent. This allocation decreases slightly to R 561 million in 2025/26 and decreases further to R 534 million in 2026/27.

3. Single-year capital expenditure has been appropriated at R 45 million for the 2024/25 financial year and increases to levels of R 57 million in the 2025/2026 year and decreases to R 39 million in the 2026/27 year.

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.

5. The capital programme is funded from national and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2024/25, capital transfers totals R 220 million (36 per cent) and increases to R 228 million in the 2026/27 financial year (40 per cent). Borrowing has been provided at R 380 million for 2024/25, R 360 million for 2025/26 and R 325 million for 2026/27. Internally generated funding totaling R 11 million, R 55 million and R 20 million for each of the respective financial years of the MTREF.

12.2 Capital expenditure

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

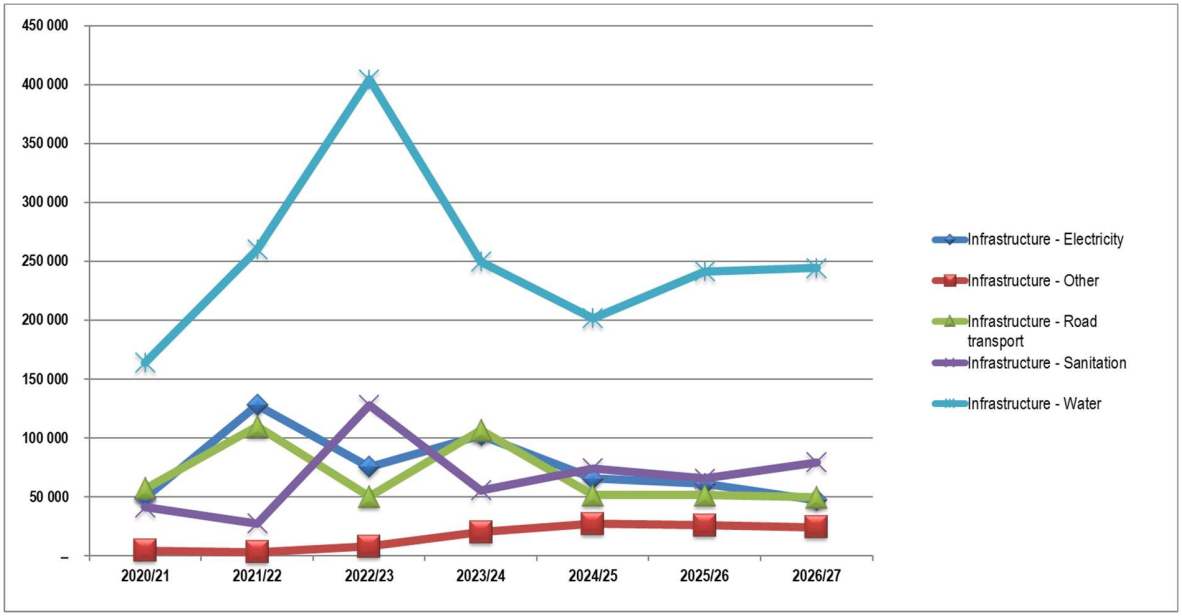
Table 150: Medium-Term Capital Budget per Vote

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional									
Governance and administration	**80 110**	**79 665**	**115 145**	**68 791**	**64 557**	**64 557**	**63 887**	**71 212**	**59 313**
Executive and council	20	–	37	118	123	123	36	40	33
Finance and administration	80 090	79 665	115 108	68 673	64 434	64 434	63 851	71 172	59 280
Community and public safety	**33 691**	**46 713**	**206 851**	**107 478**	**136 699**	**136 699**	**54 043**	**55 566**	**45 941**
Community and social services	9 383	11 897	32 572	71 074	57 555	57 555	16 656	13 981	11 580
Sport and recreation	21 923	34 586	172 966	34 620	77 578	77 578	33 373	37 102	30 627
Public safety	603	230	1 312	1 785	1 565	1 565	816	912	759
Housing	1 783	–	–	–	–	–	3 198	3 571	2 975
Economic and environmental services	**63 411**	**110 897**	**61 607**	**155 315**	**152 737**	**152 737**	**90 546**	**62 765**	**51 978**
Planning and development	1 514	227	3 567	22 127	14 777	14 777	23 175	755	627
Road transport	61 473	110 671	57 312	131 940	133 382	133 382	67 206	61 826	51 198
Environmental protection	424	–	728	1 248	4 579	4 579	165	184	153
Trading services	**260 726**	**431 591**	**613 561**	**465 913**	**449 989**	**449 989**	**400 349**	**423 204**	**411 509**
Energy sources	49 620	129 162	76 006	125 935	106 705	106 705	66 547	62 232	48 193
Water management	185 693	263 240	405 225	202 482	260 751	260 751	221 898	258 418	256 381
Waste water management	22 793	38 476	130 494	125 266	75 003	75 003	96 069	89 326	91 935
Waste management	2 620	713	1 835	12 230	7 530	7 530	15 835	13 228	15 000
Other	**(0)**	**–**	**10 776**	**5 444**	**13 424**	13 424	**2 439**	**4 777**	**4 532**
Total Capital Expenditure - Functional	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**
Funded by:									
National Government	169 403	114 973	223 302	218 836	216 337	216 337	219 273	199 912	225 544
Provincial Government	5 962	9 143	1 257	–	–	–	500	2 612	2 729
District Municipality	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	2 194	2 194	–	–	–
Transfers recognised - capital	**175 365**	**124 116**	**224 558**	**218 836**	**218 530**	**218 530**	**219 773**	**202 524**	**228 273**
Borrowing	86 942	368 000	582 019	406 569	418 775	418 775	380 000	360 000	325 000
Internally generated funds	175 632	176 750	201 362	177 536	180 101	180 101	11 491	55 000	20 000
Total Capital Funding	**437 939**	**668 866**	**1 007 939**	**802 941**	**817 407**	**817 407**	**611 264**	**617 524**	**573 273**

For 2024/25 an amount of R421 million has been appropriated for the development of infrastructure which represents 69 per cent of the total capital budget. In the outer years this amount totals R446million, 72 per cent and R 445 million, 78 per cent respectively for each of the financial years. Water infrastructure receives the highest allocation of R 202 million in 2024/25 which equates to 48 per cent followed by electrical infrastructure at 16 per cent, R66 million, R74 million waste water infrastructure at 18 per cent, and then R52 million road infrastructure at 12 per cent. Total new assets represent 51 per cent or R 314 million of the total capital budget, asset renewal equates to 30 per cent or R 183 million and upgrade of existing assets 19 per cent or R 114 million.

Figure 115: Capital Budget for Infrastructure Projects

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



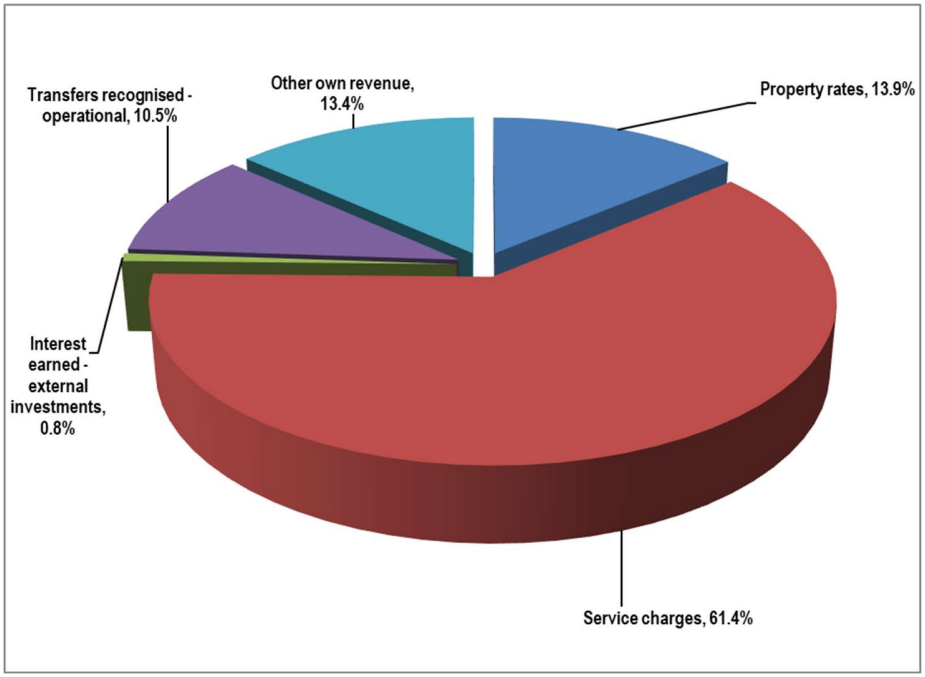
13.OPERATIONAL BUDGET SUMMARY

13.1 Operating Revenue Framework

Table 151: Breakdown of the operating revenue over the medium-term

Description	2023/24 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2024/25	%	Budget Year +1 2025/26	%	Budget Year +2 2026/27	%
Revenue By Source						
Property rates	778 224	13.9%	817 135	13.7%	857 992	13.4%
Service charges	3 439 006	61.4%	3 709 280	62.2%	4 004 011	62.5%
Interest earned - external investments	45 000	0.8%	50 000	0.8%	55 000	0.9%
Transfers recognised - operational	587 345	10.5%	613 555	10.3%	644 094	10.1%
Other own revenue	749 877	13.4%	775 060	13.0%	841 231	13.1%
Total Operating Revenue (excluding	**5 599 452**	**100.0%**	**5 965 030**	**100.0%**	**6 402 328**	**100.0%**
Total Operating Expenditure	**5 588 843**		**5 951 370**		**6 387 387**	
Surplus/(Deficit)	**10 609**		**13 660**		**14 942**	

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



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The 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 95 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 2024/25 MTREF on the different revenue categories are:

Table 152 Proposed tariff increases over the medium-term

Categories	Percentage increase (%) (Average) 2024/25	Percentage increase (%) (Average) 2025/26	Percentage increase (%) (Average) 2026/27
Property rates	9,00%	6,00%	6,00%
Electricity	10,09%	8,00%	8,00%
Water	10,00%	7,00%	7,00%
Refuse	6,00%	6,00%	6,00%
Sewer	9,00%	5,00%	5,00%

Table 153: Household Bill

The following table shows the overall expected impact of the tariff increases on a medium and an indigent household receiving free basic services.

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	530.88	559.42	593.67	645.04	645.04	645.04	9%	703.10	738.25	789.93
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	1 682.57	1 748.36	1 838.36	2 121.28	2 121.28	2 121.28	13%	2 389.44	2 508.91	2 759.80
Water: Basic levy	24.60	29.45	44.00	50.60	50.60	50.60	10%	55.66	59.56	63.73
Water: Consumption	398.12	347.70	366.95	437.07	437.07	437.07	11%	487.30	521.42	557.91
Sanitation	196.60	206.40	218.80	251.60	251.60	251.60	9%	274.24	287.96	316.75
Refuse removal	157.61	165.49	175.42	191.21	191.21	191.21	6%	202.68	212.82	229.84
sub-total	**2 990.38**	**3 056.81**	**3 237.19**	**3 696.80**	**3 696.80**	**3 696.80**	**11.2%**	**4 112.43**	**4 328.91**	**4 717.96**
VAT on Services	368.92	374.61	396.53	**457.76**	**457.76**	**457.76**	–	511.40	538.60	589.21
Total large household bill:	**3 359.30**	**3 431.42**	**3 633.72**	**4 154.56**	**4 154.56**	**4 154.56**	**11.3%**	**4 623.83**	**4 867.51**	**5 307.17**
% increase/-decrease	**–**	**2.1%**	**5.9%**	**14.3%**	**–**	**–**	**(21.2%)**	**11.3%**	**5.3%**	**9.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	375.88	396.08	420.33	456.71	456.71	456.71	9%	497.81	522.70	559.29
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	908.09	942.00	990.64	1 142.96	1 142.96	1 142.96	13%	1 287.36	1 351.73	1 486.90
Water: Basic levy	24.60	29.45	44.00	50.60	50.60	50.60	10%	55.66	59.56	63.73
Water: Consumption	303.24	268.40	278.13	334.93	334.93	334.93	12%	374.95	401.20	429.28
Sanitation	196.60	206.40	218.80	251.60	251.60	251.60	9%	274.24	287.96	316.75
Refuse removal	155.54	163.32	173.12	188.70	188.70	188.70	6%	200.02	210.02	226.82
sub-total	**1 963.95**	**2 005.64**	**2 125.03**	**2 425.50**	**2 425.50**	**2 425.50**	**10.9%**	**2 690.05**	**2 833.16**	**3 082.78**
VAT on Services	238.21	241.43	255.70	295.32	295.32	295.32	–	328.84	346.57	378.52
Total small household bill:	**2 202.16**	**2 247.08**	**2 380.73**	**2 720.82**	**2 720.82**	**2 720.82**	**11.0%**	**3 018.89**	**3 179.73**	**3 461.30**
% increase/-decrease	**–**	**2.0%**	**5.9%**	**14.3%**	**–**	**–**	**(23.3%)**	**11.0%**	**5.3%**	**8.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	131.75	114.33	121.33	131.83	131.83	131.83	9%	143.70	150.88	161.45
Electricity: Basic levy	–	–	–	–	–	–		–	–	–
Electricity: Consumption	13.11	13.57	14.27	16.46	16.46	16.46	13%	18.54	19.47	21.42
Water: Basic levy	24.60	29.45	44.00	50.60	50.60	50.60	10%	55.66	59.56	63.73
Water: Consumption	167.83	149.88	156.32	189.89	189.89	189.89	12%	213.26	228.19	244.17
Sanitation	196.60	206.40	218.80	251.60	251.60	251.60	9%	274.24	287.96	316.75
Refuse removal	153.49	161.16	170.83	186.20	186.20	186.20	6%	197.37	207.24	223.82
sub-total	**687.38**	**674.79**	**725.55**	**826.59**	**826.59**	**826.59**	**9%**	**902.78**	**953.30**	**1 031.32**
VAT on Services	83.35	84.07	90.63	104.21	104.21	104.21		113.86	120.36	130.48
Total small household bill:	**770.73**	**758.86**	**816.18**	**930.80**	**930.80**	**930.80**	**9%**	**1 016.64**	**1 073.66**	**1 161.81**
% increase/-decrease	**–**	**(1.5%)**	**7.6%**	**14.0%**	**–**	**–**	**(34.3%)**	**9.2%**	**5.6%**	**8.2%**

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the City. The municipality will continue to significantly generate its own revenue and will only depend on the operational transfers to the equivalent of 10,5 per cent.

Rates and service charges revenue comprise of 75,3 per cent of total operating revenue mix. In 2023/24, revenue from rates and service charges totalled R3,8 billion and is projected to increase to R4,2 billion in 2024/25 and steadily increase to R4,5 billion and R4,8 billion in 2025/26 and 2026/27 respectively.

Electricity service charges are the largest contributor towards total municipal revenue in terms of turnover amounting to an average of 45,4 per cent over the MTREF. However, it needs to be noted that the actual revenue contributed by Electricity Service to municipal service delivery is the gross profit of Electricity Turnover less Bulk purchase cost which amounts to R 740 million (20% of Gross Revenue) in the 2024/25 financial year. The Rates revenue of R778 (21.1% of Gross Revenue), implies that Rates revenue is the largest contributor towards actual service delivery.

13.2 Operating Expenditure Framework

The City's expenditure framework for the 2024/25 budget and MTREF is informed by the following:

- Given that one of the primary drivers of this budget is to keep tariff increases within the inflationary envelope of 5 per cent, expenditure allocations in excess of the 2023/24 Adjustments budget are very limited;
- Drivers that are beyond the Administrations control are the Electricity price increase of 11,74% and the perennial unfunded service delivery mandates like housing and the delivery of services in non-rateable areas of the Municipality;
- Drivers above the 5% target, that are within the Administrations control that need to be managed lie in the ineffective and inefficient use of resources like PPE and labour, resulting in additional costs for contracted services, fuel and oil, and increased water losses;
- Repairs and maintenance as a percentage of PPE equates to 7,7 per cent, which is slightly below the National norm of 8% but it is augmented by a higher capital amount allocated for renewing and upgrading existing infrastructure.
- Funding of the budget over the medium-term is informed by Section 18 and 19 of the MFMA and Circulars 126 and 128 released in December 2023 and March 2024;

The following table is a high-level summary of the 2024/25 MTREF (classified per main type of operating expenditure):

Table 154 Summary of operating expenditure by standard classification item

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Expenditure By Type									
Employee related costs	956 520	1 032 294	1 076 639	1 212 559	1 186 692	1 186 692	1 257 068	1 315 508	1 381 001
Remuneration of councillors	31 204	30 528	32 724	35 510	35 510	35 510	35 203	36 960	38 805
Bulk purchases - electricity	1 072 631	1 151 971	1 250 740	1 492 128	1 627 634	1 627 634	1 802 031	1 962 412	2 137 066
Inventory Consumed	247 560	546 881	509 290	460 979	494 717	494 717	493 334	527 081	558 864
Debt impairment	37 410	(136 019)	(204 117)	173 883	238 597	238 597	274 153	293 679	314 938
Depreciation and amortisation	349 123	332 220	312 052	320 160	320 160	320 160	305 950	340 255	380 500
Interest	59 021	57 200	89 003	130 491	158 678	158 678	178 824	199 420	214 616
Contracted services	247 868	453 658	580 306	409 217	493 057	493 057	475 330	459 603	497 438
Transfers and subsidies	9 787	9 279	8 772	14 759	9 960	9 960	7 582	7 938	8 311
Irrecoverable debts written off	165 172	119 892	245 949	–	–	–	–	–	–
Operational costs	274 287	333 965	336 284	343 730	377 359	377 359	389 365	407 437	426 901
Losses on disposal of Assets	183 448	23 430	100 056	–	–	–	–	–	–
Other Losses	542	261 503	435 889	343 610	343 664	343 664	370 004	401 076	428 946
Total Expenditure	**3 634 573**	**4 216 802**	**4 773 588**	**4 937 024**	**5 286 027**	**5 286 027**	**5 588 843**	**5 951 370**	**6 387 387**

The budgeted allocation for **employee related costs** for the 2024/25 financial year totals R 1 257 million, which equals 22,5% per cent of the total operating expenditure.

The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 **(DMS 1489744)**. A new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.

For budget purposes a 5 per cent increase has been utilised. No provision for any new or previously unfunded posts has been made in the 2024/25 MTREF. For Councillors allowances a similar situation is unfolding, therefore a 5% increase for them has been provided for.

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, this anomaly 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. To exacerbate this situation even further Job Evaluation (JE) processes are embarked upon but are done out of context. At a recent Job Evaluation (JE) process meeting, representatives of SALGA confirmed that JE processes cannot proceed in the absence of a Municipal Grading.

The risk of this from a financial and service delivery perspective is that the municipality is forced to employ officials who potentially may not 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. This mainly due to the lack of quality assurance, which is a management responsibility.

Evidence of the above risk can also be clearly observed in the extent to which basic service delivery functions are performed by contractors. This financial burden on consumers and ratepayers is clearly evident when adding the cost of contracted services to the employees related benefits. This amount is R 1 732 million. For the 2024/25 year this makes up 47% of the Gross Income (Total Income Less Purchases) or 31 % of Expenditure Budget. This is an indication that the Municipality may lack the requisite skills for service delivery, therefore seeking relief through outsourcing.

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 organizational structure is necessarily in place for proper service delivery. The correct grading will rationalize this anomaly and ensure the trajectory of future posts created and filled is done properly.

The provision of debt impairment was determined based on an annual collection rate of 95,5 per cent and the Credit Control and Debt Management Policy of the City. For the 2024/25 financial year this amount is R274,1 million (R173,8 m 2023/24 and R 238,5m Adjusted 2022/23). These increases being a clear indication of the effects of the current economic conditions and the partial implementation of credit control policy in the Traditional areas.

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 is asset consumed. Budget appropriations in this regard total R305,9 million for the 2024/25 financial and equates to 5,4 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 3,2 per cent (R179 million) of operating expenditure excluding annual redemption.

Bulk purchases are directly informed by the purchase of electricity from Eskom. This is budgeted for the 2024/25 to be R1 802 million.

Water Inventory. A significant improvement in change to the version 6.5 of *m*SCOA is the treatment of bulk purchase of water, which is no longer reflected as an expense, but rather as inventory item. The expenses are 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 by 3,6 per cent from the Adjusted 2023/24. Emphasis is being placed on reducing reliance on contracted services. Contracted services together with Employee Related Costs amount to 31% (22.5% + 8.5%) 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 factor 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.

Losses comprises of the water losses that have arisen as a results of Inventory – Water.

The following figure gives a breakdown of the main expenditure categories for the 2024/25 financial year.

Figure 116 Main operational expenditure categories for the 2024/25 financial year

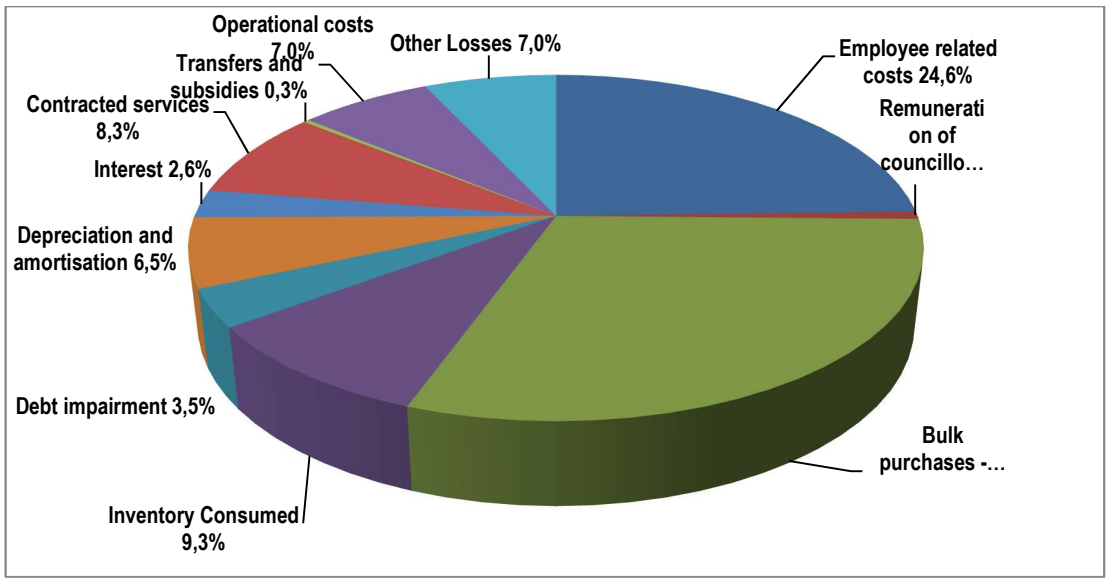


Table 155: Operational repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2024/25 budget and MTREF provide for extensive growth in the area of asset maintenance. The weakness however in this environment is that there is no Municipal wide asset renewal strategy and repairs and maintenance plan of the 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:

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	206 323	220 438	245 860	238 025	238 025	238 025	370 577	438 460	482 306
Inventory Consumed (Project Maintenance)	76 080	74 449	98 706	95 173	104 094	104 094	102 572	107 393	112 440
Contracted Services	84 361	131 383	144 663	130 365	131 685	131 685	131 803	137 998	144 484
Operational Costs	2 239	207	5 961	1 409	5 409	5 409	1 956	2 048	2 144
Total Repairs and Maintenance Expenditure	369 002	426 478	495 190	464 972	479 213	479 213	606 908	685 899	741 374

During the compilation of the 2024/25 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the City's infrastructure and historic deferred maintenance. The labour and transport component of the repairs and maintenance has increased significantly by 55 per cent in the 2024/25 financial year, from R 238 million to R 371 million. The materials and contracted services component combined has decreased slightly by 1%. Departments are encouraged to utilise internal labour and transport instead of reliance on contracted services. There is a clear indication here that in the Repairs and Maintenance environment internal resources are not being deployed. If additional funding on the material component is required based on actual spending as at Mid-year, this will be considered in the 2024/25 Adjusted Budget.

In relation to the total operating expenditure, **repairs and maintenance** as a percentage of Total operating expenditure comprises the following **10,9; 11,5 and 11,6 per cent** of the respective financial years MTREF. In addition, repairs and maintenance as a percentage of PPE comprises of **7,7; 8,4 and 8,9 per cent** of the respective financial years MTREF. Even though the percentage of PPE equates to 7,7 per cent, which is below the National norm it is augmented by a higher amount allocated for renewing and upgrading existing infrastructure.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Repairs and maintenance per asset class

Description	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**279 307**	**301 476**	**355 031**	**318 669**	**331 554**	**331 554**	**407 546**	**461 113**	**498 511**
Roads Infrastructure	64 252	62 247	71 418	78 235	92 766	92 766	92 543	102 283	109 545
Storm water Infrastructure	7 846	2 447	9 871	13 583	13 374	13 374	15 064	16 643	17 827
Electrical Infrastructure	55 323	77 197	99 816	86 414	86 804	86 804	119 384	135 839	147 264
Water Supply Infrastructure	107 326	117 126	133 824	87 784	87 784	87 784	118 082	135 841	147 769
Sanitation Infrastructure	44 290	41 781	39 400	50 190	49 501	49 501	61 082	69 051	74 581
Rail Infrastructure	271	677	702	1 326	1 326	1 326	1 391	1 457	1 525
Coastal Infrastructure	–	–	–	1 137	–	–	–	–	–
Community Assets	**27 933**	**45 625**	**54 766**	**50 905**	**51 688**	**51 688**	**77 052**	**89 424**	**97 712**
Community Facilities	26 510	44 364	53 892	48 525	49 326	49 326	74 623	86 734	94 832
Sport and Recreation Facilities	1 424	1 262	874	2 380	2 362	2 362	2 429	2 690	2 880
Heritage assets	–	20	–	26	26	26	12	14	15
Other assets	**7 527**	**9 003**	**7 015**	**11 597**	**11 947**	**11 947**	**11 592**	**12 685**	**13 532**
Operational Buildings	7 210	8 929	6 944	11 515	11 865	11 865	11 454	12 522	13 353
Housing	316	74	71	82	82	82	138	163	179
Computer Equipment	1 740	4 861	4 641	8 115	8 115	8 115	8 512	8 912	9 331
Computer Equipment	1 740	4 861	4 641	8 115	8 115	8 115	8 512	8 912	9 331
Furniture and Office Equipment	–	–	7	80	80	80	84	88	93
Machinery and Equipment	16 080	28 313	21 022	24 496	24 490	24 490	24 821	25 987	27 208
Transport Assets	36 415	37 182	52 708	51 085	51 313	51 313	77 288	87 675	94 972
Total Repairs and Maintenance Expenditure	**369 002**	**426 478**	**495 190**	**464 972**	**479 213**	**479 213**	**606 908**	**685 899**	**741 374**
R&M as a % of PPE & Investment Property	*6.1%*	*6.7%*	*7.0%*	*6.1%*	*6.4%*	*6.4%*	*7.7%*	*8.4%*	*8.9%*
R&M as % Operating Expenditure	*10.2%*	*10.1%*	*10.4%*	*9.4%*	*9.1%*	*9.1%*	*18.3%*	*12.3%*	*12.5%*

For the 2024/25 financial year, 67,2 per cent or R 407 million of total repairs and maintenance will be spent on infrastructure assets. Electrical infrastructure has received a significant proportion of this allocation totalling at 19,7 per cent (R 119.3 million) followed by Water infrastructure at 19,5 per cent (R 118 million), road transport infrastructure at 15,2 per cent (R 92,5 million), sanitation at 10 per cent (R 61 million) and storm water infrastructure at 2,5 per cent (R 15 million). Community assets has been allocated R 77 million of total repairs and maintenance equating to 12,7 per cent. Transport assets has also been allocated R 77 million (12,7 per cent).

14.SUMMARY OF BUDGET POLICIES

The City's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. Below is a summary of budget policies

14.1.1 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.

It is recommended that the credit control and debt collection policy remain unchanged.
The policy itself is functioning very well which is evident from the relative high collection rates that are still being achieved. Issues that are preventing /hampering the implementation of the policy will be addressed in a separate report.

The 2024/25 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 97.54 percent on current billings for the 2023/24 financial year and remaining at 99,5 per cent for the two outer years.

14.1.2 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).

The policy is amended.

14.1.3 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 necessary for this policy in the 2024/25 financial year due to the fact that Budget Adjustments are governed by the respective legislation.

14.1.4 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.

14.1.5 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 2024/25 financial year.

14.1.6 Investment, Working Capital and Capital Replacement Reserves Policy

The 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.

The policy is currently under review and amendments will be finalised with the adopted budget in May 2024.

14.1.7 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**

14.1.8 Cost Containment Policy

The Municipal Cost Containment Regulations (MCCR) is effective from 1 January 2019. Council's approved the Cost Containment Policy in terms of Council Resolution number 14091 dated 26 August 2020.

No amendments are proposed for this policy in the 2024/25 financial year.

14.1.9 Debt Impairment Policy

The policy aims to ensure that debtors are disclosed in the annual financial statement at the amounts deemed collectable and the uncollectable debt is written off within the guidelines of existing policy and applicable legislation.

The policy contained on (Annexure M of the 2024/2025 MTREF) is a new policy which will be amended and approved annually with the MTREF.

14.1.10 Borrowing Policy

The policy aims to ensure that the Municipality manages interest rate and credit risk exposure as well as to maintain long-term debt within the specified limits in order to ensure adequate provision for the repayment capital charges.

This policy is in draft and will be finalised with the adopted budget.

14.1.11 Insurance Policy

The purpose of this policy is to provide for the risk of loss on Municipality's assets as well as other critical resources. It also provides guidelines for the risk that the Municipality will absorb through its own self-insurance reserve and the budgeting thereof.

This policy is in draft and will be finalised with the adopted budget.

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.

15.Overview of budget assumptions

15.1.1 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.

15.1.2 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 2024/25 MTREF:

- *National Government macro-economic targets as per MFMA circular 126 and 128;*
- *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 22,5 per cent of total operating expenditure in the 2024/25 MTREF.*

15.1.3 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 2024/25 MTREF is based on the assumption that all borrowings are undertaken using both variable and fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

15.1.4 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 (97,54 per cent) of annual billings. Cash flow is assumed to be 97,5 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.

15.1.5 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.

15.1.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 **(DMS 1489744)**. A new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government.

For budget purposes a 5 per cent increase has been utilised. No provision for any new or previously unfunded posts has been made in the 2024/25 MTREF.

15.1.7 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.

15.1.8 Ability of the municipality to spend and deliver on the programmes

The slow spend on the 2022/23 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 2023/24 MTREF. Due to a monthly monitoring of the procurement plan being undertaken through the Capital Spend Project Team, spending in the 2022/23 financial year was improved significantly. The Executive Management Committee (EMCO) ensures that the mechanisms introduced to resolve numerous internal and external factors hindering performance are adhered to.

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.

15.1.9 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 2023/24 MTREF:

- National Government macro-economic targets as per MFMA circular 122 and 123;
- 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 24.6 per cent of total operating expenditure in the 2023/24 MTREF.

15.1.10 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 2023/24 MTREF is based on the assumption that all borrowings are undertaken using both variable and fixed interest rates for amortisation-style loans requiring both regular principal and interest payments.

15.1.11 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate higher that 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 (95.5 per cent) of annual billings. Cash flow is assumed to be 95 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.

15.1.12 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.

15.1.13 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2021 and shall remain in force until 30 June 2024 **(DMS 1489744)**.

In terms of the agreement, the increase for 2023/24 will be determined as follows:

"1.2.1 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 3 an increase based on the projected average CPI percentage for 2023.
1.2.2 The forecasts of the Reserve Bank, in terms of the January 2023 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.6 of the agreement."
For budget purposes a 5per cent increase has been utilised.

However, based on the January 2023 Monetary Policy Committee Statement, the Reserve Bank has projected an average CPI of 5.4%. Any shortfall from this percentage difference will be funded from any vacancies that arise due to normal staff movements.

15.1.14 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.

15.1.15 Ability of the municipality to spend and deliver on the programmes

The slow spend on the 2022/23 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 2023/24 MTREF. Despite a monthly monitoring of the procurement plan being undertaken through the Capital Spend Project Team, spending in the 2022/23 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.

16. ALIGNMENT OF IDP WITH BUDGET

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.
uMhlathuze's Integrated Development Plan is a super plan for the organisation which gives an overall framework for development. The IDP is a strategic tool that guides and informs planning, budgeting and managing. Our IDP aims 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 our jurisdiction. It takes into account the existing conditions and problems and resources available for development. The plan looks at economic and social development for the area as a whole. Amongst other things, it also sets a framework for how land should be used (SDF), what infrastructure and services are needed and provided.

Section 25(1) of the MSA specifically require a municipal Council to within a prescribed period after the start of the electoral term adopt a single, inclusive, and strategic plan for the development of the municipality. Furthermore, the Act requires IDPs to "link, integrate and coordinate plans", as well as "take into account proposals for the development of the municipality". *(read with Section 24 (1) of the MFMA 56 of 2003).* ***In May 2022, Council adopted the Fifth Generation IDP 2022-2027 bearing a five-year strategic framework for the City.***

Section 34 of the MSA makes provision for the annual amendment/revision of the approved municipal IDP together with its sector plans, accordingly the City is in the process of developing an Integrated Development Plan Review for 2024/25, with a Draft being considered by council in March together with the Draft MTREF 2024/25.

The Integrated Development Plan Review 2023/24 which currently in implementation until the 2024/25 IDP Review is considered and approved by Council in May 2024 is outcome based and built on the foundations of Government Priorities. During the IDP development process, Government priorities are incorporated into the municipal strategic framework which directly informs the municipal Service Delivery and Budget Implementation Plan. This fair alignment between IDP and Government priorities is confirmed through the municipal budgeting.

The uMhlathuze's Integrated Development Plan Review 2024/25 is developed with special consideration to the following primary policy developments:

- The National Development Plan (NDP) (2012)
- KZN Provincial Growth and Development Strategy (PGDS) - reviews
- The Back to Basics (B2B) Programme for municipalities (2014)
- The Integrated Urban Development Framework IUDF) (2016)
- The District Growth and Development Plan (DGDP) 2012/2013
- The District Development Model (DDM) (2019)

Some of the important legislative developments include:

- Spatial Planning Land Use Management Act No. 16 of 2013, (SPLUMA)
- National Land Transport Act No. 5 of 2009.
- Department of Planning Monitoring and Evaluation (DPME)'s Draft Planning Framework Bill.

On the international front, important developments include the following:

- The African Union launched Africa 2063 in 2014;
- The Sustainable Development Goals (SDGs)
- National Urban Agenda; and
- The Paris Accord Addressing climate change.

Sector Planning

While the IDP is the municipal'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
- Integrated Human Settlement Plan
- Local Economic Development Plan
- Water Services Development Plan
- Integrated Waste Management Strategy
- Electricity Master Plan
- Financial Plan
- Air Quality Plan;
- Disaster Management Plan
- Electricity Mater Plan

Each of these plans offer comprehensive information and data that informs the IDP to a large extent.
uMhlathuze Municipality gave notice to the local community of the particulars of the process it intended to follow, when developing an Integrated Development Plan Review 2024/25. The community had to be consulted on its development needs and priorities. The local community and organs of state, including traditional authorities, and other role players were consulted during the public participation period. The following mechanisms were used effectively to ensure maximum attendance and fruitful engagements

- Local Radio Slots
- City's Official Social Network Platforms (Facebook, Twitter, WhatsApp)
- Municipal Website
- Newspaper
- Physical meetings
- 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 2024/25 MTREF, based on the approved 2023/24 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 2024/25 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 2023/24 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Table 156: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	180	6 388	862	1 609	1 629	1 629	1 652	1 727	1 806
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	-	182	12	43	43	43	27	29	30
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	63	1 658	117	894	894	894	814	827	840
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	2 773	2 558	2 470	2 870	2 070	2 070	3 106	3 199	3 295
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	-	249	12	56	56	56	27	29	30
1.1 Democratic, Responsible, Transparent, Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	-	333	12	74	74	74	27	29	30
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	2 968 312	3 622 001	3 935 990	4 042 844	4 183 650	4 183 650	4 609 293	4 937 463	5 322 591
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 housing	2.1.2	4 326	83 210	131 599	6 476	89 737	89 737	71 029	41 169	58 282
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	3 271	2 053	1 143	3 275	5 469	5 469	3 215	3 235	3 256

Table 157: Reconciliation between the IDP strategic objectives and budgeted revenue (continued)

Strategic Objective	Goal	Goal Code	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	100 667	9 616	59 922	16 082	17 145	17 145	14 514	10 679	11 415
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	-	280	25	64	64	64	55	57	60
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	4 278	3 417	3 213	3 089	2 916	2 916	2 674	-	-
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	65 257	29 748	9 204	13 959	13 135	13 135	9 857	9 934	10 015
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	544	7 947	1 379	2 285	3 435	3 435	1 933	2 018	2 107
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	-	156	-	28	28	28	-	-	-
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	-	334	79	89	89	89	66	69	71
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	733	1 223	609	912	912	912	1 002	1 036	1 071
3.4 Social Cohesion	To promote social cohesion	3.4.1	20 520	45 333	42 891	29 960	38 576	38 576	38 075	38 055	40 052
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	1 021	4 581	1 326	1 858	1 862	1 862	1 587	1 617	1 648

Table 158: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	591 484	625 226	673 271	1 022 135	976 633	976 633	1 057 620	1 113 689	1 171 264
5.1 Sound Financial And Supply Chain Management	Sustainable Financial and supply chain Management	5.2.1.	2 537	9 749	1 911	1 354	2 394	2 394	2 388	2 417	2 448
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 Immovable Property Management	To ensure fair valuation of properties	6.2.1	-	195	13	41	42	42	28	29	31
	Effective Management of Council owned Immovable properties.	6.2.2	17	1 109	119	261	277	277	225	235	245
6.3 Disaster Management	To prevent and mitigate disaster incidents	6.3.1	-	122	6	29	29	29	14	14	15
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			**3 765 983**	**4 457 666**	**4 866 186**	**5 150 287**	**5 341 157**	**5 341 157**	**5 819 225**	**6 167 555**	**6 630 601**

Table 159: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	10 905	14 285	28 221	48 607	57 601	57 601	47 898	50 160	52 223
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	3 695	3 810	3 127	4 500	4 218	4 218	4 233	4 435	4 609
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	11 981	56 365	84 993	42 392	87 025	87 025	53 997	63 783	77 369
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To promote Access to Information and Accountability	1.1.5	7 690	7 881	7 887	9 629	9 616	9 616	9 690	10 147	10 531
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	To bring the organisation to an enabled risk maturity level	1.1.6	2 401	2 936	4 215	5 500	5 465	5 465	6 210	6 496	6 784
1.1 Democratic, Responsible, Transparent , Objective And Equitable Municipal Governance	Ensure reliability and maintain independence of internal audit activity	1.1.7	3 980	1 977	2 715	68	(383)	(383)	176	184	192
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	2 812 731	3 469 900	3 880 990	4 025 920	4 285 486	4 285 486	4 612 785	4 967 587	5 320 885
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 housing	2.1.2	31 128	104 537	152 567	29 964	113 578	113 578	94 054	64 181	82 167
2.1 Efficient and integrated infrastructure and services	To ensure effective Fleet Management	2.1.3	68 603	58 339	94 969	69 245	73 782	73 782	28 054	22 340	36 605

Table 160: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
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	242 128	78 288	80 883	95 704	87 795	87 795	97 191	100 725	104 395
3.1 Viable Economic Growth And Development	To create enabling environment for the informal economy	3.1.3	5 614	5 894	5 080	5 519	5 548	5 548	6 039	6 325	6 550
3.1 Viable Economic Growth And Development	Clear City identity	3.1.4	4 278	3 417	3 213	3 089	2 916	2 916	2 674	-	-
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	124 492	113 305	113 115	129 603	155 272	155 272	147 641	153 378	159 138
3.2 Public Safety and Security	To ensure Provision of fire and rescue services	3.2.2	77 923	87 458	106 814	109 385	120 421	120 421	121 964	127 112	132 419
3.3 Safe and Healthy Living Environment	Efficient an effective waste management services	3.3.1	2 024	2 798	4 480	5 786	5 785	5 785	6 493	6 800	7 126
3.3 Safe and Healthy Living Environment	To ensure air quality management	3.3.2	9 580	8 596	7 392	8 511	7 587	7 587	8 274	8 664	8 957
3.3 Safe and Healthy Living Environment	Cater for alternate future burial option	3.3.3	11 835	14 971	15 141	18 067	16 423	16 423	16 095	16 876	17 563
3.4 Social Cohesion	To promote social cohesion	3.4.1	203 812	232 719	239 001	278 373	273 072	273 072	277 108	292 013	307 777
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	6 033	11 162	4 307	13 870	9 752	9 752	12 108	12 609	13 100

17.FUNDED MUNICIPAL CAPITAL PROJECTS

17.1 List of Capital Projects for 2024/2025

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
PROJECTS UNDER THE RESPONSIBILITY OF THE DEPUTY CITY MANAGER: CITY DEVELOPMENT																
1	AR	Pollution Control	INSTALLATION OF AIR QUALITY MONITORING EQUIPMENT	BORROWING	R	M	14	03	3	3,3	78 000	78 000	87 000	72 000	78 000	76 000
2	CC	Economic Development/Planning	SUPPLY AND INSTALLATION OF CONCRETE TABLES AT ESIKHALENI (WARD 20)	BORROWING	U	M	04	03	3	3,1	667 000	667 000	745 000	620 000	666 000	657 000
3	CC	Economic Development/Planning	PURCHASED OF LAND: AIRPORT RELOCATION	BORROWING	U	M	04	03	3	3,1	19 500 000	19 500 000	-	-	-	-
5	CC	Economic Development/Planning	DESIGNS AND PLANS FOR WATERFRONT AREA	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	04	03	3	3,1	3 000 000	3 000 000	-	-	-	-
6	BT	Housing	REFURBISHMENT ESIKHALENI FLATS WARD 20	BORROWING	R	M	06	02	2	2,1	3 198 000	3 198 000	3 571 000	2 975 000	3 194 000	3 150 000
7	AH	Disaster Management	GENERATOR: DISASTER CENTRE	CAPITAL REPLACEMENT RESERVES	N	S	09	04	1	1,1	14 000	14 000	15 000	13 000	14 000	14 000
8	AH	Disaster Management	DISASTER MANAGEMENT BUILDING FURNITURE	CAPITAL REPLACEMENT RESERVES	N	S	10	01	6	6,3	14 000	14 000	16 000	13 000	14 000	13 000
9	CK	Fire Fighting and Protection	UPGRADING OF TRAINING YARD	BORROWING	U	S	09	04	1	1,1	150 000	100 000	287 000	239 000	257 000	253 000
10	CK	Fire Fighting and Protection	GENERATOR: EMPANGENI FIRE STATION	BORROWING	U	S	09	04	1	1,1	150 000	130 000	287 000	239 000	257 000	253 000
11	CK	Fire Fighting and Protection	FIRE FIGHTING EQUIPMENT	BORROWING	N	S	11	03	3	3,2	471 000	400 000	287 000	239 000	256 000	254 000
12	DC	Solid Waste Removal	ALTON: UPGRADE TRANSFER STATION	BORROWING	N	S	06	02	2	2,1	2 000 000	1 700 000	2 000 000	2 000 000	2 000 000	2 000 000
13	DC	Solid Waste Removal	FURNITURE: WASTE MANAGEMENT	BORROWING	N	S	06	02	2	2,1	200 000	100 000	-	-	-	-
14	DE	Street Cleaning	REPLACEMENT FURNITURE FOR WASTE DEPOTS	CAPITAL REPLACEMENT RESERVES	N	S	06	02	2	2,1	30 000	30 000	33 000	28 000	30 000	29 000

Capital Projects for 2024/2025 (continued)

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
15	DC	Solid Waste Removal	SKIPS	BORROWING	N	M	06	02	2	2,1	3 000 000	2 800 000	2 000 000	3 000 000	1 000 000	3 000 000
16	BP	Security Services	21 X 9MM PISTOLS (OVER MTREF YEARS)	BORROWING	N	S	11	03	3	3,2	19 000	19 000	21 000	18 000	19 000	19 000
19	CQ	Police Forces, Traffic and Street Parking Control	EQUIPMENT FOR TRAFFIC	CAPITAL REPLACEMENT RESERVES	N	S	11	03	3	3,2	45 000	45 000	-	-	45 000	-
20	CR	Road and Traffic Regulation	FURNITURE FOR TRAFFIC LICENSING	BORROWING	N	S	06	02	2	2,1	12 500	12 500	14 000	11 500	12 000	12 500
21	CR	Road and Traffic Regulation	EQUIPMENT FOR TRAFFIC LICENSING	BORROWING	N	S	06	02	2	2,1	12 500	12 500	14 000	11 500	12 500	12 500
22	AA	Cemeteries, Funeral Parlours and Crematoriums	PLANNING : CREMATORIUM	BORROWING	N	M	14	03	3	3,3	200 000	200 000	-	-	-	-
23	AA	Cemeteries, Funeral Parlours and Crematoriums	COMPACTION - RICHARDS BAY AND ESIKHALENI CEMETERY	BORROWING	R	S	14	03	3	3,3	200 000	200 000	204 000	200 000	200 000	150 000
24	AA	Cemeteries, Funeral Parlours and Crematoriums	EMPEMBENI CEMETERY FENCING	BORROWING	N	M	14	03	3	3,3	117 000	-	150 000	95 000	117 000	162 000
28	AC	Halls	REFURBISHMENT OF EMPANGENI CIVIC HALL	BORROWING	U	M	06	02	2	2,1	1 044 000	1 000 000	-	-	-	-
31	AE	Libraries and Archives: Libraries and Archives	ALL LIBRARIES - CASH REGISTERS	CAPITAL REPLACEMENT RESERVES	N	S	14	03	3	3,4	18 000	18 000	-	-	-	-
32	AE	Libraries and Archives: Libraries and Archives	LIBRARIES; FURNITURE AND EQUIPMENT	BORROWING	R	S	14	03	3	3,4	143 500	-	508 000	423 000	454 000	448 000
33	AE	Libraries and Archives: Libraries and Archives	LIGHTNING PROTECTIN - ALL LIBRARIES	BORROWING	R	S	14	03	3	3,4	143 500	-	-	-	-	-
34	CS	Beaches and Jetties	BEACHES: OFFICE FURNITURE & EQUIPMENT	BORROWING	R	S	14	03	3	3,4	266 000	100 000	164 000	220 000	315 000	206 000
35	CS	Beaches and Jetties	ALKANTSTRAND: UPGRADE RECREATIONAL AREA	BORROWING	U	M	14	03	3	3,4	250 000	50 000	240 000	250 000	150 000	300 000
36	CS	Beaches and Jetties	BEACHES: MACHINERY AND EQUIPMENT	BORROWING	N	S	14	03	3	3,4	128 000	28 000	340 000	150 000	200 000	150 000
37	CS	Beaches and Jetties	BEACHES: MACHINERY AND EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	14	03	3	3,4	22 000	22 000				
38	CT	Community Parks (including Nurseries)	REPLACEMENT OF SLASHERS	CAPITAL REPLACEMENT RESERVES	R	S	14	03	3	3,4	200 000	200 000	200 000	1 000 000	-	400 000
39	CT	Community Parks (including Nurseries)	RIDE ON MOWERS (PARKS)	BORROWING	N	S	14	03	3	3,4	1 177 000	1 000 000	1 000 000	-	1 000 000	1 012 000
40	CT	Community Parks (including Nurseries)	PARKS SECTION - OFFICE FURNITURE	CAPITAL REPLACEMENT RESERVES	R	S	14	03	3	3,4	57 000	57 000	101 000	-	32 000	-
42	CX	Recreational Facilities - Parks Administration	PARKS ADMIN - FURNITURE AND OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	N	S	14	03	3	3,4	1 000	1 000	1 000	1 000	1 000	1 000
43	CY	Recreational Facilities - Swimming Pools	KWADLANGEZWA SWIMMING POOL	BORROWING	N	M	14	03	3	3,4	400 000	-	250 000	150 000	100 000	500 000
45	CY	Recreational Facilities - Swimming Pools	SAFES: SWIMMING POOLS	CAPITAL REPLACEMENT RESERVES	N	S	14	03	3	3,4	350 000	350 000	300 000	250 000	500 000	450 000

Capital Projects for 2024/2025 (continued)

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
46	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO ARBORETUM POOL	BORROWING	U	M	14	03	3	3,4	1 000 000	1 000 000	1 000 000	350 000	250 000	150 000
47	CY	Recreational Facilities - Swimming Pools	POOLS: MACHINERY AND EQUPMENT	CAPITAL REPLACEMENT RESERVES	N	S	14	03	3	3,4	75 000	75 000	750 000	200 000	85 000	250 000
48	CY	Recreational Facilities - Swimming Pools	RENOVATION AQUADENE POOL	BORROWING	U	M	14	03	3	3,4	250 000	250 000	85 000	150 000	75 000	450 000
49	CY	Recreational Facilities - Swimming Pools	POOLS: OFFICE FURNITURE & EQUIPMENT	BORROWING	N	S	14	03	3	3,4	500 000	200 000	750 000	100 000	150 000	300 000
50	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO ESIKHALENI POOL	BORROWING	U	M	14	03	3	3,4	300 000	300 000	50 000	450 000	150 000	150 000
51	CY	Recreational Facilities - Swimming Pools	LANE REELS	BORROWING	N	S	14	03	3	3,4	200 000	200 000	150 000	400 000	350 000	550 000
52	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO EMPANGENI POOL	BORROWING	U	M	14	03	3	3,4	200 000	-	350 000	150 000	300 000	250 000
53	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO BRACKENHAM POOL	BORROWING	U	M	14	03	3	3,4	300 000	200 000	500 000	550 000	450 000	400 000
54	CY	Recreational Facilities - Swimming Pools	IMPROVEMENTS / RENOVATIONS TO MEERENSEE POOL	BORROWING	U	M	14	03	3	3,4	797 000	700 000	514 000	455 000	1 105 000	468 000
55	CZ	Sport Development and Sport fields	CONSTRUCTION OF ASTRO TURF FOR NTAMBANANA	BORROWING	N	M	14	03	3	3,4	-	-	2 357 000	-	-	-
56	CZ	Sports Grounds and Stadiums: Sport Development and Sportfields	REFURB KHAYALETHU SPORTS FACILITY - ABLUTION FACILITY	BORROWING	U	S	14	03	3	3,4	2 272 000	2 000 000	-	-	-	-
60	DB	Sports Grounds and Stadiums - Stadium	UMHLATHUZE STADIUM REFURBISHMENT	BORROWING	U	M	14	03	3	3,4	24 628 000	12 628 000	27 500 000	22 905 000	24 594 000	24 256 000
61	BB	Administration and Corporate support	REPLACEMENT OF OFFICE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	09	04	1	1,1	17 000	17 000	18 000	15 000	17 000	16 000
63	AD	Municipal Buildings	CONSTRUCTION OF VULINDLELA CUSTOMER CARE CENTRE	BORROWING	U	M	06	02	2	2,1	9 960 000	-	-	-	-	-
64	BV	Air Transport	R/BAY AIRPORT: LAND SIDE PAVEMENTS	BORROWING	U	M	06	02	2	2,1	1 939 000	-	-	-	-	-
70	BV	Air Transport	R/BAY AIRPORT: CONSTRUCTION OF SECURITY FENCING	GOVERNMENT - PROVINCIAL	U	M	06	02	2	2,1	500 000	500 000	2 612 000	2 729 000	-	-
72	BG	Human Resources	HCM: OFFICE FURNITURE	CAPITAL REPLACEMENT RESERVES	R	S	05	04	4	4,1	2 000	2 000	2 000	2 000	2 000	2 000
73	BI	Occupational Clinic	OCCUPATIONAL HEALTH CLINIC EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	S	05	04	4	4,1	75 000	75 000	83 000	70 000	75 000	74 000
74	BI	Occupational Clinic	OFFICE FURNITURE FOR OCCUPATIONAL CLINIC	CAPITAL REPLACEMENT RESERVES	N	S	05	04	4	4,1	75 000	75 000	84 000	69 000	75 000	74 000
75	BJ	Training and Industrial Relations	HUMAN RESOURCES TRAINING AND INDUSTRIAL RELATIONS OFFICE FURNITURE	CAPITAL REPLACEMENT RESERVES	N	S	01	04	4	4,1	1 000	1 000	2 000	1 000	1 000	1 000
76	BK	Information Technology	DATA POINTS NEW / ADDITIONAL	CAPITAL REPLACEMENT RESERVES	N	S	09	04	1	1,1	70 000	70 000	71 000	72 500	73 000	74 500
77	BK	Information Technology	AUDIO VISUAL SYSTEMS AND EQUIPMENT	BORROWING	R	M	09	04	1	1,1	1 500 000	1 500 000	1 500 000	1 000 000	2 500 000	1 000 000
78	BK	Information Technology	EDRMS UPGRADE	BORROWING	R	S	09	04	1	1,1	15 063 800	15 063 800		16 951 300	4 000 000	4 000 000
80	BK	Information Technology	ICT CYBER SECURITY	BORROWING	R	M	09	04	1	1,1	6 456 000	6 456 000	-	6 456 000	3 812 000	7 788 900
82	BK	Information Technology	ICT RESEARCH & DEVELOPMENT	BORROWING	N	M	09	04	1	1,1	265 200	265 200	265 200	273 200	281 400	300 900
83	BK	Information Technology	ICT VULNERABILITY TOOLS	BORROWING	R	M	09	04	1	1,1	190 000	190 000	-	-	300 000	340 000
84	BK	Information Technology	INTEGRATED GRC AND AUDIT SYSTEM	BORROWING	R	S	09	04	1	1,1	680 000	680 000	-	-	-	900 000
85	BK	Information Technology	MOBILE APPLICATION	BORROWING	R	S	09	04	1	1,1	1 500 000	1 500 000	-	-	1 000 000	500 000
87	BK	Information Technology	NETWORK INFRASTRUCTURE UPGRADE	BORROWING	N	S	09	04	1	1,1	4 500 000	4 500 000	1 480 800	5 000 000	17 710 100	11 786 200
88	BK	Information Technology	NEW & REPLACEMENT OF IT RELATED EQUIPMENT	BORROWING	R	S	09	04	1	1,1	4 500 000	4 500 000	2 468 000	2 542 000	5 000 000	5 500 000

Capital Projects for 2024/2025 (continued)

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
89	DS	Revenue and Expenditure	REPLACEMENT FURNITURE ALL DEPARTMENTS	CAPITAL REPLACEMENT RESERVES	R	S	09	04	5	5,1	109 000	109 000	-	-	-	-
91	DN	Water Distribution - Urban Water	INSTALLATION OF PREPAID WATER METERS	CAPITAL REPLACEMENT RESERVES	R	M	06	02	2	2,1	10 000 000	10 000 000	8 279 000	9 354 500	-	3 637 000
92	AD	Municipal Buildings	SCM FENCING	BORROWING	U	M	06	02	2	2,1	4 000 000	4 000 000	-	-	-	-
93	AL	Electricity Distribution	AQUADENE DEVELOPMENT (INTERNAL RETICULATION)	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	10 605 000	10 605 000	9 195 000	9 972 000	9 972 000	9 972 000
95	AL	Electricity Distribution	DMV PHASE 6 & 8 DEVELOPMENT	BORROWING	N	M	06	02	2	2,1	967 000	1 967 000	1 000 000	-	-	-
100	AL	Electricity Distribution	ARIES SWITCHING STATION MV SWITCHGEARS RE-TROFIT	BORROWING	R	M	06	02	2	2,1	7 200 000	2 500 000	-	-	-	-
101	AL	Electricity Distribution	LOKOZA SWITCH STAT MV SWITCHGEAR REPLACE	BORROWING	R	M	06	02	2	2,1	4 200 000	1 500 000	1 800 000	-	-	-
102	AL	Electricity Distribution	CASTOR SWITCH STAT MV SWITCHGEAR REPLACE	BORROWING	R	M	06	02	2	2,1	4 900 000	1 500 000	1 800 000	-	-	-
103	AL	Electricity Distribution	LOKOZA - MHLATHUZE MV OVERHEAD INSTALL	BORROWING	R	M	06	02	2	2,1	500 000	3 500 000	-	-	-	-
104	AL	Electricity Distribution	SUBSTATIONS PROTECTION RELAY REPLACEMENT	BORROWING	R	M	06	02	2	2,1	2 000 000	2 000 000	-	-	-	2 500 000
105	AL	Electricity Distribution	SUBSTATIONS DC SYSTEM REPLACEMENT	BORROWING	R	M	06	02	2	2,1	1 500 000	1 500 000	-	-	-	5 000 000
106	AL	Electricity Distribution	WEST SWITCH STAT MV SWITCHGEARS REPLACE	BORROWING	R	M	06	02	2	2,1	10 500 000	10 500 000	4 500 000	-	-	-
107	AL	Electricity Distribution	ORION SWITCH STAT MV SWITCHGEARS REPLACE	BORROWING	R	M	06	02	2	2,1	4 900 000	1 500 000	-	-	-	-
109	AL	Electricity Distribution	132kV OVERHEAD LINE REFURBISHMENT FROM IMPALA TO SCORPIO, NEPTUNE, CYGNUS AND CARINA	BORROWING	R	M	06	02	2	2,1	2 000 000	14 300 000	2 000 000	4 392 000	-	7 500 000
110	AP	Street Lighting	HIGH MAST LIGHTING INSTALLATION (TRADITIONAL AREAS)	BORROWING	N	M	06	02	2	2,1	1 093 000	1 093 000	1 221 000	1 017 000	1 092 000	1 077 000
112	AI	Marketing and Customer Relations	TOOLS FOR ELECTRICAL METER SERVICES	CAPITAL REPLACEMENT RESERVES	R	M	06	02	2	2,1	14 000	14 000	15 000	13 000	14 000	13 000
113	AJ	Administration	REPLACEMENT OF FURNITURE	CAPITAL REPLACEMENT RESERVES	R	S	06	02	2	2,1	4 000	4 000	5 000	4 000	4 000	4 000
114	AQ	Process Control	INSTALLATION OF APN CONNECTIVITY SYSTEM	BORROWING	R	S	06	02	2	2,1	814 000	814 000	909 000	757 000	813 000	802 000
115	AL	Electricity Distribution	132/11KV CORVUS SWITCHING STATION REFURBISHMENT	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	9 850 000	9 850 000	5 000 000	5 207 000	5 207 000	5 207 000

Capital Projects for 2024/2025 *(continued)*

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
116	AP	Street Lighting	REPLACEMENT OF STREETLIGHTS - PANORAMA EMPANGENI	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	3 500 000	3 500 000	-	2 500 000	2 500 000	2 500 000
117	AP	Street Lighting	REPLACEMENT OF STREETLIGHTS - MANDLAZINI	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	2 000 000	2 000 000	-	2 500 000	2 500 000	2 500 000
118	BF	Fleet Management	TOOLS FOR FLEET SERVICES	BORROWING	N	S	06	02	2	2,1	3 000 000	4 600 000	1 500 000	500 000	972 000	1 077 000
119	BF	Fleet Management	REPLACEMENT DOUBLE CABS 4X4	BORROWING	N	S	06	02	2	2,1	7 000 000	3 500 000	7 200 000	6 000 000	6 500 000	7 000 000
120	BF	Fleet Management	REPLACEMENT MINIBUS	BORROWING	N	S	06	02	2	2,1	1 000 000	1 000 000	1 200 000	1 000 000	3 000 000	2 500 000
121	BF	Fleet Management	REPLACEMENT PERSONNEL CARRIERS	BORROWING	N	S	06	02	2	2,1	2 800 000	2 800 000	300 000	2 000 000	1 800 000	2 200 000
122	BF	Fleet Management	REPLACEMENT SEDANS	BORROWING	N	S	06	02	2	2,1	3 200 000	-	4 196 000	3 000 000	3 200 000	3 200 000
123	BF	Fleet Management	REPLACEMENT SINGLE CABS 4X2	BORROWING	N	S	06	02	2	2,1	3 200 000	3 200 000	4 304 000	3 000 000	4 500 000	4 000 000
124	BF	Fleet Management	REPLACEMENT TRACTORS	BORROWING	N	S	06	02	2	2,1	900 000	900 000	-	-	-	-
125	BF	Fleet Management	REPLACEMENT 3 TON TRUCKS	BORROWING	N	S	06	02	2	2,1	3 812 000	3 812 000	7 871 000	6 500 000	4 000 000	4 000 000
126	BF	Fleet Management	REPLACEMENT CHERRY PICKER	BORROWING	N	S	06	02	2	2,1	1 500 000	1 500 000	1 600 000	2 596 000	2 300 000	2 400 000
127	BF	Fleet Management	REPLACEMENT PANEL VANS	BORROWING	N	S	06	02	2	2,1	1 000 000	1 000 000	2 000 000	1 000 000	1 000 000	1 000 000
128	BF	Fleet Management	REPLACEMENT 7 SEATERS	BORROWING	N	S	06	02	2	2,1	1 400 000	1 400 000	2 000 000	1 200 000	1 500 000	1 000 000
129	AB	Community Halls and Facilities: Buildings Maintenance	BUILDING MAINTENANCE EQUIPMENT	CAPITAL REPLACEMENT RESERVES	R	M	06	02	2	2,1	2 000	2 000	2 000	2 000	2 000	2 000
132	CN	Roads - Urban Roads	NORTH CENTRAL ARTERIAL DOUBLING	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	06	02	2	2,1	9 765 000	-	15 000 000	15 643 000	15 643 000	15 643 000
133	CO	Roads - Rural Roads	MANDLAZINI - PHASE 1B	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	9 505 000	-	-	-	-	-
134	CO	Roads - Rural Roads	NSELENI - PHASE 1	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	06	02	2	2,1	8 000 000	-	8 643 000	10 000 000	10 000 000	10 000 000
136	CP	Taxi Ranks	EMPANGENI B TAXI RANK - PHASE 1	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	06	02	2	2,1	15 000 000	15 000 000	6 780 000	-	-	-
137	DC	Solid Waste Removal	UPGRADE ALTON TRANSFER STATION (PHASE 1 & 2)	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	06	02	2	2,1	5 386 000	5 386 000	-	5 472 000	5 472 000	5 472 000
138	DC	Solid Waste Removal	ESTABLISHMENT OF ESIKHALENI MATERIAL RECOVERY FACILITIES	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	2 719 000	2 719 000	2 000 000	2 000 000	2 000 000	2 000 000
139	DC	Solid Waste Removal	UPGRADE ENSELENI MATERIAL RECOVERY FACILITIES	INTEGRATED URBAN DEVELOPMENT GRANT	U	M	06	02	2	2,1	2 500 000	2 500 000	1 874 000	2 500 000	2 500 000	2 500 000
141	DI	Sewerage - Sewerage Network	RURAL SANITATION - VIP	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	38 024 000	-	36 193 000	49 861 000	49 861 000	49 861 000
142	DM	Water Distribution - Rural Water	NTAMBANANA BULK WATER SUPPLY	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	9 419 000	9 419 000	5 614 300	5 970 800	-	-
143	DM	Water Distribution - Rural Water	MKHWANAZI NORTH - ZONE J	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	15 000 000	-	-	-	-	-
144	DM	Water Distribution - Rural Water	MKHWANAZI NORTH - ZONE Z	INTEGRATED URBAN DEVELOPMENT GRANT	N	M	06	02	2	2,1	15 000 000	-	10 000 000	10 000 000	10 000 000	10 000 000

Significant Capital Projects for 2024/2025 *(continued)*

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
147	CE	Project Management Unit - Administration	REPLACEMENT OF FURNITURE FOR ENGINEERING SERVICES	CAPITAL REPLACEMENT RESERVES	R	S	06	02	2	2,1	8 000	8 000	10 000	7 000	8 000	8 000
148	AD	Municipal Buildings	RURAL ROADS OFFICES	BORROWING	N	S	06	02	2	2,1	200 000	-	200 000	-	200 000	200 000
149	AD	Municipal Buildings	UPGRADE AND RENOVATE ABLUTION FACILTIES AT DEPOTS	BORROWING	U	S	06	02	2	2,1	500 000	100 000	500 000	600 000	500 000	500 000
150	AD	Municipal Buildings	REPLACEMENT OF AIRCONDIONERS - ESIKHALENI ROADS AND STORMWATER DEPOT	BORROWING	U	S	06	02	2	2,1	100 000	-	100 000	-	100 000	100 000
151	CN	Roads - Urban Roads	ROADS RESEALING (DUNE ROUTE - MEERENSEE)	BORROWING	R	M	06	02	2	2,1	5 000 000	5 000 000	8 000 000	5 000 000	7 000 000	7 000 000
152	CN	Roads - Urban Roads	ROADS RESEALING (MONDI ROAD - ALTON)	BORROWING	R	M	06	02	2	2,1	8 953 000	8 953 000	8 953 000	6 000 000	8 081 000	8 081 000
153	CN	Roads - Urban Roads	MZINGAZI/TUZI GAZI STEEL BRIDGE	BORROWING	R	M	06	02	2	2,1	3 800 000	-	4 228 000	-	4 228 000	4 228 000
154	CN	Roads - Urban Roads	ARTERIAL FRAMEWORK PLAN RENEWAL	BORROWING	N	M	06	02	2	2,1	2 000 000	-	2 000 000	-	-	-
155	CN	Roads - Urban Roads	BUS SHELTERS & LAYBYES - ALL AREAS	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	3 000 000	500 000	500 000
156	CN	Roads - Urban Roads	COASTAL EROSION PROTECTION	BORROWING	N	M	06	02	2	2,1	200 000	200 000	200 000	1 000 000	200 000	200 000
157	CN	Roads - Urban Roads	PEDESTRIAN BRIDGES	BORROWING	N	M	06	02	2	2,1	1 000 000	1 000 000	1 000 000	5 000 000	1 000 000	1 000 000
158	CN	Roads - Urban Roads	TRAFFIC CALMING	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	2 000 000	500 000	500 000
159	CN	Roads - Urban Roads	WALKWAYS	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	-	500 000	500 000
160	CN	Roads - Urban Roads	ANNUAL KERB REPLACEMENT CONTRACT	BORROWING	R	M	06	02	2	2,1	1 000 000	-	1 000 000	1 500 000	1 000 000	1 000 000
161	CN	Roads - Urban Roads	ANNUAL WALKWAY REHABILATION	BORROWING	R	M	06	02	2	2,1	1 000 000	-	1 000 000	1 500 000	1 000 000	1 000 000
164	CO	Roads - Rural Roads	SUSTAINABLE RURAL ROADS (NGAMLA ROAD eNIWE)	BORROWING	N	M	06	02	2	2,1	259 000	259 000	290 000	241 000	259 000	255 000
165	DJ	Storm Water Management	BULK STORMWATER INFRASTRUCTURE (AQUADENE)	BORROWING	N	M	06	02	2	2,1	6 245 000	6 245 000	7 033 000	5 274 000	6 737 000	6 145 000
166	DJ	Storm Water Management	DURNFORD CULVERT REHABILITATION	BORROWING	N	M	06	02	2	2,1	500 000	200 000	500 000	1 000 000	-	500 000
167	DU	Coastal Protection	DETAIL DESIGN OF ALKANTSTRAND STAIRCASE	CAPITAL REPLACEMENT RESERVES	R	S	06	02	2	2,1	87 000	-	97 000	81 000	87 000	86 000
168	CN	Roads - Urban Roads	MACHINERY AND EQUIPMENT - ROADS	BORROWING	R	S	06	02	2	2,1	50 000	50 000	50 000	246 000	200 000	50 000
169	CN	Roads - Urban Roads	FURNITURE - ROADS DEPOTS	CAPITAL REPLACEMENT RESERVES	R	S	06	02	2	2,1	149 000	49 000	154 000	45 000	151 000	148 000
170	DH	Sewerage - Pumpstations	MECHANICAL EQUIPMENT UPGRADE - ESKHAWINI WTW	BORROWING	N	M	06	02	2	2,1	1 000 000	-	1 000 000	1 000 000	1 000 000	1 000 000
171	DH	Sewerage - Pumpstations	MECHANICAL EQUIPMENT UPGRADE - MZINGAZI WTW	BORROWING	N	M	06	02	2	2,1	3 000 000	1 000 000	3 000 000	3 000 000	3 000 000	3 000 000
172	DH	Sewerage - Pumpstations	MECHANICAL EQUIPMENT UPGRADE - NGWELEZANE WTW	BORROWING	N	M	06	02	2	2,1	1 000 000	-	1 000 000	1 000 000	1 000 000	-
173	DH	Sewerage - Pumpstations	REPLACEMENT OF PUMPS - ESIKHALENI AND EMPANGENI	BORROWING	R	S	06	02	2	2,1	10 000 000	32 000 000	7 000 000	10 000 000	10 000 000	10 000 000

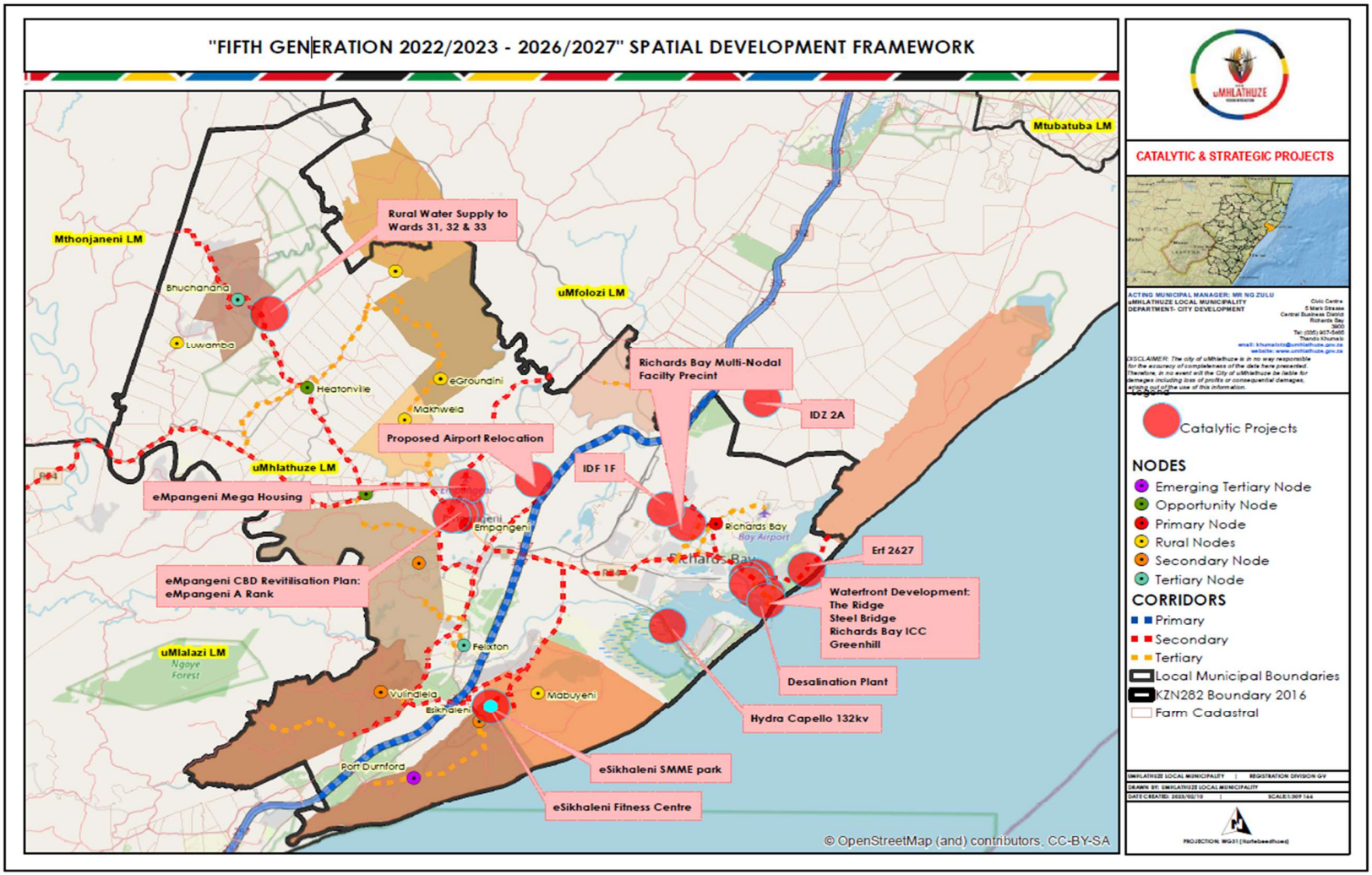
Capital Projects for 2024/2025 *(continued)*

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
174	DH	Sewerage - Pumpstations	ESIKHALENI TRANSFER PUMPSTATION	BORROWING	N	M	06	02	2	2,1	1 000 000	-	-	-	-	-
175	DH	Sewerage - Pumpstations	UPGRADING OF BIRDSWOOD PUMP STATION CAPACITY	BORROWING	N	M	06	02	2	2,1	1 000 000	-	-	-	-	-
176	DI	Sewerage - Sewerage Network	FURNITURE FOR WATER AND SANITATION SECTION	BORROWING	R	S	06	02	2	2,1	100 000	100 000	100 000	100 000	100 000	100 000
177	DI	Sewerage - Sewerage Network	SEWER MASTER PLAN	BORROWING	N	S	06	02	2	2,1	4 000 000	2 000 000	1 000 000	1 000 000	1 000 000	4 000 000
178	DI	Sewerage - Sewerage Network	UPGRADE - NSELENI SEWER	BORROWING	U	M	06	02	2	2,1	10 000 000	2 000 000	10 000 000	10 000 000	10 000 000	10 000 000
179	DK	Waste Water Treatment	EMPANGENI UPGRADE OF WASTE WATER TREATMENT PLANT	BORROWING	U	M	06	02	2	2,1	3 000 000	-	3 000 000	3 000 000	3 000 000	2 000 000
180	DK	Waste Water Treatment	GENERATORS FOR WASTE WATER TREATMENT FACILITIES	BORROWING	N	S	06	02	2	2,1	6 000 000	4 000 000	8 000 000	-	7 707 000	-
181	DK	Waste Water Treatment	SECURITY FENCE FOR WASTE WATER TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	3 000 000	3 000 000	3 000 000	1 000 000	1 000 000	1 000 000
182	DN	Water Distribution - Urban Water	SECURITY FENCE FOR WATER TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	4 000 000	2 329 000	1 000 000	1 000 000	1 000 000	1 000 000
183	DK	Waste Water Treatment	UPGRADE OF WASTE WATER PUMP AT ALTON MACERATOR	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	500 000	500 000	500 000
184	DK	Waste Water Treatment	UPGRADE OF WASTE WATER PUMP AT ARBORETUM MACERATOR TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	1 000 000	-	500 000	500 000	500 000	750 000
185	DK	Waste Water Treatment	UPGRADE OF WASTE WATER PUMP AT ESIKHALENI WASTE WATER TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	1 000 000	-	1 000 000	1 000 000	1 000 000	1 000 000
186	DK	Waste Water Treatment	UPGRADE OF WASTE WATER PUMP AT NGWELEZANE WASTE WATER TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	500 000	500 000	500 000
187	DK	Waste Water Treatment	UPGRADE OF WASTE WATER PUMP AT NSELEN WASTE WATER TREATMENT WORKS	BORROWING	N	M	06	02	2	2,1	700 000	-	700 000	700 000	700 000	700 000
188	DK	Waste Water Treatment	WASTE WATER TREATMENT PLANTS AUTOMATION	BORROWING	N	M	06	02	2	2,1	4 000 000	-	4 800 000	2 000 000	4 000 000	-
189	DK	Waste Water Treatment	WASTE WATER TREATMENT WORKS VULINDLELA	BORROWING	N	M	06	02	2	2,1	500 000	-	500 000	500 000	500 000	500 000
190	DL	Water Treatment-Scientific Services	WATER QUALITY EQUIPMENT	BORROWING	N	S	06	02	2	2,1	3 000 000	-	5 000 000	5 000 000	5 000 000	5 000 000
191	DL	Water Treatment-Scientific Services	LABORATORY EQUIPMENT	BORROWING	N	S	06	02	2	2,1	3 000 000	-	5 000 000	5 000 000	5 000 000	5 000 000
192	DM	Water Distribution - Rural Water	NTAMBANANA BOREHOLES	BORROWING	N	M	06	02	2	2,1	5 000 000	4 000 000	5 000 000	3 000 000	3 000 000	3 000 000
193	DN	Water Distribution - Urban Water	DATA LOGGERS	BORROWING	N	S	06	02	2	2,1	750 000	750 000	500 000	500 000	500 000	500 000
194	DN	Water Distribution - Urban Water	NGWELEZANE MADLEBE RESERVOIR UPGRADE OF WATER WORKS ELECTRICAL INFRASTRUCTURE	BORROWING	U	M	06	02	2	2,1	500 000	-	2 000 000	2 000 000	2 000 000	1 000 000

Capital Projects for 2023/2024 *(continued)*

NO	mSCOA FUNCTION (FX) (SAP)	MSCOA SUB-FUNCTION DESCRIPTION	DETAILED PROJECT DESCRIPTION (QUANTITY & LOCATION - OUTPUTS & OUTCOMES)	FUNDING	NEW/ REPLACEMENT/ UPGRAD	MULTI/ SINGLE YEAR PROJEC	MTSF	IUDF	NKPA	IDP GOAL	TABLED 2024/25	ADOPTED 2024/25	TABLED 2025/26	TABLED 2026/27	TABLED 2027/28	TABLED 2028/29
197	DN	Water Distribution - Urban Water	200 STATIC TANKS	BORROWING	N	S	06	02	2	2,1	500 000	200 000	1 000 000	1 000 000	2 000 000	1 000 000
198	DN	Water Distribution - Urban Water	NTAMBANANA: WATER RETICULATION	BORROWING	N	M	06	02	2	2,1	15 100 000	12 100 000	29 233 000	10 000 000	10 000 000	10 000 000
199	DN	Water Distribution - Urban Water	REDUCTION OF NON-REVENUE	BORROWING	N	S	06	02	2	2,1	5 000 000	5 000 000	7 000 000	8 000 000	8 000 000	10 000 000
200	DN	Water Distribution - Urban Water	TOOLS FOR WATER AND SANITATION	BORROWING	N	S	06	02	2	2,1	500 000	500 000	500 000	500 000	500 000	500 000
201	DN	Water Distribution - Urban Water	UPGRADING OF VALVES IN ESIKHALENI	BORROWING	N	S	06	02	2	2,1	500 000	500 000	4 000 000	-	-	-
202	DN	Water Distribution - Urban Water	UPGRADING OF VALVES IN RICHARDS BAY	BORROWING	N	S	06	02	2	2,1	1 000 000	1 000 000	1 000 000	-	2 000 000	2 000 000
204	DO	Water Distribution - Water Demand Management	EMPEMBENI BULK AND RETICULATION	BORROWING	N	M	06	02	2	2,1	15 000 000	10 000 000	15 000 000	11 388 000	10 000 000	10 000 000
205	DO	Water Distribution - Water Demand Management	NEW WATER METERS	BORROWING	N	M	06	02	2	2,1	3 000 000	12 300 000	5 000 000	5 000 000	5 000 000	5 000 000
206	DO	Water Distribution - Water Demand Management	REPLACEMENT BULK WATER METERS	BORROWING	R	M	06	02	2	2,1	3 000 000	2 000 000	5 000 000	5 000 000	5 000 000	5 000 000
207	DQ	Water Distribution - Purification works	GENERATORS FOR WATER TREATMENT FACILITIES	BORROWING	N	S	06	02	2	2,1	10 000 000	5 000 000	5 000 000	-	-	-
208	DQ	Water Distribution - Purification works	REFURBISHMENT OF WATER TREATMENT WORKS	BORROWING	U	M	06	02	2	2,1	4 000 000	-	5 000 000	10 000 000	4 000 000	4 000 000
209	DQ	Water Distribution - Purification works	WATER TREATMENT PLANTS AUTOMATION	BORROWING	R	M	06	02	2	2,1	4 000 000	1 000 000	5 000 000	5 000 000	5 000 000	3 683 000
210	DN	Water Distribution - Urban Water	PIPE REPLACEMENT FOR VARIOUS AREAS	BORROWING	U	M	06	02	2	2,1	23 629 000	50 000 000	35 000 000	40 000 000	50 000 000	60 000 000
211	DN	Water Distribution - Urban Water	ALTON NORTH AND SOUTH WATER PIPE REPLACEMENT (WSIG)	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	30 000 000	30 000 000	-	-	-	-
212	DN	Water Distribution - Urban Water	AQUADENE PIPE REPLACEMENT (WSIG)	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	10 000 000	10 000 000	20 000 000	20 000 000	20 000 000	20 000 000
213	DN	Water Distribution - Urban Water	BIRDSWOOD PIPE REPLACEMENT (WSIG)	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	10 000 000	10 000 000	20 000 000	20 000 000	20 000 000	20 000 000
215	DN	Water Distribution - Urban Water	BRACKENHAM PIPE REPLACEMENT (WSIG)	GOVERNMENT - NATIONAL	R	M	06	02	2	2,1	10 000 000	10 000 000	20 000 000	20 000 000	20 000 000	20 000 000
216	DM	Water Distribution - Urban Water	PUMPSTATION - FOREST RESERVOIR TO VULINDLELA RESERVOIR	BORROWING	N	M	06	02	2	2,1	11 000 000	5 000 000	-	-	-	-
217	AY	Municipal Manager	NEW RECORDER FOR MEETINGS	CAPITAL REPLACEMENT RESERVES	R	S	09	04	1	1,1	11 000	11 000	12 000	10 000	11 000	11 000
218	BO	Risk Management	NEW REFRIGERATOR FOR OFFICE USE	CAPITAL REPLACEMENT RESERVES	R	S	09	04	1	1,1	4 000	4 000	4 000	3 000	4 000	3 000
219	AS	Mayor and Council	OFFICE FURNITURE FOR WARD COUNCILLORS	CAPITAL REPLACEMENT RESERVES	R	S	09	04	1	1,1	25 000	25 000	28 000	23 000	25 000	25 000
220	BM	Marketing, Customer Relations, Publicity and Media Co-ordination	NEW CAMERA FOR COUNCIL ACTIVITIES	CAPITAL REPLACEMENT RESERVES	N	S	09	04	1	1,1	12 000	12 000	14 000	11 000	12 000	12 000

Map 69: uMhlathuze Catalytic and Strategic Projects



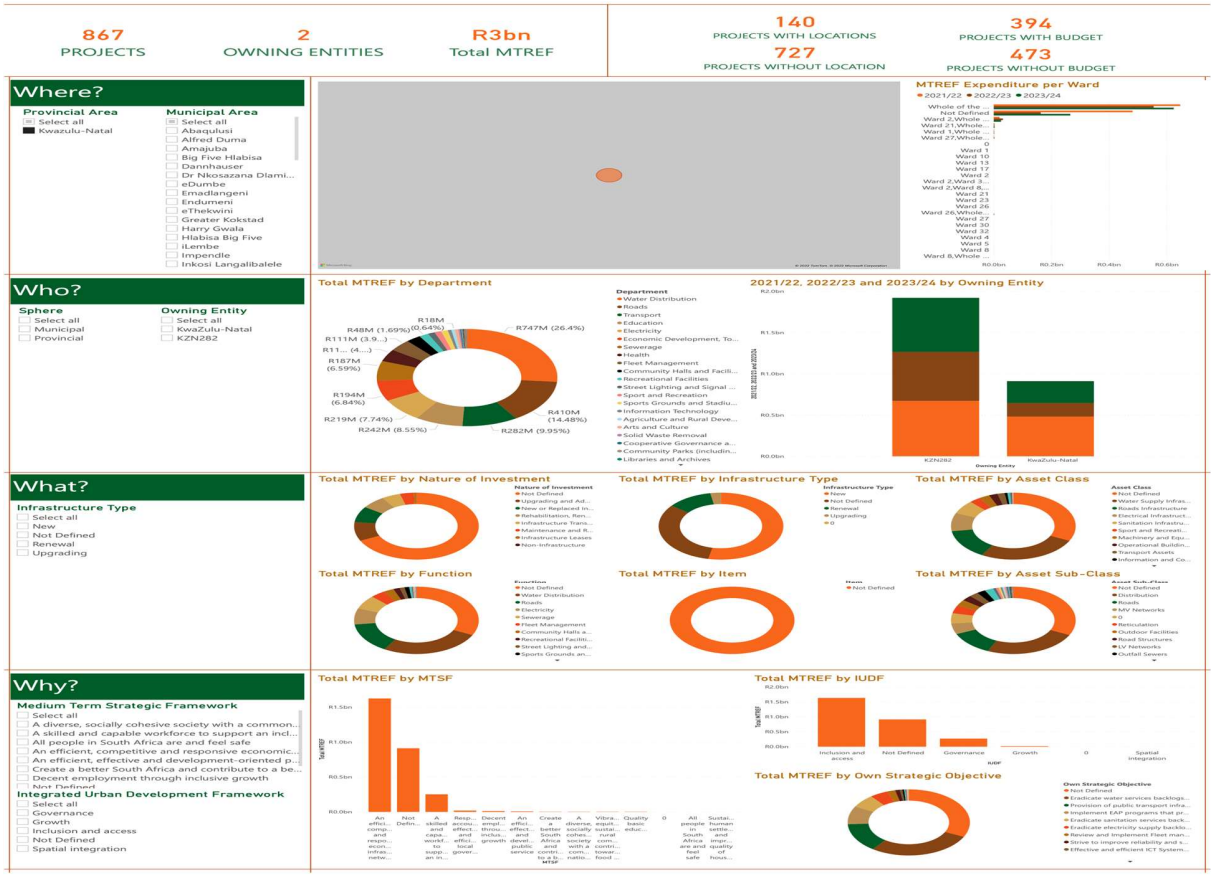
17.2 GOVERNMENT PROJECT PIPELINE AND CROSS BORDER INTERVENTIONS/ISSUES

The Infrastructure Reporting Model (IRM) is the official reporting platforms for provincial government on planned capital expenditure and is hosted by National Treasury. The information unpacked in this section refers to planned capital expenditure as reported by other spheres of government, based on the formal reporting channels to National Treasury. From the Integrated Infrastructure Investment Framework Dashboard, the following observations can be made regarding expenditure by other spheres of government within the uMhlathuze Local Municipal Area:

- Total of 867 capital projects, worth R3 billion has been identified by other spheres of government for implementation in City of uMhlathuze (CoU).
- Almost 50% of the projects are without budget, indicating that these projects are Wish List projects (no financial commitment yet).
- Spatial referencing of planned expenditure by national and provincial government is lacking, impacting on spatial targeted reporting.

More than 50% of planned capital expenditure by other spheres of government is channeled to new assets; notably roads infrastructure

Figure 117: Summary of Planned Capital Expenditure: Other Spheres of Government



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 an 2000 MW from LNG	R2 Billion/9.4 billion	260	70
6.	Chemical Plan	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

17.3 ESKOM Project Status

Total Allocation (INEP):

- Eskom (bulk and households) = R47 425 594
- CoU (Eskom Schedule 5B households) = R9 000 000
- CoU (Bulk) = R5 000 000
- Planned household connections = 1610

PROJECT NAME	PROJECT TYPE	ALLOCATED GRANT	PLANNED CONNECTION
Umhlathuze NB7-Ward 33 ext. normalisation	Households	R6 711 648,77	306
Mhlatuze NB2 -Nteneshane /Ohhaheni Ward 23	Households	R2 050 630,71	60
Zircon NB28 -Umhlathuze Ward 12 Mandlankala ext.	Households	R2 043 280,06	71
Zircon NB27-Umhlathuze Ward 15&16 Esikhaleni ext.	Households	R4 101 305,72	172
Nseleni NB21-Umhlathuze ward 5 and 6 Ext.	Households	R3 515 257,99	153
Dlangezwa NB61 -Ngoye Ward 10 ext.	Households	R7 013 690,71	297
Mtholanjeni	Households	R1 260 000,00	90
Khandisa	Households	R1 260 000,00	90
Mangezi	Households	R1 274 000,00	91
Mission	Households	R4 000 000,00	200
Nkojane	Households	R1 206 000,00	80
Zircon NB28 -Umhlathuze Ward 12 Mandlankala ext. (link line)	Bulk infrastructure	R3 831 434,87	0

Zircon NB27-Umhlathuze Ward 15&16 Esikhaleni ext. (link line)	Bulk infrastructure	R3 252 941,25	0
Umhlathuze NB7-Ward 33 Ext. (link line)	Bulk infrastructure	R3 743 670,77	0
Nseleni NB21-Umhlathuze ward 5 and 6 ext. (link line)	Bulk infrastructure	R4 661 245,96	0
Mhlatuze NB2 -Nteneshane /Ohhaheni Ward 23 (link line)	Bulk infrastructure	R3 226 851,00	0
Dlangezwa NB61 -Ngoye Ward 10 ext. (link line)	Bulk infrastructure	R3 273 636,50	0
Dumisane Makhaye Village MV switching station	Bulk infrastructure	R5 000 000,00	

18.5 Department of Agriculture

PROJECT NAME	ACTIVITY	WARD	BUDGET	JOBS TO BE CREATED
Nkwali layers for Disabled	3 x 1000 layers units	11	R 2253928	4
Macekane dip tank	New dip tank	31	R610 192,01	
Portdunford dip tank	New dip tank, boreholeand wind mill	18	R1 142 191,20	
Mancence dam	Dam rehabilitation &access road	33	R910 341,00	
Mzini-Hlaza	Alien plant control on 50ha, and Contours	32	R490 000	15

17.4 Private Investment Projects

17.4.1 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 contactors 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

17.4.2 Royal Creek Housing Projects (private)

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.

17.4.3 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.

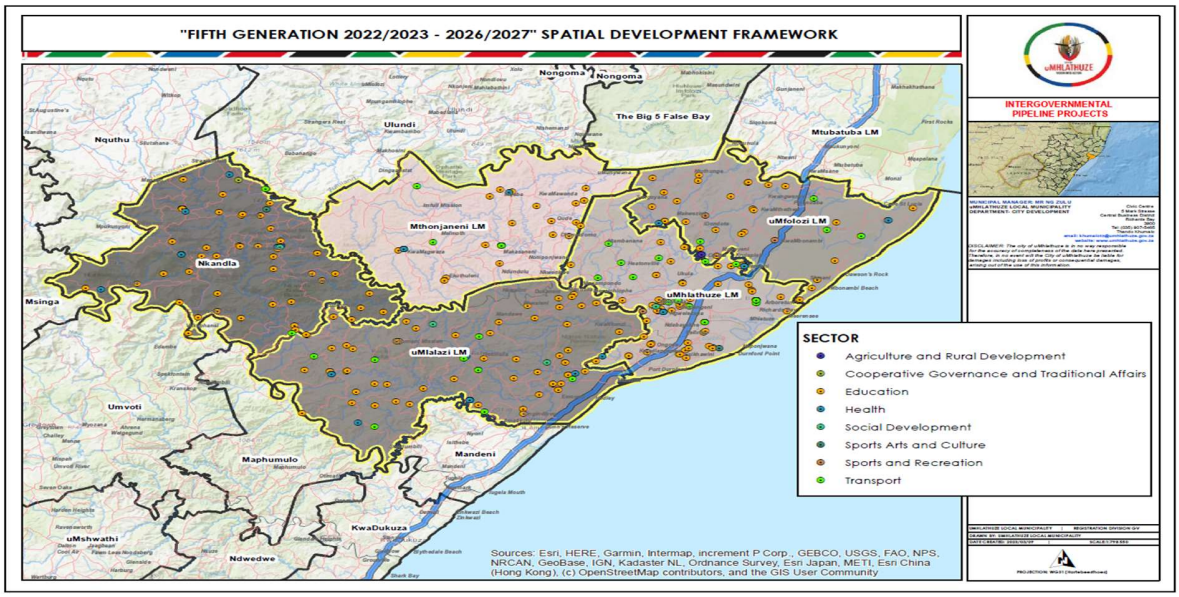
17.4.4 Carsdale

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.

17.4.5 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.

Map 70: Intergovernmental Pipeline Projects



18.REPORT OF THE AUDITOR GENERAL

18.1.1 AG Opinion

2018/2019 Y5	2019/2020	2020/2021	2021/2022	2022/2023
Unqualified Audit Opinion with a matter	Unqualified Audit Opinion with no matter Clean AUDIT	Clean Audit (unqualified Audit opinion)	Clean Audit (Unqualified Audit opinion) With no matters	Unqualified Audit Opinion With no matters (Clean Audit)

SECTION G: ANNUAL OPERATIONAL PLAN –SDBIP

SDBIP FOR 2024/2025 IS AN ANNEXURE TO THE IDP

SECTION H: ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

19.ANNUAL PERFORMANCE REPORT

19.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

19.1.1 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."***

19.1.2 Introduction

The first performance management framework was adopted by the uMhlathuze 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.

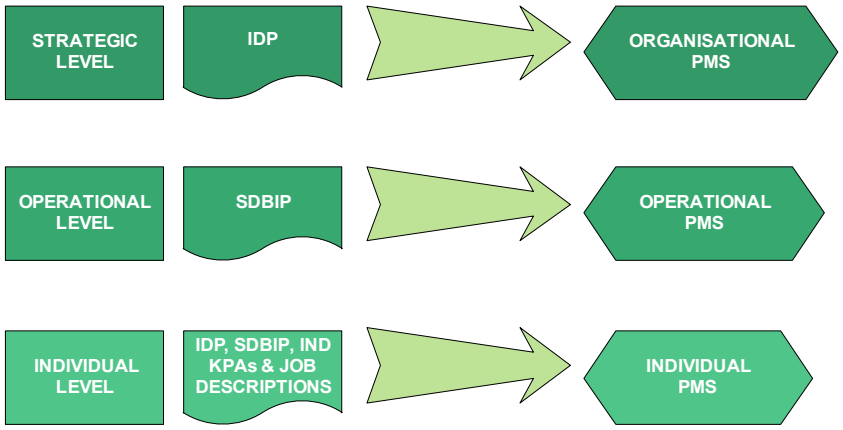
The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI). The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 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).

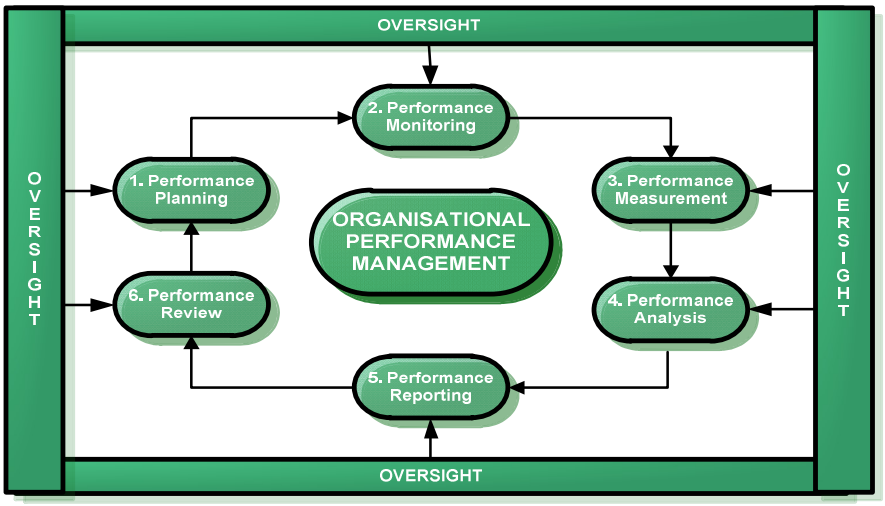
The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the City Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

19.1.3 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 City 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 uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:

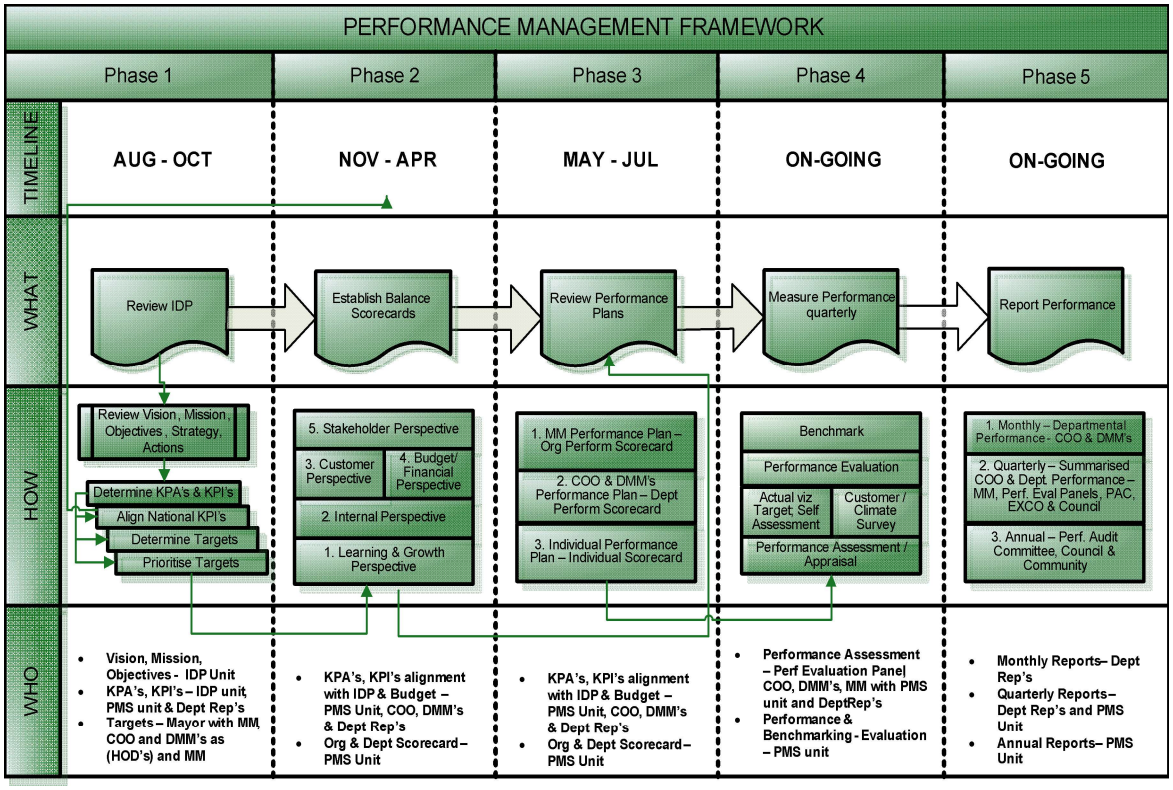


Figure 118: uMhlathuze Performance Management Framework diagram

19.1.4 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 1July 2022 to 30 June 2025 was tabled to Council on the 29 June 2022, Council Resolution 15423 (Item on RPT 173172).

- Mr R M J Baloyi – Chairperson (external member);
- Mrs S X Khanyile (external member);
- Cllr X Ngwezi (Mayor) or;
- Deputy Mayor(vacant) (Deputy Mayor in the event of possible non-availability by Councillor X Ngwezi)

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).

19.1.5 Performance Evaluation Panels

Performance Evaluation Panels was established for the assessment of performance of the City Manager as well as Managers directly accountable to the Municipal Manager. Performance Assessment Panels for the assessment of Section 56 employees were established as follows:

For purposes of evaluating the annual performance of the City 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 City Manager from another Municipality; and
(v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

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) City Manager from another Municipality."

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 City Manager and Managers Directly accountable to the City 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.

19.1.6 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 City 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:

Figure 119: Internal Audit Plan

Audit Project	Focus Area
Review of Performance Information - Quarter 1	• Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Performance score verification (City Manager and Deputy Municipal Managers); • Compliance with relevant laws and regulations.
Review of Performance Information - Quarter 2	• Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations
Review of Performance Information - Quarter 3	• Consistency in reporting; • Measurability and reliability; • Performance reports reviews; • Compliance with relevant laws and regulations

Audit Project	Focus Area
Review of Performance Information - Quarter 4 (Annual Performance Report)	• 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.

19.1.7 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 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 2024/2025 (following table) will be finalized in July 2024, once the actual achievements for the completed 2023/2024 financial year has been reported, which is forming the baseline for the following term of the Integrated Development Plan.

21.1.9 Circular 88

The Municipal Finance Management Act (MFMA) Circular No. 88 of 30 November 2017 provided guidance to metropolitan municipalities on a common set of performance indicators applied from the 2018/19 planning and reporting cycle onwards. The 1st addendum to MFMA Circular No. 88 of 4 December 2019 provided further guidance and clarity to metropolitan municipalities on the preparation of statutory planning and reporting documents required for the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF). The 2nd addendum to MFMA Circular No. 88 of 17 December 2020 expanded the reform in four respects: 1) it more closely integrated and guided planning, budgeting and reporting reforms; 2) it significantly

expanded and revised the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expanded the application of these reforms and the indicators to all municipalities differentially applied per category of municipality in a piloting phase; and 4) it introduced evaluations in the context of these reforms.

The piloting process commenced in the categories of Intermediary Cities, District Municipalities and local municipalities, and municipalities were requested to first provide the planning information in terms of the baselines and targets for the indicators applicable to them, and to start reporting on these on a quarterly basis.

Due to the continuing pilot process, for intermediate cities, district and local municipalities, it is not compulsory at this point to incorporate the indicators in their existing performance indicator tables in the IDP and in the SDBIP. Instead, these indicators should find expression in a dedicated Annexure to the IDP and SDBIP which clearly indicates the MFMA Circular No. 88 indicators applicable to the municipality at the Tier 1 and 2 levels of readiness.

20. DRAFT ORGANIZATIONAL PERFORMANCE SCORECARD (2024/2025)

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2023/2024													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA1: Good Governance and Public Participation													
1.1.4.3	Deepen democracy through a refined Ward Committee model	Putting People first	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 Consultative Sessions/ Stakeholder Engagements conducted on various issues including Smart City concept implementation	15	N/A	6	2	10	1	2	6
					% of ward committees with 6 or more ward committee members (excluding the ward councillor)	99%	N/A	100%	100%	100%	100%	100%	100%
					Number of Councillor Convened Public Meetings	90%	N/A	136	68	52	34	34	34
1.1.4.2				Development of an Integrated Development Plan within prescribed legislative guidelines	Date of adoption and submission of a reviewed Integrated Development Plan (IDP) in terms of the Municipal Systems Act	31-May	N/A	31-May			-	31-May	31-May
KPA2: Basic Service Delivery and Infrastructure Development													
2.1.1.1	Improving access to basic services	Service Delivery	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	97,67%	2,33%			98,47%	98,56%	98,74%	TBA
					Total number of Households with access to basic water	107877	2626			108808	108908	109108	TBA
					Number of new water connections meeting minimum standard	770	0	673	200	931	100	200	TBA
					Number of Households with access to free water service	27563				26636	26636	26636	TBA
					Total volume of water delivered by water trucks	37799					37799	37799	TBA

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2024/2025													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA2: Basic Service Delivery and Infrastructure Development													
2.1.2.2	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision of environmental safe, effluent that meets the requirements of standards and prescripts	Percentage of total water losses	25%	3%	22%	24%	27%	26%	26%	26%
					Percentage of drinking water samples complying to SANS 241 minimium standard of 95%	>95%	N/A	≥95%	≥95%	100%	≥95%	≥95%	≥95%
2.1.1.2			To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate Sanitation services backlogs through provision of basic sanitation services	Percentage Households with access to sanitation	80,94%	19,06%			80,94%	80,96%	81,01%	TBA
					Number of Household with access to Sanitation	89444	21059			89444	89464	89519	TBA
					Number of new sewer connections meeting minimum standard	0	20579	1100	0	0	20	55	TBA
					Number of Households with access to free sanitation service	61013				61032	61032	61032	TBA
2.1.2.2				Provision of environmental safe, effluent that meets the requirements of standards and prescripts	Perecentage of wastewater samples compliant to water use licence conditions	45%	N/A	≥90%	≥90%	55%	≥90%	≥90%	≥90%
2.1.1.8				Strive to improve reliability and service life of Municipal infrastructure, facilities and assets	Number of Pumps replaced in Water and Sanitation Services					25	4	2	TBA
2.1.1.3				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	35794				35829	35854	35876	TBA
					Number of new households provided with connections to the mains Electricity supply by the Municipality	130	0	80	25	33	25	22	TBA
					Number of dwellings with access to free Electricity (Municipal supply area)	690				806	806	806	TBA
					Electricity losses kept within 8%.	8%	N/A	≤8%	8%	6%	≤8%	≤8%	≤8%
					Percentage of general street lighting faults restored within 72 hours (excluding cable faults or stolen equipment)	76%	N/A	70%	70%	90%	80%	80%	80%
					Percentage of planned maintenance performed	88%	12%	90%	90%	100%	90%	90%	90%

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2024/2025													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA2: Basic Service Delivery and Infrastructure Development													
2.1.1.4	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Eradicate refuse removal backlogs through provision of basic waste management services	Percentage Households with access to waste disposal	73,90%	26,10%			73,87%	73,87%	74,78%	TBA
					Number of Households with access to waste disposal	81632	28871			81632	81632	82632	TBA
					Number of new Households with access to waste disposal	22	0	1000	0	0	0	1000	TBA
					Collection of waste against the approved schedule	100%			100%	100%	100%	100%	100%
					Average % of total collected waste recycled against the waste collected by the City of uMhlathuze					24,00%	24,00%	24,00%	24,00%
					Number of Households with access to free waste disposal	35238				38254	38254	39254	TBA
3.2.2			Provision of Fire and Rescue Services	Develop and Implement a fire prevention strategy	Percentage compliance with the required attendance time (urban 15min – 20min and outside Urban 30min – 40min) for structural firefighting incidents					100%	100%	100%	100%
2.1.1.5			To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision and maintenance of access roads	Kilometres of gravel roads maintained *(Both regravelling and grading)*	506	0	360	180	293,4	90	90	TBA
					Kilometres of gravel roads upgraded to surfaced road (New tarred roads)	1.0	0	2,75	1,5	1,9	0	0,6	TBA
					Kilometres of paved municipal road which has been resurfaced and resealed	0	3	4,5	0	0	1	0,5	TBA

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2024/2025													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA2: Basic Service Delivery and Infrastructure Development													
2.1.1.5	Improving access to basic services	Service Delivery	To expand and maintain infrastructure in order to improve access to basic services and promote local economic development	Provision and maintenance of access roads	Percentage of reported potholes fixed within standard Municipal response time	88%	N/A	80%	80%	86%	80%	80%	80%
2.1.1.8				Strive to improve reliability and service life of Municipal Infrastructure, facilities and assets	Construction of Pedestrian Bridges	~~0~~	~~5~~	~~8~~	~~0~~	~~0~~	~~0~~	~~0~~	~~8~~
2.1.1.7				Provision and Maintenance of storm water and coastal engineering infrastructure	Kilometres of Stormwater side drains and verges open drains maintained	121	N/A	64	32	34	20	20	TBA
					Number of stormwarter manholes maintained (Incl kerb inlets)	1368	N/A	240	120	347	150	150	TBA
				Strive to improve reliability and service life of Municipal infrastructure, facilities and assets	Number of projects completed as per approved project plan					6	5	5	TBA
2.1.3.1			To promote the achievement of a non-racial, integrated society through the development of sustainable human settlement and quality housing	Improve community standard of living through accelerated development of Integrated Human settlement	Number of subsidised housing units completed	0	20	173	0	0	20	55	TBA
					Number of reports on missing beneficiaries for Post 1994 completed houses	0	38	38	0	0	1	1	TBA
					Date of signing donation agreement with Public Works on properties to be transferred to rightful beneficiaries	34	20	20	0	0	-	30-Jun	TBA
KPA 3: Local Economic Development													
3.1.5.1	Actions supportive of the human settlement outcome	Service Delivery	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 training opportunities for Women, Youth and People Living with Disabilities.	Number of unemployed community members re-skilled	232	N/A	80	40	96	20	20	TBA
3.1.5.2				Promote economic growth by successful implementation of EPWP and CWP community based projects	Number of jobs created through EPWP and other related programmes (Infrastructure; Environment and Culture; Social and Non State Sectors)	1196	N/A	725	300	590	650	725	TBA

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2024/2025													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA 4: Municipal Transformation and Institutional Development													
4.1.1.2	Implement differentiated approach to municipal financing, planning and support	Building Capable Local Government Institutions	To create an appropriate organisational climate that will attract and ensure retention of staff	Review and implement Employment Equity Policy	Number of women employed by the municipality *(Number of new appointments)*	44	N/A	20	10	25	0	0	TBA
					Number of Youth employed by the municipality *(Number of new appointments)*	54	C	20	10	29	0	0	TBA
					Disability related programmes *(workshops/awareness campaigns)*	4	N/A	4	2	4	1	1	TBA
4.1.1.1				Review and implement the attraction, recruitment and retention strategies.	Percentage of working days that section 56/57 positions are filled by permanent staff	96%	N/A	90%	90%	100%	90%	90%	90%
4.1.1.4				Develop an effective training and development strategy and programs	Number of training programmes provided as implementation of the Workplace Skills Plan	126	N/A	10	3	40	5	5	TBA
5.2.1.6				Apply adequate financial management methodologies	Percentage Budget Spent on Workplace Skills Plan (cumulative)	96%	N/A	95%	50%	55%	75%	95%	95%
					Percentage Operating Budget spent on implementing Workplace Skills Plan	1%	N/A	1%	1%	1%	1%	1%	1%

UMHLATHUZE TOP LAYER SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN 2024/2025													
IDP Ref	Outcome 9	B2B Pillar	Objective	Strategies	Performance Indicator	Baseline	Backlog	Annual target 2023/2024	Mid year		Q3	Q4	Annual target 2024/2025
						Annual Actual Output 2022/2023			Output Target	Output Actual	Output Target	Output Target	Output Target
KPA 5: Financial Viability and Financial Management													
5.1.1.4	Implement differentiated approach to municipal financing, planning and support	Sound Financial Management	Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Debt coverage ratio (cumulative)	33%	N/A	<45%	<45%	31%	<45%	<45%	<45%
					Cost coverage ratio is within the norm of 1% - 3% (cumulative) (Excluding Unspent Conditional Grants) *(DMS 1513248 for Formula: T5,2)*	1.5	N/A	2	2	0,1	1% - 3%	1% - 3%	1% - 3%
5.2.1.3				Accurate and timeous billing and receipting of revenue	Revenue collected as a percentage of billed amount. (Collection Rate) *(DMS 1513248 for Formula: T5,3)*	91%	N/A	90%	90%	99%	90%	90%	90%
5.2.1.6			Sustainable Financial and supply chain Management	Apply adequate financial management methodologies	Percentage Capital Budget spent on Capital project i.t.o. IDP *(DMS 1513248 for Formula: T5,4)*	93%	N/A	100%	45%	55%	65%	100%	100%
5.1.1.4			Compliance with financial legislation and policies	Compliance with all MFMA and related local government financial legislation	Ensure that the remunaration as % of OPEX is within the norm of 25% - 40% *(DMS 1513248 for Formula: T5,5)*	23%	N/A	25% - 40%	25% - 40%	24	25% - 40%	25% - 40%	25% - 40%

SECTION I: STATUS OF SECTOR PLANS & ANNEXURES

20.1 STATUS OF SECTOR PLANS AND OTHER MUNICIPAL PLANS

No	Sector Plan	Completed (Y/N)	Adopted (Y/N)	Adoption Date	Date of Next Review	DMS NUMBER
1.	Disaster Management Plan Review Disaster Management Sector Plan	Yes	Yes	23 May 2024	Annually	**DMS 1588151** **DMS 1587681**
2.	Water Service Delivery Plan	Yes	Yes	29 May 2019	Under review	**DMS 1521907**
1.	Energy Sector Plan	Yes	Yes	27 May 2020	Five Years	**DMS 1390340**
4.	LED Strategy Review	Yes	Yes	23 May 2024	Bi-Annually	**DMS 1592862**
5.	Tourism Strategy Marketing Strategy	Yes	Yes	31 March 2018	Bi-Annually	**DMS 1269225**
6.	Integrated Human Settlement Plan	Yes	Yes	23 May 2024	Annually	**DMS 1586289**
7.	Air Quality Management Plan	Yes	Yes	April 2024	5 Years	**DMS 1585583**
8.	Spatial Development Framework	Yes	Yes	23 May 2024	Annually	**DMS 1598632**
9.	Land Use Scheme	Yes	Yes	31 April 2021		
10.	Electricity Master Plan	Yes	Yes	27 May 2020	Five Years	**DMS 1534361**
11.	Integrated Waste Management Plan	Yes	Yes	23 May h 2024	Annually	**DMS 1588151**
12.	Comprehensive Infrastructure Transport Plan	Yes	Yes	July 2021- June 2025	July 2025	**DMS 1464714**

20.2 IDP ANNEXURES

Annexure	Document Description	Hard Copy	Electronic
A.	Integrated Development Plan Review 2024/2025	**Yes**	**Yes**
B.	Disaster Management Framework and Disaster Management Plan Review 2024/2025		Yes
C.	Disaster Management Plan 2024/2025		
D.	Spatial Development Framework review 2024/2025	Yes	Yes
E.	Multi-year Medium Term Revenue and Expenditure Framework (MTREF) for the 2024/2025 financial year and indicative for the projected outer years 2025/2026 and 2026/2027		Yes
F.	Service Delivery and Budget Implementation Plan 2024/2025	Yes	YES
G.	LED Strategy Review 2024/2025		Yes
H.	Water Service Delivery Plan 2018/2019		Yes
I.	Electricity Master Plan 2020/2021		Yes
J.	Integrated Waste Management Plan 2024/2025		Yes
K.	Talent Management Strategy 2016		Yes
L.	Informal Economy Policy		Yes
M.	Indigent Policy		Yes
N.	Indigent Register		Yes
O.	Integrated Human Settlement Plan 2024/2025		Yes
P.	Roads Maintenance Plan		Yes

Q.	Water and Sanitation Maintenance Plan		Yes
R.	Full Municipal Organogram 2023		Yes
S.	Public Participation Report 2024/2025		Yes
T.	Ward Based Plans Updated 2024/2025		Separate Folder
U.	Batho Pele Customer Care Policy		Yes
V.	Batho Pele Customer Service Standards		Yes
W.	Revenue Raising Strategy –Tarriff Policy 2024		Yes
X.	Revenue Raising Strategy 2024/2025		Yes
Y.	Agricultural Support Plan		Yes
Z.	Tourism Marketing Strategy		Yes
AA.	Expanded Public Works (EPWP) Policy		Yes
BB.	UMhlathuze Bulk Water Master Plan		Yes
CC.	UMhlathuze Bulk Sewer Master Plan		Yes
DD.	ICT - Computer Utilisation Policy		Yes
EE.	Supply Chain Management Policy		Yes
FF.	Investment Register		Yes
GG.	Batho Pele Service Delivery Plan		Yes
HH.	Capital Expenditure Framework 2023 and Beyond		Yes

II.	Employment Equity Plan 2023-2028		Yes
JJ.	ICT Governance Framework		Yes
KK.	ICT Strategy Plan		Yes
LL.	ICT Change Management Policy		Yes
MM.	Public Policy Framework		Yes
NN.	Service Commitment Charter		Yes
OO.	Crime Prevention and Safer City Strategy		Yes
PP.	Fixed Asset Management Policy		Yes
QQ.	Energy Sector Plan 2020		Yes
RR.	Maintanance and Renewal Strategy-Electricity and Energy Services		YES
SS.	Work Place Skills Plan 2024/2025		Yes
TT.	Cost Containments Policy		Yes
UU.	Council Resolution	Yes	Yes
VV.	Draft Asset Management Plan for Water & Sanitation 2018-2028 (signed-off version);		Yes
WW.	Draft Asset Management Plan for Roads & Stormwater 2018-2028 (signed-off version);		Yes
XX.	Air Quality Management Plan 2024		Yes
YY.	Maintainance & Renewal Strategy for Water and Sanitation.		Yes
ZZ.	Water & Sanitation Infrastructure Asset Register		Yes

AAA.	Asset Management Plan for Municipal Buildings/Facilities and Solid Waste		Yes
BBB.	Integrated Communication and Marketing Strategy		Yes
CCC.	Human Resource Strategy and HR Plan 2022/2028		Yes
DDD.	Maintenance and Renewal strategy for Building and Facilities;		Yes
EEE.	Maintenance & Renewal Strategy for Roads & Stormwater Services;		Yes
FFF.	uMhlathuze OPMS Framework and Policy		Yes
GGG.	Disaster Recovery and ICT Service Continuity Plan		Yes
HHH.	Comprehensive Infrastructure Transport Plan		Yes
III.	MFMA Circular 88		Yes
JJJ.	Communications Policy/Social Media Policy		Yes
KKK.	Recruitment ,Selection and Appointment of Staff Policy		Yes
LLL.	Water and Sanitation Year End Report		Yes
MMM.	Water and Sanitation Procurement Plan		Yes